

May 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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## Table of Contents

Nevada Statewide Trends.....	2
Northern Trends.....	10
Southern Trends.....	14
Rural Trends.....	18

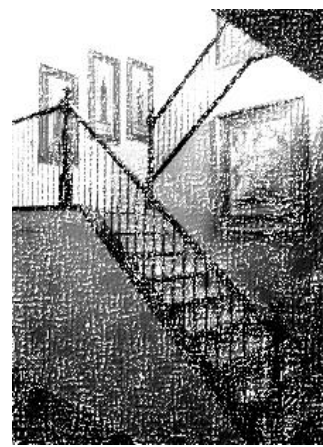
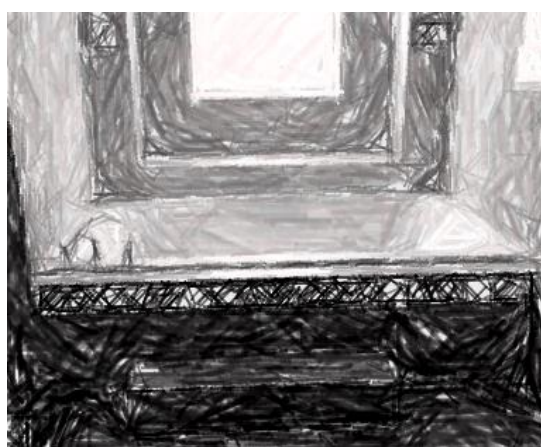
# Nevada's Housing Market | May 2016

## 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

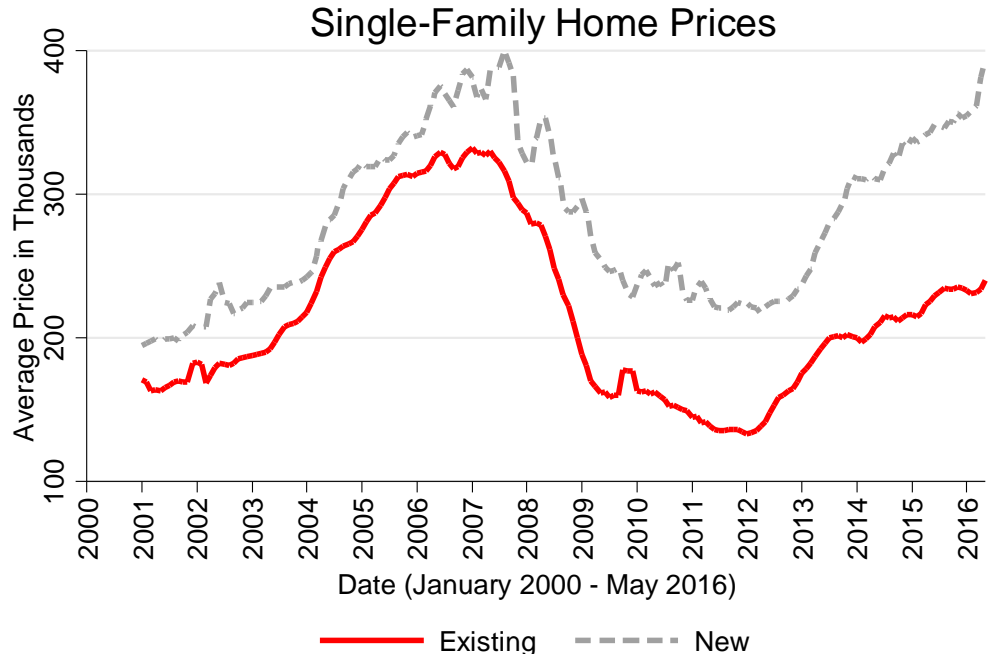
- ❑ Statewide new and existing home sales saw a large increase in May 2016. Southern Nevada was the only region to see a monthly increase in new home sales. All three regions in Nevada saw month to month increases in existing home sales.
- ❑ Both Northern and Southern Nevada saw decreases in the share of homes sold under distress. Rural Nevada saw a large increase in the distress share.
- ❑ All three regions saw month to month and year to year increases in single-family construction starts. May 2016 single-family starts were the highest they had been since October 2007.
- ❑ All three regions in Nevada saw month to month and year to year increases in existing home prices.

Single-Family Home Sales*	May 2016	M2M Change	Y2Y Change
New	820	+10.5%	+7.8%
Existing	5,683	+10.7%	+1.5%
Distress Share	10.2%	-4.2%	-26.4%
Residential Construction			
<b>Total Starts</b>	2,059	+477	+529
Single-Family	1,128	+57	+219
Multifamily	931	+420	+310
Average Single-Family Sales Price*			
New	\$392,552	+2.8%	+14.4%
Existing	\$239,520	+2.5%	+6.3%
Distress	\$187,472	+1.9%	+12.8%

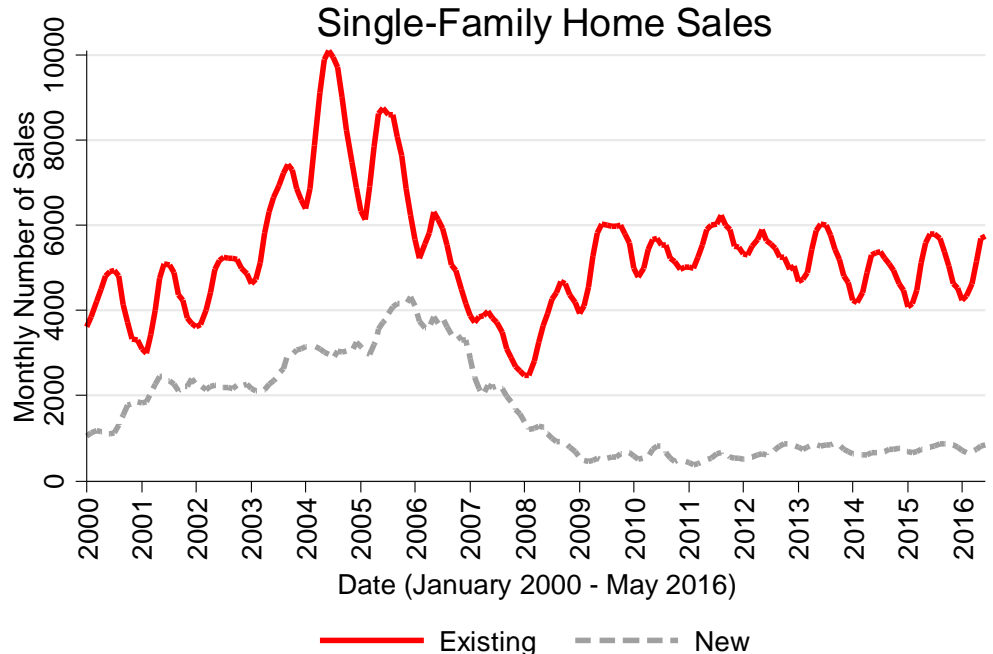
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

