

August 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.

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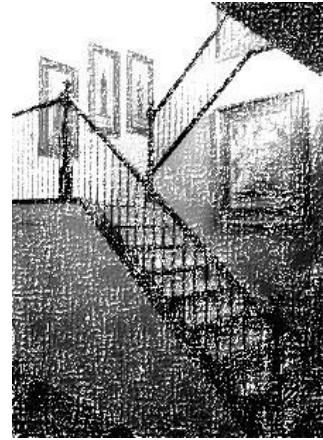
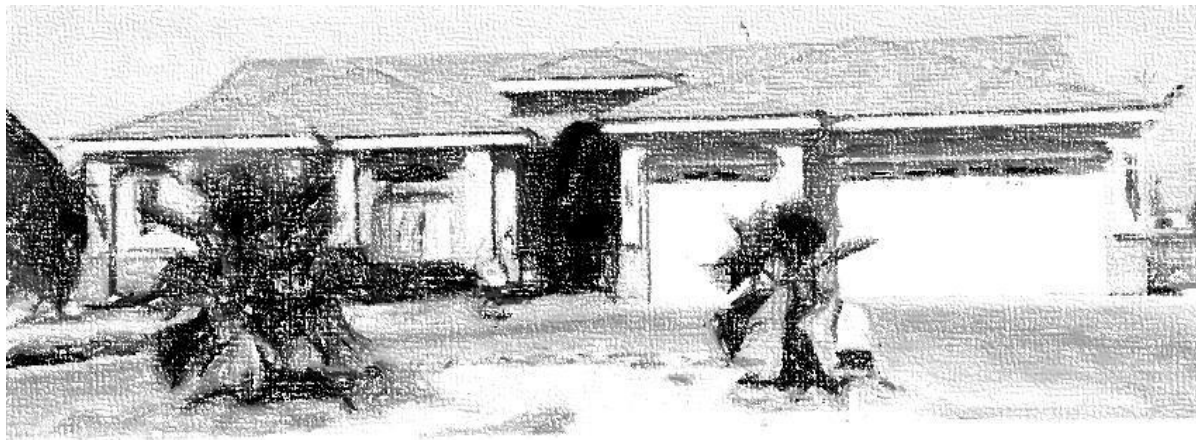
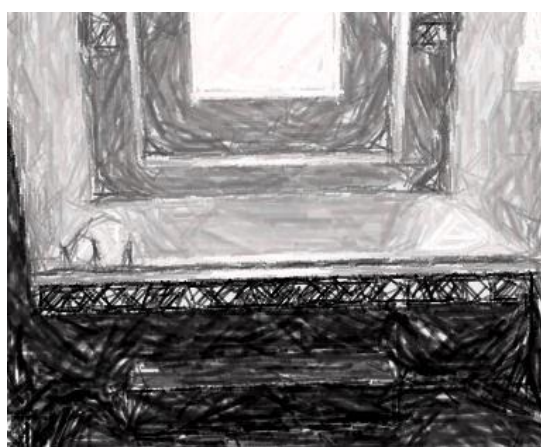
Nevada's Housing Market | August 2016

Nevada Statewide Trends

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

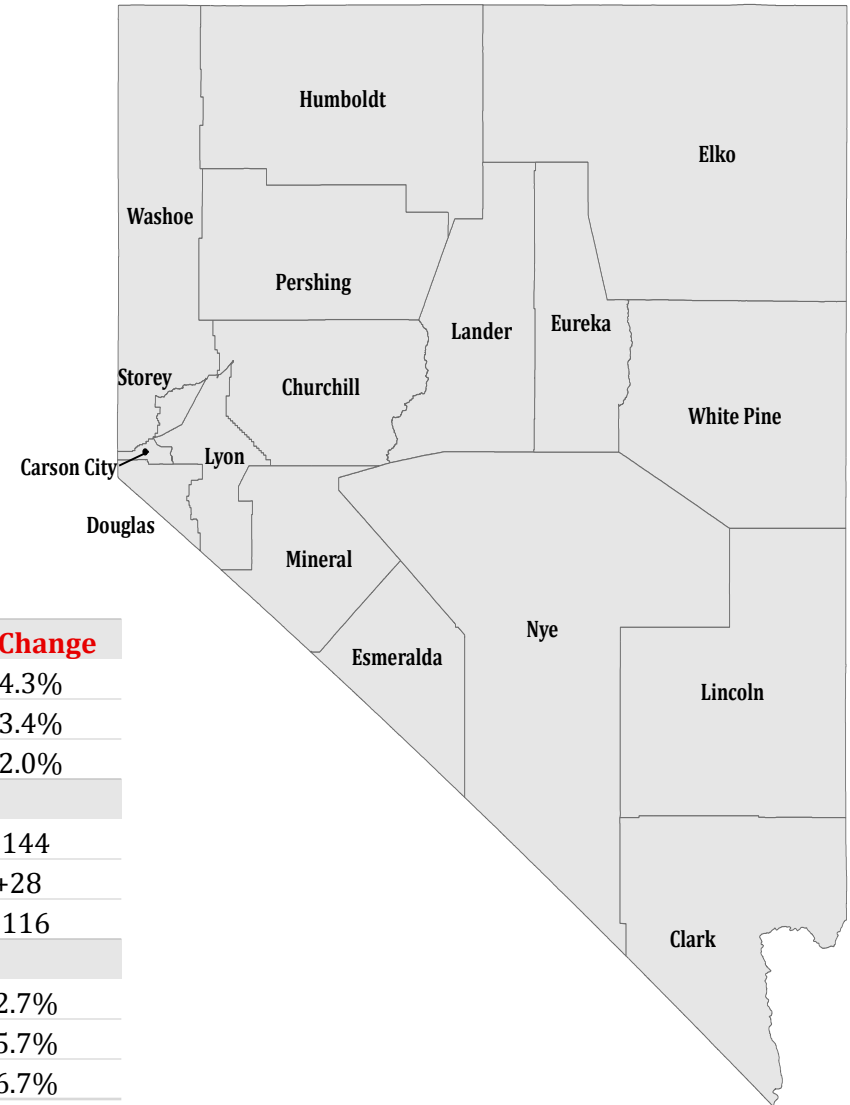
Housing Units: **1,209,756** in 2015

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



Nevada Statewide Trends

- ❑ New and existing home sales decreased on a month to month and year to year basis for all three regions in Nevada.
- ❑ Single-family and multifamily starts decreased on a month to month basis for both Northern and Southern Nevada. Statewide permits increased on a year over year basis.
- ❑ Northern and Rural Nevada saw a large increase in the distress share while Southern Nevada saw a decrease. The statewide distress share decreased 2.6 percentage points on a year to year basis.
- ❑ Both Northern and Southern Nevada saw large month to month decreases in new home prices. Existing home prices saw very little change in both regions. New home and existing home prices were up on a year to basis for both regions.



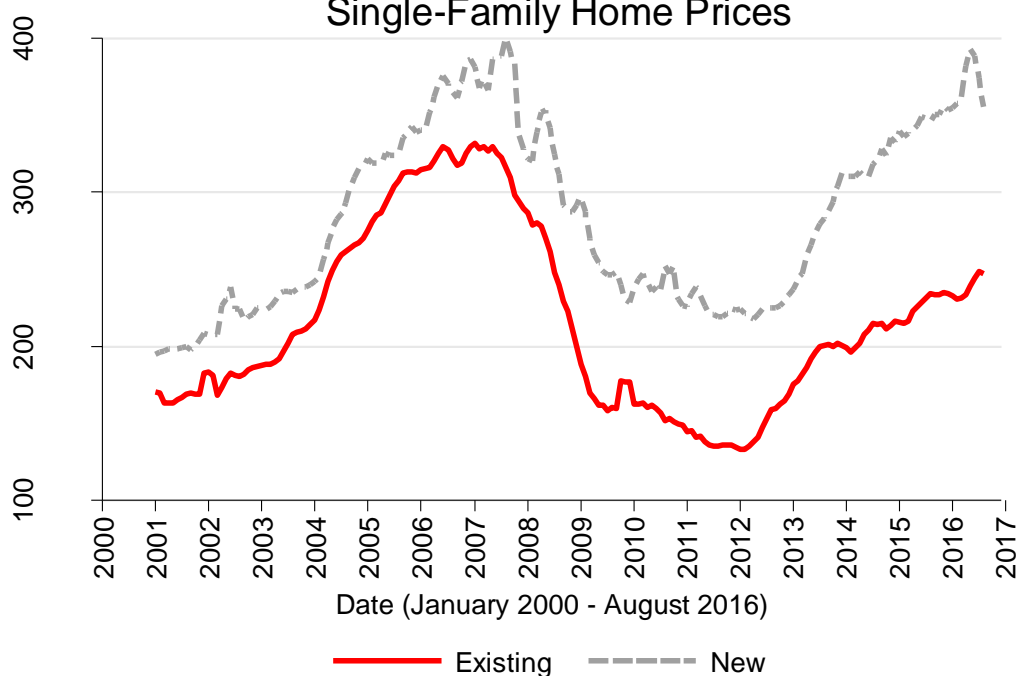
Single-Family Home Sales*	August 2016	M2M Change	Y2Y Change
New	743	-10.0%	-14.3%
Existing	4,928	-9.8%	-13.4%
Distress Share	9.3%	+0.3%	-22.0%
Residential Construction			
Total Starts	1,187	-231	+144
Single-Family	893	-141	+28
Multifamily	294	-90	+116
Average Single-Family Sales Price*			
New	\$355,617	-5.0%	+2.7%
Existing	\$247,490	-0.4%	+5.7%
Distress	\$190,117	+1.3%	+6.7%

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

*Figures portray Three-Month Moving Weighted Averages

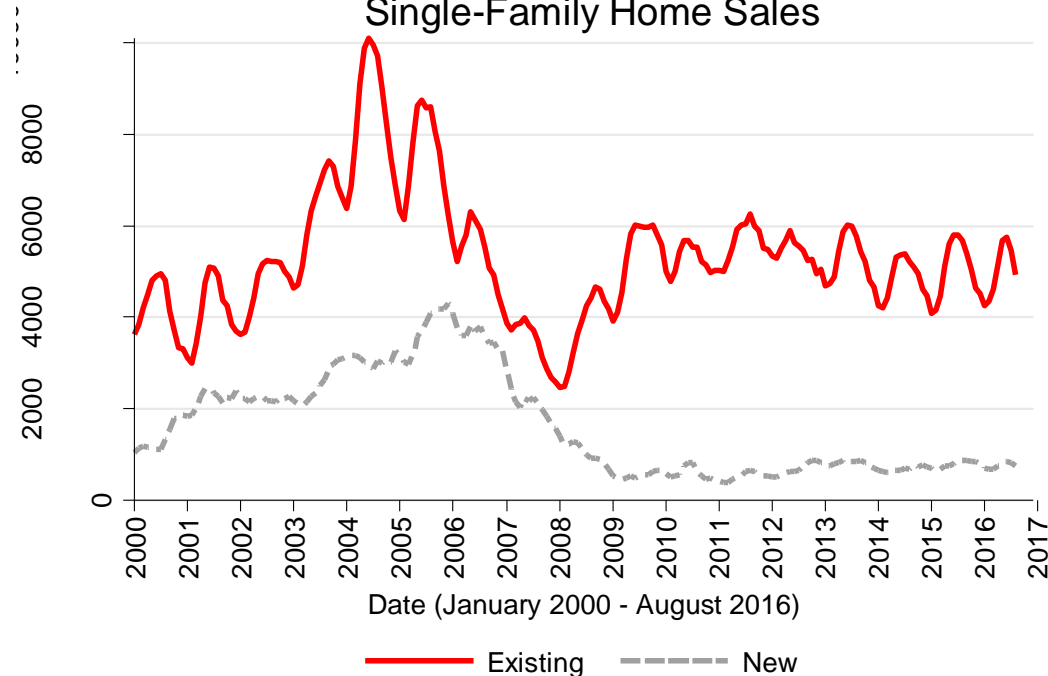
Nevada Statewide Trends

Single-Family Home Prices



Note: Series are 3-month weighted moving averages.

