

Reno/Sparks Association of REALTORS®

July, 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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 - Annualized by Area Group
 - By Special Conditions
- ❖ **Number of Units Sold**
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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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- ❖ **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 August 2nd, 2015.

Market Report Commentary

July, 2015

❖ Summary

- “July 2015 unit sales was another record a July, exceeded only by July 2005’s unit sales,” said Dave Hansen, 2015 RSAR president. “We continue to see a steady increase in the median sales price since the bottom of the market in January 2012. Both the Reno and Fernley Market remain in a Seller’s market, with the sold to list price ratio at 98% or better.”

❖ Median Sales Price

- July 2015 median price was up 4.7% to \$291,990 compared to \$279,000 in June 2015 and up 16.8% compared to \$249,950 in July 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

- July, 2015 median price on properties with no special conditions was up 4.2% to \$297,000 compared to \$285,000 in June, 2015 and up 15.1% compared to \$258,000 in July, 2014.
- July, 2015 median price on REO (Bank Owned) properties was down -2.9% to \$228,900 compared to \$235,700 in June, 2015 and up 11.1% compared to \$206,000 in July, 2014.
- July, 2015 median price on short sales properties was up 16.8% to \$257,000 compared to \$220,000 in June, 2015 and up 35.3% compared to \$190,000 in July, 2014.

Market Report Commentary, continued

July, 2015

- ❖ **Number of Units Sold**
 - July, 2015 units sold was down -8.9% to 593 compared to 651 in June, 2015 and up 11.9% compared to 530 in July 2014.
- ❖ **Average Days on Market**
 - July, 2015 average Days On Market was down -5% to 79 compared to 83 in June, 2015 and down -16% compared to 94 in July 2014.
- ❖ **Days on Market (DOM) by Special Conditions**
 - Short sale properties had an average days on market of 261.
 - Properties with no special conditions had an average days on market of 72.
 - REO Properties had an average days on market of 93.
- ❖ **New Listings**
 - July, 2015 new listings was up 0.6% to 783 compared to 778 in June, 2015 and down -0.1% compared to 784 in July 2014.
 - Properties listed at under \$250,000 made up 30% of new listings entering the market during the month of July, 2015.
 - 7% of new July, 2015 listings were distressed. Short sales 3%; REO 2%; No special conditions 93%; and Other 1%.
- ❖ **Distressed New Listings History**
 - The allocation of new listings by special conditions increased, representing 5% of the market in July 2015, up from 4% in June 2015, and down from 9% in July 2014.
- ❖ **Status of Pending**
 - Active/Pending-Loan represent 43.9% of the total active pendings; Active/Pending-Call equals 13.5%; Pending-No Show represents 26.6%; Active/Pending-Short Sale 11.2%; and Active/Pending-House 4.7%.
- ❖ **Current Months Supply of Inventory (Unsold Inventory over Sales per Month)**
 - At the end of July, 2015, there was 3.2 months of unsold inventory based on the monthly sales rate.

Market Report Commentary, continued

July, 2015

❖ Historical Months Supply of Inventory

- July, 2015 MSI was up to 3.2 compared to 2.9 in June, 2015 and down from 4.6 in July, 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: \$1 to \$100,000, 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,
- 33% of the total sales for July, 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: Washoe Valley,
- Area Groups in a Seller's Market are: Metro Southwest, New Southeast, North Valleys, Northwest, Old Southeast, Spanish Springs, Sparks, VC Highlands, West Suburban,
- Suburban Southwest had the highest level of active inventory with 209 active listings.
- Spanish Springs had the highest level of pending sales with 156 pendlings.
- Spanish Springs had the highest level of closed sales with 110 closed sales.

❖ Units and Absorption by Condition

- The Months Supply of Inventory in the category of Real Estate Owned is at a 3.0 MSI in July, 2015.
- No Special Conditions condition properties has 3.1 MSI, Short Sale properties has 9.9 MSI, and Yes-Other has 5.0 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

July, 2015

❖ Conclusion

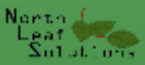
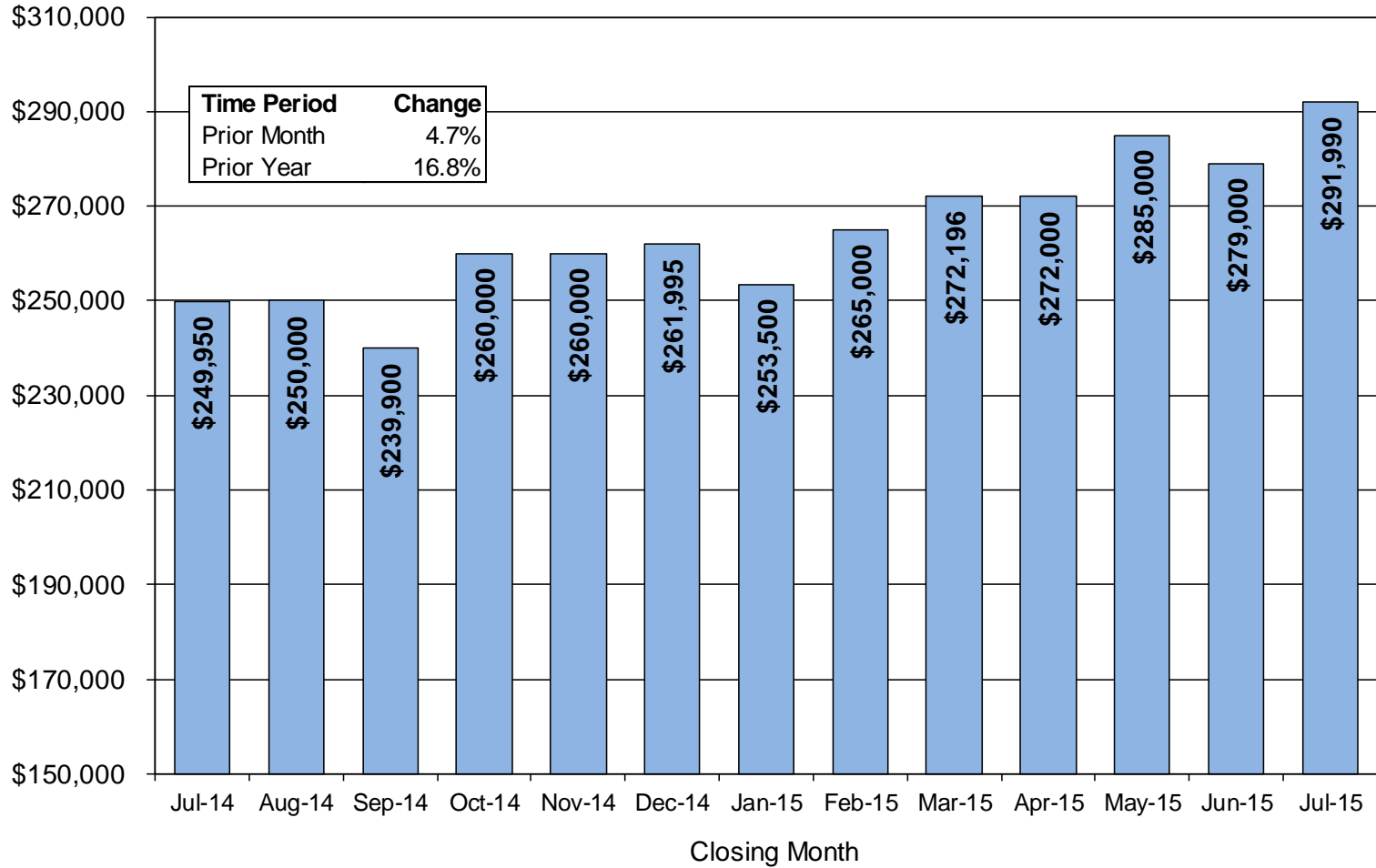
- Even with the decline in July sales, unit sales are the second highest for a July in history, exceeded only by July 2005.
- July median price is up 4.7% to \$291,990 compared to \$279,000 in June. The median price has seen a steady increase since the bottom of the market in January 2012. Although the price curve rose rapidly in 2012, it has flattened out. This is a good thing and indicates the market may be stabilizing.
- Both the Reno and Fernley Market remain in a Seller's market. In the Reno market, the sold to listing price ratio for July is 99.1%. Low inventory levels and strong sales are keeping the Reno area in a seller's market.
- The proposed delay in the implementation of the Know Below you Owe Rules by the Consumer Financial Protection Bureau has been approved and is now scheduled for October 3, 2015. Upon implementation, buyers making loan application will have added consumer protection in the form of closing and loan disclosures. As the industry adjusts to these new rules, the time for closing an escrow may be take 15 to 30 days longer.
- Consumers can view a snap shot look at market conditions by checking out the Market Monitor at www.rsar.realtor, then click on Consumer tools tab.
- Coming soon for members only, the Reno/Sparks Association of REALTORS® will be releasing an interactive Market Insights tool for use in helping to identify more specific market conditions for clients and customers. Watch for more details in late August.

