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(RESIDENTIAL RESALE STATISTICS August 2008)

## August shows a slight decrease in home sales, but an increase in median sales price?

August home sales decreased for the first time in seven months. The August level of activity reflects the many distressed properties selling in the area. The following information, compiled by the Sacramento Association of REALTORS®, is collected from the MetroList® multiple listing services and covers Sacramento County and the City of West Sacramento.

August closed escrows decreased 5.5% from 1,979 units in July, ending the month with a total of 1,871. Compared to last year, August 2008 shows a 107.4% increase over the 902 units sold in August 2007. Much of the increase, however, is a result of the 1,239 bank-owned properties that sold this month, making up over 66% of all transactions.

A significant statistic this month is the August median sales price. For the first time in over a year, the median home sales price increased; \$218,000 is 0.7% above July's \$216,500 median sales price. When compared to one year ago, the August 2008 median sales price is down 32.8% from the \$324,500 median price of August 2007. The 2,156 new listings in August are a 10.9% decrease from July's 2,421 new listings. The total listing inventory also decreased for the month of August, showing 7,225 listings, a figure 8.3% below the 7,880 listings in July.

The Sacramento market of low median price paired with a shrinking inventory has caused many to make the move to buy. Some areas have multiple offers on properties, leading to sales prices higher than listing prices. "As the median sales price returns to normal from its once-inflated levels, Sacramento is seeing more and more action. Certain areas, including North Highlands, Rosemont/College Greens and Franklin/Freeport are actually seeing properties sell for more than their listing price," notes 2008 Association President Alan Wagner. "Many people want to wait until the market sees the 'bottom,' but this is nearly impossible to accurately judge. The turn-around of this market will not be detected until we notice positive gains in median price *and* home sales." Wagner offers advice to REALTORS®: "By the time a bottom is evident, fence-sitters will have waited too long and missed a chance at a better opportunity. They then may become panicked and hasty in choosing their future home. Don't let that opportunity slip through the cracks."

Continuing an eight-month trend, the August month-end housing market supply continued to drop to the lowest figure all year. The month-end housing market supply is calculated by dividing the total listing inventory by the number of closed escrows. This figure represents the amount of time – in months – it would take to deplete the total listing inventory given the current rate of sales. August 2008 inventory decreased to 3.9 months, down 2.5% from the 4 months calculated in July.

### Condominium Resale Market

Condominium escrows for the month of August closed the month with 130 sales, a 3.7% decrease from the 135 closed escrows in July. August 2008 sales were 51% over the 86 closed escrows in August 2007. New listings published made a slight decline in August, showing a 2.3% decrease to 169 new listings from July's 173 new listings published. The median sales price of a Sacramento condominium actually increased to \$129,000, a figure 3.2% above the July median sales price of \$125,000. The current median price, however, stands 37% below the \$206,000 median price of August 2007.