



Prudential

Sierra Nevada Properties

April 2009 Sales Report Talking Points

Market Talk:

We don't know what we don't know. So this report will focus on what we do know about current market conditions. Sales activity continues to pick up particularly in the under \$150,000 price range. The median price remains under pressure by the dominance of bank owned properties in our sales mix.

Sales

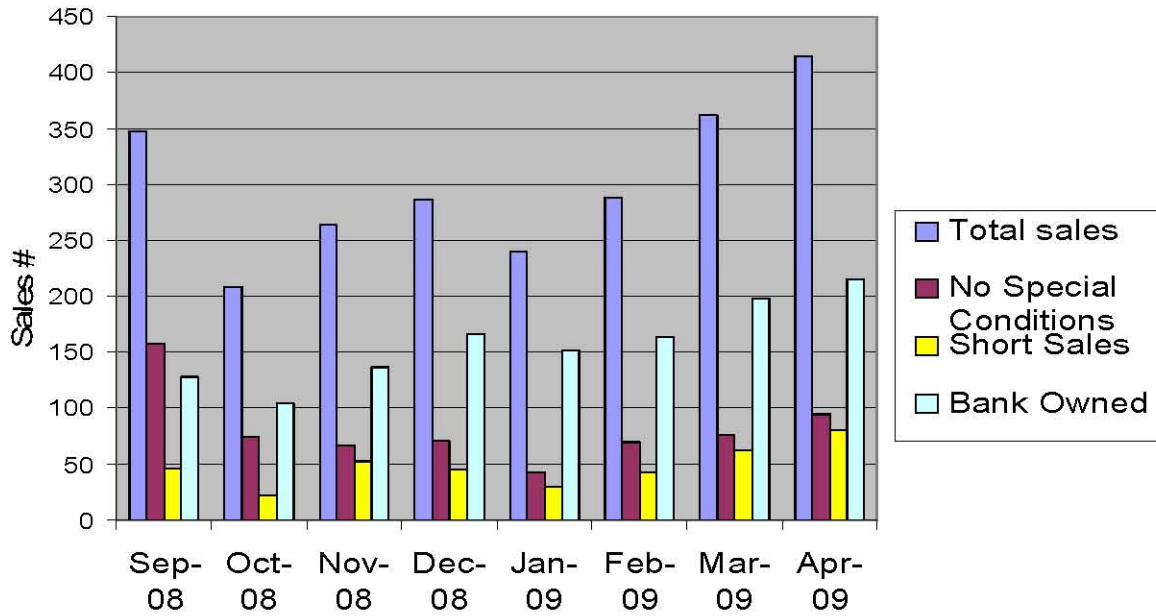
If you are working with buyers you need to become familiar with the First-Time Homebuyer Tax Credit (for example, whether or not a qualifying owner-occupant with a non-qualifying non-owner-occupant co-borrower qualifies OR what about a homeowner whose primary residence has been an apartment for the past 3 years.) NAR has a great resource at [First-Time Homebuyer Credit](#).

Test your knowledge on the First-Time Homebuyers Tax Credit by [clicking here](#) to take the quiz. This tax credit for first-time homebuyers is the direct result of your lobbyists and leaders at the National level who persuaded Capitol Hill to enact this legislation.

Below is a summary of the April market conditions

- April ended the month with 419 sold transactions as compared to 366 for the month of March – a 14% increase and a 33% increase over the same period last year. This is the fourth straight month of a positive upward trend in sales in the Reno 100 area.
- Of the homes sold in April, 80 were Short Sales and 215 were Bank Owned. This means that 71% of properties sold in April had Special Conditions. This compares to 72% of sales in March 2009.
- The chart below demonstrates the trend of increased sales activity in properties with Special Conditions.

