

# 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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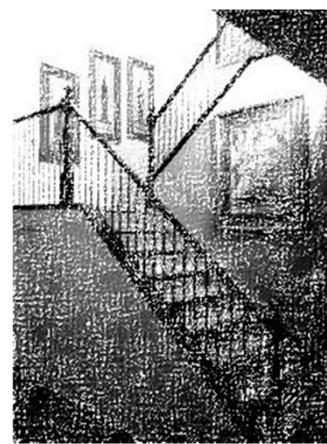
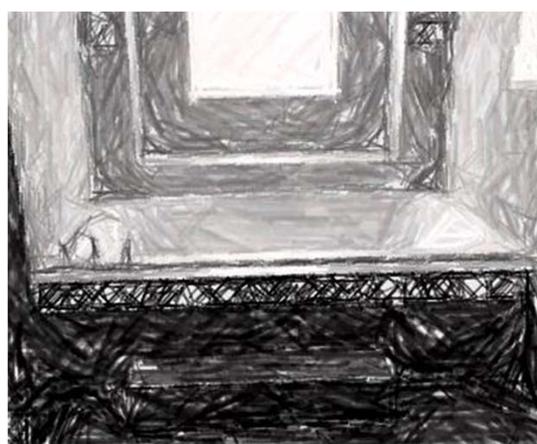
# Nevada's Housing Market | October 2014

## Nevada Statewide Trends

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

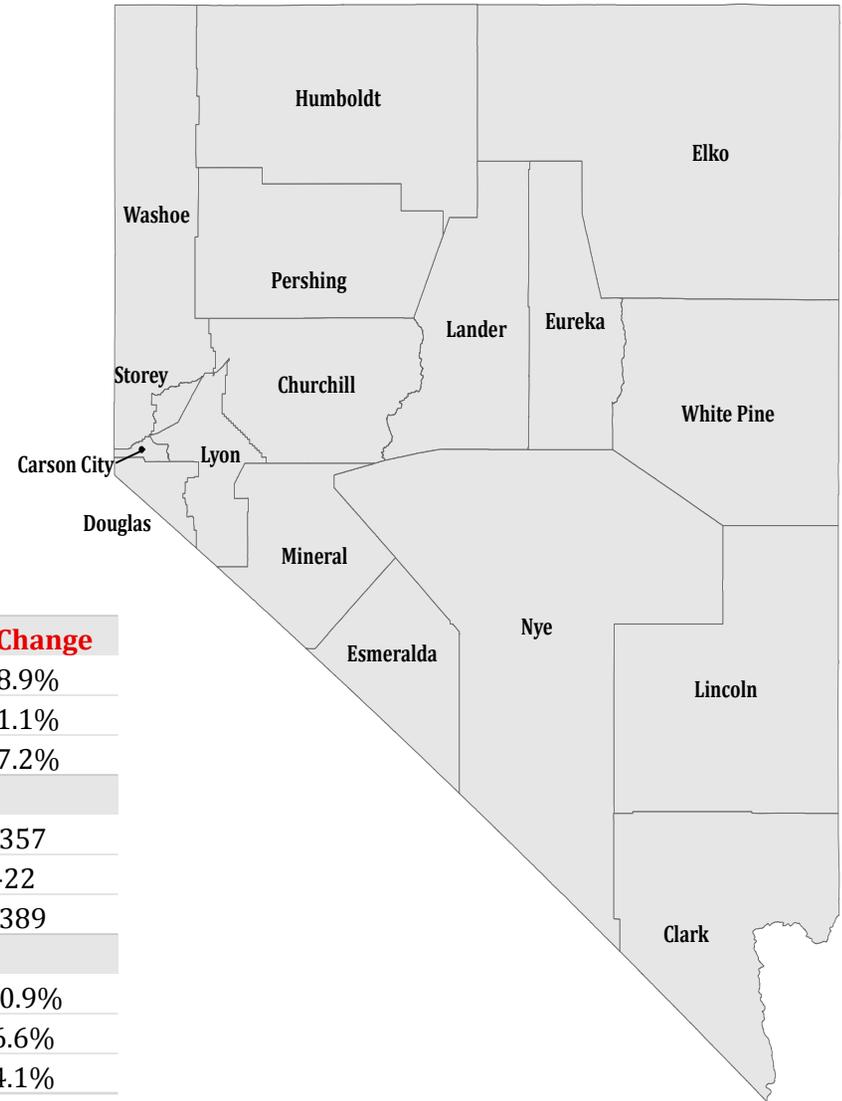
Housing Units: **1,186,879** in 2013

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



## Nevada Statewide Trends

- ❑ Nevada saw less than a one percent decrease in distress property sales this month as both short sales and REO sales decreased modestly. The share of homeowners underwater in Nevada is now at 25 percent – less than a one percent decrease from one quarter ago.
- ❑ Home prices in Nevada saw almost no change this month. Northern Nevada's increase in new home prices were simply offset by Southern Nevada's decrease in new home prices. Likewise, Southern Nevada's increase in existing home prices were offset by a decrease in Northern Nevada's existing home prices.
- ❑ Total residential construction starts are significantly higher than they were this time last year. This is due to large increases in multifamily start ups in Southern Nevada, as single-family start ups have been relatively similar to that of last year throughout all of Nevada.

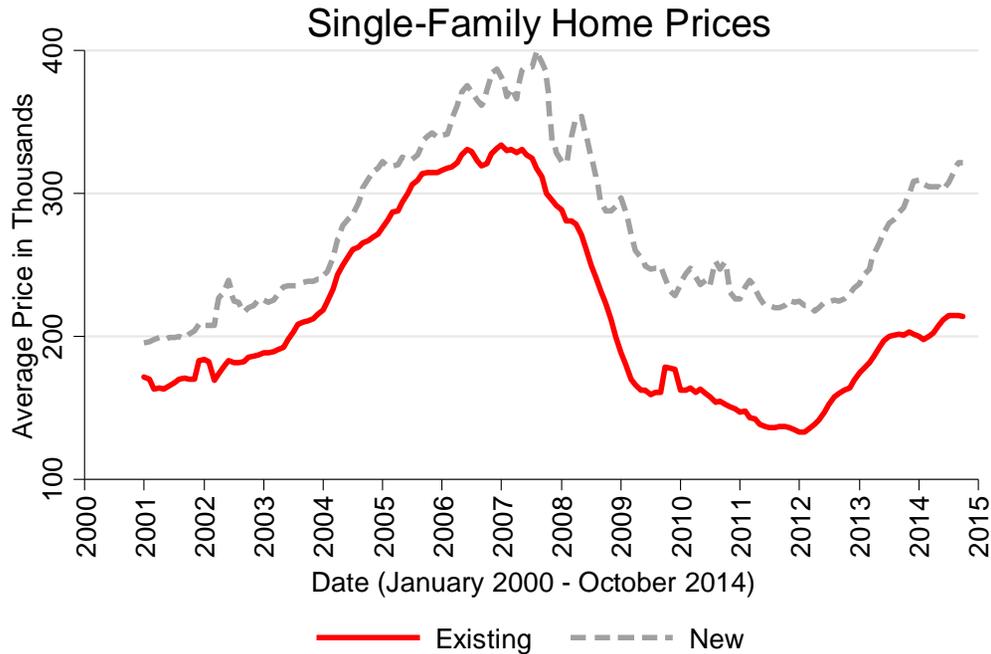


Single-Family Home Sales*	October 2014	M2M Change	Y2Y Change
New	568	+1.7%	-28.9%
Existing	4550	-3.2%	-11.1%
Distress Share	17.3%	-0.6%	-27.2%
Residential Construction			
<b>Total Starts</b>	1150	-12	+357
Single-Family	723	+15	-22
Multifamily	427	-27	+389
Average Single-Family Sales Price*			
New	\$321,343	-0.1%	+10.9%
Existing	\$213,556	-0.4%	+6.6%
Distress	\$162,866	+0.1%	+4.1%

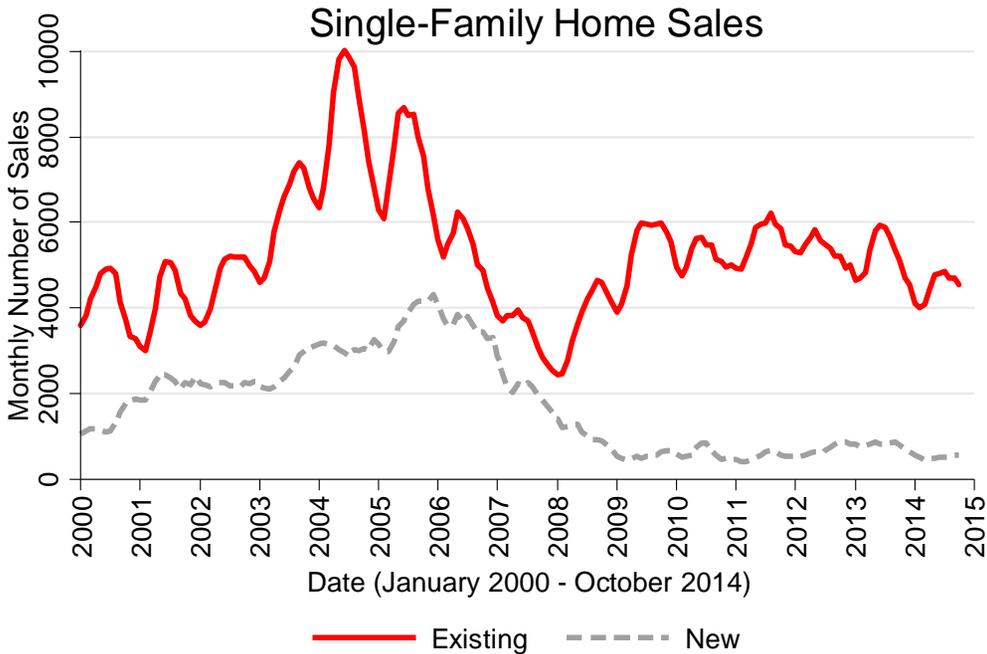
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

# Nevada Statewide Trends



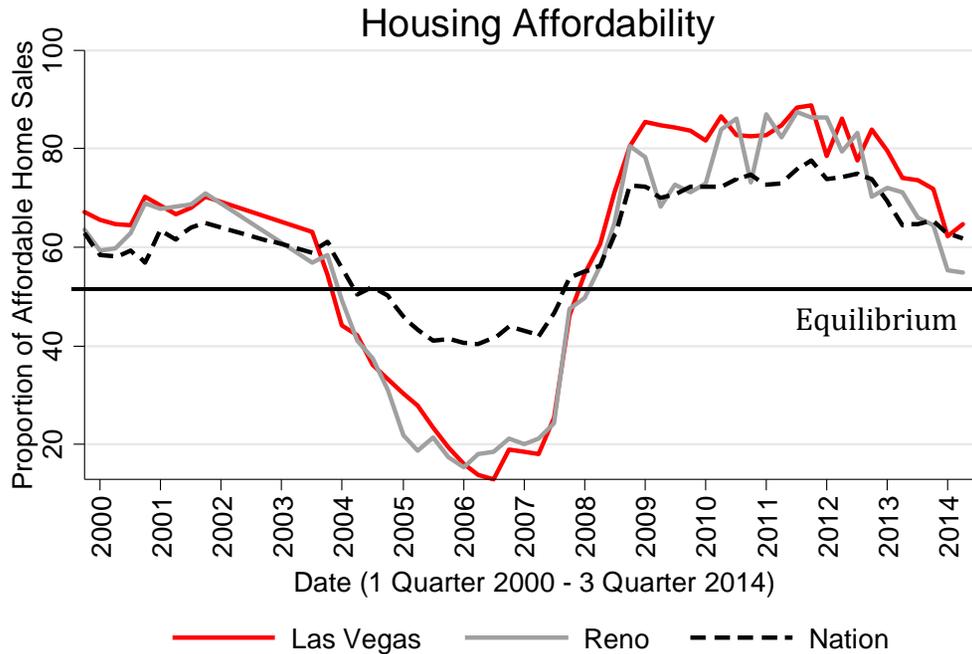
Source: CoreLogic  
 Note: Series are 3-month weighted moving averages.



