

July 2014

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 | July 2014

Nevada Statewide Trends

Population: **2,790,136** in 2013

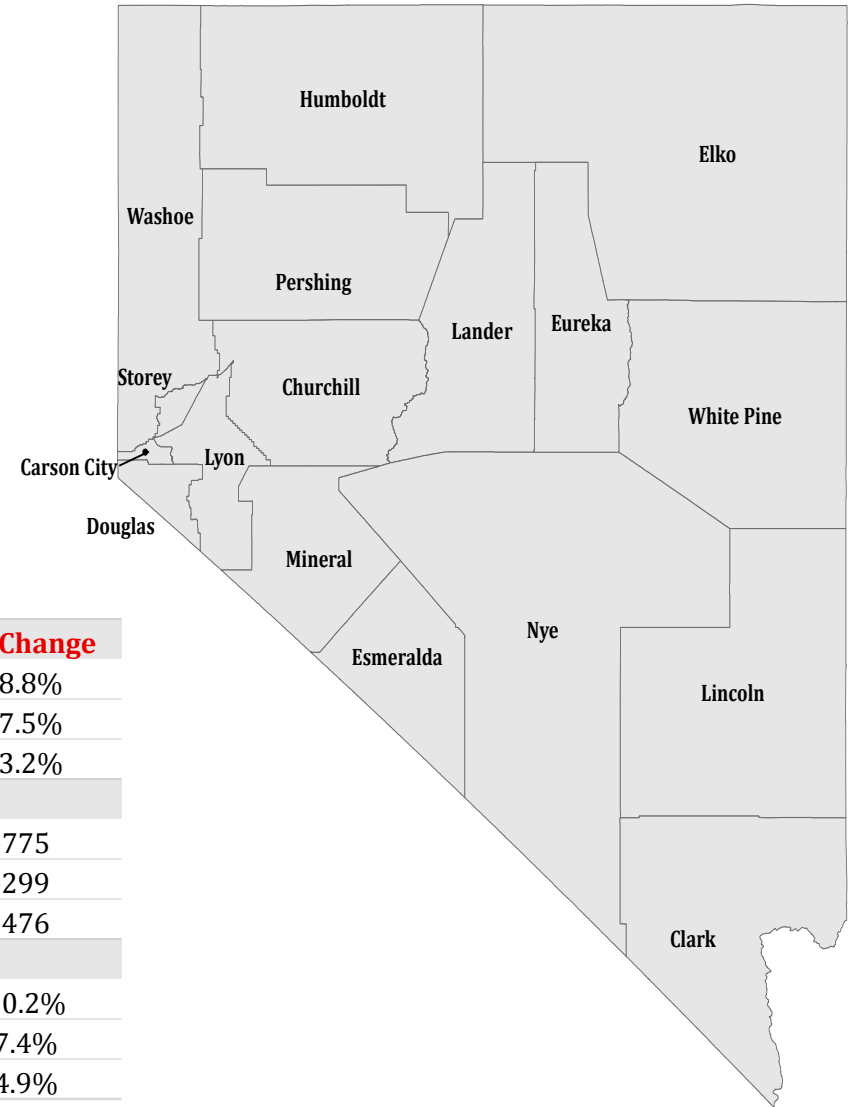
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- ❑ The state of Nevada saw strength in the new and existing home market this month. As detailed below, the existing home market was driven by the north and the new home market was driven by the south. Neither region saw any significant changes in the market for homes sold under distress.
- ❑ Total residential construction starts saw a large increase this month over last month. This is unusual as starts typically peak in June. This large change was due to a substantial increase in multifamily starts in Southern Nevada. Nonetheless, single-family starts continue to see consistent month to month growth and July single-family starts were the highest they had been since 2008.

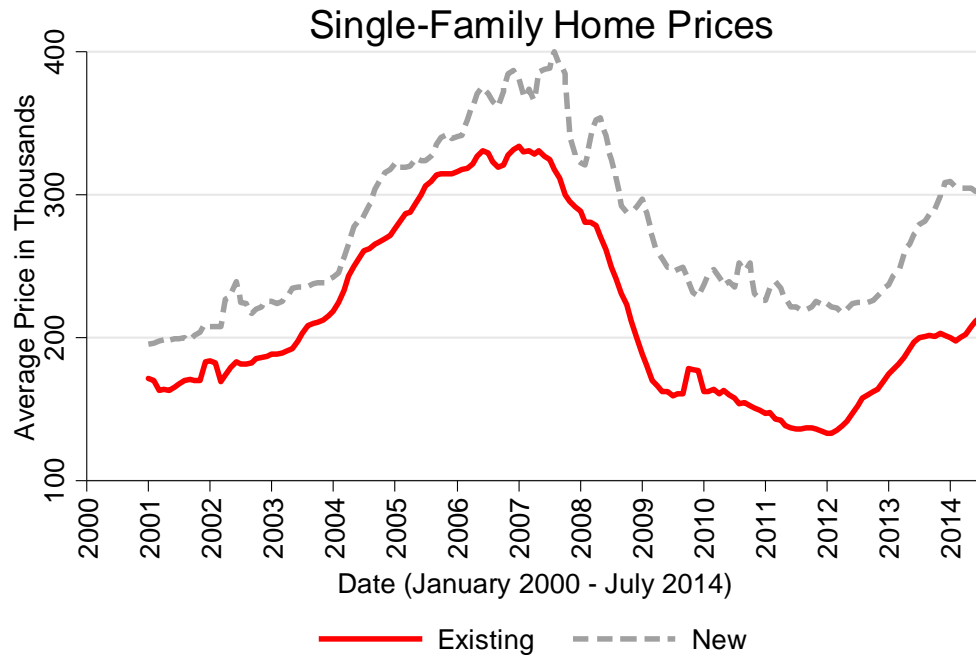


Single-Family Home Sales*	July 2014	M2M Change	Y2Y Change
New	509	+2.3%	-38.8%
Existing	4853	+0.8%	-17.5%
Distress Share	18.1%	-0.2%	-33.2%
Residential Construction			
Total Starts	1486	+419	+775
Single-Family	1006	+45	+299
Multifamily	480	+375	+476
Average Single-Family Sales Price*			
New	\$307,281	+1.8%	+10.2%
Existing	\$214,671	+1.6%	+7.4%
Distress	\$164,630	+0.9%	+4.9%

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

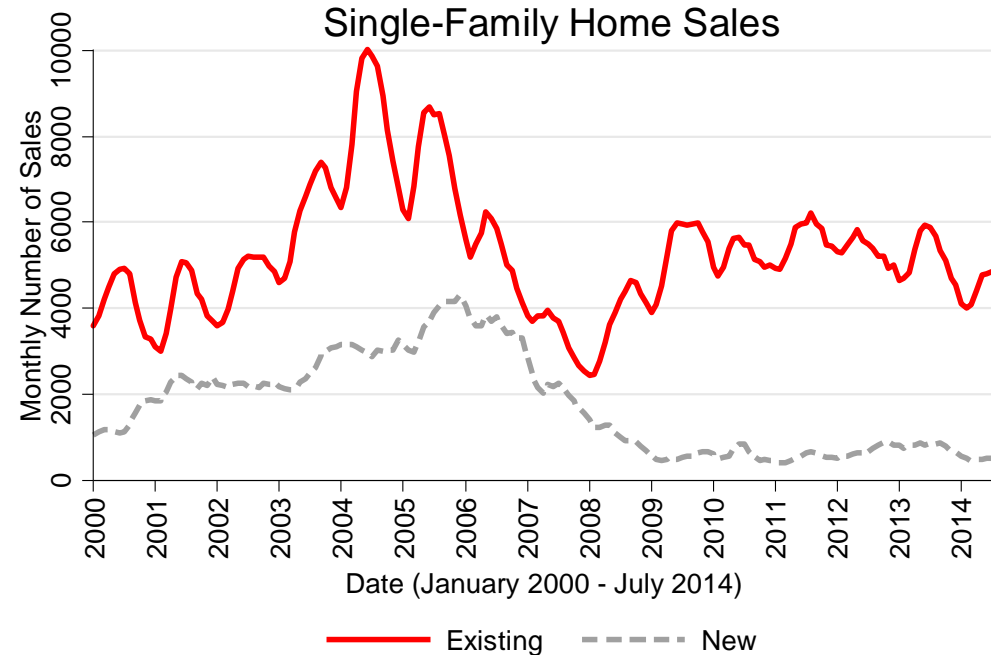
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

