

August 2014

Report on Nevada's Housing Market

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

Funding provided by the Housing Data and Index Project, a joint initiative of:

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State of Nevada
Department of Business & Industry



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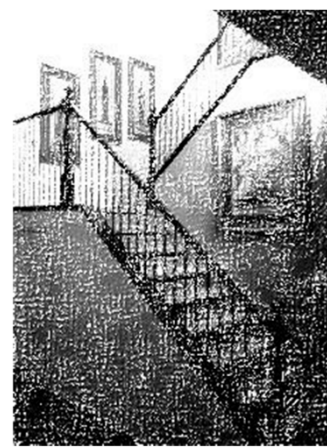
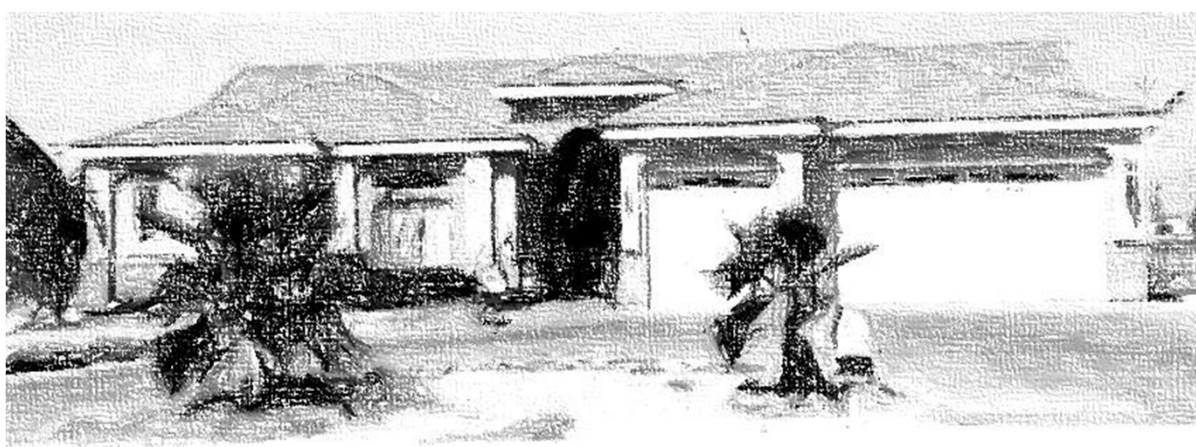
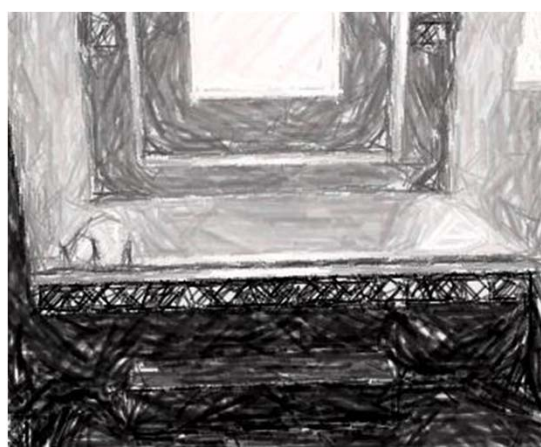
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Nevada Statewide Trends

Population: **2,790,136** in 2013

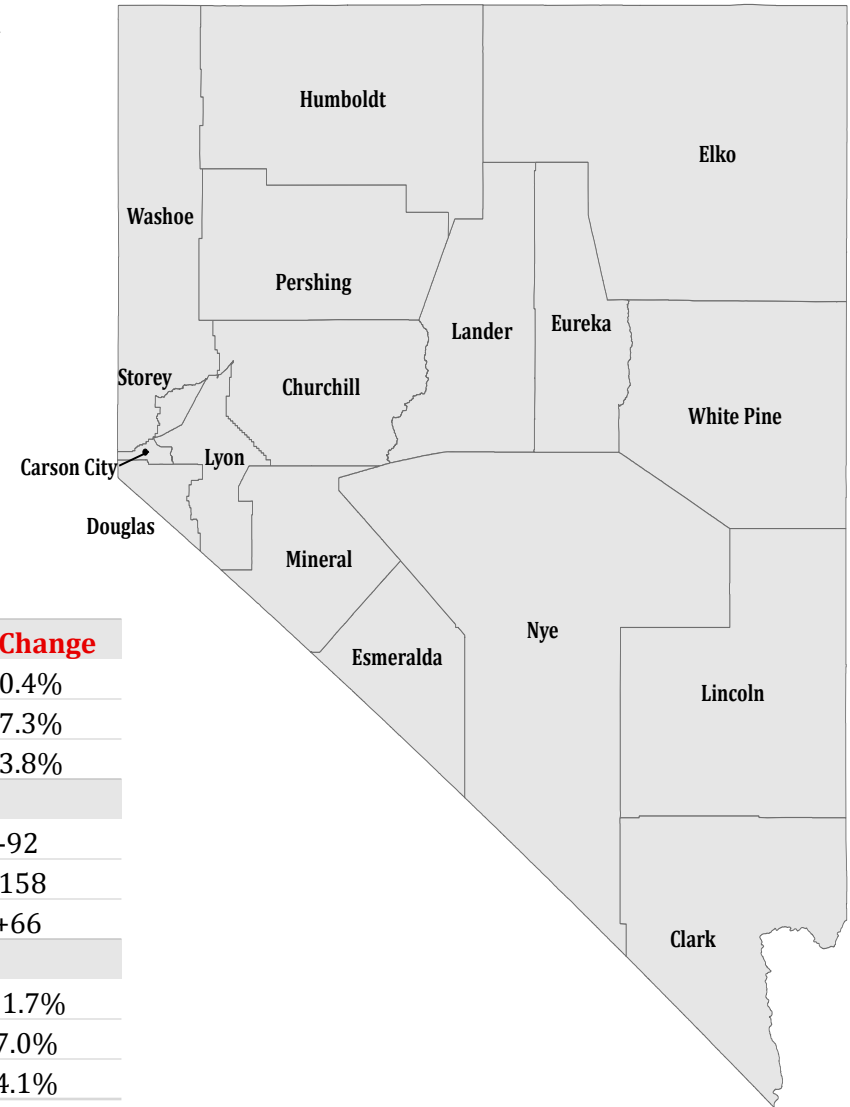
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- ❑ The state of Nevada saw declines in both new and existing home sales for the first time since February of this year. Northern and Rural Nevada saw significant decreases in new homes sold, while Southern Nevada only saw a modest increase. All regions in Nevada saw a decrease in existing homes sold.
- ❑ The distress share dropped by one percentage point this month. This decrease was driven by a large drop in the number of REO sales this month, as short sales saw almost no change. There were only 400 REO sales in the month of August – the lowest amount of 2014.
- ❑ Home prices continue to be relatively stable for the state of Nevada. The 2.2 percent increase in new home prices that occurred this month was the largest monthly increase in 2014.

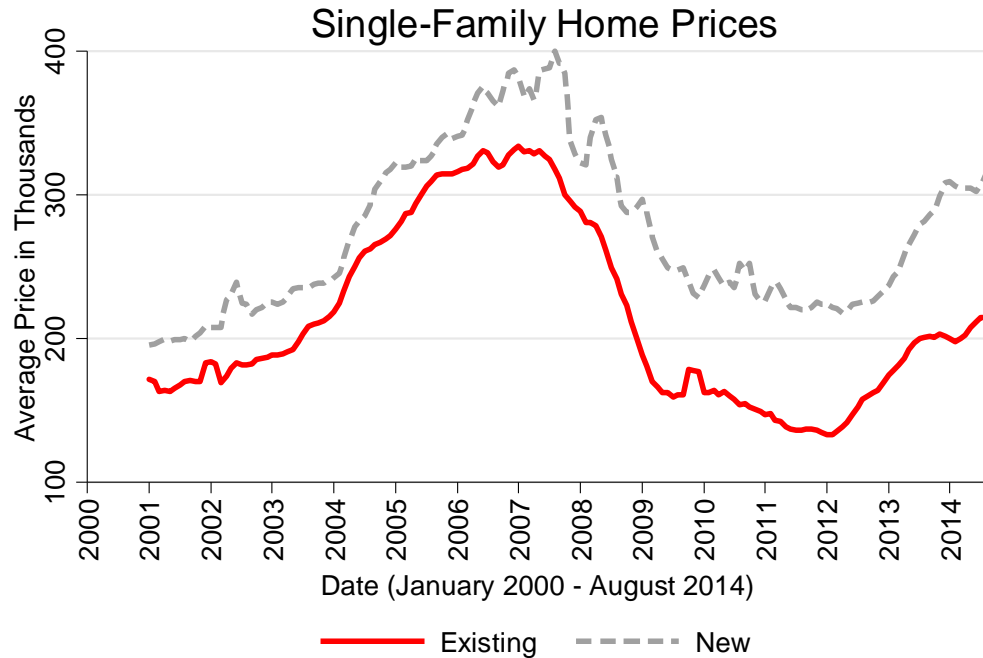


Single-Family Home Sales*	August 2014	M2M Change	Y2Y Change
New	503	-1.3%	-40.4%
Existing	4691	-3.4%	-17.3%
Distress Share	17.2%	-5.2%	-33.8%
Residential Construction			
Total Starts	1223	-264	-92
Single-Family	755	-252	-158
Multifamily	468	-12	+66
Average Single-Family Sales Price*			
New	\$314,062	+2.2%	+11.7%
Existing	\$214,497	-0.1%	+7.0%
Distress	\$164,153	-0.3%	+4.1%

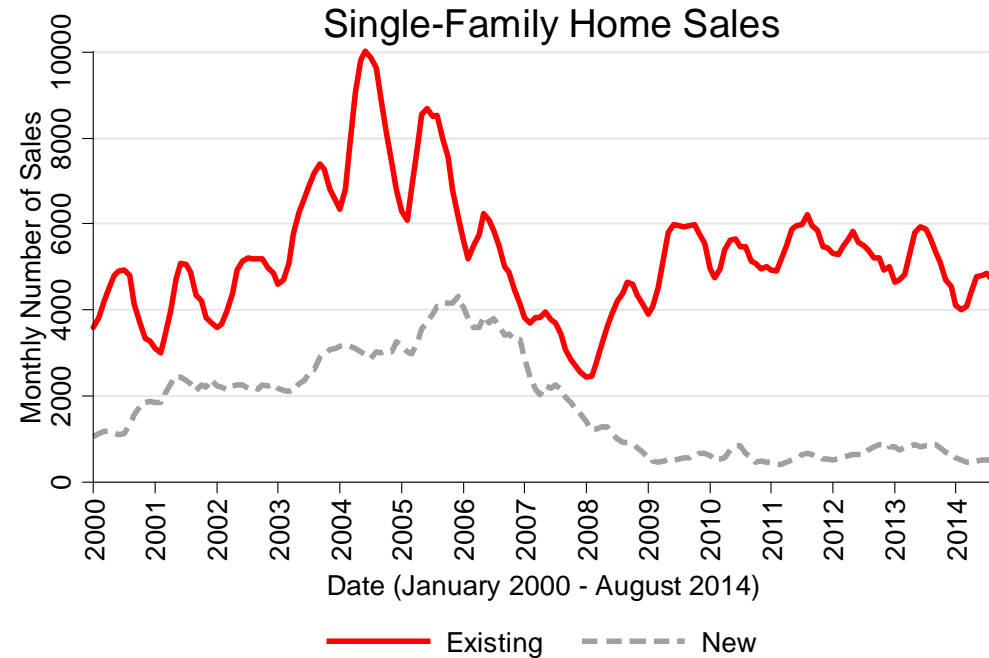
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



