

July 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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Nevada's Housing Market | July 2016

Nevada Statewide Trends

Population: **2,890,845** in 2015

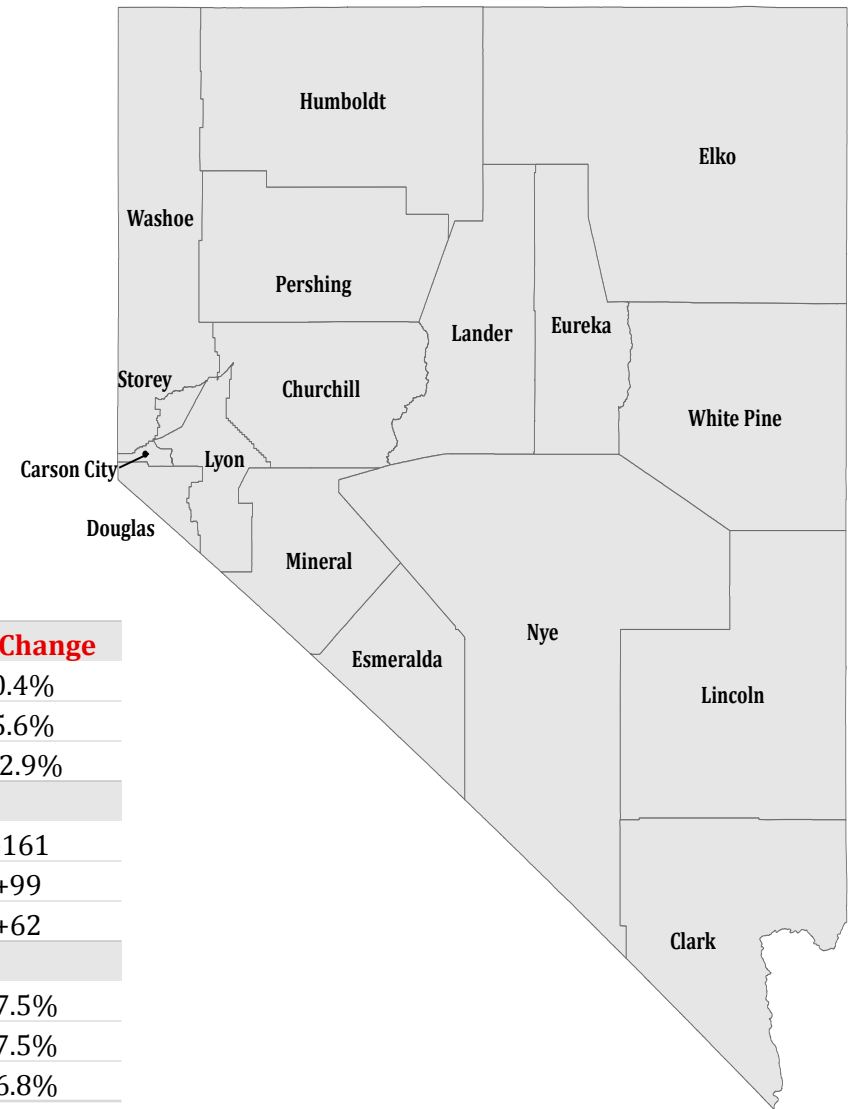
Housing Units: **1,209,756** in 2015

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



Nevada Statewide Trends

- ❑ Statewide new home sales decreased as Northern Nevada saw a large decrease in new home sales and Southern Nevada saw a slight decrease. All three regions in Nevada saw month to month decreases in existing home sales.
- ❑ The statewide distress share saw a monthly decrease as both short sales and REO sales decreased. At 9.3 percent, the July 2016 distress share was the lowest it had been since August 2007.
- ❑ Statewide average new home prices saw a monthly decrease driven by Southern Nevada's large decrease in new home prices. All three regions in Nevada had year over year increases in new home prices.
- ❑ Existing home prices increased on a month to month and year to year basis for all three regions in Nevada.

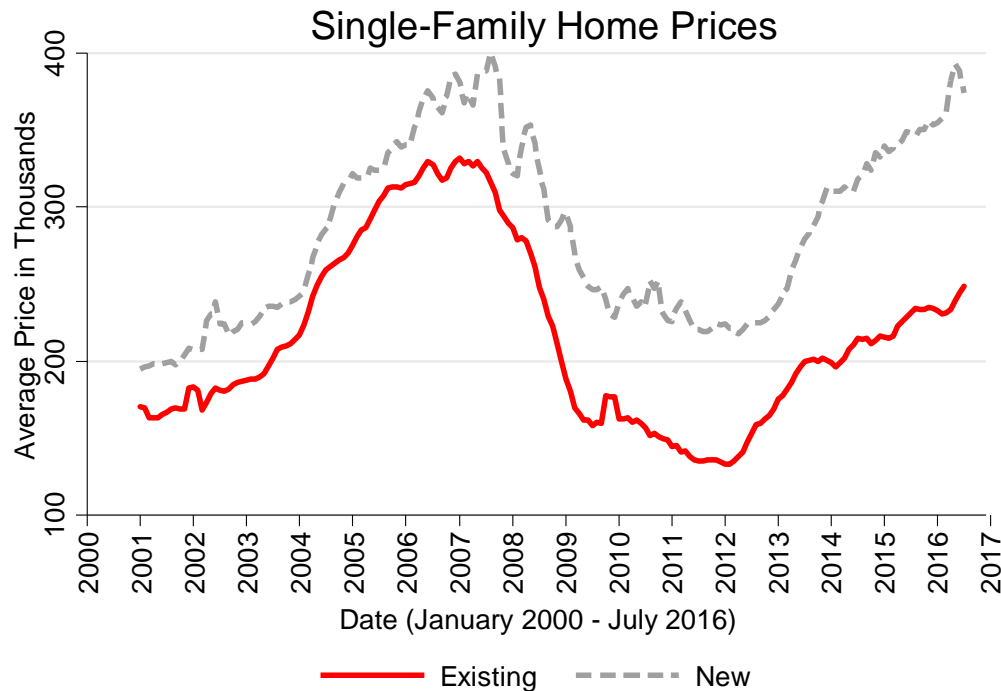


Single-Family Home Sales*	July 2016	M2M Change	Y2Y Change
New	825	-2.7%	-0.4%
Existing	5,464	-5.0%	-5.6%
Distress Share	9.3%	-9.3%	-22.9%
Residential Construction			
Total Starts	1,418	-111	+161
Single-Family	1,034	-171	+99
Multifamily	384	+60	+62
Average Single-Family Sales Price*			
New	\$374,294	-3.6%	+7.5%
Existing	\$248,558	+1.8%	+7.5%
Distress	\$187,681	+1.5%	+6.8%

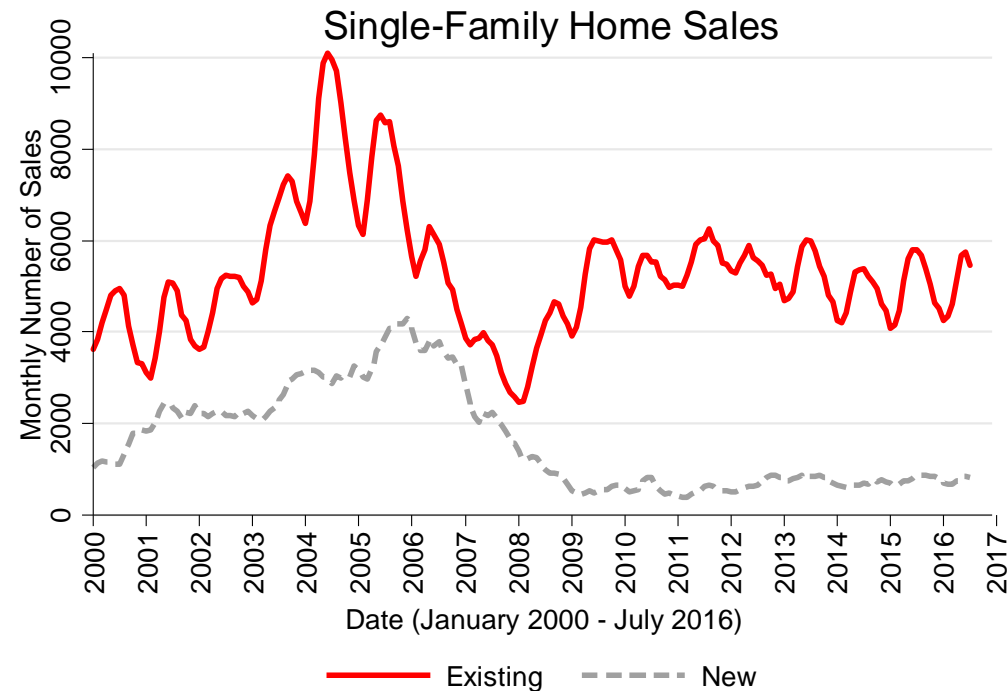
Source: Lied Institute calculations and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



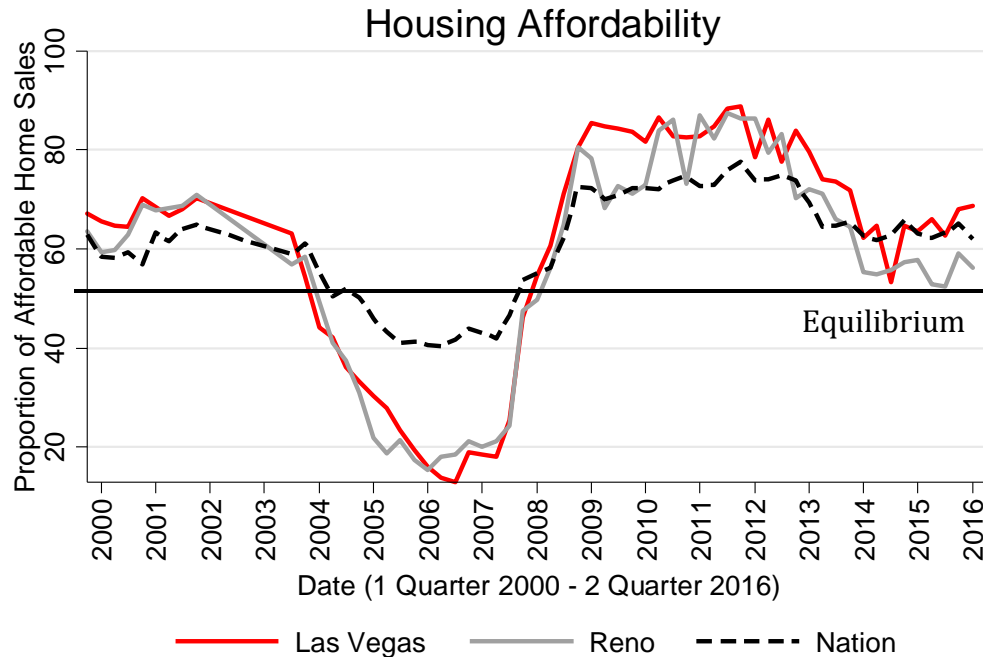
Note: Series are 3-month weighted moving averages.