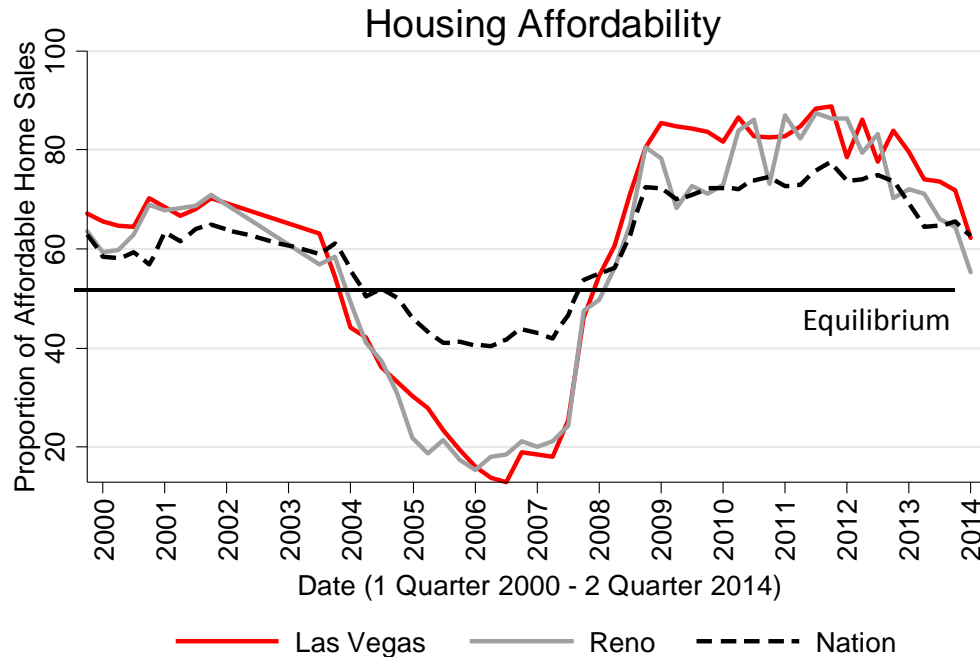


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

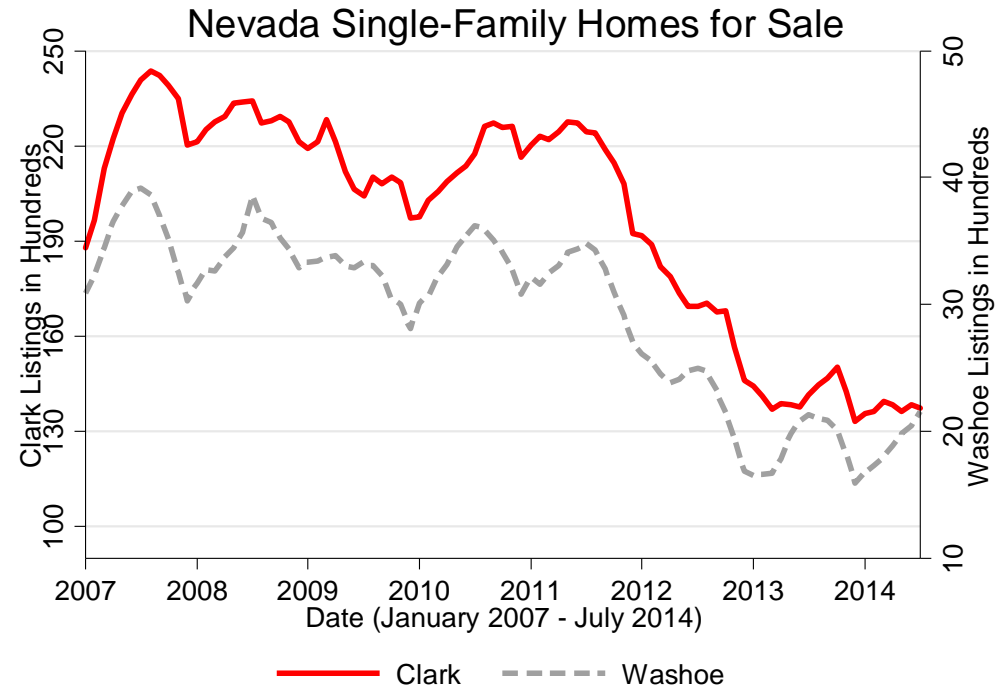
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

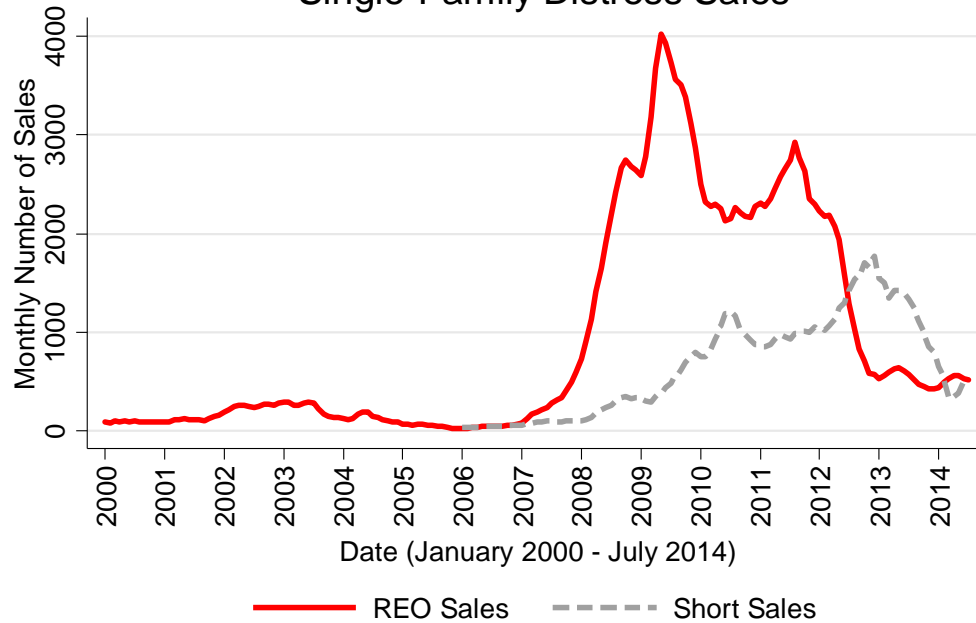


Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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 an 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

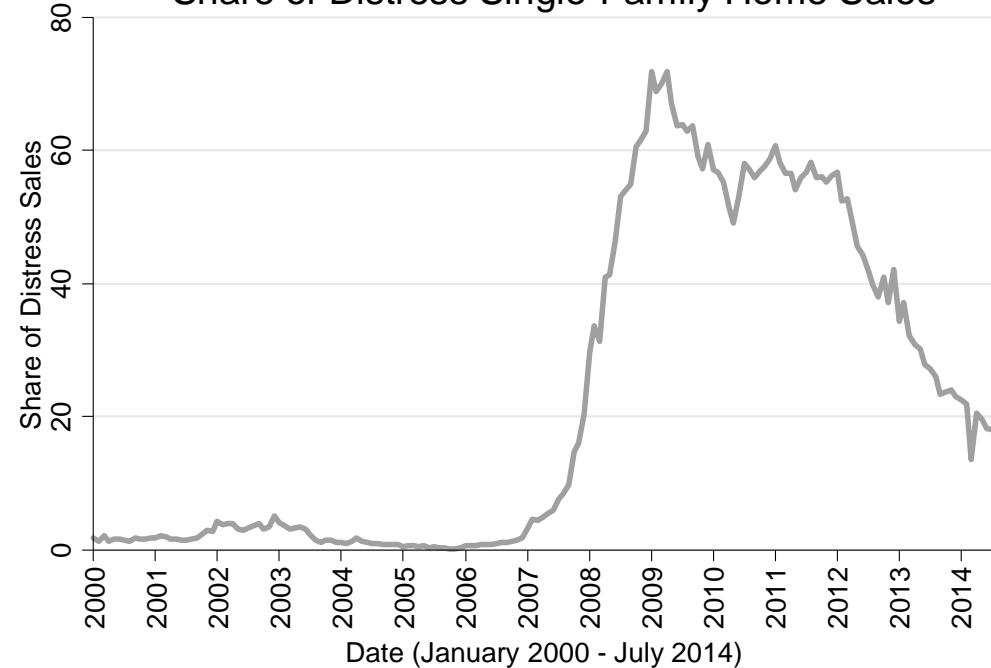
Single-Family Distress Sales



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

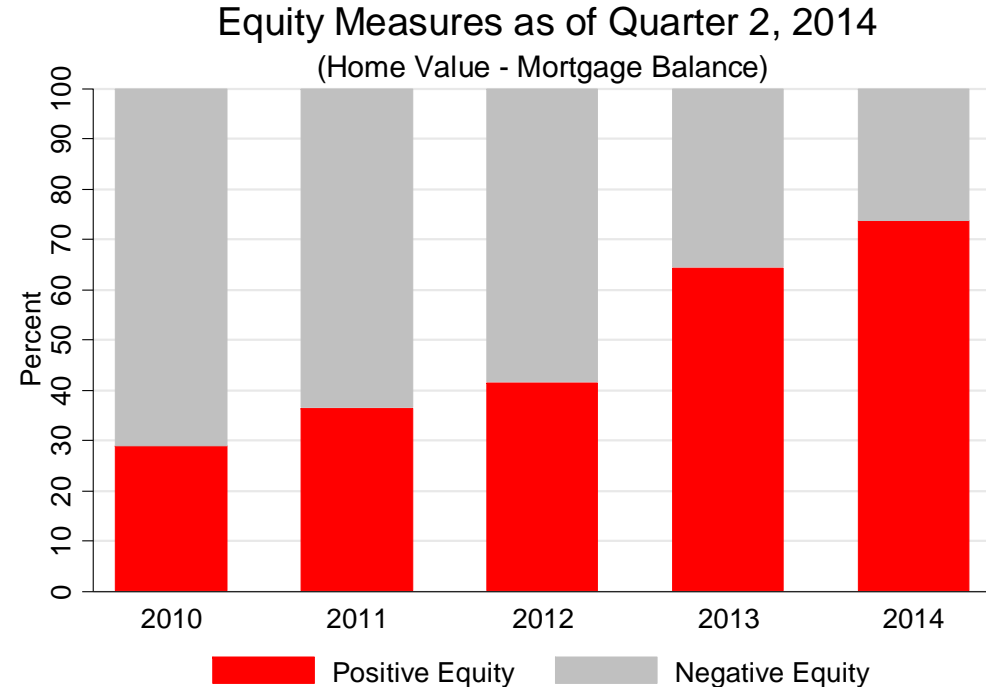
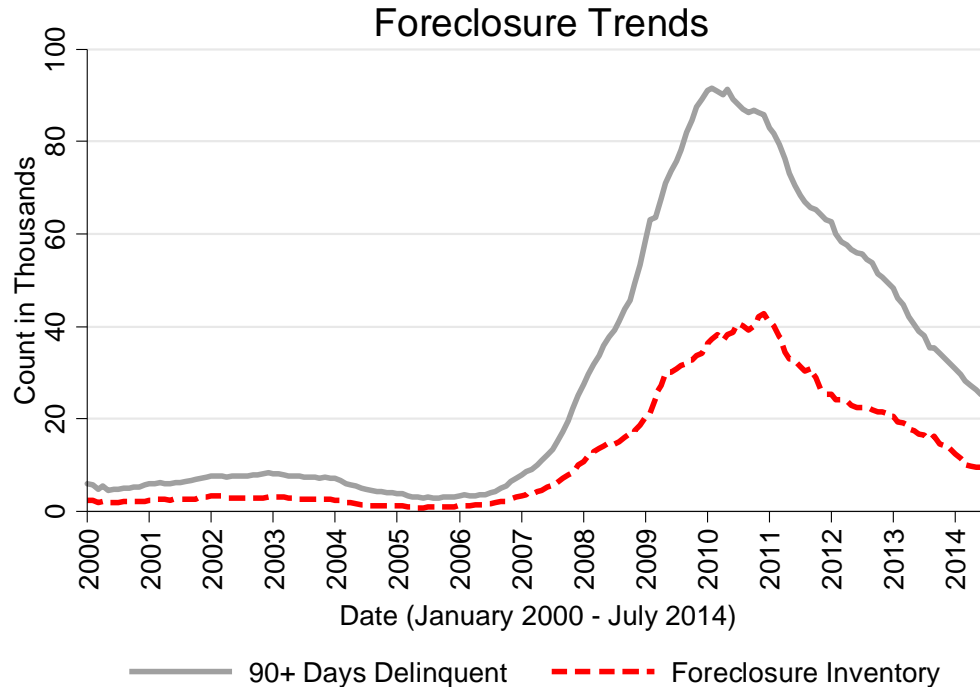
Share of Distress Single-Family Home Sales



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.

