

October 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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Table of Contents

| | |
|------------------------------|----|
| Nevada Statewide Trends..... | 2 |
| Northern Trends..... | 10 |
| Southern Trends..... | 14 |
| Rural Trends..... | 18 |

Nevada's Housing Market | October 2015

Nevada Statewide Trends

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

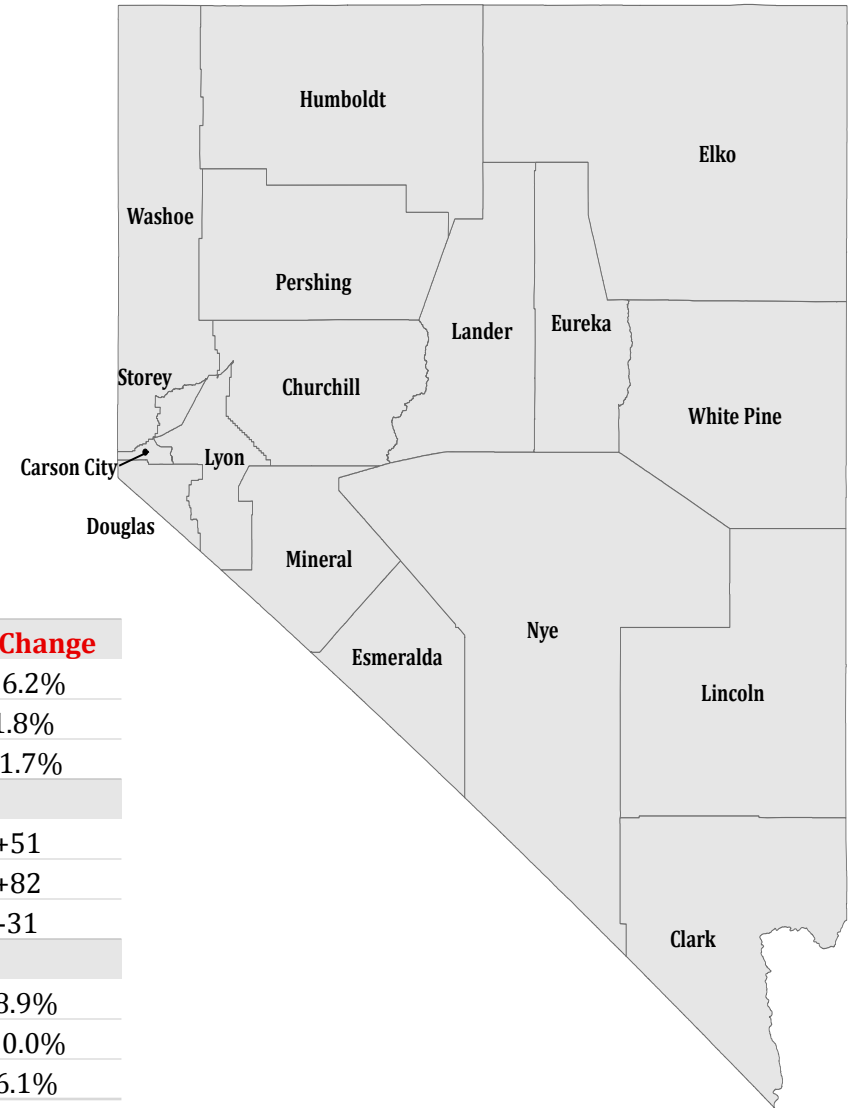
Housing Units: **1,198,907** in 2014

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



Nevada Statewide Trends

- ❑ All three regions saw a decrease in existing home sales. Southern Nevada was the only region to see a decrease in new home sales.
- ❑ Both Southern and Northern Nevada saw month to month increases in single-family and multi-family starts.
- ❑ The share of homes sold under distress decreased slightly in October 2015. There were 253 REO sales in October 2015 – the lowest total since May 2007.
- ❑ Statewide new home prices increased slightly in October 2015 as Southern Nevada saw a small increase in new home prices. Average new home prices were over \$350,000 for the first time since May 2008. All three regions experienced a decrease in average existing and distress home prices.

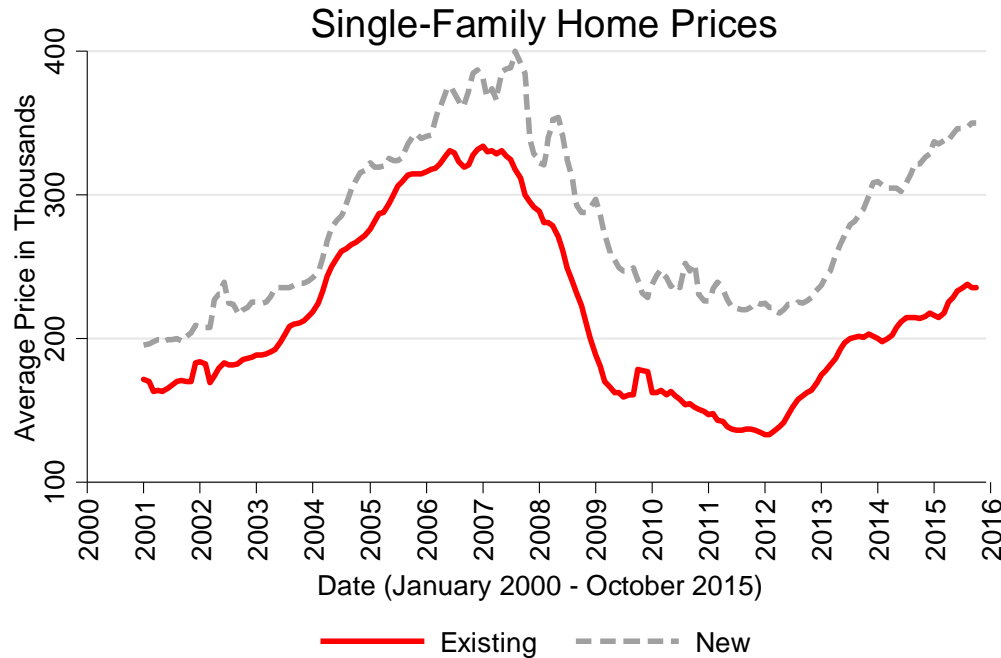


| Single-Family Home Sales* | October 2015 | M2M Change | Y2Y Change |
|------------------------------------|--------------|------------|------------|
| New | 660 | -4.5% | +16.2% |
| Existing | 4470 | -7.1% | -1.8% |
| Distress Share | 11.8% | -2.4% | -31.7% |
| Residential Construction | | | |
| Total Starts | 1,201 | +388 | +51 |
| Single-Family | 805 | +24 | +82 |
| Multifamily | 396 | +364 | -31 |
| Average Single-Family Sales Price* | | | |
| New | \$350,043 | +0.1% | +8.9% |
| Existing | \$234,889 | -0.2% | +10.0% |
| Distress | \$172,763 | -2.5% | +6.1% |

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

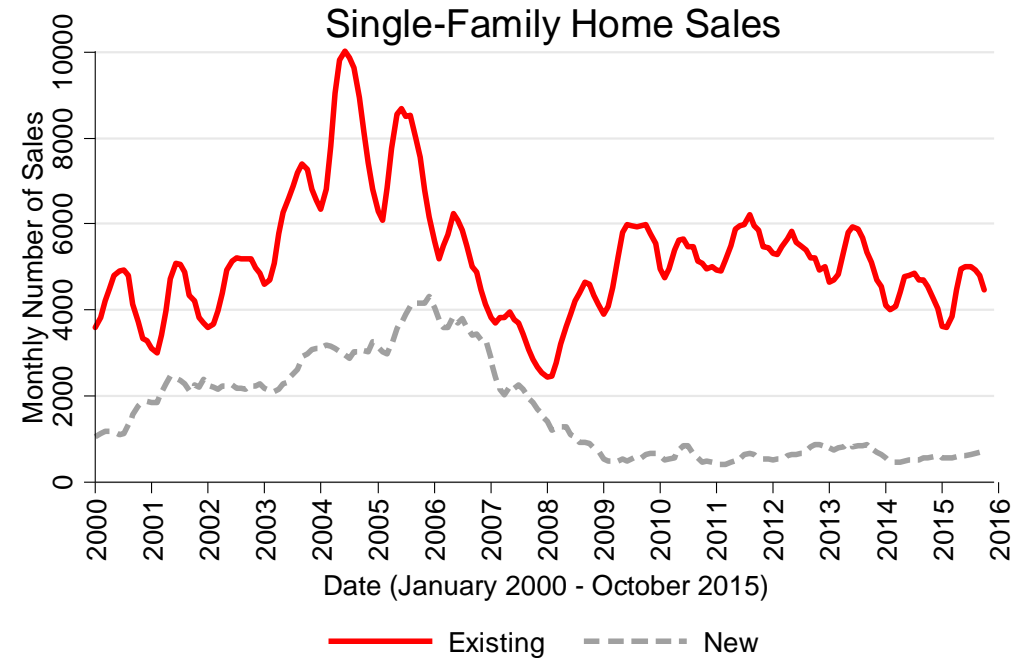
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

