

September 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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Nevada's Housing Market | September 2015

Nevada Statewide Trends

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

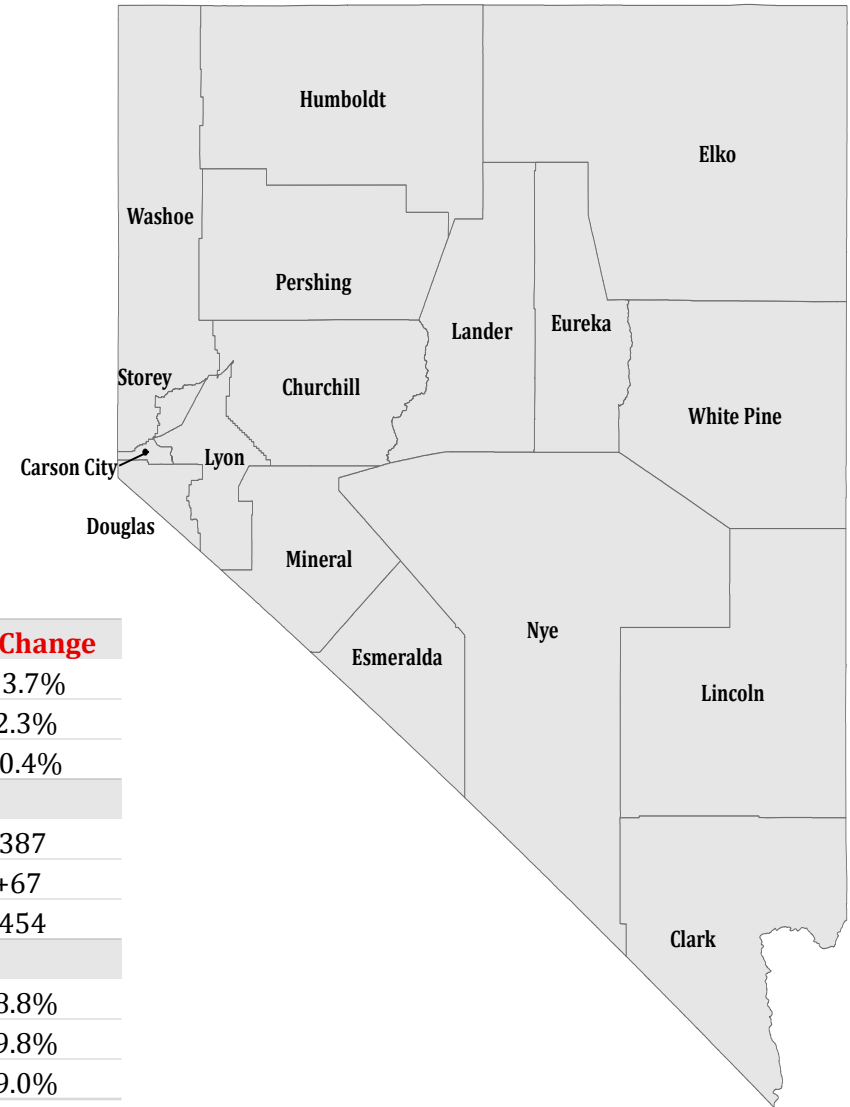
Housing Units: **1,198,907** in 2014

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



Nevada Statewide Trends

- ❑ All three regions saw an increase in the share of homes sold under distress in September 2015. However, the distress share was down more than 25 percent on a year over year basis for all three regions. All three regions also saw a decrease in the share of mortgages with negative equity.
- ❑ Housing affordability increased in Las Vegas and decreased in Reno. According to the National Home Builders Association, 66 percent of homes in Las Vegas and 53 percent of homes in Reno are affordable to borrowers earning at least the median income.
- ❑ September 2015 was the fifth consecutive month where total residential construction starts decreased. September 2015 was the first month since July 2013 where there were no multifamily starts.

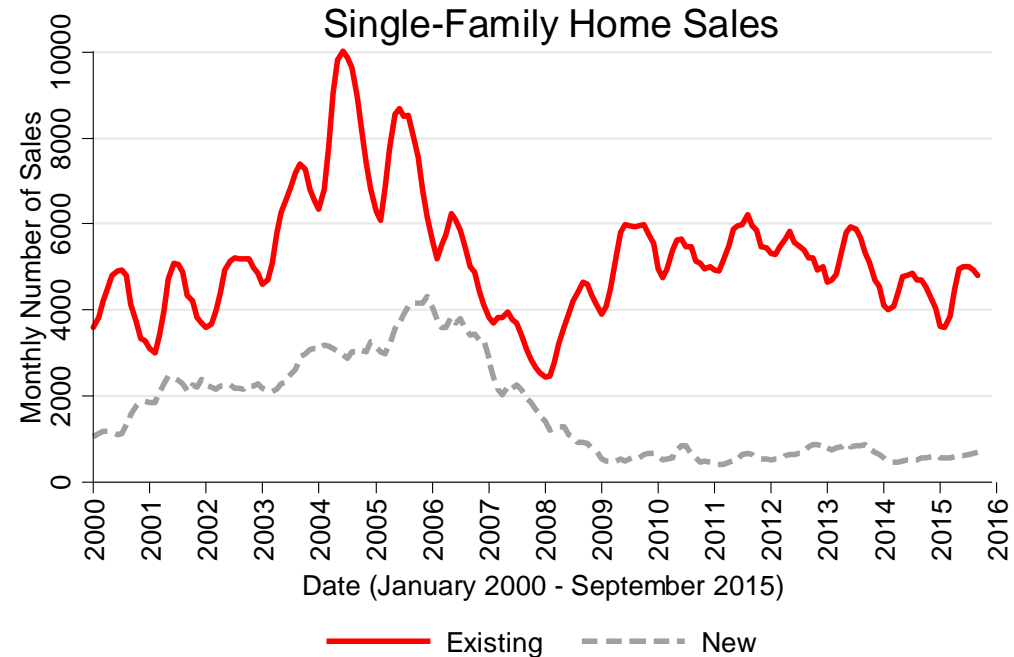
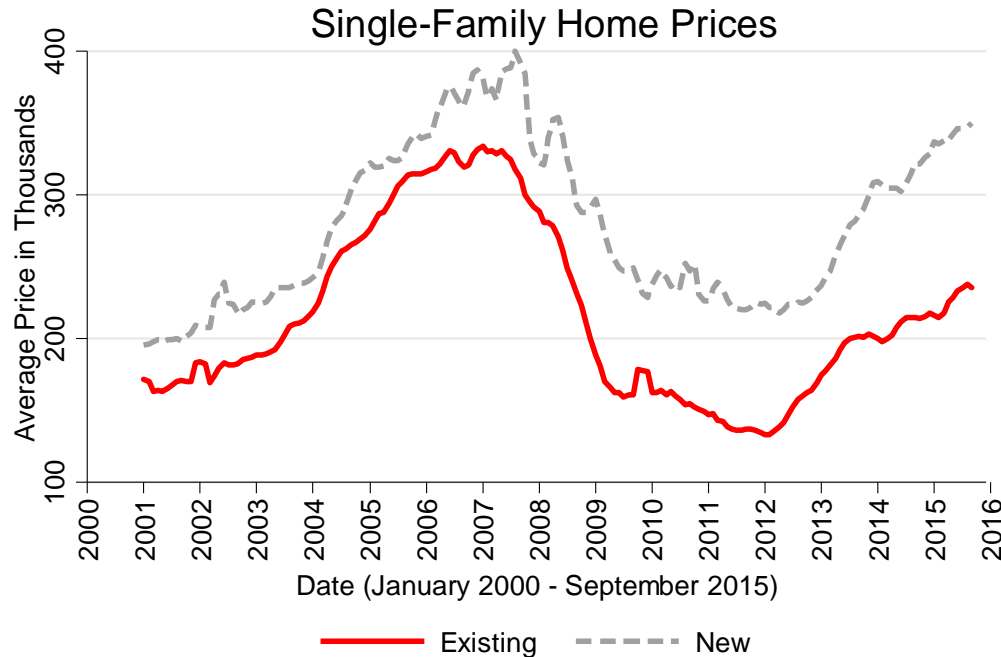


Single-Family Home Sales*	September 2015	M2M Change	Y2Y Change
New	691	+4.6%	+23.7%
Existing	4809	-2.5%	+2.3%
Distress Share	12.1%	+5.0%	-30.4%
Residential Construction			
Total Starts	764	-260	-387
Single-Family	764	-82	+67
Multifamily	0	-178	-454
Average Single-Family Sales Price*			
New	\$349,745	+1.0%	+8.8%
Existing	\$232,383	-0.9%	+9.8%
Distress	\$177,224	-4.1%	+9.0%

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

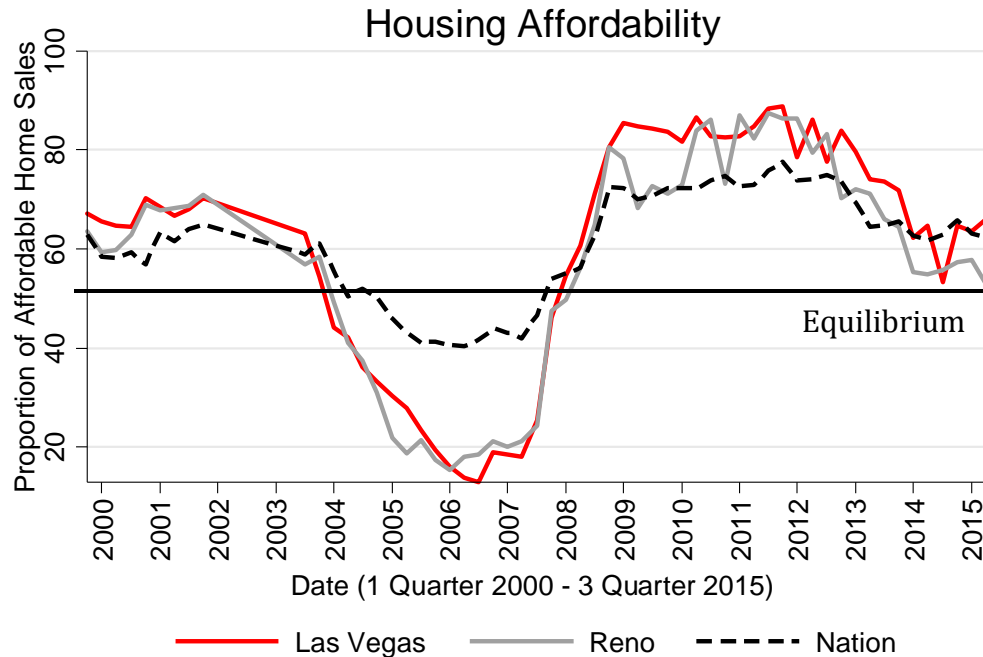
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



