

Reno/Sparks Association of REALTORS®

March, 2013

Market Report

Area 100, Greater Reno/Sparks



This report is designed to assist REALTORS® in analyzing current market conditions and trends. If you are considering buying or selling real estate, you should discuss this report with a real estate professional, a REALTOR®.

Market Report Outline

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 - By Special Conditions
- ❖ **Number of Units Sold**
- ❖ **Days on Market**
 - By Month
 - By Special Conditions
- ❖ **New Listings**
 - By Month
 - By Price
 - By Special Conditions
- ❖ **Distressed Listings**
 - By Price
 - As a Percentage of Listings
- ❖ **Status of Pendings**
- ❖ **Months Supply of Inventory**
 - Current Month
 - Historical 8 year, by Month
- ❖ **Units and Absorption**
 - by Price
 - by Area Group
 - by Condition
- ❖ **Data Assumptions:**
 - Region defined as Area 100
 - Home Type defined as Site/Stick Built
 - This data is accurate to the best of the knowledge of Reno/Sparks Association of REALTORS® based on data reported to the NNRMLS as of April 12th, 2013.

Market Report Commentary

❖ Summary

“The lack of inventory, along with strong buyer demand for homes continues to push median price up month-over-month,” said Helen Graham, 2013 president of the Reno/Sparks Association of REALTORS. “Even with rising median prices, home ownership remains at affordable levels for buyers with a steady income, a reasonable down payment and good credit.”

❖ Median Sales Price

- March 2013 median price was up 2.6% to \$195,000 compared to \$190,100 in February 2013 and up 30.1% compared to \$149,900 in March 2012.
- Median price is defined as the mid-point, where, for the time period identified, the price for one-half of the sales are higher and one-half are lower.

❖ Annualized Median Price by Area Group

- This chart shows the annualized median price by-area-group year over year. Each vertical bar represents the median for the prior 12 months of data.

❖ Median Price by Special Conditions

- March, 2013 median price on properties with no special conditions was down -4.2% to \$229,900 compared to \$240,000 in February, 2013 and up 23.6% compared to \$186,000 in March, 2012.
- March, 2013 median price on REO (Bank Owned) properties was up 1.9% to \$158,000 compared to \$155,000 in February, 2013 and up 27.4% compared to \$124,000 in March, 2012.
- March, 2013 median price on short sales properties was down -10.6% to \$146,000 compared to \$163,250 in February, 2013 and up 0.7% compared to \$145,000 in March, 2012.

❖ Number of Units Sold

- March, 2013 units sold was up 14.8% to 480 compared to 418 in February, 2013 and down -11.1% compared to 540 in March 2012.

❖ Average Days on Market

- March, 2013 average days on market was down -5.0% to 132 compared to 139 in February, 2013 and down -9.0% compared to 145 in March 2012.

Market Report Commentary, continued

❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 210.
- Properties with no special conditions had an average days on market of 92.
- REO Properties had an average days on market of 109.

❖ New Listings

- March, 2013 new listings was up 17.5% to 558 compared to 475 in February, 2013 and down - 8.2% compared to 608 in March 2012.
- Properties listed at under \$250,000 made up 58% of new listings entering the market during the month of March, 2013.
- 32% of new March, 2013 listings were distressed. Short sales 26%; REO 4%; No special conditions 68%; and Other 2%.

❖ Distressed New Listings History

- The allocation of new listings by special conditions decreased with the volume of distressed new listings representing 37% of the market in February, down from 45% in February 2012.

❖ Status of Pending

- Active/Pending-Short Sale represent 51.5% of the total active pendings; Active/Pending-Loan equals 15.7%; Pending-No Show represents 26.2%; Active/Pending-Call 5.5%; and Active/Pending-House 1.1%.

❖ Current Months Supply of Inventory (Unsold Inventory ÷ Sales per Month)

- At the end of March, 2013, there was 3.4 months of unsold inventory based on the monthly sales rate.

Market Report Commentary, continued

❖ Historical Months Supply of Inventory

- Historical Months Supply of Inventory shows that MSI was down in March, 2013 to 3.4, and down from 5.0 in March, 2012.
- The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply.
- Unsold inventory includes Active Pendings. This method of reporting months supply of inventory follows the industry standard of including all pending sales remaining in active status in the active inventory.

❖ Units and Absorption by Price

- Properties in the \$400,000 to \$500,000 range and \$500,000 to \$750,000 range are in a balanced market.
- Properties over the \$750,000 price range have 8.5 month's supply of inventory.
- All price ranges below \$400,000 have less than 4.3 month's supply of inventory and would be considered seller's market.
- 71% of the total sales for the month of March were in the under \$250,000 price range.

❖ Units and Absorption by Area Group

- Suburban Southwest had the highest level of active inventory with 103 Active listings.
- The North Valleys, Northwest, Spanish Springs and Sparks show the highest level of activity in pending sales for the month.
- The North Valleys, Northwest and Spanish Springs show the highest volume of closed sales for the month.
- Only the VC Highlands are considered a balanced market within 5 – 7 month's supply of inventory (MSI). All remaining areas are considered a seller's market with less than 4.9 MSI.

❖ Units and Absorption by Condition

- The Month's Supply of Inventory in the category of Real Estate Owned properties remains low at 1.6 MSI in March 2013.
- No Special Conditions condition properties has 2.5 Month's Supply of Inventory, Short Sale properties has 5.3 Month's Supply of Inventory, and Yes-Other 2.5.

Market Report Commentary, continued

March, 2013

❖ Conclusion

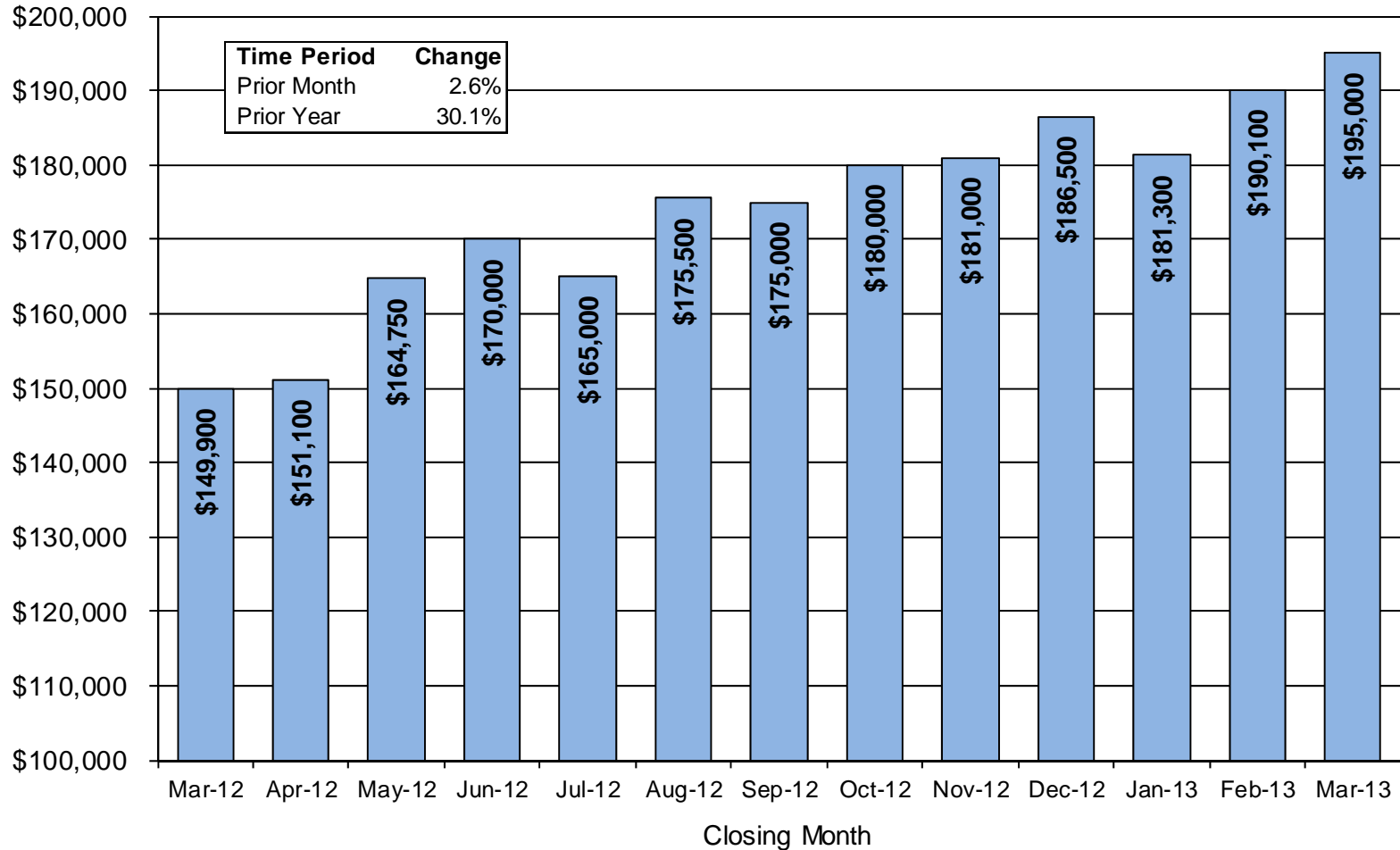
- Sales in the category of no special conditions represented 68% of the sales in March 2013 compared to 39% of the market in March 2012. This is attributable to equity sellers entering the market and investors who purchased at or near the bottom of the market and are now returning that inventory back to the market.
- Median price has been trending up for the past fourteen months. Although listing inventory was up 18% over February, the demand for inventory is driving the median price up.
- For the third consecutive month, the March 2013 sold to asking price ratio exceeded 100%, reported at 100.7%. The sold to asking price ratio has been trending up since January 2012.
- Listings in the category of no special conditions were up 27% over February 2013; in the category of Short sales, listings were up 4% from February 2013, and in the category of bank owned, listings were down 34% from February 2013.
- The Department of Housing and Urban Development recently announced a change in its policies concerning the cancellation of the annual Mortgage Insurance Premium (MIP) and an increase to the annual MIP. The change in the Annual Mortgage Insurance Premium is rolling out in two phases. Effective April 1, 2013, the Annual Mortgage Insurance Premium on a typical FHA loan, that is a 30 year loan with 3.5% down, increased by 10 basis points from 1.25% to 1.35%. The increase applies to all loan terms, including 15-year fixed-rate FHA loans.
- FHA also increased premiums on jumbo mortgages (\$625,500 or larger) by 5 basis points from 1.50% to 1.55% (the maximum authorized annual mortgage insurance premium) for loans with less than 5% down.
- The second phase becomes effective June 3, 2013 and deals with the length of time or the term that the Annual Mortgage Insurance Premium is applied. Currently the MIP is cancelled when the borrower has held the loan for 5 years or reaches a 78% loan to value. Effective June 3, the MIP will be applied for the entire life of the loan that the borrower has the FHA mortgage.
- According to HUD Field Director, Tony Ramirez, “The reasoning behind this change is that although the borrower no longer was required to continue paying MIP after 5 years or reached a 78% loan to value, FHA remained responsible for insuring 100 percent of the outstanding loan balance throughout the entire life of the loan, a term which often extends far beyond the cessation of these MIP payments. FHA’s Office of Risk Management and Regulatory Affairs estimates that the Mutual Mortgage Insurance (MMI) Fund has foregone billions of dollars in premium revenue on mortgages endorsed from 2010 through 2012 because of this automatic cancellation policy. Therefore, FHA will once again collect premiums based upon the unpaid principal balance for the entire period for which FHA is entitled. This will permit FHA to retain significant revenue that is currently being forfeited prematurely.”