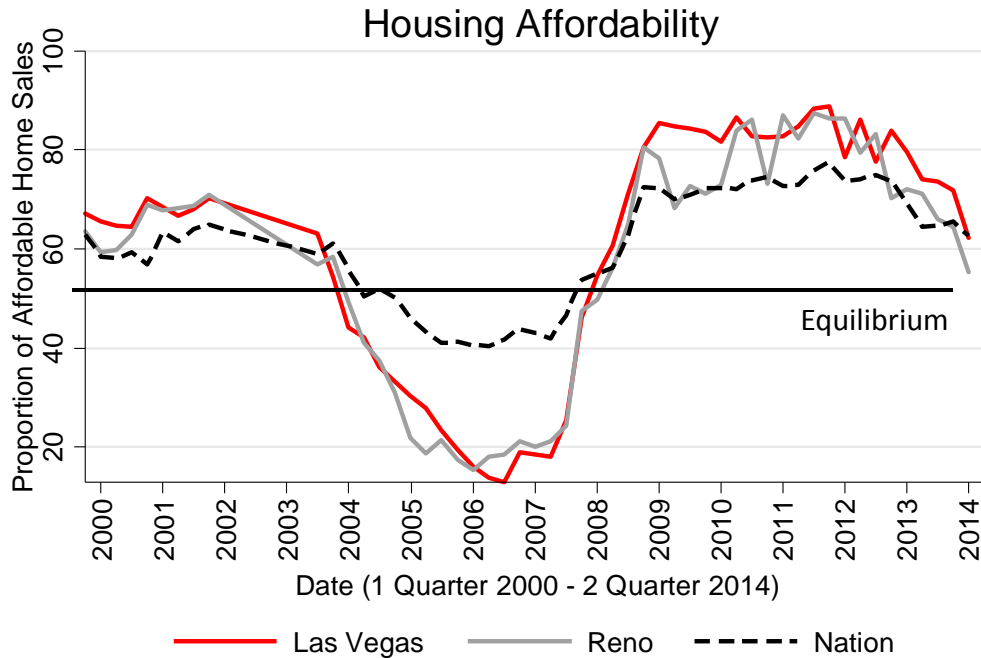
Source: CoreLogic
 Note: Series are 3-month weighted moving averages.



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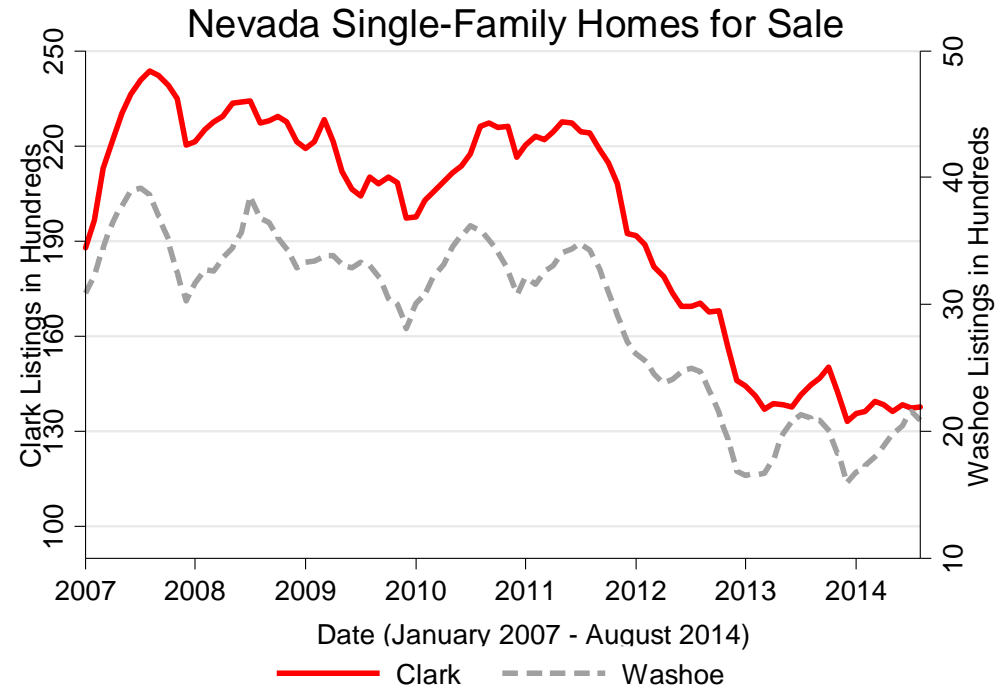
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single 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

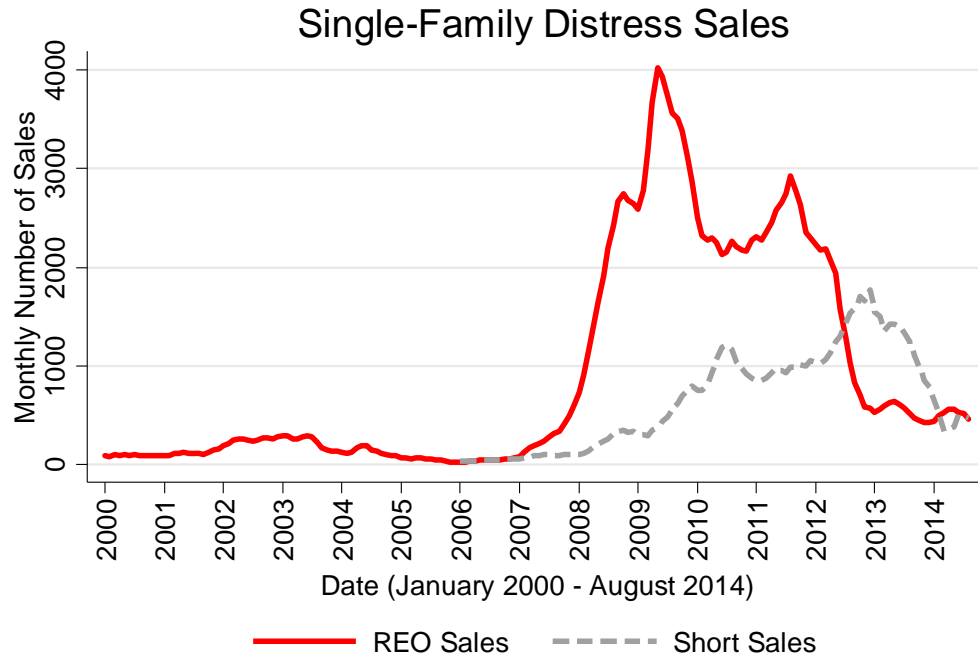
Note: Series denote the proportion of home sales affordable at median income.



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

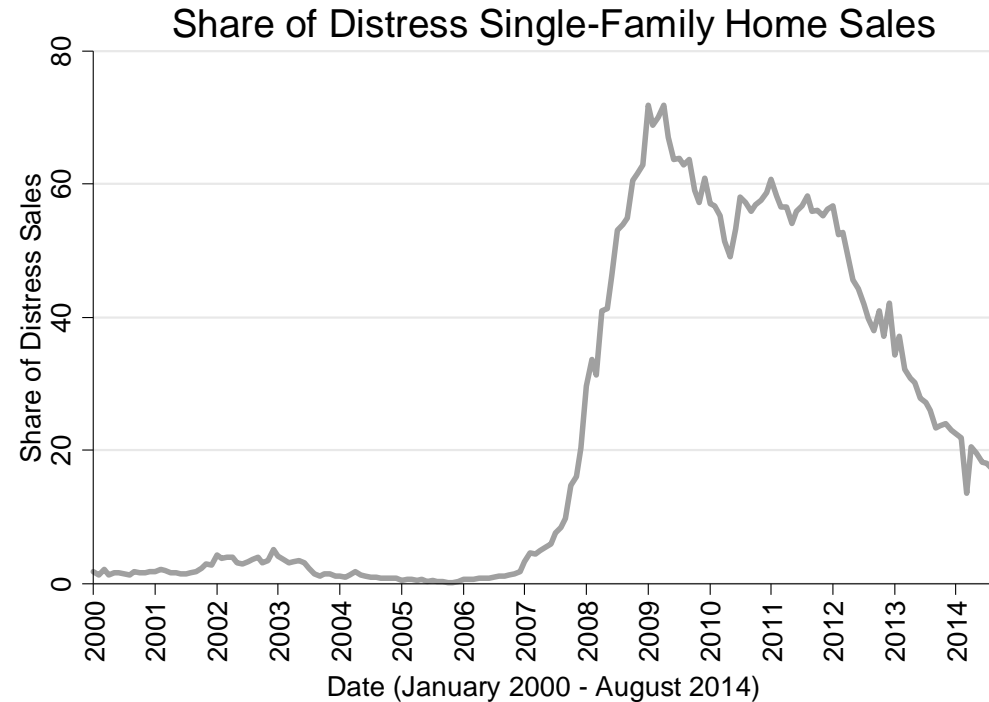
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other 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



