

# Survey of Housing Market Sentiment

2nd Quarter 2020 | Volume 3

Lied Institute for  
Real Estate Studies

**UNLV** | LEE  
BUSINESS SCHOOL

# Overall Housing Sentiment

- 90 percent of the Clark County brokers that were surveyed after March 17 indicated that they believe the overall real estate market will get worse over the next 90 days.
  - » Of these same brokers, 50 percent believe that the overall real estate market will get worse over the next year.

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- For the second consecutive quarter, Clark County was the only region with any respondents that believed the overall real estate market would get worse over the next 90-days.
  - » Washoe County continues to see an increase in brokers shifting from a neutral view of the real estate market over the next 90-days to an optimistic view of the real estate market over the next 90-days.

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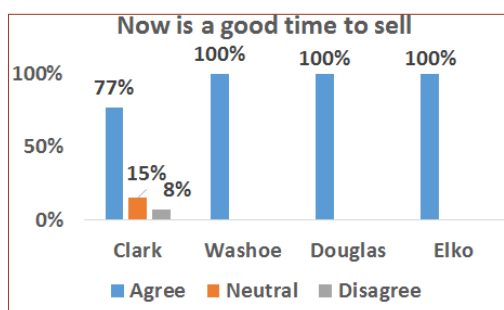
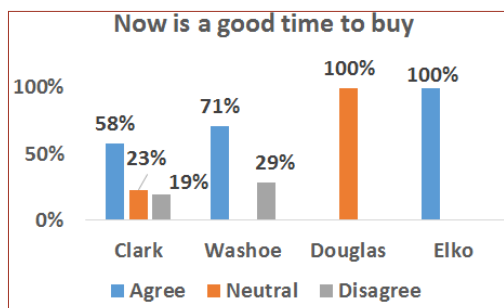
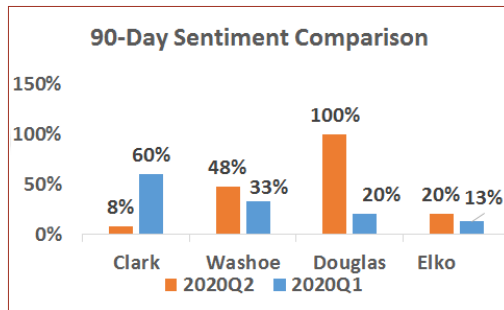
- This was the second consecutive quarter where the 90-day and one-year total sentiment score decreased in Clark County.
  - » The Washoe County 90-day total sentiment score continues to increase each quarter.

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- Washoe County has seen two consecutive quarters with an increase in brokers that believe now is not a good time to buy.
  - » This was the first quarter where 100 percent of Washoe County brokers indicated that now is a good time to sell.

		Clark County	Washoe County	Douglas County	Elko County
Overall Assessment of Real Estate Market over the next quarter?	Getting Better	19%	57%	100%	33%
	Stay The Same	38%	43%	0%	67%
	Getting Worse	42%	0%	0%	0%
Overall Assessment of Real Estate Market over the next year?	Getting Better	48%	86%	100%	100%
	Stay The Same	24%	14%	0%	0%
	Getting Worse	28%	0%	0%	0%
Total Sentiment Score*	90-day	8%	48%	100%	20%
	Year	25%	71%	100%	87%

\* Total sentiment scores "Getting Better" as +1, "Stay The Same" as 0, "Getting worse" as -1. All scores are added up and divided by the total number of questions answered. A score of 100% implies all brokers in that region signaled optimism in all of their answers. A score of -100% implies all brokers in that region signaled pessimism in all of their answers.



# Pricing

- All regions saw a drastic decrease in the percent of brokers with a neutral view on home price changes.

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- Washoe County saw a large 53-percentage point increase in brokers that believe home prices will increase over the next 90 days.
  - » Last quarter, 9 percent of Washoe County brokers indicated that they believe home prices will decrease over the next year. This quarter, all brokers indicated that they believe prices will increase over the next year.