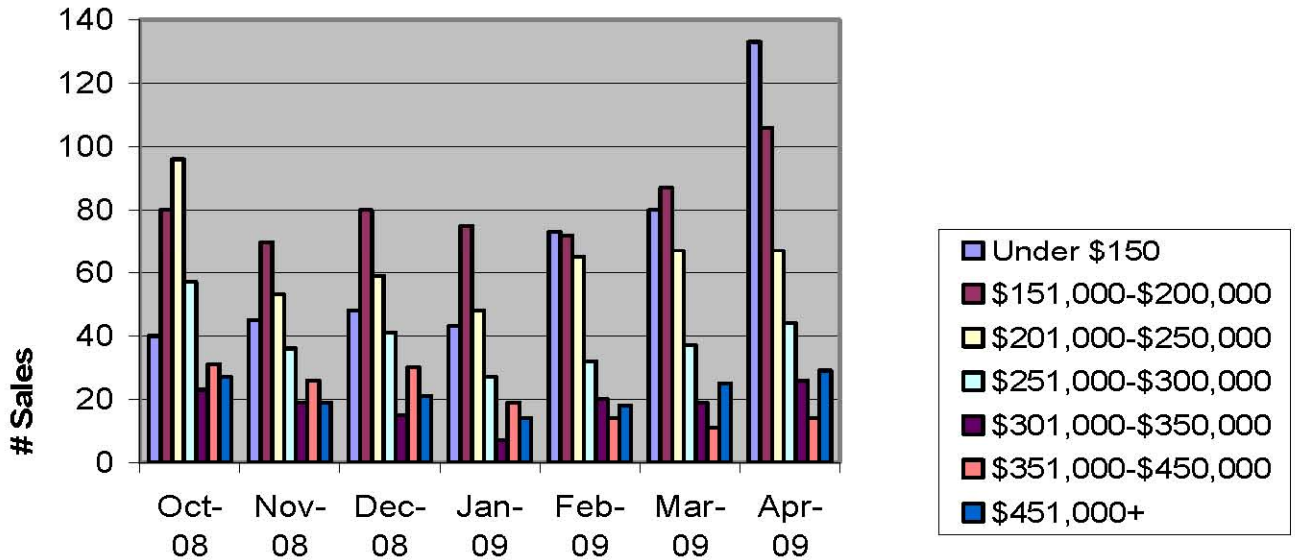
Sales History Analysis
No Special Conditions Versus Short Sales and Bank Owned
 (Based upon stick-built homes in Reno 100)



Median Price

- April saw a 6% drop in median price after three months of relative stability.
- The table below demonstrates a downward shift in the price point for solds in the past seven months.
- April over March 2009, sales are up in every price range except the \$201,000 - \$250,000 range, which remained level.

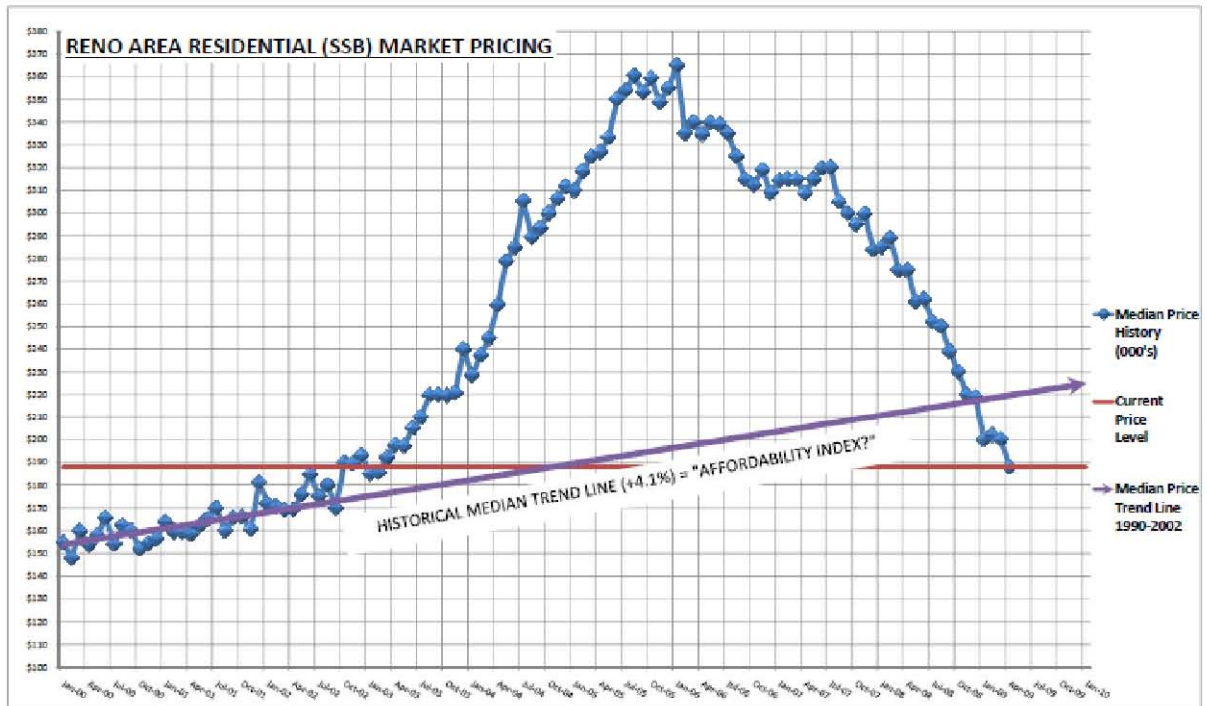
Analysis of Sales by Price Point (Based upon stick-built homes in Reno 100)