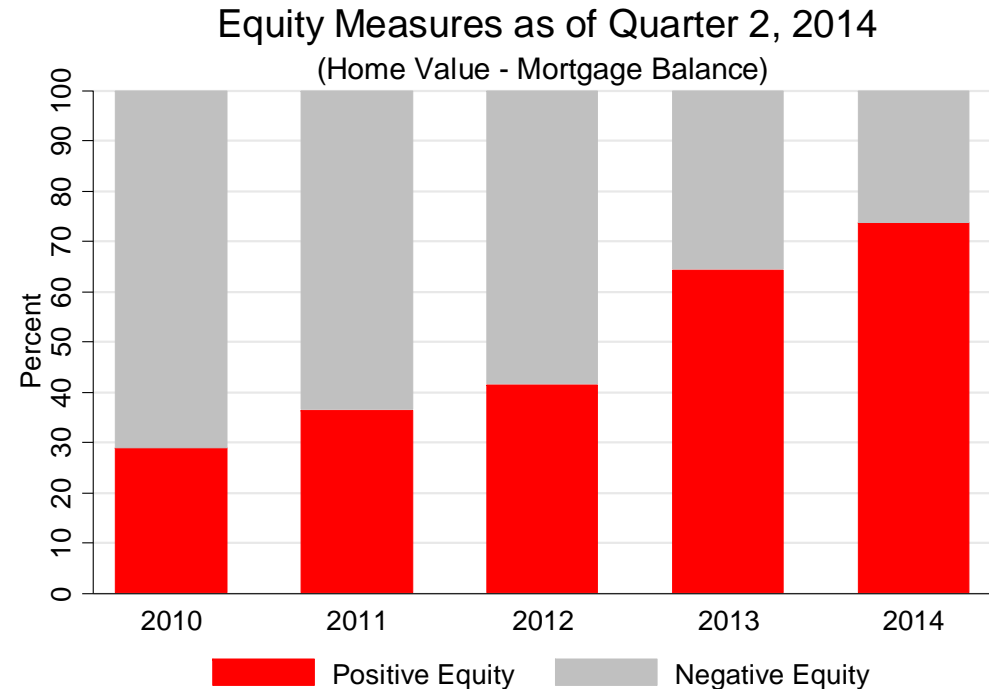
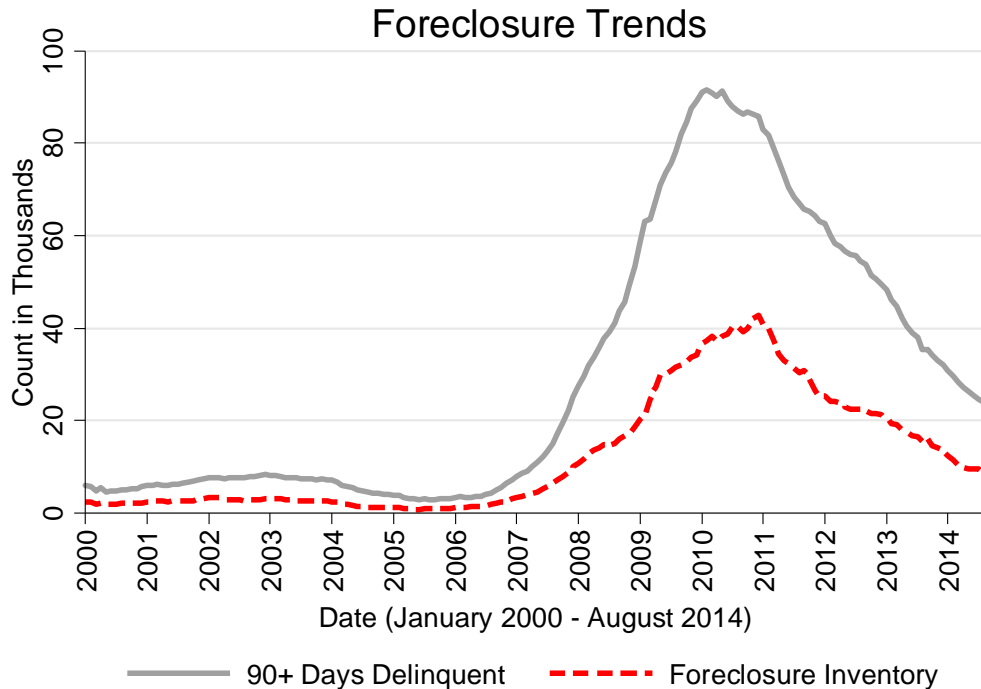
Source: CoreLogic

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.

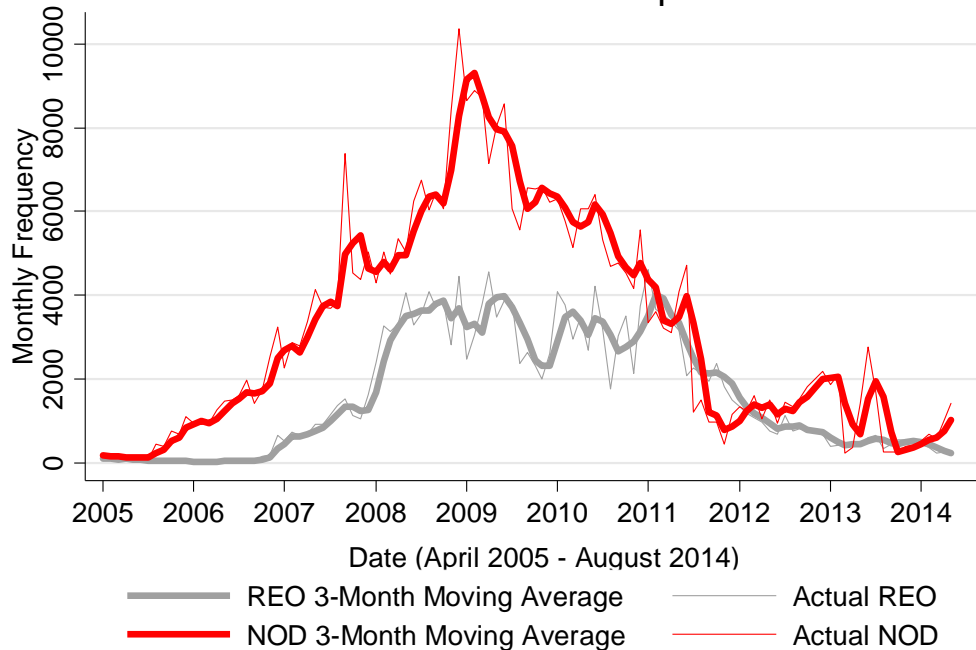
Nevada Statewide Trends



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.

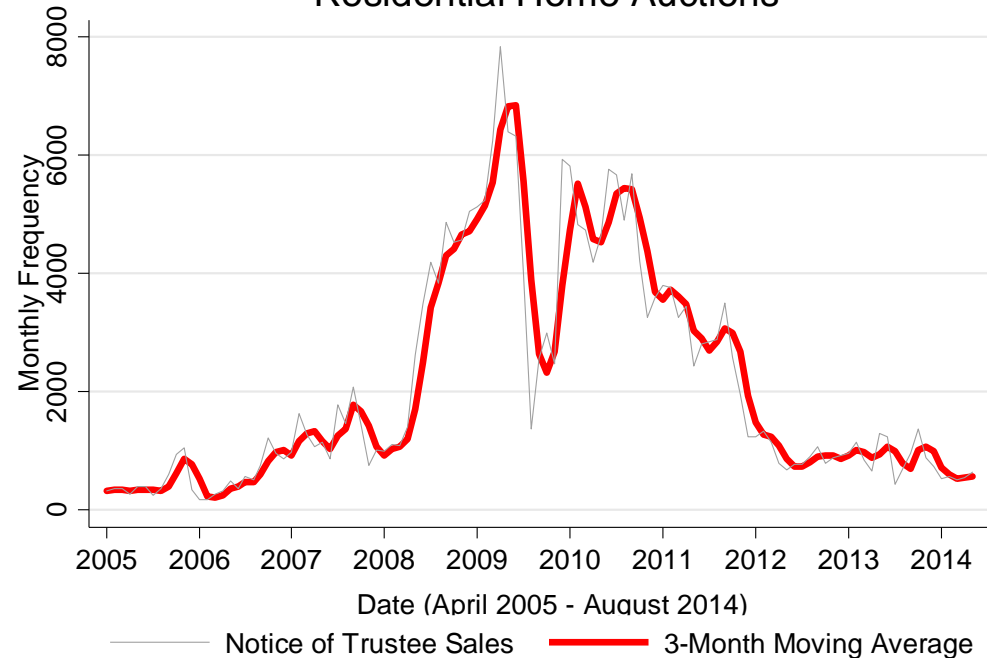
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



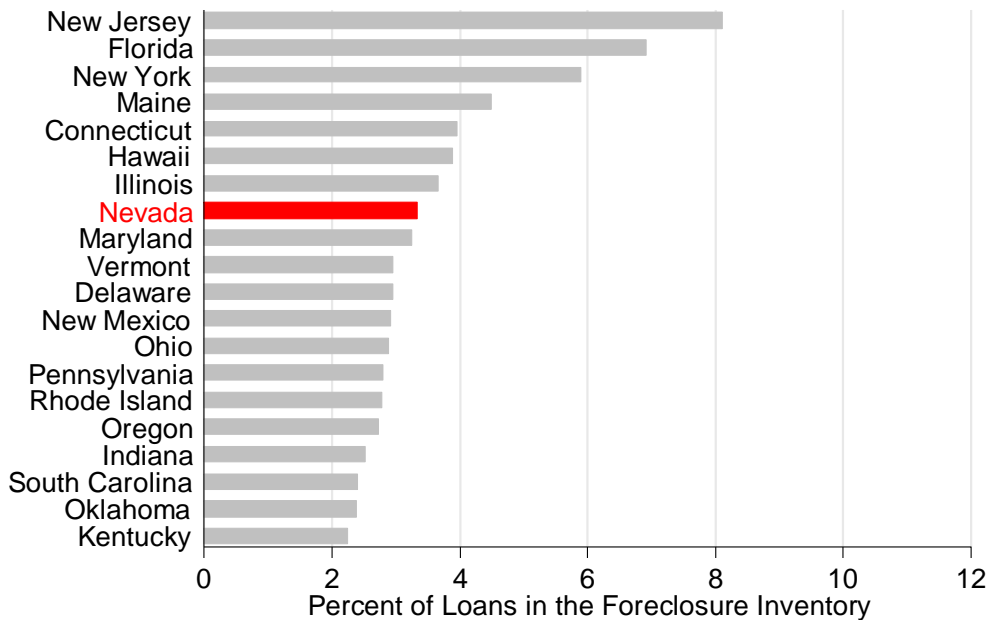
Source: RealtyTrac

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

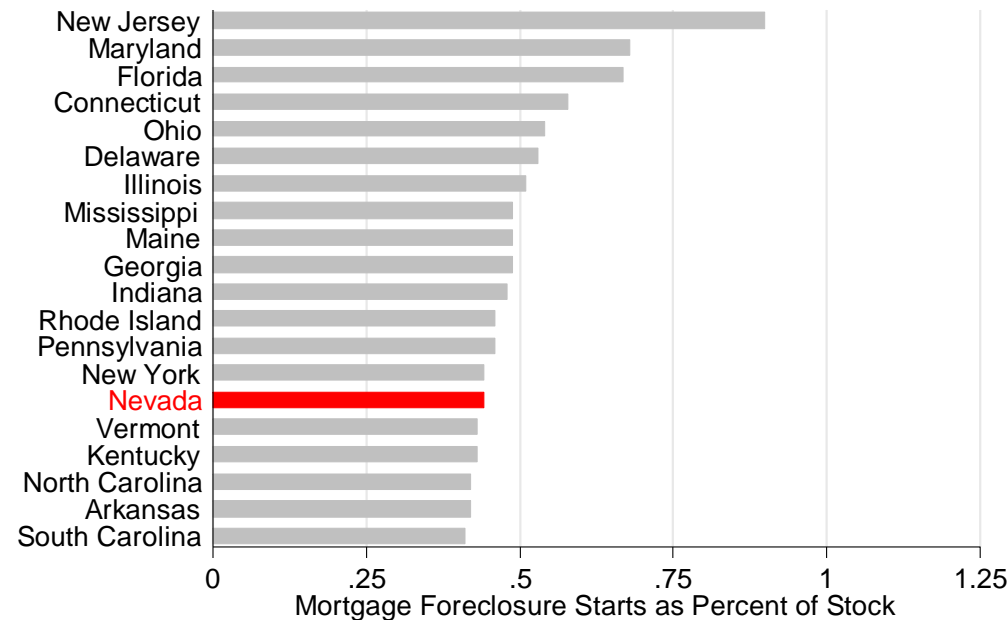
2nd Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

2nd Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

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.