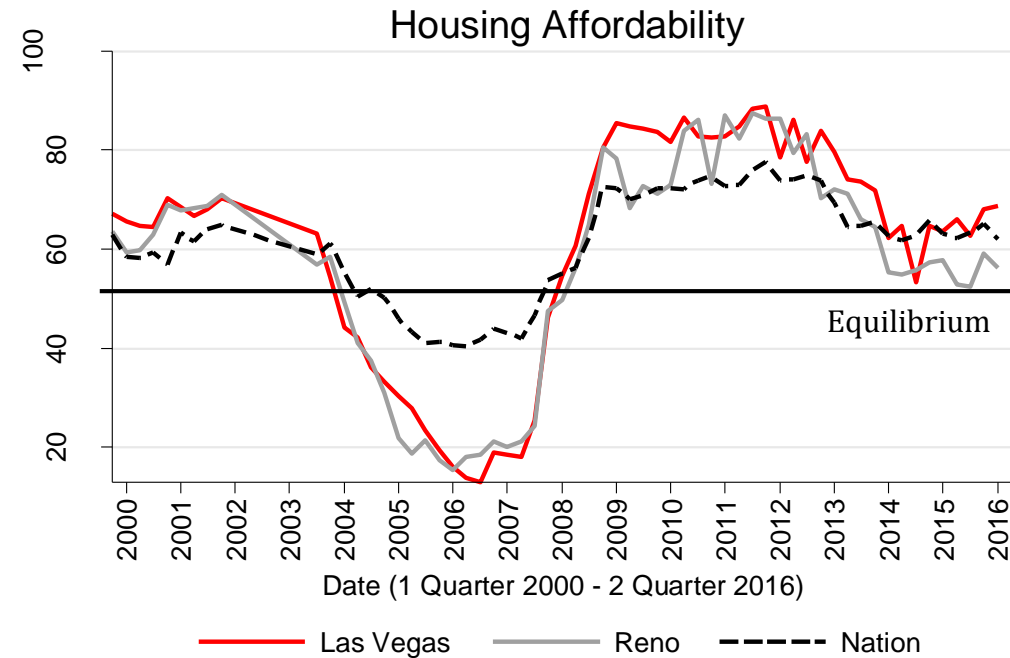
Single-Family Home Sales



Note: Series are 3-month weighted moving averages.

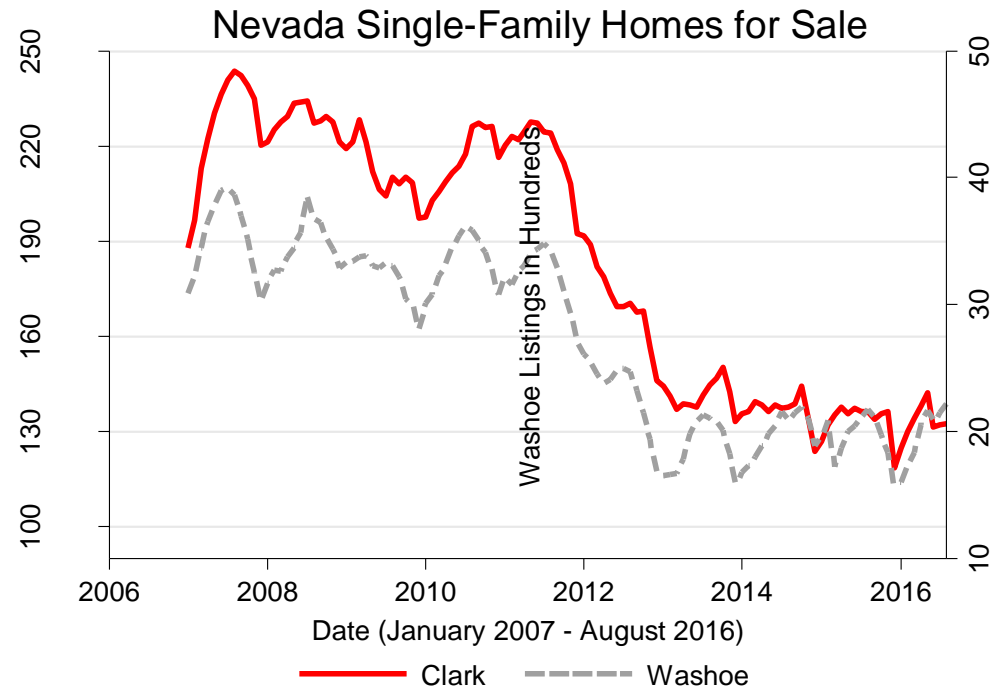
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

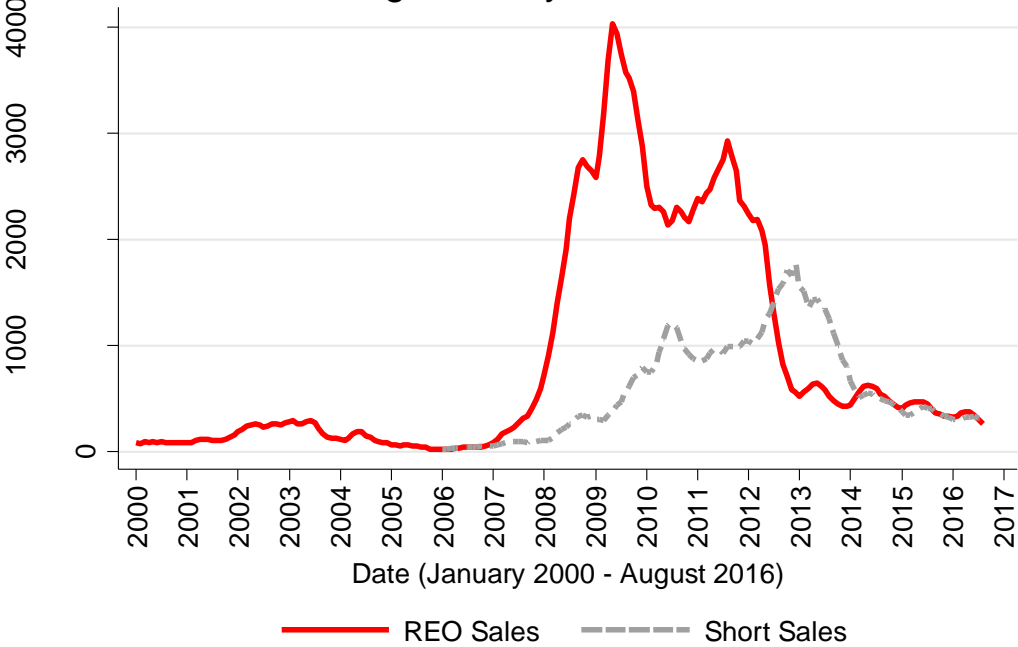


Source: Greater Las Vegas Association of Realtors and Reno-Sparks Association of Realtors

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.

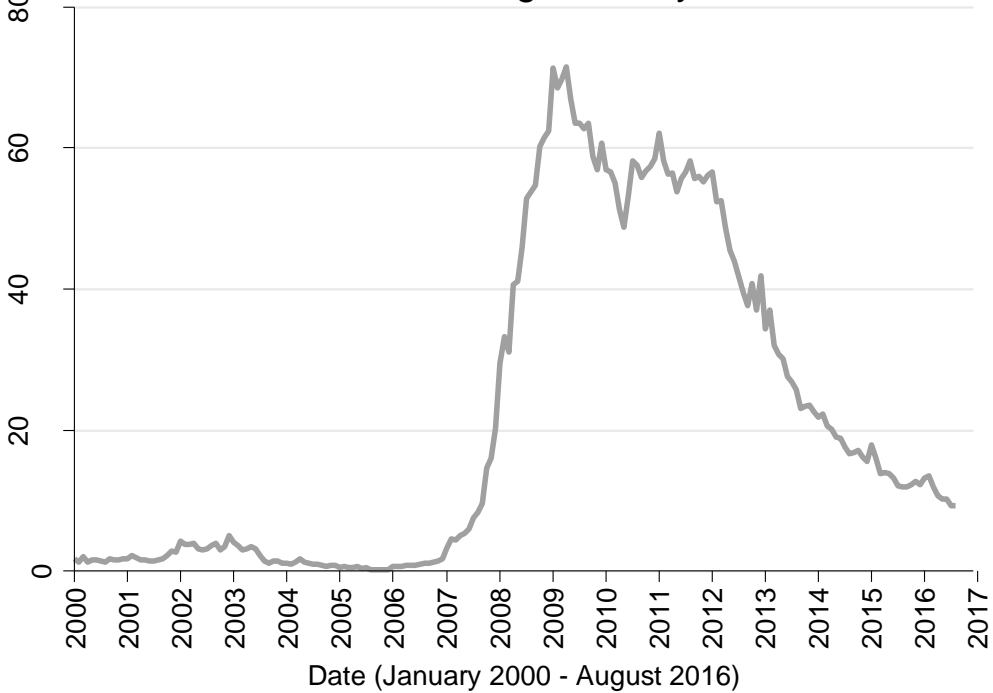
Nevada Statewide Trends

Single-Family Distress Sales



Note: Series are 3-month weighted moving averages.

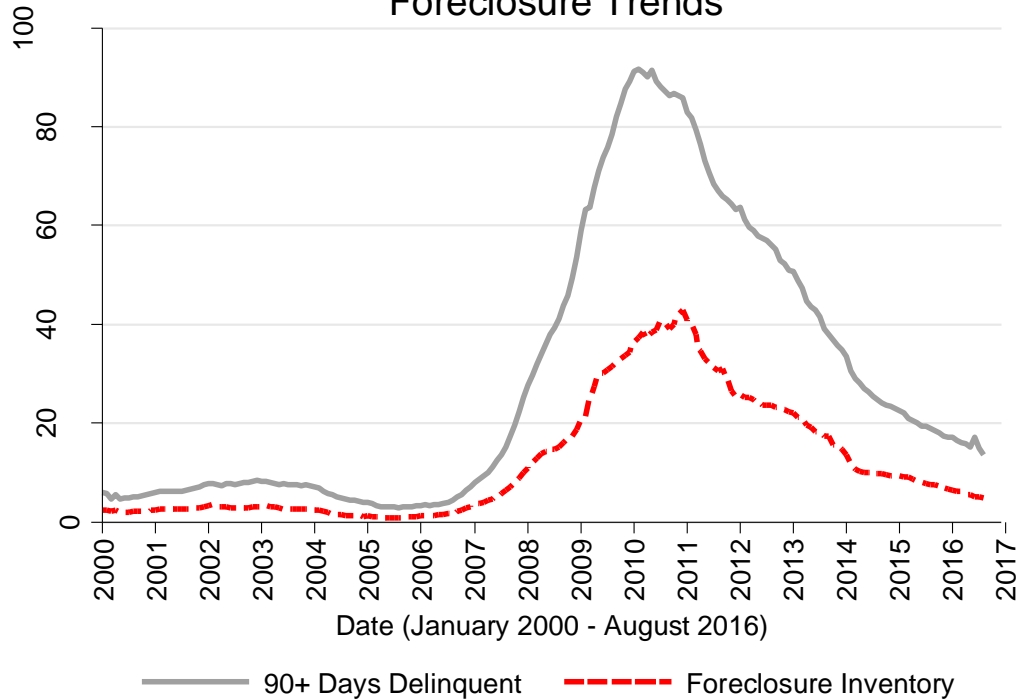
Share of Distress Single-Family Home Sales



