

July 2015

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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REAL ESTATE STUDIES

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Nevada's Housing Market | July 2015

Nevada Statewide Trends

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

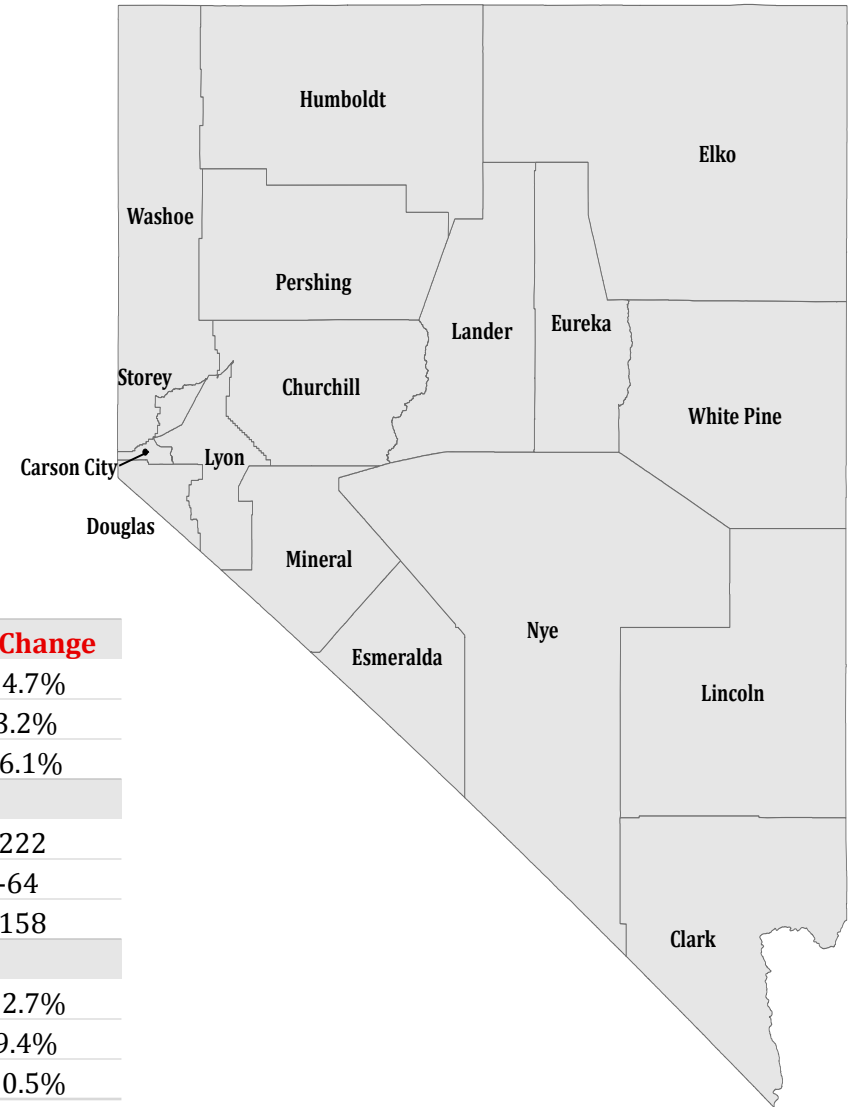
Housing Units: **1,186,879** in 2013

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



Nevada Statewide Trends

- ❑ All three regions in Nevada saw a decrease in the share of homes sold under distress. The distress share in July 2015 was 6.5 percentage points lower than it was in July 2014.
- ❑ Single-Family starts decreased on a month to month basis in all three regions. This typically happens in July each year as June typically has the largest construction starts of the year.
- ❑ All three regions in Nevada saw an increase in new homes sold. New home sales in July 2015 were the highest they had been since November 2013.
- ❑ Average new home prices in July 2015 were up \$39,000 from July 2014. Average existing home prices in July 2015 were up \$20,000 from July 2014.

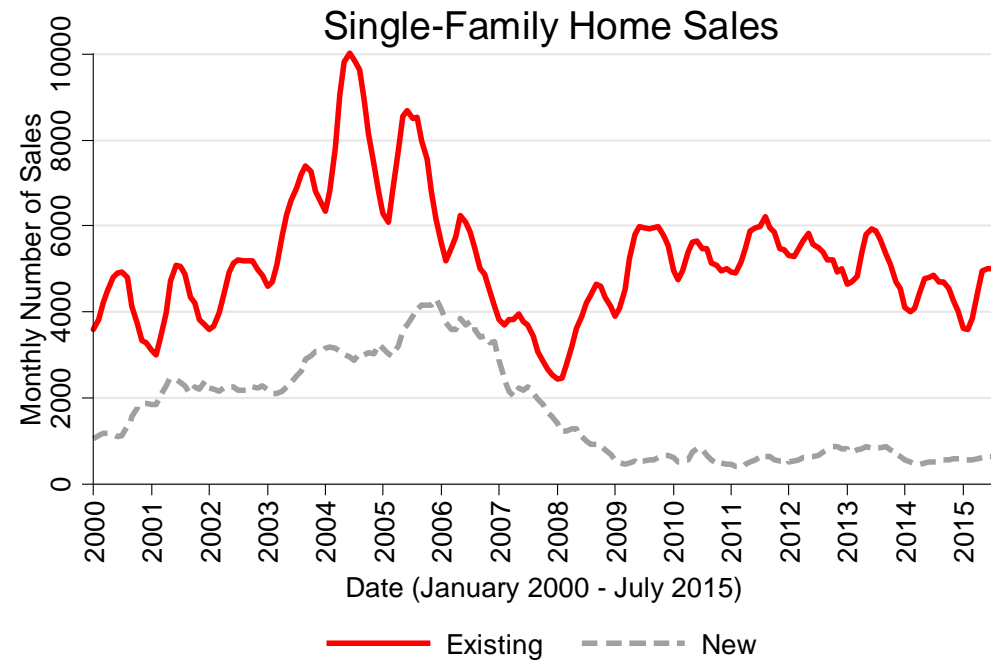
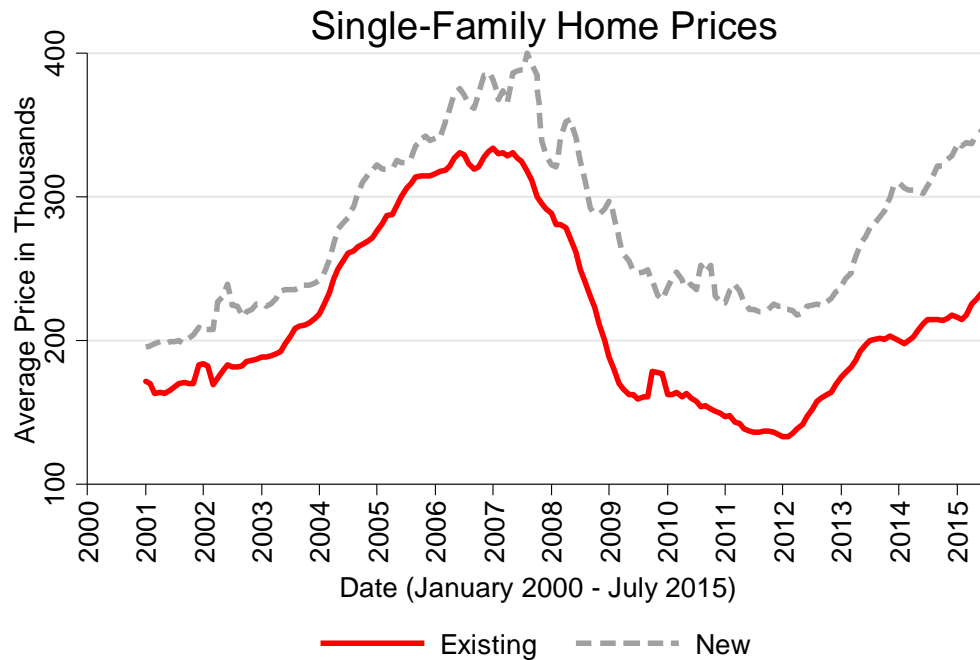


Single-Family Home Sales*	July 2015	M2M Change	Y2Y Change
New	635	+4.7%	+24.7%
Existing	5009	+0.1%	+3.2%
Distress Share	11.6%	-2.9%	-36.1%
Residential Construction			
Total Starts	1,248	-232	-222
Single-Family	926	-183	-64
Multifamily	322	-49	-158
Average Single-Family Sales Price*			
New	\$346,351	+0.2%	+12.7%
Existing	\$234,797	+1.0%	+9.4%
Distress	\$181,959	+2.7%	+10.5%

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

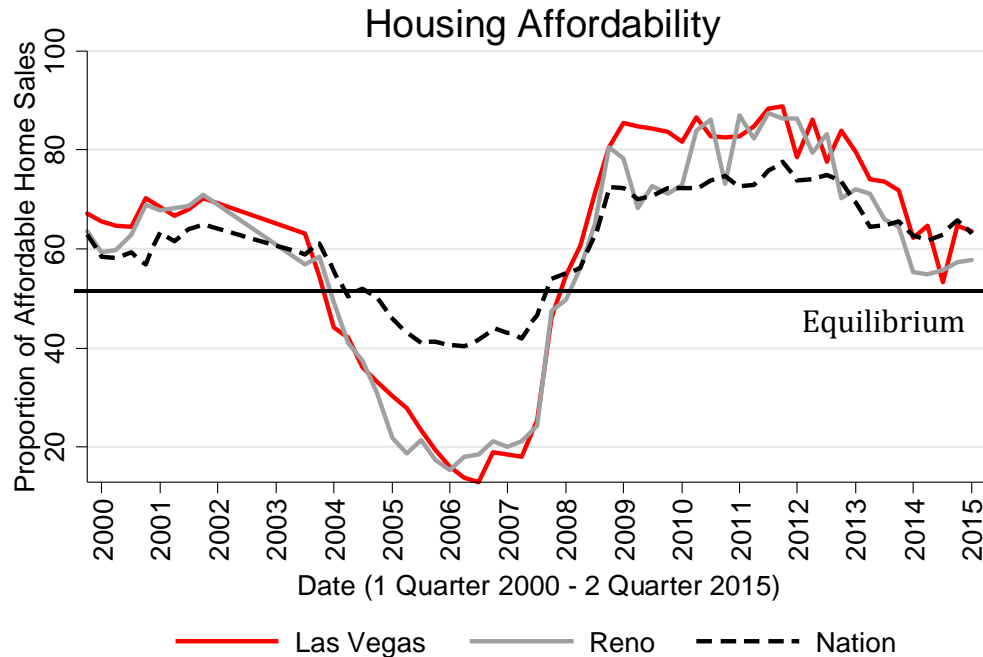
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