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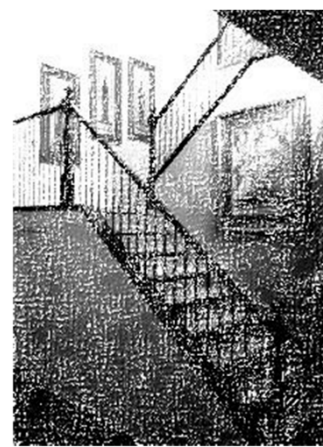
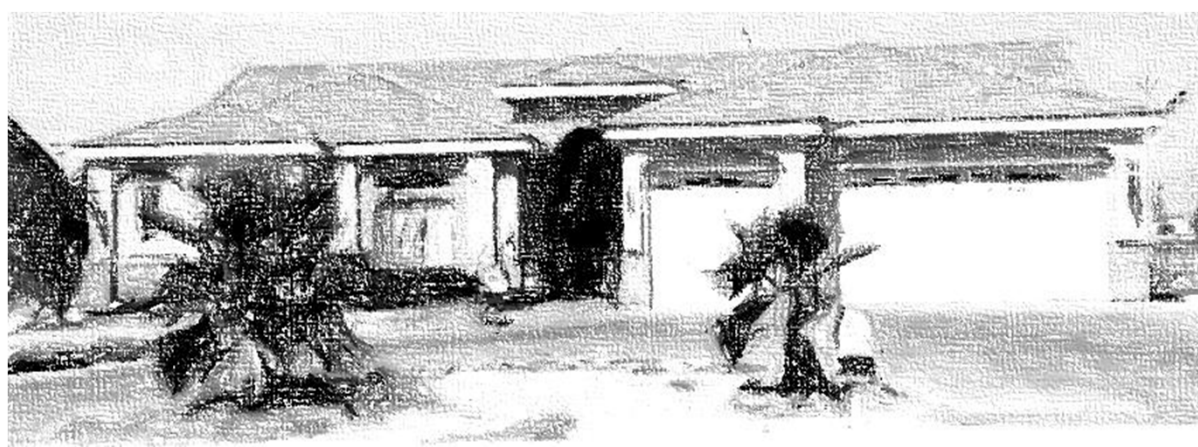
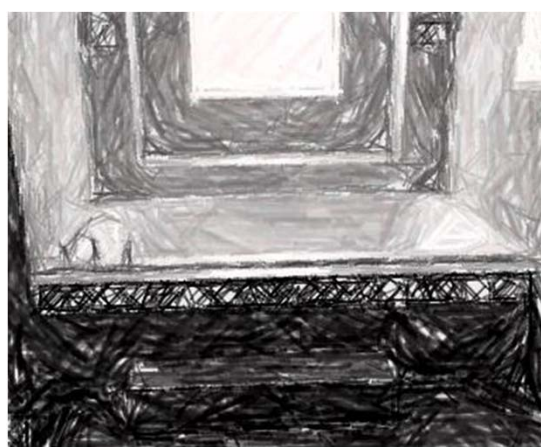
Northern Trends

Population: **614,491** in 2013

Housing Units: **267,161** in 2013

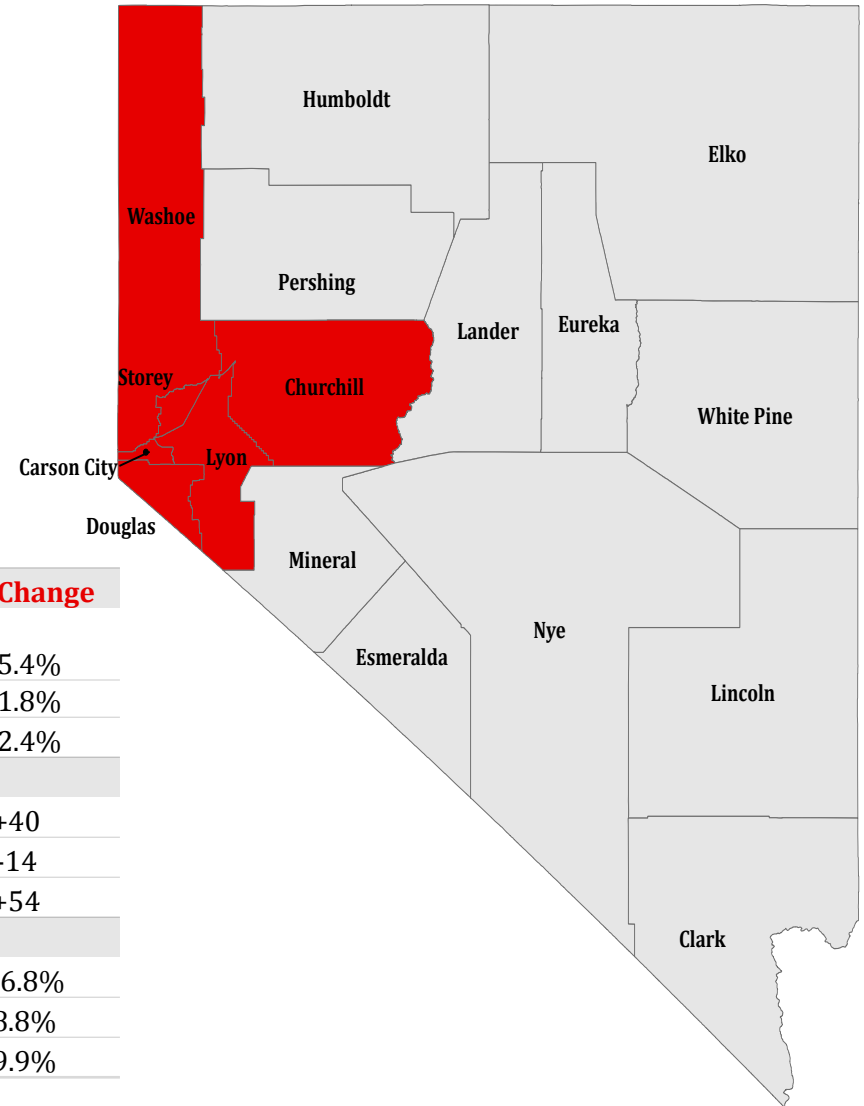
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- Northern Nevada saw a month to month decrease in existing homes sold for the first time in six months. The growth rate in existing homes sold was still stronger than the growth rate in new homes sold, which fell 2 percentage points more than existing home sales. Existing homes sold also had a stronger growth rate in the North than in the South this month, which has been a recent trend.
- Northern Nevada saw a nearly 6 percent decrease in homes sold under distress this month. This was due to a significant decrease in REO sales, as short sales increased slightly this month. The 54 REO sales that occurred in Northern Nevada this month were a six year low.

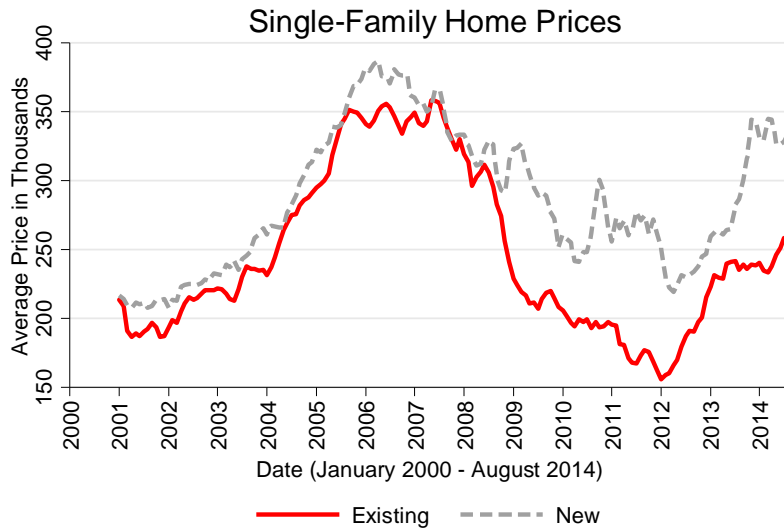


Single-Family Home Sales*	August 2014	M2M Change	Y2Y Change
New	93	-3.8%	-25.4%
Existing	1045	-1.8%	-11.8%
Distress Share	13.2%	-5.8%	-42.4%
Residential Construction			
Total Starts	246	-11	+40
Single-Family	190	+21	-14
Multifamily	56	-32	+54
Average Single-Family Sales Price*			
New	\$334,577	+2.0%	+16.8%
Existing	\$256,003	-0.8%	+8.8%
Distress	\$189,369	-2.6%	+9.9%

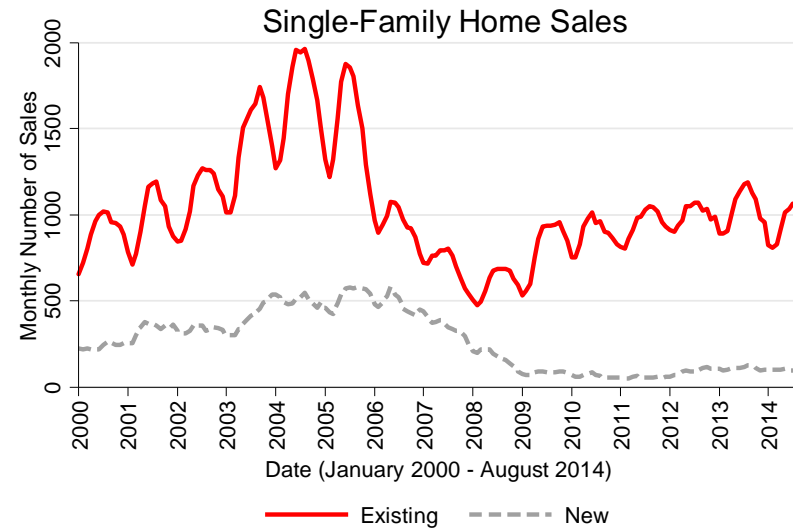
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