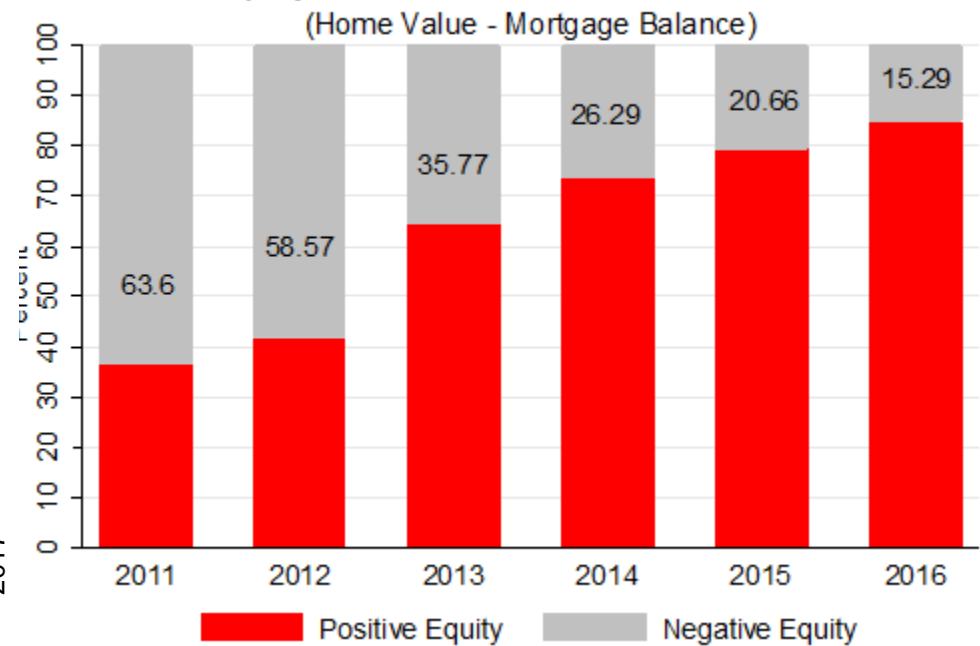
Single-Family Distress Sales is a figure that displays the monthly number of Real Estate Owned (REO) sales and short sales. REO sales are homes that have been repossessed by lenders through foreclosure and then sold in the market. Short sales, on the other hand, are homes that were sold for an amount 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

Foreclosure Trends



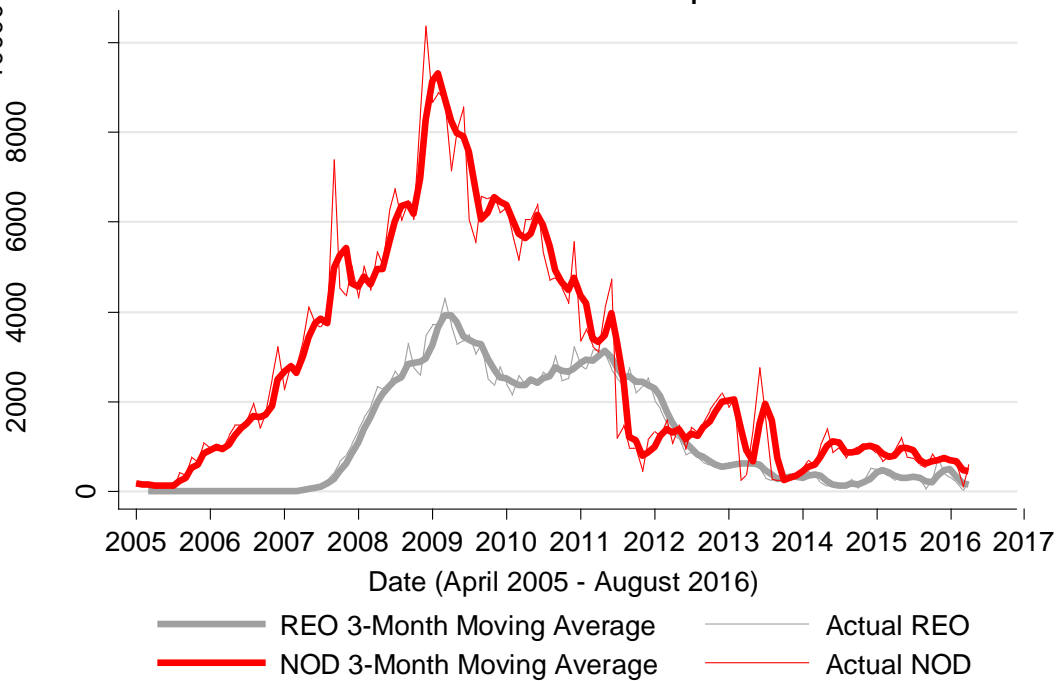
Equity Measures as of Quarter 2, 2016



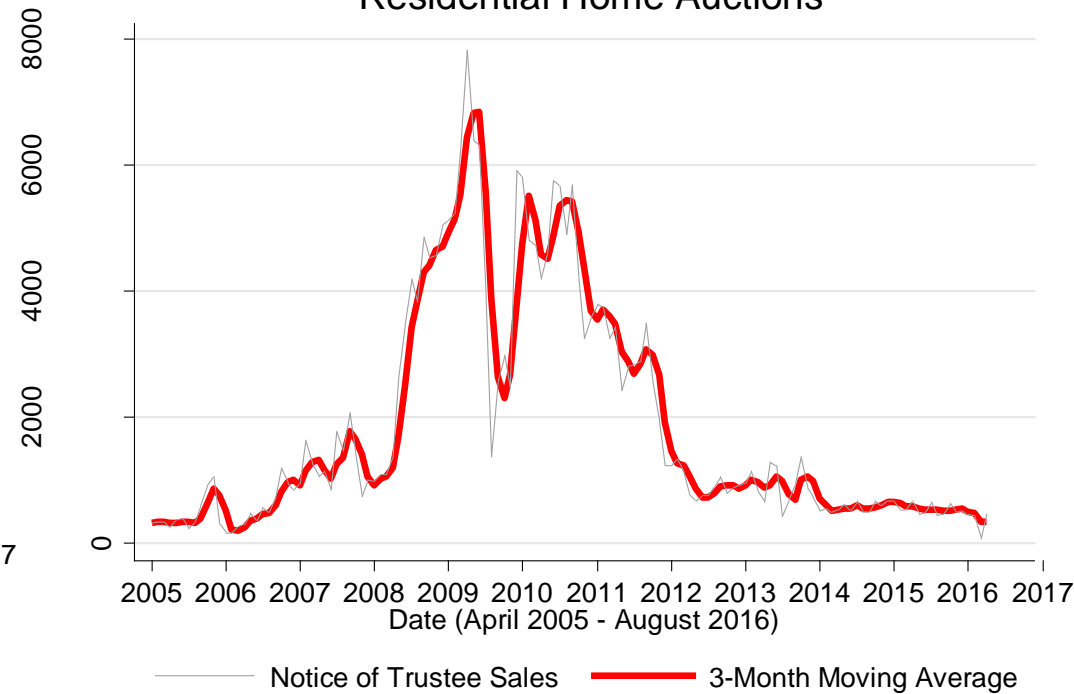
The Foreclosure Trends figure includes two series: the 90+ Days Delinquent series and the Foreclosure Inventory series. The 90+ Days Delinquent series consists of the number of homes that are secured by a loan in default for 90 days or more. This includes homes that are in the process of being foreclosed. 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



Residential Home Auctions

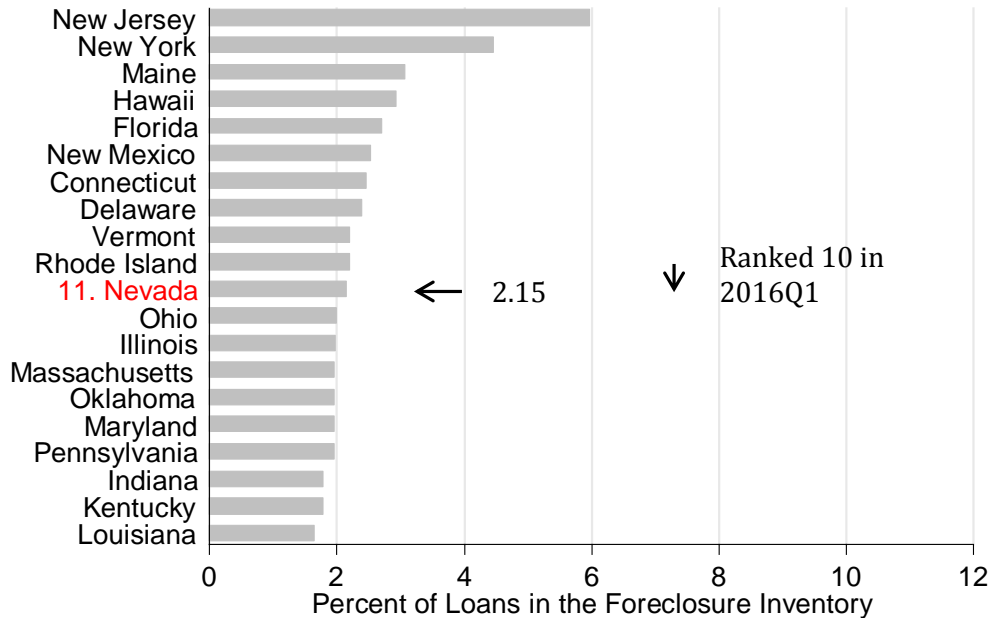


The first figure shows the monthly number of Notices of Default and Repossessions. The Notice of Default (NOD) is the initial stage of foreclosure that starts at least 90 days after the homeowner's mortgage default date. Not all homes that receive a NOD will necessarily be foreclosed. There exist other 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

