

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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REAL ESTATE STUDIES



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Nevada's Housing Market | December 2015

Nevada Statewide Trends

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

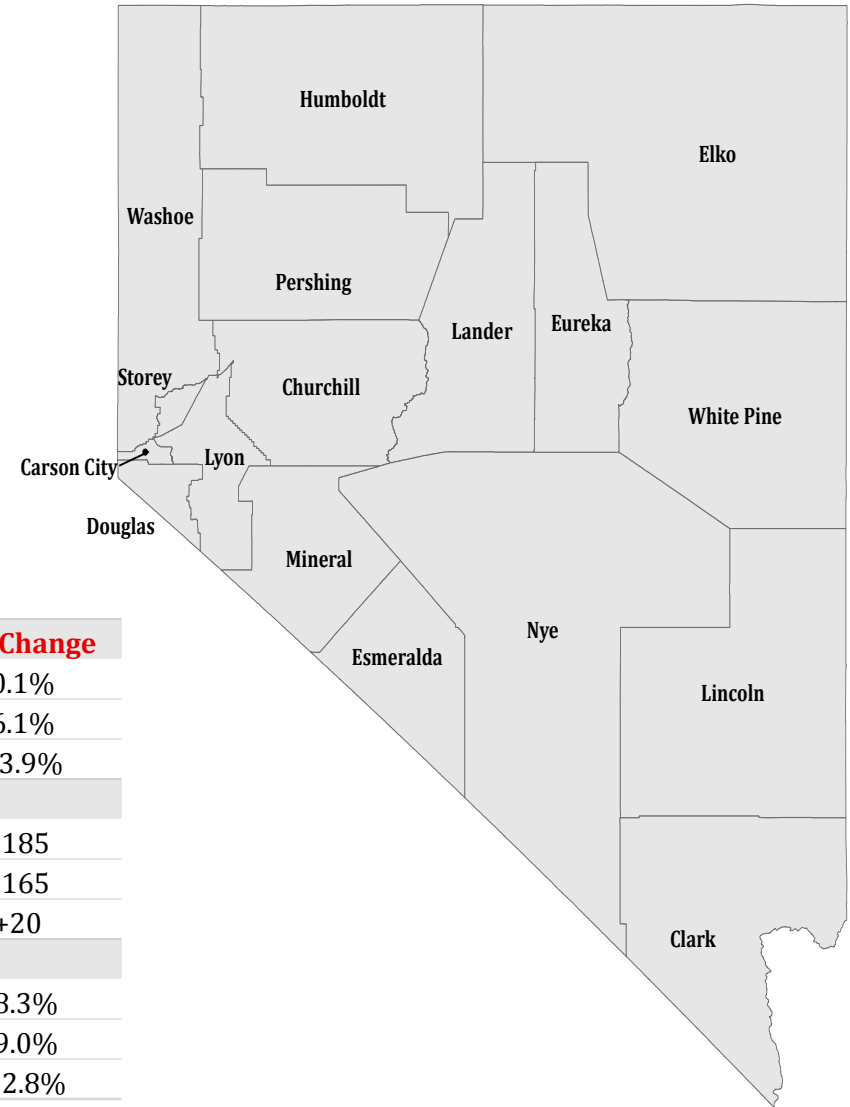
Housing Units: **1,198,907** in 2014

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



Nevada Statewide Trends

- Existing home sales decreased on a month to month basis for all three regions in Nevada. December typically has the least amount of home sales of any month in the year. Both new and existing home sales were down year over year for Northern and Southern Nevada.
- Housing affordability decreased slightly in Reno and Las Vegas according to the National Association of Home Builders. This decrease was a result of home prices increasing more than median income. 52.3 percent of homes in Reno and 62.6 percent of homes in Las Vegas are considered affordable to the median income.
- The share of mortgages with negative equity decreased slightly at the end of 2015Q4. At the end of 2015Q4, 18.7 percent of all mortgages in Nevada were underwater – 0.3 percentage points less than 2015Q3 (19.0 percent).

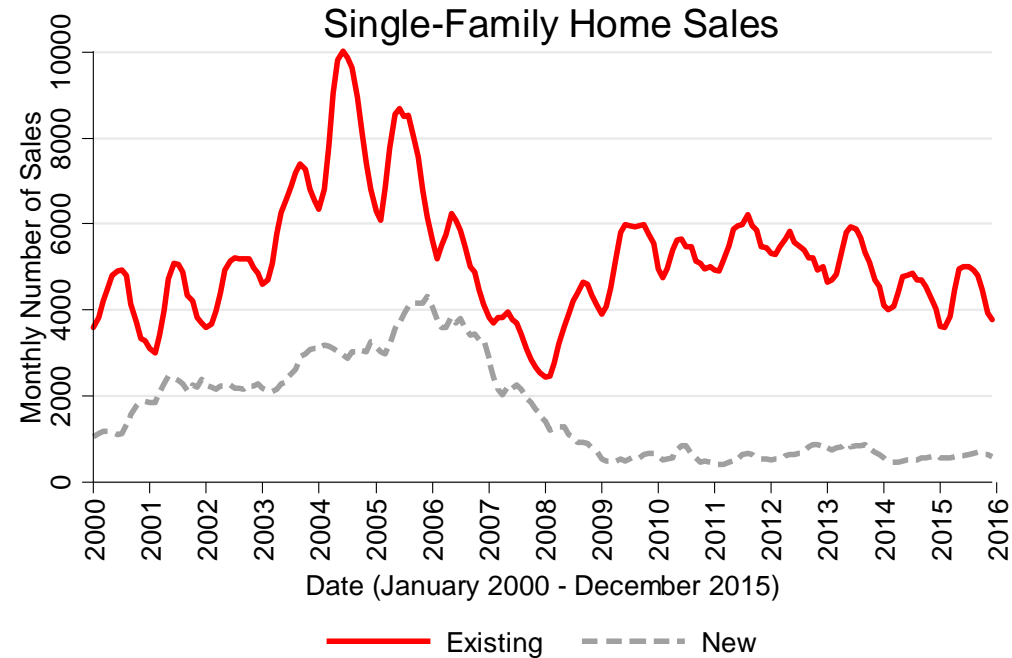
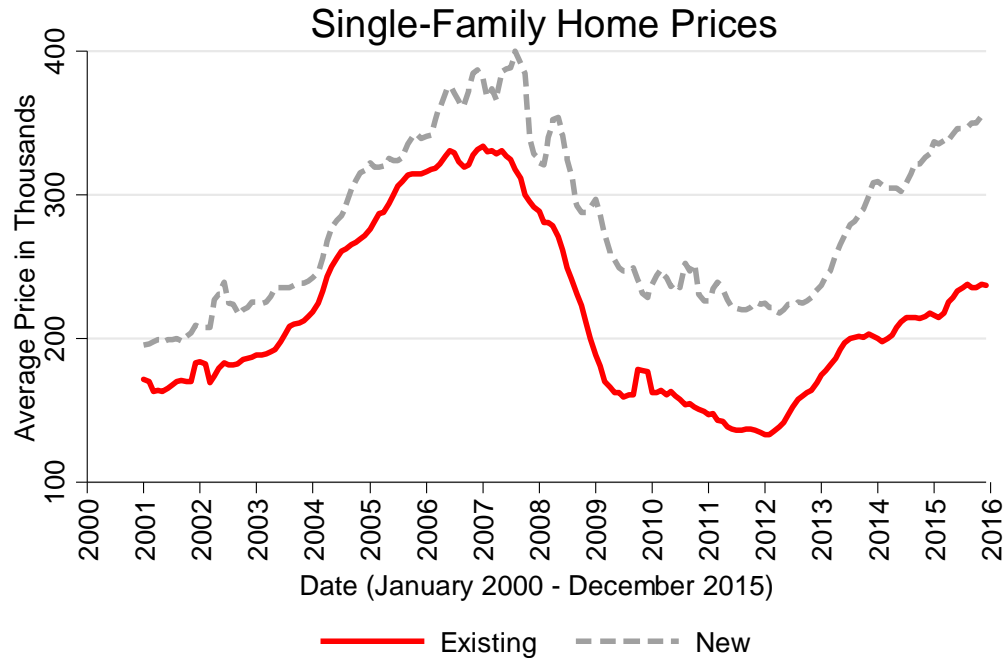


Single-Family Home Sales*	December 2015	M2M Change	Y2Y Change
New	594	-5.6%	-0.1%
Existing	3,774	-4.1%	-6.1%
Distress Share	12.1%	-5.2%	-23.9%
Residential Construction			
Total Starts	1,066	-80	+185
Single-Family	832	+172	+165
Multifamily	234	-252	+20
Average Single-Family Sales Price*			
New	\$355,076	+0.1%	+8.3%
Existing	\$236,699	-0.3%	+9.0%
Distress	\$185,261	+5.2%	+12.8%

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

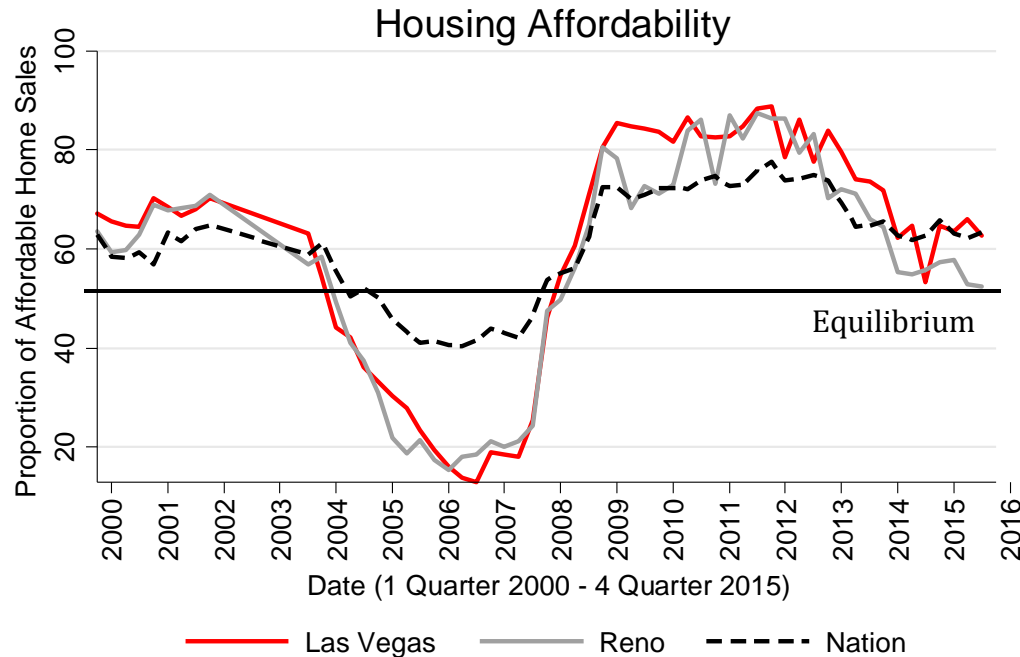
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