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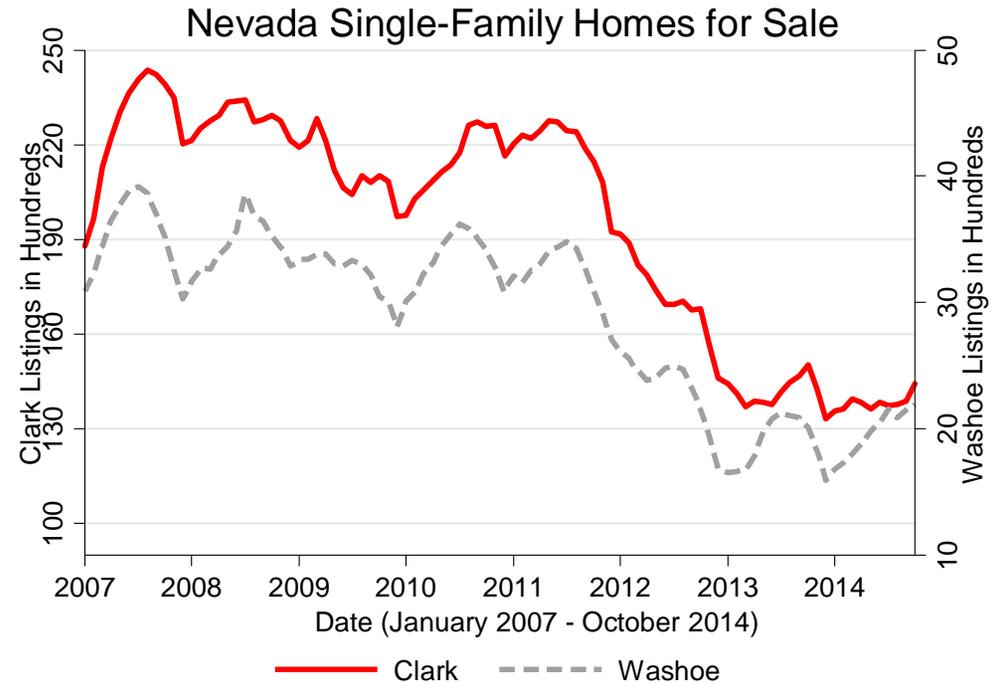
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

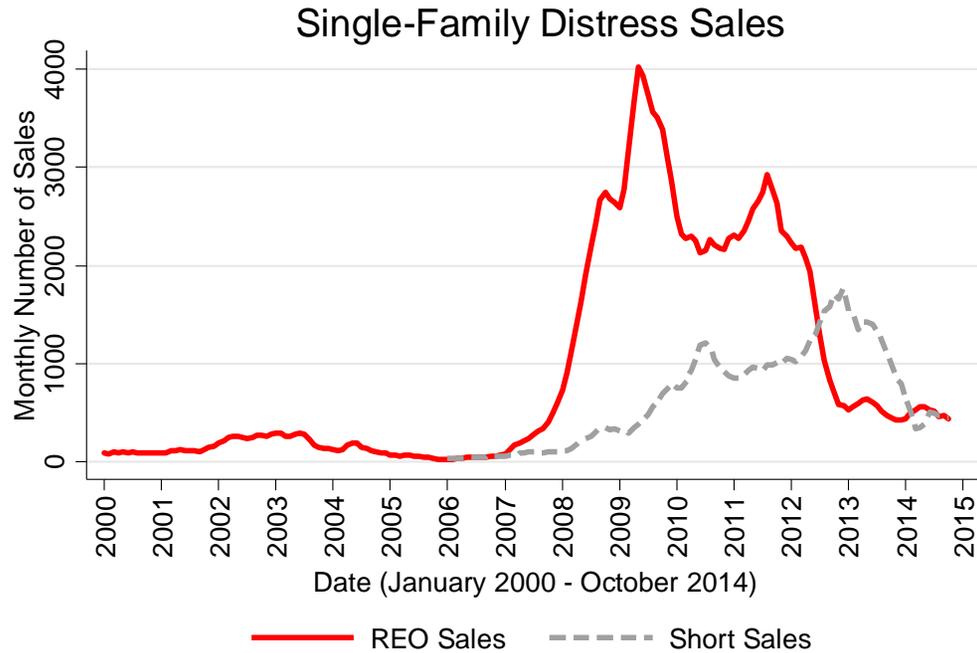
Note: Series denote the proportion of home sales affordable at median income.



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

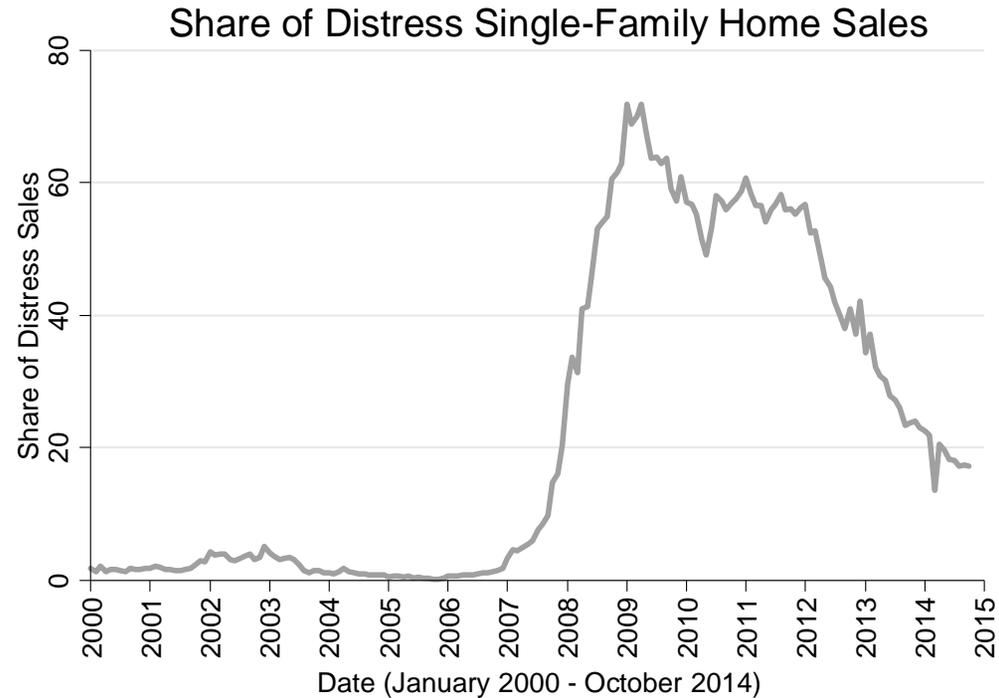
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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



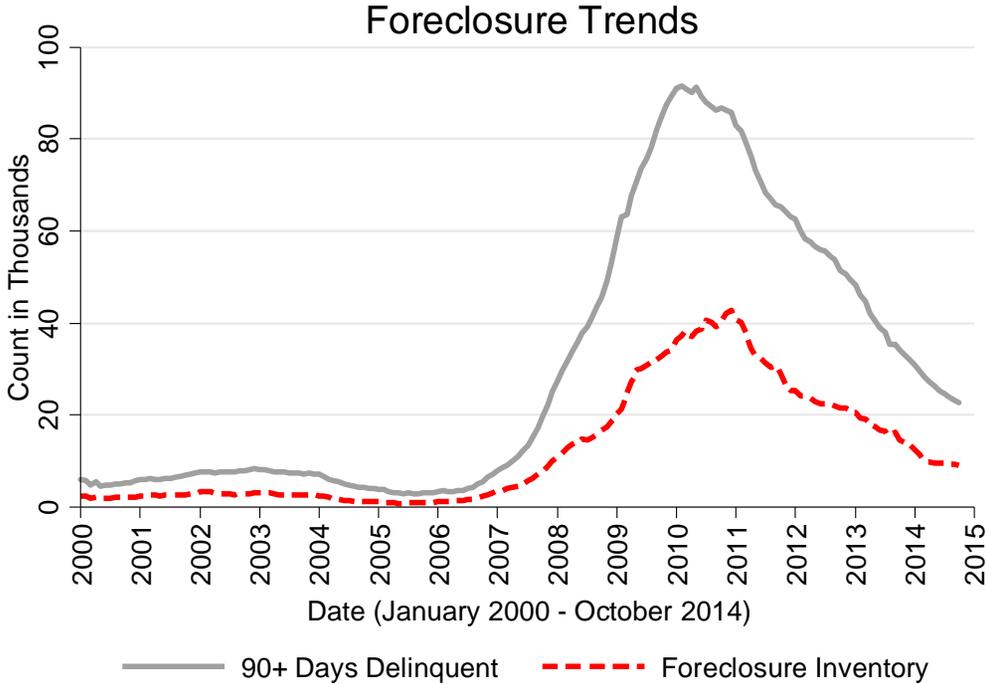
Source: CoreLogic

Note: Series are 3-month weighted moving averages.

