

Reno/Sparks Association of REALTORS®

July 2011

Market Report

Area 450, Fernley



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Report Package Outline

- ❖ Market Summary

- ❖ Median Sales Price
- ❖ Number of Units Sold
- ❖ Days on Market
- ❖ New Listings
- ❖ Status of Pendencies
- ❖ Distressed Property
- ❖ Inventory and Absorption

- ❖ Data Assumptions:
 - Region defined as Area 450
 - 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 August 11th, 2011

Market Report Commentary

❖ Summary

- “Our year-over-year number of homes sales indicates more buyers and investors are realizing it is an opportune time to purchase a home versus a year ago,” said Sherrie Cartinella, 2011 president of the Reno/Sparks Association of REALTORS and a REALTOR with Coldwell Banker Select Real Estate. “Median price recovered a little in July, but we have continued to see a settling in median price since the September 2010 expiration of the tax credits.

❖ Median Sales Price

- July 2011 median price increased less than 1% to \$85,565 compared to \$84,900 in June 2011.
- The median price is down 20.4% from the prior July.
- 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.

❖ Price per Square Foot Sold

- Price per square foot is at \$55.03.

❖ Number of Units Sold

- July closed the month with 56 sold transactions up 7.7% from the prior month, and up 27.3% from July 2010.
- July 2011 set a record for the highest number of sales since the peak of the market in July 2005 when Fernley recorded 114 sales. Unit sales began trending up beginning in January 2008.

❖ Average Days on Market

- The average days on market are up to 107 days, an increase of 8.5% from the prior month.

❖ Days on Market (DOM) by Special Conditions

- Short sales continue to influence the average days on market with over 181 DOM.
- Properties with no special conditions, REO, and Other show a range of between 70 and 135 DOM.

❖ New Listings

- 65 new listings were taken in July compared to 69 in June 2011, a 5.8% decrease from the previous month and a 1.6% increase from the prior year.

Market Report Commentary

❖ Distressed New Listings by Special Conditions

- The percentage of “Distressed” new listings was down less than 1% from the prior month.
- NNRMLS implemented a recent change in the reporting of Fannie Mae, Freddie Mac and HUD re-possessed listings as Real Estate Owned (REO). July new listings by special conditions reflect a more accurate picture. REO listings represented 43% of the market; Short Sales 28%; No special conditions 26% and Other 3%. A positive sign - listings with no special conditions have increased steadily since December. The market remains dominated by distressed new listings representing 71% of the market.

❖ Status of Pending

- Active Pending – Short Sale represents 48.1% of the total active pendings; Active Pending Loan equals 11.1%; Pending No-show represents 24.1%; Active Pending call 15.7% and Active Pending House less than 1%.

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

- As of July 31 there was 4.2 months of inventory based on the July sales rate.
- 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 month’s supply of inventory follows the industry standard of including all pending sales in the active inventory.

