



**NORTH STATE  
BUILDING INDUSTRY  
ASSOCIATION**

## **MAY 2021 NORTH STATE BIA SALES REPORT**

June 8, 2021

### **New Home Sales in Sacramento Region Ease Back in May, but Still Above Monthly Average, the North State BIA Reports**

New home sales in the Sacramento region eased back during May from the frenetic pace reported during the past 12 months, but still were well above historical averages for the month, the North State Building Industry Association reported.

During May, area builders reported selling 570 new homes in the greater Sacramento region, including Sacramento, Placer, Yolo, Sutter, Yuba and Nevada counties. That is the lowest number since November, when 523 sales were reported and down sharply from the 760 sales reported in April, said Michael Strech, the BIA's president and CEO.

"Despite the modest drop-off in sales last month, the demand for new homes in our region remains incredibly strong," Strech said. "Sales during the month were far above the 448 builders have seen on average during May since 1997, and historically, March and April have been the strongest months for sales, which then gradually fall off through the rest of the year.

"It's also important to note that last month's sales were higher than all but one May's figures since 2006 and that year -- 2019 -- was a five-week month." Sales that month totaled 585.

Strech said that even as pandemic restrictions are easing, many buyers are still looking for homes that provide the space and amenities they need, and today's new homes -- particularly in the Sacramento region -- meet those needs.

Still, builders are seeing headwinds, including the high price of lumber, other supply chain constraints and now a growing concern about available lots in the region as builders have ramped up production. It can take years to get government approvals to build new communities which hinders builders' ability to keep pace.

In addition, he said the excessive fees charged to builders in the Sacramento region mean some communities simply aren't feasible.

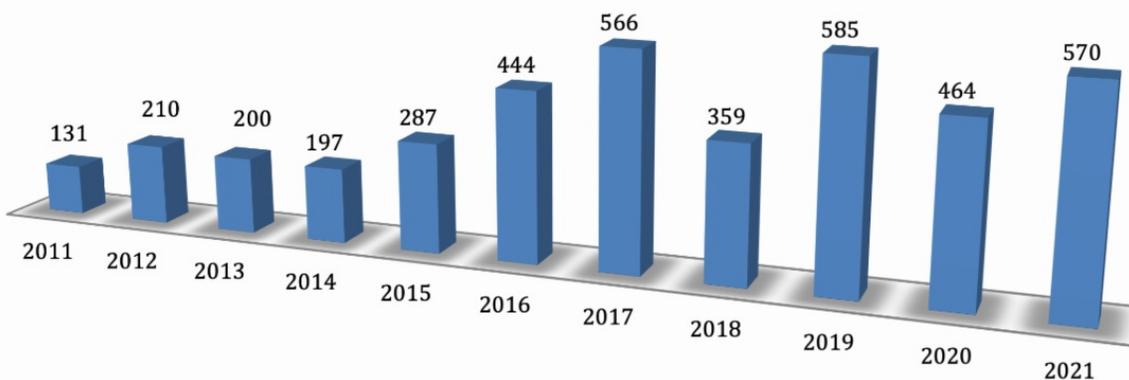
"The fee study we released last week shows that government fees average \$95,000 per home in our region, which is \$40,000 more than comparable fees in the Central Valley and the Inland Empire region in Southern California. These other jurisdictions have cracked the code and everything should be on the table. We will work closely with local officials around the region in the months to come to find ways to reduce these fees and still ensure that new communities include needed amenities."

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### **May Sales Were Above the Monthly Average**

New home sales in the region were comparable to May sales totals in recent years, but still far above average for the past decade.

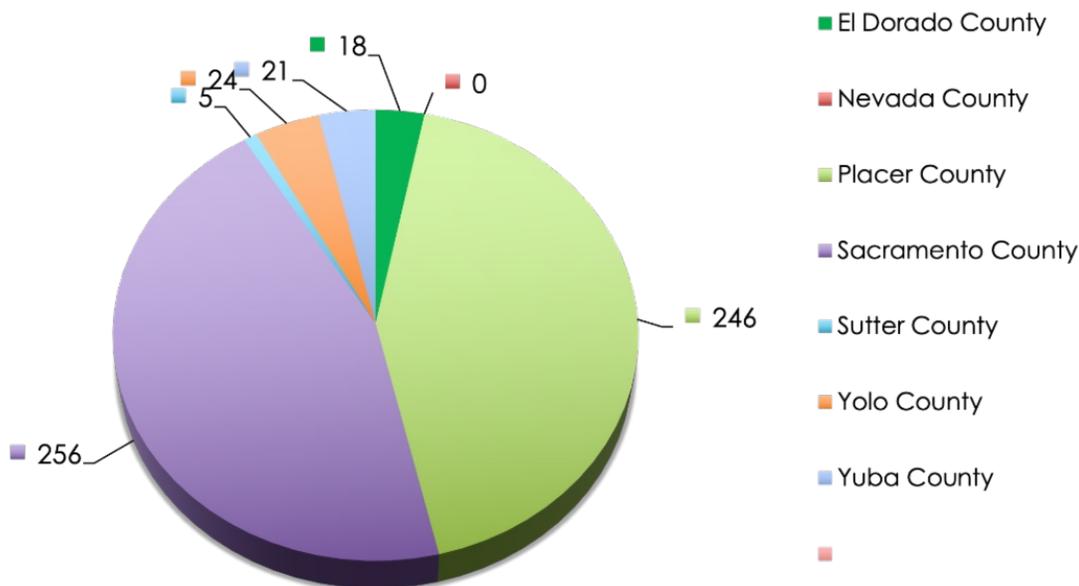
### May New Home Sales 2011 - 2021



### Placer County Sales Just 10 Fewer than in Sacramento County

Buyers were particularly interested in new homes in Placer County communities as sales totaled 246 -- just 10 fewer than in developments in Sacramento County.

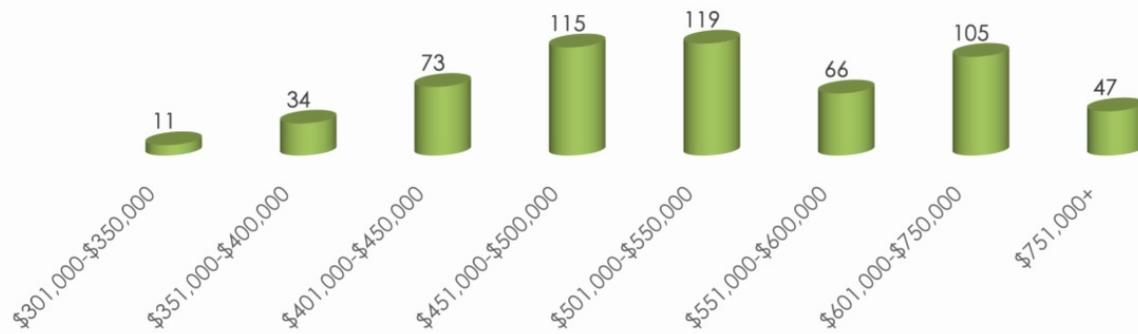
### May New Home Sales by County



### Buyers Continue to Purchase Higher-Priced Homes

The vast majority of purchase continued to occur between \$401,000 and \$750,000 during May.

## May New Home Sales Price Points



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### About North State Building Industry Association

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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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