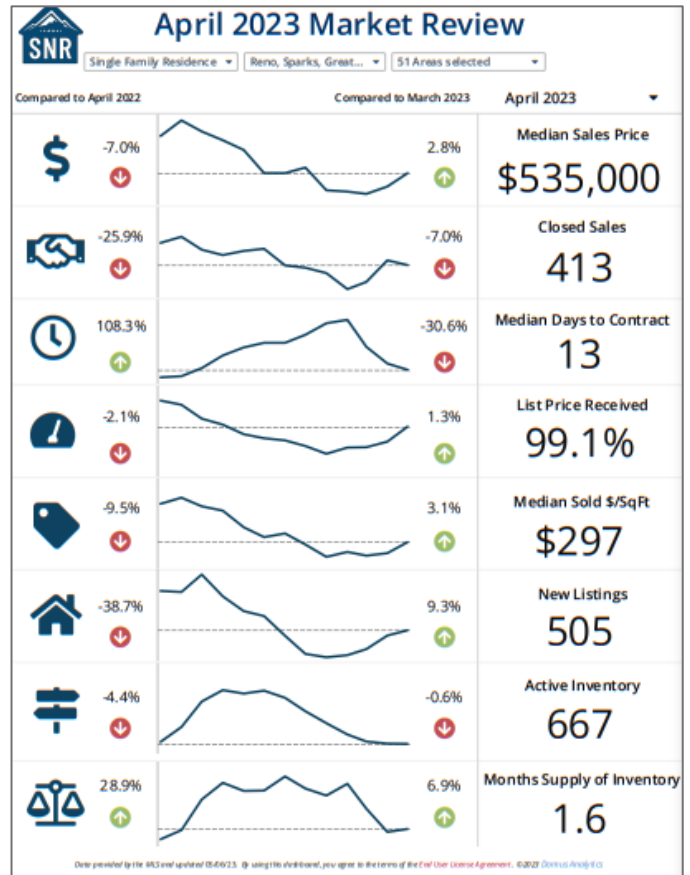


## SIGNS OF IMPROVEMENT IN THE NORTHERN NEVADA REAL ESTATE MARKET

Our local real estate market took a big hit in the 2nd half of 2022. Interest rates rose by well over 3% between July & November 2022. This was a big contributor to cooling the pace of sales. Higher interest rates also exposed our local housing affordability gap, reminding us a typical local homebuyer can no longer afford a typical starter home in many cases. The other factor further hindering our local market was the hard winter we recently dug ourselves out of. Most of our California buyers simply couldn't get here by automobile, particularly on weekends through the late fall & winter months. Many agents took to packing a snow shovel & ice-melt in the trunk. The result was a steep drop in total sales volume of just over 40% year over year (YOY). One issue we did not confront was a precipitous, prolonged decline in our local median price despite many predicting that would occur.

The Reno/Spark median price peaked at \$612,000 last May. We hit bottom in January of this year at \$510,000; since then, we've seen a steady monthly increase to \$540,000 in April 2023. For all the bad news you may have heard or read, we've experienced a meager 7% drop in our local median price YOY. Signs are the current upward trend will continue.



Much if not all our steep recovery in median price is directly related to the shortage of active home inventory. As indicated by the graph above, new listings & total closed sales are significantly down from last year at over 38% & 25%. This is leading to some of the madness of 2020-22 when multiple offers were the rule of the day. Currently, we are seeing multiple offers at nearly every price point for well-positioned homes. This recent report reveals that sellers are still receiving over 99% of their asking price. Our six-month slump followed by the rapid recovery have also led to some appraisal challenges, particularly for FHA & VA borrowers.

Many buyers have attempted to time their purchase over this past year, watching for the nexus of lower interest rates & declining prices. Sadly, if we hadn't already, we may have passed that point now. Although we haven't reached the peak in prices we saw last year, the outlook for local sellers in 2023 is quite positive.

Please feel free to reach out to me for all your real estate needs.



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