

March 2016

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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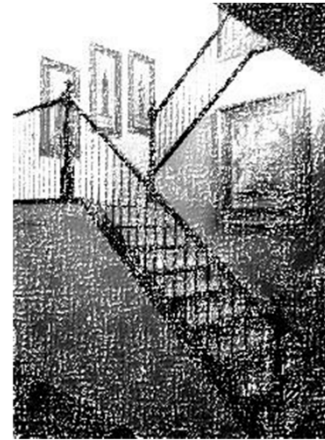
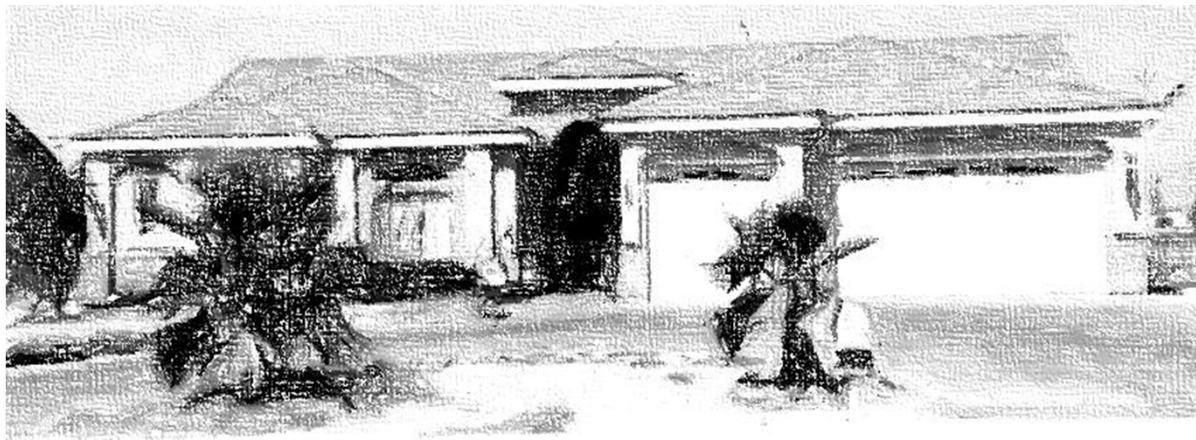
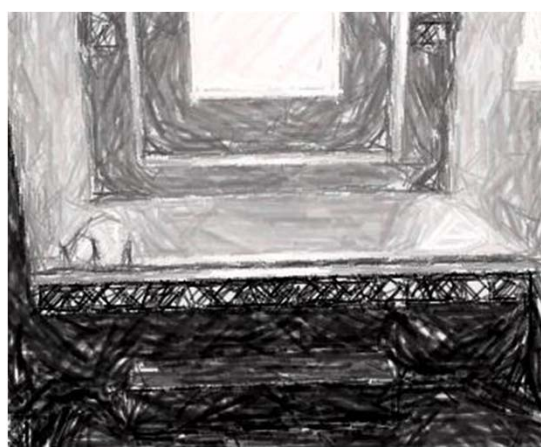
Nevada's Housing Market | March 2016

Nevada Statewide Trends

Population: **2,890,845** in 2015

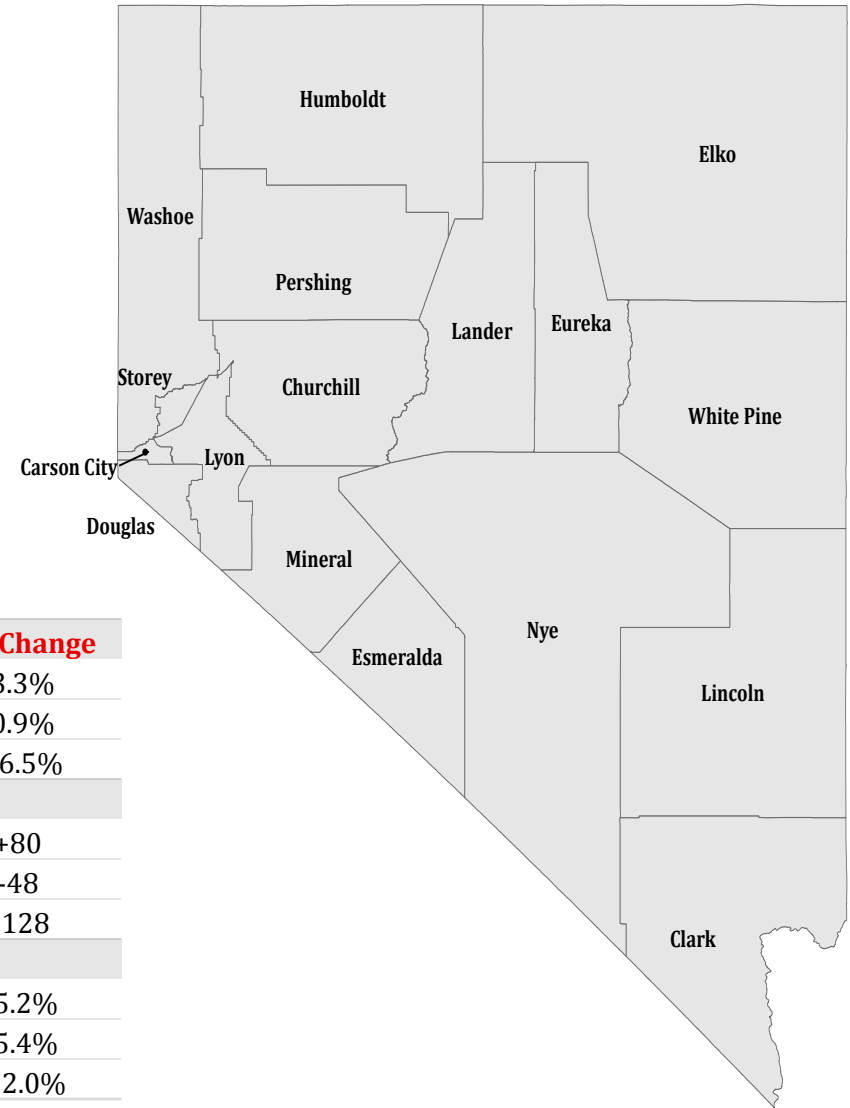
Housing Units: **1,198,907** in 2014

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



Nevada Statewide Trends

- ❑ All three regions saw significant decreases in the share of homes sold under distress. 11.3 percent of all homes sold in Nevada were sold under distress – the lowest share since 2007. This decrease was driven by a large decrease in the number of short sales.
- ❑ Housing Affordability increased in both Reno and Las Vegas according to the National Association of Home Builders. This increase was a result of an increase in median household income. 59 percent of homes in Reno and 68.1 percent of homes in Las Vegas are considered affordable to households that earn the median income.
- ❑ All three regions saw a decrease in the share of mortgages with negative equity. 17.5 percent of mortgages in Nevada were underwater in March 2016 – 5.6 percentage points lower than the March 2015 share.

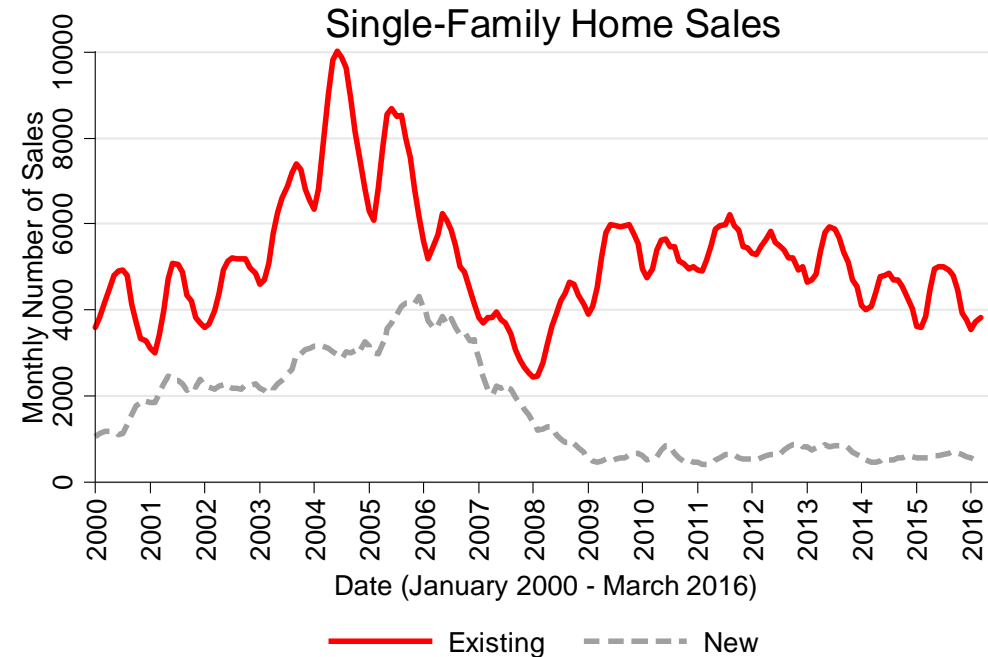
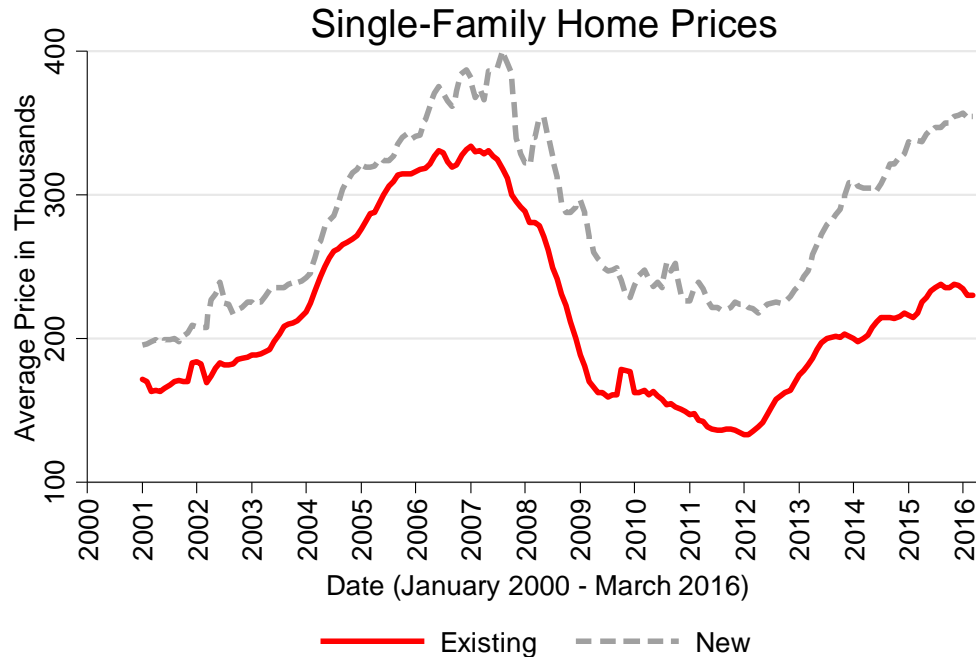