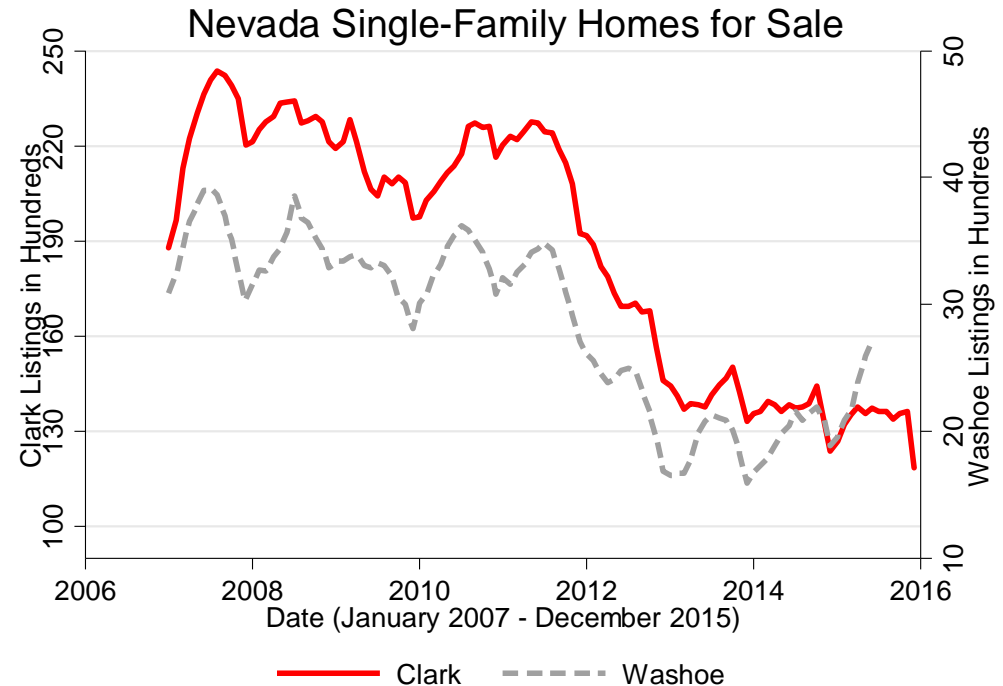
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

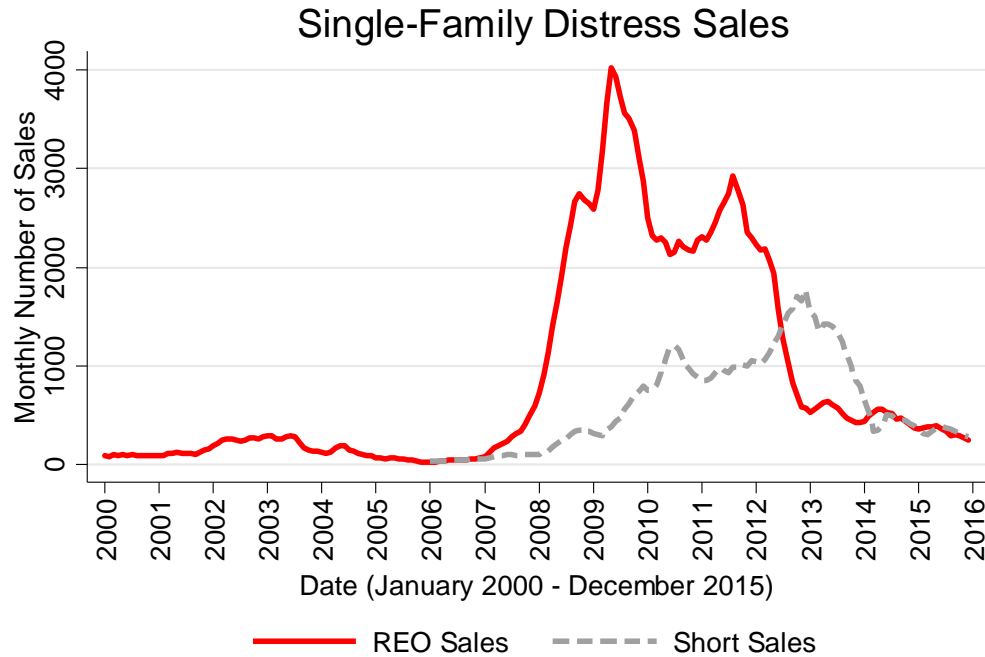
Note: Series denote the proportion of home sales affordable at median income.



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

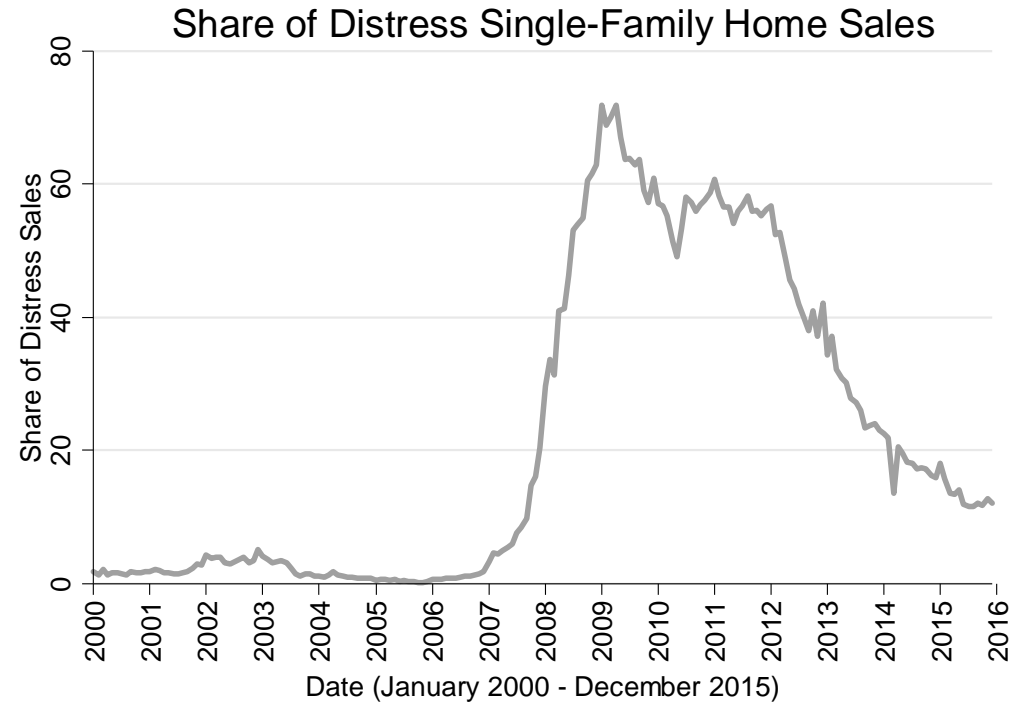
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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

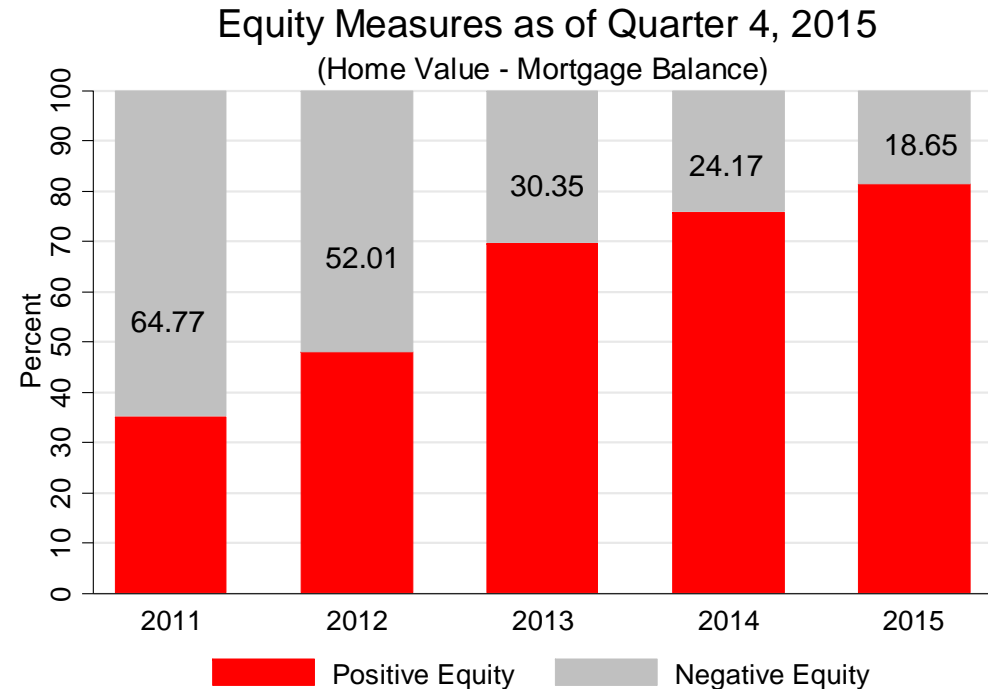
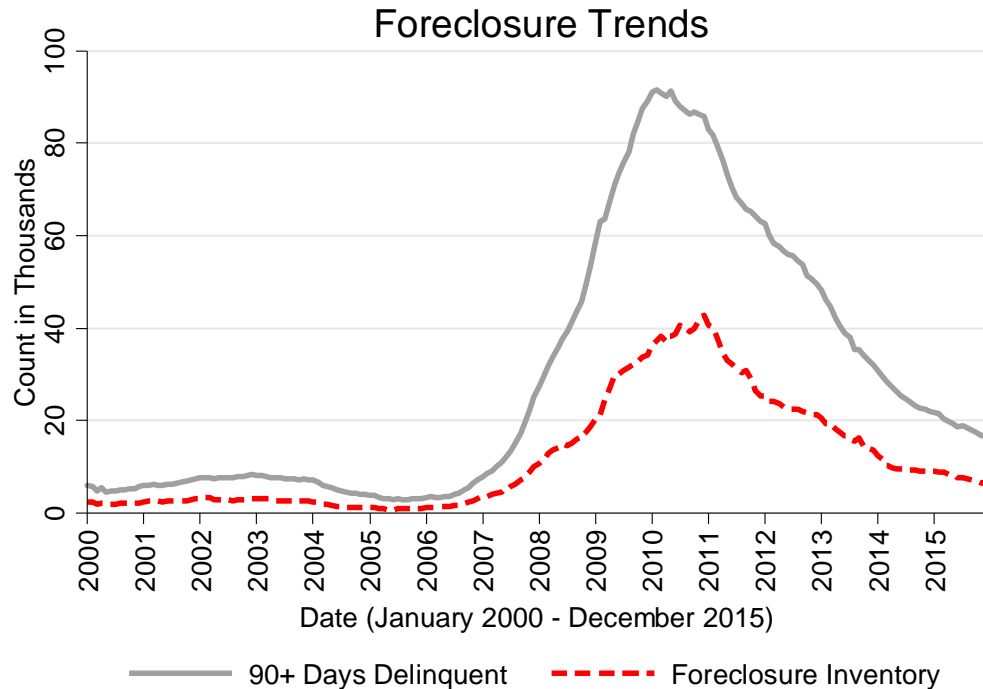
Note: Series are 3-month weighted moving averages.



