

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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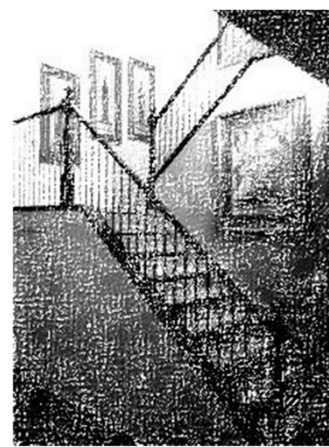
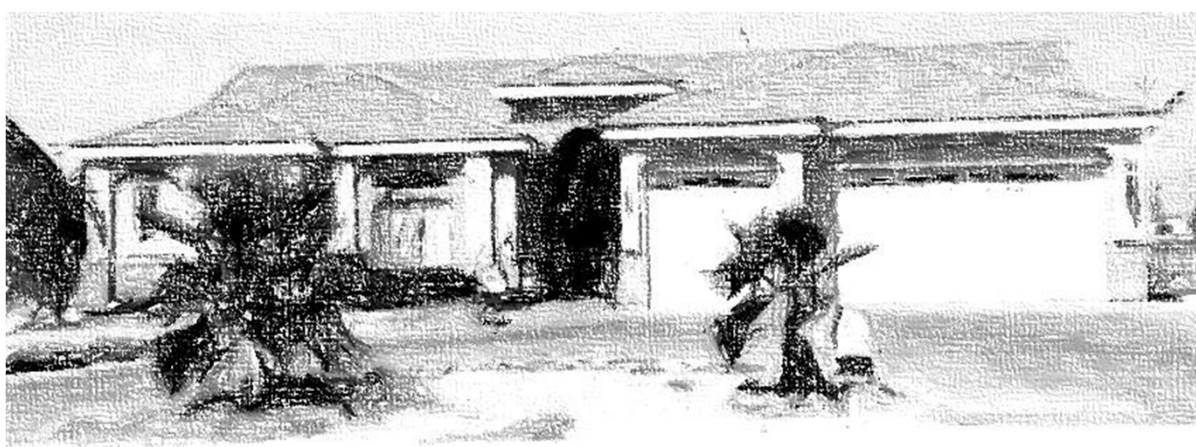
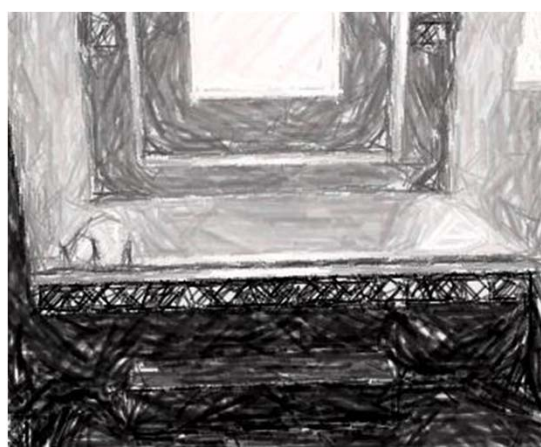
Nevada's Housing Market | June 2015

Nevada Statewide Trends

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

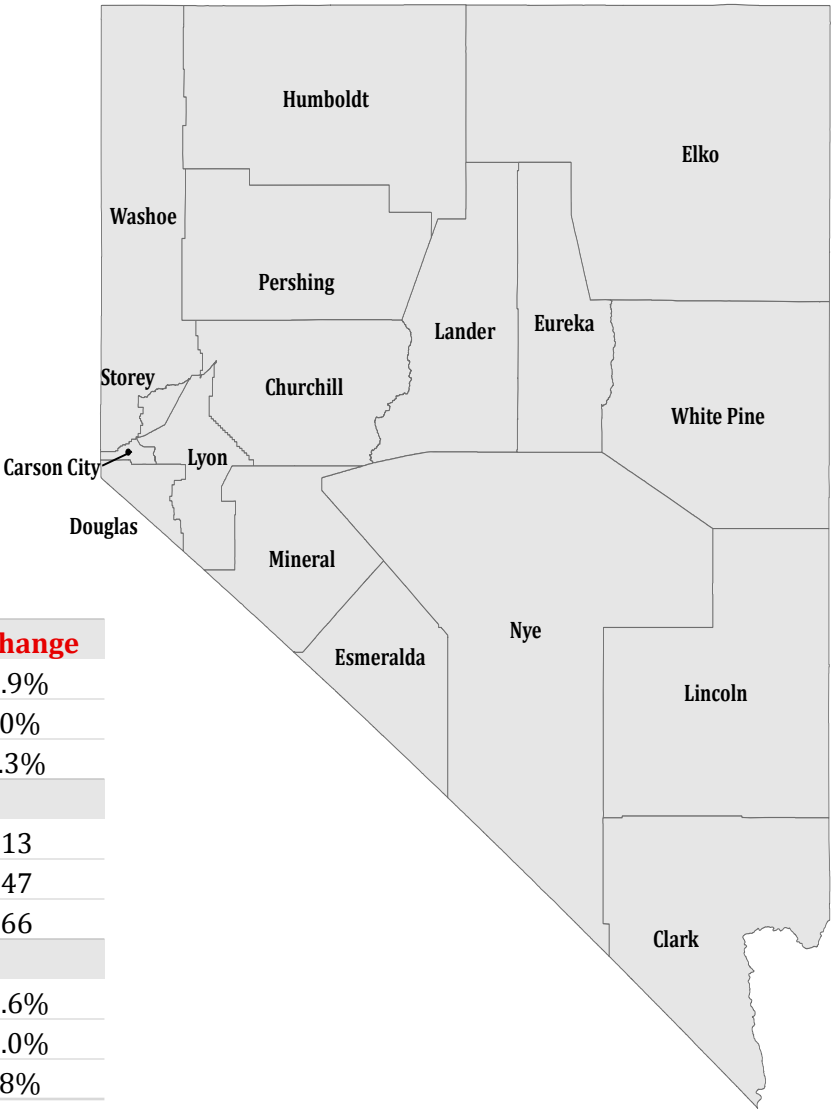
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- ❑ Housing affordability increased slightly this quarter in Reno and decreased slightly in Las Vegas. According to the National Association of Home Builders, 57.8 percent of homes are considered affordable in Reno and 63.6 percent of homes are considered affordable in Las Vegas. 63.2 percent of homes in the US are considered affordable.
- ❑ Nevada continues to see large year over year gains in total residential construction starts. Single-family construction starts this month were the highest they had been since October 2007.
- ❑ The share of mortgages with negative equity decreased by 3 percentage points this quarter. The share of mortgages with negative equity is now 20.7 percent.

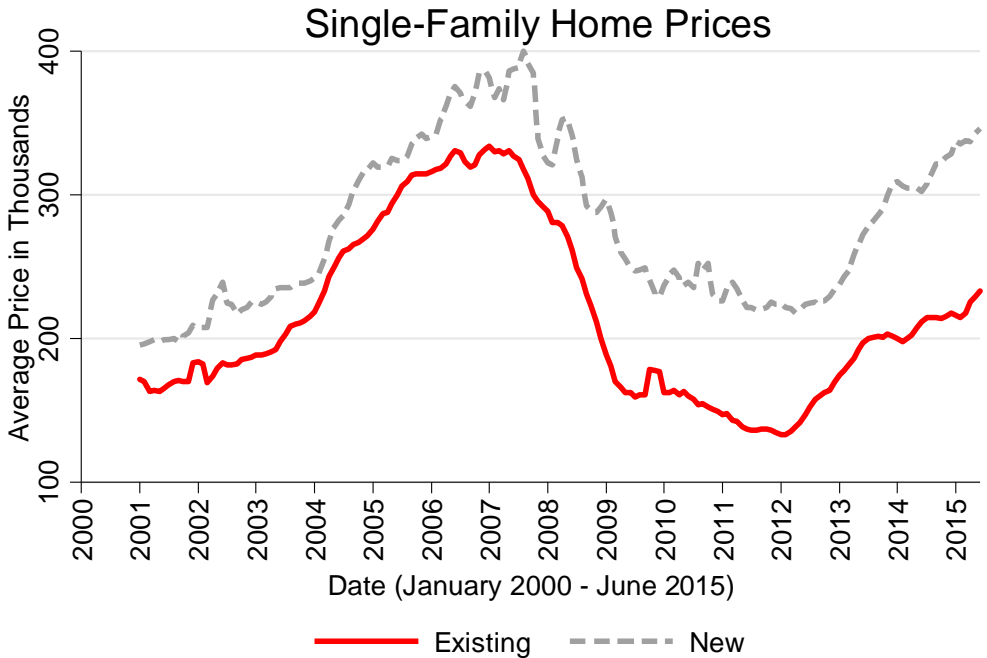


Single-Family Home Sales*	June 2015	M2M Change	Y2Y Change
New	607	+0.7%	+21.9%
Existing	5006	+1.2%	+4.0%
Distress Share	11.9%	-15.1%	-34.3%
Residential Construction			
Total Starts	1,480	-50	+413
Single-Family	1,109	+200	+147
Multifamily	371	-250	+266
Average Single-Family Sales Price*			
New	\$345,744	+1.1%	+14.6%
Existing	\$232,403	+2.0%	+10.0%
Distress	\$177,256	+4.7%	+7.8%

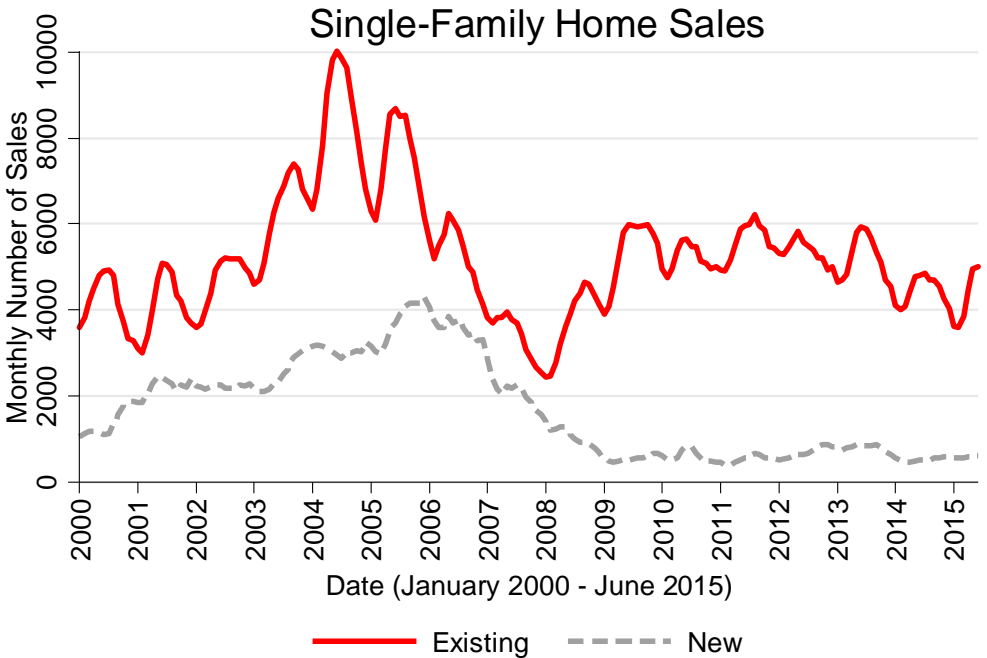
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



