

# the gregory group

## Sacramento Blueprint 2.0

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April 24, 2014



## Disclaimer:

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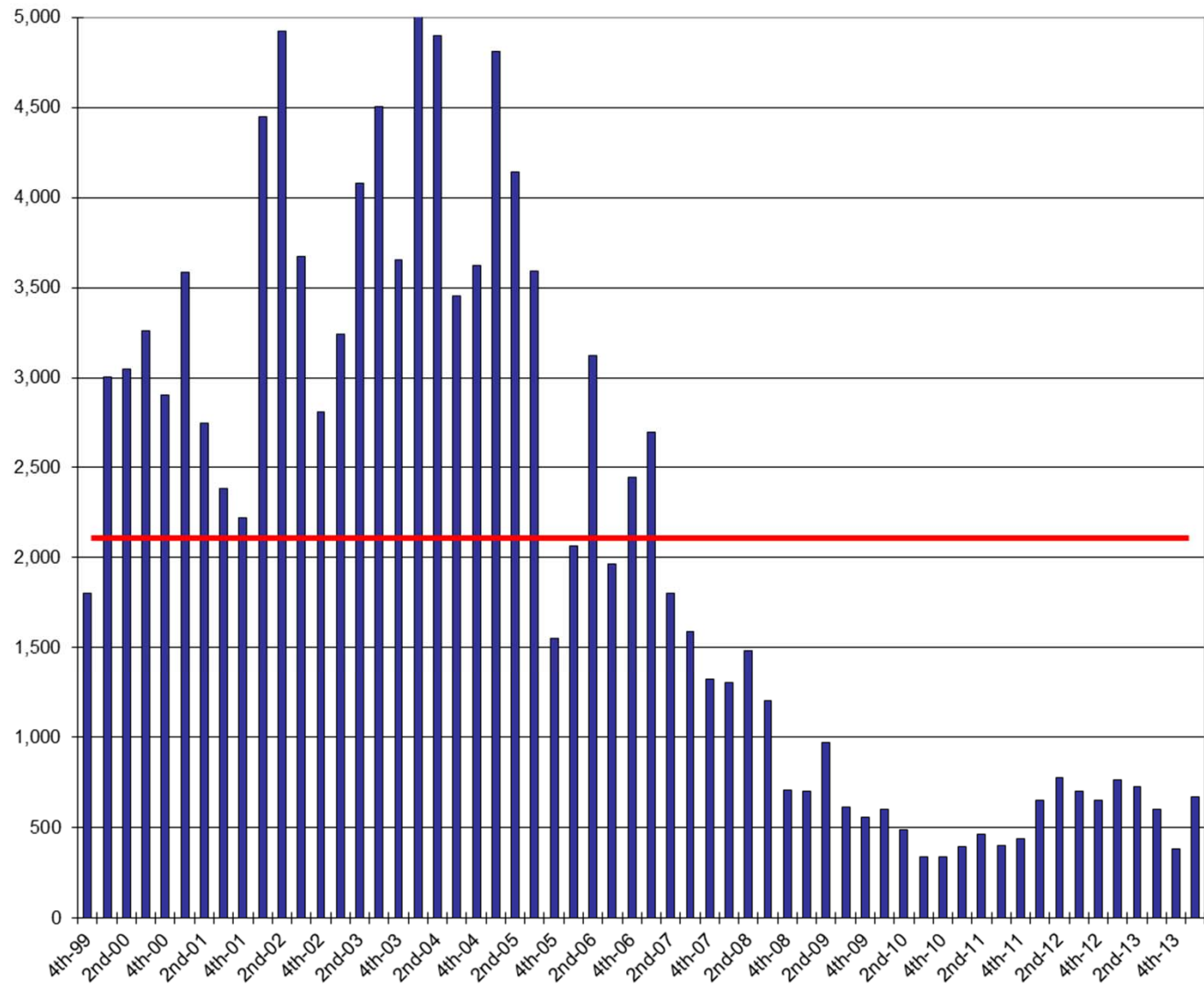
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## Sacramento Region New Home Sales

