



**NORTH STATE
BUILDING INDUSTRY
ASSOCIATION**

JUNE 2021 NORTH STATE BIA SALES REPORT

For Immediate Release
July 13, 2021

June New Home Sales in Sacramento Region Becoming More Seasonal But Still Above Monthly Average, the North State BIA Reports

New home sales in the greater Sacramento region remained robust in June as 625 homes were sold, the North State Building Industry Association reported today. However, that figure was lower than the 655 sales reported in 2020 -- the first time since May 2020 that sales were lower than in the same month the year before.

Michael LaFortune, the BIA's 2021 Chairman, said it appears the market is returning to a more normal pattern after the tremendous increase in sales during the COVID-19 pandemic.

"Demand for new homes in the Sacramento region remains extremely strong but it appears that sales are beginning to settle into a more normal seasonal pattern, unlike the sharp jump that occurred during the second half of 2020," La Fortune said. "June's sales were slightly lower than they were last year, but still well above the monthly average for June."

Since 1997, an average of 392 new homes were sold in June in the region, including Sacramento, Placer, El Dorado, Yolo, Sutter, Yuba and Nevada counties. This year's June total was lower than sales in January through April and slightly higher than in May -- a more normal seasonal pattern than found last year when sales dropped off sharply during the early stages of the pandemic but then hit totals during the latter part of the year not reached since the early 2000s housing boom.

North State CEO Michael Strech said while the economy is beginning to return to normal as pandemic restrictions are eased or lifted, the sales numbers show that there is still a strong demand for new homes in the region, which give families the space and amenities they're looking for.

He cautioned that supply constraints, similar to those being faced in many industries, are causing some delays in construction but that builders are working hard to address them and to keep buyers fully informed of any issues.

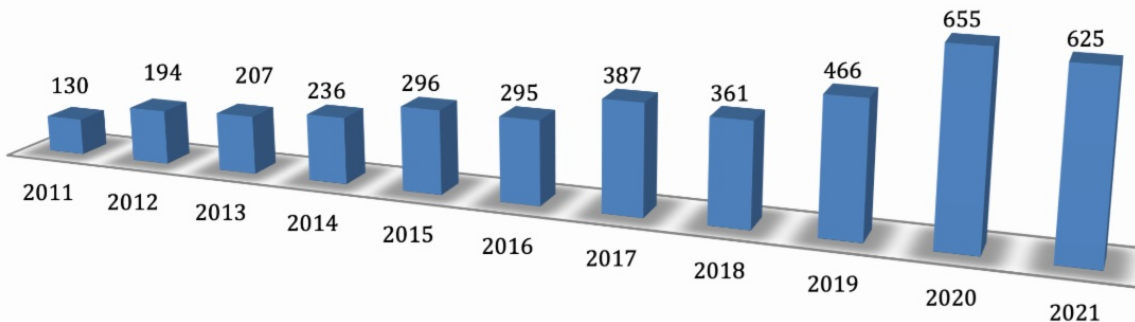
And he again called on local governments to take a hard look at the high level of development fees that are ultimately paid by new-home buyers.

"The fee study we released last month shows that government fees average \$95,000 per home in our area -- \$40,000 more than comparable fees in the Central Valley and the Inland Empire region in Southern California. We are continuing to work closely with local officials around the region to find ways to reduce these fees and still ensure that new communities include needed amenities."

June Sales Were Above the Monthly Average

New home sales in the region during the month were slightly lower than in June 2020, but well above the 392 homes sold on average during the month.

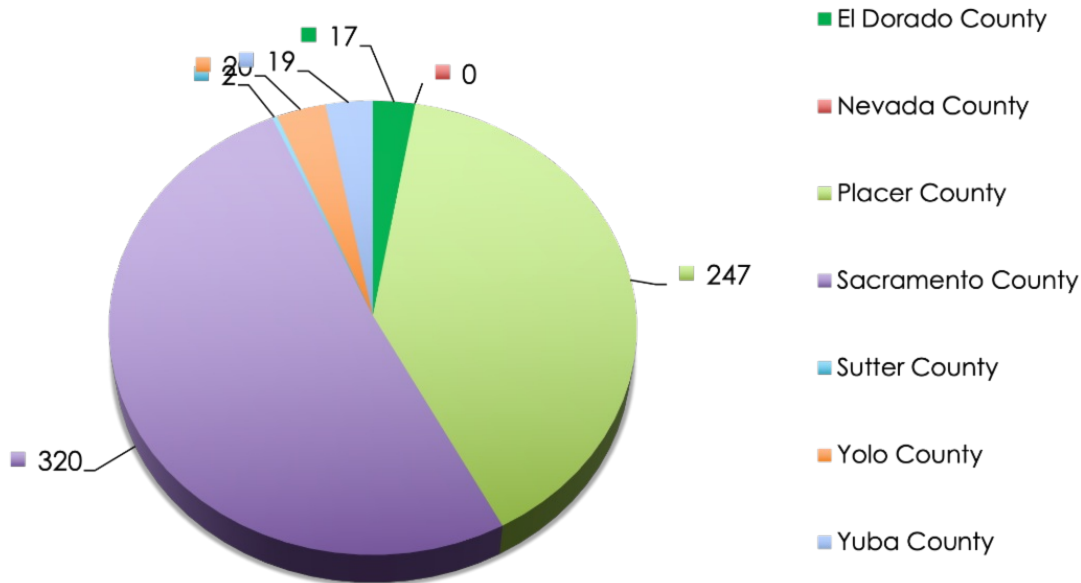
June New Home Sales 2011 - 2021



Sales Rise in Sacramento County, Flat in Placer County

June sales jumped by 25 percent in Sacramento County communities compared to May, but were even with the previous month in Placer County communities.

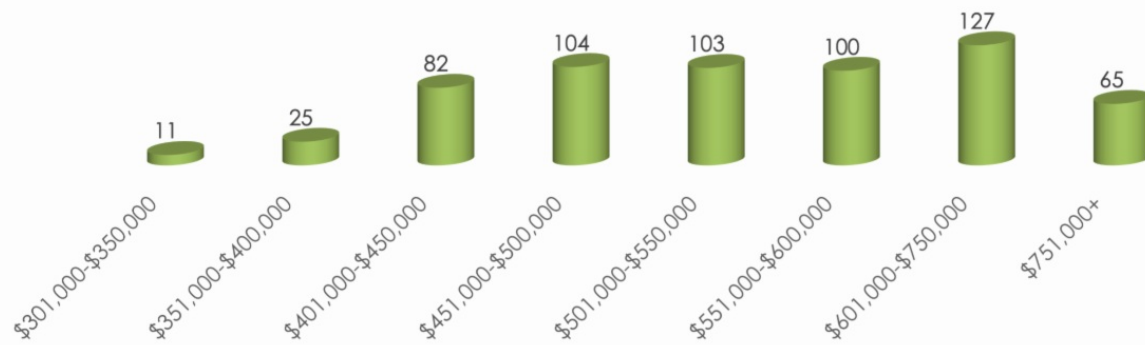
June New Home Sales by County



Buyers Continue to Purchase Higher-Priced Homes

Most buyers continued to purchase homes priced between \$401,000 and \$750,000 during June.

June New Home Sales Price Points



About the 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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