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Median Sales Price

July, 2015

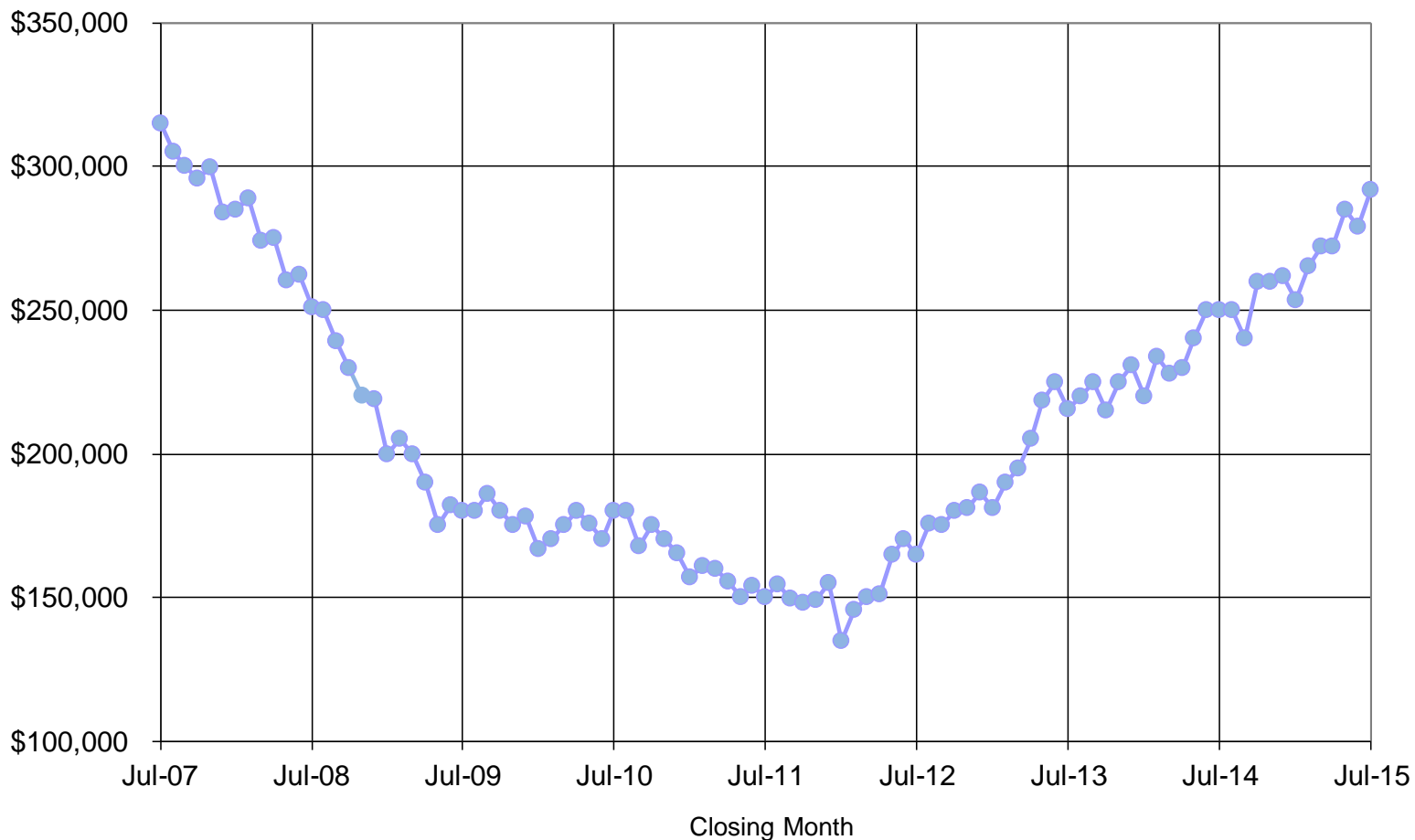
Median Sales Price, 13 months



Summary: Median Sales Price

July, 2015

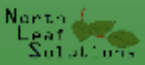
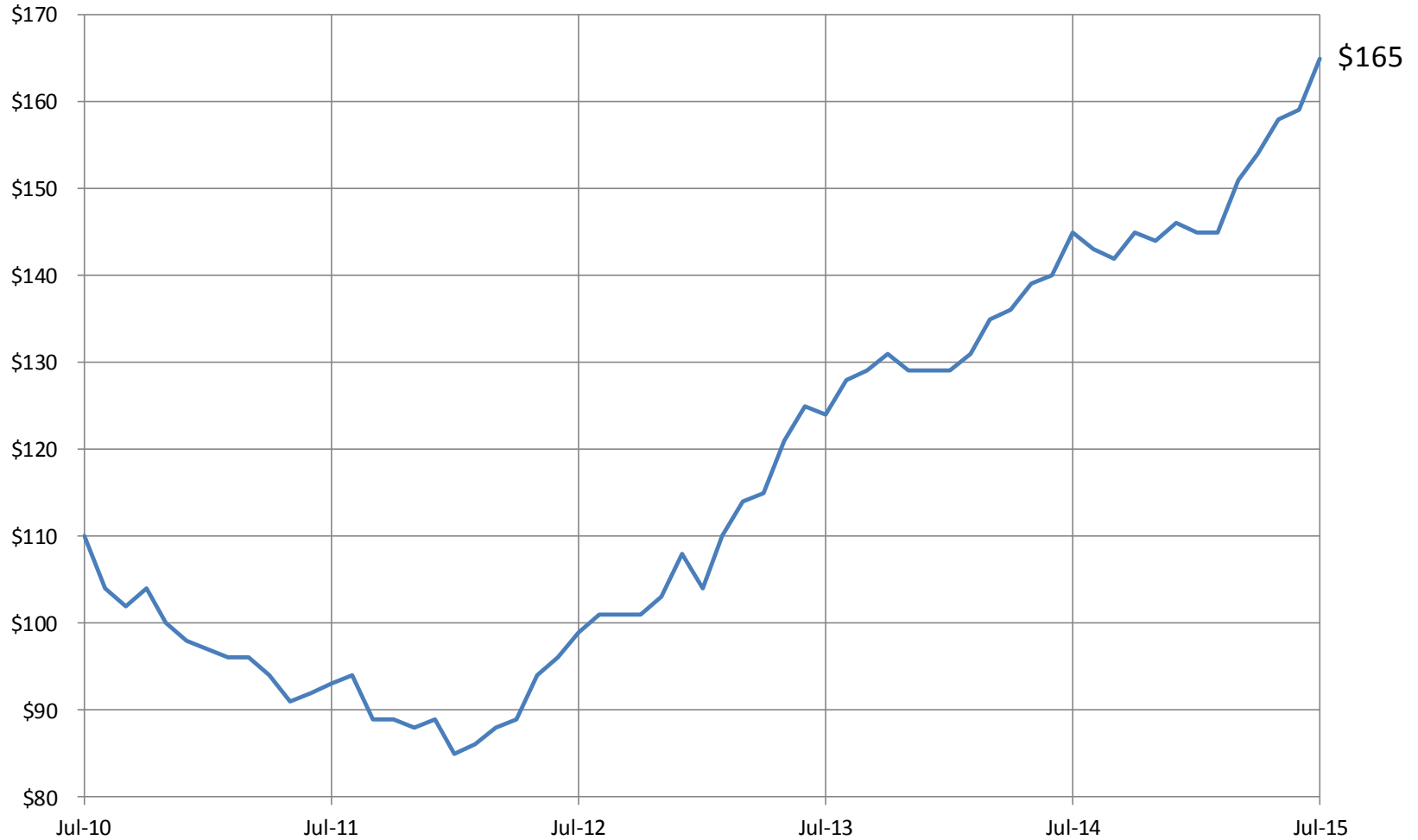
Median Sales Price, 8 years



