

February 2016

# Report on Nevada's Housing Market

This series of reports on Nevada's Housing Market is presented by the Lied Institute for Real Estate Studies at the University of Nevada, Las Vegas. These reports provide monthly updates on housing market trends for stakeholders throughout Nevada.

UNLV

LEE BUSINESS SCHOOL

---

LIED INSTITUTE FOR  
REAL ESTATE STUDIES



## Table of Contents

Nevada Statewide Trends.....	2
Northern Trends.....	10
Southern Trends.....	16
Rural Trends.....	22

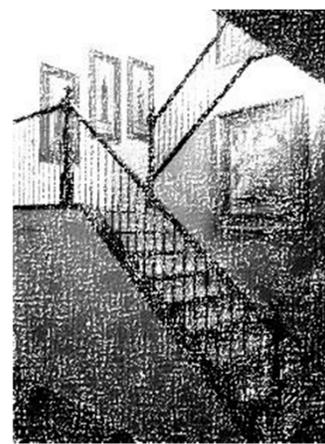
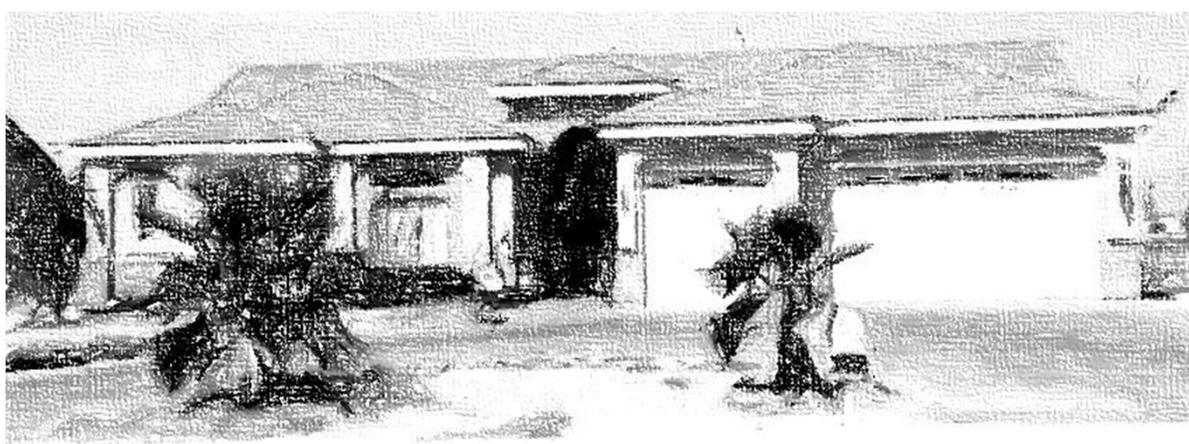
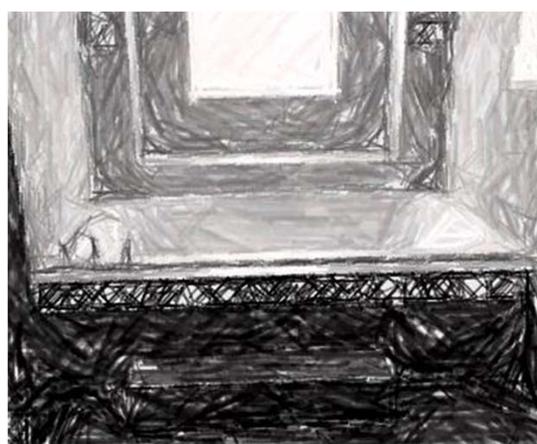
# Nevada's Housing Market | February 2016

## Nevada Statewide Trends

Population: **2,890,845** in 2015

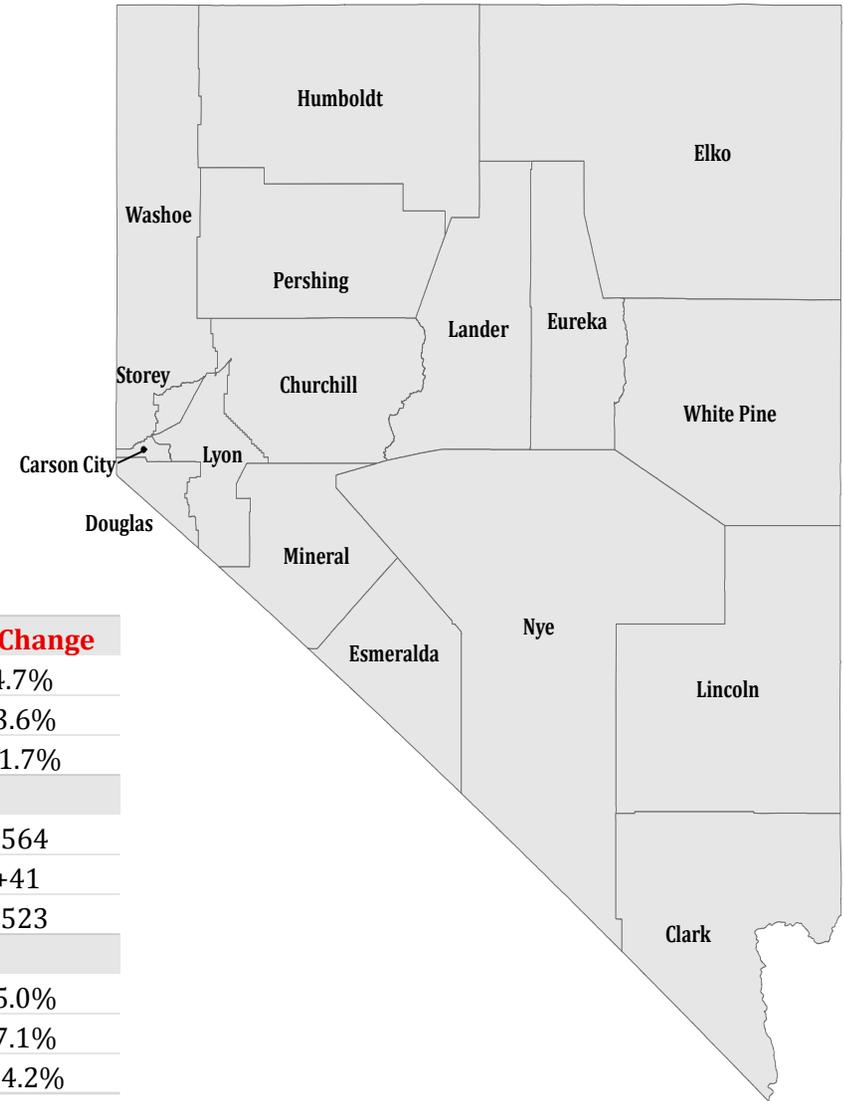
Housing Units: **1,198,907** in 2014

Source: U.S. Census Bureau: State and County QuickFacts



## Nevada Statewide Trends

- ❑ Total residential construction starts were the highest they had been since June 2008. This large increase was driven by a large number of multifamily starts in Southern Nevada. Northern Nevada continues to see the most consistent growth of any region in Nevada in single-family starts.
- ❑ All three regions in Nevada saw monthly increases in the share of homes sold under distress. Rural Nevada was the only region in Nevada where the distress share increased year over year in February 2016.
- ❑ New, existing, and distress home prices decreased on a month to month basis for all three regions in Nevada. Home prices increased on a year over year basis for Northern and Southern Nevada.

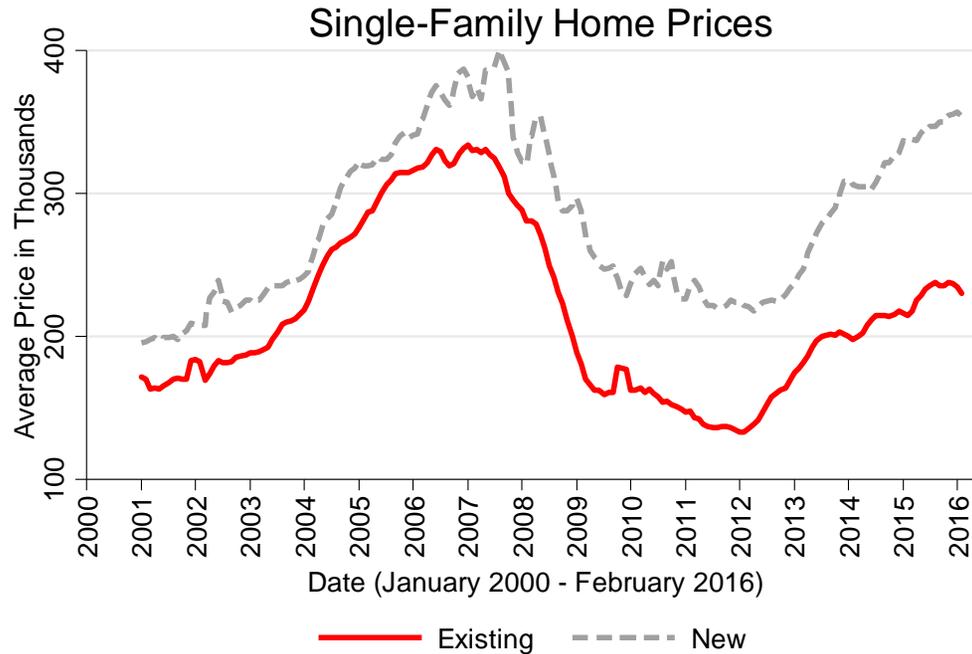


Single-Family Home Sales*	February 2016	M2M Change	Y2Y Change
New	529	-4.0%	-4.7%
Existing	3,726	+4.9%	+3.6%
Distress Share	13.8%	+6.2%	-11.7%
Residential Construction			
<b>Total Starts</b>	2,098	+895	+564
Single-Family	901	+227	+41
Multifamily	1,197	+668	+523
Average Single-Family Sales Price*			
New	\$352,235	-1.3%	+5.0%
Existing	\$229,800	-2.0%	+7.1%
Distress	\$183,282	-1.5%	+14.2%

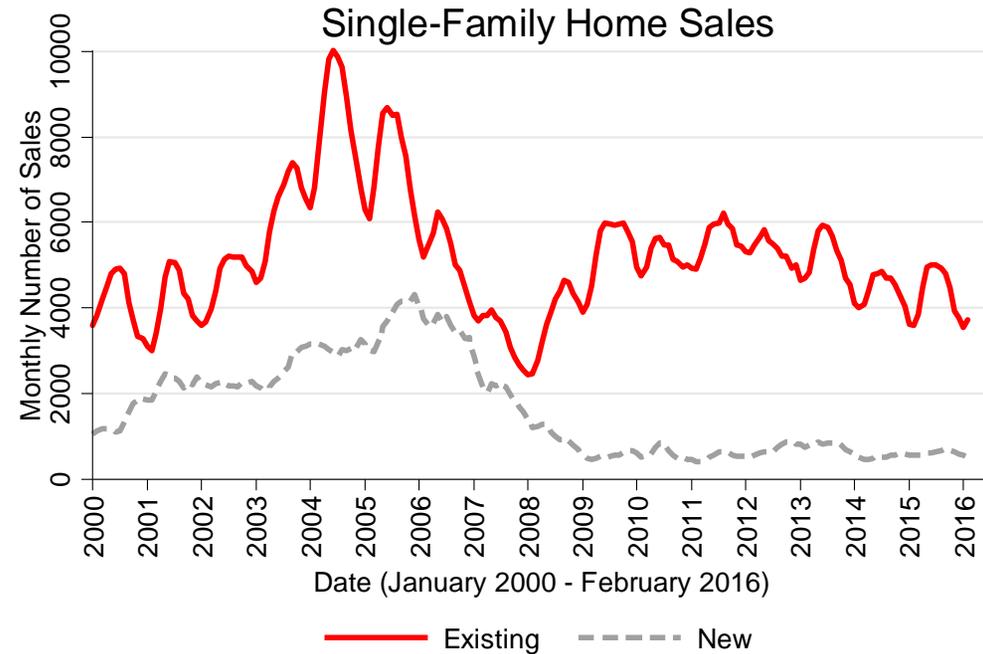
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

## Nevada Statewide Trends



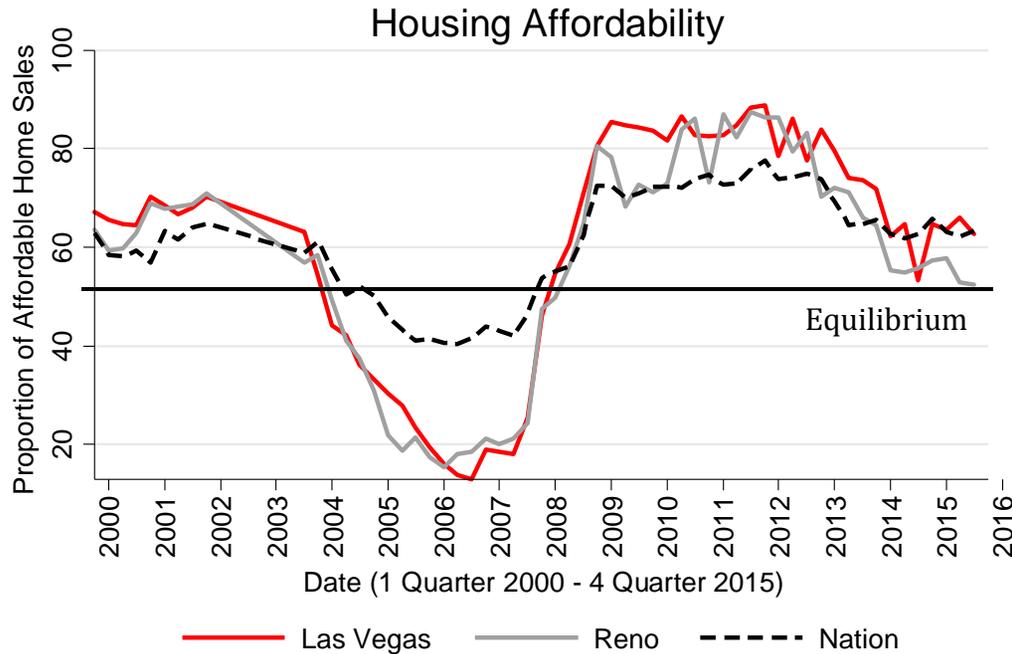
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