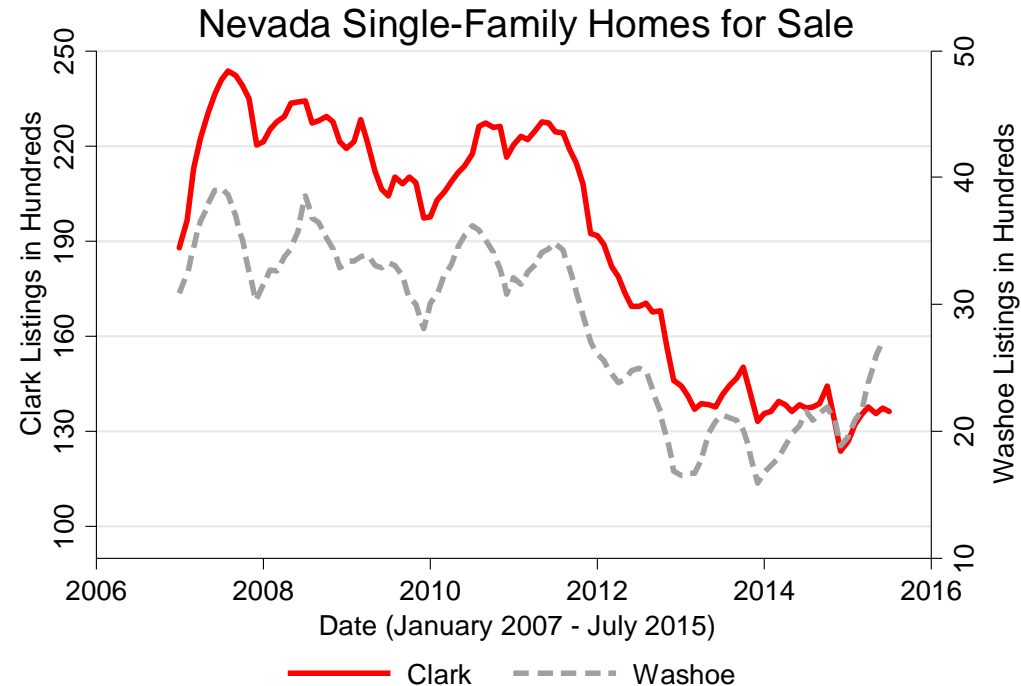
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

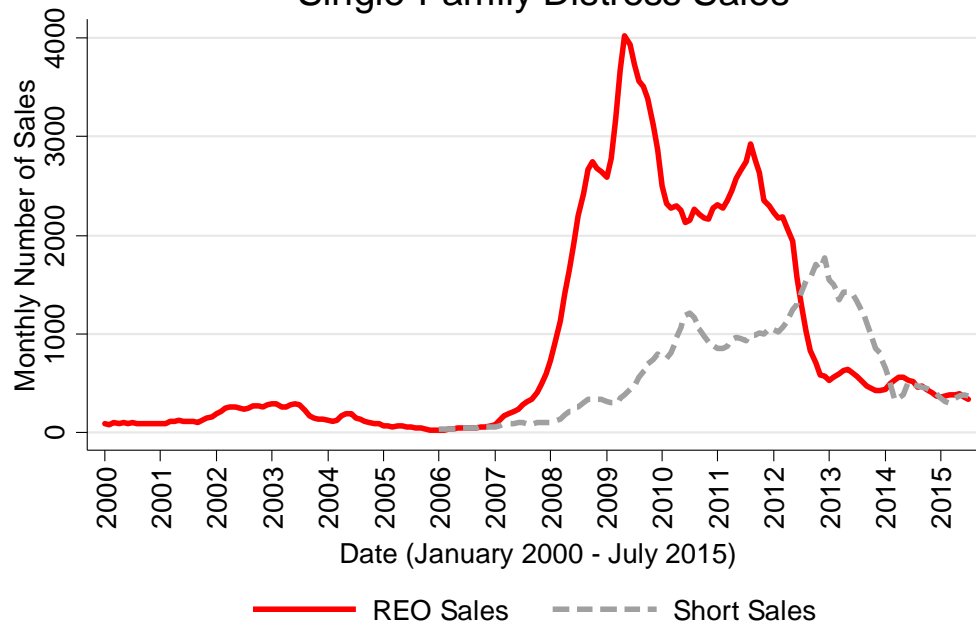


Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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

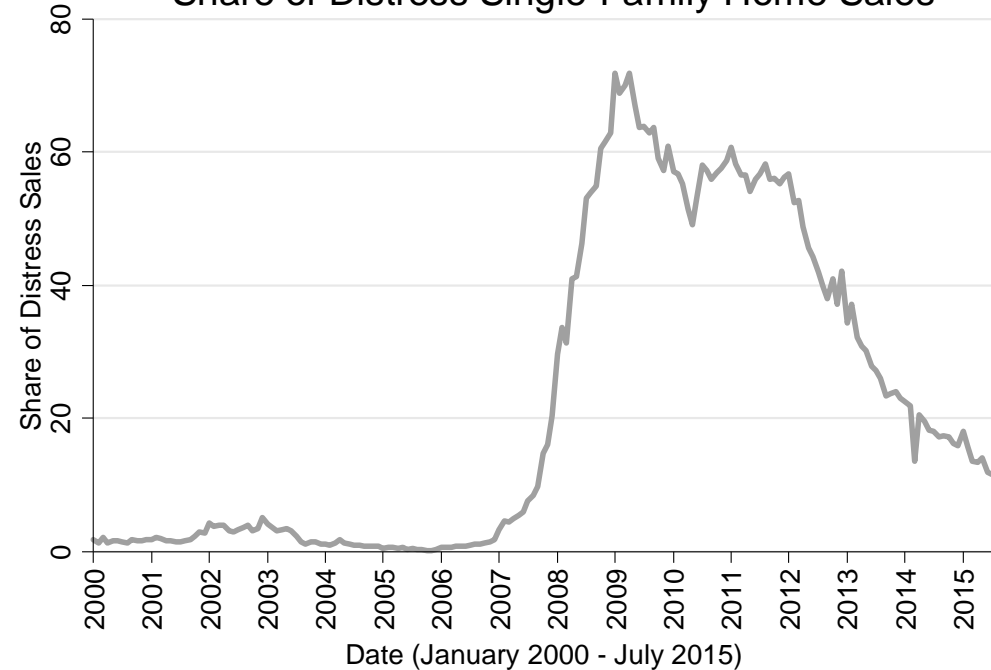
Single-Family Distress Sales



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

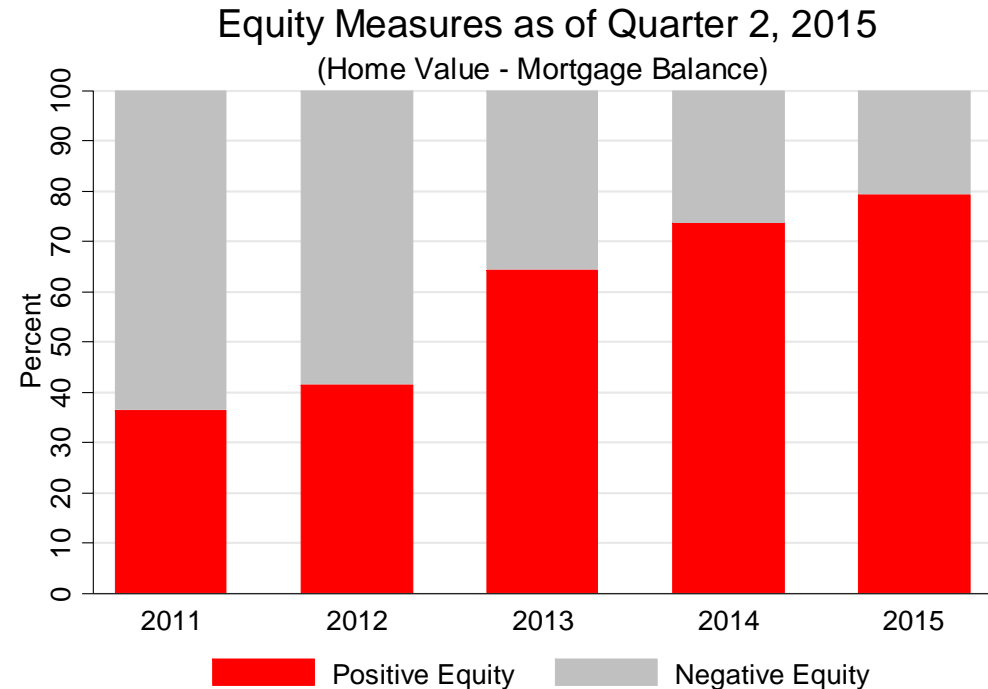
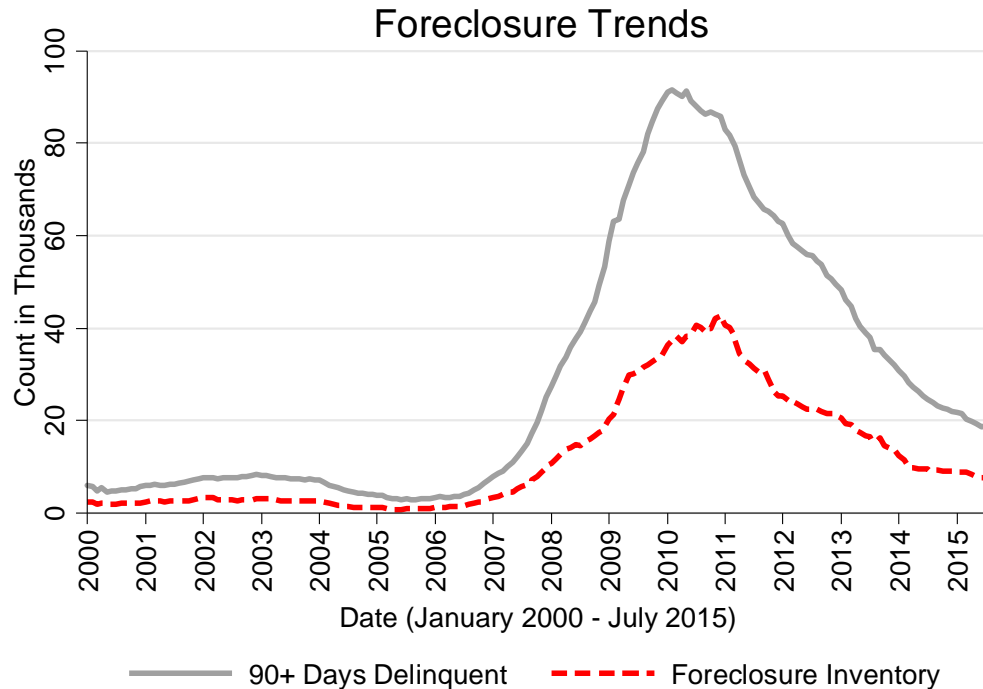
Share of Distress Single-Family Home Sales



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.

