

TRENDGRAPHIX MONTHLY REAL ESTATE REPORT
BROUGHT TO YOU BY

Lyon Real Estate

3640 American River Drive, Suite 100, Sacramento, CA 95864

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CONTACT: Michael Lyon
CEO
(916) 978-4266
FAX (916) 481-7592

A Tale of 3 Markets

"The market is now being driven by three different factors affecting three separate price ranges," said Michael Lyon, CEO of Lyon Real Estate. "Homes under \$300,000 - especially foreclosure homes - are selling in a matter of hours with multiple bid and in under three months. Then we have homes above \$300,000 and under \$580,000 that are not in foreclosure but have low interest, low-down FHA programs to finance the sale and have inventory levels of under six months - this market segment is much better than it has been in the last two years. Finally we have those homes for sale in the non-conforming loan or Jumbo bracket, and inventory levels of around 20 months. With down payment requirements of between 20 to 30%, even if priced right, it can take two to three times longer to sell a home in this price-bracket than those homes priced under \$580,000."

"The good news in all of this lies in the rate of absorption for the foreclosure properties. If sustained, it will mitigate the effects of the 15,000 foreclosure homes still expected to come on the market this year. Many people who never dreamed of owning a home now have a chance, at least until the end of this year when these FHA programs sunset. There is also a sustained reduction in overall inventory as many realize that the market will continue

like this for several years to come unless we see further government intervention.

“As for general trends, it is still the case that the closer homes are to major job centers the better they have done to retain or even gain values.

However, a new trend by banks and home owners struggling to price their homes is the use of appraisers in addition to broker market opinions. Banks are even asking for and getting a second appraisal just days before close of escrow.”

TRENDGRAPHIX’s latest report shows that sales increased 28 percent during the month of April for the Tri-County region of Sacramento, Placer and El Dorado Counties. April 2008 sales were 40% higher than April 2007 sales. Pending sales increased by 30 percent from March to April 2008.

April 2008 inventory of 11,756 homes for sale is 11 percent lower than April 2007 inventory. This is a 23 percent decrease for the regional inventory record high of 15,302 set in August 2007.

COUNTY HIGHS AND LOWS

Sacramento County sales increased by 31 percent from March to April 2008. Inventory decreased 6 percent during the month of April. Pending sales increased by 32 percent in the month of April. 36 percent of the homes sold for under \$200,000; 54 percent of the homes sold for between \$200,000 and \$400,000; and 10 percent of the homes sold for over \$400,000. The average price per square foot decreased by 3 percent during the month of April to \$151.

Placer County sales increased by 14 percent and inventory decreased by 3 percent from March to April 2008. Pending sales increased by 19 percent from March to April. 3 percent of the homes sold for under \$200,000; 60 percent of the homes sold for between \$200,000 and \$400,000; and 37 percent of the homes sold for over \$400,000. The

average price per square foot remained the same during the month of April at \$178.

El Dorado County showed a 29 percent increase in sales from March to April, and the inventory increased by 4 percent from March to April. Pending sales have increased 25 percent during the month of April. 9 percent of the homes sold for under \$200,000; 42 percent of the homes sold for between \$200,000 and \$400,000; and 49 percent of the homes sold for over \$400,000. The average price per square foot increased by 3 percent during the month of April to \$198.

Yolo County showed a 13 percent increase in sales for April and the inventory remained the same at 845. Pending sales increased 43 percent during the month of April. 14 percent of the homes sold for under \$200,000; 58 percent of the homes sold for between \$200,000 and \$400,000; and 28 percent of the homes sold for over \$400,000. The average price per square foot decreased by 3 percent during the month of April to \$188.

Nevada County sales have decreased by 12 percent during the month of April, and inventory increased 5 percent. Pending sales increased by 28 percent. 4 percent of the homes sold for under \$200,000; 43 percent of the homes sold for between \$200,000 and \$400,000; and 53 percent of the homes sold for over \$400,000. The average price per square foot increased by 2 percent during the month of April to \$225.

San Joaquin County sales have increased by 37 percent during the month of April, and inventory decreased 4 percent from March to April. Pending sales are up 37 percent. 31 percent of the homes sold for under \$200,000; 58 percent of the homes sold for between \$200,000 and \$400,000; and 11 percent of the homes sold for over \$400,000. The average price per square foot decreased 5 percent to \$136 in April.

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