

# Report on Nevada's Housing Market

This series of reports on Nevada's Housing Market is co-presented by the Lied Institute for Real Estate Studies at the University of Nevada, Las Vegas and the State of Nevada Department of Business & Industry. These reports provide monthly updates on housing market trends for stakeholders throughout Nevada.

Funding provided by the Housing Data and Index Project, a joint initiative of:



State of Nevada  
Department of Business & Industry



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# Nevada's Housing Market | December 2014

## Nevada Statewide Trends

Population: **2,790,136** in 2013

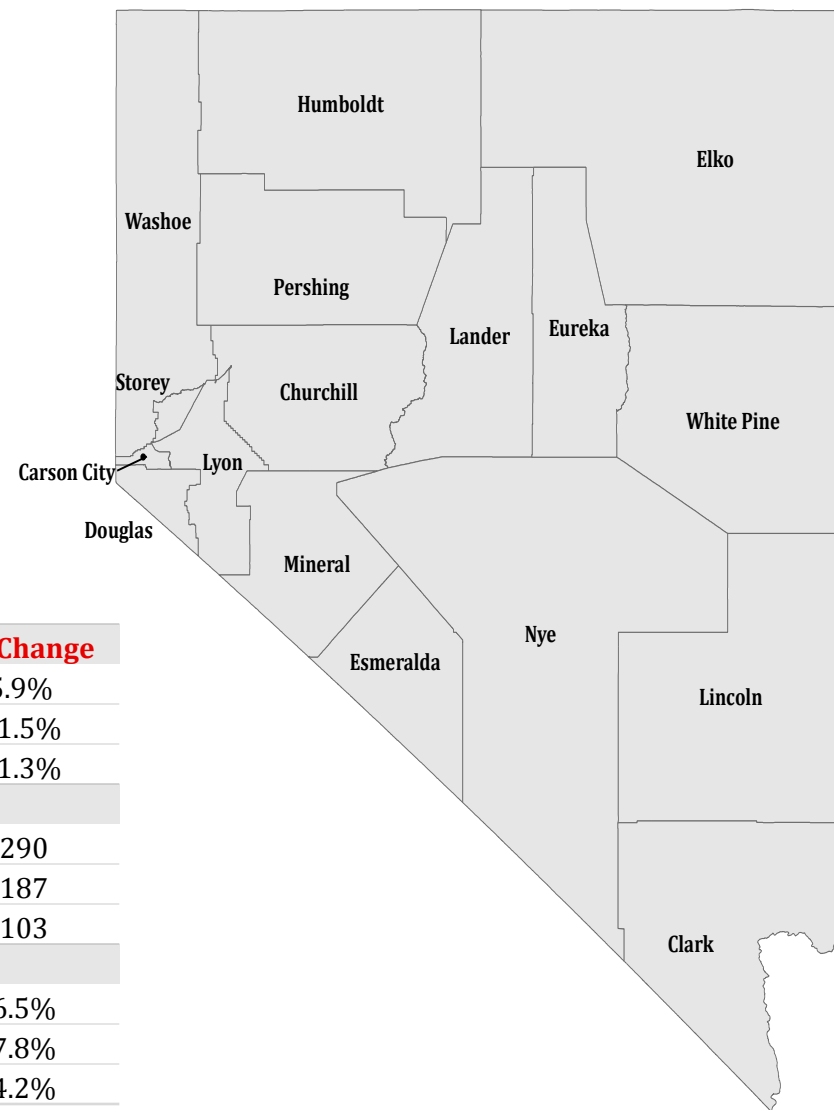
Housing Units: **1,186,879** in 2013

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



## Nevada Statewide Trends

- ❑ Home prices are up year over year for all three regions in Nevada. Existing home prices were driven by the north and rural regions while new home prices were driven by the South. Average new home prices are up \$20,000 year over year and average existing homes are up \$16,000 year over year for Nevada.
- ❑ The share of homeowners with negative equity continues to decline each quarter. At the end of 2014, 24.2 percent of all homeowners in Nevada were underwater on their mortgage – 1.2 percentage points less than last quarter (25.4 percent).
- ❑ Nevada saw 13,154 total residential starts in 2014 – 1,900 more than in 2013 (11,232 starts). This increase was driven by a high amount of multifamily starts (4,328). There were 200 less single-family starts for Nevada in 2014 than in 2013.



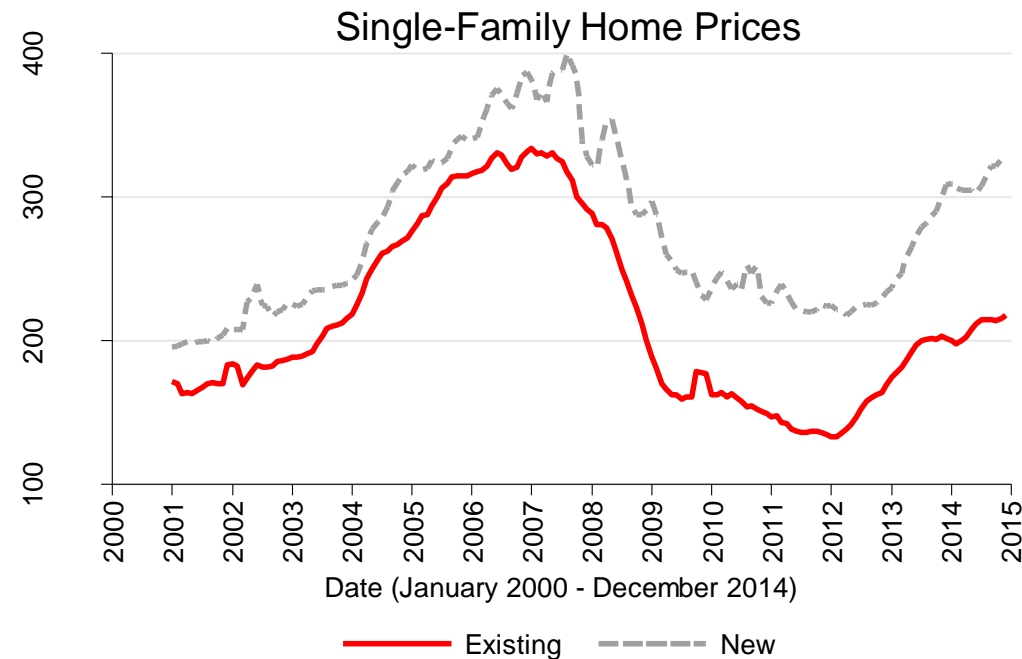
Single-Family Home Sales*	December 2014	M2M Change	Y2Y Change
New	594	+1.1%	-5.9%
Existing	4020	-5.6%	-11.5%
Distress Share	15.9%	-1.8%	-31.3%
Residential Construction			
<b>Total Starts</b>	881	-277	+290
Single-Family	667	+98	+187
Multifamily	214	-375	+103
Average Single-Family Sales Price*			
New	\$327,813	+0.6%	+6.5%
Existing	\$217,159	+1.0%	+7.8%
Distress	\$164,282	-0.7%	+4.2%

