

Reno/Sparks Association of REALTORS®

December, 2013

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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 - By Special Conditions
- ❖ **New Listings**
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 - By Special Conditions
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- ❖ **Months Supply of Inventory**
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- ❖ **Units and Absorption**
 - by Price
 - by Area Group
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- ❖ **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 January 12th, 2013.

Market Report Commentary

❖ Summary

- “Median sales prices are rising but not at the levels we saw in 2012 and the first six months of this year,” said Mark Ashworth, 2014 president of the Reno/Sparks Association of REALTORS. “We see this as signs that the market beginning to stabilize. December sales are up 2% from November 2013. The 2013 market has returned to its normal seasonality of a winter slow down with sales higher in the spring and summer months.”

❖ Median Sales Price

- December 2013 median price was up 2.0% to \$229,500 compared to \$224,900 in November 2013 and up 23.1% compared to \$186,500 in December 2012.
- 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

- December, 2013 median price on properties with no special conditions was up 5.8% to \$255,000 compared to \$241,000 in November, 2013 and up 16.4% compared to \$219,000 in December, 2012.
- December, 2013 median price on REO (Bank Owned) properties was up 1.0% to \$193,000 compared to \$191,000 in November, 2013 and up 22.5% compared to \$157,500 in December, 2012.
- December, 2013 median price on short sales properties was up 2.7% to \$185,000 compared to \$180,100 in November, 2013 and up 12.1% compared to \$165,000 in December, 2012.

❖ Number of Units Sold

- December, 2013 units sold was up 1.9% to 484 compared to 475 in November, 2013 and down -1.6% compared to 492 in December 2012.

❖ Average Days on Market

- December, 2013 average days on market was up 7.1% to 111 compared to 104 in November, 2013 and down -20.2% compared to 140 in December 2012.

Market Report Commentary, continued

❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 182.
- Properties with no special conditions had an average days on market of 83.
- REO Properties had an average days on market of 113.

❖ New Listings

- December, 2013 new listings was down -42.9% to 275 compared to 482 in November, 2013 and down -10.1% compared to 306 in December 2012.
- Properties listed at under \$250,000 made up 60% of new listings entering the market during the month of December, 2013.
- 29% of new December, 2013 listings were distressed. Short sales 22%; REO 5%; No special conditions 71%; and Other 2%.

❖ Distressed New Listings History

- The allocation of new listings by special conditions increased, representing 27% of the market in December 2013, down from 21% in November 2013, and 45% in December 2012.

❖ Status of Pending

- Active/Pending-Short Sale represent 43.9% of the total active pendings; Active/Pending-Loan equals 19.6%; Pending-No Show represents 27.5%; Active/Pending-Call 7.6%; and Active/Pending-House 1.3%.

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

- At the end of December, 2013, there was 3.3 months of unsold inventory based on the monthly sales rate.

Market Report Commentary, continued

❖ Historical Months Supply of Inventory

- Historical Months Supply of Inventory (MSI) was down in December, 2013 to 3.3, and down from 4.0 in December, 2012.
- 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.

❖ Units and Absorption by Price

- Properties under \$100,000 and between \$500,000 and \$750,000 are in a balanced market.
- Properties over \$750,000 are a buyer's market.
- All other prices bands have less than 3.3 month's supply of inventory and would be considered seller's market.
- 54% of the total sales for the month of December were in the under \$250,000 price range.

❖ Units and Absorption by Area Group

- Spanish Springs had the highest level of active inventory with 150 Active listings.
- The North Valleys, Northwest, Spanish Springs, and Sparks show the highest level of activity in pending sales for the month.
- Spanish Springs, North Valleys, Metro Southwest, Northwest show the highest volume of closed sales for the month.
- VC Highlands and Suburban Southwest are considered a balanced markets with 5 – 7 month's supply of inventory (MSI). Washoe Valley is a buyer's market. All remaining areas are considered a seller's market with less than 3.6 MSI.

❖ Units and Absorption by Condition

- The Month's Supply of Inventory in the category of Real Estate Owned has been steadily increasing and is at a 4.2 MSI in December, 2013.
- No Special Conditions condition properties has 2.9 MSI, Short Sale properties has 4.7 MSI, and Yes-Other had no closed sales.

Market Report Commentary, continued

❖ Conclusion

- December unit sales were at 484 up 2% from November 2013 and down 2% compared to December 2012.
- Total sales for 2013 are down less than 1% from 2012. The year 2013 is the 3rd highest year in sales in history with 6,065 unit sales.
- It's interesting to note that 2012 had the highest total sales for a year in history with 6,099, even though it appears to be a flat performance. In 2013, we returned to the normal sales trend of summer highs and winter lows.
- The median sales price has slowed from the accelerated pace seen during the period January 2012 through May 2013.
- Pending sales were down from November 2013. As pending sales are a leading indicator of future closed transactions, 2014 may have a sluggish start. Even with a slow start, buyer demand and low interest rates should help to sustain the current recovery.
- New listings in December are the lowest in history, but total new listings for 2013 exceeded 2012. New listings are still down significantly from new listing levels prior to 2012.

Recently, National Association of Realtors called on Federal Housing Finance Agency (FHFA) to refrain from changing its fee structure until completing an analysis to determine the effectiveness of its fee pricing policy at bringing private enterprise back into the market.

NAR contends that the change would cause harm to the housing and mortgage markets, the economy as a whole, and homebuyers. The increase in fees will typically be passed on to consumers, making loans backed by Fannie Mae and Freddie Mac more expensive.

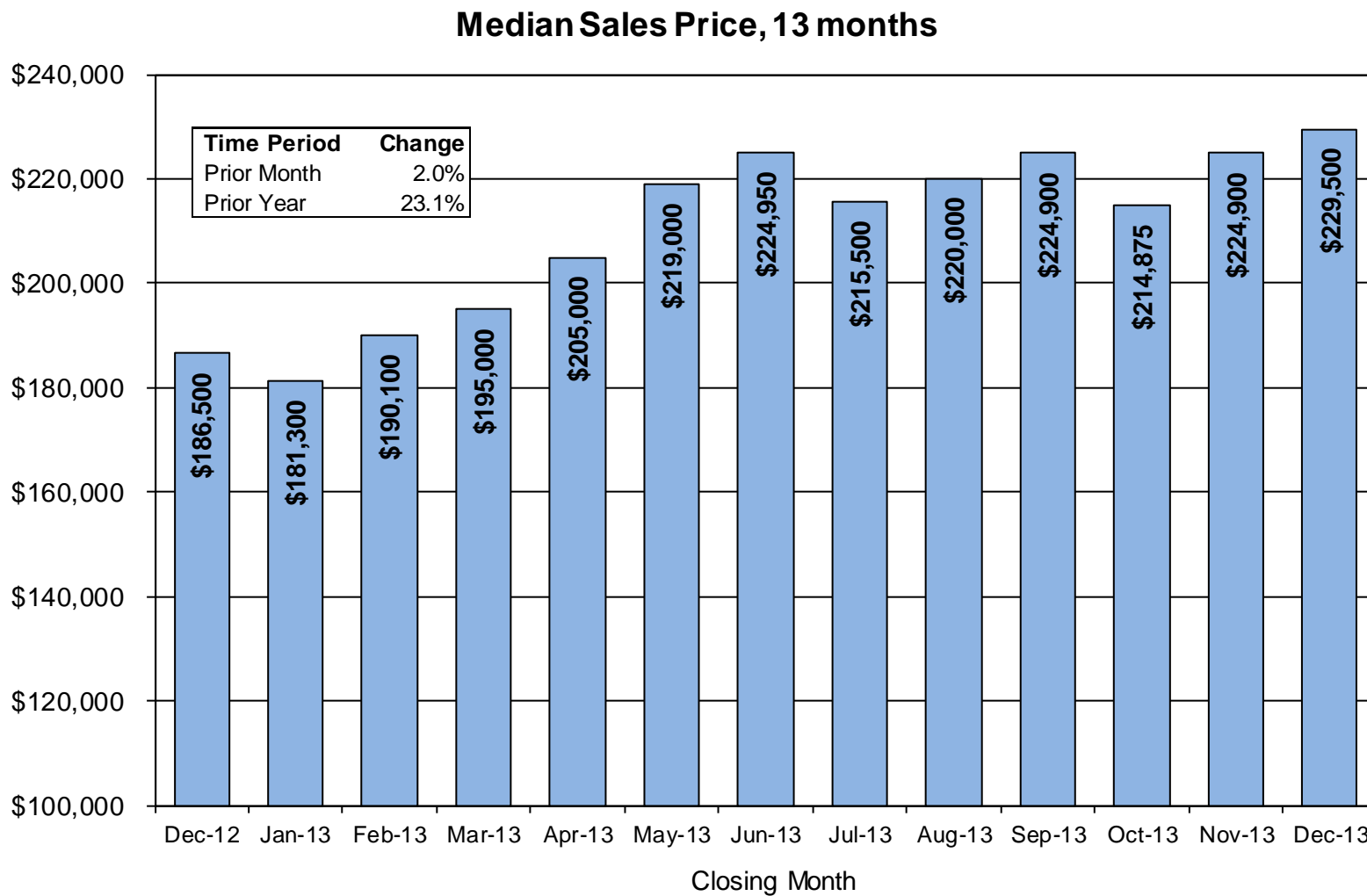
FHFA policies must avoid the unintended consequence of raising fees so high they choke off the housing recovery by making many homebuyers ineligible for loans, especially if the policies do not achieve the intended but possibly unattainable goal of increasing private sector lending in the mortgage market.

In a January 8 press release, Realtors® applauded the decision by FHFA to delay increases in guarantee fees on loans purchased by Fannie Mae and Freddie Mac. NAR President Gary Thomas said, "We are pleased that FHFA has agreed to halt implementation of the increases and to conduct a thorough evaluation of the proposed changes and their likely impact on mortgage credit availability."

Realtors and consumers can read more on NAR position by [clicking here](#).

