



# Home Sales Report

## MARCH 2023 SALES REPORT

*For Immediate Release – April 12, 2023*

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### **Sacramento New Home Sales Continue Strong Rebound in March, North State BIA Reports**

The new home market in the Sacramento region continued its strong rebound from last year's interest rate shocks in March, with 699 sales reported in the eight-county region, the North State Building Industry Association reported today. Excluding the extraordinary sales total in March 2022 driven by buyers purchasing before interest rates rose, this was the best March for sales since 2005.

Brian Cutting, 2023 BIA Chairman and Division President for Woodside Homes, attributed the growth in sales to several factors, including the quality and energy-efficiency of new homes, the fact buyers have adjusted to stable interest rates in the 6% range and the scarcity of existing homes on the market in the region.

"Our members are continuing to see a high demand for new homes in the Sacramento region," Cutting said. "That really blossomed during the pandemic and was only briefly interrupted last year when mortgage rates increased. Now that rates have stabilized at historically good levels, buyers have been reassured that this is a good time to buy."

Sales rose by 13% compared to February's 618 and were well above the average March sales total of 533. Since the local new home market bottomed out in July 2022

– when just 159 sales were reported – month-over-month sales have increased in every month but one.

The most sales were reported in the \$500,000-\$650,000 price range (see the newly expanded graphic below) and reversing a recent trend, Sacramento County communities reported the most sales at 343, with 267 sales reported in Placer County communities.

For the first time, the BIA is now able to break down sales by submarkets. Roseville reported by far the most sales at 191, with Folsom coming in second at 110. Lincoln, Elk Grove and Natomas rounded out the top five submarkets (see graphic below).

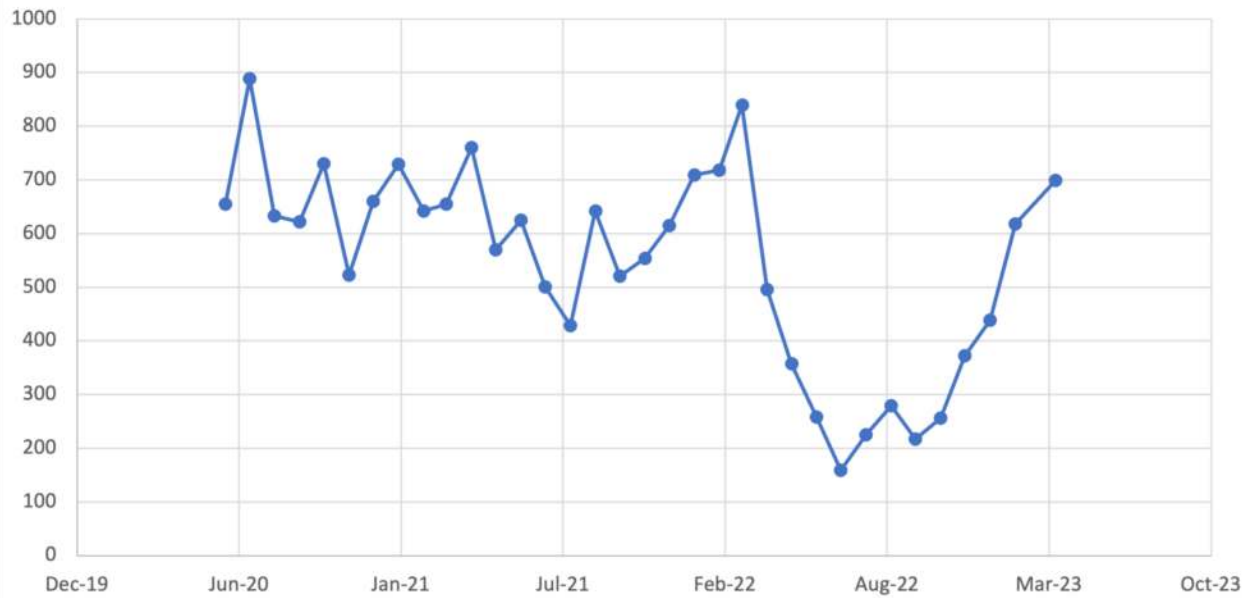
Cutting also noted that while new homes in Sacramento are significantly more affordable than in the Bay Area, affordability continues to be a major issue, with higher prices driven by the scarcity of entitled lots, approval processes that can last two decades before construction can begin, and government fees that average \$100,000 per home. He urged state and local officials to streamline the development process and reduce fees in order to incentivize more construction.

