



Prudential

Sierra Nevada Properties

May 2009 Sales Report

Talking Points

(Based on stick-built homes in Reno 100)

Reno Market Talk:

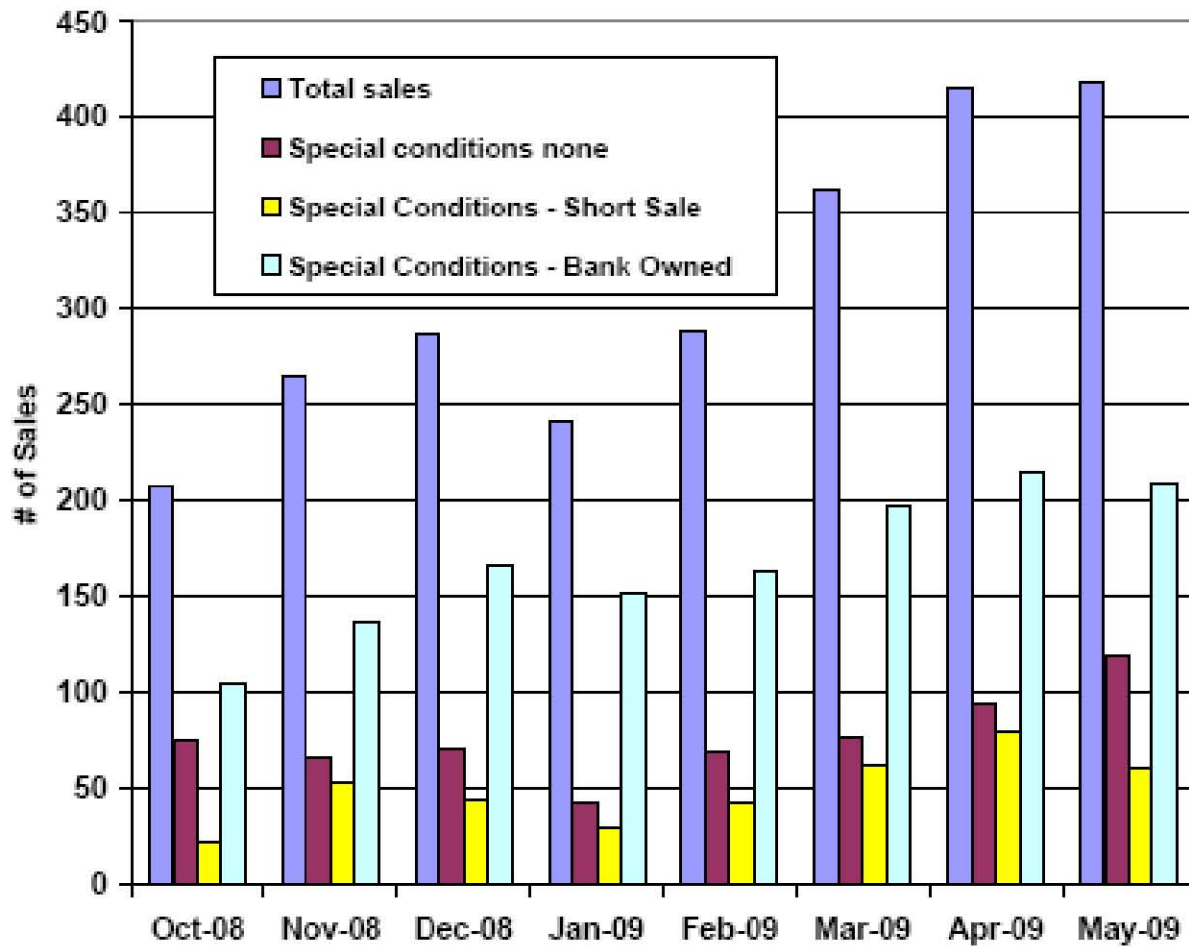
Do you remember the famous line from Sgt. Friday in the 1950's Dragnet TV show, "Just the facts, ma'am, just the facts"? In this report we are sticking to "just the facts" about current market conditions. Sales activity flattened out month over month, with May reflecting 413 sales an equal number of sales as April 2009. The volume of sales in the under \$150,000 price range continues to dominate the market consequently affecting median price.

