

Looking ahead to 2023

January 23, 2023

Ryan Lundquist - @SacAppraiser

SacramentoAppraisalBlog.com

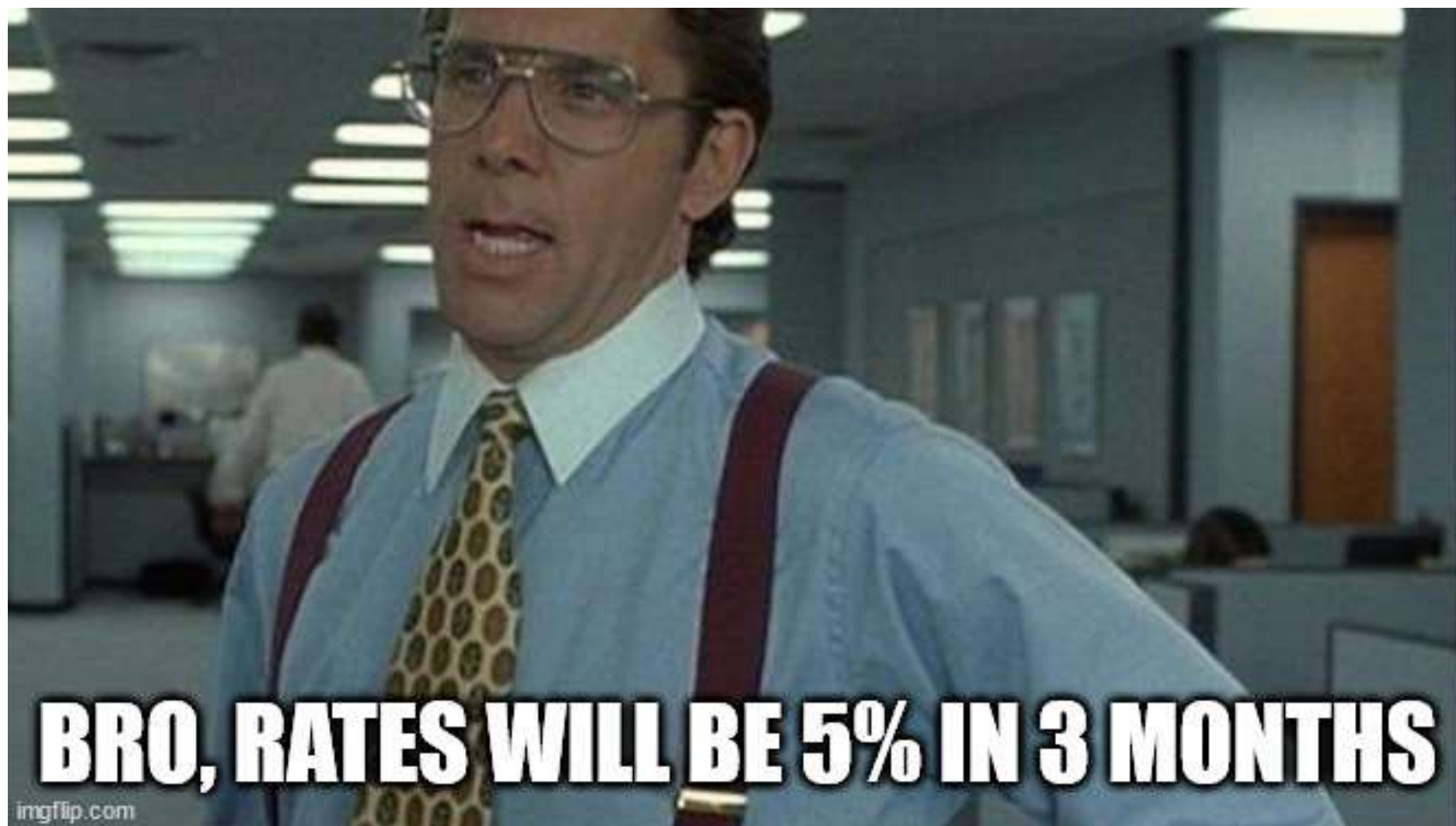


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LIGHT THE HOUSING MARKET BEAM





BRO, RATES WILL BE 5% IN 3 MONTHS

Forbes names Sacramento best place to live in California



BY LAURA HAEFELI
JANUARY 12, 2023 / 10:46 PM / CBS
SACRAMENTO



SACRAMENTO (CBS13) - Forbes released an article listing Sacramento as the best place to live

LOCAL NEWS >

Forbes Ranks Sacramento Fifth Most Miserable City In America



FEBRUARY 3, 2012 / 12:38 PM / CBS
SACRAMENTO

SACRAMENTO (CBS13) – Six Northern California cities made Forbes' list of the worst places to live in the country, including Sacramento at No. 5 for the second year in a row, according to the magazine.



The temperature can change by the week

Zoom 1YR 5YR MAX

Oct 21, 2018 – Jan 17, 2023

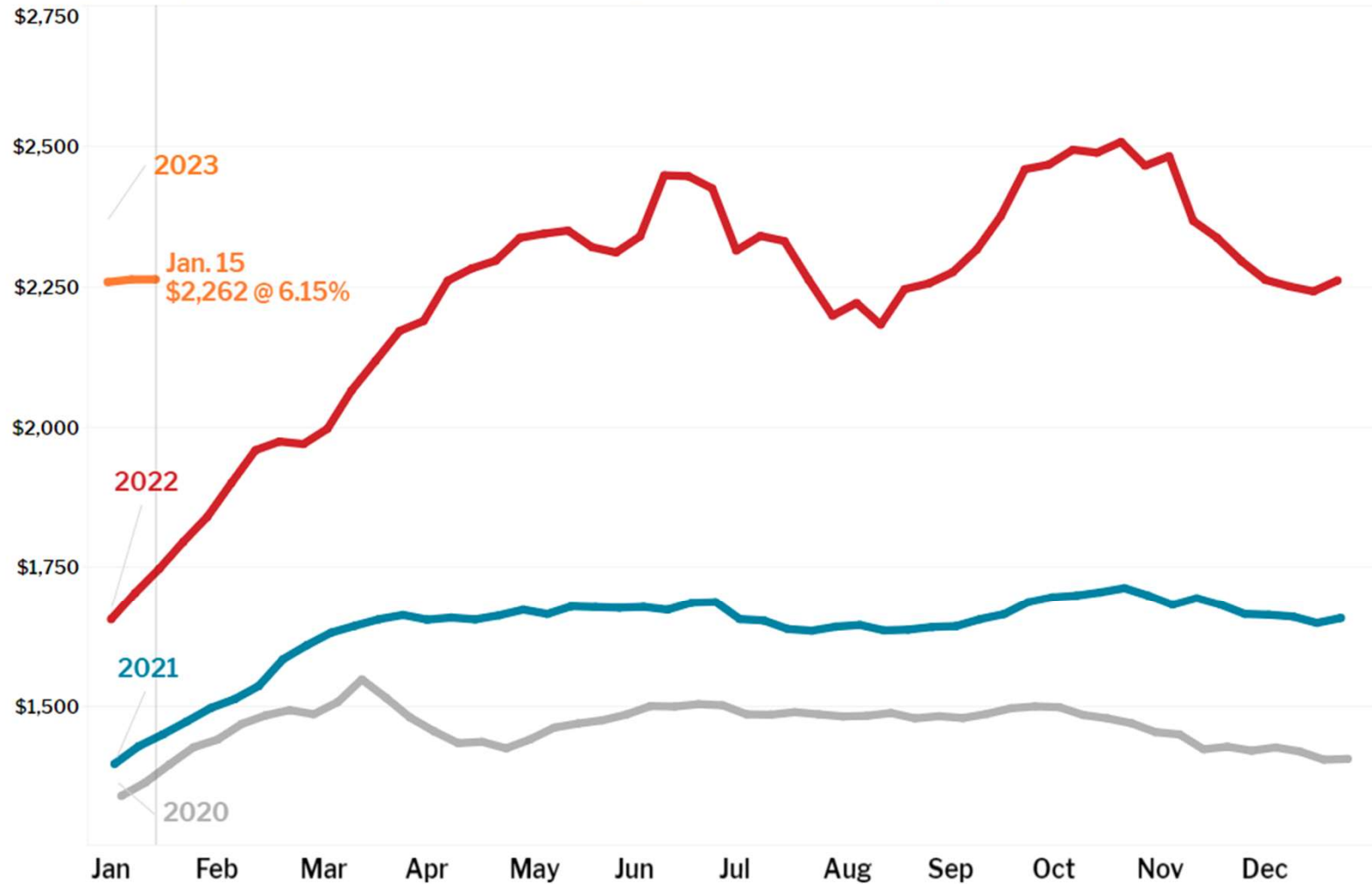
X-factor



<https://www.mortgagenewsdaily.com/mortgage-rates/mnd>

Homebuyer Mortgage Payments +29.5% Year Over Year

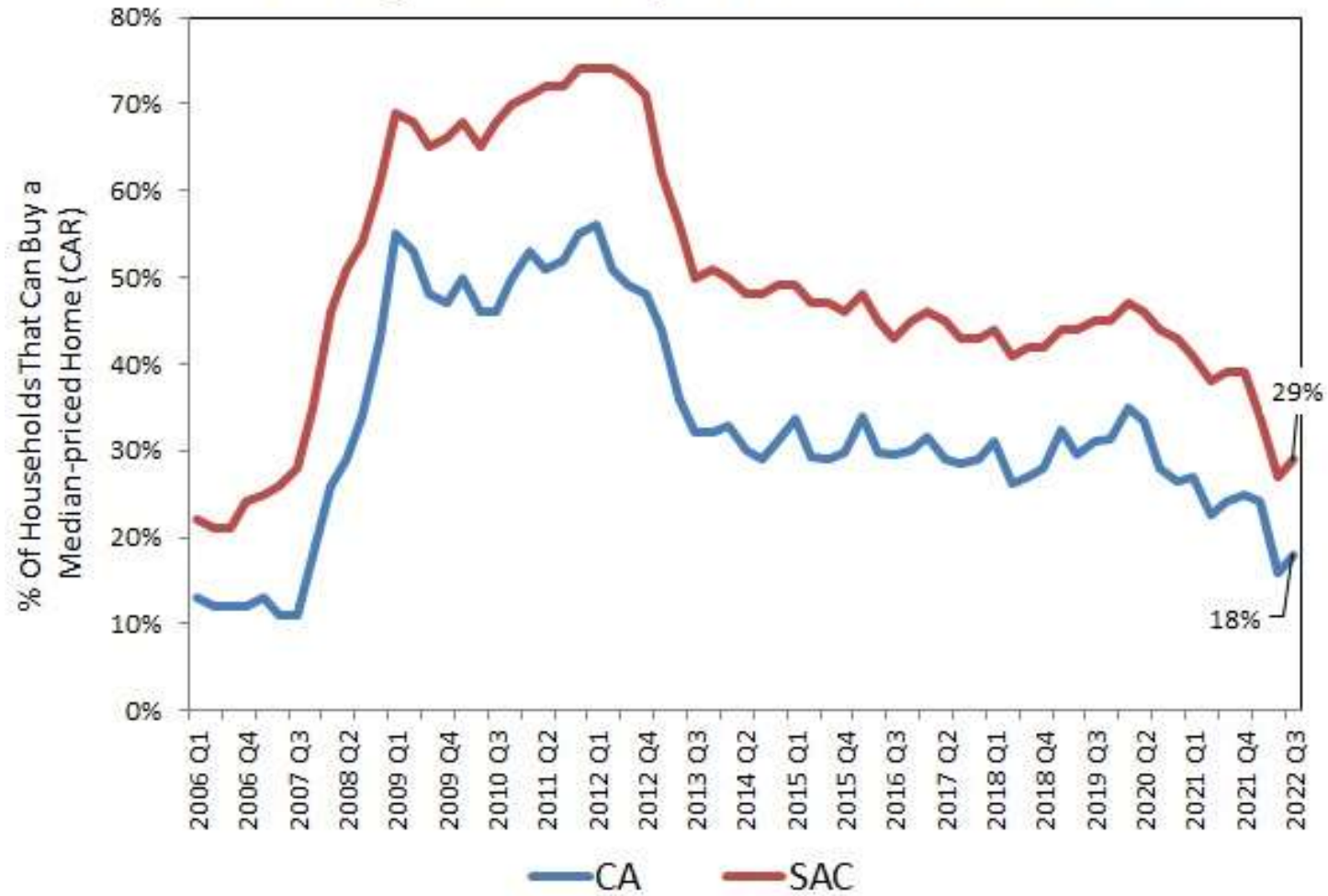
Mortgage payment on the 4-week rolling average of the median asking price



Source: Redfin analysis of MLS data, Freddie Mac Primary Mortgage Market Survey



Housing Affordability in California & Sacramento



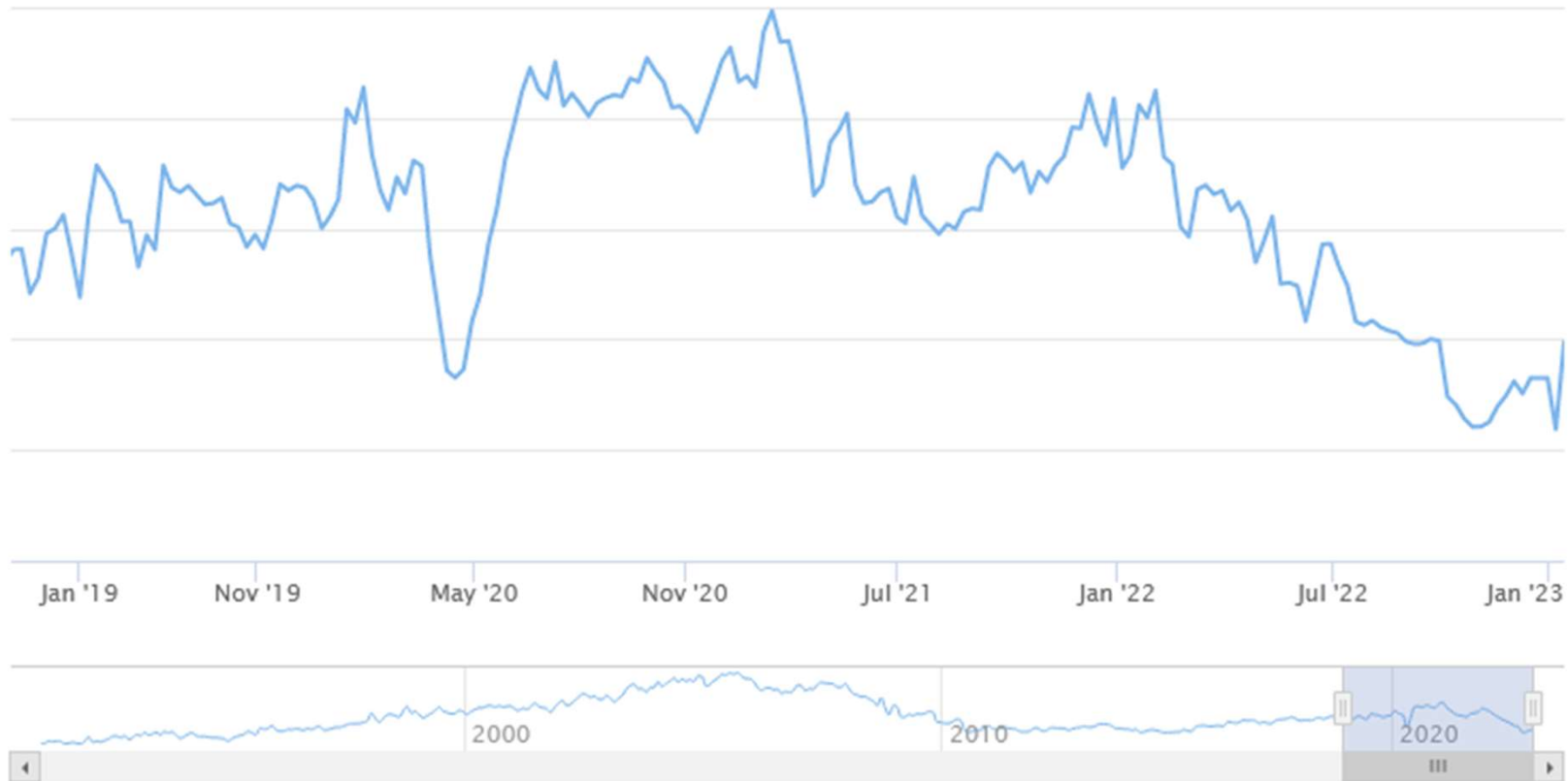
Q1 2006 - Q3 2022

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Zoom 1YR 5YR 10YR MAX

Sep 24, 2018 → Jan 18, 2023

Mortgage Purchase Applications in United States



— Purchase Index — Refinance Index

<https://www.mortgagenewsdaily.com/data/mortgage-applications#chart-apps-purchase-vs-refinance>

- 1) **Don't expect modest rate changes to alter the market.**
- 2) **It's going to take time to get buyers back.**
- 3) **The market needs to figure out how to become affordable.**
- 4) **The market is heating up for the spring right now.**



Photo: Dimitrios Kambouris/Getty



Erin Stumpf, Coldwell Banker / CA DRE #01706589

@erinnstumpf



There are many motivations that compel people to buy homes in any market. Currently, I have buyers that are:

- ✓ wanting a yard for a dog
- ✓ relocating for work
- ✓ relocating for family
- ✓ getting married
- ✓ getting divorced
- ✓ moving out of parents' house
- ✓ over apartment life

9:06 AM · Sep 30, 2022 · Twitter for iPhone

October to December in Sac Region: 2022



Cash: **16.8%**

FHA: **11.5%**

VA: **4.2%**

Conv: **63.7%**

Single family detached sales in MLS
(no condos): Q4 in 2022
Other financing is about 3%
Sac, Placer, Yolo, El Dorado

SINCE DECEMBER in **Sac County**: 2022



Cash: **12.3%**

FHA: **15.3%**

VA: **4.5%**

Conv: **63.4%**

Single family detached sales in MLS
(no condos): 12/1/22-1/18/23
Other financing is about 4%
Sac, Placer, Yolo, El Dorado

Cash Sales in the Sacramento Region



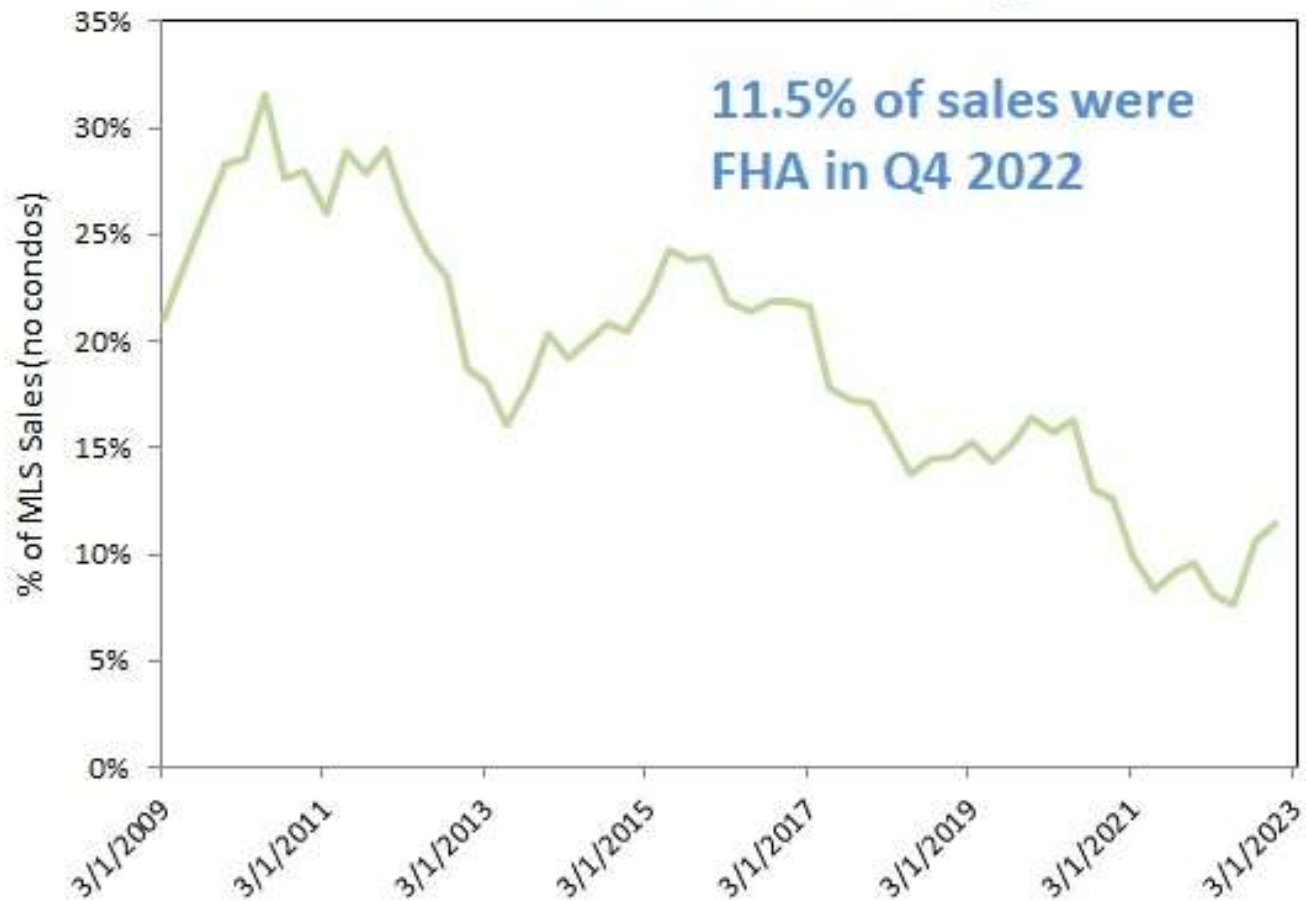
16.8% of sales were cash in Q4 2022

Q1 2009 to Q4 2022

Sac, Placer, Yolo, El Dorado County

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FHA Sales in the Sacramento Region



Q1 2009 to Q4 2022

Sac, Placer, Yolo, El Dorado County

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21.7% of all sales **under \$500,000**
in Sacramento County have been
FHA since December 2022.

% of Sales with Concessions in Sacramento County



January 2016 to December 2022

Single family detached MLS sale (no condos) 1-13-2023

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**SOME BUYERS
ARE FEELING HOPEFUL**



**SELLER'S
MARKET**

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BUYERS

imgflip.com



Oct 29



to me ▾

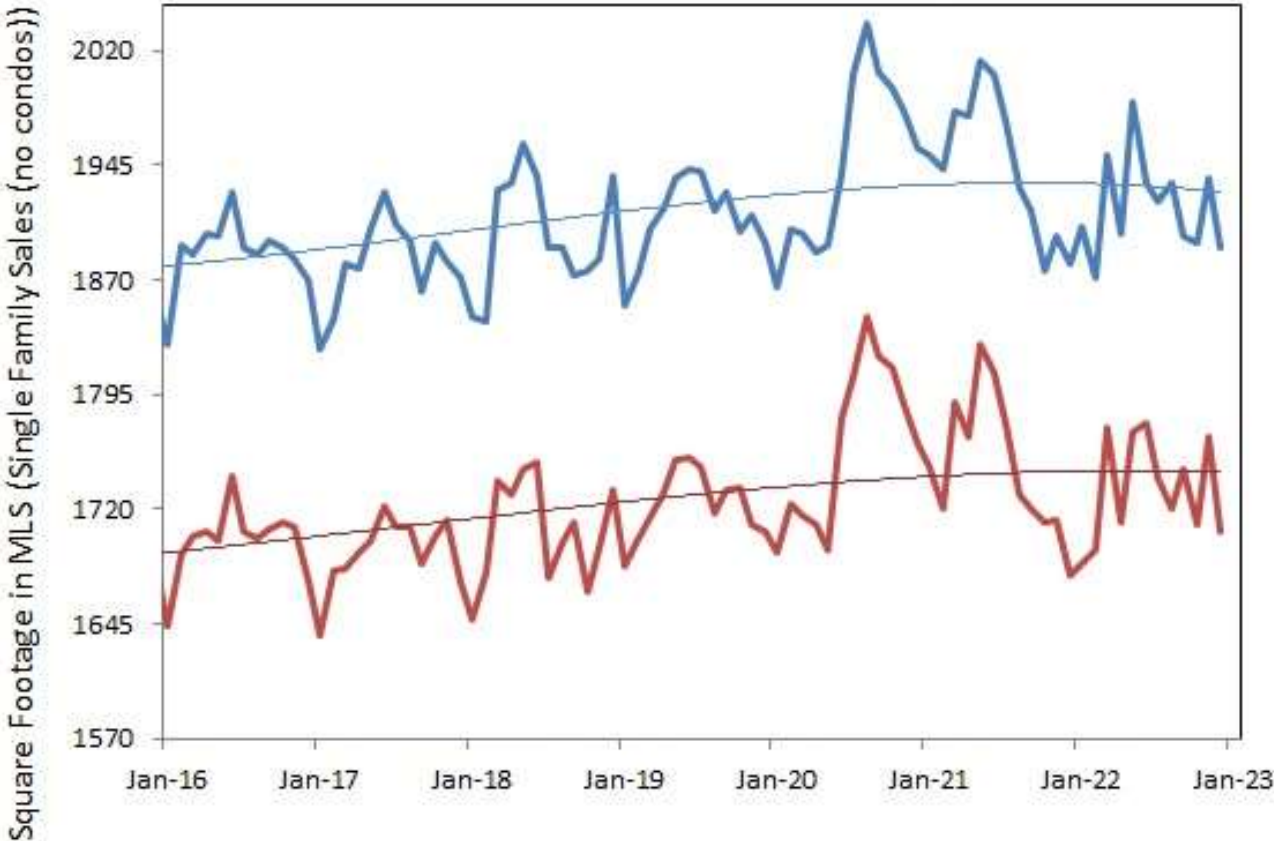
I enjoy reading your blog. Thanks for sharing your knowledge.