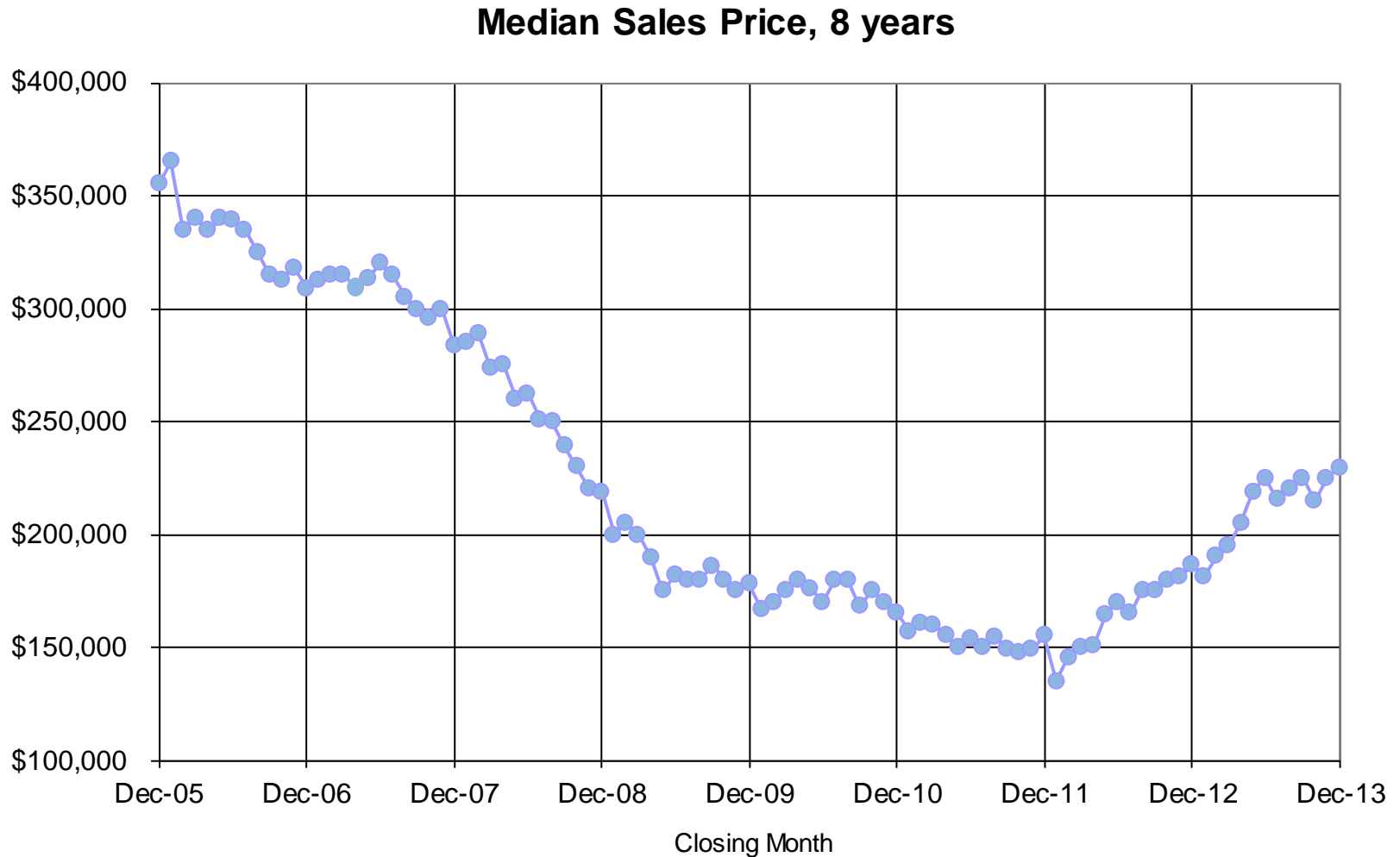
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Median Sales Price



Summary: Median Sales Price

December, 2013



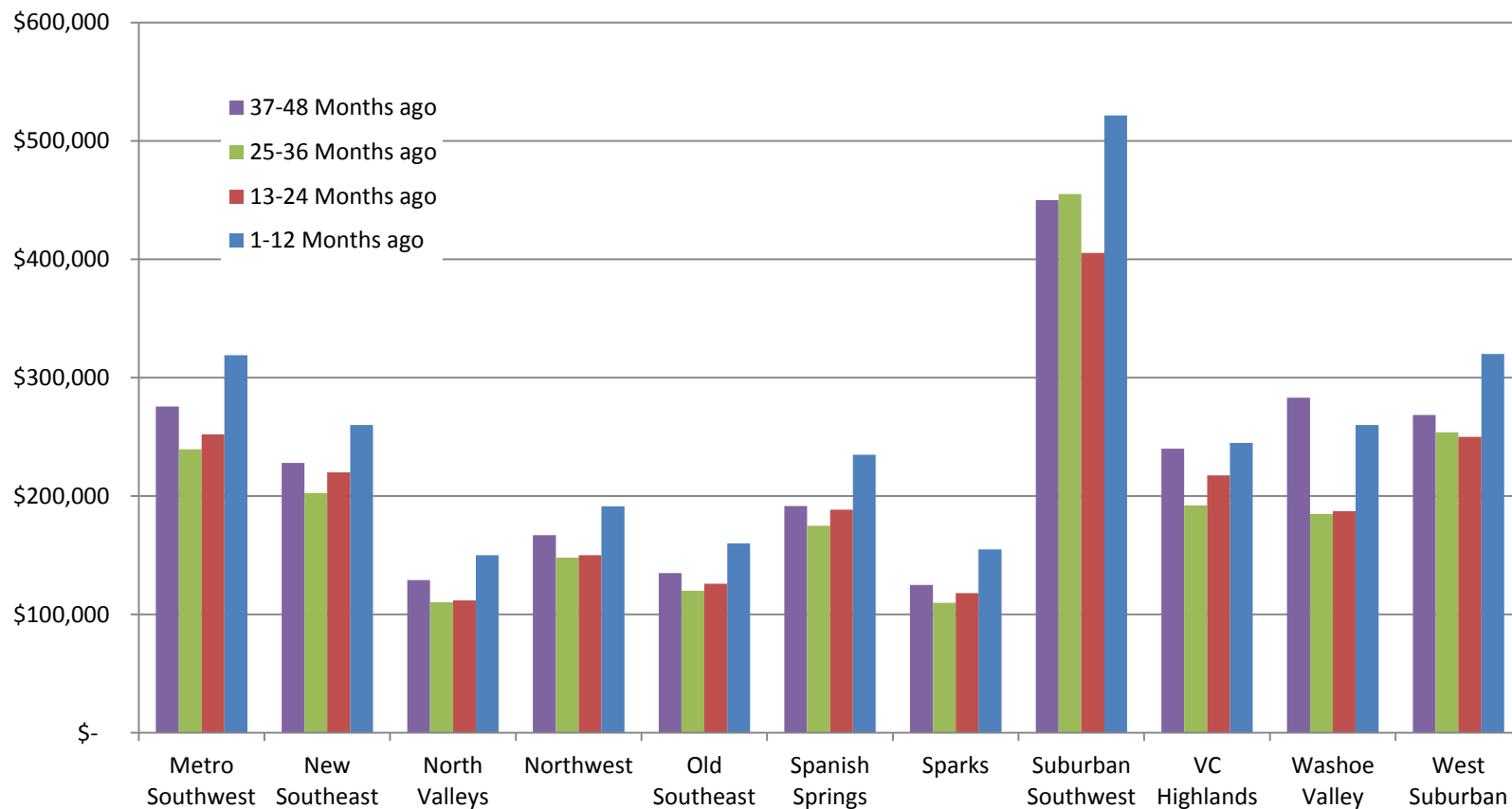
Price per Square Foot

December, 2013

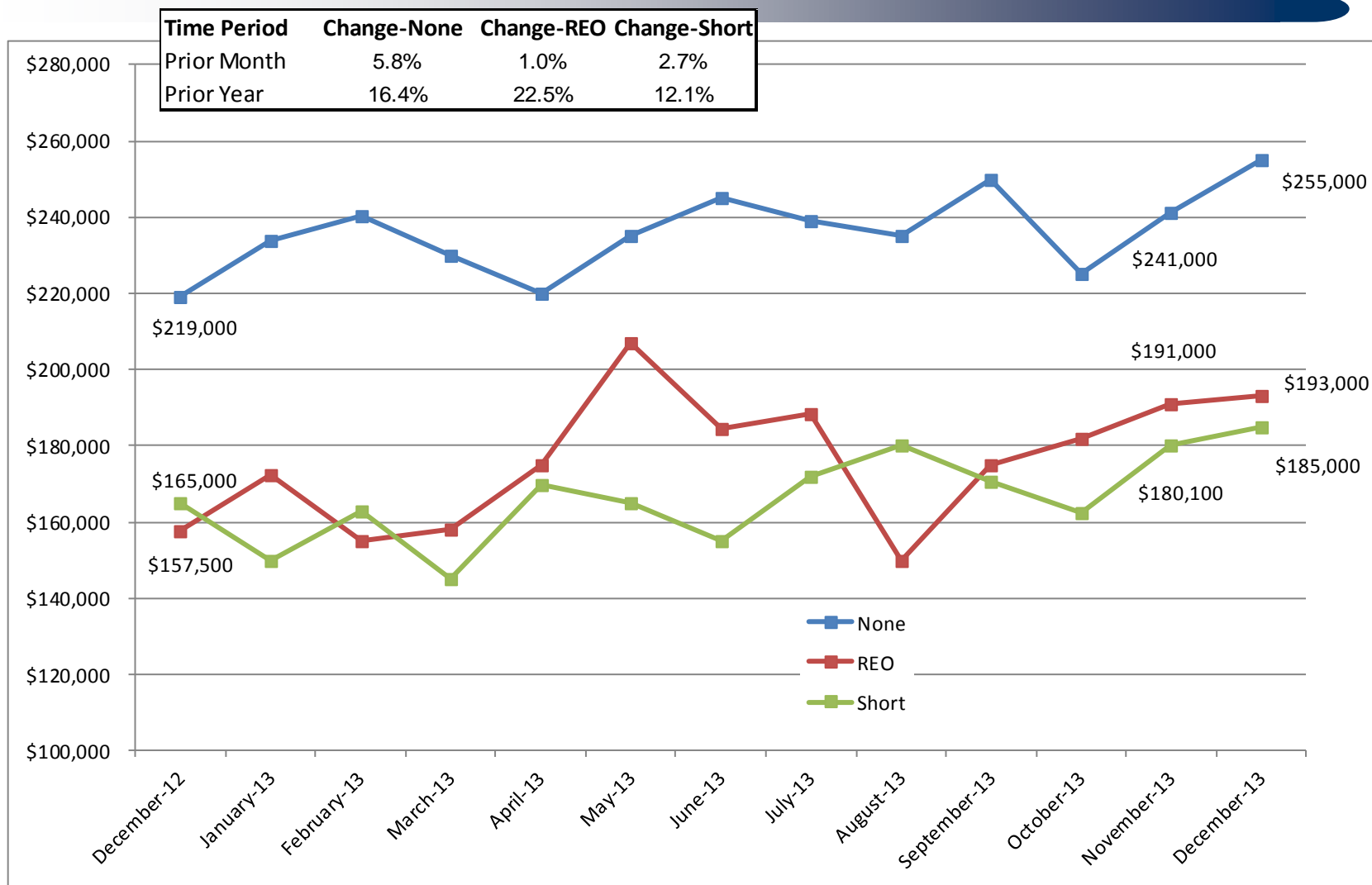
Sold Dollars per Square Foot, 5 year History