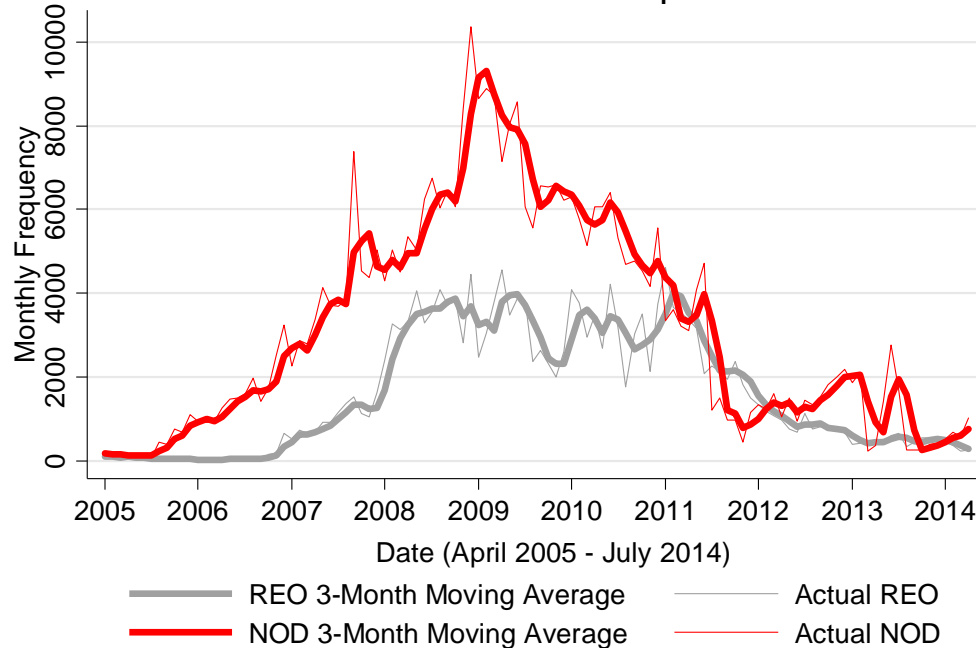
Nevada Statewide Trends



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.

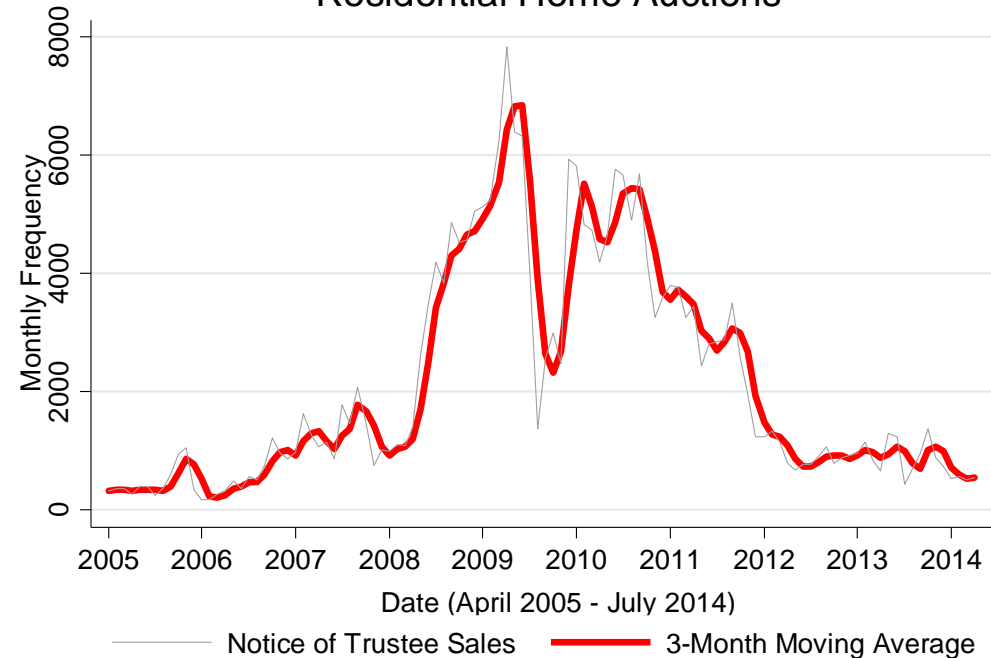
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions

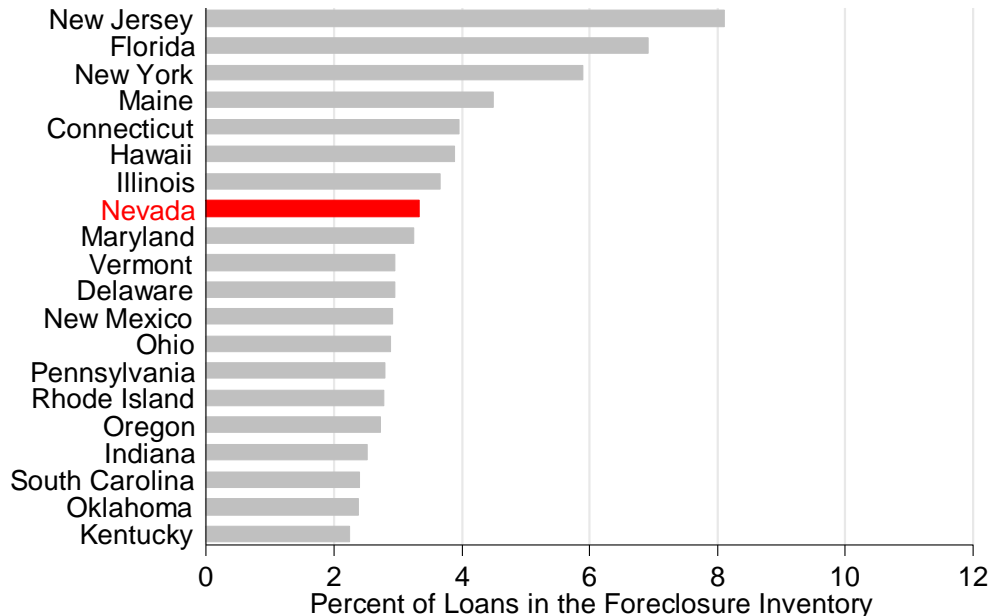


Source: RealtyTrac

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.

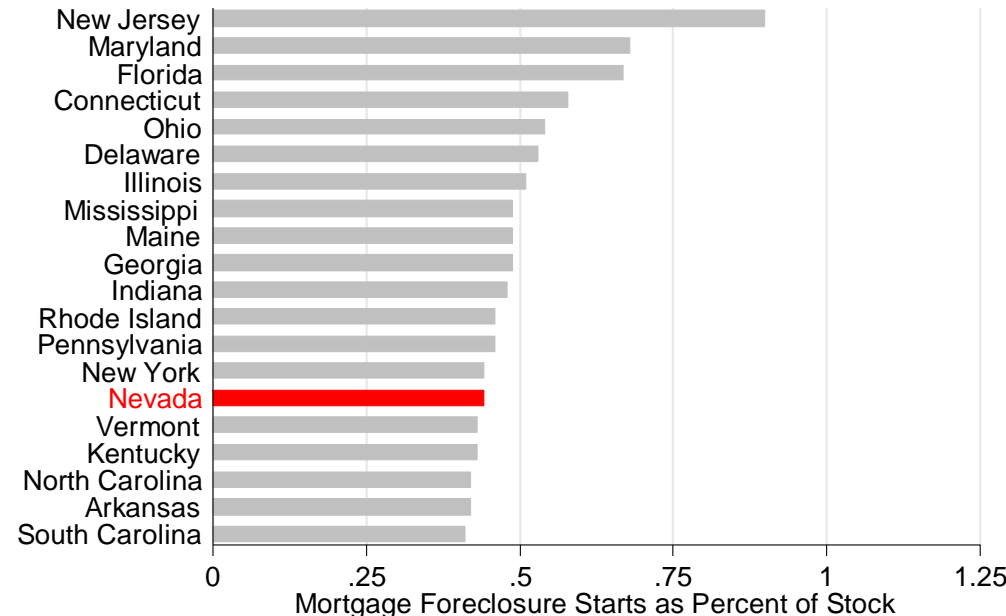
Nevada Statewide Trends

Top 20 States in Foreclosure Inventory
2nd Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts
2nd 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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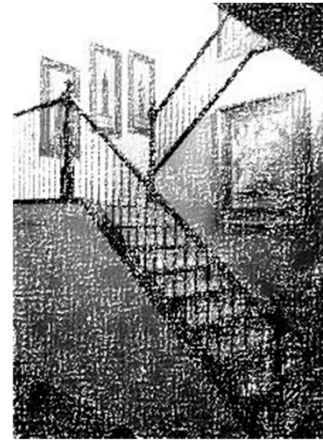
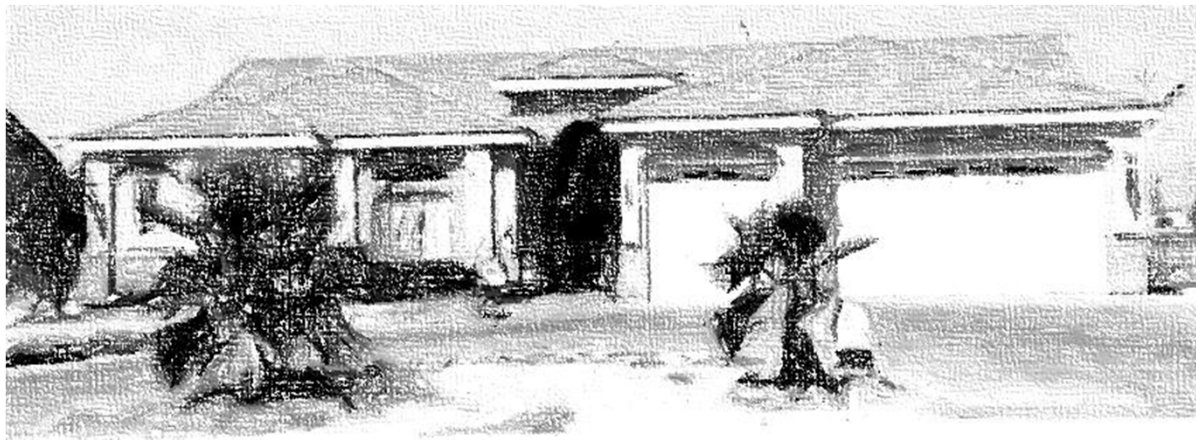
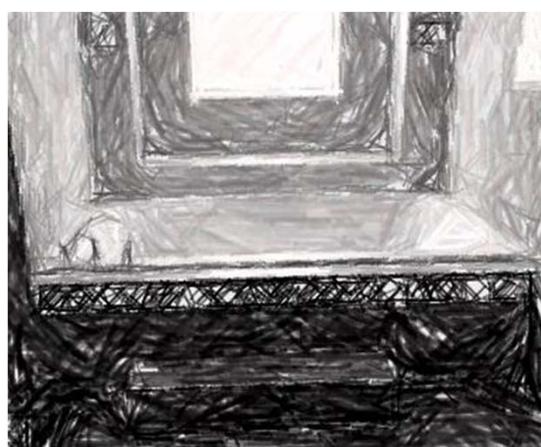
Northern Trends

