

Reno/Sparks Association of REALTORS®

January, 2012
Market Report
Area 450, Fernley



Database Analysis Excellence

Proprietary & Confidential

Report Package Outline

- ❖ Market Summary

- ❖ Median Sales Price
- ❖ Number of Units Sold
- ❖ Days on Market
- ❖ New Listings
- ❖ Status of Pendings
- ❖ Distressed Property
- ❖ Inventory and Absorption

- ❖ Data Assumptions:
 - Region defined as Area 450
 - 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 February 10th, 2012

Market Report Commentary

❖ Summary

- “We continue to see record year-over-year sales with January 2012 unit sales being the second highest January sales number in history,” said Kevin Sigstad, 2012 president of the Reno/Sparks Association of REALTORS and the broker with Re/Max Premier Properties. “The decrease in month-over-month unit sales is a fairly normal trend. Many homebuyers rush to buy a home in December for tax implications. However, the year-over-year increase in home sales continues to tell us more and more homebuyers are finding great value in home ownership and there continue to be a high demand for properties coming onto the market.”

❖ Median Sales Price

- January 2012 median price decreased 14% to \$78,250 compared to \$91,000 in December 2011.
- The median price is up 4% from the prior January.
- The median price has remained stable the past ten months.
- 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.

❖ Price per Square Foot Sold

- Price per square foot is at \$49.37.

❖ Number of Units Sold

- January closed the month with 42 sold transactions down 14% from the prior month, and up 50% from January 2010.
- Fernley sales have been relatively stable for the past ten months.

❖ Average Days on Market

- The average days on market are down to 130 days, a decrease of 8.6% from the prior month.

❖ Days on Market (DOM) by Special Conditions

- Short sales average days on market are up to 219 DOM.
- Properties with no special conditions and REO are at 115 and 84 DOM respectively.

Market Report Commentary

❖ New Listings

- 38 new listings were taken in January up 22.6% from December, and a 34.5% decrease from the prior year.
- New listings have declined from a high in 2011 of 75 in August.

❖ Distressed New Listings by Special Conditions

- The market remains dominated by distressed new listings representing 74% of the market, down from December 2011 (77%).
- REO listings represented 39% of the market; Short Sales 34%; No special conditions 26% and Other 0%.

❖ Status of Pending

- Active Pending – Short Sale represents 59.5% of the total active pendings; Pending No-show represents 20.7%; Active Pending Loan equals 6.9%; Active Pending call 12.9% and Active Pending House 0%.

❖ Absorption Months Supply of Inventory (Unsold Inventory ÷ Sales per Month)

- As of January 31 there was 4.2 months of inventory based on the January sales rate.
- 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 month's supply of inventory follows the industry standard of including all pending sales in the active inventory.

