

Reno/Sparks Association of REALTORS®

June, 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**
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 - By Month
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- ❖ **New Listings**
 - By Month
 - By Price
 - By Special Conditions
- ❖ **Distressed Listings**
 - By Price
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- ❖ **Status of Pendings**
- ❖ **Months Supply of Inventory**
 - Current Month
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- ❖ **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 July 7th, 2013.

Market Report Commentary

❖ Summary

“The fact remains that we are still in a seller’s market and the demand for homes is very high,” said Helen Graham, 2013 president of the Reno/Sparks Association of REALTORS. “This demand is mostly made up of homes in the under \$250,000 price range. In June 2013, 62 percent of the homes sold were priced at or below the \$250,000 price. Home buyers need to understand that if they continue to wait for home prices to decline, while Interest rates have been increasing for the past five months, it is likely to lower their purchasing power.”

❖ Median Sales Price

- June 2013 median price was up 1.6% to \$222,000 compared to \$218,500 in May 2013 and up 30.6% compared to \$170,000 in June 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

- June, 2013 median price on properties with no special conditions was up 4.3% to \$245,000 compared to \$235,000 in May, 2013 and up 12.9% compared to \$217,000 in June, 2012.
- June, 2013 median price on REO (Bank Owned) properties was down -1.0% to \$205,000 compared to \$207,050 in May, 2013 and up 60.8% compared to \$127,500 in June, 2012.
- June, 2013 median price on short sales properties was down -6.3% to \$154,550 compared to \$165,000 in May, 2013 and up 3.0% compared to \$150,000 in June, 2012.

❖ Number of Units Sold

- June, 2013 units sold was down -5.5% to 503 compared to 532 in May, 2013 and down -2.5% compared to 516 in June 2012.

❖ Average Days on Market

- June, 2013 average days on market was down -13.0% to 94 compared to 108 in May, 2013 and down -33.9% compared to 142 in June 2012.

Market Report Commentary, continued

❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 194.
- Properties with no special conditions had an average days on market of 63.
- REO Properties had an average days on market of 81.

❖ New Listings

- June, 2013 new listings was down -5.8% to 717 compared to 761 in May, 2013 and up 7.2% compared to 669 in June 2012.
- Properties listed at under \$250,000 made up 56% of new listings entering the market during the month of June, 2013.
- 23% of new June, 2013 listings were distressed. Short sales 17%; REO 4%; No special conditions 77%; and Other 2%.

❖ Distressed New Listings History

- The allocation of new listings by special conditions decreased, representing 22% of the market in June 2013, down from 23% in May 2013, and 52% in June 2012.

❖ Status of Pending

- Active/Pending-Short Sale represent 44.0% of the total active pendings; Active/Pending-Loan equals 20.4%; Pending-No Show represents 26.9%; Active/Pending-Call 7.4%; and Active/Pending-House 1.4%.

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

- At the end of June, 2013, there was 3.9 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 June, 2013 to 3.9, and down from 5.2 in June, 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

- No price bands are in a balanced market.
- Properties between \$500,000 and \$750,000; as well as over the \$750,000 price range are a buyer's market.
- All other price ranges have less than 4.8 month's supply of inventory and would be considered seller's market.
- 62% of the total sales for the month of June were in the under \$250,000 price range.

❖ Units and Absorption by Area Group

- Suburban Southwest had the highest level of active inventory with 169 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, and Sparks show the highest volume of closed sales for the month.
- Metro Southwest, North Valleys, Suburban Southwest, and VC Highlands are considered a balanced market within 5 – 7 month's supply of inventory (MSI). All remaining areas, except Washoe Valley and Old Southeast, are considered a seller's market with less than 5.3 MSI.

❖ Units and Absorption by Condition

- The Month's Supply of Inventory in the category of Real Estate Owned properties remains low at 2.6 MSI in June, 2013.
- No Special Conditions condition properties has 3.3 Month's Supply of Inventory, Short Sale properties has 6.5 Month's Supply of Inventory, and Yes-Other 0.8.

Market Report Commentary, continued

June, 2013

❖ Conclusion

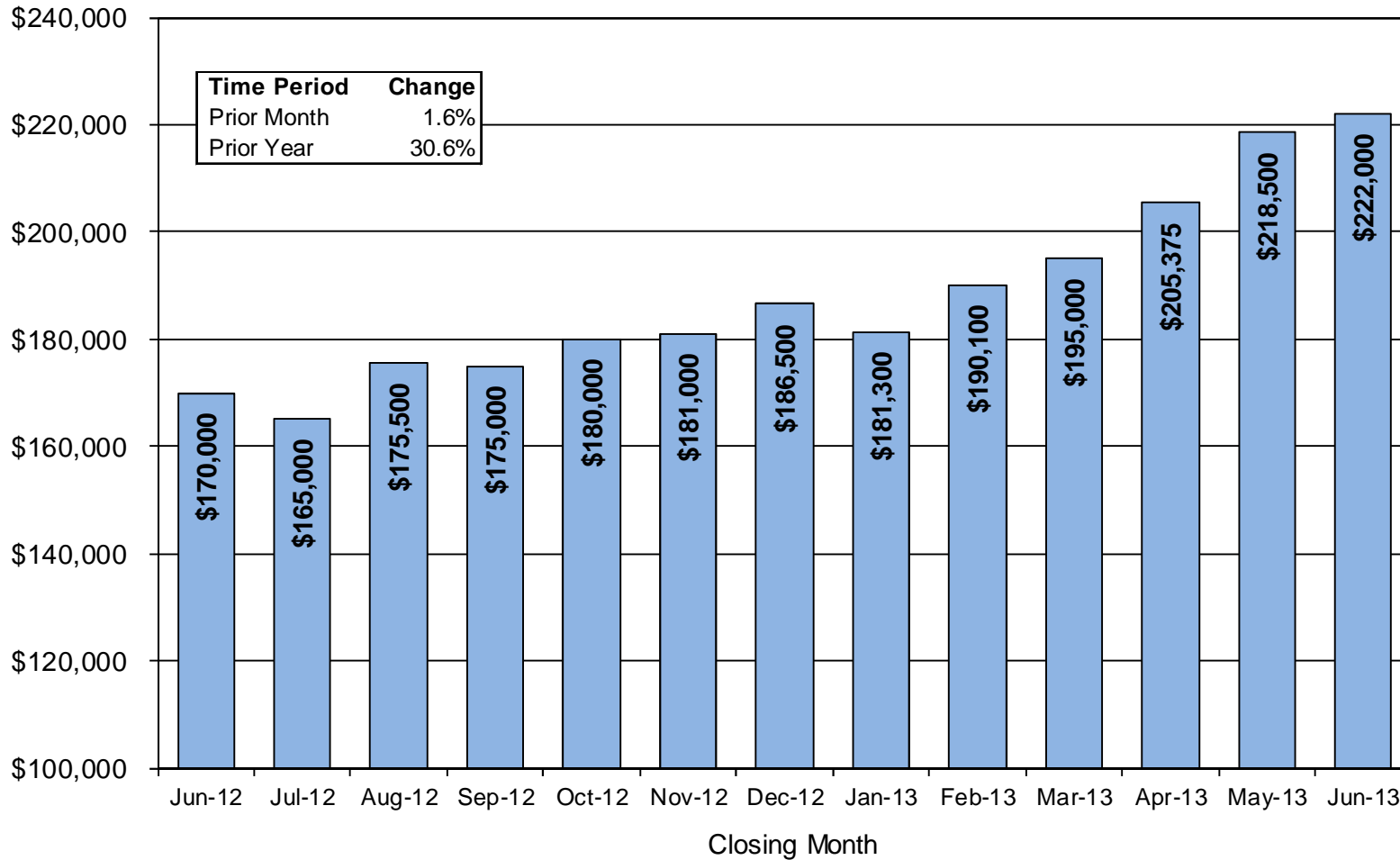
- Since March 2012, units sold have been averaging 498 per month, excluding the typical January decline in sales.
- Sales in the category of no special conditions represented 69% of the sales in June 2013 compared to 32% of the market in June 2012. Equity sellers entering the market and investors who purchased at or near the bottom of the market continue to be the primary source of inventory.
- Median price has been trending up for the past sixteen months and is up 22% year to date January 2013 over June 2012. Even with the increasing median prices, the medium is currently at end of 2003 and beginning of 2004 level and is off 39% from the peak of the market in 2006.
- In June 2013, there were 128 active listings under the \$200,000 price range compared to 151 active listings in June 2012, a decline of 15%.
- After a historic inventory low in December 2012 at 305, new listing inventory has been trending up for the past six months and is up 7% over June 2012.
- For the fifth consecutive month, the sold to asking price ratio exceeded 100%. June sold to asking price ratio was at 100.6% down slightly from May at 101.2%.
- New listings in the category of no special conditions were up 73% over June 2012; in the category of Short sales, listings were down 45% from June 2012, and in the category of bank owned, listings were down 66% from June 2012.
- Since the early 1980's, when interest rates peaked at 18.16%, there has not been an increase in interest rates by more than two 2 percentage points in a one year period. Comparatively, interest rates have been increasing for the past five months, but the increases have been modest. According to Freddie Mac, interest rates on a 30-year fixed mortgage have risen from 3.41% in January 2013 to 4.125% in June 2013. For every \$100,000 in dollars borrowed, a ½% increase in interest rates will up the borrowers' mortgage payment approximately \$30 per month. This is roughly the equivalent of eight lattes over a one month period. Now may be the time to give up lattes and look at homeownership.
- 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 Reno are taking approximately 6 ½ months from list date to close of escrow. Contact a REALTOR to begin the discussion about your options and marketing the property for sale if you are eligible for a short sale. This will help ensure a close of escrow before year end and the expiration of the Mortgage Debt Relief Act.

