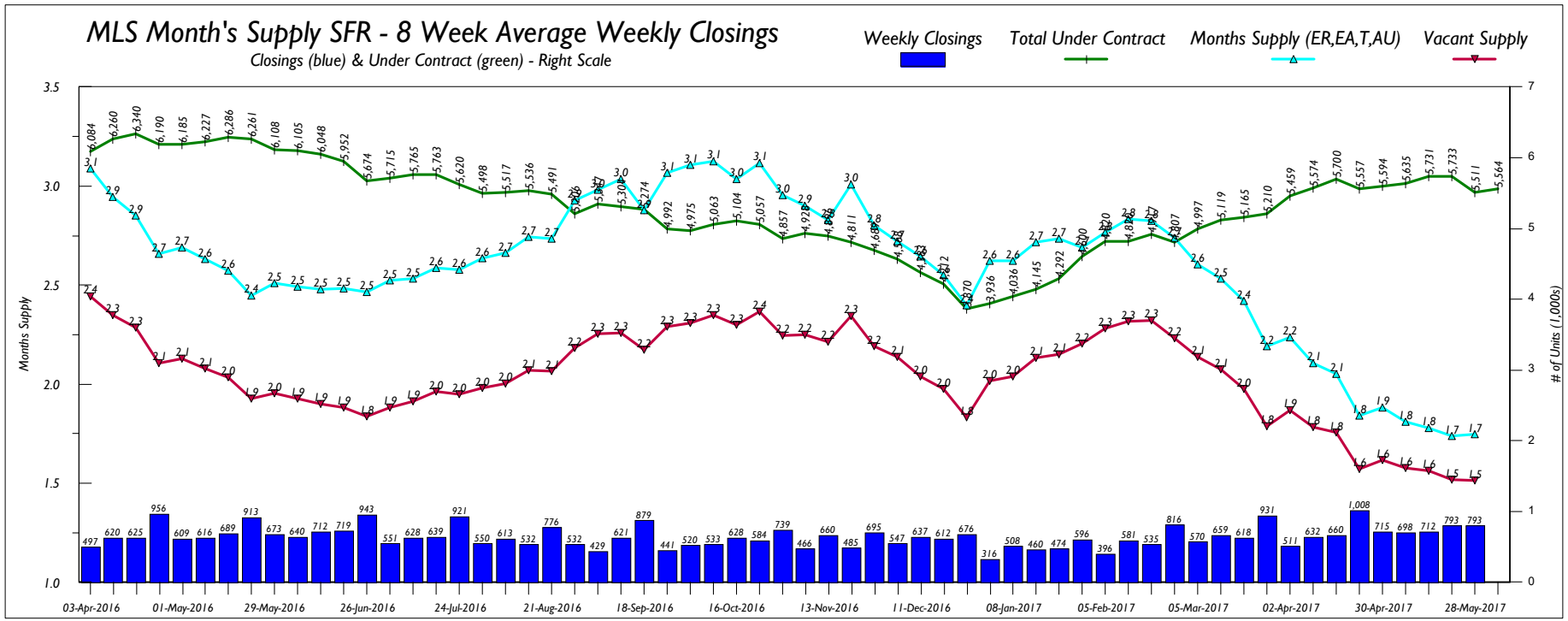
May 2017 Las Vegas Metro Residential Housing Report

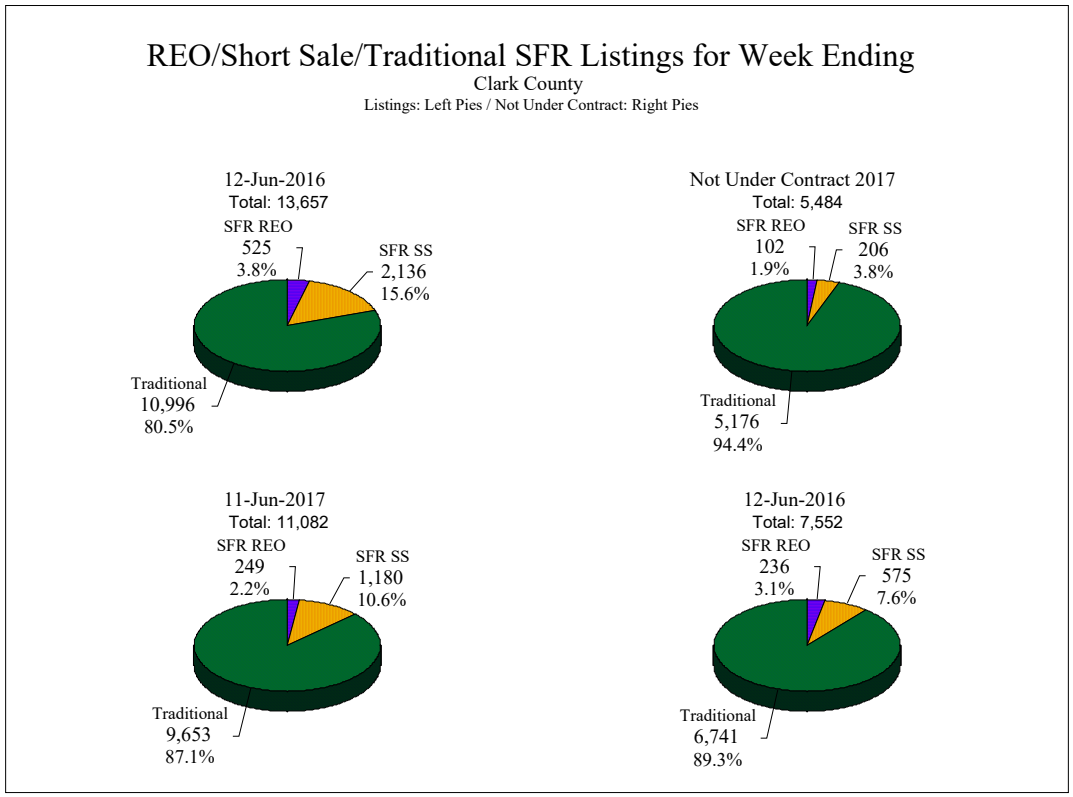
(Reno/Sparks follows Las Vegas)