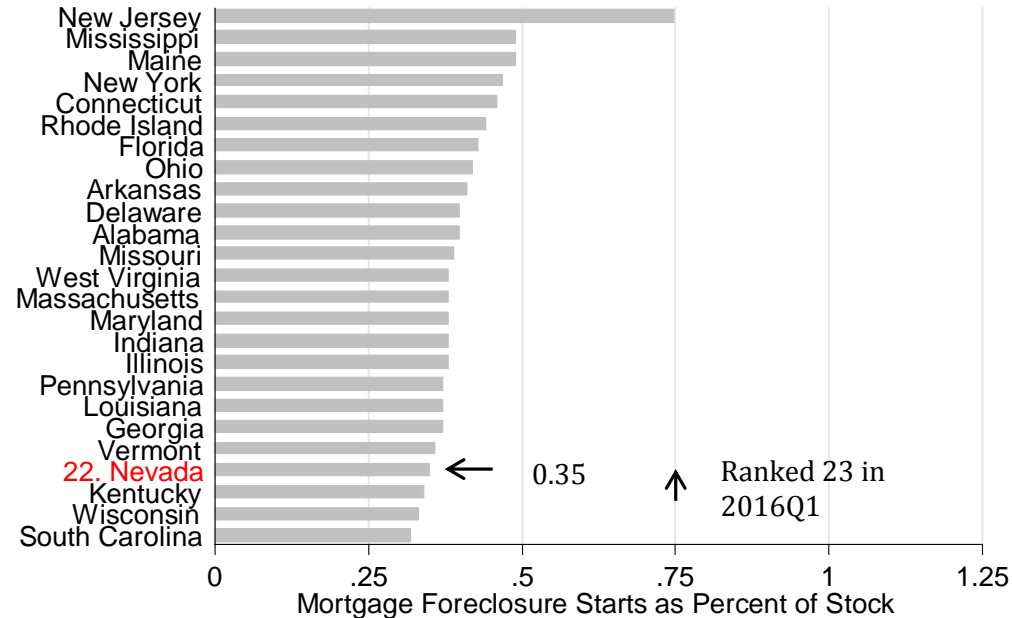
2nd Quarter 2016



Source: Mortgage Bankers Association's National Delinquency Survey

Top 25 States in Foreclosure Starts

2nd Quarter 2016



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 25 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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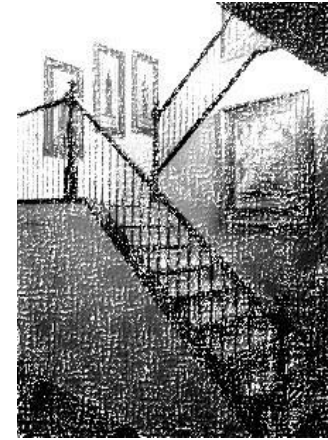
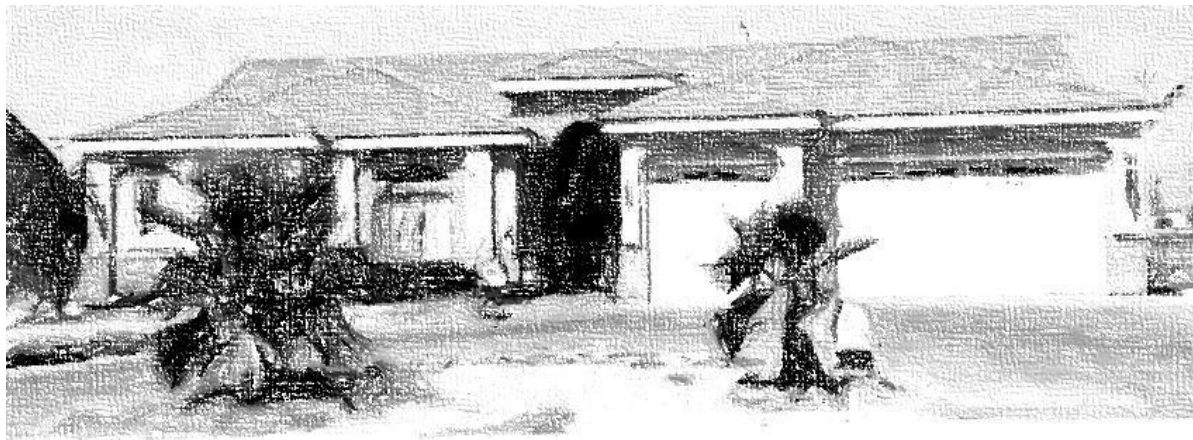
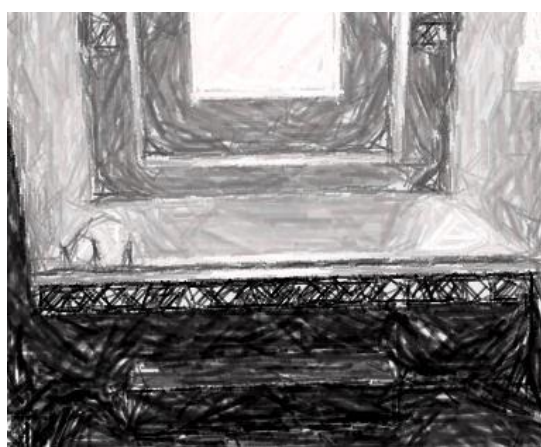
Northern Trends

Population: **629,906** in 2015

Housing Units: **271,431** in 2015

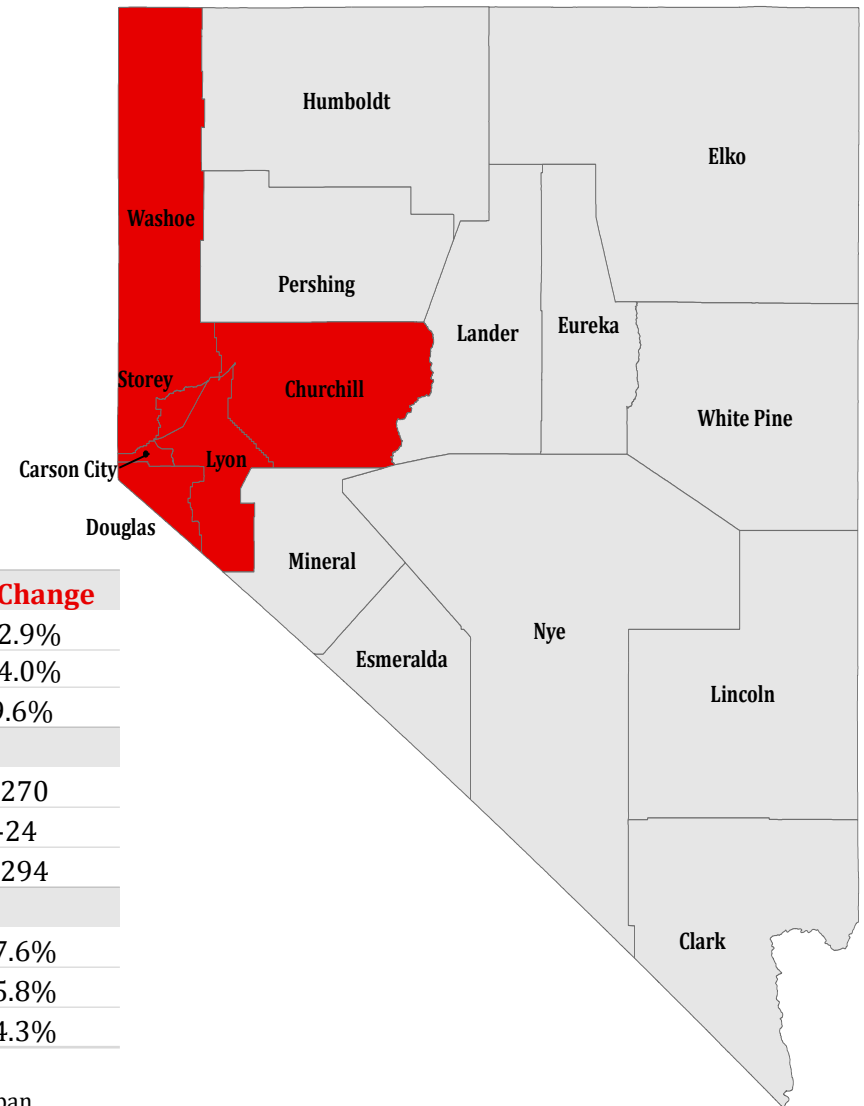
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ New home sales decreased by more than 10 percent for the second consecutive month. August 2016 new home sales were the lowest they had been since January 2014.
- ❑ The share of homes sold under distress saw an increase after six consecutive months with a decrease. At 5.9 percent, the August 2016 distress share was up 1.2 percentage points on a month to month basis and down 0.6 percentage points on a year to year basis.
- ❑ Despite a large month to month decrease, multifamily starts were still very high for Northern Nevada (294).
- ❑ New home prices decreased by more than 2 percent on a month to month basis for the first time since May 2015. Existing home prices were nearly unchanged.

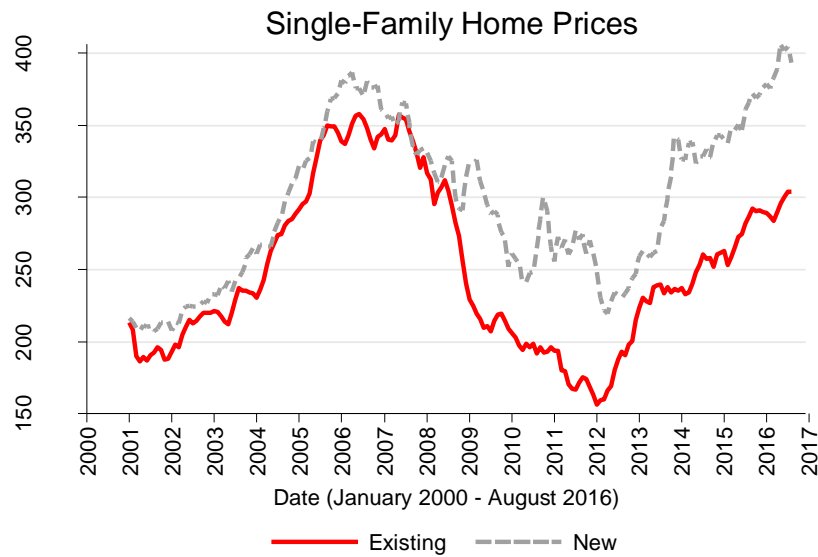


Single-Family Home Sales*	August 2016	M2M Change	Y2Y Change
New	109	-15.5%	-32.9%
Existing	1,093	-13.0%	-14.0%
Distress Share	5.9%	+25.4%	-9.6%
Residential Construction			
Total Starts	461	-172	+270
Single-Family	167	-92	-24
Multifamily	294	-80	+294
Average Single-Family Sales Price*			
New	\$393,714	-2.7%	+7.6%
Existing	\$303,809	+0.1%	+5.8%
Distress	\$208,928	+0.6%	+4.3%

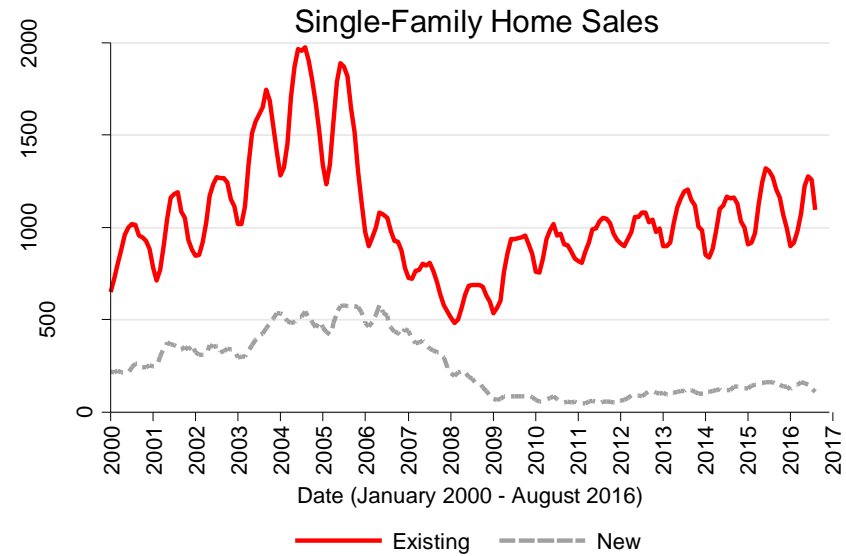
Source: Lied Institute calculations and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

