

# 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:



State of Nevada  
Department of Business & Industry



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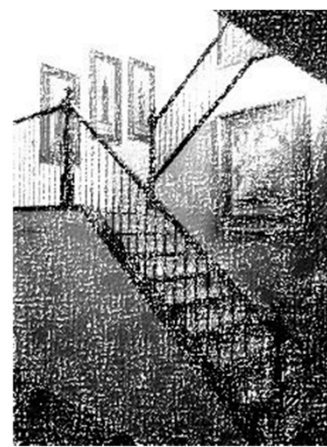
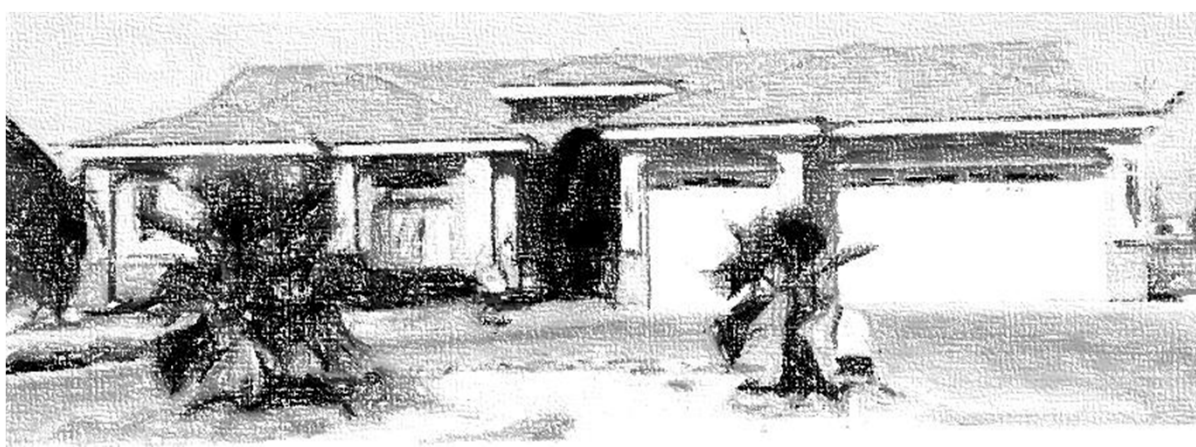
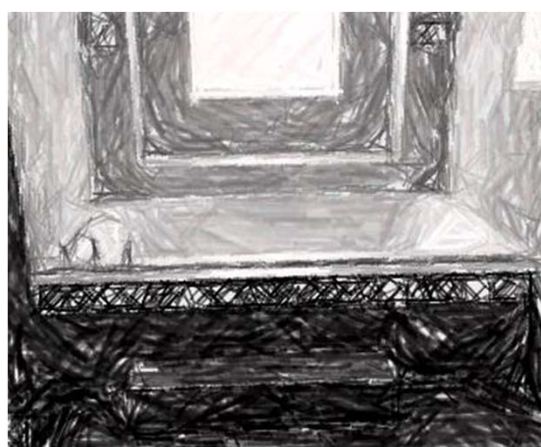
# Nevada's Housing Market | February 2015

## Nevada Statewide Trends

Population: **2,839,099** in 2014

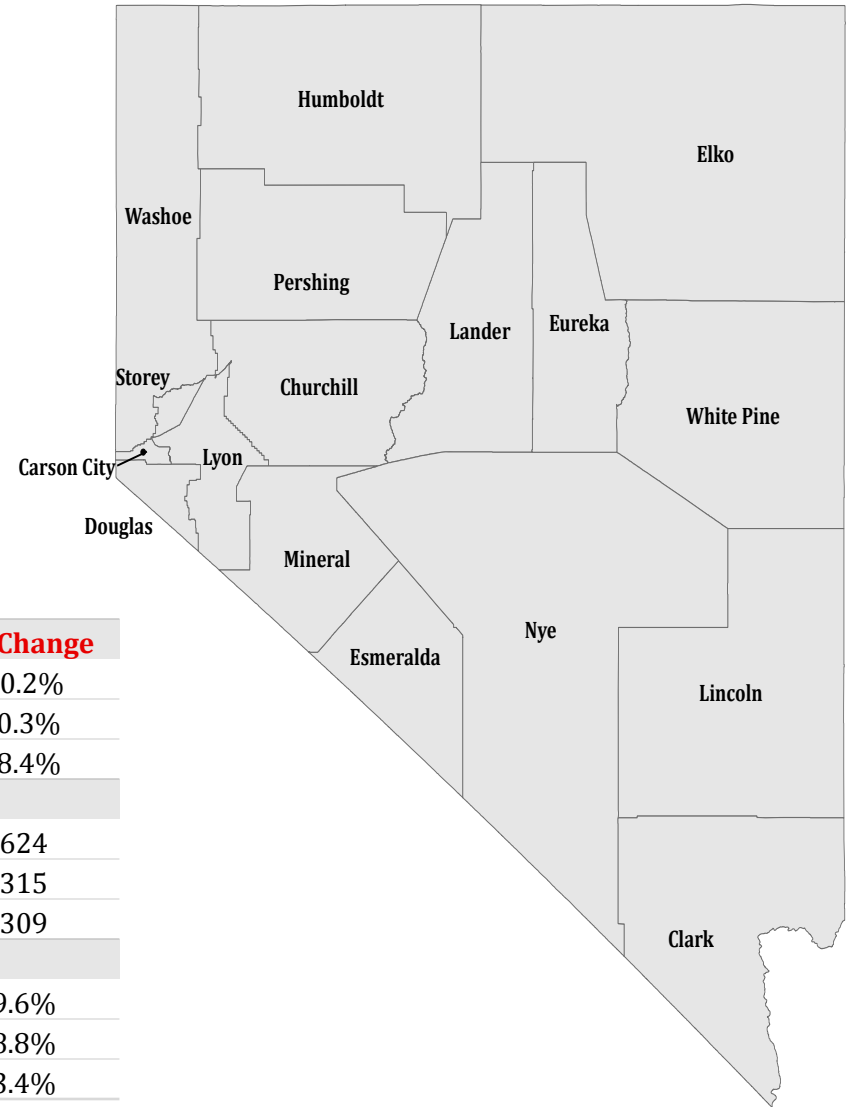
Housing Units: **1,186,879** in 2013

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



## Nevada Statewide Trends

- ❑ The share of homes sold under distress saw a large decrease this month and is the lowest it has been since March of 2014. This large decrease was driven by large decreases in both short sales and REO sales. All three regions in Nevada saw a decrease greater than 5 percent in their distress share.
- ❑ Residential Construction starts this month were the highest they had been since 2008. No region in Nevada saw a decrease in single-family or multifamily starts on a month to month or year to year basis.
- ❑ New home prices saw their largest decrease in eight months. All three regions in Nevada saw a decrease in new home prices. Nevada did see a large decrease in new home prices last February and new home prices in Nevada are still up nearly 10 percent on year over year basis.

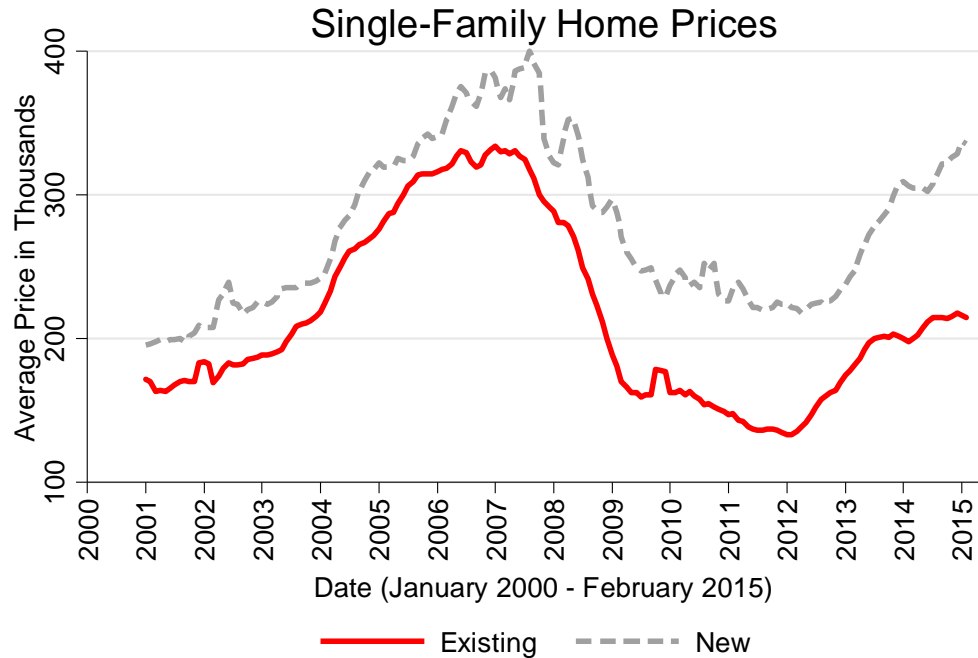


Single-Family Home Sales*	February 2015	M2M Change	Y2Y Change
New	555	-1.8%	+10.2%
Existing	3595	-0.9%	-10.3%
Distress Share	15.6%	-13.5%	-28.4%
Residential Construction			
<b>Total Starts</b>	1,534	+894	+624
Single-Family	860	+290	+315
Multifamily	674	+604	+309
Average Single-Family Sales Price*			
New	\$335,361	-0.4%	+9.6%
Existing	\$214,664	-0.4%	+8.8%
Distress	\$160,525	+0.5%	+3.4%

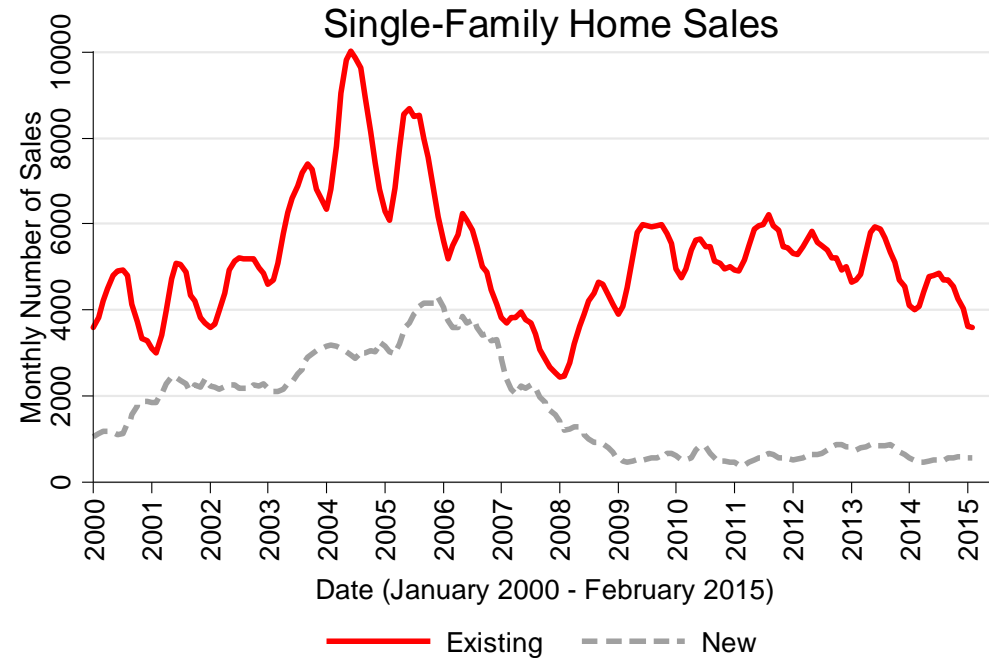
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