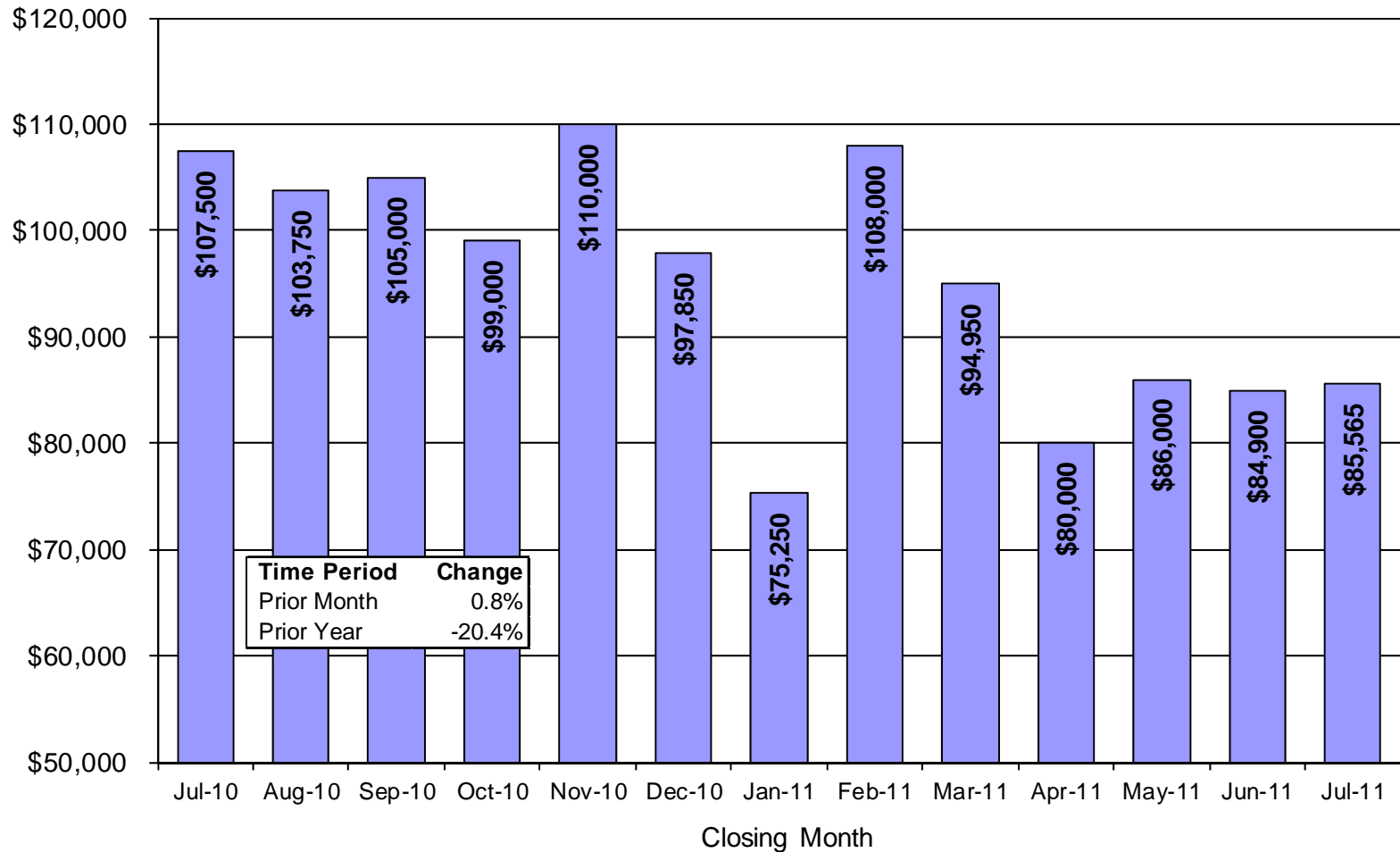
❖ Conclusion

- July’s median price of \$85,565 was up less than 1% over June. There was some artificial stabilizing in the median price during the tax credit influenced period. After the final deadline of September 2010, we have seen a continued decline in the median price. Savvy buyers with stable jobs and investors are seeing this as an excellent time to buy.
- July 2011 set a record for the highest number of sales since the peak of the market in July 2005 when Fernley recorded 114 sales. Unit sales began trending up beginning in January 2008.
- Despite the unsettled environment on Capitol Hill and Wall Street following the increase of the debt ceiling, interest rates are at record lows and are now predicted to remain low into 2013.
- The average 15-year fixed rate loan fell to 3.5%. This is the lowest level since 1991, when mortgage giant Freddie Mac began tracking it. Freddie Mac also reported that the 30-year fixed rate loan dropped to 4.32%, the lowest it has been all year.
- To get the best rates, mortgage specialists say, consumers must have a minimum FICO credit score of 720 or 740 out of a possible 850. For even the most solid buyers who have had a hiccup in their credit, this may make qualifying a challenge.
- For those with savvy buyers with stable jobs and investors seeking a favorable return on an investment, it’s an excellent buyer’s market.

