

# Survey of Housing Market Sentiment

1st Quarter 2021 | **Volume 6**

Lied Center  
for Real Estate

**UNLV** | LEE  
BUSINESS SCHOOL

# Overall Housing Sentiment

- Brokers from all regions in Nevada hold an optimistic view on the overall real estate market and believe that it will improve over the next quarter and over the next year.

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- Clark and Washoe County Brokers saw little quarter-to-quarter and year over year change in the 90-day sentiment score.

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- Within Clark County, Henderson saw the largest share of brokers that believed the real estate market would improve over the next 90 days.
  - » Within Washoe County, brokers in Reno were slightly more optimistic than brokers in Sparks.

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- For the second consecutive quarter, Clark County brokers held a higher sentiment score over the next 90-days than the next year. Brokers held this same sentiment in 2020'Q1.

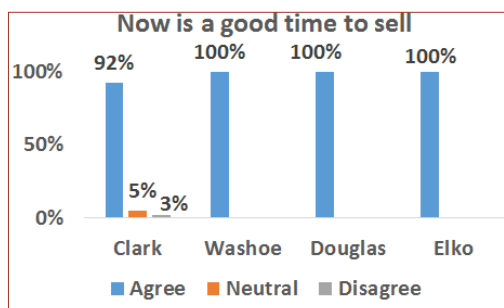
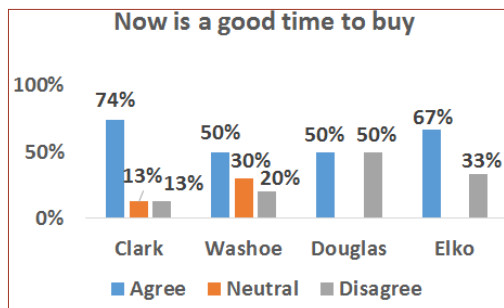
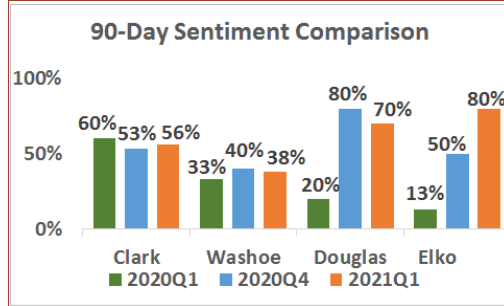
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- The percent of brokers that believe now is a good time to buy decreased by about 10 percent year over year in both Clark and Washoe County.

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		Clark County	Washoe County	Douglas County	Elko County
Overall Assessment of Real Estate Market over the next quarter?	Getting Better	72%	50%	100%	100%
	Stay The Same	21%	30%	0%	0%
	Getting Worse	8%	20%	0%	0%
Overall Assessment of Real Estate Market over the next year?	Getting Better	64%	70%	100%	100%
	Stay The Same	13%	30%	0%	0%
	Getting Worse	23%	0%	0%	0%
Total Sentiment Score*	90-day	56%	38%	70%	60%
	Year	52%	70%	100%	80%

\* 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

- For the second consecutive month, Clark County saw its highest recorded share of brokers that believed home prices would increase over the next 90 days and over the next year.

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- Washoe County saw an enormous quarter-to-quarter and year over year increase in the share of brokers that believe prices would increase over the next quarter and the next year.
  - » For the fifth consecutive quarter, no brokers from Washoe County indicated that they believed prices would decrease over the next 90 days.

