

April 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 | April 2016

Nevada Statewide Trends

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

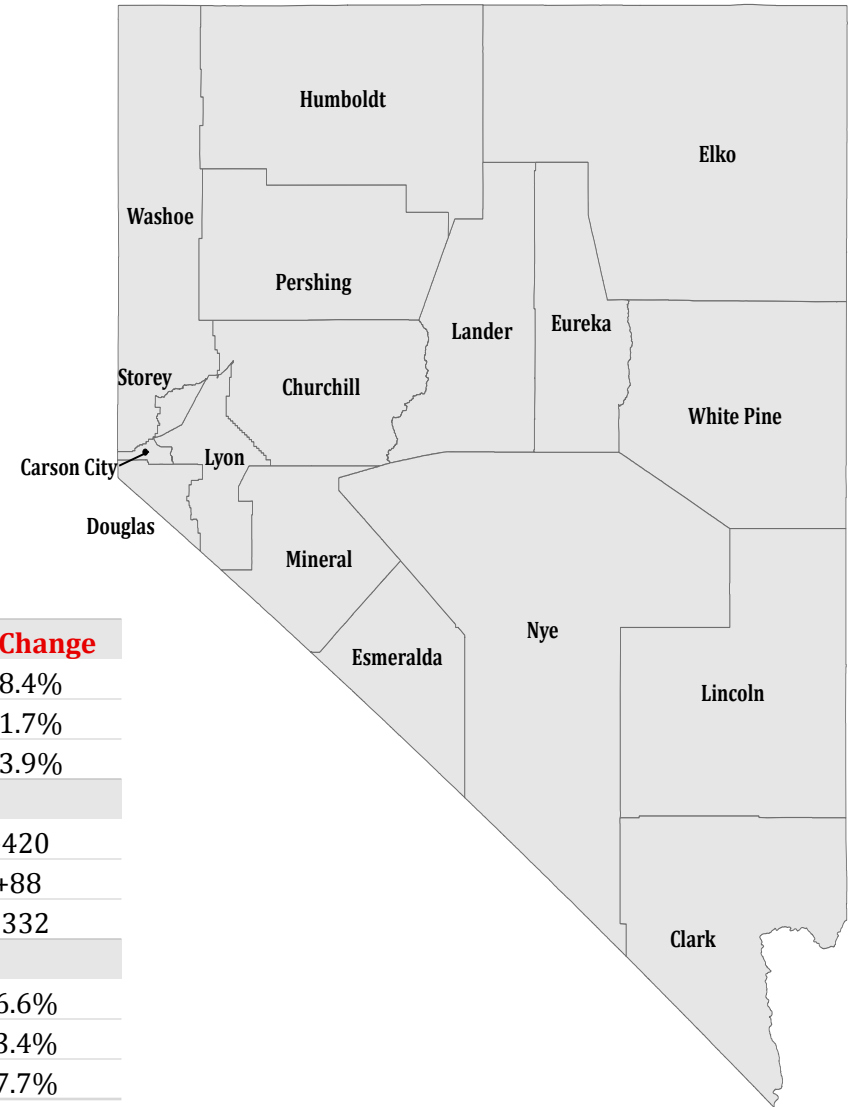
Housing Units: **1,198,907** in 2014

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



Nevada Statewide Trends

- ❑ Statewide new and existing home sales saw a large decrease as a result of Southern Nevada. Northern Nevada saw increases in new and existing home sales.
- ❑ Both REO and short sales saw large decreases. The share of homes sold under distress was the lowest it had been since September 2007.
- ❑ All three regions saw month to month and year to year increases in single-family construction starts. Northern Nevada was the only region where multifamily starts decreased on a month to month and year over year basis.
- ❑ Nevada existing home prices increased on a month to month basis for the first time in 2016. New and existing home prices increased on a month to month basis for all three regions in Nevada.

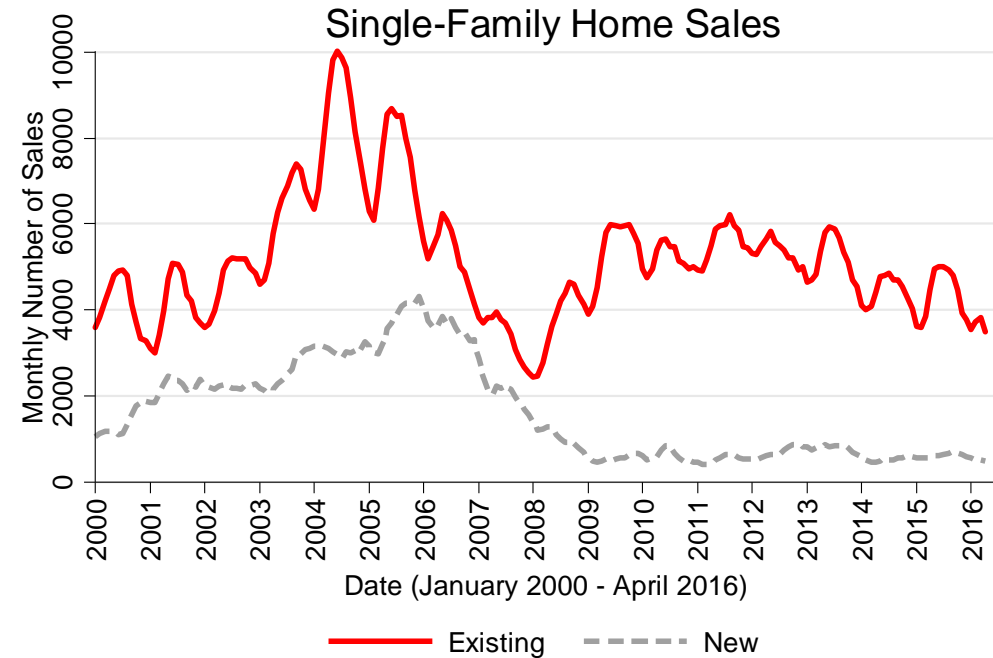
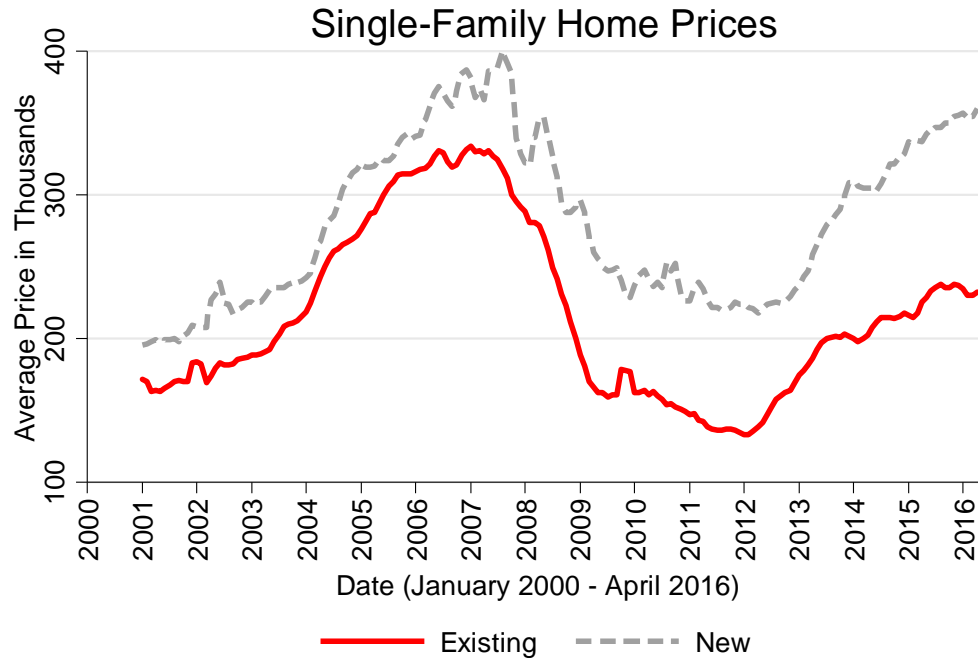


Single-Family Home Sales*	April 2016	M2M Change	Y2Y Change
New	478	-9.5%	-18.4%
Existing	3,500	-8.3%	-21.7%
Distress Share	10.2%	-9.6%	-23.9%
Residential Construction			
Total Starts	1,552	+218	+420
Single-Family	1,101	+65	+88
Multifamily	451	+153	+332
Average Single-Family Sales Price*			
New	\$359,346	+1.4%	+6.6%
Existing	\$232,335	+1.3%	+3.4%
Distress	\$183,295	+1.0%	+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.