Price per Square Foot

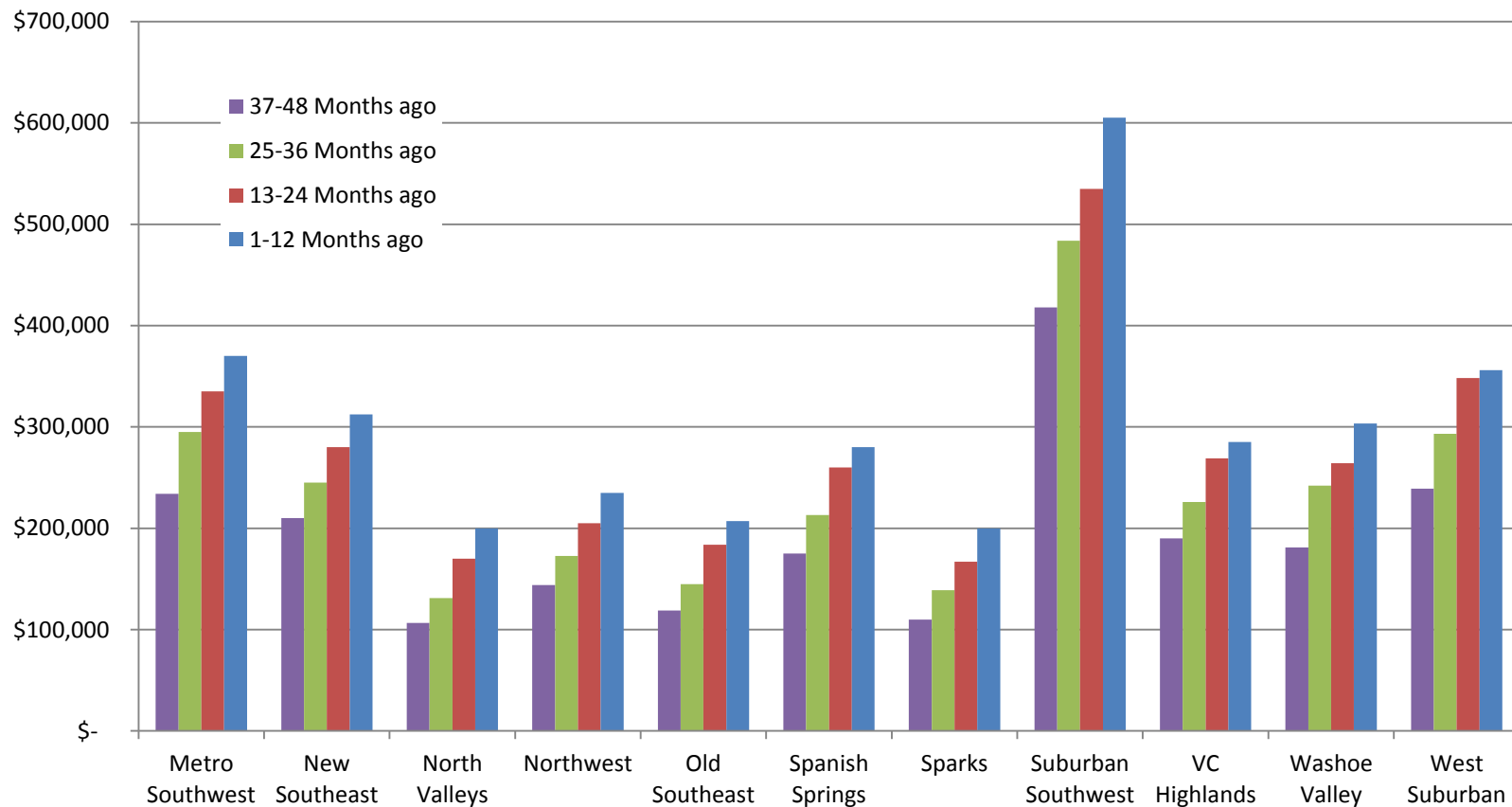
July, 2015

Sold Dollars per Square Foot, 5 year History



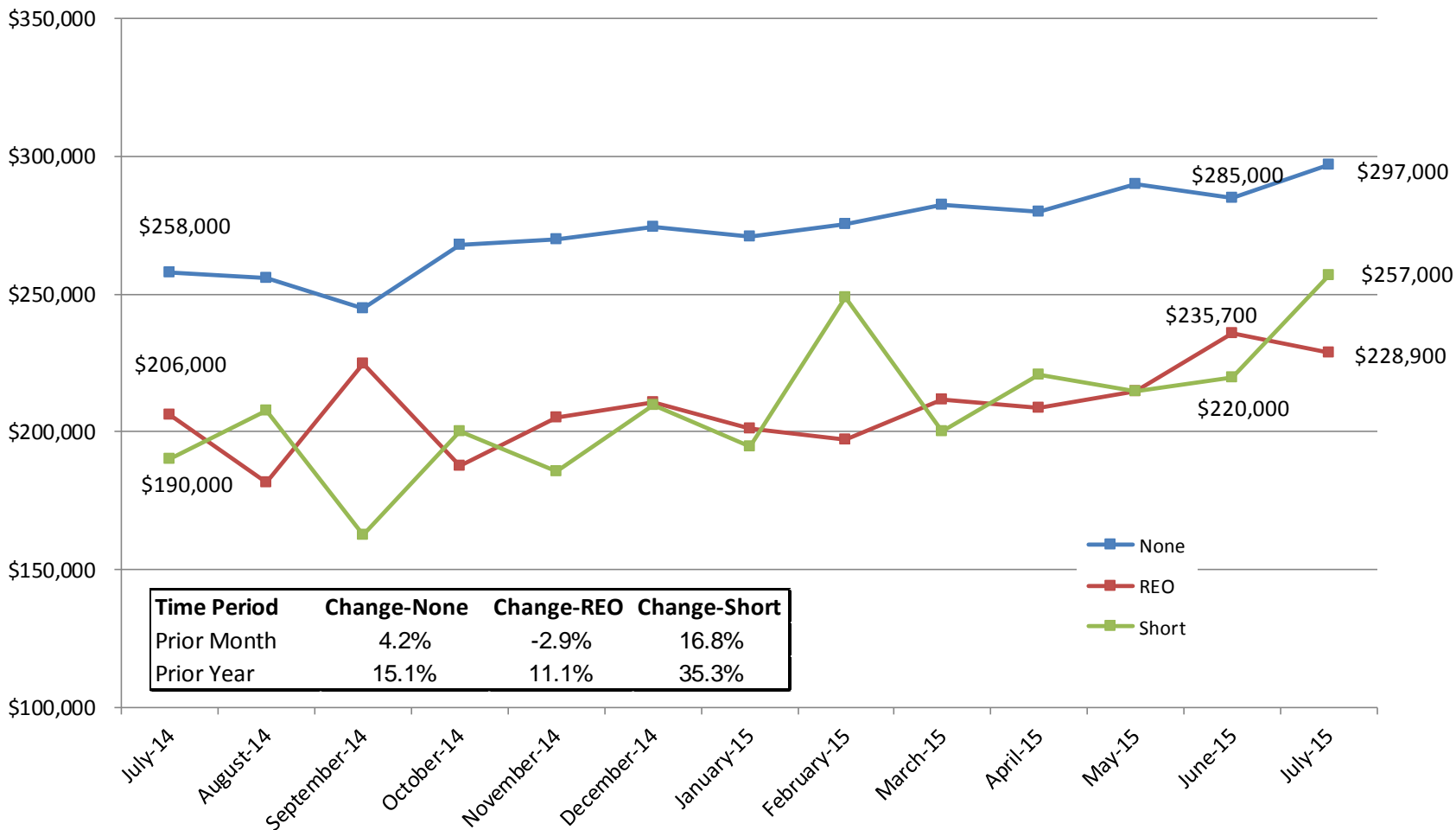
Annualized Median Price by Area Group

July, 2015



Median Sales Price by Special Condition

July, 2015

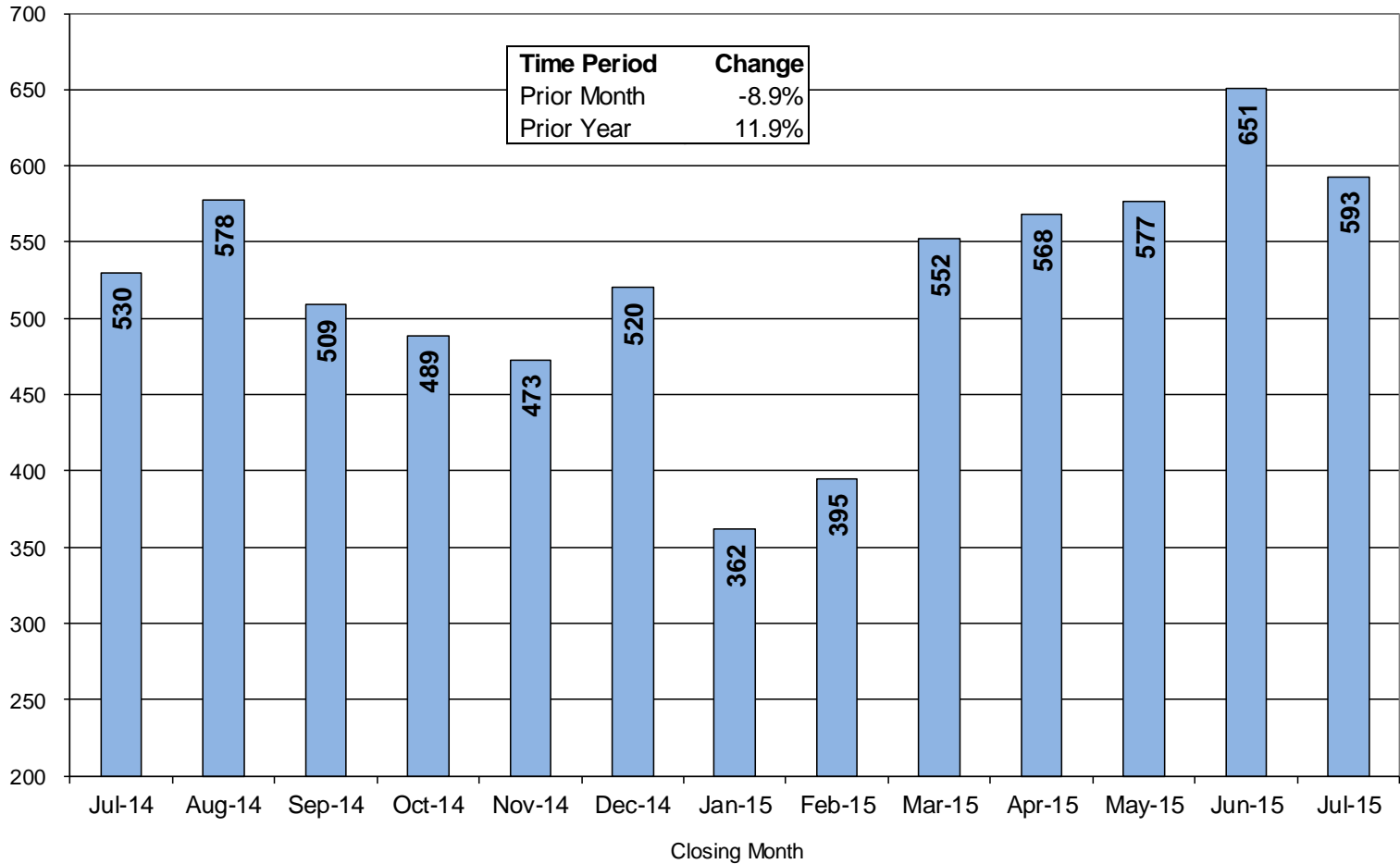


Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.

Number of Units Sold

July, 2015

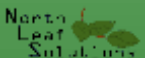
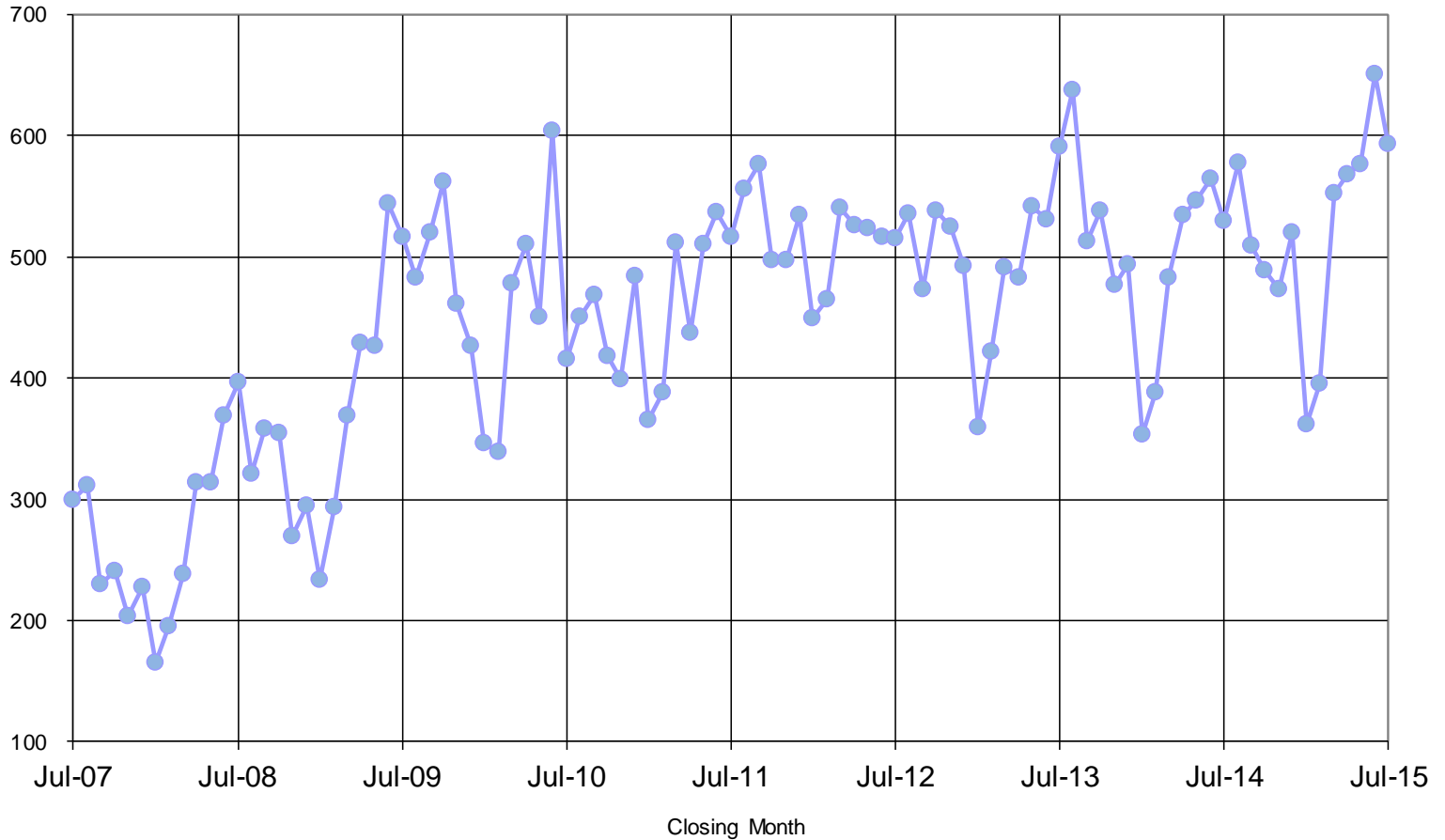
Number of Units Sold, 13 months



