

Reno/Sparks Association of REALTORS®

April, 2013

Market Report

Area 100, Greater Reno/Sparks



**Reno/Sparks
Association of
REALTORS®**



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®.

Database Analysis Excellence

Proprietary

Market Report Outline

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- ❖ **Median Sales Price**
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 - By Special Conditions
- ❖ **Number of Units Sold**
- ❖ **Days on Market**
 - By Month
 - By Special Conditions
- ❖ **New Listings**
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 - 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 May 12th, 2013.

Market Report Commentary

❖ Summary

- “Properties less than \$250,000 are the most desirable and continue to be scarce in our region,” said Helen Graham, 2013 president of the Reno/Sparks Association of REALTORS. “Therefore we are seeing an increase in median sales prices. Although 55 percent of new listings in April were less than \$250,000 there is an inventory shortage in this category creating a high demand that the supply cannot accommodate. It is not unusual for homes in this price range to receive more than 10 offers that exceed the asking price.”

❖ Median Sales Price

- April 2013 median price was up 6.5% to \$207,750 compared to \$195,000 in March 2013 and up 37.5% compared to \$151,100 in April 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

- April, 2013 median price on properties with no special conditions was down -3.9% to \$221,000 compared to \$229,900 in March, 2013 and up 9.7% compared to \$201,500 in April, 2012.
- April, 2013 median price on REO (Bank Owned) properties was up 10.8% to \$175,000 compared to \$158,000 in March, 2013 and up 41.1% compared to \$124,000 in April, 2012.
- April, 2013 median price on short sales properties was up 17.2% to \$170,000 compared to \$145,000 in March, 2013 and up 30.8% compared to \$130,000 in April, 2012.

❖ Number of Units Sold

- April, 2013 units sold was down -3.5% to 470 compared to 487 in March, 2013 and down -10.6% compared to 526 in April 2012.

❖ Average Days on Market

- April, 2013 average days on market was up 1.7% to 134 compared to 132 in March, 2013 and down -7.7% compared to 145 in April 2012.

Market Report Commentary, continued

❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 219.
- Properties with no special conditions had an average days on market of 94.
- REO Properties had an average days on market of 97.

❖ New Listings

- April, 2013 new listings was up 15.7% to 655 compared to 566 in March, 2013 and up 9.2% compared to 600 in April 2012.
- Properties listed at under \$250,000 made up 55% of new listings entering the market during the month of April, 2013.
- 26% of new April, 2013 listings were distressed. Short sales 22%; REO 5%; No special conditions 72%; and Other 2%.

❖ Distressed New Listings History

- The allocation of new listings by special conditions decreased , representing 26% of the market in April, down from 31% in March 2013, and 58% in April 2012.

❖ Status of Pending

- Active/Pending-Short Sale represent 48.4% of the total active pendings; Active/Pending-Loan equals 17.4%; Pending-No Show represents 26.8%; Active/Pending-Call 6.5%; and Active/Pending-House 0.8%.

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

- At the end of April, 2013, there was 3.7 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 up in April, 2013 to 3.7, and down from 5.0 in April, 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 are in a balanced market.
- Properties over the \$750,000 price range have 13.7 month's supply of inventory.
- All other price ranges have less than 4.0 month's supply of inventory and would be considered seller's market.
- 66% of the total sales for the month of April were in the under \$250,000 price range.

❖ Units and Absorption by Area Group

- Suburban Southwest had the highest level of active inventory with 117 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, except Washoe Valley, are considered a seller's market with less than 4.4 MSI.

❖ Units and Absorption by Condition

- The Month's Supply of Inventory in the category of Real Estate Owned properties remains low at 2.0 MSI in April 2013.
- No Special Conditions condition properties has 3.0 Month's Supply of Inventory, Short Sale properties has 5.3 Month's Supply of Inventory, and Yes-Other 0.8.

Market Report Commentary, continued

April, 2013

❖ Conclusion

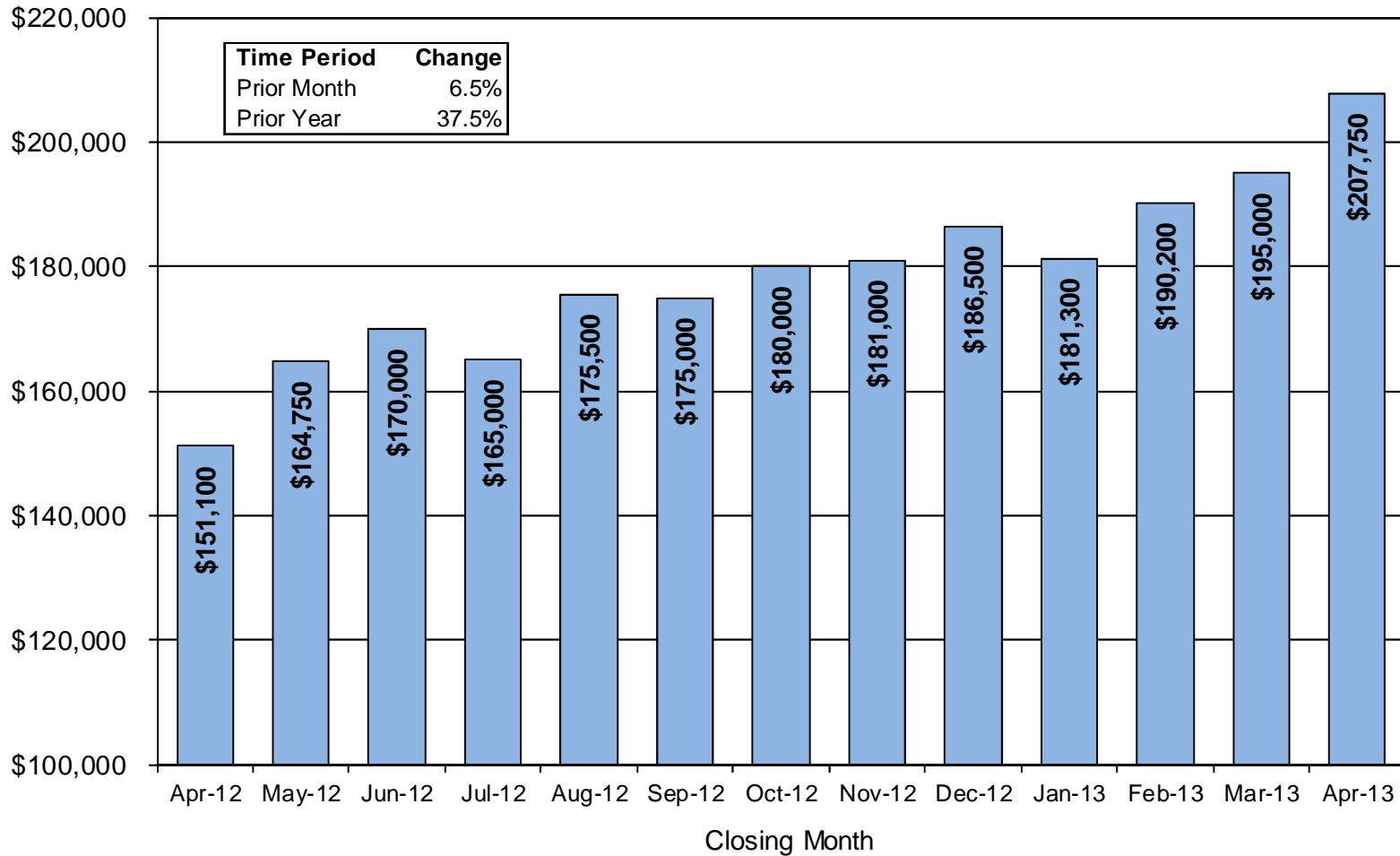
- Sales in the category of no special conditions represented 59% of the sales in April 2013 compared to 40% of the market in April 2012. This is attributable to equity sellers entering the market and investors who purchased at or near the bottom of the market and are now returning that inventory back to the market.
- Median price has been trending up for the past fifteen months. Listing inventory has been trending up for the past four months and is up 16% over March. Low interest rates and affordable pricing continue to put demand on inventory, which is resulting in increased median price.
- For the fourth consecutive month, the sold to asking price ratio exceeded 100%. April sold to asking price ration was reported at 100.2%.
- Listings in the category of no special conditions were up 88% over April 2012; in the category of Short sales, listings were down 40% from April 2012, and in the category of bank owned, listings were down 73% from April 2012.
- With the increase in prices, some sellers may have moved into an equity seller position or in are less of an underwater position. For those homeowners, who still remain underwater in their property with little hope of a loan modification, now may be the time to consider a short sale. The extension of the Mortgage Debt Relief Act is scheduled to expire December 31, 2013. If Congress does not extend the Act a second time, homeowners who sell their property for less than the amount owed will incur a tax on the forgiven portion of the debt. Short sales in Fernley are taking 180 days to receive an approval and close escrow. Now may be the time to contact a REALTOR to start the process of marketing your property for sale to help ensure a close of escrow before year end and the expiration of the Mortgage Debt Relief Act.
- For buyers considering an FHA loan, 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 second phase policy changes become effective June 3, 2013 and relates to 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. This change will affect the long-term costs of the loan for FHA buyers.
- At the May 2013 NAR Mid-year Meetings in Washington, DC, Lawrence Yun, NAR Chief Economist projected gains in Nevada median price at 4.13% - 8.75% over the next 12 months. He forecasted that there would be no recession and he anticipates the housing market will have improving home sales over the next 4 – 5 years.

