



Monthly Market Talk
December 2009, 4th Quarter and
Year End 2009
(Based on stick-built homes in Reno 100)

Reno Market Talk:

“Turning the corner on the new year calls for a cautious celebration,” said Ken Amundson, 2010 president of Reno/Sparks Association of REALTORS and managing broker of Coldwell Banker Select Real Estate’s Sparks office. “There were many positive signs that we can point to including the fact that more people purchased homes in 2009 in every quarter than the previous year and median home prices have remained stable for the past seven months. As we move into 2010, we can optimistically look at the fact that the supply of homes is at a five year low, government incentives for first time buyers and move up buyers are available through April, and low interest rates remain in effect.”

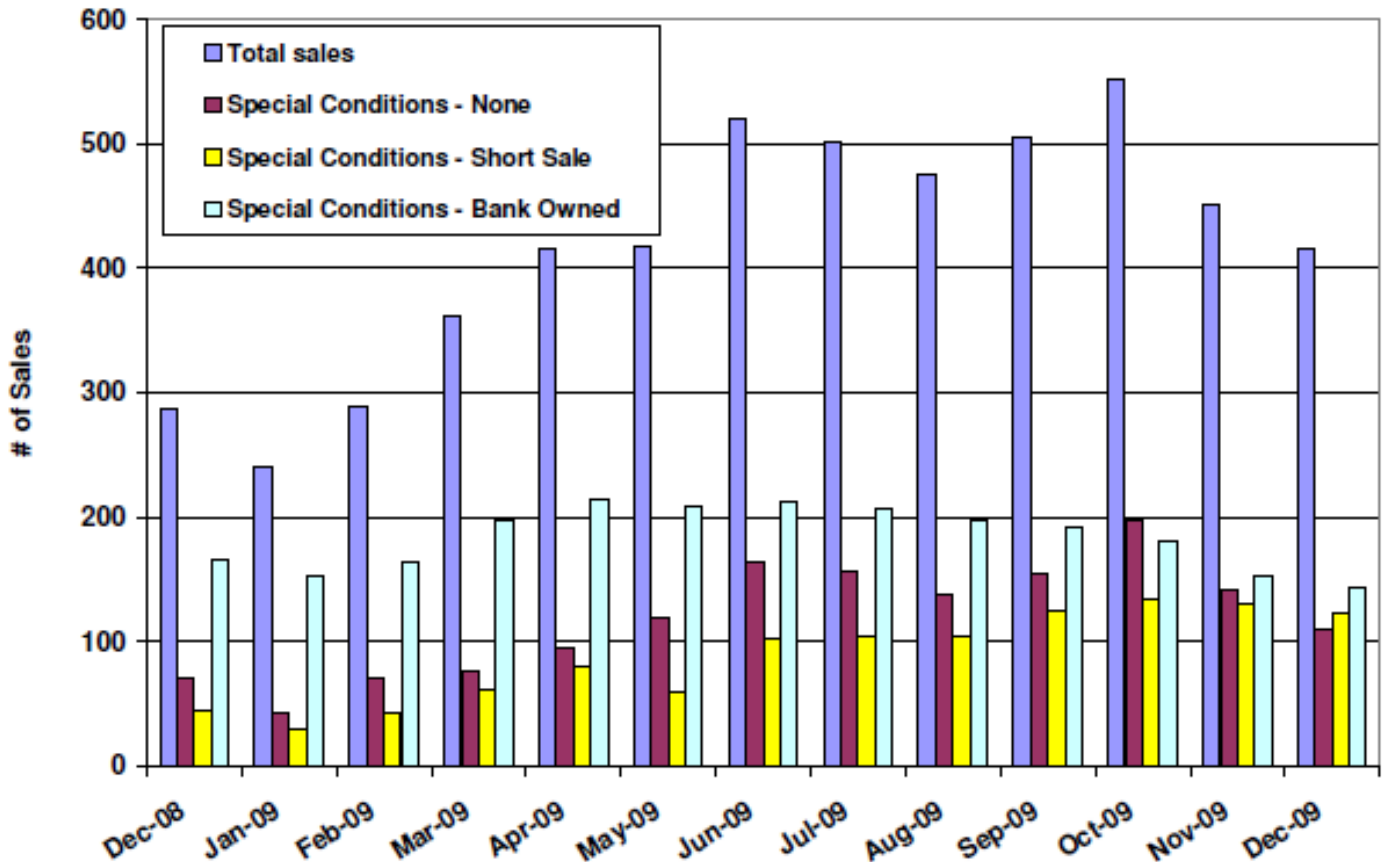
Sales

Below are a summary of the December, fourth quarter and year end 2009 market conditions.

