

# Reno/Sparks Association of REALTORS®

October 2011  
Market Report  
Area 450, Fernley



*Database Analysis Excellence*

*Proprietary & Confidential*

## Report Package Outline

- ❖ Market Summary
  
- ❖ Median Sales Price
- ❖ Number of Units Sold
- ❖ Days on Market
- ❖ New Listings
- ❖ Status of Pendings
- ❖ 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 October 10<sup>th</sup>, 2011

# Market Report Commentary

## ❖ Summary:

- “October unit sales in Fernley are up 10.3% over October 2010 and have shown continued improvement for the past seven months,” said Kevin Sigstad, 2011 president-elect of the Reno/Sparks Association of REALTORS and a REALTOR with Re/Max Premier Properties. “This is the first month where the year-over-year comparison is not influenced by the tax credit incentives, thus a positive sign that sales remain healthy. Also, we have seen only moderate fluctuations in median price for the past seven months.”

## ❖ Median Sales Price

- October 2011 median price decreased 4.4% to \$82,100 compared to \$85,899 in September 2011.
- The median price is down 17.1% from the prior October.
- 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 \$54.62.

## ❖ Number of Units Sold

- October closed the month with 43 sold transactions up 13.2% from the prior month, up 10.3% from October 2010.
- Fernley sales have continued to showed signs of improvement for the past seven months.

## ❖ Average Days on Market

- The average days on market are down to 94 days, a decrease of 7% from the prior month.

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

- Short sales average days on market dropped for the second consecutive month down to 147 DOM.
- Properties with no special conditions, REO and Other show a range of between 67 and 82 DOM. There were no sales in the Other category.

## ❖ New Listings

- • 46 new listings were taken in October equal to September 2011, and a 24.6% decrease from the prior year.

# Market Report Commentary

## ❖ Distressed New Listings by Special Conditions

- The percentage of “Distressed” new listings was 76%, down from September 2011 and down 3 percentage points from October 2010.
- REO listings represented 35% of the market; Short Sales 42%; No special conditions 24% and Other 0%. The market remains dominated by distressed new listings representing 76% of the market.

## ❖ Status of Pending

- Active Pending – Short Sale represents 50.4% of the total active pendings; Pending No-show represents 23.9%; Active Pending Loan equals 12.4%; Active Pending call 13.3% and Active Pending House less than 0%.
- Absorption Months Supply of Inventory (Unsold Inventory ÷ Sales per Month)
- As of October 31 there was 5.6 months of inventory based on the October 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.

