

# GREATER SACRAMENTO MARKET UPDATE

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## GREATER SACRAMENTO HOME BUYERS DON'T GIVE UP

*August new open escrows exceed July totals by nearly 10 percent*

September 14, 2023

(SACRAMENTO, CA) – Year to date closed home sales across the Greater Sacramento region remain down but not out as they continued to tread water throughout the month of August. Markedly, year to date closed sales currently fall approximately 25 percent fewer when compared to last year at this time and a whopping 34 percent lower than pre-covid 2019.

Home buyer commitment and resilience was on full display once again during the month of August, however, as 1,747 resale properties were placed under contract throughout the four-county market area. That new open escrow number reflected nearly a 10 percent lift over July's total and represented the second-best open escrow month thus far in 2023.

On the other side of the spectrum, resale housing supply rested at 2,435 properties available for sale on August 31<sup>st</sup>. That figure was a hefty 39 percent drop versus August of last year. Looking farther back once again, the current level of inventory is more than 50 percent lower than pre-covid 2019 which is recognized to be a more "normal" or benchmark year.

"The move-up and upper-end price points remain relatively strong and continue to reveal some steadfast buyer willingness regardless of mortgage interest rate challenges," says Pat Shea, President of Lyon Real Estate. He added that the \$500,000 to \$1,000,000 price range saw a 12 percent increase in new open escrows last month versus July. "Above \$1,000,000, there were approximately 150 open escrows each month in June, July and August. That number is very solid by historical standards."

The average closed sale price of \$673,000 for the past 3 months and median price of \$589,000 are both within a percent or two of those metrics from the same time period last year. The market experienced a significant level of sales price softening in late fall and winter but now appears to have fully recovered. Homes that successfully closed escrow during the month of August entered into contract at an average of 27 days from list date and received an average of 98 percent of their original list price.

"August has traditionally been a softer sales month due to last hurrah summer vacations and back-to-school priorities," says Shea. "This year, not so much. It's clearly the rapid and significant mortgage interest rate jumps since early last year that have thrown market behavior and predictability

for a loop. The bottom line though is that inventory, new listings entering the market, new pending sales and closed sales have all ratcheted down. The market maintains a balance as there is still less than 2 months of housing supply based upon the current rate of sales. You will surely see listing and sales numbers bounce back to 2019 levels once mortgage interest rates start to fall backward.”

*This market information was presented by Lyon Real Estate based upon data provided by Trendgraphix Inc., a Sacramento-based reporting company.*

### **About Lyon Real Estate**

Lyon Real Estate is the leading independent real estate brokerage company in Greater Sacramento (Sacramento Business Journal). We are proud to be homegrown, privately owned, and internationally known. Lyon has served the area for over 75 years. Last year, the company closed a total of 4,236 transactions and \$2.55 billion in sales volume. Lyon Real Estate has over 700 agents in 17 offices located throughout the region. The company is a member of the Leading Real Estate Companies of the World®, the largest network of premier locally branded firms, as well as LeadingRE’s Luxury Portfolio International® program. In addition to its real estate services, Lyon Real Estate offers RELO Direct, a global relocation program. Since 2015, the Lyon Cares Foundation has contributed more than \$1,209,365 to local nonprofits.

### **About TrendGraphix, Inc.**

TrendGraphix, Inc. is a real estate data analytics company based in Sacramento that uses local Multiple Listing Service (MLS) data. TrendGraphix provides highly visual performance and market statistical graphs to real estate brokers, agents, and MLS/Realtor associations across the country. TrendGraphix’s programs are currently used by tens of thousands of brokers and agents in more than 300 brokerages across the nation. For more information about TrendGraphix, visit [www.trendgraphix.com](http://www.trendgraphix.com).

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