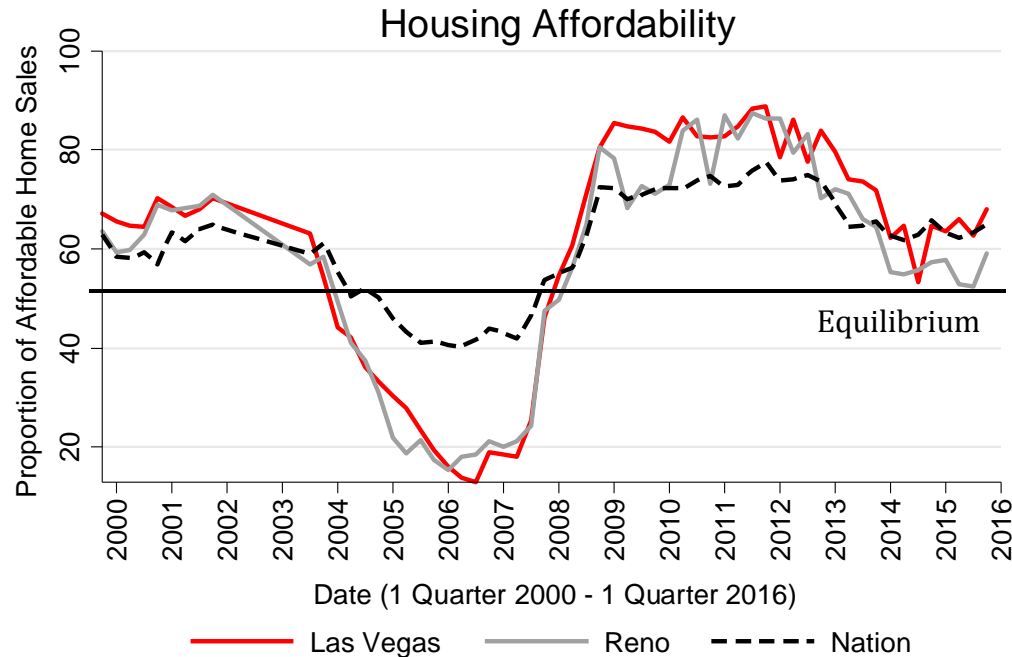
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



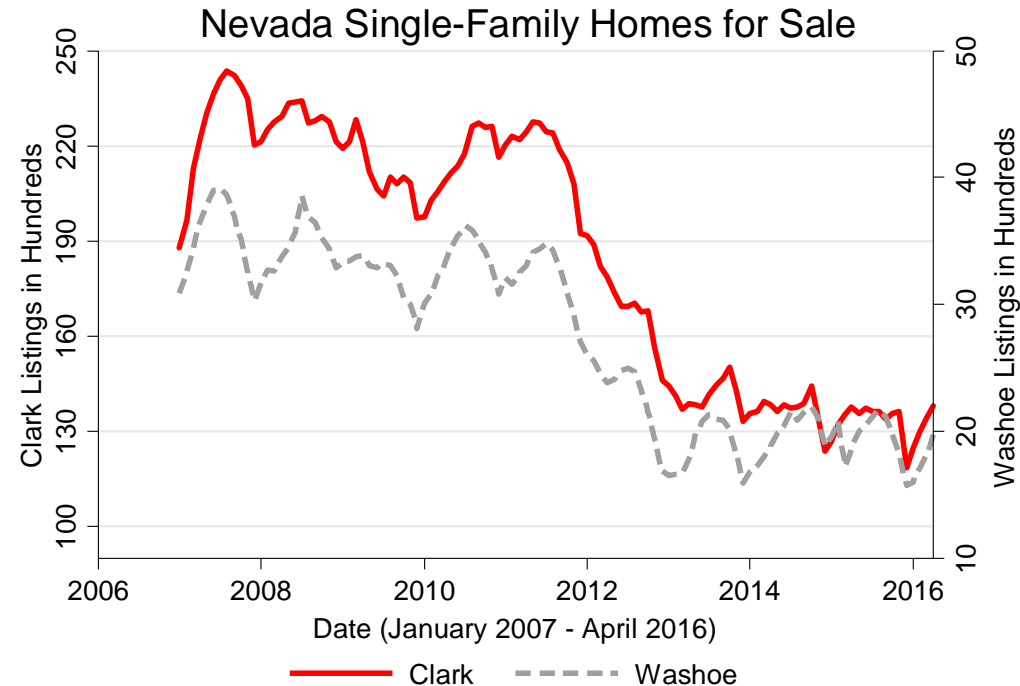
The Single-Family Home Prices figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

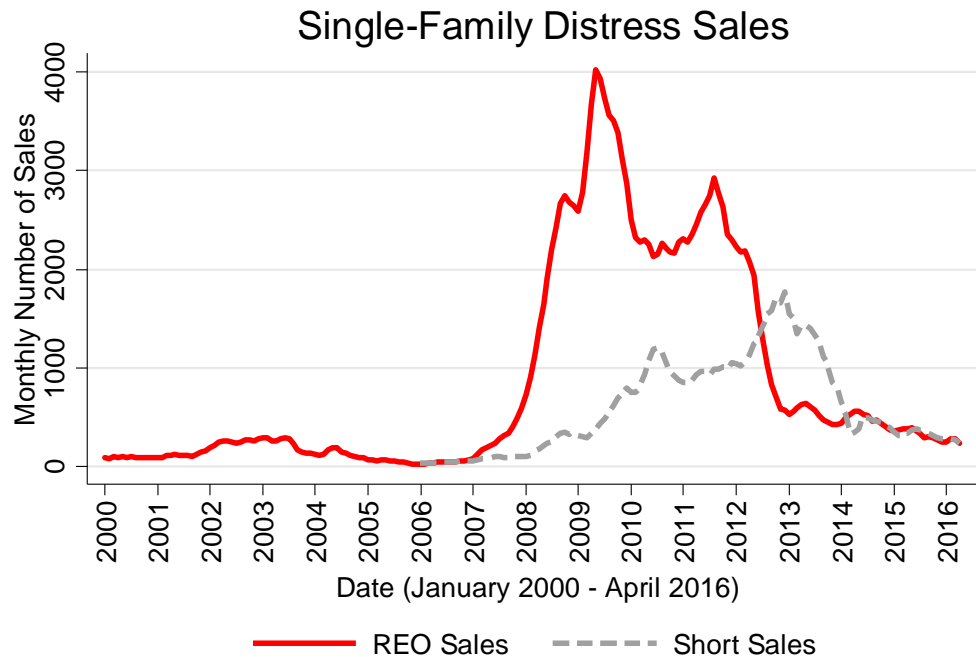
Note: Series denote the proportion of home sales affordable at median income.



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

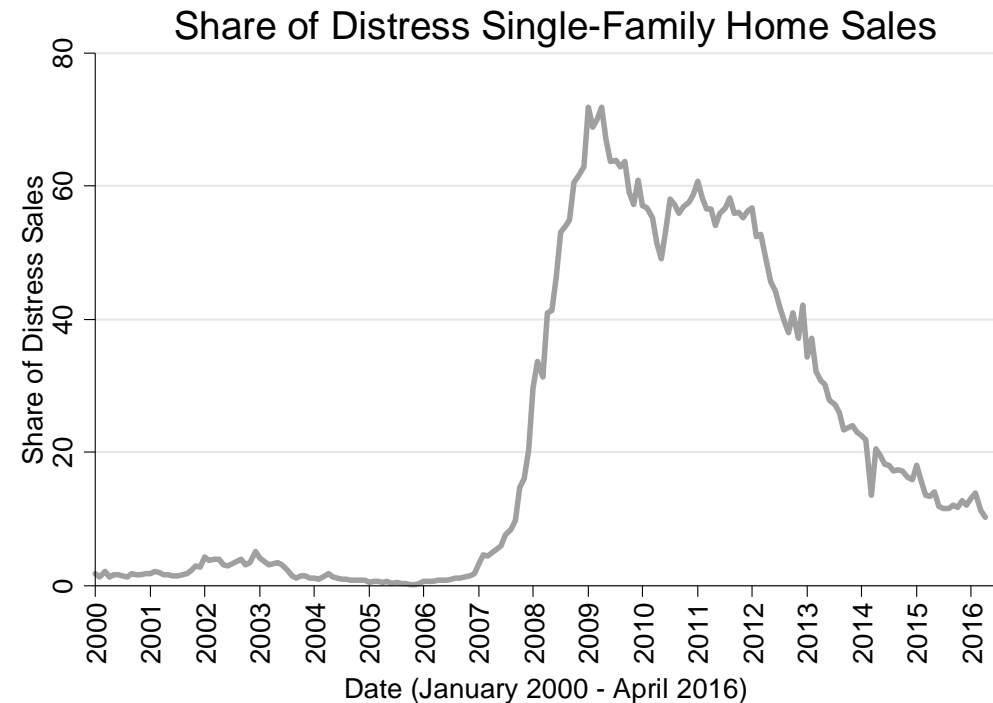
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers earning at least the local median income, with a conventional loan. This index was developed by the National Association of Home Builders (NAHB), to provide a benchmark of affordability. The other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