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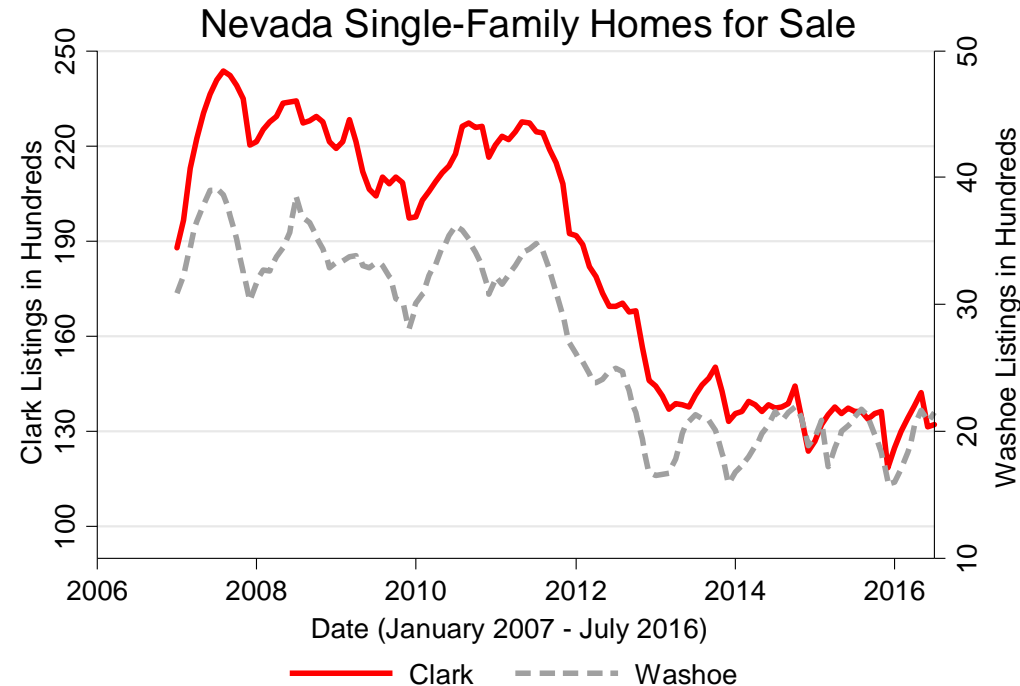
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

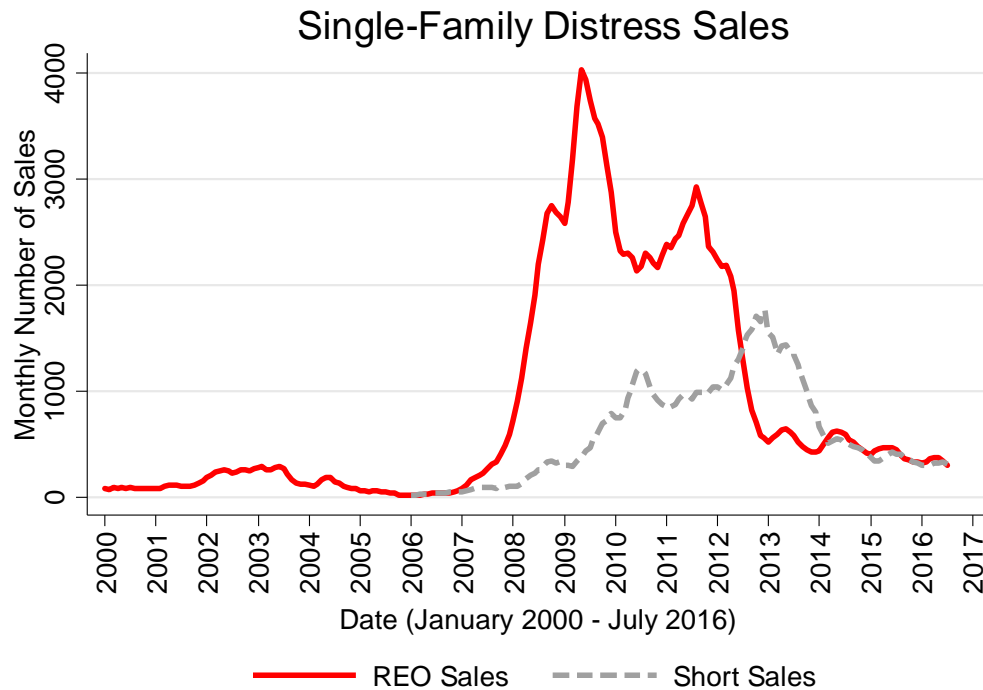
Note: Series denote the proportion of home sales affordable at median income.



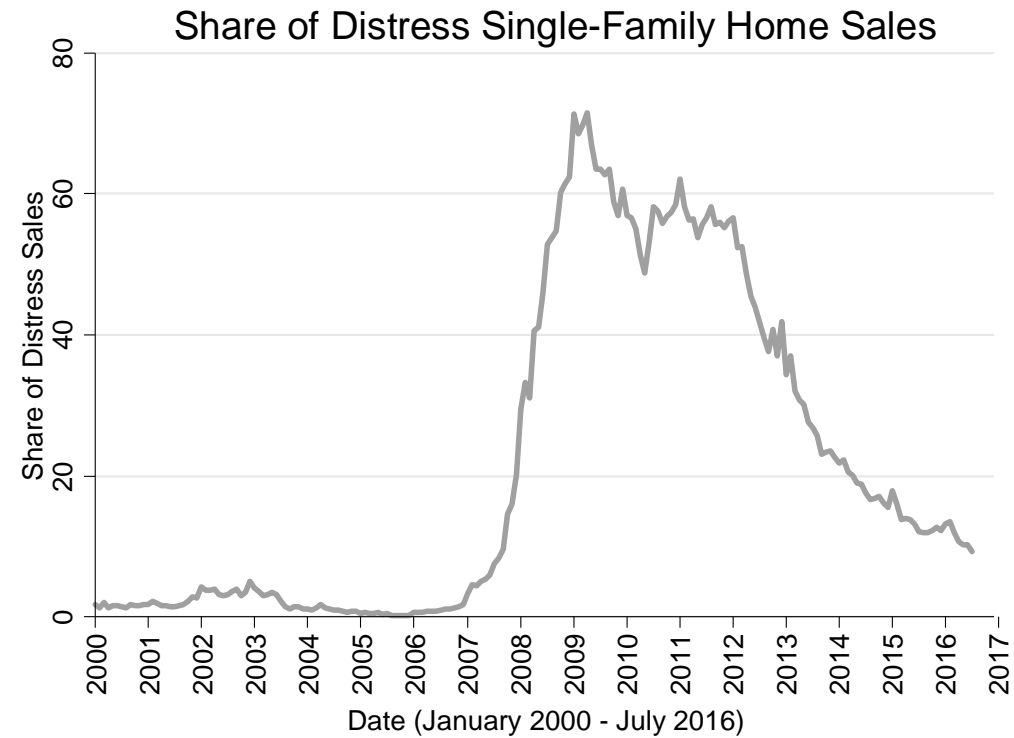
Source: Greater Las Vegas Association of Realtors and Reno-Sparks Association of Realtors

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

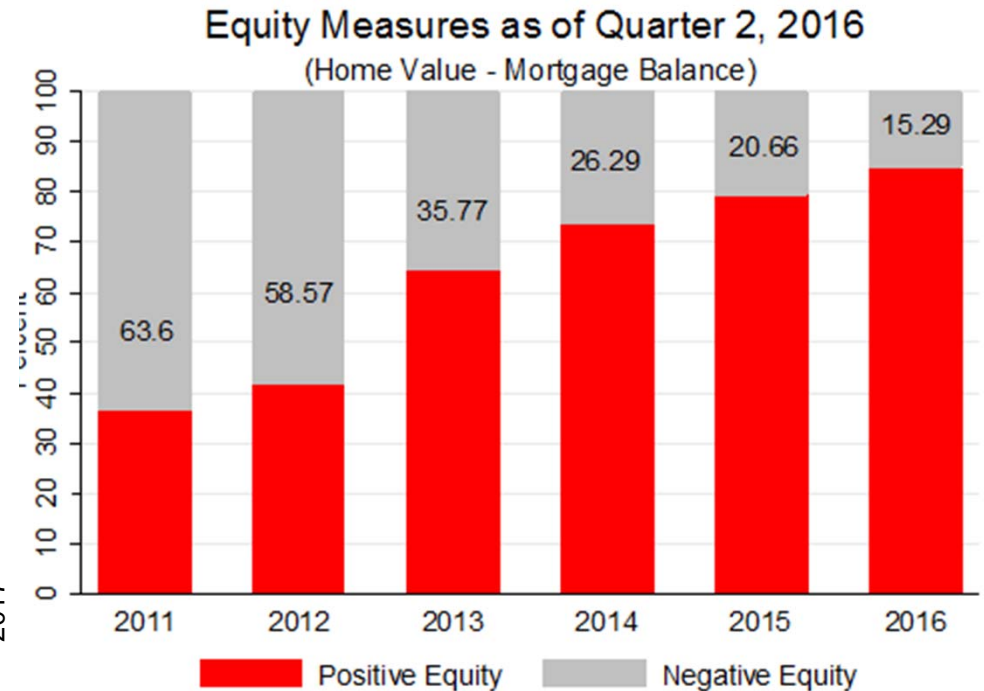
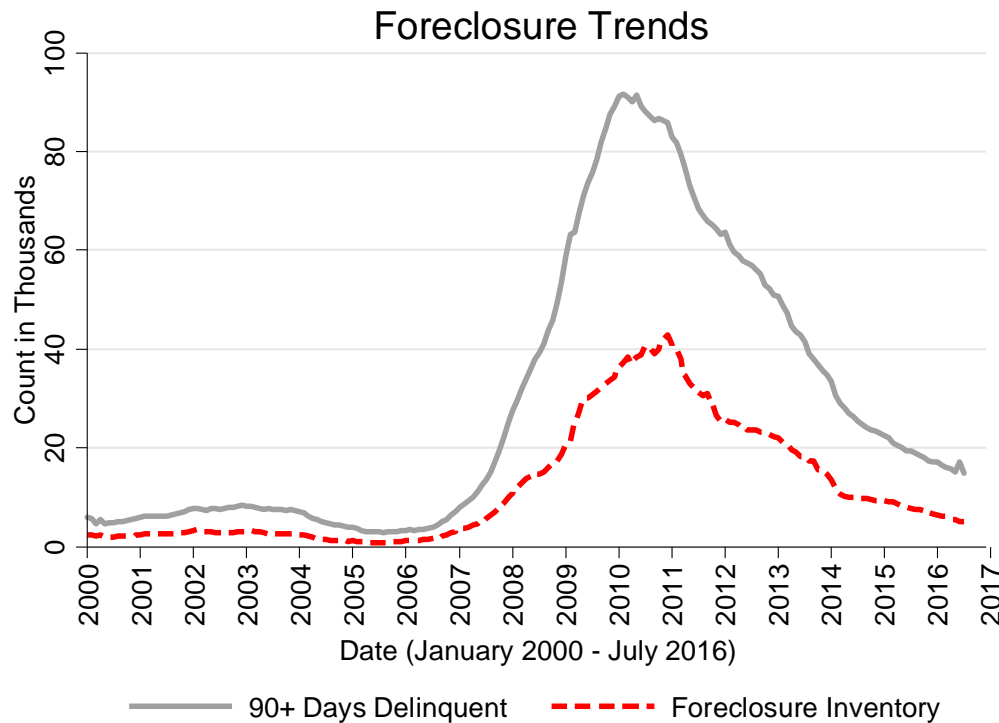


Note: Series are 3-month weighted moving averages.