## Nevada Statewide Trends



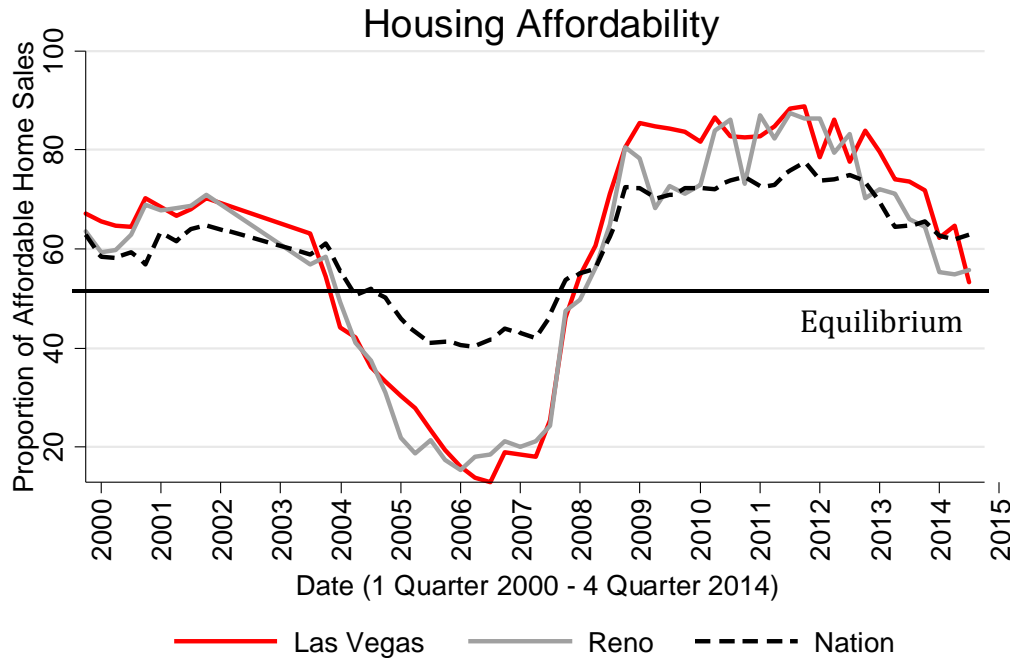
Source: CoreLogic  
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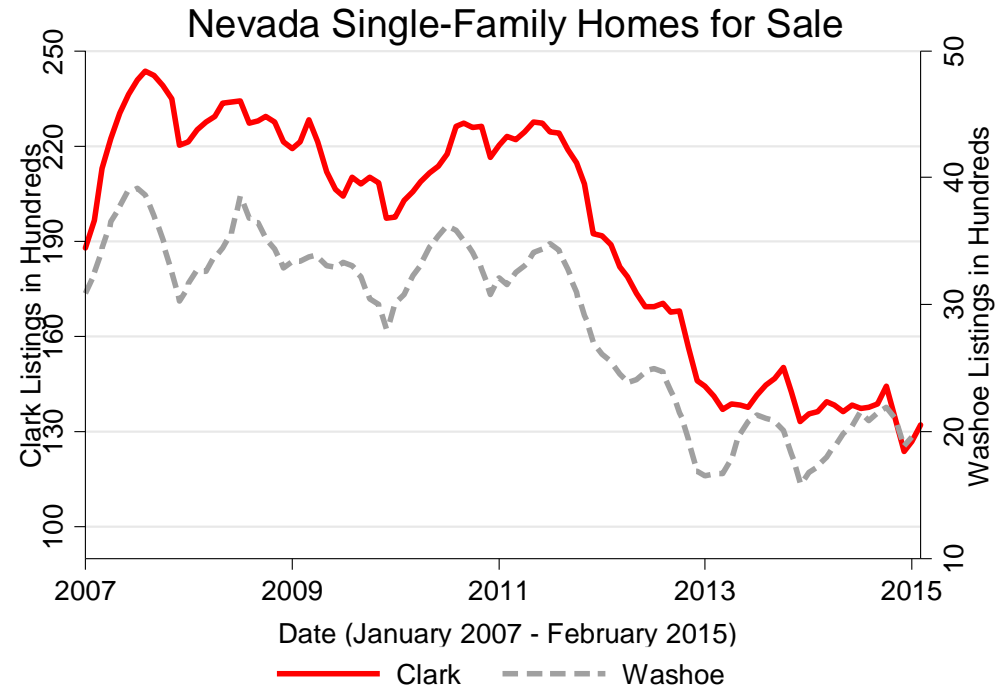
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

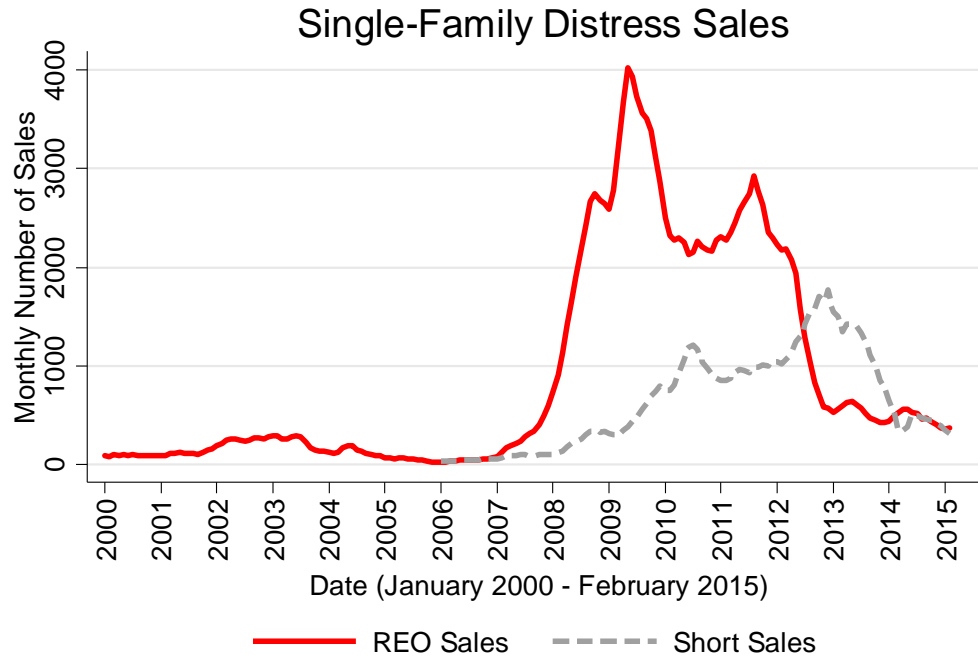
Note: Series denote the proportion of home sales affordable at median income.



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

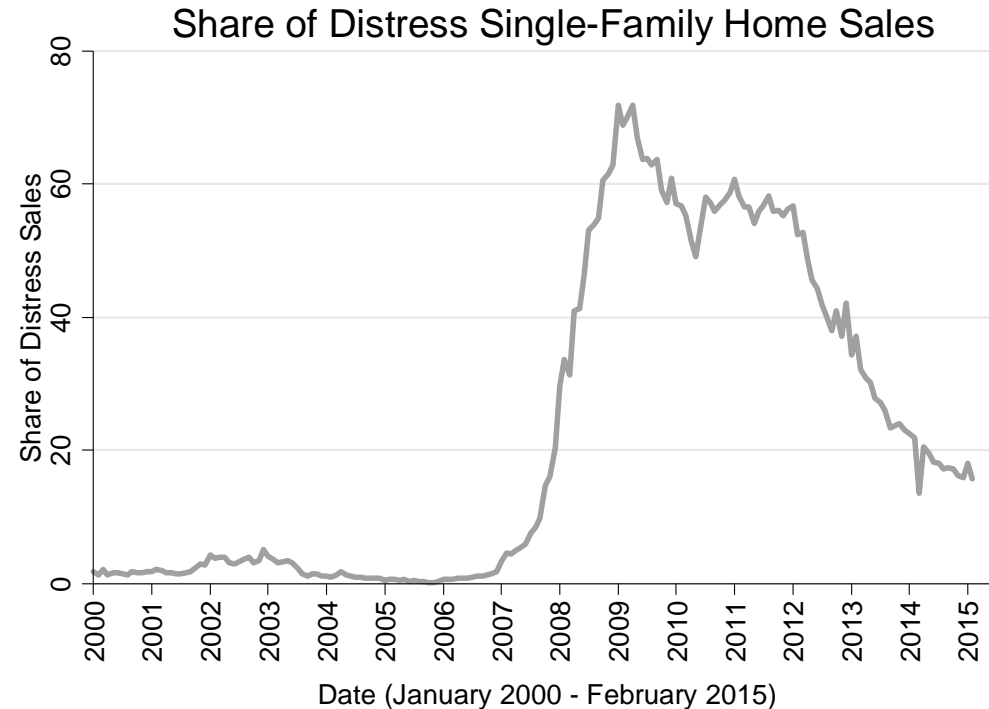
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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

