

# Reno/Sparks Association of REALTORS®

March 2015

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®.

# Market Report Outline

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- ❖ **Days on Market**
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- ❖ **New Listings**
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  - By Price
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- ❖ **Status of Pendings**
- ❖ **Months Supply of Inventory**
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  - Historical 8 year, by Month
- ❖ **Units and Absorption**
  - by Price
  - by Area Group
  - by Condition
- ❖ **Housing Affordability Index**
- ❖ **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 April 4<sup>h</sup>, 2015.

# Market Report Commentary

March, 2015

## ❖ Summary

- “Mortgage rates are still sitting near historical lows, with the 30-year fixed-rate mortgage hovering under 4 percent” said Dave Hansen, 2015 president RSAR. “The low rates have helped push more buyers into the marketplace. However, rates may not remain this low for too much longer, which may prompt an increase of home sales this spring. Rising rental costs are also moving more potential home buyers off the sidelines and into purchases.”

## ❖ Median Sales Price

- March 2015 median price was up 1.9% to \$270,000 compared to \$265,000 in February 2015 and up 18.4% compared to \$227,999 in March 2014.
- 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

- March, 2015 median price on properties with no special conditions was up 1.8% to \$280,000 compared to \$275,000 in February, 2015 and up 16.7% compared to \$240,000 in March, 2014.
- March, 2015 median price on REO (Bank Owned) properties was up 7.6% to \$212,000 compared to \$197,000 in February, 2015 and down -1.4% compared to \$215,000 in March, 2014.
- March, 2015 median price on short sales properties was down -19.6% to \$200,000 compared to \$248,800 in February, 2015 and up 7.5% compared to \$186,000 in March, 2014.

# Market Report Commentary, continued

March, 2015

- ❖ **Number of Units Sold**
  - March, 2015 units sold was up 35.0% to 532 compared to 394 in February, 2015 and up 10.1% compared to 483 in March 2014.
- ❖ **Average Days on Market**
  - March, 2015 average Days On Market was down -12% to 96 compared to 109 in February, 2015 and down -9% compared to 105 in March 2014.
- ❖ **Days on Market (DOM) by Special Conditions**
  - Short sale properties had an average days on market of 209.
  - Properties with no special conditions had an average days on market of 92.
  - REO Properties had an average days on market of 77.
- ❖ **New Listings**
  - March, 2015 new listings was up 18.4% to 618 compared to 522 in February, 2015 and down -6.5% compared to 661 in March 2014.
  - Properties listed at under \$250,000 made up 38% of new listings entering the market during the month of March, 2015.
  - 10% of new March, 2015 listings were distressed. Short sales 5%; REO 3%; No special conditions 90%; and Other 2%.
- ❖ **Distressed New Listings History**
  - The allocation of new listings by special conditions increased, representing 8% of the market in March 2015, up from 10% in February 2015, and up from 14% in March 2014.
- ❖ **Status of Pending**
  - Active/Pending-Loan represent 37.2% of the total active pendings; Active/Pending-Short Sale equals 17.0%; Pending-No Show represents 29.1%; Active/Pending-Call 11.9%; and Active/Pending-House 4.9%.
- ❖ **Current Months Supply of Inventory (Unsold Inventory over Sales per Month)**
  - At the end of March, 2015, there was 2.6 months of unsold inventory based on the monthly sales rate.

# Market Report Commentary, continued

## ❖ Historical Months Supply of Inventory

- March, 2015 MSI was down to 2.6 compared to 3.9 in February, 2015 and down from 4.2 in March, 2014.
- The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply.
- Unsold inventory includes Active Pendlings. 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 Band

- Price Bands in a Balance Market are: \$500,000 to \$750,000.
- Price Bands in a Buyer's Market are: Over \$750,000.
- Price Bands in a Seller's Market are: \$1 to \$100,000, \$100,000 to \$150,000, \$150,000 to \$200,000, \$200,000 to \$250,000, \$250,000 to \$300,000, \$300,000 to \$400,000, \$400,000 to \$500,000.
- 42% of the total sales for March, 2015 were in the under \$250,000 price range.

## ❖ Units and Absorption by Area Group

- Area Groups in a Balance Market are: Suburban Southwest.
- Area Groups in a Buyer's Market are: None.
- Area Groups in a Seller's Market are: Metro Southwest, New Southeast, North Valleys, Northwest, Old Southeast, Spanish Springs, Sparks, VC Highlands, Washoe Valley, West Suburban.
- Suburban Southwest had the highest level of active inventory with 143 active listings.
- Spanish Springs had the highest level of pending sales with 157 pendlings.
- Spanish Springs had the highest level of closed sales with 129 closed sales.

## ❖ Units and Absorption by Condition

- The Months Supply of Inventory in the category of Real Estate Owned is at a 1.1 MSI in March, 2015.
- No Special Conditions condition properties has 2.5 MSI, Short Sale properties has 8.4 MSI, and Yes-Other has 0.0 MSI.

## ❖ Affordability Index

- The chart applies several factors to arrive at a Housing Affordability Index - the median price, Washoe County median income, 5% down payment, the applicable interest rate for a 30 year fixed mortgage and a debt to income ratio of 28%. A value of 100 on the index means that a buyer with the Washoe County median income has adequate income to qualify for a mortgage on a median priced home. You can see that in January 2012, the market was at it's most affordable, when median price hit a low. With the recent increase in median price and interest rates, the median priced home is less affordable for the Washoe County median income earner.
- The 13 month detail applies the same factors identified above to the past thirteen months. An area with a factor of over 100 would be considered most affordable to the median income earner.
- The index shows at today's median price the most affordable areas are North Valleys, Old Southeast and Sparks.

# Market Report Commentary, continued

March, 2015

## ❖ Conclusion

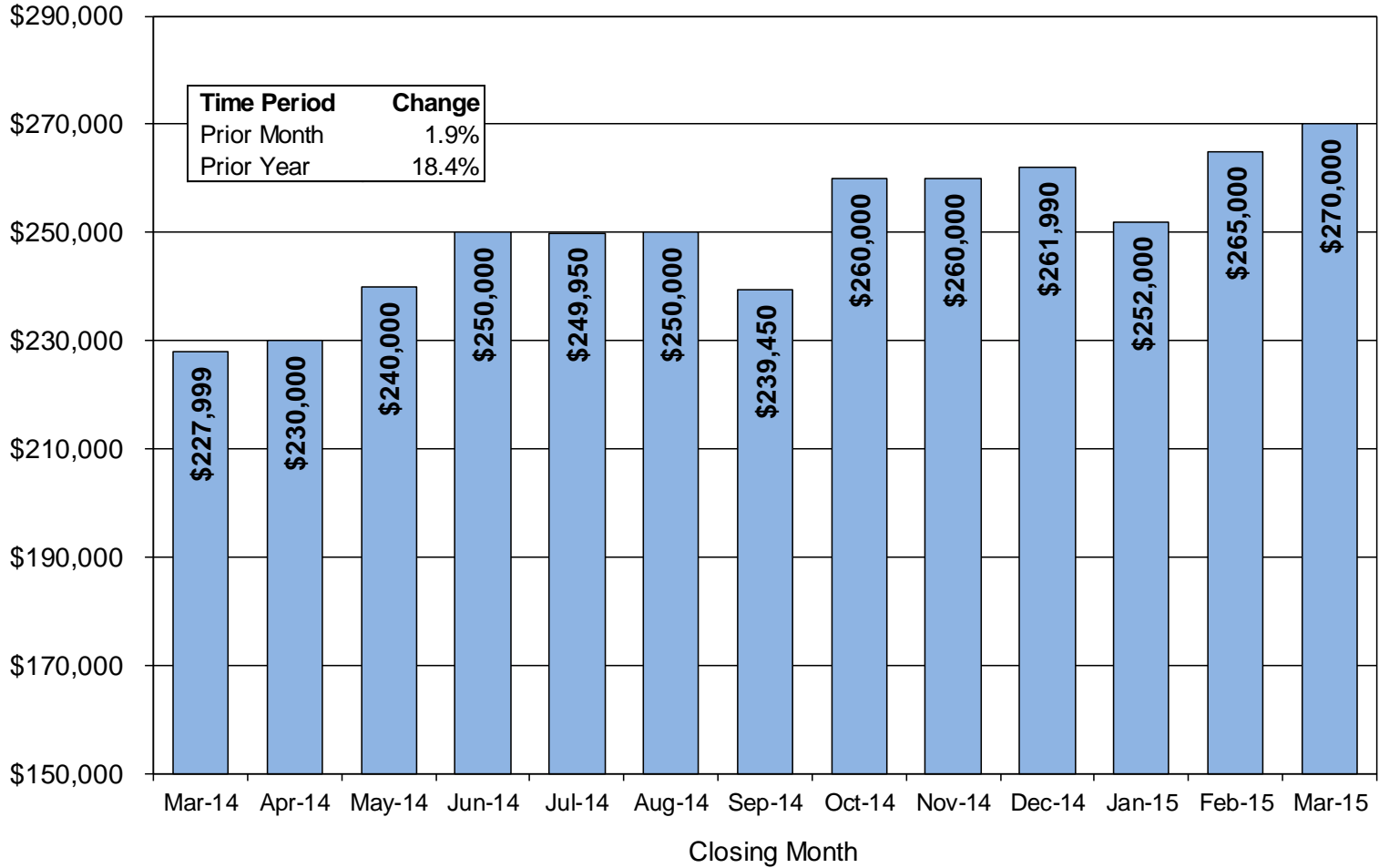
- The March 2015 median price was up 2% to \$270,000, and up 18% compared to March 2014. From the peak of the market in January 2006, values are off 26%.
- March 2015 unit sales are the third highest in history for a March. March 2015 unit sales are exceeded only by March 2012, the start of the housing recovery and March 2005—the real estate boom. In March 2005, unit sales increased 71% compared to February 2005. It's obvious why it was called the housing boom. This month's jump in sales follows the more traditional seasonal trend with an increase of sales month over month of 35%.
- Fifty-three percent of new listings taken in March are currently either sold or have a pending sale. This number reflects the market appetite for new listings. It is also a sign to potential buyers that properties are not remaining on the market long, and a sign to sellers, that homes priced right are moving quickly.
- March days on market was 96, down 12% from February. Days on market historically declines through the spring and summer months.
- February new pending sales, a leading indicator of closed transaction, was up 8% from February 2015.
- Currently the Reno/Sparks market stands at 2.6 month supply and Fernley is at 1.4. A balanced market is considered to fall between a five- to seven-month supply. A limited number of homes on the market may help sellers nab top dollar, and may even result in multiple offers. The National Association of REALTORS® reports that inventory levels nationwide were at a 4.6 month supply in February.
- For first time home buyers or repeat buyers who are looking at the possibility of homeownership, plan to attend the Nevada Rural Housing Authority event “The Road map to Homeownership 2015” scheduled for Saturday, April 18<sup>th</sup> from 1–4 p.m. at the Sparks Nugget Bonanza Room. The event is free and will feature guest speakers on down payment assistance, pre-qualifying for a mortgage, working with a REALTOR® and current market conditions. For more information go to [rsar.net](http://rsar.net) and click on the [Consumer Tools tab](#).

