



**NORTH STATE
BUILDING INDUSTRY
ASSOCIATION**

APRIL 2021 NORTH STATE BIA SALES REPORT

For Immediate Release
May 11, 2021

Demand for New Homes in the Sacramento Region Continued Unchecked in April, the North State BIA Reports

The demand for new homes in the Sacramento region remained at a high level in April as 760 sales were reported during the month in the seven-county region. That was the highest April sales total since 774 new homes were sold in April 2005, the North State Building Industry Association reported today.

New home sales have been extremely strong throughout the region since a brief downturn in March and April 2020 caused by shutdown of the economy as the coronavirus pandemic descended with full force, said Mike LaFortune, the BIA's 2021 Chairman. And with mortgage interest rates remaining well below historical averages and many employees being allowed to continue working from home, he said builders expect demand to remain strong.

"Buyers are continuing to look for homes that provide the space and amenities they need, and new homes built with those needs in mind are especially attractive to many prospective buyers," LaFortune said. "That's true of area residents wanting to move up as well as Bay Area buyers seeking larger homes at a more affordable price."

But BIA President and CEO Michael Strech warned that forces outside of builders' control are forcing costs upward, including high development fees charged by local agencies, the soaring price of lumber, and a shortage of skilled labor in the aftermath of the sharp downturn in construction for years after the Great Recession.

"In just the past year, lumber prices nationwide have skyrocketed by nearly 250%, causing the price of a new single-family home to increase by some \$36,000, and local government fees can easily add \$100,000 to the cost of building a home," he said.

He also noted that adding additional costs and requirements on homebuilders to help meet the state's climate change goals is misguided as new homes are already extremely energy-efficient. In fact, only modest incremental reductions in carbon emissions can be achieved by further requirements on new home construction..

"The homebuilding community reminds state and local officials that California suffers from a severe shortage of housing, which is driving up the price of new and existing homes as demand far outstrips supply. The only way to address that shortage is to build significantly more homes in our region and statewide, but adding more fees and costly requirements will only make affordability worse and prevent even more families from achieving the American dream of homeownership."

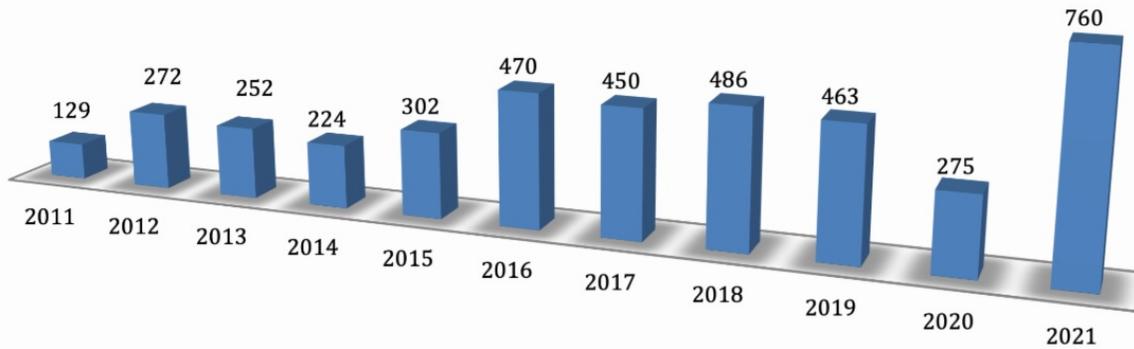
The North State BIA represents builders in Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter and Nevada counties.

April Sales Far Exceed That Month's Totals in Recent Years

New home sales in the region were the highest of any April since 2005. This year's steep

increase from April 2020 was due in large part to the sharp decline in sales in March and April last year as the state locked down the economy in response to COVID-19.