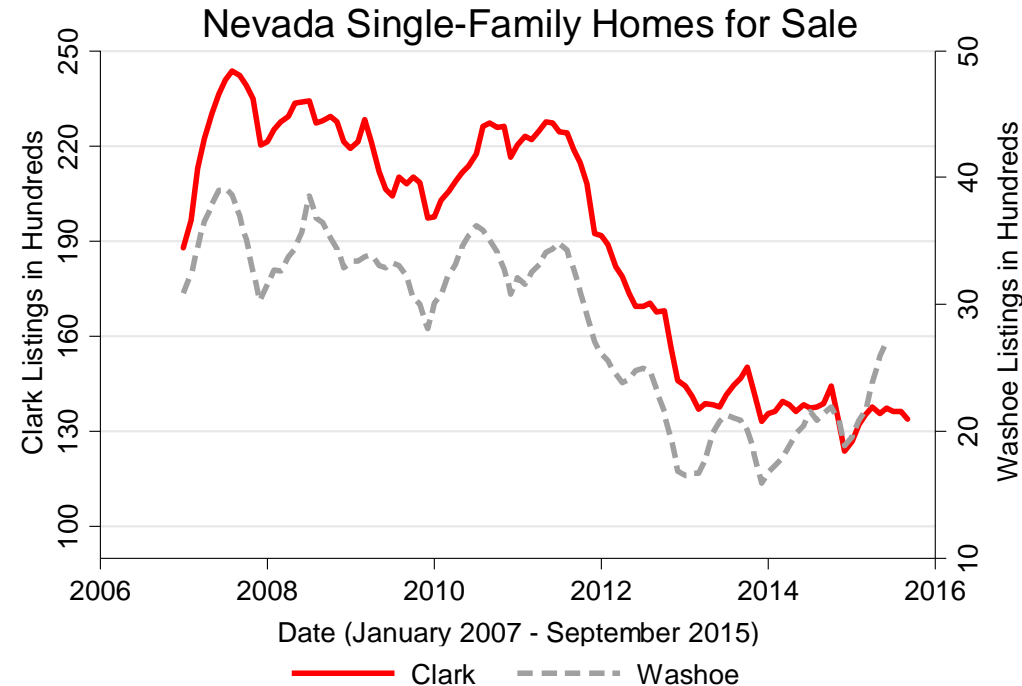
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

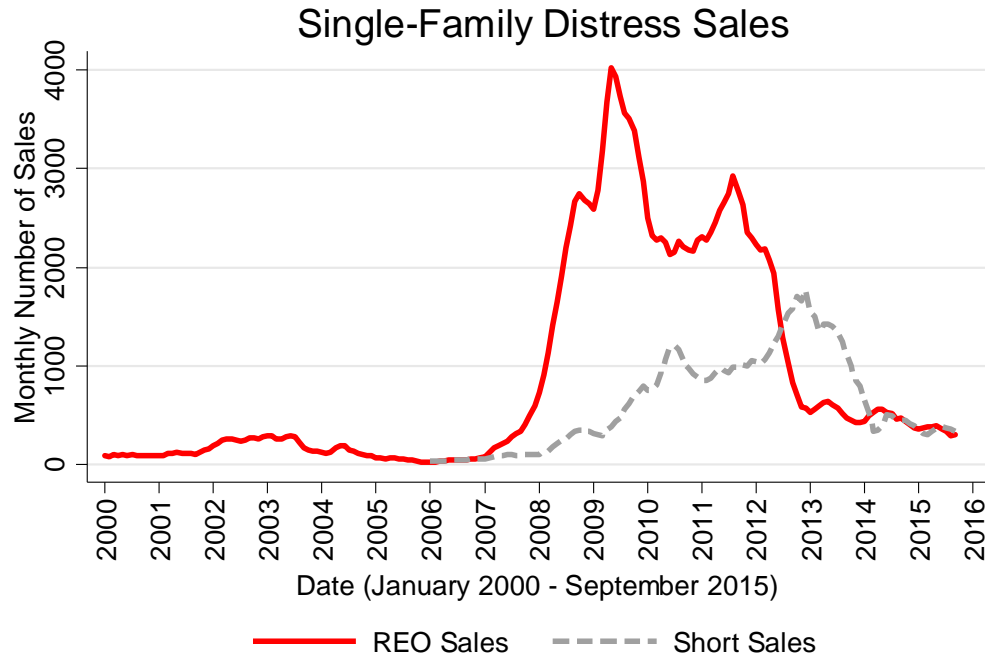
Note: Series denote the proportion of home sales affordable at median income.



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

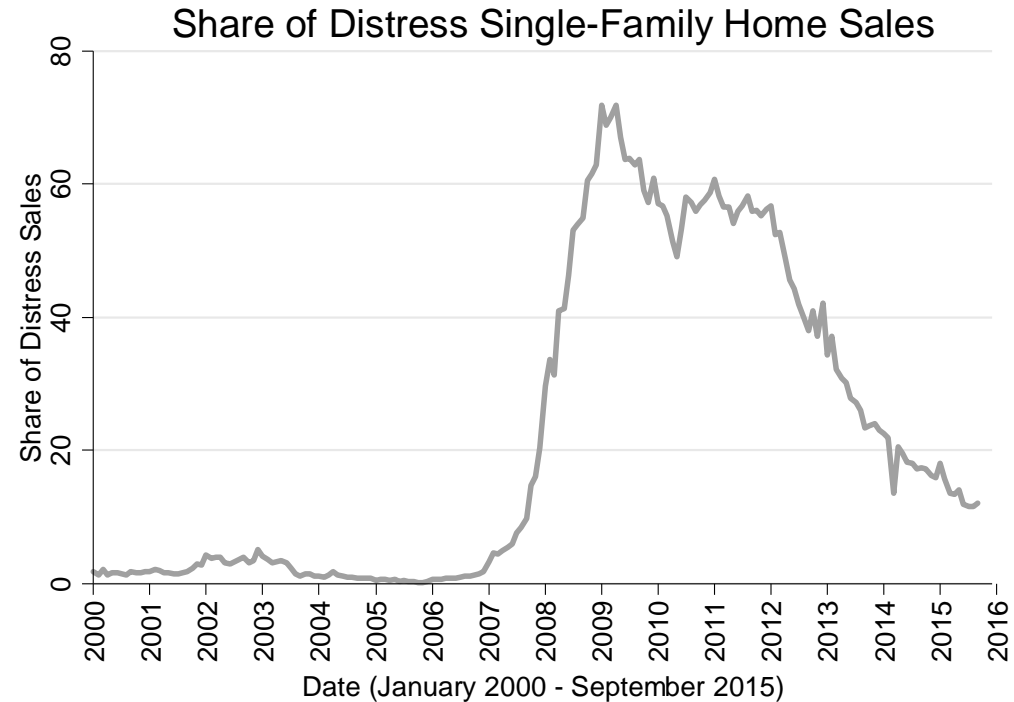
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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



Source: CoreLogic

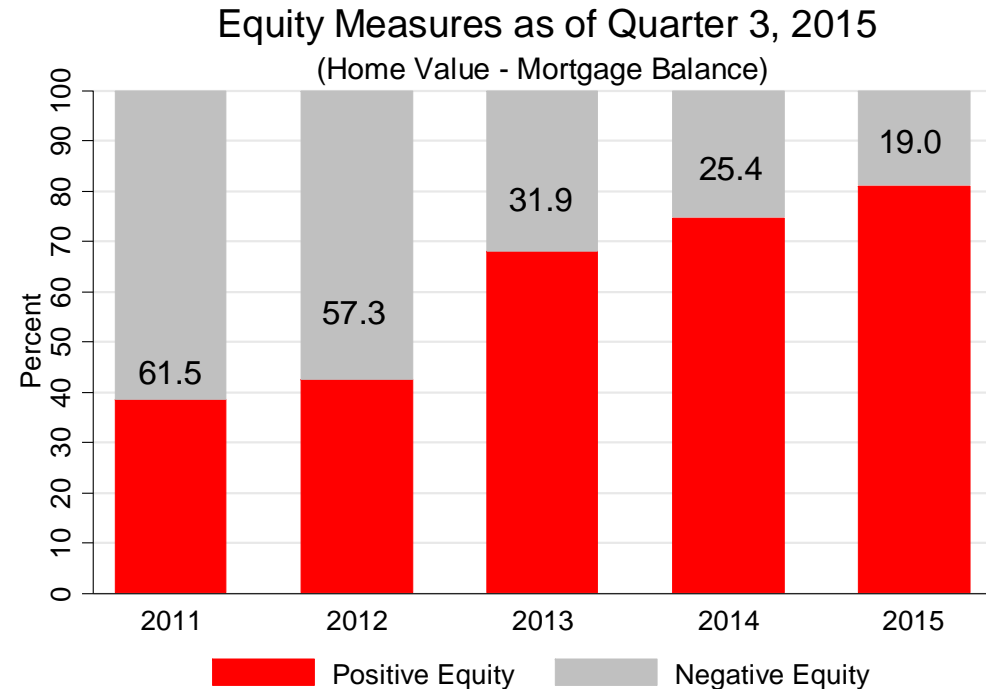
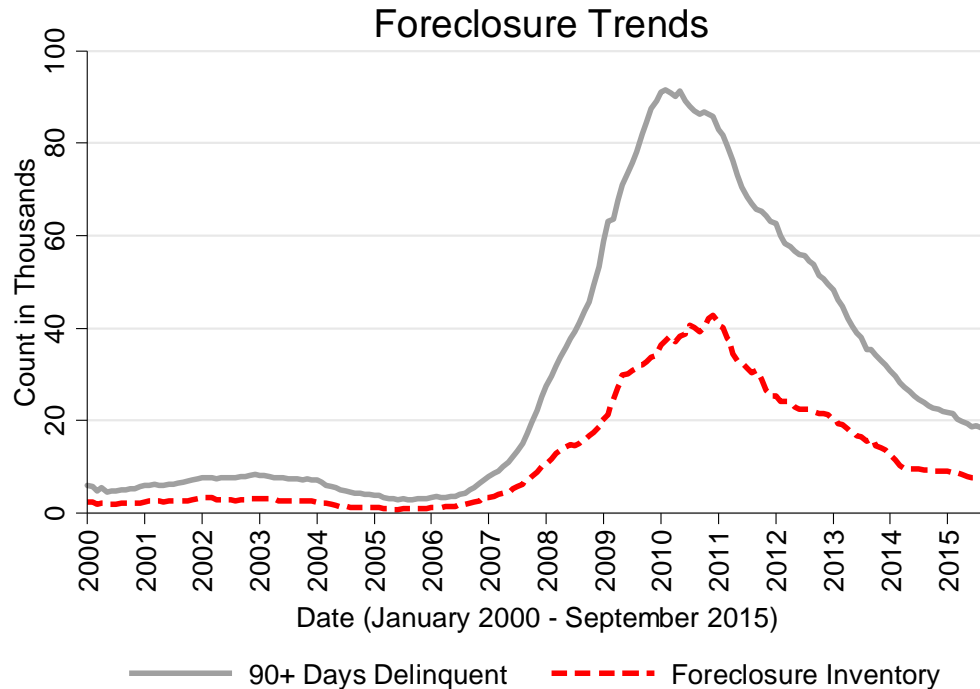
Note: Series are 3-month weighted moving averages.