Single-Family Home Sales*	March 2016	M2M Change	Y2Y Change
New	528	-0.3%	-3.3%
Existing	3,817	+2.5%	-0.9%
Distress Share	11.3%	-18.1%	-16.5%
Residential Construction			
Total Starts	1,310	-788	+80
Single-Family	1,027	+126	-48
Multifamily	283	-914	+128
Average Single-Family Sales Price*			
New	\$354,491	+0.6%	+5.2%
Existing	\$229,374	-0.2%	+5.4%
Distress	\$181,511	-1.0%	+12.0%

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

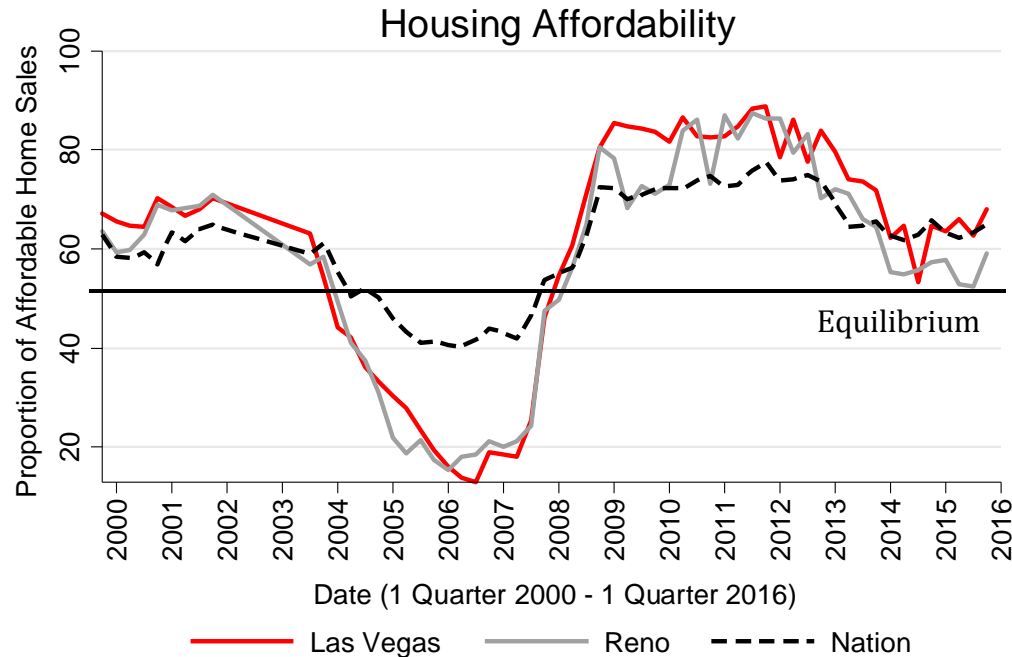
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



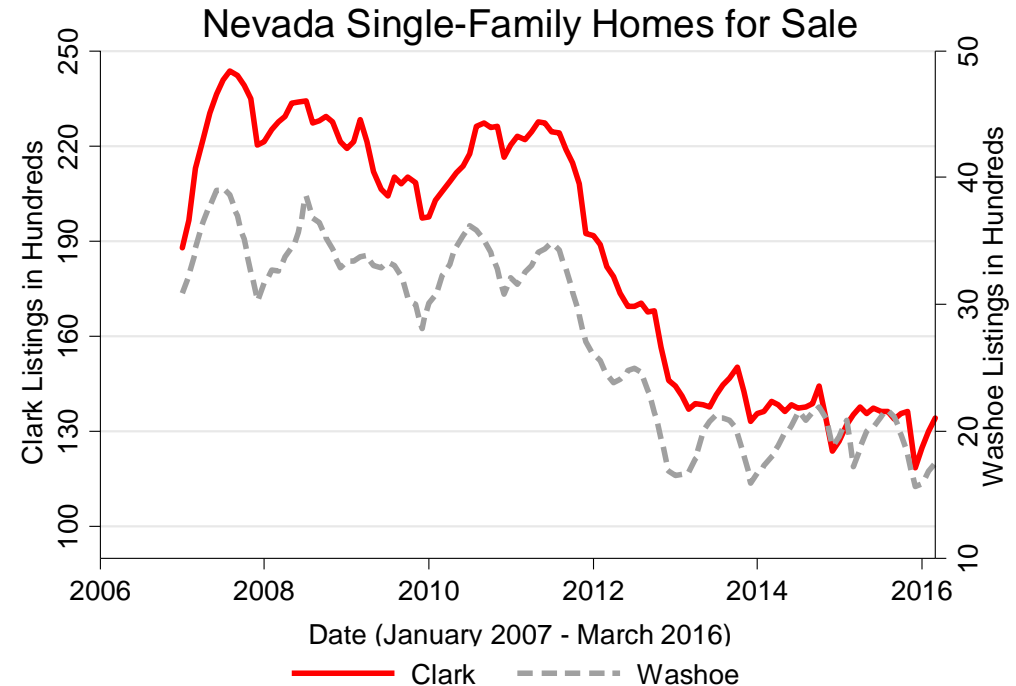
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

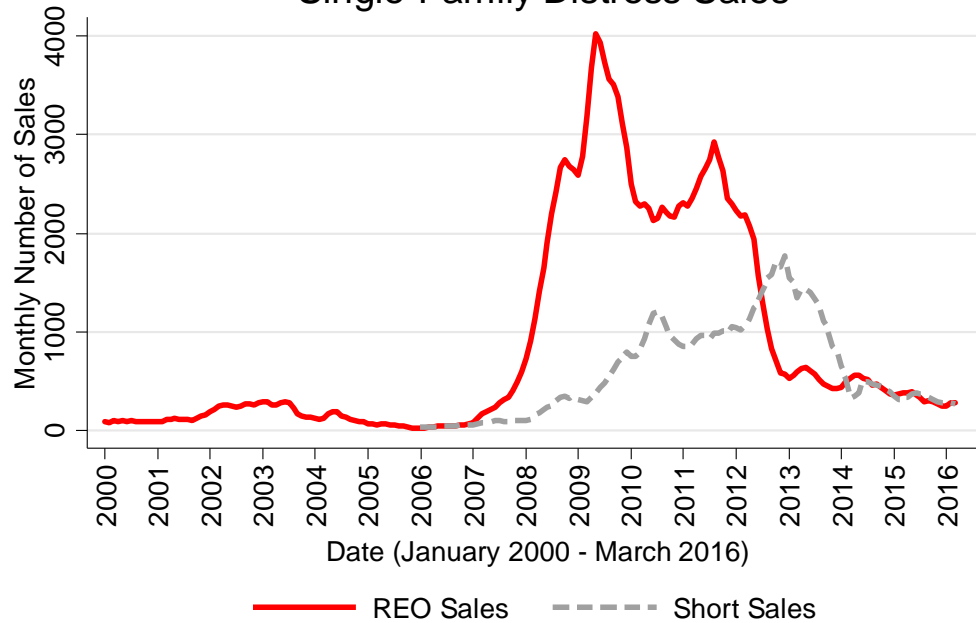


Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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