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

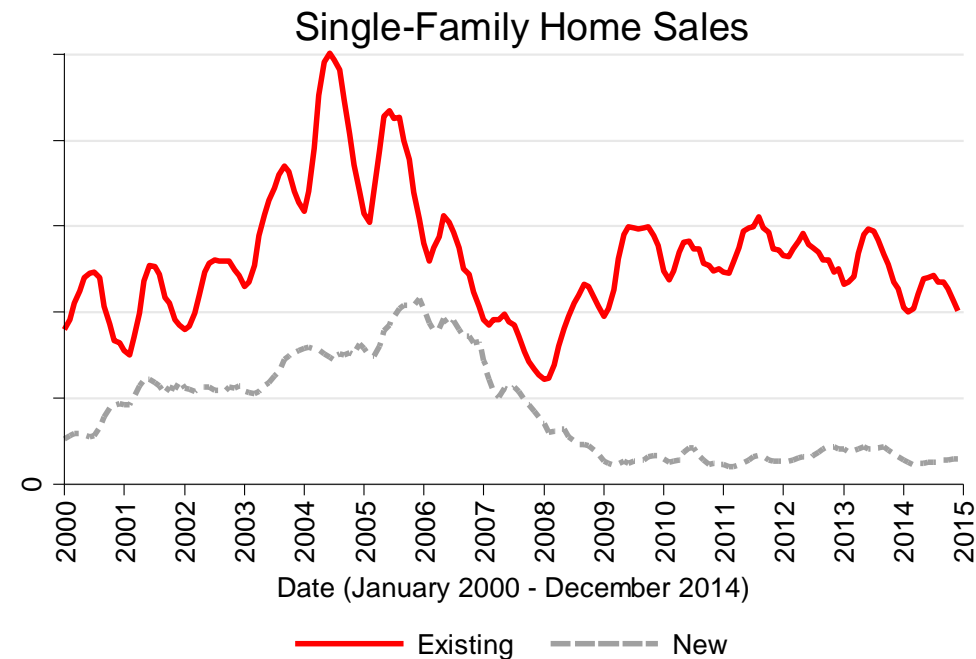


# Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

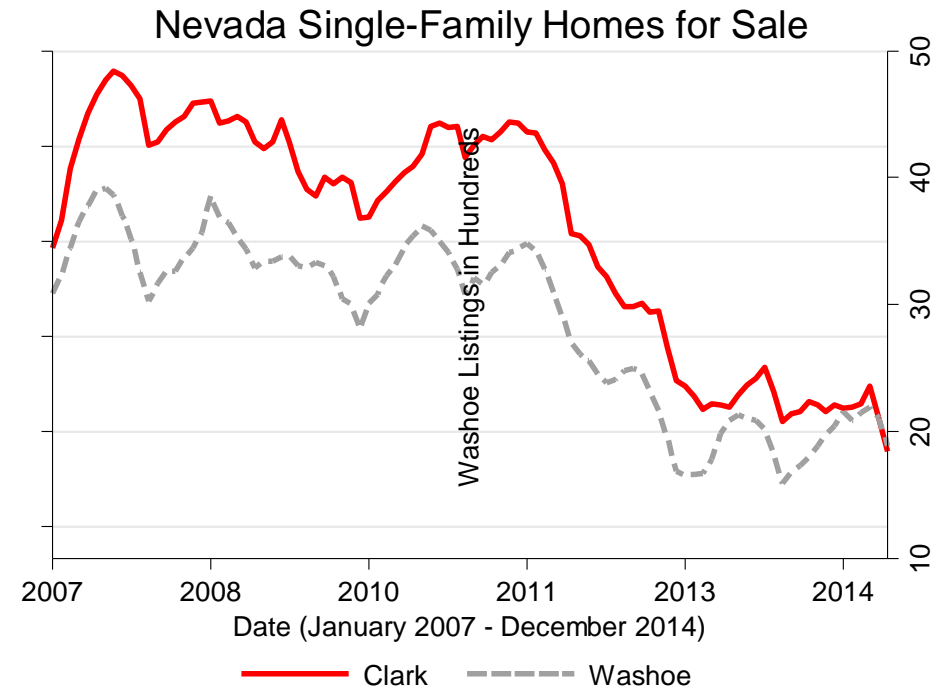
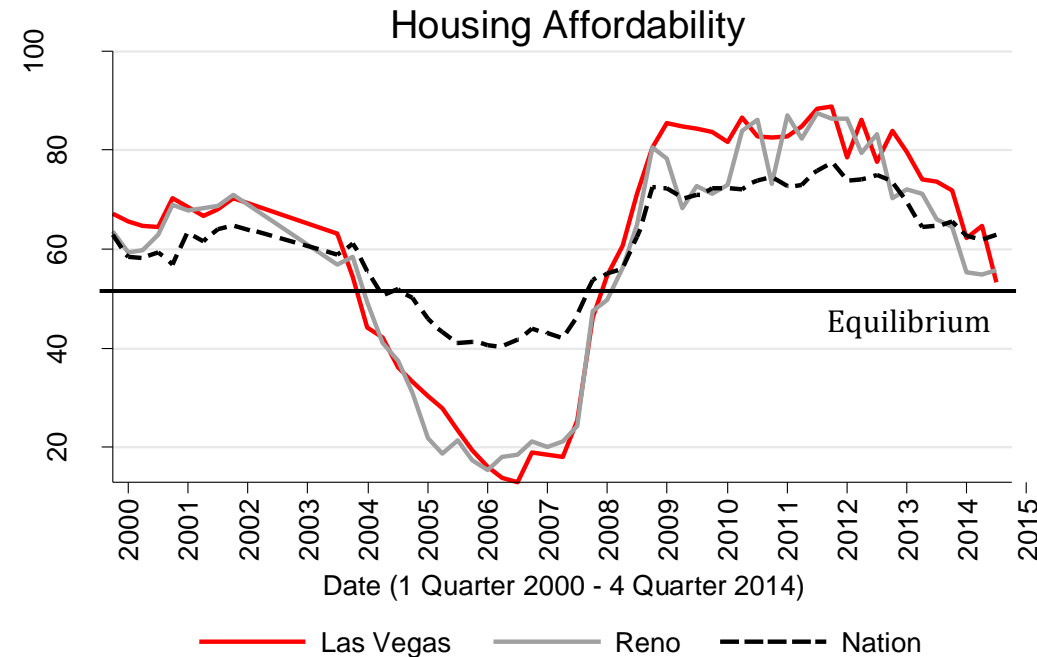


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

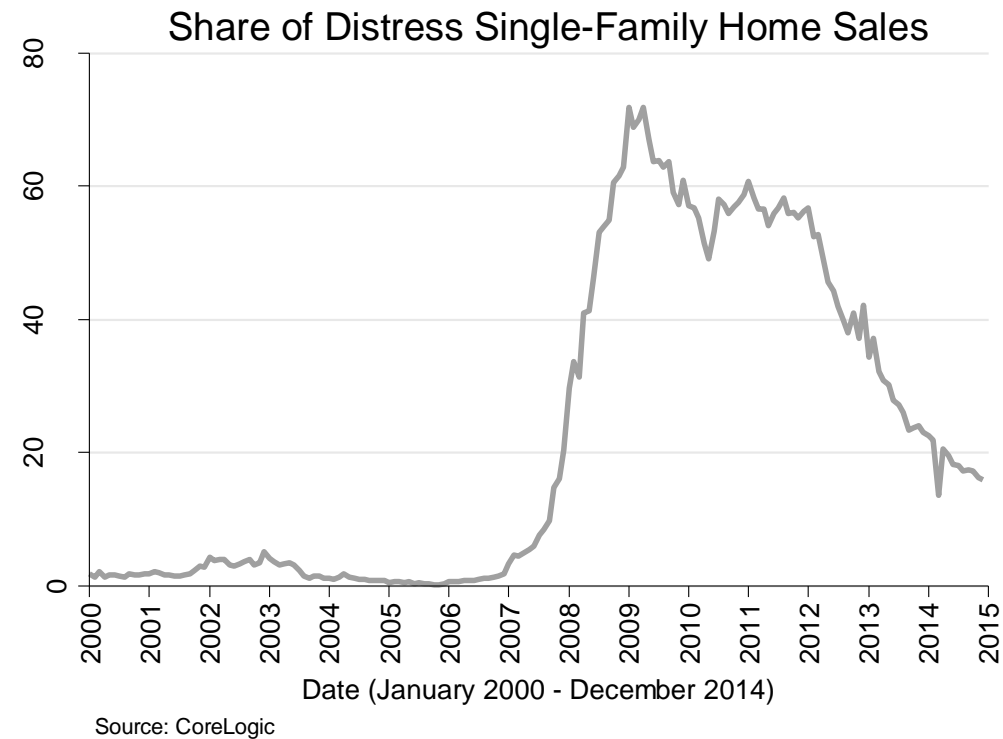
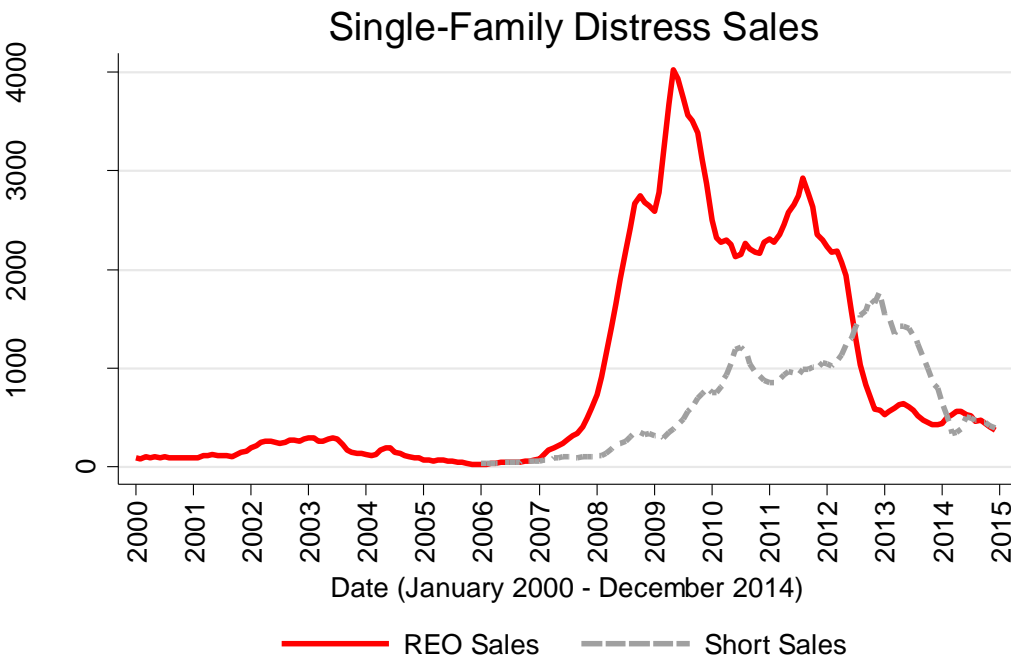
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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



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.

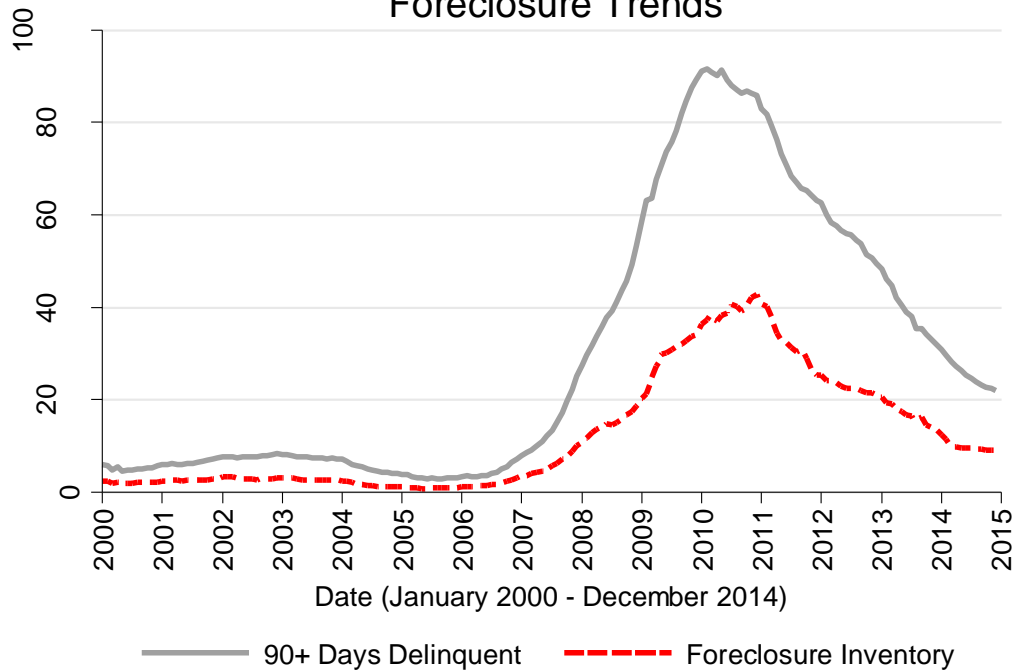
## Nevada Statewide Trends



Single-Family Distress Sales 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

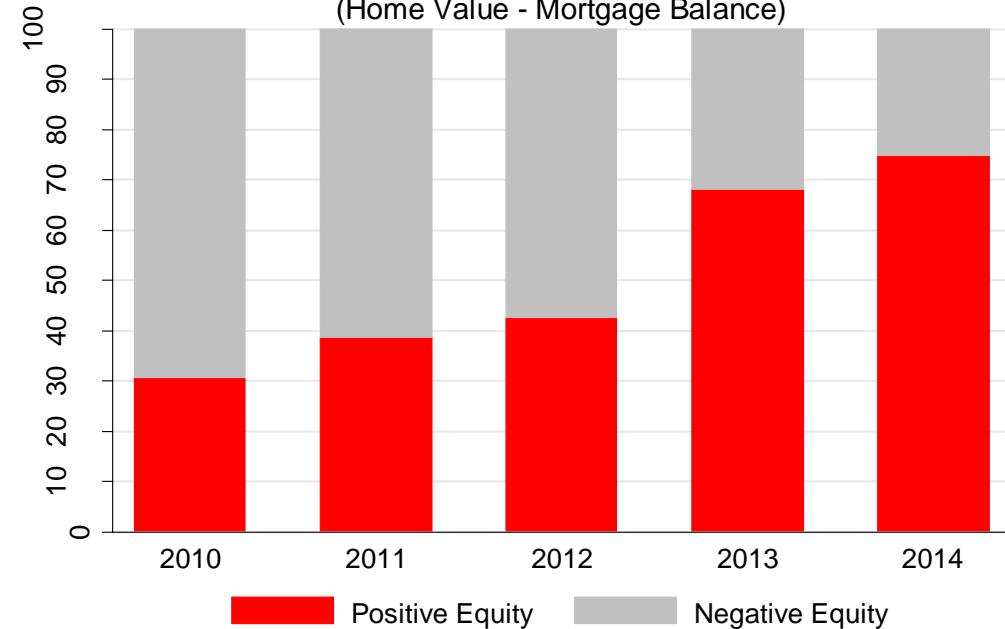
### Foreclosure Trends



Source: CoreLogic

### Equity Measures as of Quarter 4, 2014

(Home Value - Mortgage Balance)