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Median Sales Price

April, 2013

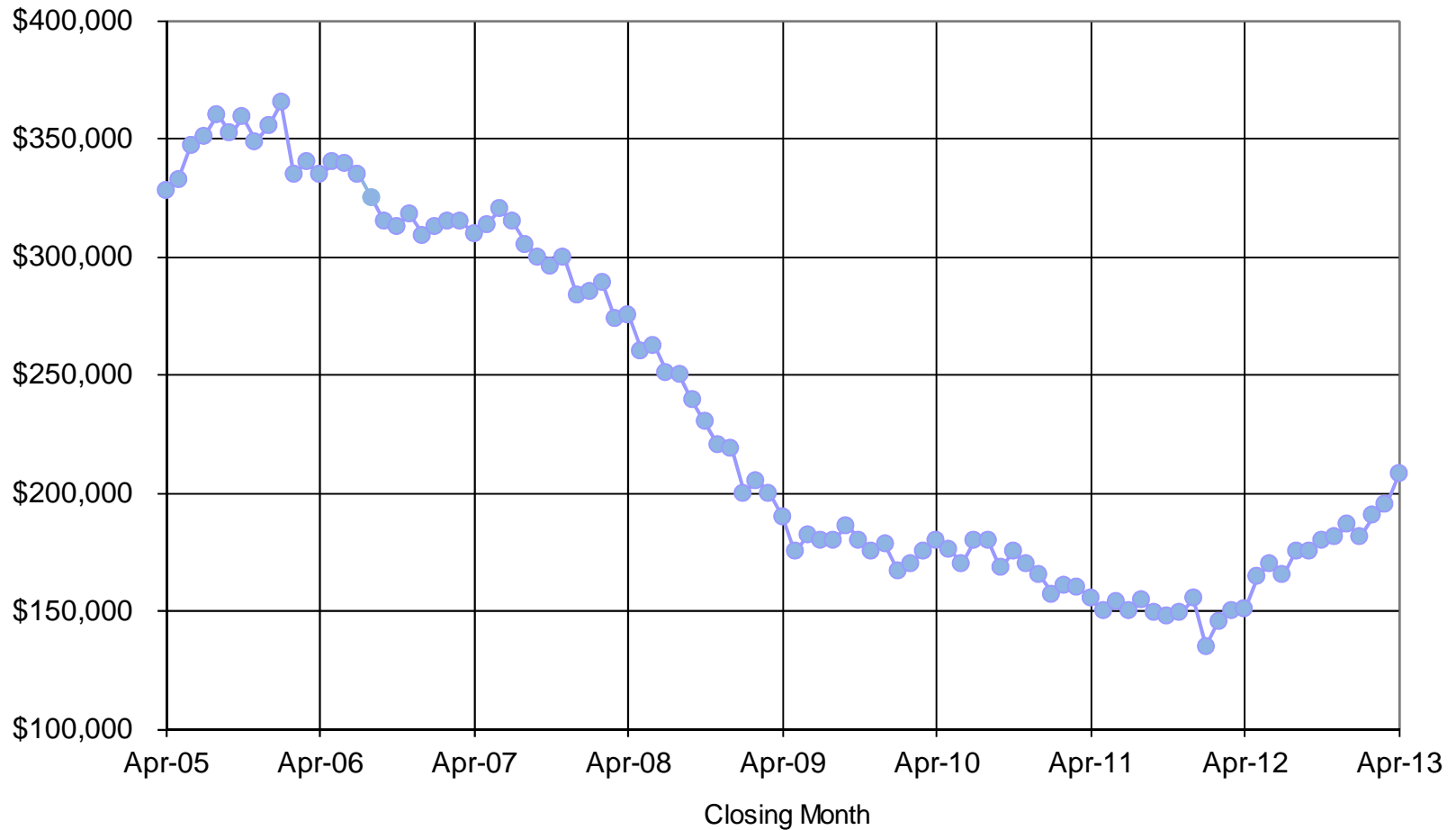
Median Sales Price, 13 months



Summary: Median Sales Price

April, 2013

Median Sales Price, 8 years



Price per Square Foot

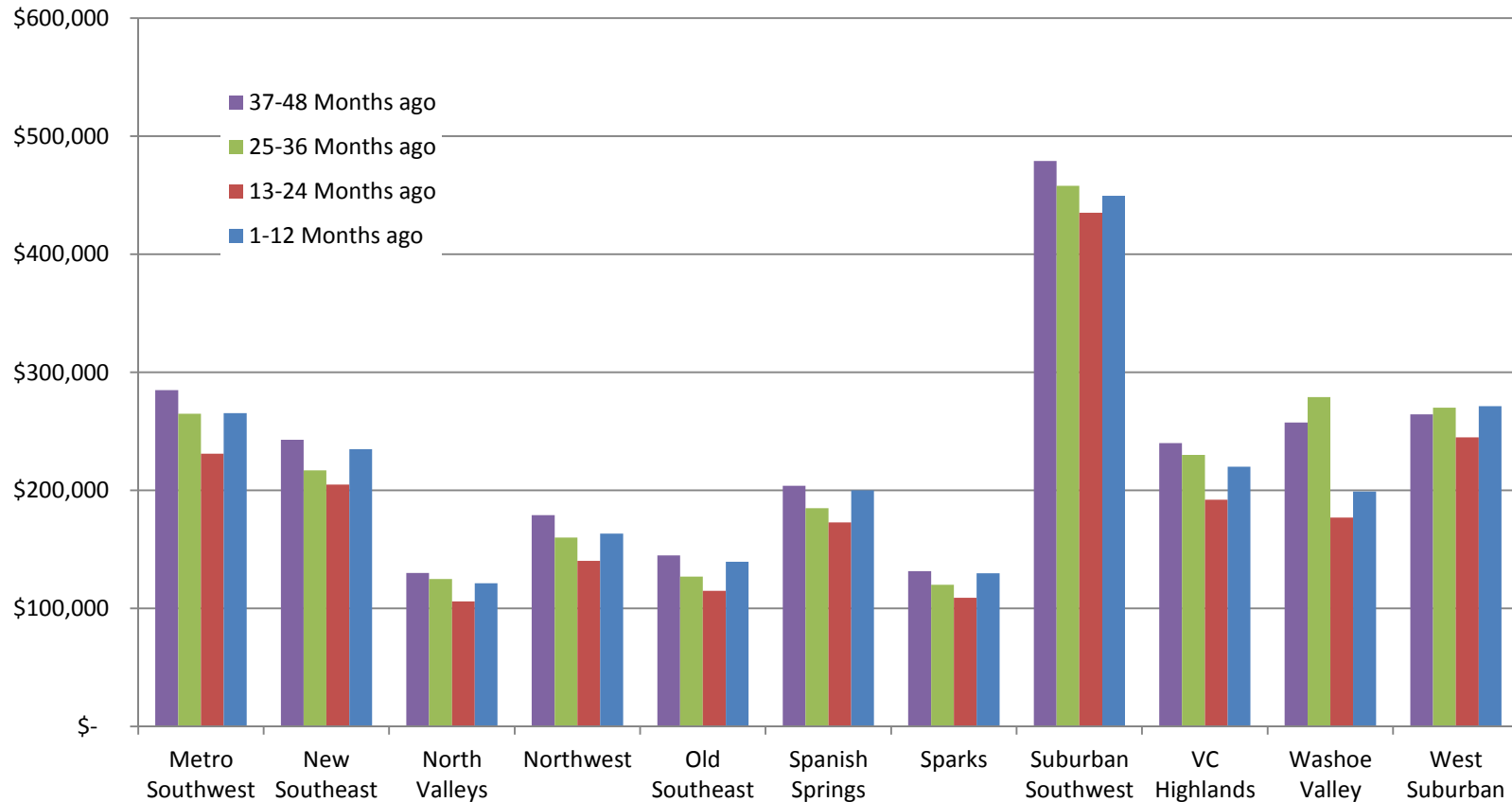
April, 2013