Number of Units Sold

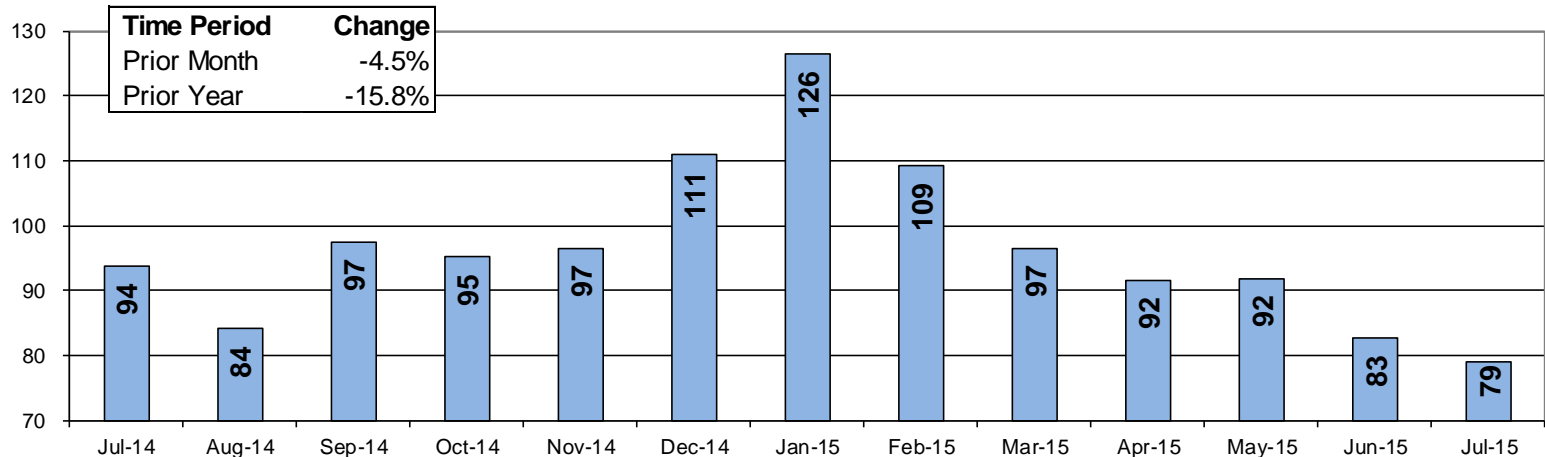
July, 2015

Number of Units Sold, 8 years

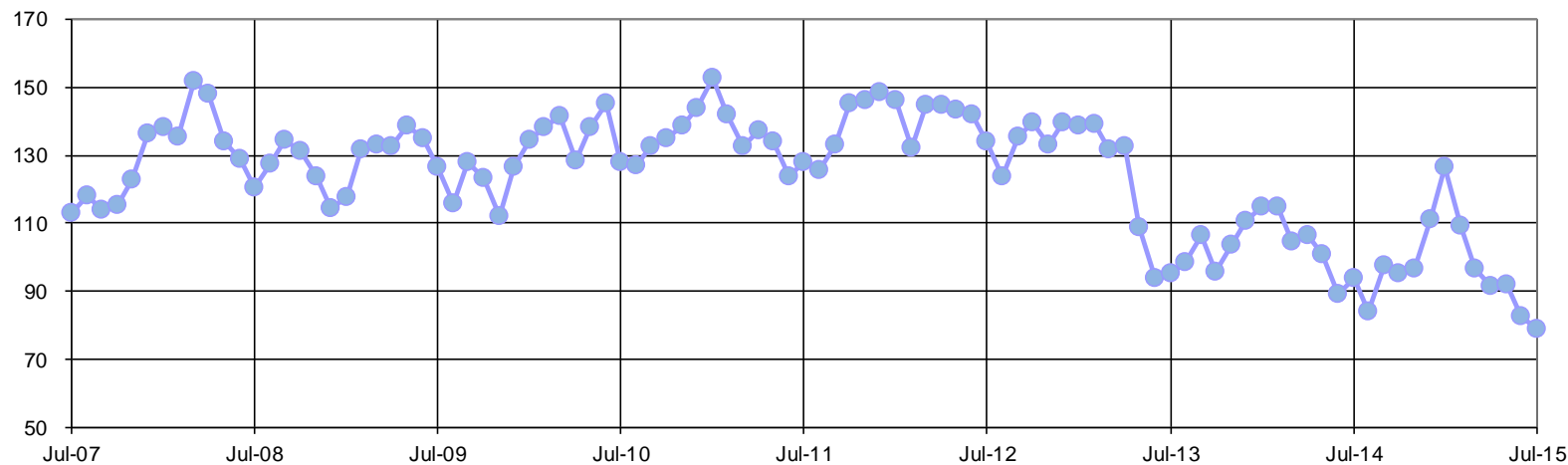


Days on Market, by Month

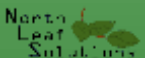
Average Days on Market for Solds, 13 months



Average Days on Market for Solds, 8 years

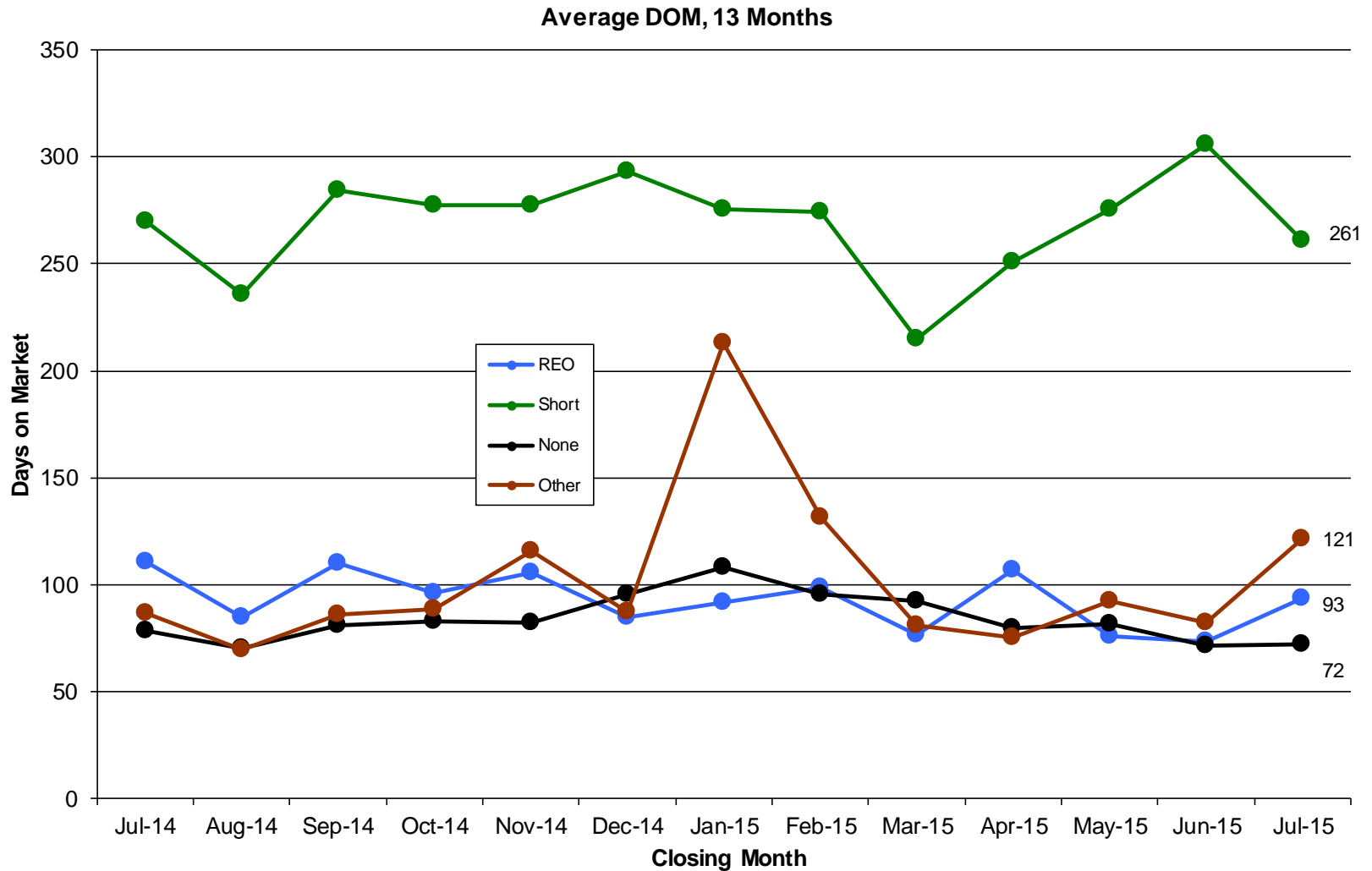


July, 2015



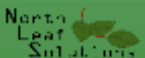
Days on Market, by Special Conditions

July, 2015



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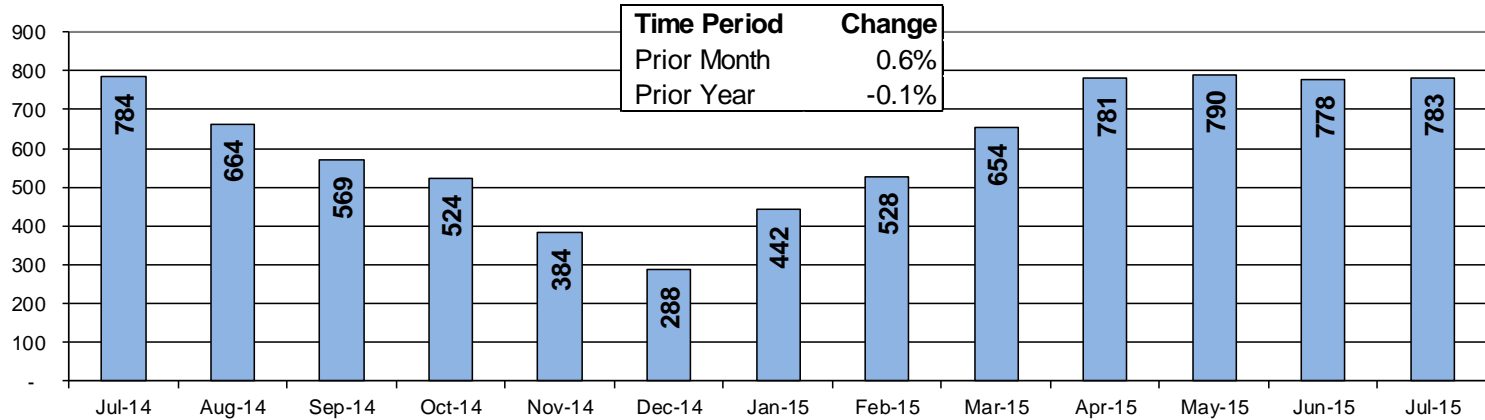
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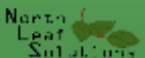
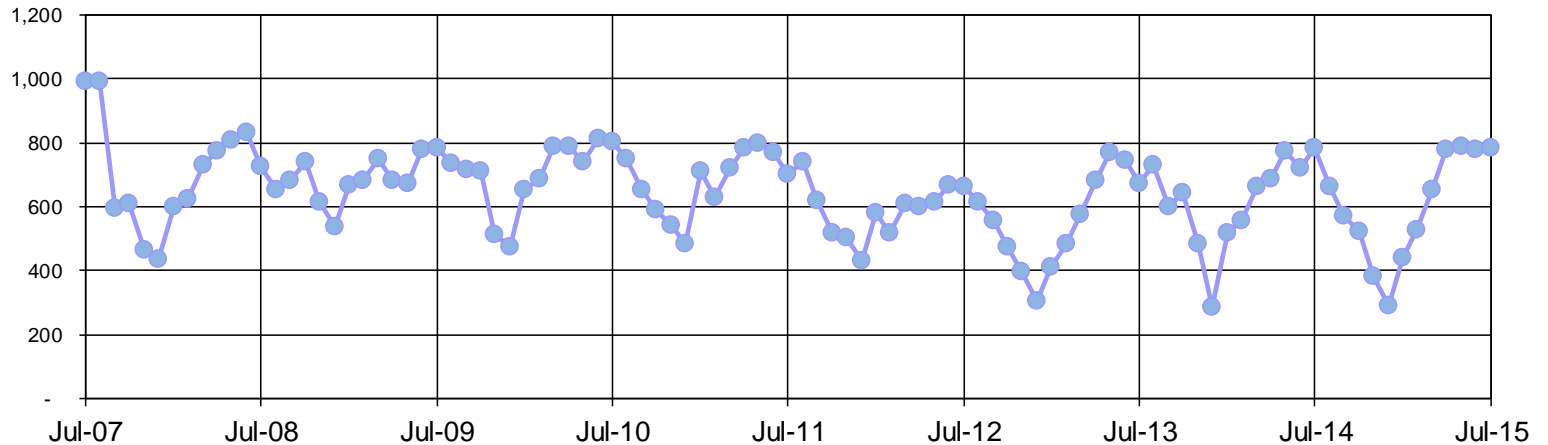
New Listings, by Month