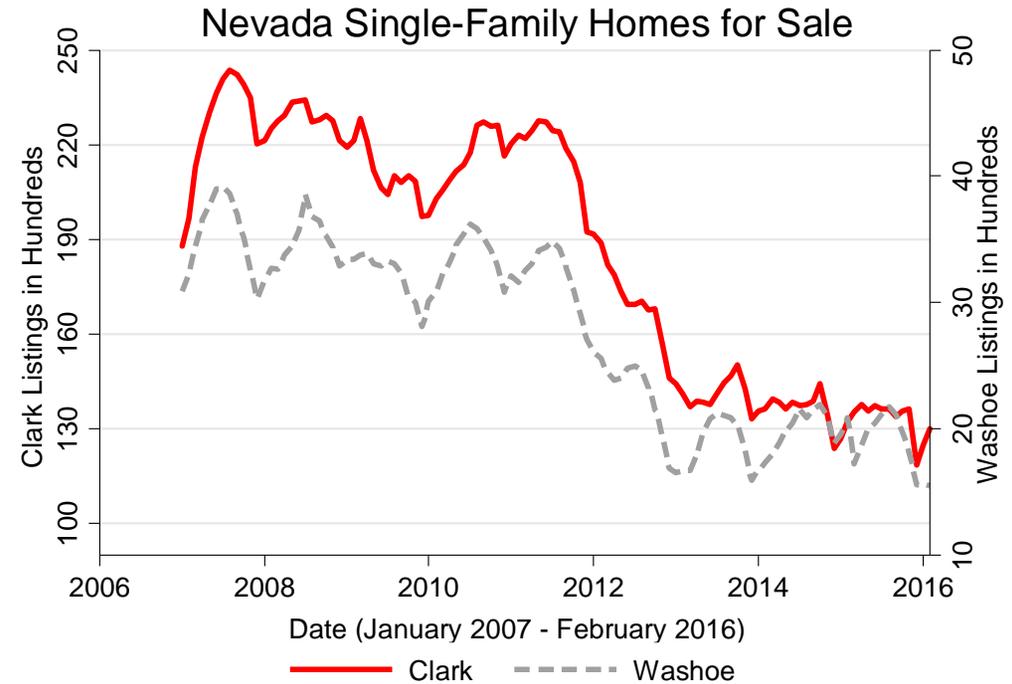
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single family homes that were exchanged from a builder to a private owner. The other figure, Single-Family Homes Sales, illustrates the number of those transactions for both existing and new homes. A seasonal pattern is obvious in the Single-Family Home Sales graph, with more home sales during the summer than during the winter.

## Nevada Statewide Trends



Source: National Association of Home Builders

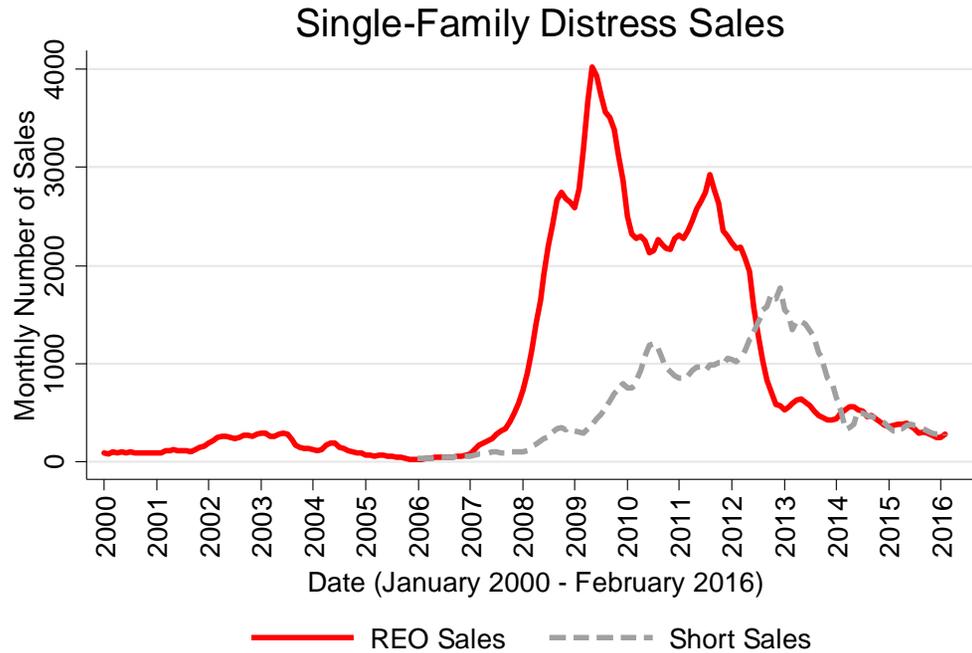
Note: Series denote the proportion of home sales affordable at median income.



Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

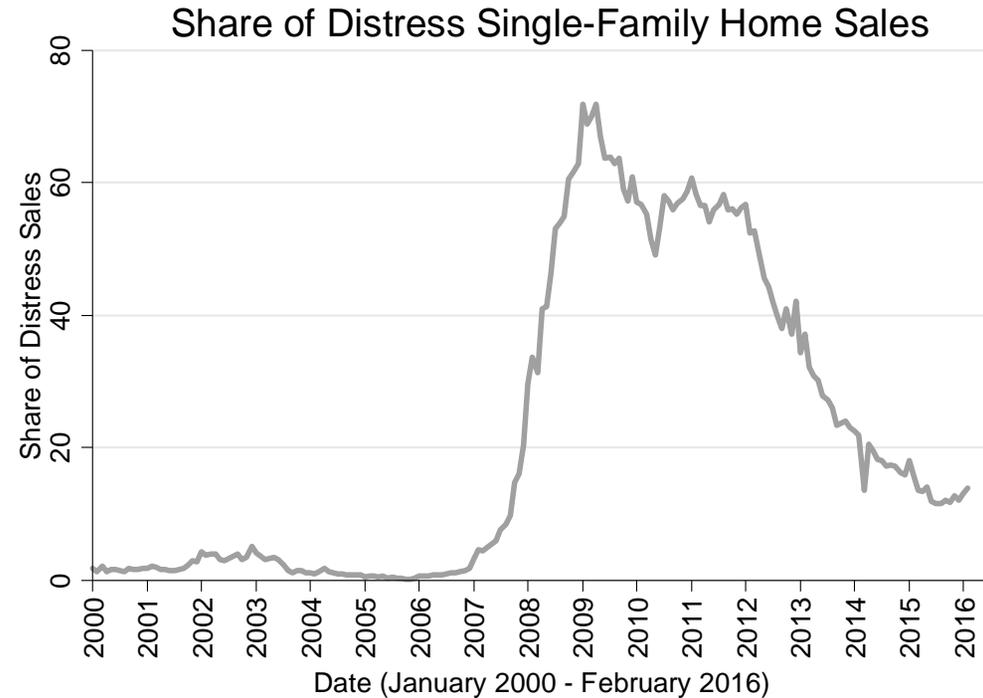
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other figure, Nevada Single-Family Homes for Sale, shows the number of homes available for sale at the end of the month. These numbers include new listings that are awaiting a purchasing contract, as well as homes that are under contract and about to sell.

## Nevada Statewide Trends



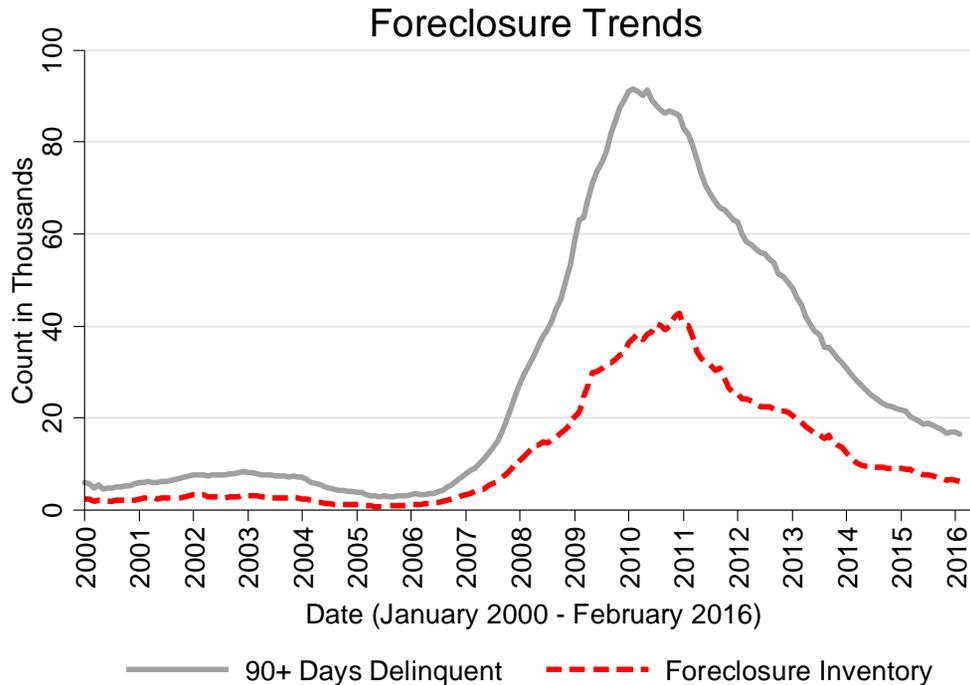
Source: CoreLogic

Note: Series are 3-month weighted moving averages.

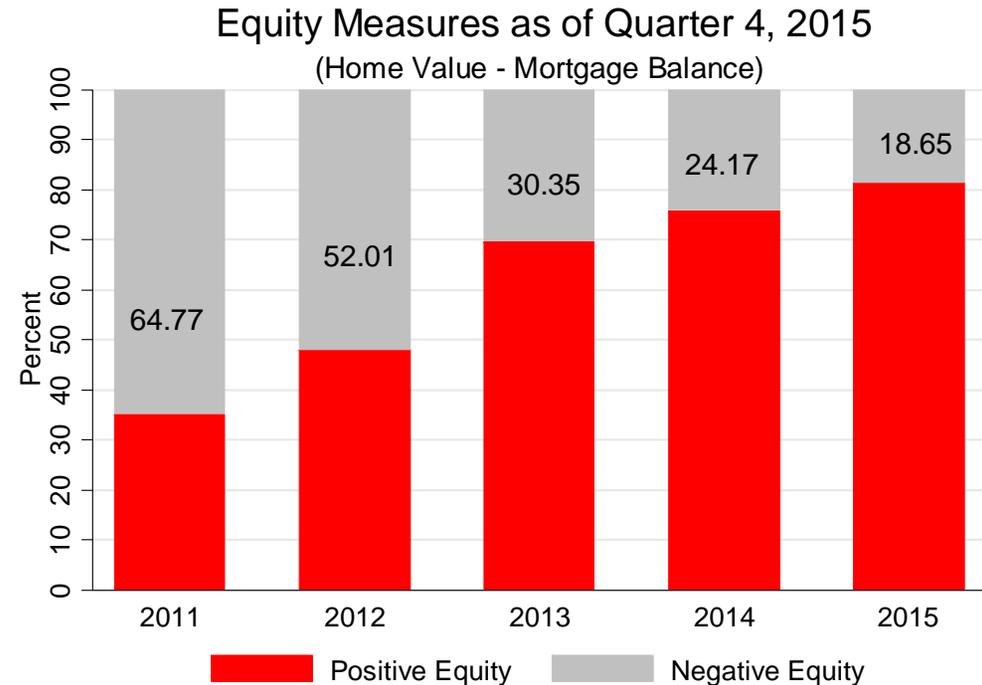


Single-Family Distress Sales is a figure that displays the monthly number of Real Estate Owned (REO) sales and short sales. REO sales are homes that have been repossessed by lenders through foreclosure and then sold in the market. Short sales, on the other hand, are homes that were sold for an amount below the owner’s outstanding mortgage balance. Both numbers are three-month weighted moving averages. The other figure, Share of Distress Single-Family Home Sales, tracks the proportion of home sales (including new home sales) that were REO sales or short sales. The long term decline in that share continues, even as the number of such sales remains roughly level, indicating an increasing number of “normal” sales.

## Nevada Statewide Trends



Source: CoreLogic

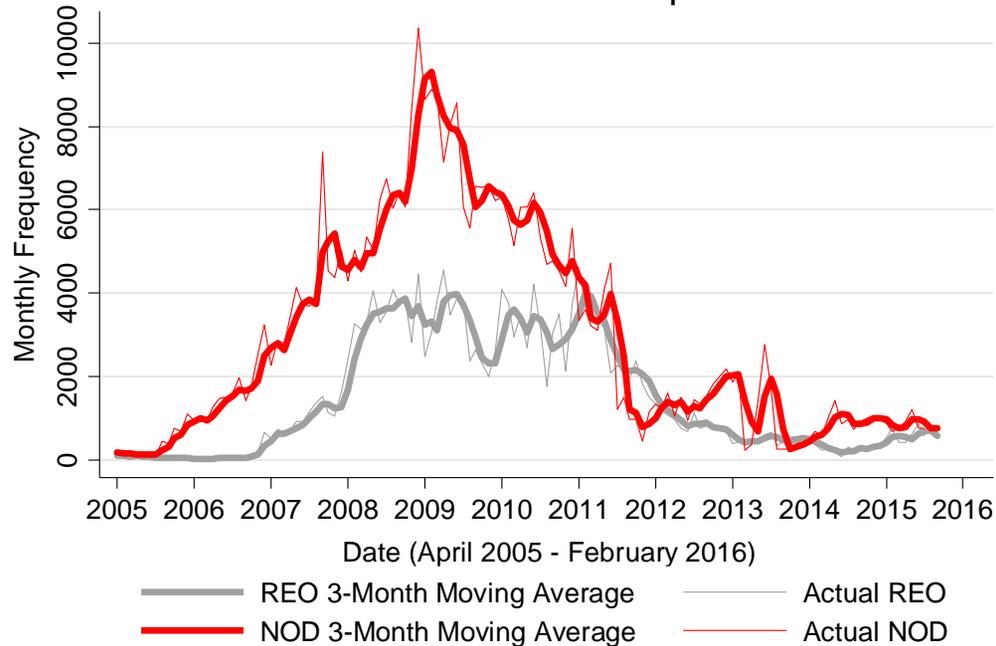


Source: CoreLogic

The Foreclosure Trends figure includes two series: the 90+ Days Delinquent series and the Foreclosure Inventory series. The 90+ Days Delinquent series consists of the number of homes that are secured by a loan in default for 90 days or more. This includes homes that are in the process of being foreclosed. The Foreclosure Inventory series consists of homes that have begun the foreclosure process or are in some stage of foreclosure. The other figure depicts what proportion of homes secured by a mortgage have positive equity or negative equity. When a home has a market value at or above its outstanding mortgage balance, it is considered to have positive equity. Otherwise, the house has negative equity.