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Median Sales Price

March, 2013

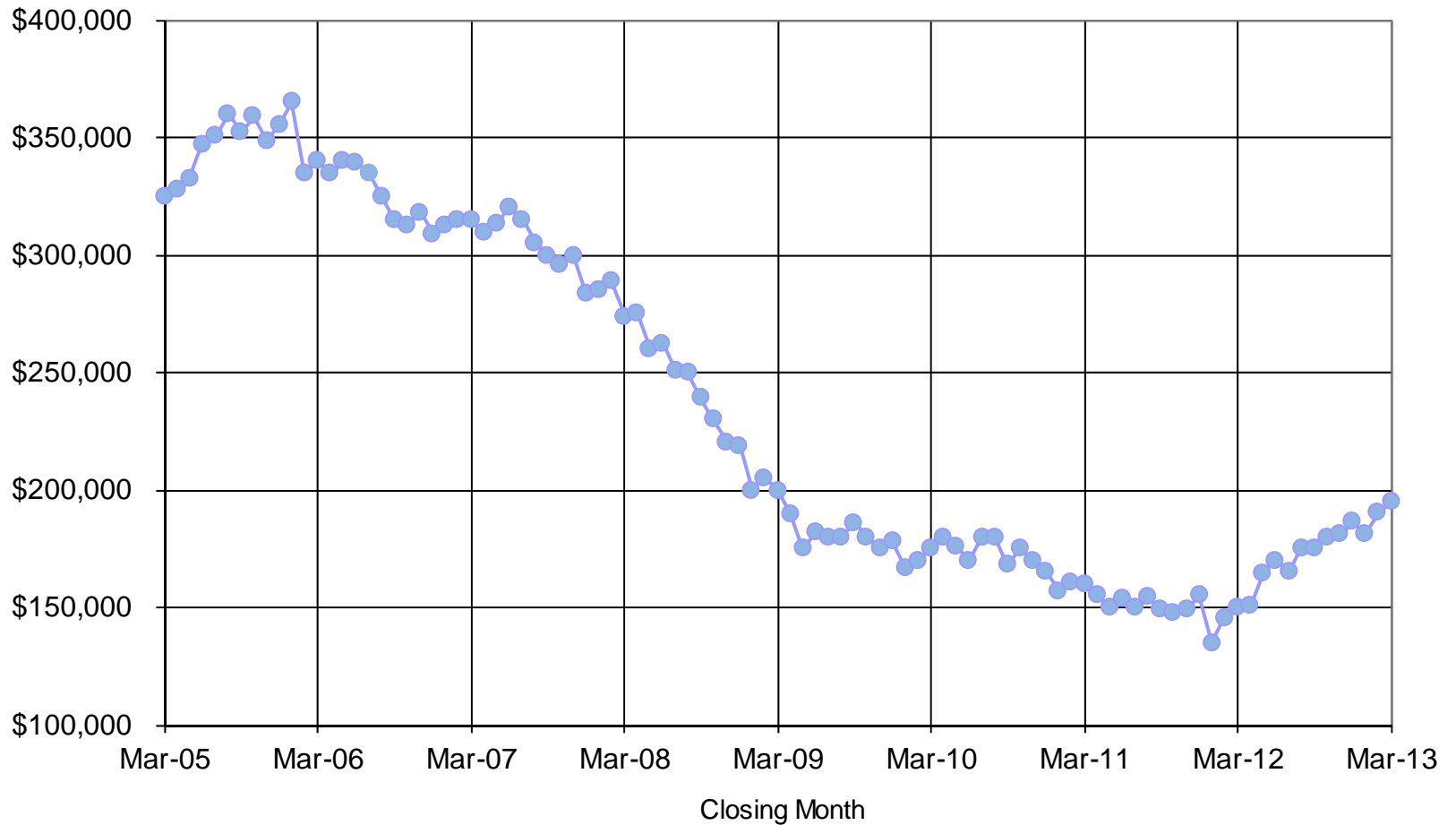
Median Sales Price, 13 months



Summary: Median Sales Price

March, 2013

Median Sales Price, 8 years



Price per Square Foot

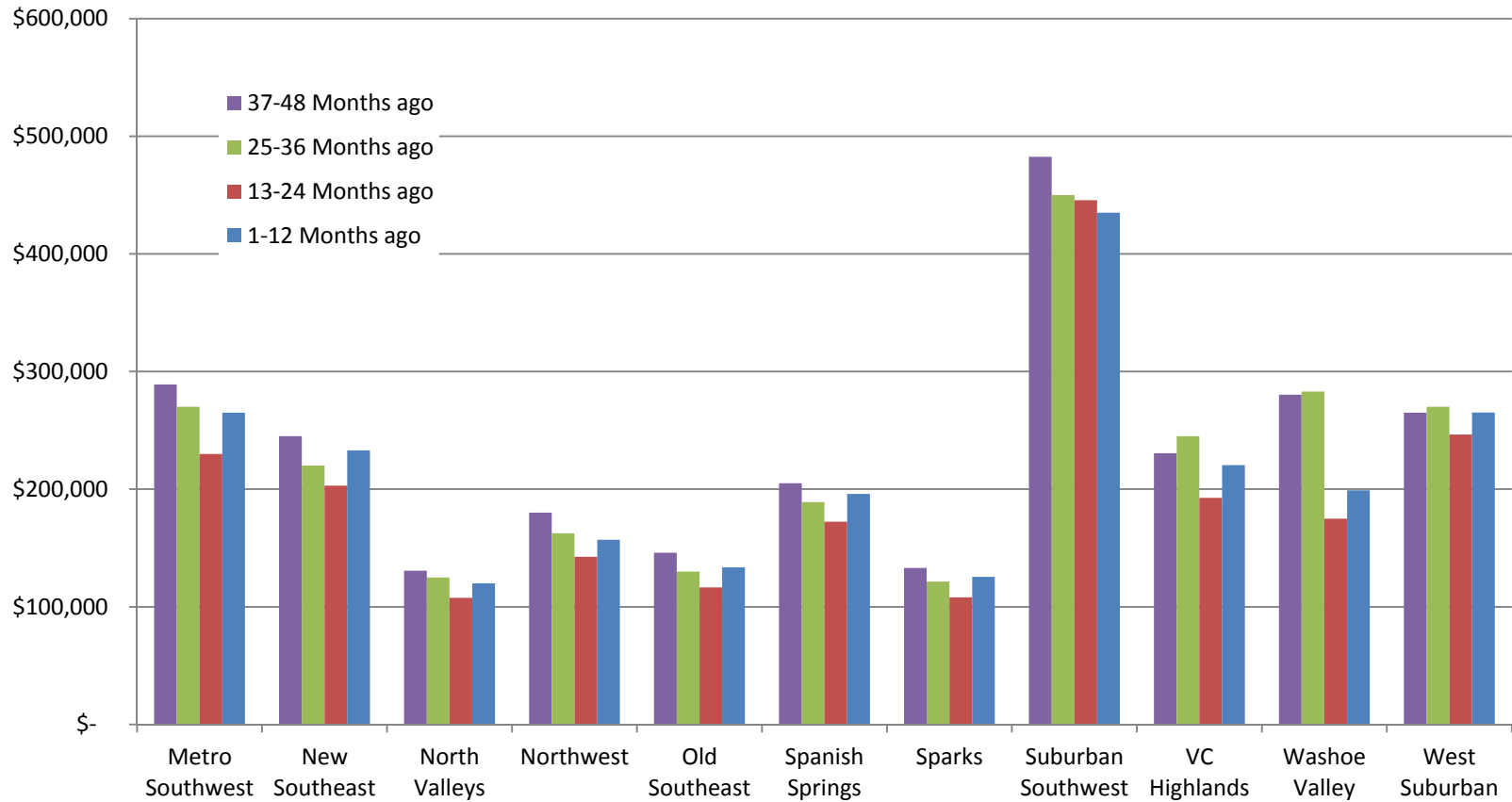