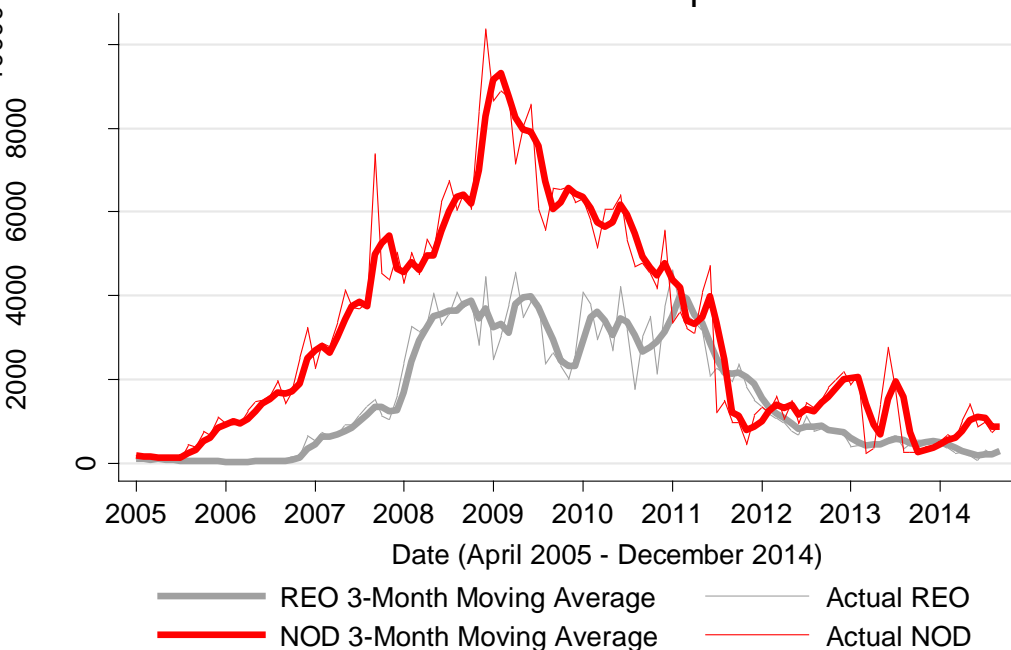
Source: CoreLogic

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.



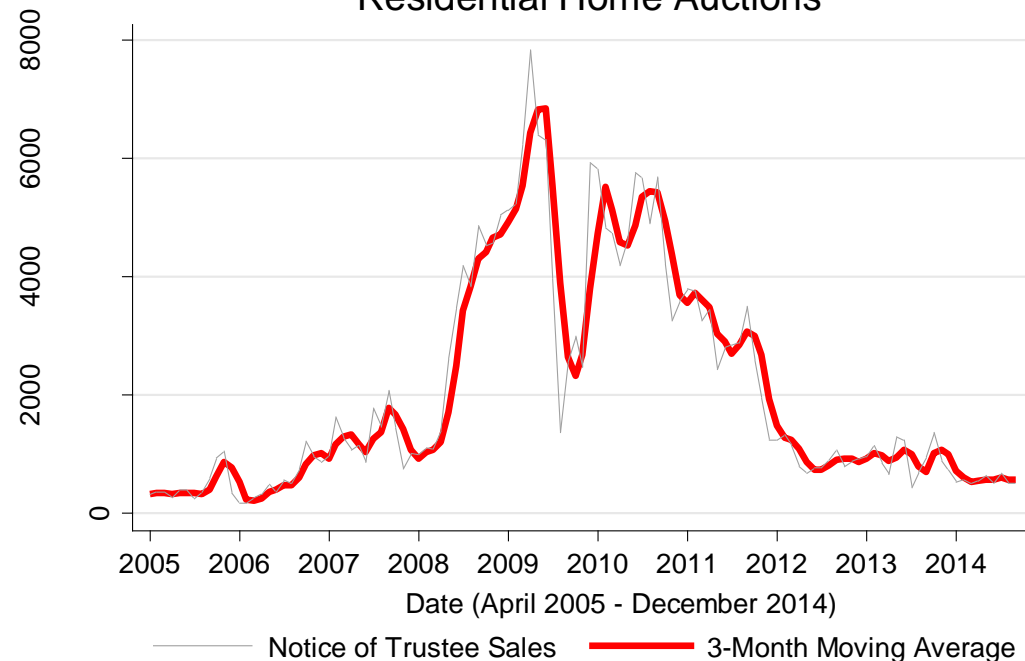
## Nevada Statewide Trends

### Notices of Default and Repossessions



Source: RealtyTrac

### Residential Home Auctions



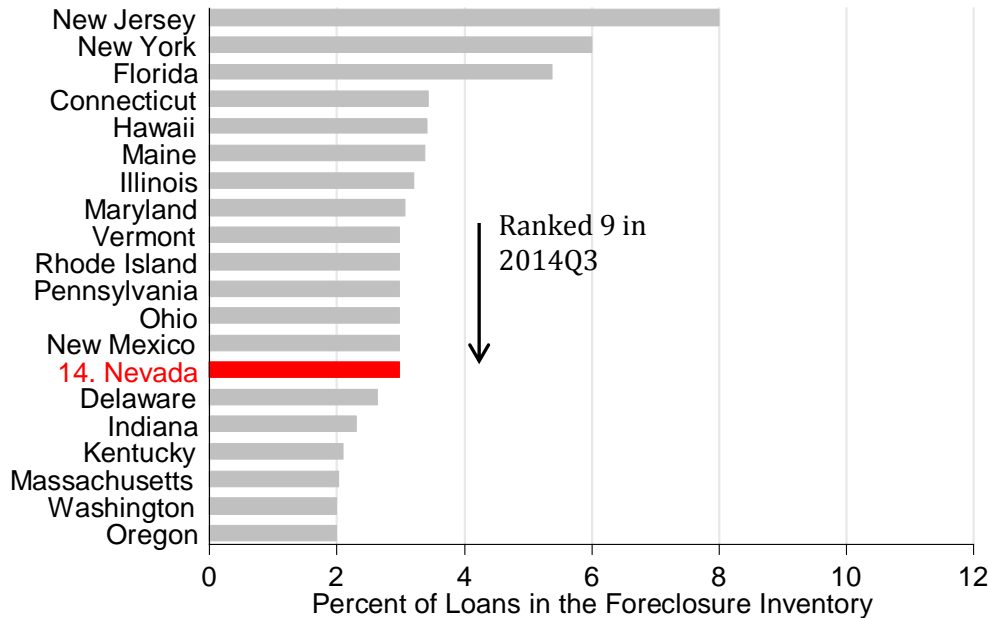
Source: RealtyTrac

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

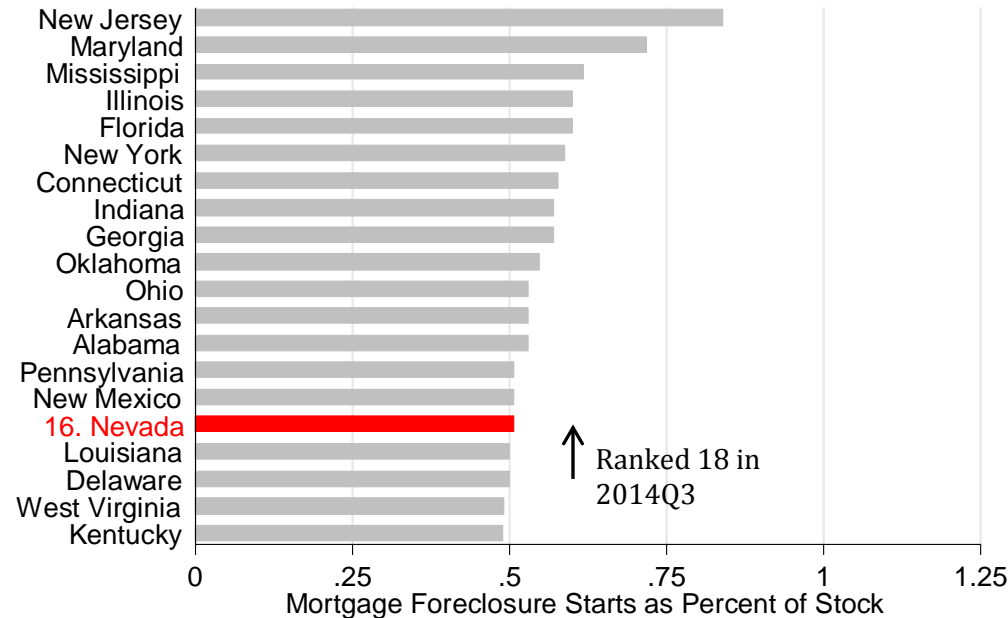
4th Quarter 2014



Source: Mortgage Bankers Association's National Delinquency Survey

### Top 20 States in Foreclosure Starts

4th Quarter 2014



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 | December 2014

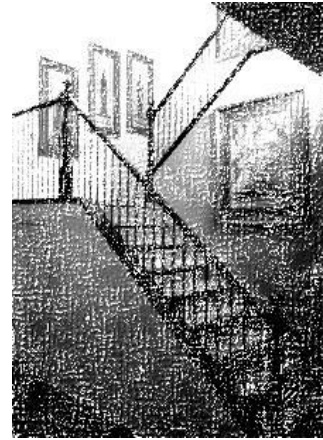
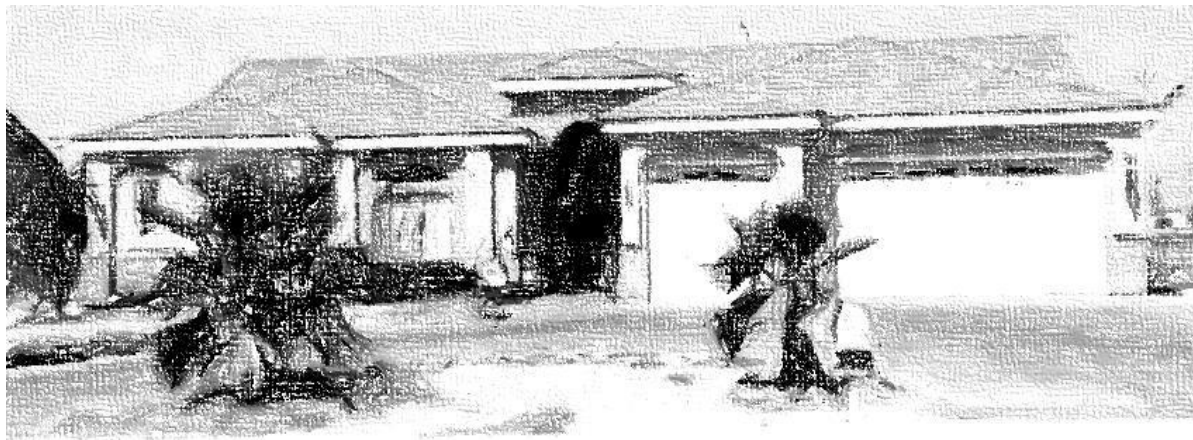
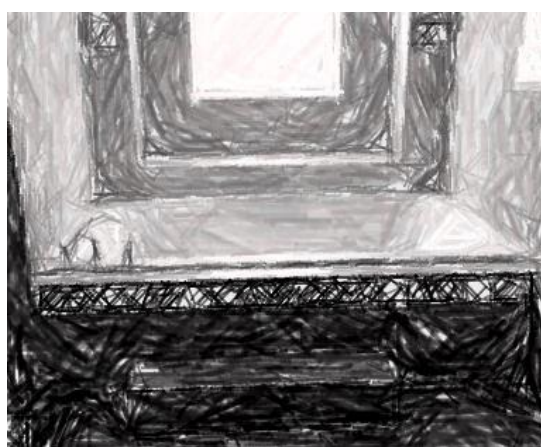
## Northern Trends