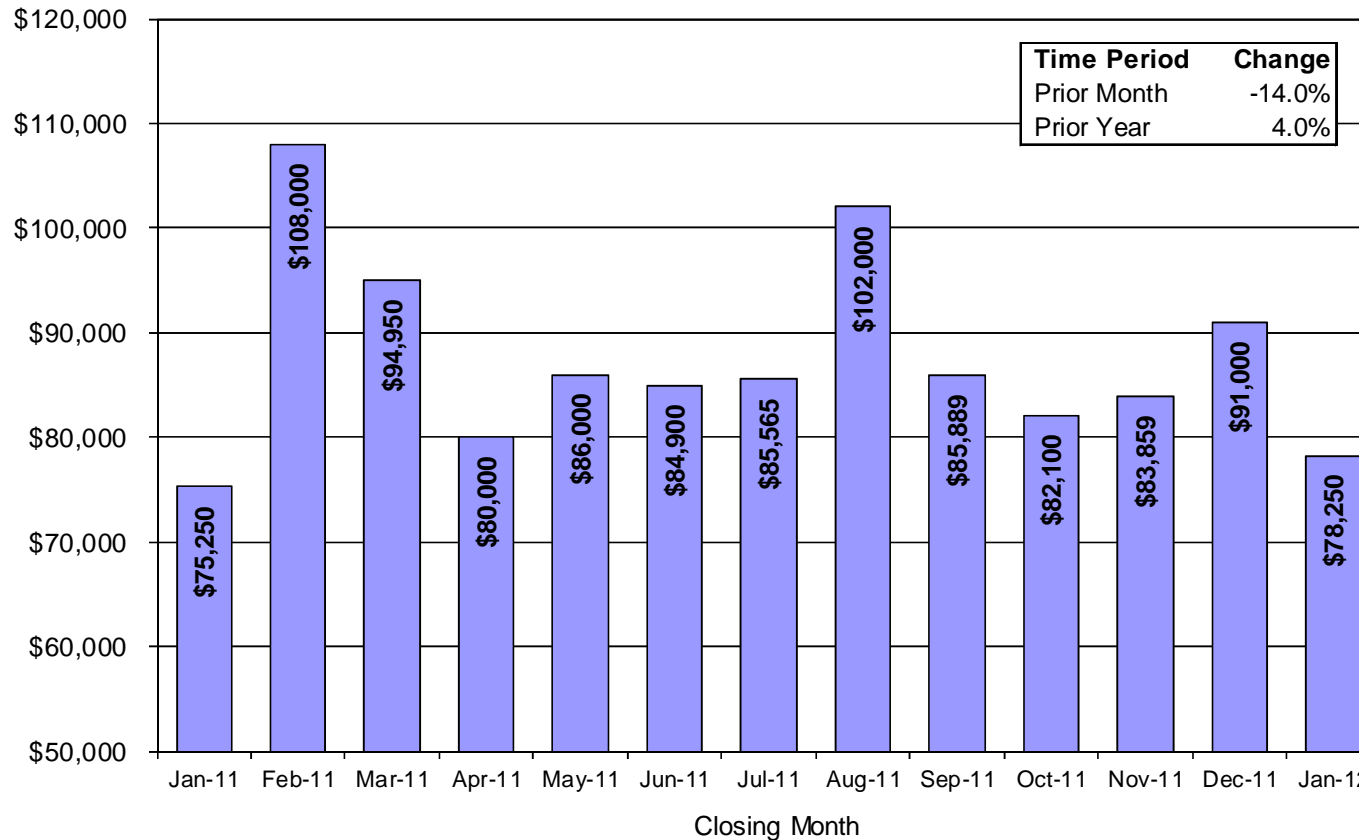
❖ Conclusion

- Unit sales continue at historic levels into the new year. January 2012 unit sales at 42 are the second highest unit sales for a January in history. This number outpaces January 2011 sales by 50% and is down 14.3% from December. The month-over month drop in sales follows the trend of a drop in sales after the year end increase as buyers and investors rush to close before year end, often for tax purposes.
- January's median price of \$78,250 was down 14% from December. The Fernley market has had relative stability for the past ten months.
- Despite the unemployment rates, the high volume of sales reported this year shows that qualified buyers and investors are taking advantage of affordable prices and record low interest rates.
- Interest rates reached another new low of 3.92% in January.
- Obama Administration released the President's budget submission. The National Association of REALTORS (NAR) anticipates the budget proposal is likely to call for a reduction in the value of itemized deductions FOR UPPER INCOME TAXPAYERS ONLY. Potentially, the value of deductions would be reduced for taxpayers in the 33 and 35% tax bracket. This proposal, if enacted by Congress, would have an impact on the Mortgage Interest Deduction (MID). NAR is opposed to changes in the MID and wants to make sure this benefit remains intact for millions of middle-class Americans.
- In the slow and fragile recovery to the economy, NAR's mantra has been "do no harm to real estate."

