

Reno/Sparks Association of REALTORS®

July 2011

Market Report

Area 100, Greater Reno/Sparks



North
Leaf
Solutions

The logo for North Leaf Solutions consists of the text "North Leaf Solutions" stacked vertically in a sans-serif font. To the right of the text is a graphic of three green leaves on a stem.

Database Analysis Excellence

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Report Package Outline

- ❖ Market Summary

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

- ❖ 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 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. “In fact, in a recent story by ‘Business Insider,’ Reno was named as the 8th best housing market for the next five years. The data provided by Case Shiller Indexes projected an annual growth from 2011 to 2016 to be 9.3 percent.”

❖ Median Sales Price

- July 2011 median price was down 2.2% to \$150,000 compared to \$153,400 in June 2011.
- 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 Solds

- Price per square foot is at \$93.11.
- Price per square foot by area groups, as provided in the Detailed Report, is a good way to compare similar homes for current value.

❖ Number of Units Sold

- July ended the month with 494 sold transactions, down 7.5% from the prior month.
- Sales are up 18.8% from the same period last year. July 2010 continued to be influenced by the First Time Home Buyer tax credit.
- This month’s sales are the fifth highest unit sales for a July in the history of tracking the information through the MLS.

❖ Average Days on Market

- The average days on market are 129 days, up 3.9% from June 2011.

❖ Day on Market (DOM) by Special Conditions

- Short sales continue to influence the average days on market at 199 DOM.
- Properties with no special conditions, REO, and Other show a range of between 91 and 110 DOM.

❖ New Listings

- 691 new listings were taken in July compared to 767 in June, a 9.9% decrease.

❖ Distressed New Listings by Special Conditions

- 57% of new July listings were distressed – 236 Short Sales, 160 REO, No special conditions 268 and other 27.
- 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 23% of the market; Short Sales 34%; No special conditions 39%, and Other less than 4%. A positive sign - listings with no special conditions have increased steadily since December. The market remains dominated by distressed new listings representing 57% of the market.

Market Report Commentary

July, 2011

❖ Status of Pending

- Active Pending – Short Sales represent 58.3% of the total active pendings; Active Pending Loan equals 19.1%; Pending No-show represents 17.6%; Active Pending call 4.6%; and Active Pending House less than 1%.

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

- As of July 31, there was 6.9 months of unsold inventory based on the July sales rate.

❖ Historical Months Supply of Inventory

- Historical Months Supply of Inventory show that July MSI is up to 6.9 months compared to June 2011 at 6.6 and down 23% from July 2010.
- In the past twelve months, there have been four months which have fallen into what is defined as a balanced market. In the past 24 months, the market has remained as primarily a buyer's market.
- 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.