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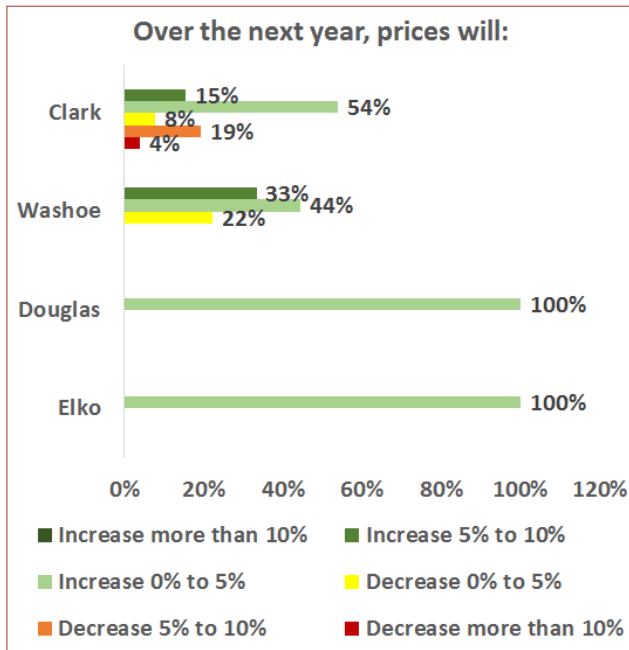
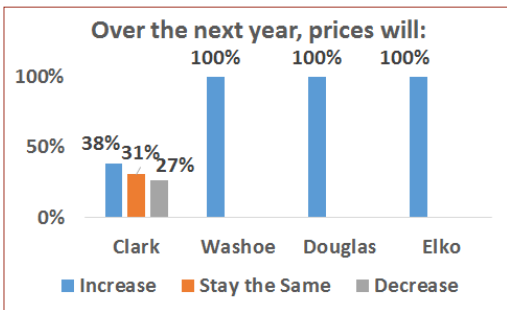
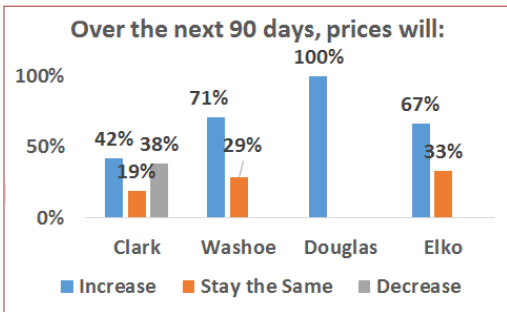
- Clark County saw a large increase in brokers that indicated prices would decrease over the next 90 days and next year.
  - » This quarter, 4 percent of brokers indicated that they believe home prices will decrease more than 10 percent over the next year.
  - » No broker from any region in the previous surveys had ever believed prices would decrease 10 percent or more over the next year.

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- 60 percent of the Clark County brokers that were surveyed after March 17 indicated that they believe home prices will decrease over the next year.
  - » All brokers that believed prices would increase more than 10 percent over the next year were surveyed after March 17.

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- For the last two quarters, Washoe County has seen gradual increases in the percent of brokers that believe home prices will decrease 0 to 5 percent over the next year.



# Volumes

- Clark County, which was more optimistic than Washoe County about home sales over the next 90 days the previous two quarters, held a neutral view on home sales over the next 90 days.