Population: **614,491** in 2013

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

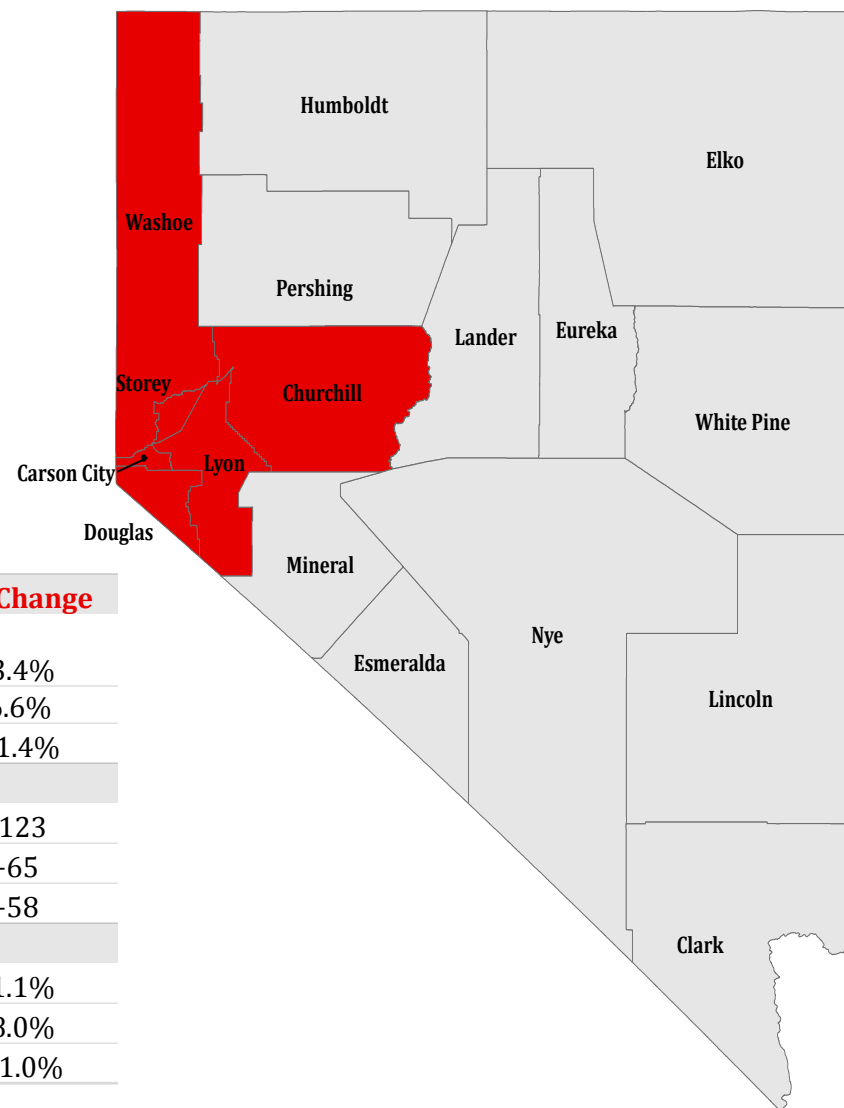
Source: U.S. Census Bureau: State and County QuickFacts

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



## Northern Trends

- ❑ The Reno-Sparks metropolitan area saw a slight increase in housing affordability this quarter according to the National Association of Home Builders. 55.8 percent of homes are affordable to the median income in the Reno-Sparks metropolitan area, 2.5 percent more than in the Las Vegas metropolitan area (53.3 percent).
- ❑ Northern Nevada was the only region to see month to month decreases in home prices. Existing homes are still up 8 percent year over year, 1.2 percent more than in Southern Nevada (6.8 percent).
- ❑ Northern Nevada saw 2,585 total residential construction starts in all of 2014 – the highest annual amount since 2007. Northern Nevada was the only region in Nevada to see an annual increase in both single-family starts and multifamily starts.

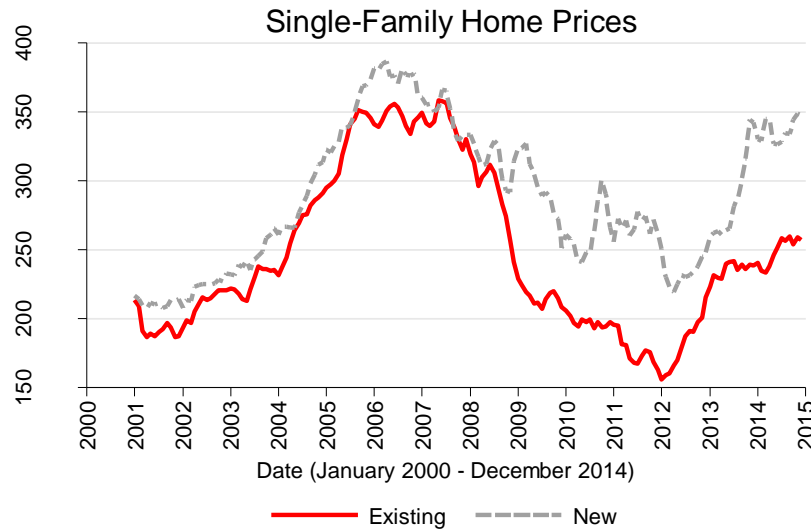


Single-Family Home Sales*	December 2014	M2M Change	Y2Y Change
New	101	-7.6%	+3.4%
Existing	893	-7.0%	-6.6%
Distress Share	12.1%	+4.9%	-41.4%
Residential Construction			
<b>Total Starts</b>	236	+39	+123
Single-Family	164	-3	+65
Multifamily	72	+42	+58
Average Single-Family Sales Price*			
New	\$345,911	-0.8%	+1.1%
Existing	\$257,012	-0.5%	+8.0%
Distress	\$191,057	-4.2%	+11.0%

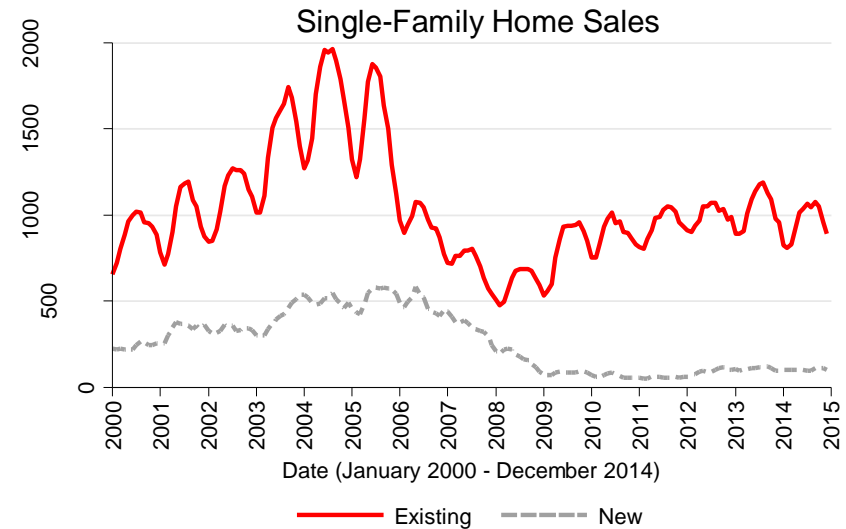
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

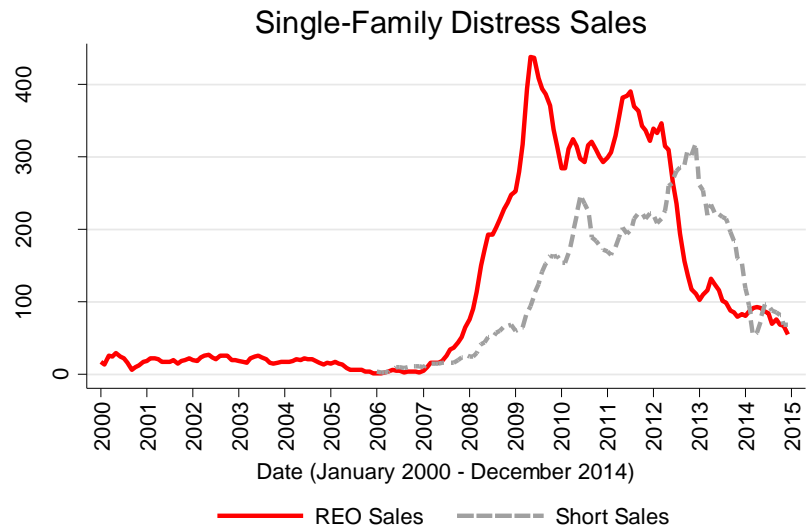
# Northern Trends



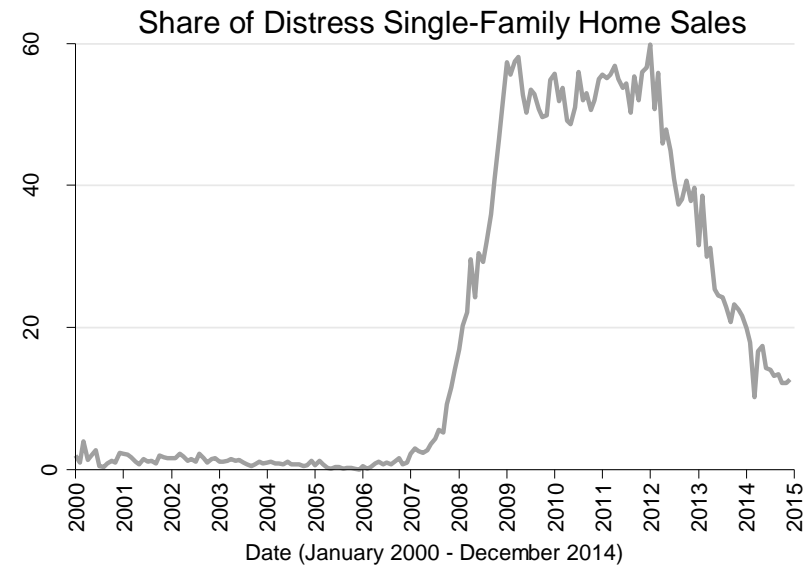
Source: CoreLogic  
Note: Series are 3-month weighted moving averages.