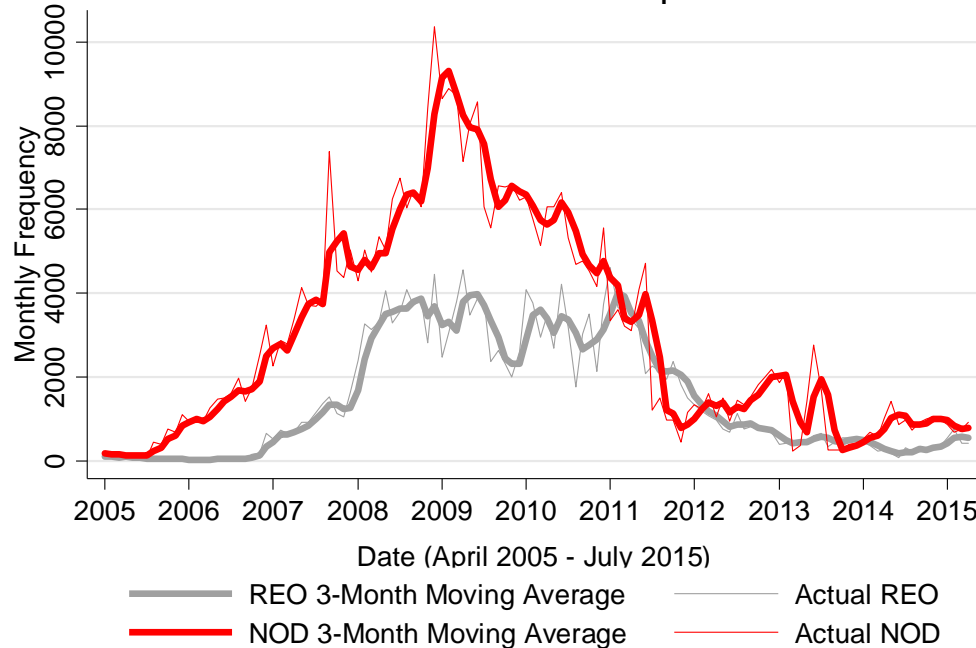
Nevada Statewide Trends



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.

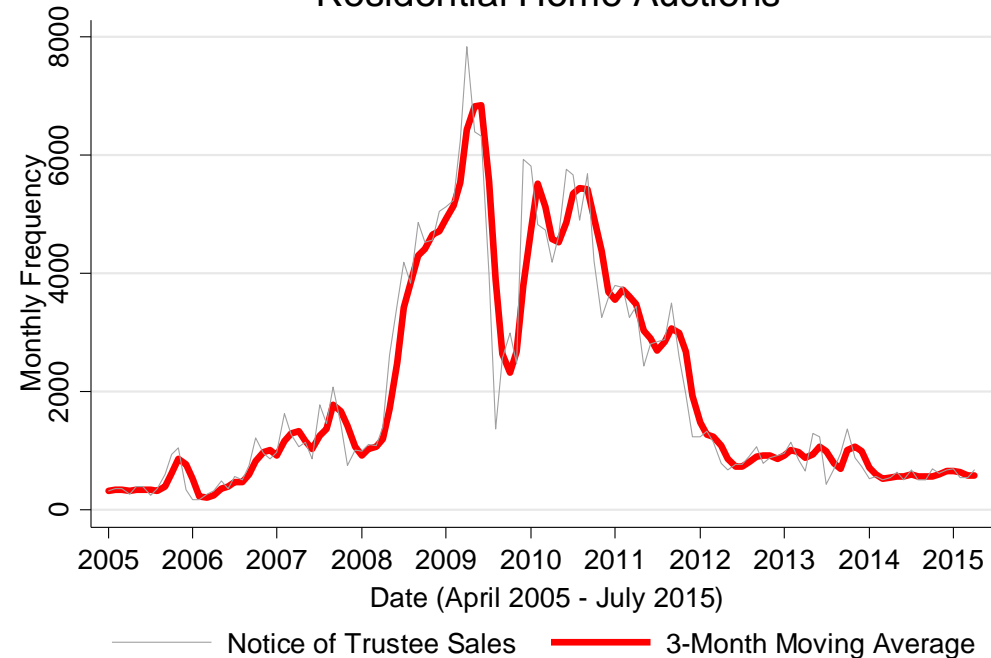
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



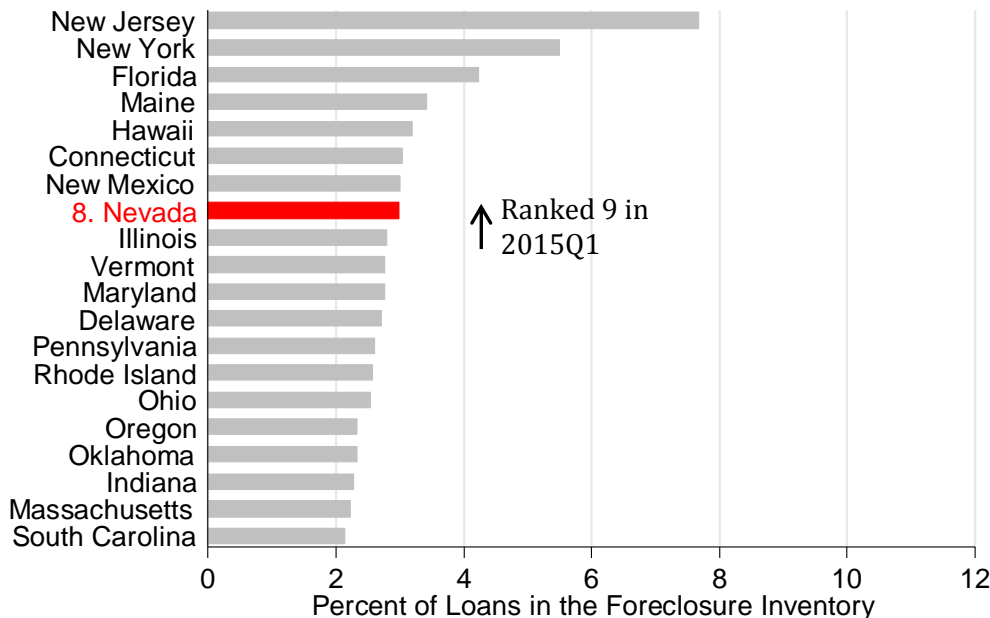
Source: RealtyTrac

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

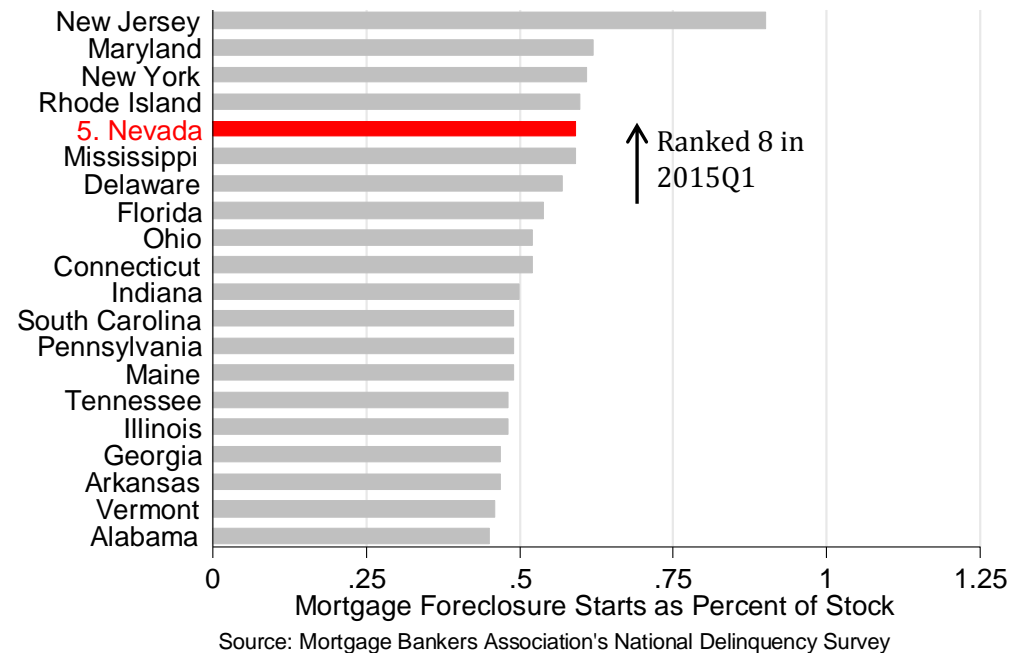
Top 20 States in Foreclosure Inventory

2nd Quarter 2015



Top 20 States in Foreclosure Starts

2nd Quarter 2015



These figures rank Nevada nationally on the basis of data provided by The Mortgage Bankers Association's National Delinquency Survey. The Top 20 States in Foreclosure Inventory uses the proportion of outstanding loans that are in the foreclosure inventory - that is, the number of home loans reported to be in some stage of foreclosure divided by the total number of home loans serviced. The Top 20 States in Foreclosure Starts is a ranking that uses mortgage foreclosure starts as a percent of stock. In other words, this is the number of initiated foreclosures divided by the total number of home loans serviced.

Nevada's Housing Market | July 2015

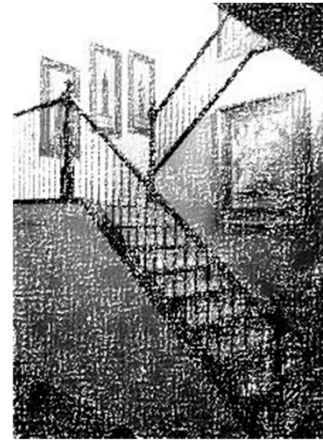
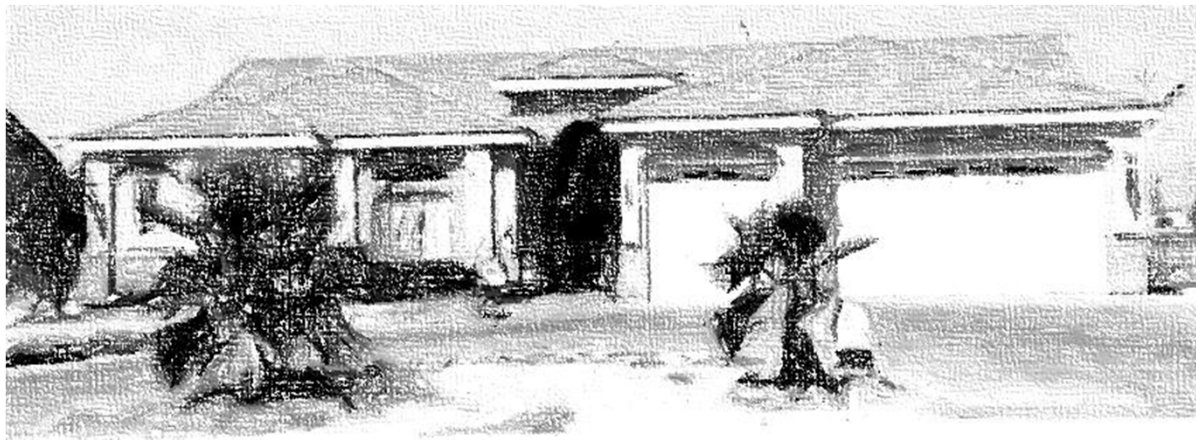
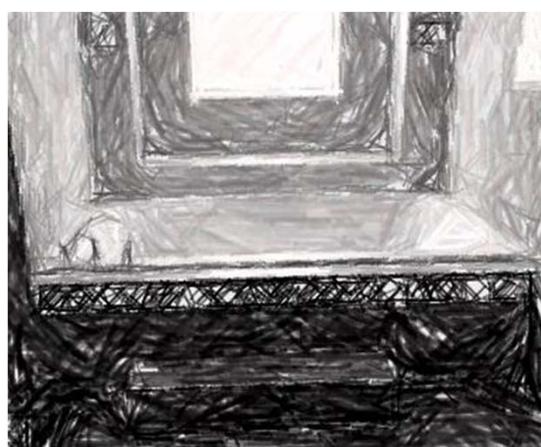
Northern Trends