July, 2015

New Listings by Month, 13 months

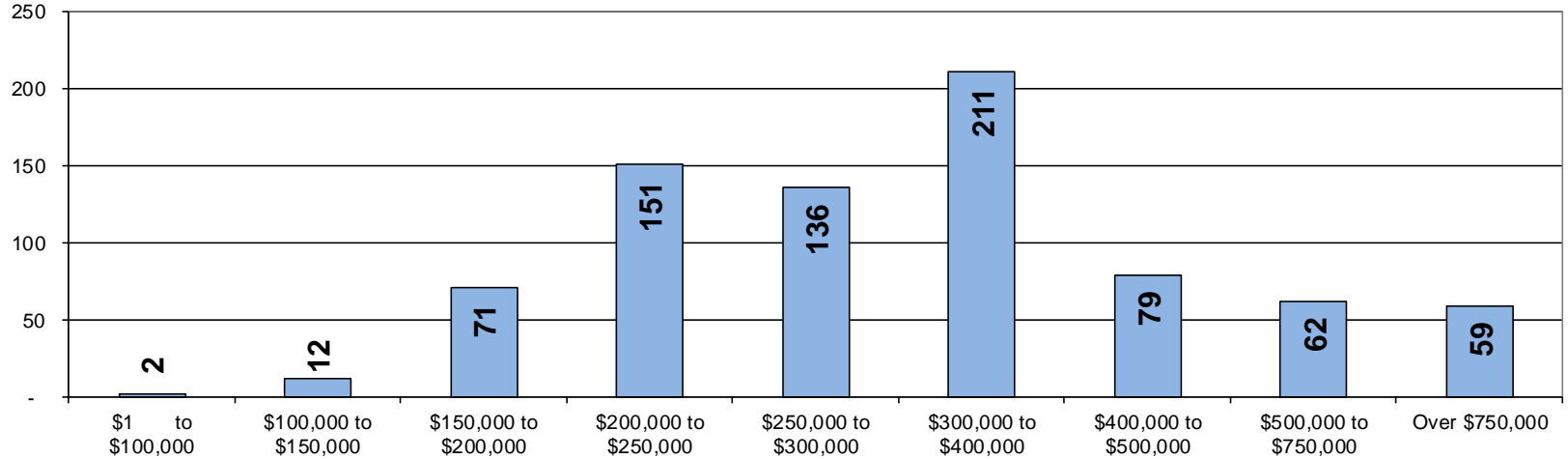


New Listings by Month, 5 years

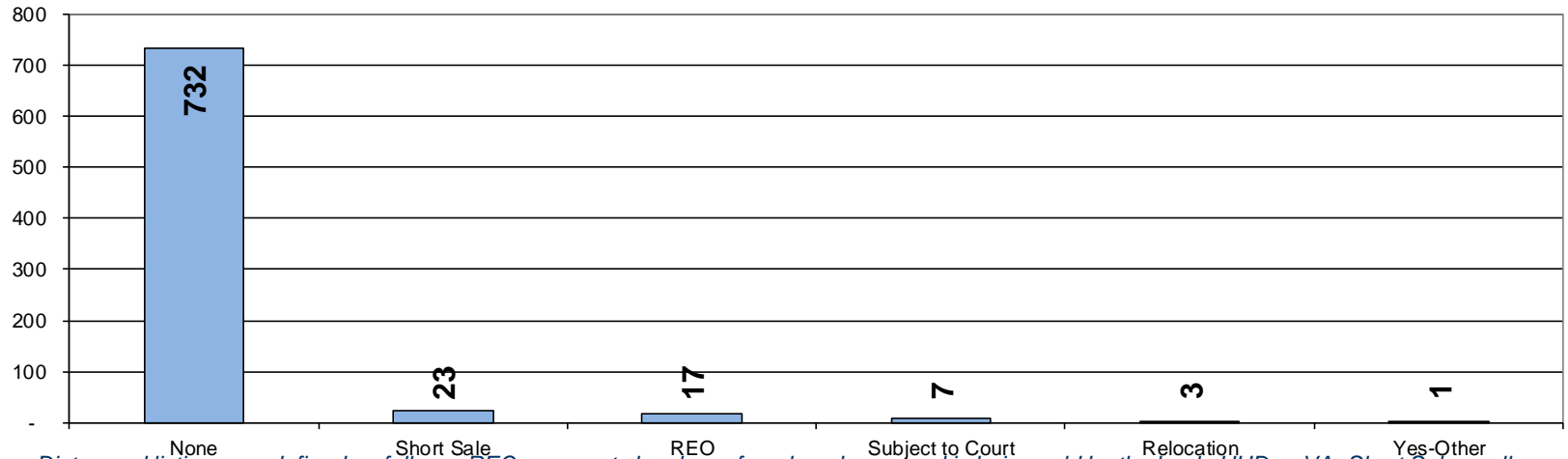


New Listings, by Price and by Special Condition

New Listings, by Price Range



New Listings, by Special Condition



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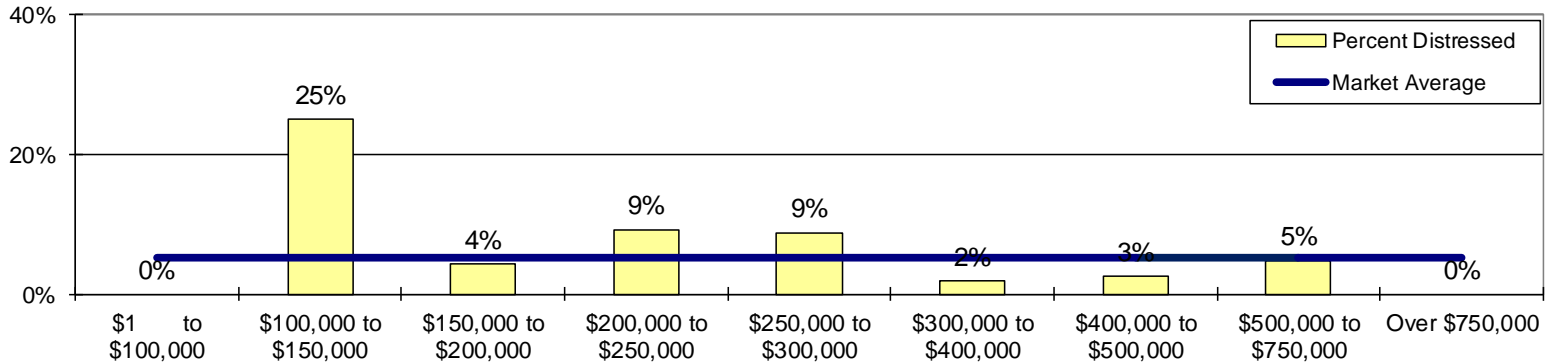
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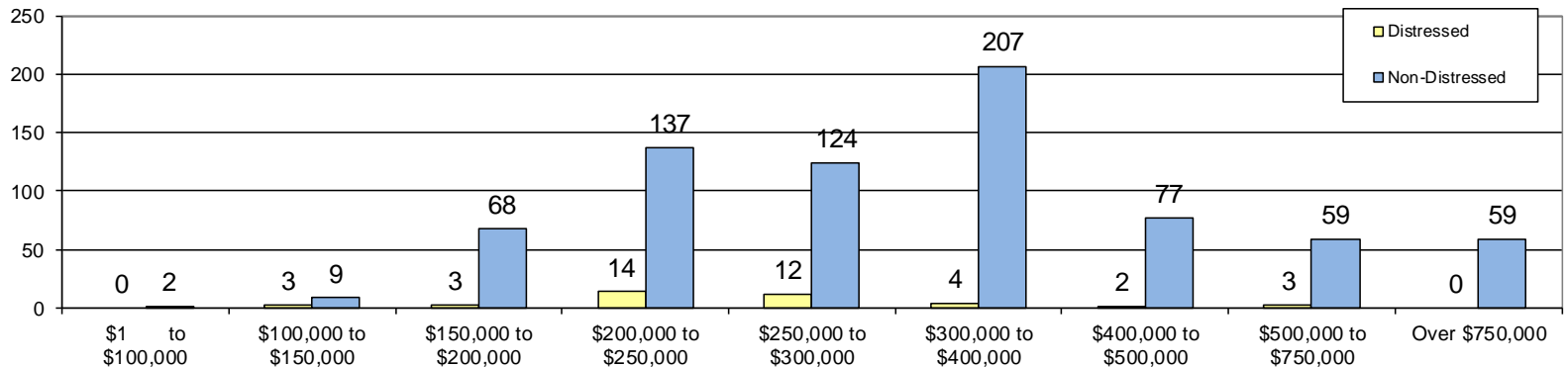
Distressed Listings, by Price

July, 2015

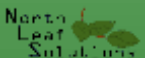
Percentage Distressed New Listings by Price, current month



