

Reno/Sparks Association of REALTORS®

October, 2014

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®.



Database Analysis Excellence

Proprietary

Market Report Outline

- ❖ **Commentary**
- ❖ **Median Sales Price**
 - Annualized by Area Group
 - By Special Conditions
- ❖ **Number of Units Sold**
- ❖ **Days on Market**
 - By Month
 - By Special Conditions
- ❖ **New Listings**
 - By Month
 - By Price
 - By Special Conditions
- ❖ **Distressed Listings**
 - By Price
 - As a Percentage of Listings
- ❖ **Status of Pendings**
- ❖ **Months Supply of Inventory**
 - Current Month
 - 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 November 7^h, 2014.

Market Report Commentary

❖ Summary

“According to an economic forecast at the residential forum held during the [2014 REALTORS® Conference and Expo](#) that was held earlier in November, existing home sales are expected to be higher next year and prices will remain at a healthier level of growth that benefit both buyers and sellers,” said Mark Ashworth, 2014 president of the Reno/Sparks Association of REALTORS. “[Lawrence Yun](#), chief economist of the National Association of REALTORS®, said existing-home sales this year got off to a slow start, but have recently shown stronger growth, slower price gains and pent-up demand. He expects the national median existing-home price to rise 4 percent both in 2015 and 2016.”

❖ Median Sales Price

- October 2014 median price was up 8.8% to \$260,000 compared to \$239,000 in September 2014 and up 21.0% compared to \$214,875 in October 2013.
- 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

- October, 2014 median price on properties with no special conditions was up 9.4% to \$268,000 compared to \$245,000 in September, 2014 and up 19.1% compared to \$225,000 in October, 2013.
- October, 2014 median price on REO (Bank Owned) properties was down -12.5% to \$196,900 compared to \$225,000 in September, 2014 and up 8.2% compared to \$182,000 in October, 2013.
- October, 2014 median price on short sales properties was up 22.9% to \$200,000 compared to \$162,750 in September, 2014 and up 20.3% compared to \$166,250 in October, 2013.

❖ Number of Units Sold

- October, 2014 units sold was down -5.2% to 477 compared to 503 in September, 2014 and down -11.3% compared to 538 in October 2013.

Market Report Commentary, continued

❖ Average Days on Market

- October, 2014 average Days On Market was down -1% to 95 compared to 96 in September, 2014 and down -1% compared to 96 in October 2013.

❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 278.
- Properties with no special conditions had an average days on market of 83.
- REO Properties had an average days on market of 101.

❖ New Listings

- October, 2014 new listings was down -9.1% to 517 compared to 569 in September, 2014 and down -19.5% compared to 642 in October 2013.
- Properties listed at under \$250,000 made up 44% of new listings entering the market during the month of October, 2014.
- 14% of new October, 2014 listings were distressed. Short sales 6%; REO 4%; No special conditions 86%; and Other 2%.

❖ Distressed New Listings History

- The allocation of new listings by special conditions decreased, representing 11% of the market in October 2014, down from 12% in September 2014, and 23% in October 2013.

❖ Status of Pending

- Active/Pending-Loan represent 35.0% of the total active pendings; Active/Pending-Short Sale equals 22.3%; Pending-No Show represents 26.4%; Active/Pending-Call 13.3%; and Active/Pending-House 3.0%.

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

- At the end of October, 2014, there was 4.1 months of unsold inventory based on the monthly sales rate.

Market Report Commentary, continued

❖ Historical Months Supply of Inventory

- October, 2014 MSI was down to 4.1 compared to 4.4 in September, 2014 and down from 4.2 in October, 2013.
- 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: \$1 to \$100,000, \$500,000 to \$750,000,
- Price Bands in a Buyer's Market are: Over \$750,000,
- Price Bands in a Seller's Market are: \$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,
- 47% of the total sales for October, 2014 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: VC Highlands, Washoe Valley,
- Area Groups in a Seller's Market are: Metro Southwest, New Southeast, North Valleys, Northwest, Old Southeast, Spanish Springs, Sparks, West Suburban,
- Metro Southwest had the highest level of active inventory with 189 active listings.
- Spanish Springs had the highest level of pending sales with 195 pendlings.
- Spanish Springs had the highest level of closed sales with 81 closed sales.

❖ Units and Absorption by Condition

- The Months Supply of Inventory in the category of Real Estate Owned is at a 4.1 MSI in October, 2014.
- No Special Conditions condition properties has 3.6 MSI, Short Sale properties has 10.6 MSI, and Yes-Other has 0.0 MSI.

❖ Affordability Index, *New Report*

- 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

❖ Conclusion

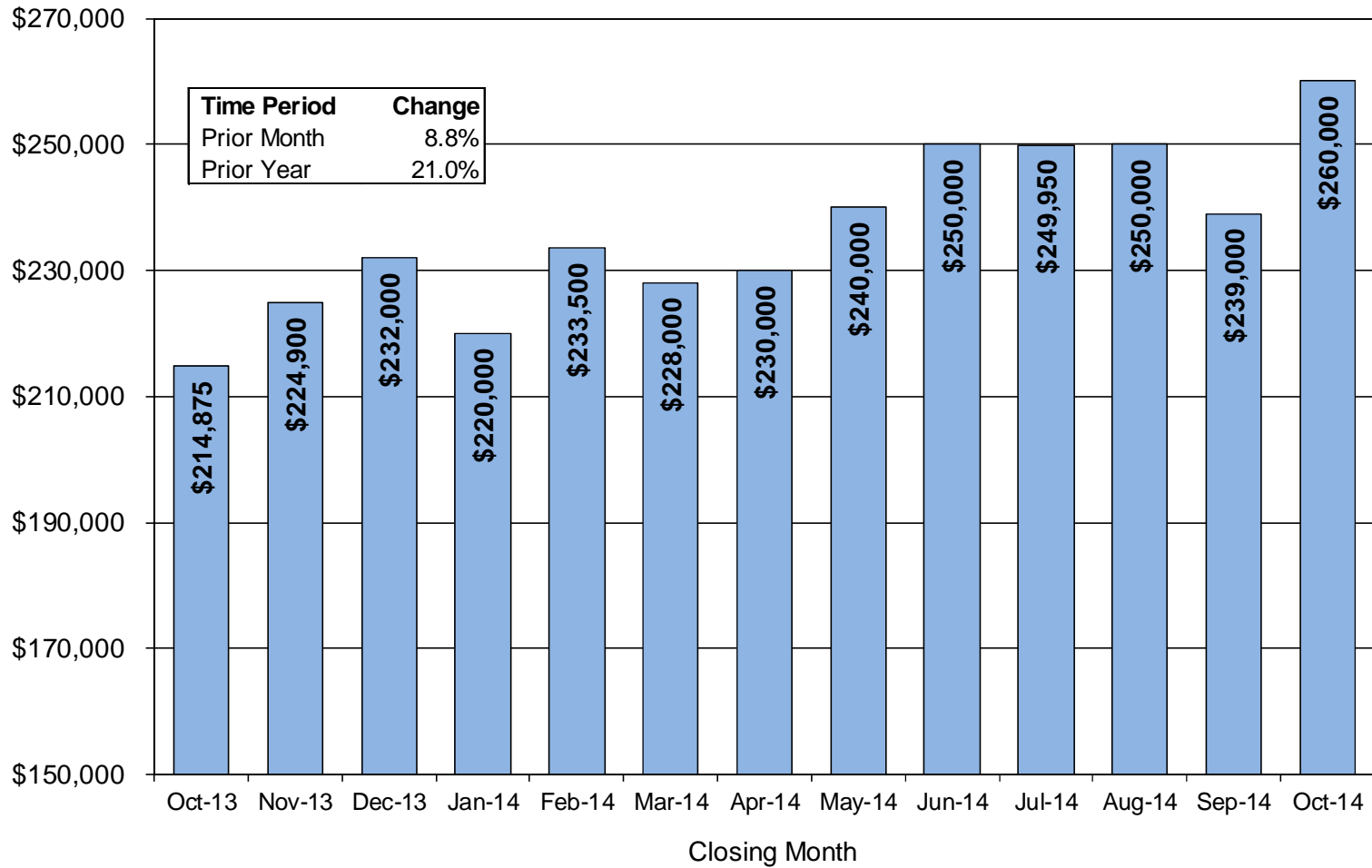
- After four months of stable prices, the median price increased to \$260,000 up 9% from the prior month. As we approach the winter months, it's too early to call the October uptick in pricing a trend.
- October unit sales at 477 are down 5% from September. The month-over-month drop in sales follows the typical seasonal trend. Year-to-date sales are down 3% compared to year-to-date 2013.
- For the third month, the sale to listing price ratio is down. The October sale to listing price ratio is down to 98.2% compared to September 2014 when it was at 98.5%. This is an indication that even though it's a seller market, sellers are accepting less than listing price.
- Available inventory is up 3.5% from the prior month, but there is no real improvement in the “affordable range.” There is less than 2.9 Month's Supply of Inventory in the \$150,000 to \$250,000 price ranges.
- October new pending sales are down less than 1% at 333 compared to September at 335. Pending sales are a leading indicator of future closed transactions.
- [Lawrence Yun](#), chief economist of the National Association of Realtors®, said existing-home sales this year got off to a slow start, but have recently shown stronger growth, slower price gains and pent-up demand. The Reno market is mirroring this national trend.
- The improving job market has consumers feeling more confident, and the rebound in home prices is building household wealth for homeowners and giving them the ability to sell after waiting the last few years.
- Yun expects the national median existing-home price to rise 4 percent both in 2015 and 2016.
- Yun concluded by saying “The impact of rising interest rates on affordability will be minimal as long as job creation keeps pace. If the credit box slowly begins to open up, that will also mitigate the impact of rising rates.”

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®.