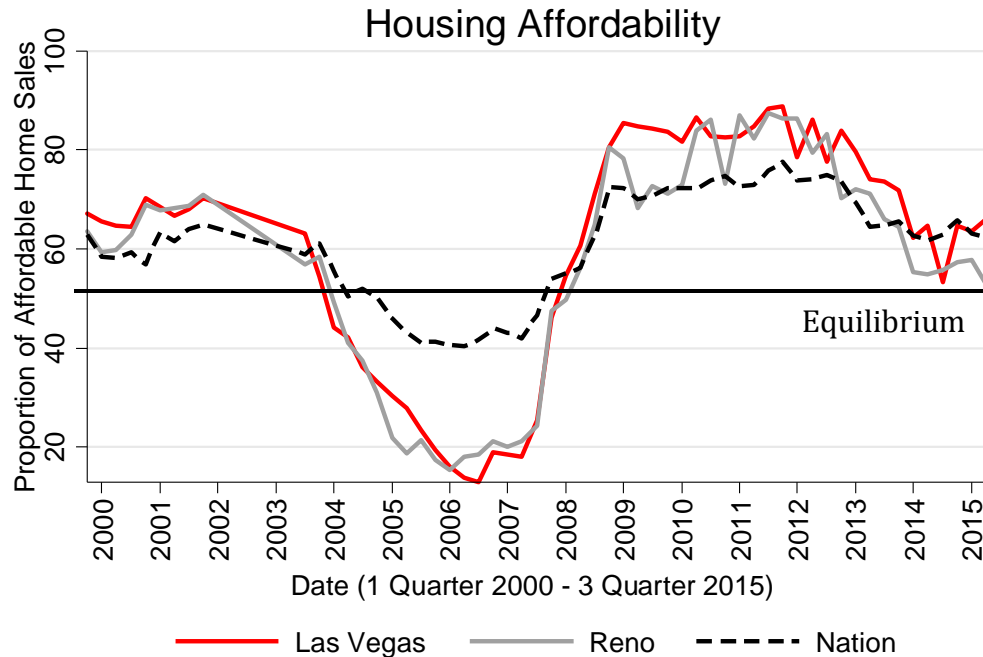


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

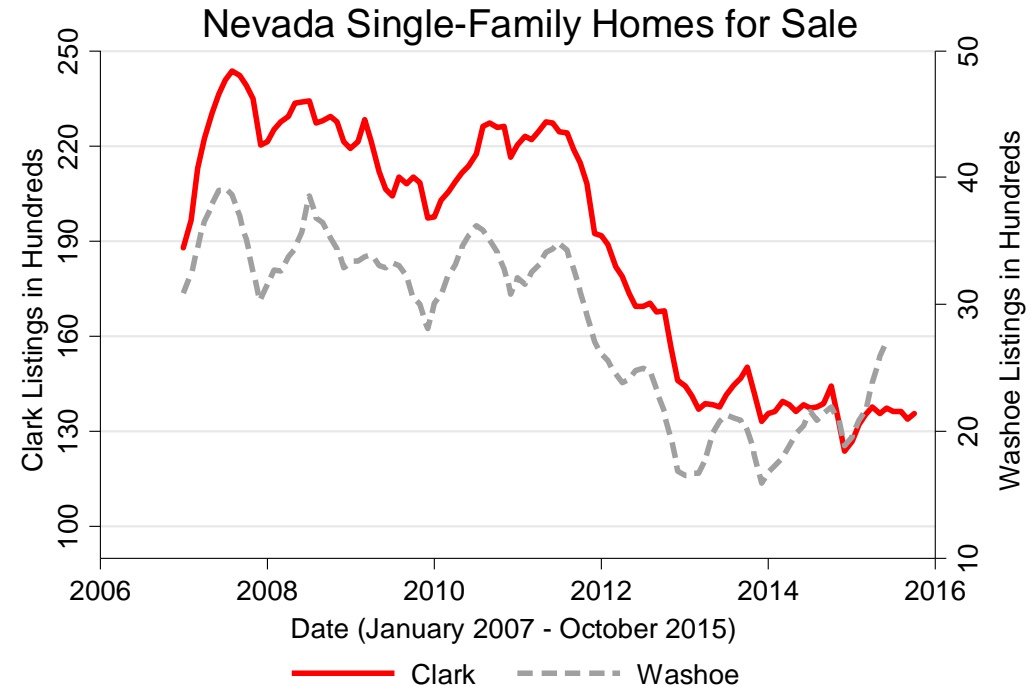
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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



Source: National Association of Home Builders

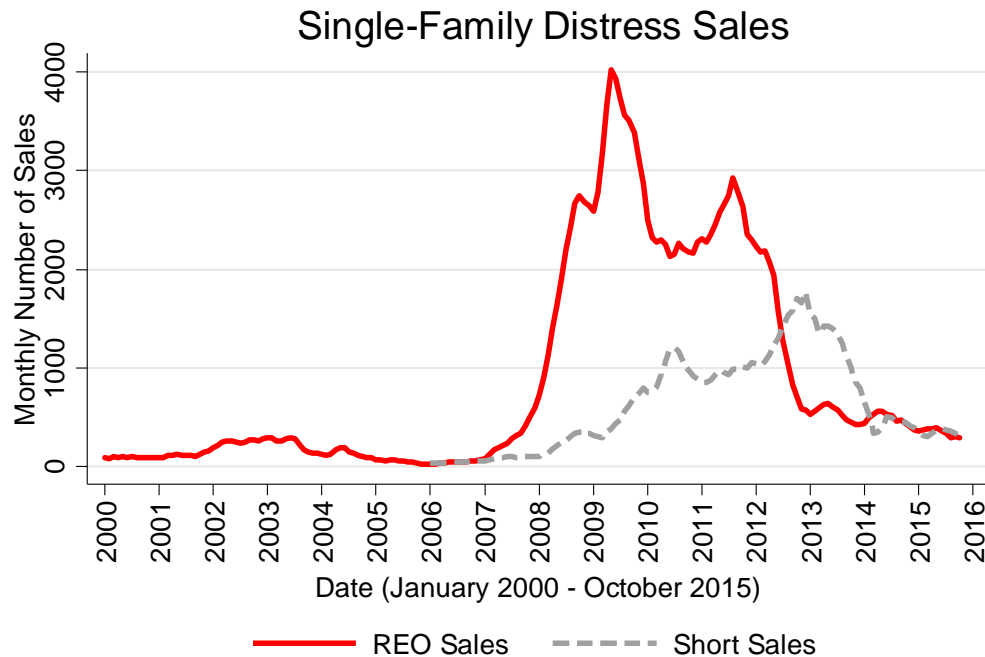
Note: Series denote the proportion of home sales affordable at median income.



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

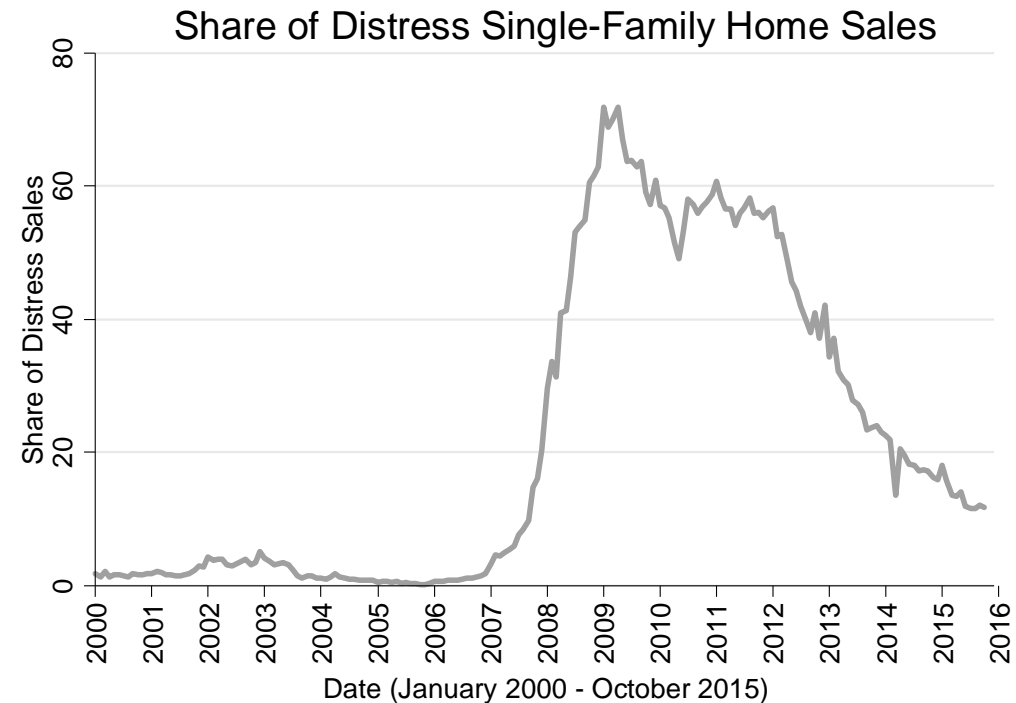
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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

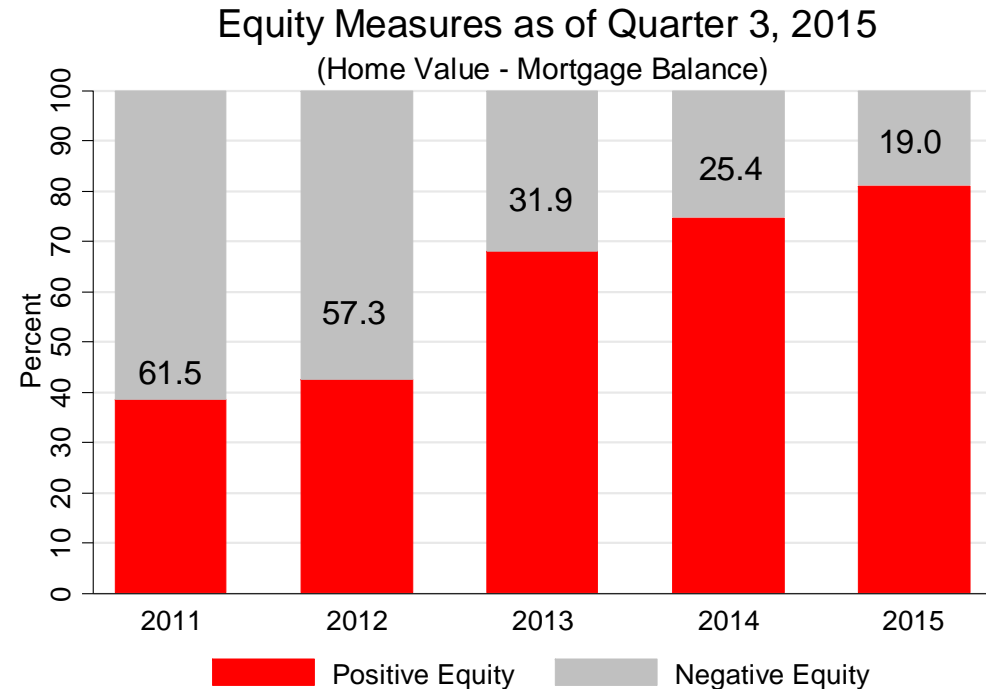
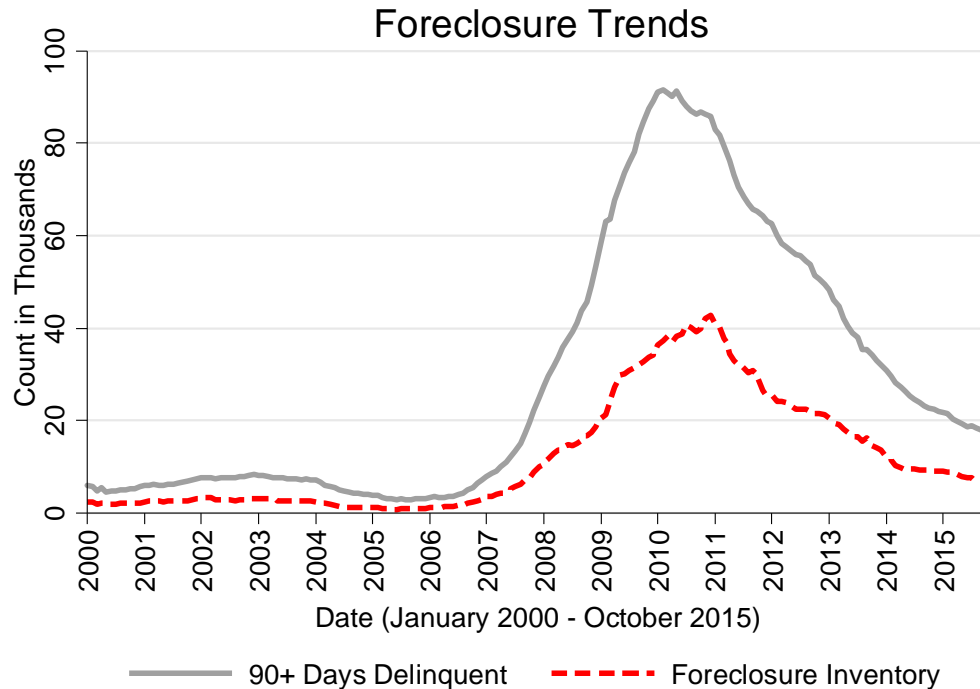
Note: Series are 3-month weighted moving averages.