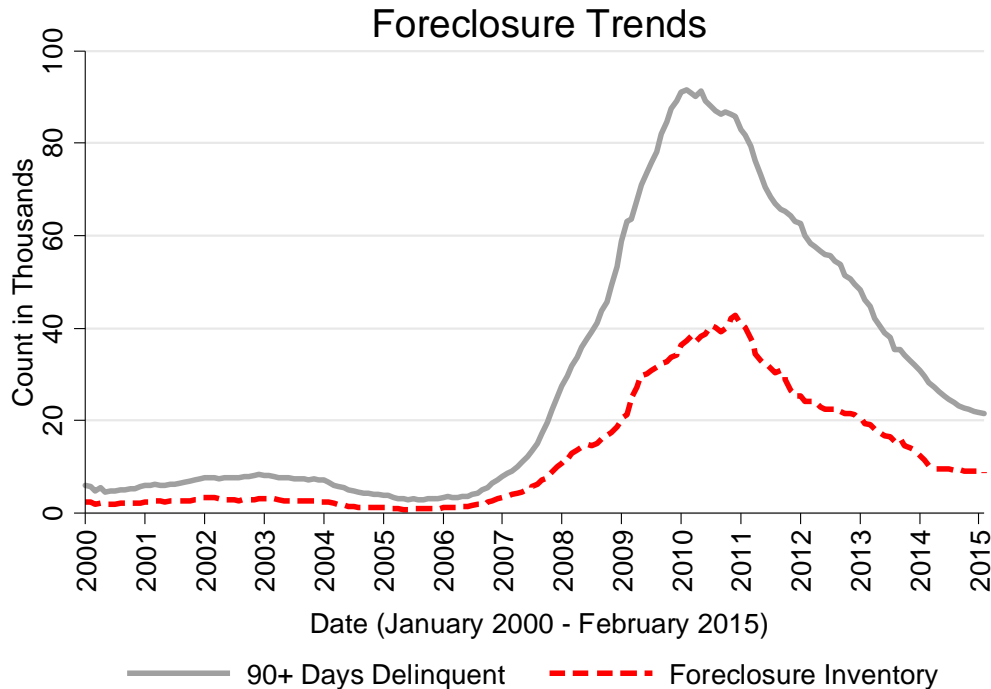
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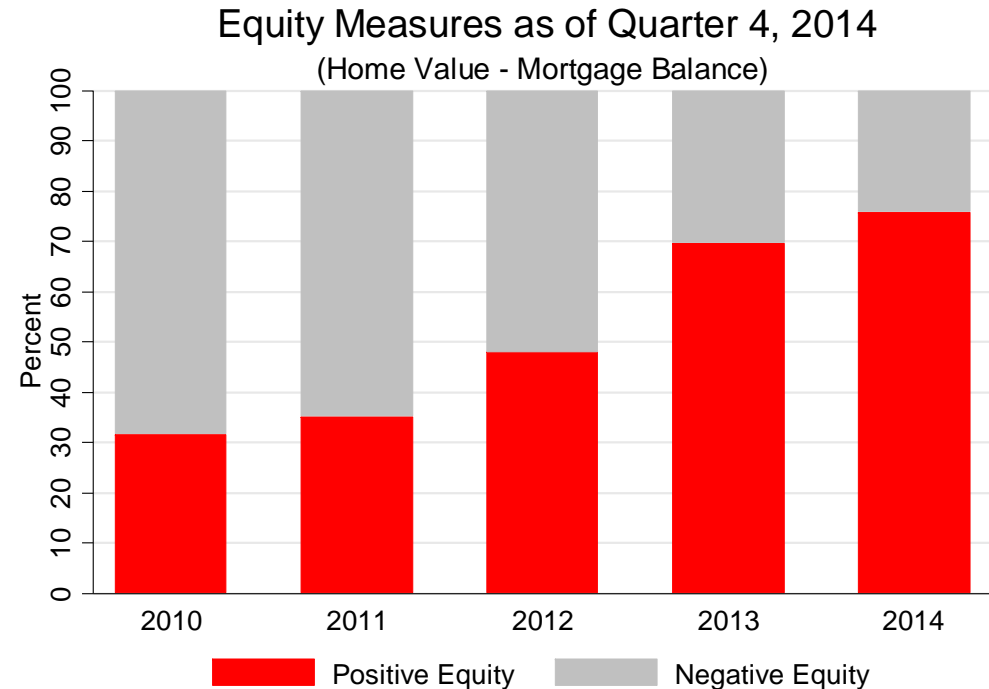
Source: CoreLogic

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



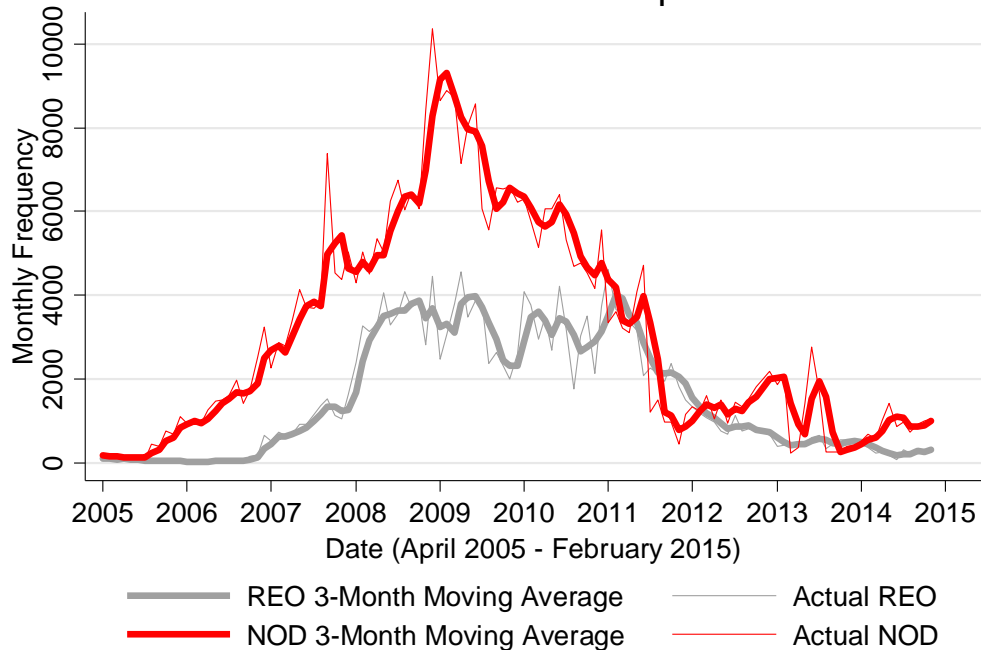
Source: CoreLogic

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.



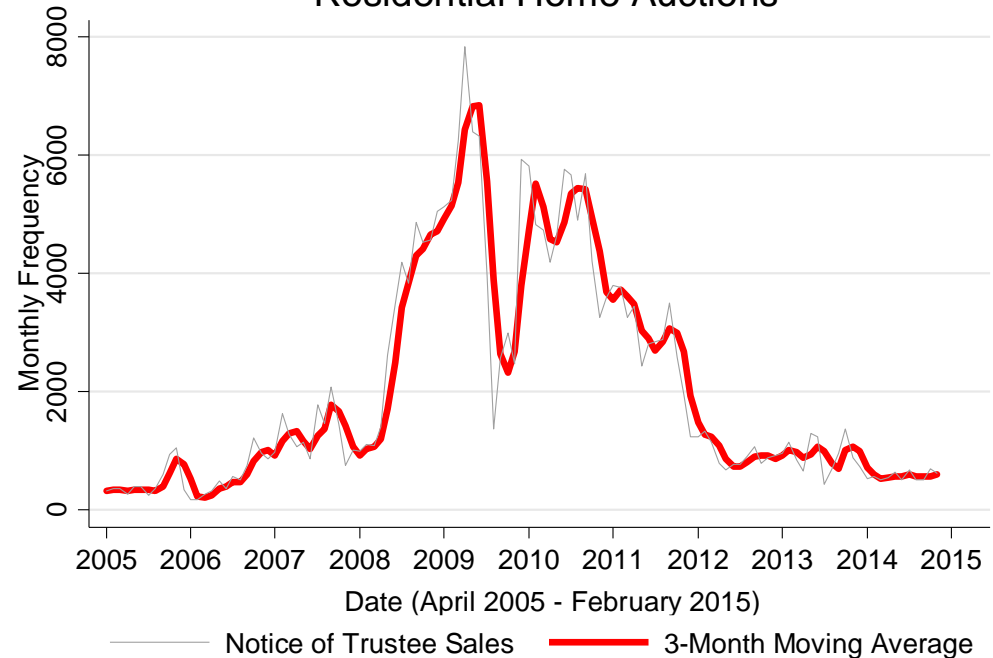
## Nevada Statewide Trends

### Notices of Default and Repossessions



Source: RealtyTrac

### Residential Home Auctions



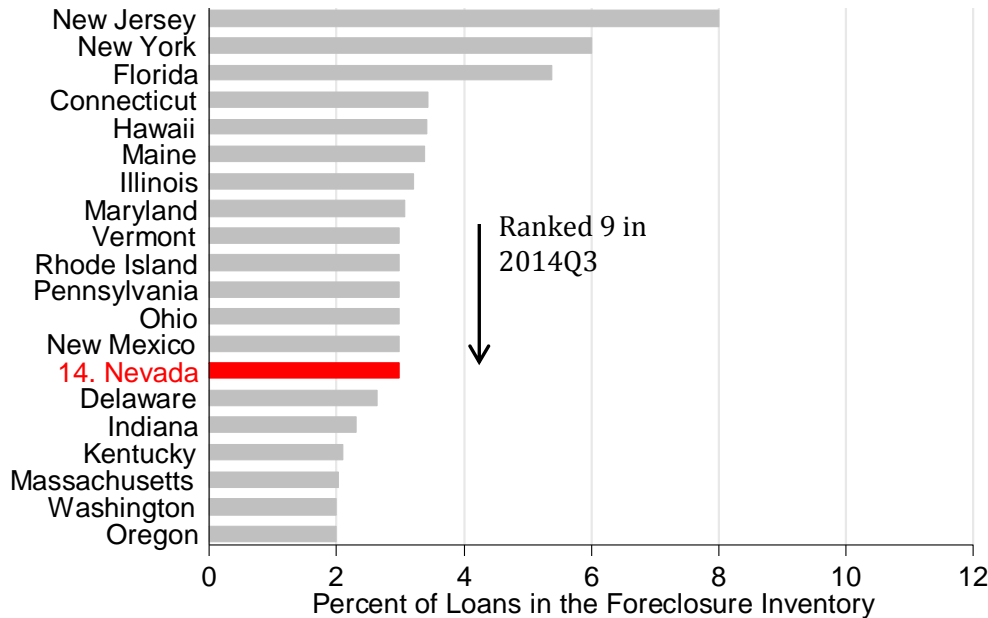
Source: RealtyTrac

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

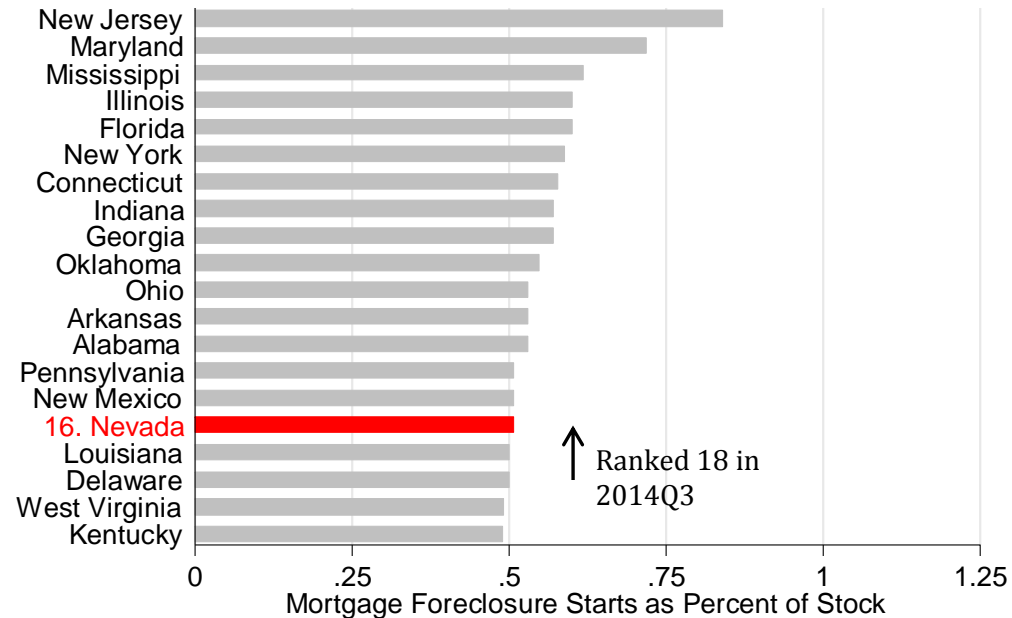
4th Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