March, 2013

Sold Dollars per Square Foot, 5 year History



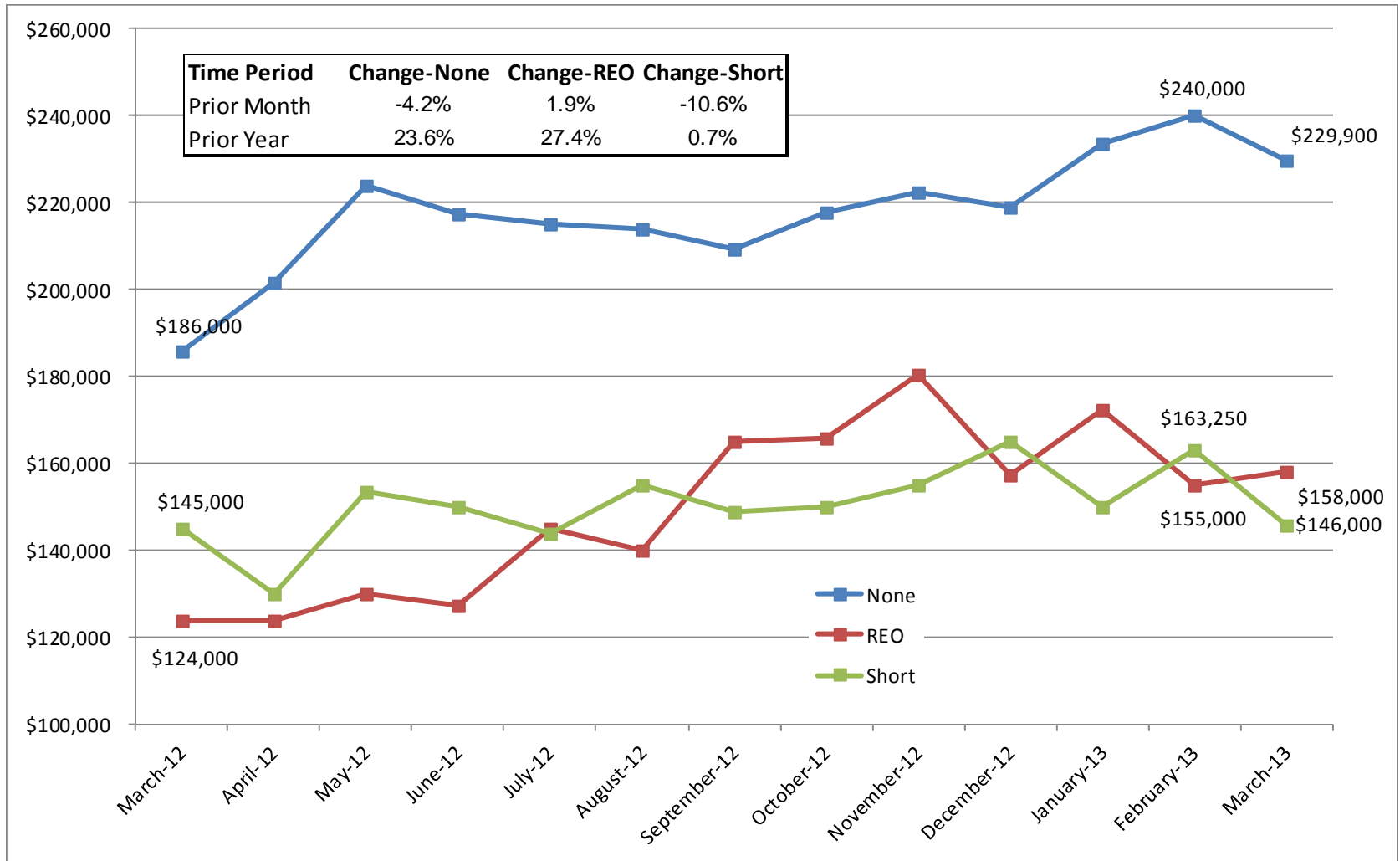
Annualized Median Price by Area Group

March, 2013



Median Sales Price by Special Condition

March, 2013

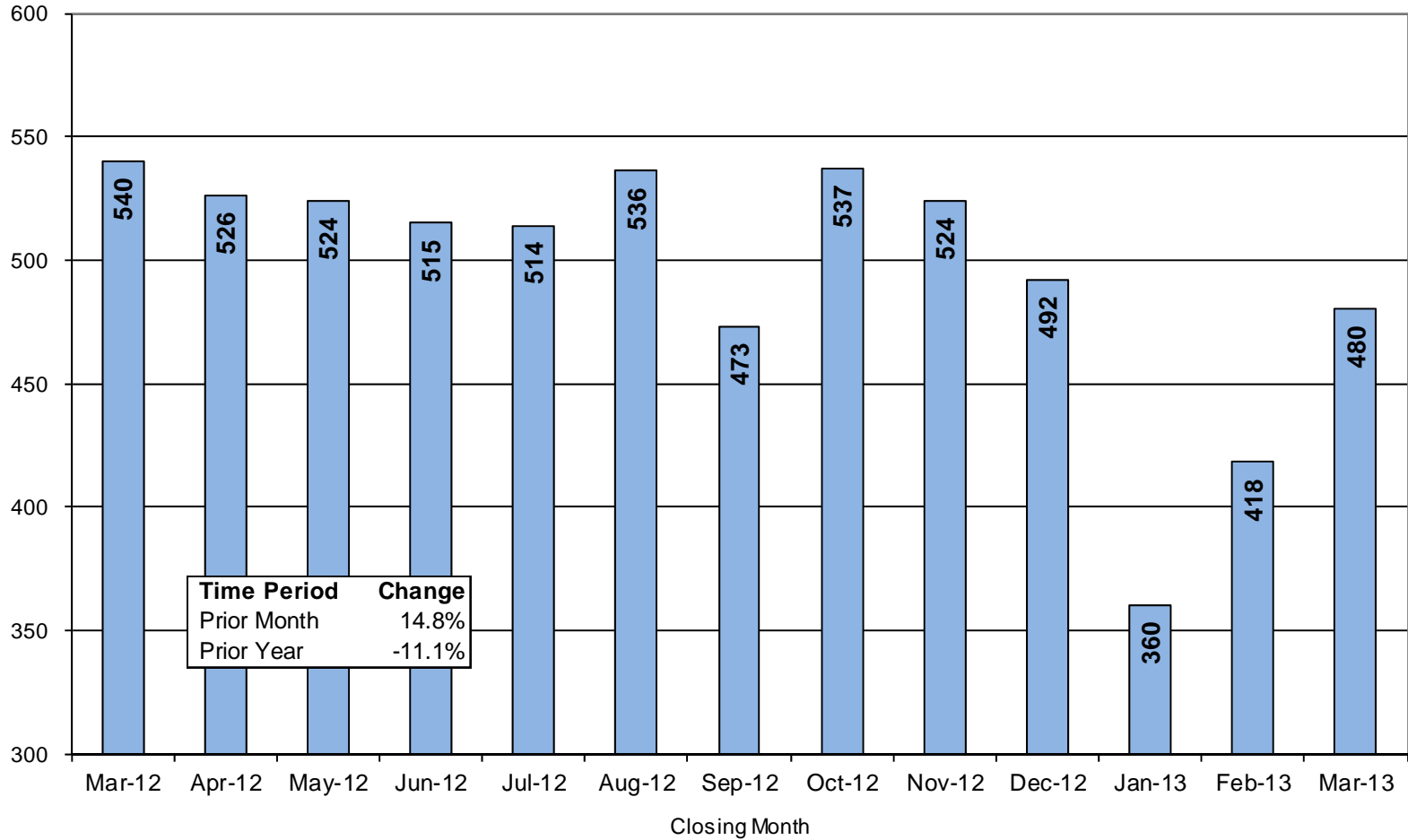


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.

