

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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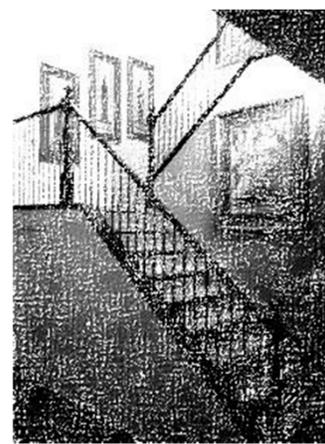
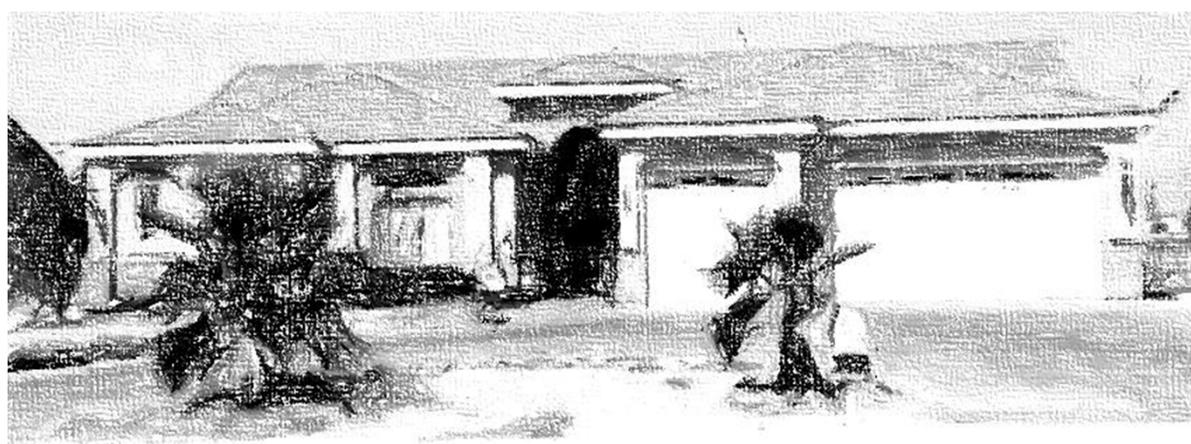
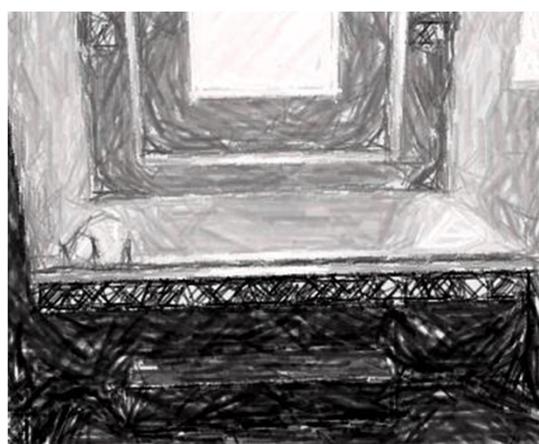
Nevada's Housing Market | September 2014

Nevada Statewide Trends

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

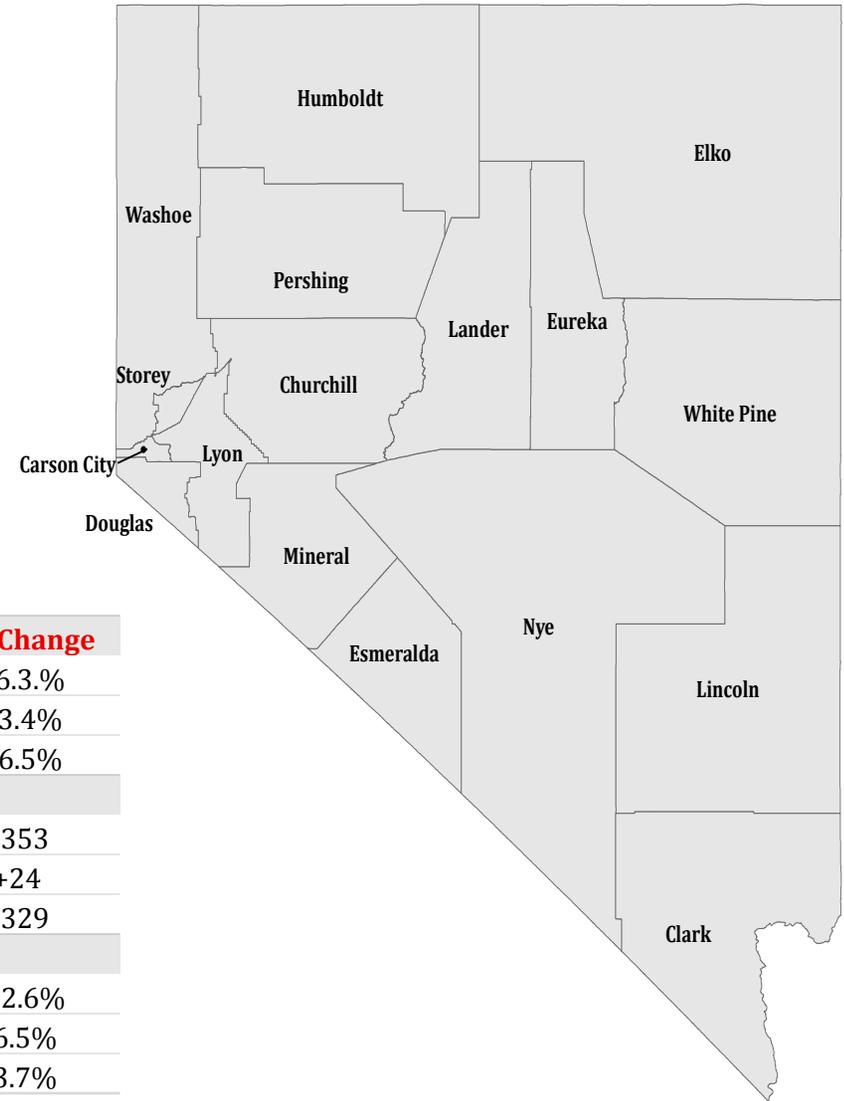
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- As the third quarter of 2014 ends, the state of Nevada saw improvement in the distress market. While the share of homes sold under distress saw a slight increase this month, the distress share is still down 26.5 percent year over year. The state of Nevada ranked lower nationally this quarter in both foreclosure inventory and foreclosure starts.
- Home prices remain relatively stable in all three submarkets. The 2.4 percent increase in new home prices this month was the largest monthly increase of 2014.
- Housing was shown to be more affordable in Southern Nevada this quarter while Northern Nevada was shown to be less affordable, according to the National Association of Home Builders (NAHB). Homes in Southern Nevada are slightly more affordable than the national average.

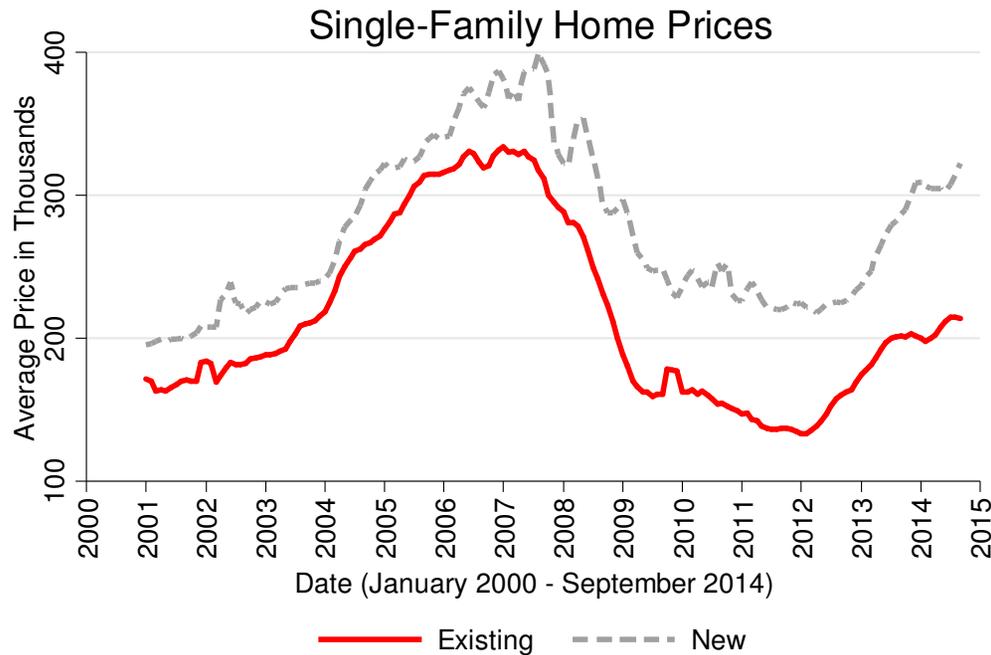


Single-Family Home Sales*	September 2014	M2M Change	Y2Y Change
New	548	+9.0%	-36.3%
Existing	4629	-1.3%	-13.4%
Distress Share	17.2%	+0.4%	-26.5%
Residential Construction			
Total Starts	1162	-71	+353
Single-Family	708	-47	+24
Multifamily	454	-24	+329
Average Single-Family Sales Price*			
New	\$321,736	+2.4%	+12.6%
Existing	\$213,888	-0.3%	+6.5%
Distress	\$162,289	-1.1%	+3.7%

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

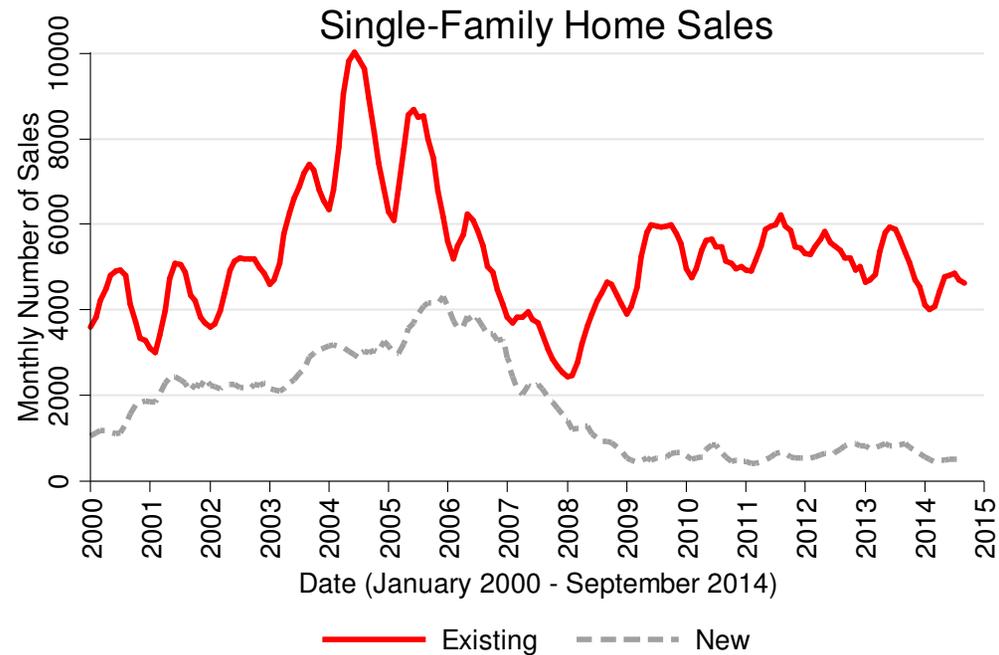
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