SFR Transactions – Inventory

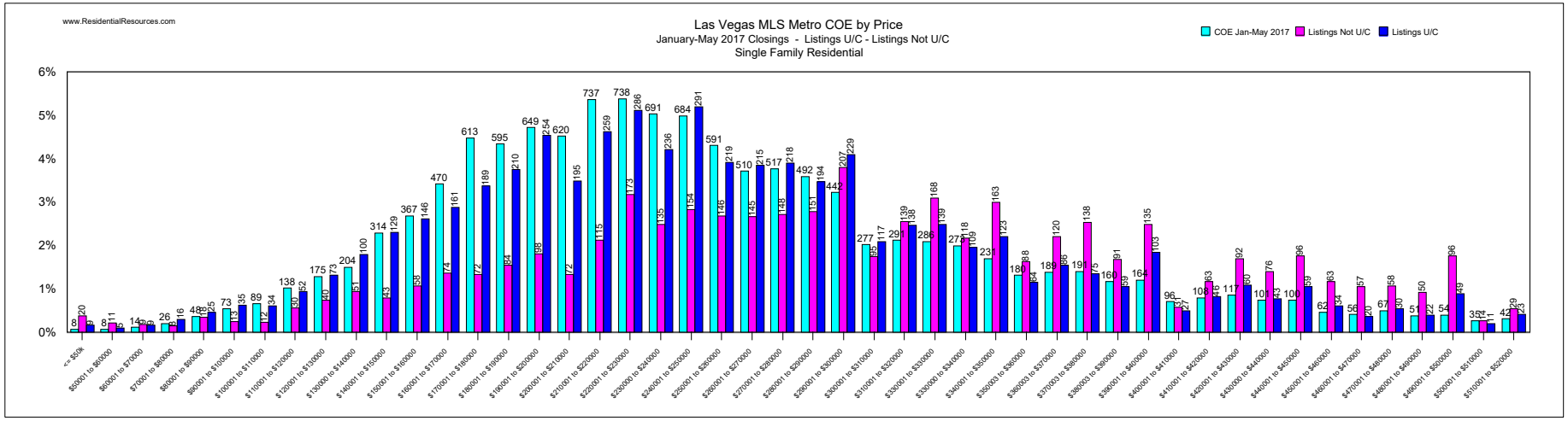


Total listed SFR inventory is down (11,082 now; -17.2%) from one year ago (13,657 then); condo inventory (1,082 now) is down over 39%; and townhome inventory (779 now) is down over 25.5%. Total SFR listed and not under contract: 5,518 down 27 percent from one year ago.

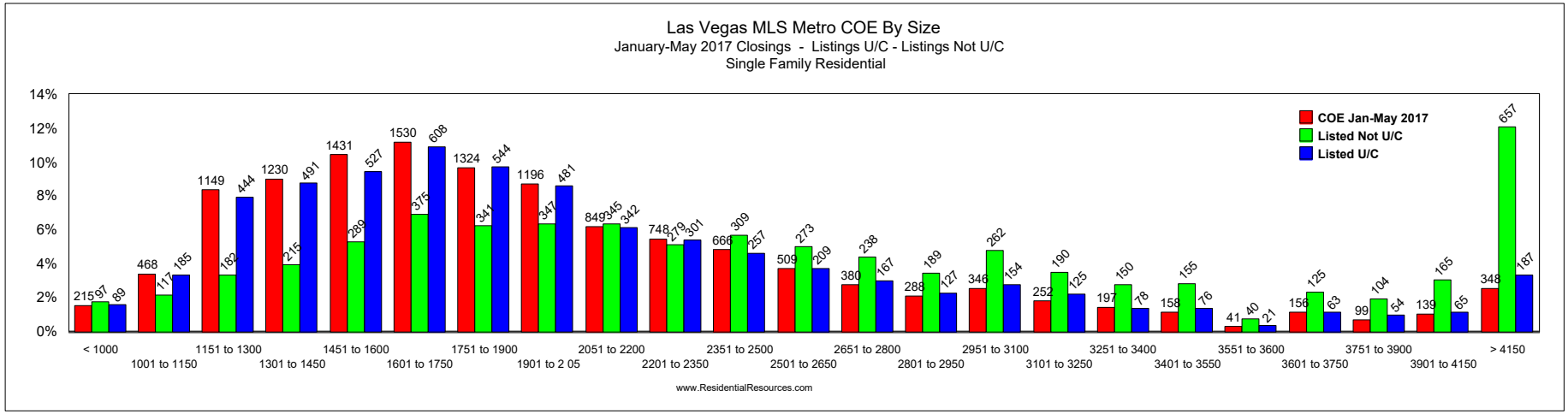
That translates to 1.7 months of inventory not under contract at current 8-week average closings. So inventory continues to be depressed as months of supply has been trending down since February.



Listings to sales start to show some imbalances when you compare closings (January - May) against current listings. The nearby chart shows closings (turquoise bar) compared to current listings under contract (magenta bar) compared to current listings not under contract (dark blue bar). The supply of properties not under contract starts to get out of whack (indicating an oversupply of these and higher prices) compared to closings and U/C listings starting at about $310,000. The numbers change from month to month but the ratios have remained fairly constant so far this year. Note that this graph does not include listings not under contract priced over $520,000 as it distorts (compresses) the other price categories to where the graph becomes more difficult to comprehend.



Looking at the same data from a square footage perspective:



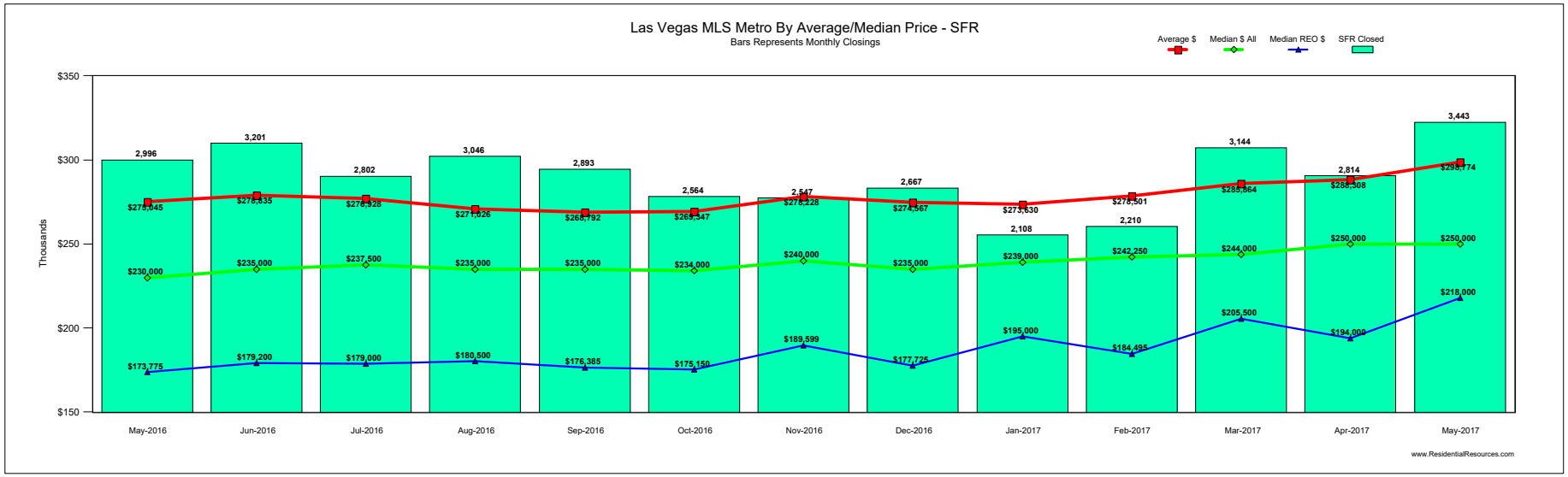
SFR Closings

For May, the 3,443 closings represent a 22.4% increase from April and a 15% increase from May 2016. Those increases are not the largest increases MoM or YoY that we have seen but through April the closing volume, if annualized, would have seen total closings in 2017

coming in lower than the total for 2016. With June-September closings typically generating higher monthly closings you should expect to see 2017 generating more closings than 2016. Of course, the continued reduced inventory and other factors could easily alter that outcome.