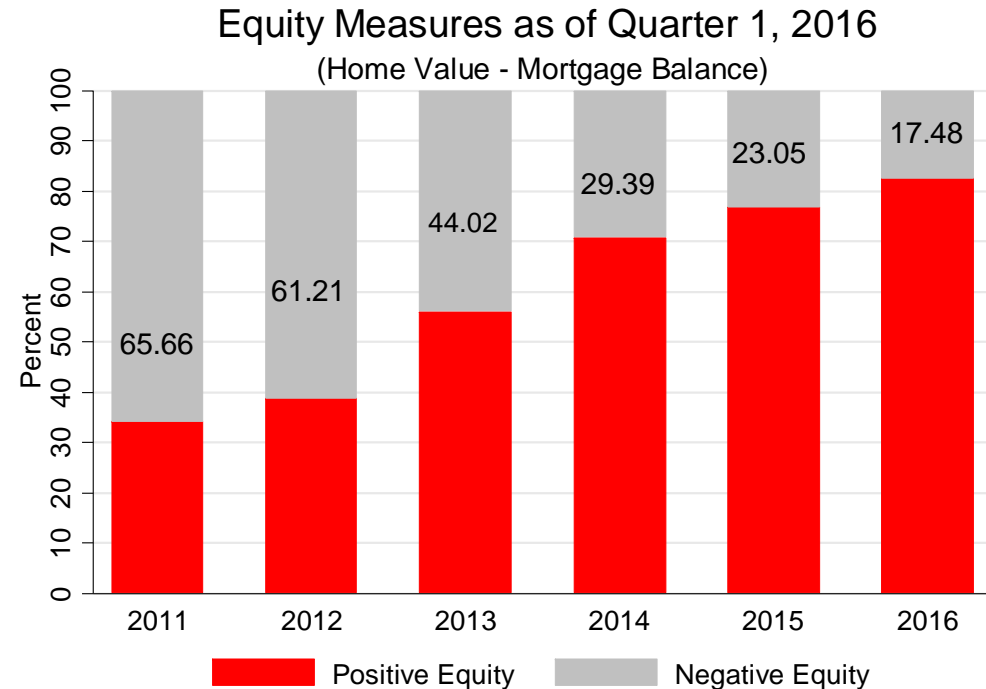
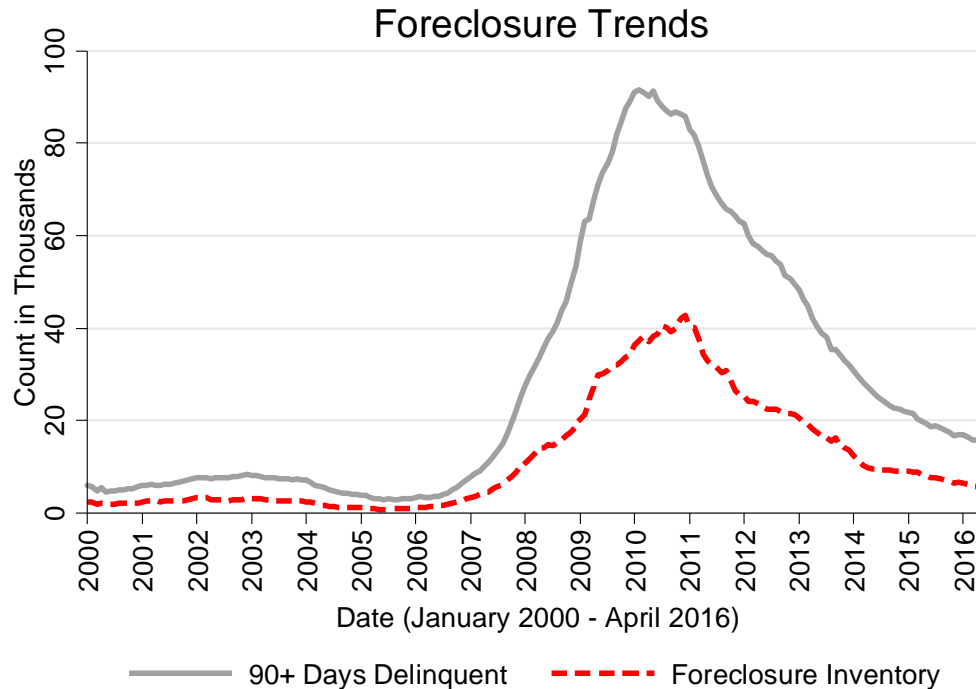
Note: Series are 3-month weighted moving averages.



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.

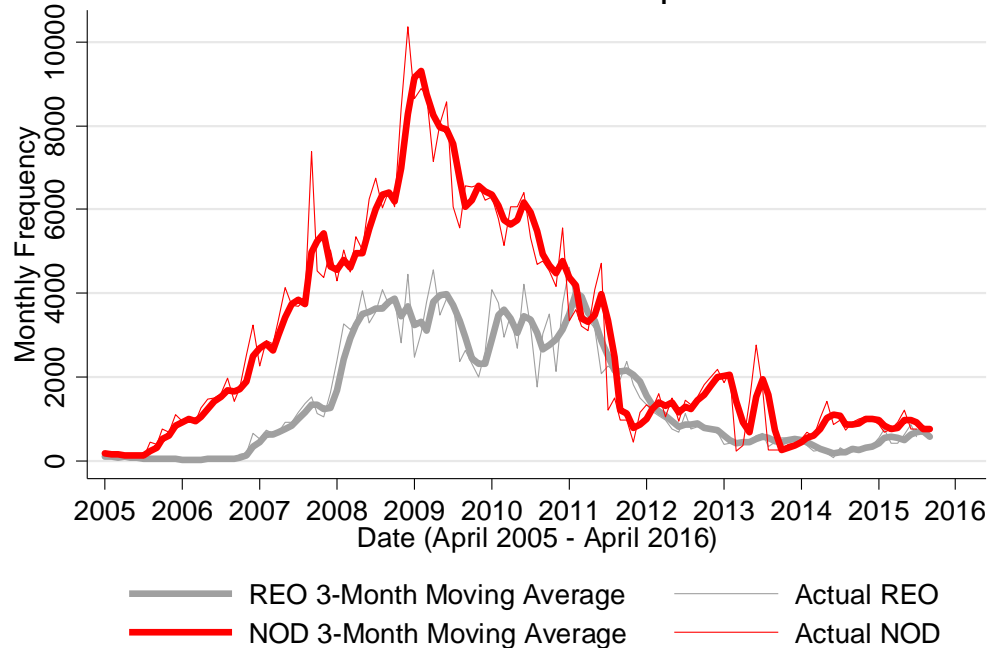
Nevada Statewide Trends



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.