Number of Units Sold

March, 2013

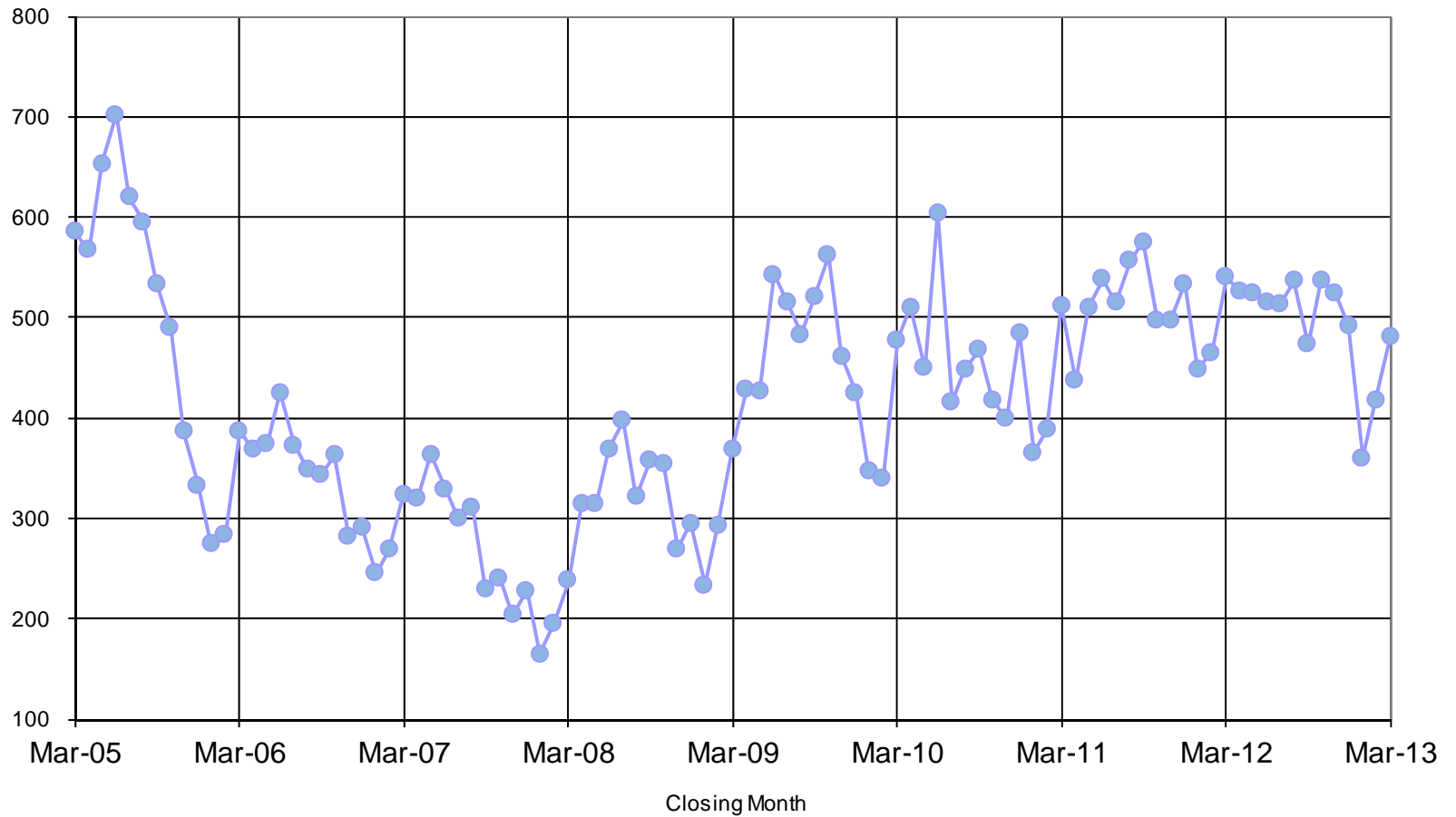
Number of Units Sold, 13 months



Number of Units Sold

March, 2013

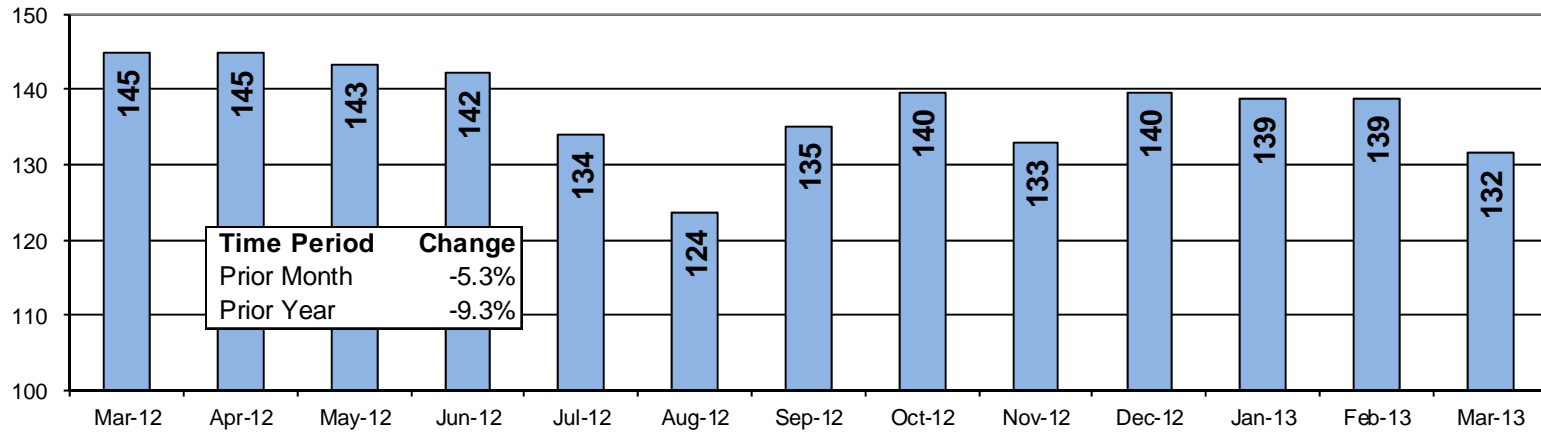
Number of Units Sold, 8 years



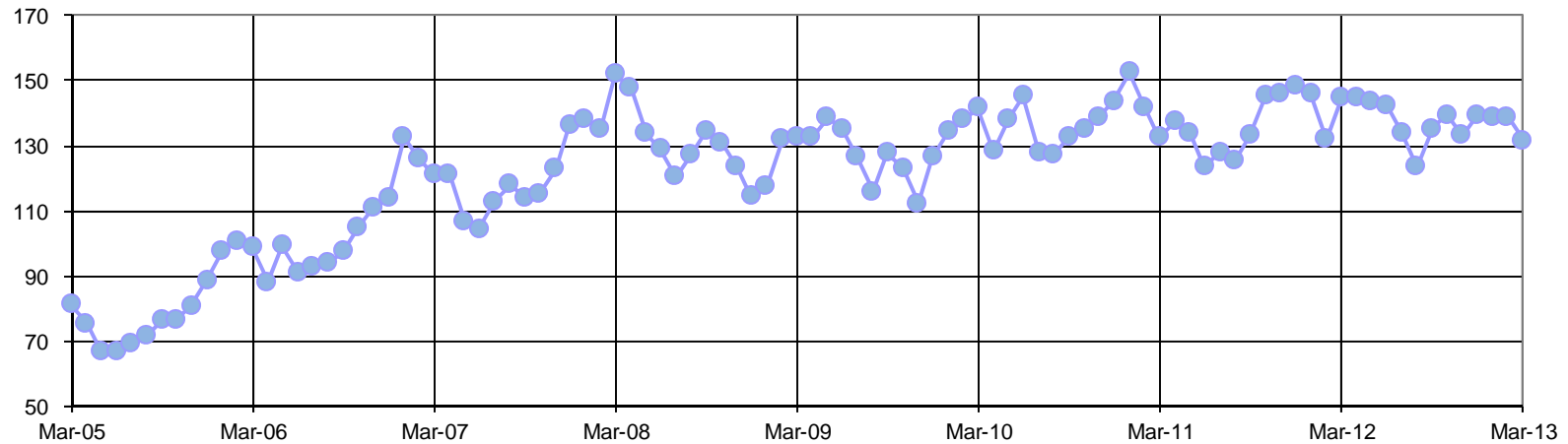
Days on Market, by Month

March, 2013

Average Days on Market for Solds, 13 months

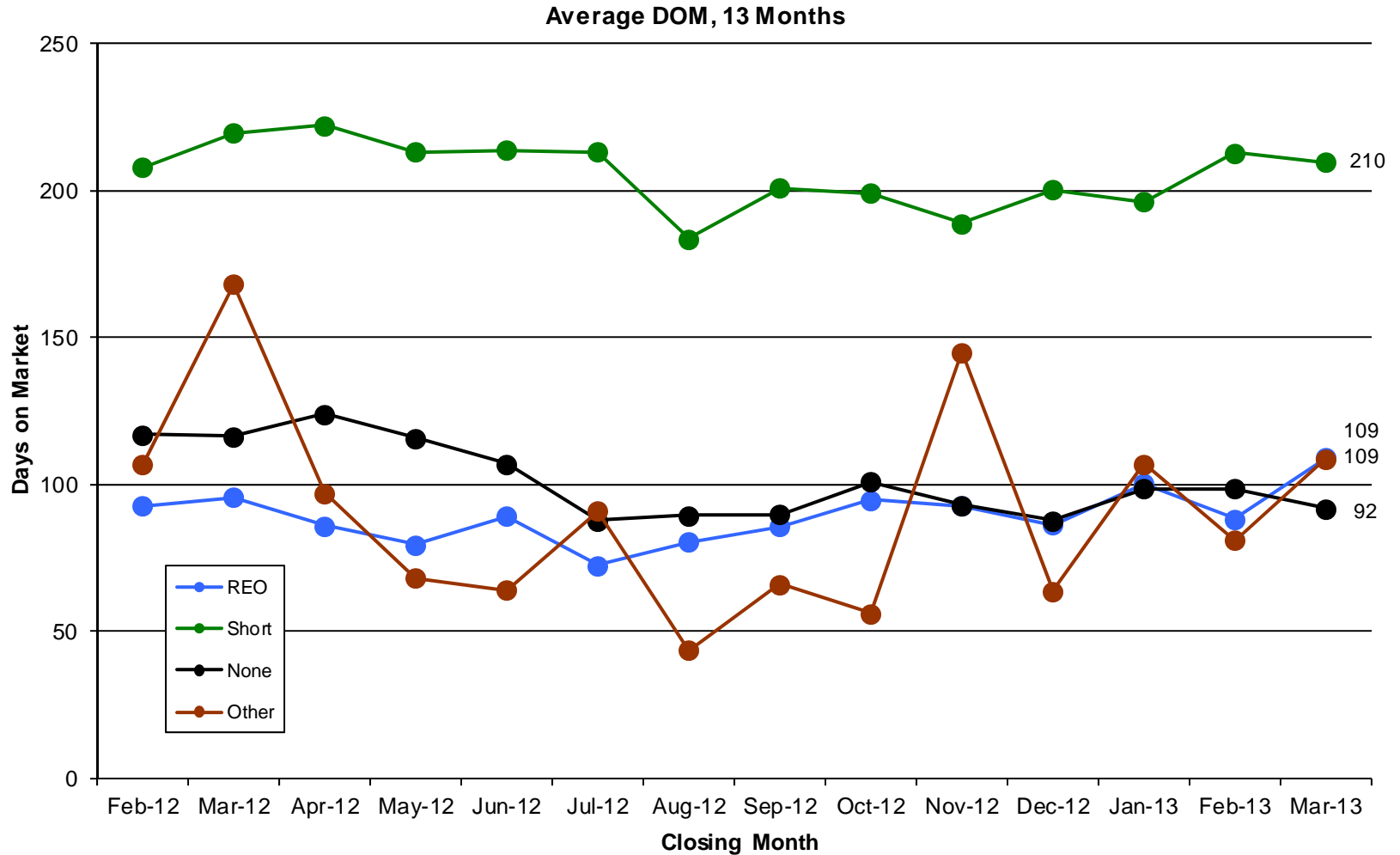


Average Days on Market for Solds, 8 years