Summary: Median Sales Price

January, 2012

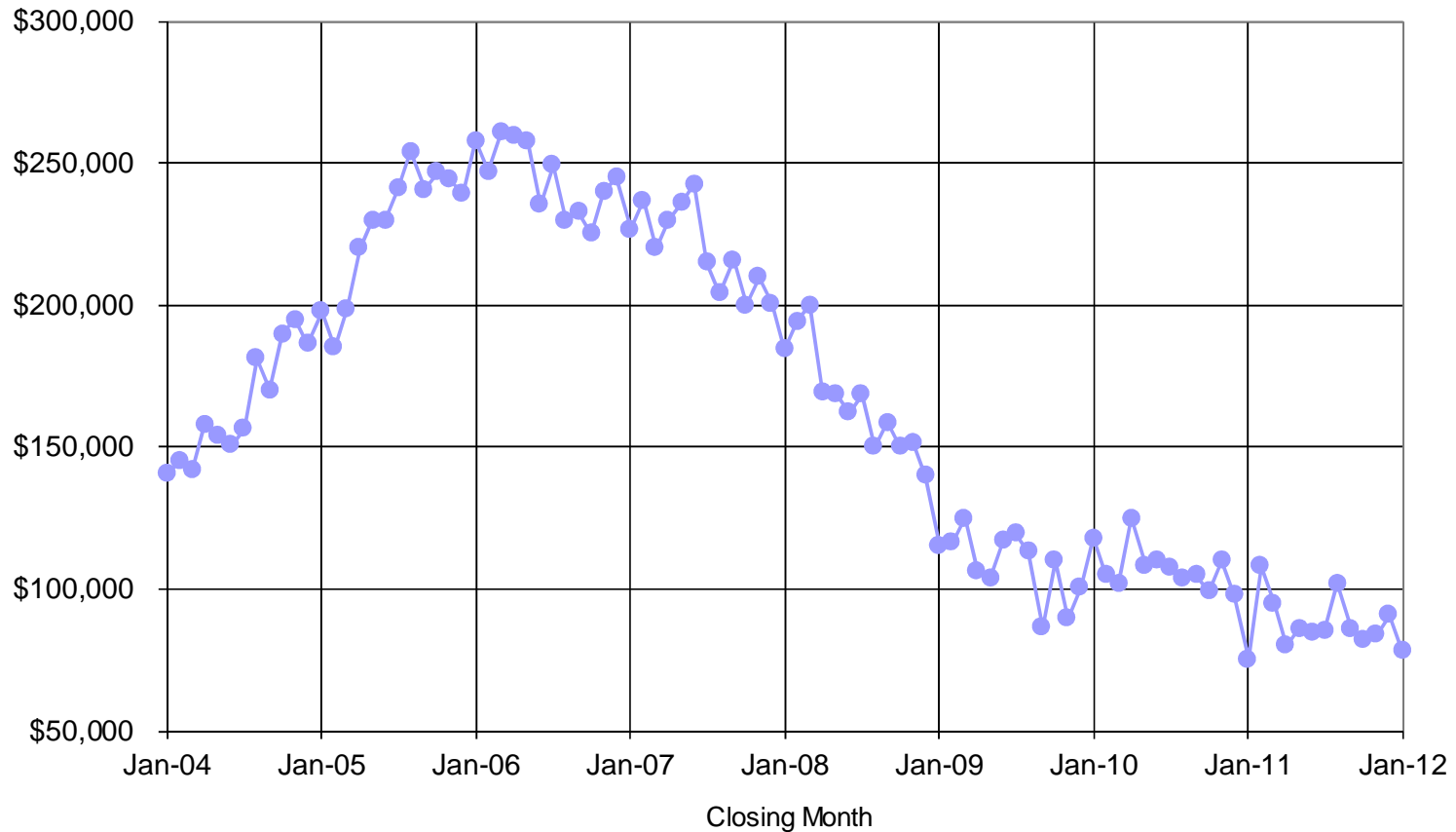
Median Sales Price, 13 months



Summary: Median Sales Price

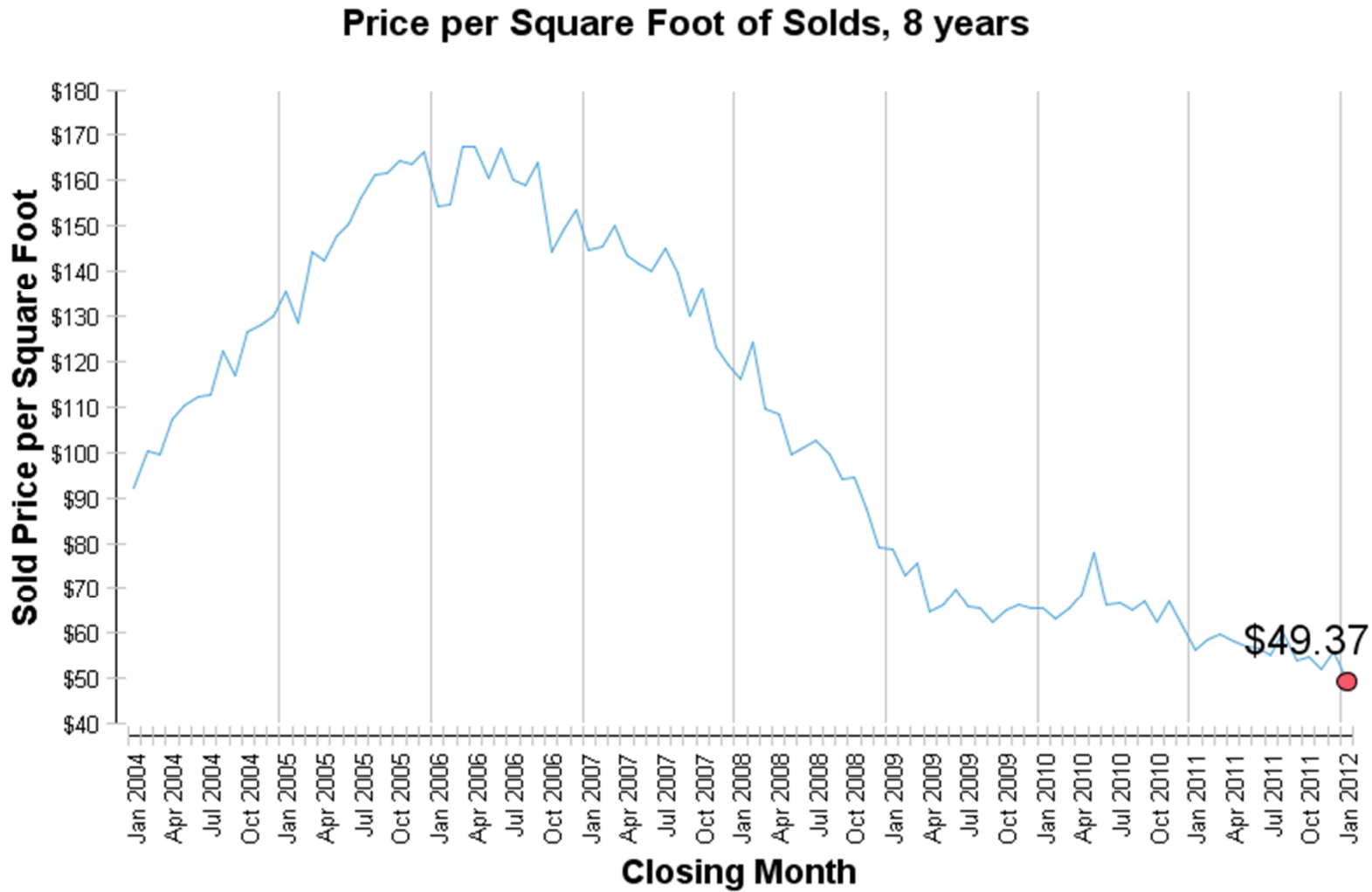
January, 2012

Median Sales Price, 8 years



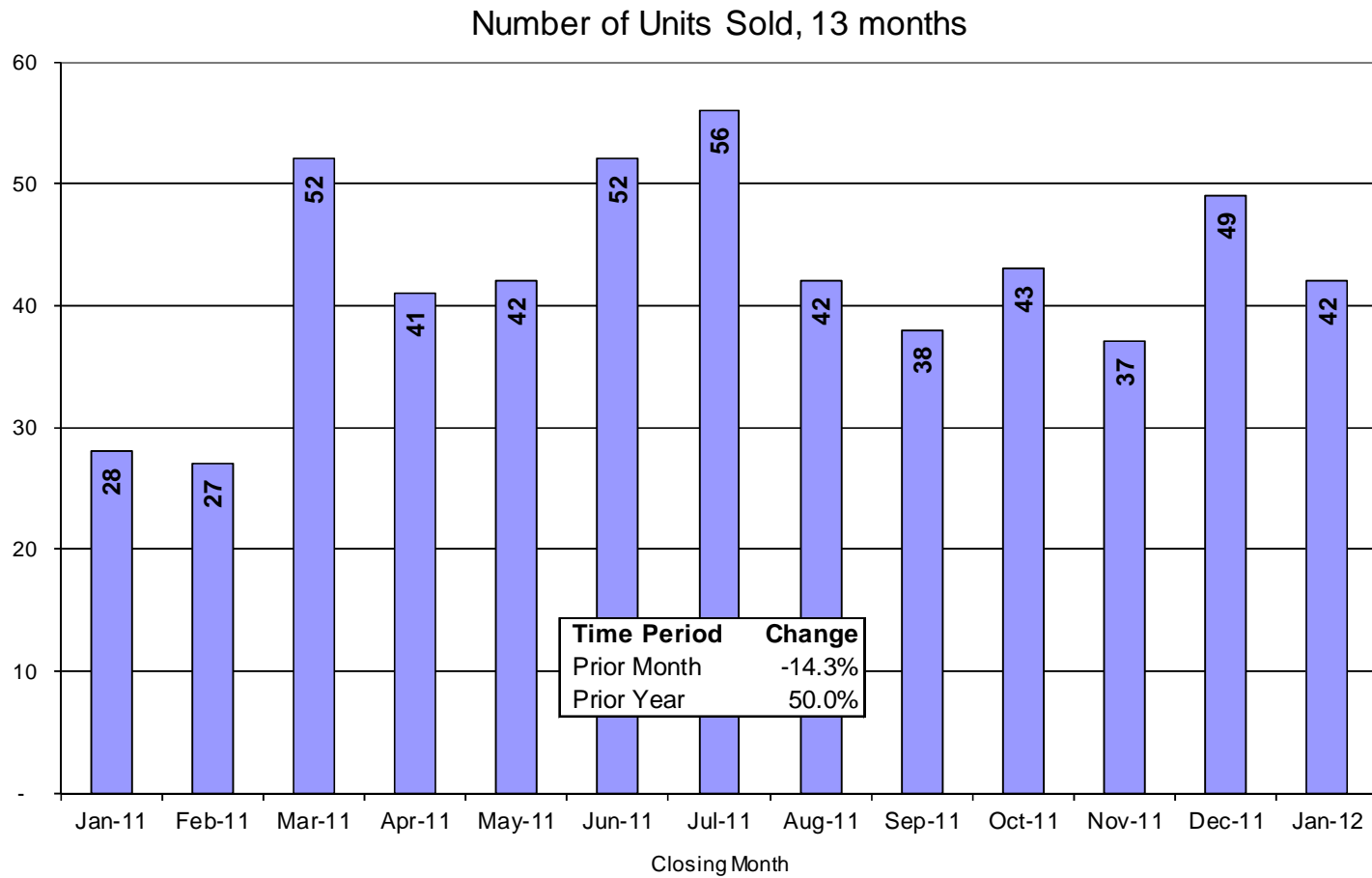