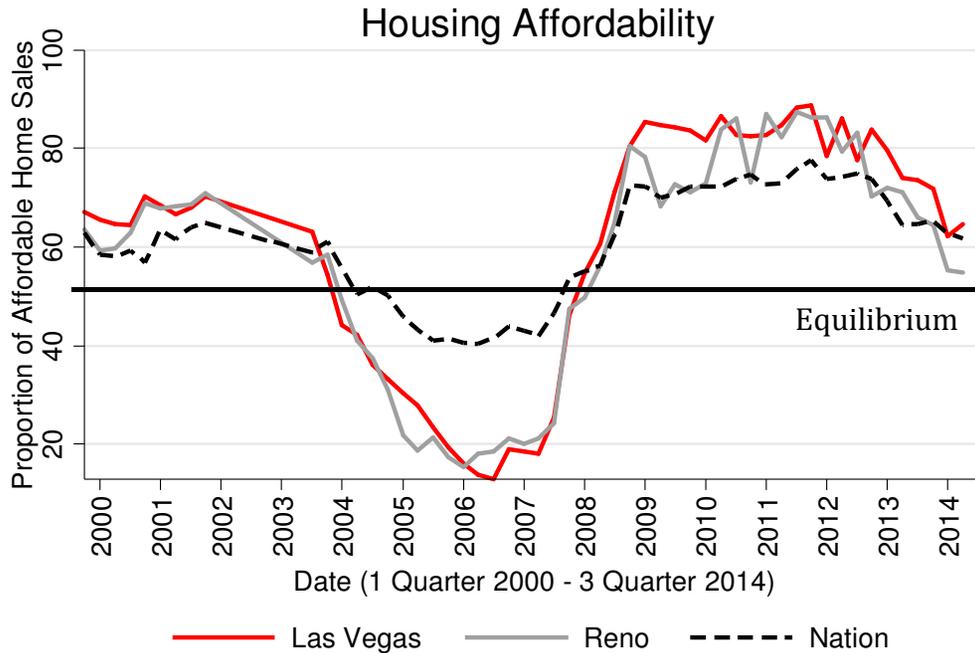


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

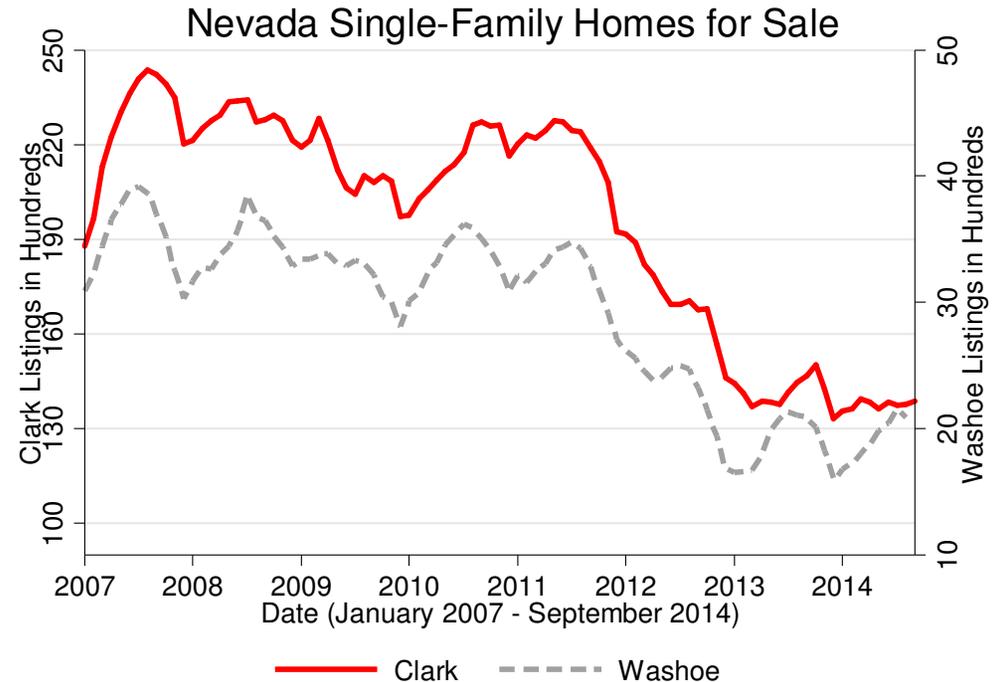
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

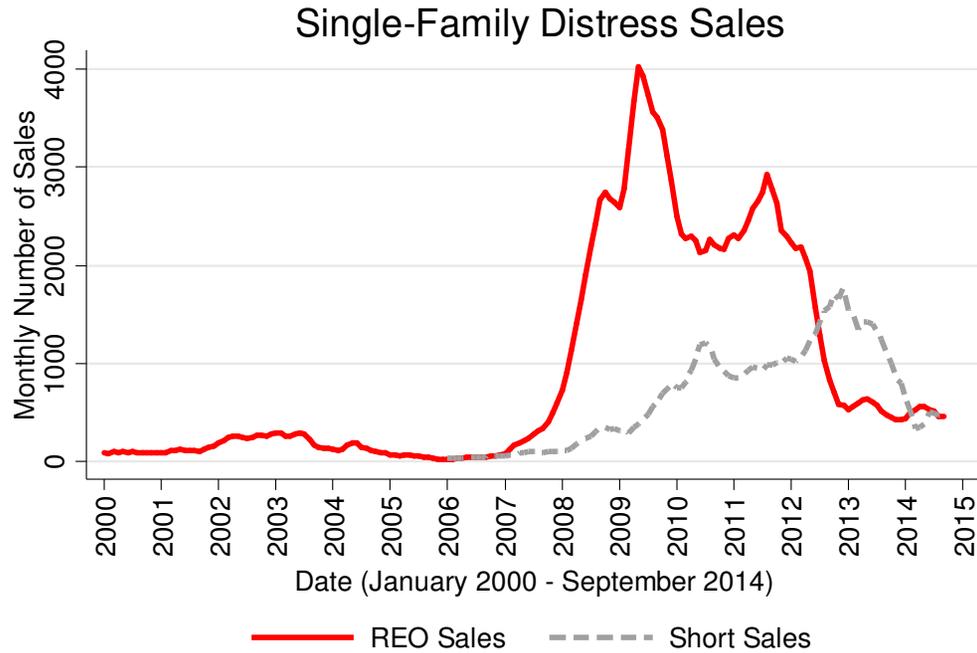
Note: Series denote the proportion of home sales affordable at median income.



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

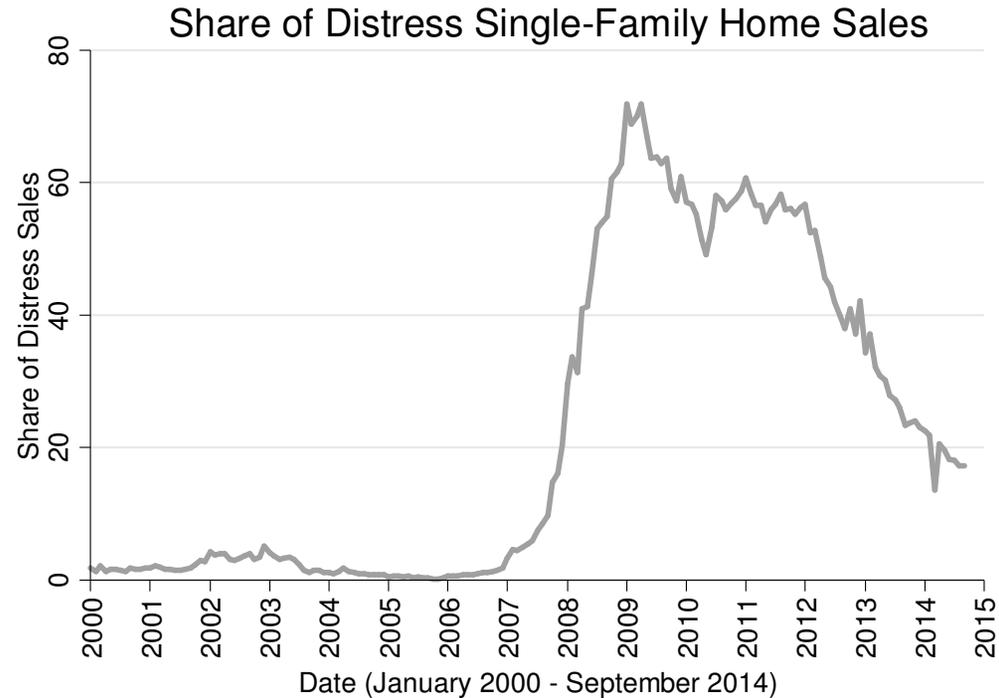
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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

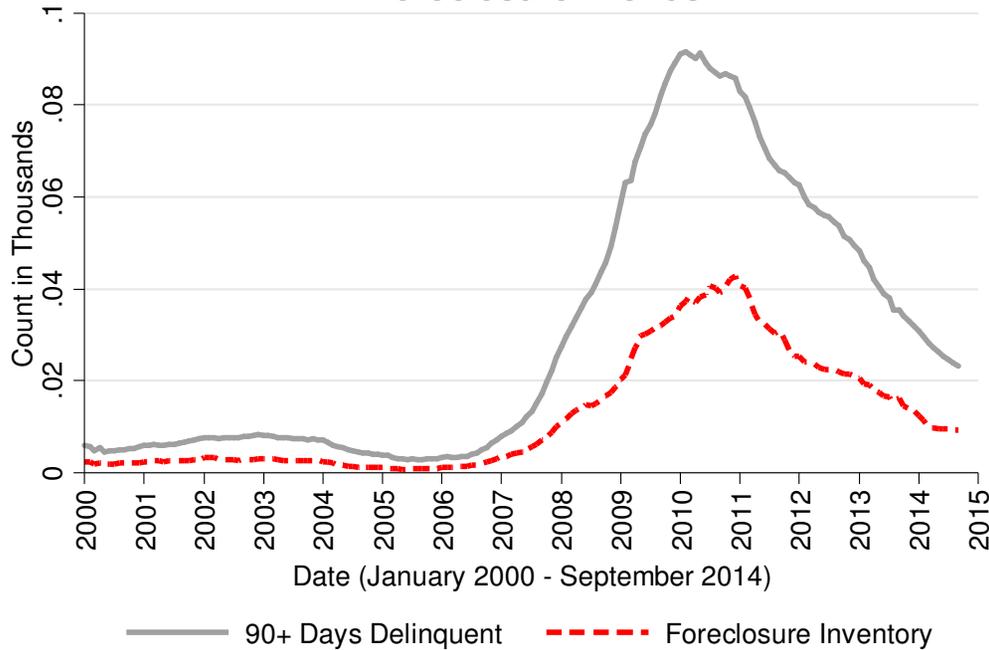
Note: Series are 3-month weighted moving averages.