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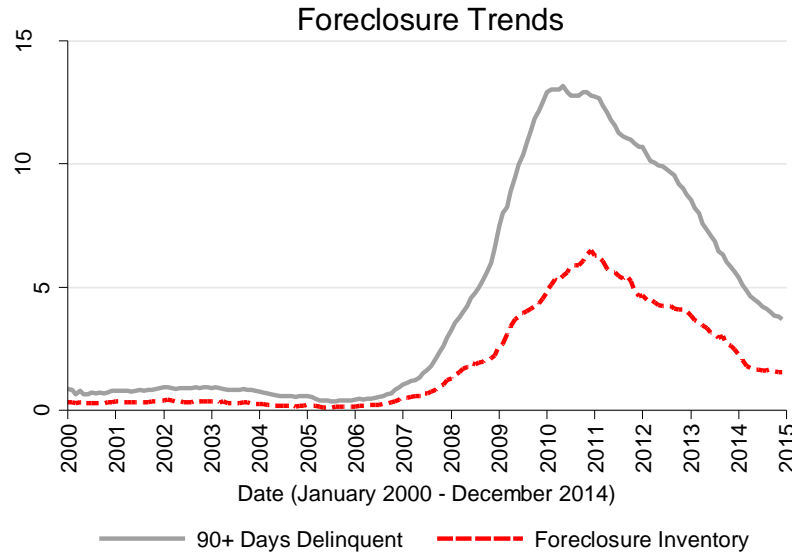
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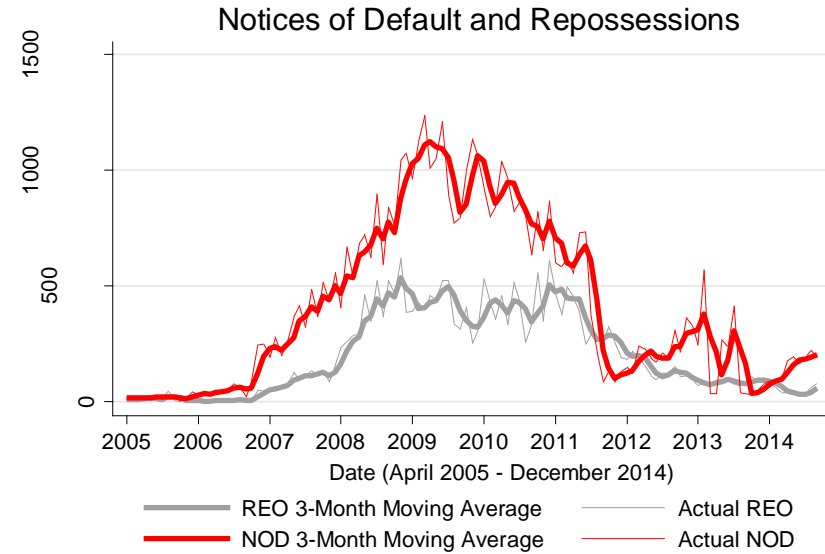
Source: CoreLogic



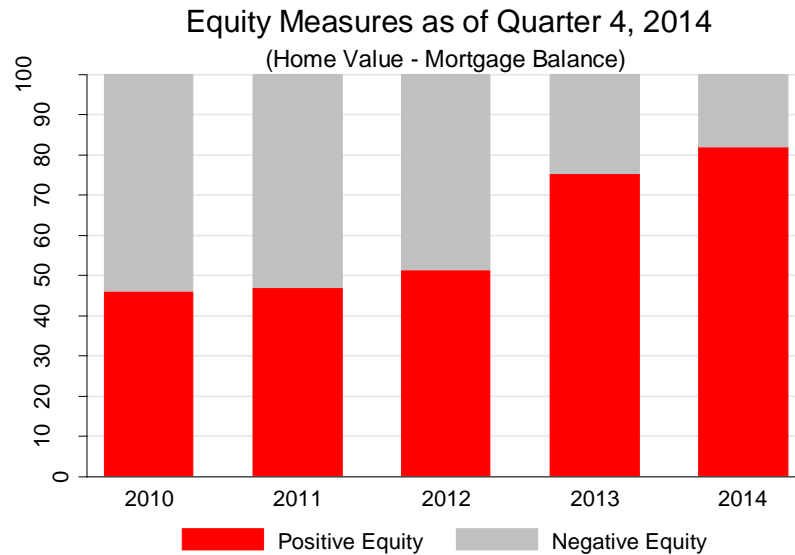
## Northern Trends



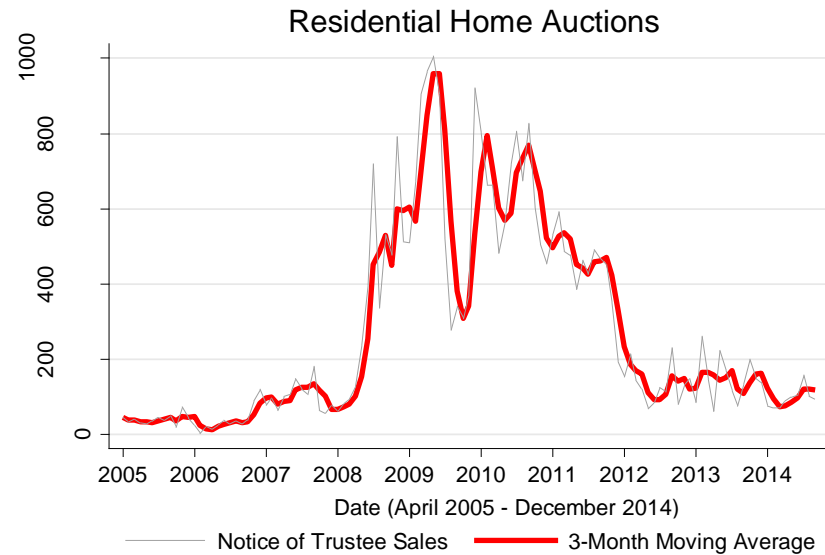
Source: CoreLogic



Source: RealtyTrac



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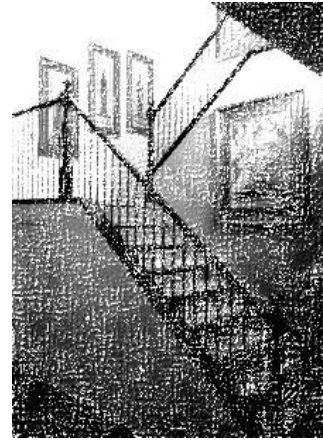
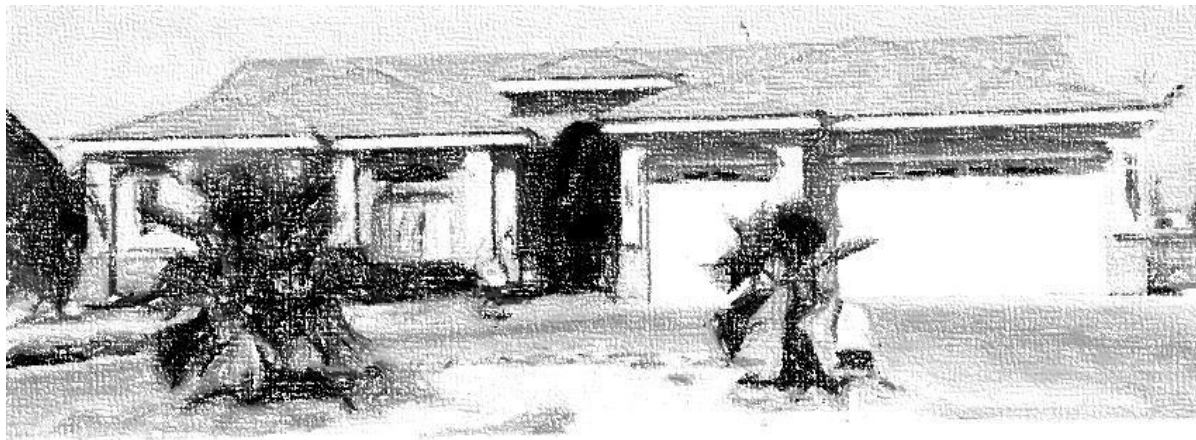
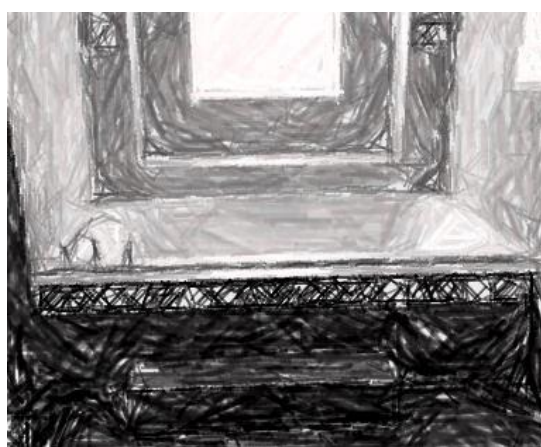
## Southern Trends

Population: **2,027,868** in 2013

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

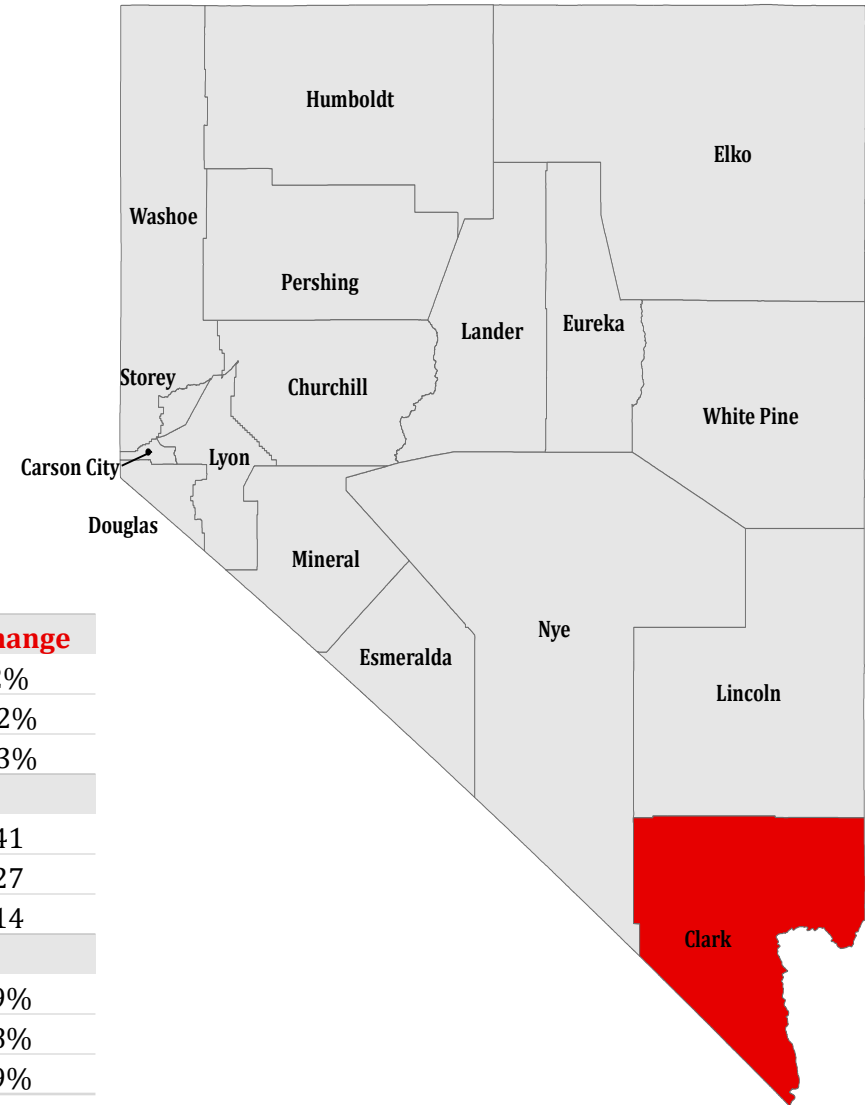
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