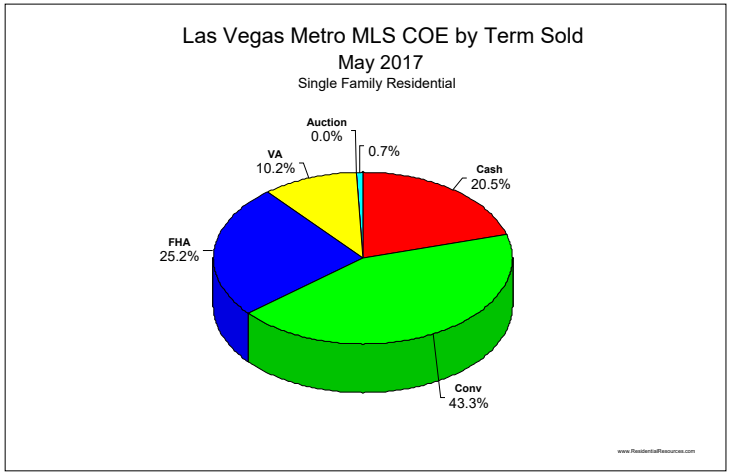
Average Days on Market decreased to 38 which is the lowest average I have recorded since my monthly tracking began in 2008.

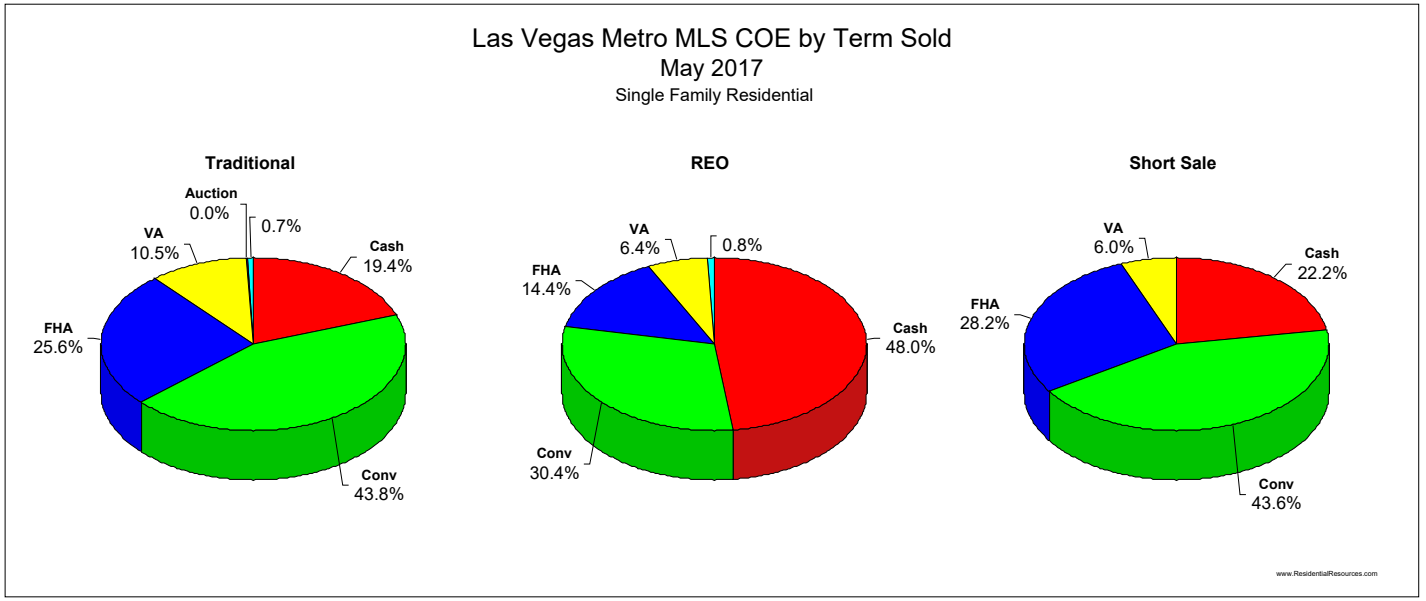
The median price for May closings was $250,000, the same as April and representing a 8.7% increase from May 2016 – now 62 consecutive months of YOY increases. The median closing price for all 13,719 SFR closings for 2017 currently stands at $245,000.



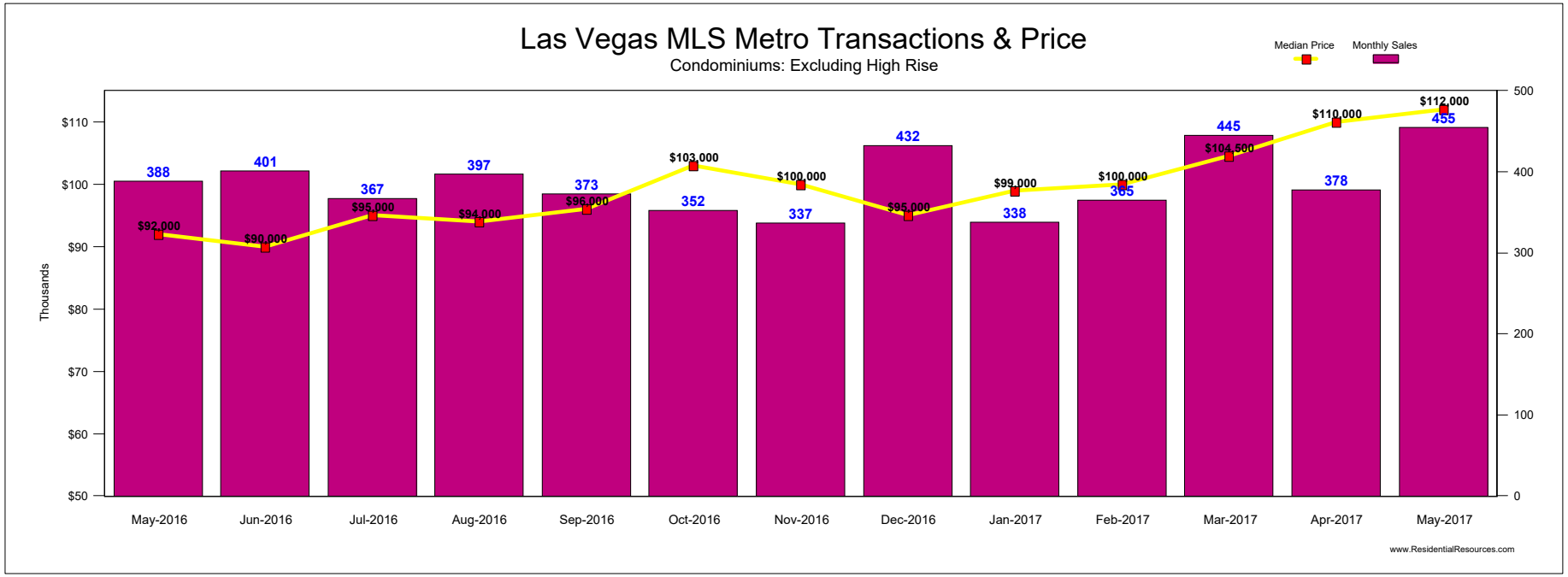
Of the 3,443 closings 93% were ‘traditional’ sales with REOs accounting for 3.6% and Short Sales 3.4% respectively.