Annualized Median Price by Area Group



Median Sales Price by Special Condition

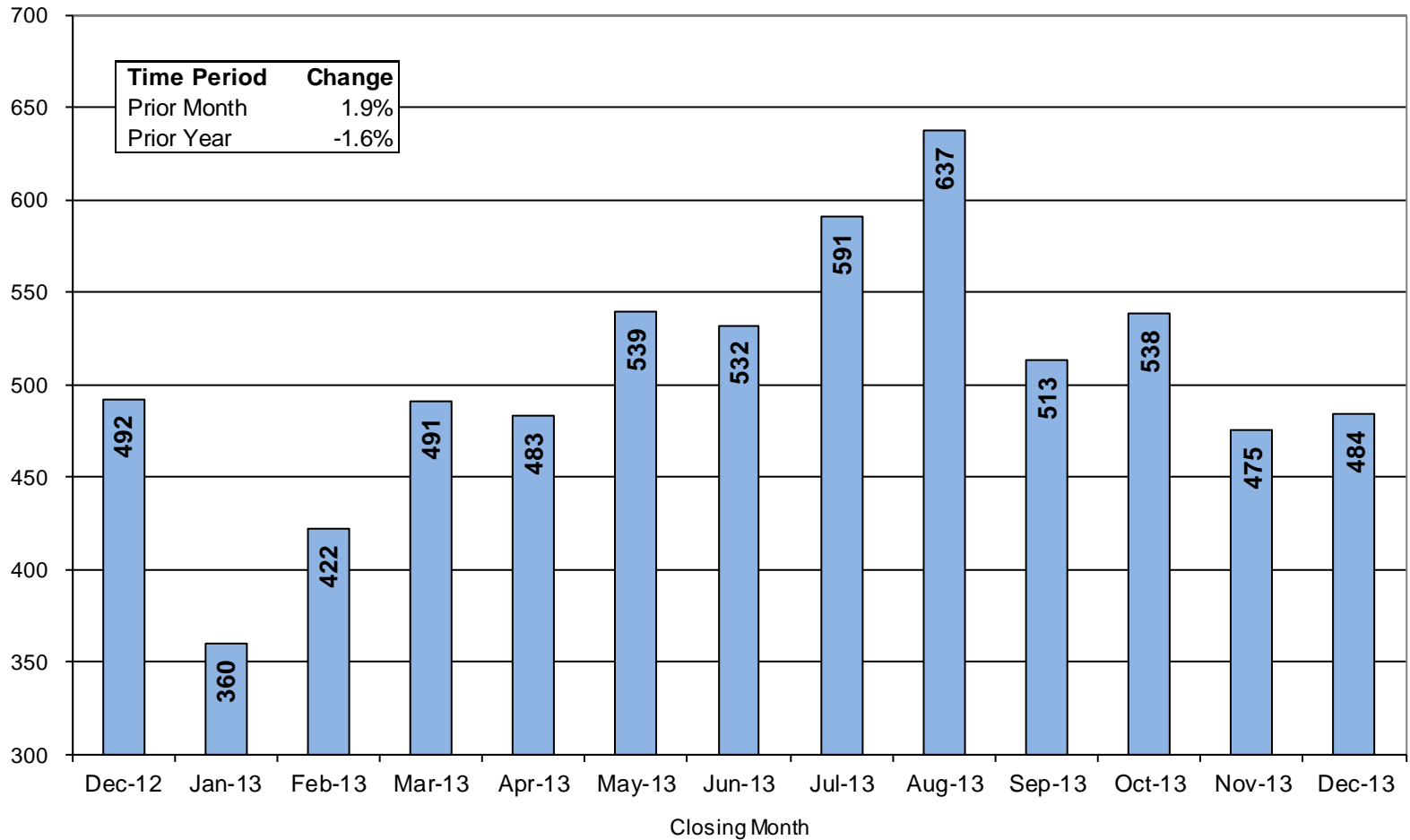


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.