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# Median Sales Price

March, 2015

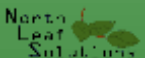
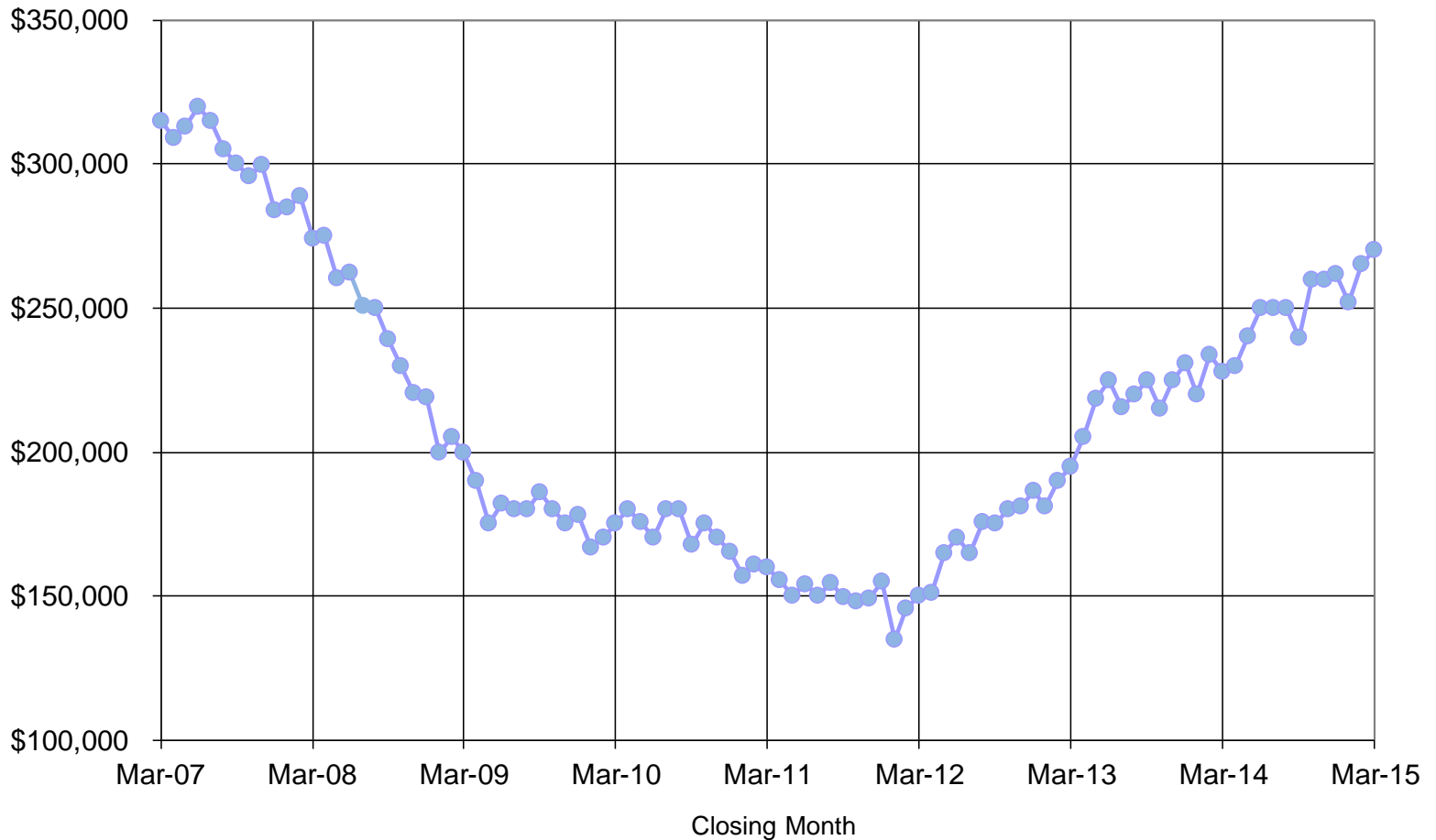
Median Sales Price, 13 months



# Summary: Median Sales Price

March, 2015

### Median Sales Price, 8 years

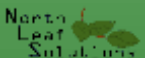
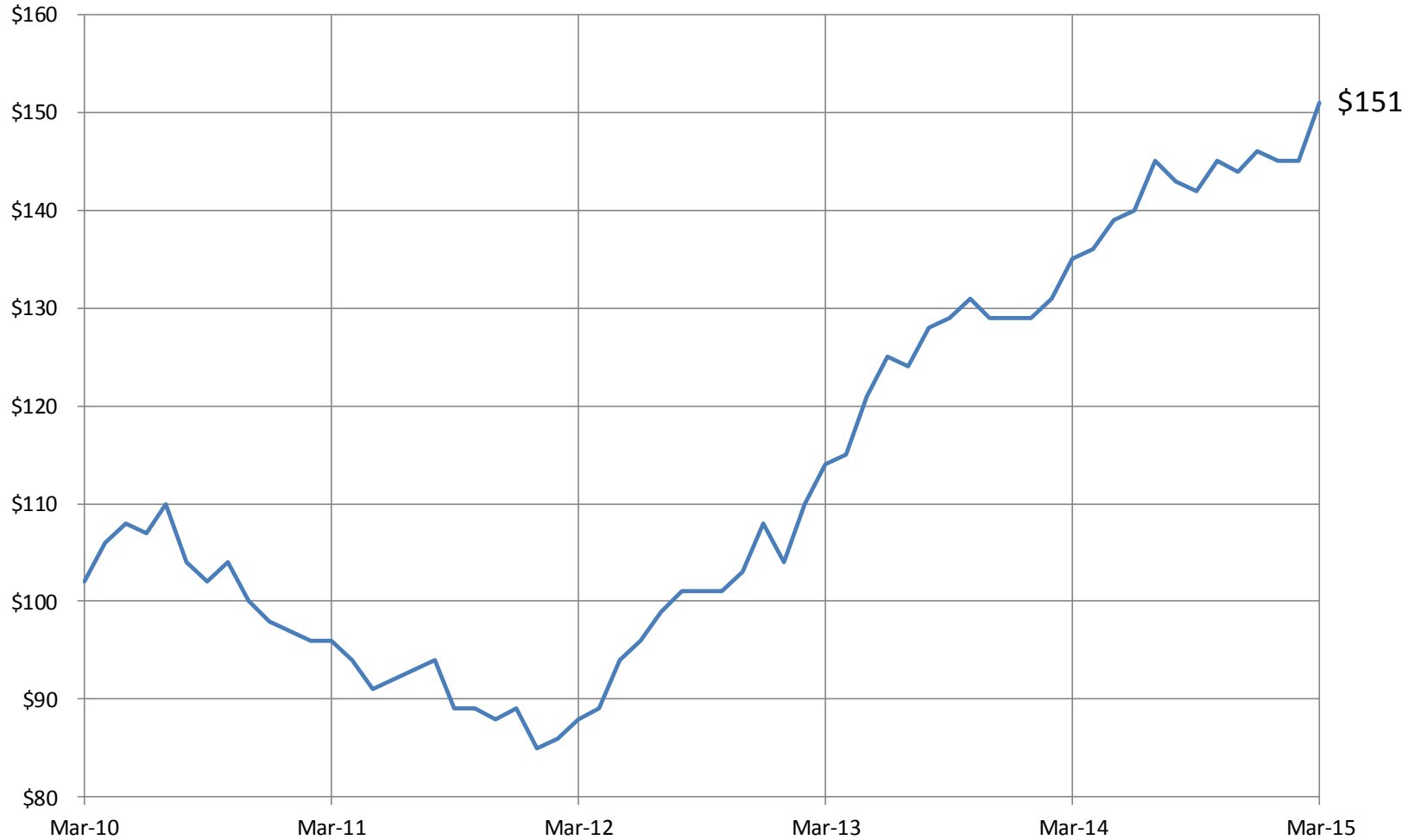




# Price per Square Foot

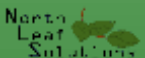
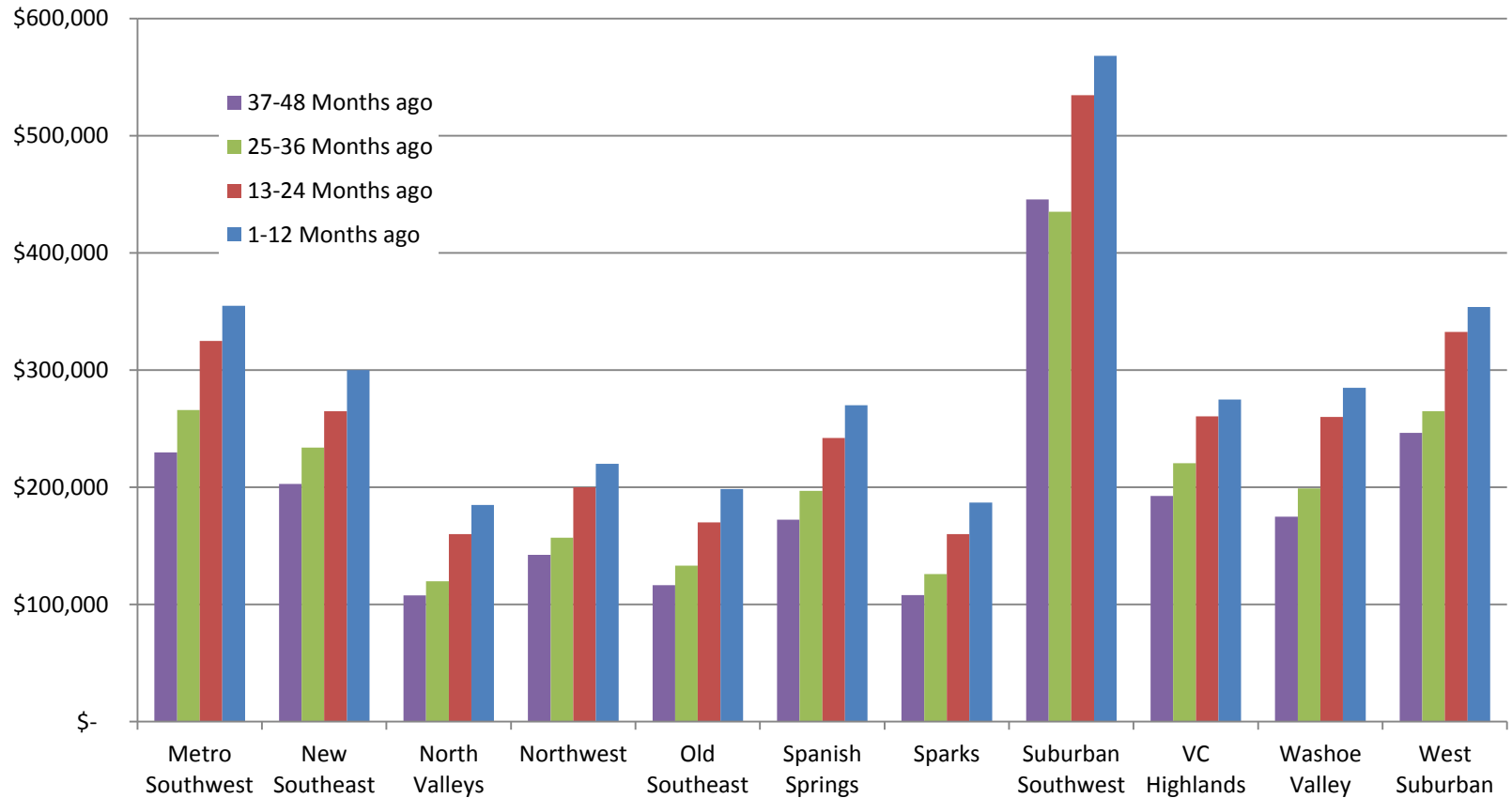
March, 2015