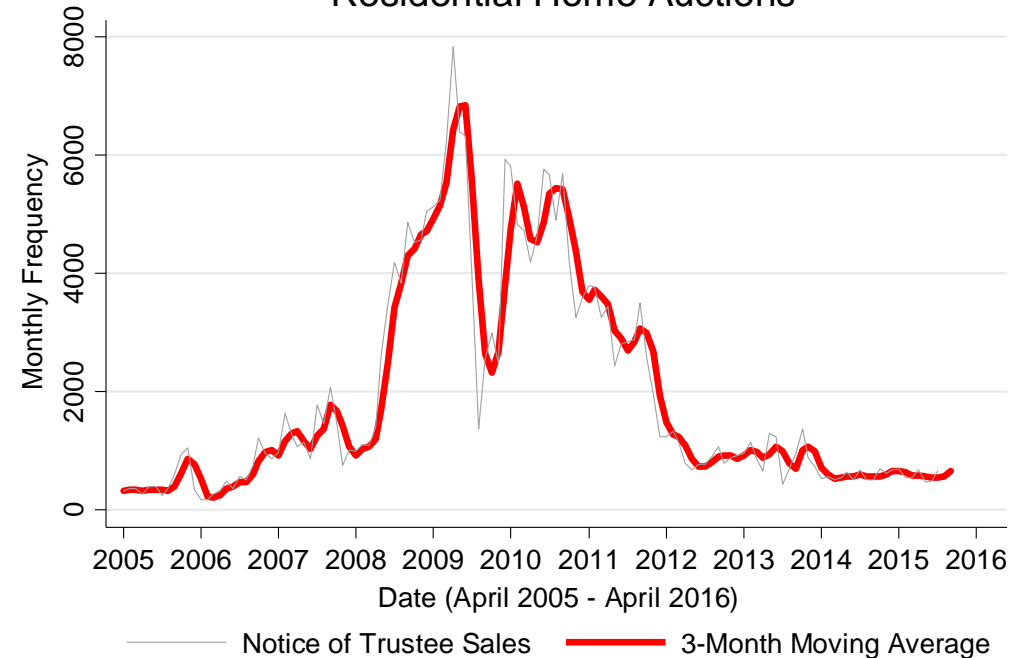
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



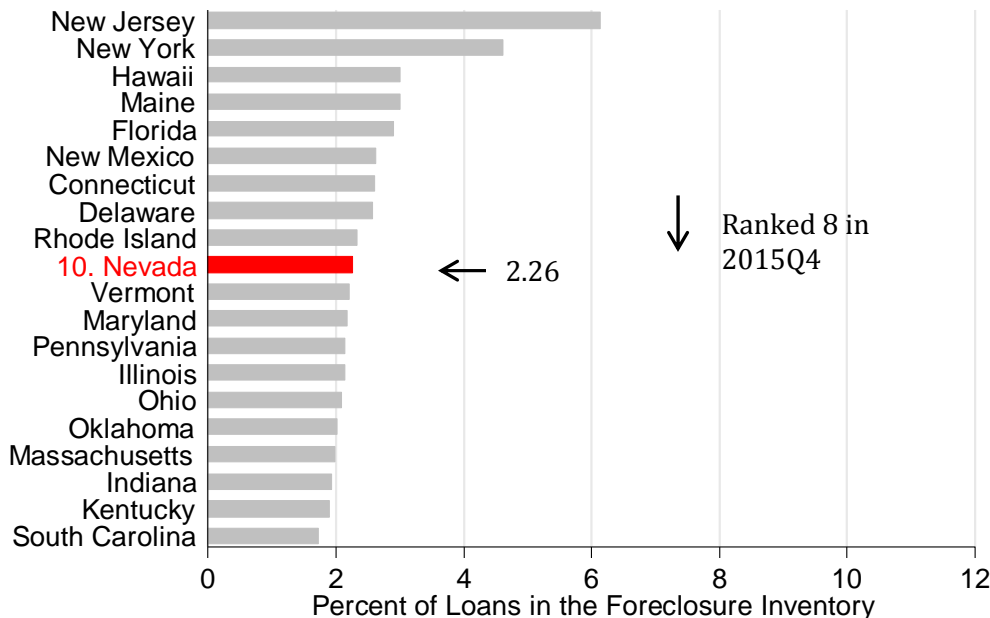
Source: RealtyTrac

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

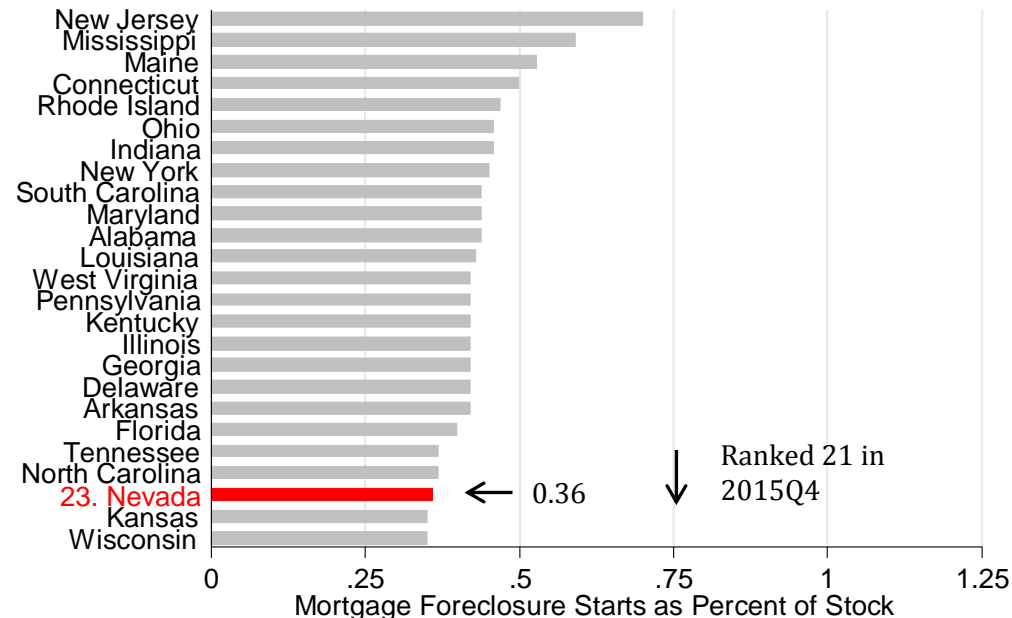
1st Quarter 2016



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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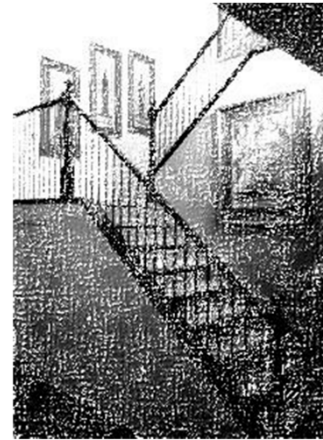
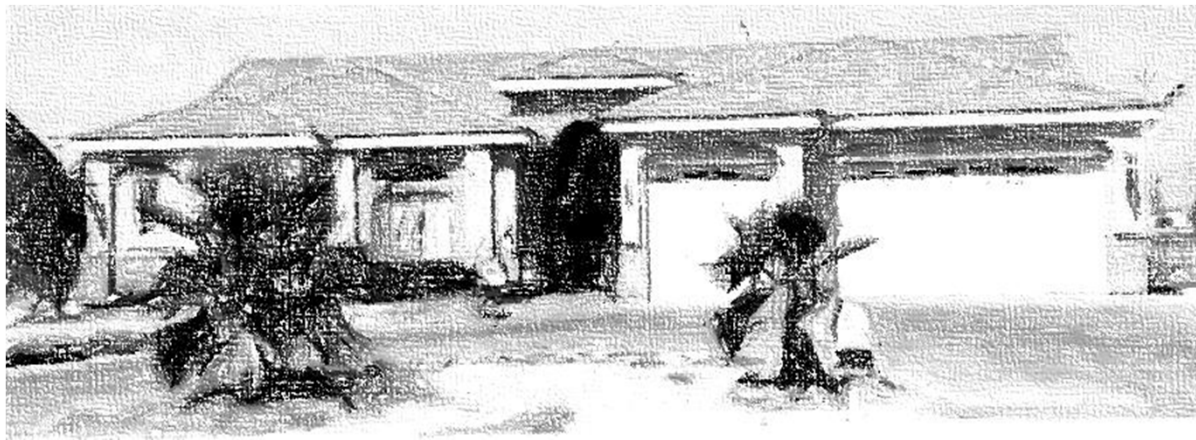
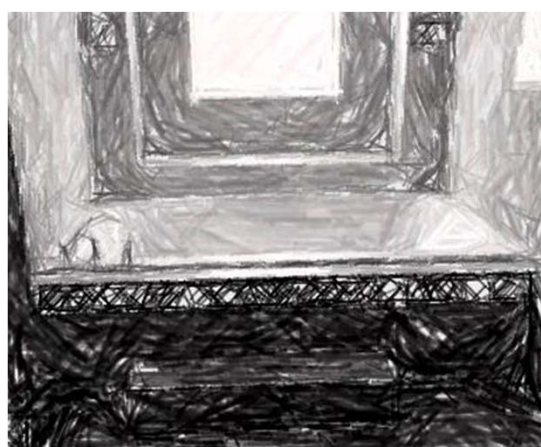
Northern Trends