Days on Market, by Special Conditions

March, 2013

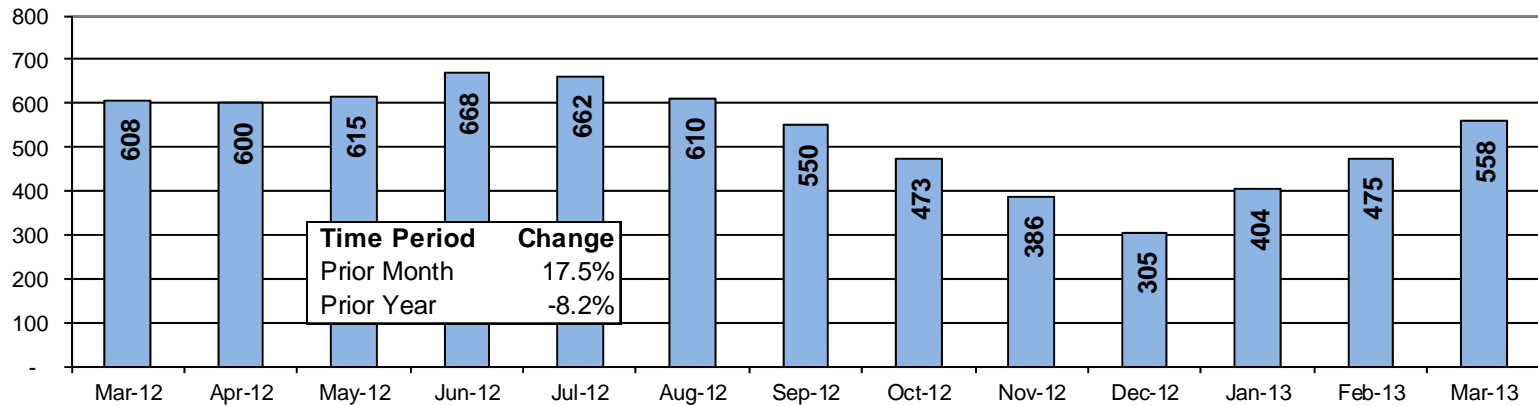


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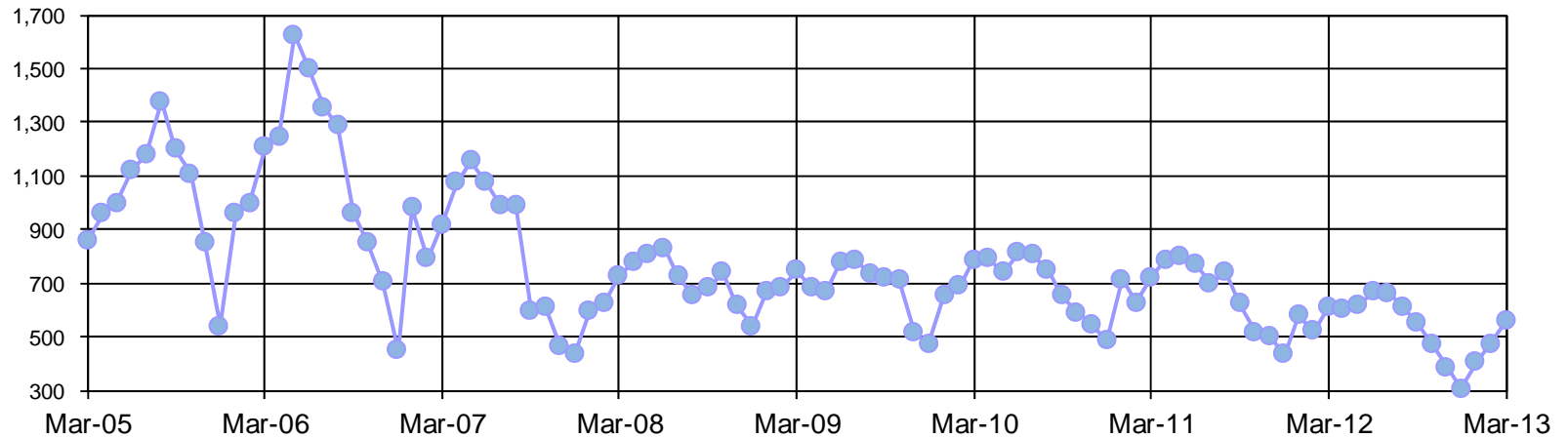
New Listings, by Month

March, 2013

New Listings by Month, 13 months



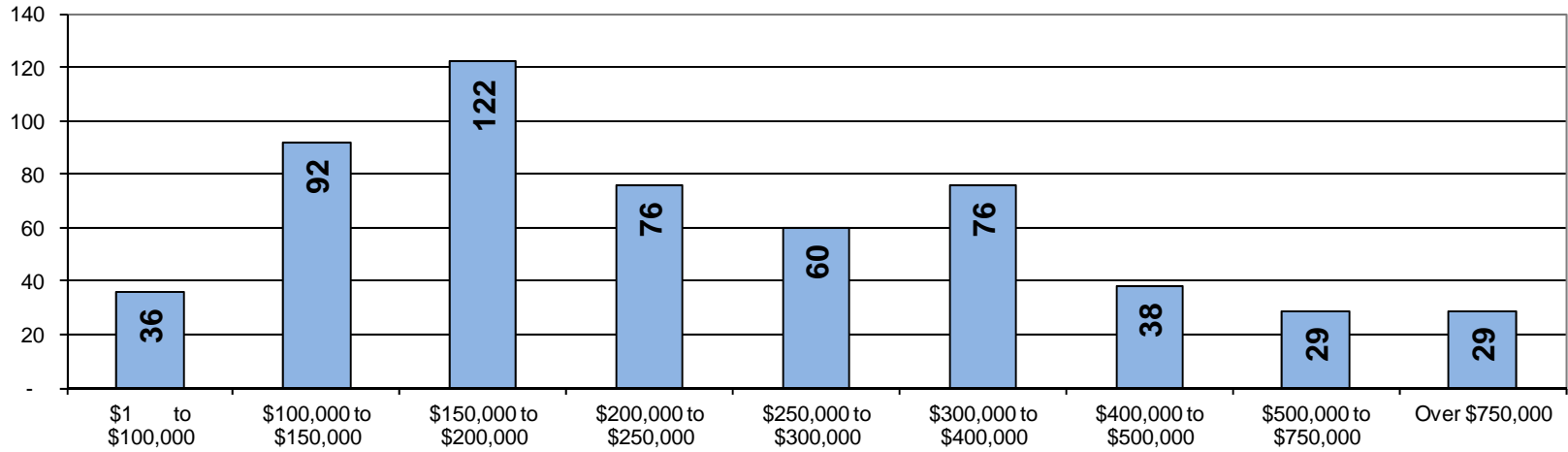
New Listings by Month, 5 years



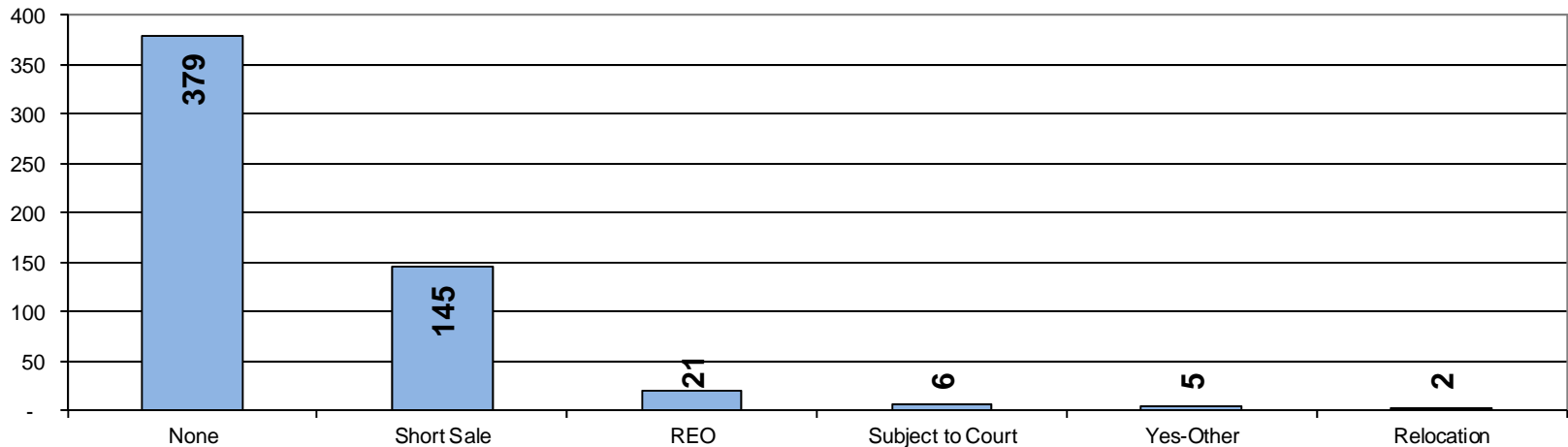
New Listings, by Price and by Special Condition