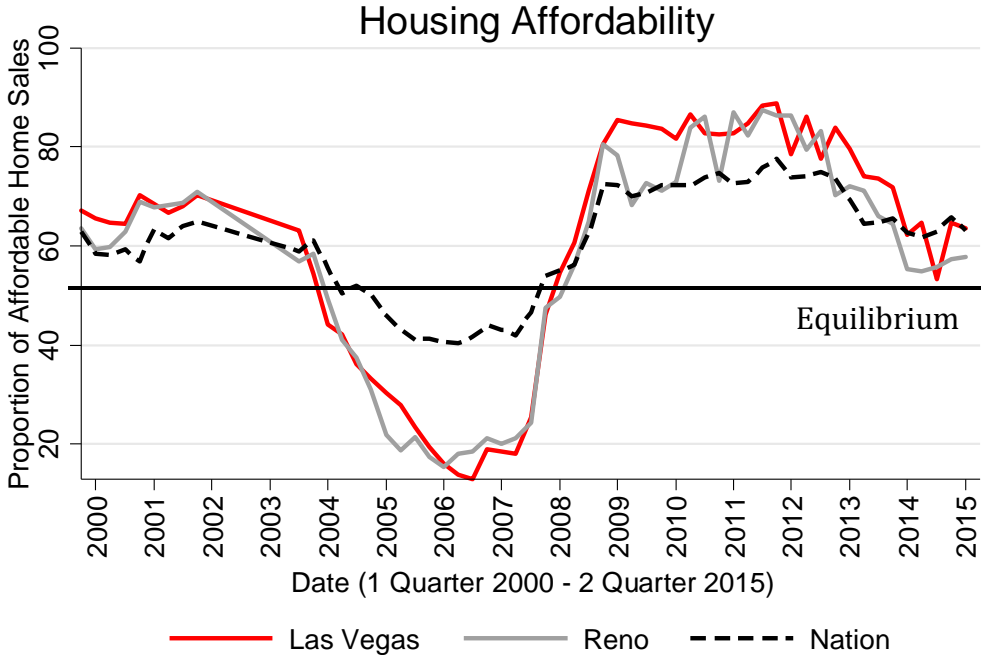
Source: CoreLogic
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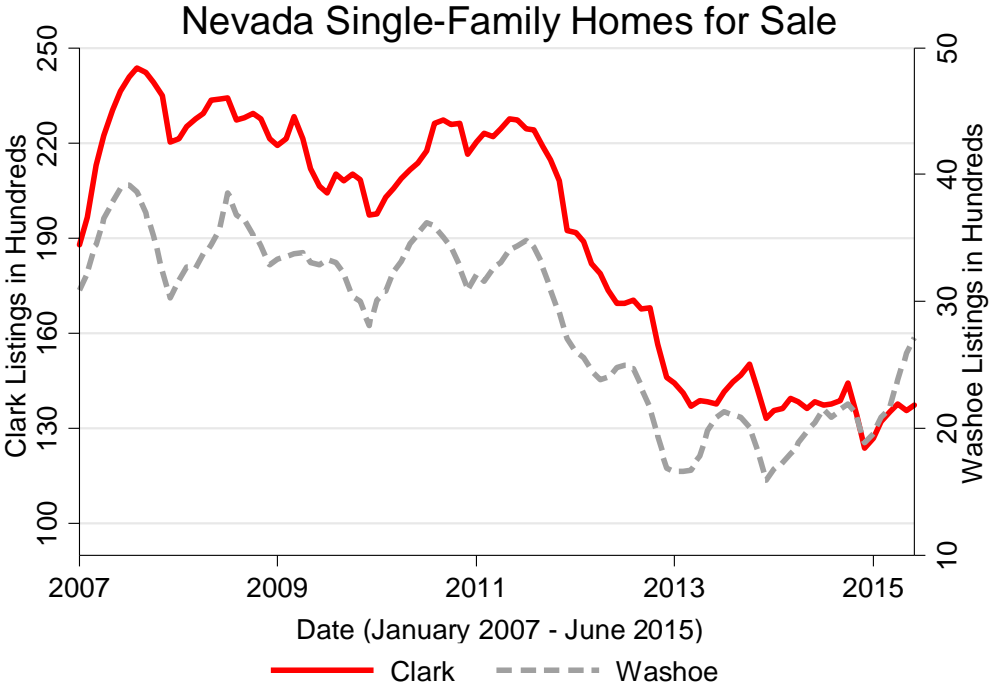
Source: CoreLogic
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The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes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



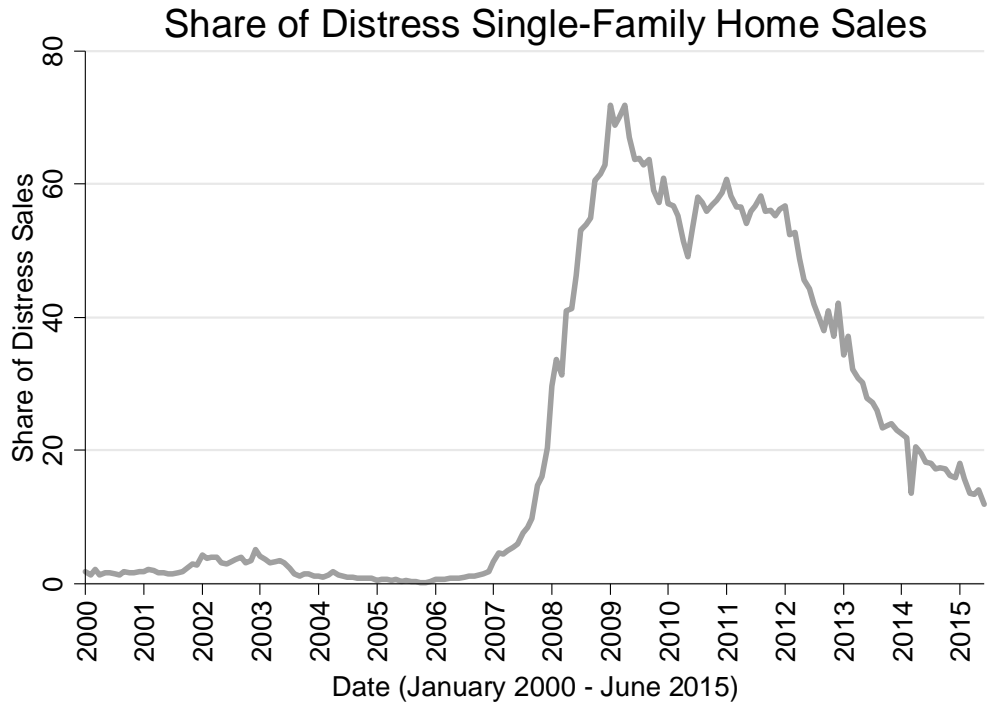
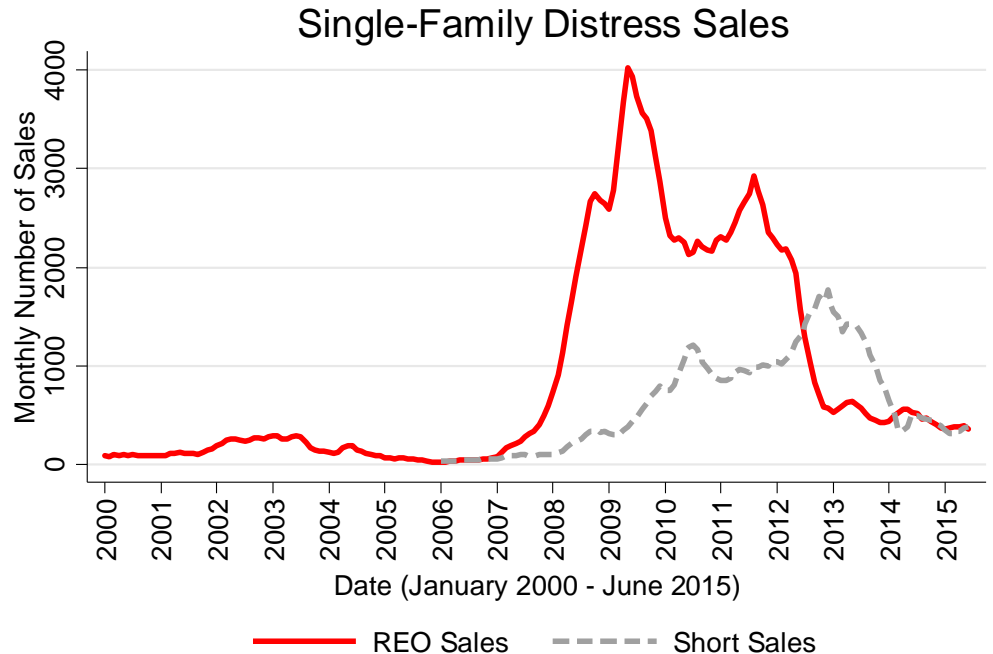
Source: National Association of Home Builders
 Note: Series denote the proportion of home sales affordable at median income.



