

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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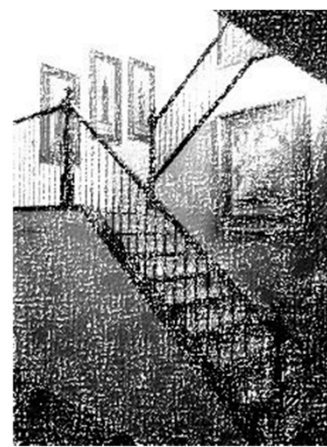
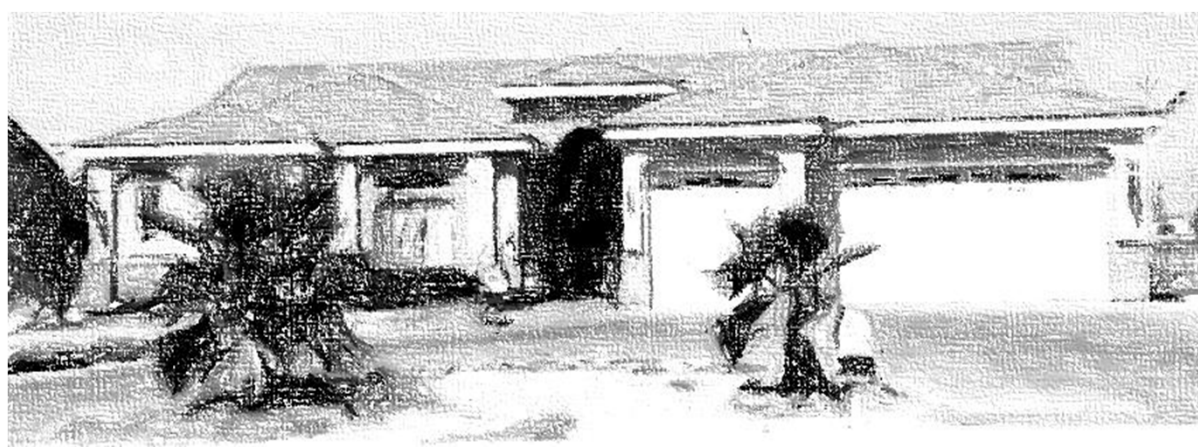
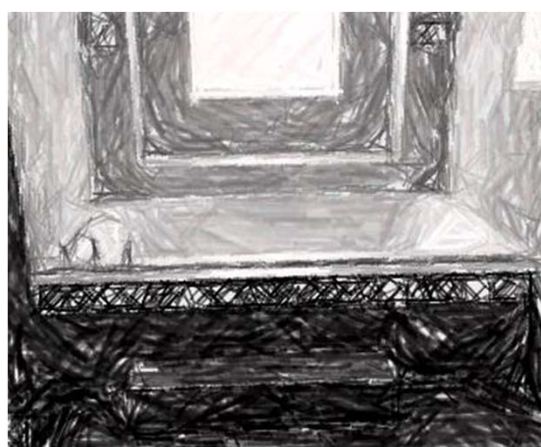
Nevada's Housing Market | January 2015

Nevada Statewide Trends

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

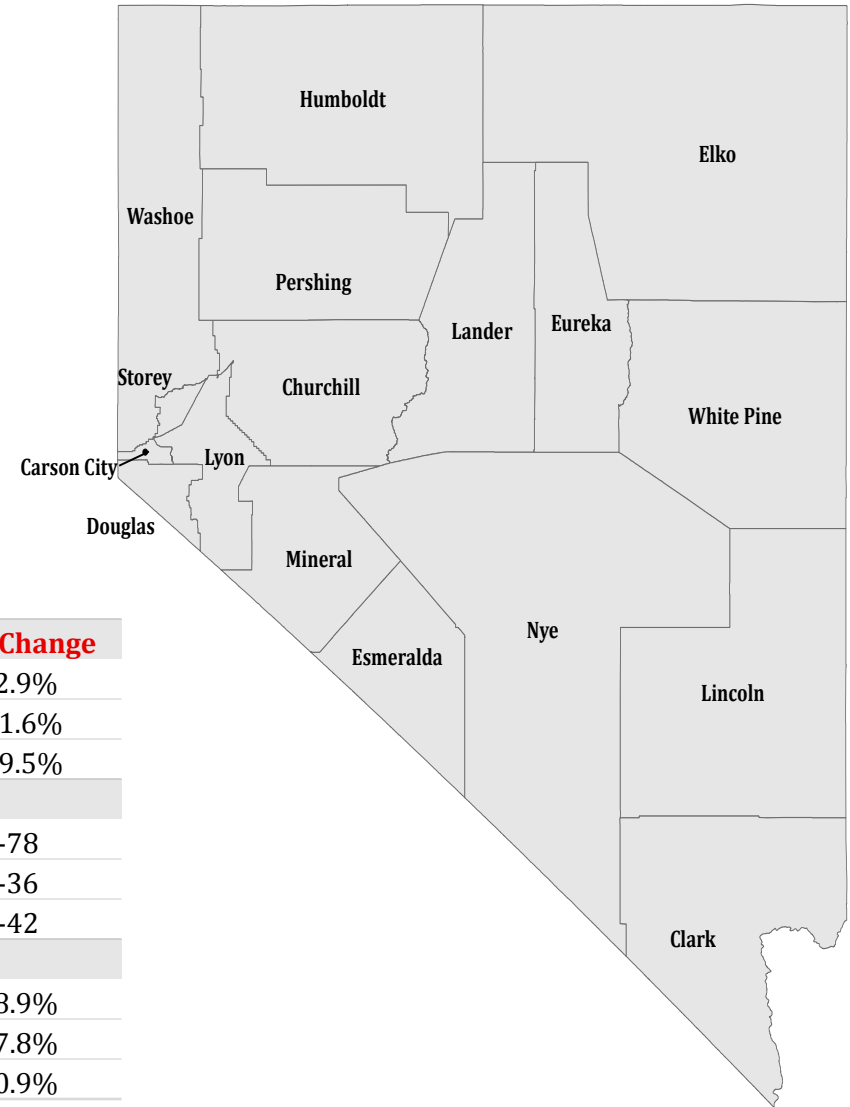
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- ❑ All three regions in Nevada saw decreases in both new and existing home sales. Existing home sales in Nevada decreased by nearly 10 percent and were the lowest they had been since 2008. New home sales decreased by nearly 5 percent, but are still up 3 percent year over year.
- ❑ The share of homes sold under distress in Nevada increased by 2 percentage points this month. However, this large increase was a result of the decreased number of home sales, not an increase in REO or short sales. The total number of REO sales remained unchanged this month and short sales saw a 24 percent decrease this month.
- ❑ Average new home prices in Nevada continue to increase as Southern Nevada continues to see consistent growth in average new home prices. At \$336,607, average new home prices in Nevada are the highest they have been since June 2008.

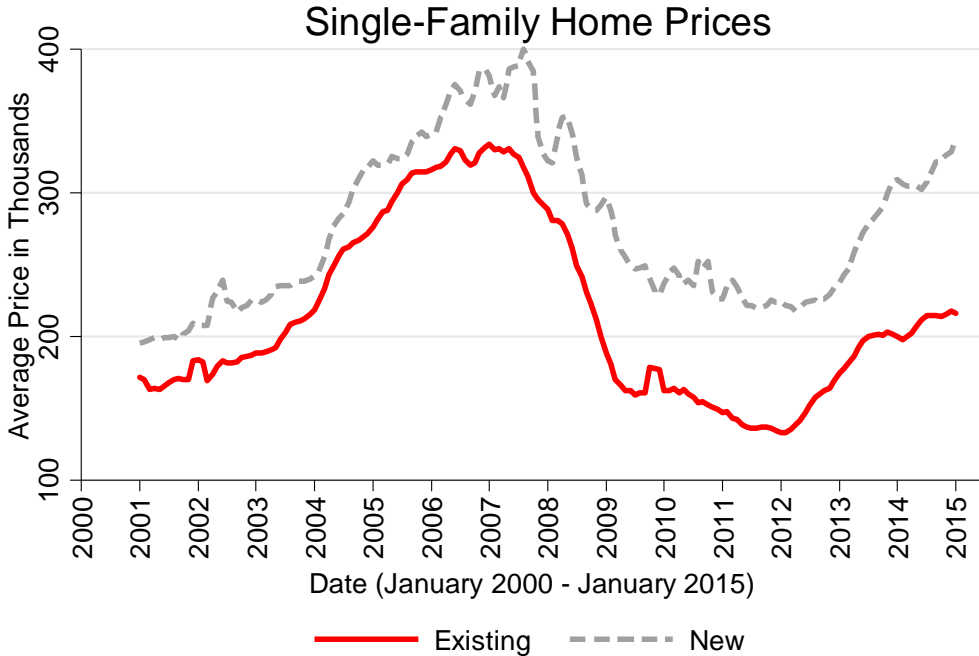


Single-Family Home Sales*	January 2015	M2M Change	Y2Y Change
New	565	-4.9%	+2.9%
Existing	3629	-9.7%	-11.6%
Distress Share	18.1%	+13.9%	-19.5%
Residential Construction			
Total Starts	640	-241	-78
Single-Family	570	-97	-36
Multifamily	70	-144	-42
Average Single-Family Sales Price*			
New	\$336,607	+2.7%	+8.9%
Existing	\$215,507	-0.8%	+7.8%
Distress	\$159,658	-2.8%	+0.9%

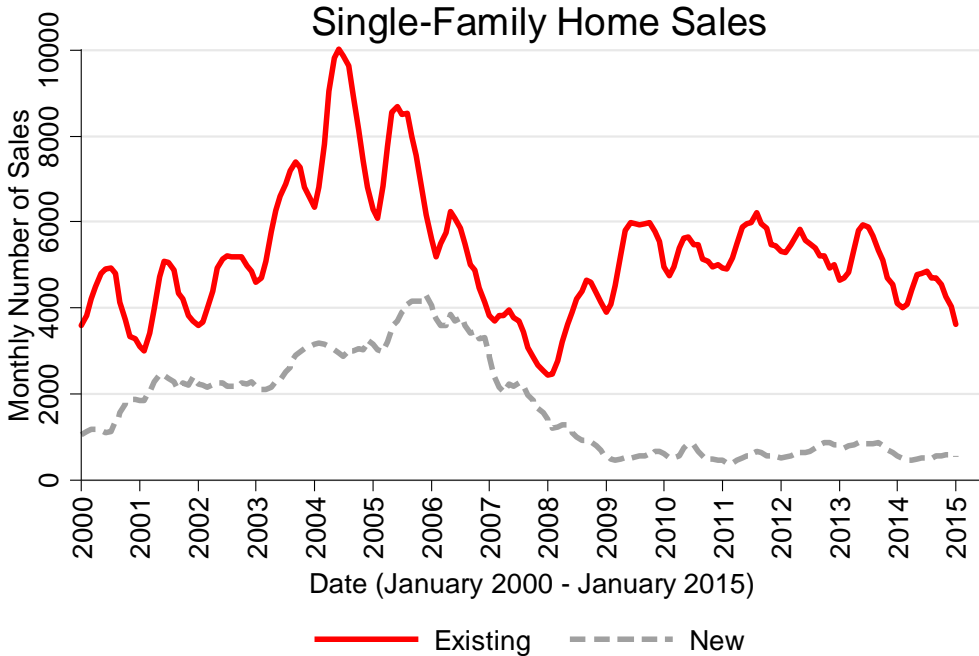
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