Population: **614,491** in 2013

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

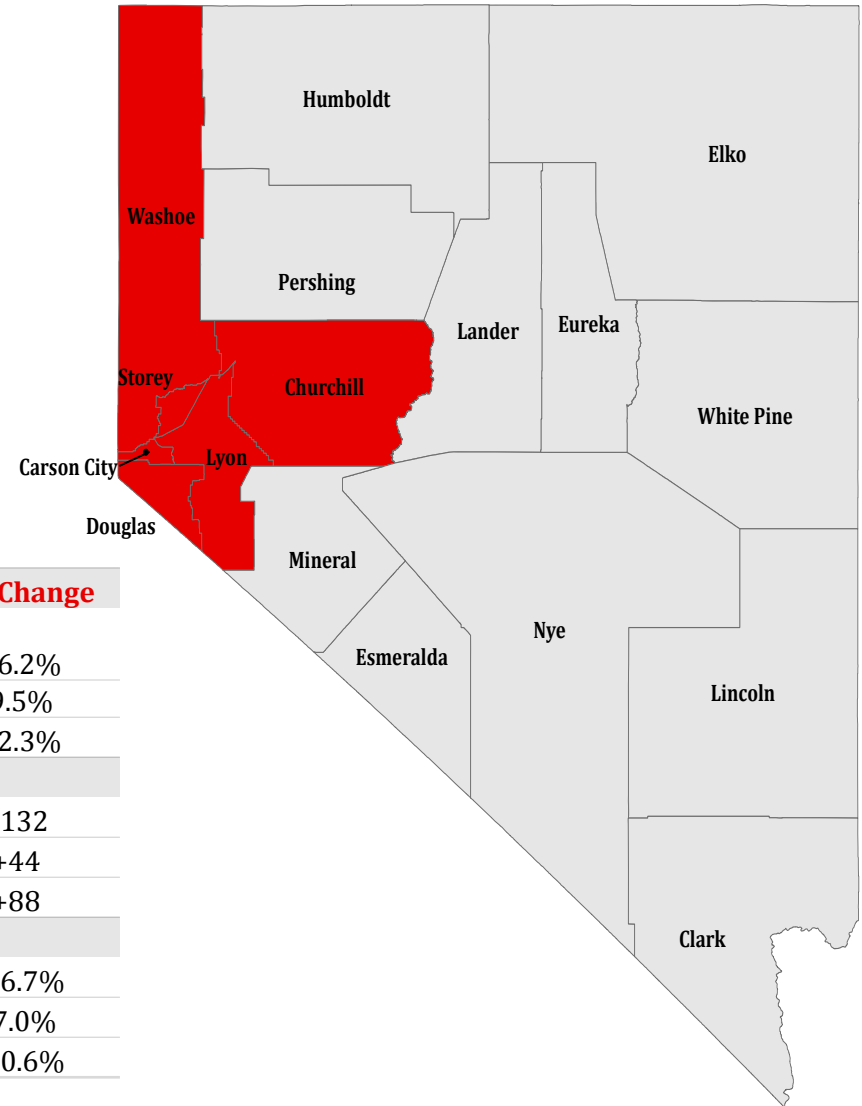
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ The existing home market had more robust growth than the new home market in Northern Nevada. New home sales and single family starts decreased this month, while new home price only increased modestly. However, Northern Nevada new home sales and new home prices have shown stronger gains than Southern Nevada on a year to year basis.
- ❑ Northern Nevada saw a slight increase in the number of REO sales and short sales this month. However, there was such a large increase in existing traditional home sales this month that the proportion of homes sold under distress decreased.
- ❑ The average price gap between new homes and existing homes in Northern Nevada is \$70,000 , \$5,000 less than last month.

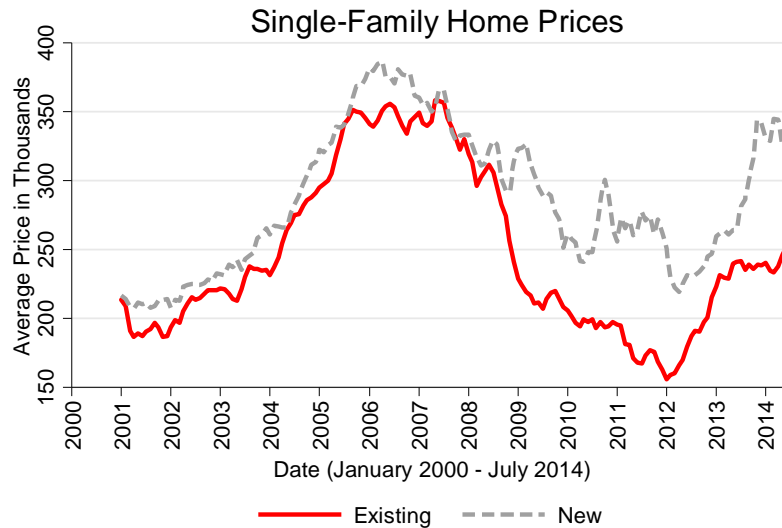


Single-Family Home Sales*	July 2014	M2M Change	Y2Y Change
New	97	-3.0%	-16.2%
Existing	1065	+3.0%	-9.5%
Distress Share	14.0%	-2.0%	-42.3%
Residential Construction			
Total Starts	257	-4	+132
Single-Family	169	-26	+44
Multifamily	88	+22	+88
Average Single-Family Sales Price*			
New	\$328,057	+0.7%	+16.7%
Existing	\$258,055	+2.9%	+7.0%
Distress	\$194,426	+2.5%	+10.6%

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

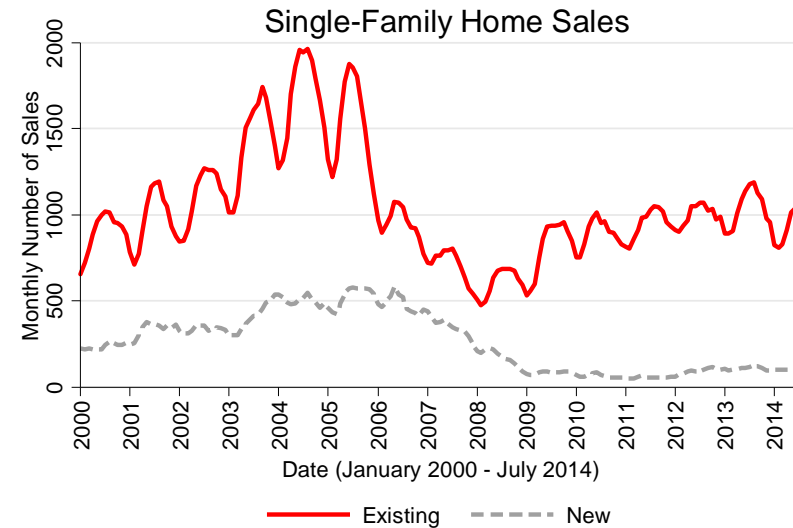
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



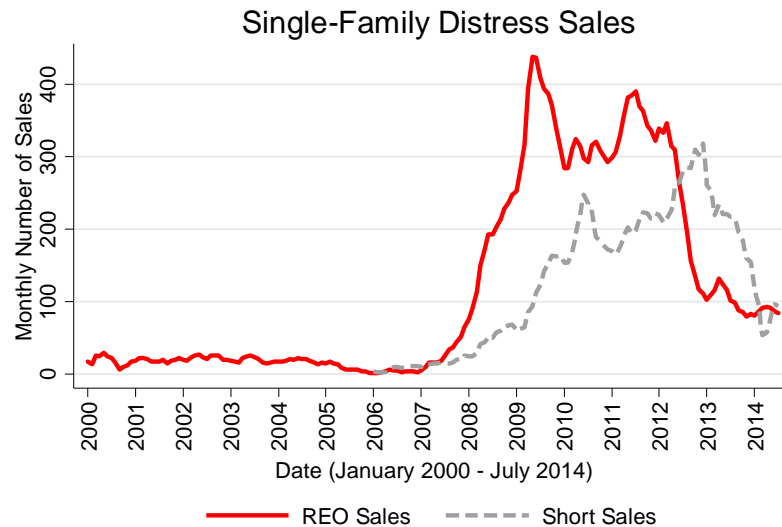
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



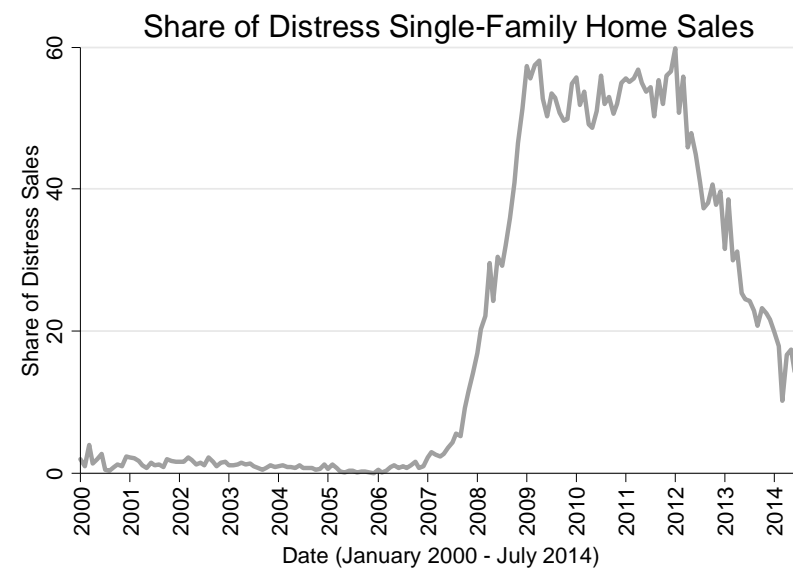
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