It was a strong month for closings of $1 million or more with 47 homes hitting that benchmark Median price per square foot was $287.63 and average DoM for these $million homes was 134 days.

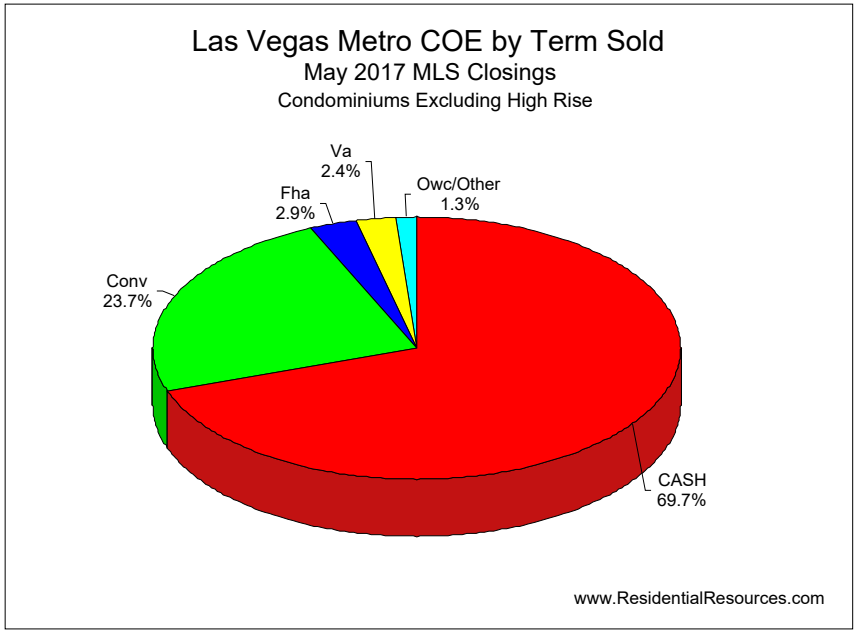

Las Vegas Metro MLS COE by Term Sold
May 2017
Single Family Residential
Auction
0.0%
0.7%
VA
10.2%
Cash
20.5%
FHA
25.2%
Conv
43.3%
www.ResidentialResources.com

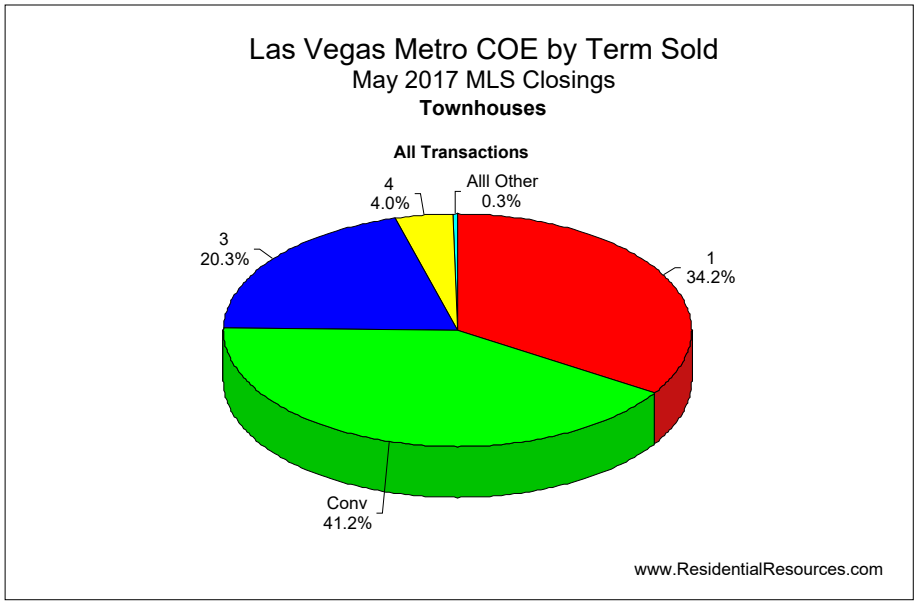

Las Vegas Metro MLS COE by Term Sold
May 2017
Single Family Residential
Traditional
Auction
0.0%
0.7%
VA
10.5%
Cash
19.4%
FHA
25.6%
Conv
43.8%
REO
VA
6.4%
0.8%
FHA
14.4%
Cash
48.0%
Conv
30.4%
Short Sale
VA
6.0%
Cash
22.2%
FHA
28.2%
Conv
43.6%
www.ResidentialResources.com