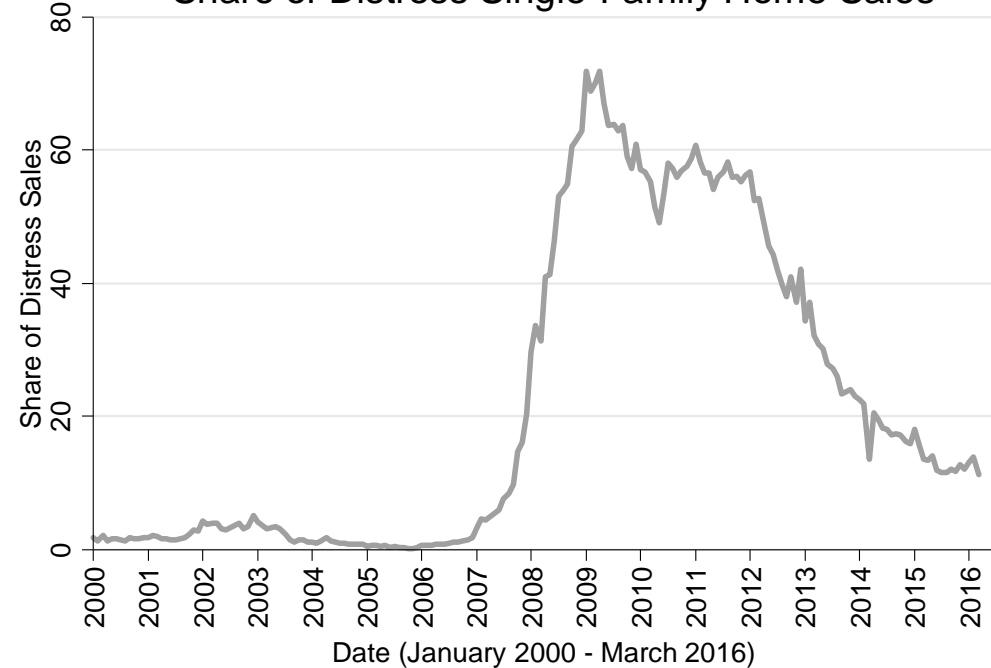
Single-Family Distress Sales



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

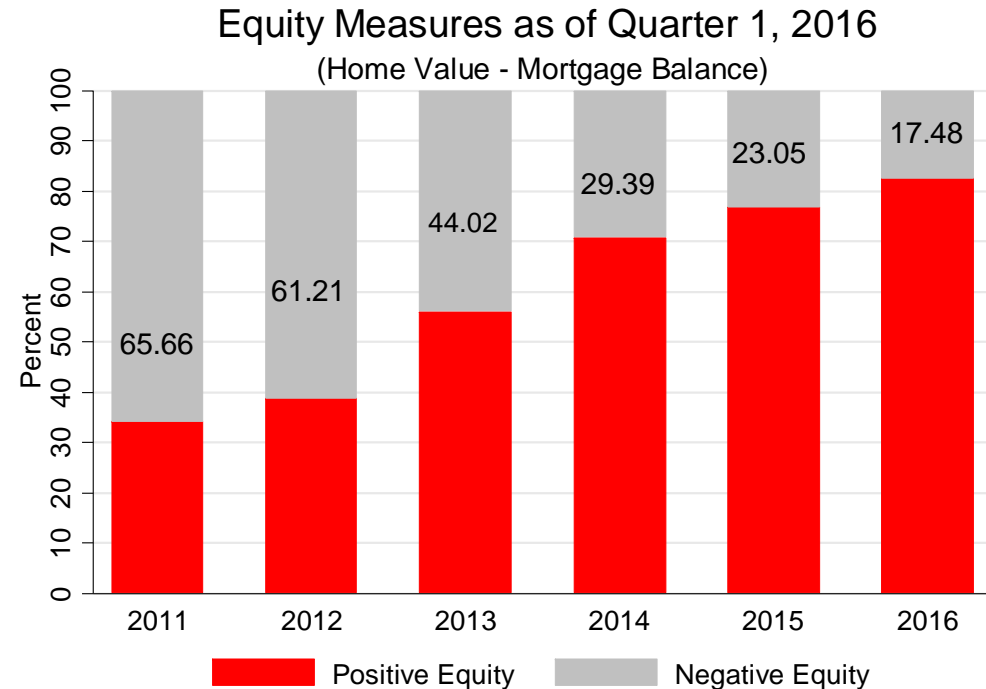
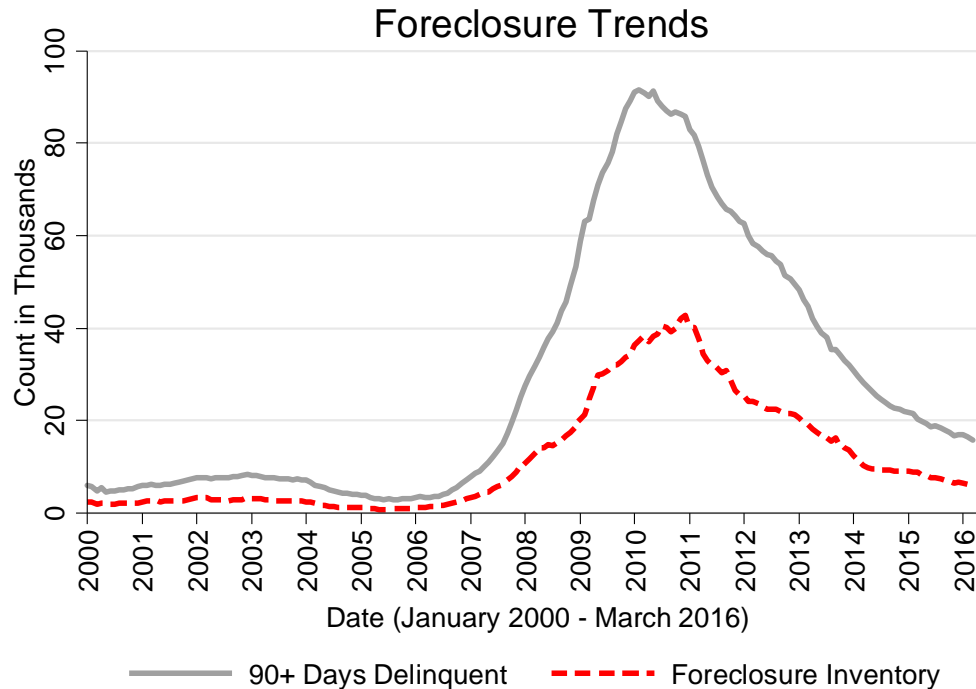
Share of Distress Single-Family Home Sales



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.

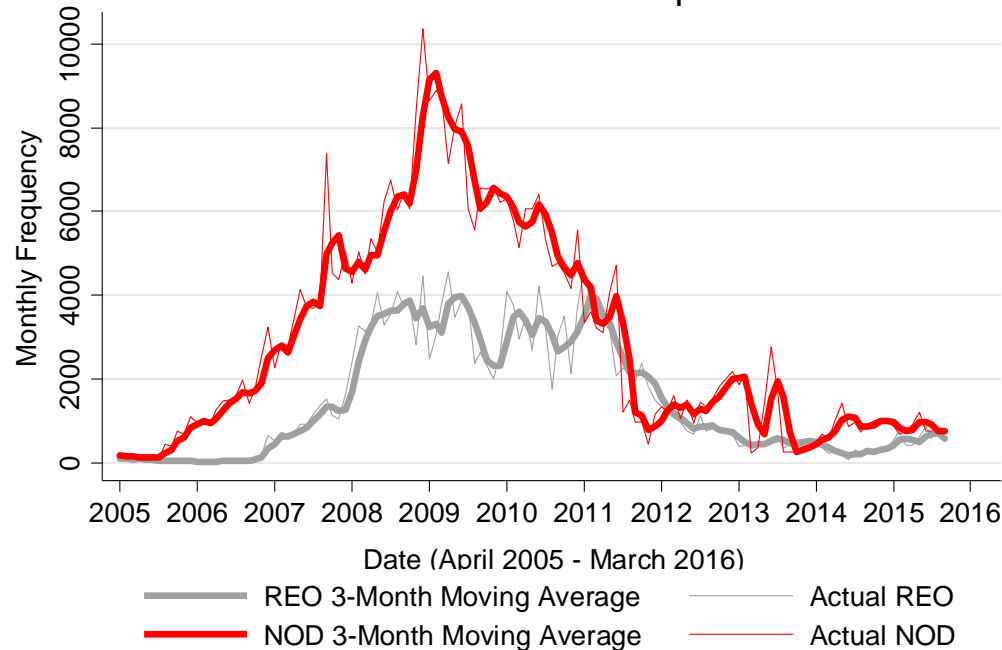
Nevada Statewide Trends



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.

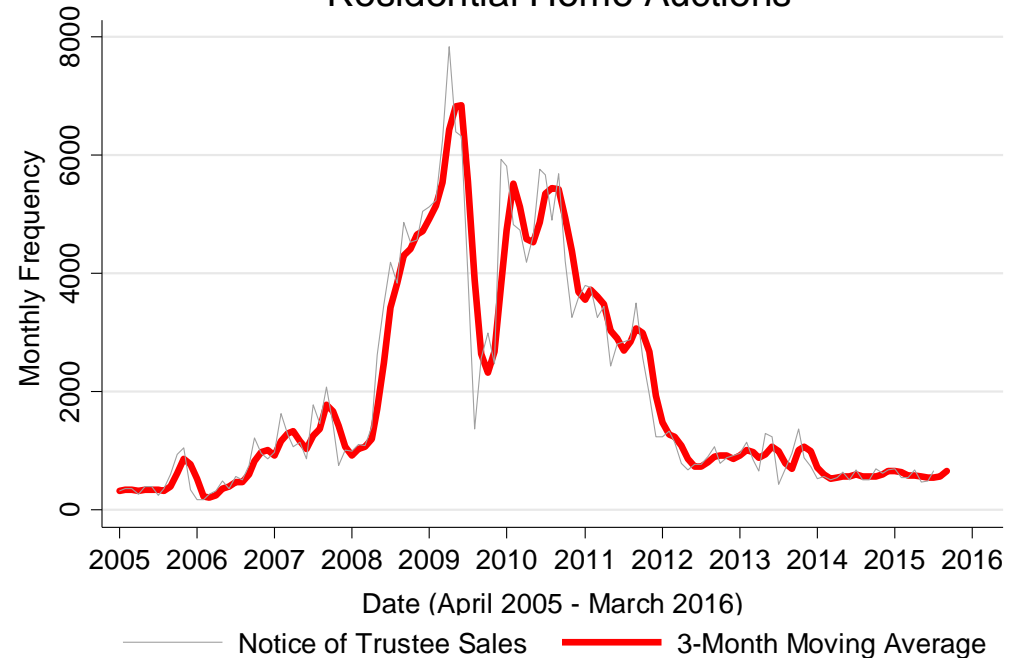
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