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.

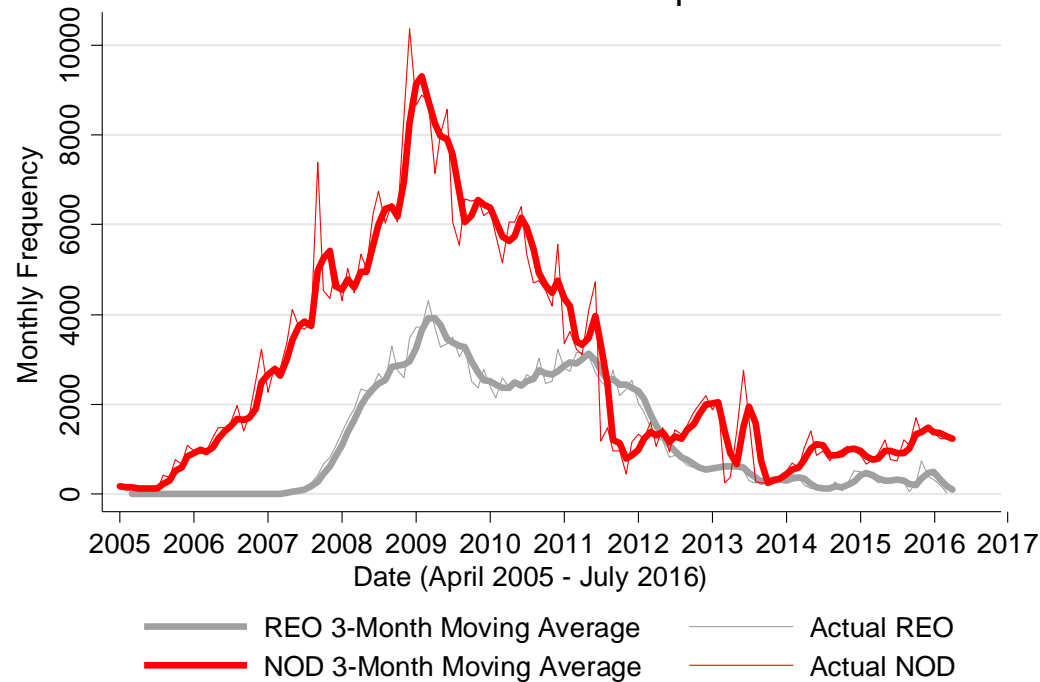
Nevada Statewide Trends



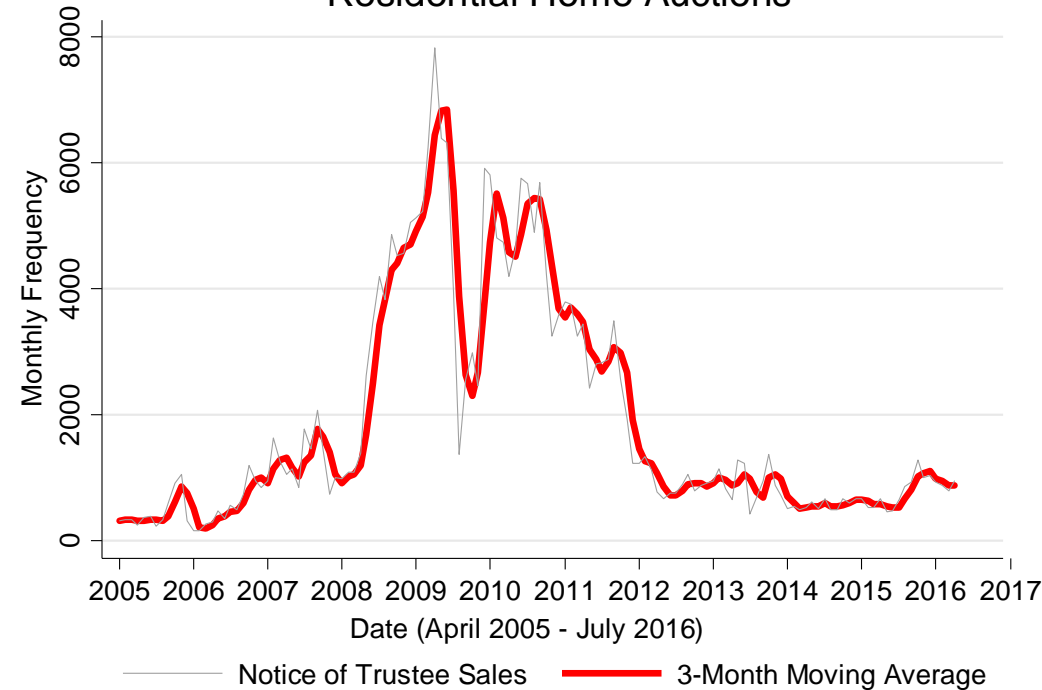
The Foreclosure Trends figure includes two series: the 90+ Days Delinquent series and the Foreclosure Inventory series. The 90+ Days Delinquent series consists of the number of homes that are secured by a loan in default for 90 days or more. This includes homes that are in the process of being foreclosed.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



Residential Home Auctions

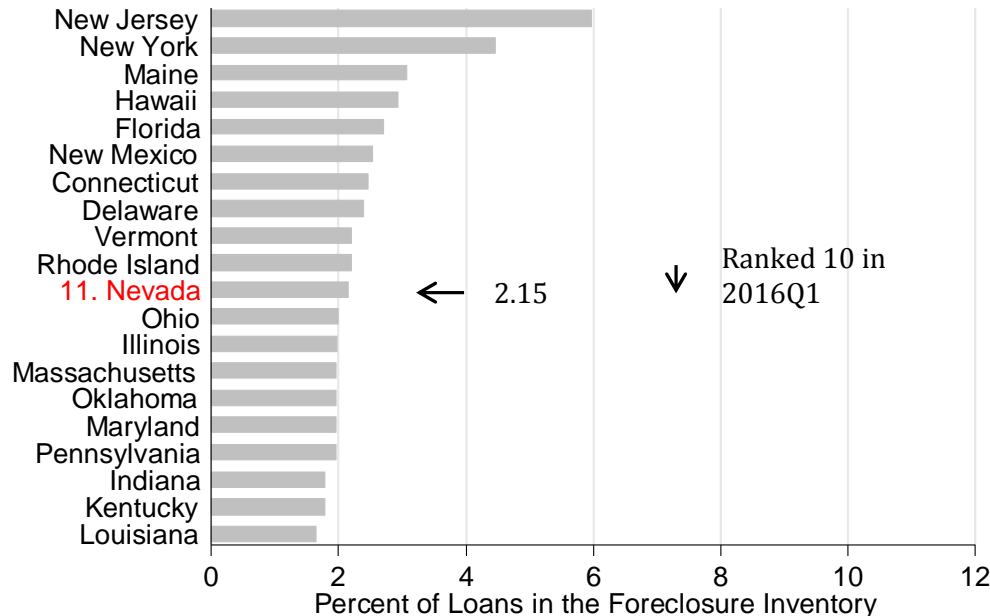


The first figure shows the monthly number of Notices of Default and Repossessions. The Notice of Default (NOD) is the initial stage of foreclosure that starts at least 90 days after the homeowner's mortgage default date. Not all homes that receive a NOD will necessarily be foreclosed. There exist other 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

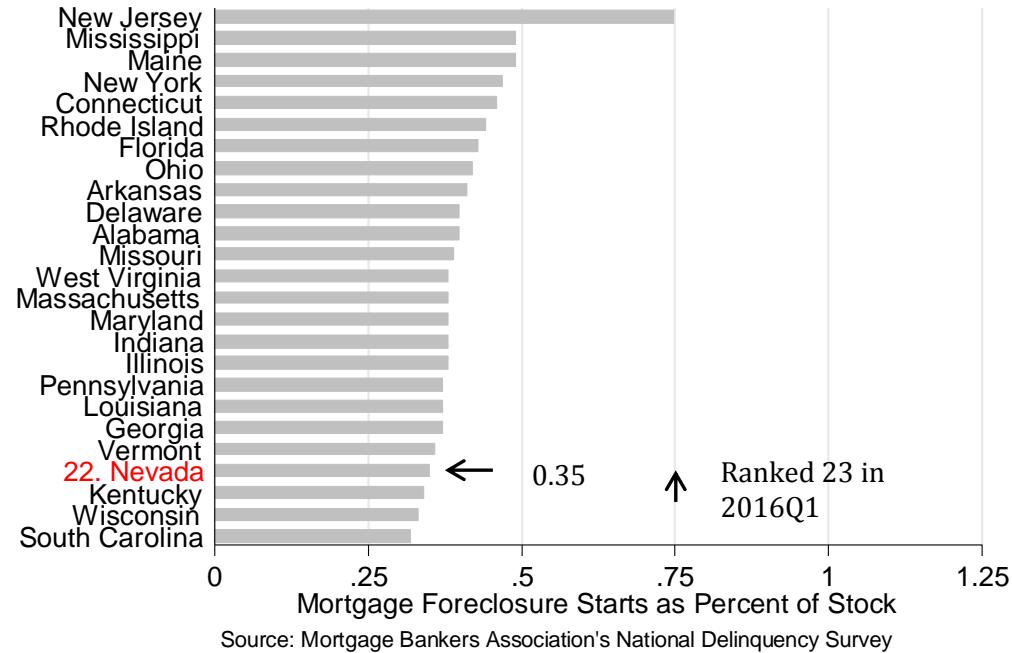
Top 20 States in Foreclosure Inventory

2nd Quarter 2016



Top 25 States in Foreclosure Starts

2nd Quarter 2016



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 | July 2016

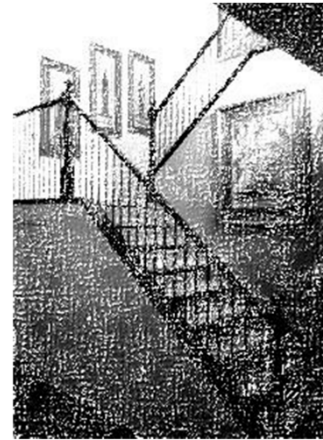
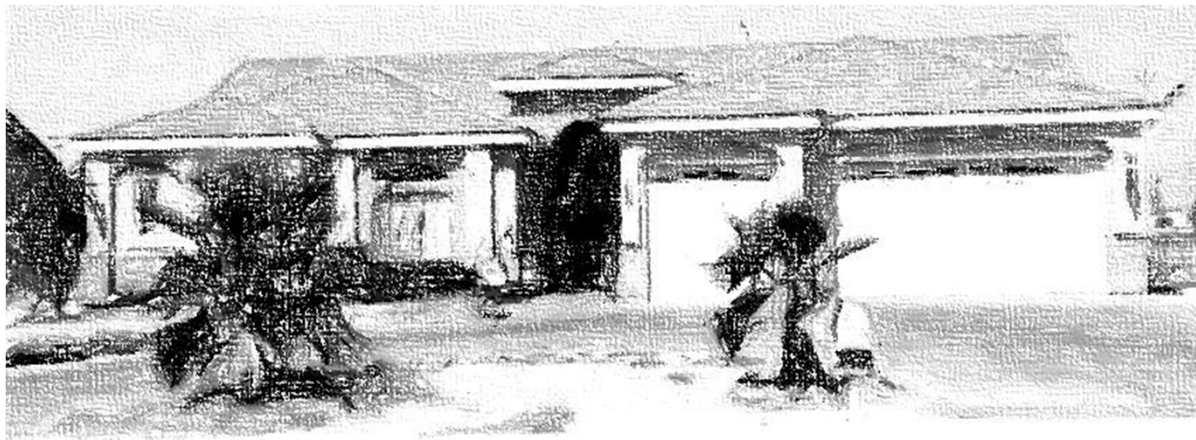
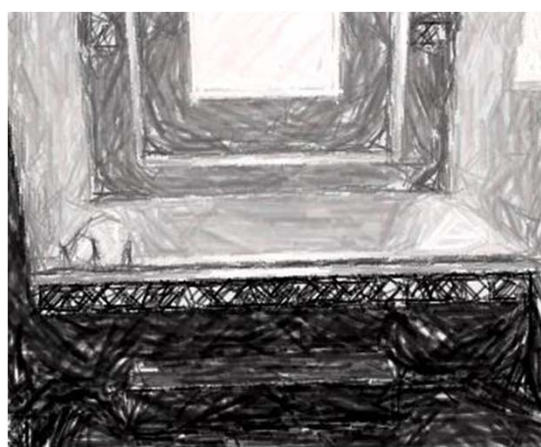
Northern Trends

