

the gregory group

Sacramento Housing Market Forecast

North State BIA

November 19, 2015

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Two California's



Not North-South, but East-West

Politics

Demographics

Recreation

Weather

Economically

Employment

Inland – 2.3%

Coastal – 3.0%

Building Permits

Inland – 23.5%

Coastal – 29.5%

Two California's



New-Home Pricing—Coastal:

Bay Area \$894,292

Central Coast \$481,977

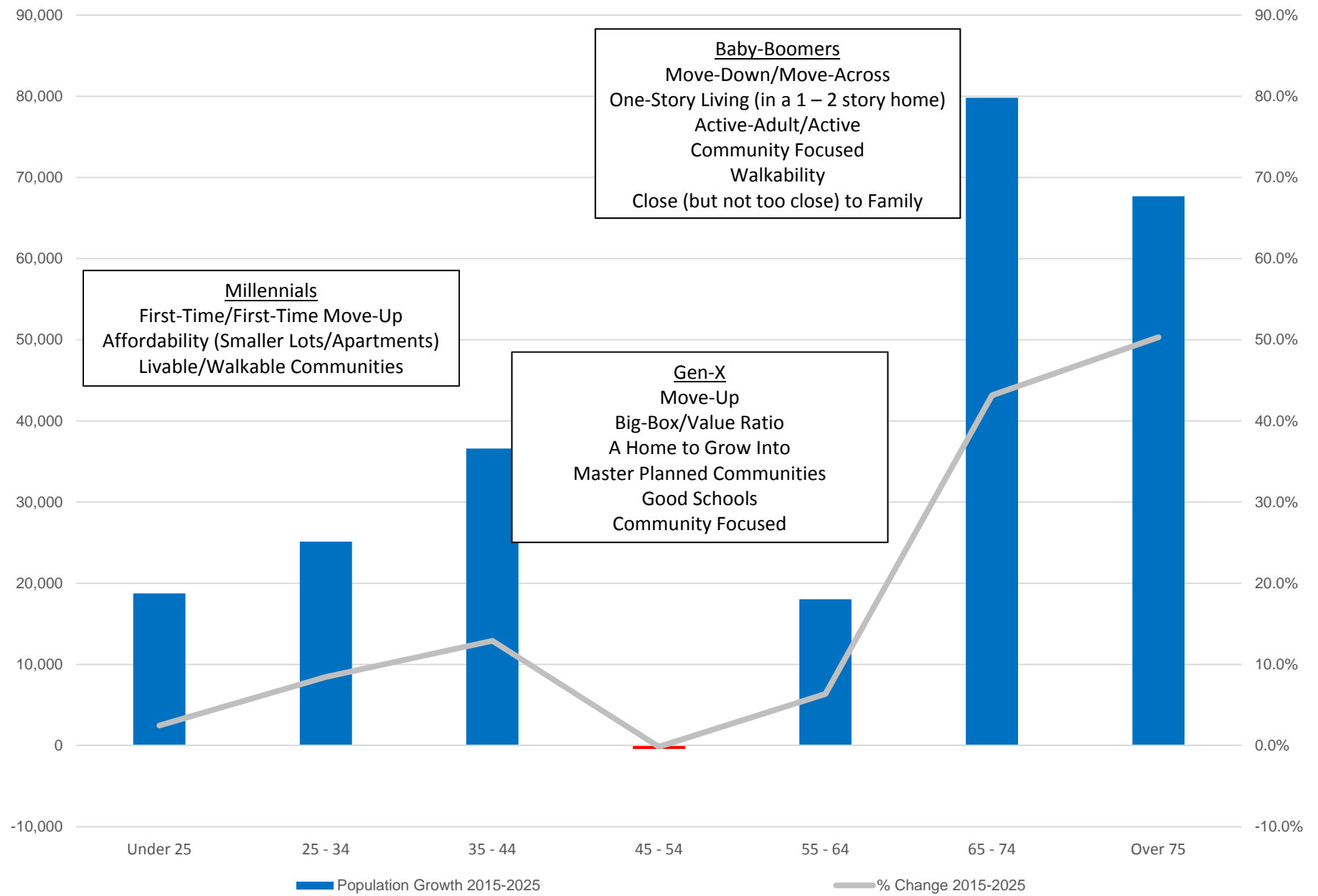
Orange County \$1,129,245

New-Home Pricing—Inland:

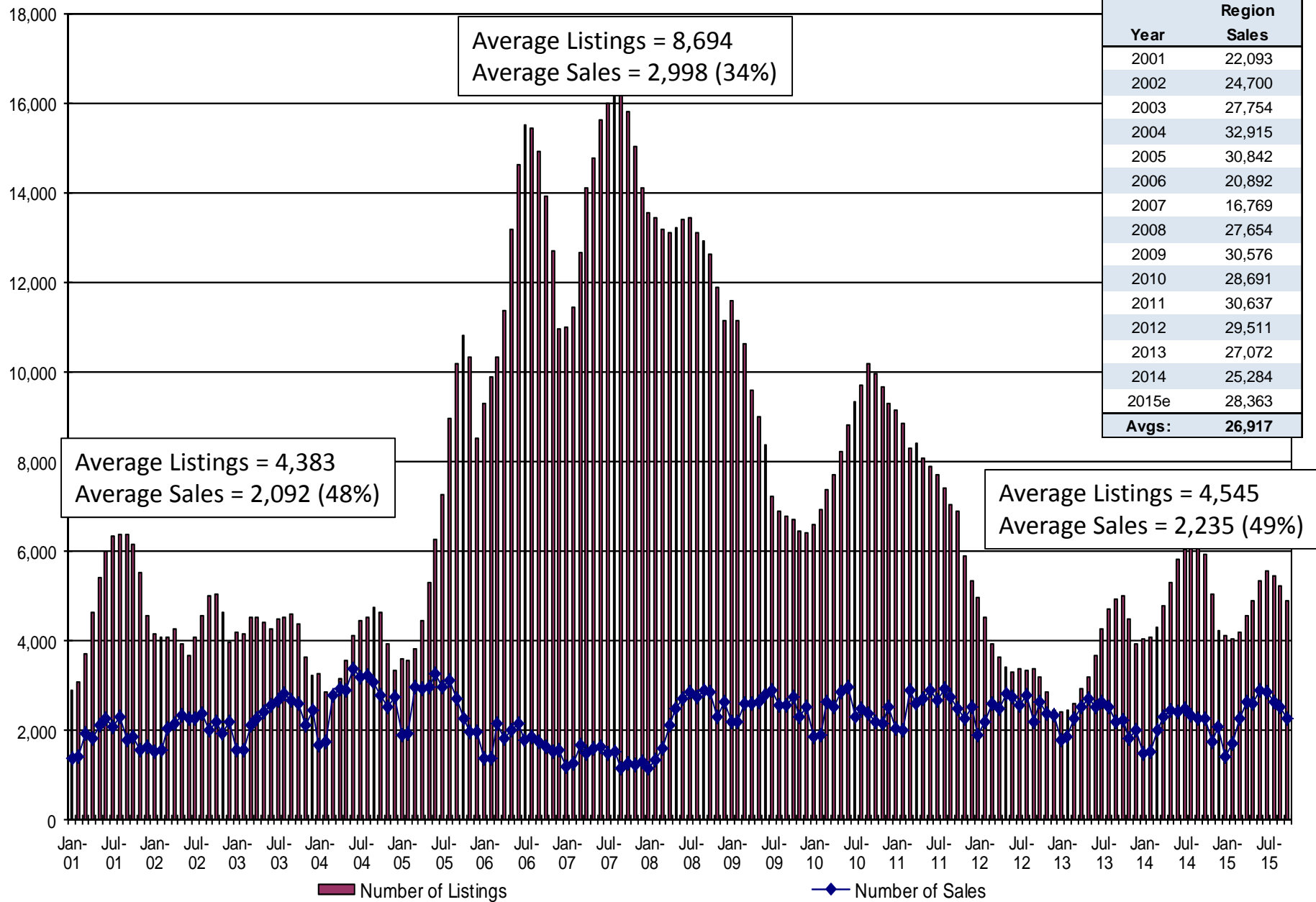
Central Valley \$341,268

Sacramento \$478,206

Sacramento Population Change 2015 - 2025

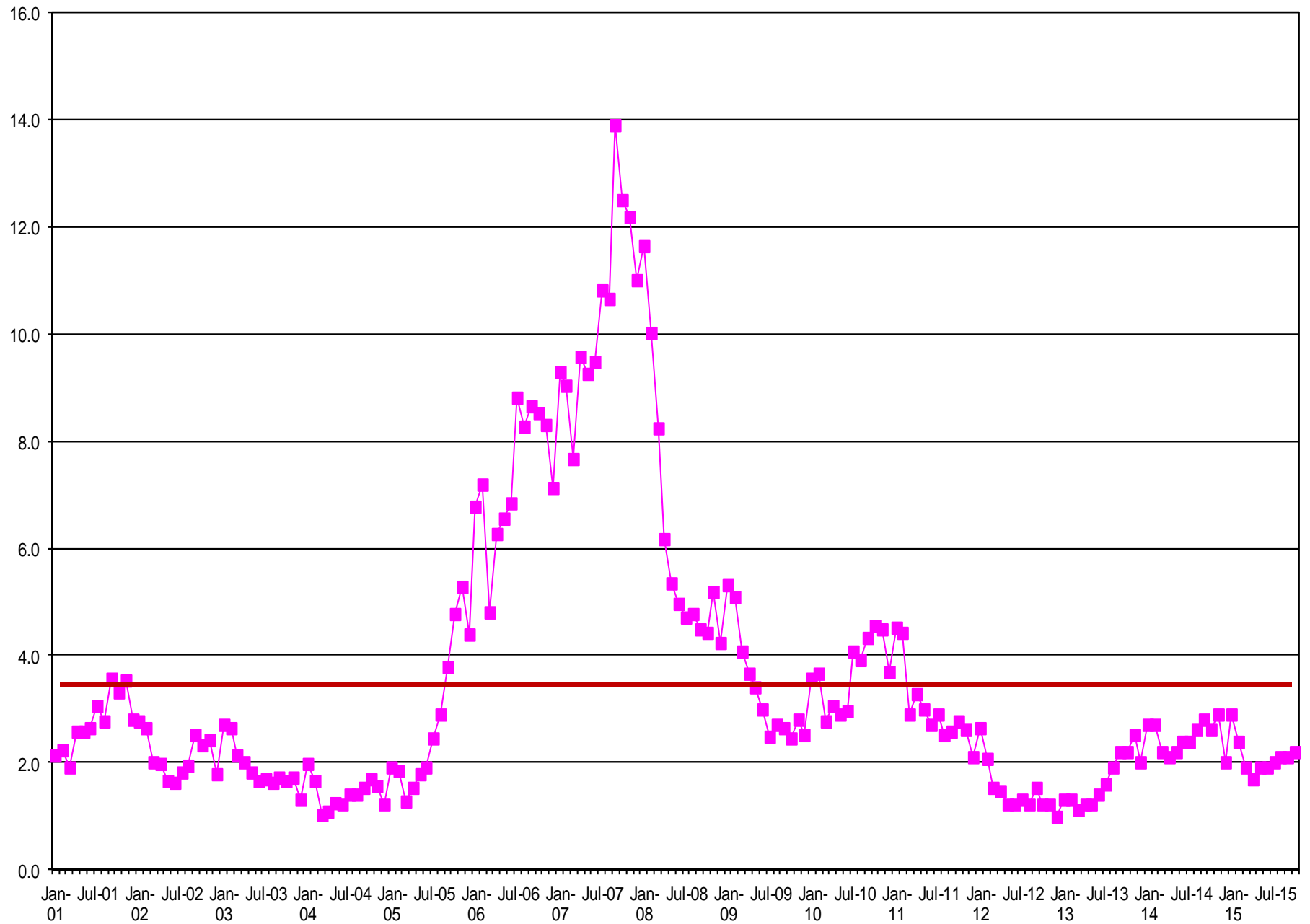


Number of Listings Versus Number of Sales

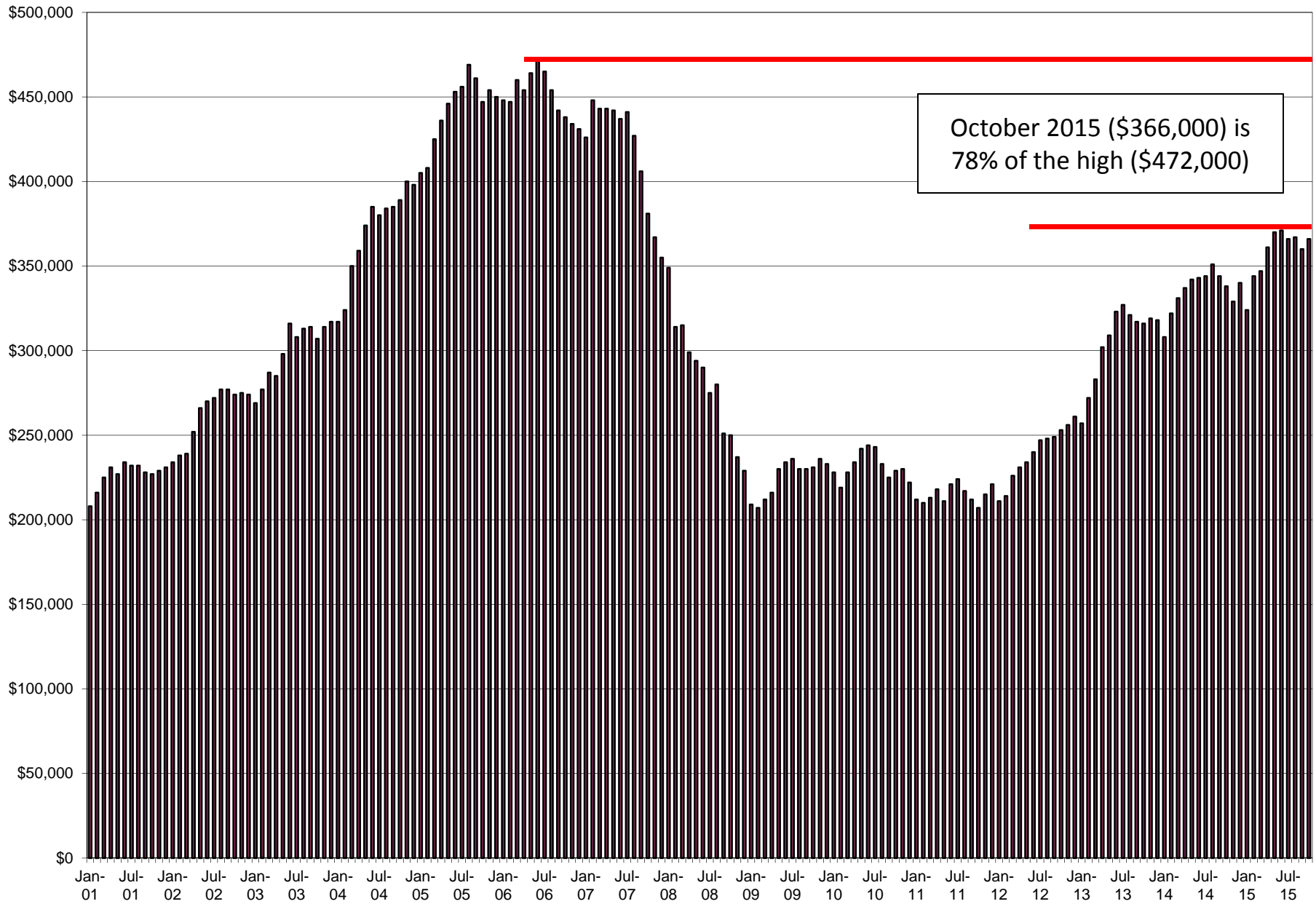


Sacramento Region	
Year	Sales
2001	22,093
2002	24,700
2003	27,754
2004	32,915
2005	30,842
2006	20,892
2007	16,769
2008	27,654
2009	30,576
2010	28,691
2011	30,637
2012	29,511
2013	27,072
2014	25,284
2015e	28,363
Avg:	26,917