Long-Term Average:  
2,094 Quarter Sales

First Quarter 2014:  
672 Sales



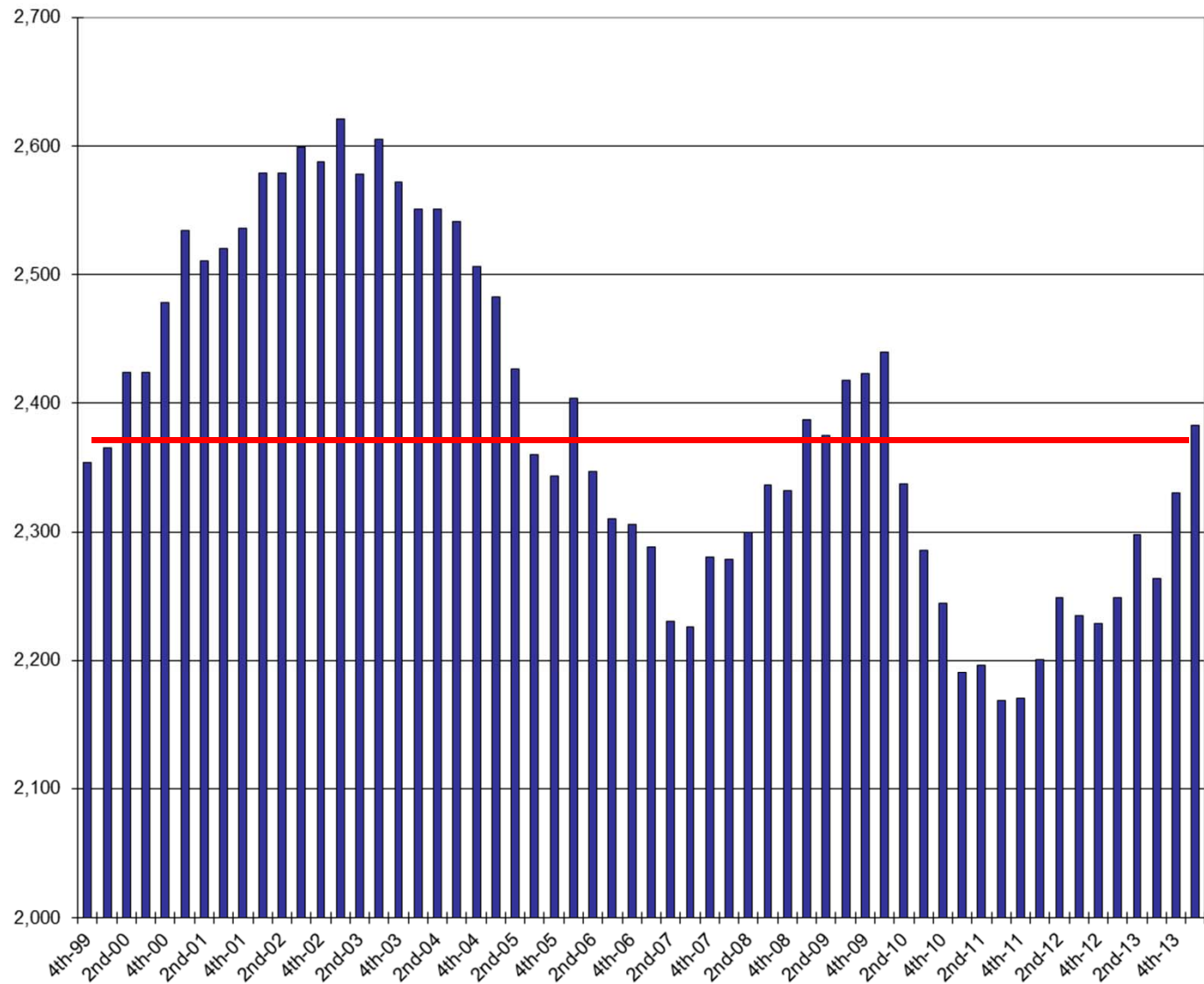
Source: The Gregory Group New Home Database

## Sacramento Region New Home Average Home Size

Long-Term Average:  
2,385 Square Feet

The smallest average home size was during the 3<sup>rd</sup> Quarter of 2011 at 2,168 square feet and has increased to 2,383 square feet during the 1<sup>st</sup> Quarter of 2014.