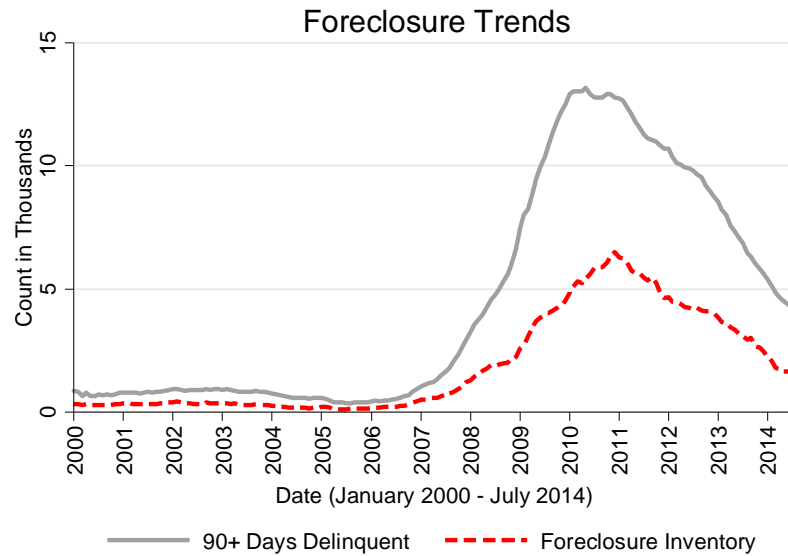
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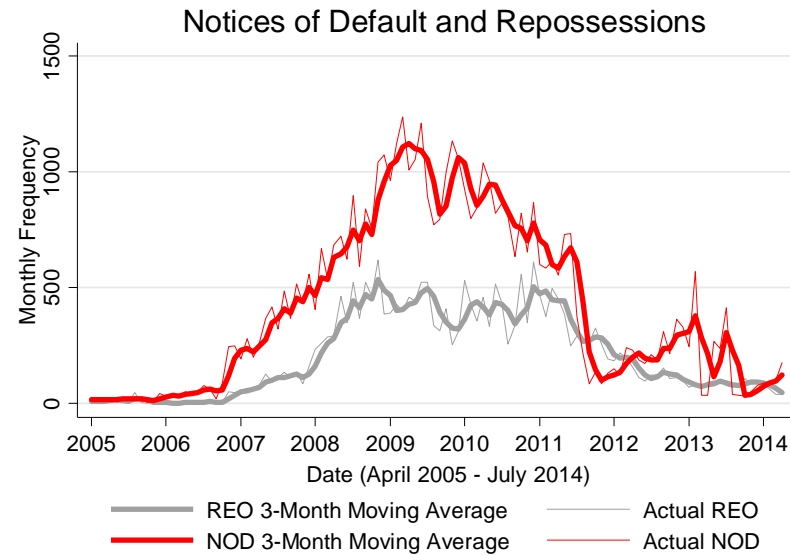


Source: CoreLogic

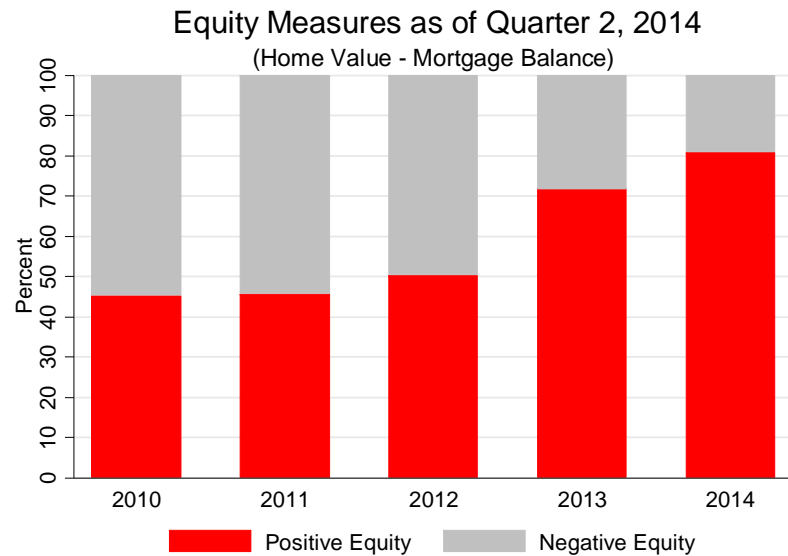
Northern Trends



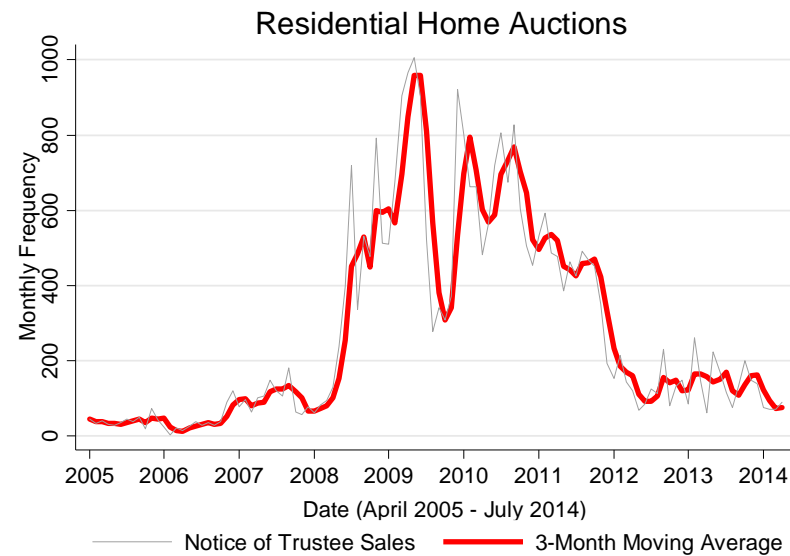
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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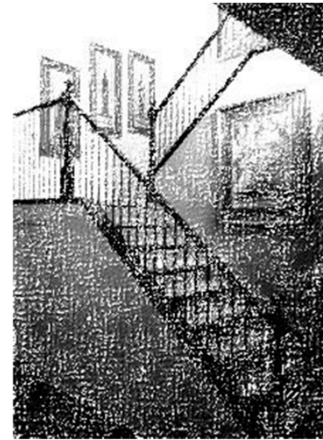
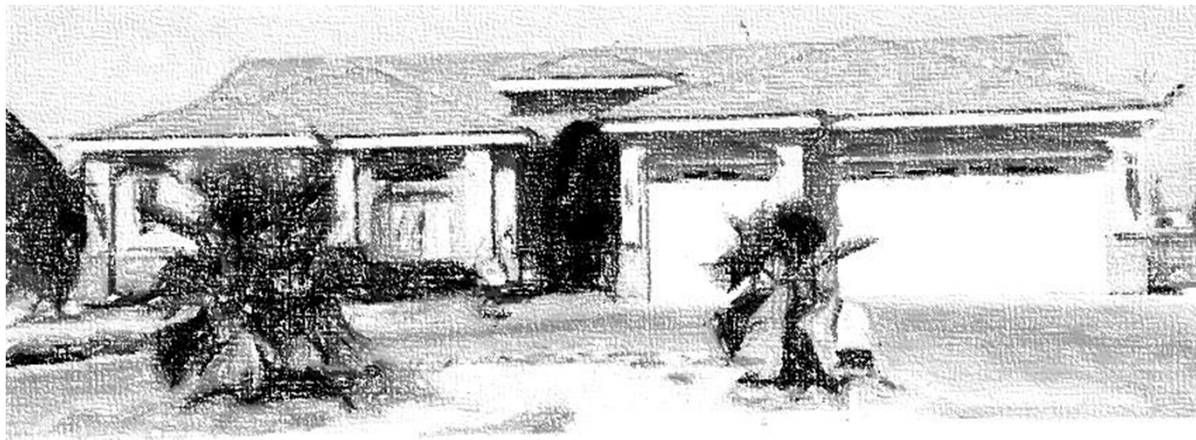
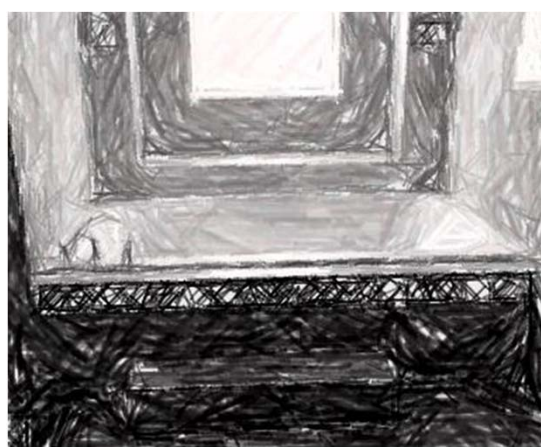
Southern Trends

Population: **2,027,868** in 2013

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

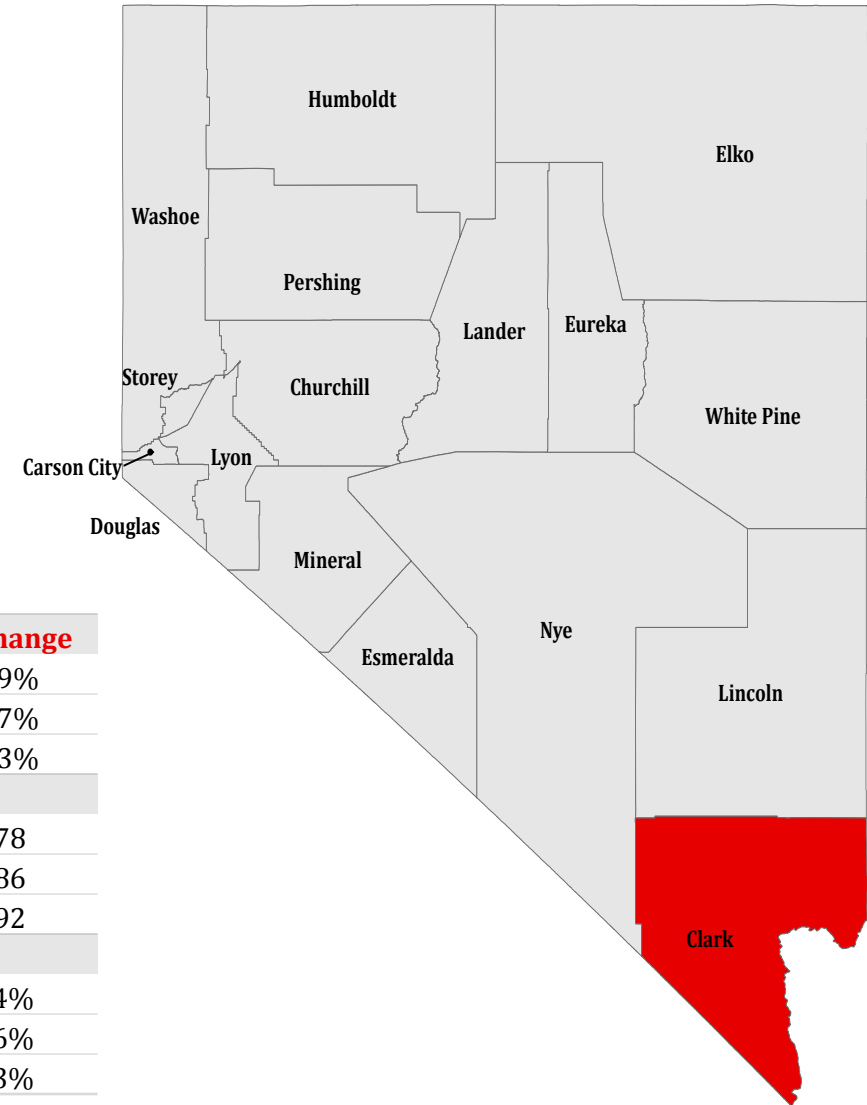
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Southern Nevada is showing the most improvement in the new home market. Clark County is the only region in Nevada that saw increases in new home sales, new home start ups, and new home prices, from the previous month.
- ❑ Total residential construction starts continues to see large and consistent growth in Southern Nevada. Southern Nevada was the only region to see an increase in single family start ups this month. Over 80 percent of Nevada's total residential construction starts came from Southern Nevada this month.
- ❑ New home prices are growing faster than existing home prices. The average price difference between a new home and an existing home in Southern Nevada is about \$100,000.