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Median Sales Price

June, 2013

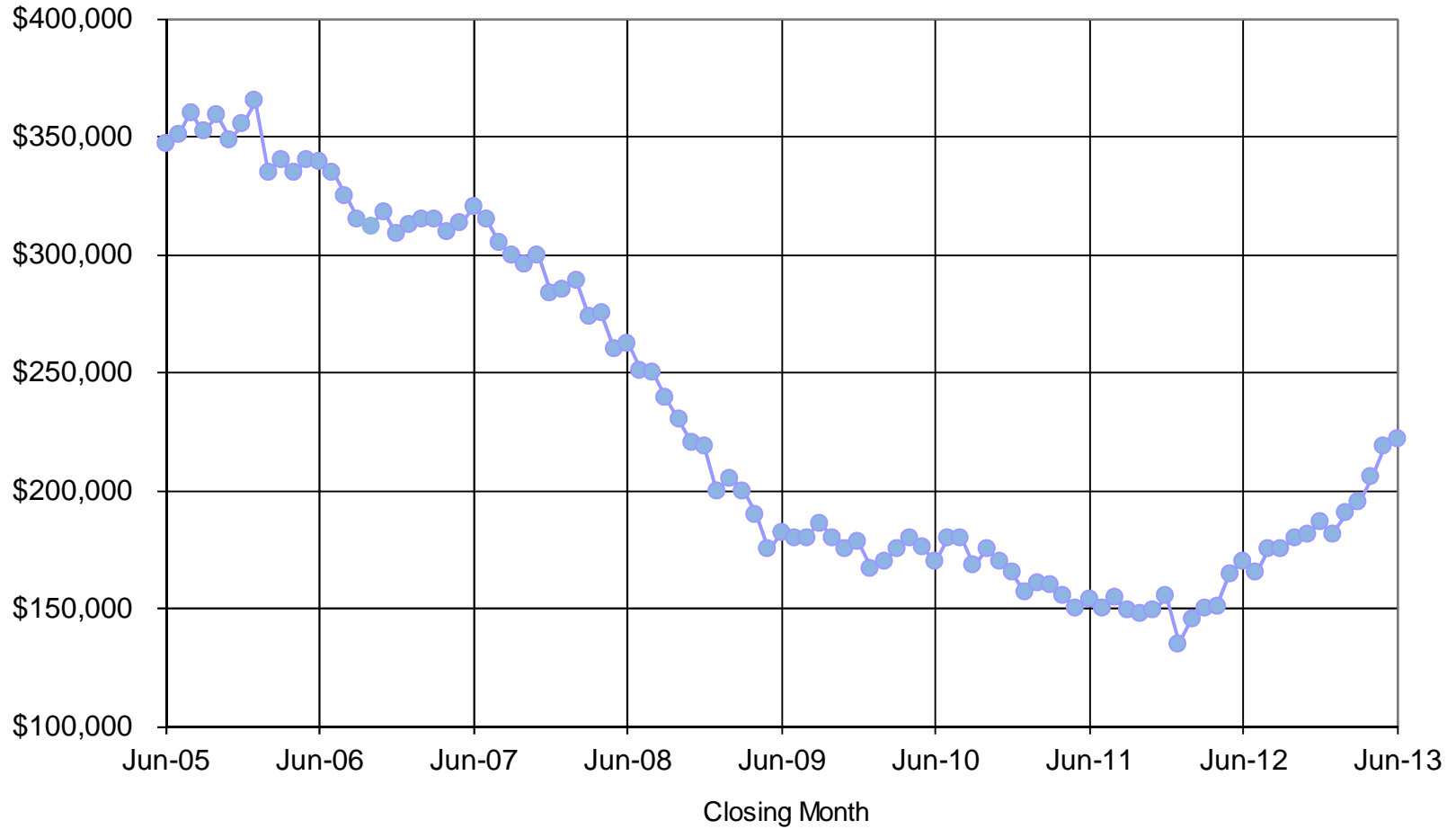
Median Sales Price, 13 months



Summary: Median Sales Price

June, 2013

Median Sales Price, 8 years



Price per Square Foot

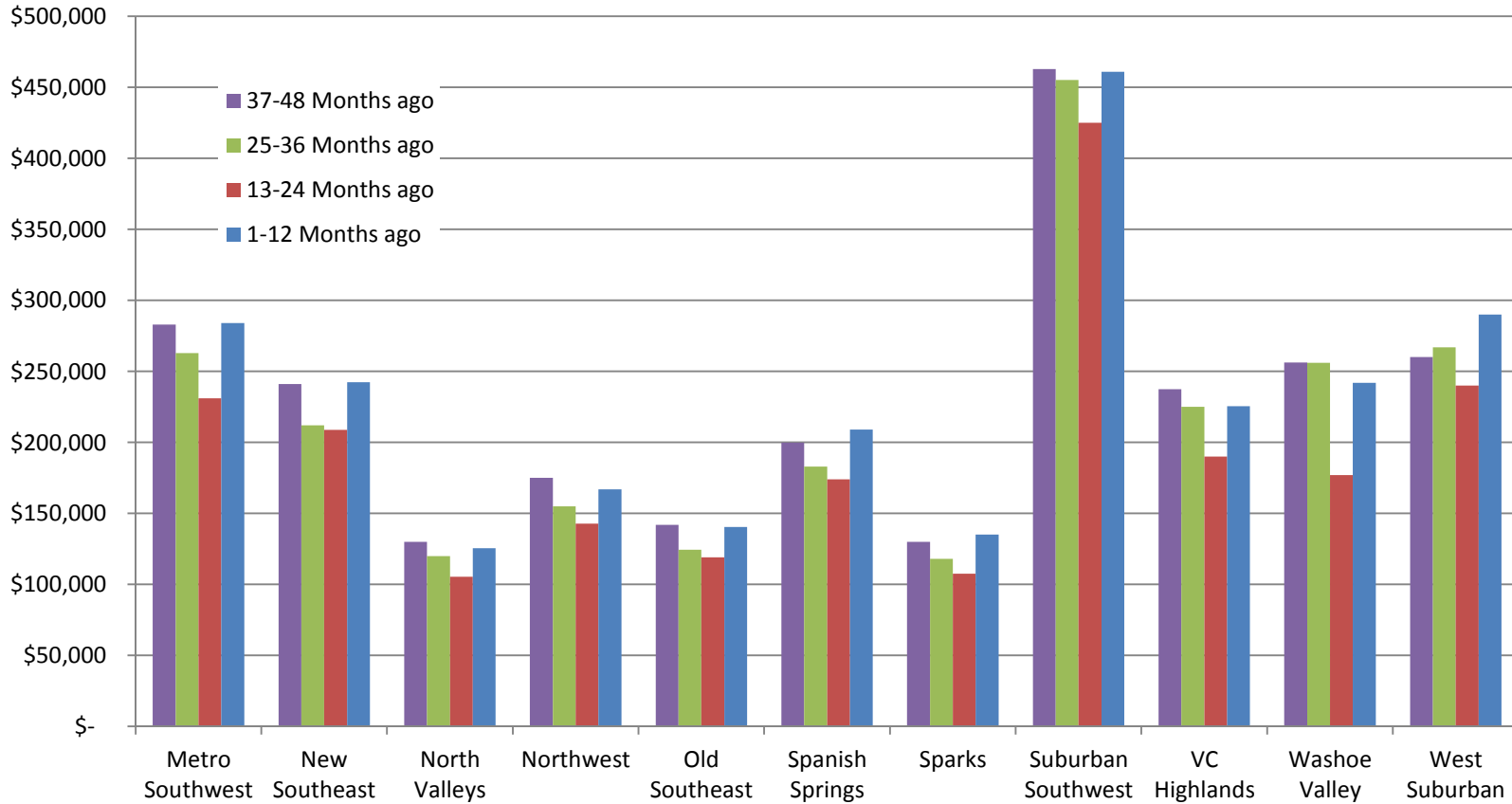
June, 2013