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.

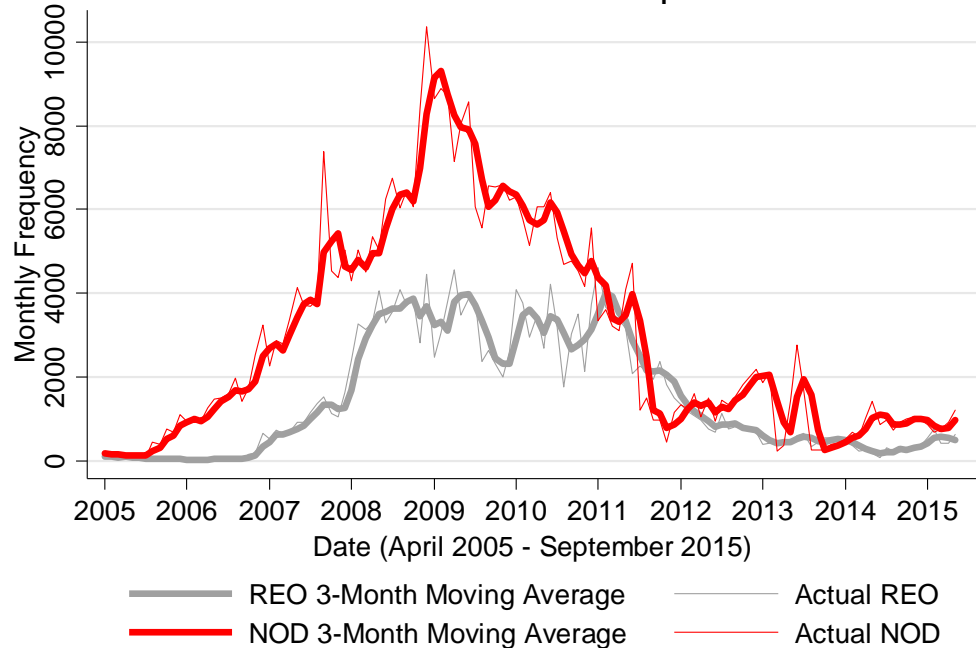
Nevada Statewide Trends



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.

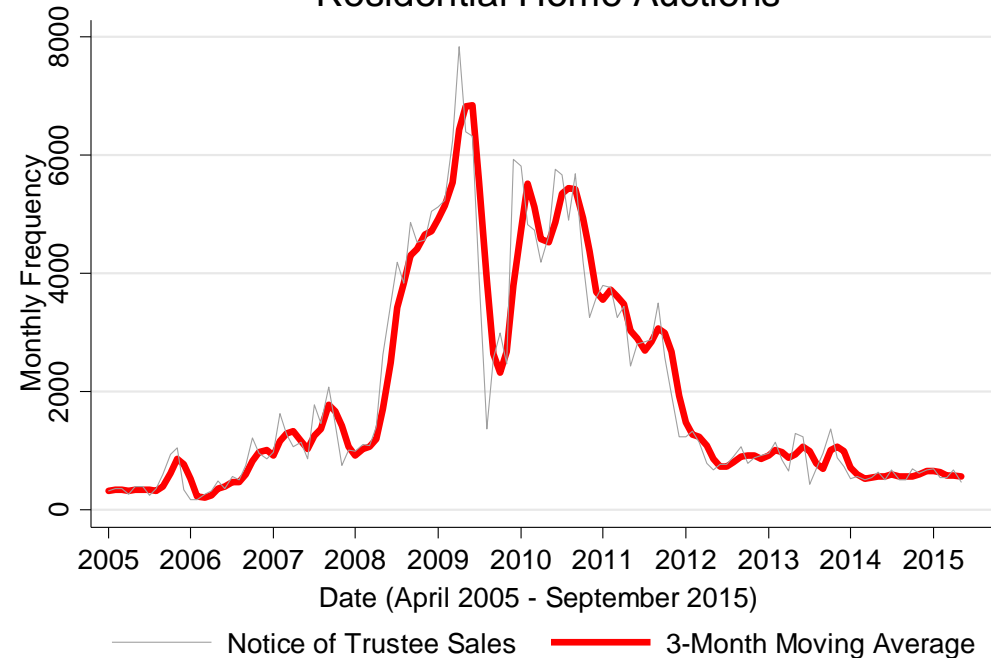
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



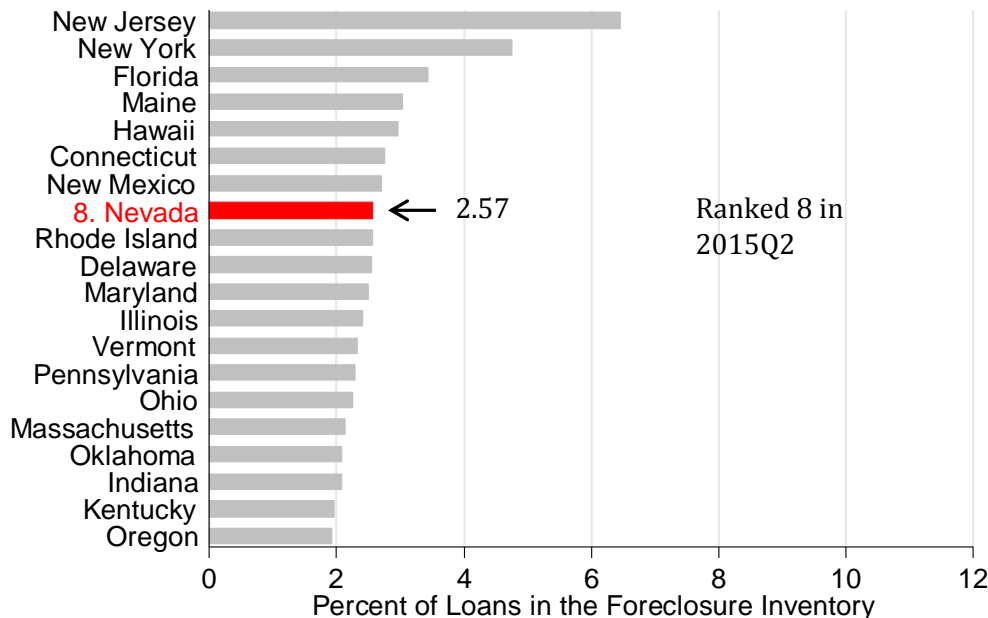
Source: RealtyTrac

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

3rd Quarter 2015

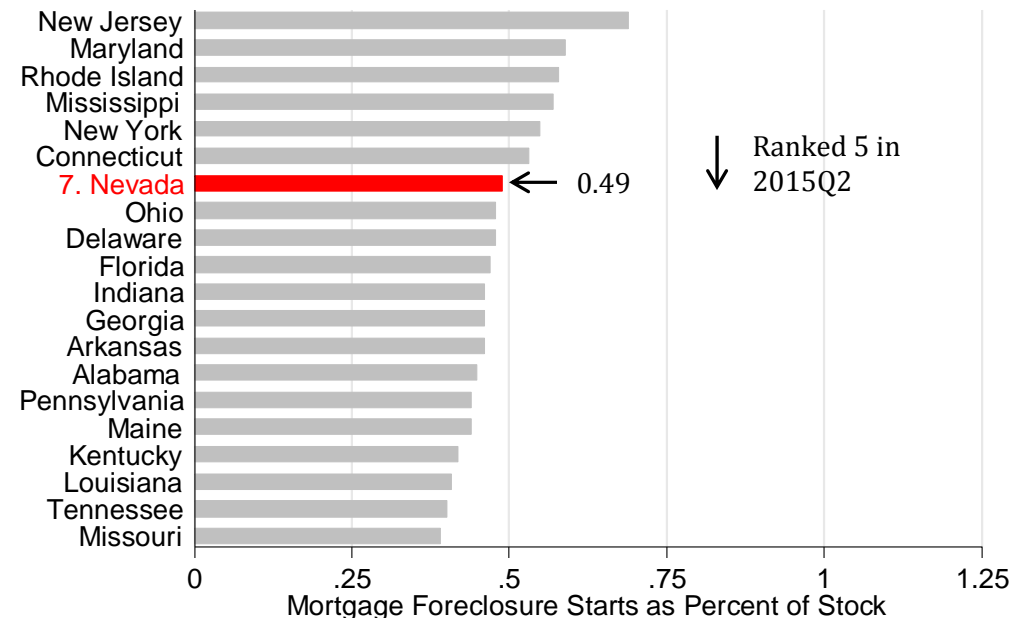


Ranked 8 in
2015Q2

Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

3rd Quarter 2015



↓ Ranked 5 in
2015Q2

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 | September 2015

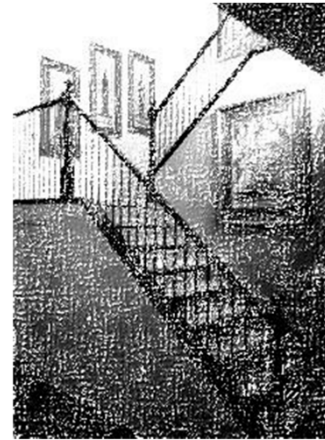
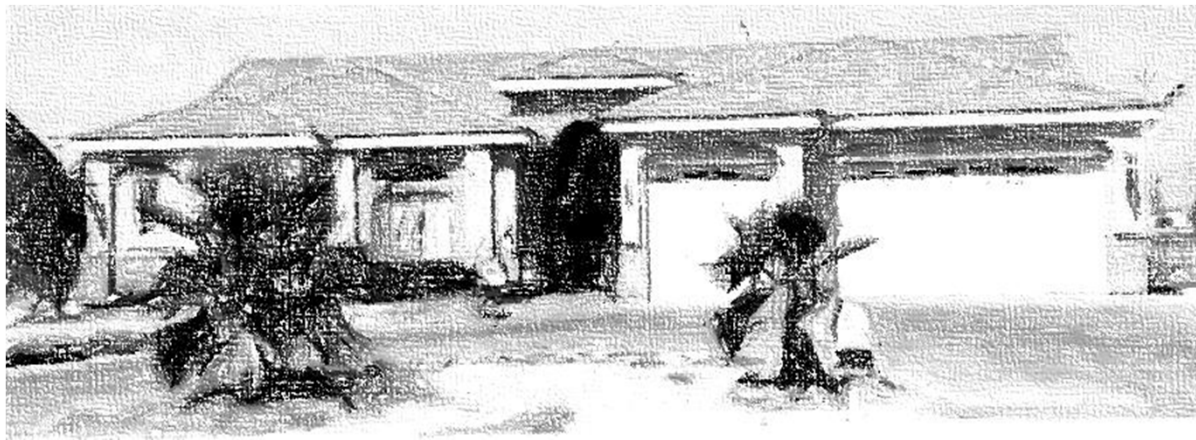
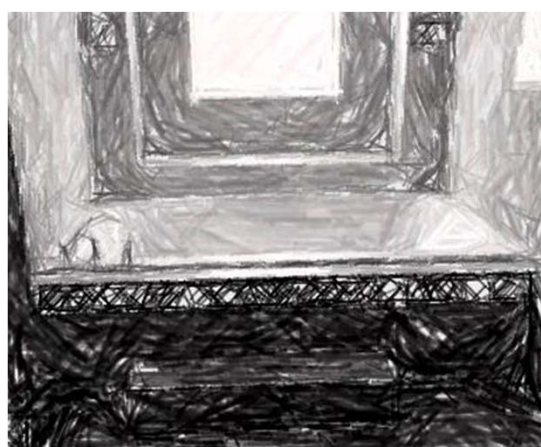
Northern Trends