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.

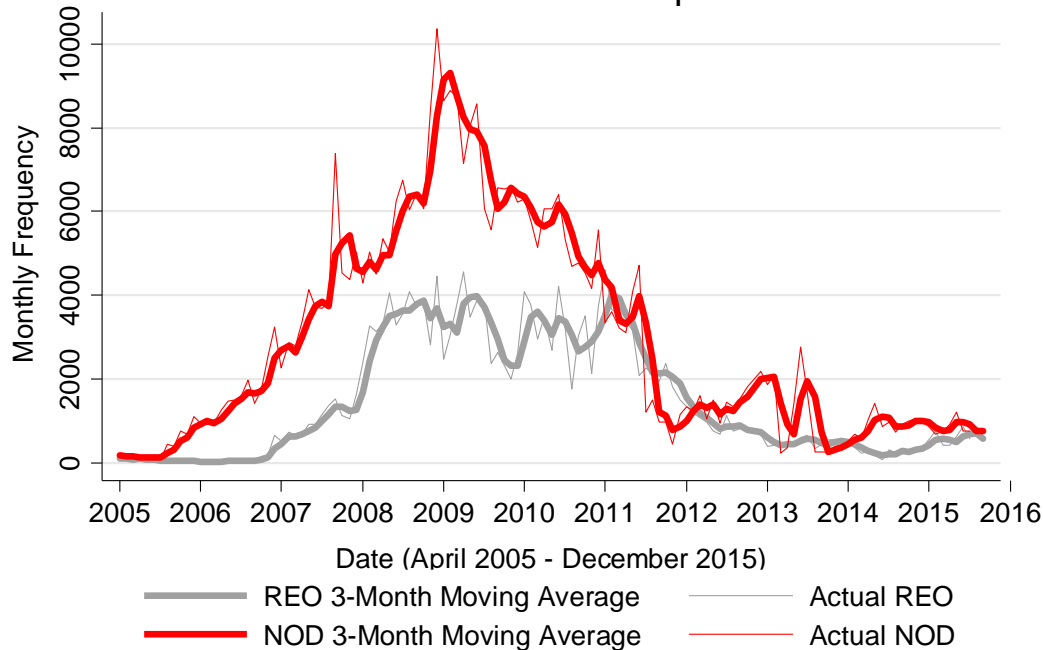
Nevada Statewide Trends



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.

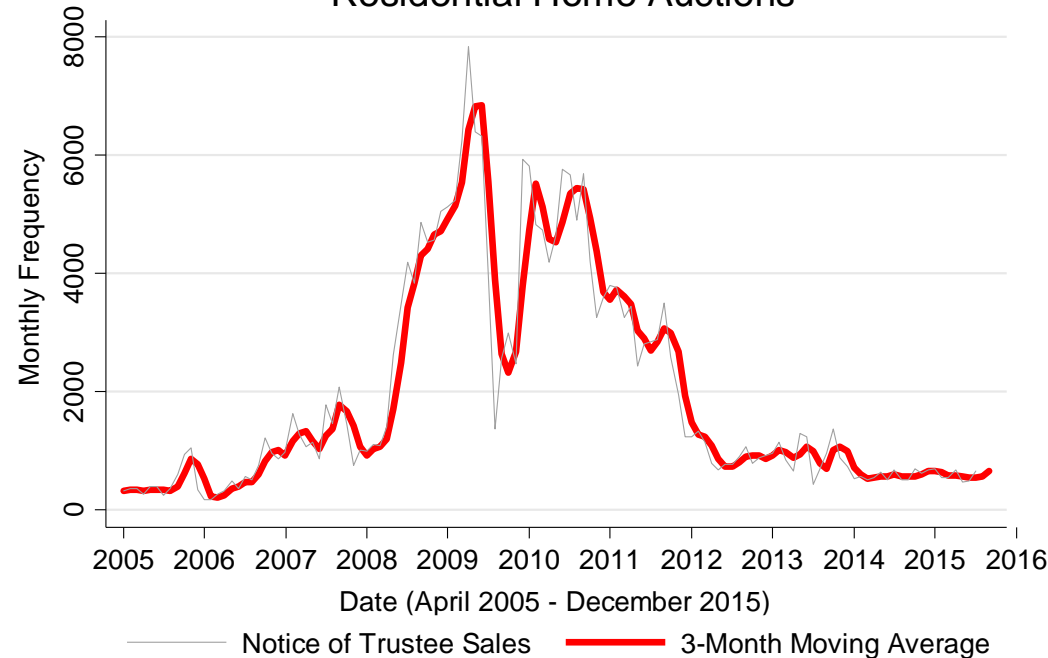
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



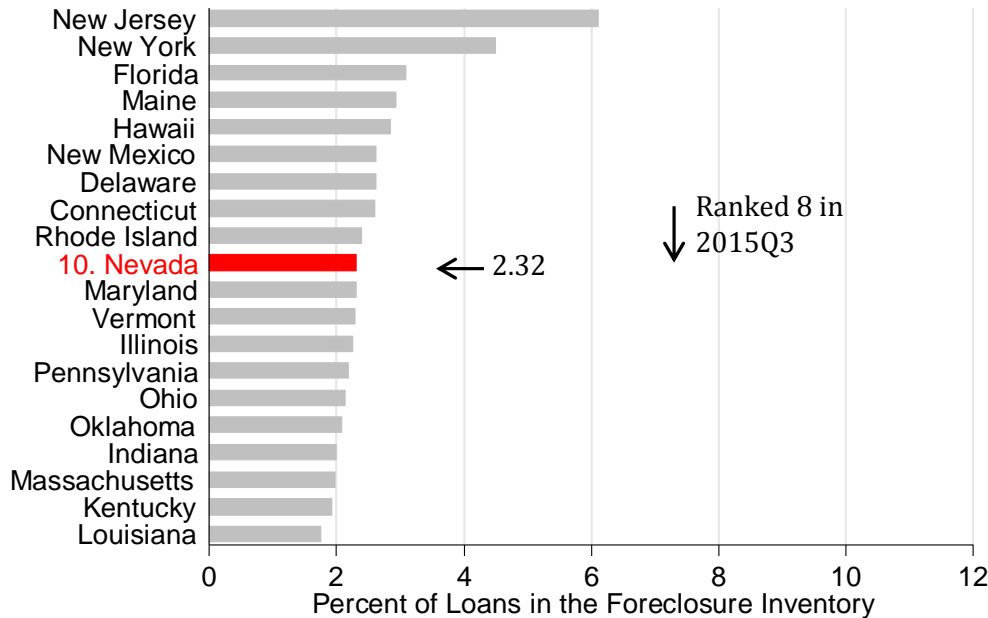
Source: RealtyTrac

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

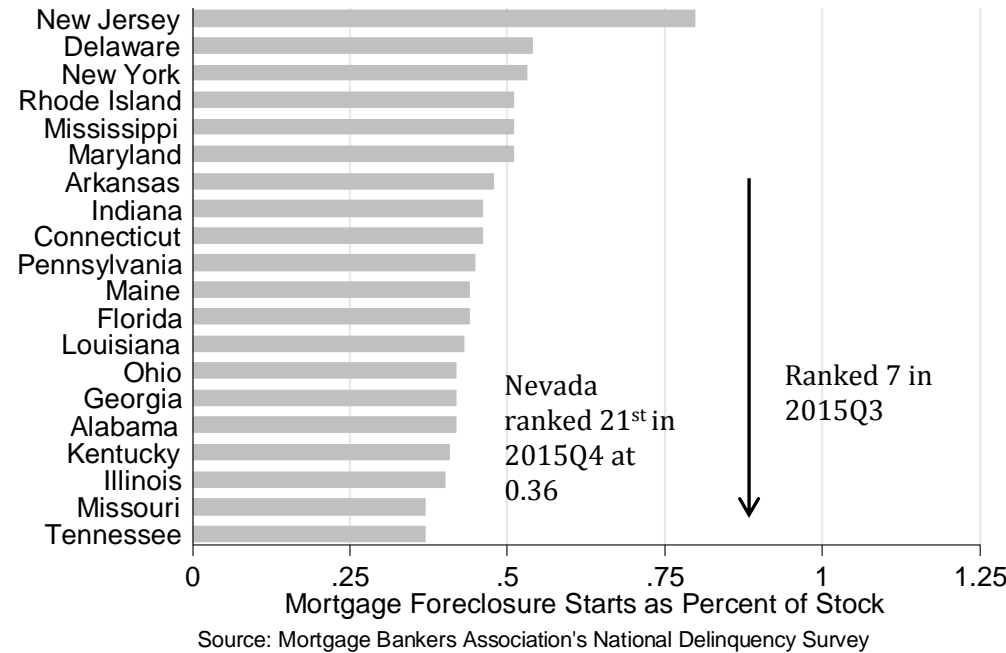
4th Quarter 2015



Ranked 8 in
2015Q3

Top 20 States in Foreclosure Starts

4th Quarter 2015



Ranked 7 in
2015Q3

Nevada
ranked 21st in
2015Q4 at
0.36

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 2015

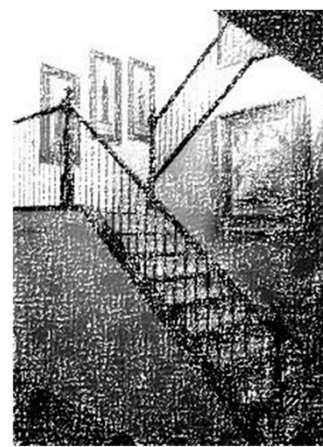
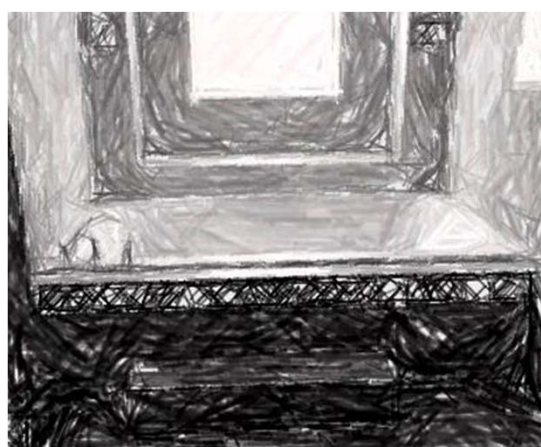
Northern Trends