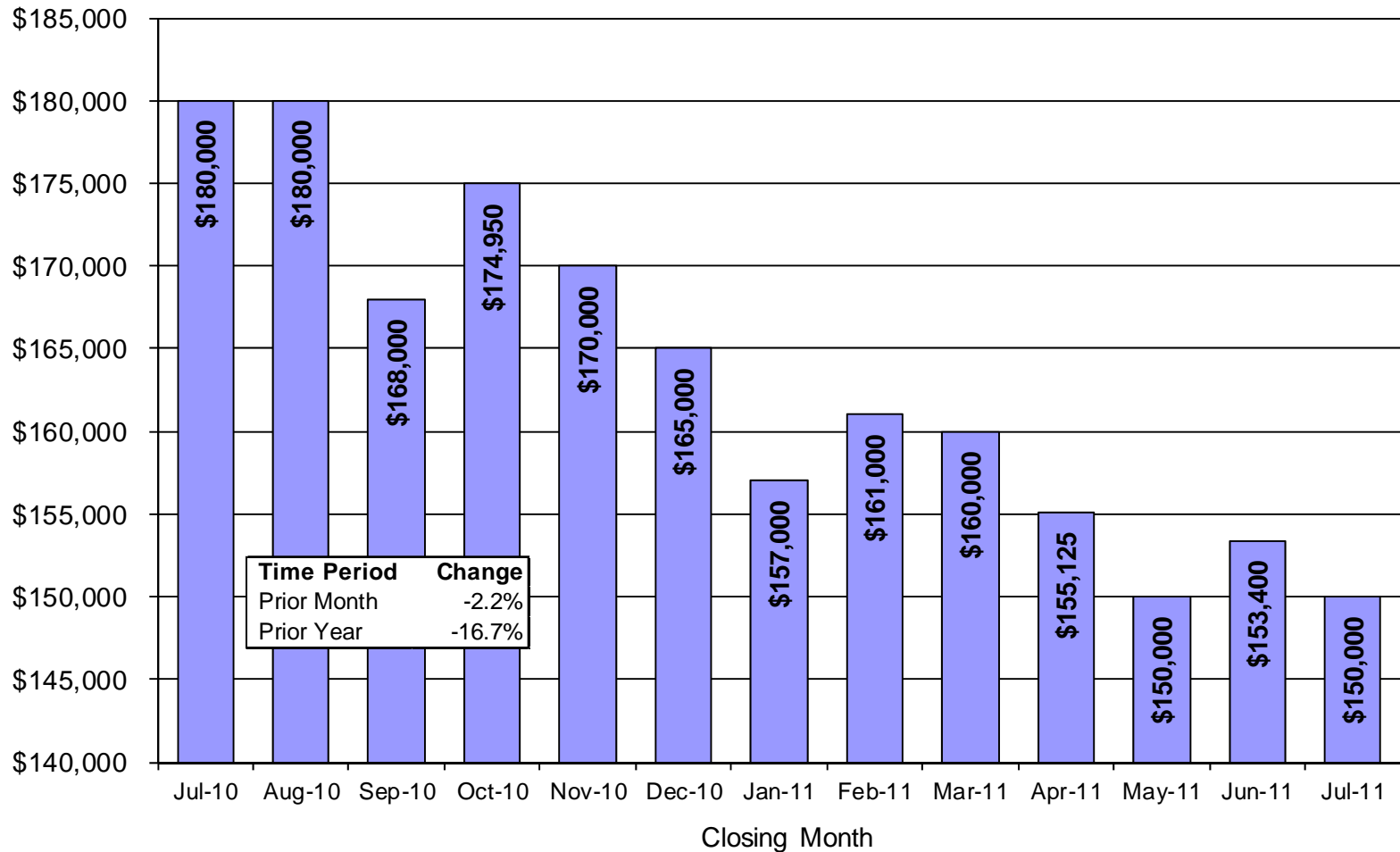
❖ Conclusion

- July unit sales are fifth highest unit sales for a July in the history of tracking the information through the MLS.
- Year-to-date 2011 unit sales (3233) numbers are outpacing 2010 unit sales (3142).
- July's median price of \$150,000 was down 2.2% 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.
- 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.
- Case Schiller has named Reno as the 8th best housing market for the next five years. The data provided by Case Schiller Indexes projected an annual growth from 2011 to 2016 to be 9.3 percent. Further, Case Schiller projected that after bottoming in the 3rd quarter of this year, the Reno market will bounce back with 4.6 percent growth in 2012 and faster in the years to come. Positive news, but a stabilizing economy and improving job market are the long-term keys to a housing market recovery.
- The Detailed Report is made available to members as a member benefit. Examine the Detailed Report for a more in-depth look into market segments and price points. Both this report and the Detailed Report are provided as a value added service to members.