Population: **621,826** in 2014

Housing Units: **269,452** in 2014

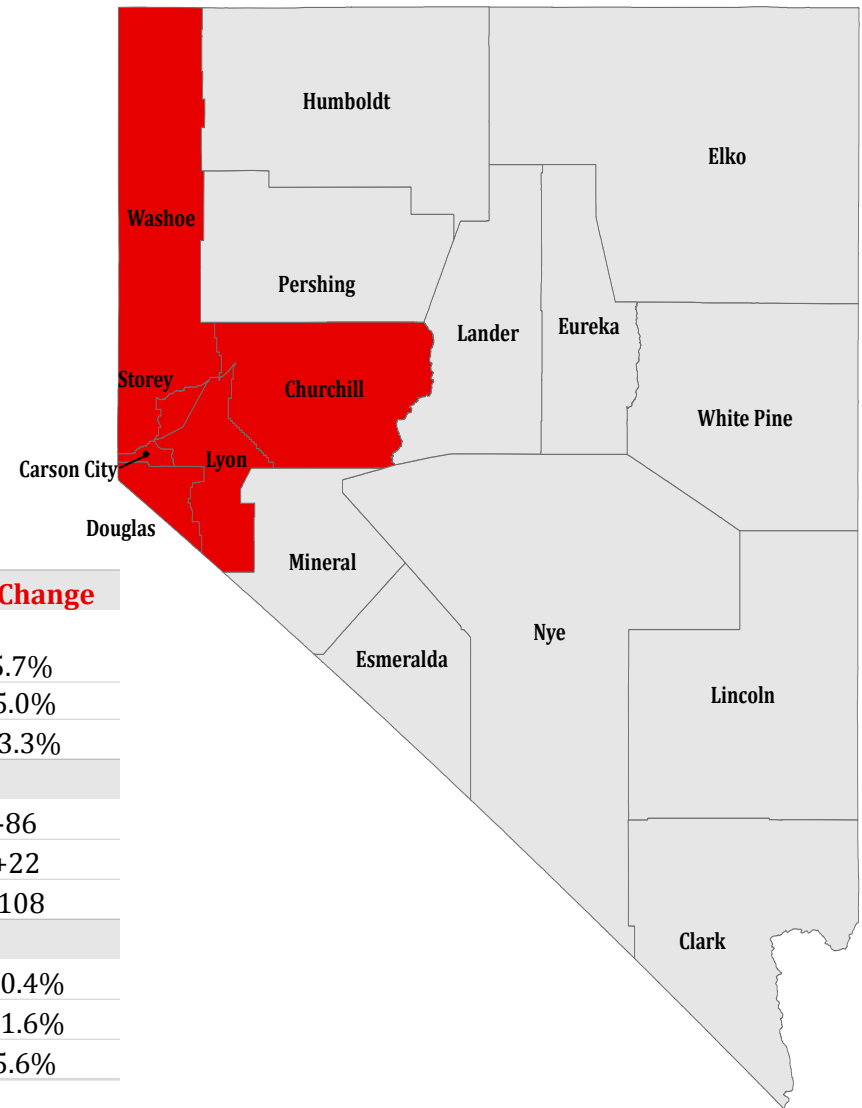
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ The share of mortgages with negative equity decreased 1.7 percentage points. In September 2015, 11.2 percent of mortgages in Northern Nevada had negative equity – the lowest percentage of any region in Nevada.
- ❑ After an extraordinarily low share of distress home sales in August 2015, the share of homes sold under distress increased to 7.6 percent in September 2015. The distress share was down 5.7 percentage points on a year over year basis in September 2015.
- ❑ New home sales decreased 8.7 percent in September 2015 – the largest monthly decrease since November 2013. Northern Nevada was the only region in Nevada where new home sales were down year over year in September 2015.

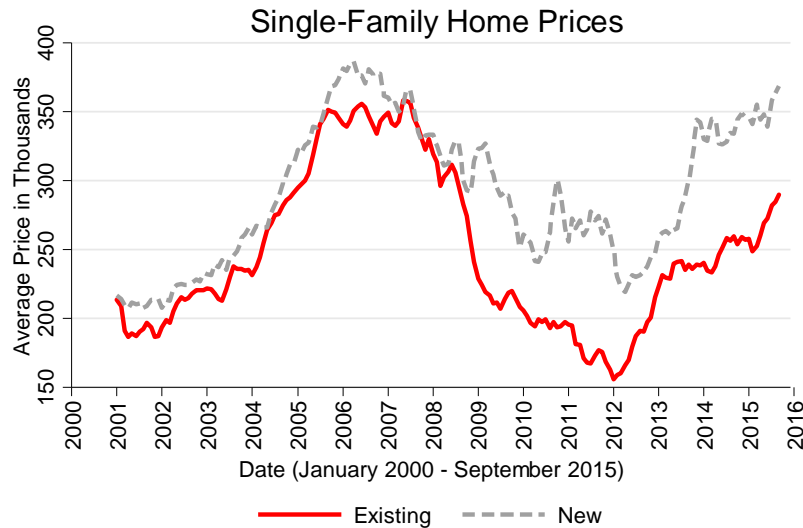


Single-Family Home Sales*	September 2015	M2M Change	Y2Y Change
New	105	-8.7%	-5.7%
Existing	1126	-5.7%	+5.0%
Distress Share	7.6%	+17.0%	-43.3%
Residential Construction			
Total Starts	173	-3	-86
Single-Family	173	-3	+22
Multifamily	0	-0	-108
Average Single-Family Sales Price*			
New	\$368,200	+1.5%	+10.4%
Existing	\$289,371	+1.7%	+11.6%
Distress	\$205,056	+3.1%	+5.6%

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

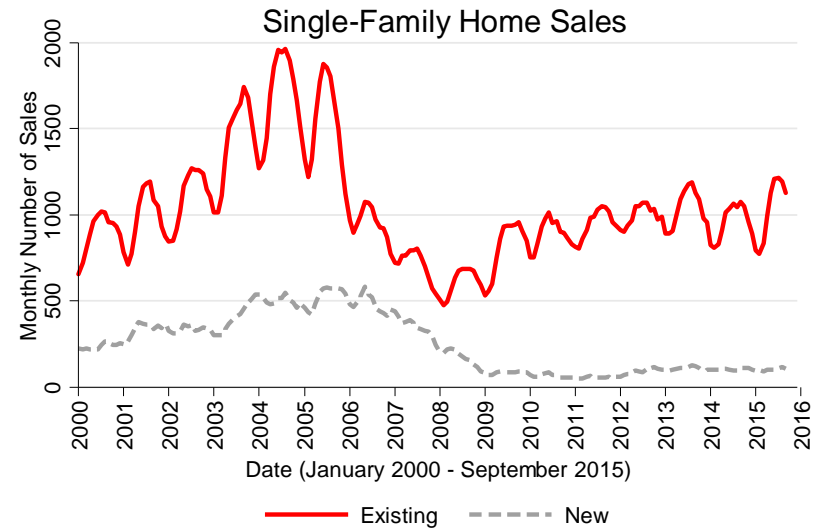
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



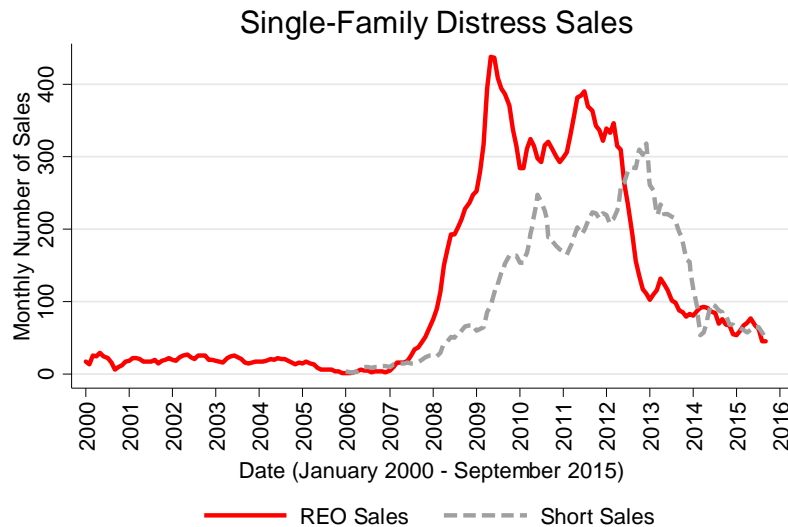
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



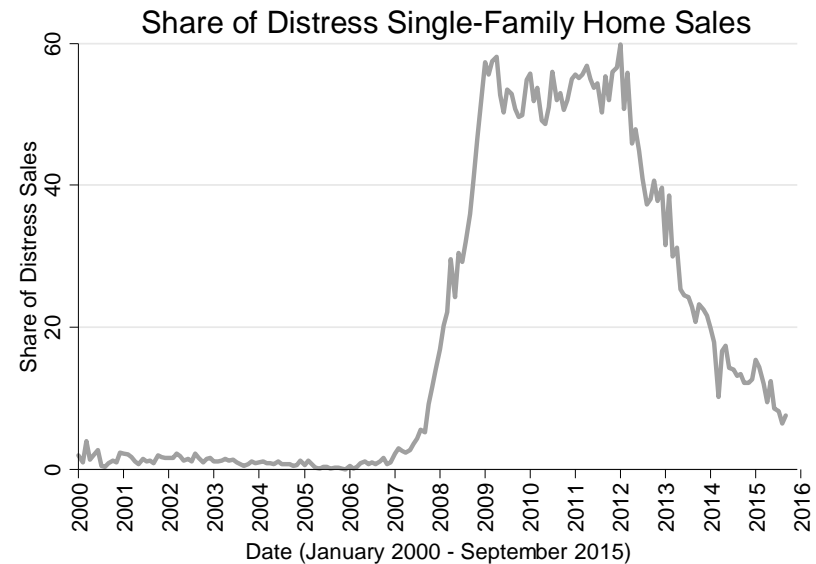
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



