

Buckle up for 2022

January 25, 2022

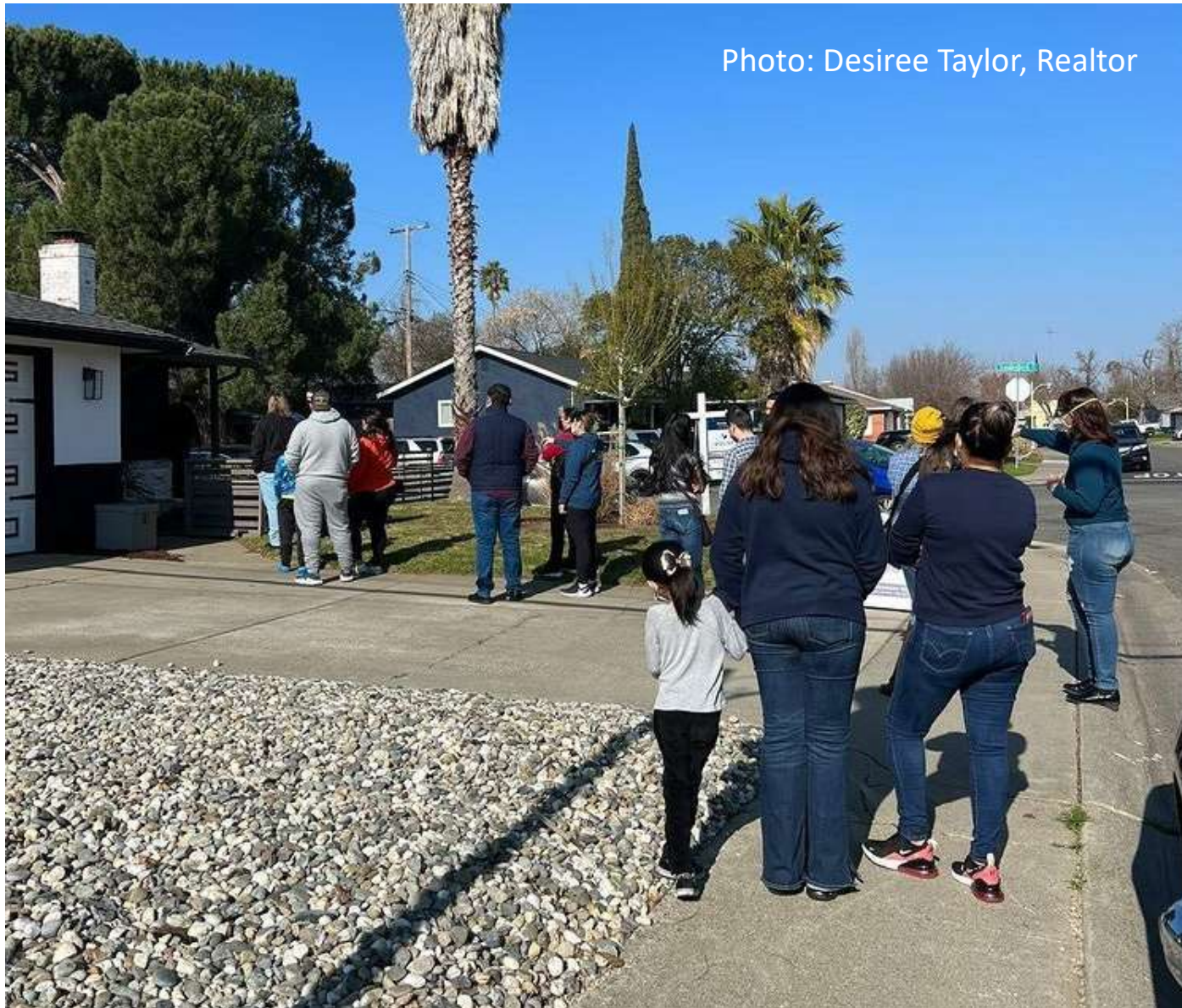
Ryan Lundquist - Appraiser
SacramentoAppraisalBlog.com



The market in 2021 was...



Photo: Desiree Taylor, Realtor



“It’s going to crash”

- The pandemic
- Forbearance
- The eviction moratorium ending
- A foreclosure tsunami is on the horizon
- The demise of Evergrande in China
- Zillow exiting the market signals the top

My advice? Sift through the drama

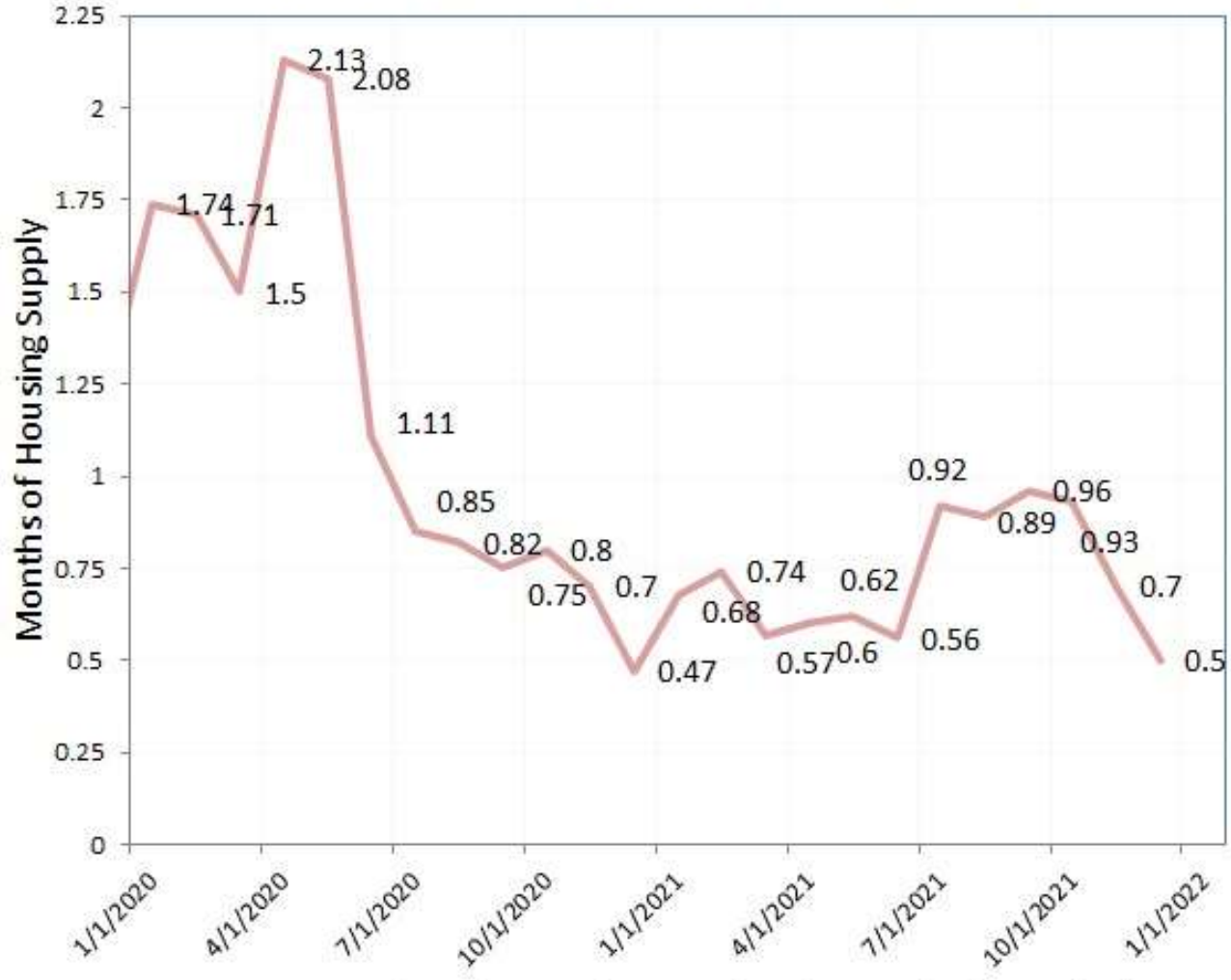


Credit: Dimitrios Kambouris/Getty; Frazer Harrison/Getty

**We've had less than one
month of housing supply
for 18 months in a row**



Monthly Inventory in the Sacramento Region

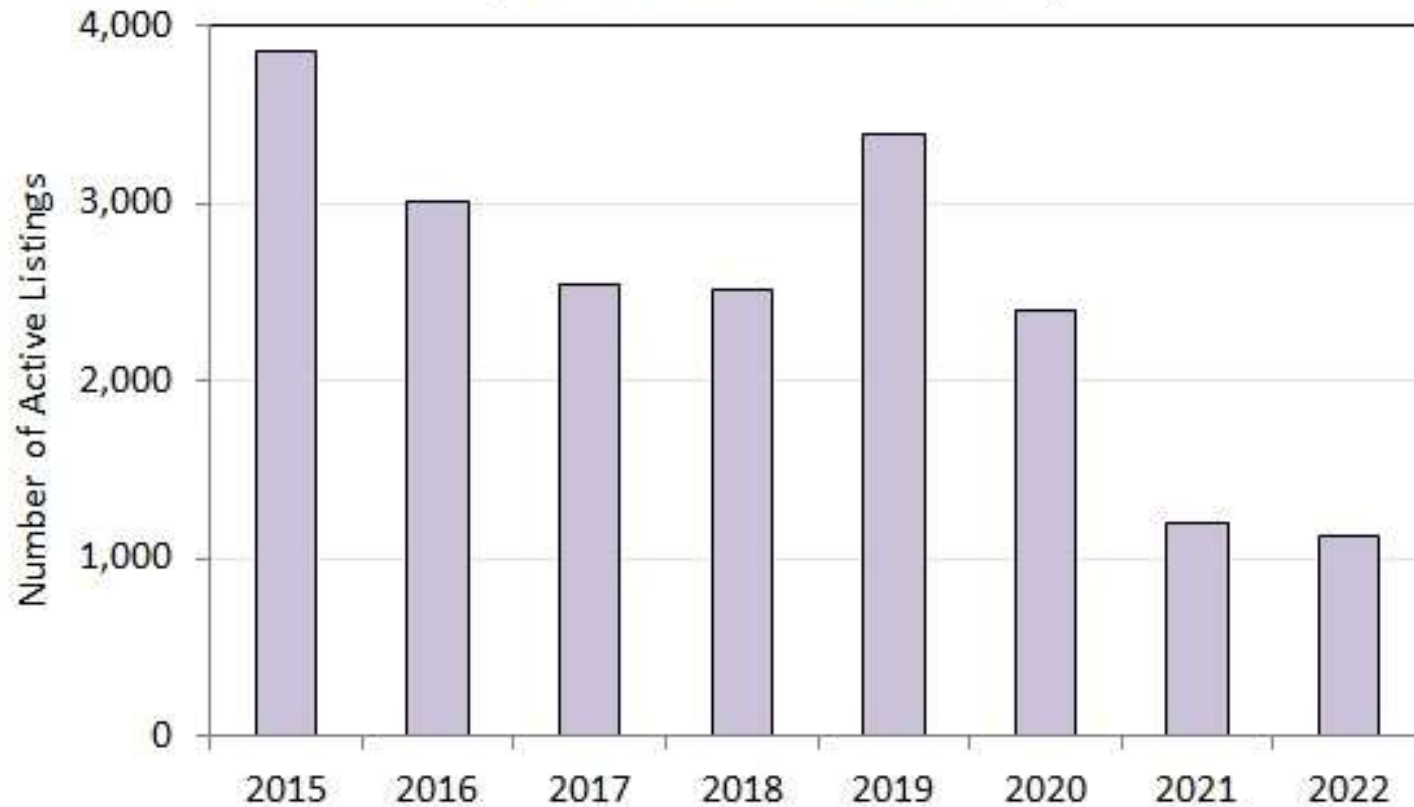


January 2020 through December 2021 (single unit sales (no condos))

SacramentoAppraisalBlog.com

Listings in Sacramento Region on January 1st each year

(Sacramento, Placer, Yolo, El Dorado)



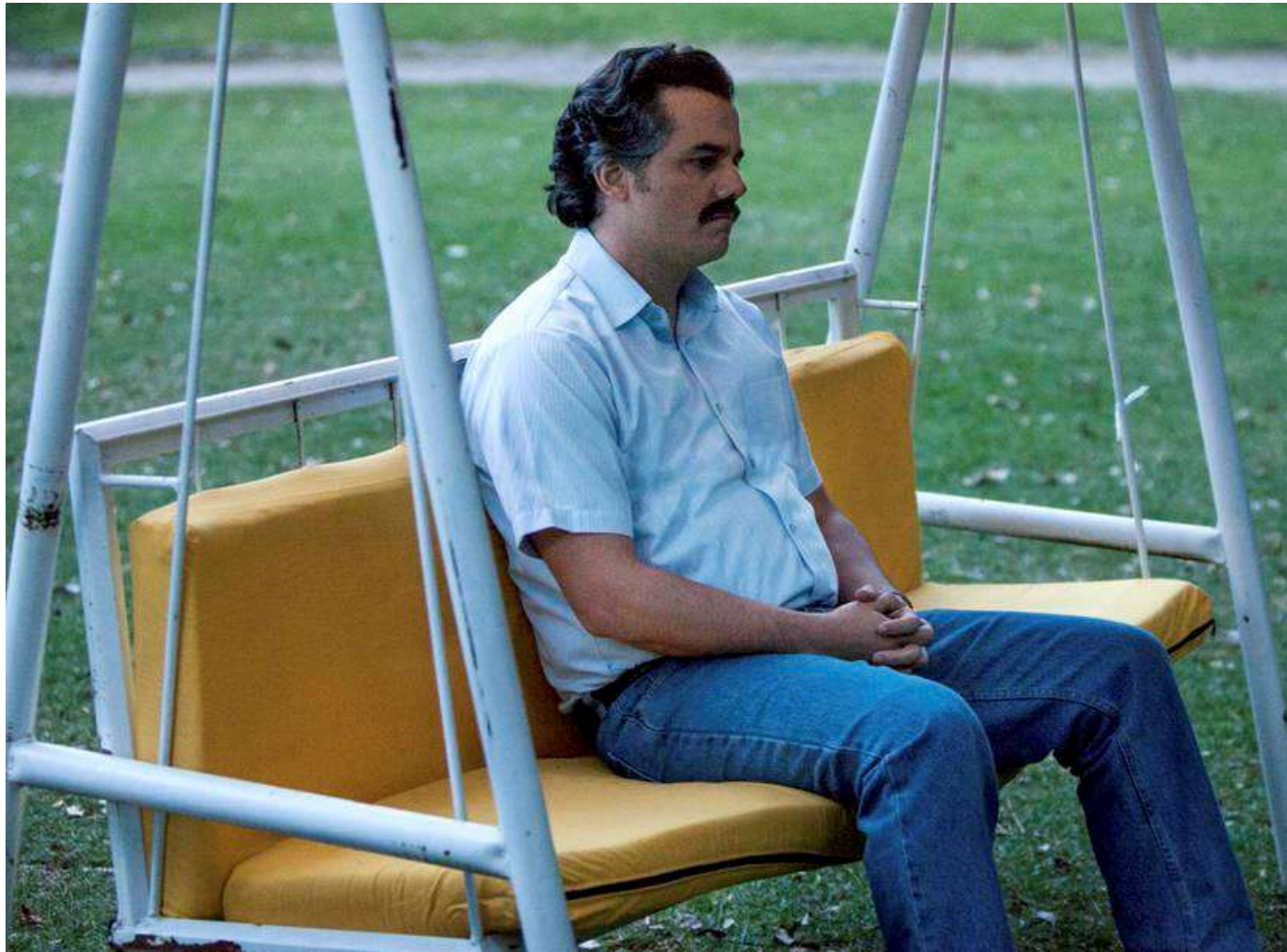
2015 to 2022

Number of active listings on January 1st each year

SFR detached listings (no condos)

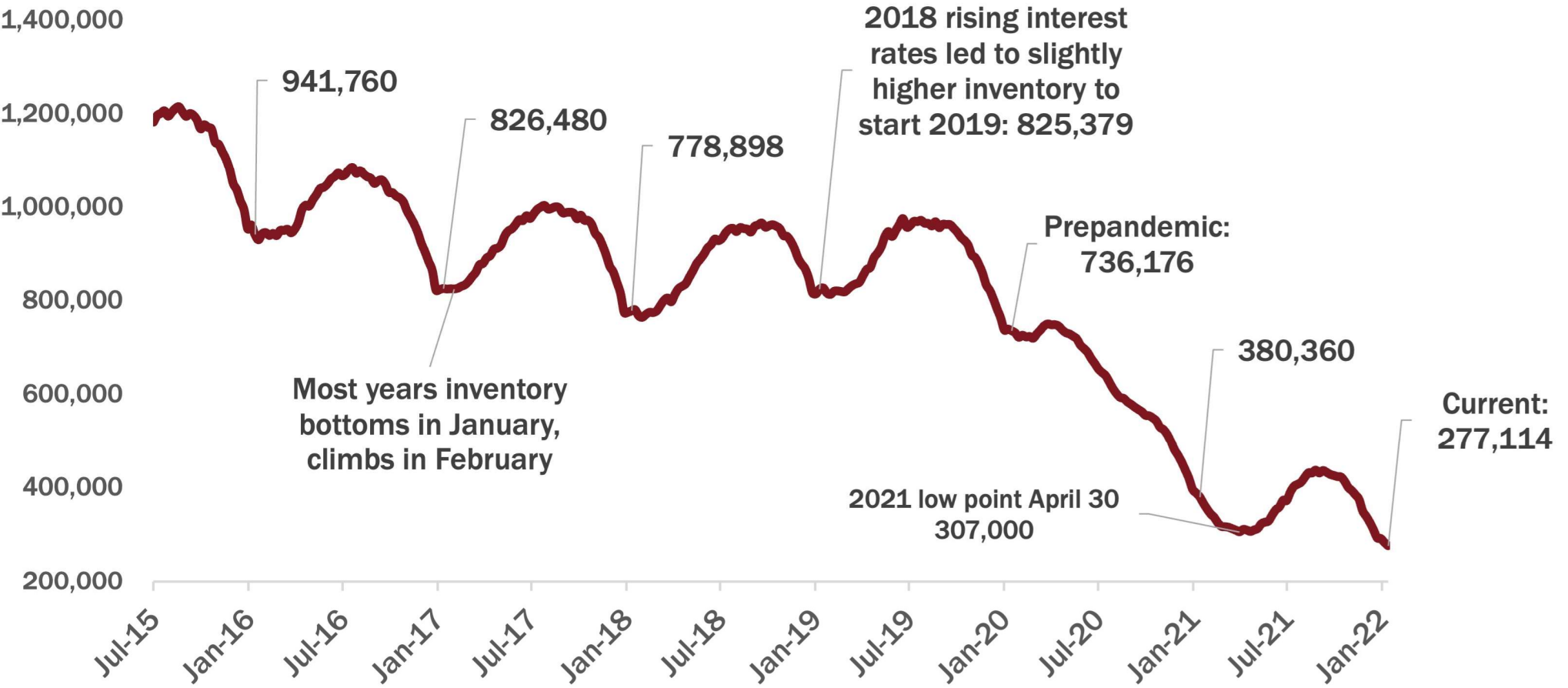
SacramentoAppraisalBlog.com

Waiting for more listings to hit the market...