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



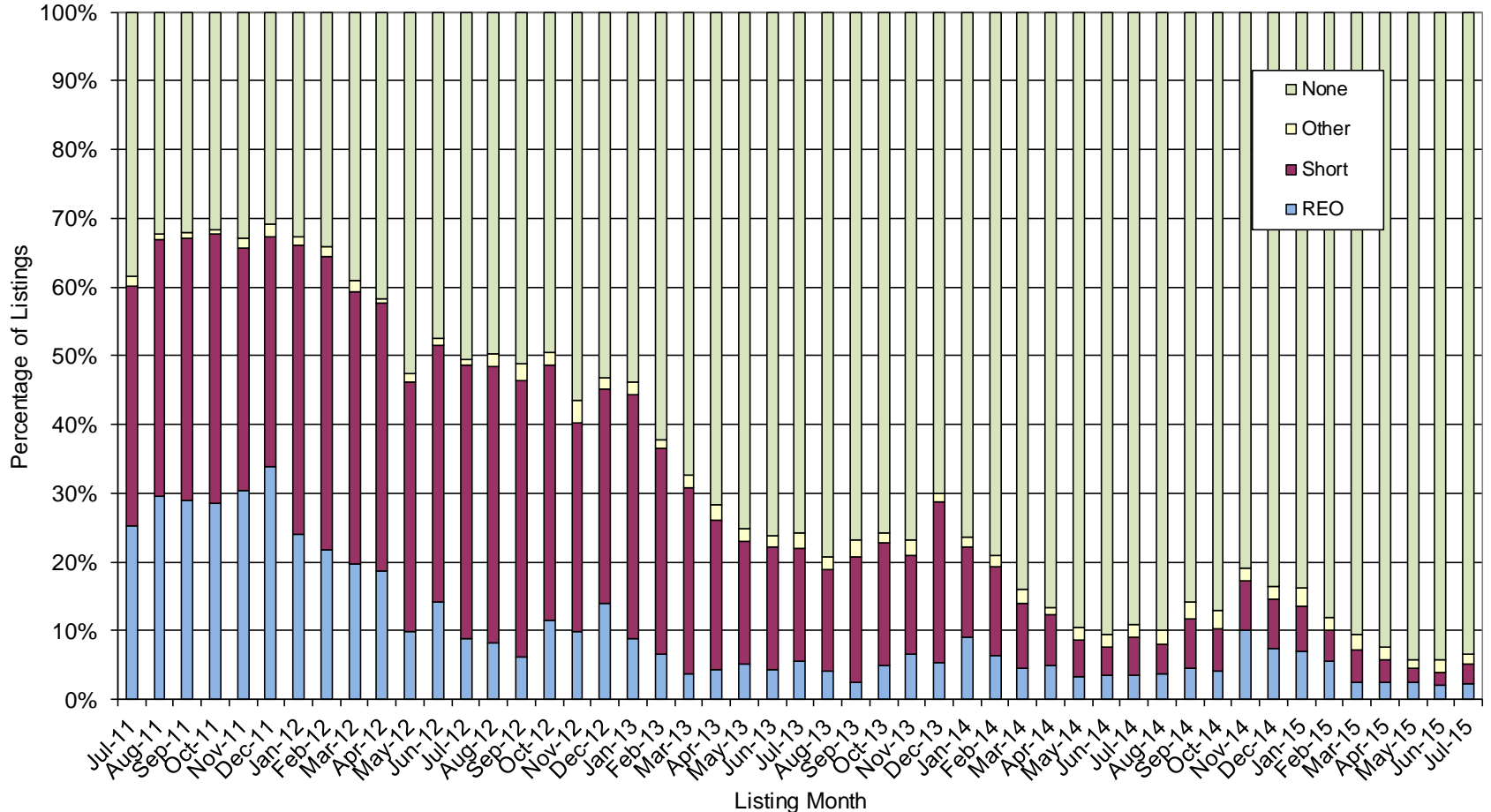
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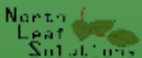
Distressed Listings, as a percentage of all listings

July, 2015

New Listings by Special Conditions

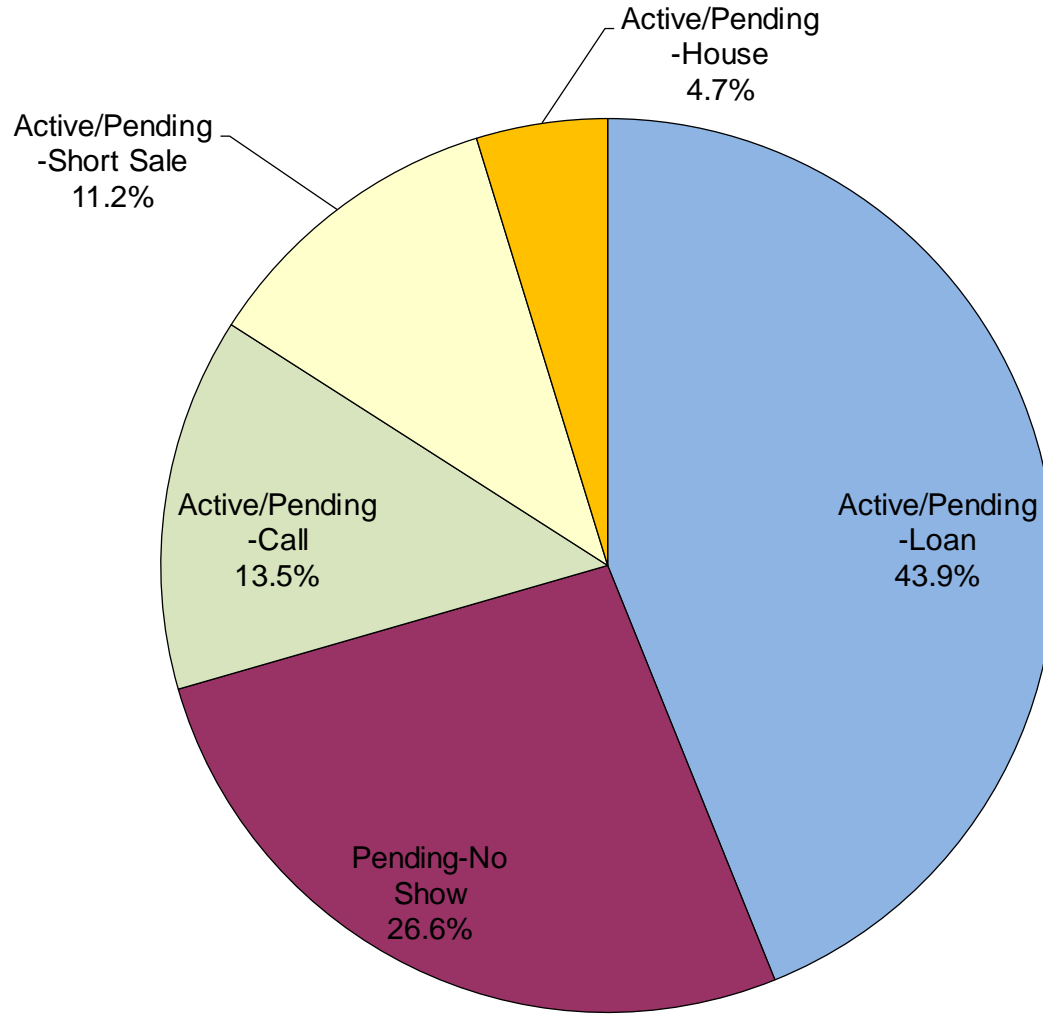


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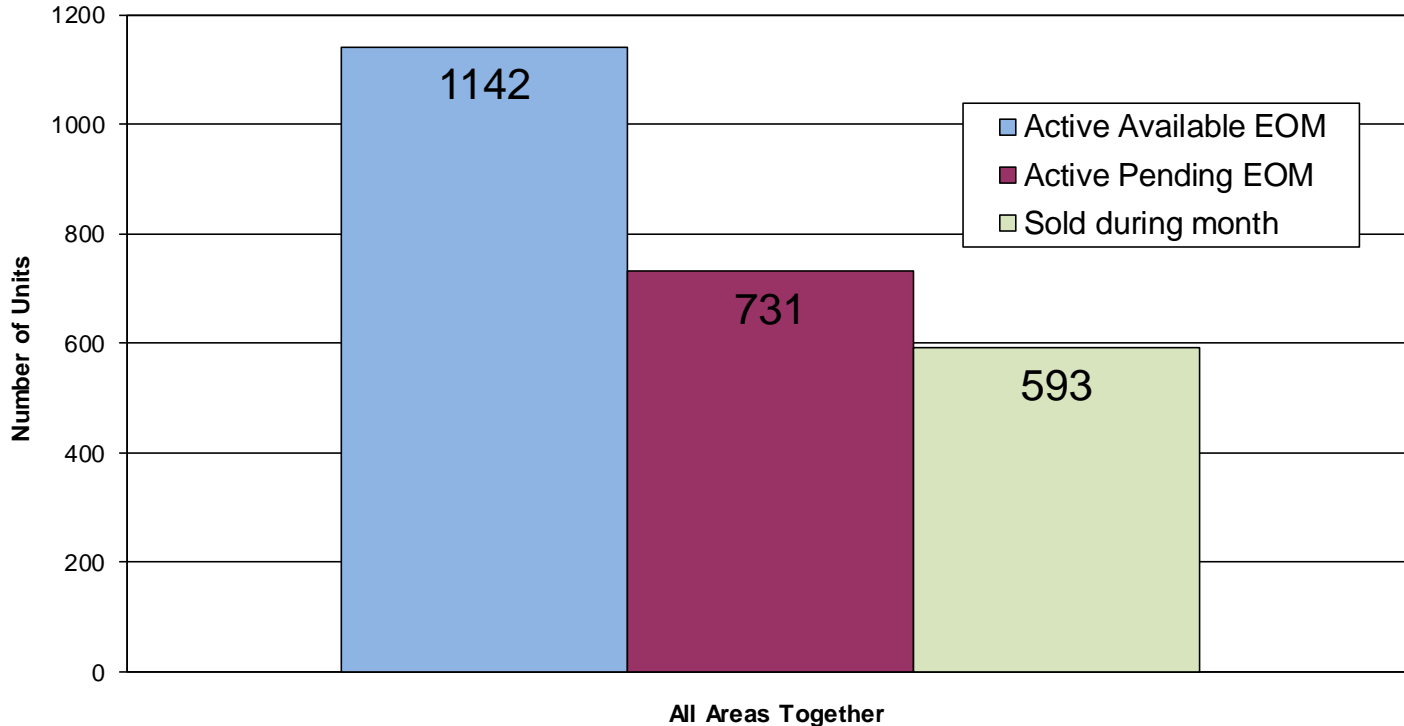
Status of Pendings, Current Month

July, 2015



Months Supply of Inventory, Current Month

$(1142 + 731) \text{ available} / 593 \text{ units sold} = 3.2 \text{ months of inventory}$



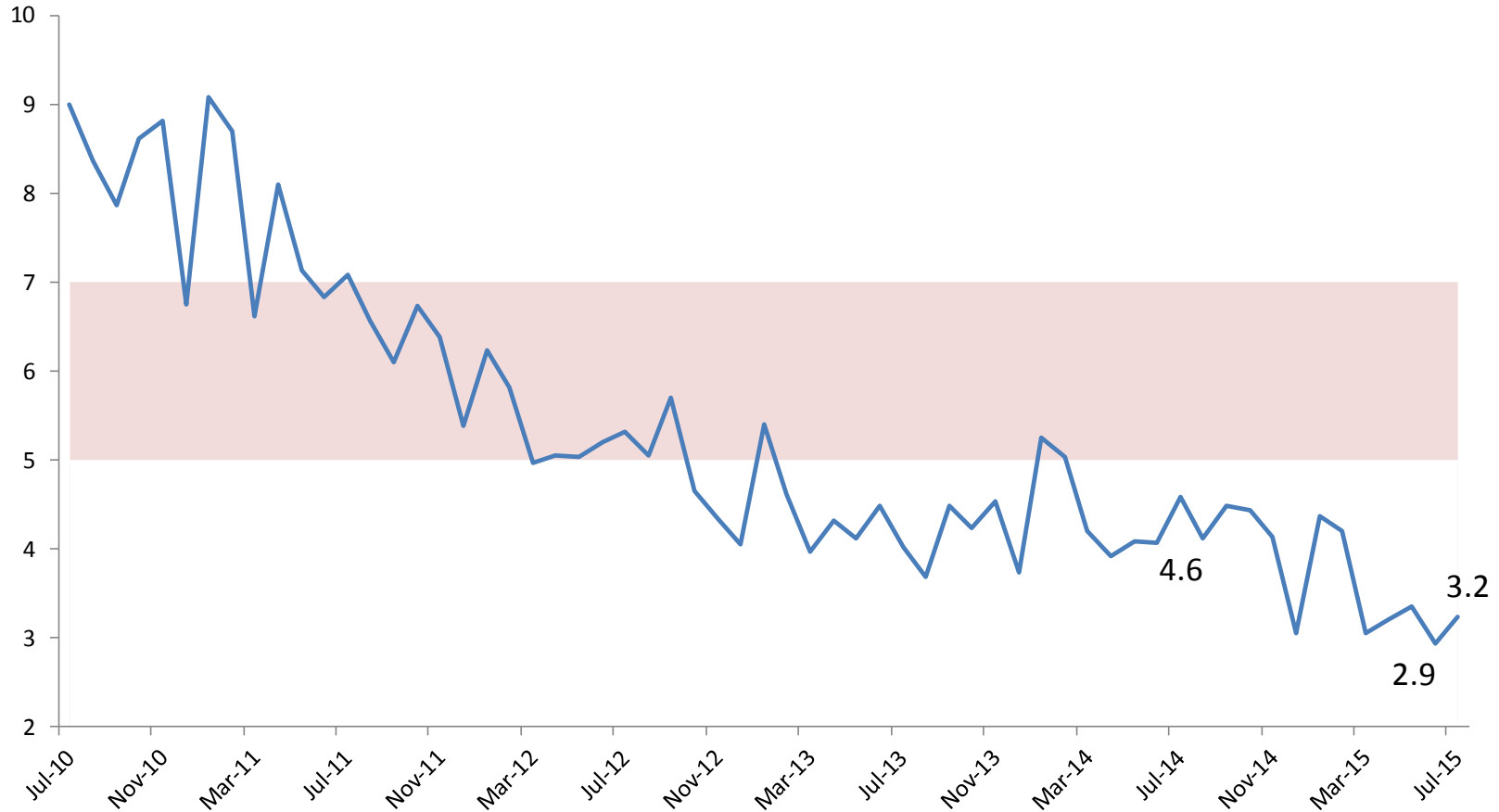
Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