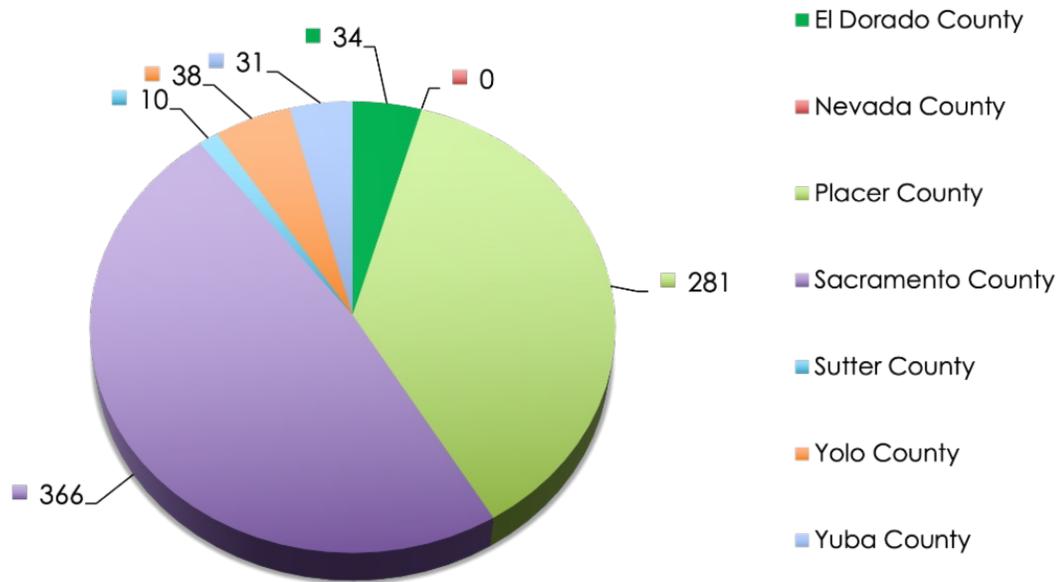
April New Home Sales 2011 - 2021



Sacramento and Placer Counties Remain the Center of Production

While 48.2% of new home sales occurred in Sacramento County jurisdictions compared to 37% in Placer County jurisdictions, Placer County sales were actually higher in the last week of the month, 83 to 72.

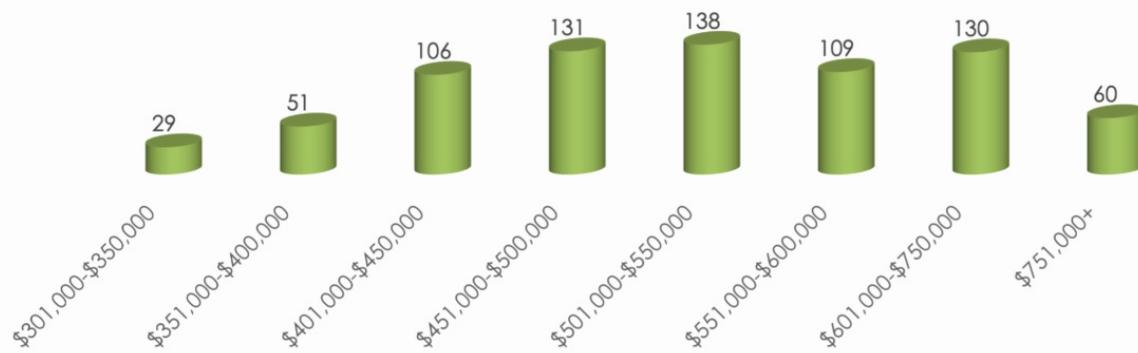
April New Home Sales by County



Buyers Continue to Purchase Higher-Priced Homes

The vast majority of sales occurred between \$401,000 and \$750,000 during April.

April New Home Sales Price Points



About North State Building Industry Association

The North State BIA is the leading advocate for the home building industry in the greater Sacramento region. Representing more than 500 members who provide 55,000 industry jobs, the North State BIA is committed to preserving and furthering the economic interests of its members, while also working to enhance the industry's standing as a significant contributor to the regional economy. For more information, visit www.northstatebia.org.

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