Summary: Median Sales Price

July, 2011

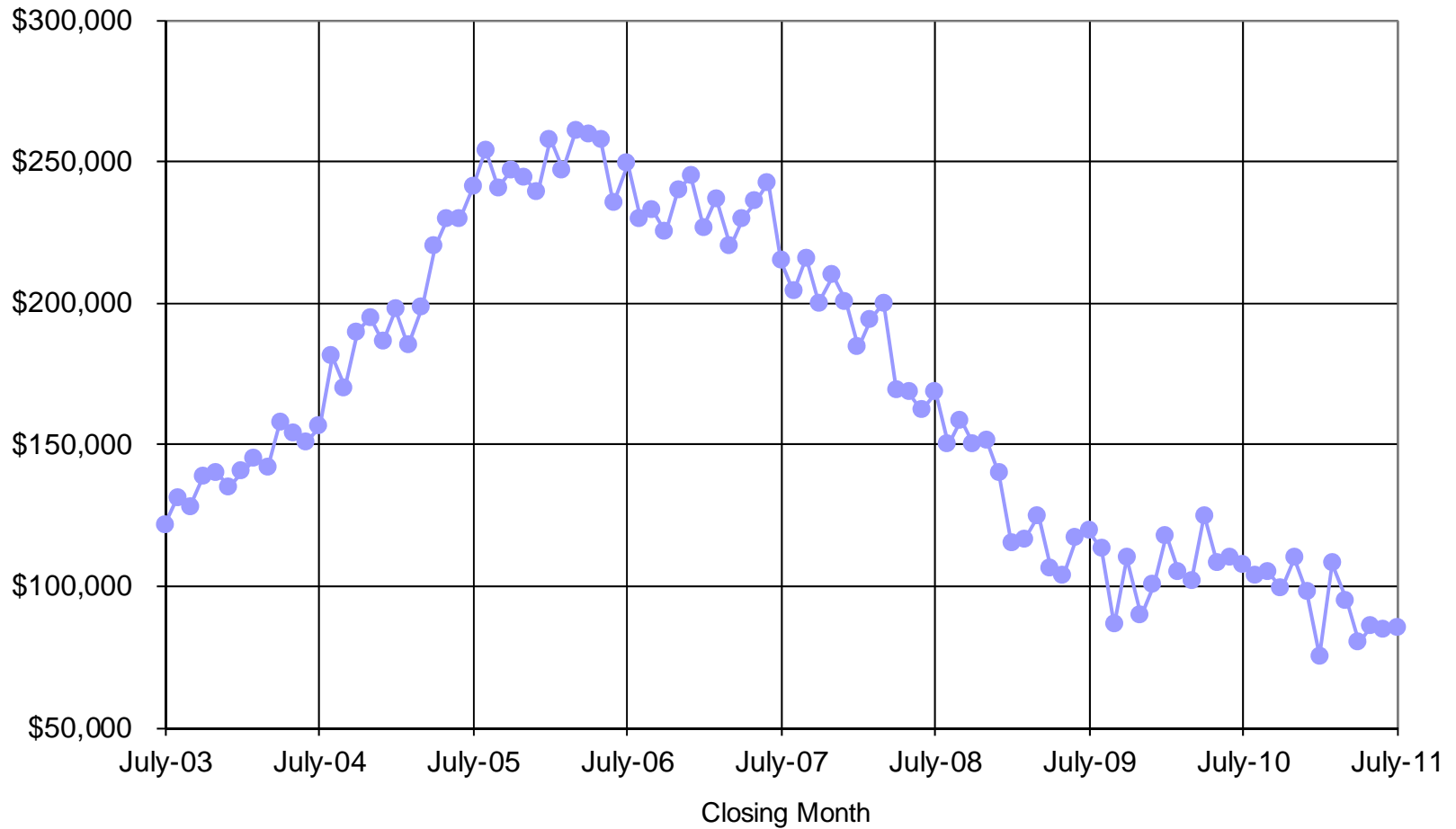
Median Sales Price, 13 months



Summary: Median Sales Price

July, 2011

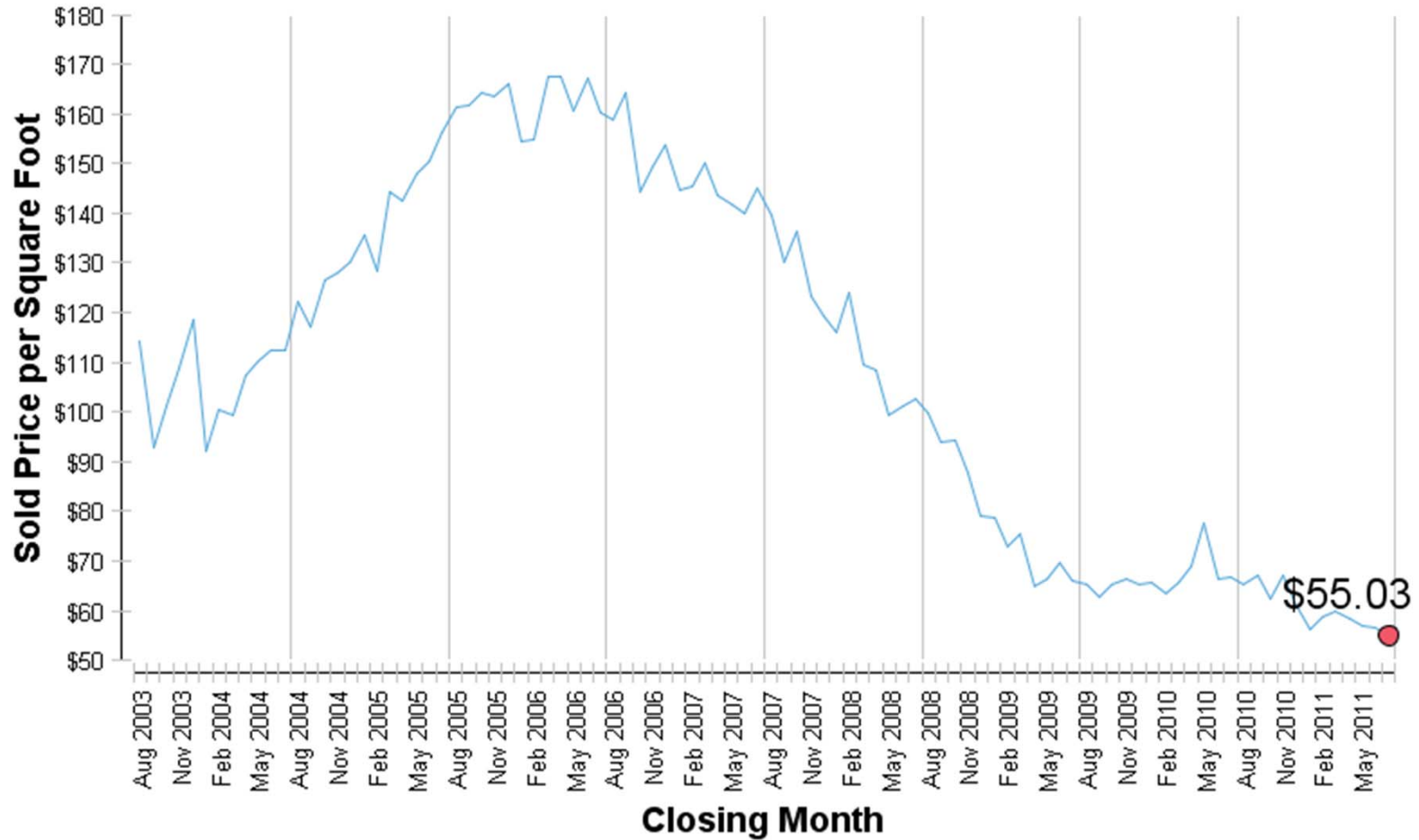
Median Sales Price, 8 years



Price per Square Foot of Solds