Median Sales Price

October, 2014

Median Sales Price, 13 months



Summary: Median Sales Price

October, 2014

Median Sales Price, 8 years



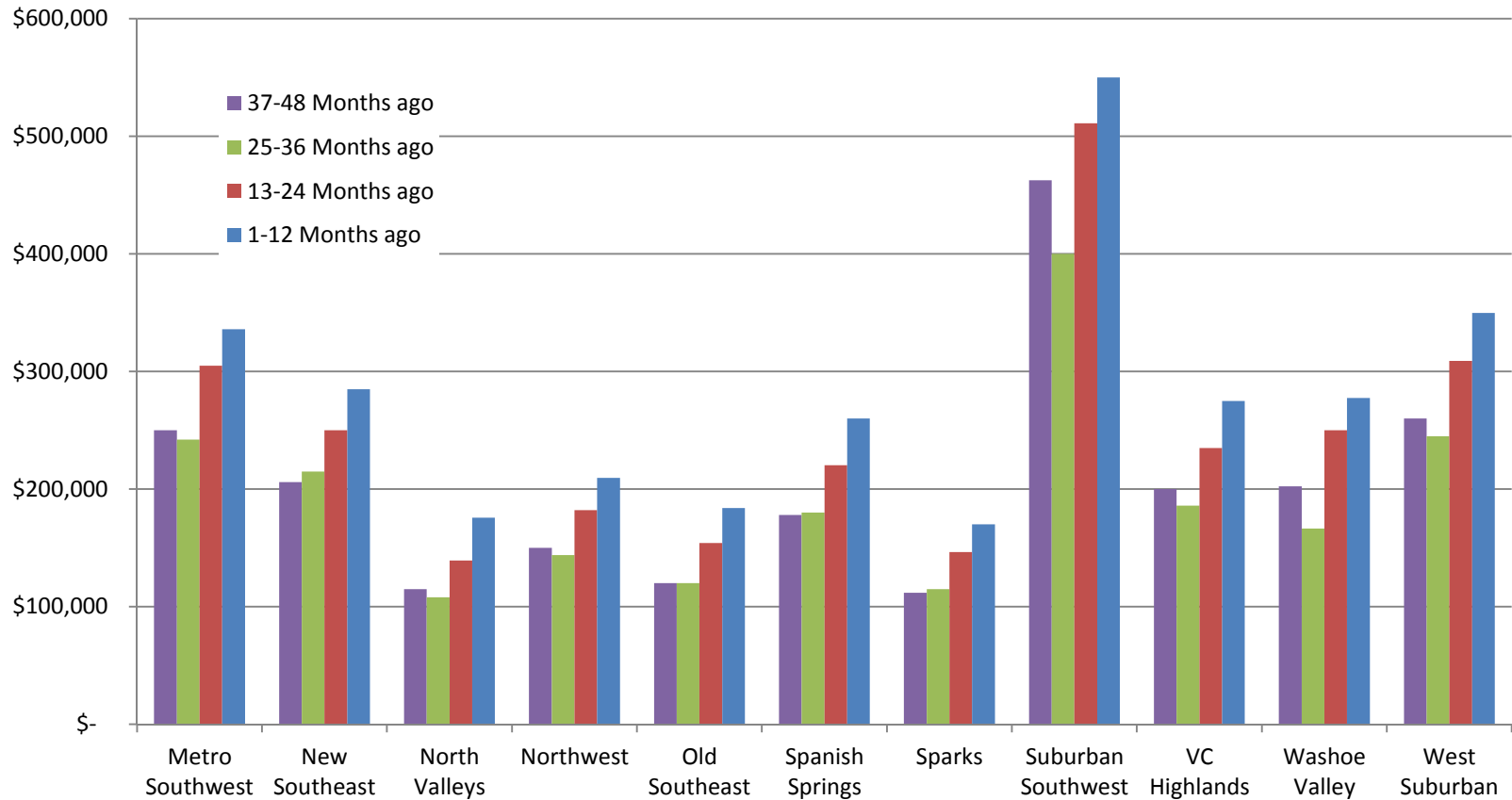
Price per Square Foot

October, 2014

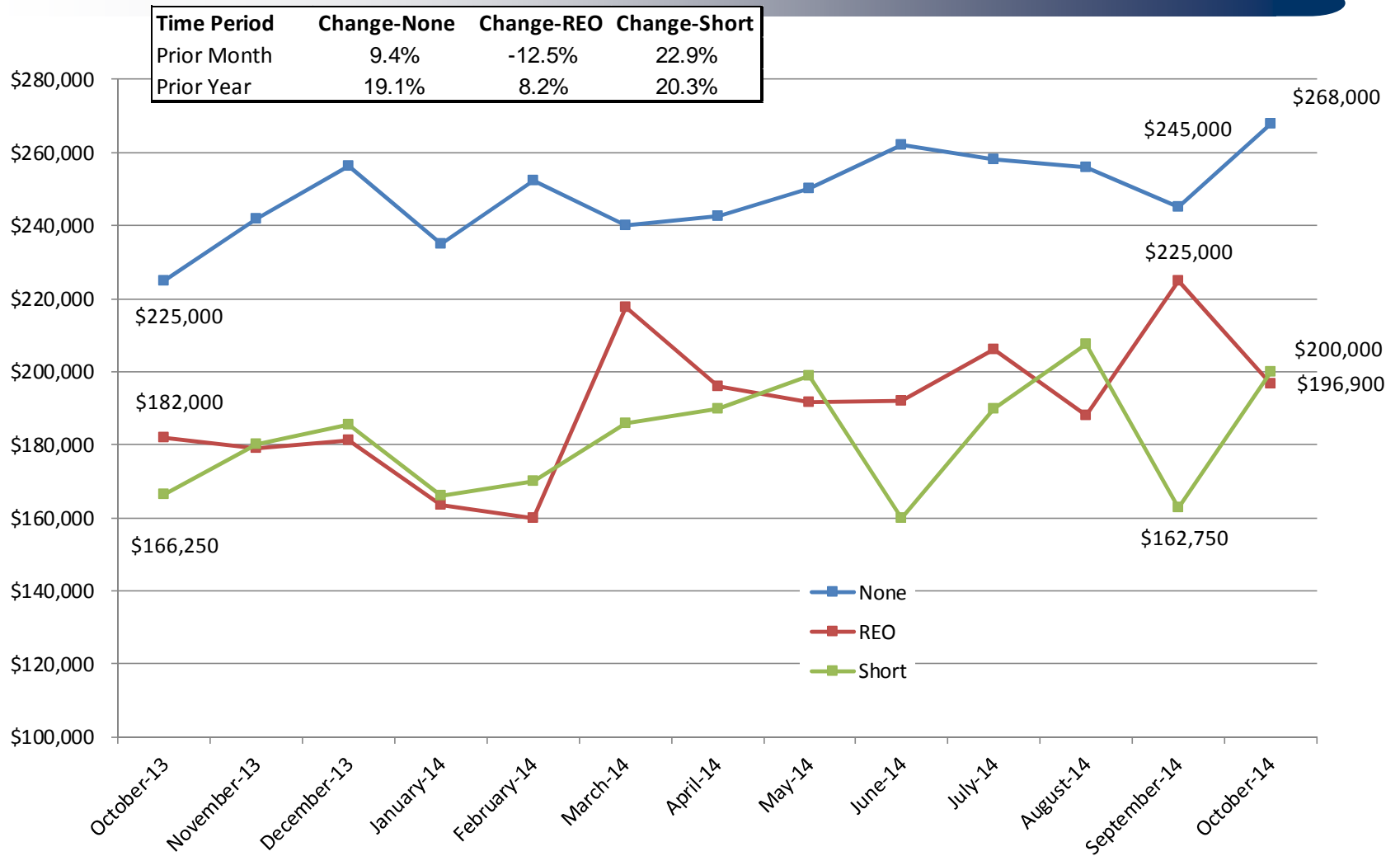
Sold Dollars per Square Foot, 5 year History



Annualized Median Price by Area Group



Median Sales Price by Special Condition

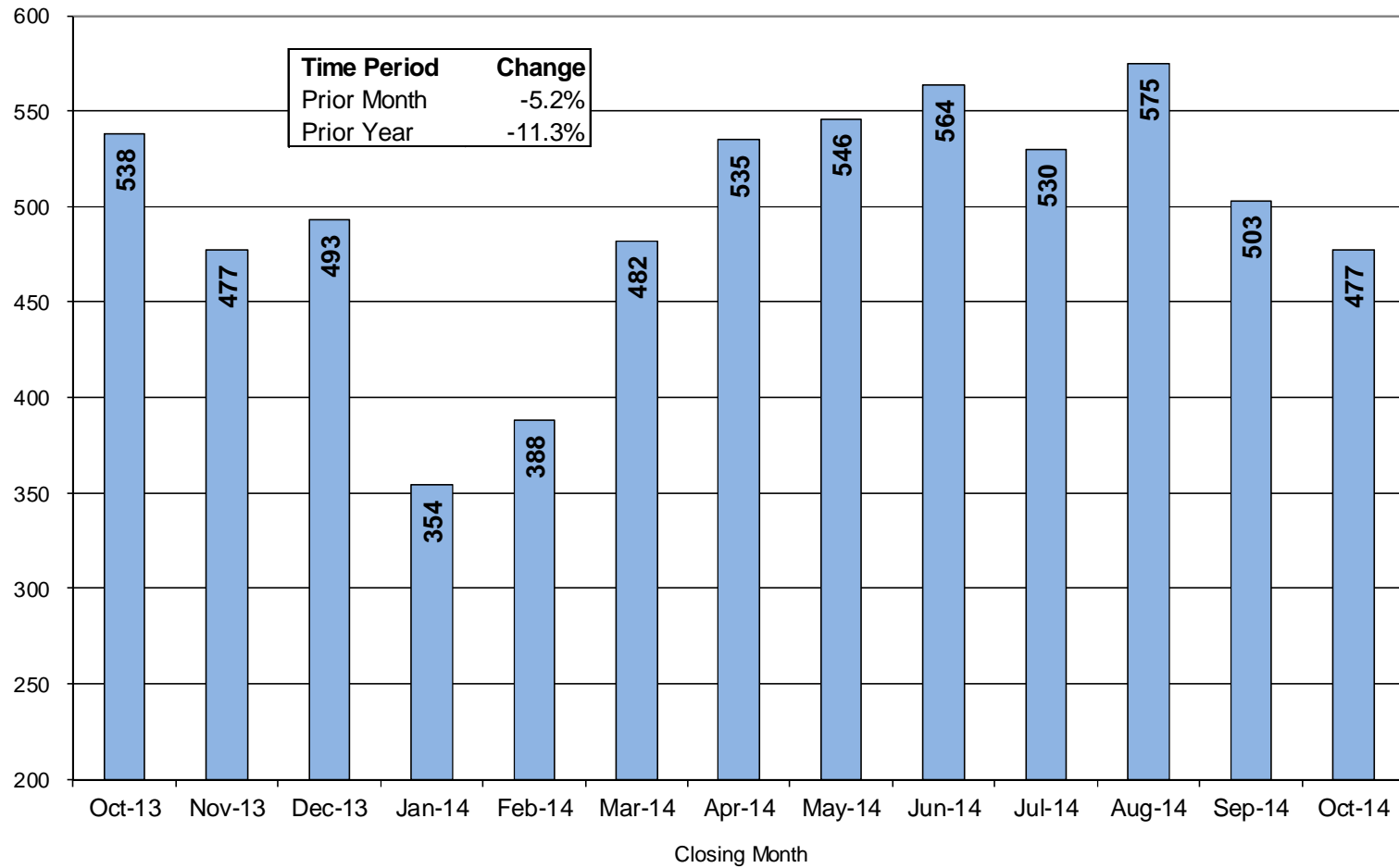


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.

