

March 2015

# 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 | March 2015

## Nevada Statewide Trends

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

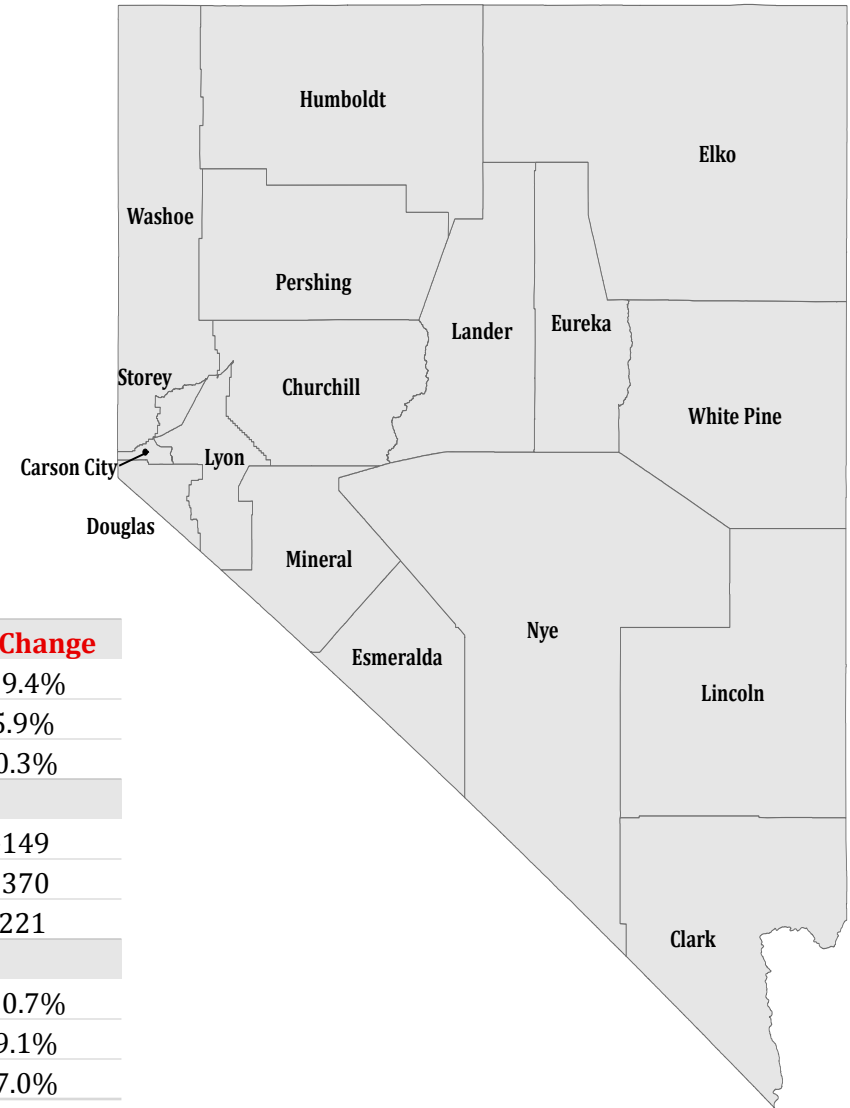
Housing Units: **1,186,879** in 2013

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



## Nevada Statewide Trends

- ❑ Las Vegas and Reno both saw an increase in housing affordability this quarter according to the National Association of Home Builders. These increases were driven by strong increases in median income. Homes are now considered more affordable in Las Vegas than in Reno. Las Vegas homes are still considered slightly less affordable than the national average.
- ❑ Both Northern and Southern Nevada saw large increases in single-family start ups this month. Nevada single-family start ups this month were the highest they had been since 2007.
- ❑ The share of homeowners with negative equity decreased by one percentage point this quarter. 23 percent of homeowners in Nevada have negative equity in their home.



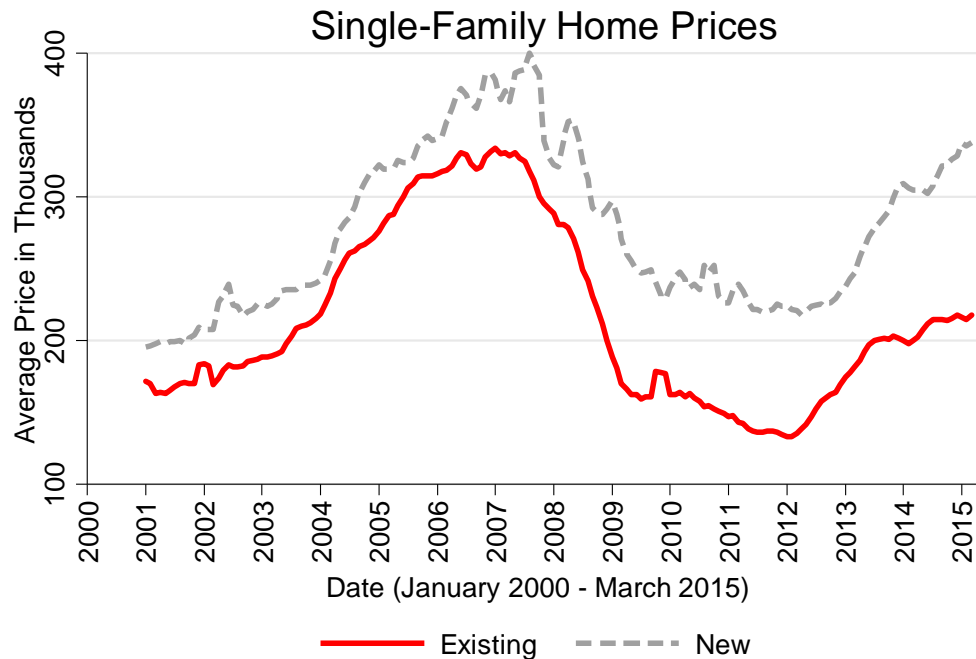
Single-Family Home Sales*	March 2015	M2M Change	Y2Y Change
New	546	-1.7%	+19.4%
Existing	3851	+7.1%	-5.9%
Distress Share	13.5%	-13.5%	+0.3%
Residential Construction			
<b>Total Starts</b>	1,238	-296	+149
Single-Family	1,059	+199	+370
Multifamily	179	-495	-221
Average Single-Family Sales Price*			
New	\$337,120	+0.5%	+10.7%
Existing	\$217,642	+1.4%	+9.1%
Distress	\$162,043	+0.9%	+7.0%