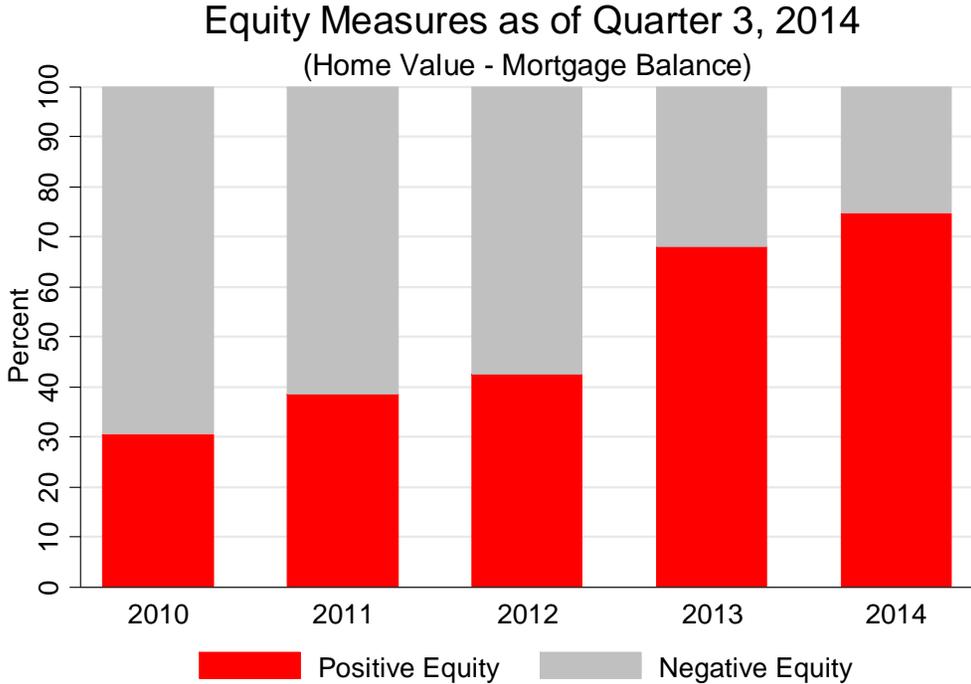


Single-Family Distress Sales is a figure that displays the monthly number of Real Estate Owned (REO) sales and short sales. REO sales are homes that have been repossessed by lenders through foreclosure and then sold in the market. Short sales, on the other hand, are homes that were sold for an amount 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



Source: CoreLogic

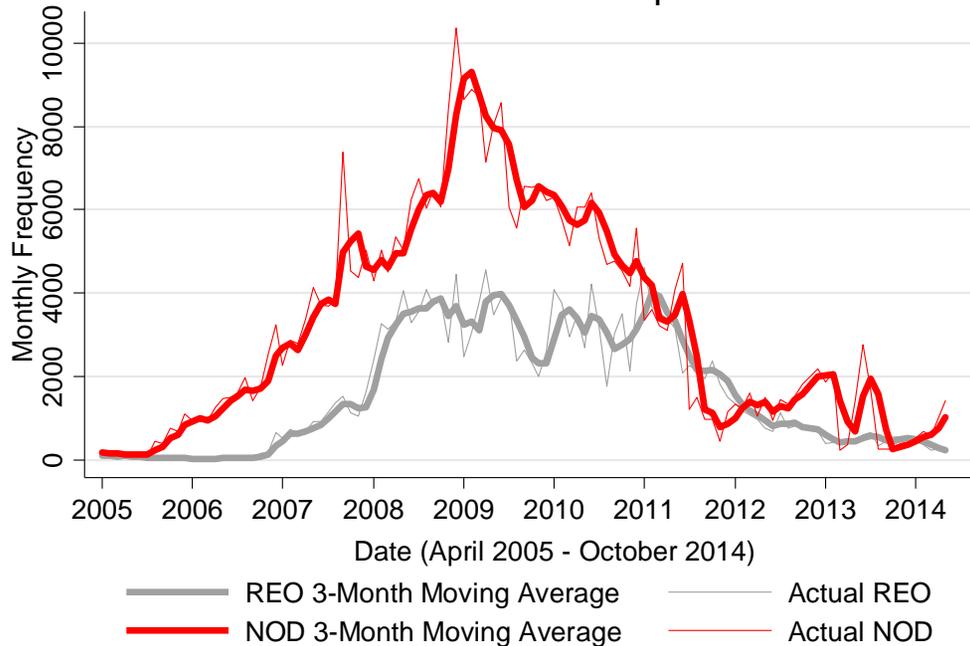


Source: CoreLogic

The Foreclosure Trends figure includes two series: the 90+ Days Delinquent series and the Foreclosure Inventory series. The 90+ Days Delinquent series consists of the number of homes that are secured by a loan in default for 90 days or more. This includes homes that are in the process of being foreclosed. The Foreclosure Inventory series consists of homes that have begun the foreclosure process or are in some stage of foreclosure. The other figure depicts what proportion of homes secured by a mortgage have positive equity or negative equity. When a home has a market value at or above its outstanding mortgage balance, it is considered to have positive equity. Otherwise, the house has negative equity.

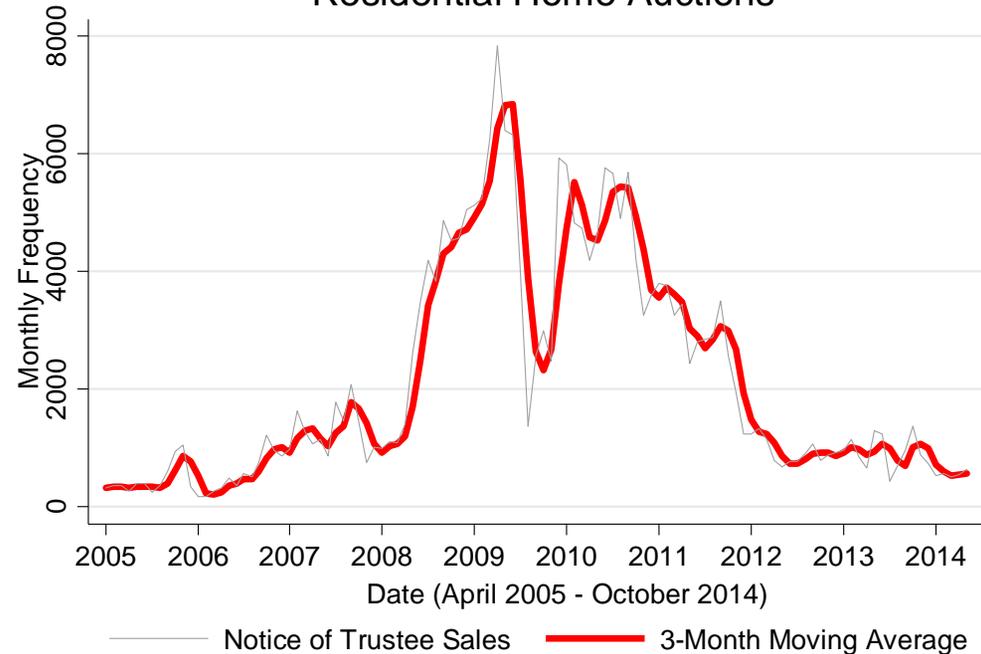
## Nevada Statewide Trends

### Notices of Default and Repossessions



Source: RealtyTrac

### Residential Home Auctions



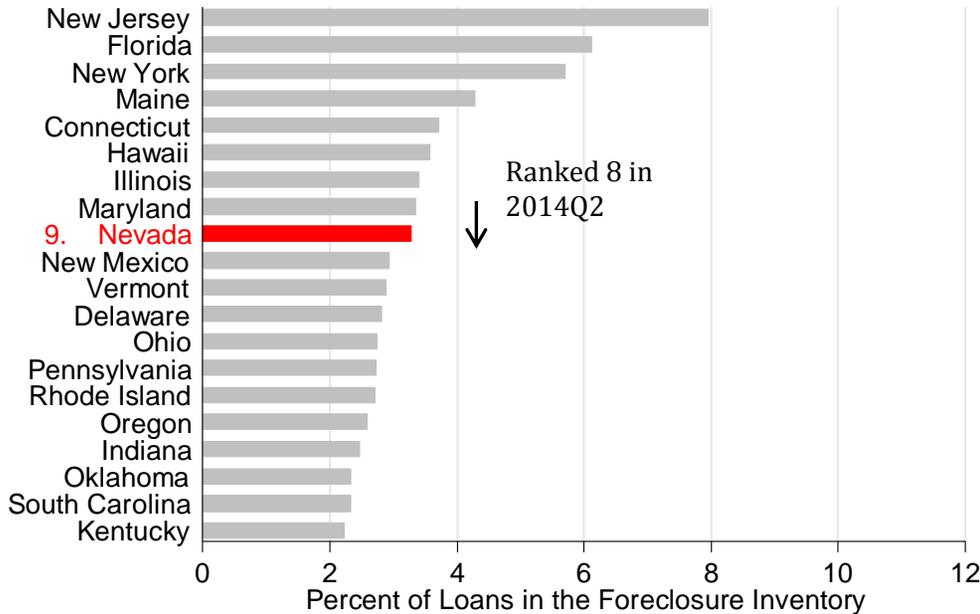
Source: RealtyTrac

These two figures are based on numbers gathered from County records by RealtyTrac. The first figure shows the monthly number of Notices of Default and Repossessions. The Notice of Default (NOD) is the initial stage of foreclosure that starts at least 90 days after the homeowner's mortgage default date. Not all homes that receive a NOD will necessarily be foreclosed. There exist other alternatives homeowners can invoke such as a loan modification, deed-in-lieu of foreclosure, and short sale. The other figure, Residential Home Auctions, shows the monthly number of homes that received a Notice of Trustee Sale and underwent a public auction. It includes both the successful and unsuccessful auctions. Those that were unsuccessful revert back to the lender.

## Nevada Statewide Trends

Top 20 States in Foreclosure Inventory

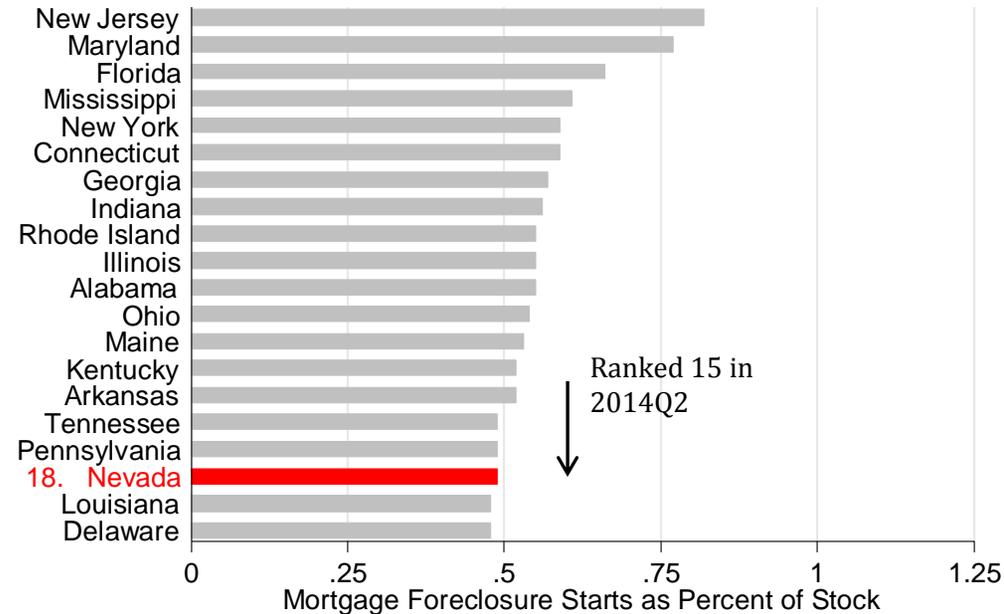
3rd Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

3rd 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.