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.

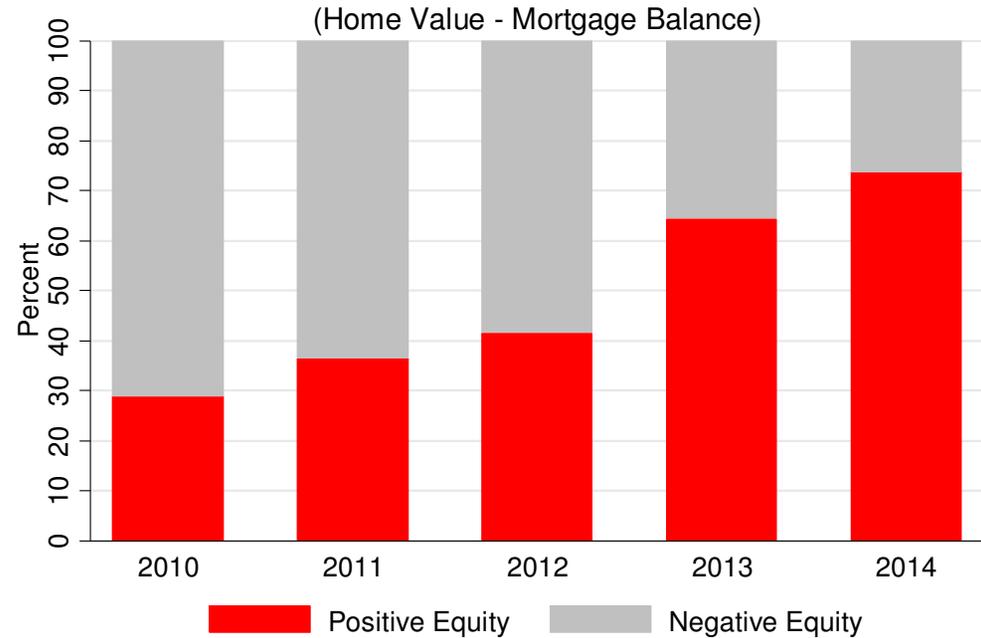
Nevada Statewide Trends

Foreclosure Trends



Source: CoreLogic

Equity Measures as of Quarter 2, 2014

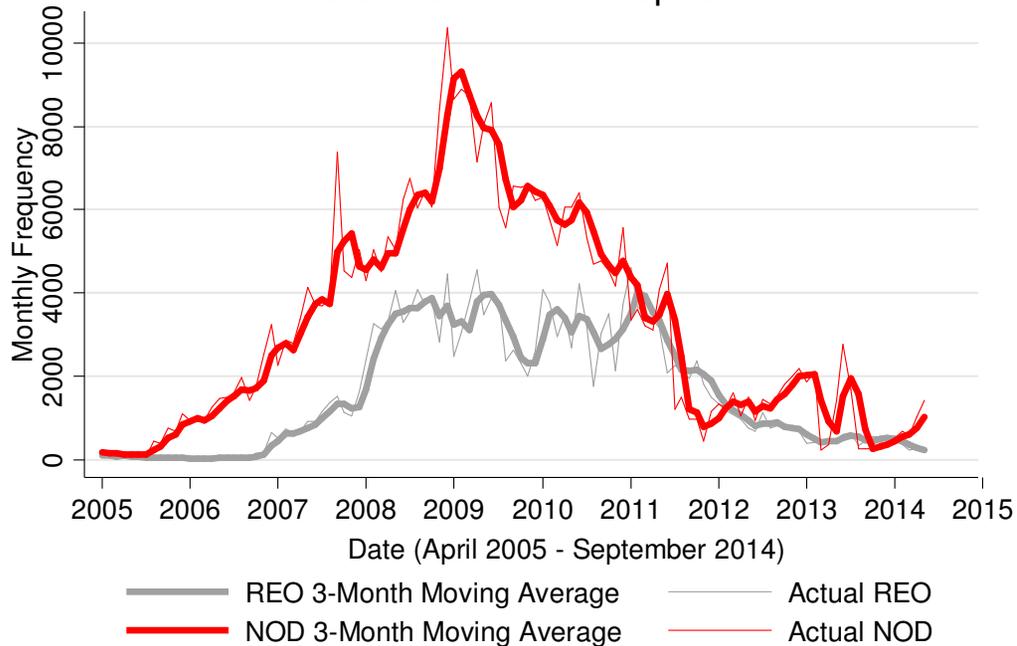


Source: CoreLogic

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.

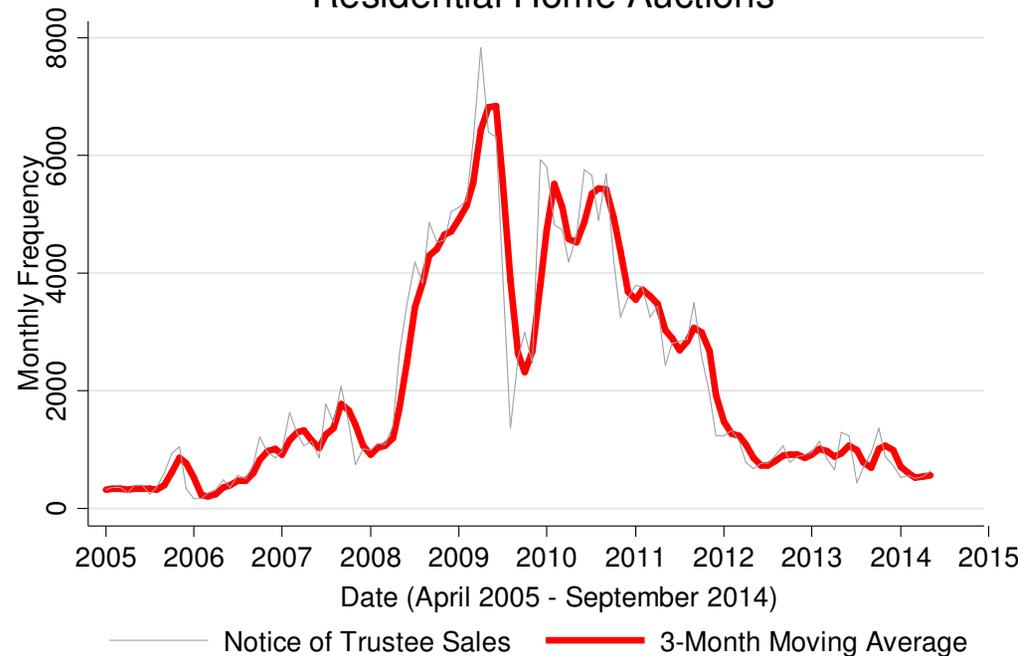
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



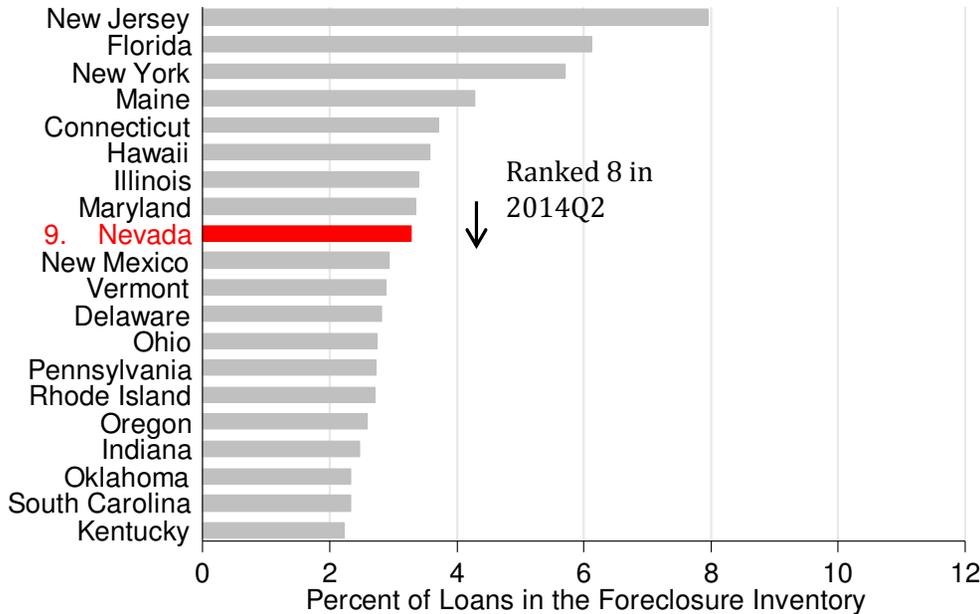
Source: RealtyTrac

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

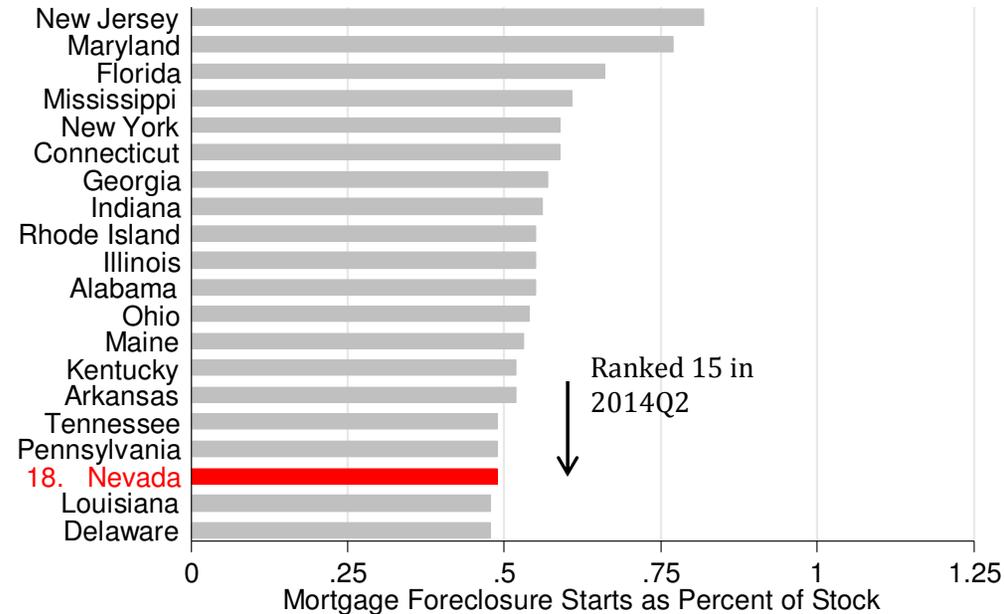
3rd Quarter 2014



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.