- December ended the month with 416 sold transactions down 7% from the prior month. Sales were up 41% over the same period last year.
- Sales for the fourth quarter were 1436, down 5% from the 3rd quarter 2009 and up 57% over the fourth quarter 2008. Sales for 2009 were 5231, up 45% over 2008.
- Sales Mix:
 - Bank Owned unit sales were down in December to 142 as compared to 153 in November. Bank owned sales represent 34% of the sales, the same number reported in November.
 - Short Sales were 122 in December, down from 130 reported in November. Short sales represent 30% of the mix in December as compared to 29% in November.
 - No Special Condition (None) sales decreased in December to 109 as compared to 141 in November. Sales reported as “No Special Condition” represented 26% of the sales, down from 31% reported in November.

- The graph below highlights the sales trend by Special Condition in relation to total sales.

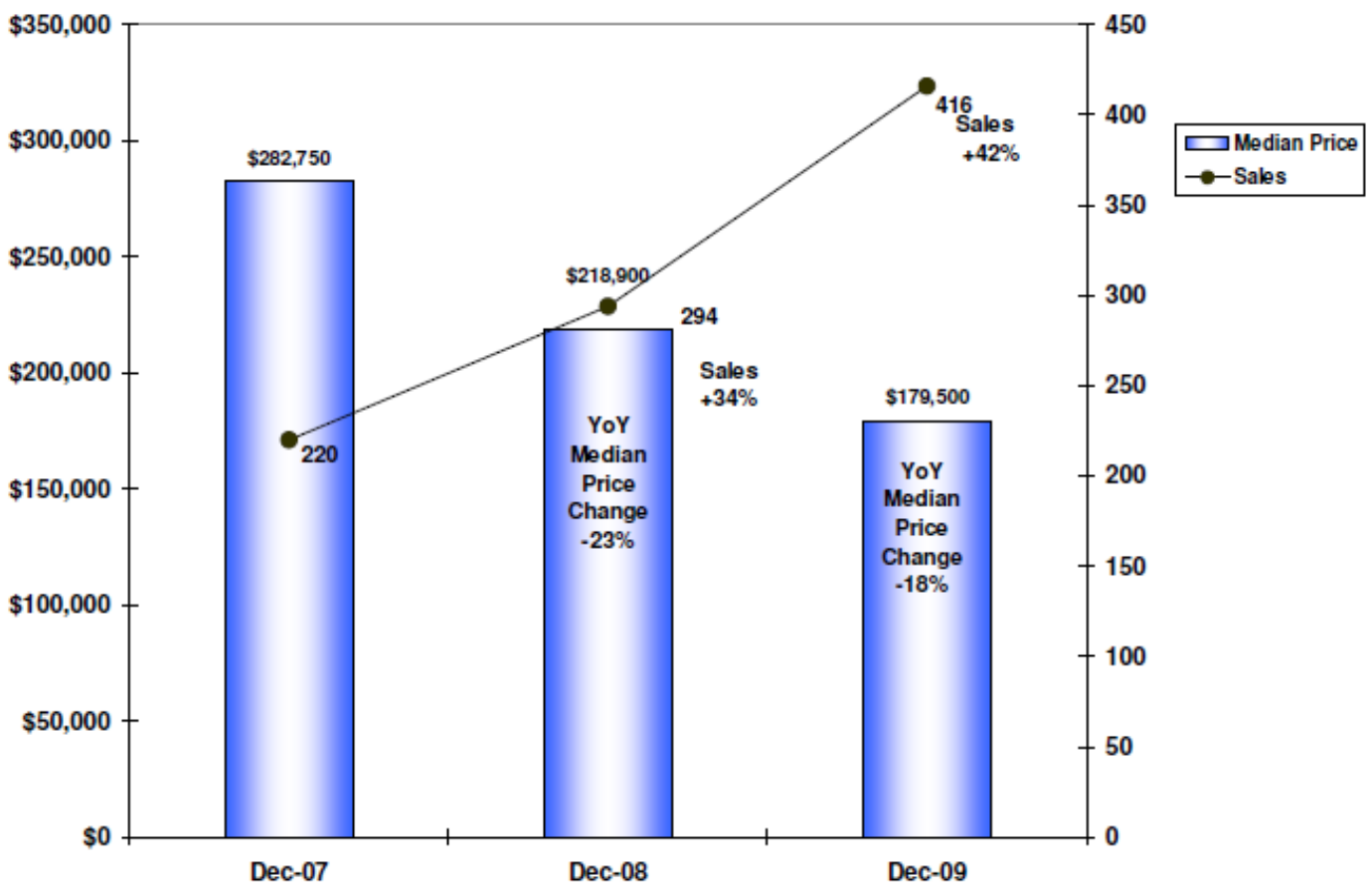
Sales History Analysis
Sales Trends by Special Conditions
 (Based upon stick-built homes in the Reno '100' Market)