Population: **629,906** in 2015

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

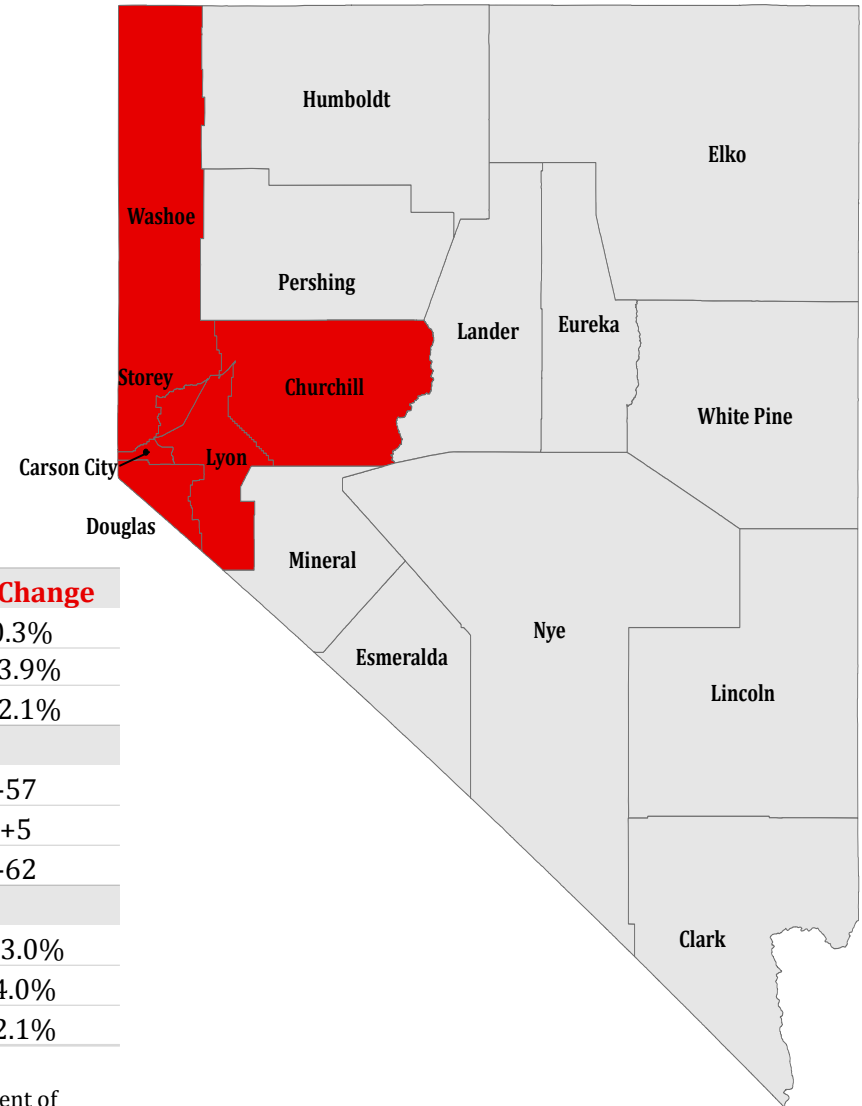
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

- ❑ Northern Nevada new and existing home sales typically increase each year in April. Both new and existing home sales in April 2016 increased more than 5 percent on a month to month basis, however, both saw year over year decreases.
- ❑ The share of homes sold under distress decreased by more than 10 percent for the second consecutive month. The distress share decreased 2 percentage points on a year over year basis.
- ❑ New and existing home prices increased slightly on a month to month basis. This was the first monthly increase in existing home prices since November 2015. Average new home prices increased \$45,000 on a year over year basis. Average existing home prices increased \$10,000 on a year over year basis.

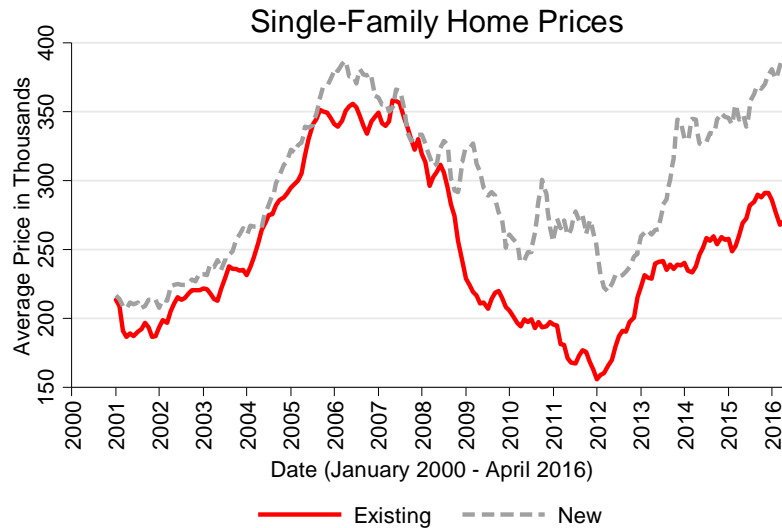


Single-Family Home Sales*	April 2016	M2M Change	Y2Y Change
New	101	+7.4%	-0.3%
Existing	854	+8.3%	-13.9%
Distress Share	7.3%	-11.0%	-22.1%
Residential Construction			
Total Starts	265	-69	-57
Single-Family	221	+10	+5
Multifamily	44	-79	-62
Average Single-Family Sales Price*			
New	\$388,722	+1.5%	+13.0%
Existing	\$269,968	+0.8%	+4.0%
Distress	\$187,244	-1.0%	+2.1%

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

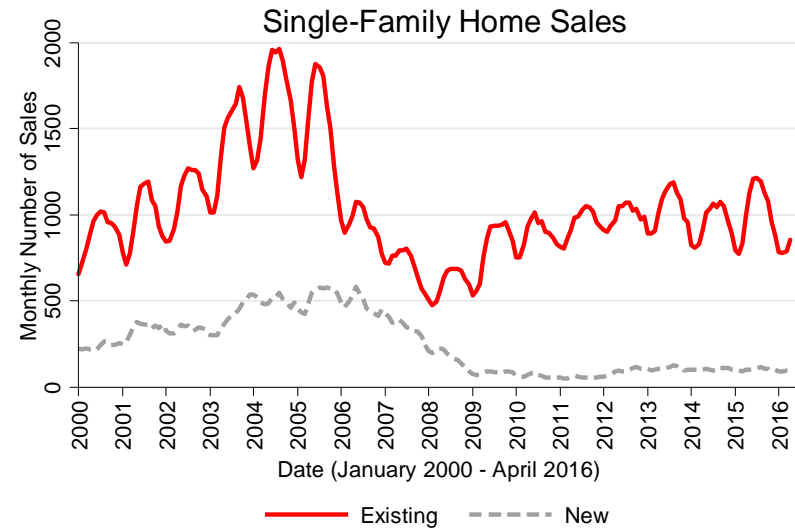
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



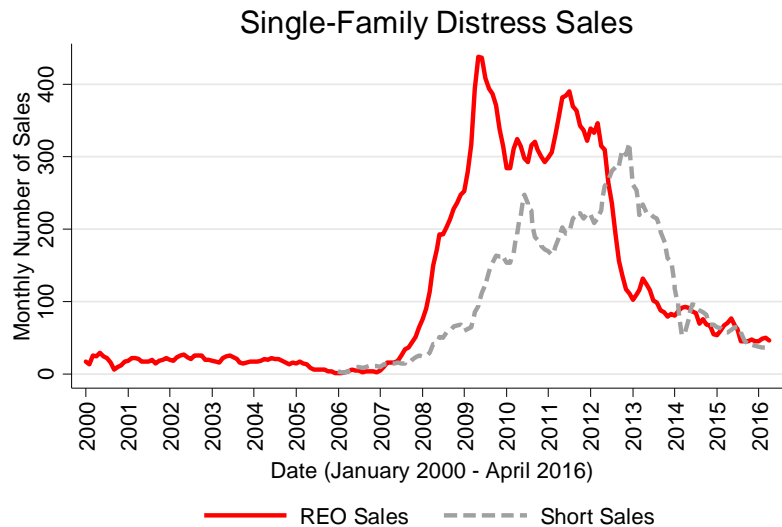
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