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.

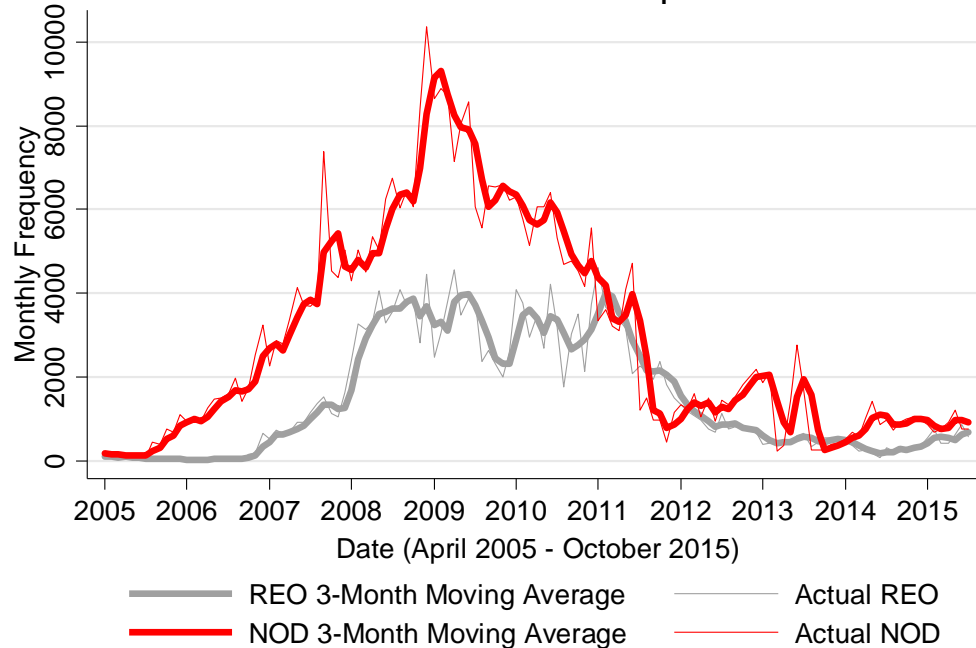
Nevada Statewide Trends



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.

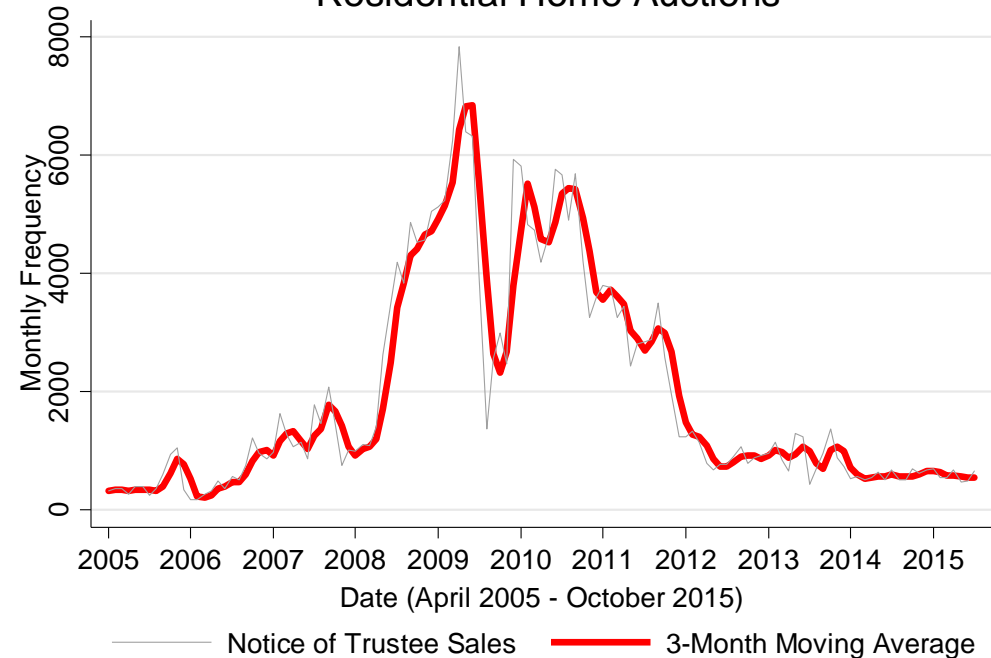
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



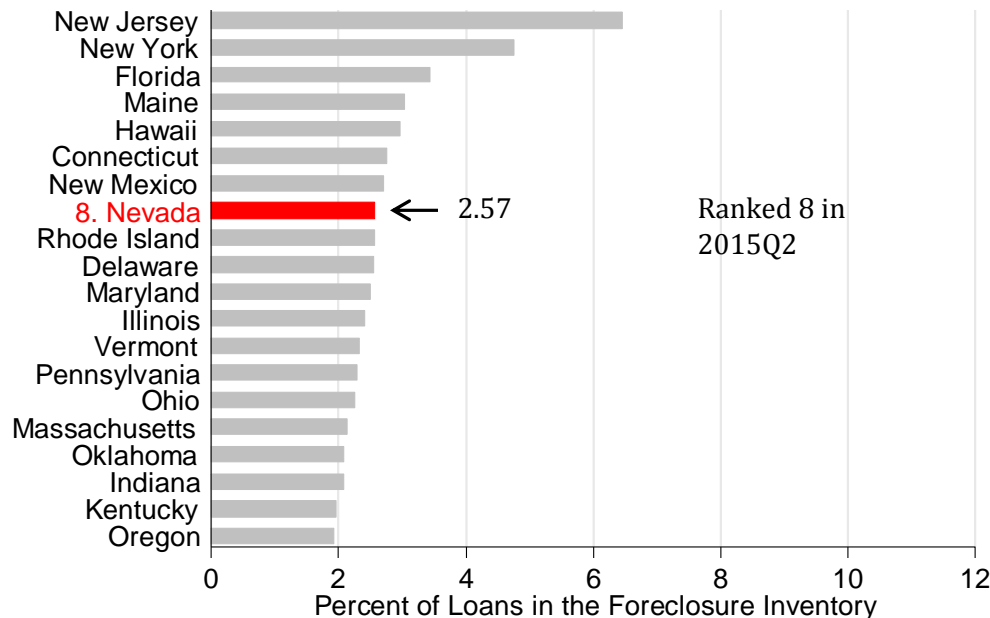
Source: RealtyTrac

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

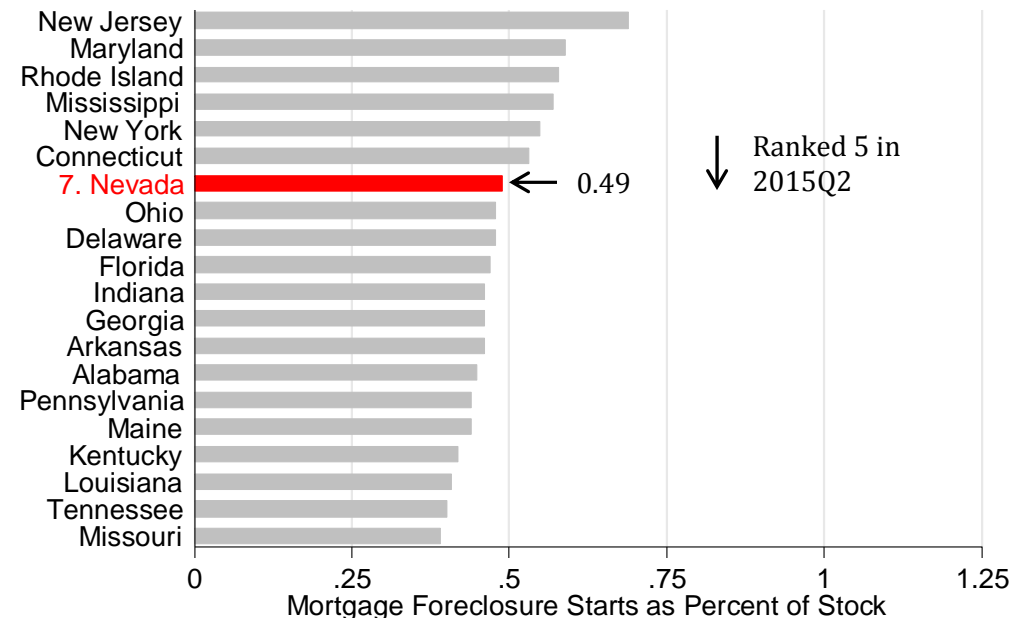


Ranked 8 in
2015Q2

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 | October 2015

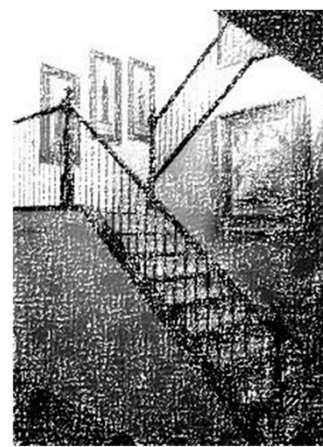
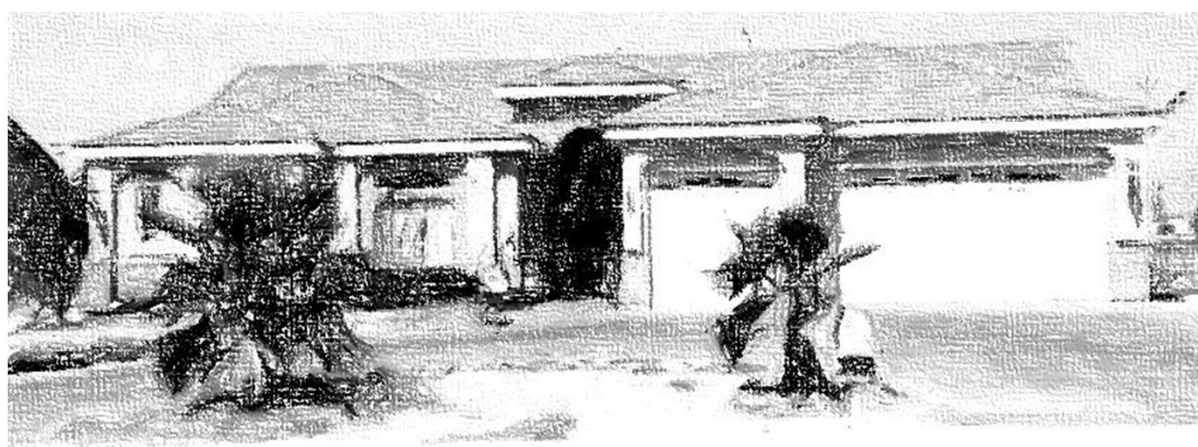
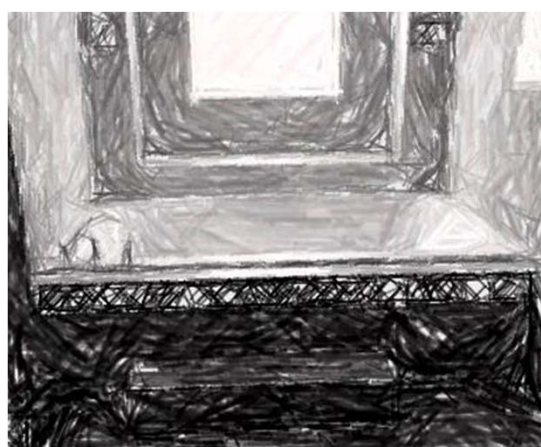
Northern Trends