Months of Inventory

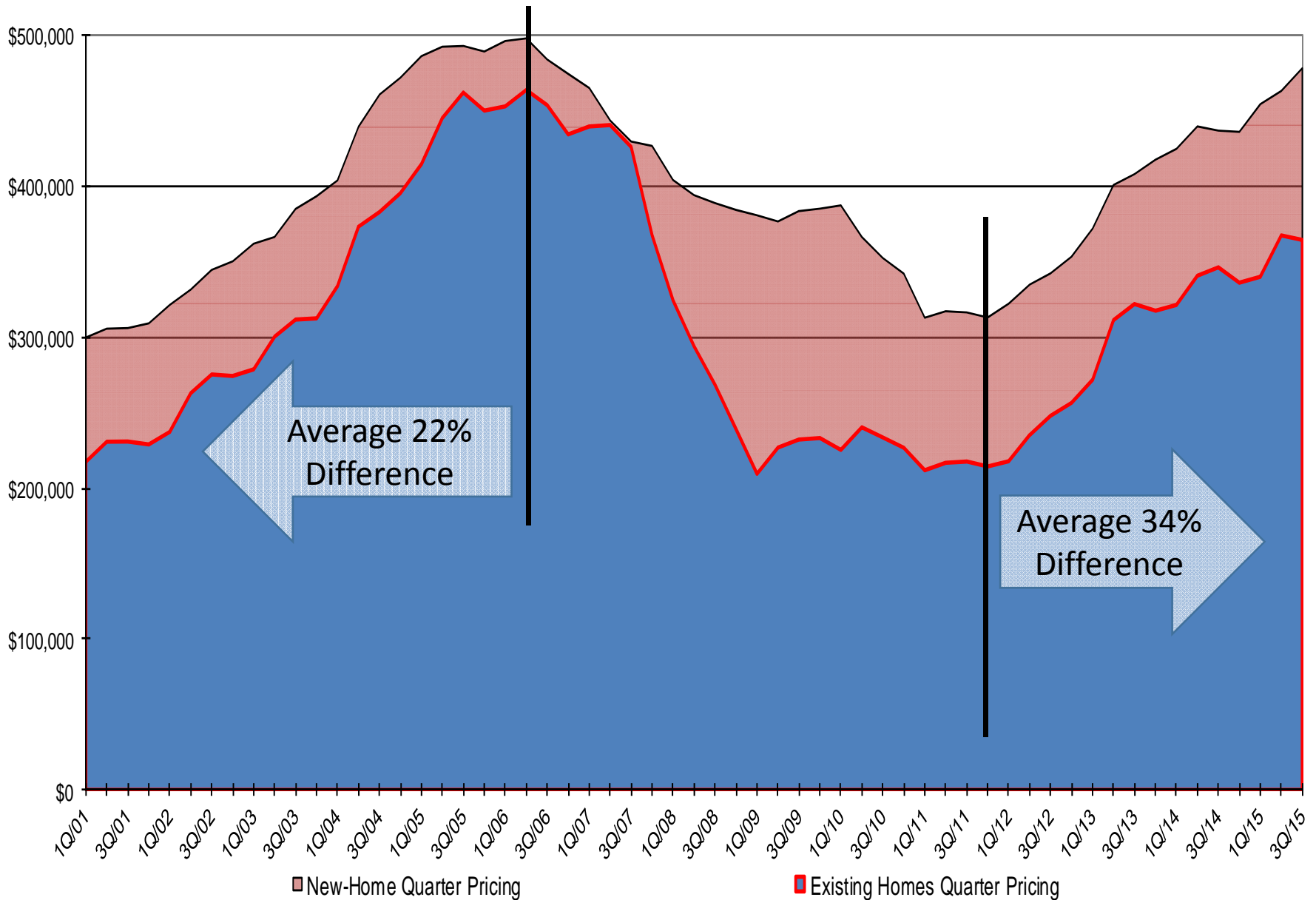


Existing Home Average Sales Price

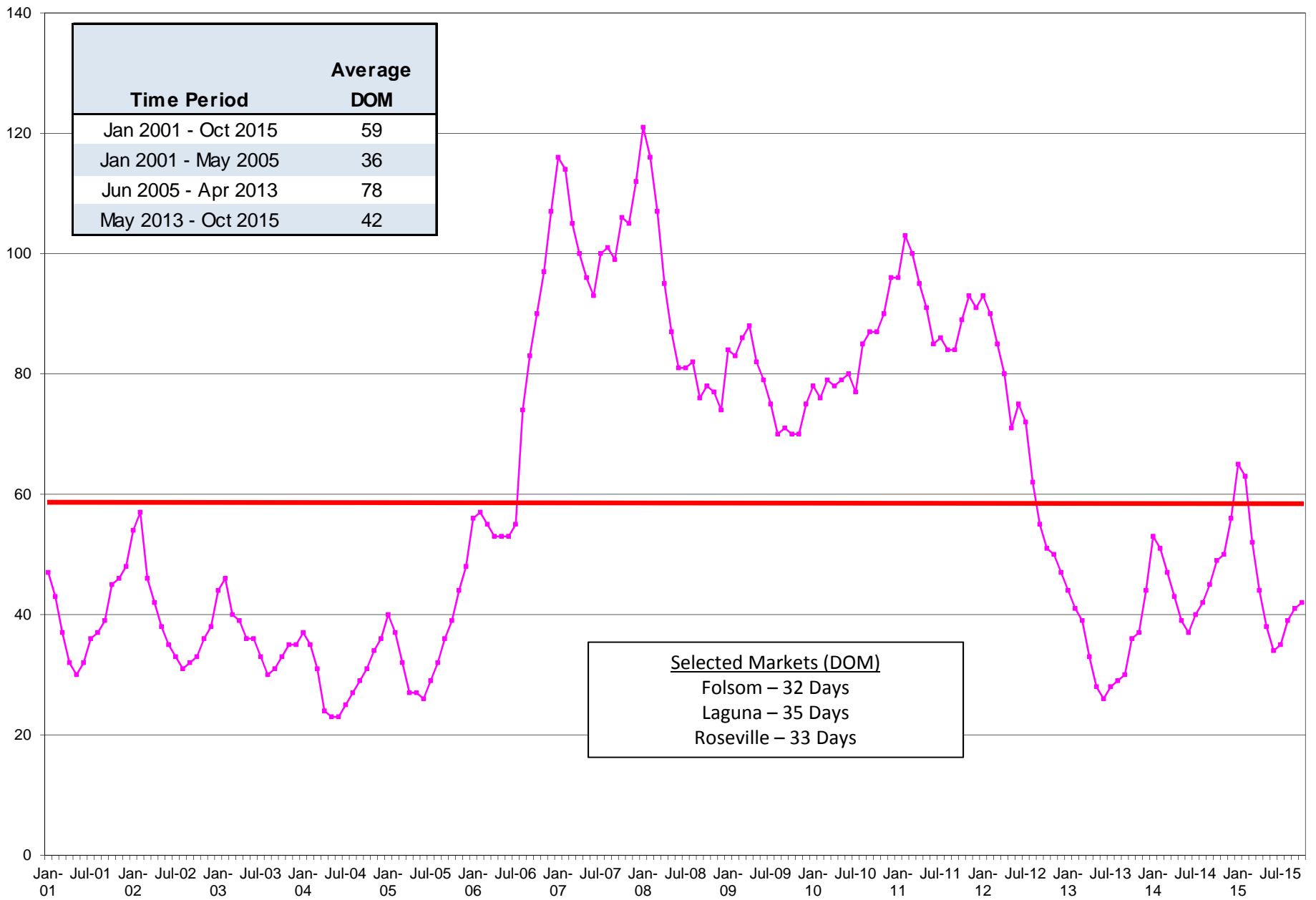


October 2015 (\$366,000) is 78% of the high (\$472,000)

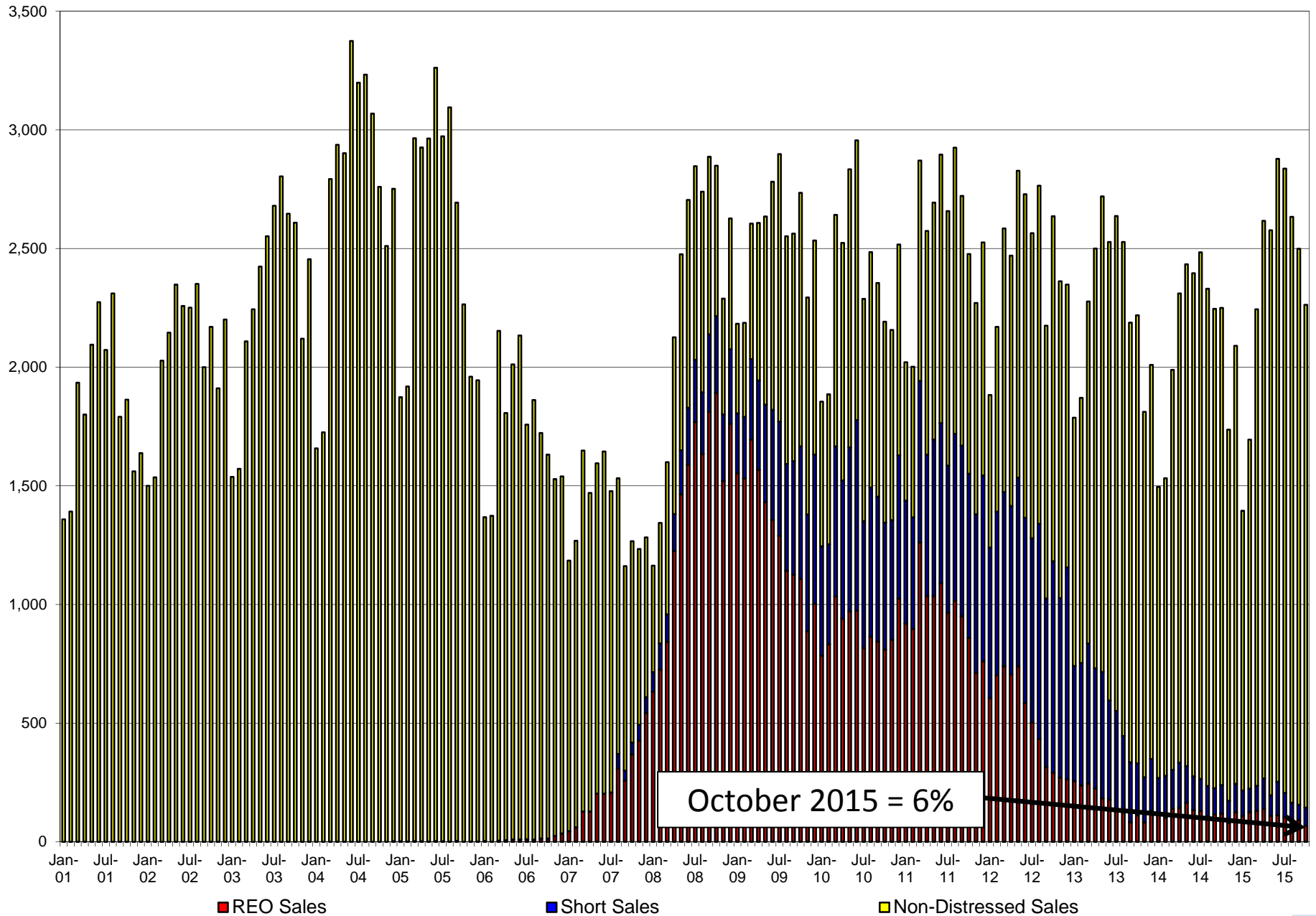
New Home Price Versus Existing Home Price