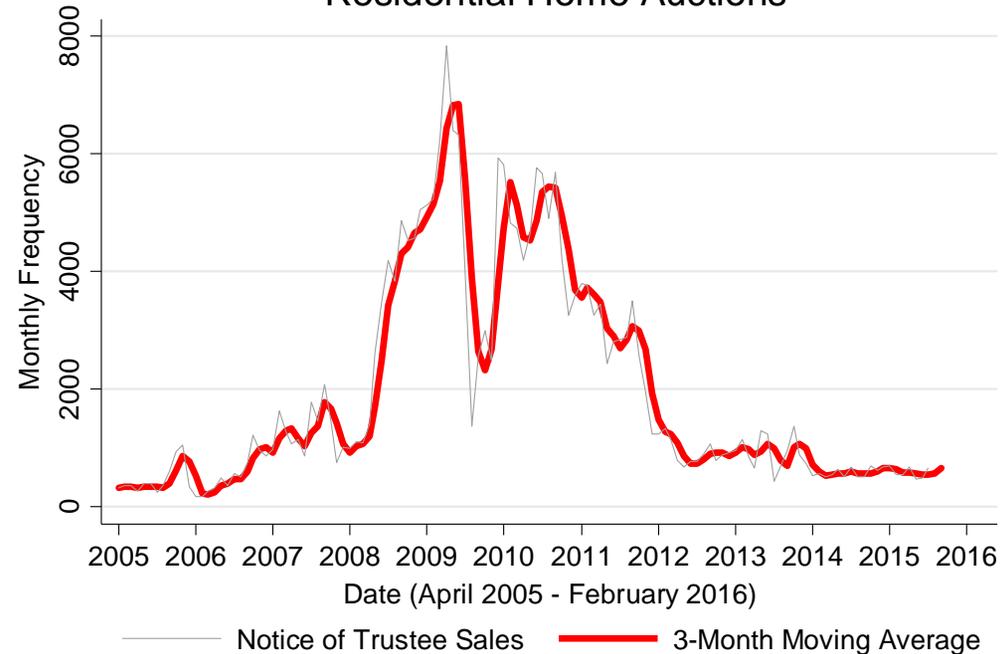
## Nevada Statewide Trends

### Notices of Default and Repossessions



Source: RealtyTrac

### Residential Home Auctions



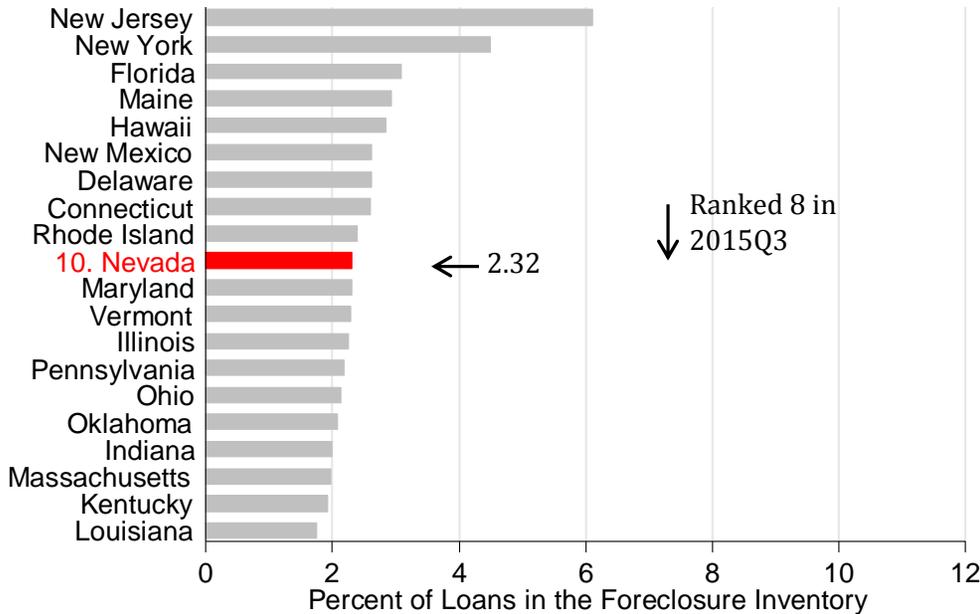
Source: RealtyTrac

These two figures are based on numbers gathered from County records by RealtyTrac. The first figure shows the monthly number of Notices of Default and Repossessions. The Notice of Default (NOD) is the initial stage of foreclosure that starts at least 90 days after the homeowner's mortgage default date. Not all homes that receive a NOD will necessarily be foreclosed. There exist other alternatives homeowners can invoke such as a loan modification, deed-in-lieu of foreclosure, and short sale. The other figure, Residential Home Auctions, shows the monthly number of homes that received a Notice of Trustee Sale and underwent a public auction. It includes both the successful and unsuccessful auctions. Those that were unsuccessful revert back to the lender.

## Nevada Statewide Trends

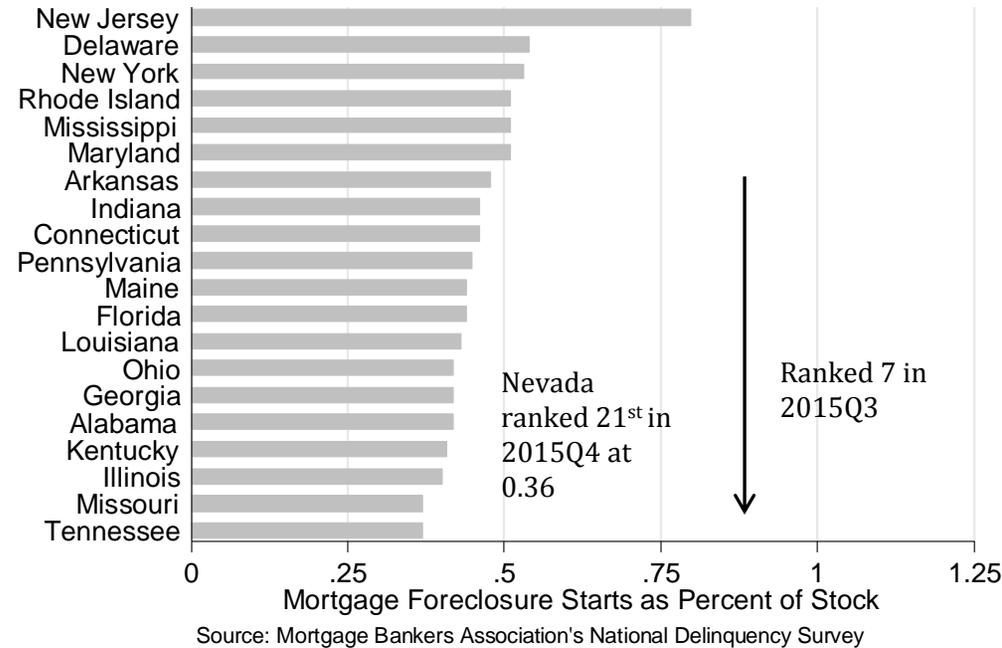
Top 20 States in Foreclosure Inventory

4th Quarter 2015



Top 20 States in Foreclosure Starts

4th Quarter 2015



These figures rank Nevada nationally on the basis of data provided by The Mortgage Bankers Association's National Delinquency Survey. The Top 20 States in Foreclosure Inventory uses the proportion of outstanding loans that are in the foreclosure inventory - that is, the number of home loans reported to be in some stage of foreclosure divided by the total number of home loans serviced. The Top 20 States in Foreclosure Starts is a ranking that uses mortgage foreclosure starts as a percent of stock. In other words, this is the number of initiated foreclosures divided by the total number of home loans serviced.

# Nevada's Housing Market | February 2016

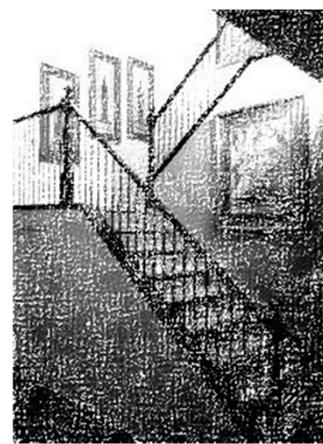
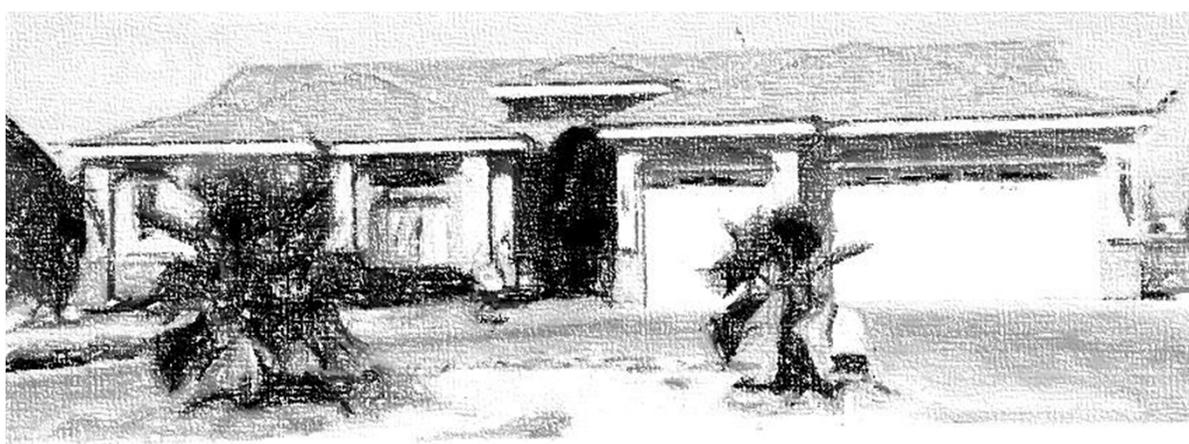
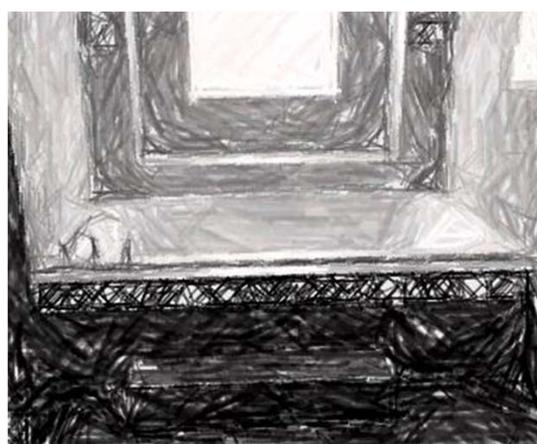
## Northern Trends

Population: **629,906** in 2015

Housing Units: **269,452** in 2014

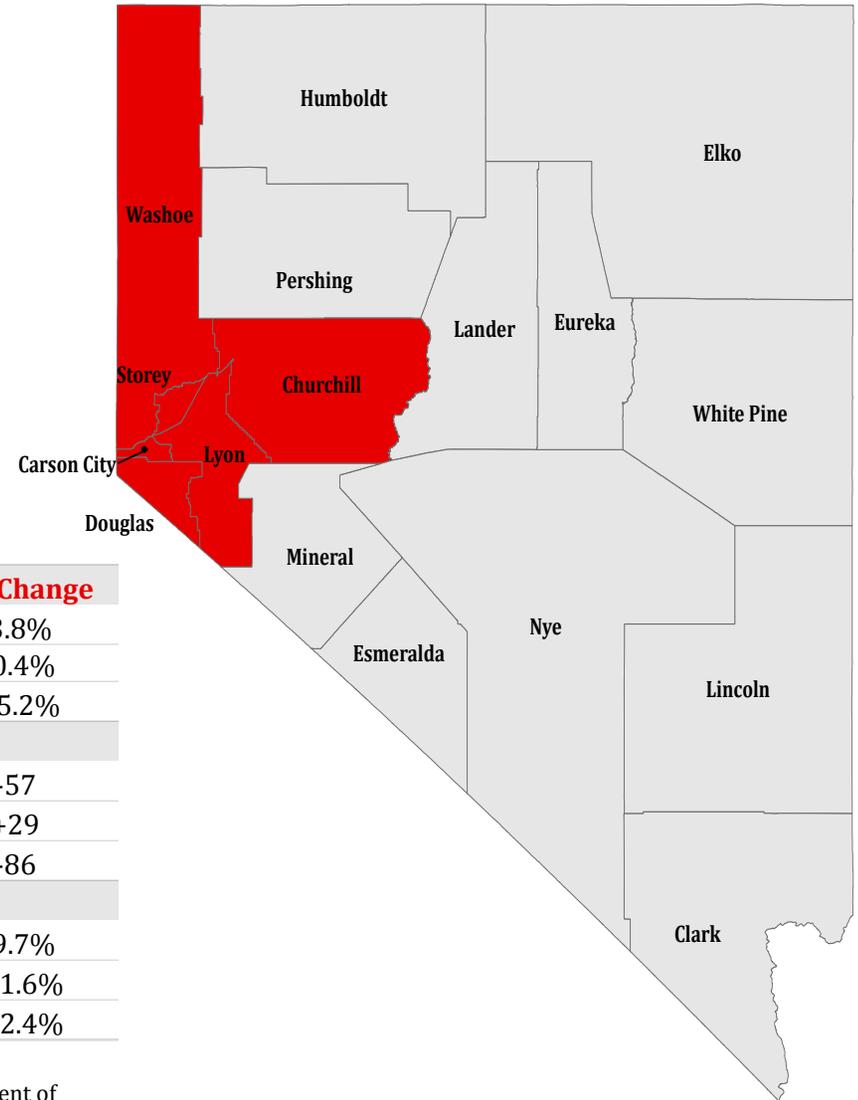
Source: U.S. Census Bureau: State and County QuickFacts

(Carson City, Churchill, Douglas, Lyon, Storey, and Washoe County)



## Northern Trends

- Existing home sales saw year over year growth for the first time since October 2015. Existing home sales decreased on a month to month basis for the seventh consecutive month.
- February 2016 was the third time since August 2015 that Northern Nevada saw no multifamily starts. Northern Nevada has had year over year growth in single-family starts for 12 consecutive months.
- Average home prices decreased more in Northern Nevada than Southern Nevada on a month to month basis. Existing home prices decreased 3 percent in Northern Nevada – the largest monthly decrease since February 2015. New and existing homes were up more on a year over year basis in Northern Nevada than Southern Nevada.