Number of Units Sold

December, 2013

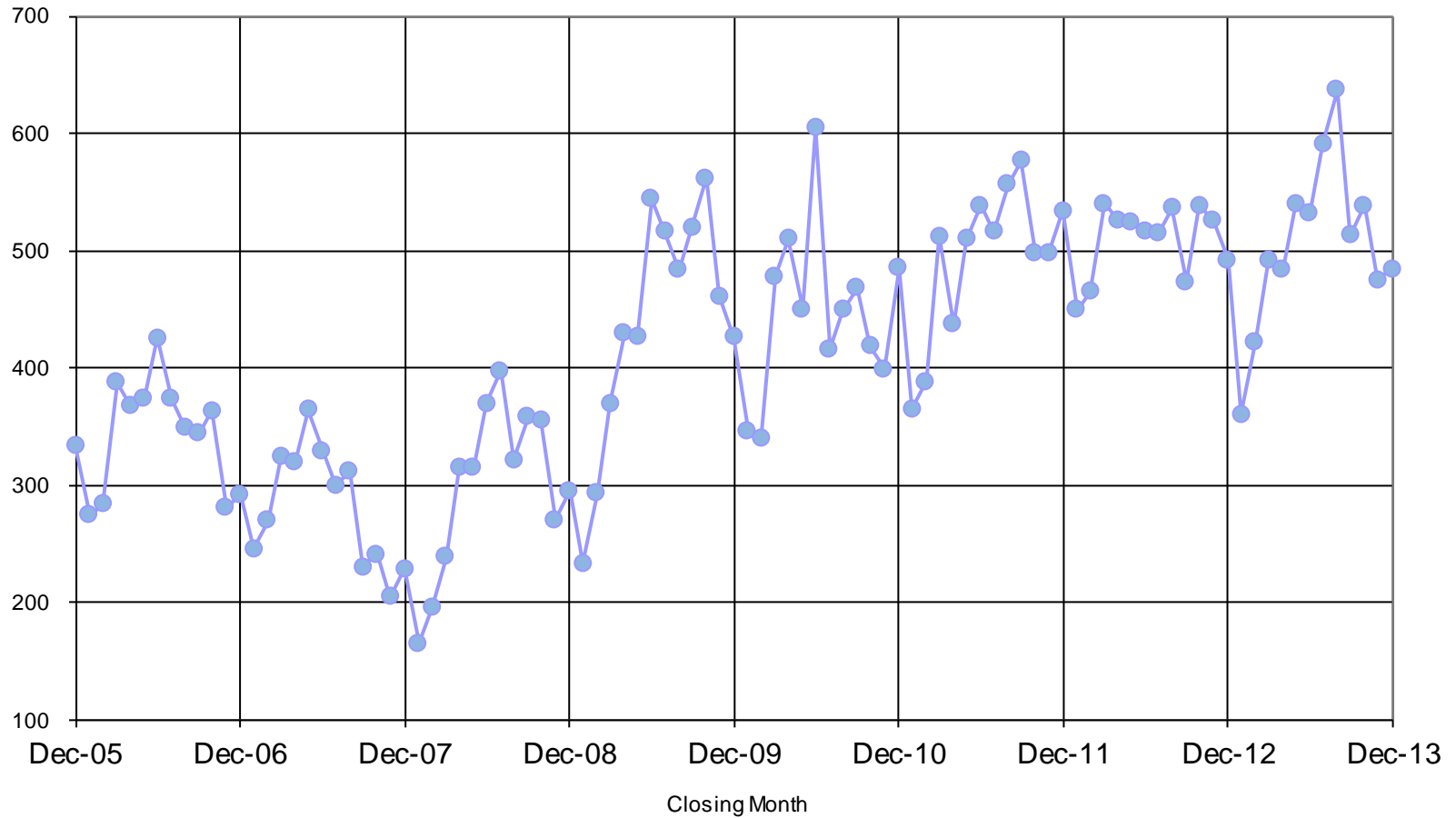
Number of Units Sold, 13 months



Number of Units Sold

December, 2013

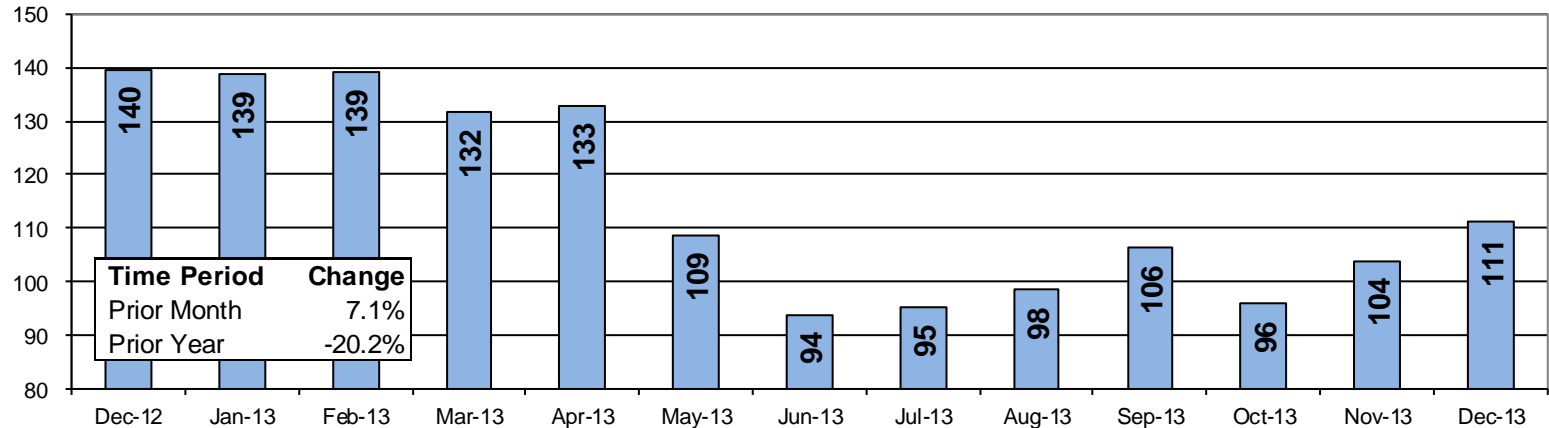
Number of Units Sold, 8 years



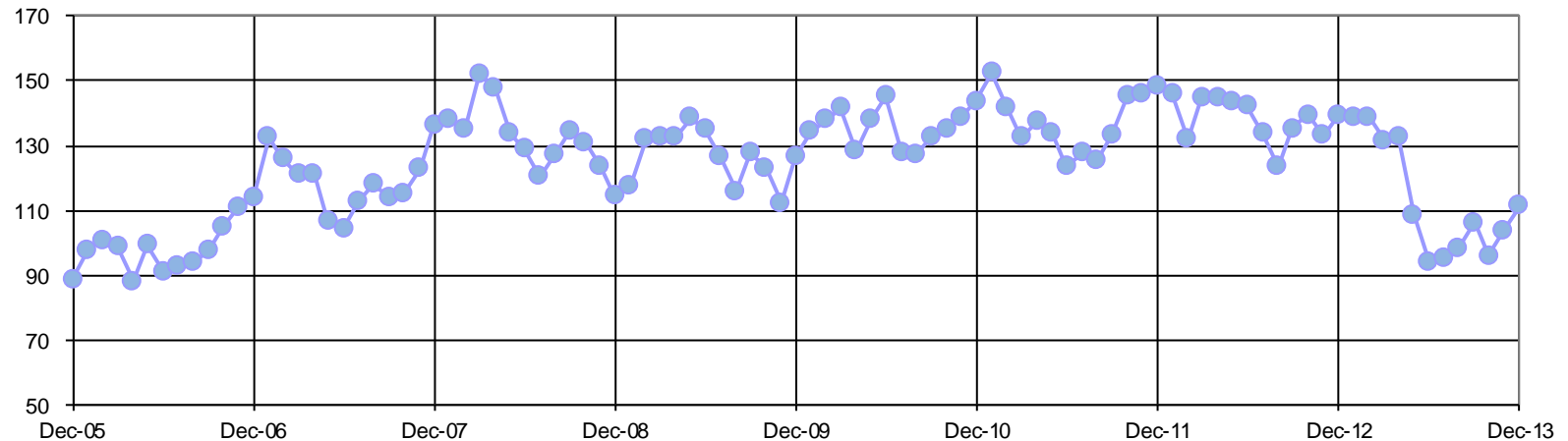
Days on Market, by Month

December, 2013

Average Days on Market for Solds, 13 months

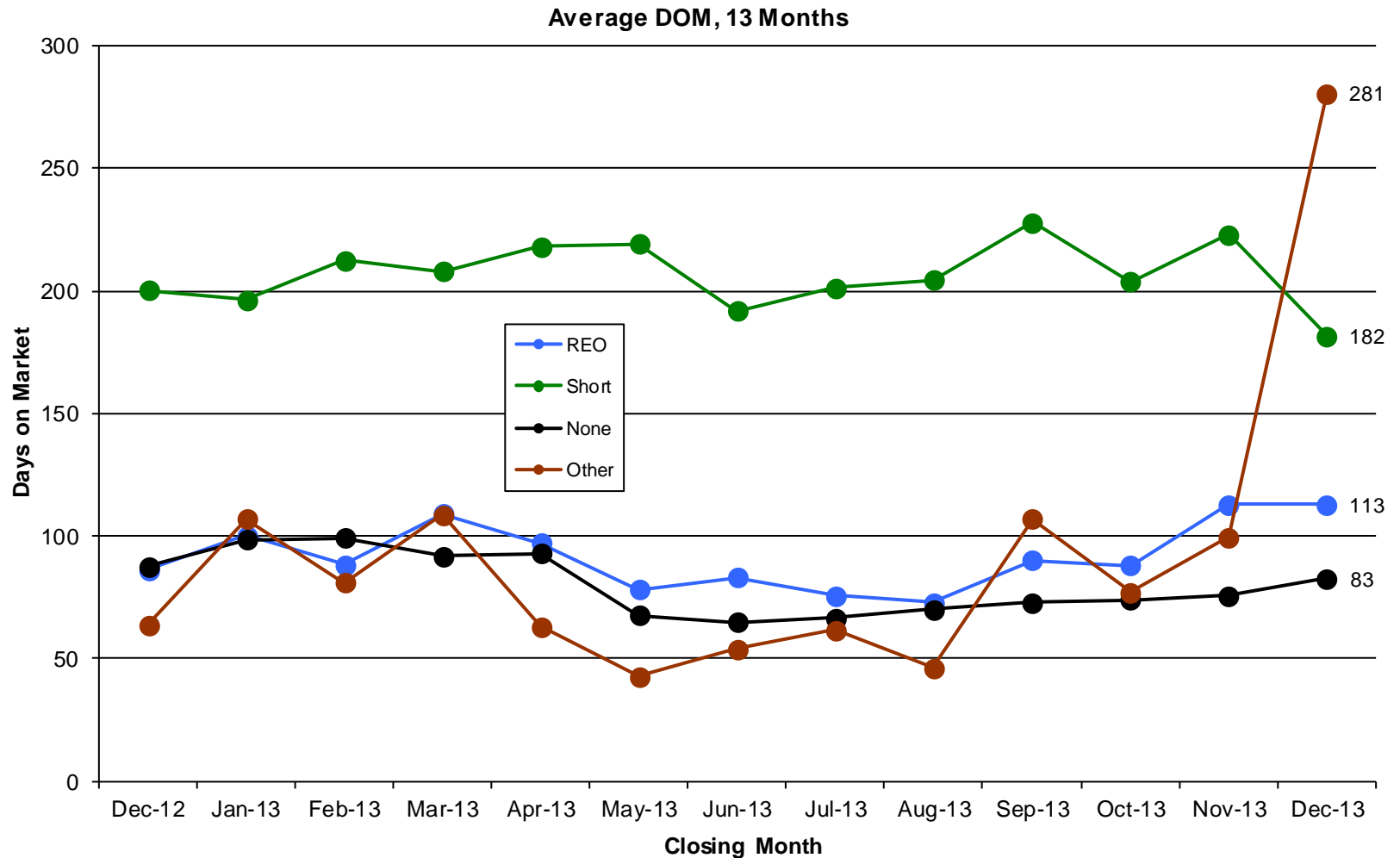


Average Days on Market for Solds, 8 years



Days on Market, by Special Conditions

December, 2013

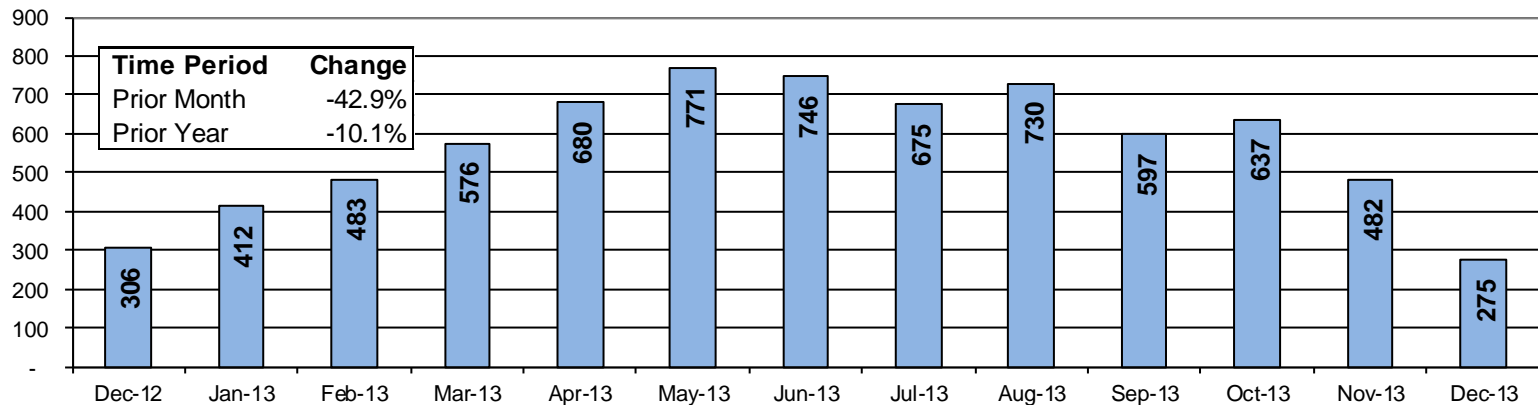


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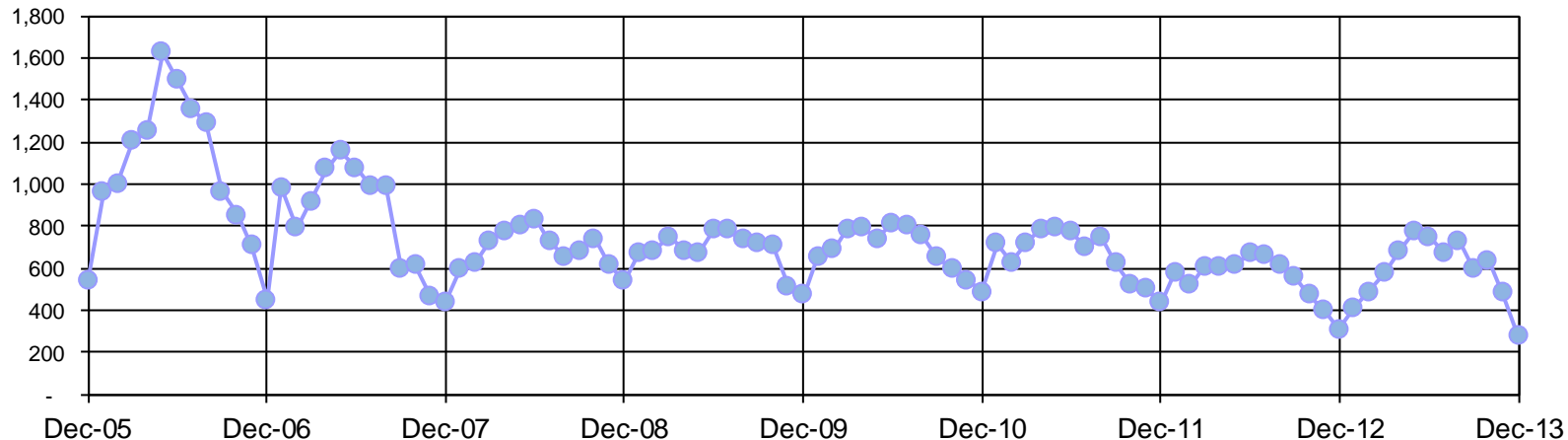
New Listings, by Month

