JON'S MARKET UPDATE

RENO, NV

- Current Real Estate Market Conditions for Single Family Homes
- Trends in Pricing
- Current Levels of Supply and Demand
- Value Metrics

- Report for the week of
  February 14, 2011

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This Week

- The median list price in RENO, NV this week is $189,900. The 2076 properties have been on the market for an average of 172 days.

The Market Action Index has been trending down lately, while inventory and days-on-market are climbing. The trends imply a weakening market.

Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

Real-Time Market Profile		Trend
Median List Price	$ 189,900	⬇⬇
Average List Price	$ 305,781	
Asking Price Per Square Foot	$ 104	⬇⬇
Average Days on Market (DoM)	172	⬆⬆
Inventory of Properties Listed	2076	⬆⬆
Most Expensive Listing	$ 3,956,000	
Least Expensive Listing	$ 24,900	
Average Age of Listing	20	
Percent of Properties with Price Decrease	46 %	
Percent Relisted (reset DOM)	5 %	
Percent Flip (price increased)	6 %	
Median House Size (sq ft)	1908	
Median Lot Size	8,001 - 10,000 sqft	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	2.0	

Altos Research Value Statistics

Market Action Index	Strong Buyer's	14.0	⬇⬇

The Market Action Index answers the question "How's the Market?" by measuring the current rate of sale versus the amount of the inventory. Index above 30 implies a seller's advantage. Below 30, conditions give the advantage to the buyer.

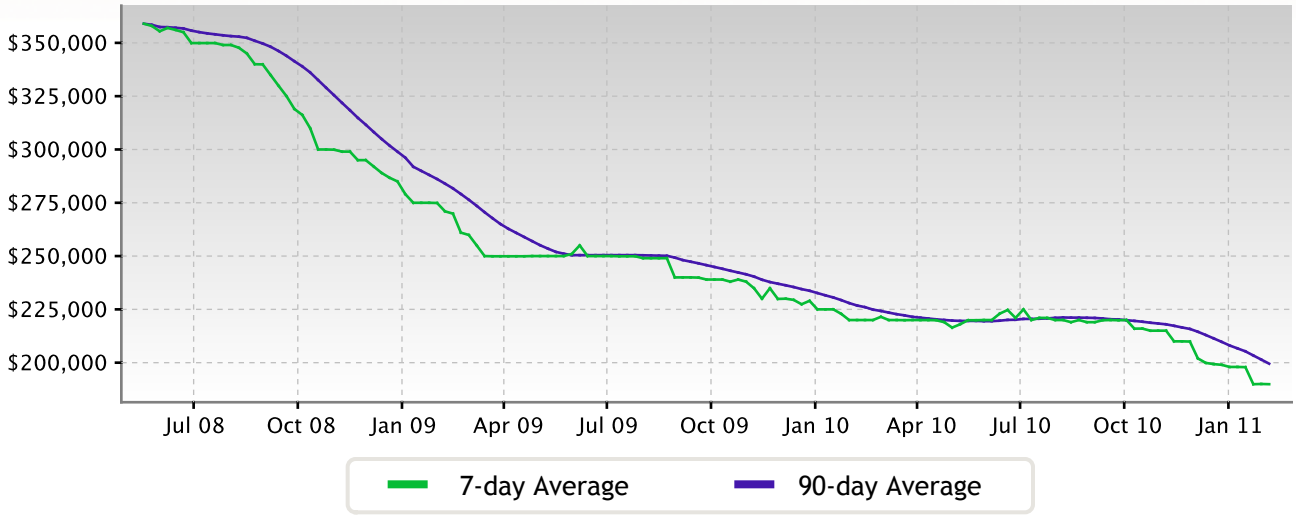
Trend Key: ⬆⬆ Strong upward trend ⬇⬇ Strong downward trend ⬅➡ No change ⬆ Slight upward trend ⬇ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Lot Size	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	$ 539,000	3451	0.50 - 1.0 acre	4.0	3.0	11	519	18	15	240	Most expensive 25% of properties
Upper/Second	$ 233,500	2075	8,001 - 10,000 sqft	3.0	2.5	10	519	40	26	145	Upper-middle 25% of properties
Lower/Third	$ 159,000	1703	6,501 - 8,000 sqft	3.0	2.0	11	519	32	23	156	Lower-middle 25% of properties
Bottom/Fourth	$ 100,000	1297	6,501 - 8,000 sqft	3.0	2.0	27	519	37	22	146	Least expensive 25% of properties