# Nevada's Housing Market | October 2014

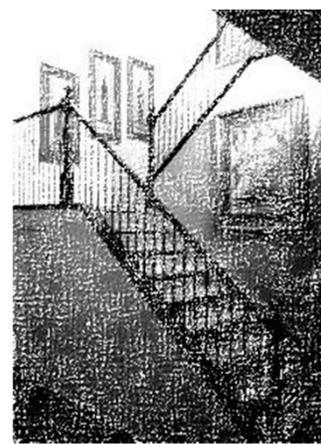
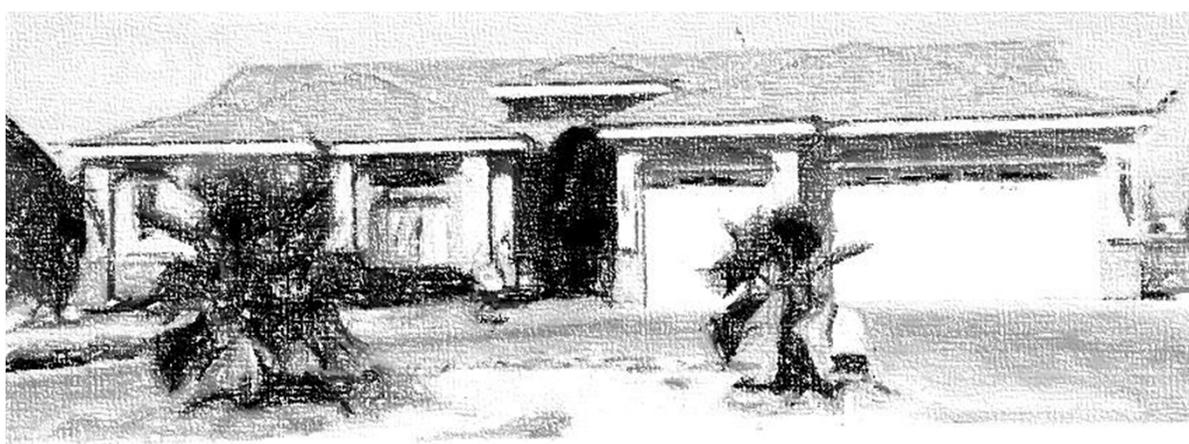
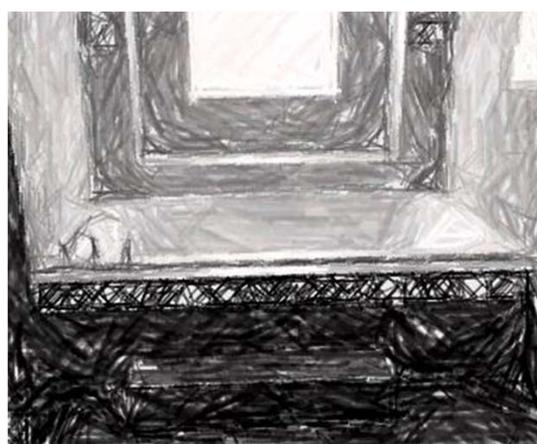
## Northern Trends

Population: **614,491** in 2013

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

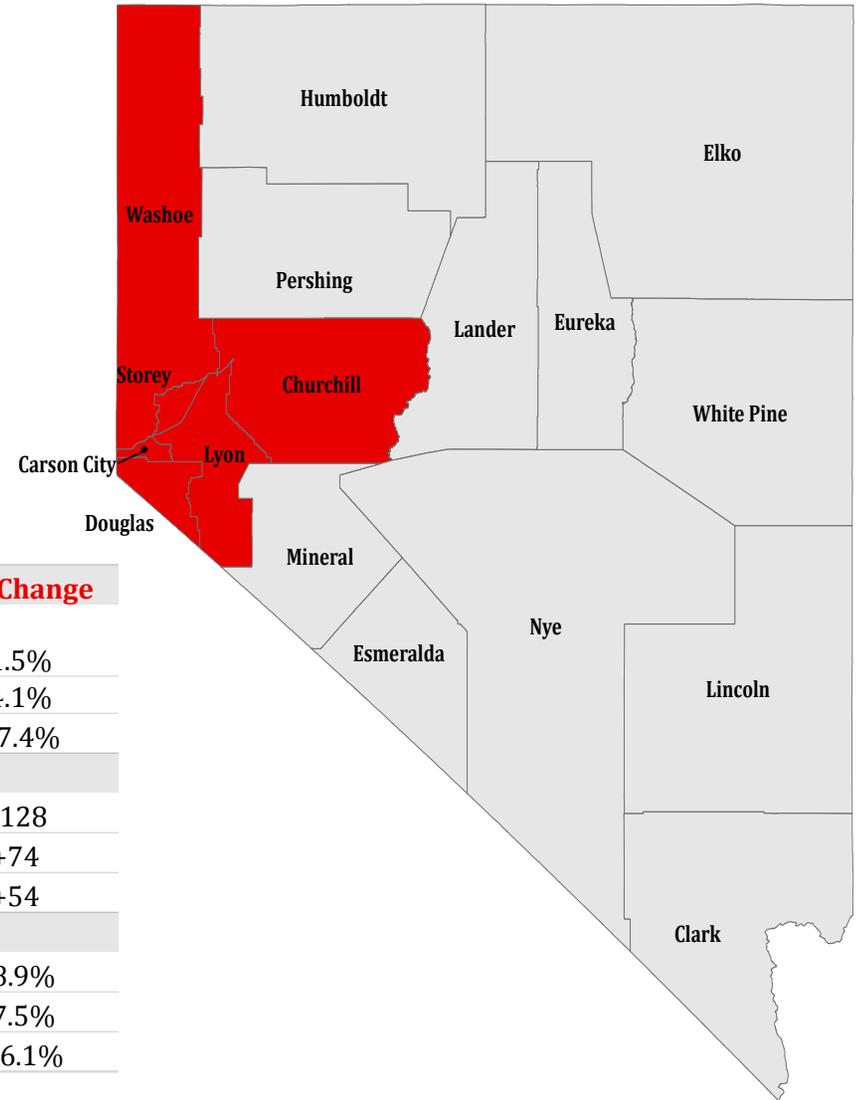
Source: U.S. Census Bureau: State and County QuickFacts

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



## Northern Trends

- ❑ The share of homes sold under distress decreased by over one percentage point this month. This was due to a 40 percent decrease in the number of REO sales in Northern Nevada this month. Short sales actually increased by one percent from last month in Northern Nevada.
- ❑ Northern Nevada typically experiences a decrease in residential construction starts in the month of October. Total residential construction starts for Northern Nevada were still higher this month than they were for most other months of 2014.
- ❑ New home prices saw an unusually large increase while existing home prices saw an unusually large decrease this month in Northern Nevada. The average price gap between a new home and an existing home in Northern Nevada is now over \$90,000.

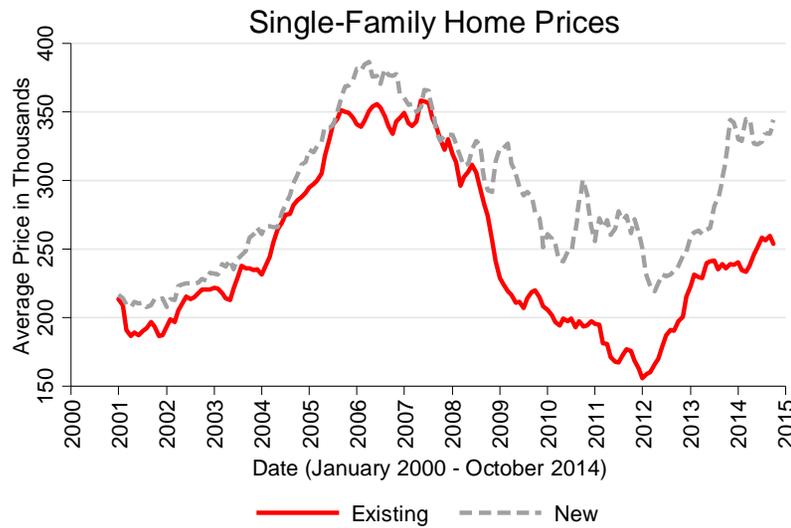


Single-Family Home Sales*	October 2014	M2M Change	Y2Y Change
New	109	-1.5%	-1.5%
Existing	1047	-2.4%	-4.1%
Distress Share	12.2%	-8.6%	-47.4%
Residential Construction			
<b>Total Starts</b>	221	-48	+128
Single-Family	165	+4	+74
Multifamily	56	-52	+54
Average Single-Family Sales Price*			
New	\$343,954	+3.1%	+8.9%
Existing	\$253,365	-2.2%	+7.5%
Distress	\$195,488	+0.7%	+16.1%

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

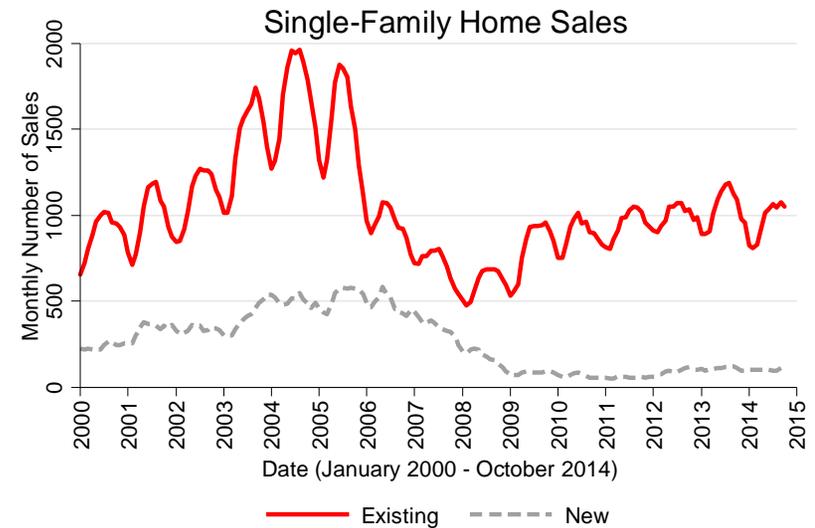
\*Figures portray Three-Month Moving Weighted Averages