Sold Dollars per Square Foot, 5 year History



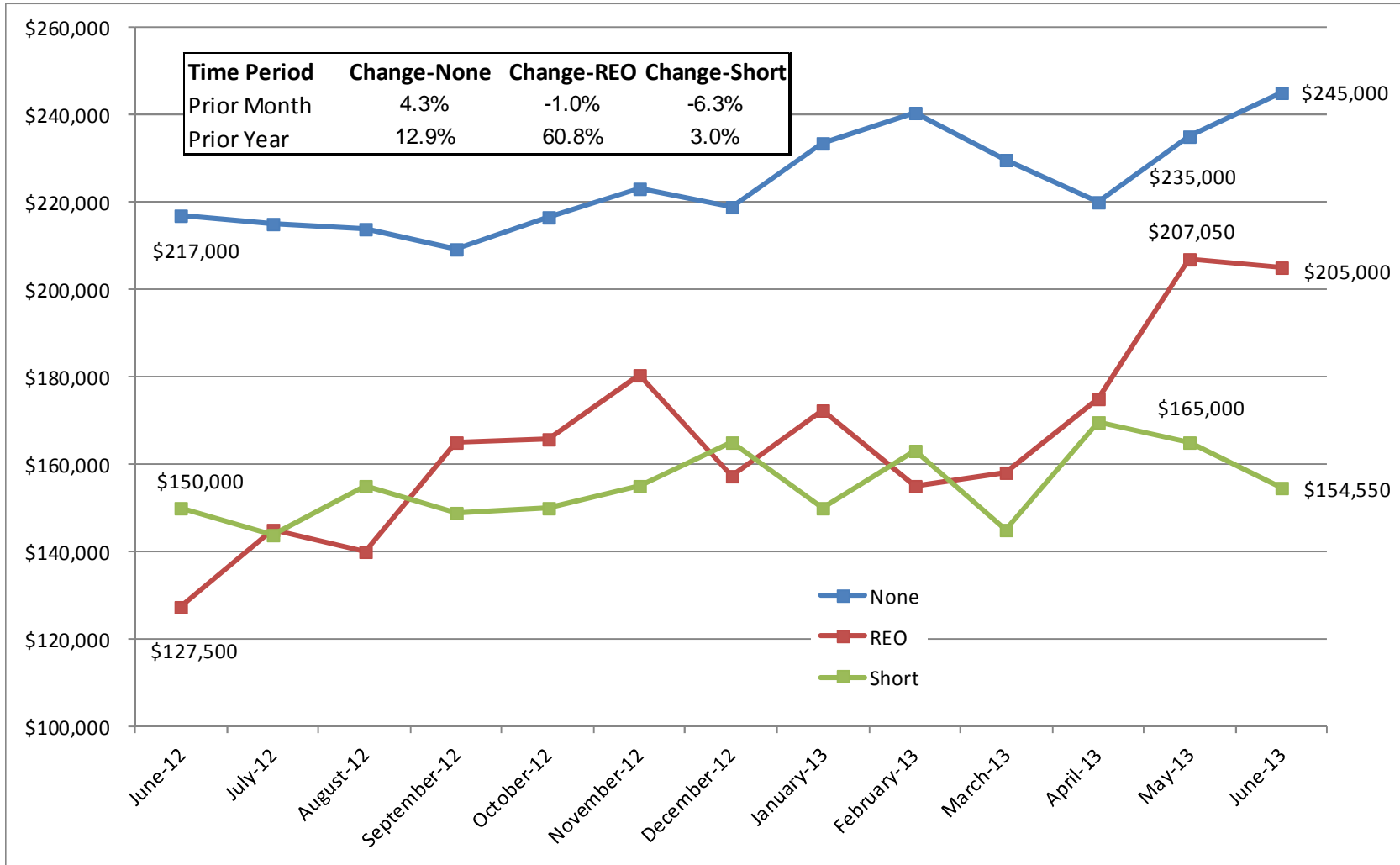
Annualized Median Price by Area Group

June, 2013

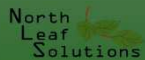


Median Sales Price by Special Condition

June, 2013



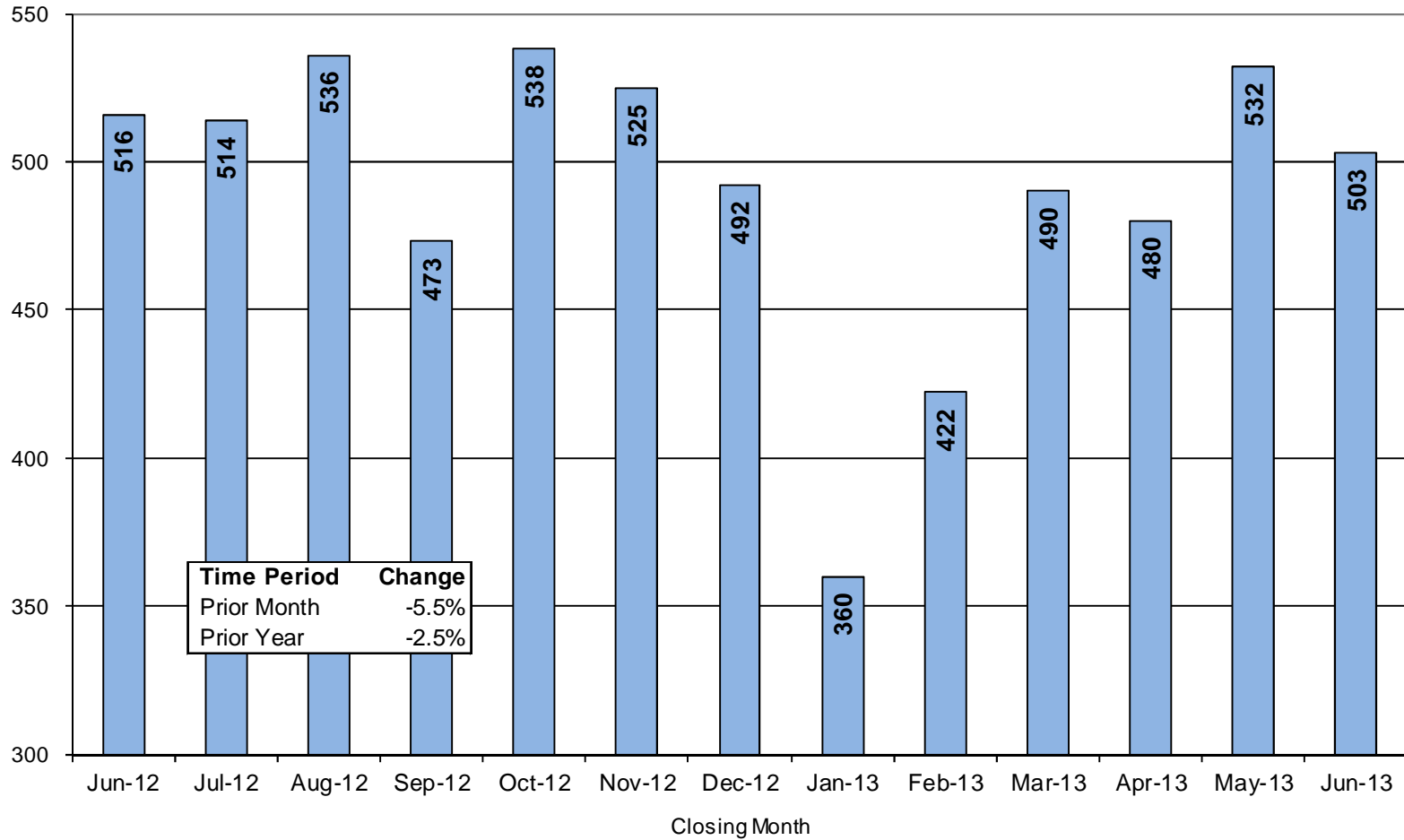
Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.