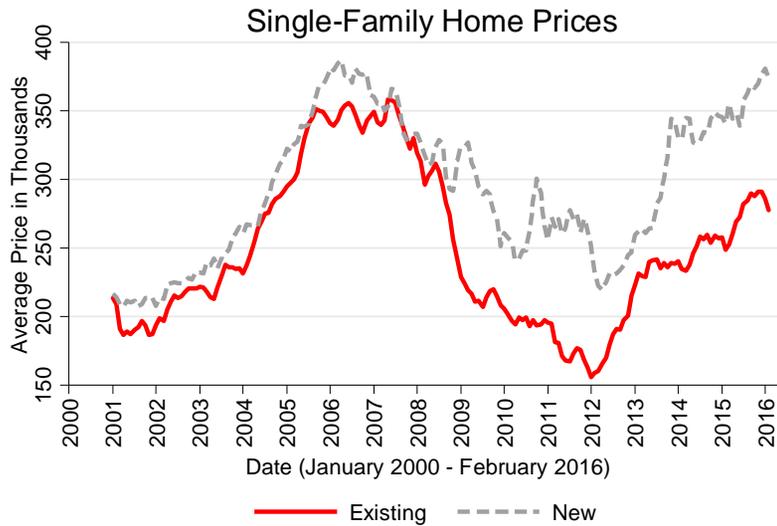


Single-Family Home Sales*	February 2016	M2M Change	Y2Y Change
New	92	+3.7%	-3.8%
Existing	777	-0.9%	+0.4%
Distress Share	10.8%	+3.5%	-25.2%
Residential Construction			
<b>Total Starts</b>	166	-95	-57
Single-Family	166	+20	+29
Multifamily	0	-115	-86
Average Single-Family Sales Price*			
New	\$373,573	-1.9%	+9.7%
Existing	\$277,149	-3.0%	+11.6%
Distress	\$198,503	-4.5%	+12.4%

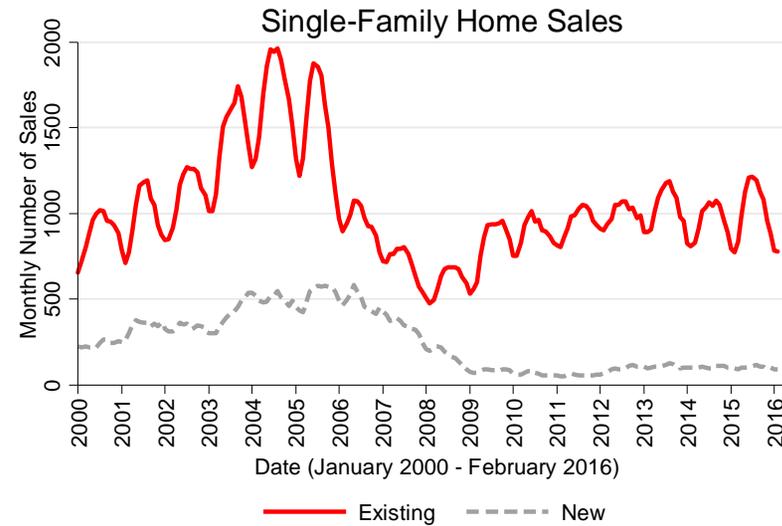
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

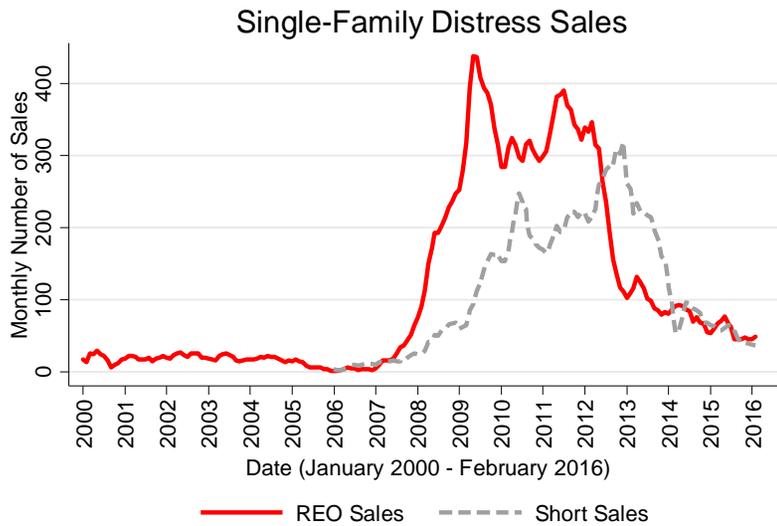
# Northern Trends



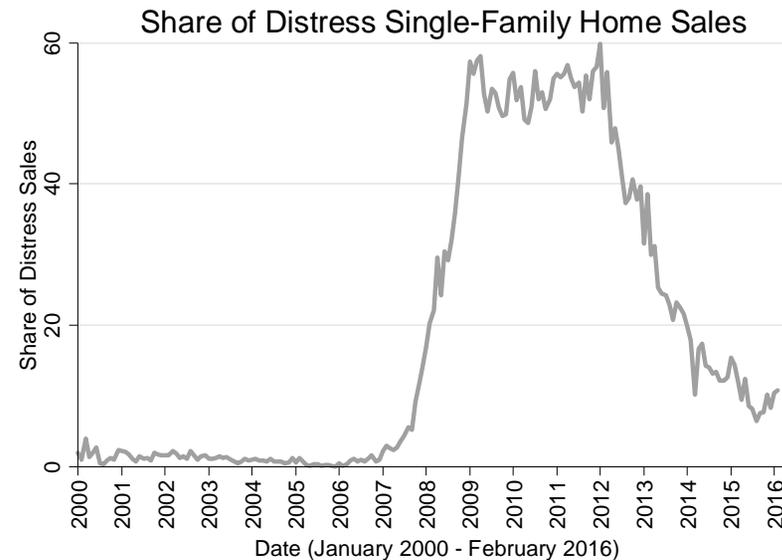
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

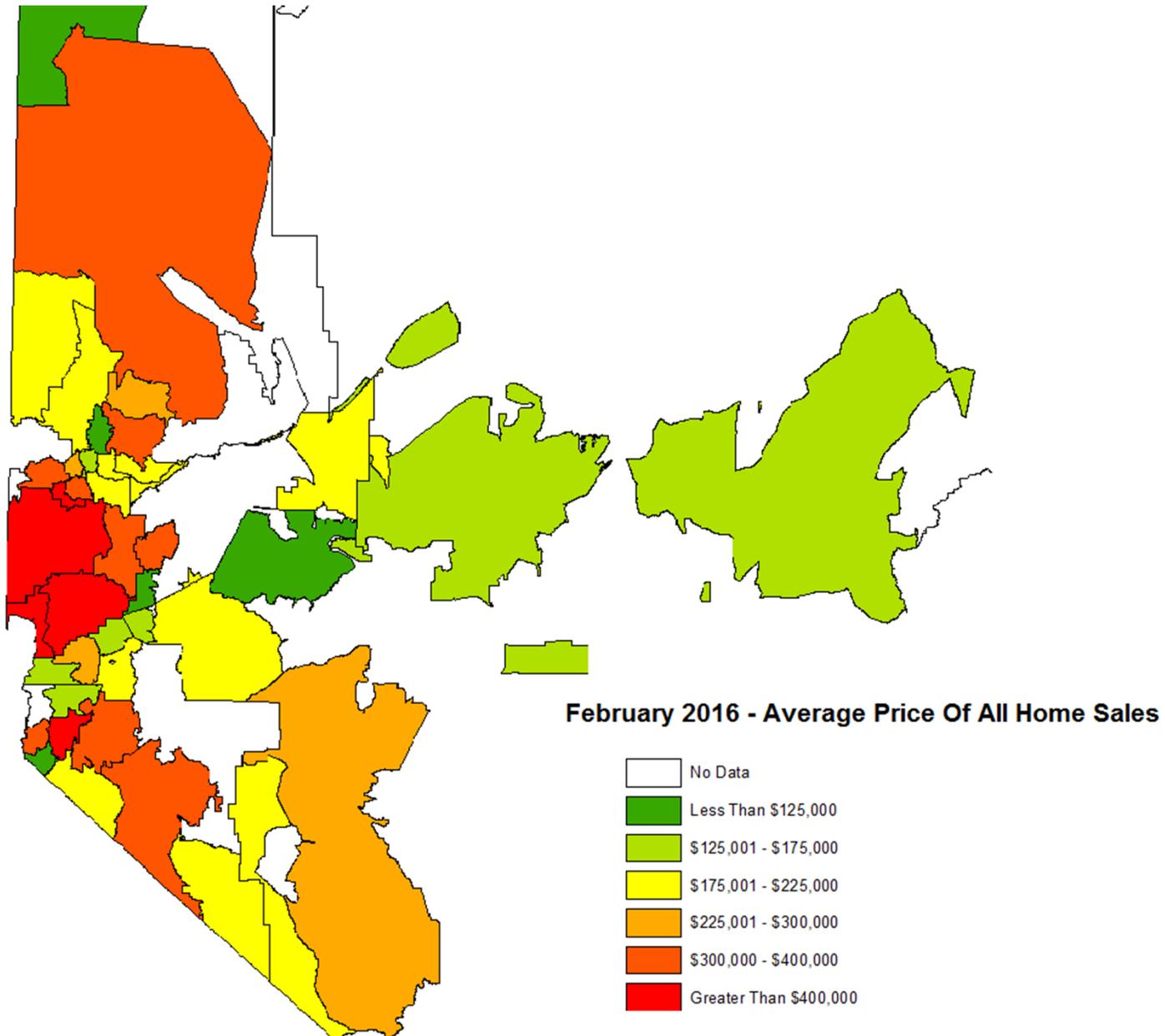


Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

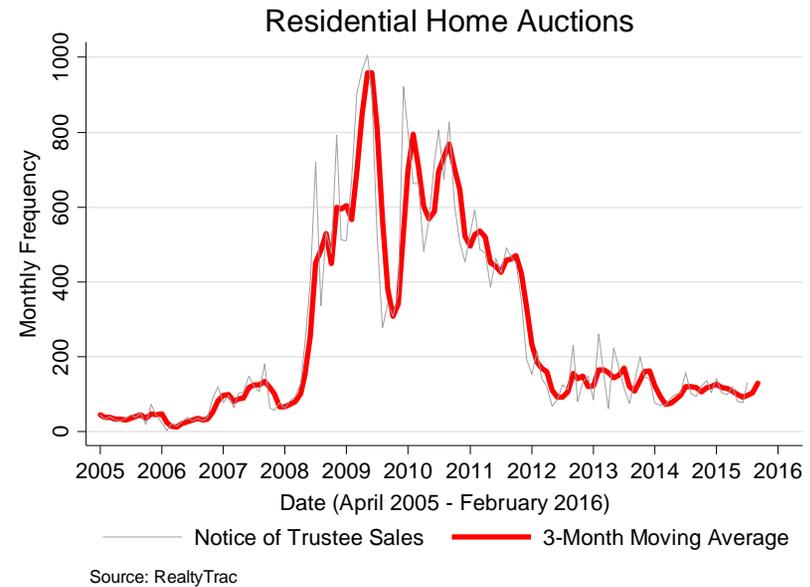
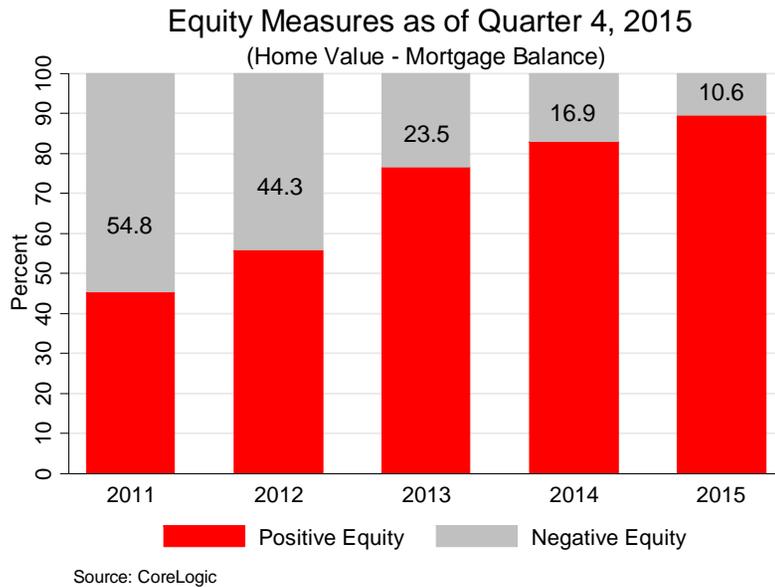
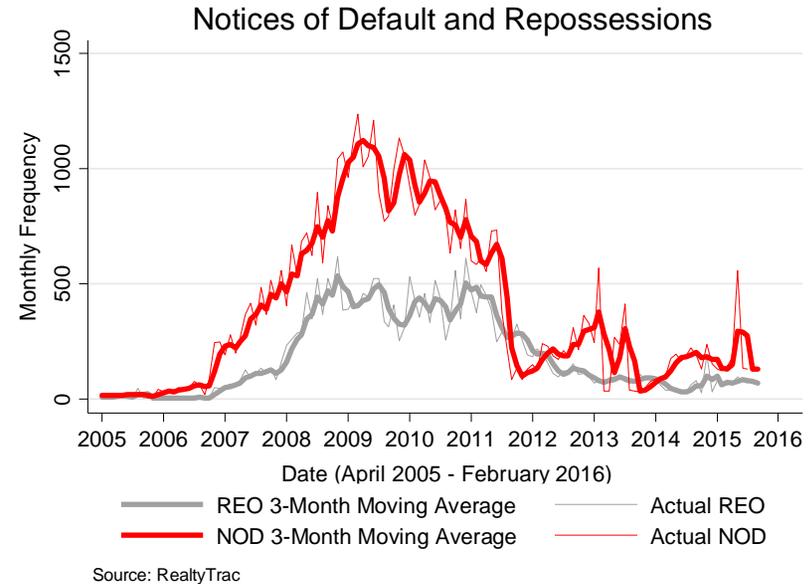
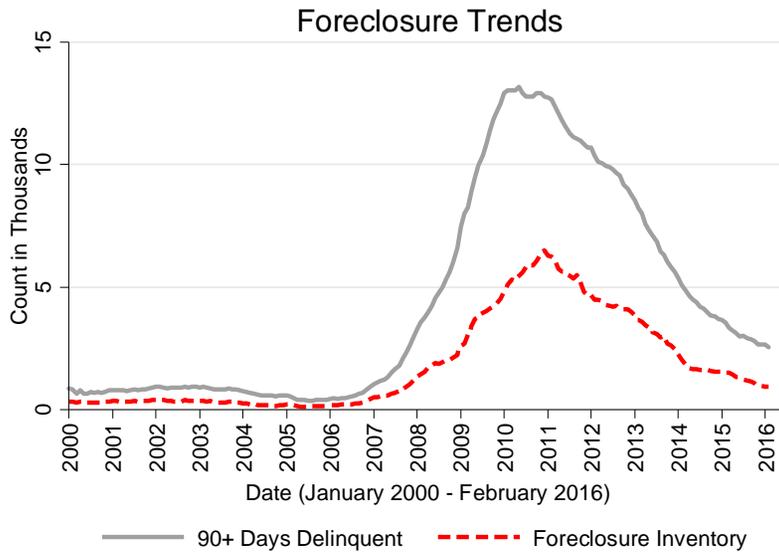


