

# Reno/Sparks Association of REALTORS®

October, 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

October, 2013

- ❖ **Commentary**
- ❖ **Median Sales Price**
  - Annualized by Area Group
  - By Special Conditions
- ❖ **Number of Units Sold**
- ❖ **Days on Market**
  - By Month
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- ❖ **New Listings**
  - By Month
  - By Price
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- ❖ **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
- ❖ **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 10<sup>th</sup>, 2013.

# Market Report Commentary

October, 2013

## ❖ Summary

“As we approach the end of 2013, we are continuing to see a year-over-year increase in the number of traditional existing home sales versus short sale or bank owned home sales,” said Helen Graham, 2013 president of the Reno/Sparks Association of REALTORS. “Despite a limited inventory, a government shut-down and increasing interest rates, total unit sales numbers year to date are tracking slightly ahead of 2012. The median sales price has remained stable for the past five months, which may be due to the beginning of the seasonal softening along with increasing interest rates.”

## ❖ Median Sales Price

- October 2013 median price was down -3.8% to \$215,000 compared to \$223,500 in September 2013 and up 19.4% compared to \$180,000 in October 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

- October, 2013 median price on properties with no special conditions was down -8.9% to \$225,000 compared to \$247,000 in September, 2013 and up 3.8% compared to \$216,800 in October, 2012.
- October, 2013 median price on REO (Bank Owned) properties was up 4.0% to \$182,000 compared to \$175,000 in September, 2013 and up 9.6% compared to \$166,000 in October, 2012.
- October, 2013 median price on short sales properties was down -2.2% to \$166,250 compared to \$170,000 in September, 2013 and up 10.8% compared to \$150,000 in October, 2012.

## ❖ Number of Units Sold

- October, 2013 units sold was up 4.5% to 532 compared to 509 in September, 2013 and down -1.1% compared to 538 in October 2012.

## ❖ Average Days on Market

- October, 2013 average days on market was down -9.1% to 96 compared to 106 in September, 2013 and down -31.1% compared to 139 in October 2012.

# Market Report Commentary, continued

October, 2013

## ❖ Days on Market (DOM) by Special Conditions

- Short sale properties had an average days on market of 207.
- Properties with no special conditions had an average days on market of 74.
- REO Properties had an average days on market of 88.

## ❖ New Listings

- October, 2013 new listings was up 6.4% to 631 compared to 593 in September, 2013 and up 33.4% compared to 473 in October 2012.
- Properties listed at under \$250,000 made up 54% of new listings entering the market during the month of October, 2013.
- 23% of new October, 2013 listings were distressed. Short sales 17%; REO 5%; No special conditions 77%; and Other 1%.

## ❖ Distressed New Listings History

- The allocation of new listings by special conditions increased, representing 22% of the market in October 2013, down from 20% in September 2013, and 49% in October 2012.

## ❖ Status of Pending

- Active/Pending-Short Sale represent 41.3% of the total active pendings; Active/Pending-Loan equals 23.3%; Pending-No Show represents 24.6%; Active/Pending-Call 8.9%; and Active/Pending-House 1.9%.

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

- At the end of October, 2013, there was 3.8 months of unsold inventory based on the monthly sales rate.

# Market Report Commentary, continued

October, 2013

## ❖ Historical Months Supply of Inventory

- Historical Months Supply of Inventory (MSI) was down in October, 2013 to 3.8, and down from 4.6 in October, 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

- No price bands are in a balanced market.
- Properties over \$500,000 are a buyer's market.
- All price bands below \$500,000 have less than 4.9 month's supply of inventory and would be considered seller's market.
- 62% of the total sales for the month of October were in the under \$250,000 price range.

## ❖ Units and Absorption by Area Group

- Spanish Springs had the highest level of active inventory with 170 Active listings.
- The North Valleys, Northwest, Spanish Springs, and Metro Southwest show the highest level of activity in pending sales for the month.
- The North Valleys, Northwest and Spanish Springs show the highest volume of closed sales for the month.
- Suburban Southwest is considered a balanced markets within 5 – 7 month's supply of inventory (MSI). Metro Southwest, VC Highlands, and Washoe Valley are a buyer's market. All remaining areas are considered a seller's market with less than 4.2 MSI.

## ❖ Units and Absorption by Condition

- The Month's Supply of Inventory in the category of Real Estate Owned properties remains low at 3.8 MSI in October, 2013.
- No Special Conditions condition properties has 3.0 MSI, Short Sale properties has 7.4 MSI, and Yes-Other 2.0.

# Market Report Commentary, continued

October, 2013

## ❖ Conclusion

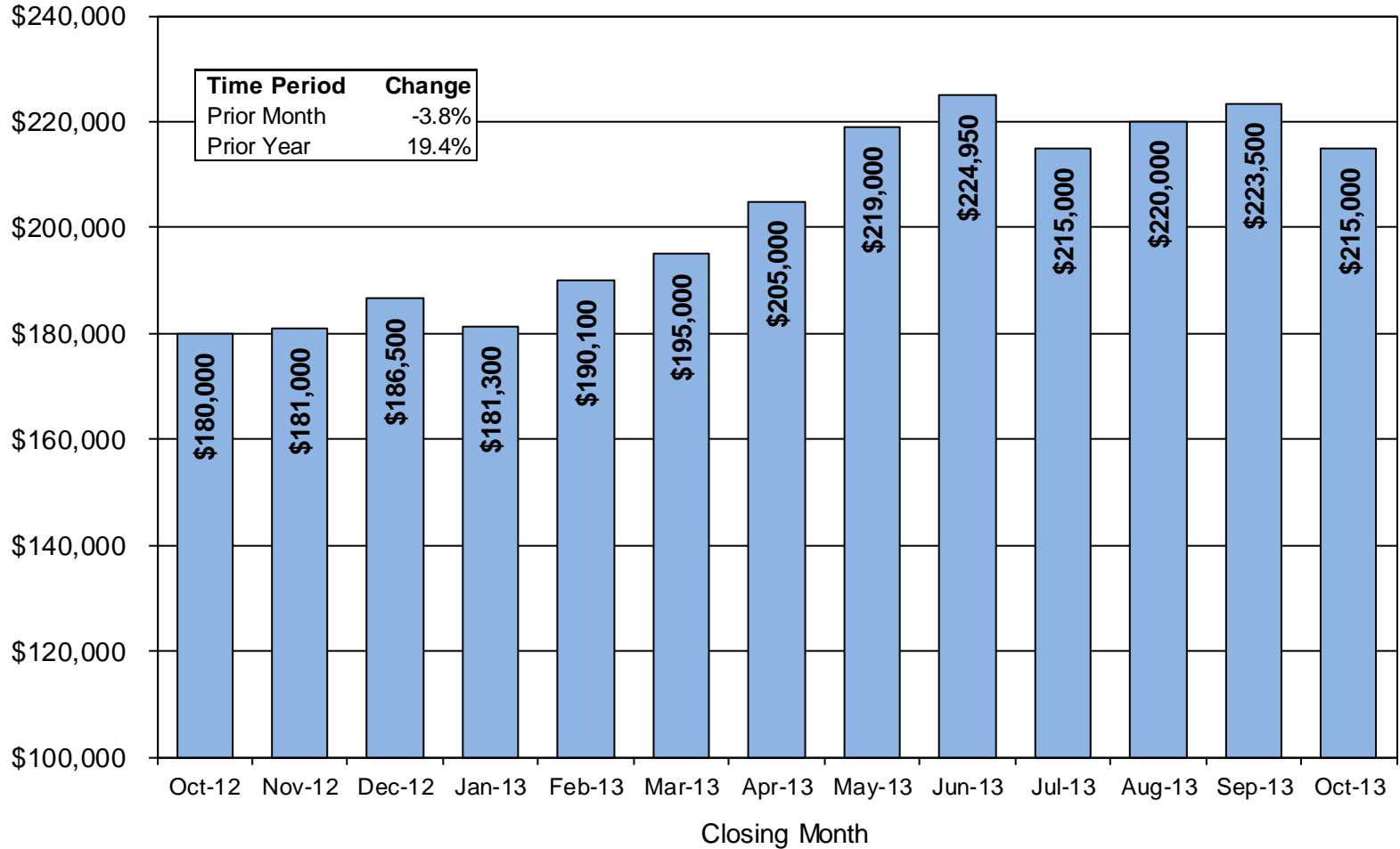
- After the ramp up in sales during the spring and summer months, October unit sales is down 1.1% from October 2012 and up 4.5% compared to September 2013. With a decline in pending sales last the last three months, along with typical seasonal trends, the decline is not unexpected.
- The median sales price has remained stable for the past five months. This may be due to the beginning of the seasonal softening of median sales price along with increasing interest rates.
- Listings with no special conditions are up 195% from October 2011 and up 52% from October 2012. Traditional home sellers and those investors who were savvy enough to purchase at the bottom of the market now hold the majority of the inventory.
- For the consecutive second month, the sold-to-asking price ratio was below 100%. October sold-to-asking price ratio was at 99.7% compared to September 2013 at 99.5%. Although there is still strong buyer demand, we are not seeing the sales price exceed the list price as was the trend the first eight months of 2013.
- The leadership of the Reno/Sparks Association of Realtors recently attended the National Association of Realtors Annual Conference in San Francisco. Among the topics discussed was the possible extension of the Mortgage Forgiveness Tax Relief Act. According to NAR's Chief Lobbyist, Jerry Giovaniello, an extension of the Act has only a 20% chance of being enacted. If it is introduced and passed, it most likely will not occur before year end. This will leave many short sale sellers hanging in uncertainty. The good news is that active short sale listings represent only about 17% of the current inventory. The bad news is that pending short sales represents 50% of the market. It's time to put added pressure on lenders and asset managers to act on these short sales and close before December 31, 2013, when the current bill expires.