This is an increase of 9.9% or 215 square feet.



Source: The Gregory Group New Home Database

## Sacramento Region New Home Sales By Lot Size

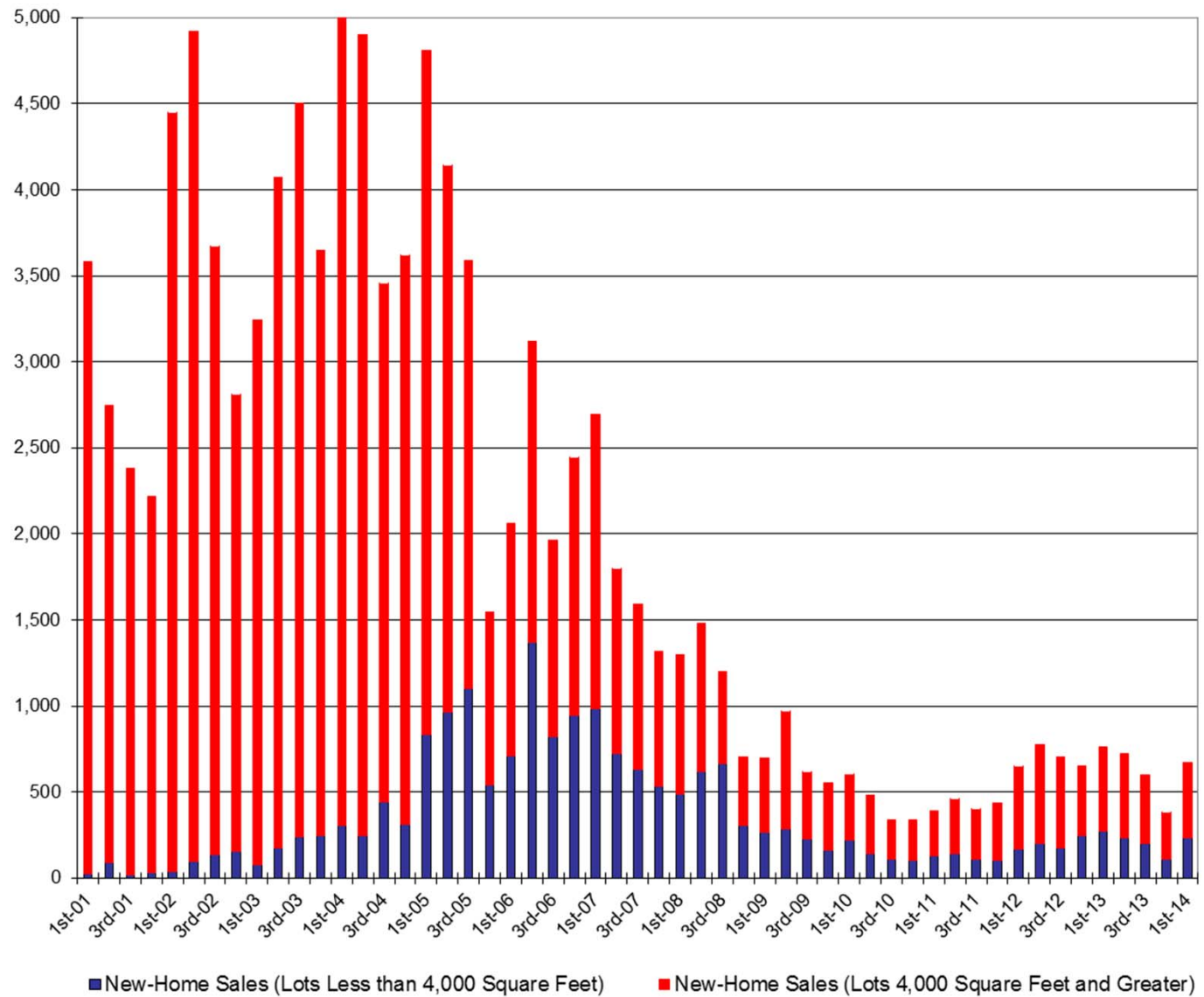
Percentage Share of  
Sales for Lots Sized  
at Less Than 4,000  
Square Feet:

2001 – 2004: 4.4%

2005 – 2008: 34.2%

2008 – 2013: 31.0%

2014 YTD: 34.7%



Source: The Gregory Group New Home Database

# So, What's Happening...

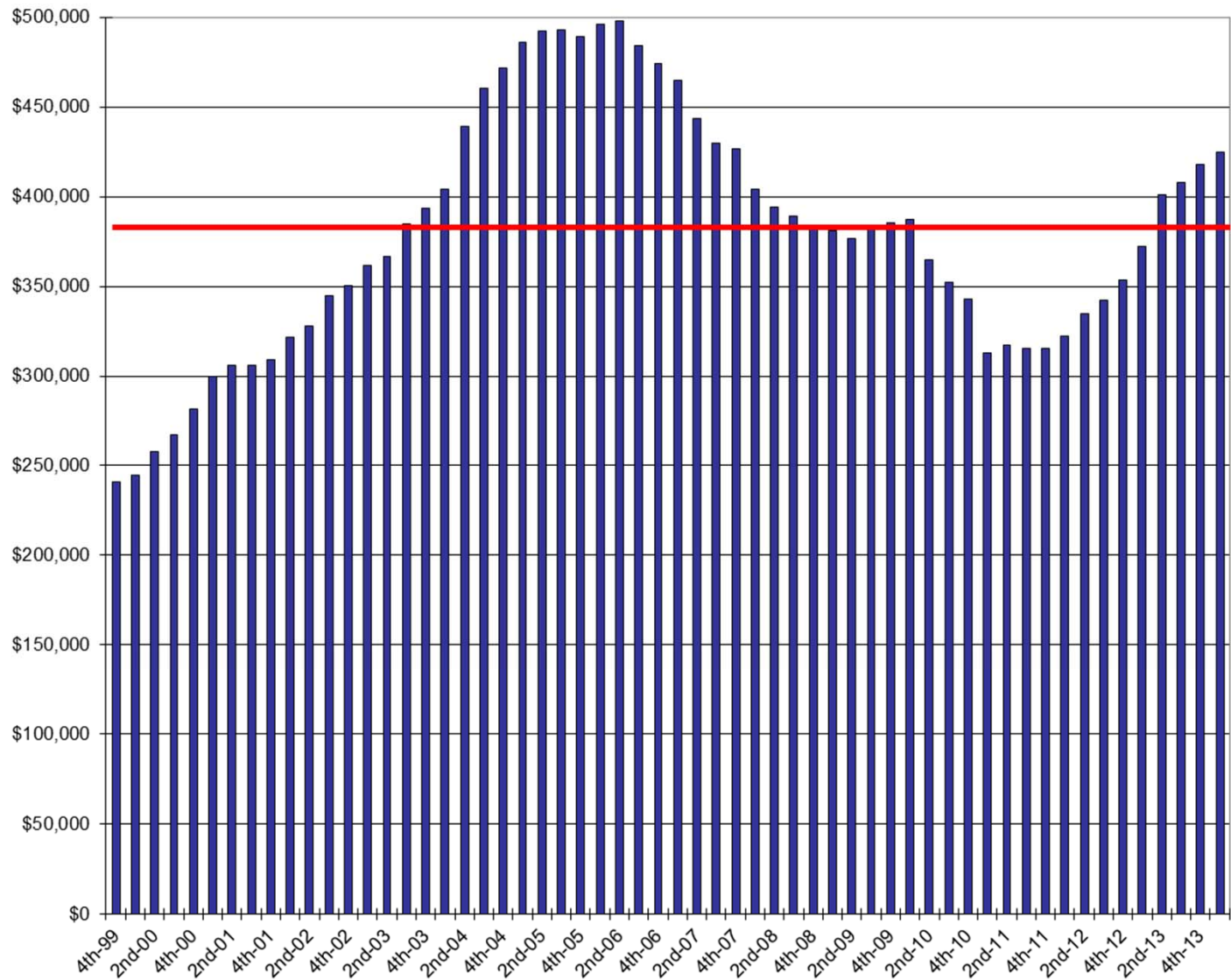
- Home sizes are increasing (the average home size during the Third Quarter of 2011 was 2,168 square feet increasing to an average of 2,383 square feet during the First Quarter of 2014).
- Lot sizes are decreasing (the average lot size during the Third Quarter of 2011 was 7,386 square feet decreasing to an average of 6,058 square feet during the First Quarter of 2014).
- Coverage Ratio:
  - Third Quarter 2011: 29%
  - First Quarter 2014: 39%

## Sacramento Region New Home Average Price

Long-Term Average:  
\$379,332

The new-home  
market bottomed in  
1<sup>st</sup> Quarter of 2011 at  
\$312,927 and three  
years later during the  
1<sup>st</sup> Quarter of 2014 is  
at \$424,794.