Median Price

- December 2009 median price was up 3% at \$179,500 compared to November 2009.
- Median price for the fourth quarter was \$180,000, down 2% from the 3rd quarter 2009 and down 19% over the fourth quarter 2008. The median price for year end 2009 was \$185,000 down 26% from 2008.
- The chart below displays the median price year over year for the month of December in comparison to sales for the same periods.
- Median price is defined as the mid-point, half of the sales for the time frame (December) are below and half are above.

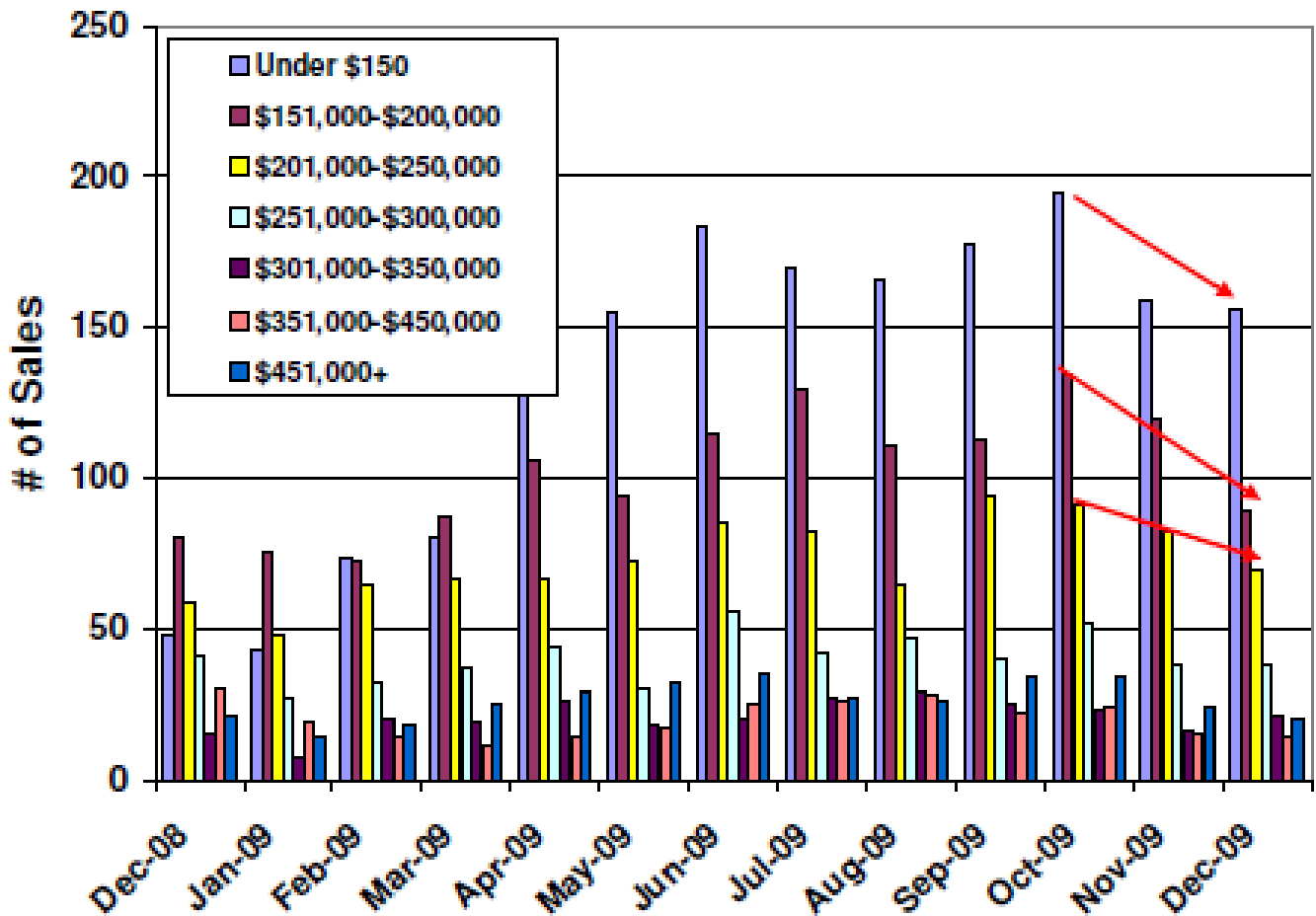
**Median Price Year over Year
Compared to Sales Volume**
(Based upon stick-built homes in the Reno 100)