4th 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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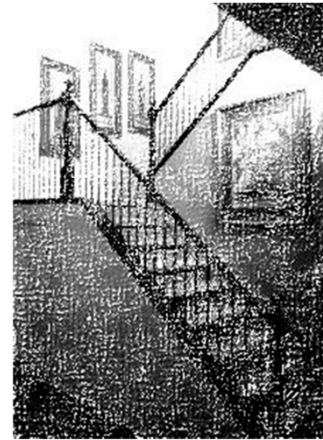
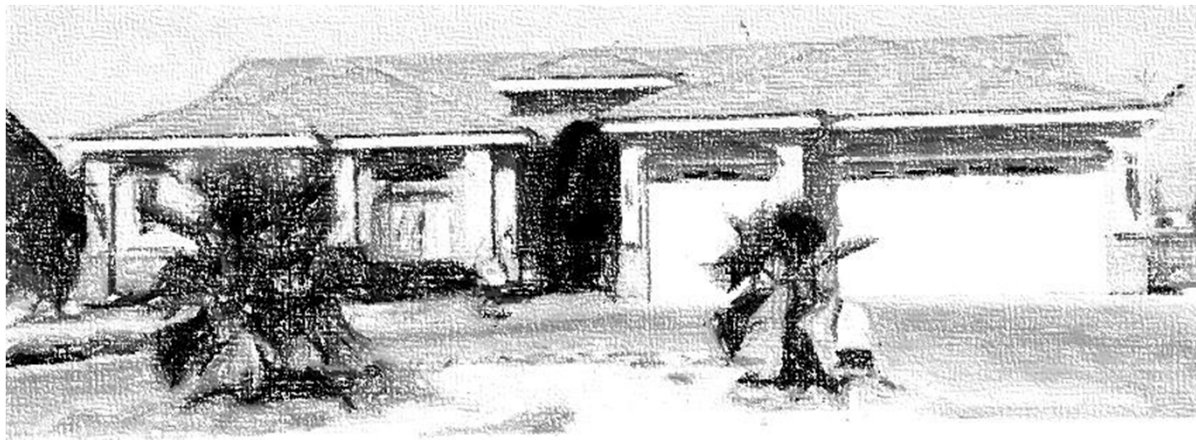
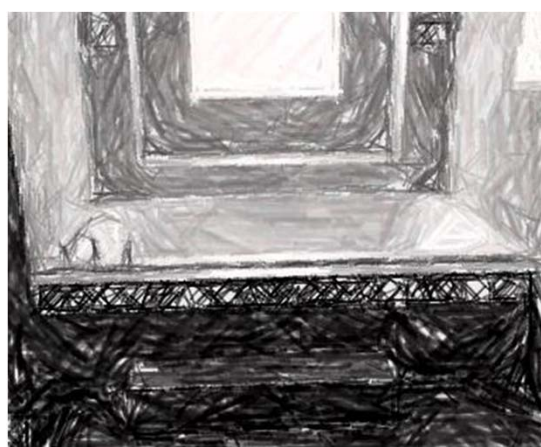
## Northern Trends

Population: **621,826** in 2014

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

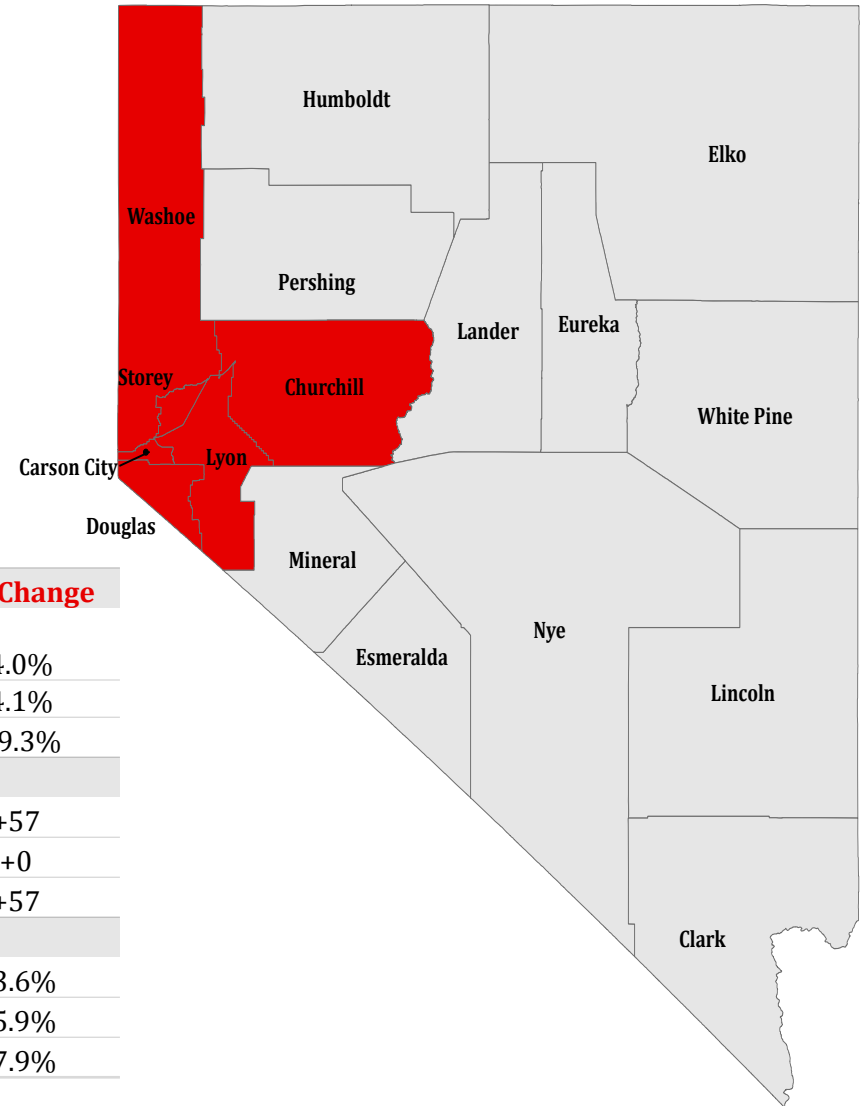
Source: U.S. Census Bureau: State and County QuickFacts

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



## Northern Trends

- ❑ Northern Nevada was the only region in Nevada to see an increase in new home sales this month. However, new home sales have seen significantly more robust growth on a year over year basis in Southern Nevada than in Northern Nevada.
- ❑ Northern Nevada had the least amount of percentage growth in residential construction starts this month. Northern Nevada was the only region in Nevada to not have a year over year increase in single-family starts.
- ❑ Northern Nevada saw more robust growth in new home prices than existing home prices this month, which is the opposite of recent trend. The 3.6 percent decrease in existing home prices this month in Northern Nevada was the largest monthly decrease since 2012.

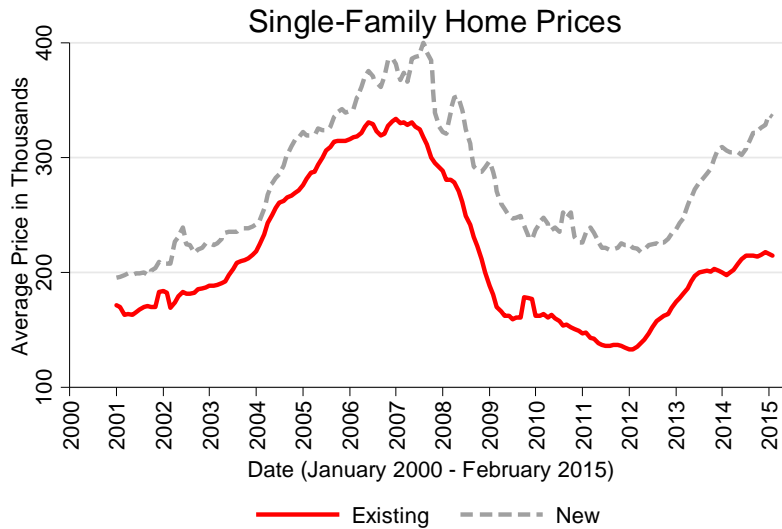


Single-Family Home Sales*	February 2015	M2M Change	Y2Y Change
New	96	+1.4%	-4.0%
Existing	774	-2.3%	-4.1%
Distress Share	14.4%	-6.3%	-19.3%
Residential Construction			
<b>Total Starts</b>	223	+23	+57
Single-Family	137	+7	+0
Multifamily	86	+16	+57
Average Single-Family Sales Price*			
New	\$340,449	-1.4%	+3.6%
Existing	\$248,352	-3.6%	+5.9%
Distress	\$176,668	-2.3%	+7.9%

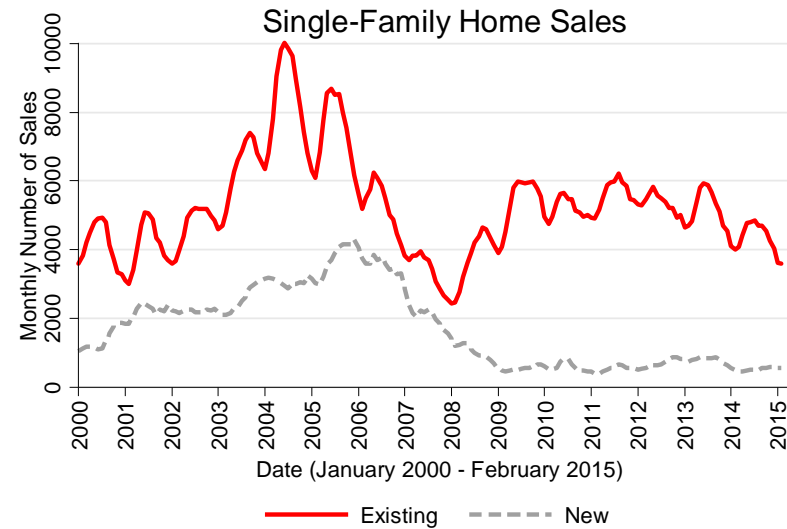
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

