

Buyers Adopt 'Wait and See' Attitude

As Home Sales, Prices Decline in Some Communities

FOURTH QUARTER 2010



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PLACER COUNTY

The absence of motivation to “buy now” following the expiration of federal and state tax incentives and predictions that more foreclosures may be on the horizon in 2011, particularly in the county’s mid-range and higher-end markets, kept homebuyers on the sidelines in some parts of Placer County during the fourth quarter of 2010, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Countywide, 1,058 homes changed hands in the final quarter of 2010, down 10 percent from 1,173 homes sold in the third quarter and down 1 percent from 1,070 homes sold during the fourth quarter of 2009. Compared with the third quarter, home sales figures remained stable during the fourth quarter in Auburn, Loomis, Newcastle and Rocklin but declined by 20 percent in both Granite Bay and Roseville, Placer County’s two most active real estate markets. Home sales were up 33 percent on an annualized basis in Loomis and 29 percent in Auburn, while Newcastle and Granite Bay experienced sharp drops in sales of 23 percent and 13 percent, respectively.

The median price of a home sold in Placer County slipped 3 percent in the fourth quarter, falling from

\$294,132 in the third quarter to \$286,637. A year ago, the county median price stood 8 percent higher at \$312,162. Granite Bay and Loomis experienced both quarter-over-quarter and year-over-year increases in the median sales price thanks to an increase in the percentage of higher-priced short sale properties on the market, while the remaining five communities included in the report recorded median price declines ranging from 3 percent (Lincoln) to 28 percent (Newcastle).

Average days on the market, which measures the length of time it takes from the date a home is listed for sale until it is under contract, rose by 15 days countywide compared with the fourth quarter of 2009. The number of days it took to receive a contracted offer jumped from 91 days to 177 days in Newcastle, and from 60 to 89 days in Loomis, reflecting an increase in bank short sales, which typically take longer to negotiate.

Looking ahead, short sales should continue to offer distressed homeowners facing the loss of their homes a viable alternative to foreclosure and qualified homebuyers an opportunity to purchase at below-market prices. Investors – including many from the San Francisco Bay Area seeking homes to occupy or purchase as an investment – also will remain a factor.

PLACER COUNTY YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q4/10	Homes Sold Q4/09	% Change	Avg DOM* Q4/10	Avg DOM* Q4/09	Change (days)	Median Price Q4/10	Median Price Q4/09	% Change
Auburn	103	80	29	64	78	-14	\$266,720	\$301,500	-12
Granite Bay	66	76	-13	78	90	-12	\$539,750	\$523,000	3
Lincoln	259	276	-6	71	58	13	\$255,000	\$263,950	-3
Loomis	40	30	33	89	60	29	\$415,000	\$360,000	15
Newcastle	10	13	-23	177	91	86	\$335,500	\$465,000	-28
Rocklin	199	195	2	61	63	-2	\$275,000	\$310,000	-11
Roseville	381	400	-5	57	51	6	\$261,000	\$300,000	-13

* Days on market is the number of days a property was listed on the market until it went under contract at its final listing price. This may not reflect previous listings.

**The median home price for the entire county is the mean of median home prices of cities within Placer County.

Data are sourced from multiple listing services and are deemed reliable but not guaranteed.

All percentages rounded to nearest whole number.