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

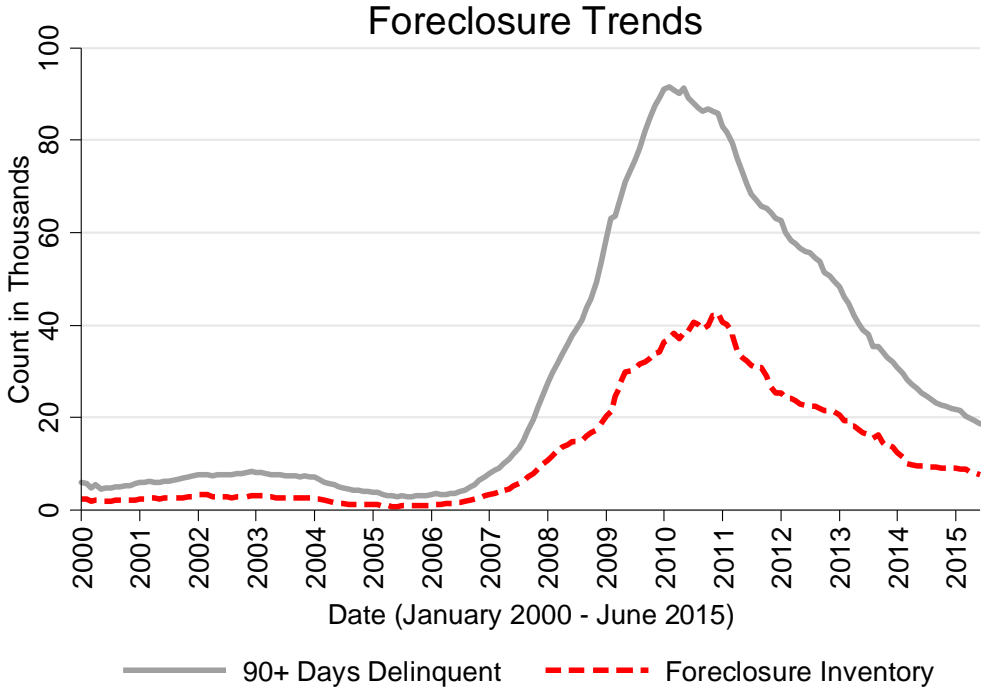


Source: CoreLogic
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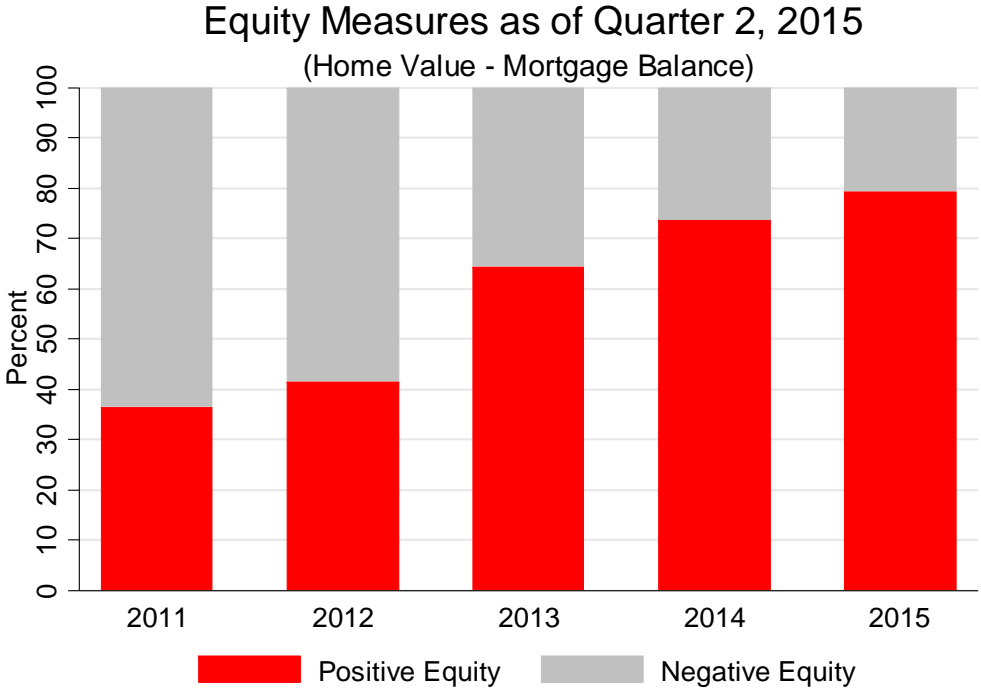
Source: CoreLogic

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

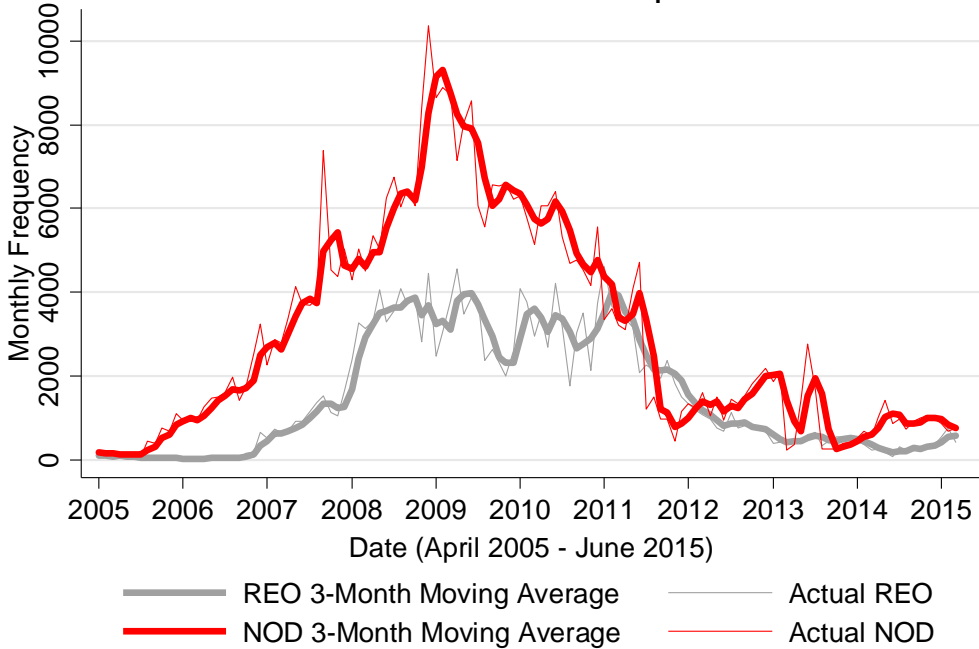


Source: CoreLogic

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.

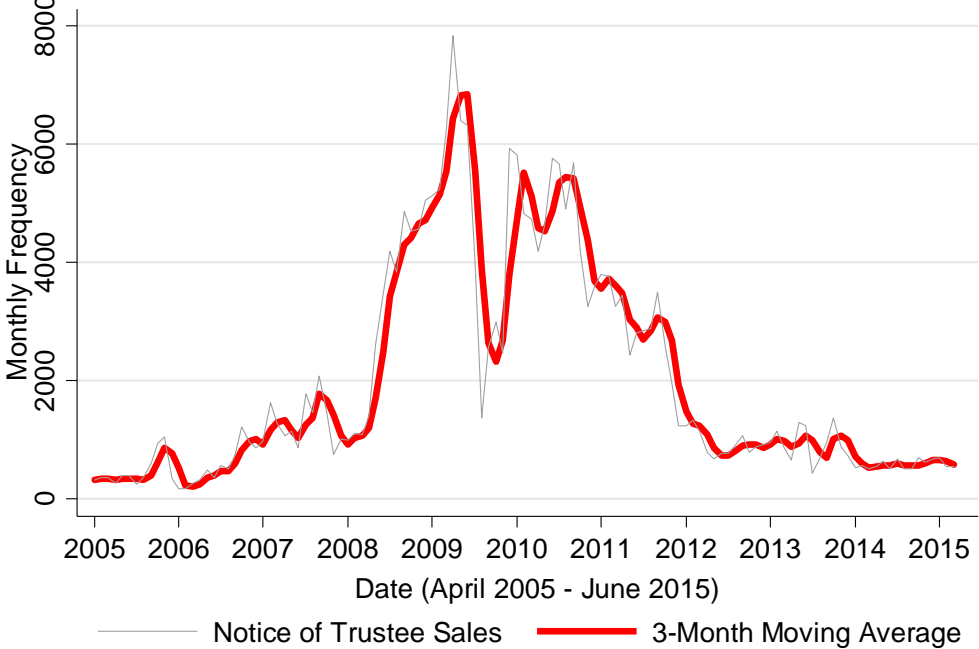
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