Population: **621,826** in 2014

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

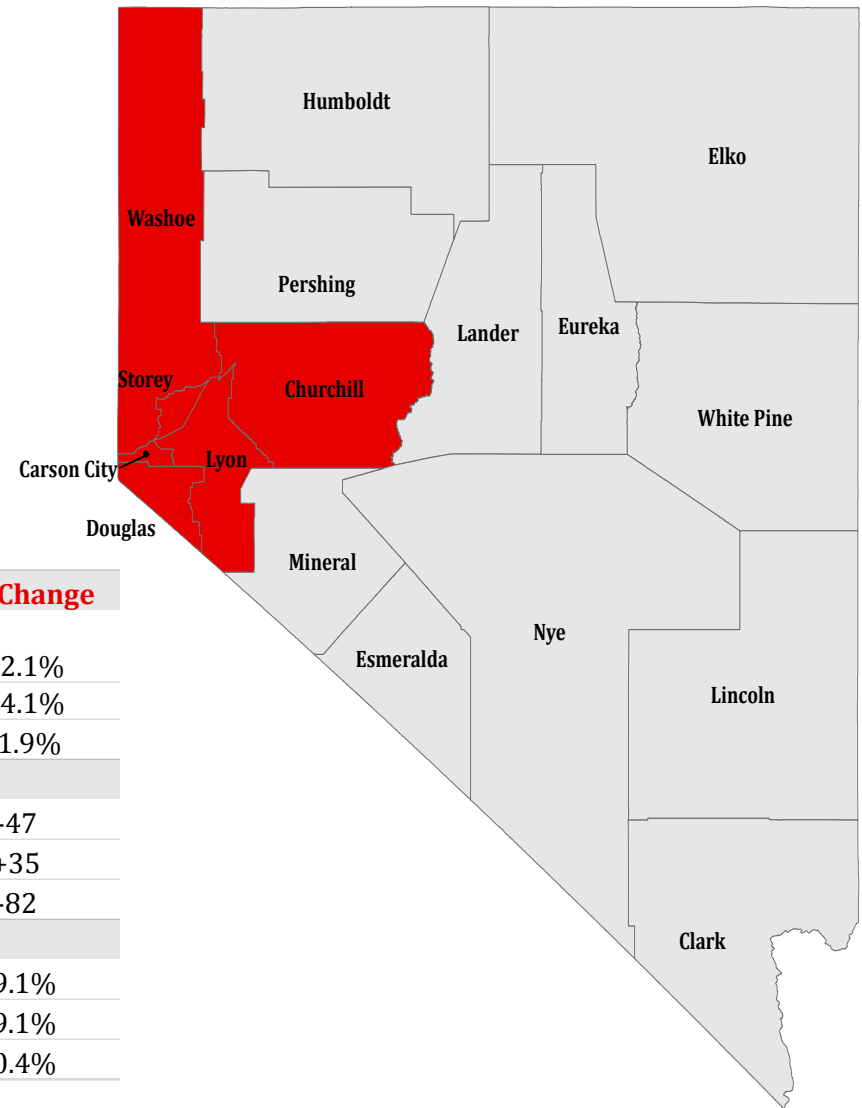
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ The share of Northern Nevada homes sold under distress decreased by 5.2 percent. This decrease was a result of both short sales and REO sales decreasing. At 8.1 percent, the distress share in July 2015 was down 6 percentage points from July 2014.
- ❑ July 2015 was the only month so far this year where total residential construction starts decreased on a year over year basis. Multifamily starts in July 2015 were the lowest they had been since November 2013.
- ❑ Average New home prices increased 5.6 percent in July 2015 – the largest monthly increase since November 2013. Average new home prices increased \$30,000 on a year over basis in July 2015.

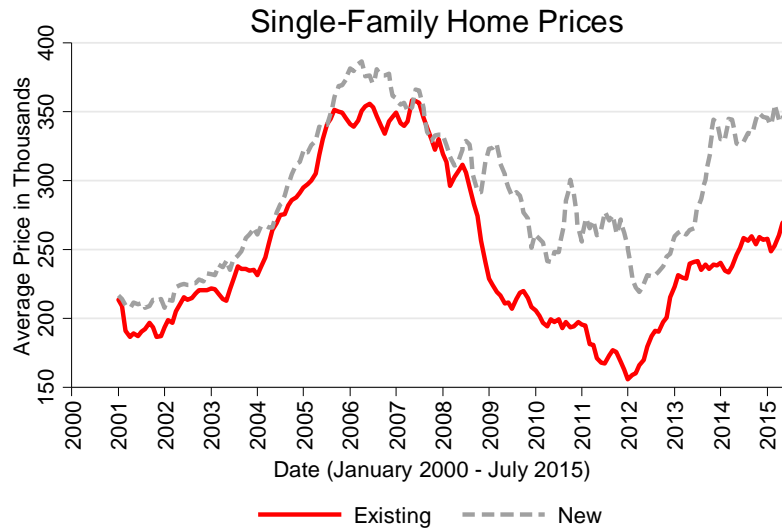


Single-Family Home Sales*	July 2015	M2M Change	Y2Y Change
New	108	+3.8%	+12.1%
Existing	1215	+0.6%	+14.1%
Distress Share	8.1%	-5.2%	-41.9%
Residential Construction			
Total Starts	210	-206	-47
Single-Family	204	-26	+35
Multifamily	6	-180	-82
Average Single-Family Sales Price*			
New	\$357,772	+5.6%	+9.1%
Existing	\$281,545	+3.4%	+9.1%
Distress	\$195,270	+1.5%	+0.4%

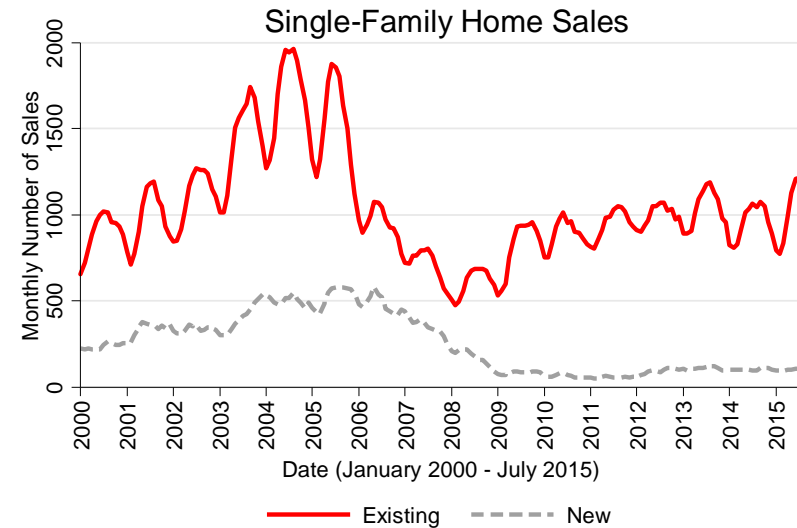
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

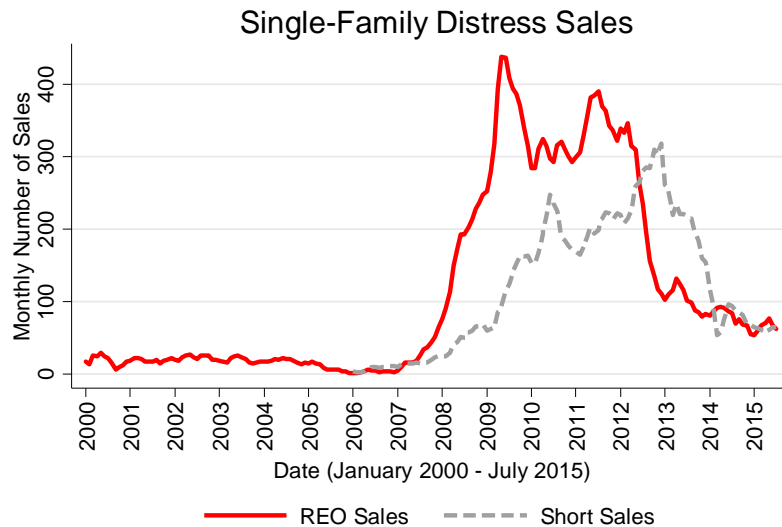
Northern Trends



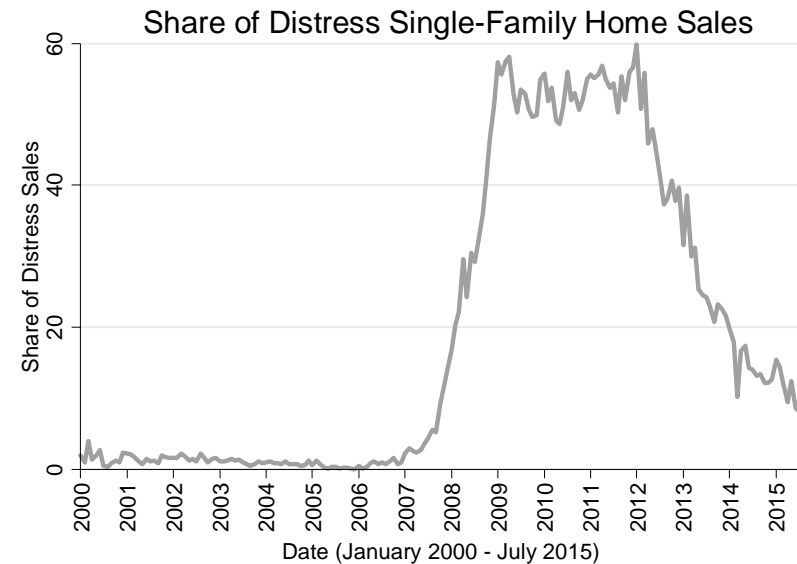
Source: CoreLogic
Note: Series are 3-month weighted moving averages.