Population: **621,826** in 2014

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

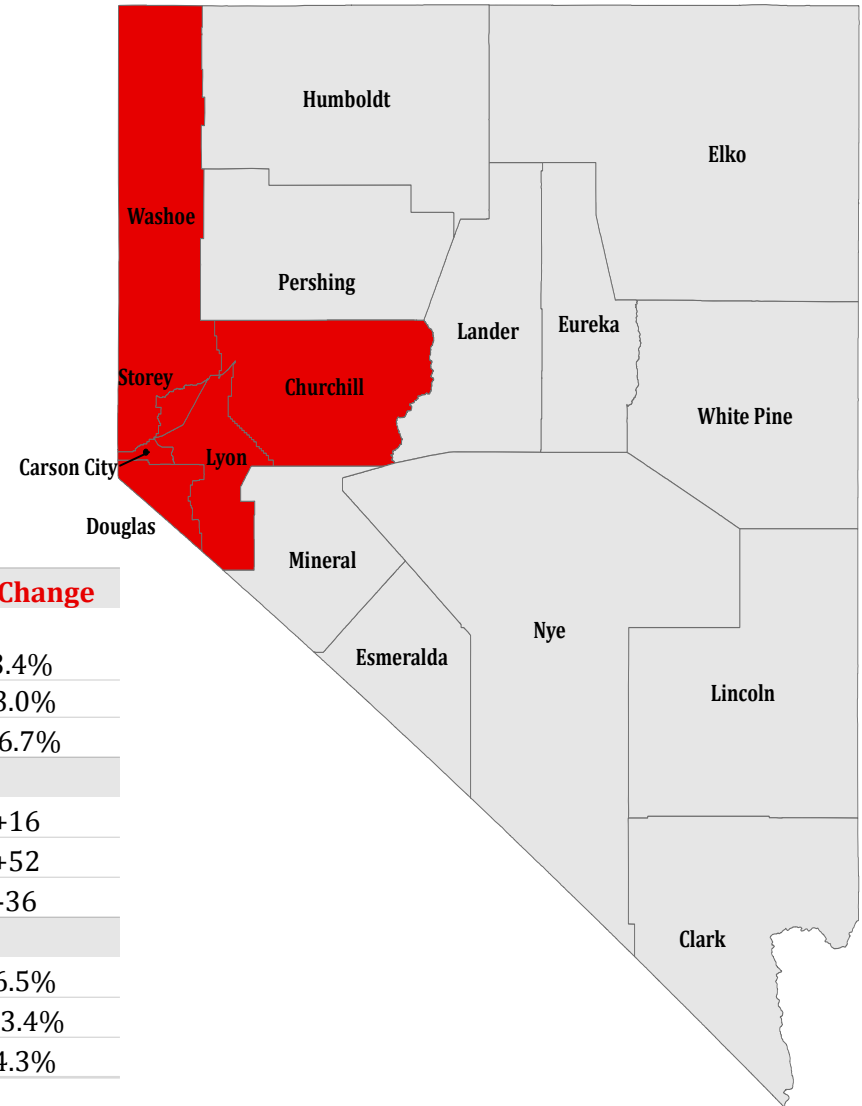
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ Northern Nevada new home sales increased slightly in October 2015. Northern Nevada was still the only region in Nevada where new home sales were down year over year (-3.4 percent).
- ❑ Northern Nevada was the only region where the share of homes sold under distress increased month over month in October 2015. REO sales still decreased month over month for Northern Nevada. The distress share was down more year over year in Northern Nevada than any other region in Nevada.
- ❑ Northern Nevada has been seeing higher monthly and yearly increases in single-family starts than Southern Nevada. Northern Nevada multifamily starts have been down year over year each month since July 2015.

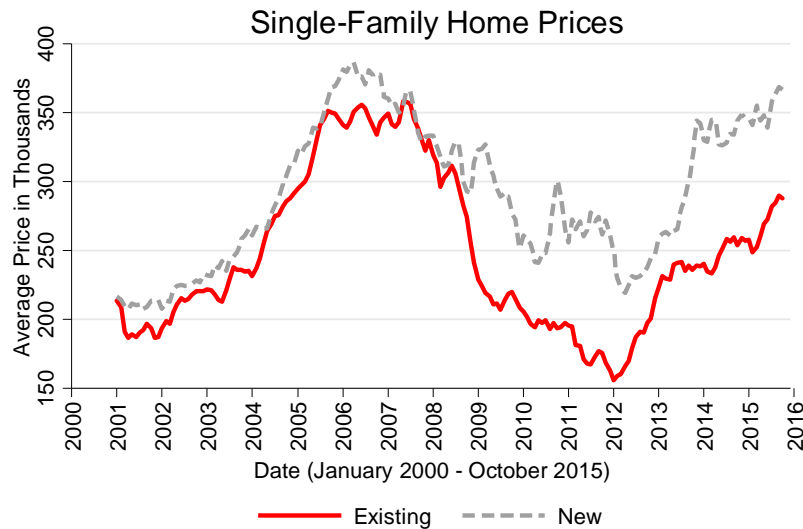


| Single-Family Home Sales* | October 2015 | M2M Change | Y2Y Change |
|------------------------------------|--------------|------------|------------|
| New | 106 | +1.0% | -3.4% |
| Existing | 1078 | -4.2% | +3.0% |
| Distress Share | 7.7% | +2.0% | -36.7% |
| Residential Construction | | | |
| Total Starts | 237 | +51 | +16 |
| Single-Family | 217 | +31 | +52 |
| Multifamily | 20 | +20 | -36 |
| Average Single-Family Sales Price* | | | |
| New | \$366,402 | -0.5% | +6.5% |
| Existing | \$287,302 | -0.7% | +13.4% |
| Distress | \$203,980 | -0.5% | +4.3% |

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

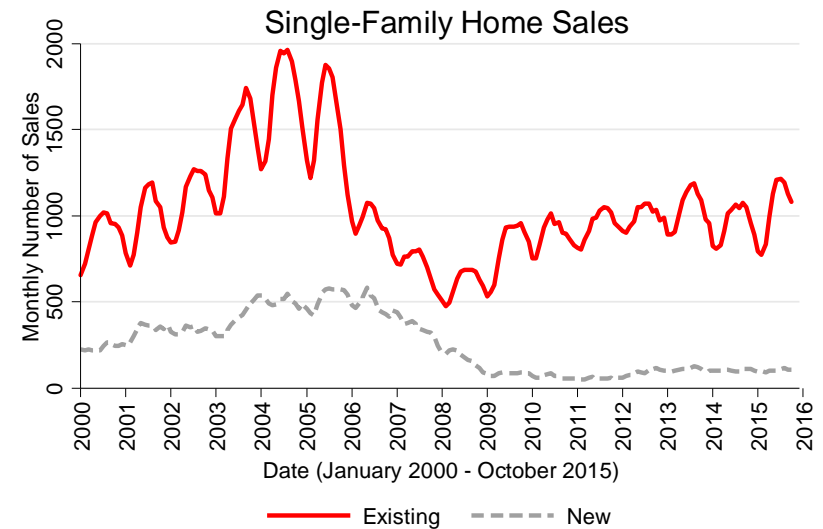
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



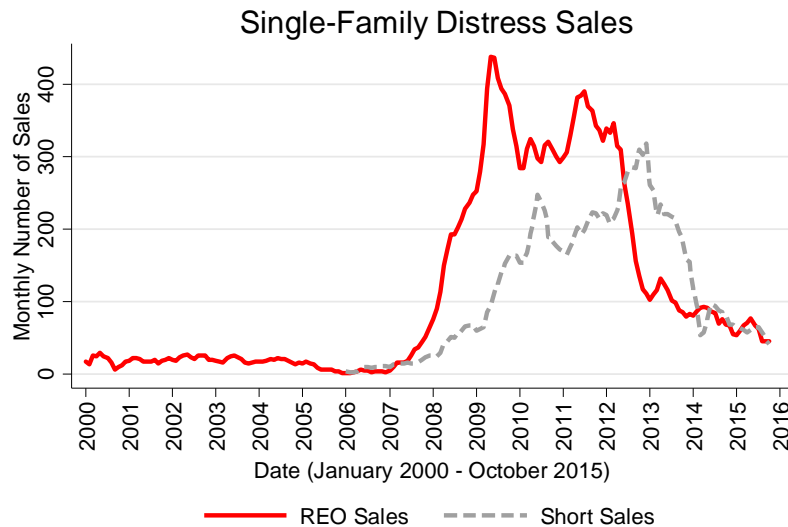
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



