

# Reno/Sparks Association of REALTORS®

August 2011  
Market Report  
Area 450, Fernley



North  
Leaf  
Solutions



*Database Analysis Excellence*

*Proprietary & Confidential*

## 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 September 10<sup>th</sup>, 2011

# Market Report Commentary

## ❖ Summary:

- “Fernley prices continue to stabilize,” said Sherrie Cartinella, 2011 president of the Reno/Sparks Association of REALTORS and a REALTOR with Coldwell Banker Select Real Estate. “This paired with the fact that median sales prices are up and continue to settle indicates we just may be at the bottom. Market conditions, of course, will continue to be influenced by high unemployment. Although there are media reports of a 'double dip' recession, the current median sales price and historic low interest rates make this a good time to buy, especially for those that have been on the fence!”

## ❖ Median Sales Price

- August 2011 median price increased 17% to \$100,000 compared to \$85,565 in July 2011.
- The median price is down 3.6% from the prior August.
- 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 \$60.23.

## ❖ Number of Units Sold

- August closed the month with 41 sold transactions down 26.8% from the prior month, and up 36.7% from August 2010.
- Fernley sales have continued to showed signs of improvement for the past six months.

## ❖ Average Days on Market

- The average days on market are up to 126 days, an increase of 17.9% from the prior month.

## ❖ Days on Market (DOM) by Special Conditions

- Short sales continue to influence the average days on market with over 288 DOM.
- Properties with no special conditions and REO show a range of between 59 and 111 DOM.

## ❖ New Listings

- 74 new listings were taken in August compared to 65 in July 2011, a 13.8% increase from the previous month and a 10.4% increase from the prior year.

# Market Report Commentary

## ❖ Distressed New Listings by Special Conditions

- The percentage of “Distressed” new listings was down 3% 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). August new listings by special conditions reflect a more accurate picture.
- REO listings represented 38% of the market; Short Sales 33%; No special conditions 28% and Other 1%. A positive sign - listings with no special conditions have increased steadily since December. The market remains dominated by distressed new listings representing 70% of the market.

## ❖ Status of Pending

- Active Pending – Short Sale represents 46.8% of the total active pendings; Pending No-show represents 24.8%; Active Pending Loan equals 20.2%; Active Pending call 7.3% and Active Pending House less than 1%.

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

- As of August 31 there was 6 months of inventory based on the August 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.