July, 2011

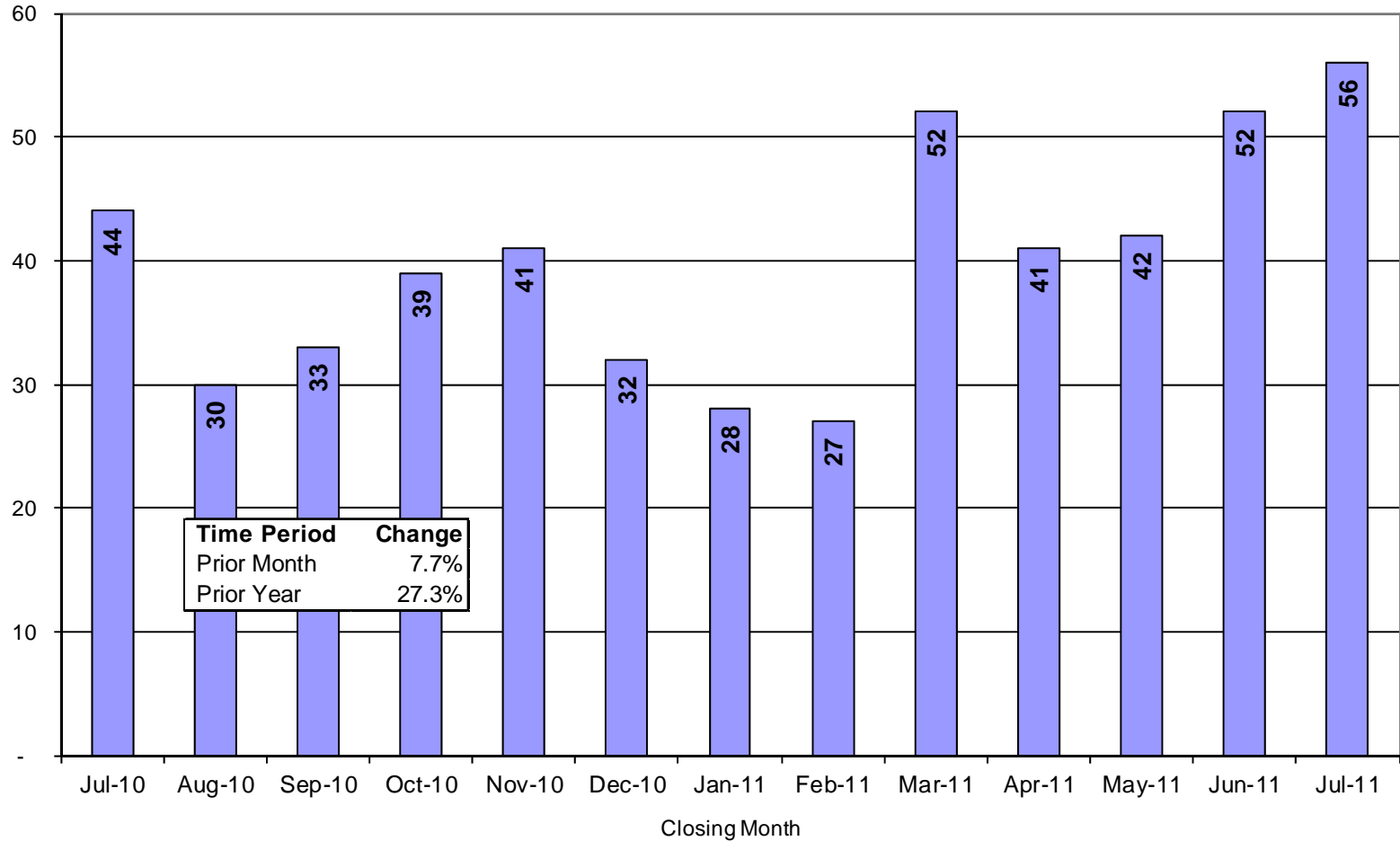
Price per Square Foot of Solds, 8 years



Summary: Number of Units Sold

July, 2011

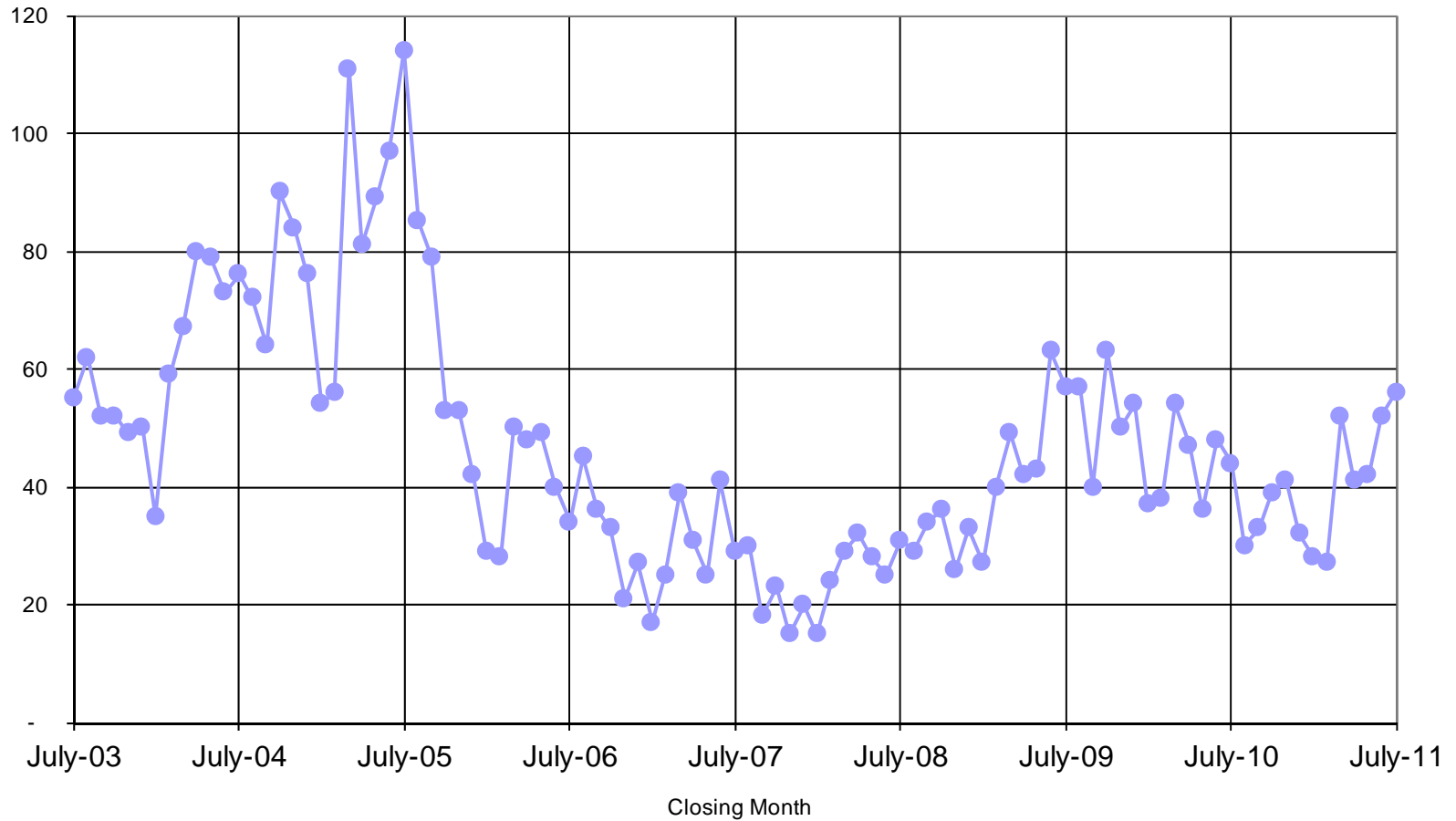
Number of Units Sold, 13 months



Summary: Number of Units Sold

July, 2011