Sold Dollars per Square Foot, 5 year History



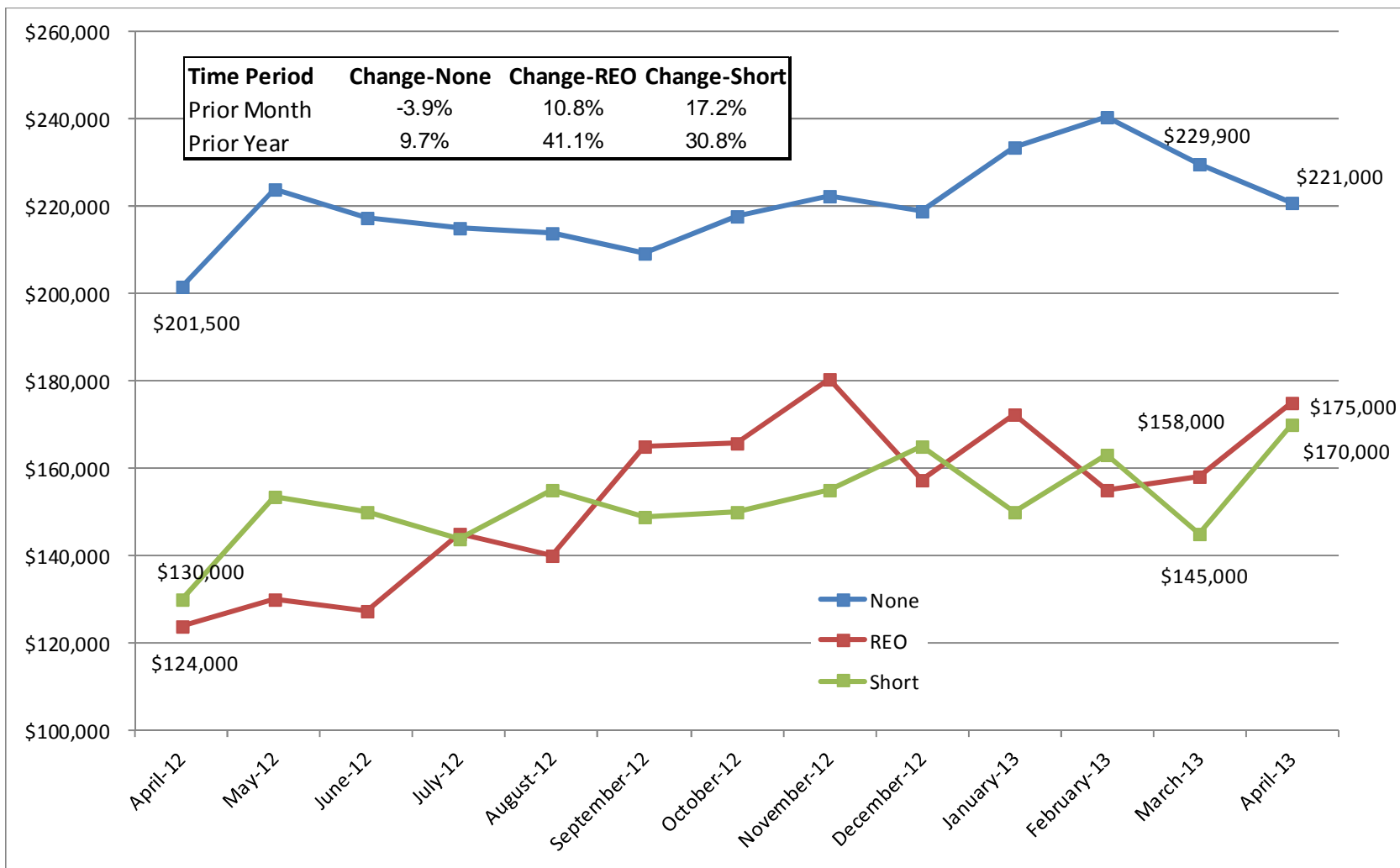
Annualized Median Price by Area Group

April, 2013

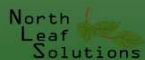


Median Sales Price by Special Condition

April, 2013



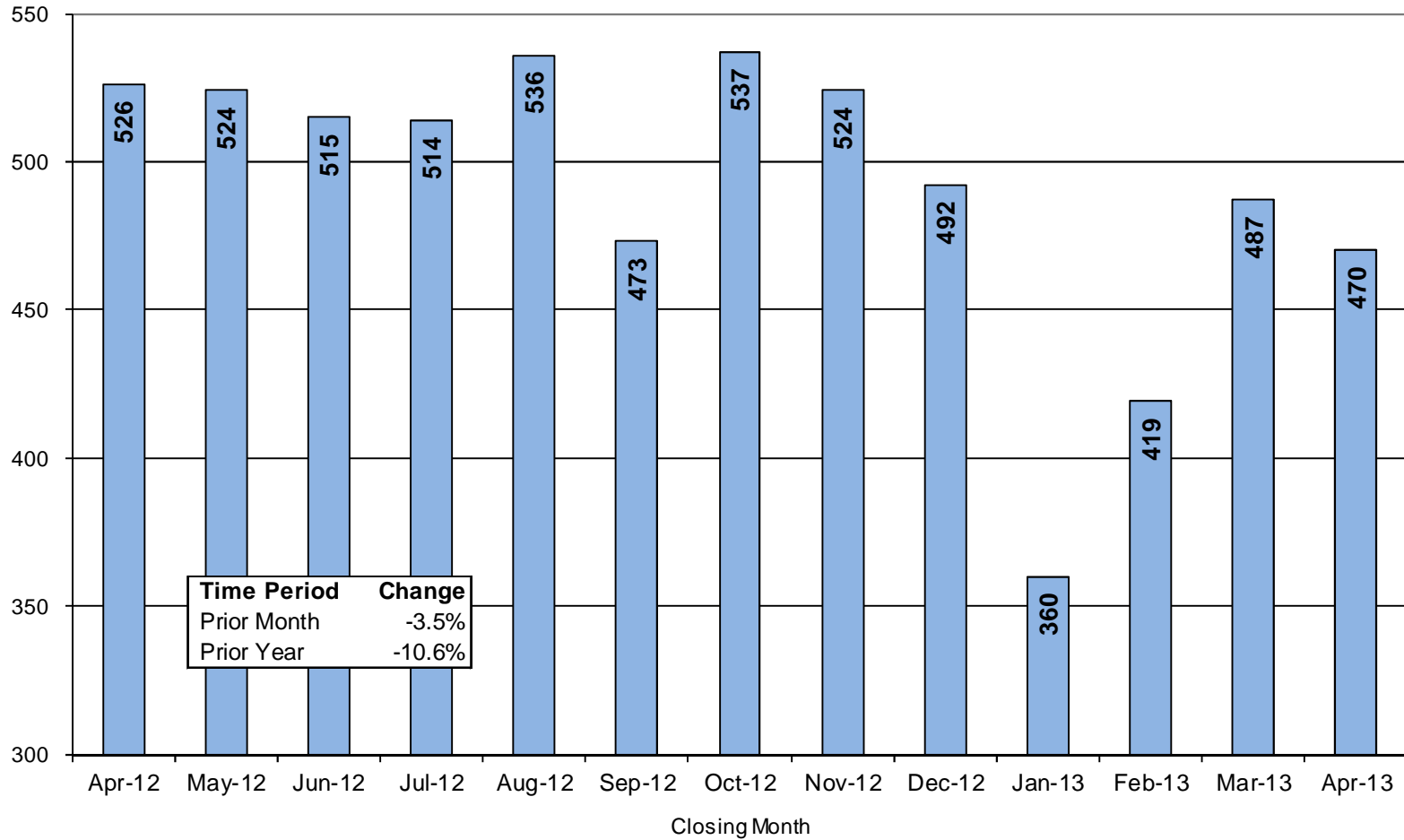
Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.