Summary: Median Sales Price

July, 2011

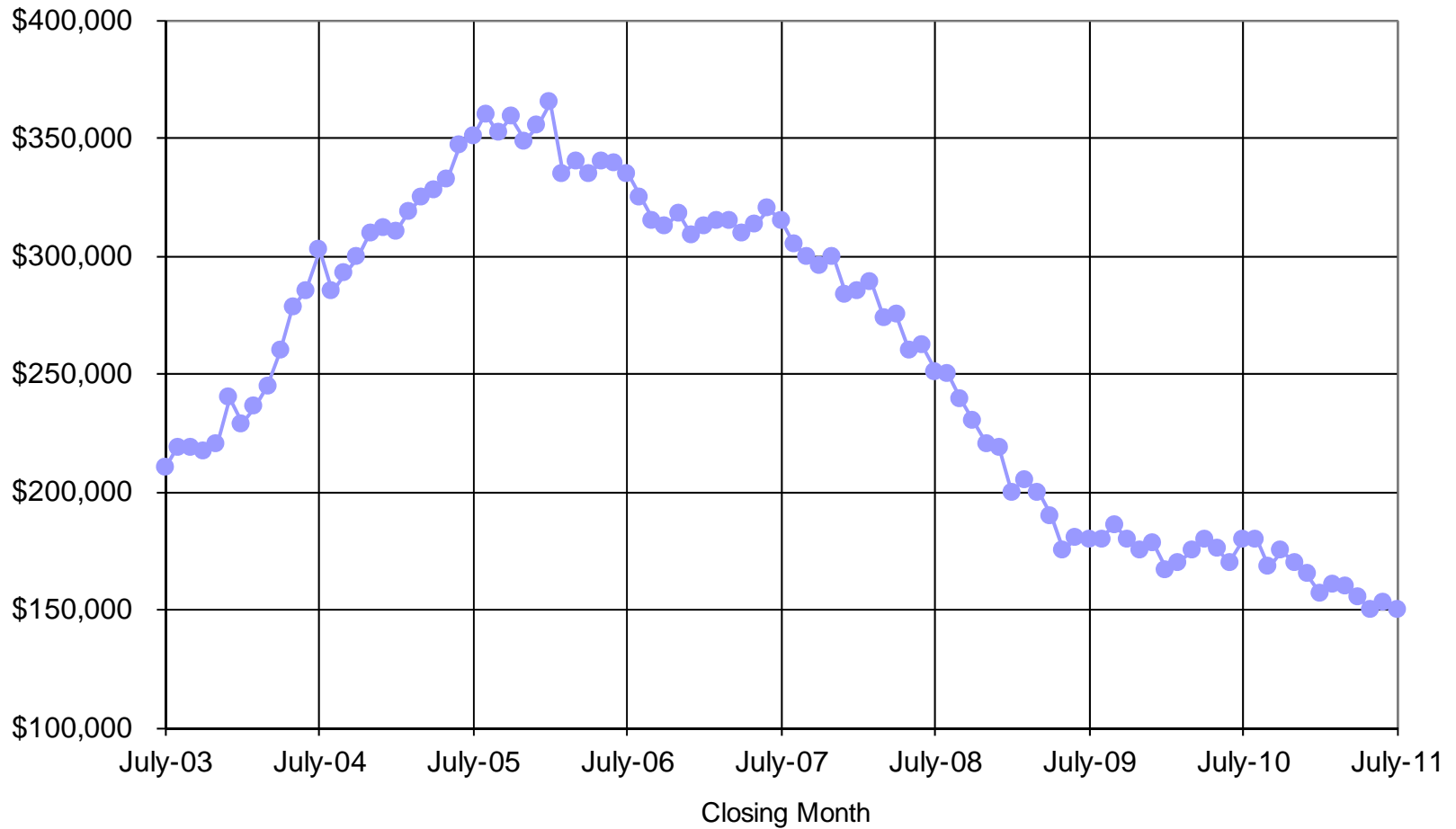
Median Sales Price, 13 months



Summary: Median Sales Price

July, 2011

Median Sales Price, 8 years



Price per Square Foot of Solds

July, 2011

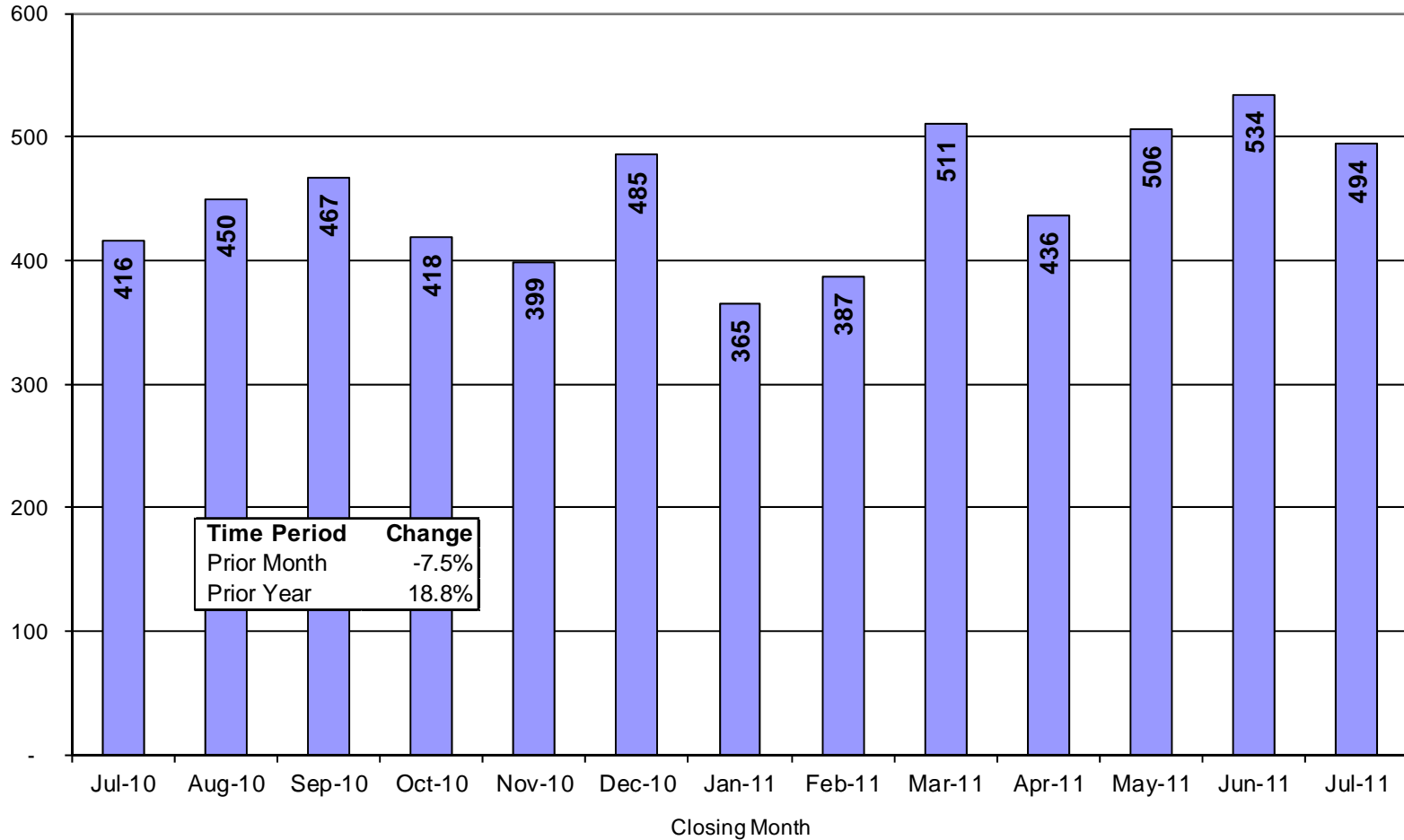