December, 2013

New Listings by Month, 13 months

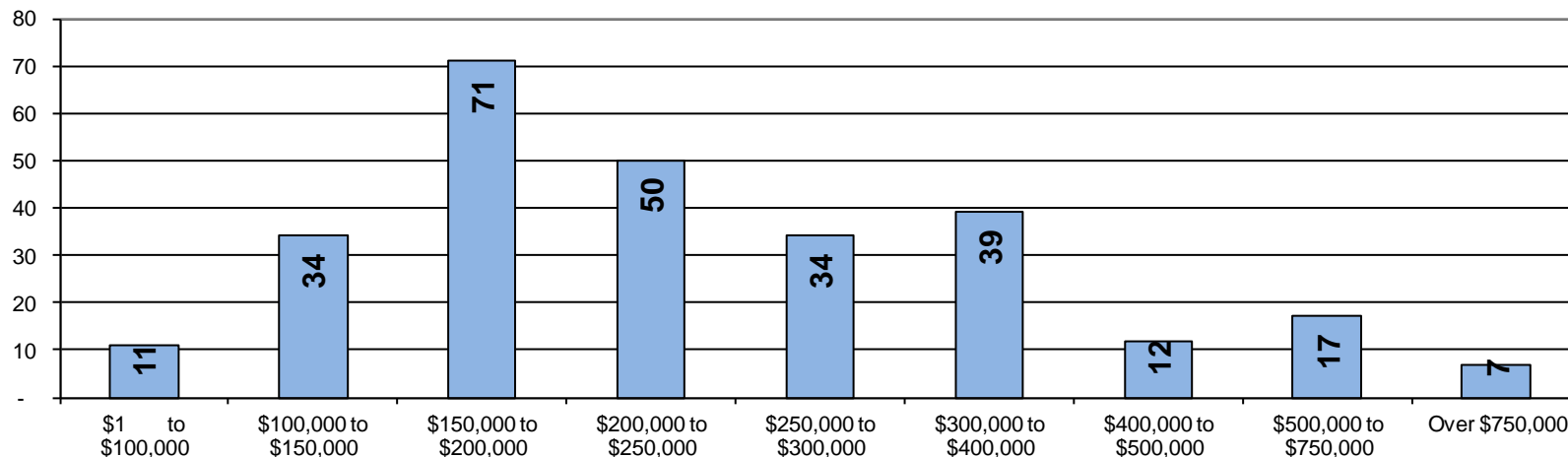


New Listings by Month, 5 years

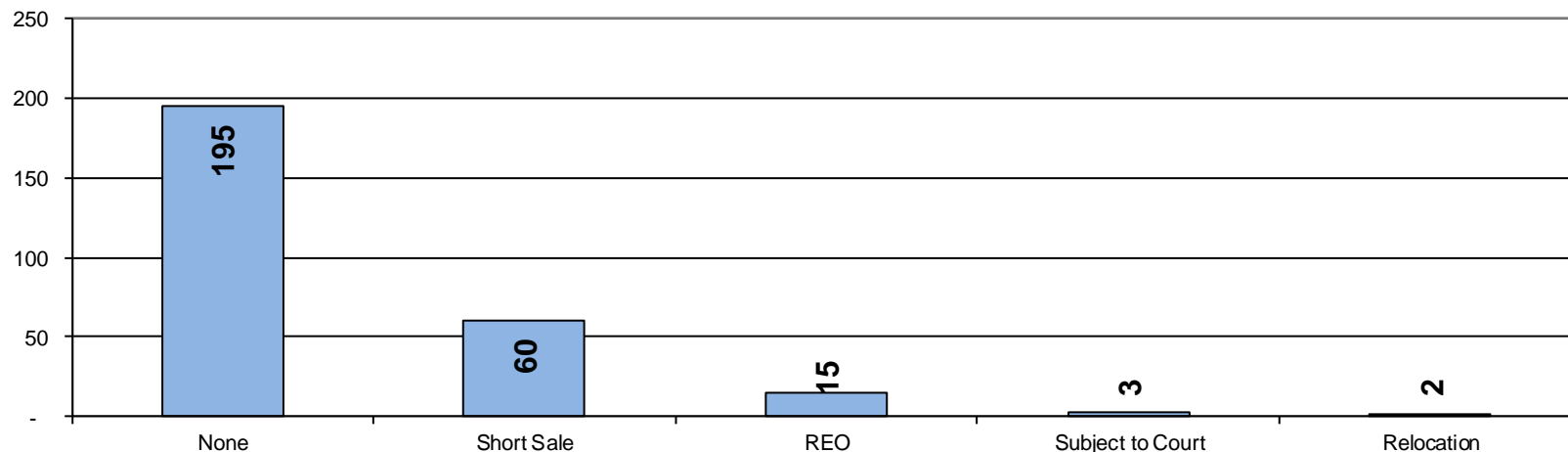


New Listings, by Price and by Special Condition

New Listings, by Price Range



New Listings, by Special Condition

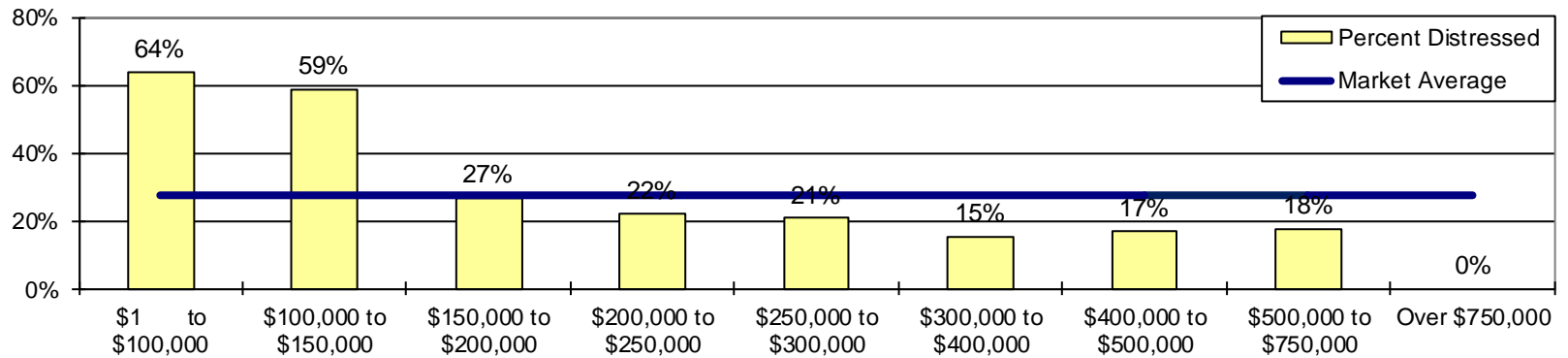


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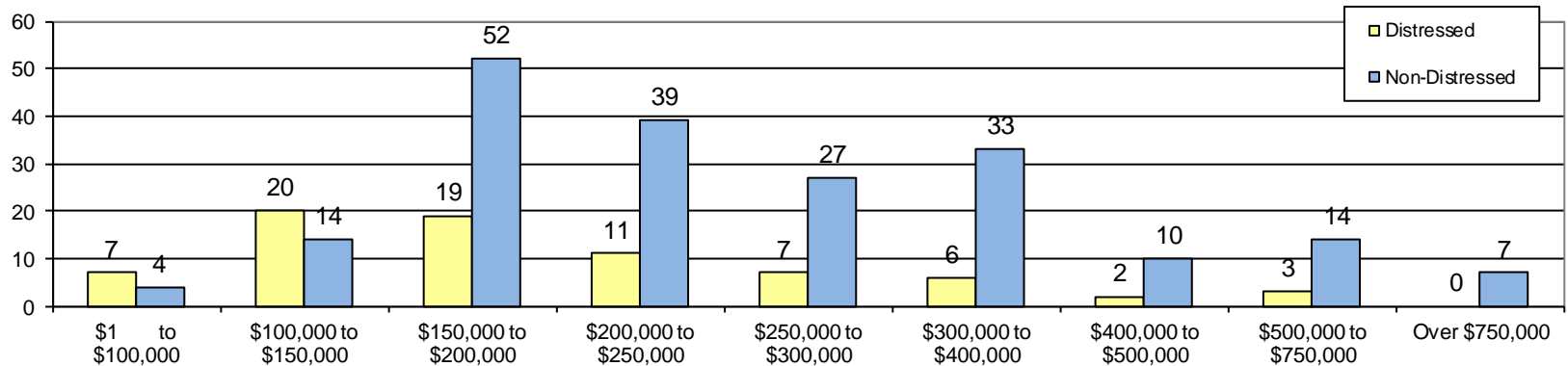
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Distressed Listings, by Price

