

Monthly Market Update ~ January 2012

(based on December 2011 data)



Pam Reese, REALTOR®

775.843.1508

Pam@PamReese.com

www.PamReese.com



CERTIFIED DISTRESSED
PROPERTY EXPERT®

Certified Residential Specialist

Graduate Realtor Institute

Short Sales & Foreclosure
Resource Certification

Seniors Real Estate Specialist

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:

Unit sales were at historic or near historic levels throughout 2011. The big news is that 2011 total unit sales represent the 2nd highest performing year, off only 4% from 2005 which is described as the peak. Year end 2011 unit sales (5,899) are up 10% over 2010 unit sales (5,361). Beginning in 2008, year end unit sales numbers have consistently out-performed the previous year's sales. Lower inventory is a signal that price declines may be coming to an end and a sign of pent up demand.

What will happen over the next 30 years? According to Lawrence Yun, NAR Chief Economist: "If the cost of some of the consumer items rises at a similar pace as in the past 30 years, then gasoline prices will run around \$9 per gallon while the \$20,000 college tuition of today will reach \$140,000 per year. But one item for which the consumer will not pay a nickel more is their monthly mortgage payment. At the current median home price and current mortgage rate, the monthly mortgage payment would be fixed at approximately \$700 per month for the next 30 years. At the same time, home values likely will have tripled." GREAT TIME TO BUY!

Median Sale Price & Price Per Square Foot

December's median price was up less than 3.9% to \$155,400 compared to \$149,506 in November. This is the 2nd month we have seen modest increases in median sales price. It's too early to call it a trend, but after five months of bottoming, it's a positive sign.

YEAR-OVER-YEAR MEDIAN PRICE: (Please see the graph below.) Three neighborhoods saw stable or increases in median price year over year - Northwest, Old Southeast, Sparks and West Suburban.

PRICE PER SQUARE FOOT (sold properties) varies by neighborhood, from a high of \$146 in Suburban SW to a low of \$66 in North Valleys. In between: Sparks - \$73, Old SE - \$76, NW - \$87, Sp Springs - \$88, Virginia City Highlands - \$86, Washoe Valley - \$112, New SE - \$102, Metro SW - \$103 and W Suburban - \$112.

New Listings ~ Distressed Listings

NEW LISTINGS: Properties listed under \$250,000 made up **83%** of total new listings entering the market during December. There were 425 new listings in December (compared to 499 in November). New listings by Special Conditions include 33% Short Sale, 35% REO*, 32% No Special Conditions. (*REO includes Fannie Mae, Freddie Mac and HUD re-possessed listings.)

DISTRESSED LISTINGS: 69% of all new listings are identified as distressed. Properties in the under \$250,000 price range dominate the percentage of new listings reported as distressed at 63%.

Absorption by Price & Area Group

BY PRICE: Properties in the under \$500,000 price range are in a balanced market. 84% of total sales for December were in the under \$250,000 price range. Properties in the over \$500,000 range have in excess of 12.7 month's supply of inventory.

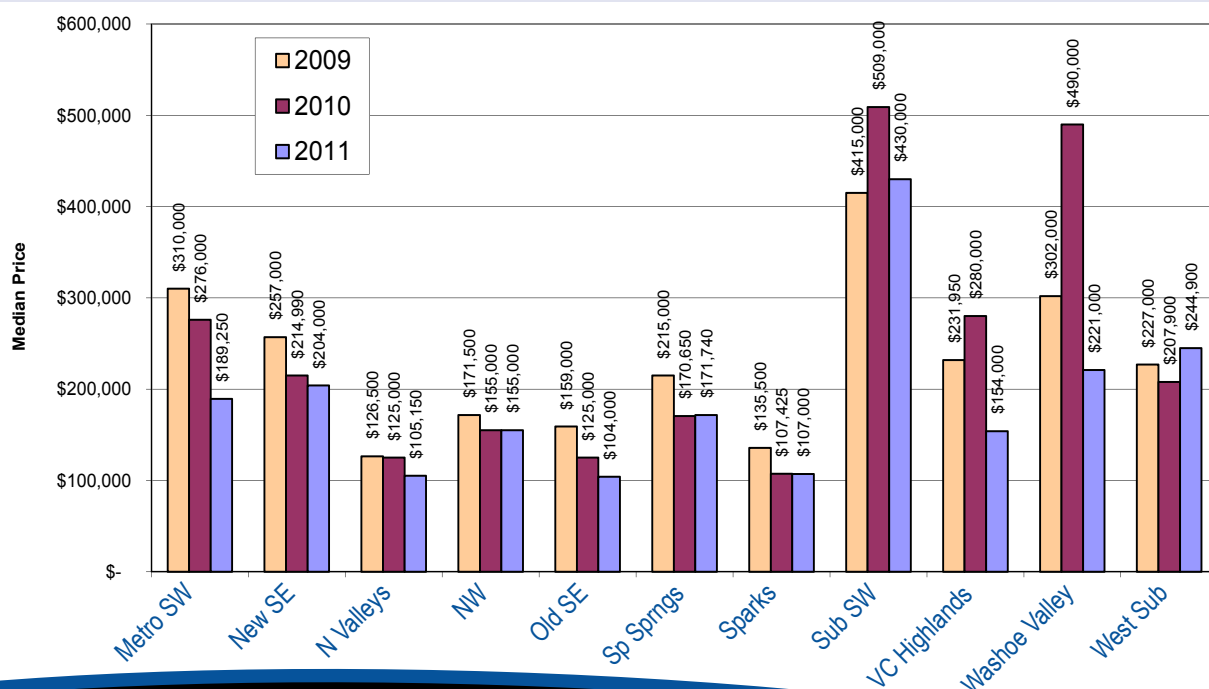
BY GROUP: Spanish Springs had the highest level of inventory (258 Active listings). North Valleys, Northwest, Spanish Springs & Sparks show the highest level activity in pending sales, & North Valleys, Spanish Springs & Sparks show the highest volume of closed sales for December. **All areas except Metro SW & Washoe Valley are in what is defined as a balanced market.** The named area groups have in excess of 7 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 5.1 month's supply of inventory. REO properties - 2.3 MSI, Short Sales - 7.9 MSI. December unit sales are the highest unit sales for a December in history.

Year-Over-Year Median Price December 2011



Pam Reese, Your Best Friend in Real Estate

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