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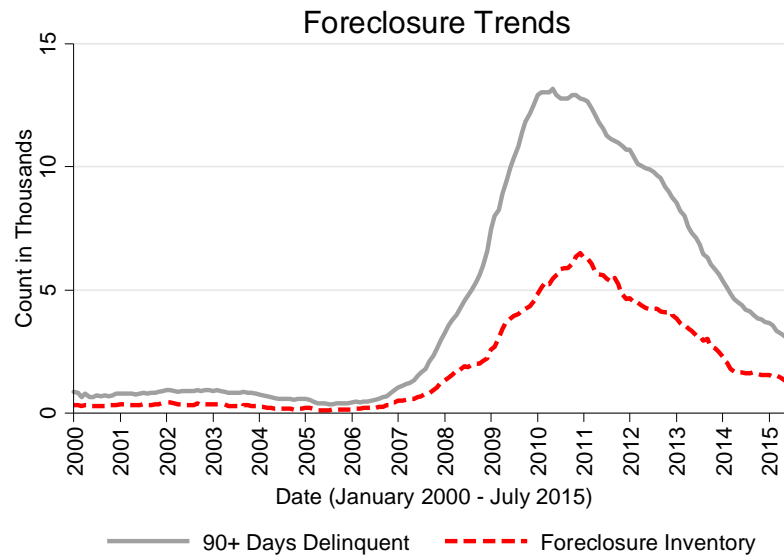


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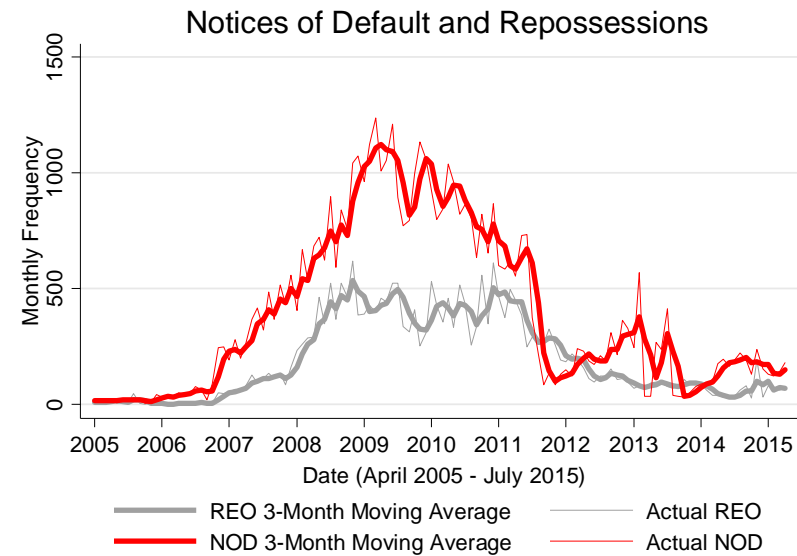


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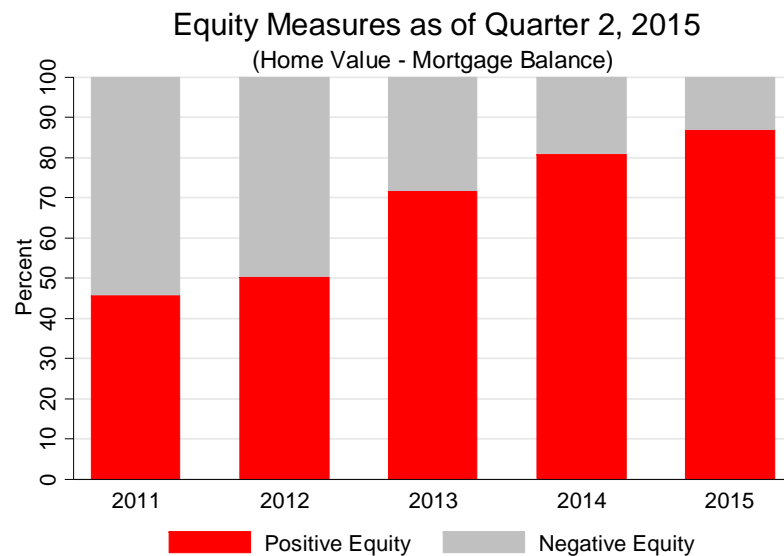
Northern Trends



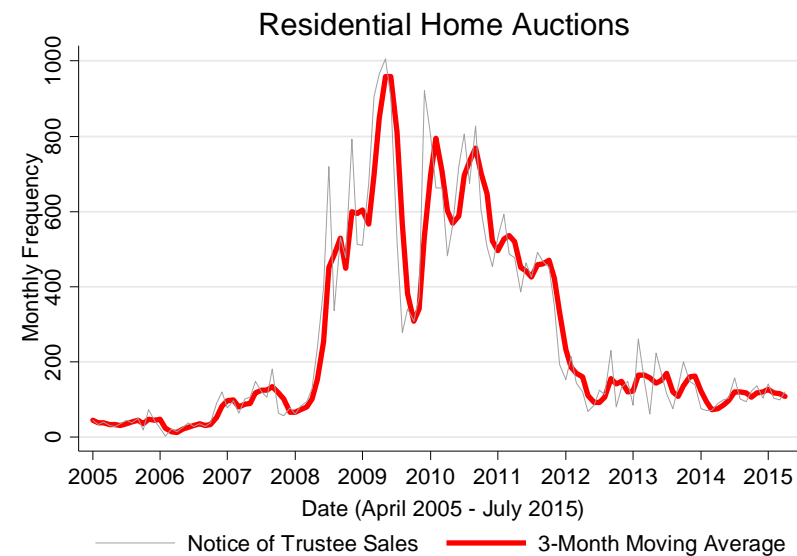
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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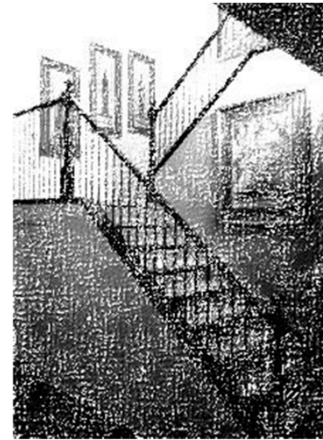
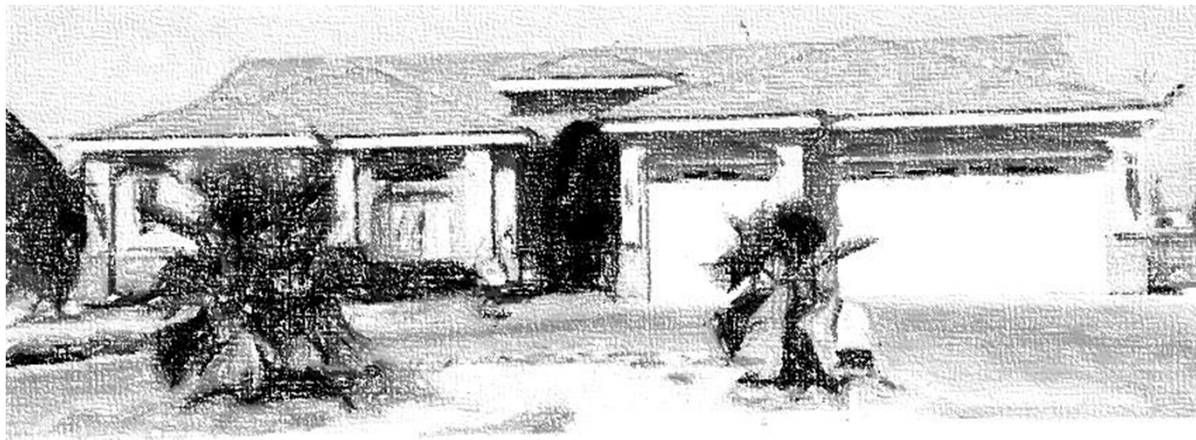
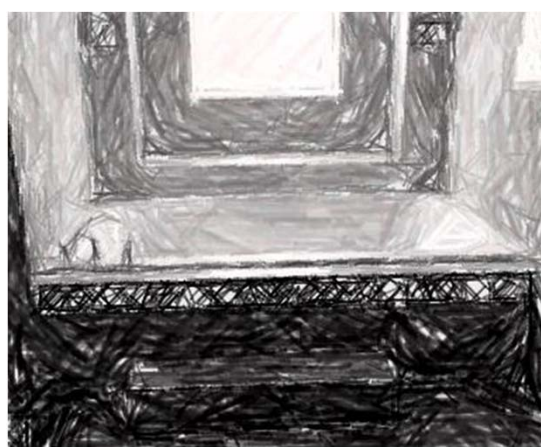
Southern Trends

