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(RESIDENTIAL RESALE STATISTICS November 2008)

Autumn months show decreased sales, median price

After a bout of increased sales driven by the abundant REO properties in recent months, the Sacramento Housing Market recorded a moderate decline in sales for the month of November. 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.

November ended with 1,716 total closed escrows, an 18.4% decrease from the 2,103 sales recorded for October. Although down month-to-month, November 2008 sales reflect a 110.8% increase over the 814 closed escrows of the same month one year ago.

Continuing a year-long trend, November had the lowest median sales price in the Sacramento region since February 2002. The median sales price of a Sacramento area home dropped to \$184,944, a 5.2% decrease from October's \$195,100 median price. When compared to last year, the current figure is 38.2% below the \$299,450 of November 2007. The 1,715 new listings in November are an 18.4% decrease from the 2,058 new listings in October. The total listing inventory for November was 6,643, a 9% decrease from October's 7,304 total listings. This figure is down 33.4% from the 9,967 total listings of November 2007. The lowered total listing inventory and the relatively high number of closed escrows produces a great housing market supply figure. This figure represents the amount of time – in months – it would take to deplete the total listing inventory given the current rate of sales. November's figure of 3.9 months is up slightly over October's figure of 3.5 months. This month's figure, however, is still 68% below the 12.2 months of November 2007

The combination of a low median price and lowered mortgage rates give Sacramento a favorable Housing Affordability Index. C.A.R. *Trends in California Real Estate* reports that Sacramento County has "set or tied record high affordability readings in the third quarter (of 2008)." Each quarter, C.A.R. calculates the state's Housing Affordability Index for First-Time Buyers, or HAI-FTB. This method "measures the share of all households that can afford an entry-level home" and reports that Sacramento County holds a HAI-FTB of 71 – one of the highest in the state. Alan Wagner, 2008 SAR President, responds: "This is just more evidence solidifying the state of our market. Yes, the median prices are down – way down – but the affordability index figure should push fence-sitters to the other side. The upside of this downturn is that area homes are ripe for the picking. Prices are at six-year lows and mortgage loans, although with stricter standards, are still showing incredibly low rates. If you have the assets, you might want to make a move."

Condominium Resale Market

The Sacramento Condo market remains active, but shows signs of slowing for the winter months. November had a total of 97 closed condominium escrows, a 28.7% decrease from October's 136 escrows. Compared to the same month in 2007, this figure represents a 64% increase in sales from the 56 condo units sold last November. The median sales price of a Sacramento condominium showed a similar trend: a decrease from \$114,500 in October to \$107,000 this month reflects a 6.6% negative change. Compare this to the \$222,500 median price of November 2007, a figure 52% above the current median price.