Number of Units Sold

October, 2014

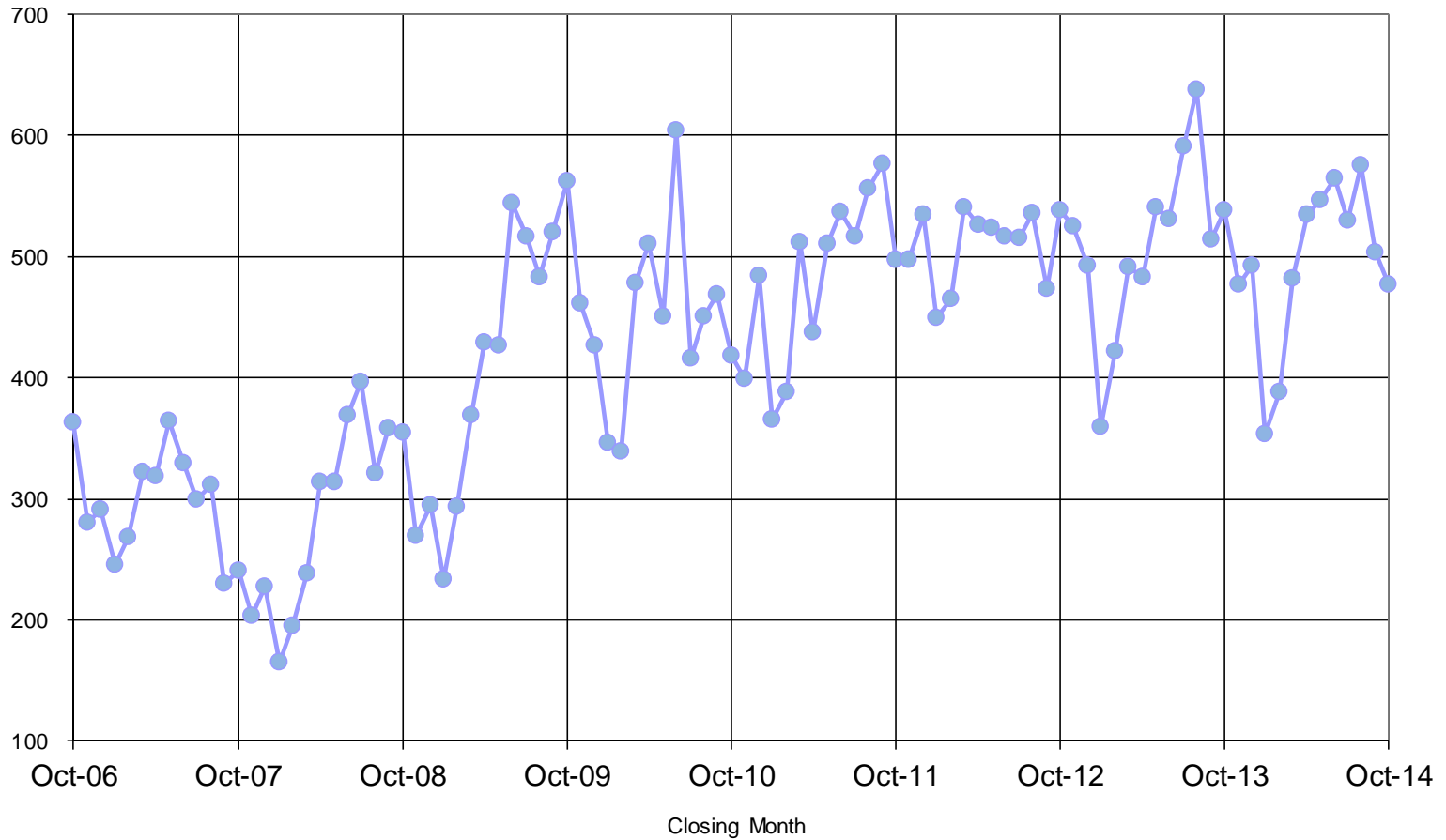
Number of Units Sold, 13 months



Number of Units Sold

October, 2014

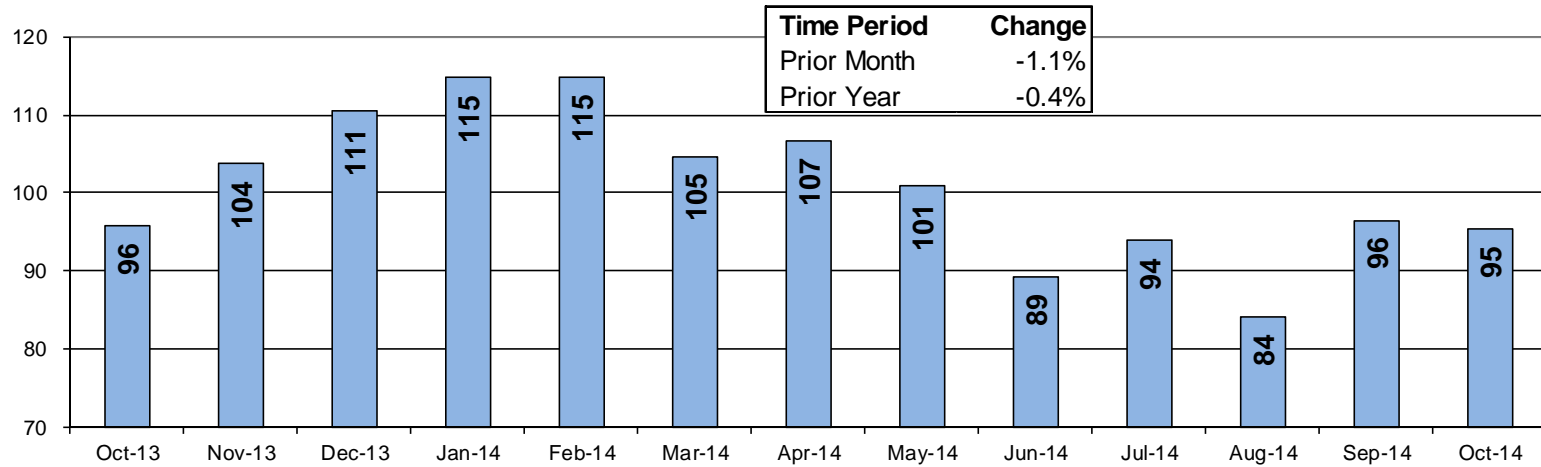
Number of Units Sold, 8 years



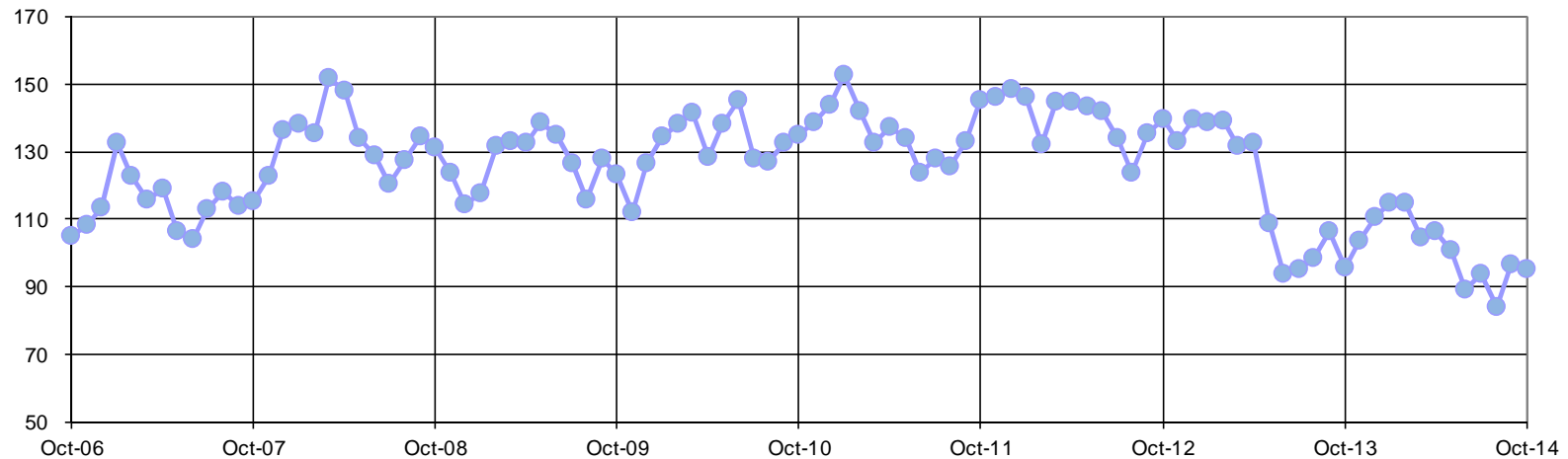
Days on Market, by Month

October, 2014

Average Days on Market for Solds, 13 months

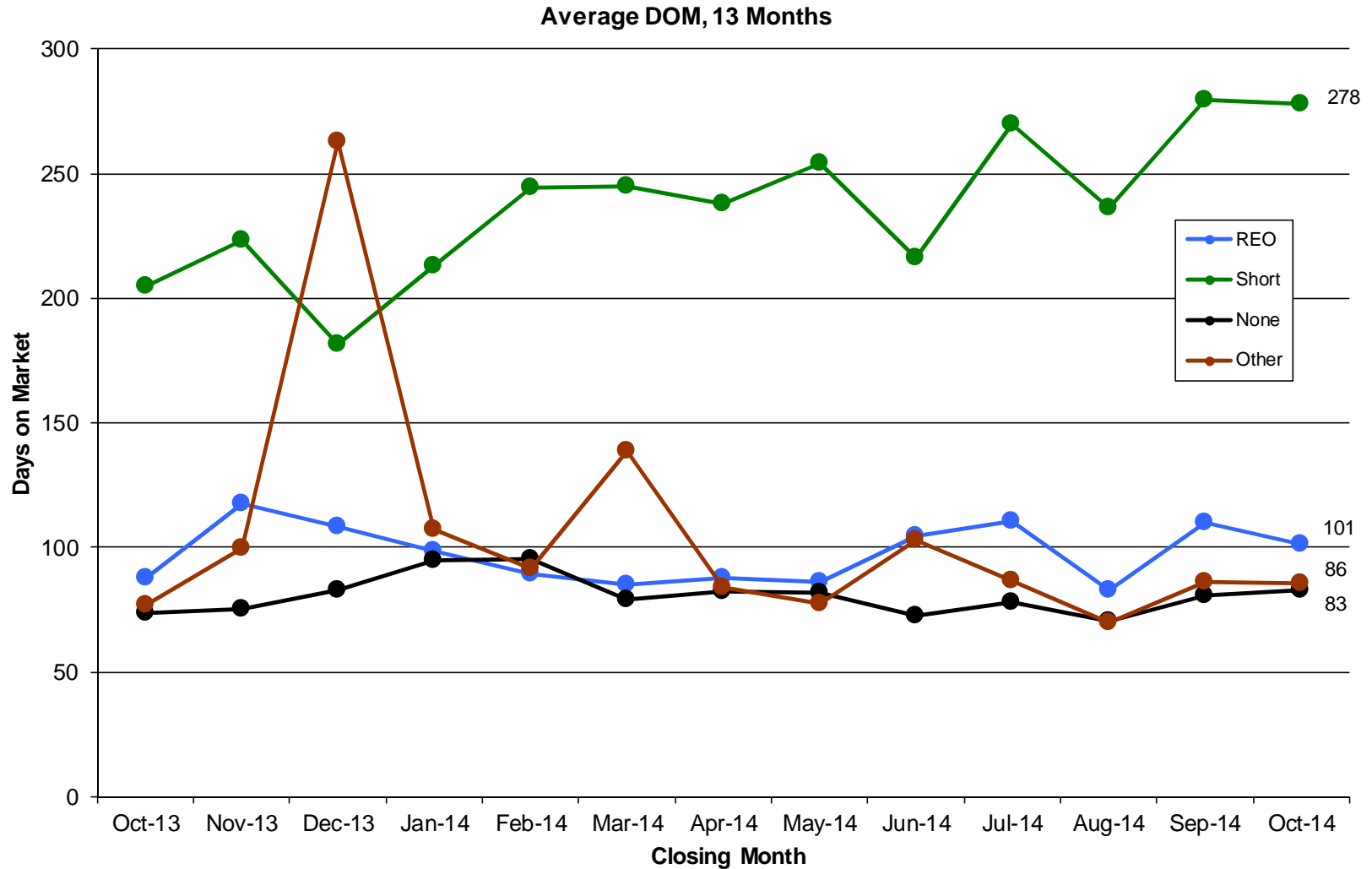


Average Days on Market for Solds, 8 years



Days on Market, by Special Conditions

October, 2014

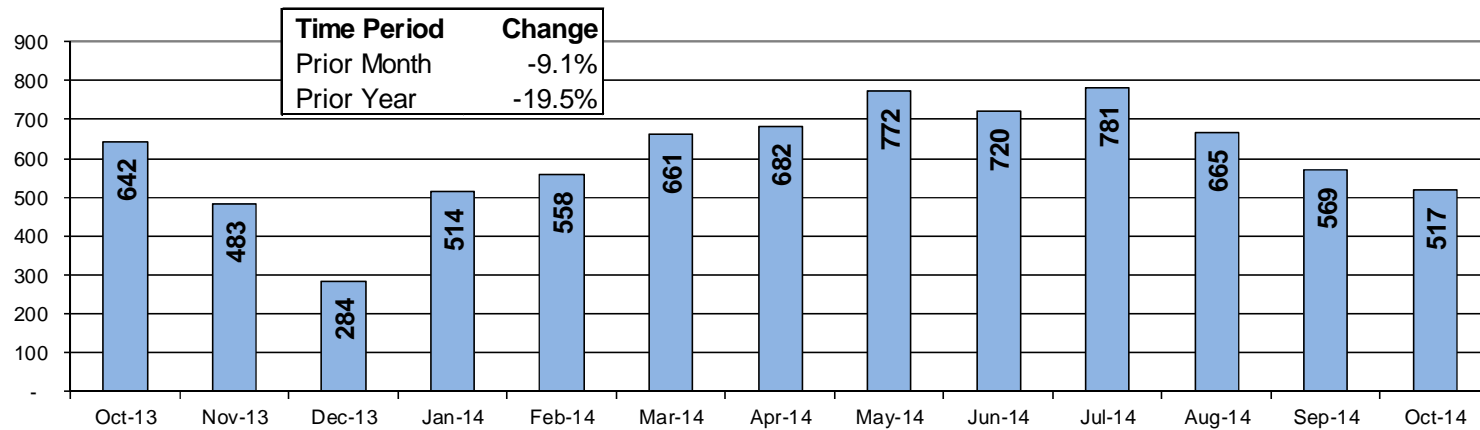


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.

