



Greater Sacramento Market Update



SACRAMENTO AREA REAL ESTATE SALES DEMONSTRATES SUSTAINED STABILITY

Resale market posts another record breaking month of new open escrows

September 12, 2014

The month of August marked the highest volume of new open escrows - 2,585 – in any given month since May of 2013 in the four county Sacramento region. Even though the available inventory continues to grow, six consecutive months of above average sales activity left a mere 2.4 months of homes available at the rapid rate of sales. Market information was provided by Trendgraphix and reported by Lyon Real Estate.

Closed sales did, however, drop approximately 10 percent from the previous month, leaving 2.8 months of inventory based upon that metric. "This gap is not unusual," says Pat Shea, president of Lyon Real Estate. "Now that we have evolved into a more normal or equity sales market, longer escrow periods with more contingent sales are common." He added, "It is difficult to get the entire picture from just a 30 day snapshot. Often, closing numbers roll into the following month, especially when a holiday weekend is in play."

Shea characterized the market as demonstrating a "sustained stability" with home sales in the \$400,000 to \$750,000 price range enjoying a 23 percent increase and those above \$750,000 a 43 percent increase over sales in the same quarter of 2013. The median price confirmed that position since it hovered in the \$310,000 to \$315,000 range in our region for the past 4 months.

Our growth in inventory seems to be settling in for a normal end of year pattern with only a 2 percent increase over July. "A continued and inexplicable low interest rate phenomenon coupled with a variety of available home choices continue to inspire local buyers and sellers alike," said Shea. "Continued pressure from the red hot Bay area markets and the Downtown renaissance are also maintaining an influence over sales activity in the Greater Sacramento area."