Sales by Price Point

- As shown in the table below, the number of sales in the under \$150,000 price range was down slightly in December (156 sales) compared to November (159 sales). There was a decrease in sales - \$151,000 - \$200,000 for December (89 sales) compared to November (120 sales); \$201,000 - \$250,000 for December (69 sales) compared to November (82 sales); \$251,000 - \$300,000 remained flat November and December (38 sales); \$301,000 - \$350,000 increased in sales December (21 sales) compared to November (16 sales).
- 34 closings were over \$450,000. In the over \$450,000 price range, 6 of the closings were Short Sales and 3 were Bank Owned.

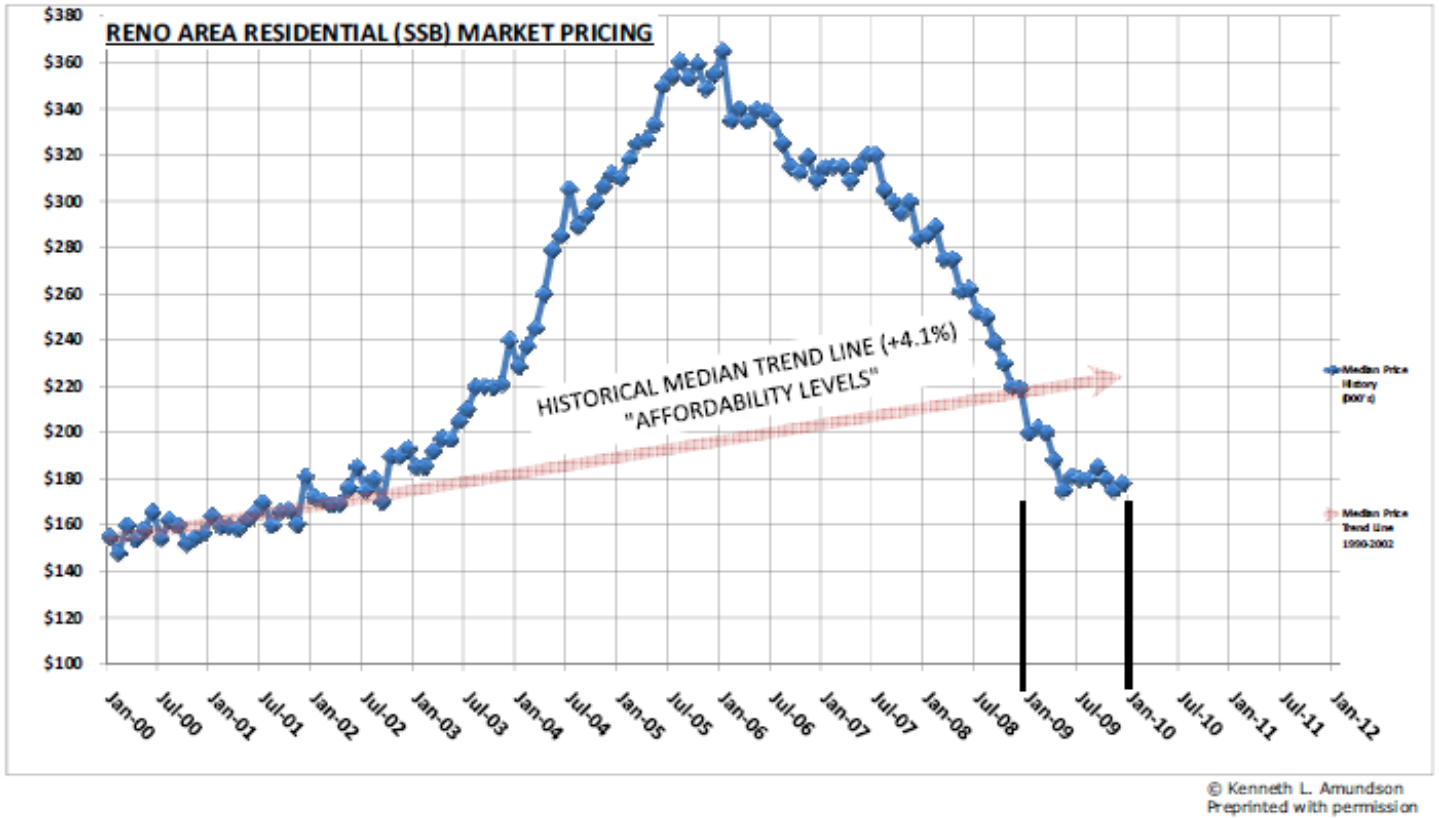
Analysis of Sales by Price Point
(Based upon stick-built homes in Reno 100)



Market Affordability

- Median price growth from 1990 to 2002 creates a 4.1% trend line that has been extended through today.
- Based on this historical median trend line, 2009 is the first time in many years the market appears to be undervalued. (See printable chart on last page of report)
- For the seven month period May 2009 – December 2009, prices have remained stable.