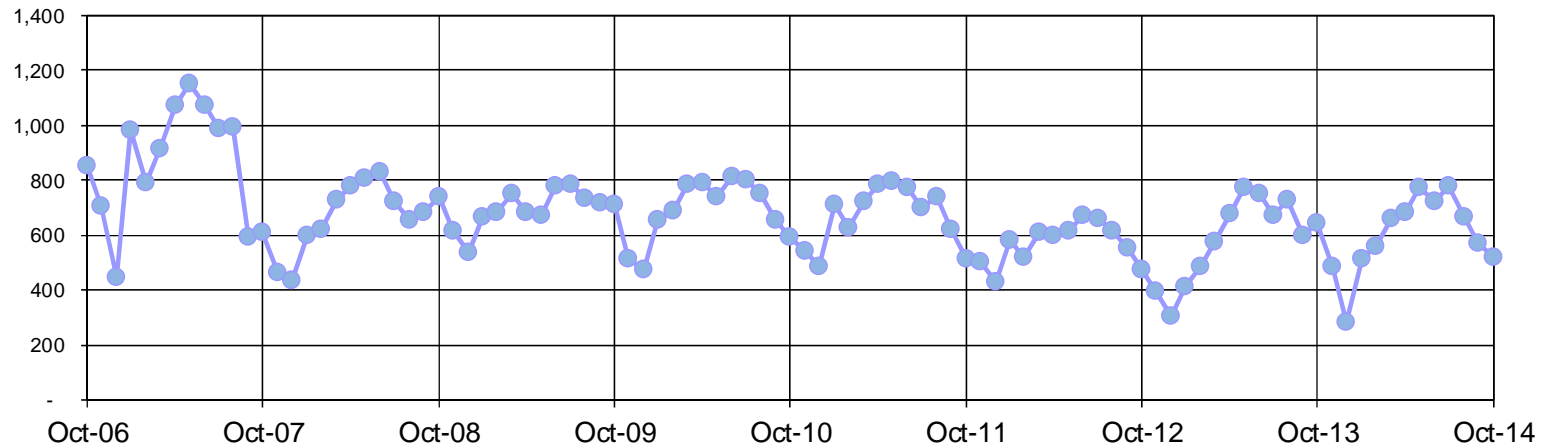
New Listings, by Month

October, 2014

New Listings by Month, 13 months

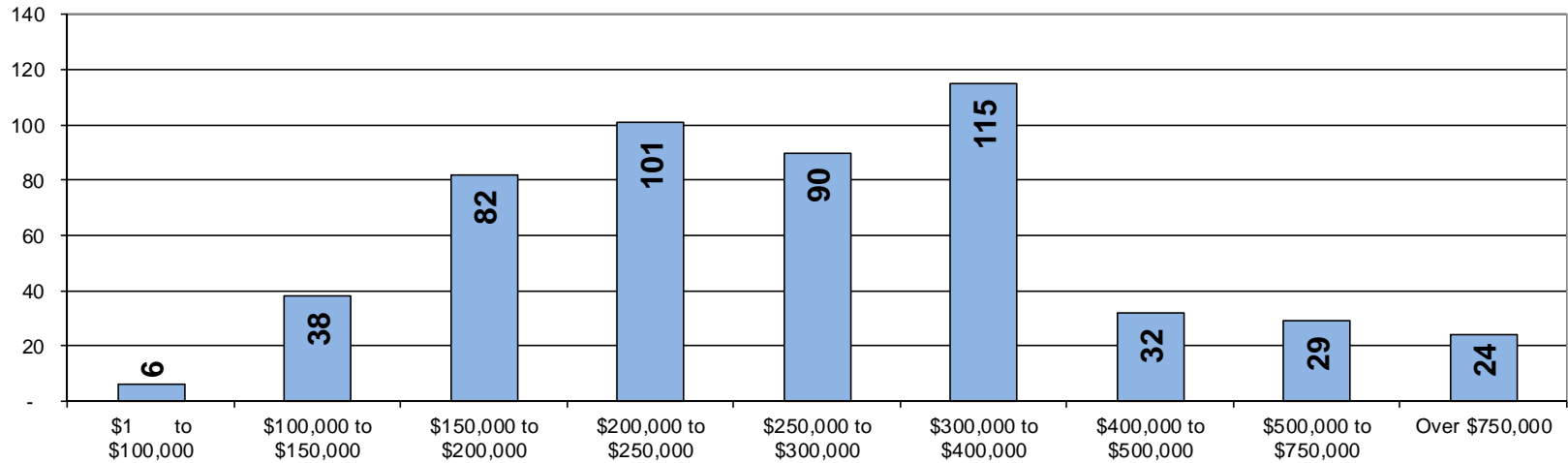


New Listings by Month, 5 years

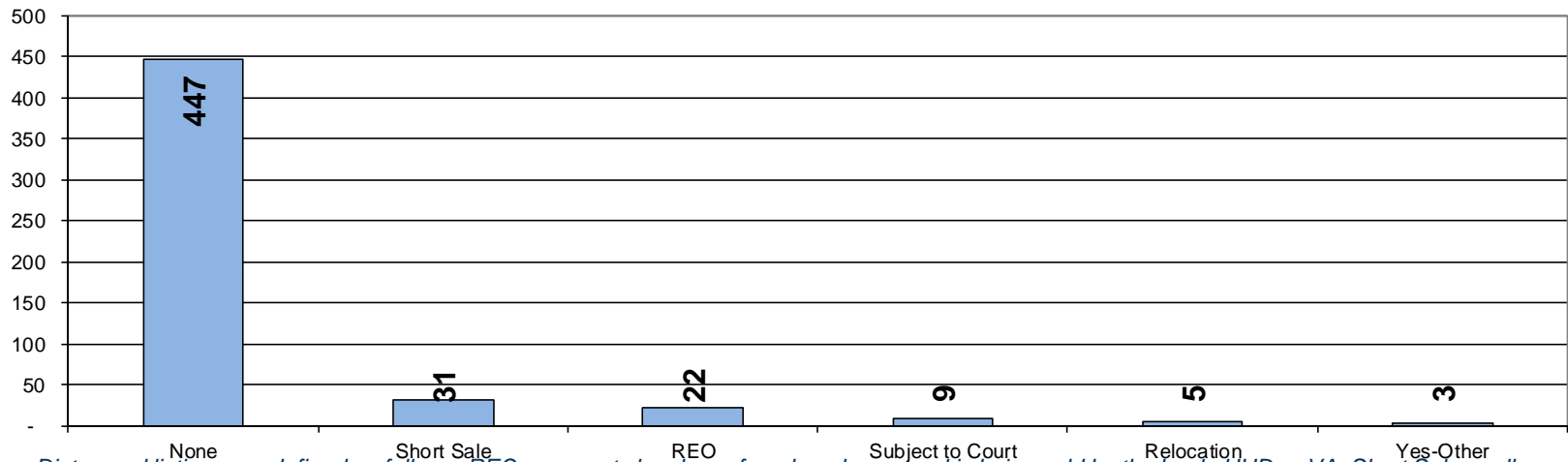


New Listings, by Price and by Special Condition

New Listings, by Price Range



New Listings, by Special Condition

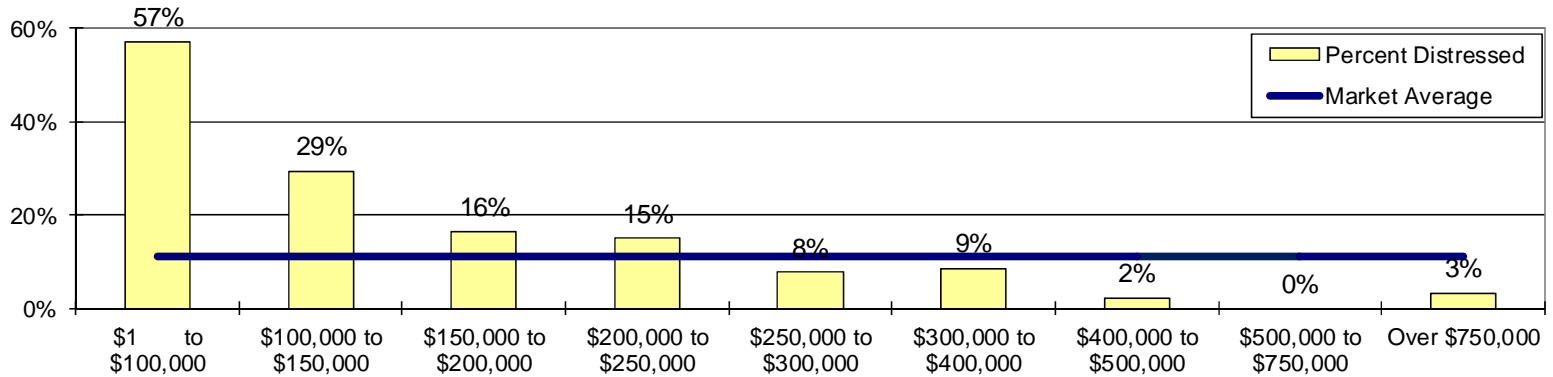


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value. Distressed New Listings