Price per Square Foot of Solds, 8 years



Summary: Number of Units Sold

July, 2011

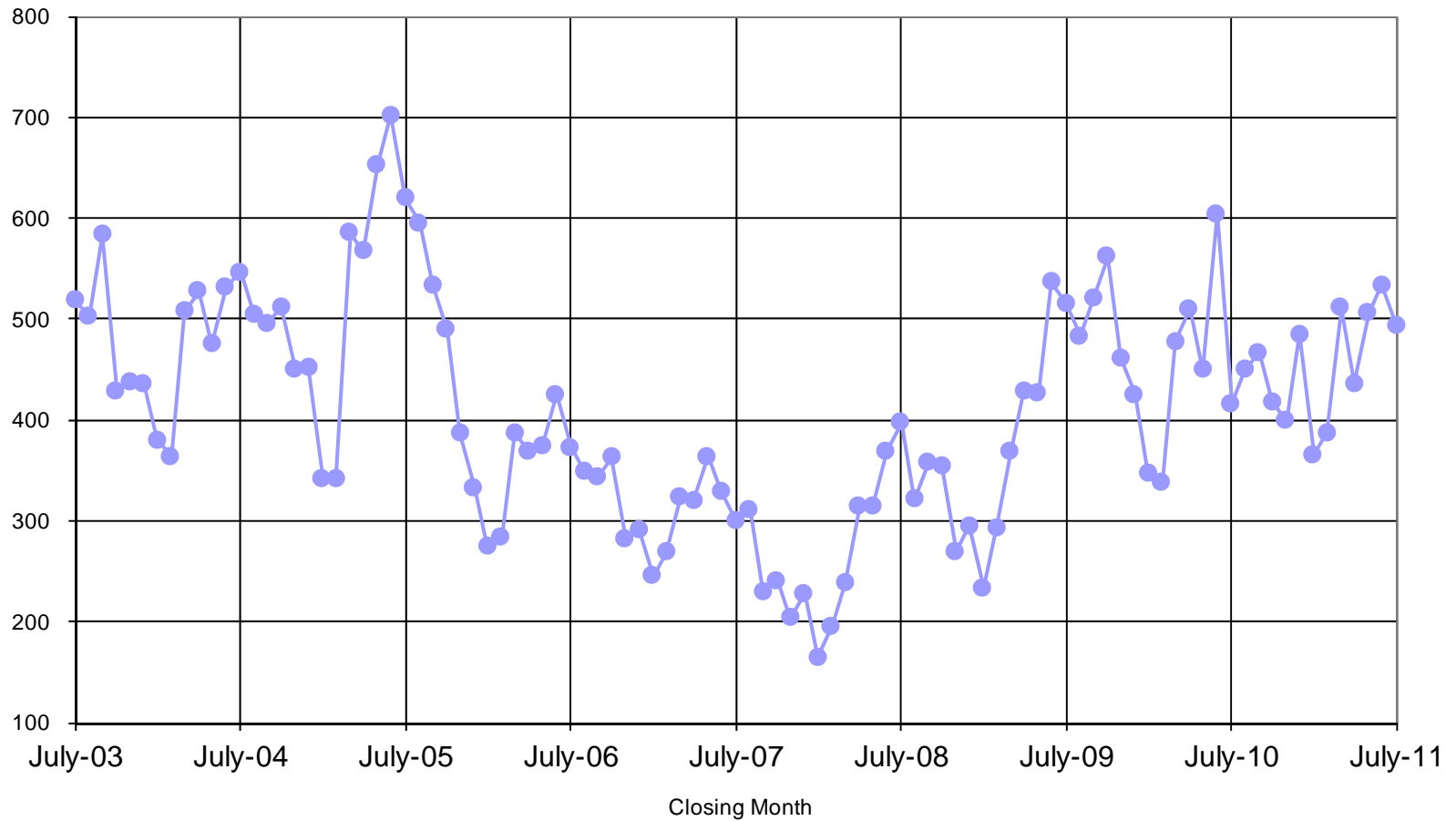
Number of Units Sold, 13 months



Summary: Number of Units Sold

July, 2011

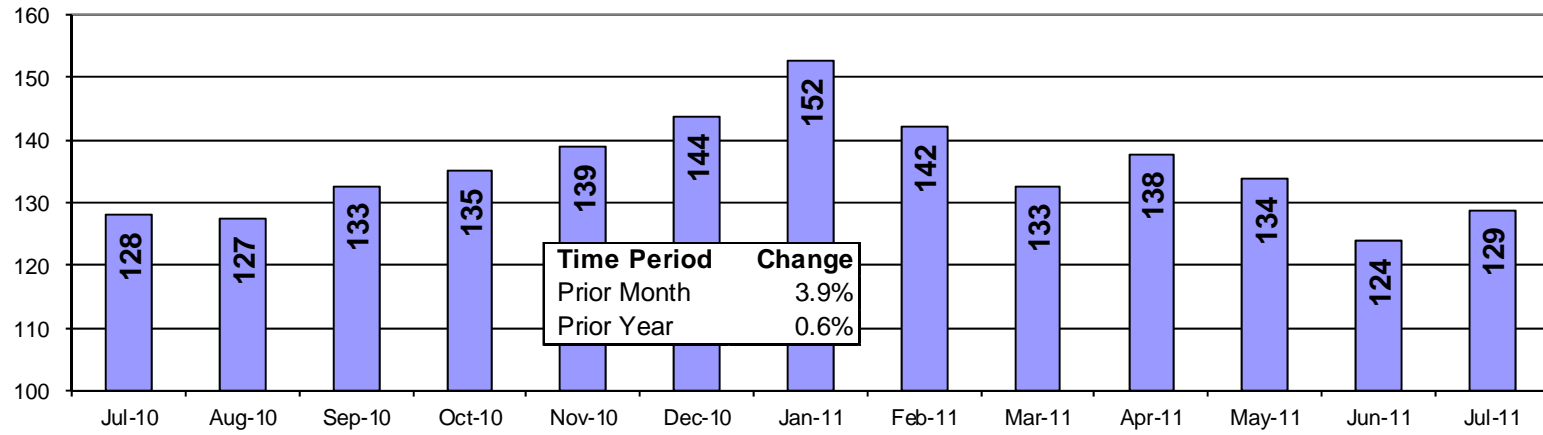
Number of Units Sold, 8 years



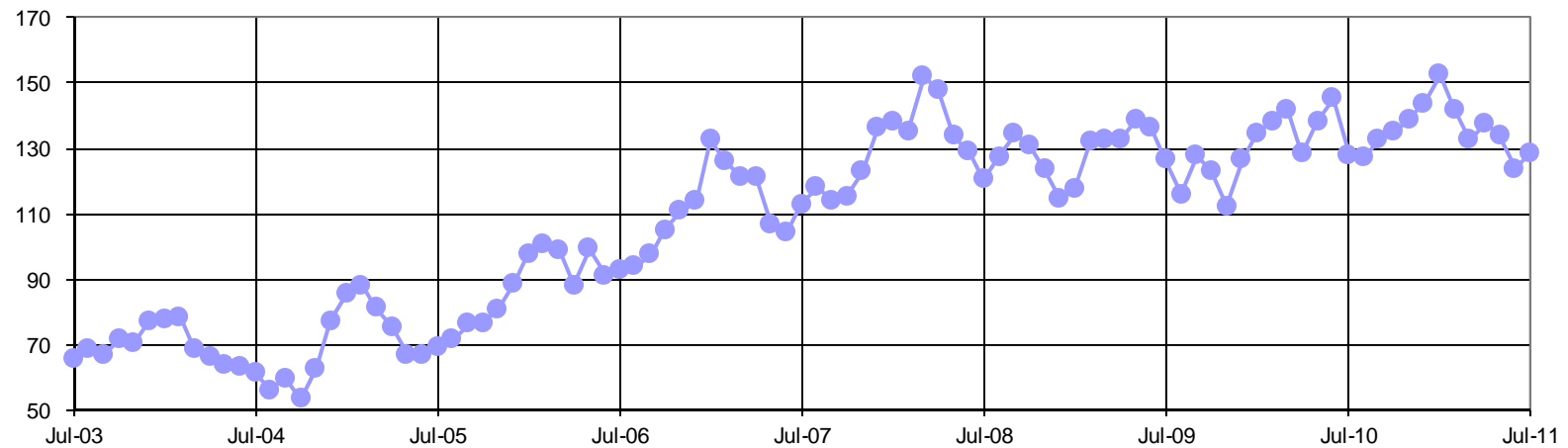