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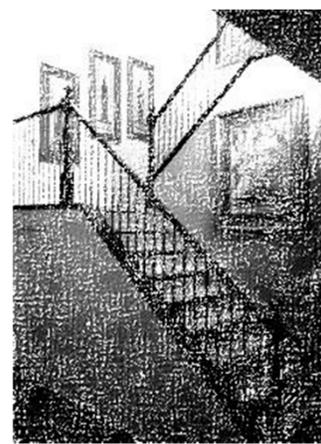
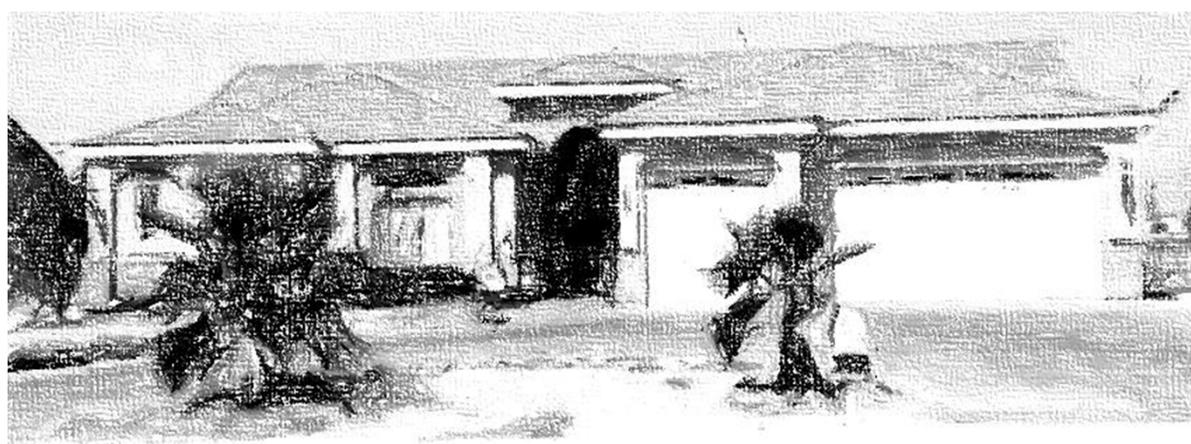
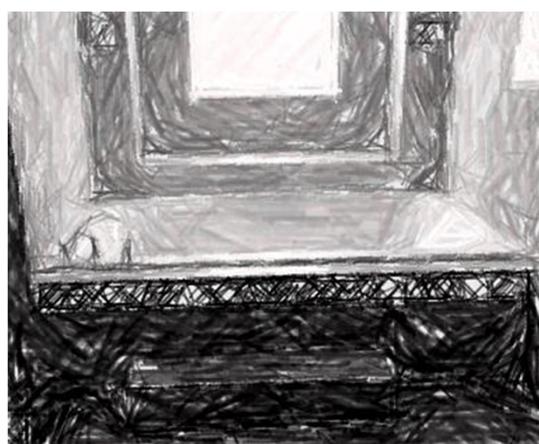
Northern Trends

Population: **614,491** in 2013

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

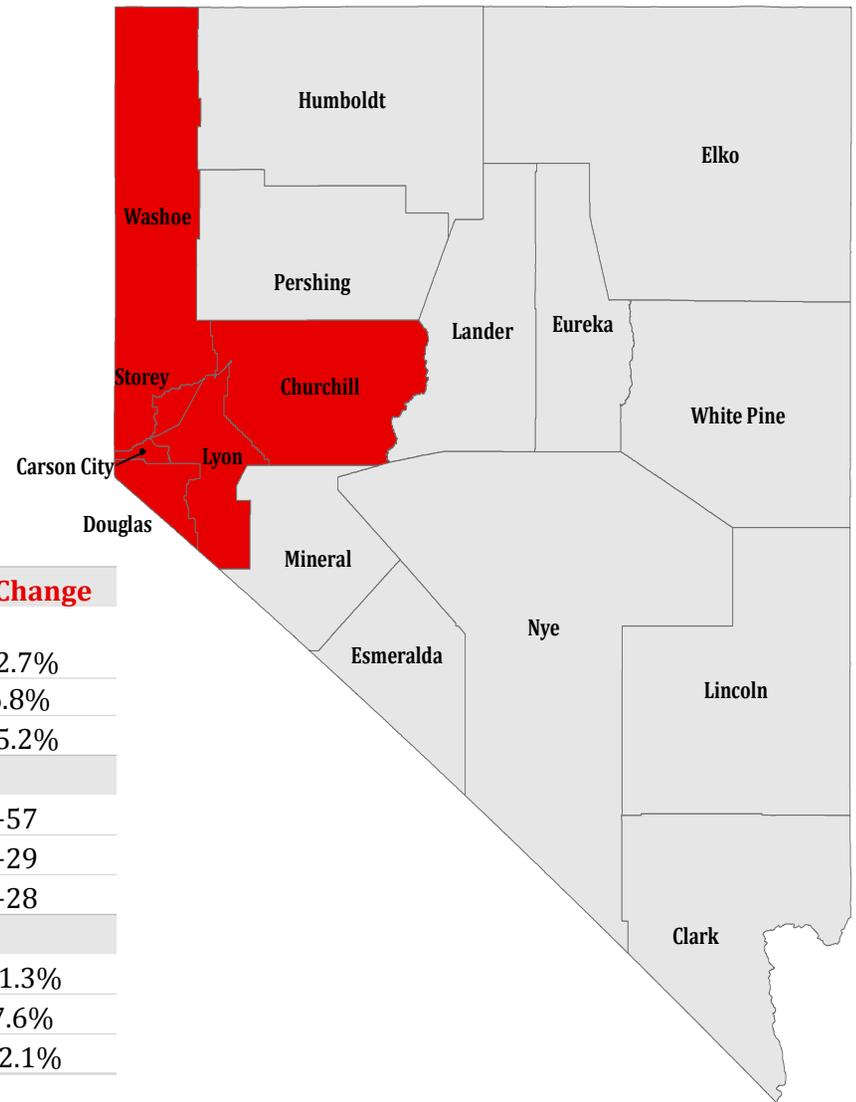
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ After three consecutive months of decreases in new home sales, new home sales increased 12.9 percent in September for Northern Nevada. Northern Nevada saw more new home sales in September than any other month this year, at 105 sales.
- ❑ The share of homes sold under distress increased slightly this month. However, REO sales saw a large increase and short sales saw a smaller decrease this month. Northern Nevada shows much more improvement year over year in the share of homes sold under distress than any other region in Nevada.
- ❑ Home prices are now up more year over year in Southern Nevada than Northern Nevada. New homes in Northern Nevada are now \$15,000 more expensive than new homes in Southern Nevada.

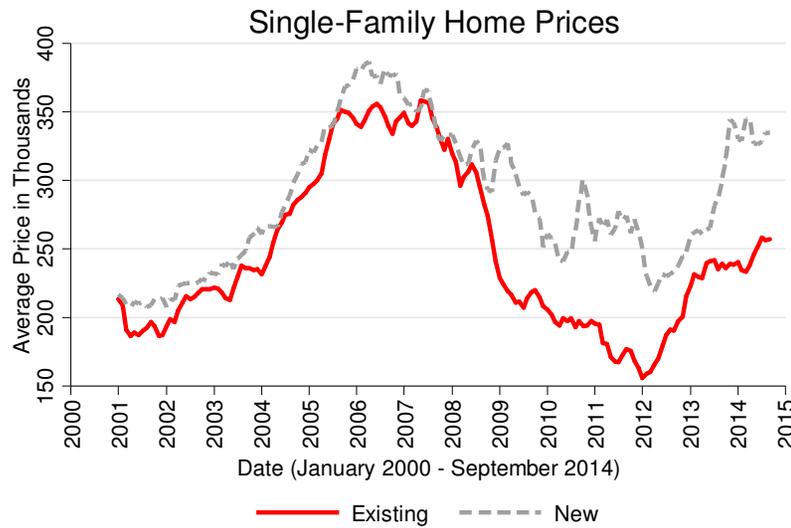


Single-Family Home Sales*	September 2014	M2M Change	Y2Y Change
New	105	+12.9%	-12.7%
Existing	1049	+0.4%	-6.8%
Distress Share	13.4%	+1.9%	-35.2%
Residential Construction			
Total Starts	269	+23	+57
Single-Family	161	-29	+29
Multifamily	108	+52	+28
Average Single-Family Sales Price*			
New	\$334,391	-0.1%	+11.3%
Existing	\$256,747	+0.3%	+7.6%
Distress	\$191,126	+0.9%	+12.1%

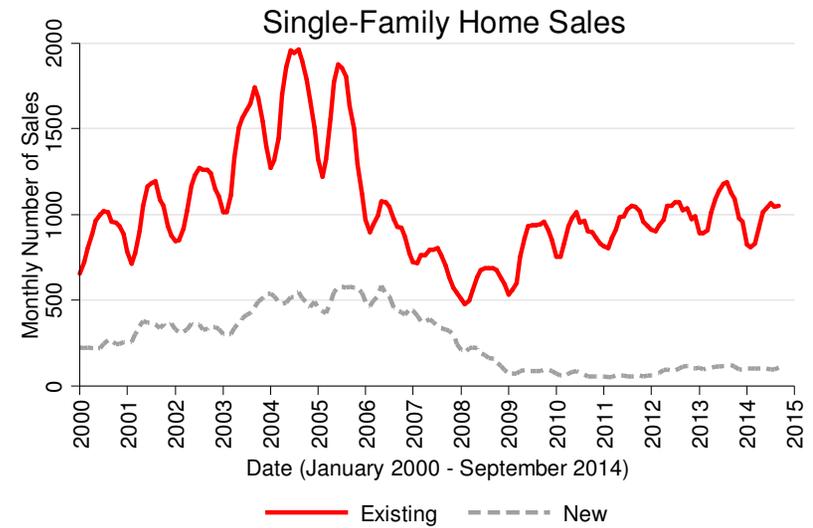
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