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

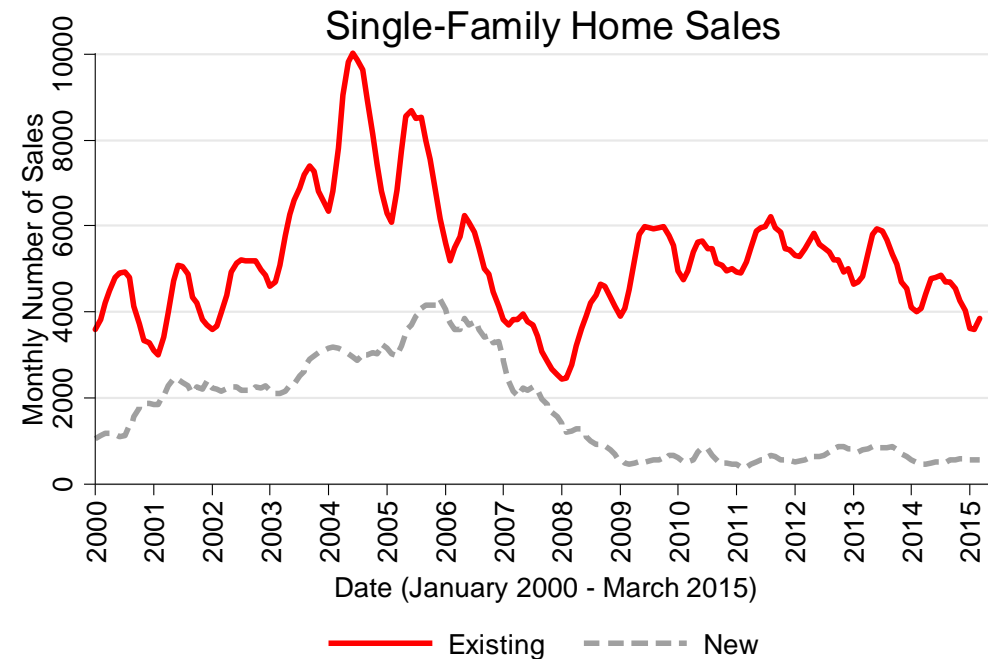


# Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

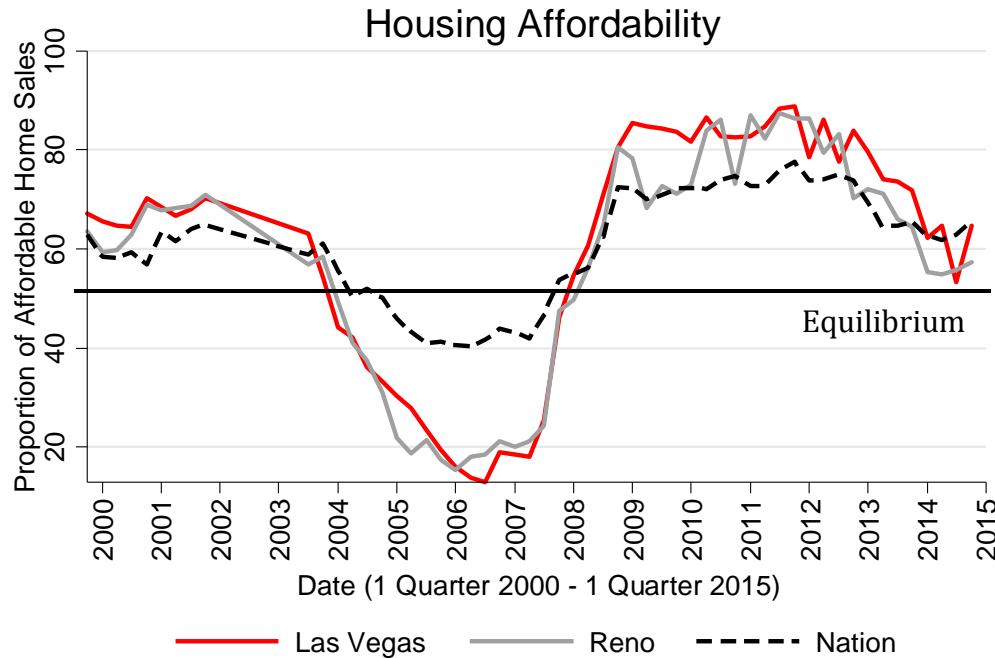


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

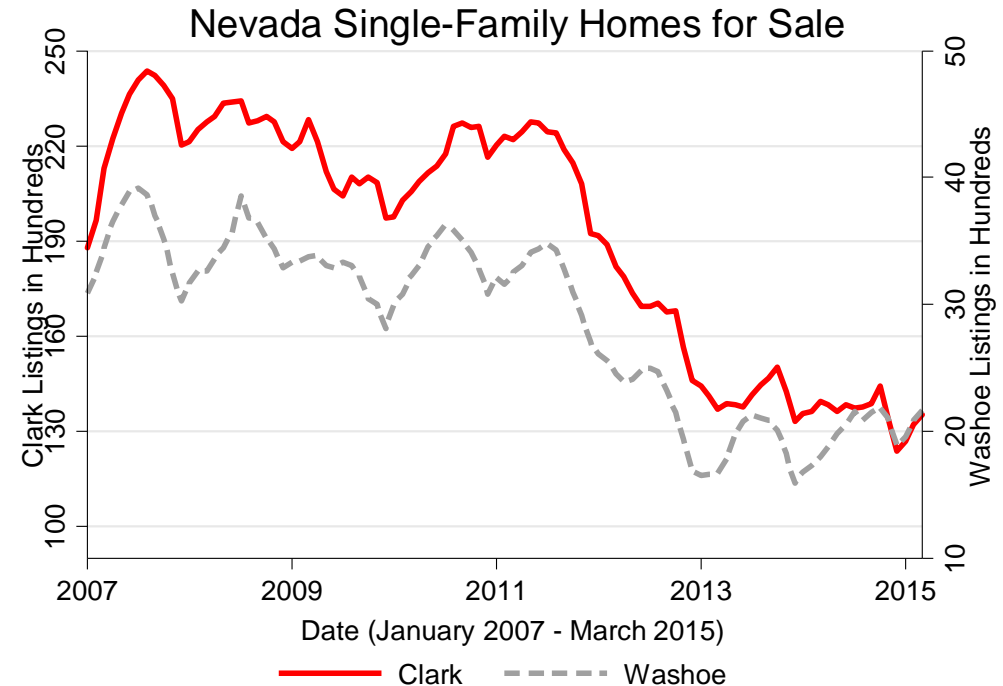
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

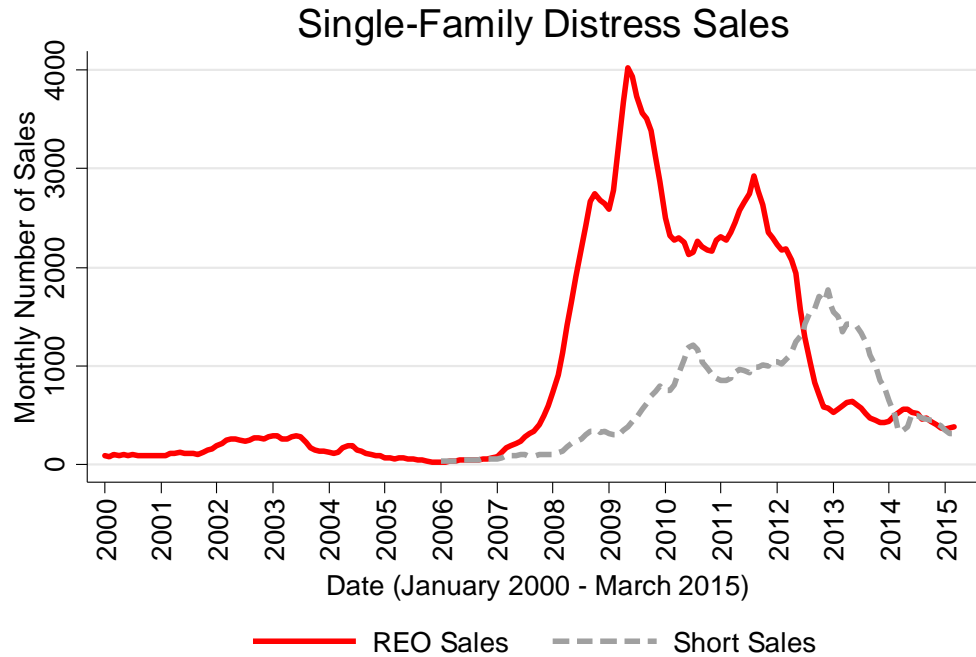
Note: Series denote the proportion of home sales affordable at median income.



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

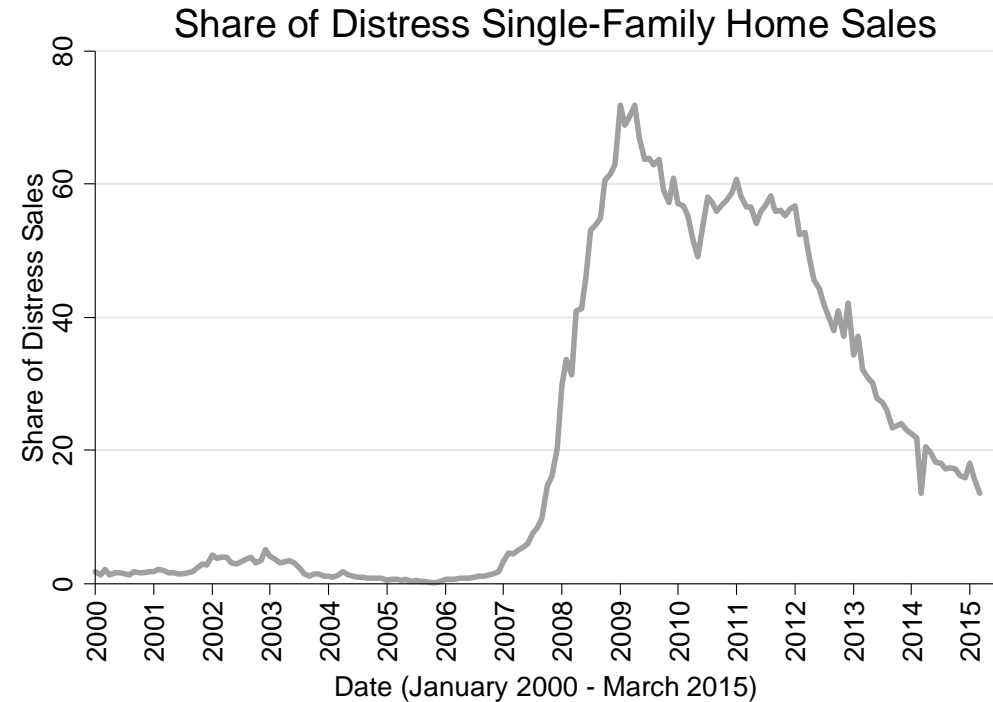
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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



Source: CoreLogic

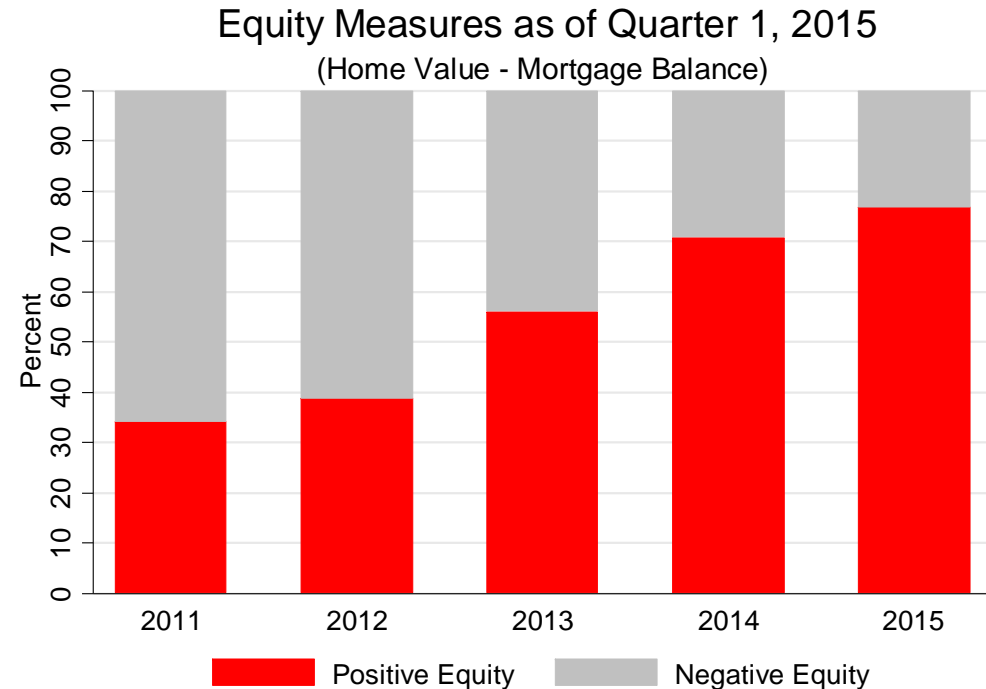
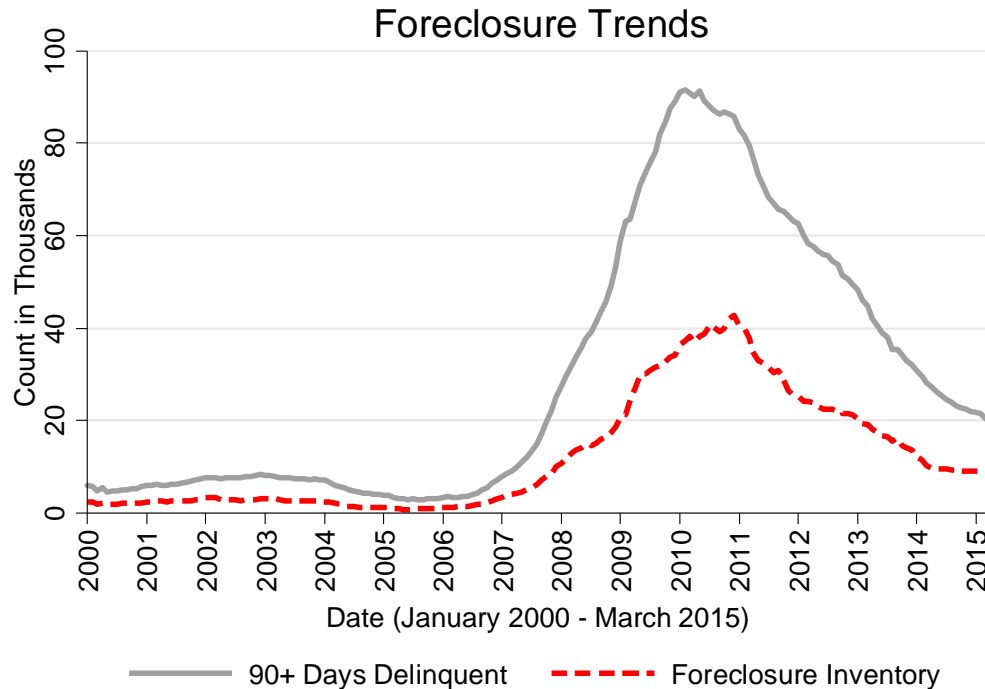
Note: Series are 3-month weighted moving averages.