"The fact that the state's new downpayment assistance program allocated its entire \$300 million fund to first-time buyers in just 11 days shows just how strong the demand for homeownership is," Cutting said. "The only way to solve the housing shortage and affordability crisis is for builders and government to work together to increase production to where it needs to be to meet that demand."

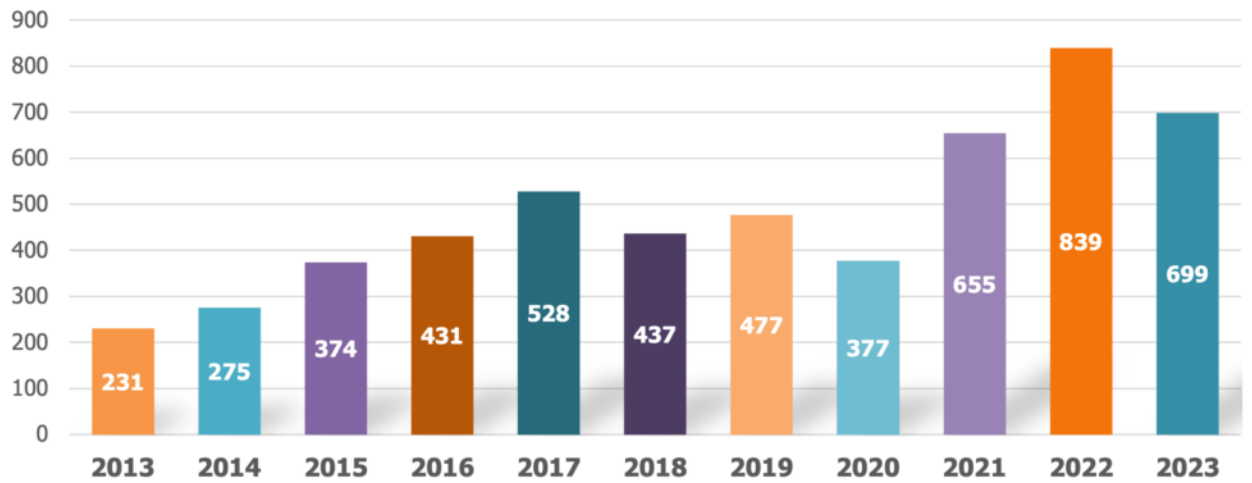
The BIA's sales figures cover 193 new home communities in Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter, Amador and Nevada counties.