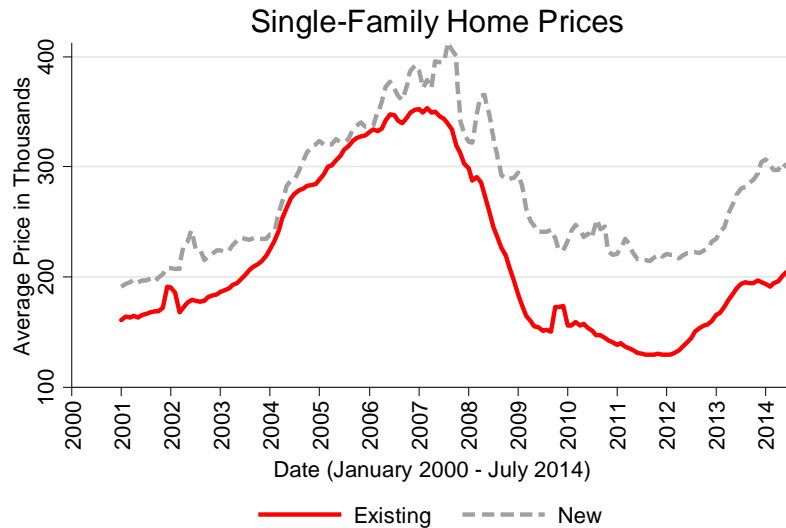


Single-Family Home Sales*	July 2014	M2M Change	Y2Y Change
New	397	+4.5%	-41.9%
Existing	3600	+0.5%	-18.7%
Distress Share	19.5%	+0.0%	-32.3%
Residential Construction			
Total Starts	1,211	+425	+678
Single-Family	819	+72	+286
Multifamily	392	+353	+392
Average Single-Family Sales Price*			
New	\$306,088	+2.0%	+9.4%
Existing	\$206,115	+1.0%	+6.6%
Distress	\$161,416	-0.7%	+4.3%

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

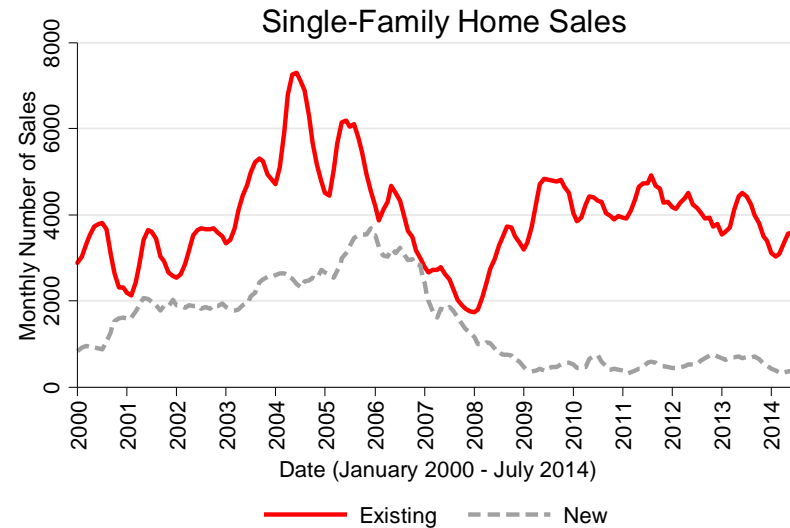
*Figures portray Three-Month Moving Weighted Averages

Southern Trends



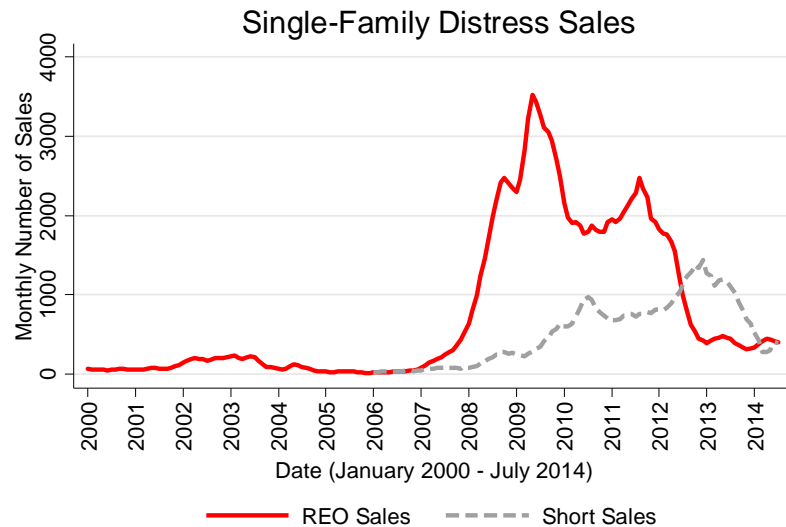
Source: CoreLogic

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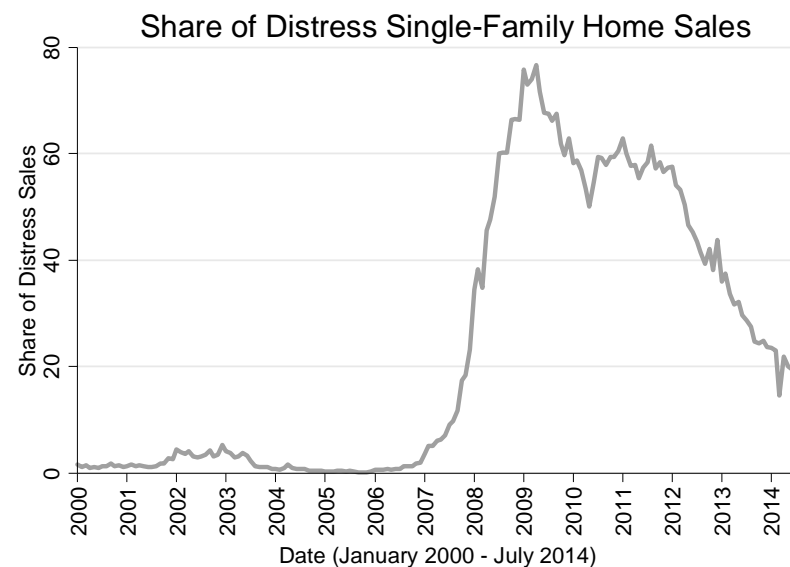
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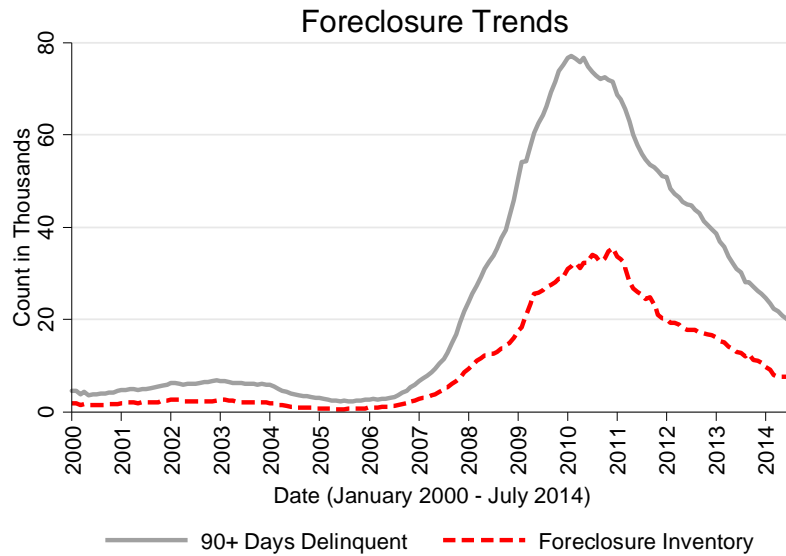
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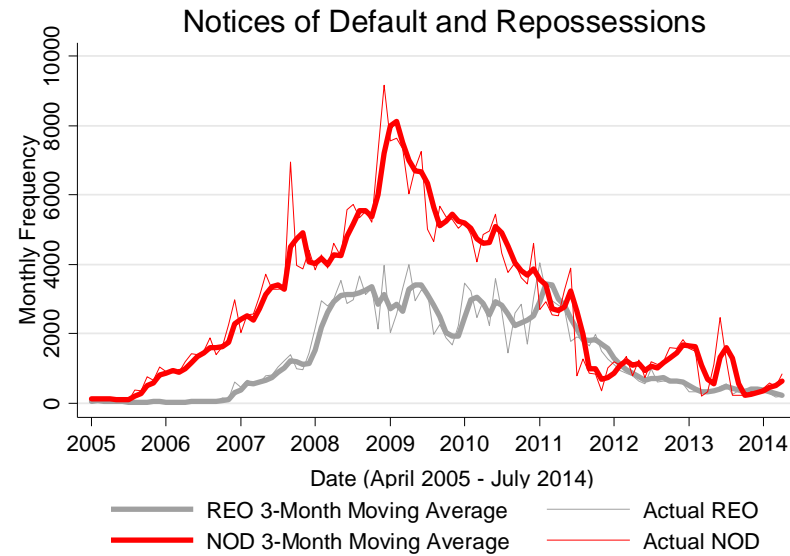