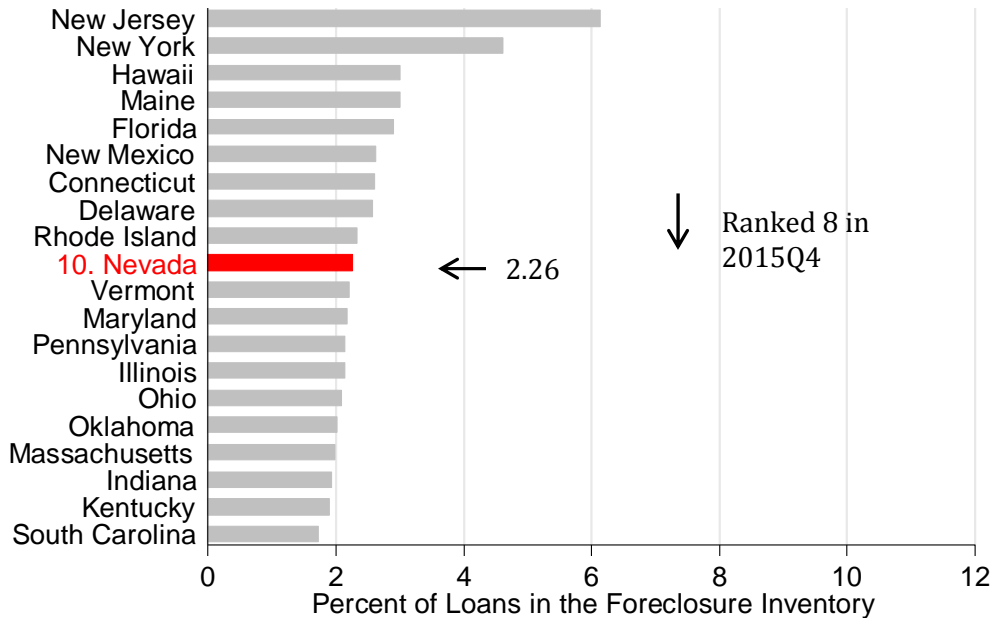
Source: RealtyTrac

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

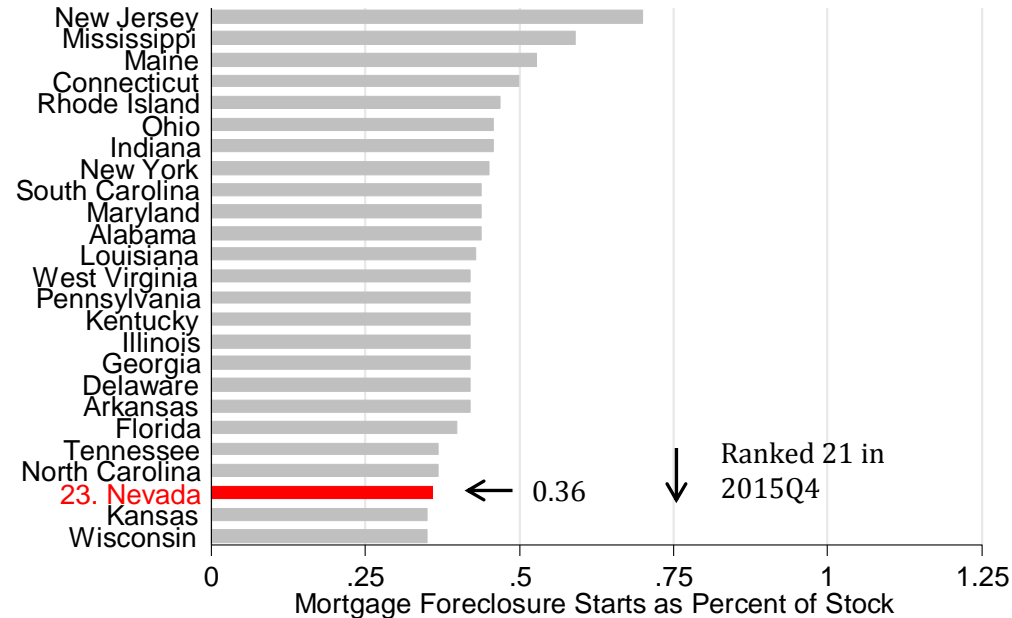
1st Quarter 2016



Source: Mortgage Bankers Association's National Delinquency Survey

Top 25 States in Foreclosure Starts

1st Quarter 2016



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 25 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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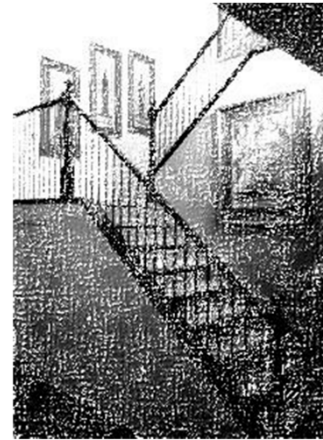
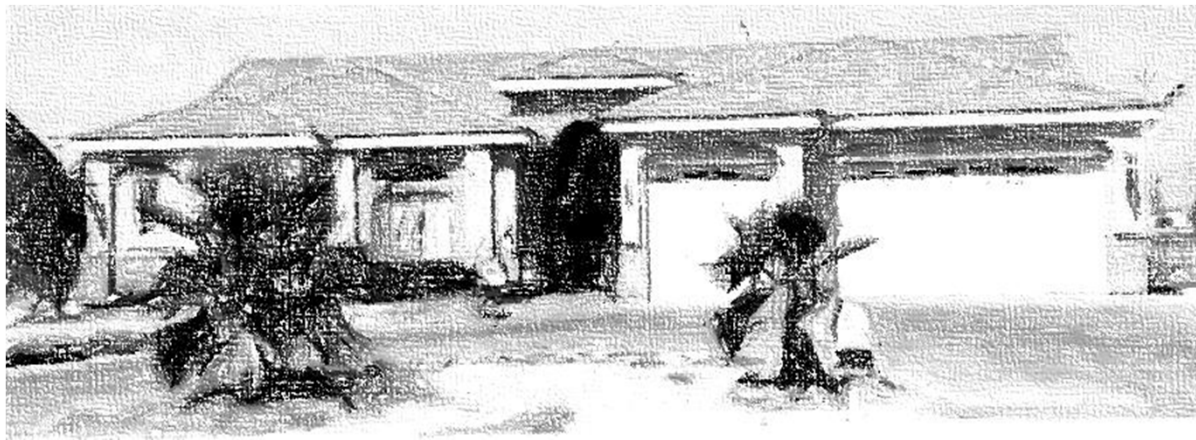
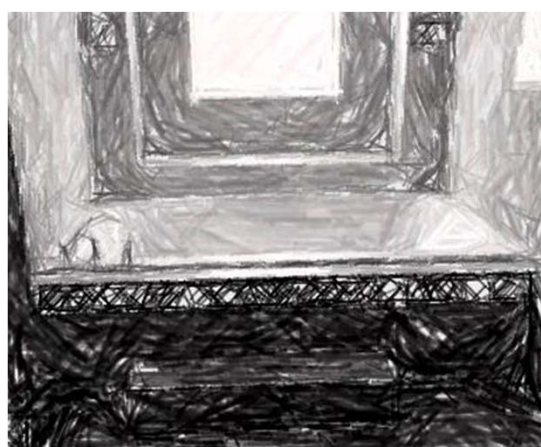
Northern Trends

Population: **629,906** in 2015

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

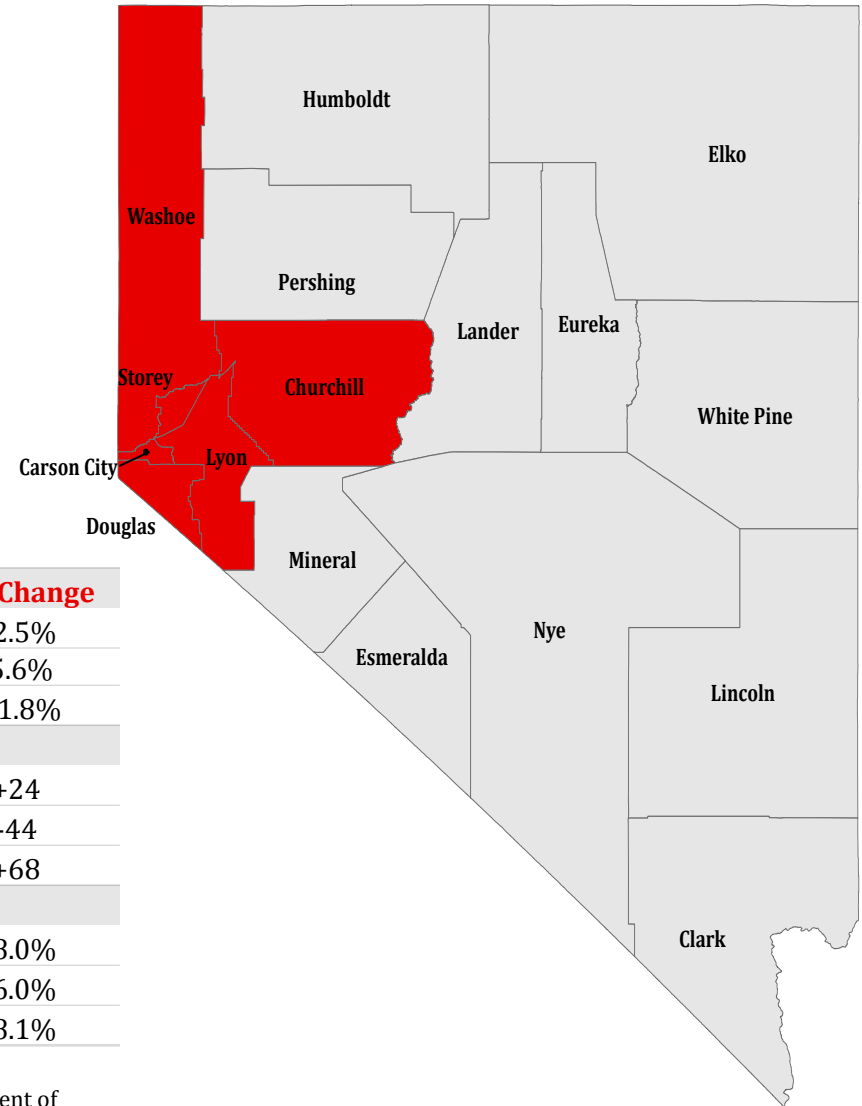
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ Short sales decreased for the ninth consecutive month. There were 36 short sales in March 2016 – the lowest monthly total since 2008. REO sales increased slightly in March 2016.
- ❑ 10.4 percent of all mortgages were underwater at the end of 2016Q1. This was a 0.2 percentage point decrease since 2015Q4 and a 5.3 percentage point decrease since 2015Q1.
- ❑ March 2016 was the third consecutive month with year over year growth in total residential construction starts.
- ❑ Northern Nevada was the only region in Nevada where average new home prices increased. Average new home prices were up \$28,000 on a year over year basis.

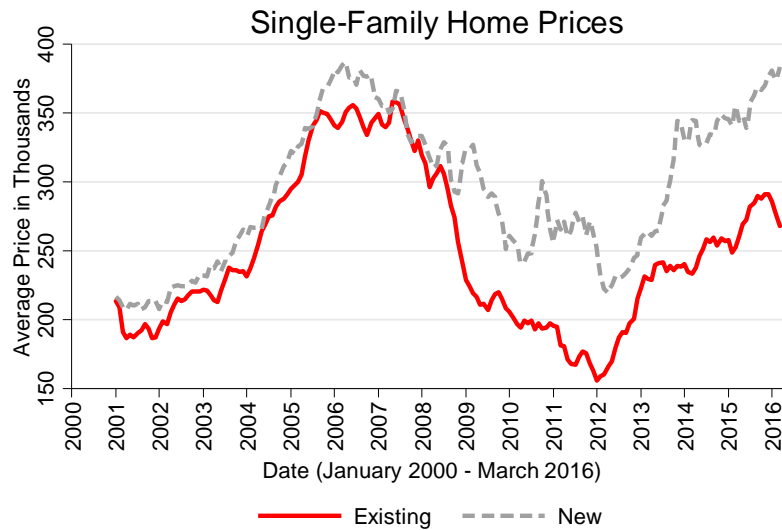


Single-Family Home Sales*	March 2016	M2M Change	Y2Y Change
New	94	+2.2%	+2.5%
Existing	788	+1.4%	-5.6%
Distress Share	8.2%	-23.8%	-31.8%
Residential Construction			
Total Starts	309	+143	+24
Single-Family	201	+35	-44
Multifamily	108	+108	+68
Average Single-Family Sales Price*			
New	\$382,978	+2.5%	+8.0%
Existing	\$267,783	-3.3%	+6.0%
Distress	\$189,046	-4.7%	+8.1%

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

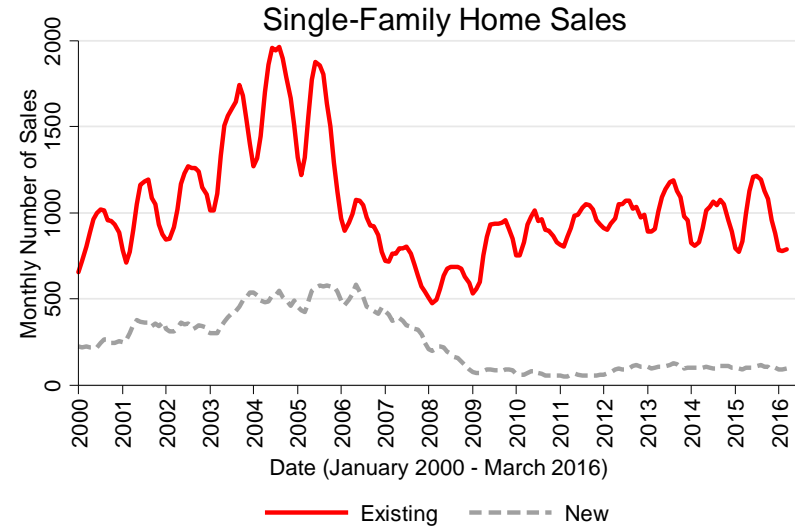
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



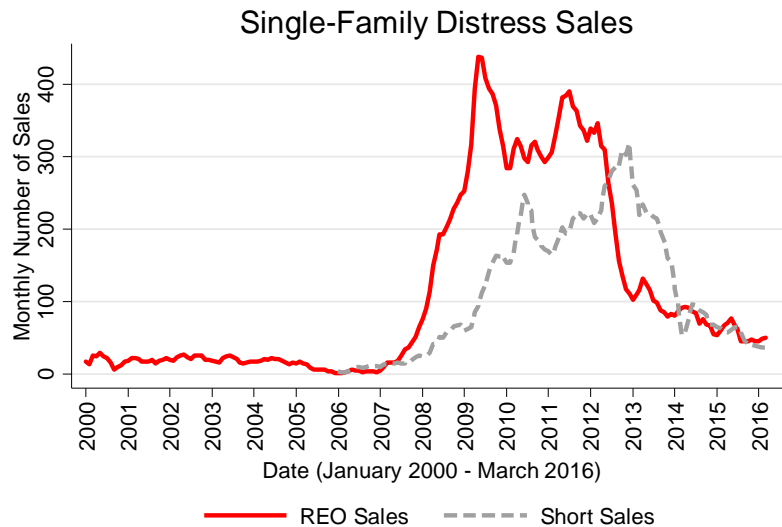
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