Market Affordability

- Based on a Historical Median Trend Line with a 4.2% Affordability Index in the Reno 100 area, 2009 debuts with an undervalued market for the first time in 7 years. (See printable chart on last page of report)

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



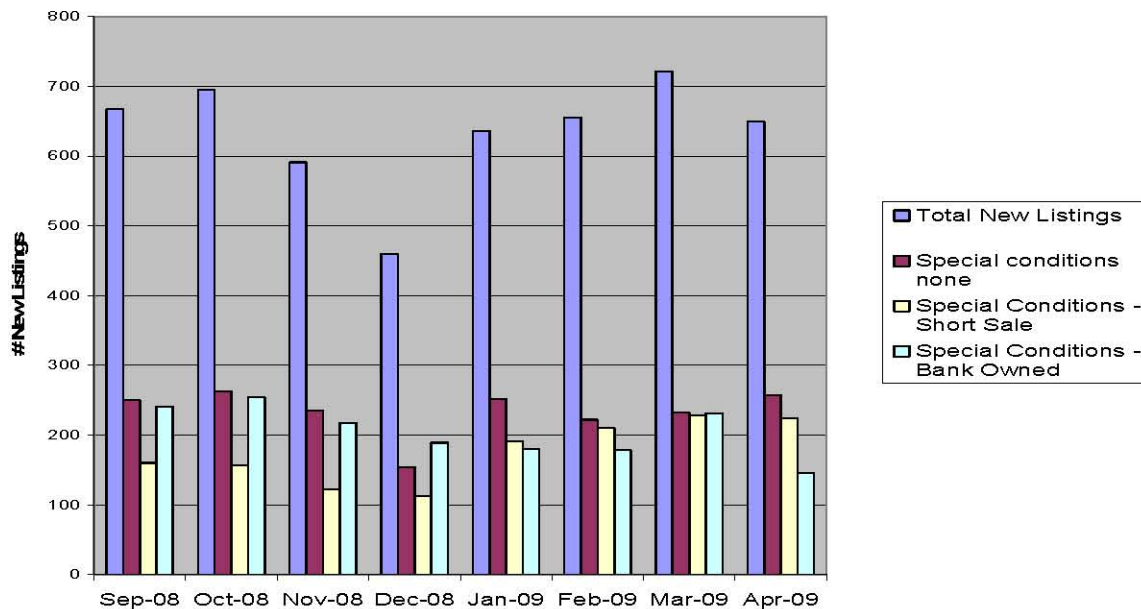
Pendings

- There were 748 new Active Pending sales reported for the month of April.
- 79% percent of what's pending is still in the distressed category.

Listings

- There were 649 new listings taken in the month of April, a 12% drop from March 2009.
- 370 of the new listings were Short Sales and Bank Owned. The percentage of "Distressed" new listings went down 7% - from 64% in March to 57% in April.

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



Month's Supply of Inventory (Unsold Inventory ÷ Sales per Month)

- As of April 30, 2009, we had 7.9 months of inventory based on the 30-day April sales rate. The Month's Supply of Inventory (MSI) has trended down for the past three months. Similar inventory levels based on absorption have not been seen since November 2005. For comparison, between March of 2000 and September of 2005 the MSI averaged 4.2 months. In that same time period, there were only two months (April 2000 and January 2001) where the supply of unsold homes exceeded 6 months.
- The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply.

Conclusion

The Nevada Department of Business and Industry has developed a great resource to share with sellers who may be underwater in their home. Real estate agents should be familiar with this resource and share it with sellers that are facing a mortgage deficiency. [Nevada Foreclosure Information Workbook](#).

*The data covers “Stick-built” single family residences listed in the NNRMLS Reno ‘100’ market that covers Reno, Sparks, North Valleys, Spanish Springs, Washoe Valley, Virginia City Highlands and Lockwood – basically Washoe County without Incline Village.

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