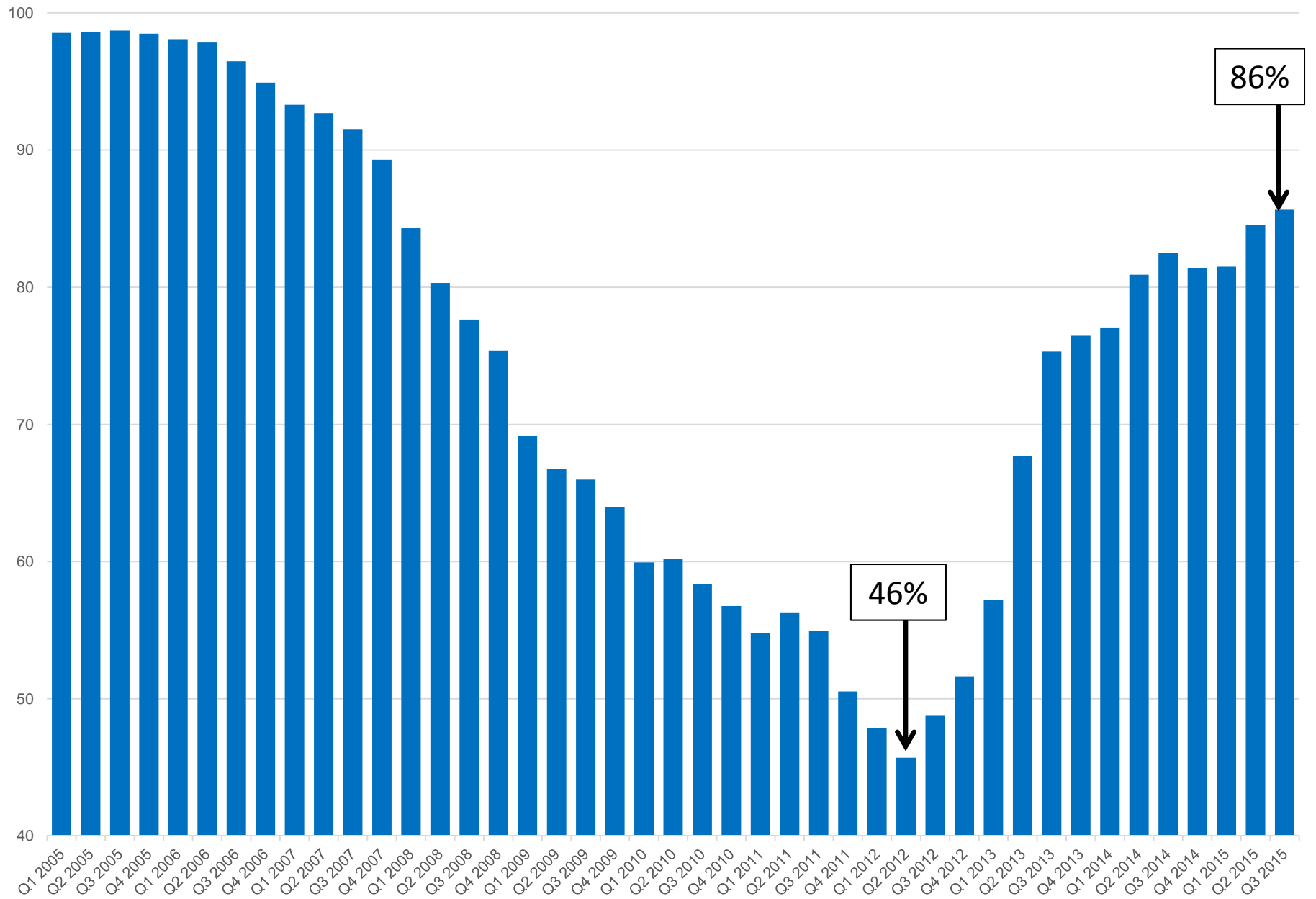
Existing Home Average Days on Market



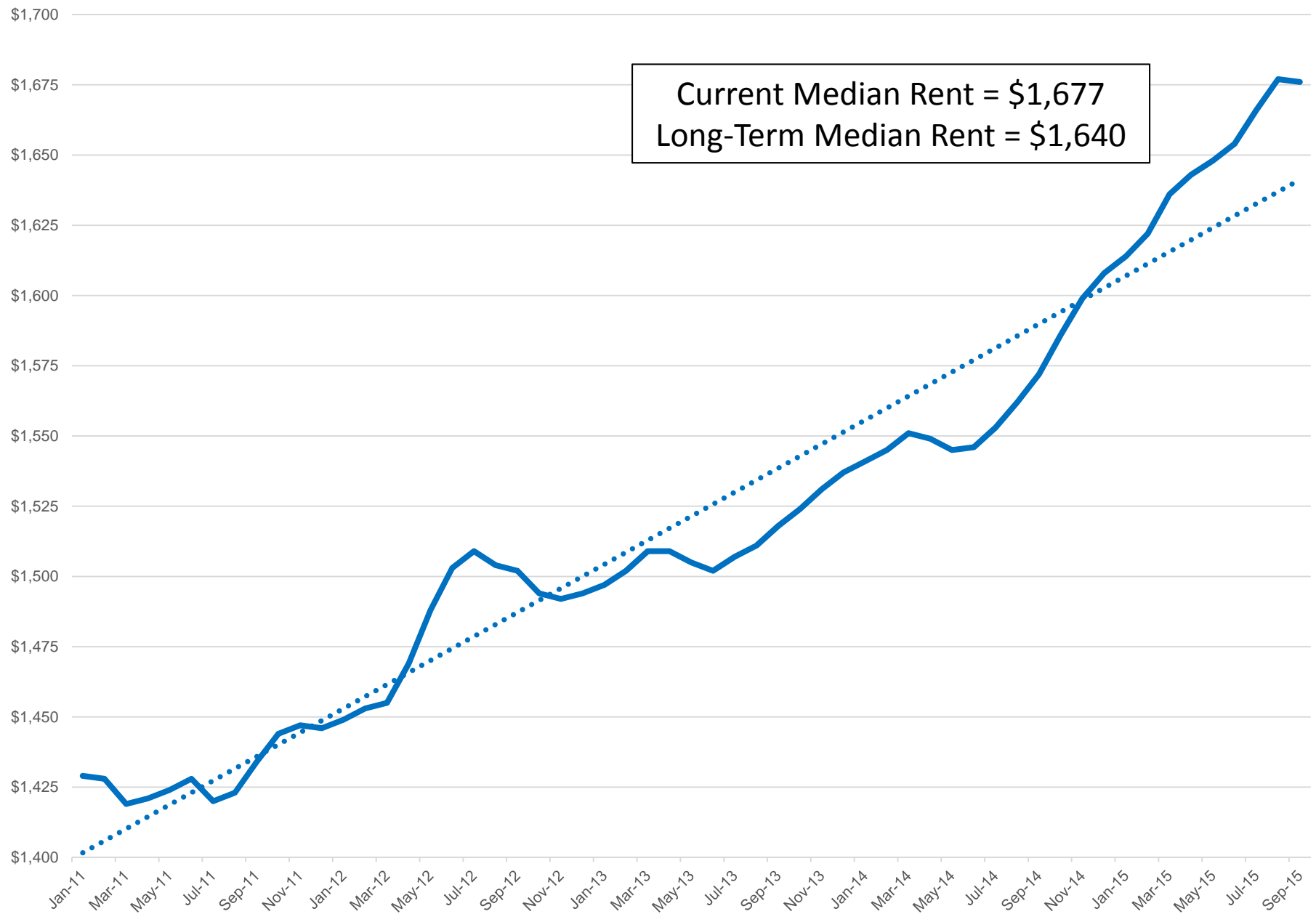
REO Sales/Short Sales/Non-Distressed Sales



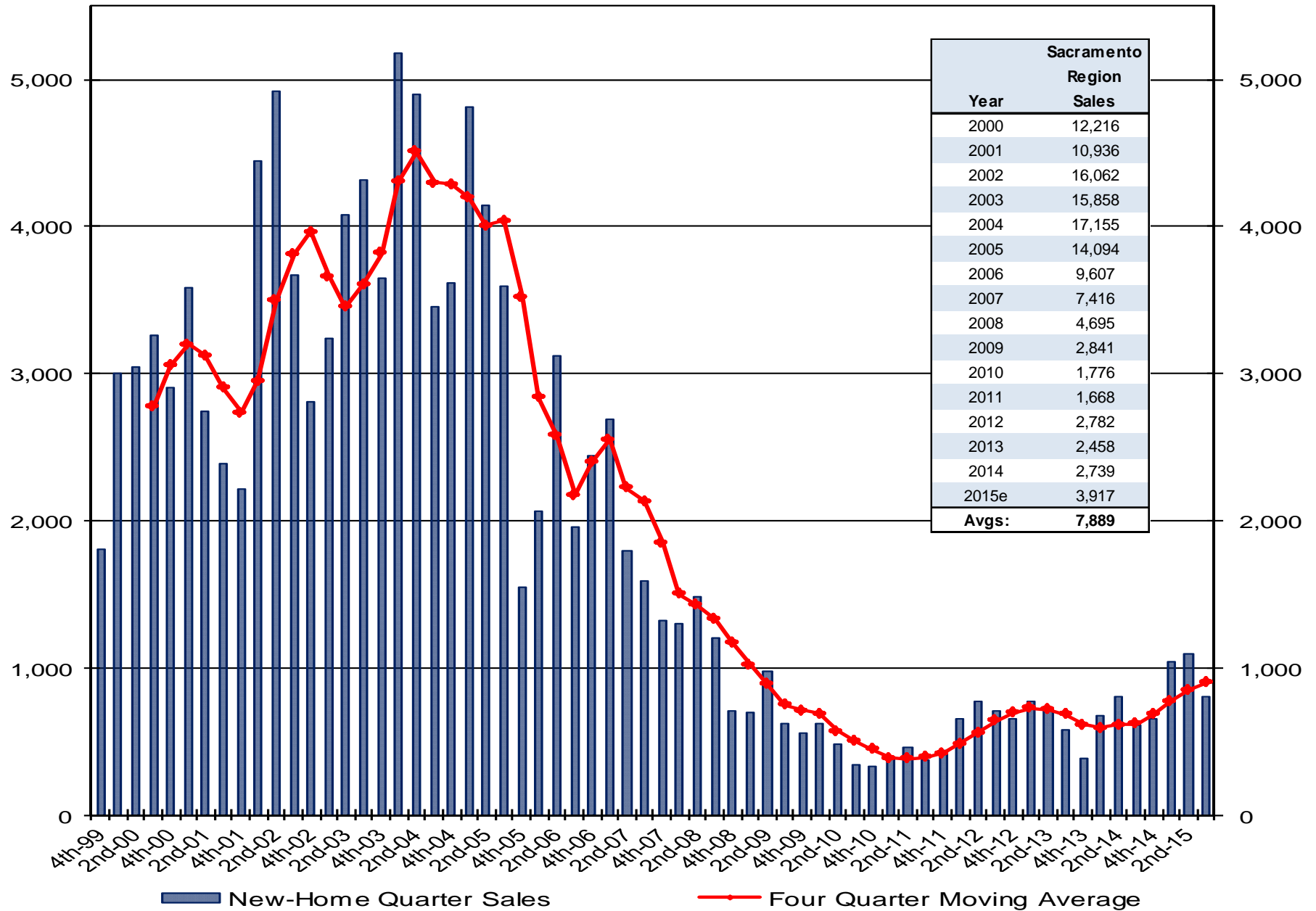
Percentage of Existing Homes Sold for a Gain