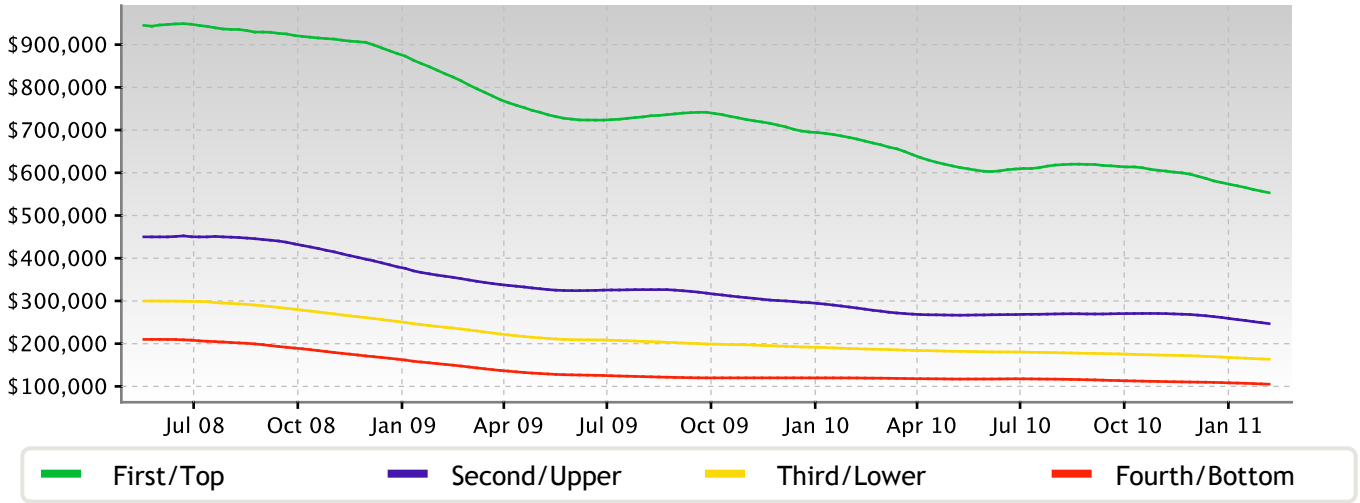
Median Price

- The market has been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle.