- ❑ Las Vegas saw a large decrease in home affordability according to the National Association of Home Builders. 53.3 percent of the homes on the market are considered affordable to the median income this quarter – down 11 percentage points from last quarter (64.7 percent). This large decrease was a result of home prices appreciating in Las Vegas while median income saw no change.
- ❑ At \$325,000, average new home prices in Southern Nevada increased by \$20,000 in 2014. At \$208,000, average existing home prices in Southern Nevada increased by \$13,000 in 2014.
- ❑ Southern Nevada saw 10,179 total residential construction starts in all of 2014 – the highest amount since 2008. This was driven by a large amount of multifamily starts(3,427). There were only 6,752 single family starts this year in Southern Nevada – 300 less than last year(7,067).

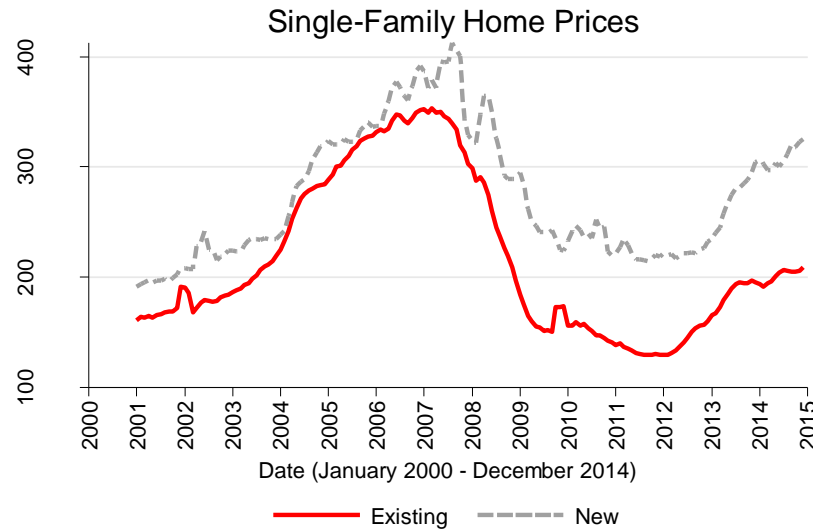


Single-Family Home Sales*	December 2014	M2M Change	Y2Y Change
New	486	+3.9%	-4.2%
Existing	2986	-4.7%	-11.2%
Distress Share	17.0%	-1.5%	-28.3%
Residential Construction			
<b>Total Starts</b>	630	-309	+241
Single-Family	488	+108	+127
Multifamily	142	-417	+114
Average Single-Family Sales Price*			
New	\$325,305	+0.9%	+6.9%
Existing	\$208,610	+1.5%	+6.8%
Distress	\$160,775	-0.2%	+2.9%

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

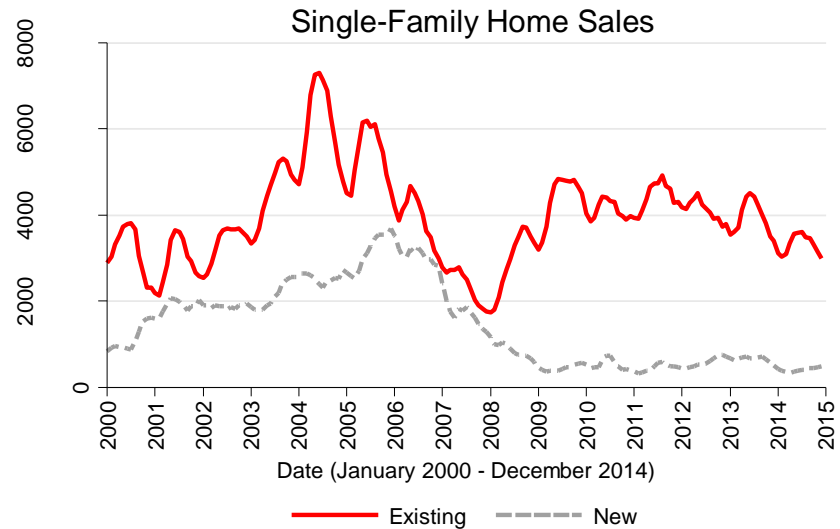
\*Figures portray Three-Month Moving Weighted Averages

## Southern Trends



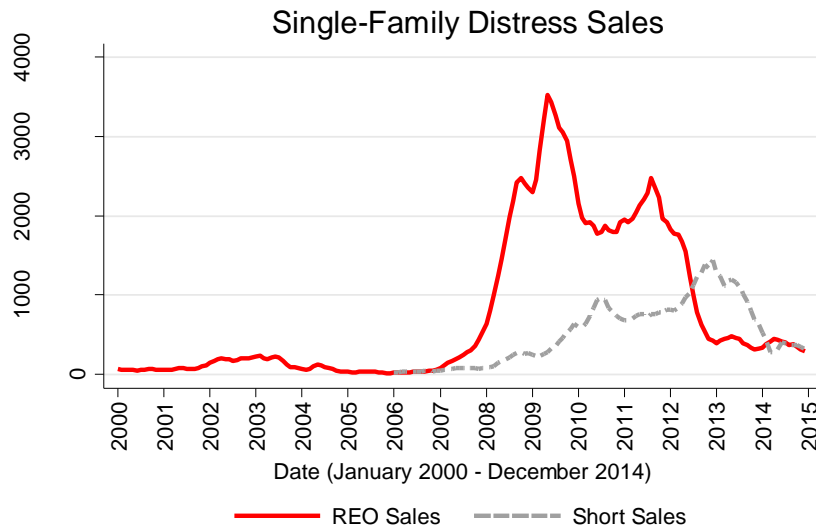
Source: CoreLogic

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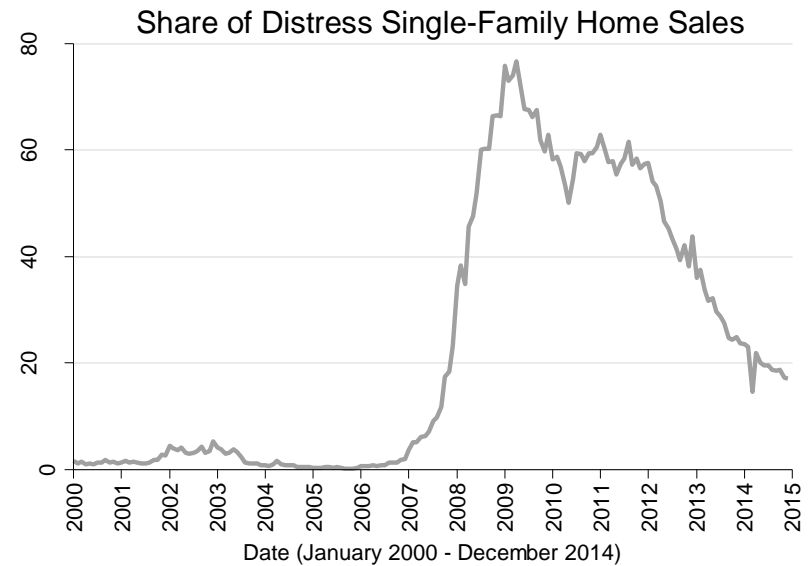
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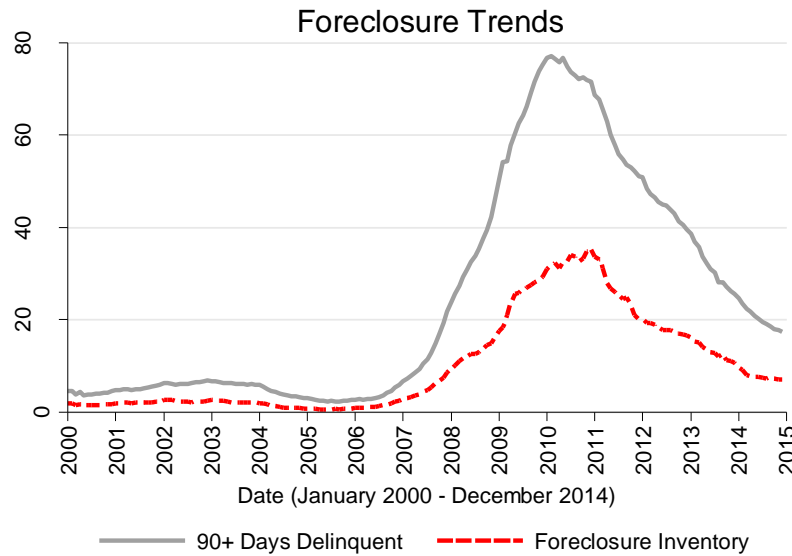
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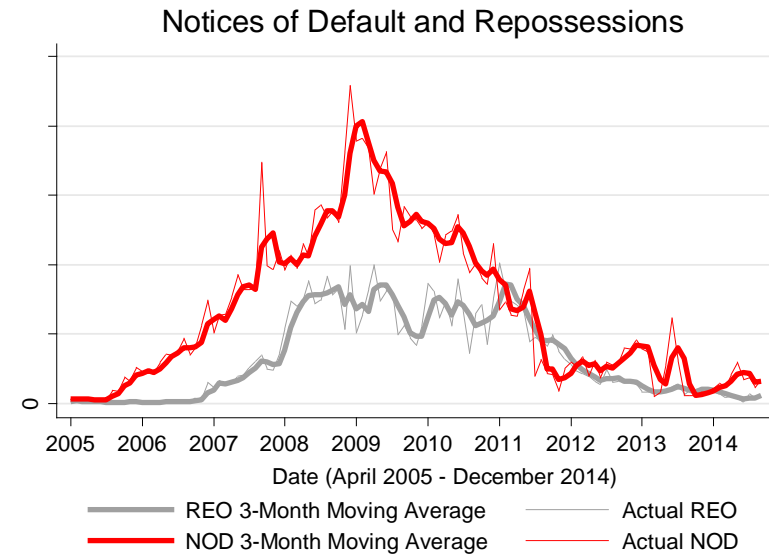