MEDIAN HOME PRICE HISTORY SITE-STICK BUILT HOMES - RENO '100' MARKET



Pendings

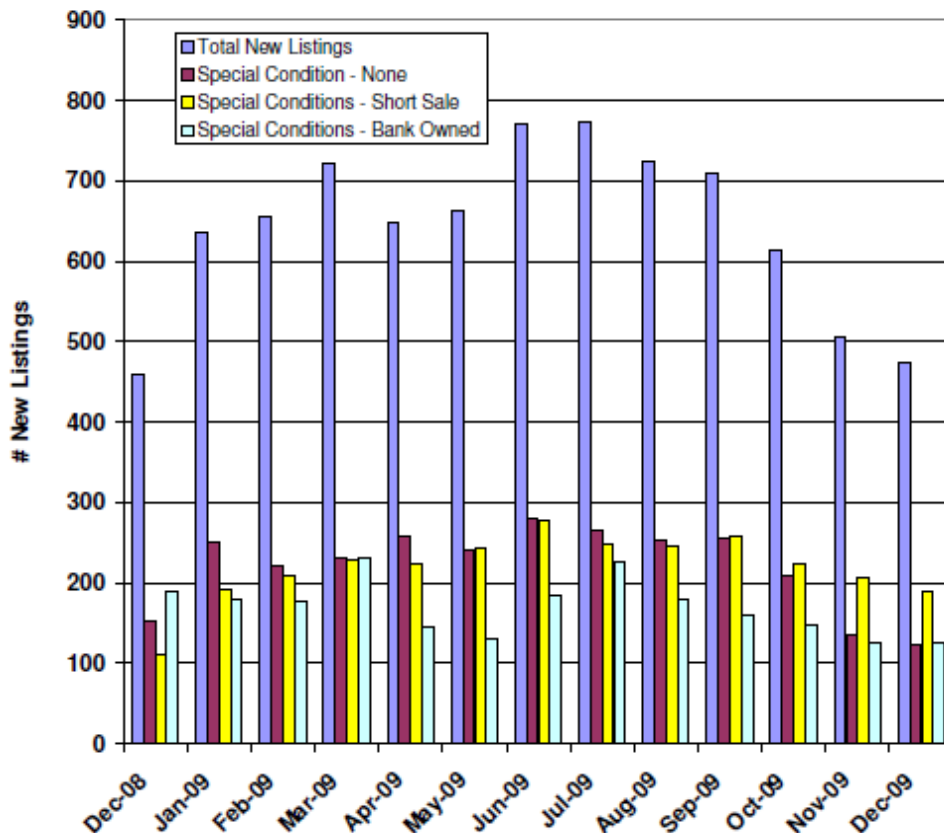
- There were 522 new Active Pending sales reported for the month of December, up 10 % from the prior month.
- 87% percent of December pendings are distressed (short sale and bank owned).

Active Pendings	Total	Special Conditions – None	Special Conditions – Short Sale	Special Conditions – Bank Owned
July 2009	690	103	397	153
August 2009	726	119	430	126
September 2009	675	144	382	108