Population: **621,826** in 2014

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

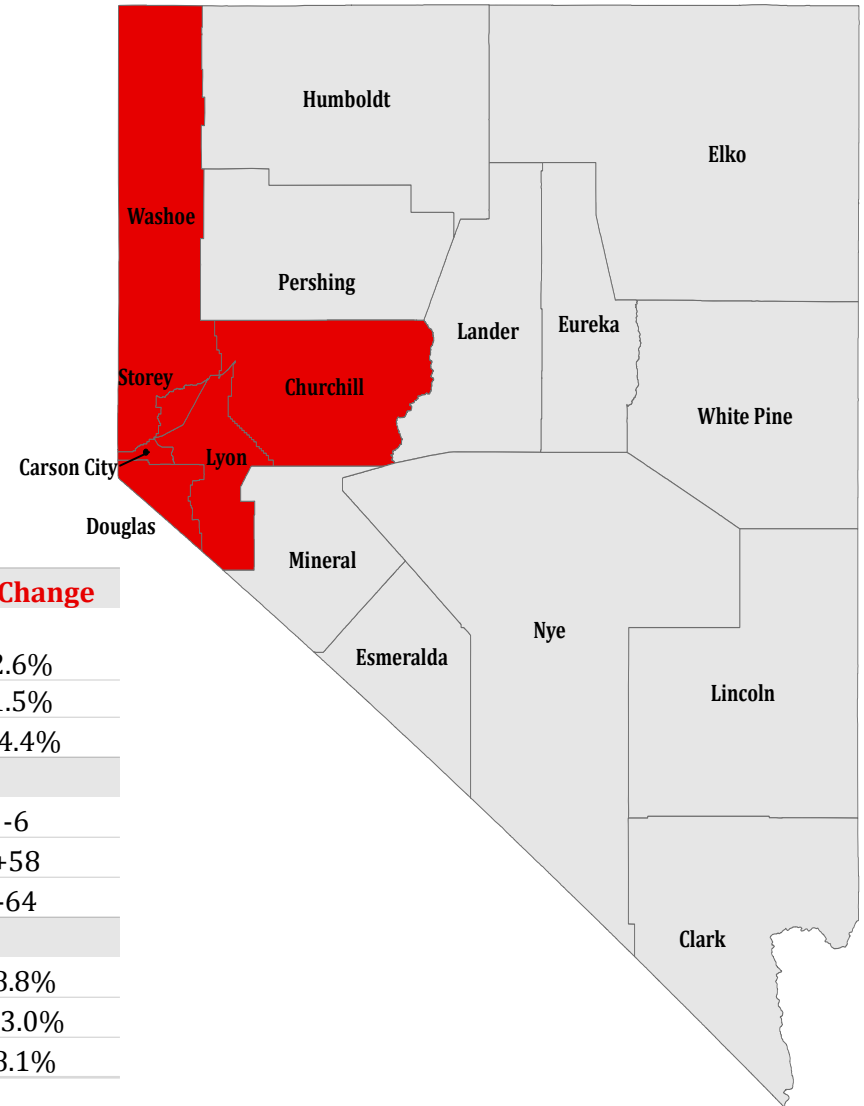
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ The distress share decreased 1.7 percentage points on a month to month basis in December 2015. The distress share decreased 4.4 percentage points on a year over year basis.
- ❑ There were 3,179 residential construction starts in Northern Nevada during 2015 - nearly 600 more starts than 2014 (2,585). Both annual single-family and multi-family starts increased in 2015.
- ❑ At the end of 2015Q4, 10.6 percent of all mortgages in Northern Nevada were underwater – 0.6 percentage points less than 2015Q3 (11.2 percent).
- ❑ Average new home prices in December 2015 were up \$32,000 year over year. Average existing home prices were up \$33,000 year over year.

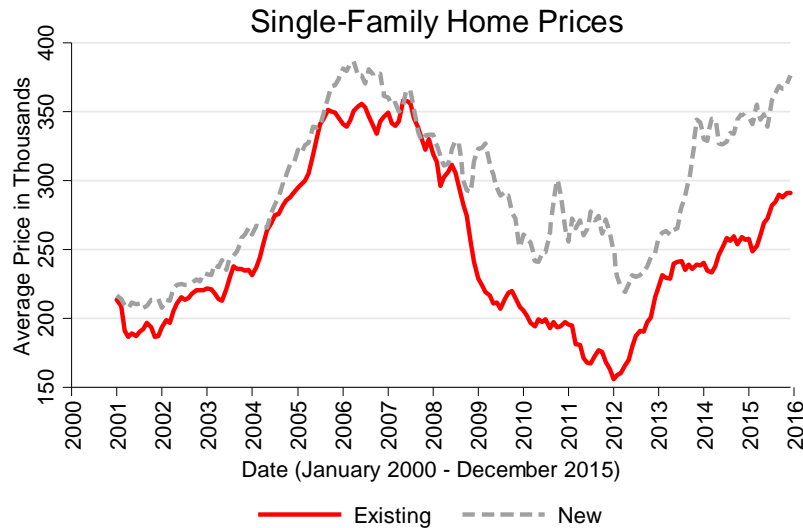


Single-Family Home Sales*	December 2015	M2M Change	Y2Y Change
New	98	+1.4%	-2.6%
Existing	879	-8.1%	-1.5%
Distress Share	8.3%	-17.8%	-34.4%
Residential Construction			
Total Starts	230	-94	-6
Single-Family	222	+16	+58
Multifamily	8	-110	-64
Average Single-Family Sales Price*			
New	\$376,247	+1.8%	+8.8%
Existing	\$290,498	-0.1%	+13.0%
Distress	\$206,457	-1.3%	+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.

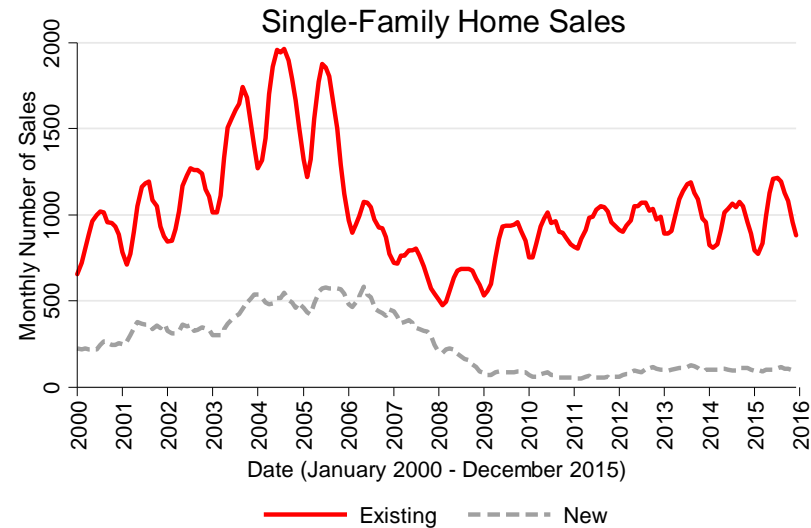
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



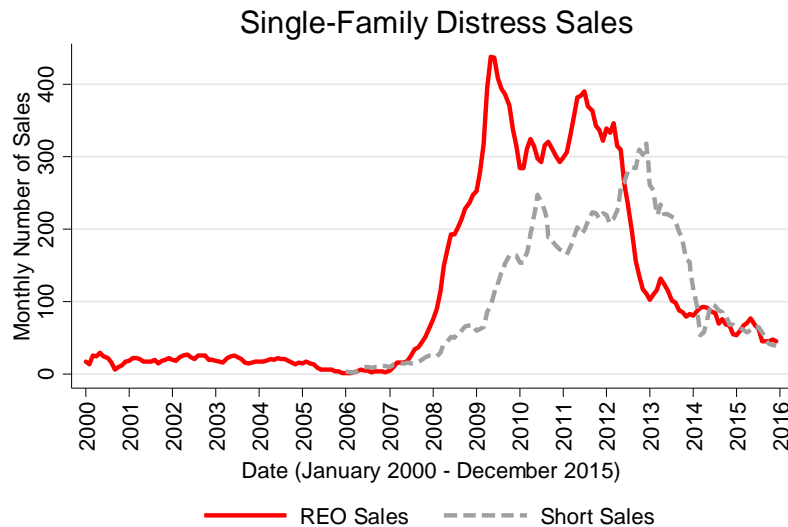
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



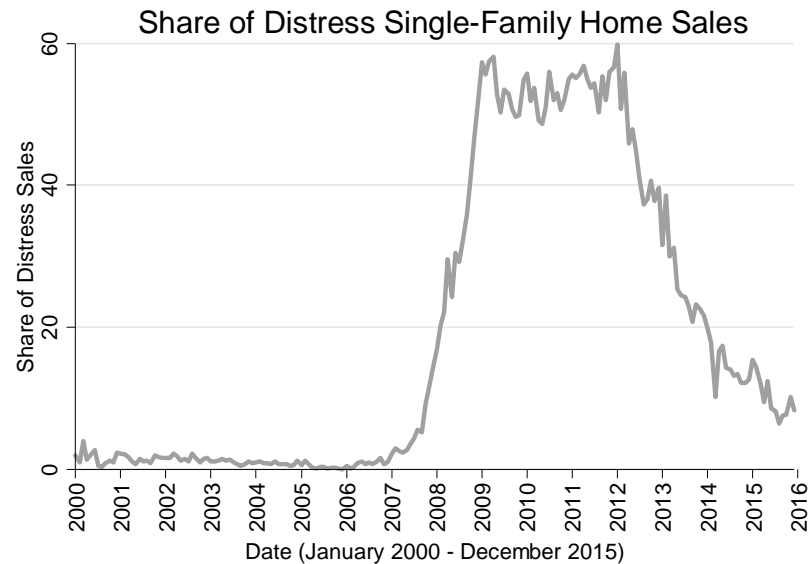
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



