

More options for buyers of high-end housing

By Hudson Sangree, Sacramento Bee

For home buyers in the region, it's better at the top.

Anyone shopping for a home today under \$500,000 is likely to find frustratingly few choices. Although inventory has doubled from historic lows last year, the region's most popular price range – roughly \$200,000 to \$450,000 – remains a strong seller's market with scant supply compared to demand.

Buyers who can afford a home priced at more than \$500,000 are apt to encounter better selection, time to shop and room to negotiate. That's because supply in the higher price ranges is much greater relative to the number of purchasers.

What's different today is the extremely tight supply of homes at prices most people can afford.

In May, Sacramento, Placer, El Dorado and Yolo counties combined had only about 1.6 months' worth of inventory in the \$200,000 to \$300,000 price range. By contrast, there were 3.8 months of inventory in the \$500,000 to \$750,000 category and a year's worth in the \$1 million-plus bracket.

The figures reflect the time it would take to sell all homes on the market in those price ranges. Anything less than three months of inventory is considered a seller's market, while four to six months of inventory signals a more balanced and healthy market.

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