As an eventual buyer, these trends are encouraging.

Thanks again,

Home Size in Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



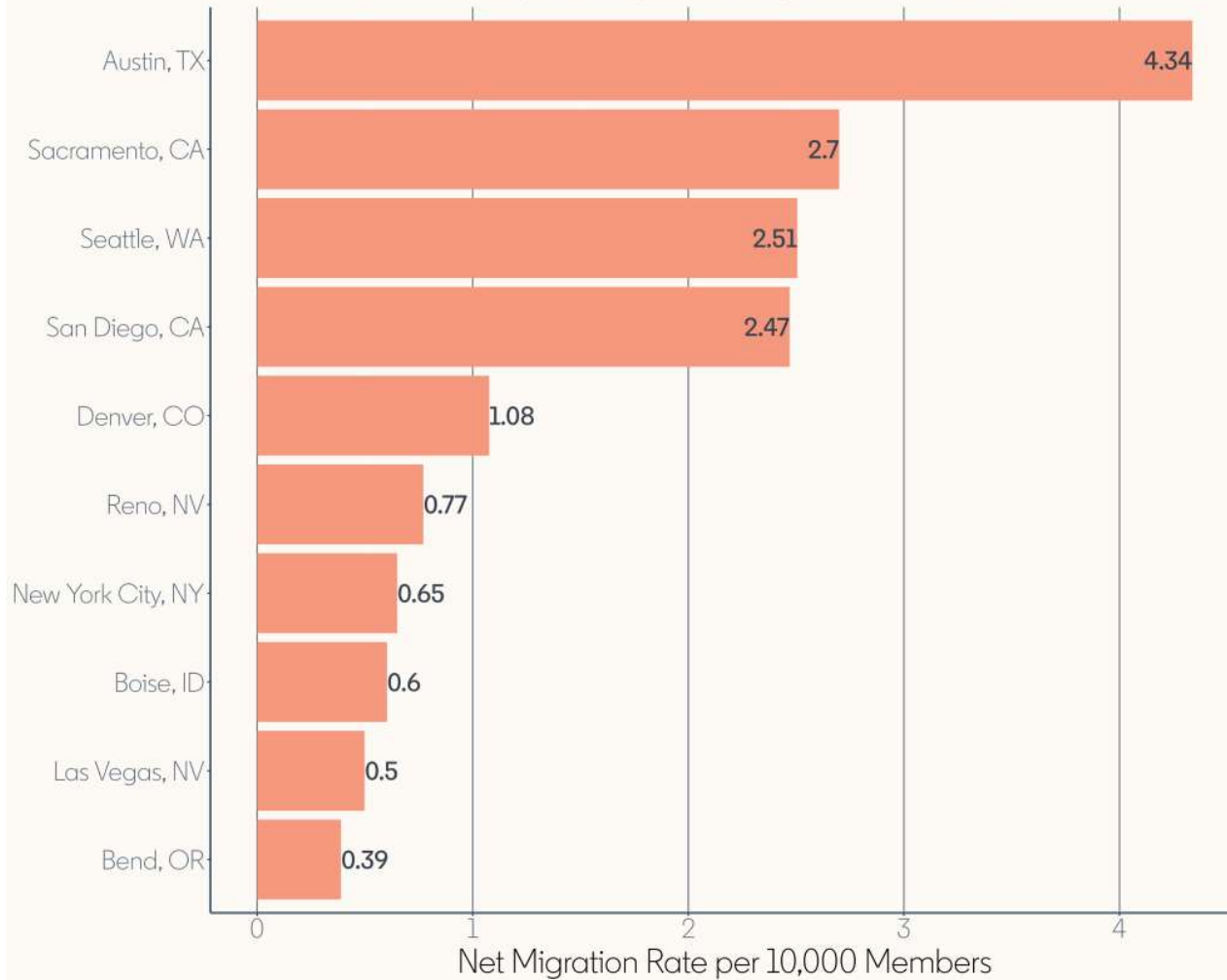
— Average Size — Median Size

January 2016 to December 2022

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San Francisco Bay Area

January 2023: Population Loss per 10,000 Members



A migration instance is defined as a member changing their location on their LinkedIn profile. We analyzed migration of LinkedIn members between U.S. cities for the past 12 months to develop a ranking of cities that San Francisco Bay Area lost the most workers to. For every 10,000 LinkedIn members in San Francisco Bay Area, 4.3 left to Austin, TX in the past year.





MARKETS

BUSINESS

INVESTING

TECH

POLITICS

CNBC TV

IN

TECH

Microsoft, Amazon and other tech companies have laid off more than 60,000 employees in the last year

PUBLISHED WED, JAN 18 2023 11:45 AM EST | UPDATED WED, JAN 18 2023 6:43 PM EST



Ashley Capoot
@ASHLEYCAPOOT



Sofia Pitt
@SOFIA_PITT

SHARE



Top 10 States in Numeric Decline: 2021 to 2022

| Rank | Geographic Area | April 1, 2020 (Estimates Base) | July 1, 2021 | July 1, 2022 | Numeric Decline |
|-------------|------------------------|---|---------------------|---------------------|------------------------|
| 1 | New York | 20,201,230 | 19,857,492 | 19,677,151 | -180,341 |
| 2 | California | 39,538,245 | 39,142,991 | 39,029,342 | -113,649 |
| 3 | Illinois | 12,812,545 | 12,686,469 | 12,582,032 | -104,437 |
| 4 | Pennsylvania | 13,002,689 | 13,012,059 | 12,972,008 | -40,051 |
| 5 | Louisiana | 4,657,749 | 4,627,098 | 4,590,241 | -36,857 |
| 6 | Oregon | 4,237,291 | 4,256,301 | 4,240,137 | -16,164 |
| 7 | West Virginia | 1,793,755 | 1,785,526 | 1,775,156 | -10,370 |
| 8 | Maryland | 6,177,213 | 6,174,610 | 6,164,660 | -9,950 |
| 9 | Mississippi | 2,961,288 | 2,949,586 | 2,940,057 | -9,529 |
| 10 | Ohio | 11,799,374 | 11,764,342 | 11,756,058 | -8,284 |

<https://www.census.gov/newsroom/press-releases/2022/2022-population-estimates.html>

Top 10 States in Numeric Growth: 2021 to 2022

| Rank | Geographic Area | April 1, 2020 (Estimates Base) | July 1, 2021 | July 1, 2022 | Numeric Growth |
|------|-----------------|--------------------------------------|--------------|--------------|----------------|
| 1 | Texas | 29,145,428 | 29,558,864 | 30,029,572 | 470,708 |
| 2 | Florida | 21,538,226 | 21,828,069 | 22,244,823 | 416,754 |
| 3 | North Carolina | 10,439,414 | 10,565,885 | 10,698,973 | 133,088 |
| 4 | Georgia | 10,711,937 | 10,788,029 | 10,912,876 | 124,847 |
| 5 | Arizona | 7,151,507 | 7,264,877 | 7,359,197 | 94,320 |
| 6 | South Carolina | 5,118,429 | 5,193,266 | 5,282,634 | 89,368 |
| 7 | Tennessee | 6,910,786 | 6,968,351 | 7,051,339 | 82,988 |
| 8 | Washington | 7,705,247 | 7,740,745 | 7,785,786 | 45,041 |
| 9 | Utah | 3,271,614 | 3,339,113 | 3,380,800 | 41,687 |
| 10 | Idaho | 1,839,092 | 1,904,314 | 1,939,033 | 34,719 |

<https://www.census.gov/newsroom/press-releases/2022/2022-population-estimates.html>

Where People are Moving in the U.S.

U-Haul Ranks SACRAMENTO-ROSEVILLE the No. 2 U.S. Growth City of 2022

PHOENIX (Jan. 4, 2023) — The Sacramento-Roseville (Calif.) market is the No. 2 growth city in America, according to the U-Haul® Growth Index analyzing customer moves during 2022.

People arriving in Sacramento-Roseville in one-way **U-Haul trucks** increased 29% over 2021, while departures rose 27%. Do-it-yourself movers arriving in Sacramento-Roseville accounted for 51.5% of all one-way U-Haul truck traffic in and out of the market (48.5% departures).

Sacramento-Roseville is the lone California market on the list and ranked first among growth cities back in 2018. It ranked eighth in 2021 as U-Haul customers continue to make the corridor a significant net-gain area.

“The attractive thing about the Sacramento-Roseville area is that it’s not an overwhelmingly big city like San Francisco or the other Bay Area cities,” stated Casey Clark, U-Haul Company of East Sacramento president. “There’s also the ability to develop more housing. Because many of the Bay Area cities are overcrowded and out of space to develop land, people are setting their sights on Sacramento and Roseville.



National real estate company Redfin listed Sacramento as its top metro destination in the country for people on the move, ranking ahead of Las Vegas and Miami.

Top 10 inbound metros i

| Inbound Metros | Net Search Flow i |
|-------------------------------------|--------------------------------|
| | Aug '22 - Oct '22 |
| 1 Sacramento, CA +1 | 7,800 |
| 2 Las Vegas, NV +1 | 7,100 |
| 3 Miami, FL +2 | 6,700 |
| 4 San Diego, CA +2 | 6,500 |
| 5 Tampa, FL +2 | 5,600 |
| 6 Phoenix, AZ +1 | 4,700 |
| 7 Cape Coral, FL +2 | 4,600 |
| 8 Sarasota, FL +1 | 4,300 |
| 9 Dallas, TX +1 | 3,800 |
| 10 Orlando, FL +2 | 3,700 |

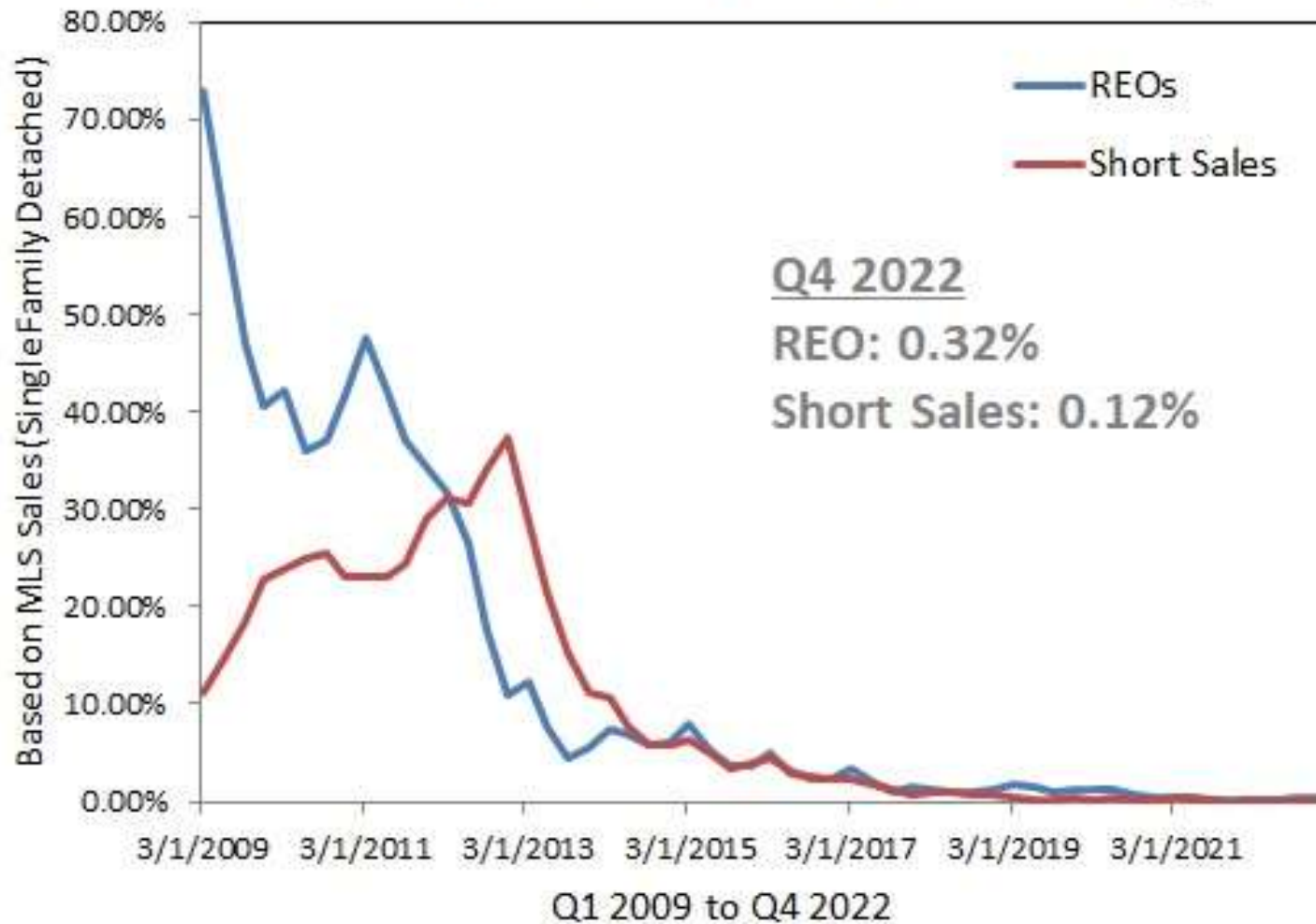


IS A FORECLOSURE WAVE COMING?

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REOs & Short Sales in Sacramento County



SacramentoAppraisalBlog.com

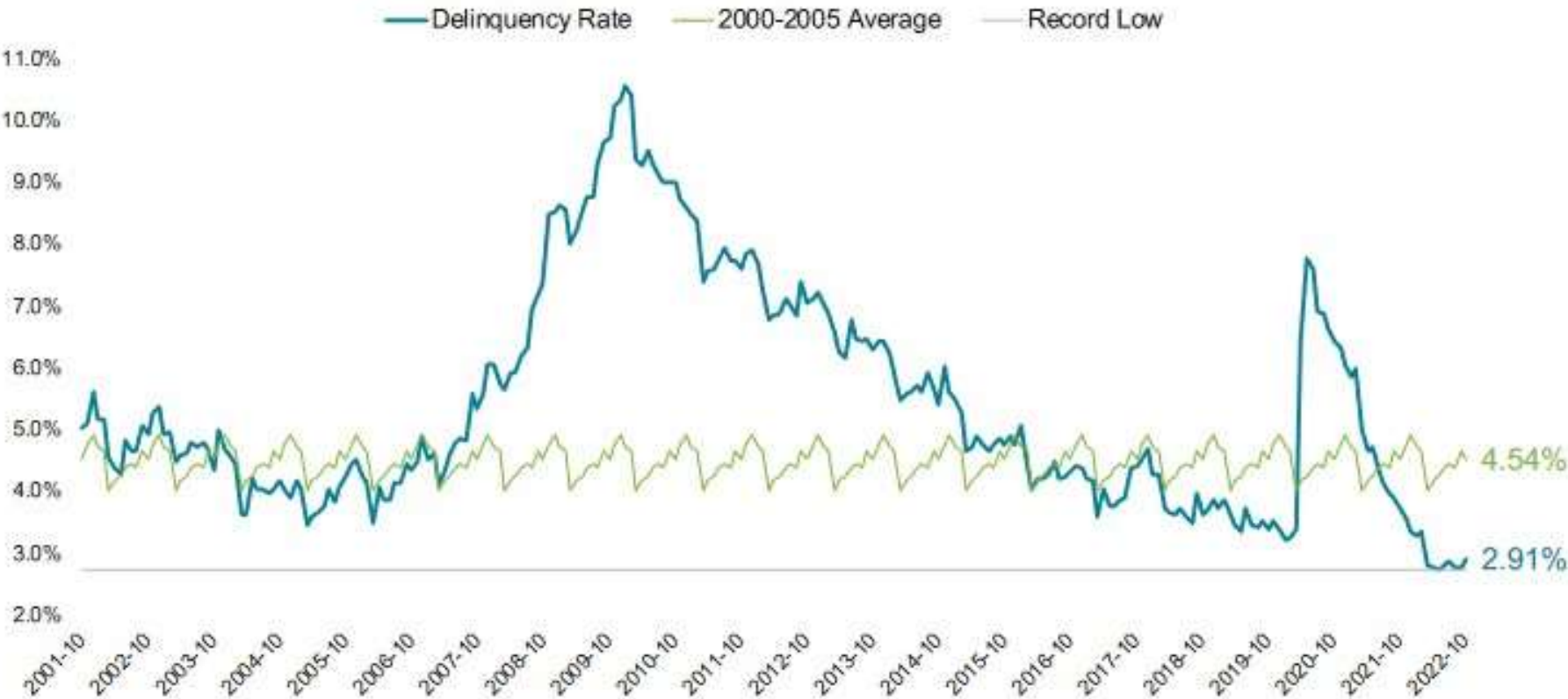
Short Sale Listings / Pendings in Sacramento Region

| Loan | Details |
|------|--|
| VA | Purchased in 2022 for \$597K (listed \$522K) |
| VA | Purchased in 2020, tenant thrashed property |
| VA | Purchased in 2022 for \$539K (listed \$515K) |
| VA | Purchased in 2015 and VA loan in 2020 |
| FHA | Purchased in 2022 for \$380K (listed \$345K) |
| FHA | Purchased in 2022 for \$610K (listed \$585K) |
| FHA | Reverse Mortgage from 2005 |
| FHA | Reverse Mortgage from 2005 |
| FHA | Reverse Mortgage from 2006 |
| FHA | Reverse Mortgage from 2007 |
| FHA | Reverse Mortgage from 2009 |
| CONV | Purchased twenty years ago NOD on file |
| CONV | 2004 loan (reason unknown) |
| CONV | Purchased in 2005 (reason unknown) |
| CONV | Purchased in 2006 (reason unknown) |
| CONV | 2006 loan (reason unknown) |
| CONV | Purchased in 2020 (reason unknown) |
| CONV | Unknown |
| CONV | Unknown |

SFR MLS Short Sale Listings / Pendings in Sac, Placer, Yolo, El Dorado 12/18/22

SacramentoAppraisalBlog.com

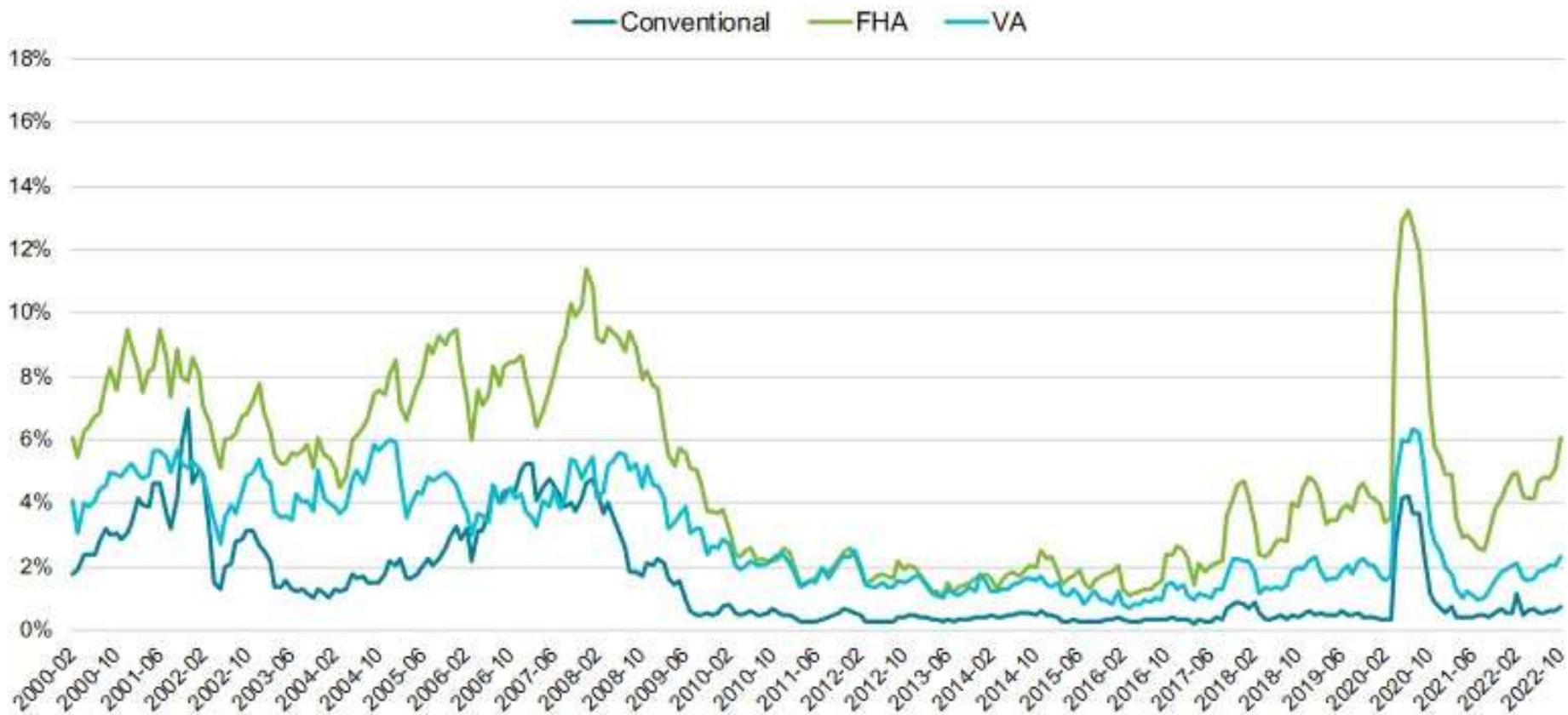
NATIONAL DELINQUENCY RATE – FIRST LIEN MORTGAGES



Source: Black Knight, McDash



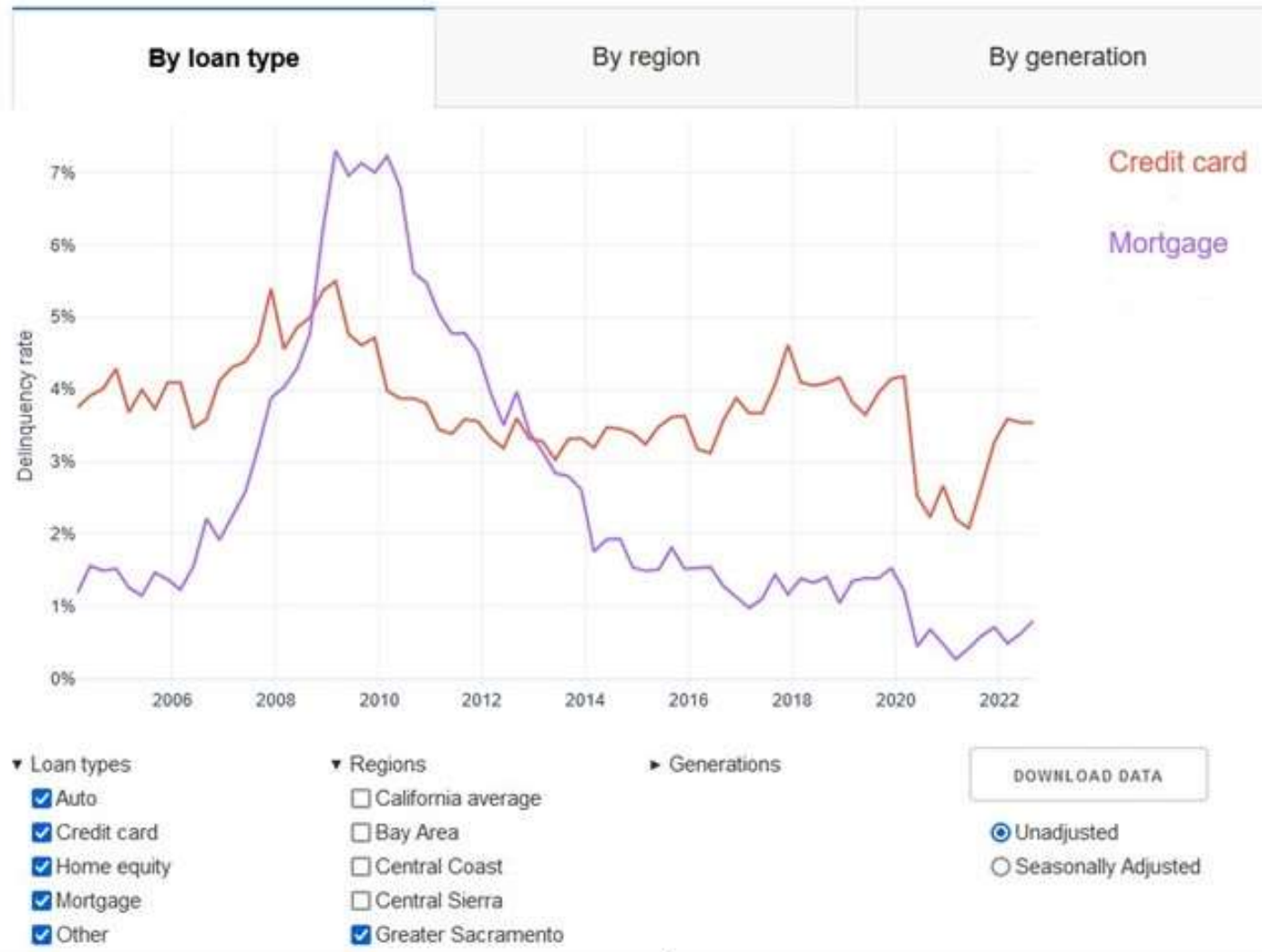
DELINQUENCY RATE AT 6 MONTHS AFTER ORIGINATION



Source: Black Knight, McDash



The 30-day delinquency rate is a good indicator of financial distress. This chart shows delinquency rates for the selected consumers.