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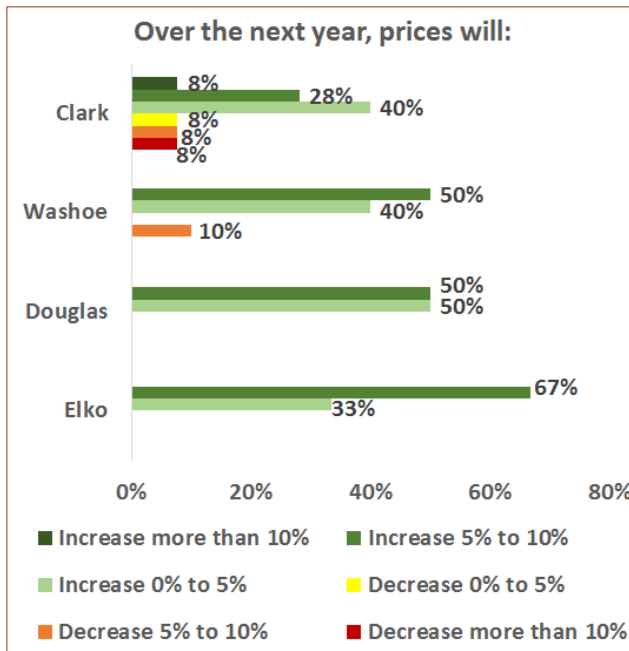
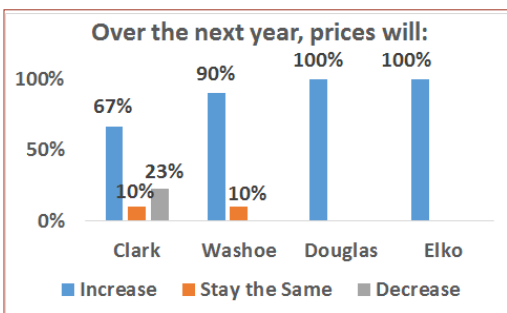
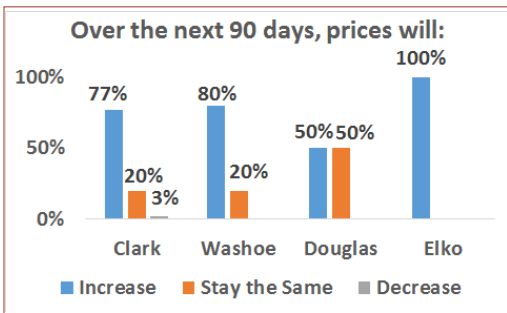
- Clark County brokers were the most split on how much home prices will change over the next year. Only 40 percent of Clark County brokers believed prices would increase 0 to 5 percent over the next year.

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- Clark County has seen three consecutive quarters with an increase in the percent of brokers that believe prices will increase more than 5 percent over the next year.

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- For the third consecutive quarter, the majority of Washoe County brokers believed that home prices would increase 5 to 10 percent over the next year. Prior to 2020'Q2, Washoe County brokers leaned more towards prices increasing 0 to 5 percent over the next year.



# Volumes

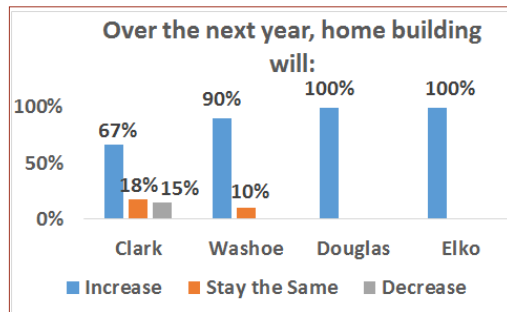
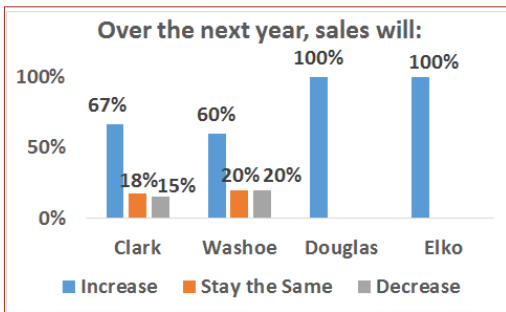
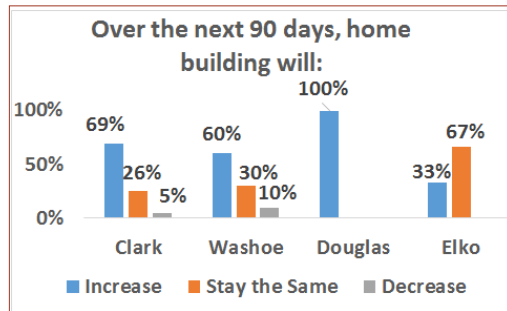
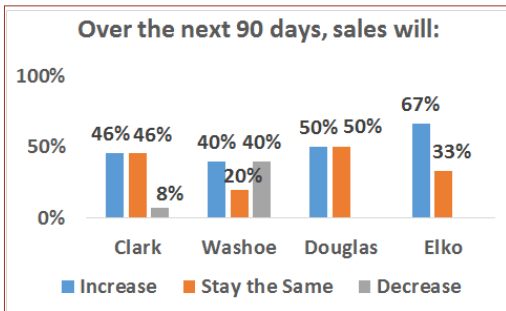
- For the second consecutive quarter, both Clark and Washoe County saw a quarterly decrease in the percentage of brokers that believed home sales would increase over the next 90 days.
  - » For the third consecutive quarter, Clark County saw a quarterly decrease in the share of brokers that believed home sales would decrease over the next 90 days.