Number of Units Sold

June, 2013

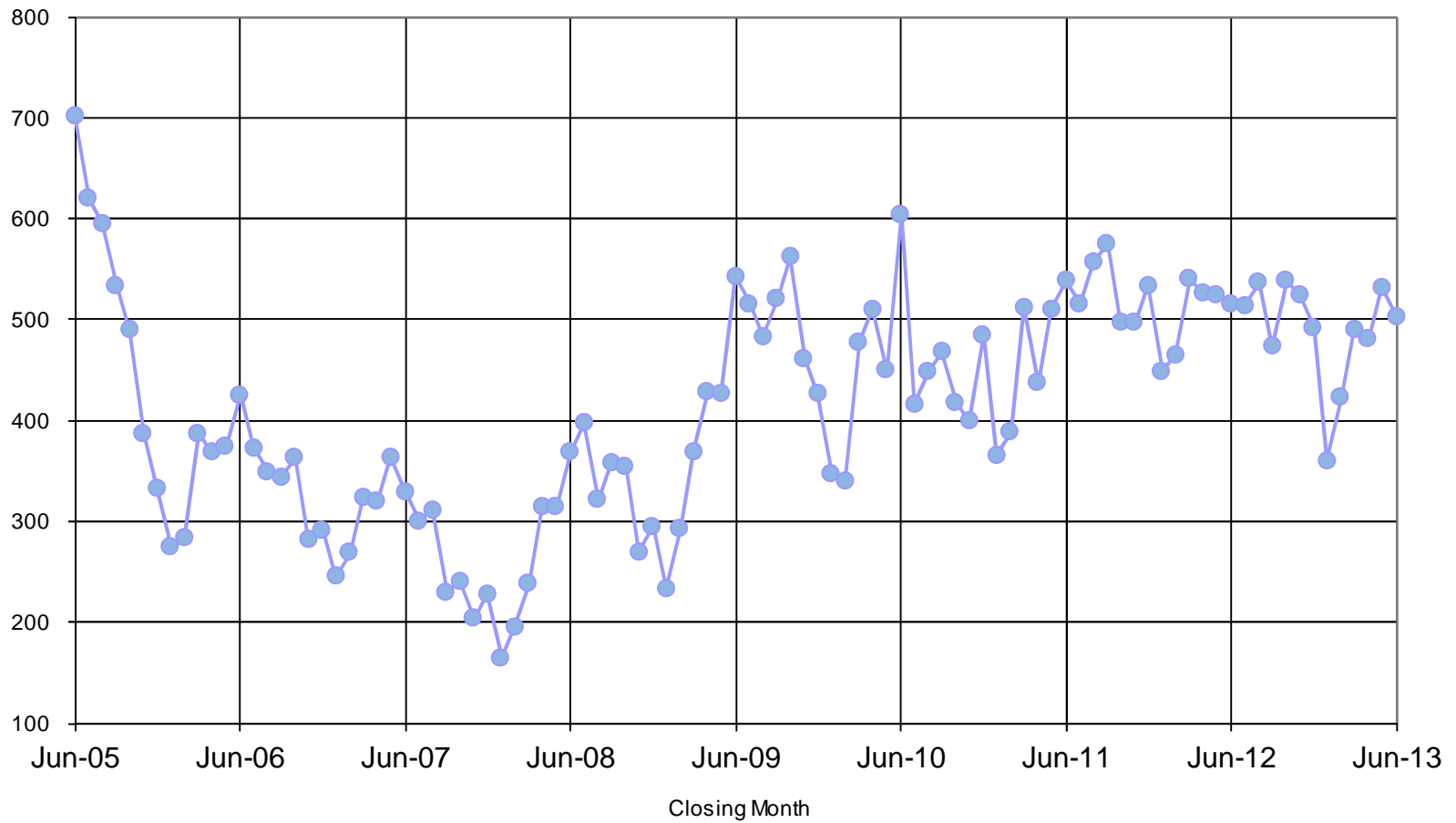
Number of Units Sold, 13 months



Number of Units Sold

June, 2013

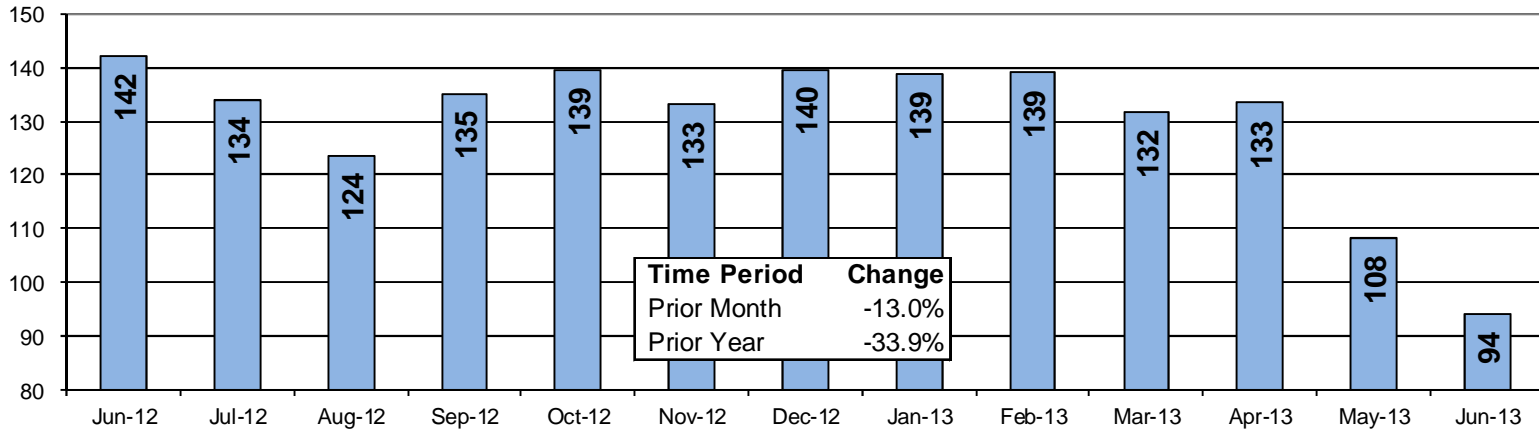
Number of Units Sold, 8 years



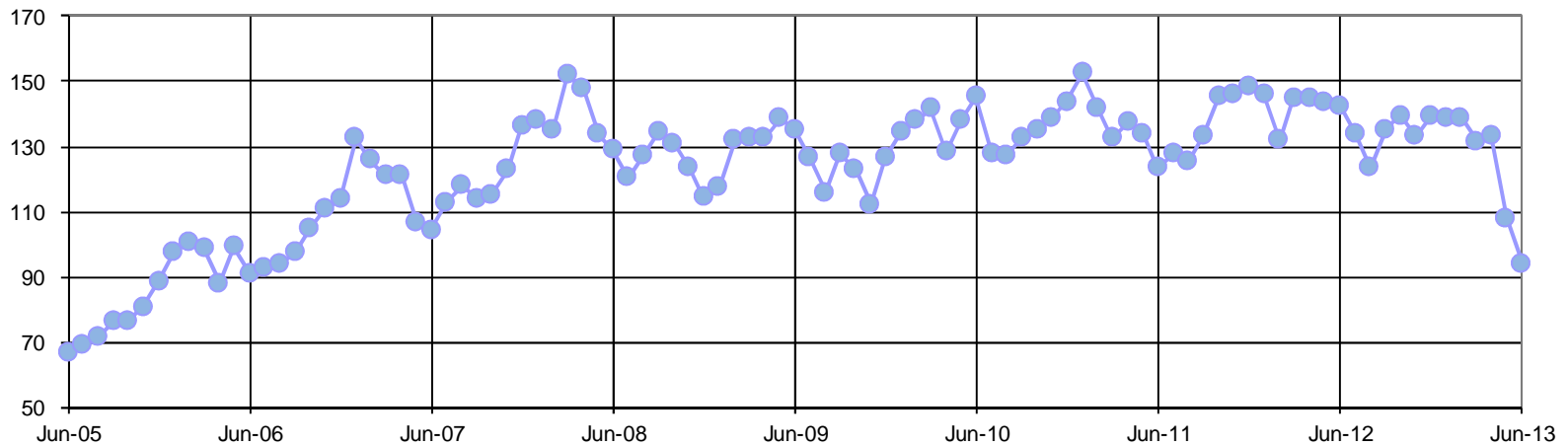
Days on Market, by Month

June, 2013

Average Days on Market for Solds, 13 months

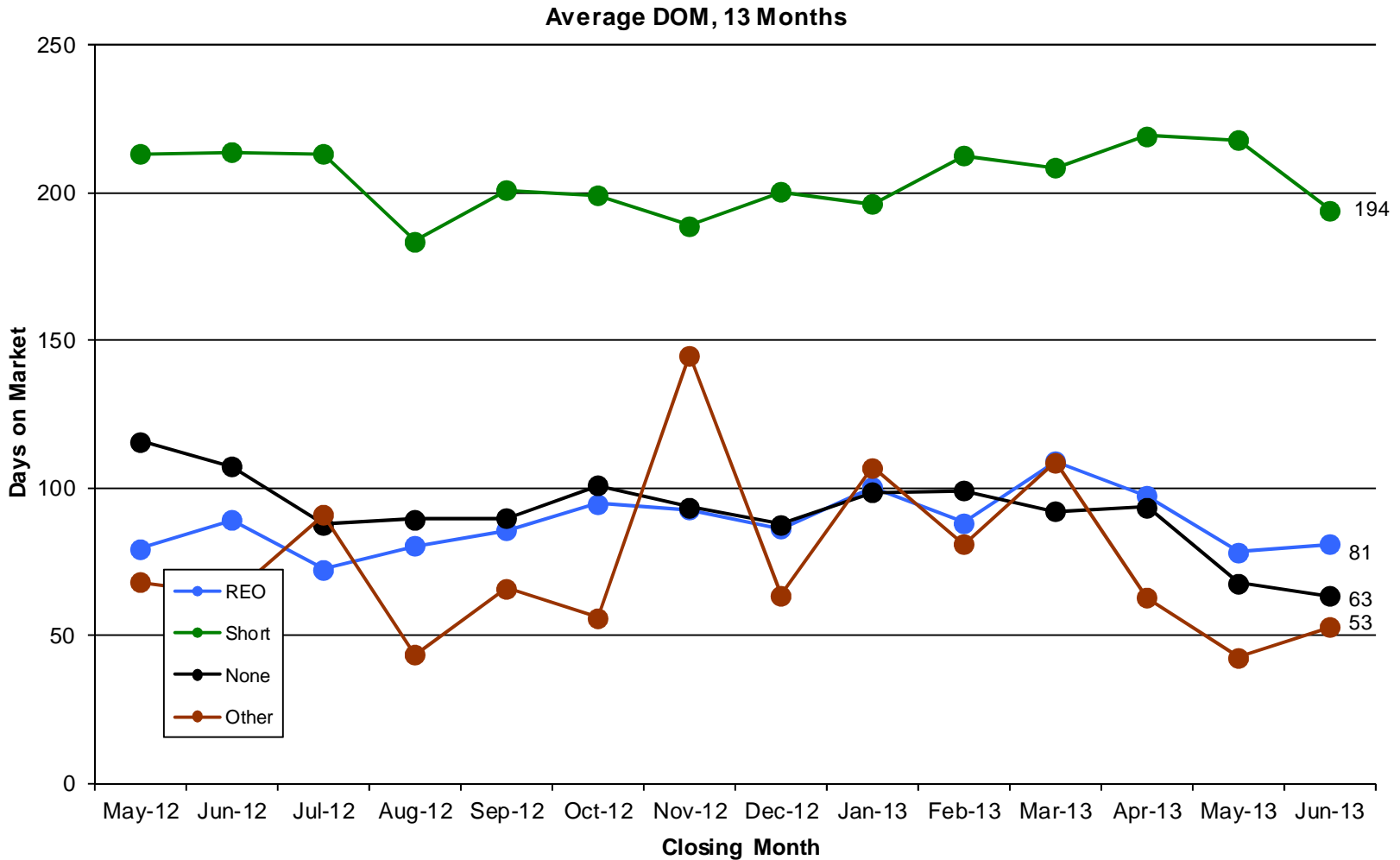


Average Days on Market for Solds, 8 years

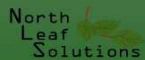


Days on Market, by Special Conditions

June, 2013



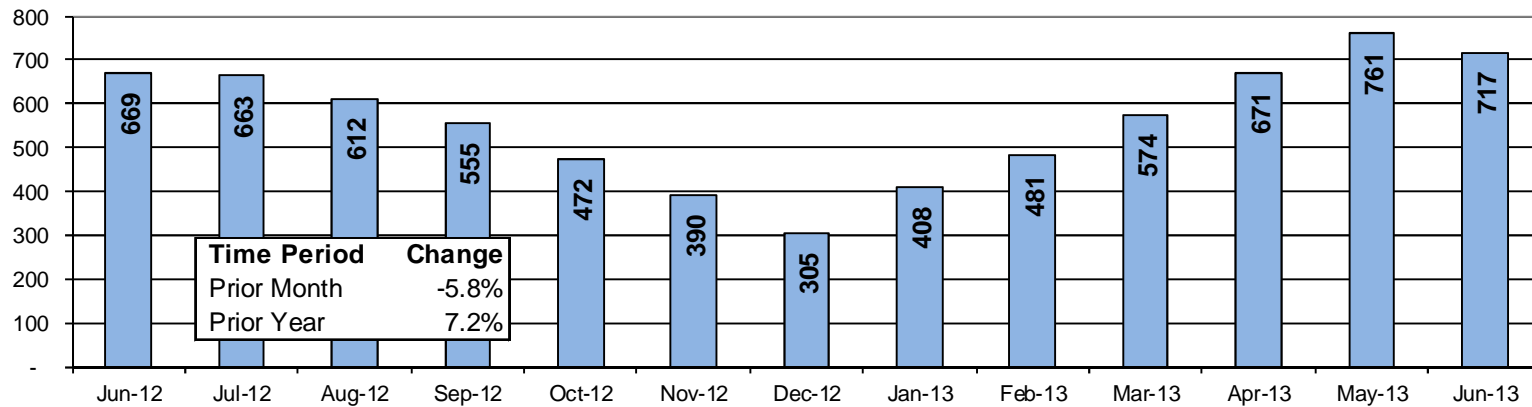