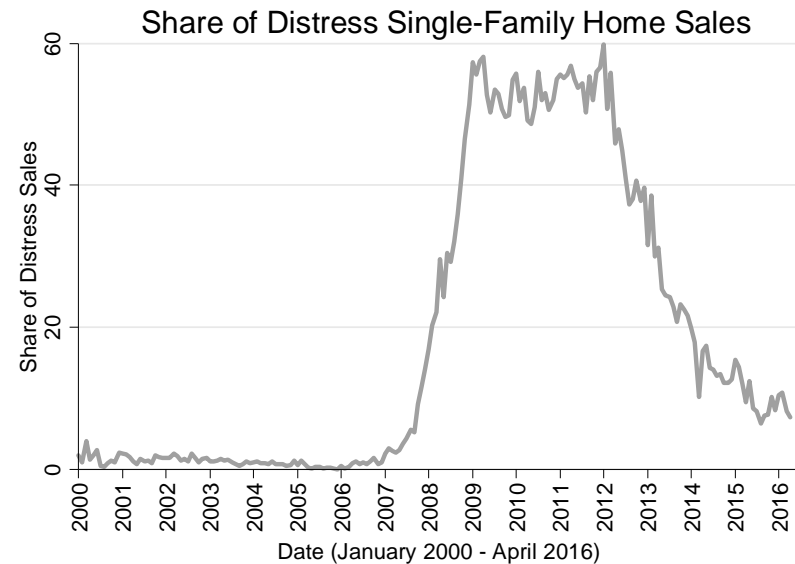
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



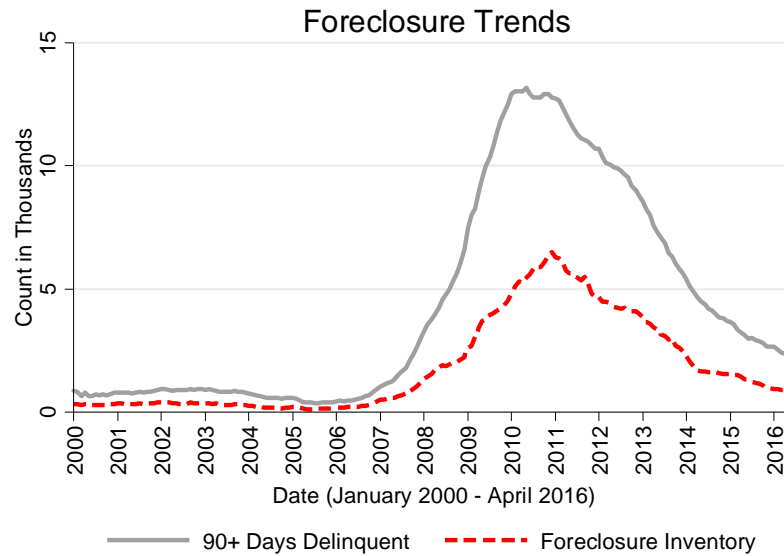
Source: CoreLogic

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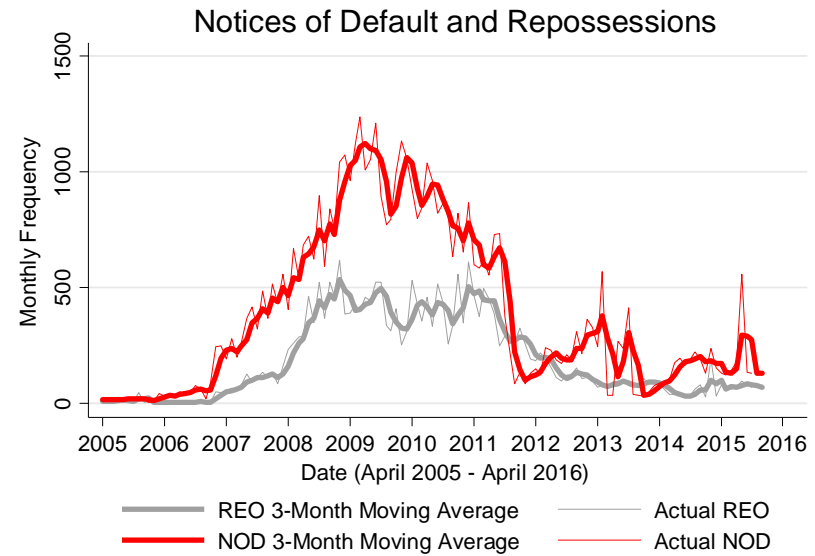