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# Median Sales Price

October, 2013

Median Sales Price, 13 months



# Summary: Median Sales Price

October, 2013

### Median Sales Price, 8 years

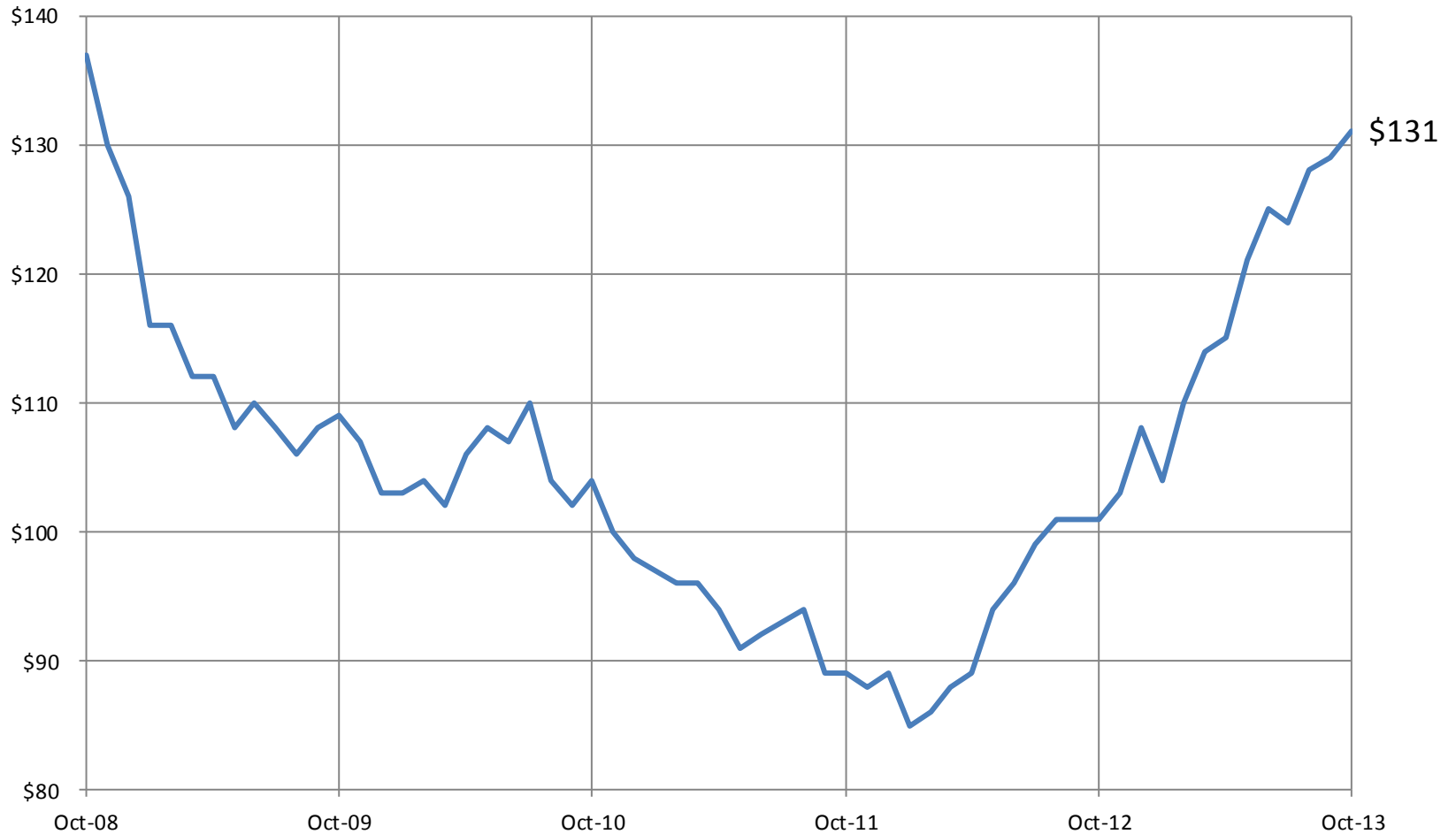




# Price per Square Foot

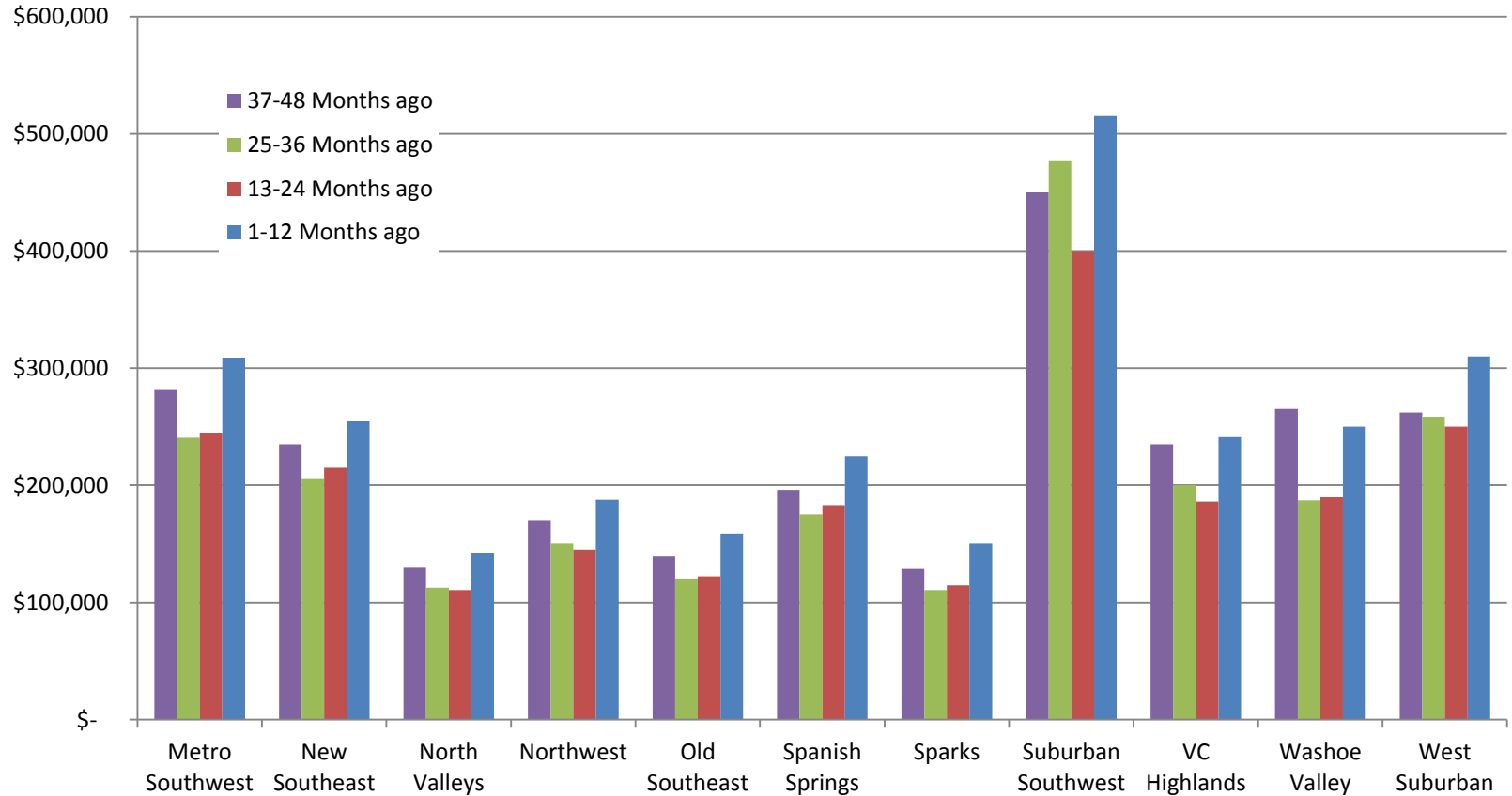
October, 2013

## Sold Dollars per Square Foot, 5 year History



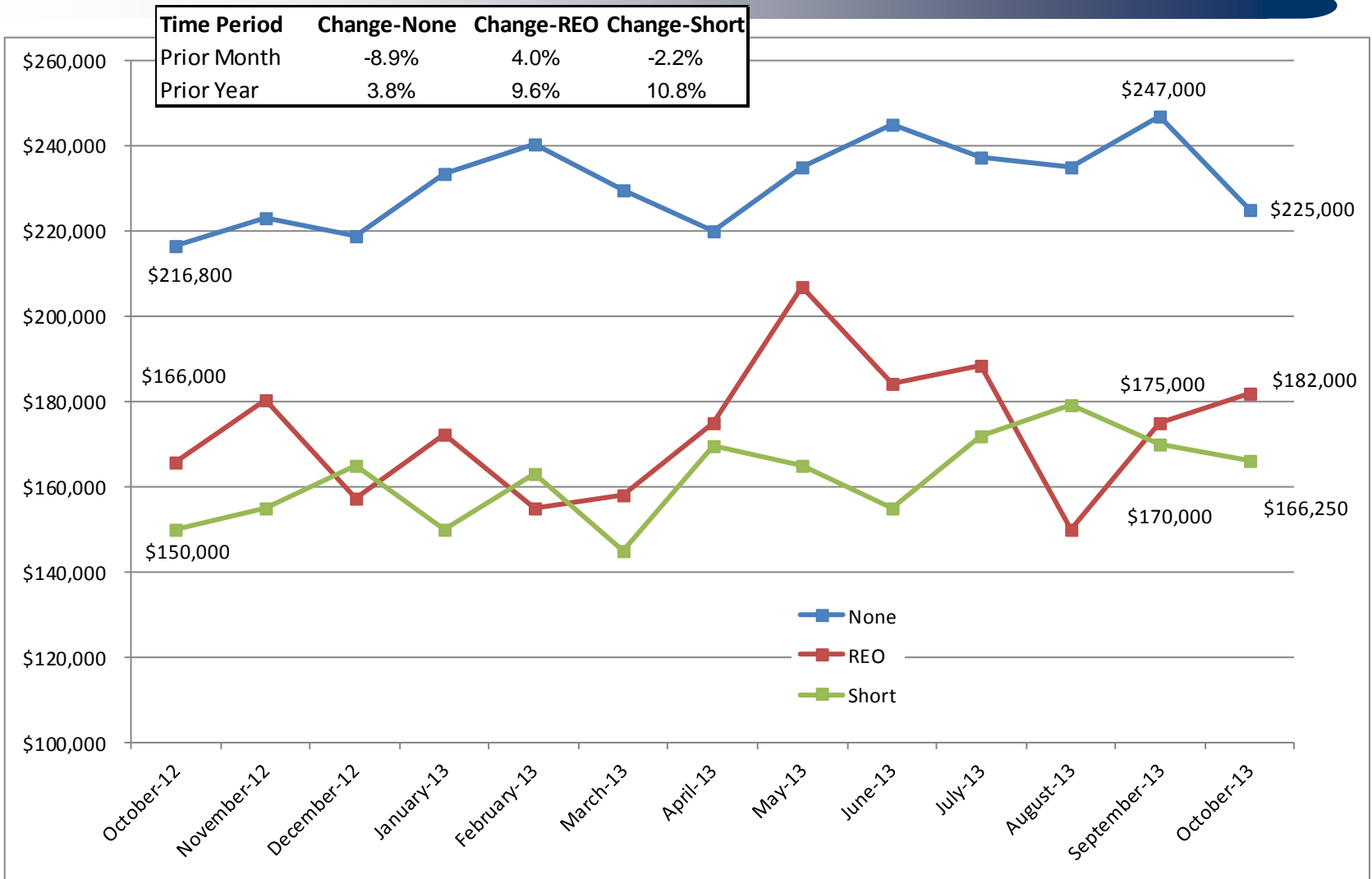
# Annualized Median Price by Area Group

October, 2013