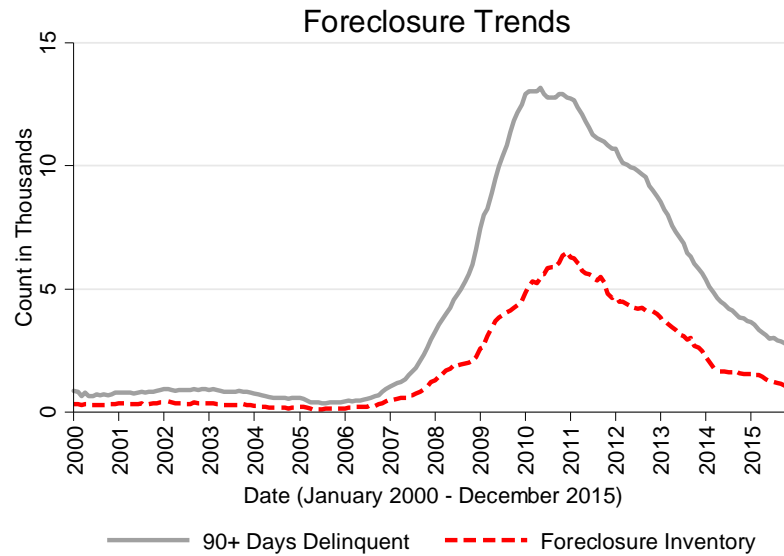
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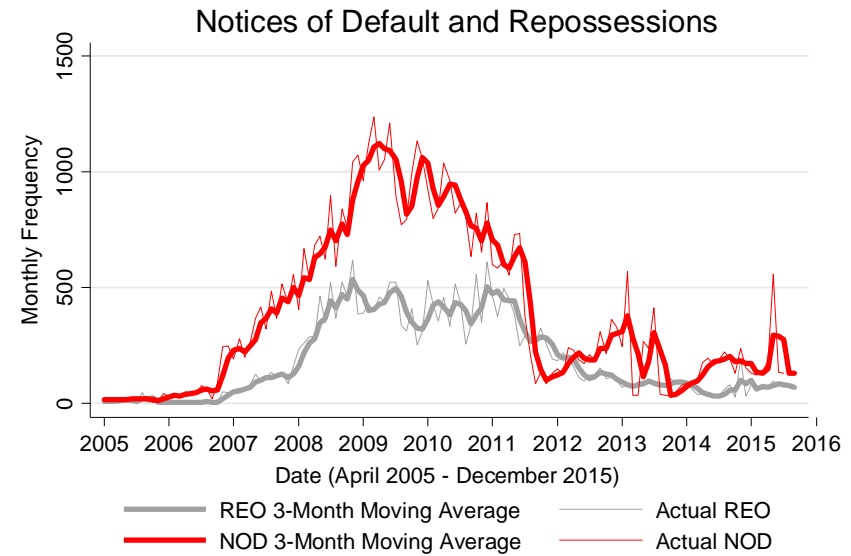


Source: CoreLogic

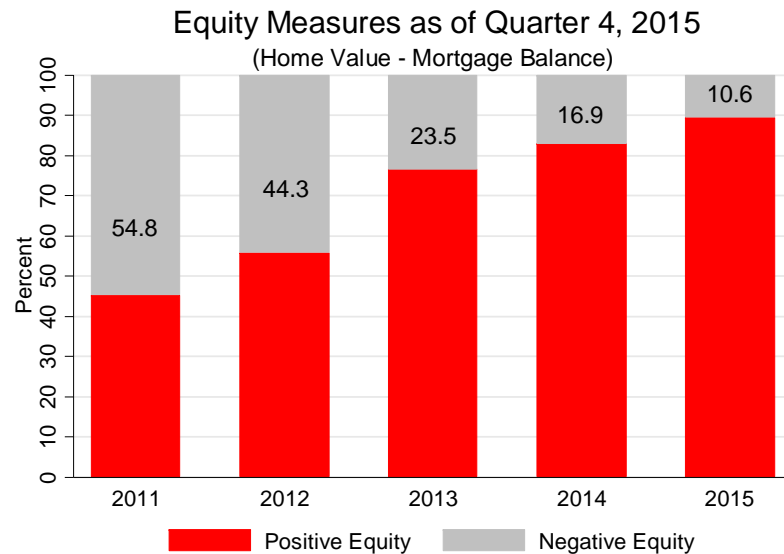
Northern Trends



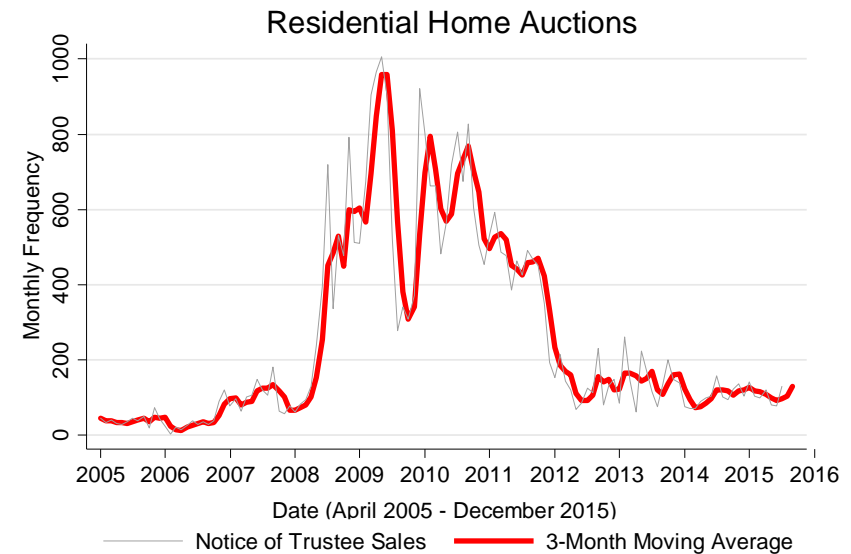
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | December 2015

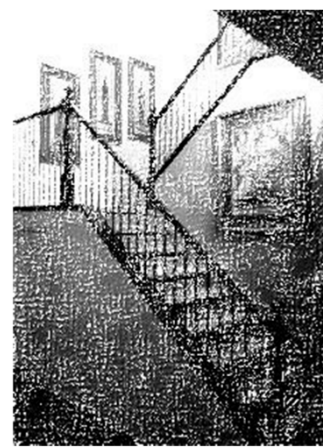
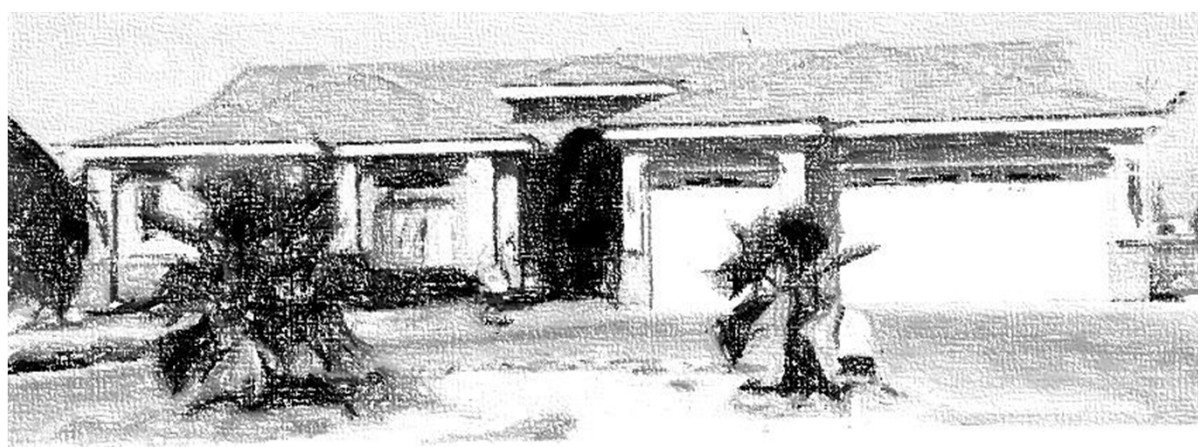
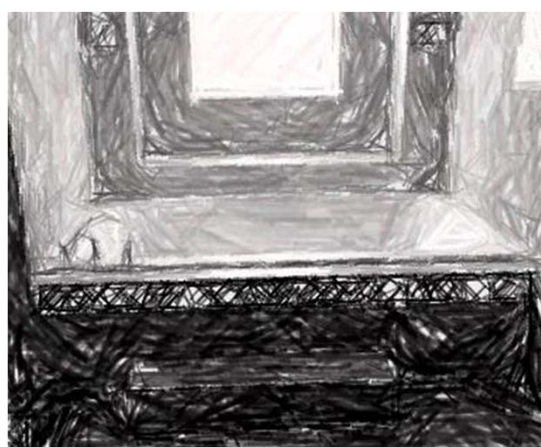
Southern Trends

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

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

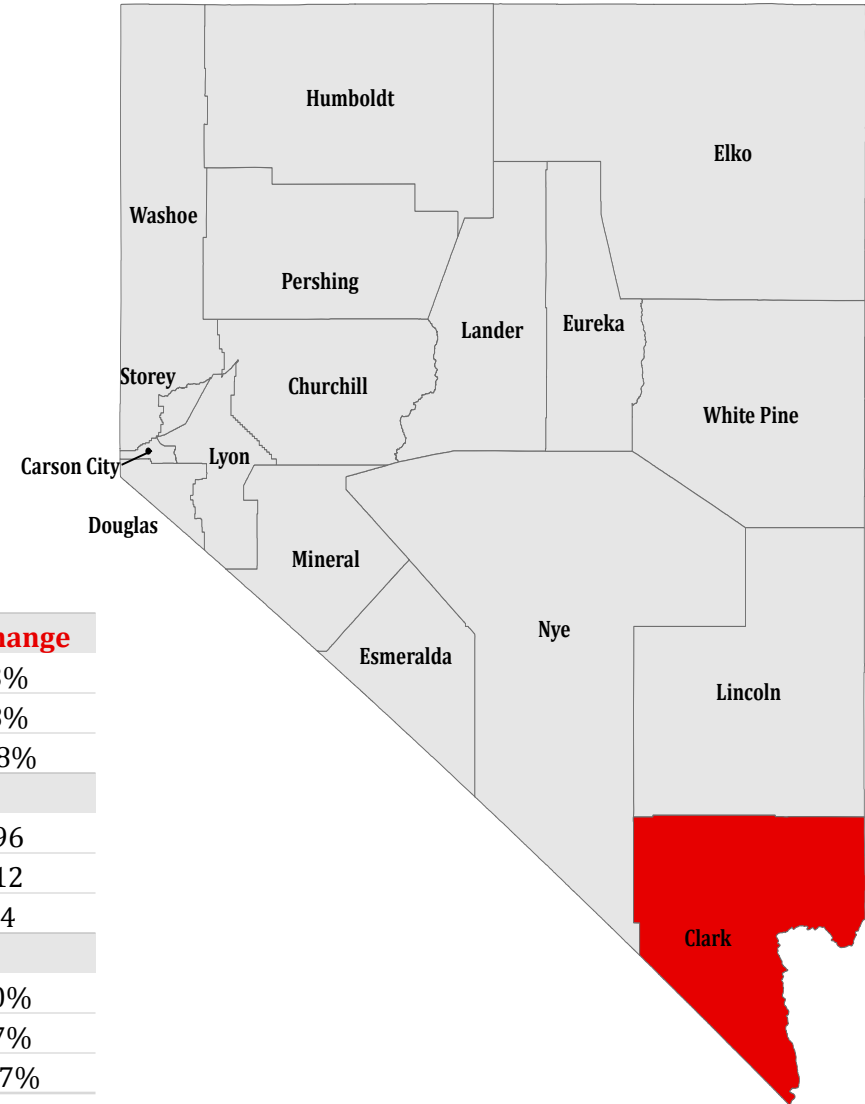
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ New home sales decreased for the third consecutive month in Southern Nevada. December 2015 was the only month in 2015 where new home sales experienced a year over year decline.
- ❑ There were slightly more residential construction starts in 2015 (10,593) than in 2014 (10,179). Annual multifamily starts decreased and single-family starts increased in 2015.
- ❑ The share of mortgages underwater decreased slightly in Southern Nevada. At the end of 2015Q4, 21.3 percent of all mortgages were underwater – 0.4 percentage points less than 2015Q3 (21.7 percent).
- ❑ At the end of 2015, average new homes in Southern Nevada were priced at \$354,494 - \$29,000 more than the end of 2014 (\$325,305). Average existing homes at the end of 2015 were \$224,764 - \$16,000 more than the end of 2014 (\$208,611).