## Sold Dollars per Square Foot, 5 year History

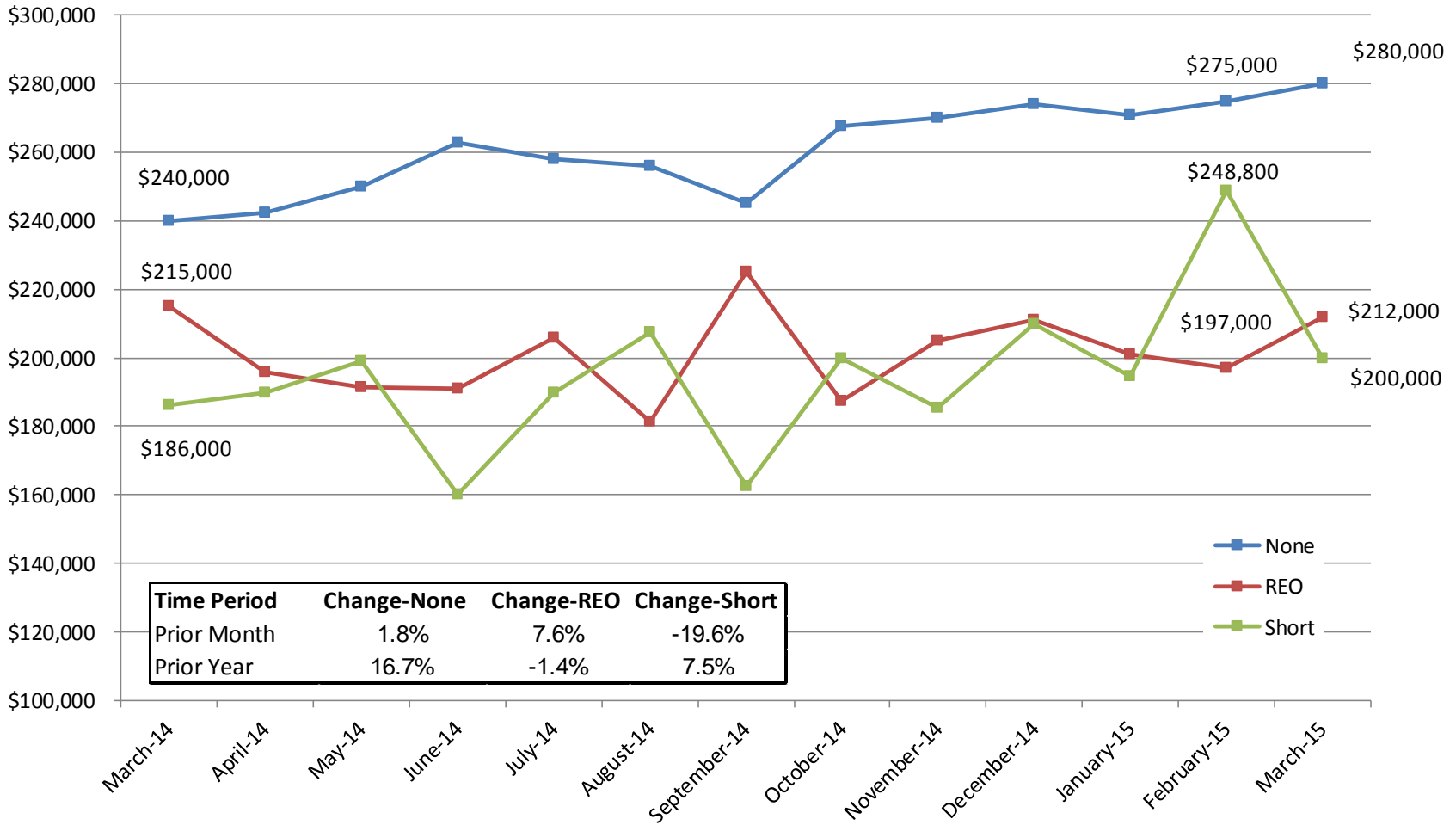


# Annualized Median Price by Area Group

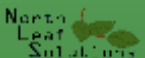
March, 2015



# Median Sales Price by Special Condition

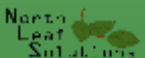
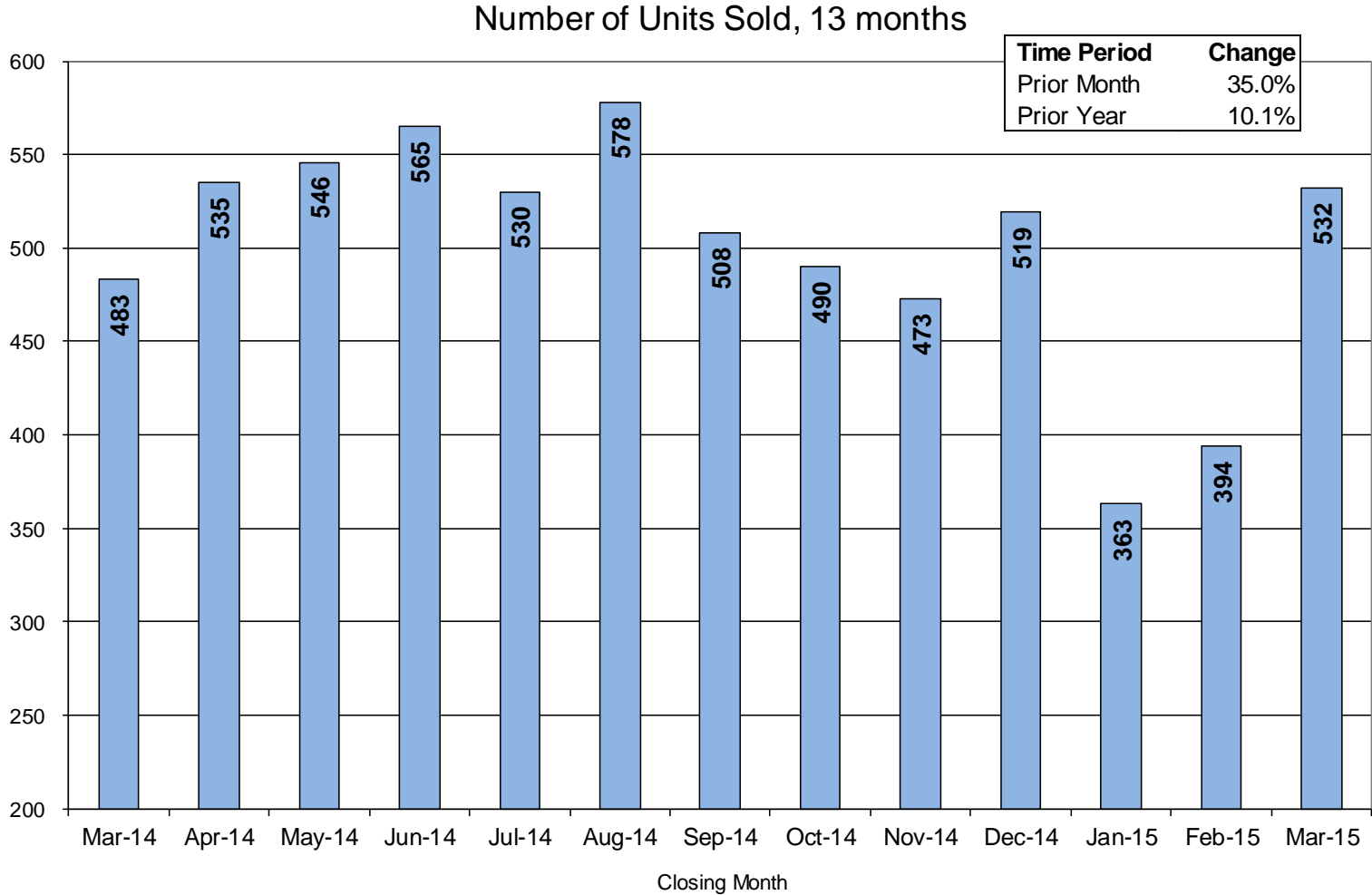


*Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.*



# Number of Units Sold

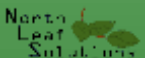
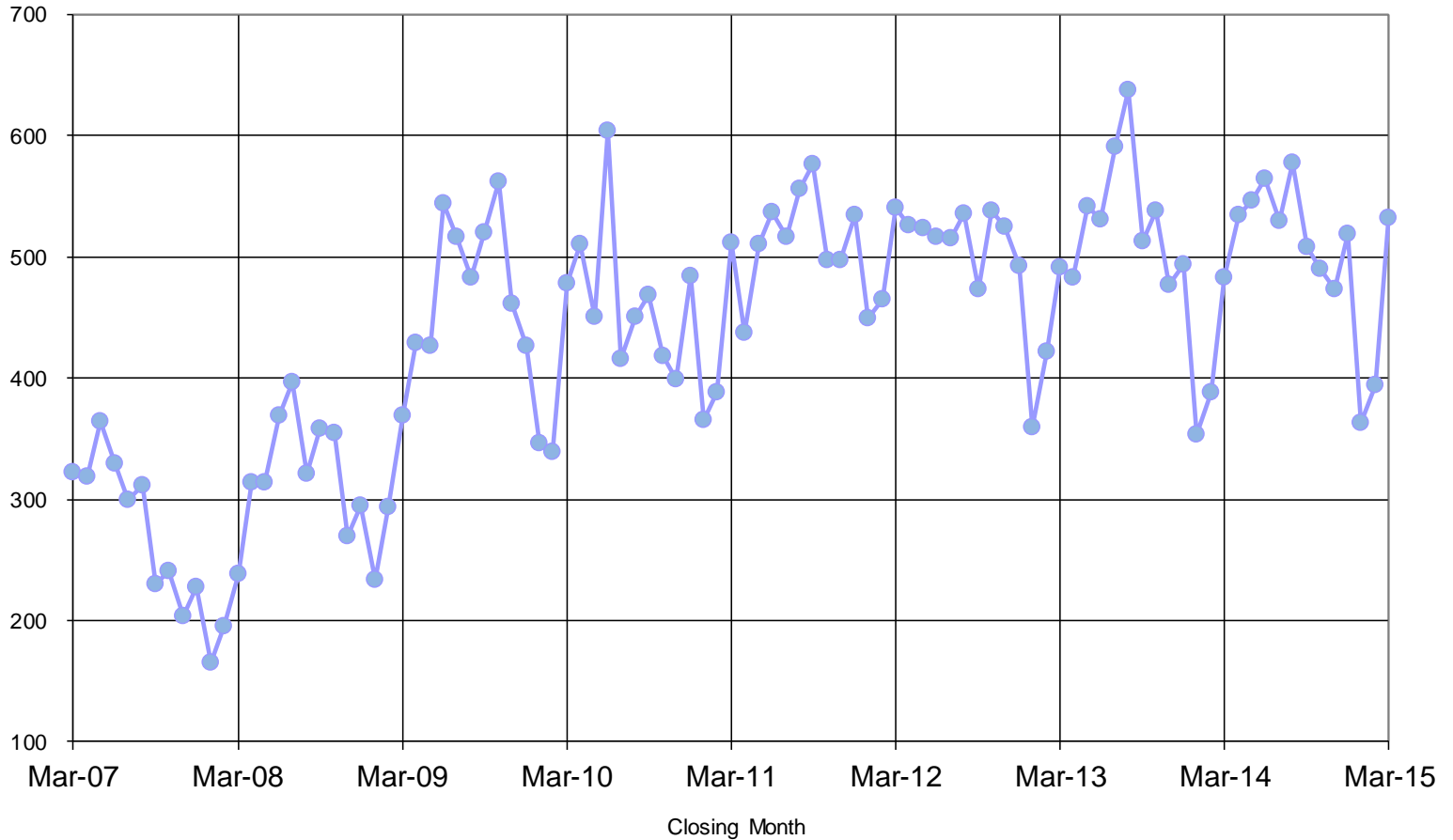
March, 2015