Summary: Average Days on Market

July, 2011

Average Days on Market for Solds, 13 months

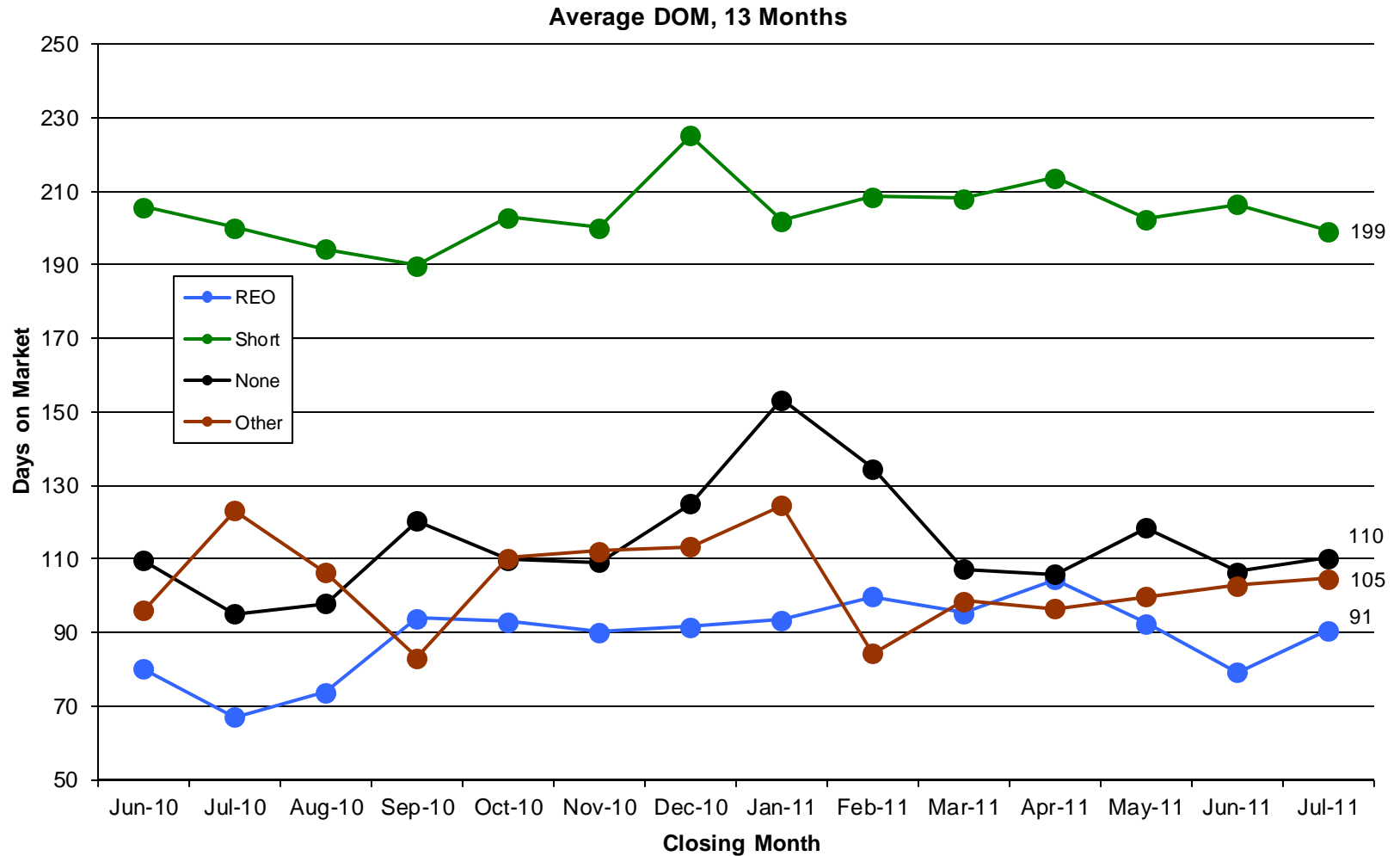


Average Days on Market for Solds, 8 years



Summary: Days on Market by Special Conditions

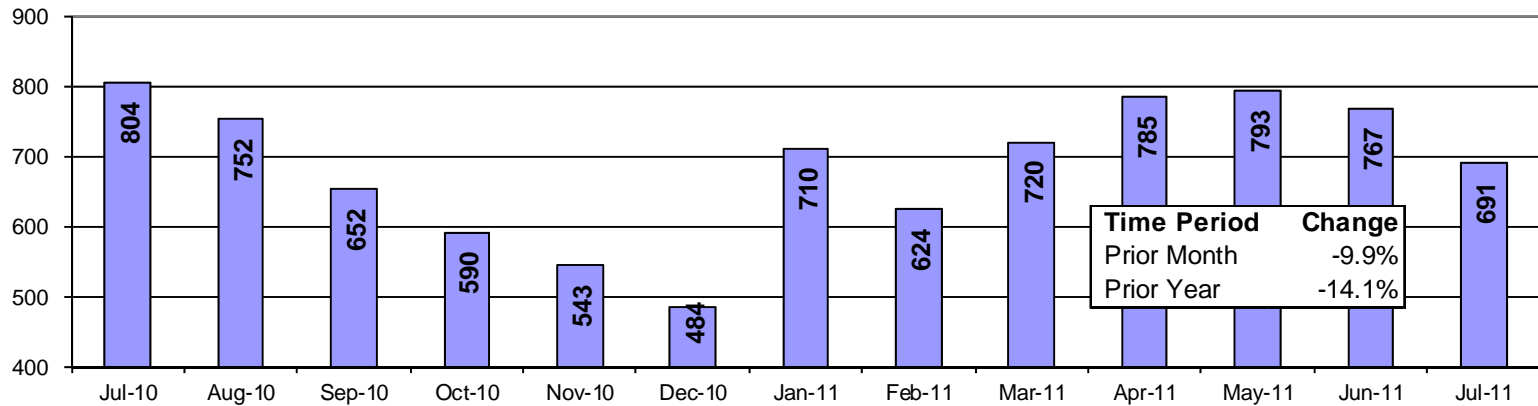