# Nevada Statewide Trends



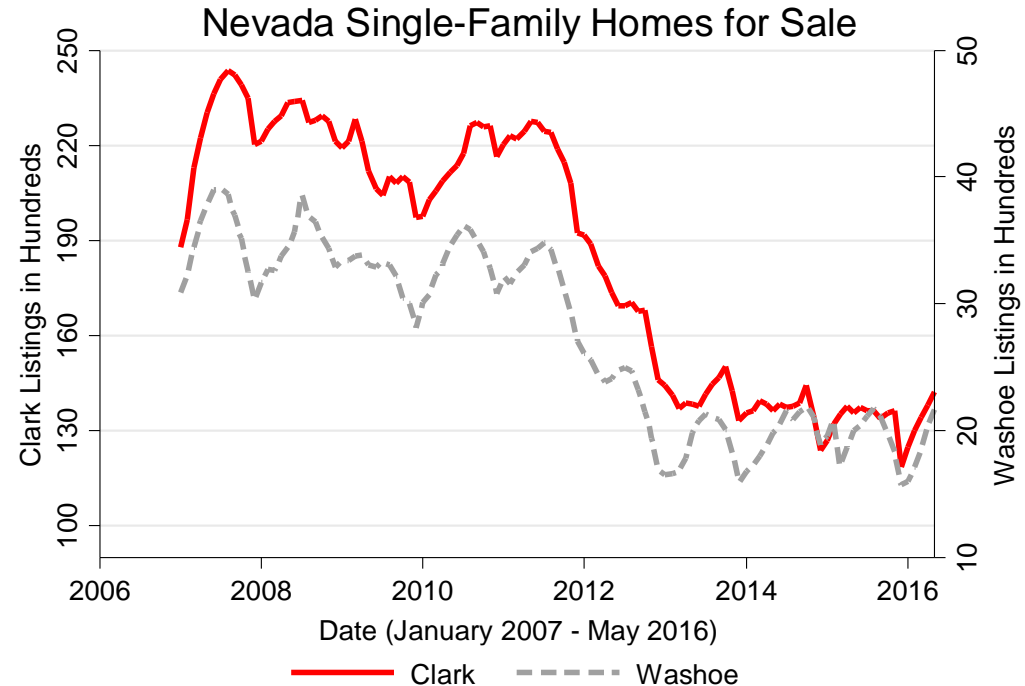
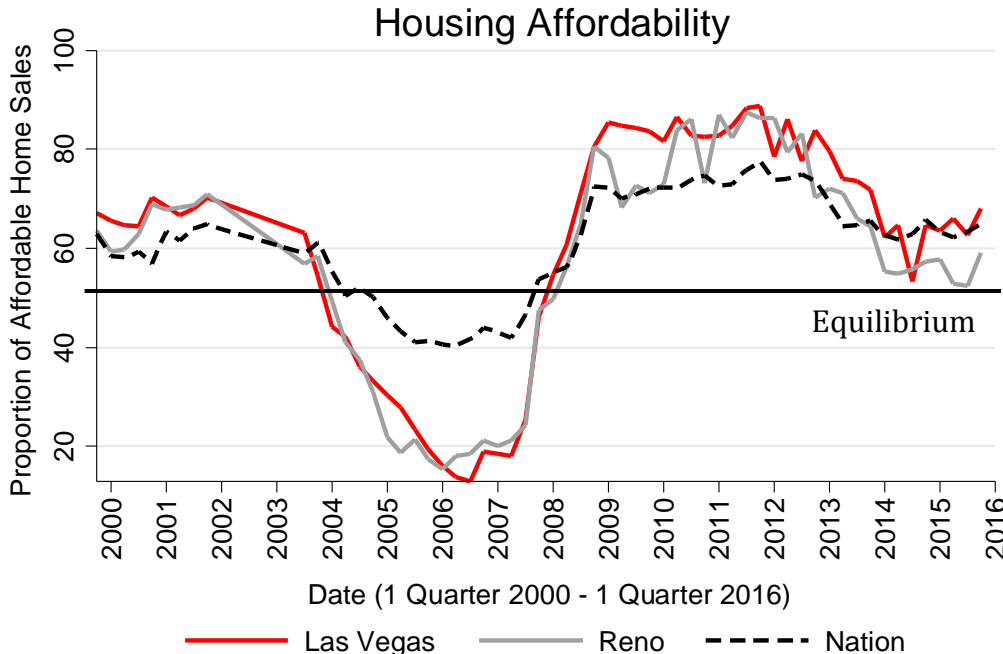
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



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

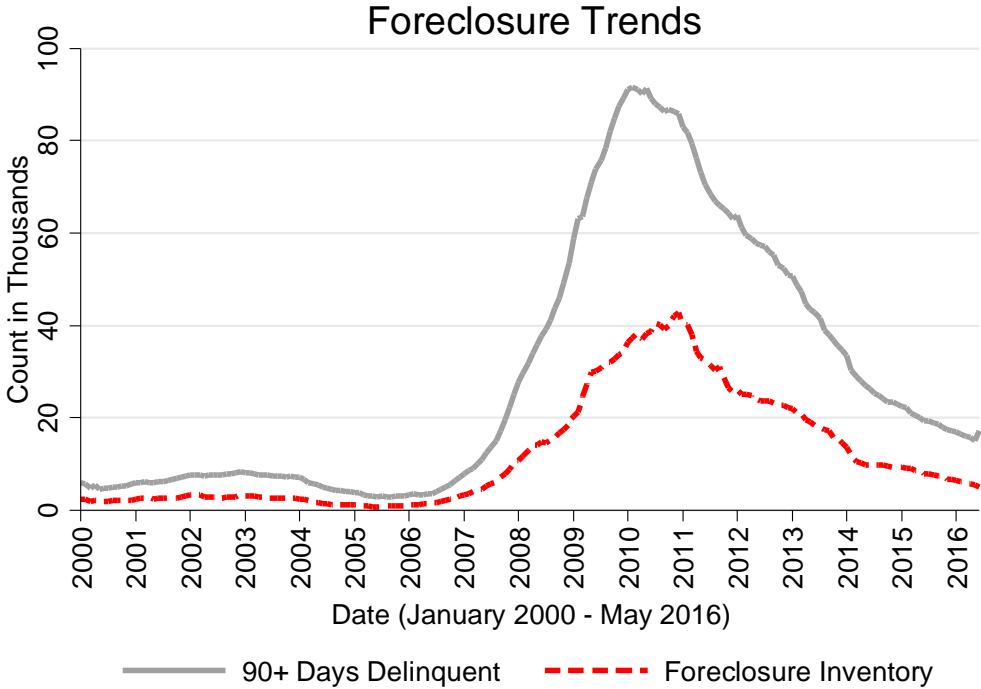


Source: National Association of Home Builders  
 Note: Series denote the proportion of home sales affordable at median income.

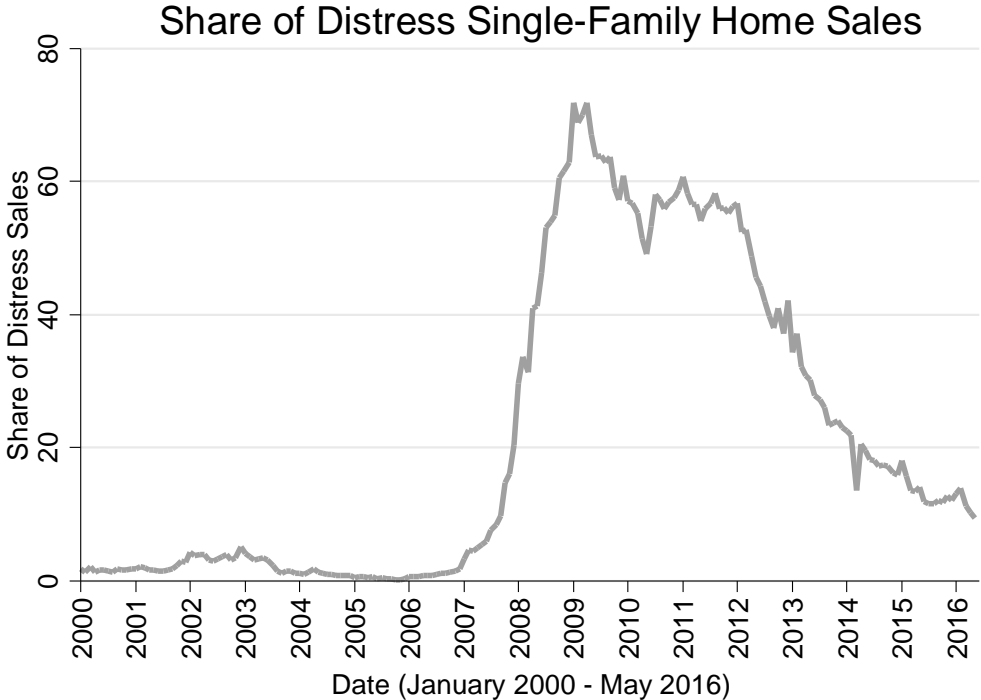
Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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



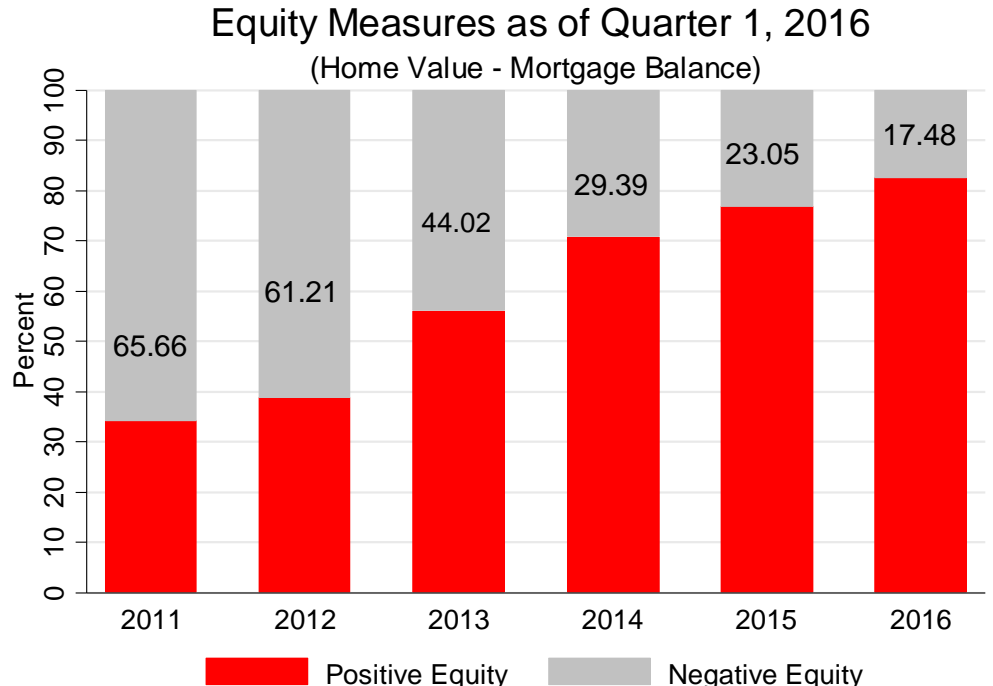
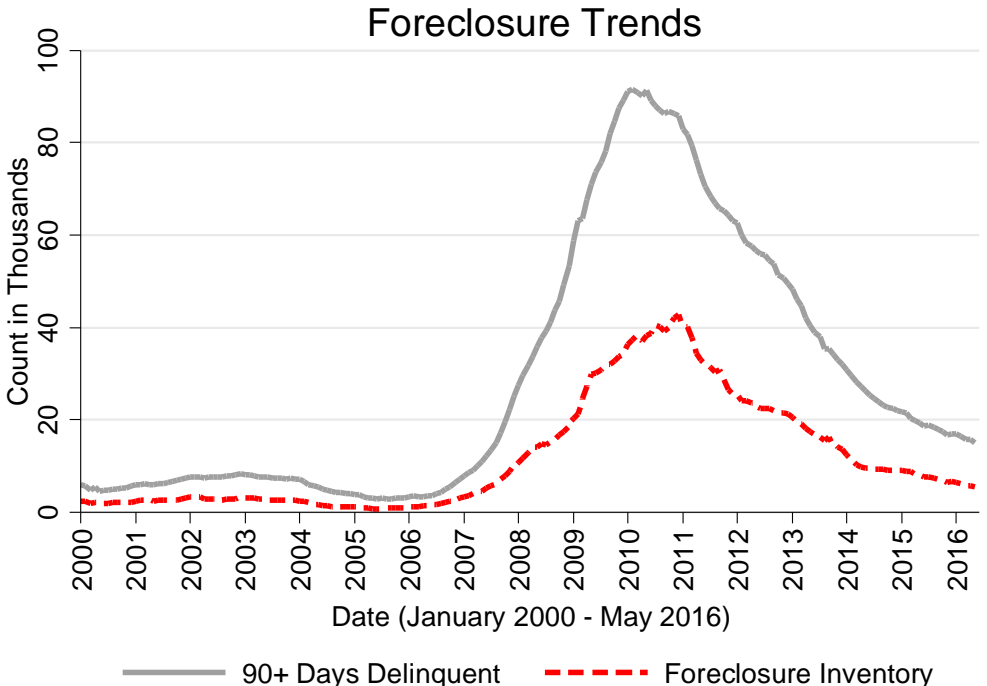
Source: CoreLogic