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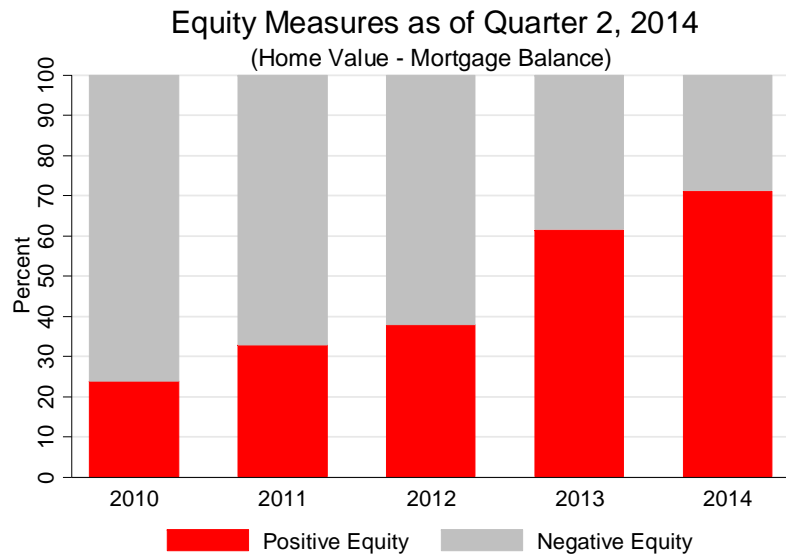
Southern Trends



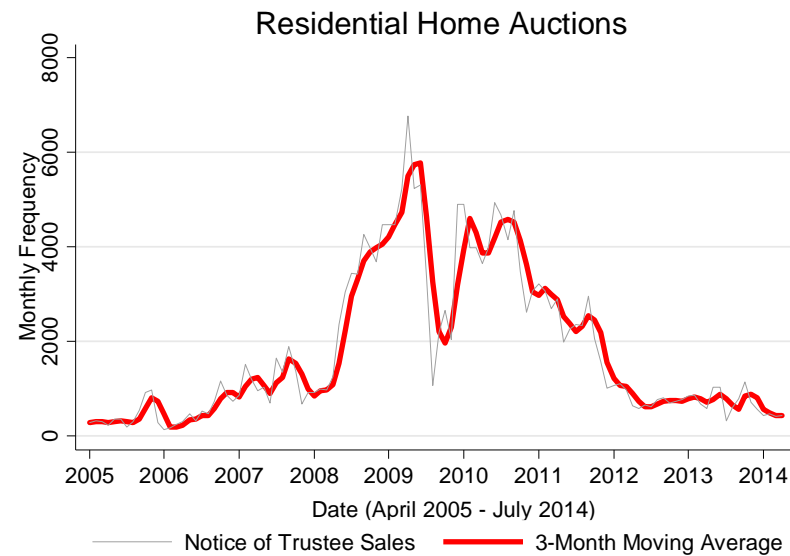
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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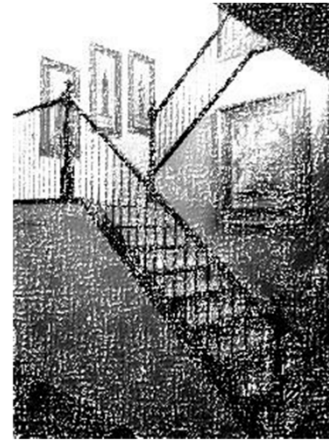
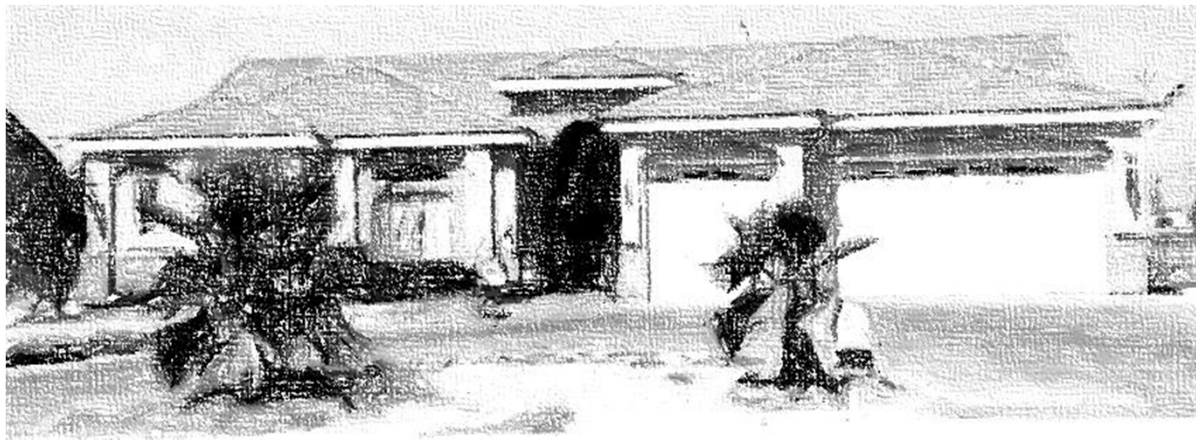
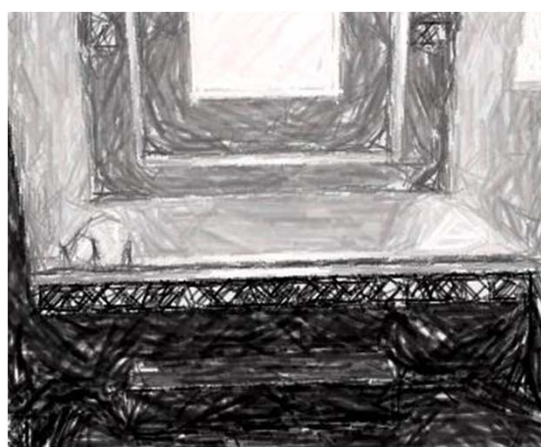
Rural Trends

Population: **147,777** in 2013

Housing Units: **65,629** in 2012

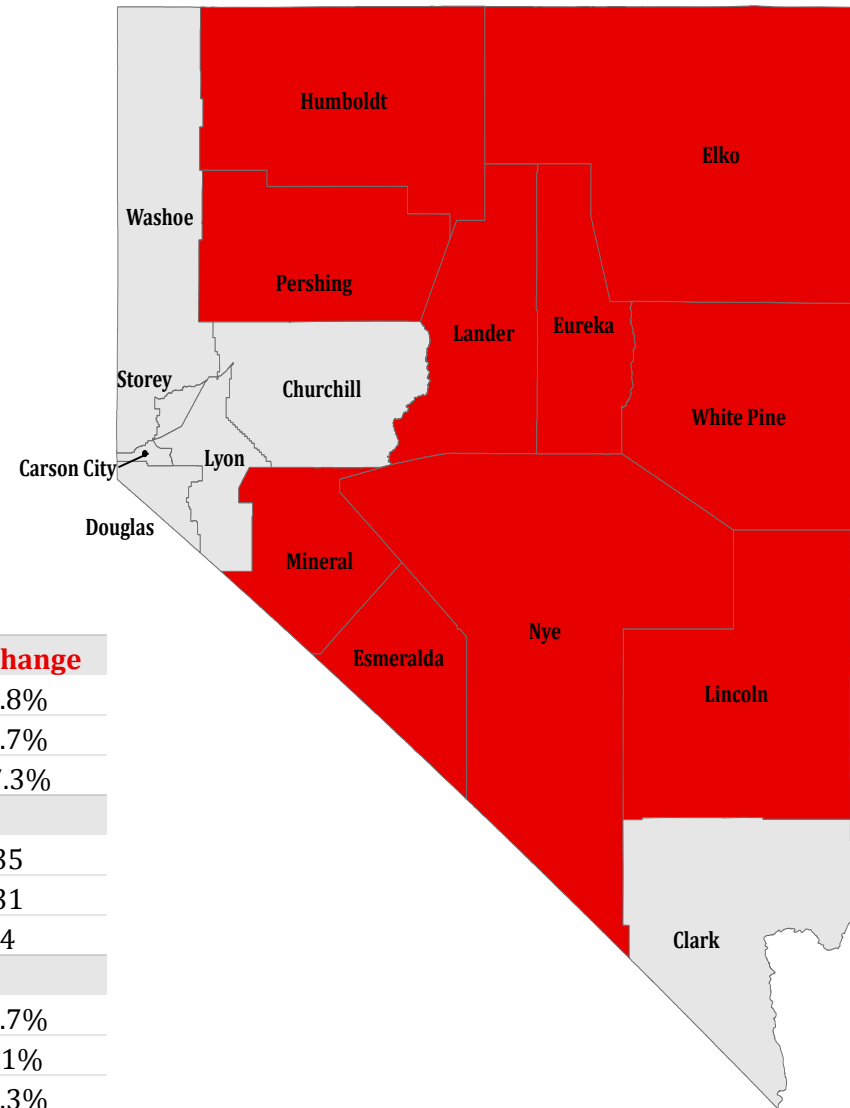
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ Rural Nevada is the only region in Nevada that saw a decrease in new and existing home sales. The new home market continues to struggle in Rural Nevada as sales are down over 50 percent year over year and price is down over 11 percent year over year.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. These large changes are due to volatility in the small number of REO sales varying each month, as short sales are fairly constant and relatively low in rural Nevada. Rural Nevada is the only region in Nevada where the distress share has increased year over year, and is now 27 percent higher than this time last year.