Source: CoreLogic

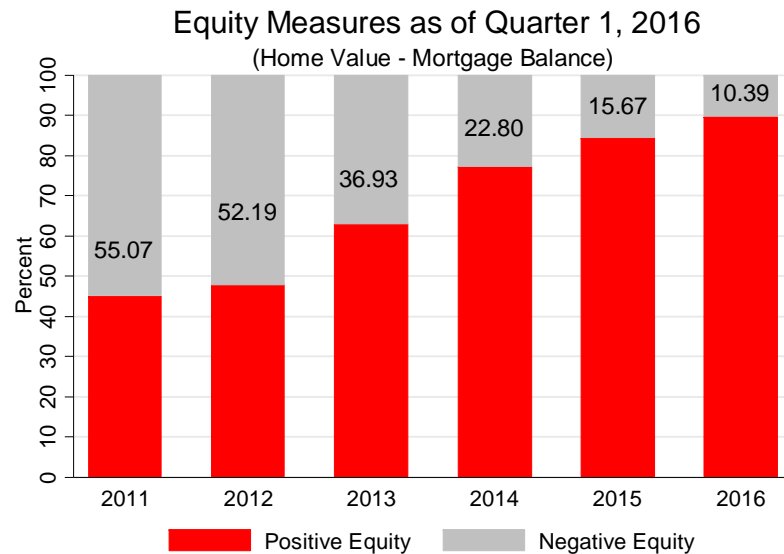
Northern Trends



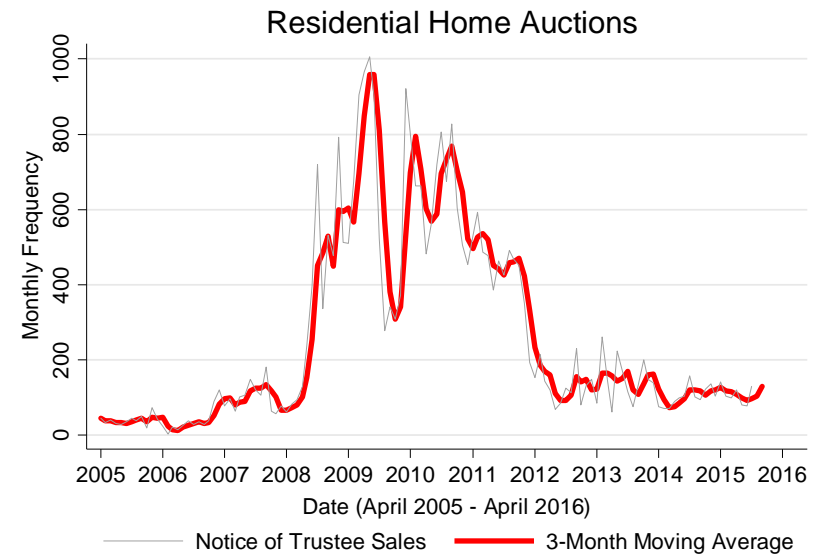
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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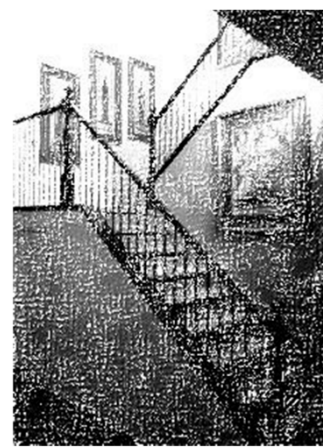
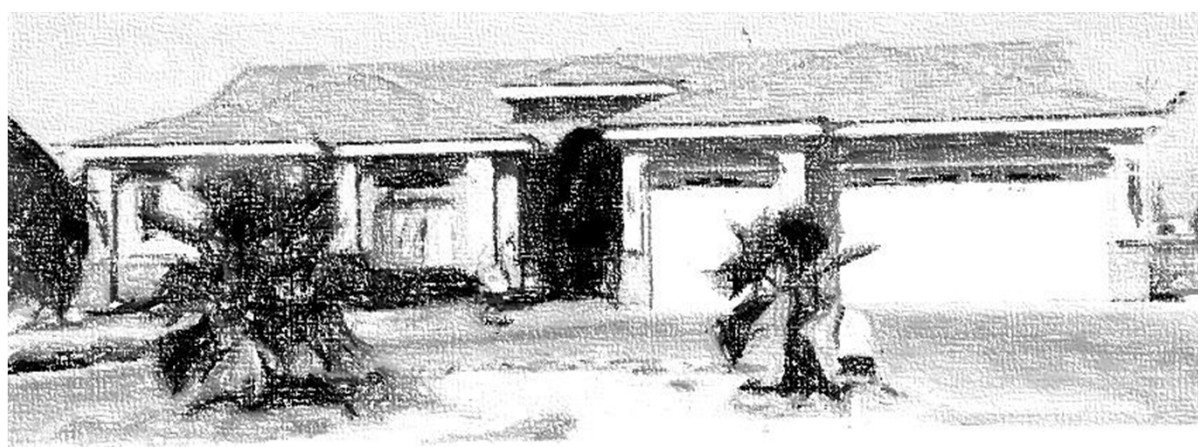
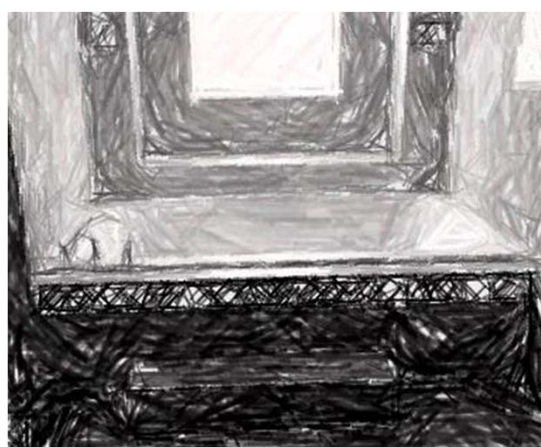
Southern Trends

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

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

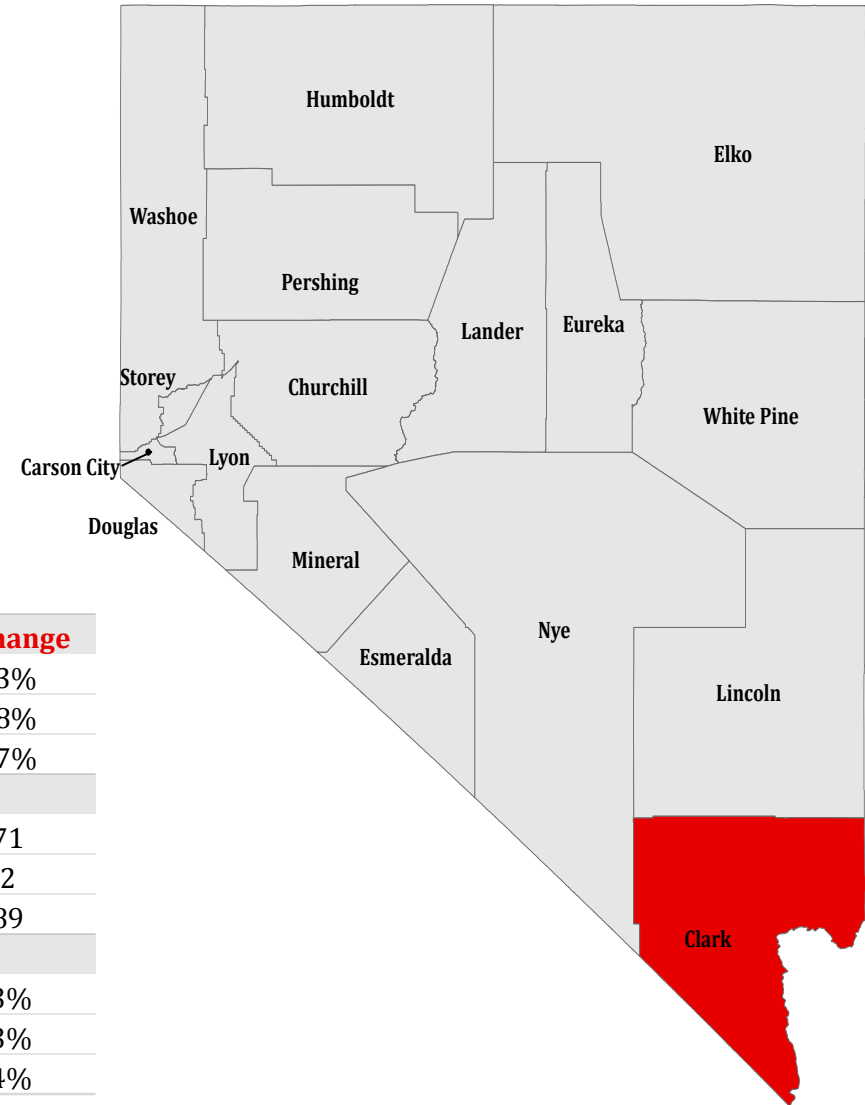
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

- ❑ Both new and existing home sales decreased by more than 13 percent on a month to month basis and more than 23 percent on a year to year basis. Southern Nevada was the only region in Nevada where existing home sales decreased on a month to month basis.
- ❑ New home sales were the lowest they had been since May 2014. Existing home sales were the lowest they had been since April 2008.
- ❑ Southern Nevada was the only region in Nevada where the distress share increased on a month to month basis. April 2016 was the 12th consecutive month where there were more short sales than REO sales.
- ❑ Both new and existing home prices saw slight month to month increases. Average new home prices increased \$18,000 on a year over year basis. Average existing home prices increased \$7,000 on a year over year basis.

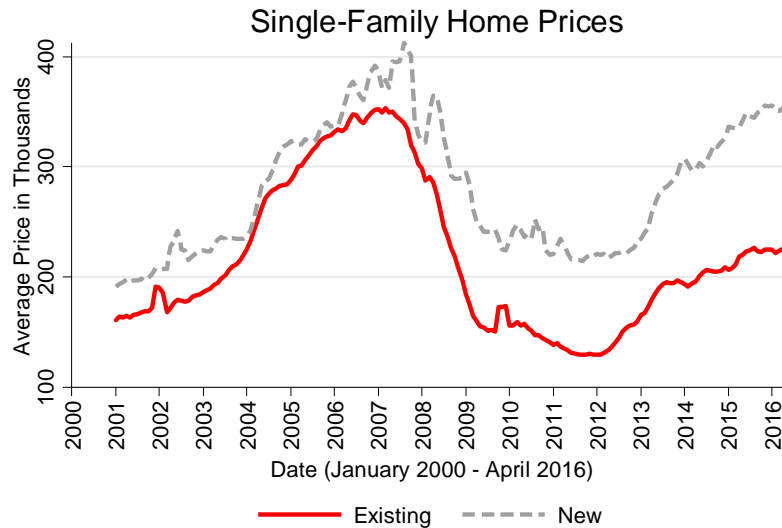


Single-Family Home Sales*	April 2016	M2M Change	Y2Y Change
New	367	-13.2%	-23.3%
Existing	2,499	-13.7%	-24.8%
Distress Share	12.4%	+1.8%	-12.7%
Residential Construction			
Total Starts	1,257	+272	+471
Single-Family	855	+45	+82
Multifamily	402	+227	+389
Average Single-Family Sales Price*			
New	\$354,171	+0.9%	+5.3%
Existing	\$225,475	+0.8%	+3.3%
Distress	\$186,121	+1.4%	+8.4%