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

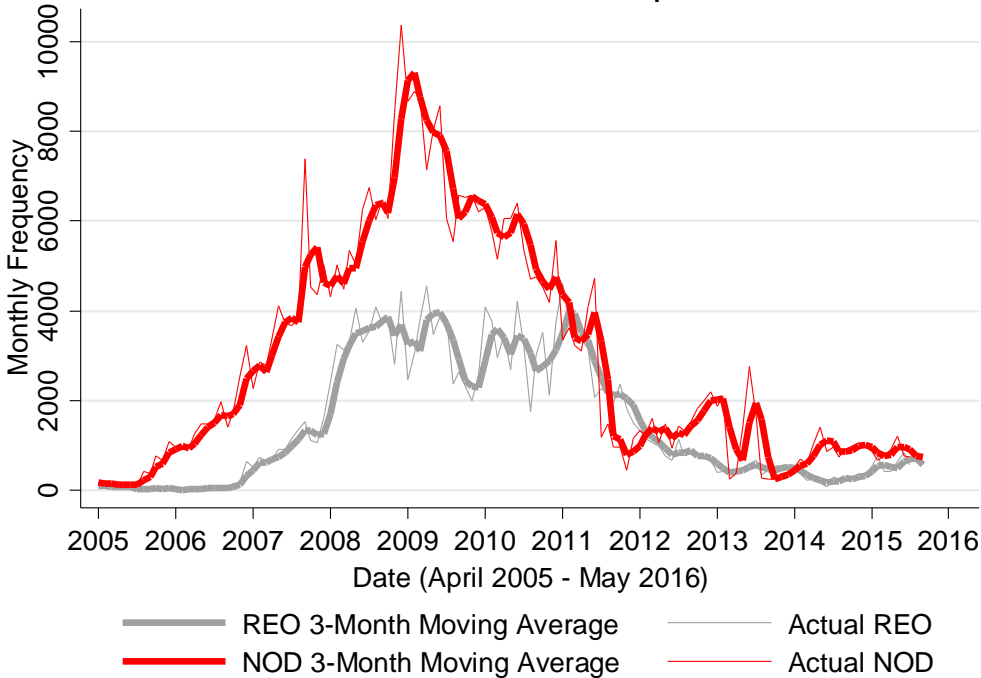
Source: CoreLogic

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.

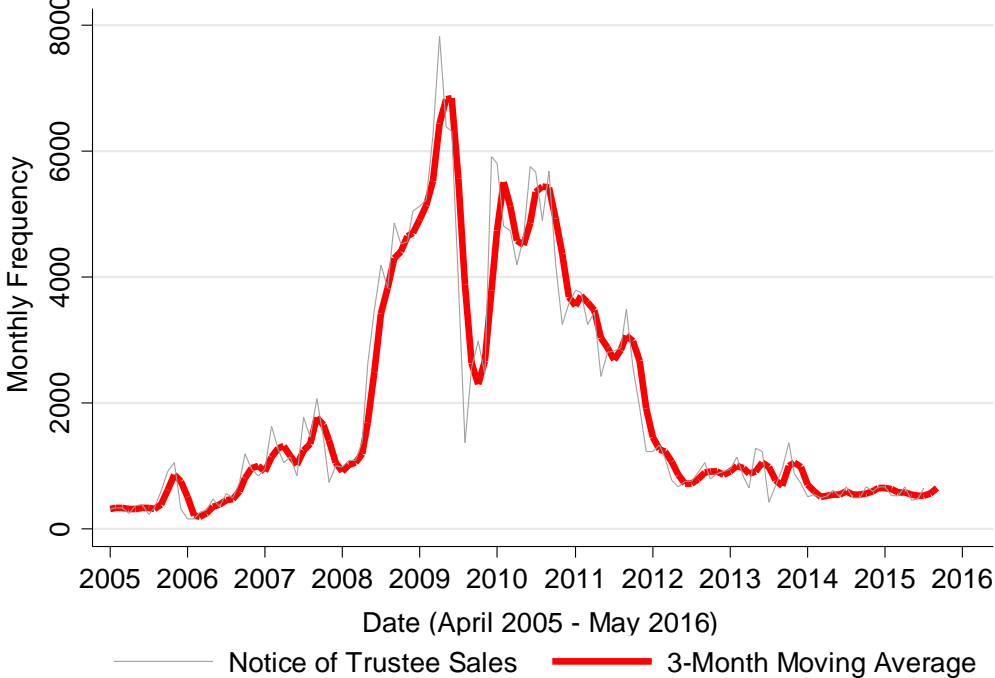


# Nevada Statewide Trends

Notices of Default and Repossessions



Residential Home Auctions

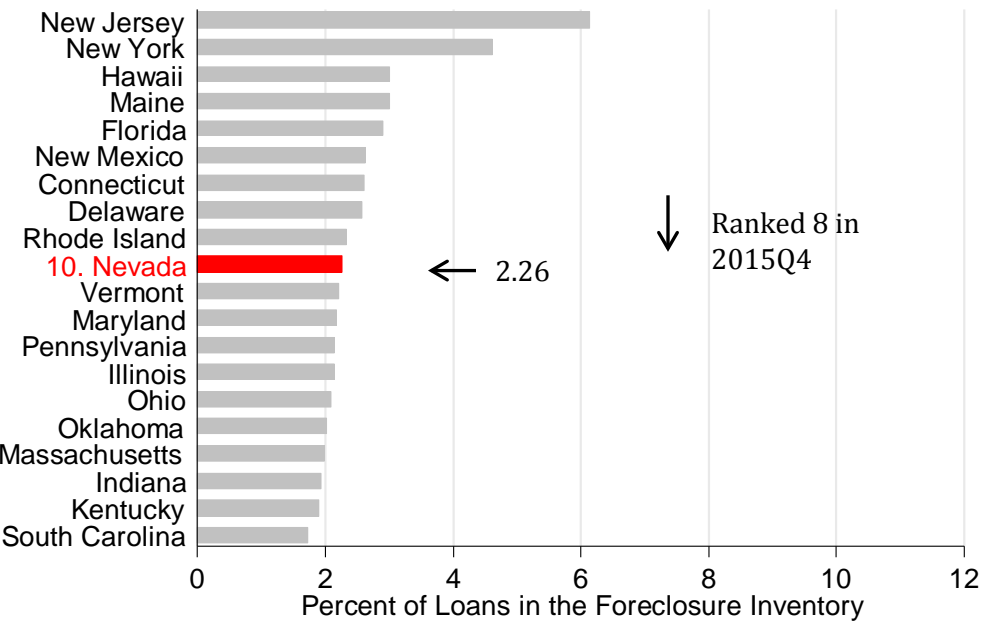


These two figures are based on numbers gathered from County records by RealtyTrac. The first figure shows the monthly number of Notices of Default and Repossessions. The Notice of Default (NOD) is the initial stage of foreclosure that starts at least 90 days after the homeowner’s mortgage default date. 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