Source: CoreLogic

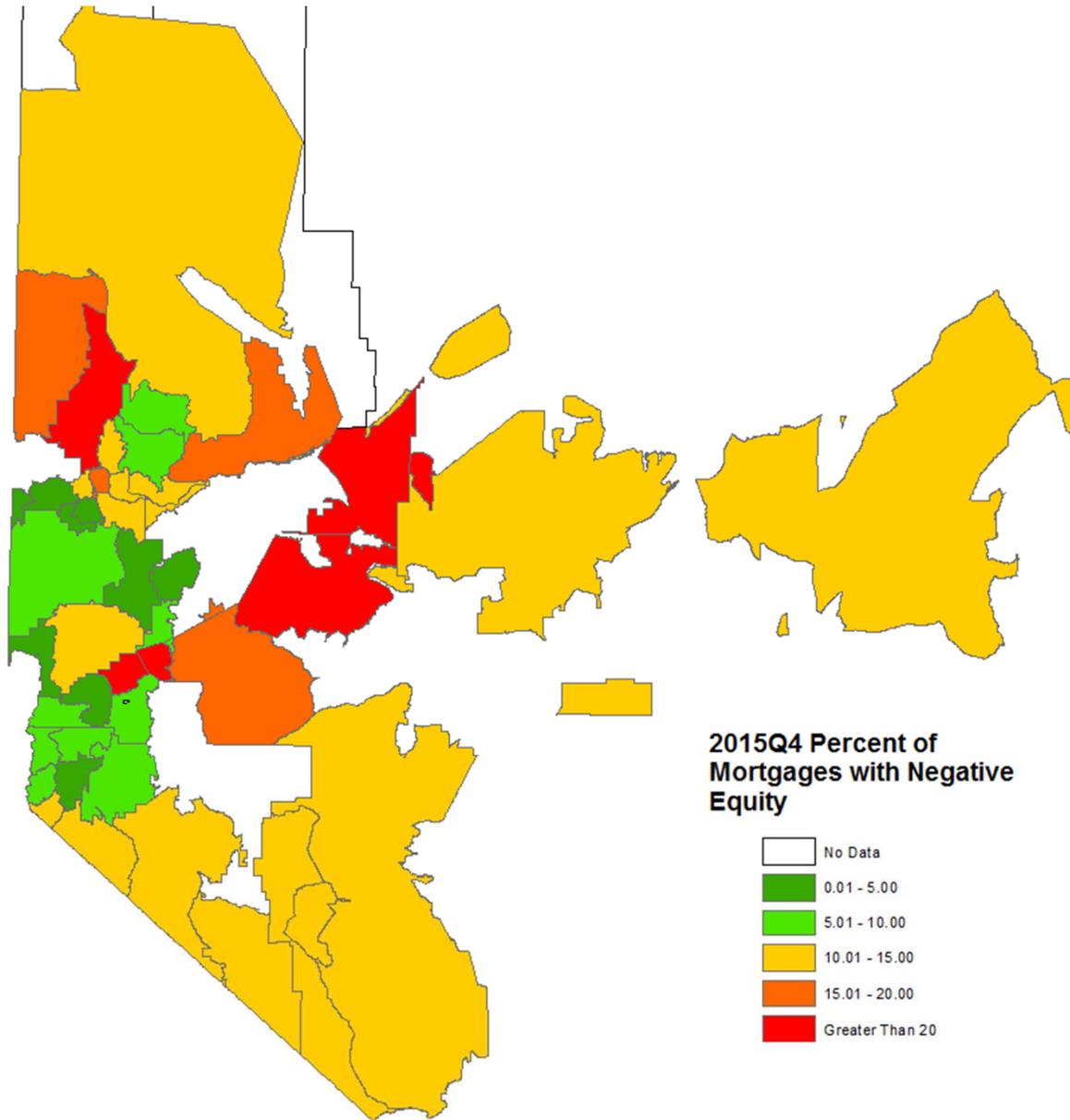
## Northern Trends



# Northern Trends



## Northern Trends



# Nevada's Housing Market | February 2016

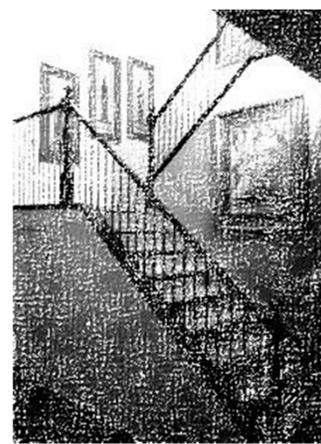
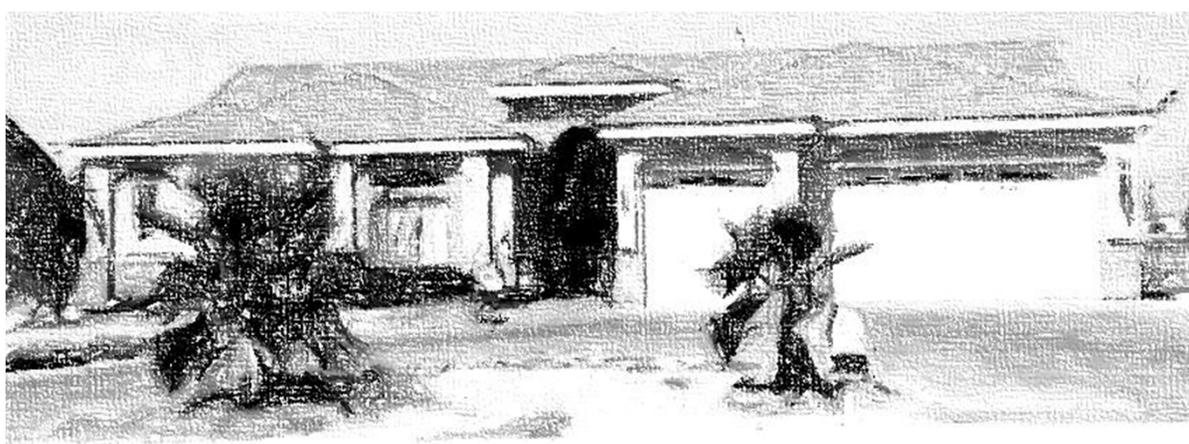
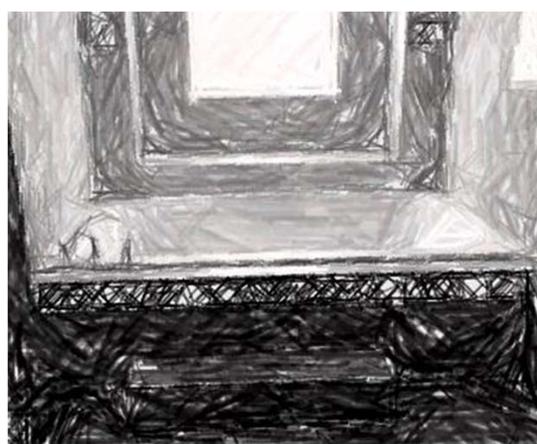
## Southern Trends

Population: **2,114,801** in 2015

Housing Units: **863,010** in 2014

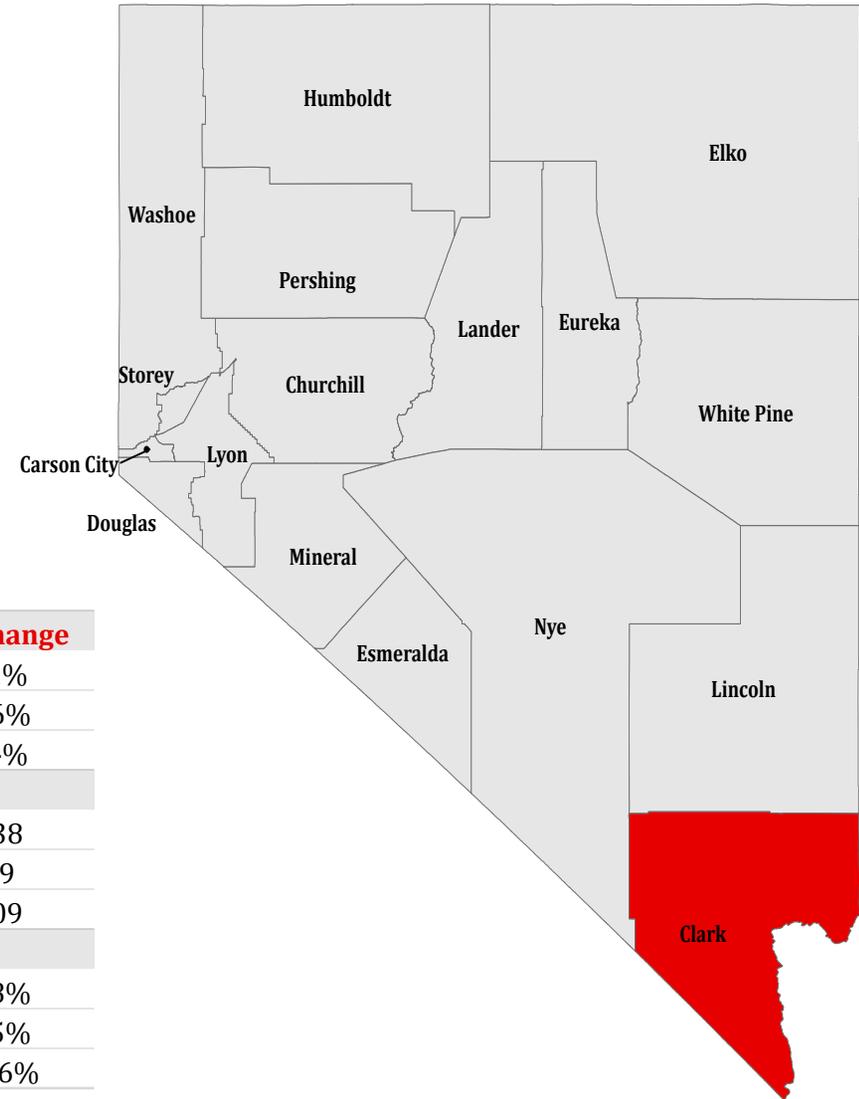
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

- ❑ New home sales decreased by more than 4 percent for the fifth consecutive month. February 2016 new home sales were the lowest they had been since August 2014.
- ❑ Existing home sales increased on a month to month basis for the first time since May 2015.
- ❑ The distress share increased by over 4 percent for the second consecutive month. Both REO and short sales saw increases in February 2016.
- ❑ Total residential construction starts were the highest they had been since June 2008. February 2016 was the third consecutive month where both single-family and multifamily starts saw year over year growth.

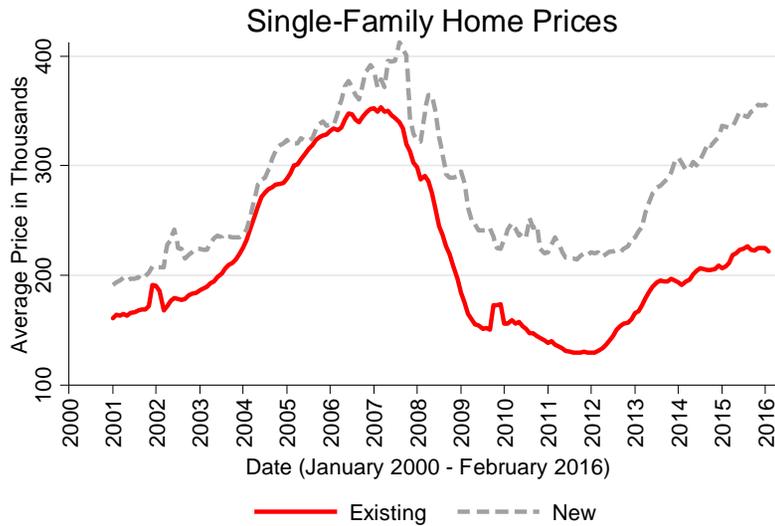


Single-Family Home Sales*	February 2016	M2M Change	Y2Y Change
New	423	-5.5%	-7.1%
Existing	2,810	+7.0%	+3.6%
Distress Share	14.5%	+5.2%	-9.4%
Residential Construction			
<b>Total Starts</b>	1,925	+1,000	+638
Single-Family	728	+217	+29
Multifamily	1,197	+783	+609
Average Single-Family Sales Price*			
New	\$351,277	-1.3%	+4.8%
Existing	\$221,660	-1.2%	+6.5%
Distress	\$183,899	-0.9%	+16.6%

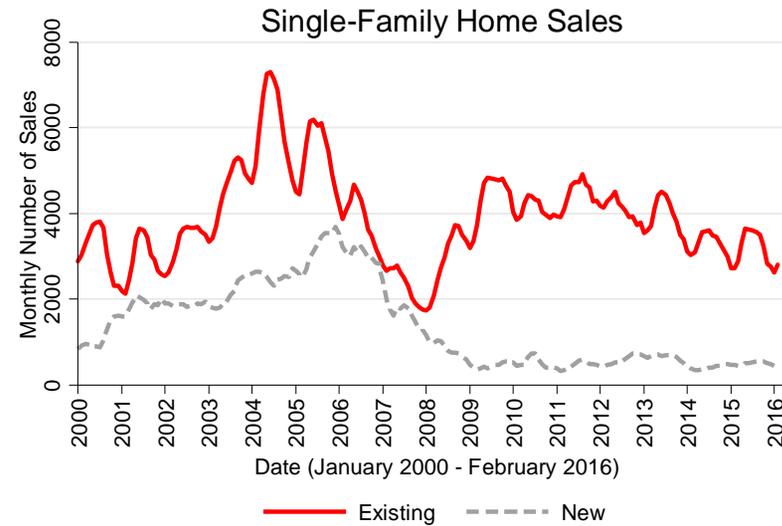
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

