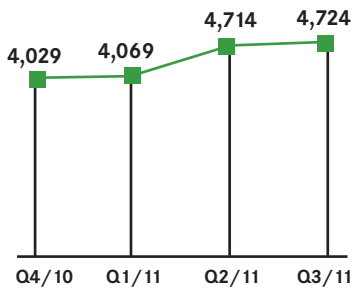


Distressed Properties Attract Investors With Cash

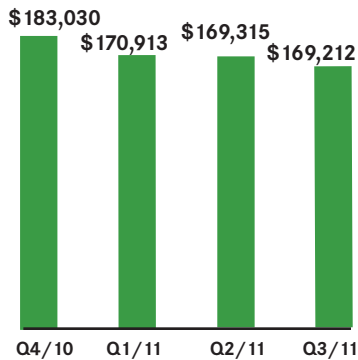
Traditional Sales Claim a Greater Share

THIRD QUARTER 2011

Unit Sales



Median Price**



SACRAMENTO COUNTY

The percentage of Sacramento County home sales involving a traditional buyer and seller increased during the third quarter of 2011, despite a limited inventory of ready-to-occupy homes and the continued dominance of bank REO and short sale offerings, according to an analysis of MLS data by the research division of Better Homes and Gardens Mason-McDuffie Real Estate.

In September alone, 37 percent of the county's home sales involved traditional homebuyers and sellers, while 63 percent involved a bank-owned or short sale transaction. Countywide, 4,724 existing, single-family detached homes were sold during the third quarter, almost unchanged from 4,714 homes sold in the second quarter but up 13 percent from 4,173 in the third quarter of 2010. The number of homes sold might have been greater had there been more ready-to-occupy homes available. At September's pace, it would have taken only 2.3 months to deplete the inventory of available homes, well below the normal supply.

With limited move-in-quality listings from which to choose, home sales were concentrated in the lower price ranges. As a result, the county's median sales price of \$169,212 varied by only about \$100 from the second to the third quarter and was 9 percent below last year's median price of \$185,054.

All 12 of the communities included in the report registered improved sales on an annualized basis, and seven (Antelope, Carmichael, Citrus Heights, Folsom,

North Highlands, Orangevale and Wilton) recorded quarterly sales increases. Even so, all 12 also reported year-over-year declines in the median price, while six communities (Carmichael, Elk Grove, Fair Oaks, Orangevale, Rancho Cordova and Wilton) showed improvement compared with the second quarter.

The City of Sacramento accounted for nearly half of the county's third quarter sales with 2,319 homes sold, down slightly from 2,332 in the second quarter but up 5 percent from 2,203 a year ago. Investors snapped up priced-to-sell distressed properties in need of repairs, and that resulted in a slight quarter-over-quarter decline in the median sales price to \$135,000, which was down 10 percent from \$150,000 in the third quarter of 2010. Elk Grove followed with 758 closed sales, down slightly from 770 sales in the second quarter but up 11 percent from last year's third quarter. At \$210,500, its median sales price was virtually unchanged from the second quarter but was down 7 percent from \$227,500 a year ago.

Looking ahead, homeowners with equity and homes in top condition may have a window of opportunity given the extremely limited inventory of non-distressed properties currently on the market. Home prices are likely to continue to seesaw as the market reacts to the ebb and flow of new listings and economic news. Qualified homebuyers waiting on the sidelines for a signal that now is the time to buy should be ready to act on any news of higher interest rates or improved consumer confidence.

SACRAMENTO 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
Antelope	205	166	23	60	53	7	\$165,000	\$197,750	-17
Carmichael	169	143	18	62	62	0	\$218,000	\$250,000	-13
Citrus Heights	255	216	18	49	58	-9	\$150,000	\$170,000	-12
Elk Grove	758	680	11	56	51	5	\$210,500	\$227,500	-7
Fair Oaks	134	101	33	68	51	17	\$231,000	\$278,415	-17
Folsom	260	141	84	56	62	-6	\$314,500	\$349,000	-10
North Highlands	124	91	36	52	51	1	\$79,000	\$100,500	-21
Orangevale	126	92	37	67	48	19	\$181,000	\$205,000	-12
Rancho Cordova	192	173	11	69	57	12	\$180,000	\$215,000	-16
Sacramento	2,319	2,203	5	57	54	3	\$135,000	\$150,000	-10
West Sacramento	163	150	9	58	46	12	\$189,000	\$216,475	-13
Wilton	19	17	12	33	97	-64	\$375,000	\$399,000	-6

* 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 Sacramento County.

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



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