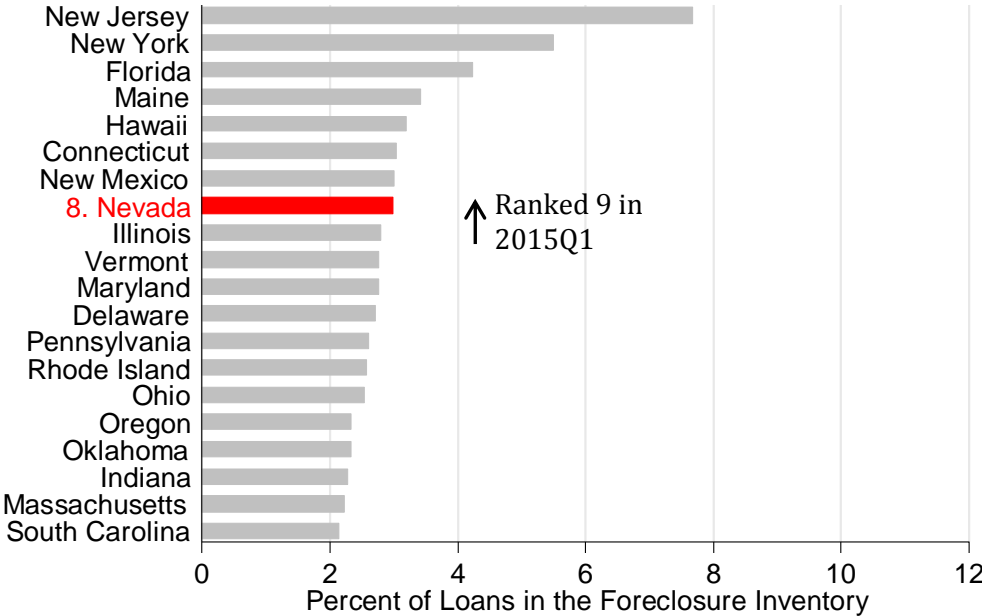
Source: RealtyTrac

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

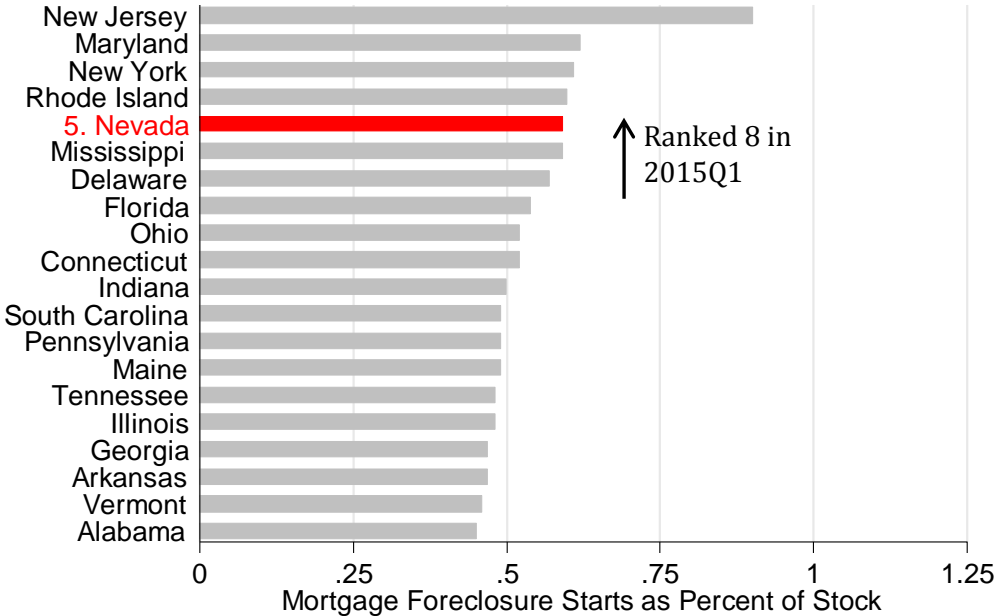
2nd Quarter 2015



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

2nd Quarter 2015



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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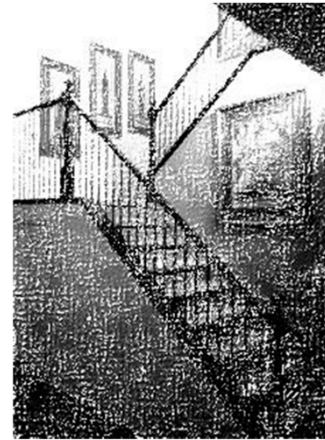
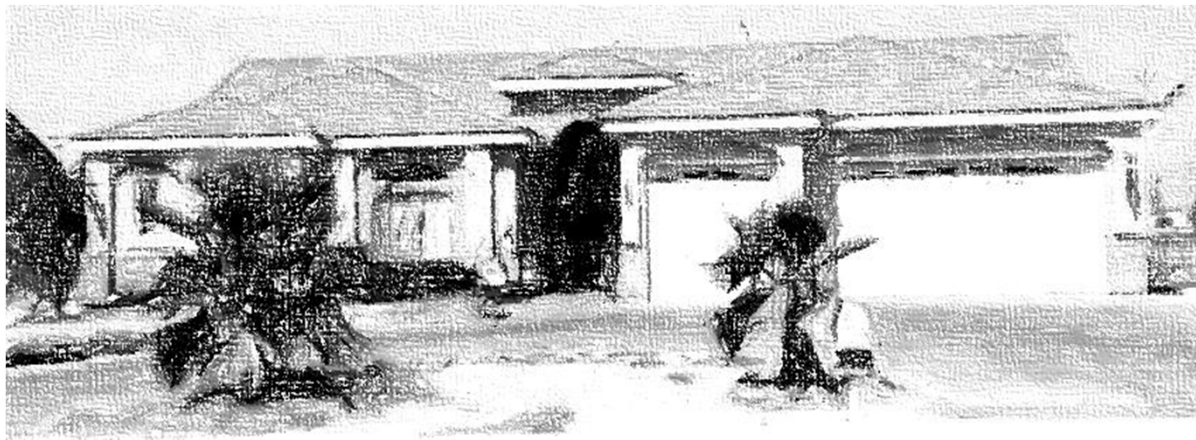
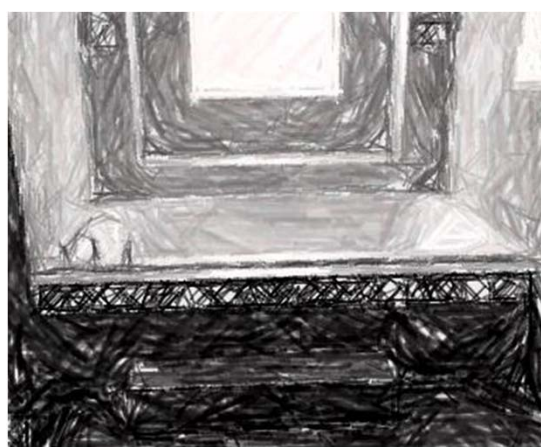
Northern Trends

Population: **621,826** in 2014

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

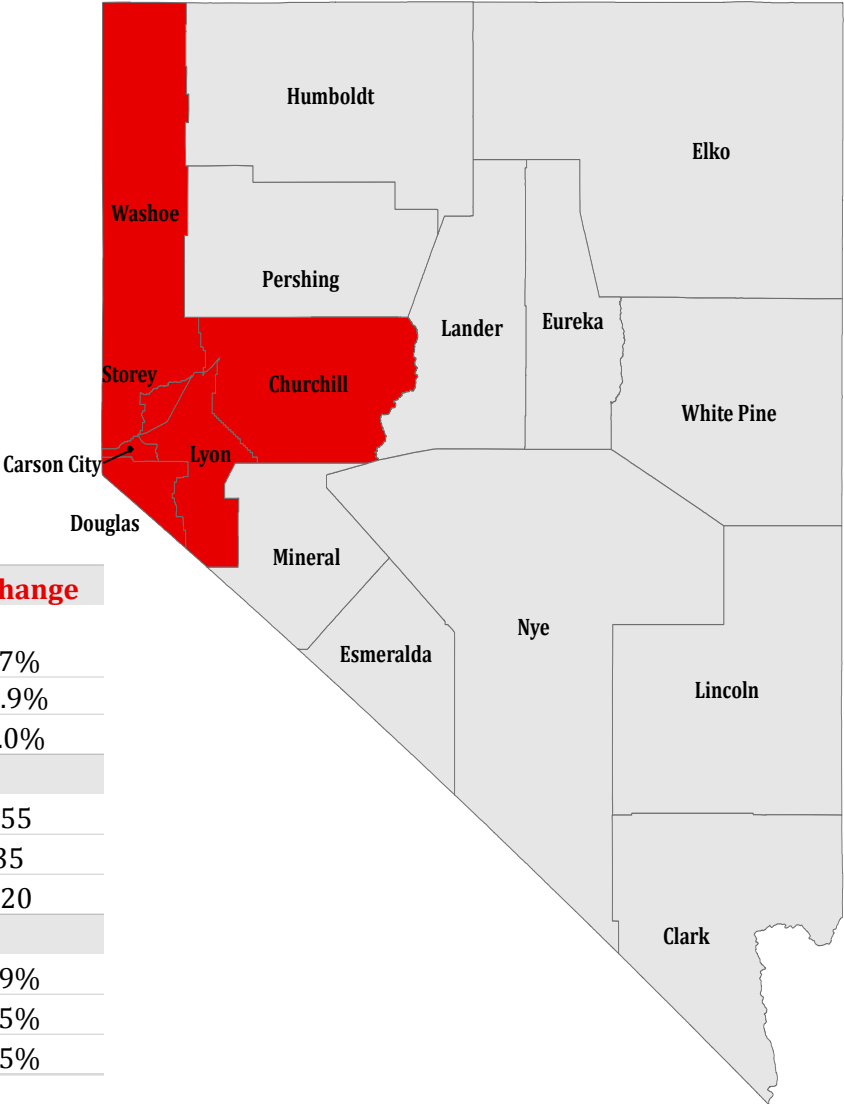
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ The share of homes sold under distress decreased by nearly 4 percentage points this month in Northern Nevada. At 8.6 percent, the distress share is the lowest it has been since September 2007.
- ❑ The share of mortgages with negative equity decreased by 2.5 percent this quarter in Northern Nevada. 13 percent of homes in Northern Nevada that are secured by a mortgage have negative equity.
- ❑ Total residential construction starts this month were the highest they had been since September 2008. Northern Nevada has seen year over year increases in both single-family and multifamily starts each month so far in 2015.

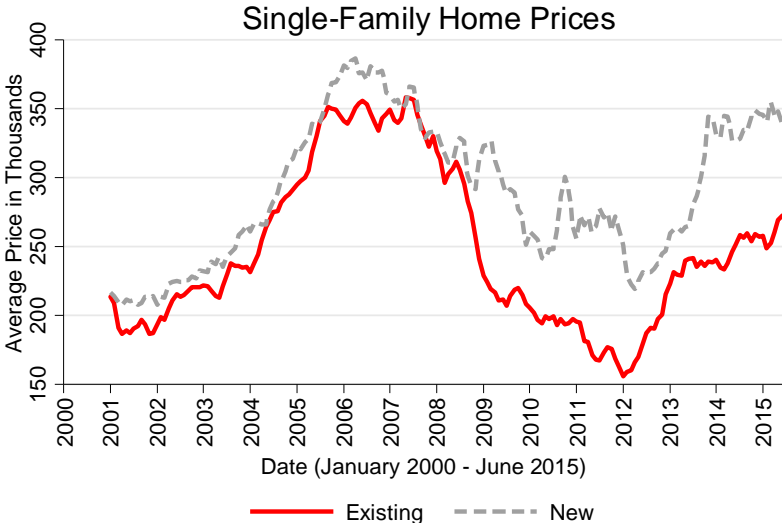


Single-Family Home Sales*	June 2015	M2M Change	Y2Y Change
New	104	+6.1%	+4.7%
Existing	1208	+7.1%	+16.9%
Distress Share	8.6%	-30.9%	-40.0%
Residential Construction			
Total Starts	416	+74	+155
Single-Family	230	+43	+35
Multifamily	186	+31	+120
Average Single-Family Sales Price*			
New	\$338,751	-2.5%	+3.9%
Existing	\$272,227	+1.3%	+8.5%
Distress	\$192,465	+3.6%	+1.5%

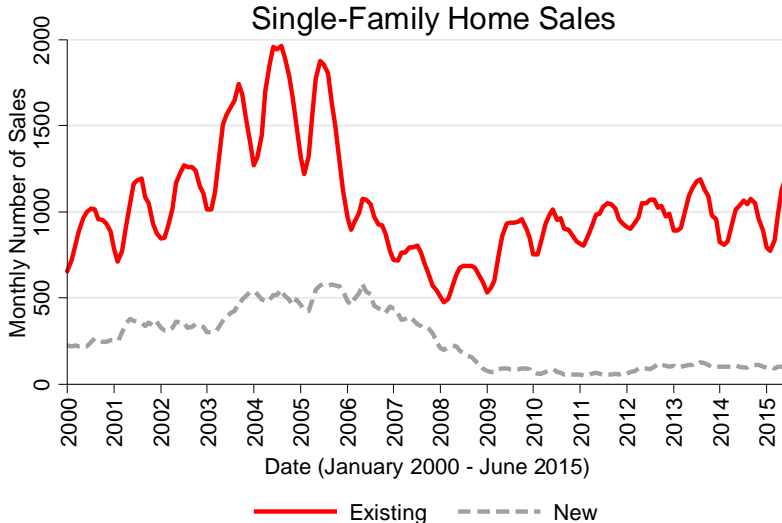
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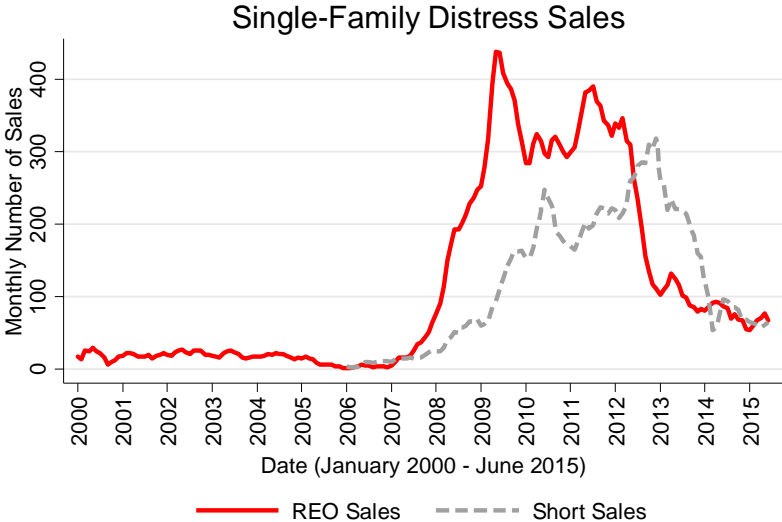
Northern Trends