Population: **629,906** in 2015

Housing Units: **271,431** in 2015

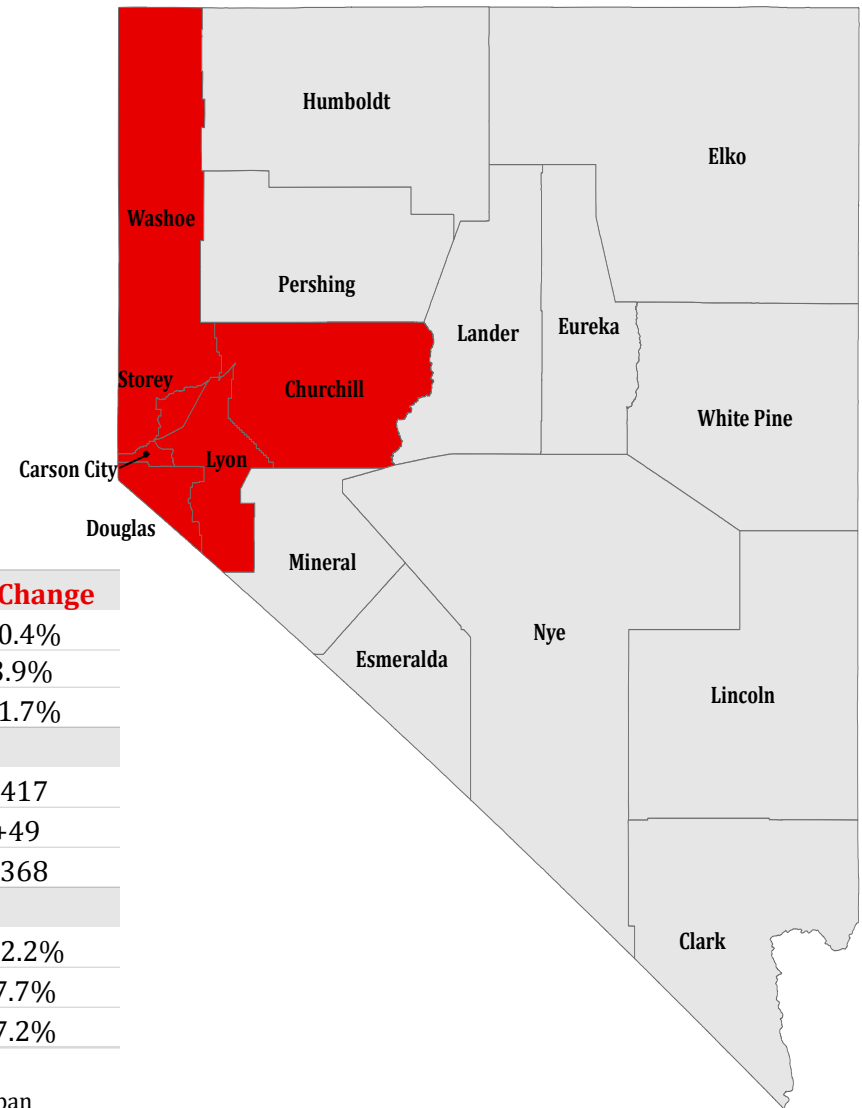
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ New home sales decreased 14 percent on a month to month basis – the largest monthly decrease since September 2010. There were over 30 less new home sales in July 2016 than in July 2015.
- ❑ The share of homes sold under distress decreased on a month to month basis for the sixth consecutive month. The distress share was down 4.3 percentage points on a year over year basis. This decrease was driven by decreases in both short sales and REO sales.
- ❑ Total Residential construction starts saw a large increase as there were 379 Multifamily starts in July 2016. Multifamily starts were the highest they had been since June 2006.
- ❑ Northern Nevada was the only region in Nevada where new home prices increased on a month to month basis.

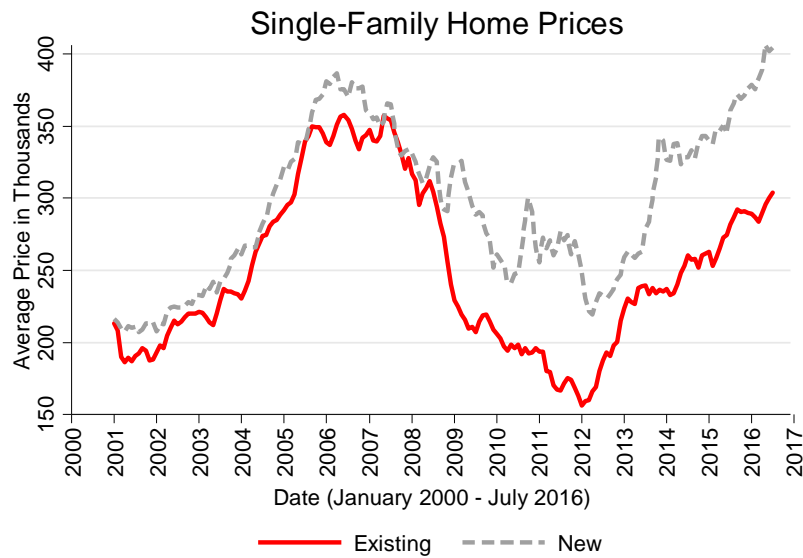


Single-Family Home Sales*	July 2016	M2M Change	Y2Y Change
New	129	-14.2%	-20.4%
Existing	1,256	-1.7%	-3.9%
Distress Share	4.7%	-8.8%	-41.7%
Residential Construction			
Total Starts	636	+401	+417
Single-Family	262	-72	+49
Multifamily	374	+329	+368
Average Single-Family Sales Price*			
New	\$404,768	+0.7%	+12.2%
Existing	\$303,806	+1.2%	+7.7%
Distress	\$207,642	-2.5%	+7.2%

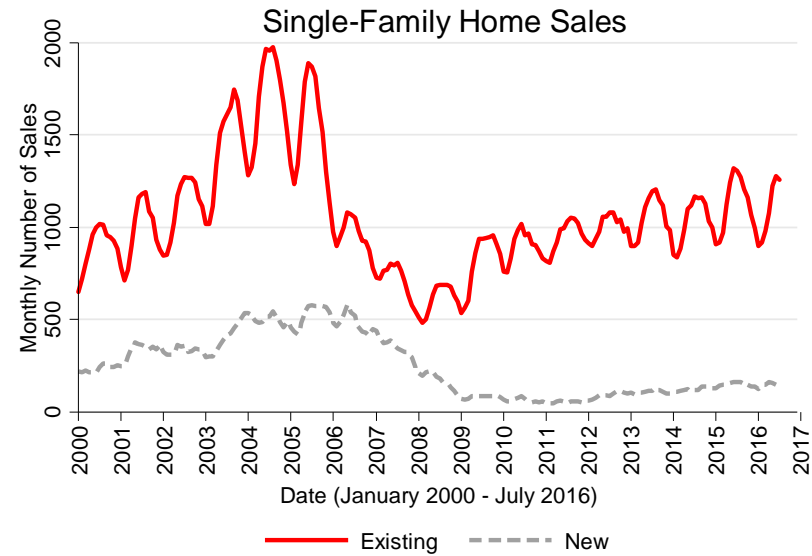
Source: Lied Institute calculations and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