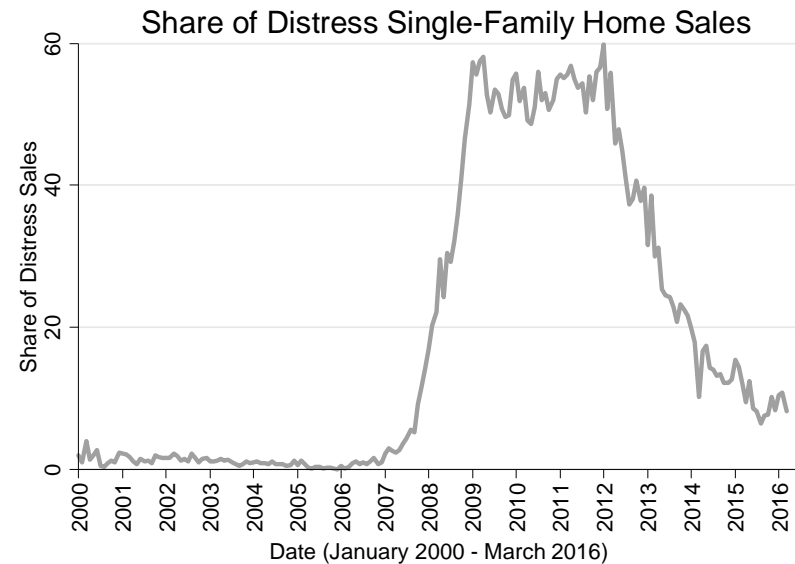
Source: CoreLogic

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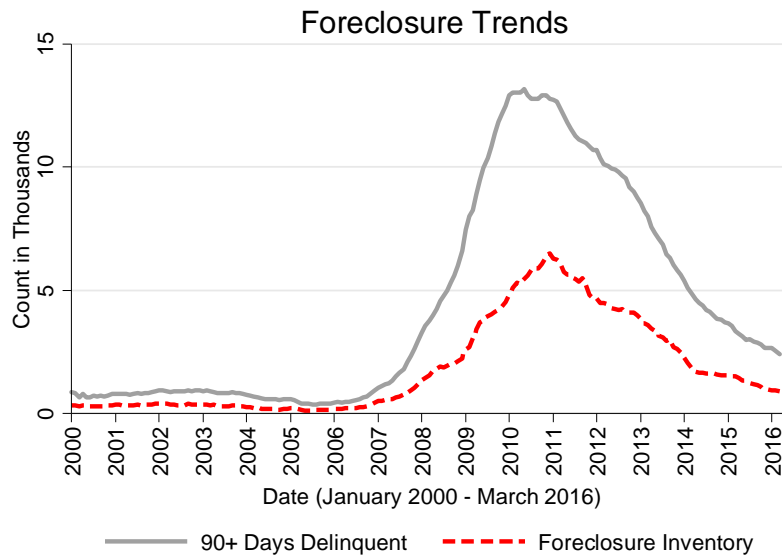
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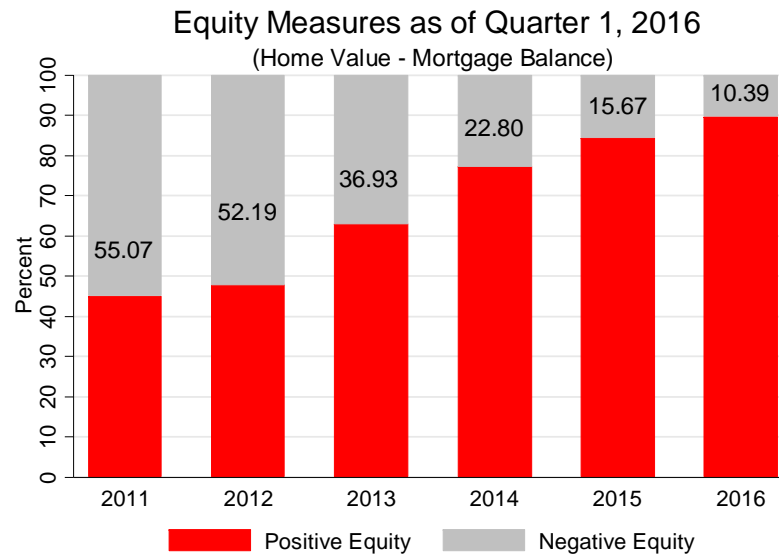


Source: CoreLogic

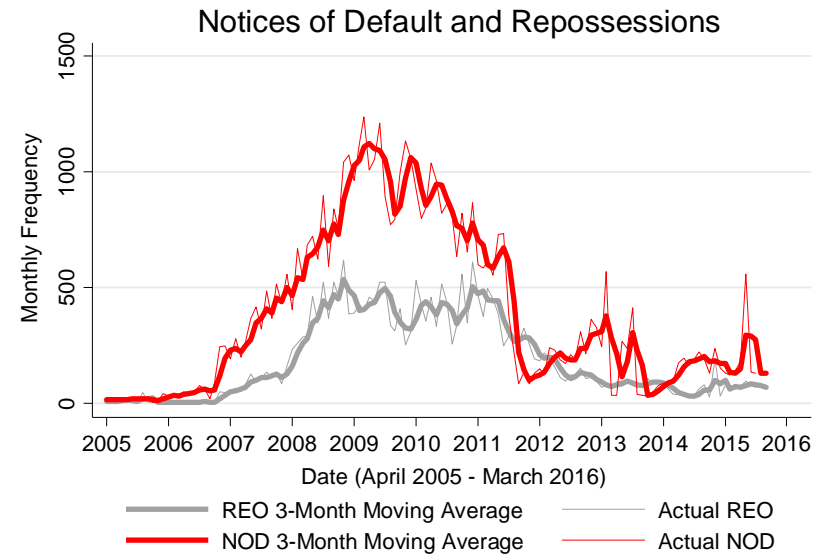
Northern Trends



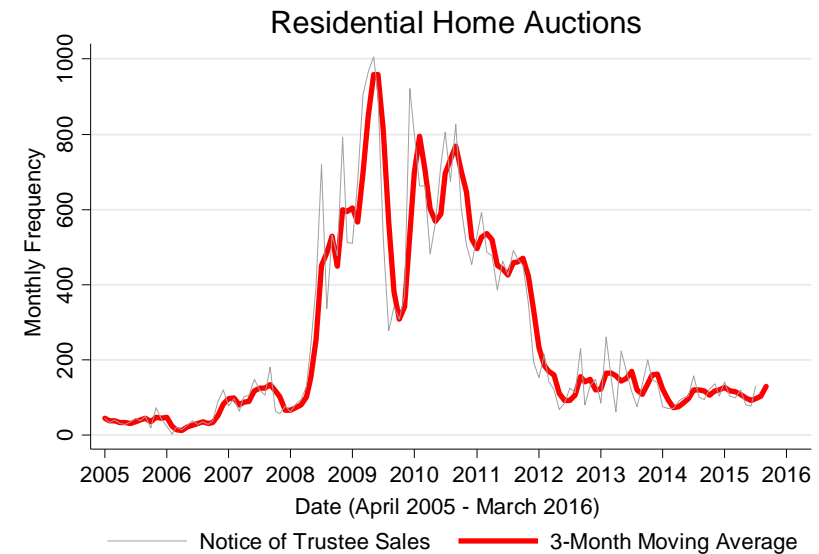
Source: CoreLogic



Source: CoreLogic



Source: RealtyTrac



Source: RealtyTrac

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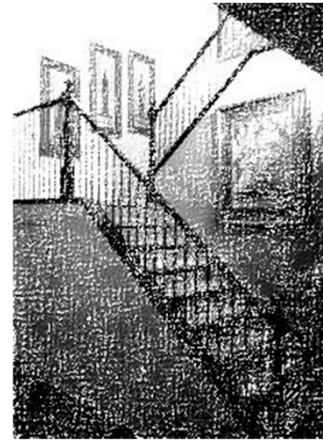
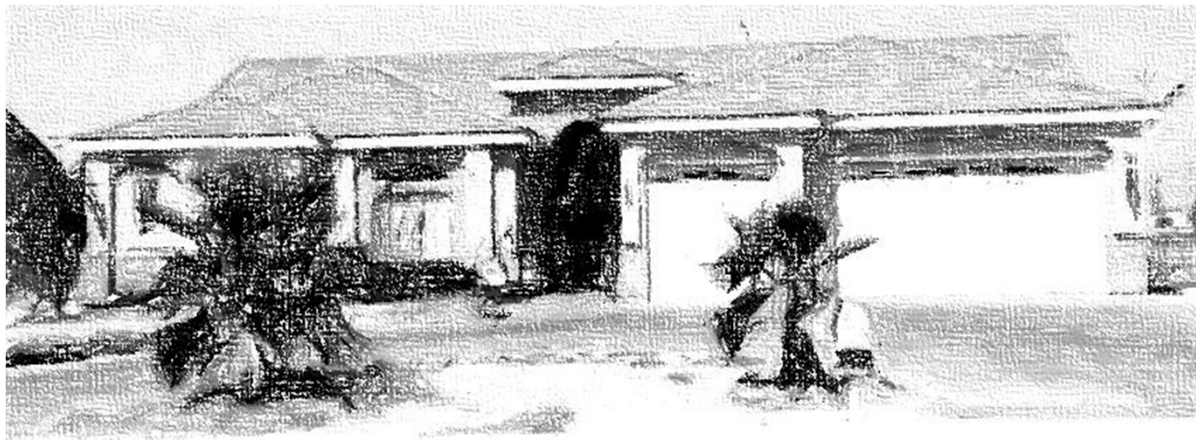
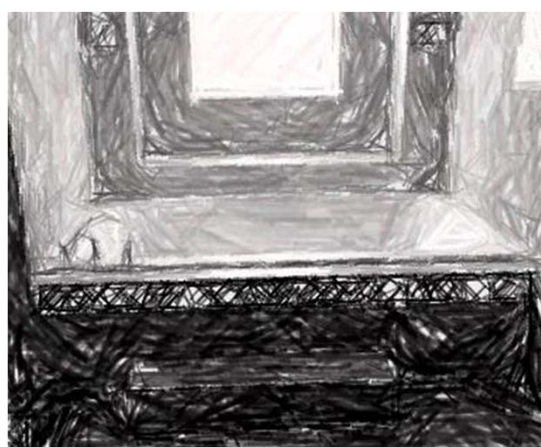
Southern Trends

