North State BIA Forecast
Housing Market Trends and The Future

October 29, 2026

Zonda

Let’s start with the big picture…

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Let's start with the good news…Sacramento is the only California market that is performing

Overperforming
16%

Average
33%

Underperforming
51%



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The data is as of September.

Source: Zonda

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The tough news…housing and builder sentiment is frozen

Builder sentiment: 78% negative / 22% positive

"Brutal."

"Demand and affordability remain terrible"

"Pleasantly surprised with fairly consistent sales volume through slow months."

"Leads and traffic have been painfully low."

"Super difficult — almost nonexistent traffic."

"A lot of interest but taking longer to get people to move forward."

"Already at our business plan number."

"Consumers appear to be back on the sidelines due to economic concerns."

"Incentives and discounts are keeping demand OK."

"Surprisingly good considering all of the headwinds."

Demand and affordability remain strained. Inventories continue to rise while buyer motivation softens. A lot of interest, but buyers are taking longer to move forward.

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Themes in the current market…many shared

Cost Pressures

- Rates are high
- Gas prices elevated
  - 50% Above National Avg in Sac
- Incentives expensive
- Buyers are worried

Bye Bye FOBATT

- Buyers are **no longer waiting for rates and prices to drop**.

Expectations on Steroids

- Offers are the **lowest seen in a decade**.
- Buyer expectations far outpace market reality.

Election Uncertainty

- This mid-term cycle has the feel of a Presidential election — **same distractions and hesitation**.

Financial Stress

First-time and move-up buyers are struggling with

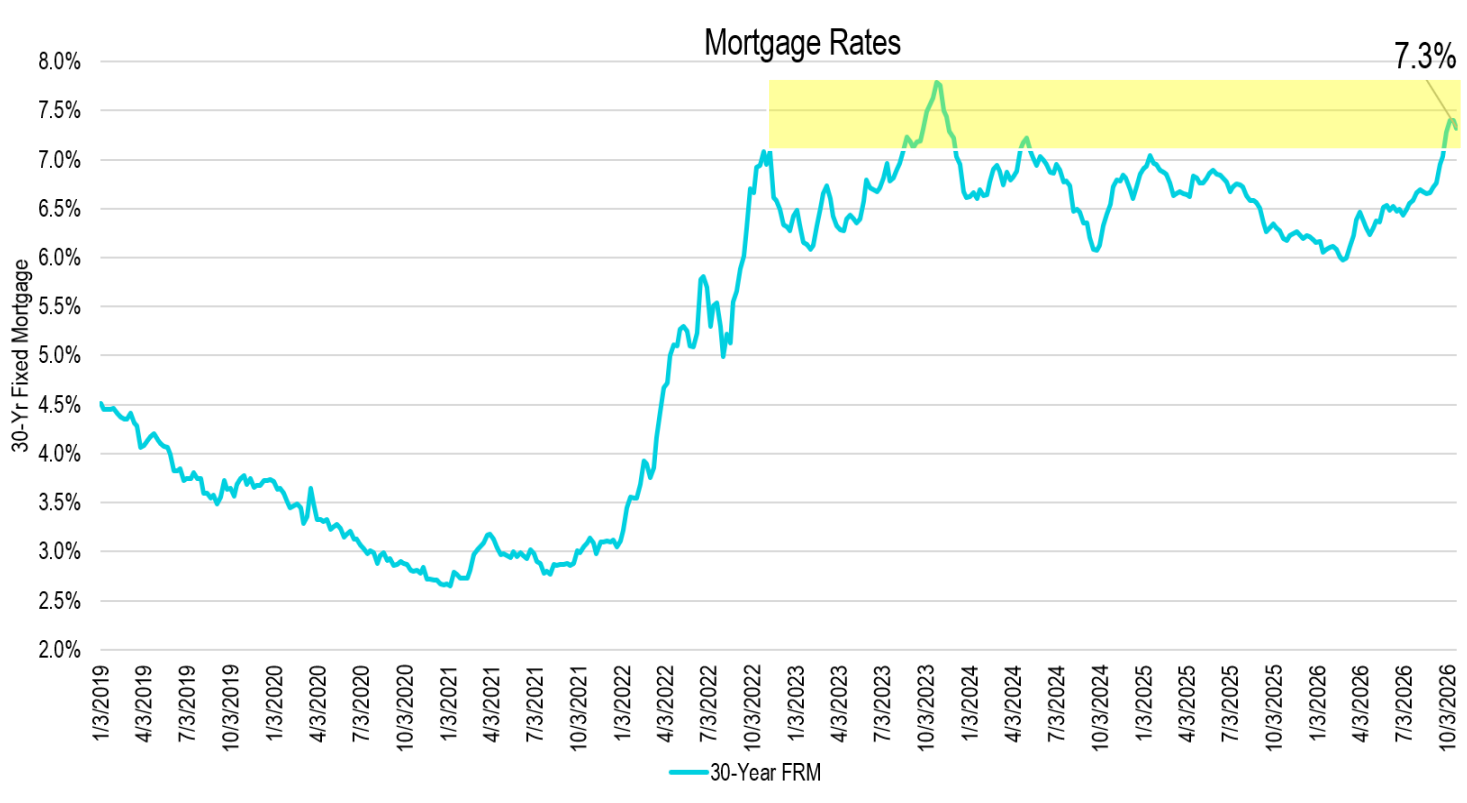
- **Incomes are only up 18% since 2019**
- **Prices are up 87% since 2019**
- **Credit issues**
- **Overspending**
- **Loan approval**

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Rates – particularly over 7% -- cause consumers to hold

correlating historically with lower sales rates



30-Year Fixed: 7.3% | 15-Year Fixed: 6.68%

- Rates climbed well before any Fed announcement.
- The market was pricing in continued tightening
- This upward trend is eroding purchasing power for many buyers

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Today, monthly payments are up 87% since 2019



	Sacramento	San Francisco
Change in Monthly Payment From 2019	87.0%	83.6%
Monthy Payment YOY	-4.6%	2.4%
New Home Price Change From Peak	-11.0%	-12.1%
Resale Price Change From Peak	-0.9%	0.0%
QMI Per Community	4.0	1.8
Starts	5,731	1,461
Change in Starts From 2019	3.3%	-66.6%
Change in Active Listings From 2019	-8.9%	-6.8%
Change in Community Count From 2019	10.4%	-41.5%

Source: Fred; Public Records

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Unfortunately, there is a case for higher rates to continue

Three structural factors keeping rates elevated

Inflation Above Target

Inflation has exceeded the Fed's target for 5 years.

Over the last 12 months, 50%+ of PCE inputs have grown by 3%+.

Iran and the supply-side oil shock is only part of the story.

However, Inflation is up 3.7% YOY in September driven by energy

CapEx Investment Strong

Capital expenditure remains robust, with major AI-driven investment

- Alphabet
- Meta
- Oracle
- Nvidia
- Microsoft,
- Amazon

Labor Market Holding Up

Unemployment remains within reasonable range.

National figures mask significant local variation — market-level data tells a more nuanced story.



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…The interesting part…rates are ONLY down 22.5% compared to 2019



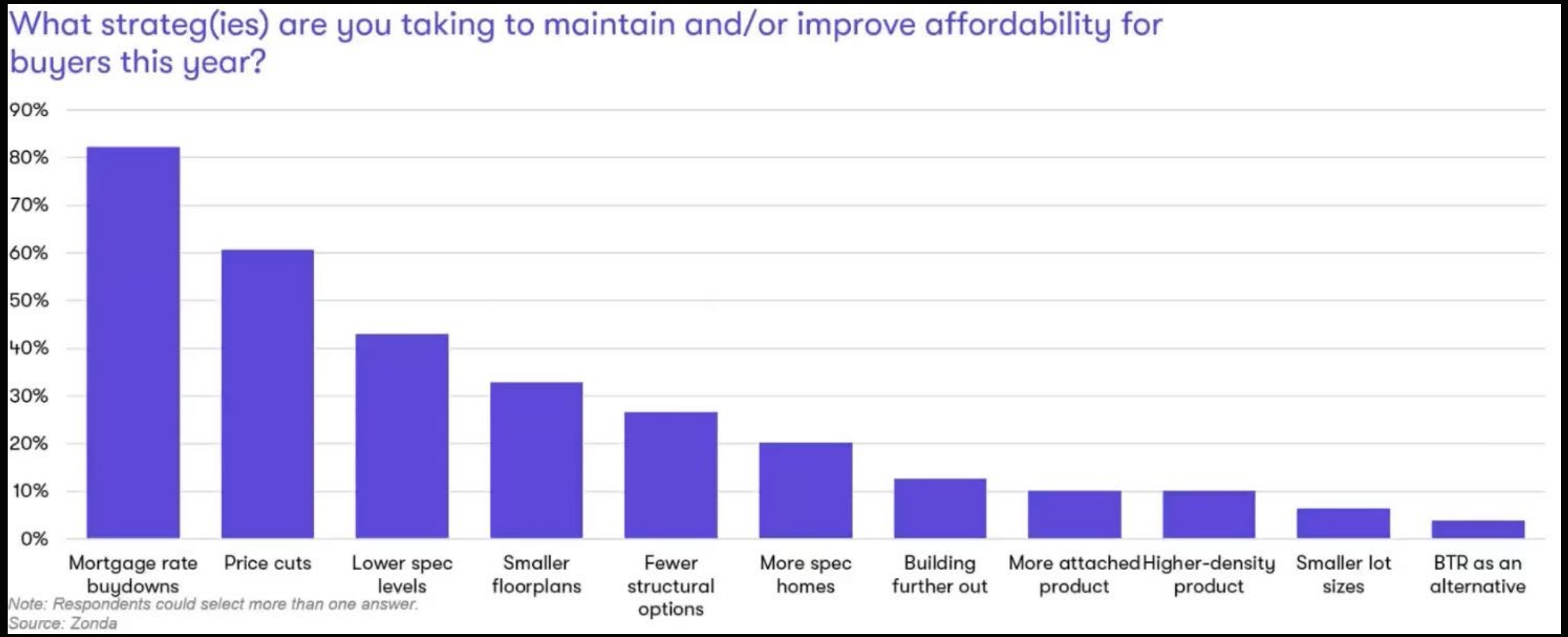
	Sacramento	San Francisco
Sales Rate YOY	-16.9%	-27.6%
Sales Rate Change From 2019	-22.5%	-39.6%
Change in Monthly Payment From 2019	87.0%	83.6%
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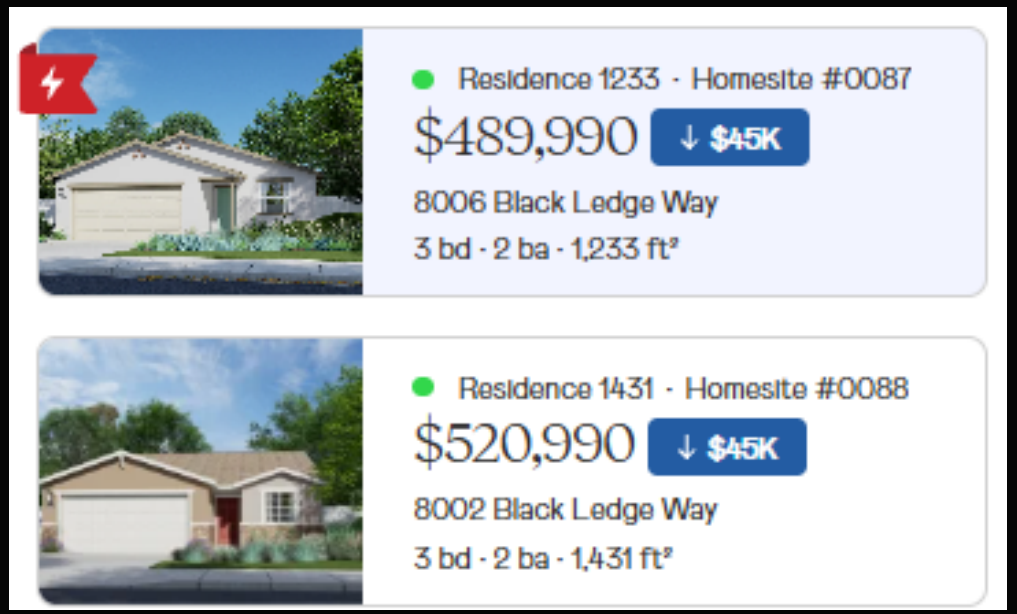
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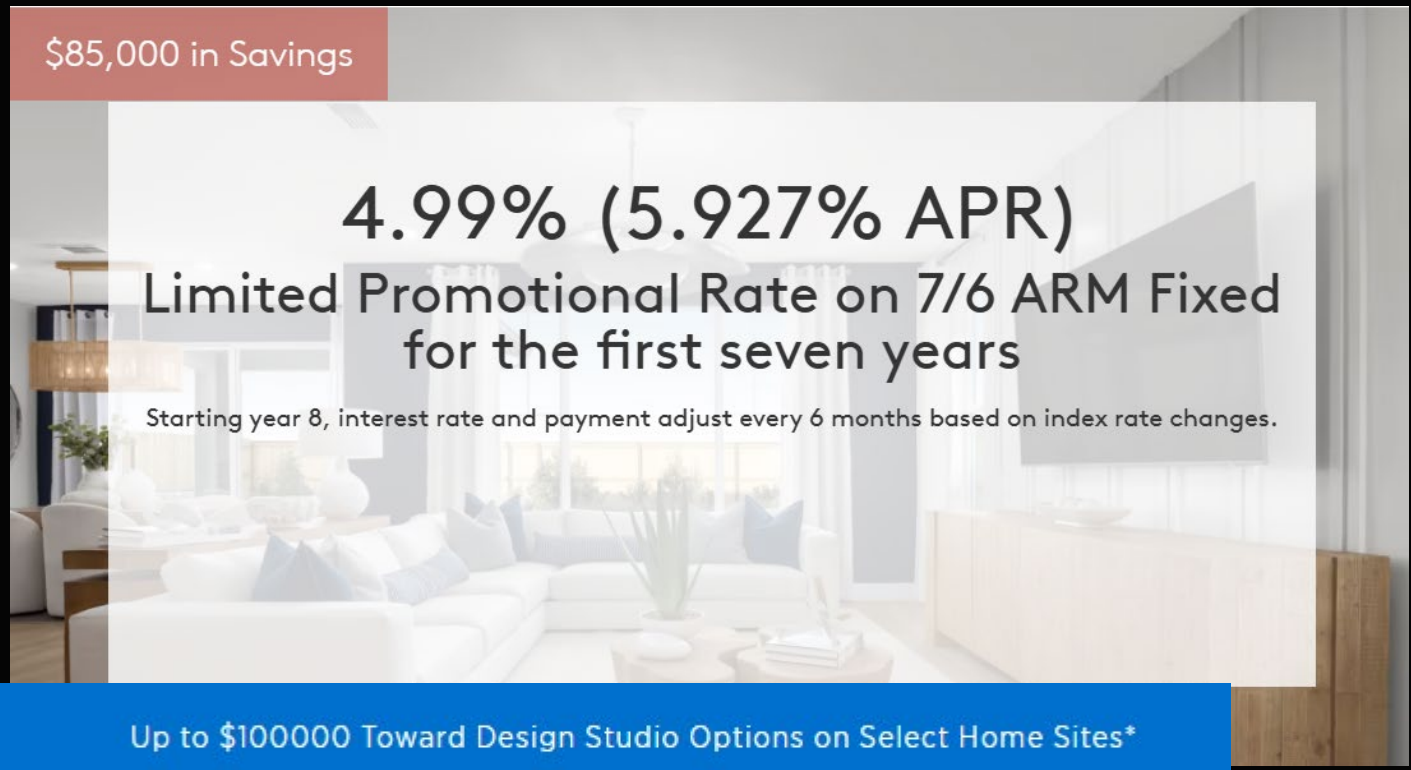
Buydowns remain the top builder strategy



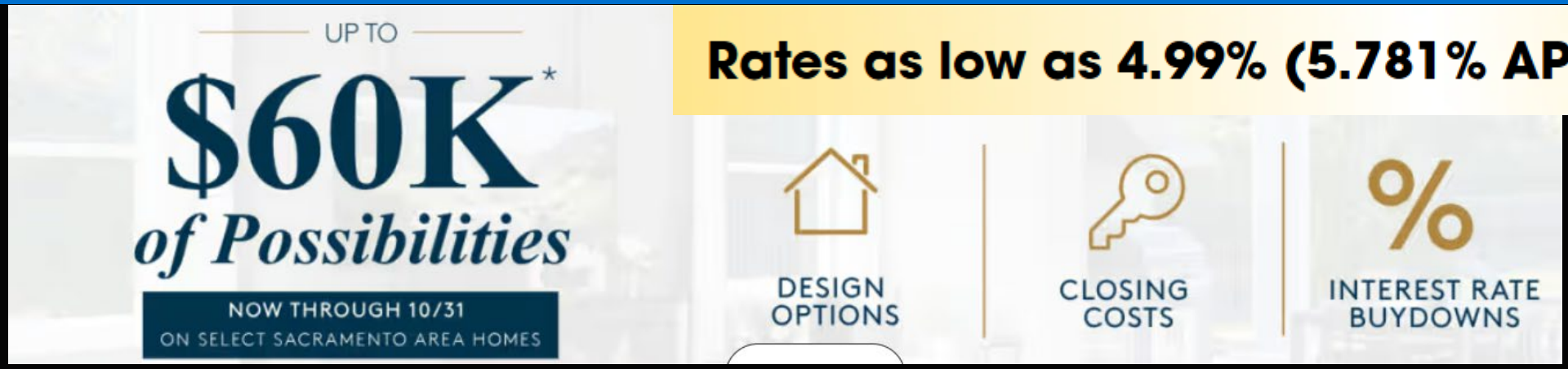
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Incentives are definitely real…





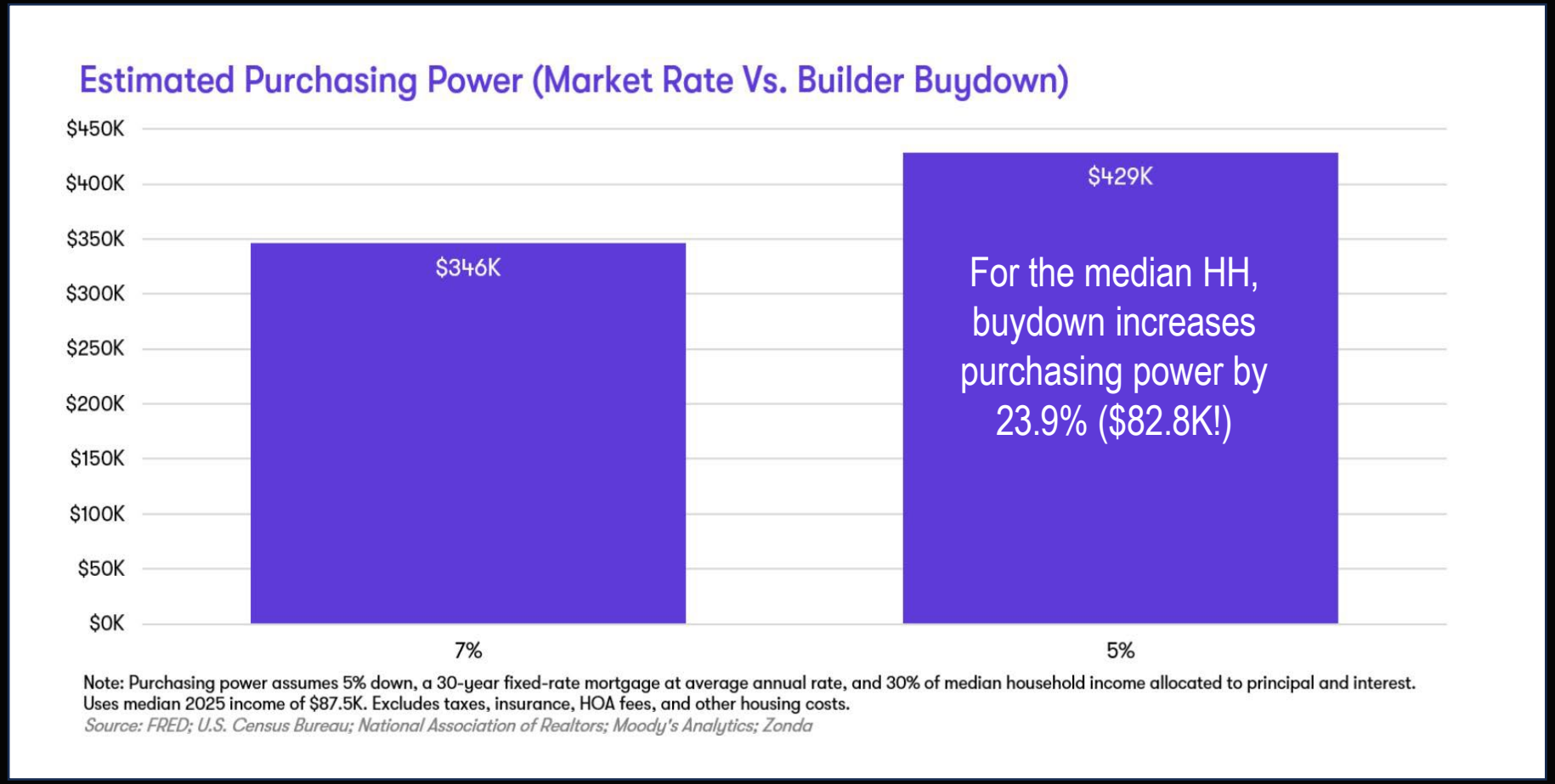
NATIONAL sales event OCT 3-OCT 18 Up to $100000 Toward Design Studio Options on Select Home Sites*



Rates as low as 4.99% (5.781% APR) 5/1 FHA ARM.

Compared to resale…it is our time to shine

Rate buydowns remain one of the most powerful tools available to builders in this environment.



