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**(RESIDENTIAL RESALE STATISTICS December 2007)**

**Closed escrows show expected slowing**

The holiday season is known to hinder the activity of the Sacramento residential resale market and this year proved no exception, showing a slight decrease from month to month. This 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.

Closed escrows decreased slightly to 805, showing a 1.1% drop from last month's 814 homes sold. When compared to the same month last year, December 2008 showed an expected decrease of sales, remaining 16.8% below the 967 homes sold in December 2006.

The median price for a single family home continued to drop, settling at \$280,000, 7.0% below November's \$299,450. When compared with 2006, Sacramento's median home sale price shows a 21.1% decrease, staying well below the \$355,000 median price of a year ago. New listings in December totaled 2,154, a decrease of 15.4% from last month's 2,545. The total listing inventory also showed a decrease, dropping 10.1% from November's 9,967 to a figure of 8,965. These high numbers, however, reflect the continued fallout from the subprime mortgage situation.

As 2008 begins, many are apprehensive of what the economic future will bring. "Current market problems have their roots in financing, not in weakening economic conditions," states C.A.R. Deputy Chief Economist Robert Kleinhenz. "As such, this is not like the situation in the 1990s. Market weakness will continue to be driven in part by the ongoing problems in the subprime arena. Subprime mortgage payment resets are expected to peak in late 2007 and early 2008, so defaults and foreclosures should crest later in the year before easing as the year draws to a close. This will continue to put downward pressure on home prices, particularly in parts of the state that had a lot of new home building. Improvement in market conditions is more likely in the latter part of the year, as mortgage problems begin to subside and as buyers and sellers sense that home prices may have stabilized."

The month-end housing market supply figure – the active listing inventory divided by the rate of completed sales – decreased for the month of December, down 9% to 11.1 months, compared to 12.2 months in November.

**Condominium Resale Market**

The condominium market inventory of 738 in December showed a significant decrease of 12% when compared with November's 839. New listings published were down 15.5% to 169 in December compared with 200 in November. Closed condominium escrows remained stable through December, with 57 closed escrows, a 3.4% decrease when compared with the 59 closed escrows in November. The 57 closed escrows in December 2007 remain 15% below December 2006's 67 closed escrows. The median sales price of a Sacramento condominium in December was \$190,000, a figure down 14.6% from the median price of \$222,500 in November. This \$190,000 median price is 17% lower than the \$229,000 median price of December 2006. ■