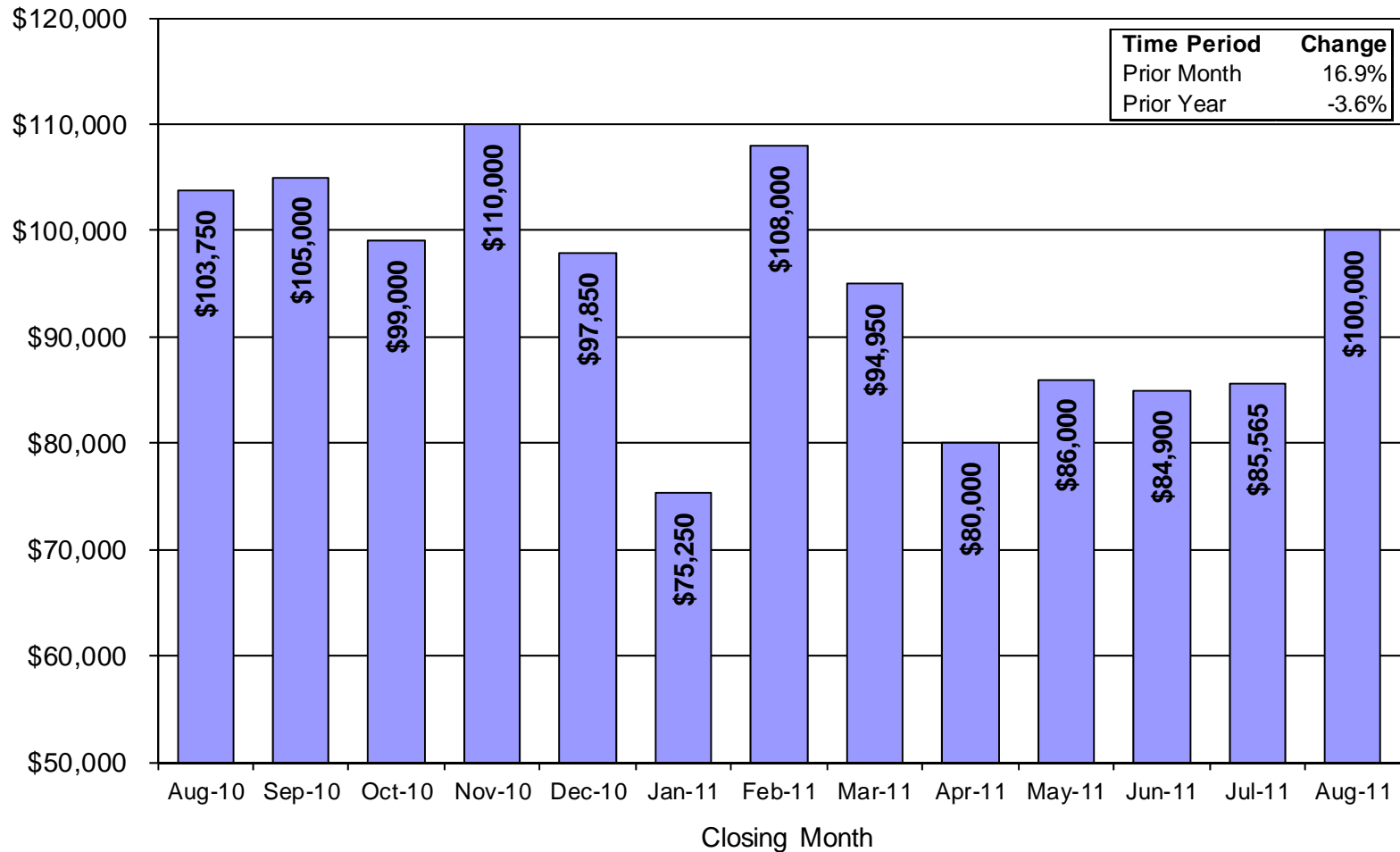
## ❖ Conclusion

- Year-to-date 2011 unit sales (339) numbers are up slightly over 2010 unit sales (334). We are cautiously optimistic that the sales number will continue to perform on its own (without government incentives) and outpace 2010.
- Fernley sales have continued to showed signs of improvement for the past six months.
- August’s median price of \$100,000 was up 16.9% over August. 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. It’s time to get off the fence.
- For the past 40 years, interest rates have never been at the current record lows and are predicted to remain low into 2013.
- The average 15-year fixed rate loan dropped to 3.3%. 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 4.09%, a new low for 2011.
- Mortgage specialists say to get the best rates consumers must have a minimum FICO credit score of 720 or 740 out of a possible 850. A tough challenge for even the most qualified buyer
- qualified buyers.