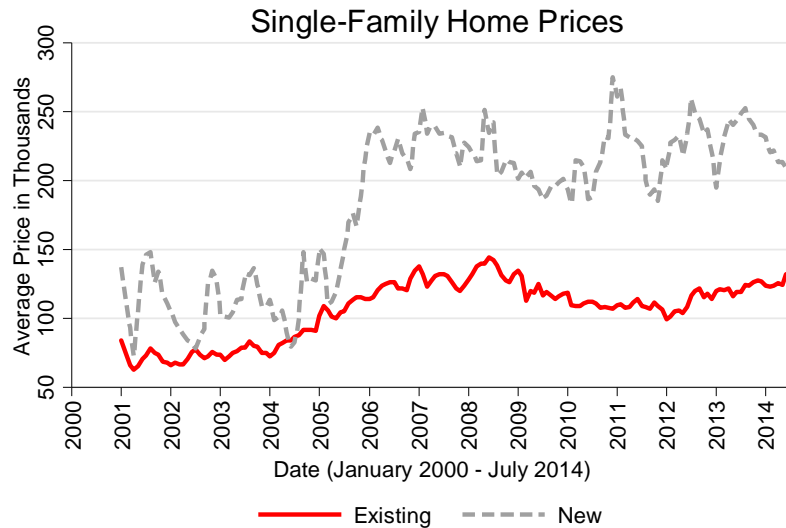


Single-Family Home Sales*	July 2014	M2M Change	Y2Y Change
New	14	-12.2%	-53.8%
Existing	161	-9.0%	-33.7%
Distress Share	17.2%	+39.6%	+27.3%
Residential Construction			
Total Starts	18	-4	-35
Single-Family	18	-4	-31
Multifamily	0	+0	-4
Average Single-Family Sales Price*			
New	\$219,174	+4.6%	-11.7%
Existing	\$127,663	-3.1%	+7.1%
Distress	\$83,822	+1.2%	-13.3%

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

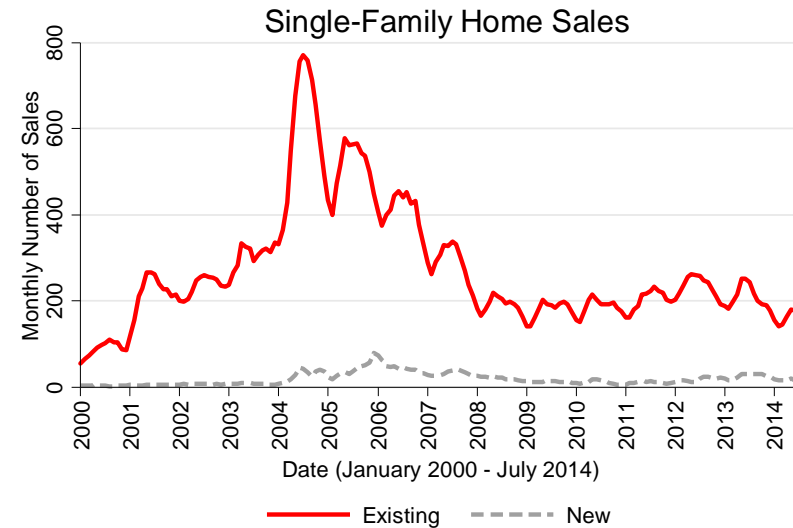
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



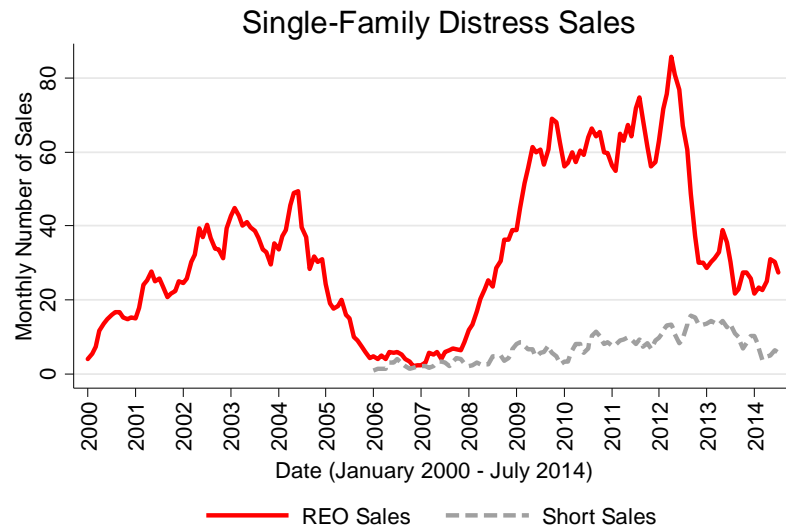
Source: CoreLogic

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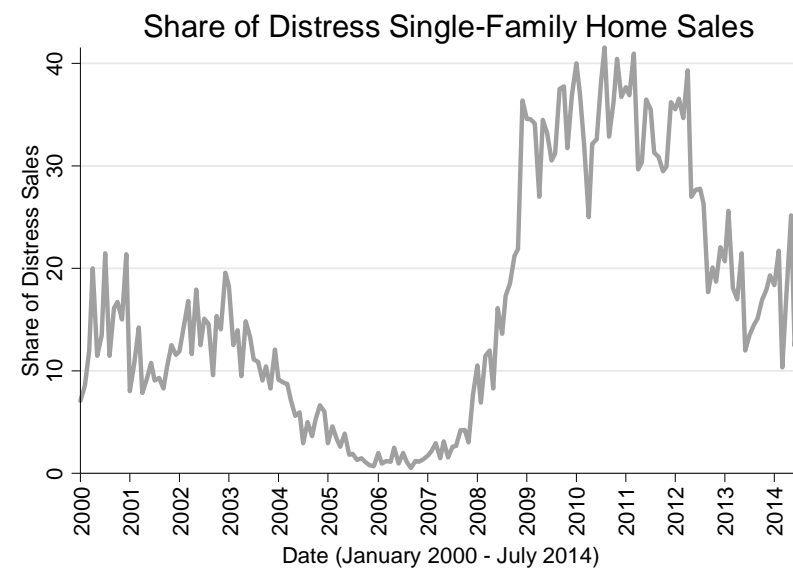
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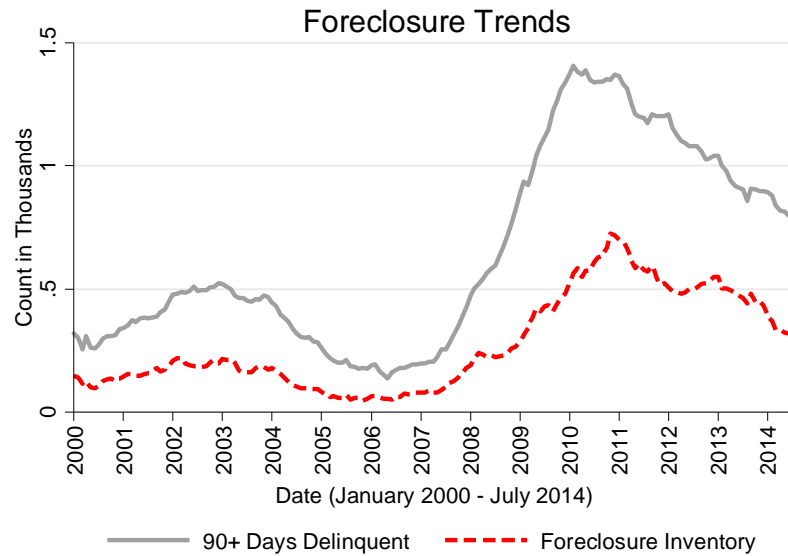
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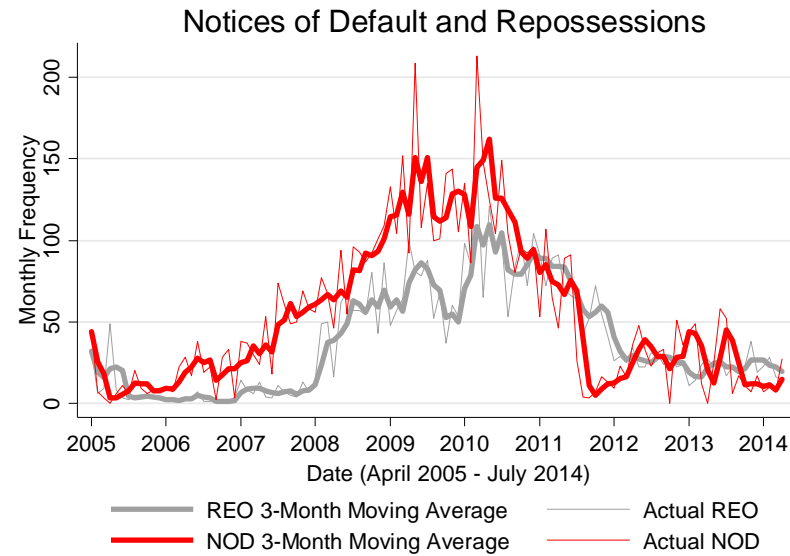


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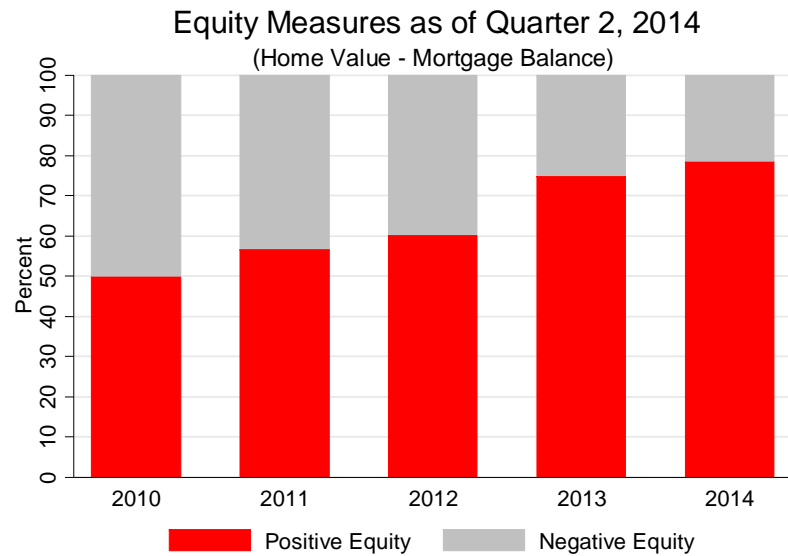
Rural Trends



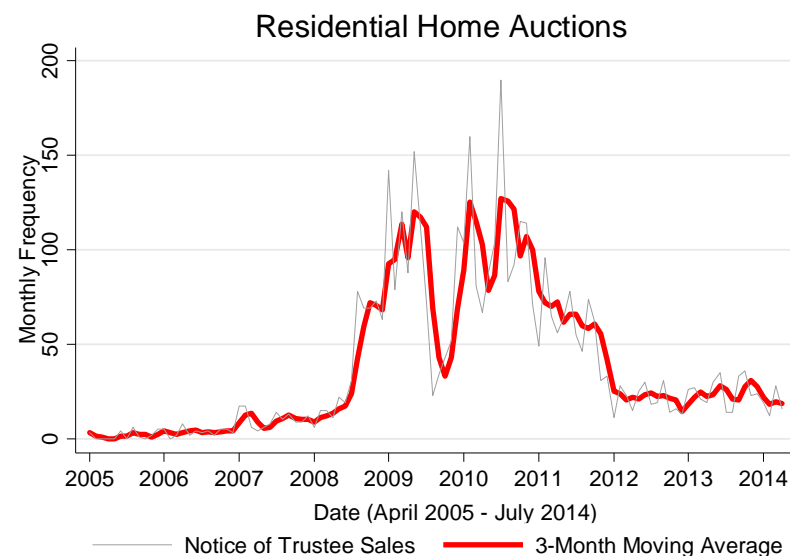
Source: CoreLogic



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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