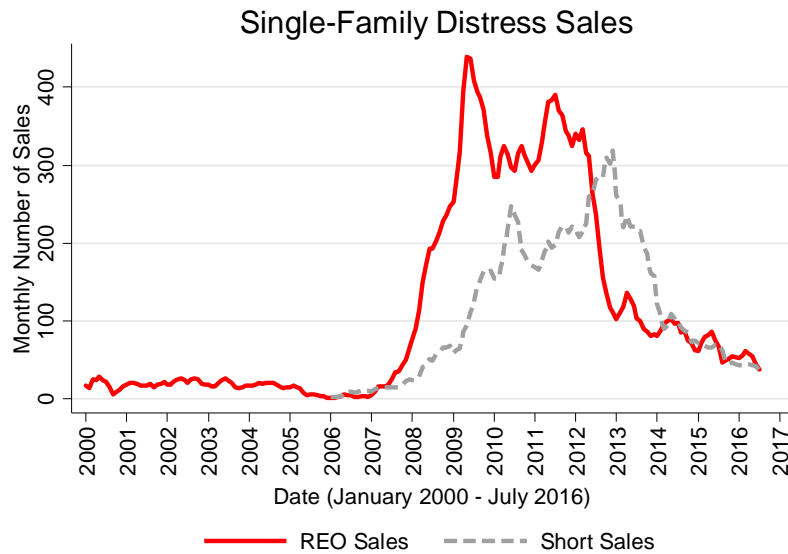
Northern Trends



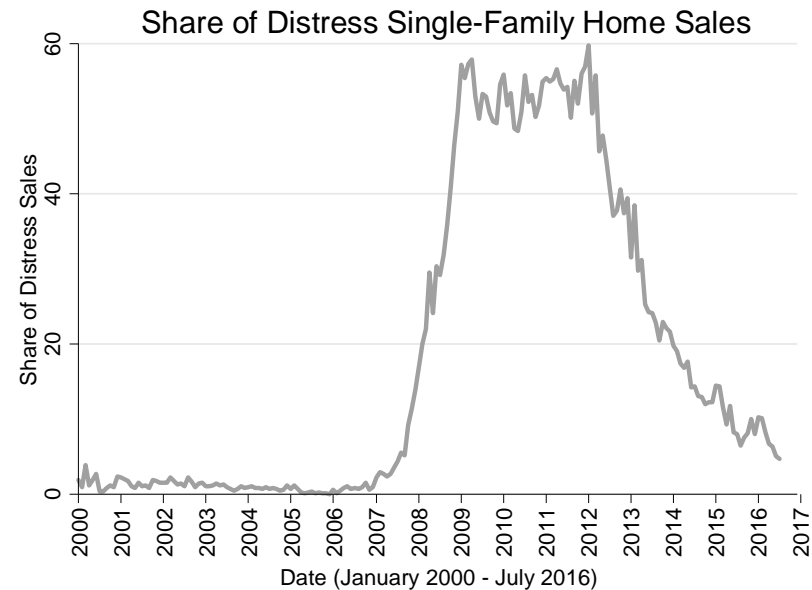
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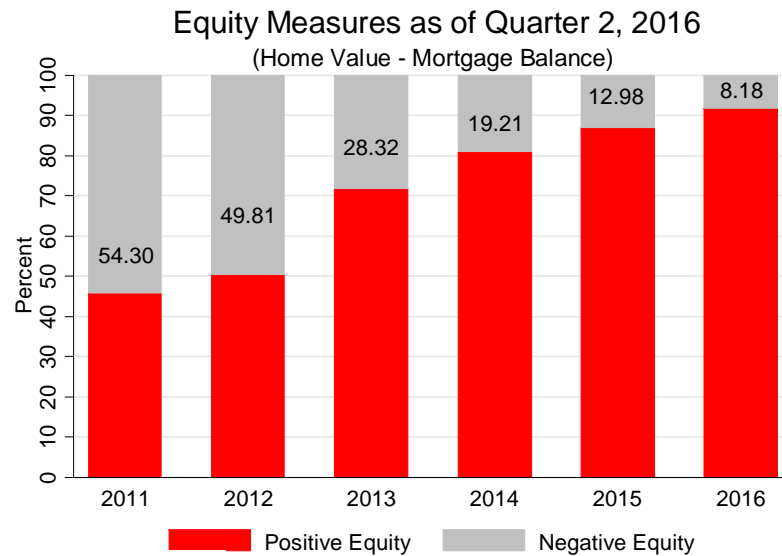
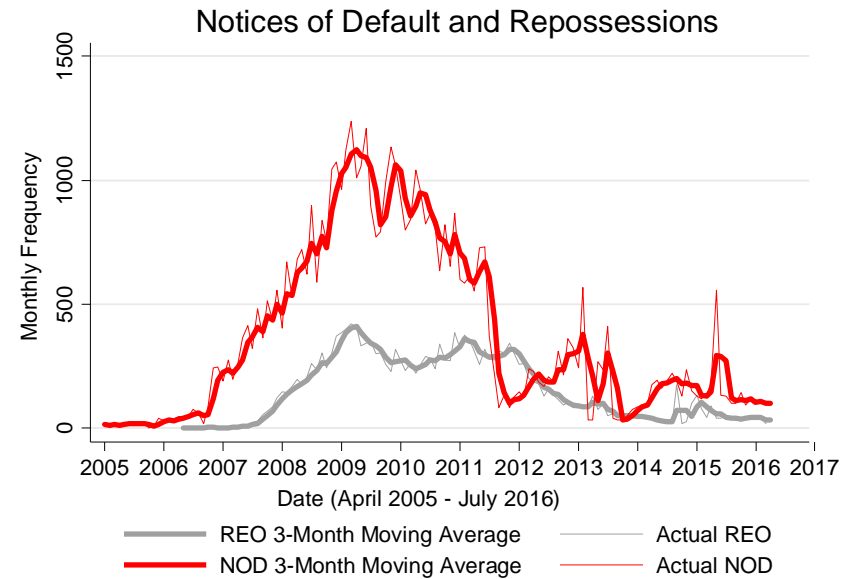
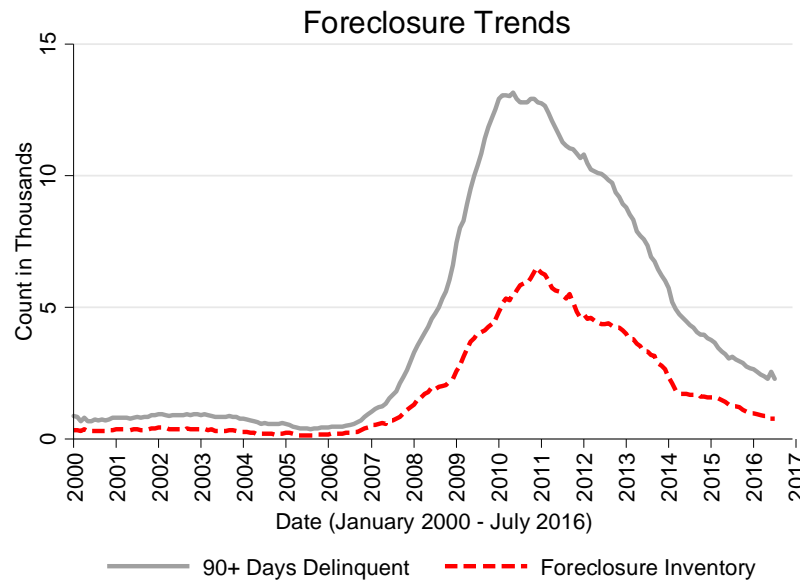
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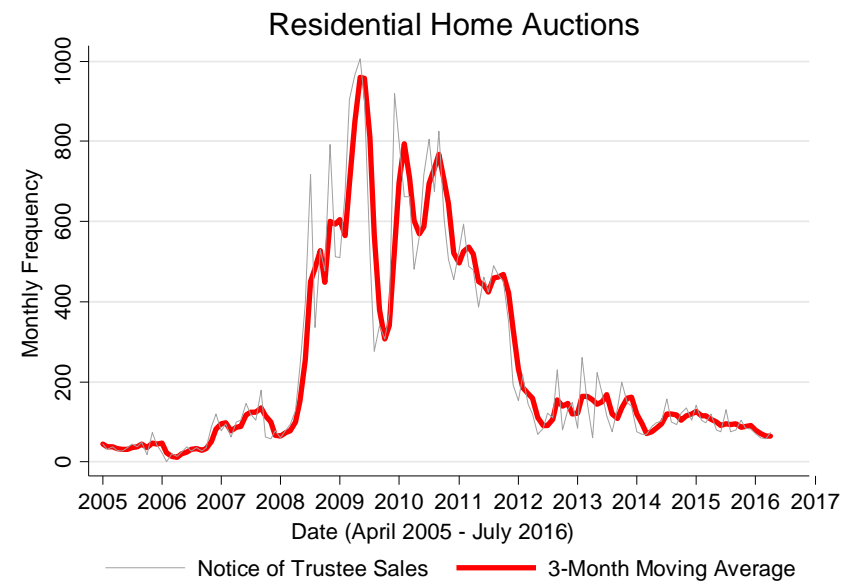
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Northern Trends



Source: CoreLogic



Nevada's Housing Market | July 2016

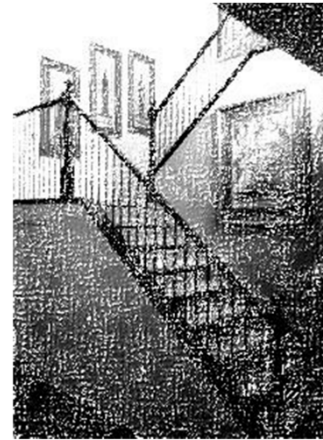
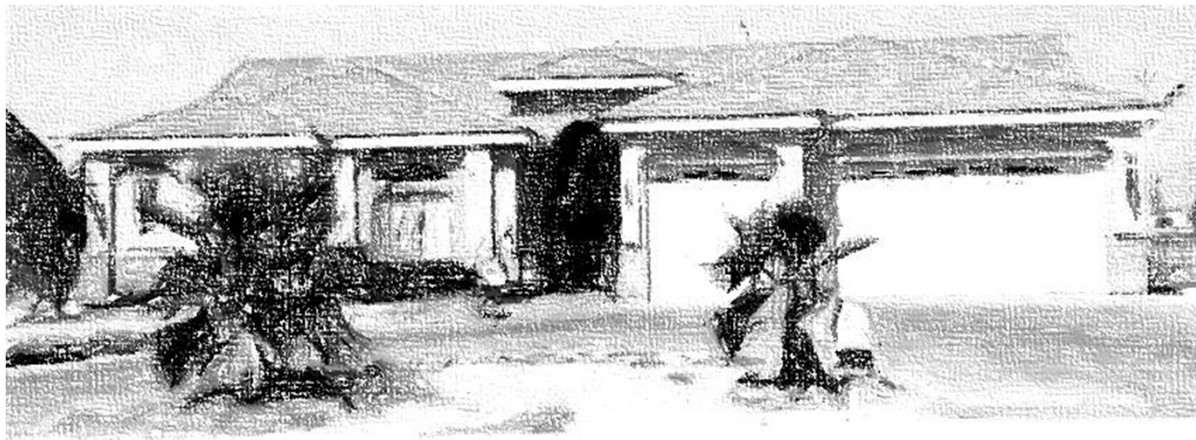
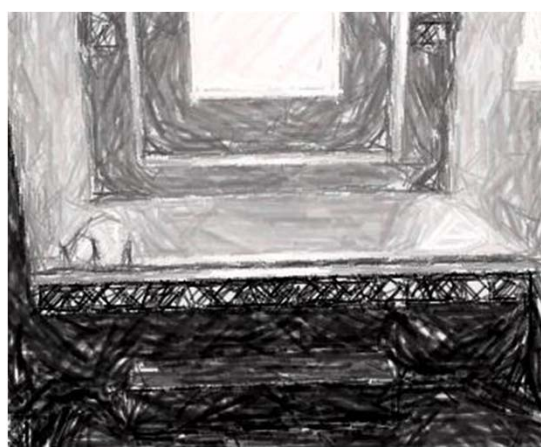
Southern Trends

