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(RESIDENTIAL RESALE STATISTICS FOR OCTOBER 2006)

AREA REAL ESTATE COOLDOWN CONTINUES

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

Escrows closed in October were down 2.8% from September, after having dropped 6.7% from August to September. October closed escrows were down 30.9% from a year ago. The median sale price for single family homes at \$360,000 posted a month-to-month decrease of 0.8 %, down 5.3 % compared to October 2005. New listings published and the listing inventory were down 13.4% and 10.9% respectively from September, a clear indicator that potential sellers may be more inclined to wait out the downturn - or at least the slow winter season - than to further reduce their price expectations.

"It's getting quiet out there," said Association President Leigh Rutledge. "There's downward price pressure, but it's moving very, very slowly. Our Sacramento median price is down 5.3% now from a year ago and about 8.4% below the peak price. We're still holding on better than a lot of areas. And if you look at the cumulative median price for all sales in 2006 compared to the same period in 2005, the price drop is negligible – 0.5%."

October's housing market supply figure - the active listing inventory divided by the rate of completed sales – was down 9.9% from September at 4.8 months, a reflection of more sellers retreating from the market than closing escrows. The supply level is 17% higher than last year's October supply of 4.1 months.

"Our industry's analysis suggests that a lot of this slowdown is still driven by people's perception of economic stability and investment risk," said Rutledge. "Sacramento and California's economies are fundamentally stable. Interest rates are reasonable and may actually decline slightly in 2007. We expect housing market activity and prices to remain pretty flat next year, maybe moving up or down a little in response to developments elsewhere in the economy."

Condominium Resale Market

Condominium market activity was essentially flat in October. New listings were steady at 313 units, while the active inventory was down 0.4 % to 490 units. Closed condominium escrows for the month were down 9.9 %, from 81 in September to 73 units, 24% below October sales one year ago.

The median sale price of a Sacramento condominium was down 4.0% in October, at \$227,600, a figure 6.0 % lower in value than the \$242,500 October 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. Statistics are derived from the MetroList® MLS database for Sacramento County and the city of West Sacramento.