

LAS VEGAS HOME SALES UP 78 PERCENT IN APRIL

By Hubble Smith - Las Vegas is emerging as a national leader in the housing market recovery with 13 consecutive months of increasing home sales, though the trend of declining prices continued in April, the Greater Las Vegas Association of Realtors reported Friday.

Realtors sold 3,198 single-family homes in April, a 78.3 percent increase from the same month a year ago. Overall, sales have more than doubled for the first four months of the year.

However, the median price dropped 39.9 percent to \$141,720 as bank-owned properties dominate the market, accounting for about 80 percent of all sales and driving prices down.

The inventory of homes for sale, which peaked above 24,000 in 2007, has steadily declined to 22,112 in April, down 3.6 percent from a year ago.

With home prices dropping and 30-year, fixed-rate mortgages at historical lows, buyers are finding opportunities for affordable homeownership in Las Vegas, said Sue Naumann, president of the Greater Las Vegas Association of Realtors.

"I've had good luck lately," she said. "I have a first-time buyer of a foreclosure through FHA. We're just waiting for it to close. I have a cash buyer, a retiree from California. I haven't sold to as many investors lately, but I get a lot of inquiries."

Dan Van Epp, principal of Van Epp Cos., said inventory declined because of the Fed's moratorium on foreclosures from November through March. California also saw foreclosure sales drop to almost nothing as most of those foreclosures were left over from the last quarter of 2008, he said.

"We are beginning to see the bottom of this mess, but we're not in a climb out of it," Van Epp said.

California foreclosure activity is expected to pick up for the rest of the year and peak in the fourth quarter, and Van Epp said he predicts the same trend for Nevada.

Banks are not in a position to "fool around" with negotiations when they put a real estate-owned property on the marketplace, he said. They calculate what the market value is and drop the price a little from there to line people up for multiple bids. That's why the spread in the bid-vs.-cash equation is quite narrow, Van Epp said.

"We are returning to a place where Las Vegas is going to be one of the most affordable markets in the country," he said. "First from a tourism and vacation standpoint, there'll be a return to a high number of visitors, which will reduce the unemployment rate. Just as important, a home is half the value of several years ago. That's going to allow retirees and local employees to find housing. We could see a return of the flight from California."

Realtor Frank Nason of Residential Resources reported 787 single-family closings for the last week of April, the highest since the last week of September. Based on a four-week moving average of escrow closings, supply is now down to a little more than eight months, he said.

Taking out the 3,190 pending transactions and the 5,901 contingent sales, there's a 5.6-month supply of single-family homes on the market.

"Since spiking earlier in the year, the trend in supply has been down and is a good sign the market

might be returning to a more normal cycle of strong first- and second-quarter sales,” Nason said.

While the nominal price of properties sold continues to decline, along with price per square foot, overall increased sales and a greater percentage of REOs and short sales under contract seem to be positive indicators for the market, Nason said.

He’s finding that the percentage of transactions involving homes built prior to 1980 is increasing, and when those transactions are removed from the mix, average prices do not look quite so bleak.

Las Vegas-based business advisory firm Applied Analysis has consistently reported declines in the number of homes for sale on the Multiple Listing Services for the past six weeks, including a 486-unit drop to 17,564 units in the first week of May. Compared to the same week of the prior year, inventory levels are down 23.8 percent, or 5,496 units.

Vacant properties reflected the largest share of the decline with 2,800 less vacant units during the same six-week time frame. Vacant properties represent 56.7 percent of available inventory, while owner-occupied units listed for sale represented 32.4 percent. Tenant-occupied properties represented the balance of the market.

The number of units in a contracted status increased by 184 during the past week, reaching a total of 11,160 homes, according to Applied Analysis. Contracted units represent homes that have been negotiated but are waiting to close escrow.

Realtors reported 727 condominium and townhouse sales in April, up 243 percent from a year ago. The median price dropped 58.4 percent to \$64,500.

Statistics from the Greater Las Vegas Association of Realtors are based on units sold through the MLS and do not necessarily include homes sold by owners, new homes sold by builders and other transactions not involving a Realtor.