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- No particular region within the Las Vegas metropolitan area was overly optimistic or pessimistic on home sales or construction over the next year as brokers from all regions showed similar sentiment.

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- Clark and Washoe County brokers showed little quarterly change in home building sentiment over the next 90 days and next year.
  - » Brokers from both counties are much more optimistic about home building activity now than they were in 2020'Q1.



# Rentals

- This quarter saw a large quarterly increase in brokers that believe rent prices would increase more than 10 percent over the next year.
  - » Clark County had 22 percent of brokers indicate that prices would increase more than 10 percent over the next year, which represents the highest recorded percentage for Clark County.

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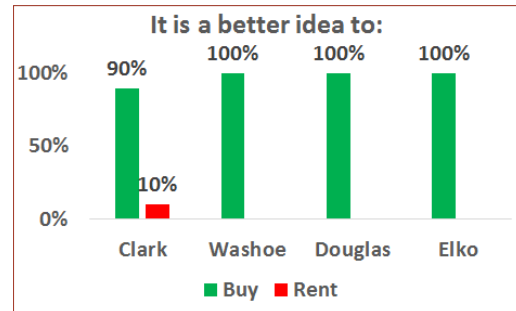
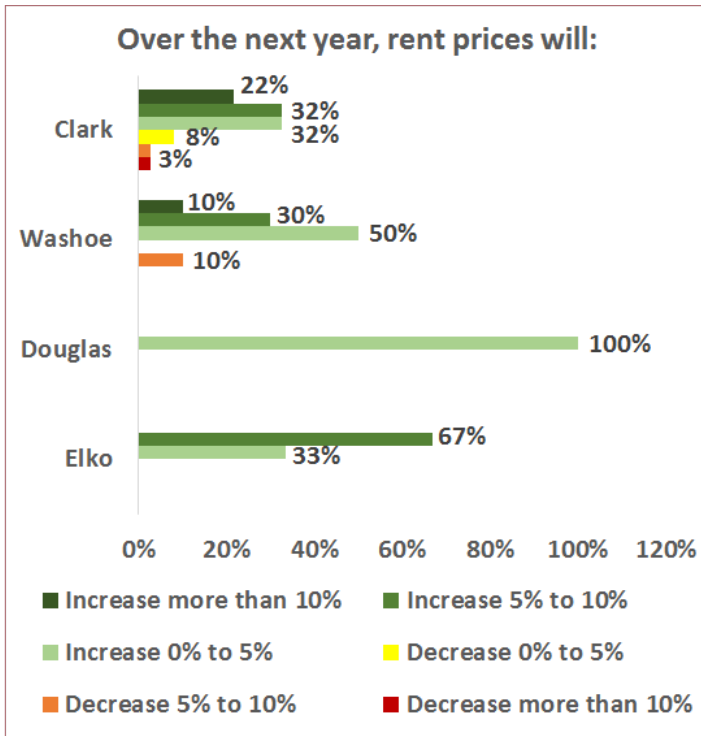
- The share of brokers that believe rent prices will decrease over the next year increased on a year over year basis.
  - » During the 2020'Q1 survey, less than 10 percent of brokers in both Washoe and Clark County believed rent prices would decrease over the next year.

