



YEAR-END NORTH STATE BIA SALES REPORT

January 12, 2021

Extremely Strong December New Home Sales Propel 2020 Sacramento Region Sales to a 15-Year High, North State BIA Reports

New home sales in the greater Sacramento area in 2020 were the highest since 2005 as buying interest remained extremely strong during the usually slow fourth quarter, the North State BIA reported today.

A total of 7,073 new homes were sold in Sacramento, Placer, El Dorado, Yolo, Yuba and Sutter counties during the year despite a significant downturn in sales during the spring due to the Coronavirus pandemic and stay-at-home measures enacted to combat it. (See charts below for details.)

Aren Bazzocco, division president for homebuilder Taylor Morrison and the BIA's 2020 Chairman, said the strong demand is likely to continue into 2021 as people continue to seek suburban space while mortgage interest rates remain at historic lows.

"Current home designs are meeting today's needs of working and schooling from home, and builders are rapidly bringing new product to the market that will be even more tailored to these needs. Additionally, the Sacramento region continues to benefit from the exodus of Bay Area people looking for more expansive housing and a slower lifestyle. We see no signs that demand for new homes in the region will slow down any time soon," Bazzocco said.

December is on average the slowest month of the year for new home sales, but this year builders reported 660 sales. That's double the number sold a year ago and nearly 2.5 times higher than average. It was the second-highest December on record, behind only the 790 new homes sold in December 2003.

BIA President & CEO Michael Strech warned, however, that in order to continue meeting the current demand -- let alone catching up from many years of underbuilding -- builders will need an adequate labor force and the ability to continue building.

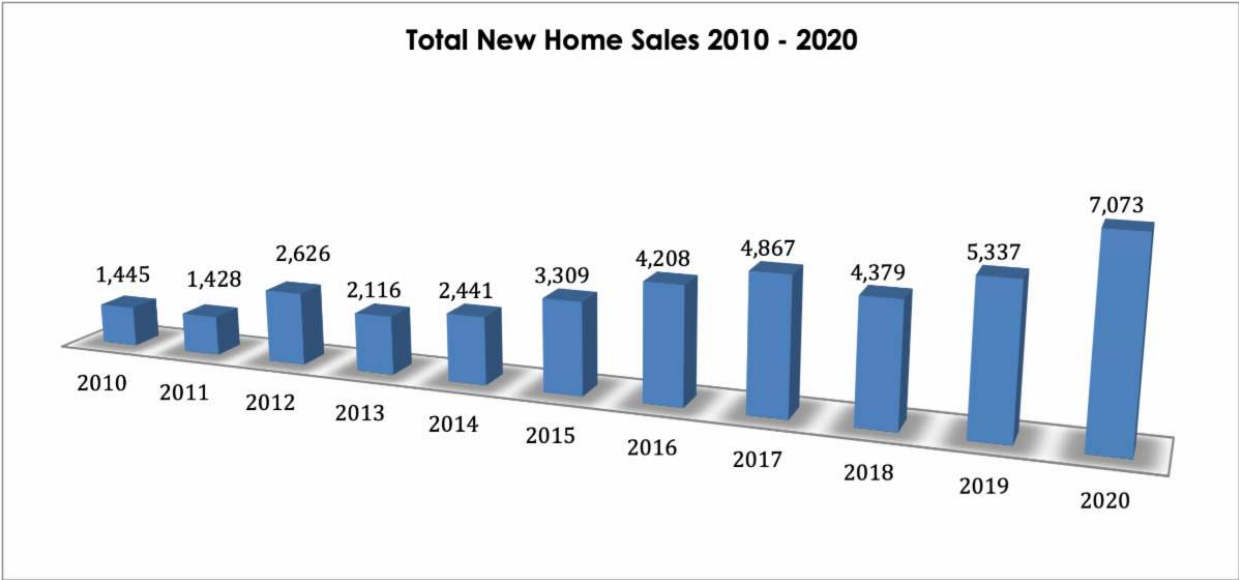
"The Construction Industry Research Board reported last week that through the first 11 months of 2020 there were 6,920 single-family permits issued in our five-county region. That's slightly less than in 2019 and also slightly less than the number of new homes sold," Strech said.

"In the long run, to meet the need for housing and maintain affordability we will need to continue a steady pace of building, which will require cooperation from our local officials to approve new communities and issue building permits. Fortunately, most local officials understand the need for more housing but it's an issue we will be watching closely in the years to come."