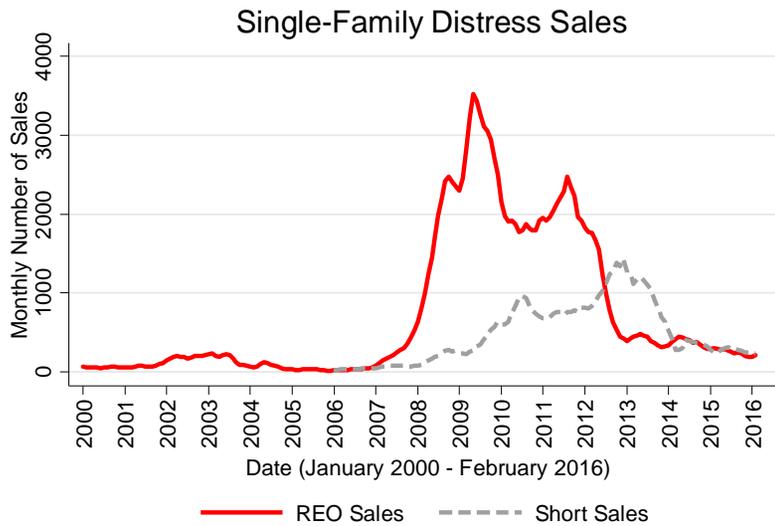
## Southern Trends



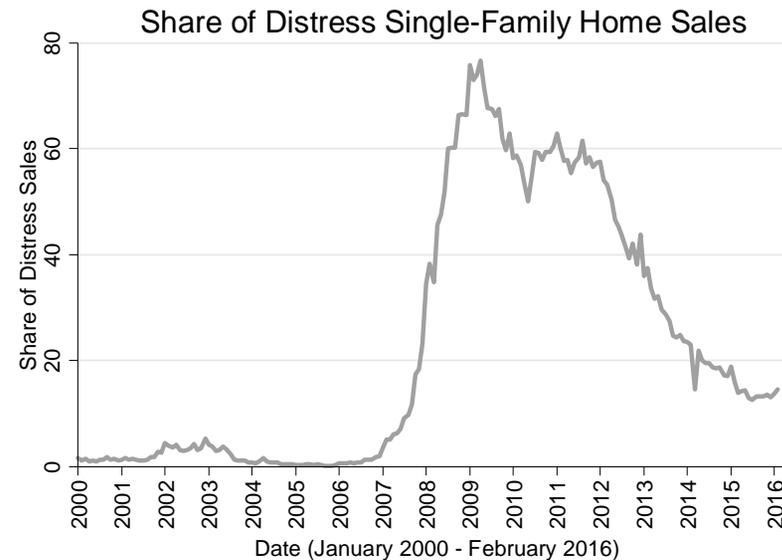
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

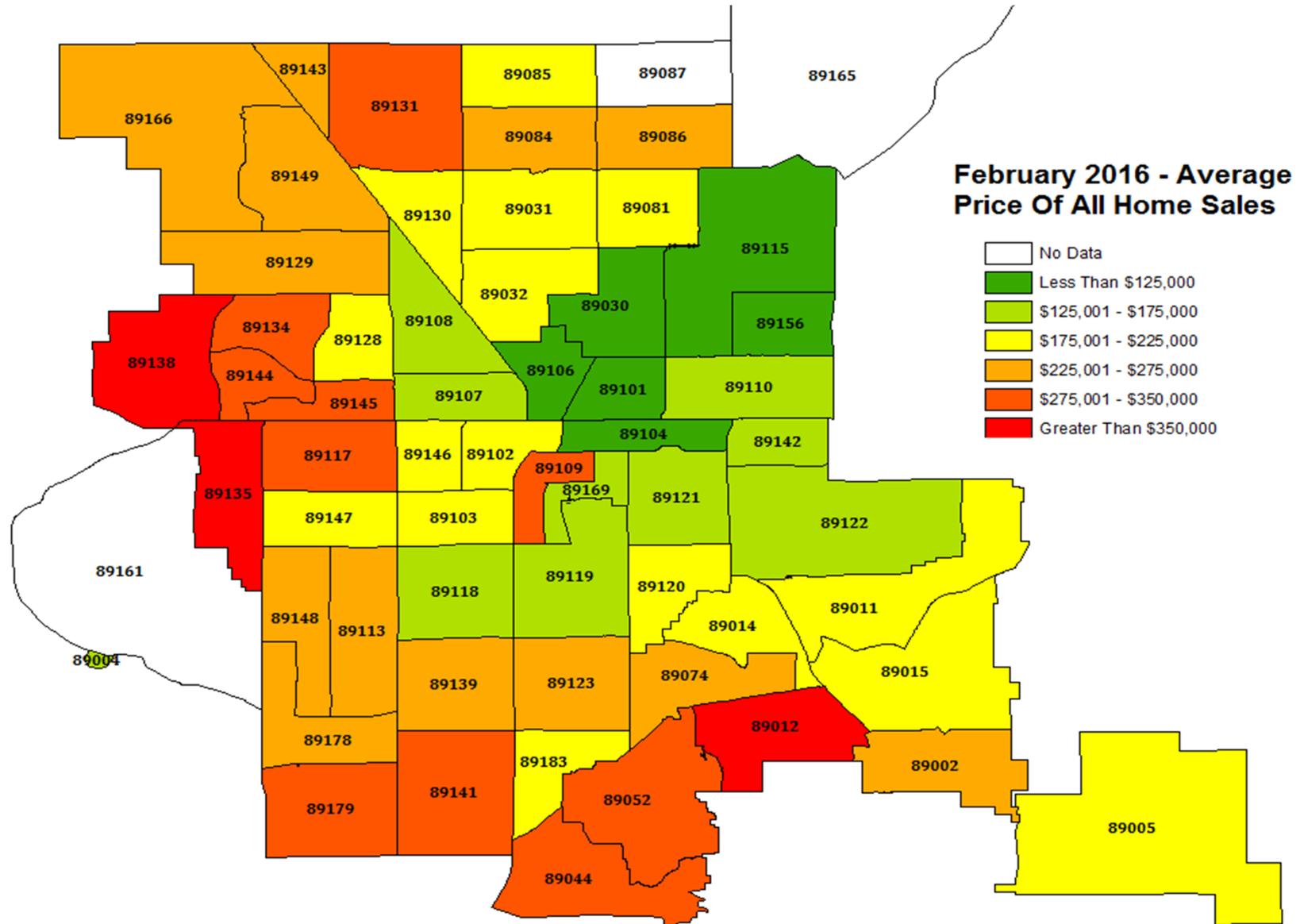


Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

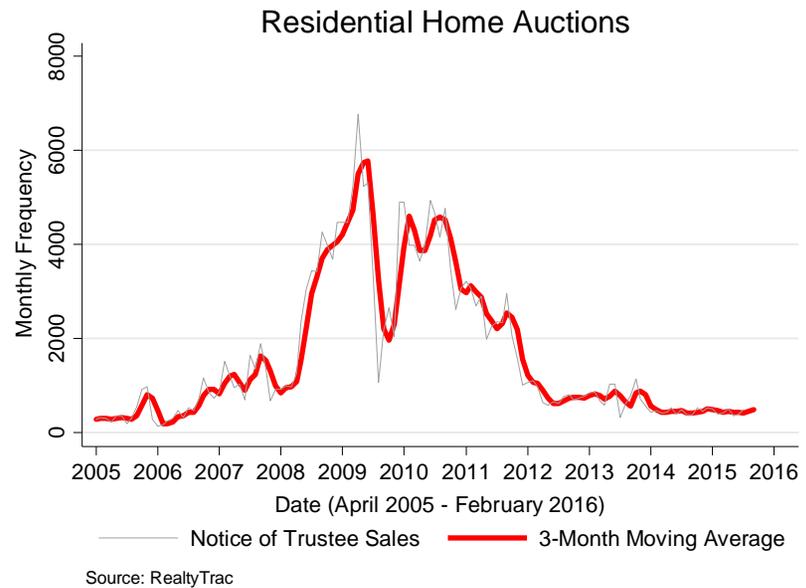
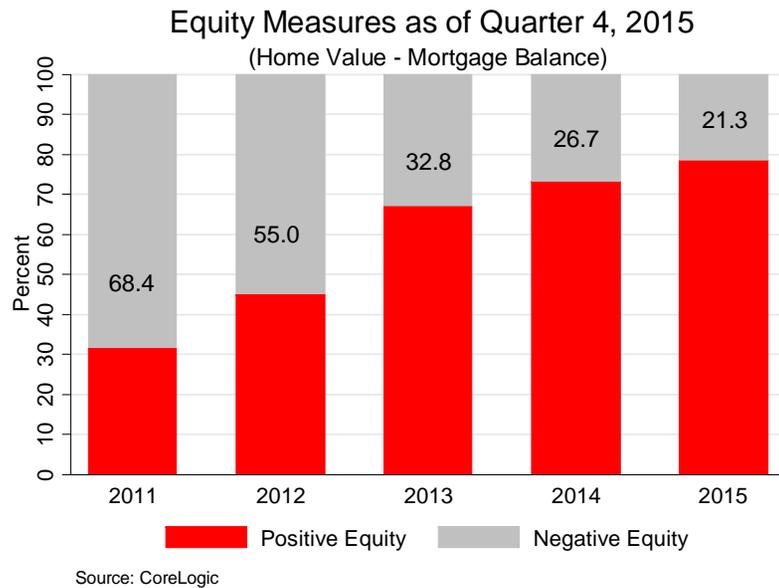
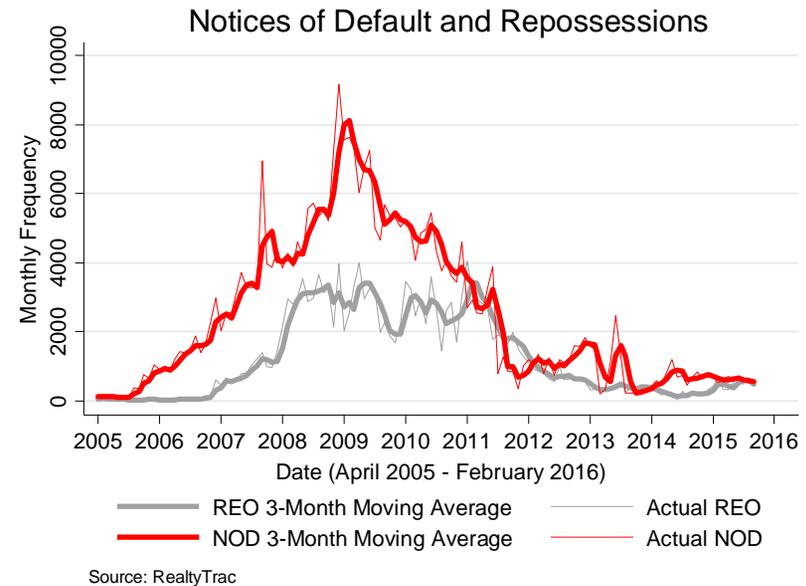
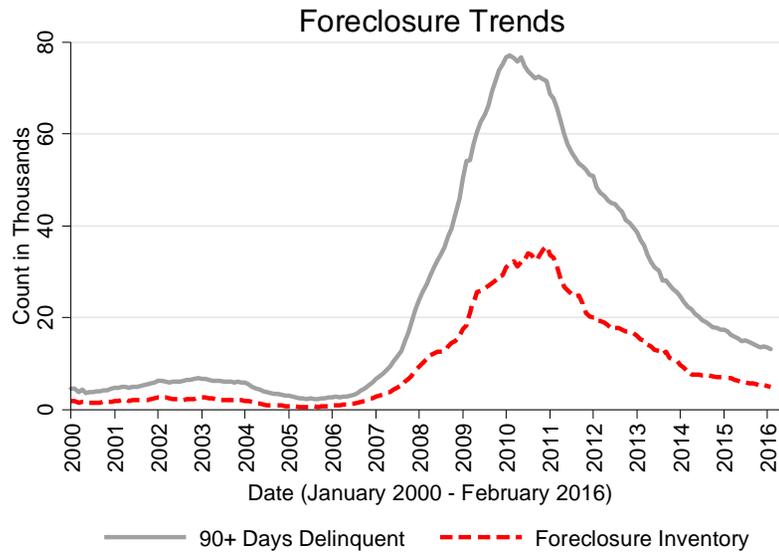