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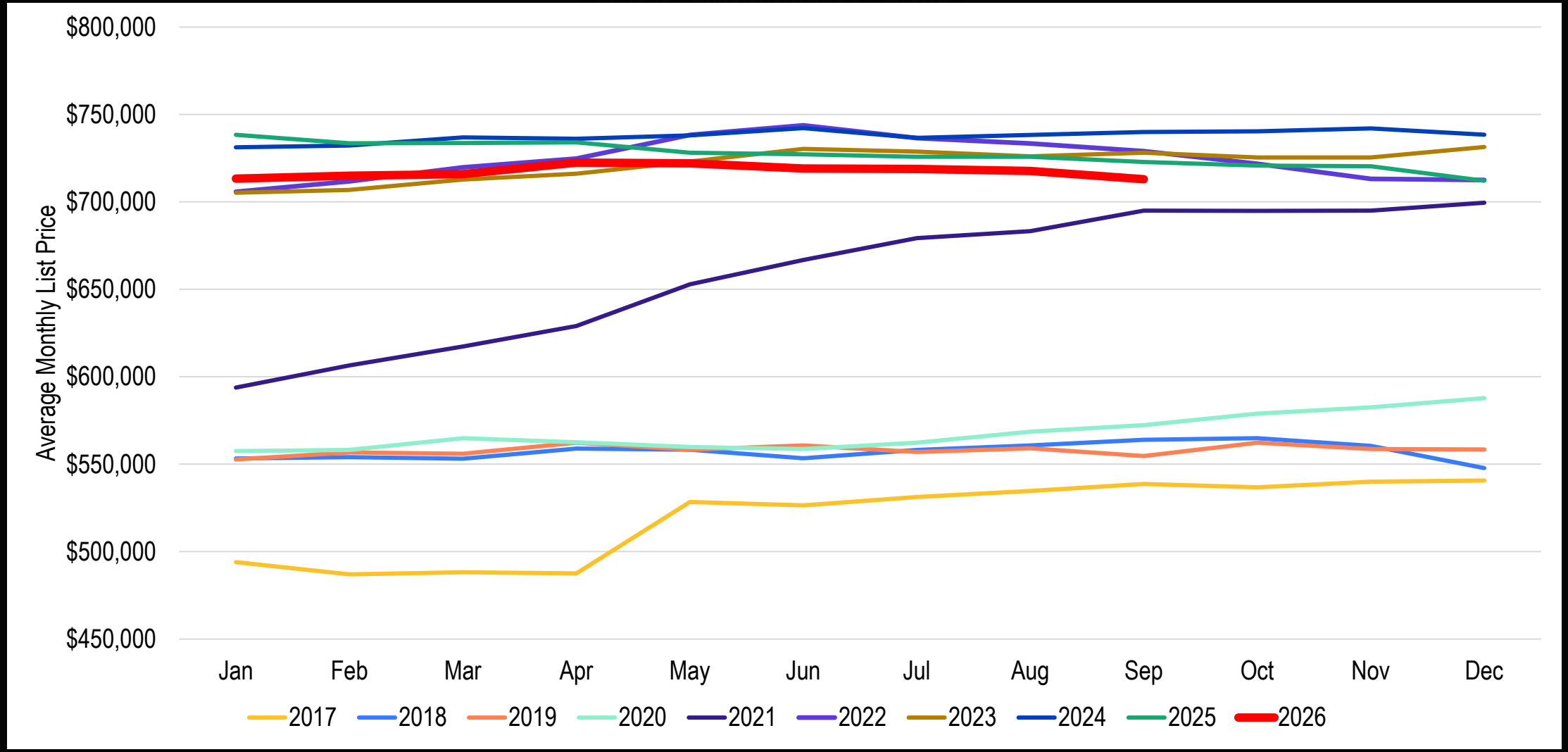
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Let’s local at the local market housing trends…

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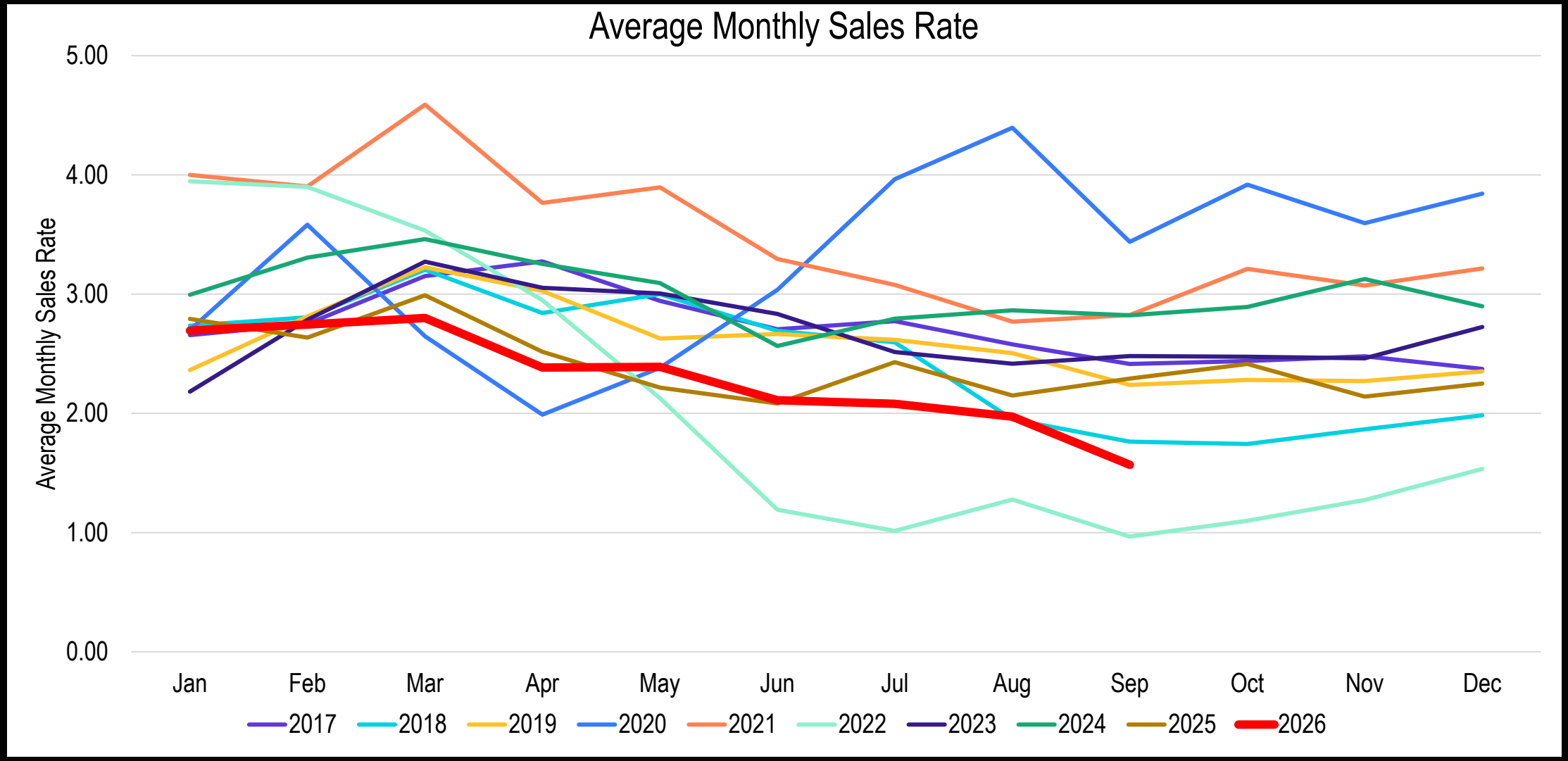
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Prices are remarkable considering all…



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But sales rates are waning…

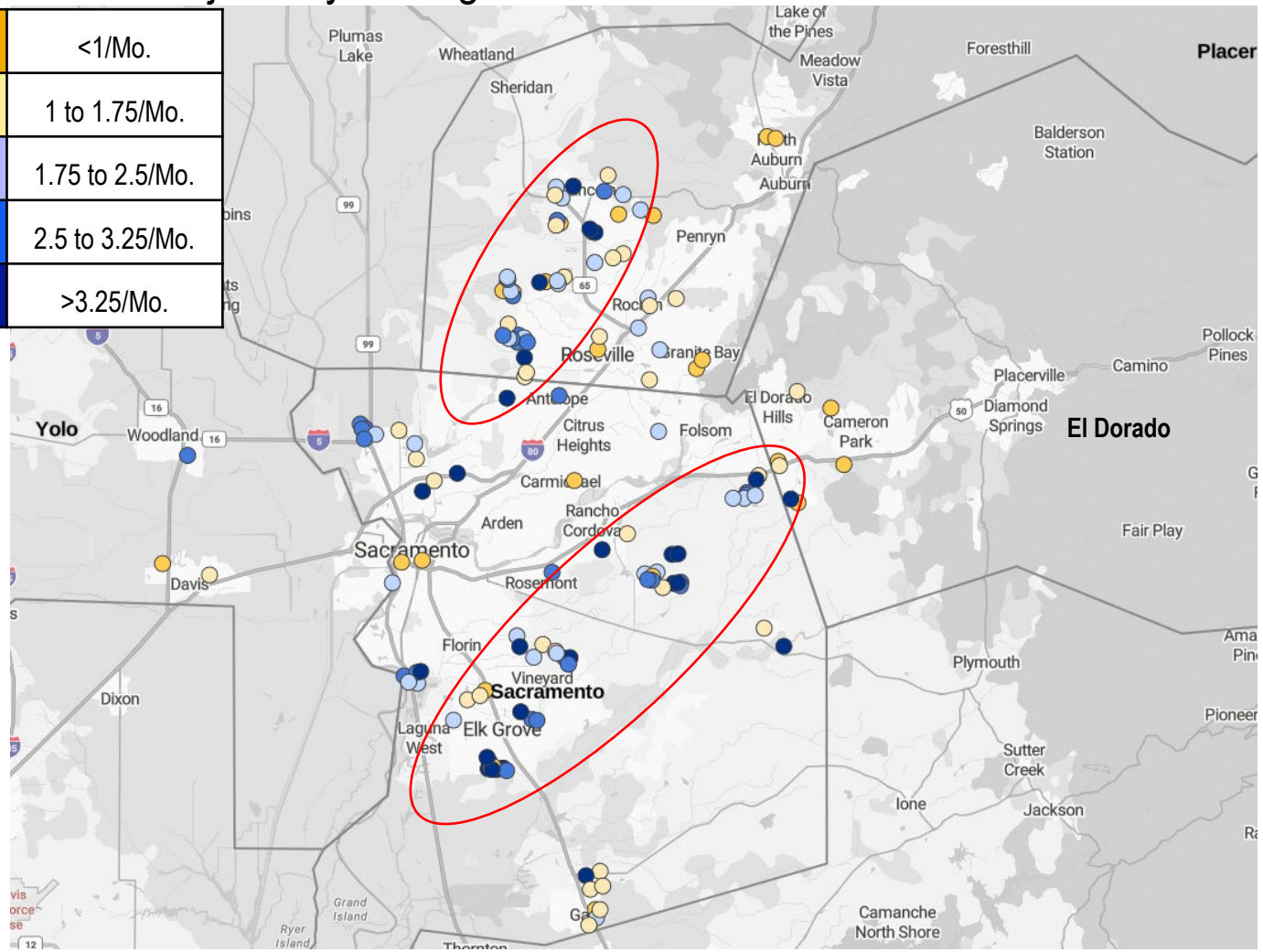


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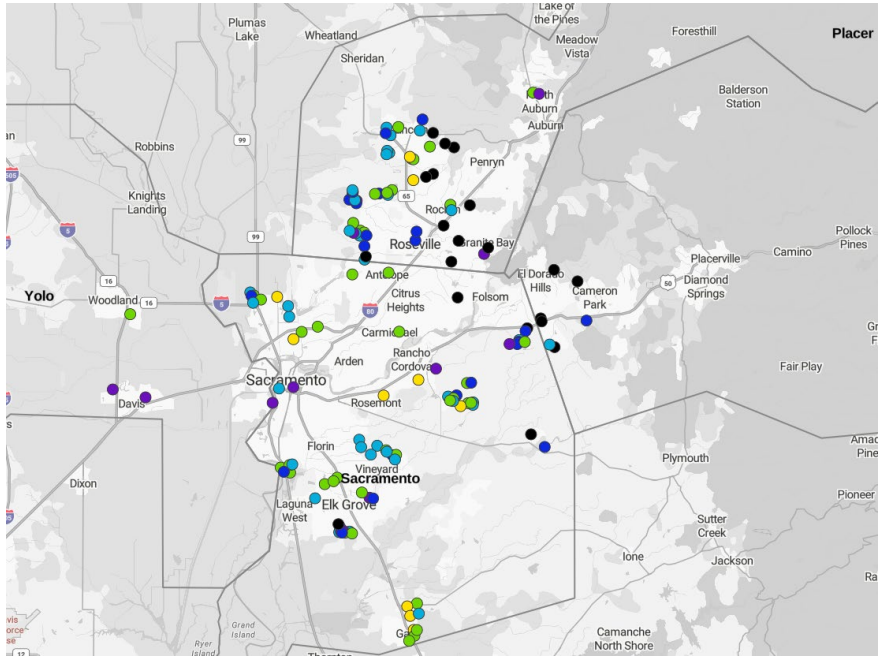
The more affordable…the better the rate

Active Projects by Average Sales Rate

	<1/Mo.
	1 to 1.75/Mo.
	1.75 to 2.5/Mo.
	2.5 to 3.25/Mo.
	>3.25/Mo.

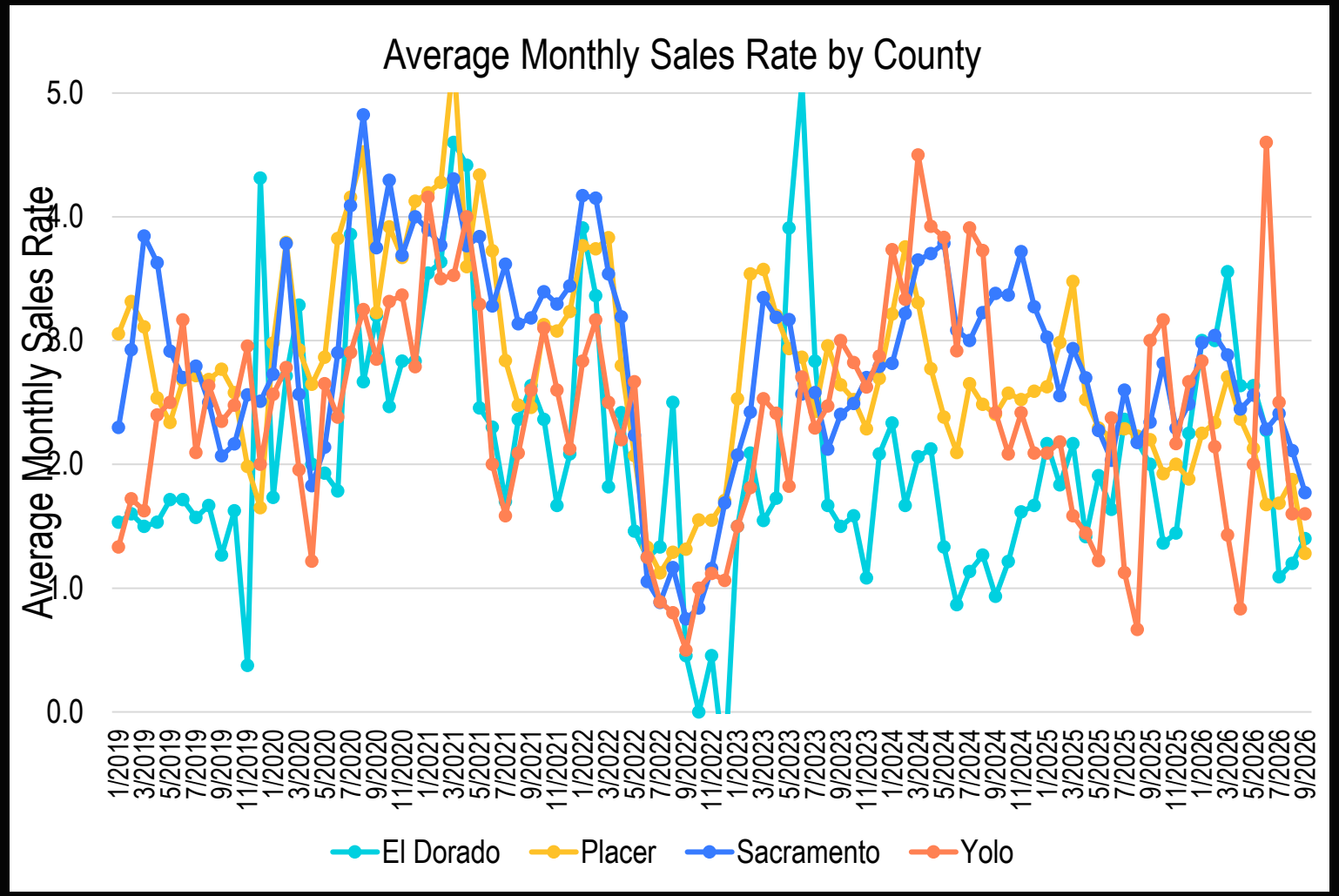


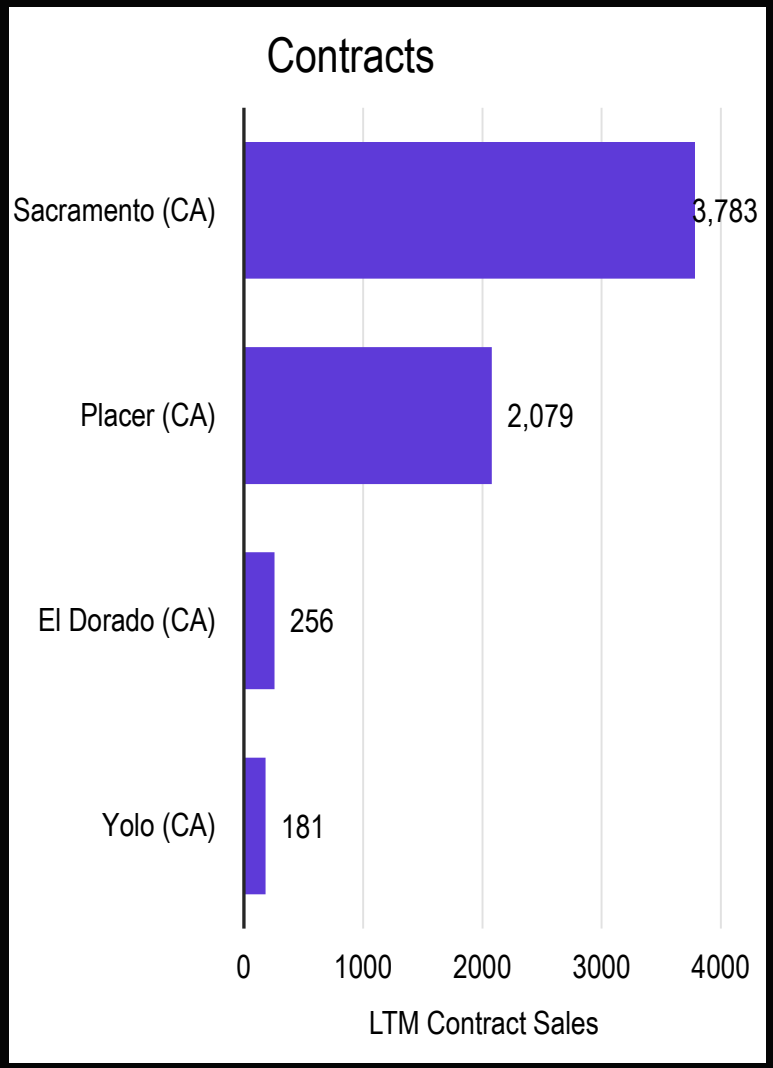
Active Projects by Average List Price



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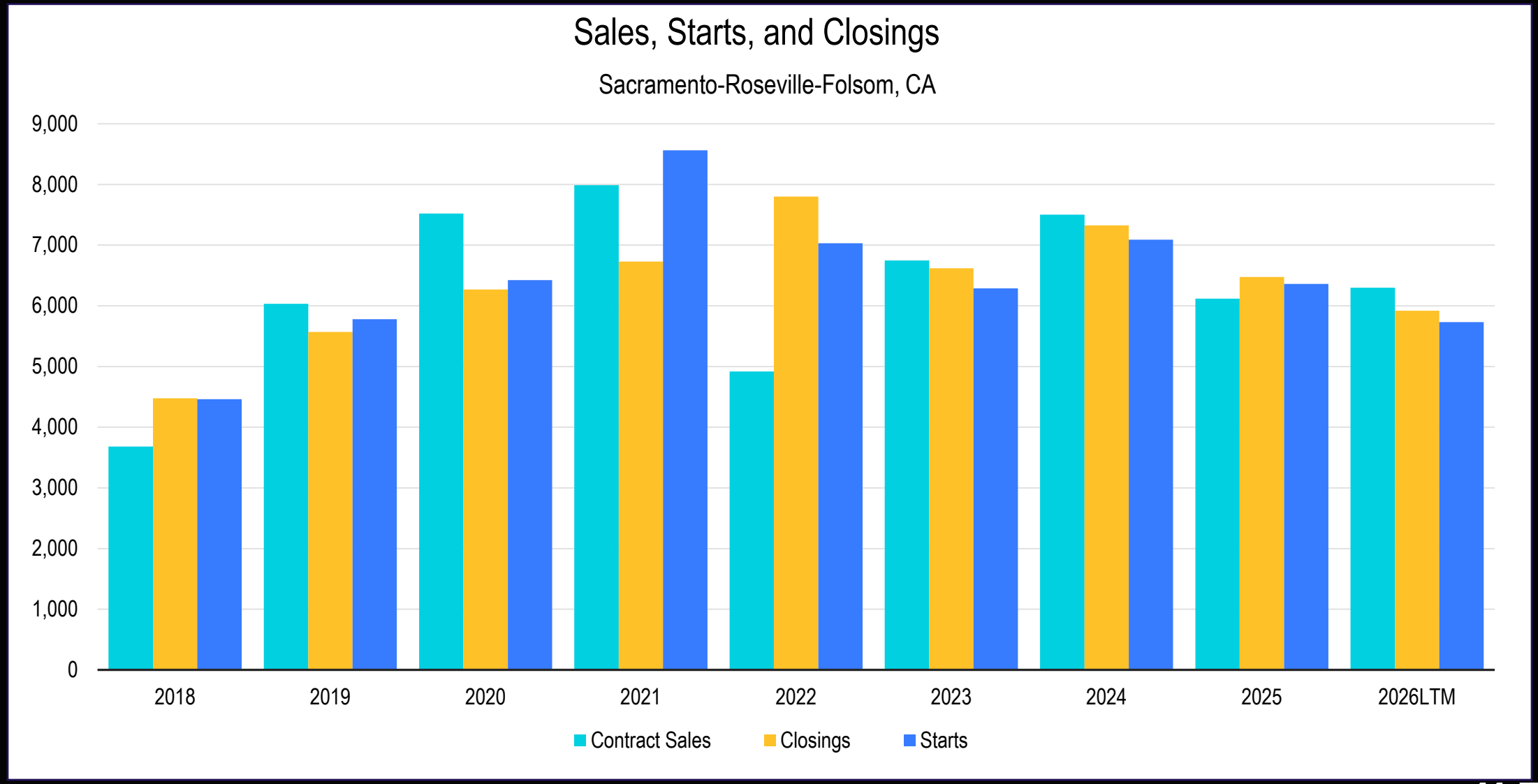
The highest sales rates and contracts (96%!) are in Sacramento and Placer