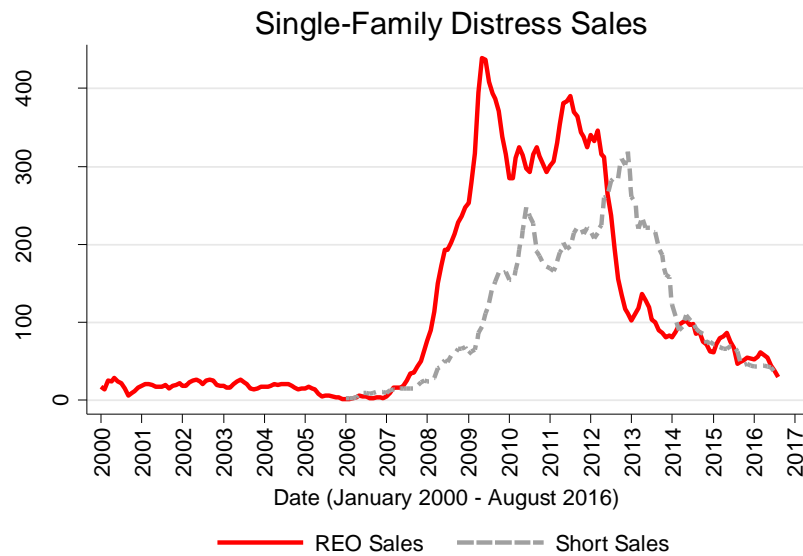
Northern Trends



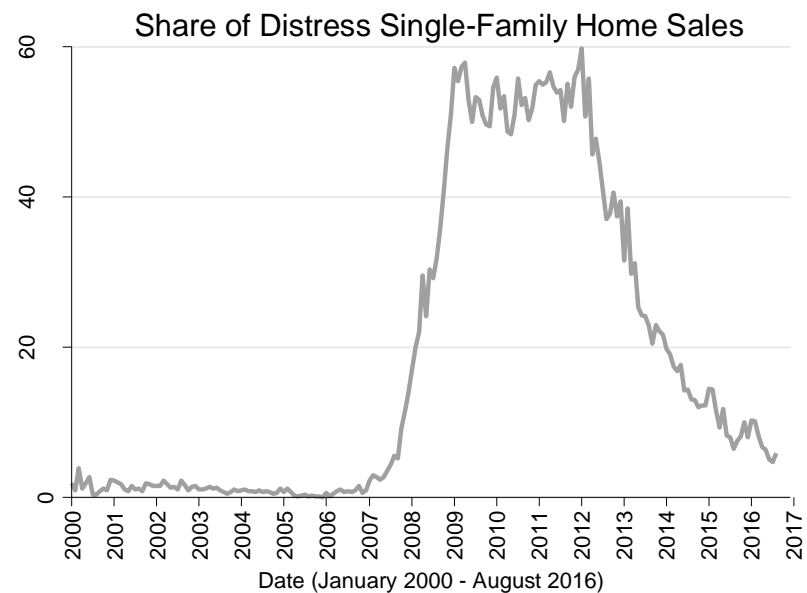
Note: Series are 3-month weighted moving averages.



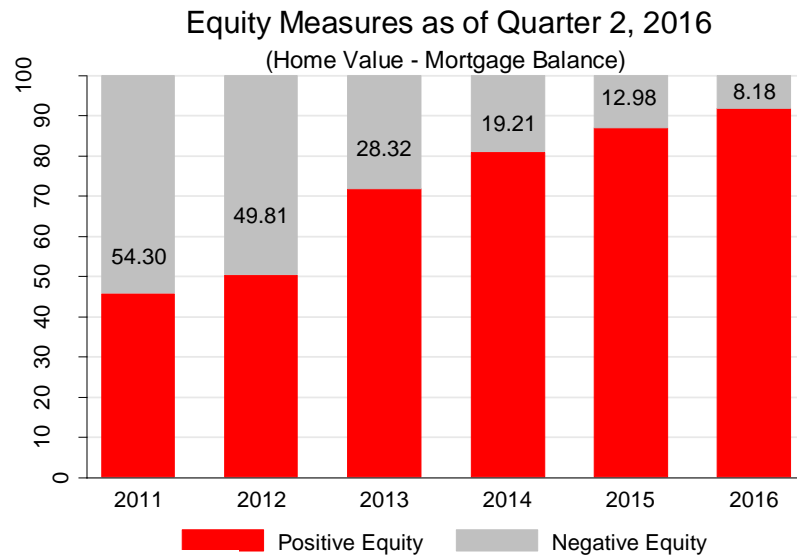
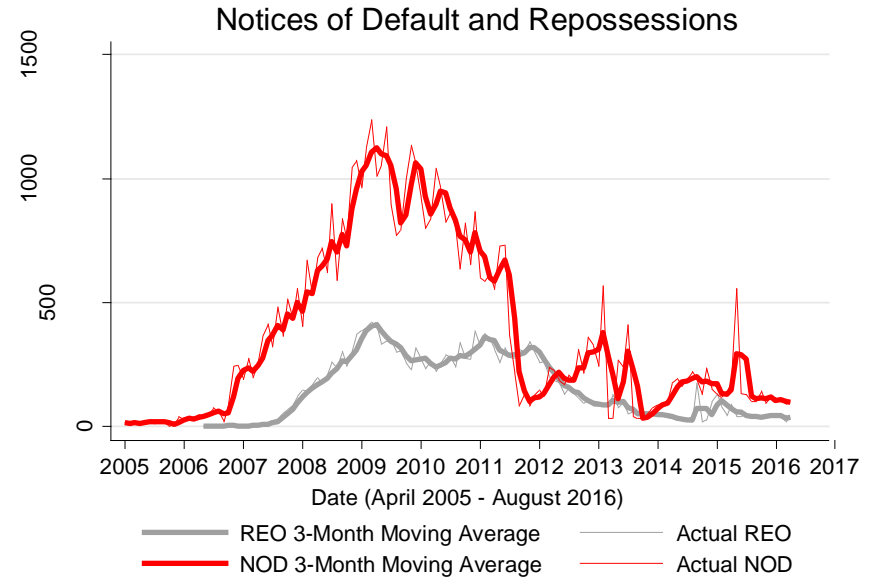
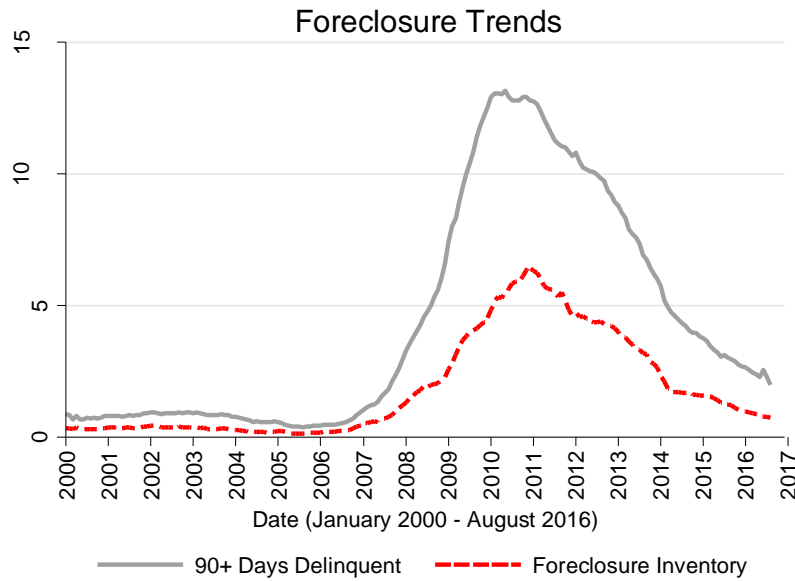
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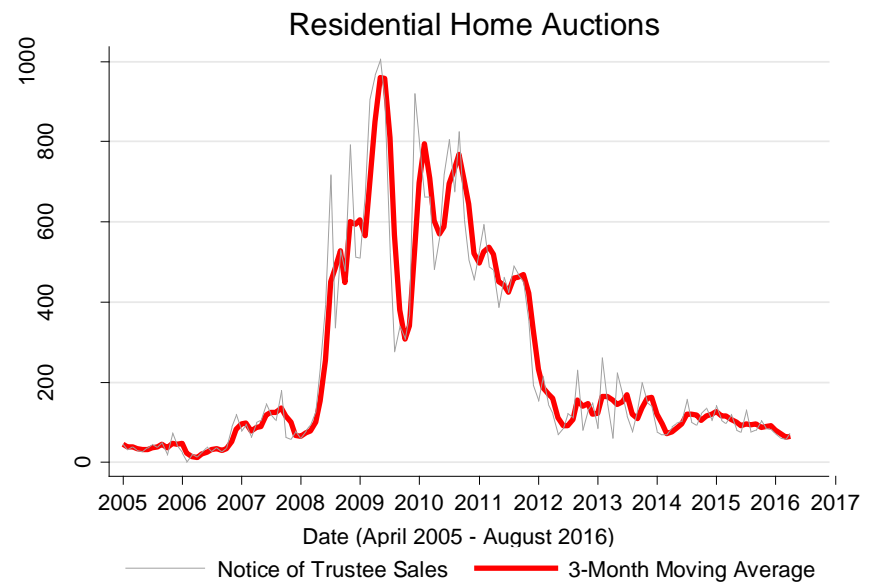
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Northern Trends



Source: CoreLogic



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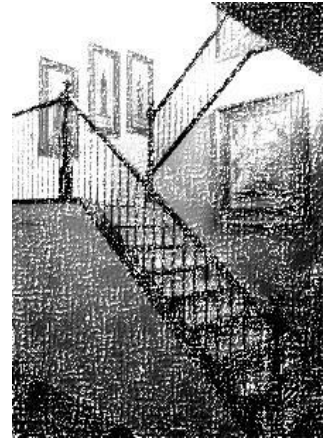
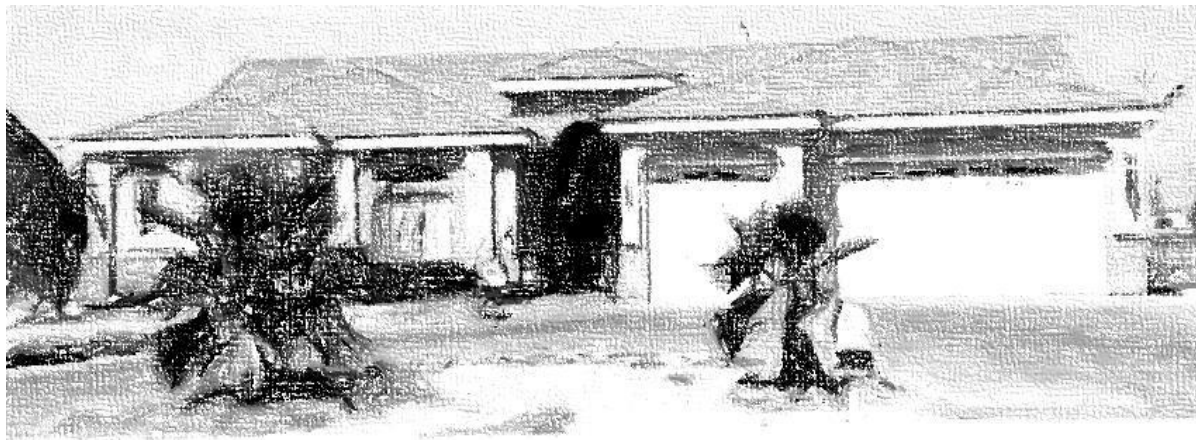
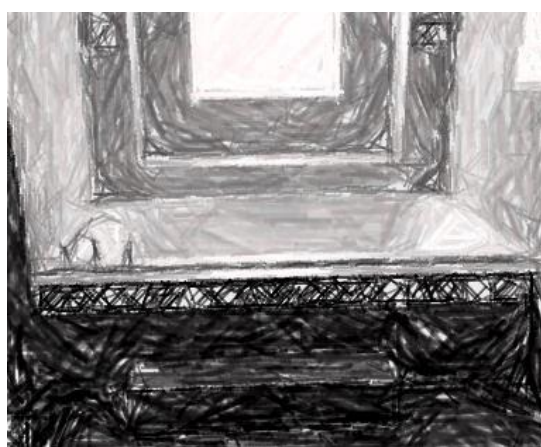
Southern Trends