Median Rental Price



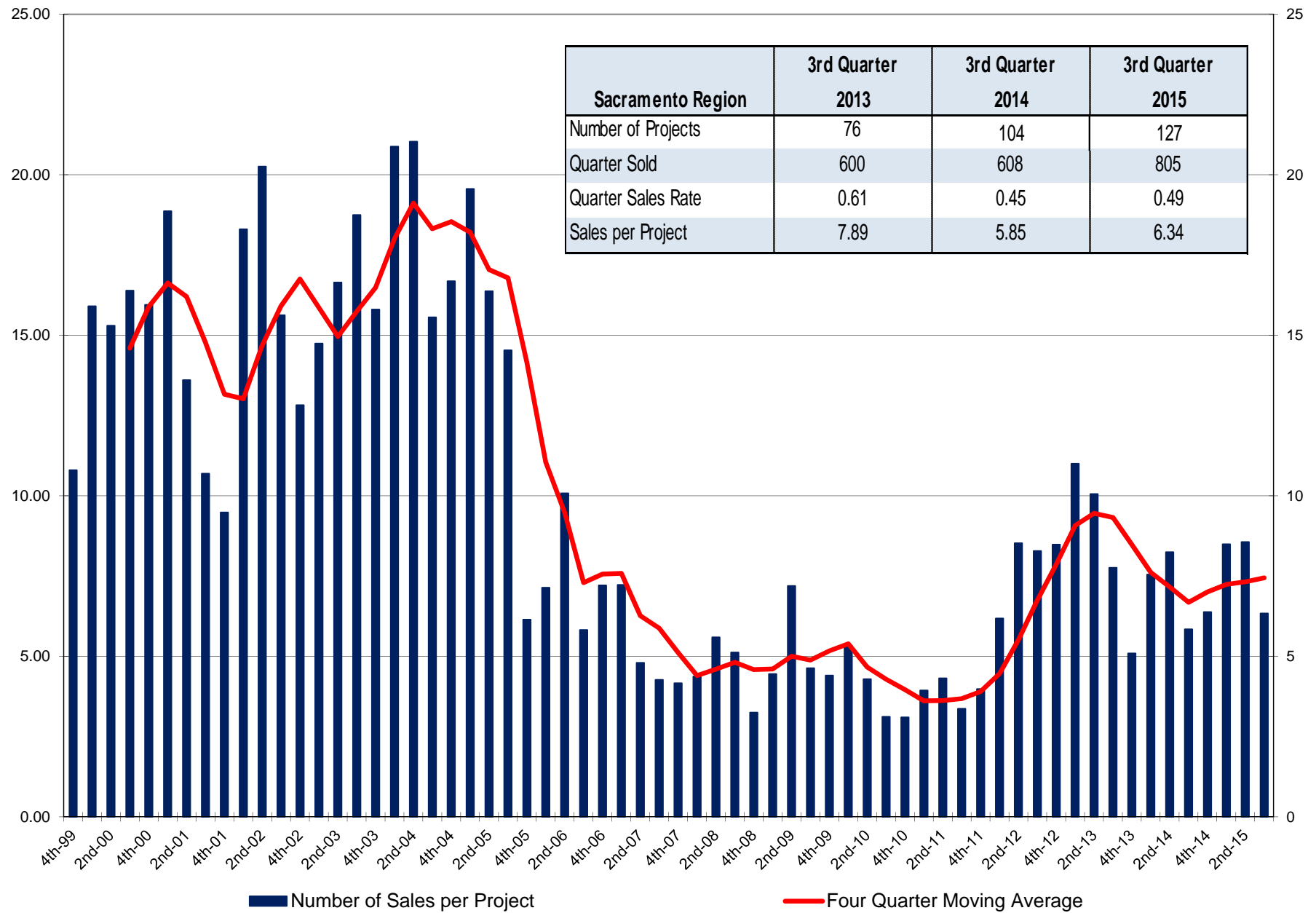
New Home Sales



Top Ten Sales By Community						
Community	2015 Estimate	% Share Estimate	2014 Sales	2014 % Capture	2013 Sales	2013 % Capture
Roseville (\$443,673)	972	24.8%	506	19.0%	498	20.8%
Laguna (\$433,217)	661	16.9%	339	12.8%	327	13.6%
El Dorado Hills (\$633,866)	296	7.6%	183	6.7%	166	6.8%
Rancho Cordova (\$380,240)	289	7.4%	229	8.6%	212	8.8%
Rocklin (\$522,189)	281	7.2%	203	7.6%	78	3.3%
Lincoln (\$519,574)	270	6.9%	290	10.9%	266	11.1%
Elk Grove (\$417,545)	236	6.0%	273	10.3%	192	8.0%
Folsom (\$495,715)	221	5.6%	231	8.7%	210	8.8%
Woodland (\$457,531)	112	2.9%	128	4.8%	90	3.8%
West Sacramento (\$479,423)	44	1.1%	37	1.4%	73	3.0%

- Top ten communities account for 86% of all new-home sales
- Only one top ten community has an average price that is less than \$400,000
- Only three top ten communities have an average price that is less than \$450,000