# Median Sales Price by Special Condition

October, 2013

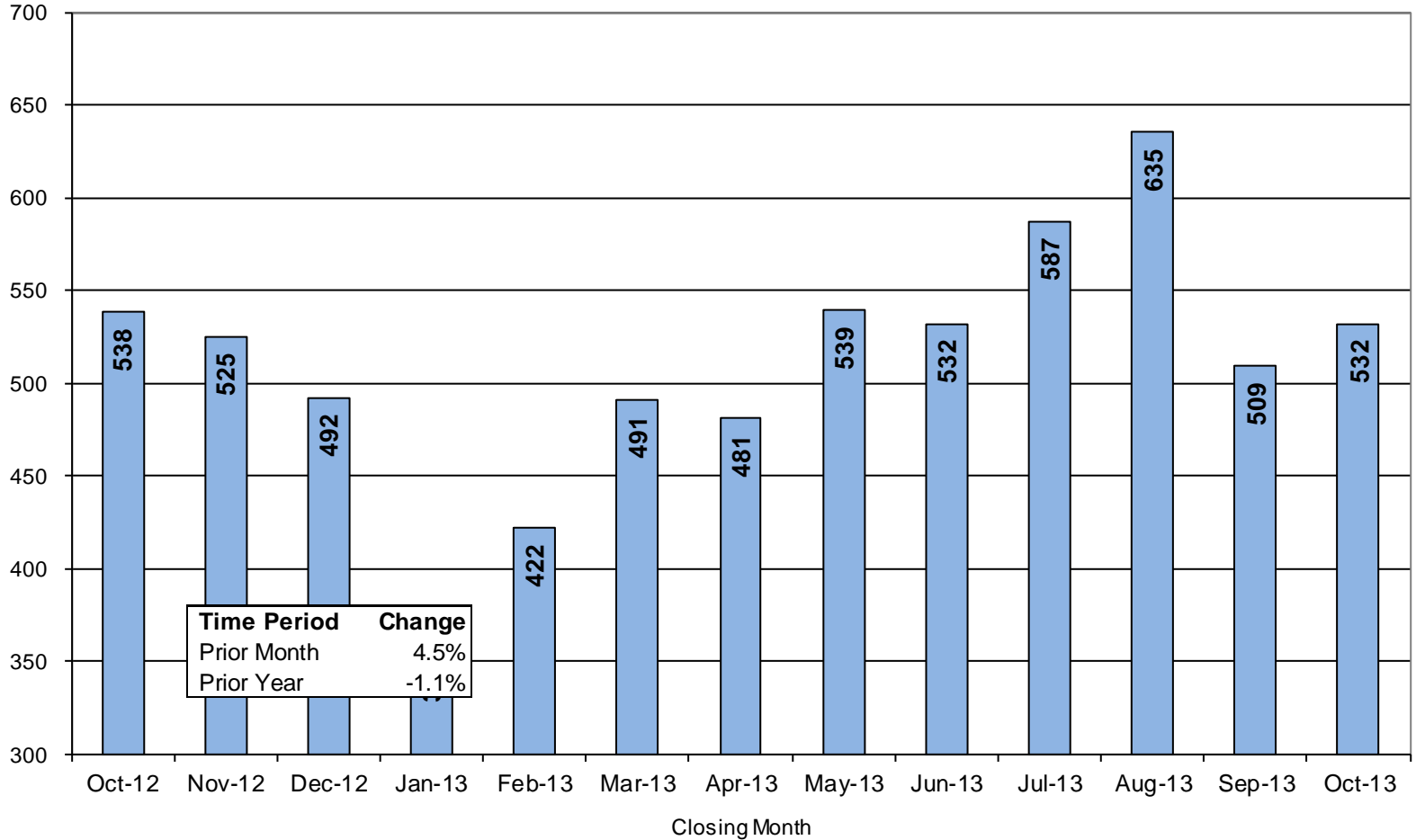


*Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value.*

# Number of Units Sold

October, 2013

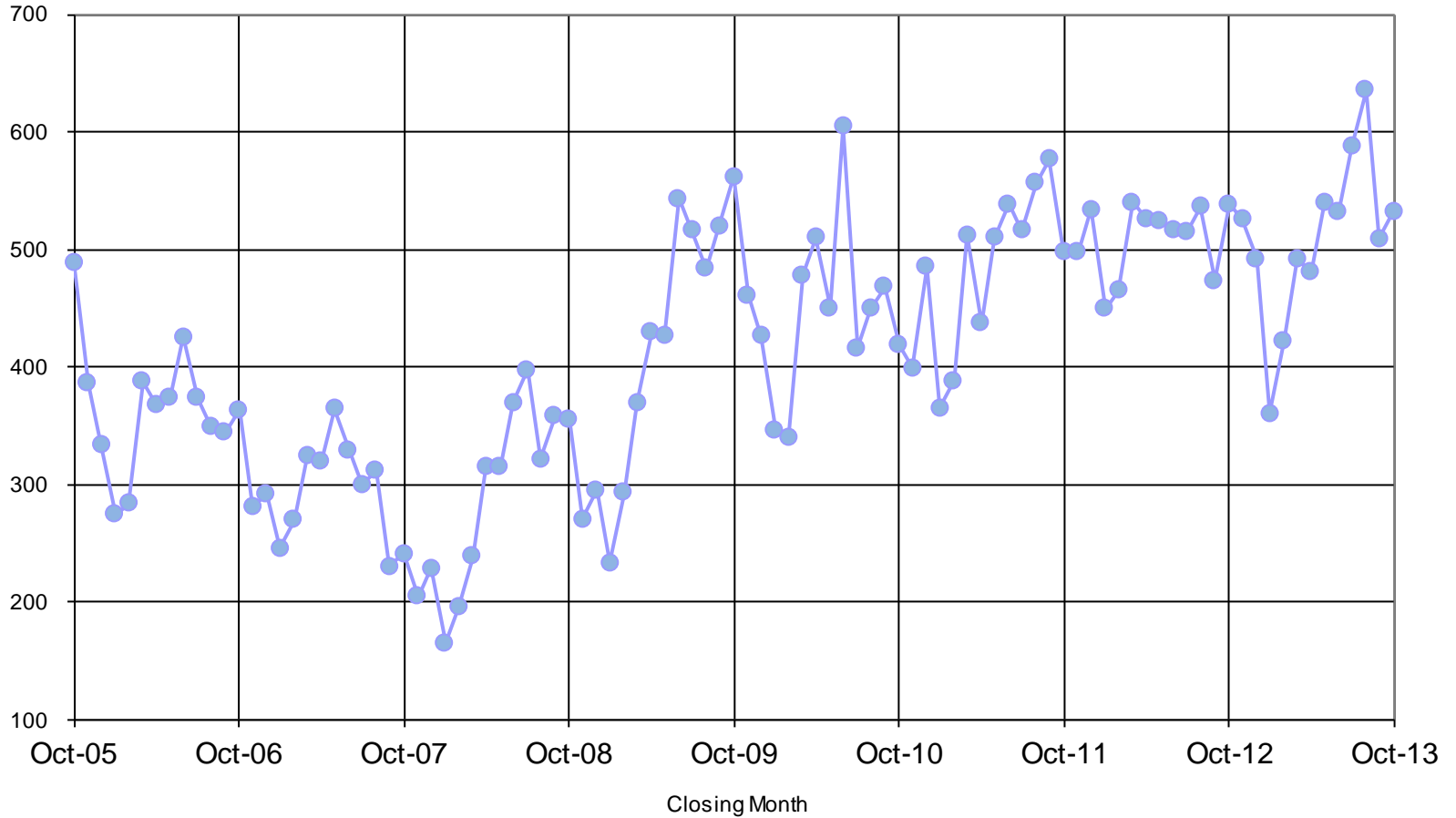
Number of Units Sold, 13 months



# Number of Units Sold

October, 2013

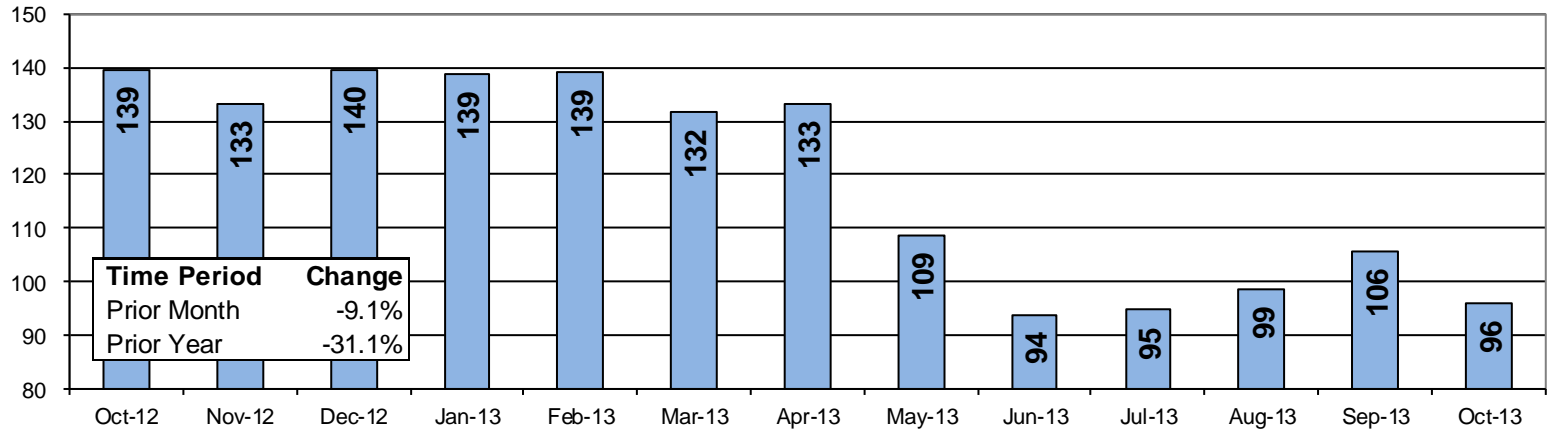
Number of Units Sold, 8 years



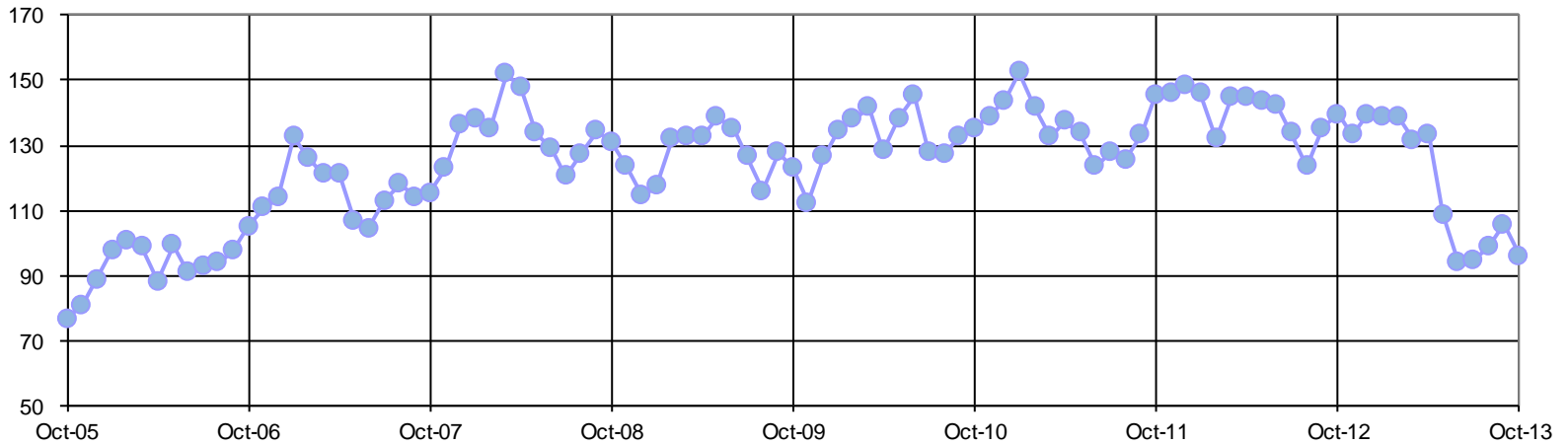
# Days on Market, by Month

October, 2013