# Number of Units Sold

March, 2015

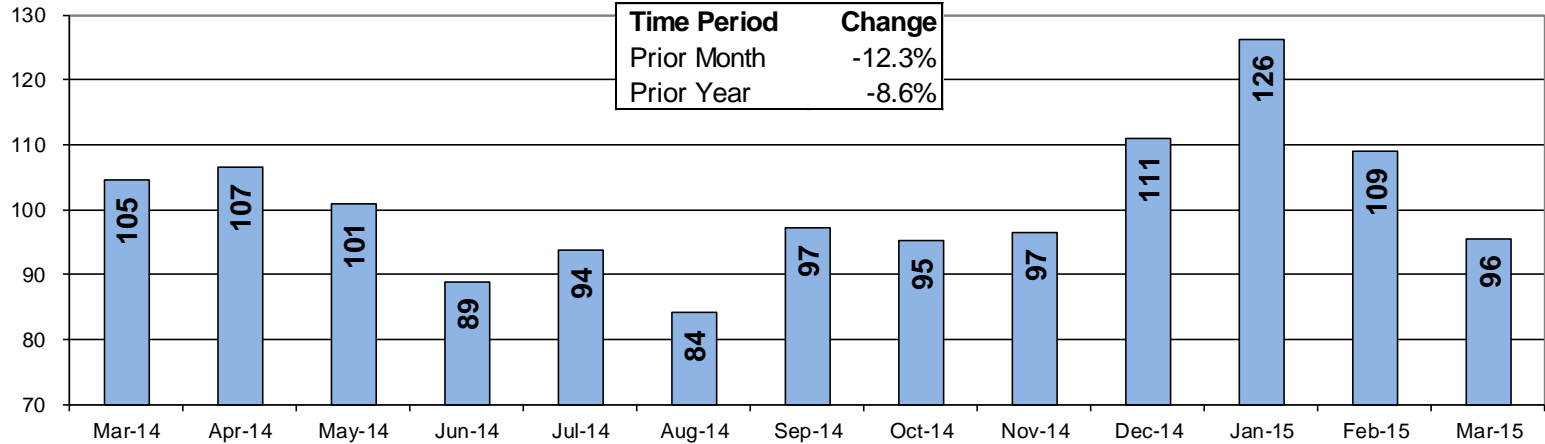
### Number of Units Sold, 8 years



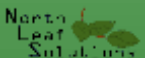
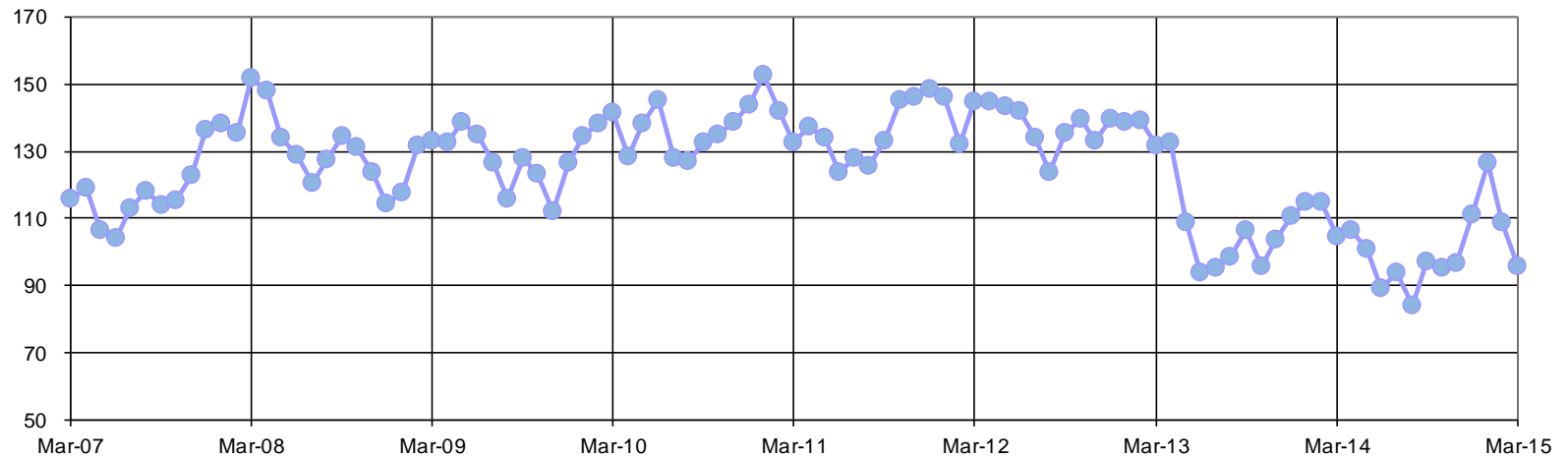
# Days on Market, by Month

March, 2015

Average Days on Market for Solds, 13 months

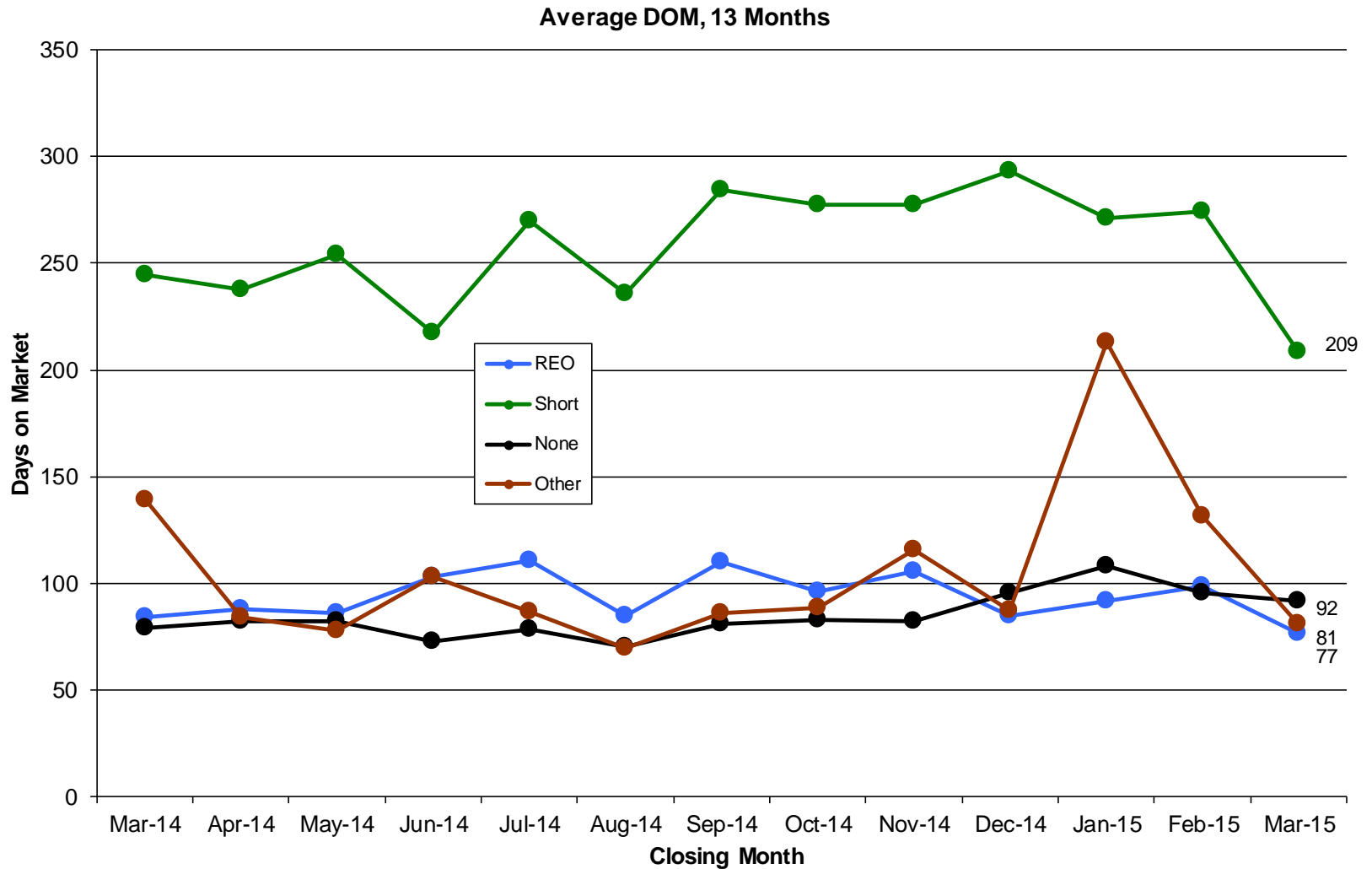


Average Days on Market for Solds, 8 years

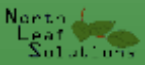


# Days on Market, by Special Conditions

March, 2015



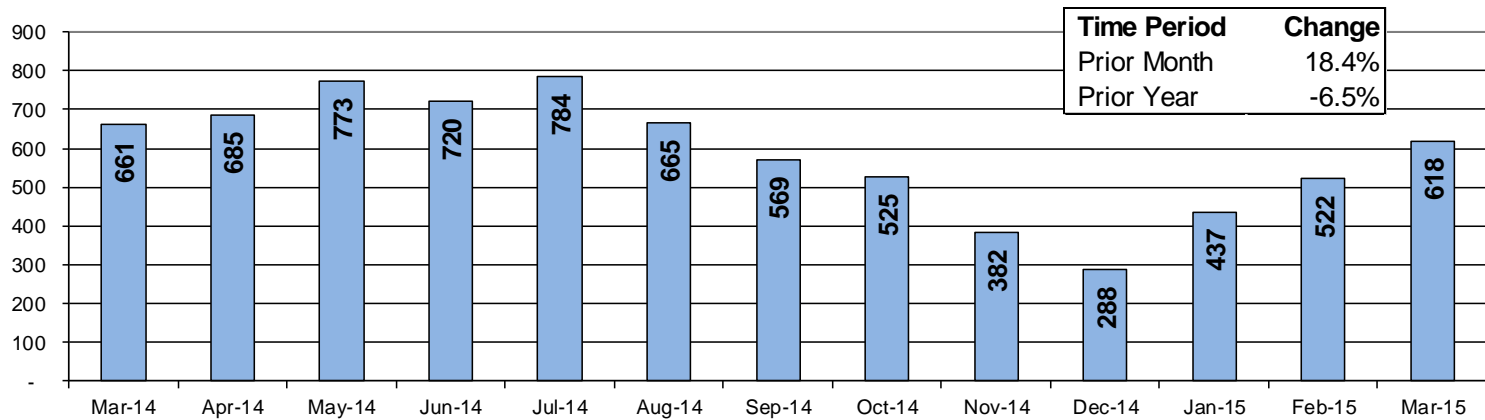
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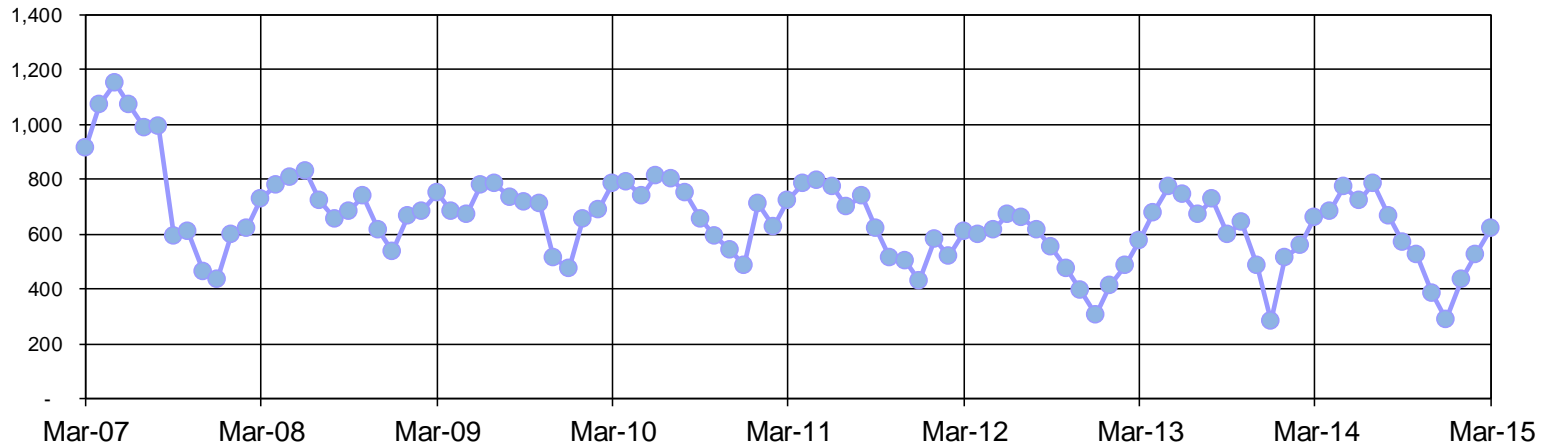
# New Listings, by Month