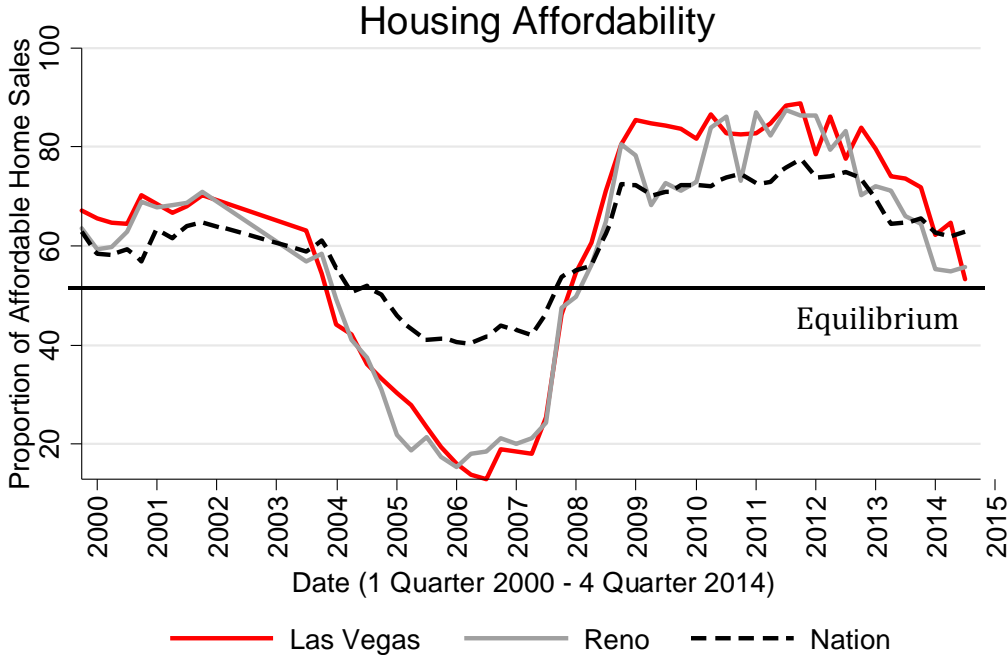
Source: CoreLogic
 Note: Series are 3-month weighted moving averages.



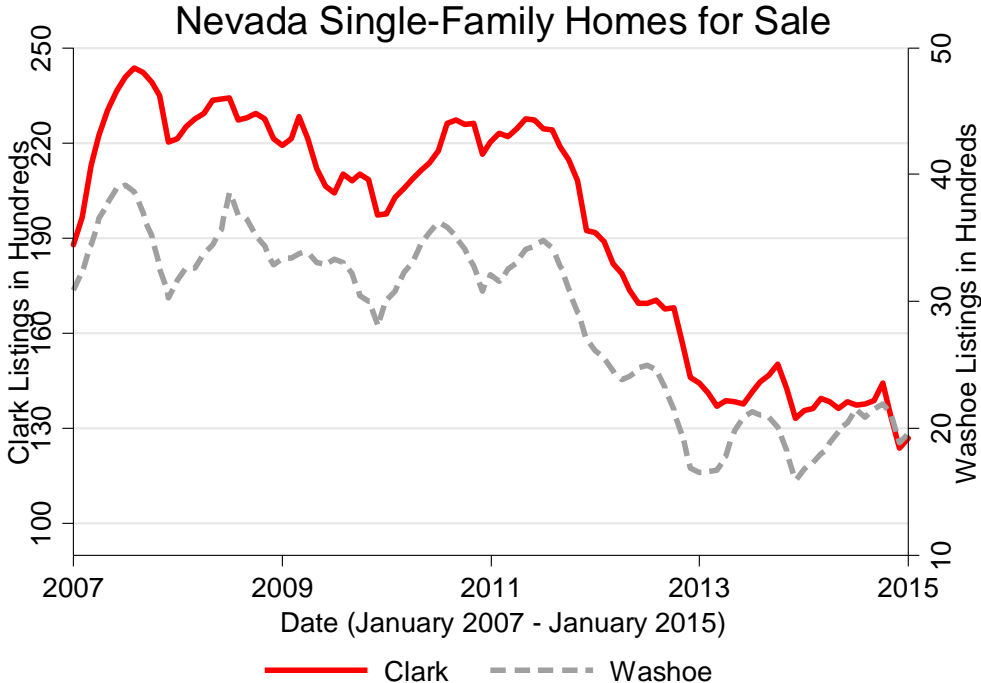
Source: CoreLogic
 Note: Series are 3-month weighted moving averages.

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



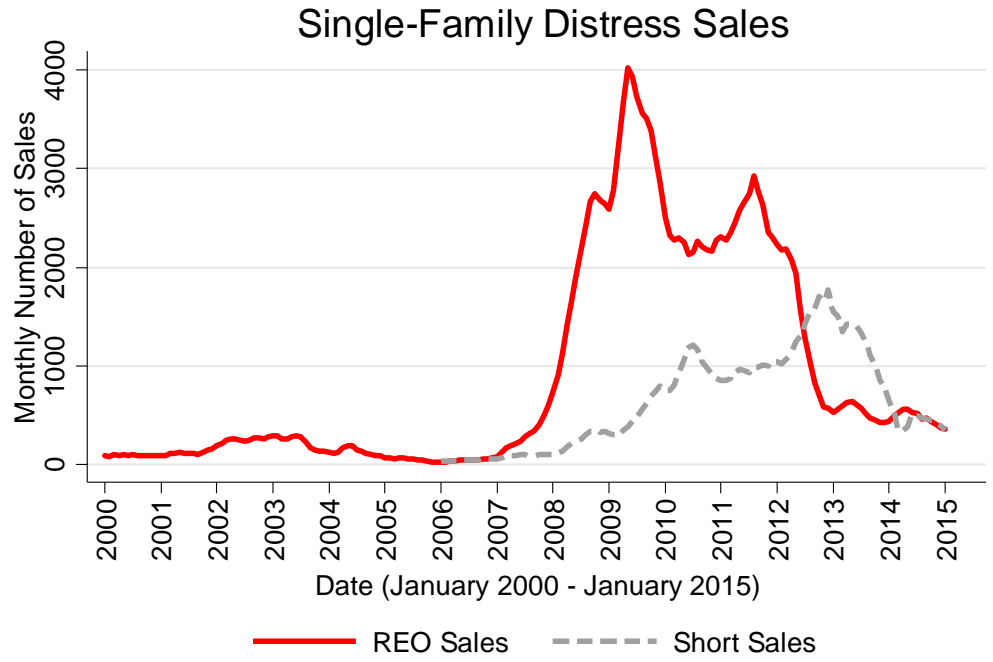
Source: National Association of Home Builders
 Note: Series denote the proportion of home sales affordable at median income.



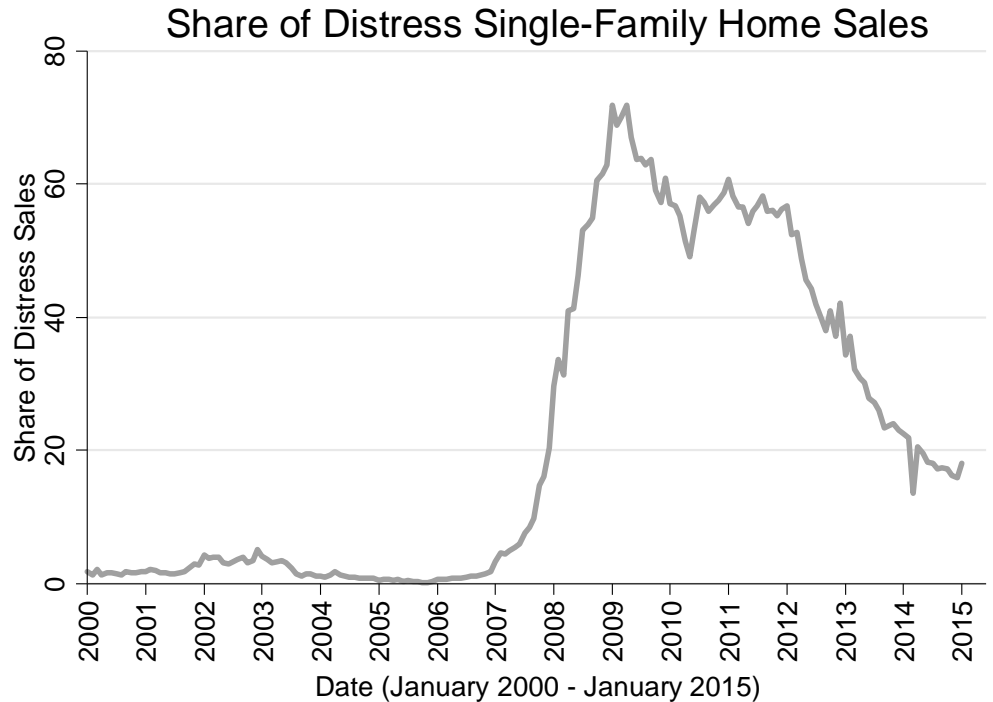
Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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



