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(RESIDENTIAL RESALE STATISTICS May 2008)

May continues with increased escrows; REO properties pull prices down

Following the central valley climate, the Sacramento residential resale market continues to heat up, showing increased sales, a declining inventory and prices making homes ripe for the picking. The following information, compiled by the Sacramento Association of REALTORS®, is collected from the MetroList® multiple listing service and includes data covering Sacramento County and the City of West Sacramento.

At May's end, closed escrows continued to climb, showing an optimistic increase to 1,654, 14.1% over April's 1,450 closed escrows. When compared to the same month one year ago, the May 2008 sales contrast sharply with the 940 closed escrows of May 2007, showing a 76% increase. In line with the recent MetroList® conversion, a new statistic for the month of May shows over 65% of all closed escrows as bank-owned properties, with 1,084 out of 1,654 homes sold listed as "REO."

Consistent with the increasing sales of bank-owned properties, the median price for a single family home continued to drop for the month of May, showing a figure of \$230,250, a 2.8% decrease from the \$236,888 median price of April. When compared with May 2007, the median sale price shows a 34.2% decrease from the \$350,000 median price of a year ago. New listings for May 2008 totaled 2,323, a 2.7% increase over April's 2,262. Breathing a sigh of relief, REALTORS® watched the total listing inventory continue to drop through May, showing a figure of 7,902, an 8.2% drop from April's 8,612.

The abundance of REO properties has not only contributed to the dropping median home sale price, but also to the recent perk in sales. "As bank-owned homes have become the hot commodity for investors and first-time homeowners, Sacramento's median home price has dropped to levels not seen since 2003," states 2008 Association President Alan Wagner. "The competitive pricing of these REO homes has increased housing affordability and potential buyers are seeing prices that were unheard of just a few years ago. Finding qualified buyers may put a hitch in the process, but many REALTORS® are still able to pair the two up; finding the right loan for the right person is the most important factor of making a sale right now." Wagner, a seasoned REALTOR®, concludes; "There are sales to be made. Time not spent with pre-qualified buyers is time wasted."

The market supply figure also decreased, showing a favorable market for buyers. The month-end housing market supply figure 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. For May 2008 the housing market supply figure continued its decrease, dropping to a low and favorable 4.8 months, an 18.6% decrease from April's 5.9 months.

Condominium Resale Market

In line with the single family home sales, closed condominium escrows also increased during the month of May, showing 117 closed escrows. This is a 13.6% increase over April's 103 closed escrows and, when compared to the same month one year ago, shows a 60% increase over the 73 closed escrows in May 2007. New listings published increased for May, showing a 16% jump over April's 169 listings, up to 196 new listings. The median sales price of a Sacramento condominium showed a trend opposite the single family home market, rising 11.8% in May to \$152,000. This figure, up from the \$136,000 median price of April, was due in part to a few high-priced condo units that sold in the downtown grid. The current median price, however, still stands 30% below the \$218,000 median price of May 2007.

For the latest monthly statistics, please visit www.sacrealtor.org/about/statistics.