



MAY 2022 SALES REPORT

For Immediate Release -- June 14, 2022

Rising Interest Rates Lead to Decline in New Home Sales, North State BIA Reports

After two years of extraordinary new home sales in the Sacramento region, the market slowed in May, with homebuilders reporting 357 sales during the month, the North State Building Industry Association reported today.

BIA President and CEO Michael Strech said rising mortgage interest rates are a major factor in the slowdown.

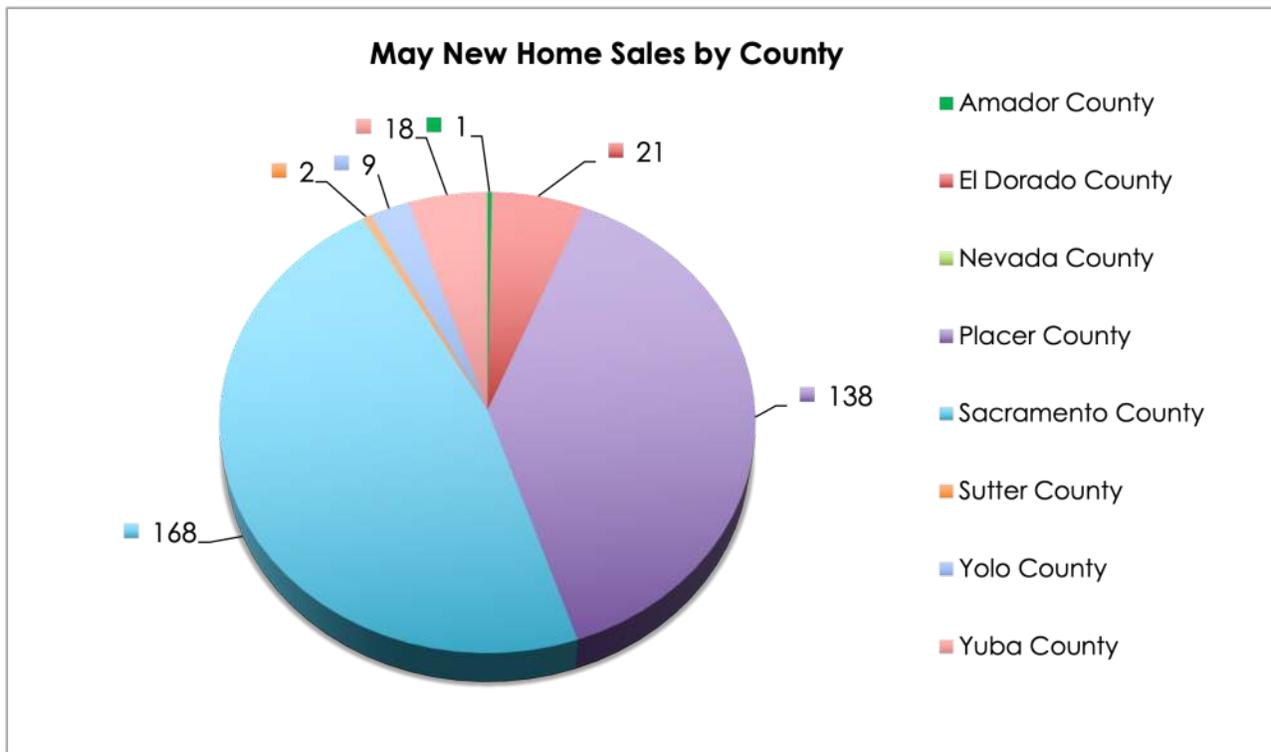
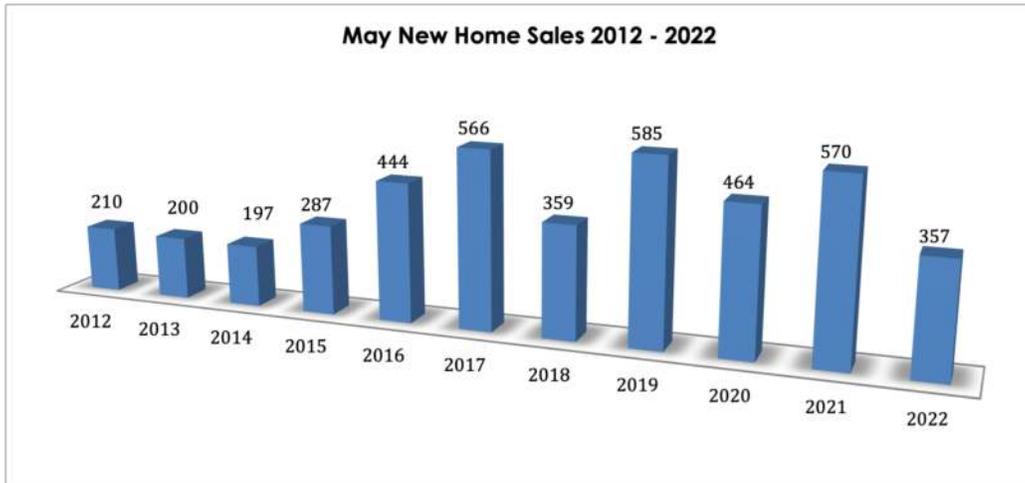
"While interest rates remain below historical averages, the uptick this year has clearly had an impact," Strech said. "Many prospective buyers are taking a wait-and-see approach to get a better feel for where the market is going. Despite that, the underlying demand for new homes remains high, and supply remains constrained, so buyers should keep the big picture in mind during the next few months."

With skyrocketing inflation, Strech said rates may rise even higher in the months to come. But on the flip side, some of the supply chain issues that have driven up building costs have eased, with lumber prices alone plummeting to more normal levels.

Sales were the lowest since just 275 sales were reported in April 2020 when the COVID-19 pandemic really hit home. Putting totals into perspective, May's sales figures were higher than reported during May from 2009 to 2015.

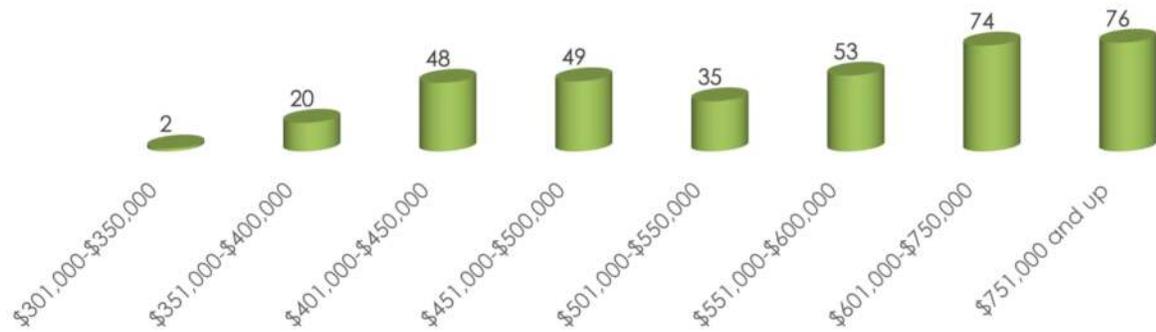
Sales figures cover Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter, Amador and Nevada counties.

May New Home Sales at a Glance



Note: Due to a technical error, the sales by county chart is missing one sale, showing 356 instead of the 357 sales actually reported.

May 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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