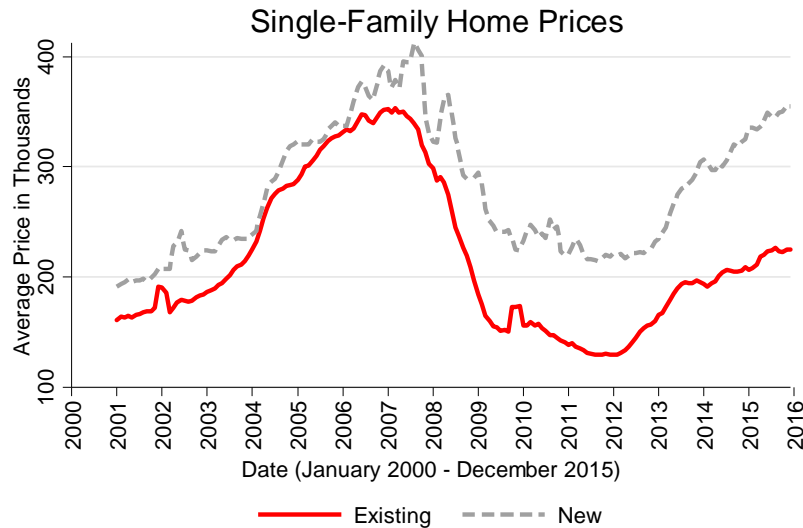


Single-Family Home Sales*	December 2015	M2M Change	Y2Y Change
New	480	-6.7%	-1.3%
Existing	2,754	-2.6%	-7.8%
Distress Share	13.1%	-2.8%	-22.8%
Residential Construction			
Total Starts	826	+21	+196
Single-Family	600	+163	+112
Multifamily	226	-142	+84
Average Single-Family Sales Price*			
New	\$354,494	-0.4%	+9.0%
Existing	\$224,764	-0.1%	+7.7%
Distress	\$184,346	+6.2%	+14.7%

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

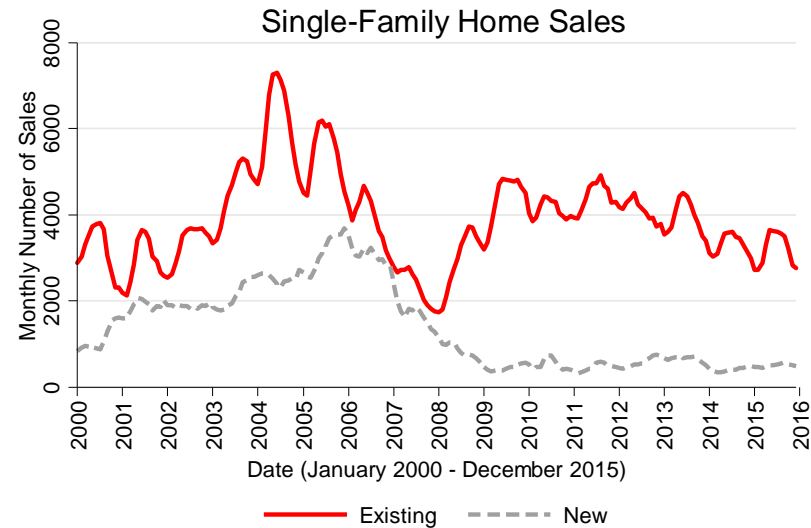
*Figures portray Three-Month Moving Weighted Averages

Southern Trends



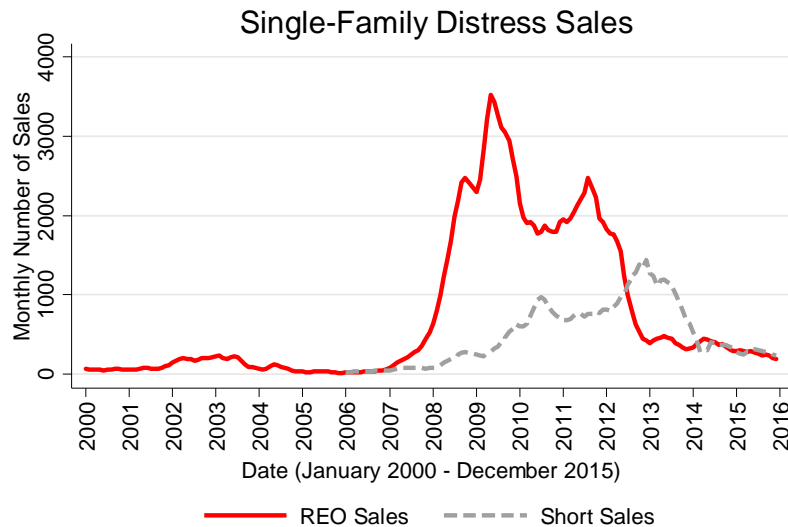
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



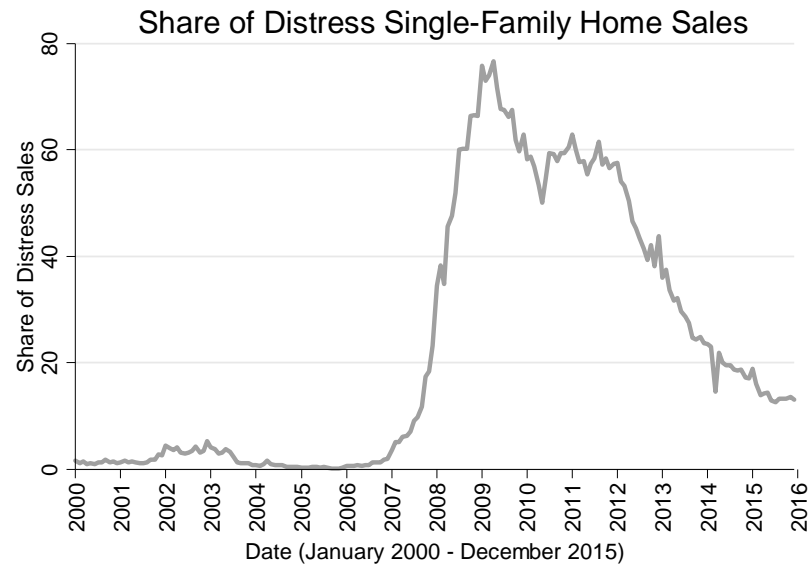
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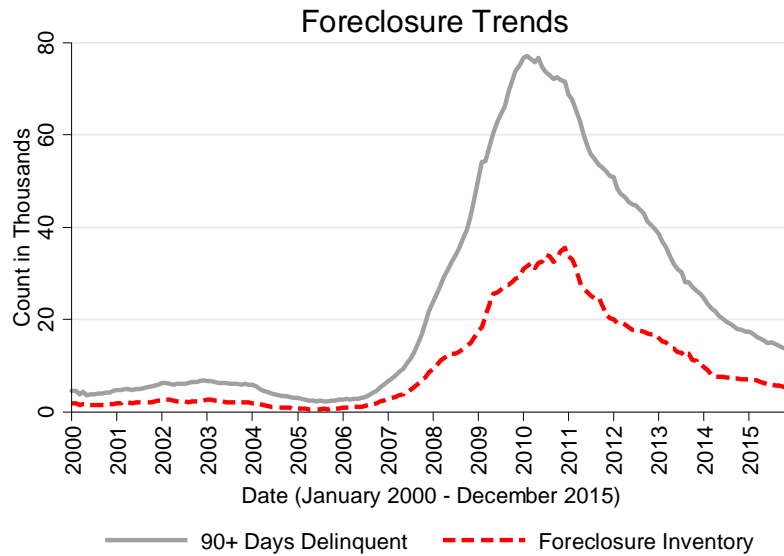
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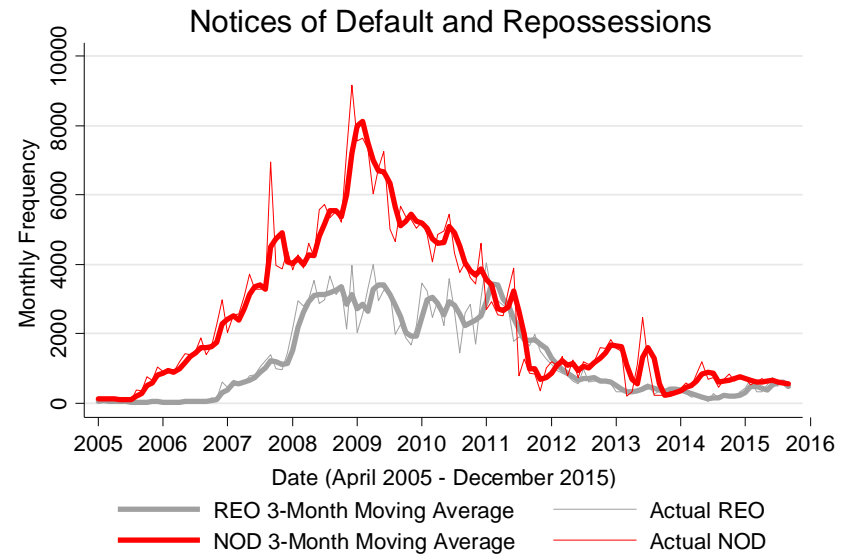


