



Janelle Fallan, Director of Commercial Division and Public Affairs

Office: 916-437-1208

E-mail: [jfallan@sacrealtor.org](mailto:jfallan@sacrealtor.org)

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(RESIDENTIAL RESALE STATISTICS June 2009)

## Sales volume constant, median sales price unmoving, affordability climbs

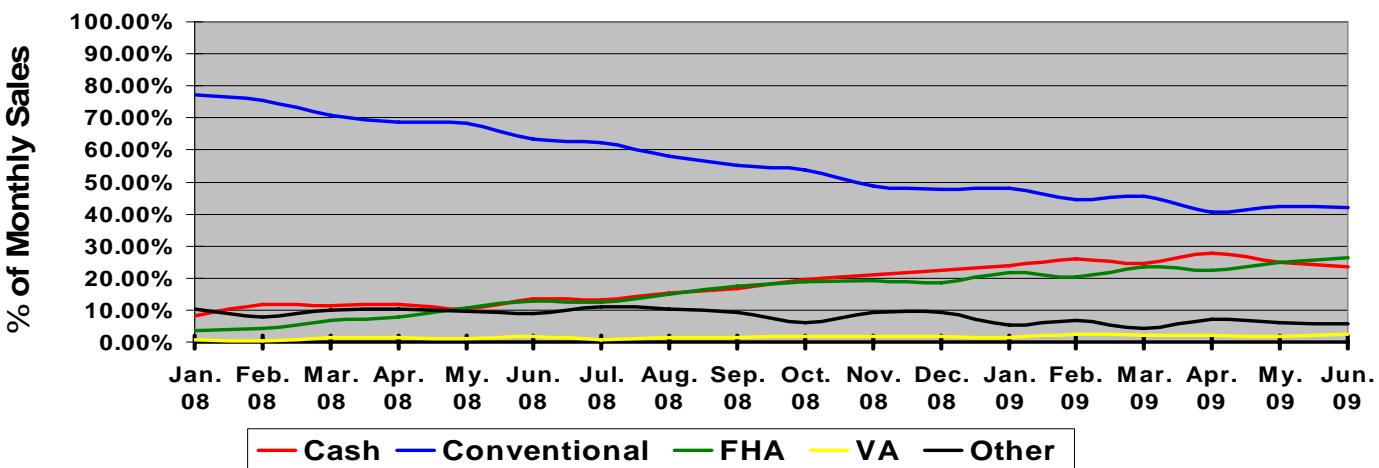
Sacramento activity has remained relatively consistent for the past few months, showing slight increases in sales volume. After a significant increase from April to May (7.7%), the median sales price made no movement for the current month. Distressed properties still account for a large number of transactions and make up a majority of the listing inventory. New this month is the comparison between REO sales, short sales and equity sales.

There were 1,744 single family home sales in June, a .6% increase from the 1,733 sales of May. Year-to-year, there is a 7.4% decrease from the 1,883 sales recorded last June. REO sales decreased 10.4% month-to-month, from 1,050 in May to 940 in June. These 940 REO sales made up 54% of June sales. Short sales, on the other hand, have been on the rise. In May, short sales made up 14.5% of all sales with 251. Short sales accounted for 16.6% (290) of the 1,744 sales this month. Comparing the two months, there is a 15.5% increase from 251 to 290 short sales.

After a significant jump from April to May, the median sales price stayed \$180,000 from May to June. Compared year-to-year, the \$180,000 median sales price is 18.2% below the \$220,000 median price of June 2008. The Total Listing Inventory increased from 5,063 to 5,339 listings, a 5.5% change. The current inventory, however, is still down 36.5% from the 8,414 listings of last June. This increase in inventory also increased the Housing Market Supply figure 6.9% from 2.9 months in May to the current 3.1 months. Compared with last year, this figure is down 31.1% from the 4.5 months of inventory in June 2008. This figure represents the amount of time – in months – it would take to deplete the total listing inventory given the current rate of sales. According to MetroList® MLS Data, the average home spent 50 days on market before selling and was 1,677 square feet.

Last month focused on the increase of cash-only purchases and how they, along with REO properties, have increased in the last year. This was attributed to the investors in the market who made a flurry of purchases as trends indicated a time at which maximum return was probable. There has also been steady increase in FHA loans. FHA loans are backed by recourse debt, requiring the borrower to take total responsibility of the loan and not rely on the property as collateral. This suggests more comfort among buyers and the financial confidence to keep payments current. Also, FHA loans are owner-occupied only, likely increasing neighborhood stabilization based on a homeowner's tendency toward property maintenance. The graph below represents the different types of financing used in June sales. Notice the decrease of conventional financing and the steady rise in FHA loans. For a complete table of this data, please contact Tony Vicari at [tvicari@sacrealtor.org](mailto:tvicari@sacrealtor.org) or 437-1205.

**Types of Financing**  
(Single Family Home & Condo Sales)



## Condominium Resale Market

Sacramento condominium sales have decreased, down 10.8% from 130 in May to 116 this month. Compared with the previous year, sales are up 14.9% from the 101 units sold then. REO properties made up 44% (51) of all sales and short sales accounted for 18.1% (21) of the sales. Equity sales represented 37.9% (44) of the monthly sales. The condominium median sales price increased 6% month to month from \$104,450 to \$110,750. This current price is still down 19% from the \$137,200 median sales price of June 2008.