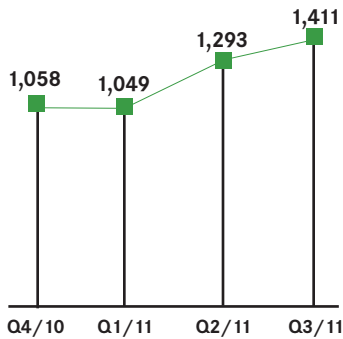


Low Rates, Favorable Home Prices Motivate Buyers

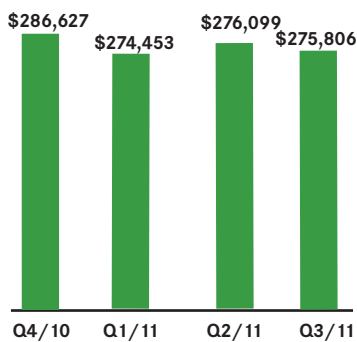
Limited Inventory Sparks Multiple Offers

THIRD QUARTER 2011

Unit Sales



Median Price**



PLACER COUNTY

The presence of large numbers of distressed properties in most Placer County communities continued to influence both the number of homes sold and the median price of those homes during the third quarter of 2011, according to a report by the research division of Better Homes and Gardens Mason-McDuffie Real Estate based on an analysis of MLS data.

Homebuyers took advantage of the combination of low interest rates and favorable home prices throughout the third quarter. Countywide, 1,411 existing, single-family detached homes were sold during the quarter, up 9 percent from 1,293 homes sold in the second quarter and 19 percent higher than in the third quarter a year ago, when 1,182 homes changed hands. While the number of home sales rose, the countywide median price of a home remained almost unchanged from the second quarter at \$275,806 but was down 6 percent from last year's third period, when the median sales price was \$294,514.

Six of seven Placer County communities included in the report recorded increased home sales compared with the second quarter (Rocklin was the lone exception). Five of the seven reported gains in the number of homes sold over both the prior-quarter and year-ago periods: Newcastle (+83% for the quarter, +144% for the year), Lincoln (+17, +22%), Loomis (+13%, +34%), Roseville (+10%, +15%) and Auburn (+7%, +30%).

A steady inventory of lower-priced distressed properties and strong demand by first-time homebuyers for homes at the lower end of the price spectrum sparked multiple offers for the most desirable properties. Even so, median home prices declined in the majority of the seven

communities. Loomis (+24% for the quarter, +5% for the year) was the only community to experience an increase in median sales price over both periods, while Rocklin (-2%, -5%) and Roseville (-4%, -9%) recorded slightly lower median home prices compared with both the previous quarter and prior year. Auburn, Lincoln and Newcastle, meanwhile, reported higher median sales prices for the quarter but registered median home prices that were below the prior-year figures.

The number of homes sold might have been higher were it not for a declining inventory of available homes in some communities. On average, homes remained on the market only 69 days before attracting a final purchase contract, down from 76 days in the third quarter of last year as lenders became more adept at processing short sale transactions. Locally, the average time a home was on the market before receiving a contracted offer ranged from a low of 56 days in Roseville to a high of 84 days in Auburn. Newcastle, Roseville, Granite Bay and Rocklin all experienced year-over-year declines in the number of days homes were on the market prior to sale.

Looking ahead, distressed properties should continue to account for as many as 60 percent of all homes sold in the months ahead, and that may continue to put slight downward pressure on home prices – good news for first-time homebuyers looking to take advantage of continued-low mortgage interest rates. However, homebuyers can expect to face increased scrutiny from lenders when it comes time to obtain a mortgage loan. Slow or delayed closings will continue to be a fact of life.

PLACER COUNTY YEAR-TO-YEAR MARKET COMPARISON

City	Homes Sold Q3/11	Homes Sold Q3/10	% Change	Avg DOM* Q3/11	Avg DOM* Q3/10	Change (days)	Median Price Q3/11	Median Price Q3/10	% Change
Auburn	127	98	30	84	82	2	\$260,000	\$329,500	-21
Granite Bay	82	83	-1	83	85	-2	\$527,500	\$470,000	12
Lincoln	338	278	22	74	66	8	\$246,500	\$259,995	-5
Loomis	51	38	34	66	59	7	\$372,500	\$355,000	5
Newcastle	22	9	144	60	115	-55	\$330,000	\$365,000	-10
Rocklin	246	202	22	61	63	-2	\$263,750	\$277,950	-5
Roseville	545	474	15	56	64	-8	\$254,000	\$277,669	-9

* 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 drawn from multiple listing services and are deemed reliable but not guaranteed
 All percentages rounded to nearest whole number.



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