# Summary: Median Sales Price

August, 2011

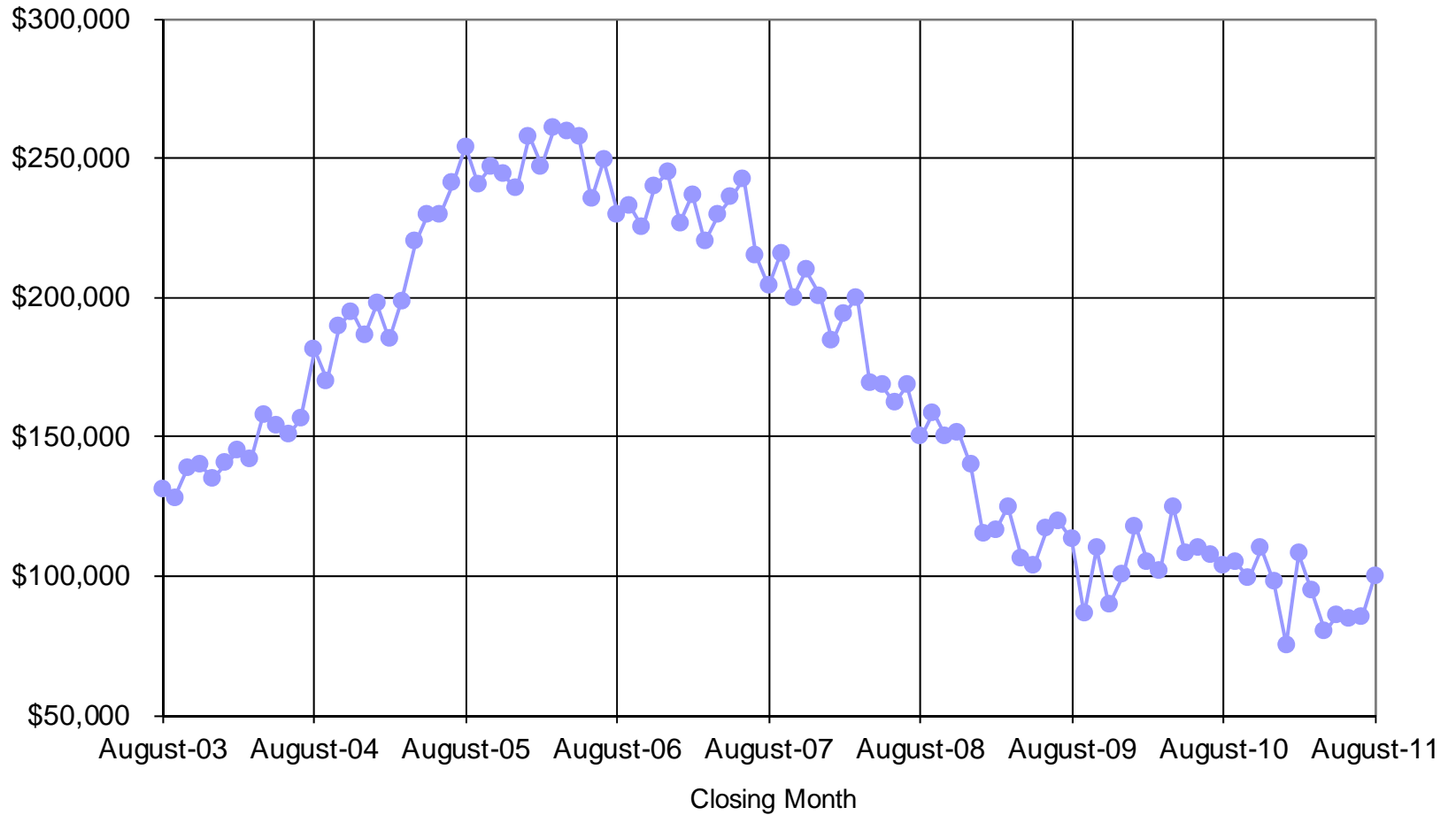
Median Sales Price, 13 months



# Summary: Median Sales Price

August, 2011

### Median Sales Price, 8 years



# Price per Square Foot of Solds

August, 2011