Price per Square Foot of Solds

January, 2012



Summary: Number of Units Sold

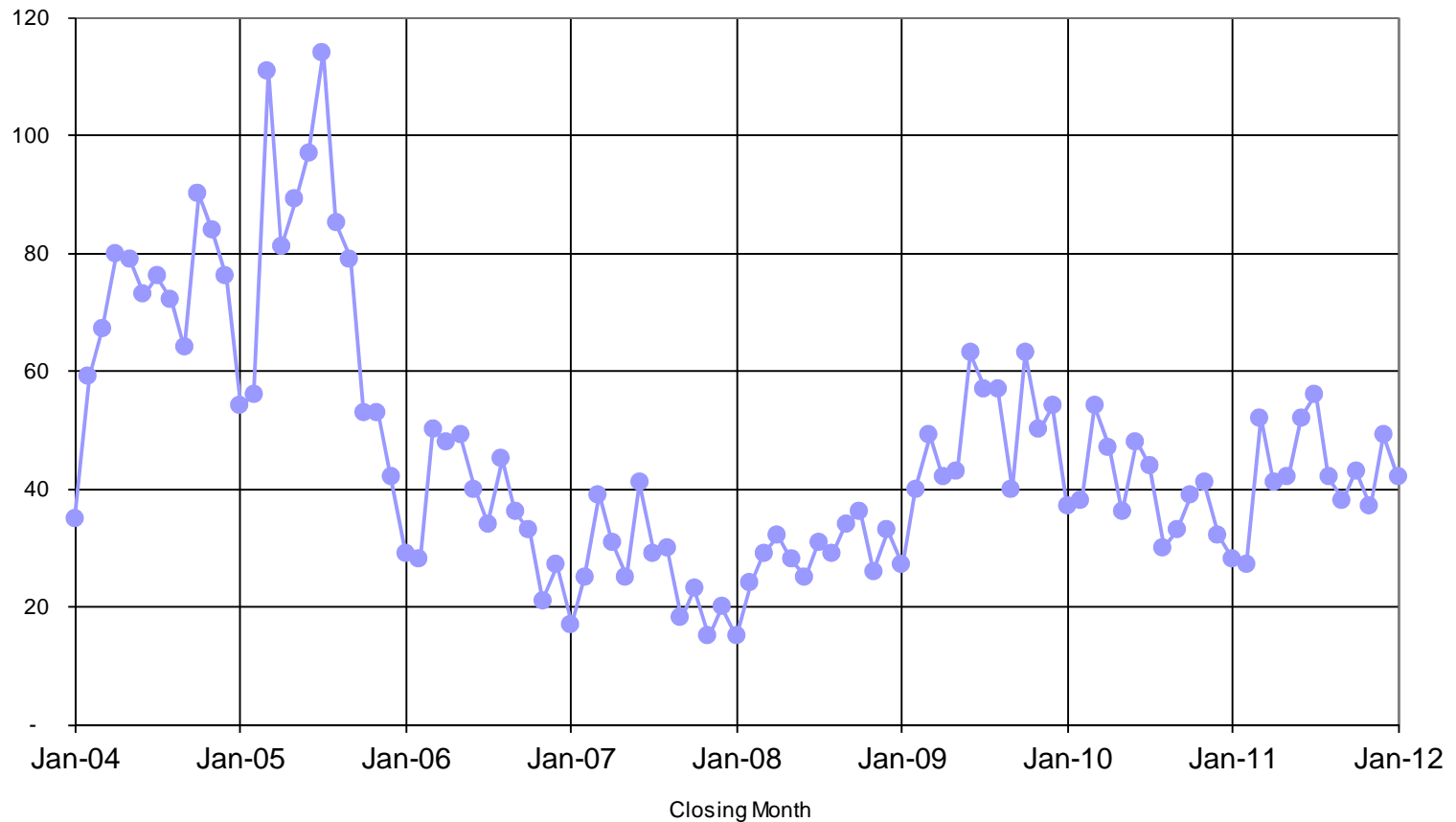
January, 2012



Summary: Number of Units Sold

January, 2012

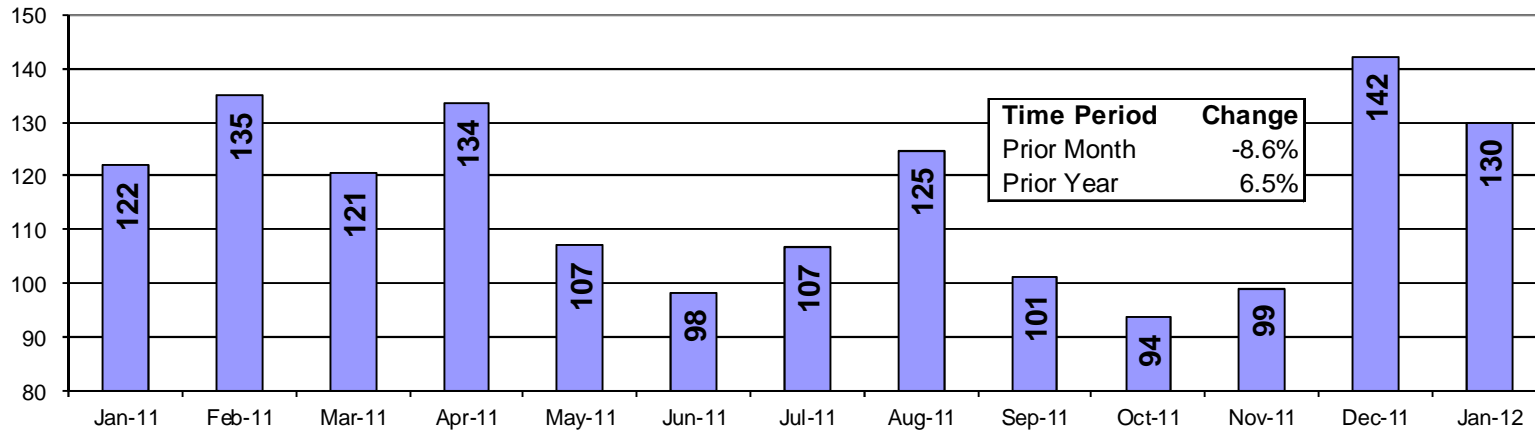
Number of Units Sold, 8 years