October 2009	652	108	399	114
November 2009	472	79	293	73
December 2009	522	49	357	95

Listings

- 464 new listings were taken in December compared to 507 in August, an 8% decrease.
- The percentage of “Distressed” new listings was up 2%. 66% of new December listings were distressed - 183 Short Sales, 123 Bank Owned.

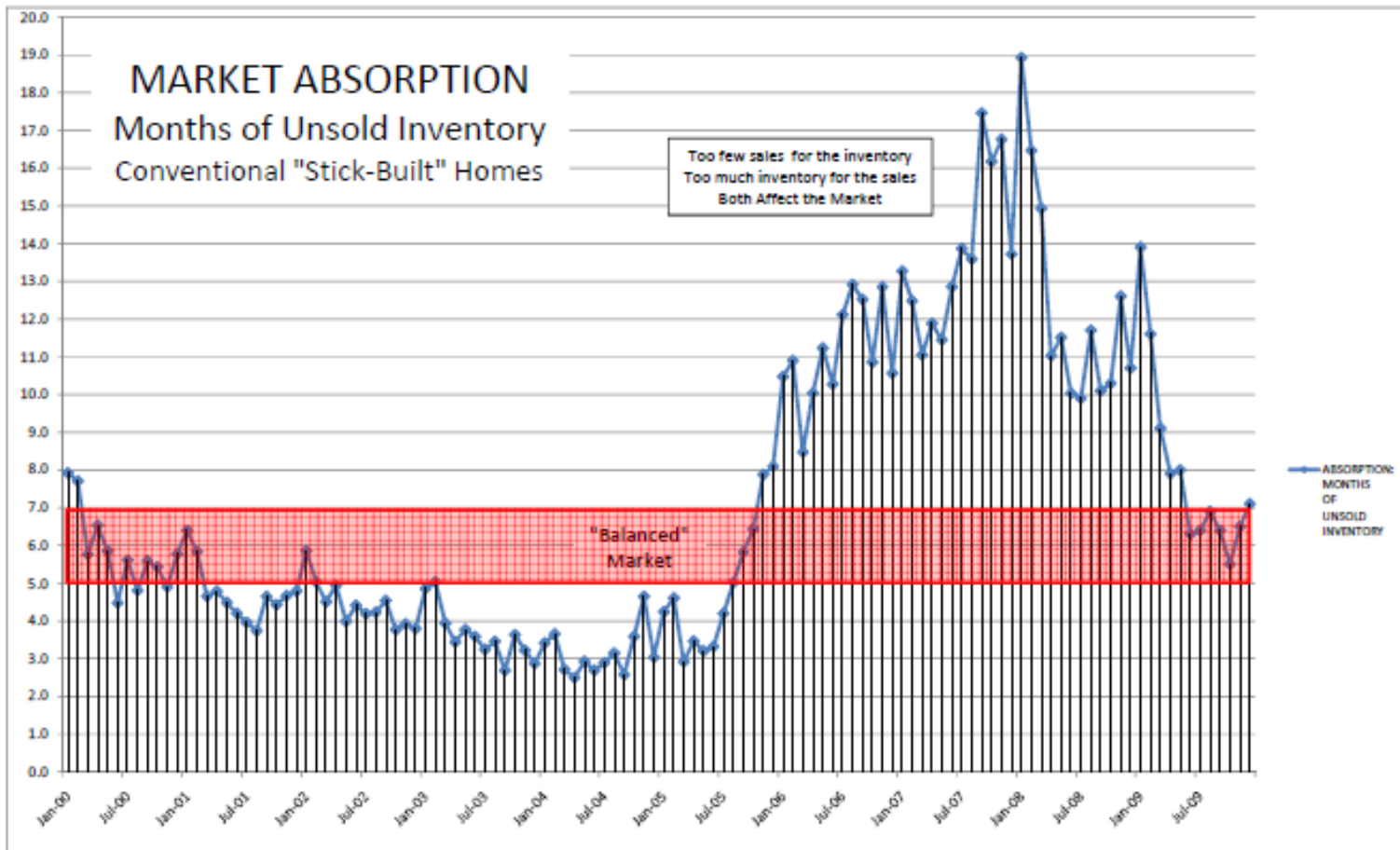
Monthly New Listing History Analysis
No Special Conditions Versus Short Sales and Bank Owned
 (Based upon stick-built homes in Reno 100)



