GREATER SACRAMENTO MARKET UPDATE

SEPTEMBER 2024

PROPERTIES FOR SALE

3,692 ↑ TREND

PROPERTIES SOLD

1,451 ↓ TREND

AVERAGE HOME PRICE

$668K ↑ TREND

RESALE HOUSING MARKET MAKING QUIET MOVES

September open escrows increased by 27 percent year-over-year

(SACRAMENTO, CA) – Greater Sacramento home sales continue to churn at a slightly warmer pace as mortgage interest rate softening has offered a nudge for both buyers and sellers. This momentum, if sustainable, could signal a much stronger fourth quarter than what the market experienced over the past two years. The 1,755 new open escrows reported in September were 6 percent higher than those of August and an enthusiastic 27 percent higher than a somewhat soft, September of last year. New open escrows for the entire third quarter also reflected a 12 percent increase versus those of 2023.

"Normal seasonality, also known as a fall and winter slowdown, is always expected except of course in the fantasy years of 2020 and 2021", says Pat Shea, President and CEO of Lyon Real Estate. "All market trends over the past few months indicate that a greater number of new listings and sales will be at play if mortgage interest rates continue to trend in a favorable direction."

Although the volume of sales has been notably suppressed for an extended period, buyers never completely abandoned the market. The rate of new sales for the third quarter remained reasonable by historical standards and left the market with less than 2.5 months of re-sale housing supply at month-end. For a pre-pandemic comparison, there were 2.5 months of supply on the market based upon the rate of sales in September of 2019. The balance metric, however, is impacted by new sales, new listings entering the market and standing inventory. New listings entering our market in the third quarter were up 16 percent compared to last year at this time. This increase is largely what has kept the market in a reasonable balance considering the elevated number of buyers currently active and ready to purchase a home.

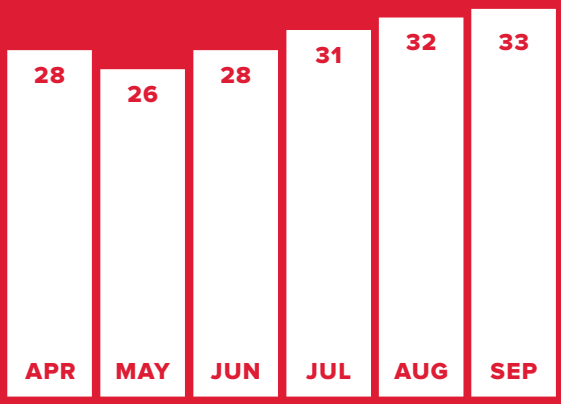
The current market balance has also prevented significant volatility in home prices. The average closed sales price of $675,000 and median of $599,000 for the

third quarter were both slightly up less than 2 percent and thus, very near last year at this time. The number of closed escrows posted in the third quarter was up 4 percent versus last year and is currently only 3 percent higher year-to-date, as of October 14th. The new open escrow trend will likely push those numbers higher by year-end. Homes that closed escrow in the third quarter were on the market for an average of 33 days and received approximately 98 percent of their original list price.

All price points are currently displaying quiet but steady movement. The upper-end market, homes priced above $1,000,000, holds a few interesting highlights. Standing inventory is currently 26 percent higher than last year and new listings entering the market were up 23 percent in the third quarter compared to 2023. New open escrows, on the other hand, were up 14 percent in the third quarter year over year but were 36 percent higher in September alone versus last year.

“The market conditions created by incredibly low mortgage interest rates and the work-from-home movement caused a major pull-forward effect that elevated sales algebraically,” says Shea. “A market reversion or correction was inevitable, and we now appear to be nearing the end of that protracted cycle. Many buyers and sellers are much more ready to transact as interest rates have finally eased. It is time to move forward with their life plans, their goals, and their dreams. Homeowners know that they can always re-finance if mortgage rates fall even further.”

AVERAGE DAYS ON MARKET (PAST 6 MONTHS)



INVENTORY BY VALUE

2.4 MONTH SUPPLY
HOMES BELOW $1M

4.4 MONTH SUPPLY
HOMES ABOVE $1M

This market information was presented by Lyon Real Estate based upon data provided by Trendgraphix Inc., a Sacramento-based reporting company.

ABOUT LYON REAL ESTATE Lyon Real Estate is the leading independent real estate brokerage company in Greater Sacramento (Sacramento Business Journal). We are proud to be homegrown, privately owned, and internationally known. Lyon has served the area for over 75 years. Last year, the company closed a total of 3,191 transactions and $1.85 billion in sales volume. Lyon Real Estate has over 700 agents in 14 offices located throughout the region. The company is a member of the Leading Real Estate Companies of the World®, the largest network of premier locally branded firms, as well as LeadingRE’s Luxury Portfolio International® program. In addition to its real estate services, Lyon Real Estate offers RELO Direct, a global relocation program. Since 2015, the Lyon Cares Foundation has contributed more than $1,368,365 to local nonprofits.

ABOUT TRENDGRAPHIX, INC. TrendGraphix, Inc. is a real estate data analytics company based in Sacramento that uses local Multiple Listing Service (MLS) data. TrendGraphix provides highly visual performance and market statistical graphs to real estate brokers, agents, and MLS/Realtor associations across the country. TrendGraphix’s programs are currently used by tens of thousands of brokers and agents in more than 300 brokerages across the nation. For more information about TrendGraphix, visit www.trendgraphix.com.