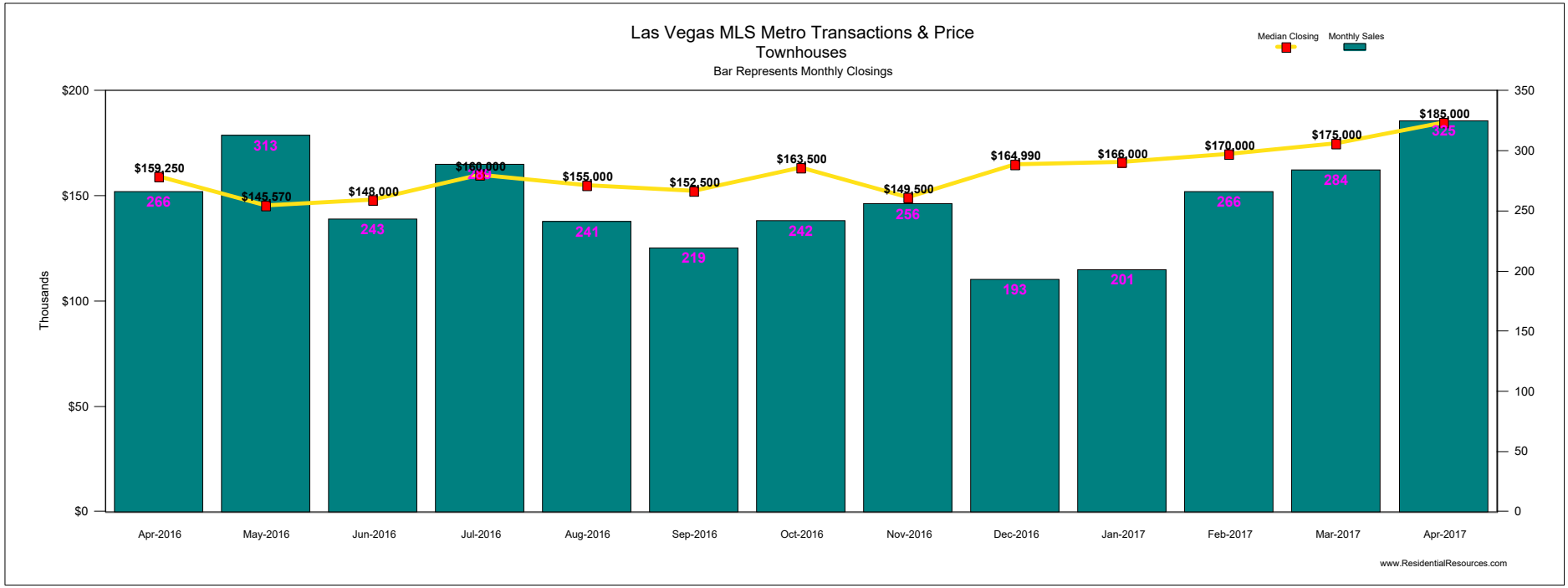
Condominium & Townhome Closings



Condominium closings in May increased 20% over April and 17% over May 2016. The median price for May closings was $112,000 which is 1.8% higher than April and 21.7% higher than May 2016; for the first 5 months, the median closing price was $105,000 for the 1,982 MLS closings.


Las Vegas Metro COE by Term Sold
May 2017 MLS Closings
Condominiums Excluding High Rise
Va
2.4%
Owc/Other
1.3%
Fha
2.9%
Conv
23.7%
CASH
69.7%
www.ResidentialResources.com


Las Vegas Metro COE by Term Sold
May 2017 MLS Closings
Townhouses
All Transactions
4
4.0%
Alll Other
0.3%
3
20.3%
1
34.2%
Conv
41.2%
www.ResidentialResources.com



Townhouse sales activity has also been strong this year also seeing some relatively hefty price increases with the median closing price in May increasing $10,000 over April representing a 5.7% increase and a 16% increase over May 2016; $173,500 for the year's 1,270 MLS transactions.

May 2017 Market Report

Area 100, Greater Reno/Sparks

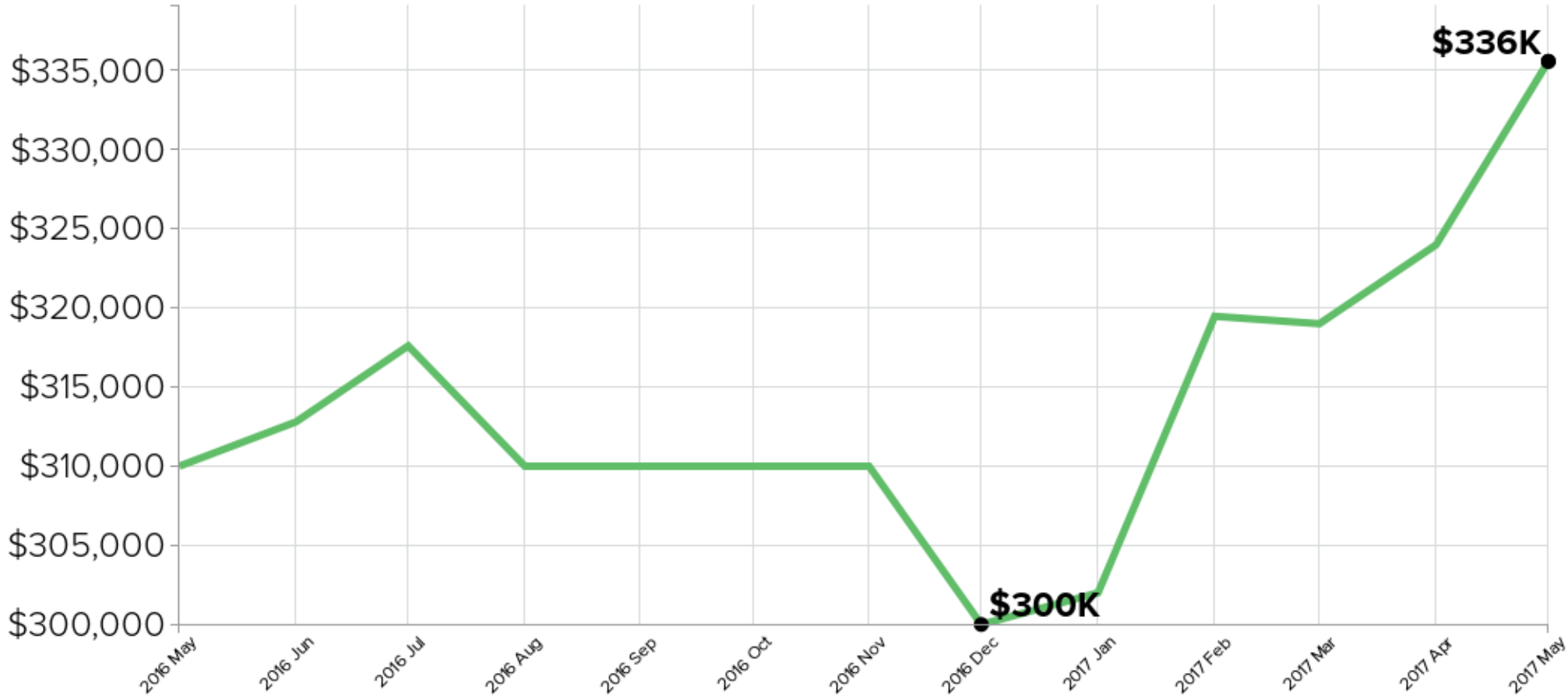
Historically, during the peak listing months, May, June and July, new listing inventory outpaces sales, said John Graham, 2017 RSAR President. "This year new listings and sales are tracking at the nearly the same pace. This means new listing inventory is being quickly absorbed as sales."

- The May median price at $335,500 was up 4% from April and up 8% from a year ago.
- May unit sales at 652 are up 26% from April and up 9% compared to May 2016.
- May new listings are up 8% at 784 compared to April and down 9% from one year ago. With sales at a near record high, we'll look at how new listing inventory is keeping up with demand in a minute.
- The Reno market is a seller's market, at 1.4 months supply of inventory. Months supply of inventory is the time it would take to exhaust the active inventory at the current rate of sales. Effective in March 2017, the Reno/Sparks Association of REALTORS changed its method of calculating Months Supply of Inventory to exclude pending sales. We believe this more accurately reflects the Months Supply of Inventory.