Population: **2,114,801** in 2015

Housing Units: **871,807** in 2015

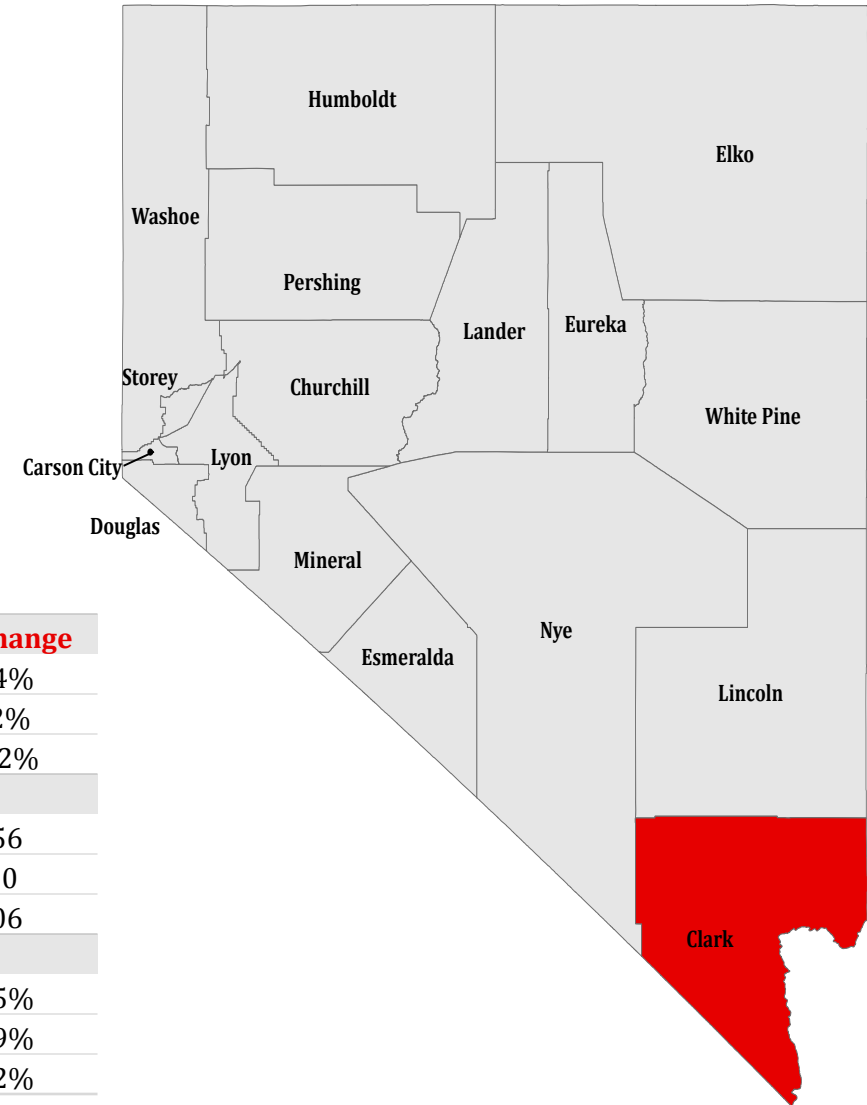
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Existing home sales decreased on a month to month basis and year to year basis after five consecutive months with increases. There were 200 more existing home sales in July 2016 than July 2015. New home sales also decreased slightly on month to month basis.
- ❑ July 2016 was the second consecutive month with a large monthly decrease in Multifamily homes. Single-family starts saw a month to month decrease for the first time since November 2015.
- ❑ New home prices decreased over 4 percent on a month to month basis. This was the largest month to month decrease since November 2010. New home prices were up \$23,000 on a year over year basis.
- ❑ Existing home prices saw a slight increase in price for the fifth consecutive month. Existing home prices were up \$16,000 on a year over year basis.

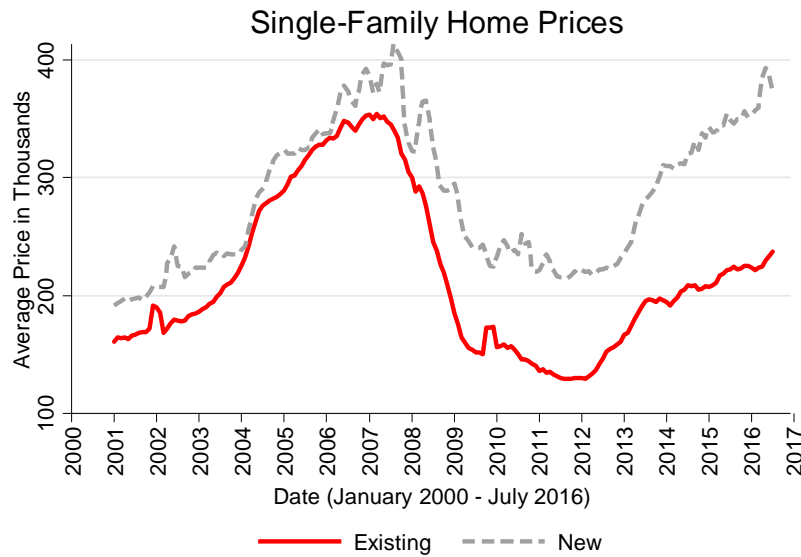


Single-Family Home Sales*		July 2016	M2M Change	Y2Y Change
New		681	-0.3%	+5.4%
Existing		3,963	-6.0%	-5.2%
Distress Share		10.7%	-9.3%	-19.2%
Residential Construction				
Total Starts		764	-504	-256
Single-Family		754	-237	+50
Multifamily		10	-267	-306
Average Single-Family Sales Price*				
New		\$371,510	-4.4%	+6.5%
Existing		\$237,295	+1.7%	+6.9%
Distress		\$190,623	+2.3%	+8.2%

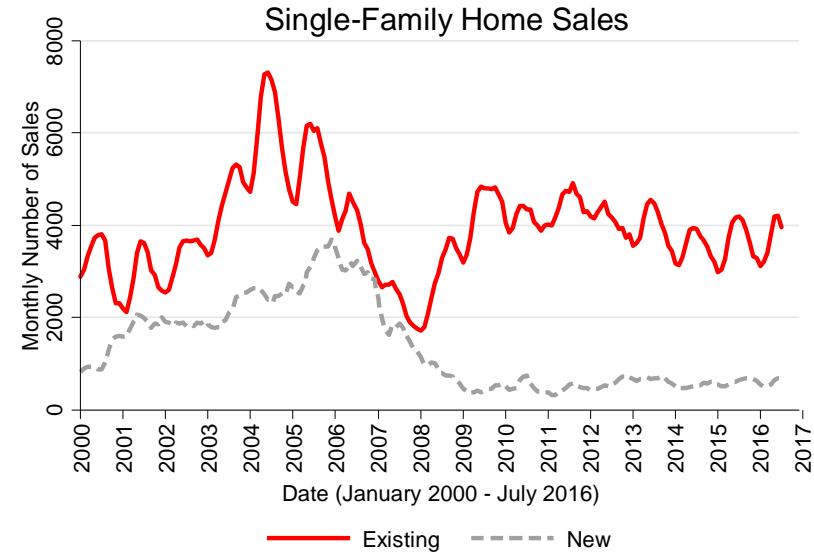
Source: Lied Institute calculations and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

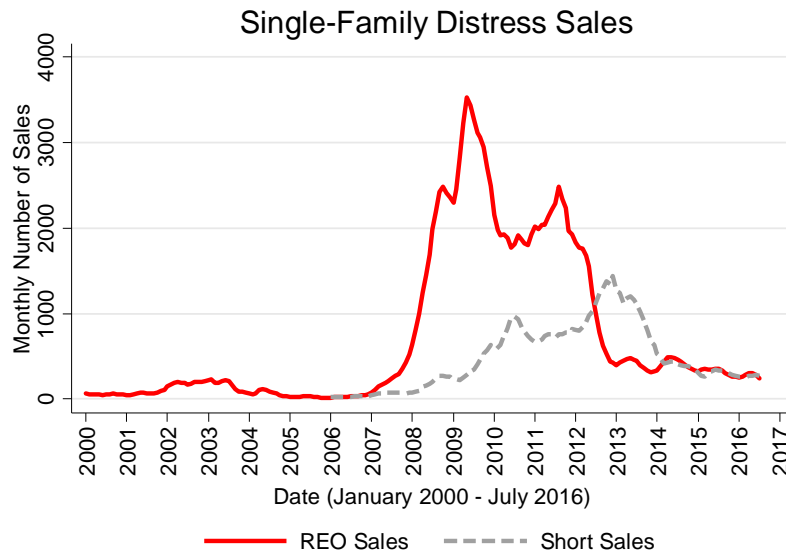
Southern Trends



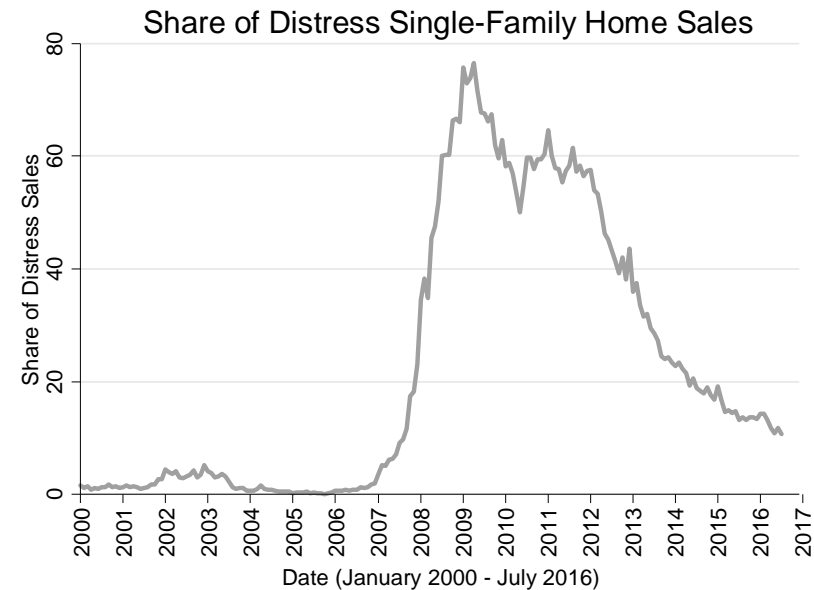
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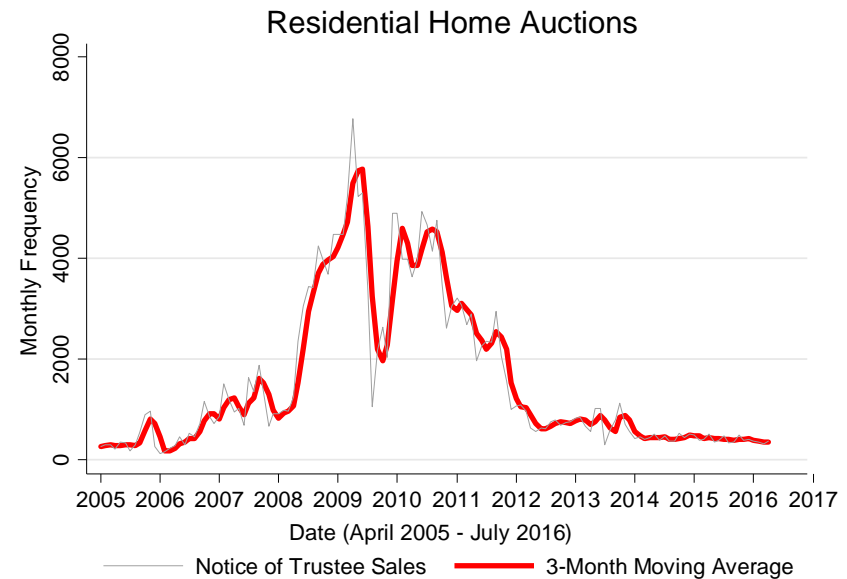
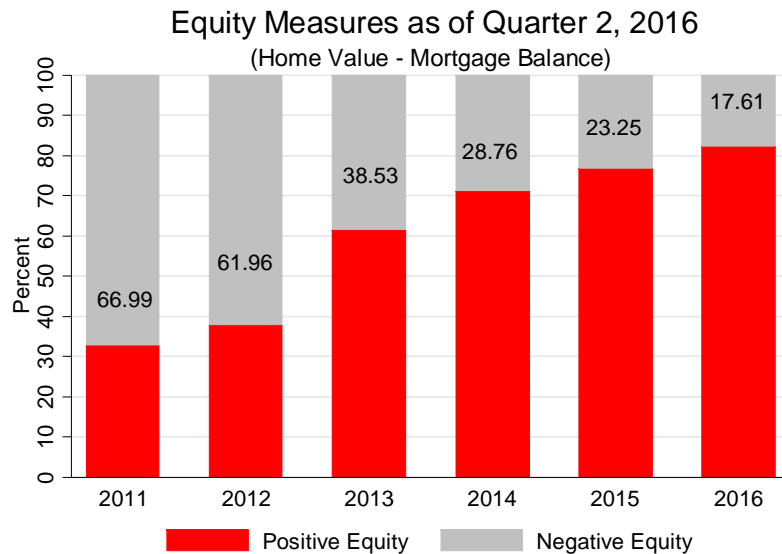
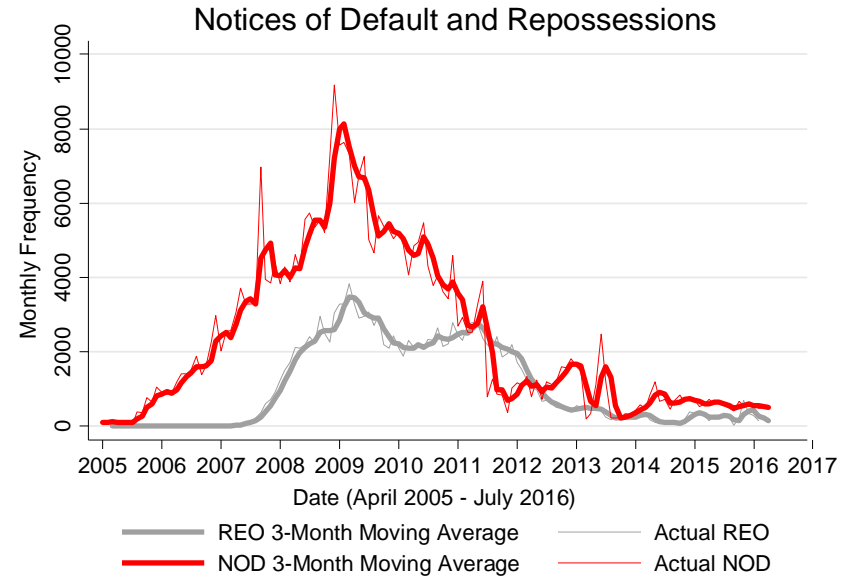
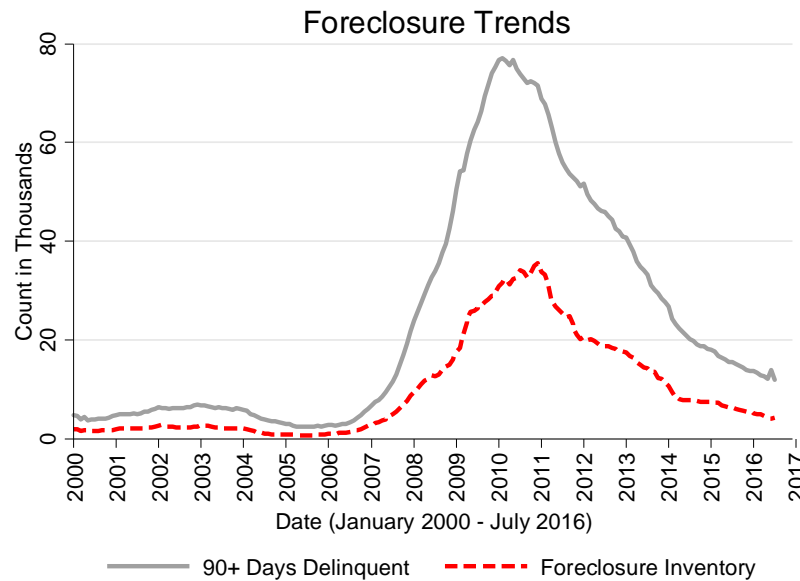
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Southern Trends