<https://www.capolicylab.org/california-credit-dashboard/>

THE HOUSING MARKET IS SLOW

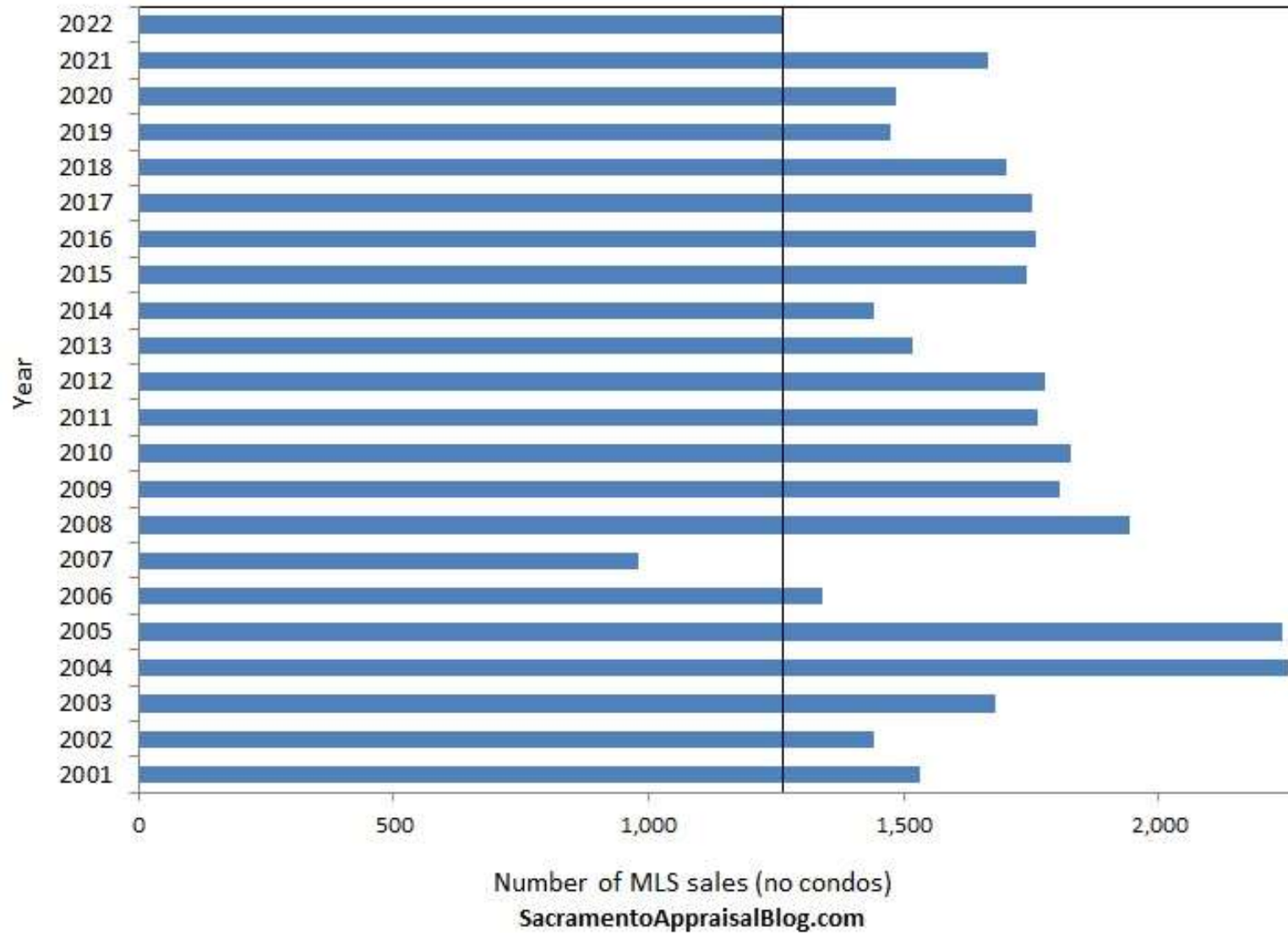


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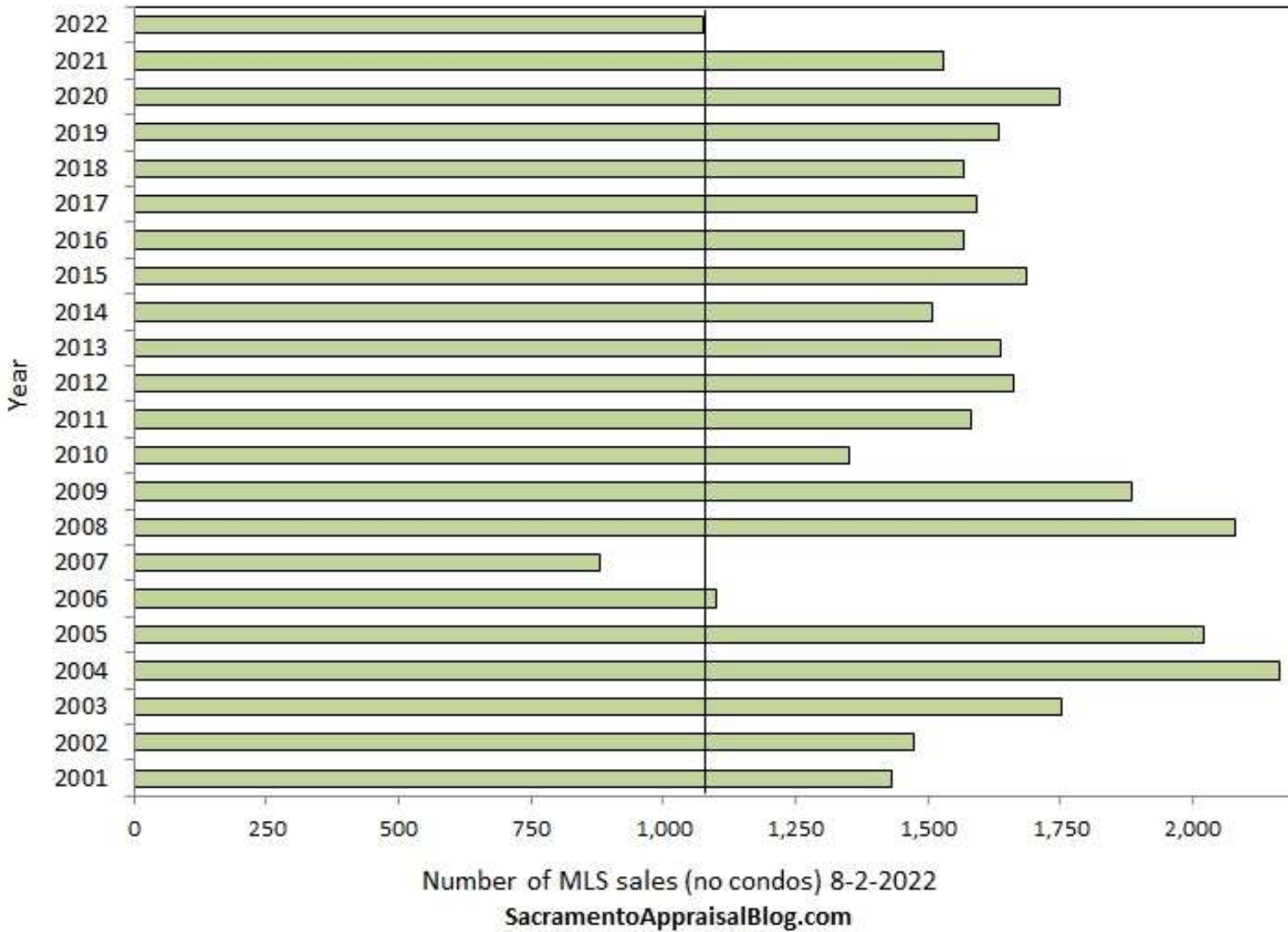
BLAME IT ON THE RAIN

imgflip.com

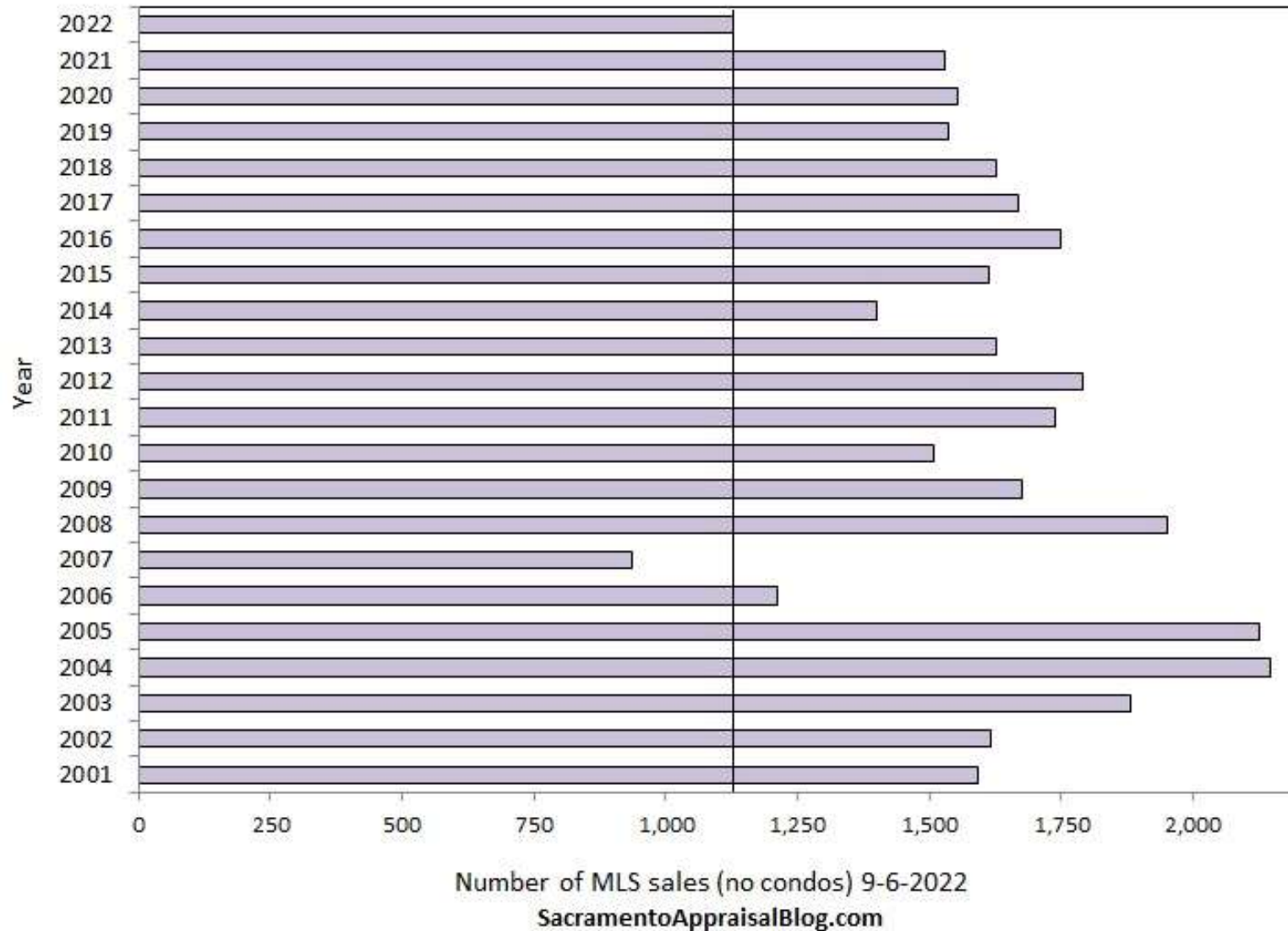
Sacramento County Sales Volume: June



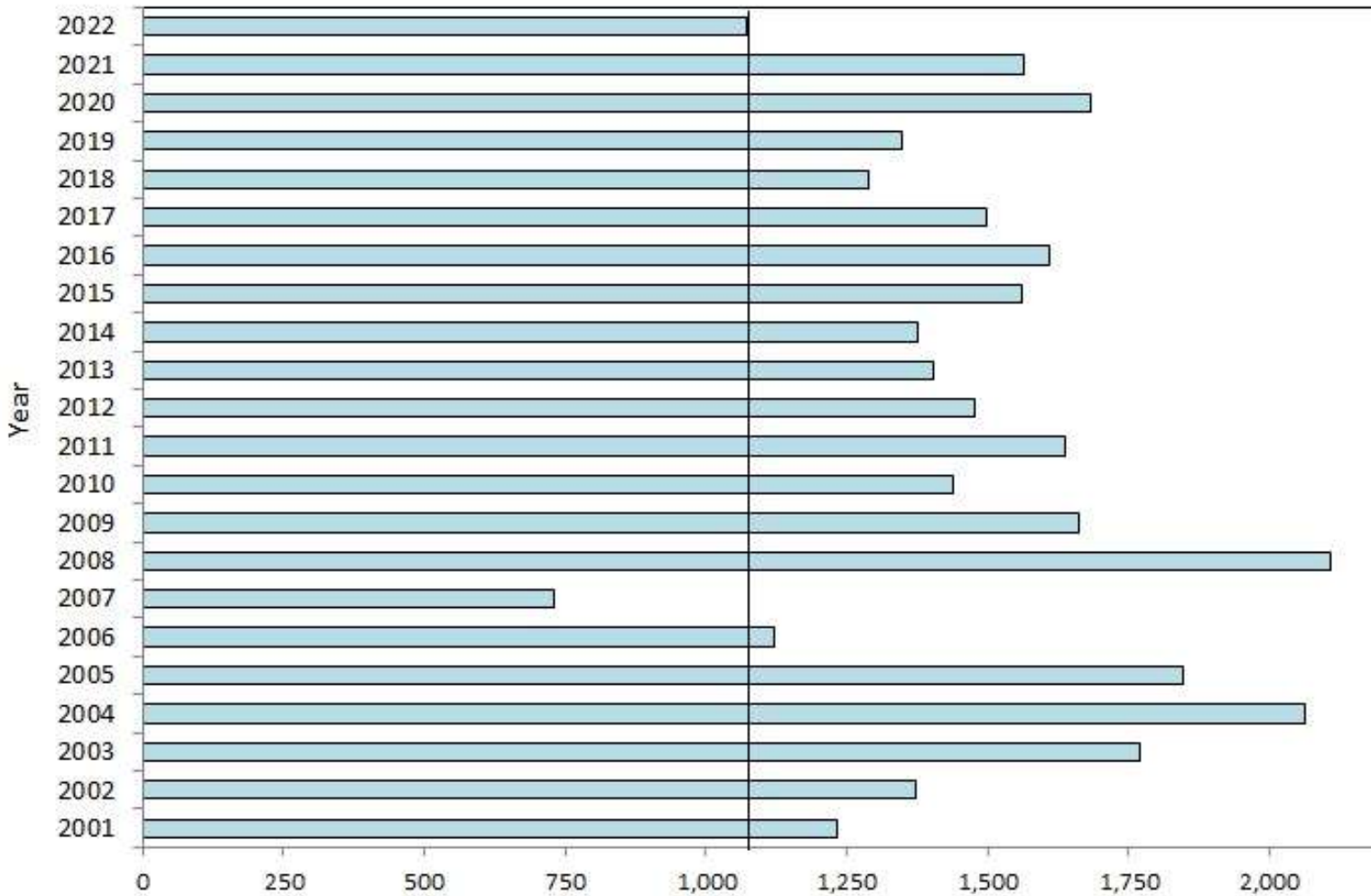
Sacramento County Sales Volume: July



Sacramento County Sales Volume: August



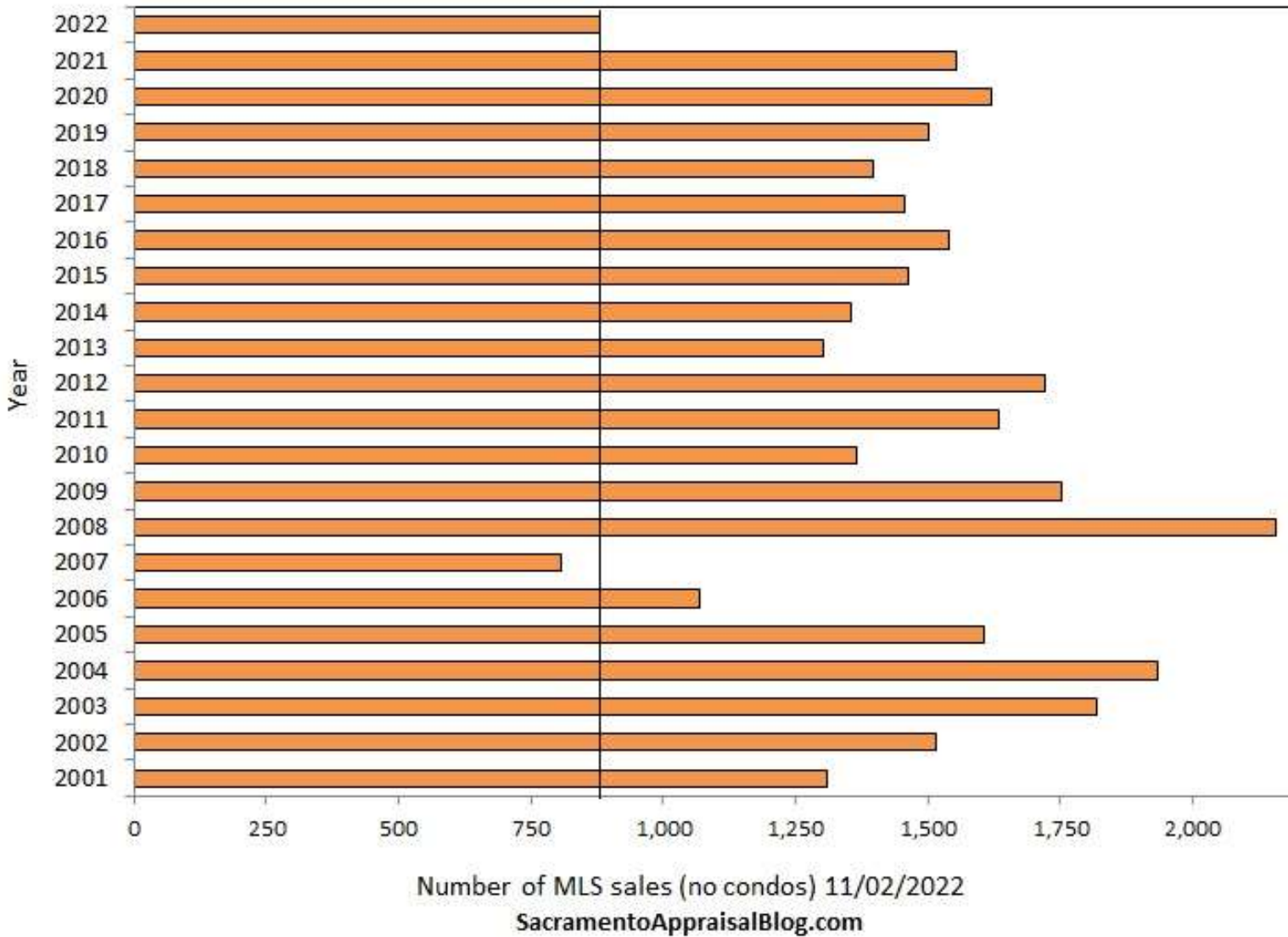
Sacramento County Sales Volume: September



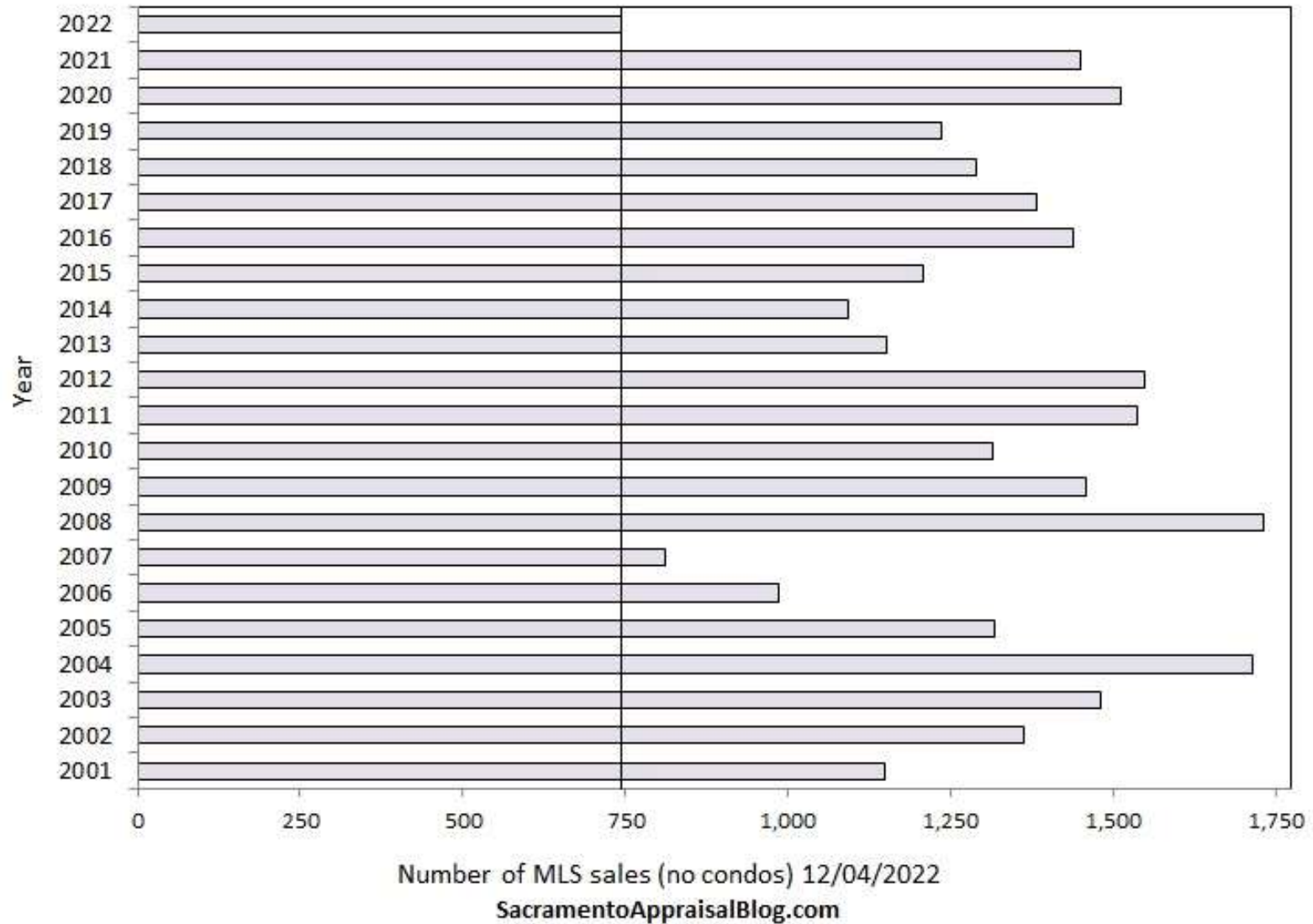
Number of MLS sales (no condos) 10/06/2022