Source: CoreLogic

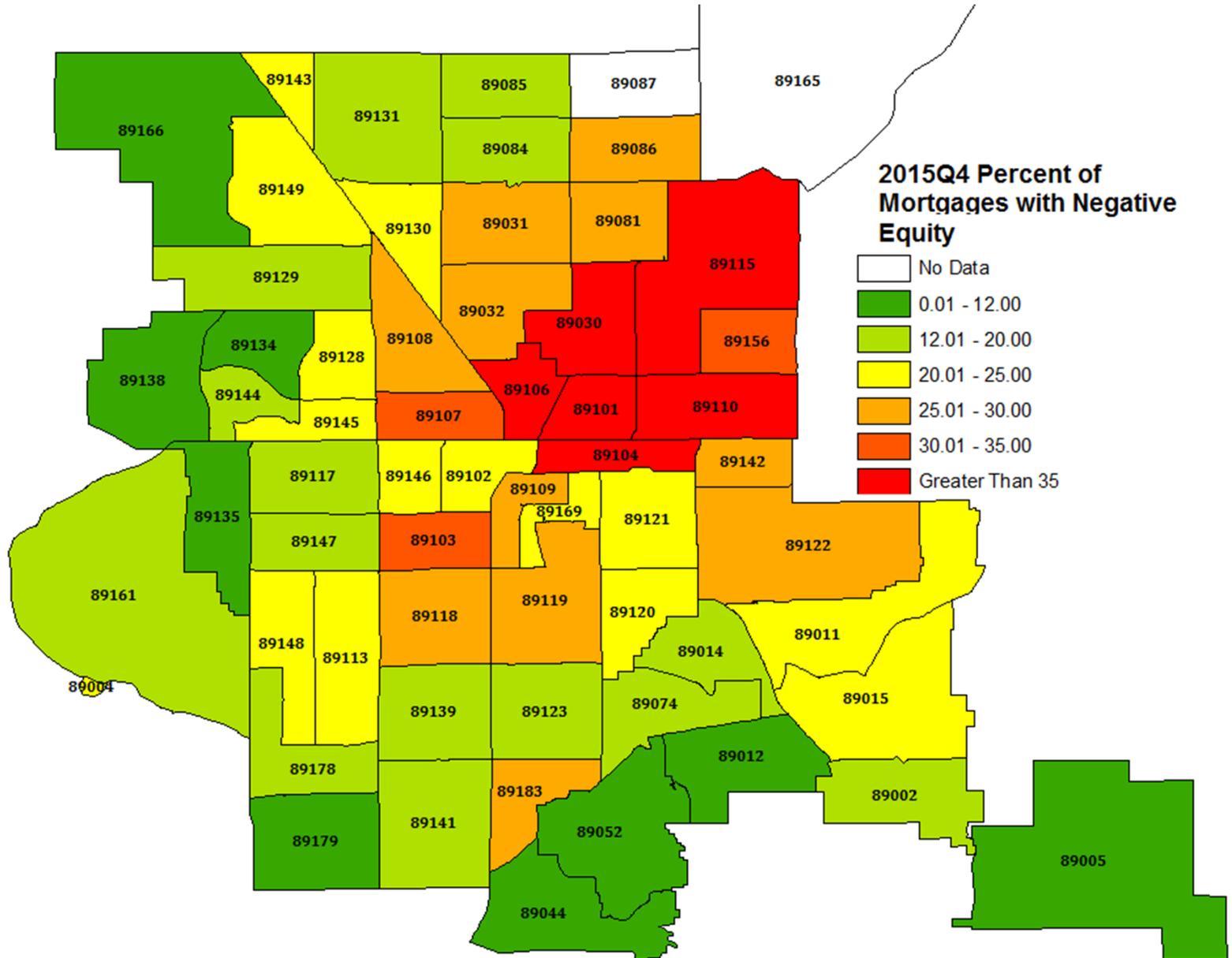
## Southern Trends



# Southern Trends



## Southern Trends



# Nevada's Housing Market | February 2016

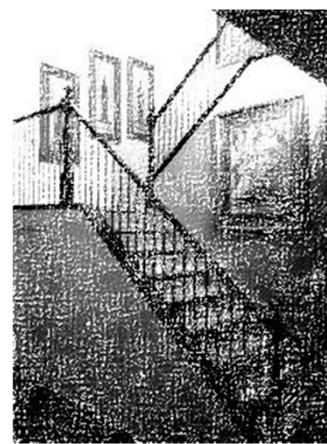
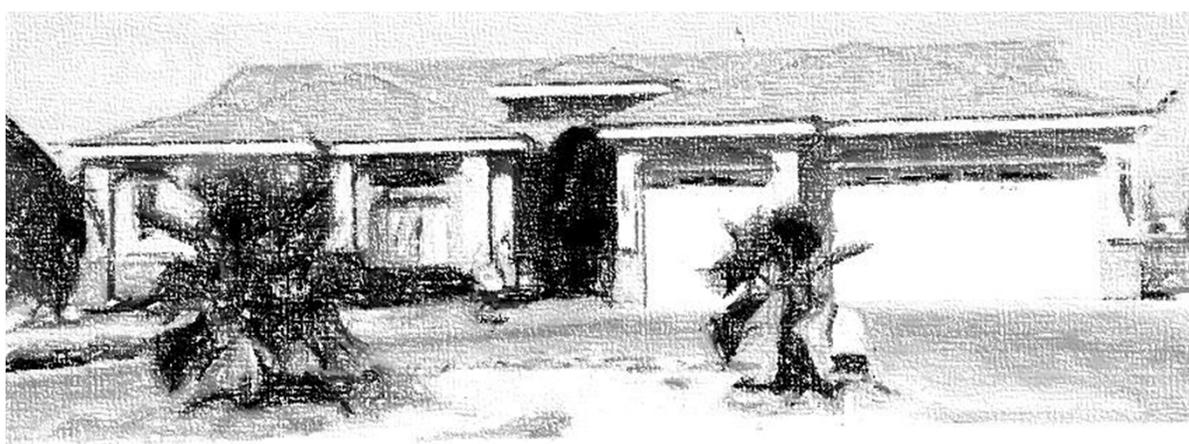
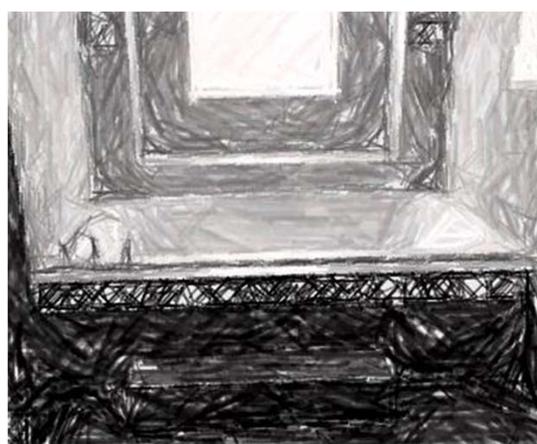
## Rural Trends

Population: **146,138** in 2015

Housing Units: **66,445** in 2014

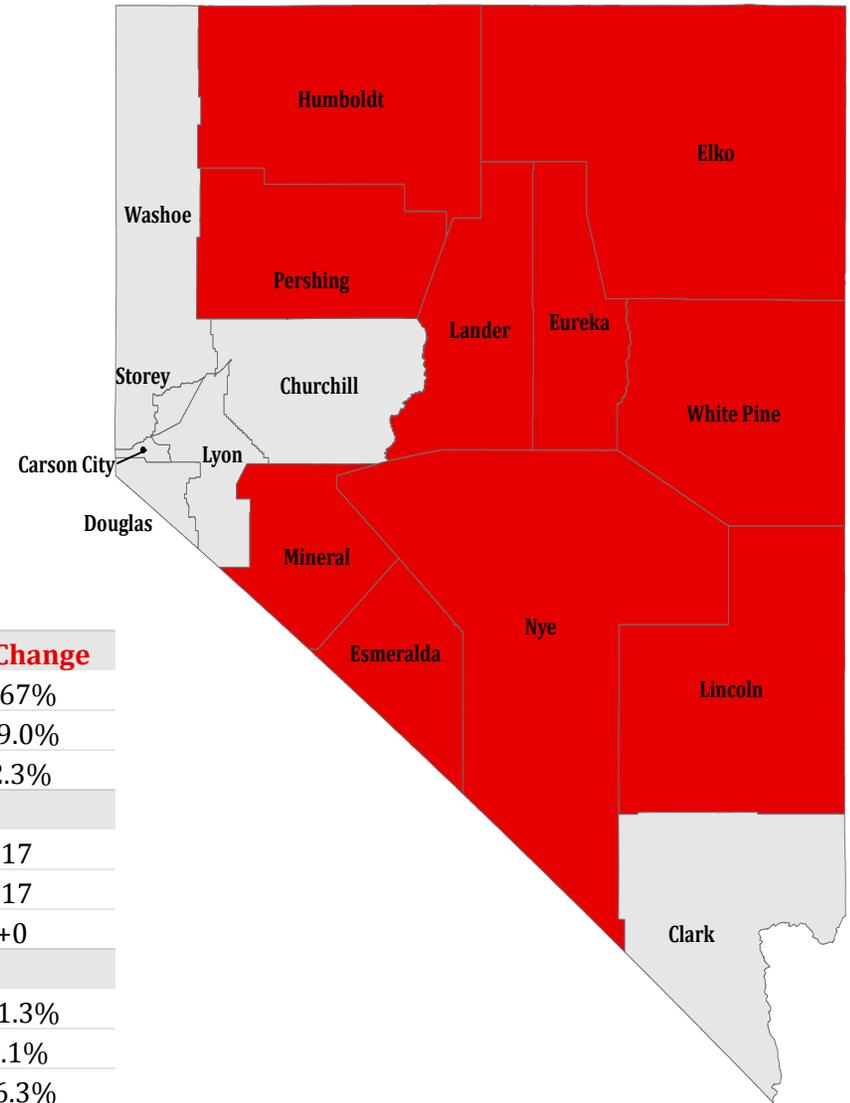
Source: U.S. Census Bureau: State and County QuickFacts

(Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing, and White Pine County)



## Rural Trends

- ❑ New home sales decreased on a month to month basis for the third consecutive month. February 2016 was the fourth consecutive month where new home sales increased more than 100 percent on a year over year basis.
- ❑ The share of homes sold under distress increased by 2.8 percent. The February 2016 distress share was the highest it had been since June 2015. This increase in the distress was driven by a large increase in REO sales as short sales decreased.
- ❑ February 2016 was the fifth consecutive month with no multifamily starts.
- ❑ New home prices were up \$24,000 on a year over year basis. Existing home prices were down \$5,000 on a year over year basis.

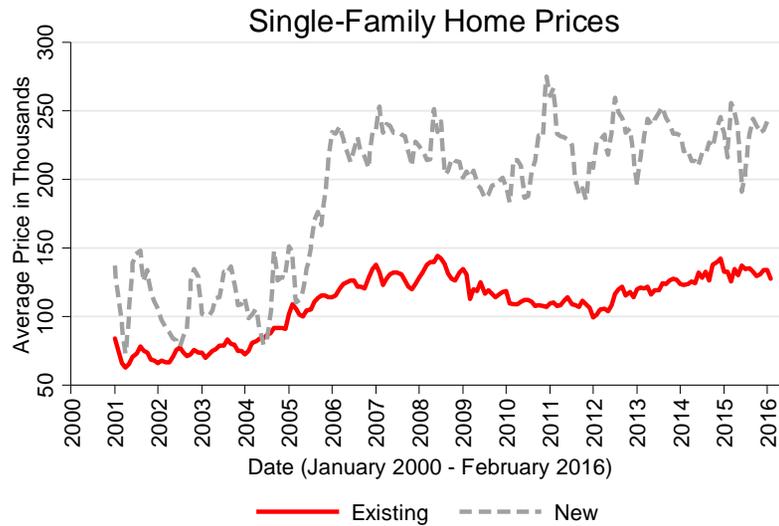


Single-Family Home Sales*	February 2016	M2M Change	Y2Y Change
New	14	-2.3%	+367%
Existing	131	-1.8%	+49.0%
Distress Share	15.2%	+22.1%	+2.3%
Residential Construction			
<b>Total Starts</b>	7	-10	-17
Single-Family	7	-10	-17
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$240,439	-0.9%	+11.3%
Existing	\$127,251	-4.9%	-4.1%
Distress	\$99,385	-0.5%	-16.3%

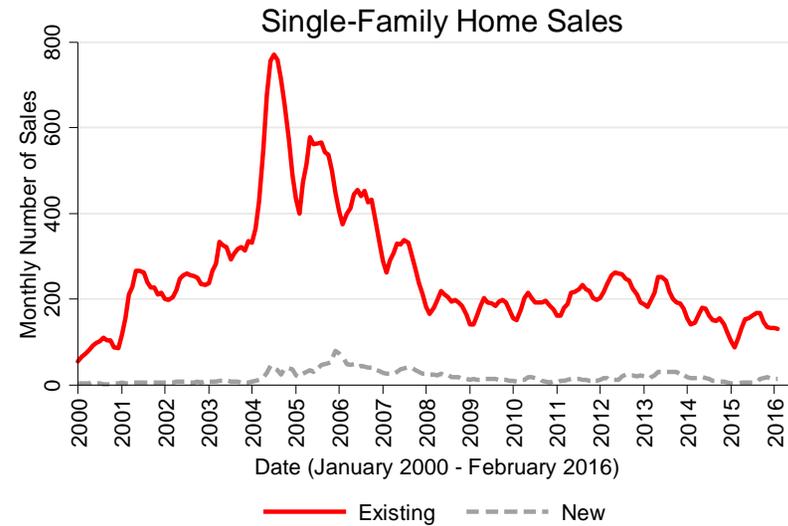
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

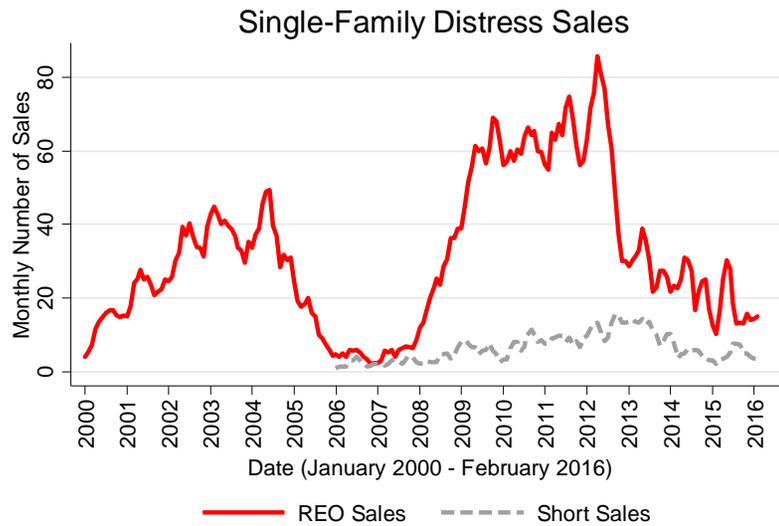
# Rural Trends



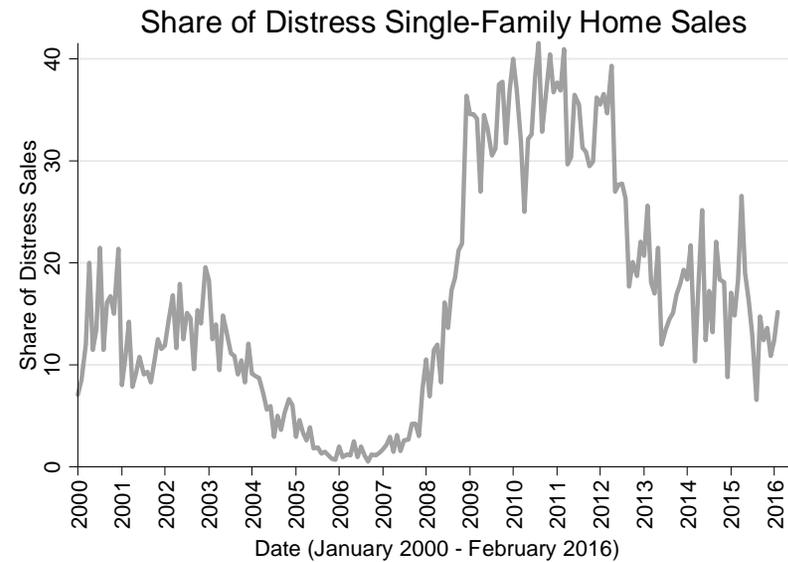
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