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

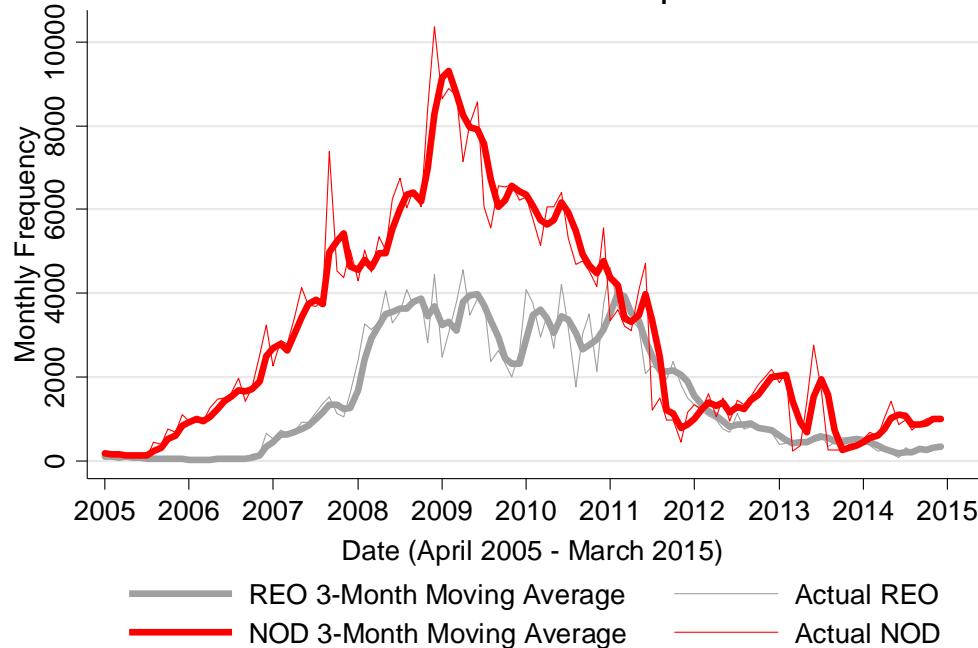


The Foreclosure Trends figure includes two series: the 90+ Days Delinquent series and the Foreclosure Inventory series. The 90+ Days Delinquent series consists of the number of homes that are secured by a loan in default for 90 days or more. This includes homes that are in the process of being foreclosed.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



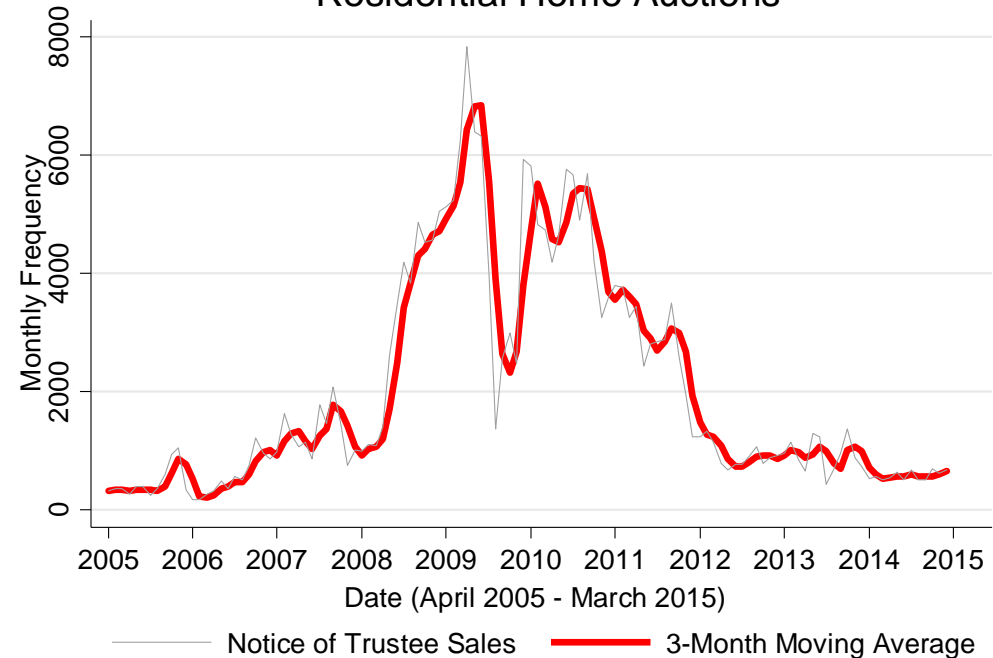
## Nevada Statewide Trends

### Notices of Default and Repossessions



Source: RealtyTrac

### Residential Home Auctions



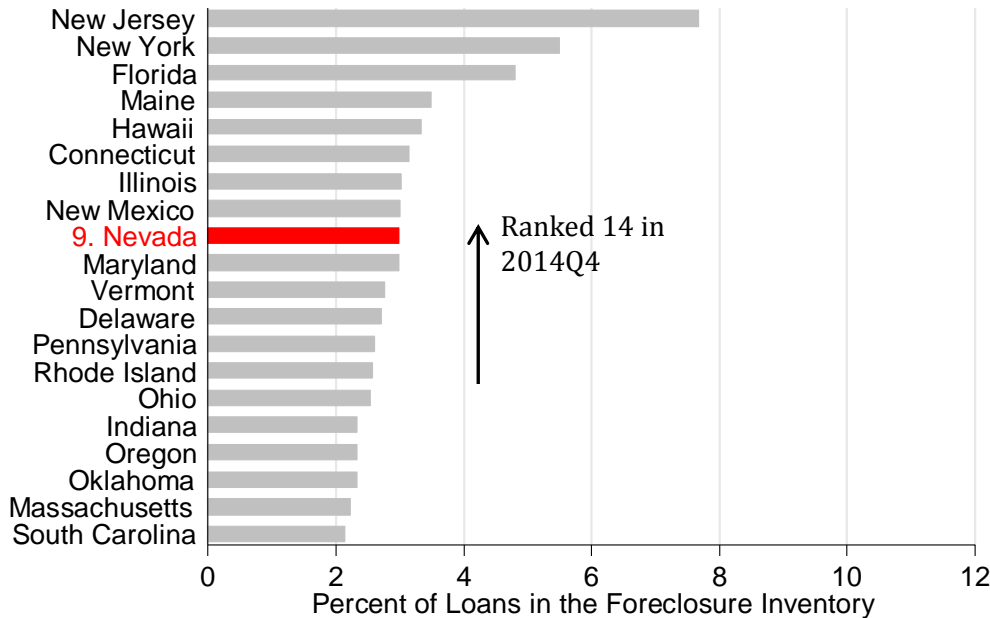
Source: RealtyTrac

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

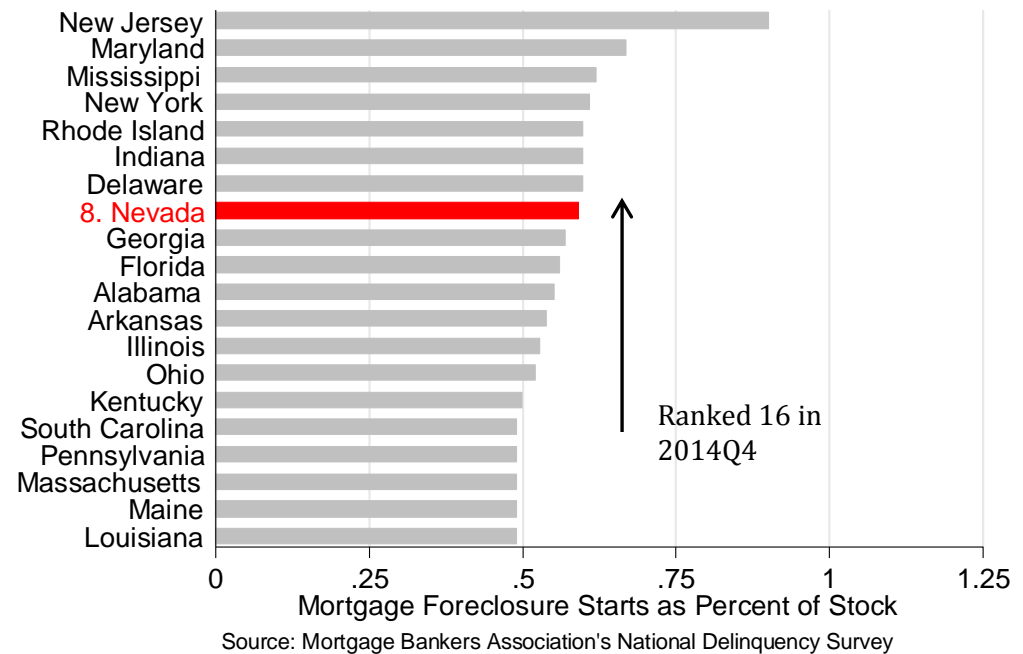
### Top 20 States in Foreclosure Inventory

1st Quarter 2015



### Top 20 States in Foreclosure Starts

1st Quarter 2015



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.

# Nevada's Housing Market | March 2015

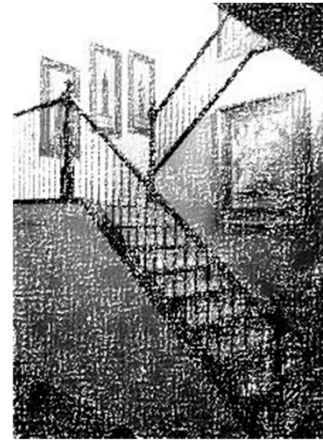
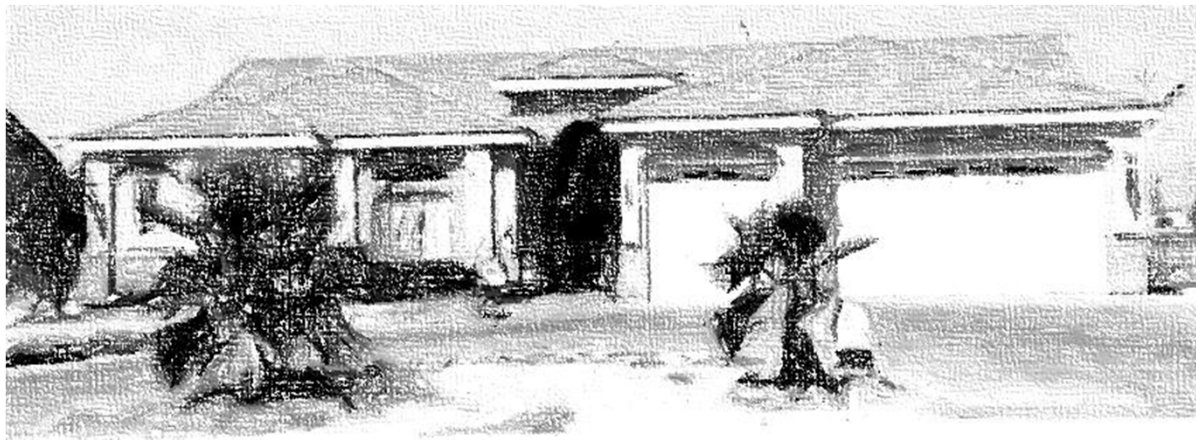
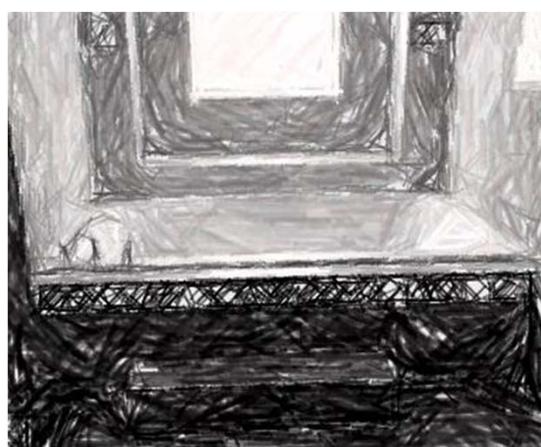
## Northern Trends