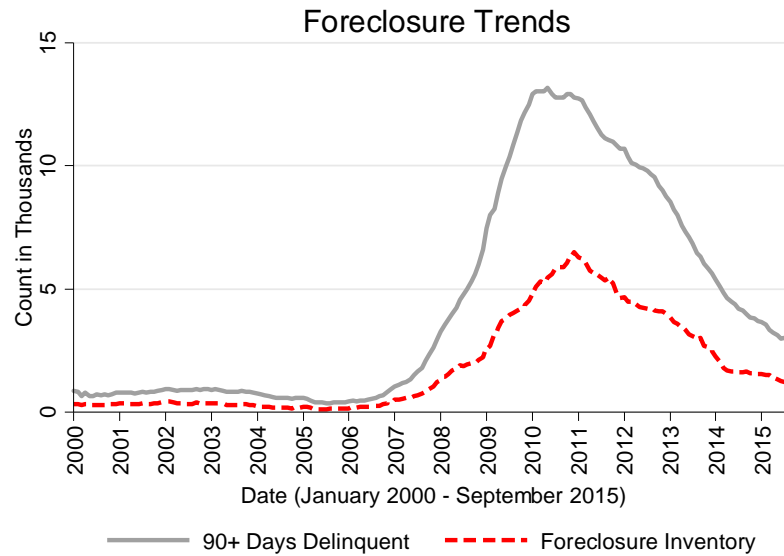
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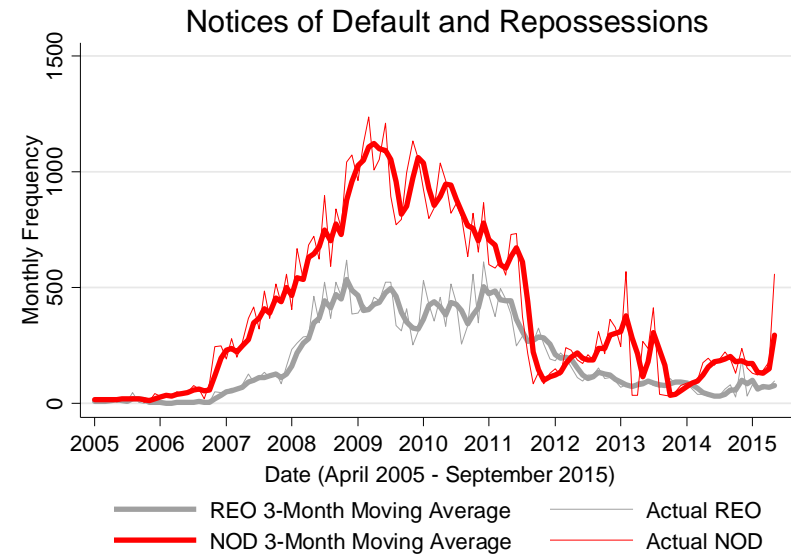


Source: CoreLogic

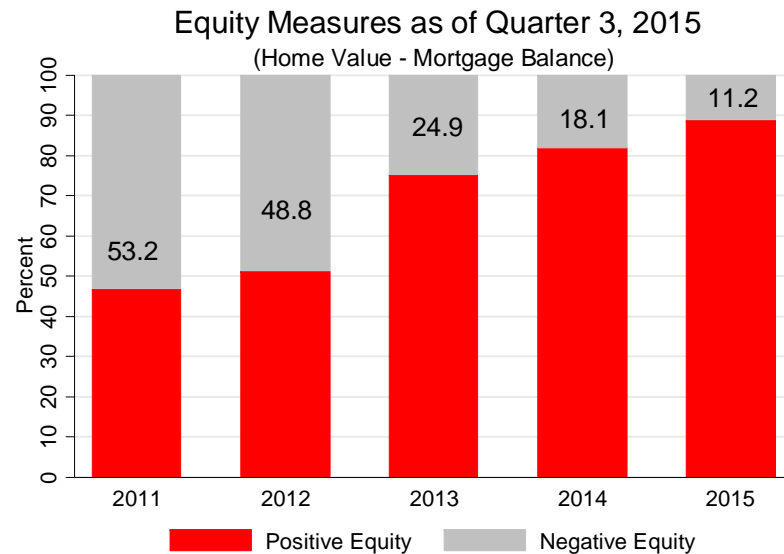
Northern Trends



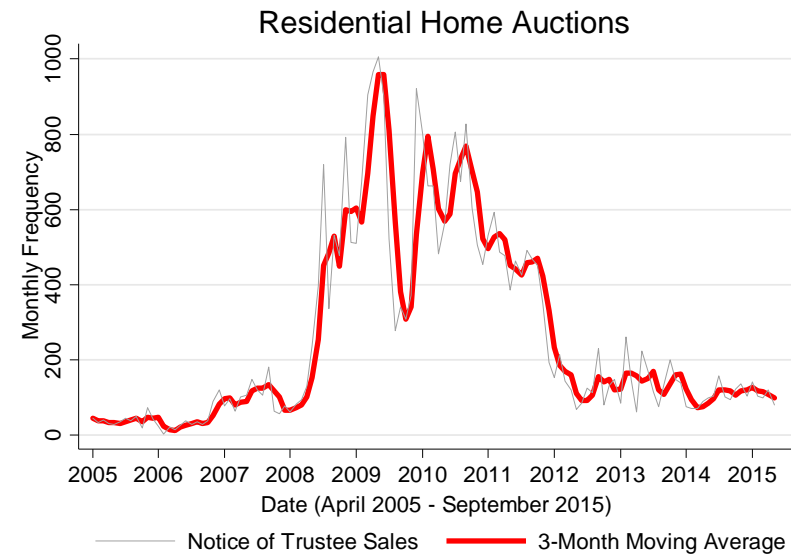
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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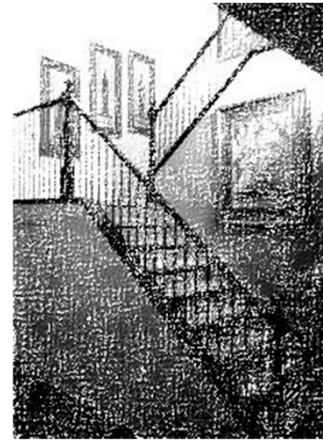
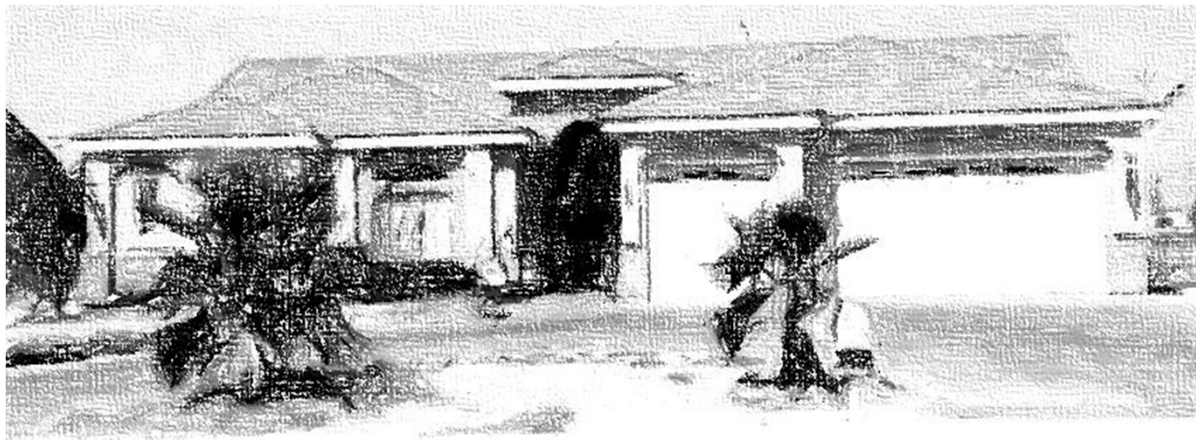
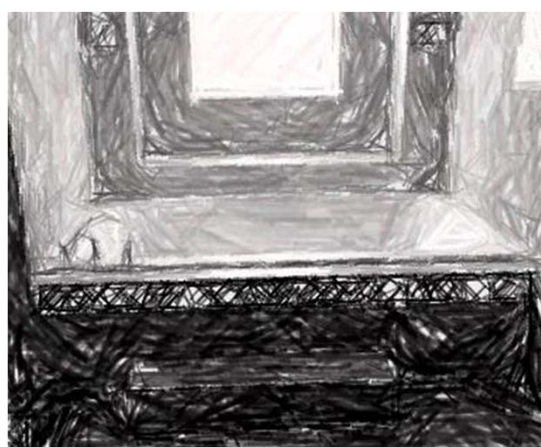
Southern Trends

