



July 11, 2008
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The North State Building Industry Association (BIA) reported that there were 353 new home sales in June in the 187 communities it tracks (representing about two-thirds of the total number of active communities in the region). 2008 is on-track to become the slowest year for new home sales in 10 years. From the standpoint of the homebuyer, however, housing affordability has risen steadily over the past several years. 52% of all new homes sold in June were priced at or below \$400,000. At this time last year, the majority of homes sold were priced over \$400,000.

The percentage of sales in each region for the month of June is as follows:

- Placer County (Roseville, Rocklin, Lincoln, Granite Bay): 33%
- Antelope, North Highlands, Natomas, North Sacramento area: 20%
- Northeast Suburban (Rancho Cordova, Gold River): 10.5%
- Vineyard/South Sacramento (Elk Grove) area: 10%
- Yuba City/Marysville area: 8%
- Yolo County: 7%
- City of Sacramento: 5%
- Folsom, El Dorado Hills, Rancho Murieta: 3%
- Laguna, Franklin: 3%
- Galt: .5%.

During the month of June, 13.5% of homes sold for \$300,000 or less; 38.5% sold for \$300,000-400,000; 22% sold for \$400,000-500,000; 17.5% sold for \$500,000-600,000; and 8.5% sold for \$600,000 and above.

The 30-year fixed-rate mortgage (FRM) averaged 6.37 percent with an average 0.6 point for the week ending July 10, 2008, up from last week when it averaged 6.35 percent. Last year at this time, the 30-year FRM averaged 6.73 percent.

"In the housing sector, economic reports were mixed this week," said Frank Nothaft, Freddie Mac vice president and chief economist. "Pending sales of existing homes fell more than expected in May, but April's increase was revised even higher, according to the National Association of Realtors. Offsetting this decline, the number of mortgage

applications for home purchases over the week ending July 4th was nearly 10 percent above the over five-year low set just two weeks prior, despite the holiday break, according to the Mortgage Bankers Association.”

The unemployment rate in the Sacramento-Arden-Arcade-Roseville MSA was 6.4 percent in May 2008, up from a revised 6.1 percent in April 2008, and above the year-ago estimate of 4.8 percent. This compares with an unadjusted unemployment rate of 6.5 percent for California and 5.2 percent for the nation during the same period. The unemployment rate was 6.5 percent in El Dorado County, 6.1 percent in Placer County, 6.5 percent in Sacramento County, and 6.6 percent in Yolo County.

Between April 2008 and May 2008, the total number of wage and salary jobs grew by 1,600 to reach 912,000.

- Farm employment posted a seasonal increase, adding 900 jobs.
- Government payrolls grew by 500 jobs. Within government, state government education added 200 jobs, and local government increased by 300 jobs. Educational and health services also expanded by 500 jobs, adding 300 in private education and 200 in health care.
- Construction employment advanced by 400 jobs. Heavy and civil engineering accounted for half of the growth (up 200). Building construction and specialty trade contractors each picked up 100 jobs.
- Leisure and hospitality recorded the largest month-over decline with the loss of 1,100 jobs. Accommodations accounted for over 50 percent of the loss (down 600). Arts, entertainment, and recreation declined by 400 jobs, and food services and drinking places was down by 100.

Between May 2007 and May 2008, total employment in the region declined by 3,700 jobs, or 0.4 percent

- Government led year-over job growth with an increase of 2,900 jobs overall. Losses in federal government (down 400) and local government (down 900) were offset by gains in state government (up 4,200).
- Educational and health services payrolls advanced by 2,600 jobs, with 85 percent of the gains occurring in health care (up 2,200). Social assistance added 400 jobs, while private educational services reported no change.
- Construction posted the greatest year-over decline, down 6,700 jobs. While job contraction occurred in all construction sectors, over 70 percent of the loss was concentrated in specialty trade contractors (down 4,900). Financial activities employment declined (down 1,900). Insurance carriers and related activities was the only financial activity sector that added jobs (up 200). Cutbacks occurred year-over in all other financial industry components.

The number of new home sales in each price range is listed below:

<u>Price Ranges:</u>	<u>June 2008</u>		<u>Year-to-Date</u>	
	Att.	Det.	Att.	Det.
Under \$250,000	4	18	38	56
\$250-300,000	18	9	90	28
\$300-350,000	13	50	101	322
\$350-400,000	7	66	41	390
\$400-450,000	0	32	1	324
\$450-500,000	1	44	4	229
\$500-550,000	0	62	1	496
\$550-600,000	0	0	0	79
\$600-750,000	0	22	0	143
\$750-1,000,000	0	7	0	43
\$1,000,000 and over	0	0	0	4
Total	43	310	276	2114
Grand total, combined	353		2390	

Note: The above figures are calculated on the average price for all new homes sold in each community. The North State Building Industry Association is a trade association representing over 950 member companies in a 20 county area of northern California. This news release can also be found on the Internet at www.northstatebia.org.