includes Fannie Mae, Freddie Mac, HUD, and any bank-owned listings.

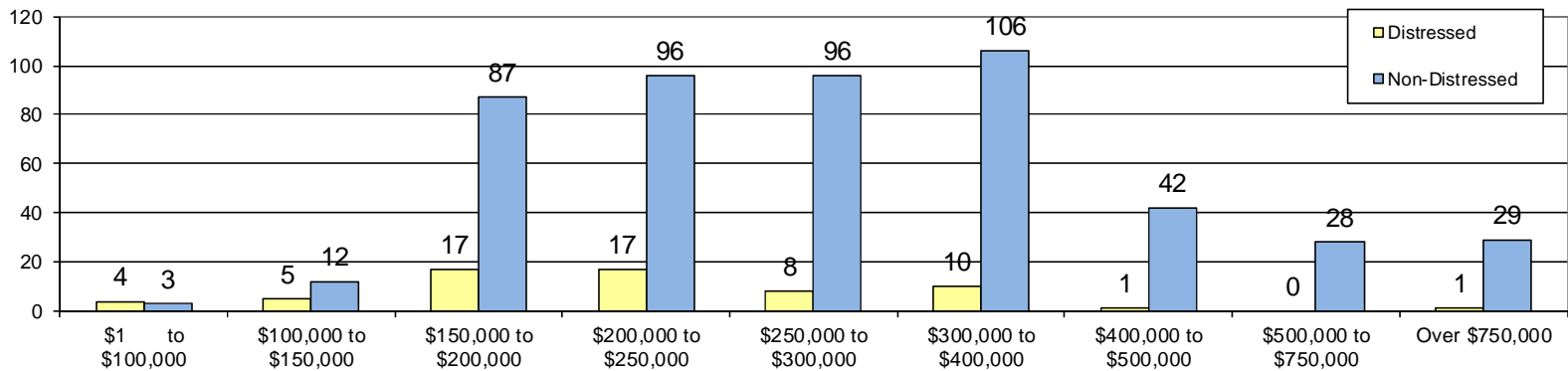
Distressed Listings, by Price

October, 2014

Percentage Distressed New Listings by Price, current month



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

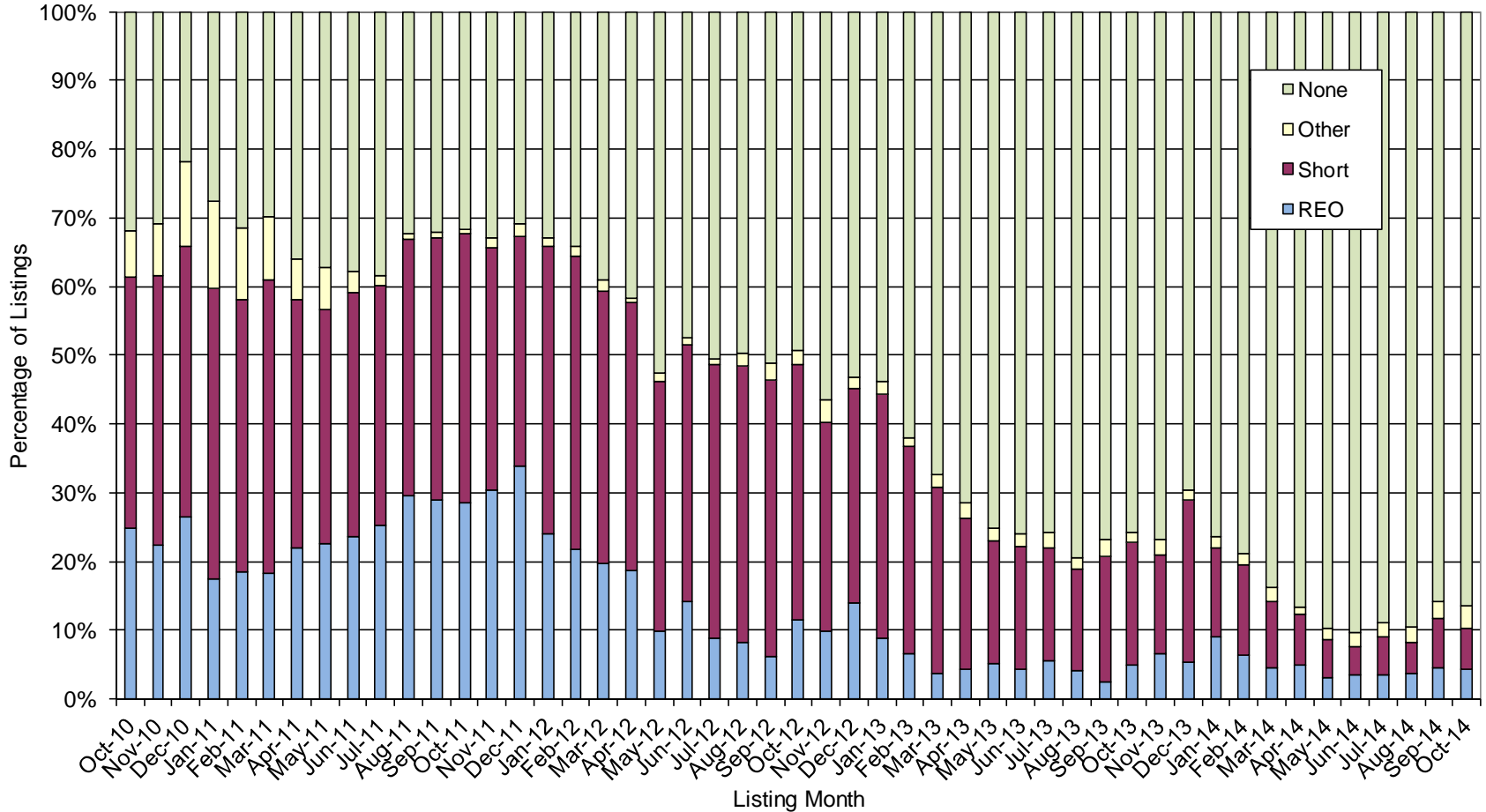


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value. Distressed New Listings includes Fannie Mae, Freddie Mac, HUD, and any bank-owned listings.