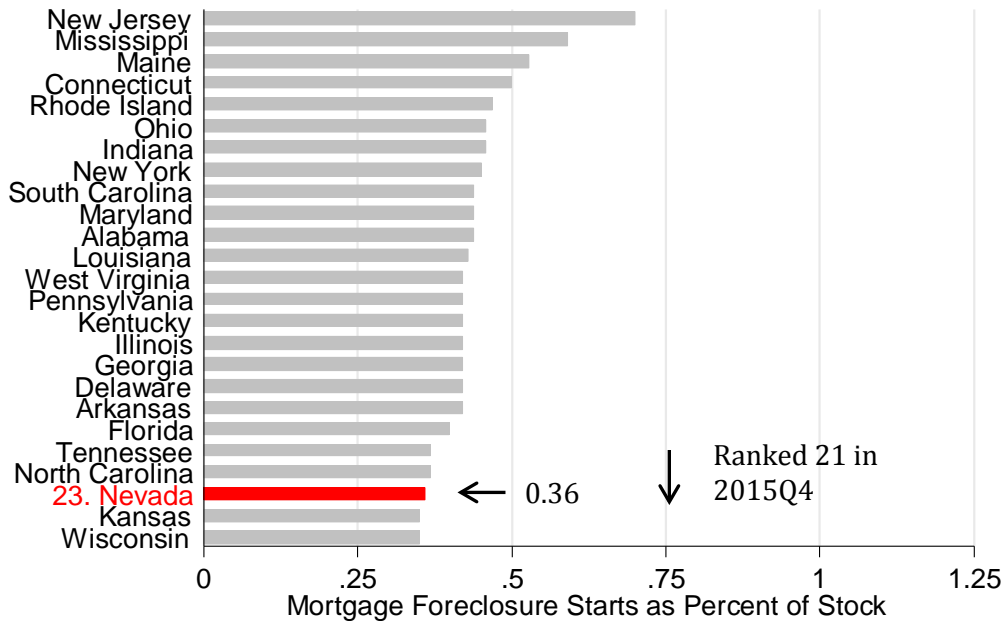
1st Quarter 2016



Source: Mortgage Bankers Association's National Delinquency Survey

Top 25 States in Foreclosure Starts

1st 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.

# Nevada's Housing Market | May 2016

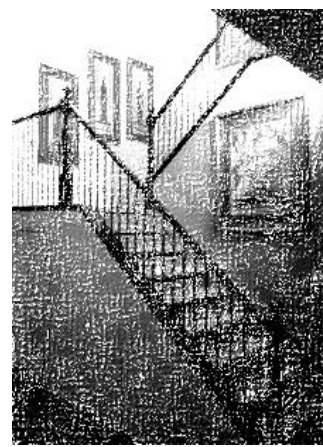
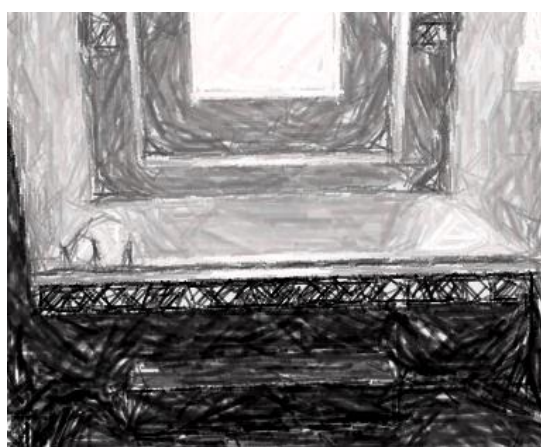
## Northern Trends

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

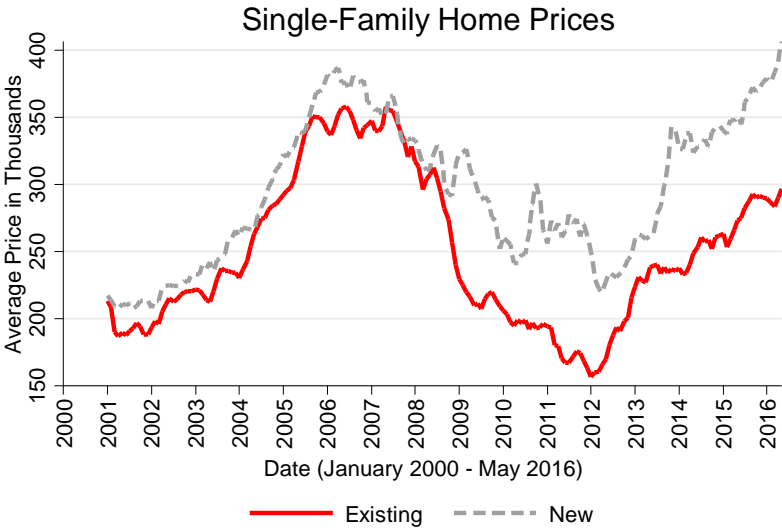
- ❑ New home sales decreased for the first time after three consecutive months with large month to month increases. Existing home sales increased for the fourth consecutive month. However, existing home sales were still down on a year over year basis.
- ❑ May 2016 was the fourth consecutive month with a decrease in the share of homes sold under distress. The distress share decreased 0.4 percentage points on a month to month basis. The distress share decreased over 5.5 percentage points on a year over year basis. Short sales decreased and REO sales increased slightly.
- ❑ New home prices increased more than \$15,000 on a month to month basis. New home prices were up more than \$55,000 on a year over year basis.

Single-Family Home Sales*	May 2016	M2M Change	Y2Y Change
New	160	-2.8%	+1.3%
Existing	1,225	+13.7%	-1.4%
Distress Share	6.4%	-5.8%	-46.0%
Residential Construction			
<b>Total Starts</b>	260	-42	-82
Single-Family	222	+29	+35
Multifamily	38	-71	-117
Average Single-Family Sales Price*			
New	\$406,568	+4.5%	+15.9%
Existing	\$296,196	+2.2%	+8.7%
Distress	\$207,423	+6.5%	+11.4%

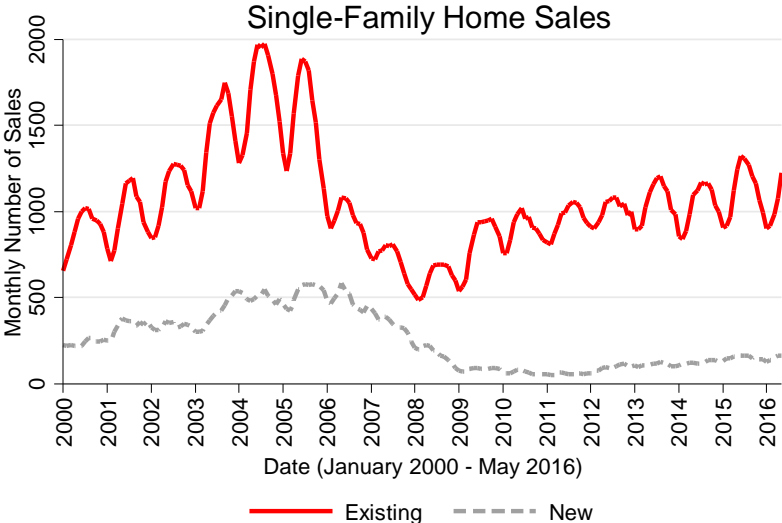
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