Total Inventory Homes for Sale US - Single Family

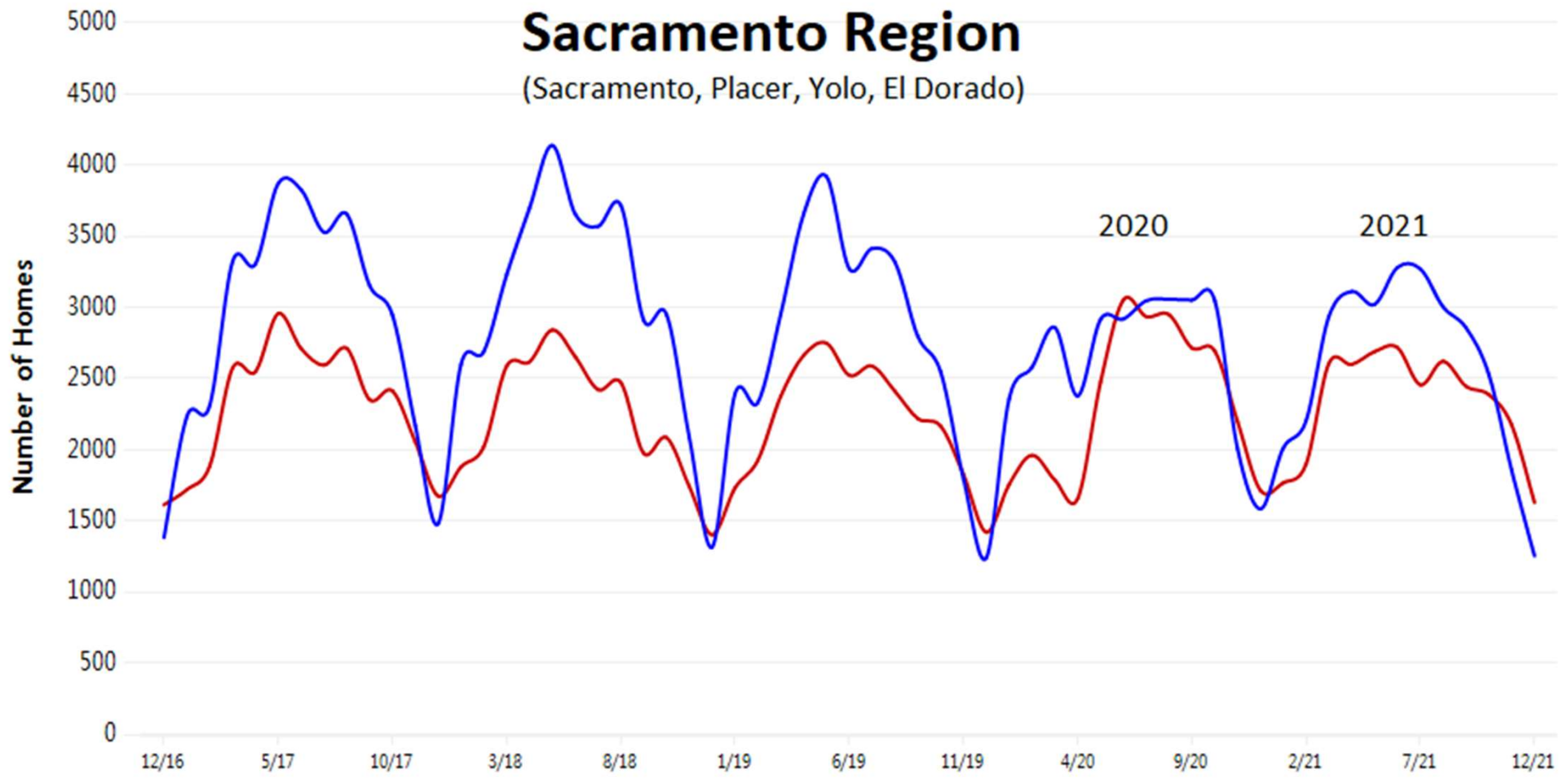
Source: Altos Research



Pended New Listing

Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)

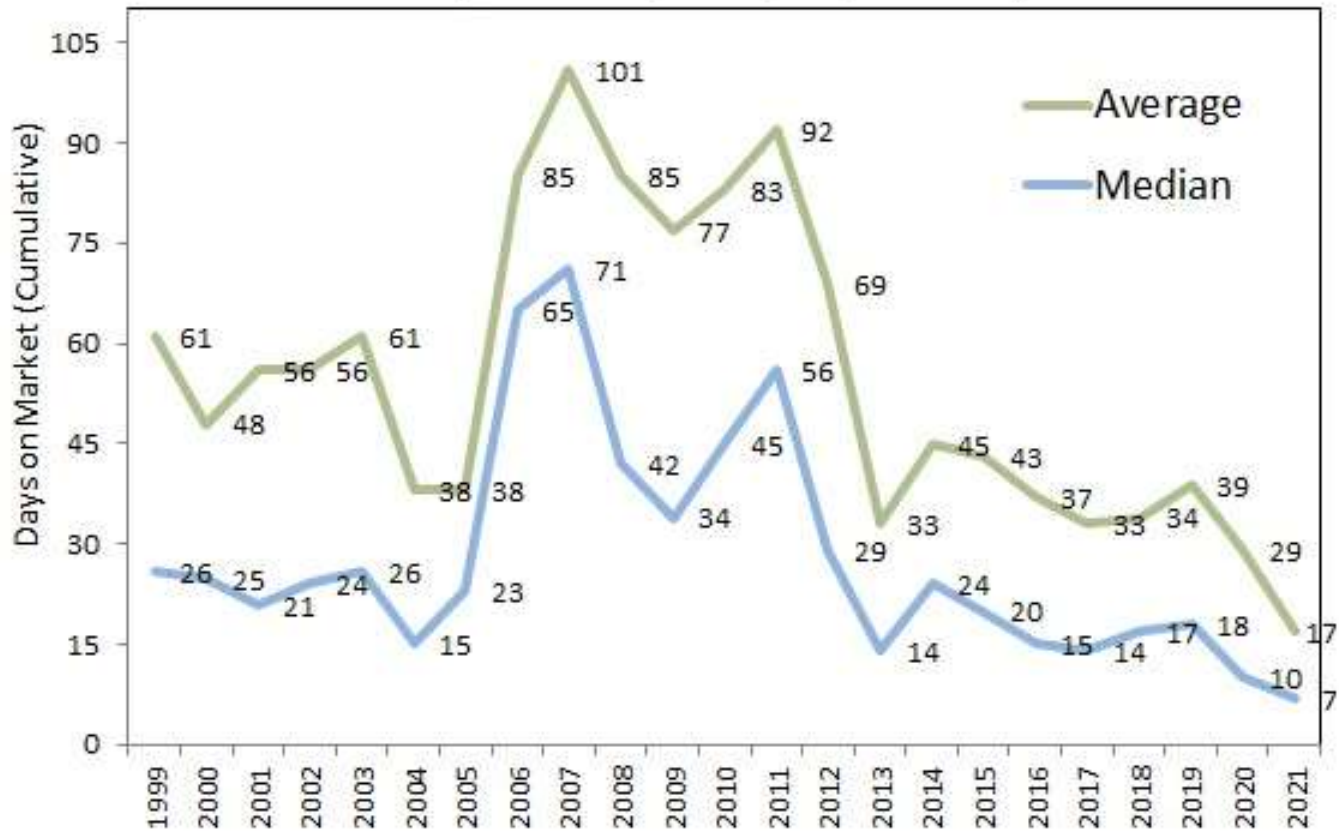


**2021 was the
fastest-moving
market ever**



Sacramento Region: Days on Market

(Sacramento, Placer, Yolo, El Dorado)



2000 to 2021 (January through December)

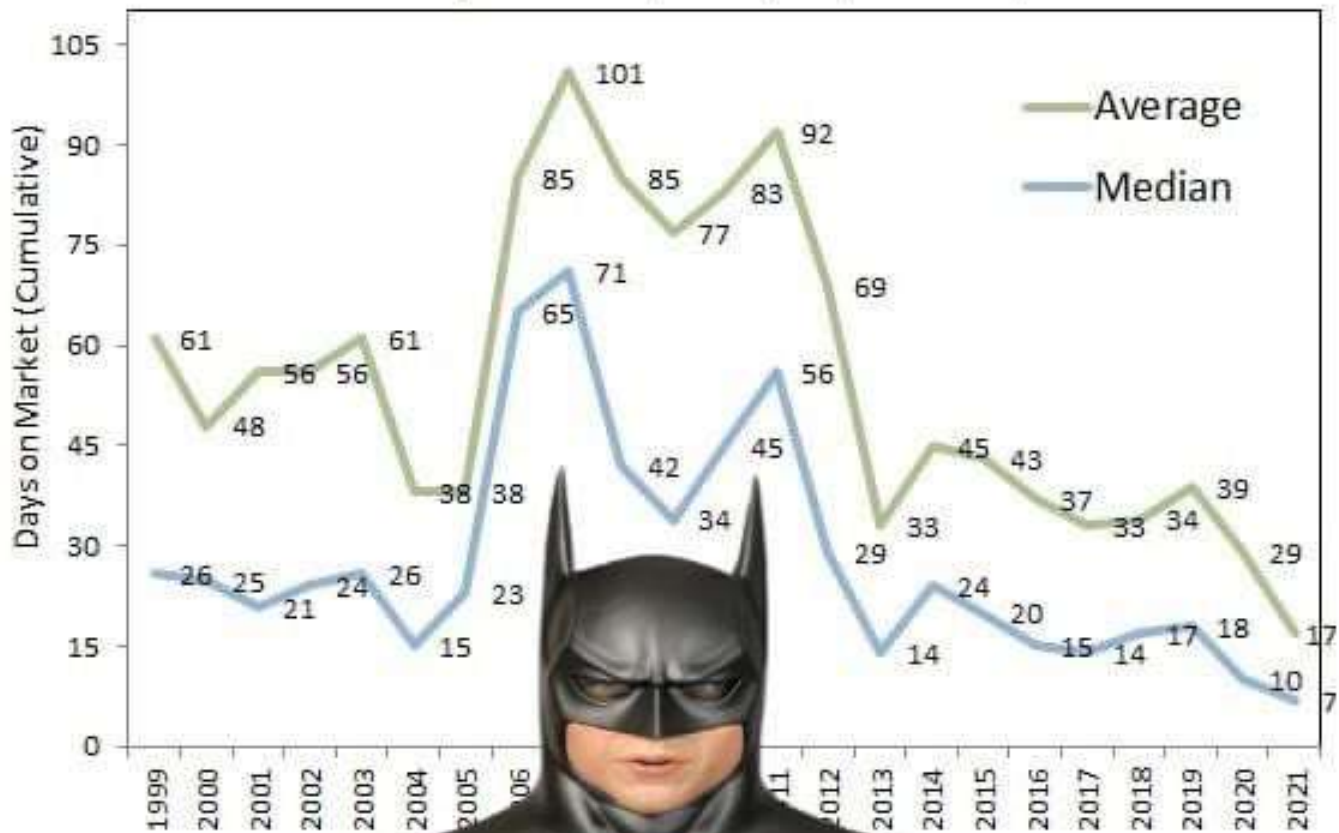
MLS Single Family Sales (no condos)

Cummulative days began in 2004, so 1999-2003 is DOM

SacramentoAppraisalBlog.com

Sacramento Region: Days on Market

(Sacramento, Placer, Yolo, El Dorado)



Batman: Elli Ketcherside

**There were twice as
many million dollar sales
compared to last year**



Million Dollar Sales in Sacramento Region

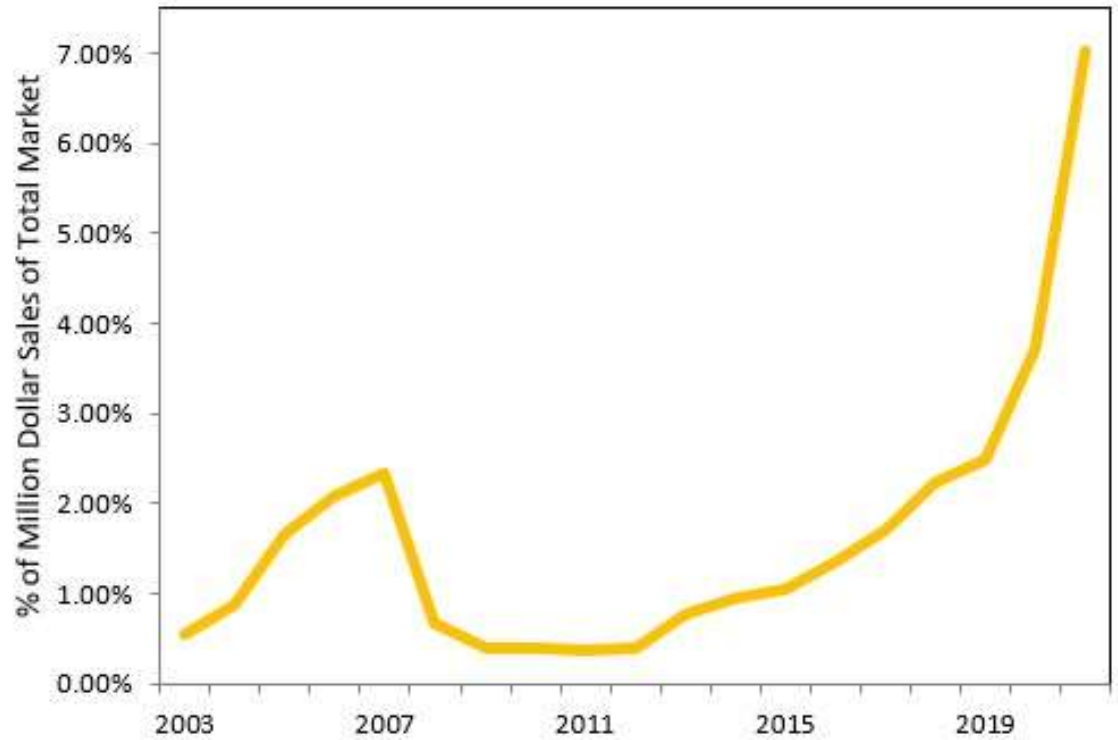
Date	\$1M Sales	All Sales	% of \$1M Sales
2003	156	28,271	0.55%
2004	294	33,237	0.88%
2005	516	31,074	1.66%
2006	440	21,022	2.09%
2007	393	16,760	2.34%
2008	188	27,644	0.68%
2009	110	28,118	0.39%
2010	106	26,036	0.41%
2011	103	28,341	0.36%
2012	115	29,560	0.39%
2013	207	26,890	0.77%
2014	241	25,130	0.96%
2015	295	27,925	1.06%
2016	388	28,539	1.36%
2017	487	28,355	1.72%
2018	603	27,037	2.23%
2019	654	26,412	2.48%
2020	994	27,527	3.61%
2021	2004	28,559	7.02%