Sales

Below is a summary of the May market conditions

- May ended the month with 413 sold transactions exactly equal to the prior month. Sales were up 35% over the same period last year. This is the first month in 2009 where sales have not increased month over month.
- Of the homes sold in May, 60 were Short Sales and 209 were Bank Owned. This means that 64% of properties sold in May had Special Conditions as compared to 71% of sales in April 2009 were earmarked as Special Conditions.
- The chart below demonstrates the trend of sales activity in properties with Special Conditions.

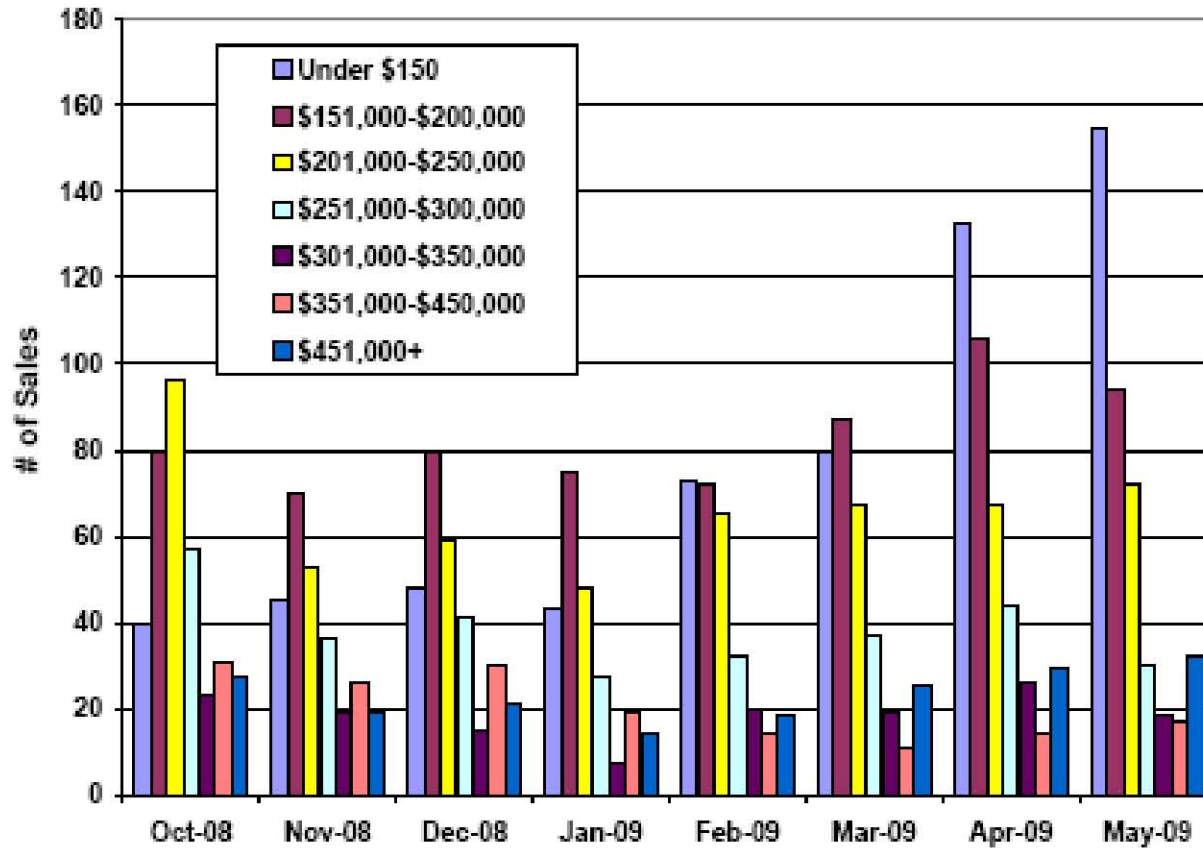
Sales History Analysis
No Special Conditions Versus Short Sales and Bank Owned
(Based upon stick-built homes in Reno 100)



Median Price

- May saw a 6.9% drop in median price.
- The table below demonstrates a downward shift in the price point for solds in the past eight months.
- May over April 2009, sales continue to rise in the under \$150,000 price range which would account for the drop in median price for the month.