Average Days on Market for Solds, 13 months

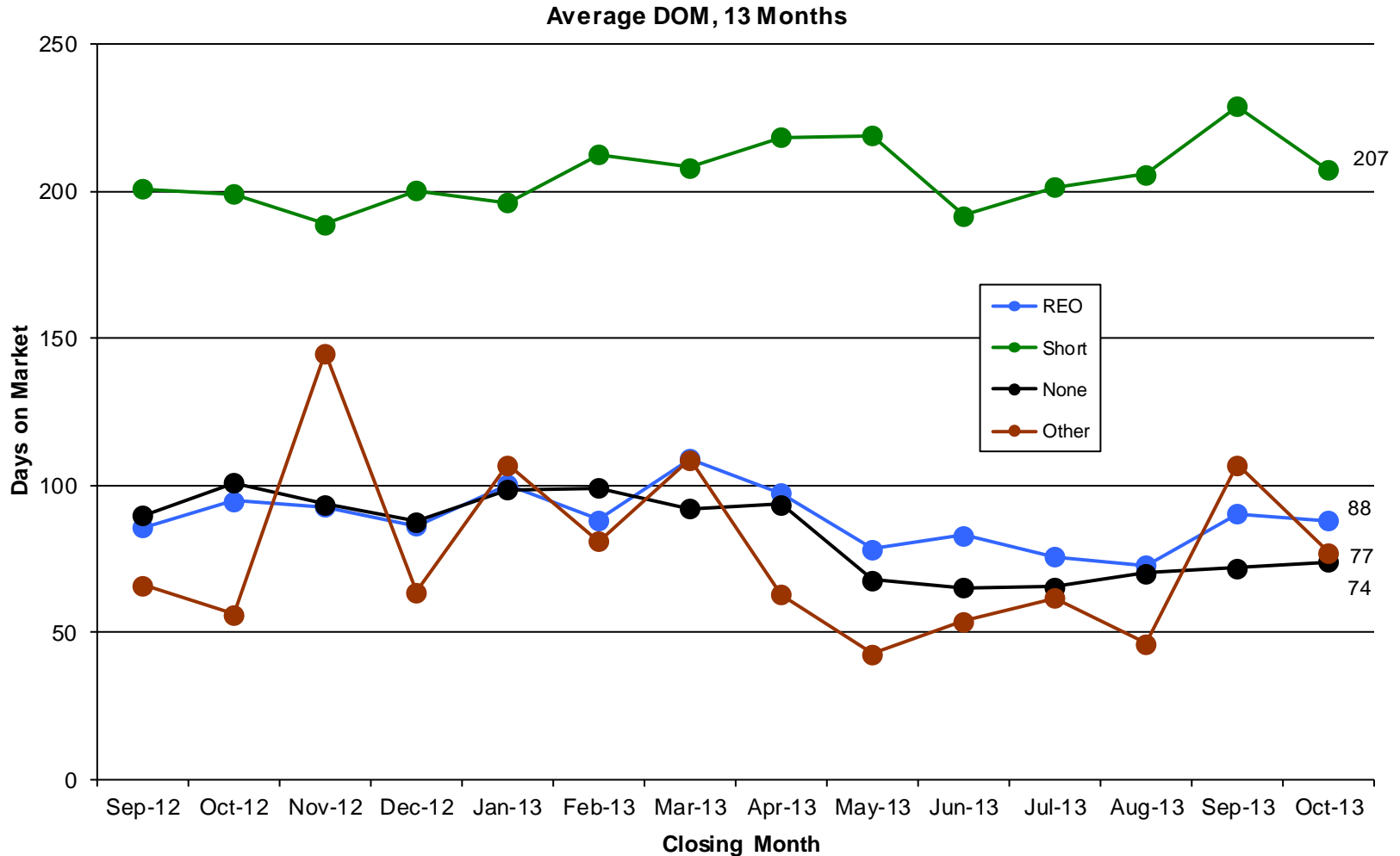


Average Days on Market for Solds, 8 years



# Days on Market, by Special Conditions

October, 2013



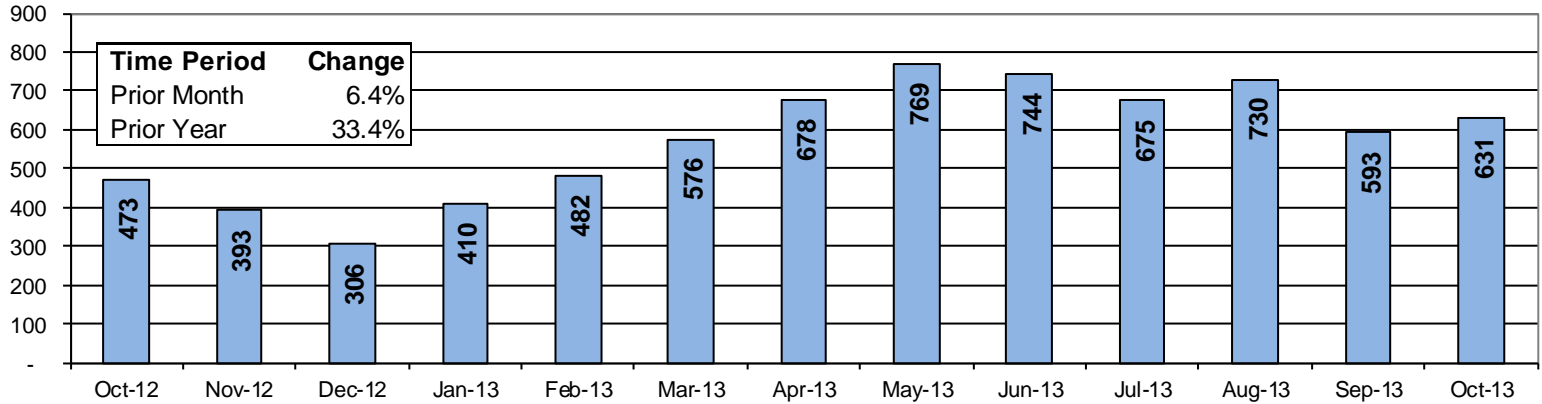
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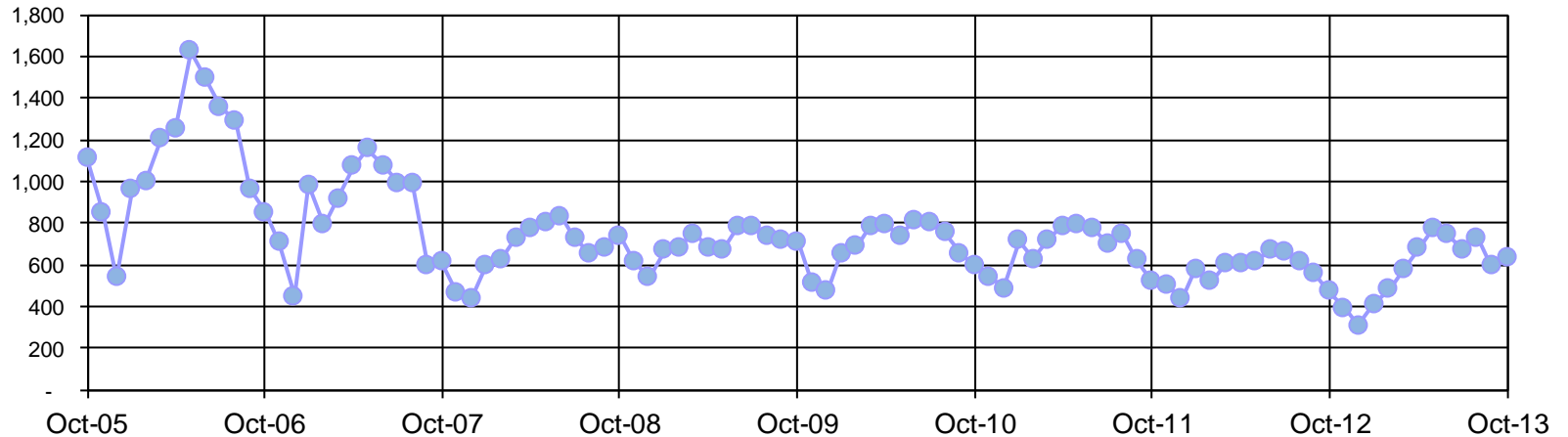
# New Listings, by Month

October, 2013

New Listings by Month, 13 months



New Listings by Month, 5 years

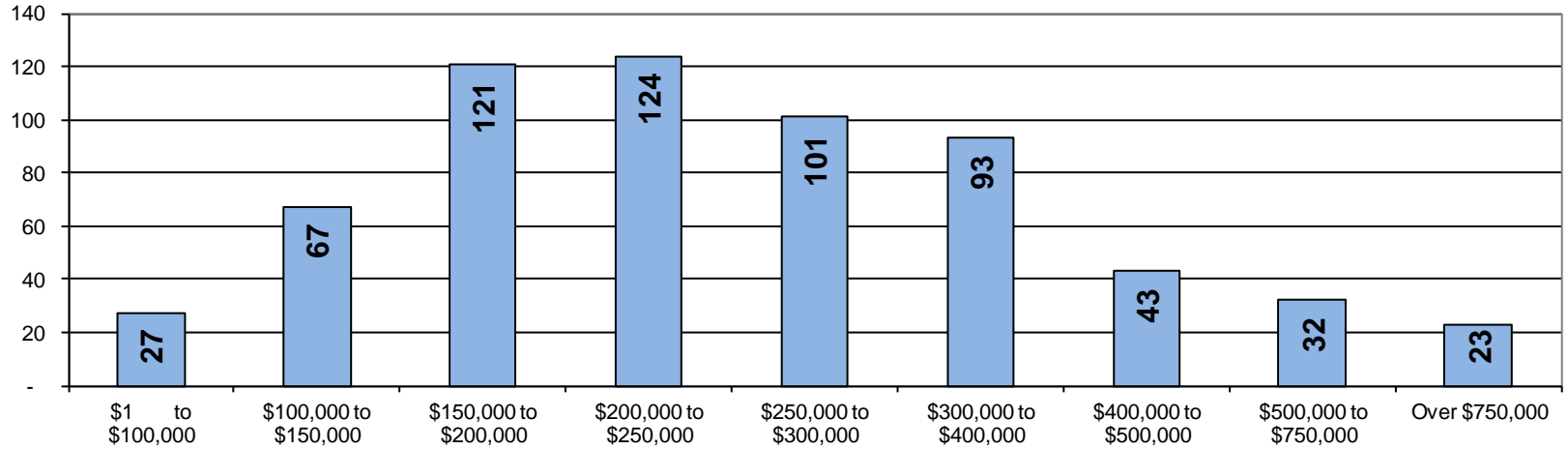




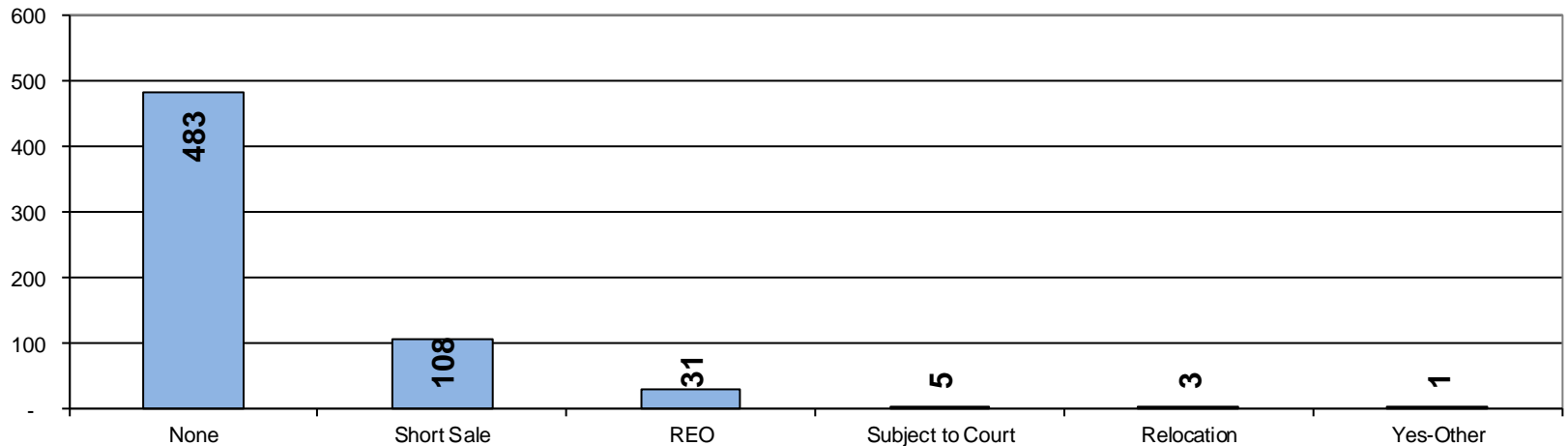