July, 2015

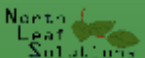
Months Supply of Inventory, Historical 5 years

July, 2015

Month's Supply of Inventory, 5 year history



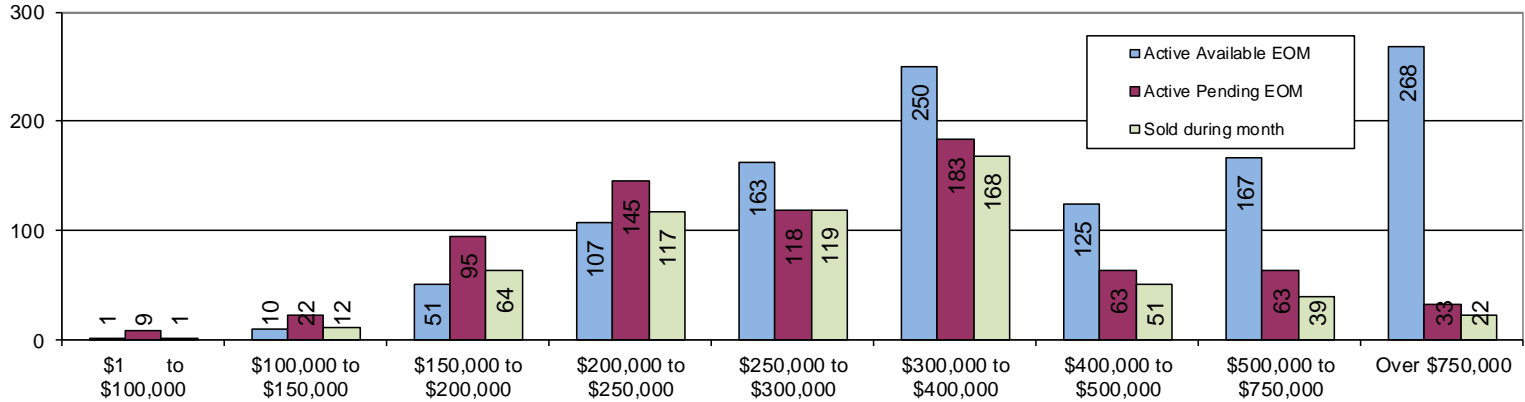
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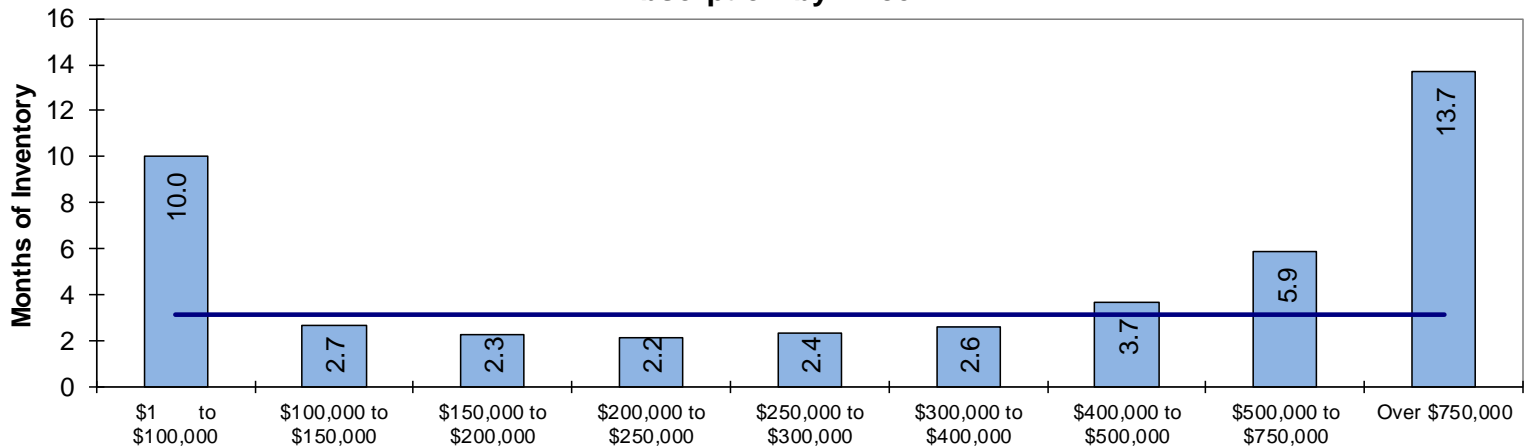
Units and Absorption, by Price

July, 2015

Active and Sold Homes by Price, current month



Absorption by Price



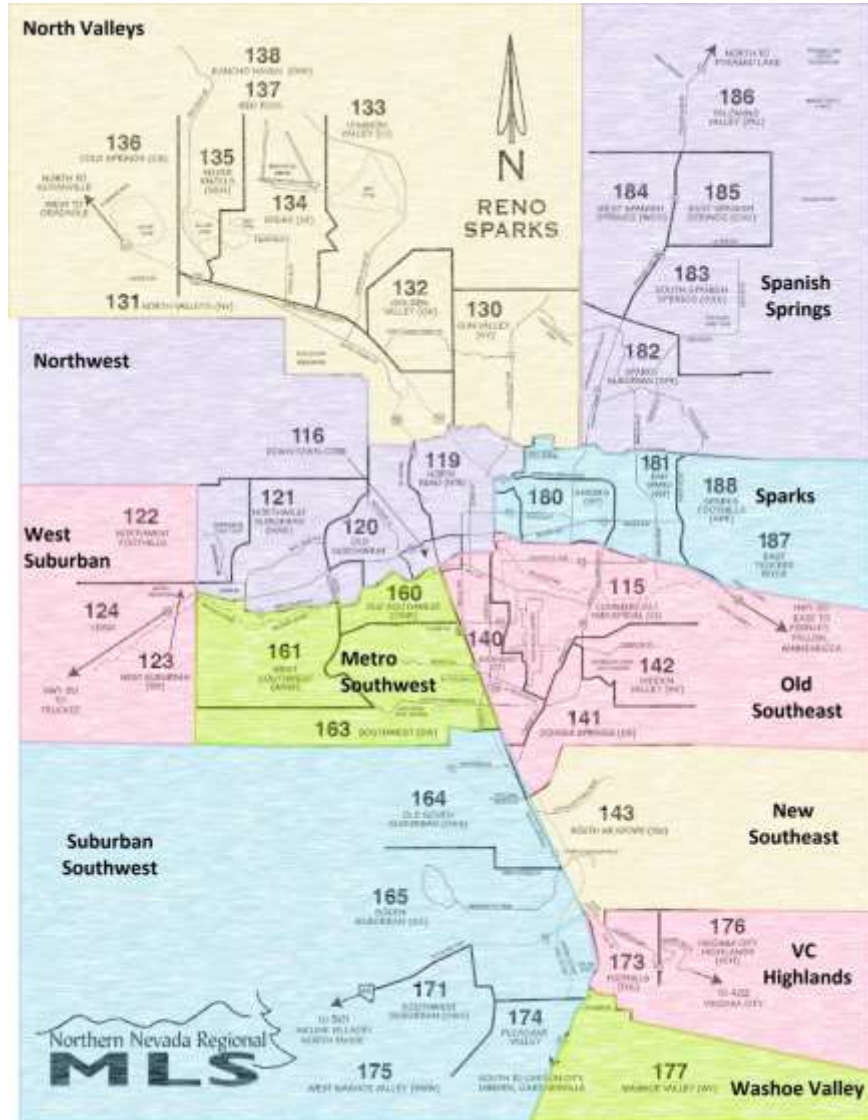
"Active" includes "Active/Pending"