SacramentoAppraisalBlog.com

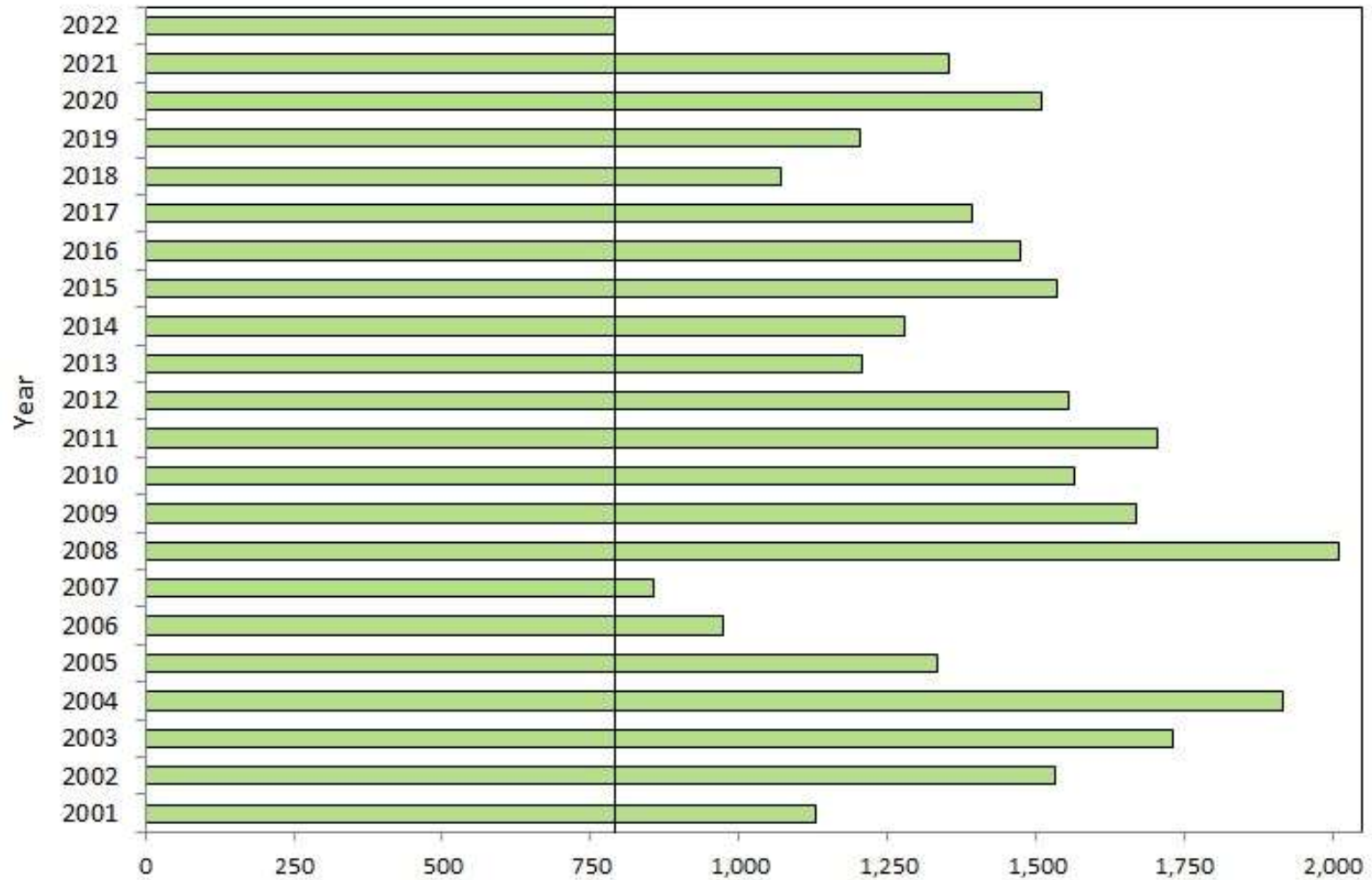
Sacramento County Sales Volume: October



Sacramento County Sales Volume: November



Sacramento County Sales Volume: December



Number of MLS sales (no condos) Data: 1/9/2023

SacramentoAppraisalBlog.com

Change in Volume: **January to December** in Sac Region

| Zip Code | 2021 | 2022 | % Change |
|------------------------|--------|--------|----------|
| Sacramento County | 17,272 | 13,364 | -22.63% |
| Placer County | 6,539 | 5,222 | -20.14% |
| El Dorado County | 3,029 | 2,288 | -24.46% |
| Yolo County | 1,808 | 1,374 | -24.00% |
| All Region (all above) | 28,648 | 22,248 | -22.34% |

Single family MLS sales (no condos) 1/1/21-12/31/21 vs 1/1/22-12/31/22

SacramentoAppraisalBlog.com

22% vs 78%



Change in Volume: **May to December** in Sac Region

| Zip Code | 2021 | 2022 | % Change |
|------------------------|--------|--------|----------|
| Sacramento County | 12,405 | 8,463 | -31.78% |
| Placer County | 4,663 | 3,396 | -27.17% |
| El Dorado County | 2,107 | 1,453 | -31.04% |
| Yolo County | 1,280 | 909 | -28.98% |
| All Region (all above) | 20,455 | 14,221 | -30.48% |

Single family MLS sales (no condos) 5/1/21-12/31/21 vs 5/1/22-12/31/22

SacramentoAppraisalBlog.com

Change in Volume: **May to December** in Sac Region

| Zip Code | 2021 | 2022 | Change |
|------------------------|--------|--------|--------|
| Sacramento County | 12,405 | 8,463 | -3,942 |
| Placer County | 4,663 | 3,396 | -1,267 |
| El Dorado County | 2,107 | 1,453 | -654 |
| Yolo County | 1,280 | 909 | -371 |
| All Region (all above) | 20,455 | 14,221 | -6,234 |

Single family MLS sales (no condos) 5/1/21-12/31/21 vs 5/1/22-12/31/22

SacramentoAppraisalBlog.com

30% vs 70%



46% vs 54%

Change in Volume: **Nov 1 to Jan 15** in Sac Region

| Zip Code | 2021 | 2022 | % Change |
|------------------------|-------|-------|----------|
| Sacramento County | 3,392 | 1,815 | -46.49% |
| Placer County | 1,192 | 713 | -40.18% |
| El Dorado County | 576 | 281 | -51.22% |
| Yolo County | 326 | 166 | -49.08% |
| All Region (all above) | 5,486 | 2,975 | -45.77% |

Single family MLS sales (no condos) 11/1/21-1/15/22 vs 11/1/22-1/15/23

SacramentoAppraisalBlog.com

39%

Change in Volume: **Nov 1 to Jan 15** in Sac Region

| Zip Code | Average | 2022 | % Change |
|------------------------|---------|-------|----------|
| Sacramento County | 3,089 | 1,815 | -41.24% |
| Placer County | 1,031 | 713 | -30.84% |
| El Dorado County | 461 | 281 | -39.05% |
| Yolo County | 277 | 166 | -40.07% |
| All Region (all above) | 4,858 | 2,975 | -38.76% |

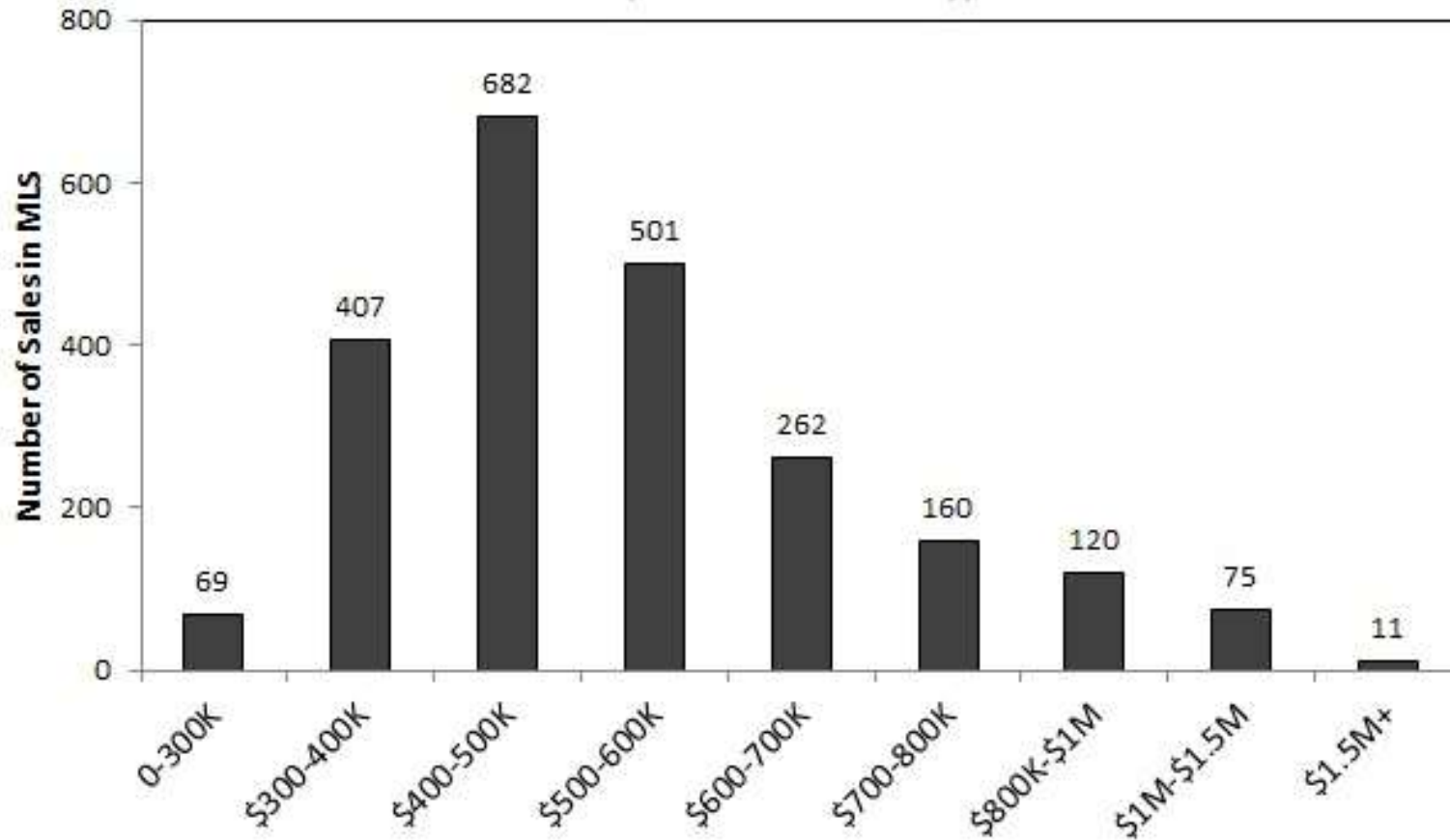
Single family MLS sales (no condos) 11/1/21-1/15/22 vs 11/1/22-1/15/23

Average represents 2016-2019 (pre-pandemic)

SacramentoAppraisalBlog.com

Closed Sales in Sacramento County: **Past 90 Days**

(Sacramento County)



Oct 15 2022 to Jan 15, 2023

Single Family Detached MLS sales (no condos)

SacramentoAppraisalBlog.com

BYE ZILLOW

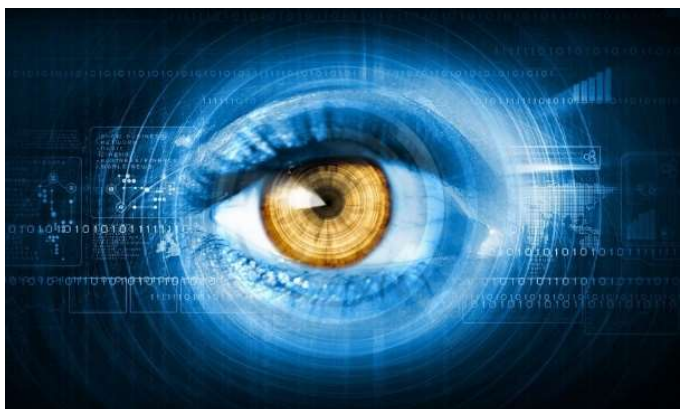
@SacAppraiser

SO SORRY IT DIDN'T WORK OUT

imgflip.com

REDFIN IS DONE
(as an iBuyer)





iBuyers own 170 properties
in the Sacramento Region:

Zillow: 0

Redfin: 1

Opendoor: 167

OfferPad: 2

SacramentoAppraisalBlog.com

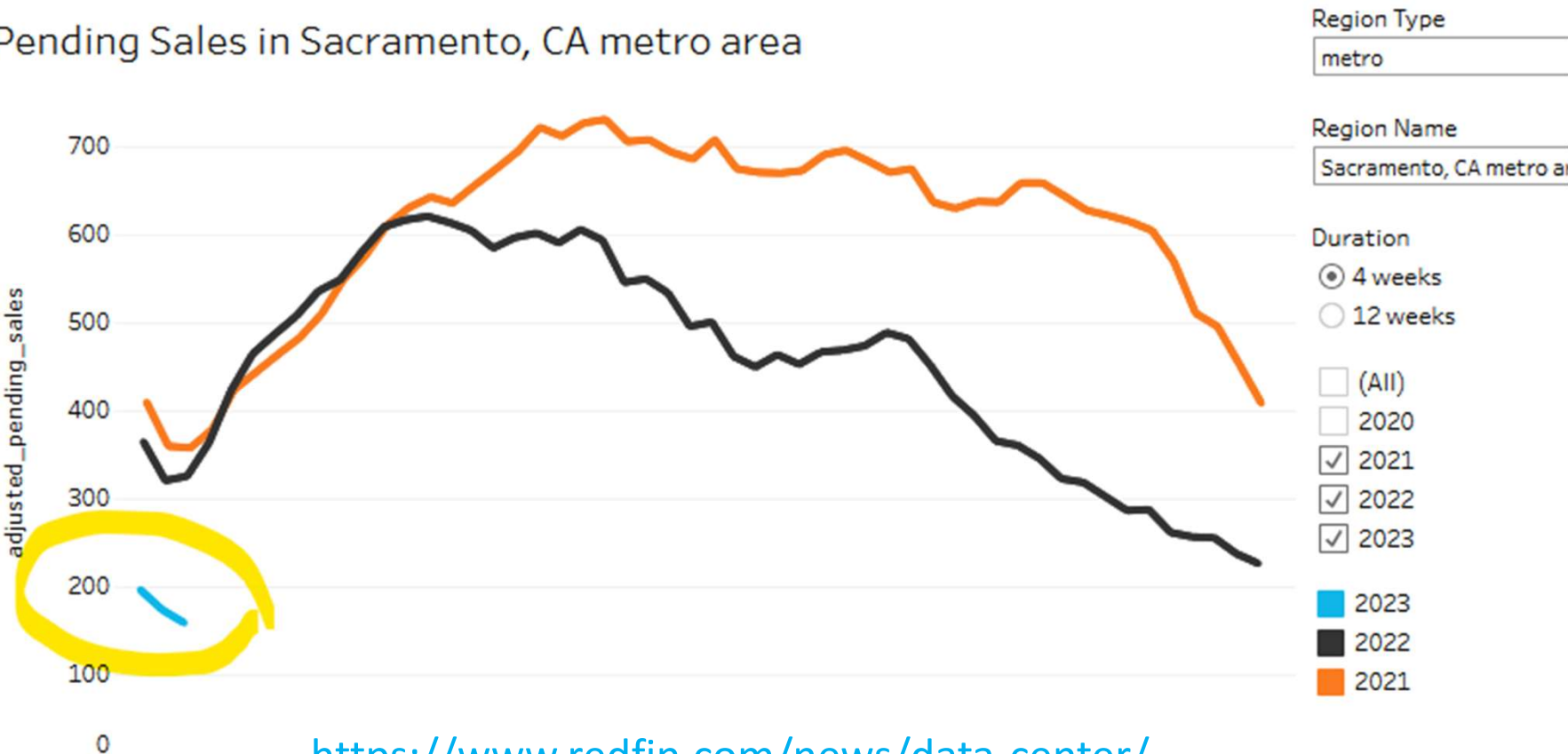
WHAT WILL THE FUTURE LOOK LIKE?



Redfin Weekly Housing Market Data

▼ < New Listings Pending Sales Off Market in Two Weeks Homes Sold New Listing Median Price Median Sale Price

Pending Sales in Sacramento, CA metro area



<https://www.redfin.com/news/data-center/>

Redfin Weekly Housing Market Data

▼ < New Listings Pending Sales Off Market in Two Weeks Homes Sold New Listing Median Price Median Sale Pri

New Listings in Sacramento, CA metro area

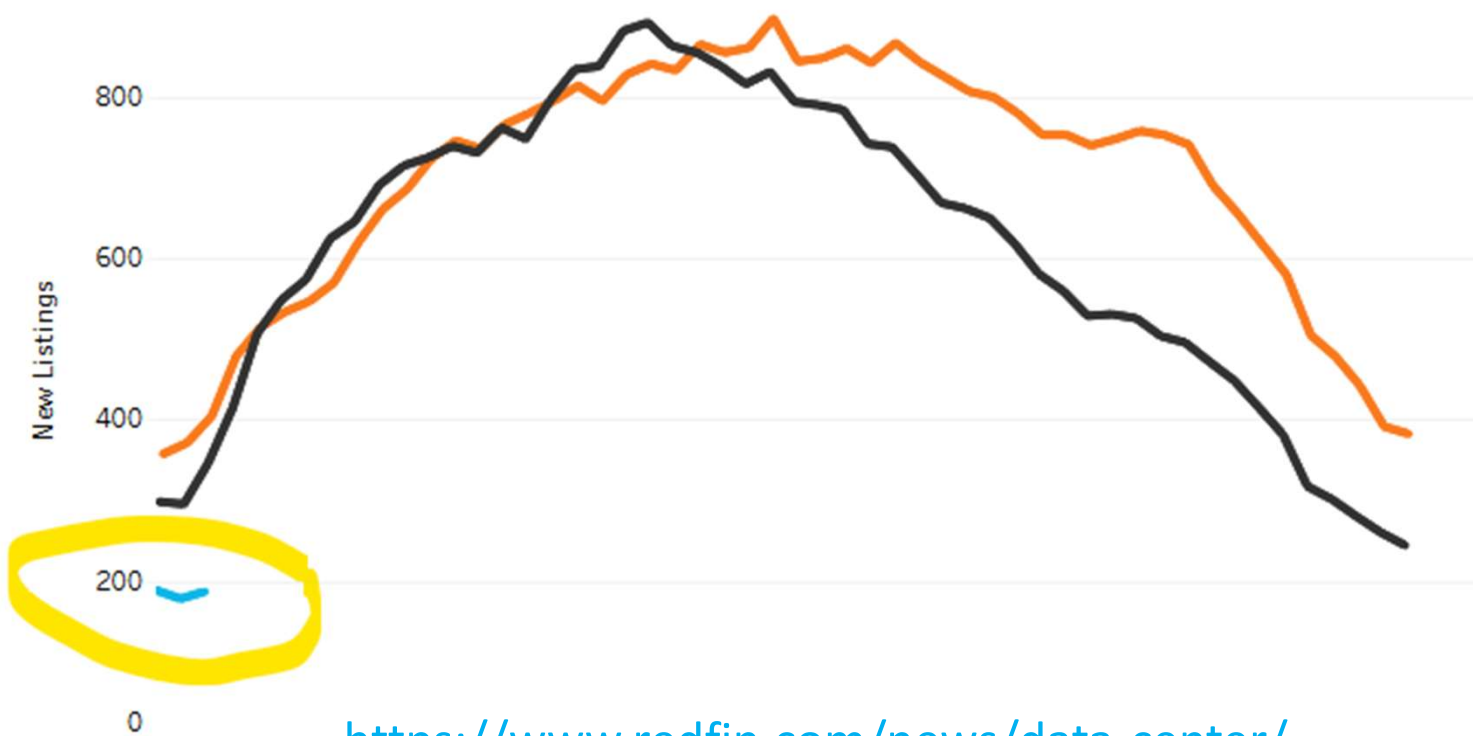
Region Type
metro

Region Name
Sacramento, CA me

Duration
 4 weeks
 12 weeks

(All)
 2020
 2021
 2022
 2023

2023
 2022
 2021



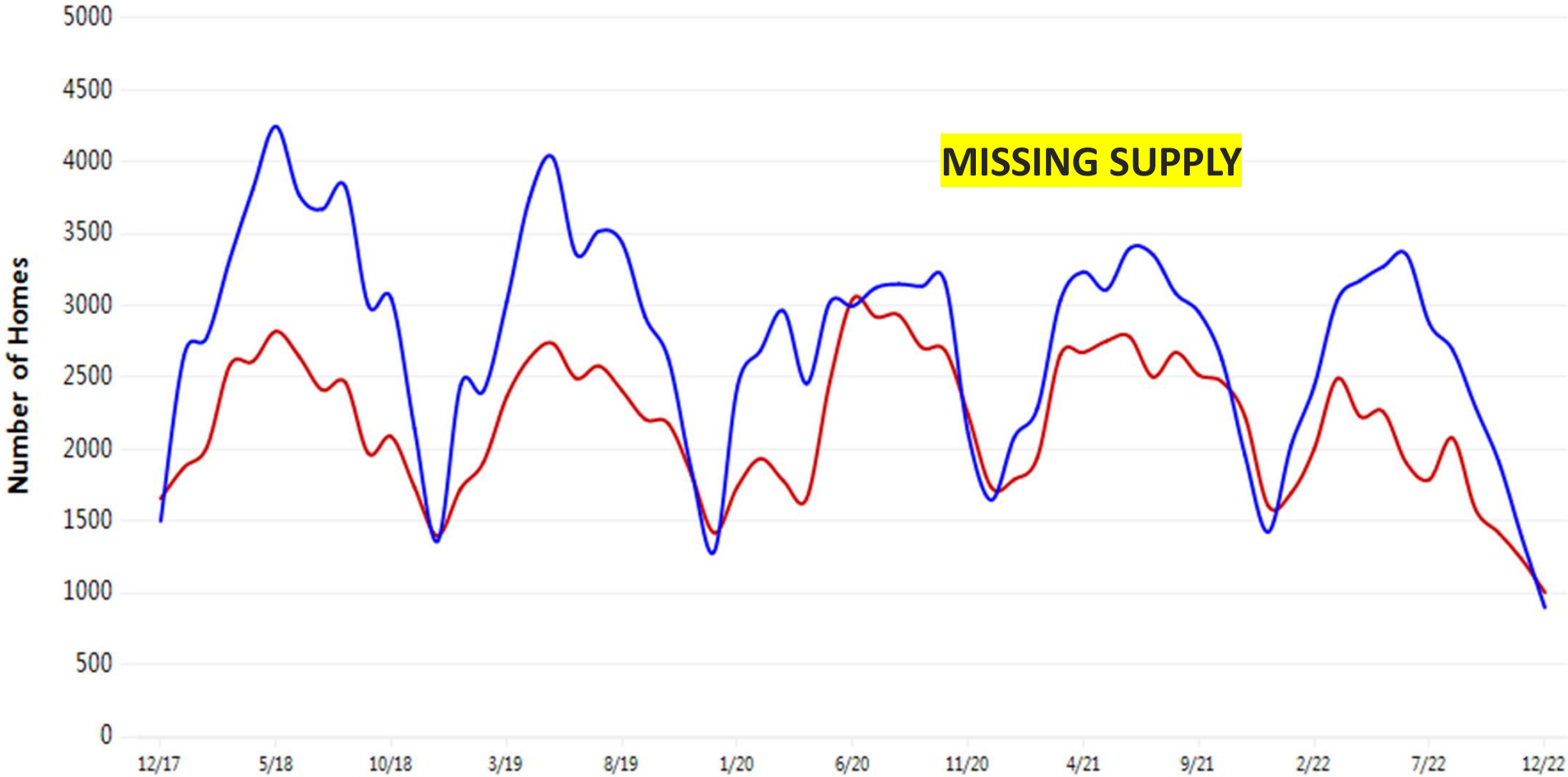
<https://www.redfin.com/news/data-center/>

SELLERS WITH A 2.6% MORTGAGE RATE

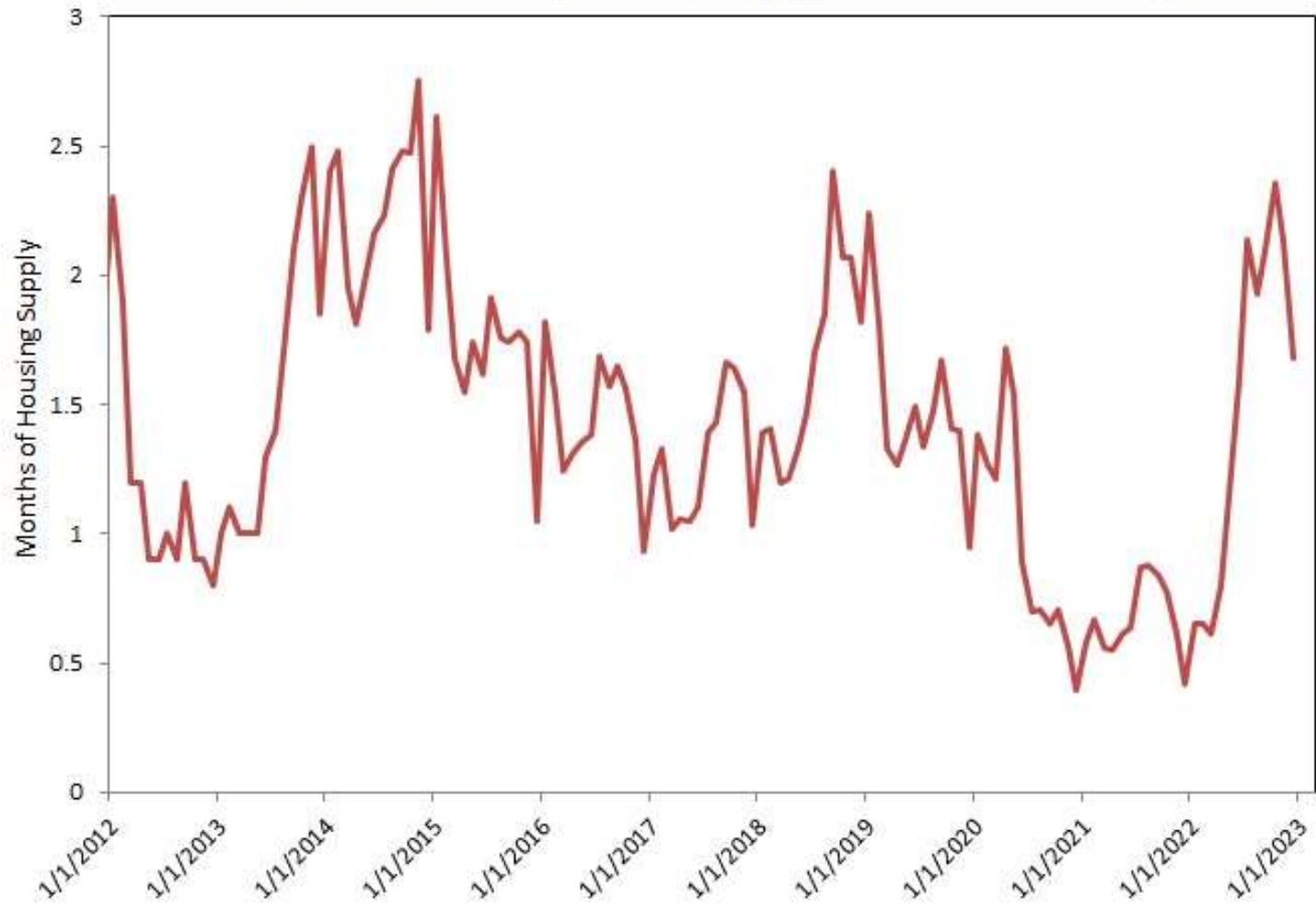
@SacAppraiser

NOT LISTING THEIR HOMES

Sac, Placer, Yolo, El Dorado



10 Years of Monthly Housing Supply in Sacramento County



January 2012 to December 2022
Based on Single Family Detached Sales (no condos)
SacramentoAppraisalBlog.com



Rick Palacios Jr.