July, 2011



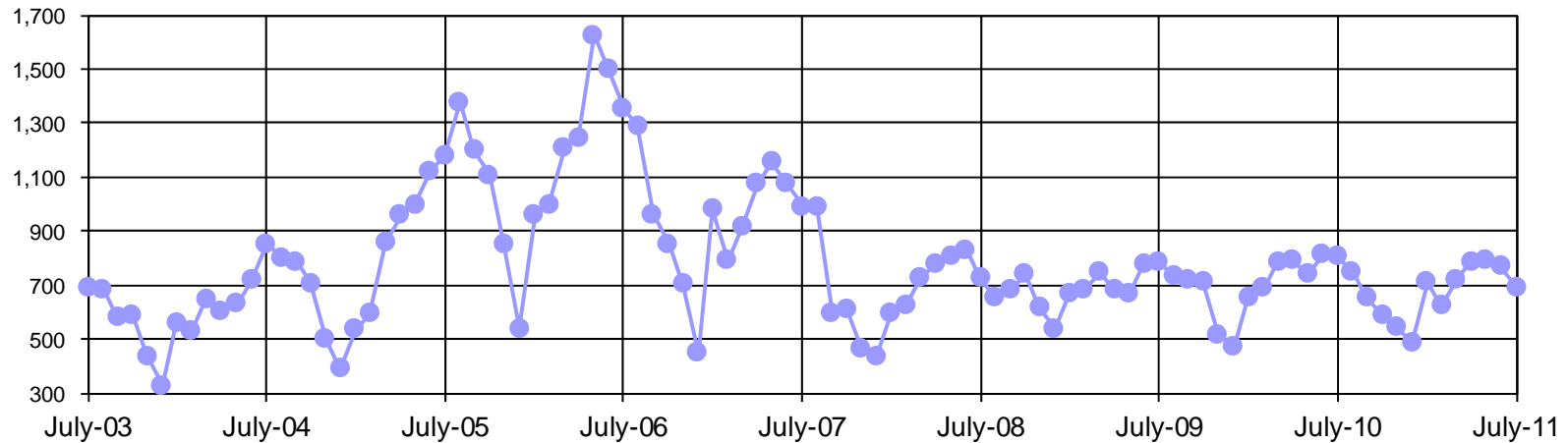
Summary: New Listings

July, 2011

New Listings by Month, 13 months



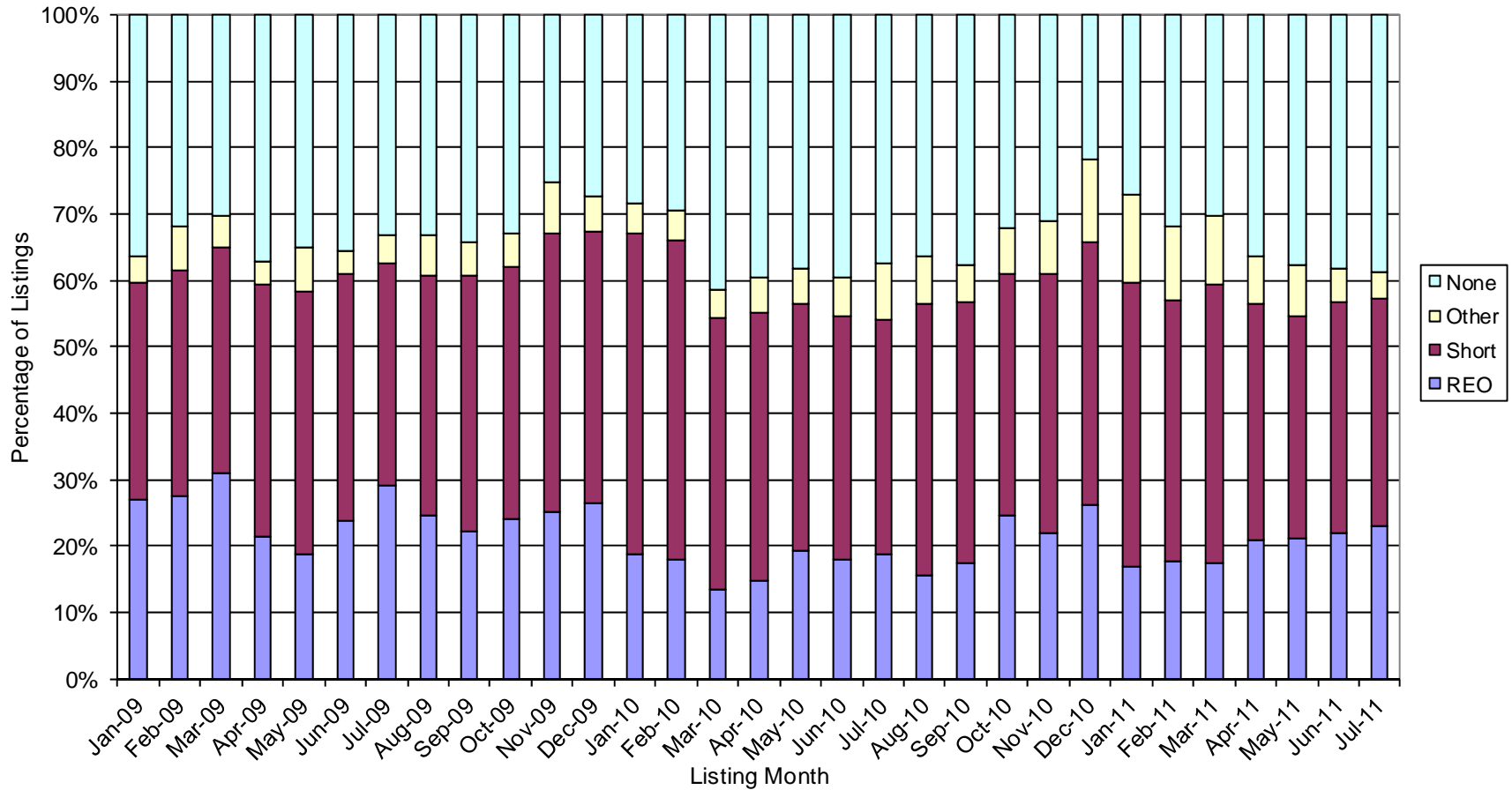
New Listings by Month, 5 years



Distressed Listings

July, 2011

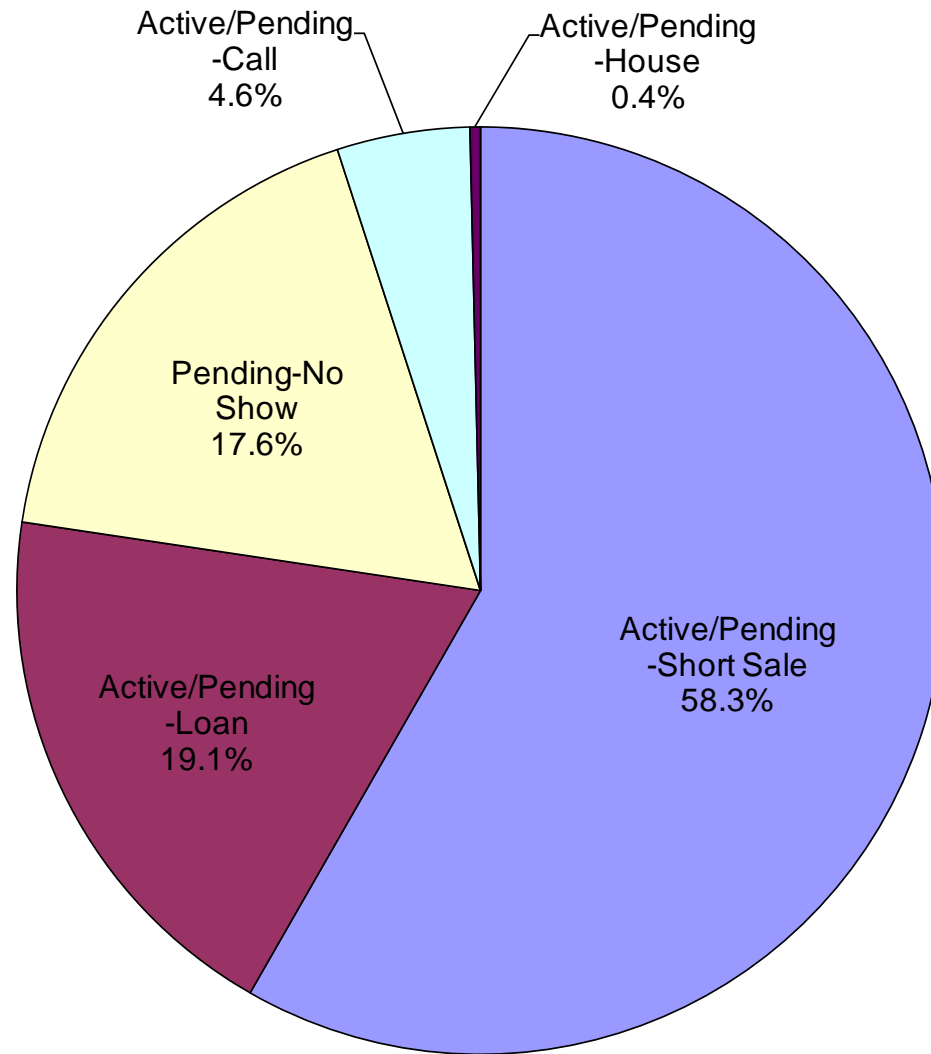