Population: **621,826** in 2014

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

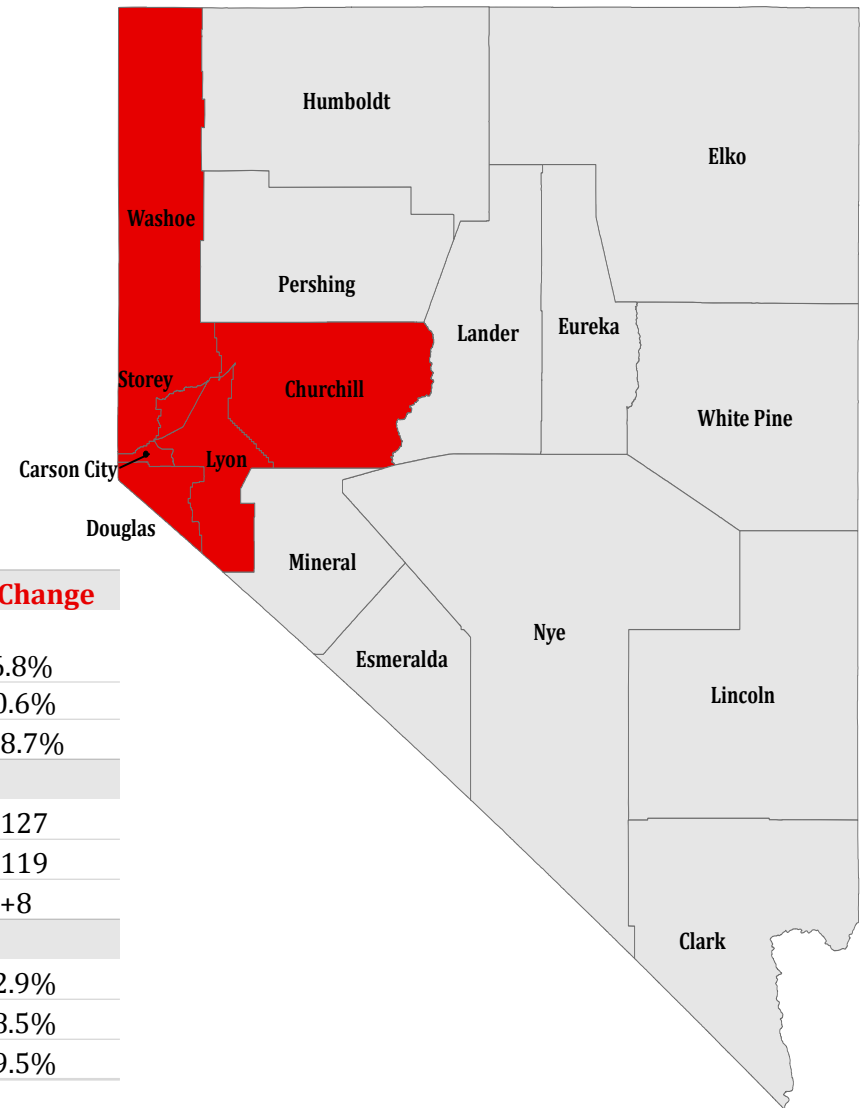
Source: U.S. Census Bureau: State and County QuickFacts

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



## Northern Trends

- ❑ Northern Nevada has the lowest share of homeowners with negative equity of any of the three regions in Nevada. The share of home owners with negative equity decreased by 1.2 percentage points this quarter and is now at 15.7 percent.
- ❑ Northern Nevada has seen month to month and year to year increases each month this year in residential construction starts. Northern Nevada single-family construction starts this month were the highest they had been since 2007.
- ❑ New homes in Northern Nevada saw a 4.2 percent increase in price this month – the largest monthly gain in a year. The average new home price in Northern Nevada is now \$100,000 more than the average existing home in Northern Nevada.

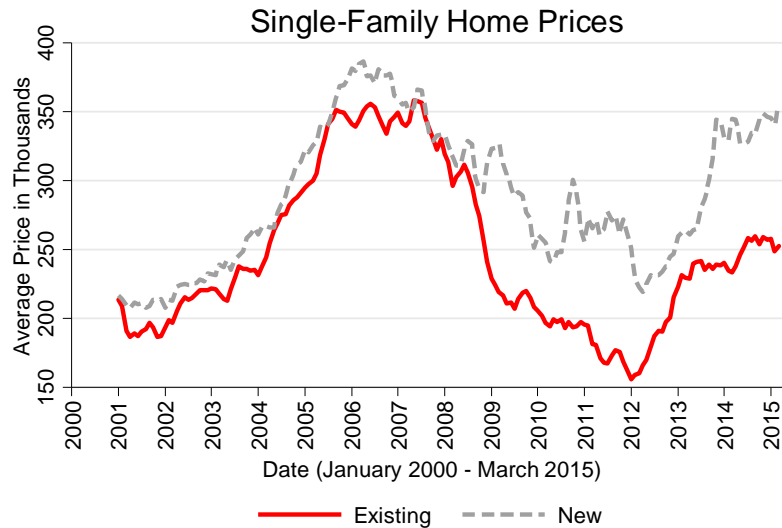


Single-Family Home Sales*	March 2015	M2M Change	Y2Y Change
New	92	-4.2%	-6.8%
Existing	835	+7.8%	+0.6%
Distress Share	12.0%	-16.4%	+18.7%
Residential Construction			
Total Starts	286	+63	+127
Single-Family	246	+109	+119
Multifamily	40	-46	+8
Average Single-Family Sales Price*			
New	\$354,647	+4.2%	+2.9%
Existing	\$252,595	+1.7%	+8.5%
Distress	\$174,874	-1.0%	+9.5%

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

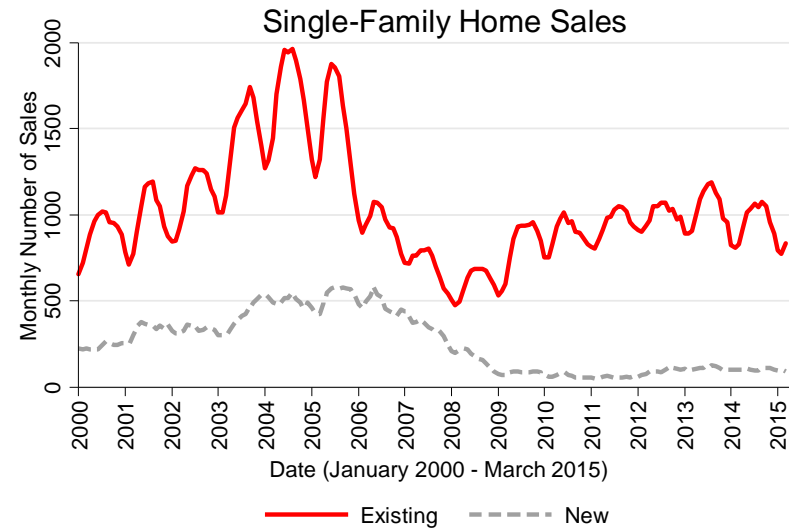
\*Figures portray Three-Month Moving Weighted Averages

## Northern Trends



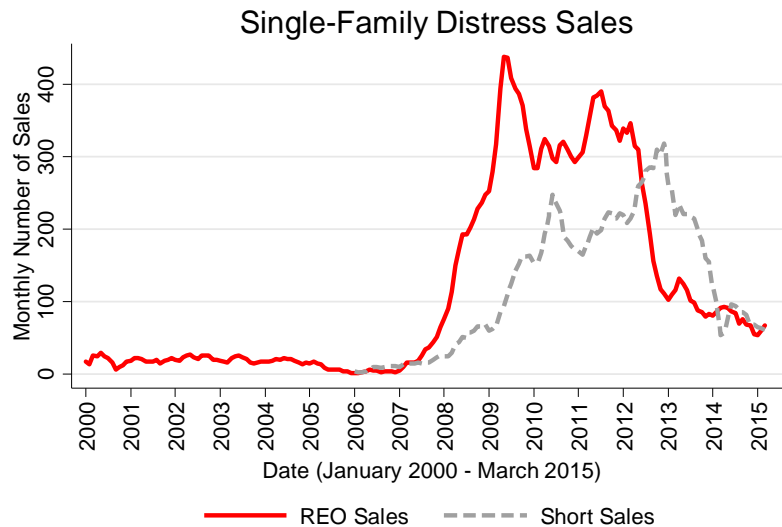
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



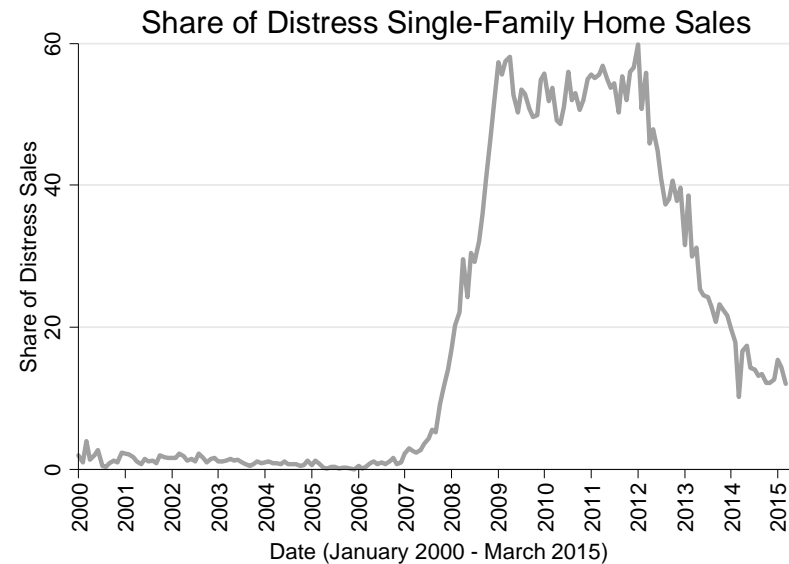
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