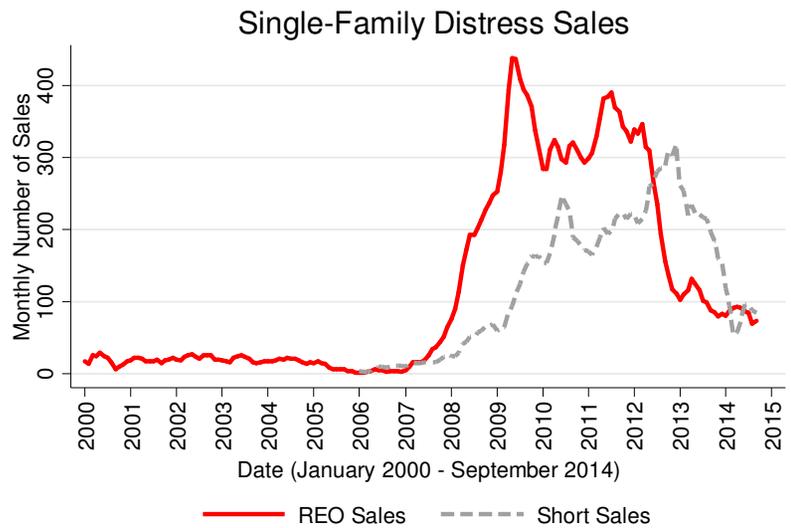
Northern Trends



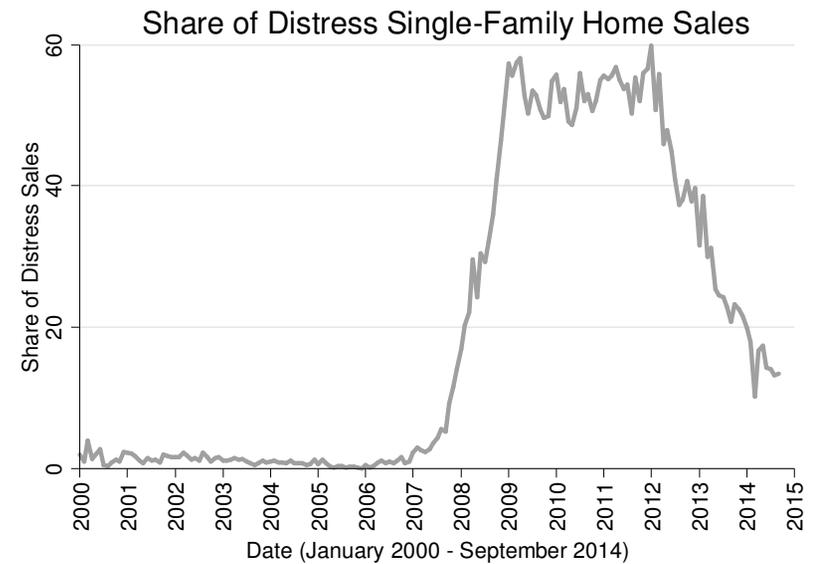
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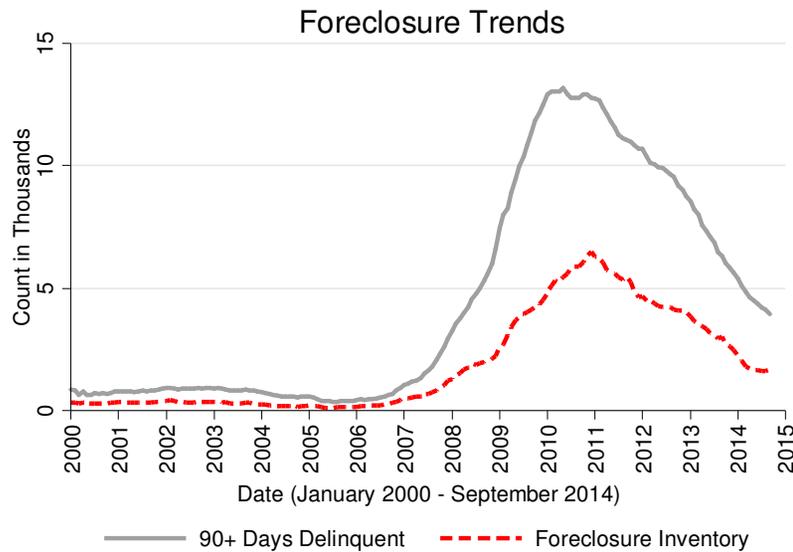


Source: CoreLogic
Note: Series are 3-month weighted moving averages.

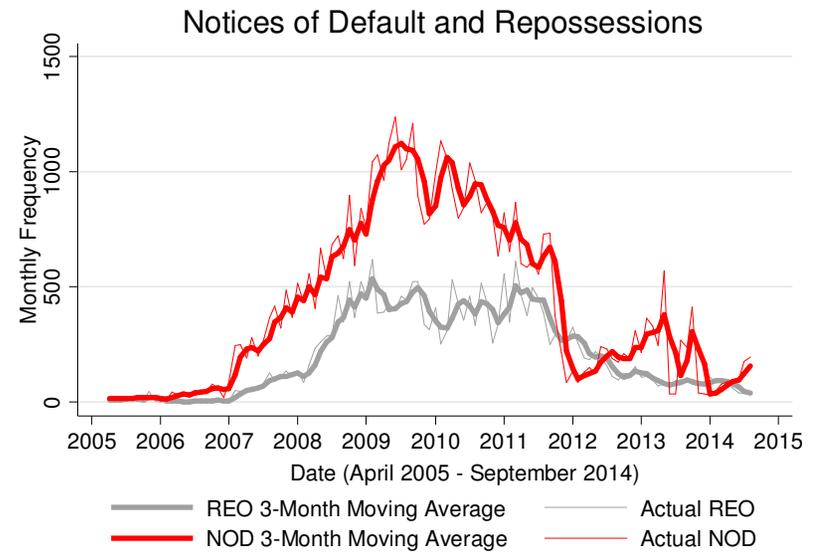


Source: CoreLogic

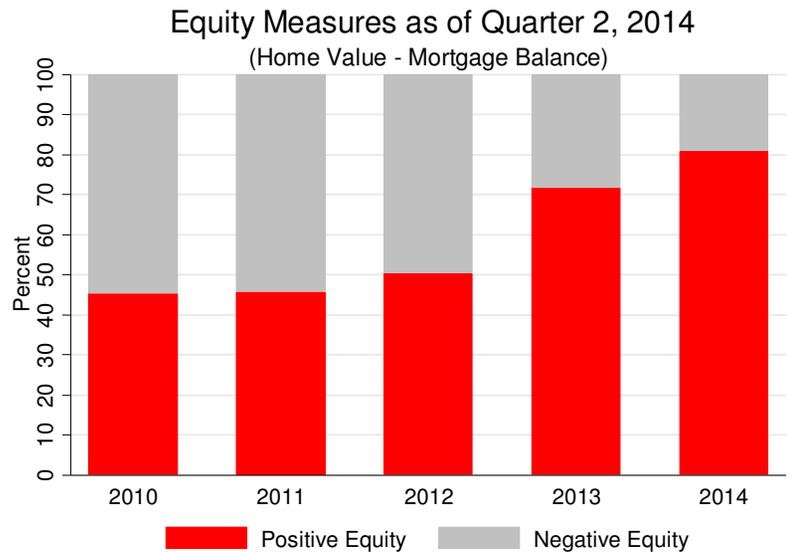
Northern Trends



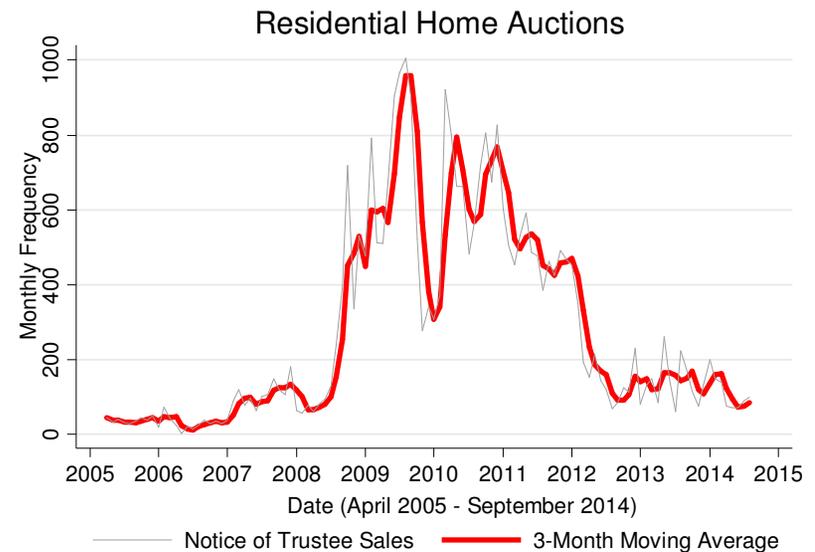
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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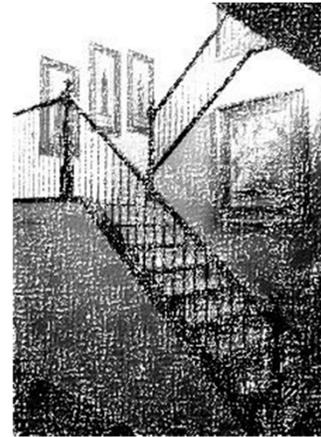
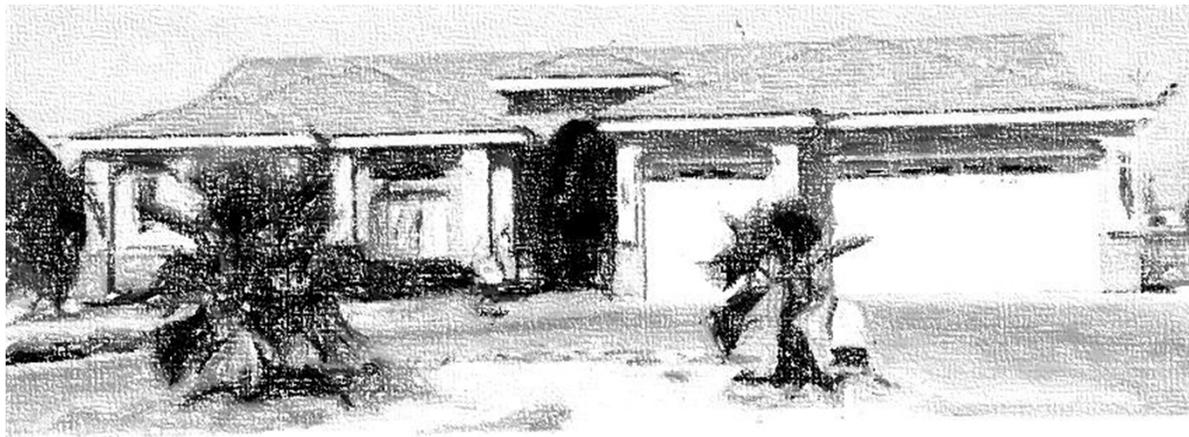
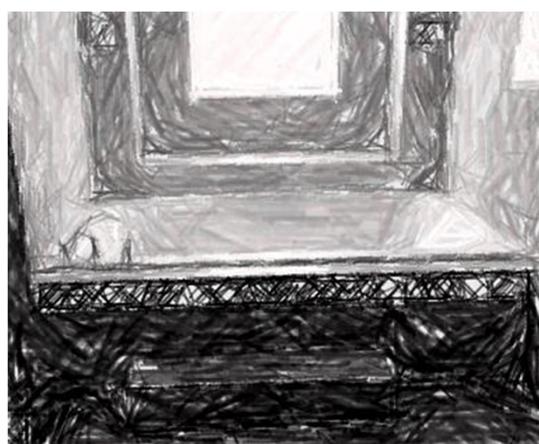
Southern Trends