# New Listings, by Price and by Special Condition

October, 2013

New Listings, by Price Range



New Listings, by Special Condition



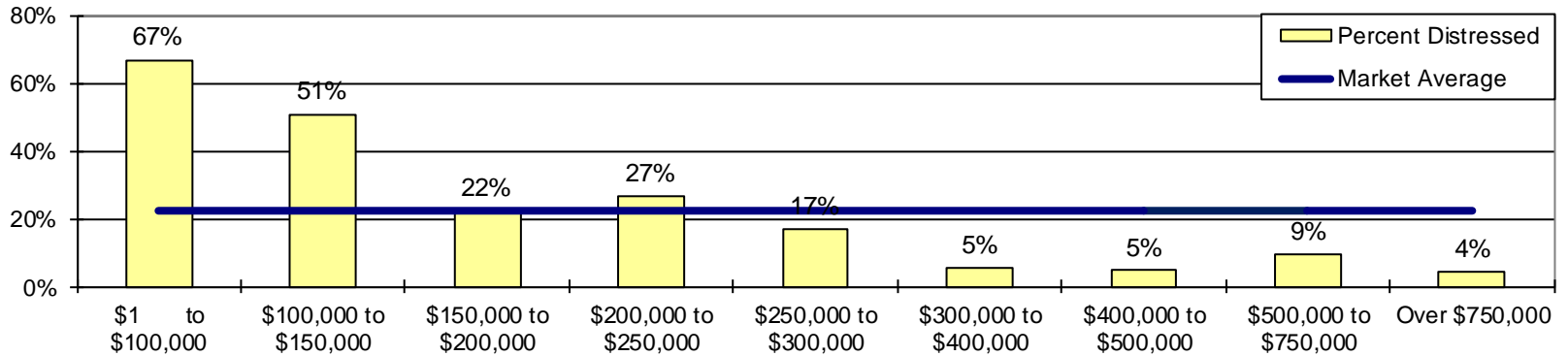
*Distressed listings are defined as follows: REO – property has been foreclosed upon and is being sold by the bank, HUD or VA. Short Sale - seller owns more for the property than current value. Distressed New Listings includes Fannie Mae, Freddie Mac, HUD, and any bank-owned listings.*