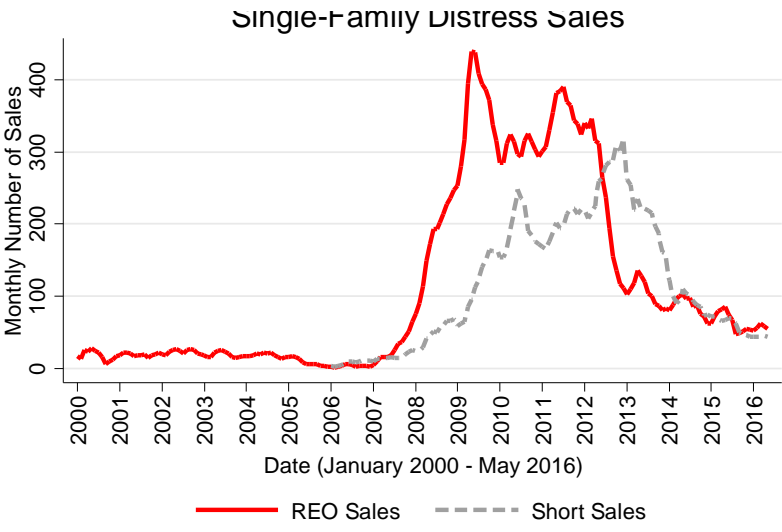
# Northern Trends



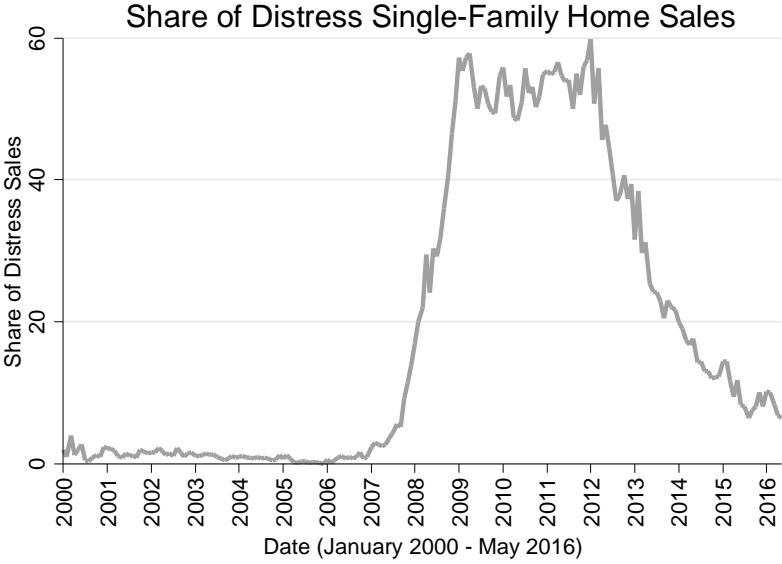
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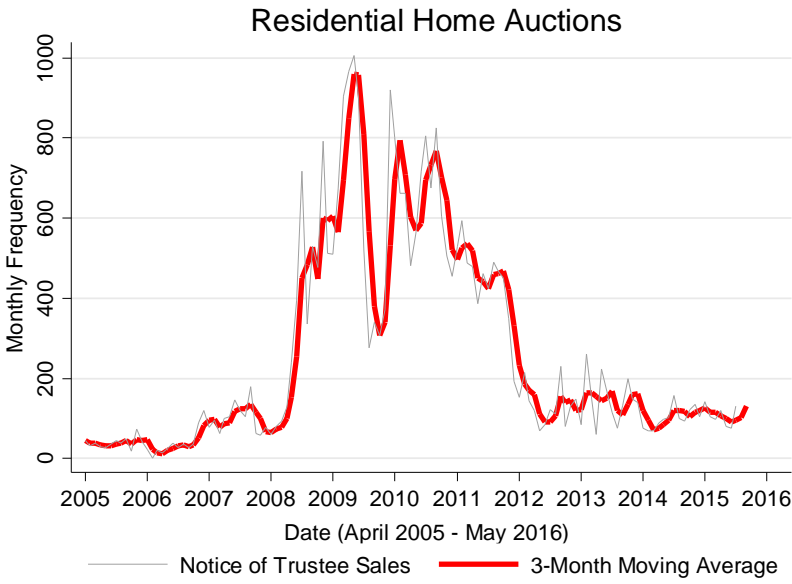
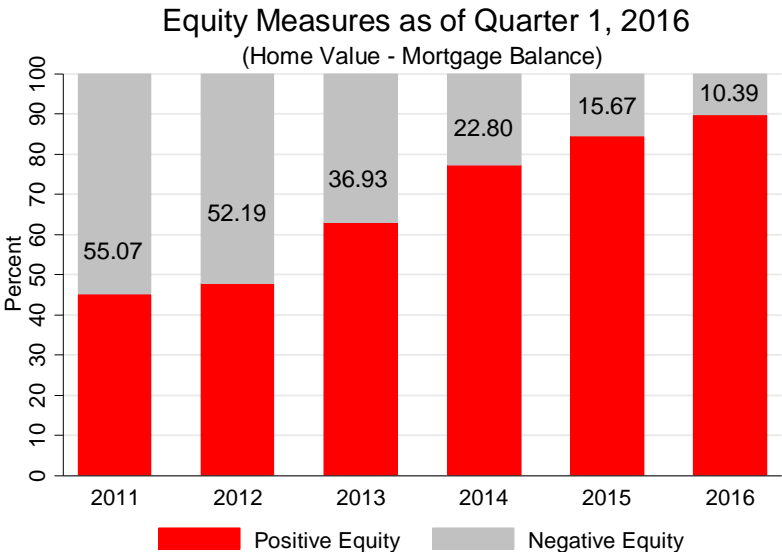
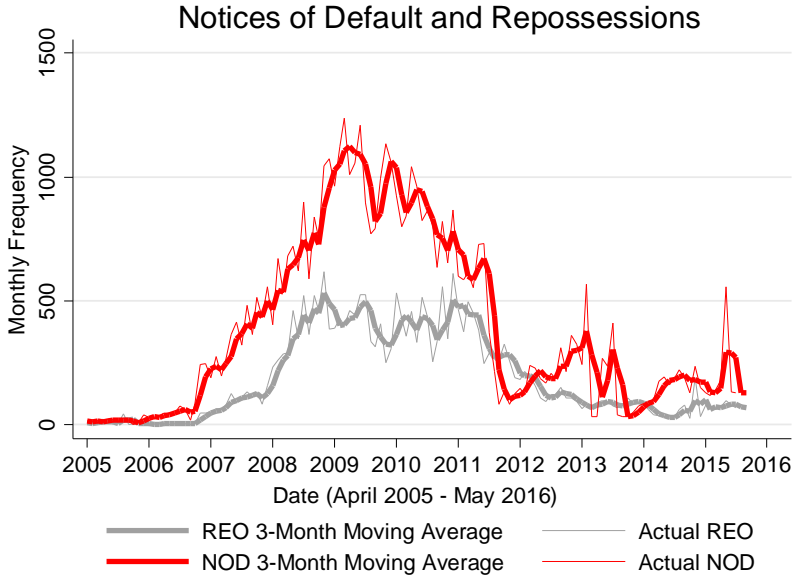
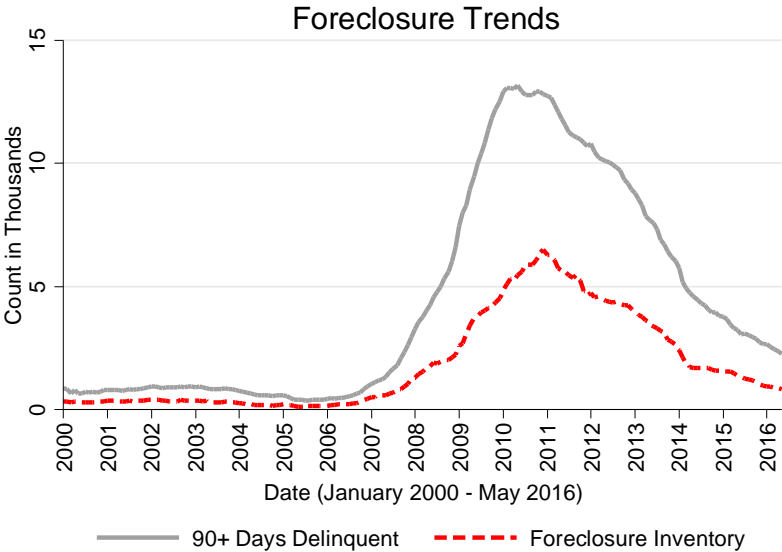


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Source: CoreLogic

# Northern Trends



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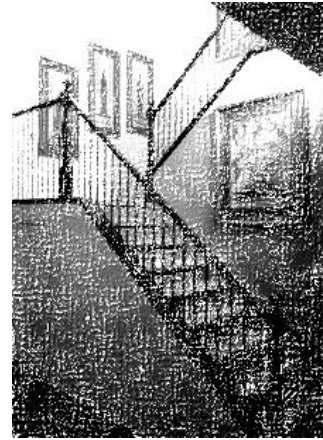
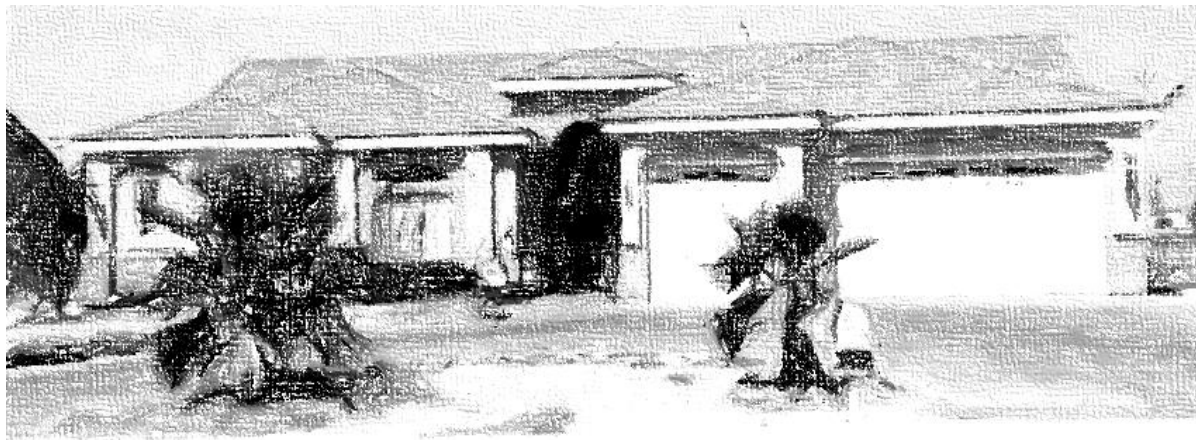
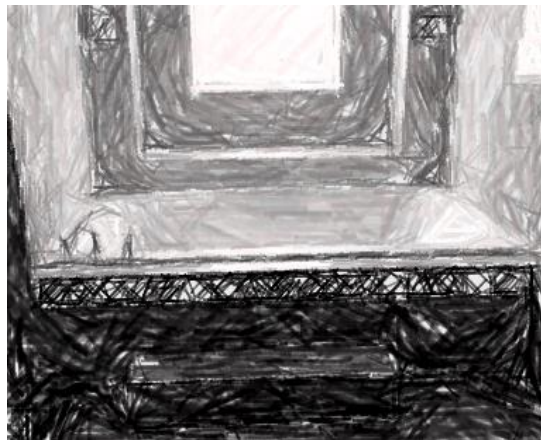
## Southern Trends

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

- ❑ Southern Nevada saw over a 15 percent month to month increase in new home sales. This was the largest monthly increase since May 2010. New home sales were also up over 10 percent on a year over year basis.
- ❑ The share of homes sold under distress decreased for the third consecutive month. At 10.9 percent, the distress share was the lowest it had been since August 2007.
- ❑ Monthly multifamily starts were greater than single-family starts for the second time of 2016. Multifamily starts were lower than single-family starts each month of 2015.
- ❑ May 2016 was the fifth consecutive month where new home prices saw a month to month increase. New home prices increased \$39,000 since May 2015.