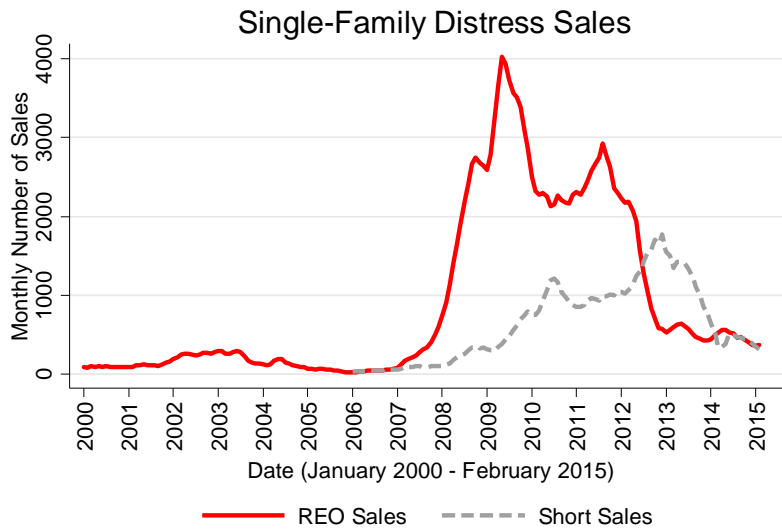
# Northern Trends



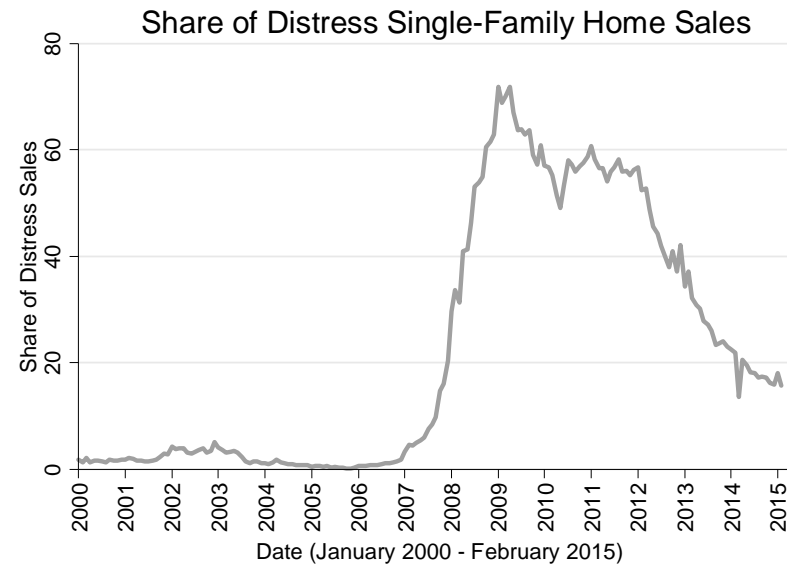
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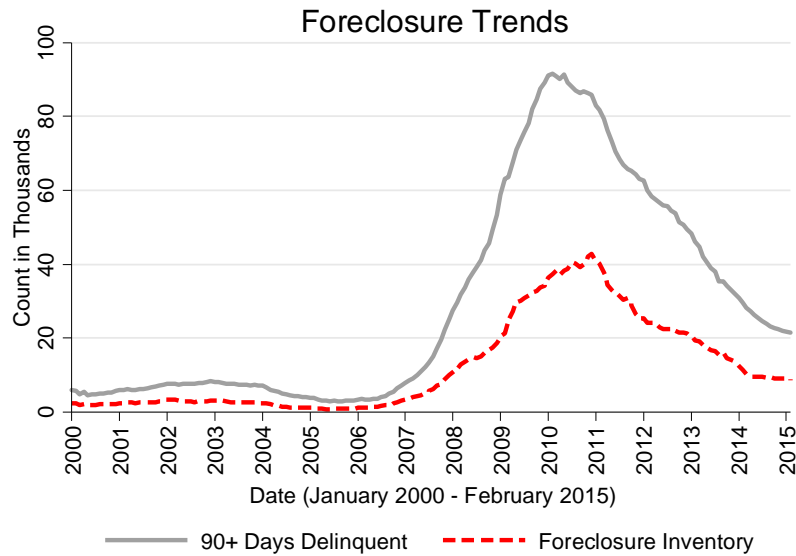


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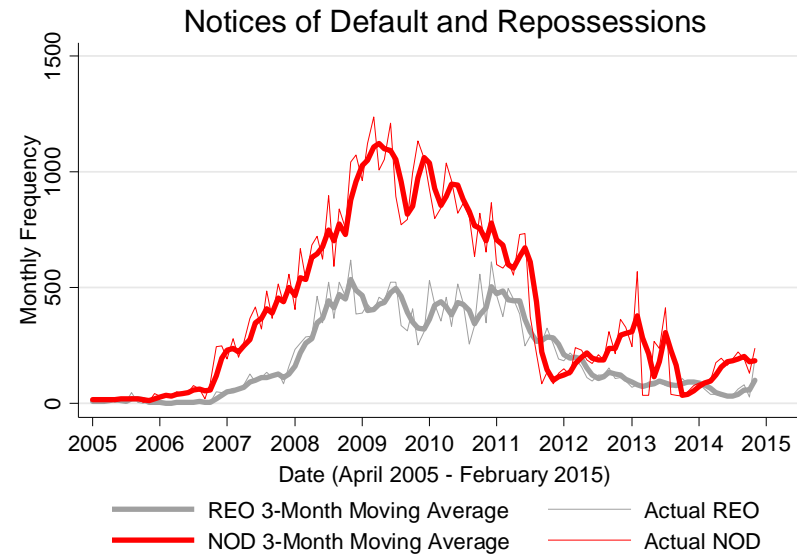


Source: CoreLogic

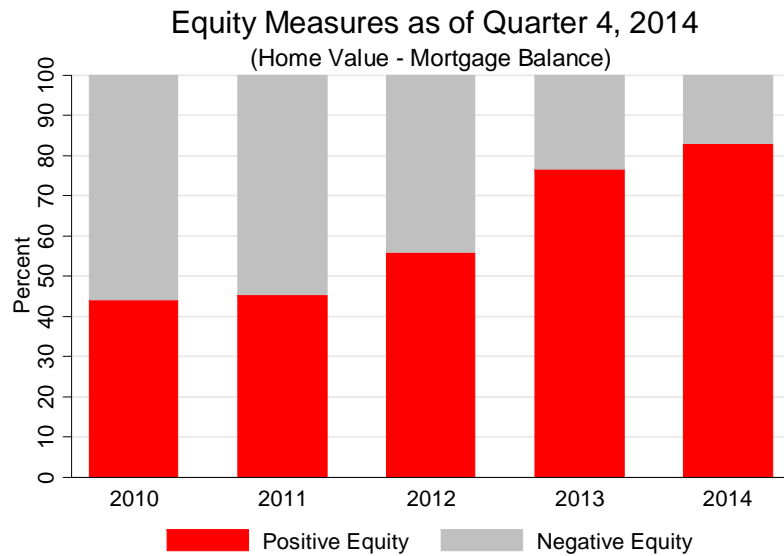
# Northern Trends



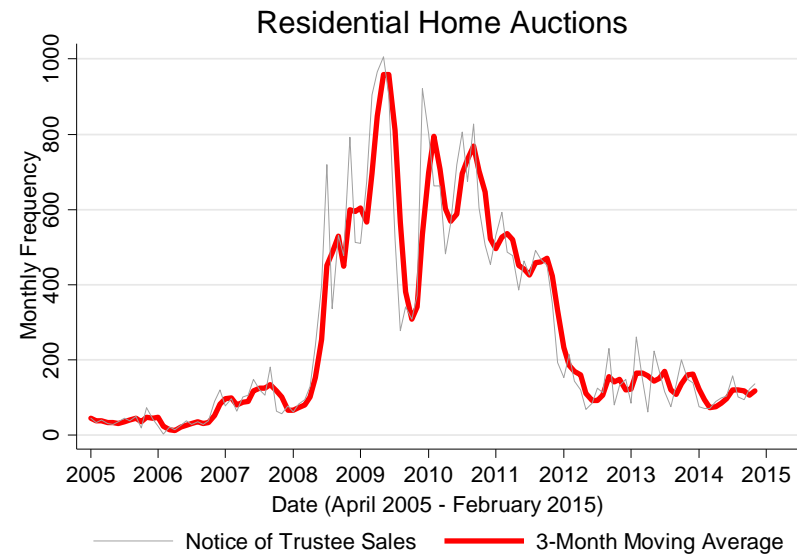
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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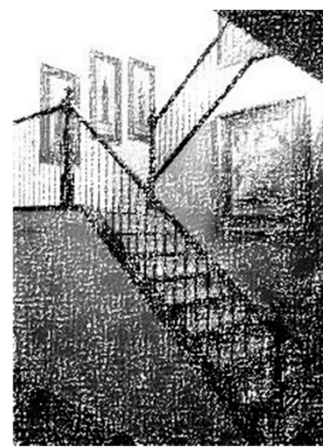
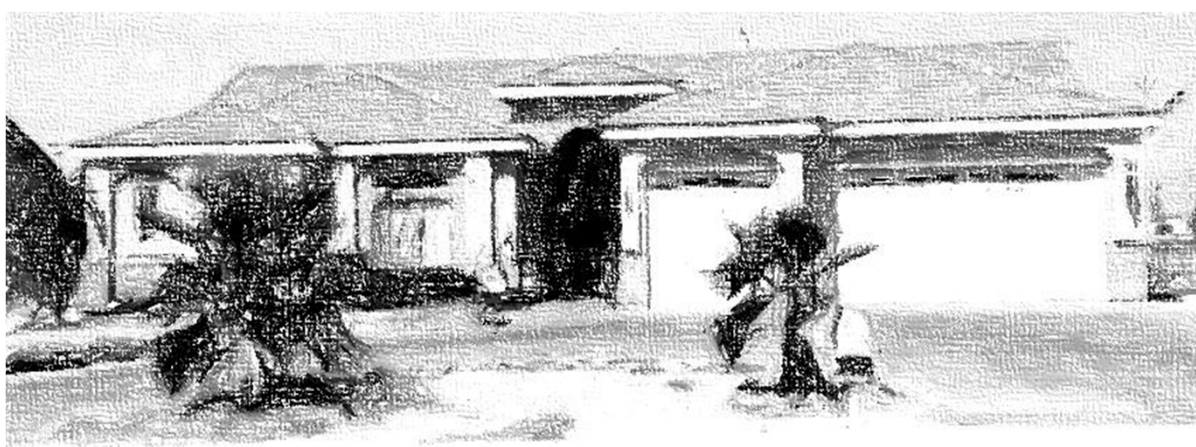
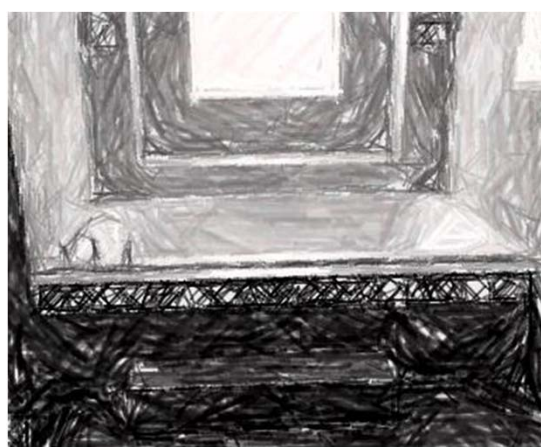
## Southern Trends