March, 2013

New Listings, by Price Range



New Listings, by Special Condition

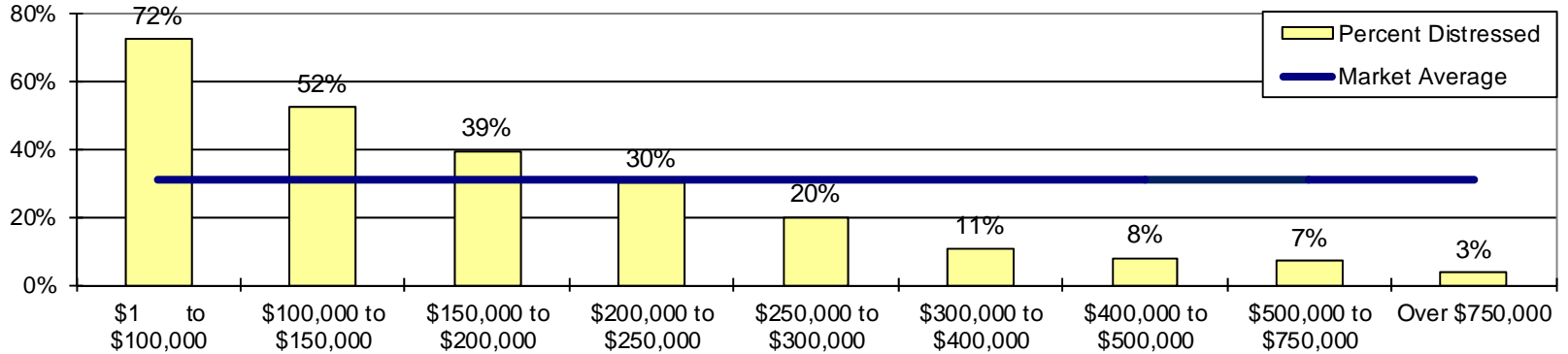


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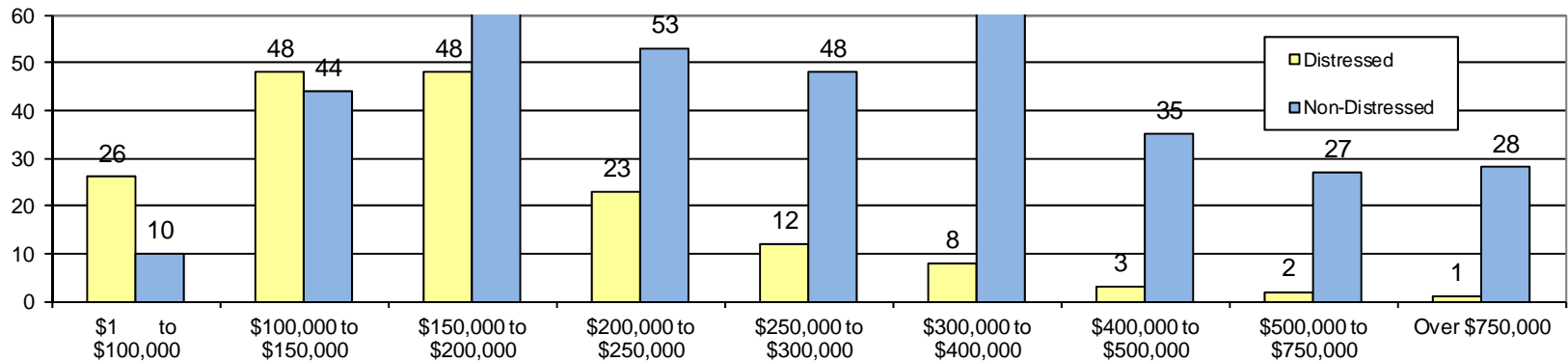
Distressed Listings, by Price

March, 2013

Percentage Distressed New Listings by Price, current month



Number of Distressed and NonDistressed New Listings by Price, current month

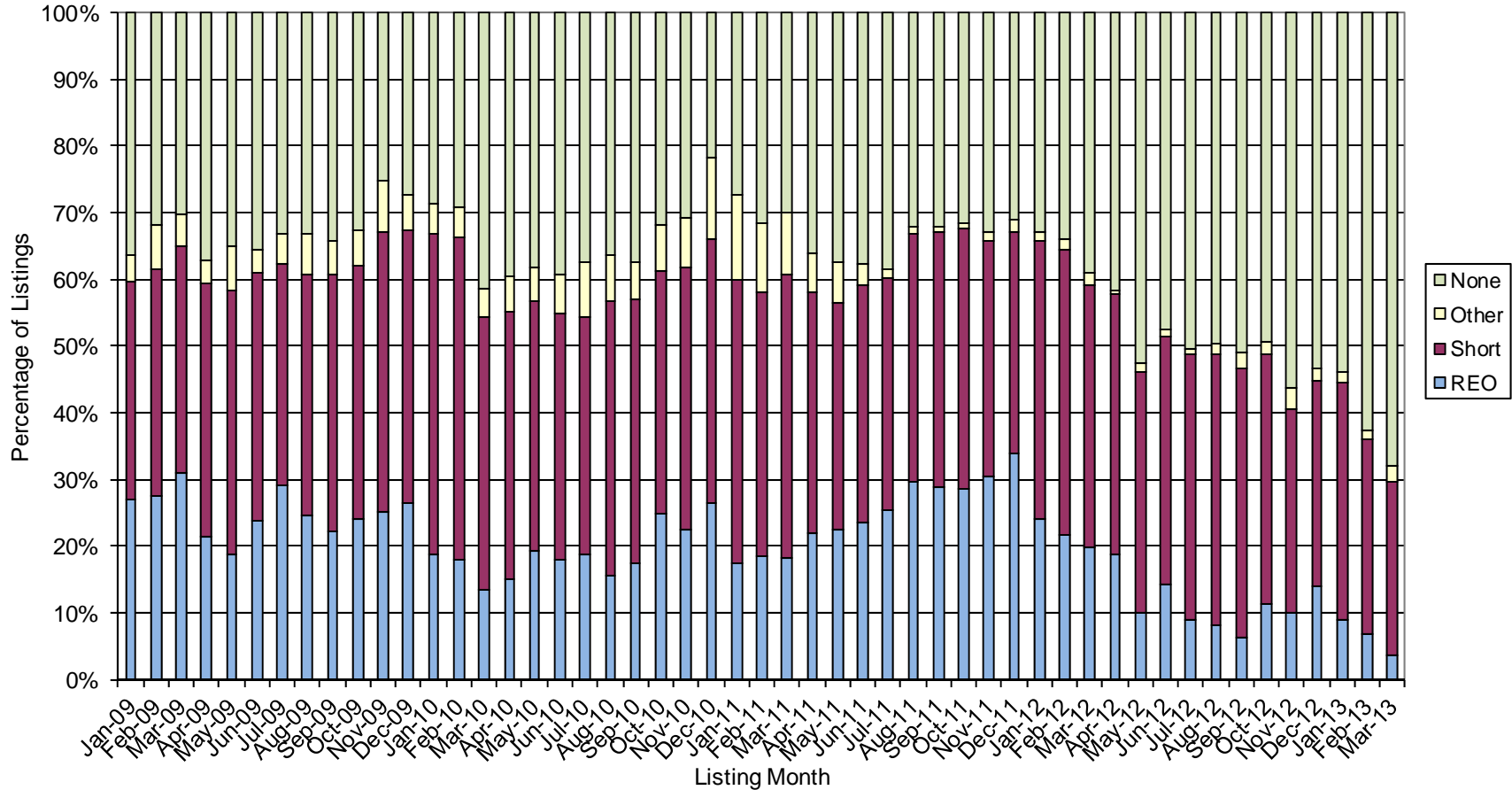


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Distressed Listings, as a percentage of all listings

March, 2013

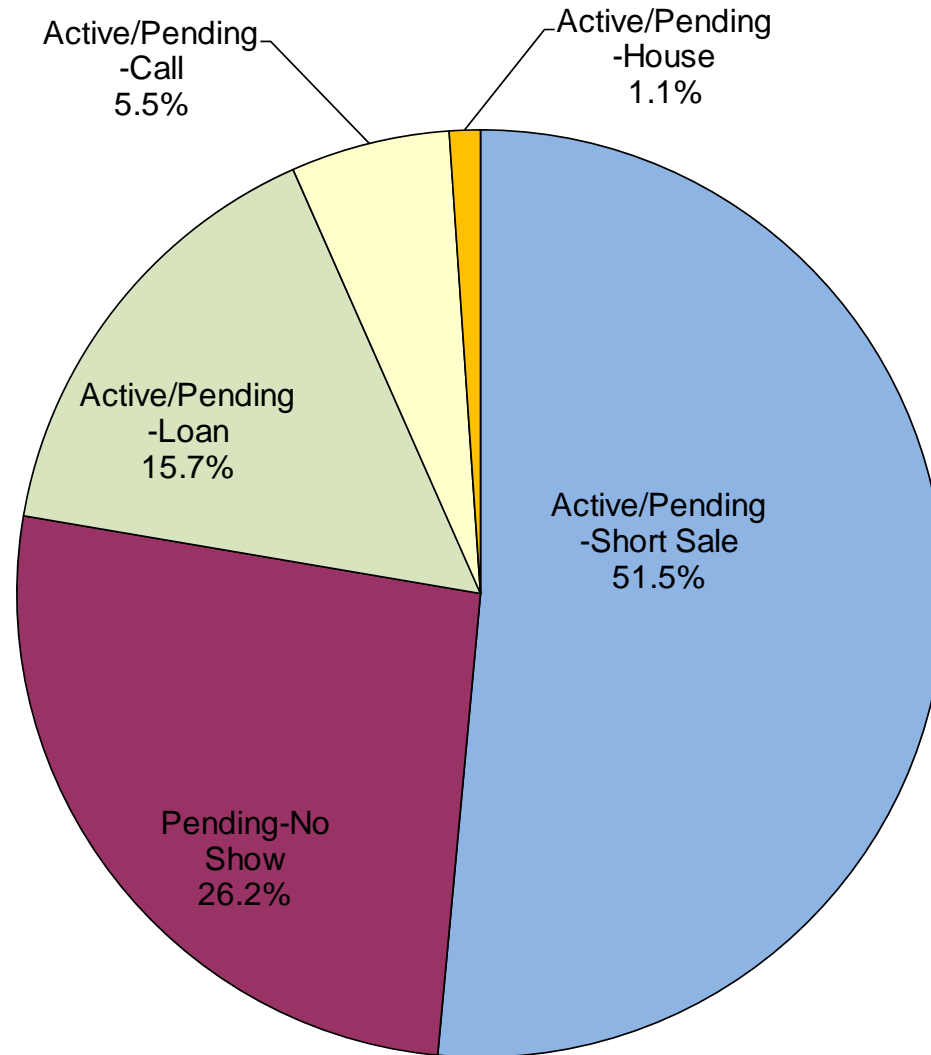
New Listings by Special Conditions



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Status of Pendings, Current Month