* Jan to Dec each year

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Million Dollar Sales in Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



2003 to 2021 Single Family Sales (no condos): Jan to Dec

SacramentoAppraisalBlog.com

**Highest percentage
ever of multiple offers**

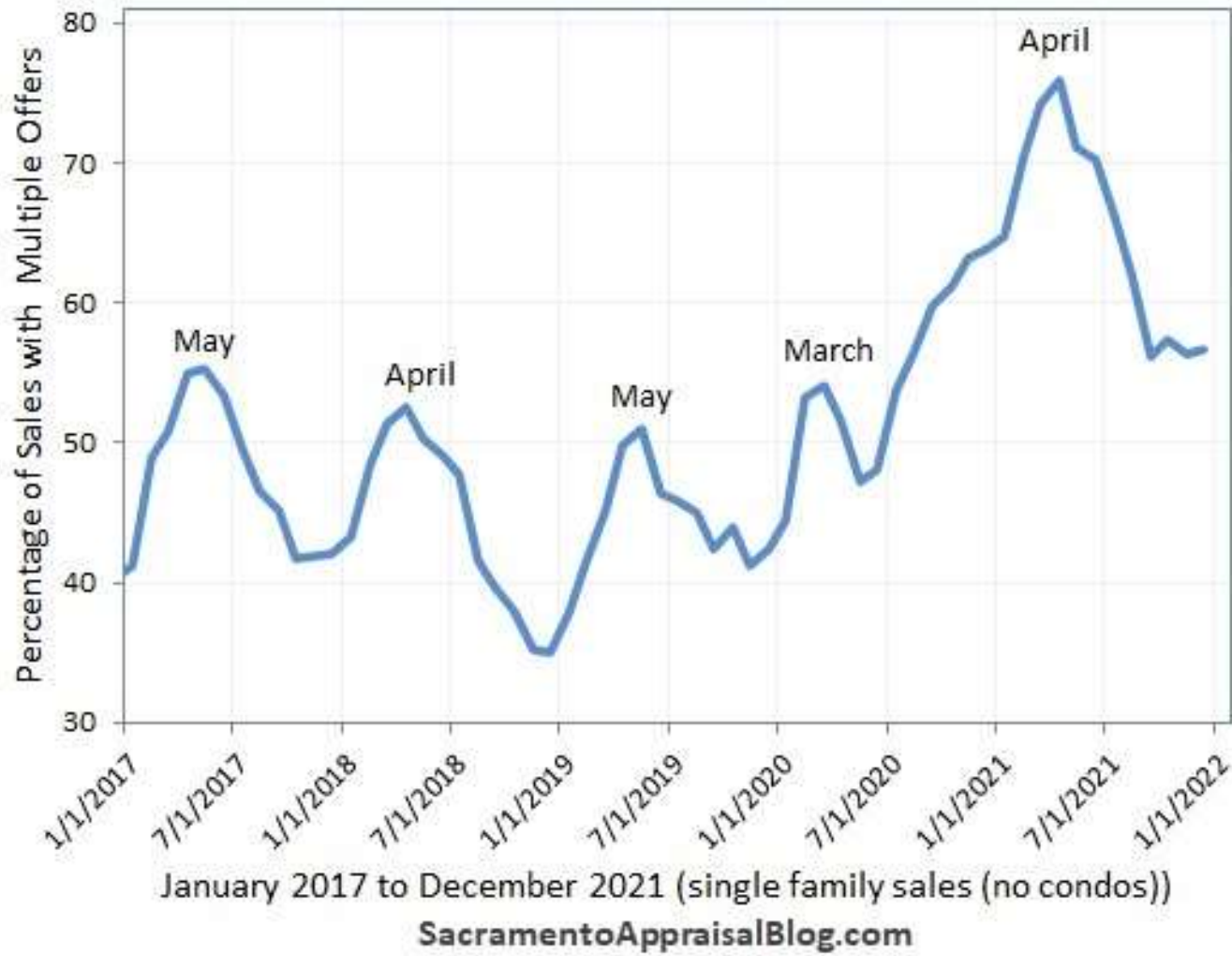


Buyers fighting to get into contract



Sales with Multiple Offers

(Sacramento, Placer, Yolo, El Dorado County)



Twice as many home sold above the list price this December

Sacramento Region: December 2019 vs 2021		
Price Trend	Dec-19	Dec-21
Sold below list price	22.41%	15.42%
Sold at list price	53.26%	30.89%
1-5% above list	20.95%	33.26%
5-10% above list	2.62%	14.28%
10-15% above list	0.30%	4.47%
15-20% above list	0.20%	0.73%
20-25% above list	0.05%	0.27%
25-30% above list	0.00%	0.12%
30-35% above list	0.05%	0.18%

Sac, Placer, Yolo, El Dorado SFR sales (no condos) 1-07-2022

SacramentoAppraisalBlog.com

**One year of
paying at or above
the list price**



Average Amount Buyers Paid Over Asking Price

(Sacramento, Placer, Yolo, El Dorado)



January 2018 to December 2021
Single family detached MLS sales (no condos)

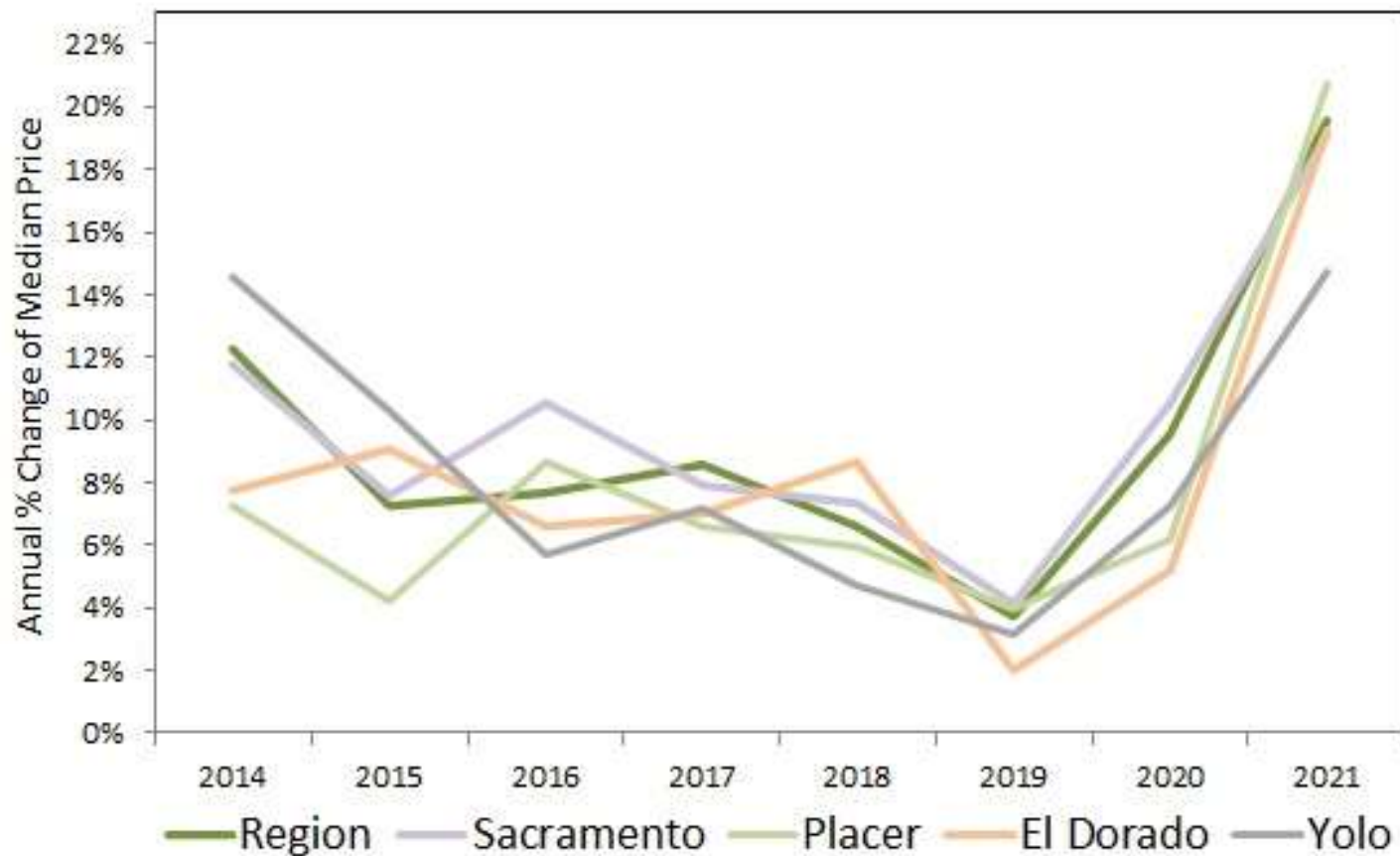
SacramentoAppraisalBlog.com

Highest dollar growth ever



Sacramento Region: Annual Median Price Change

(Sacramento, Placer, Yolo, El Dorado)

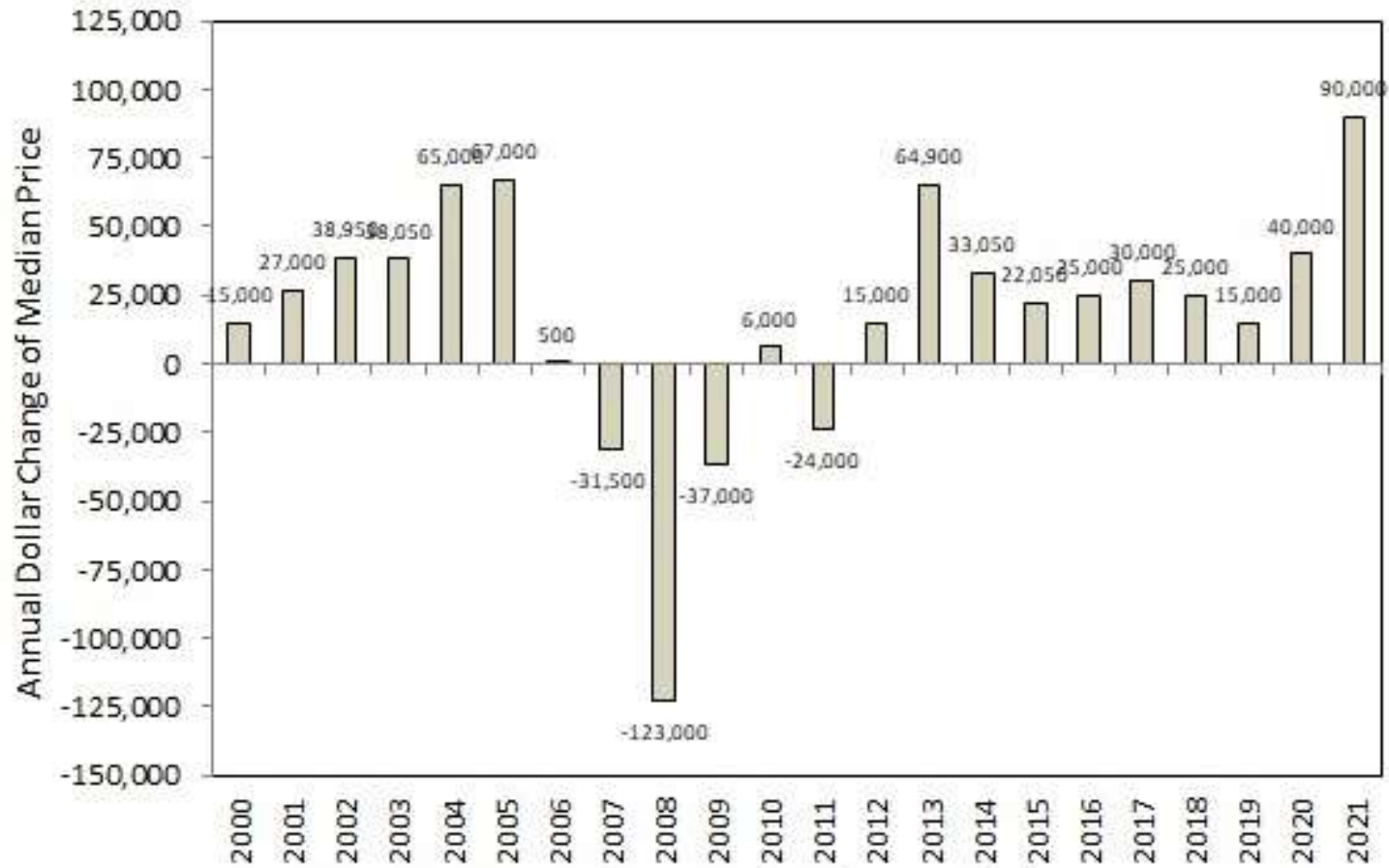


2013 to 2021 (January through December)

MLS Single Family Sales (no condos)

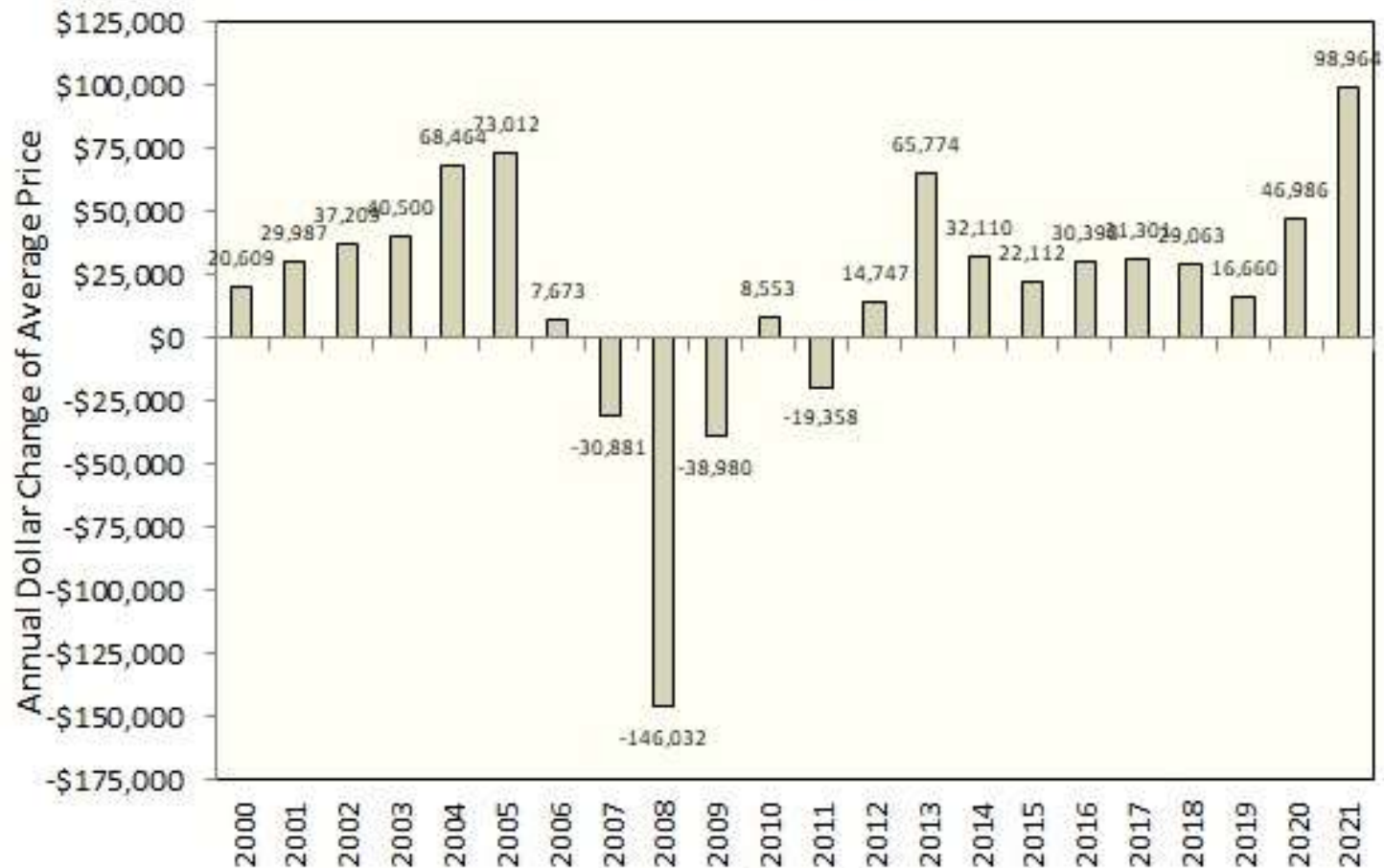
SacramentoAppraisalBlog.com

Sacramento Region: Annual Median Price Dollar Change (Sacramento, Placer, Yolo, El Dorado)