Source: CoreLogic

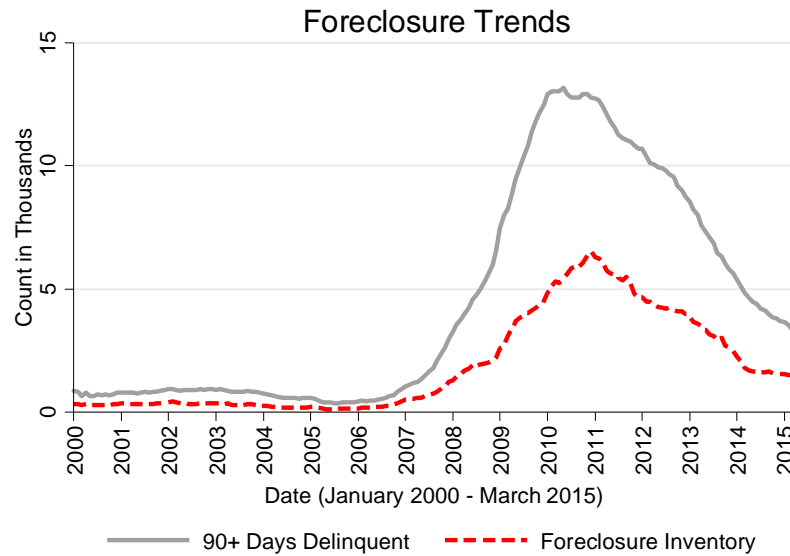
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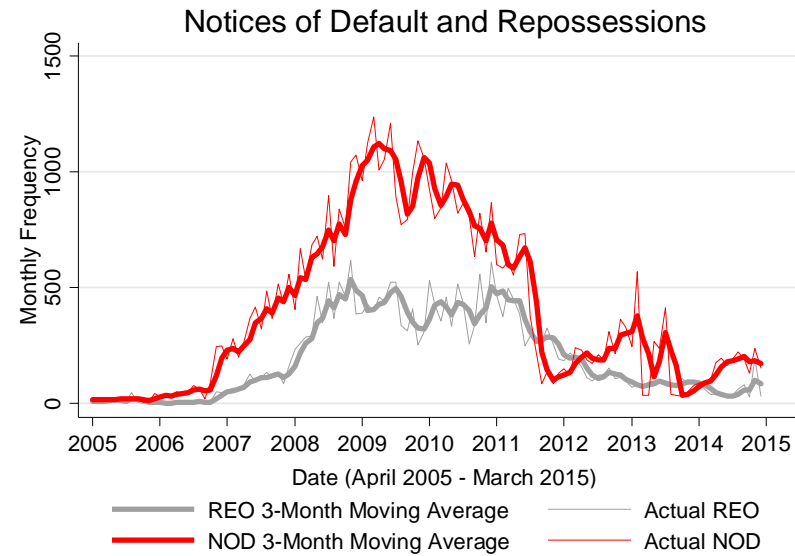
Source: CoreLogic



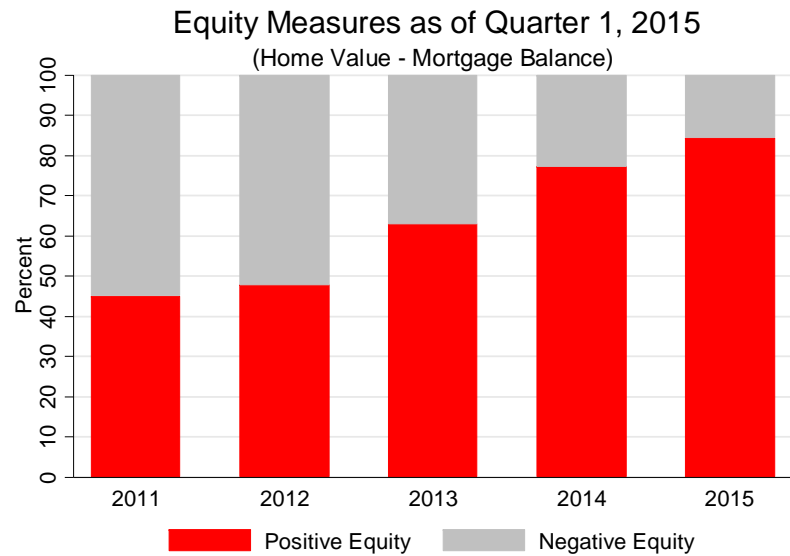
## Northern Trends



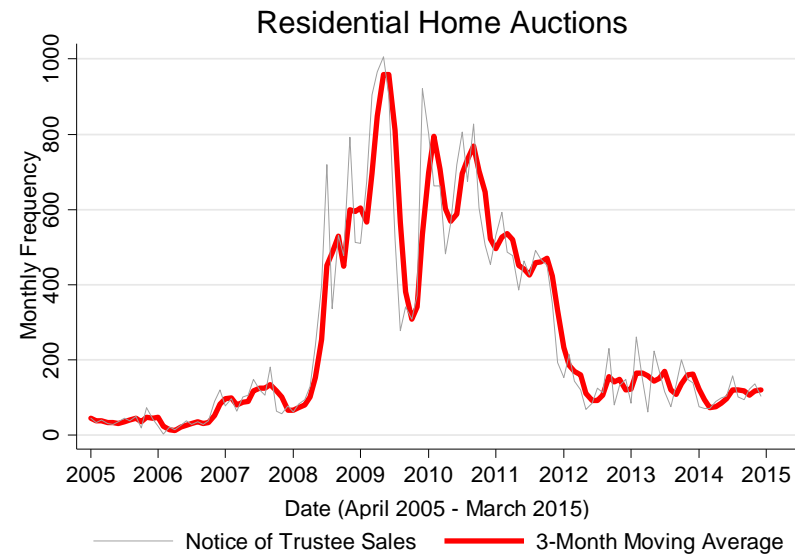
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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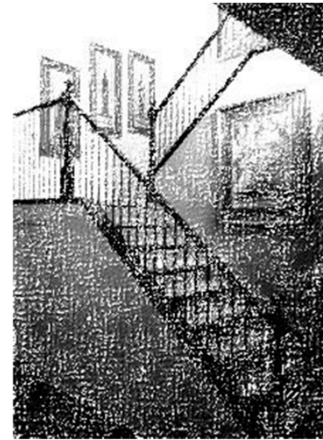
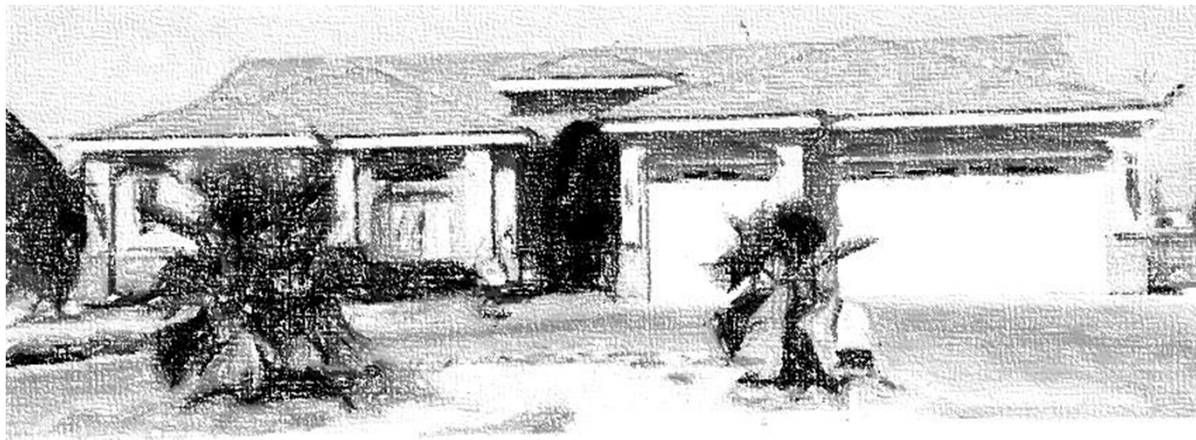
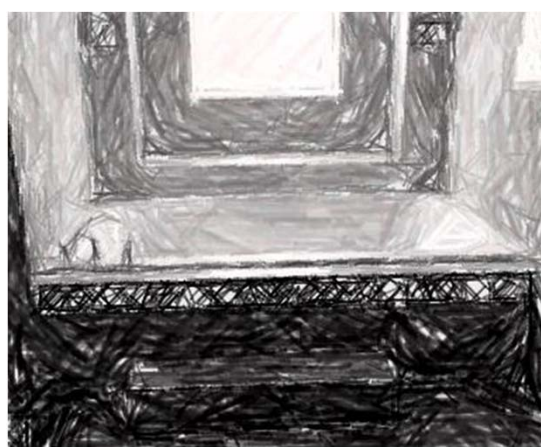
## Southern Trends

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

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

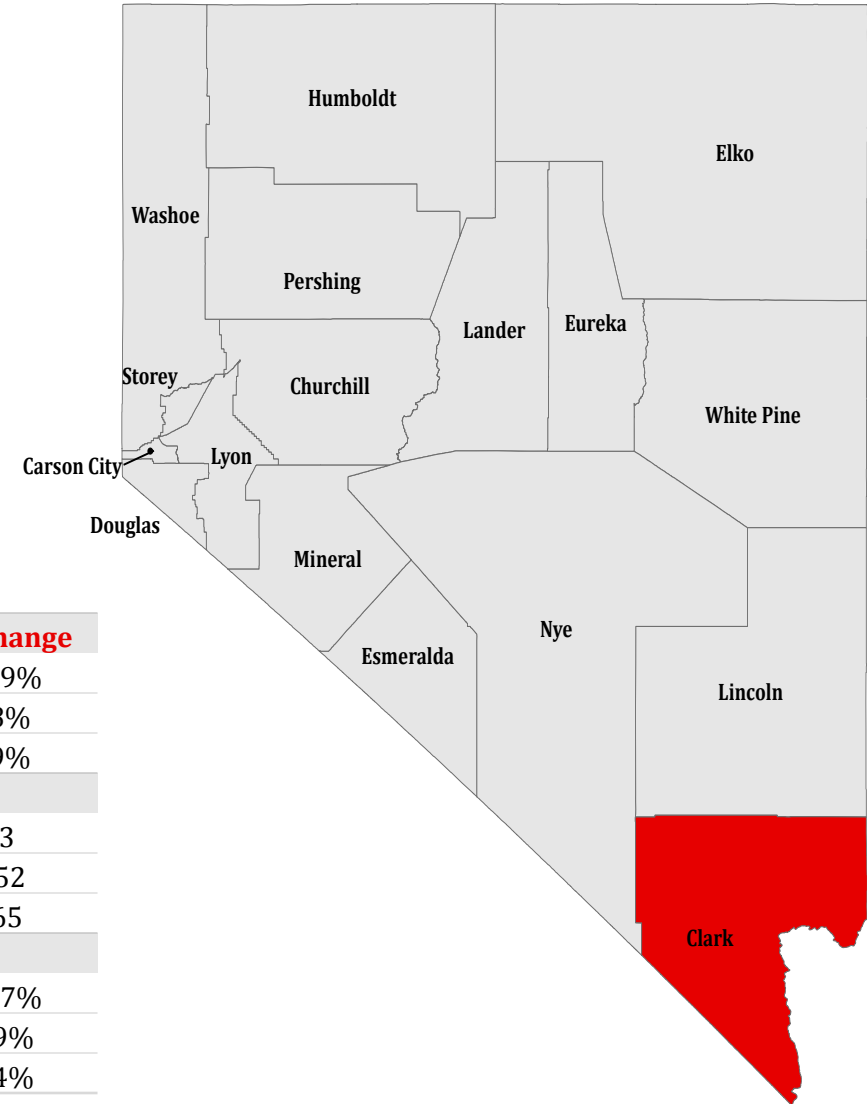
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

