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FOR IMMEDIATE RELEASE: October 13, 2006

(RESIDENTIAL RESALE STATISTICS FOR SEPTEMBER 2006)

GRADUAL REAL ESTATE COOLDOWN CONTINUES

Sacramento's residential resale data for September reflect a now-familiar continuation of the cooling trend that first beset the market a year ago.

Escrows closed in September were down 6.7% from August, after having risen 8.4% from July to August. September closed escrows were down 38.1% from a year ago. The median sale price for single family homes at \$363,000 posted a month-to-month decrease of 2.2 %, down 5.7 % compared to September 2005. New listings published and the listing inventory were down 12.3% and 7.4% respectively from August, suggesting that potential sellers may be more inclined to wait out the downturn - or at least the slow fall season - than to further reduce their asking prices.

"The slight pick-up we saw in August market activity didn't last long," said Association President Leigh Rutledge. "There is clearly downward movement in home prices, but it's moving very, very slowly. With median prices down almost 6% now from a year ago, it seems as if there's a bit of a stand-off between buyers and sellers."

September's housing market supply figure - the active listing inventory divided by the rate of completed sales - was unchanged from July and August at 5.3 months, 43% higher than last year's September supply of 3.7 months.

Sacramento's sluggish market notwithstanding, the national real estate market is on pace for its third best year ever behind 2004 and 2005, with 6.45 million projected sales according to data from the National Association of REALTORS®. "A lot of this slowdown is about people's perception of investment quality and economic stability," says Rutledge. "Sacramento's economy is stable, interest rates are reasonable and we're coming off a record-shattering run of real estate appreciation. We shouldn't treat a 6% drop in median prices like a crisis. It is what it is, an adjustment."

Condominium Resale Market

Condominium market activity was also lower across the board in September, with fewer new listings and completed sales than in August. New listings were down 17.4 % to 313 units, while the active inventory was down by 12.1 % to 492 units. Closed condominium escrows for the month were down 6.9 %, from 87 in August to 81 units, 36 % below September sales one year ago.

The median sale price of a Sacramento condominium was up 3.9 % in September, at \$237,000, a figure 4.0 % lower in value than the \$247,000 September median price a year ago.

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The Sacramento Association of REALTORS® is a professional association representing 8,000 real estate professionals and commercial affiliates doing business in the Greater Sacramento Metropolitan Area.