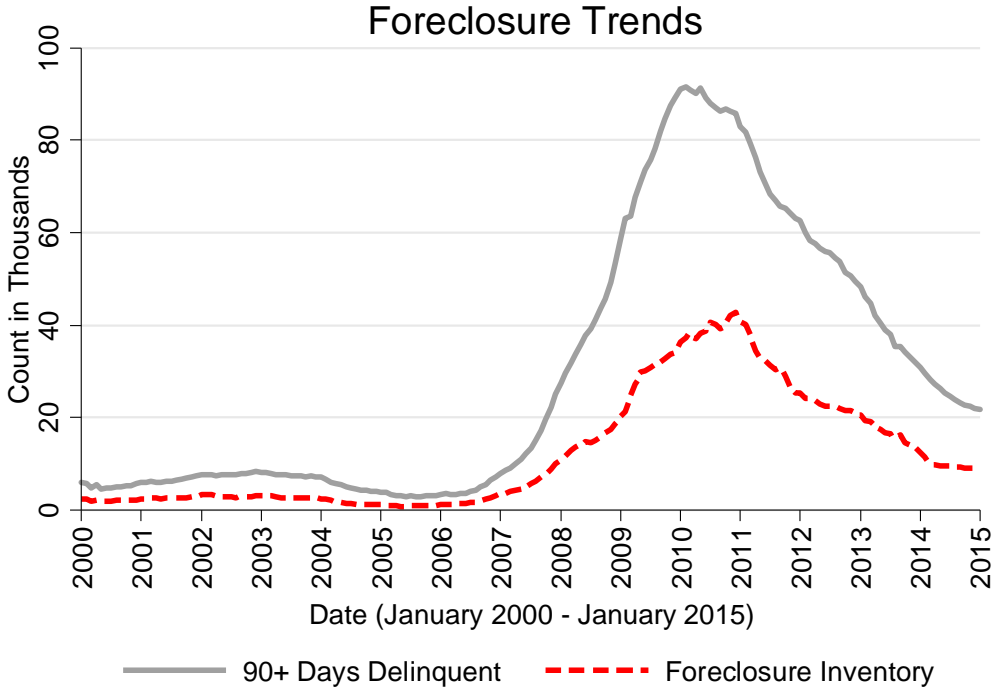
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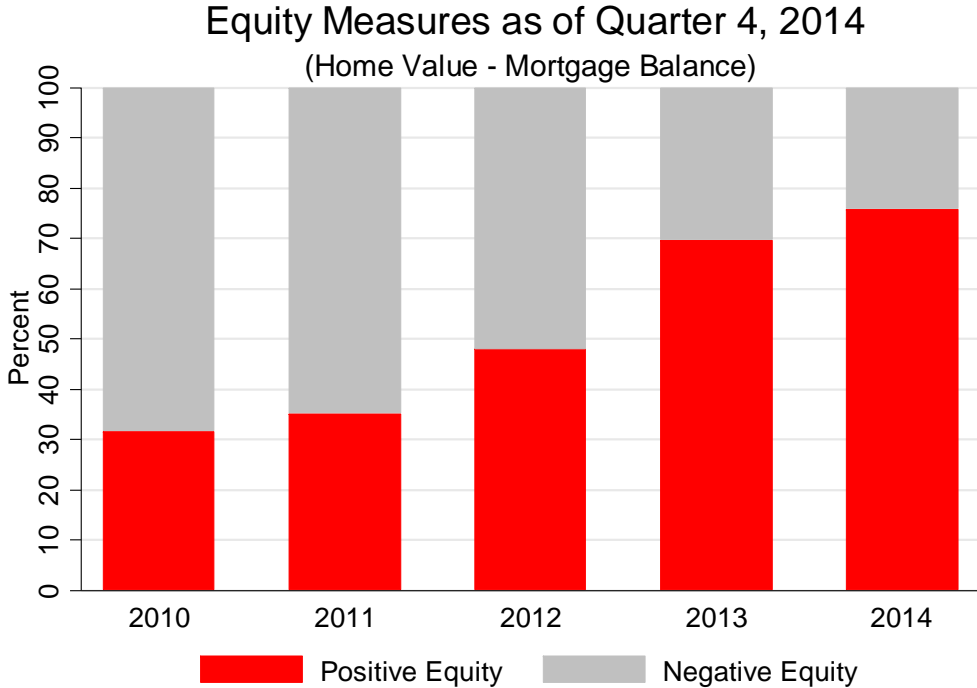
Source: CoreLogic

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

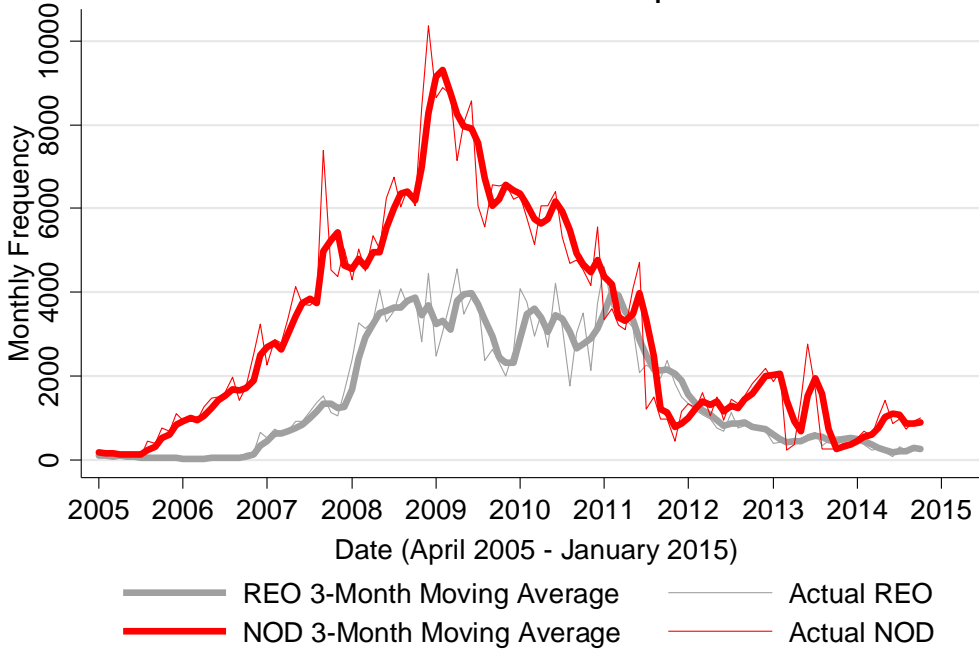


Source: CoreLogic

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.

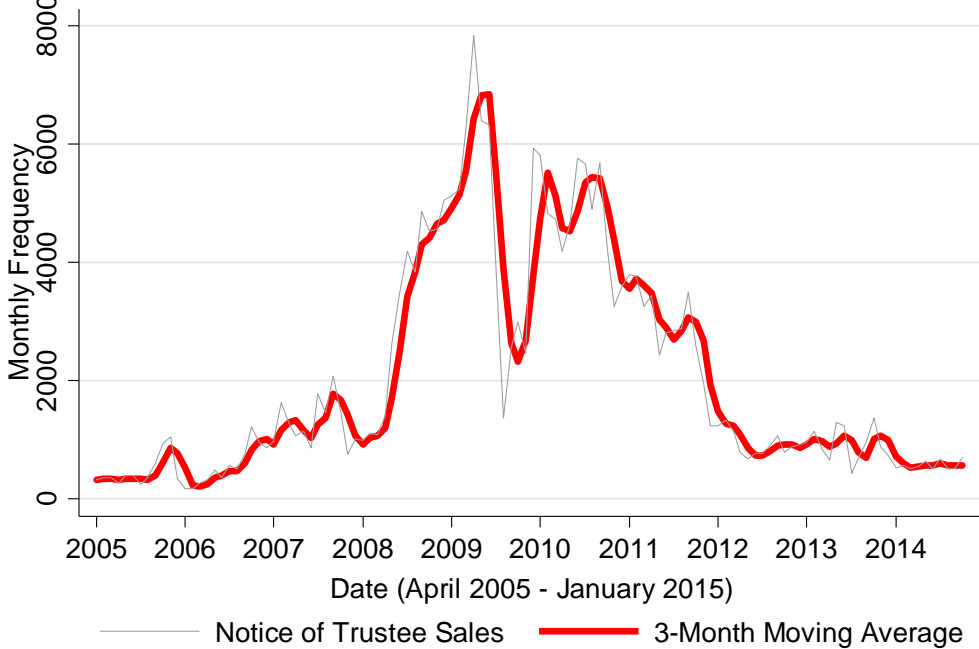
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



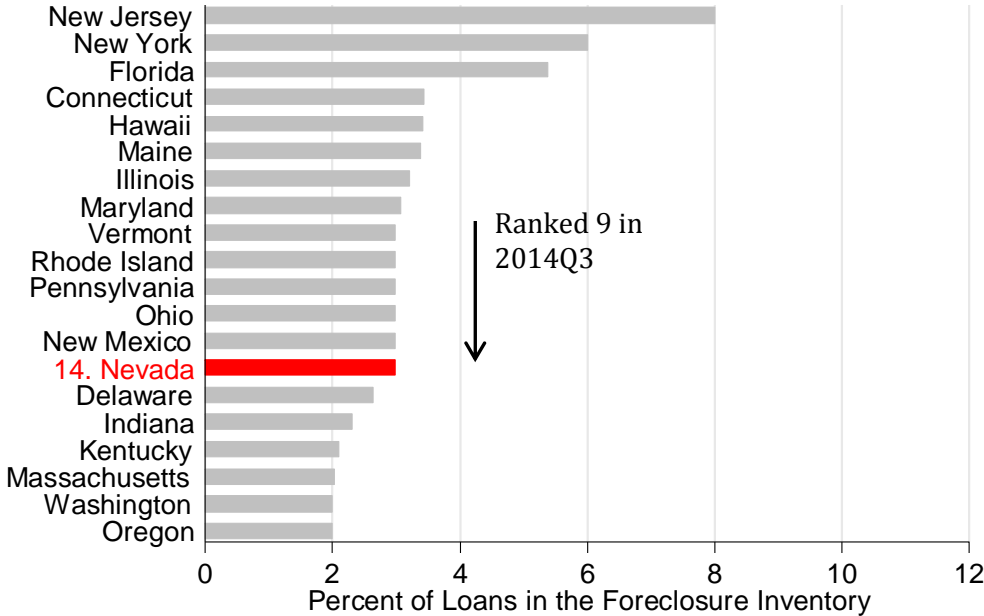
Source: RealtyTrac

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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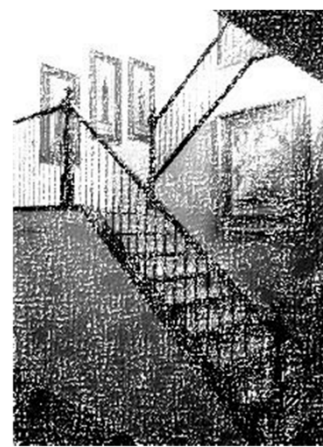
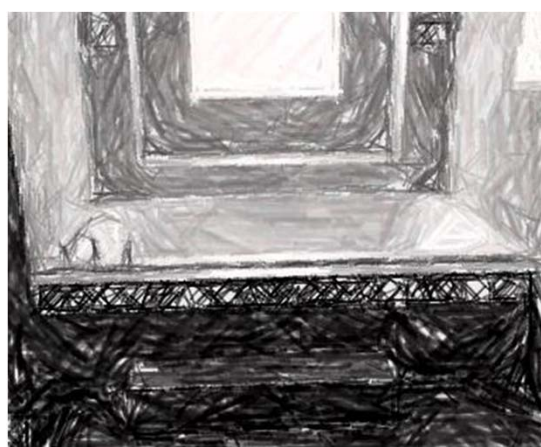
Northern Trends