2000 to 2021 (January through December)
MLS Single Family Sales (no condos)
SacramentoAppraisalBlog.com

Sacramento Region: Annual Average Price Dollar Change (Sacramento, Placer, Yolo, El Dorado)



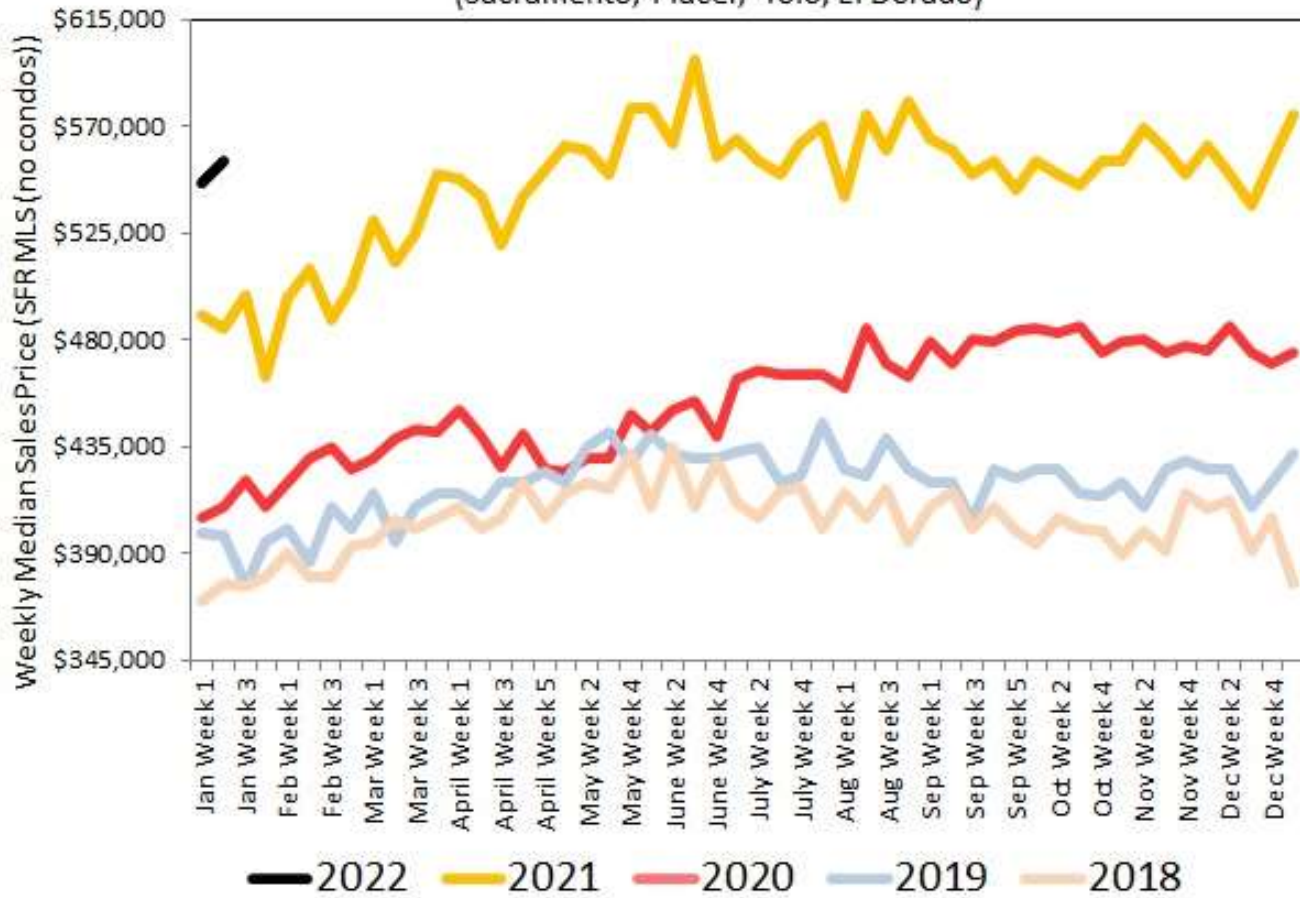
2000 to 2021 (January through December)

MLS Single Family Sales (no condos)

SacramentoAppraisalBlog.com

Weekly Median Price in Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



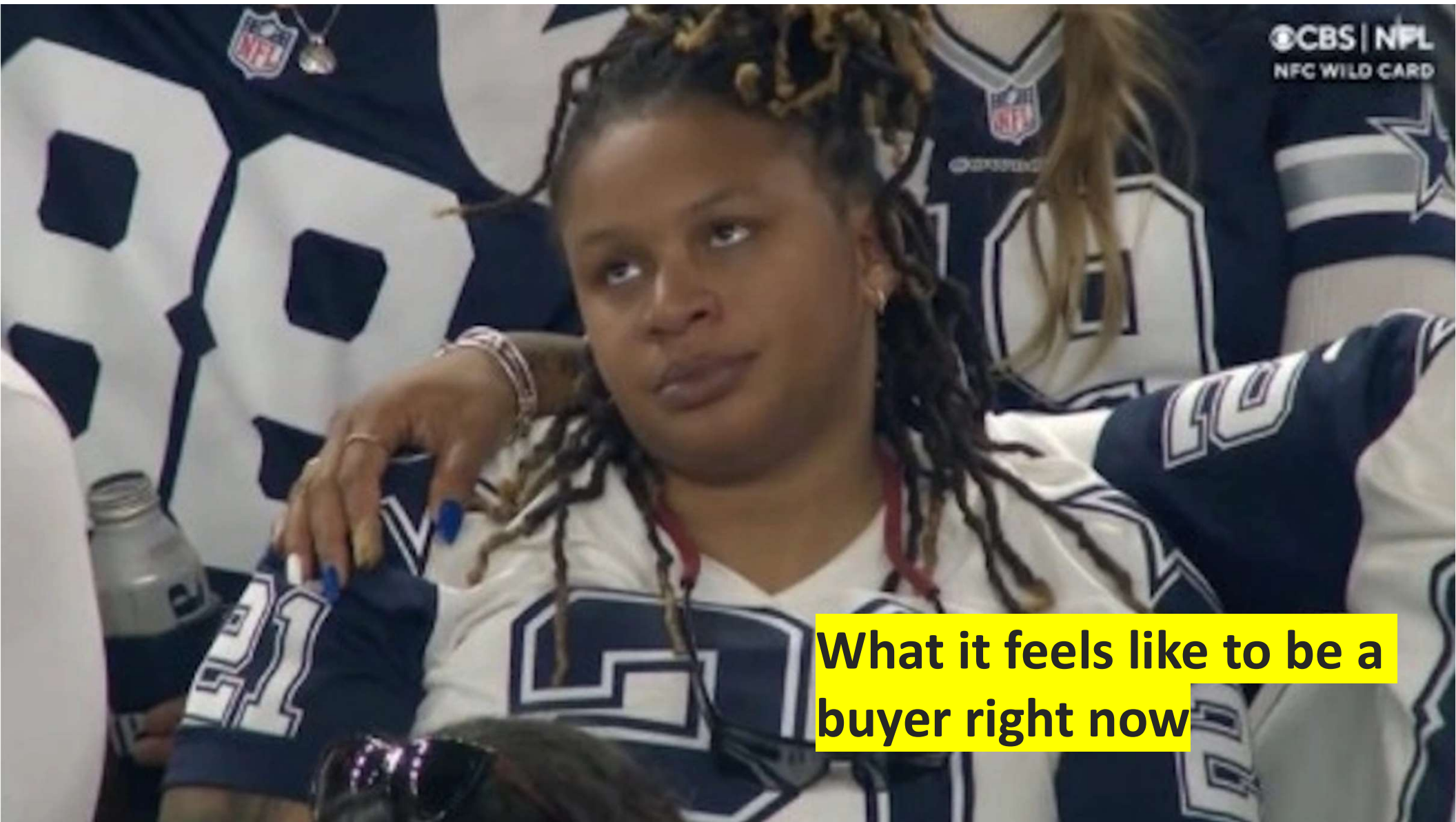
January to December sales (2022 through Jan 15, 2022)

SacramentoAppraisalBlog.com

Sacramento County: **2020 to 2021**

- Median price increased \$80,000
- Average sales price increased \$87,989





What it feels like to be a buyer right now

2021 in the Sacramento Region



Cash: **14.8%**

FHA: **9.2%**

VA: **4.3%**

Conv: **69.3%**

Single family detached sales in
MLS (no condos): Jan –Dec 2021
in Sac, Yolo, El Dorado, Placer
Other financing is about 2%

Million Dollar Market: Sac Region 2021



Cash: 22.8%

FHA: 0%

VA: 2.7%

Conv: 71.7%

Single family detached sales in
MLS (no condos): Jan –Dec 2021
in Sac, Yolo, El Dorado, Placer
Other financing is about 3%

FHA Sales in the Sacramento Region



Q1 2009 to Q4 2021

Sac, Placer, Yolo, El Dorado County

SacramentoAppraisalBlog.com

**18.8% of sales under \$500K
were FHA in Sacramento
County in 2021**





Photo: Rico Rivera, Realtor

How much have prices risen from the bottom?

County	2012	2021	Dollar Change	% Change
Sacramento	\$175,000	\$500,000	\$325,000	185.7%
Placer	\$280,350	\$640,000	\$359,650	128.3%
El Dorado	\$282,750	\$640,000	\$357,250	126.3%
Yolo	\$239,990	\$565,000	\$325,010	135.4%
Sac Region	\$205,000	\$550,000	\$345,000	168.3%

Based on Metrolist / CAR data (single units (no condos)) SacramentoAppraisalBlog.com

(annual median price)

**Does it feel like everything
listed is an iBuyer listing?**

13.2% of all listings in region are owned by iBuyers

(427 listings (this includes pendings))





iBuyers own 776 properties
in the Sacramento Region:

Redfin: 45

Zillow: 435

Opendoor: 296

OfferPad: 0



MAIN ST

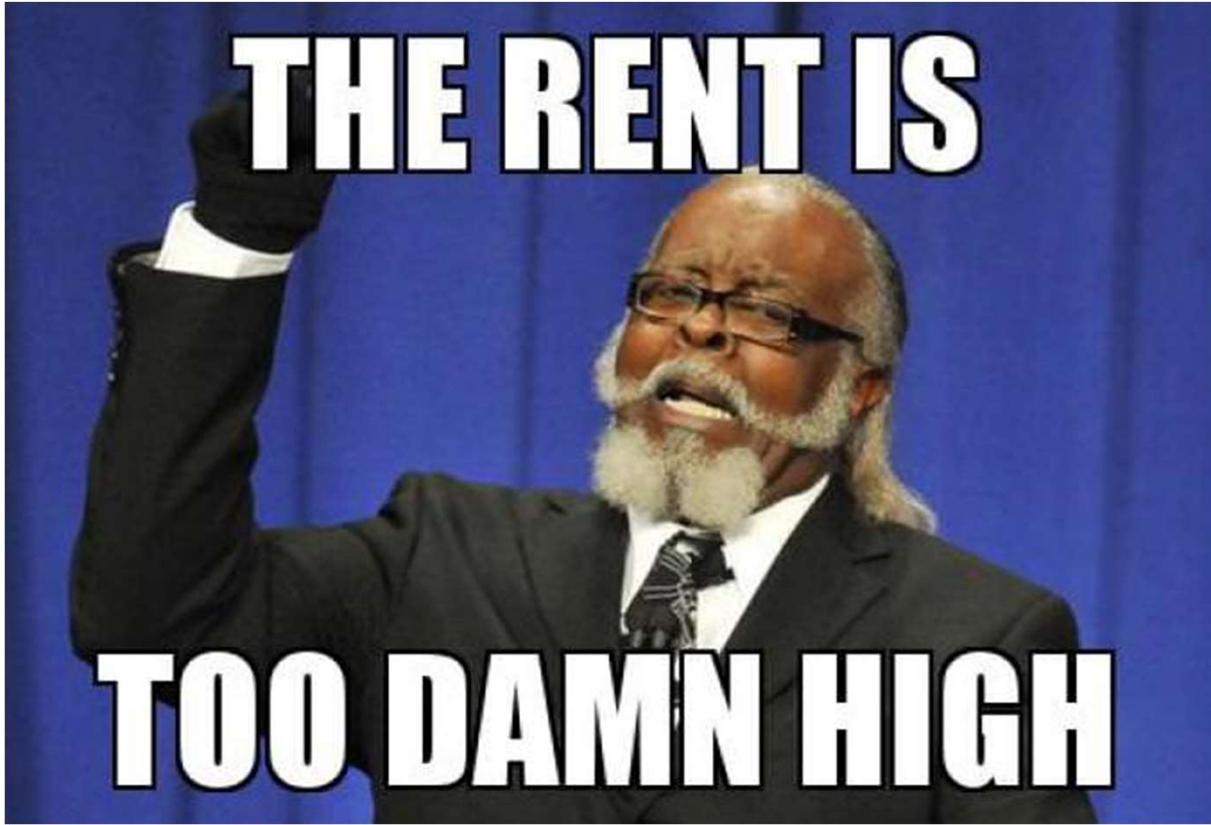
WALL ST

**Invitation Homes has
purchased 171 units
since May 2021**



Invitation Homes

<http://sacramentoappraisalblog.com/2021/06/21/the-invasion-of-institutional-investors-in-the-housing-market/>



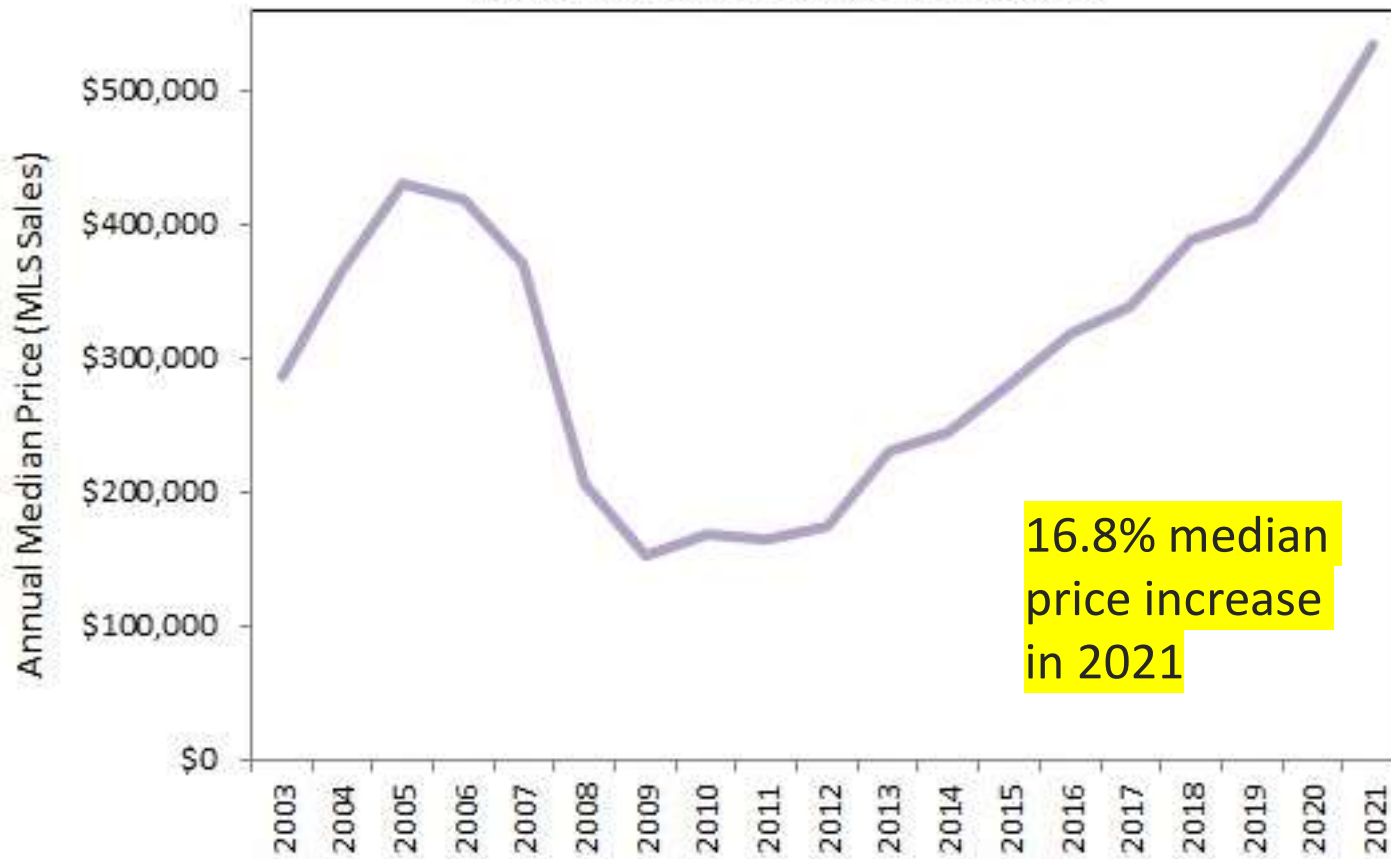
Top 50 Most Competitive Rental Markets in 2021

Rank	Market	Competitive Score	Average Vacancy Days	Occupied Apartments	Prospective Renters
1	Eugene	15.2	24	96.9%	30
2	San Diego	17.4	26	97.0%	29
3	Knoxville	19.2	18	97.5%	36
4	Central Coast	21.8	27	97.7%	28
5	Sacramento	23.0	24	97.0%	23
6	Providence	23.4	27	97.4%	21
7	Lehigh Valley	23.6	24	97.5%	34
8	Tacoma	24.6	23	97.3%	24
9	Wilmington	25.8	22	96.2%	19
10	Orange County	26.6	29	97.0%	20
11	Pensacola	27.6	18	96.7%	25
12	Southwest Florida	31.0	24	96.6%	24
13	Eastern Los Angeles County	31.2	30	97.3%	28
14	Inland Empire	33.2	25	97.6%	28
15	Palm Beach County	35.0	26	96.7%	23
16	Miami-Dade County	35.2	26	96.2%	24
17	Omaha	35.4	25	96.3%	16
18	Grand Rapids	36.0	25	97.0%	22
19	Long Island	36.6	29	96.7%	13
20	Salt Lake City	37.4	23	96.1%	19

For each market we compiled an average ranking by assigning a 40% weight to the credit score and 20% to each of the other three metrics (apartment occupancy rate, prospective renters per vacant unit and average total days vacant).