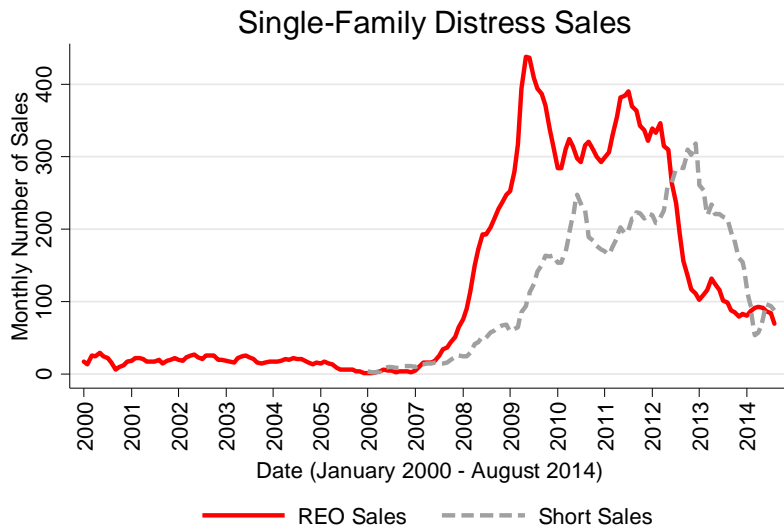
Northern Trends



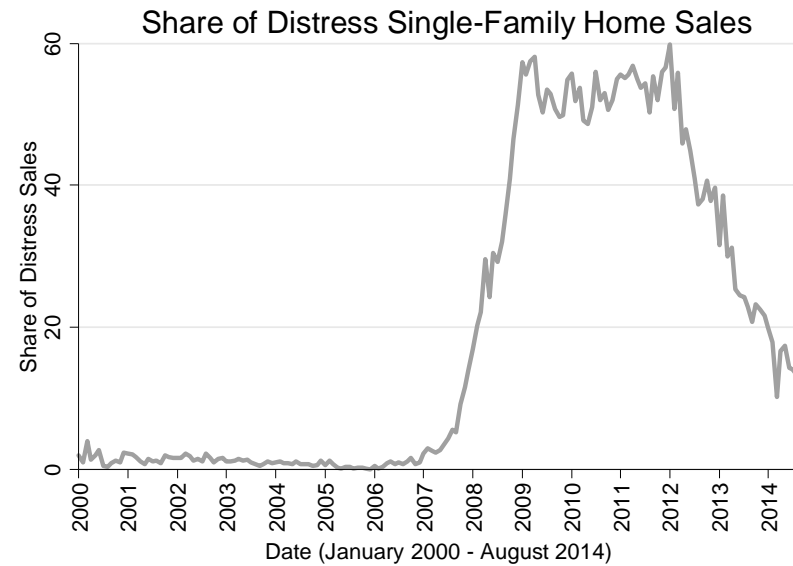
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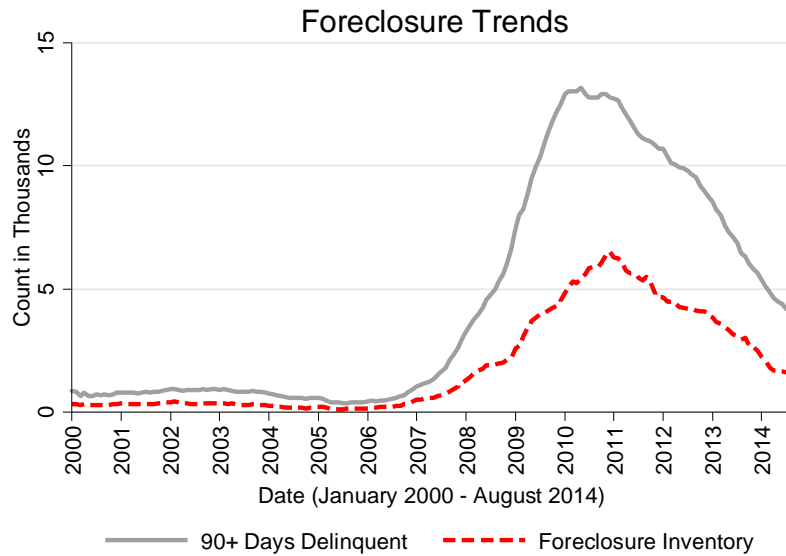


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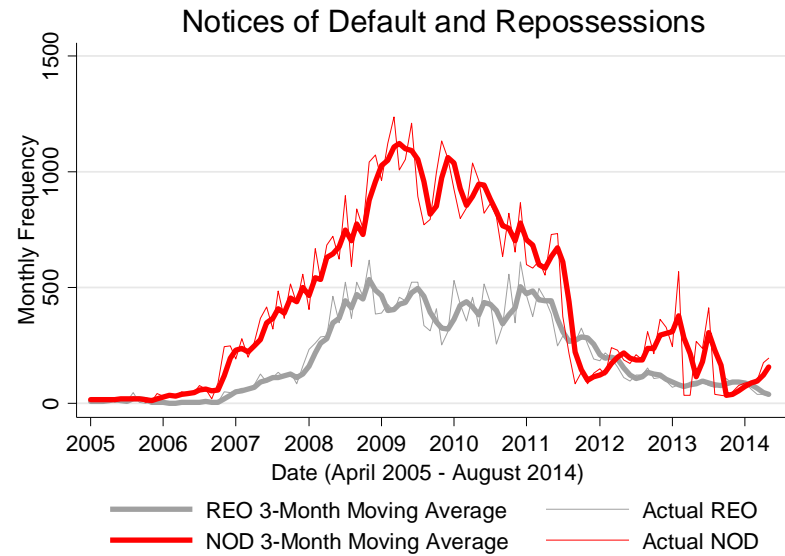


Source: CoreLogic

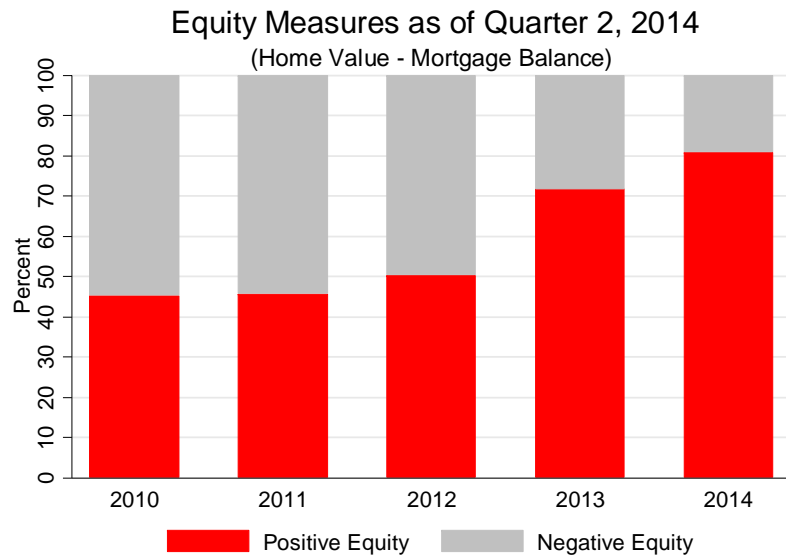
Northern Trends



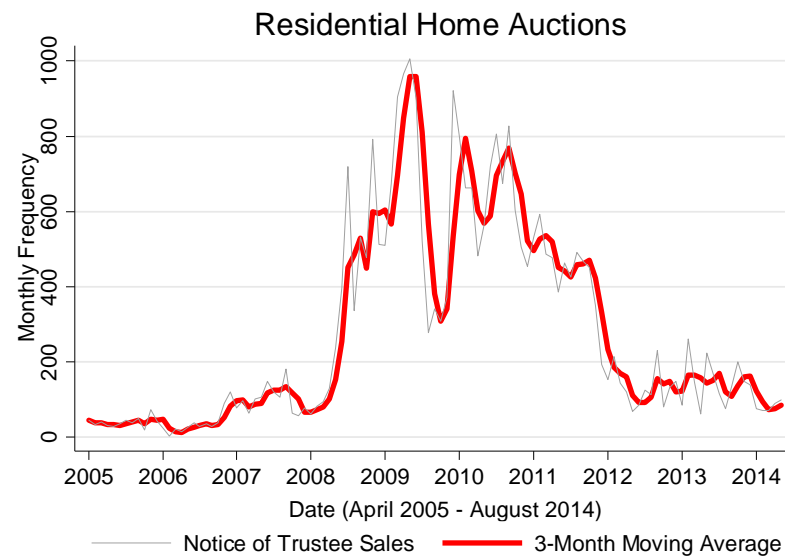
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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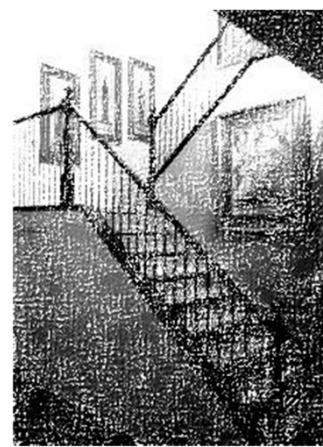
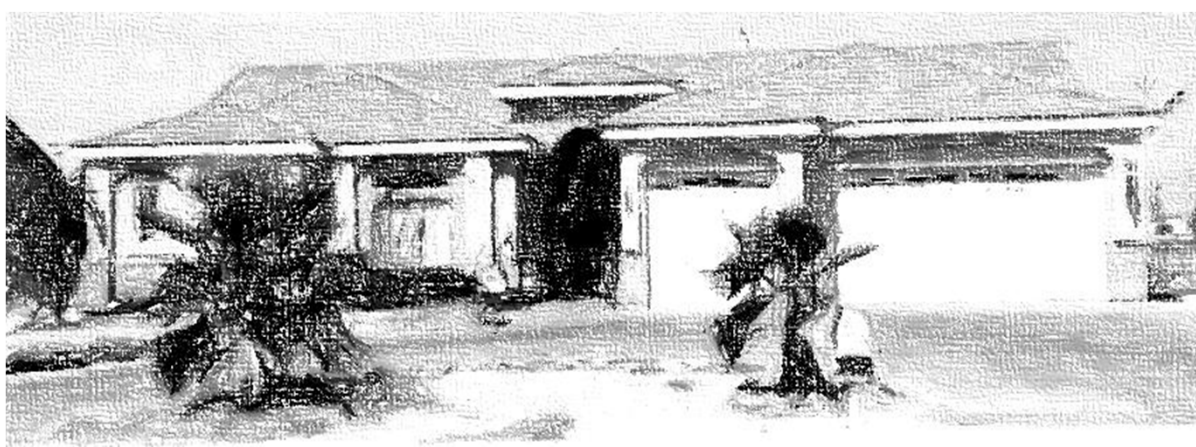
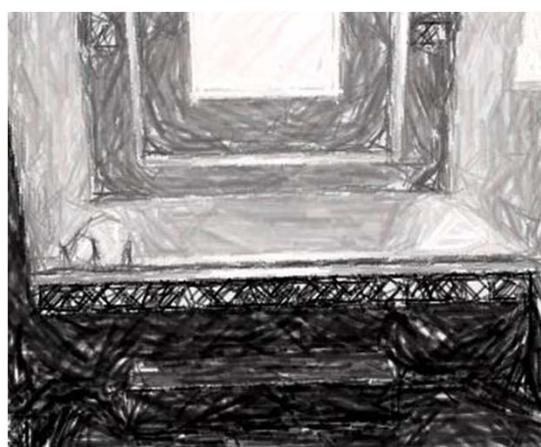
Southern Trends

