

Outlook good for real estate in Tahoe-Reno for 2013

By Anne Knowles, Northern Nevada Business Weekly

Real estate professionals are hopeful a recovery in the Northern Nevada residential market that began to take hold in 2012 will take off in 2013.

"We had our strongest sales since 2005," says Helen Graham, president-elect of the Reno-Sparks Association of Realtors and an agent with Keller Williams Realty in Reno. "Optimism is high. We see all the trends going in the right direction."

In the first 10 months of 2012, sales of existing single-family homes in Washoe County increased 5 percent, from 4,892 in 2011 to 5,057, according to the association.

The median home price in October rose 23 percent to \$181,750 from the same month a year earlier. In October, 338 existing single family homes in Reno sold, a 2 percent increase from the 2011 and a 9 percent jump from September; 170 sold in Sparks, a 13 percent gain from a year earlier and a 12 percent bump from the previous month; and in Fernley 48 homes sold, a 12 percent increase from last year a 30 percent rise from September. The low end of the market is doing better than the high end, says Graham.

"There's a two-week supply for houses priced \$100,000 to \$199,000 and 4.9 months of inventory for homes priced at \$400,000," she says. "The higher the price, needless to say, the higher inventory we have."

Graham attributes that in part to a tightening in credit, making it more difficult for potential buyers to qualify for pricier properties.

She says real estates and brokers have other concerns about the year ahead, including the effect of any tax changes now being worked out in Washington, the expiration of the federal debt-forgiveness bill, which exempts homeowners from taxes owed on mortgage debt forgiven by banks during short sales or foreclosures, and Nevada's Assembly Bill 284, the 2011 robo-signing bill that resulted in a drop of bank notices of defaults on homes and fewer foreclosure properties on the market. Graham, as well as others, is confident interest rates on home loans will remain at rock bottom.

"We really do expect rates to stay historically low and not rise not until 2014," says Graham. "Even then we're only expecting them to rise to 4 percent."

Carson City is reporting similar trends. Through Dec. 12, 657 single family homes were sold there, a 12 percent jump from 585 sales in the same, nearly 12-month period in 2011, according to Heidi McFadden, president of the Sierra Nevada Association of Realtors and an agent with Realty Executives. The median home price in 2011 was \$134,000 compared to \$130,000 in 2012.

"I don't want it to reflect that our prices have gone down. We have 75 more transactions this year than we did last year, which would change our median, obviously," says McFadden. "Prices have stabilized and we're seeing multiple offers on properties under \$250,000. There is a demand for housing under this range."

McFadden says she's even seen a return of bidding wars at the low-end of the market, especially in Carson City and south Reno.

In Lake Tahoe, signs are positive, too. Sales of home rose 2 percent in the 12-month period from December 2010 to November 2011, and jumped 27 percent, to 731 sales, from December 2011 to November 2012, according to the South Tahoe Association of

Realtors.

Meanwhile, the inventory of homes on the market has been cut almost in half in two years, from a 10.5-month supply in 2010 to 5.5-month supply in 2012.

The median home price for South Lake went from \$228,000 in November 2011 to \$289,500 last month, a 27 percent jump, while the average days on the market fell from 126 days to 108.