Median Price of 2-4 Unit Sales

(Sacramento, Placer, Yolo, El Dorado)

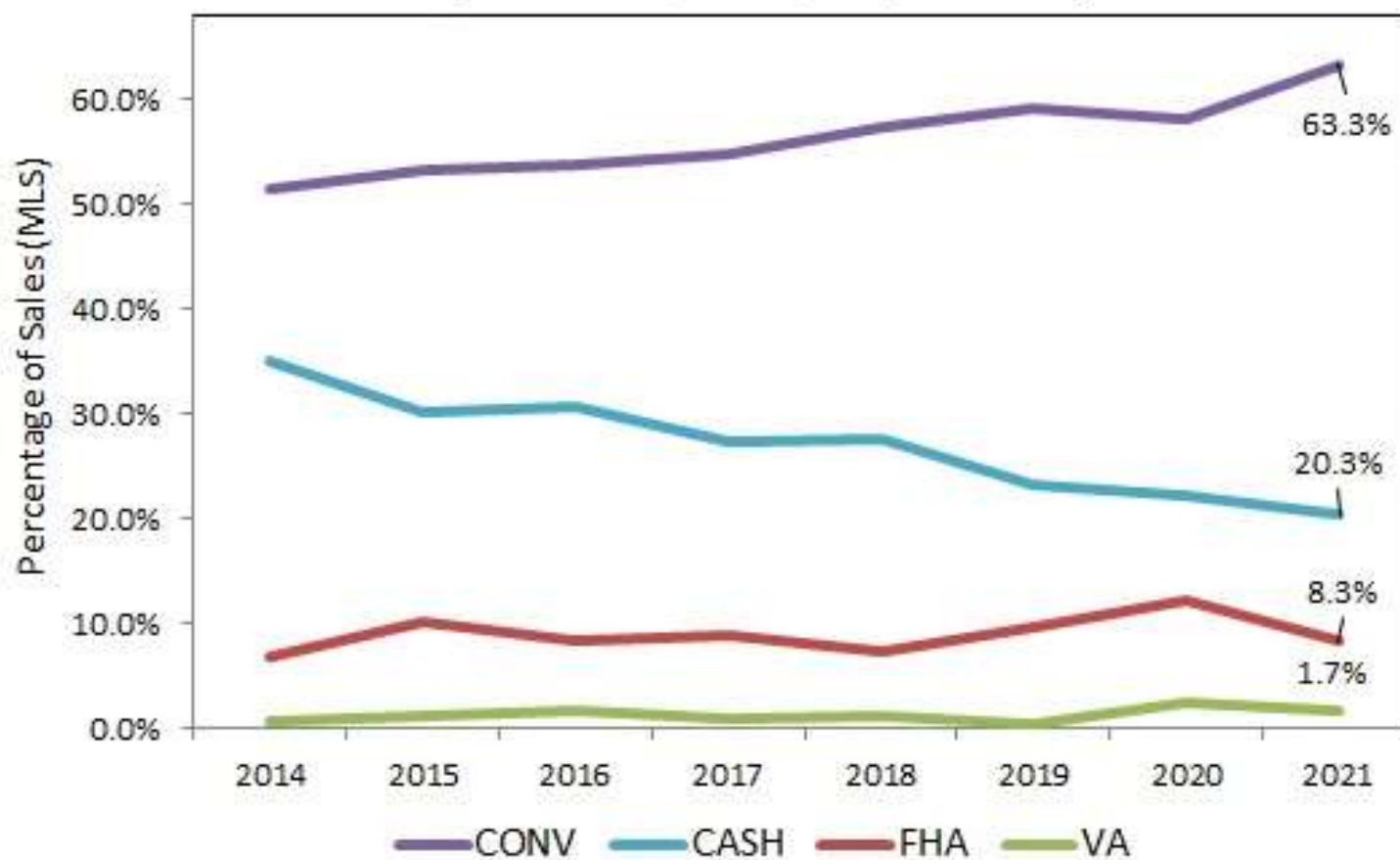


2003 to 2021

SacramentoAppraisalBlog.com

Financing of 2-4 Unit Sales

(Sacramento, Placer, Yolo, El Dorado)



2014 to 2021

SacramentoAppraisalBlog.com



Source: Sorry, but I forgot the name of the Realtor who made this

Median Price in California & Sacramento Region



January 2016 to November 2021

Single Family Units (no condos)

Sacramento Region: Sac, Placer, Yolo, El Dorado

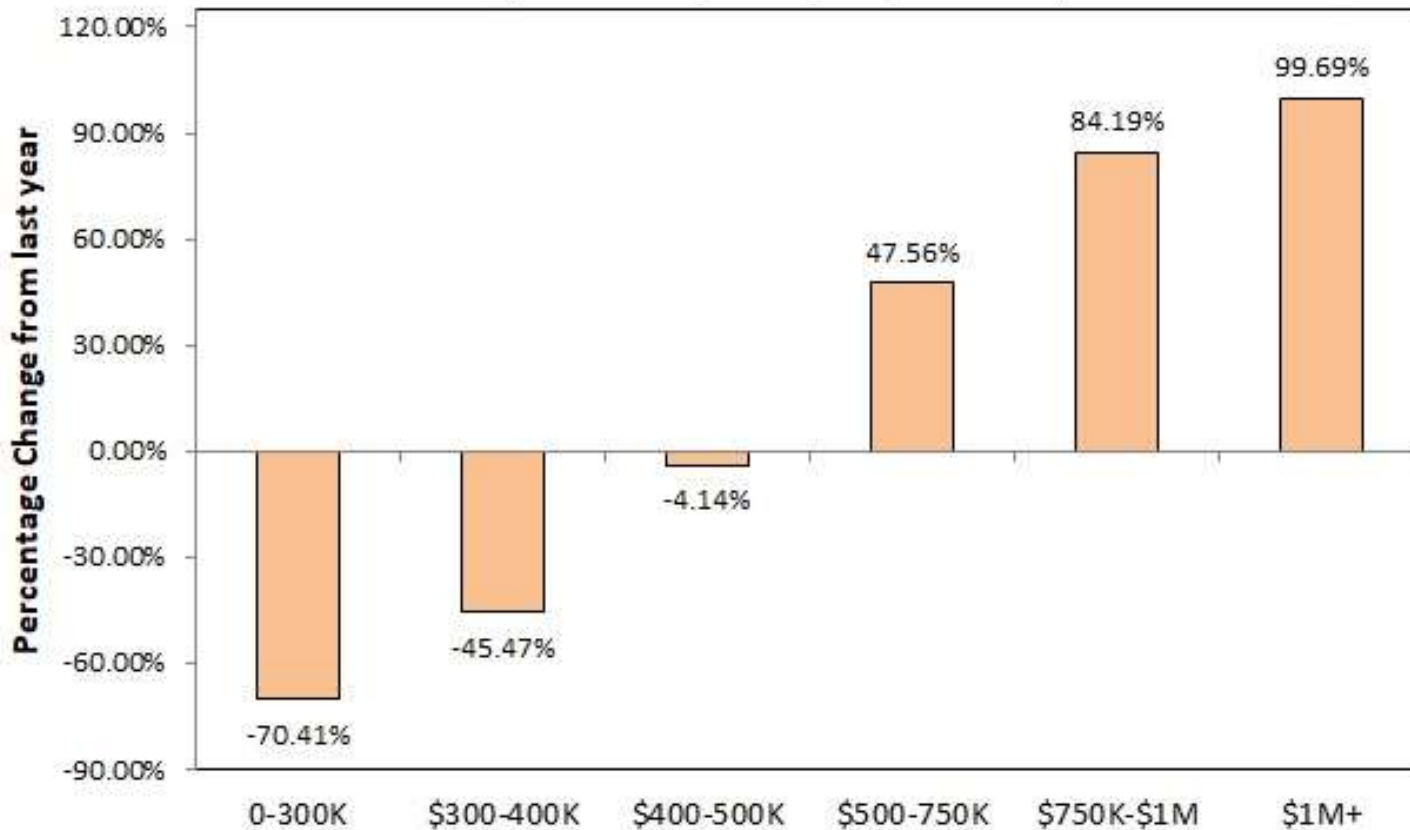
SacramentoAppraisalBlog.com

**Are you watching
the luxury market?**



Change in volume from last year: Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



Jan 2020 to Dec 2020 vs Jan 2021 to Dec 2021

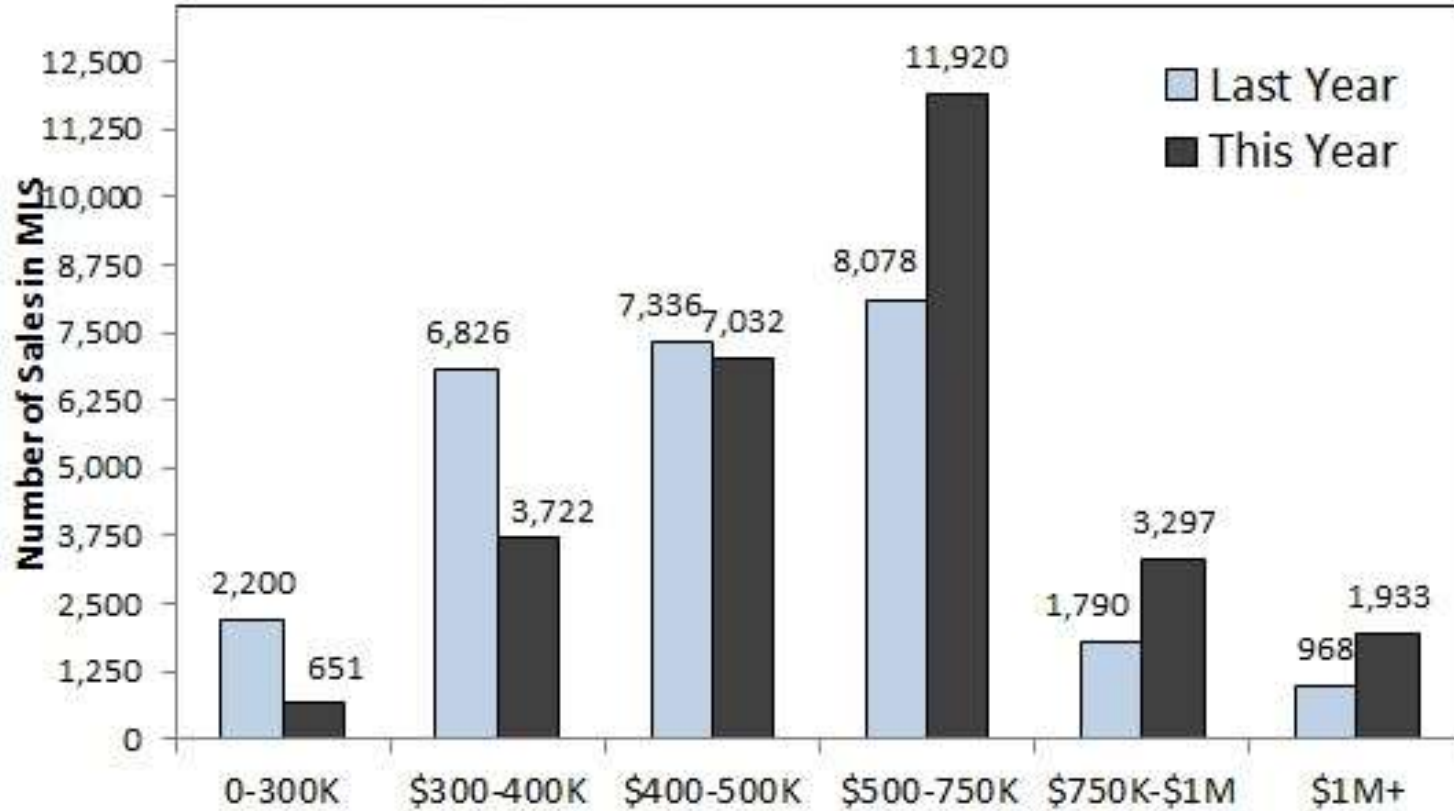
Single Family Detached MLS sales (no condos)

SacramentoAppraisalBlog.com



Change in sales volume by price range

(Sacramento, Placer, Yolo, El Dorado)



Jan 2020 to Dec 2020 vs Jan 2021 to Dec 2021

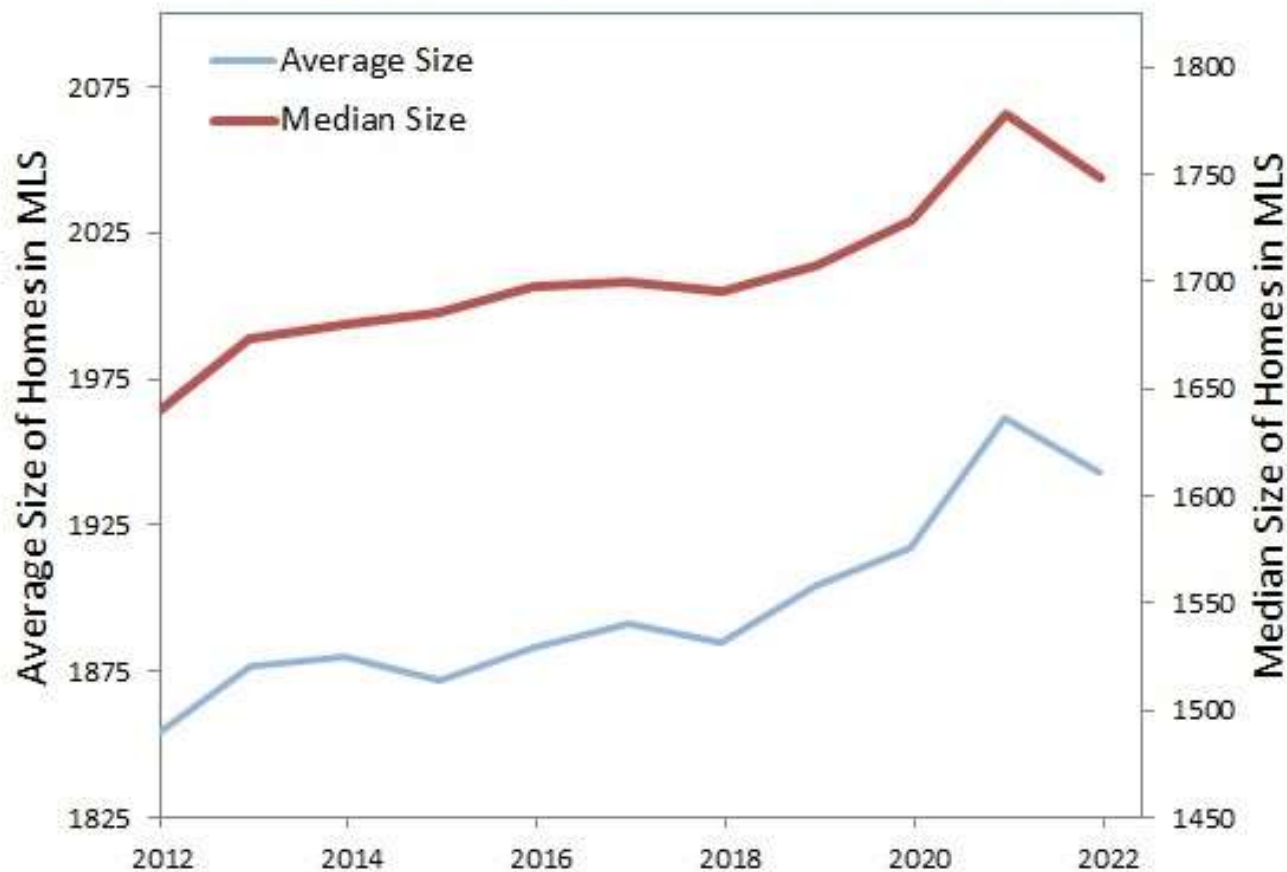
Single Family Detached MLS sales (no condos)