Population: **621,826** in 2014

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

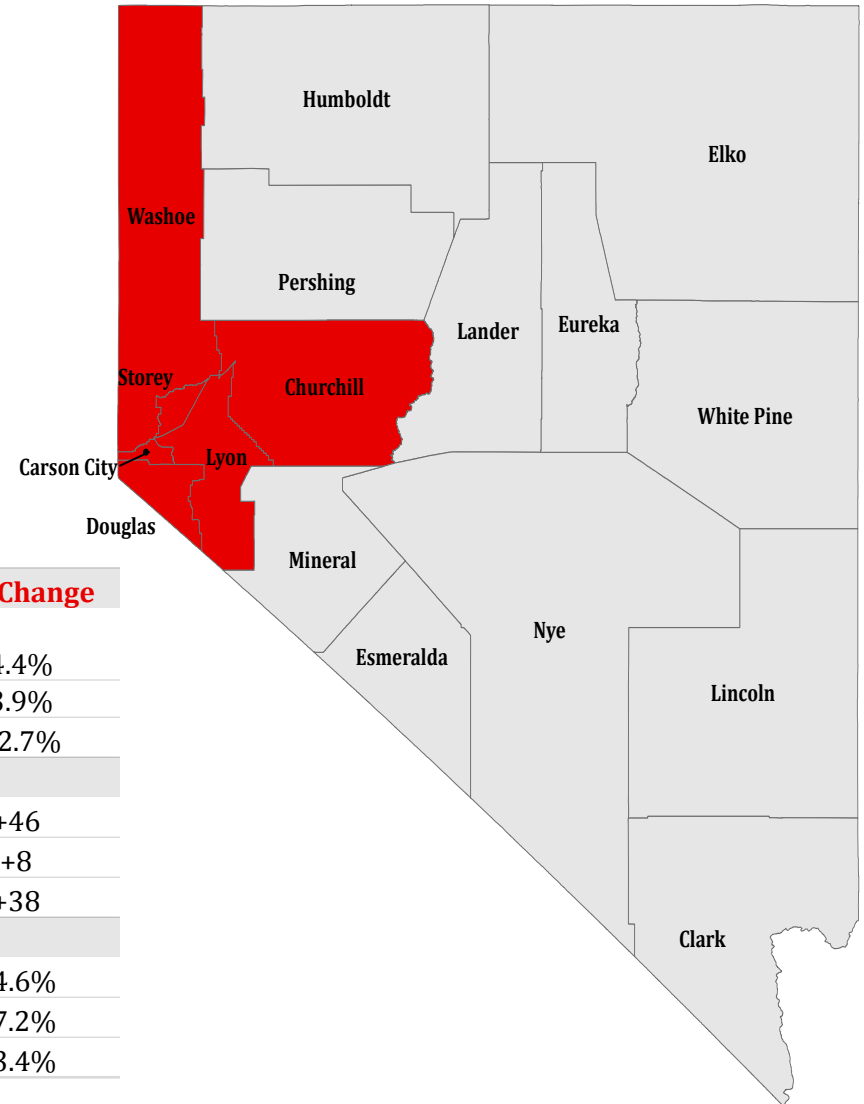
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ Both new and existing home sales decreased more in Northern Nevada than Southern Nevada this month. Existing home sales in Northern Nevada this month were the lowest they had been since May 2009. Existing home sales are up more year over year in Northern Nevada than in Southern Nevada, but are still down.
- ❑ Both single-family and multifamily starts decreased this month in Northern Nevada, which typically happens in January. Northern Nevada was the only region in Nevada to see year over year increases in both single-family and multifamily starts.
- ❑ Northern Nevada saw the least amount of change in average home prices this month. Still, existing home prices saw more robust growth than new home prices in Northern Nevada this month.

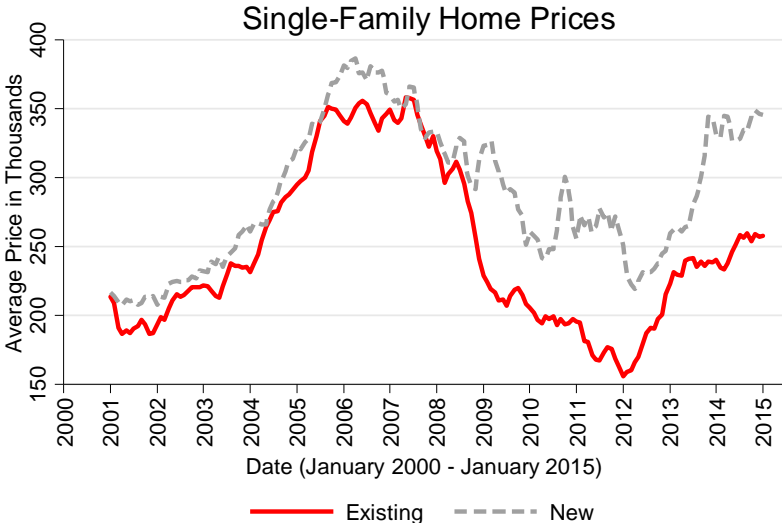


Single-Family Home Sales*	January 2015	M2M Change	Y2Y Change
New	95	-6.6%	-4.4%
Existing	792	-11.2%	-3.9%
Distress Share	15.4%	+21.1%	-22.7%
Residential Construction			
Total Starts	200	-36	+46
Single-Family	130	-34	+8
Multifamily	70	-70	+38
Average Single-Family Sales Price*			
New	\$345,232	-0.2%	+4.6%
Existing	\$257,588	+0.2%	+7.2%
Distress	\$180,819	-5.4%	+3.4%

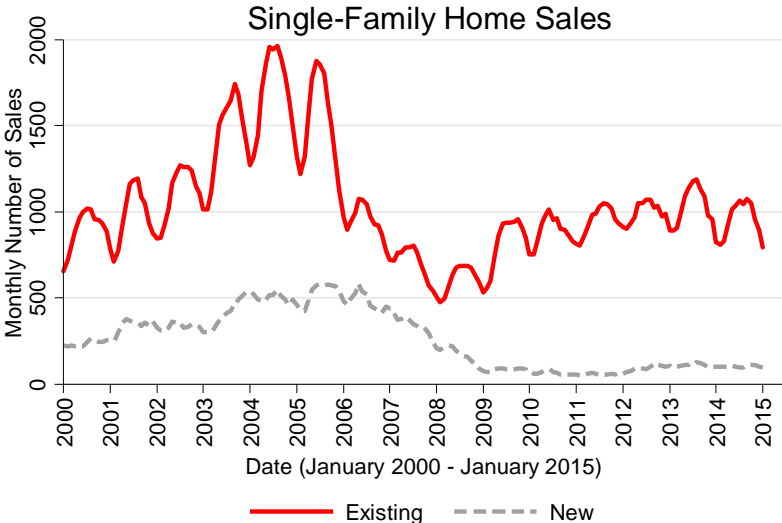
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*Figures portray Three-Month Moving Weighted Averages