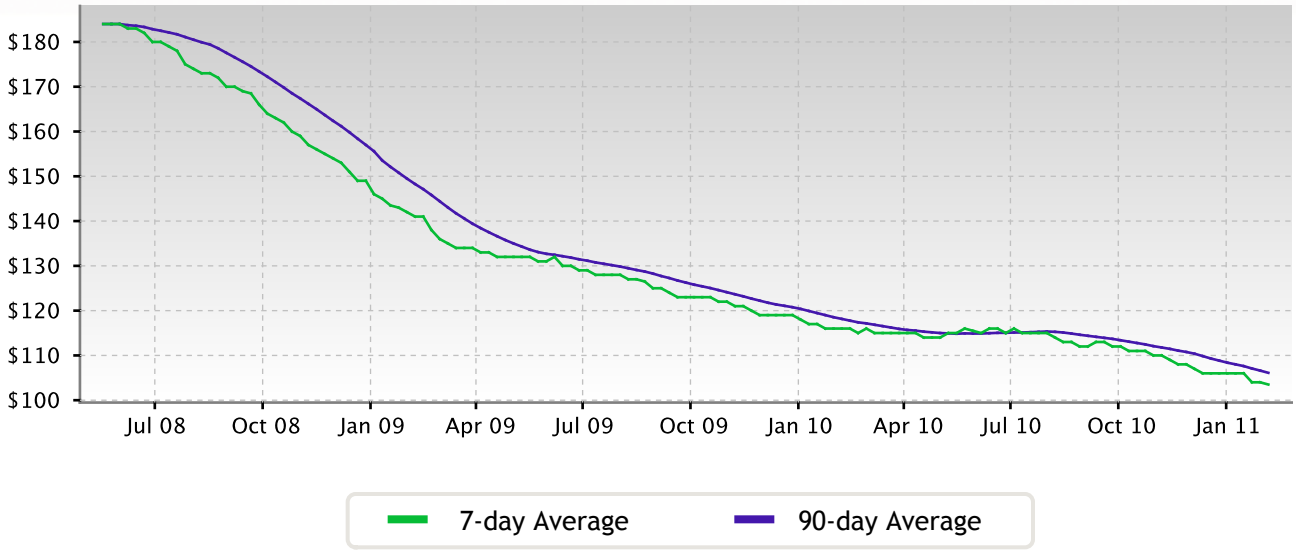
Quartile Prices

- Prices have generally settled at a plateau, although Quartile 3 has been declining in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.



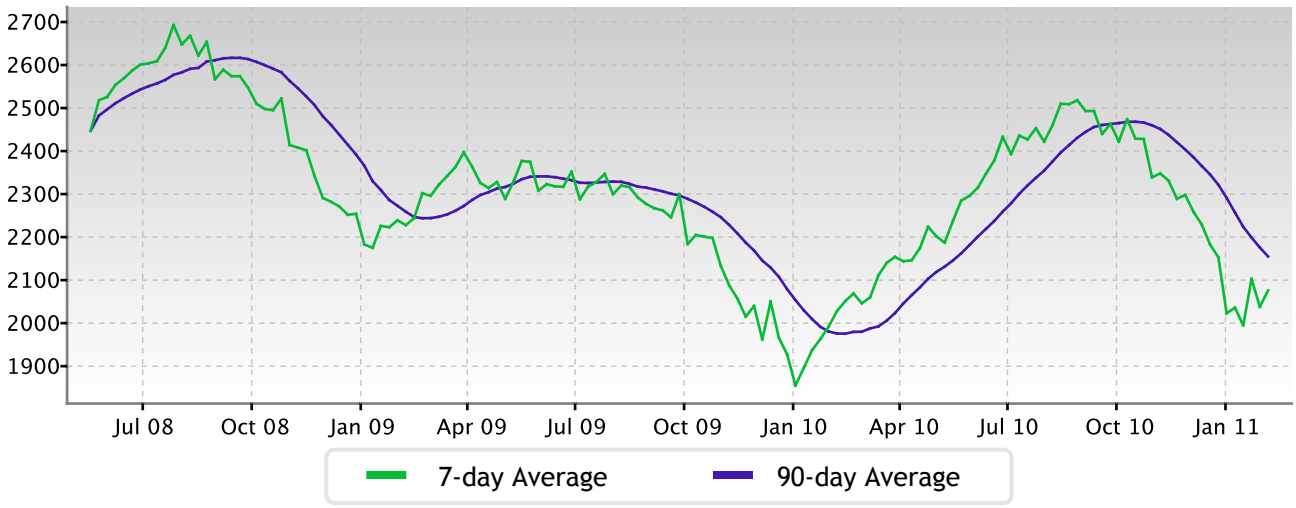
Price per Square Foot

The market's downward trends are shared across both price and value. People are recently placing less value on homes (you can see the recent declines in price per square foot as evidence.) Look for significant changes in the Market Action Index as a precursor to price and value changes, possibly as inflection points for good investment opportunities.