Distressed Listings, as a percentage of all listings

October, 2014

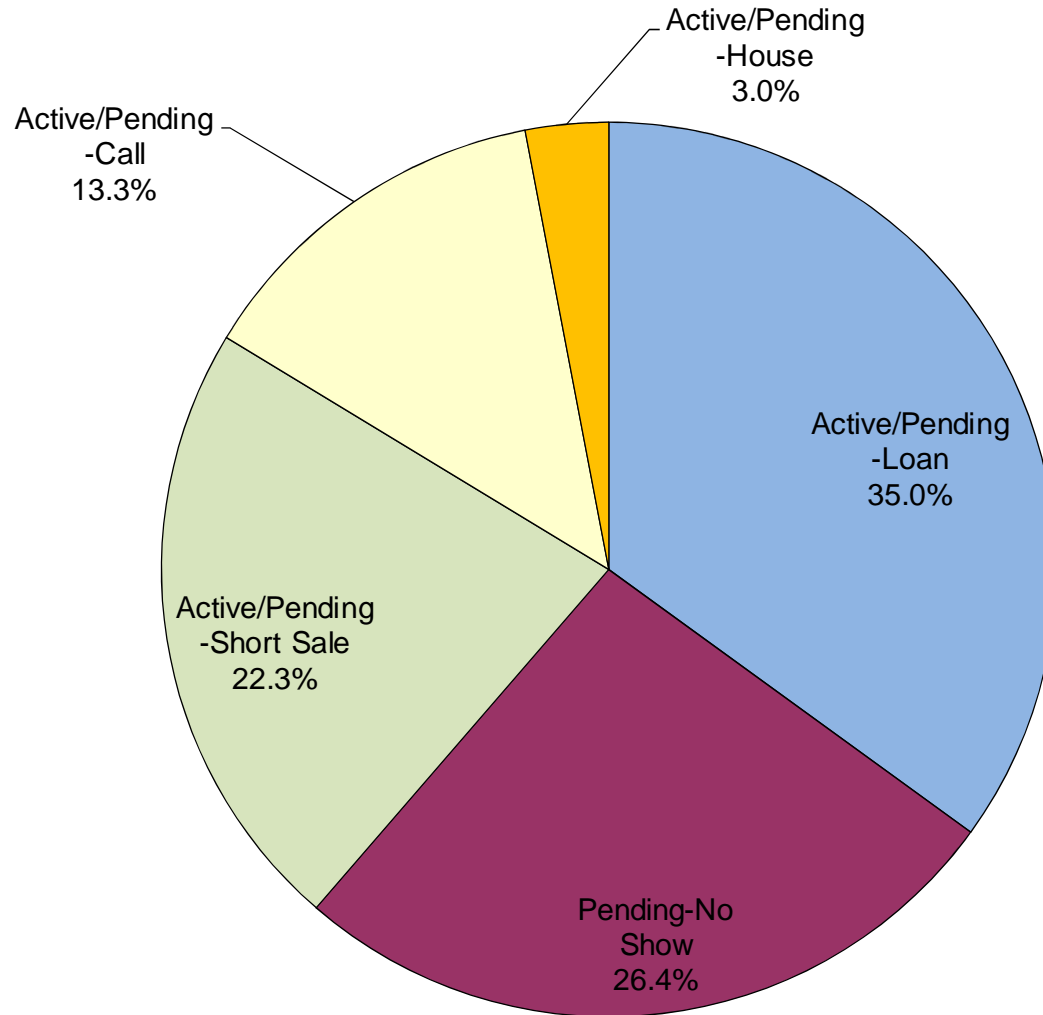
New Listings by Special Conditions



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. Distressed listing data considered reliable from January 2009 forward.