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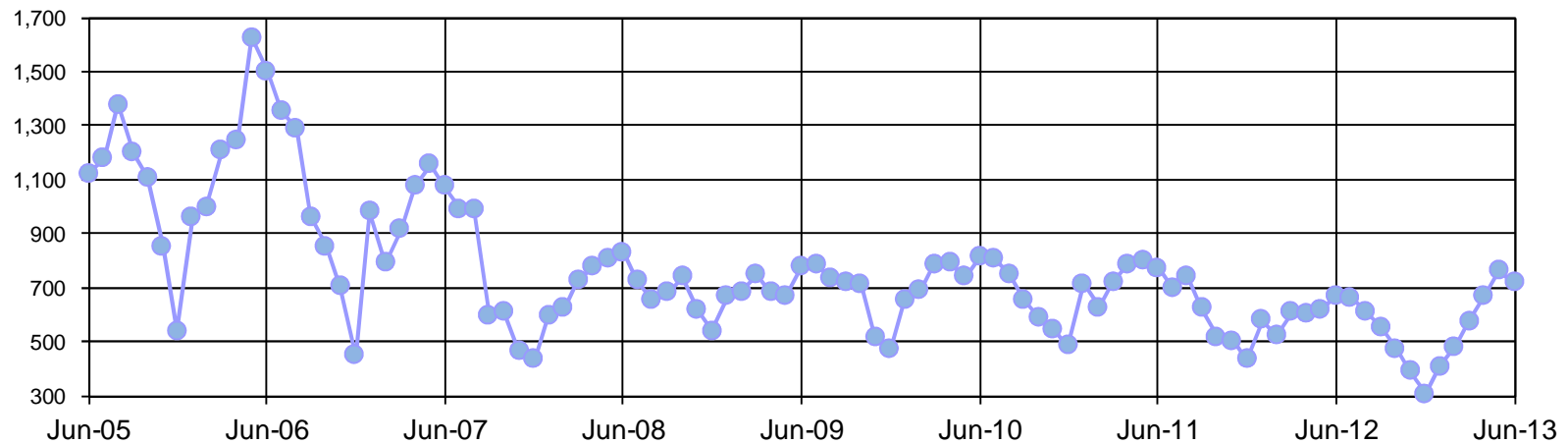
New Listings, by Month

June, 2013

New Listings by Month, 13 months



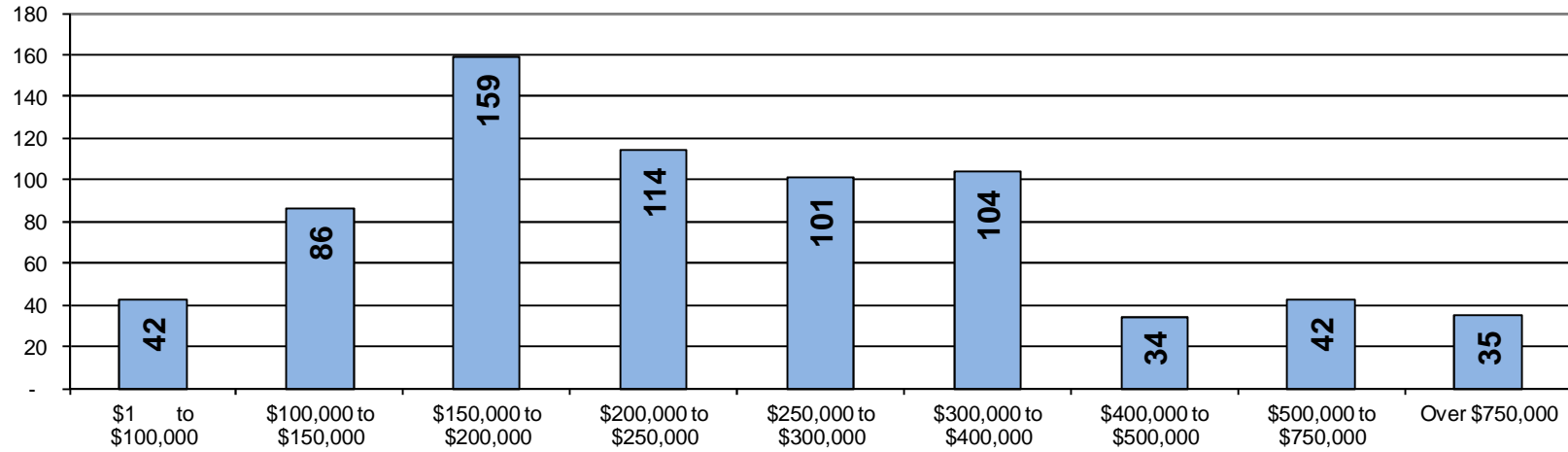
New Listings by Month, 5 years



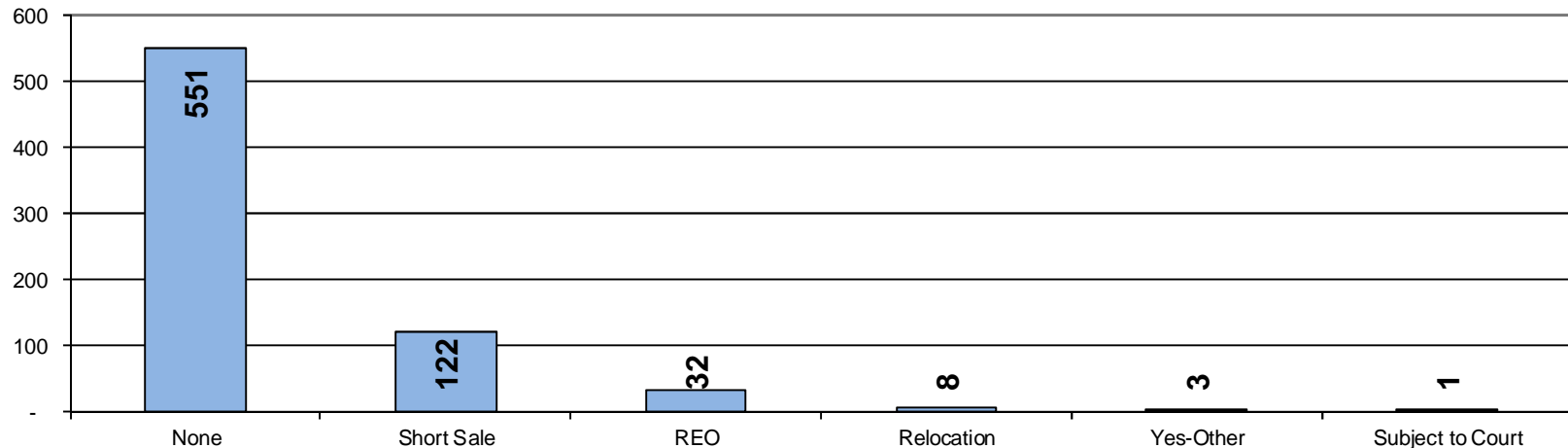
New Listings, by Price and by Special Condition

June, 2013

New Listings, by Price Range



New Listings, by Special Condition

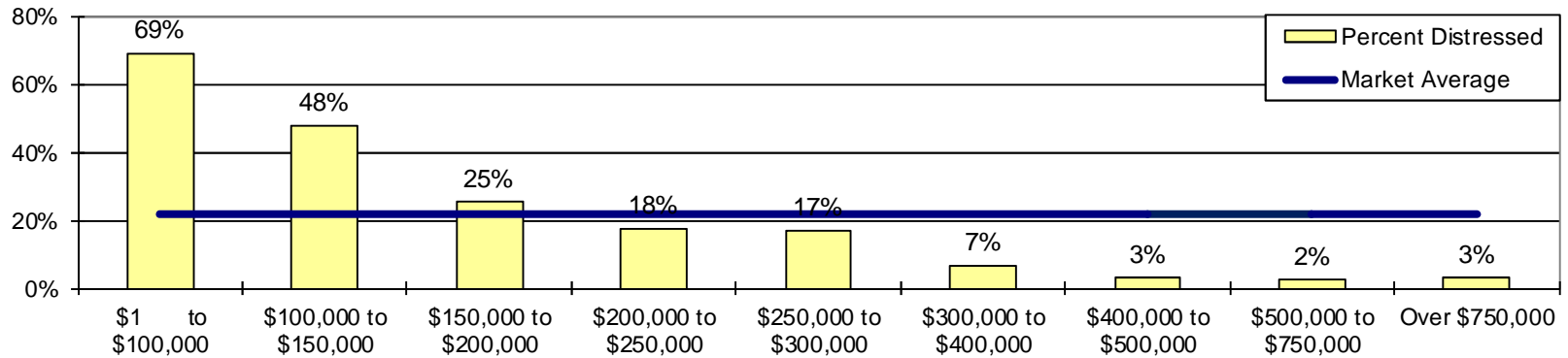


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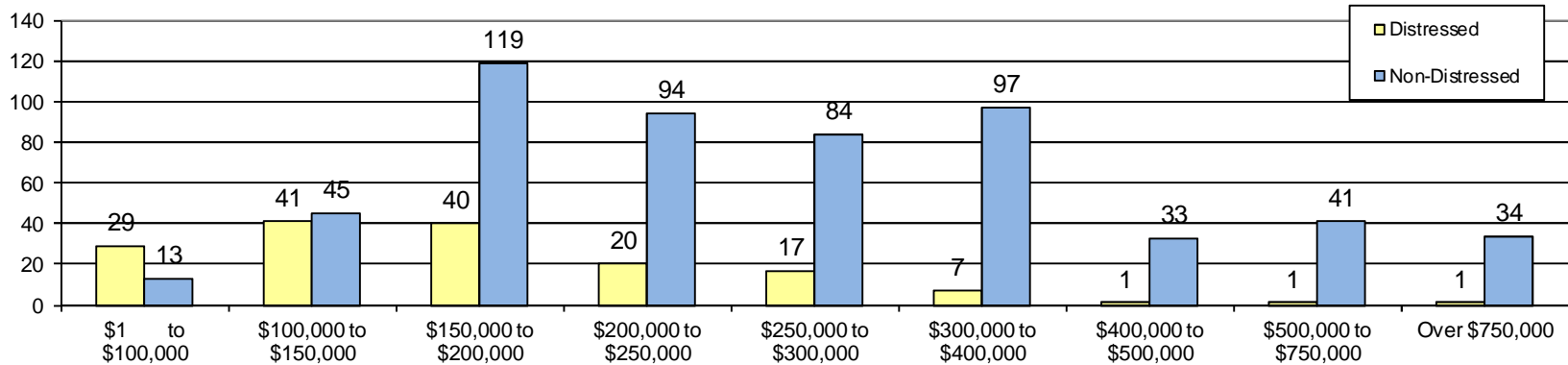
Distressed Listings, by Price