Conclusions

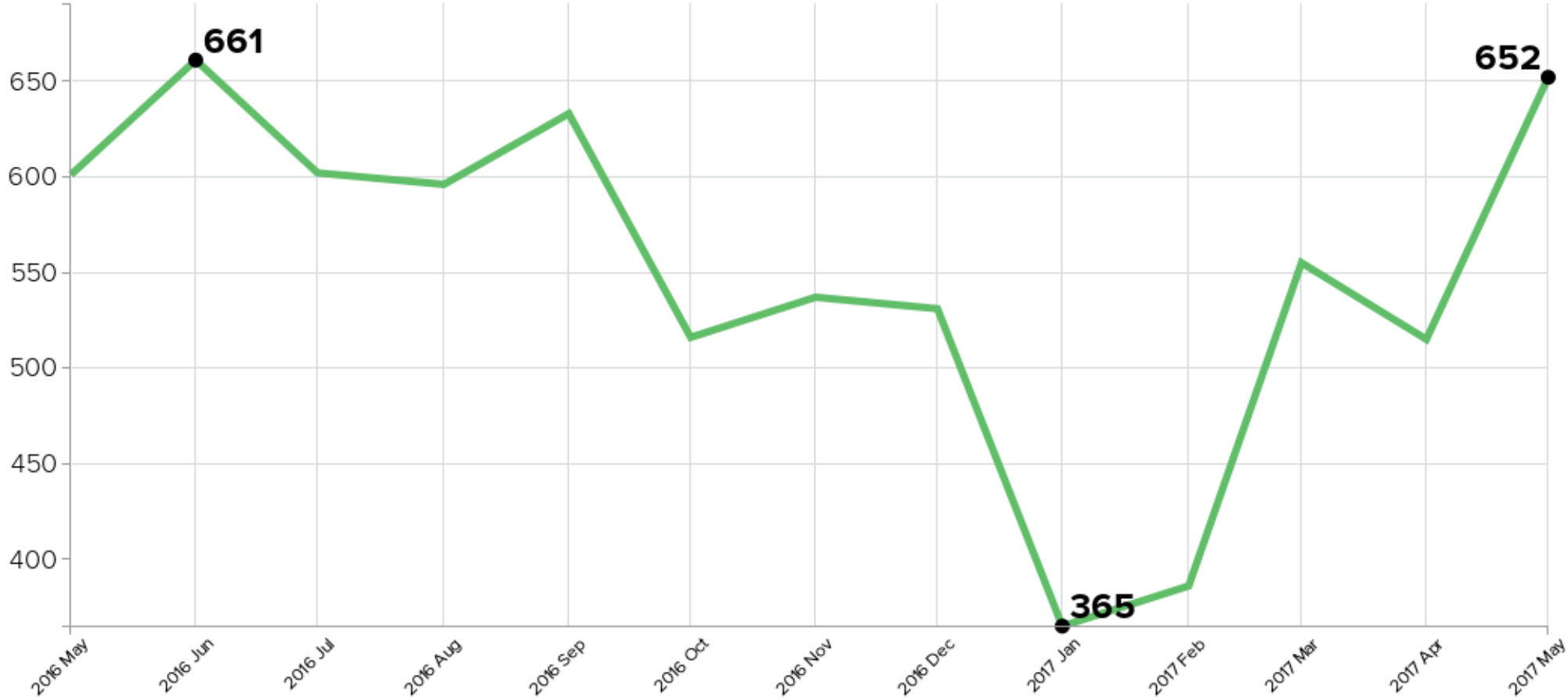
- Historically during the peak listing months, new listing inventory has outpaced sales. This year new listings and sales are tracking at the same pace with listing inventory. The listing inventory is quickly being absorbed as sales.
- May unit sales at 652 is the second highest unit sales in a month, exceeded only by June 2005 at 679 sales.
- New listings have been on the increase as predicted, but are not keeping up with demand.
- Pending sales in May are at 807 up 23% compared to April. Pending sales have on the rise since December 2016. Assuming the majority of pending sales end in closed transactions, sales will remain strong through the coming months.
- The average days to contract in May was 45, level with April 2017.
- Properties are remaining on the market an average of 93 days up 17% from May 2016.
- Sellers are receiving an average of 99% of list price down less than 1% from May 2016.

Median Sold Price



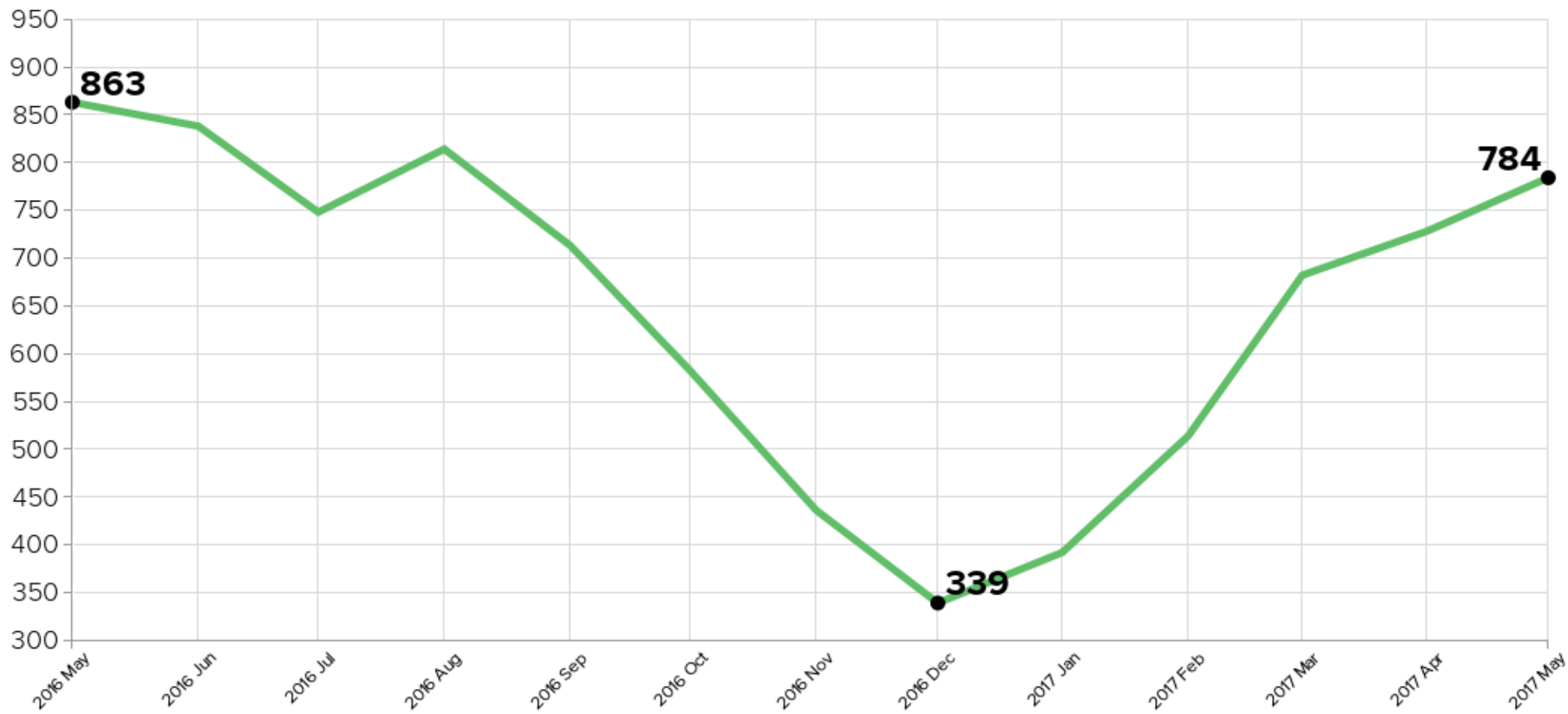
Sold Price (PM%)	Sold Price prior month	Sold Price (PY%)	Sold Price prior year
$335,575	**$323,990**	**$335,575**	**$310,000**
3.6% ▲		8.3% ▲	