Percentage Distressed New Listings by Price, current month



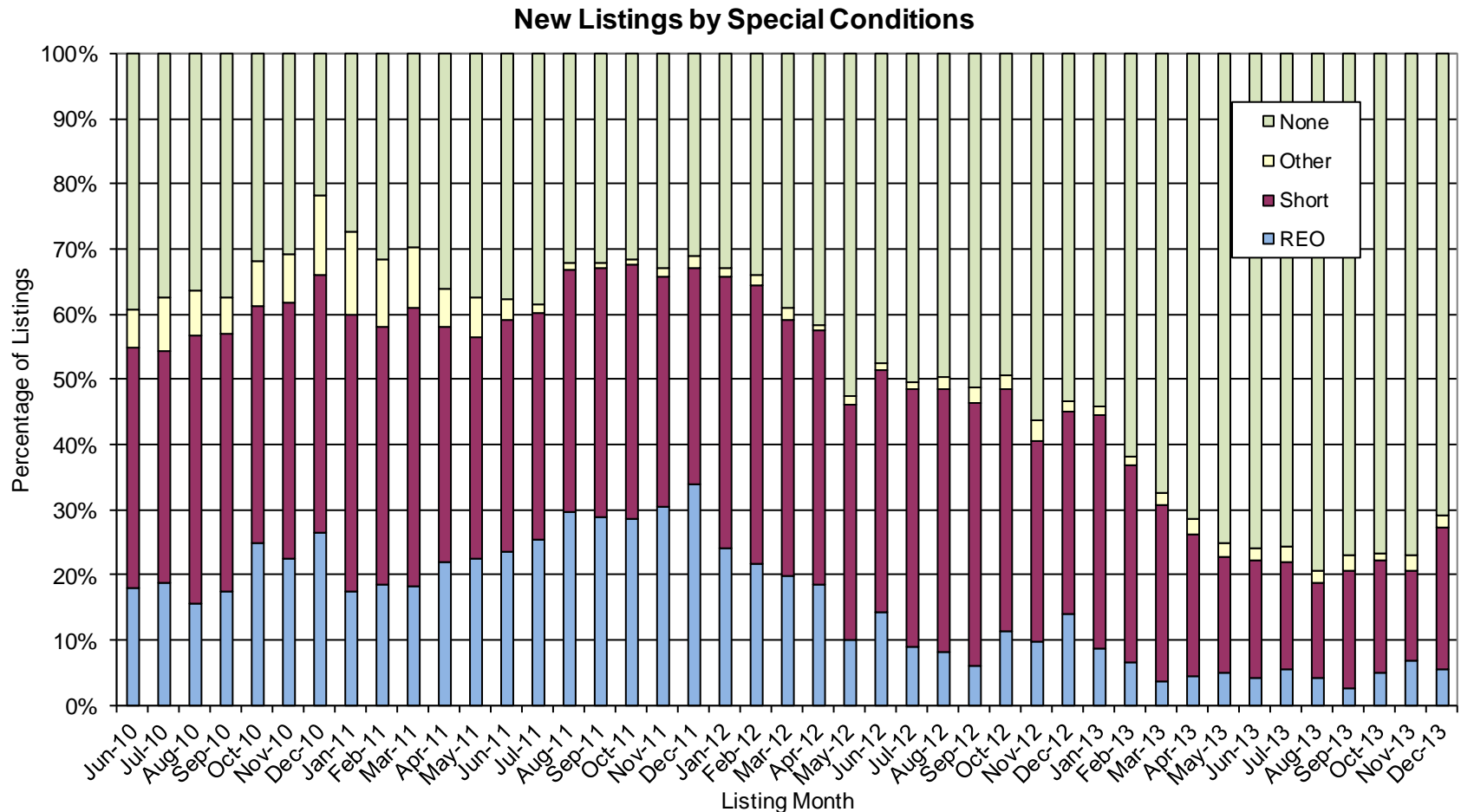
Number of Distressed and NonDistressed New Listings by Price, current month



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Distressed Listings, as a percentage of all listings

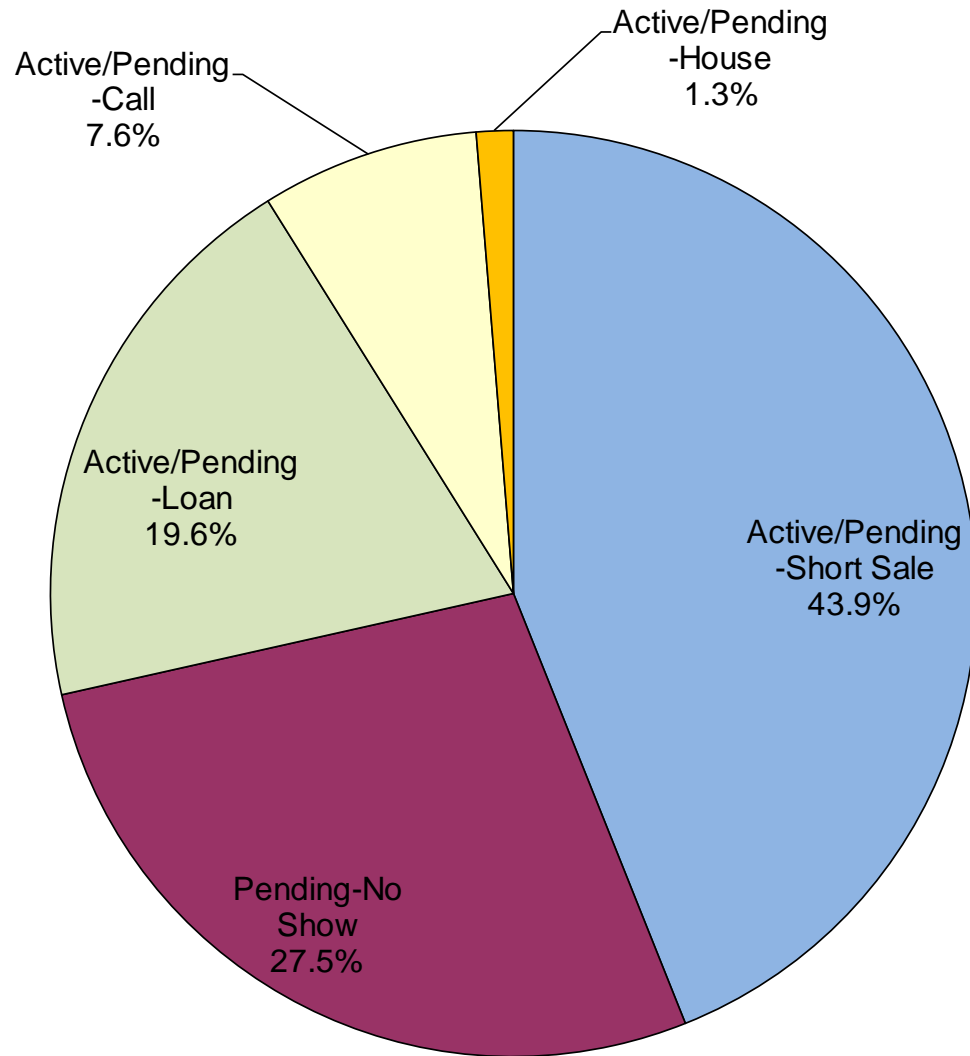
December, 2013



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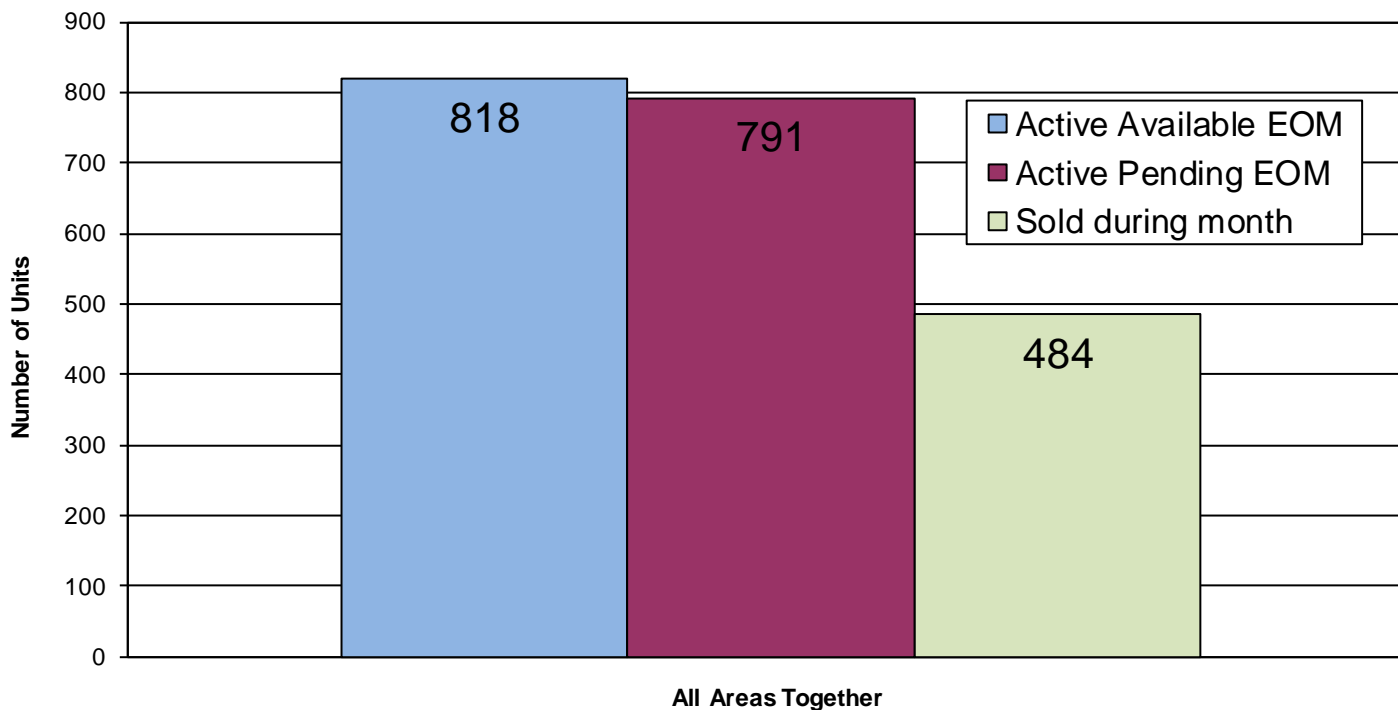
Status of Pendings, Current Month

December, 2013



Months Supply of Inventory, Current Month

$(818 + 791) \text{ available} / 484 \text{ units sold} = 3.3 \text{ months of inventory}$