March, 2015

New Listings by Month, 13 months



New Listings by Month, 5 years

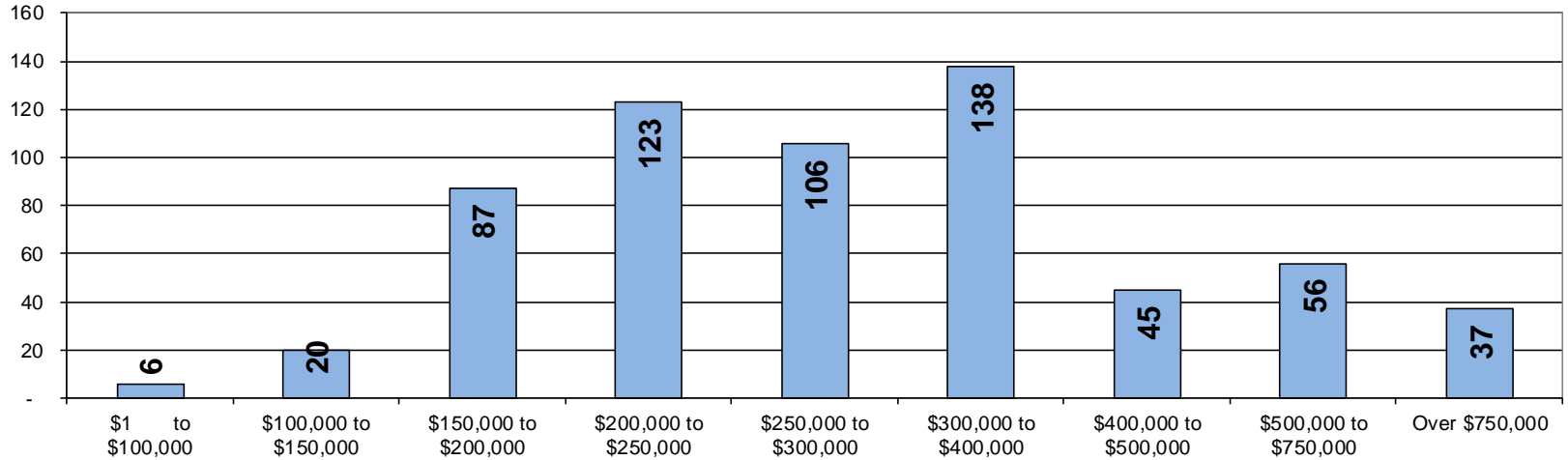


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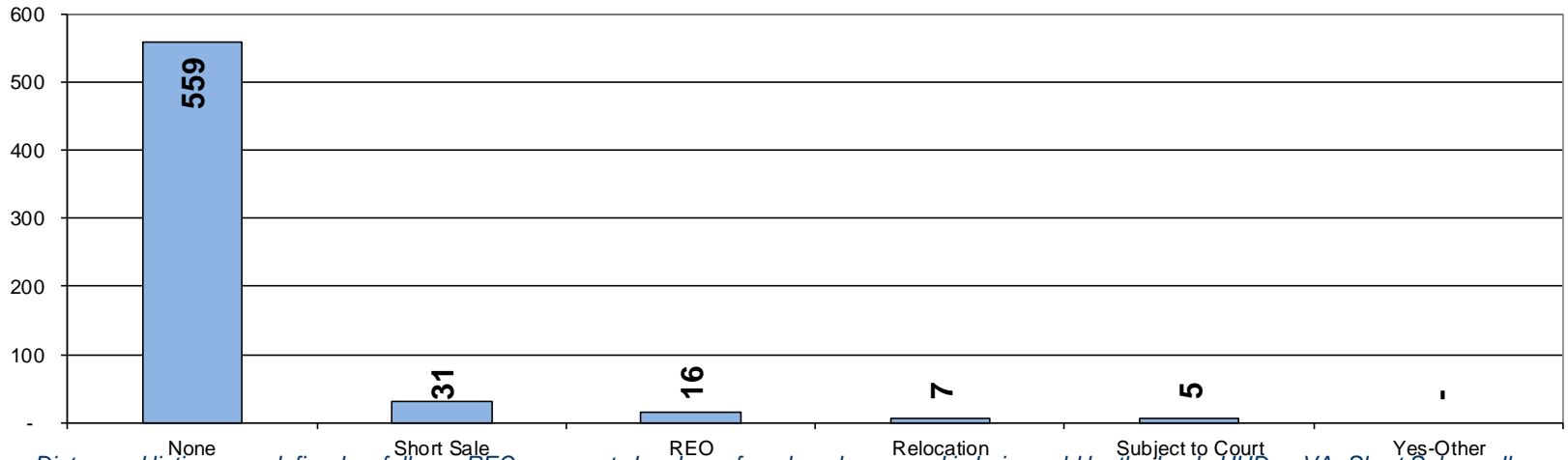


# New Listings, by Price and by Special Condition

New Listings, by Price Range



New Listings, by Special Condition



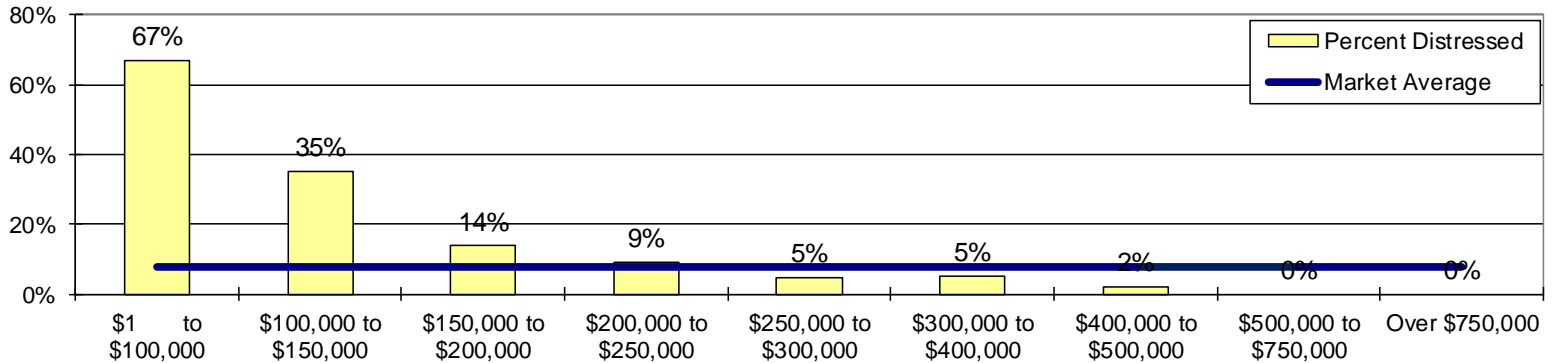
*Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value. Distressed New Listings includes Fannie Mae, Freddie Mac, HUD, and any bank-owned listings.*

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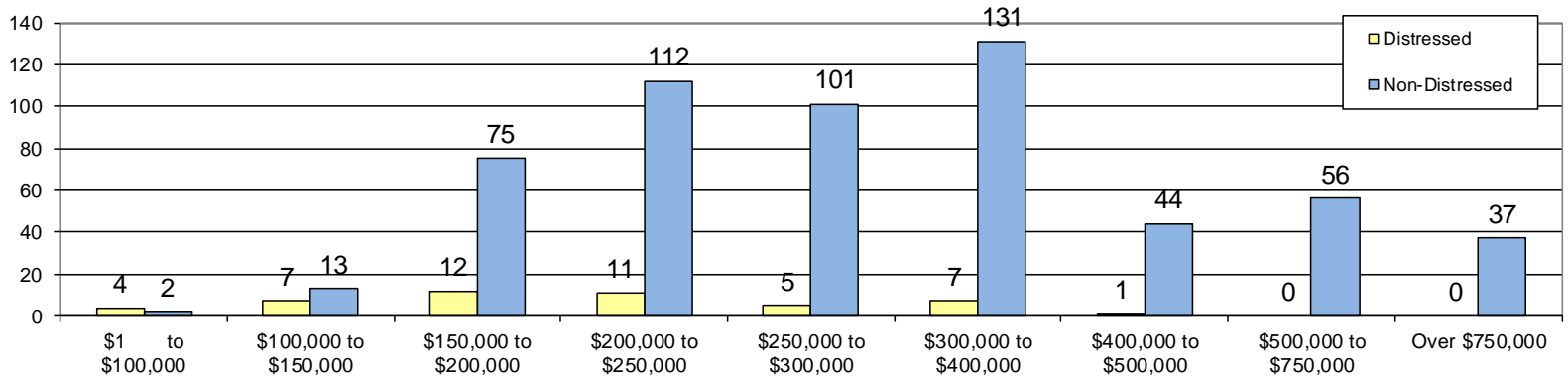
# Distressed Listings, by Price