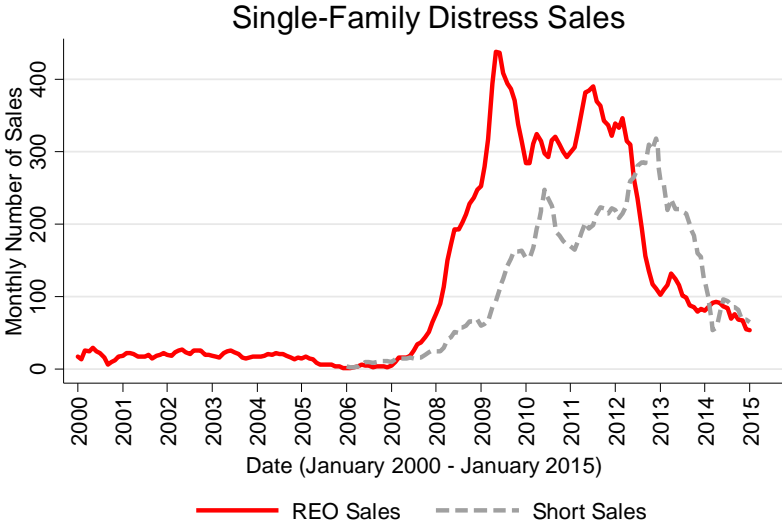
Northern Trends



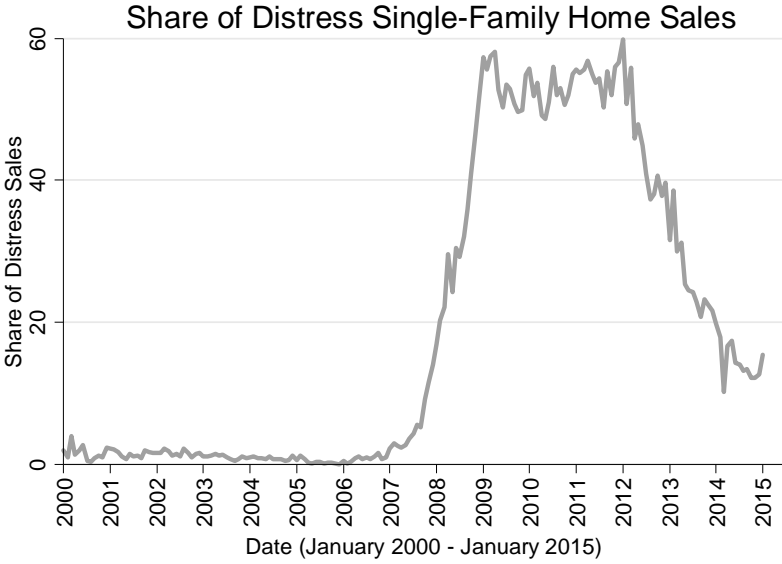
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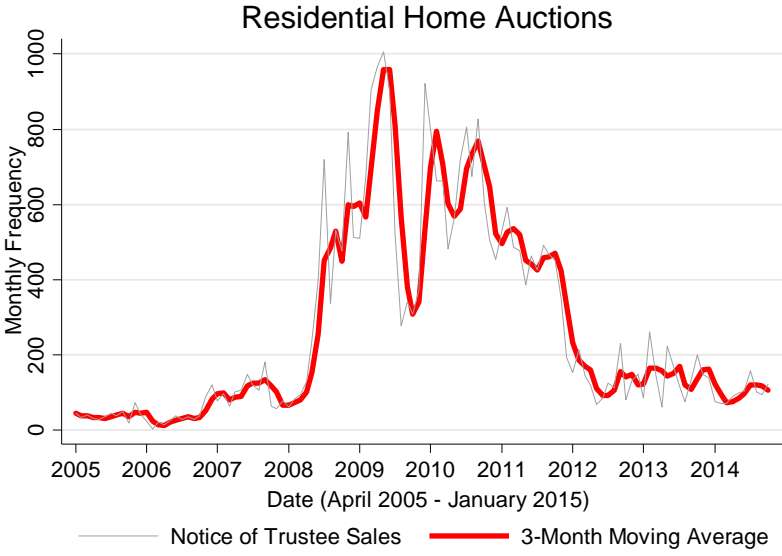
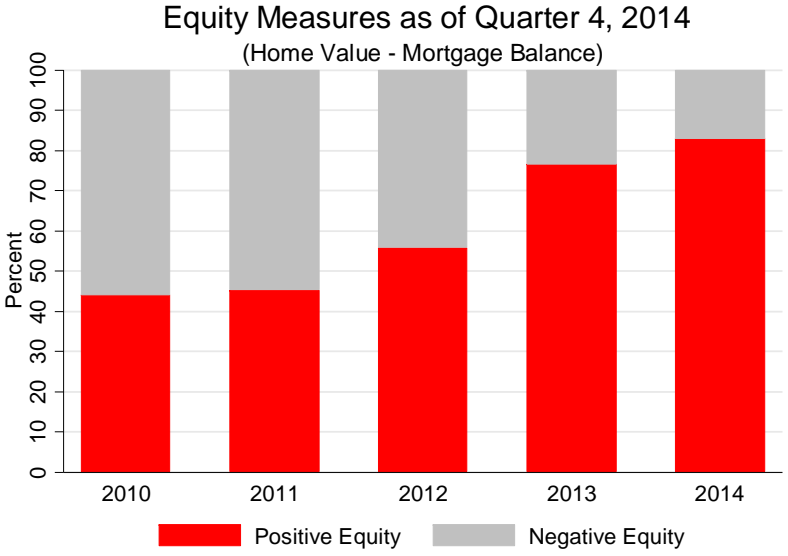
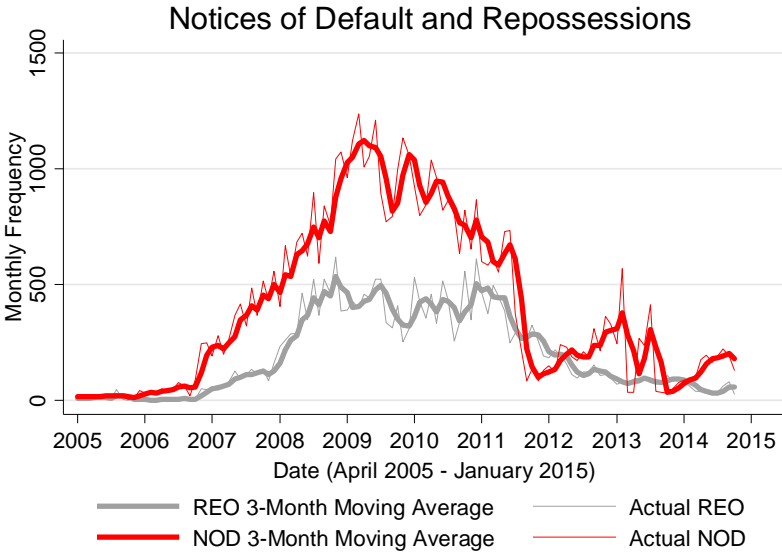
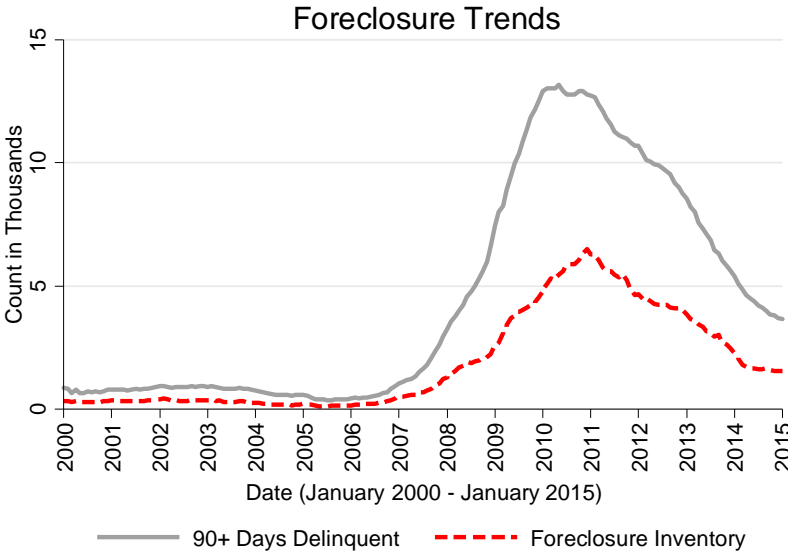


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Source: CoreLogic

Northern Trends



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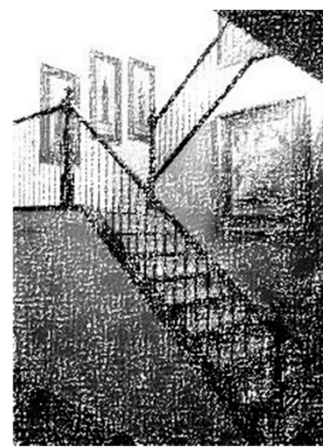
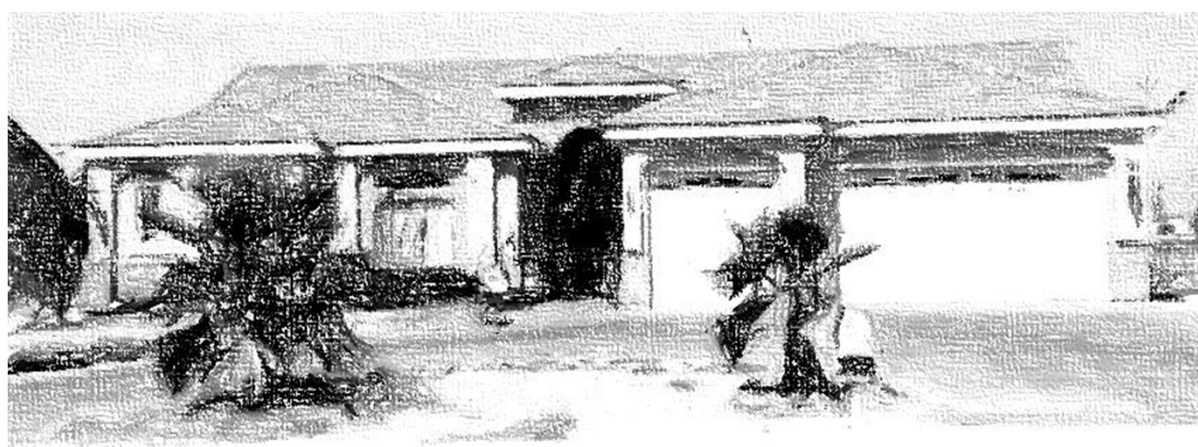
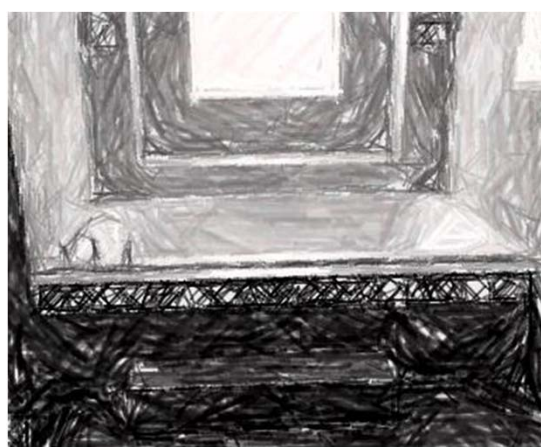
Southern Trends