Population: **2,114,801** in 2015

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

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

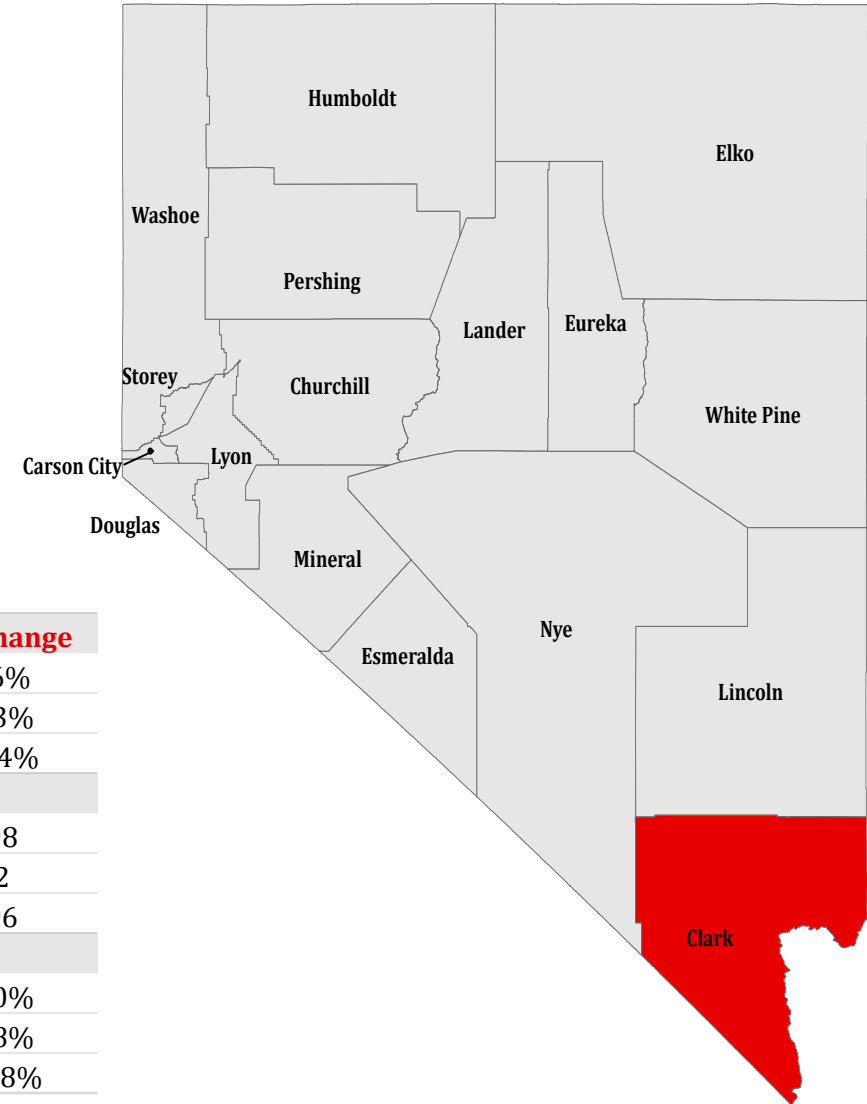
(Clark County)



Southern Trends

- ❑ March 2016 was the first time since September 2015 where new home sales did not decrease on a month to month basis in Southern Nevada.
- ❑ Southern Nevada had the largest share of mortgages with negative equity of any region in Nevada. 19.9 percent of all mortgages were underwater at the end of 2016Q1. This was down 1.4 percentage points since 2015Q4 and 5.7 percentage points since 2015Q1.
- ❑ Southern Nevada was the only region in Nevada where existing home prices increased on a month to month basis. However, Northern Nevada saw more robust growth in existing home prices on a year over year basis.
- ❑ March 2016 was the third consecutive month where single-family starts increased on a month to month basis and the sixth consecutive month where single-family starts increased on a year over year basis.

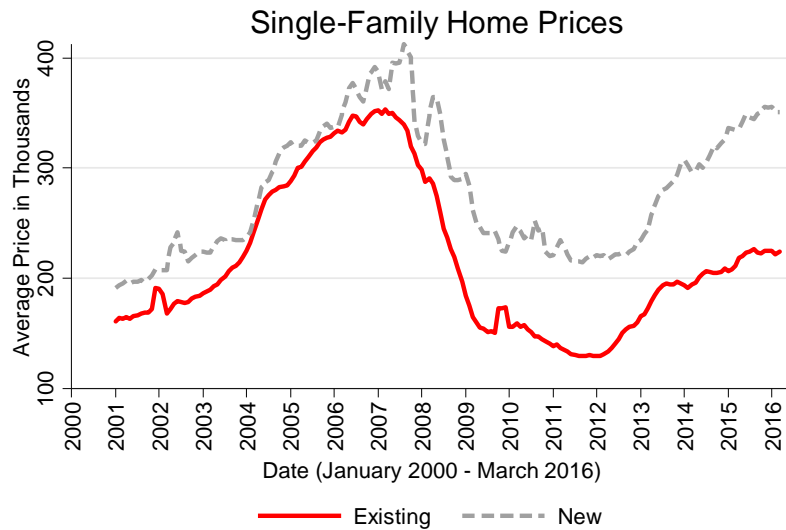
Single-Family Home Sales*	March 2016	M2M Change	Y2Y Change
New	423	+0.0%	-5.6%
Existing	2,898	+3.1%	+0.3%
Distress Share	12.2%	-16.0%	-12.4%
Residential Construction			
Total Starts	985	-940	+98
Single-Family	810	+82	+2
Multifamily	175	-1,022	+96
Average Single-Family Sales Price*			
New	\$350,882	-0.1%	+5.0%
Existing	\$223,667	+0.9%	+5.8%
Distress	\$183,473	-0.2%	+13.8%



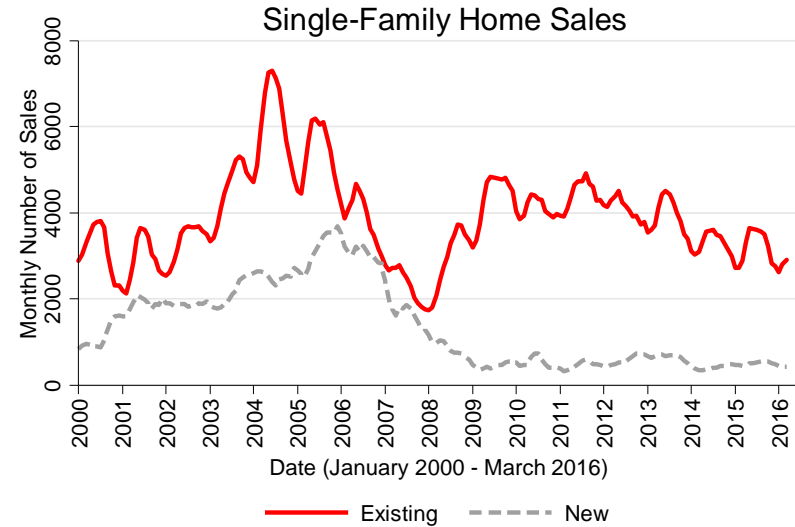
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

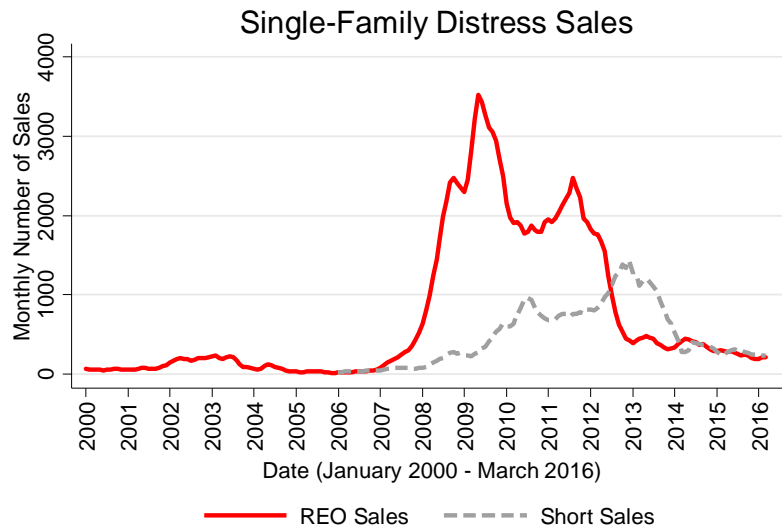
Southern Trends



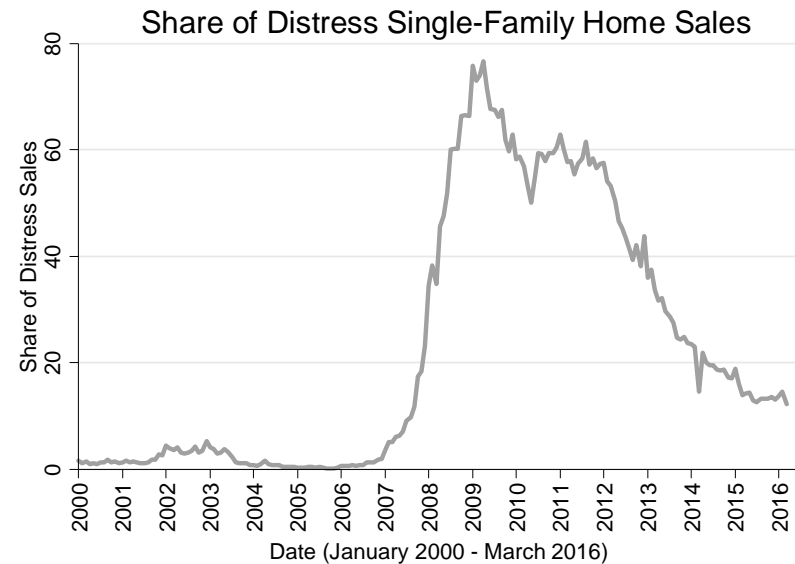
Source: CoreLogic
Note: Series are 3-month weighted moving averages.



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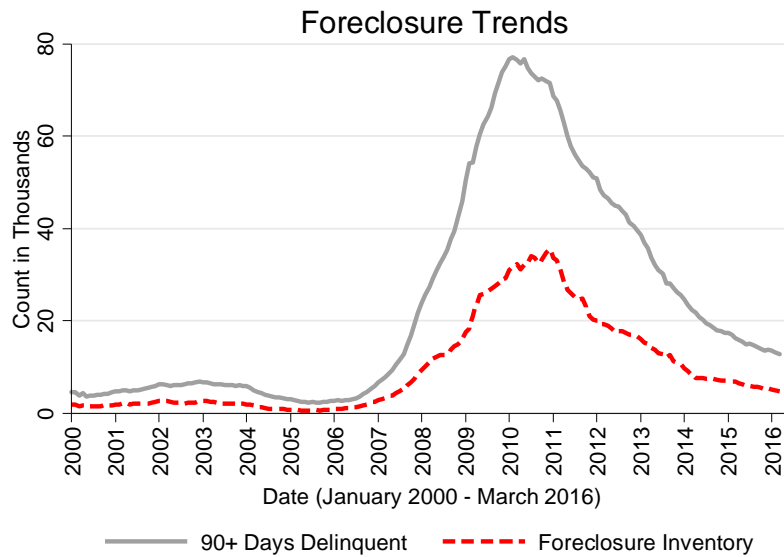


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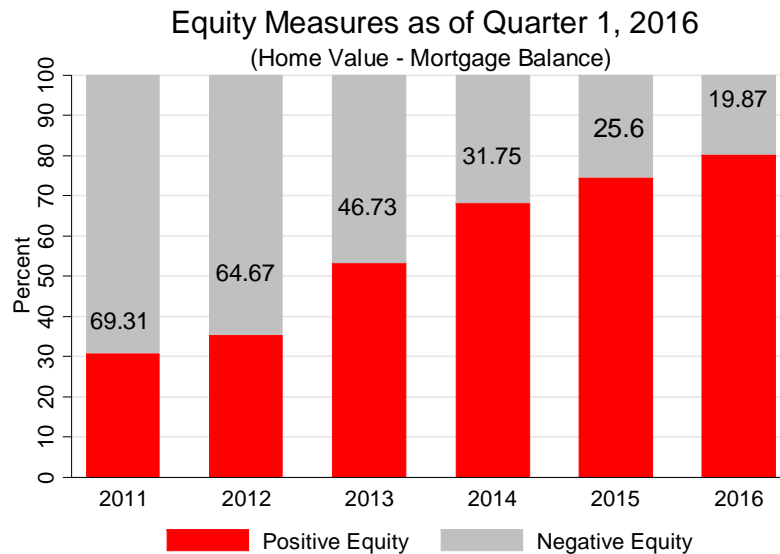