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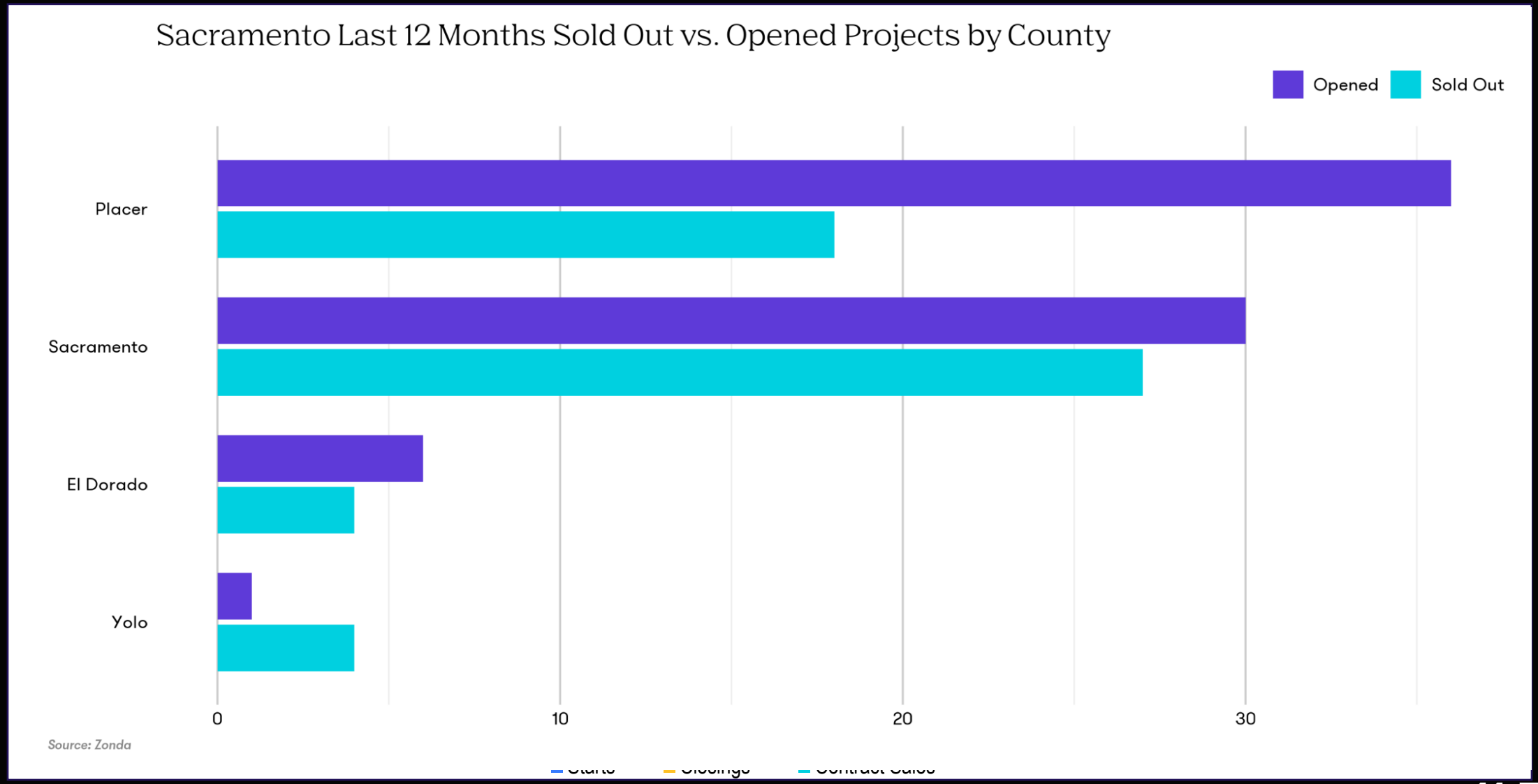
Sales, Starts, and Closings are balanced



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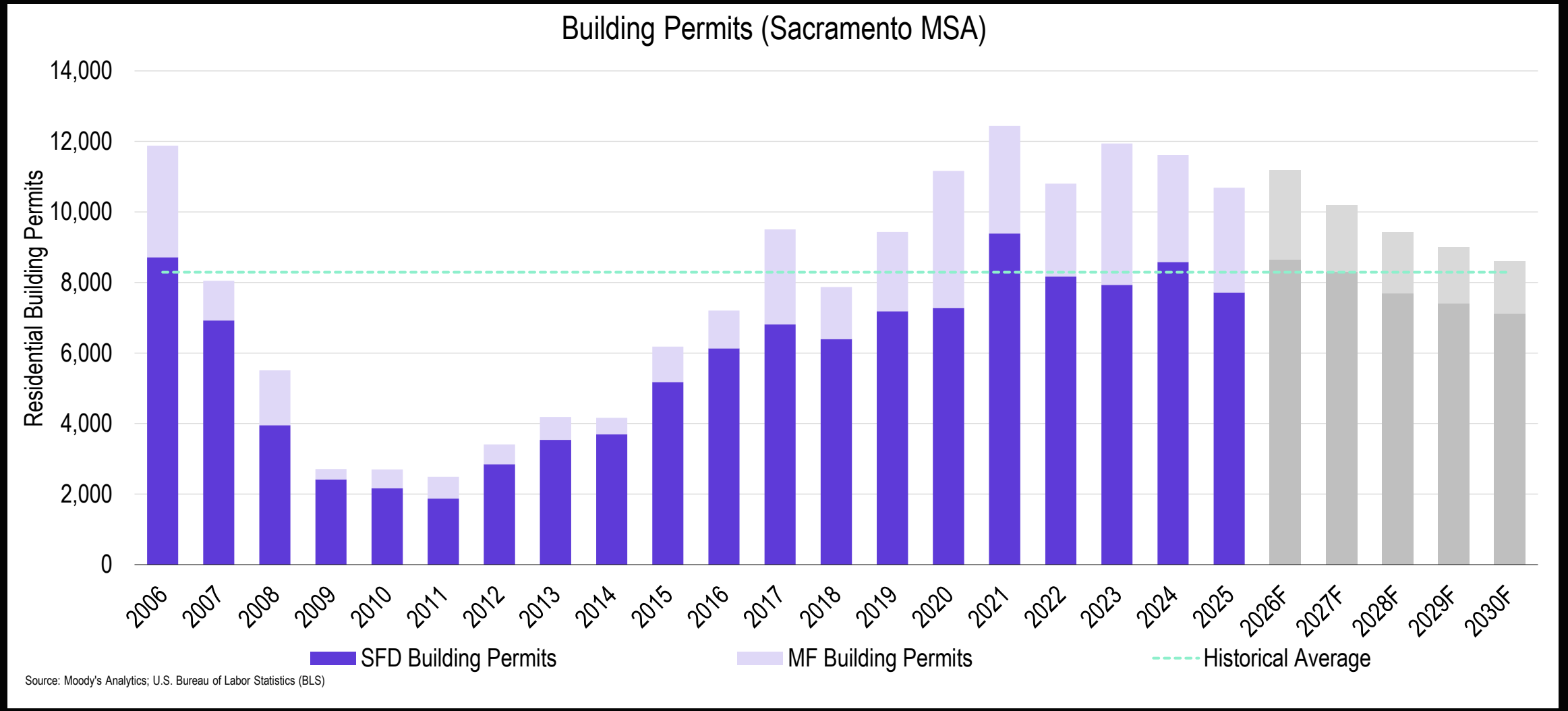
Placer and Sacramento sales are keeping up with starts;

however, they have more projects opening than closing



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Supply looks relatively stable; However, price, product and ratees will be the wild cards to managing healthy supply

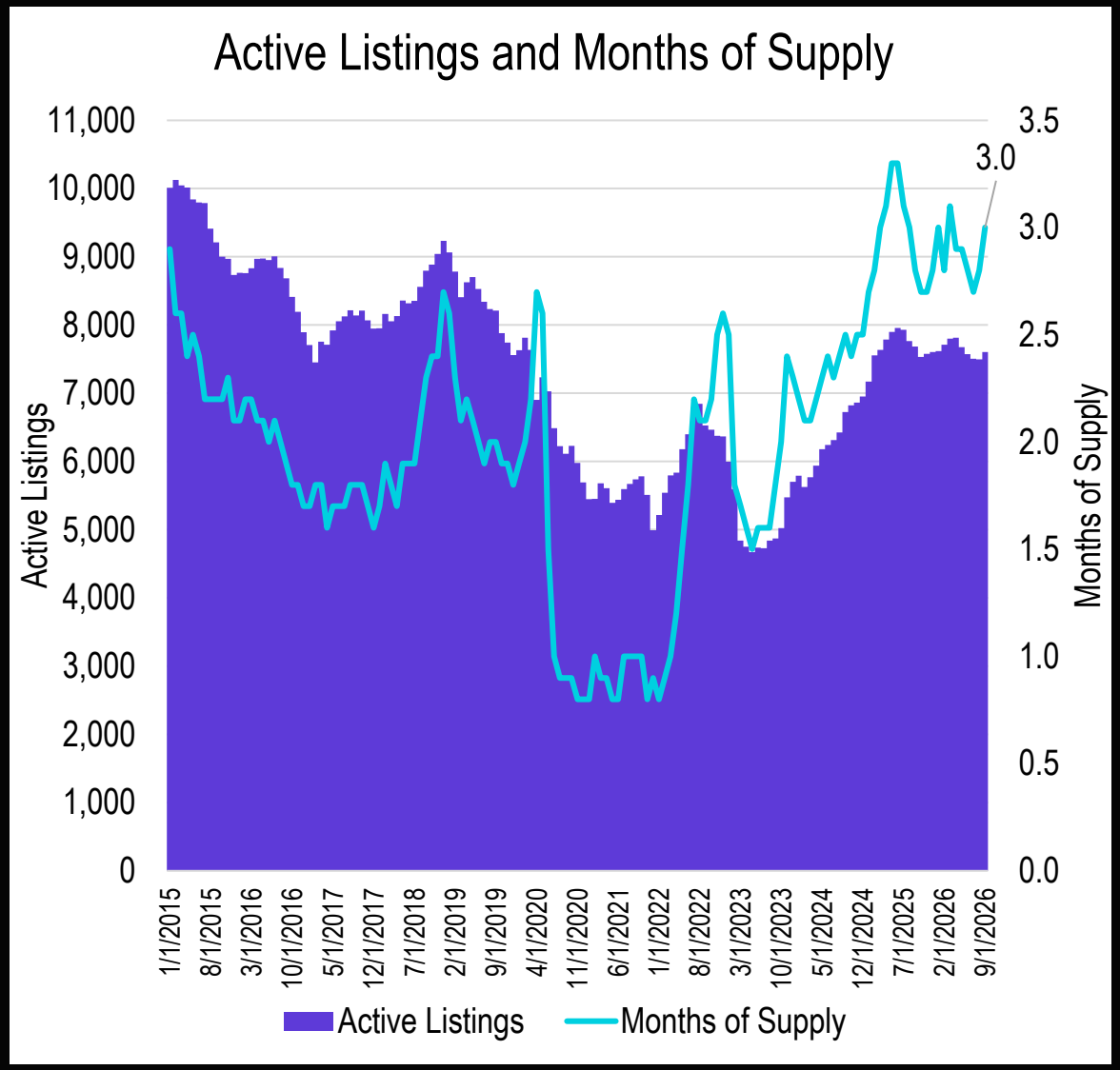


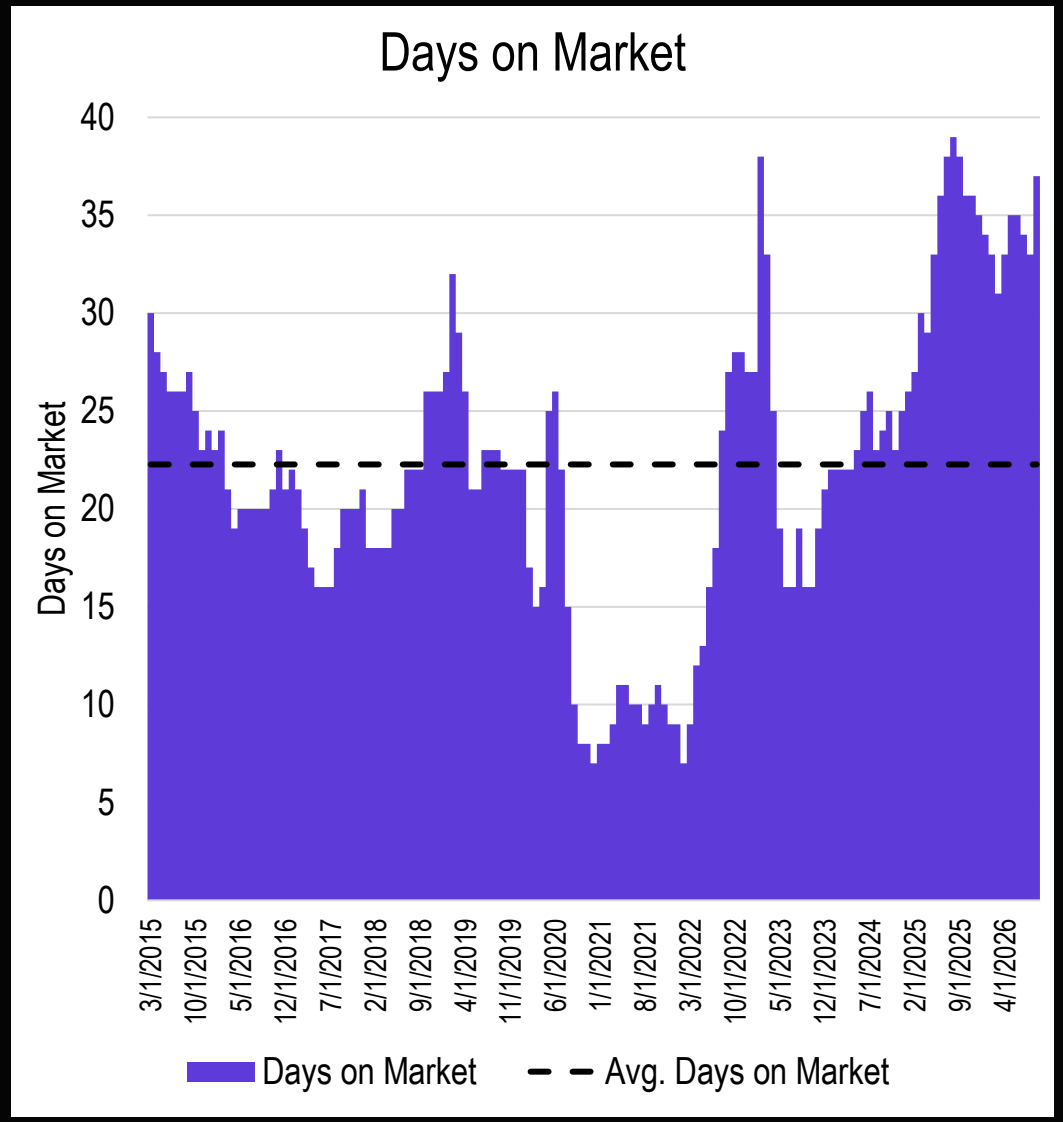
Source: Moody's Analytics; U.S. Bureau of Labor Statistics (BLS)

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Sacramento MSA listings and months of supply are up due to slower sales



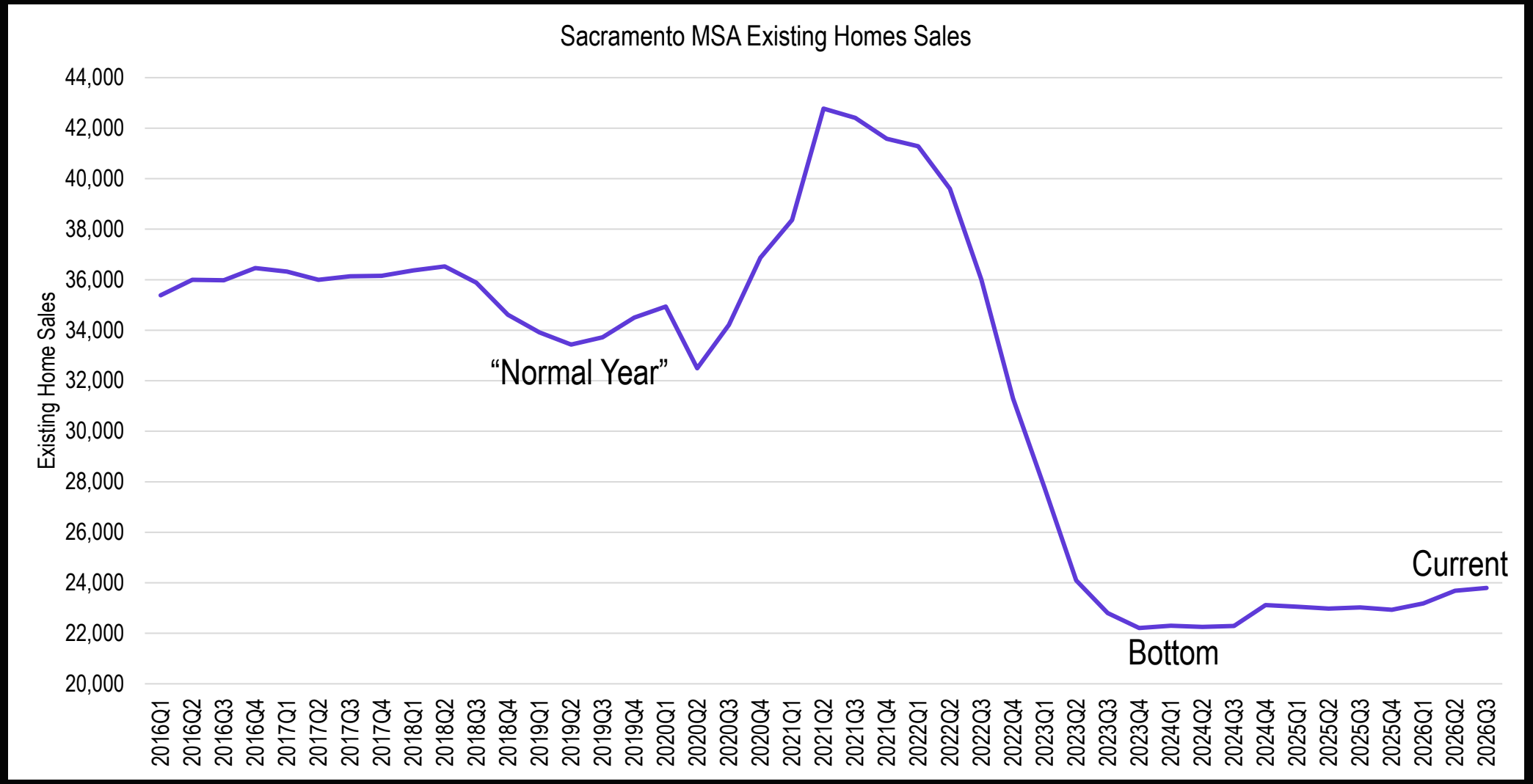


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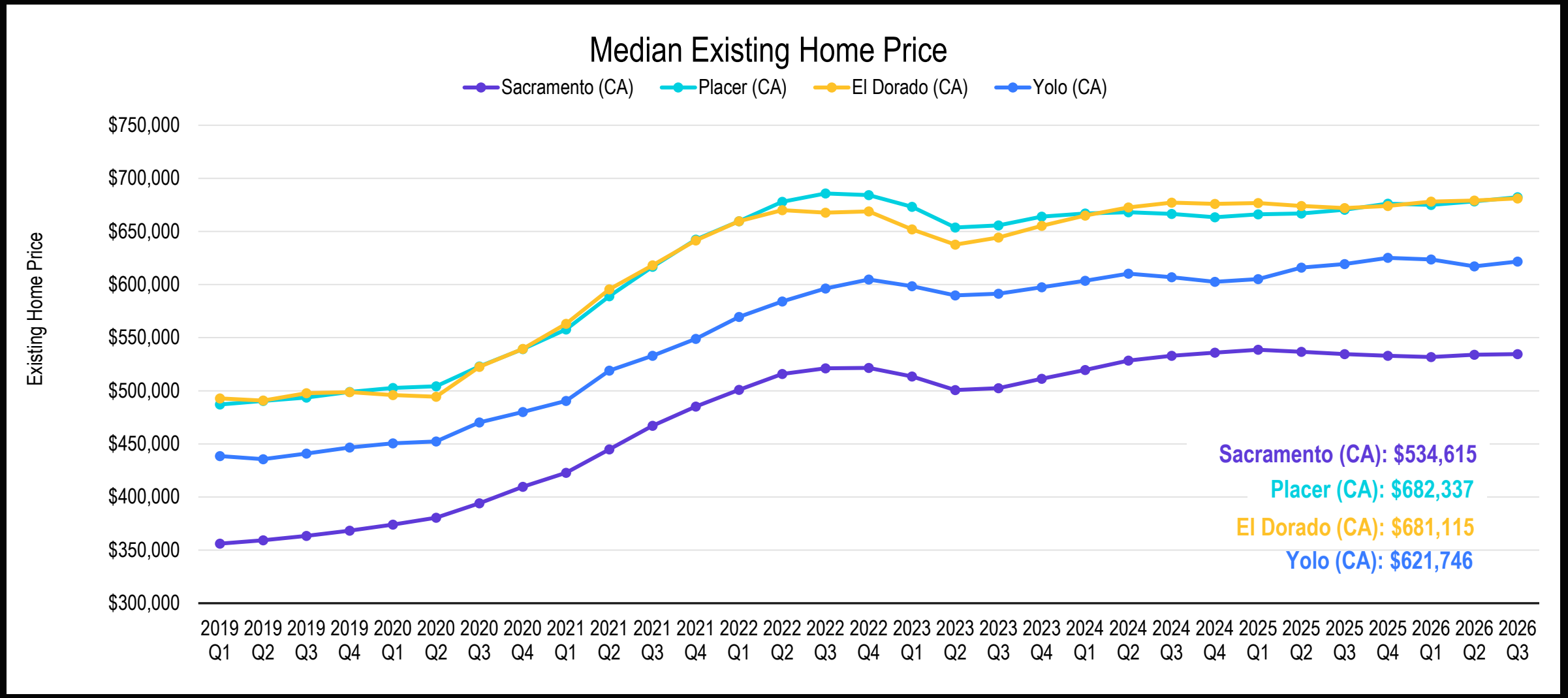
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Existing home sales up 3.8% YOY but significantly down historically