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

Housing Units: **871,807** in 2015

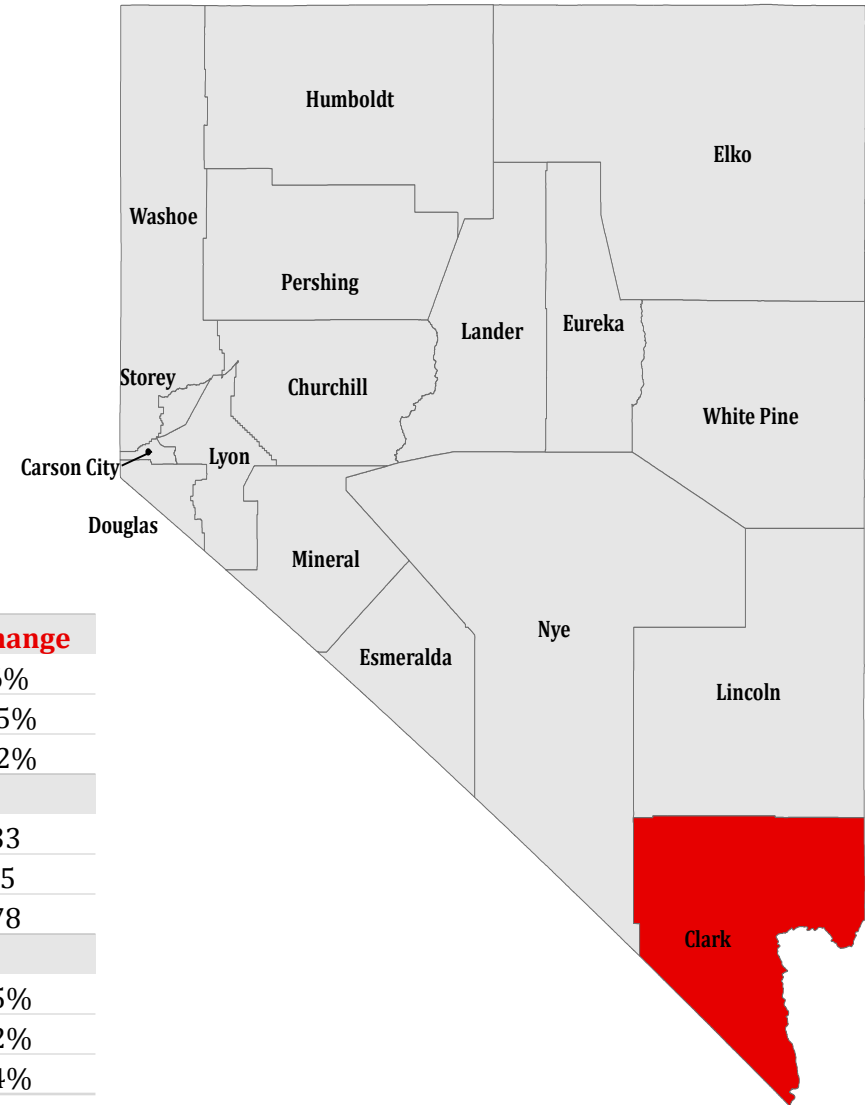
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Both new and existing home sales saw large month to month and year to year decreases. This was the second consecutive month where existing home sales had seen large month to month and year to year decreases.
- ❑ Southern Nevada was the only region where the share of homes sold under distress decreased on a month to month basis. This decrease was driven by a large decrease in both short sales and REO sales.
- ❑ August 2016 was the first month in 2016 where there were no multifamily construction starts. August 2016 was the third consecutive month where multifamily starts had decreased.
- ❑ New home prices decreased for the third consecutive month. Both July and August 2016 saw large month to month decreases in new home prices.

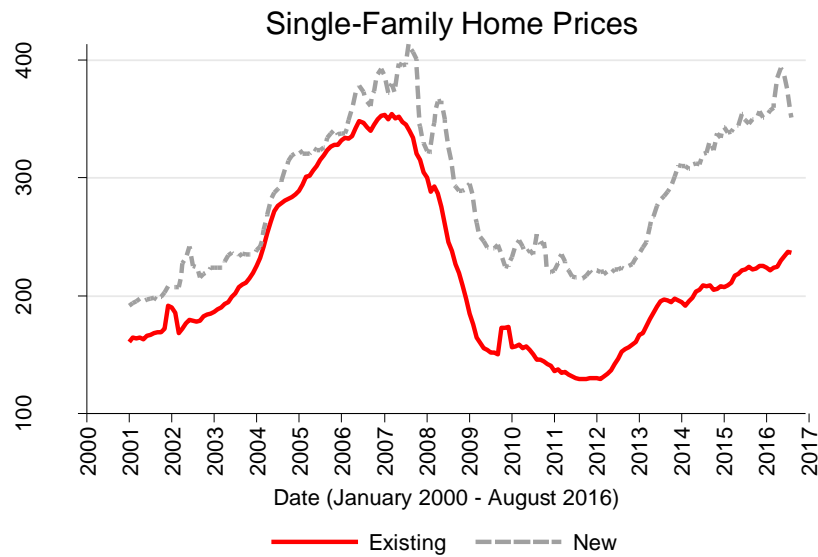


Single-Family Home Sales*	August 2016	M2M Change	Y2Y Change
New	623	-8.6%	-8.6%
Existing	3,606	-9.0%	-12.5%
Distress Share	10.1%	-5.7%	-26.2%
Residential Construction			
Total Starts	705	-59	-133
Single-Family	705	-49	+45
Multifamily	0	-10	-178
Average Single-Family Sales Price*			
New	\$350,838	-5.6%	+1.5%
Existing	\$236,422	-0.4%	+5.2%
Distress	\$190,983	+0.2%	+7.4%

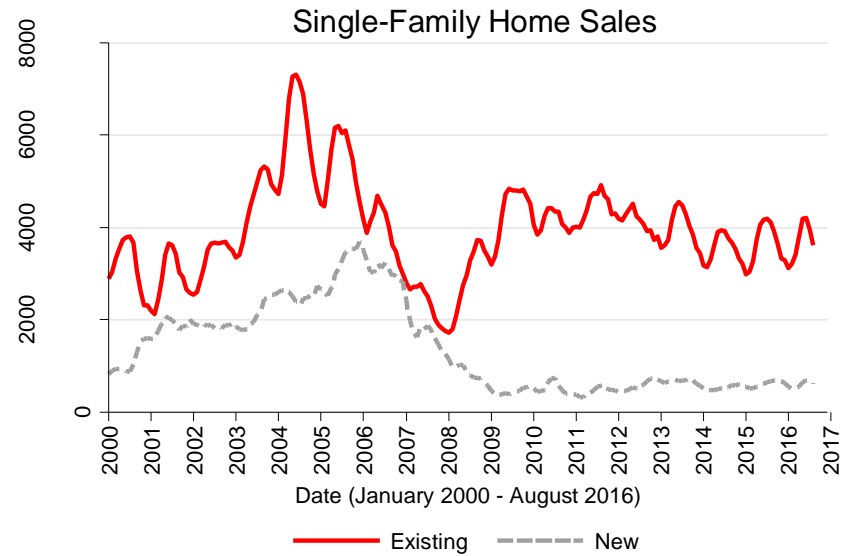
Source: Lied Institute calculations and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