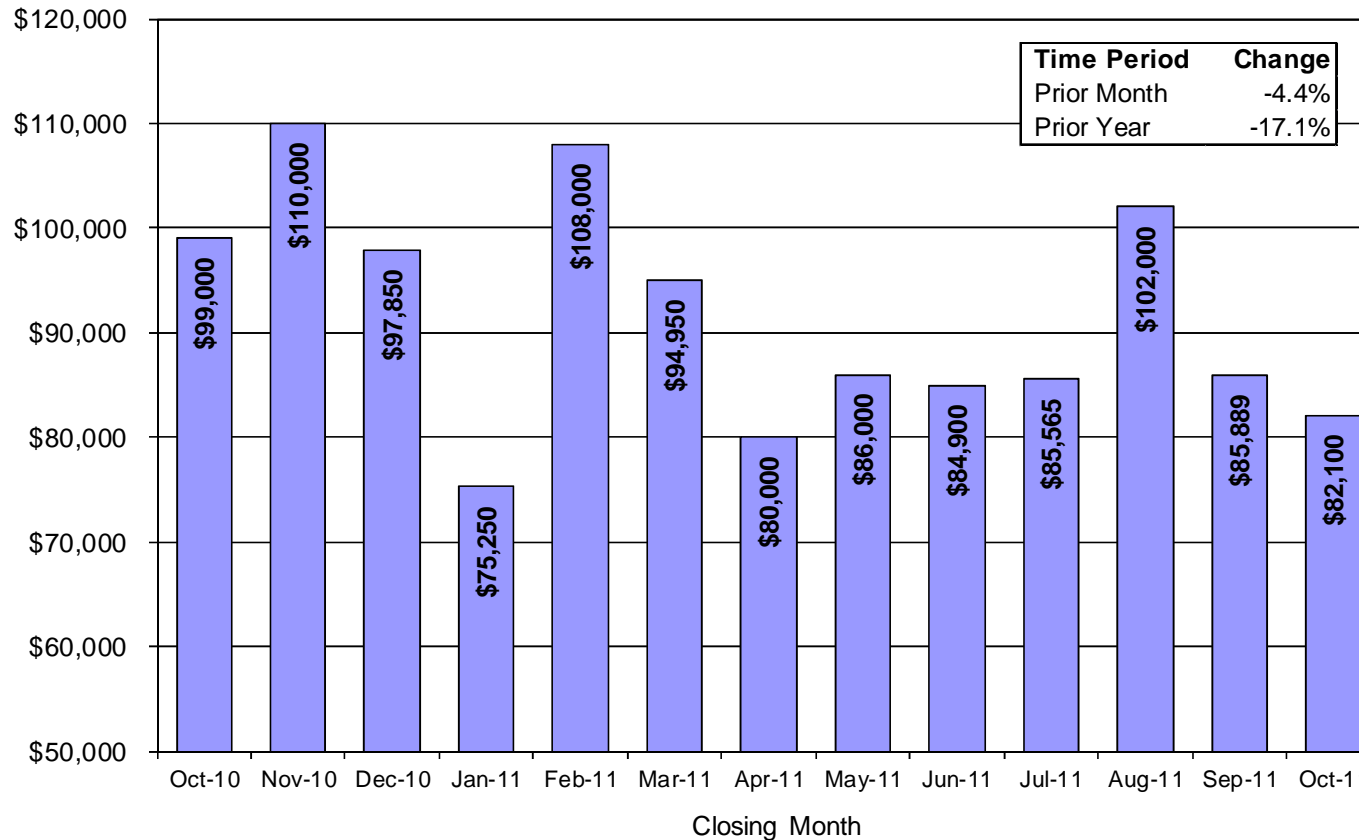
## ❖ Conclusion

- Year-to-date 2011 unit sales (421) numbers are up 4% over 2010 unit sales (406). We are cautiously optimistic that the sales number will continue to perform and outpace 2010.
- October’s median price of \$82,100 was down 4.4% from September. The median price has shown moderate fluctuations for seven months.
- October unit sales at 43 outpace October 2010 sales by 10%. This is the first month where the year-over-year comparison is not influenced by the tax credit incentives. Going forward, we will be comparing the year-over-year sales period without the artificial influence of a tax credit.
- Freddie Mac reported that the 30-year fixed rate loan dropped to 4.07%, compared to 4.11% last month. This is the lowest rate reported since Freddie Mac began tracking rates in 1971. Sources report that mortgage interest rates should gradually rise from today’s record lows and reach 4.5 percent by the middle of 2012.
- A qualified homebuyer purchasing a home priced at the Fernley median price of \$82,100 with a 3 ½% down payment, at 4.07% interest rate will have a monthly payment of approximately \$400.00 principal and interest.
- According to Lawrence Yun, NAR Chief Economist, “Housing affordability conditions, based on the relationship between median home prices, mortgage interest rates, and median family income, have been at a record high this year. Very favorable affordability conditions will dominate next year as well, which will probably be the second best year on record dating back to 1970. If credit restrictions ease, there is optimism that it will open the door for more home buyers to take advantage of current opportunities.”
- We continue to monitor the impact on the market due to recent passage of Nevada law requiring more stringent documentation required of banks in order to perform foreclosures in a timely manner. We may not see any impact on inventory levels as a result of the stringent requirements on the banks until December. If the banks are able to adapt to the new requirements, we anticipate sales activity will keep pace with inventory coming on the market.