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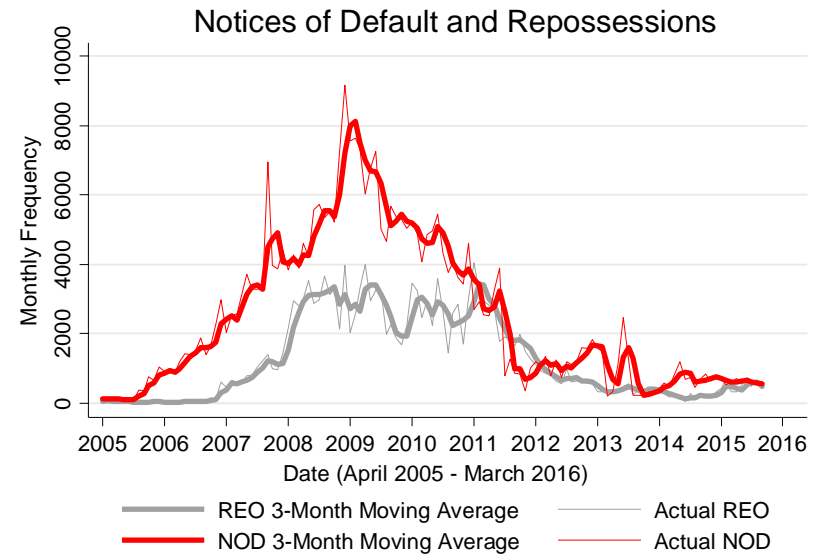
Southern Trends



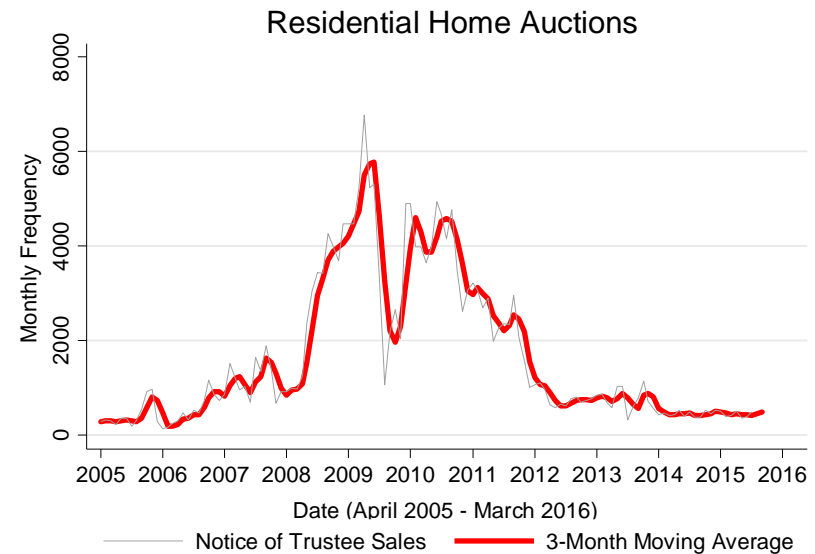
Source: CoreLogic



Source: CoreLogic



Source: RealtyTrac



Source: RealtyTrac

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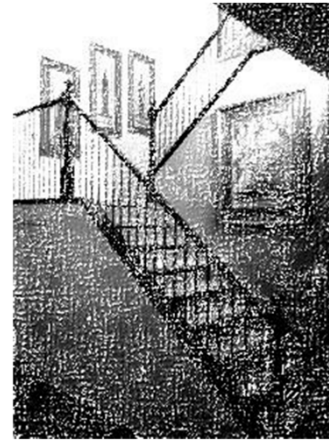
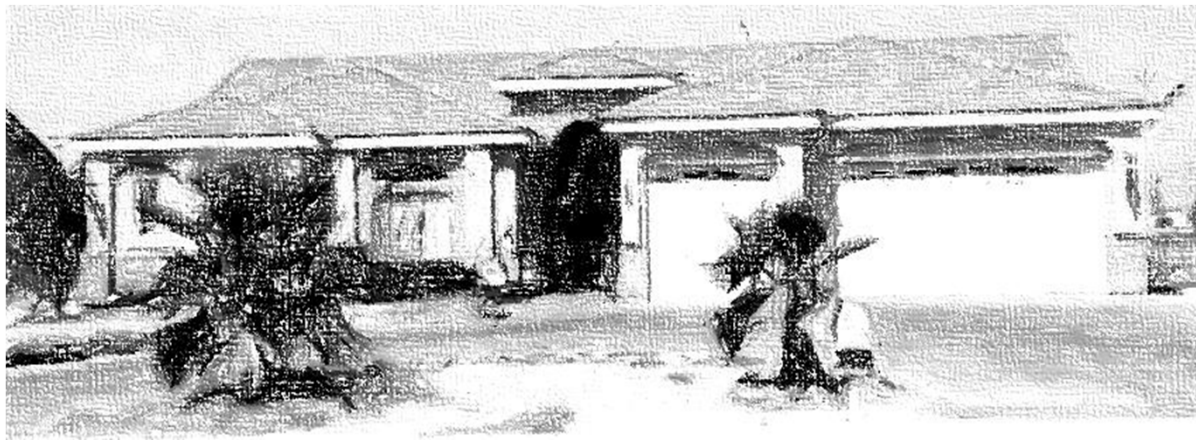
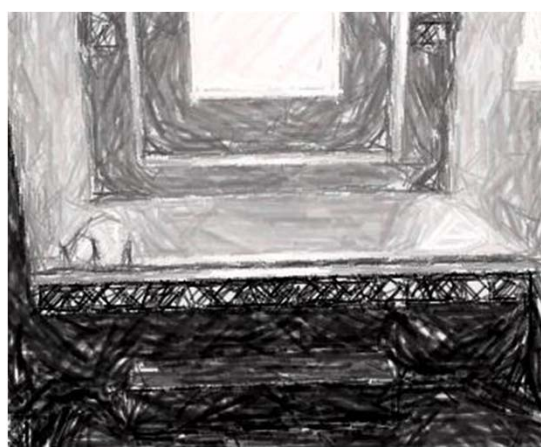
Rural Trends

Population: **146,138** in 2015

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

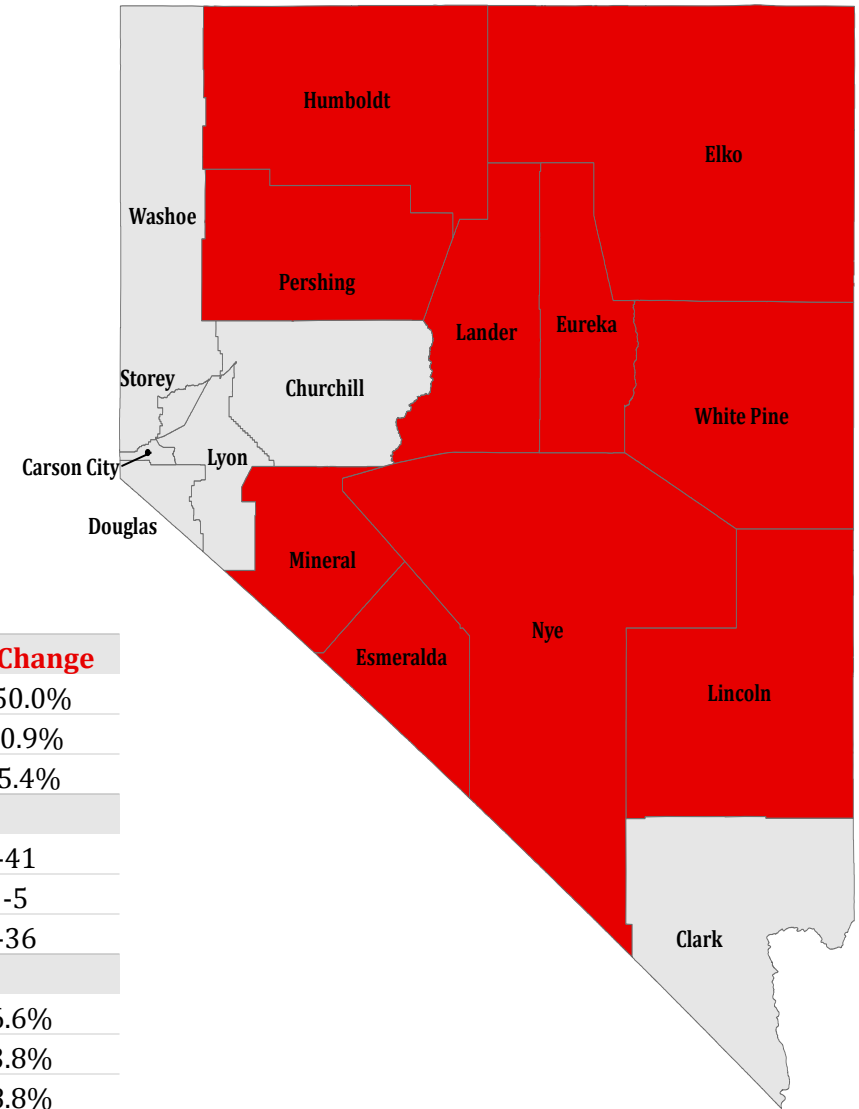
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ New home sales decreased on a month to month basis for the fourth consecutive month. March 2016 was the fifth consecutive month where new home sales increased more than 100 percent on a year over year basis.
- ❑ 14.1 percent of all mortgages were underwater at the end of 2016Q1. This was down 2.8 percentage points since 2015Q4 and 3.9 percentage points since 2015Q1.
- ❑ New and existing home prices both decreased for the second consecutive month. Distress home prices decreased for the third consecutive month.
- ❑ Existing home prices were the lowest they had been since July 2013.