We are still competing with their existing interest rates

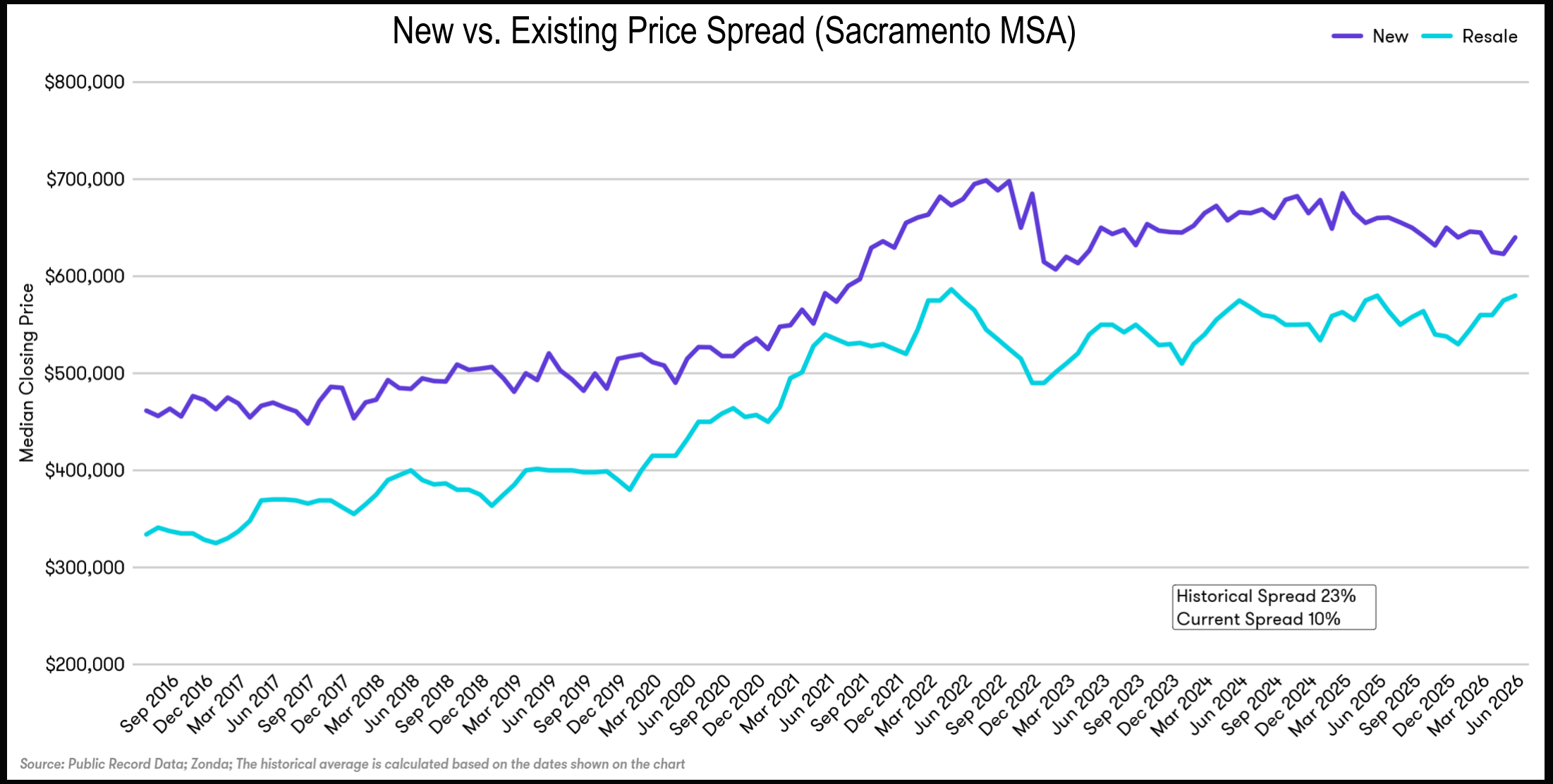


Existing home prices remain relatively flat



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Overall, New homes are only selling at a 10% premium



Source: Public Record Data; Zonda; The historical average is calculated based on the dates shown on the chart

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Let’s local at housing supply…

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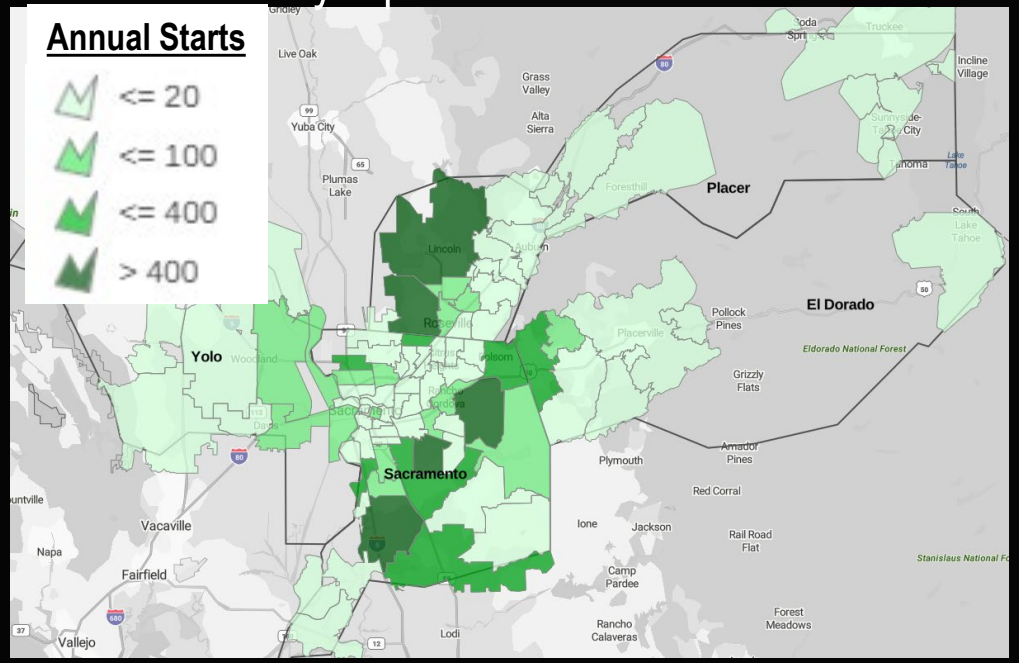
Starts are below closings despite tough conditions



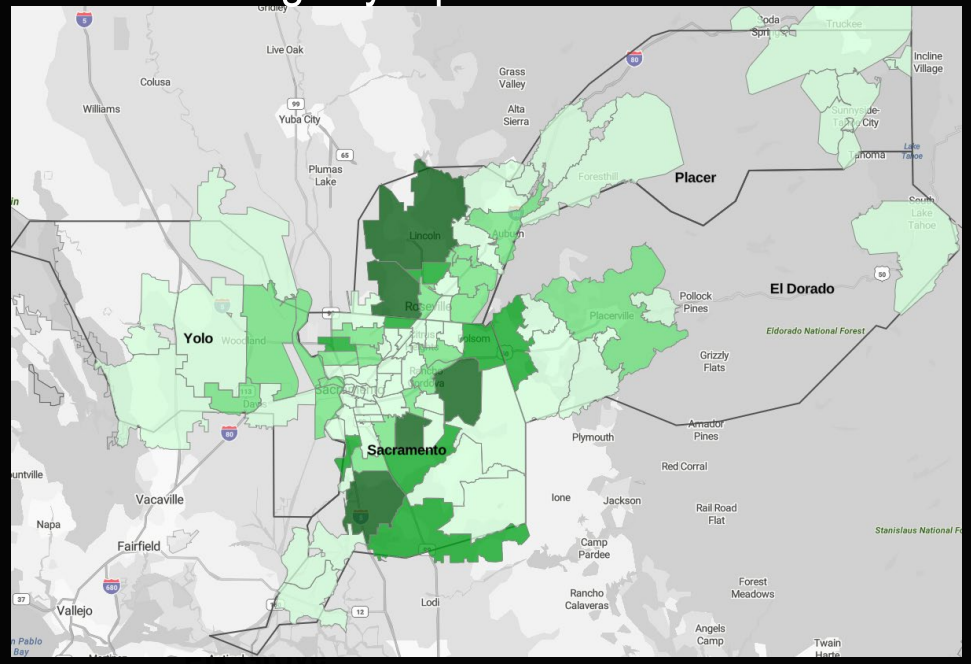
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Where? Roseville, Elk Grove, Rancho Cordova, and Lincoln are the leaders in starts and closings

Annual Starts by Zip Code



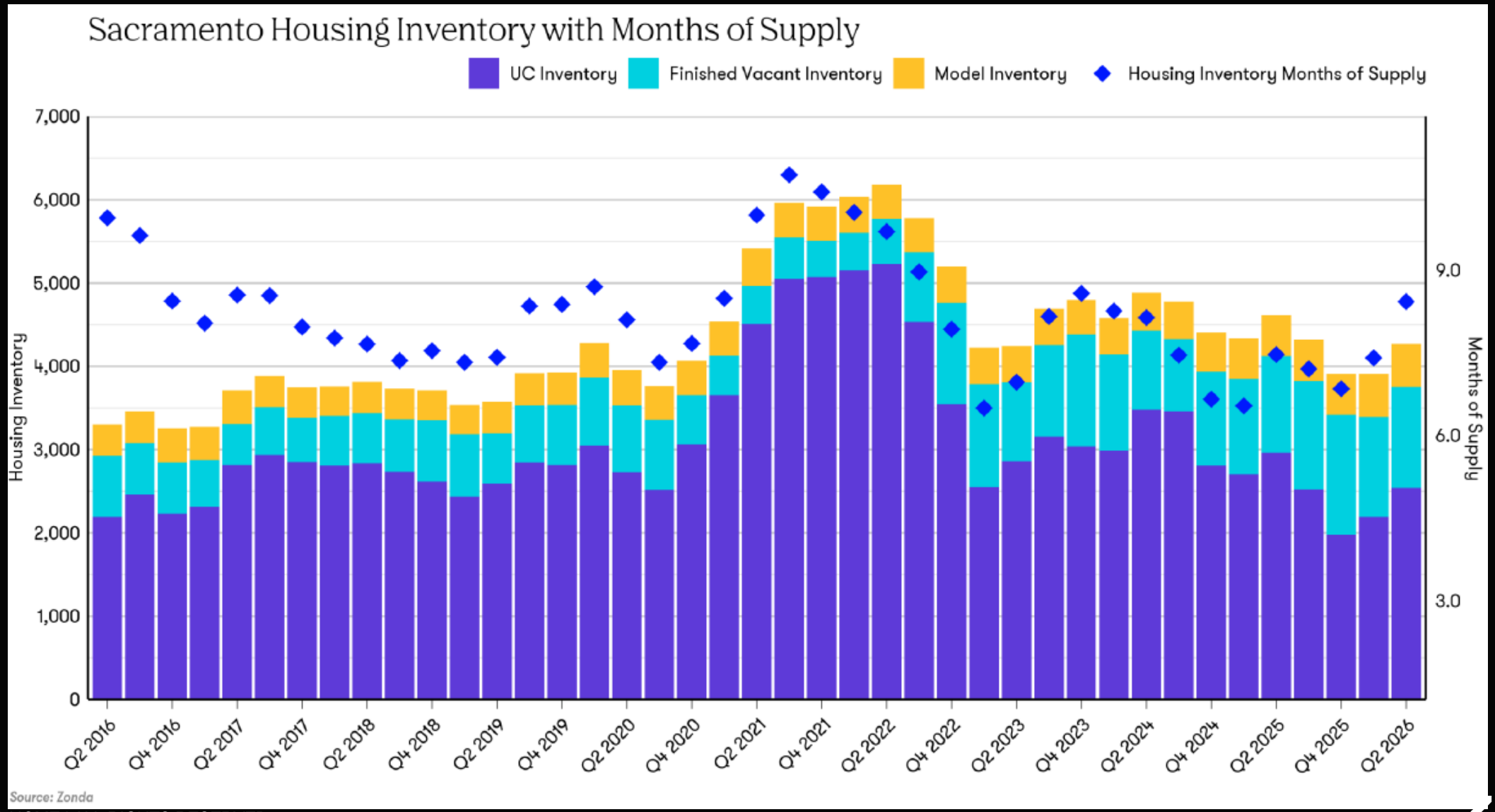
Annual Closings by Zip Code



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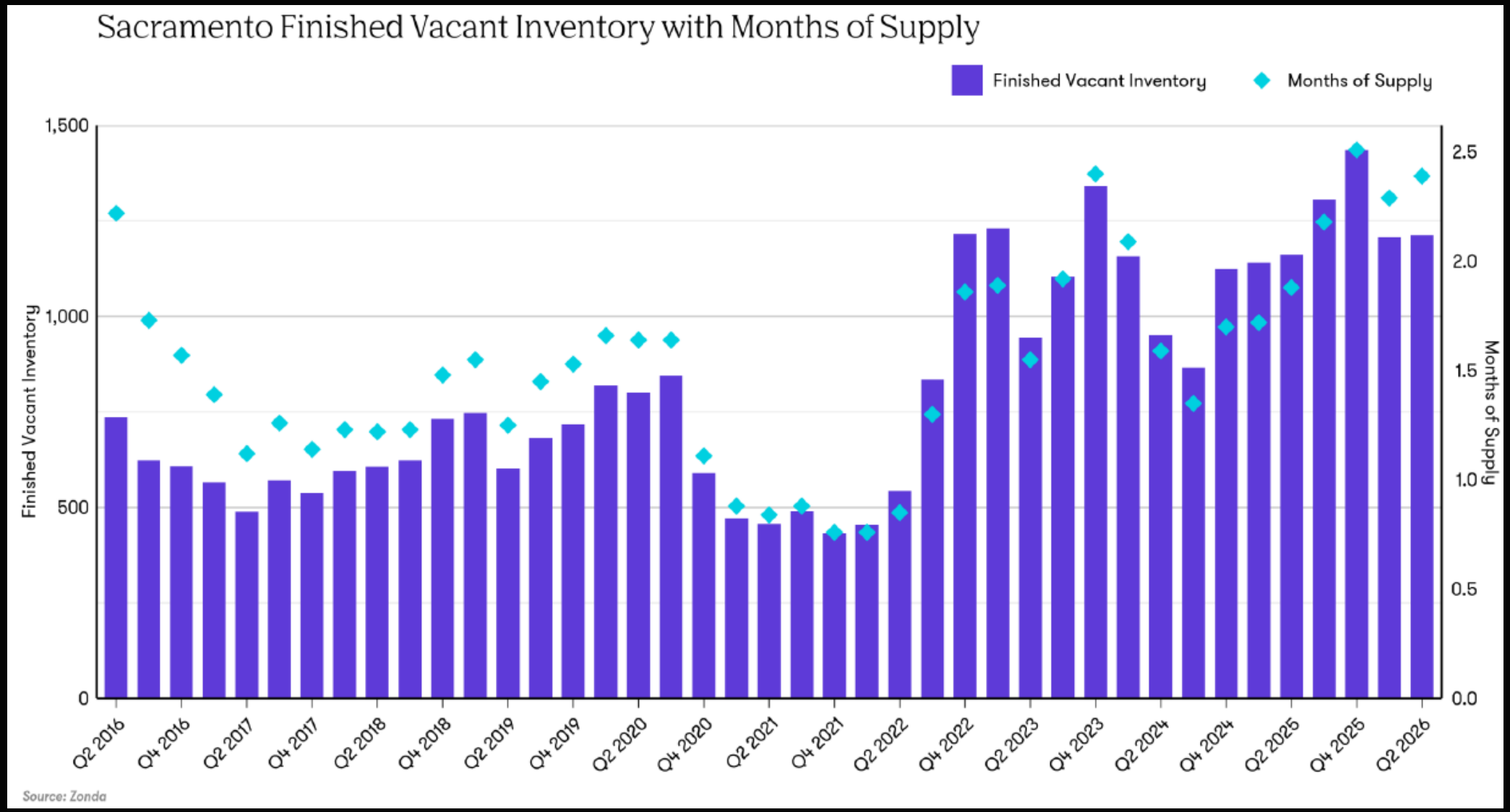
Months of supply is healthy under-9.0 months of supply today

Finished inventory is a little higher given a bigger spec play strategy



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Vacant inventory and months of supply are up…strategically to compete



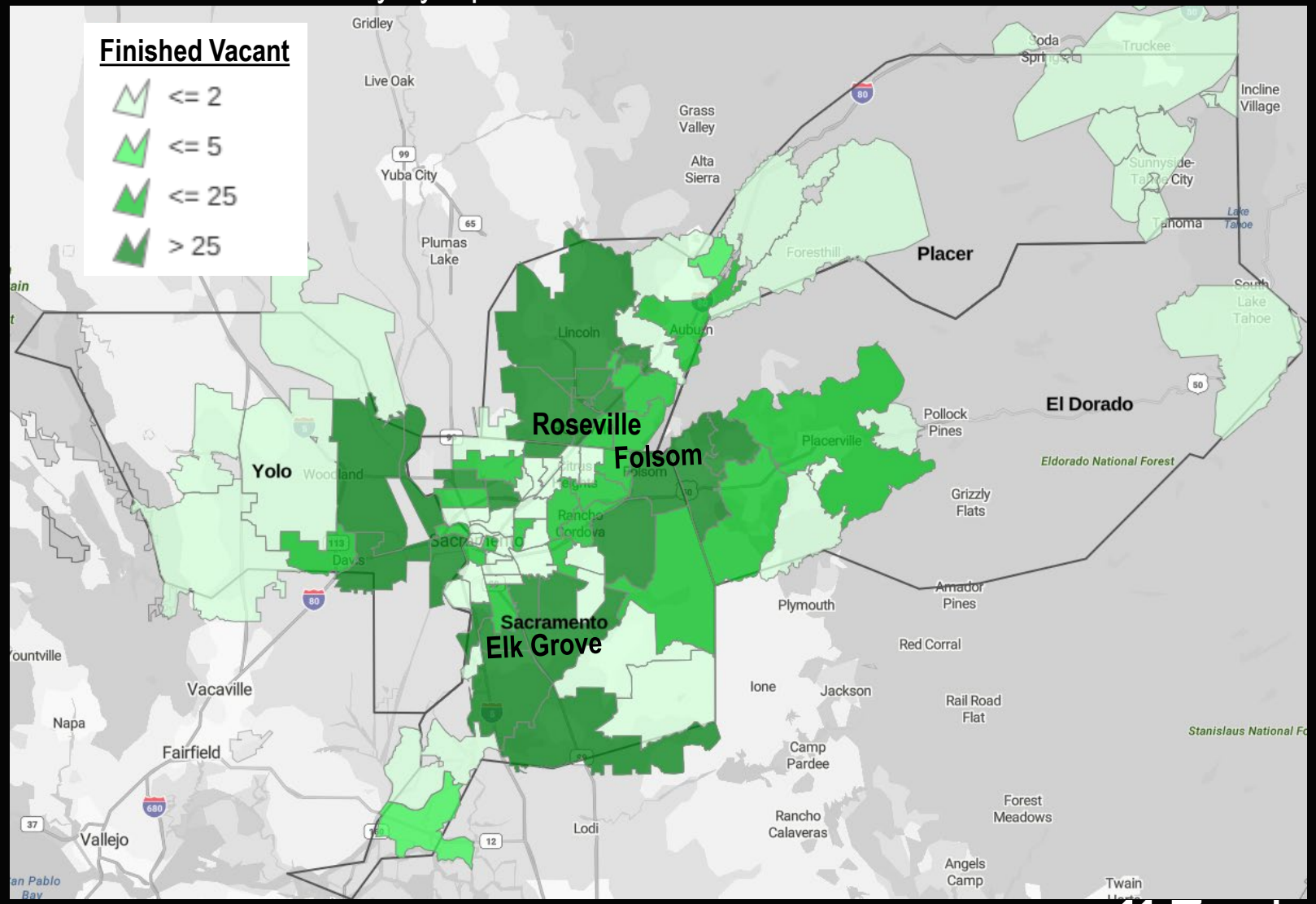
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Where is it? Roseville, Rancho Cordova, Lincoln, and Elk Grove have the most finished inventory