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

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

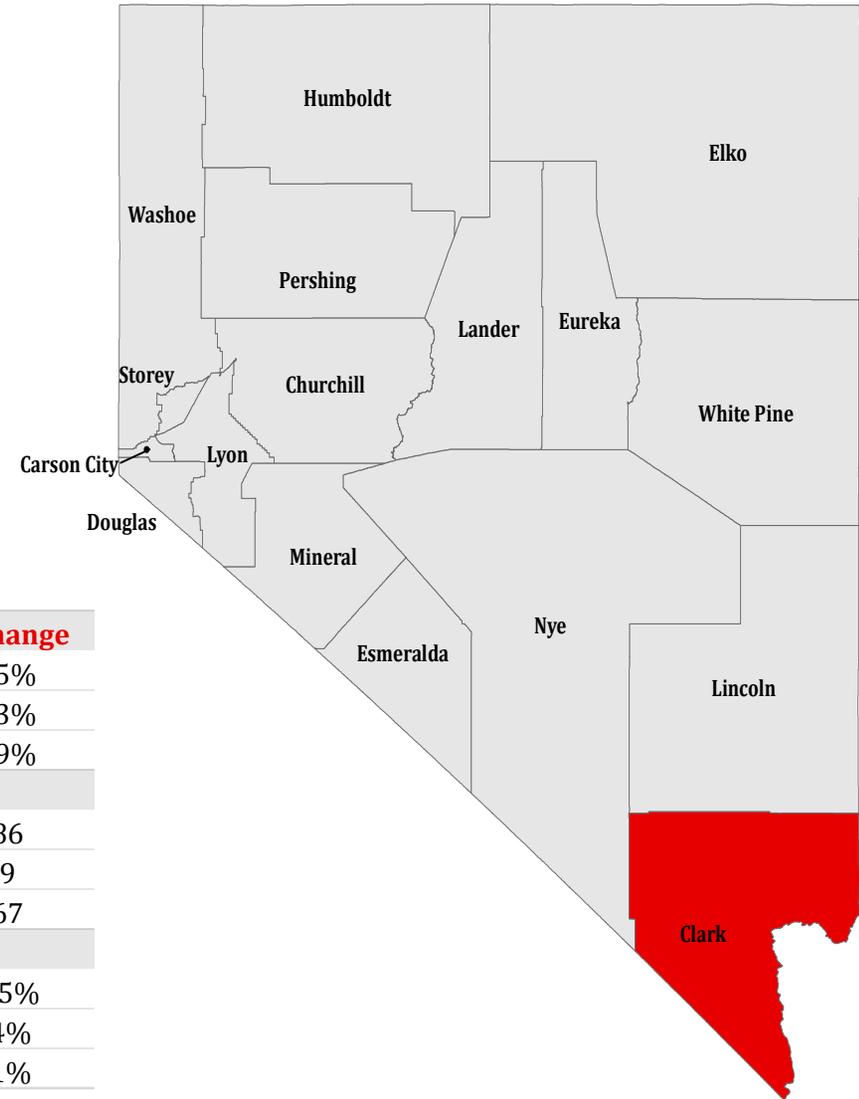
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Southern Nevada saw more new home sales in September than any other month this year, at 434 sales. September marks the sixth consecutive month of month to month increases in new home sales for Southern Nevada.
- ❑ Southern Nevada saw a decrease in residential construction starts from August to September, which is typical each year. Both single-family start ups and multifamily start ups were higher in September 2014 than they were in September 2013.
- ❑ Southern Nevada was the only region in Nevada to see a decrease in homes sold under distress. Both REO sales and short sales decreased slightly in Southern Nevada. This marks the fifth consecutive month of a decrease in the distress share, as the distress share is now at 18.3 percent.

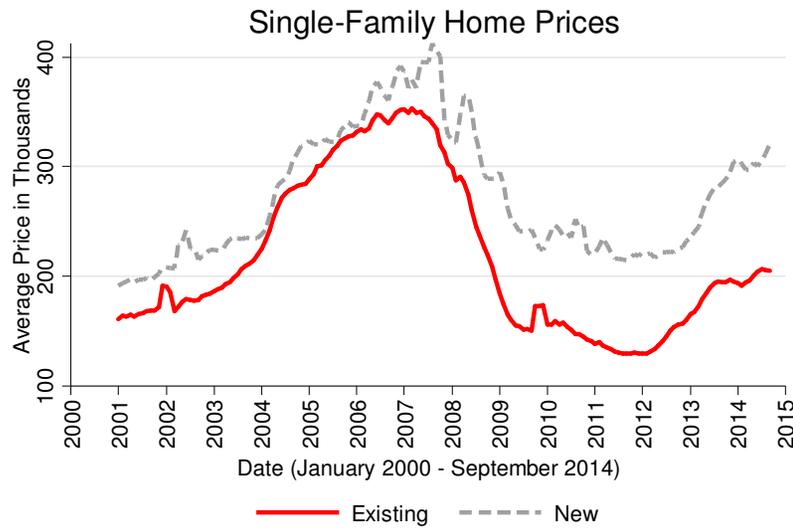


Single-Family Home Sales*	September 2014	M2M Change	Y2Y Change
New	434	+8.4%	-38.5%
Existing	3416	-1.6%	-14.3%
Distress Share	18.3%	-1.9%	-25.9%
Residential Construction			
Total Starts	847	-51	+286
Single-Family	537	-13	+19
Multifamily	310	-38	+267
Average Single-Family Sales Price*			
New	\$320,427	+2.9%	+12.5%
Existing	\$204,718	-0.7%	+5.4%
Distress	\$158,325	-1.6%	+2.1%

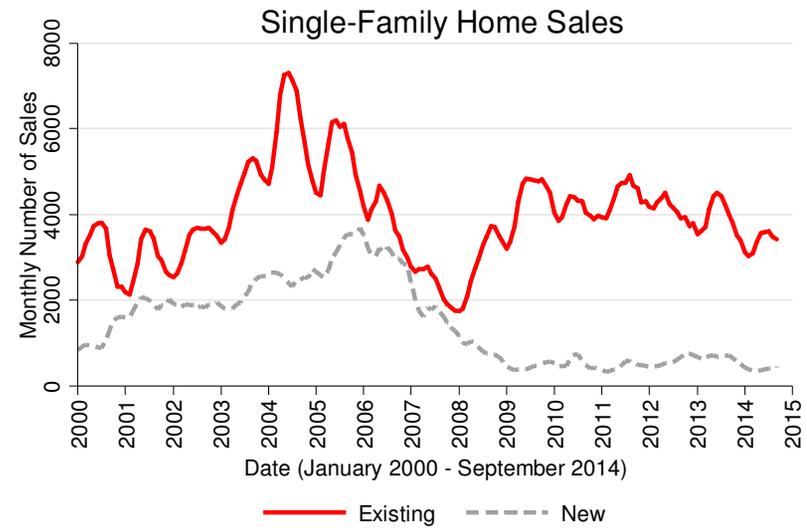
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

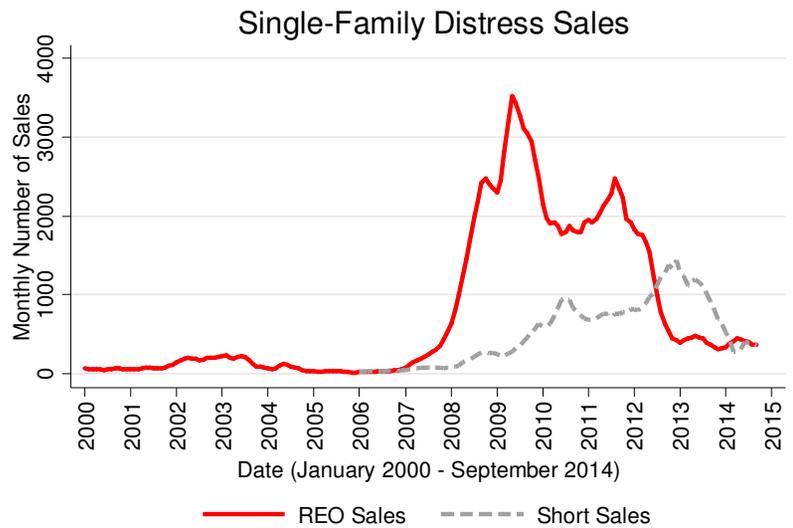
Southern Trends



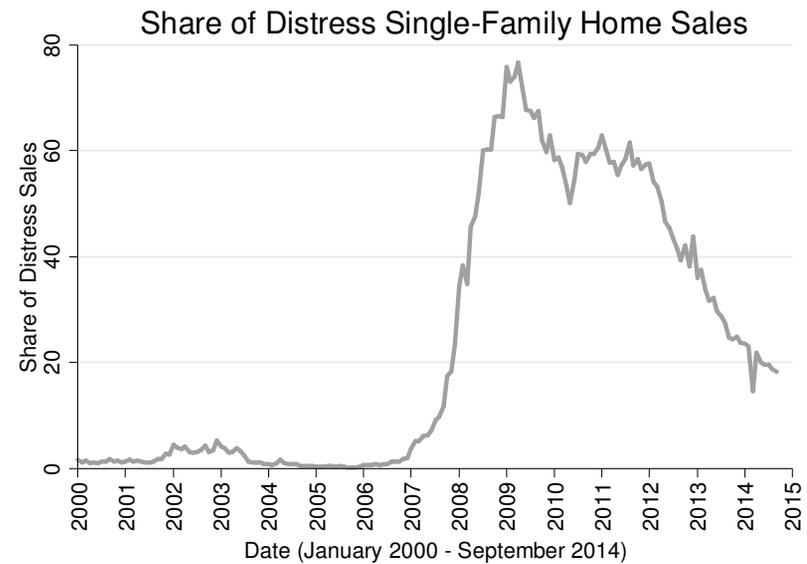
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 Note: Series are 3-month weighted moving averages.



