



Spotlight ON Reno, Nev.

BY DARRICK MENEKEN

FOR THE PAST THREE YEARS, NEVADA HAS HAD THE NATION'S HIGHEST FORECLOSURE RATE. AND LITTLE IN RENO, NEV., APPEARS PRIMED TO PUSH IT DOWN.

Although home sales in the Reno-Sparks metropolitan area jumped 51 percent between August 2008 and this past August, the median home price for the area declined 28 percent in the same period. Why? Six out of every 10 sales were bank-owned or short sales, according to the Reno/Sparks Association of Realtors. RealtyTrac also reports that one out of every 37 housing units received a foreclosure notice in the third quarter in the Reno-Sparks region.

Compounding matters, Reno's unemployment rate reached 12 percent this past August, fueled by constriction in the casino, hospitality and construction industries.

Brian Bonnenfant, project manager at the Center for Regional Studies at the University of Nevada, Reno, told the *Reno Gazette-Journal* in September that he expects more homeowners to ditch their negative equity and enter voluntary foreclosure.

To spur purchases in devalued areas such as Reno, Nevada's housing division this past October moved forward with plans to lend \$125 million to first-time lower-income buyers statewide. State leaders expect to finance 850 Nevada homes through the bond-backed project.



What the Locals Say

"More than 90 percent of my business involves purchases, and consistently 90 percent of these transactions are either short sales or foreclosures. Homes in the \$100,000-to-\$175,000 range are flying off the shelves, most of which are bank-owned and attracting multiple bids. In my opinion, if you're not in the purchase business, you're not in business."

— KEVIN CAVALLI, BRANCH MANAGER, SUMMIT FUNDING INC.

Vitals

- ▲ **Population:** 217,016
 - Population in 2000: 180,480
 - Rank (U.S.): 93rd
 - Metropolitan-area population: 414,784
 - Metropolitan-area rank: 116th
- ▲ **Average commute:** 18.9 minutes
 - Average commute in 2000: 17.9 minutes
 - U.S.: 25.3 minutes
- ▲ **Median household income:** \$51,447
 - Median household income in 2000: \$40,530
 - U.S.: \$50,740
- ▲ **Median age:** 35.4 years
 - Median age in 2000: 34.5 years
 - U.S.: 36.7 years
- ▲ **Unemployment:** 12 percent
 - Unemployment in August 2008: 6.6 percent
 - U.S.: 9.7 percent

Industry

- **Licensing:** Nevada isn't yet a part of the Nationwide Mortgage Licensing System. The Nevada Department of Business and Industry Mortgage Lending Division (mid.nv.gov) oversees licensing and enforcement.
- **Number of broker companies:**
 - Reno: 43
 - Nevada: 314
- **State association:** Nevada Association of Mortgage Professionals
 - Online: namap.us

Résumé

- **Demographics:** 81 percent white, 7 percent Asian, 3 percent black, 9 percent other; 24 percent identify as Hispanic or Latino
- **Largest private employers:** International Game Technology; Renown Regional Medical Center; Peppermill Hotel Casino, Reno; Silver Legacy Resort Casino; Wal-Mart Stores Inc.

Market

- ▲ **Median monthly housing costs:** \$1,905
 - Median monthly costs in 2000: \$1,290
 - U.S.: \$1,464
- ▲ **Foreclosure filings (MSA, third quarter):** 4,787
 - Filings in third quarter 2008: 2,653
- ▲ **Foreclosure rate (MSA, third quarter):** 1 per 37 households
 - Foreclosure rate in third quarter 2008: 1 per 66 households
- ◆ **Foreclosure rank (state, third quarter):** 1st
 - State rank in third quarter 2008: 1st
- ▲ **MSA foreclosure-rate rank (third quarter):** 9th (out of top 203 MSAs)
 - Rank among MSAs in third quarter 2008: 20th (of 230)
- ▲ **Homeowner-vacancy rate:** 6.3 percent
 - Vacancy rate in 2000: 2.2 percent
- ▼ **Median home price (single-family):** \$180,000
 - Median home price in August 2008: \$250,000
 - U.S.: \$177,500
- ▲ **Total home sales:** 476
 - Total home sales in August 2008: 316
- ▼ **Average conforming purchase-loan size (July):** \$185,796*
 - Average size in July 2008: \$230,417
 - U.S.: \$194,969
- ▲ **Average conforming refinance-loan size (July):** \$224,344*
 - Average refi size in July 2008: \$175,840
 - U.S.: \$171,109
- ▲ **Housing units:** 98,237
 - Housing units in 2000: 79,453
- ▼ **Single-family residential building permits:** 37
 - Permits in August 2008: 58
- ▲ **Federal Housing Administration volume (July):** 209 loans*
 - Volume in July 2008: 128 loans

*MortgageDataWeb.com

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