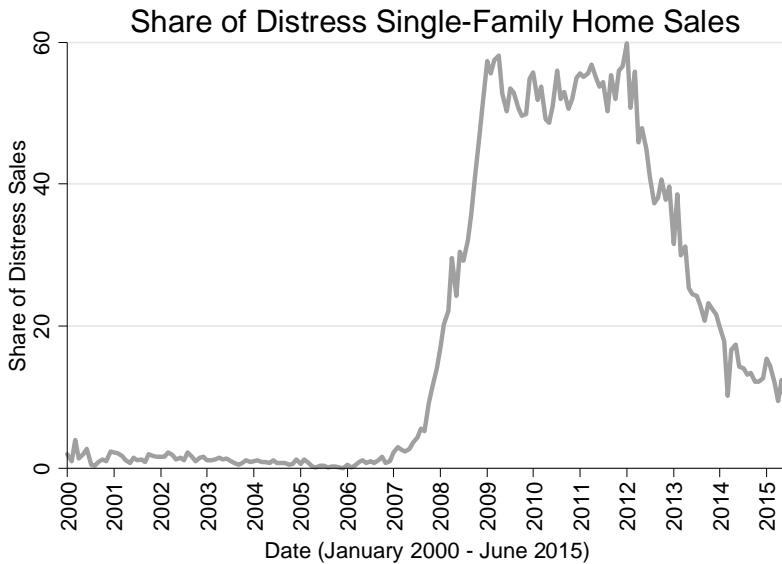
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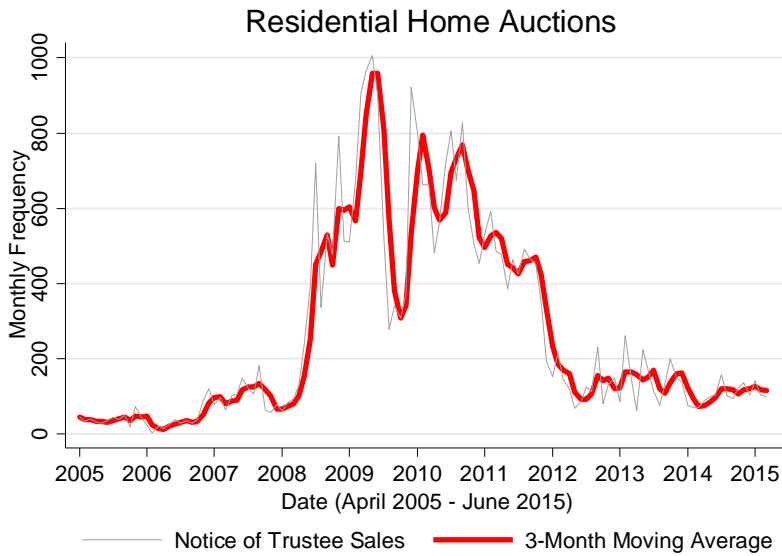
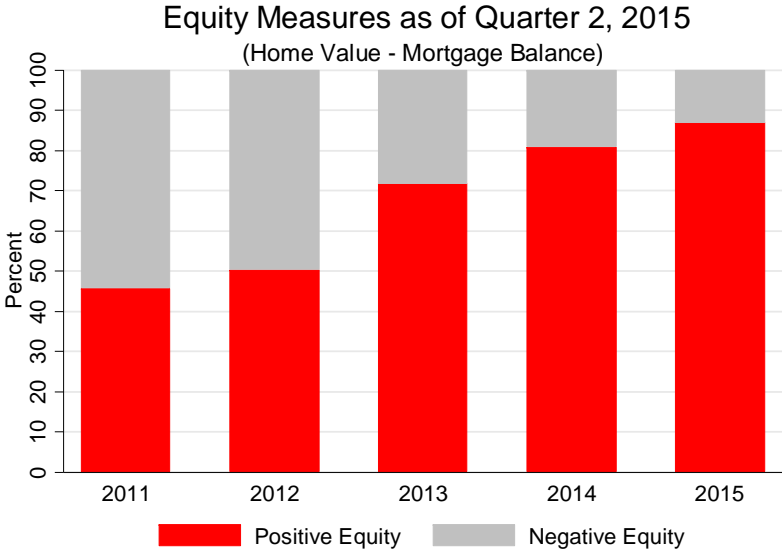
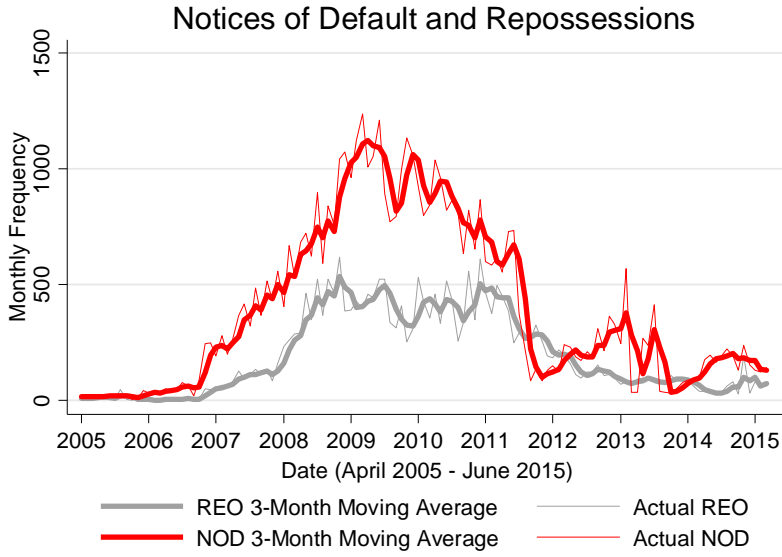
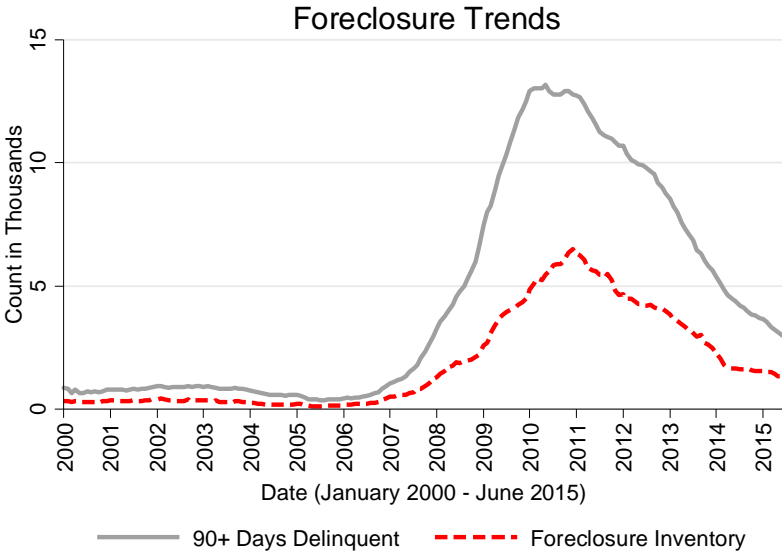


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Source: CoreLogic

Northern Trends



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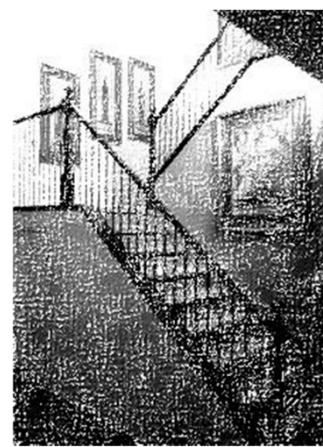
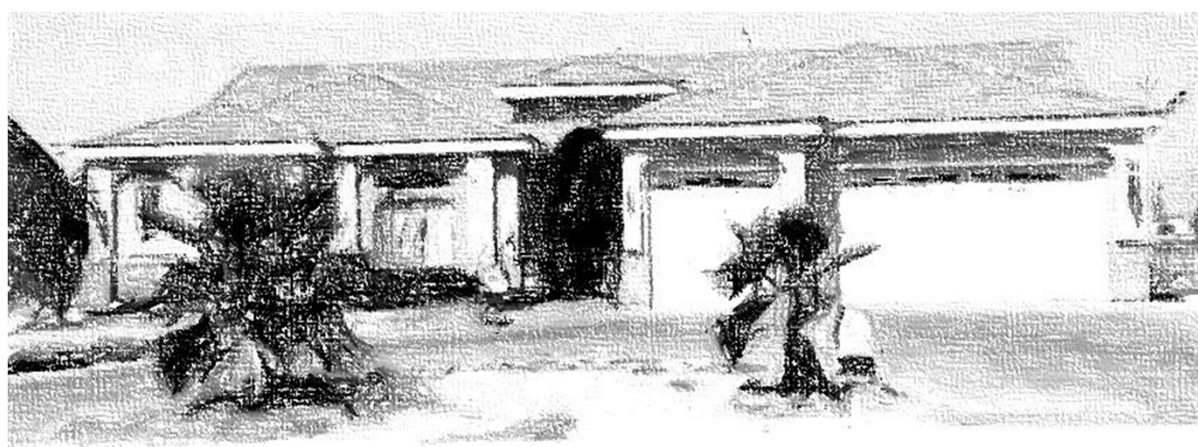
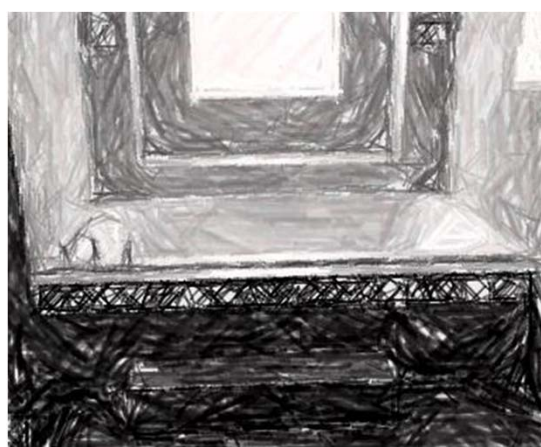
Southern Trends