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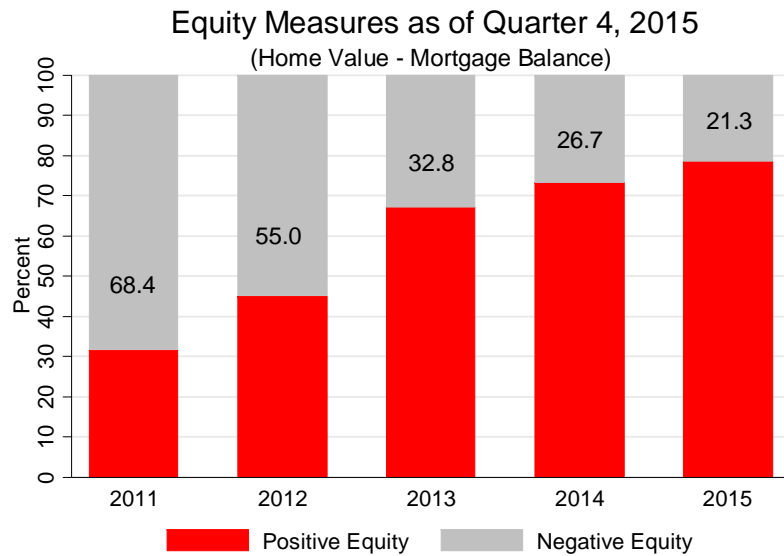
Southern Trends



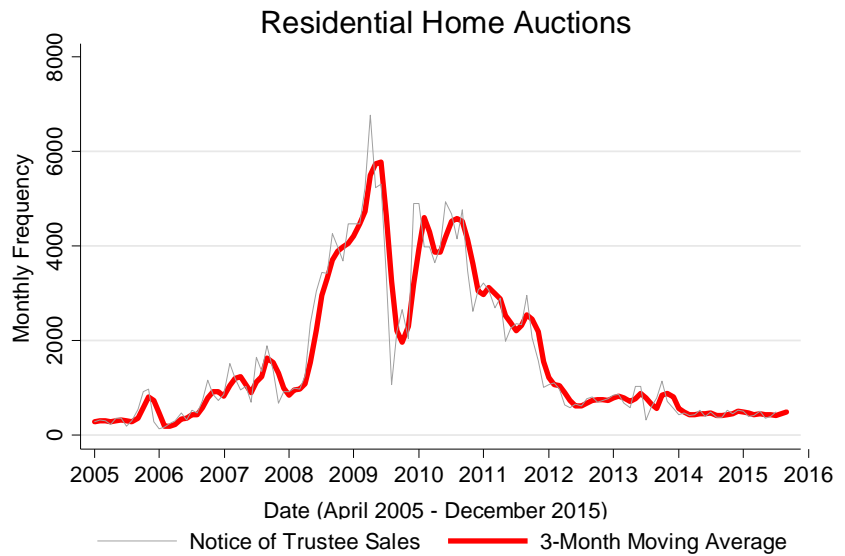
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

Nevada's Housing Market | December 2015

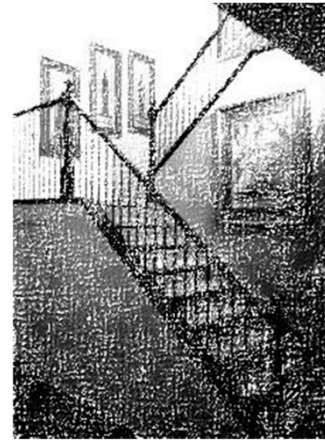
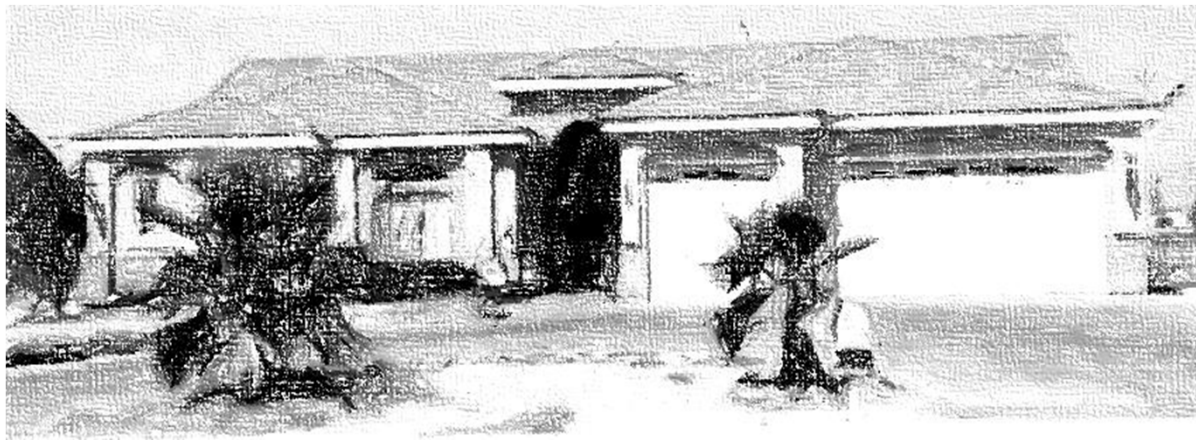
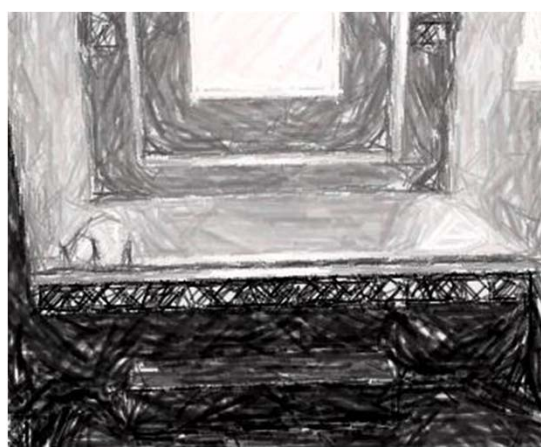
Rural Trends

Population: **147,592** in 2014

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

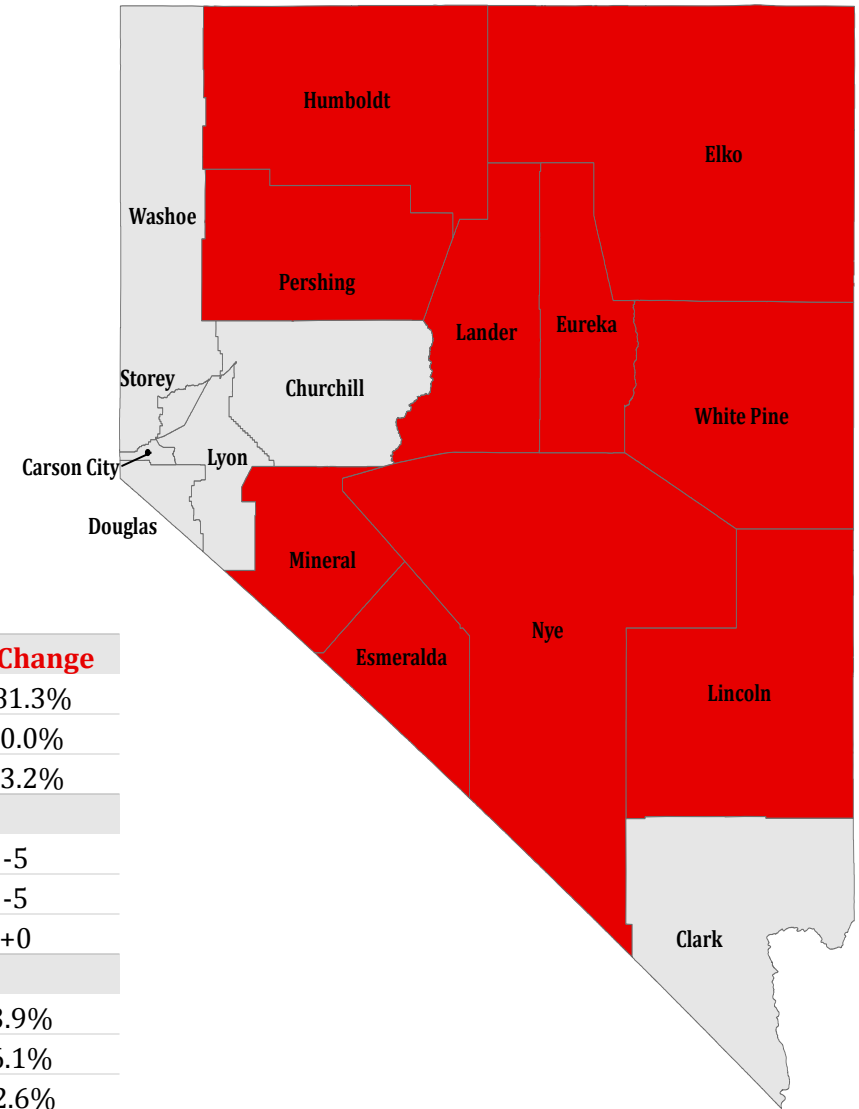
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ New home sales declined on a month to month basis for the first time since February 2015. December 2015 was the second consecutive month where new home sales in Rural Nevada had year over year growth greater than 100 percent.
- ❑ There were 304 residential construction starts in Rural Nevada during 2015 – 91 less starts than 2014 (395). Annual single-family starts increased slightly while annual multifamily starts decreased in 2015.
- ❑ Rural Nevada was the only region in Nevada where the share of mortgages underwater increased in 2015Q4. 16.9 percent of all homes with mortgages were underwater – 2.7 percentage points more than 2015Q3 (14.2 percent).

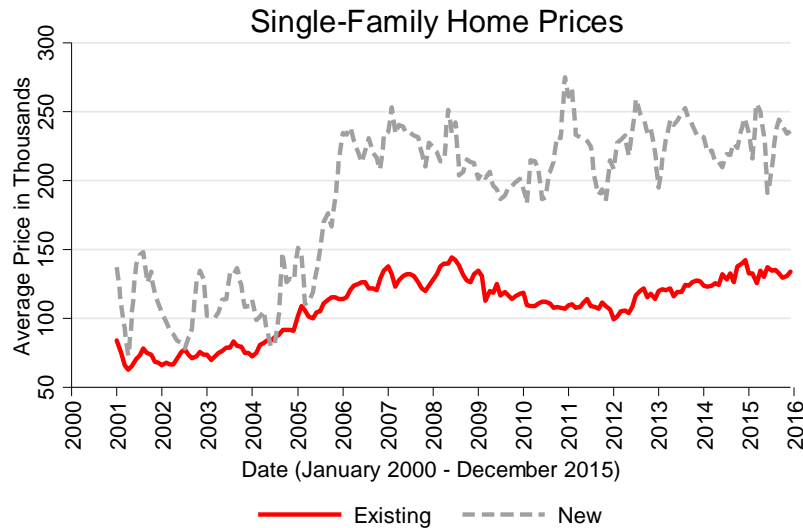


Single-Family Home Sales*	December 2015	M2M Change	Y2Y Change
New	15	-11.8%	+181.3%
Existing	132	-1.7%	+10.0%
Distress Share	10.8%	-20.2%	+23.2%
Residential Construction			
Total Starts	10	-7	-5
Single-Family	10	-7	-5
Multifamily	0	+0	+0
Average Single-Family Sales Price*			
New	\$235,768	+1.0%	-3.9%
Existing	\$133,617	+2.6%	-6.1%
Distress	\$111,636	+14.3%	+2.6%