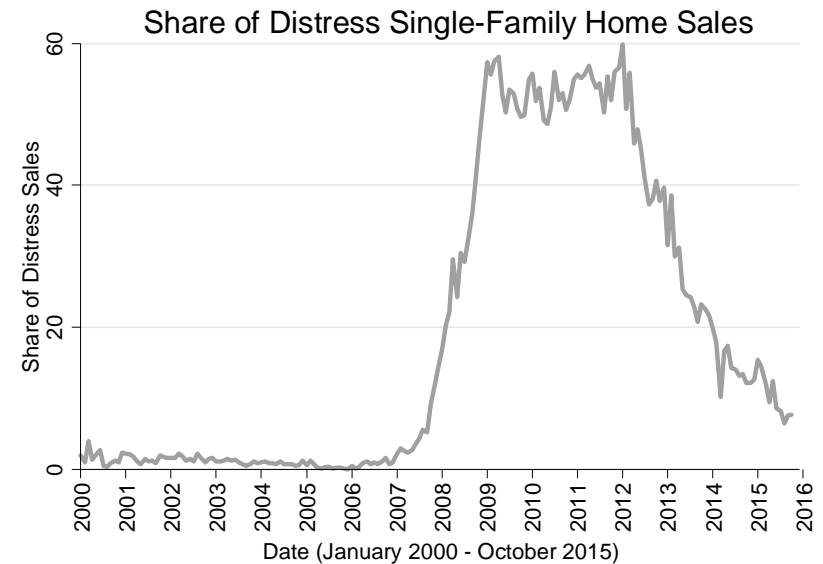
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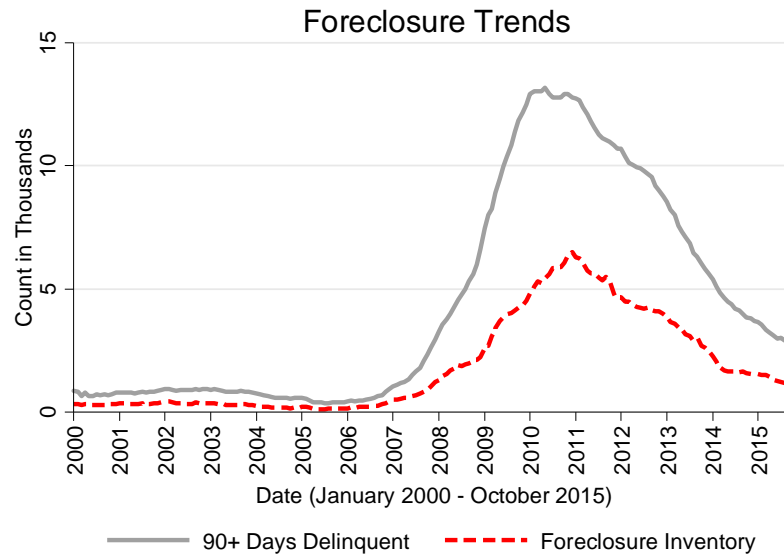
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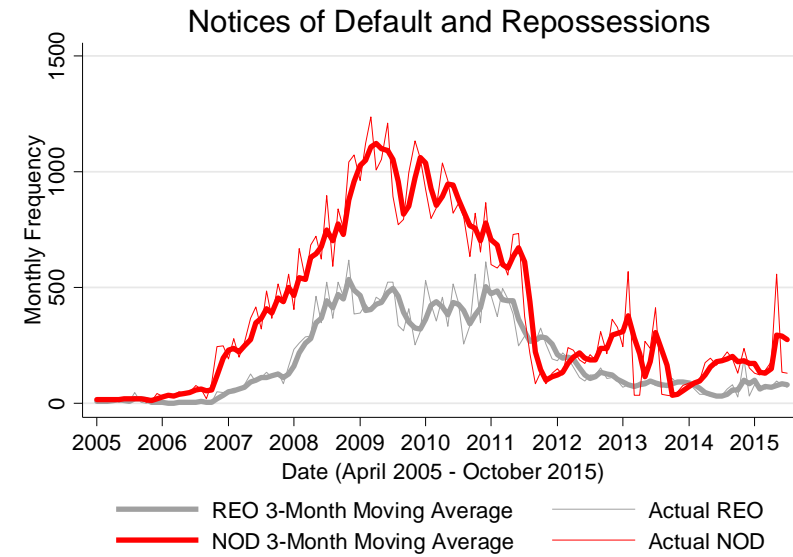


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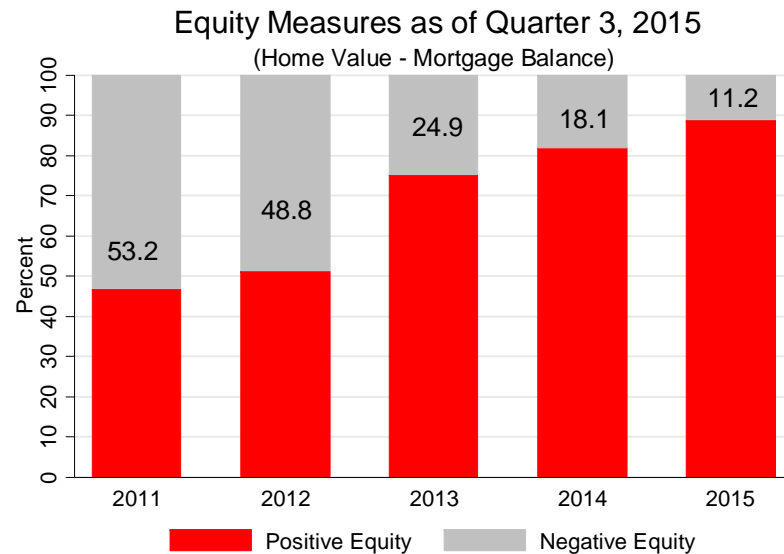
Northern Trends



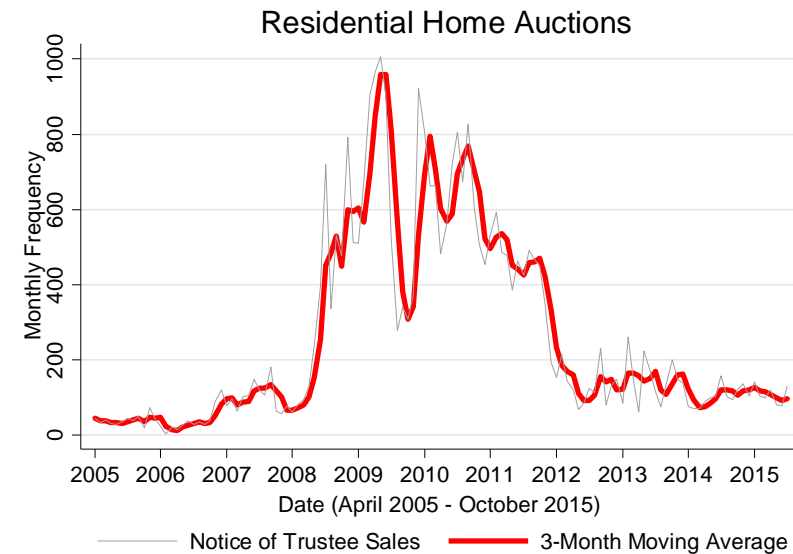
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | October 2015

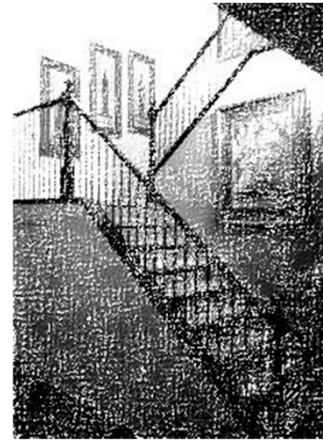
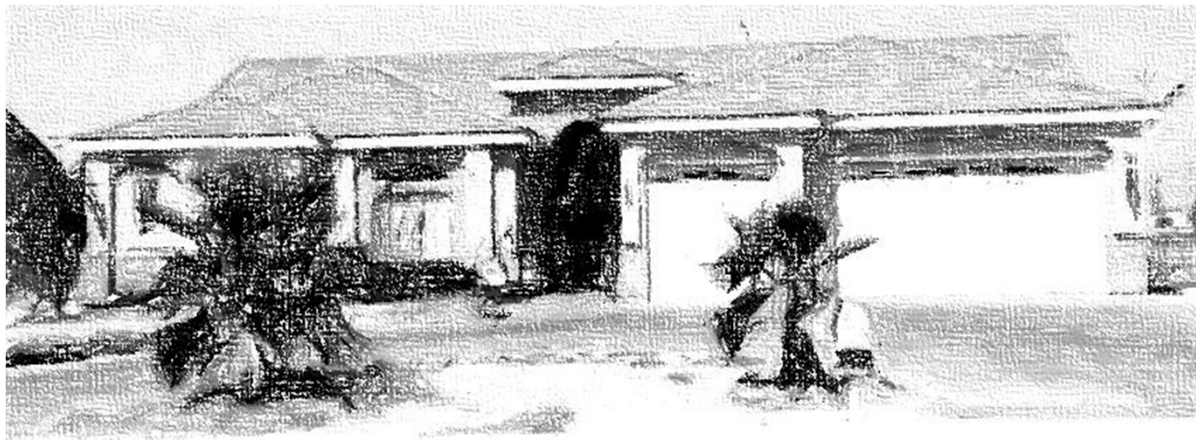
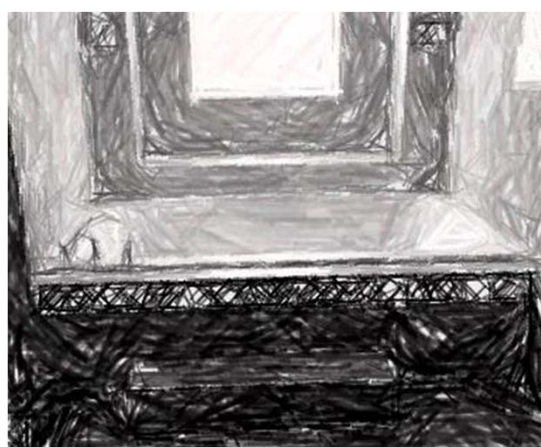
Southern Trends

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

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

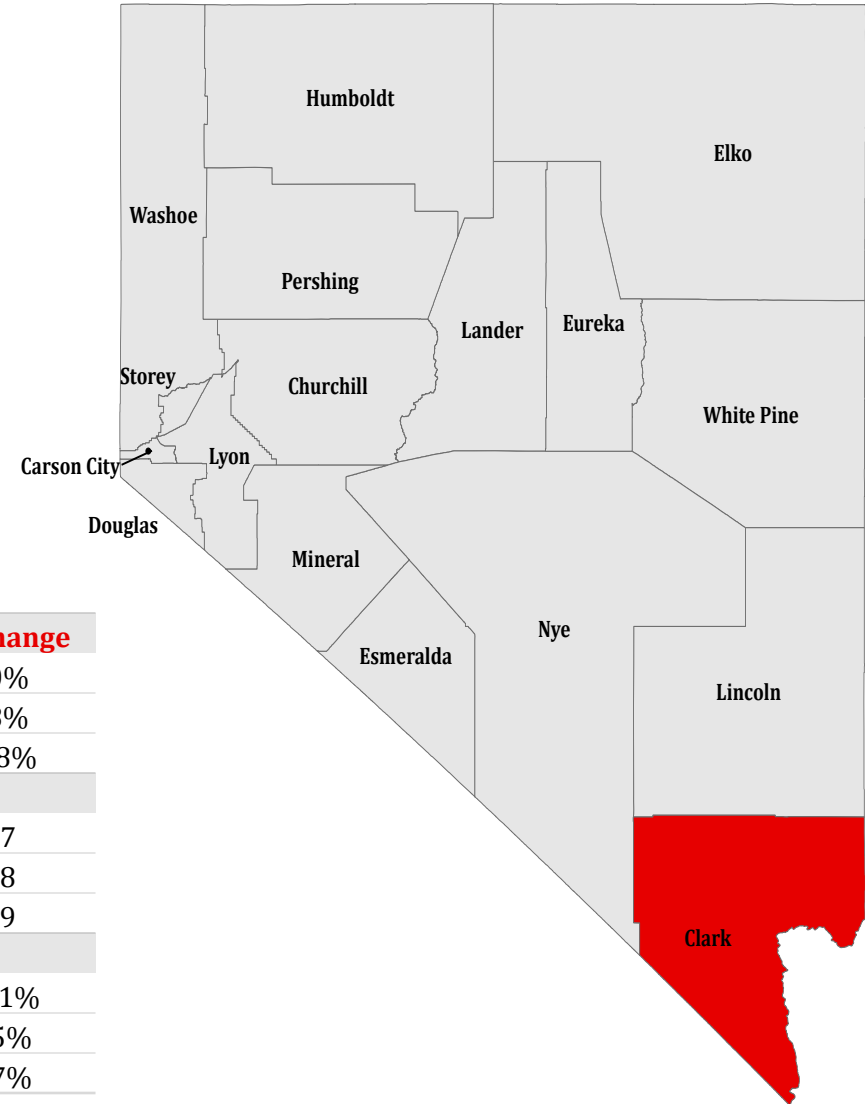
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ After an extraordinarily large amount of new homes sales in September 2015, new home sales decreased nearly 6 percent in October 2015. Southern Nevada was the only region in Nevada where new home sales decreased in October 2015. New home sales were up 20 percent year over year.
- ❑ Both REO and short sales saw significant decreases. October 2015 REO Sales (191) were the lowest they had been since 2007.
- ❑ Southern Nevada was the only region in Nevada where new home prices increased in October 2015. Southern Nevada also saw the smallest month to month decrease in existing home prices. The price gap between new and existing homes in Southern Nevada was over \$127,000 in October 2015.