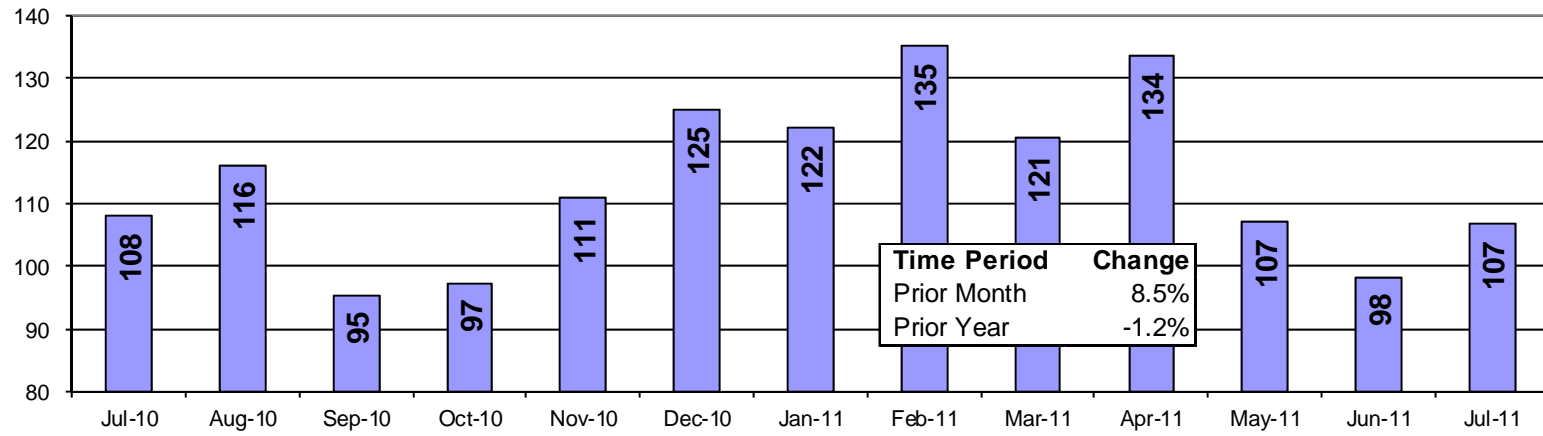
Number of Units Sold, 8 years



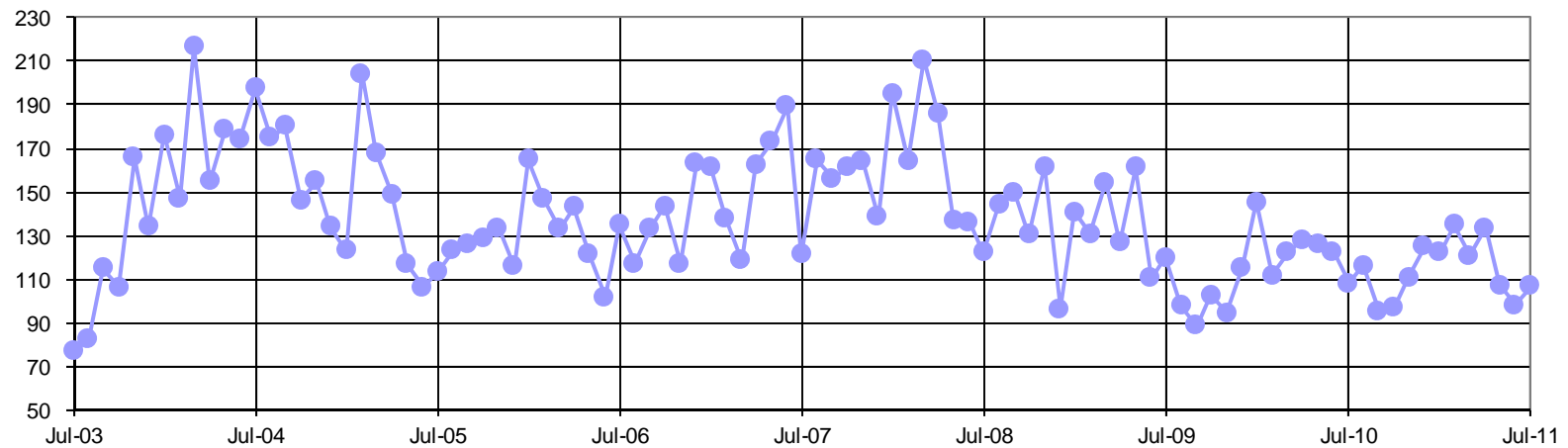
Summary: Average Days on Market

July, 2011

Average Days on Market for Solds, 13 months

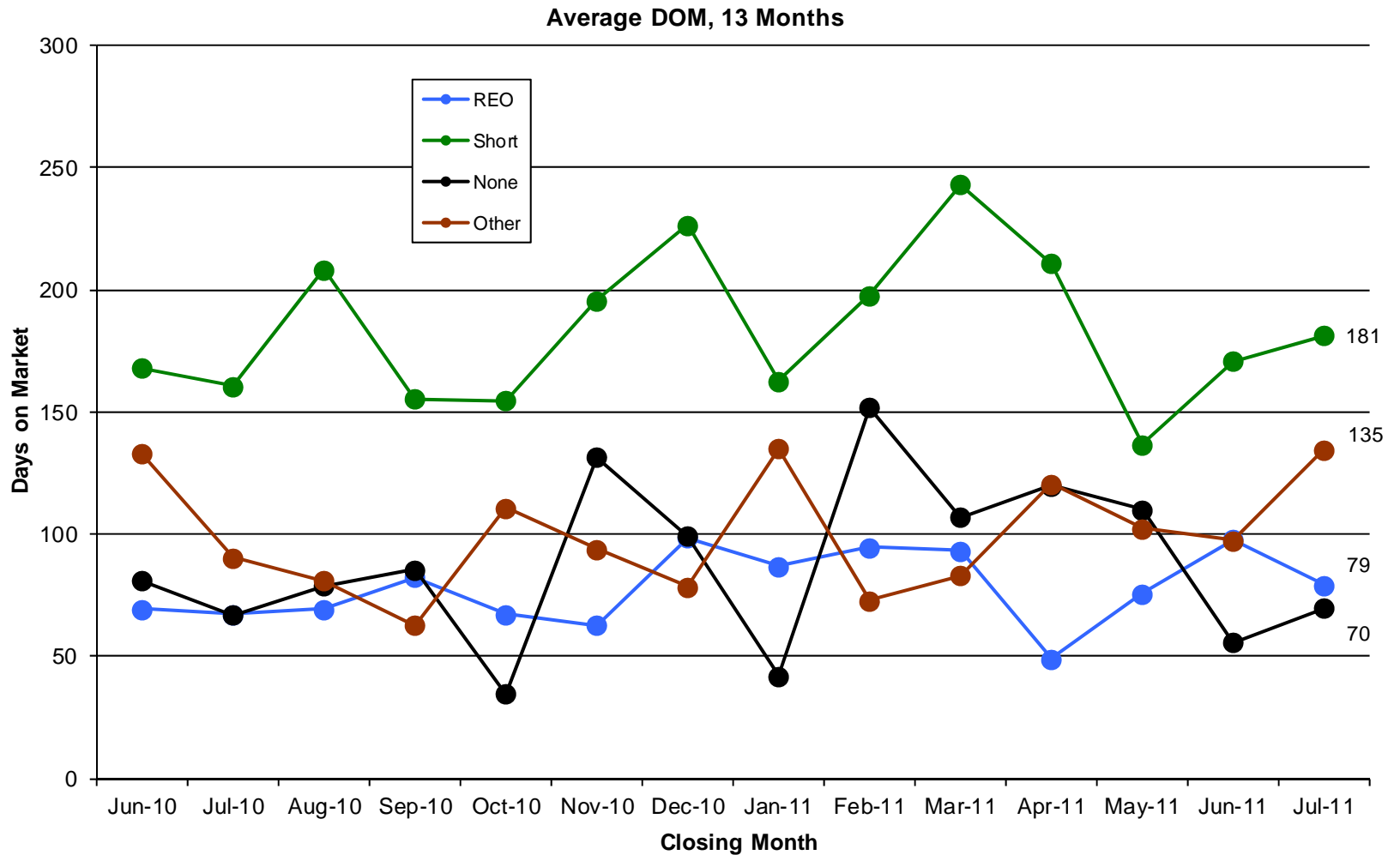