County	City	Zip Code	Finished Vacant
Placer	Roseville	95747	723
Sacramento	Rancho Cordova	95742	456
Placer	Lincoln	95648	341
Sacramento	Elk Grove	95757	321
Sacramento	Sacramento	95835	291
Sacramento	Galt	95632	289
Sacramento	Sacramento	95829	257
El Dorado	El Dorado Hills	95762	221
Sacramento	Folsom	95630	212
Sacramento	Sacramento	95832	123
Placer	Rocklin	95765	98
Sacramento	Elk Grove	95624	91
Sacramento	Sacramento	95828	84
Sacramento	Antelope	95843	82
Placer	Roseville	95678	61
Sacramento	Sacramento	95838	47
Placer	Rocklin	95677	42
Yolo	Woodland	95776	39
Yolo	Davis	95618	37
Sacramento	Elk Grove	95758	37

Finished Vacant Inventory by Zip Code

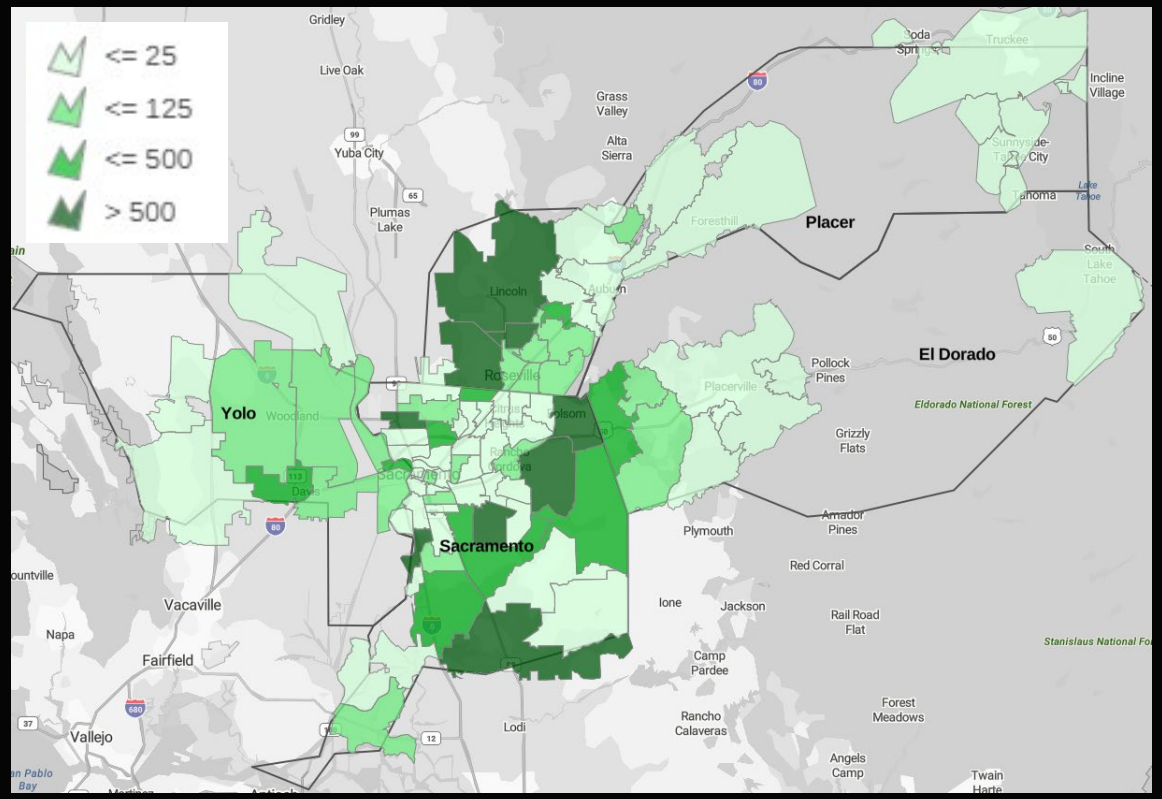


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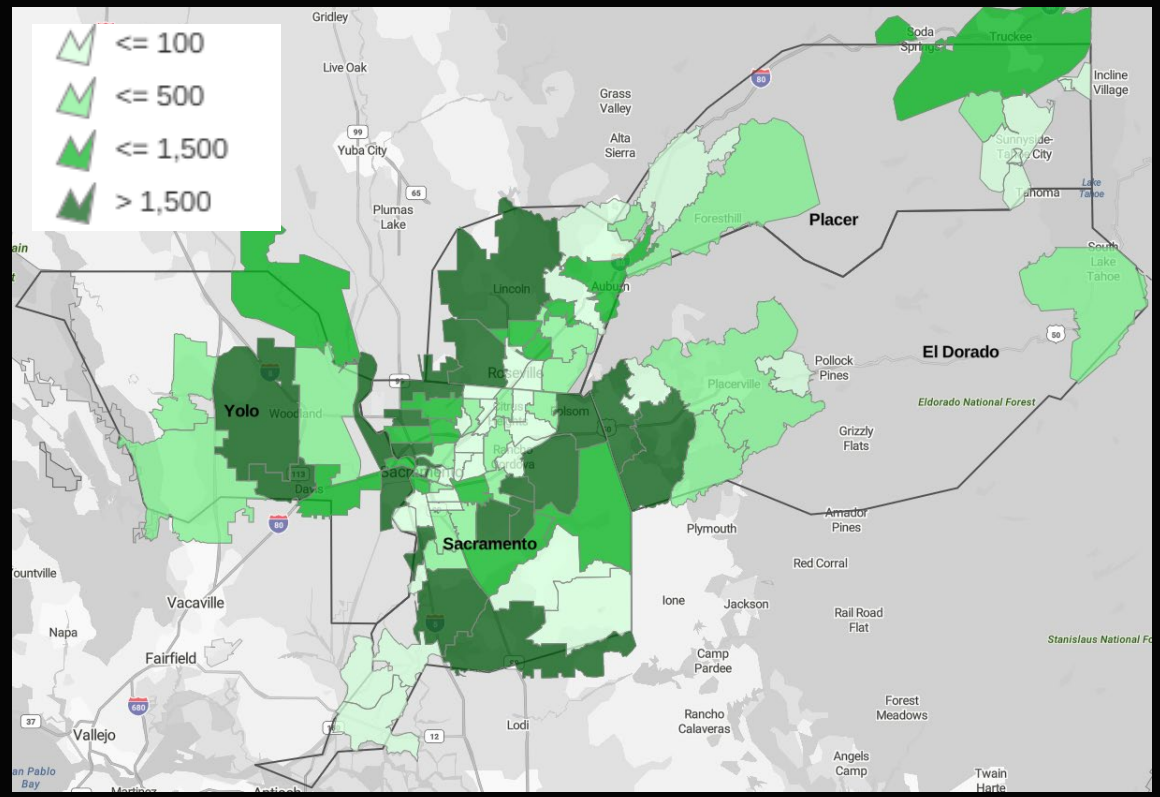
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Where's the future? VDL's and Future Supply…

Vacant Developed Lots



Future Supply by Zip Code



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Let’s look at today’s consumer…

What do they want? What will move them?

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The blueprint is changing tomorrow’s community design

Suburban expansion for growing families, standard school zoning, millennial high-rises — are these models are becoming obsolete?

2026–2046 demands a fundamental rethink

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The collapse of national household growth

1. **2025–2035**
   +860,000 net new households per year
2. **2035–2045**
   +510,000 net new households per year
3. **Post-2035**
   Potential 0 net new households



The pivot: from **quantity** to **quality and adaptability**. High-flexibility zoning that lets buildings transition between rentals, commercial, and co-living as local needs shift.

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By 2030…
Deaths will soon outnumber births

Net immigration becomes 100% of all U.S. population growth.



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Marriage and children starting later …Or never at all

Marriage Trends

- Delayed Marriage: 21 in 1970 versus 28 today
- Fewer Households: Marrieds dropped from 66% 50 years ago to 47%

Children Trends

- **Older First-Time Parents:** Having children shifts from 22-23 to now 27; having children not aligned with marriage
- Household size dropping dramatically

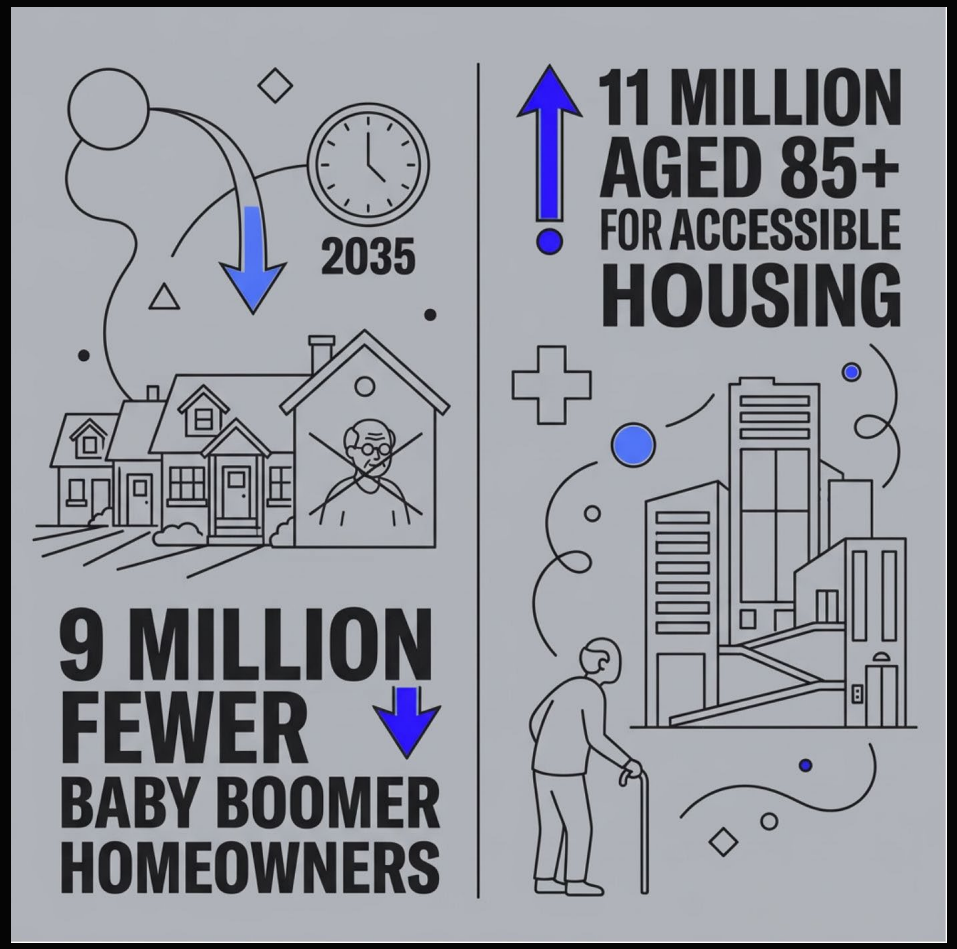
Rise of Childless Households

- Rising childless households
- More pets than children



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The over-85 explosion & the Silver Tsunami



Design Shift: Aging-in-Place

- Universal design baked into *standard* housing: zero-step entries, wider doorways, single-story layouts
- Integrated wellness pavilions
- Pedestrian paths safe for mobility devices

Care delivery will change aging in place

- Highly automated and professionalized. Driven by AI safety tech, remote medical monitoring, and care robotics.

Concern for The McMansion Glut

A massive wave of large, traditional single-family suburban homes will flood the market — already obsolete before they're relisted.

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The over-85 explosion & the Silver Tsunami



50% of today's 5-year olds will live to be 100

- 50% Longevity Chance: Demographers and researchers indicate that a child who is 5 years old today has roughly a 50% chance of reaching the centenarian milestone.
  Source: Stanford Center on Longevity

40-year careers shifting to 60 year careers

- 60-Year Careers: Because lifespans are expanding dramatically, traditional life stages will shift. This transition points toward standard work lives lasting up to 60 years rather than the traditional 40-year career

Care delivery will change aging in place

- Highly automated and professionalized. Driven by AI safety tech, remote medical monitoring, and care robotics.

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Different needs for different buyers



Hispanic Growth & Ethnic Diversity

One of the strongest long-term housing demand stories in the country, driven by household formation trends.



Multigenerational Growth

Income pooling, ADU demand, and cultural nuances require a tailored approach to product and messaging.



Growth of Single-Person Households

The second most active shopper today — prioritizing safety, low maintenance, location, and a manageable monthly payment.



High-End Buyer Expectations

Confidence is the primary limiting factor. These buyers can afford it — they need to believe in the macro environment.



Growth of 55+ Buyers

Downsizing or upsizing? Location, lifestyle, and proximity to family drive decision-making.



First-Time Buyer Needs

Affordability tools, education, and the rent-vs-own calculus are all critical to converting this segment.

*Not an exhaustive list. Each segment requires distinct messaging, product design, and financial solutions...not to mention geographic and affordability differences.

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Let’s look at who’s shopping…

Lifestage, Price, and and Value Modeling

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Zonda's Segmentation by Lifestage…

Consumer Segmentation - Lifestage



Lifestage	Profiles	Age Range	Description
Solo Roots	Young Singles	Under 45	Singles with/without children
Young Families	Young Couples & Families	Under 45	Couples (with children expected) and families
Teen Families	Mature Families	45+	Families, generally with teenage children
New Nesters	Mature Singles & Couples	45-60	Singles and couples without children at home
Retirees	Retiree Singles & Couples	61+	Singles and couples without children at home

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Retirees and solo households represent a dominant and growing share of active home shoppers — a shift with major implications for product design, community amenities, and marketing strategy.

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And Segmentation Adjusted by Market Value

Consumer Segmentation - Lifestyle



Lifestyle	Lower-Priced Markets	Average-Priced Markets	Higher-Priced Markets
Affordable	$300K or less	$400K or less	$600K or less
Classic	$300K - $500K	$400K - $600K	$600K - $800K
Premium	$500K - $700K	$600K - $800K	$800K - $1.25M
Elite	$700K or more	$800K or more	$1.25M or more

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Retirees and solo households represent a dominant and growing share of active home shoppers — a shift with major implications for product design, community amenities, and marketing strategy.

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44% of Shoppers are New Nesters or Retirees

Affordable?

Consumer Segment Shopper Distribution by Clicks

Consumer Segment	Solo Roots	Young Families	Teen Families	New Nesters	Retirees	Total
⊞ Classic	8%	5%	6%	5%	11%	35%
⊞ Premium	9%	6%	7%	5%	12%	39%
⊞ Elite	6%	4%	5%	4%	8%	26%
Total	23%	16%	17%	13%	31%	100%

23% of Shoppers are Singles (solo roots)

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The $500K-$600K segment is the most under-served in the Sacramento MSA



The most underserved price segment (i.e., the one with the widest gap between searches and listings) was $500K-$600K.

The most (potentially) overserved price segment (i.e., the one with the narrowest gap between searches and listings) was $800K-$1.0M.

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Let’s look at the communities are getting the top views?

Lifestage, Price, and and Value Modeling

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9 of the top 16 most clicked projects are priced under-$600K

Consumer Clicks by Project

Project Name	Product Type	Builder Name	City	Median Price ($)	Share of Clicks
Double S Ranch	Single-Family	Anthem	Roseville	$1,495K	2.2%
Westcott Station	Single-Family	KB Home	Sacramento	$486K	1.6%
Esplanade at Madeira Ranch*	Single-Family	Taylor Morrison	Elk Grove	$729K	1.5%
Archer Estates	Single-Family	KB Home	Sacramento	$517K	1.4%
Northpointe Reserve	Townhomes	Next Generation Capital	Sacramento	$512K	1.3%
Heritage Placer Vineyards/Molise*	Single-Family	Lennar	Roseville	$547K	1.3%
Summerfield at Sierra Vista	Single-Family	Woodside Homes	Roseville	$594K	1.2%
Aurora Heights at Twelve Bridges	Single-Family	KB Home	Lincoln	$477K	1.2%
Trilogy Bickford Ranch*	Single-Family	Shea Homes	Lincoln	$767K	1.2%
Valley Vista	Single-Family	Keusder Homes Inc.	Sacramento	$641K	1.1%
Hamilton Park	Single-Family	KB Home	Elk Grove	$560K	1.1%
Rio Del Oro/Coloma	Single-Family	Elliott Homes	Rancho Cordova	$549K	1.0%
Kindred at Sierra Vista	Single-Family	Anthem	Roseville	$721K	1.0%
Highland at The Grove	Single-Family	KB Home	Elk Grove	$606K	1.0%
Magnolia	Single-Family	Tim Lewis Communities	Granite Bay	$2,355K	1.0%
Ventris Place	Single-Family	Next Generation Capital	Sacramento	$547K	1.0%

*Source: Zonda Homebuyer Outlook; *Active Adult Community.*

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Most clicked project in the Classic ($400K-$600K) segment

Westcott Station by KB Home

-Conventional detached with full driveways
-1,587 to 1,844 square feet
-Mid-$400Ks to low-$500Ks
-2.56 sales per month





Project Name	Product Type	Builder Name	City	Median Price ($)	Share of Clicks
Westcott Station	Single-Family	KB Home	Sacramento	$486K	4.4%
Archer Estates	Single-Family	KB Home	Sacramento	$517K	4.1%
Northpointe Reserve	Townhomes	Next Generation Capital	Sacramento	$512K	3.8%
Heritage Placer Vineyards/Molise*	Single-Family	Lennar	Roseville	$547K	3.7%
Aurora Heights at Twelve Bridges	Single-Family	KB Home	Lincoln	$477K	3.6%

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Most clicked project in the Premium ($600K-$800K) segment

Kindred at Sierra Vista by Anthem

-Conventional detached
-1,840 to 3,272 square feet
-High-$500Ks to mid-$800Ks
-2.92 sales per month





Project Name	Product Type	Builder Name	City	Median Price ($)	Share of Clicks
Kindred at Sierra Vista	Single-Family	Anthem	Roseville	$731K	2.3%
Canyon at The Ranch	Single-Family	K. Hovnanian Homes	Rancho Cordova	$657K	2.1%
Esplanade at Madeira Ranch*	Single-Family	Taylor Morrison	Elk Grove	$724K	1.9%
Highland at The Grove	Single-Family	KB Home	Elk Grove	$629K	1.8%
Trilogy Bickford Ranch*	Single-Family	Shea Homes	Lincoln	$707K	1.8%

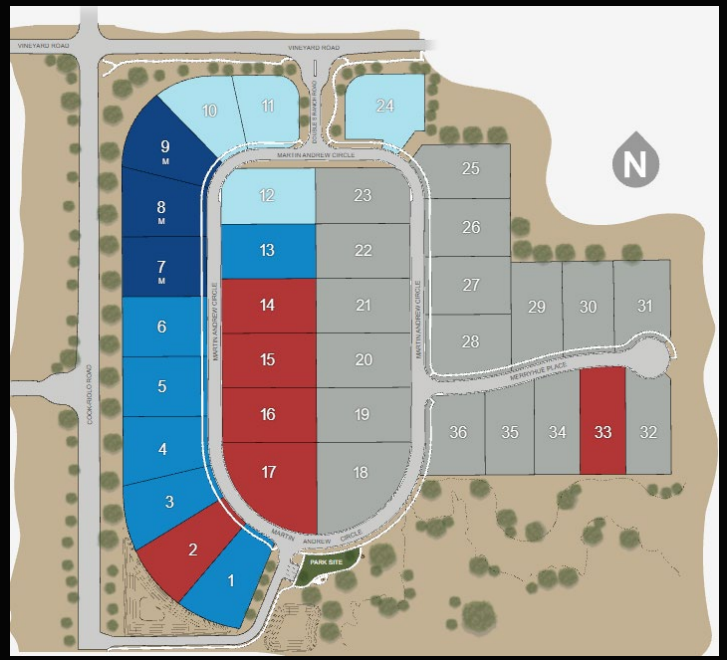
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Most clicked project in the Elite ($800K+) segment

Double S Ranch by Anthem

-Half-acre lots
-3,734 to 4,595 square feet
-ADUs and RV Garages
-1.4 sales per month





Project Name	Product Type	Builder Name	City	Median Price ($)	Share of Clicks
Double S Ranch	Single-Family	Anthem	Roseville	$1,495K	8.4%
Magnolia	Single-Family	Tim Lewis Communities	Granite Bay	$2,355K	4.0%
Park at Granite Bay	Single-Family	Woodside Homes	Granite Bay	$1,014K	3.7%
The Trails	Single-Family	Woodside Homes	Folsom	$1,061K	3.4%
Finale at Whitney Ranch	Single-Family	Anthem	Rocklin	$1,189K	3.0%

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Most clicked active adult project

Esplanade at Madeira Ranch

-Three product lines
-1,522 to 2,979 square feet
-Low-$500Ks to low-$900Ks
-4.84 sales per month







Project Name	Product Type	Builder Name	City	Median Price ($)	Share of Clicks
Esplanade at Madeira Ranch*	Single-Family	Taylor Morrison	Elk Grove	$729K	19.7%
Heritage Placer Vineyards/Molise*	Single-Family	Lennar	Roseville	$547K	17.2%
Trilogy Bickford Ranch*	Single-Family	Shea Homes	Lincoln	$767K	16.0%
Esplanade at Turkey Creek/Cottages*	Single-Family	Taylor Morrison	Lincoln	$799K	11.5%
Regency at Folsom Ranch/Sequoia*	Townhomes	Toll Brothers	Folsom	$569K	9.2%

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Let’s look at who’s buying?

and associated segments

37% of Buyers are New Nesters or Retirees

						
Sacramento-Roseville-Folsom, CA Mid Median	30.1%	27.6%	4.7%	20.9%	16.6%	
	Young Singles	Young Couples and Families	Mature Families	Empty Nesters	Retirees	Total

30% of Shoppers are Singles (solo roots)

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Your opportunity is almost 30,000 home sales annually