Status of Pendings, Current Month

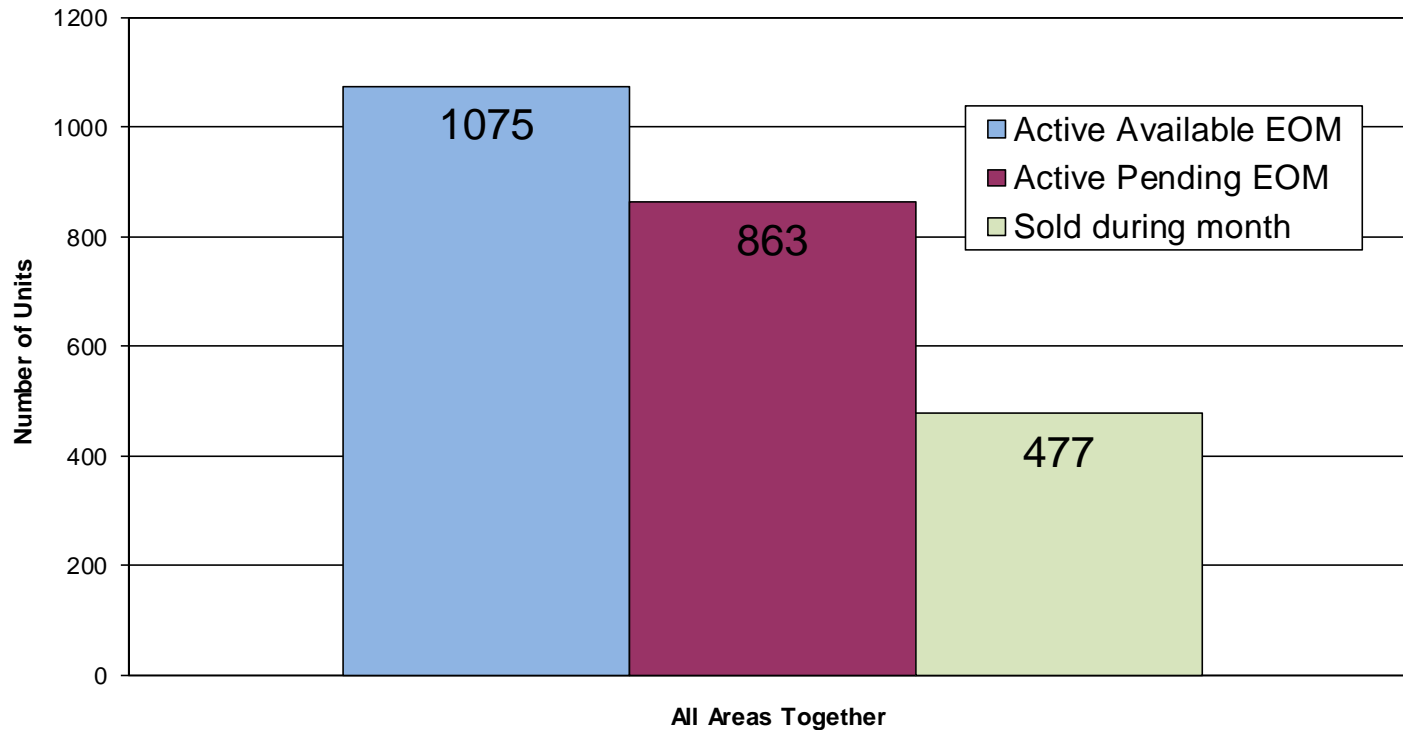
October, 2014



Months Supply of Inventory, Current Month

October, 2014

$(1075 + 863)$ available / 477 units sold = 4.1 months of inventory

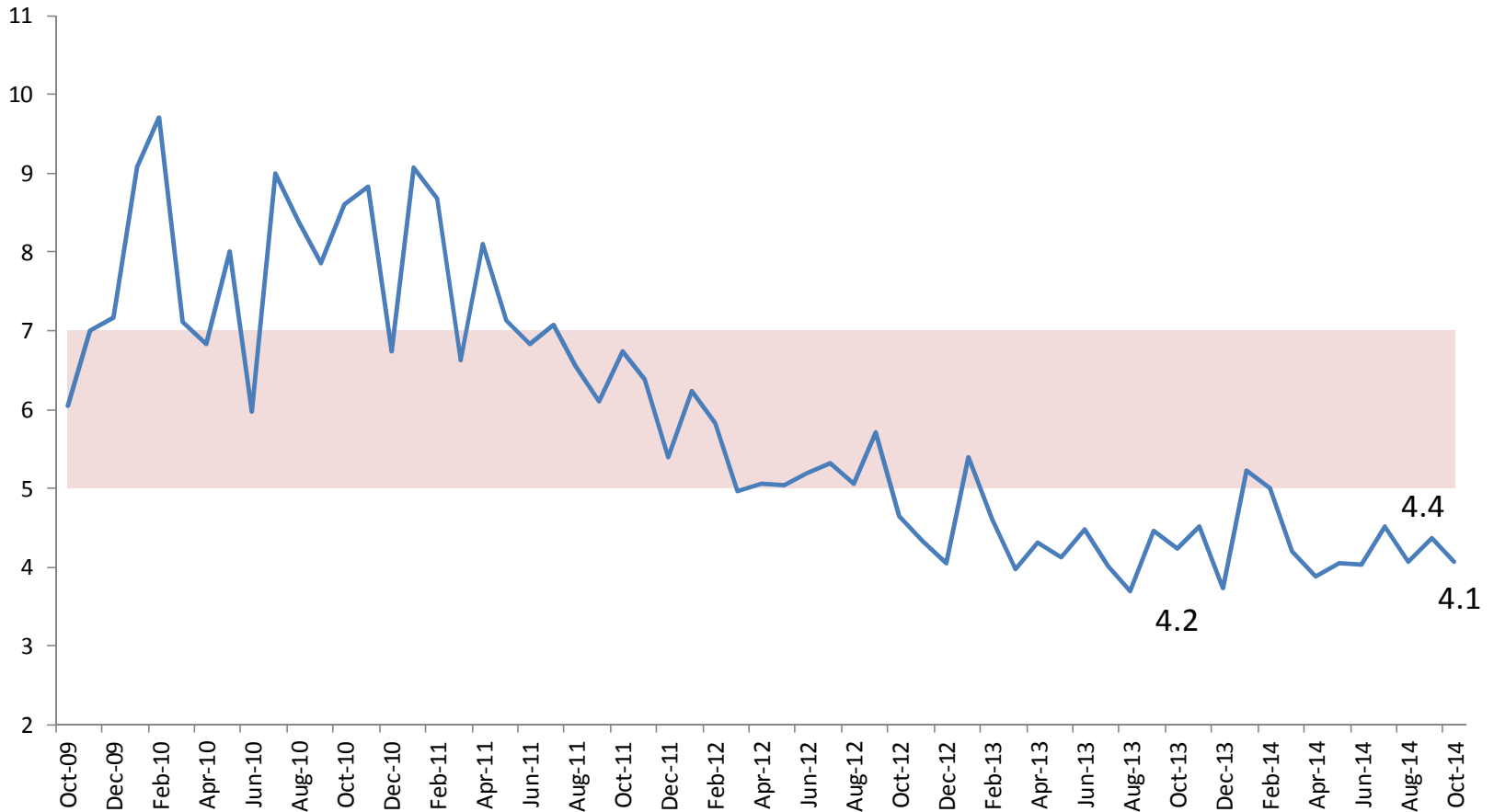


Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

Months Supply of Inventory, Historical 5 years

October, 2014

Month's Supply of Inventory, 5 year history

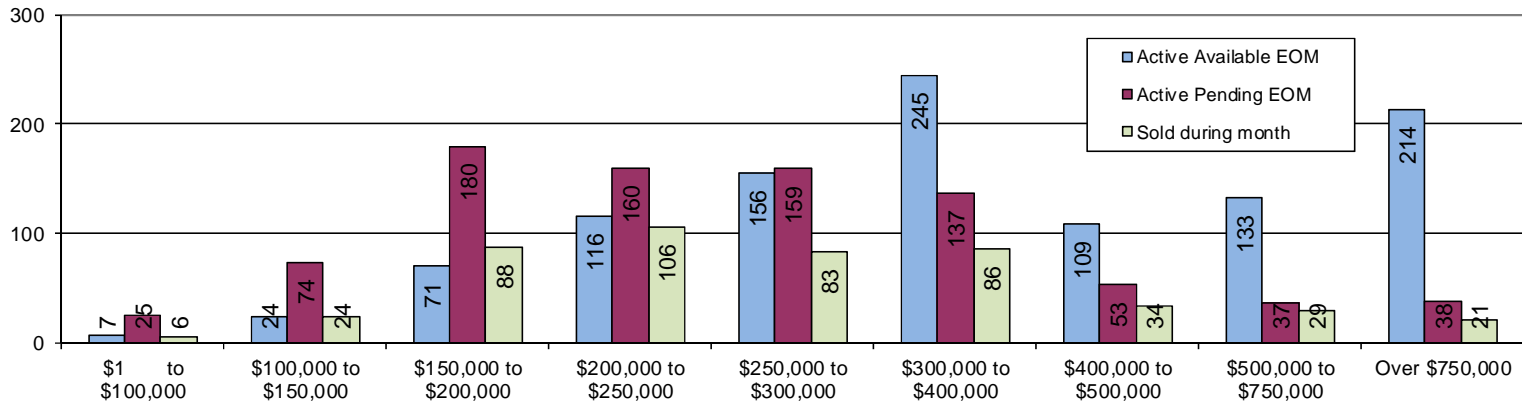


Unsold Inventory includes Active Pending. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

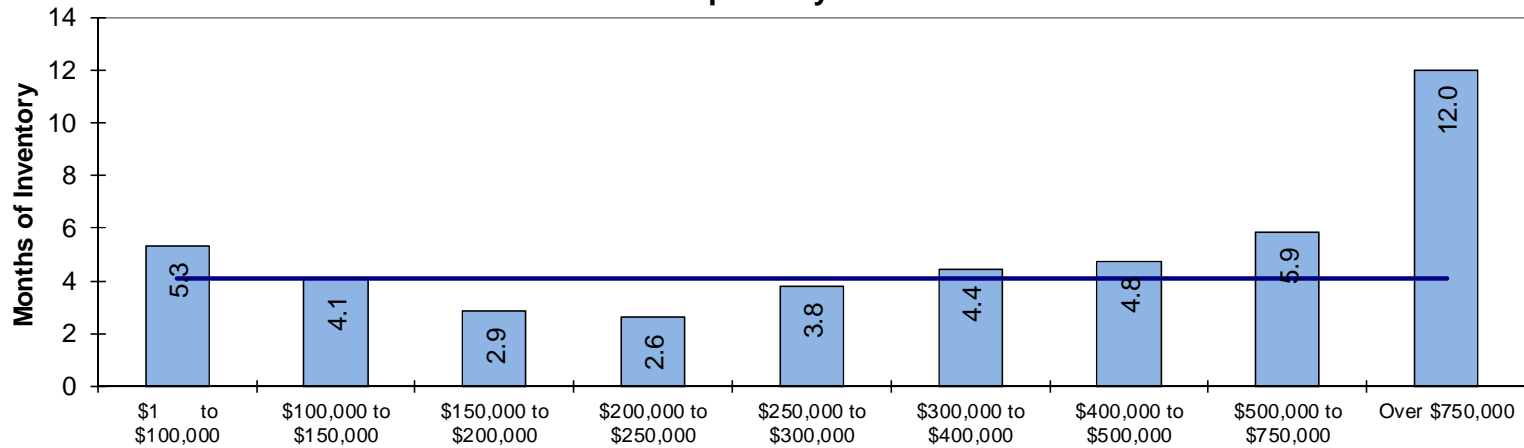
Units and Absorption, by Price

October, 2014

Active and Sold Homes by Price, current month



Absorption by Price



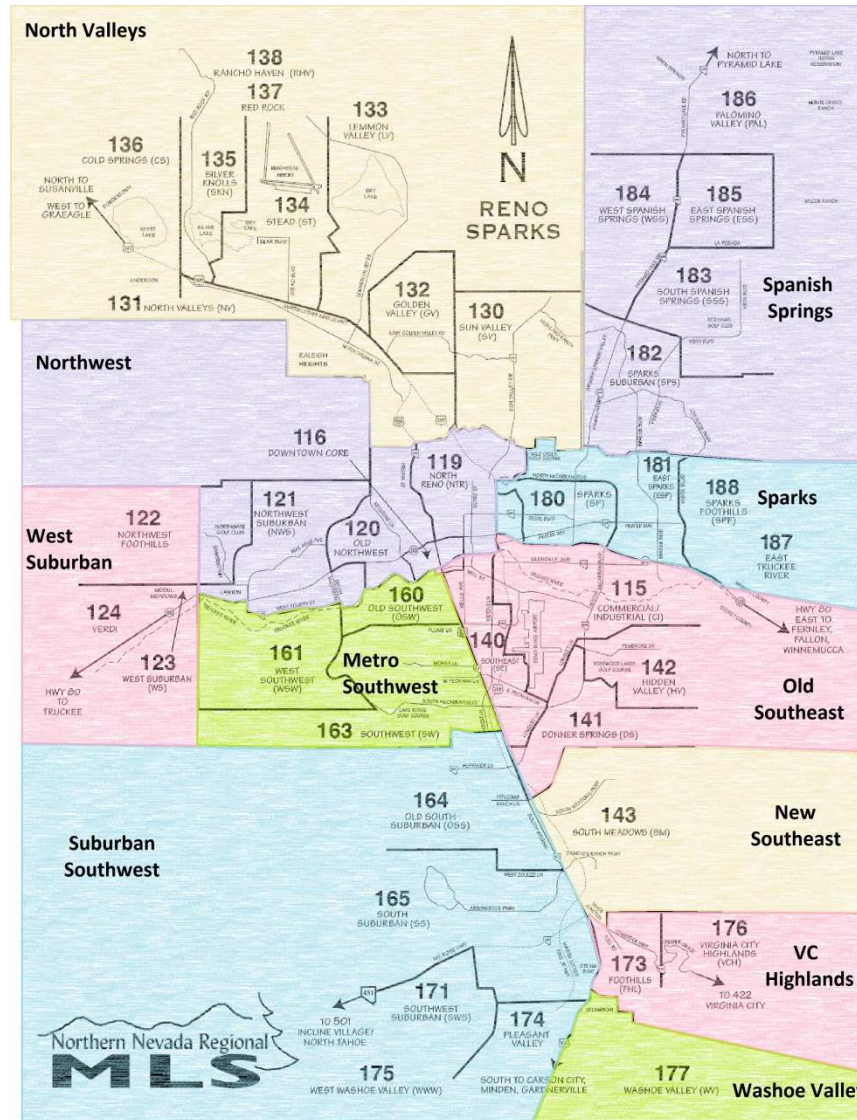
"Active" includes "Active/Pending"

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

The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply of inventory.