Population: **2,027,868** in 2013

Housing Units: **854,089** in 2013

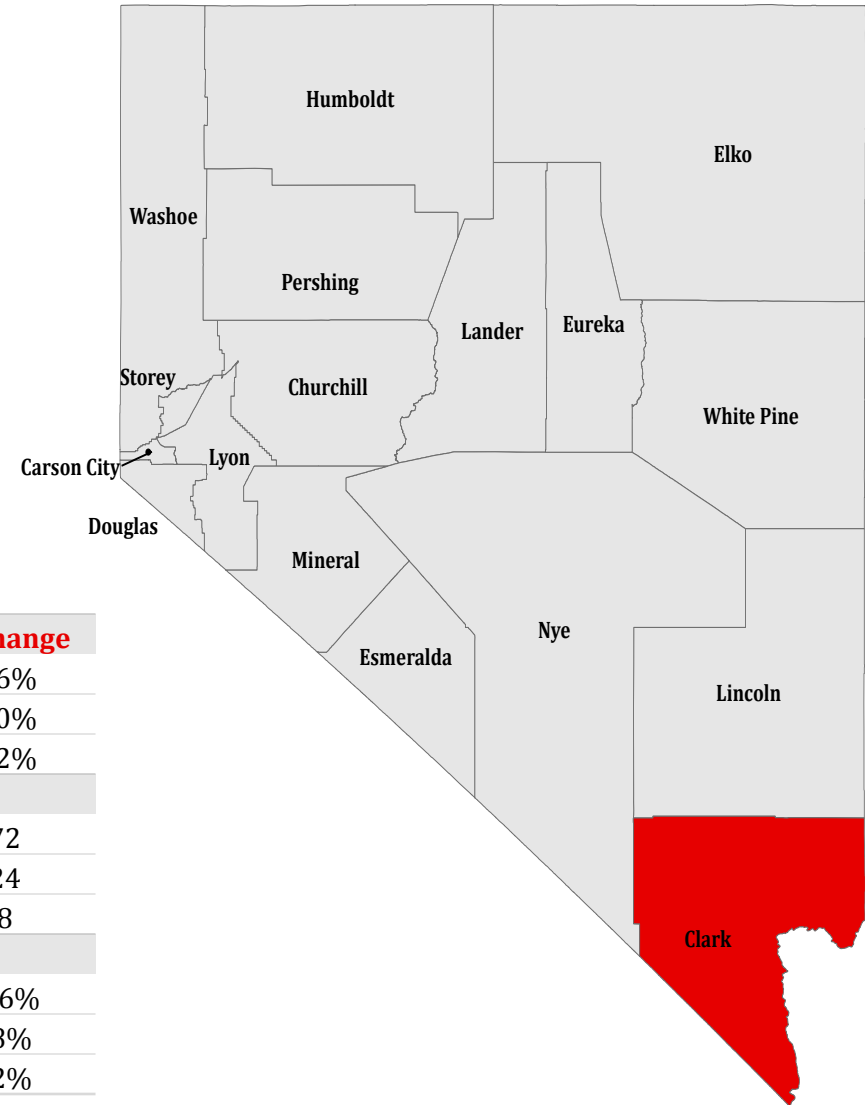
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Southern Nevada was the only region in Nevada to see an increase in new home sales. August marks the fifth consecutive month where new home sales have increased in Southern Nevada.
- ❑ Residential construction starts saw a large decrease from July to August. However, Southern Nevada had an unusually high number of construction starts in July. Residential construction starts in August were typical to that of the rest of 2014.
- ❑ Home prices continue to stabilize each month in Southern Nevada, with price changes typically less than 2 percent. The price for existing and distress properties saw almost no change this month, while new home prices increased by 1.8 percent. The price gap between a new and existing home continues to increase in Southern Nevada and the price gap is now over \$105,000.

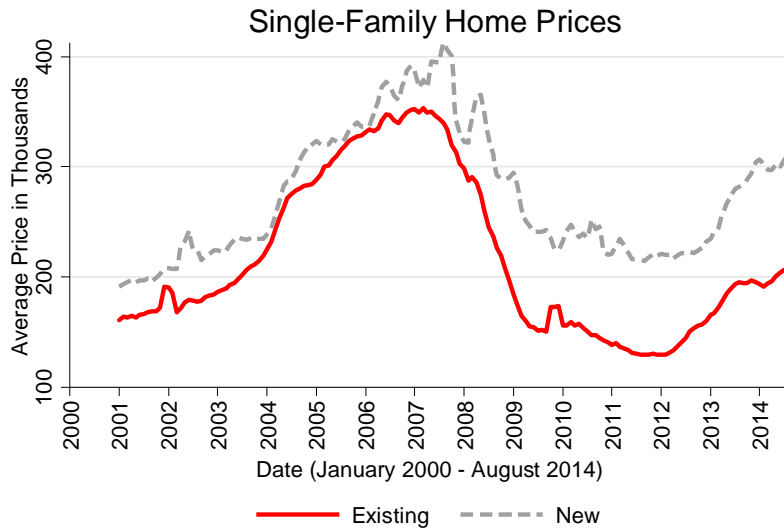


Single-Family Home Sales*	August 2014	M2M Change	Y2Y Change
New	400	+0.8%	-41.6%
Existing	3471	-3.6%	-18.0%
Distress Share	18.6%	-4.2%	-32.2%
Residential Construction			
Total Starts	898	-313	-172
Single-Family	550	-269	-124
Multifamily	348	-44	-48
Average Single-Family Sales Price*			
New	\$311,532	+1.8%	+10.6%
Existing	\$205,967	-0.1%	+5.8%
Distress	\$160,887	-0.3%	+3.2%

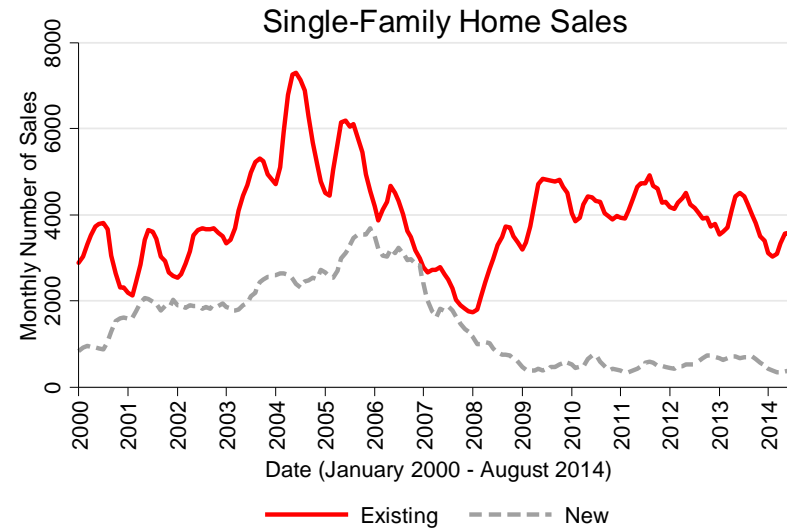
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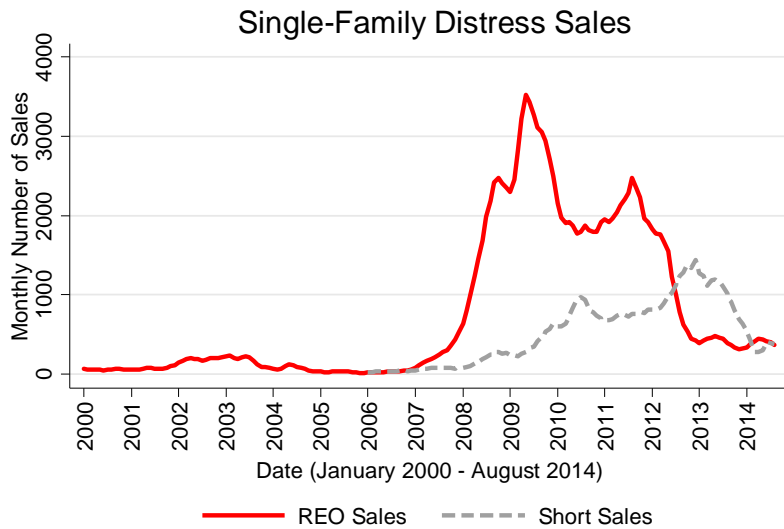
Southern Trends



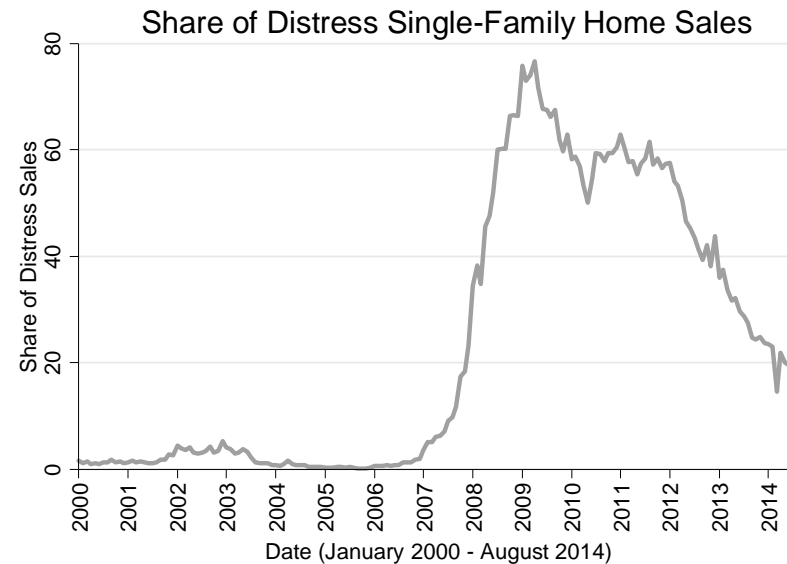
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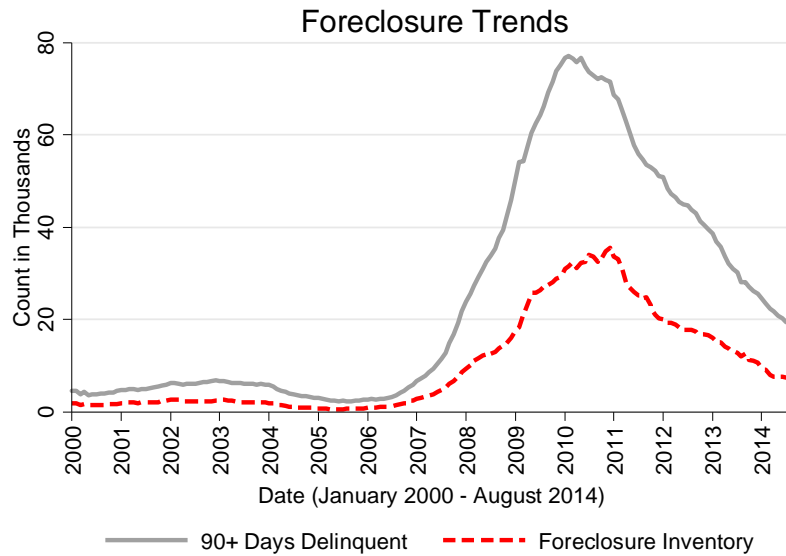


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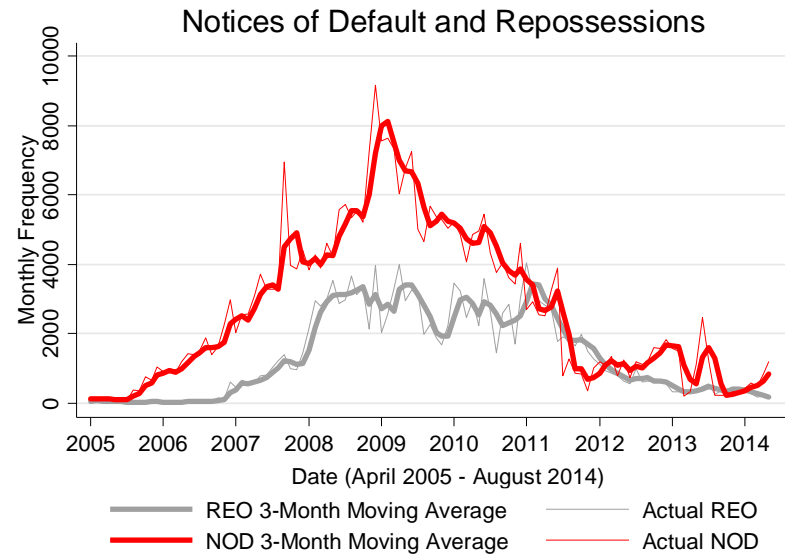