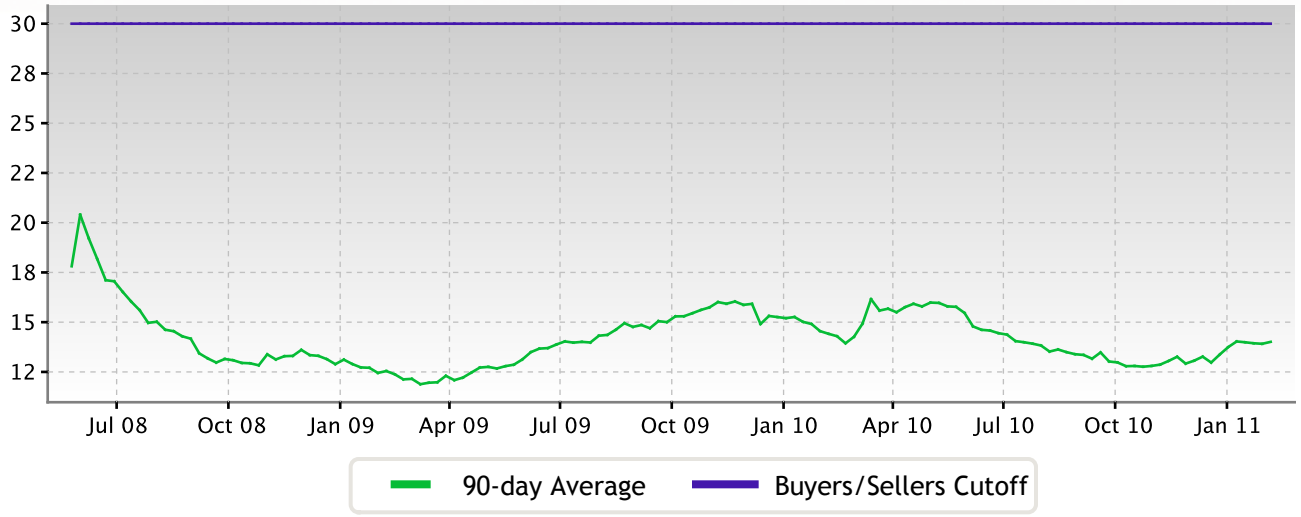
Inventory of Properties Listed for Sale

Inventory has been climbing lately. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is keeping up with available supply.