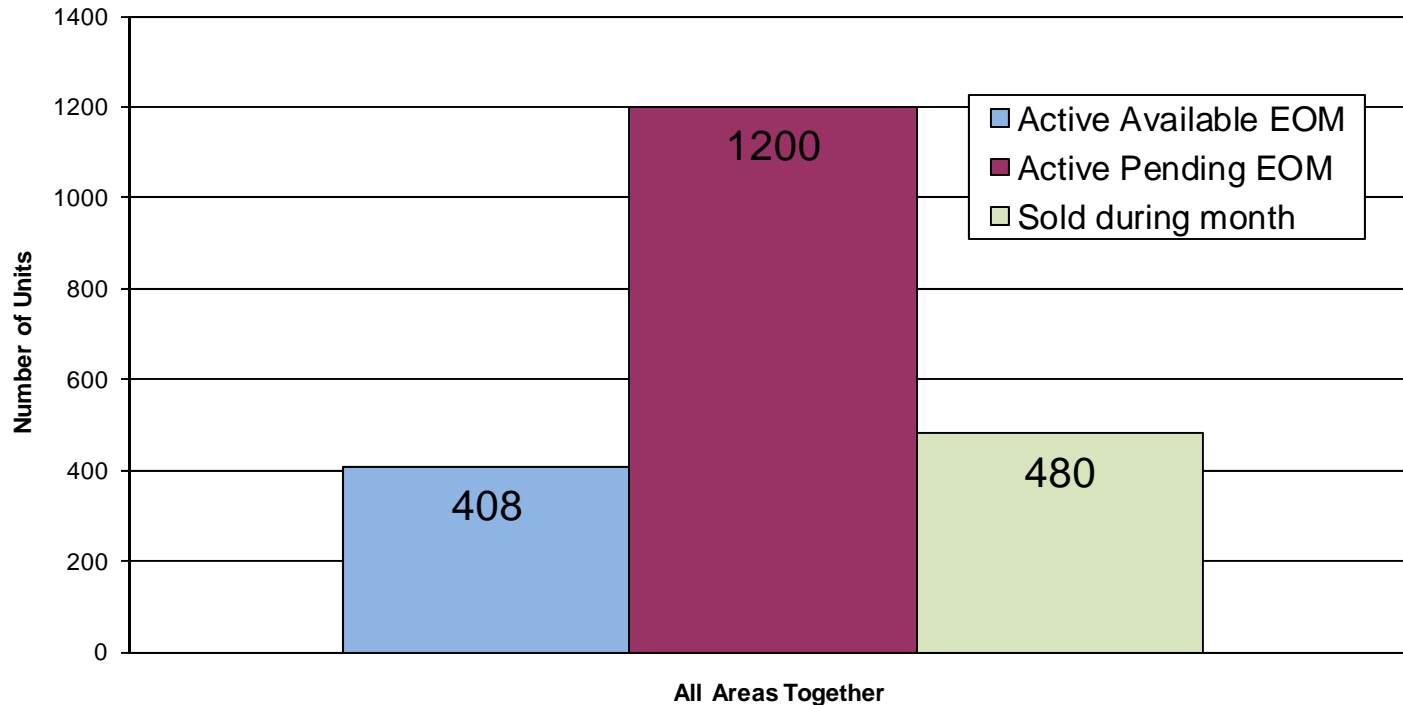
March, 2013



Months Supply of Inventory, Current Month

March, 2013

$(408 + 1200)$ available / 480 units sold = 3.4 months of inventory

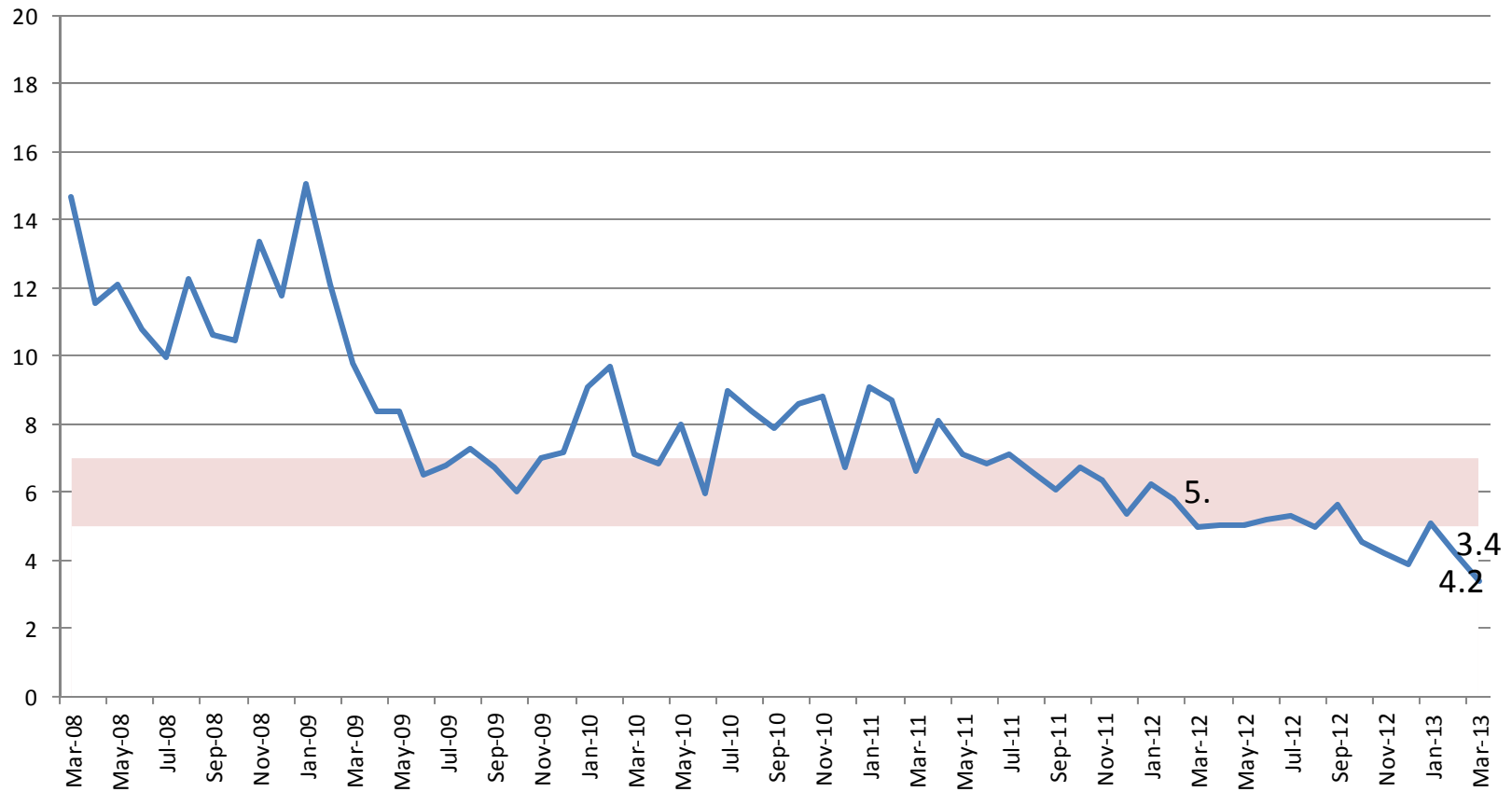


Unsold Inventory includes Active Pendencies. This method of reporting absorption follows the industry standard and includes pendencies in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply of inventory.

Months Supply of Inventory, Historical 5 years

March, 2013

Month's Supply of Inventory, 5 year history

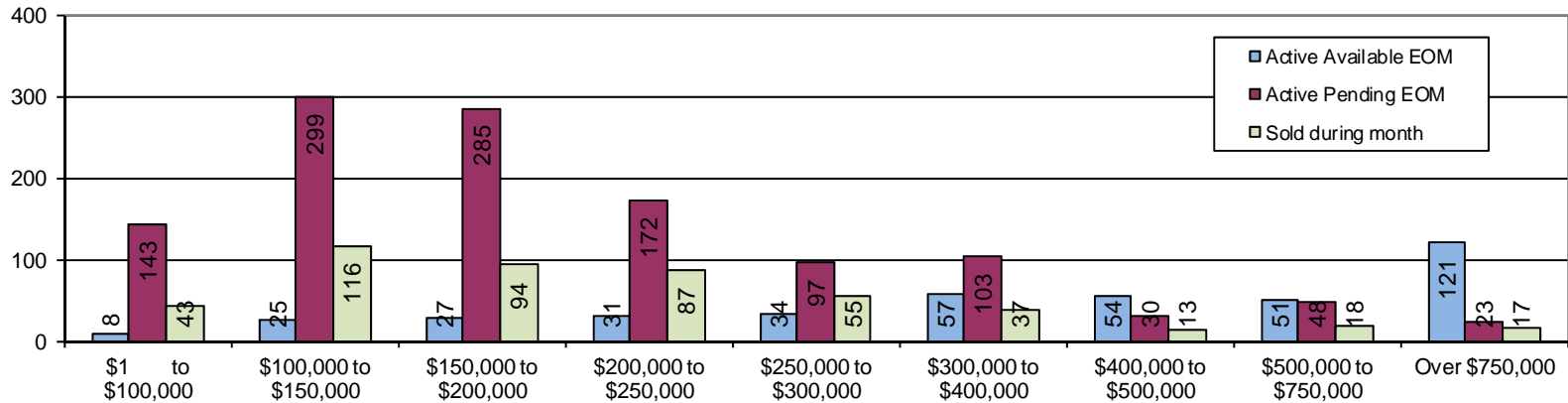


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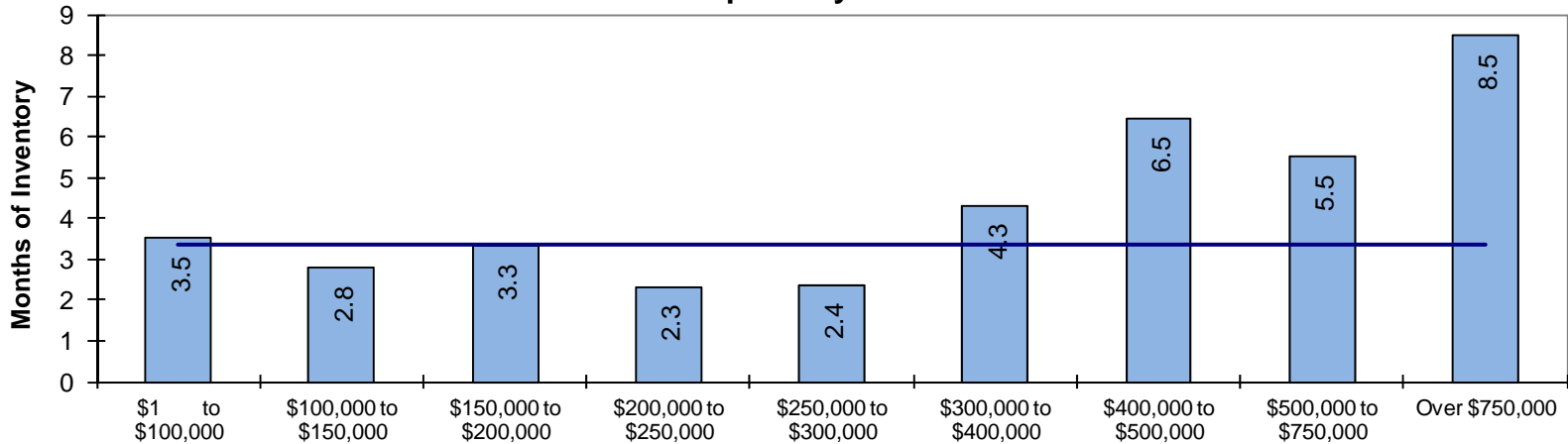
Units and Absorption, by Price

