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(RESIDENTIAL RESALE STATISTICS FOR MAY 2007)

MAY HOME SALES TICK UPWARD

Against a backdrop of continuing stagnation in regional housing proclaimed at a statewide REALTOR conference in town last week, Sacramento's residential home resale market posted improved month-to-month sales results activity in May, according to data available from the Sacramento Association of REALTORS® and MetroList® multiple listing service.

New escrows in May increased 3.1% to 908 homes compared with April. Closed escrows were also up, 9.2% from the previous month, though still 28.3% below the number of a year ago.

The median sale price for a single family home decreased 1.4% for the month to \$350,000. New listings published and the listing inventories were both up slightly, at 3.1% and 4.7% respectively from April.

"Economists at the California Association of REALTORS® see another year to two of a soft resale market in Sacramento," said 2007 Association President and REALTOR® Tracey Saizan. "We're particularly impacted because of the high number of new tract homes on the market that are being deeply discounted. It's emotionally tough for the average home seller to compete with the aggressive price cutting that's going on in the new developments."

At \$350,000, Sacramento's median home sale price stands 7.7% below the \$379,000 median price of a year ago. May's month-end housing market supply figure - the active listing inventory divided by the rate of completed sales - decreased 5% to 10.0 months, compared to 10.5 months in April. The supply level is 20% higher than last year's May 2006 supply of 8.3 months. "It appears that sellers who are unable or are disinclined to lower their asking prices had better be prepared to wait another year or eighteen months at least to ride this cycle out," Saizan said.

Condominium Resale Market

The market supply of condominiums was unchanged in May at 10.3 months. New listings were down 12.5% from 351 in April to 307 units, while the active inventory was down 14.1% to 753 units. Closed condominium escrows for the month were down 14.1%, from 85 in April to 73 units. New condominium escrows were up 10.8% for the month but down 28% from a year ago.

The median sale price of a Sacramento condominium was flat in May at \$218,000, a figure down 6.0% from the May median price of \$231,500 a year ago.

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The Sacramento Association of REALTORS® is a professional association representing 7,000 real estate professionals and commercial affiliates doing business in the Greater Sacramento Metropolitan Area. Statistics are derived from the MetroList® MLS database for Sacramento County and the city of West Sacramento.