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

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

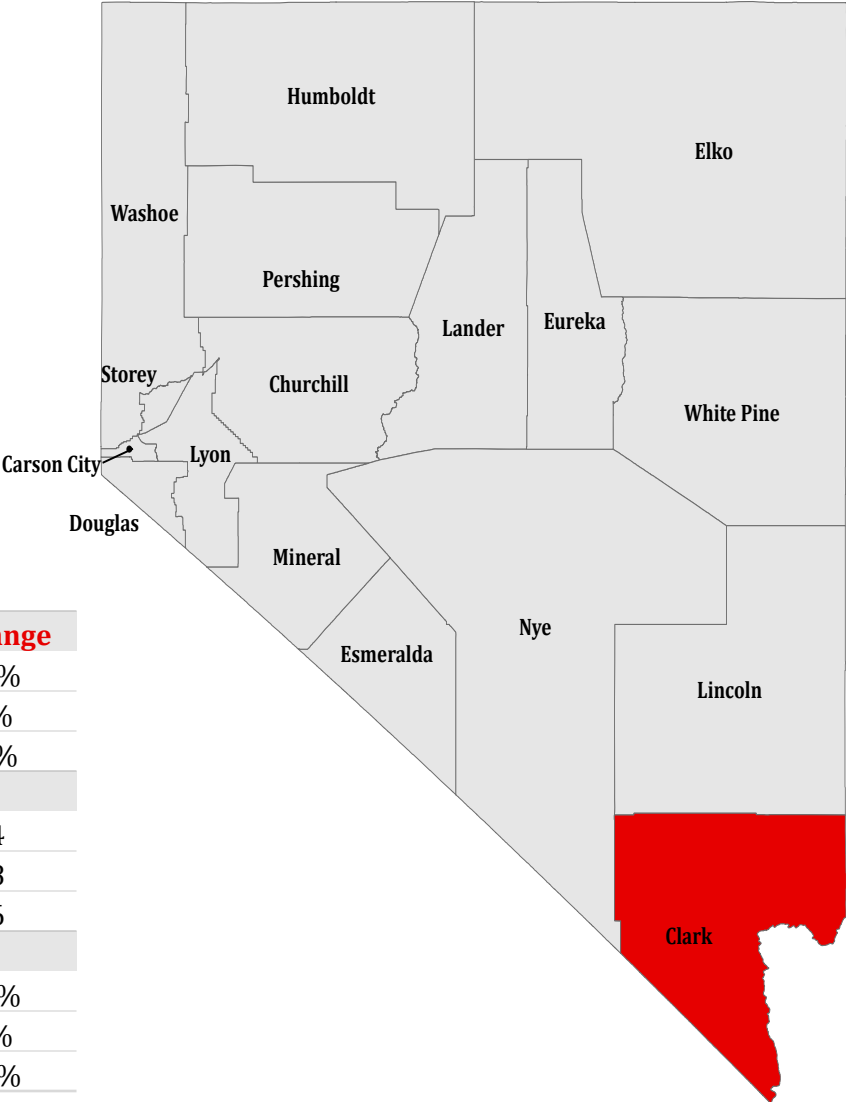
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ The share of mortgages with negative equity decreased by 2.3 percent this quarter in Southern Nevada. 23.3 percent of homes secured by a mortgage have negative equity in Southern Nevada – the most of any region in Nevada.
- ❑ Southern Nevada was the only region in Nevada to see an increase in new home prices this month. At \$348,896, average new homes cost \$125,000 more than average existing homes.
- ❑ Southern Nevada continues to see year over year gains in single-family start ups. At 855 single-family start ups, single-family start ups in June 2015 were the highest they had been since August 2007.

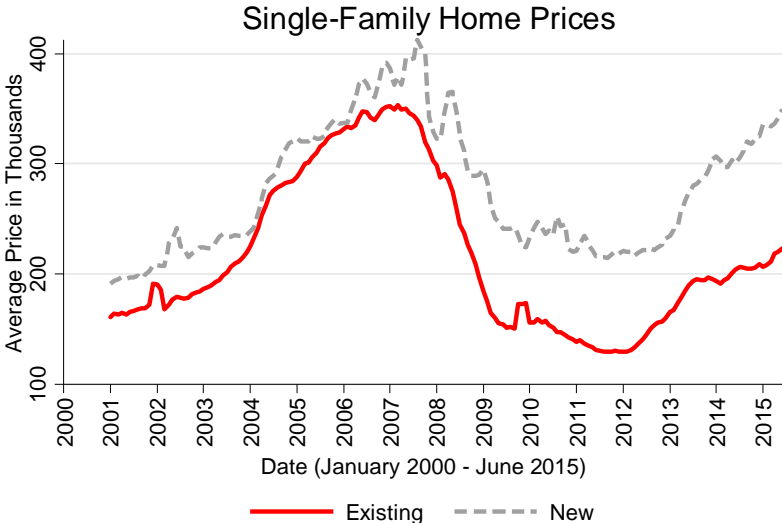


Single-Family Home Sales*	June 2015	M2M Change	Y2Y Change
New	497	-0.3%	+30.7%
Existing	3,616	-0.6%	+0.9%
Distress Share	13.0%	-9.8%	-33.5%
Residential Construction			
Total Starts	1,040	-125	+254
Single-Family	855	+156	+108
Multifamily	185	-281	+146
Average Single-Family Sales Price*			
New	\$348,896	+2.0%	+16.2%
Existing	\$223,426	+1.7%	+9.5%
Distress	\$178,861	+5.0%	+10.0%

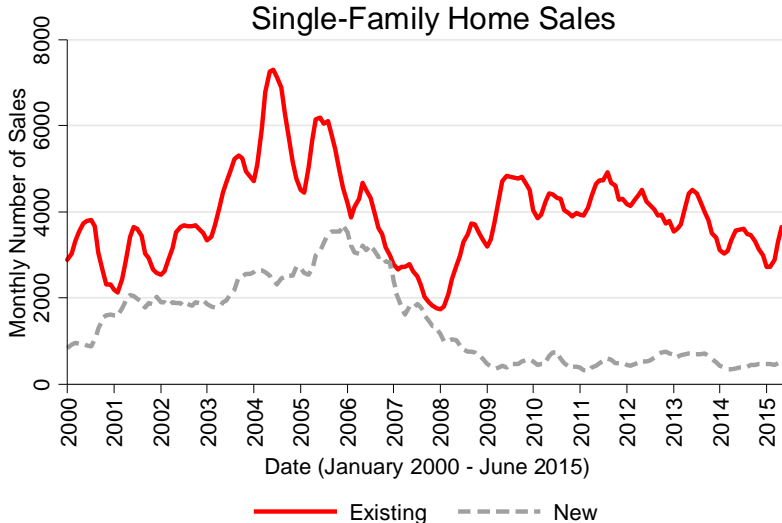
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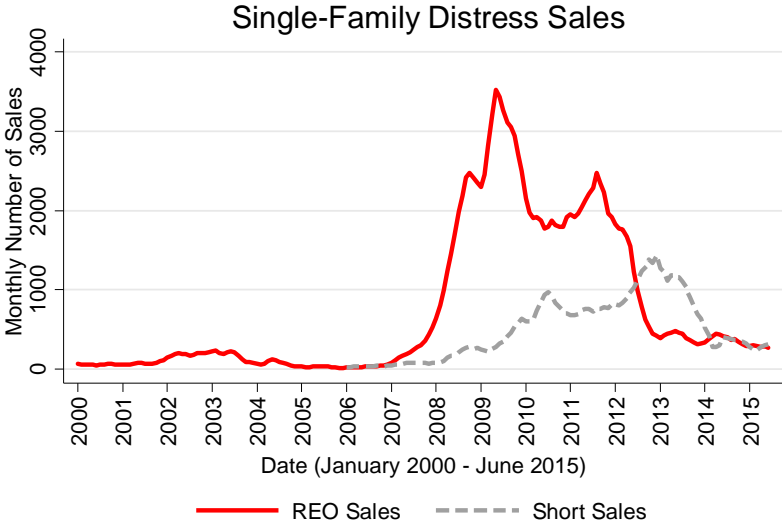
Southern Trends