This is an increase of  
35.8% or \$111,867.



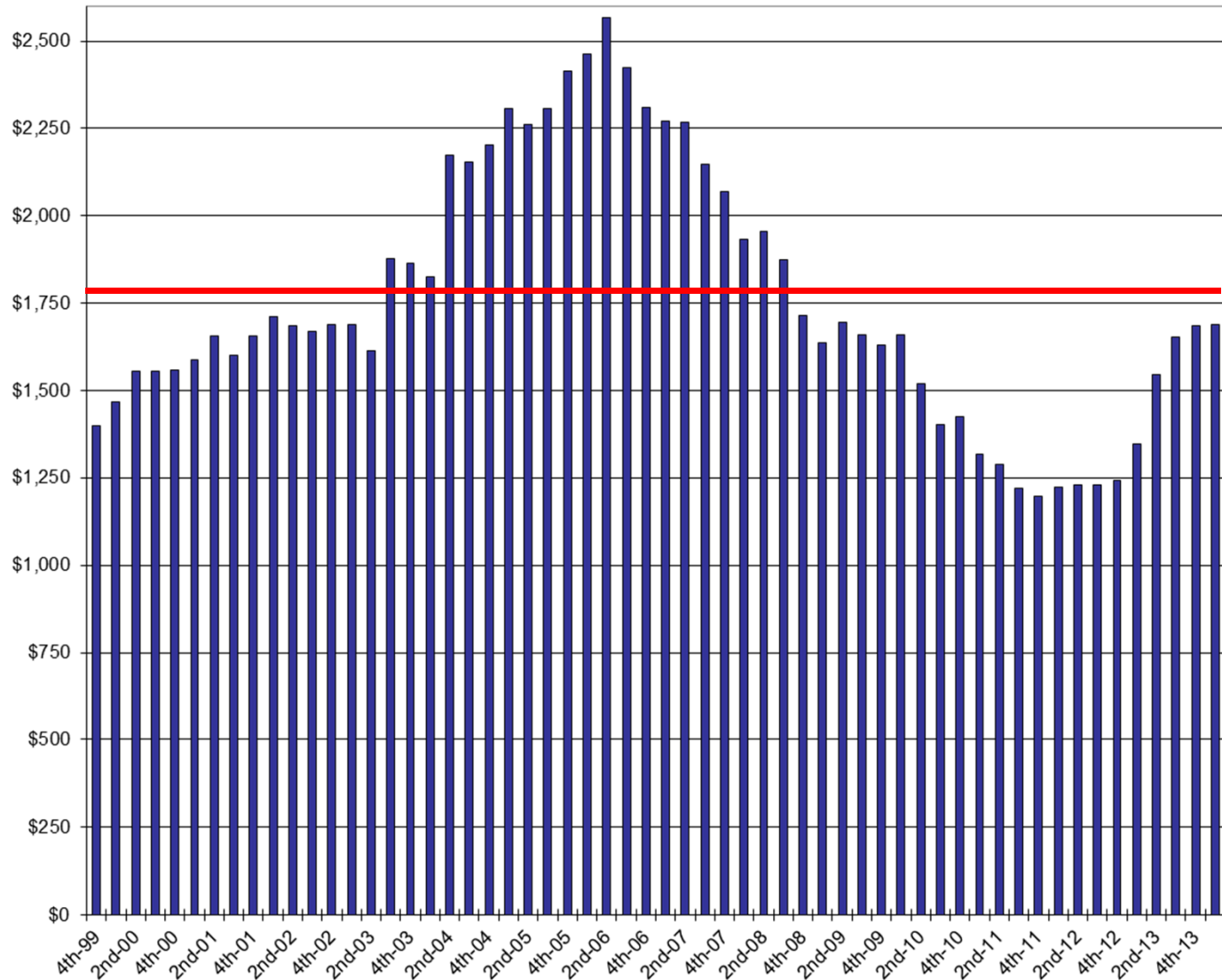
Source: The Gregory Group New Home Database