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

- As of December 31st, there was 7.0 months of inventory based on the 31-day December sales rate. For the seventh consecutive month the Months Supply of Inventory has been balanced.
- The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply.
- Unsold Inventory includes all Actives and Active Pendings.

**Historical Market Absorption
Or Months Supply of Inventory**
(Based upon stick-built homes in Reno 100)



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Conclusion

- The median price has remained relatively flat for seven consecutive months.
- Short Sale closings continue to increase as a percentage of the total market mix.
- The volume of short sales closings year over year has increased by 171%.
(December 2008 - 45 short sales, December 2009 - 122 short sales)
- Bank Owned closings continue to decline due to decreased inventory in that category.
- Declining sales under \$150,000 may be attributed to declining inventory at that price point, as well as multiple offers on entry-level properties pushing some transactions to the higher price point.
- The median home price is in line with the median household income in recent months for the first time since 2002.

Important Events for your calendar

- Residential Economic Forecast presented by President Ken Amundson at the February 9th Business Meeting at Reno/Sparks Association of REALTORS®. The meeting begins at 8:00 a.m. with networking and is called to order at 8:30 a.m. Additional speakers include CJ Manthe of the Nevada Rural Housing and Mike Nolan of Nolan Real Estate, Director and member of the Foreclosure Prevention Work Group.
- Fannie Mae Live presented by the Northern Nevada Regional MLS on February 24th at the Altantis Hotel Casino from 9 a.m. – 4:00 p.m. Opening acts include the latest in real estate technology. Full day event including lunch is free to NNRMLS participants. Tickets available at Northern Nevada Regional MLS.
- Short Sale and Foreclosure Certification class will be presented on March 7th with instructor Lee Barrett. This class is approved for 6 hours General CE credit. For more information [click here](#).
- Foreclosure Mediation Update – Is it working? This Lunch ‘N Learn will feature Verise Campbell, the Foreclosure Mediation Program Administration. The class will be held on March 16th, 11:00 a.m. – 2:00 p.m. at Reno/Sparks Association of REALTORS®. [Click here](#) for more information.

This data is accurate to the best of the knowledge of Reno/Sparks Association of REALTORS® based on data reported on December 15, 2009.