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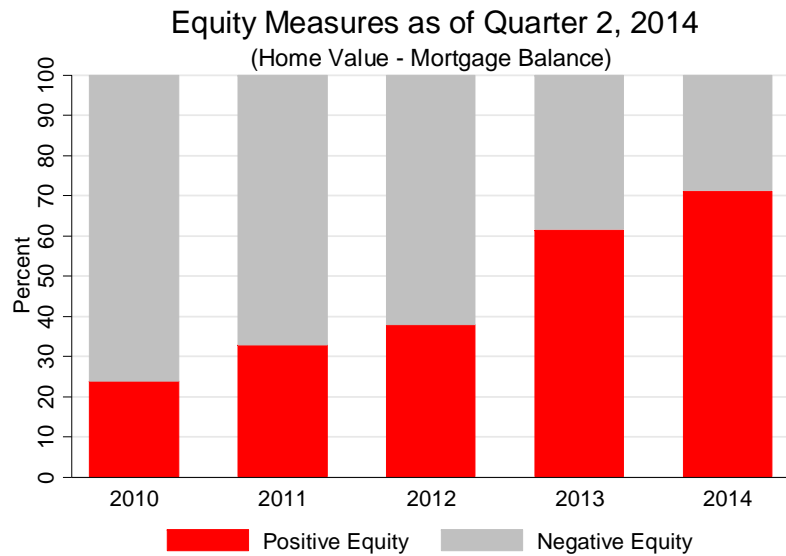
Southern Trends



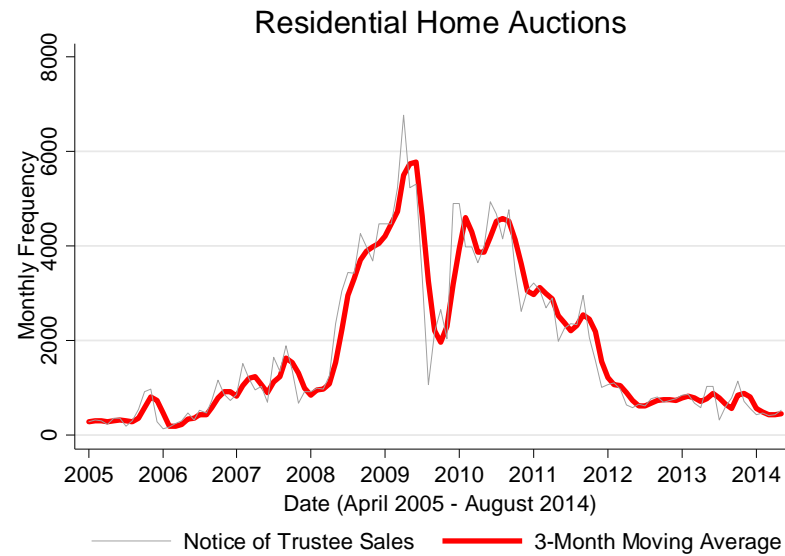
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Source: RealtyTrac



Source: CoreLogic



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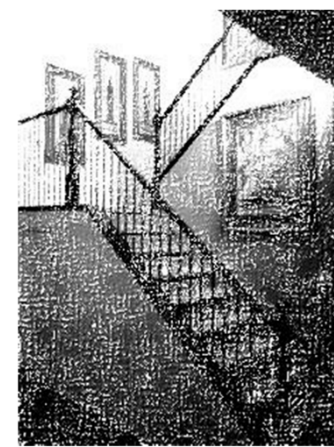
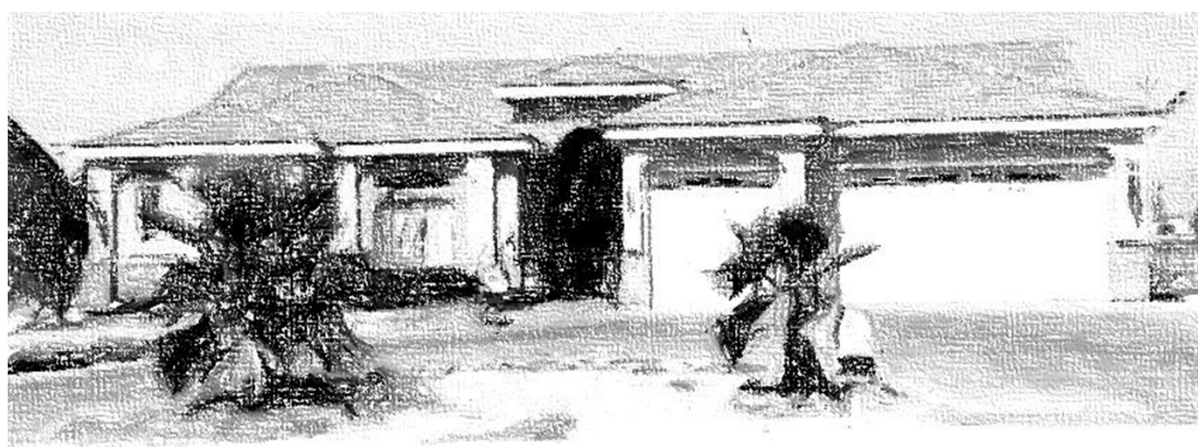
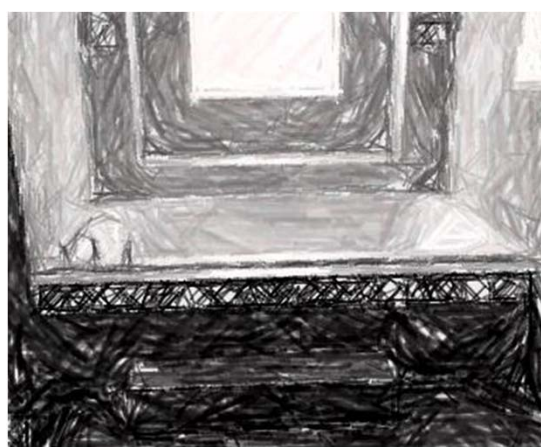
Rural Trends

Population: **147,777** in 2013

Housing Units: **65,629** in 2012

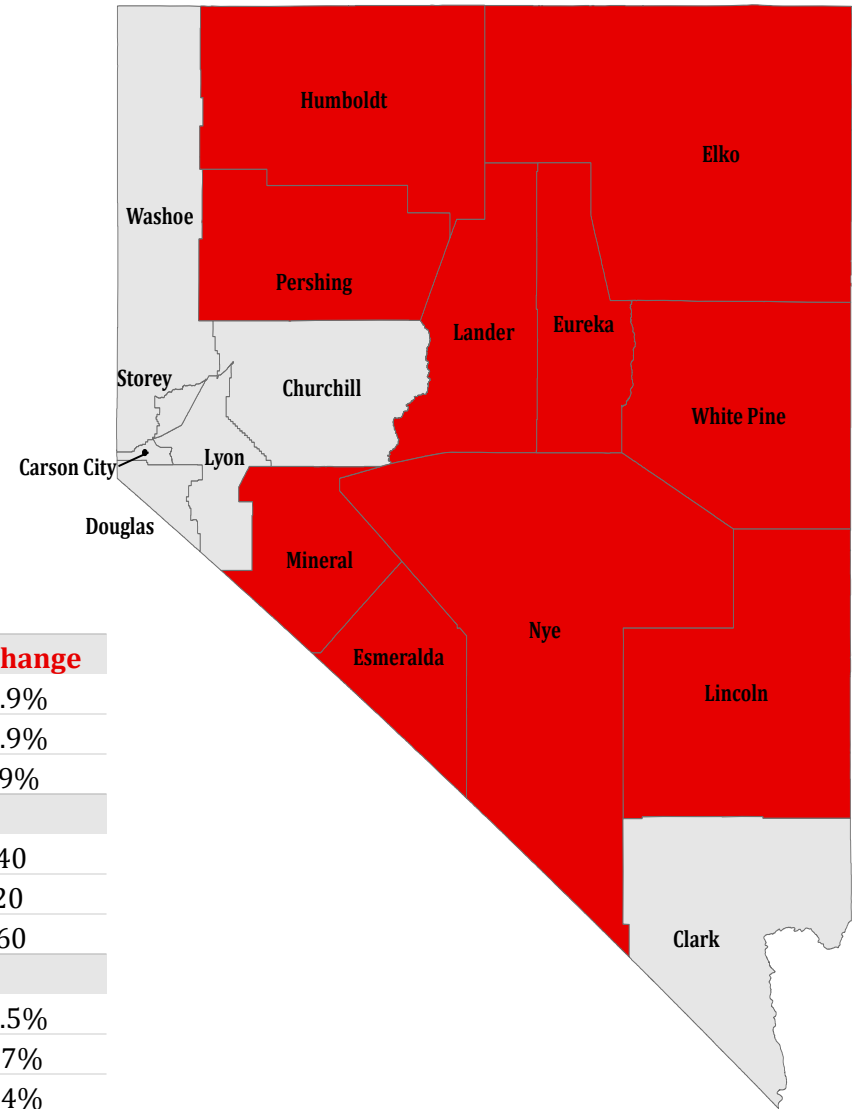
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ Rural Nevada saw a significant decline in homes sold this month. There were only 9 new home sales in Rural Nevada this month – the lowest amount since 2011. Meanwhile, Existing home sales in August were the lowest they had been since 2010.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. The large drop this month was due to REO sales declining this month, as short sales did not change. REO sales have varied around 25 sales each month this year, while there have been almost exactly 5 short sales each month this year in Rural Nevada.
- ❑ The price of homes sold under distress saw a large increase this month in Rural Nevada. However, distress home prices are almost exactly what they were this time last year in Rural Nevada.

