



**NORTH STATE
BUILDING INDUSTRY
ASSOCIATION**

OCTOBER 2021 NORTH STATE BIA SALES REPORT

November 9, 2021

Sacramento New Home Sales Settle Into a Normalized but Strong Pattern in October, the North State BIA Reports

New home sales in the greater Sacramento region have clearly settled into a normalized pattern, with October sales following normal trends that see sales ease back in the fall, the North State Building Industry Association reported today.

However, while October's sales figures were lower than in peak months earlier in the year, they remained well above average for the month, noted Michael Strech, the BIA's President and CEO.

"In October, our members reported selling 521 new homes in the eight-county region. That's well below last October, which saw exceptionally high sales, but other than 2020 is the best October total since 2007," Strech said. "Putting that number into perspective, sales in October have averaged just 335 new homes since the BIA began keeping records in 1997."

Strech said the solid sales totals were due to continued demand for new homes with room for home offices as many people continue to work from home, along with historically low mortgage interest rates hovering around 3%.

He said without ongoing supply chain problems and government constraints that prevent builders from quickly responding to market demand, builders would be able to provide even more new homes in the region.

"Local builders have long dealt with government fees that add nearly \$100,000 to the cost of every new home in the region, restrictions on where homes can be built and the fact it takes years between when a development is planned and construction can actually begin. Now however, our members are now dealing with shortages of appliances, building supplies and even garage doors that increase the amount of time it takes to deliver finished products to buyers," Strech said. "Combined with a growing labor shortage, it will be difficult for builders to meet the current demand, let alone produce enough new units to begin to ease the chronic housing shortage that has driven up prices for new and existing homes to record levels."

The BIA tracks sales in Amador, El Dorado, Nevada, Placer, Sacramento, Sutter, Yolo and Yuba counties.

October Sales

October sales figures were below the exceptionally high levels recorded in 2020, but were still well above average for the month.

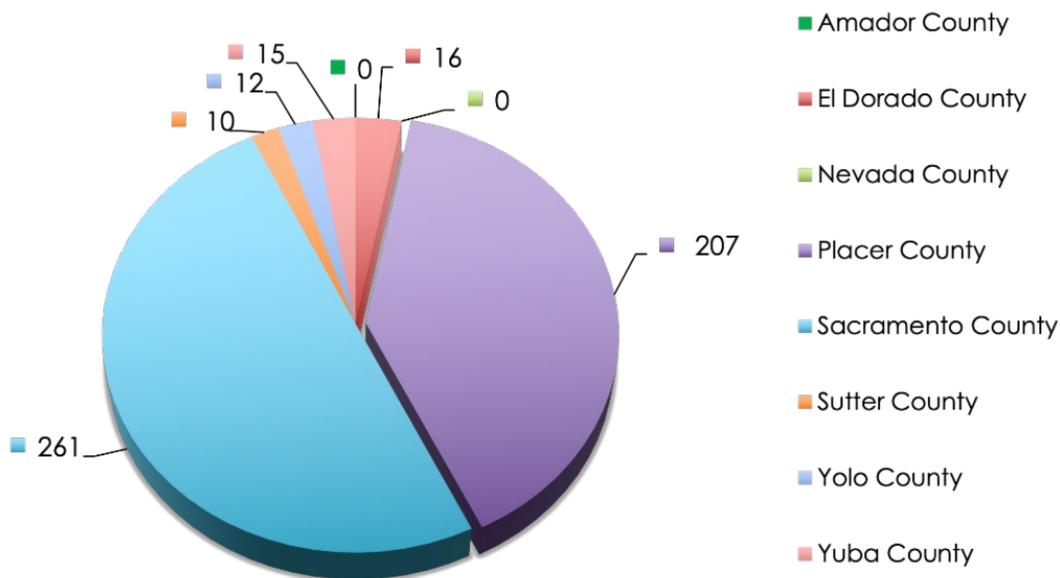
October New Home Sales 2011 - 2021



Sacramento and Placer Counties Remain Region's Housing Hub

As always, new home production and sales in the region remain concentrated in Sacramento and Placer counties and their incorporated cities.

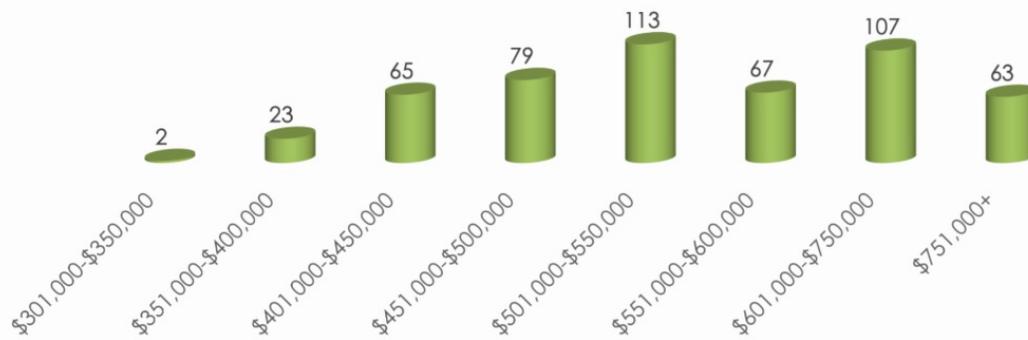
October New Home Sales by County



Demand Remains Strong for Higher-Priced Homes

Virtually all homes sold during the month once again were priced at \$400,000 and above, reflecting the strong demand for housing in the region along with higher costs for lumber and other key supplies.

October 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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