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(RESIDENTIAL RESALE STATISTICS March 2011)

March activity increases – sales up 45% month-to-month

Activity picked up for the first month of spring, with single family homes sales increasing 45.7% from 1,201 sales in February to 1,747 for March. This month is usually the turning point for stronger spring and summer sales; year-to-year, closed escrows increased, but only by 6.7% (1,640 units). Making up the closed escrows this month were 840 REOs (48.1%), 388 short sales (22.2%) and 519 conventional sales (29.7%). These numbers have changed month to month with REOs down by 2%, short sales relatively unchanged – up .4% – and conventional sales up 3%.

The median home sales price stayed low, decreasing 1.8% from \$169,000 to \$166,000. Compared with the same month last year (\$182,000), the number is down 8.8%. The \$200,000 - \$249,999 price range mode still accounts for a majority (16.5% or 288 units) of the 1,747 total sales this month, while homes under \$100,000 totaled 312 (17.8%) units. Conventional financing increased this month to become the most popular form of financing. It made up 34.4% of all sales (up 2.9% at 658 units). Cash buyers decreased 12.4% from 33.4% to 29.7% of all sales (568 units). FHA increased 10.8% month to month to 27.7% of all sales (530 units) of the 1,911 closed escrows this month (these numbers include the 164 condo sales). The median amount of days spent on the market (from list date to opening escrow) was 49 days – down from the 52 median DOM of January.

The Total Listing Inventory has recently been split up to more accurately display the current market. Active Listings numbered 4,422 properties and Active Short Sales Contingent showed 1,576. Active Short Sale Contingent properties are short sale properties on which initial offers have been made and are not entirely “active.” After breaking down Total Listing Inventory, we find that the Housing Market Supply figure is more accurately reflected. The Housing Market Supply figure for March was 2.5 Months – down from the 4 Months of last month. This figure represents the amount of time – in months – it would take to deplete the Active Listing Inventory (4,442) given the current number of closed escrows (1,747). 2011 SAR President Doug Covill commented: “While 2.5 months of inventory would normally indicate the start of a seller’s market, values continue to decline given so many of the homes selling are distressed sales. The seasonal uptick in sales has started. With so little inventory, now would be a great time for lenders to put more inventories on the market, if they are able, to be absorbed by the spring/summer home buyers.”

According to MetroList® MLS data, the average home was 1,722 square feet. Of the 1,747 sales this month, 146 (8.3%) had 2 bedrooms or fewer, 950 (54.4%) had 3 bedrooms, 509 (29.1%) were 4 bedroom properties and 142 properties (8.1%) had 5+ bedrooms.

Condominium Resale Market

Sacramento condominium sales increased for the month to 164 units. This figure is up 25.2% from the 131 units sold in February and up 24.2% from the 111 units sold last year. REO property sales accounted for 51.8% of all units sold while short sales (23.8%) and conventional sales (24.4%) accounted for the remainder. REO condo sales increased 4.4%, short sales increased 7.6% and conventional sales decreased 13.4%. The condominium median sales price changed 1.3% month-to-month from \$79,000 to \$80,000. This current price is down 8% from the \$87,000 median sales price of March 2010. The total listing inventory remained unchanged month-to-month. Of the 607 listings, 161 (26.5%) were listed as Active Short Sale Contingent, leaving the actual Active Listing Inventory at 446 units.