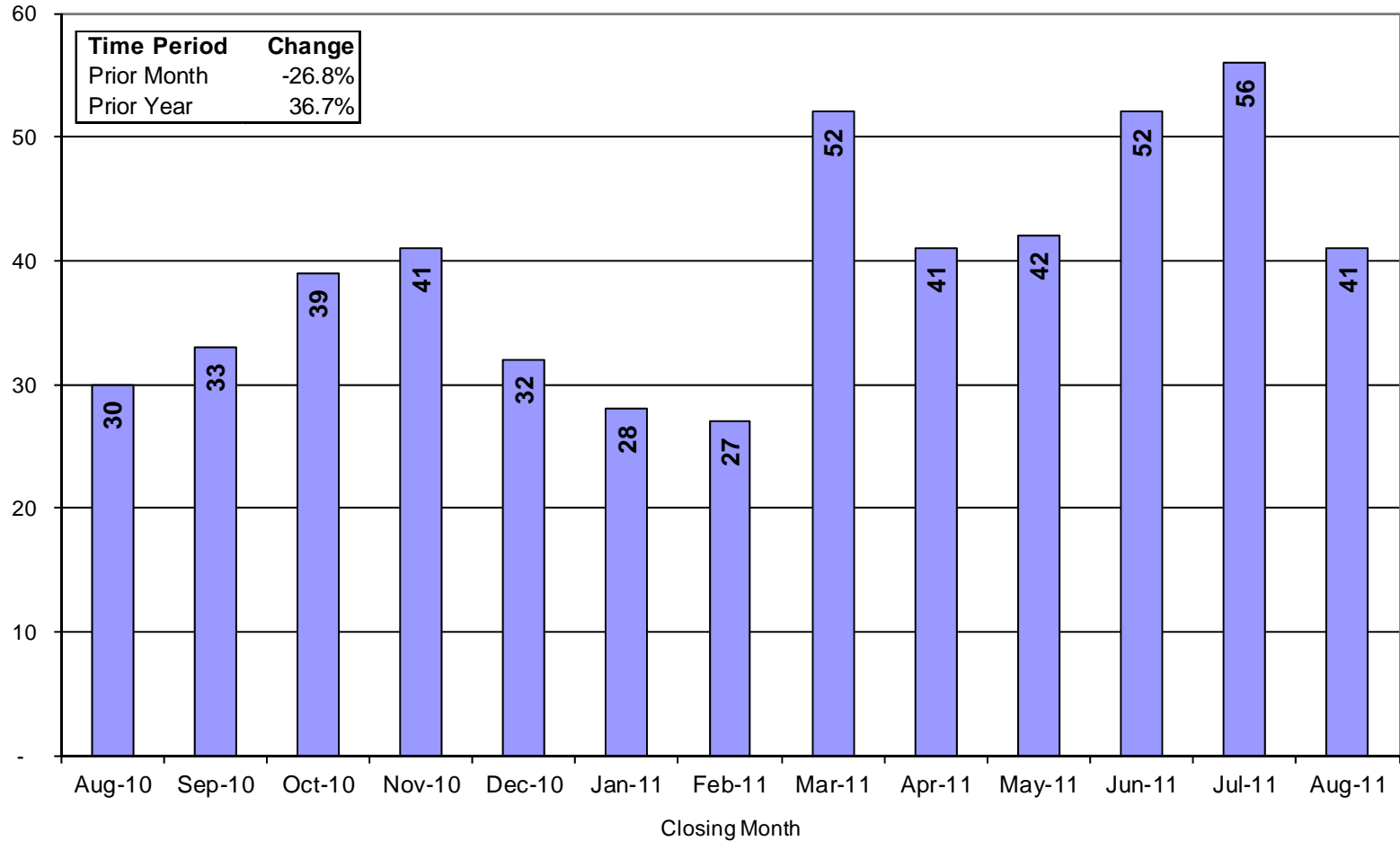
Price per Square Foot of Solds, 8 years



# Summary: Number of Units Sold

August, 2011

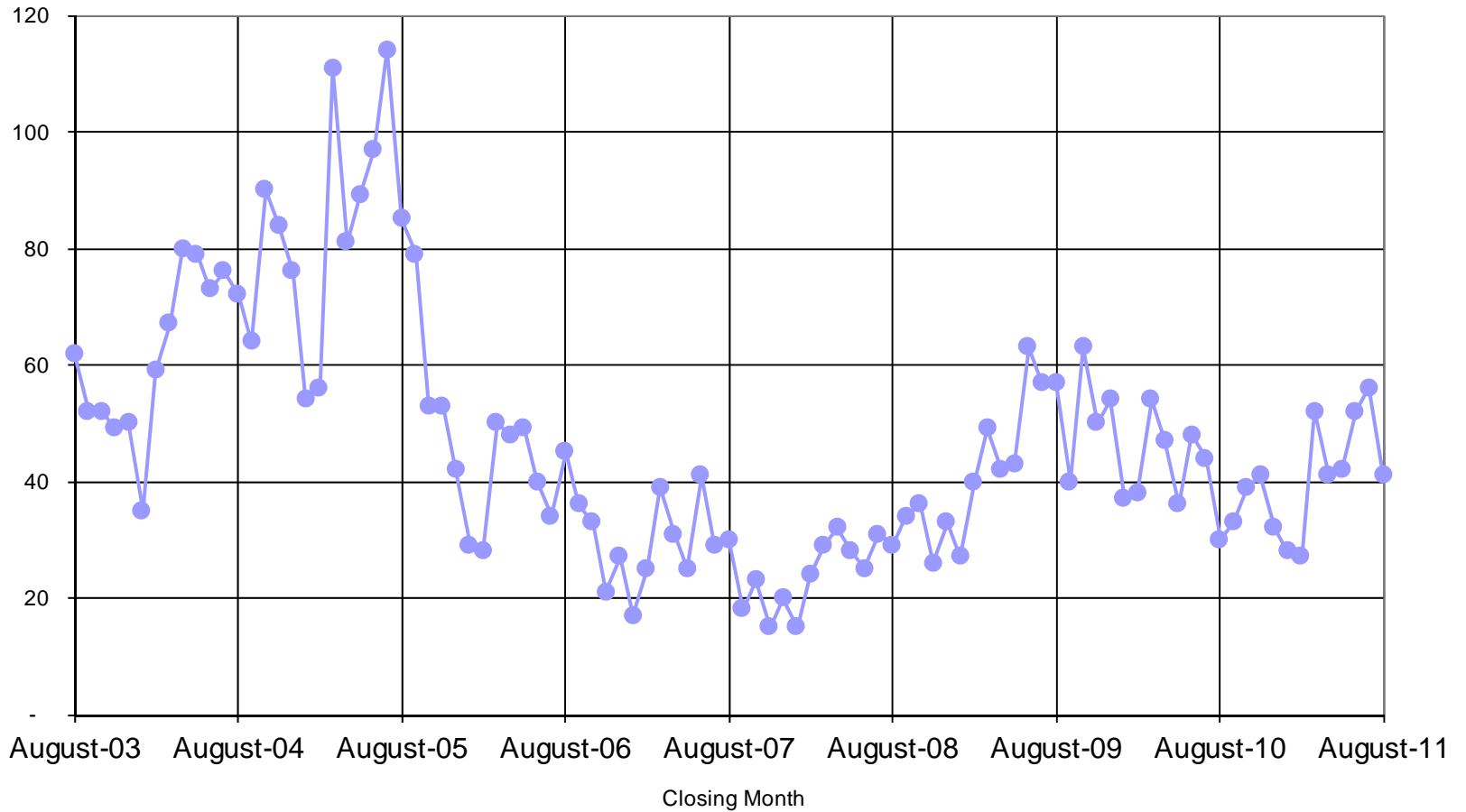
Number of Units Sold, 13 months



# Summary: Number of Units Sold

August, 2011