@RickPalaciosJr



Seems like housing industry is waking up to harsh reality that home prices can fall even if supply doesn't rise.

6:26 AM · Sep 28, 2022 · Twitter for iPhone

Spring Expectations

New listings will increase

Less time to sell

More competition

Spring uptick in volume

Volume will still be subdued

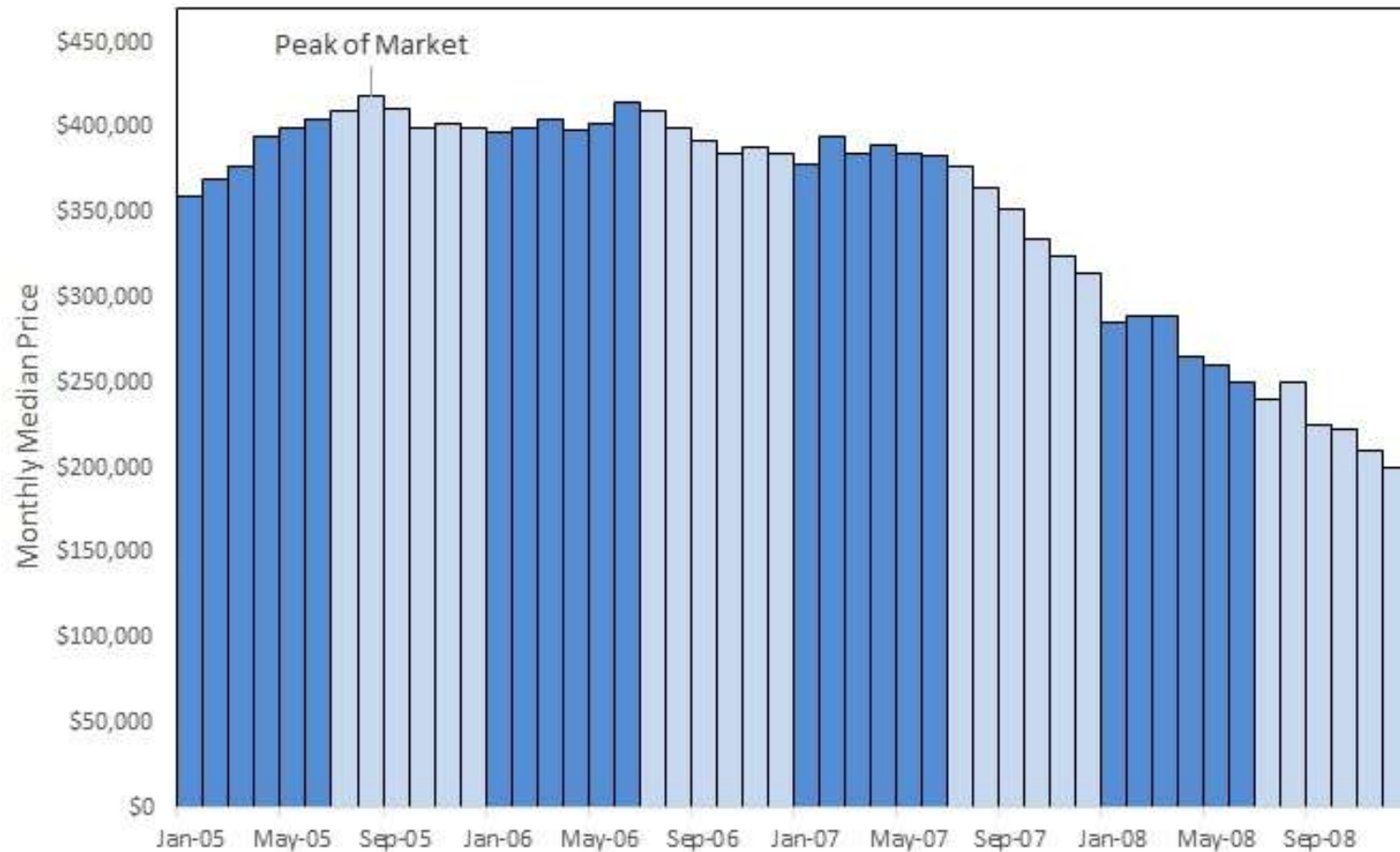
There is still downward pressure on prices overall

Some buyers will find more affordability

Mortgage rates going down can change things

Median Price in Sacramento Region (dark bars: Jan-June)

(Sacramento, Placer, Yolo, El Dorado)



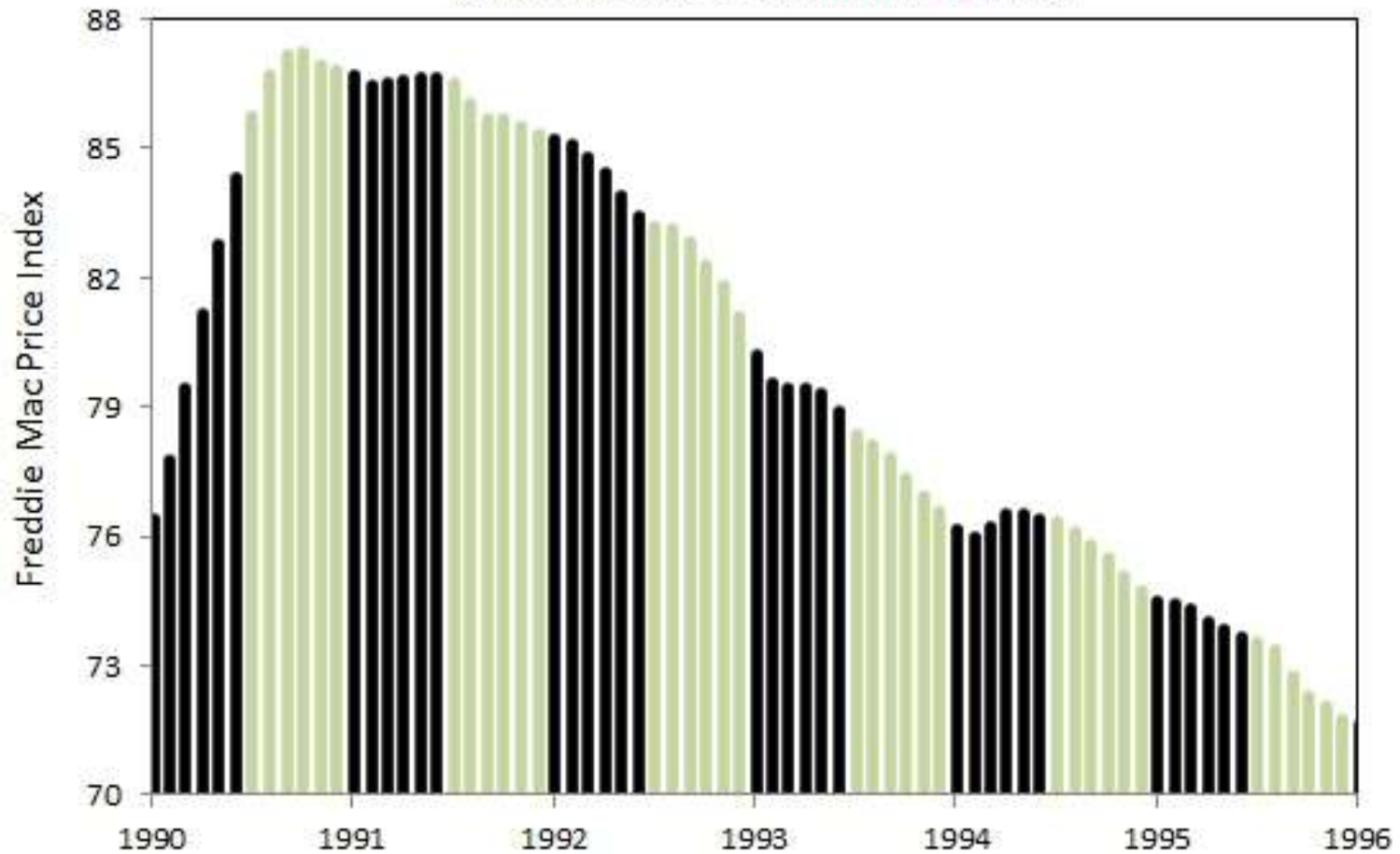
January 2005 to December 2008

Single Family Detached MLS Sales (no condos)

SacramentoAppraisalBlog.com

Declining Housing Market in 1990s in Sacramento

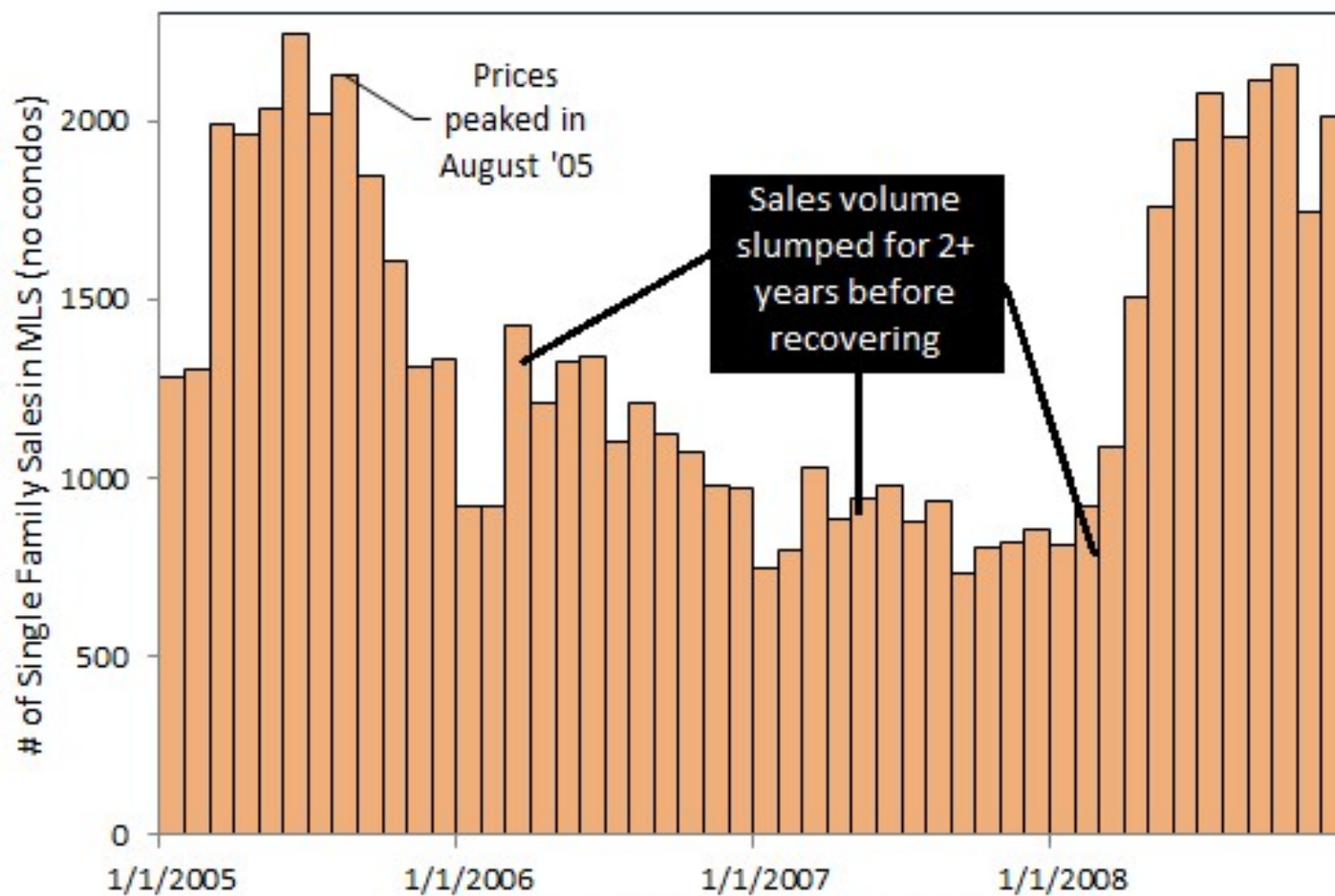
(dark bars represent January to June)



1990 to 1995

SacramentoAppraisalBlog.com

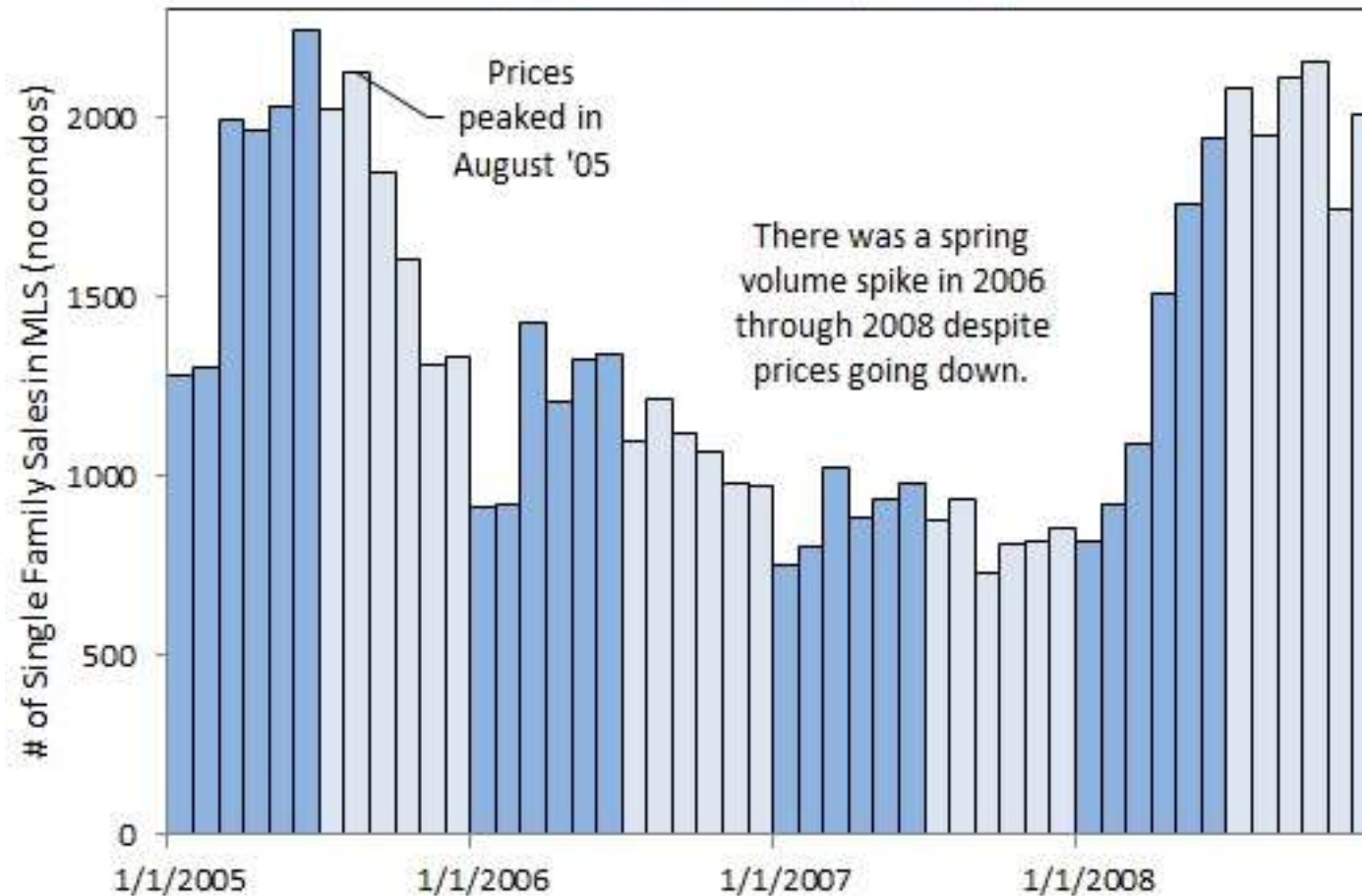
Sales volume in a declining market: Sacramento County



January 2005 to December 2008
SacramentoAppraisalBlog.com

Sales volume in a declining market: Sacramento County

(dark bars are January to June)



January 2005 to December 2008

SacramentoAppraisalBlog.com

National housing market predictions are cool, but they don't mean anything for the local market. It's like the the national weather versus the local weather.

sacramentoappraisalblog.com

New Construction in Sacramento Region

Greater Sacramento Region

New Construction Purchase Contract Volume

| Month | 2021 | 2022 | % Change |
|-----------|-------|-------|----------|
| April | 760 | 496 | -34.74% |
| May | 570 | 357 | -37.37% |
| June | 625 | 258 | -58.72% |
| July | 501 | 159 | -68.26% |
| August | 428 | 225 | -47.43% |
| September | 642 | 279 | -56.54% |
| October | 521 | 217 | -58.35% |
| November | 554 | 256 | -53.79% |
| Total | 4,601 | 2,247 | -51.16% |

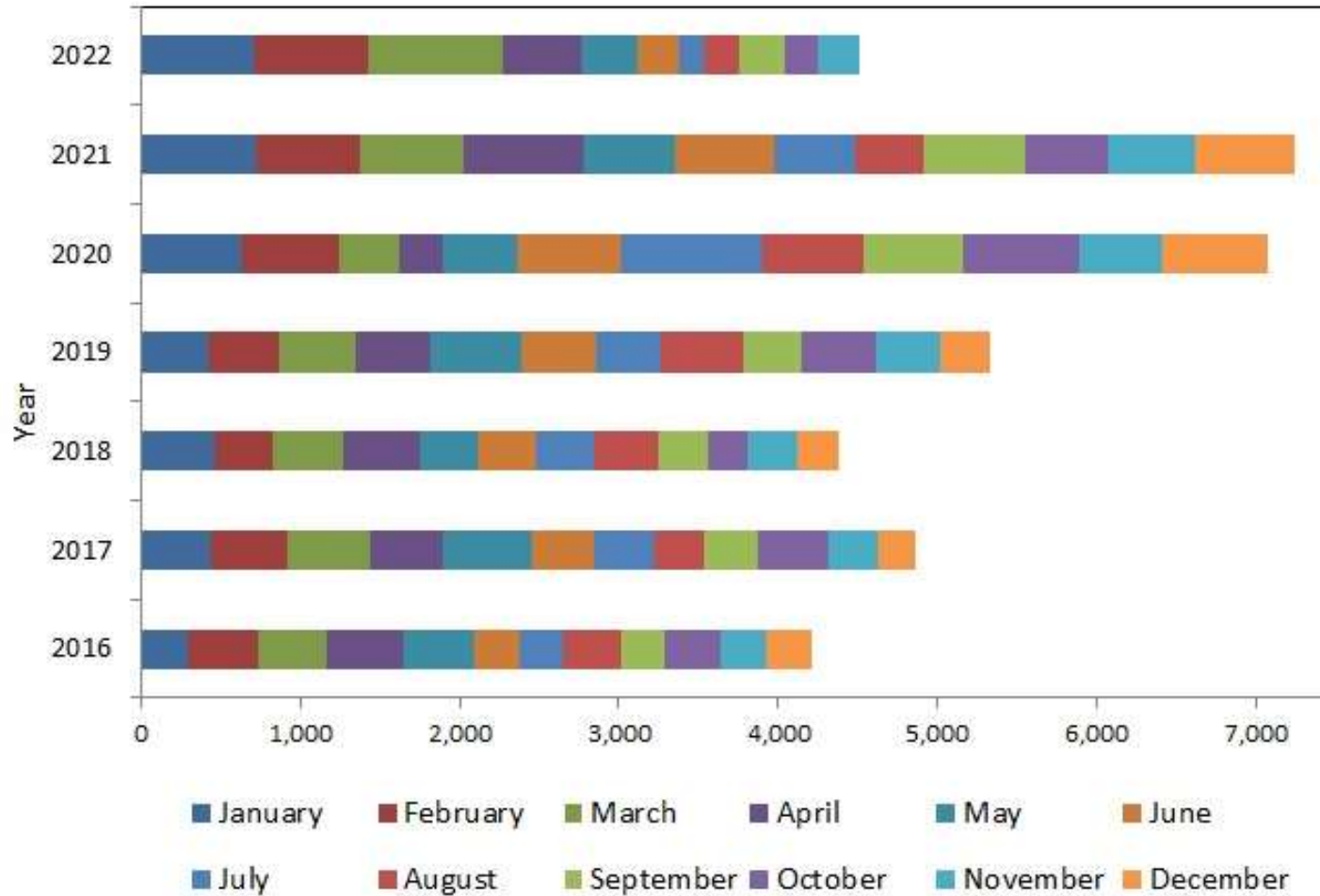
Contracts are offers from buyers (these units are not built yet)

Source: North State BIA (northstatebia.org)

SacramentoAppraisalBlog.com

<https://www.northstatebia.org/press-releases/>

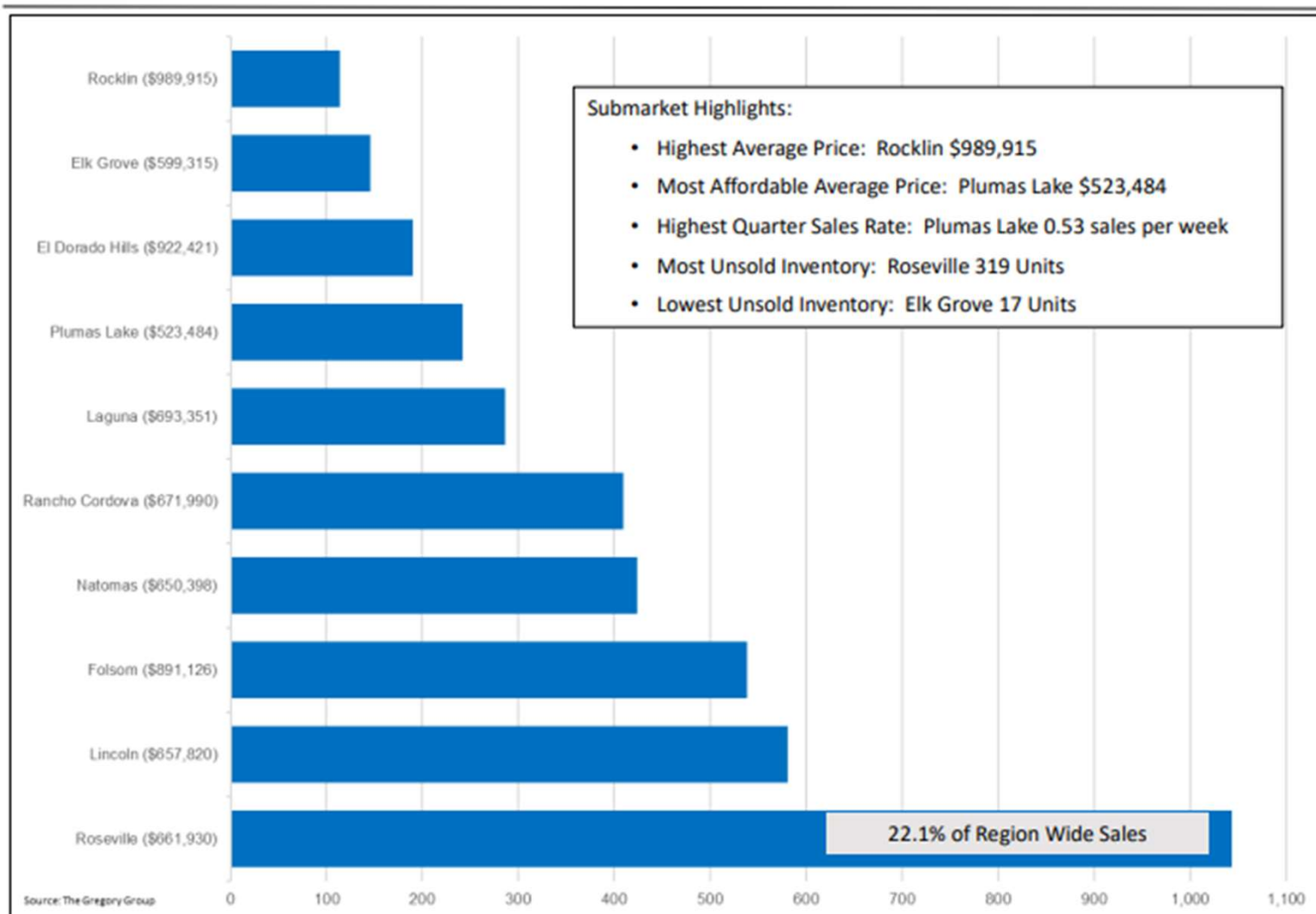
Sacramento Region New Construction Contracts