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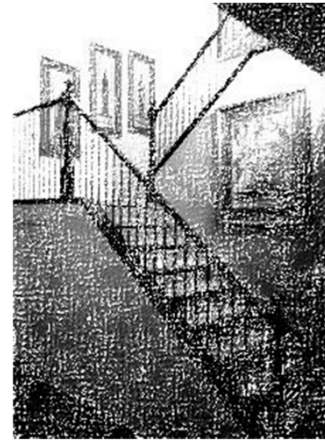
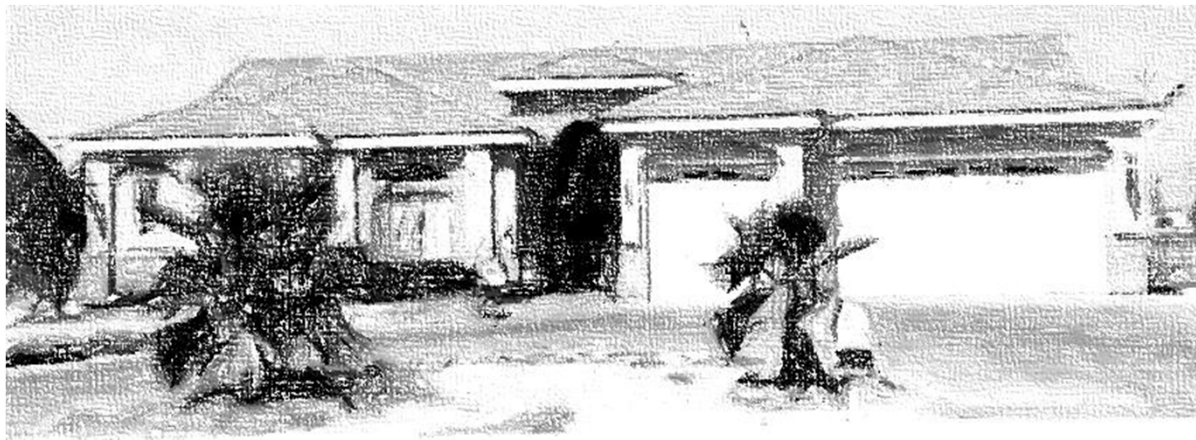
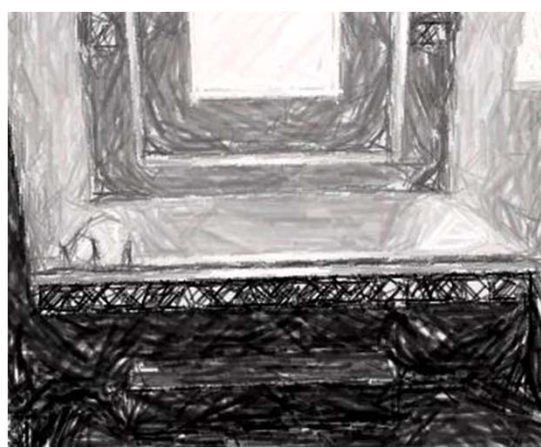
Rural Trends

Population: **146,138** in 2015

Housing Units: **66,518** in 2015

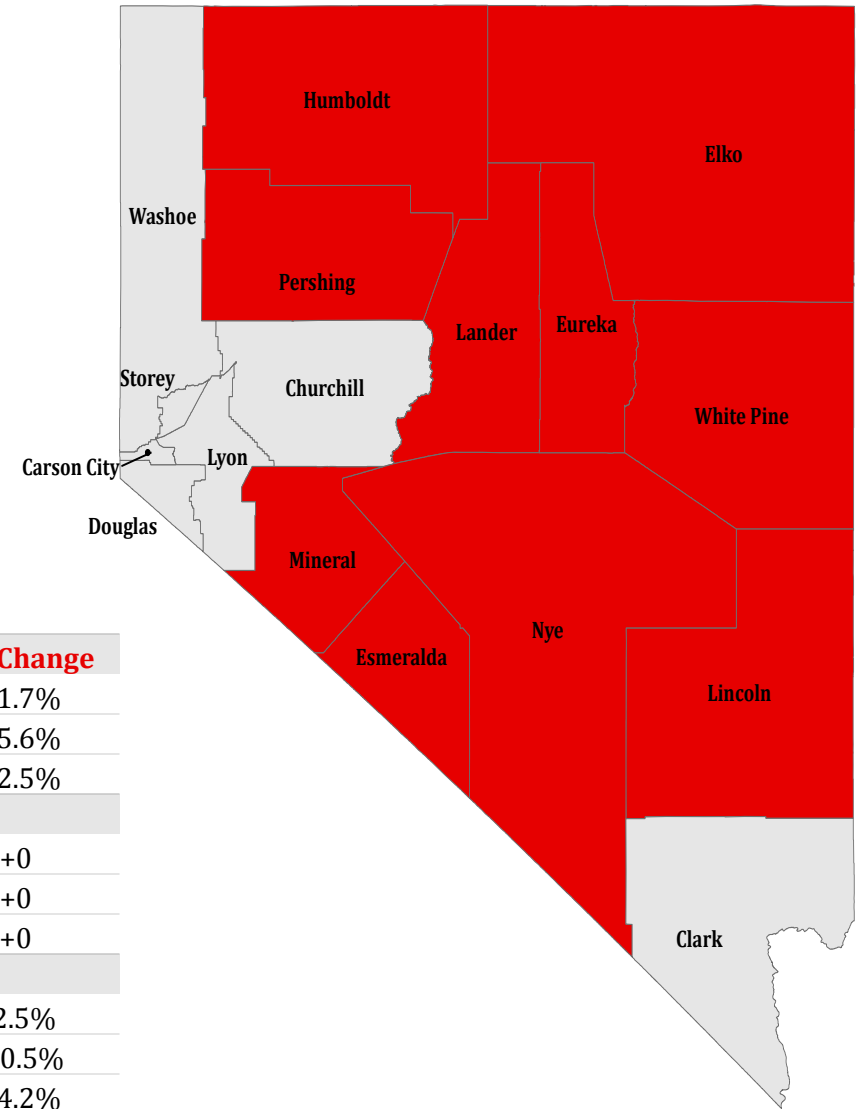
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ Rural Nevada was the only region in Nevada where new home sales increased on a month to month basis. This was the first monthly increase in new home sales for Rural Nevada since February 2016.
- ❑ The share of homes sold under distress decreased for the second consecutive month. The July 2016 distress share was down 2.7 percentage points on a year over year basis.
- ❑ Both Single-Family and Multifamily starts decreased on month to month basis and were unchanged on a year to year basis.
- ❑ Distress home prices saw a month to month increase and a large year over year increase. July 2016 was the third consecutive month where distress home prices decreased on a year over year basis. Average distressed homes sold for \$15,000 less in July 2016 than in July 2015.

