

New homes now make up nearly one-third of homes on the market

Builders are offering wide range of new homes in nearly 190 communities throughout region

BY MICHAEL STRECH
NORTH STATE BUILDING INDUSTRY
ASSOCIATION

A report in the Wall Street Journal last week confirms what homebuilders and other real estate professionals already knew: many homeowners with extremely low mortgage interest rates are staying put even if it makes sense for them to move.

“These ‘golden handcuffs’ are keeping the supply of homes for sale unusually low and making the market more competitive and pricey than some forecasters expected,” the Journal reported.

Due to the reluctance of many homeowners to sell, there were just half as many homes for sale in April nationally as there were in April 2019, the Journal reported, and the number of new listings last month was 21% lower than the previous April.

But the story also confirms another truth homebuilders already knew: given the lack of existing-home inventory, an increasing share of prospective



Submitted

An aerial view of the Winding Creek development now underway in west Roseville.

buyers are looking at new homes.

As Robert Dietz, the chief economist of the National Association of Home Builders, told Sacramento-area building industry leaders in early April, new homes now make up roughly one-third of the homes for sale nationally. That's up from a historical norm of between 10%

and 20%.

The Sacramento area is no different. The Sacramento Association of Realtors reported that sales were down 42% in April compared to the previous year and inventory was down 22%.

Meanwhile, new homes are being sold in nearly 190 communities in Sacramento, Placer, El Dorado, Yolo, Sutter, Yuba, Neva-

da and Amador counties. These communities are available everywhere from the urban core to the Sacramento suburbs to smaller towns on the region's edges. Home styles range from condos to move-up homes to luxury estates and active-adult communities. And sales this year have been brisk as buyers have adjusted to today's interest rates.

Of course, there are other reasons to consider buying a new home. New homes are built to meet the desires of today's homebuyer. They are energy-efficient and come with solar power and more space to work at home. And you can customize the look and feel of your new home to make it truly your own.

In addition, the buying process is generally smoother as well. You don't have numerous buyers competing for each home.

Your sales agent works as the conductor, working seamlessly with lenders and escrow agents to handle issues that may come up. And of course, your new home comes with a warranty to take care of any problems that might come up.

Finally, if you're a prospective homebuyer who wants to move into a new home quickly, without having to wait for a lengthy construction process, you'll be happy to know that the BIA has a list of available quick move-in homes ready and waiting for you! You can find the link for each week's listings on Facebook and Instagram by going to @sacramentonewhomes.