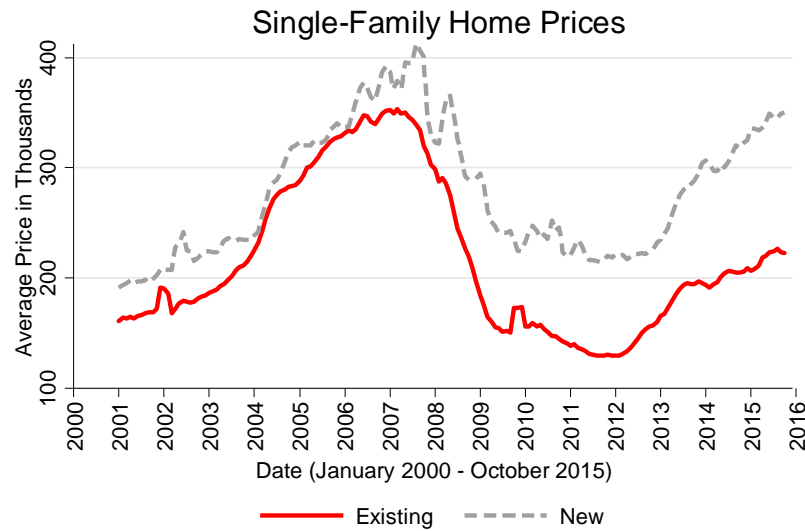


| Single-Family Home Sales* | September 2015 | M2M Change | Y2Y Change |
|------------------------------------|----------------|------------|------------|
| New | 539 | -5.9% | +20% |
| Existing | 3,230 | -7.7% | -2.8% |
| Distress Share | 13.2% | -1.0% | -29.8% |
| Residential Construction | | | |
| Total Starts | 947 | +379 | +67 |
| Single-Family | 571 | +3 | +38 |
| Multifamily | 376 | +376 | +29 |
| Average Single-Family Sales Price* | | | |
| New | \$350,049 | +0.3% | +10.1% |
| Existing | \$222,512 | -0.3% | +8.5% |
| Distress | \$170,365 | -2.9% | +7.7% |

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

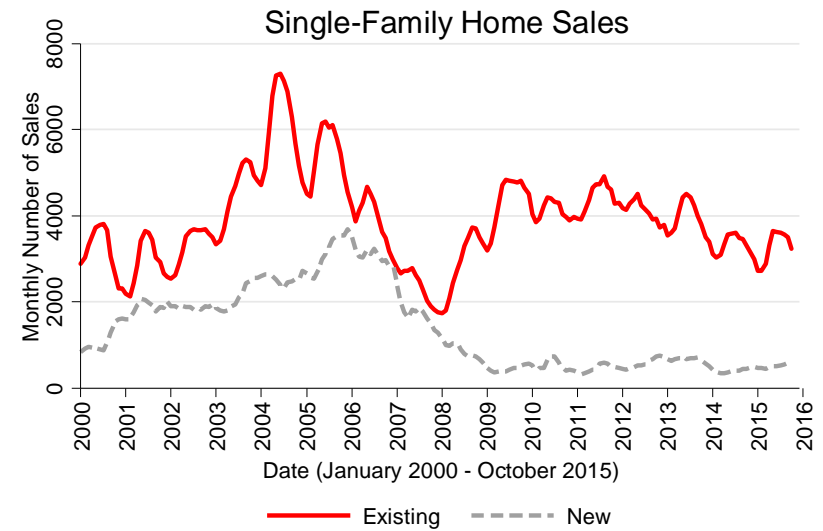
*Figures portray Three-Month Moving Weighted Averages

Southern Trends



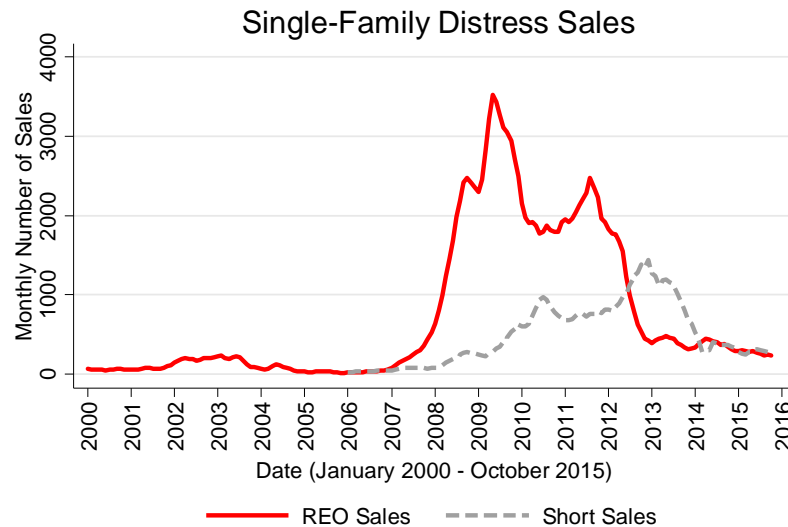
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



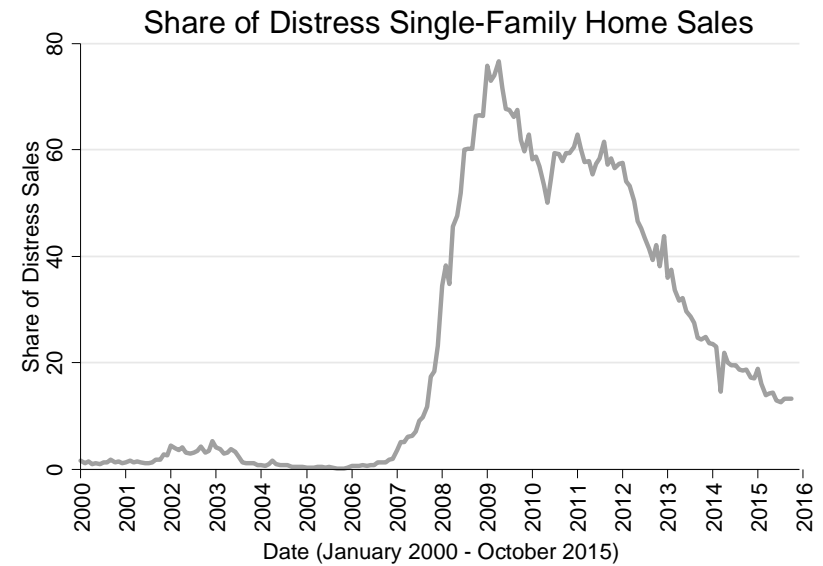
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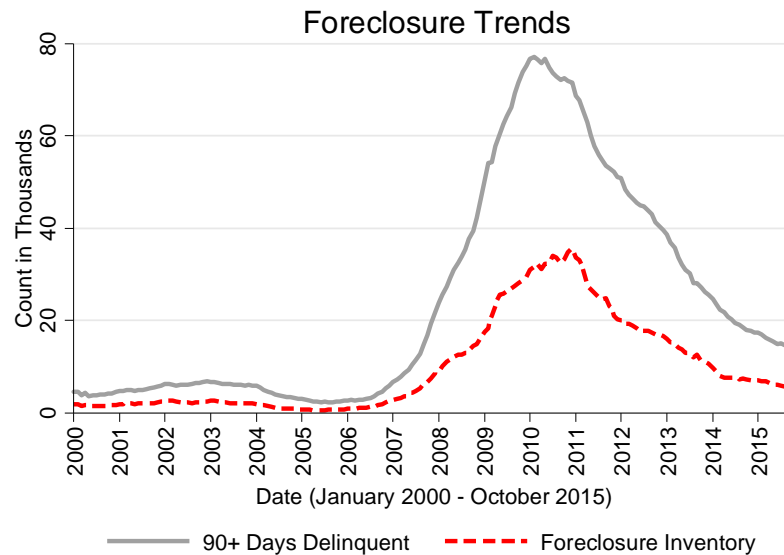
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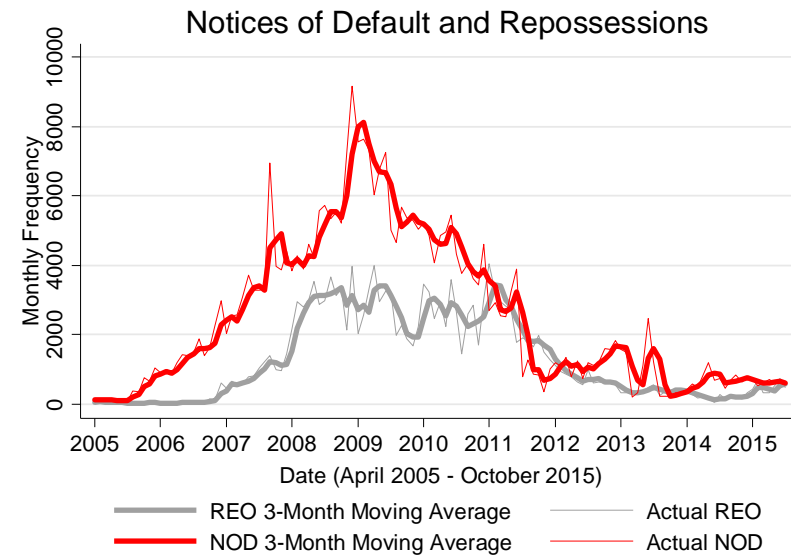