2020 Saw the Most New Home Sales since 2005

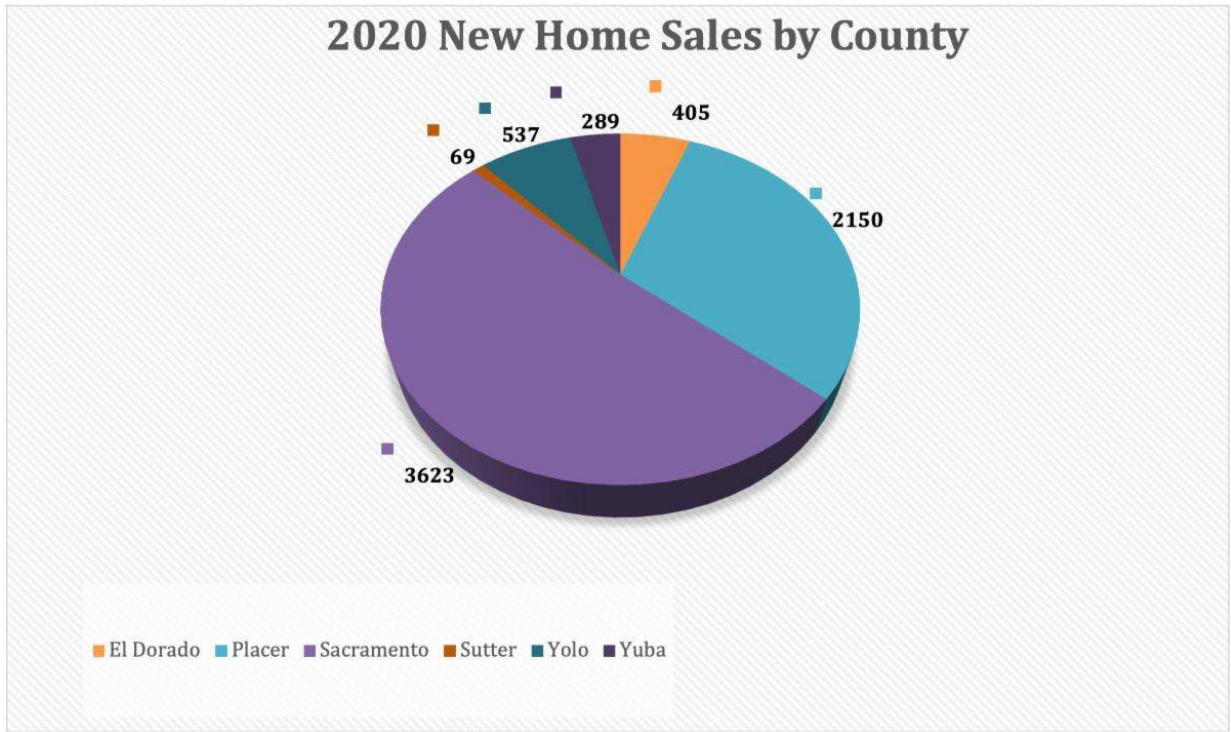
New home sales soared to their highest level since 2005, when 7,671 sales were reported. It was also the fifth-highest number since the BIA began compiling statistics in 1997. (The four

higher years were 2002-2005).



Most Counties Saw Significant Increases Over 2019

All but one county in the greater Sacramento region saw double-digit increases in new home sales compared to 2019, led by El Dorado County, where several new communities opened and sales were up 86.6%. That was followed by Yuba County (up 71%), Placer County (up 41.6%), Yolo County (up 41.3%) and Sacramento County (up 22.8%). Sales in Sutter County were down 32.4%. Sacramento County remains the heart of the market, with 48.8% of all sales reported.