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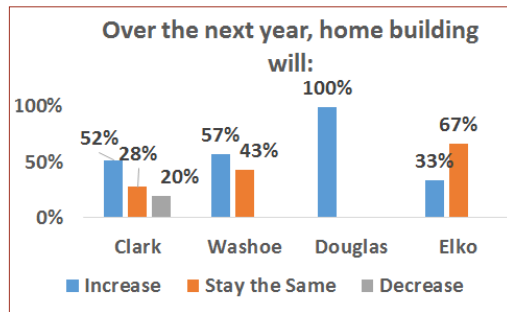
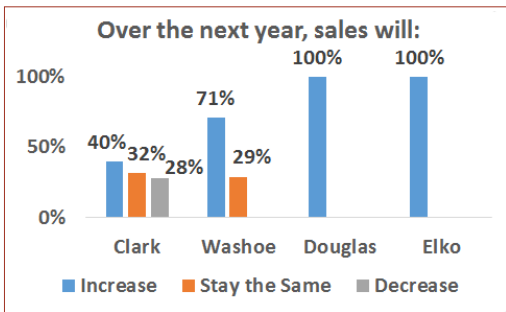
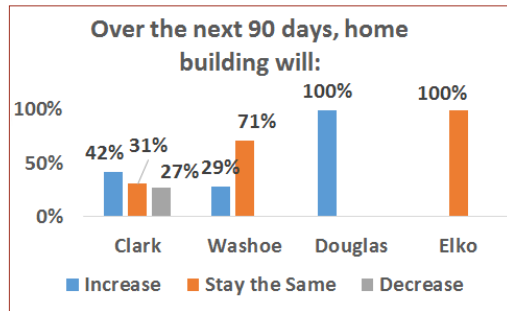
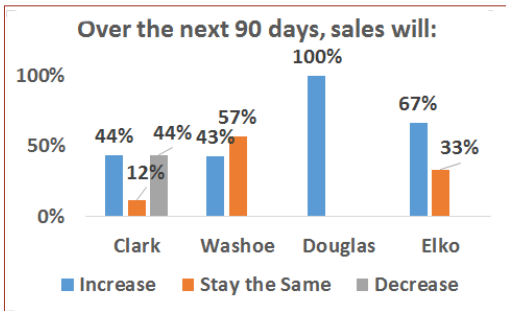
- Clark County was slightly optimistic about home sales over the next year and home building over the next 90 days.

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- No respondents from Washoe, Douglas, or Elko believed that home sales or home building would decrease in the next 90 days or the next year.

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- None of the Clark County brokers that responded after March 17 believed that home sales would increase in the next 90 days.
  - » Of these same brokers, 10 percent believed that home sales would increase over the next year.





# Rentals

- Clark County continues to be the only region with any brokers that believe rent prices will decrease more than 5 percent over the next year.
  - » The majority of these brokers answered after March 17.

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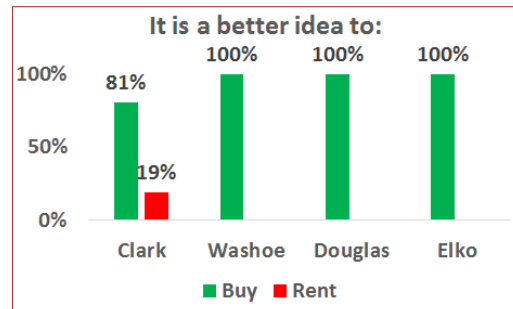
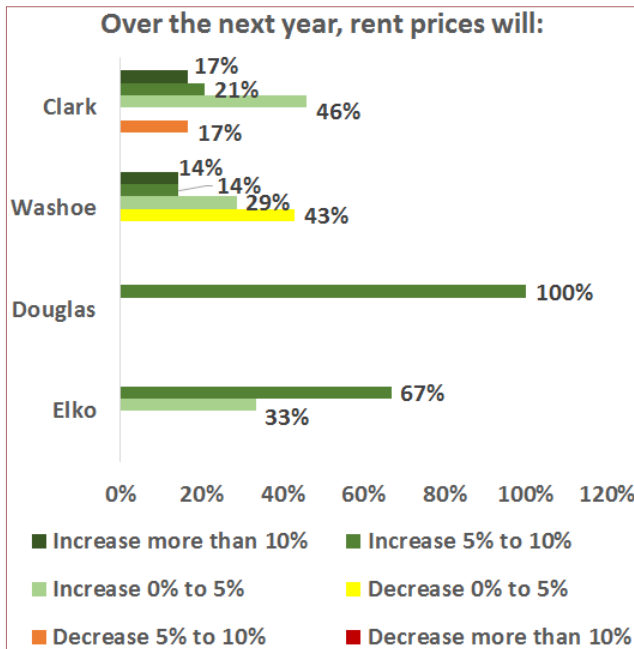
- Washoe County continues to see increased pessimism in the rental market each quarter.
  - » All brokers that believed rental prices would decrease answered before March 17.