March, 2015

Percentage Distressed New Listings by Price, current month



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

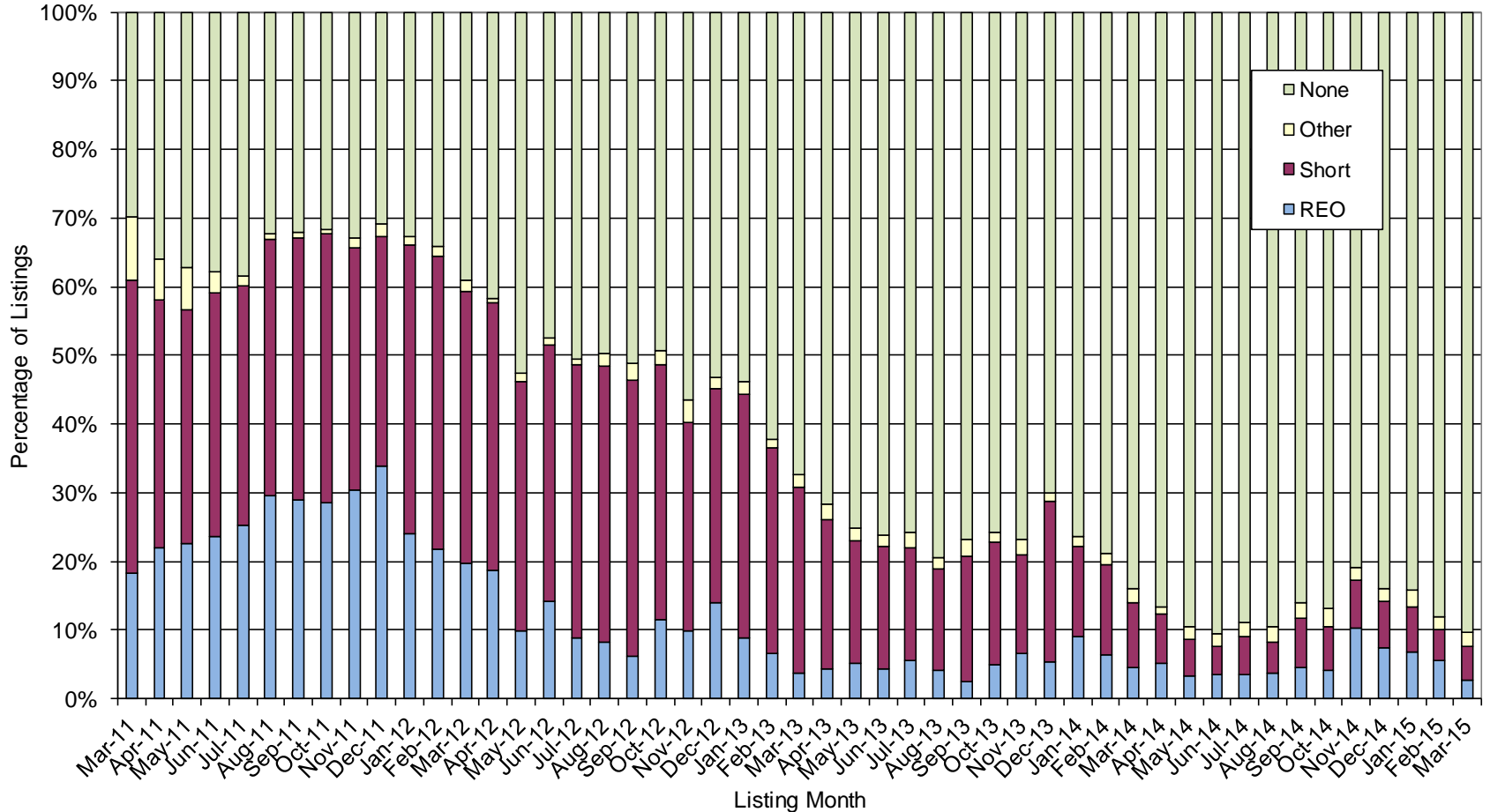


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# Distressed Listings, as a percentage of all listings

March, 2015

New Listings by Special Conditions

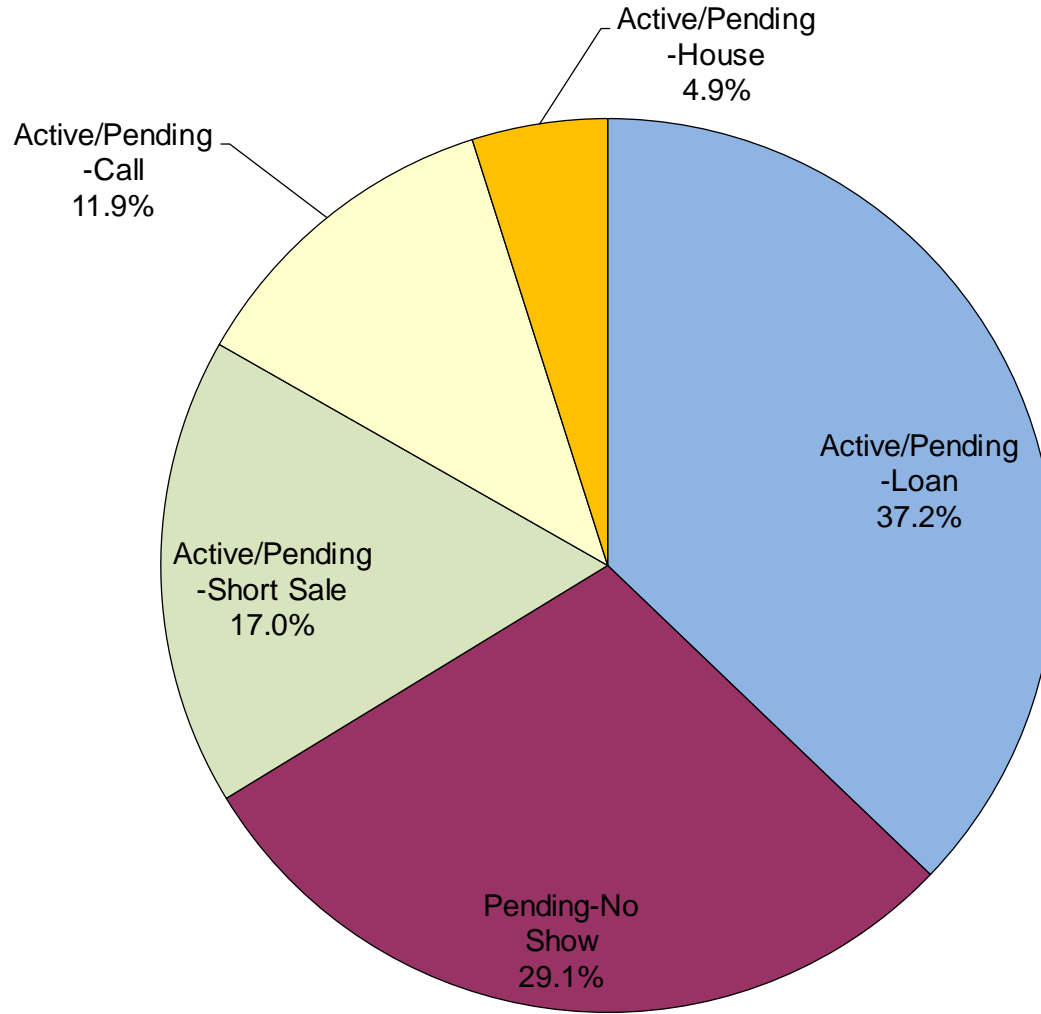


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# Status of Pendings, Current Month