Population: **2,069,681** in 2014

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

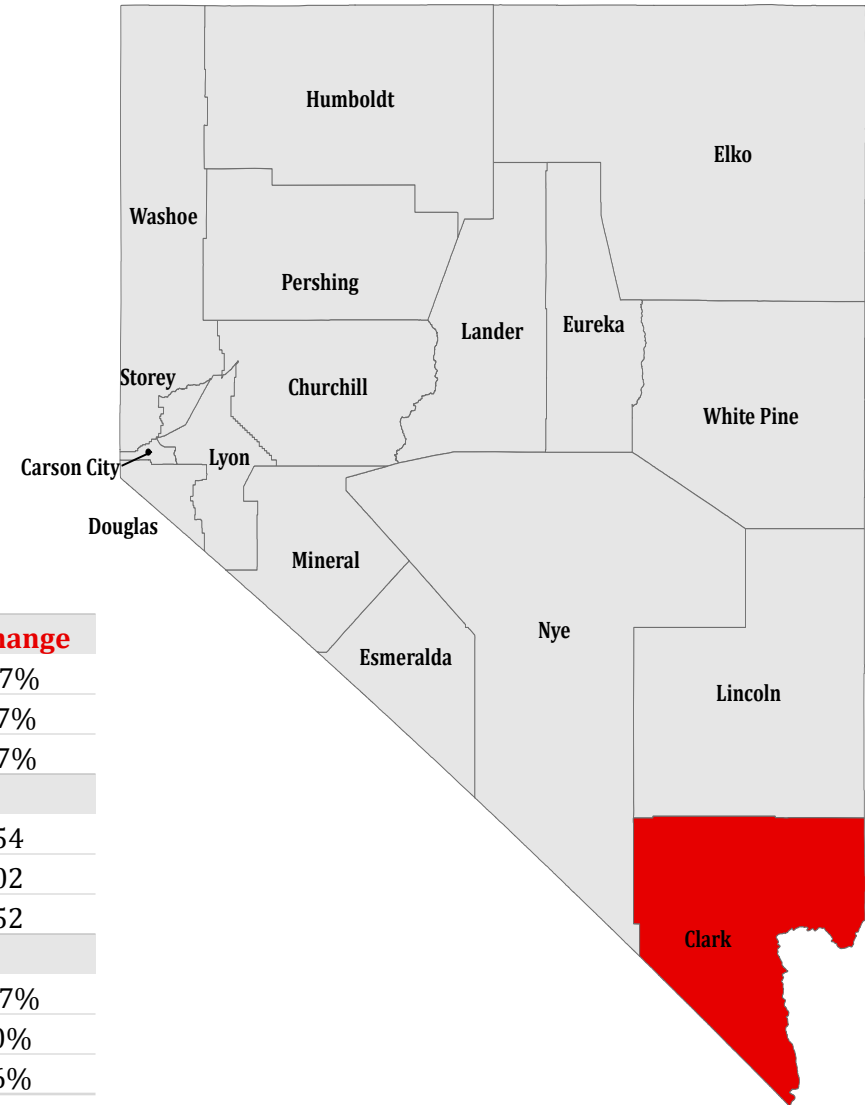
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

- ❑ New home sales have decreased for the second consecutive month in Southern Nevada. New home sales are up 17.7 percent year over year in Southern Nevada and Southern Nevada is the only region to see a year over year increase in new home sales
- ❑ After seeing no multifamily starts last month, Southern Nevada saw an extraordinarily high amount of multifamily starts this month. Multifamily starts this month were the highest they had been since 2013. Total residential construction starts this month were the also the highest they had been since 2013.
- ❑ Average existing home prices increased this month and average new home prices decreased this month in Southern Nevada, which is the opposite of recent trend. Nonetheless, both new and existing home prices had more robust growth in Southern Nevada than any other region.



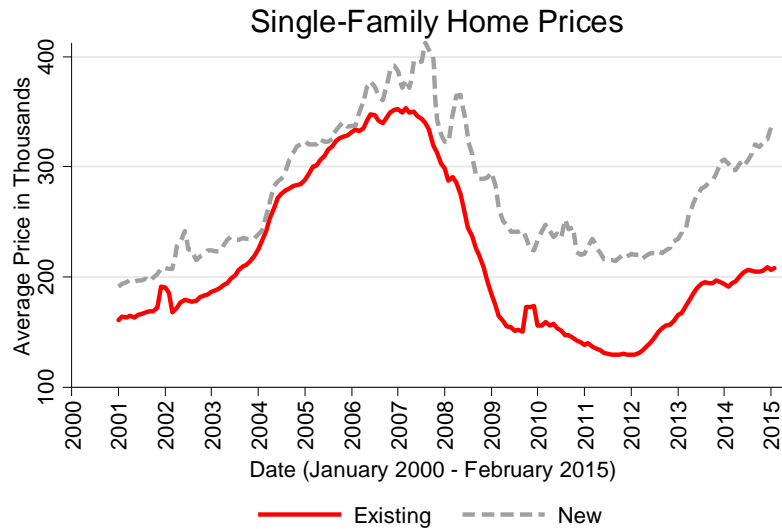
Single-Family Home Sales*	February 2015	M2M Change	Y2Y Change
New	455	-2.3%	+17.7%
Existing	2712	-0.1%	-10.7%
Distress Share	16.0%	-15.2%	-30.7%
Residential Construction			
<b>Total Starts</b>	1,287	+863	+554
Single-Family	699	+275	+302
Multifamily	588	+588	+252
Average Single-Family Sales Price*			
New	\$335,103	-0.2%	+10.7%
Existing	\$208,133	+0.7%	+9.0%
Distress	\$157,739	+0.8%	+1.6%

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

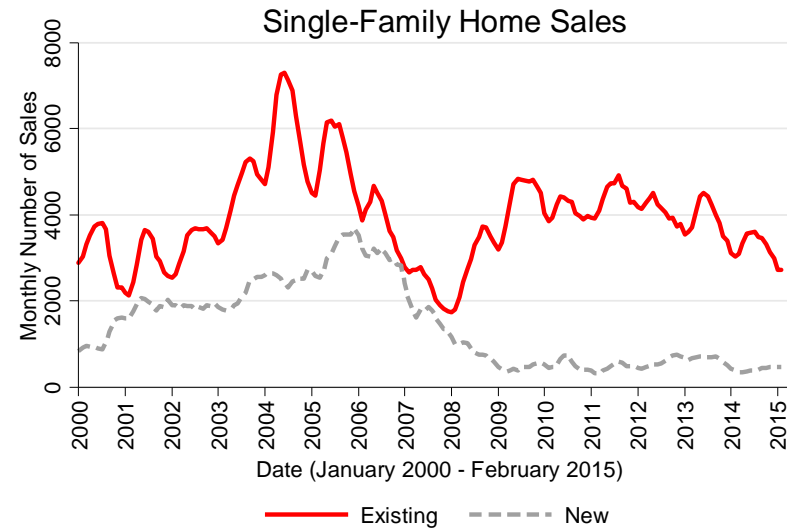
\*Figures portray Three-Month Moving Weighted Averages