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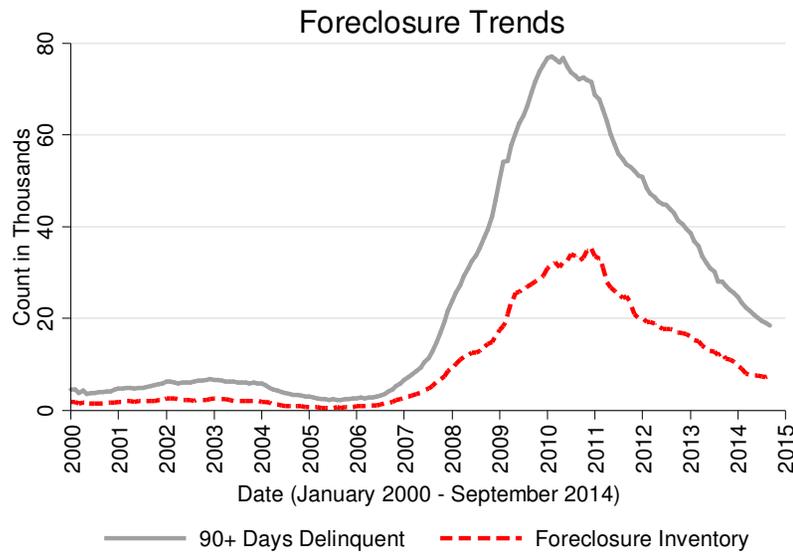


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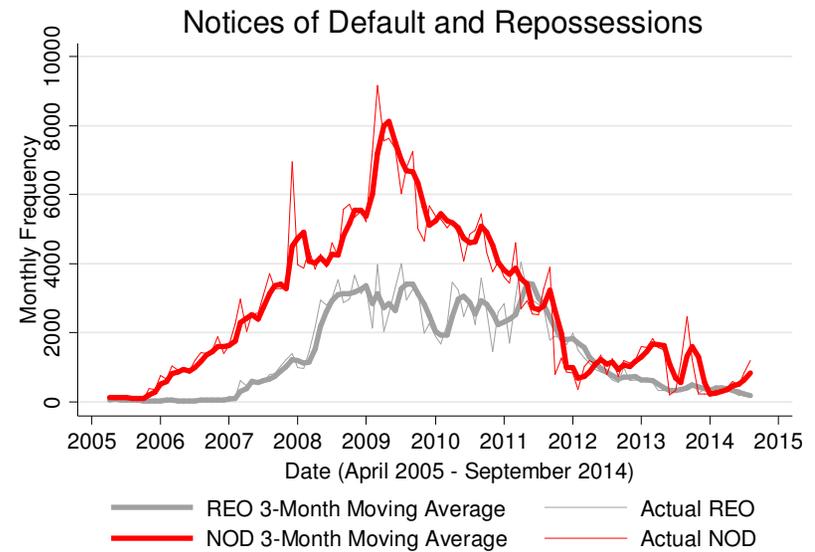


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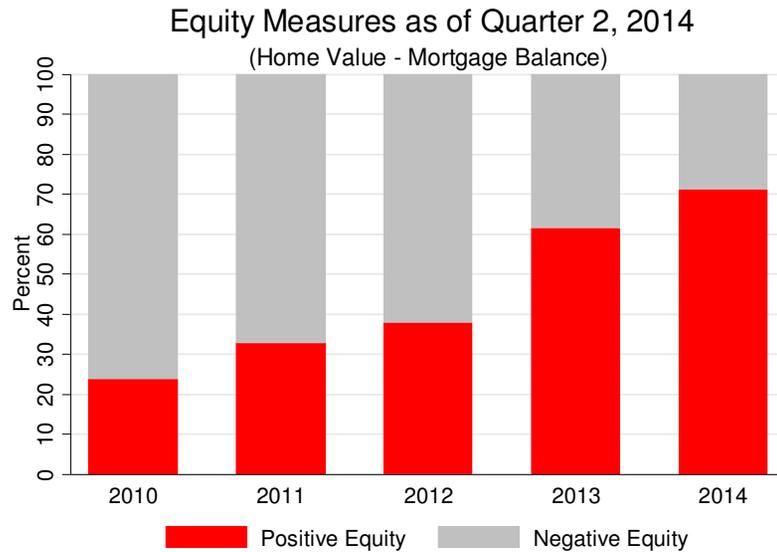
Southern Trends



Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



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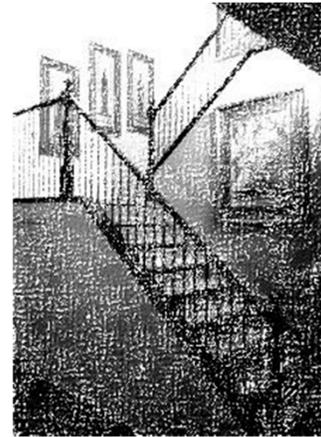
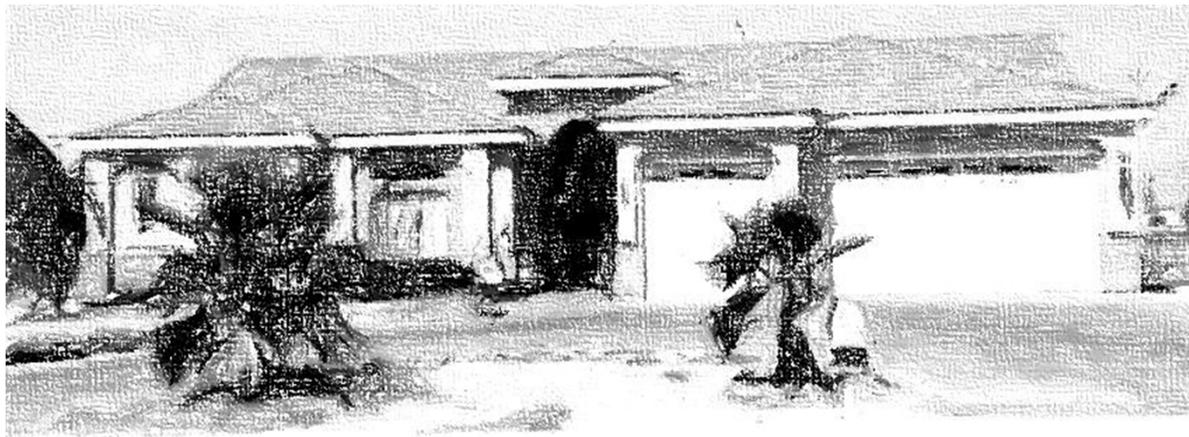
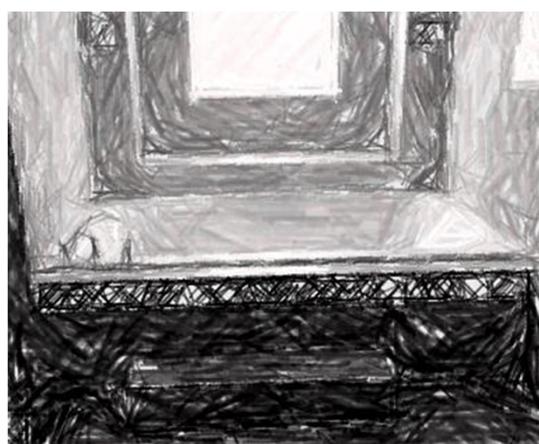
Rural Trends

Population: **147,777** in 2013

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

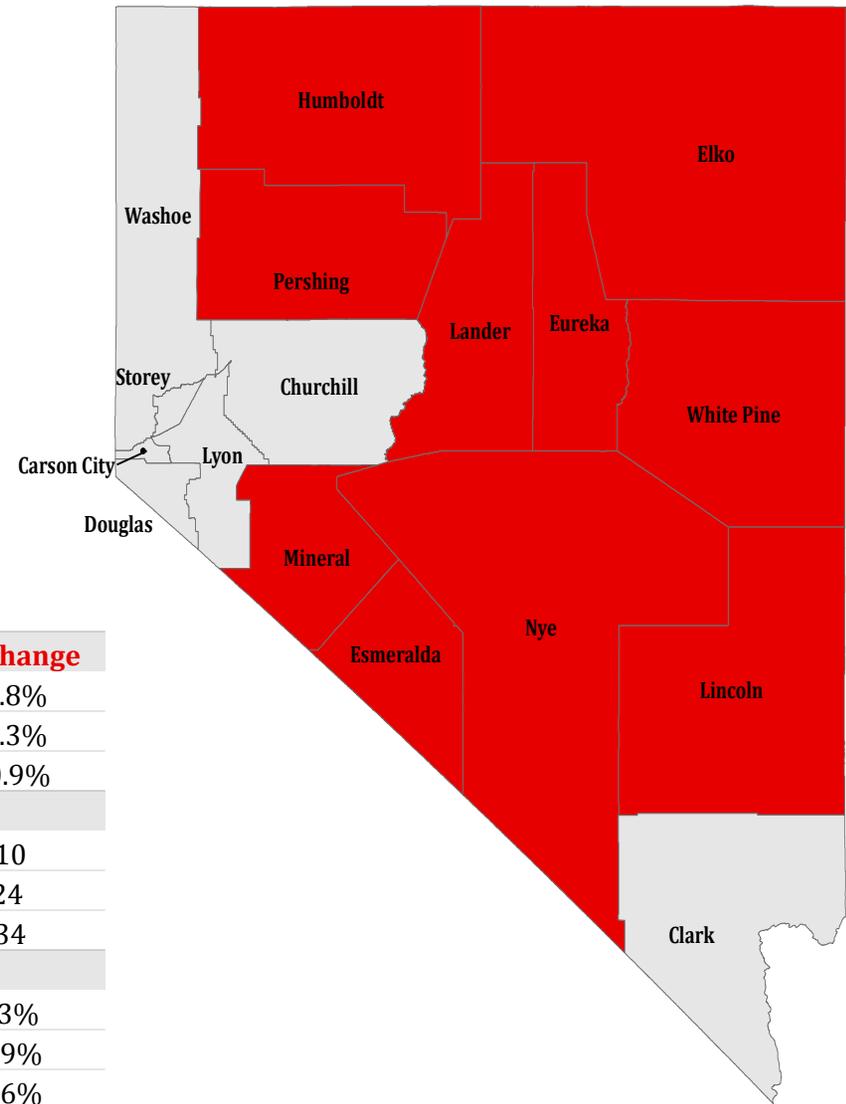
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ 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.
- ❑ Home prices typically see little change in Rural Nevada. The 7.3 percent increase in new home prices was the largest monthly change this year. However, home prices have recently not been able to increase for more than a couple of months consecutively before seeing a decrease in Rural Nevada. Rural Nevada still has home prices closer to the price they were last year than any other region in Nevada.