June, 2013

Percentage Distressed New Listings by Price, current month



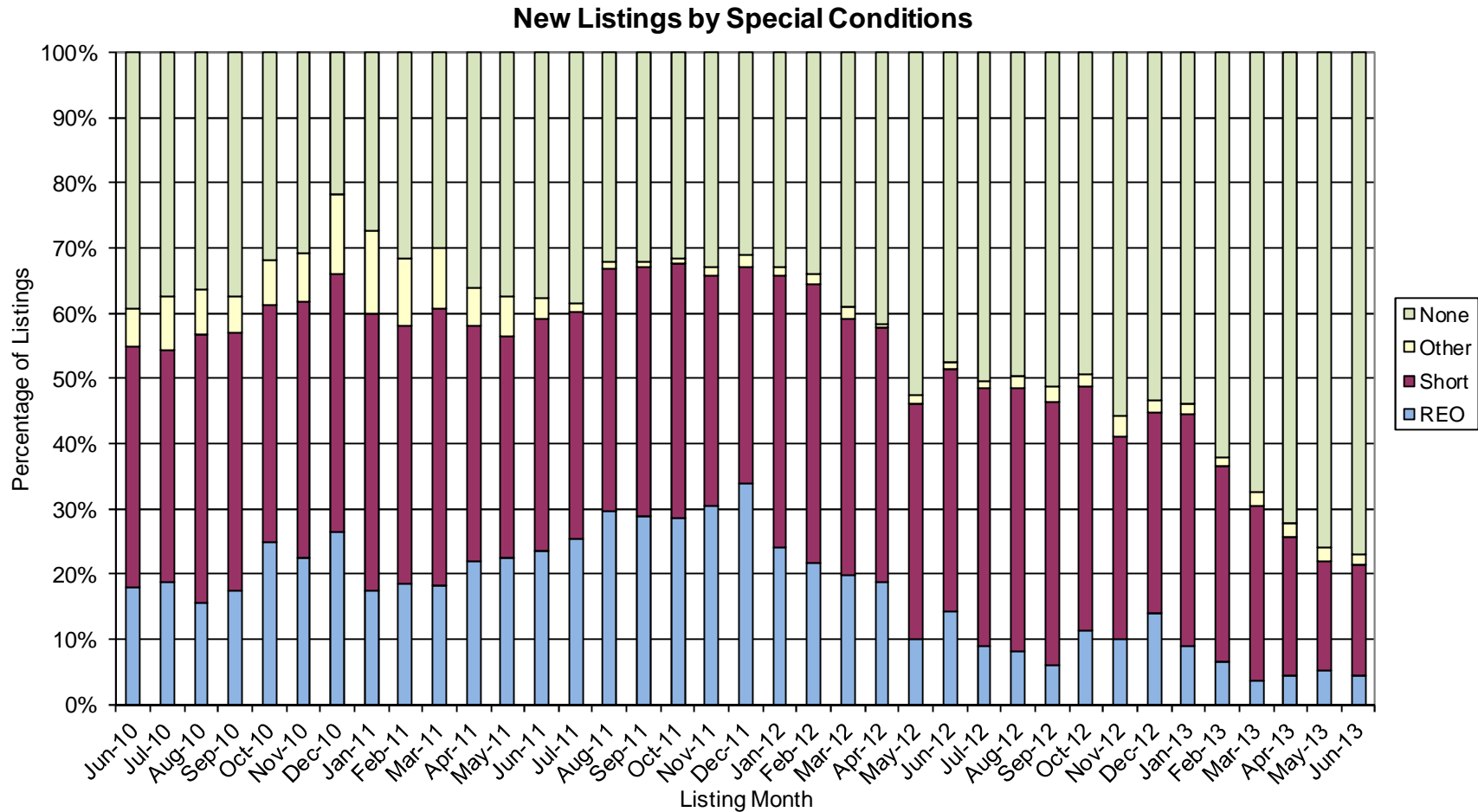
Number of Distressed and NonDistressed New Listings by Price, current month



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. Distressed New Listings includes Fannie Mae, Freddie Mac, HUD, and any bank-owned listings.

Distressed Listings, as a percentage of all listings

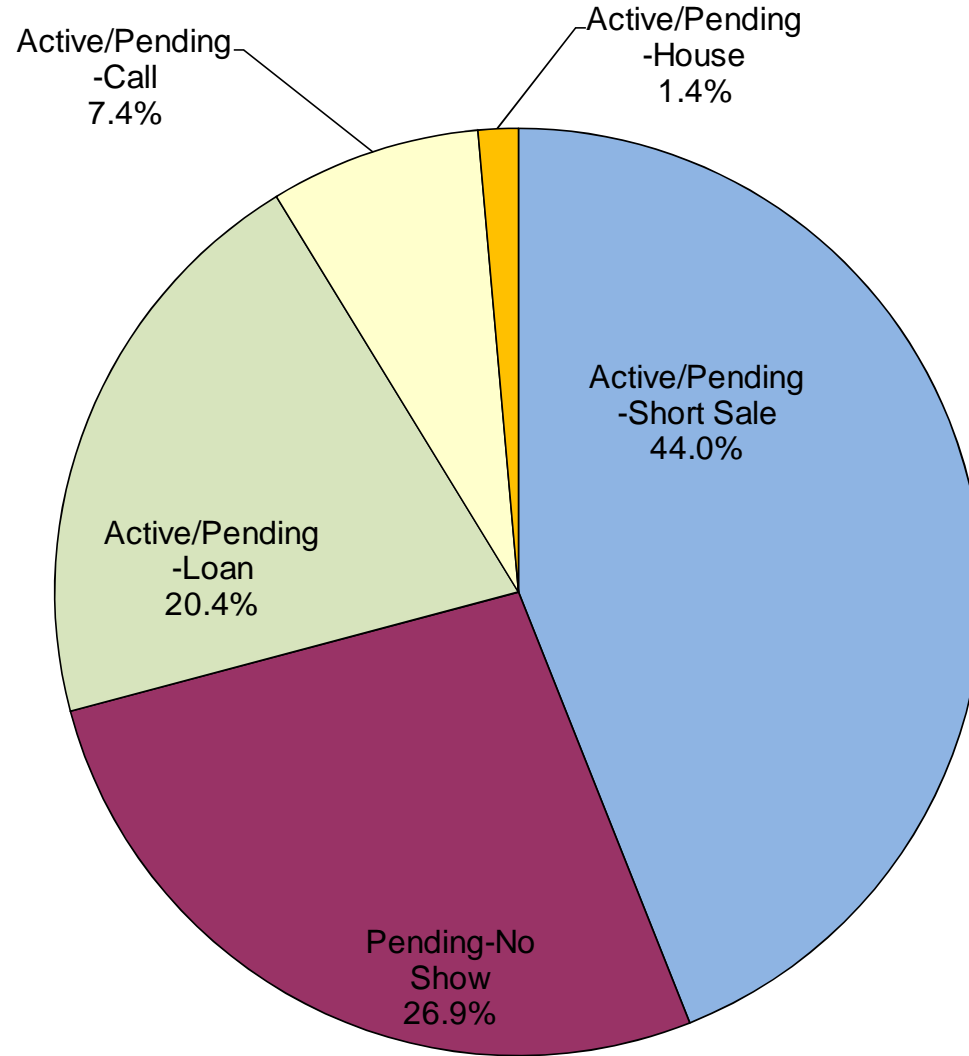
June, 2013



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Status of Pendings, Current Month