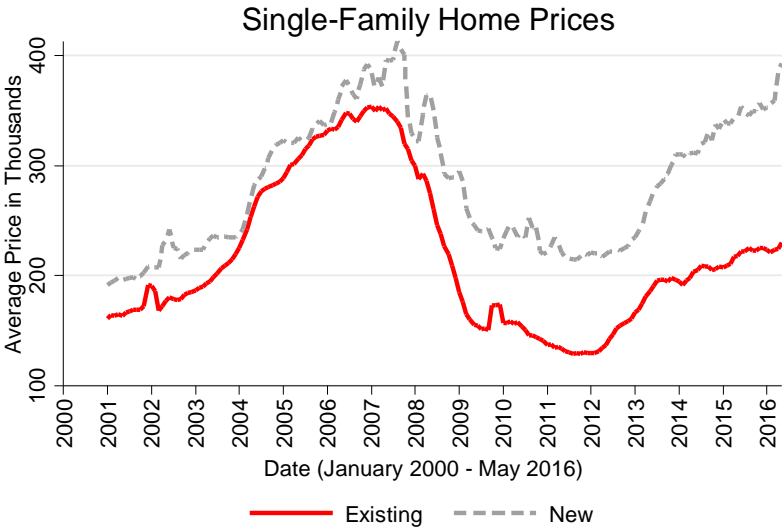
Single-Family Home Sales*	May 2016	M2M Change	Y2Y Change
New	645	+15.2%	+10.4%
Existing	4,180	+9.7%	+3.1%
Distress Share	10.9%	-7.87%	-24.4%
Residential Construction			
<b>Total Starts</b>	1,772	+515	+607
Single-Family	879	+24	+180
Multifamily	893	+491	+427
Average Single-Family Sales Price*			
New	\$392,760	+2.2%	+14.2%
Existing	\$229,752	+2.4%	+5.3%
Distress	\$190,401	+2.3%	+13.7%

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

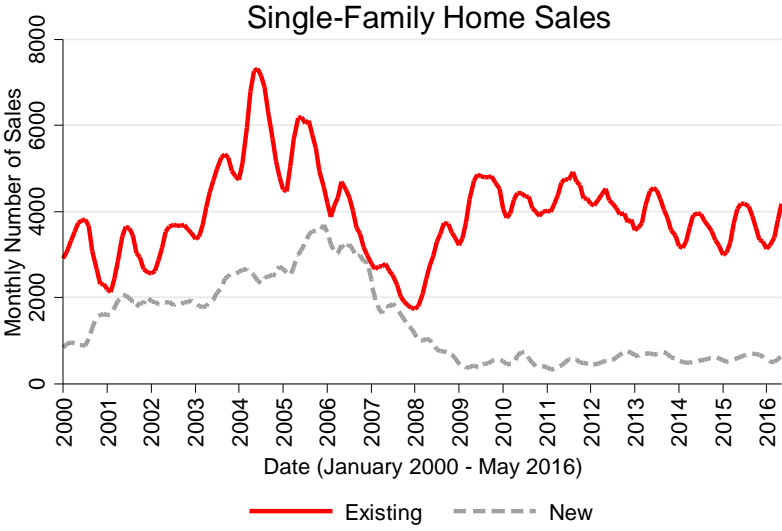
\*Figures portray Three-Month Moving Weighted Averages



