

Monthly Market Update ~ November 2011

(based on October 2011 data)



Pam Reese, REALTOR®

775.843.1508

Pam@PamReese.com

www.PamReese.com



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Information provided
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Puzzled by what's going on in the market today?

See the update below ... It's not all bad news ...



Summary:

October unit sales in Washoe County are the 4th highest unit sales for an October in history and outpace October 2010 sales by 15%. This is the first month where the year-over-year comparison is not influenced by the tax credit incentives, thus a positive sign that sales remain healthy. Also, we have seen only moderate fluctuations in median price for the past 7 months. With the majority of new listings entering the market at under \$150,000 and a majority of sales occurring in this same price range, we are cautiously optimistic that prices are at the bottom.

Looking ahead: According to Lawrence Yun, NAR Chief Economist, "Housing affordability conditions, based on the relationship between median home prices, mortgage interest rates and median family income, have been at a record high this year. Very favorable affordability conditions will dominate next year as well, which will probably be the second best year on record dating back to 1970. If credit restrictions ease, there is optimism that it will open the door for more home buyers to take advantage of current opportunities."

Median Sale Price & Price Per Square Foot

The October median price was down less than 1% to \$148,500 compared to \$150,000 in September.

YEAR-OVER-YEAR MEDIAN PRICE: (Please see the graph below.) Two area groups showed an increase in median price ~ New SE and Suburban SW. All other areas showed a decrease, with the greatest decreases in Washoe Valley (-27%), Northwest (-19%) and North Valleys (-18%).

PRICE PER SQUARE FOOT: Increased slightly to \$89.65 in October compared to \$89.41 in September.

New Listings ~ Distressed Listings

NEW LISTINGS: Properties listed at under \$250,000 made up 82% of new listings entering the market during October. There were 516 new listings in October (compared to 617 in September) a 17% decrease. New listings by Special Conditions included 39% Short Sale, 29% REO*, 32% No Special Conditions. (*REO includes Fannie Mae, Freddie Mac and HUD re-possessed listings.)

DISTRESSED LISTINGS: In October, 68% of ALL new listings were distressed: 201 Short Sales, 147 REO (Real Estate Owned), No Special Conditions 164 and Other 4.

Absorption by Price & Area Group

BY PRICE: Properties in the under \$250,000 price range are in a balanced market. 81% of total sales for October were in the under \$250,000 price range. Properties in the over \$250,000 range have in excess of 7.3 month's supply of inventory.

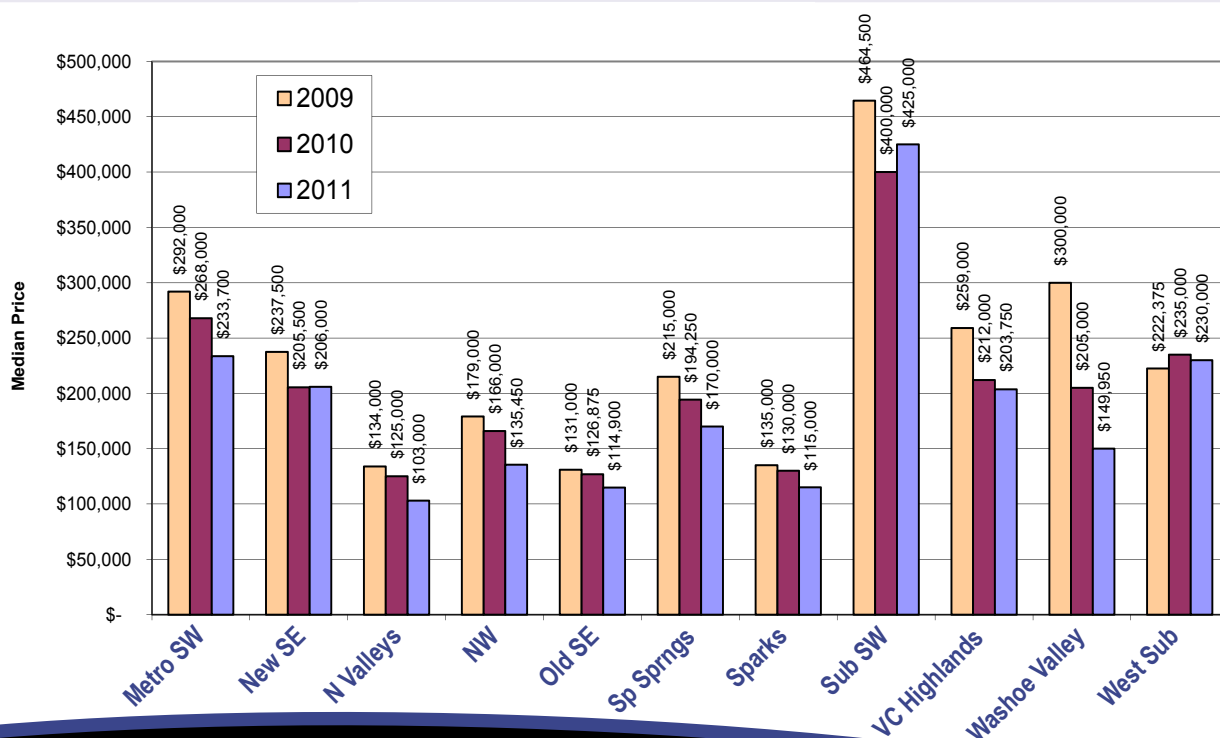
BY GROUP: North Valleys had the highest level of inventory (283 Active listings). North Valleys, Spanish Springs & Sparks show the highest level activity & the highest volume in pending sales for October. All areas except New SE, Spanish Springs, Suburban SW, Virginia City Highlands and West Suburban are in what is defined as a balanced market. The named area groups have in excess of 7.4 month's supply of inventory.

The National Association of Realtors describes a balanced market as between 5 and 7 month's supply of inventory (MSI).

Inventory and Units Sold

October unit sales were 483, down 14.7% from September. Sales are up 15.3% from the same period last year. For the first time in over a year, the October 2011 comparison of year-over-year figures is a comparison without the influence of tax incentives. Year to date 2011 unit sales are up 8% over 2010.

Year-Over-Year Median Price October 2011



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www.PamReese.com • Pam@PamReese.com • 775.843.1508