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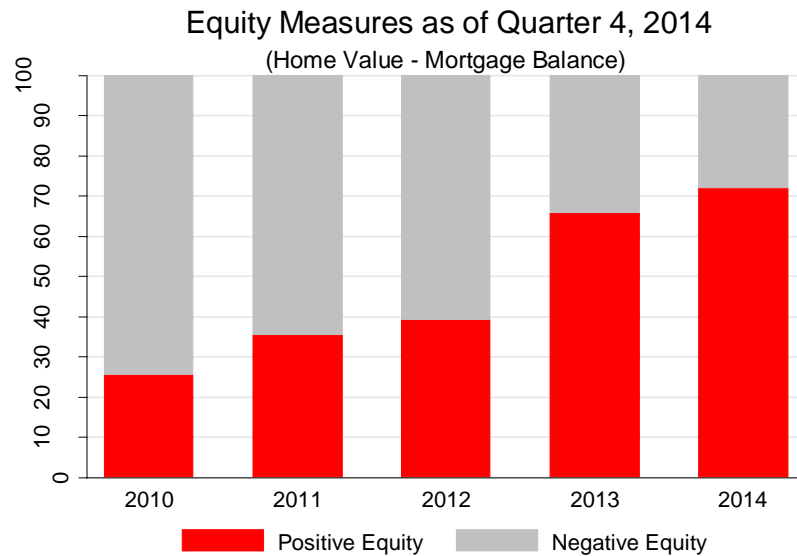
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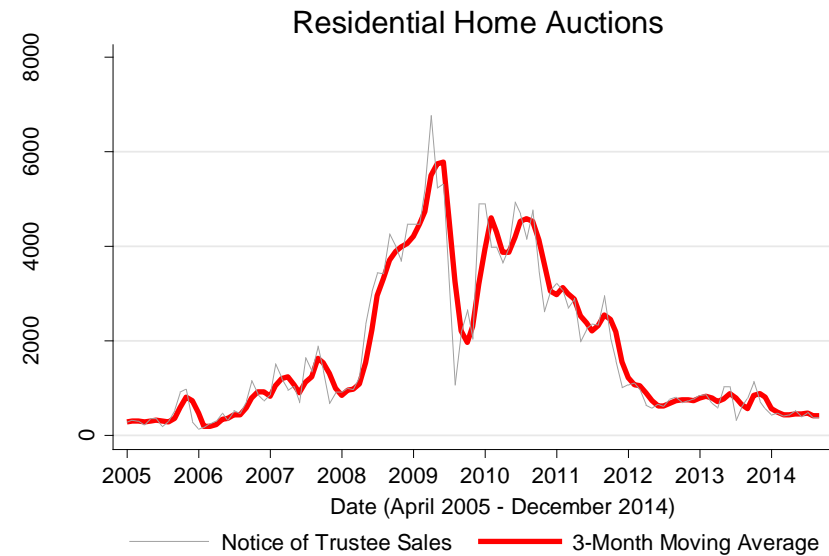
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



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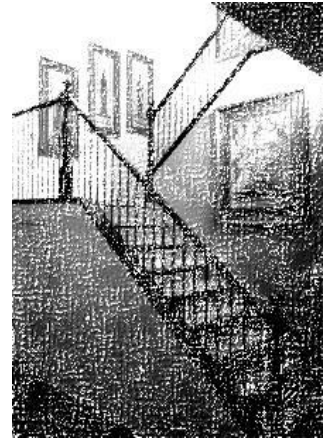
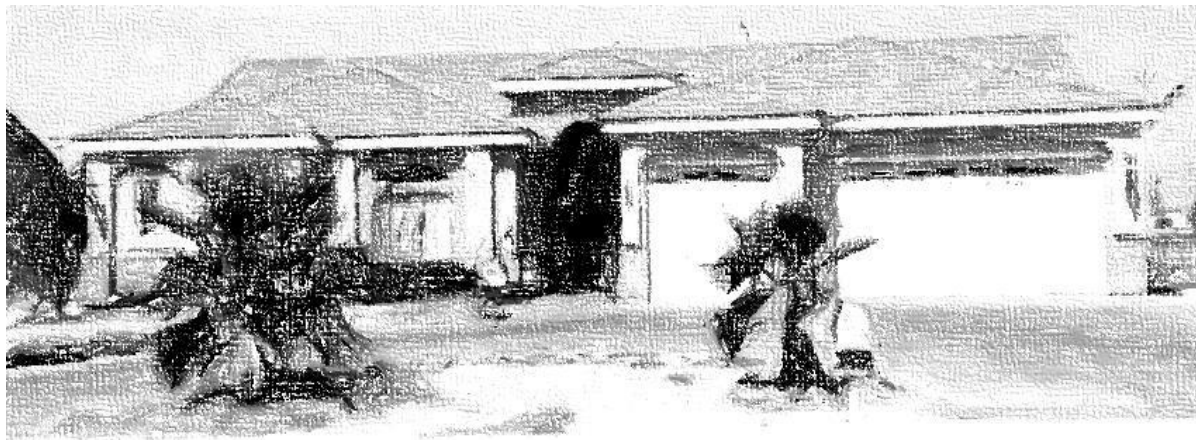
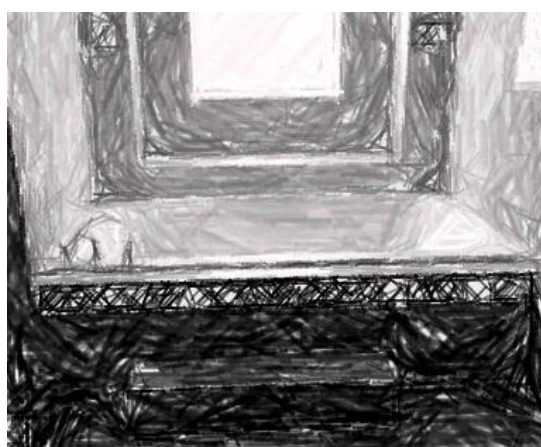
## Rural Trends

Population: **147,777** in 2013

Housing Units: **65,629** in 2012

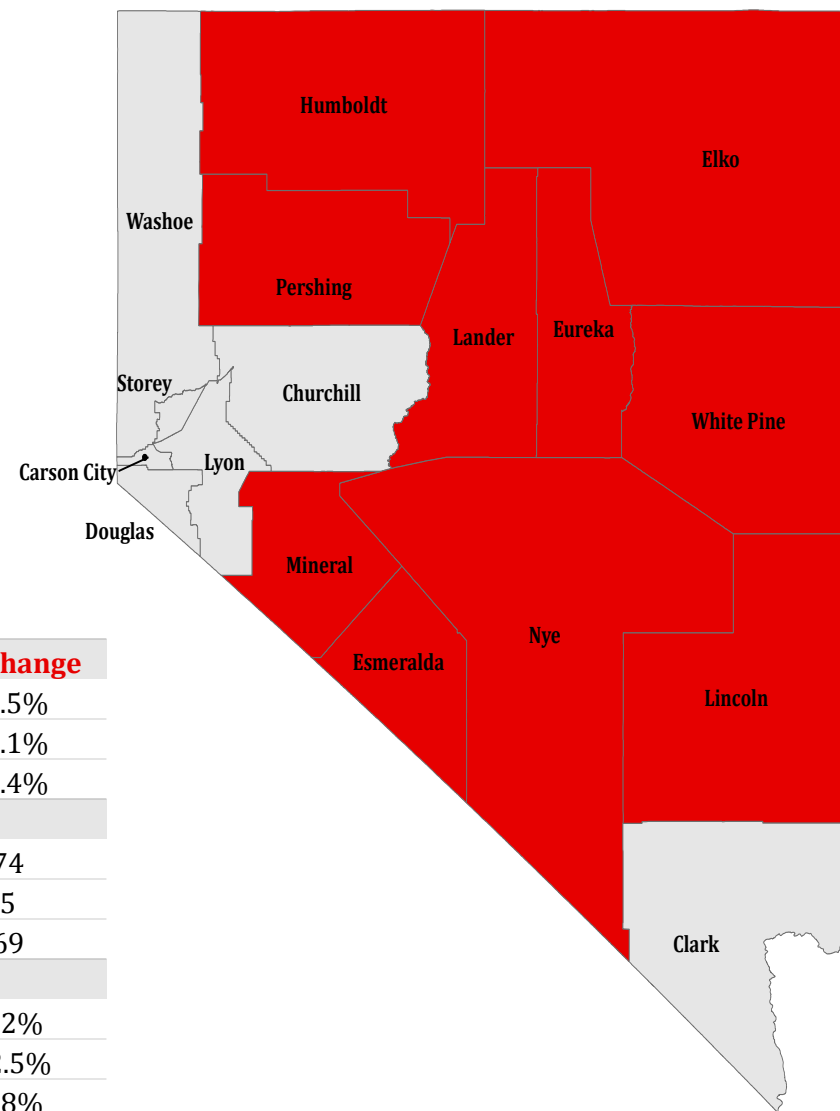
Source: U.S. Census Bureau: State and County QuickFacts

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



## Rural Trends

- ❑ There were only 5 new home sales in Rural Nevada this month, 3 less than last month. There has now been a decline in new home sales for seven consecutive months in Rural Nevada. The 5 new home sales this month were a 4 year low for Rural Nevada.
- ❑ Rural Nevada saw a large decrease in the number of homes sold under distress. At 8.8 percent, the distress share in December 2014 was the lowest it had been since 2008. This large decrease was a result of an enormous decrease in REO sales. Still, Rural Nevada remains the only region in Nevada where REO sales are higher than short sales.
- ❑ There were 250 less residential construction starts for Rural Nevada in all of 2014(395) than all of 2013(642). Both single-family and multifamily starts decreased this year.