Average Days on Market for Solds, 8 years



Summary: Days on Market by Special Conditions

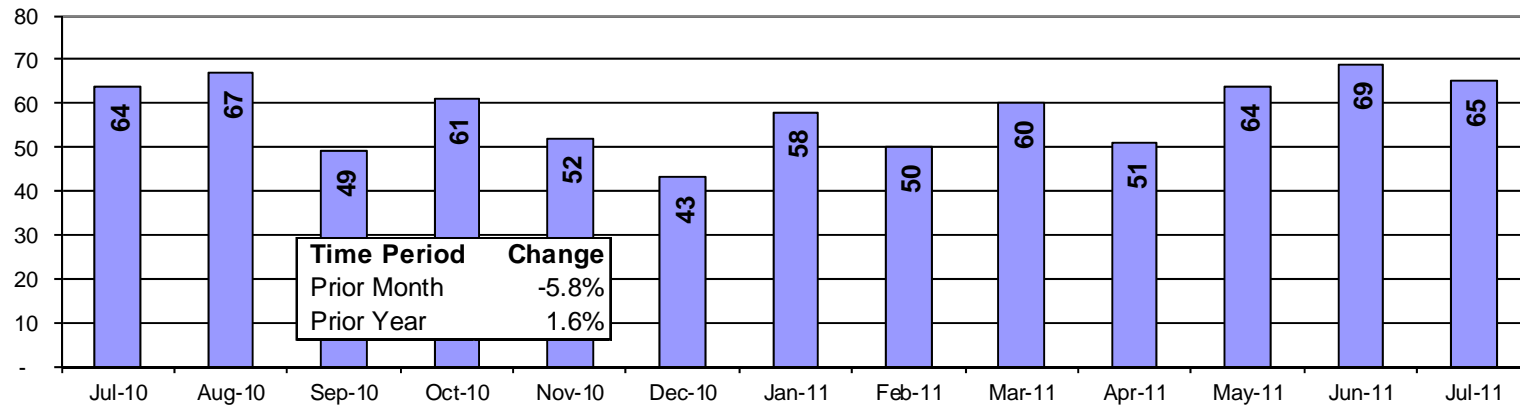
July, 2011



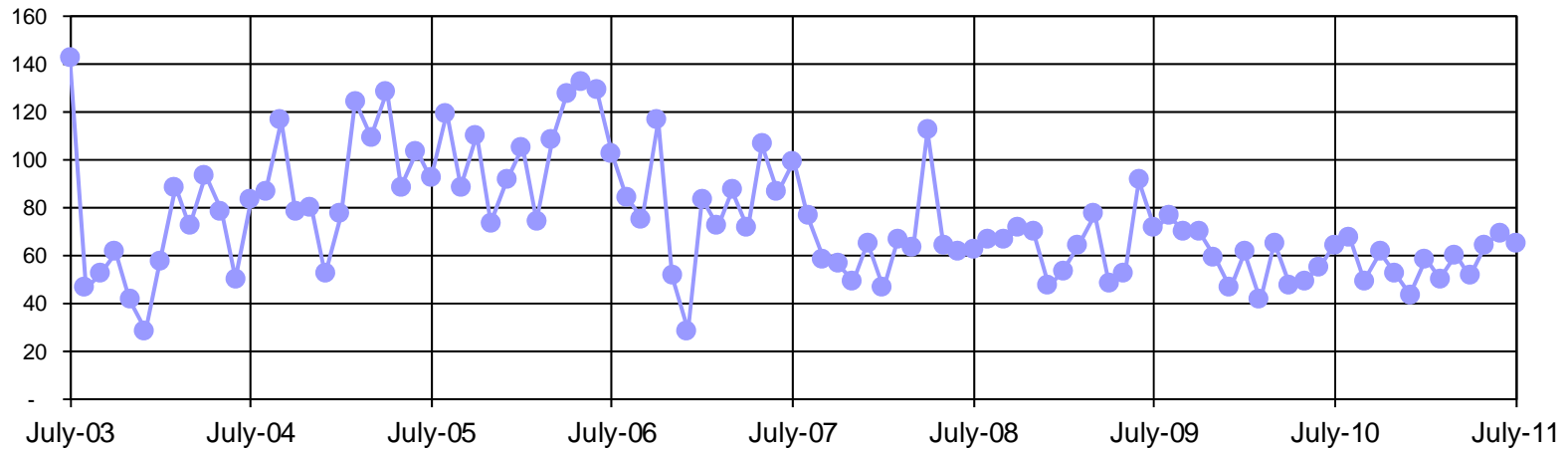
Summary: New Listings

July, 2011

New Listings by Month, 13 months