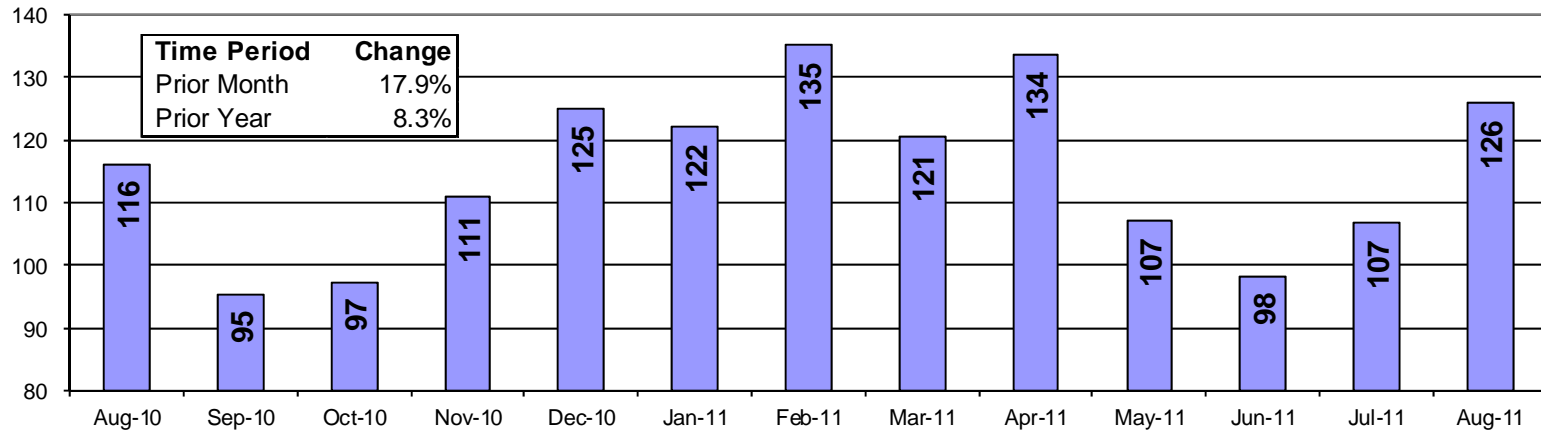
Number of Units Sold, 8 years



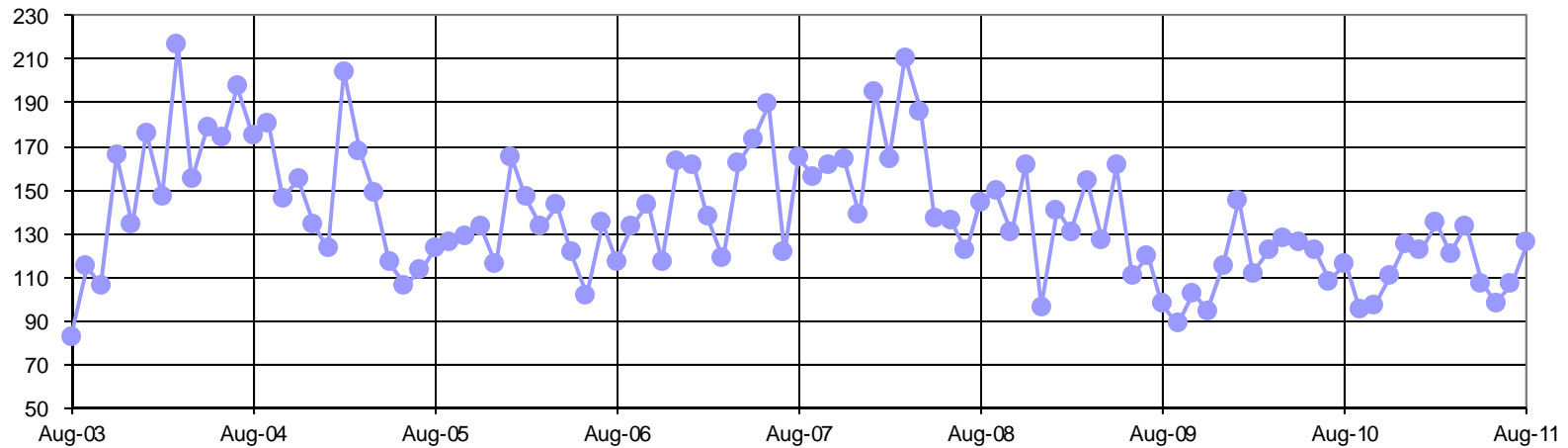
# Summary: Average Days on Market

August, 2011

Average Days on Market for Solds, 13 months

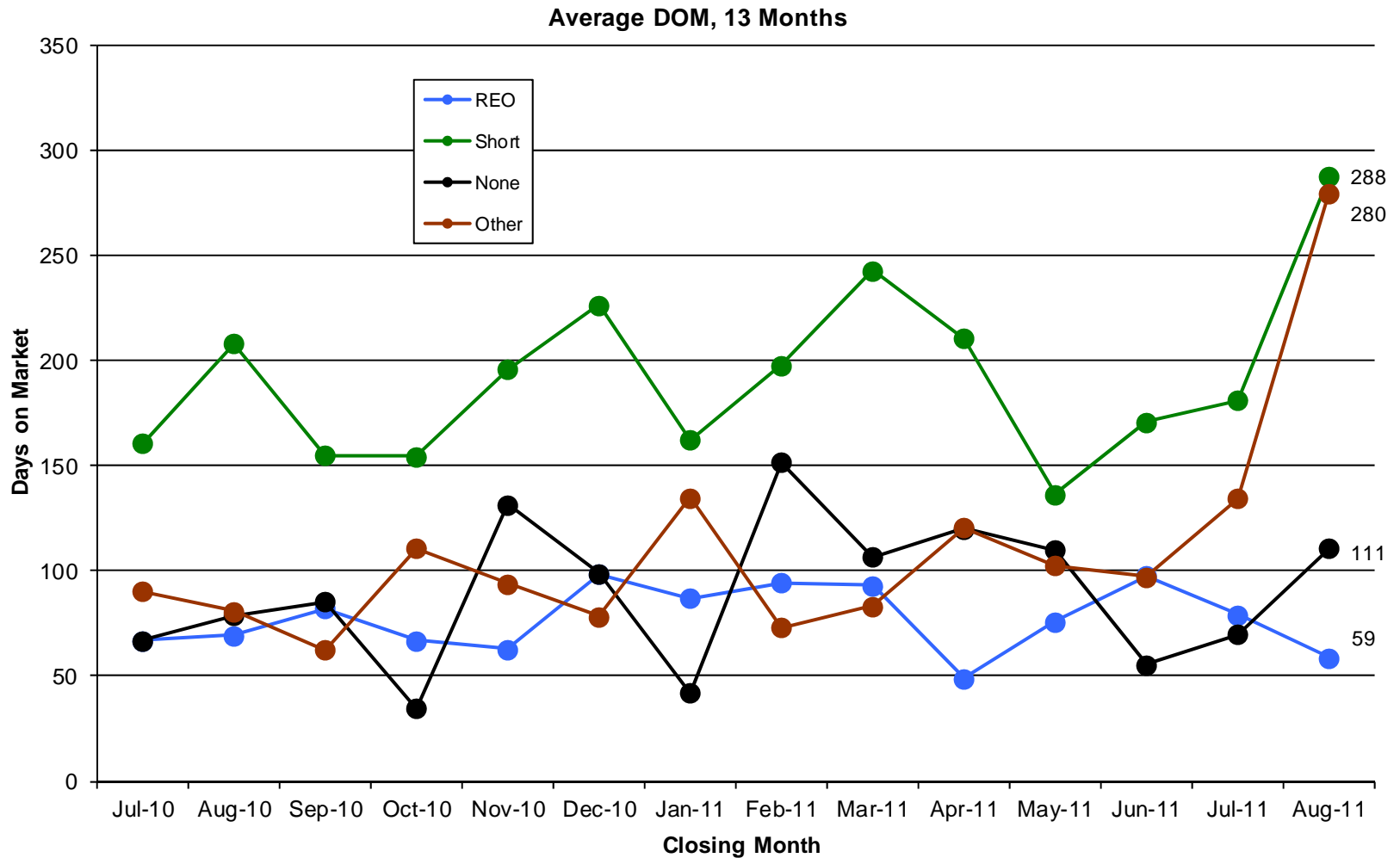