Number of Units Sold

April, 2013

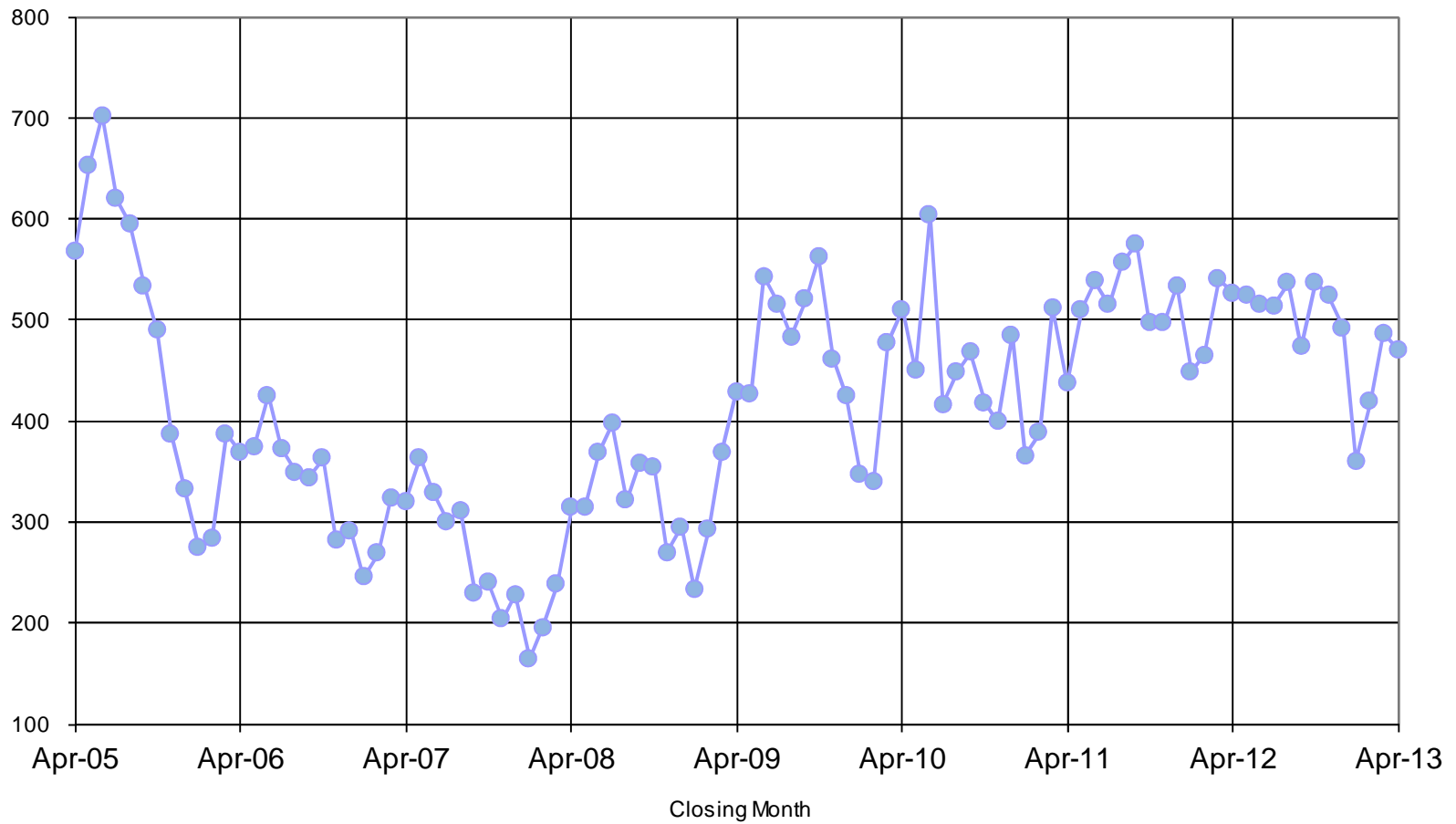
Number of Units Sold, 13 months



Number of Units Sold

April, 2013

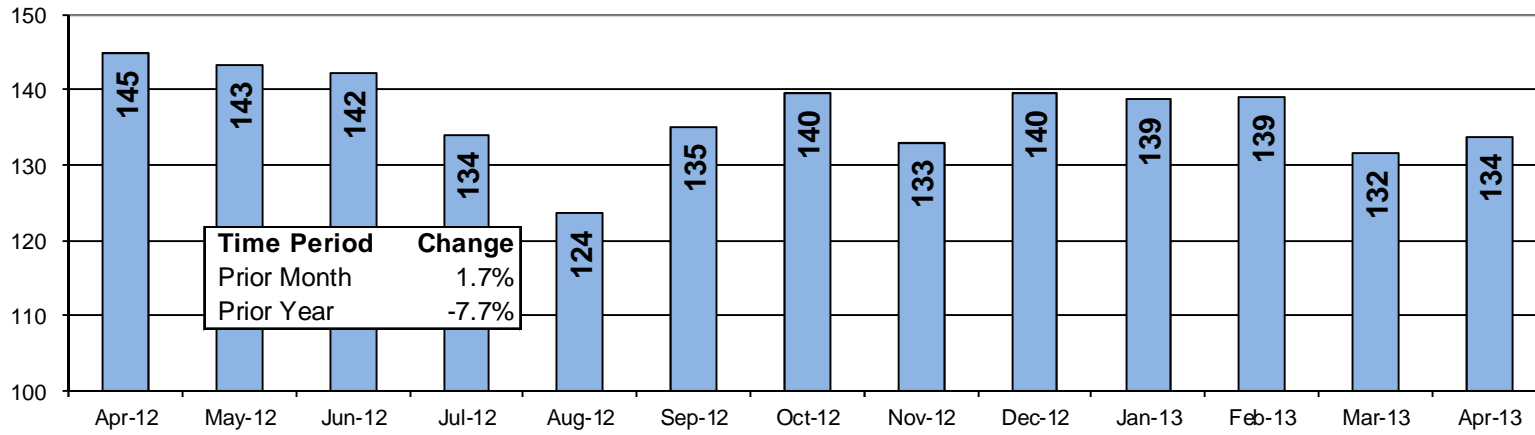
Number of Units Sold, 8 years



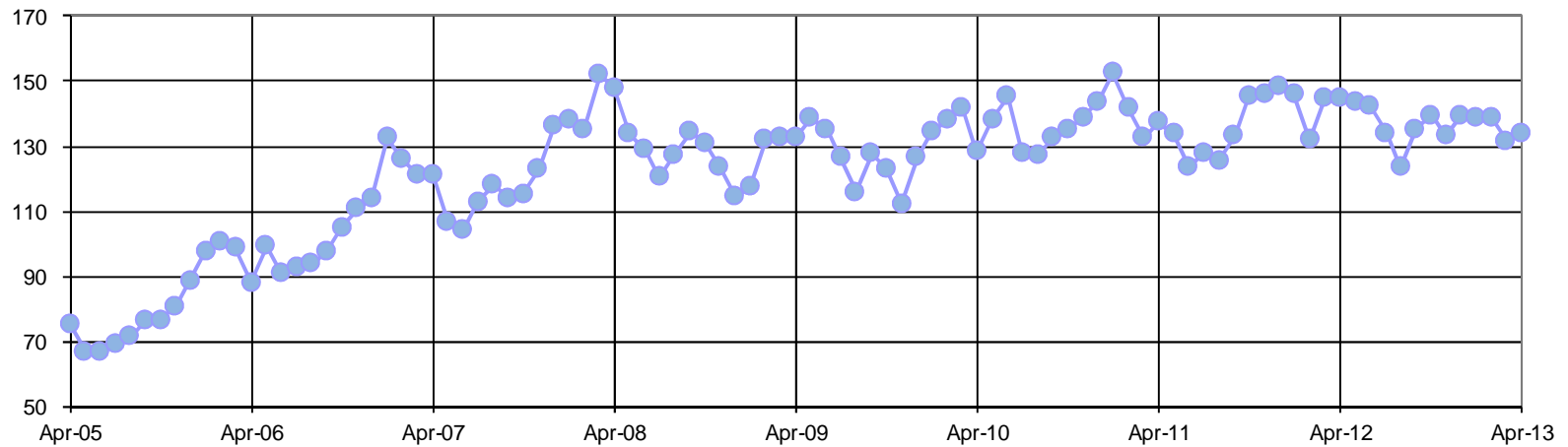
Days on Market, by Month

April, 2013

Average Days on Market for Solds, 13 months

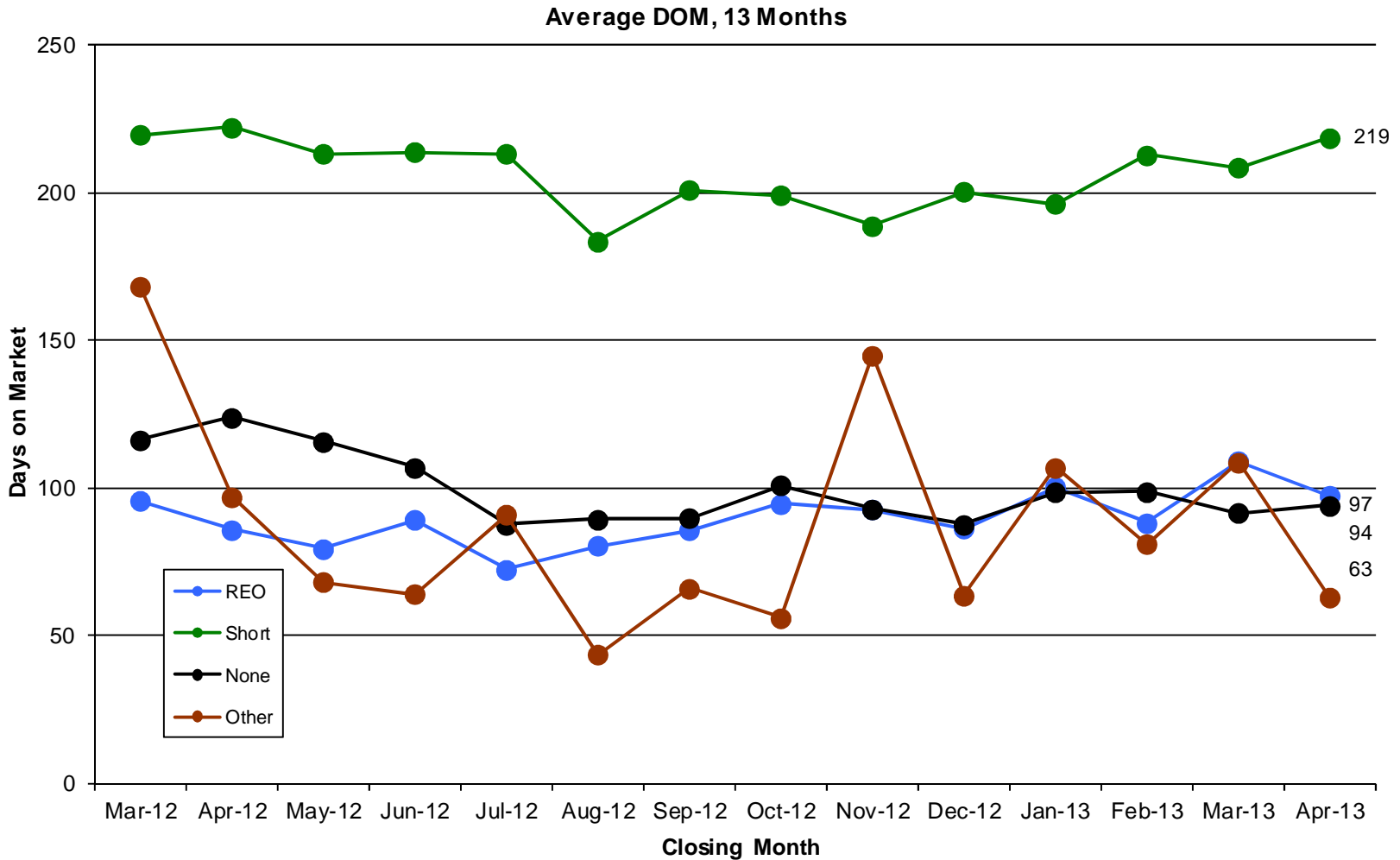


Average Days on Market for Solds, 8 years