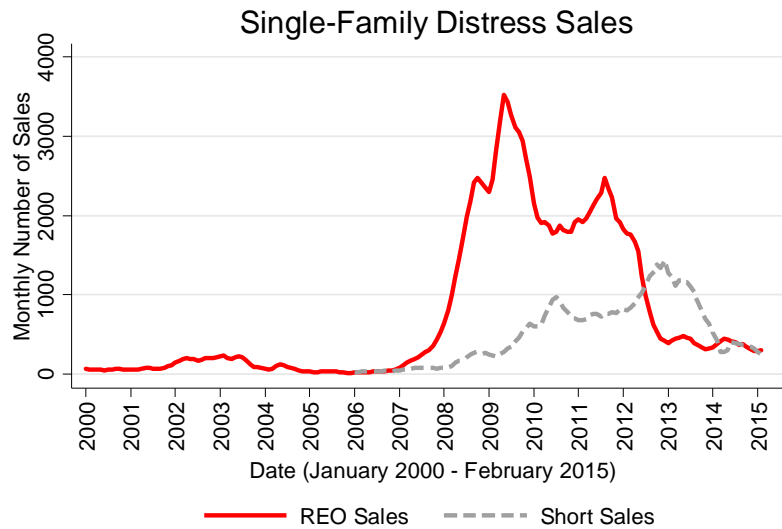
# Southern Trends



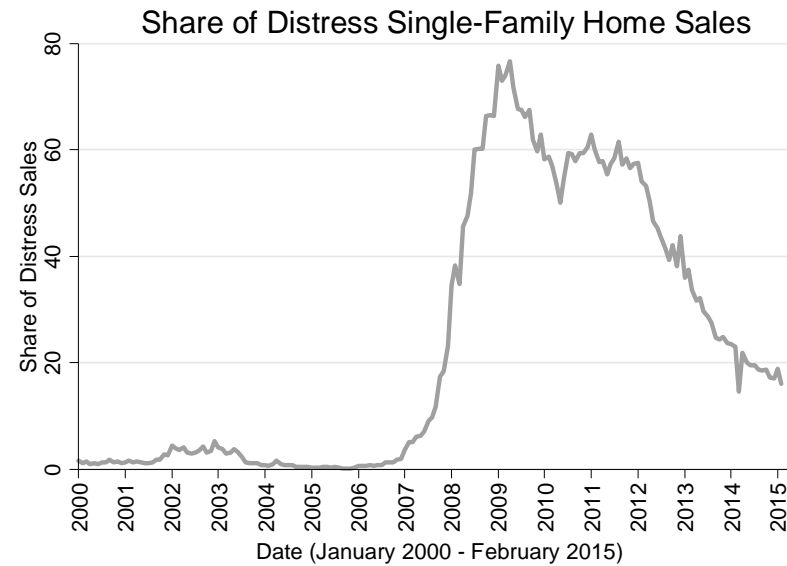
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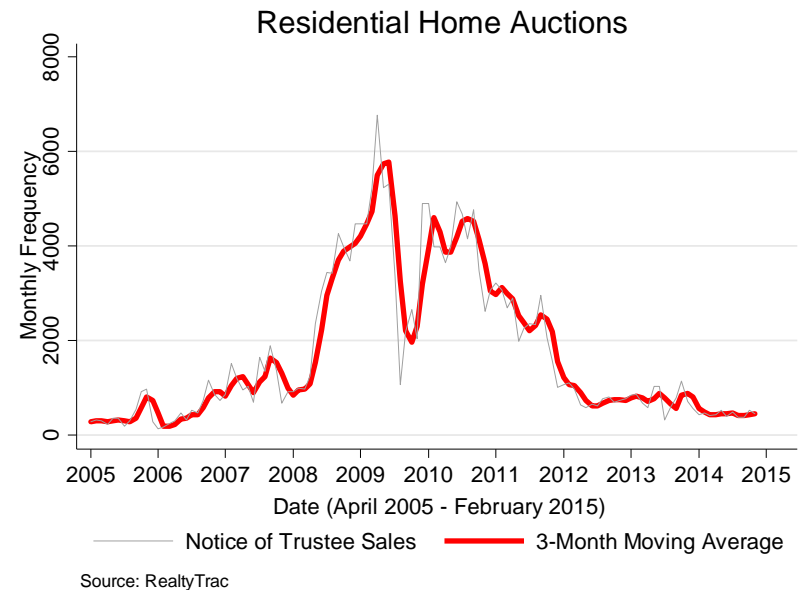
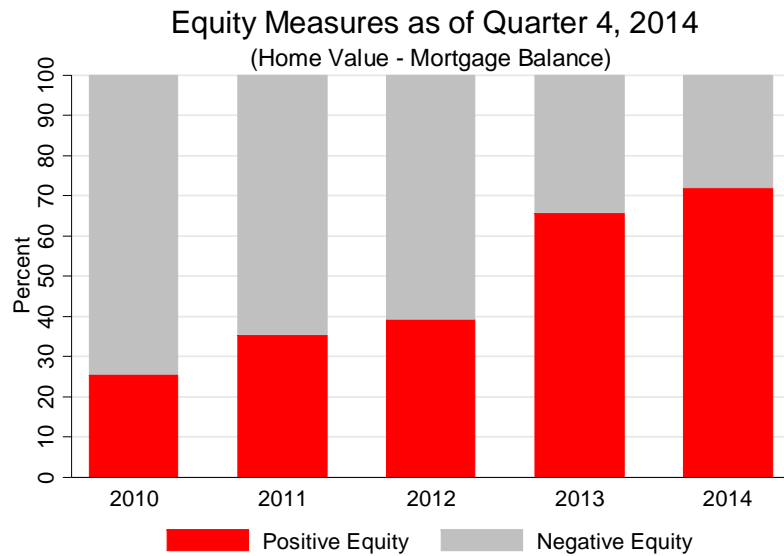
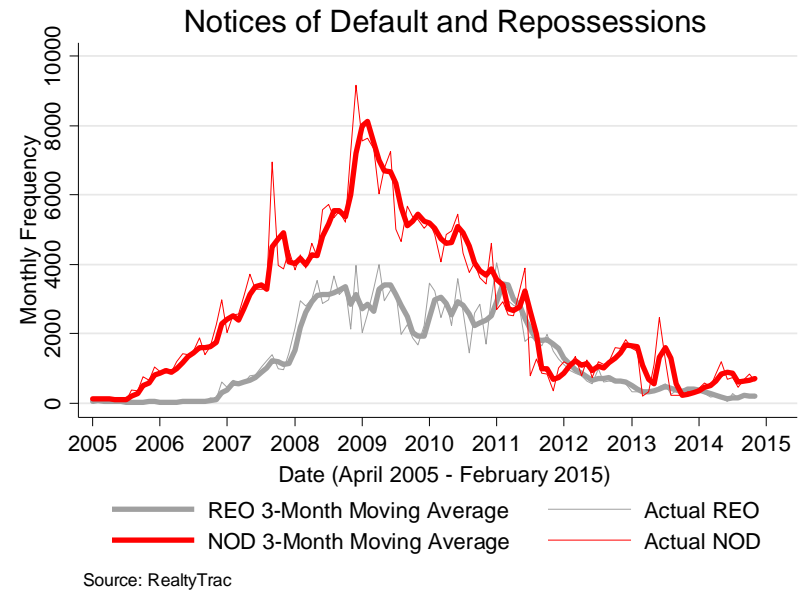
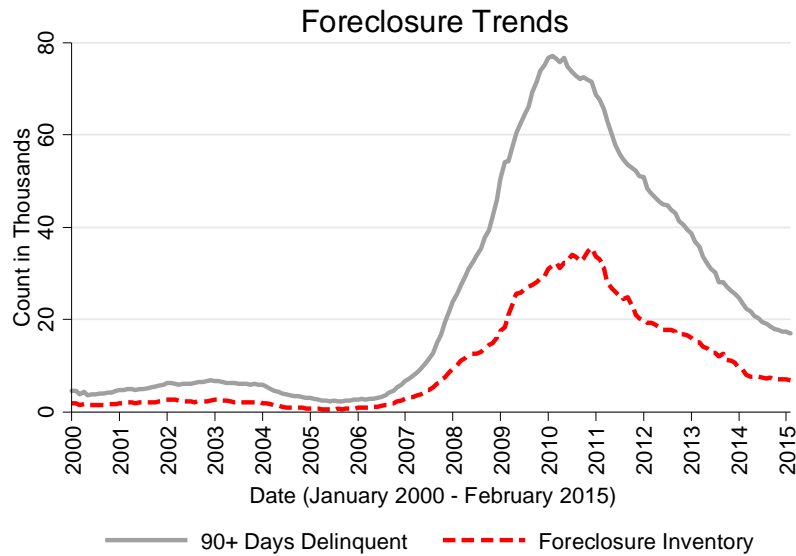


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Source: CoreLogic

# Southern Trends



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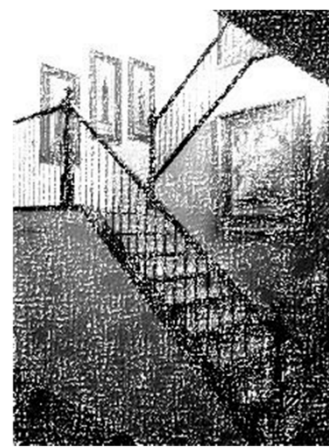
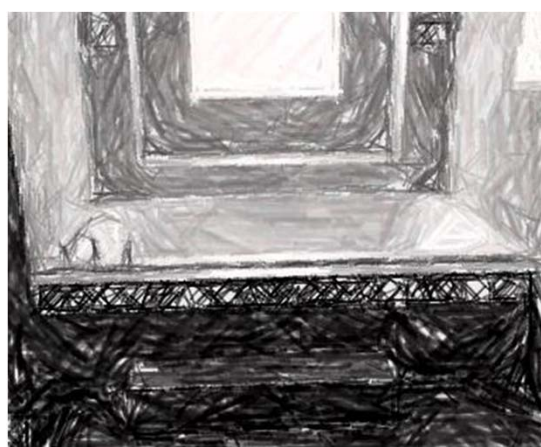
## Rural Trends

Population: **147,592** in 2014

Housing Units: **65,629** in 2013

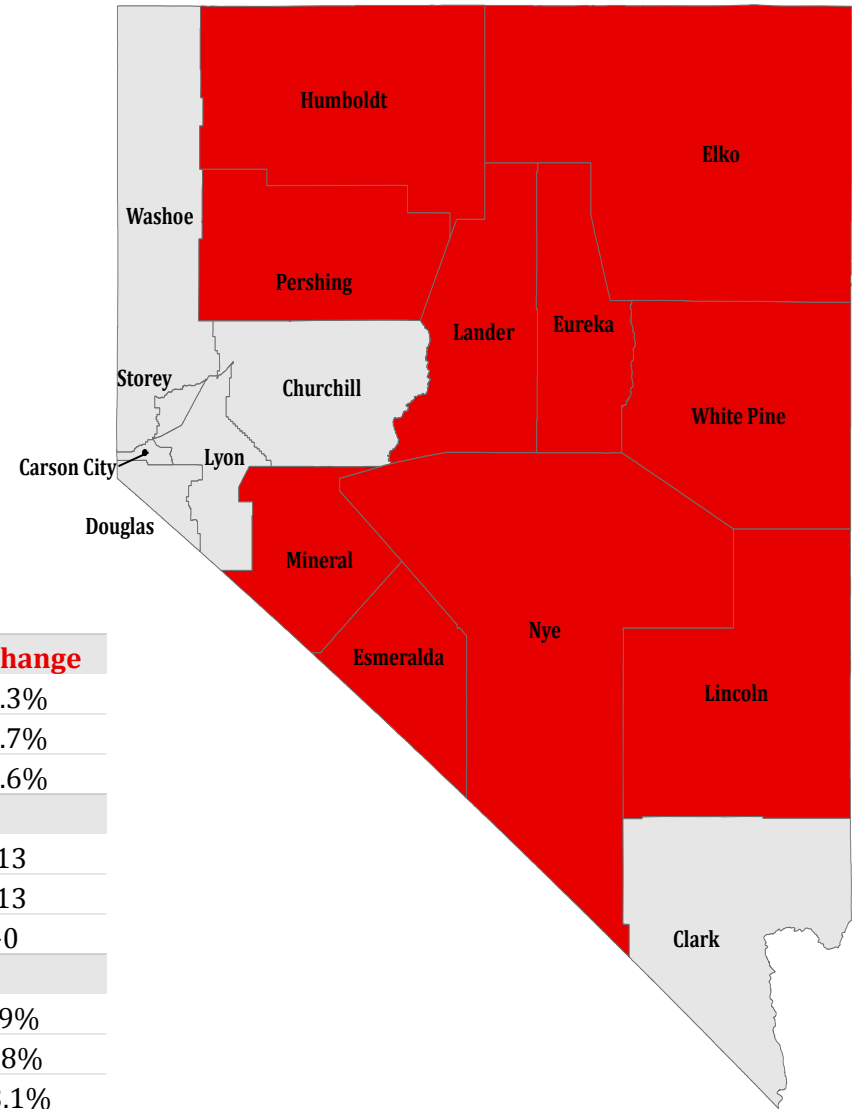
Source: U.S. Census Bureau: State and County QuickFacts

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



## Rural Trends

- ❑ New home sales in Rural Nevada have not seen a monthly increase since June 2014. There were only 3 new homes sales this month in Rural Nevada – the lowest monthly amount since 2000.
- ❑ Existing home sales have now seen significant month to month decreases for four consecutive months. The 88 home sales in Rural Nevada were the lowest monthly amount since 2000.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. However, distress home prices see consistent month to month growth in Rural Nevada. Distress home prices are up more year over year in Rural Nevada than any other region in Nevada.