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

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

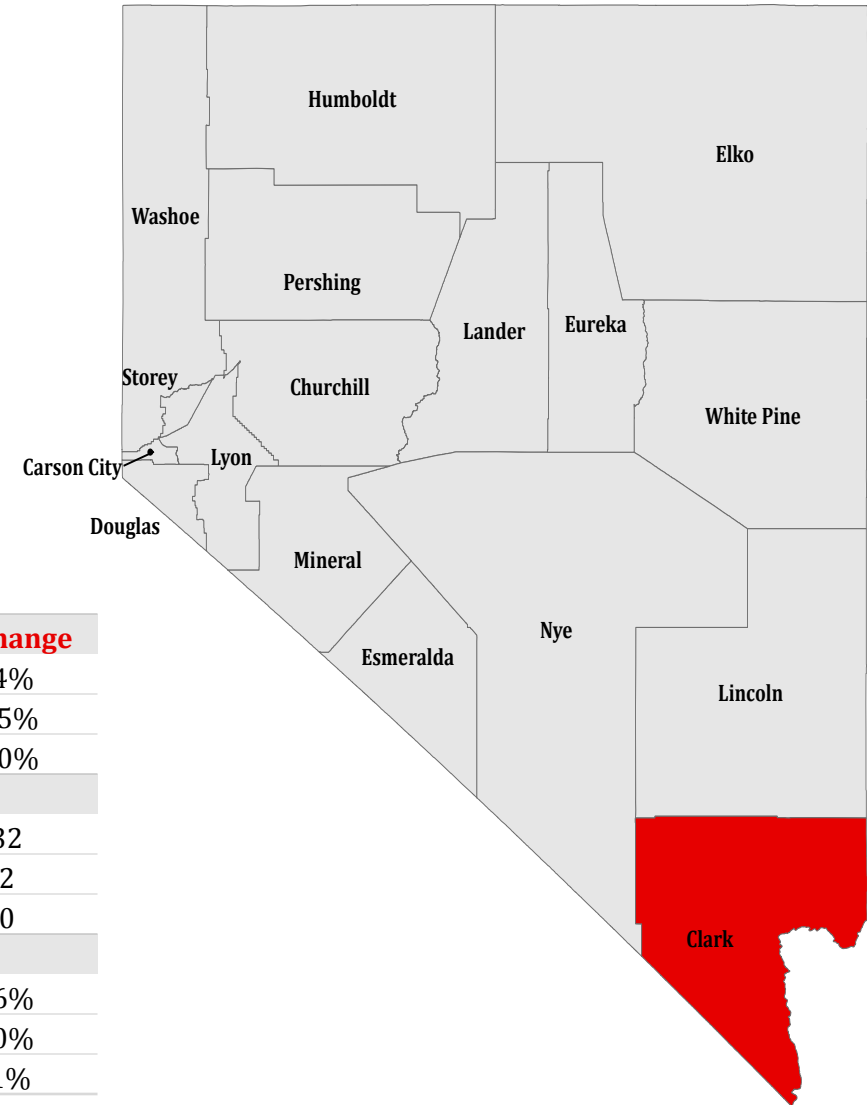
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ After nine consecutive months of increases in new home sales, new home sales fell 4.2 percent this month in Southern Nevada. Southern Nevada is the only region in Nevada where new home sales are up year over year.
- ❑ After seeing an extraordinarily high amount of multifamily starts in 2014, Southern Nevada saw no multifamily construction starts in January 2015. This was the first time Southern Nevada had no multifamily starts in a month since July 2013.
- ❑ Southern Nevada continues to see more robust growth in average new home prices than in existing home prices. At \$335,992, average new homes are now \$129,000 more expensive than average existing homes in Southern Nevada.

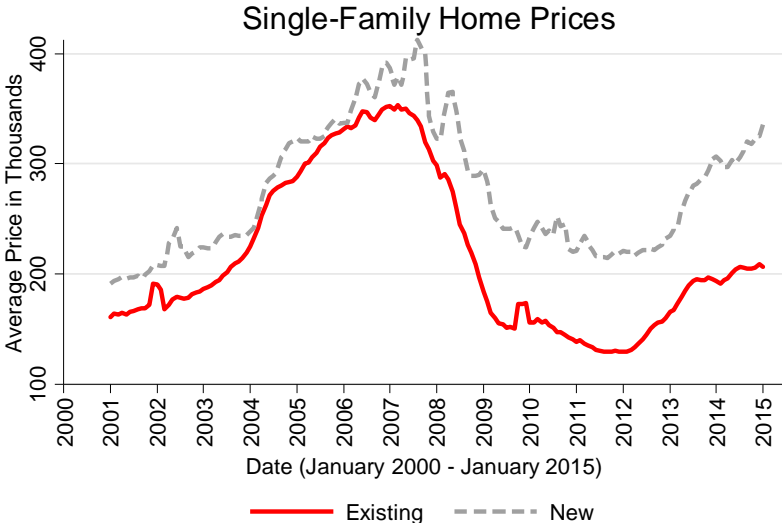


Single-Family Home Sales*	January 2015	M2M Change	Y2Y Change
New	466	-4.2%	+8.4%
Existing	2715	-9.1%	-12.5%
Distress Share	18.8%	+10.7%	-20.0%
Residential Construction			
Total Starts	424	-206	-132
Single-Family	424	-64	-52
Multifamily	0	-142	-80
Average Single-Family Sales Price*			
New	\$335,922	+3.3%	+9.6%
Existing	\$206,760	-0.9%	+7.0%
Distress	\$156,469	-2.7%	-0.1%

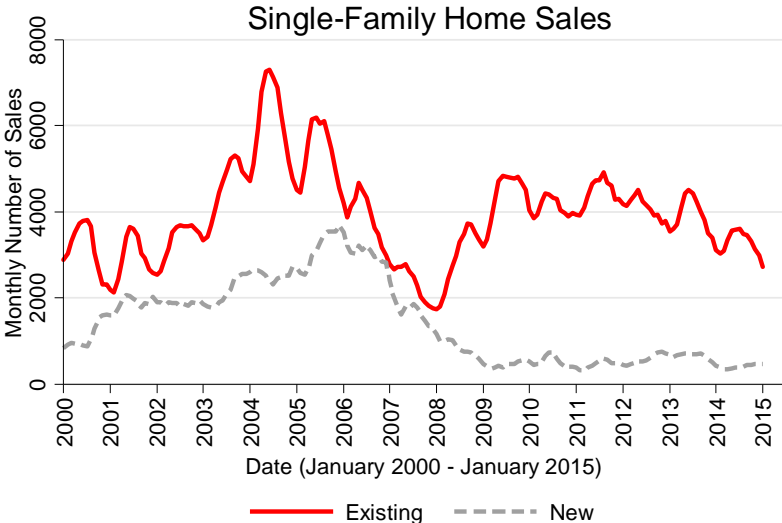
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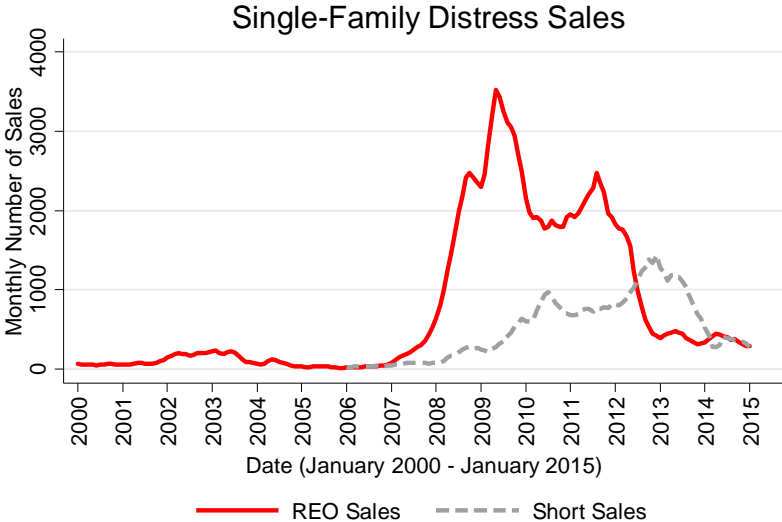
Southern Trends



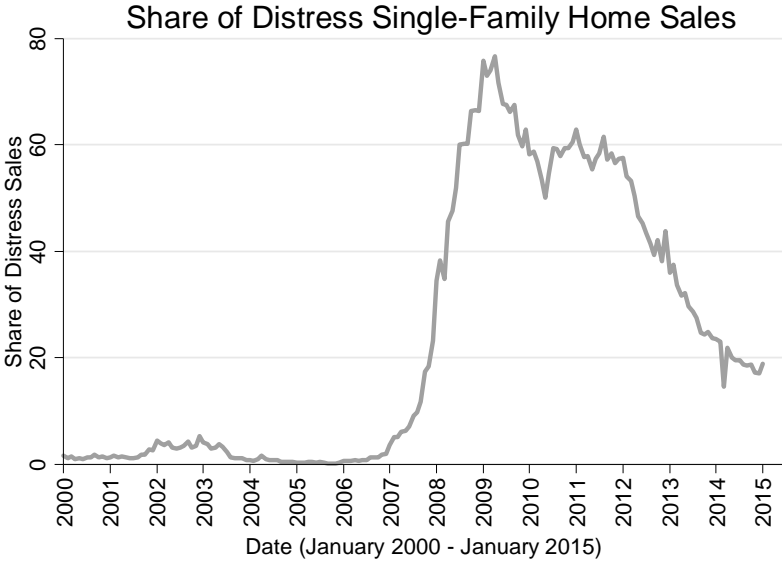
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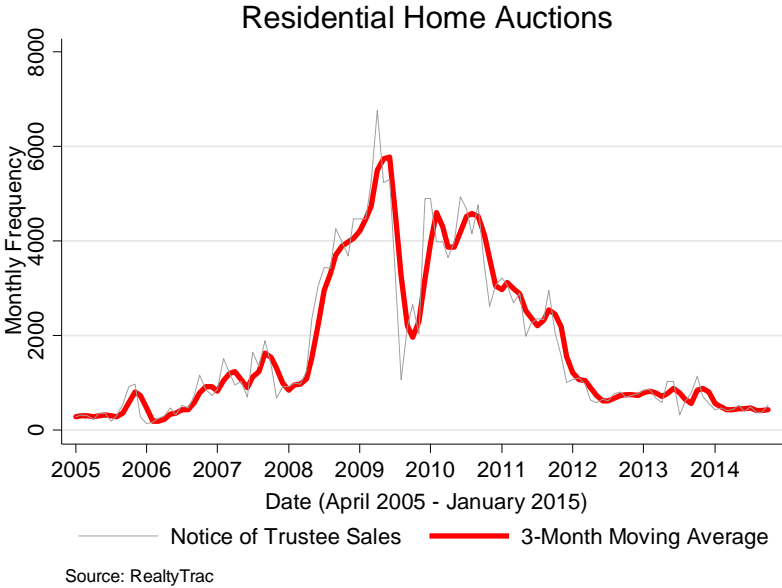
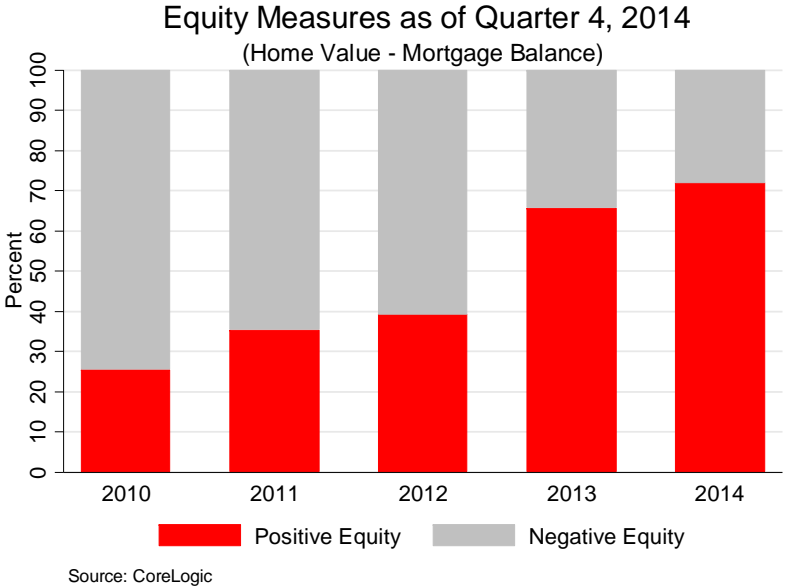
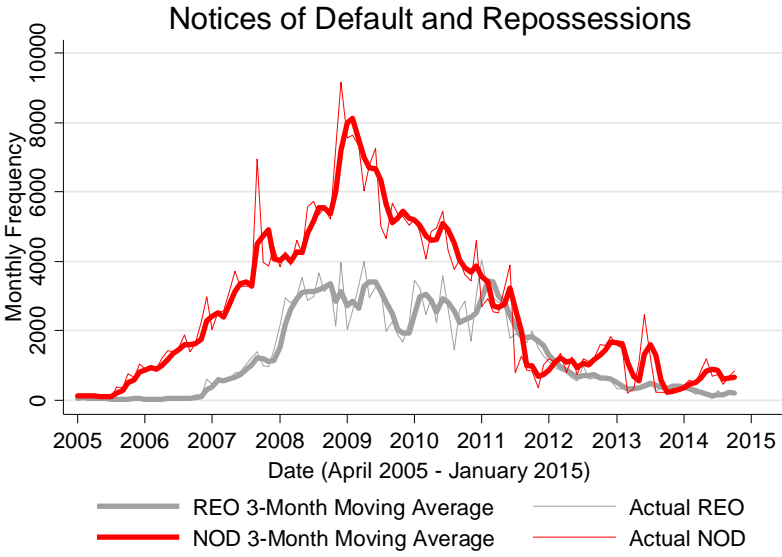
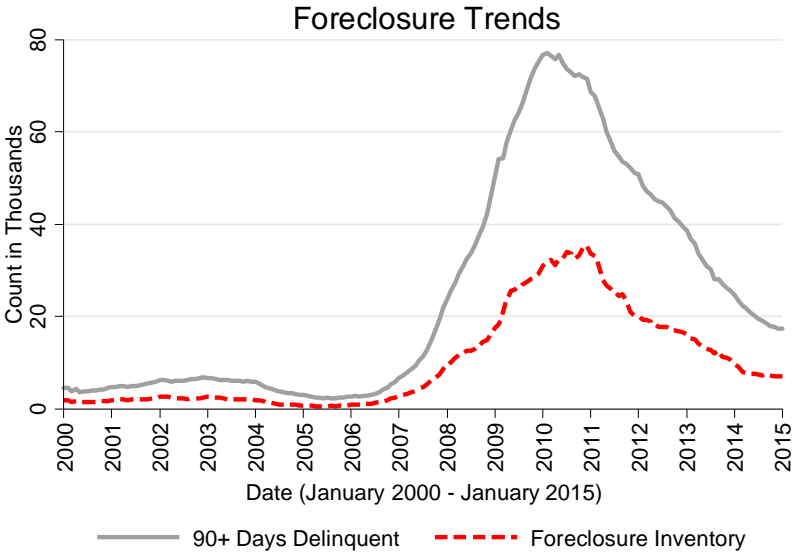