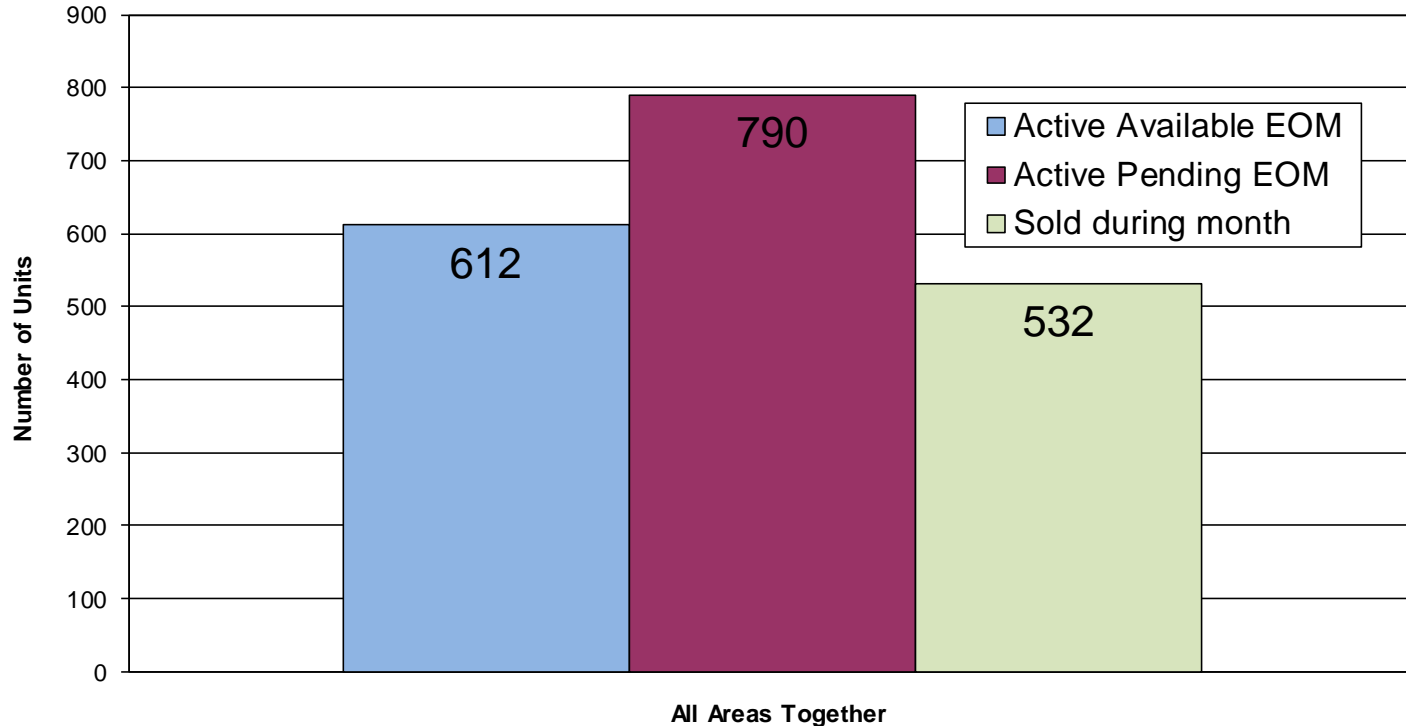
March, 2015



# Months Supply of Inventory, Current Month

March, 2015

**(612 + 790) available / 532 units sold = 2.6 months of inventory**

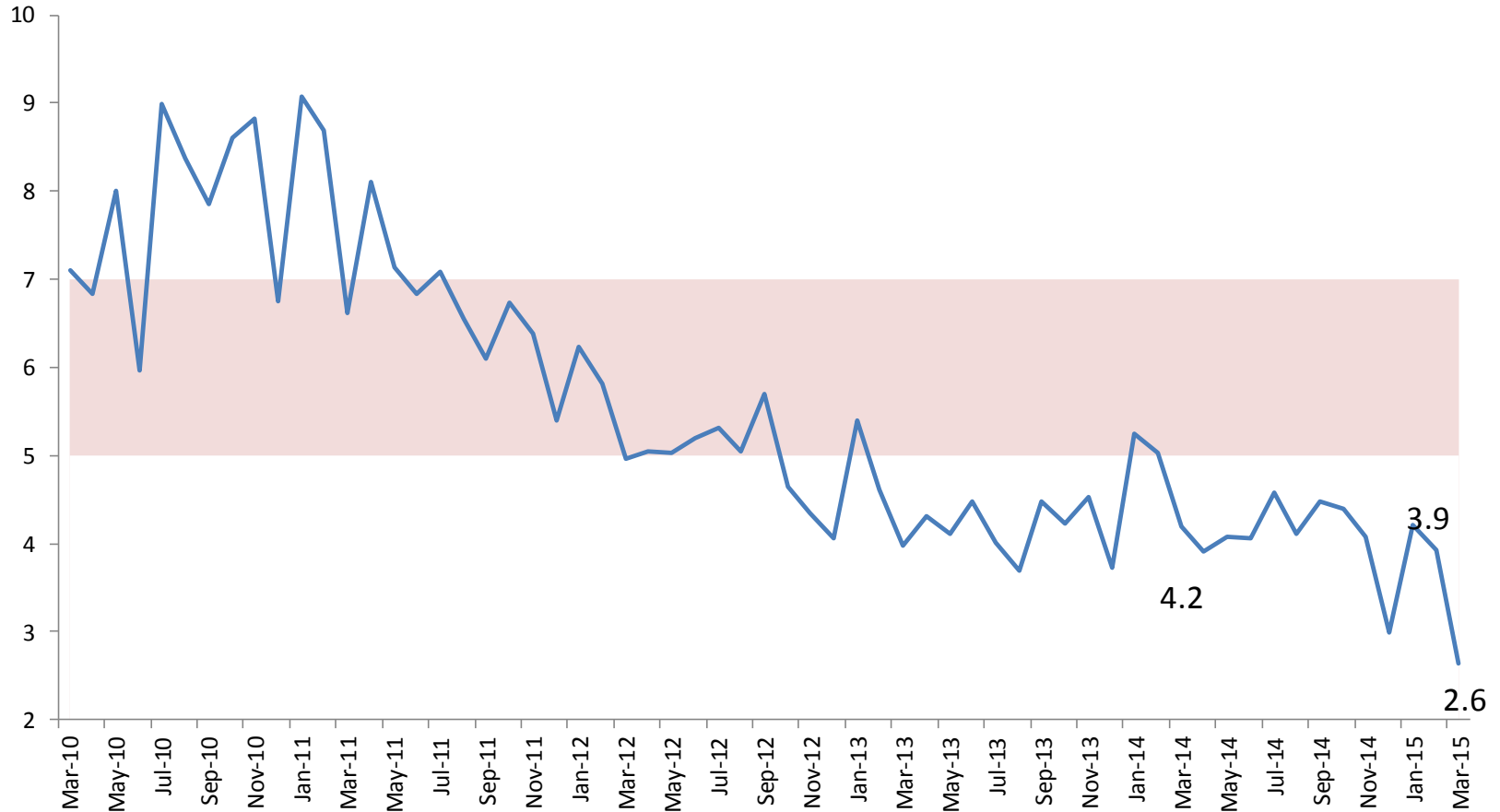


*Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

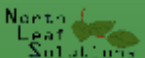
# Months Supply of Inventory, Historical 5 years

March, 2015

## Month's Supply of Inventory, 5 year history



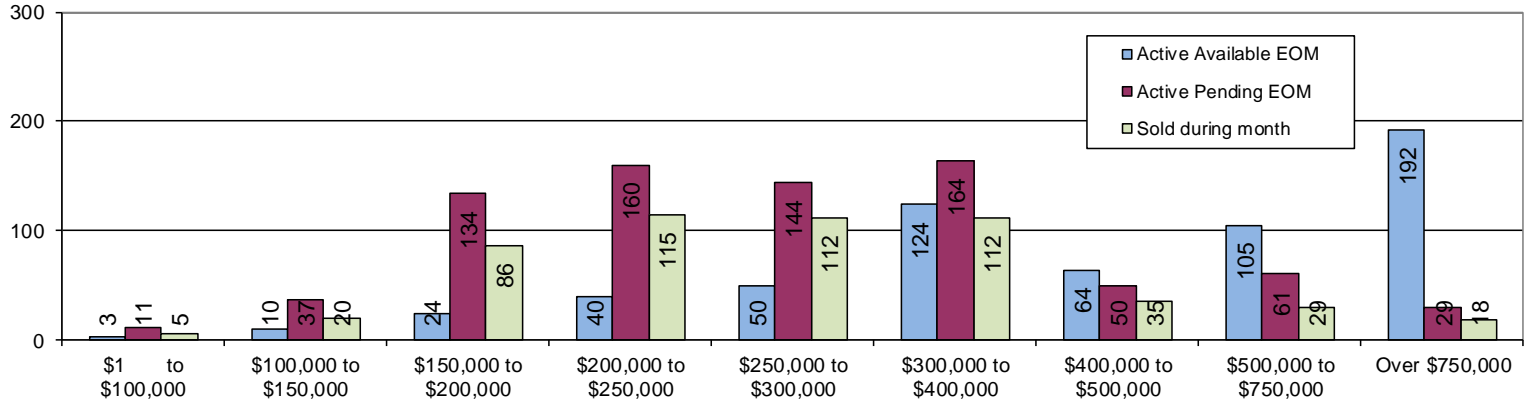
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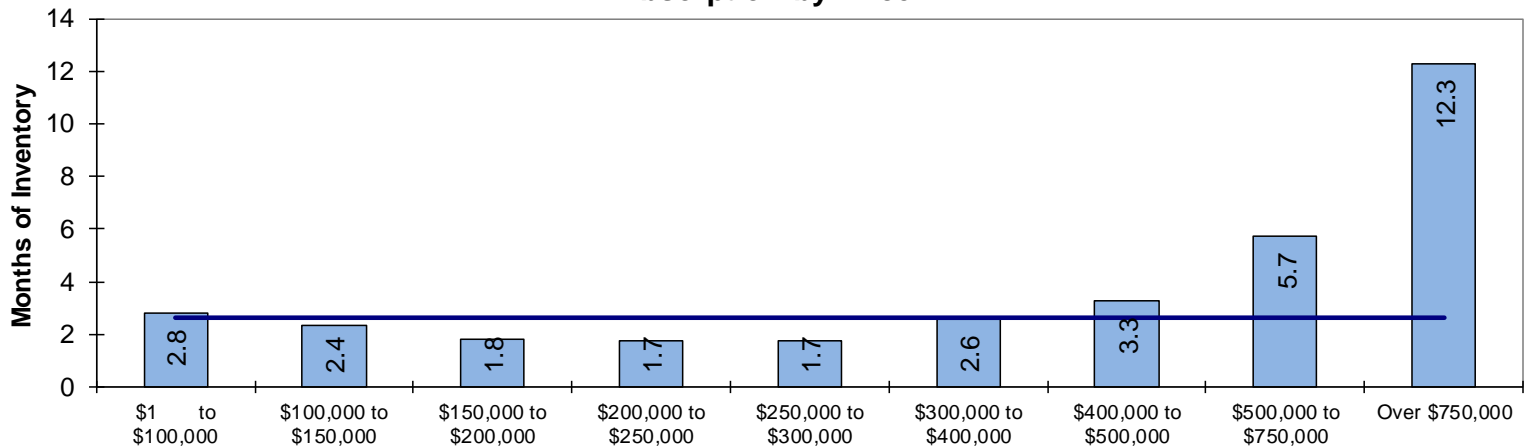
# Units and Absorption, by Price

March, 2015

### Active and Sold Homes by Price, current month



### Absorption by Price



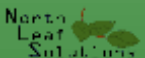
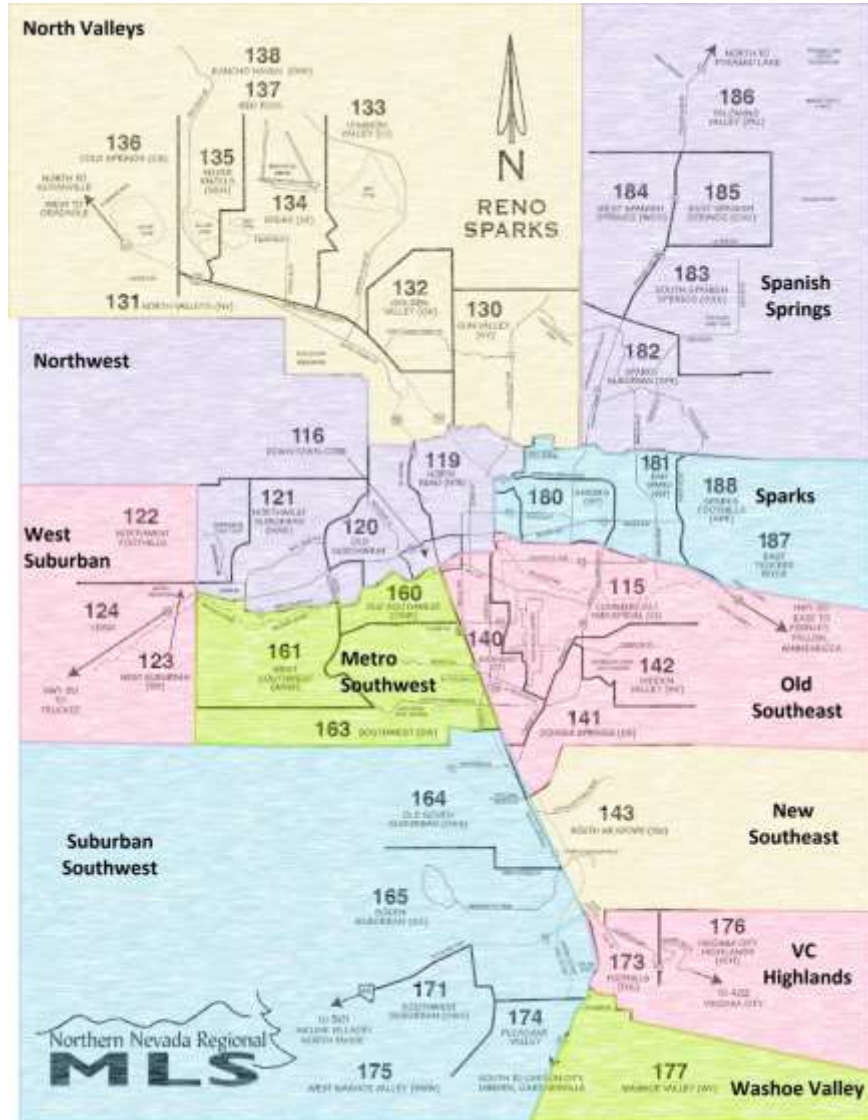
*"Active" includes "Active/Pending"*

*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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# Reno/Sparks Area Map