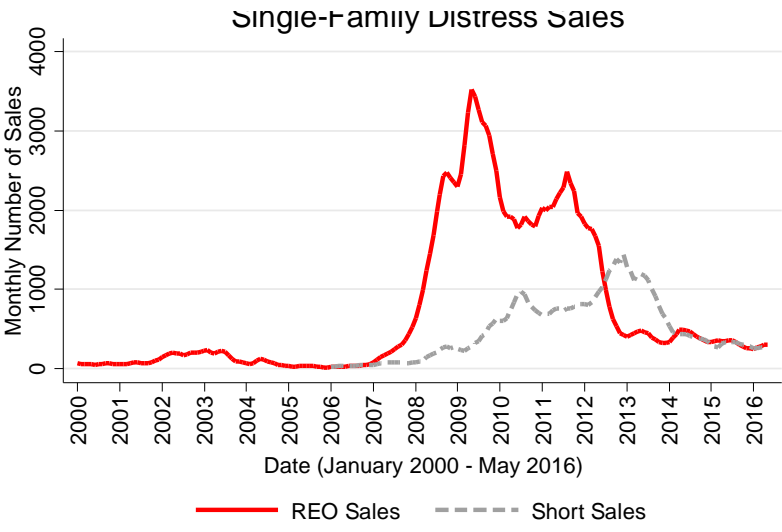
# Southern Trends



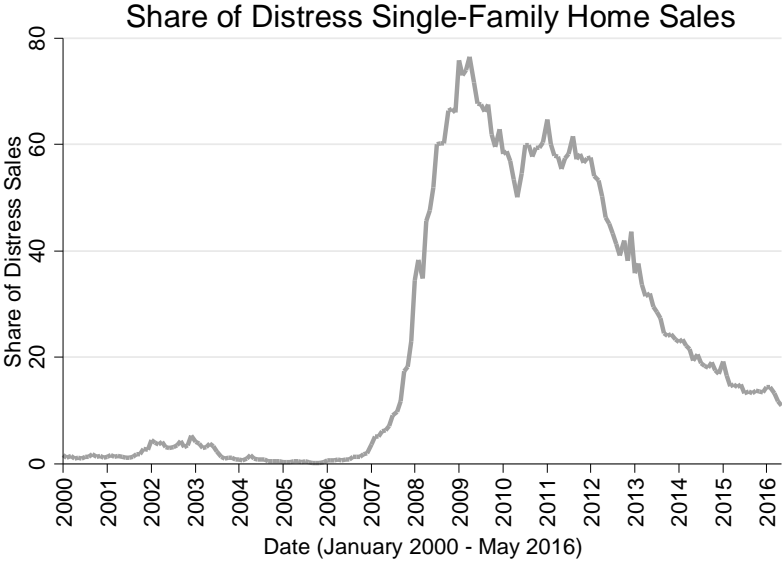
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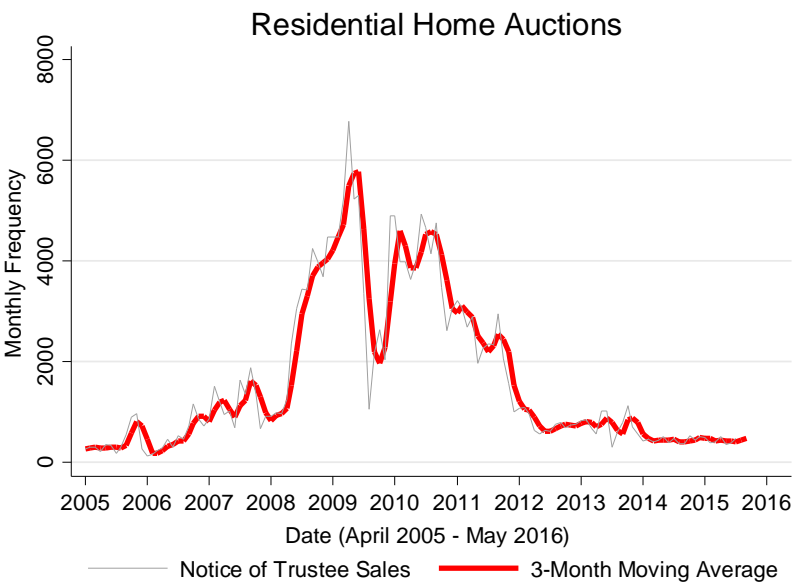
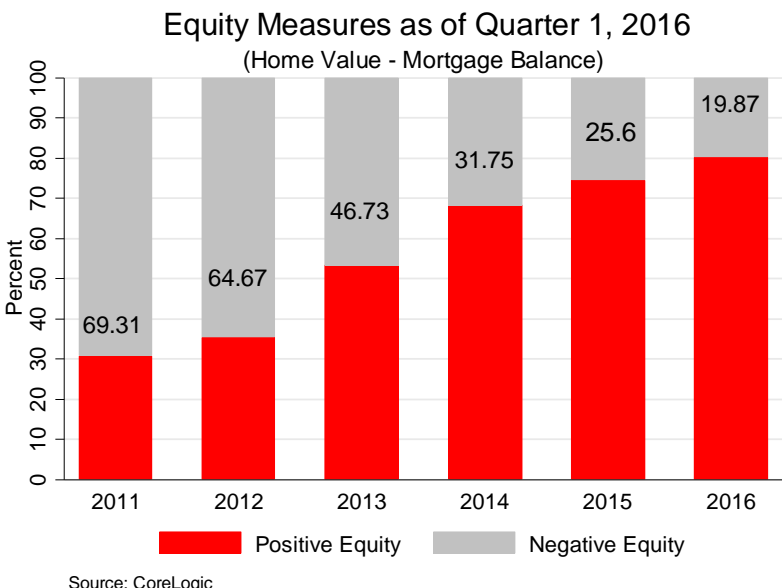
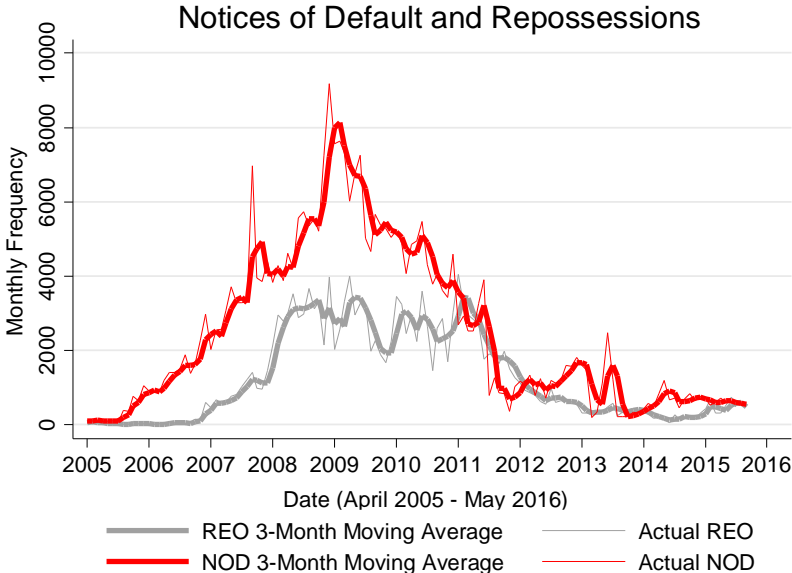
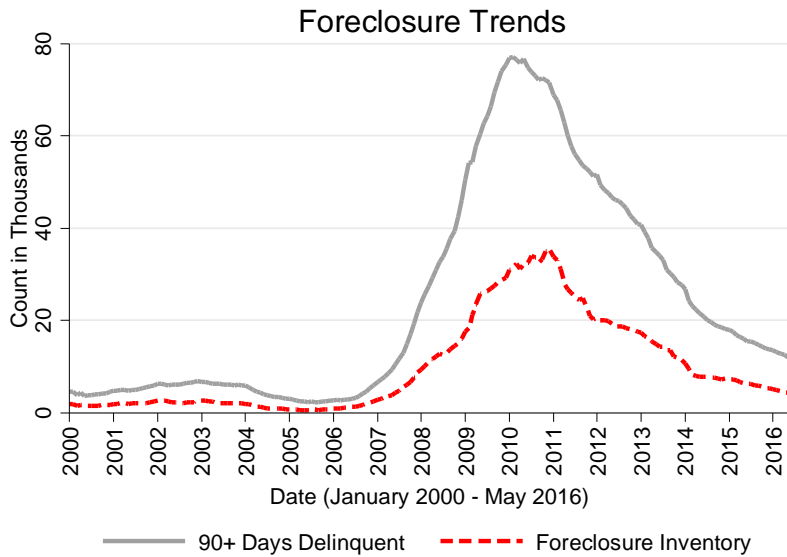


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Source: CoreLogic

# Southern Trends



# Nevada's Housing Market | May 2016

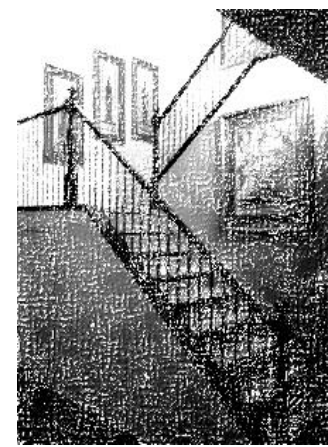
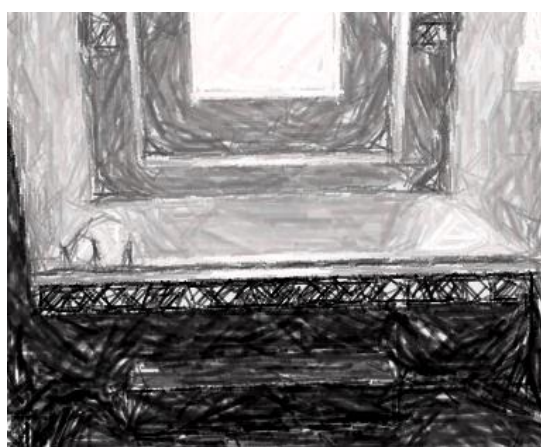
## Rural Trends

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

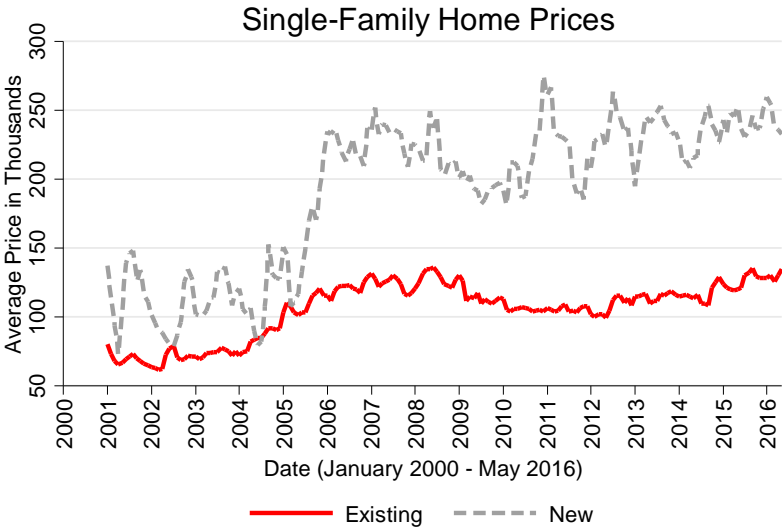
- ❑ New home sales decreased on a month to month basis for the third consecutive month. New home sales decreased on a year over year basis for the second consecutive month. Existing home sales saw a large increase on a month to month basis, but were still down on a year over year basis.
- ❑ The share of homes sold under distress increased by over 10 percentage points and was the highest it had been since April 2015. Distress home prices were the lowest they had been since November 2006.
- ❑ Existing home prices increased \$5,000 on a month to month basis. Existing home prices were the highest they had been since December 2014.

Single-Family Home Sales*	May 2016	M2M Change	Y2Y Change
New	14	-18.9%	-20.4%
Existing	150	+11.5%	-2.2%
Distress Share	19.5%	+112.1%	+14.7%
Residential Construction			
<b>Total Starts</b>	27	+4	+4
Single-Family	27	+4	+4
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$232,275	-1.3%	-7.9%
Existing	\$134,512	+3.6%	+12.4%
Distress	\$84,818	-16.8%	-1.4%