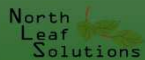


Days on Market, by Special Conditions

April, 2013



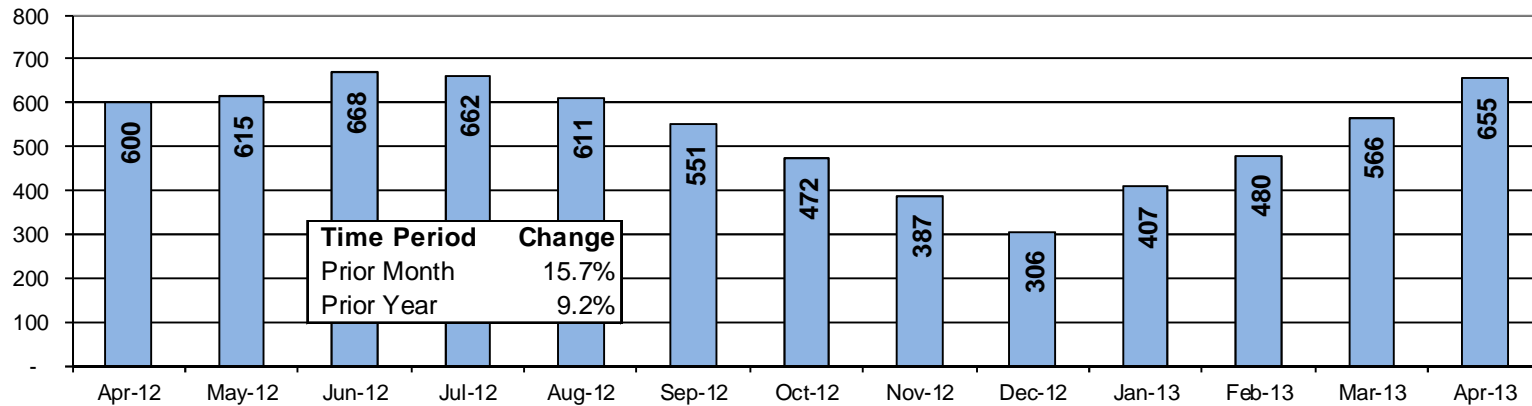
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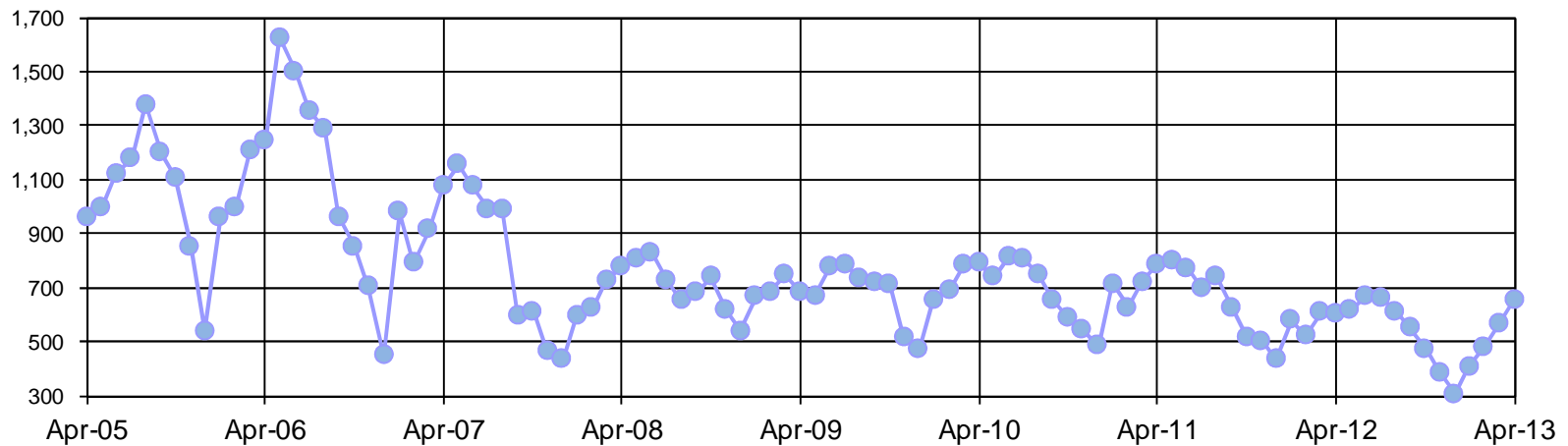
New Listings, by Month

April, 2013

New Listings by Month, 13 months



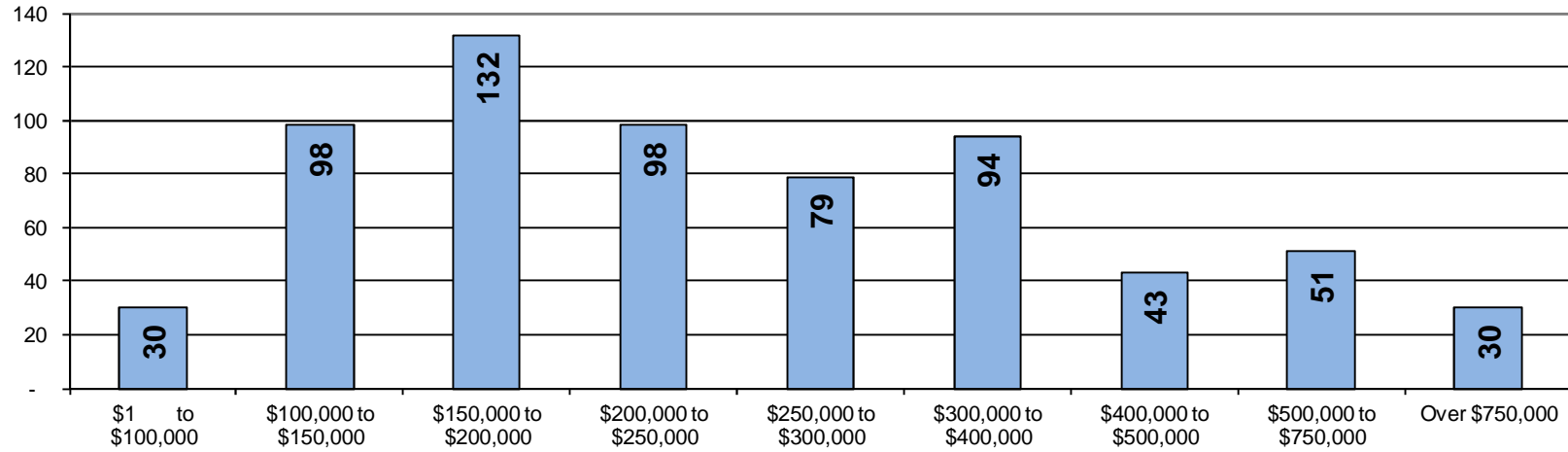
New Listings by Month, 5 years



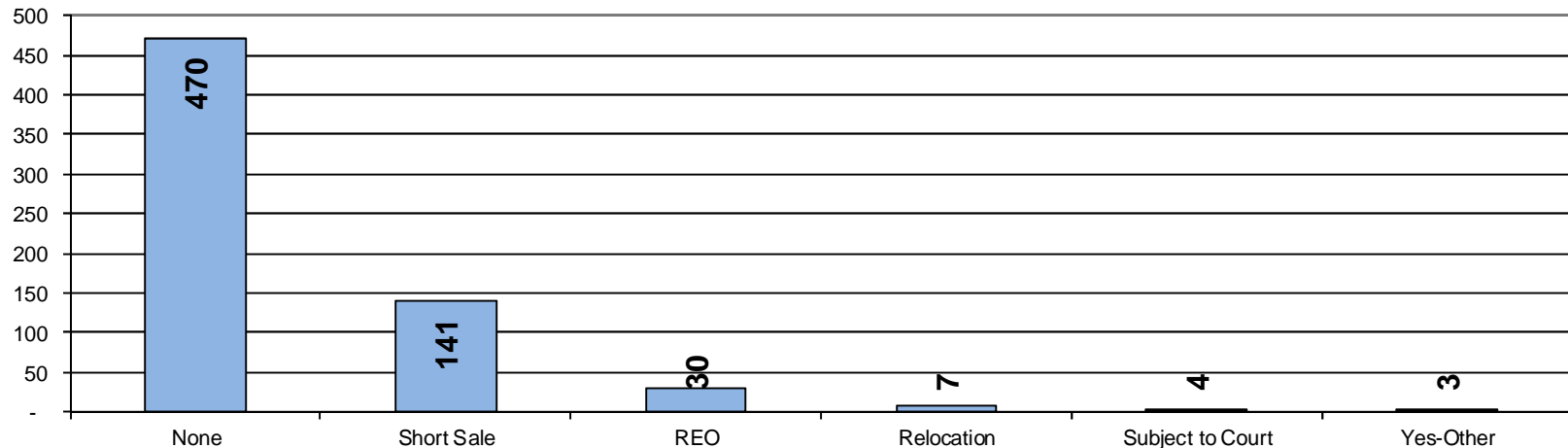
New Listings, by Price and by Special Condition