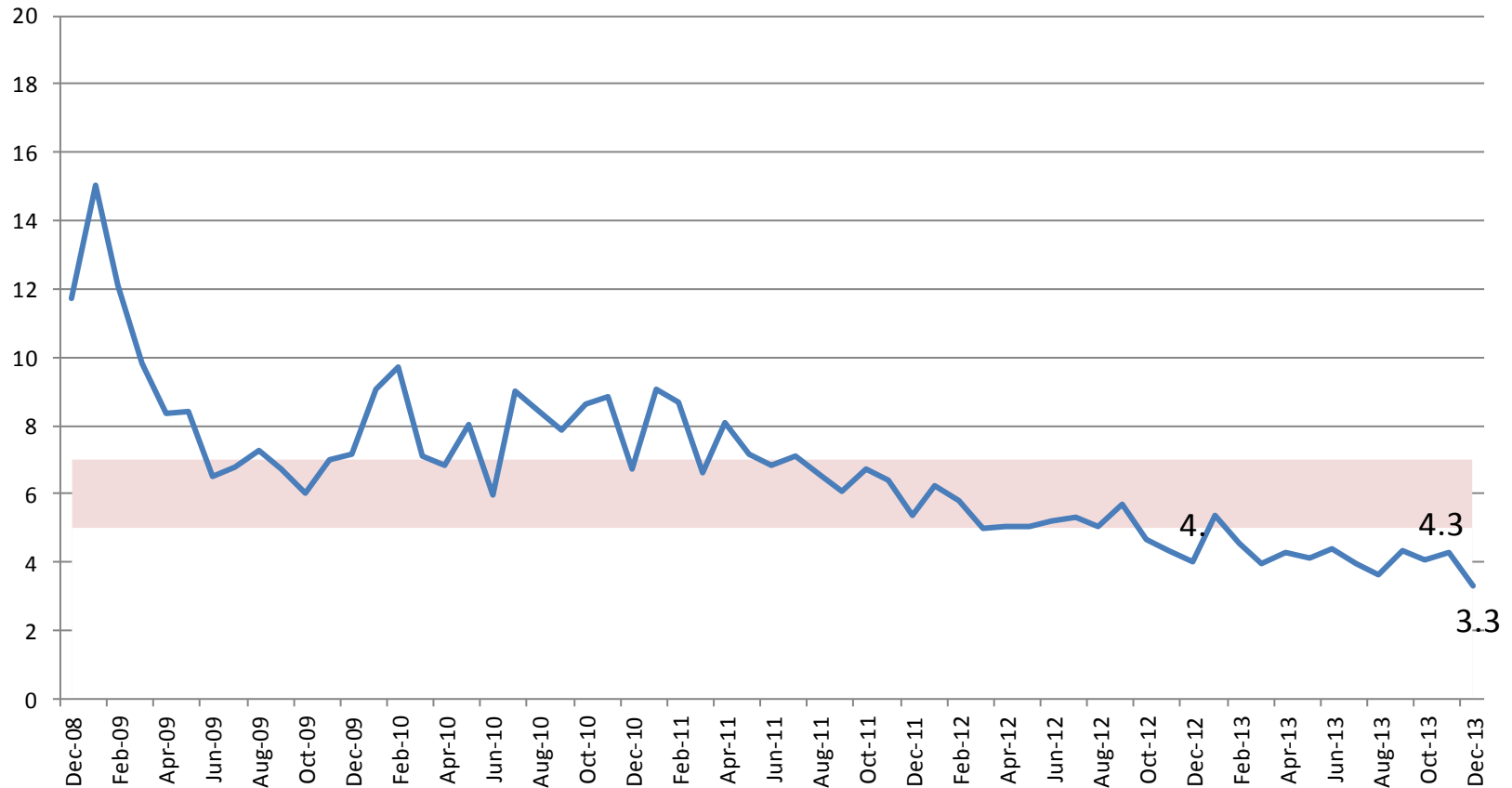


Unsold Inventory includes Active Pending. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

Months Supply of Inventory, Historical 5 years

December, 2013

Month's Supply of Inventory, 5 year history



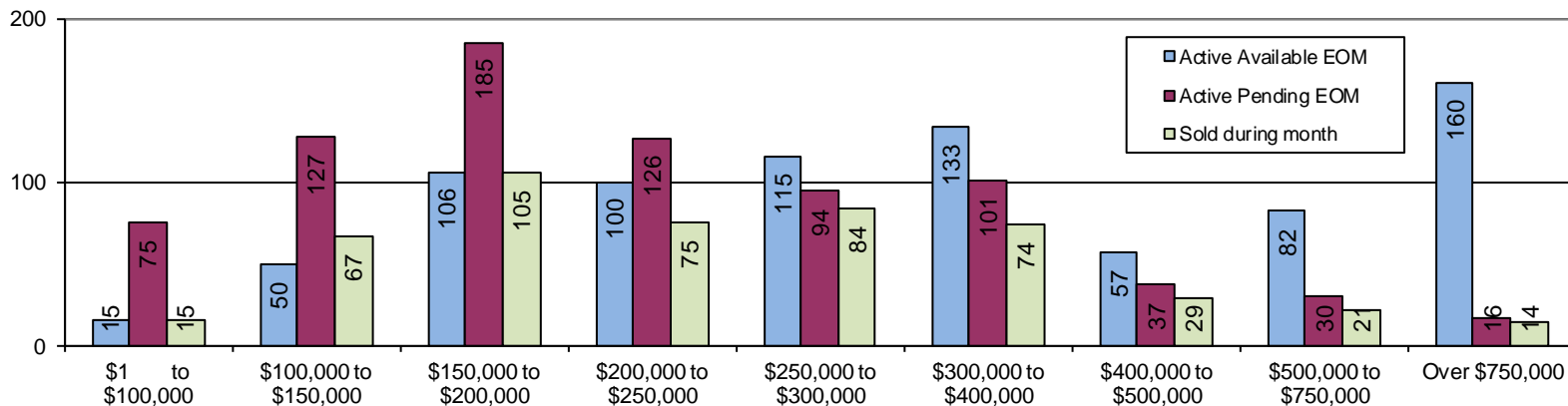
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Reno/Sparks Association of REALTORS®

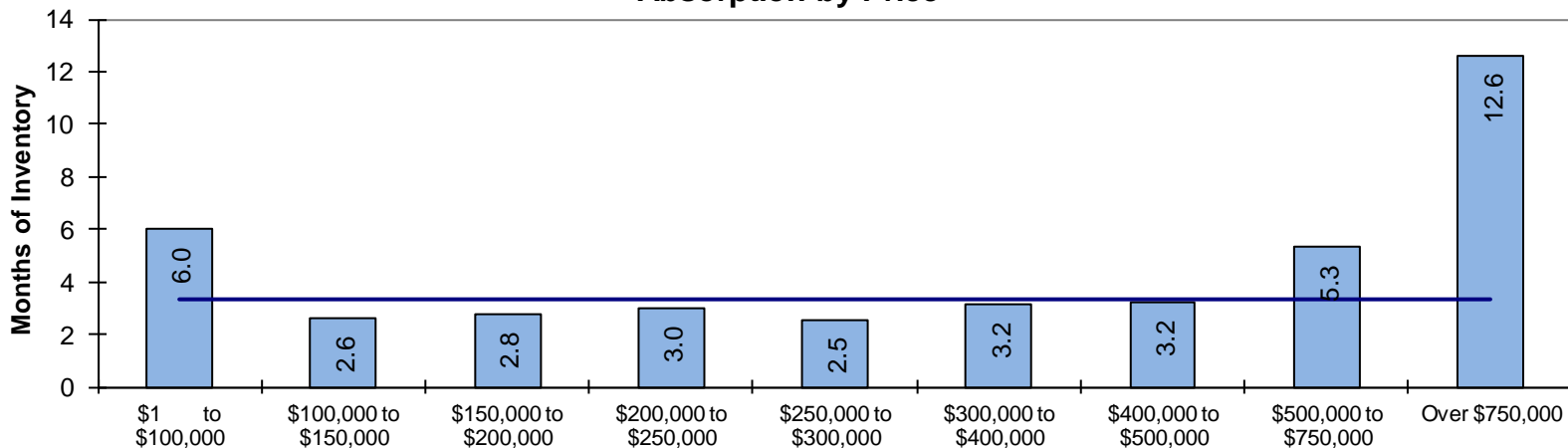
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Units and Absorption, by Price

Active and Sold Homes by Price, current month



Absorption by Price



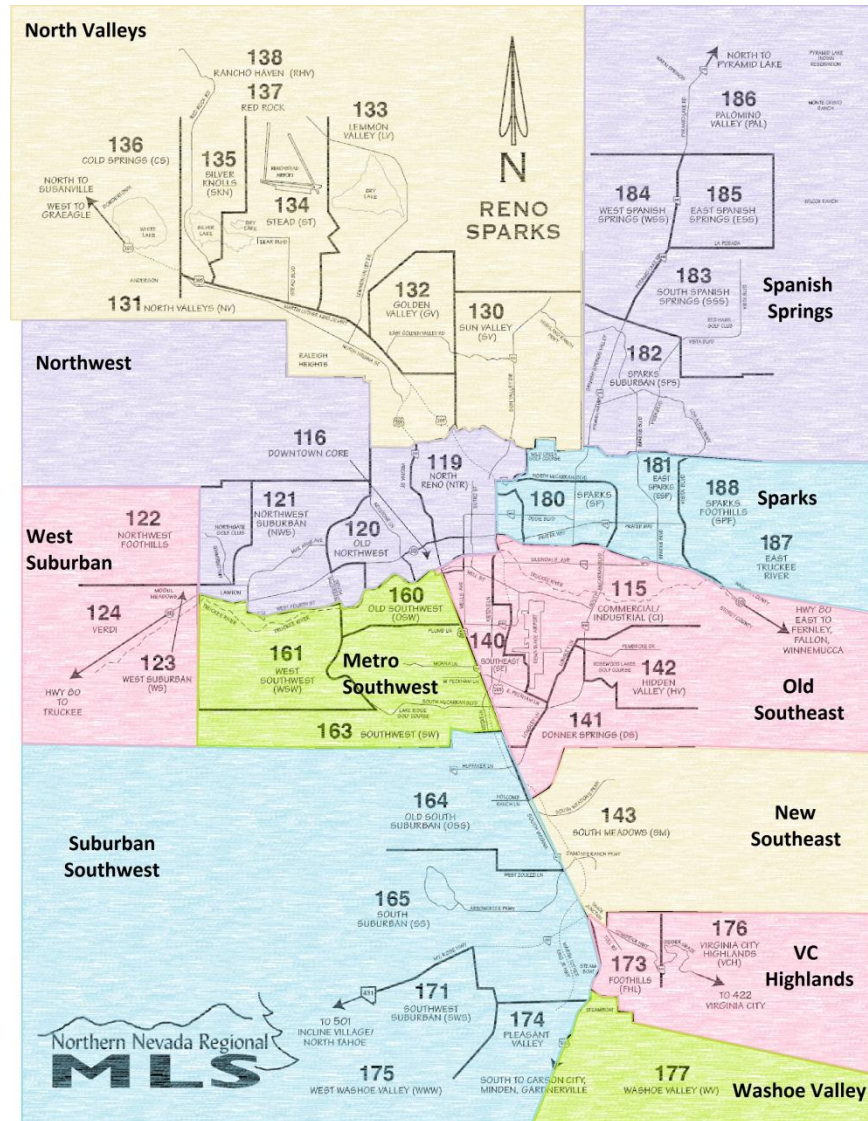
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Reno/Sparks Area Map