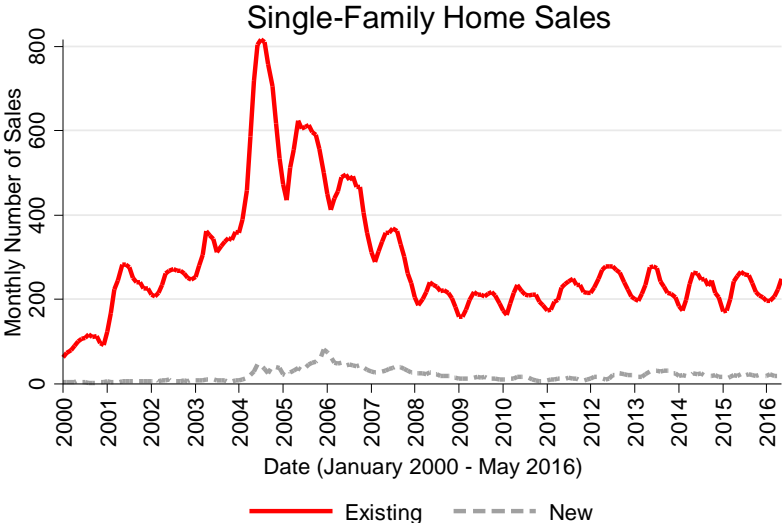
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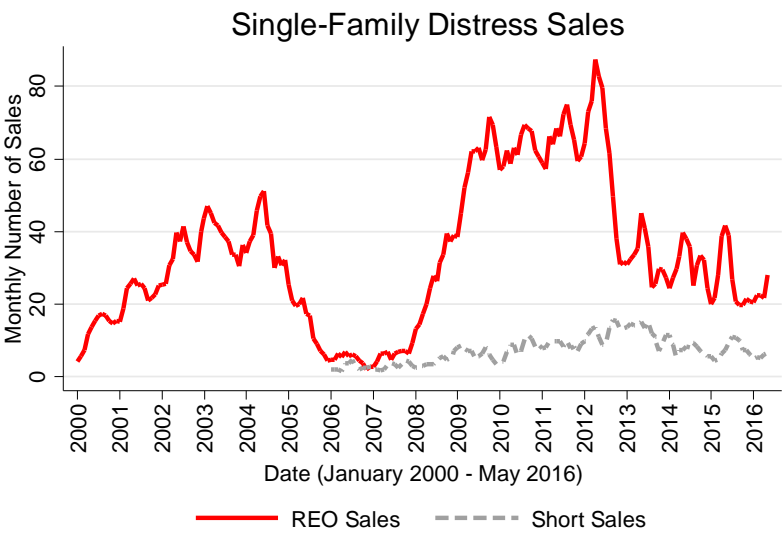
# Rural Trends



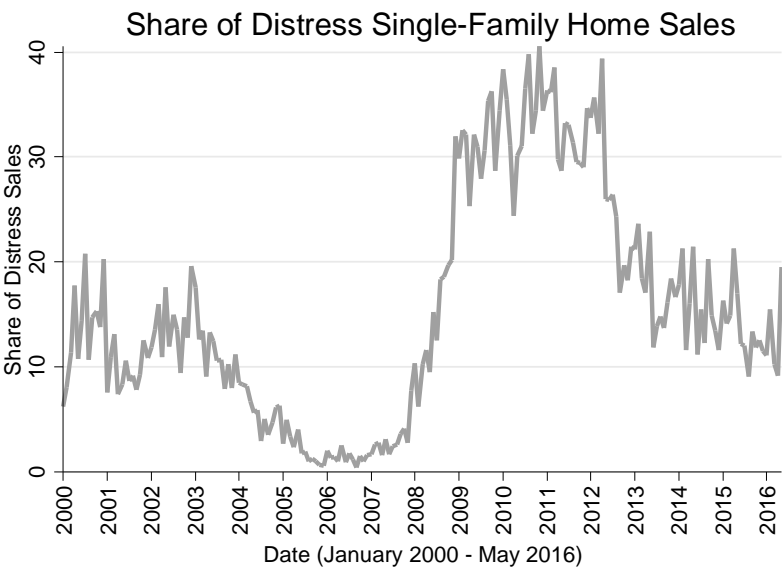
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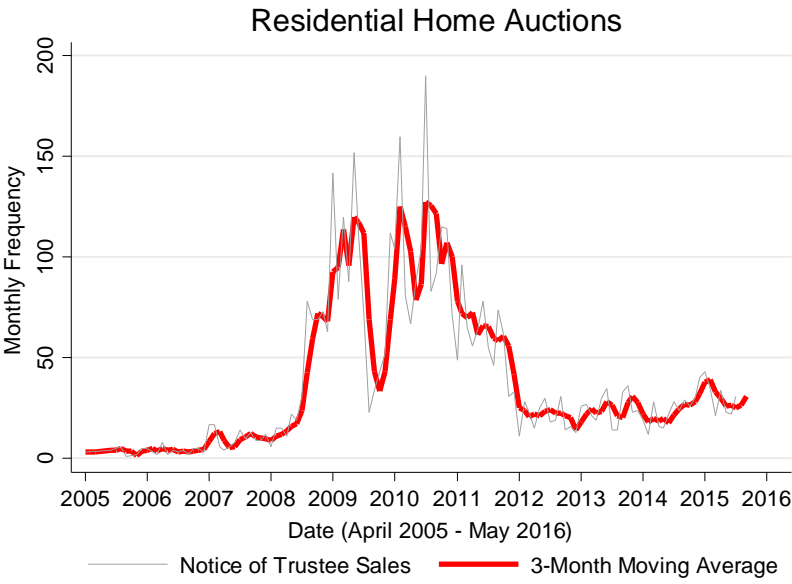
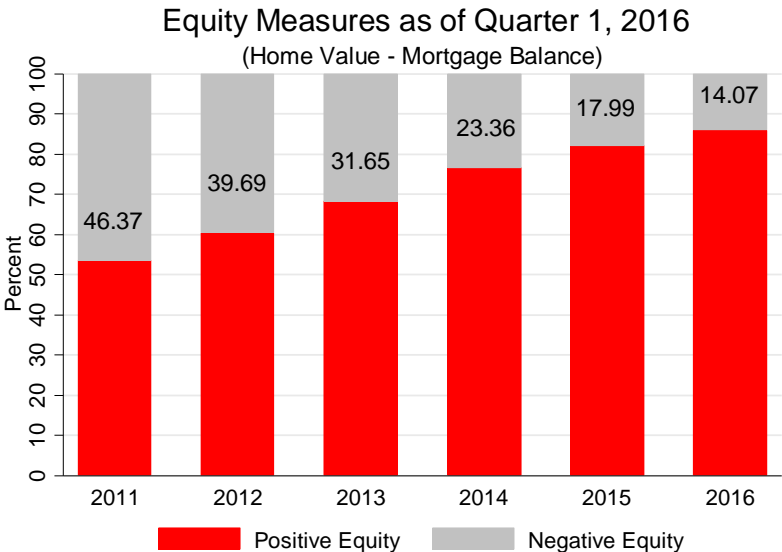
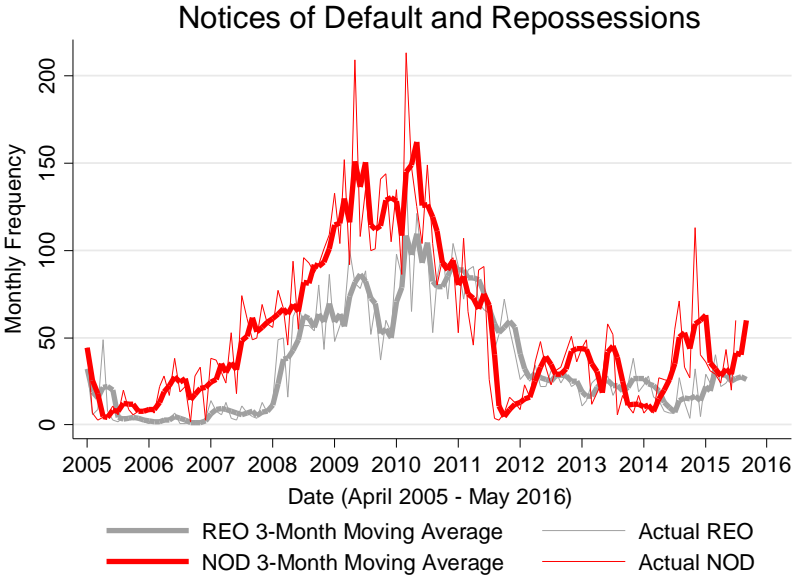
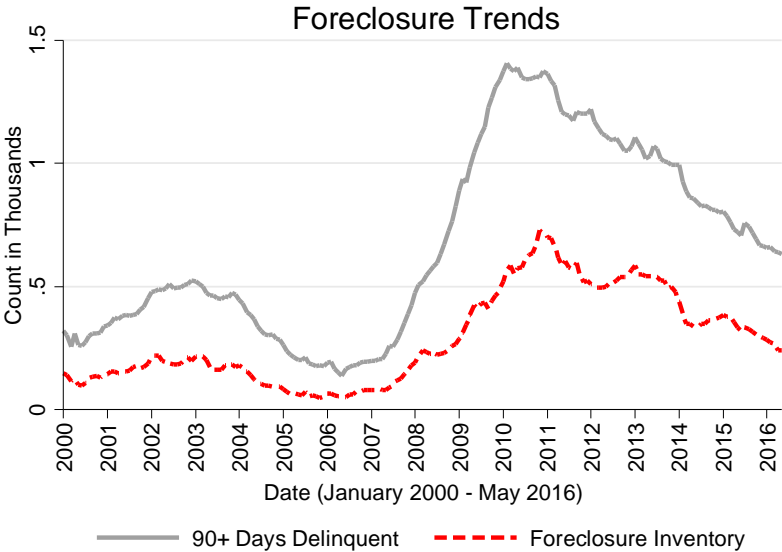


Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



Source: CoreLogic

# 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.

*Lied Institute for Real Estate Studies*  
4505 S. Maryland Parkway, Box 456025  
Las Vegas, NV 89154-6025

**Edward Coulson**

Director  
(702) 895-1660  
Ed.Coulson@unlv.edu

**Betty Campbell**

Program Coordinator  
(702) 895-4492  
Betty.Campbell@unlv.edu

**Peter Counts**

Data Analyst  
(702) 895-3223  
Peter.Counts@unlv.edu