

Monthly Market Update ~ December 2011

(based on November 2011 data)



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Information provided
by the Reno Sparks
Association of Realtors.



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

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



Summary:

November sales are up 22% over last year and are the highest unit sales for a November in history. For the 2nd month, we are comparing year-over-year sales without the artificial influence of a tax credit. Freddie Mac reported another record low 30-year fixed rate loan of 3.98%. Sources report by the middle of 2012, mortgage interest rates should gradually rise from today's record lows to 4.5%.

Looking ahead: We continue to monitor the impact of the passage of Nevada law requiring more stringent documentation of banks performing foreclosures in a timely manner. If banks are able to adapt to the new requirements, we anticipate sales activity will keep pace with inventory coming on the market. If banks are unable to easily comply with the new law, there will be a shrinking of bank owned inventory, which could have an impact on pricing. The change in the law MAY result in quicker response for short sale processing to avoid the new requirements.

Median Sale Price & Price Per Square Foot

The November median price was up less than 1% to \$149,506 compared to \$149,000 in October. The median price has traded in the 4% range for the past 6 months. Sales under \$150,000 represented 50% of total sales for the month.

YEAR-OVER-YEAR MEDIAN PRICE: (Please see the graph below.) All areas except Suburban Southwest saw a year-over-year decrease in median price.

PRICE PER SQUARE FOOT varies greatly by neighborhood, from a high of \$144 in Suburban SW to a low of \$67 in North Valleys. In between: Sparks - \$71, Old SE - \$87, NW - \$88, Sp Springs - \$92, Virginia City Highlands - \$93, Washoe Valley - \$96, New SE - \$102, Metro SW - \$105 and W Suburban - \$113.

New Listings ~ Distressed Listings

NEW LISTINGS: Properties listed under \$250,000 made up 84% of total new listings entering the market during November. There were 499 new listings in November compared to 516 in October. New listings by Special Conditions include 33% Short Sale, 31% REO*, 33% No Special Conditions. (*REO includes Fannie Mae, Freddie Mac and HUD re-possessed listings.)

DISTRESSED LISTINGS: Properties in the under \$200,000 price range continue to dominate the percentage of new listings reported as distressed. Under \$100,000 (86% distressed); \$100,000-150,000 (77%); \$150,000-200,000 (67%).

Absorption by Price & Area Group

BY PRICE: Properties in the under \$300,000 price range are in a balanced market. 82% of total sales for November were in the under \$250,000 price range. Properties in the over \$300,000 range have in excess of 9.6 month's supply of inventory.

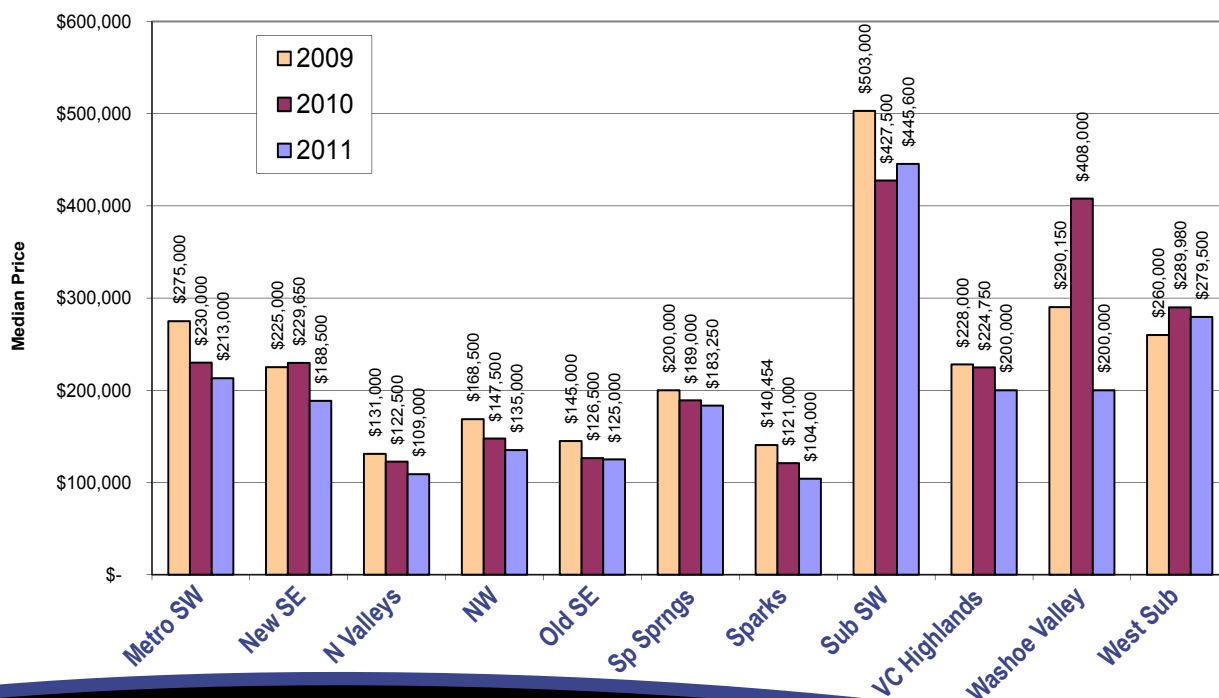
BY GROUP: Spanish Springs had the highest level of inventory (283 Active listings). North Valleys, Spanish Springs & Sparks show the highest level activity in pending sales & highest volume of closed sales for November. All areas except Metro SW, Spanish Springs, Suburban SW, Washoe Valley & West Suburban 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

* Listings with No Special Conditions have 6.0 month's supply of inventory. REO properties - 2.8 MSI, Short Sales - 9.1 MSI. November unit sales (488) were down slightly from October (493).

Year-Over-Year Median Price November 2011



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