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- No brokers in Washoe County believed it was a better idea to rent than to buy. This represents a 9-percentage point decrease from the previous quarter.

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- Clark County saw an 11-percentage point increase in brokers that indicated renting is a better idea than buying. All of these brokers did business primarily in Henderson.



# Economy

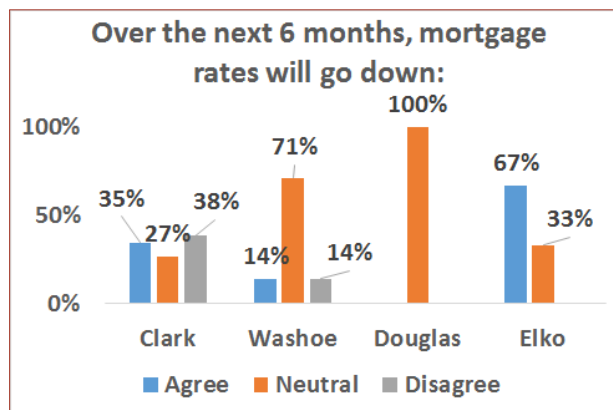
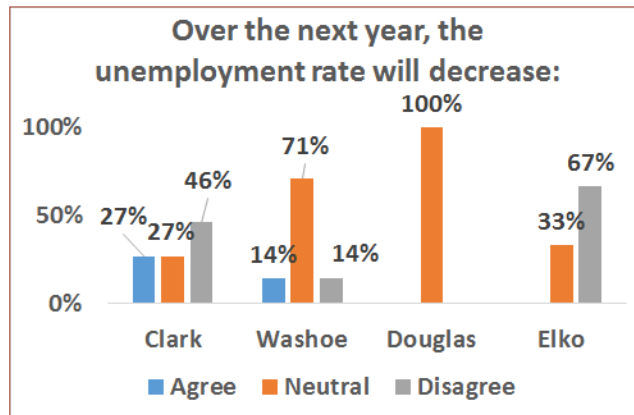
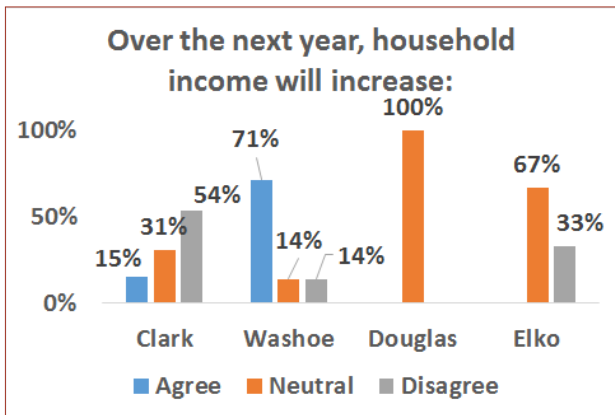
- Depending upon the timing of their response to the survey, the results differed. Brokers that responded before March 17, held a slightly optimistic view of the economy. Brokers that responded after March 17, held a very pessimistic view of the economy.

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- Clark County brokers that responded prior to March 17 were slightly optimistic of the unemployment rate and mortgage rates.
  - » Only 10% of brokers surveyed after March 17 displayed optimism in the unemployment rate or mortgage rates.
  - » None of the brokers surveyed after March 17 believed that income would increase over the next year.

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- Washoe County held a neutral view on mortgage rates and the unemployment rate.
  - » All of the Washoe County brokers that held a pessimistic view on the unemployment rate or mortgage rates responded after March 17th.



## About the Survey

The Housing Market Sentiment Survey is conducted every quarter in collaboration with our industry partner, Nevada Realtors. A representative sample of residential real estate brokers from all regions in Nevada are surveyed to gather their opinion of the housing market in locations they operate. This is a forward looking survey gauging the housing market sentiment in Nevada.

## About the Lied Institute for Real Estate Studies

The Lied Institute for Real Estate Studies 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 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 for students and professionals, and provides community outreach and continuing education.

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