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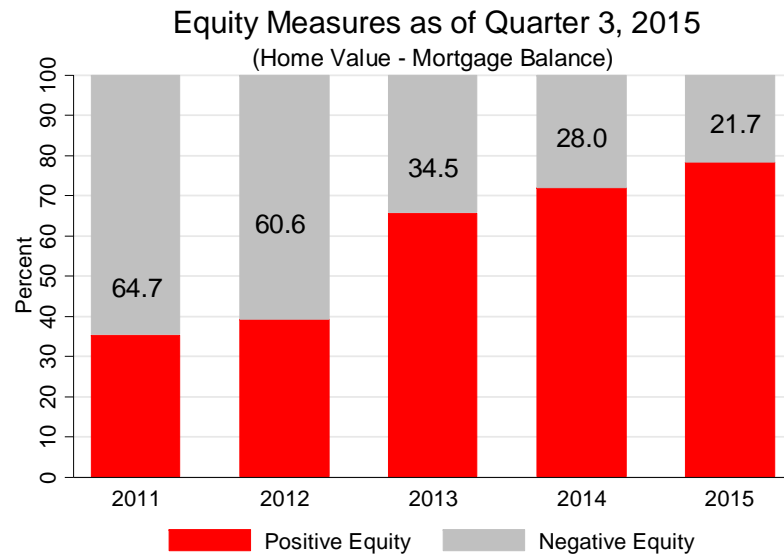
Southern Trends



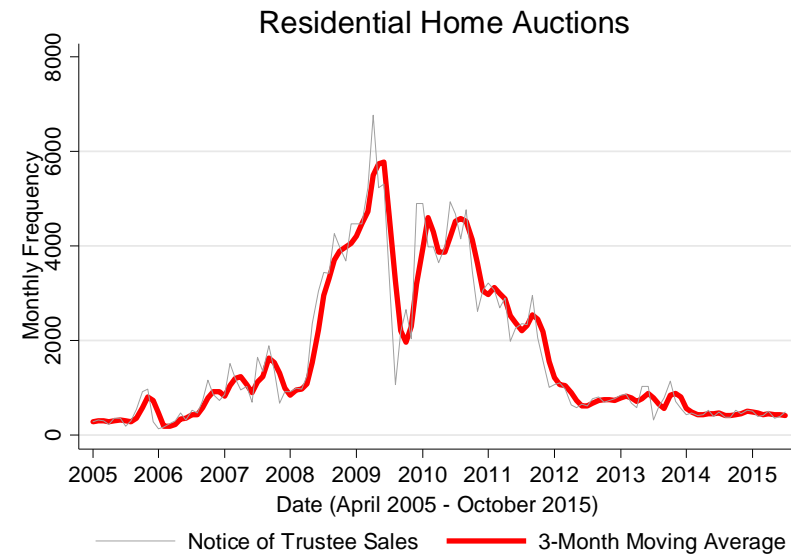
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | October 2015

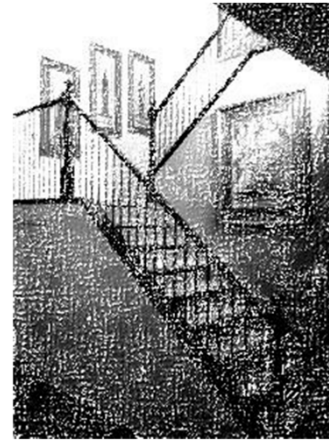
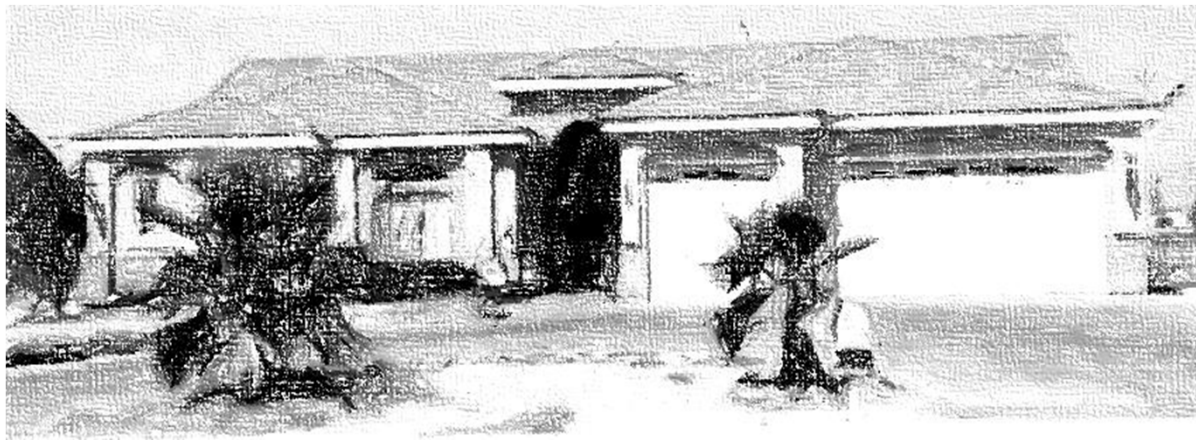
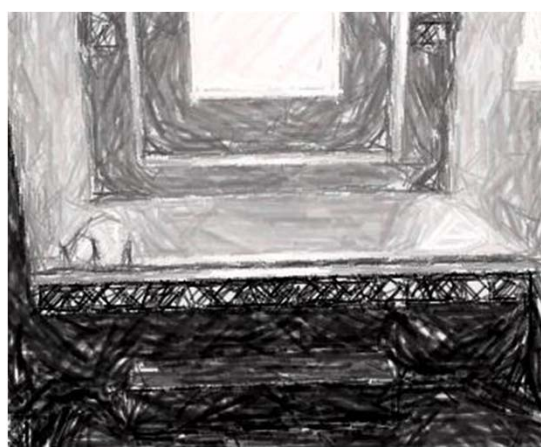
Rural Trends

Population: **147,592** in 2014

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

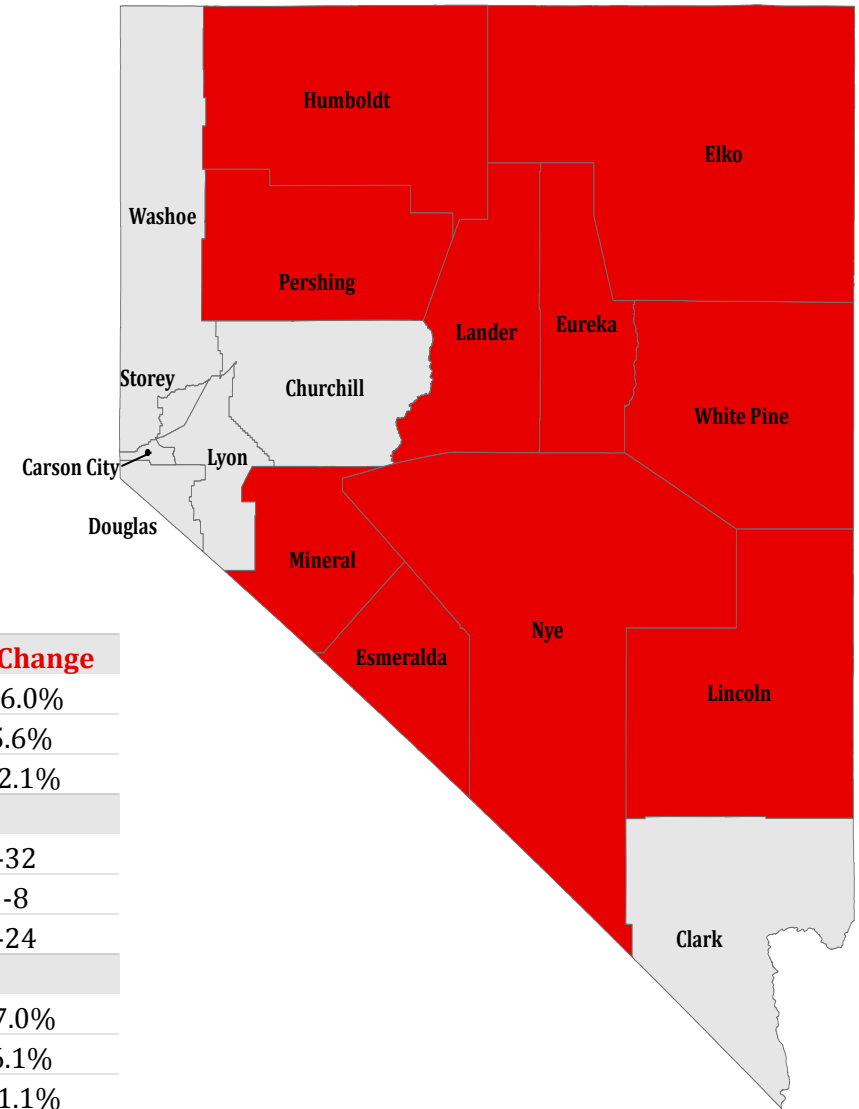
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ October 2015 was the eighth consecutive month where new home sales increased month over month in Rural Nevada. However, it was only the second consecutive month where new home sales increased year over year.
- ❑ The distress share decreased over 2 percentage points in Rural Nevada – the largest decrease of any region in Nevada. Both REO sales and short sales decreased in October 2015.
- ❑ Distress home prices decreased by \$10,000 in October 2015. Rural Nevada was the only region in Nevada where distress home prices were down year over year. Distress home prices were down \$13,000 on a year over year basis.