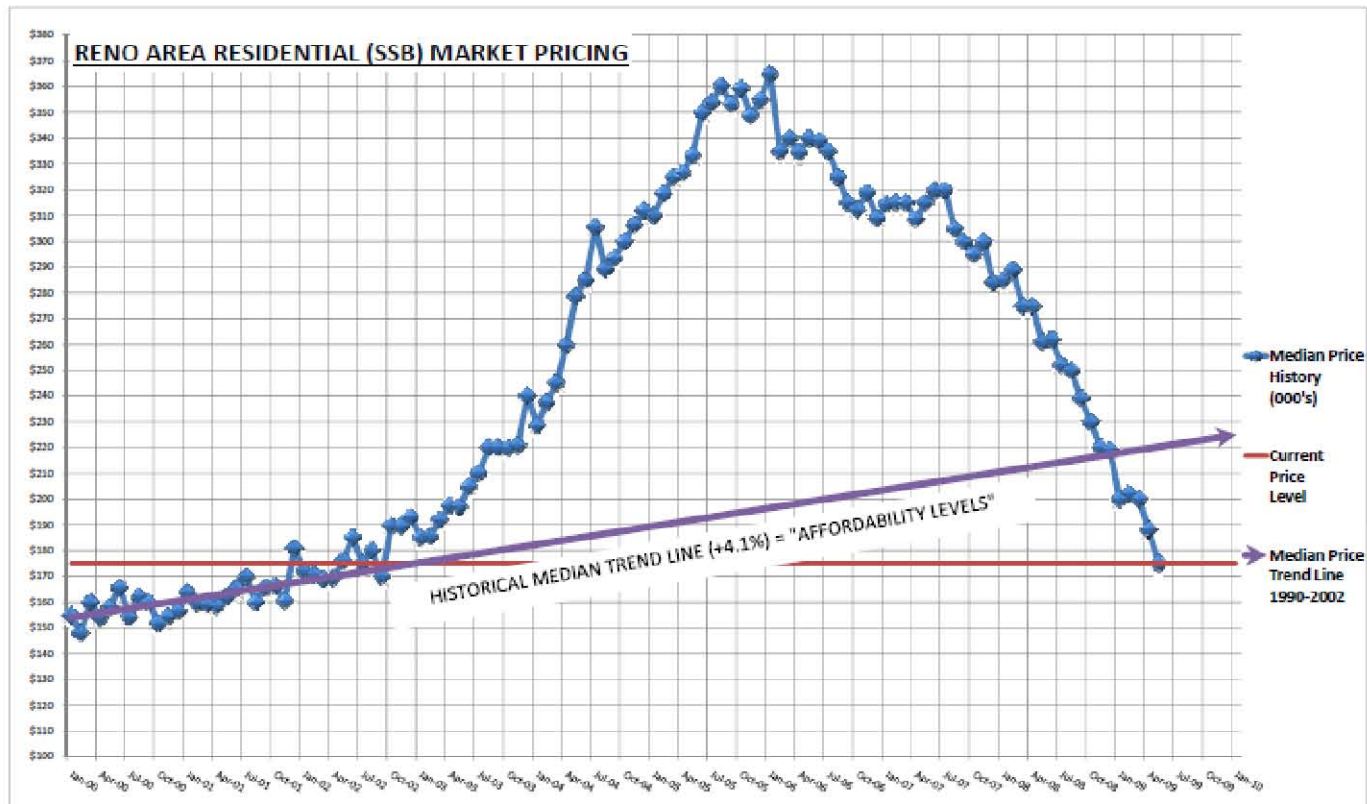
Analysis of Sales by Price Point
(Based upon stick-built homes in Reno 100)