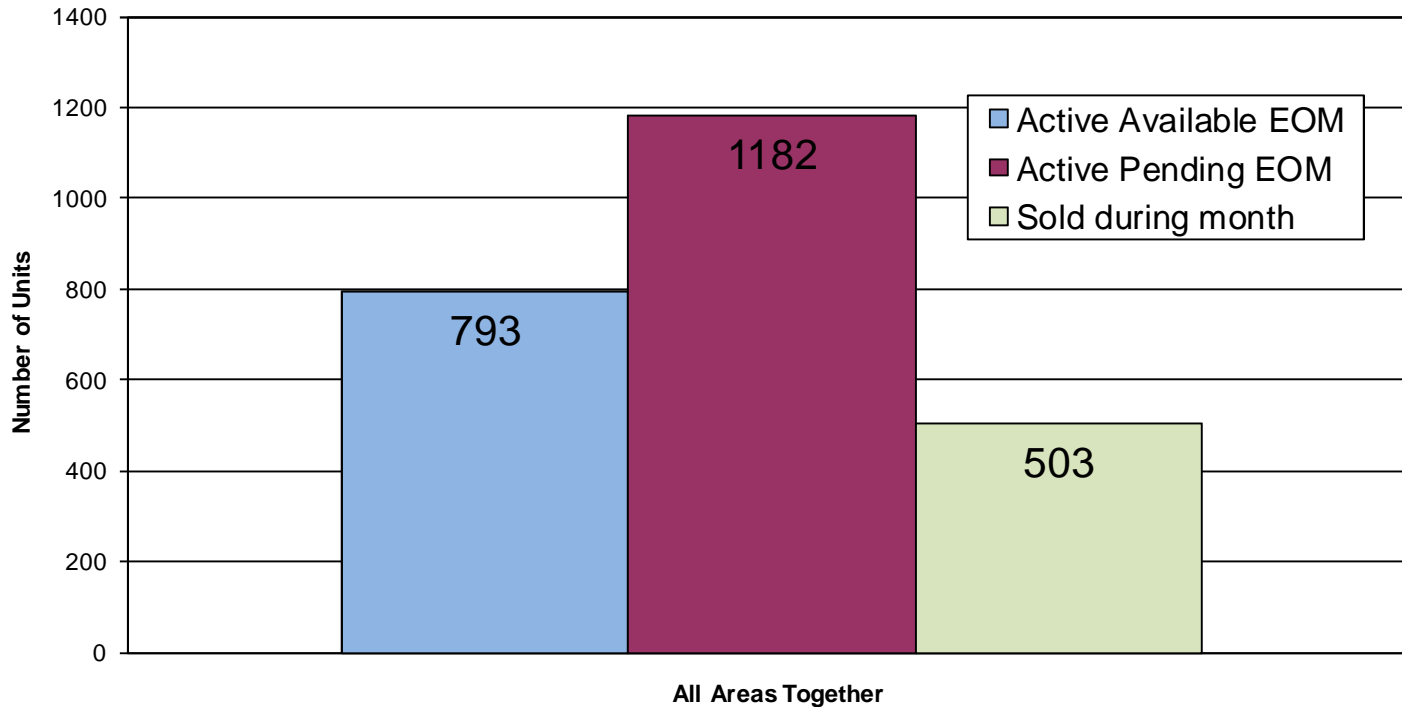
June, 2013



Months Supply of Inventory, Current Month

June, 2013

$(793 + 1182)$ available / 503 units sold = 3.9 months of inventory

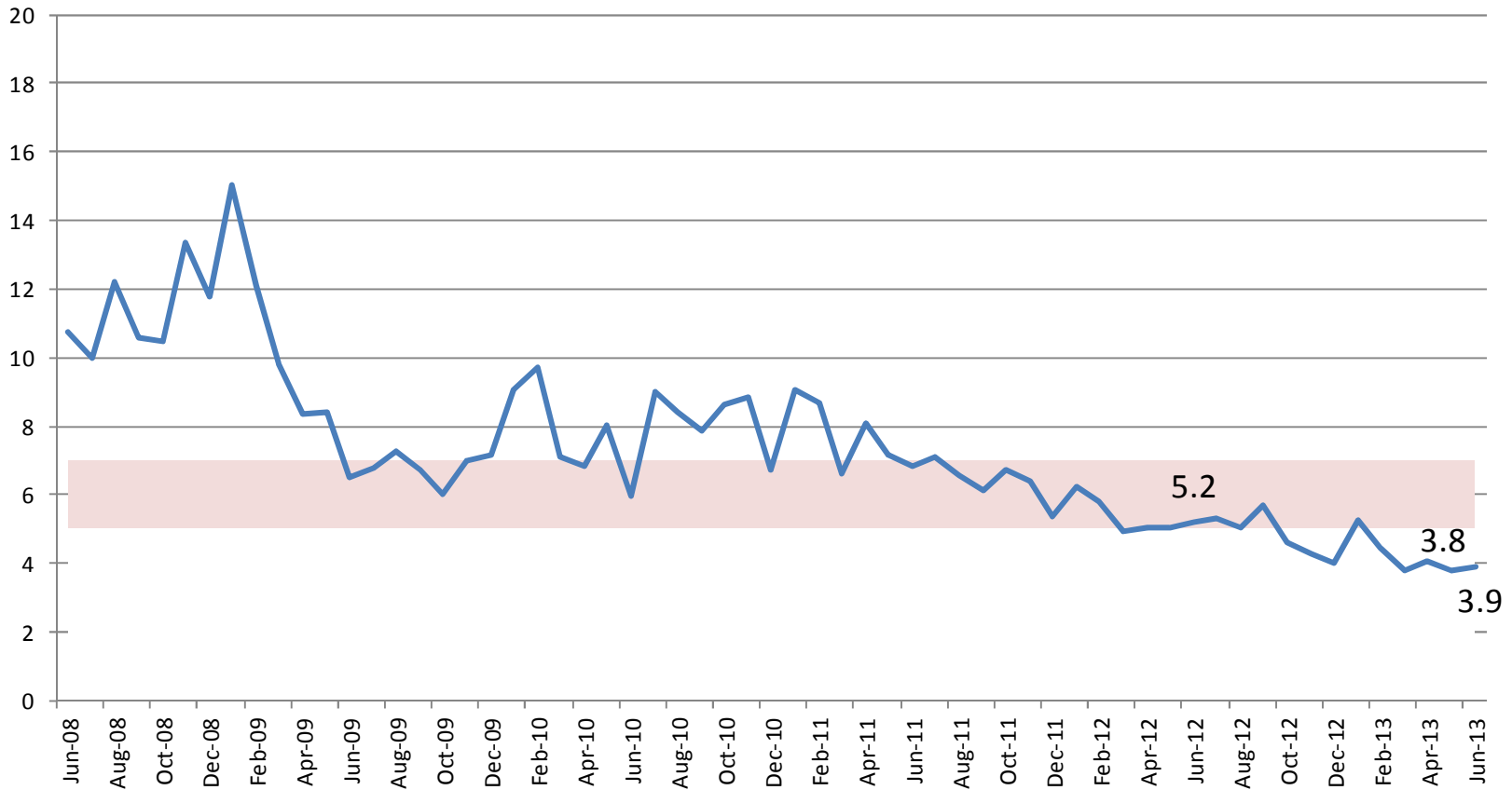


Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

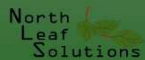
Months Supply of Inventory, Historical 5 years

June, 2013

Month's Supply of Inventory, 5 year history



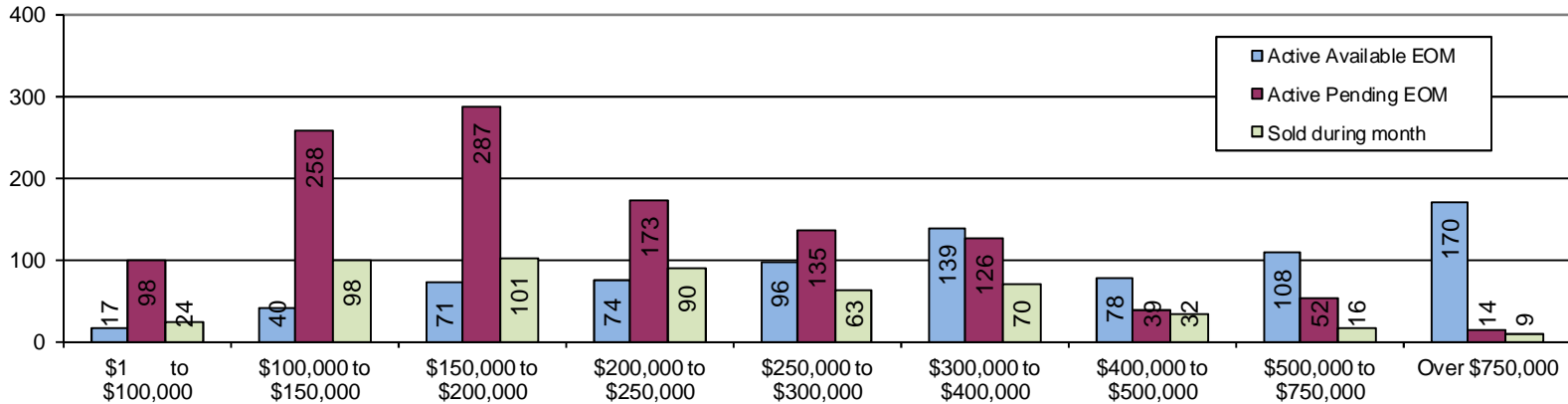
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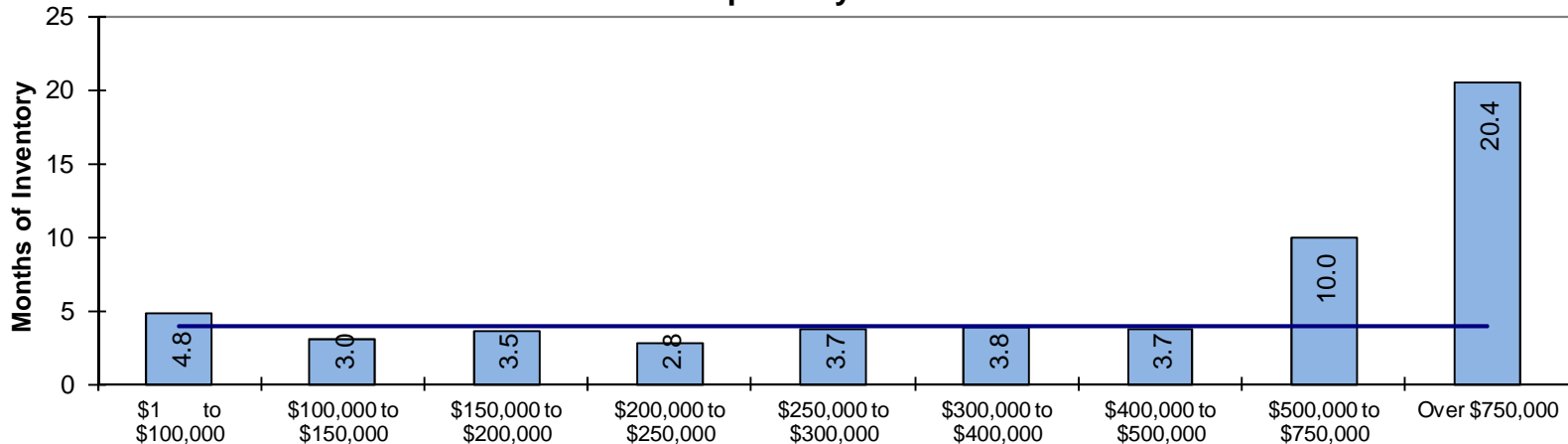
Units and Absorption, by Price