## Sacramento Region New Home Average Mortgage Payment

Long-Term Average  
Mortgage Payment:  
\$1,758

The lowest average mortgage payment was during the 4<sup>th</sup> Quarter of 2011 at \$1,198 and has increased to \$1,690 during the 1<sup>st</sup> Quarter of 2014.

This is an increase of 41.1% or \$492 per month.



Source: The Gregory Group New Home Database

Note: Assumes a 30-year conventional loan, 20% down payment and a 4.5% interest rate.



# So, Who's Buying...

- Silent Generation; 68 Years and Older—Slow to Buy and Decreasing in Numbers.
  - Retirement Communities, Independent Living, Assisted Living and Memory Care Facilities.
- Baby Boomers; 50 – 68 Years Old—Significant Numbers.
  - Executive Housing, 2<sup>nd</sup>/3<sup>rd</sup> Time Move-Up Housing and Empty-Nester, Move-Down and Retiree Housing
- Gen-X; 34 – 49 Years Old—Purchasing Homes from the Baby Boomers.
  - Move-Up Housing
- Millennials; 14 – 33 Years Old—Slow to Enter the Housing Market.
  - First-Time Buyers
  - Love Urban Housing

# Type of Sacramento Development

- Suburban:
  - Not going away
  - Will see more diversity in housing types
  - Overall lot sizes are shrinking (while home size is increasing)
  - Greater integration of uses; retail, commercial, recreation, etc.
  - “Suburban/Urban” Development; vertical and horizontal integration of higher density products at project core
- Semi-Urban:
  - Closer to downtown core within built communities
  - Large land opportunities are rare but smaller infill is more available
  - Re-use within older facilities that are no longer required (retail downsizing, Sutter Hospital, Curtis Park, etc.)
- Urban:
  - Core areas of downtown (redevelopment of downtown Sacramento)
  - But...high development costs result in high housing prices and poor schools push families to the suburbs

## Roseville HP Site

- Walk to work
- Walk to retail
- Bike to school
- Exercise out your front door
- Minutes from transportation
- Mixed-use (189-ac) including residential, tech/business park, commercial center, parks/open space as well as recycled water, solar energy and plug in garages for electric cars