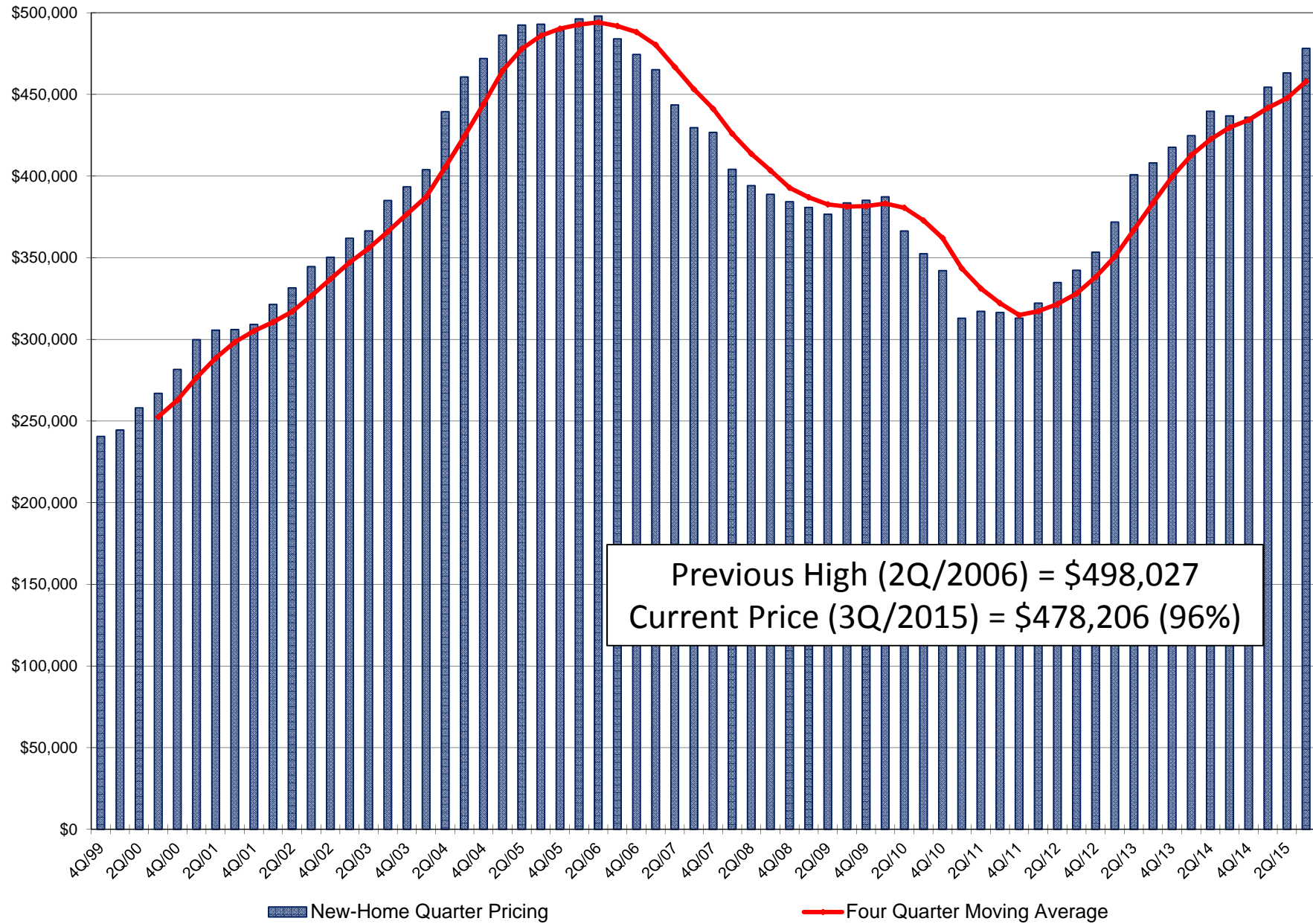
New Home Sales Per Project Per Quarter



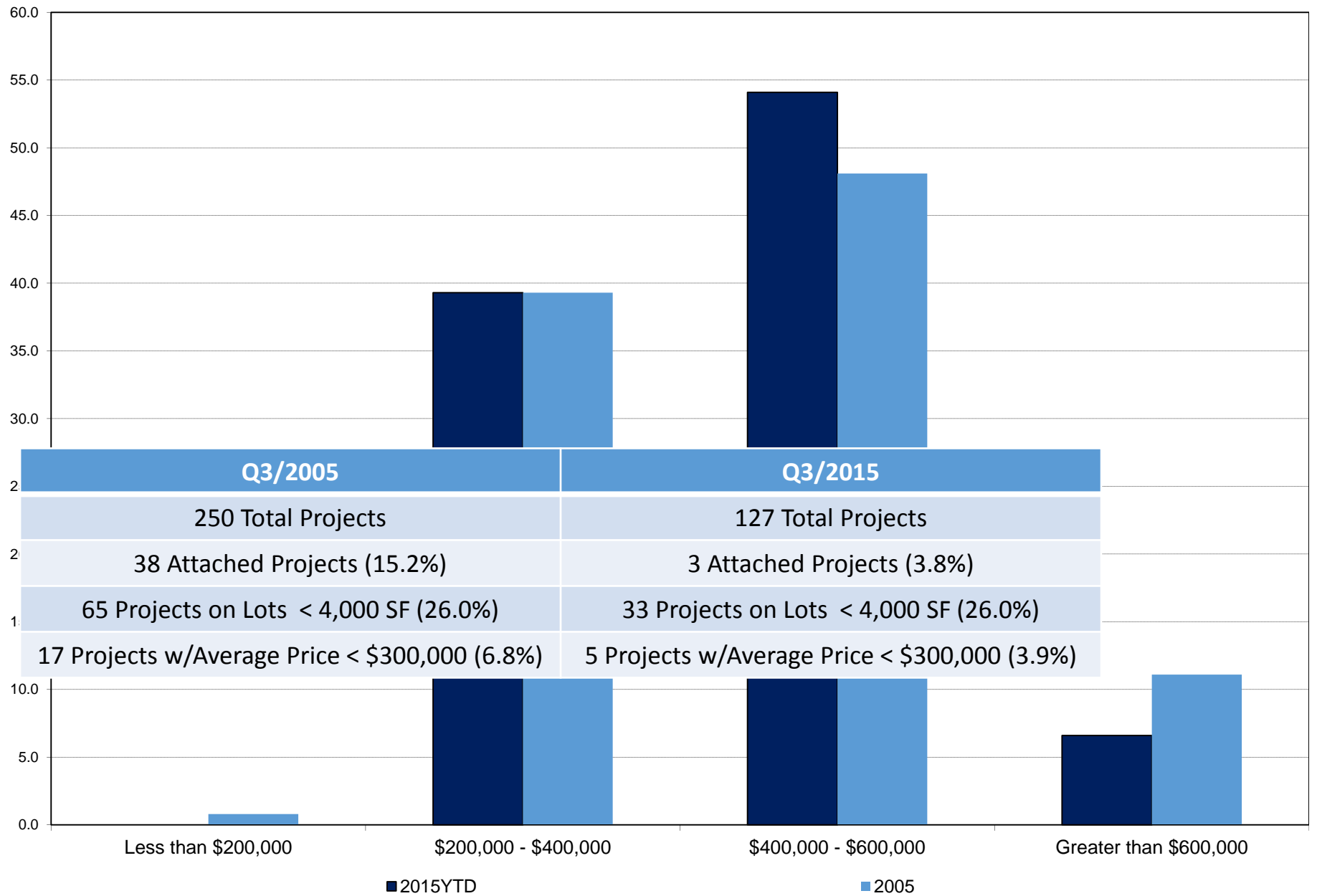
Year	Sacramento Region Sales	El Dorado County Sales	Placer County Sales	Sacramento County Sales	Sutter County Sales	Yolo County Sales	Yuba County Sales
2000	12,216	5.4%	32.1%	56.8%	0.0%	5.7%	0.0%
2001	10,936	5.0%	30.0%	56.0%	0.0%	9.1%	0.0%
2002	16,062	5.8%	30.6%	58.8%	0.0%	4.8%	0.0%
2003	15,858	5.9%	26.3%	60.7%	1.2%	4.3%	1.7%
2004	17,155	6.1%	19.3%	54.7%	3.6%	8.1%	8.1%
2005	14,094	4.1%	18.5%	54.8%	5.7%	8.1%	8.9%
2006	9,607	3.8%	27.1%	49.2%	4.6%	9.5%	5.7%
2007	7,416	4.4%	29.0%	46.3%	4.0%	8.5%	7.8%
2008	4,695	2.4%	28.1%	54.1%	1.4%	10.2%	3.8%
2009	2,841	4.2%	39.1%	42.1%	0.7%	8.6%	5.3%
2010	1,776	2.0%	48.6%	41.6%	1.4%	5.0%	1.5%
2011	1,668	2.4%	39.7%	47.1%	1.0%	6.3%	3.5%
2012	2,782	4.9%	39.1%	45.3%	0.4%	8.1%	2.3%
2013	2,458	6.8%	36.2%	46.3%	0.0%	8.3%	2.5%
2014	2,739	6.7%	38.3%	45.9%	0.3%	6.2%	2.7%
2015e	3,917	7.6%	39.5%	44.2%	0.4%	4.6%	3.8%
Avg:	7,889	4.8%	32.1%	50.6%	1.6%	7.4%	3.6%