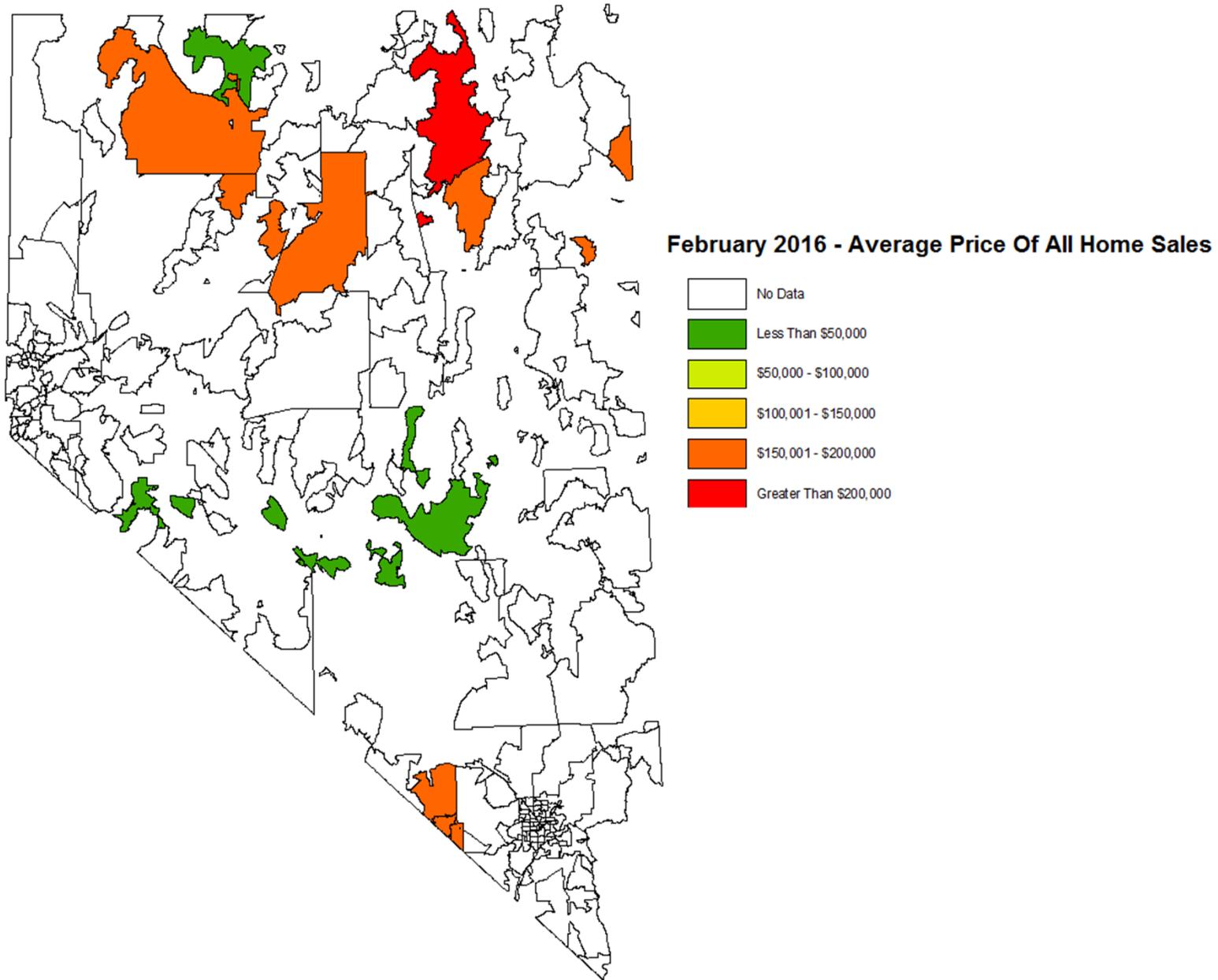


Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.

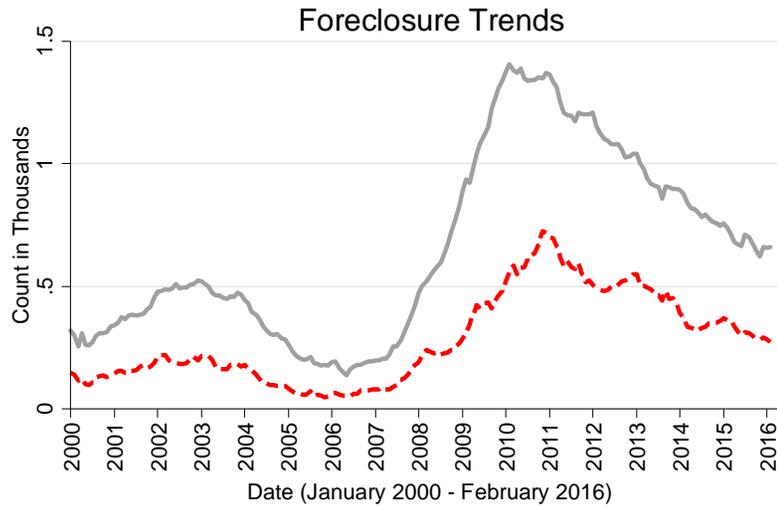


Source: CoreLogic

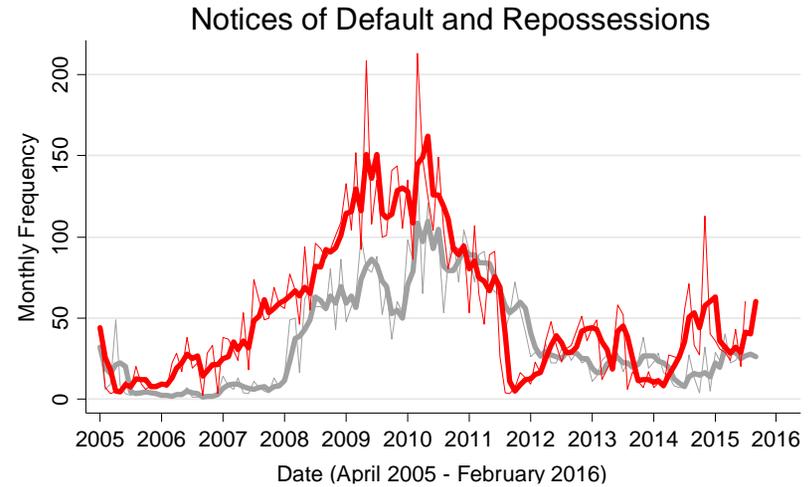
## Rural Trends



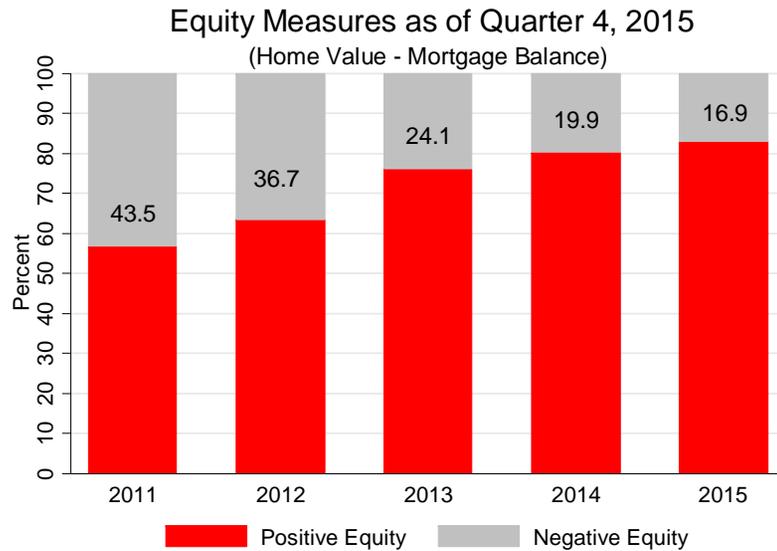
# Rural Trends



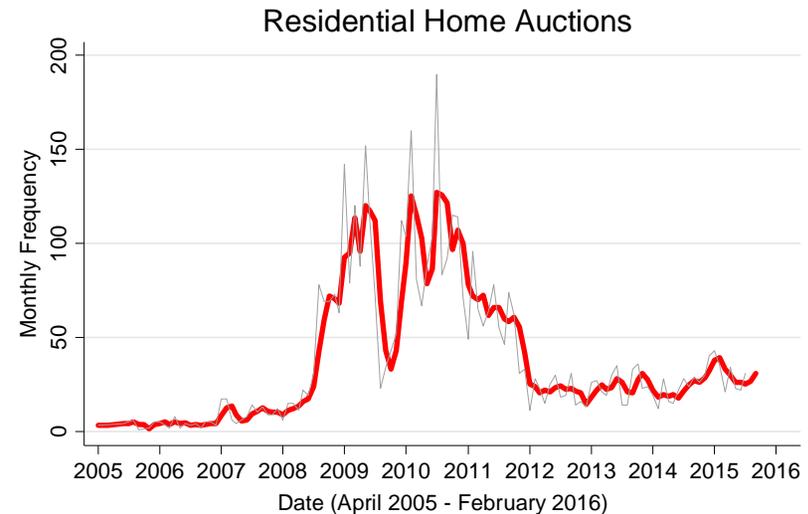
— 90+ Days Delinquent    - - - Foreclosure Inventory  
Source: CoreLogic



— REO 3-Month Moving Average    - - - Actual REO  
— NOD 3-Month Moving Average    - - - Actual NOD  
Source: RealtyTrac

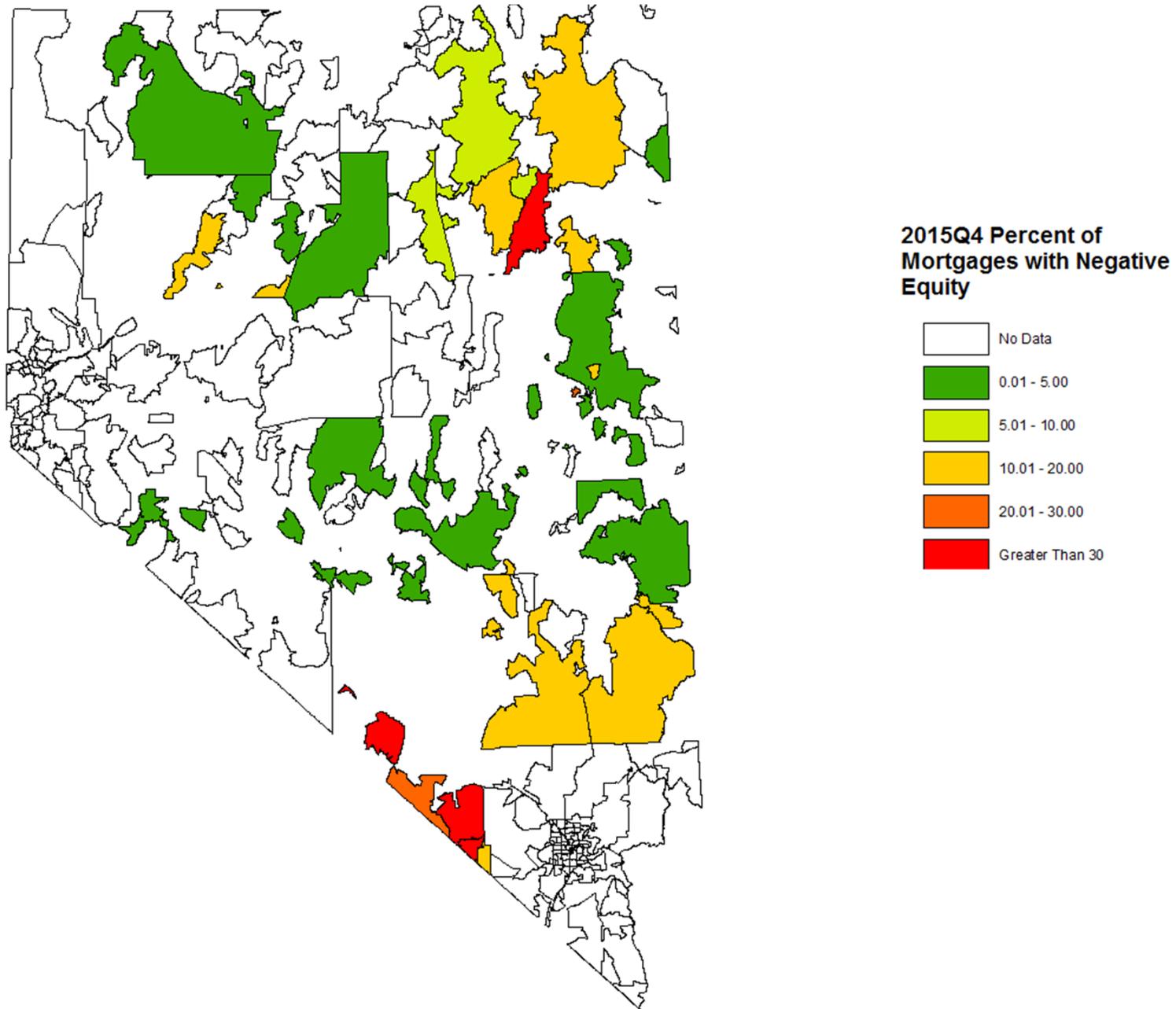


Source: CoreLogic



— Notice of Trustee Sales    — 3-Month Moving Average  
Source: RealtyTrac

## Rural Trends



## About the Lied Institute

The Lied Institute was established in 1989 by the Lee Business School at the University of Nevada, Las Vegas to foster excellence in real estate education and research. Through partnerships with business and community leaders, the Lied Institute strives to improve the real estate business and effective public policy practices in Southern Nevada. The institute produces relevant and timely real estate research, supports educational programs in real estate economics and finance for students and professionals, and provides community outreach and continuing education.

### *Lied Institute for Real Estate Studies*

4505 S. Maryland Parkway, Box 456025  
Las Vegas, NV 89154-6025

#### **Edward Coulson**

Director  
(702) 895-1660  
Ed.Coulson@unlv.edu

#### **Betty Campbell**

Program Coordinator  
(702) 895-4492  
Betty.Campbell@unlv.edu

#### **Peter Counts**

Data Analyst  
(702) 895-3223  
Peter.Counts@unlv.edu