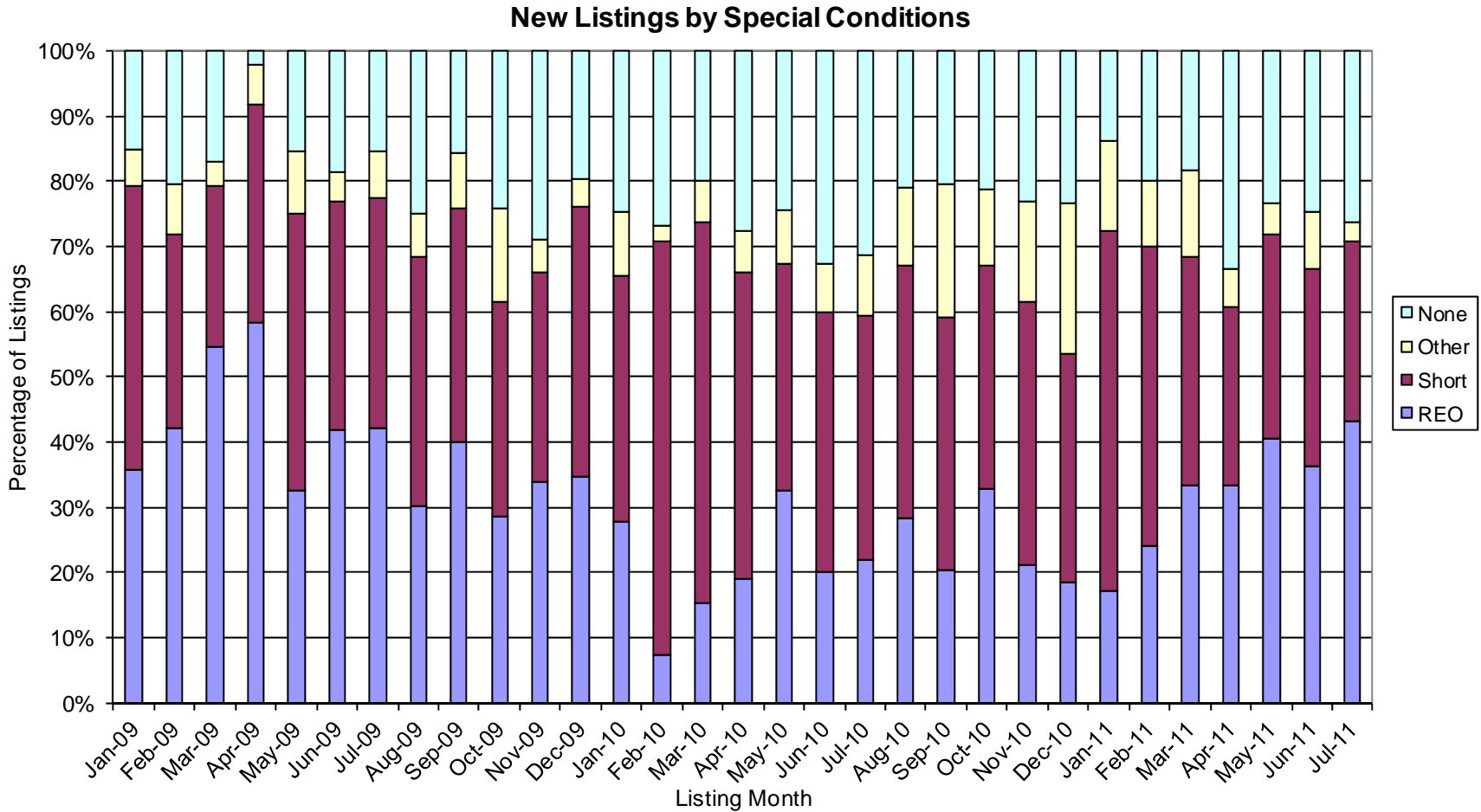


New Listings by Month, 8 years



Distressed Listings

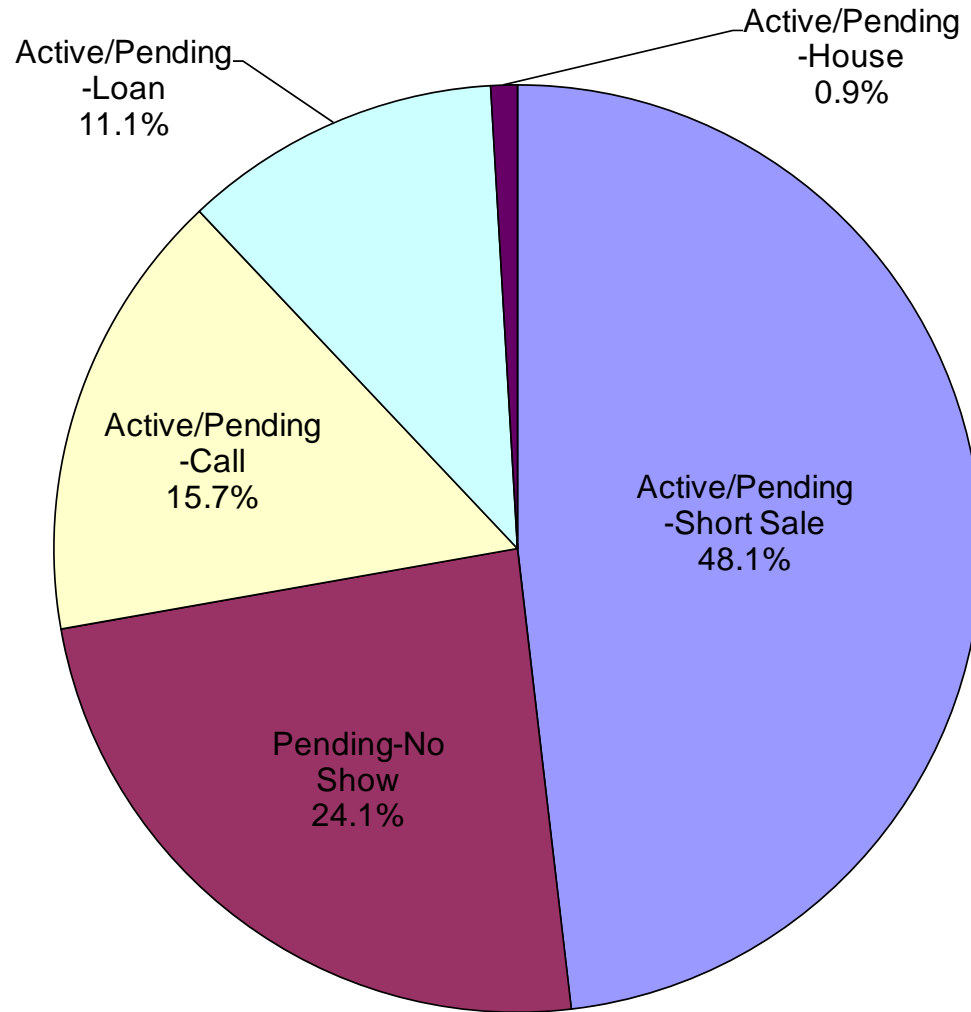
July, 2011



*Distressed New Listings include Fannie Mae, Freddie Mac, HUD, and any bank-owned listing.