Average Days on Market for Solds, 8 years



# Summary: Days on Market by Special Conditions

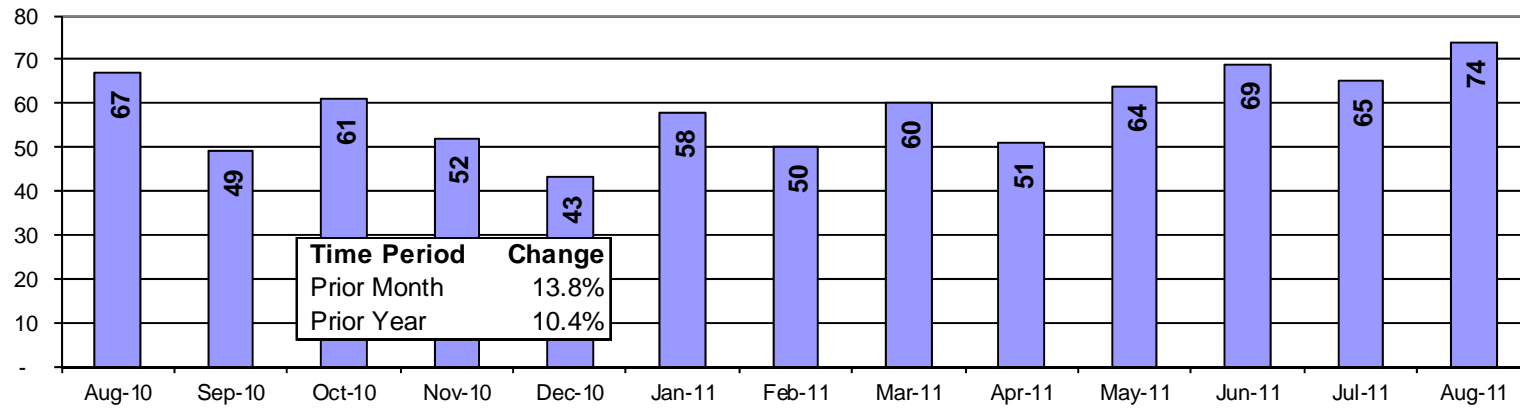
August, 2011



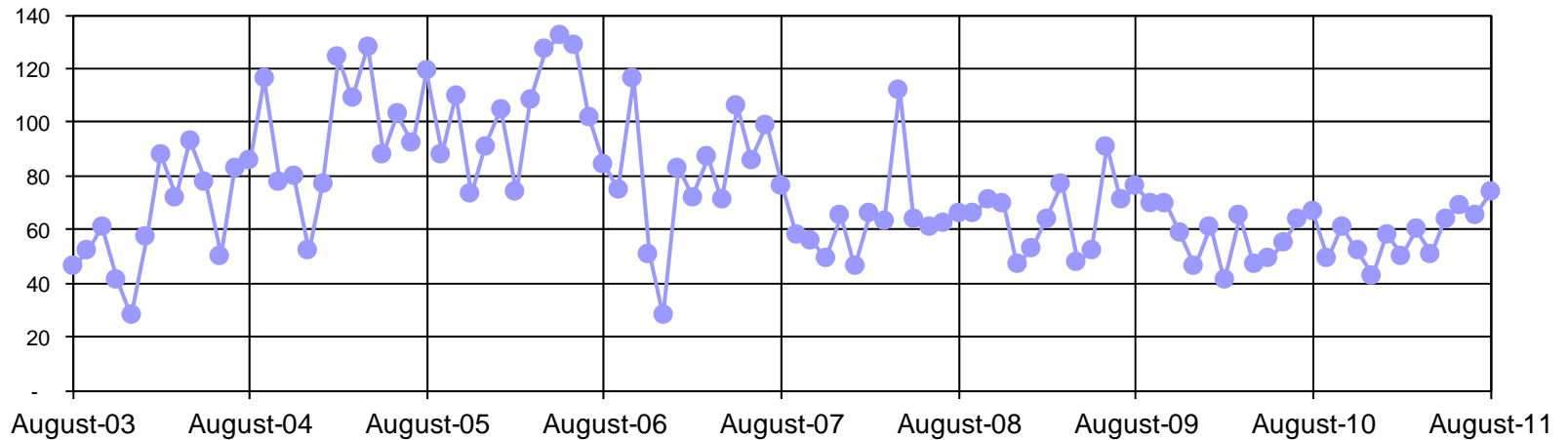
# Summary: New Listings

August, 2011