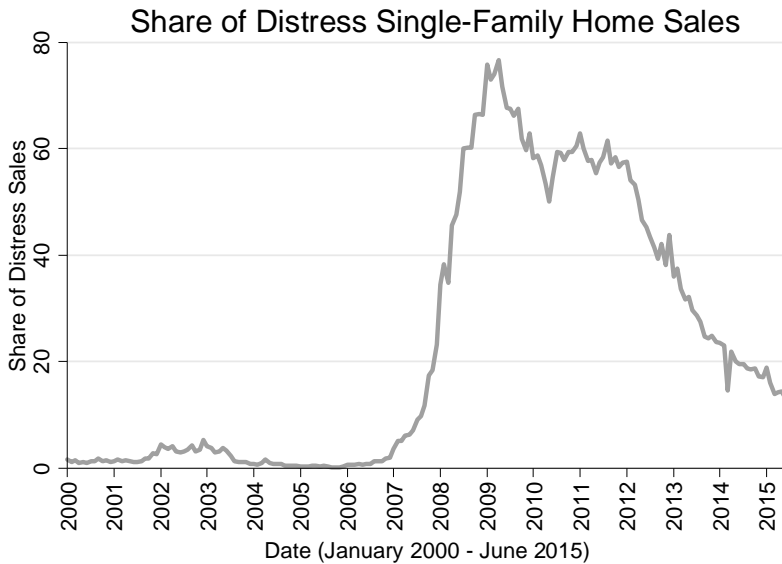
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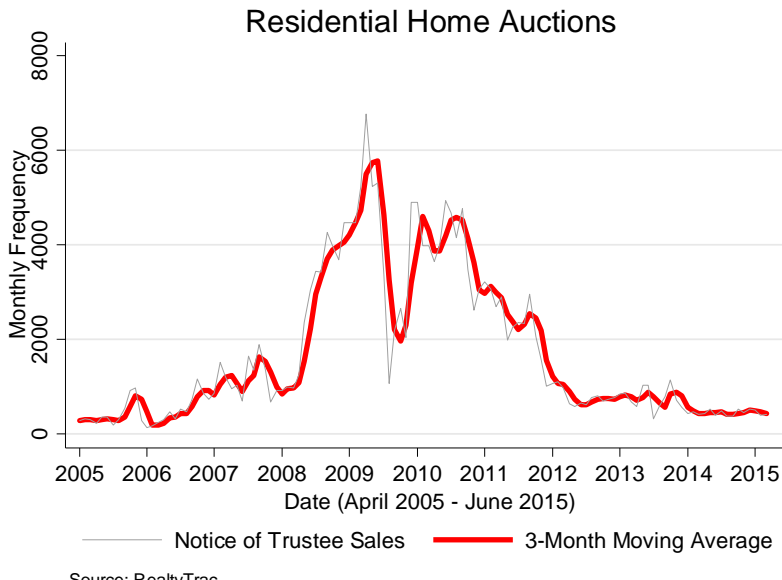
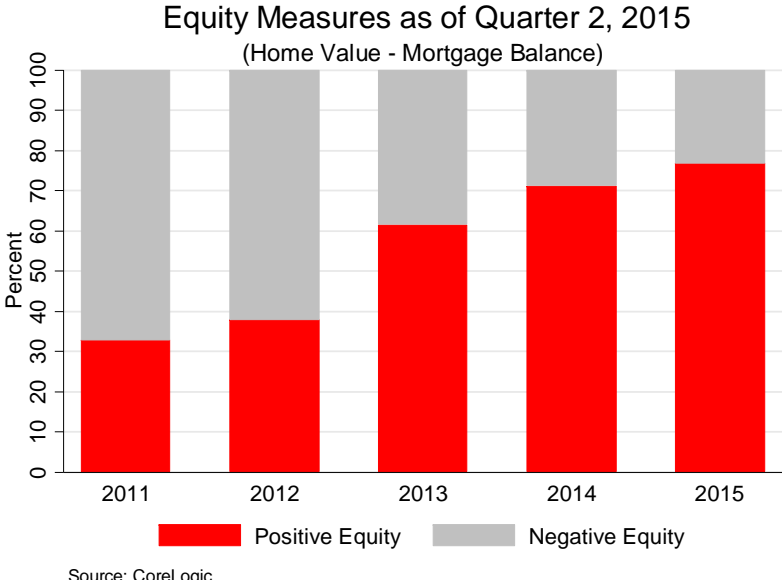
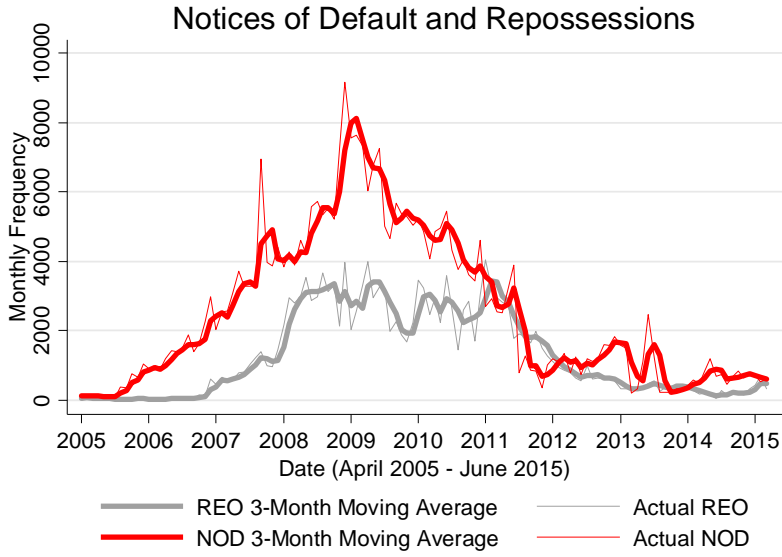
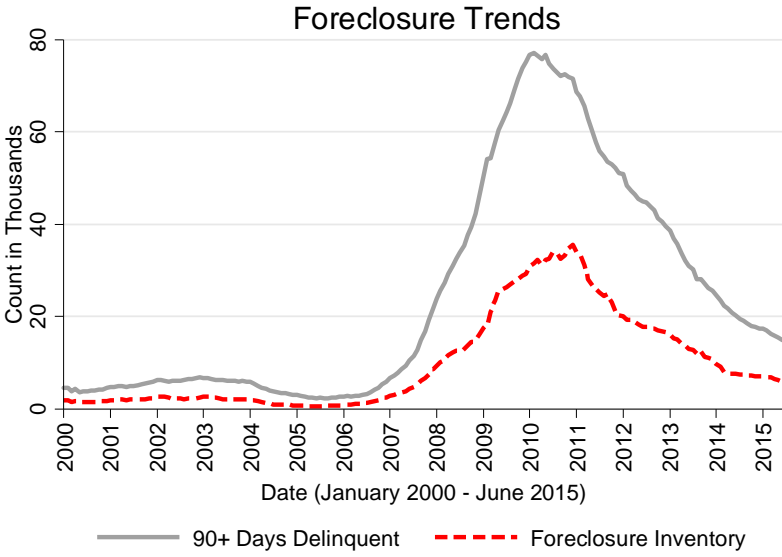


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Source: CoreLogic

Southern Trends



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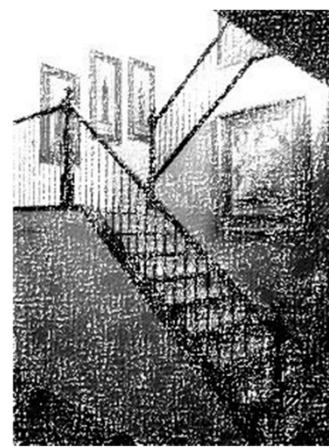
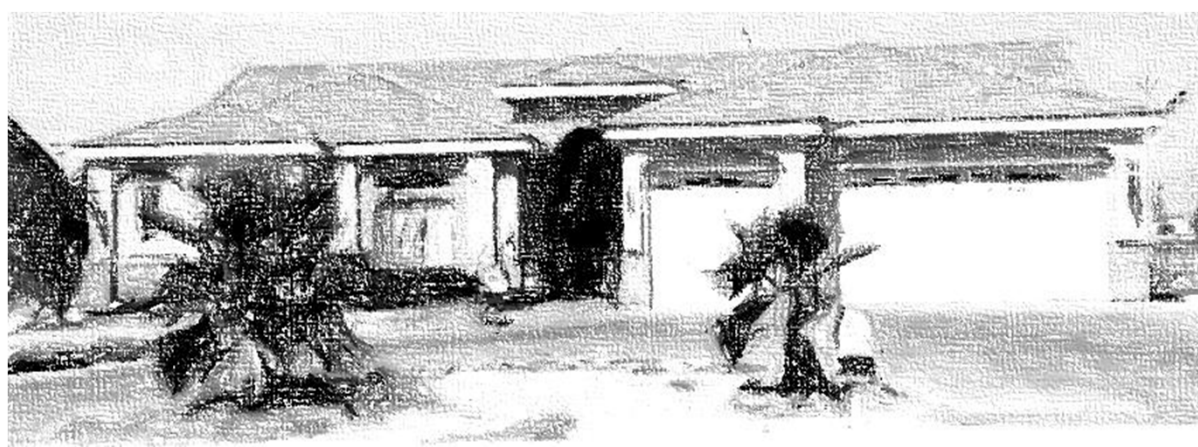
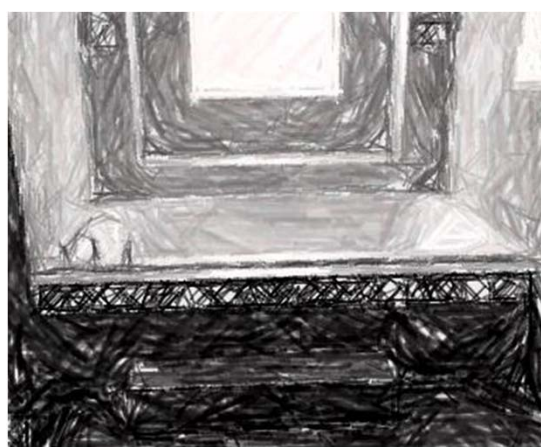
Rural Trends

Population: **147,592** in 2014

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

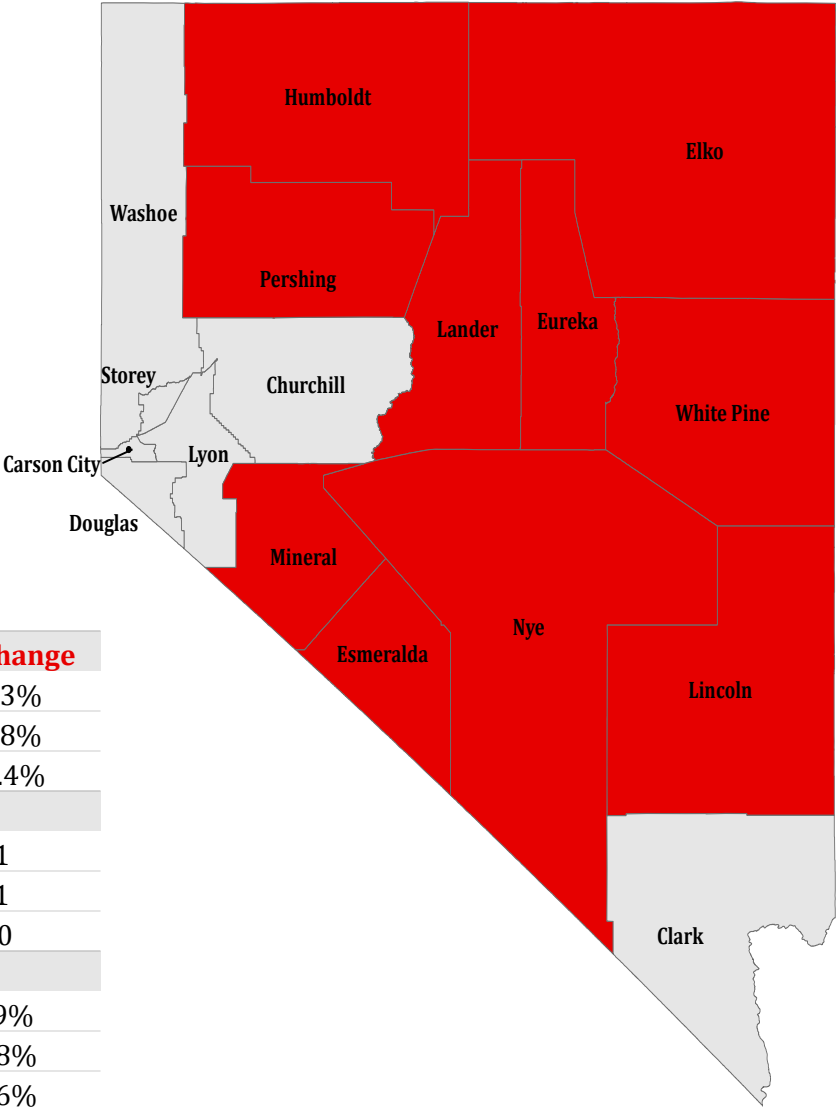
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ Rural Nevada typically sees high fluctuations in new homes prices each month as there are so few new homes sold each month. At \$190,881, new home prices in June 2015 were the lowest they had been since November 2011.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. This month Rural Nevada saw a decreases in REO sales and an increase in short sales. There were 8 short sales that took place this month in Rural Nevada – the highest amount since 2013.
- ❑ The share of mortgages with negative equity decreased by 1.7 percent this quarter in Rural Nevada. 16.3 percent of homes in Rural Nevada that are secured by a mortgage have negative equity.