SacramentoAppraisalBlog.com





Homes are increasing in size in the Sacramento Region

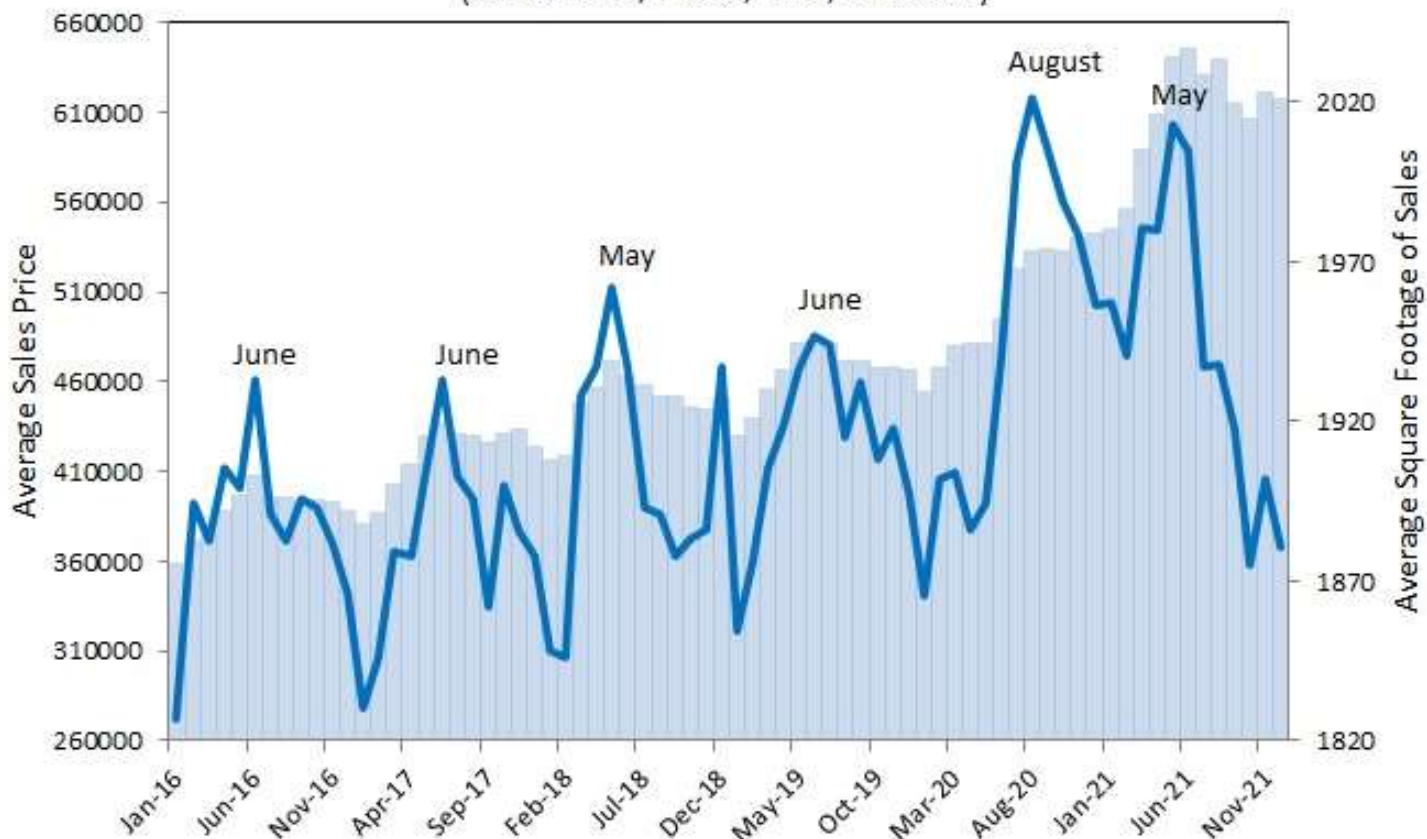


2012 to 2021

Sac, Placer, Yolo, El Dorado County
Annual Single Family Detached Sales
SacramentoAppraisalBlog.com

Avg Price & Avg Square Footage in Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



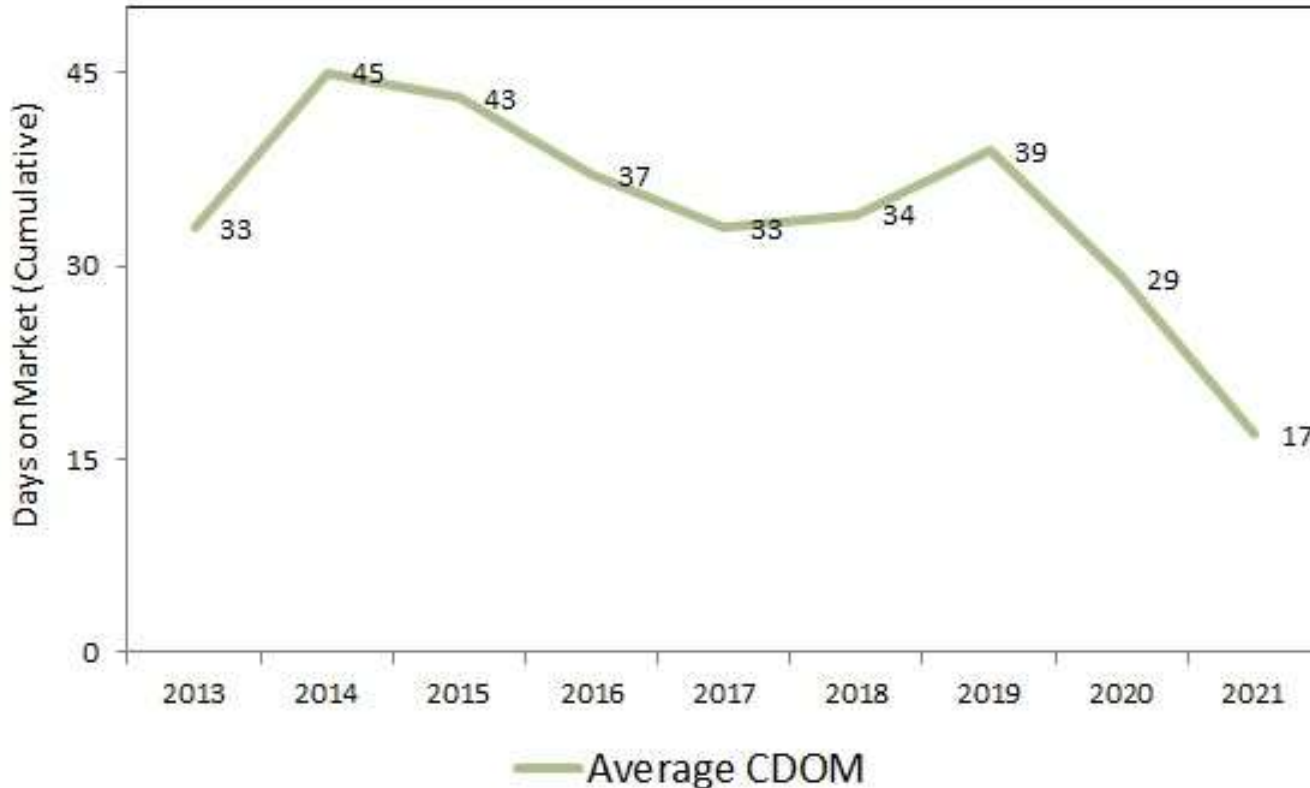
Average Price Average SQ FT of Sales

January 2016 to December 2021 (SFR sales (no condos))

SacramentoAppraisalBlog.com

Sacramento Region: Days on Market

(Sacramento, Placer, Yolo, El Dorado)



2013 to 2021 (January through December)
MLS Single Family Sales (no condos)
SacramentoAppraisalBlog.com

Average Days:

January: **24**

February: **22**

March: **17**

April: **14**

May: **12**

June: **12**

July: **14**

August: **16**

September: **15**

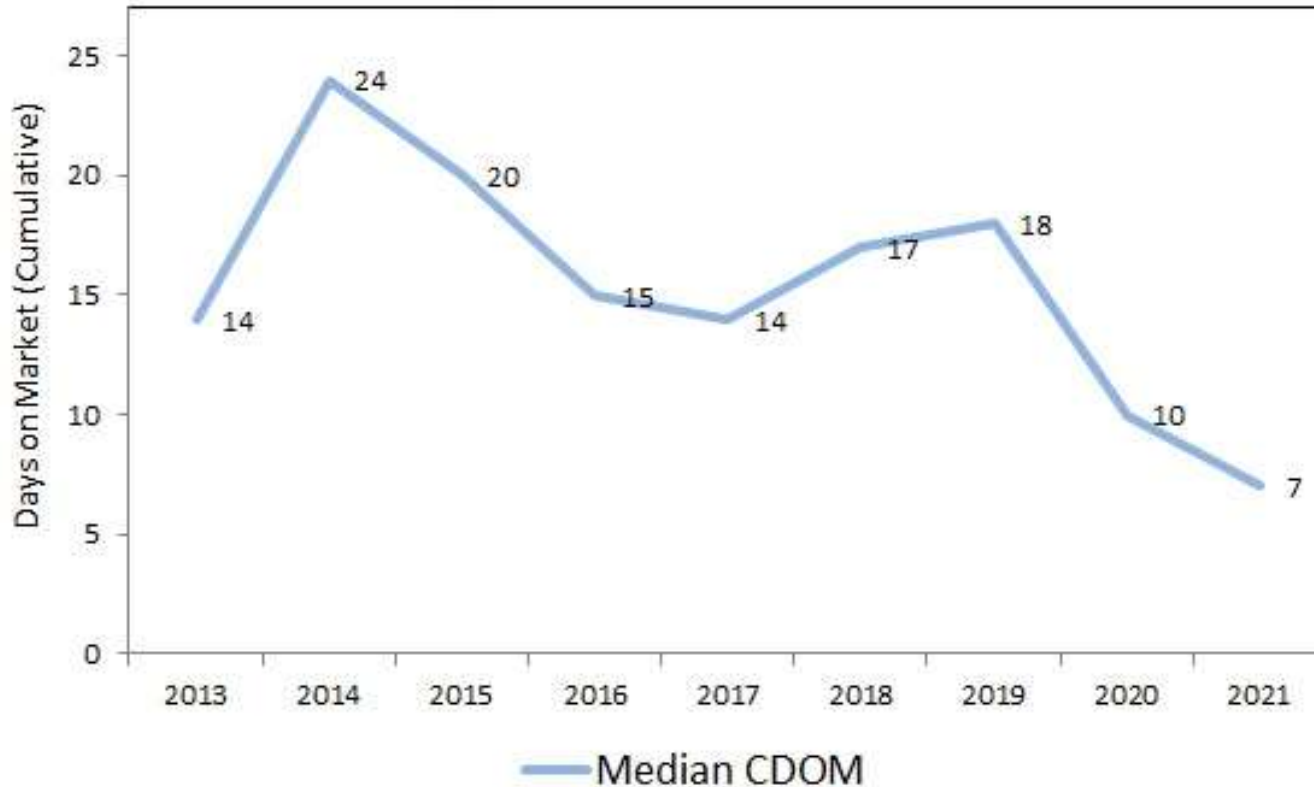
October: **18**

November: **21**

December: **23**

Sacramento Region: Days on Market

(Sacramento, Placer, Yolo, El Dorado)



2013 to 2021 (January through December)
MLS Single Family Sales (no condos)
SacramentoAppraisalBlog.com

Median DOM represents half of all sales.