New Listings by Special Conditions



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

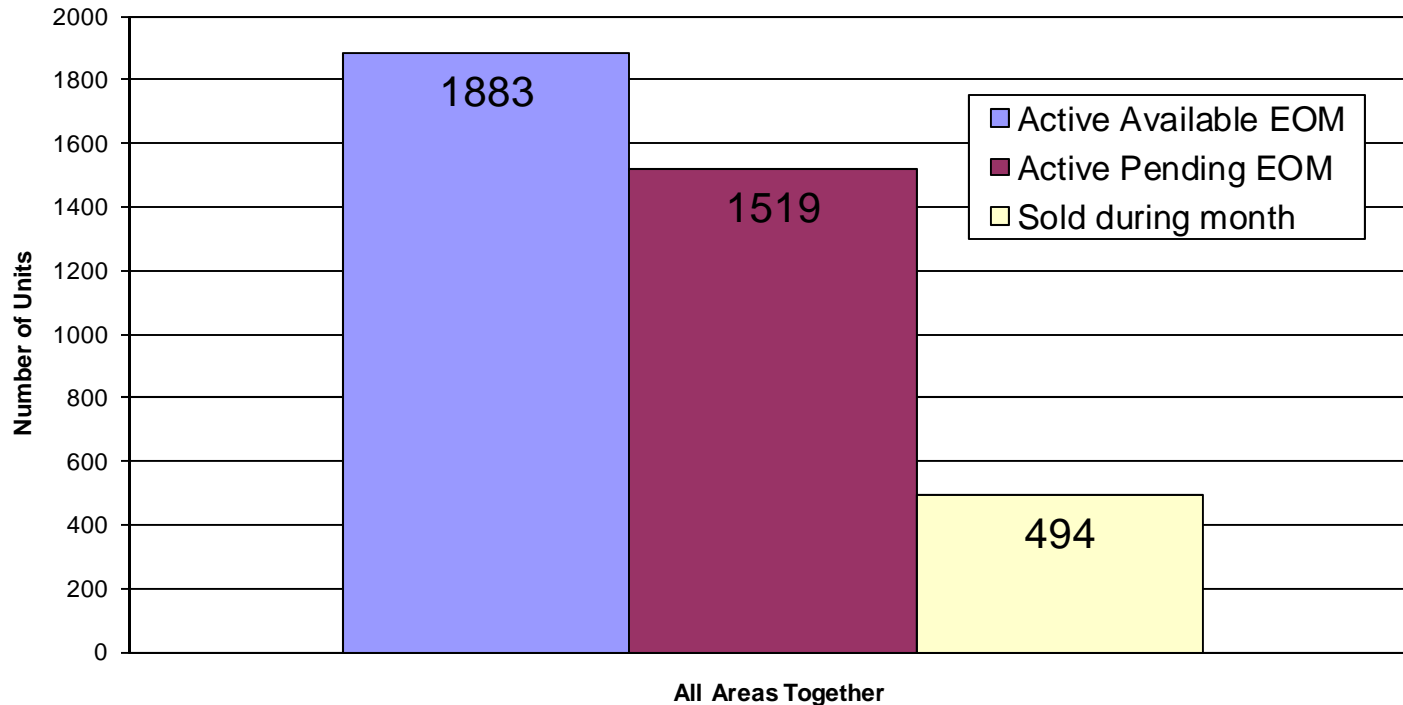
July, 2011



Current Months Supply of Inventory

July, 2011

$(1883 + 1519)$ available / 494 units sold = 6.9 months of inventory



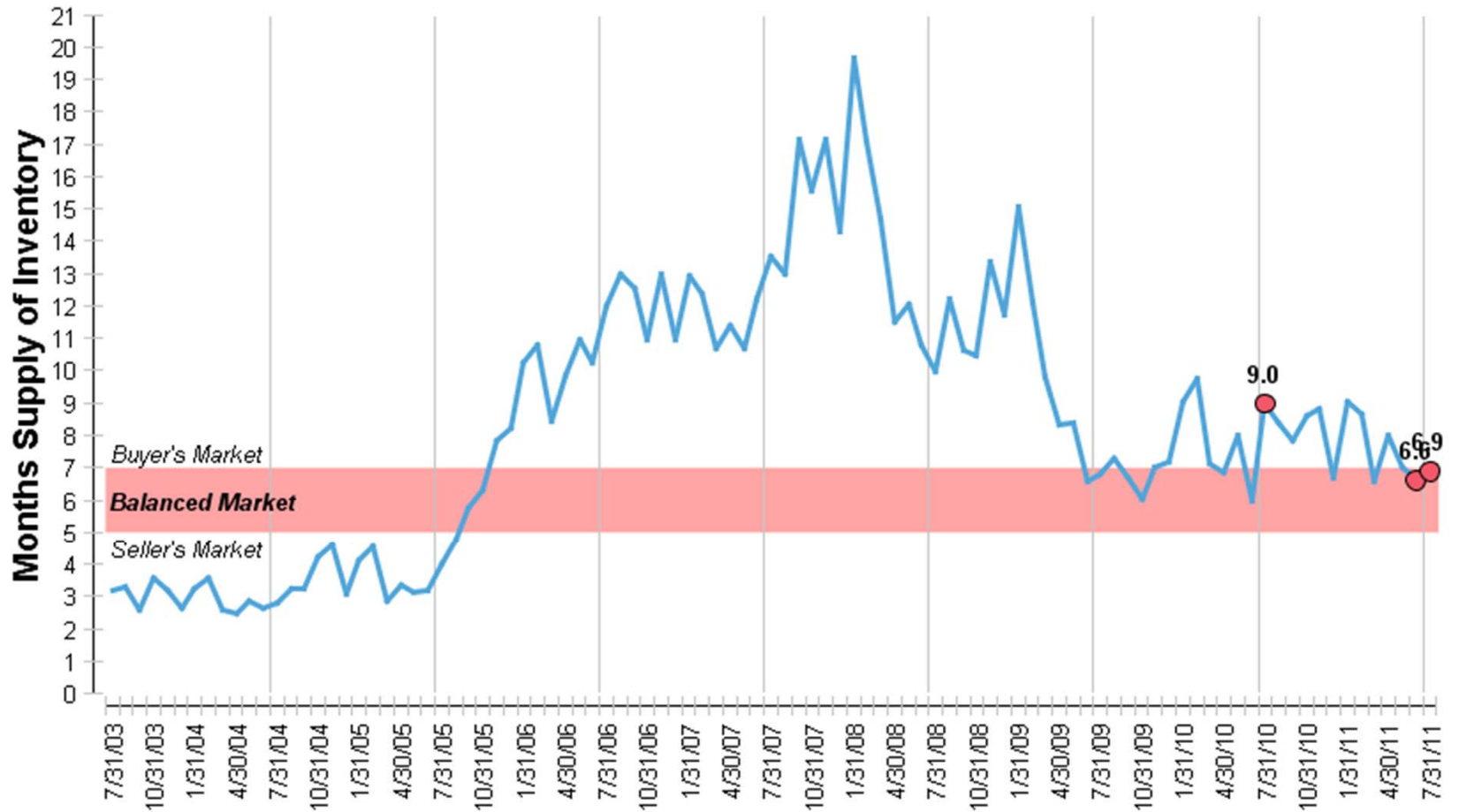
Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory.

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.

July, 2011

Historical Months Supply of Inventory, 8 years



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.

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