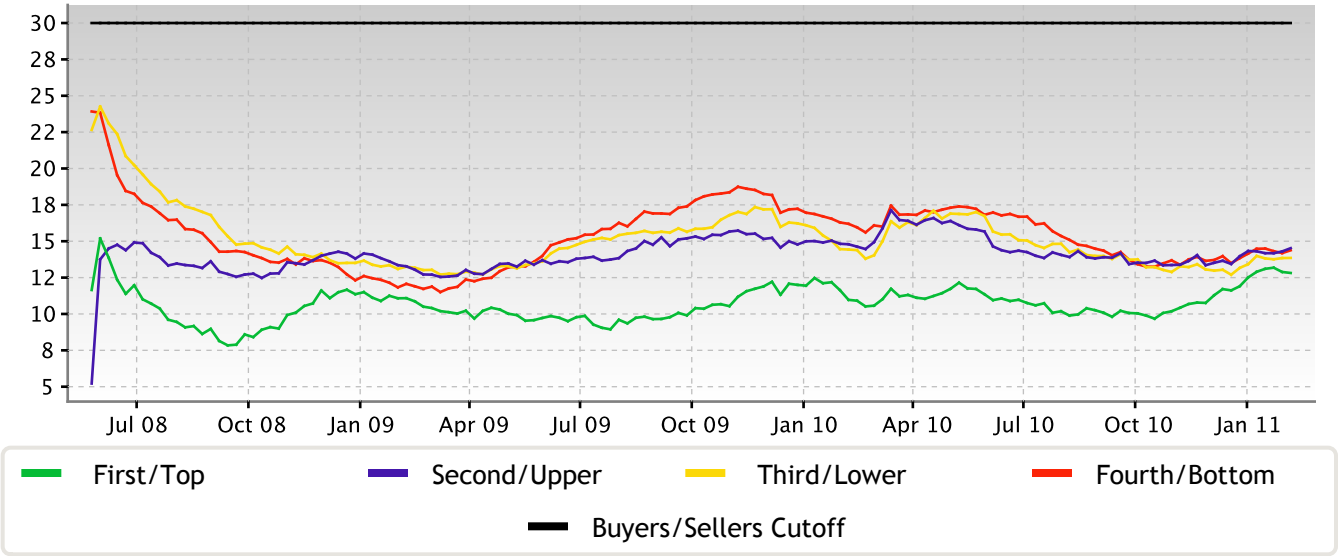
Market Action Index

The RENO market is currently quite strongly in the Buyer's Advantage zone (below 30). The 90-day Market Action Index stands at 14.01. With several months of inventory available at the current sales rate, buyers should find ample choice.



Market Action Index per Quartile

Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.

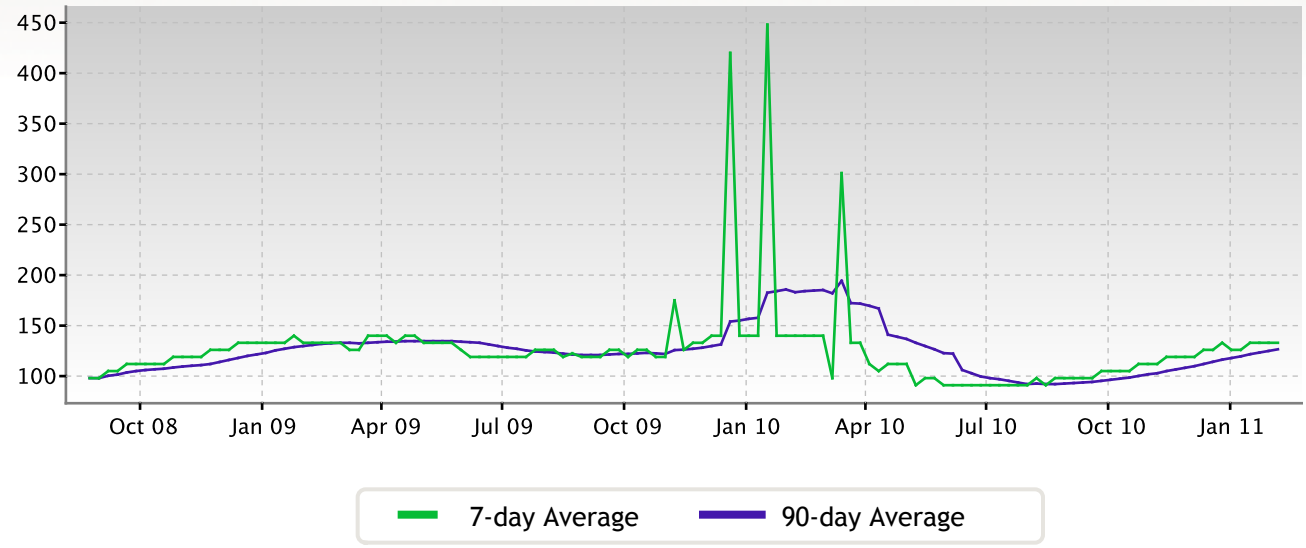


Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

The Market Action Index (MAI) illustrates a balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

Days on Market

The properties have been on the market for an average of 172 days. Half of the listings have come newly on the market in the past 133 or so days.



Days on Market per Quartile

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.