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

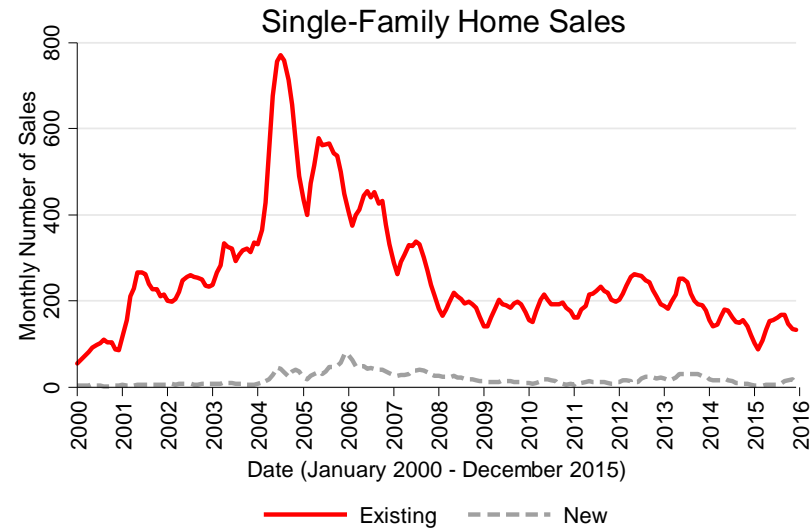
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



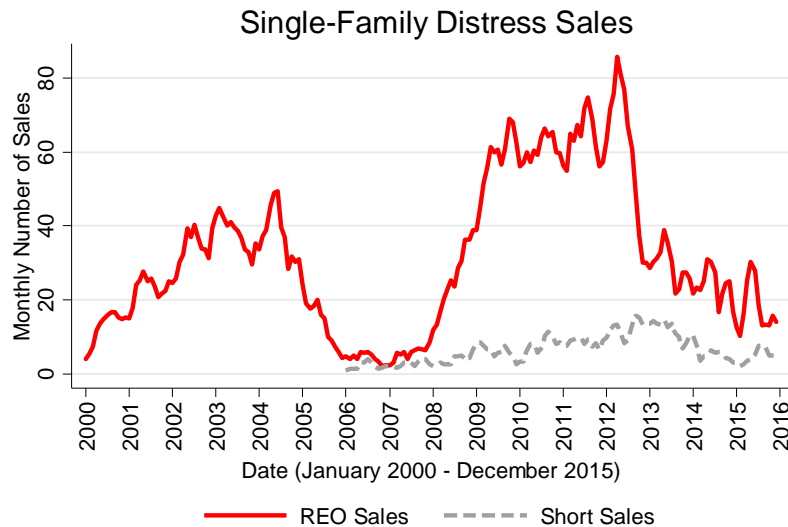
Source: CoreLogic

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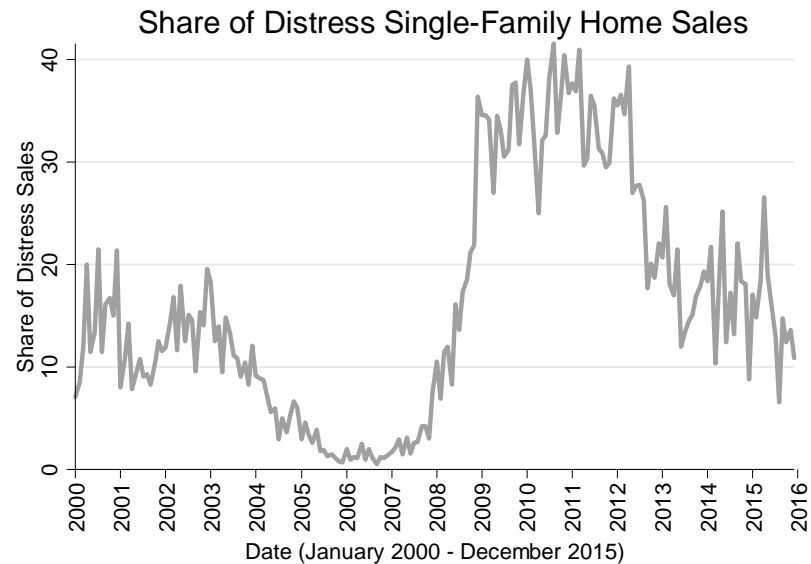
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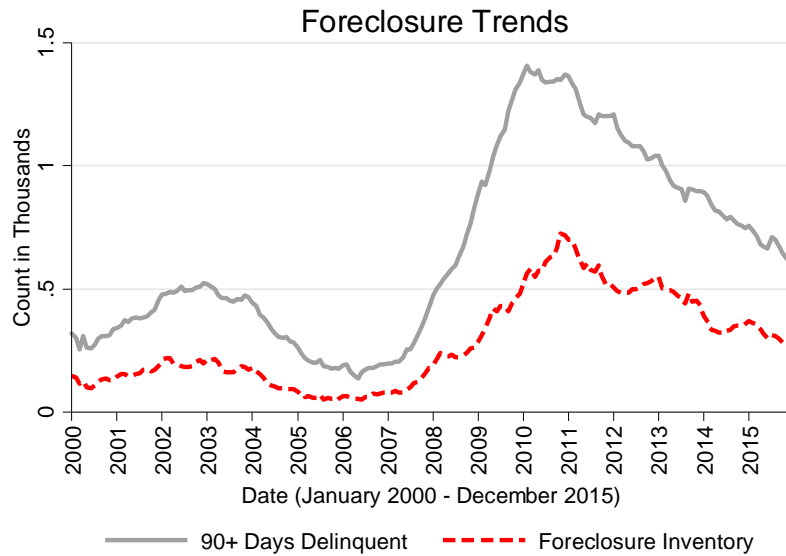
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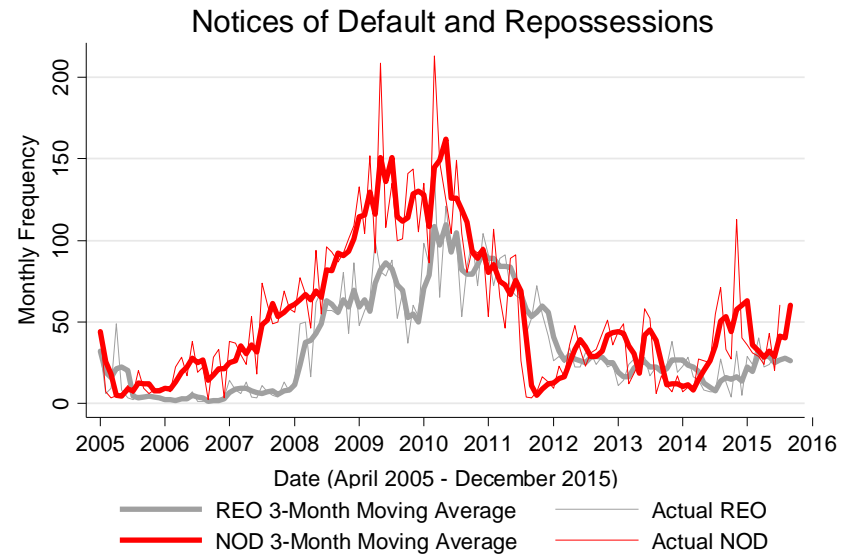


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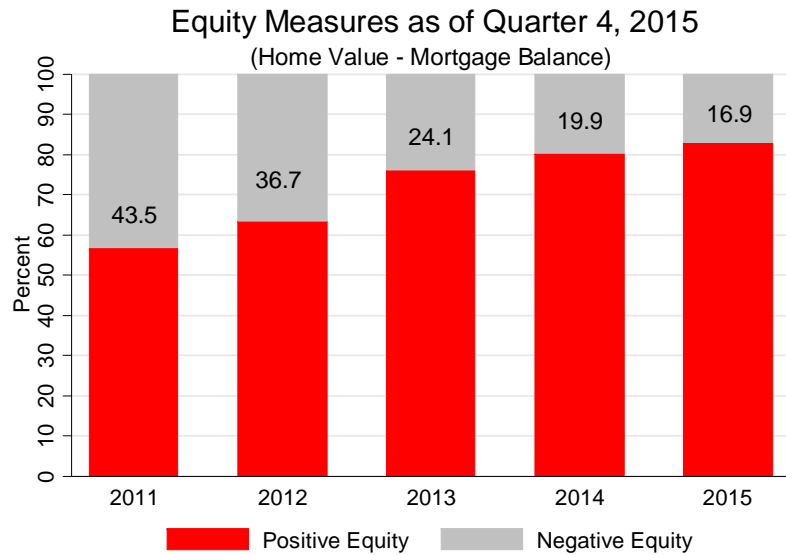
Rural Trends



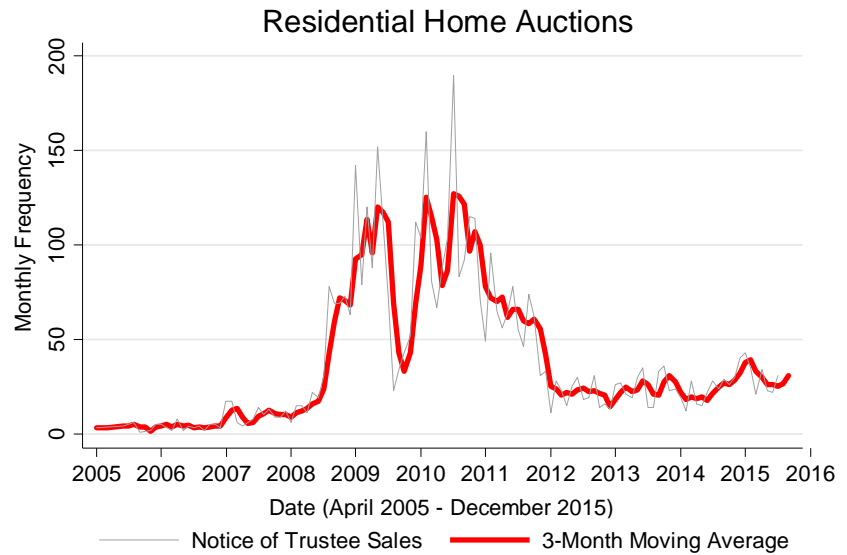
Source: CoreLogic



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.

Lied Institute for Real Estate Studies

4505 S. Maryland Parkway, Box 456025
Las Vegas, NV 89154-6025

Edward Coulson

Director
(702) 895-1660
Ed.Coulson@unlv.edu

Betty Campbell

Program Coordinator
(702) 895-4492
Betty.Campbell@unlv.edu

Peter Counts

Data Analyst
(702) 895-3223
Peter.Counts@unlv.edu