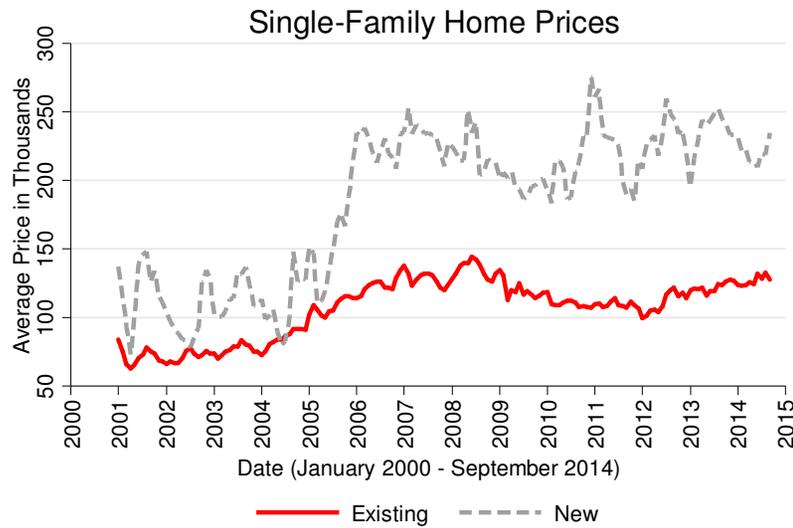


Single-Family Home Sales*	September 2014	M2M Change	Y2Y Change
New	8	-10.7%	-72.8%
Existing	141	-6.6%	-29.3%
Distress Share	21.2%	+60.7%	+40.9%
Residential Construction			
Total Starts	46	-33	+10
Single-Family	10	-5	-24
Multifamily	35	-28	+34
Average Single-Family Sales Price*			
New	\$234,172	+7.3%	-4.3%
Existing	\$127,215	-3.7%	+2.9%
Distress	\$100,394	-1.1%	+2.6%

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

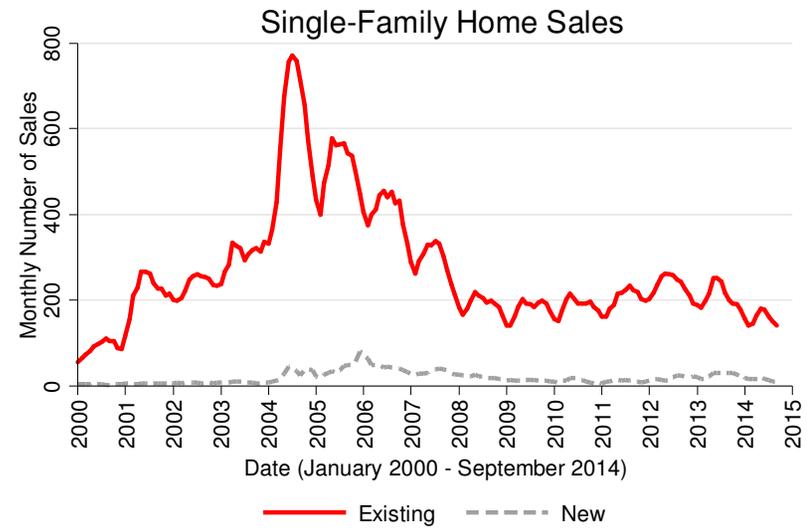
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



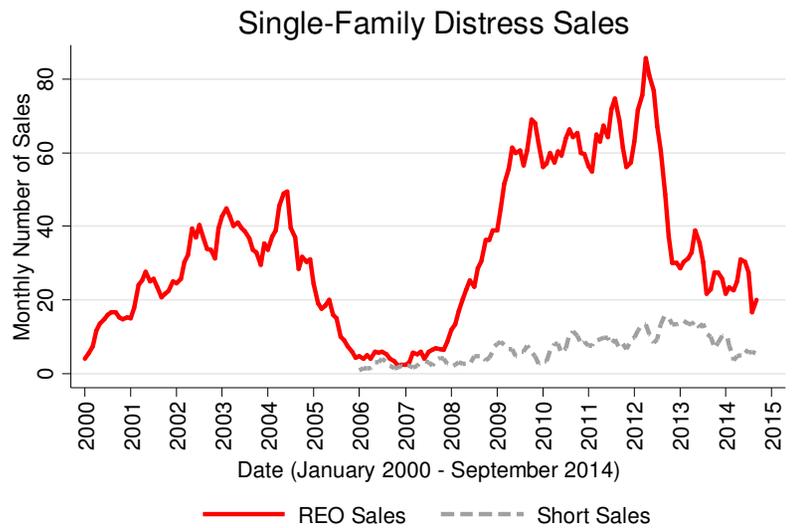
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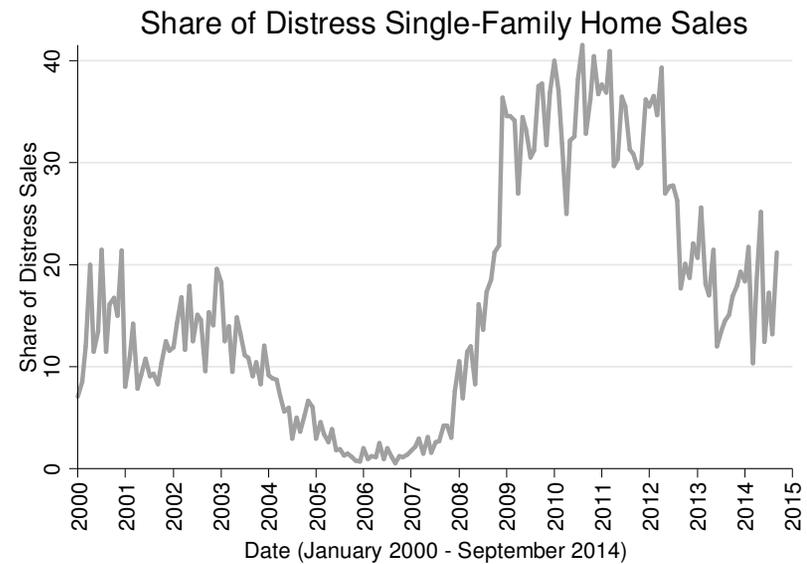
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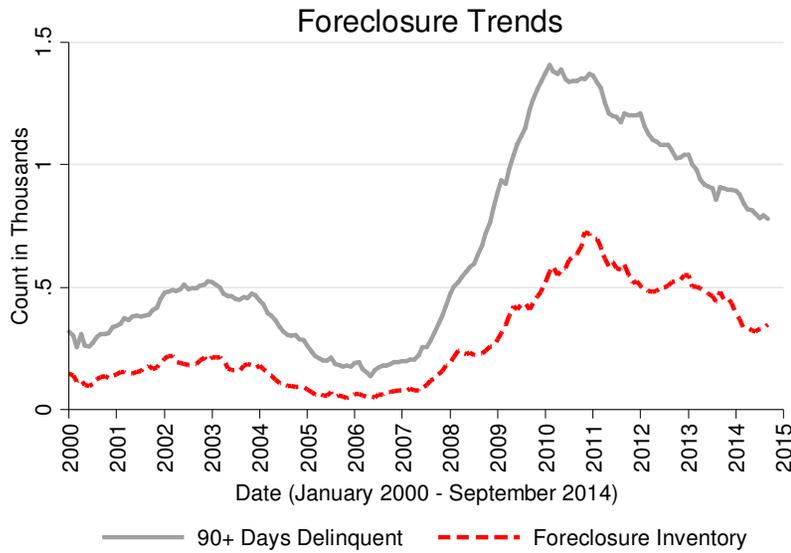
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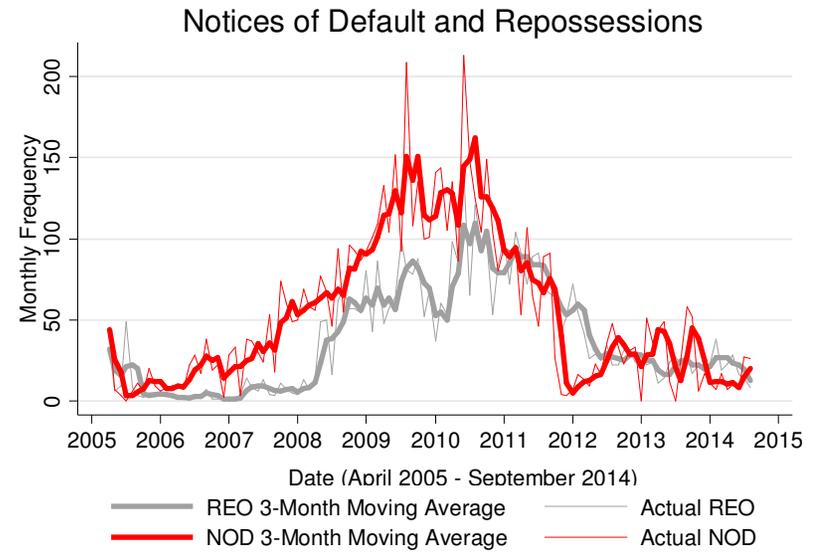


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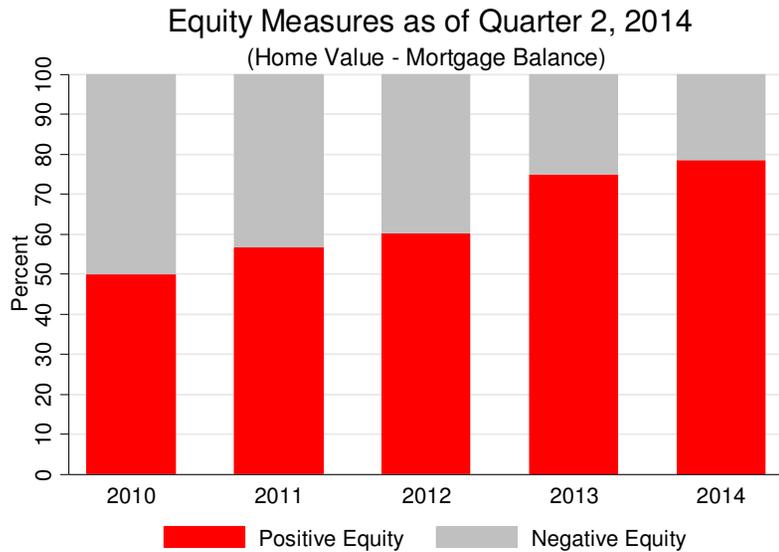
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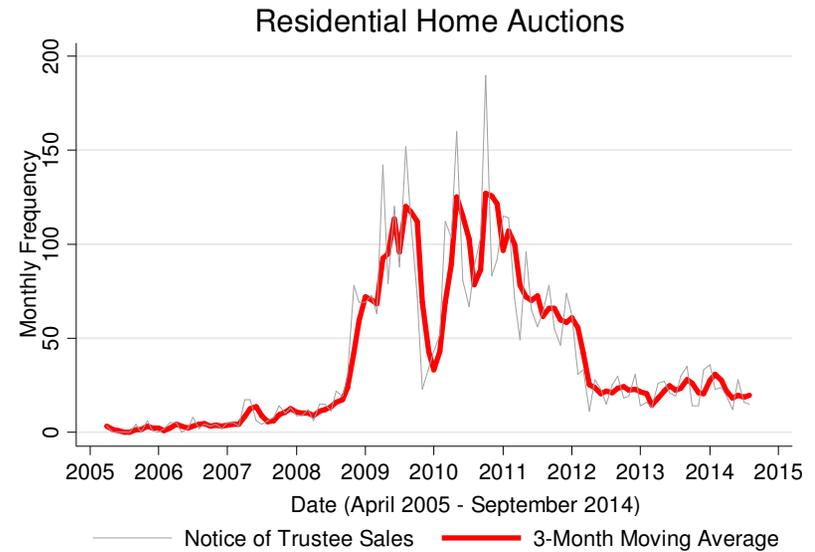
Source: CoreLogic



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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