Number of contracts (data from North State BIA)
 SacramentoAppraisalBlog.com

Year-To-Date New-Home Sales and Average Base Price By Community

The Gregory Group



PRICES



Sacramento Region Housing Market

Year-Over-Year

| Data | Dec-21 | Dec-22 | % Change |
|-------------------------|-----------|-----------|----------|
| Median Price | \$555,000 | \$530,000 | -4.50% |
| Average Price | \$615,780 | \$586,862 | -4.70% |
| Average Price Per SQ FT | \$328.06 | \$309.68 | -5.60% |

Sacramento Region Housing Market

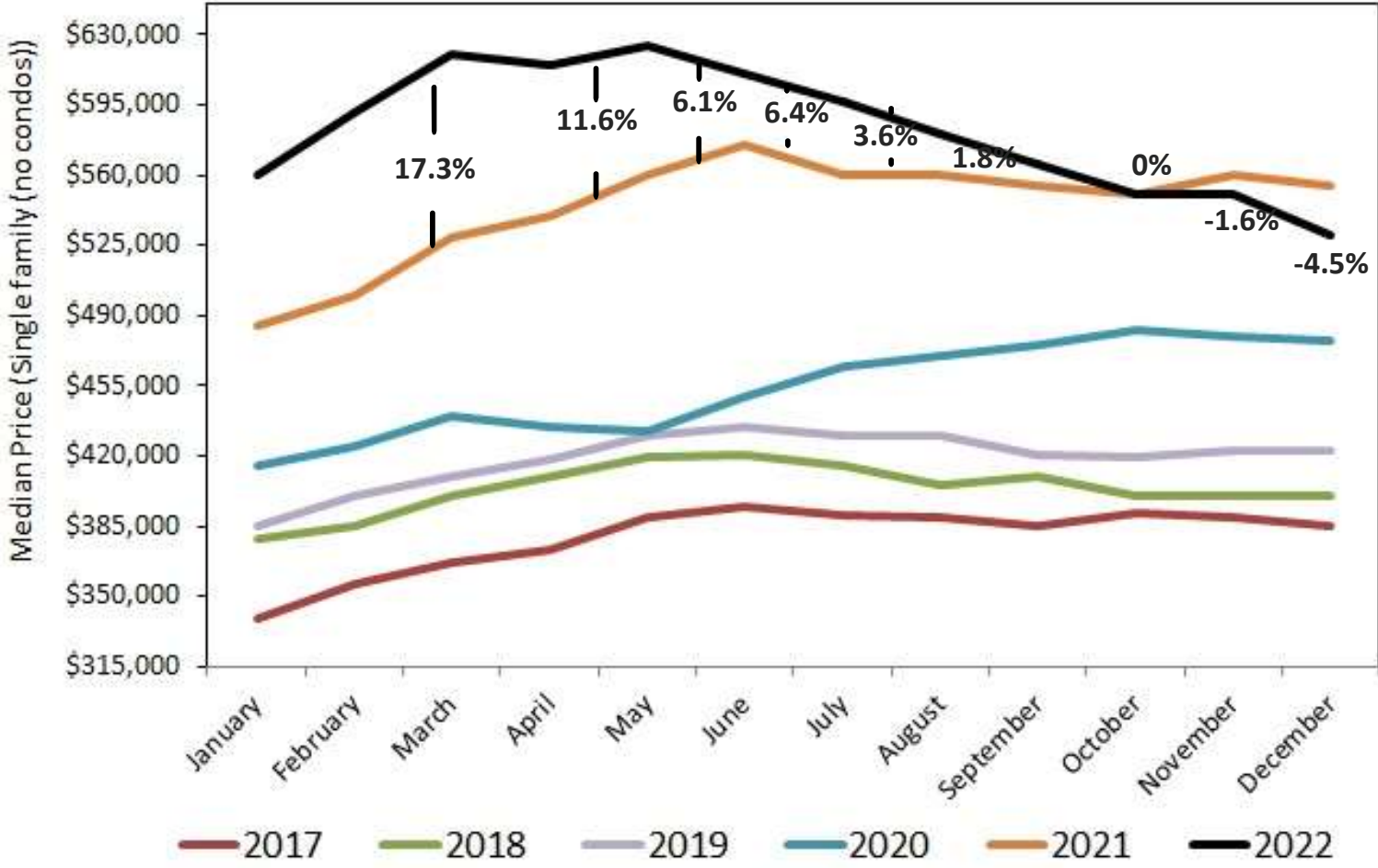
| Year-Over-Year | | | |
|-------------------------|-----------|-----------|----------|
| Data | Dec-21 | Dec-22 | % Change |
| Median Price | \$555,000 | \$530,000 | -4.50% |
| Average Price | \$615,780 | \$586,862 | -4.70% |
| Average Price Per SQ FT | \$328.06 | \$309.68 | -5.60% |
| May 2022 to Current | | | |
| Data | May-22 | Dec-22 | % Change |
| Median Price | \$625,000 | \$530,000 | -15.20% |
| Average Price | \$712,180 | \$586,862 | -17.60% |
| Average Price Per SQ FT | \$361.33 | \$309.68 | -14.29% |

Sacramento, Placer, Yolo, El Dorado SFR MLS sales (no condos) 1-10-2023

SacramentoAppraisalBlog.com

Monthly Median Price in Sacramento Region

(Sacramento, Placer, Yolo, El Dorado)



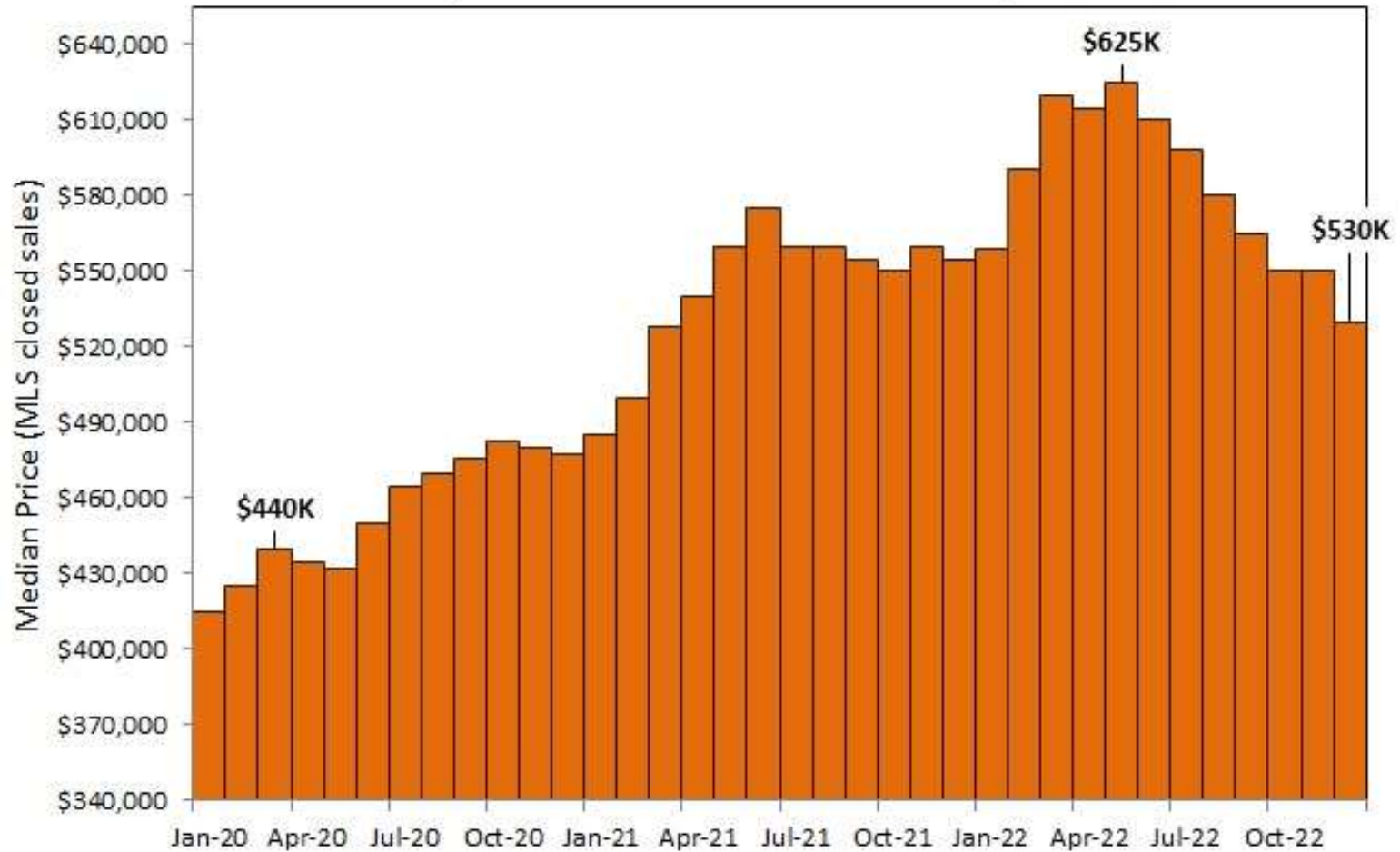
January to December (2017 to 2022): Data: 1-10-2023

SacramentoAppraisalBlog.com

\$95,000

Median Price Since the Pandemic in Sacramento Region

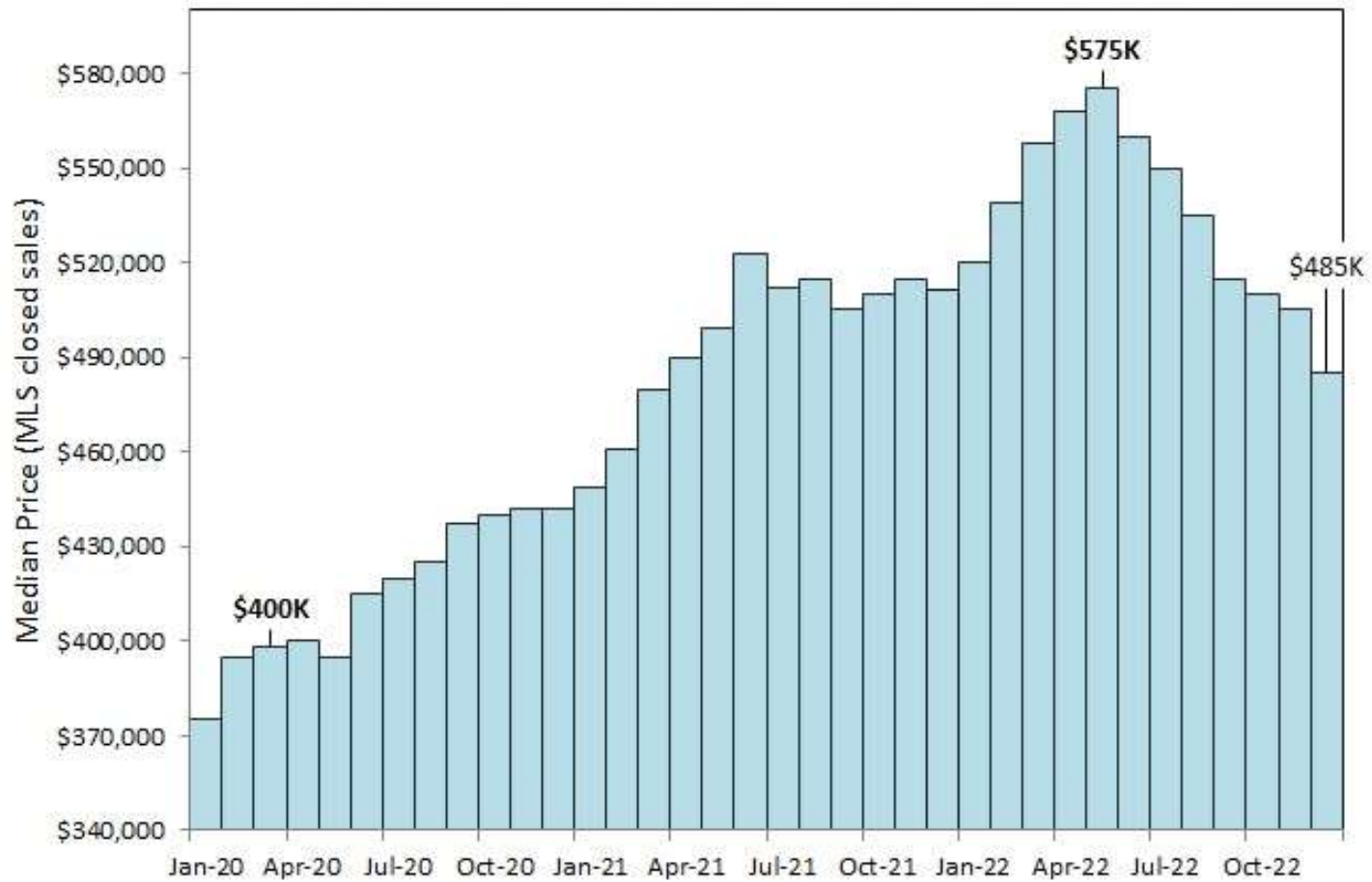
(Sacramento, Placer, Yolo, El Dorado)



January 2020 to December 2022 (SFR closed sales (no condos)) 1-3-23

SacramentoAppraisalBlog.com

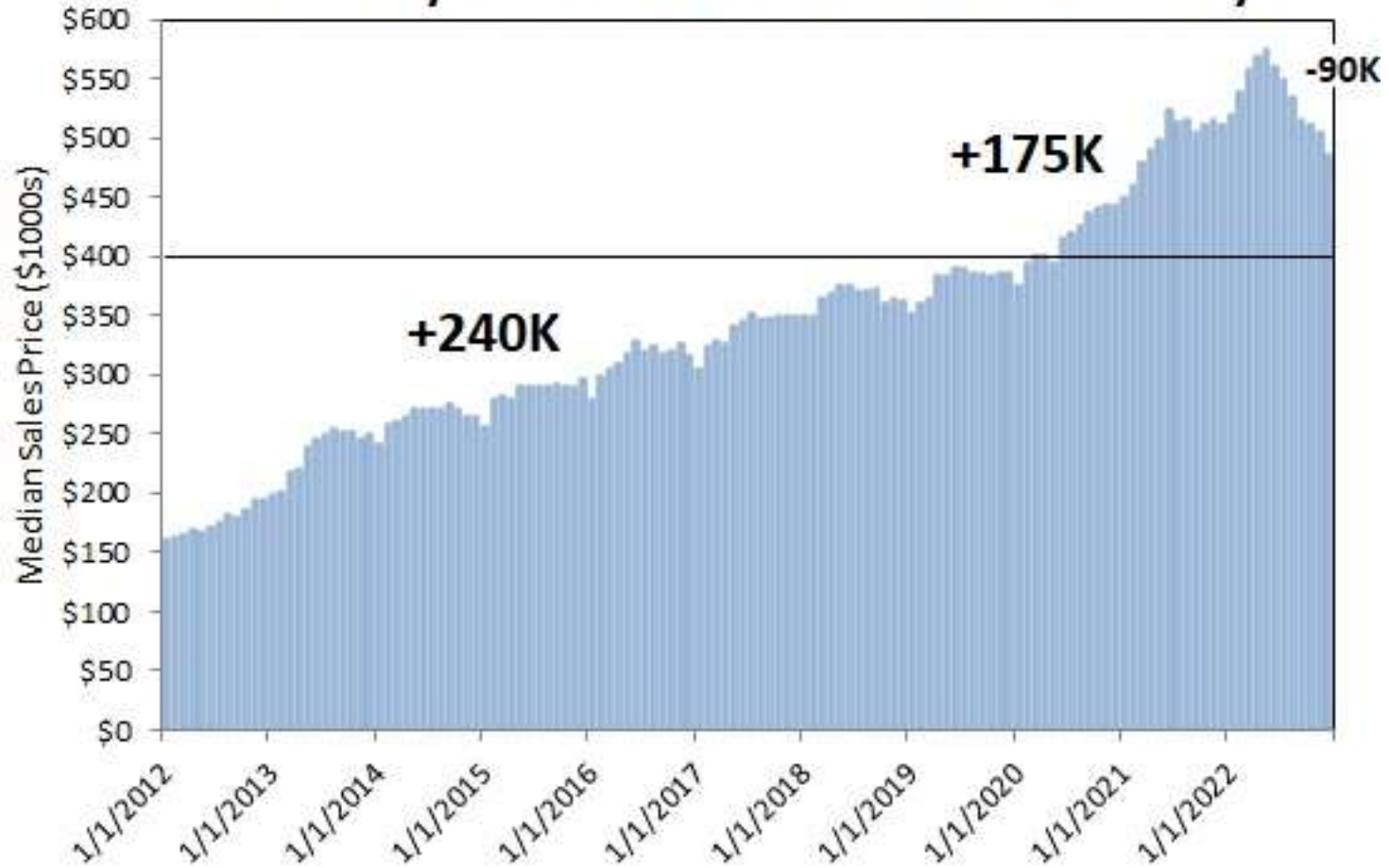
Median Price Since the Pandemic in Sacramento County



January 2020 to December 2022 (SFR closed sales (no condos)) 1-06-23

SacramentoAppraisalBlog.com

Monthly Median Price in Sacramento County



January 2012 to December 2022
Single Family Detached (no condos)
SacramentoAppraisalBlog.com

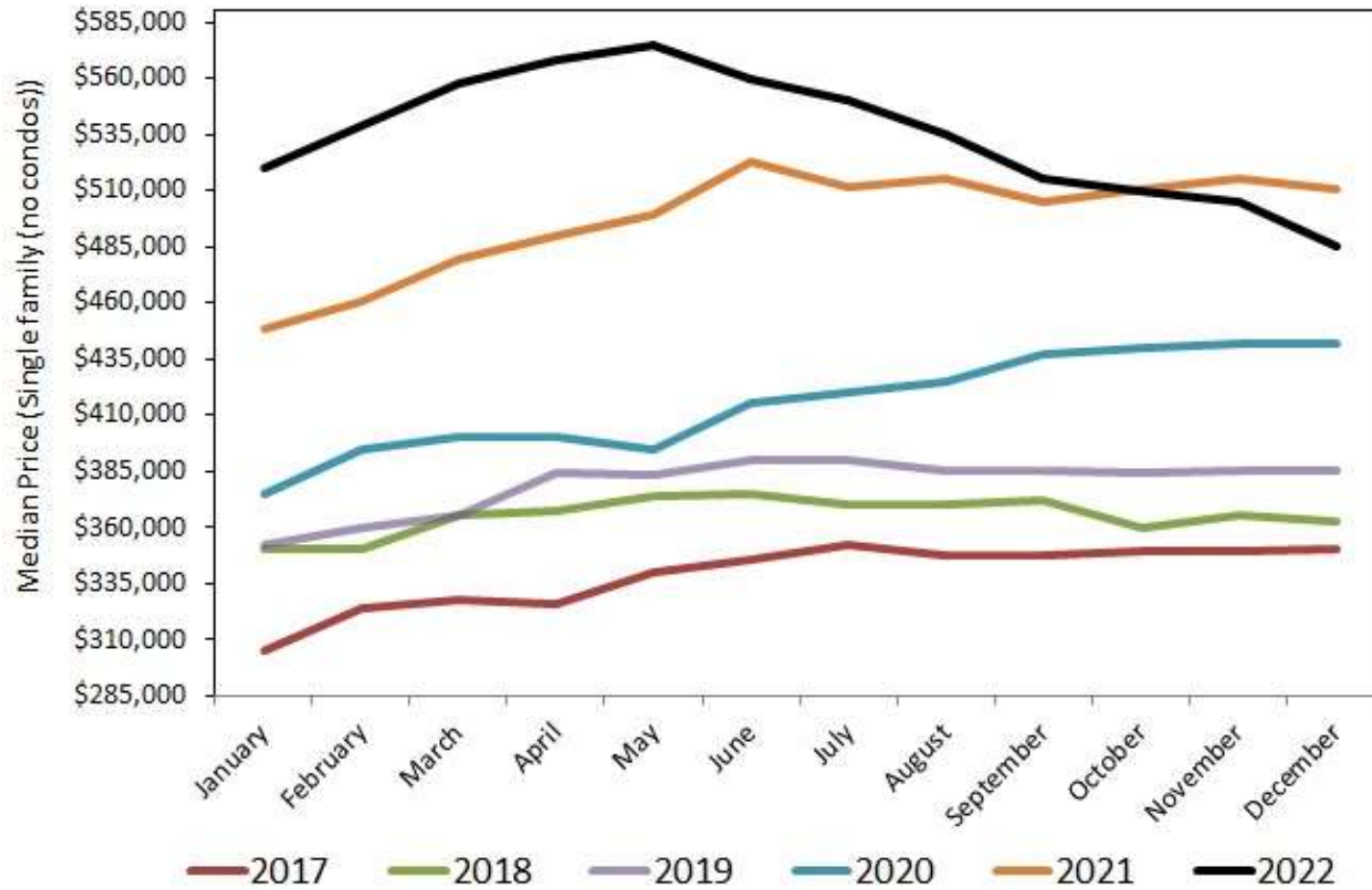


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SELLERS CHASING PRICES

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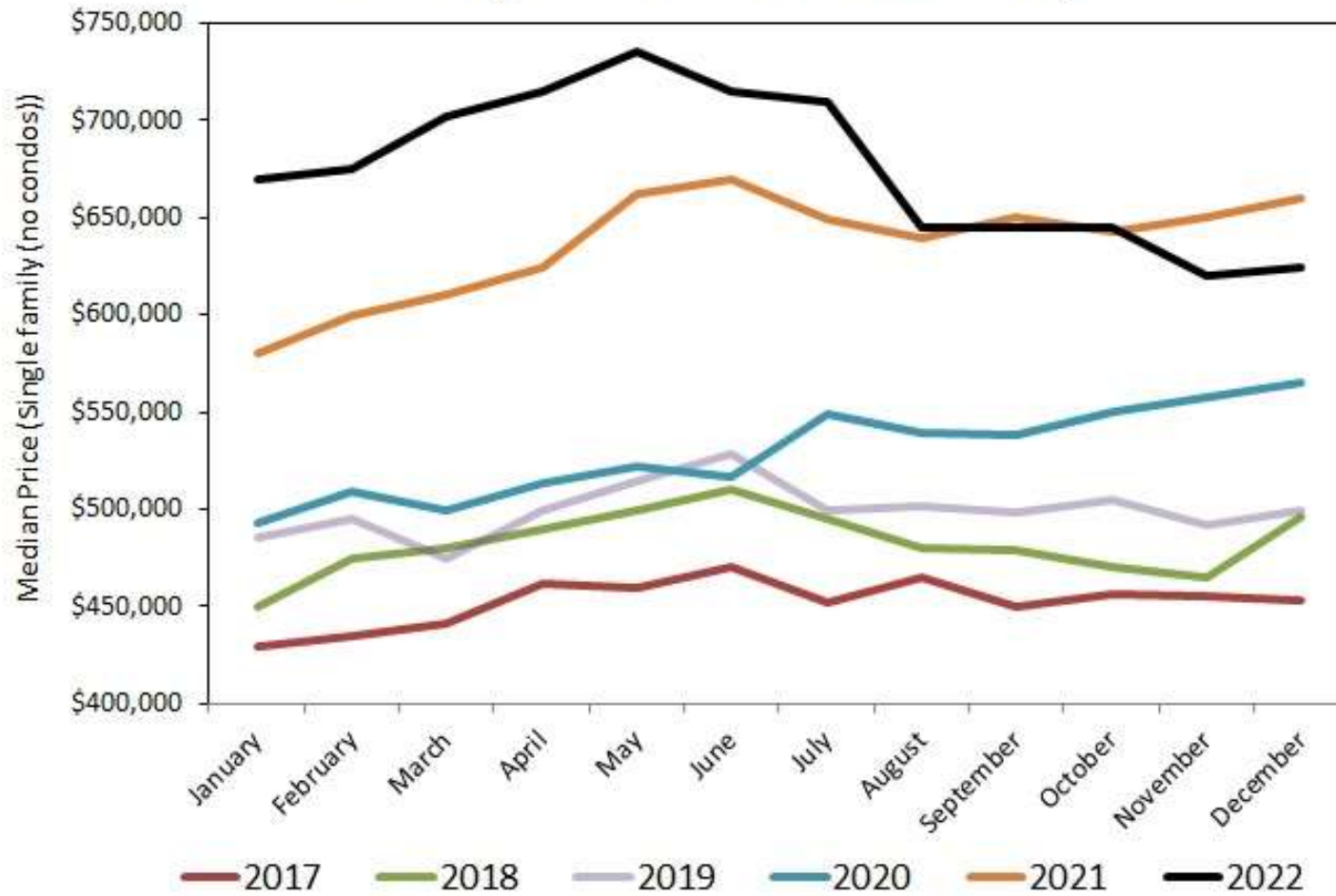
Monthly Median Price in Sacramento County



January to December (2016 to 2022) 1/10/2023

SacramentoAppraisalBlog.com

Monthly Median Price in Placer County



January to December (2016 to 2022): 1/10/2023

SacramentoAppraisalBlog.com

The housing narrative has changed

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LOWER PRICES

BUYERS

SELLERS

You can't control the market, but
you can control your mindset.