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

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

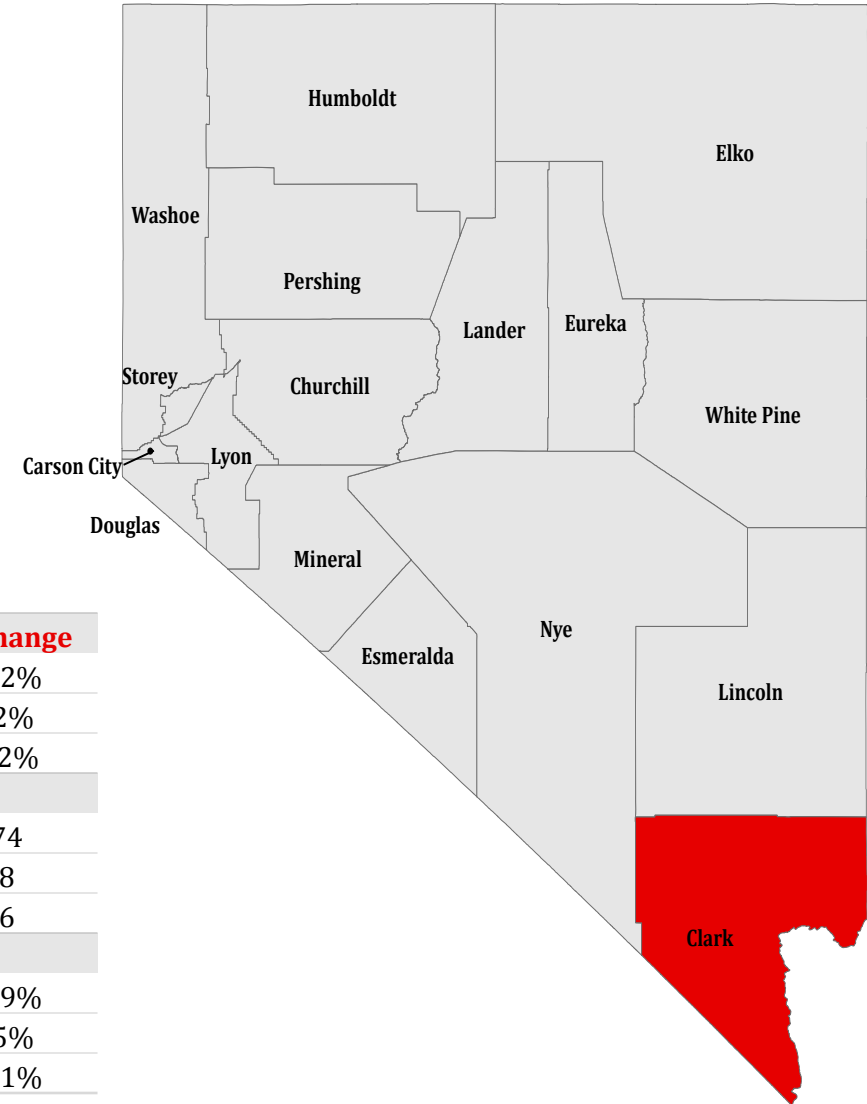
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ New home sales in Southern Nevada increased nearly 5 percent. At 521 new home sales, new home sales in July 2015 were the highest they had been since November 2013.
- ❑ Southern Nevada saw a 2.8 percent decrease in the share of homes sold under distress, the smallest decrease of any region in Nevada. Short sales decreased and REO sales increased slightly in July 2015.
- ❑ Southern Nevada was the only region in Nevada to see a month to month decrease in average new home prices. Southern Nevada average new home prices have seen more robust growth on a year to year basis than any other region in Nevada. At \$345,620, average new home prices in July 2015 were up \$39,000 from July 2014.

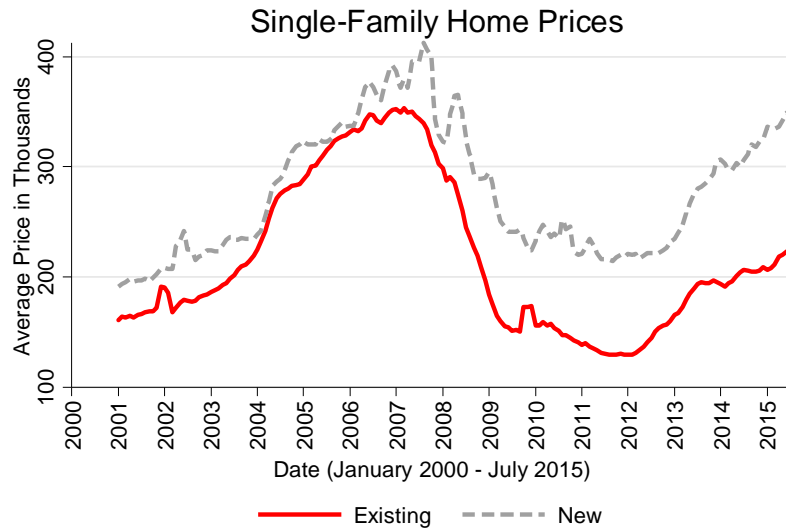


Single-Family Home Sales*	July 2015	M2M Change	Y2Y Change
New	521	+4.8%	+31.2%
Existing	3,606	-0.3%	+0.2%
Distress Share	12.6%	-2.8%	-35.2%
Residential Construction			
Total Starts	1,020	-20	-174
Single-Family	704	-151	-98
Multifamily	316	+131	-76
Average Single-Family Sales Price*			
New	\$345,620	-0.9%	+12.9%
Existing	\$223,734	+0.1%	+8.5%
Distress	\$182,629	+2.1%	+13.1%

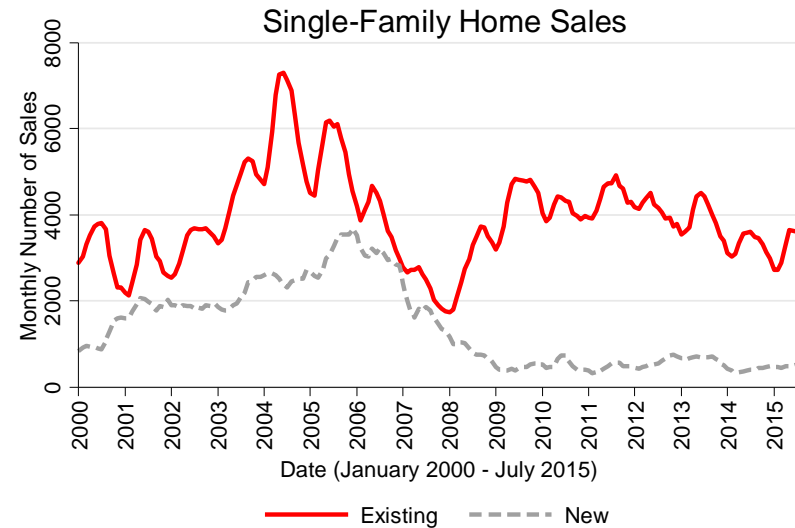
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

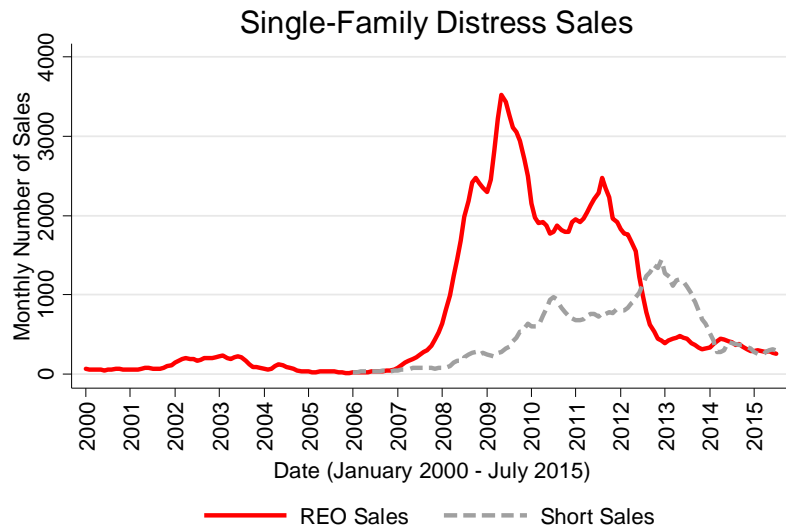
Southern Trends



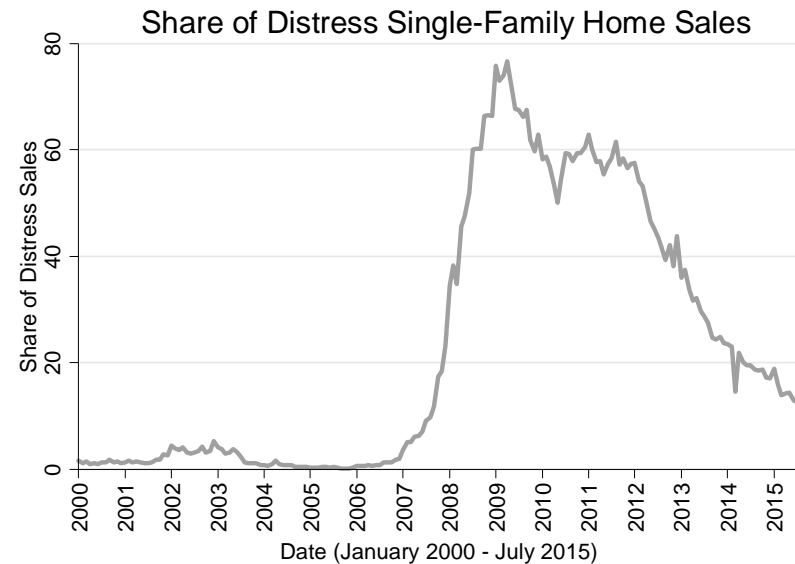
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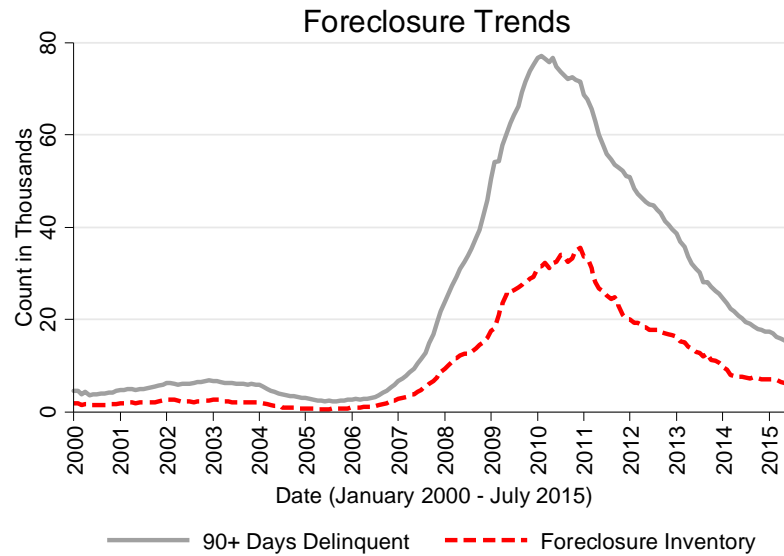


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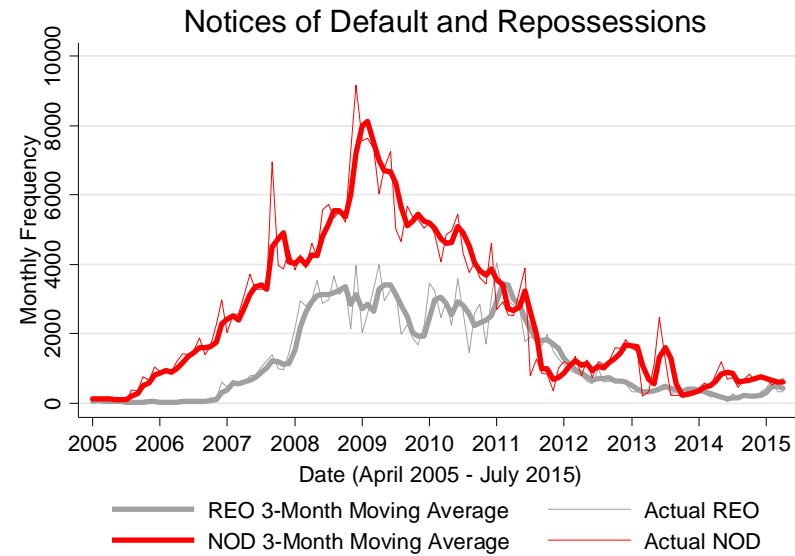