Number of Units Sold



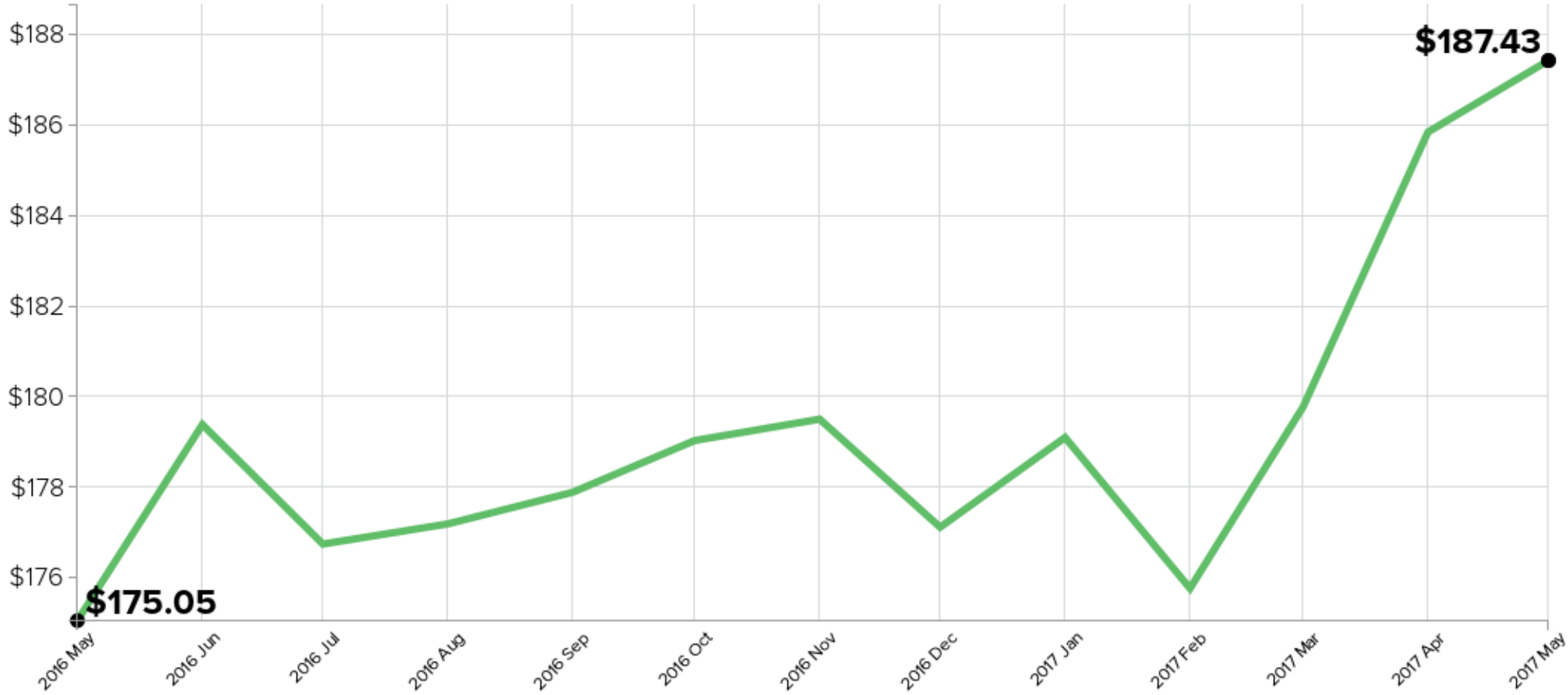
Units Sold (PM%)	Units Sold prior month	Units Sold (PY%)	Units Sold prior year
652	**515**	**652**	**601**
26.6% ▲		8.5% ▲	

Number of New Listings



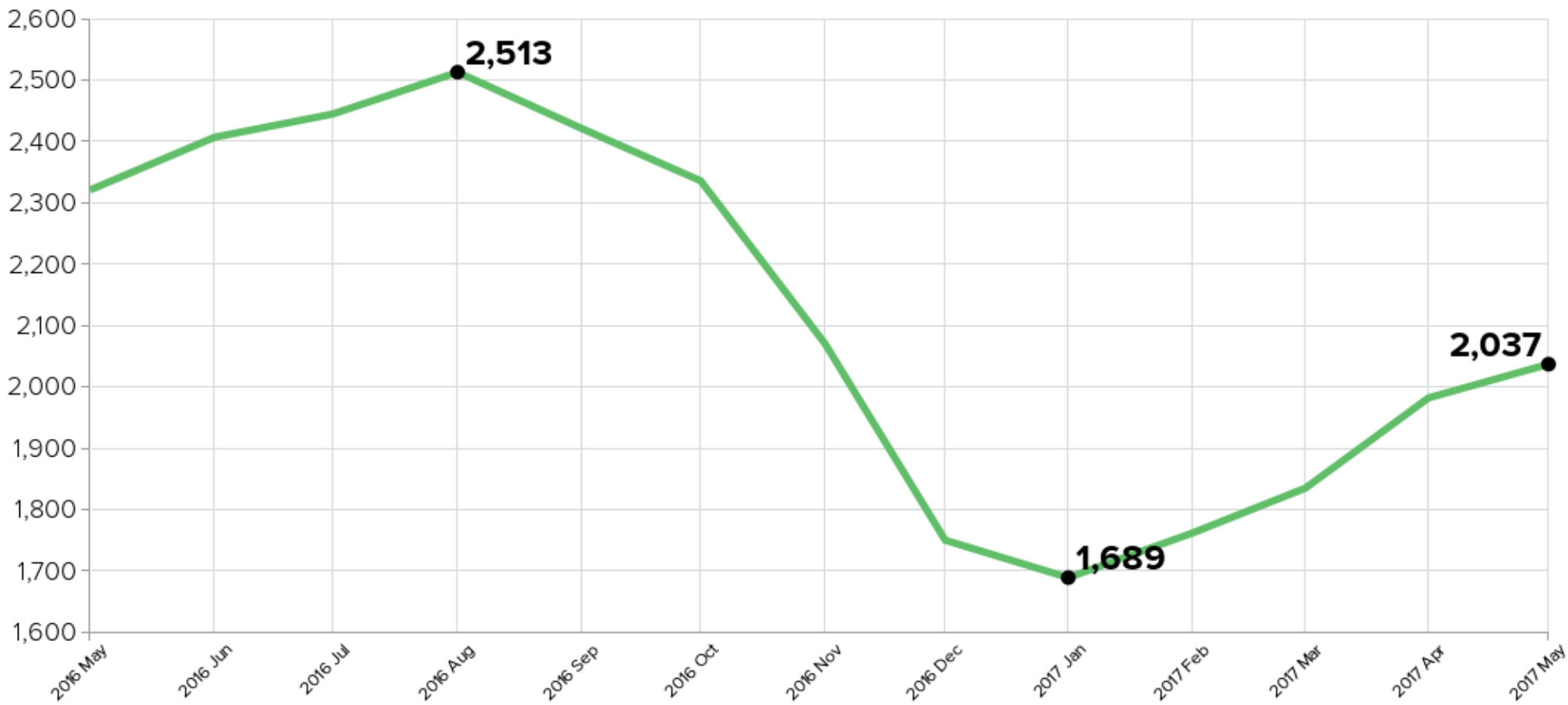
New Listings (PM%)	New Listings prior mo.	New Listings (PY%)	New Listings prior year
784	**728**	**784**	**863**
7.7% ▲		-9.2% ▼	