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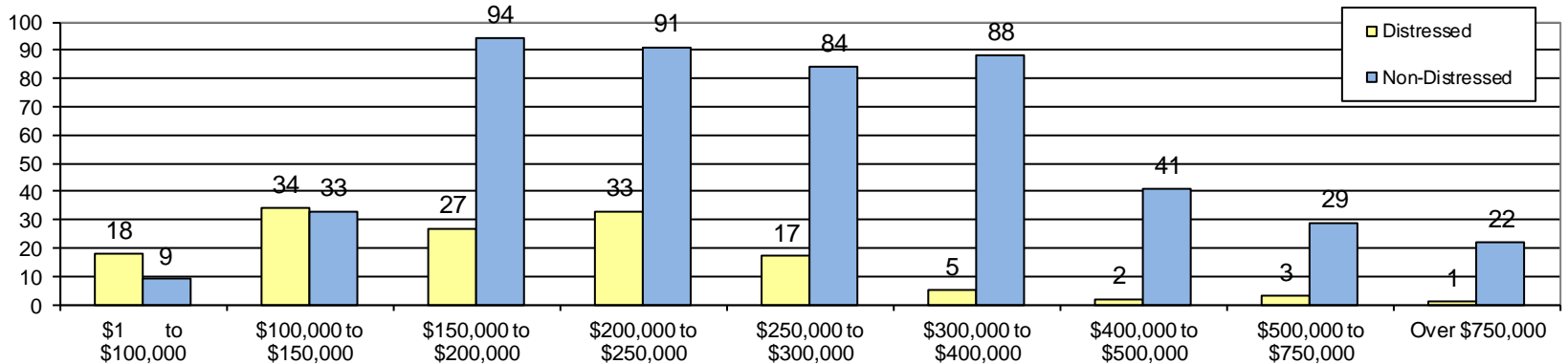
# Distressed Listings, by Price

October, 2013

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

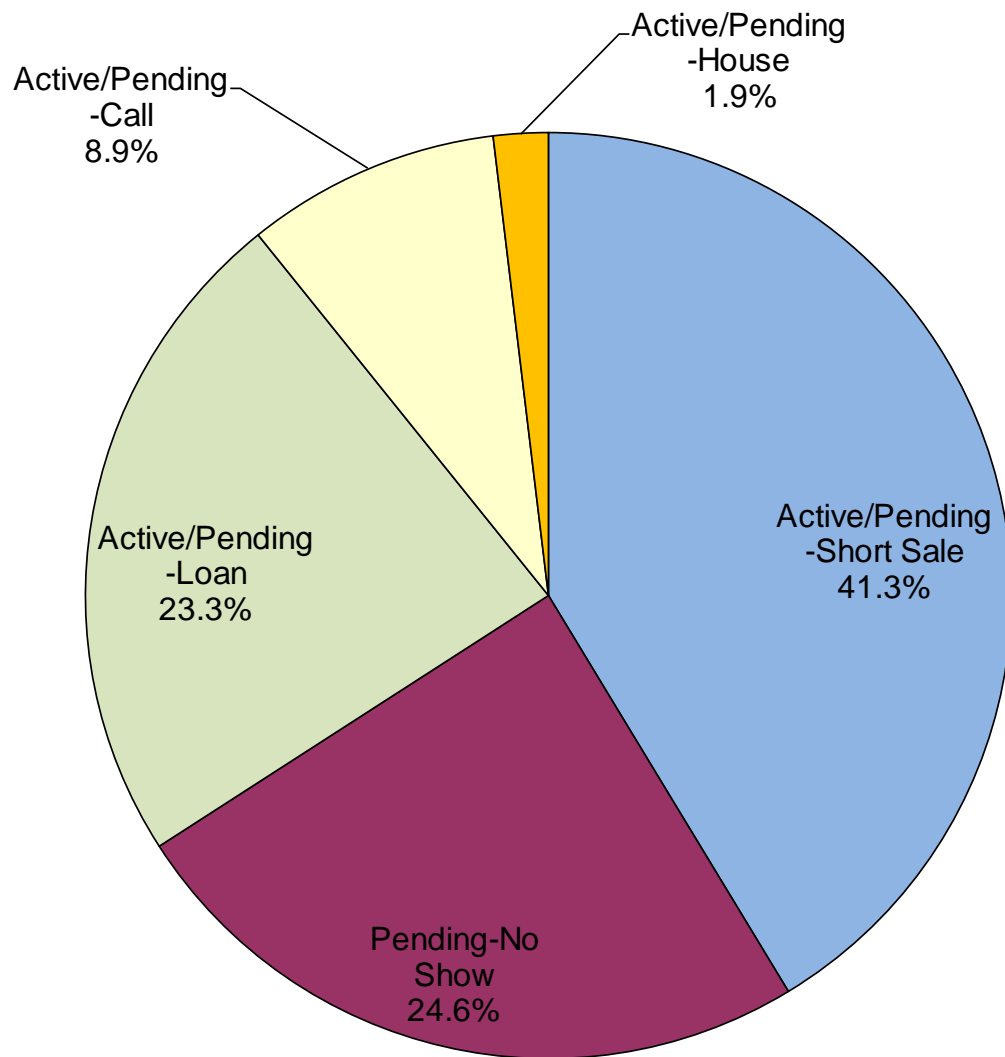
October, 2013



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# Status of Pendings, Current Month