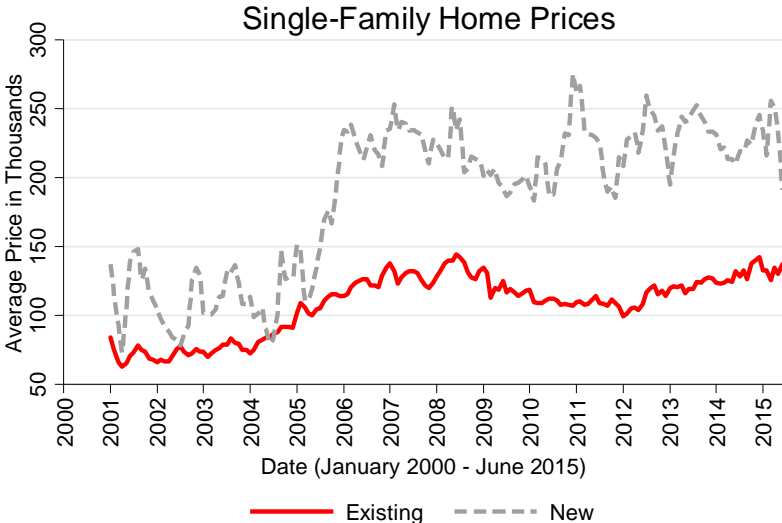


Single-Family Home Sales*	June 2015	M2M Change	Y2Y Change
New	5	+0.0%	-67.3%
Existing	154	+0.2%	-12.8%
Distress Share	16.2%	-14.2%	+31.4%
Residential Construction			
Total Starts	18	-6	-1
Single-Family	18	-6	-1
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$190,881	-17.9%	-8.9%
Existing	\$136,787	+5.2%	+3.8%
Distress	\$90,775	+7.1%	+9.6%

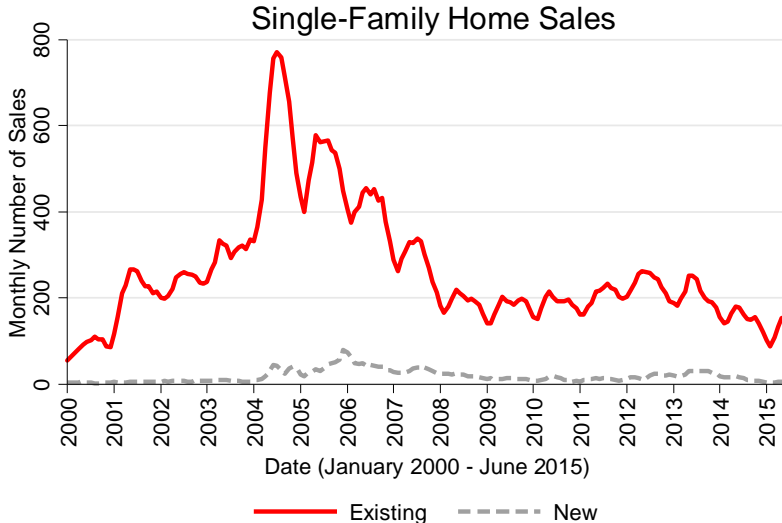
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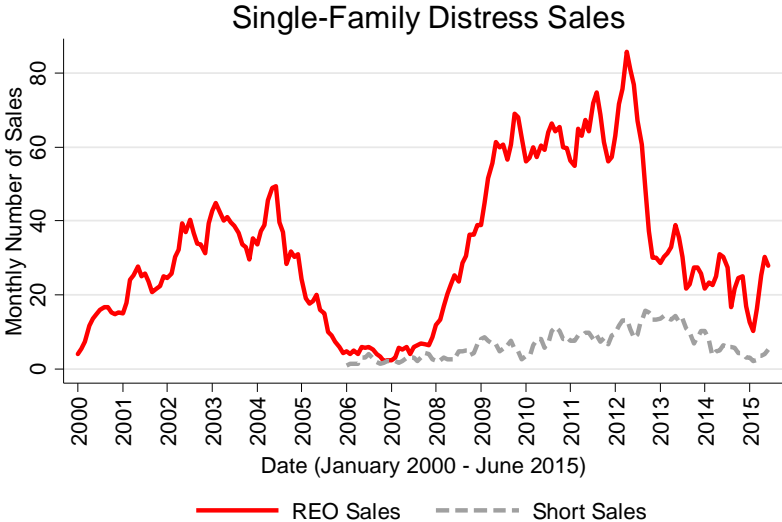
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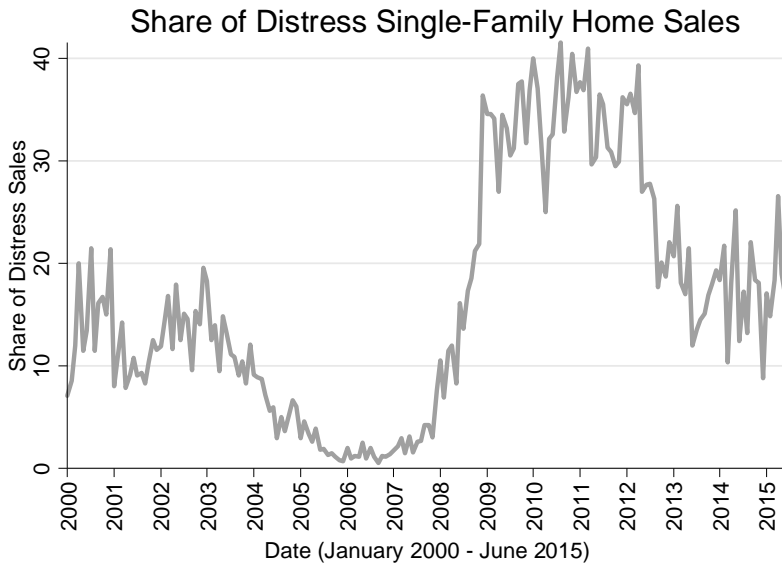
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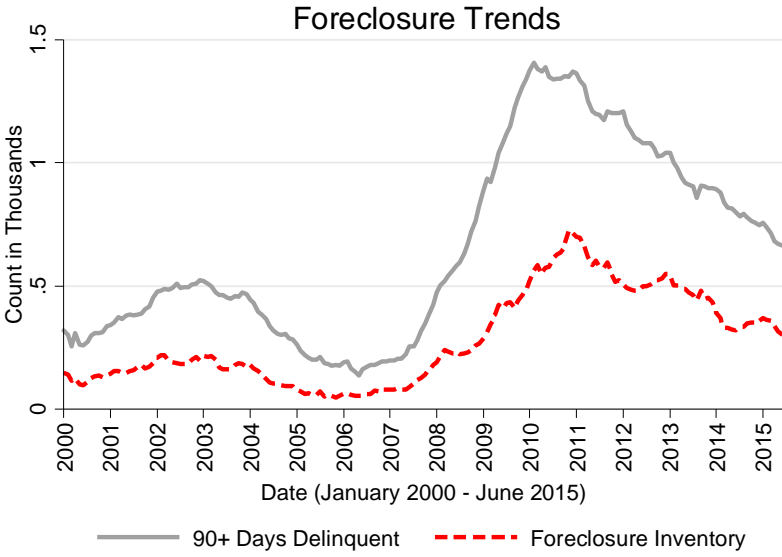


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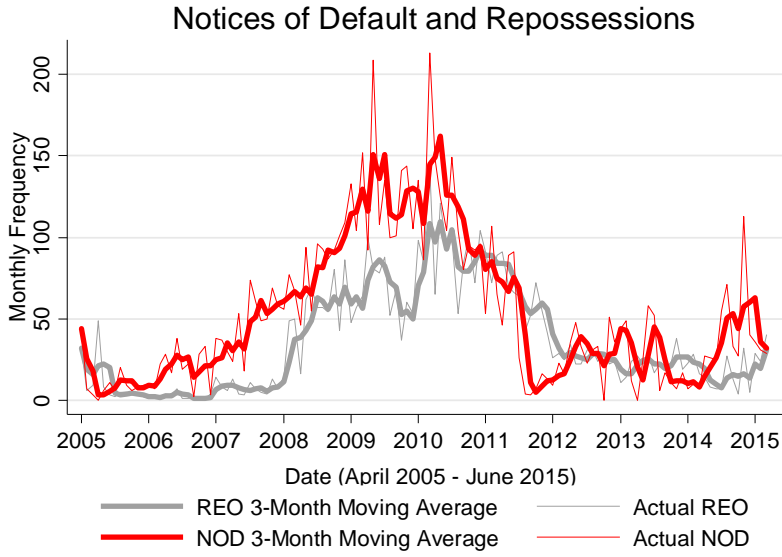


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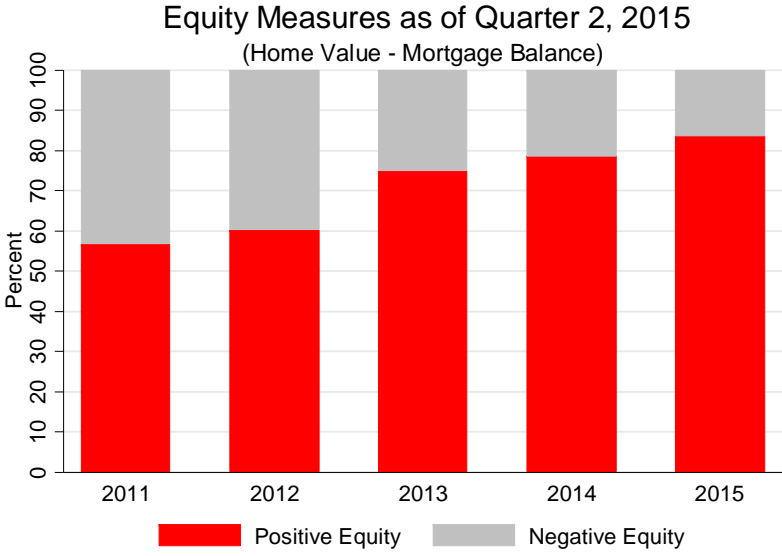
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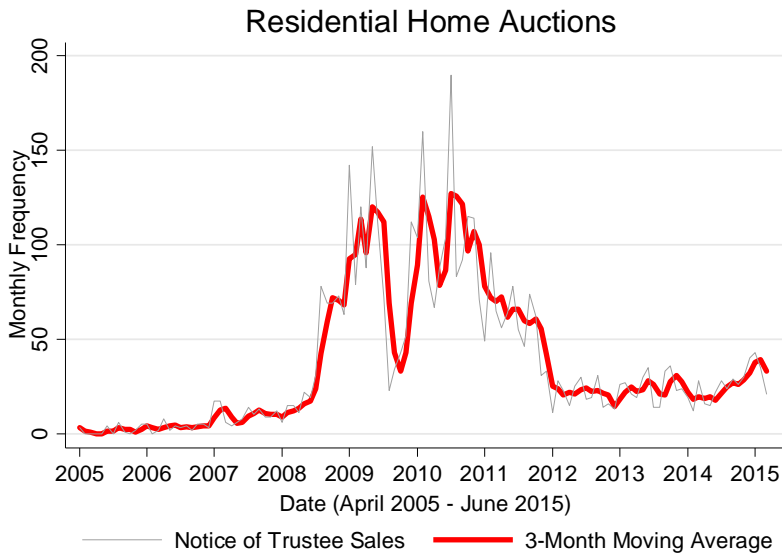
Source: CoreLogic



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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