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- All brokers that indicated that they believed rental prices would decrease over the next year also indicated that they believed home prices would decrease by at least as much as rental prices over the next year.

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- For the fourth consecutive quarter, no brokers in Washoe County believed it was a better idea to rent than to buy. Each quarter, Clark County typically gets about 90 percent of brokers that believe it is a better idea to buy than rent.



# Economy

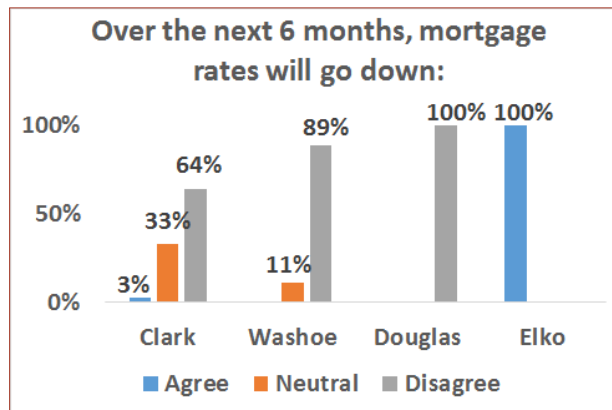
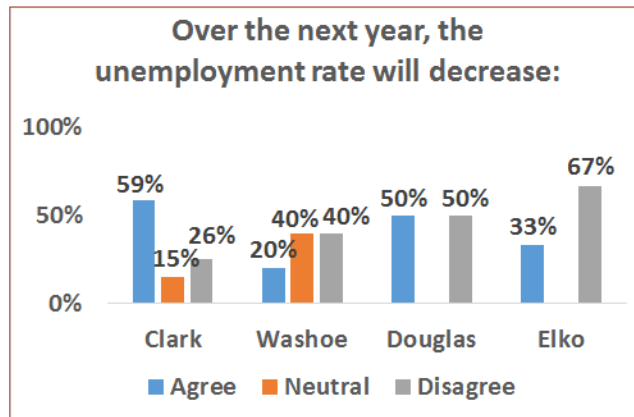
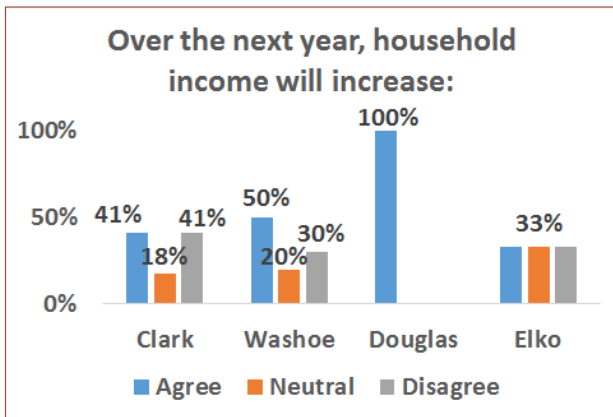
- For the last half of 2020, Washoe and Clark County brokers leaned towards income decreasing over the next year.
  - » In 2021'Q1, Clark County held a neutral view on household income.
  - » Washoe County held a slightly optimistic view on household income, which was almost identical to the sentiment in 2020'Q1.

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- All regions saw a decrease in optimism towards the unemployment rate over the next year.
  - » For the first time, Clark and Washoe County held completely different views on the unemployment rate over the next year. It is important to note that Clark county and Washoe county have quite different economic bases, which will influence the respective responses.
  - » Only 20 percent of brokers in Washoe County believed the unemployment rate would decrease over the next year compared to 70 percent last quarter.

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- For the third consecutive quarter, brokers in both Clark and Washoe County leaned heavily towards mortgage rates increasing over the next six months. In 2020'Q1, brokers held a neutral view on mortgage rates changing over the next year.



## 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 Center for Real Estate

The Lied Center for Real Estate 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 Center strives to improve real estate business and effective public-policy practices in Nevada. The center produces relevant and timely real estate market reports, supports educational programs in commercial real estate for students and professionals, and provides community outreach and continuing education.

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