# Summary: Median Sales Price

October, 2011

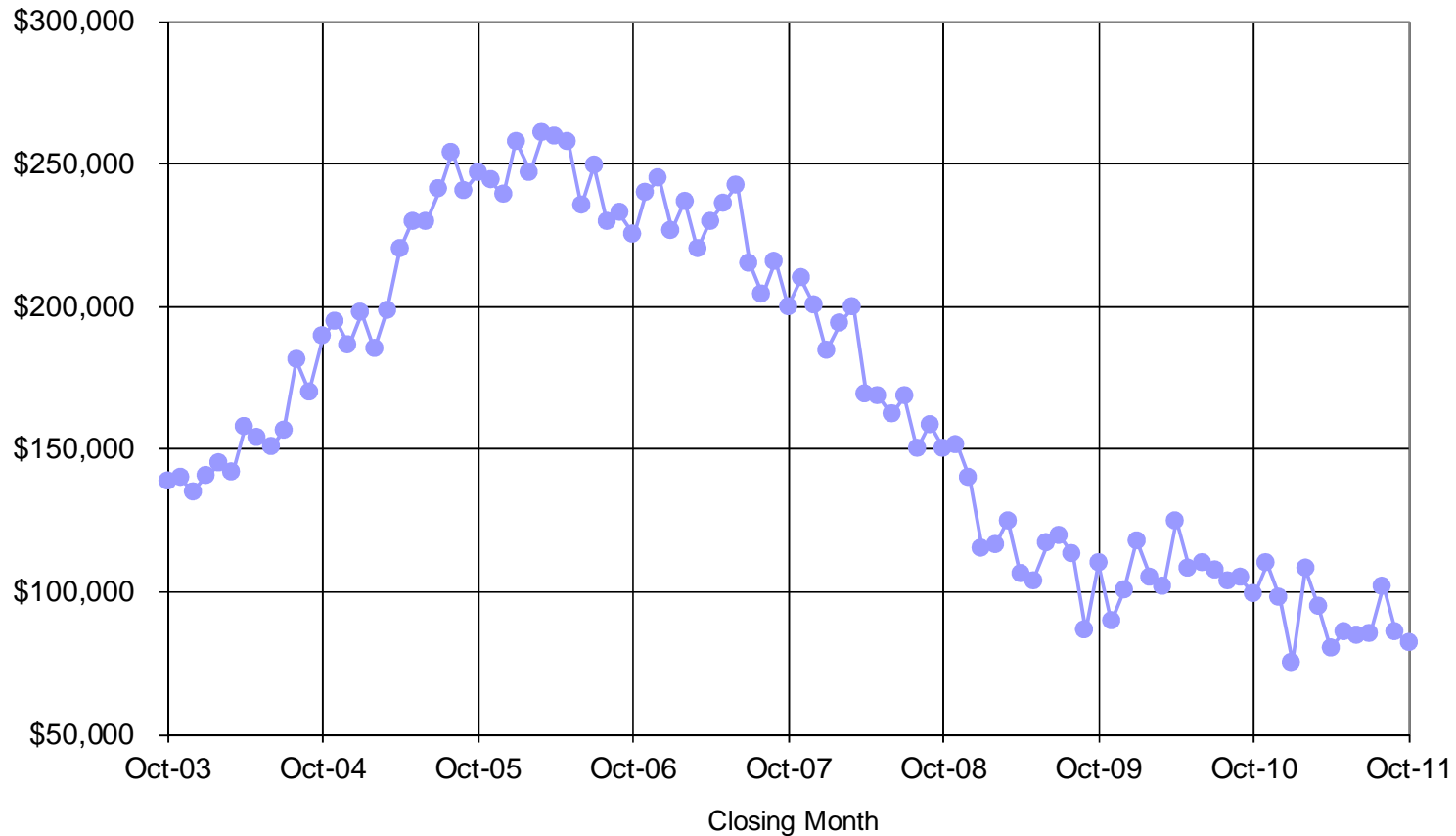
Median Sales Price, 13 months



# Summary: Median Sales Price

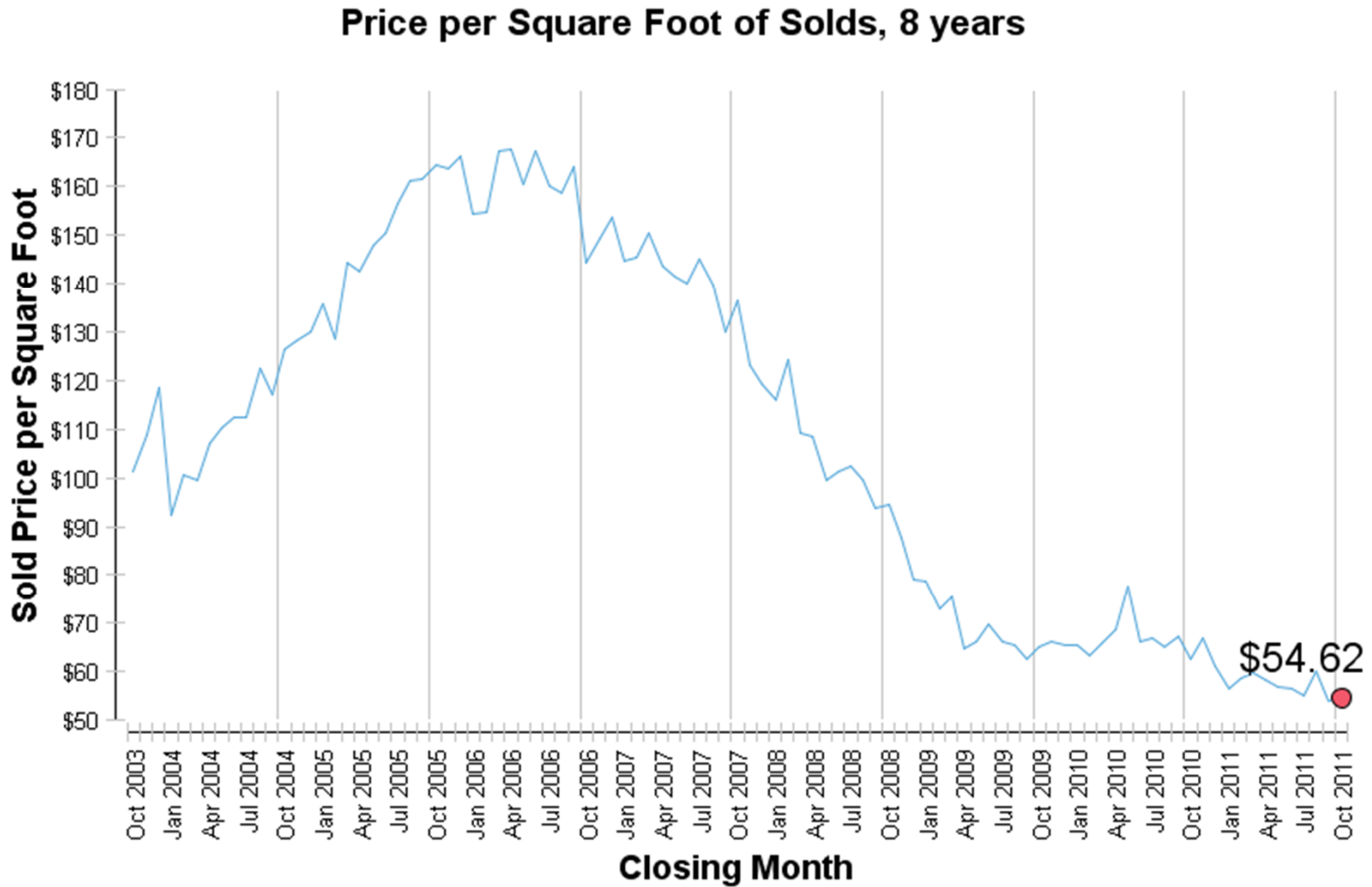
October, 2011