- ❑ New home sales in Southern Nevada decreased this month, just as they did this time last year. There were over 100 more new home sales in March 2015 than in March 2014.
- ❑ Existing home sales increased this month after seeing 7 consecutive months of month to month decreases. Southern Nevada still has not seen a year to year increase in existing home sales in 19 months. However, existing home prices are seeing consistent month to month and year to year growth in Southern Nevada.
- ❑ Of the three regions in Nevada, Southern Nevada has the highest proportion of homeowners with negative equity. The share of homeowners with negative equity decreased by one percentage point this quarter and is now at 25.6 percent.

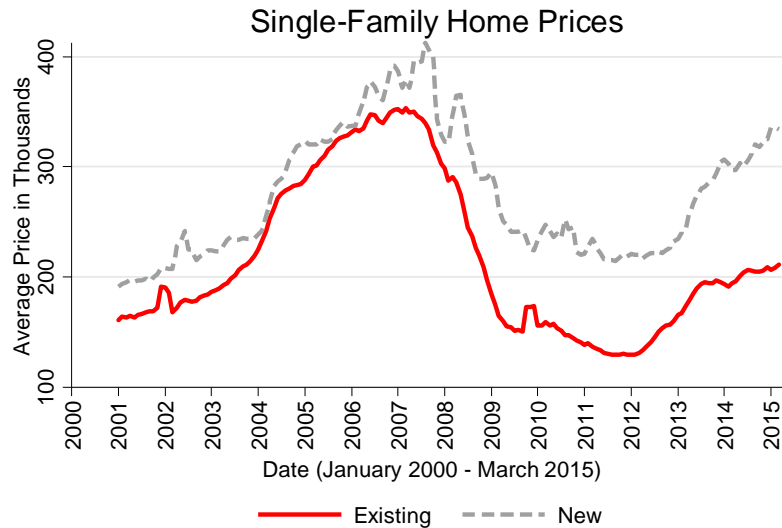


Single-Family Home Sales*	March 2015	M2M Change	Y2Y Change
New	449	-1.4%	+30.9%
Existing	2888	+6.5%	-6.8%
Distress Share	13.9%	-13.2%	-4.9%
Residential Construction			
<b>Total Starts</b>	895	-392	-13
Single-Family	792	+93	+252
Multifamily	103	-485	-265
Average Single-Family Sales Price*			
New	\$334,289	-0.2%	+12.7%
Existing	\$211,414	+1.6%	+8.9%
Distress	\$161,242	+2.2%	+6.4%

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

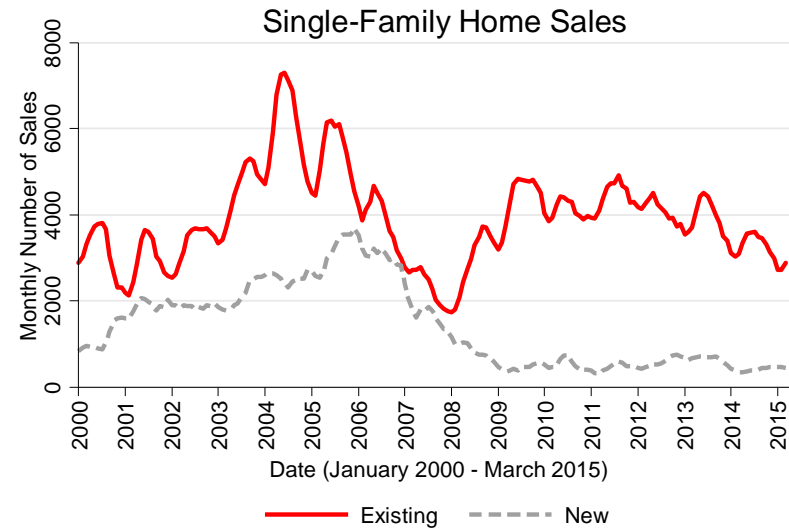
\*Figures portray Three-Month Moving Weighted Averages

## Southern Trends



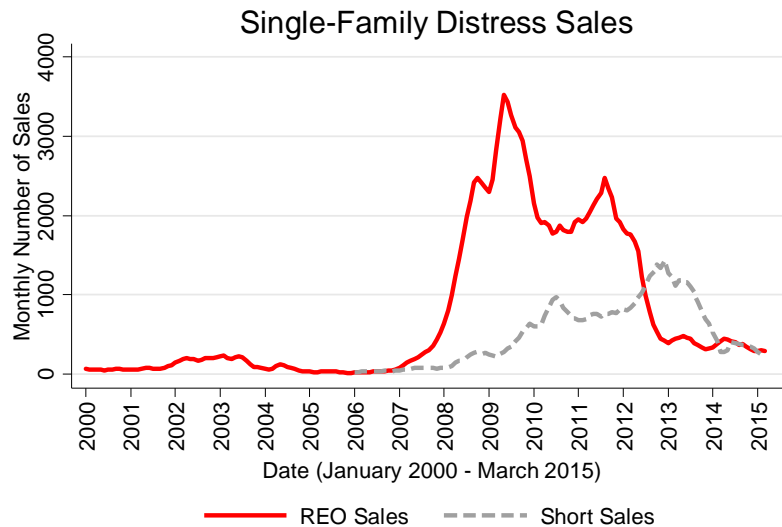
Source: CoreLogic

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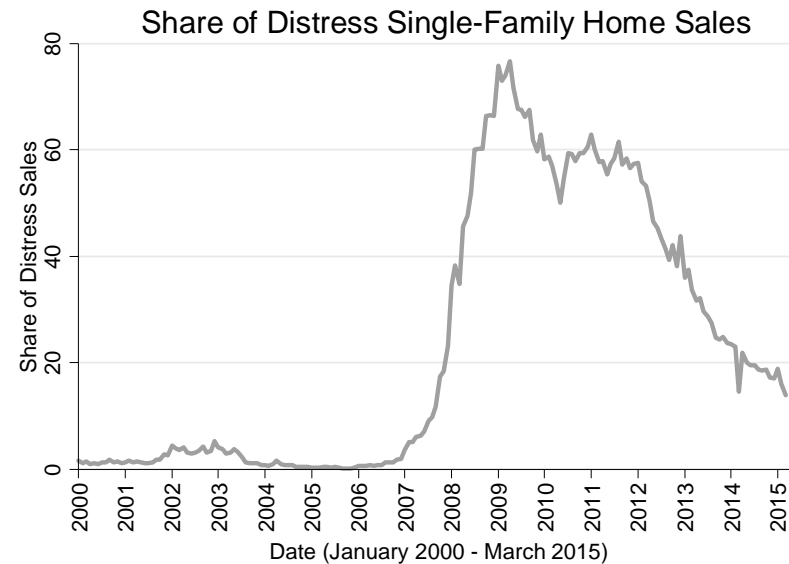
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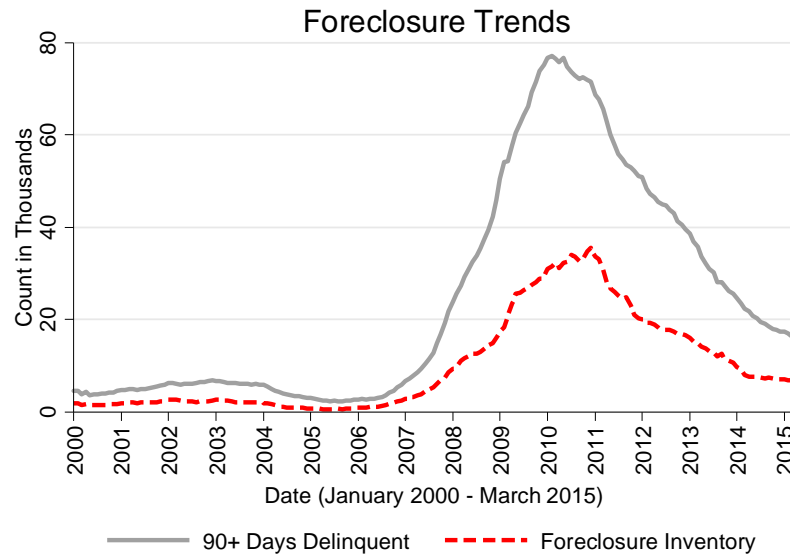
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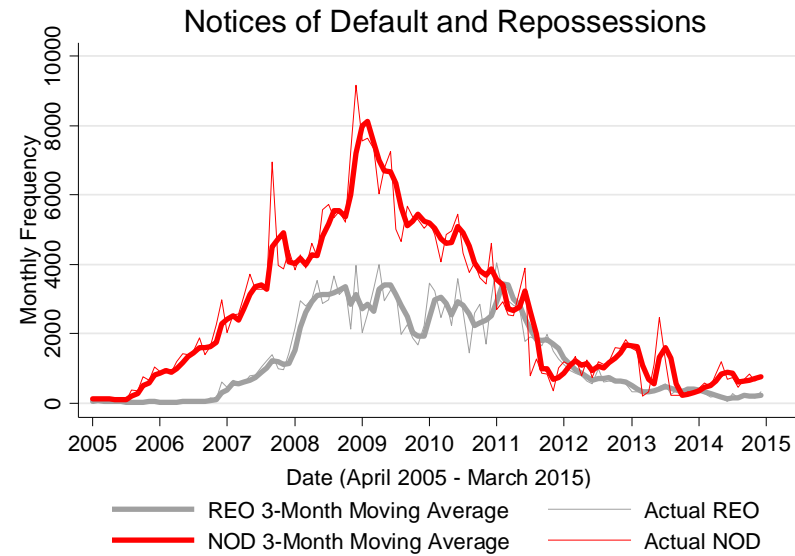