# Northern Trends



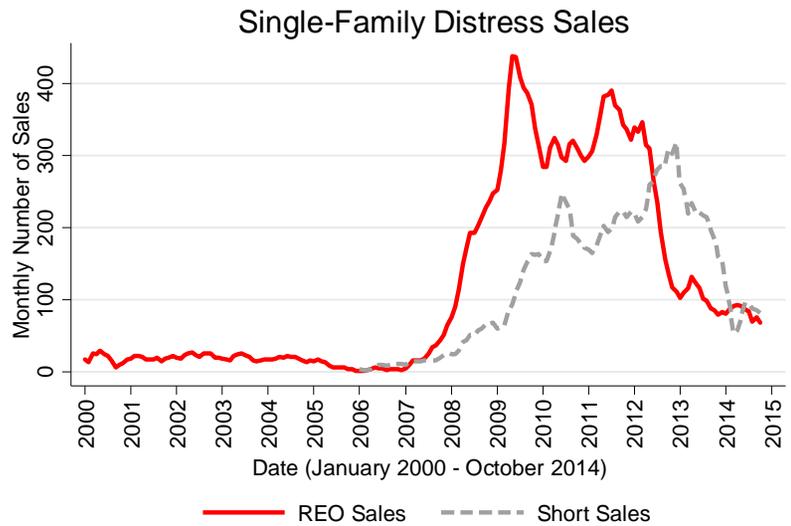
Source: CoreLogic

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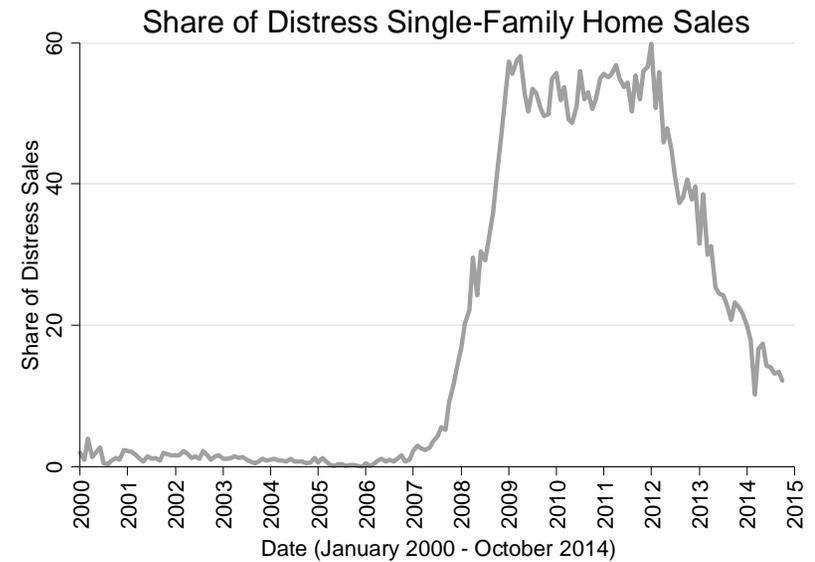
Source: CoreLogic

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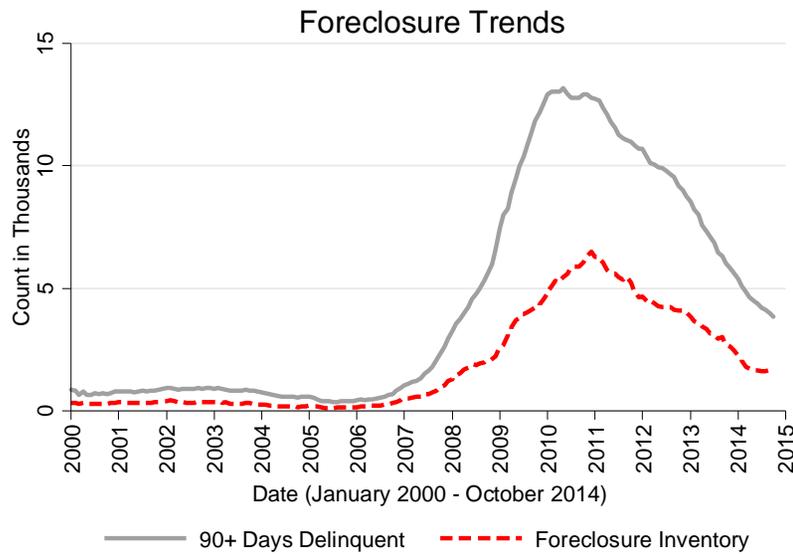
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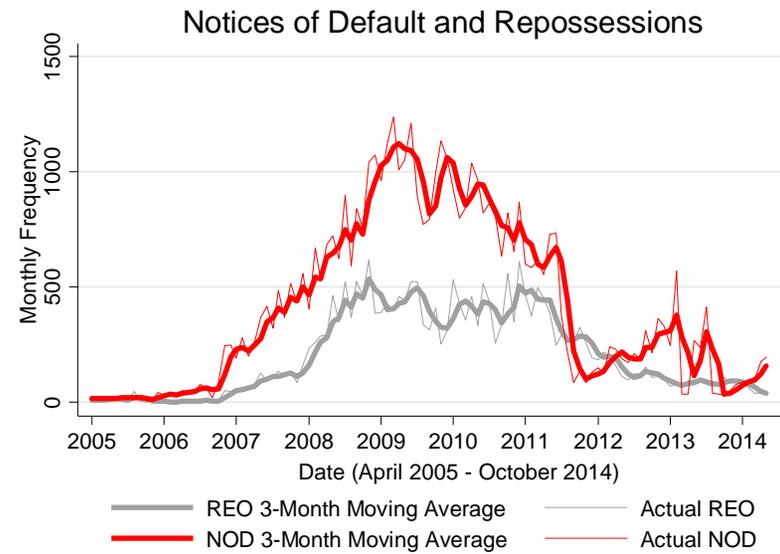


Source: CoreLogic

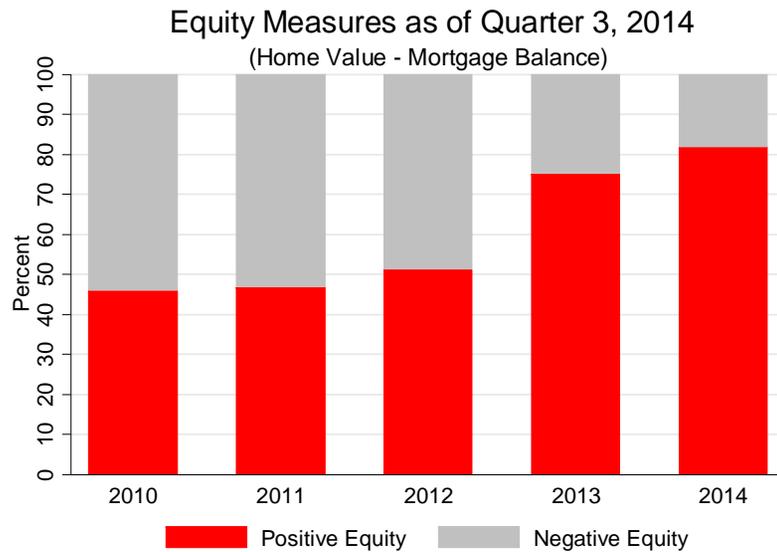
# Northern Trends



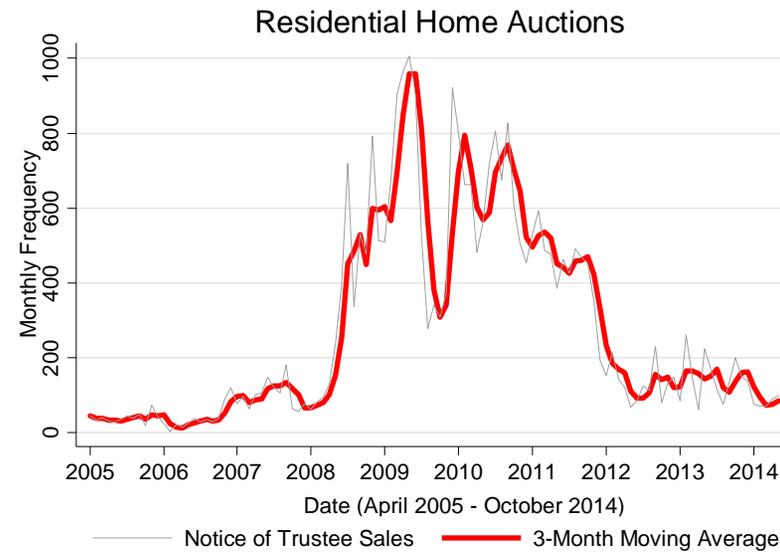
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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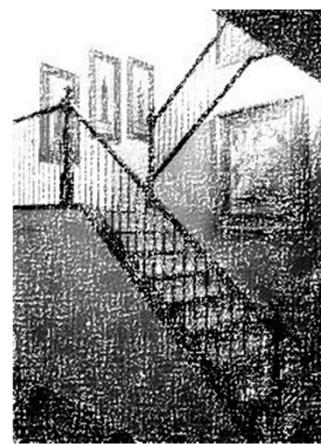
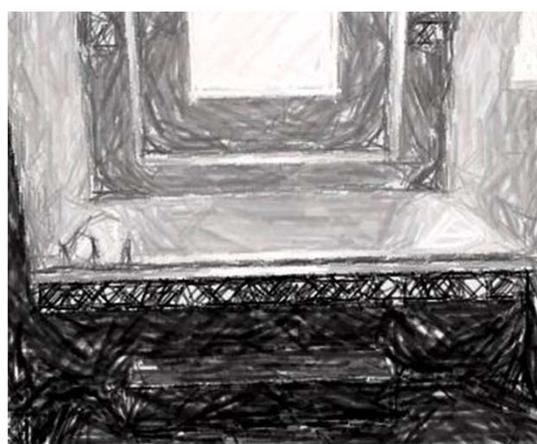
## Southern Trends