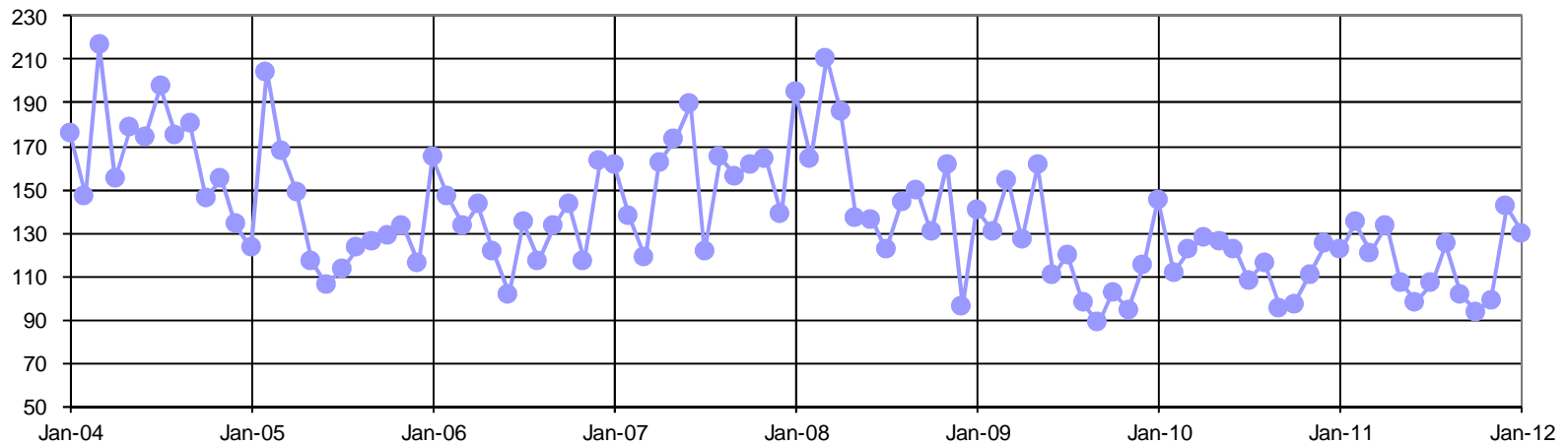
Summary: Average Days on Market

January, 2012

Average Days on Market for Solds, 13 months

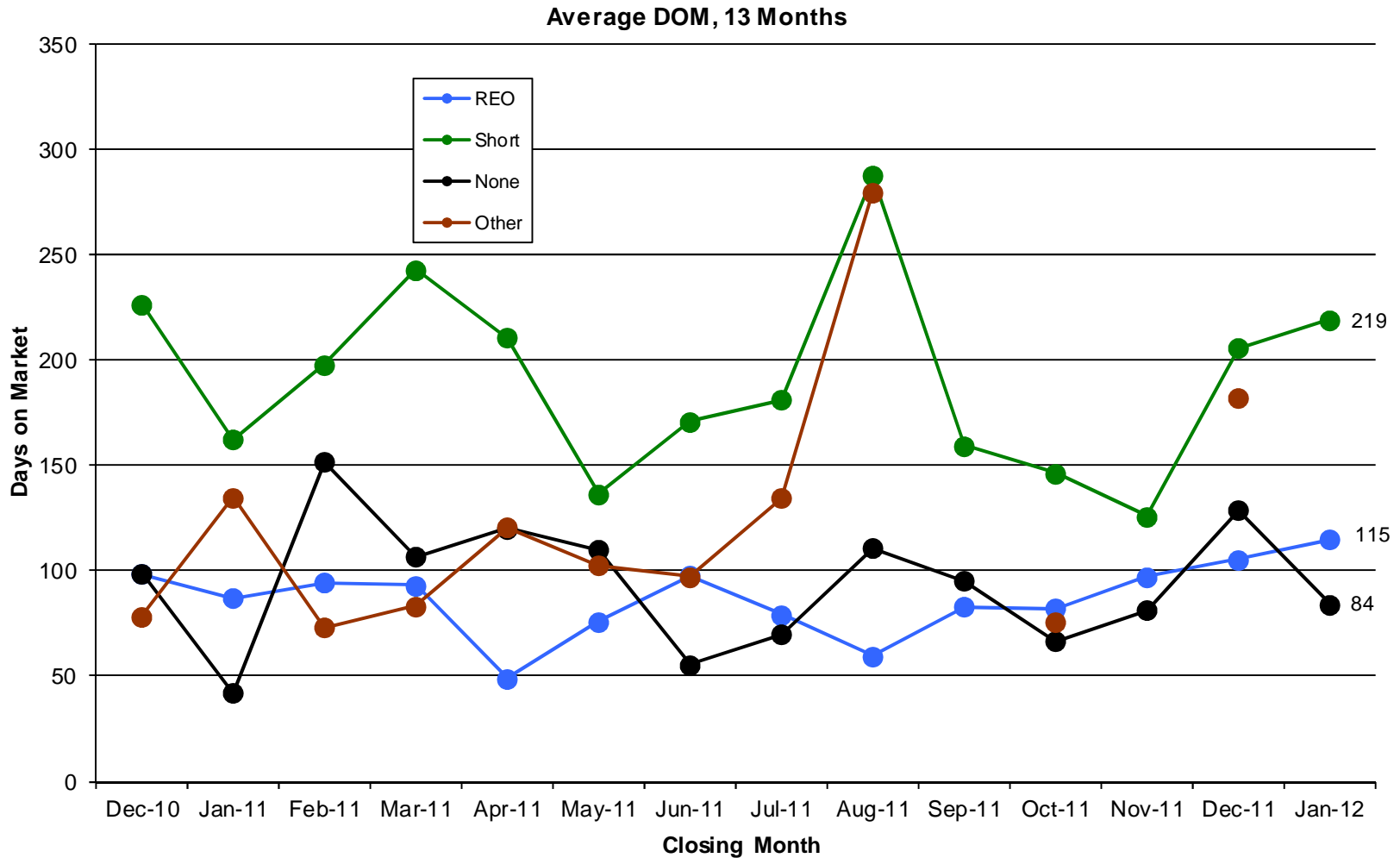


Average Days on Market for Solds, 8 years



Summary: Days on Market by Special Conditions