Reno/Sparks Area Map

October, 2014



North Leaf Solutions

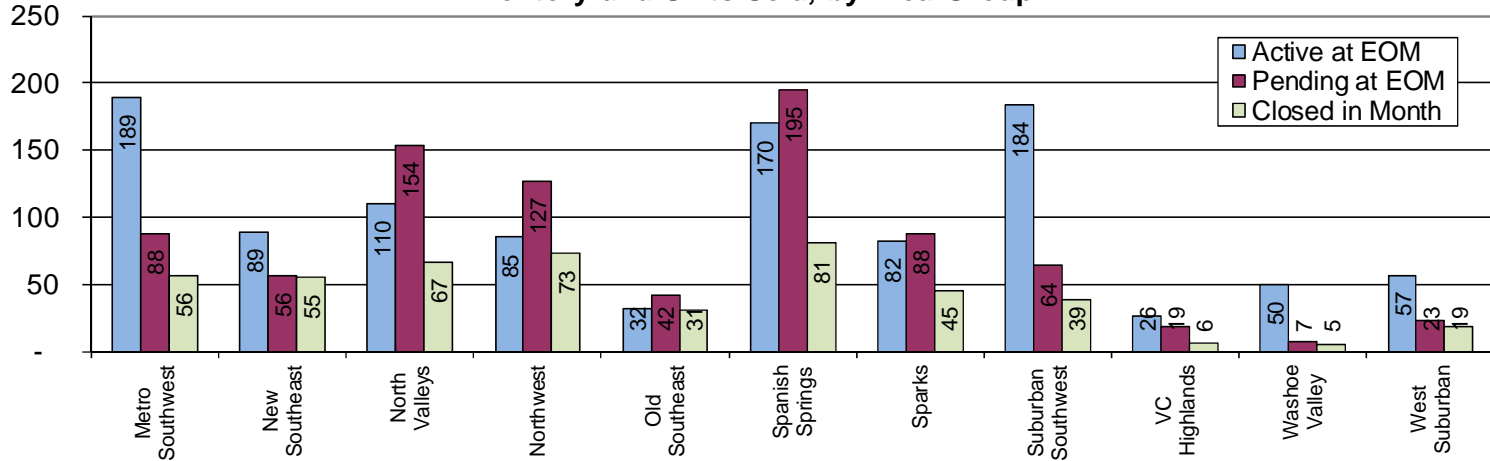
24

Reno/Sparks Association of REALTORS®

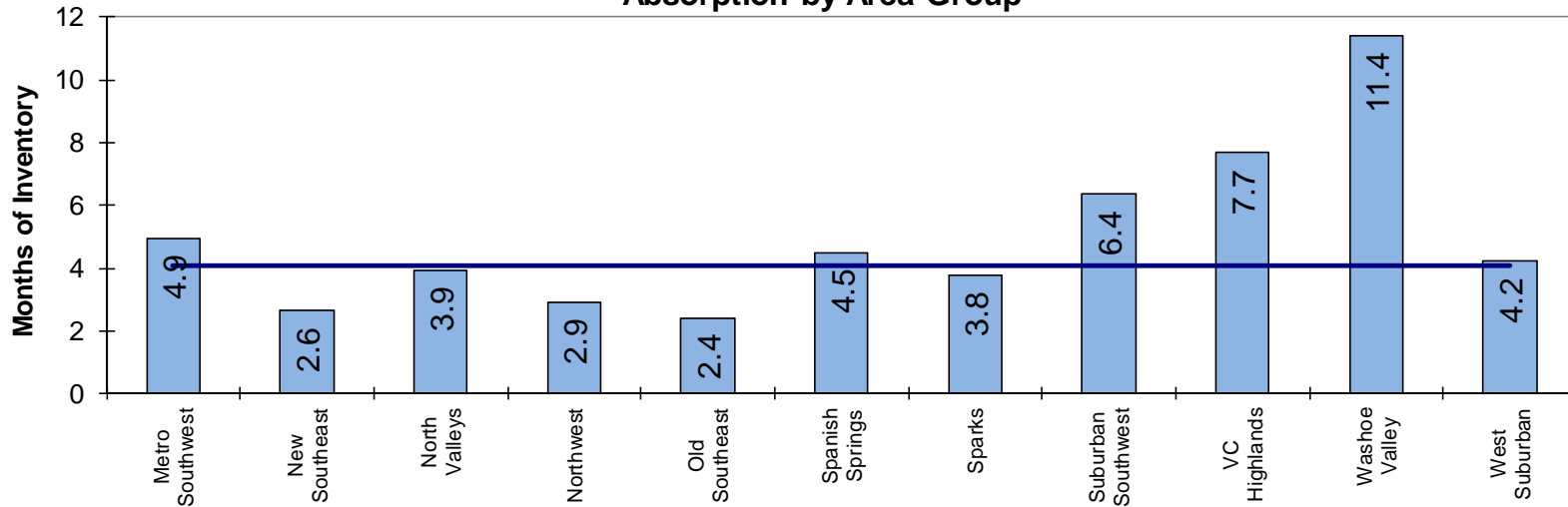
Members of the Reno/Sparks Association of REALTORS® are authorized to reproduce and redistribute this copyrighted report. No other reprint or distribution of this report is granted unless specifically approved in writing by the Reno/Sparks Association of Realtors, 5650 Riggins Court, Reno, NV 89502 or email to info@rsar.net. Data Sourced from NNRMLS. Created by NLS under license for RSAR.

Units and Absorption, by Area Group

Inventory and Units Sold, by Area Group



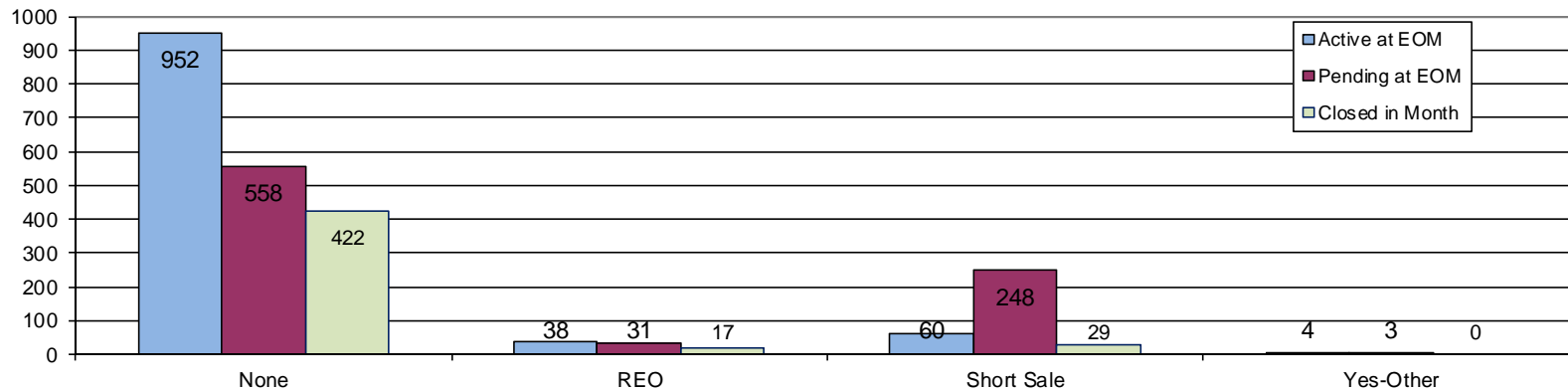
Absorption by Area Group



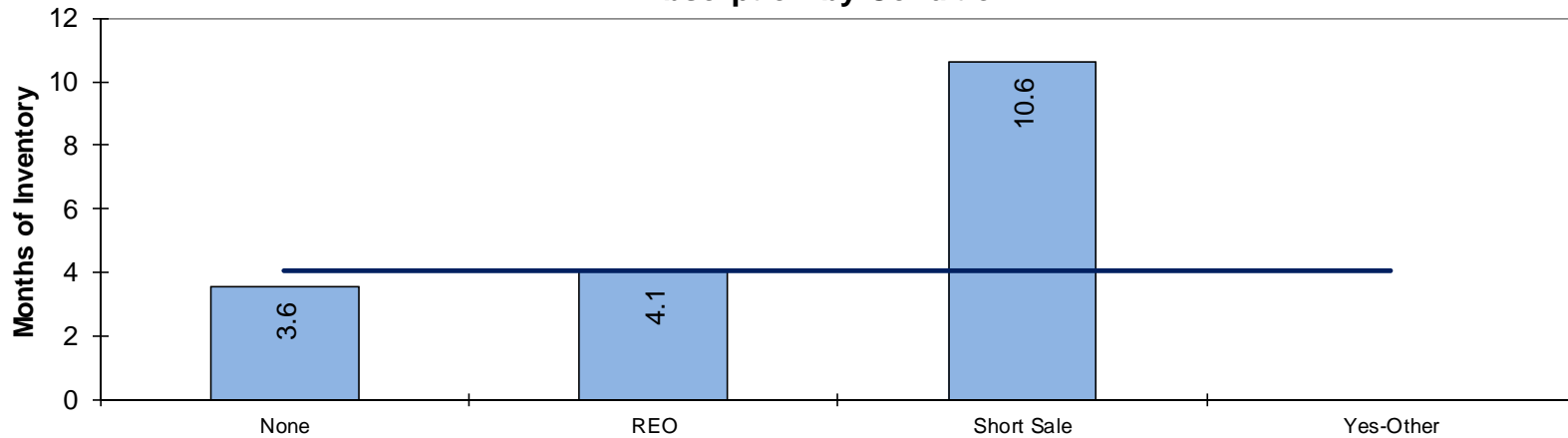
Units and Absorption, by Special Condition

October, 2014

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.

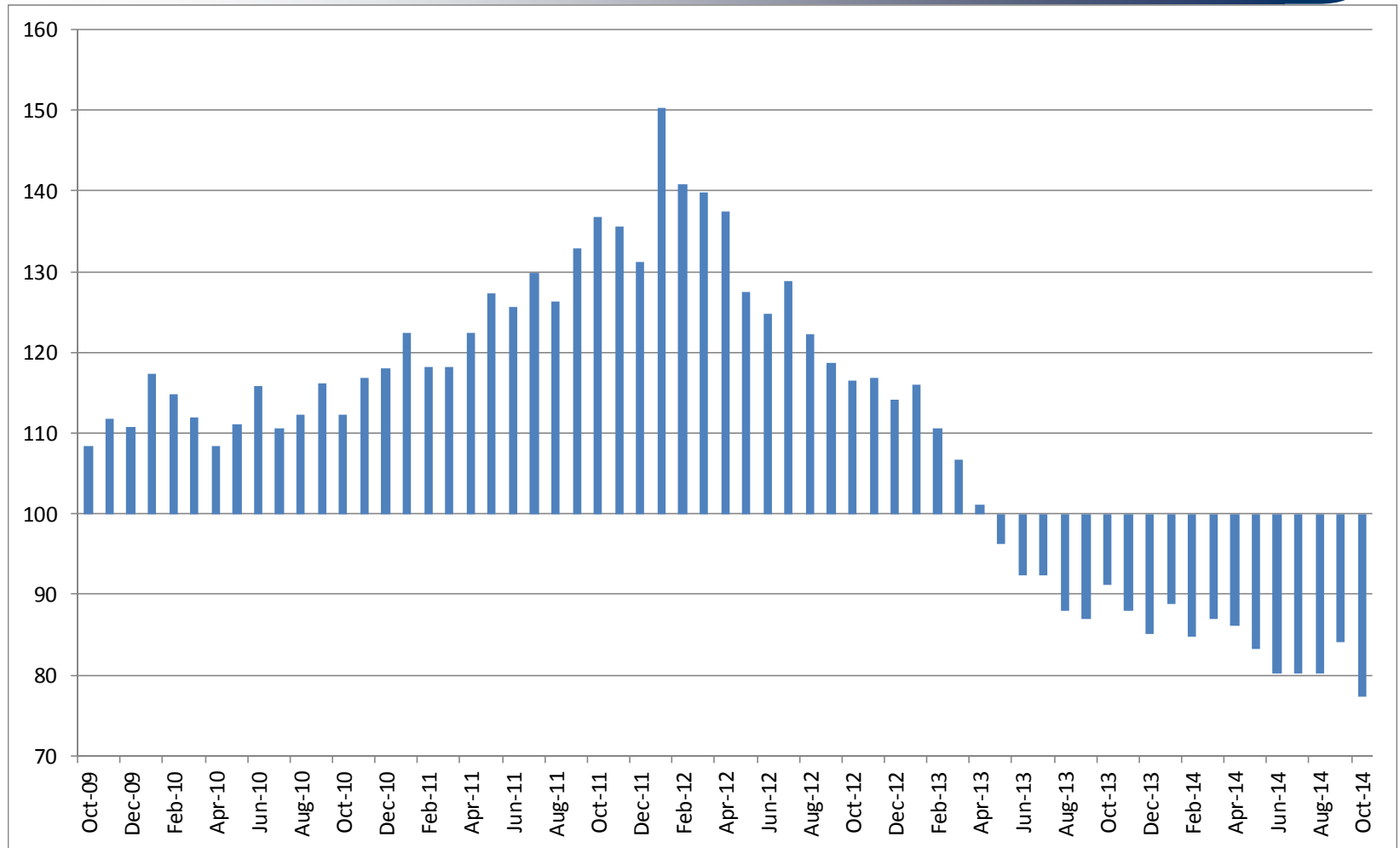
“Active” includes “Active/Pending”

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

The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply of inventory.

Housing Affordability Index, 5 years

October, 2014



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.

October, 2014

Housing Affordability Index, detail