Distressed listing data considered reliable from January 2009 forward.*

Status of Pendings

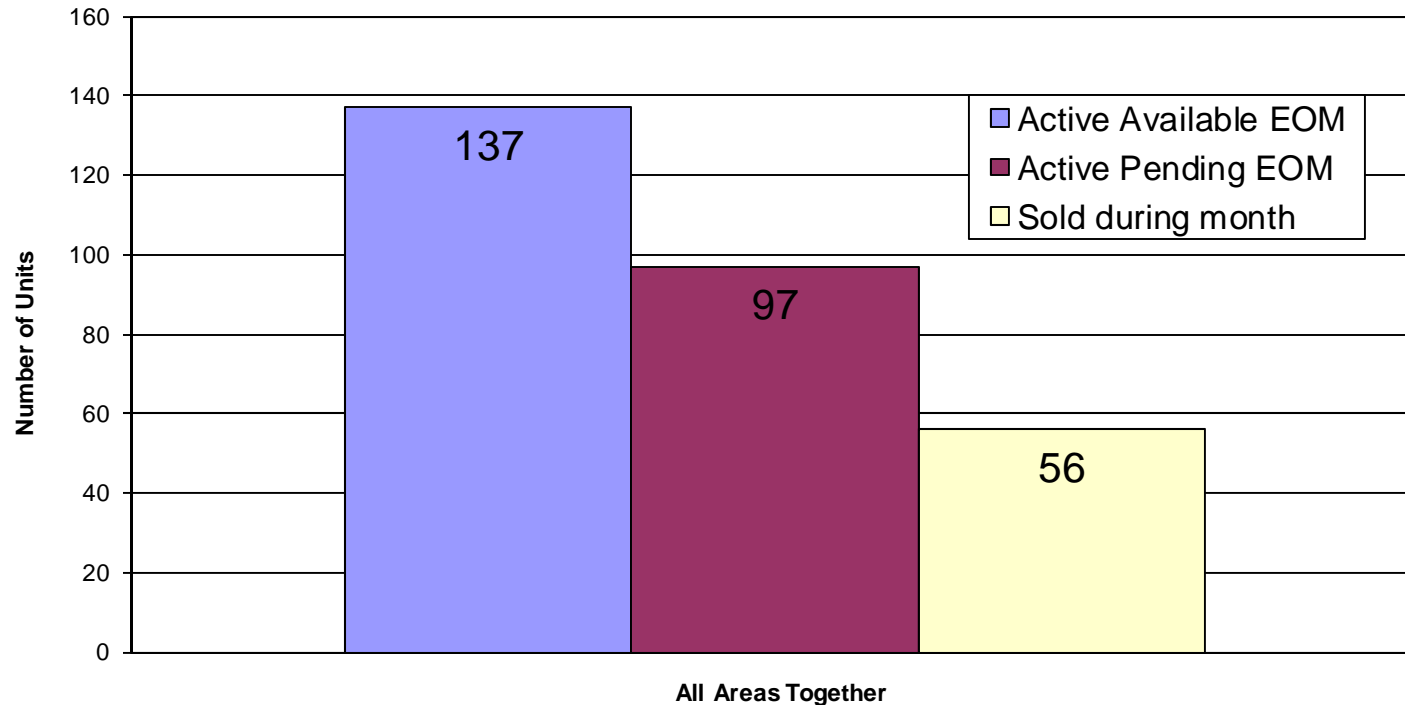
July, 2011



Current Months Supply of Inventory

July, 2011

$(137 + 97)$ available / 56 units sold = 4.2 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.