March, 2013

Active and Sold Homes by Price, current month



Absorption by Price



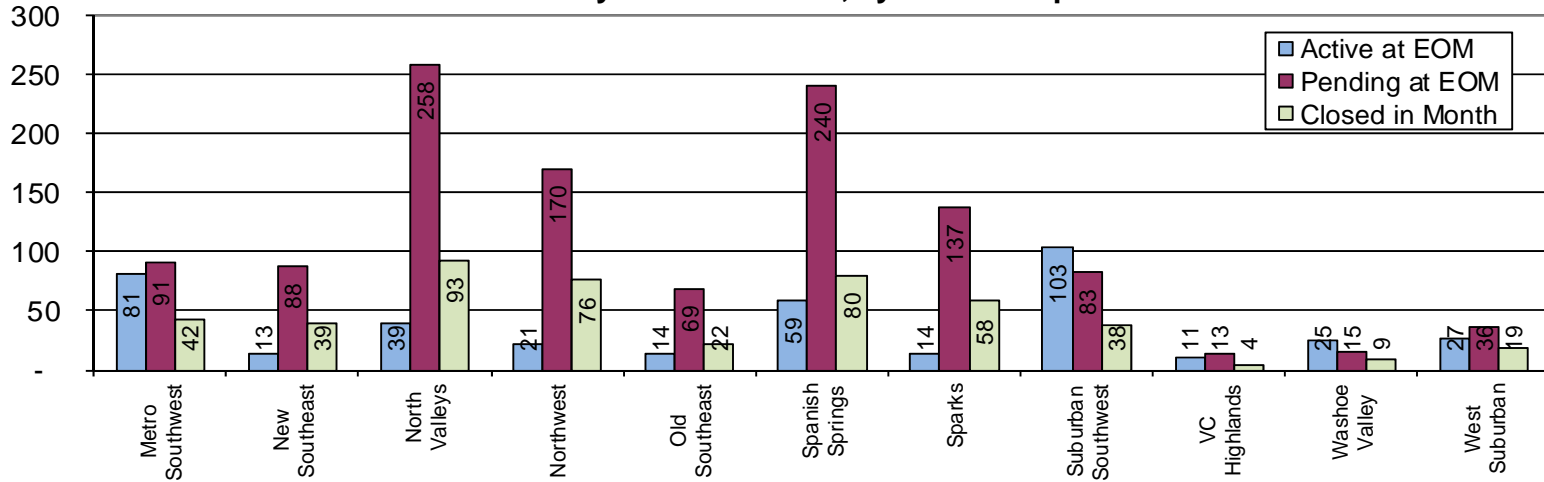
"Active" includes "Active/Pending"

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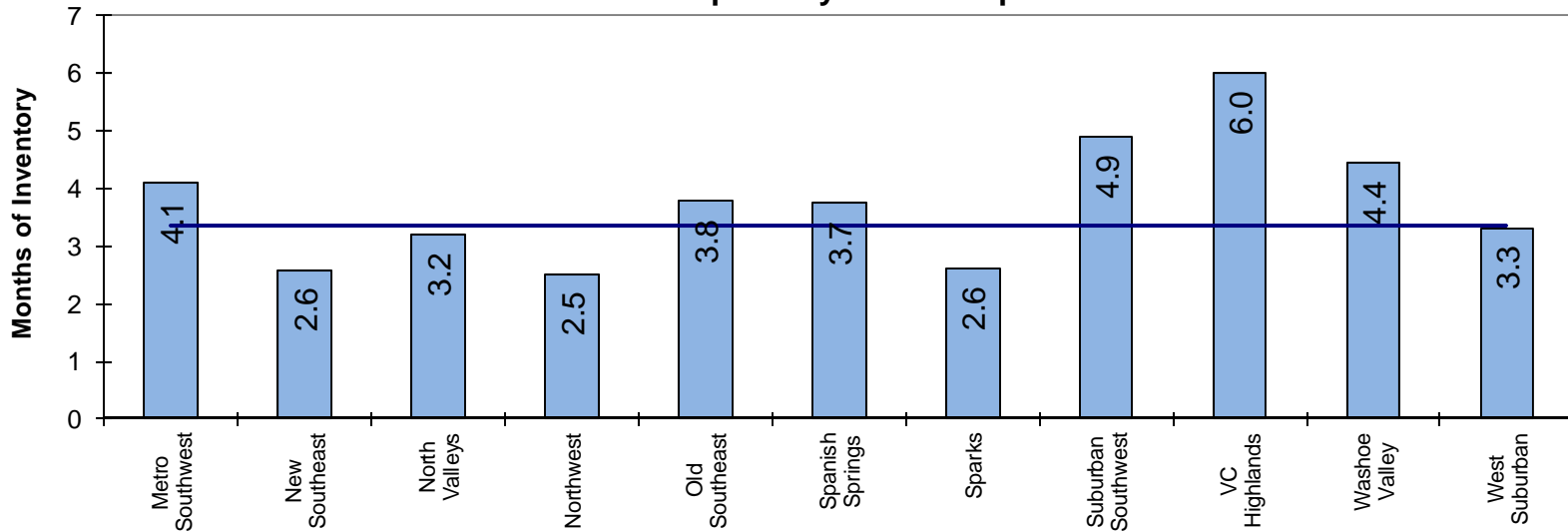
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Units and Absorption, by Area Group

Inventory and Units Sold, by Area Group



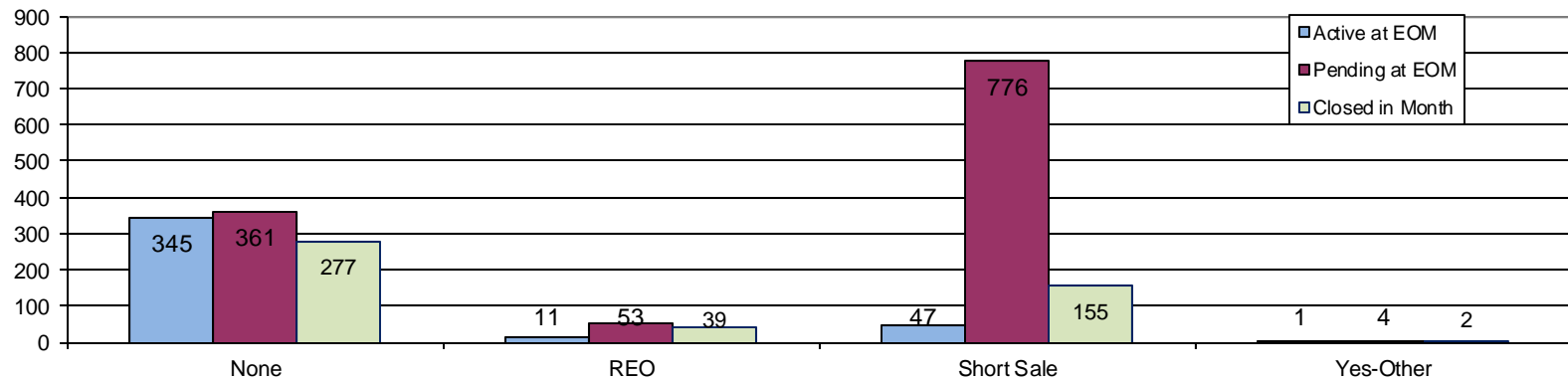
Absorption by Area Group



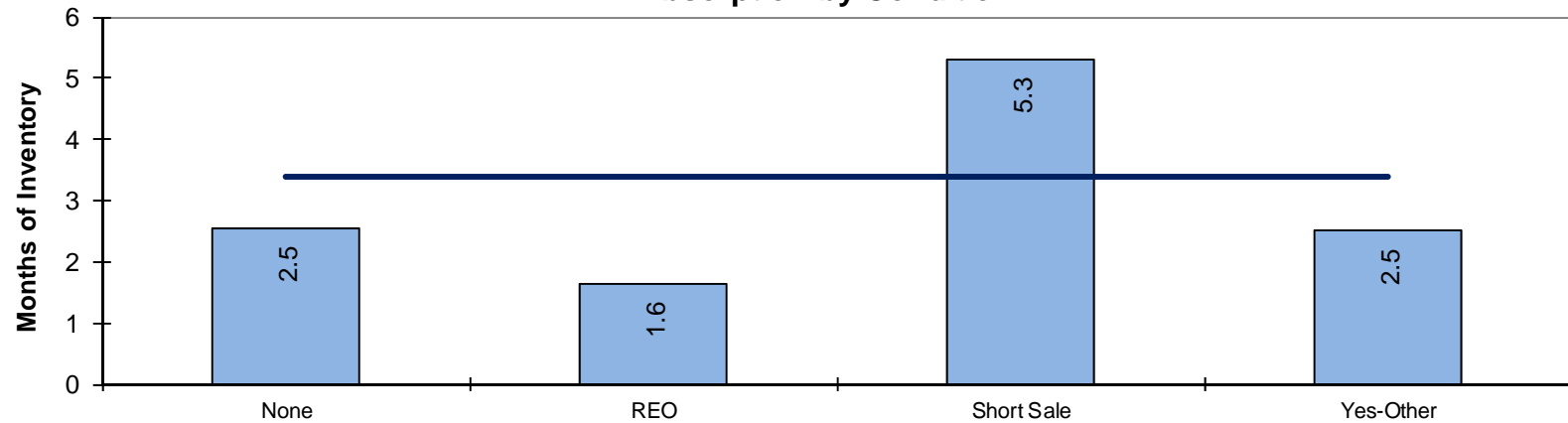
Units and Absorption, by Special Condition

March, 2013

Active and Sold Homes by Condition, current month



Absorption by Condition



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