

GREATER SACRAMENTO MARKET UPDATE



DECEMBER 2024



PROPERTIES FOR SALE

2,369



TREND

PROPERTIES SOLD

1,369



TREND

AVERAGE HOME PRICE

\$665K



TREND

RESALE HOUSING MARKET LOOKS READY TO ROCK

All fourth-quarter market metrics looking up versus last year

(SACRAMENTO, CA) – Greater Sacramento quietly closed out 2024 with 2,369 homes posted as active and available for sale in the four-county area on December 31st. This is a much needed and improved amount of supply representing a 20 percent increase when compared to the scarce inventory levels prospective buyers faced last year at this time.

Although improving, supply remains quite low in the prolonged wake of the great market surge of 2020 and 2021 that was beyond extraordinary due to historically low mortgage interest rates. For added perspective, inventory levels for the five years before 2020 were all north of 3,000 homes active and available for sale at year-end. This period was viewed as a much more “normal and balanced” residential real estate market.

New listings entering the market during the fourth quarter were 16 percent higher than those of last year and certainly helped maintain a healthier level of standing inventory. Unfortunately, December’s new

listings fell 38 percent short of November’s but that is pretty normal as more prospective sellers typically hold off for the new year once the holiday season arrives. There were slightly less than 2 months of resale housing supply available on January 1st based on the current rate of sales. A healthy market for both buyers and sellers in this modern age is often considered to hold 3 to 4 months.

“Yes, inventory always declines at year-end due to holiday celebrations and weather-related seasonality,” says Pat Shea, CEO of Windermere Signature Properties. “The magnitude of this protracted real estate market recession is one hundred percent driven by our less attractive, mortgage interest rate landscape. Most economic analysts and forecasters predict rates to move in a more favorable direction sometime in 2025.”

New open escrows, the other key metric for measuring market direction, further revealed the market’s desire to maintain momentum. New opens posted during the

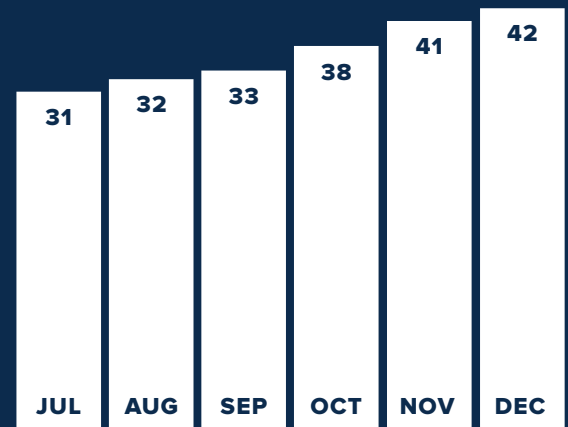


fourth quarter were 17 percent higher than last year and December's alone, 15 percent higher despite the seasonality effect.

The median sold price in the fourth quarter rested at \$591,000, up 3 percent over last year. The average sold price came in at \$665,000 also a 3 percent lift versus the same time last year. This is moderate, reasonable, and more indicative of a more solid market footing. Homes that closed escrow in the fourth quarter were on the market an average of 42 days versus 34 last year. Successful sellers also averaged 97 percent of their original list price, identical to the fourth quarter of last year. Both metrics reflect positive outcomes for sellers and remain influenced by the lower-than-normal inventory situation.

"As every calendar quarter and every month ticks by, we find our region much closer to a major lift in market activity than we've experienced over the past few years," says Shea. "Winter showers will subside and mortgage interest rates will eventually retreat producing more new listings and more new sales, you can count on it. The Greater Sacramento region remains in high demand and is still much more affordable compared to other major population centers in California. Employment numbers remain very strong and in the big picture, there is a shortage of both resale and new construction supply. Greater Sacramento continues to be recognized as one of the best places to live in California and that means the local housing market future is bright for both buyers and sellers in 2025."

AVERAGE DAYS ON MARKET (PAST 6 MONTHS)



INVENTORY BY VALUE

1.6 MONTH SUPPLY

HOMES BELOW \$1M

3.5 MONTH SUPPLY

HOMES ABOVE \$1M

This market information was presented by Windermere Signature Properties based upon data provided by Trendgraphix Inc., a Sacramento-based reporting company.

ABOUT WINDERMERE REAL ESTATE Windermere Signature Properties, formally known as Lyon Real Estate, has served the Greater Sacramento Region for over 78 years. Last year, the company closed over 3,300 transactions and nearly \$2 billion in sales volume. Windermere Signature Properties has over 700 agents in 14 offices located throughout the Sacramento 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. Since 2015, Windermere Real Estate has contributed more than \$1,525,865 to local nonprofits throughout the Sacramento region.

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.