### Median Sales Price, 8 years



# Price per Square Foot of Solds

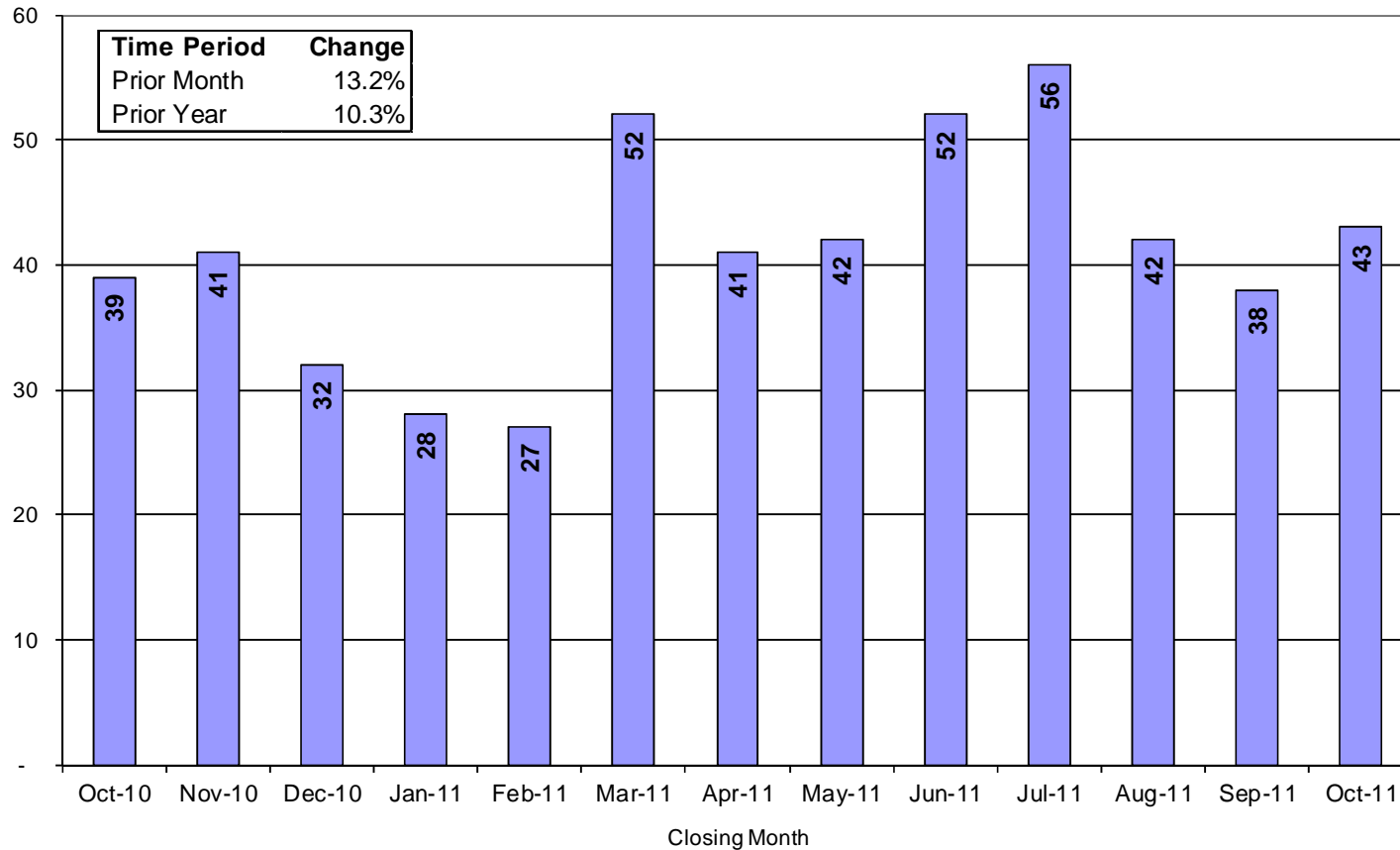
October, 2011



# Summary: Number of Units Sold

October, 2011

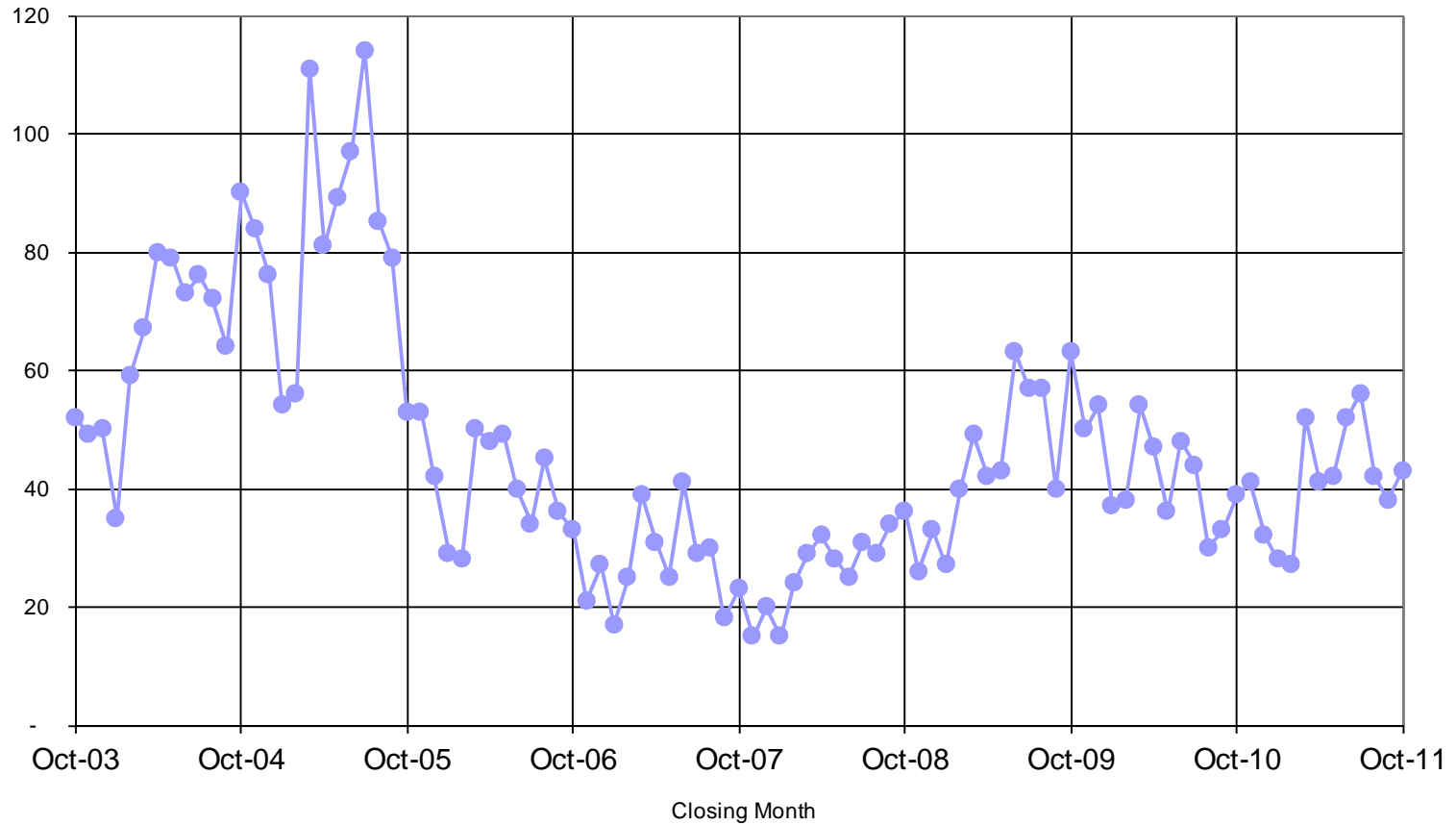