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

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

Reno/Sparks Area Map

July, 2015

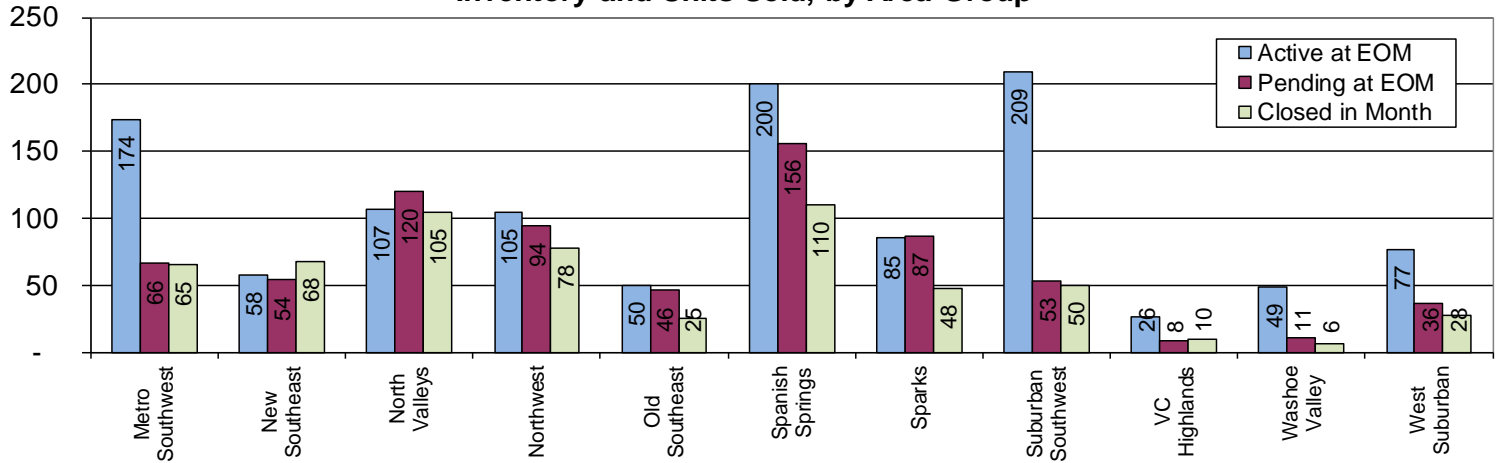


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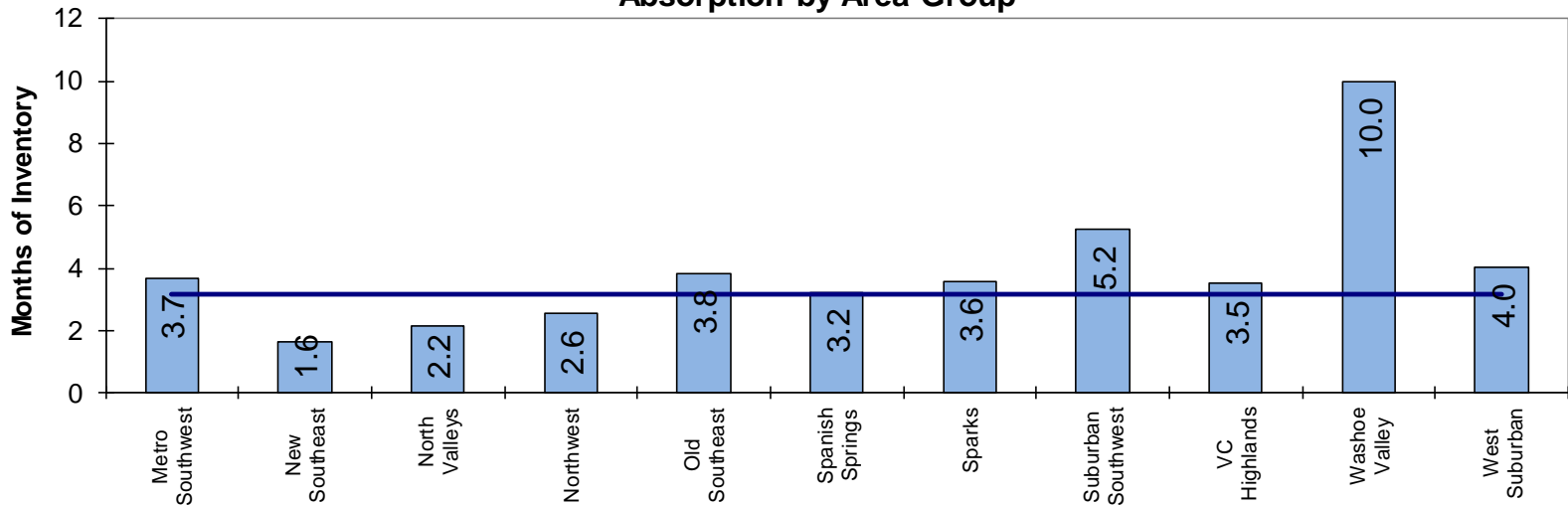
Units and Absorption, by Area Group

July, 2015

Inventory and Units Sold, by Area Group



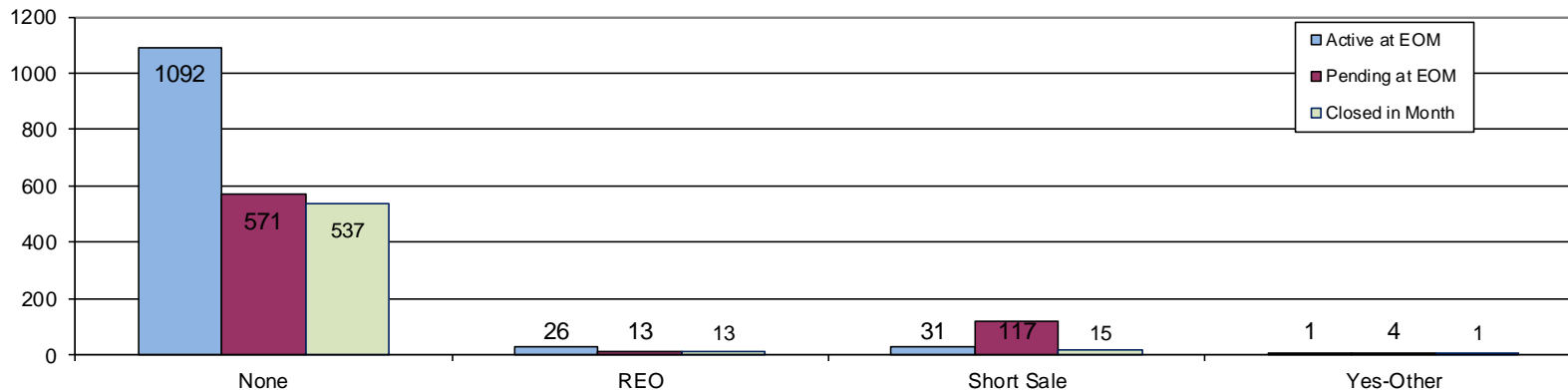
Absorption by Area Group



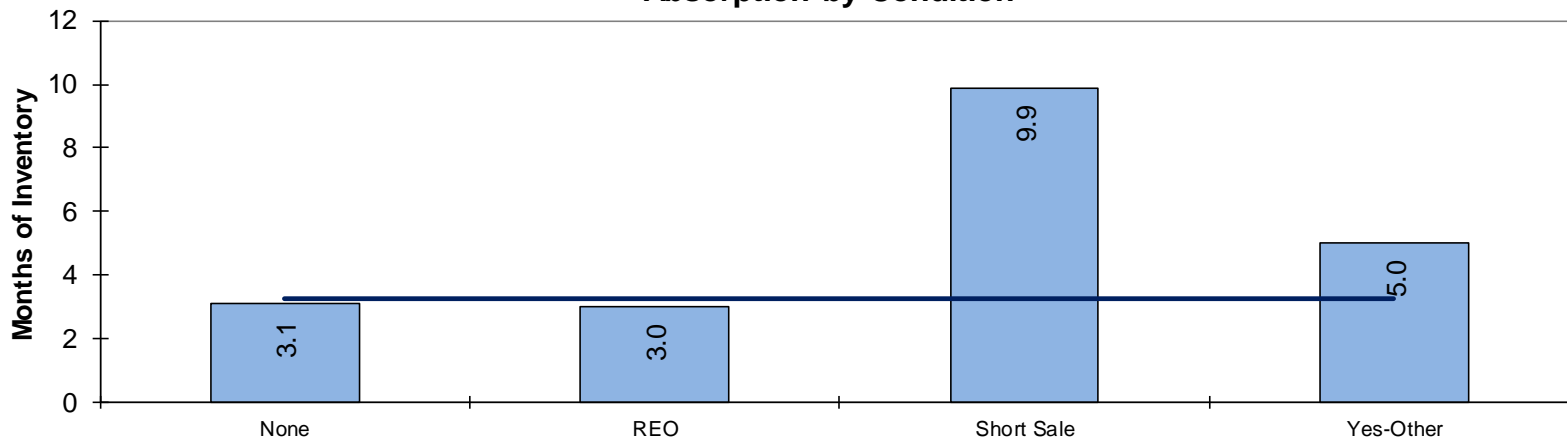
Units and Absorption, by Special Condition

July, 2015

Active and Sold Homes by Condition, current month



Absorption by Condition



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“Active” includes “Active/Pending”

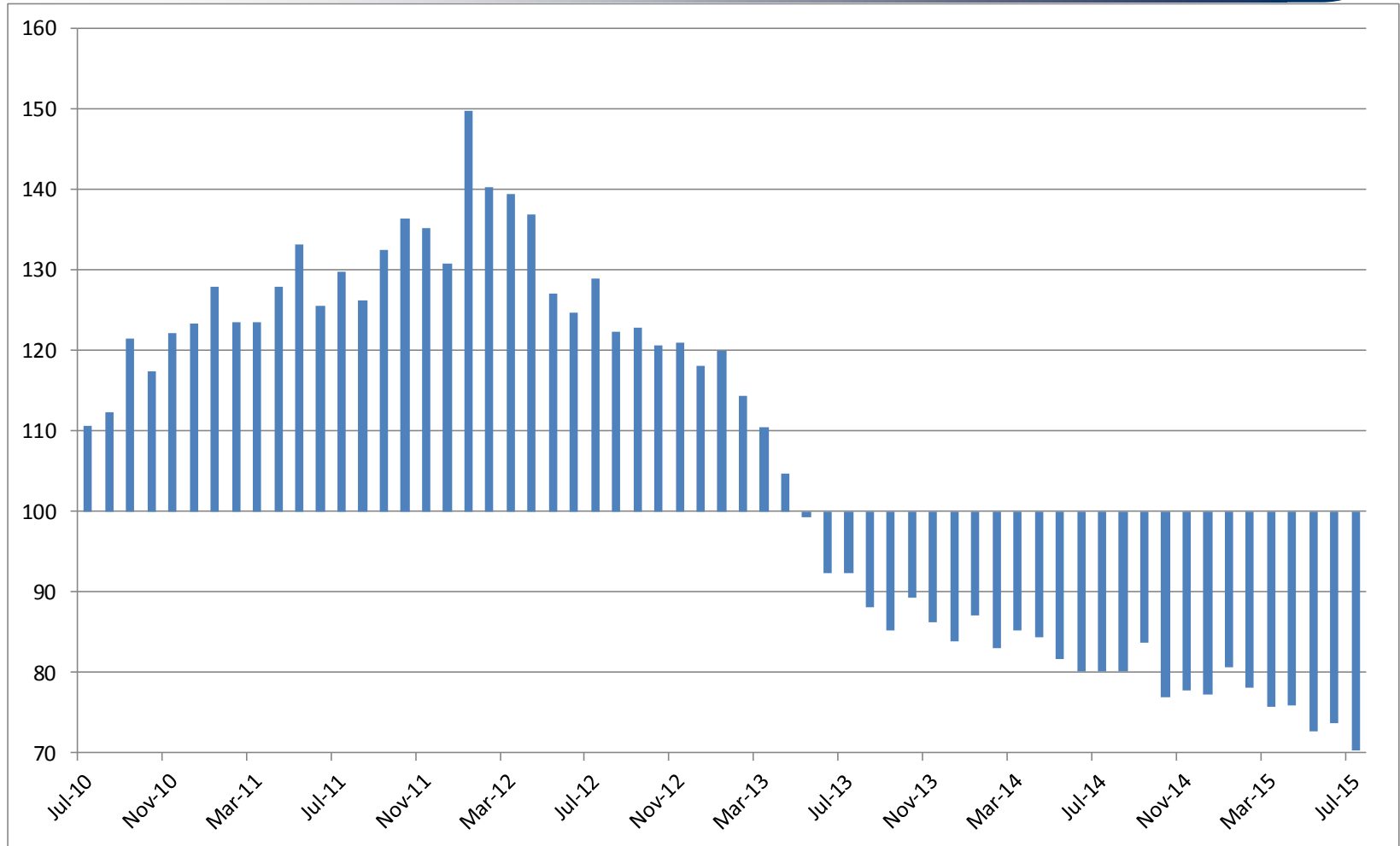
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Housing Affordability Index, 5 years

July, 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

July, 2015