April, 2013

New Listings, by Price Range



New Listings, by Special Condition

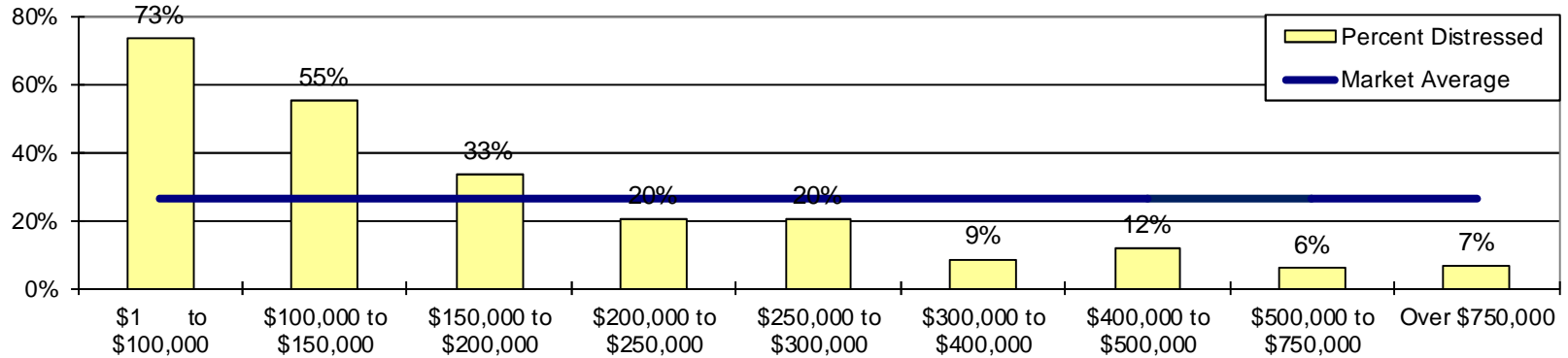


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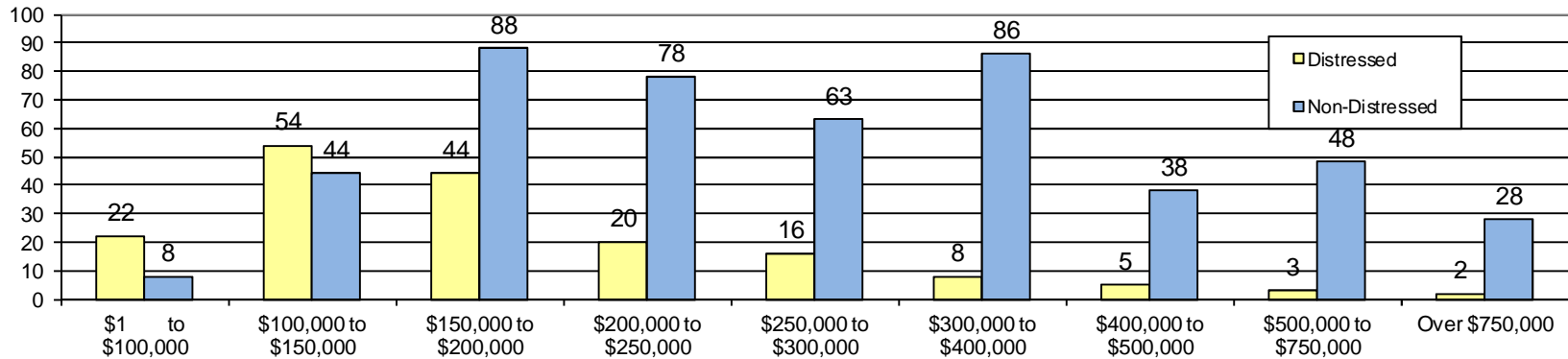
Distressed Listings, by Price

April, 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

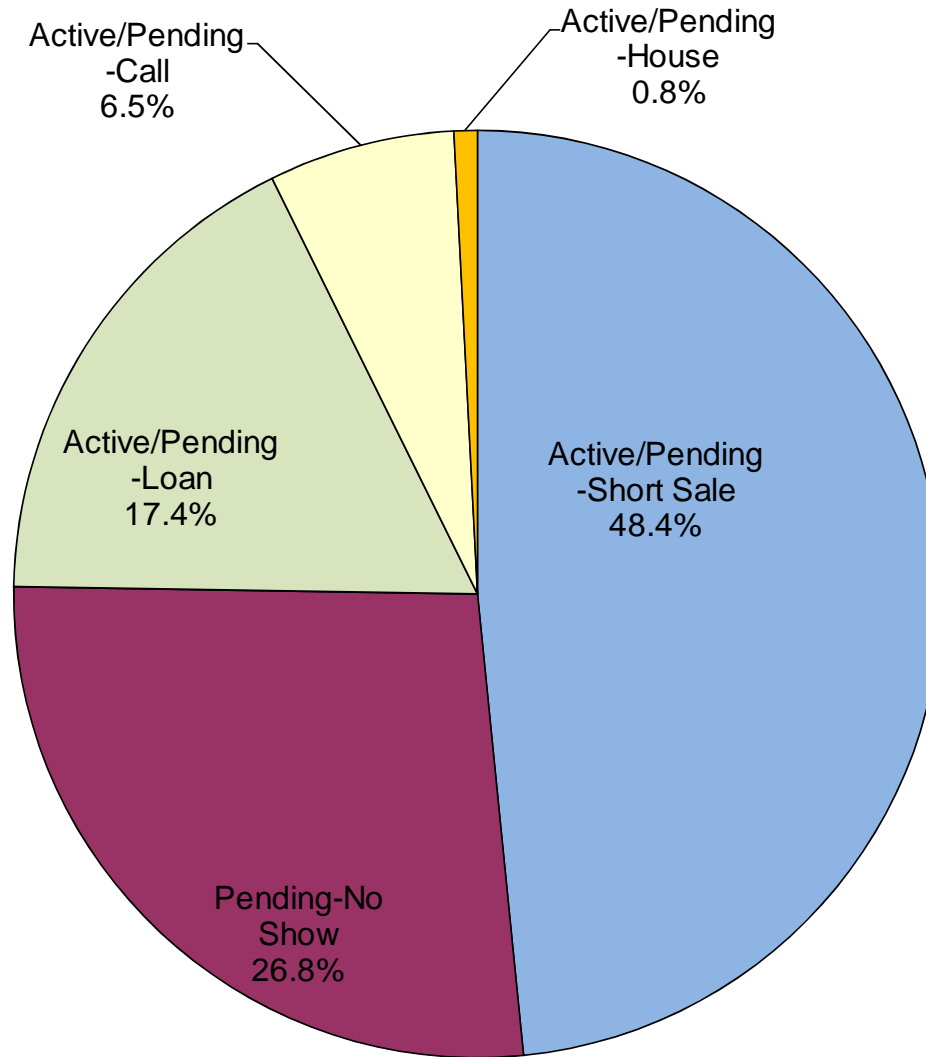
April, 2013



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Status of Pendings, Current Month