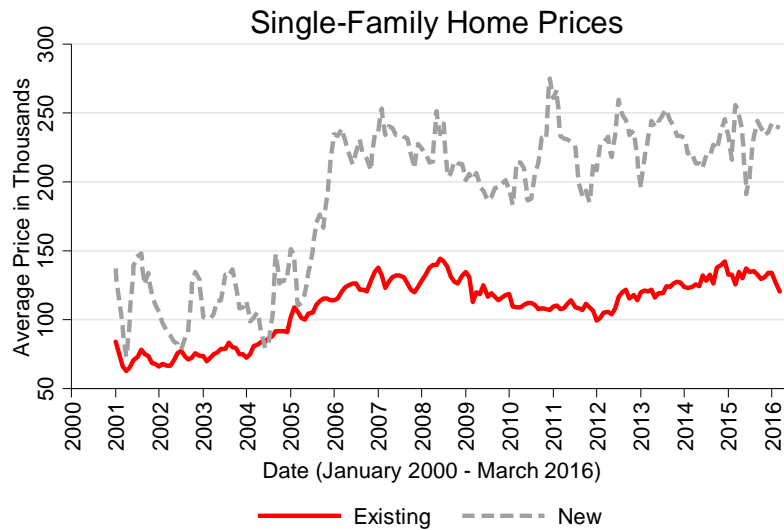


Single-Family Home Sales*	March 2016	M2M Change	Y2Y Change
New	10	-28.6%	+150.0%
Existing	119	-8.9%	+10.9%
Distress Share	10.0%	-34.0%	-45.4%
Residential Construction			
Total Starts	15	+9	-41
Single-Family	15	+9	-5
Multifamily	0	+0	-36
Average Single-Family Sales Price*			
New	\$238,554	-0.8%	-6.6%
Existing	\$120,542	-5.3%	-3.8%
Distress	\$88,697	-10.8%	-8.8%

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

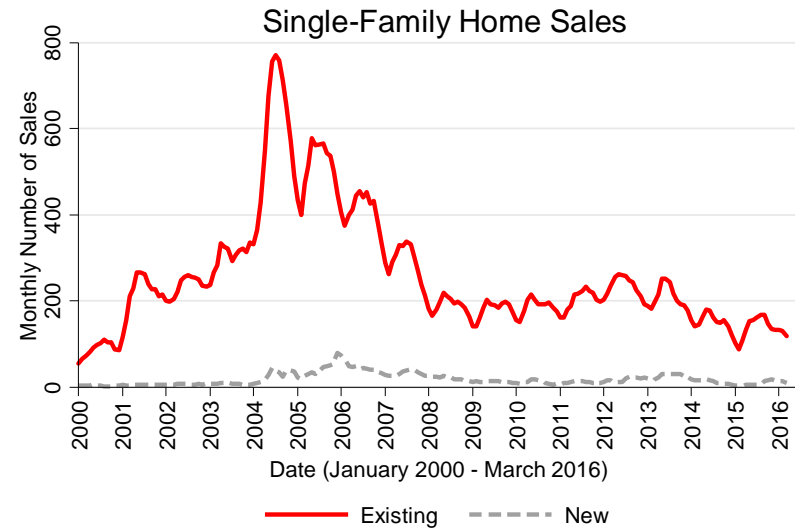
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



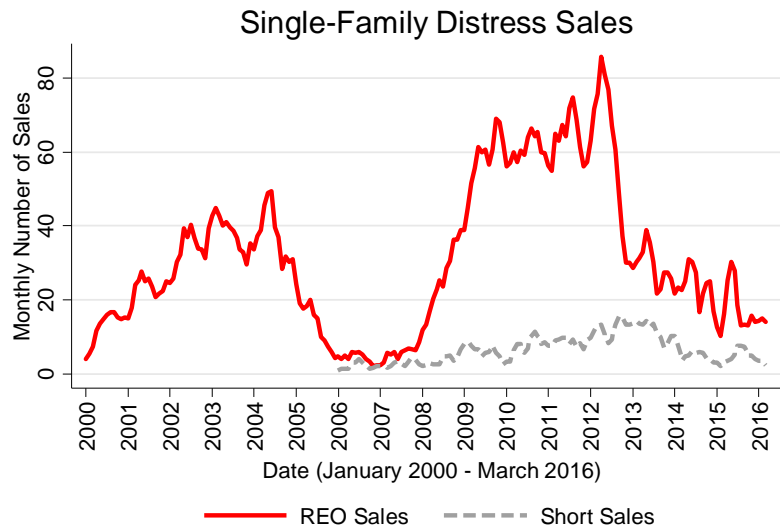
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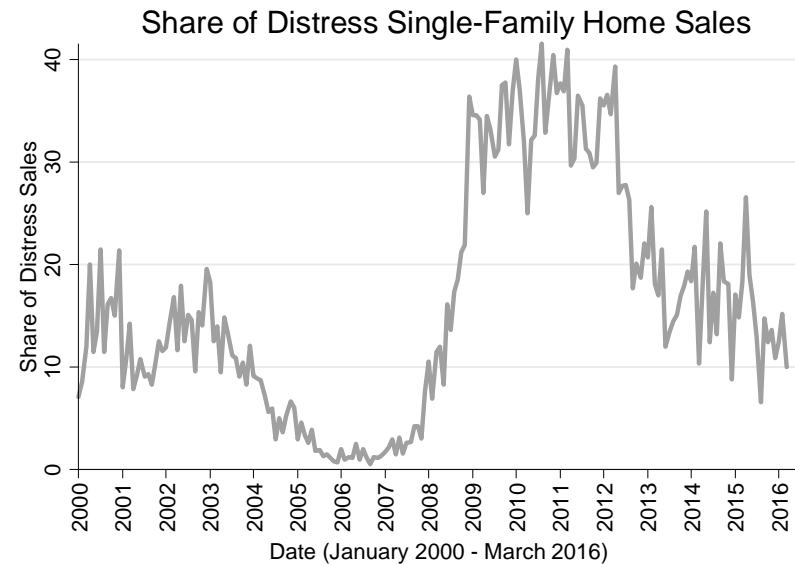
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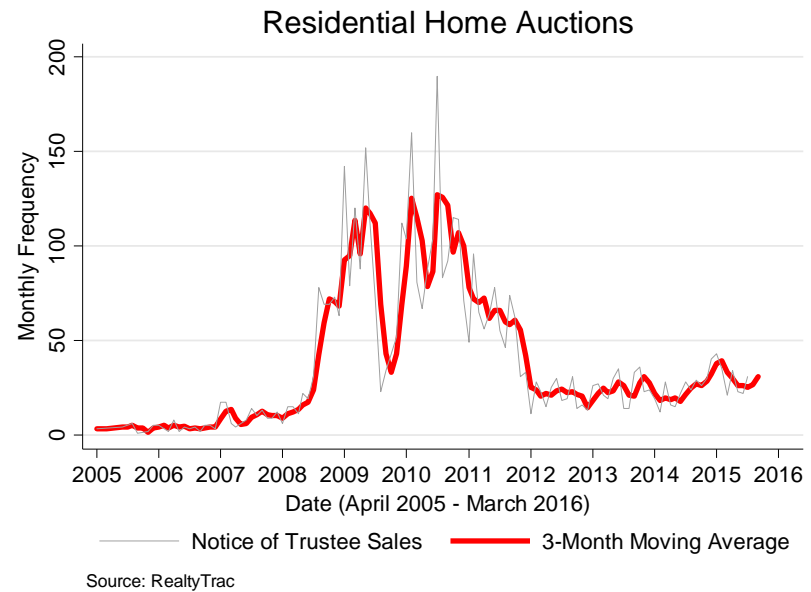
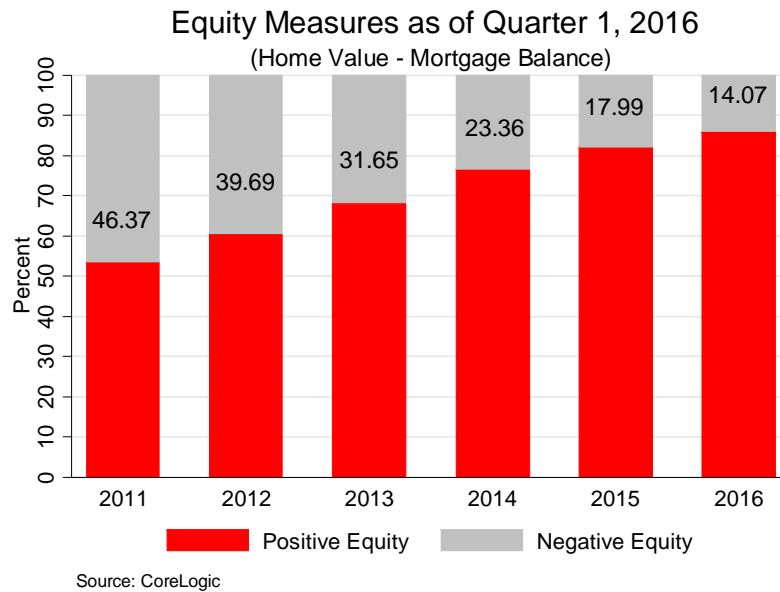
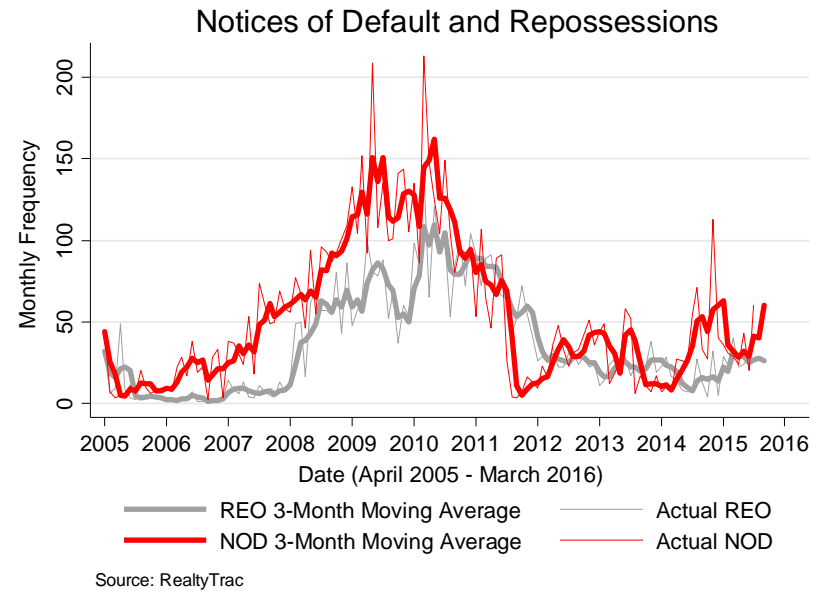
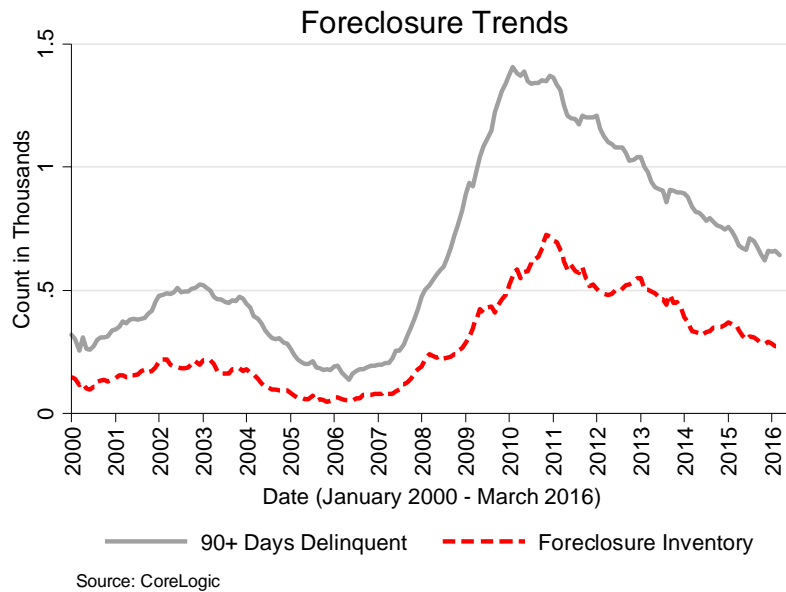
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



Source: CoreLogic

Rural Trends



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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