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

Housing Units: **863,010** in 2014

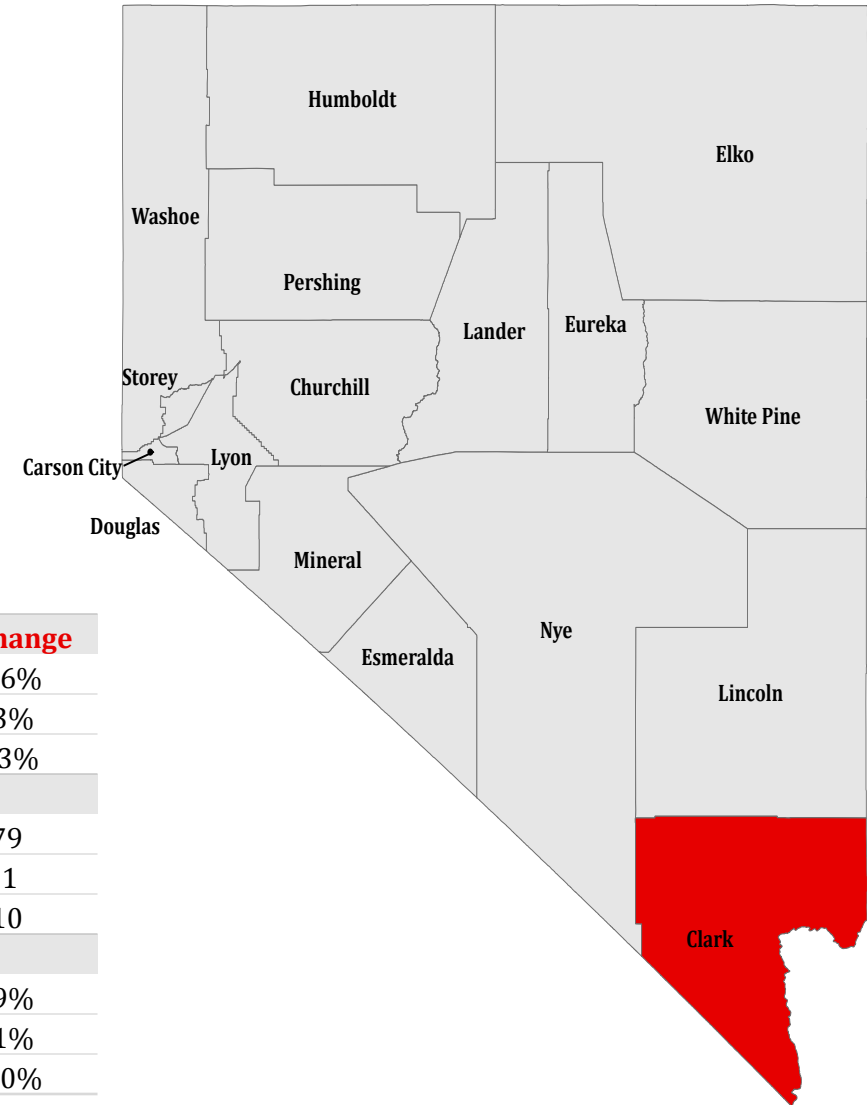
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ The share of mortgages with negative equity decreased 1.6 percentage points. 21.7 percent of home mortgages in Southern Nevada had negative equity in September 2015.
- ❑ Southern Nevada saw less than a one percent increase in the distress share. REO sales increased and short sales decreased slightly in September 2015.
- ❑ September 2015 was the third consecutive month with an increase in new home sales. It was also the fourth consecutive month with a decrease in existing home sales.
- ❑ New home prices increased and existing home prices decreased. In September 2015, the price difference between average new homes and average existing homes in Southern Nevada was over \$125,000.

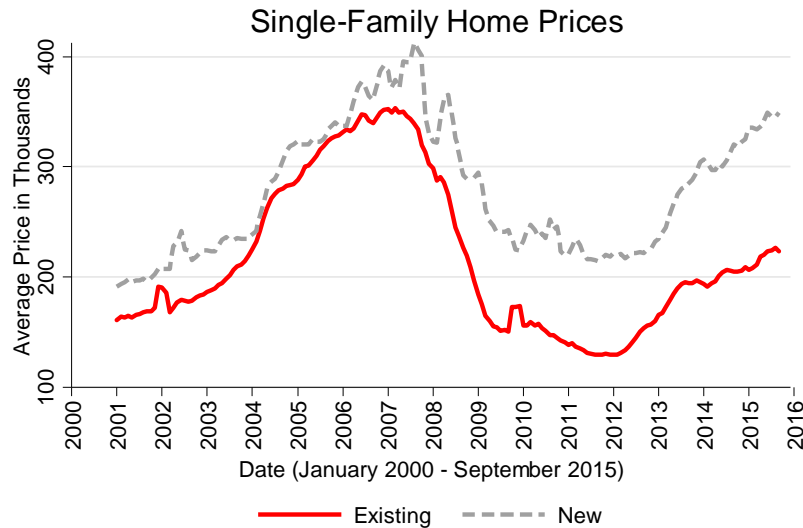


Single-Family Home Sales*	September 2015	M2M Change	Y2Y Change
New	573	+6.5%	+30.6%
Existing	3,497	-1.5%	+1.3%
Distress Share	13.3%	+0.8%	-28.3%
Residential Construction			
Total Starts	568	-270	-279
Single-Family	568	-92	+31
Multifamily	0	-178	-310
Average Single-Family Sales Price*			
New	\$348,958	+1.2%	+8.9%
Existing	\$223,219	-1.5%	+9.1%
Distress	\$175,439	-5.2%	+11.0%

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

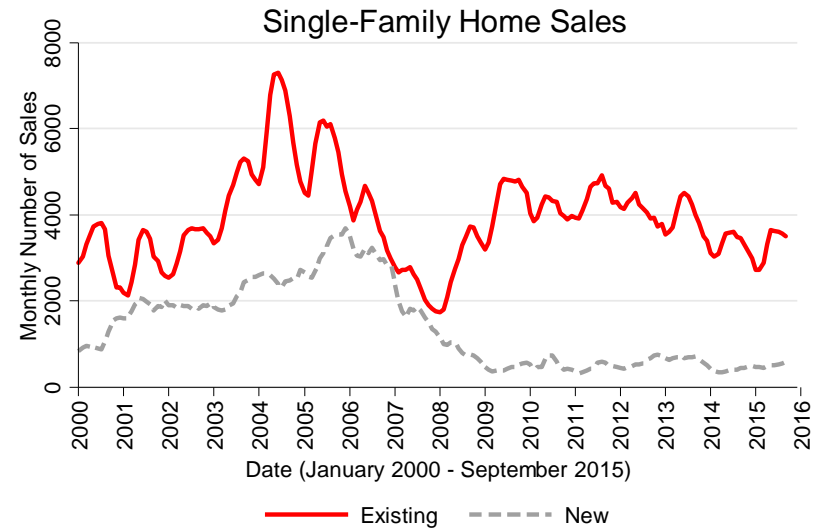
*Figures portray Three-Month Moving Weighted Averages

Southern Trends



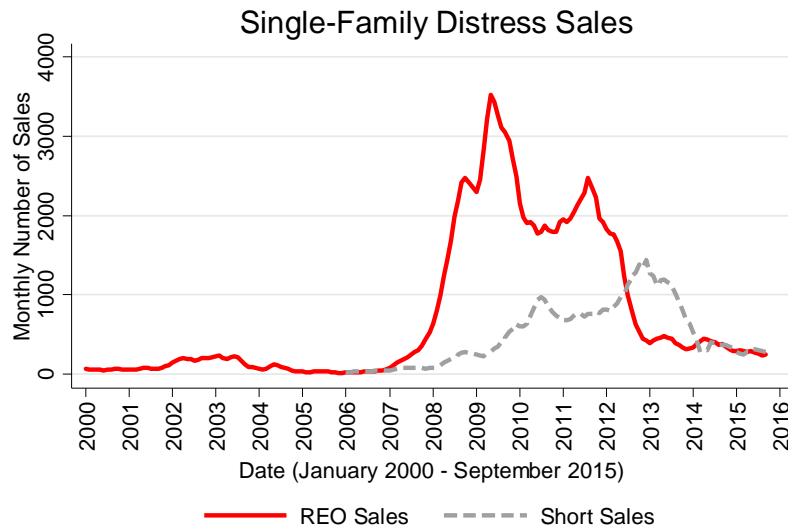
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



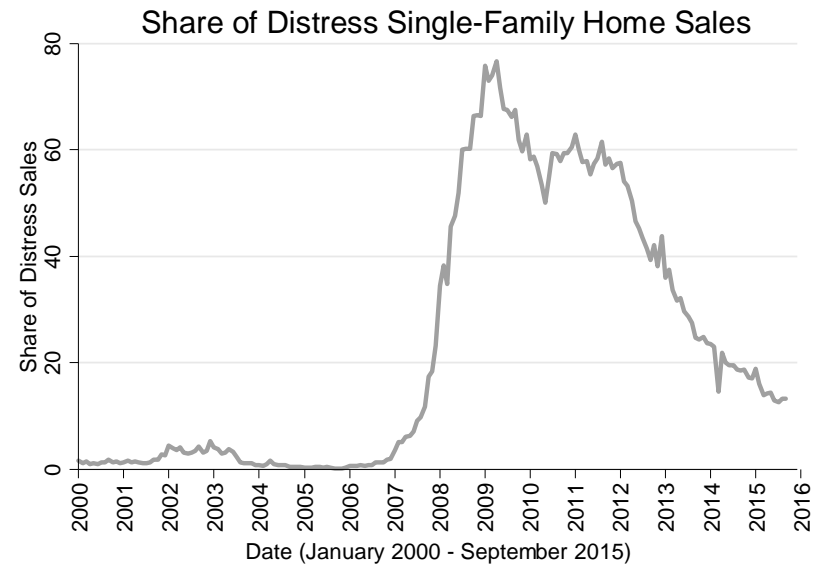
Source: CoreLogic

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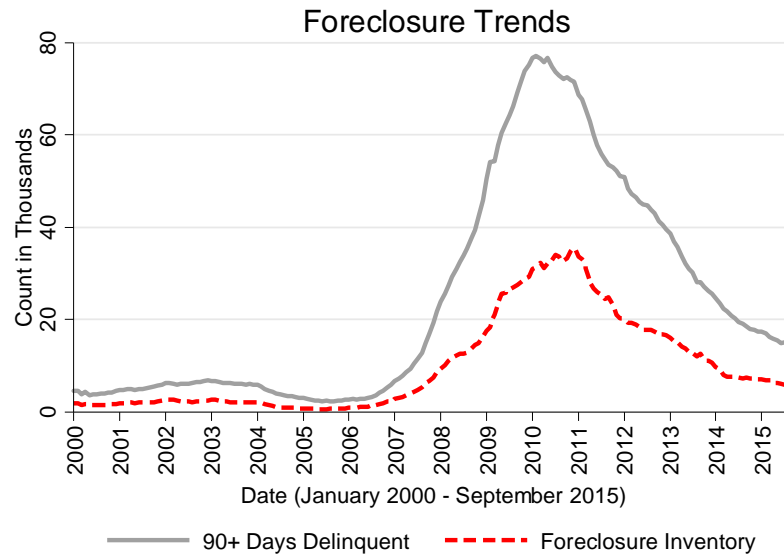
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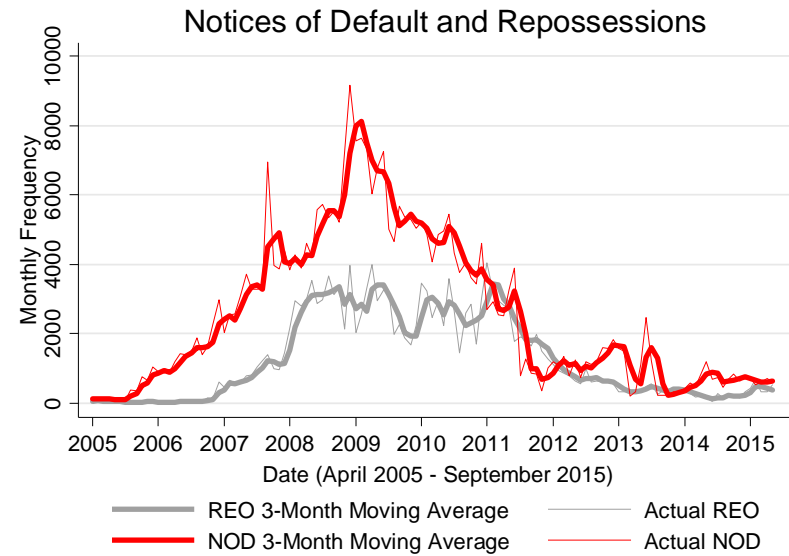