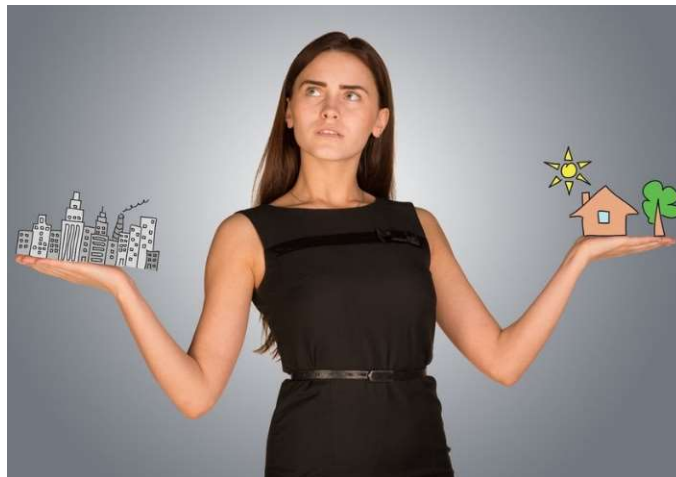
@SacAppraiser

It's not about prices. It's about lifestyle buyers.

Who has incentive to buy, sell, and invest in today's market regardless of what prices are doing?

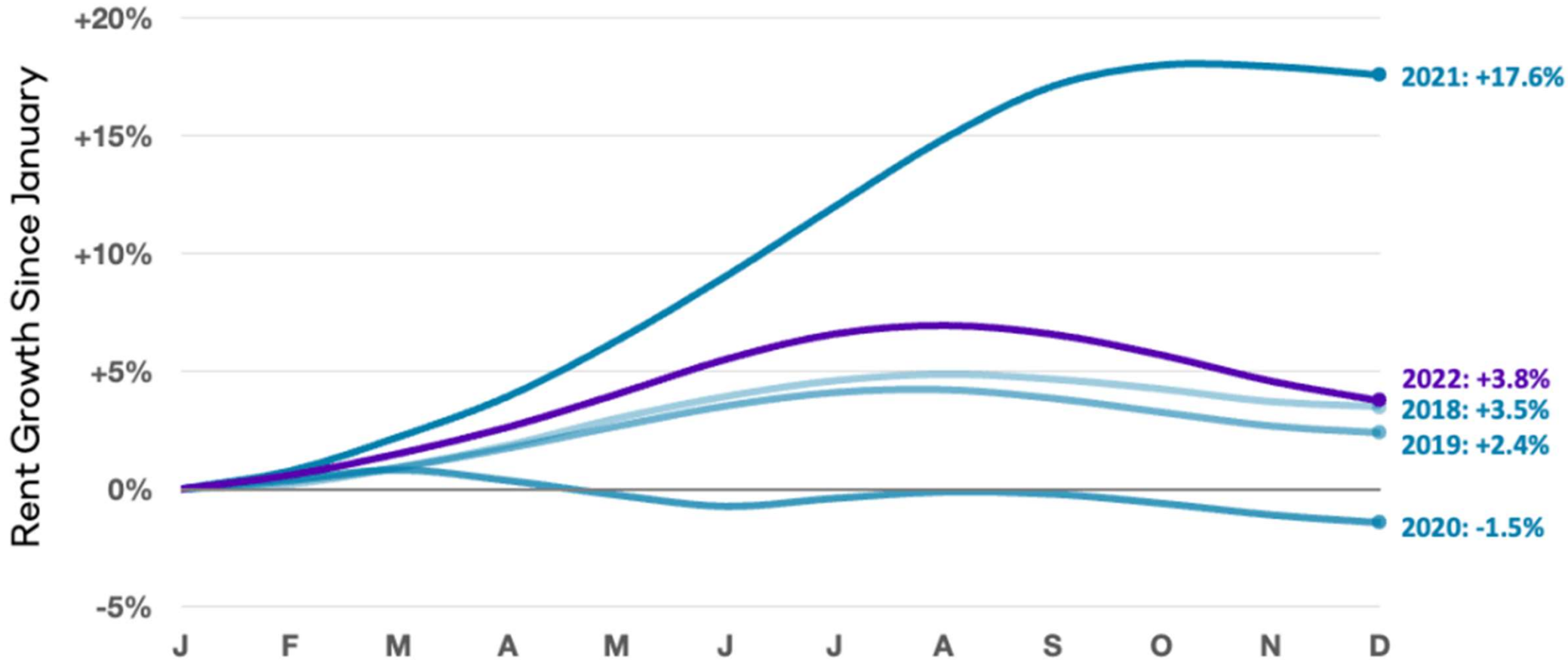
Death, disease, debt, and divorce

**What are you going to do with your equity?
Where do you want to be?**



Annual Change in Median Rent

United States: 2018-Present



Source: Apartment List Rent Estimates

Available: <https://www.apartmentlist.com/research/category/data-rent-estimates>

Apartment  List

Slowest Metro-Level Rent Growth Among 52 CBSAs with Population >1 Million

| Rank | Over Past 6 Months | | Over Past 12 Months | | Since March 2020 | |
|------|--------------------|-------|---------------------|-------|------------------|--------|
| #1 | Providence | (-6%) | Las Vegas | (-3%) | San Francisco | (-5%) |
| #2 | New Orleans | (-6%) | Phoenix | (-2%) | San Jose | (-1%) |
| #3 | Seattle | (-6%) | Sacramento | (-2%) | Minneapolis | (+3%) |
| #4 | Rochester | (-5%) | New Orleans | (0%) | Washington | (+8%) |
| #5 | Las Vegas | (-5%) | Riverside | (0%) | Seattle | (+8%) |
| #6 | Riverside | (-5%) | Atlanta | (0%) | Pittsburgh | (+11%) |
| #7 | Boston | (-4%) | Detroit | (0%) | Boston | (+11%) |
| #8 | Detroit | (-4%) | Jacksonville | (+1%) | Houston | (+12%) |
| #9 | San Jose | (-4%) | Tampa | (+1%) | Chicago | (+12%) |
| #10 | Sacramento | (-4%) | Baltimore | (+1%) | New York | (+14%) |

Source: Apartment List Rent Estimates; data as of December 2022.

Data Available: <https://www.apartmentlist.com/research/category/data-rent-estimates>



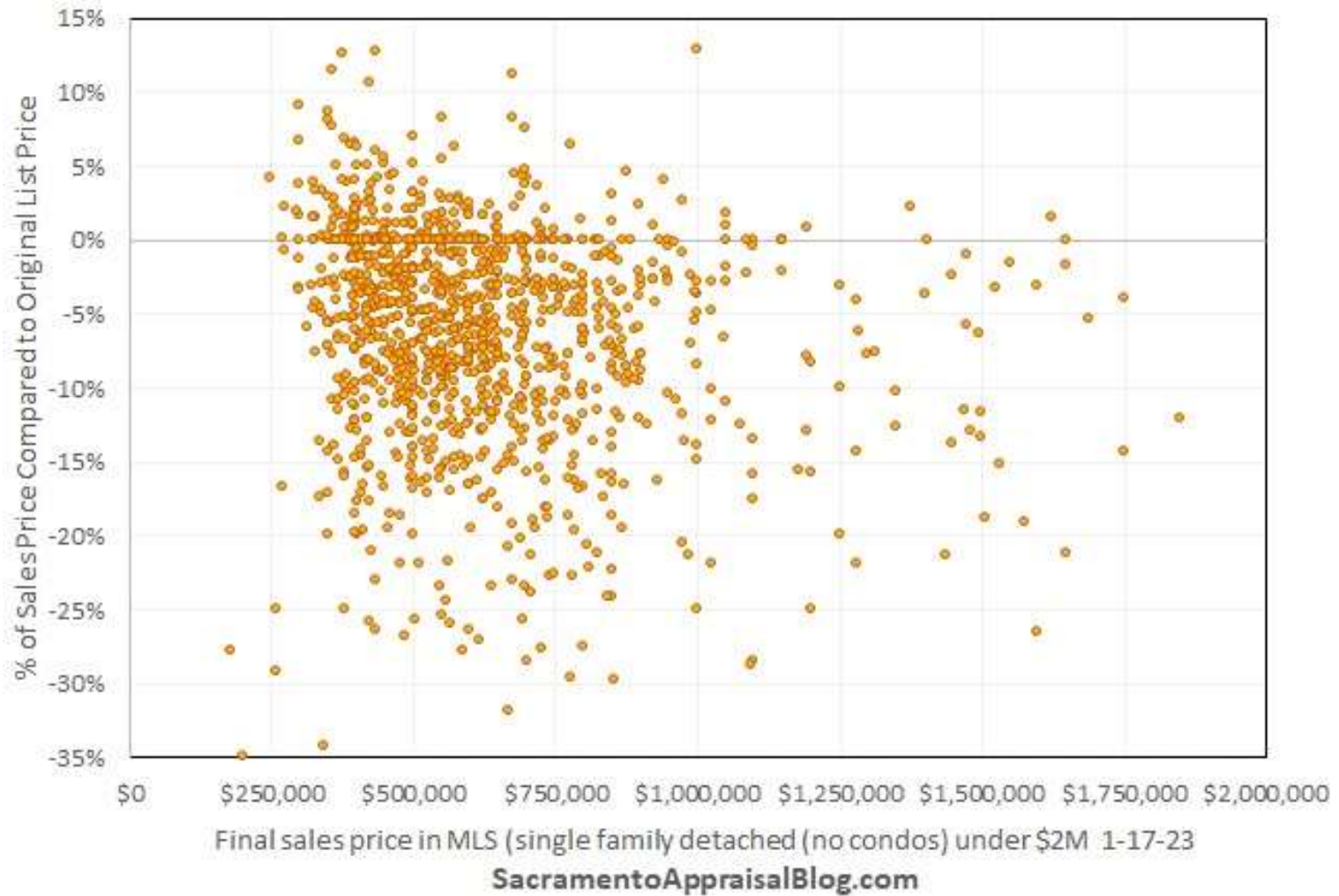
BUYERS

THE MARKET

SELLERS

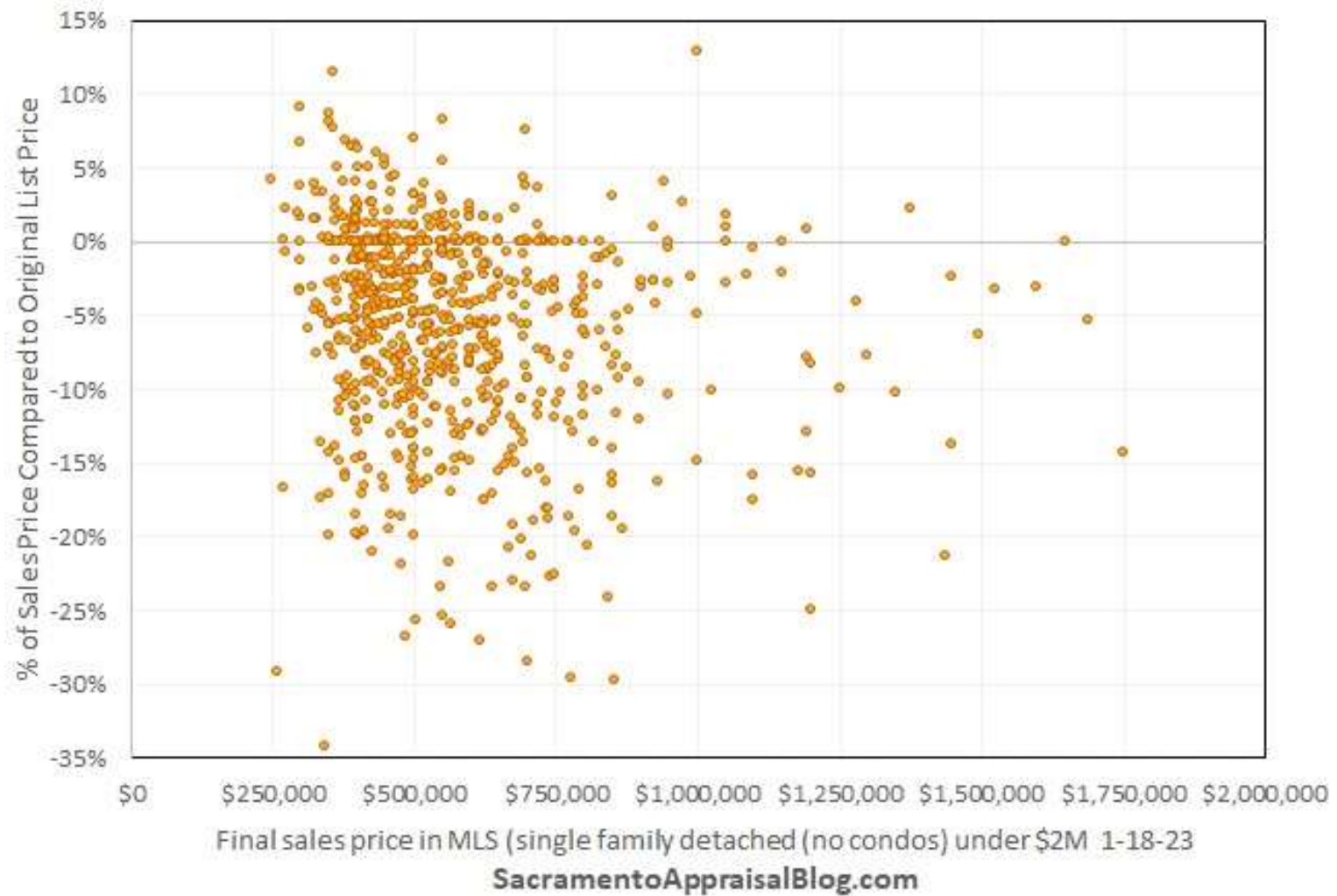
Closed Sales in December 2022

(Sacramento, Placer, Yolo, El Dorado)



Closed Sales in December 2022

(Sacramento County)



18%

| December 2022 Sales | % of Sales |
|-----------------------------|-------------------|
| Sold at original list price | 10.9% |
| Below original list price | 75.7% |
| Above original list price | 13.1% |

Sacramento, Placer, Yolo, El Dorado
Based on single family detached properties in MLS as of 1-17-2023

SacramentoAppraisalBlog.com



HOUSING TEMPERATURE

GOT MULTIPLE OFFERS?

37.6% of pending contracts over the past two weeks in the **Sac Region** have multiple offers.



Based on single family units (no condos) in Metrolist with a pending status as of 1/1/2023

GOT MULTIPLE OFFERS?

43.5% of pending contracts over the past two weeks in **Sacramento County** have multiple offers.



Based on single family units (no condos) in Metrolist with a pending status as of 1/1/2023

GOT MULTIPLE OFFERS?

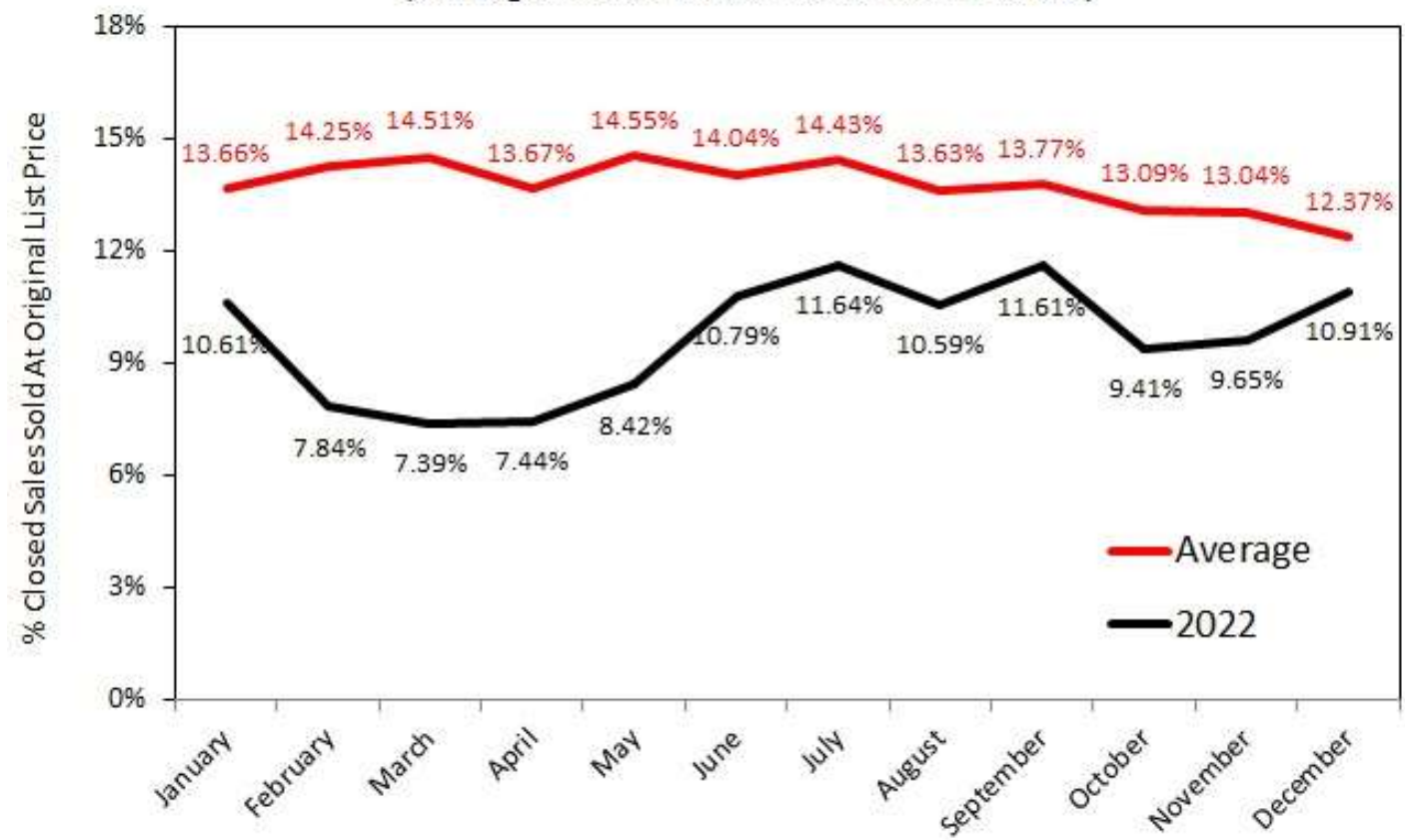
27.0% of pending contracts over the past two weeks in **El Dorado County** have multiple offers.



Based on single family units (no condos) in Metrolist with a pending status as of 1/1/2023

% Sales Sold At Original List Price

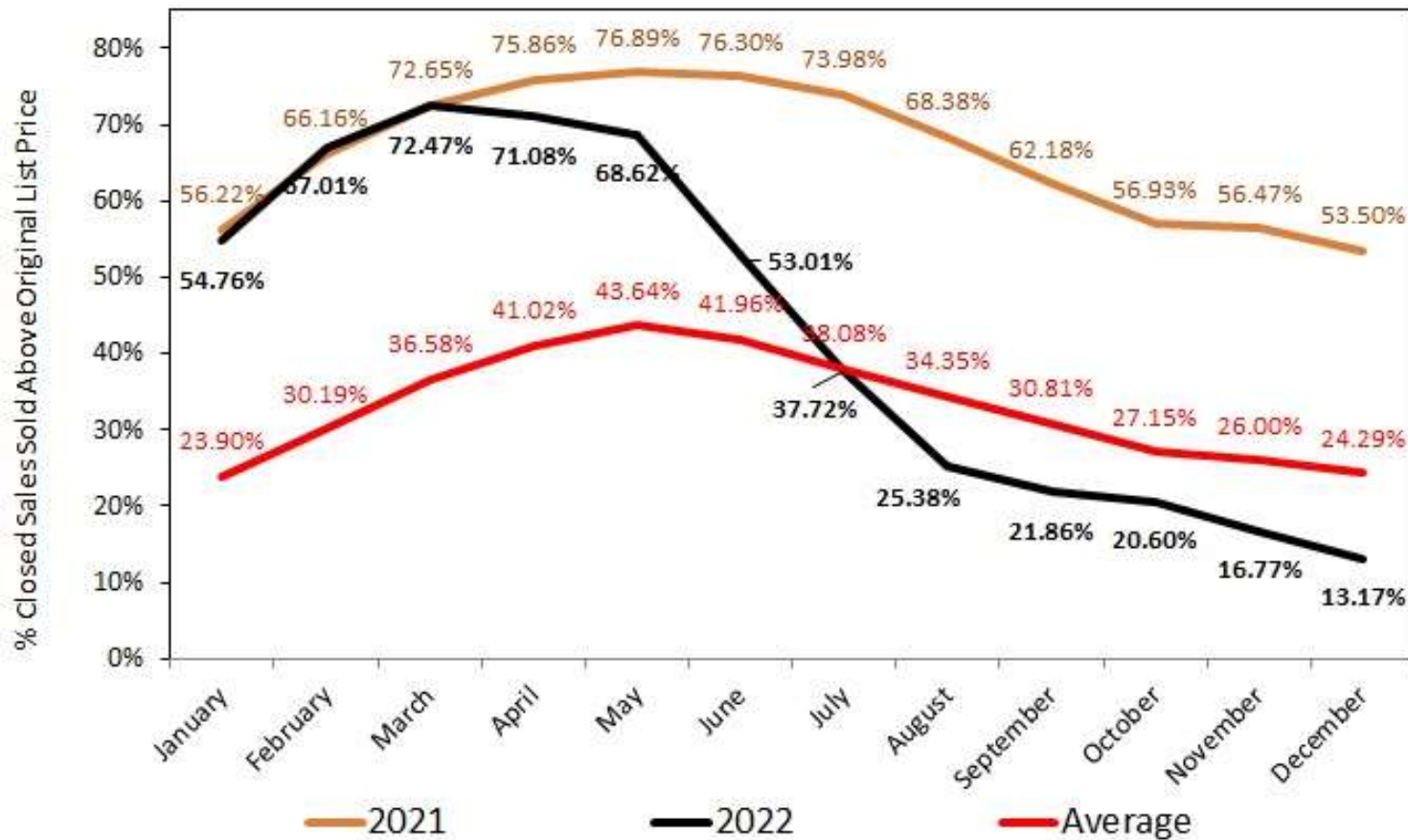
(Sac Region: Sacramento, Placer, Yolo, El Dorado)



January to December (1-17-23)
 Average based on 2016-2019 sales
 Monthly closed MLS sales (single family (no condos))
SacramentoAppraisalBlog.com

