

GREATER SACRAMENTO MARKET UPDATE



JANUARY 2025



PROPERTIES FOR SALE

2,548



TREND

PROPERTIES SOLD

1,032



TREND

AVERAGE HOME PRICE

\$646K



TREND

MEASURED START FOR 2025 HOUSING MARKET

January new pending sales see a 20% boost versus December

(SACRAMENTO, CA) – The Greater Sacramento resale housing market started the year very predictably during the month of January as new pending sales saw their typical 20 percent lift versus those posted in December. Year-end, absent extraordinary market circumstances, always marks the quietest sales period of the year with January in a close second as the market slowly strives to get back on track. The market currently appears to be waiting for some favorable mortgage interest rate movement as the new pending sales reported marked a mere 3 percent increase compared to those reported in January of 2024.

Fortunately, 1,967 new re-sale listings also came to market in January across the four-county area. This represented a 108 percent increase in new listings versus our lackluster December. It also marked a very encouraging 26 percent jump compared to January of last year when seller move-up transactions were still quite limited. New listing activity also outpaced new pending sales and consequently the market held

approximately 2 months of standing inventory supply on January 31st. That number is still quite low but moving in a good direction for buyers as we approach the spring selling season.

The region's average price for closed sales in January landed at \$646,000. This represented a 4 percent dip from December yet a notable 4 percent increase compared to one year ago at this time. Average and median sales prices followed their typical pattern in 2023, peaking in summer, holding pretty steady through September, and then softening at year-end. It appears though that once again, things are starting to change. "Yes, sales activity and prices typically fall back over the winter months and this year was no exception. There is optimism though, that the seasonal recovery will start sooner this year. Higher inventory is expected and any retreat in mortgage rates will surely urge buyers off the sidelines," states Pat Shea, President of Windermere Signature Properties. "Any rollback of mortgage interest rates between 6 and 7 percent certainly will captivate buyer attention and



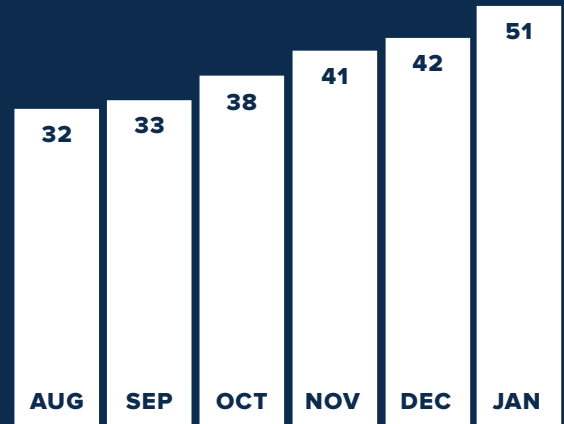
get things rolling in 2025. You can expect sustained sales momentum if mortgage rates indeed soften and more sellers decide that it is time to hit the market as well.”

The entry-level - properties below \$500,000 – remained the tightest on January 31st with virtually the same number of properties in standing inventory as there were on December 31, 2024. Fortunately, standing inventory is 50 percent greater than last year at this time. There still, however, remains just 1.5 months of supply based upon the current rate of sales. The rate of new sales from month to month in this price point has been persistent for quite some time. “New listings coming online and thus, more opportunities for first-time buyers, are mission critical for a healthy market. Entry-level and move-up buyers are the driving force for our entire housing ecosystem,” says Shea.

Market activity for new pending sales at mid-month February reflects a 25 percent jump compared to January 15th and continues to demonstrate that buyers are ready, willing, and able to proceed with their housing goals and dreams. New listings month-to-date unfortunately, are 7 percent fewer versus this time in January. That gap if it continues, will naturally place a strain on standing inventory that could pose a challenge come spring.

“Clearly, recent resale market activity reveals that buyers and sellers are willing to transact. The residual struggles from lower inventory, rising prices, and less attractive mortgage interest rates are things that buyers and sellers continue to work through,” says Shea. “These market conditions will continue to improve over the coming year. Prices will resume their steady but manageable climb. Interest rates are expected to retreat somewhat but will never return to the historical lows seen during the pandemic years. Waiting will surely cause one to get less of a home than they desire or perhaps push them out of the opportunity altogether. Soon-to-be home sellers should also consider entering the market now, as inventory remains limited and buyer activity is undoubtedly increasing once again as we approach the spring selling season.”

AVERAGE DAYS ON MARKET (PAST 6 MONTHS)



INVENTORY BY VALUE

2.3 MONTH SUPPLY

HOMES BELOW \$1M

4.7 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, formerly 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 650 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.