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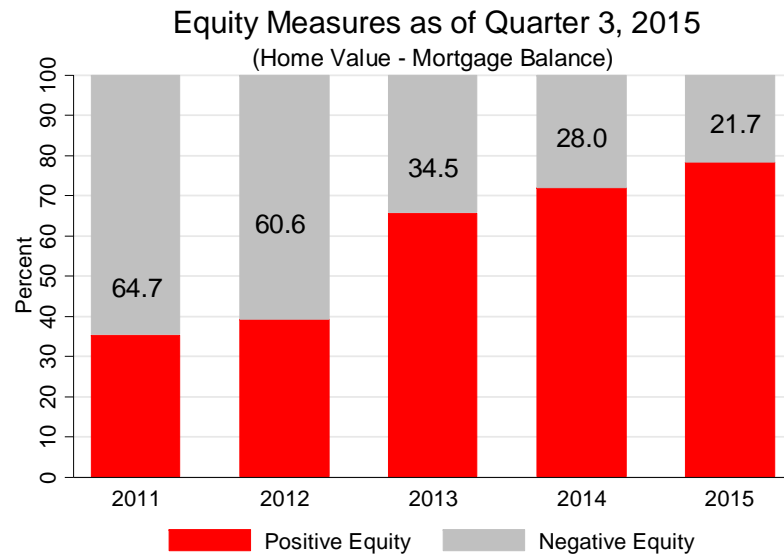
Southern Trends



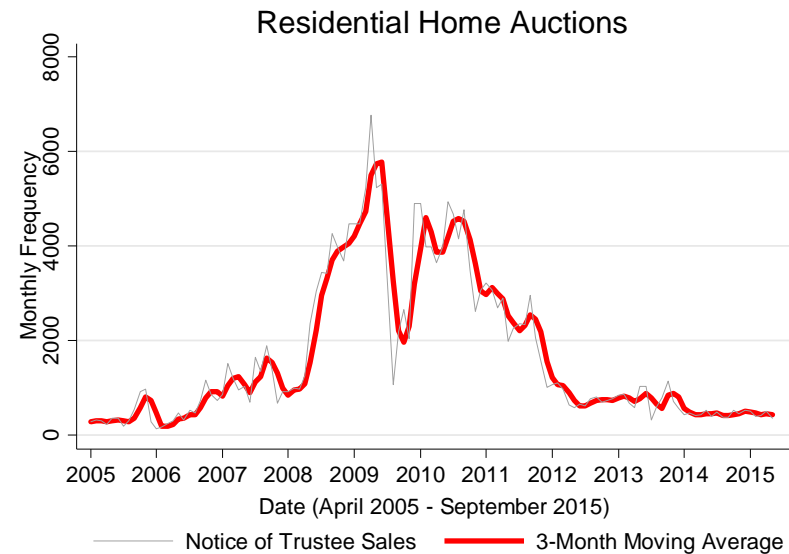
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | September 2015

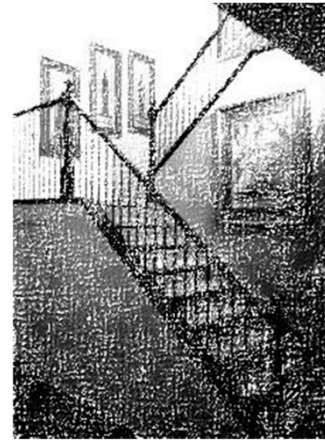
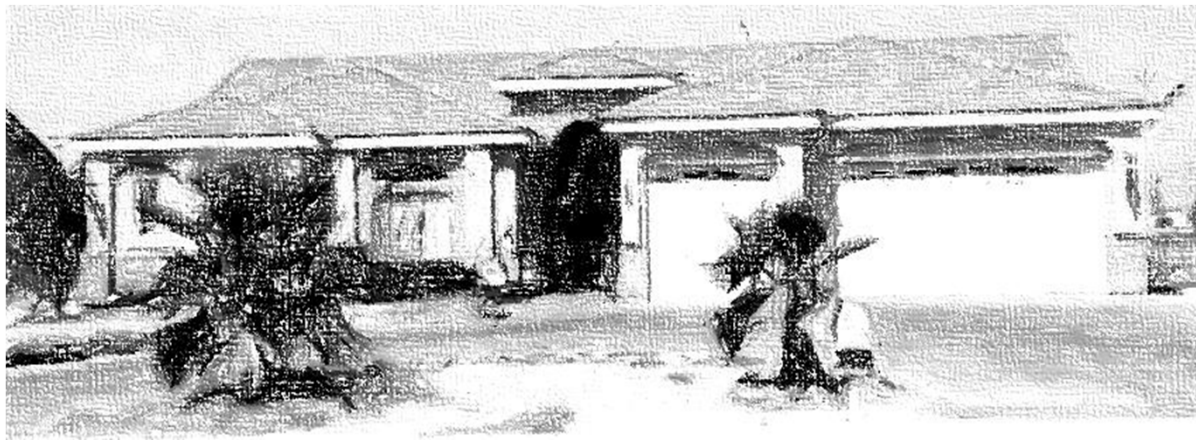
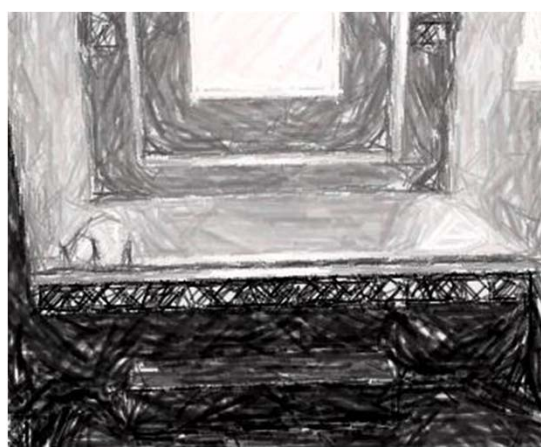
Rural Trends

Population: **147,592** in 2014

Housing Units: **66,445** in 2014

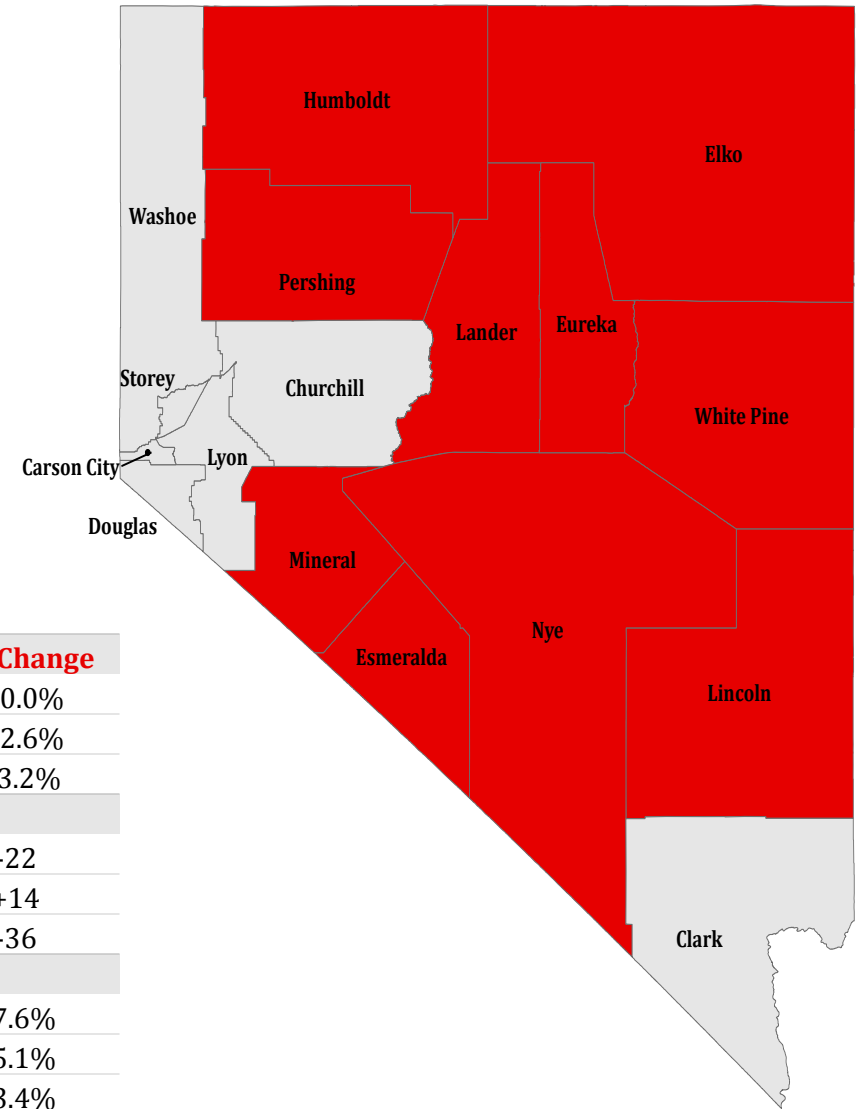
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- September 2015 was the fifth consecutive month with an increase in new home sales. September 2015 new home sales were the highest they had been since July 2014.
- After an extraordinarily low share of distress home sales in August 2015, the share of homes sold under distress increased to 14.7 percent in September 2015. A 14.7 percent distress share was still relatively low compared to the rest of 2015 for Rural Nevada. The distress share was down 8 percentage points on a year over year basis in September 2015.
- The share of mortgages with negative equity decreased 2.1 percentage points – the largest decrease of any region in Nevada. 14.2 percent of mortgages in Rural Nevada had negative equity in September 2015.