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

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

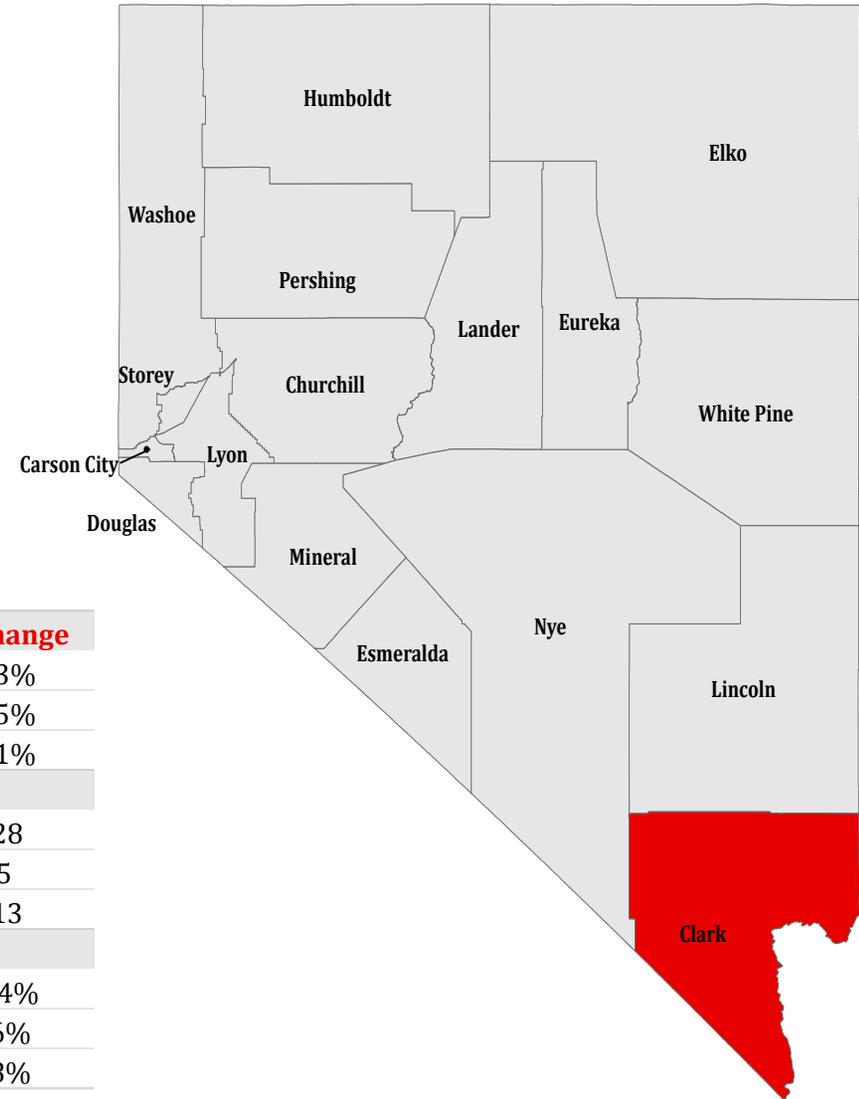
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

- ❑ The share of homes sold under distress increased slightly this month in Southern Nevada. However, the total number of distressed property sales decreased just as the total number of homes sold decreased this month. Notably, the total number of REO sales in Southern Nevada decreased 8 percent from last month.
- ❑ Multifamily construction is now consistently making up a large share of total residential construction starts in Southern Nevada. October marks the fourth consecutive month of over 300 multifamily residential construction starts in Southern Nevada.
- ❑ New home prices saw a small decrease while existing home prices saw a small increase this month in Southern Nevada. The average price gap between a new home and an existing home in Southern Nevada is still over \$110,000.

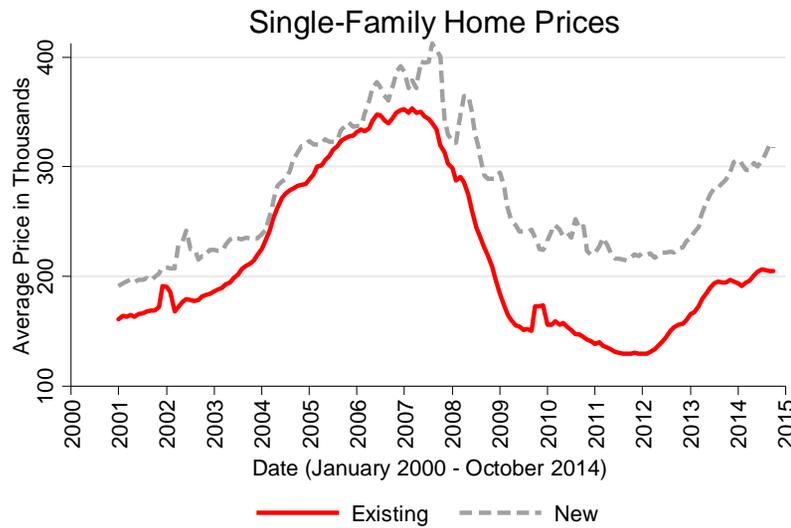


Single-Family Home Sales*	October 2014	M2M Change	Y2Y Change
New	449	+2.4%	-31.3%
Existing	3324	-3.7%	-12.5%
Distress Share	18.8%	+1.2%	-23.1%
Residential Construction			
<b>Total Starts</b>	879	+32	+228
Single-Family	532	-5	-85
Multifamily	347	+37	+313
Average Single-Family Sales Price*			
New	\$317,819	-0.8%	+10.4%
Existing	\$204,995	+0.2%	+5.6%
Distress	\$158,191	+0.1%	+1.8%

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

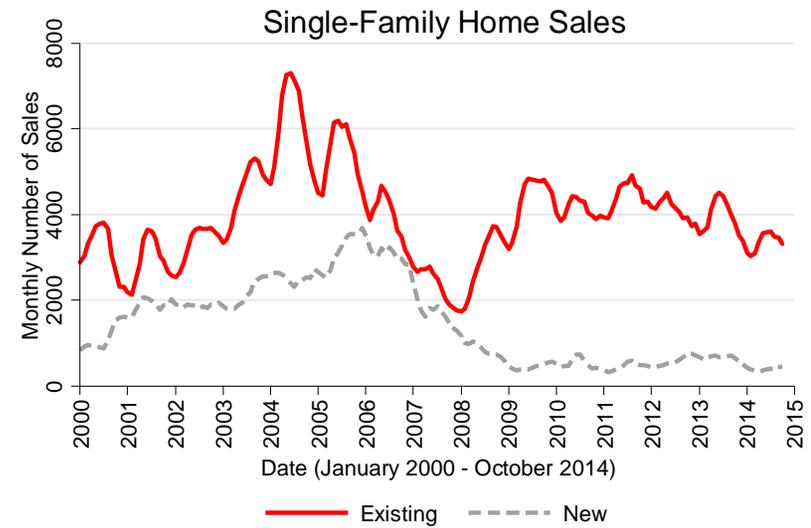
\*Figures portray Three-Month Moving Weighted Averages

# Southern Trends



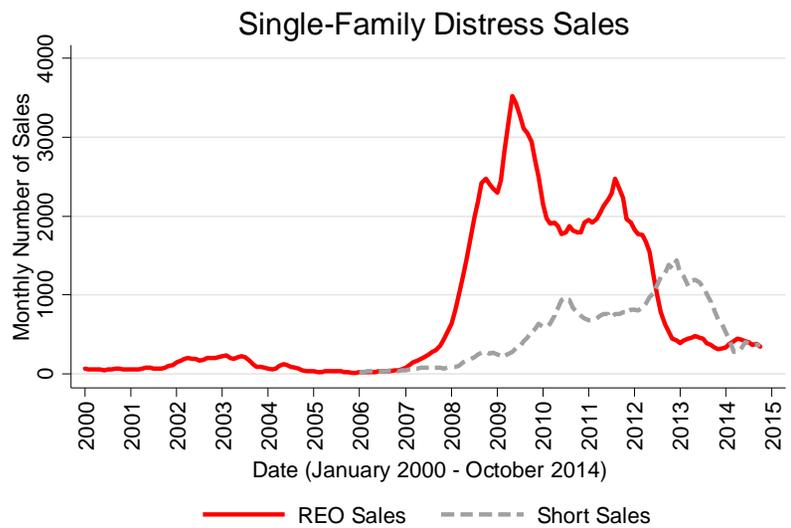
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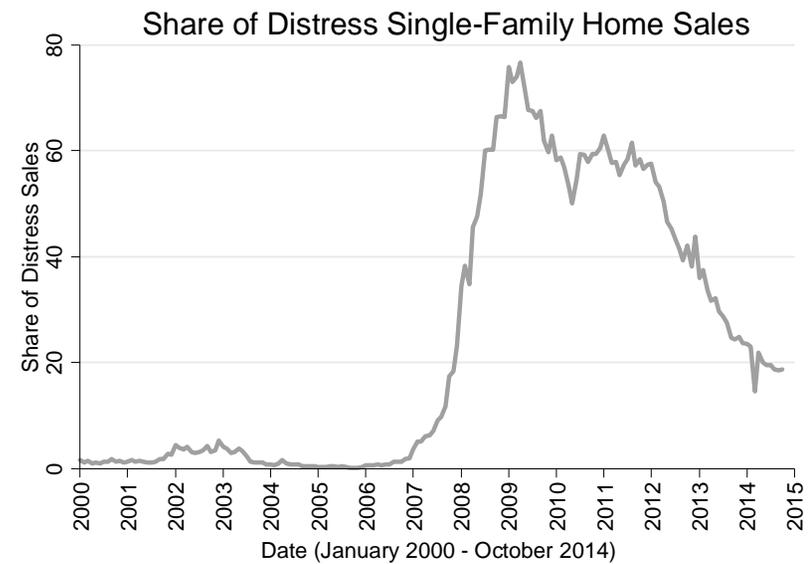
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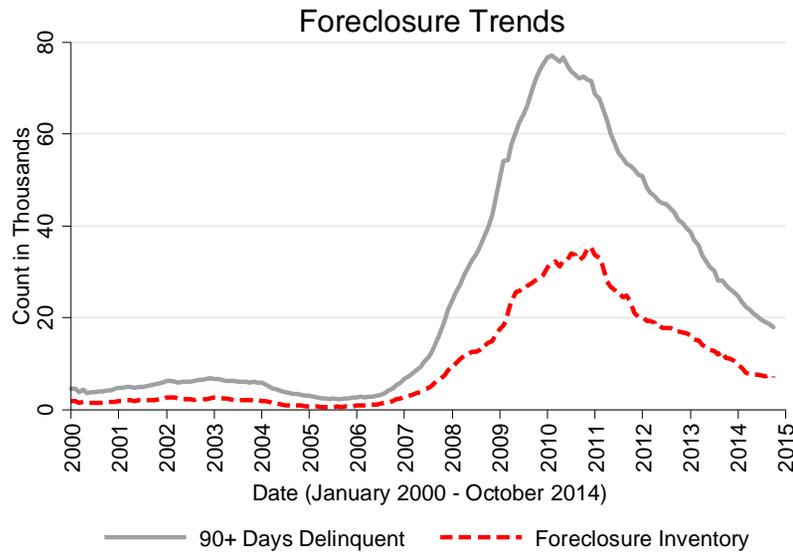
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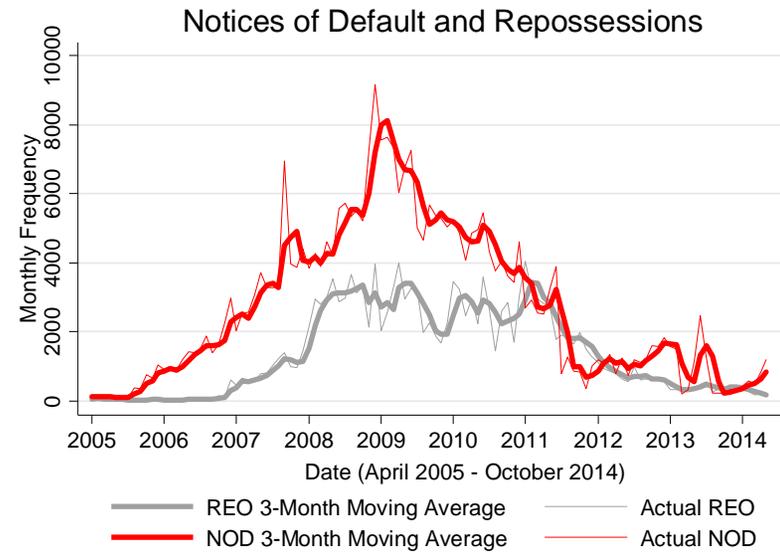