January: **9**

February: **6**

March: **6**

April: **6**

May: **6**

June: **6**

July: **7**

August: **7**

September: **8**

October: **9**

November: **10**

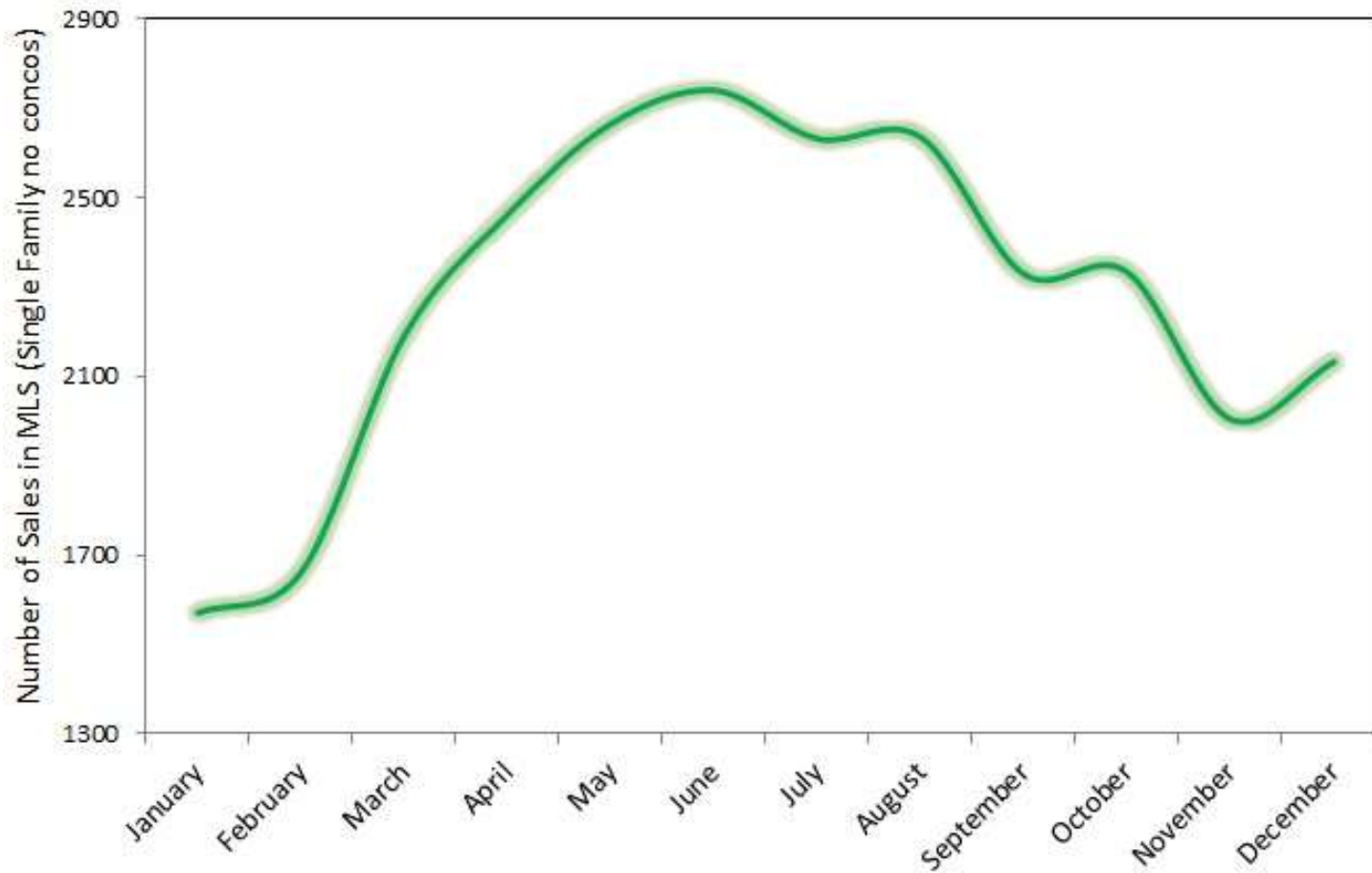
December: **11**

**“The market is not
affordable”**



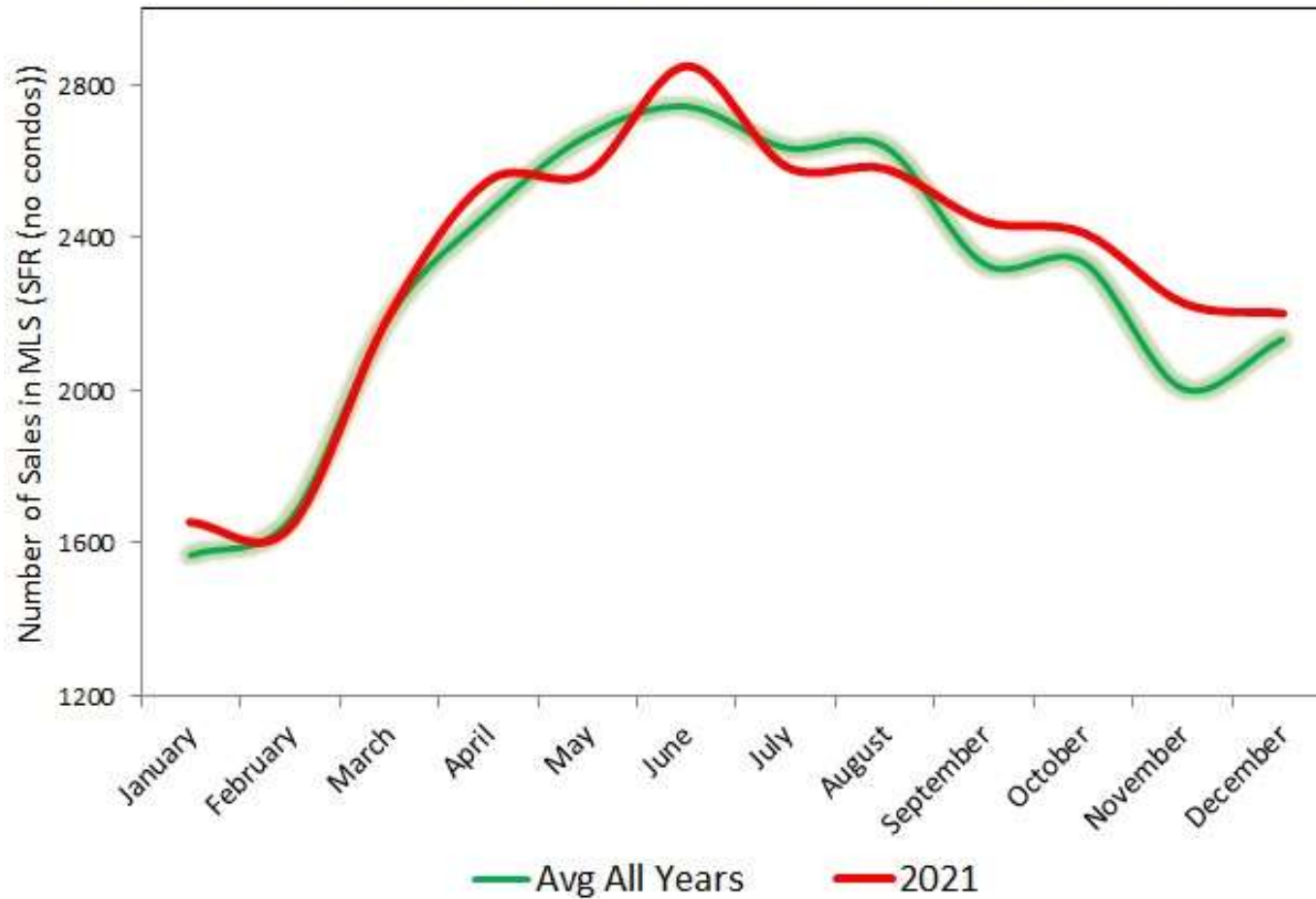
Sacramento Region Monthly Sales Volume Rhythm

(Sac, Placer, Yolo, El Dorado: Average from 2013 to 2019)



Sacramento Region Monthly Sales Volume Rhythm

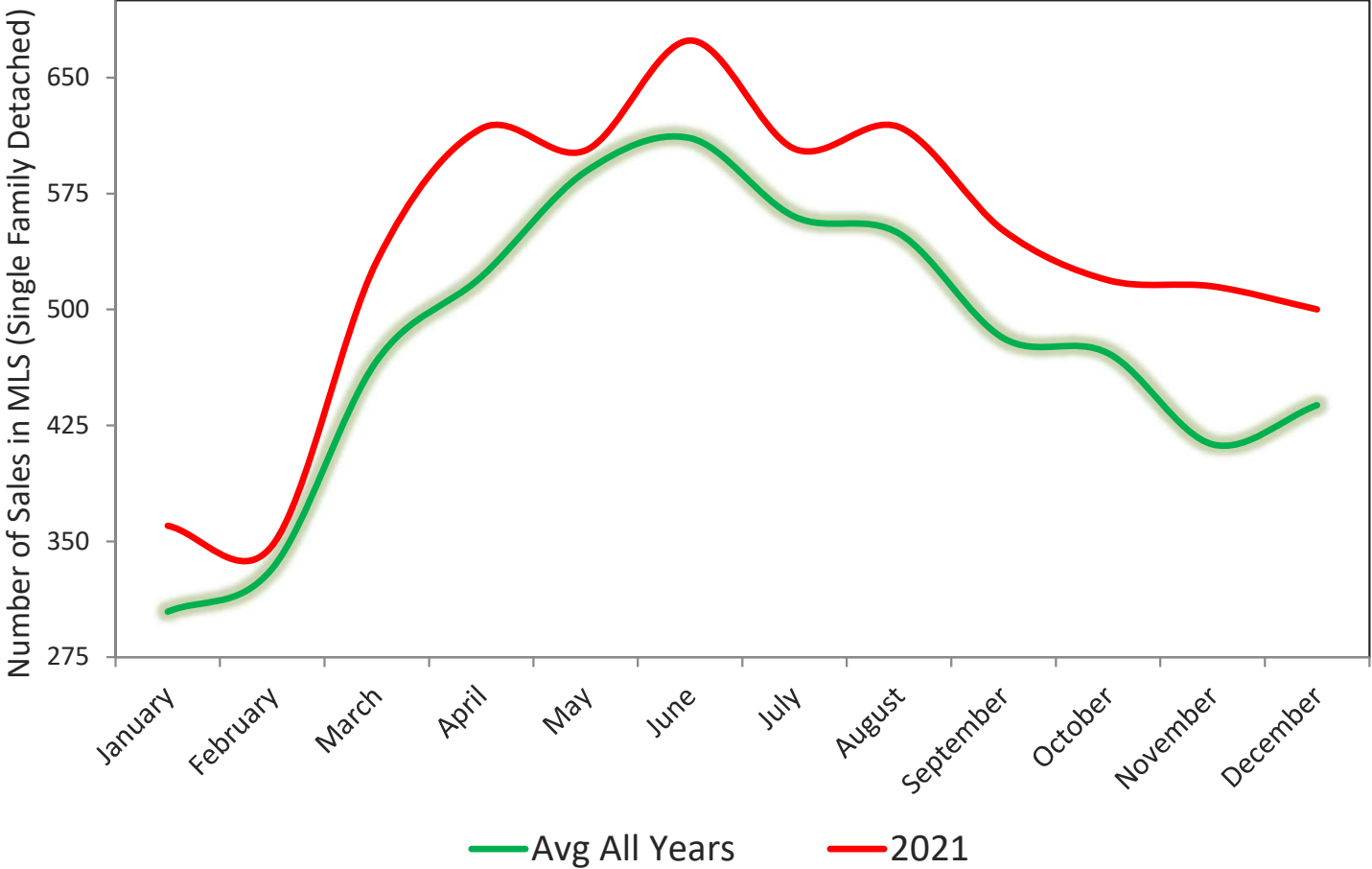
(Sac, Placer, Yolo, El Dorado: Average from 2013 to 2019)



SacramentoAppraisalBlog.com

Placer County Monthly Sales Volume Rhythm

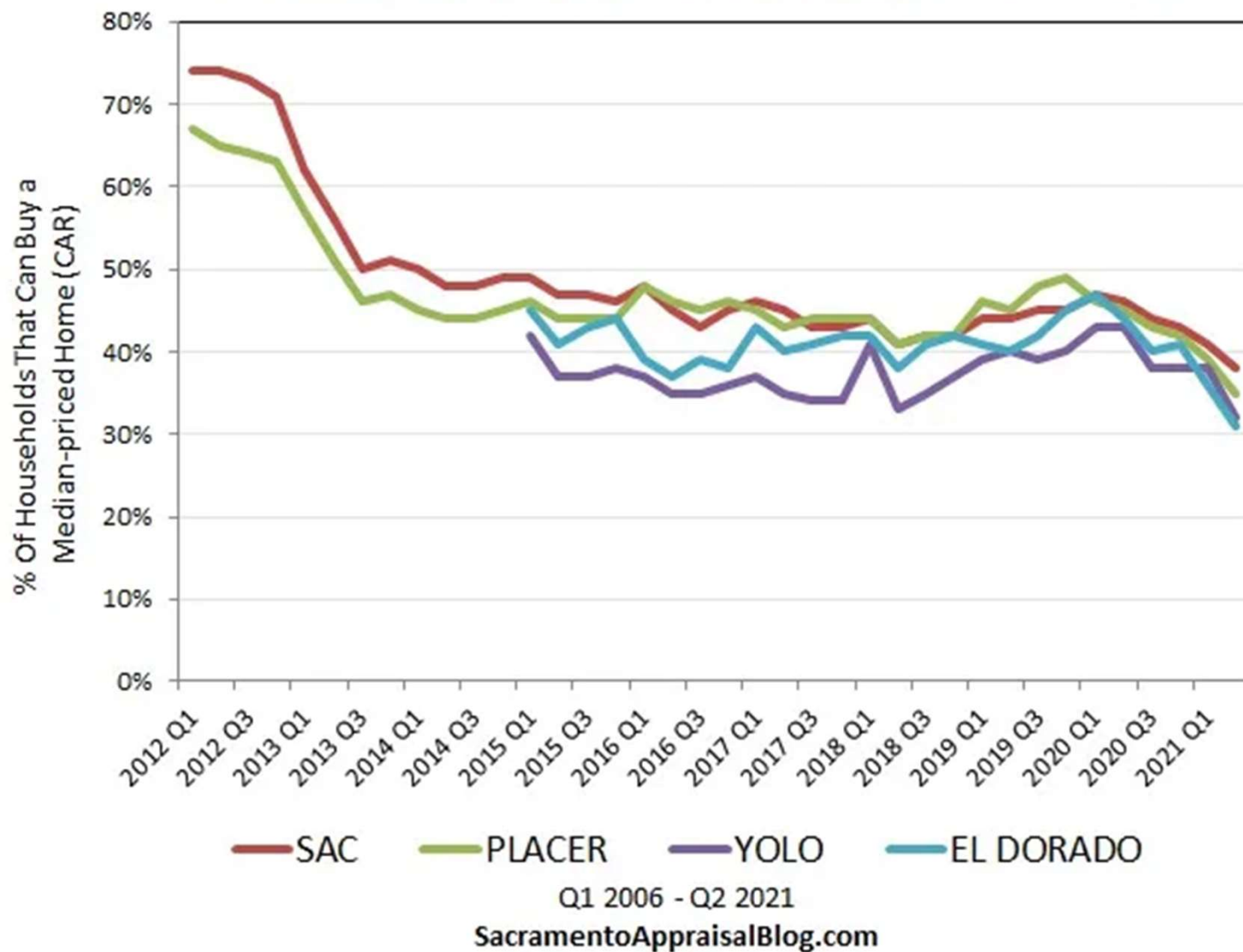
(Average from 2013 to 2019)



— Avg All Years — 2021

SacramentoAppraisalBlog.com

Housing Affordability in Sacramento Region: 2012 to 2021



Is the market going to crash?



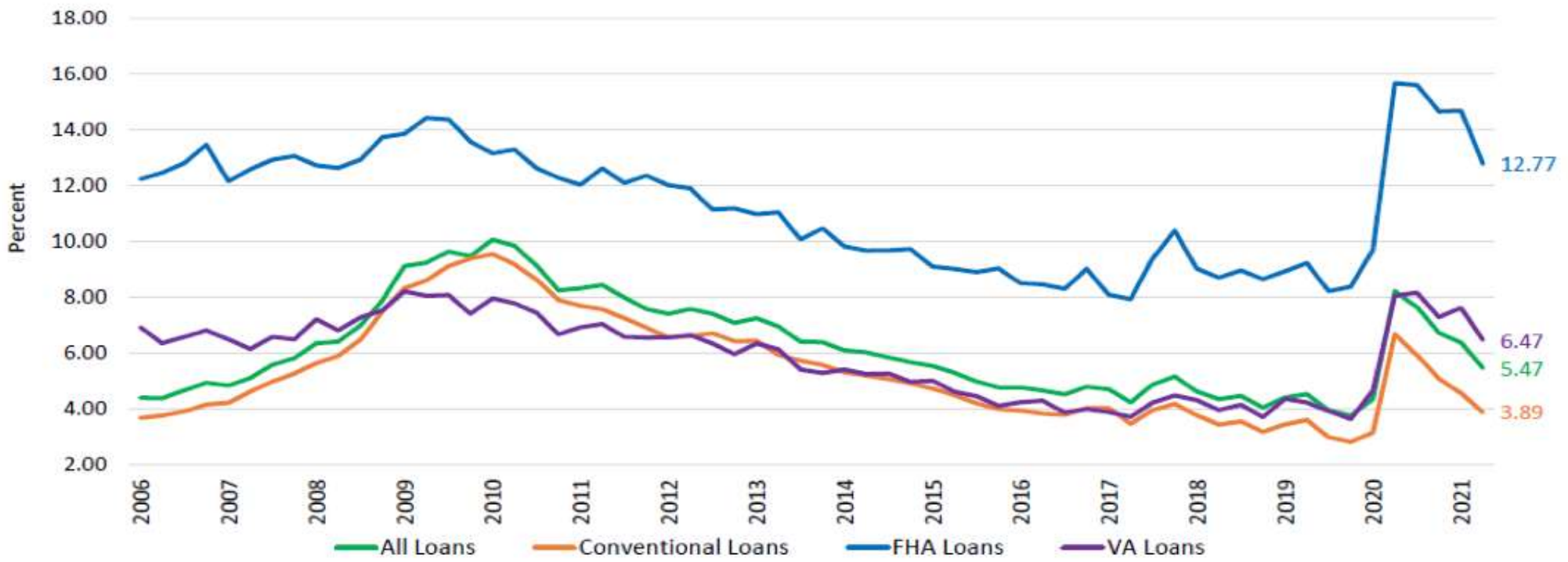
Robert Kiyosaki Predicts the 2022 Housing Crash (with Rich Dad's Robe...