The hot spots are clearly $400k to $800k…

Sacramento-Roseville-Folsom, CA
Mid Median


30.1%


27.6%


4.7%


20.9%

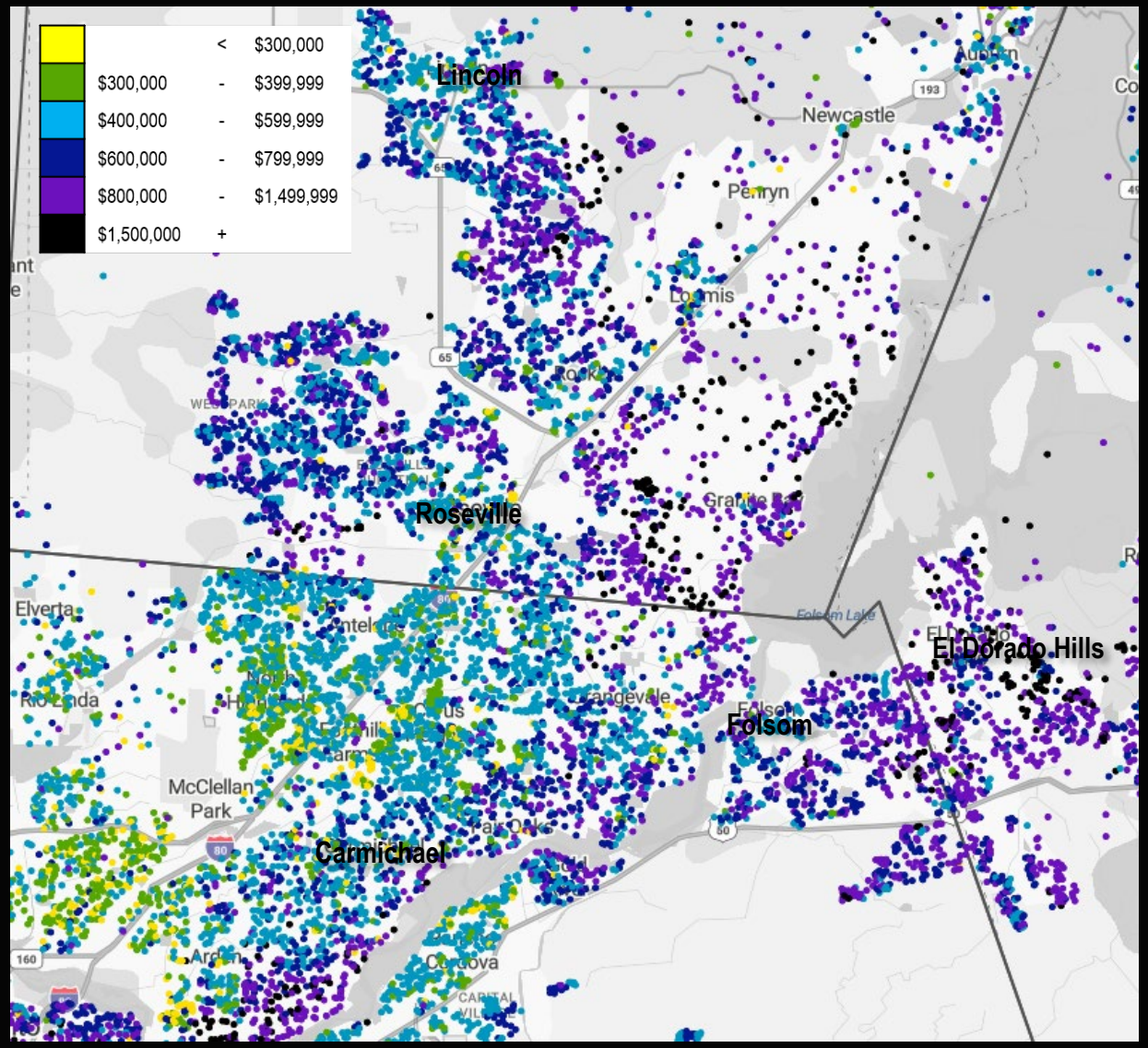

16.6%

					Young Singles	Young Couples and Families	Mature Families	Empty Nesters	Retirees	Total
Total Home Sales Opportunity (New + Resale)					**8,911**	**8,149**	**1,401**	**6,187**	**4,918**	**29,566**
Total Opportunity			<	$300,000	468	292	90	344	332	1,527
	Affordable	$300,000	-	$399,999	982	576	96	544	437	2,635
	Classic Life	$400,000	-	$599,999	**4,043**	**2,844**	444	2,089	1,891	**11,311**
	Premium Life	$600,000	-	$799,999	2,317	**2,541**	392	1,579	1,268	8,098
	Elite Life	$800,000	-	$1,499,999	979	1,606	303	1,318	818	5,024
		$1,500,000	+		121	290	75	313	171	971

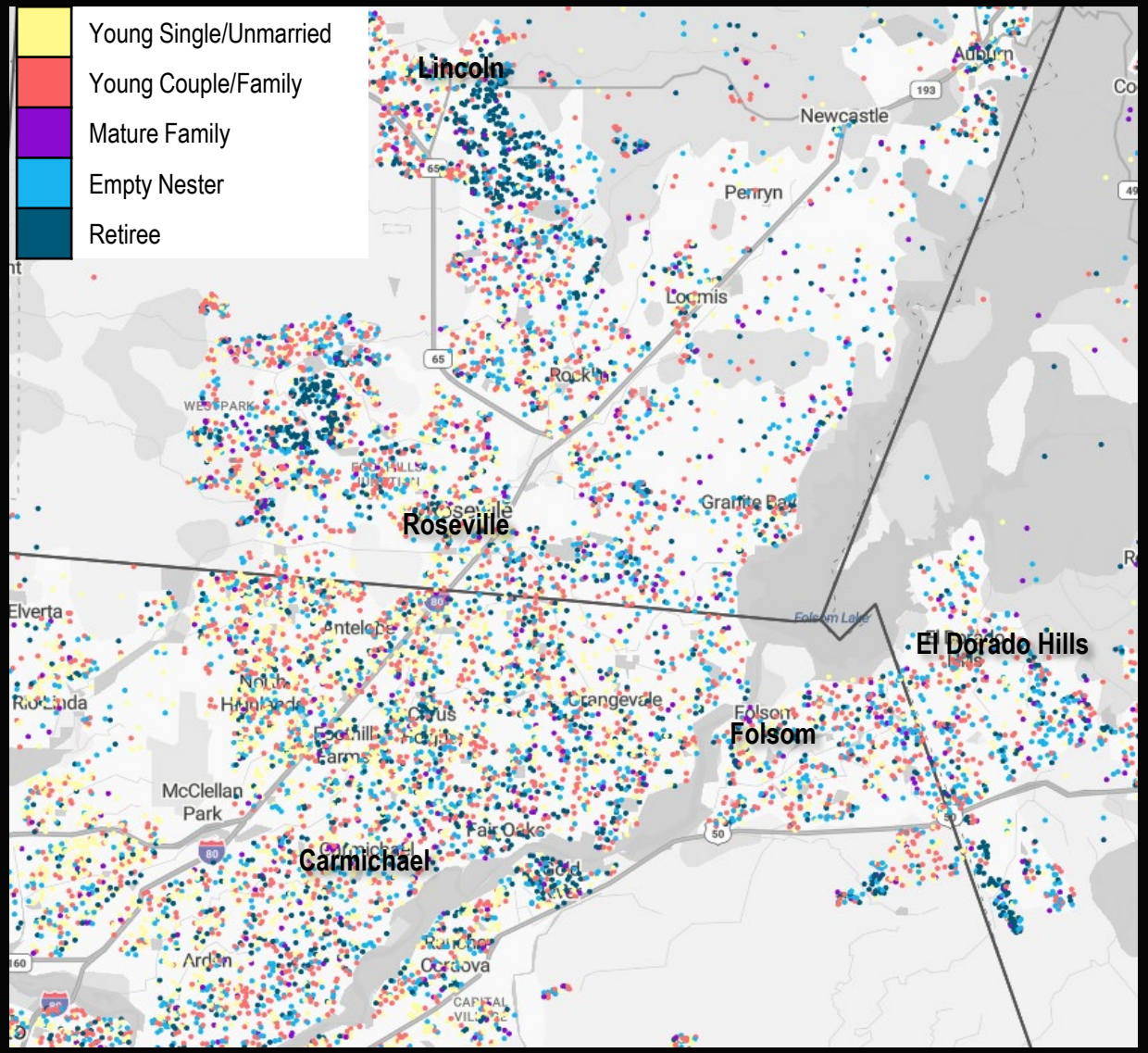
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Mature segments have the money…younger buyers seeking price

Price



Lifestage



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Zonda

The health new home opportunity is 10,939 home sales per year

Less than 6,000 delivered

Sacramento-Roseville-Folsom, CA
Mid Median


30.1%


27.6%


4.7%


20.9%


16.6%

				Young Singles	Young Couples and Families	Mature Families	Empty Nesters	Retirees	Total
New Home Opportunity				3,079	2,800	457	2,046	1,633	10,939
New Opportuniy			< $300,000	173	108	33	127	123	565
	Affordable	$300,000	- $399,999	363	213	36	201	162	975
	Classic Life	$400,000	- $599,999	**1,496**	**1,052**	164	773	700	**4,185**
	Premium Life	$600,000	- $799,999	857	**940**	145	584	469	2,996
	Elite Life	$800,000	- $1,499,999	362	594	112	488	303	1,859
		$1,500,000	+	45	107	28	116	63	359
Annual New Home Supply (Last Year)				1,823	1,888	256	1,233	718	5,918
New Supply			< $300,000	1	0	0	2	0	3
	Affordable	$300,000	- $399,999	2	6	0	2	1	11
	Classic Life	$400,000	- $599,999	**686**	597	88	403	271	2,045
	Premium Life	$600,000	- $799,999	**877**	**832**	94	490	277	**2,569**
	Elite Life	$800,000	- $1,499,999	245	408	70	298	154	1,176
		$1,500,000	+	12	45	5	38	16	115

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Zonda

Unmet opportunity includes over 5,000 new homes …with the right price to the right consumers

Sacramento-Roseville-Folsom, CA
Mid Median



					Young Singles	Young Couples and Families	Mature Families	Empty Nesters	Retirees	Total
					30.1%	27.6%	4.7%	20.9%	16.6%	
Over Supply/ Unmet Demand					1,474	1,127	262	1,056	1,102	5,021
Over Supply/ Unmet Demand			<	$300,000	172	108	33	125	123	562
	Affordable	$300,000	-	$399,999	361	207	36	199	161	964
	Classic Life	$400,000	-	$599,999	**810**	**455**	77	370	**429**	**2,140**
	Premium Life	$600,000	-	$799,999	(19)	108	52	94	193	427
	Elite Life	$800,000	-	$1,499,999	117	186	42	190	149	683
		$1,500,000	+		33	63	23	78	48	244

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Let’s look at what will move them…

By associated segments

First Time Buyers

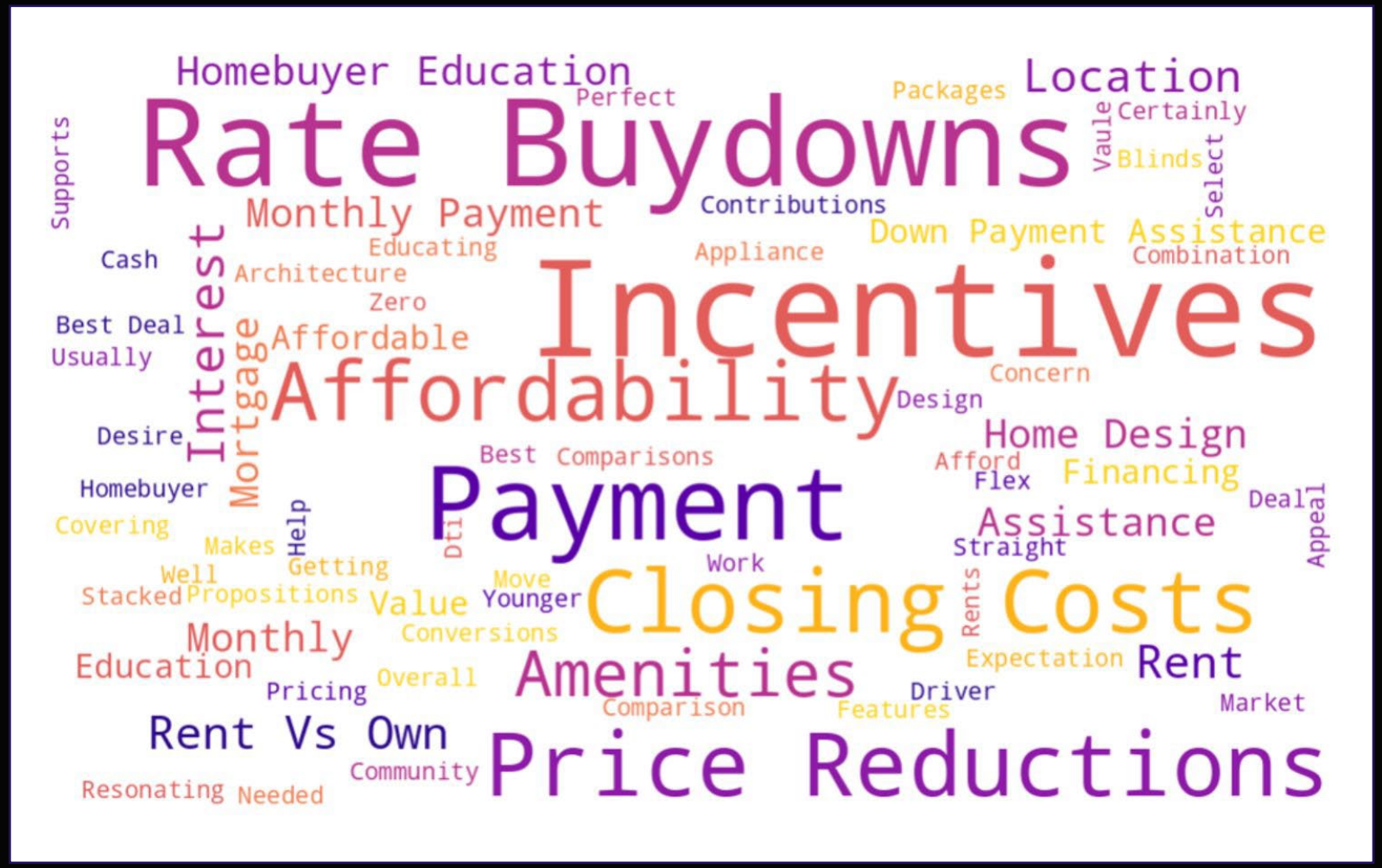
Affordable Segments

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Zonda

What's resonating with first-time buyers?

They want — and need — it all.



Source: Zonda builder survey

Monthly Payment Is Everything

Payment is the singular focus. Less and less is resonating broadly, but hitting the right number unlocks the deal.

Combination Approach

Rate buydowns, closing cost assistance, and price reductions — often in combination — are needed to close.

Education Matters

Rent-vs-own math and long-term wealth-building education are powerful tools when deployed effectively.

Design Appeals Too

Amenities and architecture resonate with younger buyers — especially when rents they're leaving are high.

The hardest segment to operate in right now.

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Popular plans for first-time buyers

Under 1,500 sf

2 bed, 2 bath —1,260 SF





3 bed, 2 bath, 1,349 SF

Compact, efficient, and well-designed — from HousePlans

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2026 Home of the Year… Affordable and compelling

Zonda

Your Biggest Opportunity

Only 30% Nationally

SayeBrook
Saussy Burbank's Barrington floor plan in Myrtle Beach, South Carolina, took home the top honor at the 2026 Gold Nugget Awards.



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First-Time Buyer:

How does homeownership benefit me?

Financial Flexibility

- ADUs and rentable spaces for income generation
- Long-term wealth creation through equity
- Stable, predictable monthly payments

Resilience & Future Readiness

- Energy-efficient homes that cut monthly costs
- Backup power, smart home tech, and weather resilience
- Sustainable, environmentally conscious design

Location & Convenience

- Walkable access to daily services
- Vibrant, thoughtfully redeveloped neighborhoods
- Communities that preserve local character

Community & Lifestyle

- Master-planned communities with amenities
- Pools, parks, trails, and social gathering spaces
- Strong schools and family-friendly environments

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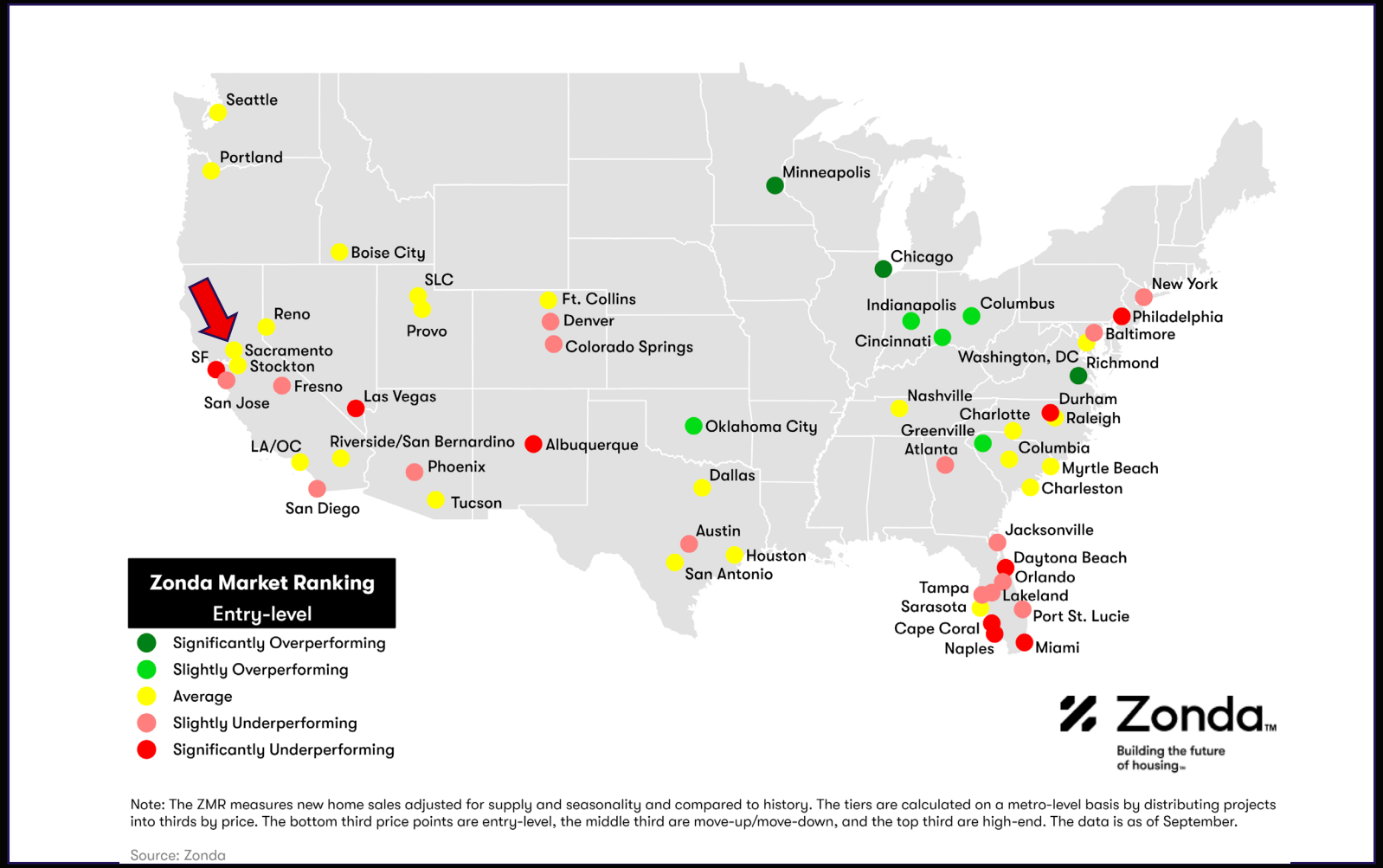
Sacramento is performing with First-Time Buyers

Zonda

Overperforming
15%

Average
41%

Underperforming
44%



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The tiers are calculated on a metro-level basis by distributing projects into thirds by price. The bottom third price points are entry-level, the middle third are move-up/move-down, and the top third are high-end. The data is as of September.

Source: Zonda

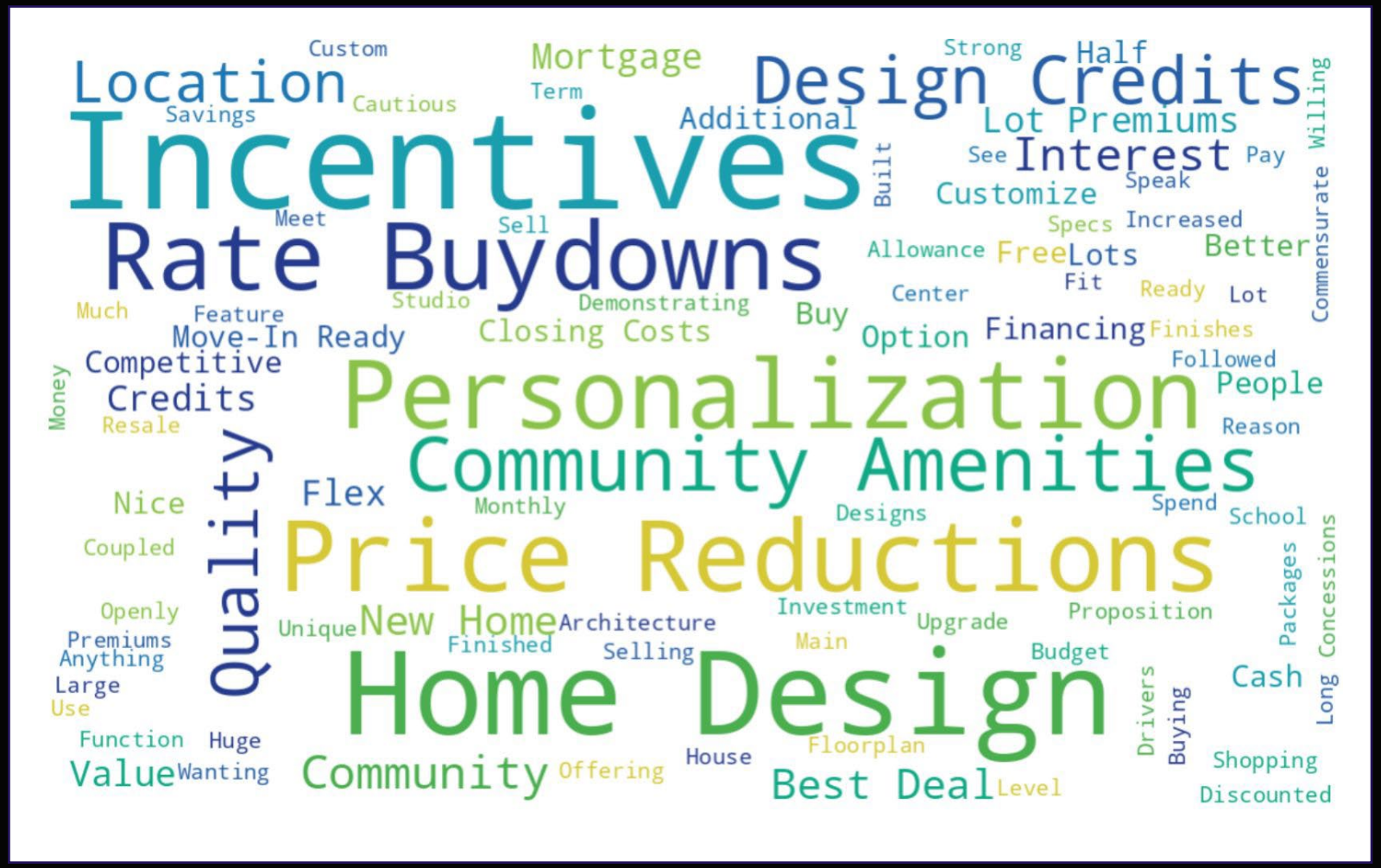
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Move-Up Buyers

Classic and Premium Segments

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What's resonating with move-up buyers?