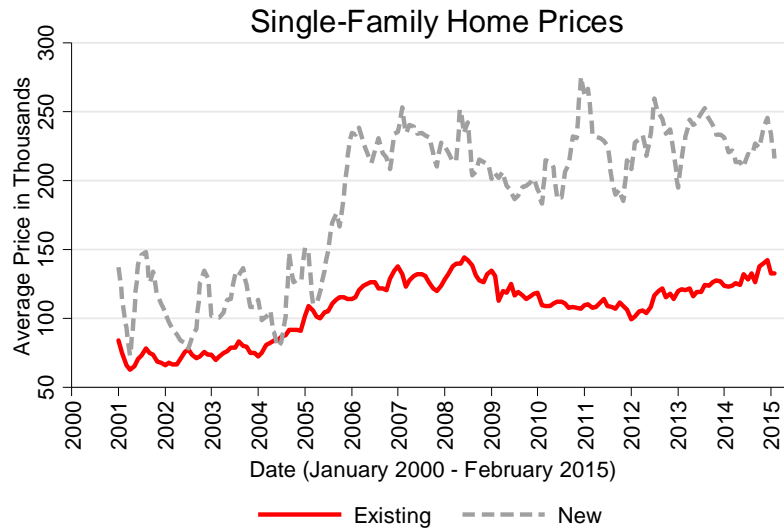


Single-Family Home Sales*	February 2015	M2M Change	Y2Y Change
New	3	-0%	-81.3%
Existing	88	-13.2%	-37.7%
Distress Share	14.8%	-12.9%	-31.6%
Residential Construction			
<b>Total Starts</b>	24	+8	+13
Single-Family	24	+8	+13
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$216,022	-7.6%	-1.9%
Existing	\$132,643	+0.3%	+7.8%
Distress	\$118,678	+4.5%	+13.1%

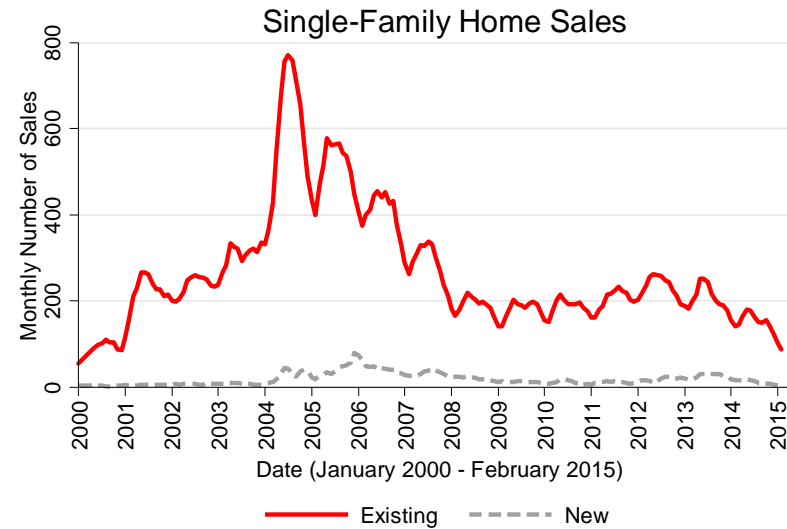
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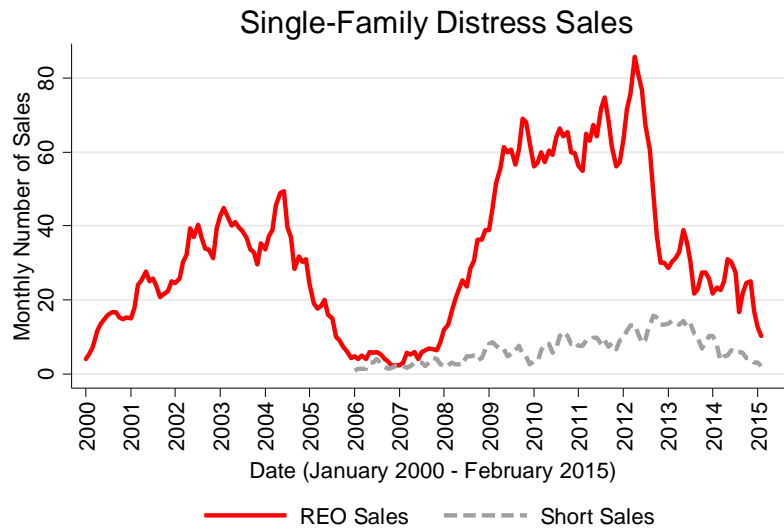
# Rural Trends



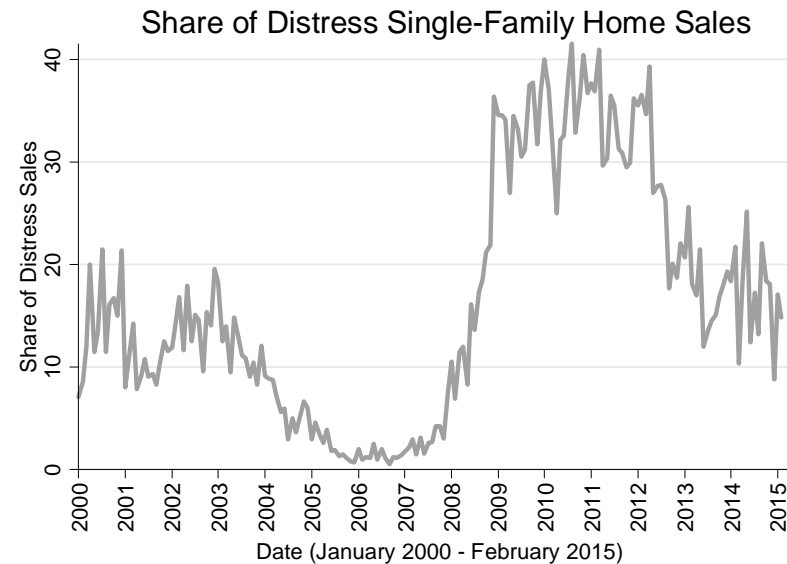
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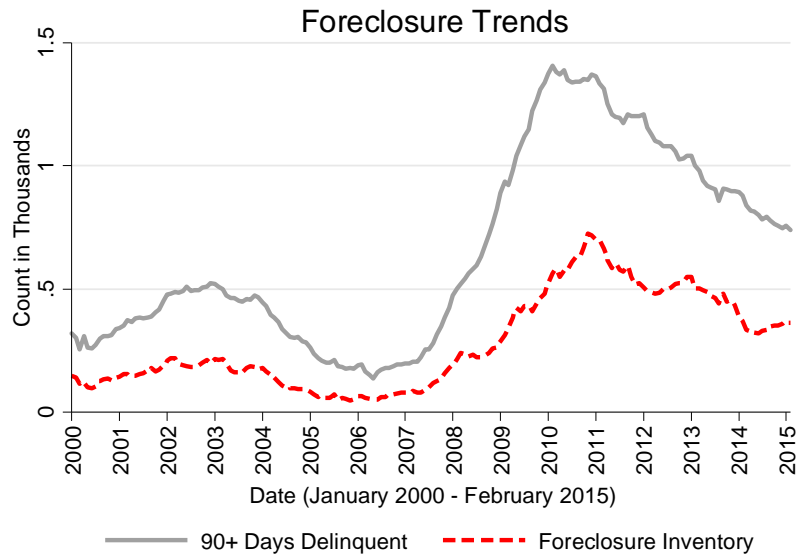


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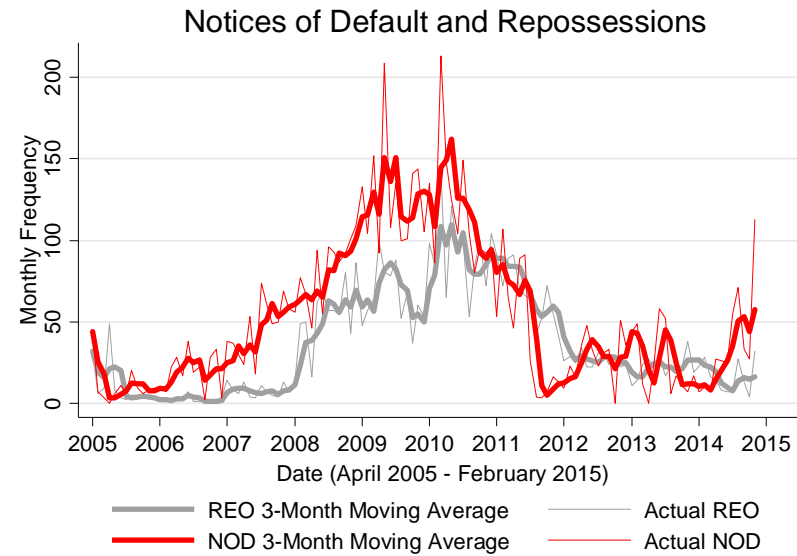


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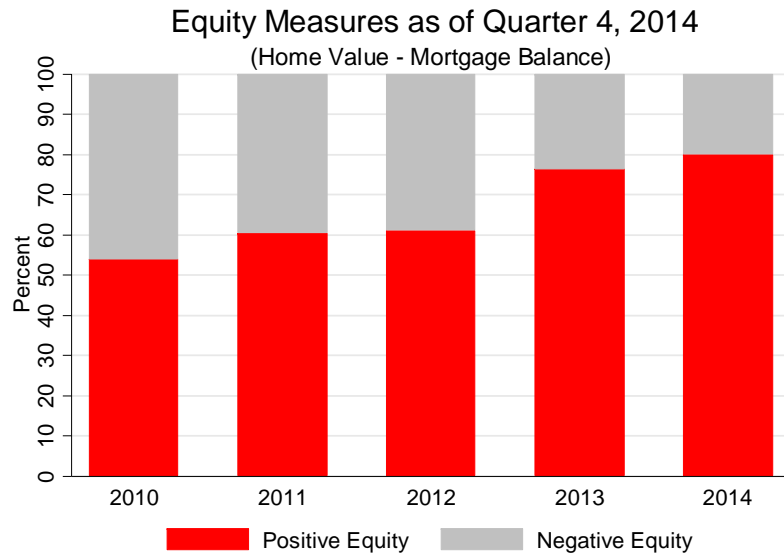
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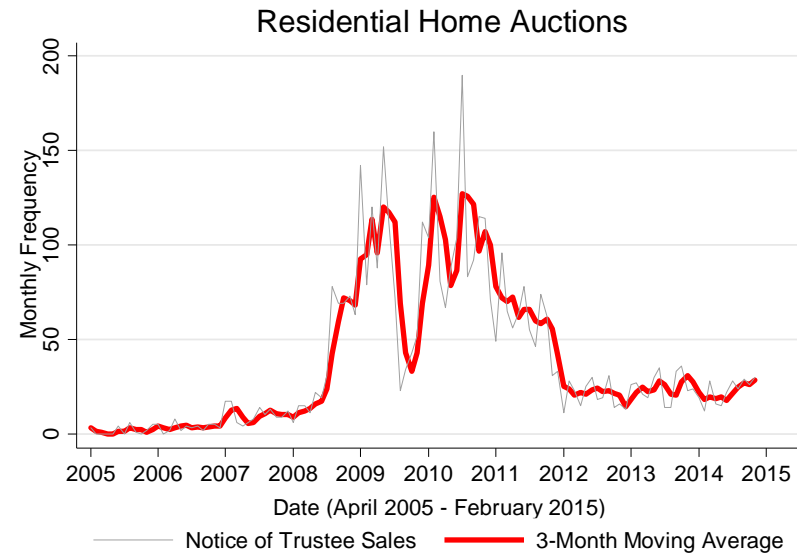
Source: CoreLogic



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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