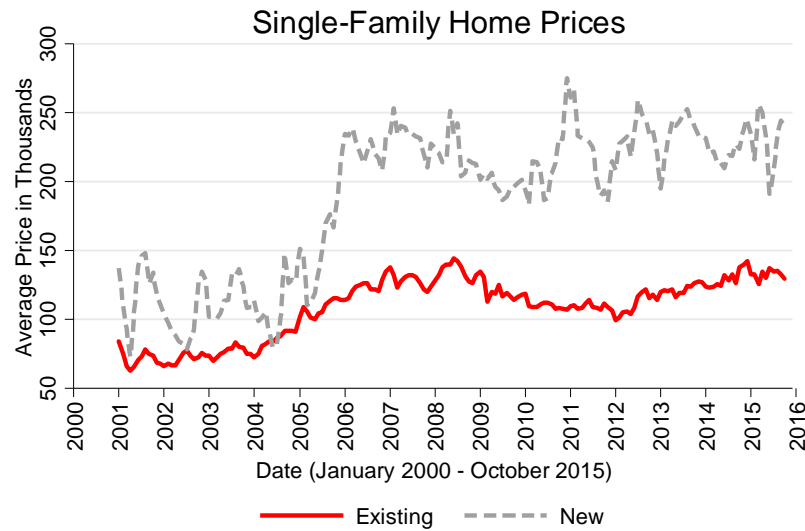


| Single-Family Home Sales* | October 2015 | M2M Change | Y2Y Change |
|------------------------------------|--------------|------------|------------|
| New | 15 | +12.8% | +76.0% |
| Existing | 146 | -12.4% | -5.6% |
| Distress Share | 12.4% | -15.6% | -32.1% |
| Residential Construction | | | |
| Total Starts | 17 | -42 | -32 |
| Single-Family | 17 | -10 | -8 |
| Multifamily | 0 | -32 | -24 |
| Average Single-Family Sales Price* | | | |
| New | \$239,128 | -1.9% | +7.0% |
| Existing | \$129,088 | -2.8% | -6.1% |
| Distress | \$97,682 | -9.1% | -11.1% |

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

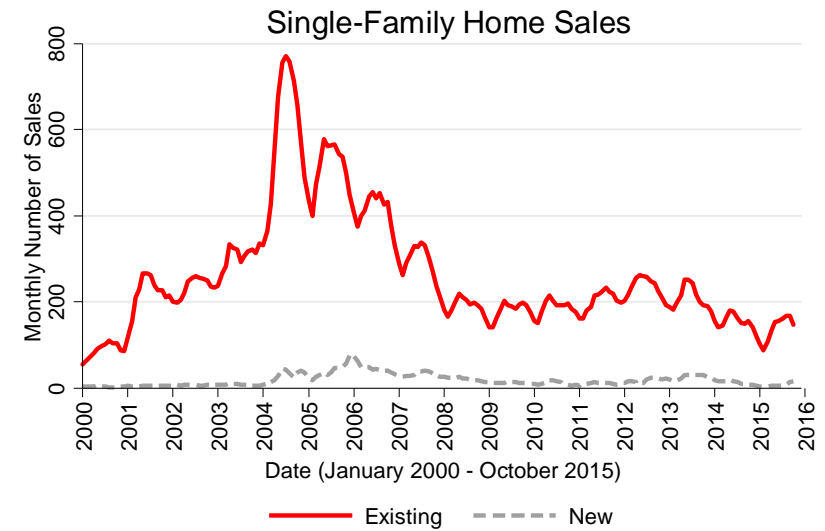
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



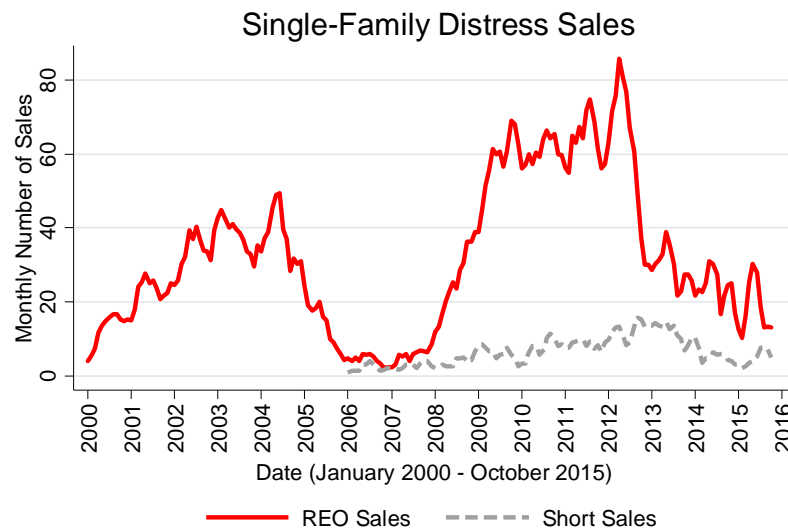
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



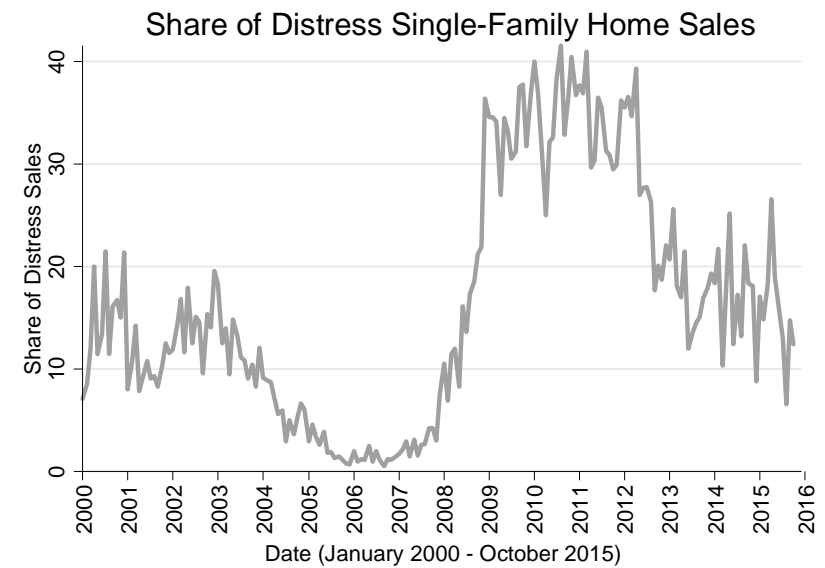
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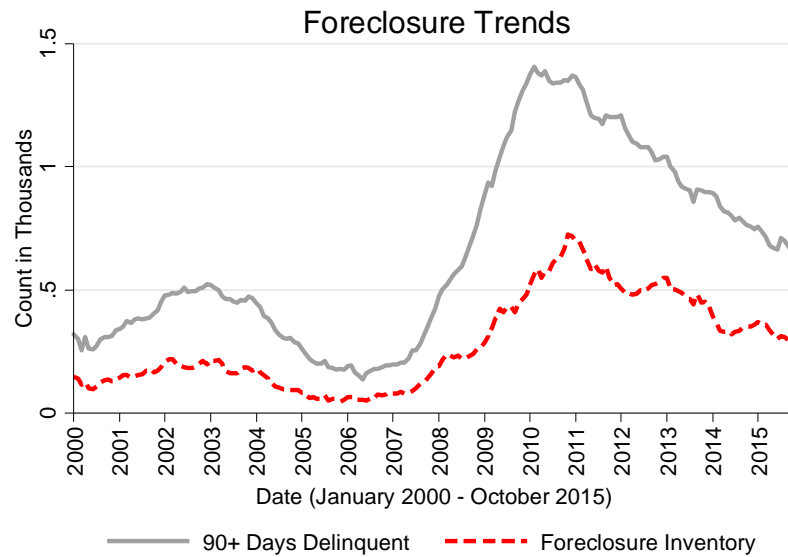
Source: CoreLogic

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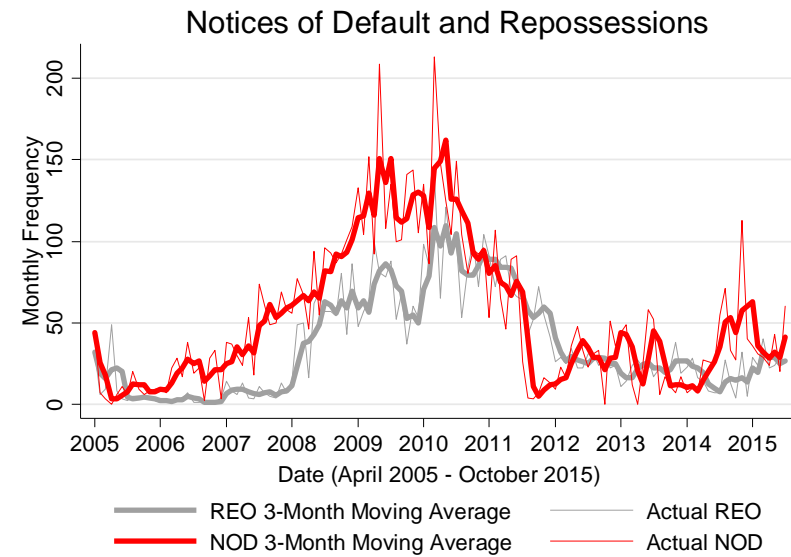


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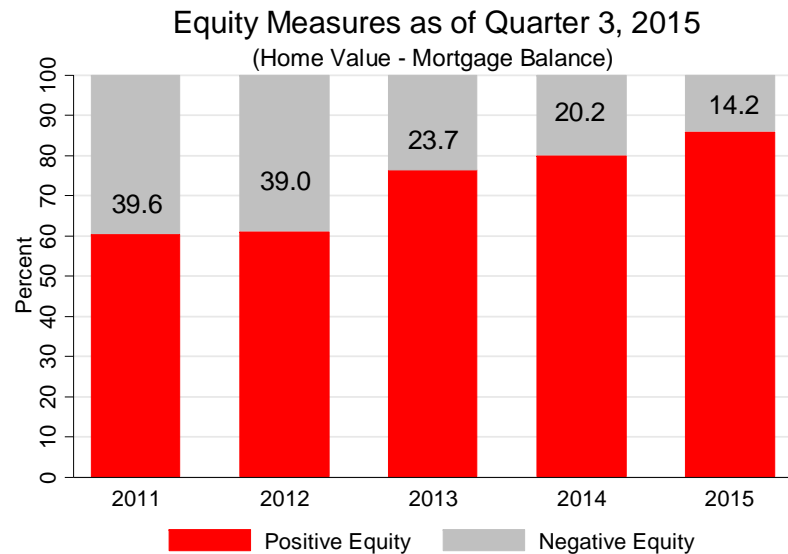
Rural Trends



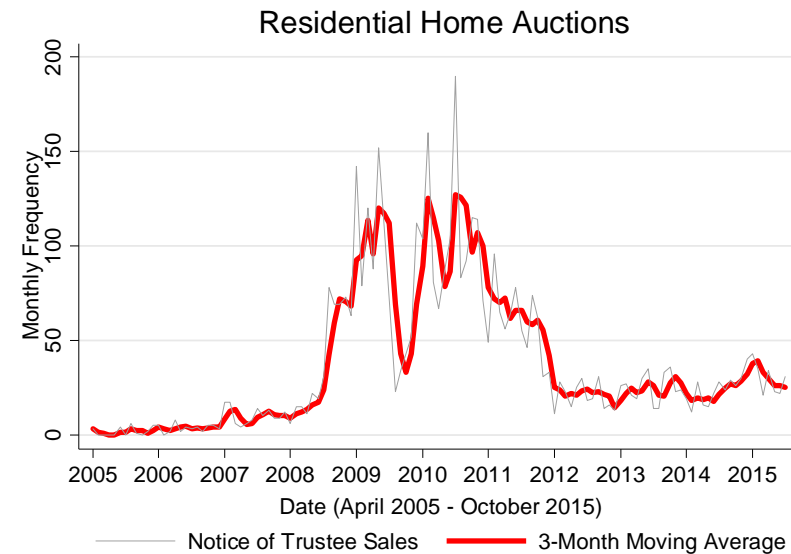
Source: CoreLogic



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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