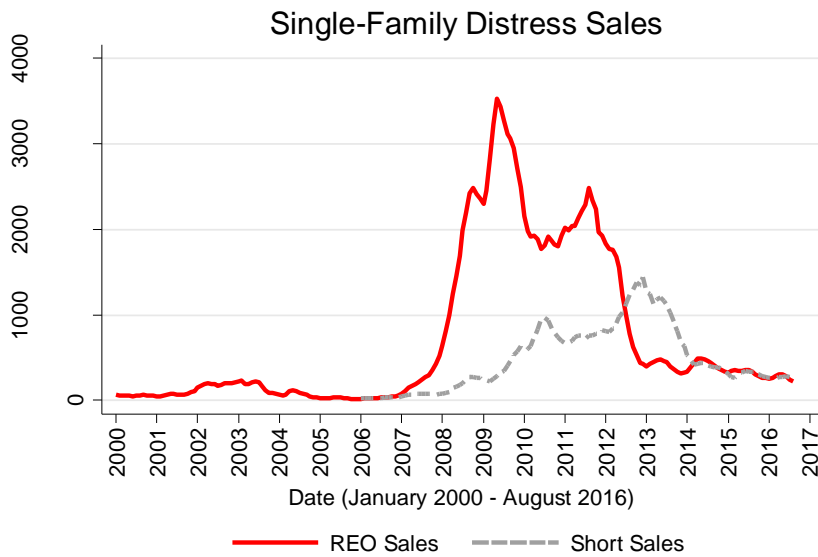
Southern Trends



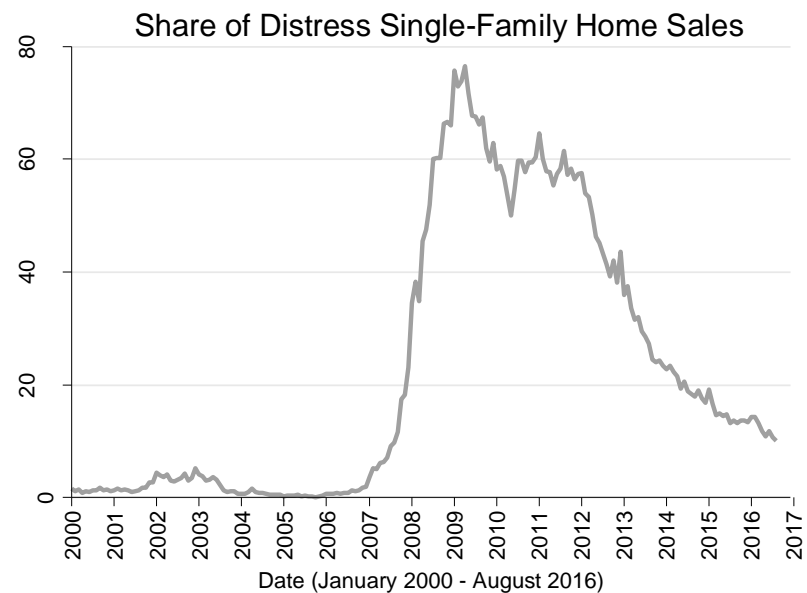
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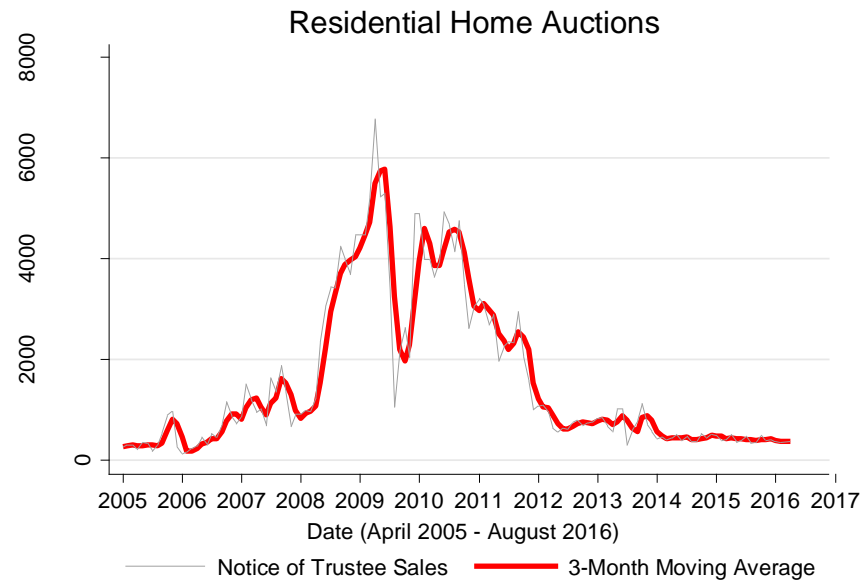
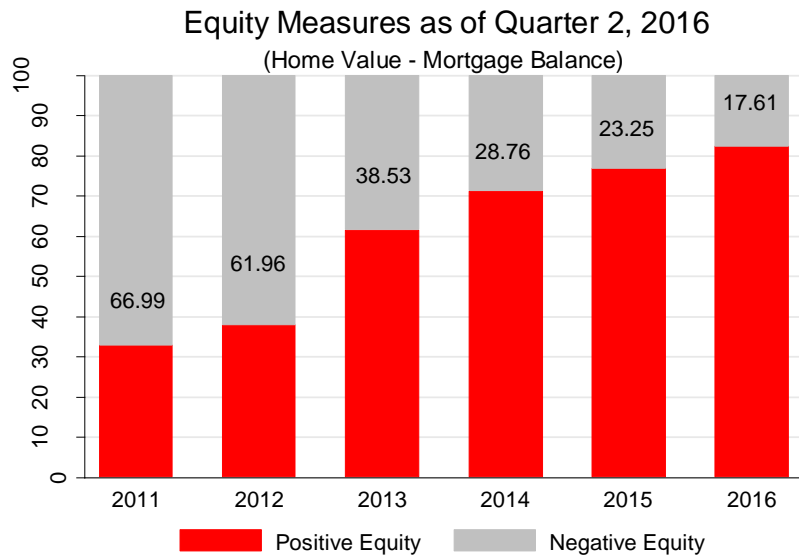
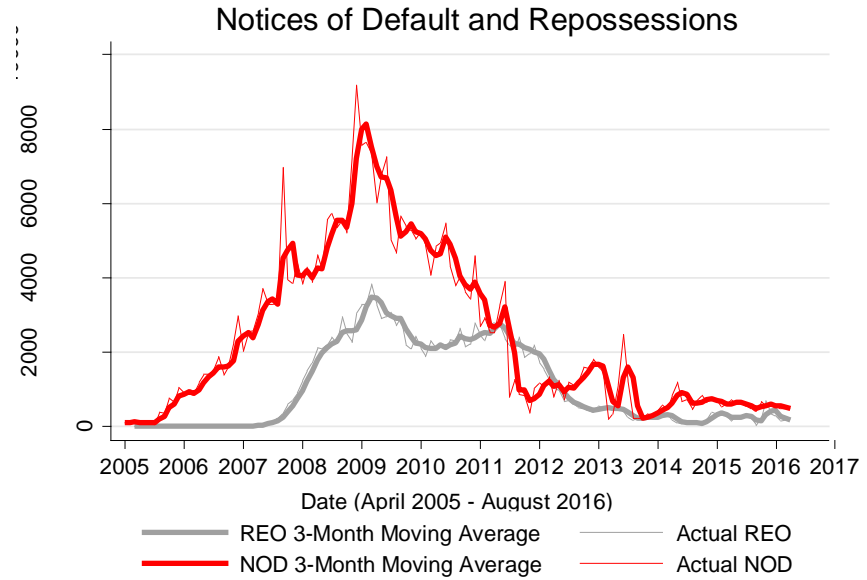
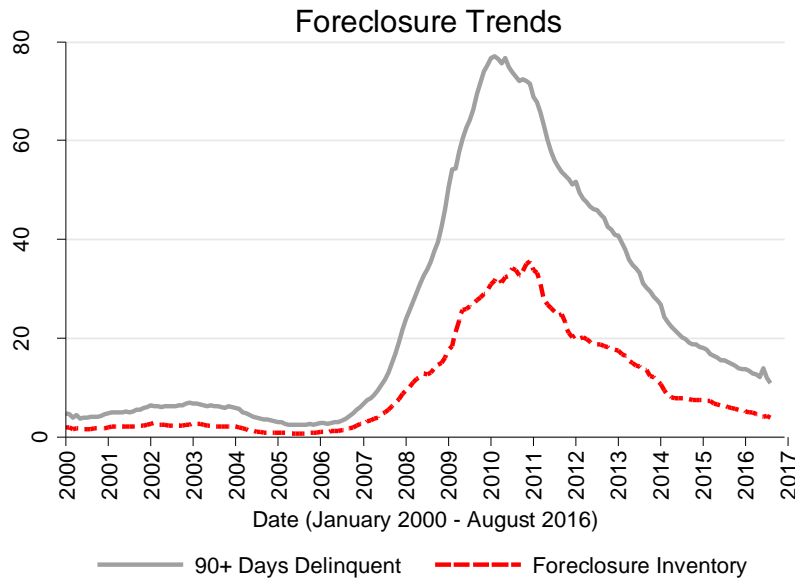
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Southern Trends



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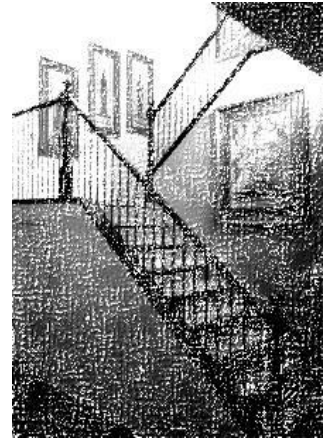
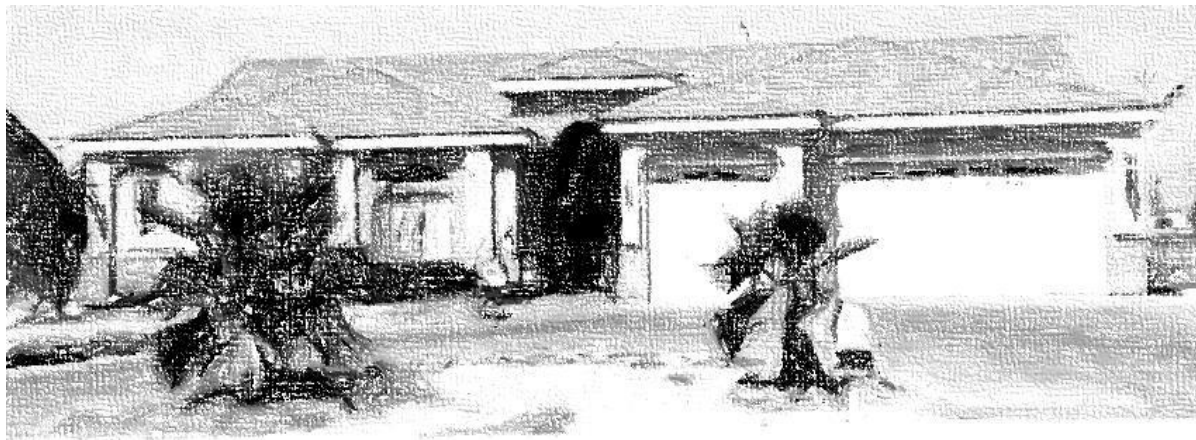
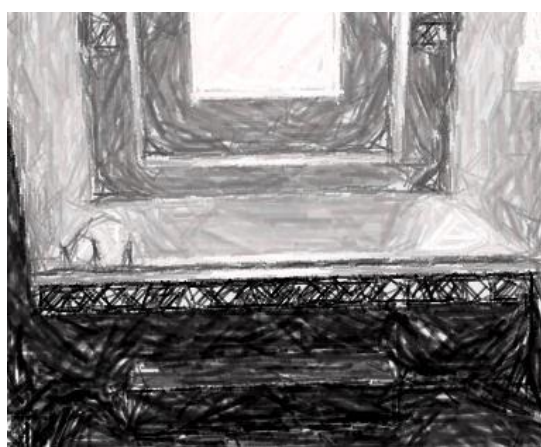
Rural Trends

Population: **146,138** in 2015

Housing Units: **66,518** in 2015

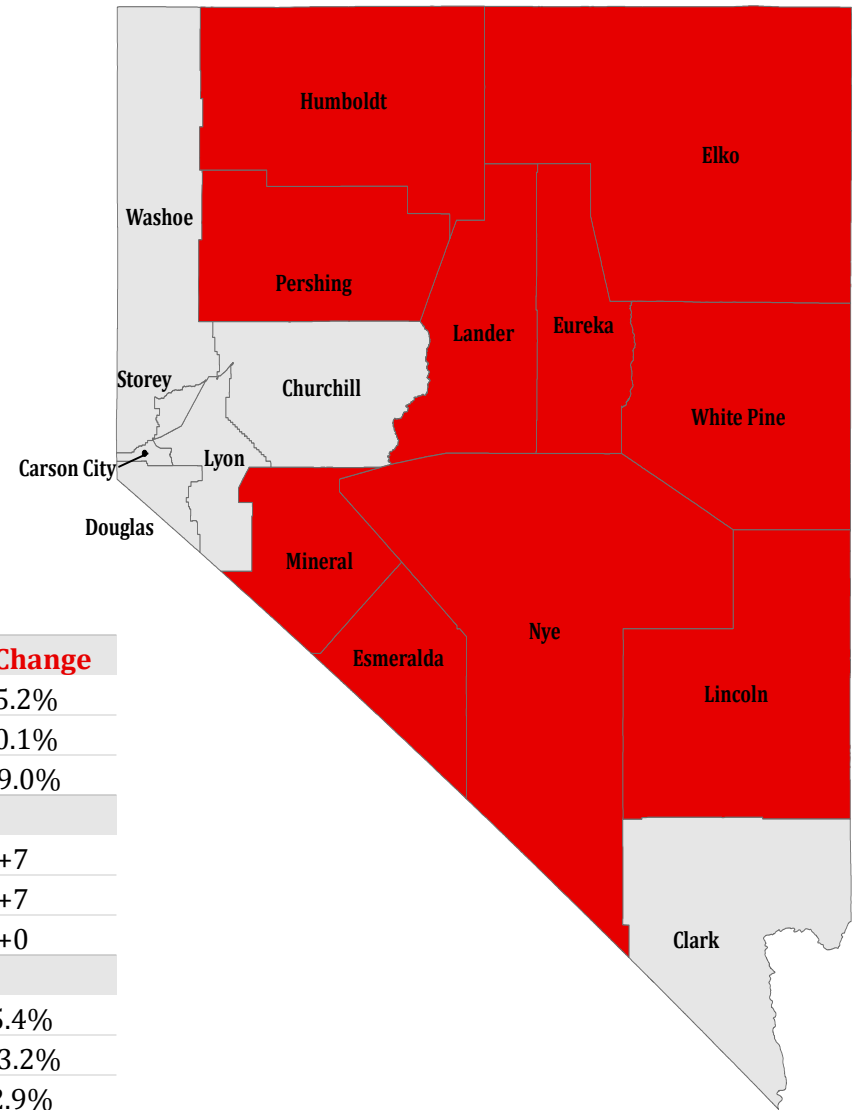
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ There were only 10 new home sales in August 2016. This was the lowest monthly total since December 2011.
- ❑ The share of homes sold under distress increased 1.5 percentage points. Both short sales and REO sales increased on a month to month basis.
- ❑ Rural Nevada was the only region where both new and existing home prices increased on a month to month basis. Existing home prices increased for the fifth consecutive month and were the highest they had ever been.
- ❑ Distress home prices increased nearly \$30,000 on a month to month basis. August 2016 distress home prices were the highest they had been since February 2009.