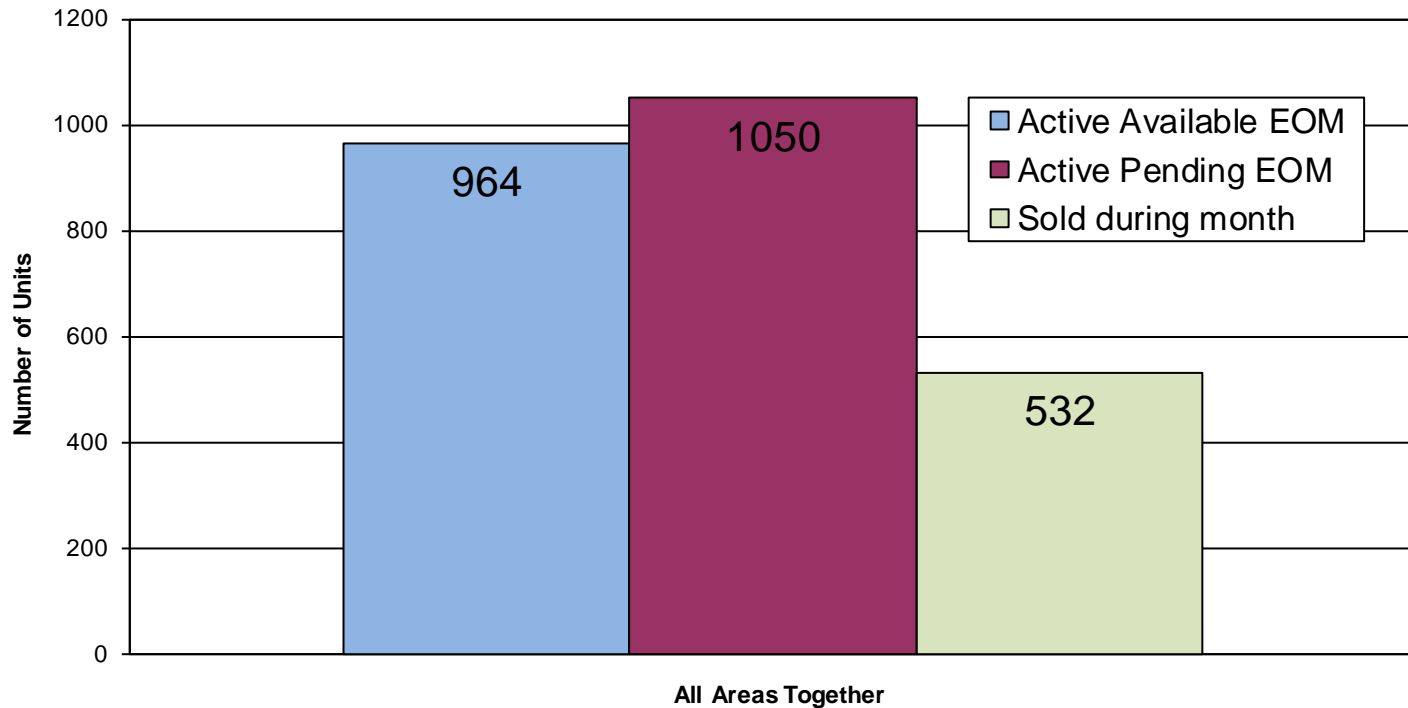
October, 2013



# Months Supply of Inventory, Current Month

October, 2013

$(964 + 1050)$  available / 532 units sold = 3.8 months of inventory

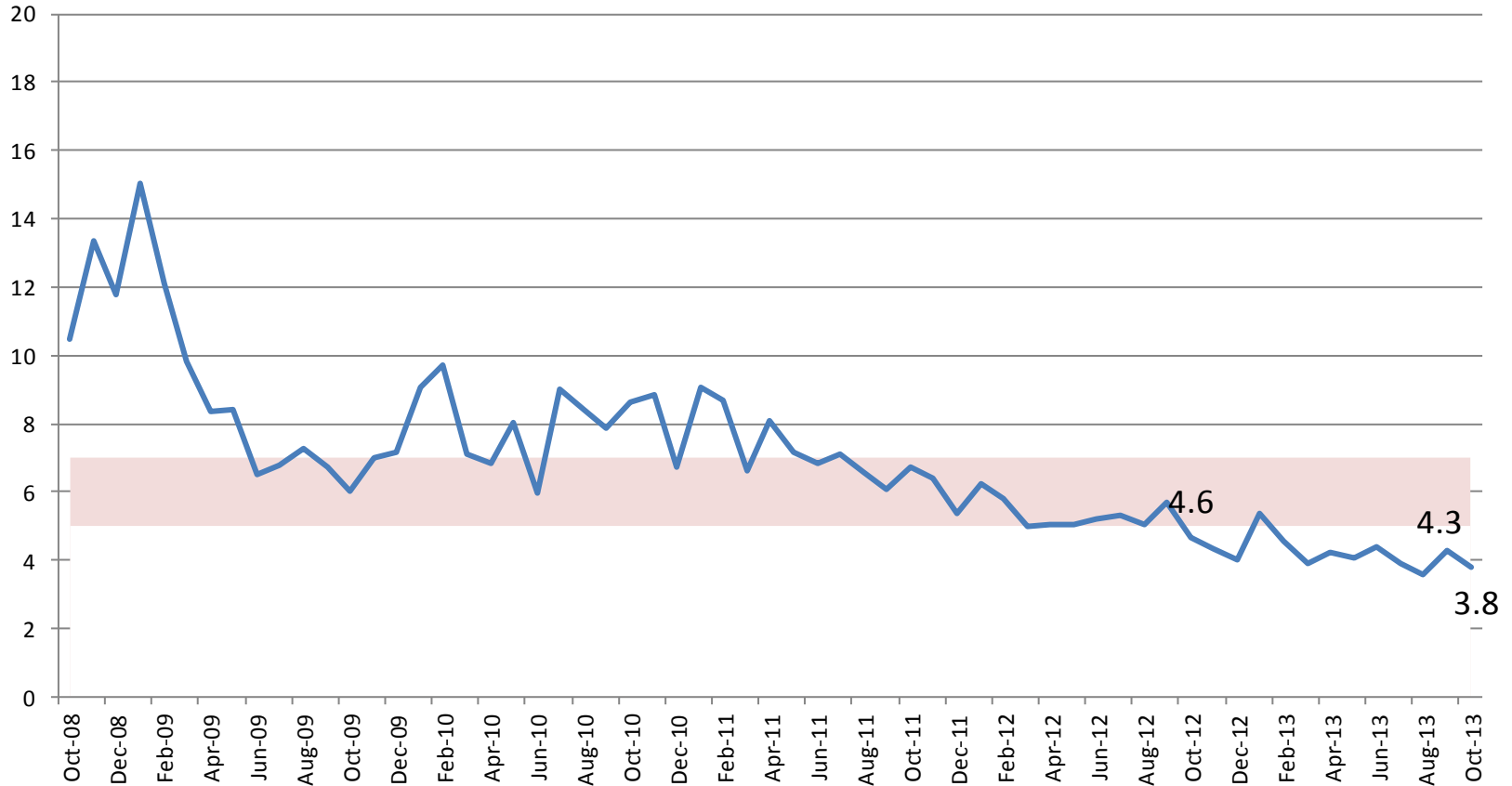


*Unsold Inventory includes Active Pendings. This method of reporting absorption follows the industry standard and includes pendings in Active Inventory. Absorption or Months Supply of Inventory is defined as the number of months it would take to absorb the units available for sale. The National Association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

# Months Supply of Inventory, Historical 5 years

October, 2013

Month's Supply of Inventory, 5 year history

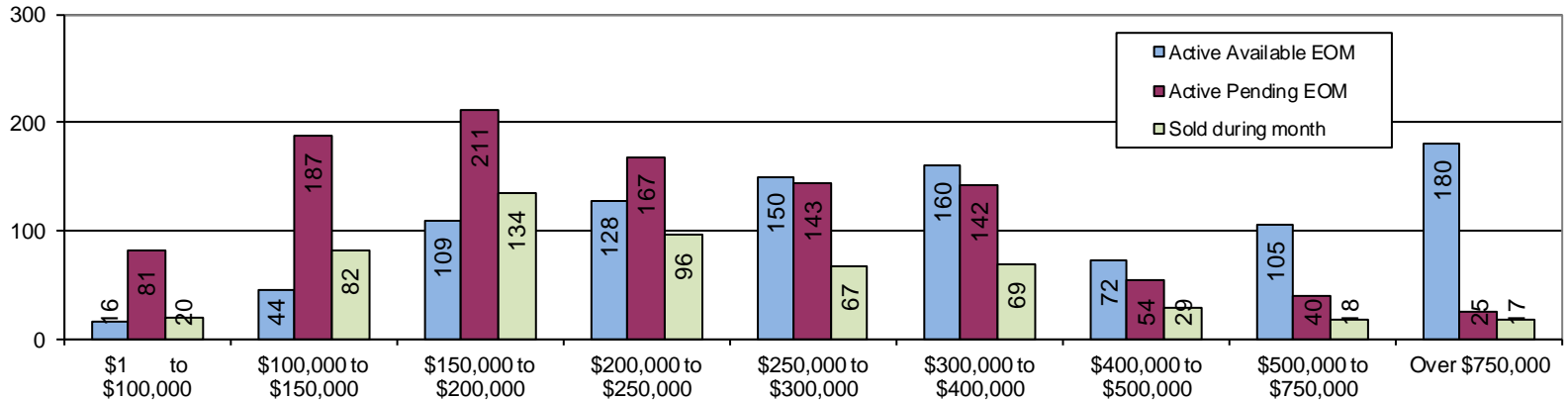


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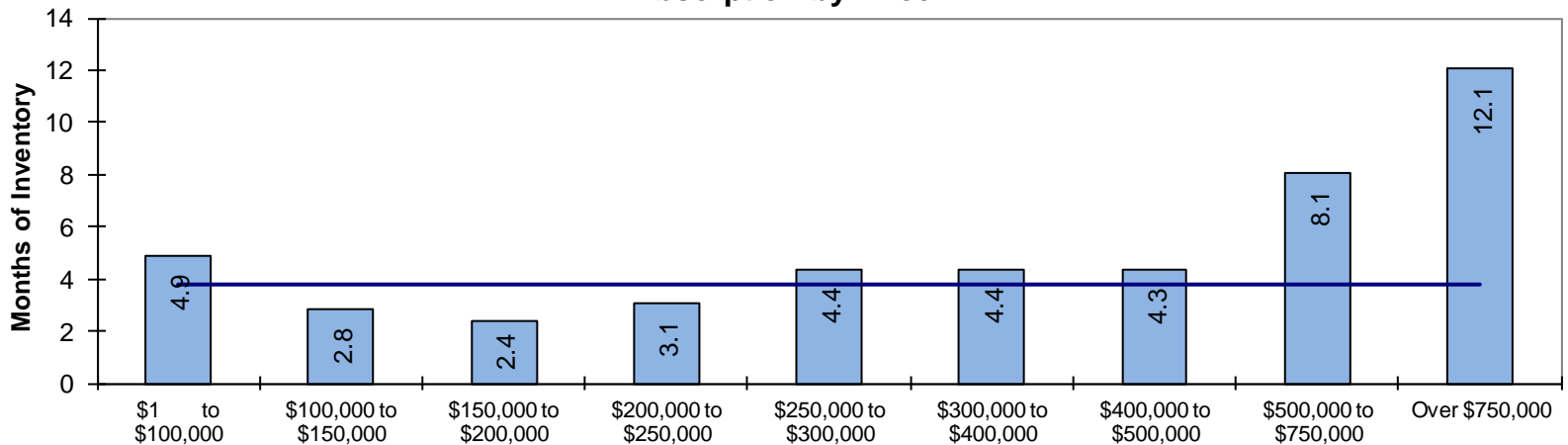
# Units and Absorption, by Price

October, 2013

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



### Absorption by Price



"Active" includes "Active/Pending"

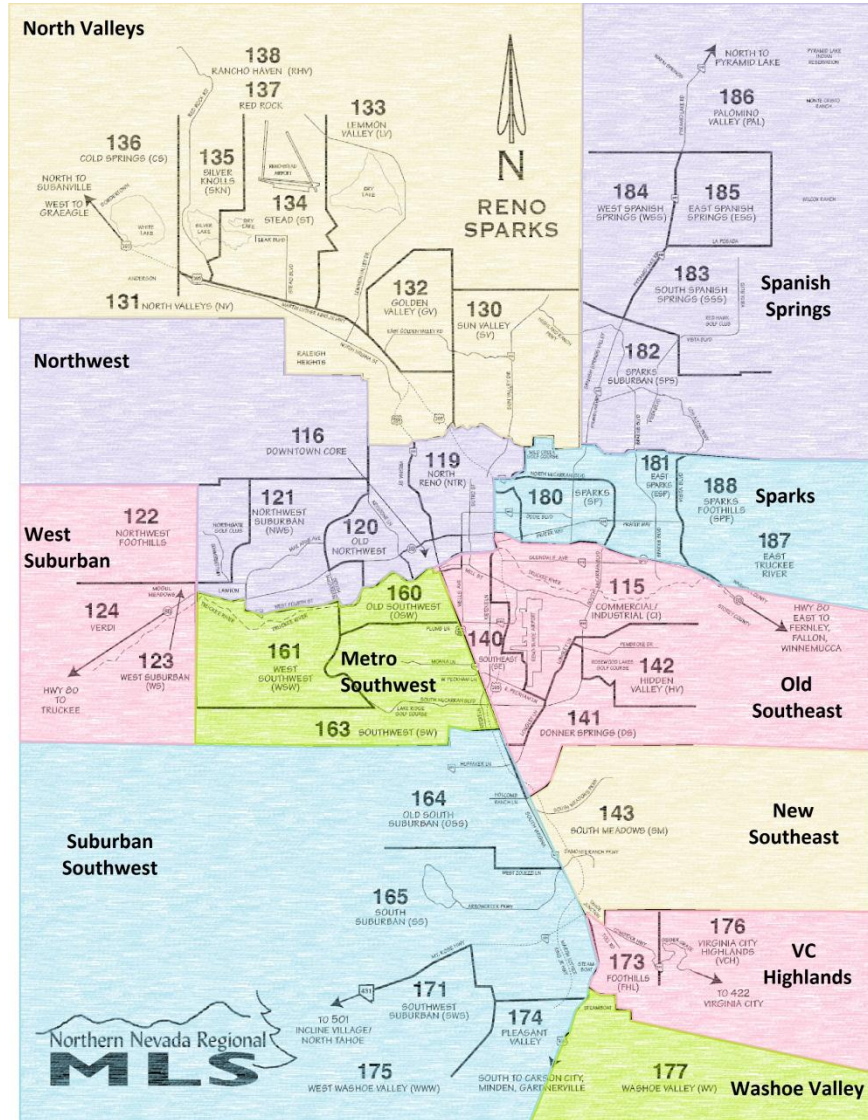
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# Reno/Sparks Area Map

