



Reno/Sparks Association of
REALTORS®

**March 2009 and 1st Quarter Sales Report
Broker Talking Points**

Broker Market Talk:

The media continues to report a mix of good and bad news, but we may be seeing the start of a trend in the bottoming out of median sales price – too soon to call but the next two to three months will tell us a lot. Most important, the first quarter of 2009 starts out our new year at close to 2006-first quarter levels in sales. Of course there are several unknowns. One of the biggest is what impact the lifting of the Moratorium Foreclosure will have on the market. Will that flood the market with new REO properties, which would likely result in a further decline in prices?

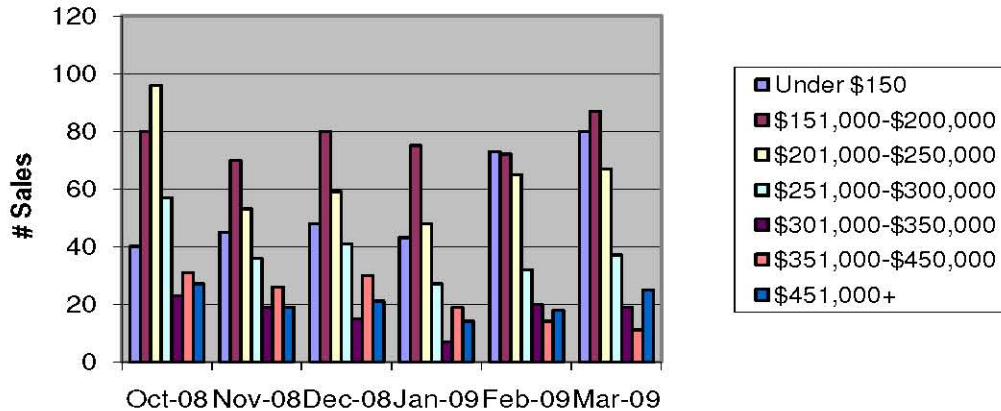
On the bright side, activity has definitely picked up and in particular in the under \$250,000 price range. With that small ray of sunshine comes the cloud of unemployment which is still a key factor in any market outlook.

Sales

- March ended the month with 362 sold transactions as compared to 289 for the month of February – a healthy increase. We have not seen similar numbers in sales since July 2008, which was the peak of the climb until the subprime melt down.
- The first quarter of 2009 reported sales were 882 compared to 595 for the same period in 2008, a 49% increase.
- Of the homes sold in March, 62 were Short Sales and 198 were Bank Owned. This means that 72% of properties sold in March had Special Conditions. This compares to 71% of sales in February 2009.
- The table below demonstrates a downward shift in the price point for solds in the past six months.

Analysis of Listings Sold by Price Point

(Based upon stick-built homes in Reno 100)



Median Price

- After a 1.5% rise in the Median Home Price in February, the Median has settled back to the January level of \$200,000 for now – down 1.5% from last month - a 27% decrease from March of 2008. For the past three months, median price has remained relatively stable. Although a report by Global Insight identified Reno as 17% undervalued, things remain uncertain. The challenge of available financing over the conforming loan limits of \$403,750 and the volume of sales under \$200,000 range, we may see a further negative impact on median price.

Pendings

- There were 591 new Active Pending sales reported for the month of March.
- 78% percent of what's pending is still in the distressed category. Matching this up with Ticor Title's reported NOD upswing makes it important to be cautious about too much turning around soon.
- The increased demand we see is still at the lower end, with plenty of inventory. Multiple offers on 150K Bank/Owned's doesn't do much to drive up prices.

Listings

- There were 728 new listings taken in the month of March, an 11% increase over February 2009.
- 462 of the new listings taken in the month of March were Short Sales and Bank Owned. The percentage of "Distressed" listings in "New Listing" went up 7% - from 59% to 63%. While the "Foreclosure Moratorium" will probably show a decline in new Bank Owned's in April, a wait and see position in this area is a must.

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

- As of March, we had only 9.1 months of inventory based on the rate of sales for March. This compares very favorably to 14.1 months supply of inventory as of March 2008. We have to go back to March of 2006 to find better inventory absorption numbers. For comparison, between March of 2000 and September of 2005 the month's supply of inventory averaged 4.2 months with only two months where the supply of unsold homes exceeded 6 months.

Month's Supply of Inventory by Price Range Table

(Unsold inventory includes Active and Active Pending listings.)

Price Range	<\$250,000	\$251,000-\$350,000	\$351,000-\$450,000	\$451,000-\$1,000,000	\$1 Million +
Mar-09	5.61 Months	8.90 Months	19.92 Months	28.57 Months	50.86 Months

Conclusion

Sales are up in virtually every price range and median home prices have remained stable over the past 3 months bucking the national trends. Unsold inventory is down even with new listings increasing month over month. This improved activity is occurring in a media climate of mostly bad to fair news. The bottom line – we are doing a better job of doing our job – in spite of everything - selling more of the homes available to an increasing number of buyers who can afford to buy homes.

Sell Responsibly.

*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

