



# Prudential

## Sierra Nevada Properties

### January/February 2009 Sales Report Broker Talking Points

#### Broker Market Talk:

There was good and bad news as we started out the year. Unfortunately, January didn't continue the trend of increased sales over the previous month, December and the median price dropped for the eighth consecutive month. The great news is once again we buck the national trends. February median price for "stick/built homes" and number of sales were both up from January\*.

#### Sales

- Good News – January 2009 sales were up more than 40% over January 2008.  
Bad News - median price was down 31% January 2009 over January 2008.
- Goods News – February 2009 sales were up 26.3% over January 2009 and 56% up over February 2008.
- Good News - Pending sales for January were up 29% over December, bucking the national trend of decreased pending sales. February is up 19% over January.
- No one knows where the bottom of the market is, but we may be skidding along it.

#### Median Price

- Good News - February 2009 median sales price (\$201,600) saw a slight increase of 1% over January 2009 (\$200,000), compared to a December median sales price of \$218,900. The median home price in the Reno 100 area is now equal to the Spring 2003 level. Based on the affordability index trend line on the attached chart, we have continue to remain below the affordability trend line for the second month in a row.

#### Listings

- New listings in January were up more than 30% over December.
- New listings in February were at 655 as compared to January at 636.
  - Bank owned properties represented 27% of the new listings in February as compared to 28% in January.
- Bank Owned homes continue to dominate the percentage of Sales, Inventory, Pendings and New Listings.

### **Months Supply of Inventory**

- As of February 2009, we have only 11.16 months of inventory based on the rate of sales averaged over the past 6 months. This compares very favorably to 15.2 months supply of inventory as of February 2008. (Available inventory calculation includes Active and Active Pending listings.)
- In an analysis of the inventory in the over and under \$450,000 price break, February 2009 inventory levels are as follows:
  - 9.5 months supply of inventory of homes priced under \$450,000
  - 22.6 months supply of inventory of home priced between \$450,000 and \$1 Million
  - 51.9 months supply of inventory of homes over a million dollars

Good News - As mentioned in the year end report, for market recovery we need: affordability, reduced inventory (preferably via increased sales demand), attractive interest rates, available credit and boosted consumer confidence. If you have buyer prospects in the under \$300,000 range, all five factors are in line – affordability, reduced inventory, low interest rates, available credit and improved confidence in the market.

From June 2008 on, we did our job (sold homes) 40% better than we did in 2008 and we performed better at an increasing rate. The market is what it is – our job remains to list and sell homes.

\*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