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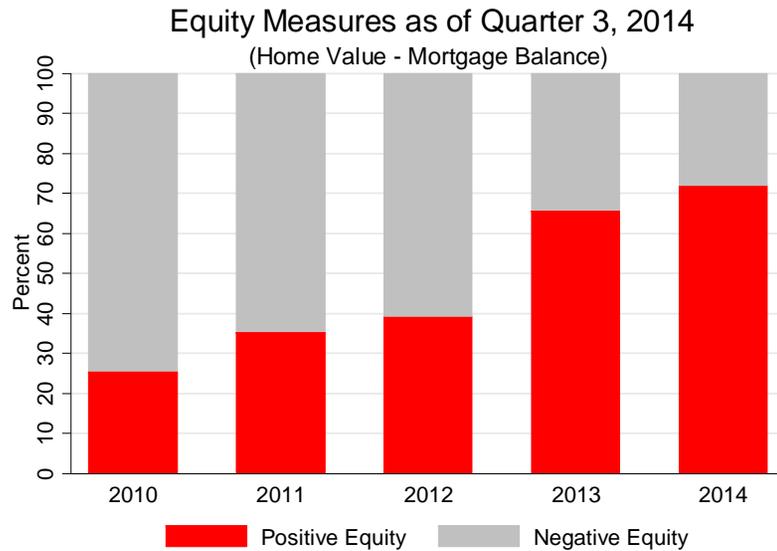
# Southern Trends



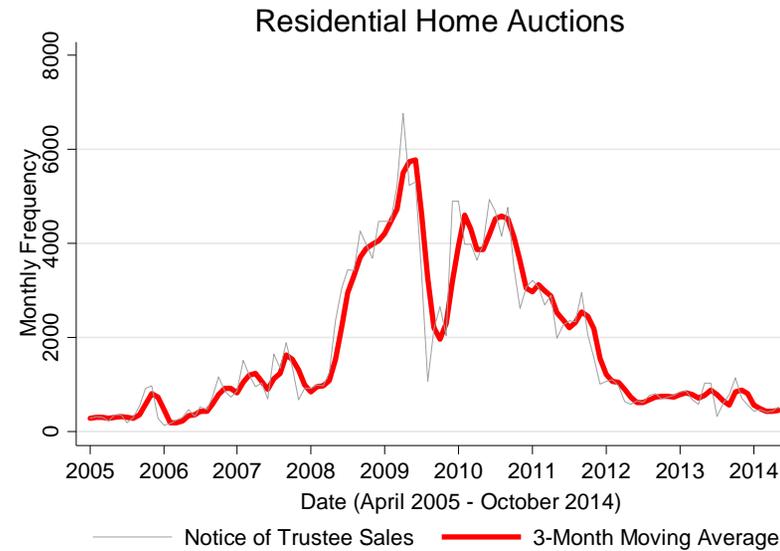
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



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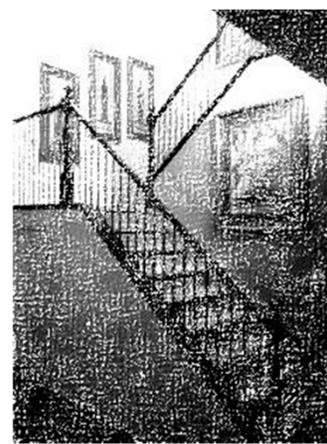
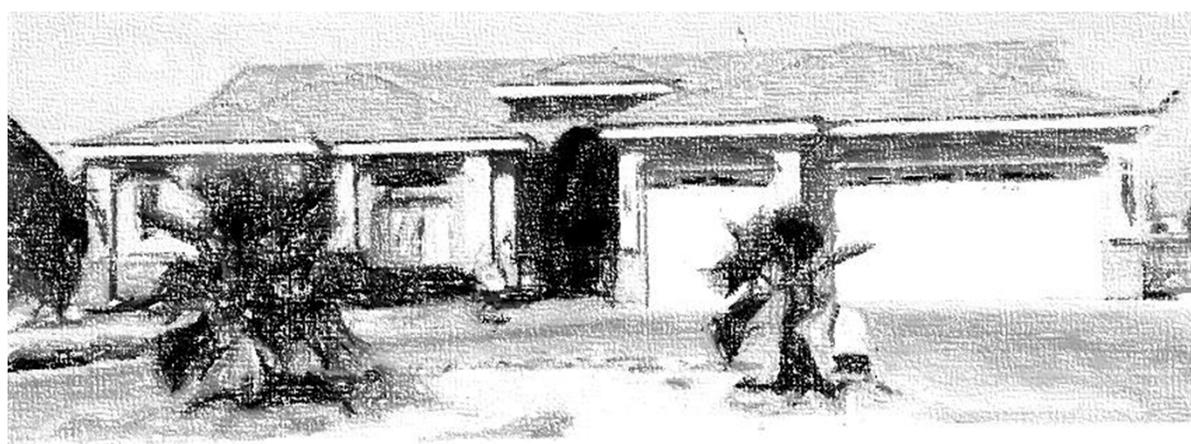
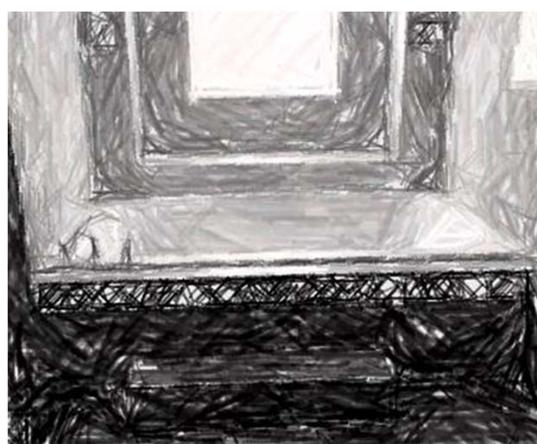
## Rural Trends

Population: **147,777** in 2013

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

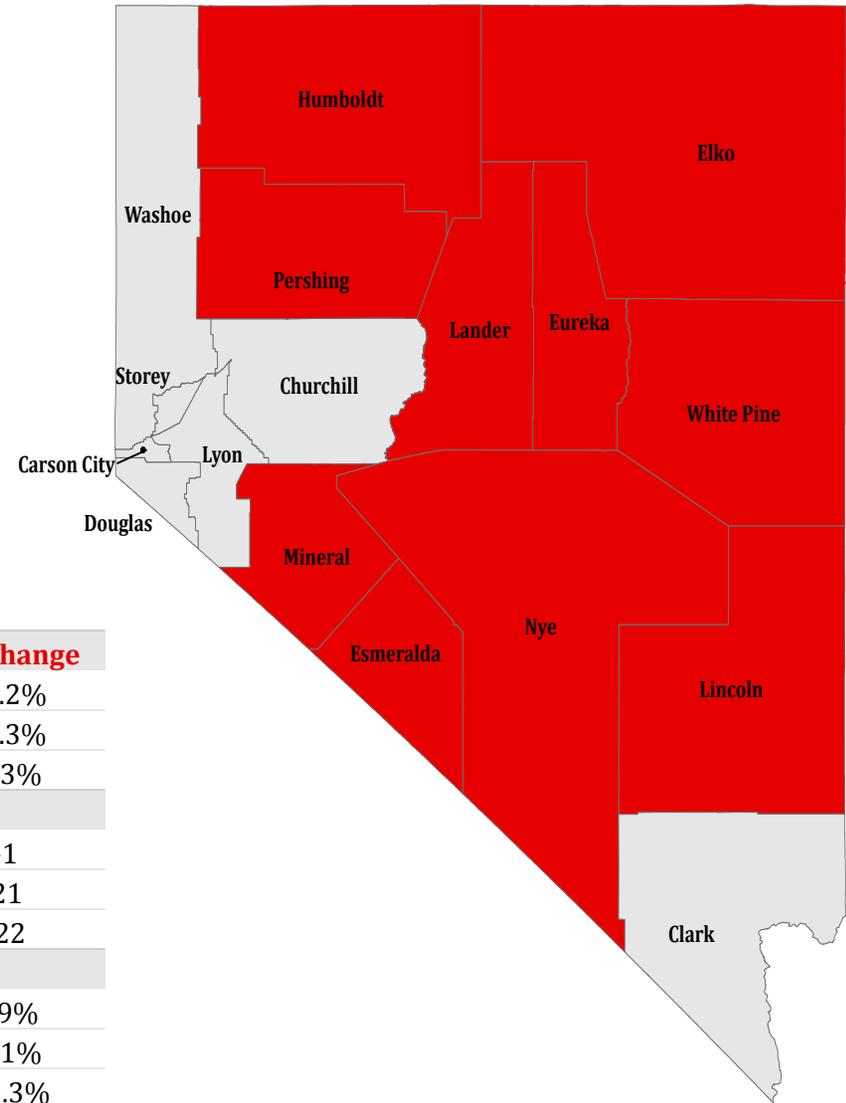
Source: U.S. Census Bureau: State and County QuickFacts

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



## Rural Trends

- ❑ New home sales were unchanged this month in Rural Nevada and remain considerably lower than they have been for the rest of 2014. Rural Nevada was the only region in Nevada to see an increase in existing home sales this month.
- ❑ The share of homes sold under distress continues to fluctuate each month in Rural Nevada. This month Rural Nevada saw a decrease in both REO sales and short sales. There were only two short sales that took place this month in Rural Nevada, the lowest amount of 2014.
- ❑ Existing home prices increased 8.8 percent this month in Rural Nevada, this was the largest monthly increase in existing home prices for Rural Nevada since 2005. Existing home prices in Rural Nevada are now the highest they have been since 2008.