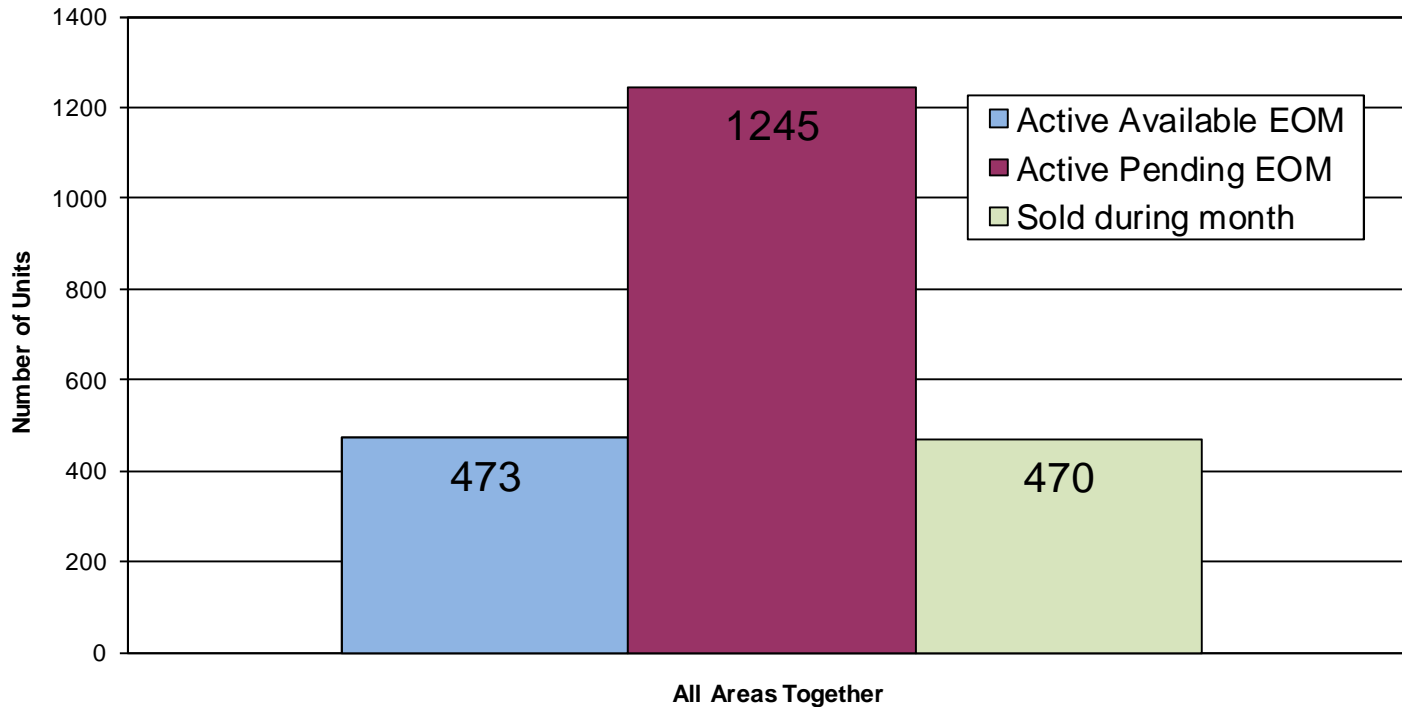
April, 2013



Months Supply of Inventory, Current Month

April, 2013

$(473 + 1245)$ available / 470 units sold = 3.7 months of inventory

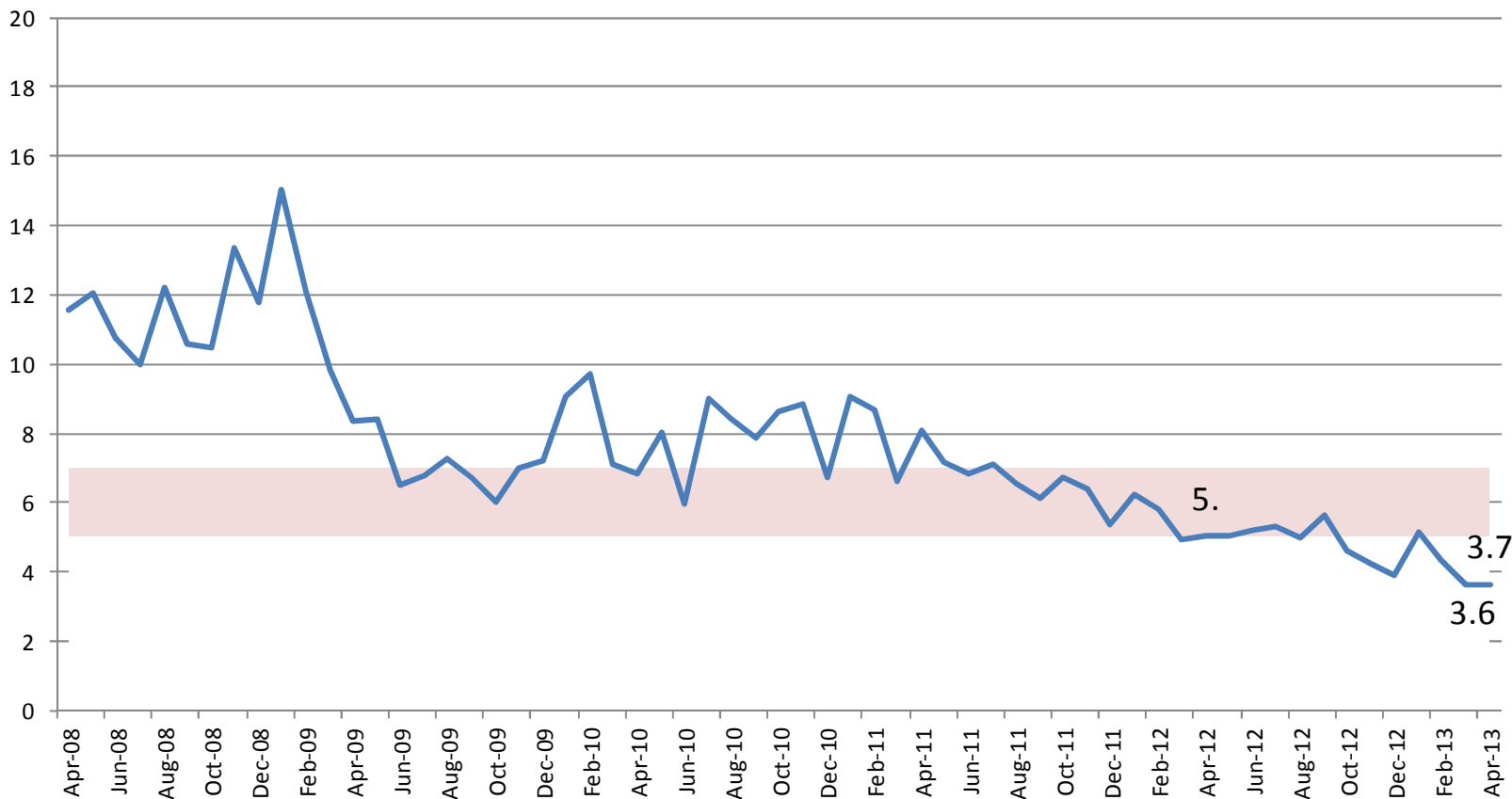


Unsold Inventory includes Active Pending. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

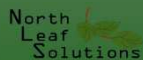
Months Supply of Inventory, Historical 5 years

April, 2013

Month's Supply of Inventory, 5 year history



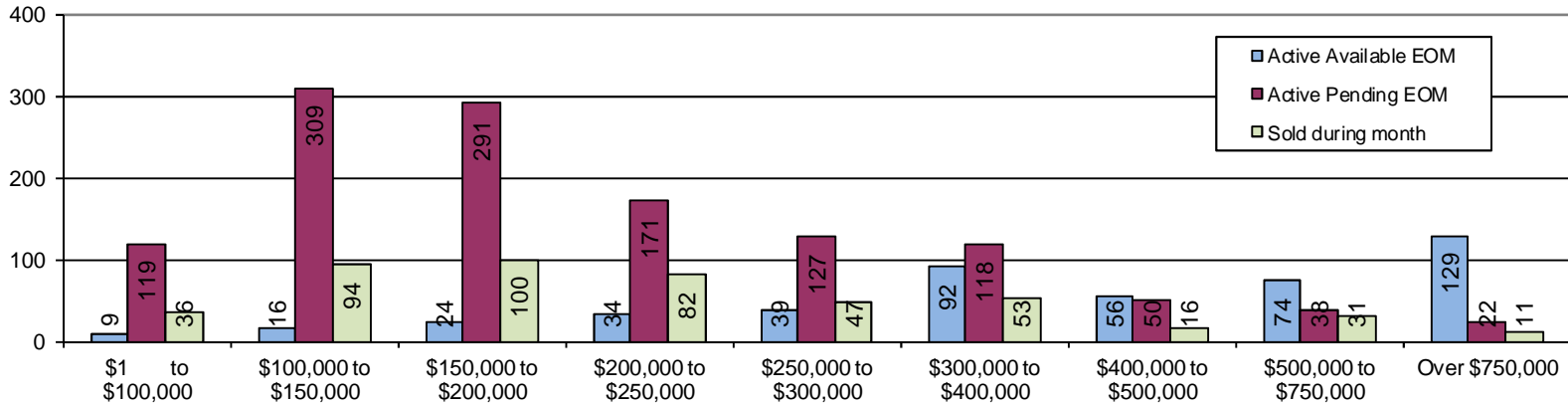
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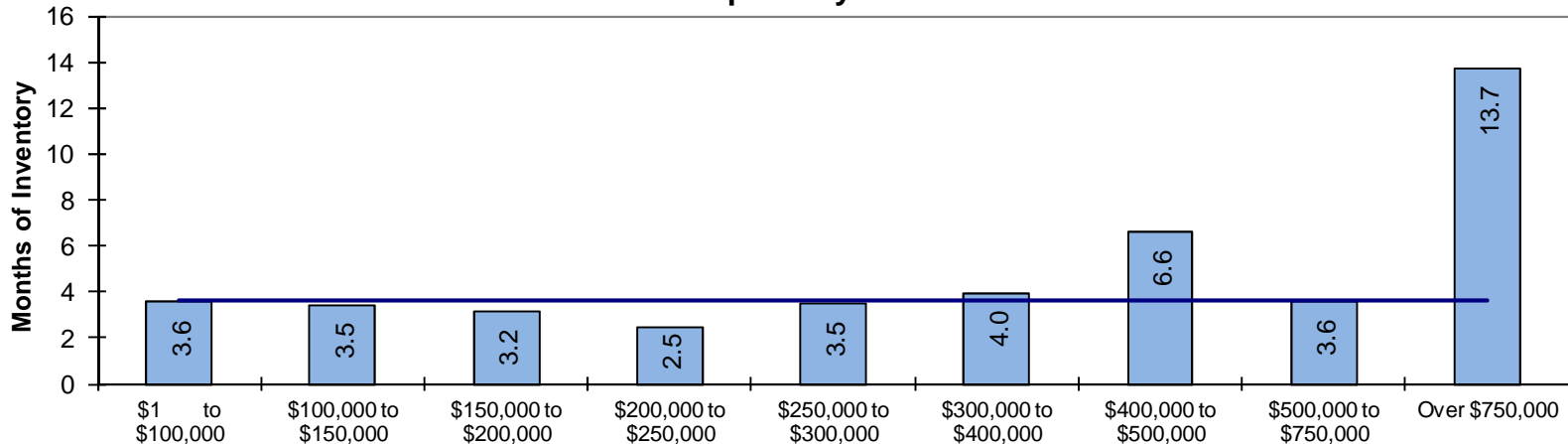
Units and Absorption, by Price

April, 2013

Active and Sold Homes by Price, current month



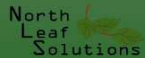
Absorption by Price



"Active" includes "Active/Pending"