Average Price per Square Foot (PPSF)



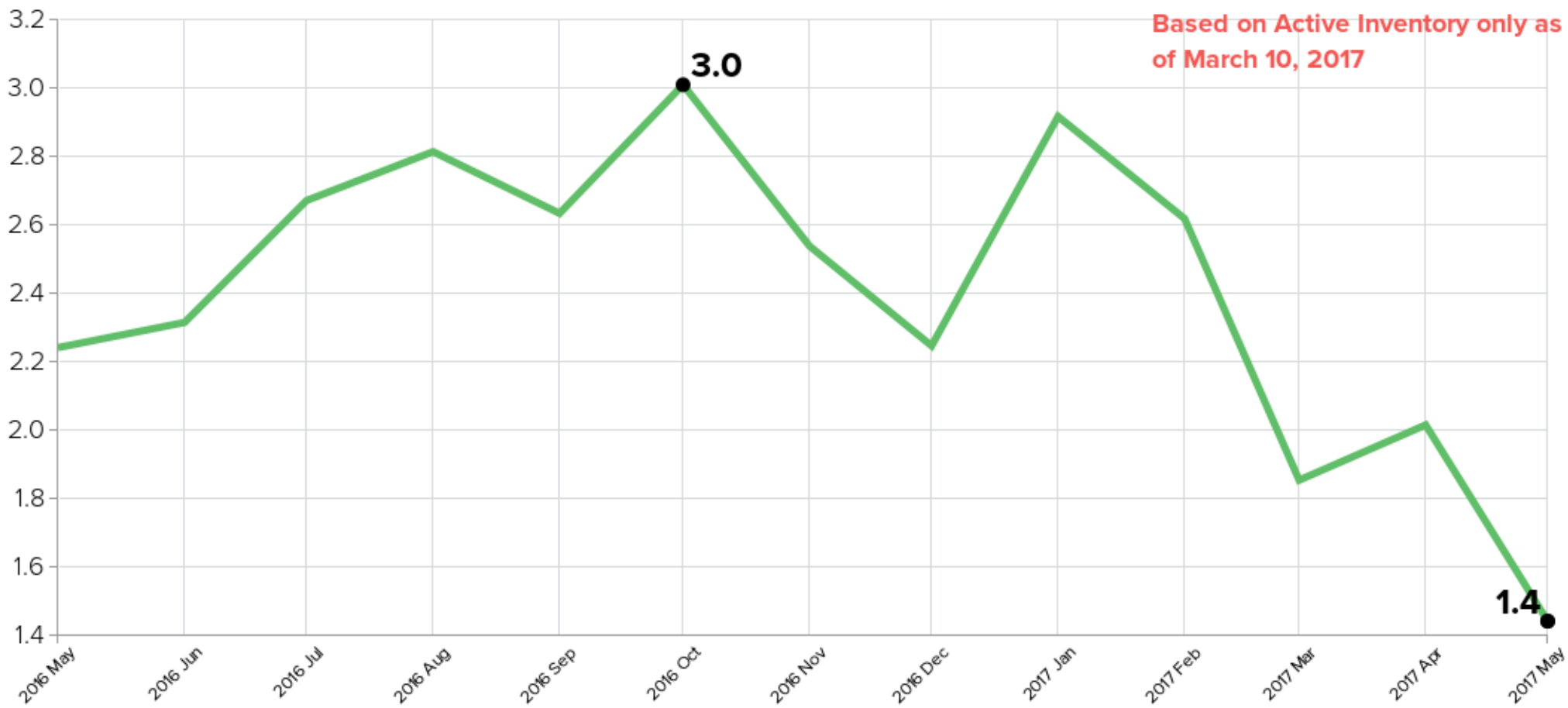
Price / SF (PM%)	Price / SF prior month	Price / SF (PY%)	Price / SF prior year
$187.43	**$185.85**	**$187.43**	**$175.05**
0.9% ▲		7.1% ▲	

Inventory (Number of Units)



Inventory (PM%)	Inventory prior month	Inventory (PY%)	Inventory prior year
2,037	**1,982**	**2,037**	**2,321**
2.8% ▲		-12.2% ▼	

Months Supply of Inventory (MSI)



MSI (PM%)	MSI prior month	MSI (PY%)	MSI prior year
1.4	2.0	1.4	2.2
-28.5% ▼		-35.7% ▼	

Median Sold Price by Area Group

Area Group: Metro Southwest

Area Group: New Southeast

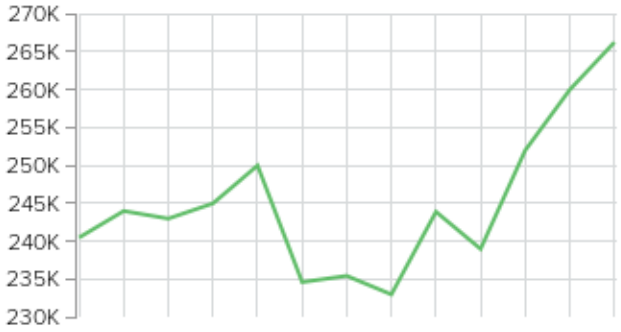
Area Group: North Valleys

Area Group: Northwest

Area Group: Old Southeast

Area Group: Spanish Springs

Area Group: Sparks



Area Group: Suburban Southwest

Area Group: West Suburban