Number of Units Sold, 13 months



# Summary: Number of Units Sold

October, 2011

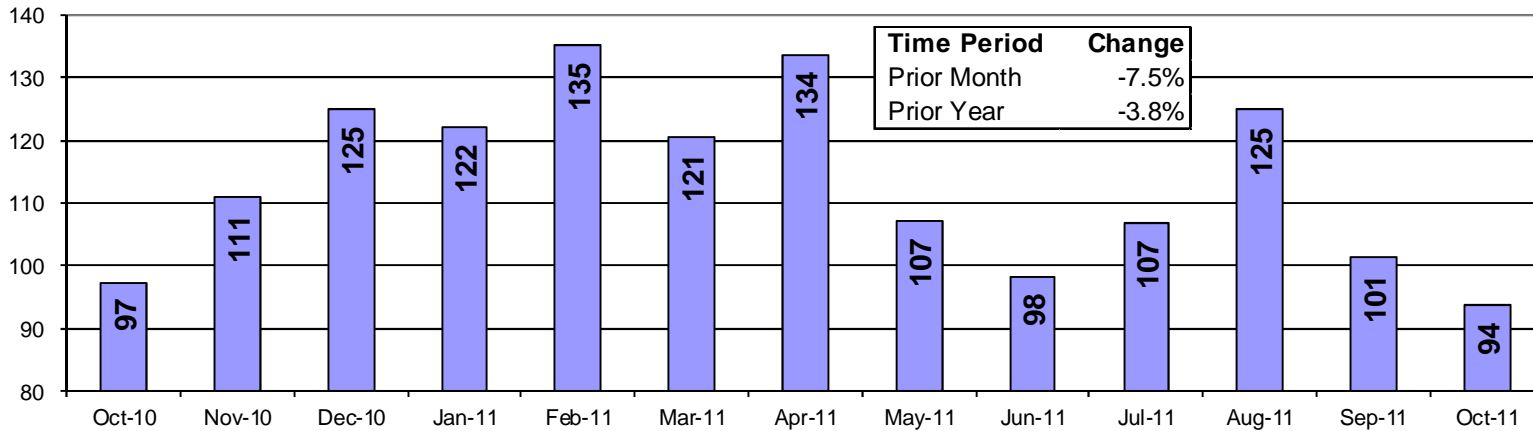
Number of Units Sold, 8 years



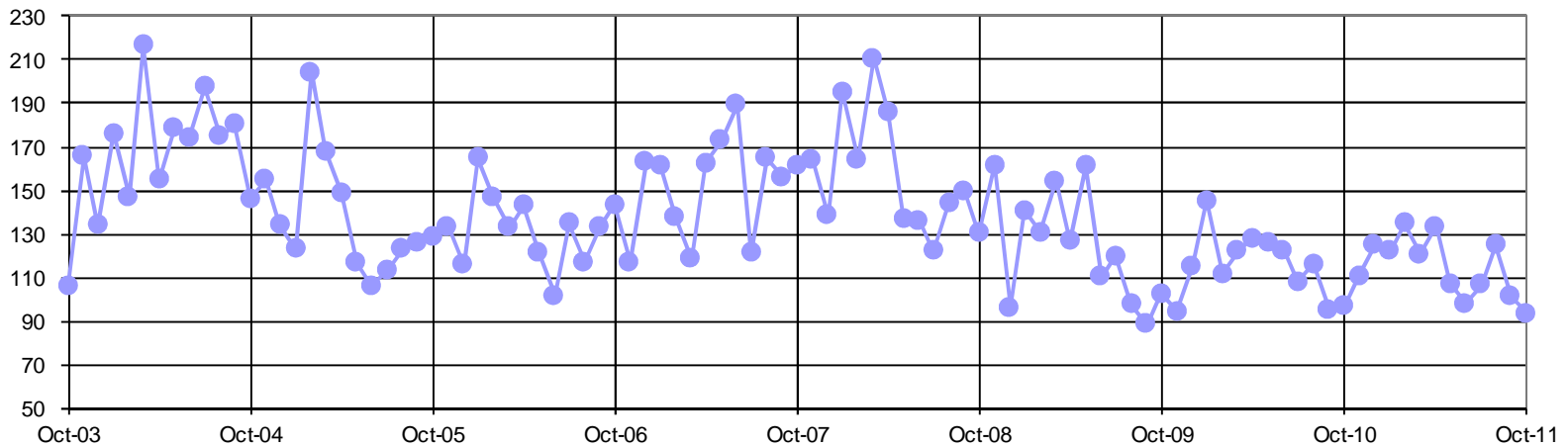