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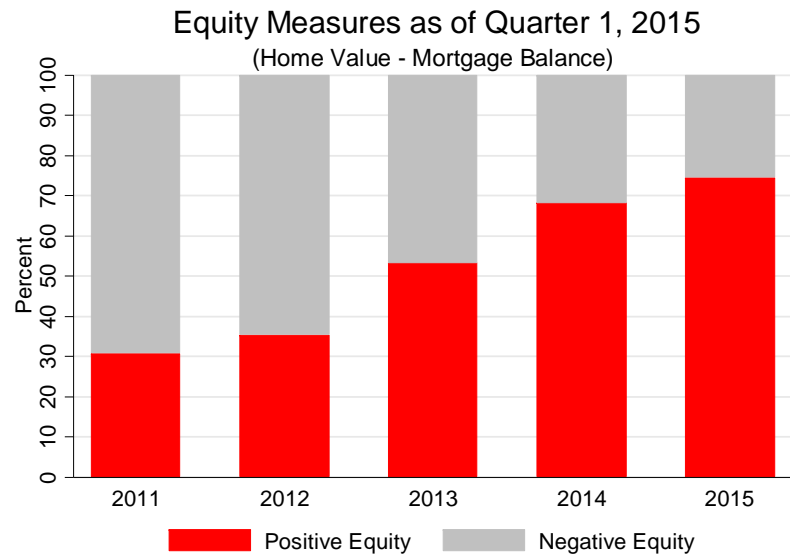
## Southern Trends



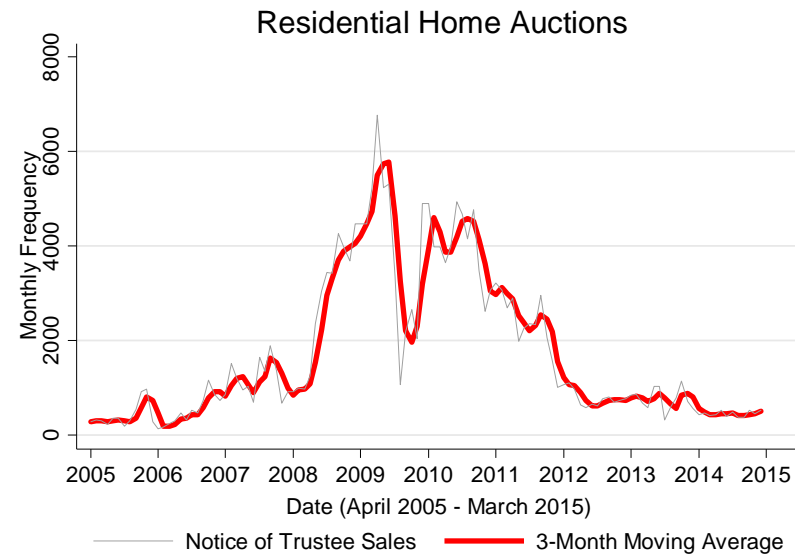
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac



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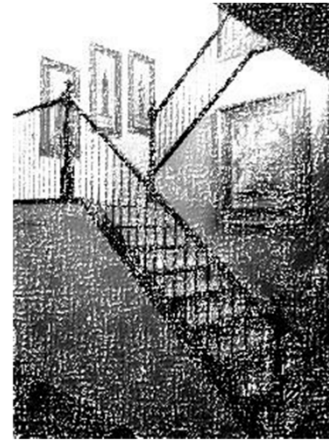
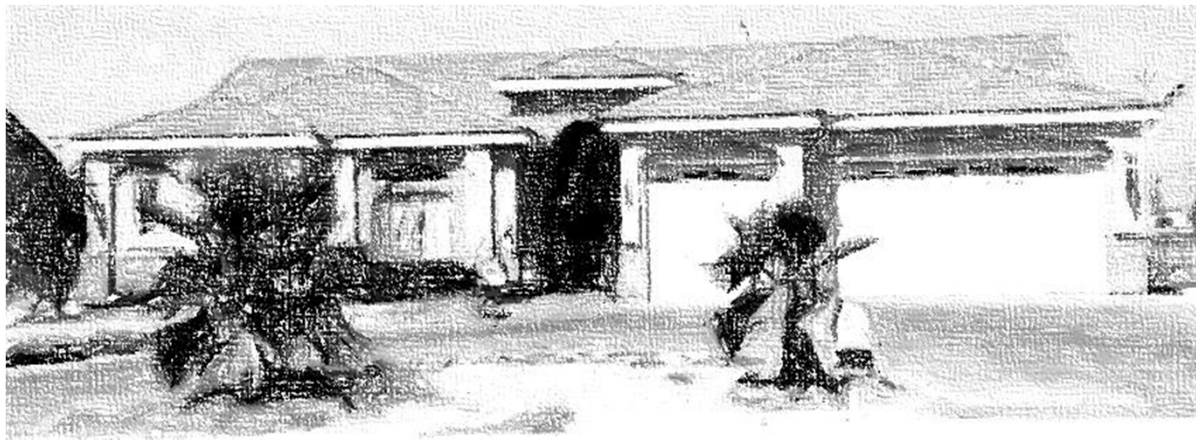
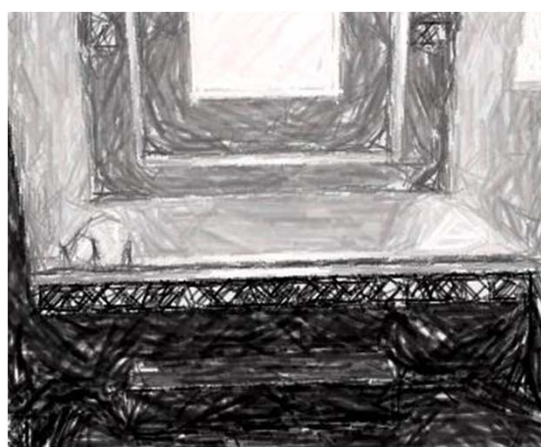
## Rural Trends

Population: **147,592** in 2014

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

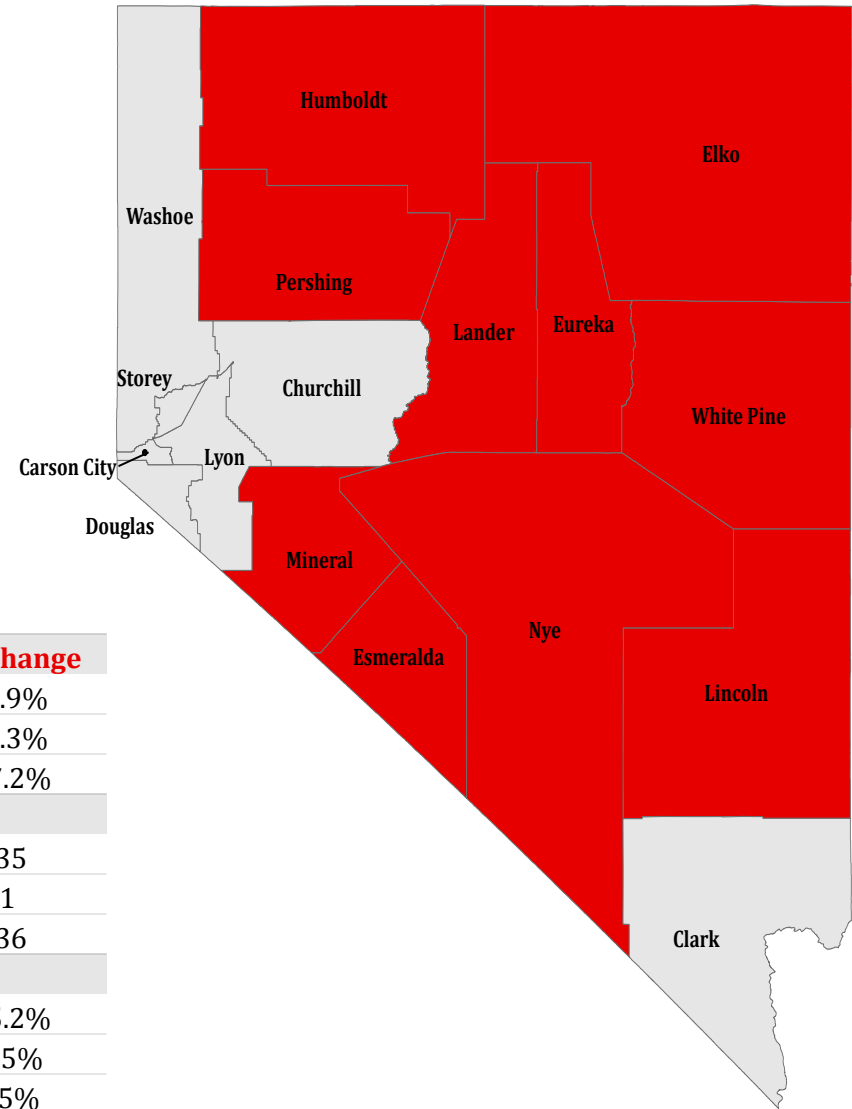
Source: U.S. Census Bureau: State and County QuickFacts

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



## Rural Trends

- ❑ Rural Nevada was the only region in Nevada to see an increase in both new and existing home sales this month. However, Rural Nevada is the only region in Nevada where new and existing home sales are down year to year.
- ❑ Rural Nevada was the only region in Nevada to see an increase in multifamily starts this month. Rural Nevada has seen year to year increases in total residential construction starts each month of 2015, so far.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. This month saw a large increase in both short sales and REO sales. REO sales this month were the highest they had been in six months.