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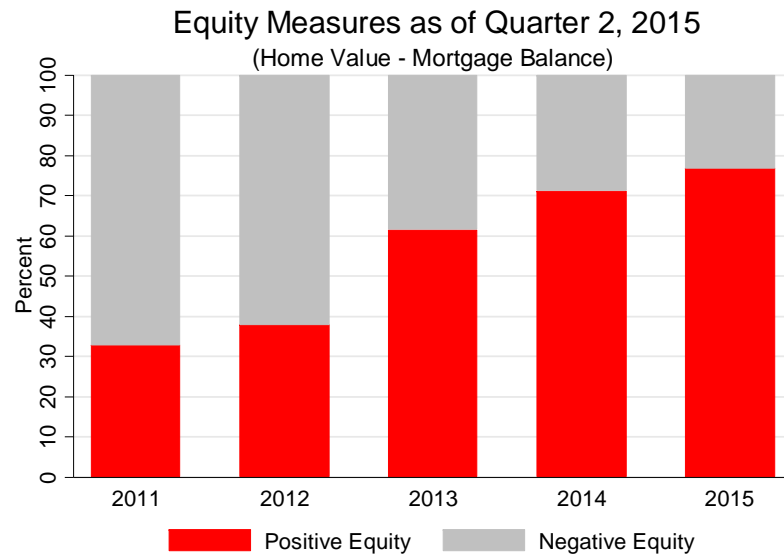
Southern Trends



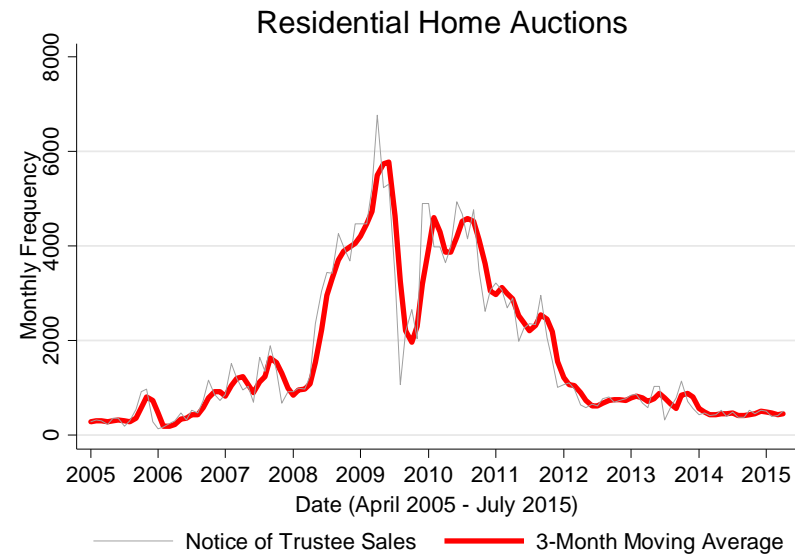
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | July 2015

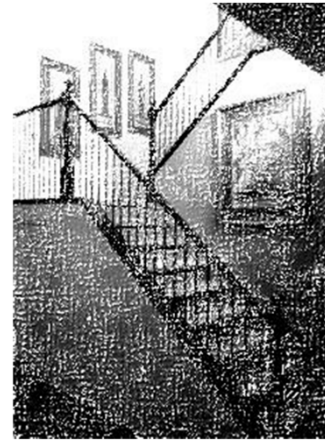
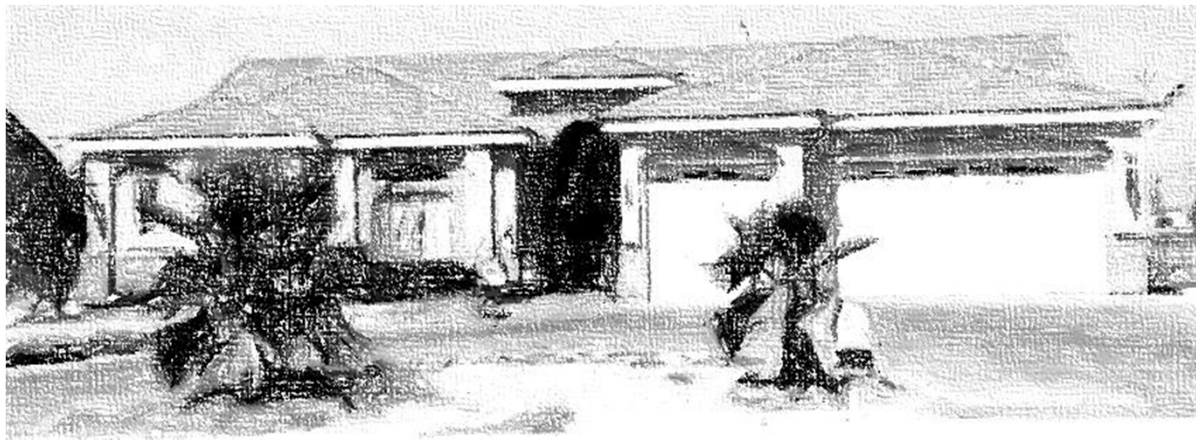
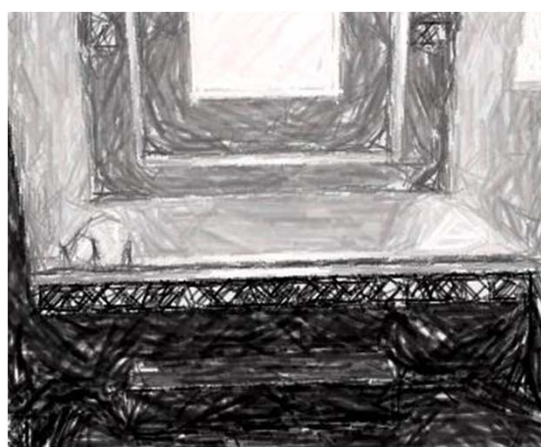
Rural Trends

Population: **147,592** in 2014

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

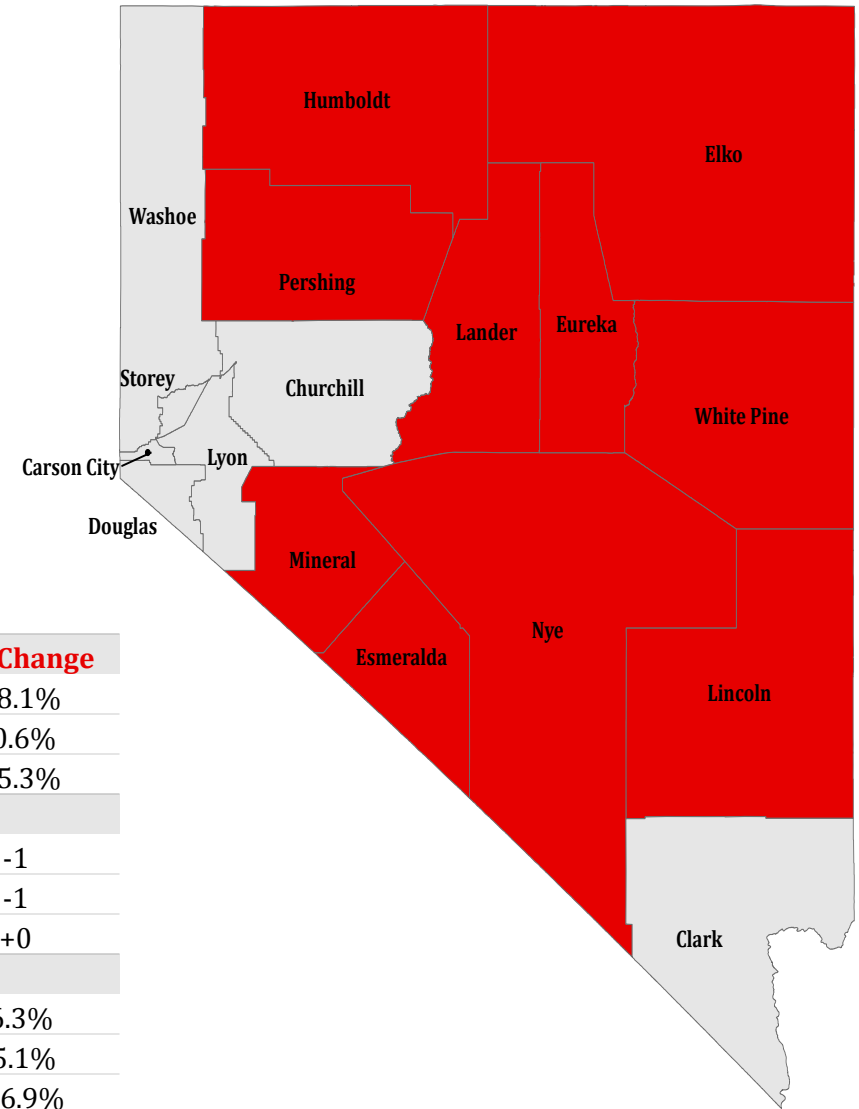
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ The share of homes sold under distress decreased by over 20 percent in Rural Nevada. However, short sales saw a large increase. There were 12 short sales in Rural Nevada in July 2015 – the highest monthly total since December 2013.
- ❑ Distress home prices saw an unusually large increase in July 2015. At \$106,349, the average distress home in Rural Nevada sold for \$23,000 more in July 2015 than in July 2014.
- ❑ After a large decrease in average new home prices in June 2015, new home prices increased 7.6 percent in July 2015. Rural Nevada was the only region in Nevada where average new home prices were down year over year in July 2015.