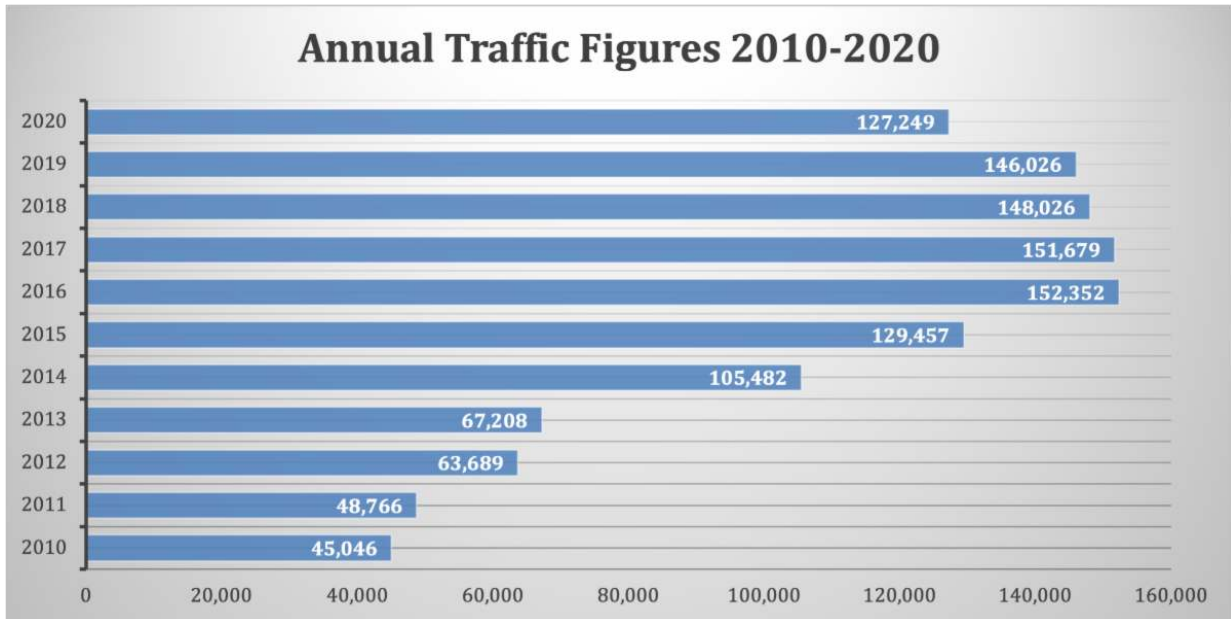
Buyers Looking for Higher Priced Homes

The \$400,000 to \$500,000 range was the most frequently purchased price point, but sales were also strong in the \$350,000-\$400,000 range as well as between \$500,000 and \$750,000.



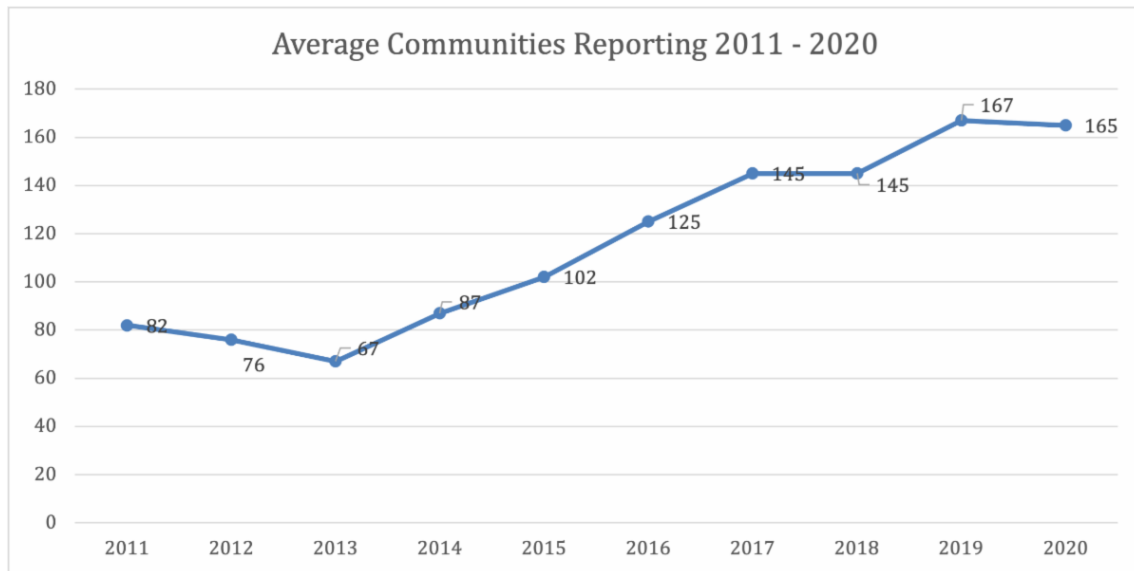
COVID-19 Reduced the Number of Visitors - But Not the Quality

Because prospective buyers needed to make appointments to visit new home communities after restrictions went into place in March, the number of people looking at models declined from prior years -- but the ones making reservations were truly interested in buying.



Many Different New Home Communities to Choose From

For the second straight year, there were more than 160 new home communities reporting, giving potential buyers many different types of homes and locations to choose from.



About North State Building Industry Association

The North State BIA is the leading advocate for the home building industry in the greater Sacramento region. Representing more than 500 members, including 55,000 industry jobs, the North State BIA is committed to preserving and furthering the economic interests of its members, while also working to enhance the industry's standing as a significant contributor to the regional economy. For more information, visit www.northstatebia.org.

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