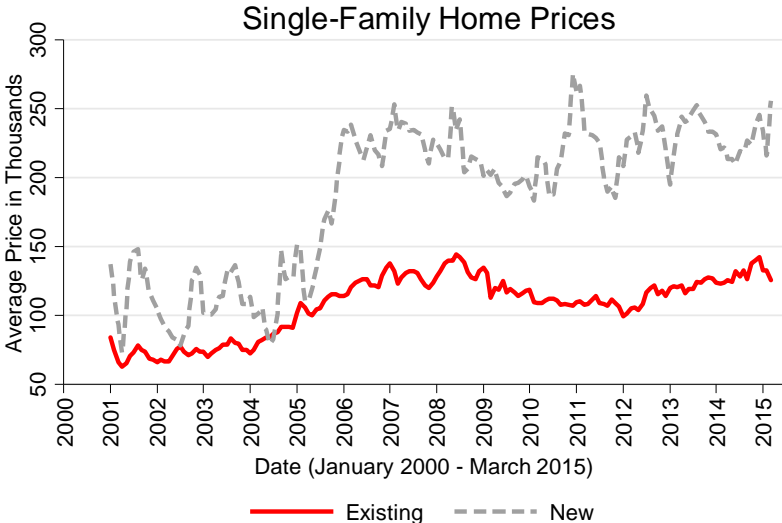


Single-Family Home Sales*	March 2015	M2M Change	Y2Y Change
New	4	+33.3%	-73.9%
Existing	107	+22.4%	-26.3%
Distress Share	18.3%	+23.5%	+77.2%
Residential Construction			
<b>Total Starts</b>	57	+23	+35
Single-Family	21	-3	-1
Multifamily	36	+36	+36
Average Single-Family Sales Price*			
New	\$255,328	+18.2%	+15.2%
Existing	\$125,327	-5.5%	+1.5%
Distress	\$97,339	-18.0%	-6.5%

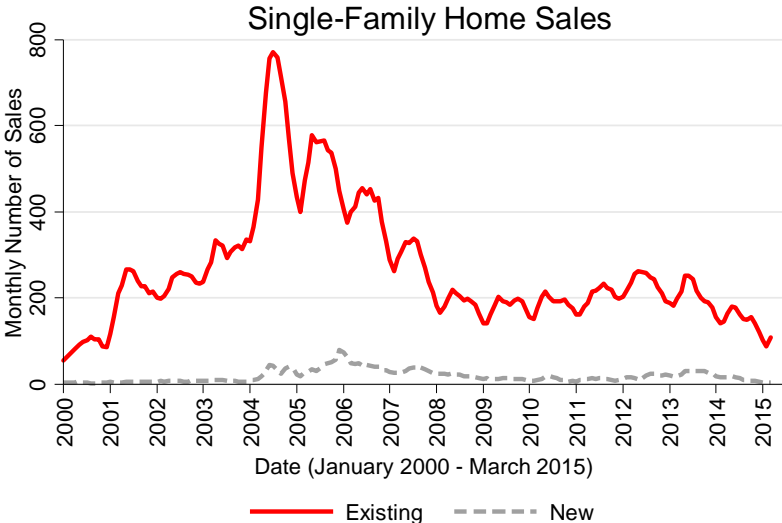
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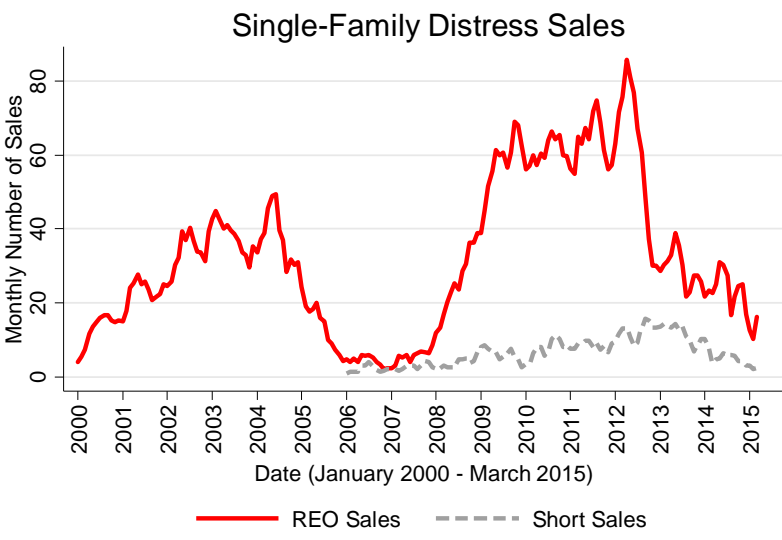
# Rural Trends



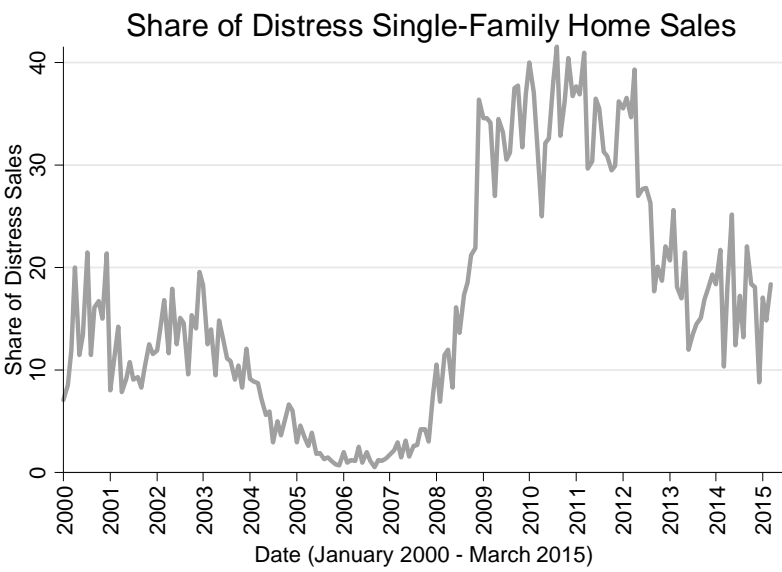
Source: CoreLogic  
Note: Series are 3-month weighted moving averages.



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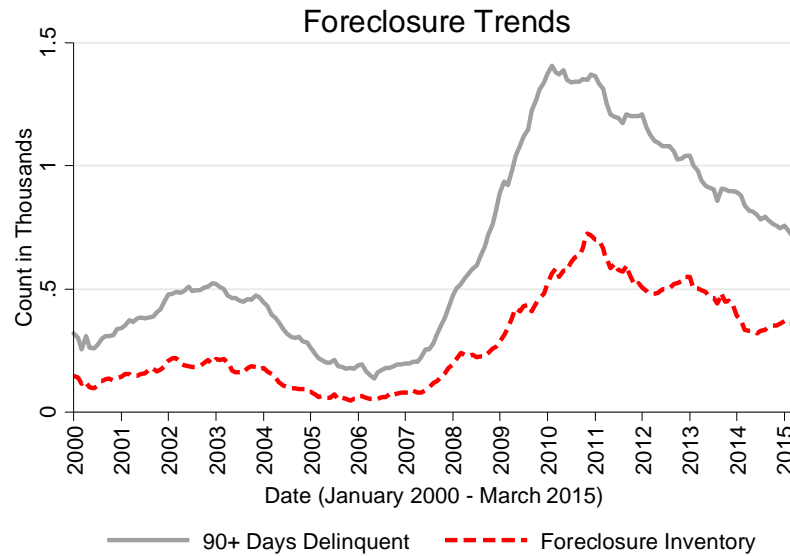


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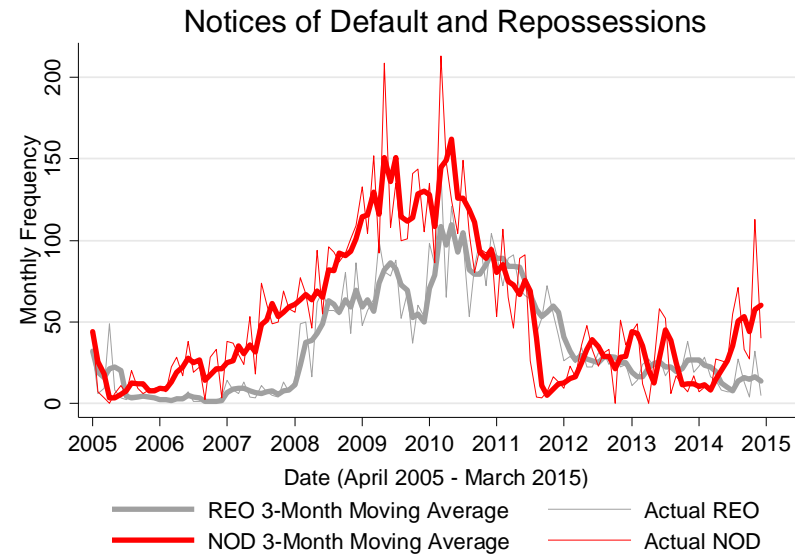


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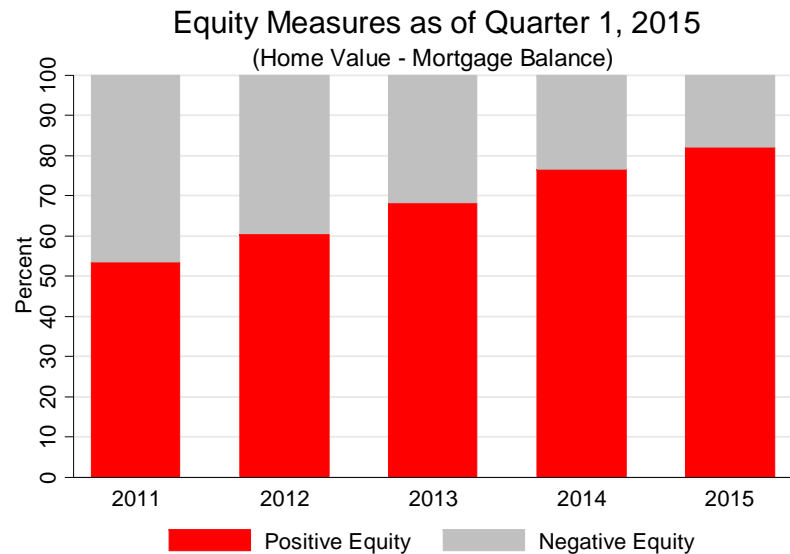
## Rural Trends



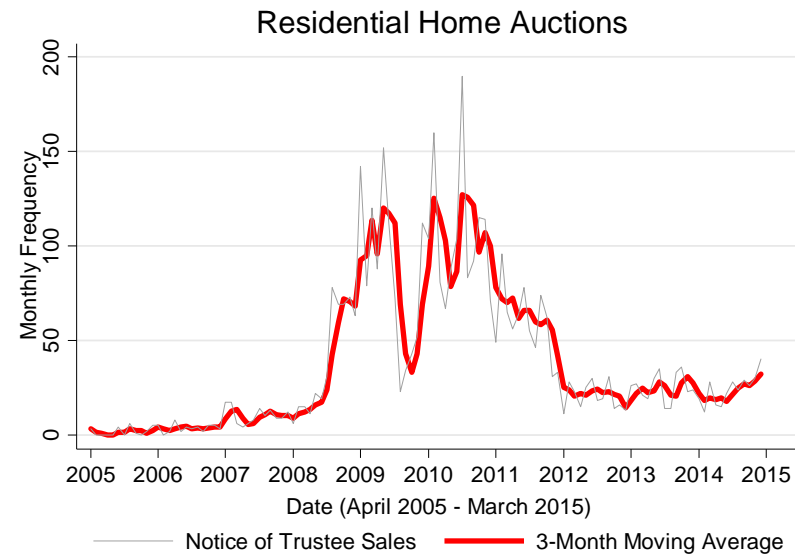
Source: CoreLogic



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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