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Source: CoreLogic

Southern Trends



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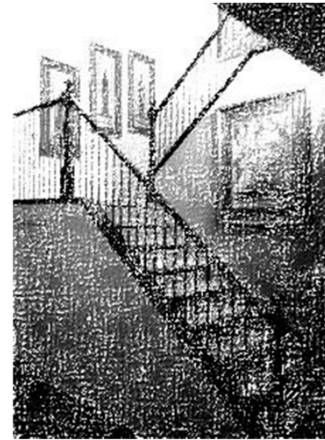
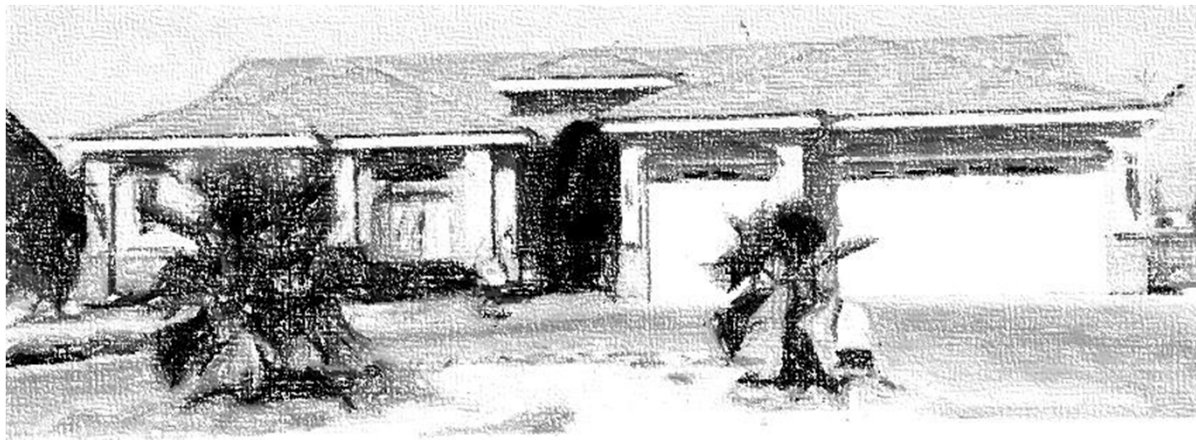
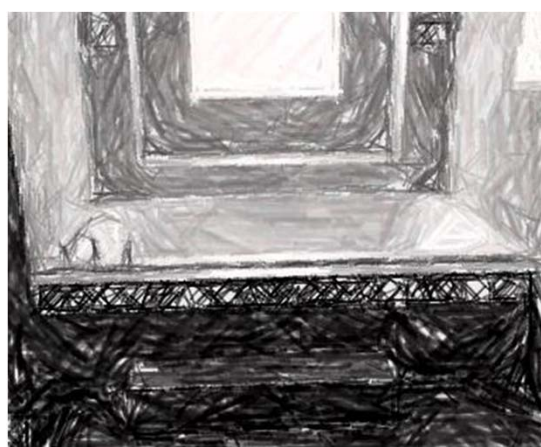
Rural Trends

Population: **147,592** in 2014

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

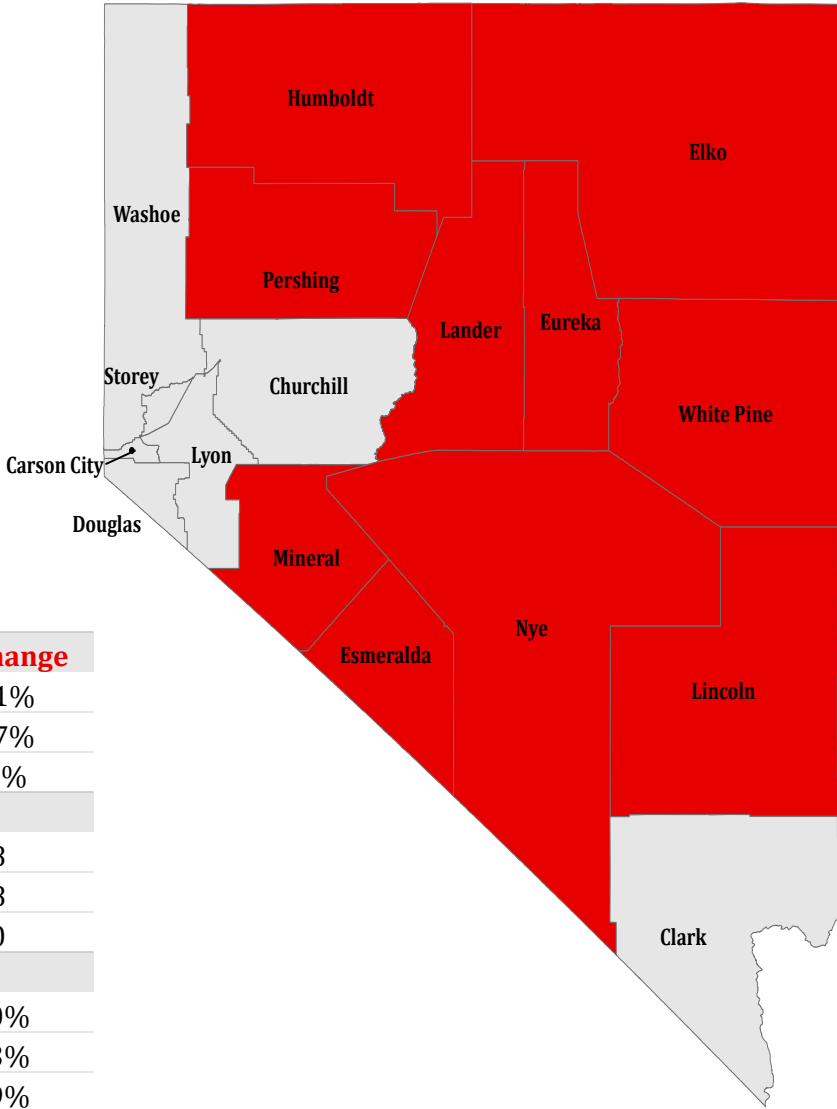
Source: U.S. Census Bureau: State and County QuickFacts

(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 in Rural Nevada have declined for the past three months. At 101 monthly sales, existing home sales were also the lowest they had been since 2000.
- ❑ The share of homes sold under distress nearly doubled this month in Rural Nevada. However, December 2014 saw an extraordinarily low distress share and the distress share is now similar to what it was throughout most of 2014. At 17 percent, the distress share is still 1.3 percentage points lower than what it was this time last year in Rural Nevada.