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



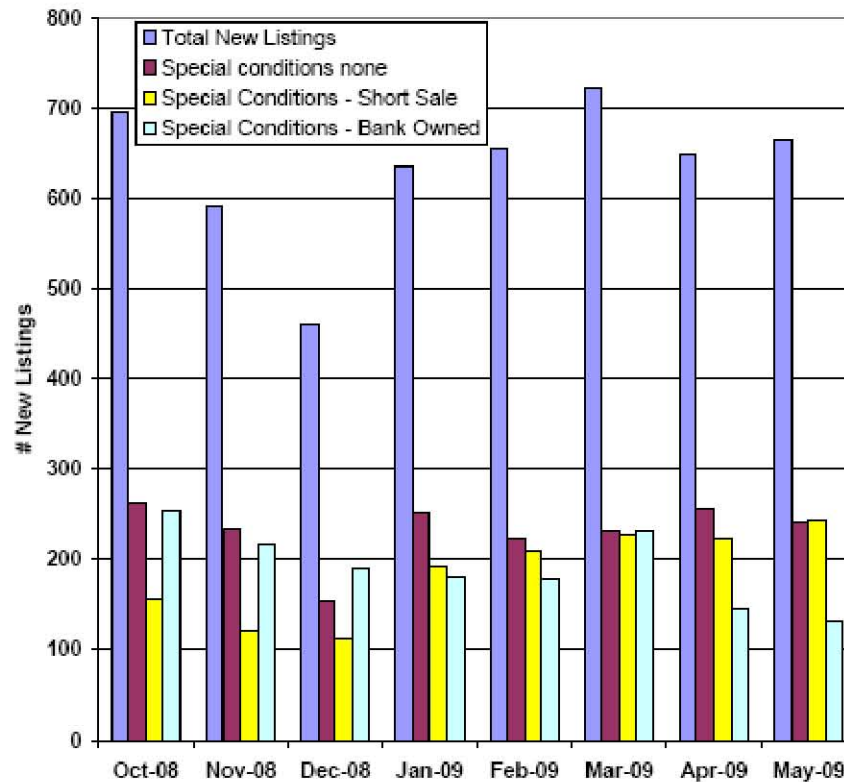
Pendings

- There were 698 new Active Pending sales reported for the month of May down 6.6 % from the prior month.
- 76% percent of what's pending is in the distressed category.

Listings

- There were 664 new listings taken in the month of May, a 2% increase from April 2009.
- 374 of the new listings were Short Sales or Bank Owned. The percentage of “Distressed” new listings went down 2% - from 57% in April to 56% in May.

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 May 31, 2009, we had 8.0 months of inventory based on the 31-day May sales rate. The Month's Supply of Inventory (MSI) crept up for the month of May from the 7.9 MSI seen in April. Similar inventory levels based on absorption have not been seen since December 2005.
- The National Association of REALTORS® describes a balanced market as between 5 and 7 months supply.

Conclusion

Several new bills passed in the 2009 Legislature that will affect the way you do business.

AB149 – Provides for the mediation of loan modifications prior to foreclosure on properties that have notices of default filed after July 1, 2009.

AB350 - Provides that the seller must provide and pay for the “resale package” in common interest communities. With banks acting as sellers in the majority of sales, buyer's agent might consider incorporating language in the offer to include the cost of the resale package as a seller's concession.

AB140 - was superseded by a new [Federal law](#), which provides protection for renters in foreclosed properties, the new law will require that the “immediate successor in interest,” i.e., the person or entity that acquires the title at foreclosure:

- provide bona fide tenants with **90 days** notice prior to eviction, or
- allow bona fide tenants with leases to occupy the property until the end of the lease term, except the lease can be terminated on 90 days notice if the unit is sold to a purchaser who will occupy the property.

A summary of each of these bills can be found at www.nvar.org

Don't forget to share the [Nevada Foreclosure Information Workbook](#) with sellers who are facing a mortgage deficiency. It provides great resources and all the considerations sellers should review prior to taken an action that might not be in their best interest. Real estate agents should be familiar with this resource.

*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

