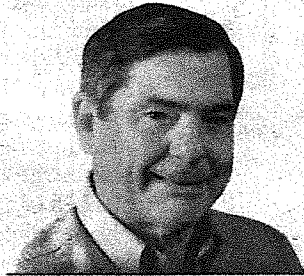


Low interest rates, inventory drive home sales in 2016

There were 69 home sales north of \$1 million in El Dorado County during 2016. The most expensive closed escrow at \$2.5 million, or about \$345 a square foot. The home has six bedrooms and seven baths over 7,237 square feet in Serrano on 2.5 acres with a view of Folsom Lake.



Full disclosure

Ken Calhoon

The listing agent had this to say about her listing: "The region's finest home perched on one of the best home sites in the golf community of Serrano."

There were also 25 county homes that closed escrow this last year under \$100,000. The least expensive was a one-bedroom, one-bath, 800 square foot "fixer" in Georgetown that sold for \$37,000 or \$41 per square foot. This is what the listing agent said about that property: "Termites are holding the

house up. Sold as is."

Between the two extremes were 2,750 additional county home sales with a median selling price of \$425,000 and a median price per square foot of \$212. The median is the mid-point where half of all sales were more and half were less.

The total number of county home sales was up slightly from 2015 and the median selling price was 6 percent higher. Our median selling price is 15 percent below our peak back in 2005 but 55 percent above our lowest home prices in 2011.

The most popular communities to buy a home were El Dorado Hills which accounted for 33 percent of all county home sales and 78 percent of all sales in excess of \$1 million. Cameron Park had

■ See **CALHOON**, page 12

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of opportunity. Realtor.com predicts that the Sacramento hottest market in 2017. We are already experiencing low inventory the rise. Working with a top real estate professional is a great way wealth through real estate investing. Janine has a proven record of home sellers and can help you maximize the sale of your home, buying, guide you with an income property purchase or exchange, help you to buy your very first home.

A Word of Thanks ~

by The Mountain Democrat as their Readers' Choice Best Realtor for Magazine as a Favorite Real Estate Agent for the sixth consecutive year. Made me a real estate leader in El Dorado County for the last 18 years. Thank these awards and thank all who have supported me.

Happy New Year,

Janine



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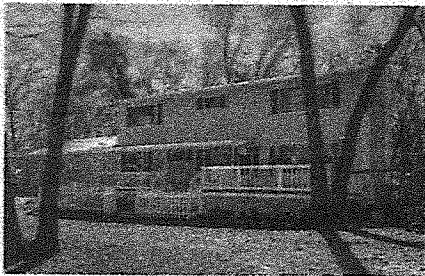
band to working in her real estate career, Janine Waggener's non-stop energy and enthusiasm have always been her key to success. If you are looking to buy or sell a home or property, turn to a woman whose High Energy approach is producing "Big Results." To schedule a private consultation to discuss your needs!

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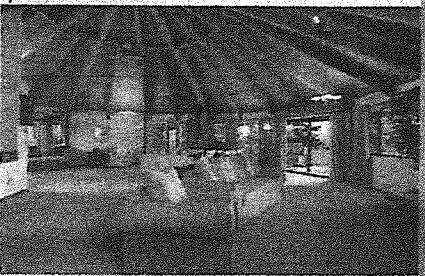
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Calhoon Continued from 2

13 percent of county sales, Placerville with 10 percent and Pollock Pines with 9 percent.

The only two communities to have fewer sales this year compared to 2015 were Cool/Pilot Hill and Camino/Cedar Grove. Both however, had the highest year-over-year appreciation rates at 16 percent for the former and 11 percent for the latter.

It was a good year for sellers. Half of all homes listed for sale sold within the first 30 days of the listing at 99.4 percent of the listed price. Buyers found favorable interest rates below 4 percent and financing was slightly easier to obtain.

The main difficulty buyers faced this last year was the availability of median priced inventory. While the median selling price was hovering around \$425,000 the median listed price in the county was standing at \$525,000.

First-time homebuyers were noticeably absent from the county last year. Between 2009 and 2011 first-time buyers made up 31 percent of all county home sales. Last year the percentage fell to 18 percent. The lack of local jobs and affordable housing is forcing first-timers to postpone buying or look elsewhere for housing.

The absence of younger buyers in El Dorado County could pose long-term challenges. Typically, first-time buyers are the foundation of a good housing market. Without first-time buyers no move-up market exists.

Despite the expectation of further economic expansion, the absence of younger homebuyers in our county is not likely to change. First-time buyers are both price and interest rate sensitive. With existing inventory already in short supply, builders unable to build a home under \$500,000 and interest rates on the rise, first-time buyers will continue to postpone homeownership.

“By delaying homeownership, younger households are forgoing the opportunity to accumulate wealth,” said Nela Richardson, chief economist at Redfin. “When you wait 10 years to buy a home, you’re missing out on a pretty steady source of equity that has helped previous generations do all kinds of things, like retire.”

The California Association of Realtors is already backing off their earlier predictions for a moderate increase in sales in 2017. The economy will continue to expand but not inventory.

The shortage of inventory is great news for builders. County builders are having their best year of the past decade. New developments in El Dorado Hills are attracting Bay Area buyers flush with sale proceeds from their previous home sale.

We simply will not have a sufficient number of homes for sale to sustain an increase in sales.

Currently there are 450 homes listed across the county. Sure, the low number is reflective of the season but last year at this time we had 750 homes for sale. Two years ago, same month — 800.

More homes will be listed as we move into the new year but existing home inventory will be much less than previous years, subsequently impacting home sales. Fewer sales this next year may be sobering to real estate agents who are celebrating their best year since 2007.

The shortage of inventory is great news for builders. County builders are having their best year of the past decade. New developments in El Dorado Hills are attracting Bay Area buyers flush with sale proceeds from their previous home sale.

New home sales have been averaging over 50 a month with a \$625,000 median selling price. Standing inventory remains low and interest in new communities is high. Builders should have a record-setting year if they can keep up with demand. Their concern is not the bump in interest rates but a shortage of skilled construction workers.

The long-anticipated increase in mortgage rates finally arrived in 2016. Interest rates that were 3.50 percent in July are now 4.25 percent. The increase amounts to \$175 a month on a \$400,000, 30-year loan. The Fed has indicated continued rate increases during 2017 which may keep entry-level housing prices in check.

Best wishes for a happy New Year.

Ken Calhoon is a real estate broker in El Dorado county. He can be reached for questions and comments at ken@kencalhoon.com.