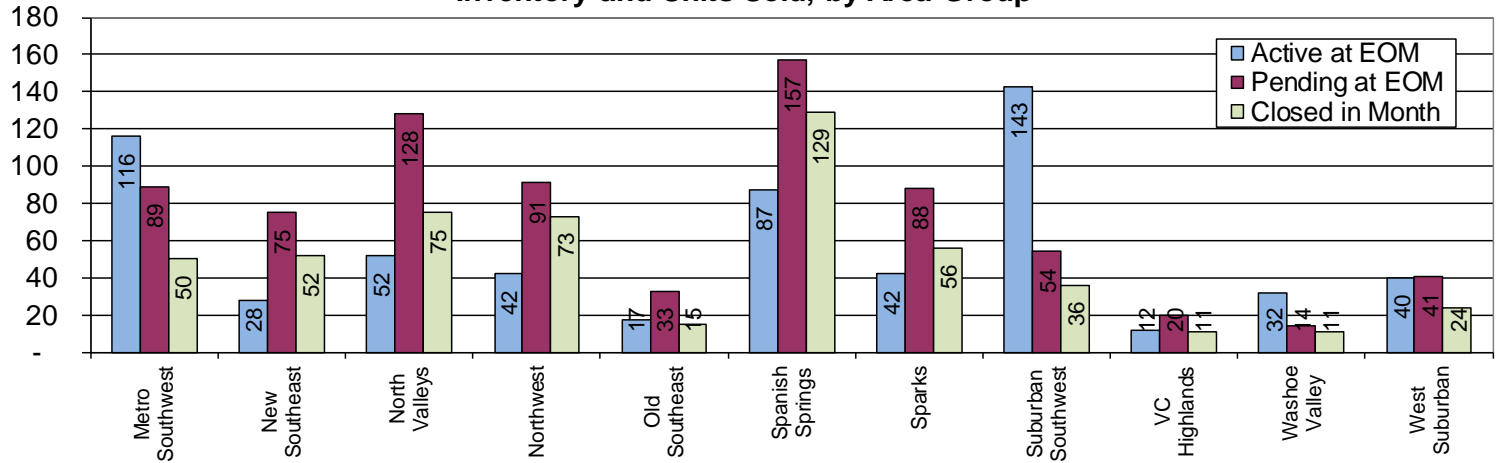
March, 2015



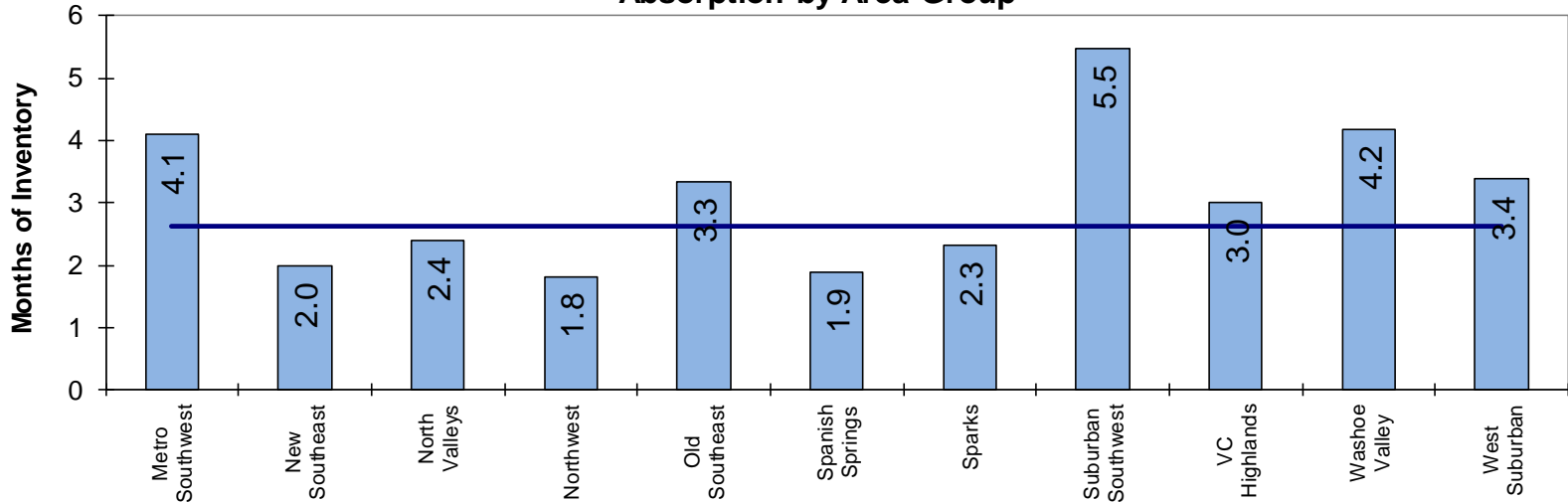


# Units and Absorption, by Area Group

Inventory and Units Sold, by Area Group



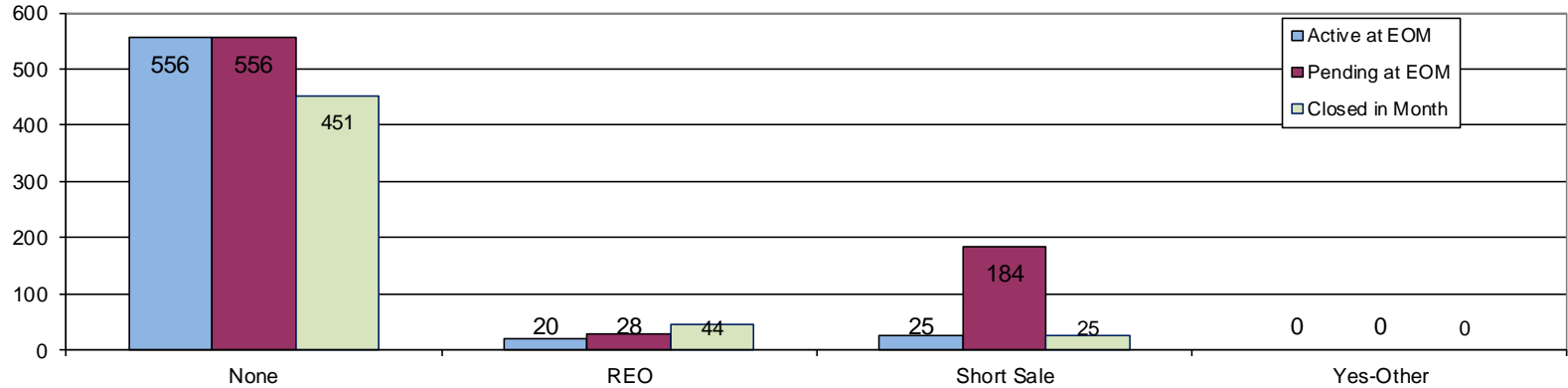
Absorption by Area Group



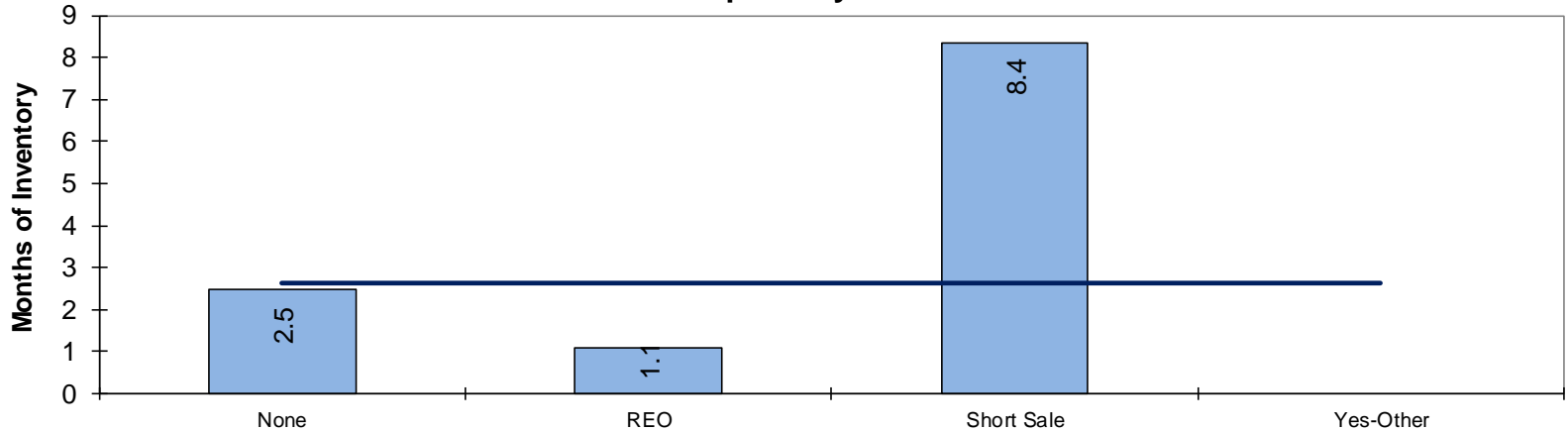
# Units and Absorption, by Special Condition

March, 2015

Active and Sold Homes by Condition, current month



Absorption by Condition



*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.*

*“Active” includes “Active/Pending”*

*Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale.*

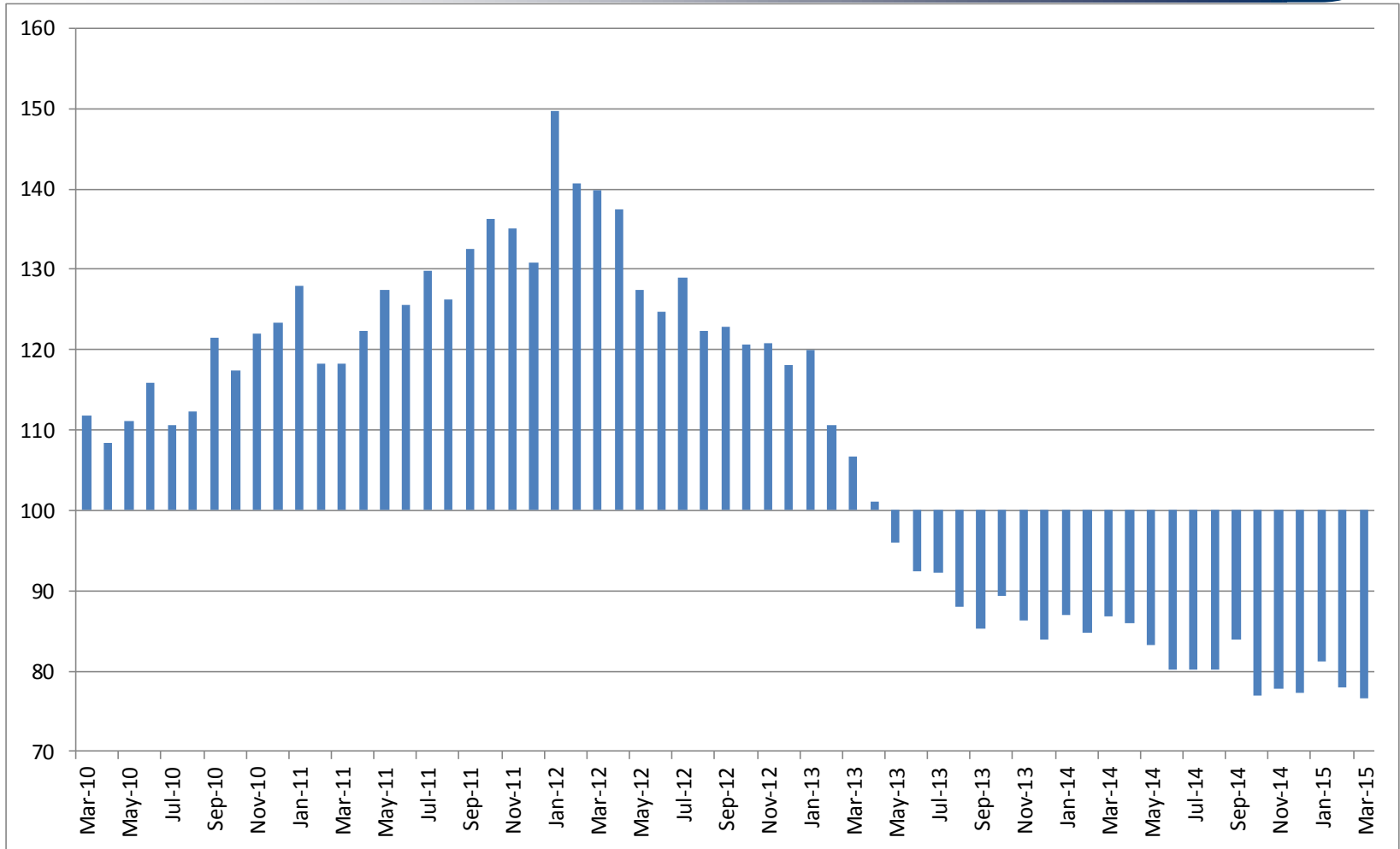
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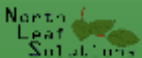


# Housing Affordability Index, 5 years

March, 2015



The Housing Affordability Index (HAI) as defined by the National Association of Realtors (NAR). A value of 100 means that a purchaser with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index of 120 signifies that a purchaser earning the median income has 20% more income to qualify for a mortgage loan on a median-priced home. An index of 85 signifies that a purchaser has 85% the income required to purchase a median-priced home. The calculation uses the Washoe County median income, a down payment of 5 percent, and a qualifying ratio of 28 percent.



# Housing Affordability Index, detail

March, 2015