Source: Zonda builder survey

Design First, Buydowns Second

Home design and features lead — followed closely by rate buydowns below 5%.

They Need Compelling

Move-up buyers need to feel they're getting a **great deal** — on features, upgrades, and community amenities, not just on payment.

Why New?

Buyers need a compelling reason to choose new over resale.
The sales cycle runs **4–6 months** for this segment.
New equals more time in the long run…

Personalization

Location, school quality, and the ability to personalize through design center credits are powerful motivators.

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Move-up buyers: not moving is the biggest competitor

Making the Transition Easier

- Guidance on home equity, taxes, and financing
- Builder flexibility to coordinate sale and purchase timing
- Rate buydowns to offset the jump from locked-in low rates

Health, Wellness & Comfort

- Natural light, outdoor connectivity, functional design
- Communities that support active and social lifestyles
- Amenities for physical and mental well-being

More Space, More Functionality

- Purposeful design over raw square footage
- Expanded storage for growing households
- Spaces built for both everyday living and entertaining

Elevated Everyday Living

- Premium kitchen design and open-concept layouts
- Indoor/outdoor spaces designed for gathering
- Thoughtful details that improve daily convenience

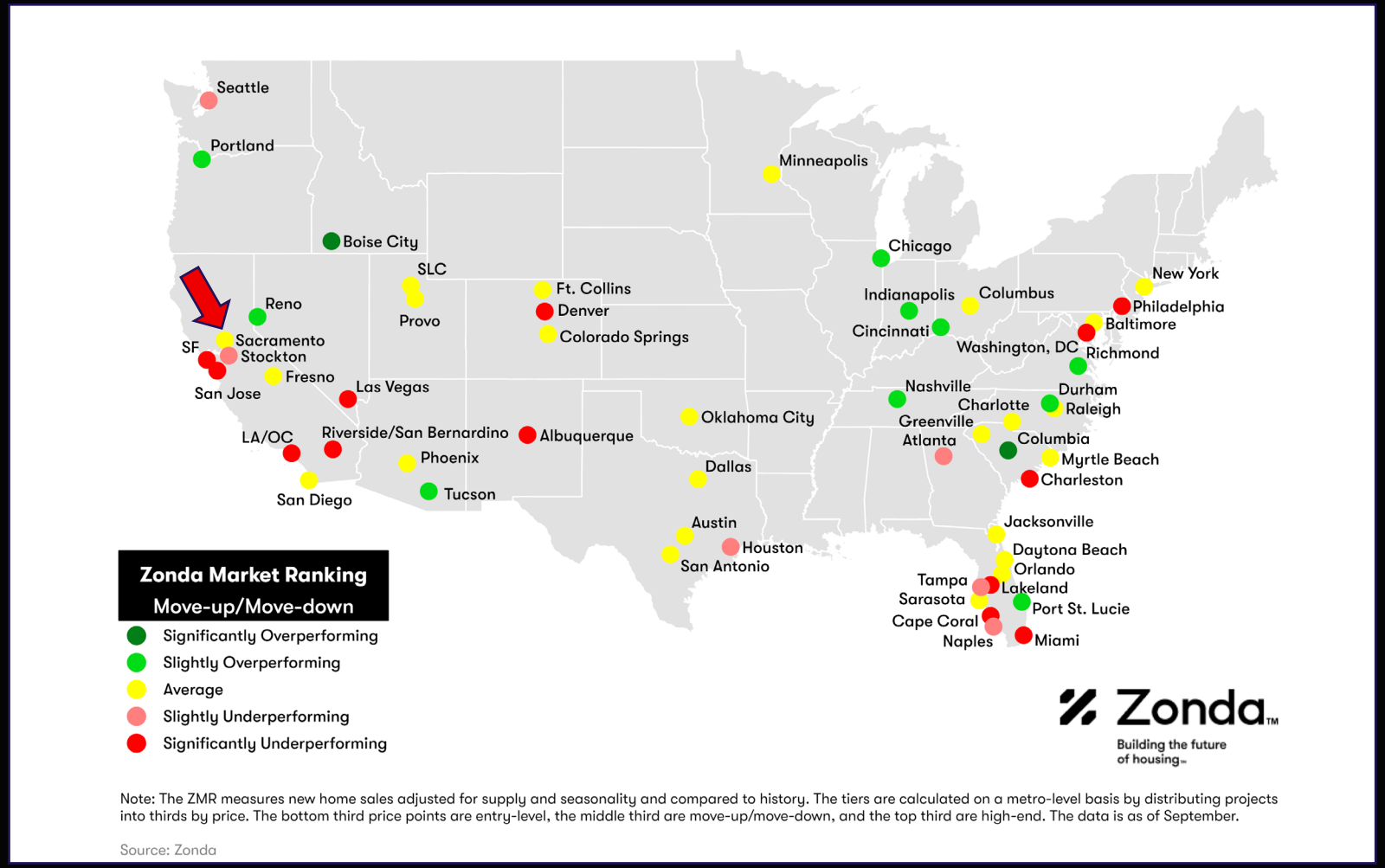
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Sacramento is performing with move-up and move-down buyers

Overperforming
22%

Average
43%

Underperforming
35%



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The tiers are calculated on a metro-level basis by distributing projects into thirds by price. The bottom third price points are entry-level, the middle third are move-up/move-down, and the top third are high-end. The data is as of September.

Source: Zonda

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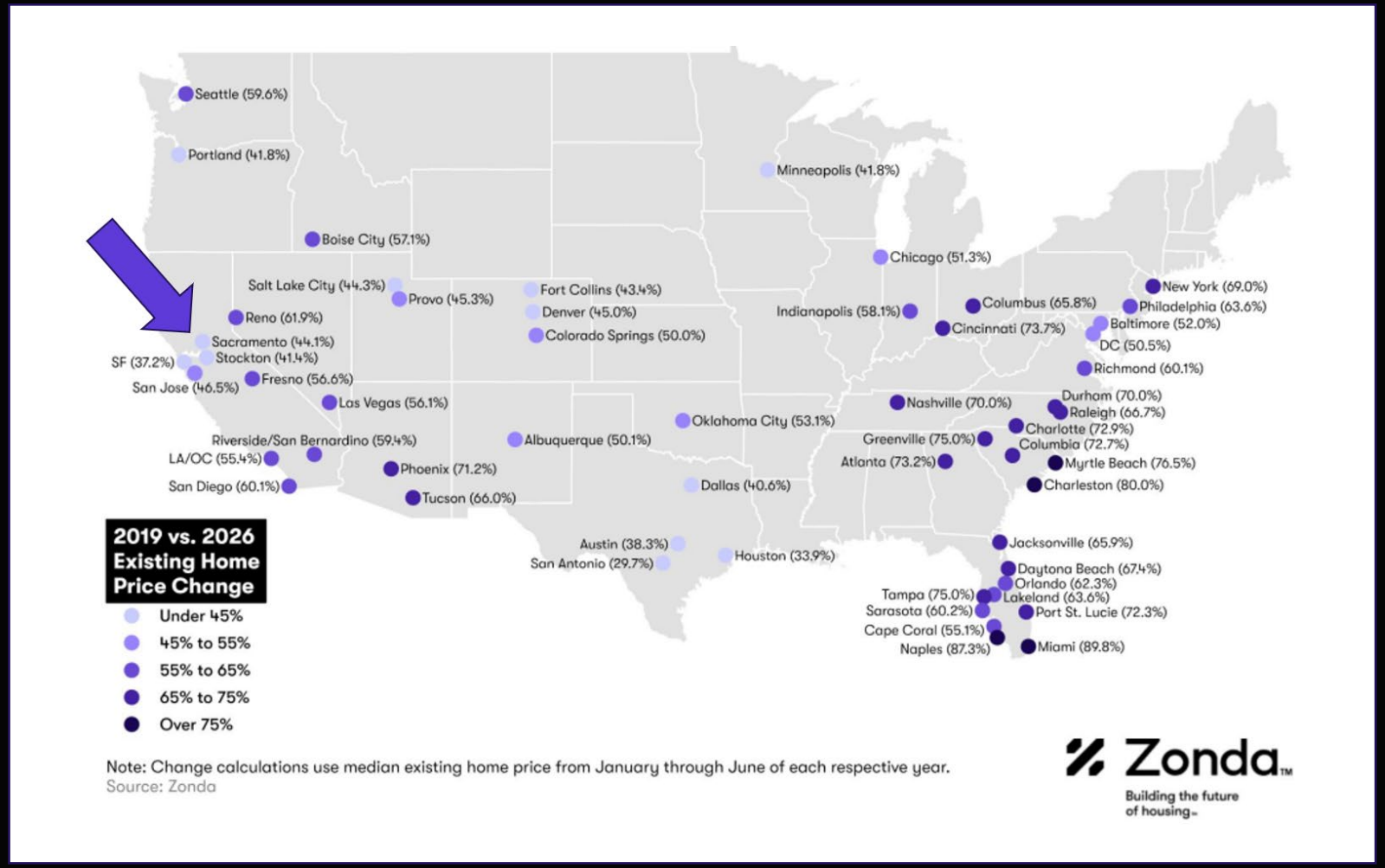
Zonda

Why? Equity is up 44% since 2019 in Sacramento …and 47% in San Jose

Overperforming
22%

Average
43%

Underperforming
35%



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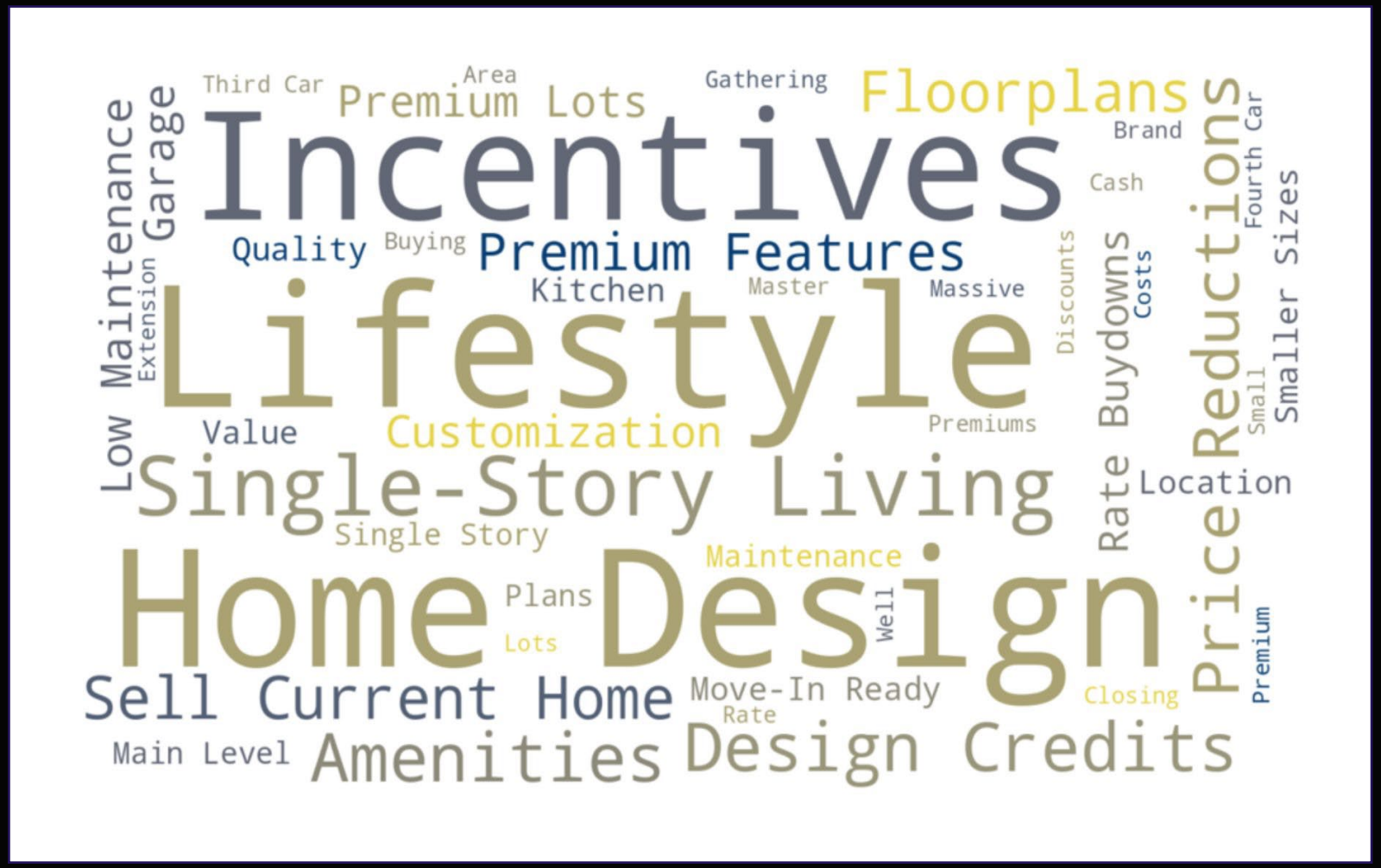
Empty Nesters and Retirees

Classic and Premium Segments

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Zonda

What's resonating with 55+ buyers?



Source: Zonda builder survey

Lifestyle Is the Primary Driver

This buyer isn't just purchasing a home — they're purchasing a way of life. Lifestyle resonates above all else.

Amenities & Programming

Community amenities and curated lifestyle programming are the most powerful sales tools. Price reductions can help move hesitant buyers.

Single-Story & Low Maintenance

Single-story plans, low-maintenance living, and proximity to grandchildren are frequently cited decision factors.

Their home is your biggest competition

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Retirees: Rightsizing for the Next Chapter

Lifestyle & Social Connection

Organized activities, lifestyle coordinators, and neighborhoods designed to foster engagement and belonging.

Aging in Place

Single-story living, first-floor primary suites, wider doorways, and adaptable bathrooms for long-term independence.

Low-Maintenance Living

Maintenance-supported communities that free owners to spend less time managing their homes and more time enjoying life.

Health, Wellness & Peace of Mind

Fitness facilities, walking trails, and convenient healthcare access in secure, well-designed communities.



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Zonda

They need A reason to move

High-end buyers respond to value propositions that go beyond price point — quality construction, distinctive architecture, premium locations, and the prestige of community are all decisive factors. Leading with value, not just incentives, is the winning approach.



©

Zonda

Luxury Buyers

Elite Segments

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Zonda

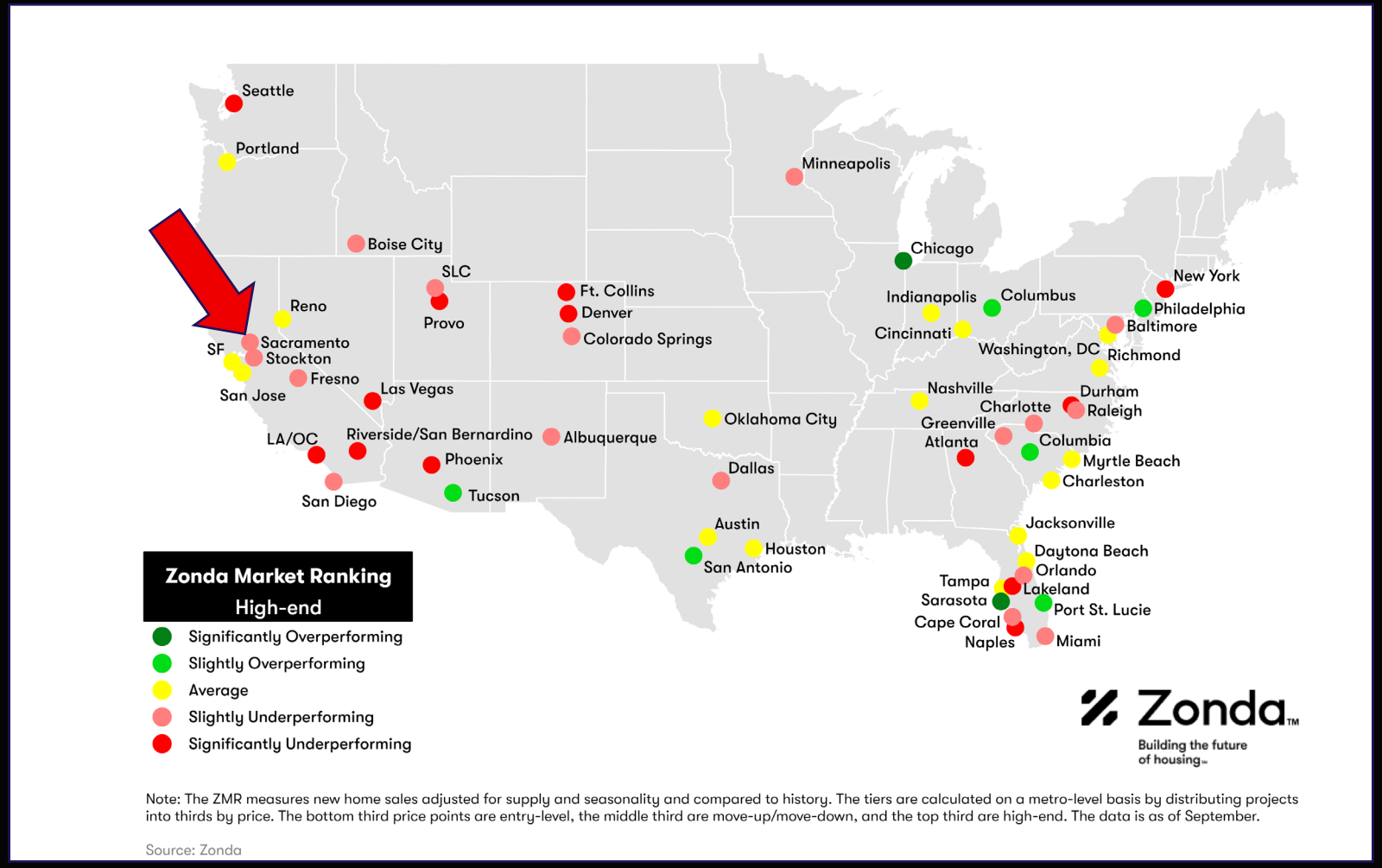
Sacramento is underperforming with high end buyers

Confidence and compelling value – they don't have to move

Overperforming
15%

Average
30%

Underperforming
55%



Note: The ZMR measures new home sales adjusted for supply and seasonality and compared to history. The tiers are calculated on a metro-level basis by distributing projects into thirds by price. The bottom third price points are entry-level, the middle third are move-up/move-down, and the top third are high-end. The data is as of September.

Source: Zonda

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High-end buyers respond to value propositions that go beyond price point — quality construction, distinctive architecture, premium locations, and the prestige of community are all decisive factors. Leading with value, not just incentives, is the winning approach.

KEY STRATEGY: Focus on what the Bay Area ad Sacramento cannot offer.