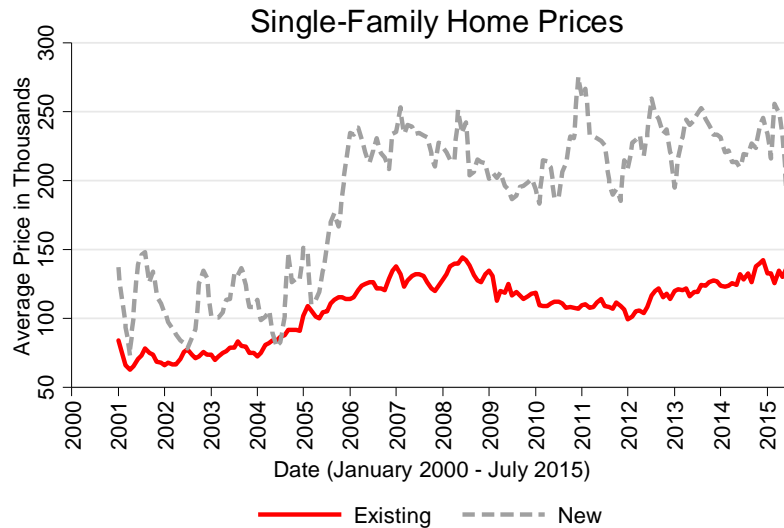


Single-Family Home Sales*	July 2015	M2M Change	Y2Y Change
New	6	+12.5%	-58.1%
Existing	162	+5.0%	+0.6%
Distress Share	12.9%	-20.7%	-25.3%
Residential Construction			
Total Starts	18	-6	-1
Single-Family	18	-6	-1
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$205,377	+7.6%	-6.3%
Existing	\$134,110	-2.0%	+5.1%
Distress	\$106,349	+17.2%	+26.9%

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

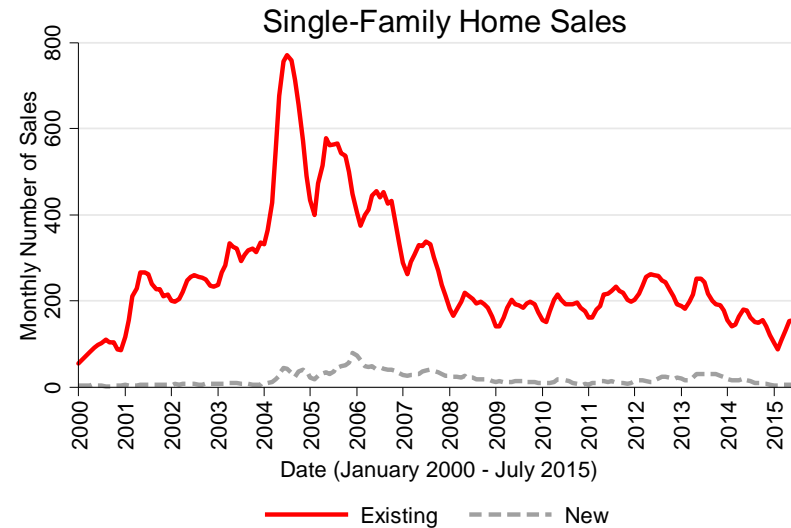
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



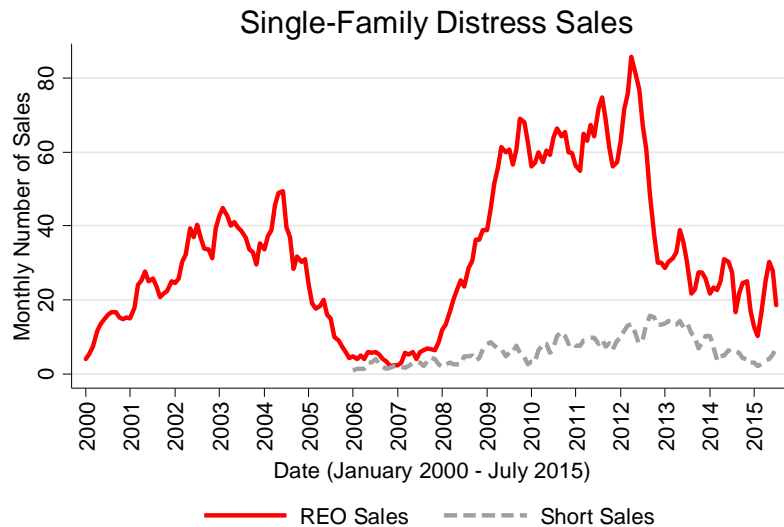
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



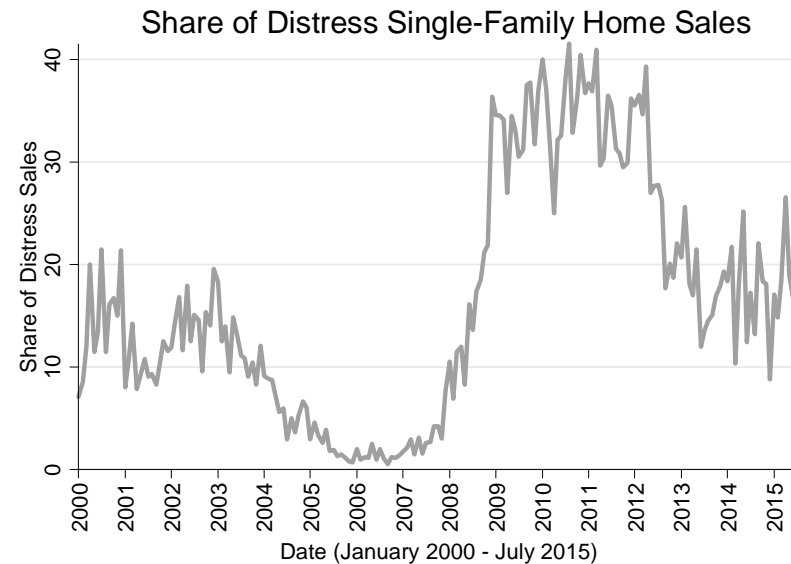
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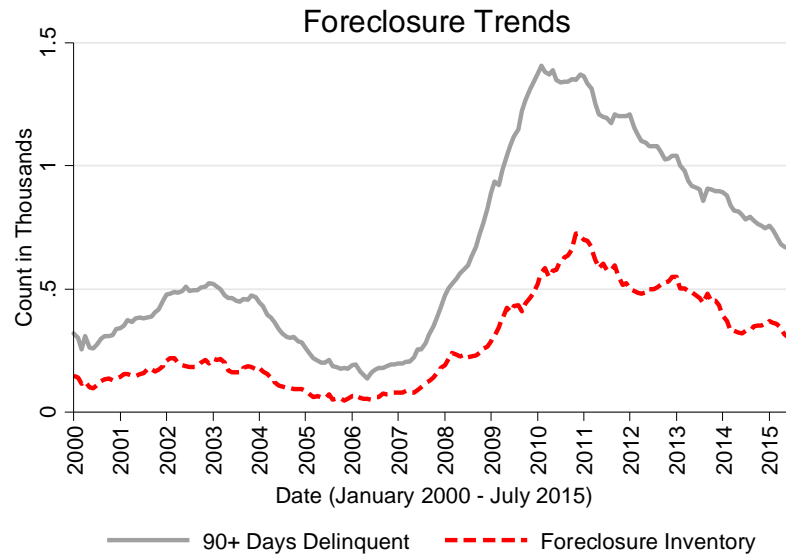
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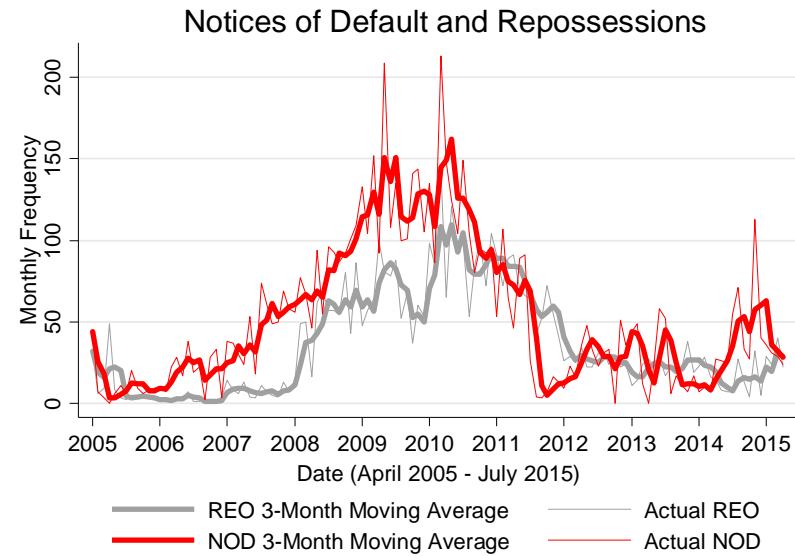


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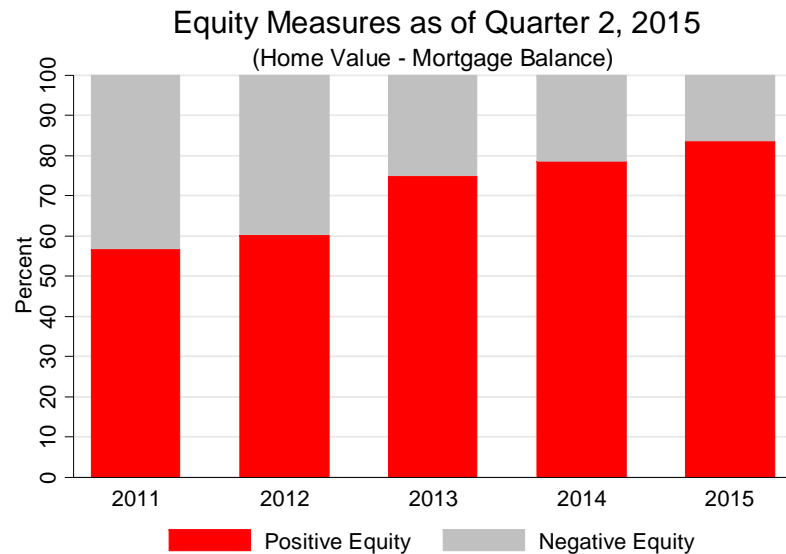
Rural Trends



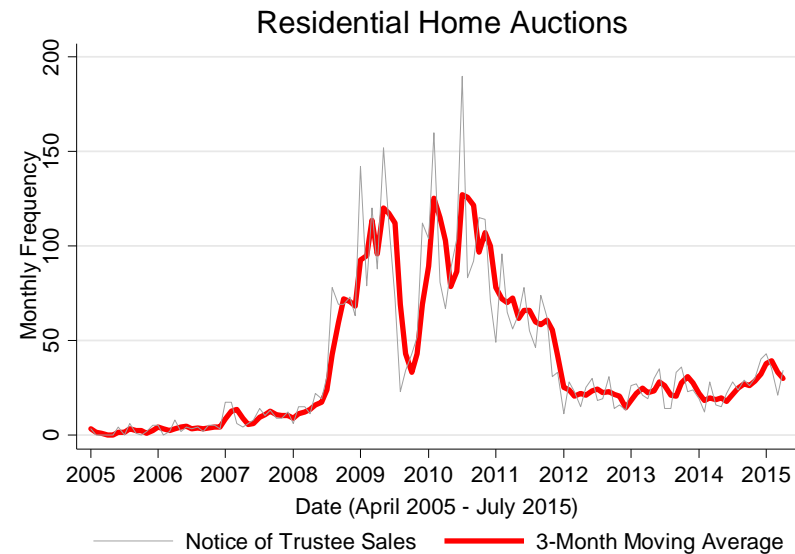
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

About the Lied Institute

The Lied Institute was established in 1989 by the Lee Business School at the University of Nevada, Las Vegas to foster excellence in real estate education and research. Through partnerships with business and community leaders, the Lied Institute strives to improve the real estate business and effective public policy practices in Southern Nevada. The institute produces relevant and timely real estate research, supports educational programs in real estate economics and finance for students and professionals, and provides community outreach and continuing education.

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