



MAY 2023 SALES REPORT

For Immediate Release – June 13, 2023

Another Good Month for New Home Sales in Sacramento, North State BIA Reports

Despite a modest increase in mortgage interest rates in May, new home sales remained well above average for the month in the greater Sacramento region, the North State Building Industry Association reported today.

BIA builders reported selling 551 homes during the month in the eight-county region. That's nearly 100 more than the 458 homes sold on average during May (going back to 1997), and 54% higher than sales in May 2022, when housing sales slumped due to sharp increases in mortgage rates as the Federal Reserve ratcheted up rates to combat inflation.

Chris Norem, the BIA's political director and senior policy advisor, said the strong sales figures show that new homes remain in high demand as prospective homebuyers look for quality and availability.

"Although interest rates ticked upward last month due to uncertainty about whether Congress and the Administration could reach an agreement on raising the nation's debt ceiling, new home sales remained robust in the Sacramento area," Norem said.

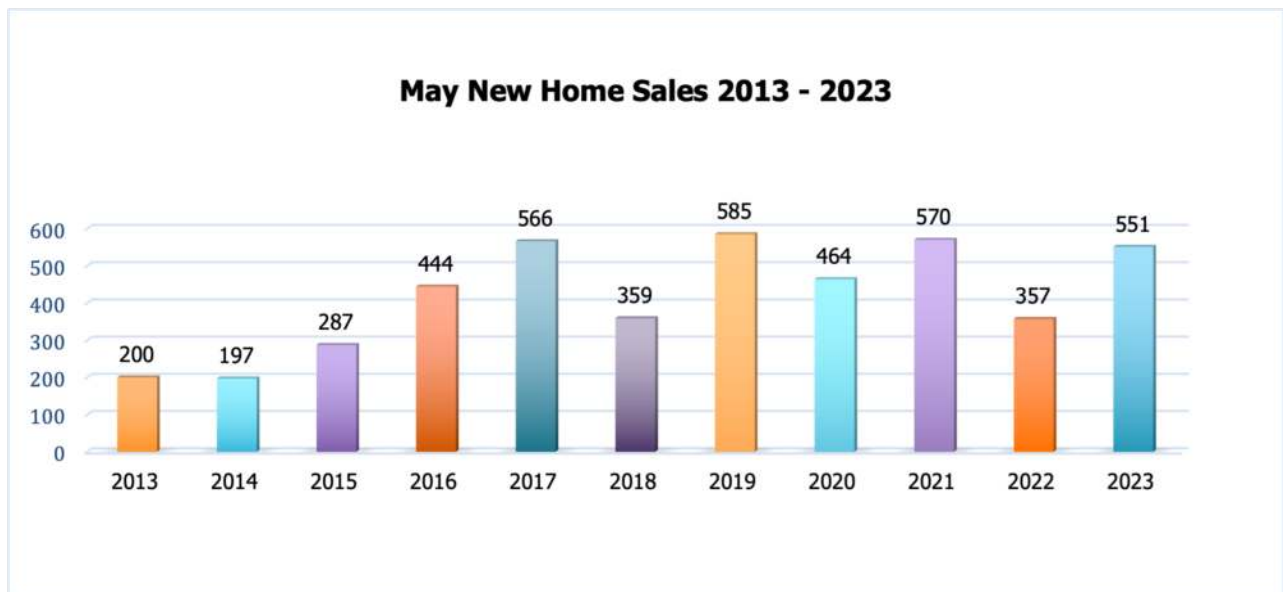
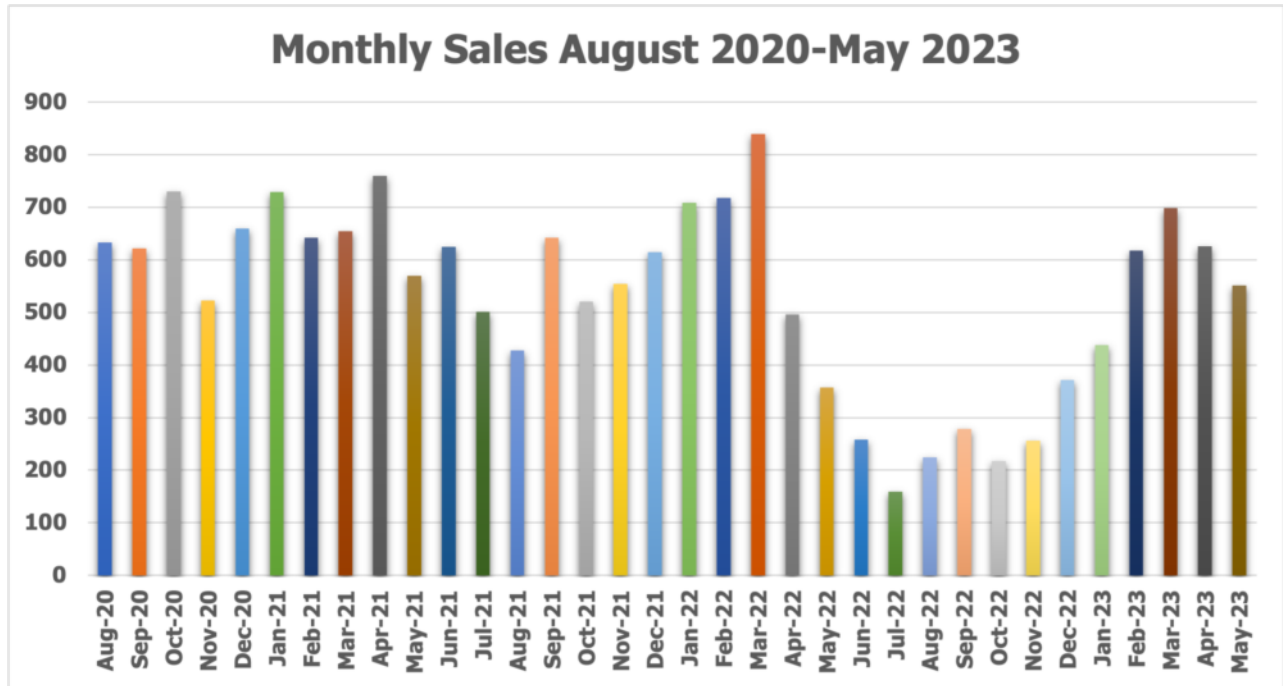
"Buyers are attracted to the ease of instantly having a modern floorplan and amenities, and in many cases being able to work with a builder to have a new home tailored specifically to their desires and with workmanship backed up by a warranty. That's a big difference from what buyers are finding in the existing home market."