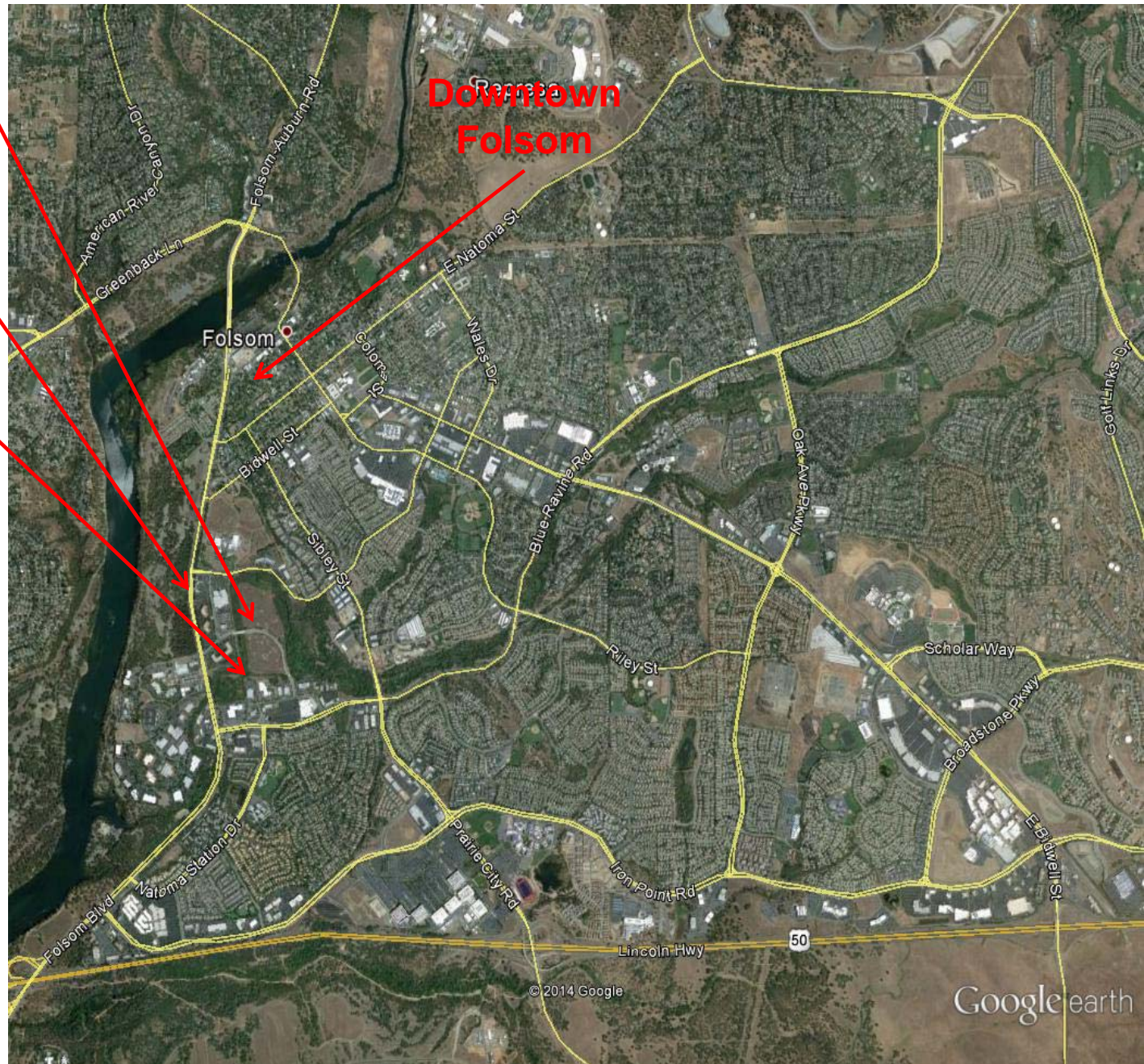


**The Islands at  
Parkshore Site**

**Walkable to  
Light Rail**

**Walkable to  
Employment/  
Recreation**

- 315 units
- 11 du/ac
- 1,500 – 2,200  
Square Foot  
Homes

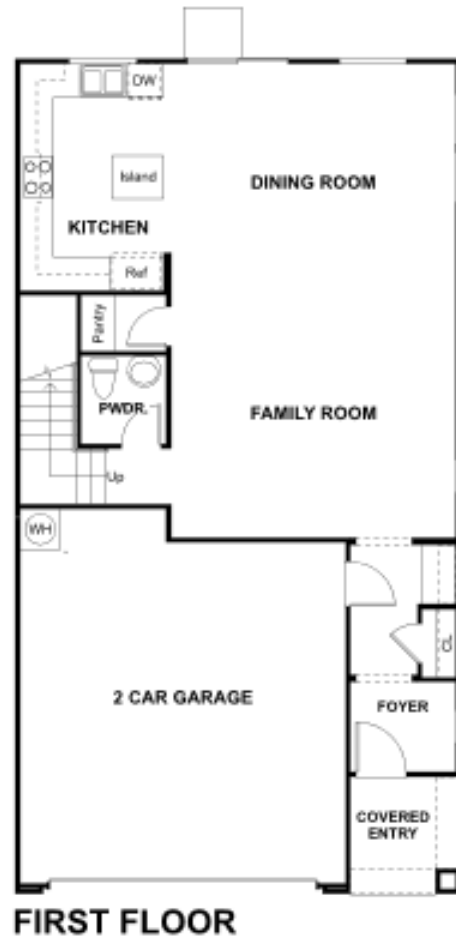








## Paseo Del Norte by K. Hovnanian Homes



1,811 to 2,712 SF; \$298,000 to \$334,000;  
2,475 SF Lots (45 x 55), 1.0 Sales Per Week

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## Real Estate Information and Consulting Services

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