# Summary: Average Days on Market

October, 2011

Average Days on Market for Solds, 13 months

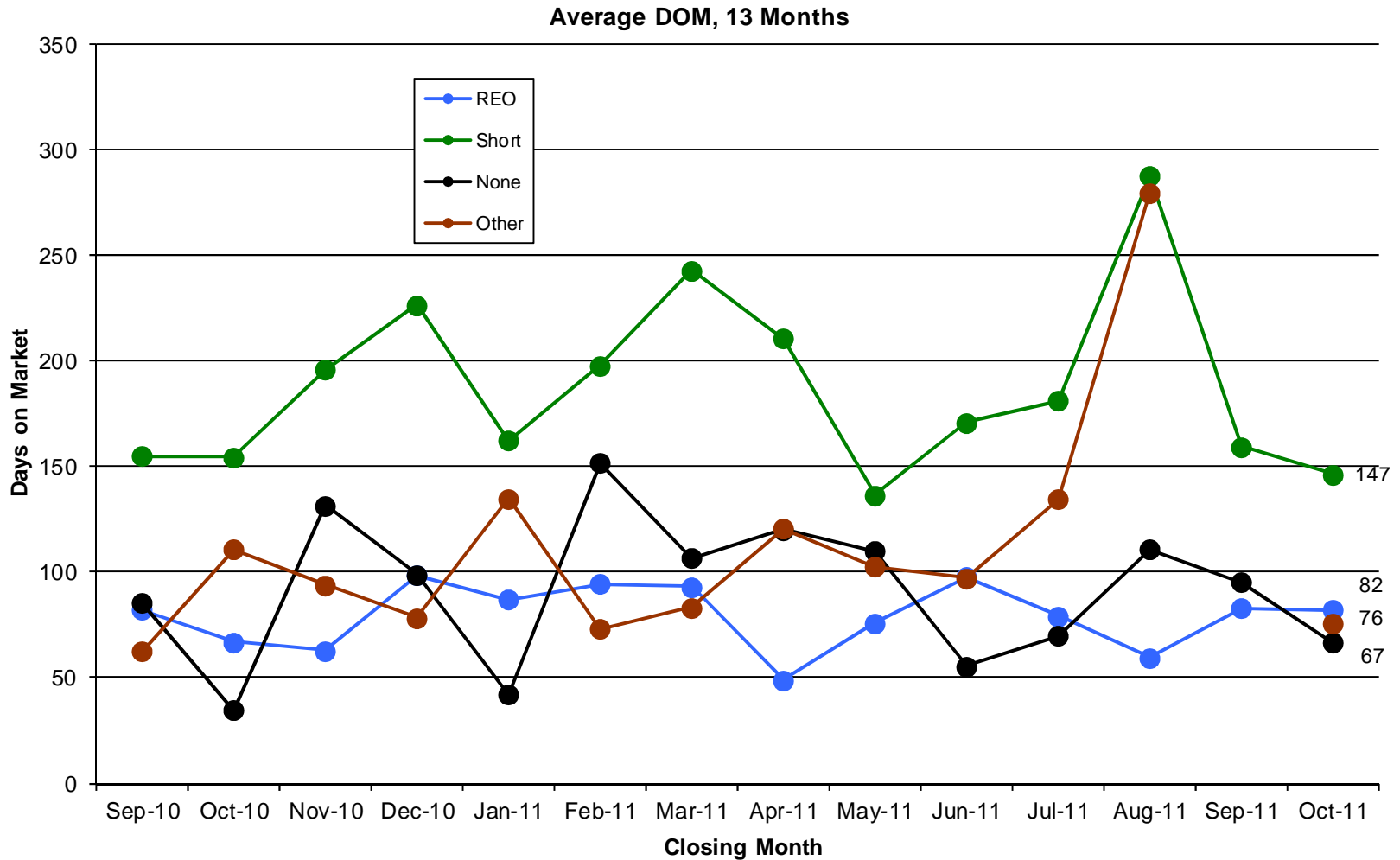


Average Days on Market for Solds, 8 years