New Listings by Month, 13 months



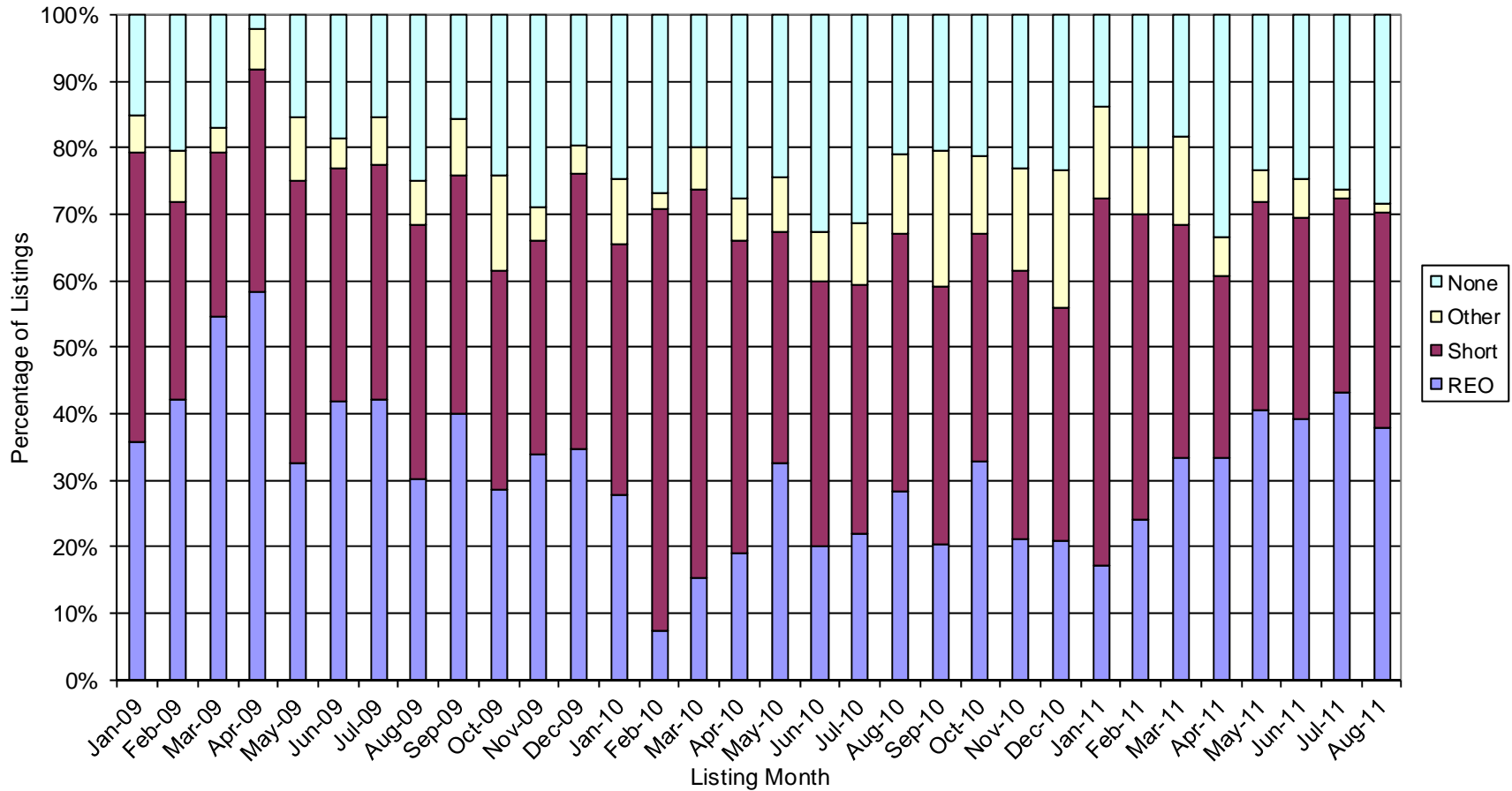
New Listings by Month, 8 years



# Distressed Listings

August, 2011

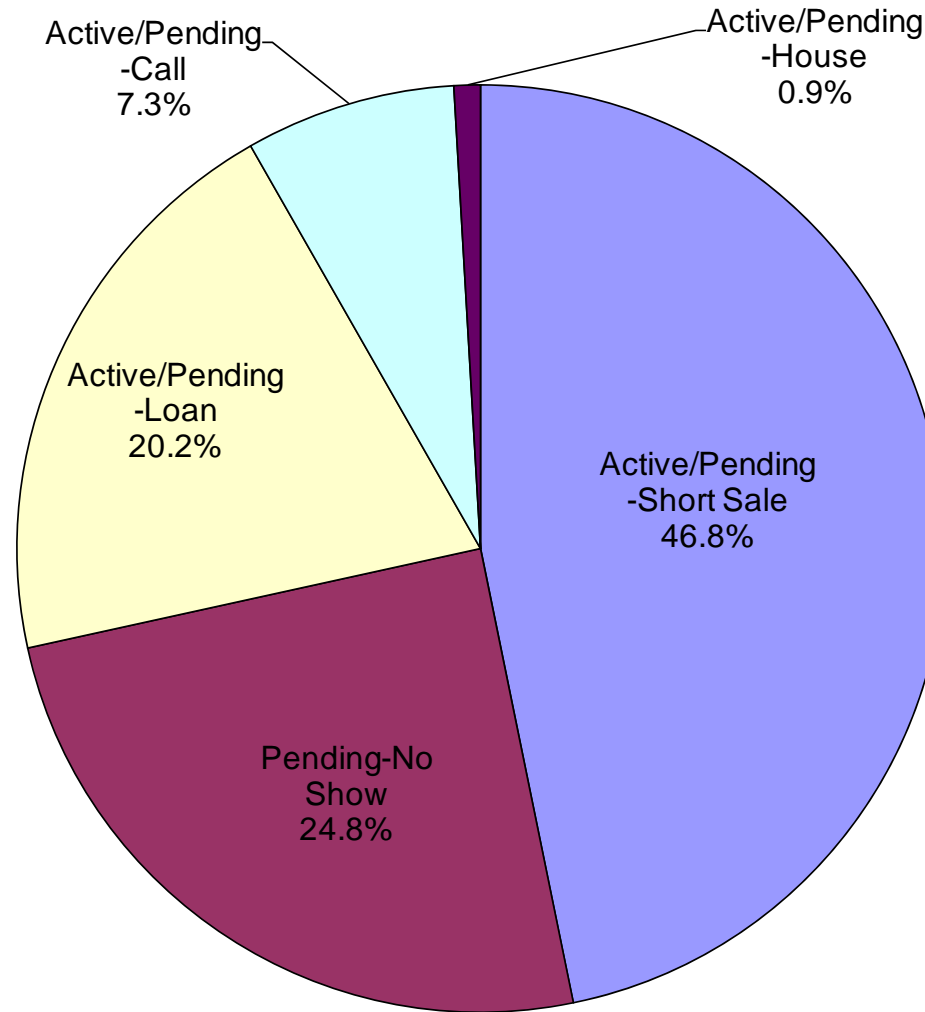
New Listings by Special Conditions