June, 2013

Active and Sold Homes by Price, current month



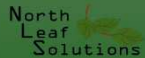
Absorption by Price



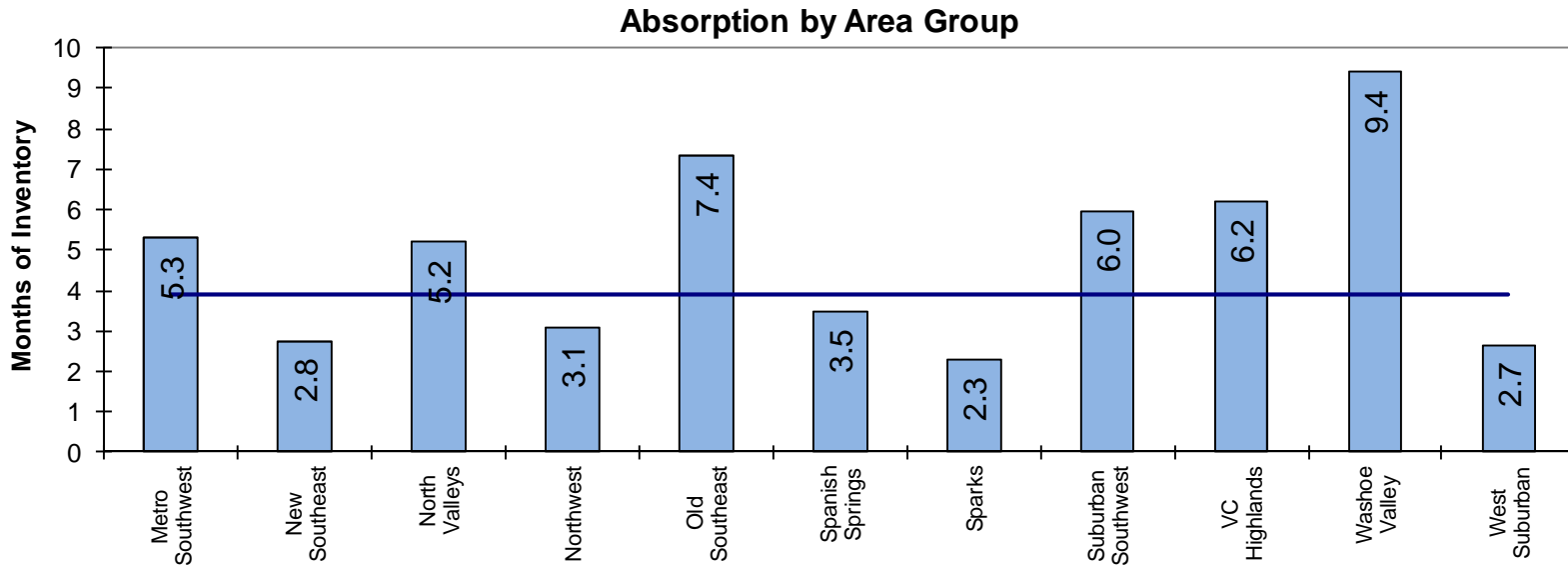
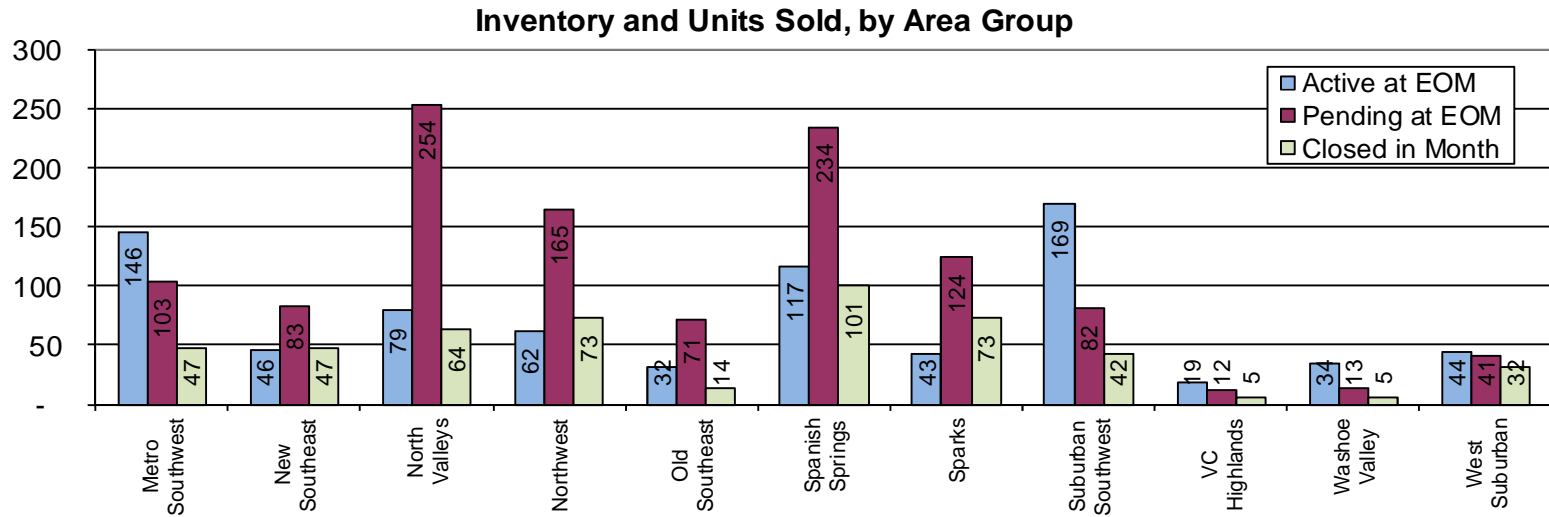
"Active" includes "Active/Pending"

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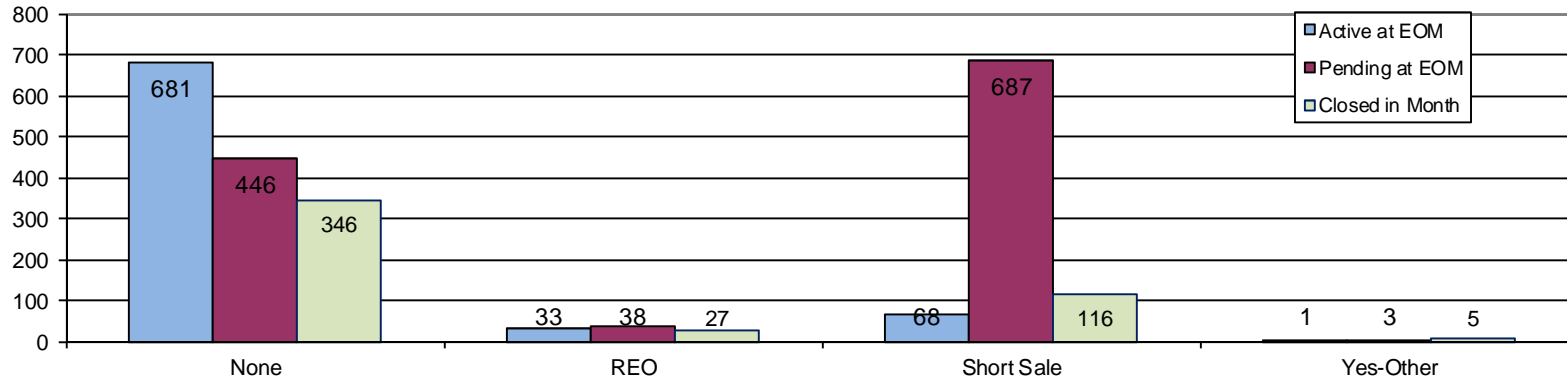
Units and Absorption, by Area Group



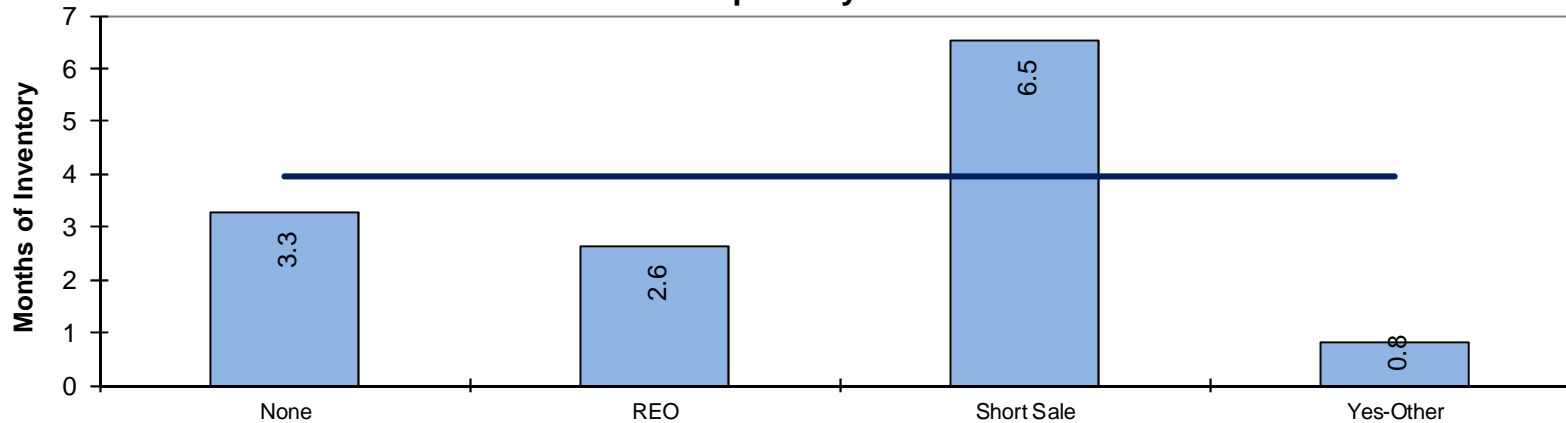
Units and Absorption, by Special Condition

June, 2013

Active and Sold Homes by Condition, current month



Absorption by Condition



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