# Summary: Days on Market by Special Conditions

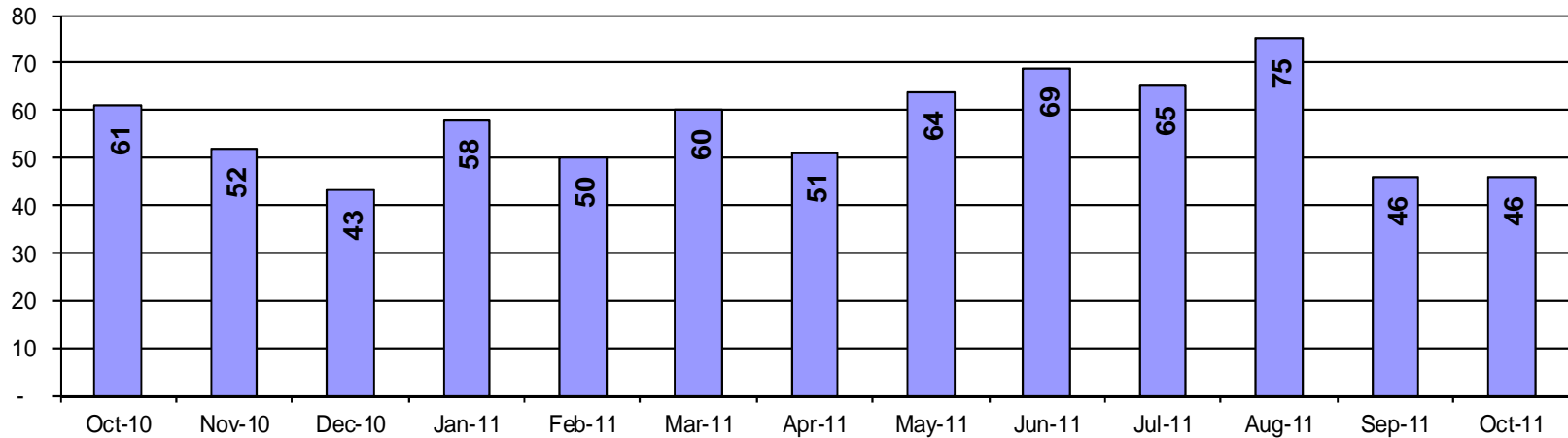
October, 2011



# Summary: New Listings

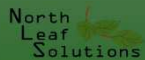
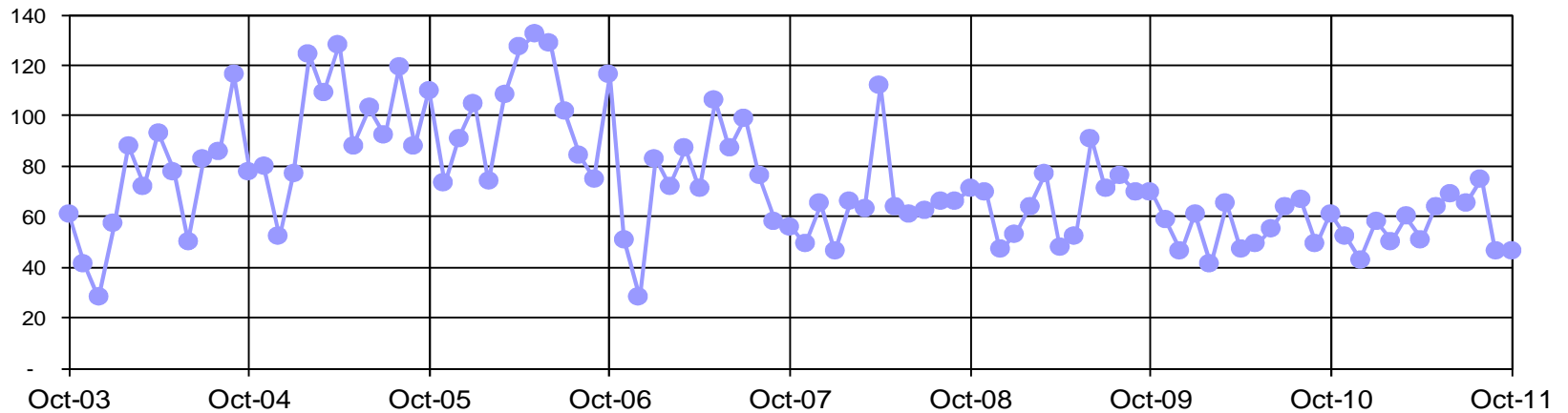
October, 2011