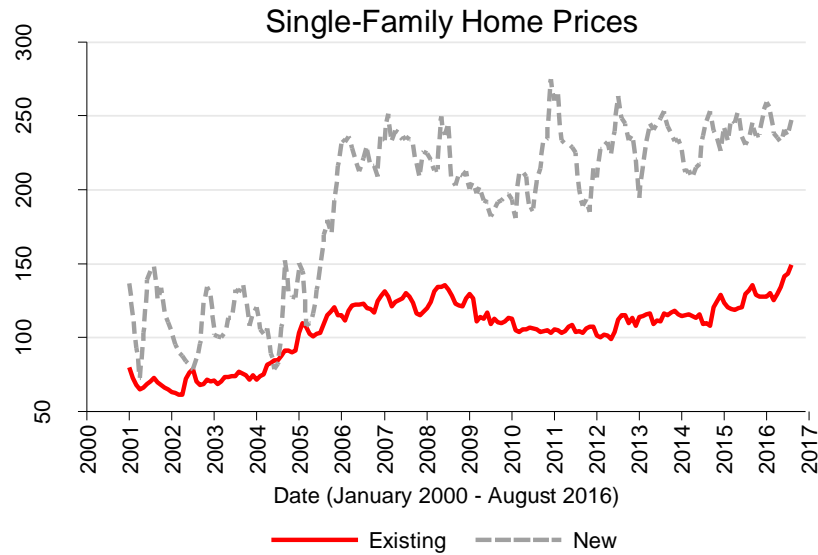


Single-Family Home Sales*	August 2016	M2M Change	Y2Y Change
New	10	-26.8%	-55.2%
Existing	203	-6.7%	-20.1%
Distress Share	10.8%	+15.7%	+19.0%
Residential Construction			
Total Starts	21	-3	+7
Single-Family	21	-3	+7
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$247,428	+4.7%	+5.4%
Existing	\$149,144	+4.1%	+13.2%
Distress	\$121,086	+31.1%	+2.9%

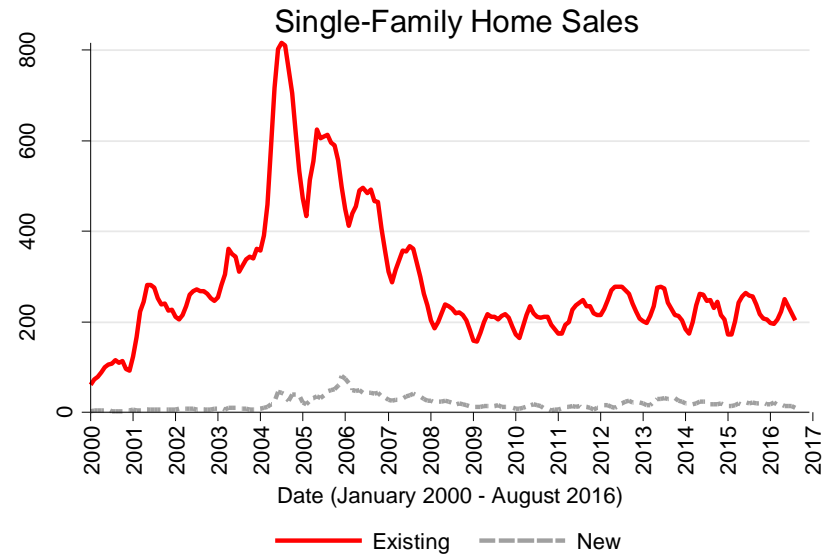
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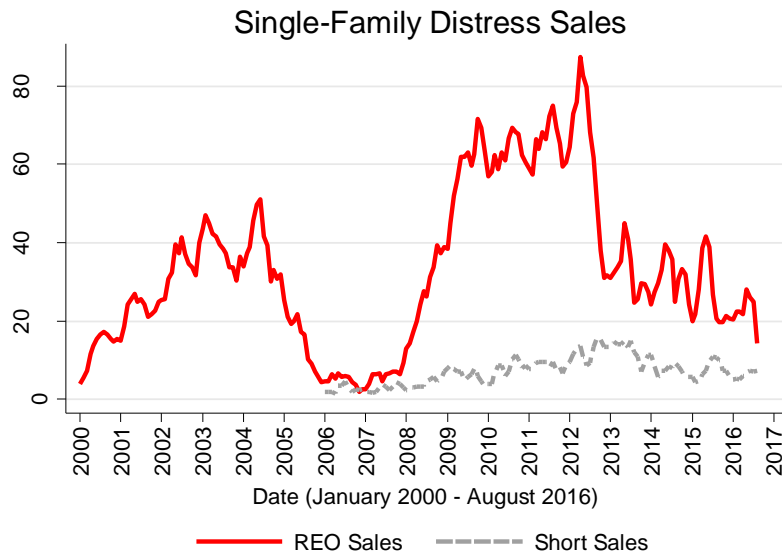
Rural Trends



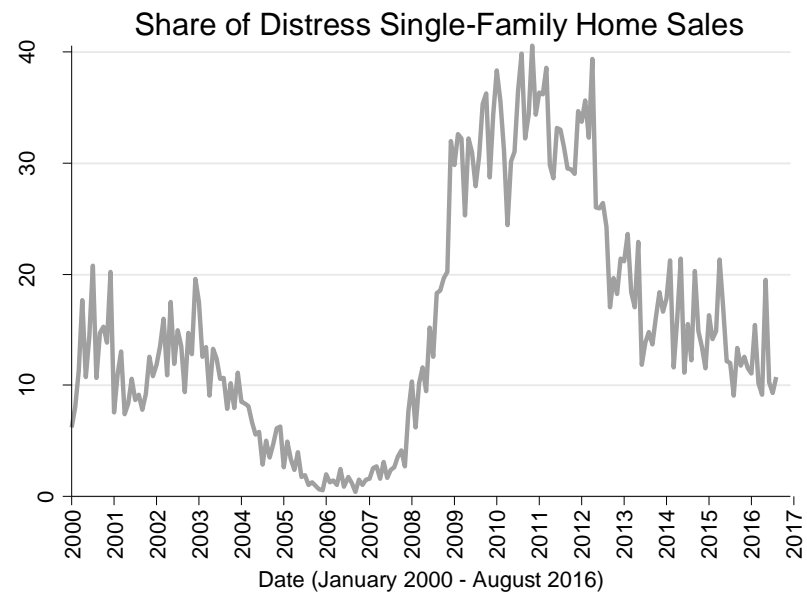
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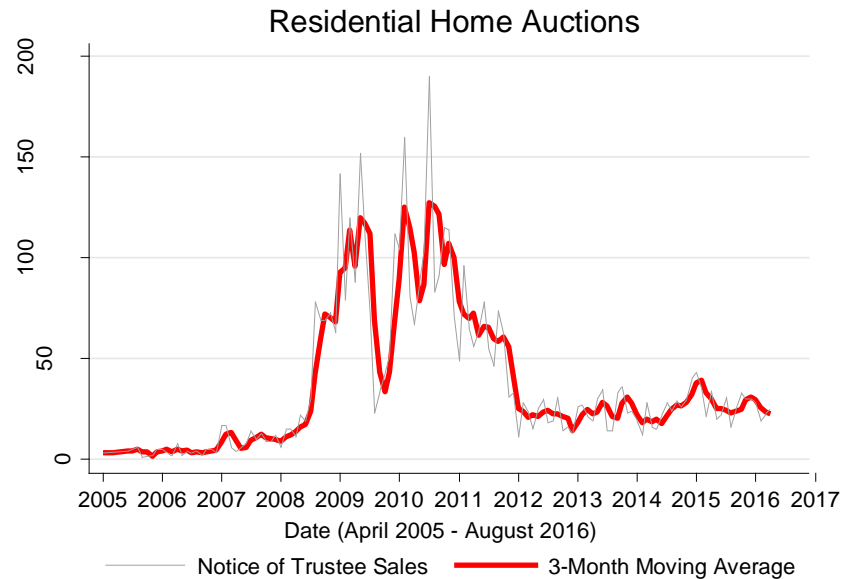
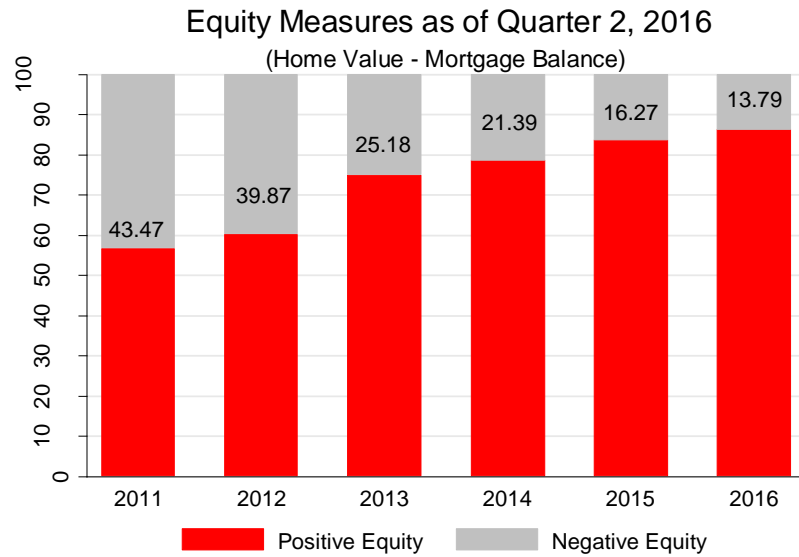
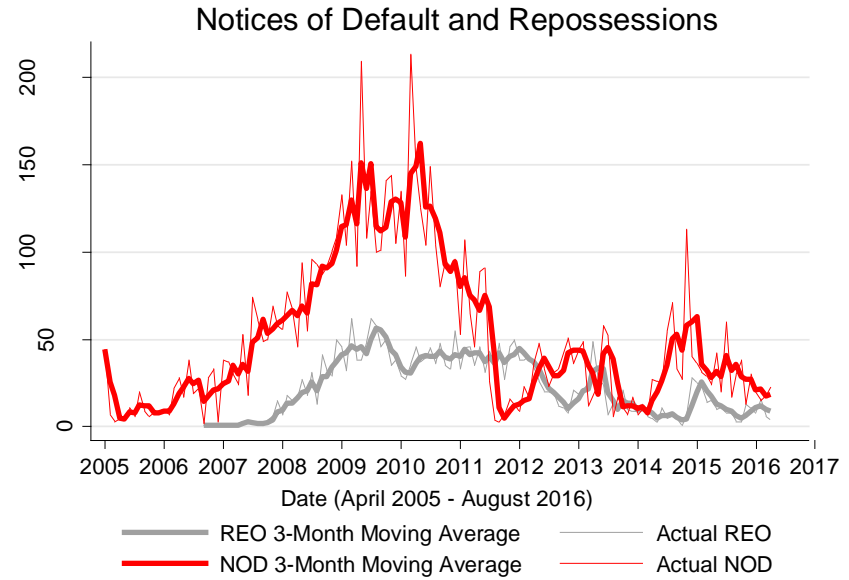
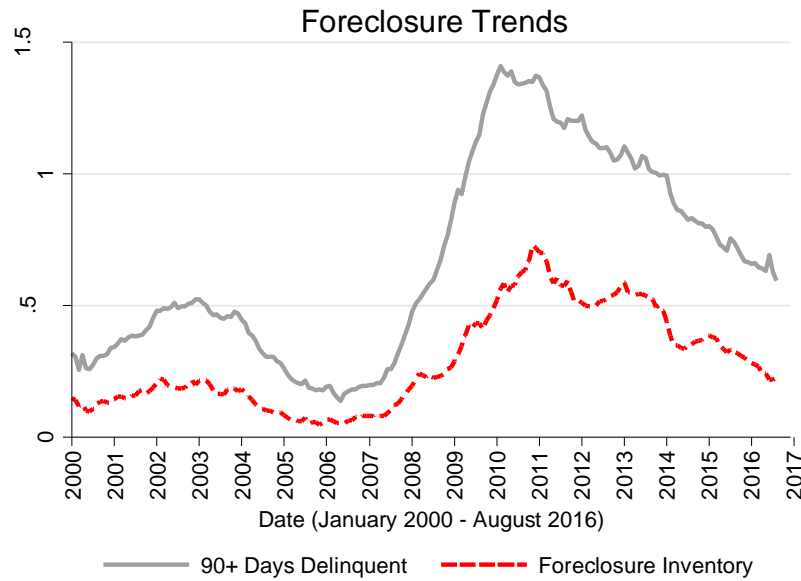
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Rural Trends



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.

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