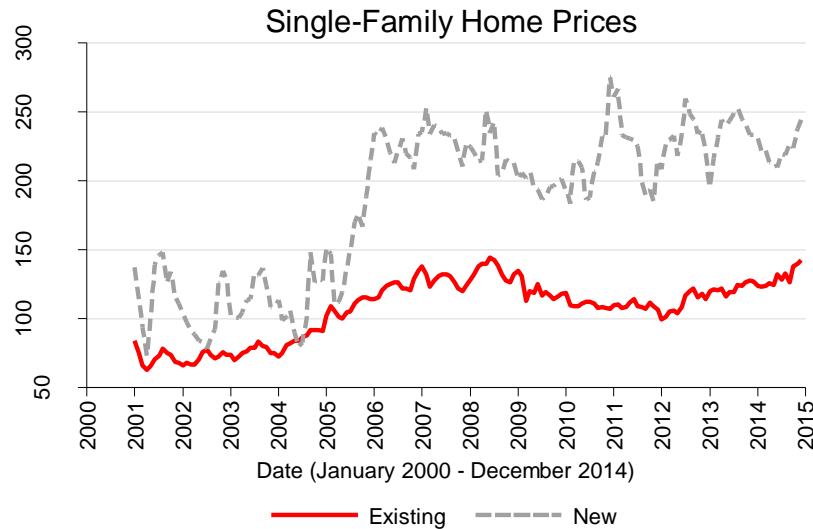


Single-Family Home Sales*	December 2014	M2M Change	Y2Y Change
New	5	-36.00%	-77.5%
Existing	120	-14.0%	-32.1%
Distress Share	8.8%	-51.2%	-54.4%
Residential Construction			
<b>Total Starts</b>	15	-7	-74
Single-Family	15	-7	-5
Multifamily	0	+0	-69
Average Single-Family Sales Price*			
New	\$245,264	+3.3%	+5.2%
Existing	\$142,342	+1.9%	+12.5%
Distress	\$108,793	+3.7%	+7.8%

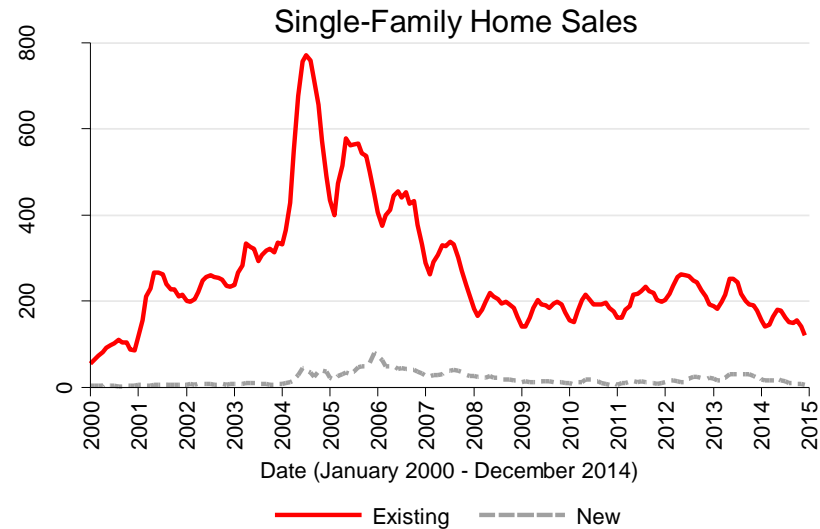
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\*Figures portray Three-Month Moving Weighted Averages

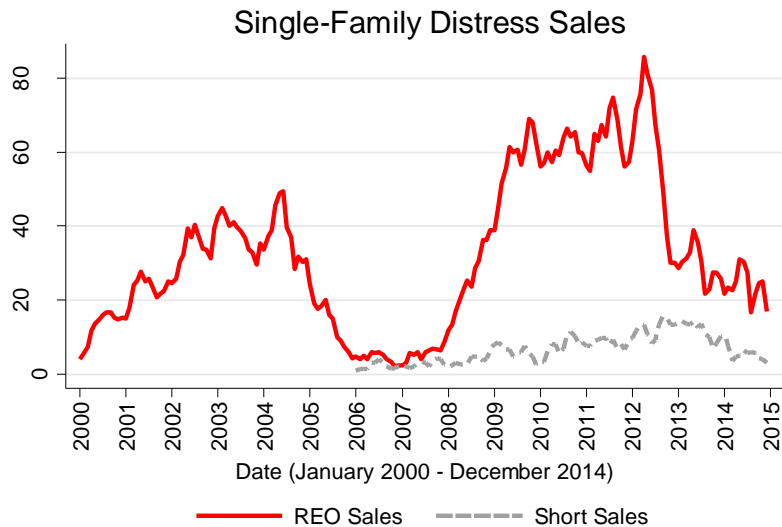
## Rural Trends



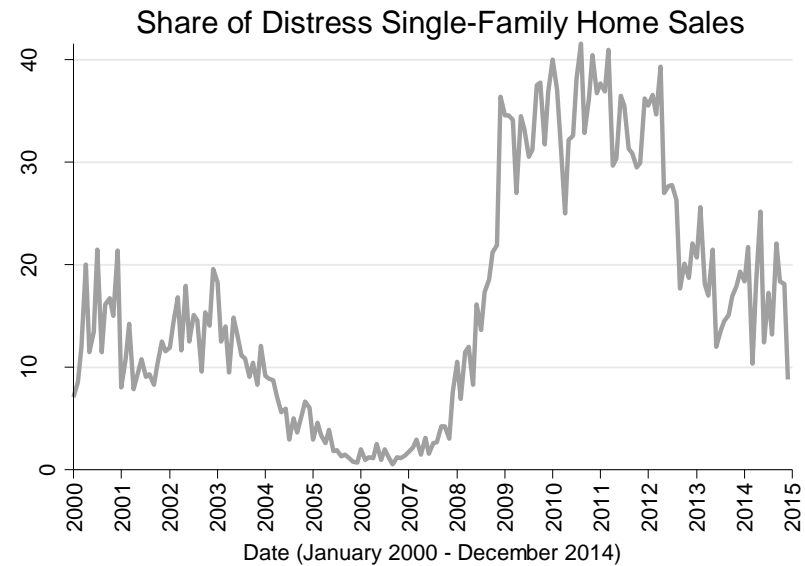
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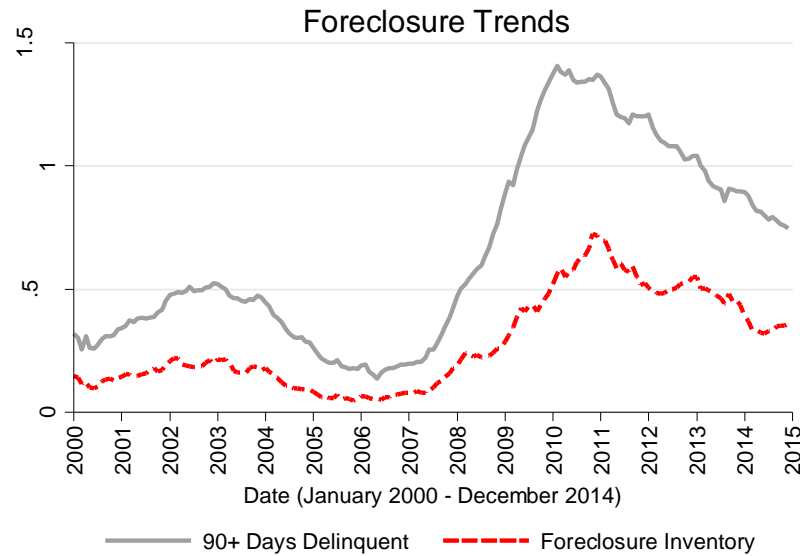


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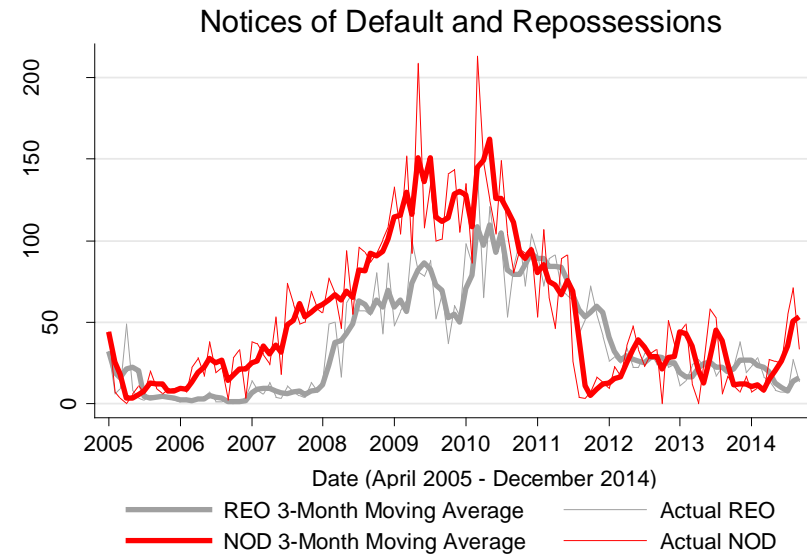


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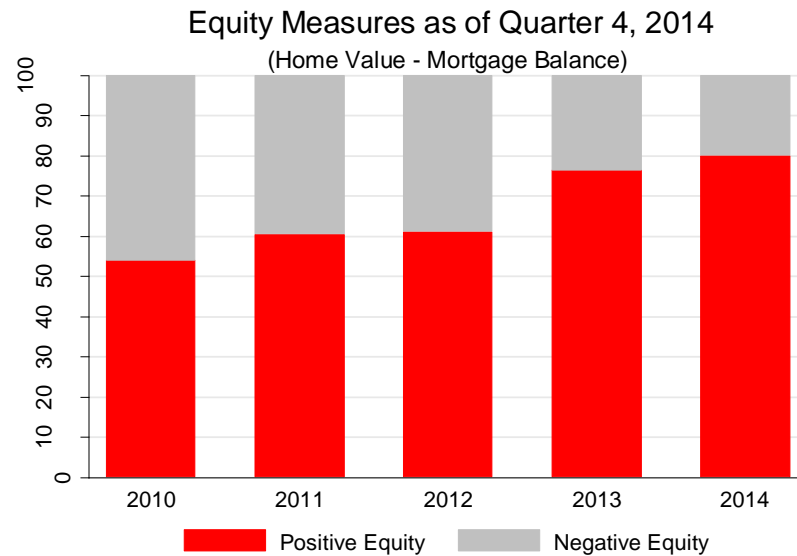
## Rural Trends



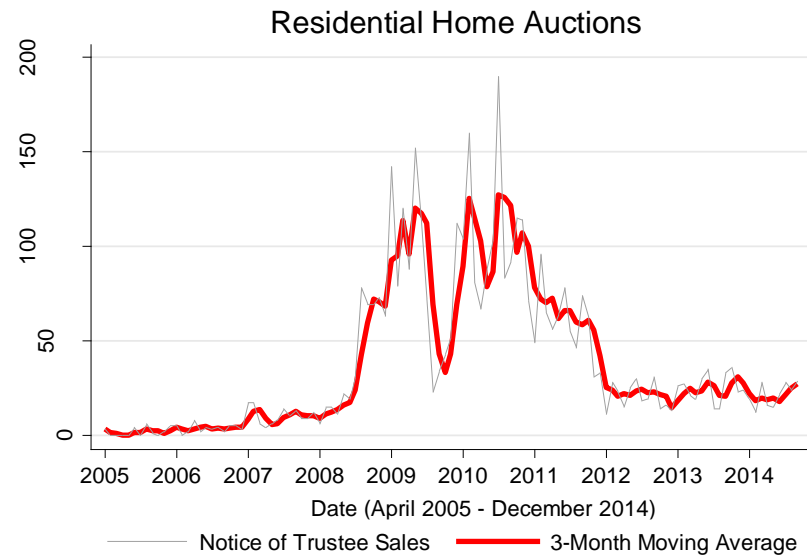
Source: CoreLogic



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.

## About the Department of Business & Industry

The Department of Business and Industry is a cabinet level agency in the Nevada State government. The Department's objective is to encourage and promote the development and growth of business and to ensure the legal operation of business in order to protect consumers by maintaining a fair and competitive regulatory environment. The Director's office at Business and Industry manages a number of programs and initiatives to address the needs of small businesses, homeowners and consumers including small business advocacy, bond programs, access to capital, housing retention programs, constituent services and fraud prevention and education.

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