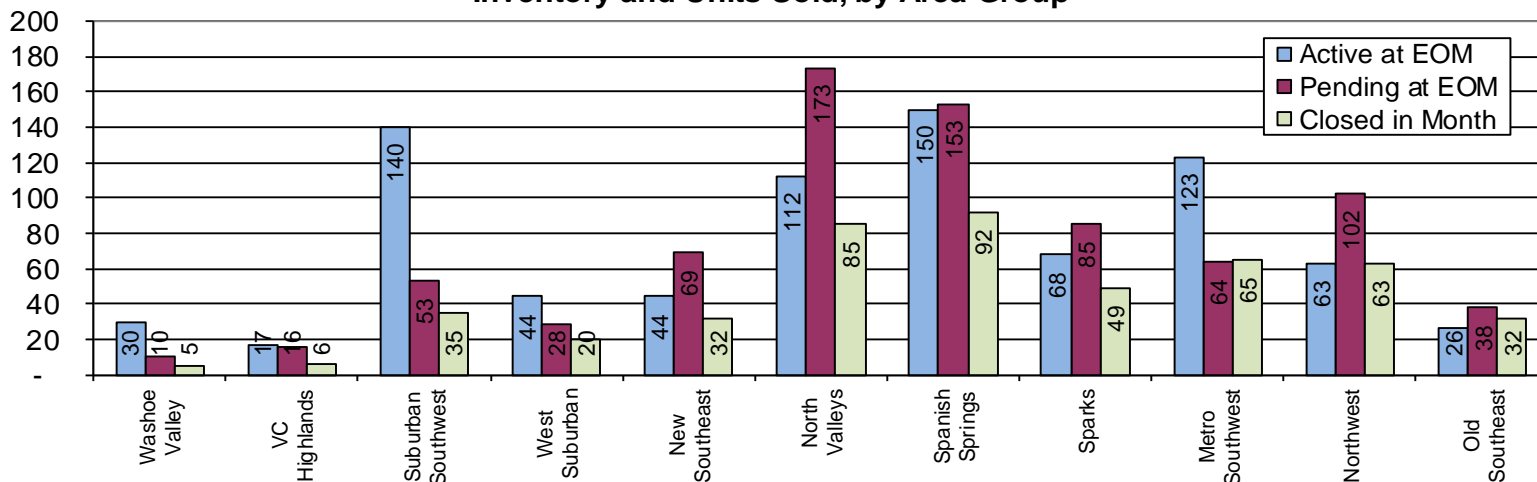
December, 2013



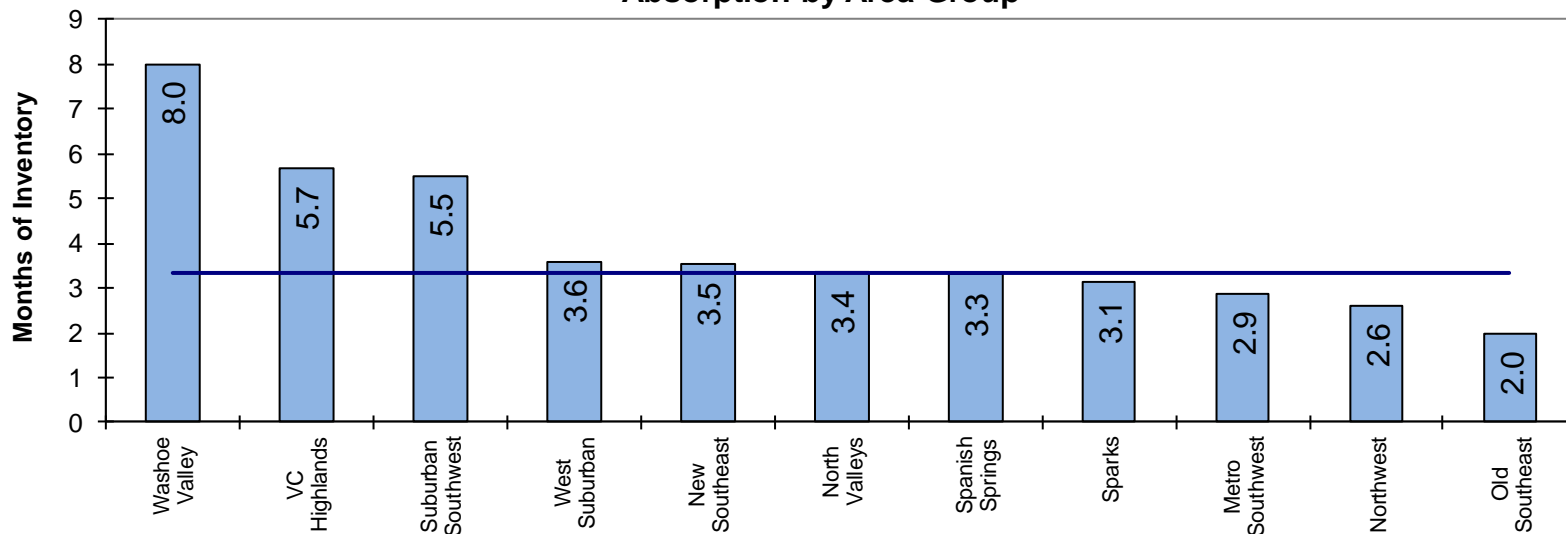
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Units and Absorption, by Area Group

Inventory and Units Sold, by Area Group

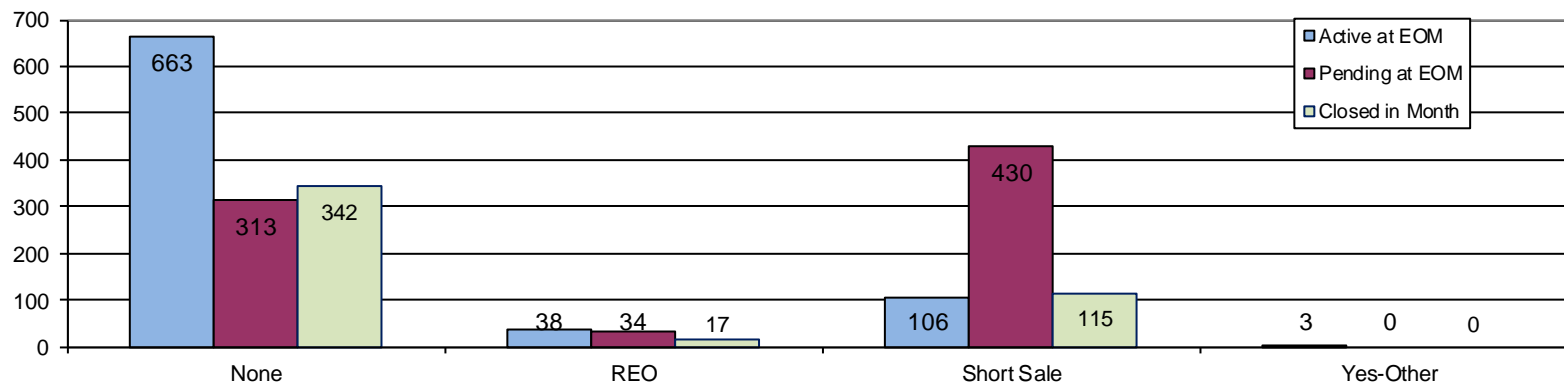


Absorption by Area Group

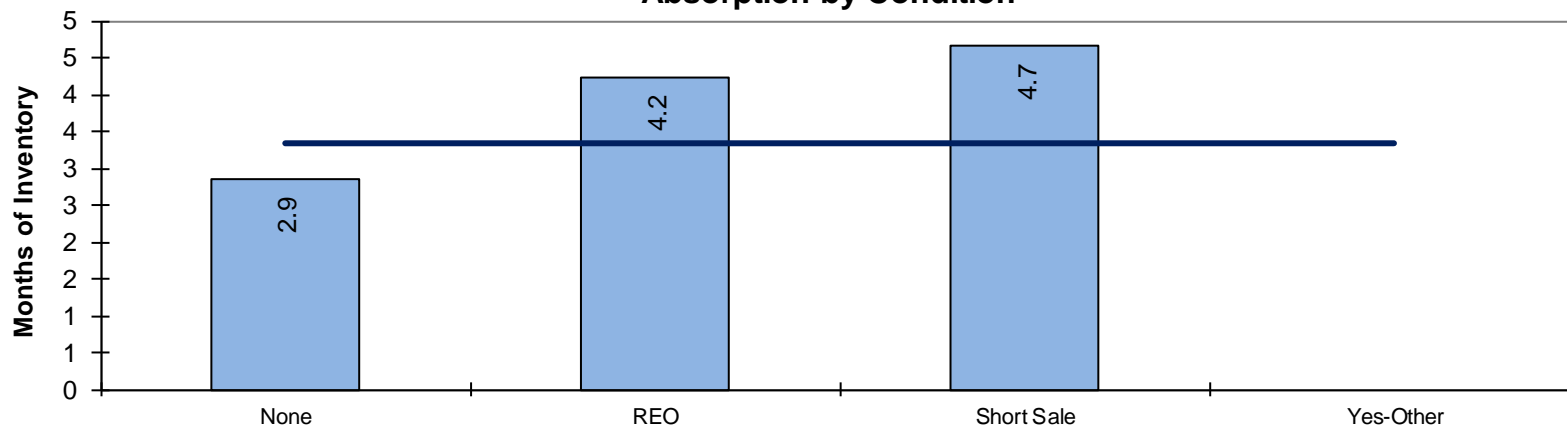


Units and Absorption, by Special Condition

Active and Sold Homes by Condition, current month



Absorption by Condition



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