83.7%

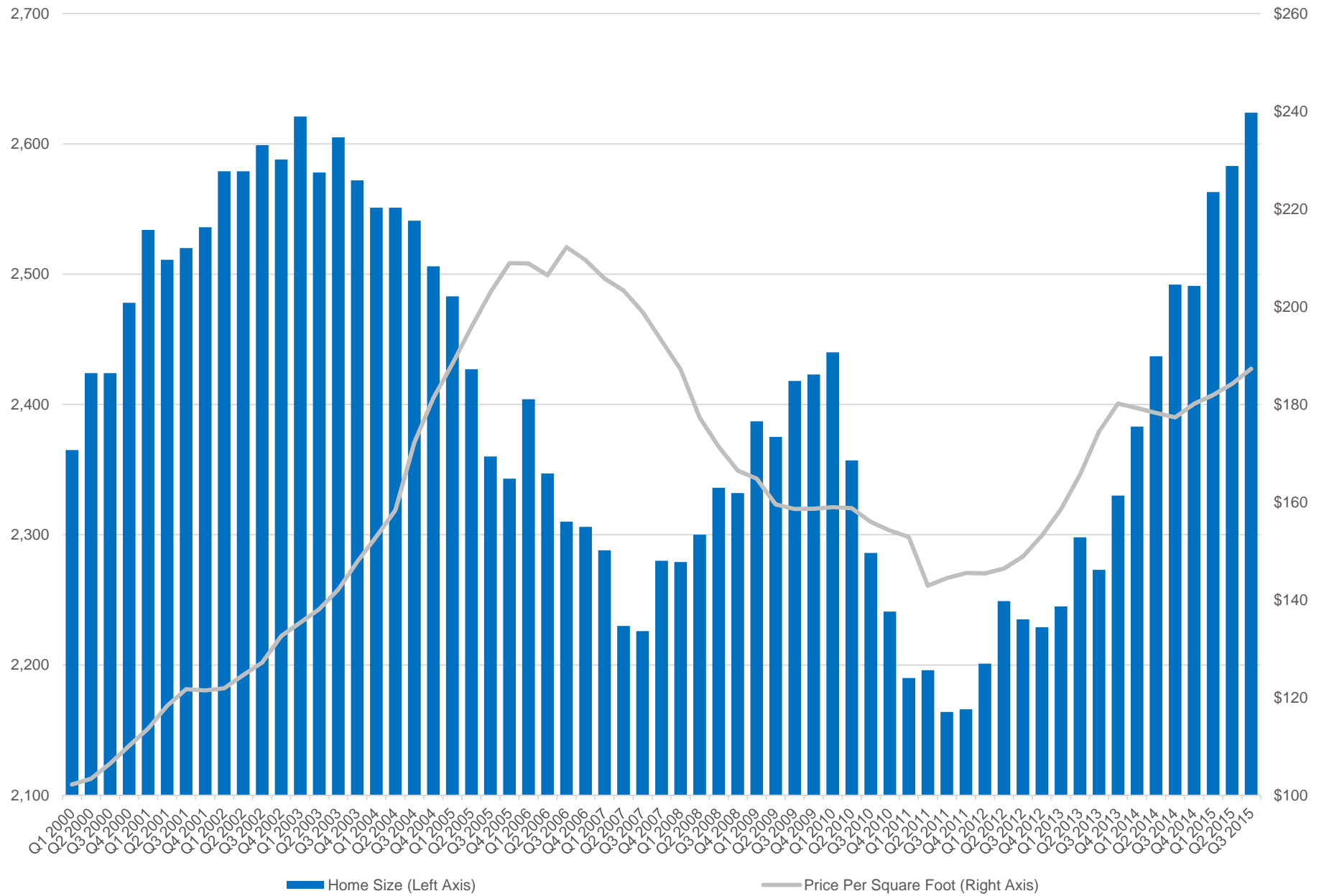
New Home Pricing



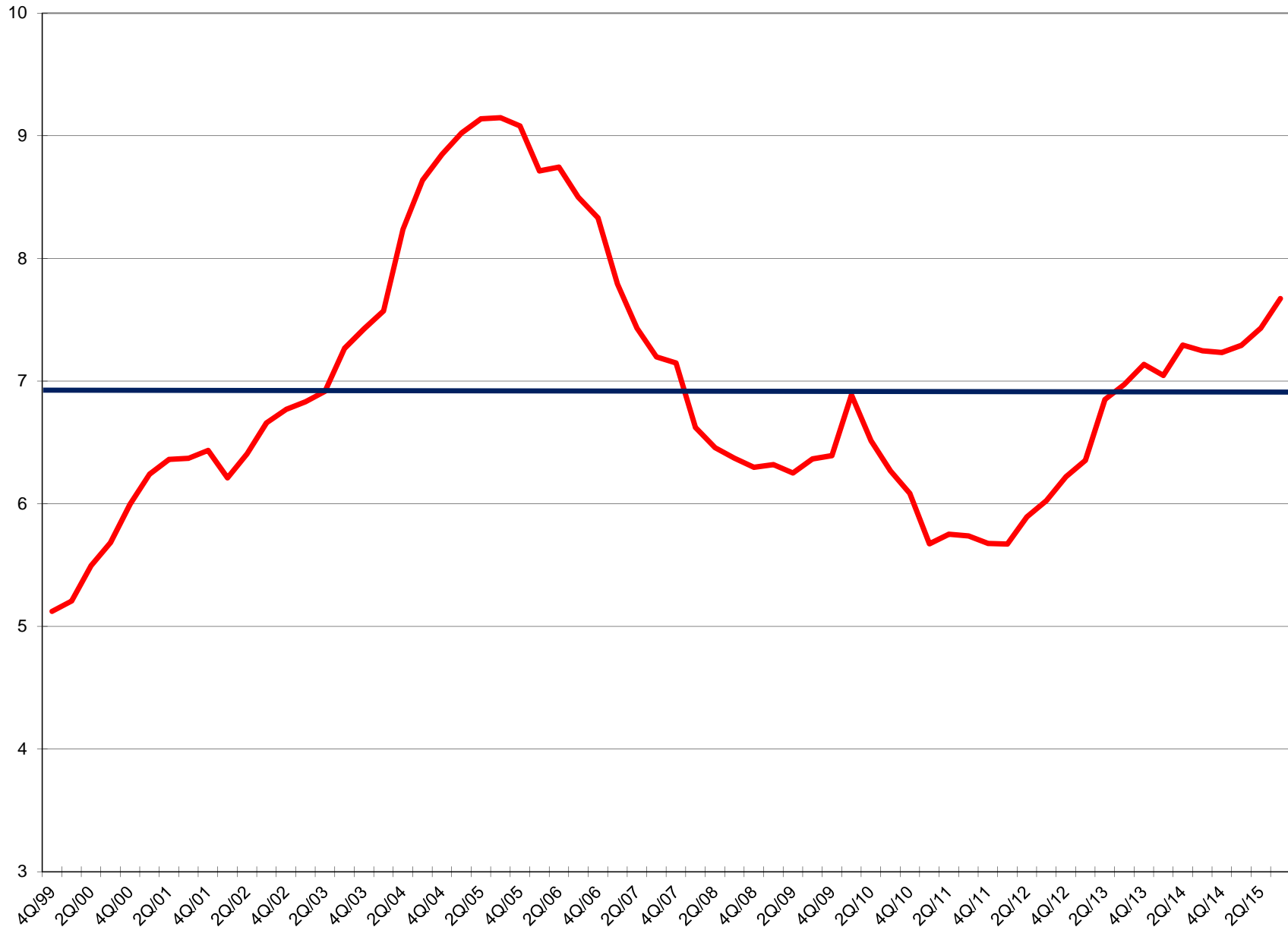
New Home Sales By Price Range



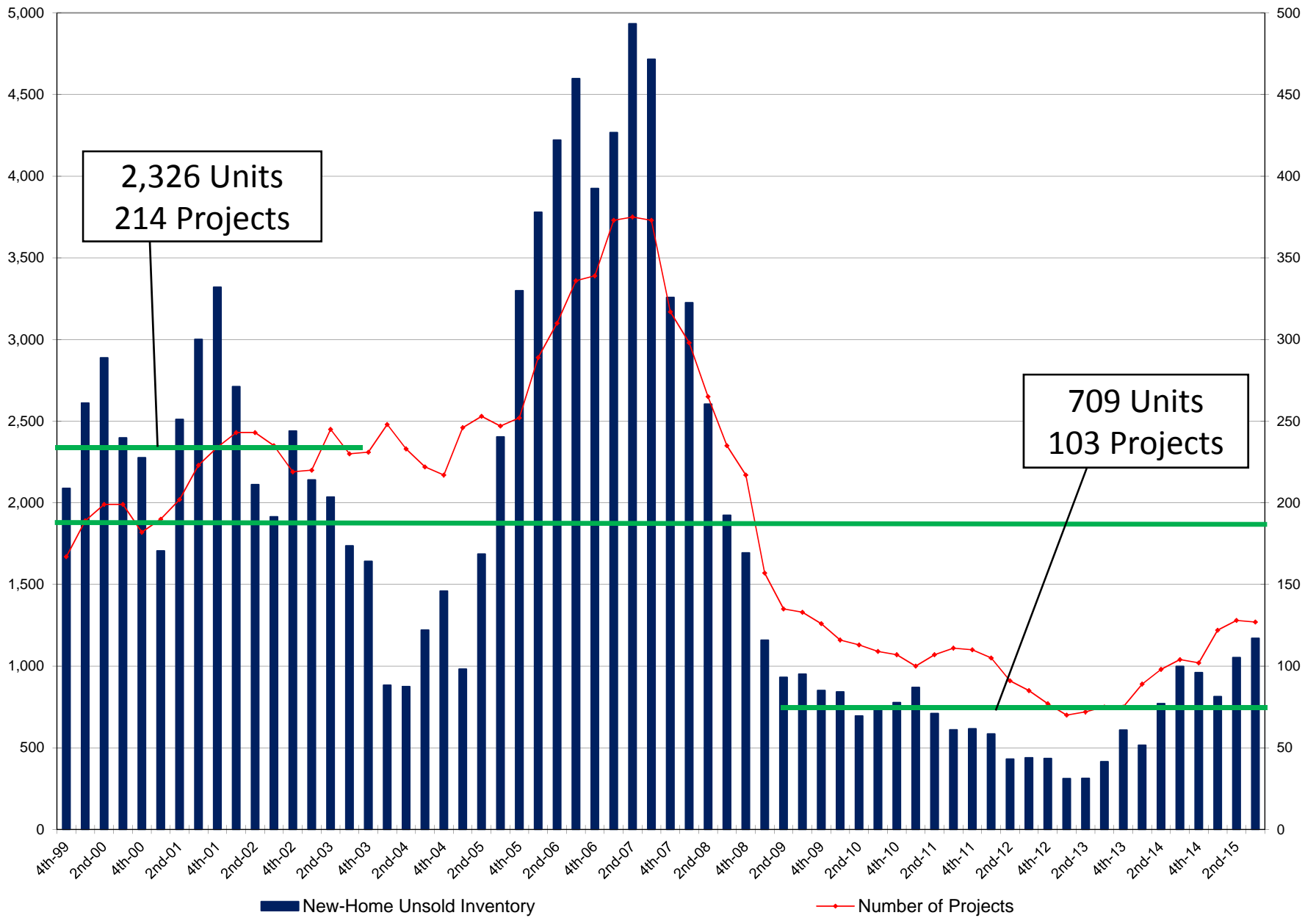
Home Size and Price Per Square Foot



New Home Price to Household Income Ratio



New Home Inventory



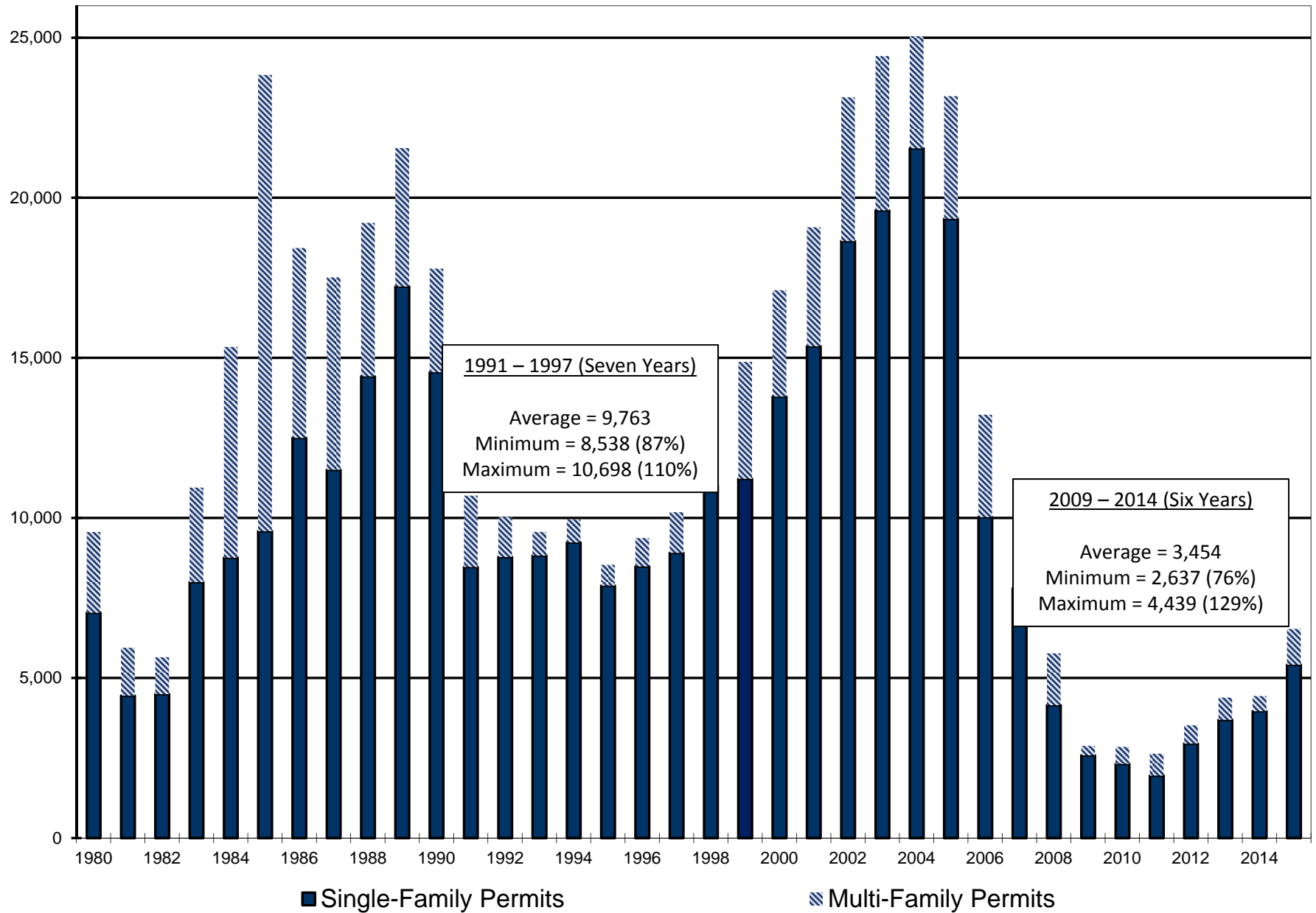
Proposed Projects

Market Area	Number of Units
Placer County	65,000
Folsom	10,750
El Dorado Hills	7,000
Hwy 50 Corridor (Sac/RC)	90,000
Elk Grove/Laguna	10,000
Natomas	5,000
West Sacramento	5,750
Sutter/Yuba	42,000
Total (Not Inclusive):	235,500