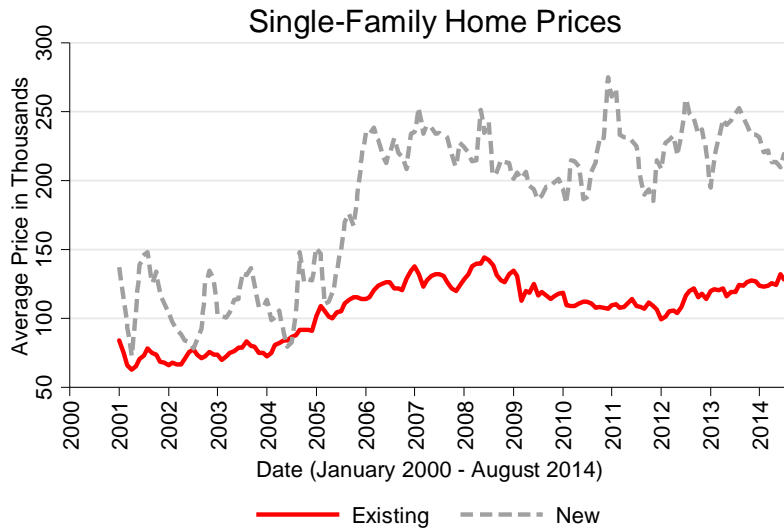


Single-Family Home Sales*	August 2014	M2M Change	Y2Y Change
New	9	-34.9%	-68.9%
Existing	151	-6.0%	-29.9%
Distress Share	13.2%	-23.6%	-8.9%
Residential Construction			
Total Starts	79	+60	+40
Single-Family	15	-4	-20
Multifamily	64	+64	+60
Average Single-Family Sales Price*			
New	\$218,214	-0.4%	-13.5%
Existing	\$132,123	+3.5%	+6.7%
Distress	\$101,524	+21.1%	+1.4%

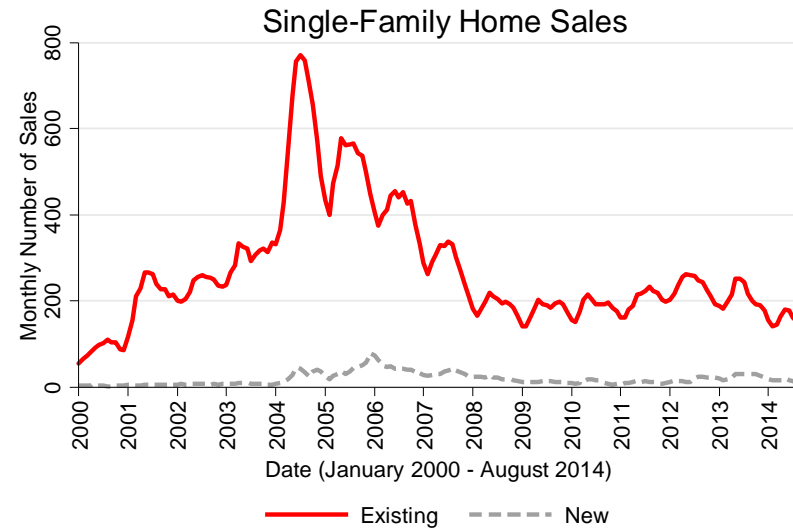
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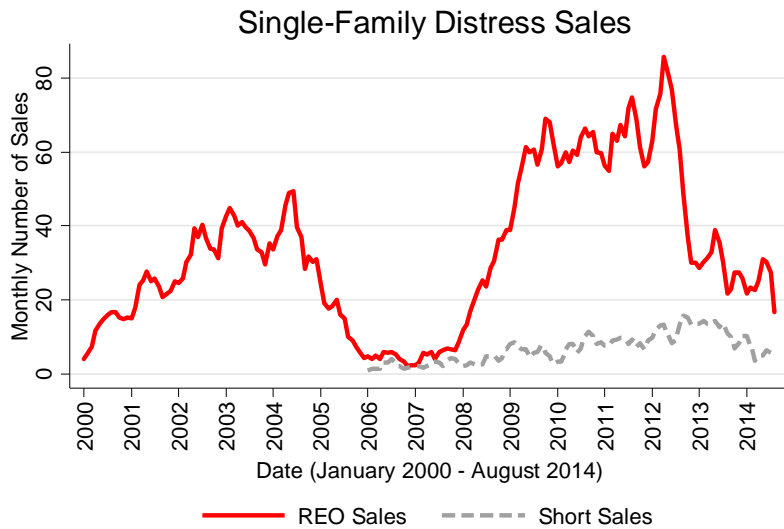
Rural Trends



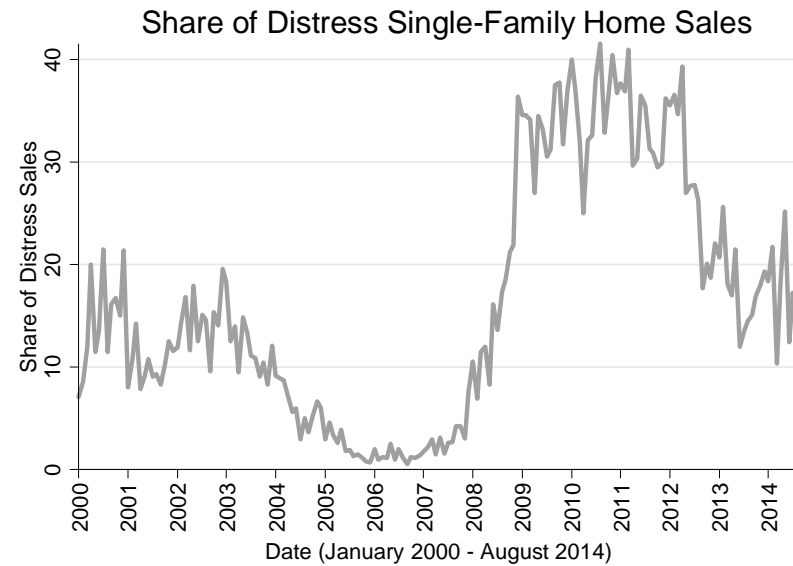
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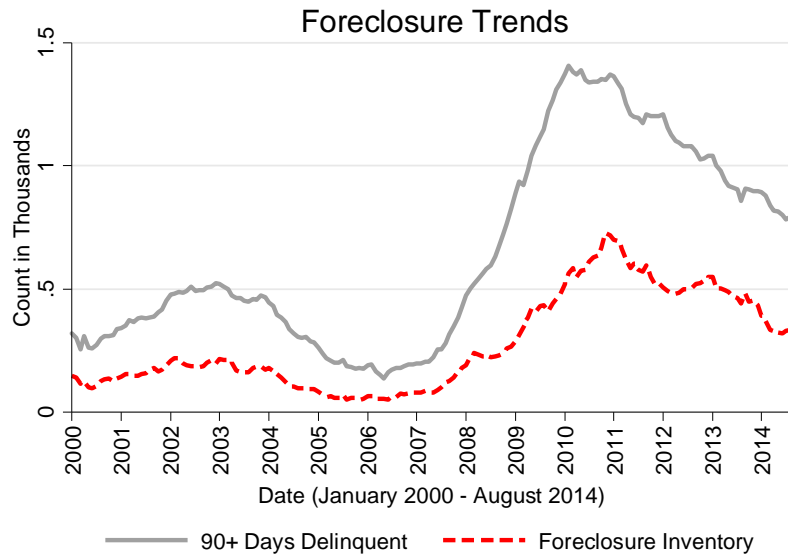


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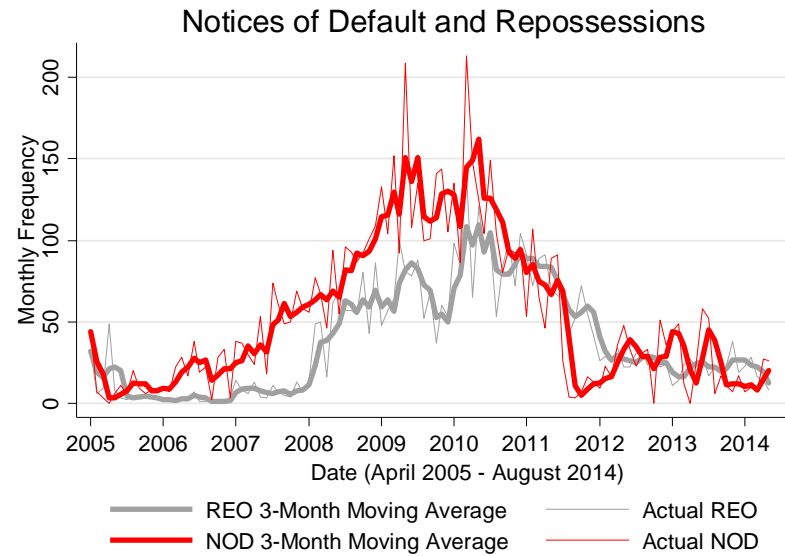


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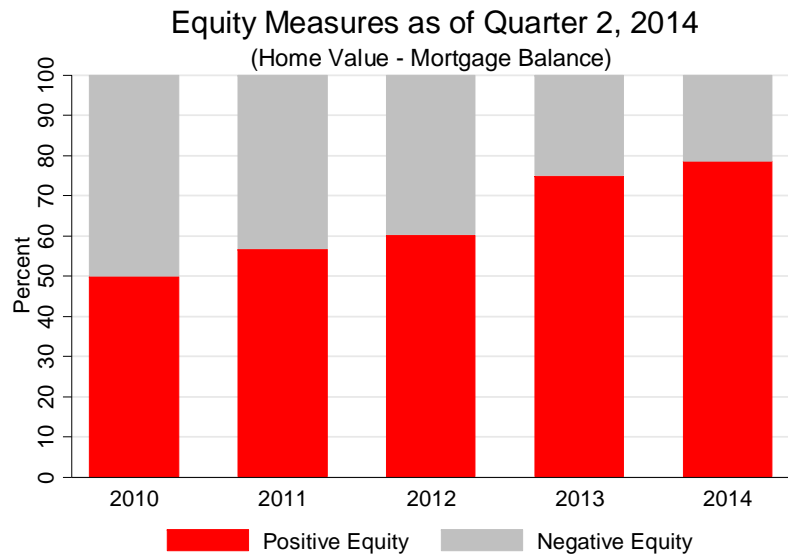
Rural Trends



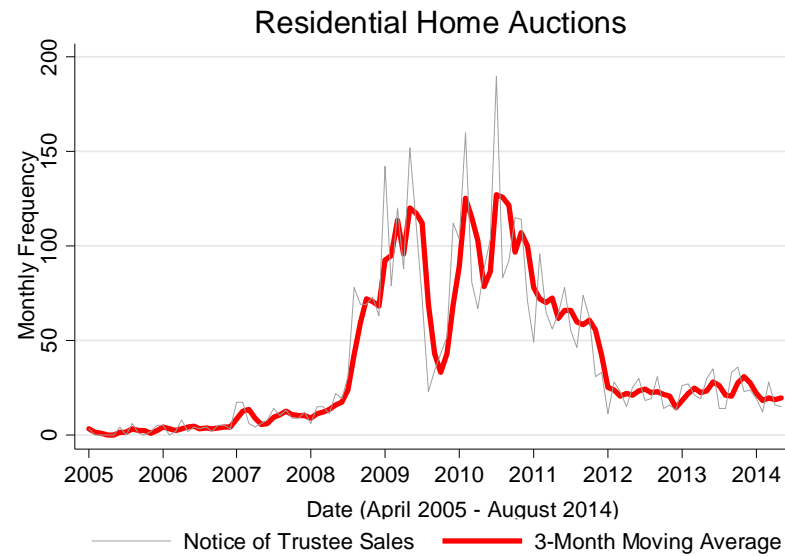
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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.

About the Department of Business & Industry

The Department of Business and Industry is a cabinet level agency in the Nevada State government. The Department's objective is to encourage and promote the development and growth of business and to ensure the legal operation of business in order to protect consumers by maintaining a fair and competitive regulatory environment. The Director's office at Business and Industry manages a number of programs and initiatives to address the needs of small businesses, homeowners and consumers including small business advocacy, bond programs, access to capital, housing retention programs, constituent services and fraud prevention and education.

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