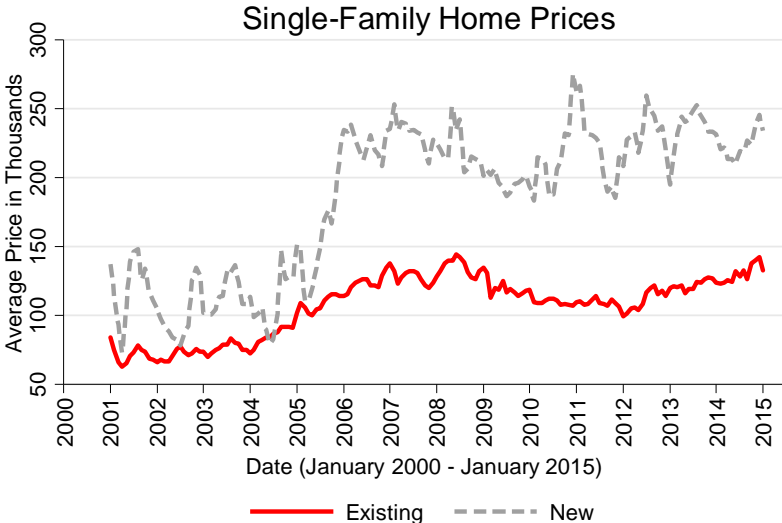


Single-Family Home Sales*	January 2015	M2M Change	Y2Y Change
New	3	-37.5%	-82.1%
Existing	101	-16.1%	-34.7%
Distress Share	17%	+93.4%	-7.2%
Residential Construction			
Total Starts	16	+1	+8
Single-Family	16	+1	+8
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$233,702	-4.7%	+1.0%
Existing	\$132,308	-7.0%	+7.3%
Distress	\$113,570	+4.4%	+8.9%

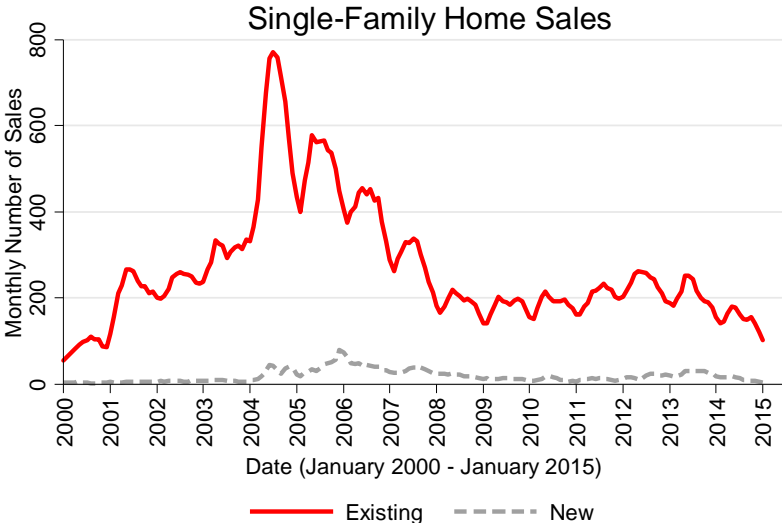
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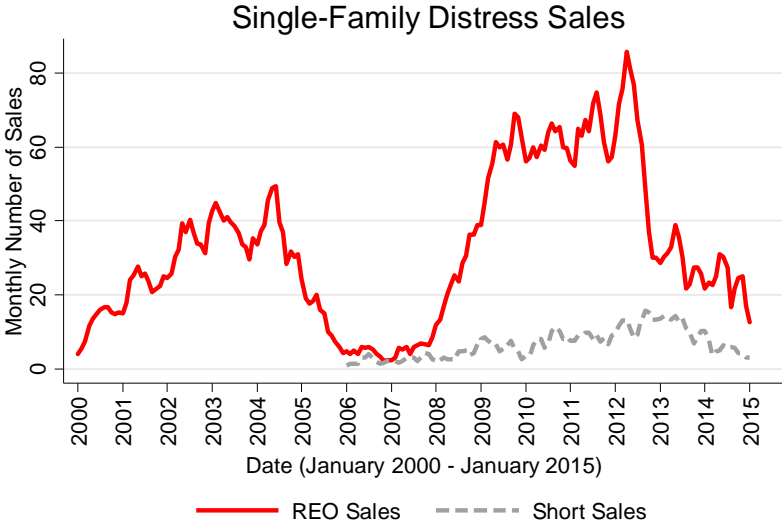
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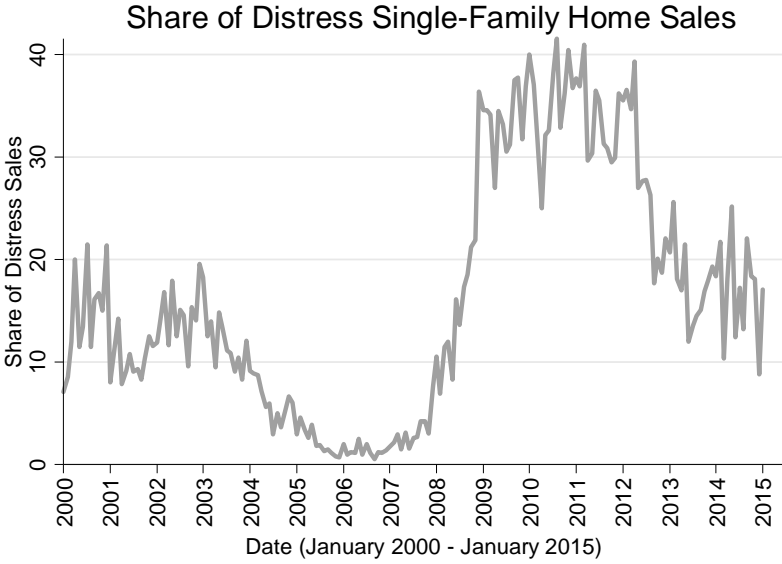
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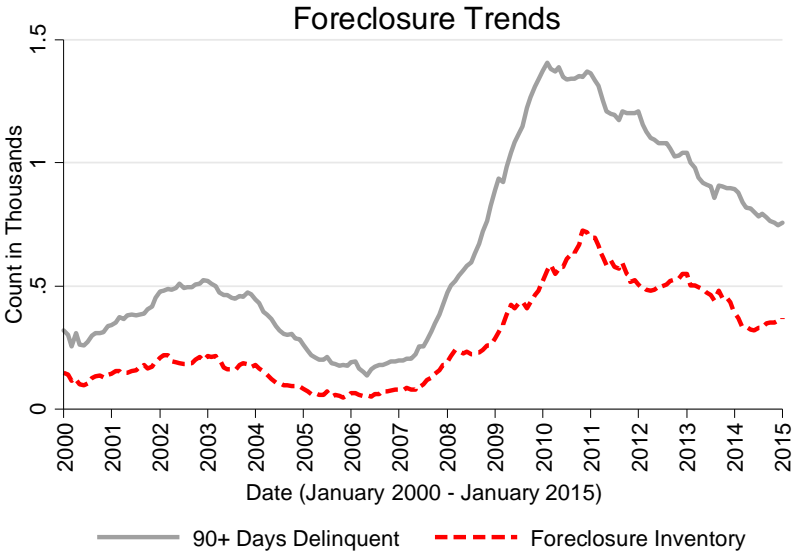


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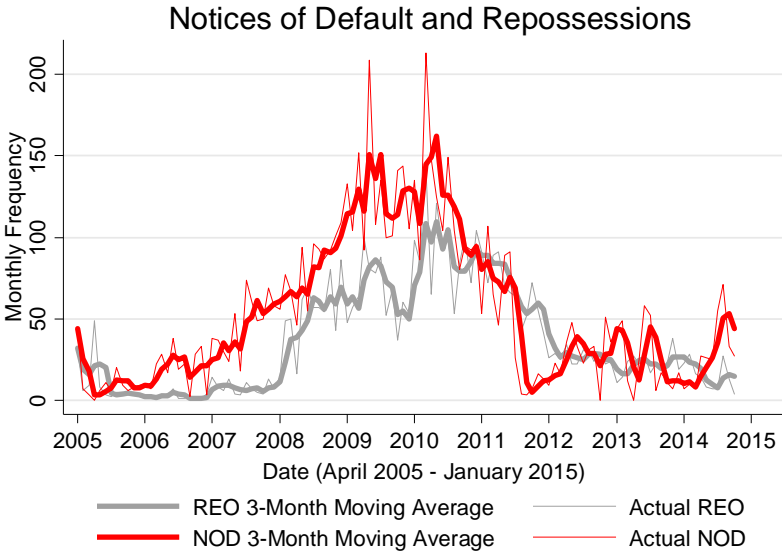


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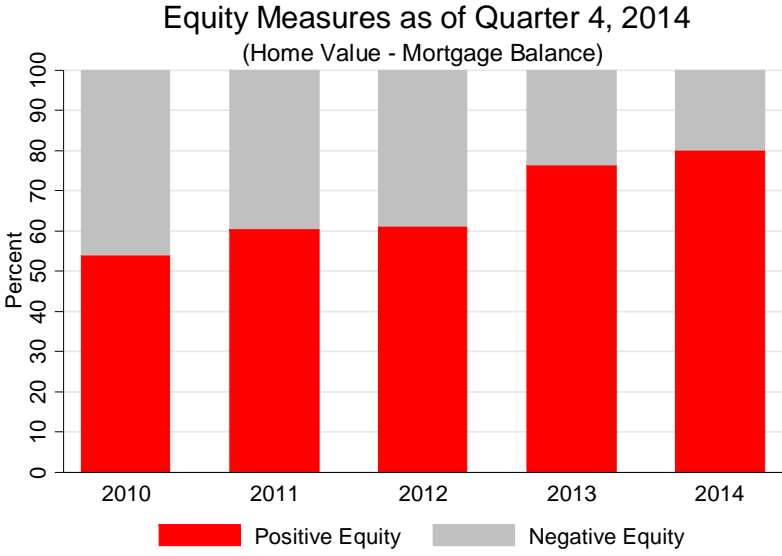
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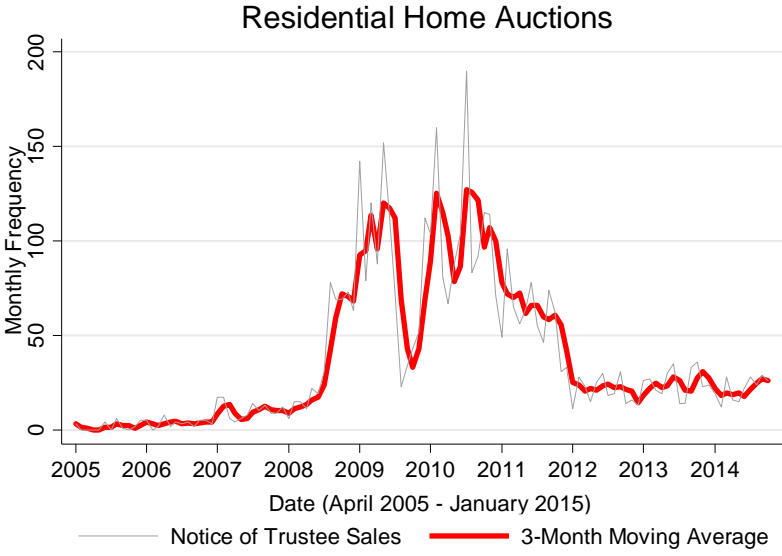
Source: CoreLogic



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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