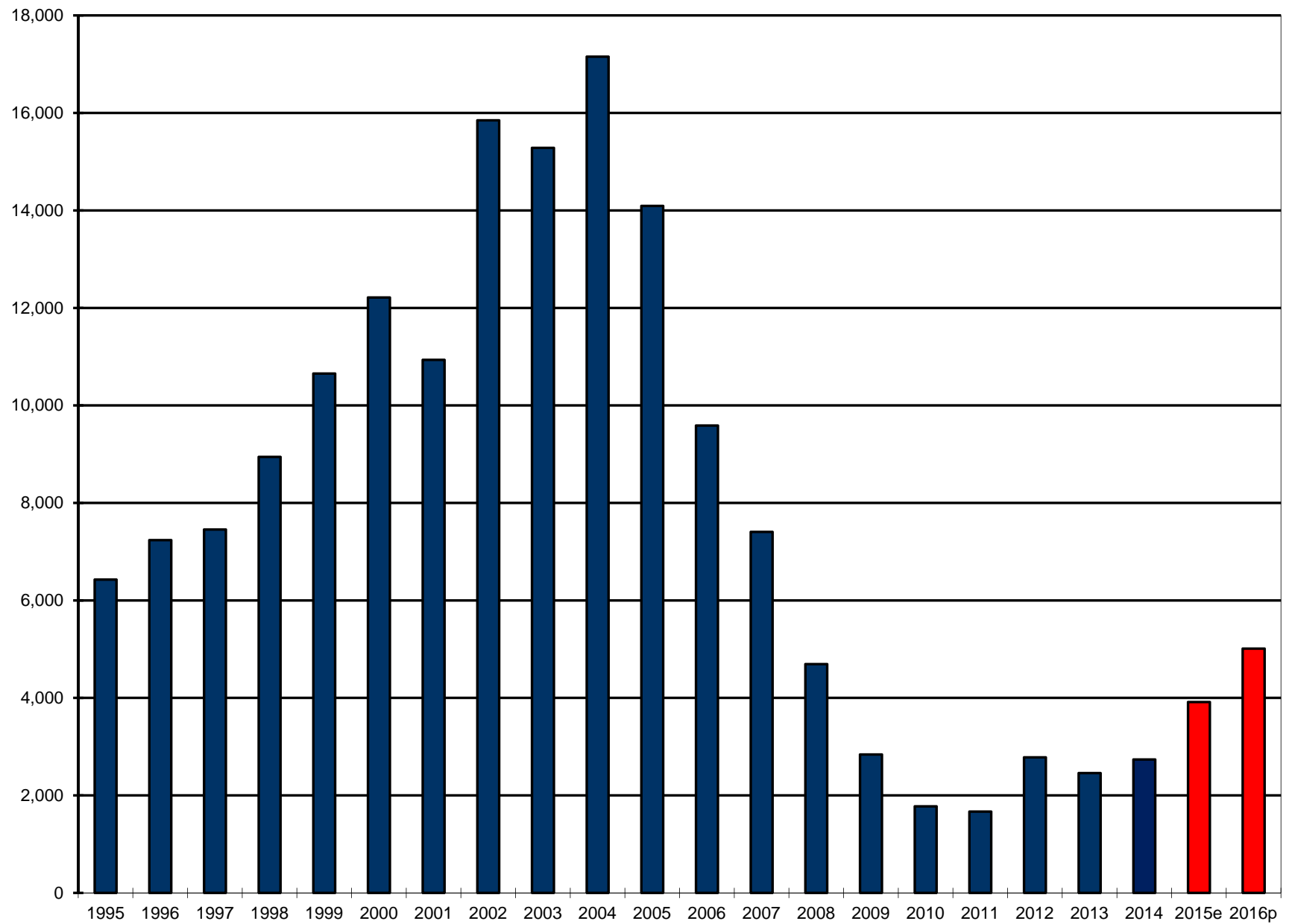
Challenges and Opportunities

- Regulations, Fees, Etc.
 - Water
 - Fees
 - Rising Costs, Construction Workers
- Competitive Product Types
 - Flat Land development
 - Move-Up Housing
 - Big-Box Homes
- Bay Area Buyer
- Changing Buyer Attitudes
- First-Time/Last-Time—Its All About Demographics
- An abundance of future projects
 - Placer County
 - Folsom
 - Highway 16 Corridor
 - Natomas

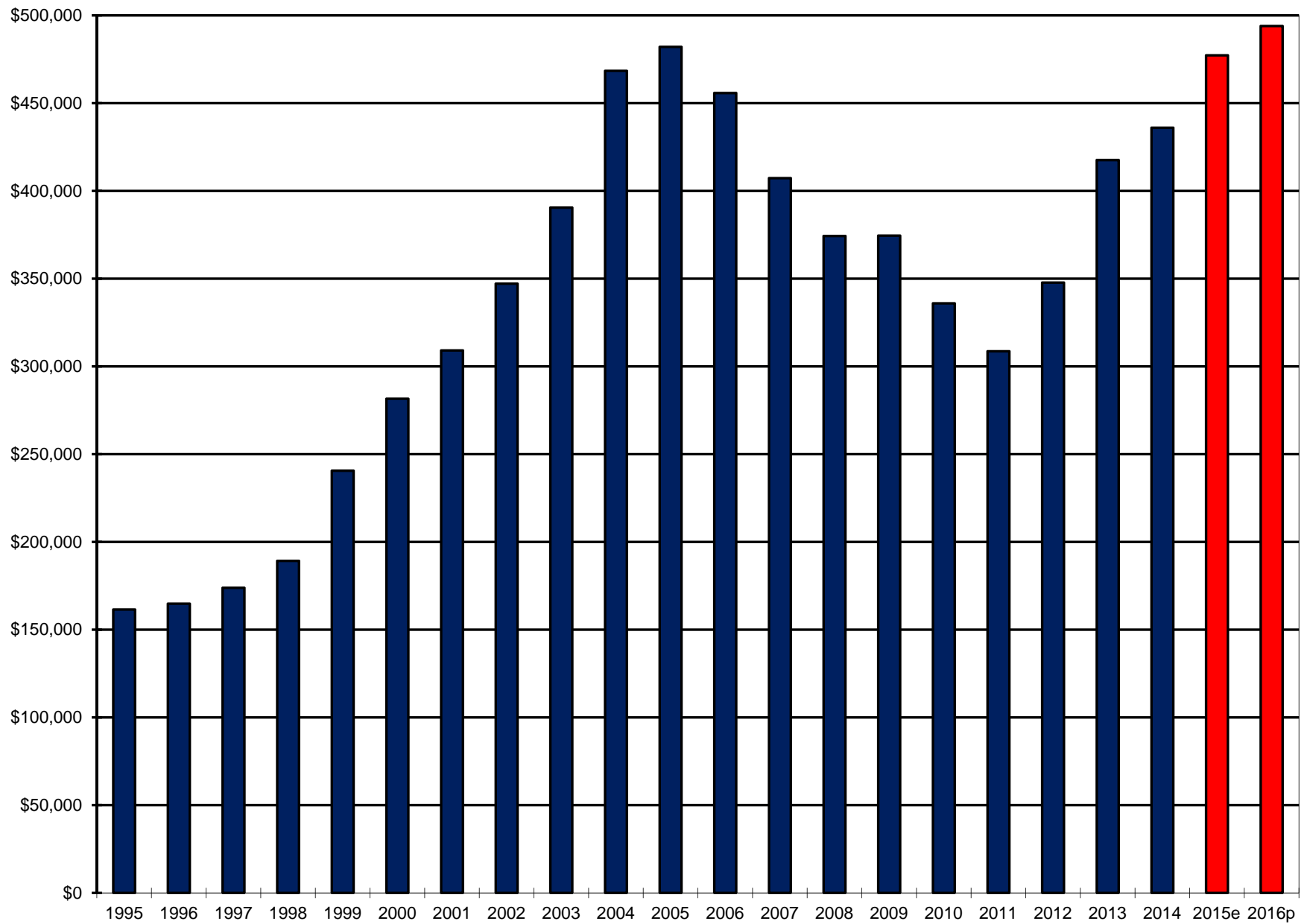
Building Permits



New Home Sales -- Projection



New Home Price -- Projection



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Real Estate Information and Consulting Services

Folsom

101 Parkshore Drive, Suite 100
Folsom, CA 95630
(916) 983-3524
info@thegregorygroup.com
www.thegregorygroup.com

Irvine

18201 Von Karman, Suite 460
Irvine, CA 92612
(949) 247-8851
info@thegregorygroup.com
www.thegregorygroup.com