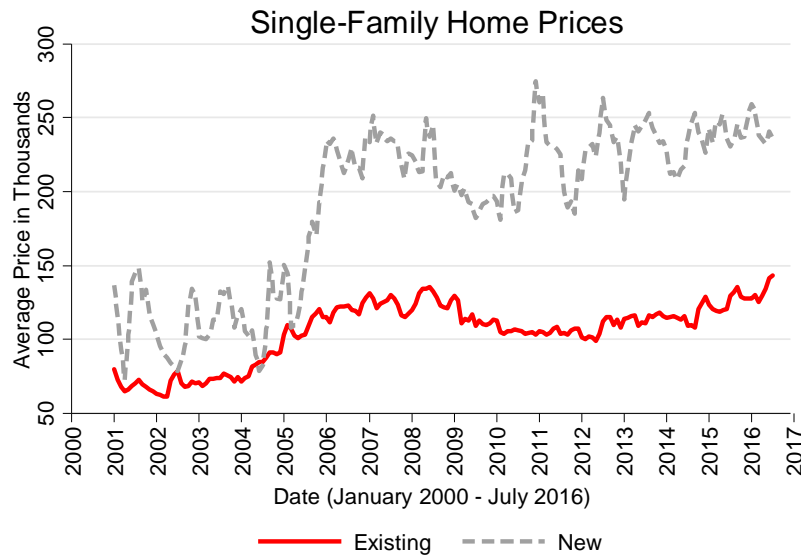


Single-Family Home Sales*	July 2016	M2M Change	Y2Y Change
New	14	+5.1%	-31.7%
Existing	218	-6.8%	-15.6%
Distress Share	9.3%	-9.5%	-22.5%
Residential Construction			
Total Starts	18	-8	+0
Single-Family	18	-6	+0
Multifamily	0	-2	+0
Average Single-Family Sales Price*			
New	\$236,392	-1.7%	+2.5%
Existing	\$143,271	+1.1%	+10.5%
Distress	\$92,333	+2.6%	-14.2%

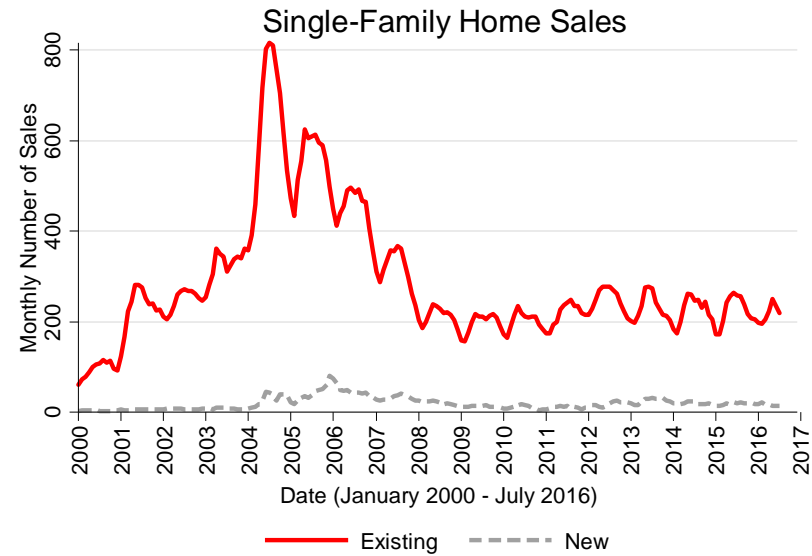
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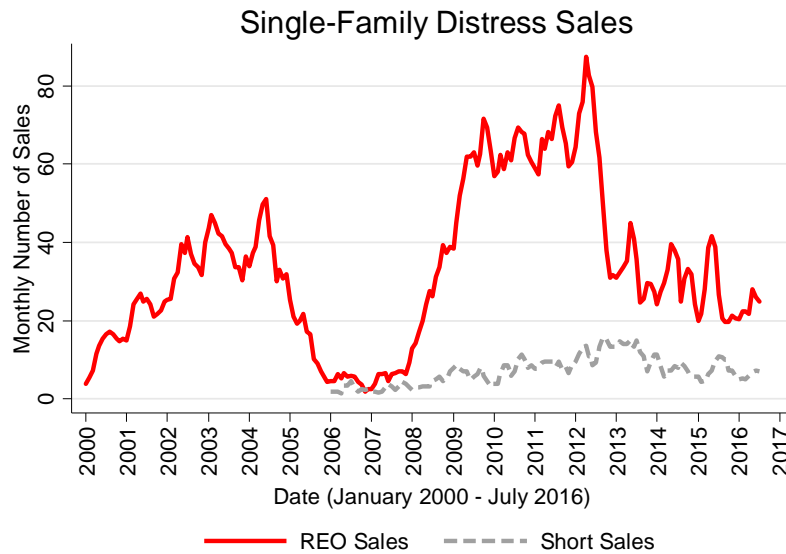
Rural Trends



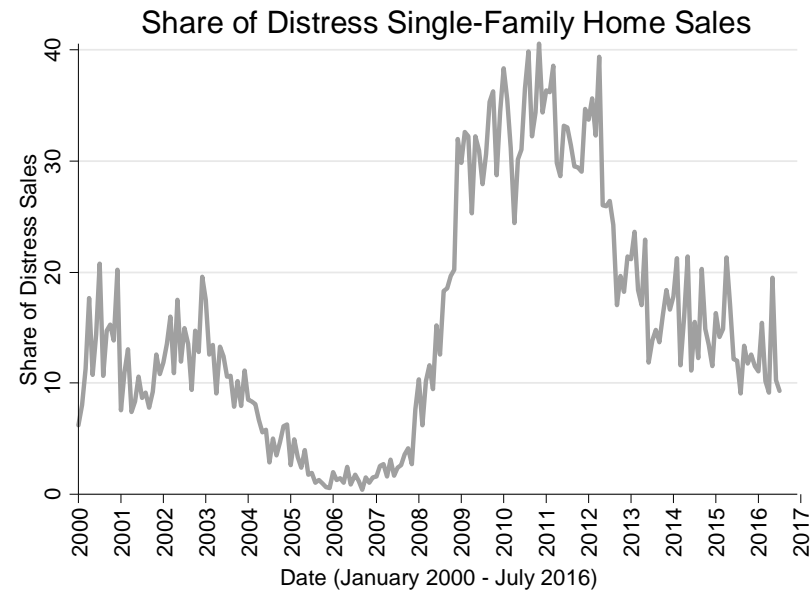
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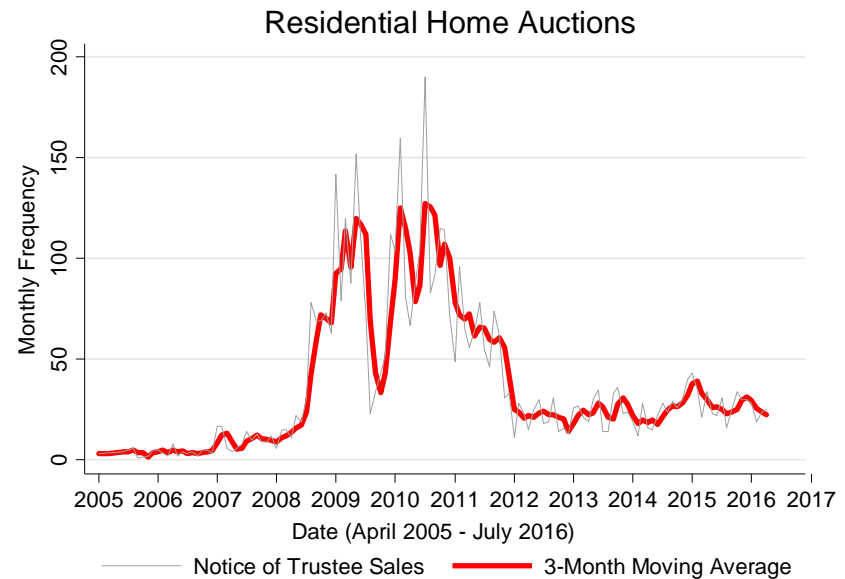
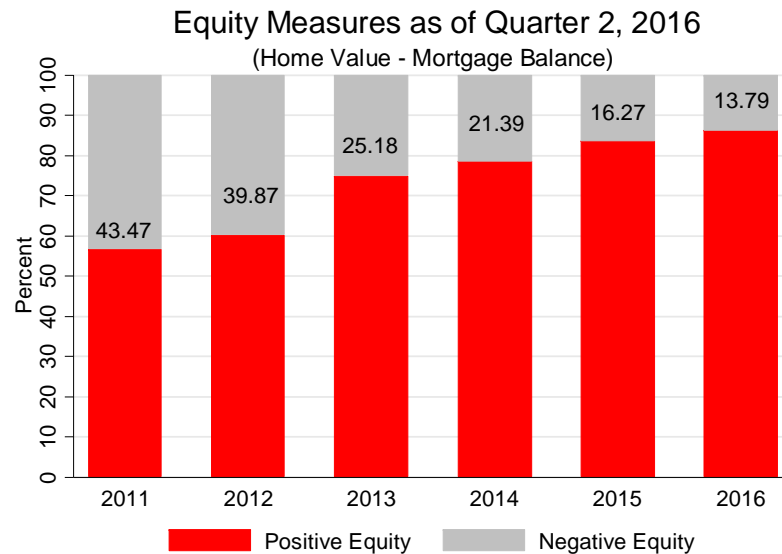
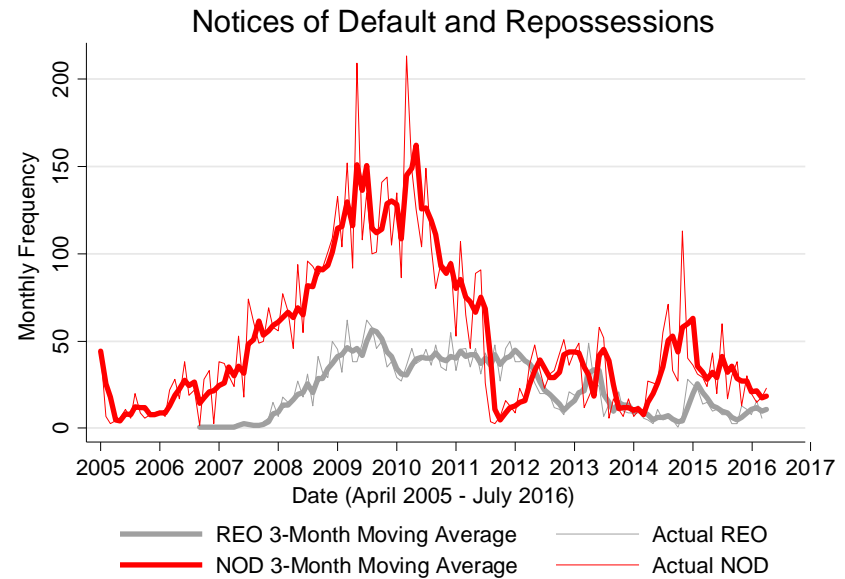
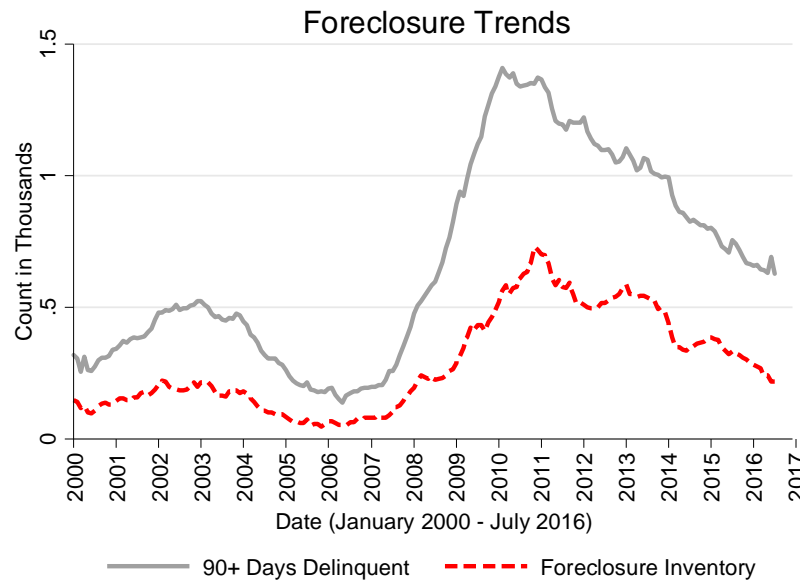
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Note: Series are 3-month weighted moving averages.



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