### New Listings by Month, 13 months



Time Period	Change
Prior Month	0.0%
Prior Year	-24.6%

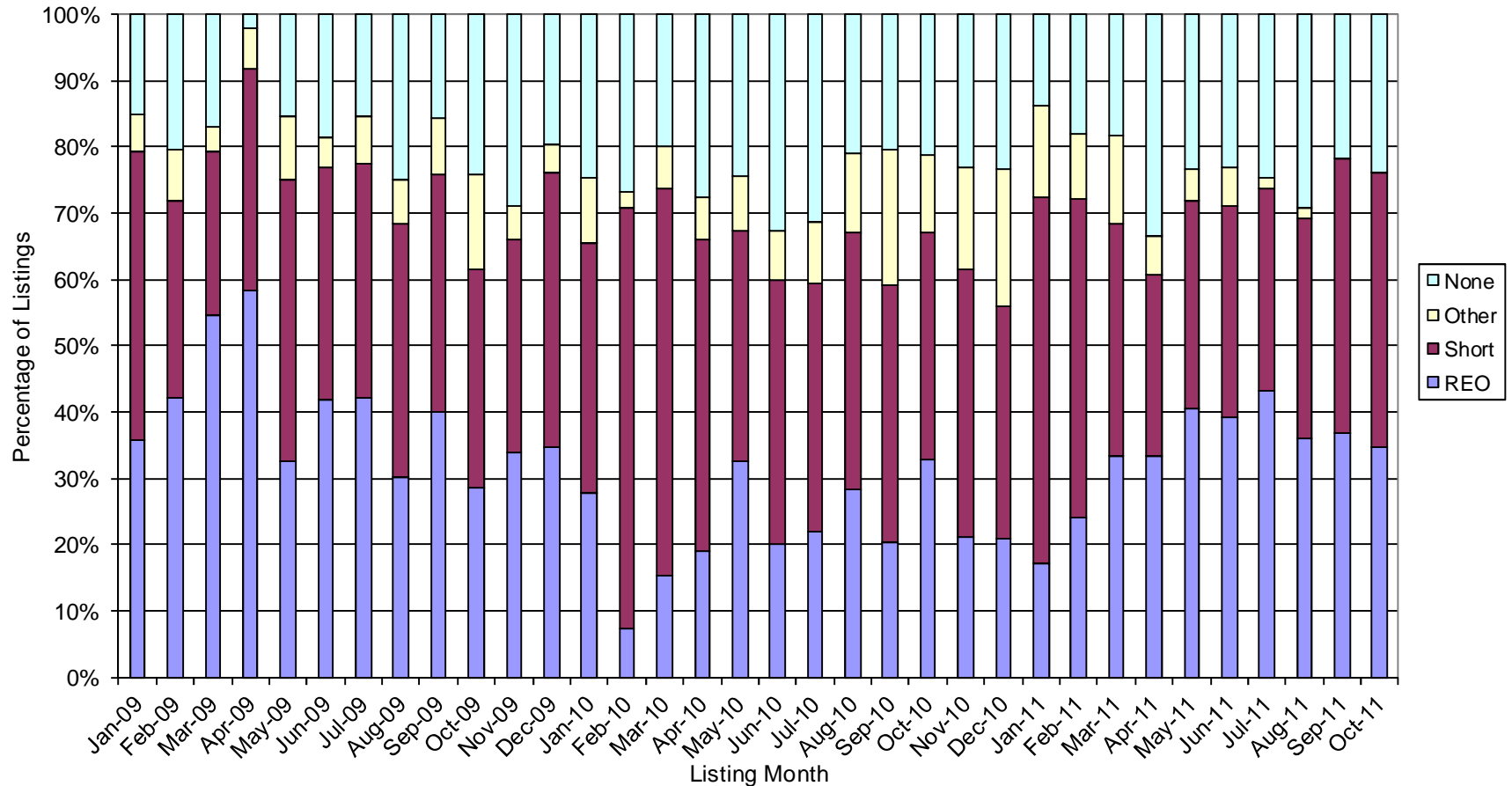
### New Listings by Month, 8 years



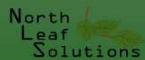
# Distressed Listings

October, 2011

New Listings by Special Conditions

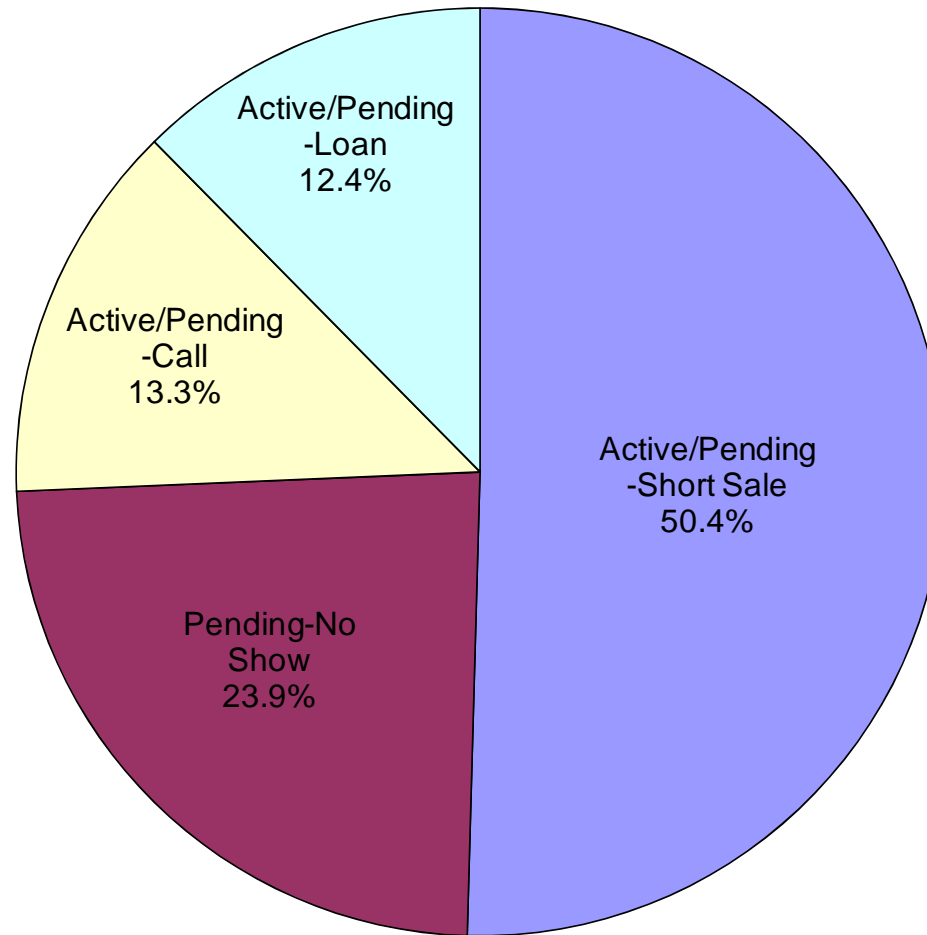


Distressed New Listings include Fannie Mae, Freddie Mac, HUD, and any bank-owned listing.  
 Distressed listing data considered reliable from January 2009 forward.



# Status of Pendings

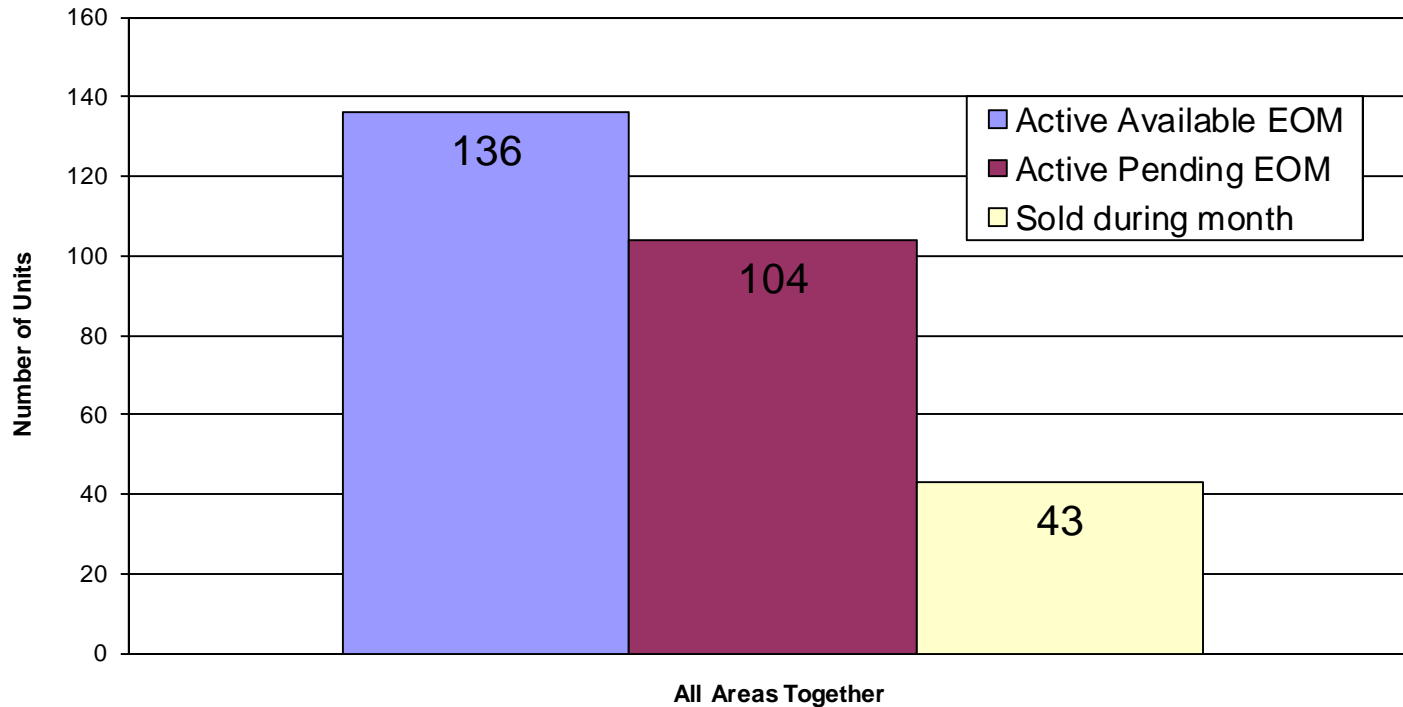
October, 2011



# Current Months Supply of Inventory

October, 2011

$(136 + 104)$  available / 43 units sold = 5.6 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.*