October, 2013

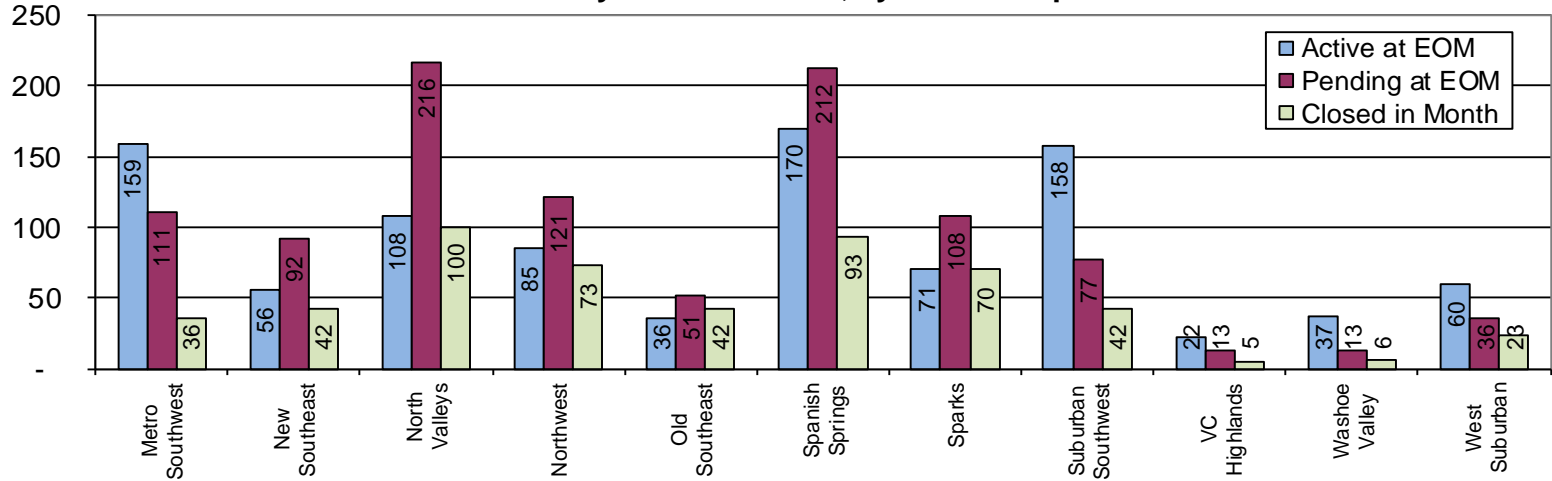




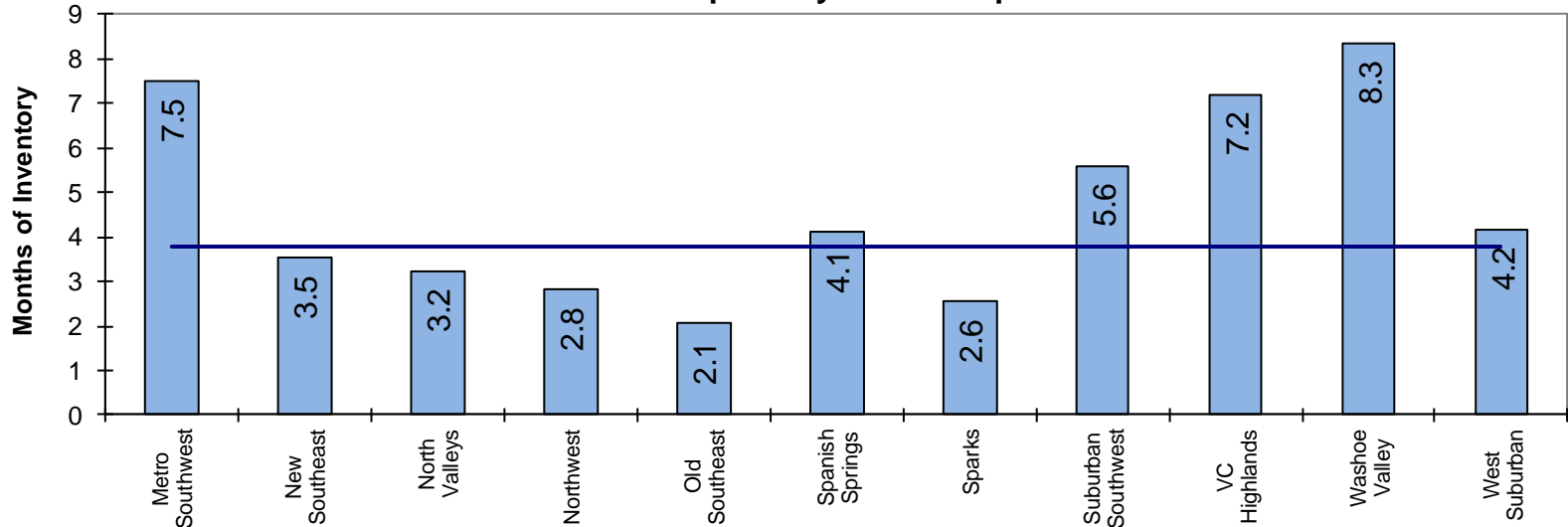
# Units and Absorption, by Area Group

October, 2013

Inventory and Units Sold, by Area Group



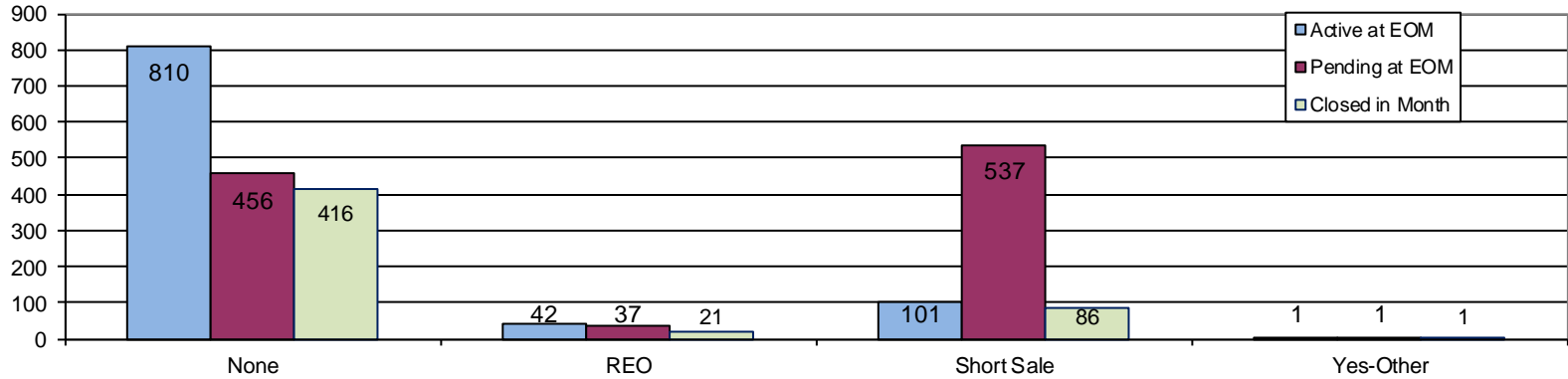
Absorption by Area Group



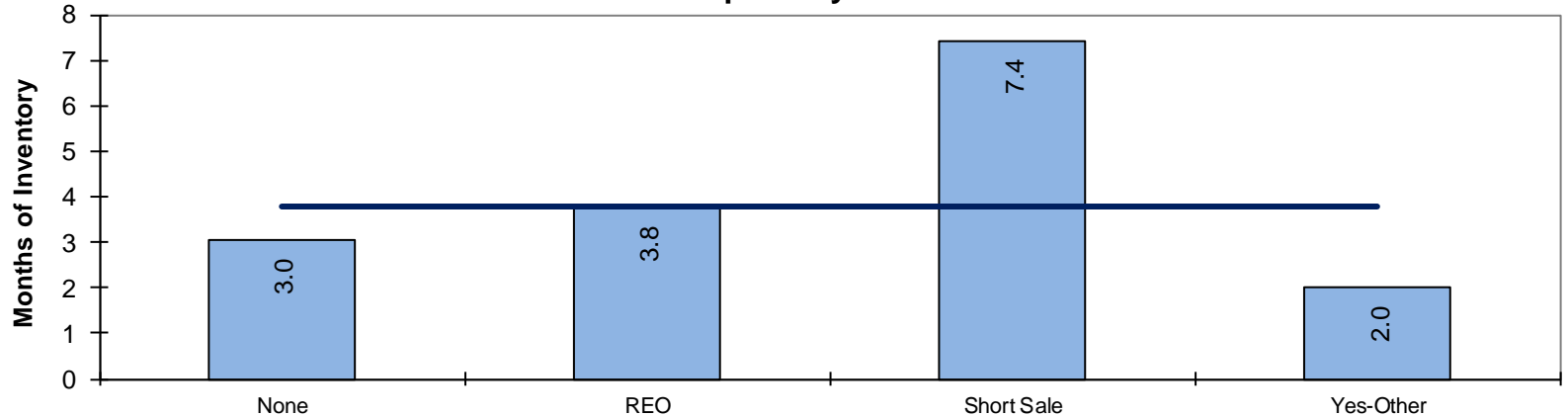
# Units and Absorption, by Special Condition

October, 2013

Active and Sold Homes by Condition, current month



Absorption by Condition



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