May's sales figures followed the typical yearly pattern of dropping from April's levels (down 12%). In Sacramento, new home sales normally peak in March and then slowly decline throughout the rest of the year.

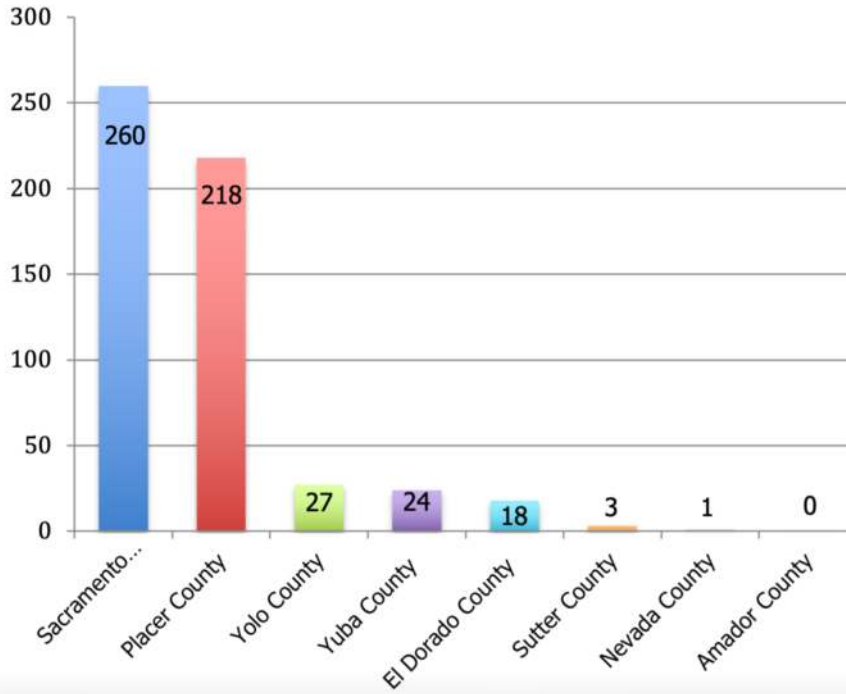
Just under half of all sales were made in communities located in Sacramento County, with the bulk of remaining sales in Placer County developments. However, Roseville again reported the most sales with 165, followed by Folsom at 67 and Elk Grove at 58. (See charts below for more details.)

The BIA's sales figures cover 187 new home communities in Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter, Amador and Nevada counties.

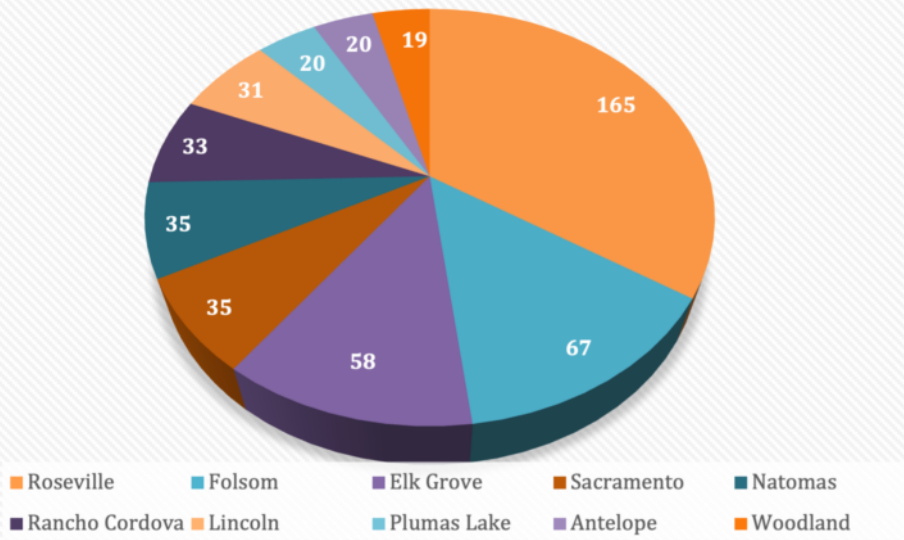
May New Home Sales at a Glance



May New Home Sales by County



May New Home Sales by Submarket





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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