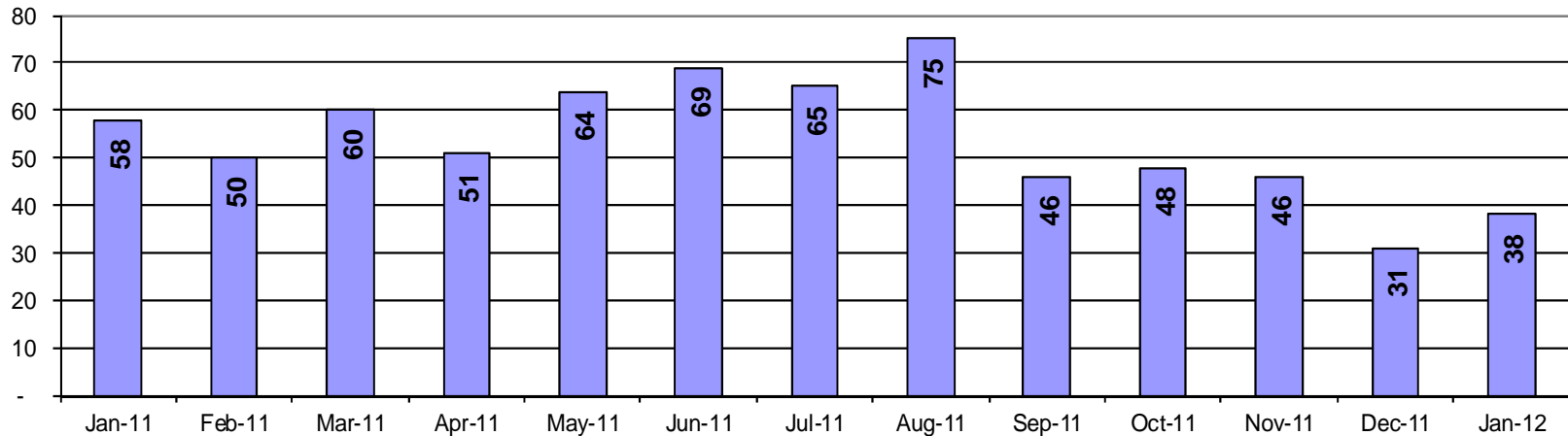
January, 2012



Summary: New Listings

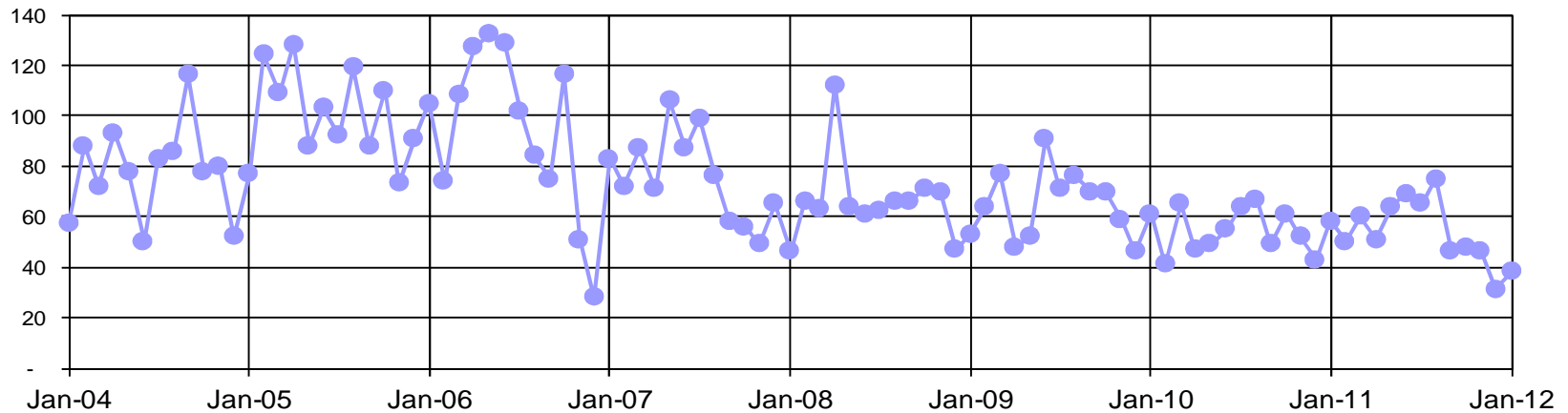
January, 2012

New Listings by Month, 13 months



Time Period	Change
Prior Month	22.6%
Prior Year	-34.5%

New Listings by Month, 8 years