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

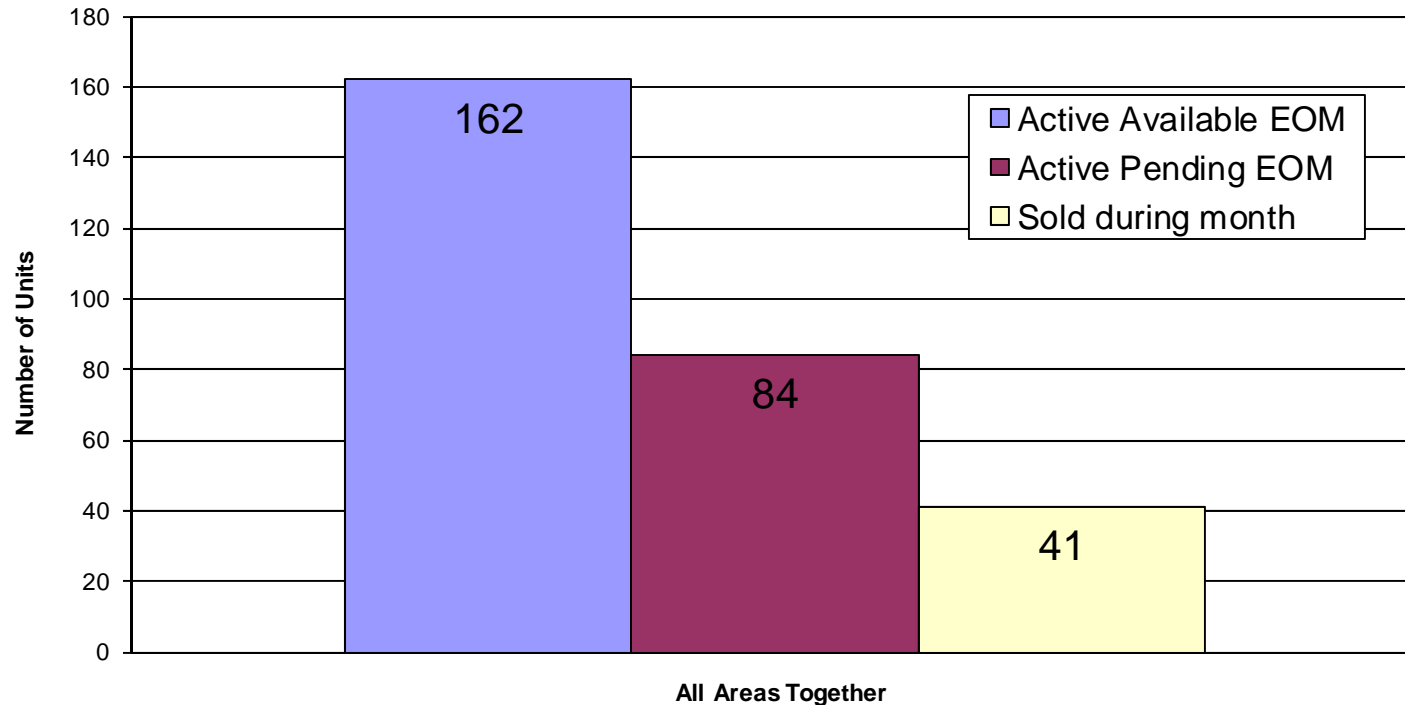
August, 2011



# Current Months Supply of Inventory

August, 2011

(162 + 84) available / 41 units sold = 6 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.*