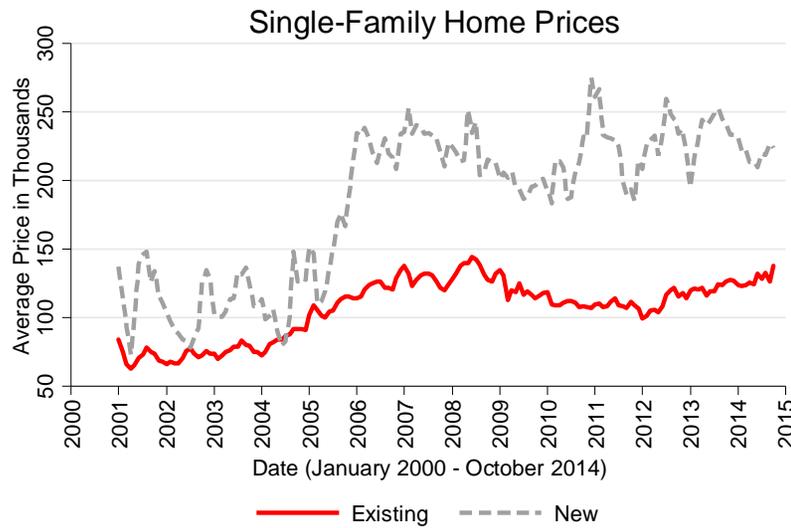


Single-Family Home Sales*	October 2014	M2M Change	Y2Y Change
New	8	+0.0%	-72.2%
Existing	155	+4.5%	-19.3%
Distress Share	18.3%	-16.9%	+8.3%
Residential Construction			
<b>Total Starts</b>	50	+4	+1
Single-Family	26	+16	-21
Multifamily	24	-12	+22
Average Single-Family Sales Price*			
New	\$223,463	-1.4%	-6.9%
Existing	\$137,404	+8.8%	+9.1%
Distress	\$109,881	+5.8%	+15.3%

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

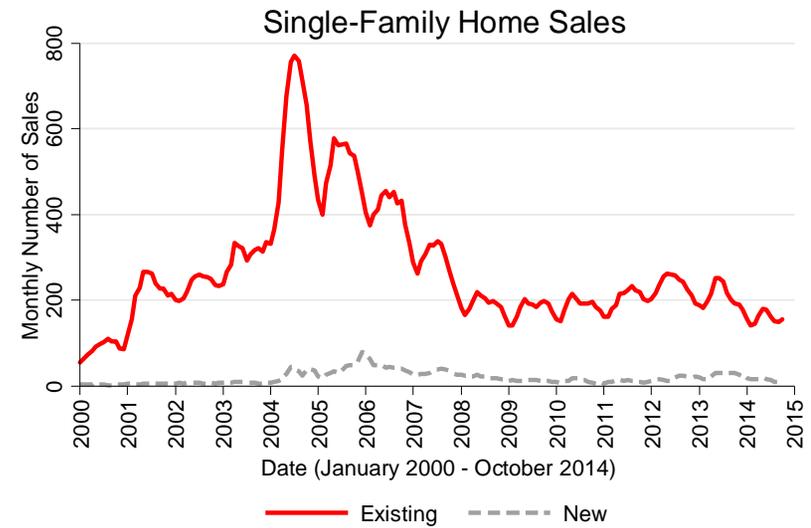
\*Figures portray Three-Month Moving Weighted Averages

# Rural Trends



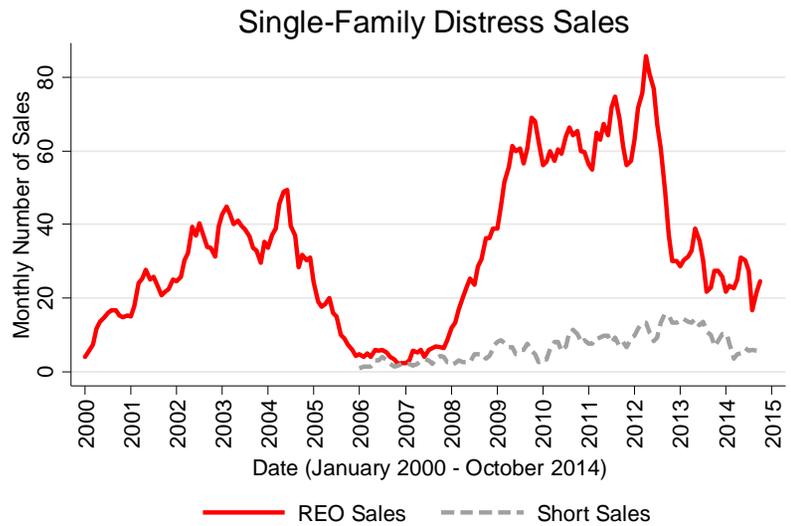
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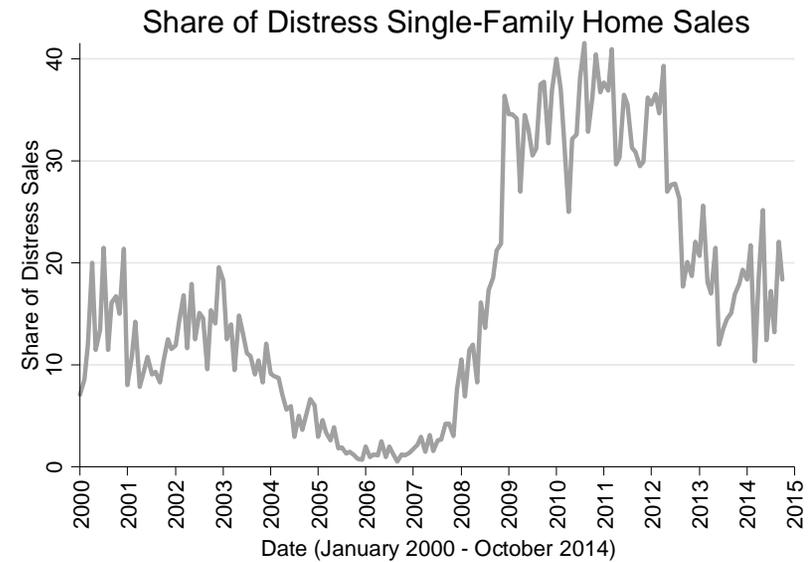
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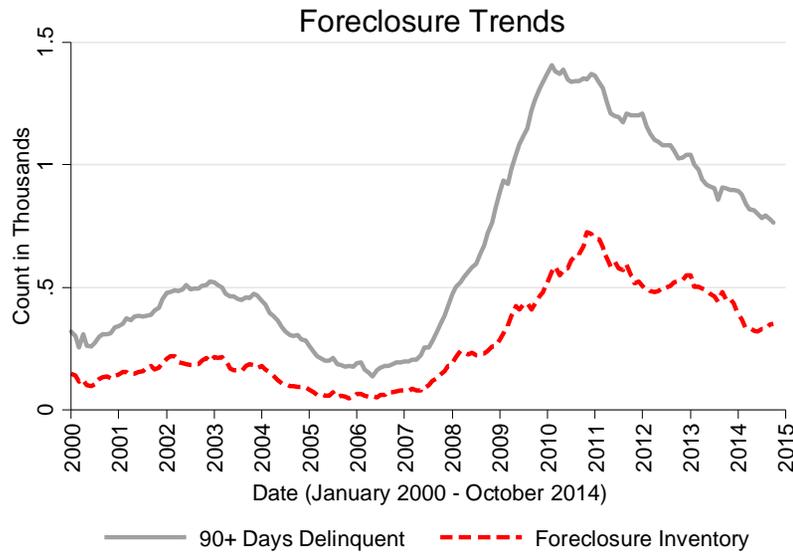
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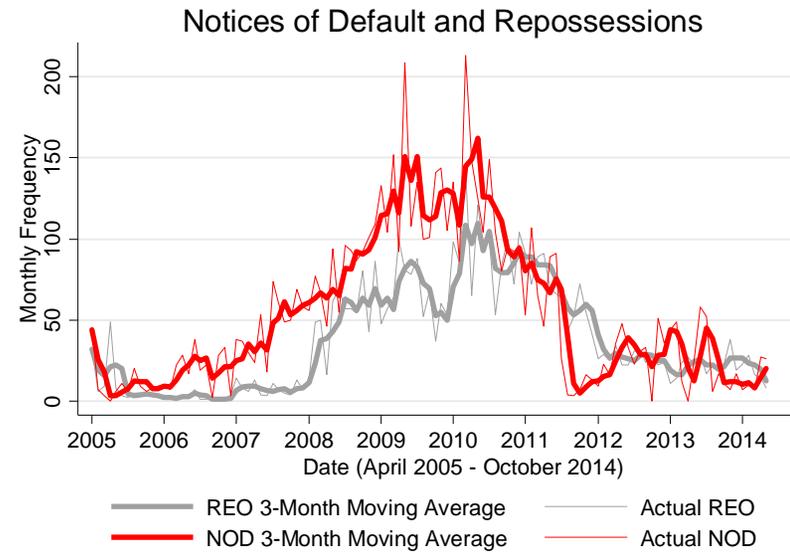


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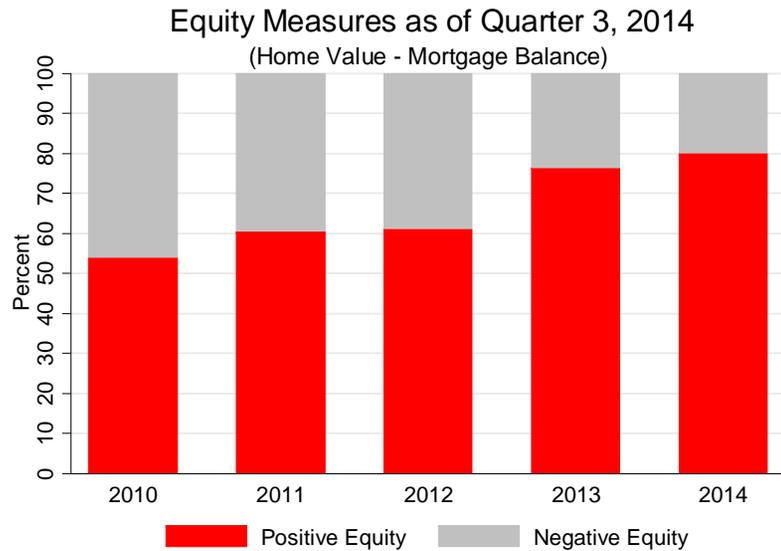
# Rural Trends



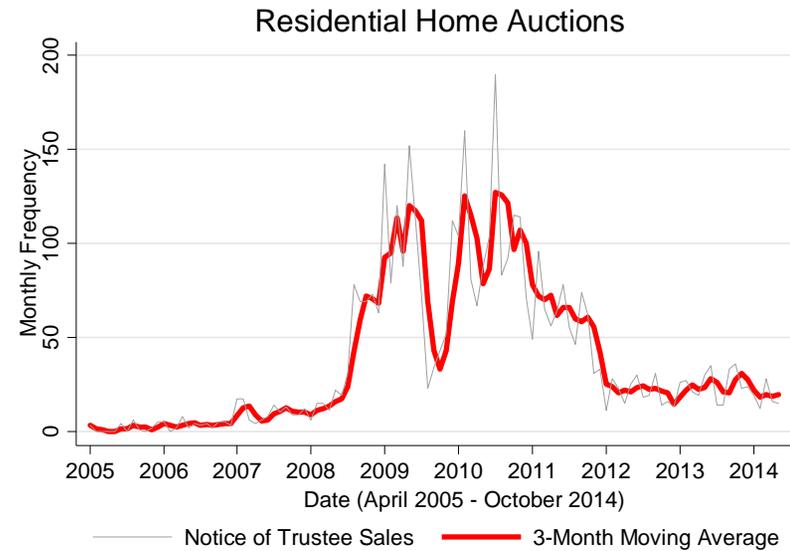
Source: CoreLogic



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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