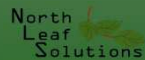


Distressed Listings

January, 2012

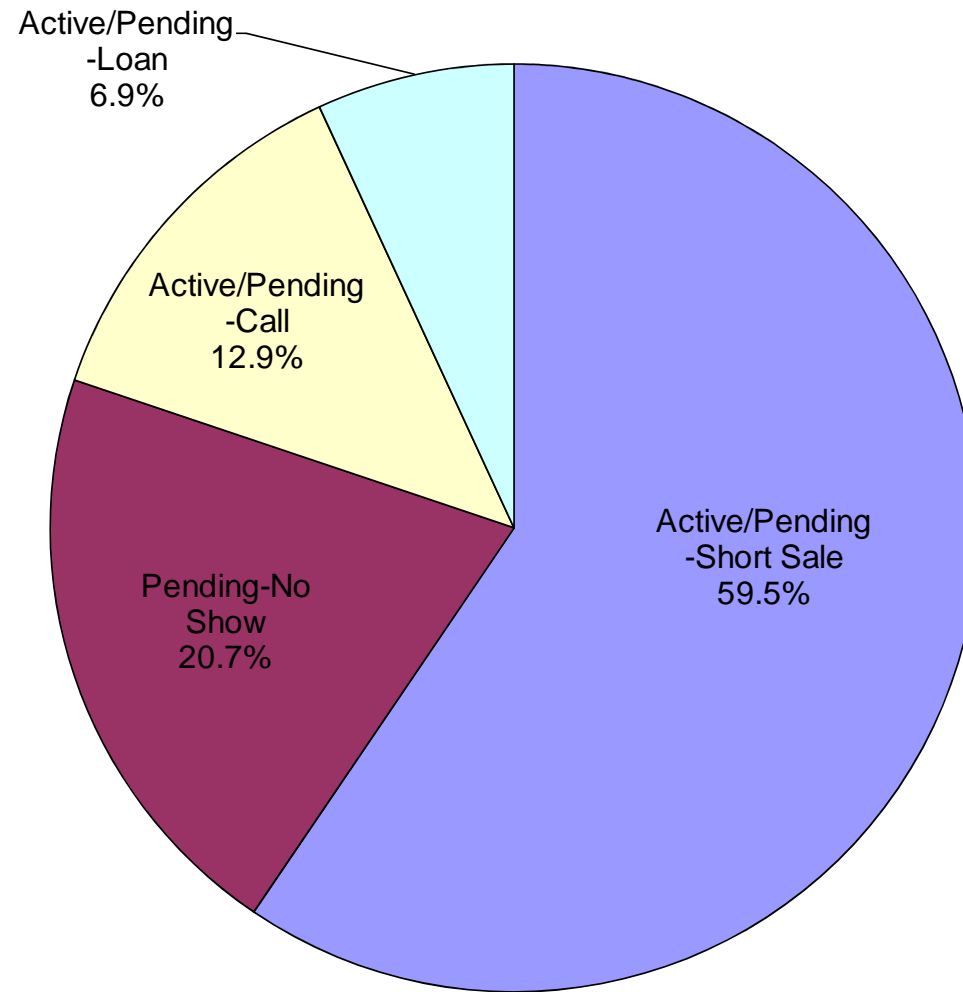


*Distressed New Listings include Fannie Mae, Freddie Mac, HUD, and any bank-owned listing.
Distressed listing data considered reliable from January 2009 forward.*