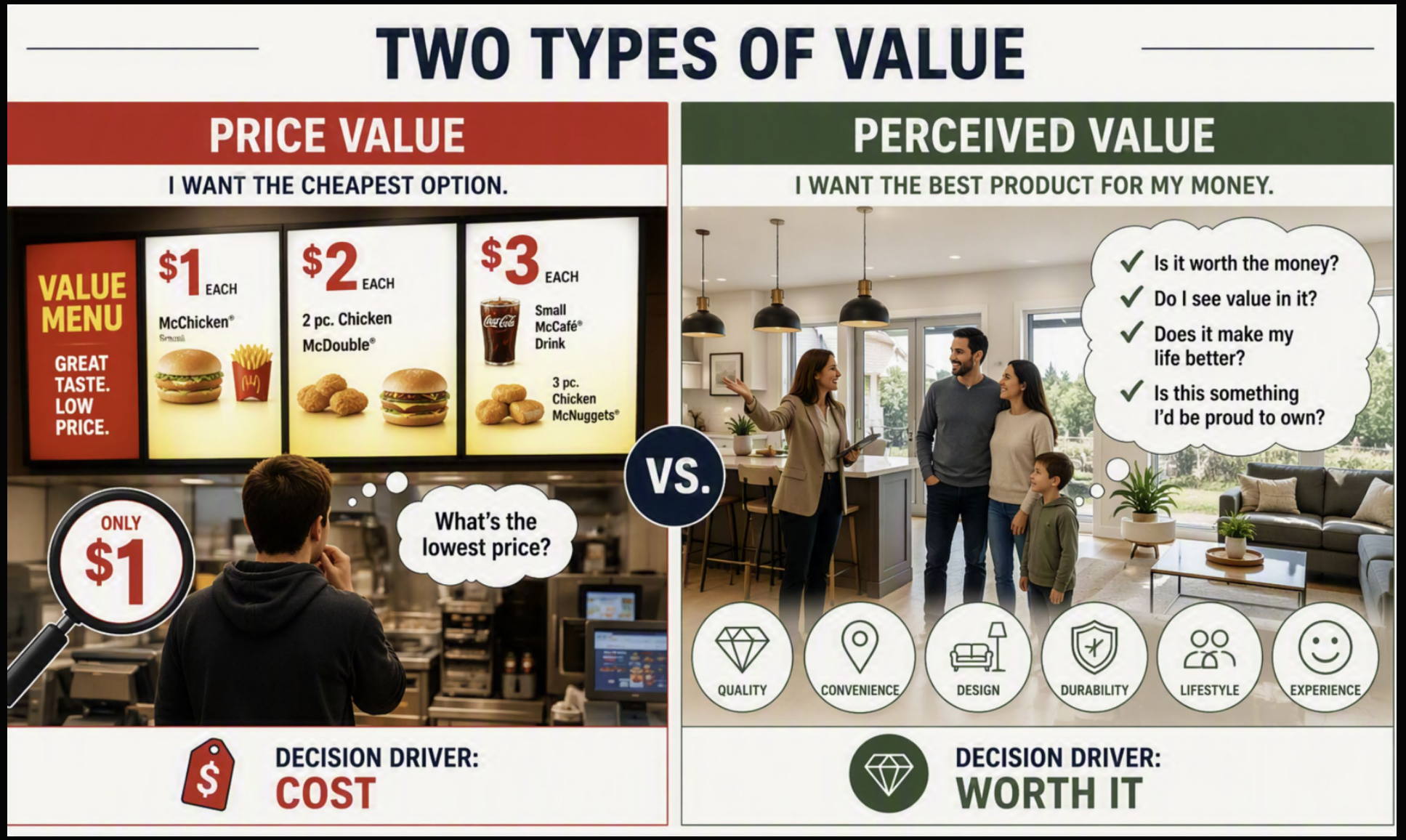




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Zonda

Less about value…more about compelling



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Zonda

Let’s wrap it up…

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Zonda

Industry Considerations

Follow the Population Trends

Birth rates, domestic migration, and international migration will reshape where and how housing demand grows.

Watch Immigration Policy

Policy affects both household formation and labor availability — influencing demand, construction costs, and delivery timelines simultaneously.

Recognize Evolving Buyers

Fewer family households, greater demographic diversity, and an aging population demand fresh approaches to product, planning, and marketing.

Pay Attention to AI

We're in the early stages of a transformation that could reshape jobs, investment patterns, infrastructure needs, and housing demand in unpredictable ways.

Understand Data Center Impact

Land competition, power infrastructure pressure, rising energy costs, and community concerns are becoming material development considerations.

Follow Demand at the Submarket Level

Jobs, affordability, capital, demographics, and migration will continue to separate long-term winners from laggards.

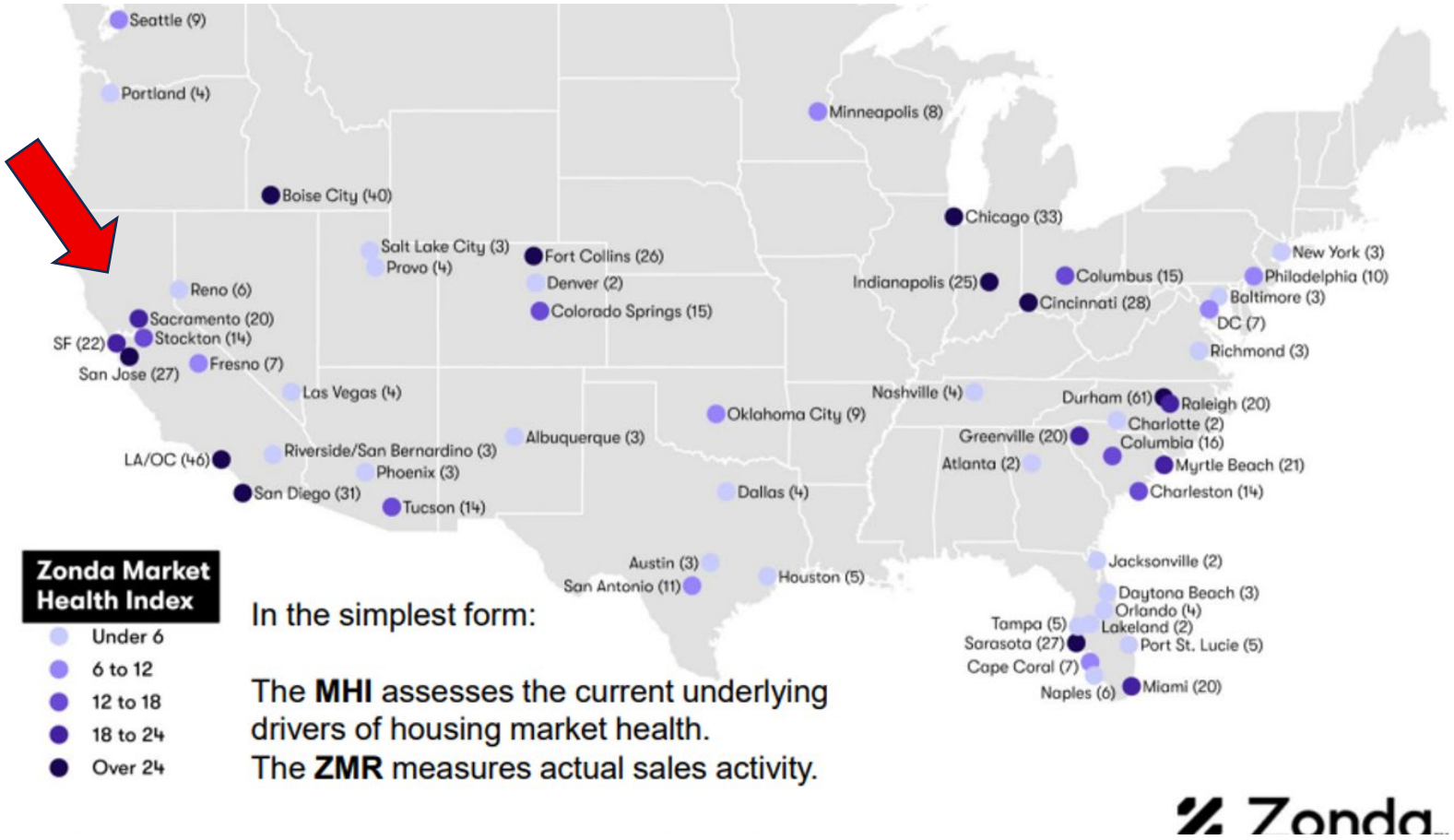
Know What They Want. Compelling At All Price Points…

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Zonda

Sacramento's Market Health Index Still Ranks Fairly Strong at 20…

Representing underlying drivers of housing market health



- Starts
- New Home Sales
- Existing Home Sales
- Permits
- Mortgage-To-Income Ratio
- Household Growth
- Unemployment Rate
- Employment and High-Income Employment

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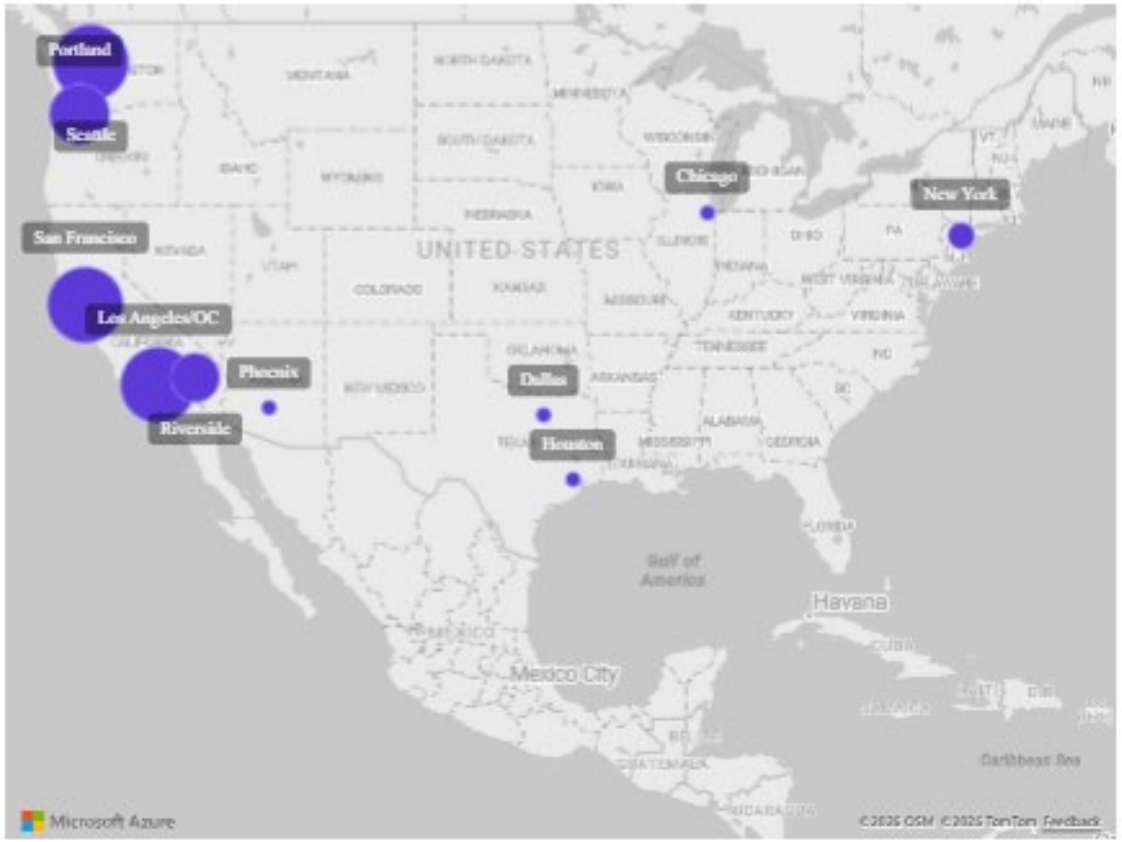
Zonda

Surrounding wealth and equity is your superpower

Why? Sacramento is 50% lower in price than San Francisco

Origin Searching Sacramento New Homes

Rank	Origin Market	Median Origin Price	Median Price Origin Vs Destination
1	San Francisco	$1.0M	50.4%
2	Los Angeles/OC	$947K	36.8%
3	Seattle	$784K	13.3%
4	Portland	$659K	-4.8%
5	Riverside	$626K	-9.5%
6	New York	$909K	31.3%
7	Phoenix	$529K	-23.5%
8	Dallas	$500K	-27.8%
9	Chicago	$474K	-31.5%
10	Houston	$416K	-39.9%

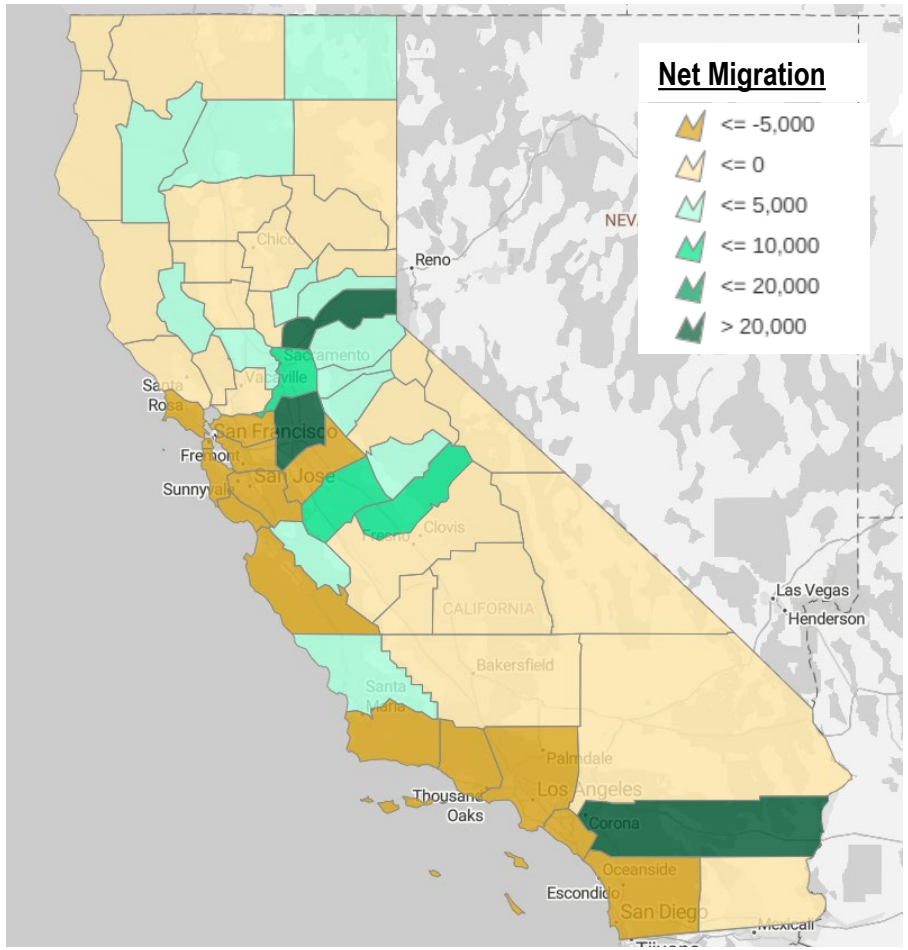


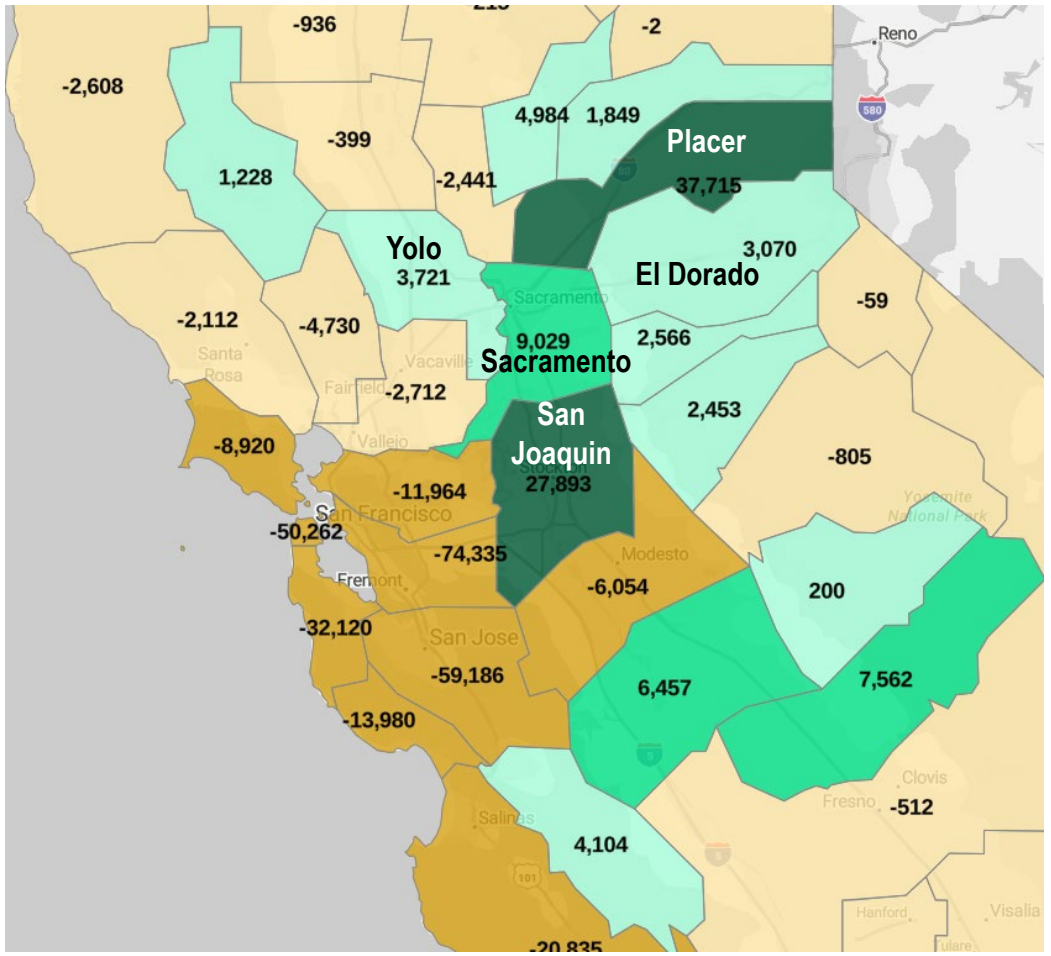
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Zonda

Migration proves the shifts…
Sacramento is winning while the Bay area is losing

Net Migration (2020-2025)





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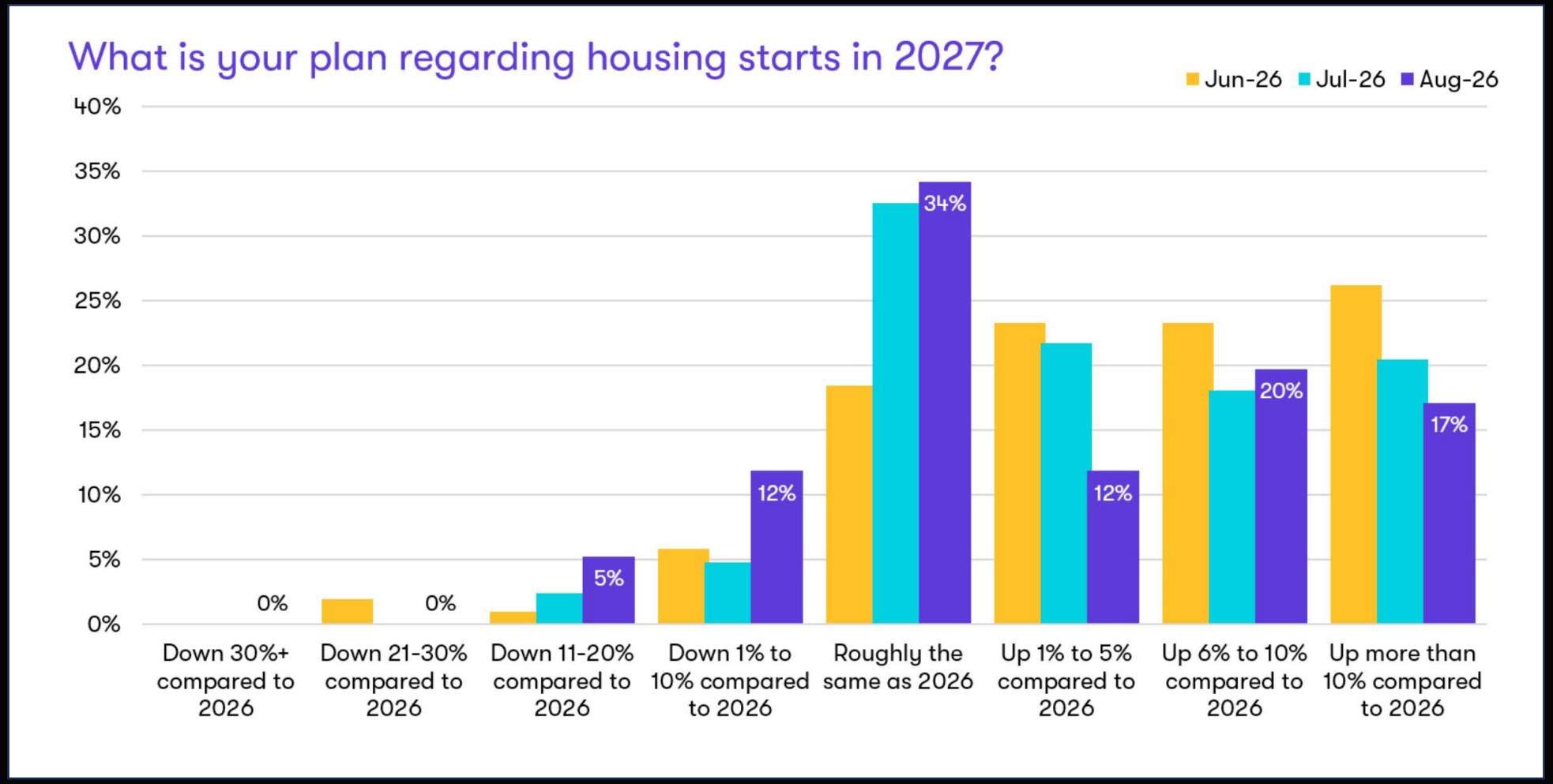
Your forecast and ours…

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Zonda

Where do builders think the market is going?

17% say down | 34% flat | 49% say up



Any new challenges that arise in 2027 will hit hard.

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Zonda

Zonda Forecasts 1.1% to 4.2% per year price appreciation and 3.3% to 3.9% per year income growth.

Zonda's Forecast				
Sacramento-Roseville-Folsom, CA	**2025**	**2026F**	**2027F**	**2028F**
Single-Family Starts (SAAR)	7,809	7,740	8,040	8,770
% Change		**-0.9%**	**3.9%**	**9.1%**
Median Home Price	$633,230	$640,390	$656,490	$684,010
% Change		**1.1%**	**2.5%**	**4.2%**
New Home Sales	6,013	5,374	5,364	5,920
% Change		**-10.6%**	**-0.2%**	**10.4%**
Median Income	$107,524	$111,753	$115,934	$119,769
% Change		**3.9%**	**3.7%**	**3.3%**
Household Growth (%)	0.81%	0.28%	0.48%	0.32%

Your opportunity?

29,566

Annual TOTAL Opportunity

You just have to do it better!

5,918

Homes Delivered

Actual new homes delivered — less than 55% of total demand.

10,939

New Home Annual Healthy Opportunity

5,021

Unmet Demand

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…and the most important of all to succeed today

All Lifestages
All Price Points
All Values
All Geographies

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It’s How You Make Them Feel

The Human Factor

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class
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Thanks for Joining Us!



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