Ken McElroy · 151K views · 1 month ago

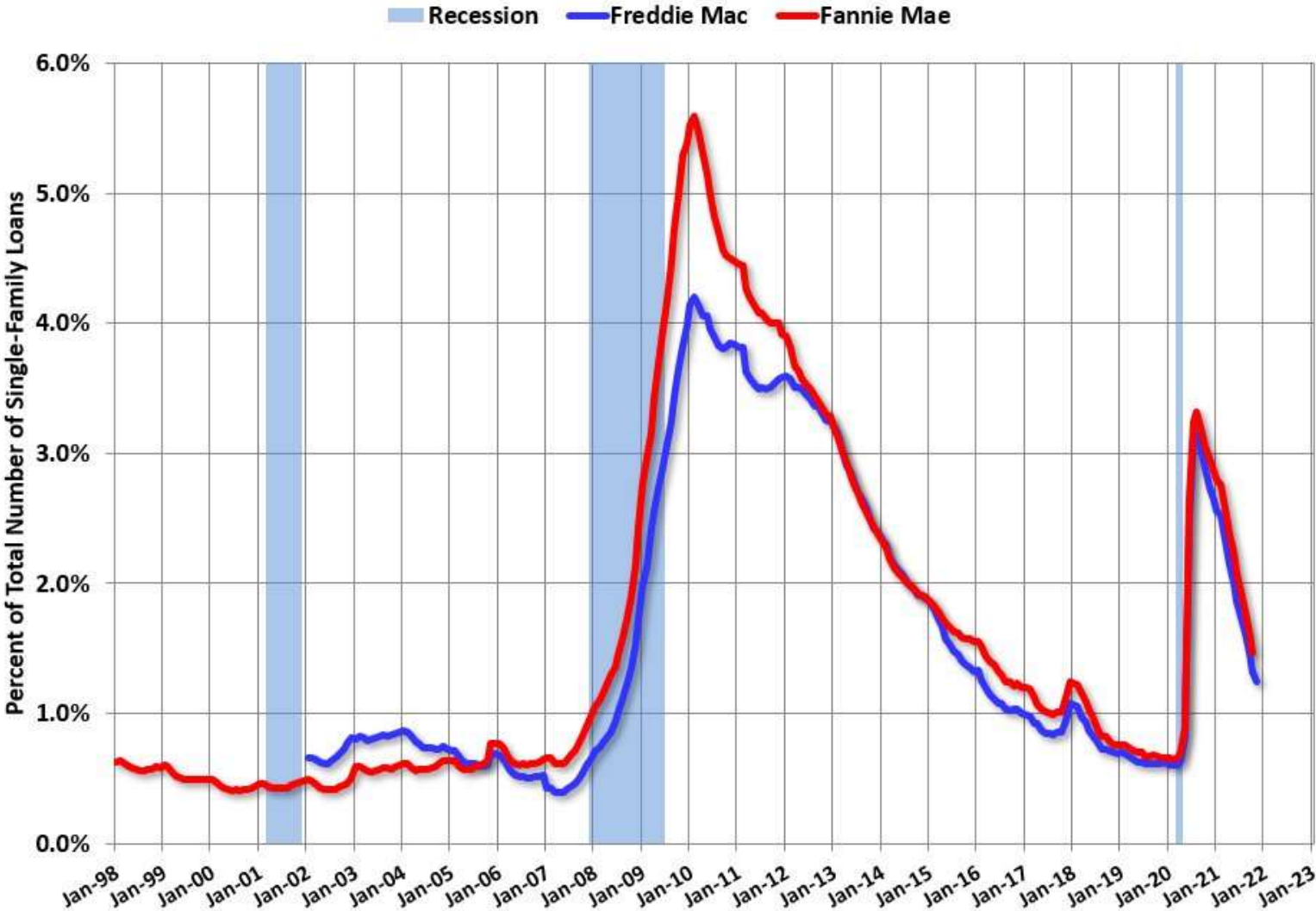
Mortgage Delinquency Rates by Loan Type

Seasonally adjusted, based on loan counts, excludes loans in foreclosure



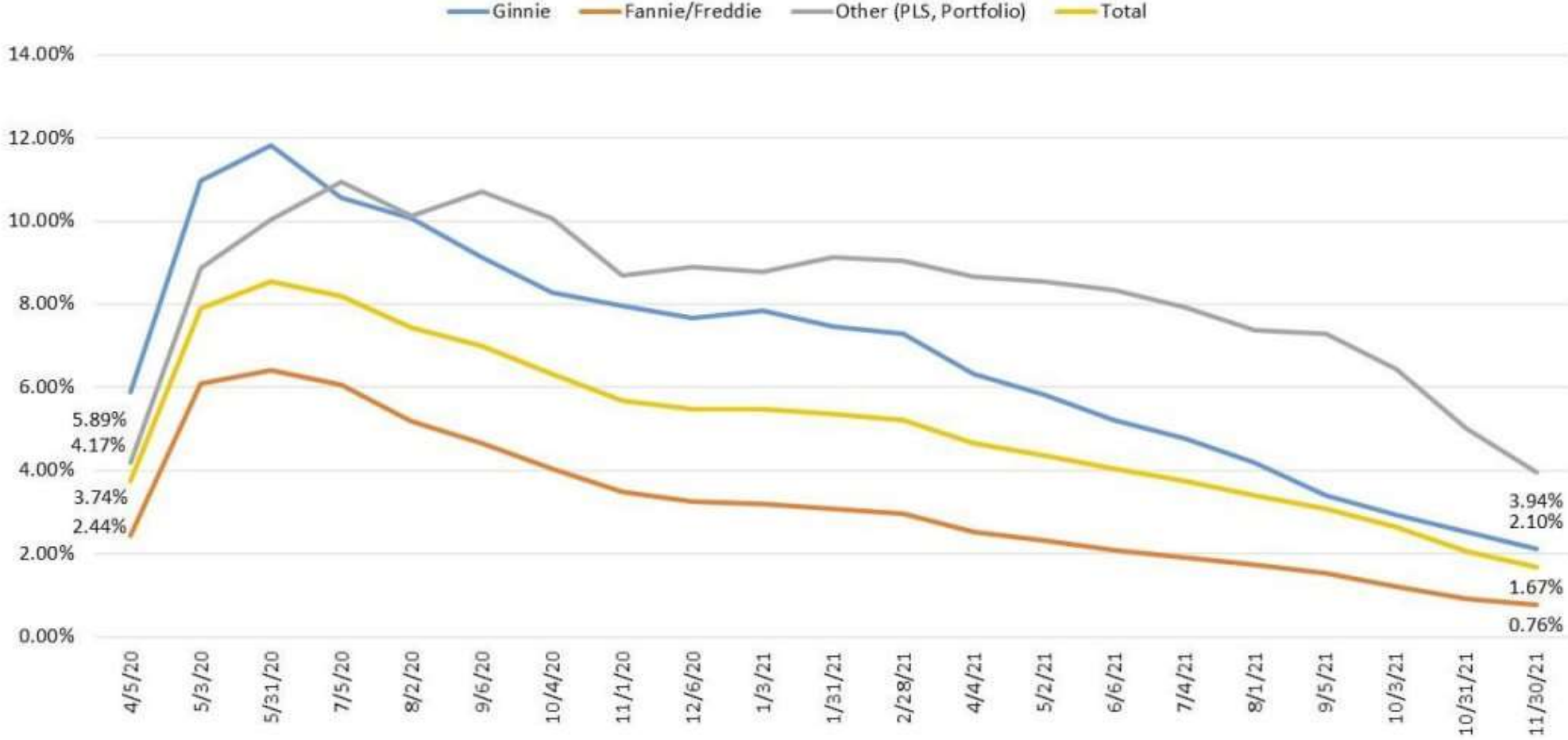
Source: MBA's National Delinquency Survey

Single Family Serious Delinquency Rates (90+ days or in Foreclosure)

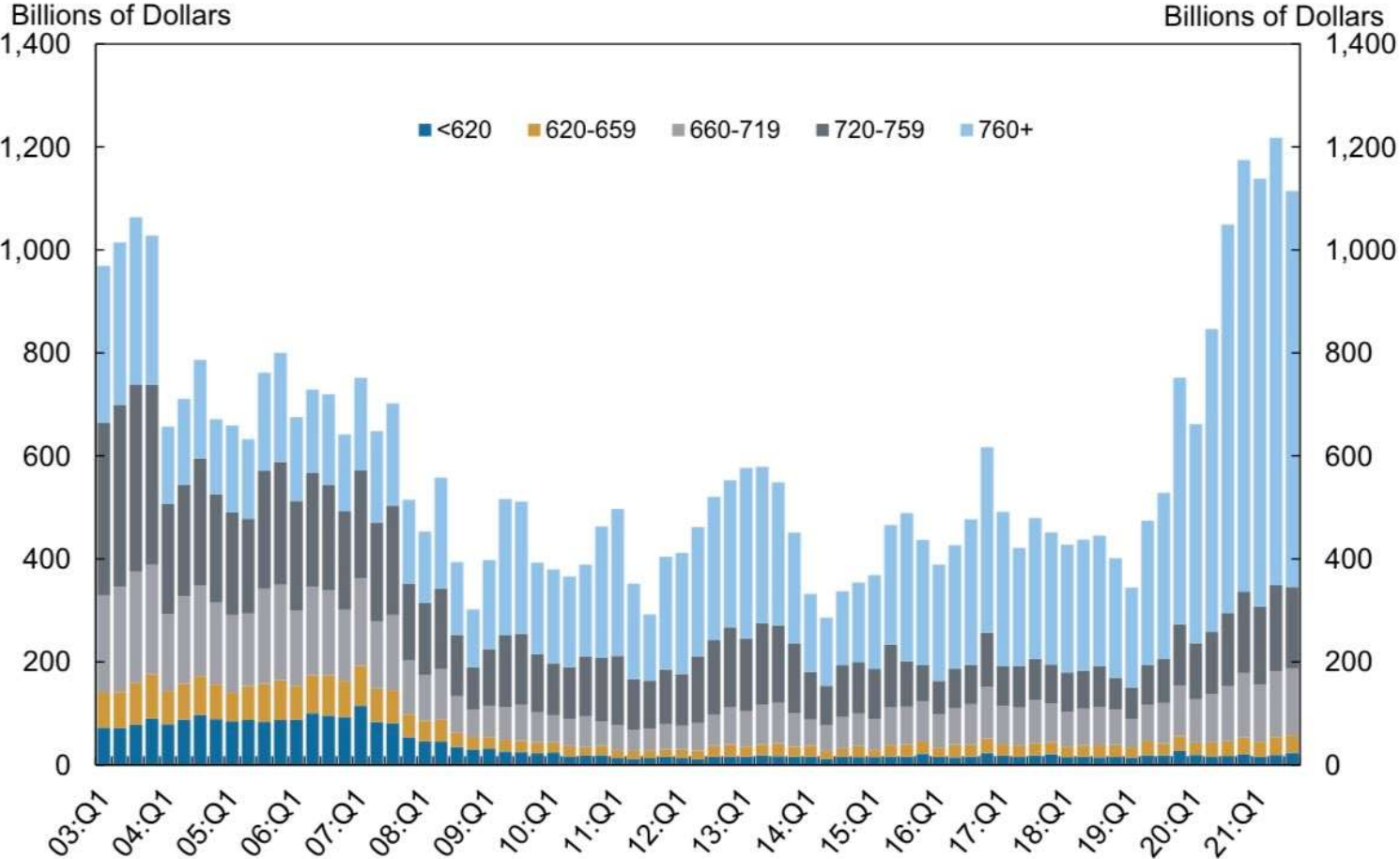


<http://www.calculatedriskblog.com/>

% of Servicing Portfolio in Forbearance by Investor Type Over Time (Full Sample)



Mortgage Originations by Credit Score*



Source: New York Fed Consumer Credit Panel/Equifax
 * Credit Score is Equifax Riskscore 3.0

**THE HOUSING MARKET
WILL GO UP FOREVER**



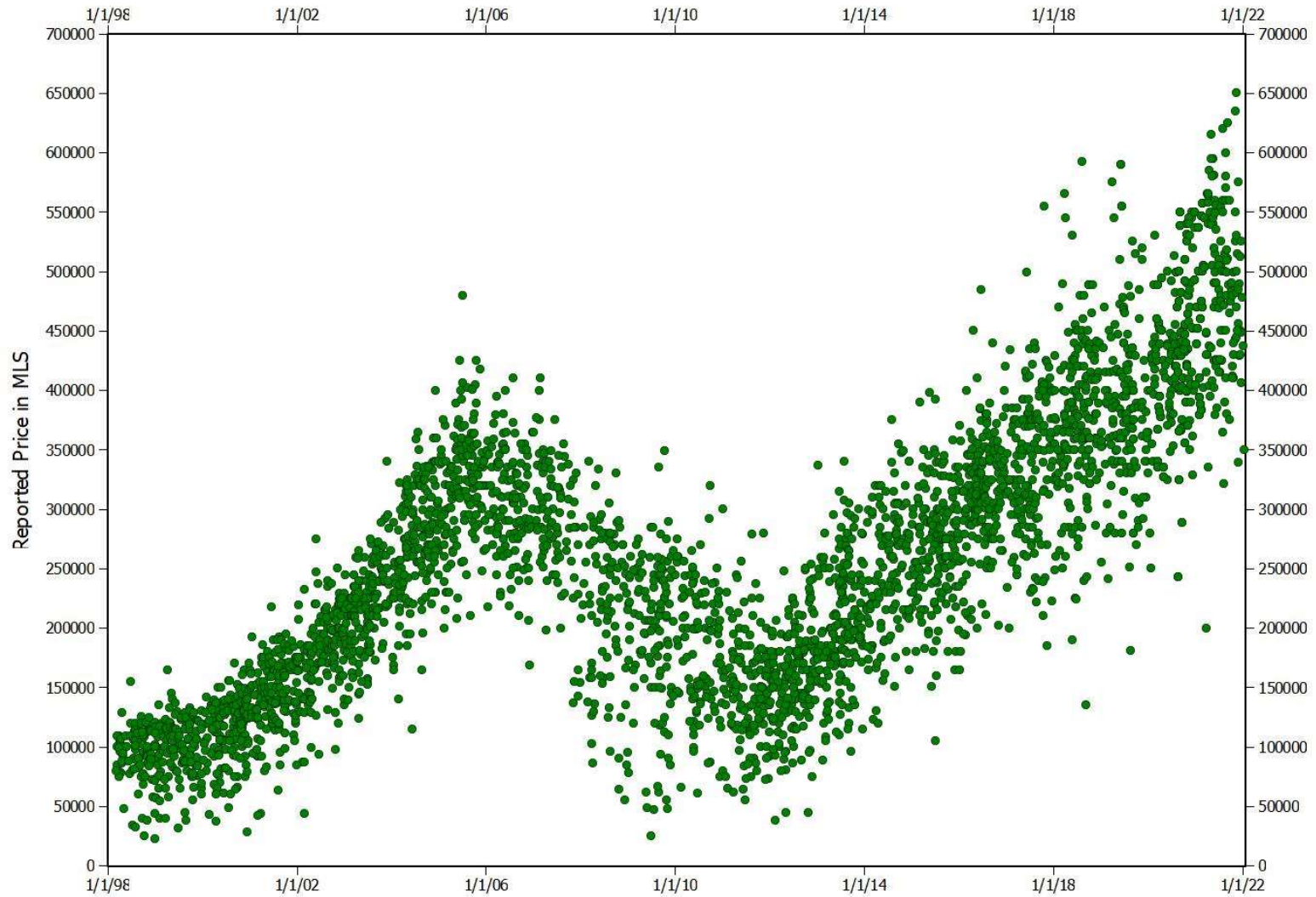
**HOUSING MARKET:
HOLD MY BEER**

THE FUTURE

Sometimes unexpected things happen



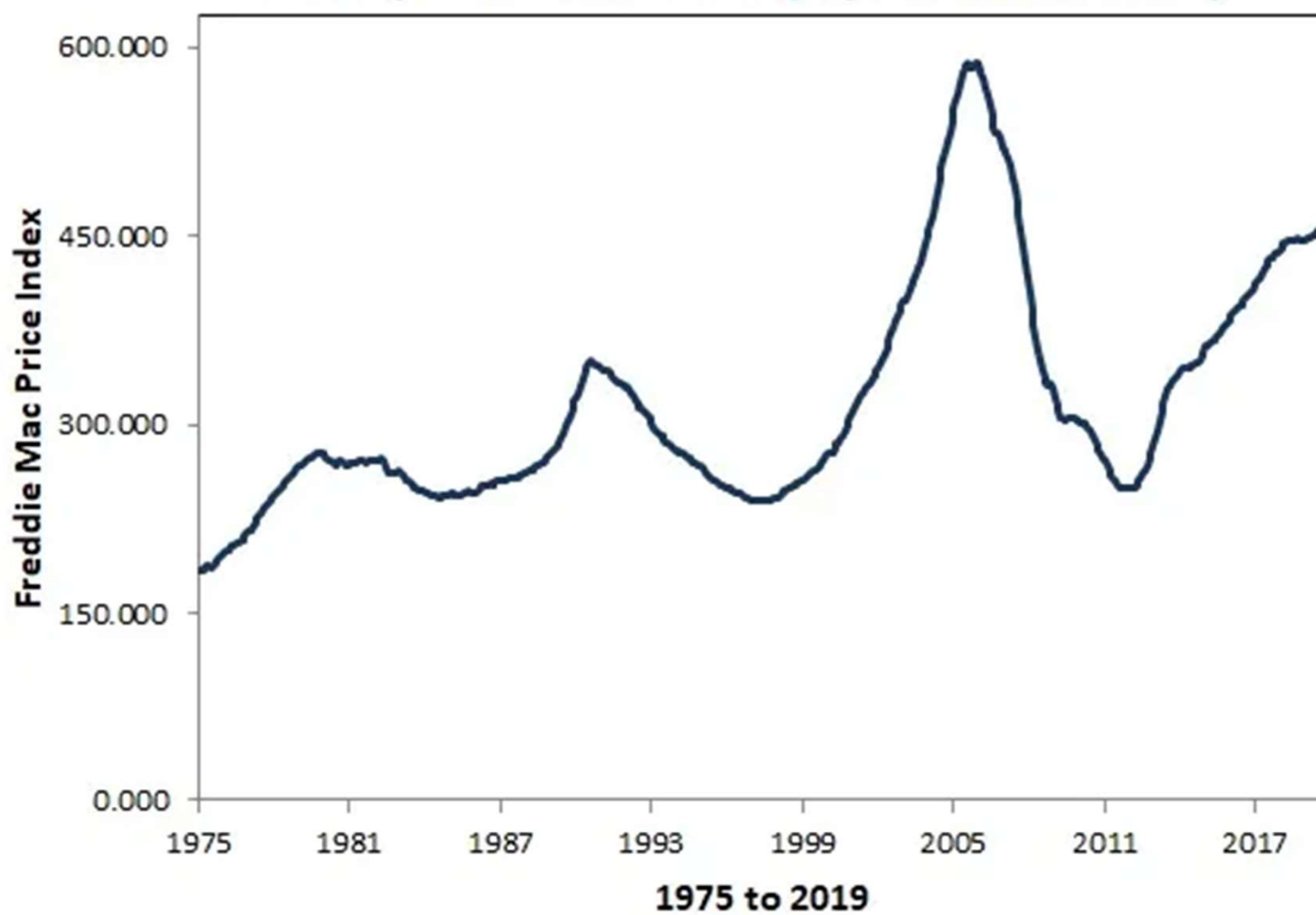
Tahoe Park Neighborhood Sales



January 1998 to January 2022

www.SacramentoAppraisalBlog.com

Price Cycles in Sacramento (adjusted for inflation)





Five things to watch in 2022

- 1) Upward price pressure.
- 2) We are poised to see price deceleration.
- 3) Watch for price resistance in some segments.
- 4) Mortgage rates rising can affect the feel.
- 5) Pay attention to lifestyle buyers as well as consumer sentiment / finances (inflation, rates, stocks, crypto).



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