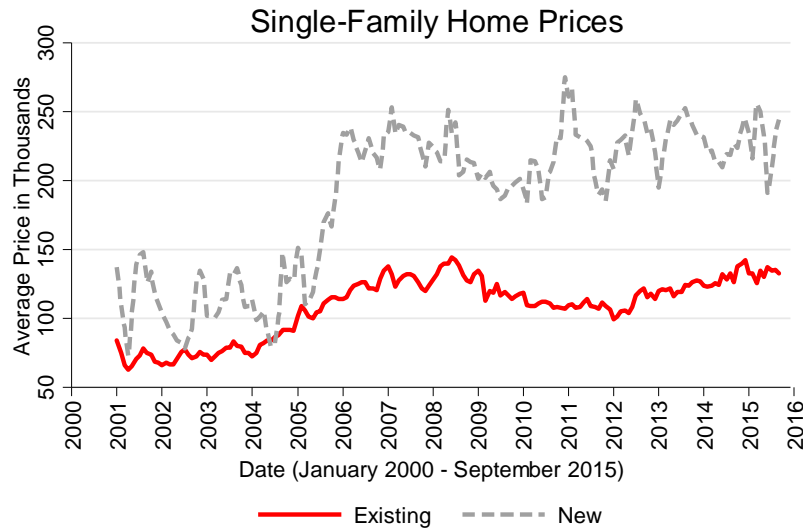


Single-Family Home Sales*	September 2015	M2M Change	Y2Y Change
New	13	+69.6%	+50.0%
Existing	167	+0.0%	+12.6%
Distress Share	14.7%	+124.6%	-33.2%
Residential Construction			
Total Starts	23	+13	-22
Single-Family	23	+13	+14
Multifamily	0	+0	-36
Average Single-Family Sales Price*			
New	\$243,875	+4.7%	+7.6%
Existing	\$132,750	-1.6%	+5.1%
Distress	\$107,414	-5.5%	+3.4%

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

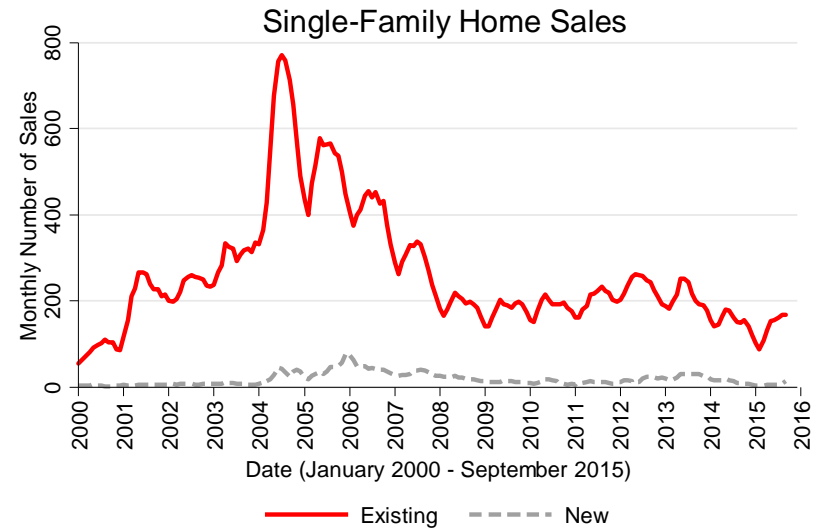
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



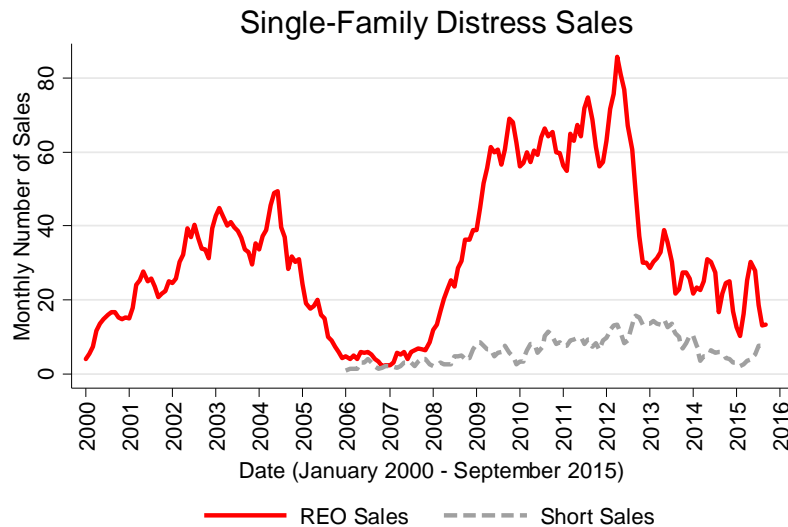
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



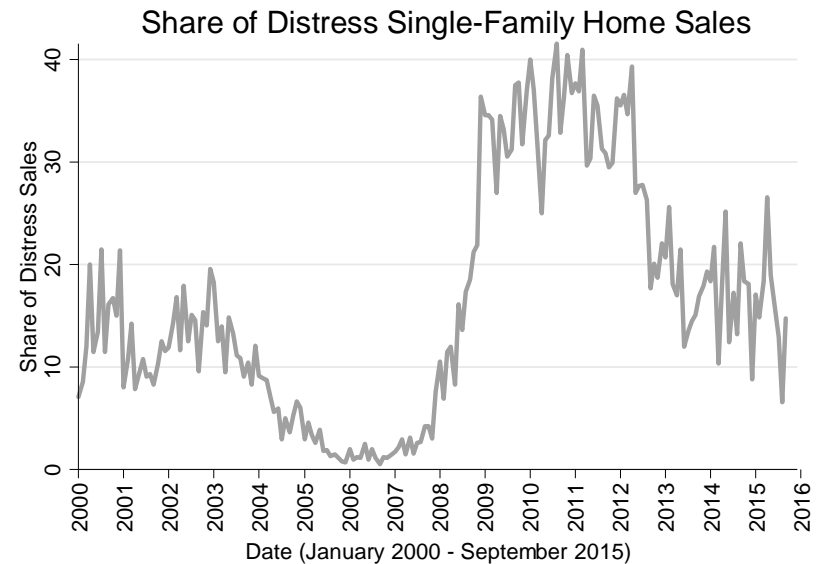
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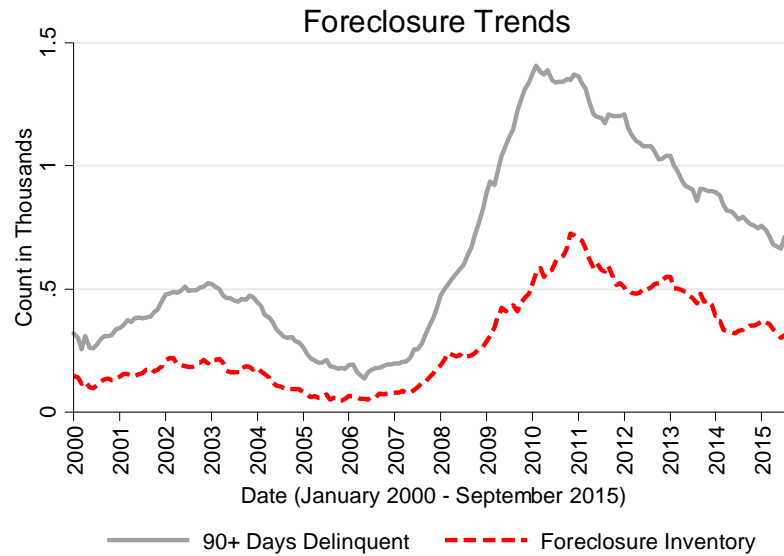
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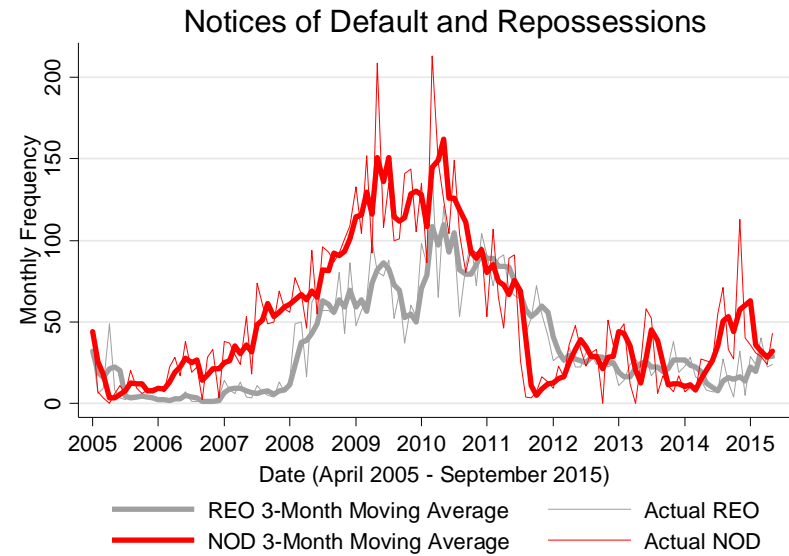


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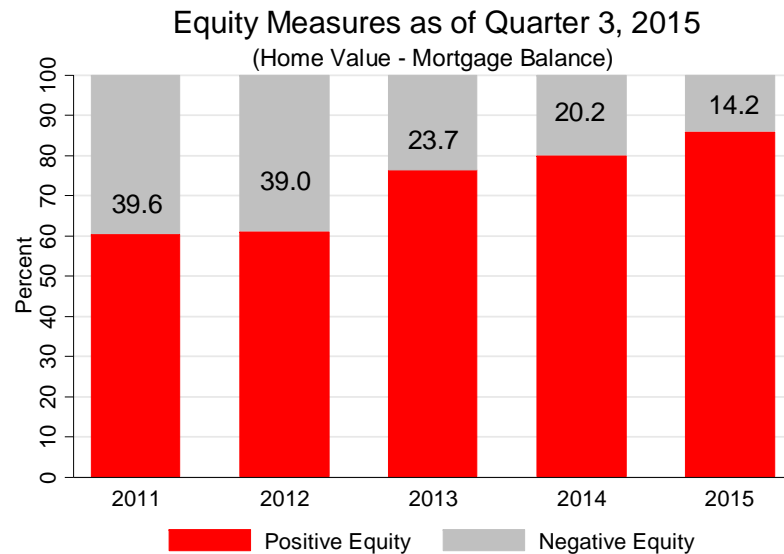
Rural Trends



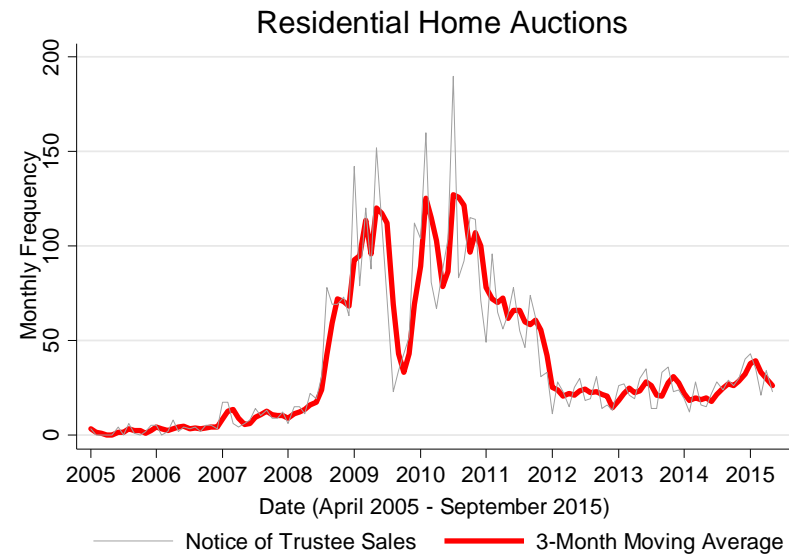
Source: CoreLogic



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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