Status of Pendings

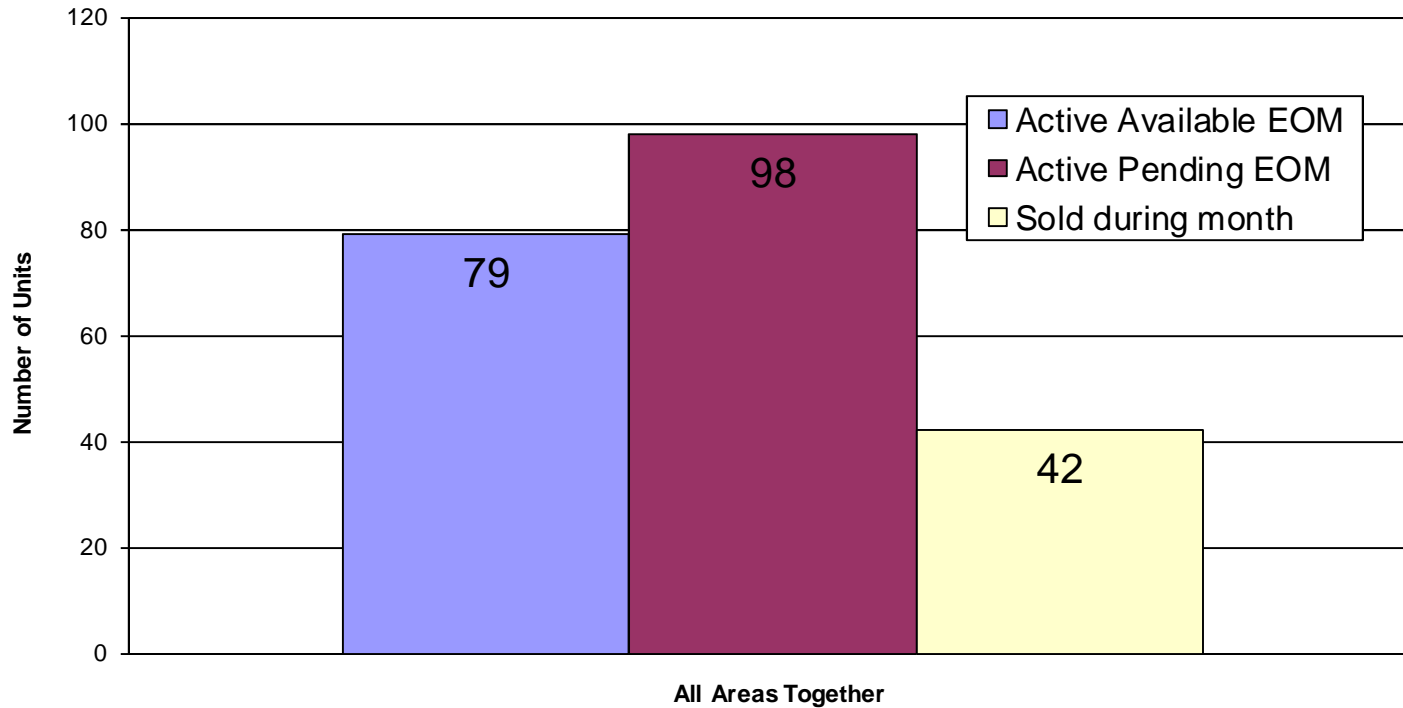
January, 2012



Current Months Supply of Inventory

January, 2012

$(79 + 98)$ available / 42 units sold = 4.2 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.