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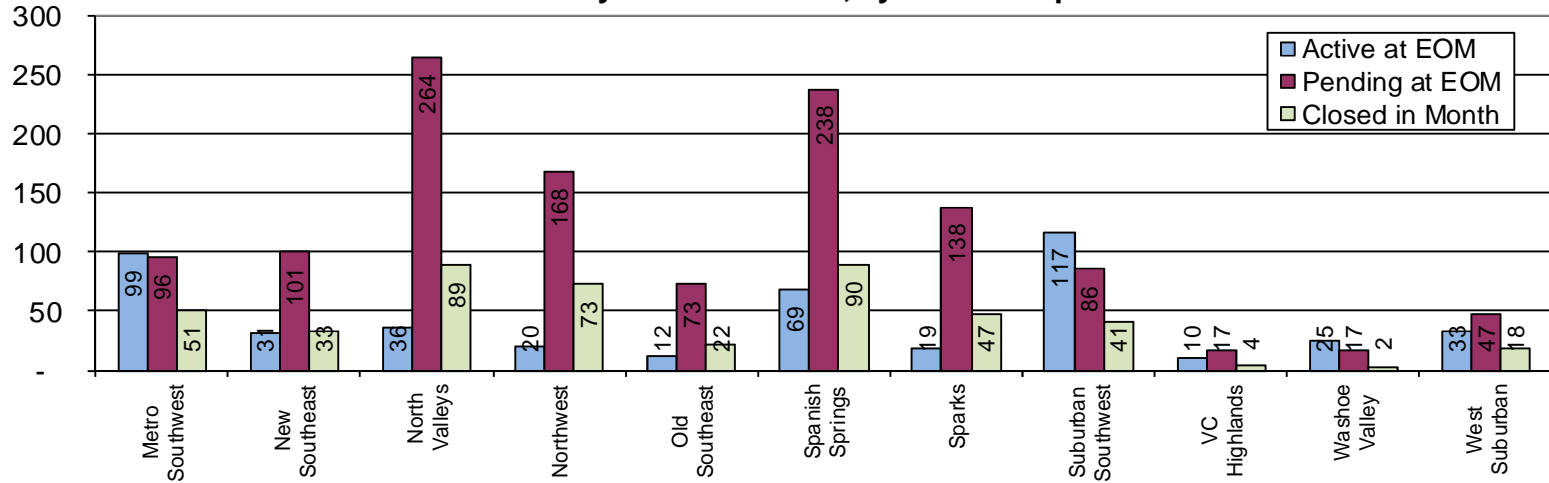
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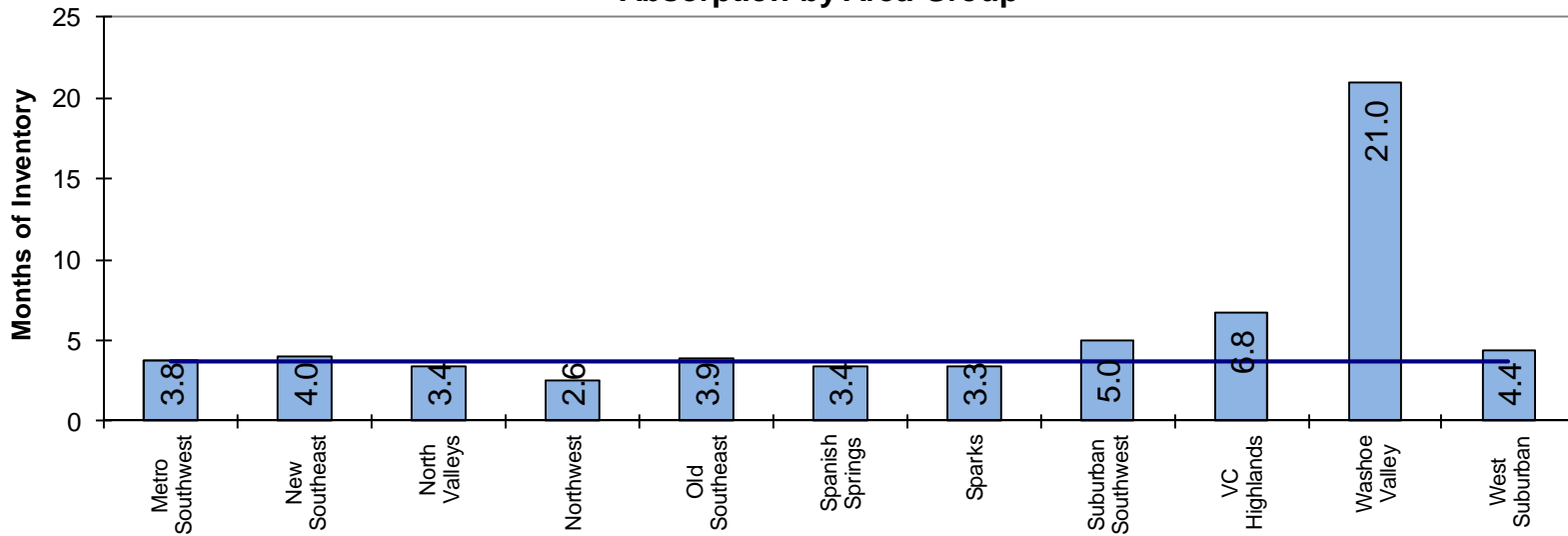
Units and Absorption, by Area Group

April, 2013

Inventory and Units Sold, by Area Group



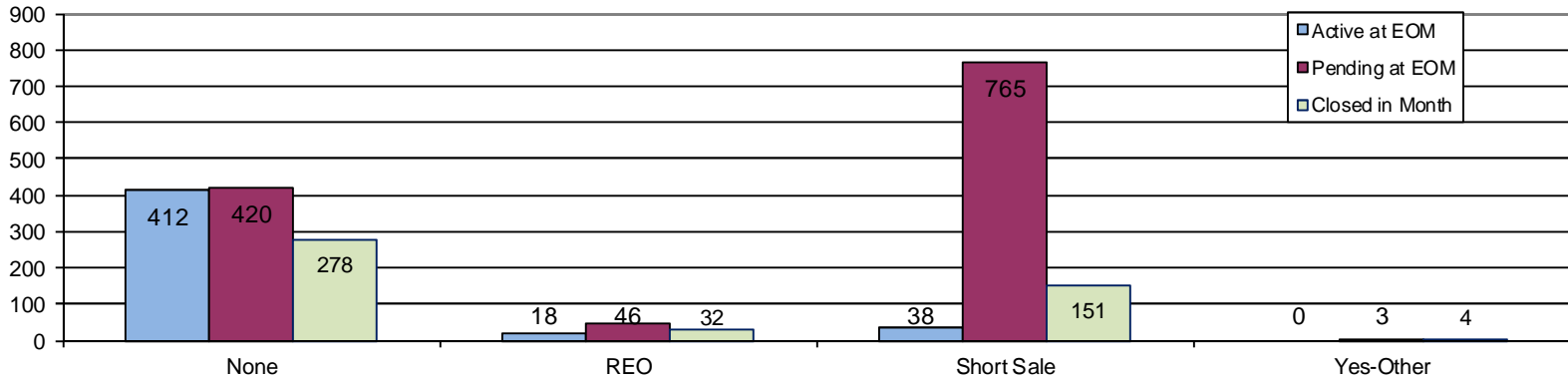
Absorption by Area Group



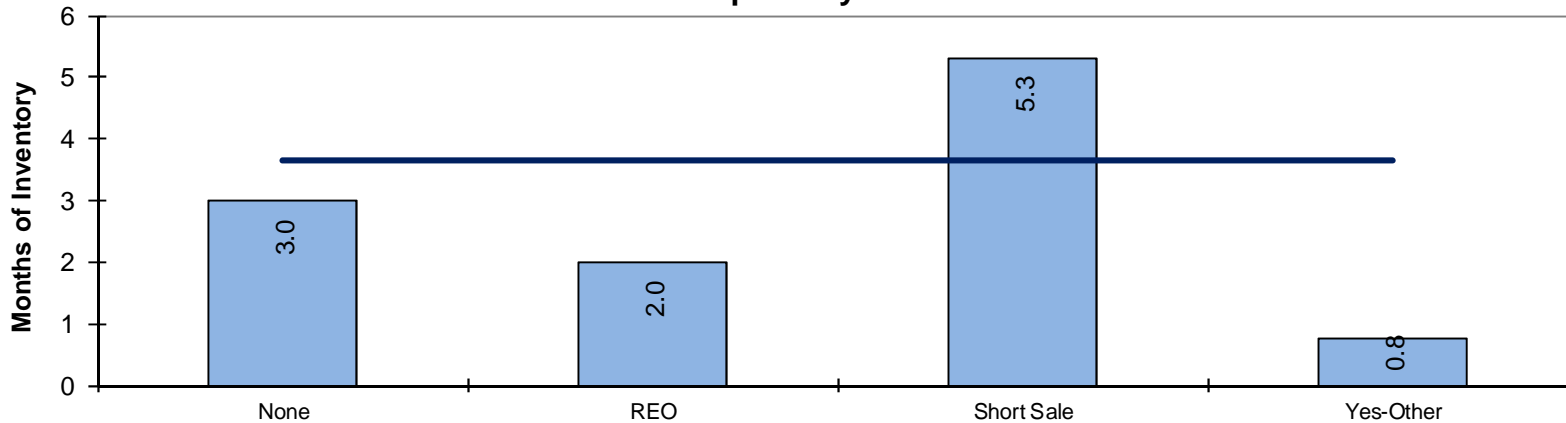
Units and Absorption, by Special Condition

April, 2013

Active and Sold Homes by Condition, current month



Absorption by Condition



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