% Sales Sold Above Original List Price

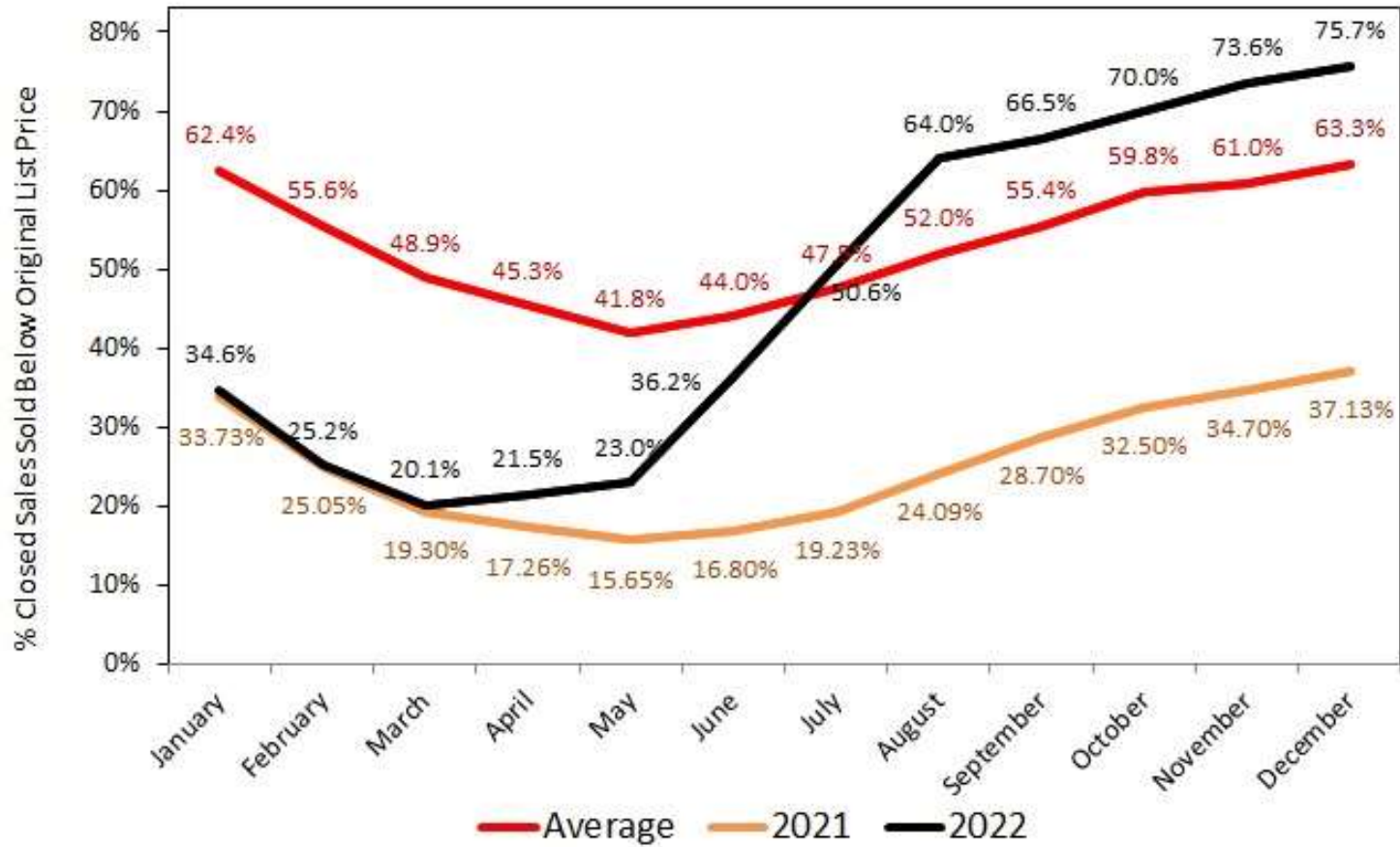
(Sac Region: Sacramento, Placer, Yolo, El Dorado)



January to December (2021 to 2022) 1-17-23
Monthly closed MLS sales (single family (no condos)); Avg: 2016-2019
SacramentoAppraisalBlog.com

% Sold Below Original List Price

(Sac Region: Sacramento, Placer, Yolo, El Dorado)



January to December (2021 to 2022); Average is 2016-2019
 Monthly closed MLS sales (single family (no condos)): 1-17-23
SacramentoAppraisalBlog.com

How long is it taking to sell?

| Status | Sacramento | Placer | El Dorado |
|-----------------------------|------------|--------|-----------|
| Active | 80 | 86 | 107 |
| Pendings Since Jan 1 | 59 | 66 | 69 |
| Closed Sales Since Jan 1 | 45 | 65 | 59 |

Average cumulative days on market
Based on single family detached properties in MLS as of 1/18/23

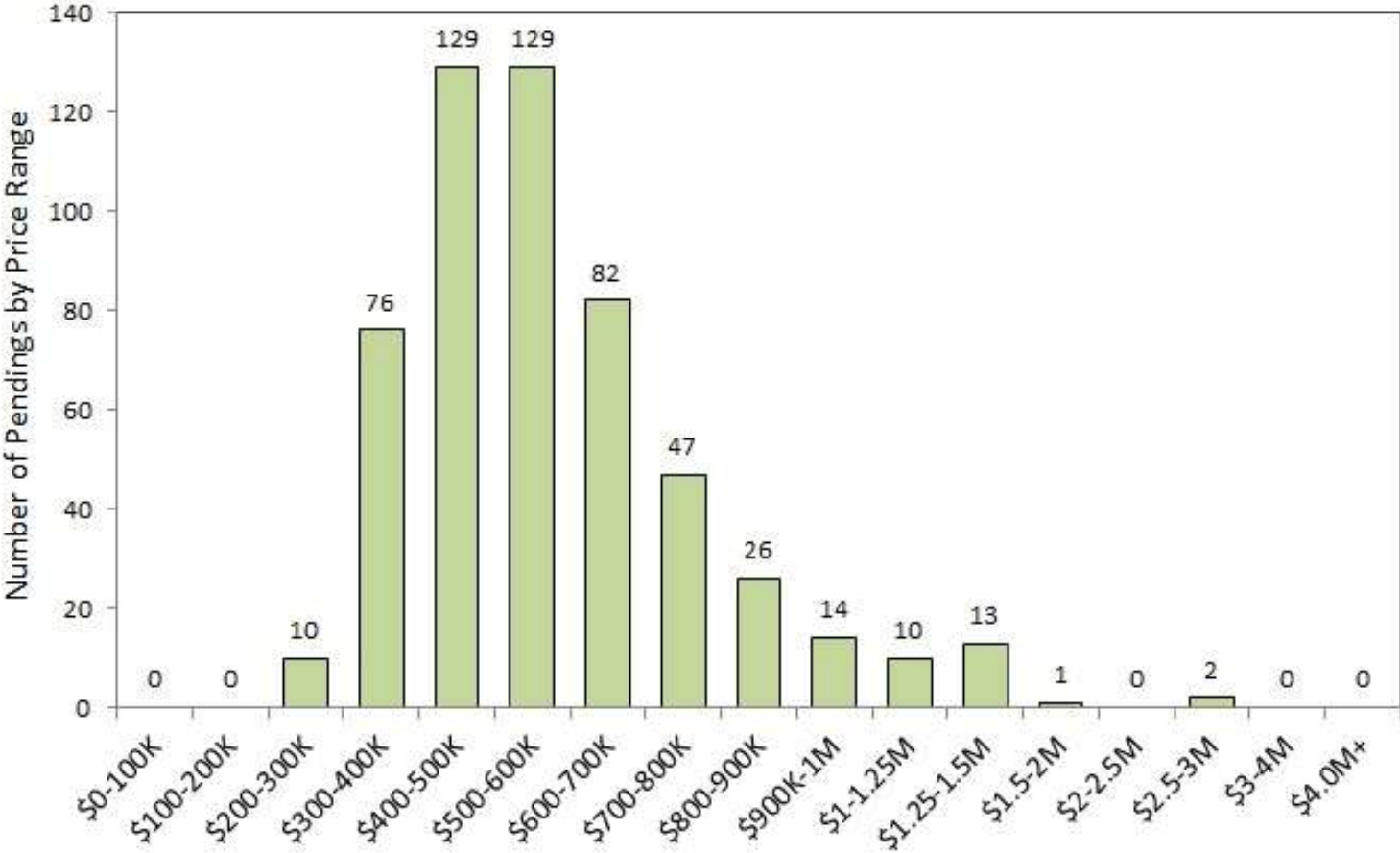
SacramentoAppraisalBlog.com

Be a pending

Not an active

Distribution of Pendings by Price Range (Pendings Since 1/1/23)

Sacramento Region: Sacramento, Placer, Yolo, El Dorado



Price Range of MLS pendings (single family (no condos)) Data: 1-17-2023

SacramentoAppraisalBlog.com

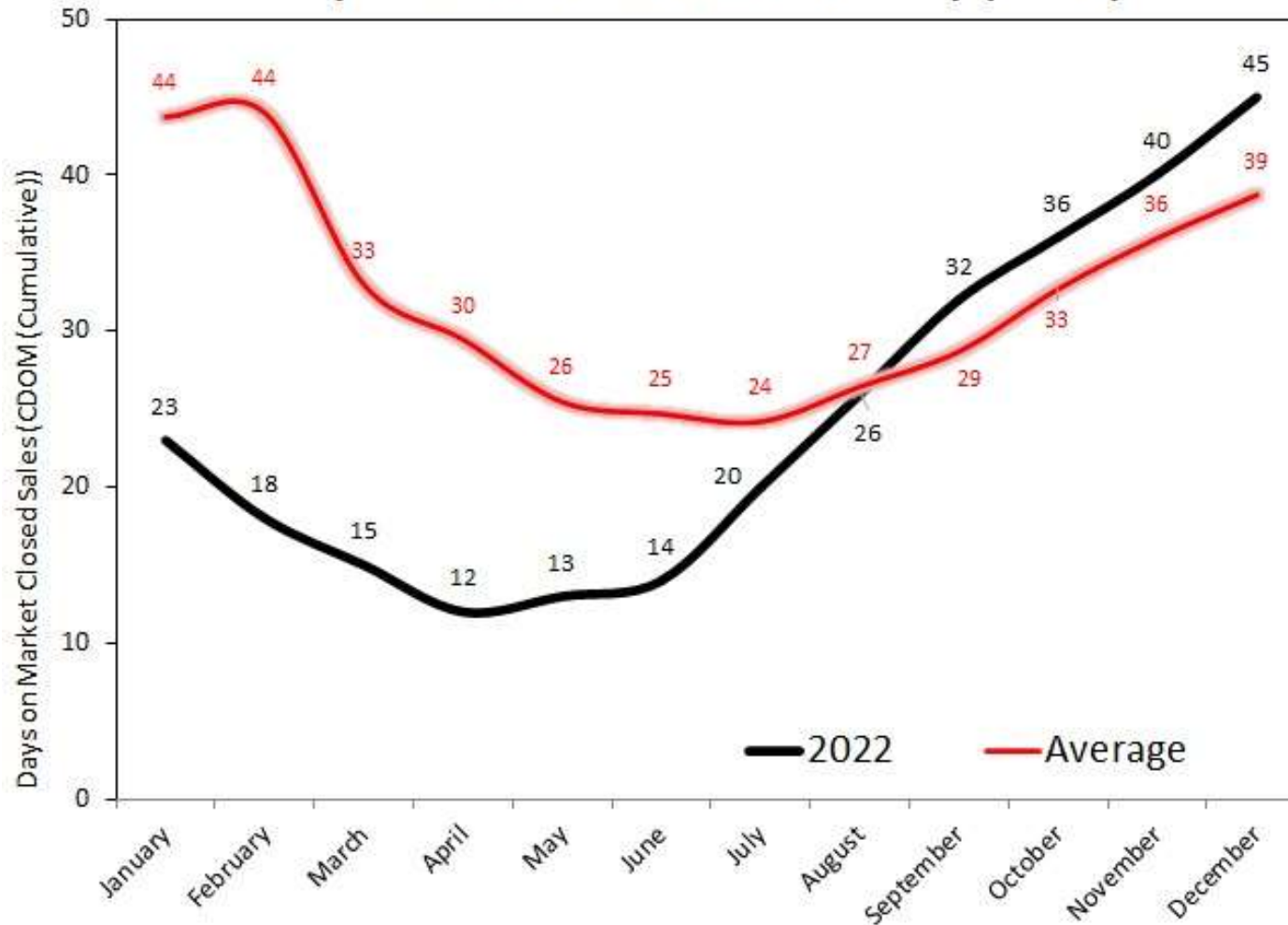
Sales Price to Original List Price Ratio

(Sacramento, Placer, Yolo, El Dorado)



January 2007 to December 2022
Single family detached MLS sales (no condos)
Data from Trendgraphix prior to 2018
SacramentoAppraisalBlog.com

Days on Market in Sacramento County (CDOM)



January to December Monthly CDOM - 1/9/2023

Average: 2016-2019 (pre-pandemic)

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**SELLERS AFTER BEING TOLD
THEY NEED TO LOWER THE PRICE**

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Price Drops in Sacramento Region (Active Listings)

| Location | % of Listings | Listings w/ Price Drop |
|------------------------|---------------|------------------------|
| Sac Region (all below) | 28.65% | 1,048 |
| Sacramento County | 31.16% | 551 |
| Placer County | 30.77% | 309 |
| El Dorado County | 25.05% | 123 |
| Yolo County | 48.50% | 65 |

Based on active MLS listings (single family (no condos)): 1-17-2023

"% of Listings" = % of active listings with a price reduction

"Listings w/ Price Drop" = number of actives with a price reduction

Price reductions have a lower price compared to the original list price

SacramentoAppraisalBlog.com

48.1%

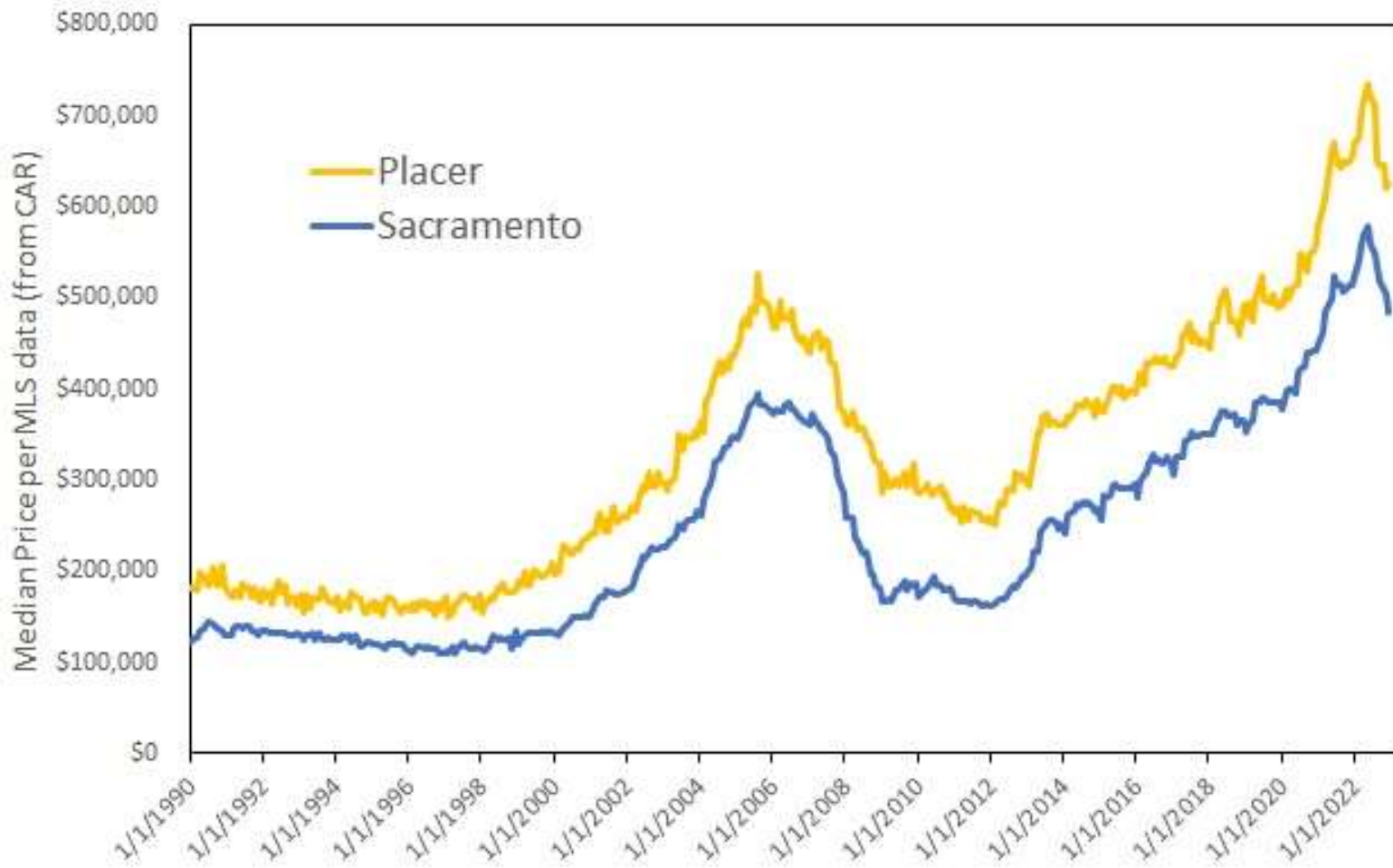
48.1%

**Of pendings had a price reduction
before getting into contract**

WHAT DOES THE FUTURE HOLD?
Sometimes unexpected things happen



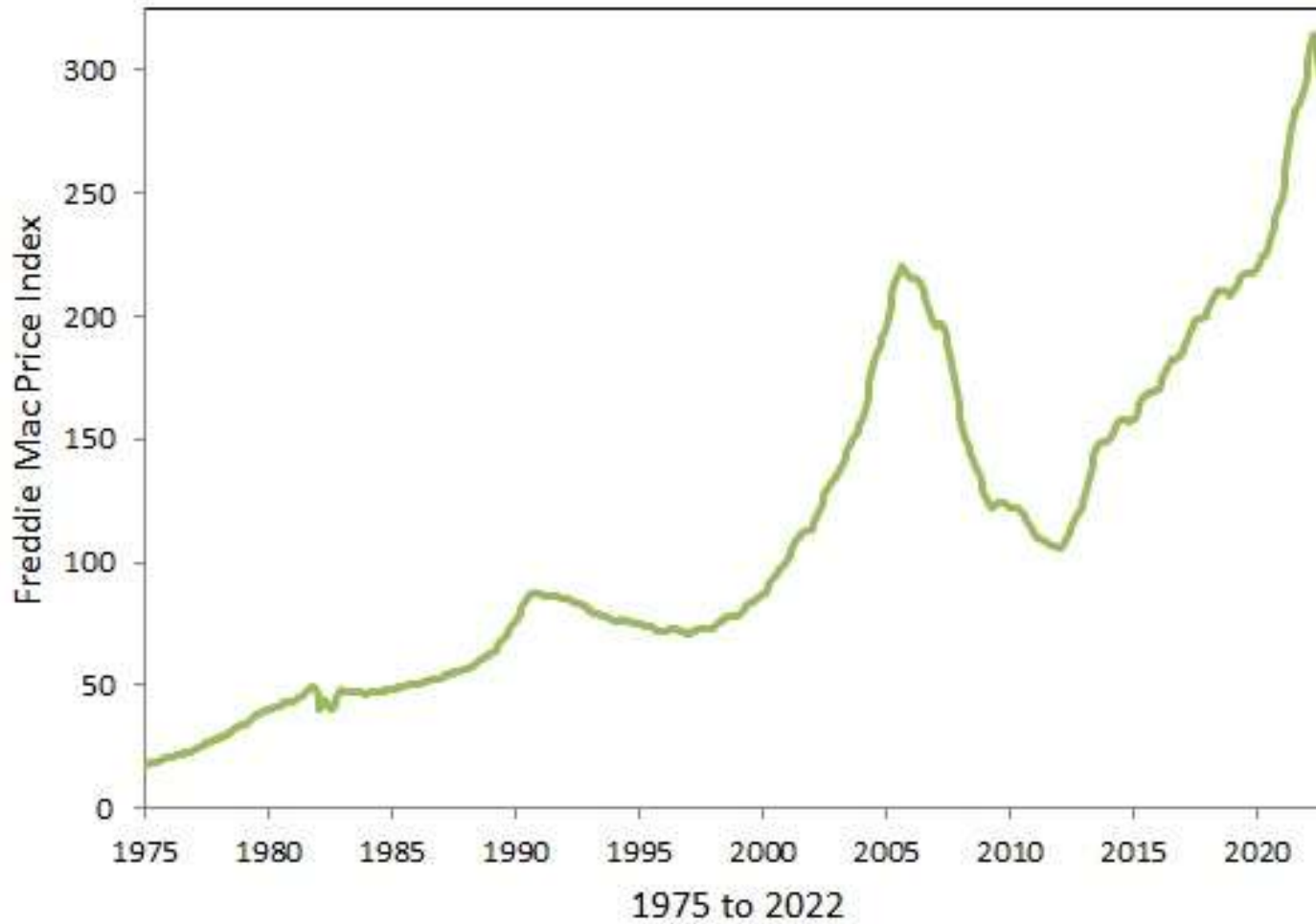
Placer County & Sacramento County Median Price Since 1990



January 1990 to December 2022 Data: 1-2-2023

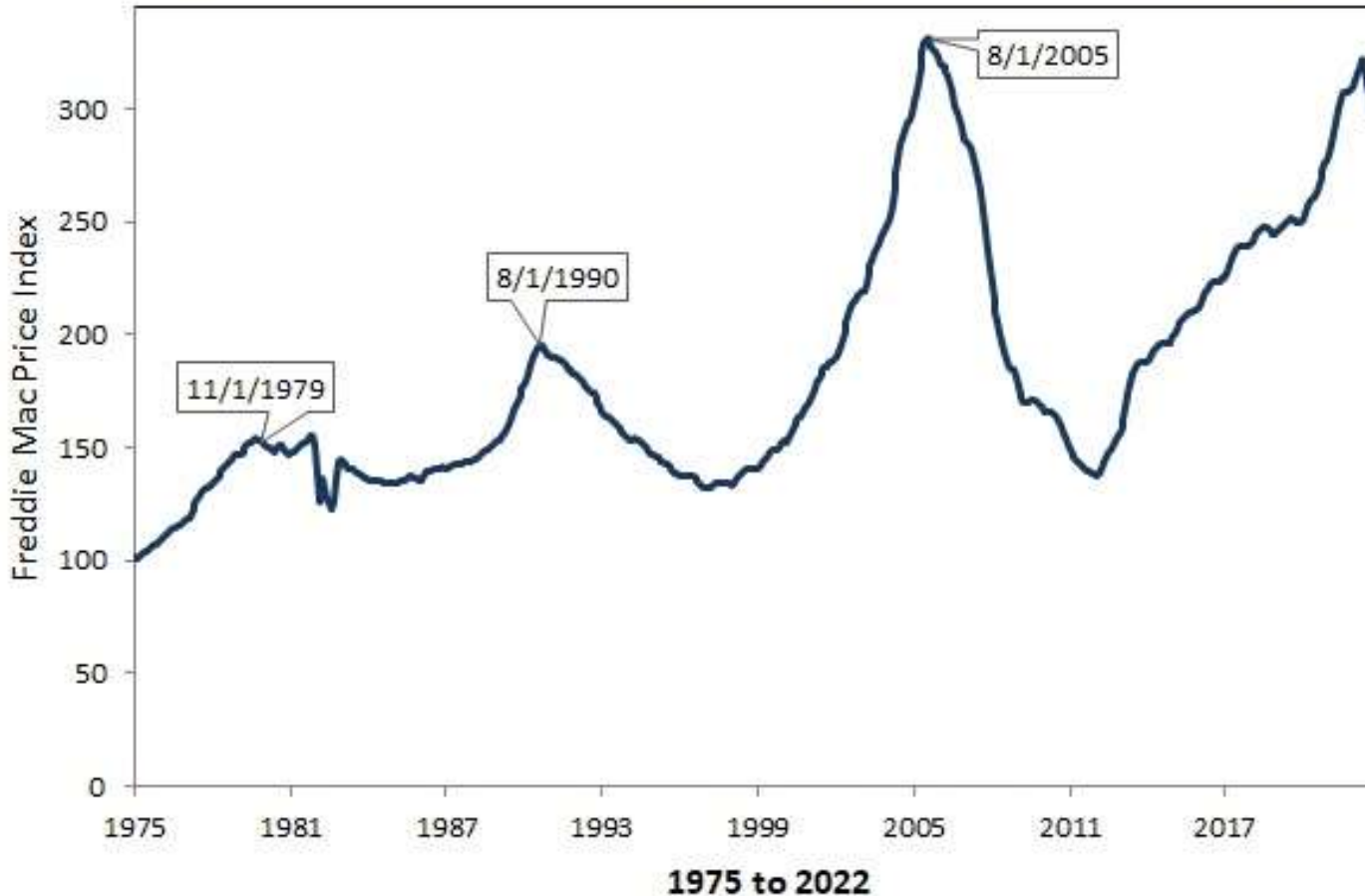
SacramentoAppraisalBlog.com

Real Estate Price Cycles in Sacramento



SacramentoAppraisalBlog.com

Real Estate Price Cycles in Sacramento (Adjusted for Inflation)



NOTE: Freddie Mac Index uses Sac County, Roseville, & Arden-Arcade for "Sacramento"
Adjusted for inflation using FRED CPI All Urban Consumers: All Items Less Shelter in US City Avg

SacramentoAppraisalBlog.com

Quick points:

- 1) Be aware of rhythms
- 2) We're declining, but not locked into the trend.
- 3) We'll get through the Fed's mess
- 4) 2005 isn't the new template
- 5) People won in 2009
- 6) Where do you want to be?

We are living through change right now. My advice? Embrace the stats, be aware of what is happening, and be careful not to impose any one narrative on the market. And remember, what happened in 2005 isn't the new template for every future market correction. We are going to get through the mess of inflation and the Fed's plan to reset the housing market. It's to be determined how this plays out.

<https://sacramentoappraisalblog.com/2022/03/01/predicting-housing-price-cycles-isnt-so-easy/>



THE RESULTS ARE IN

THE MARKET IS GOING TO KEEP CHANGING

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Closing Unsolicited Advice

- 1) Be patient. We need time to see the trend.
- 2) Know what normal stats look like so you can spot abnormal.
- 3) Don't get high on housing hope (be realistic).
- 4) Plan for the worst and rejoice if something else happens.
- 5) Build your network and keep feeding your network.
- 6) Strategize for how to succeed during a down market ("Dear Downturn...")
- 7) Be a stats sniper instead of a shotgun.
- 8) Take your mental health seriously.
- 9) Obsess over every escrow: Why did the seller sell? Why did the buyer buy?
- 10) Be generous and authentic.

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