### **March New Home Sales at a Glance**

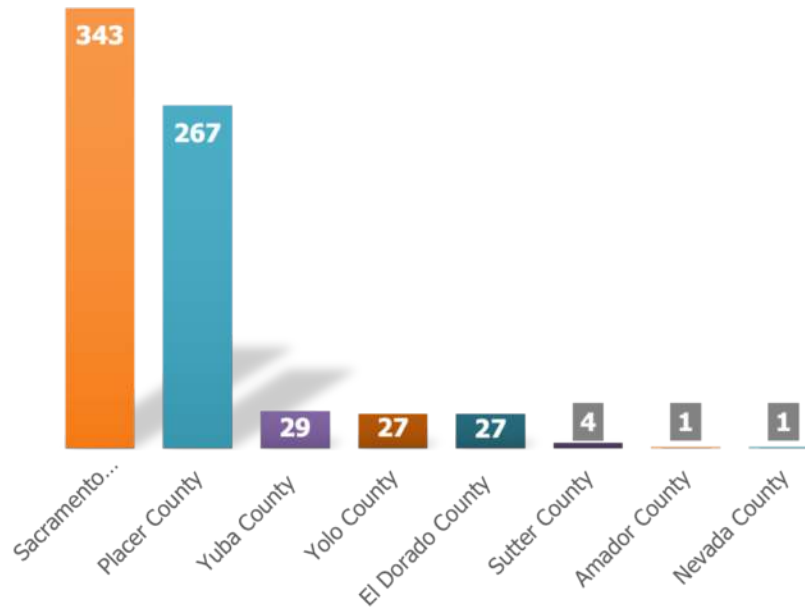
### Monthly Sales Reported



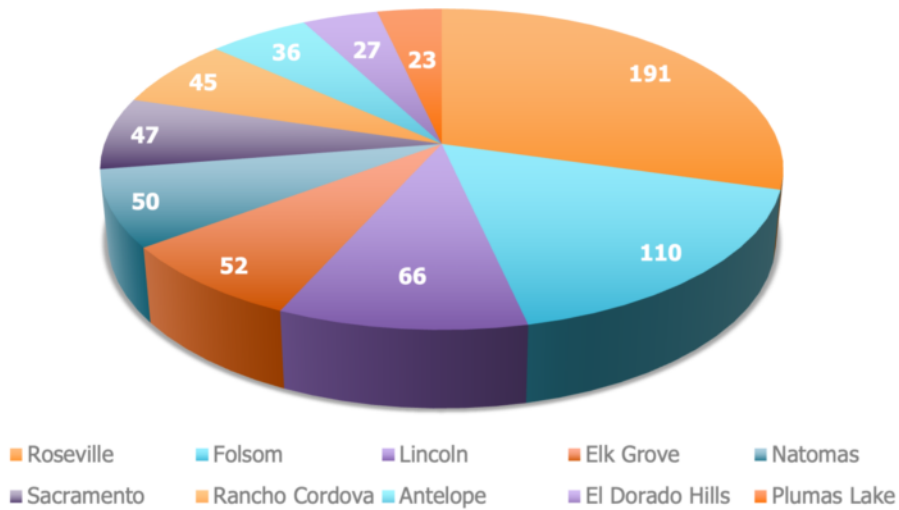
### March New Home Sales 2013 - 2023



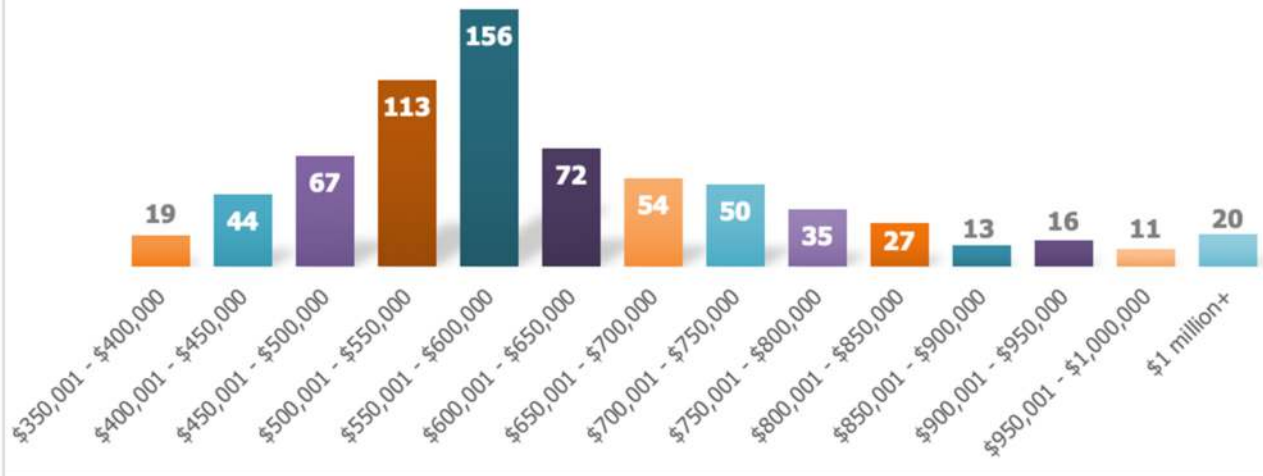
## March New Home Sales by County



## March New Home Sales by Submarket



## March New Home Sales Price Points



Due to a technical error, two sales were not properly recorded in the price point report. Sales totaled 699 for the month, not 697 as indicated on this chart.



### 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](http://www.northstatebia.org).

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