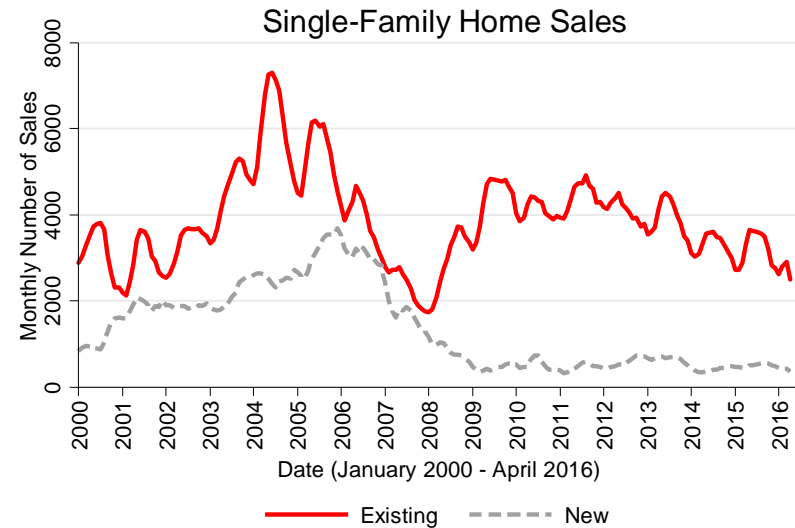
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

*Figures portray Three-Month Moving Weighted Averages

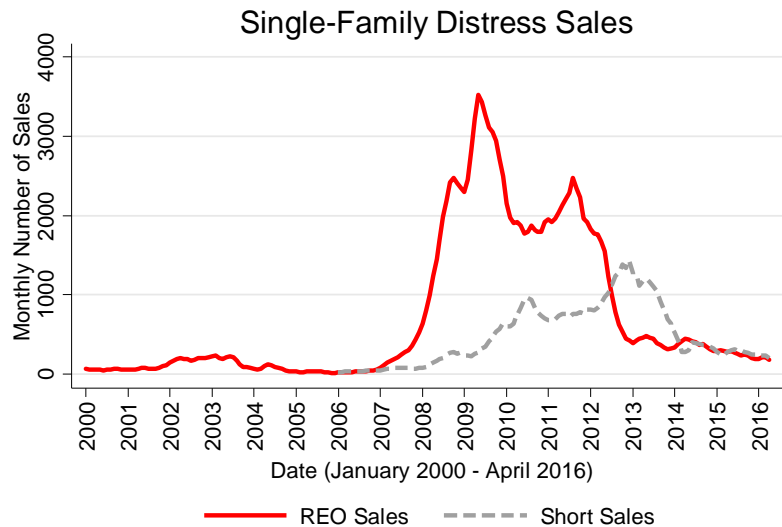
Southern Trends



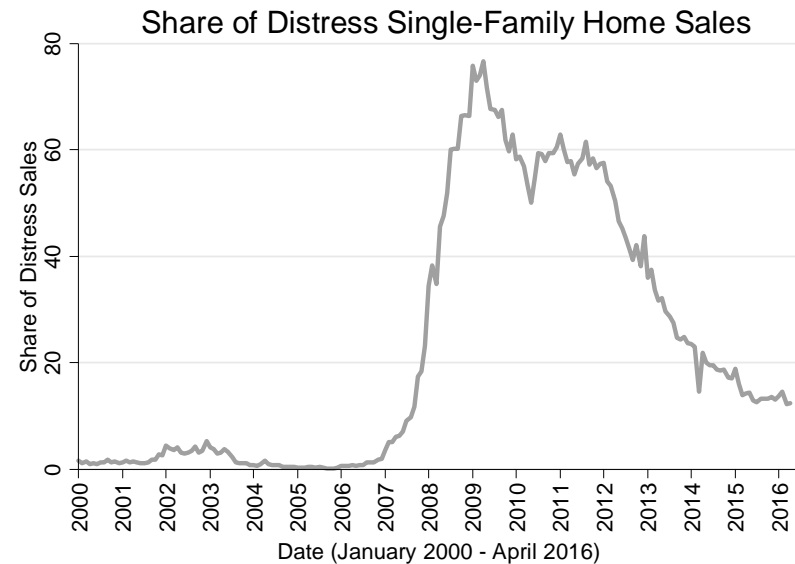
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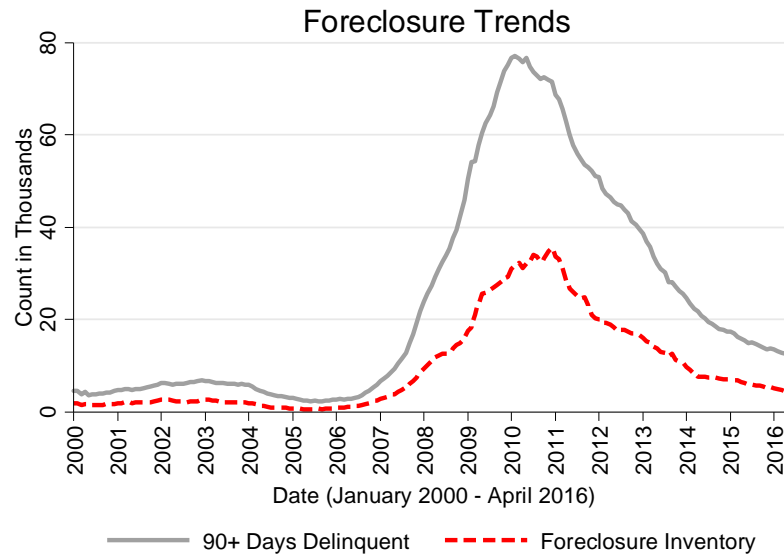


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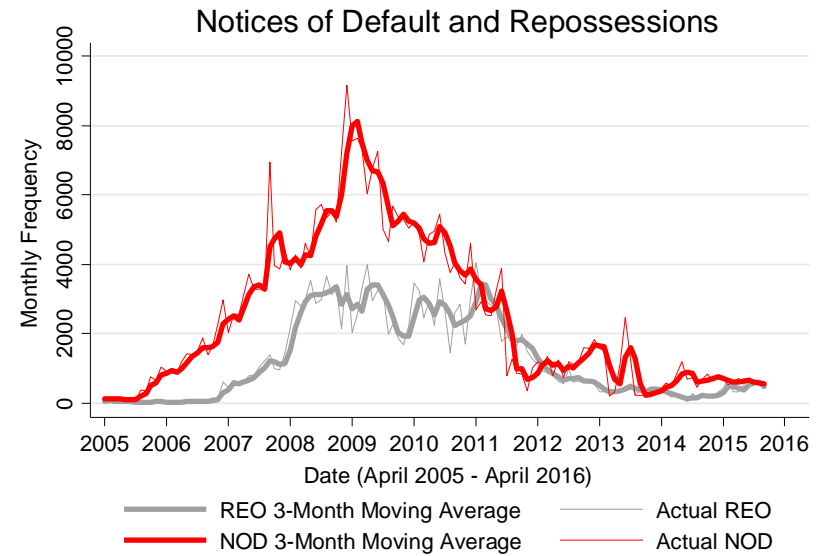


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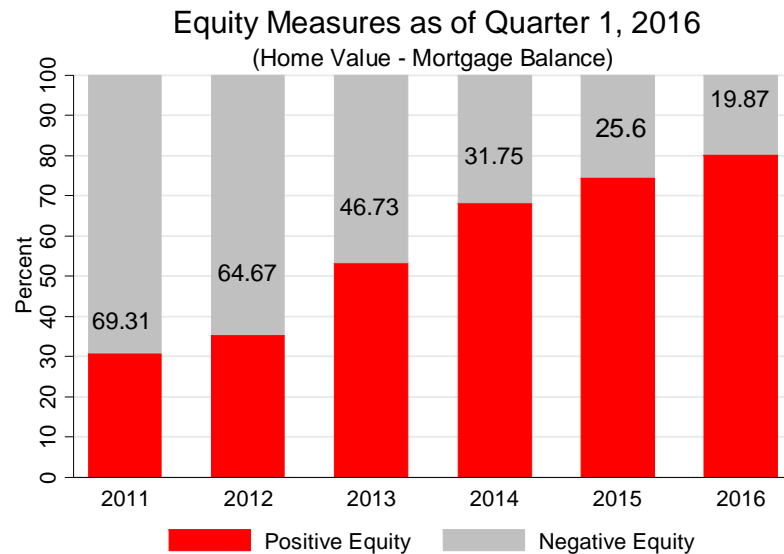
Southern Trends



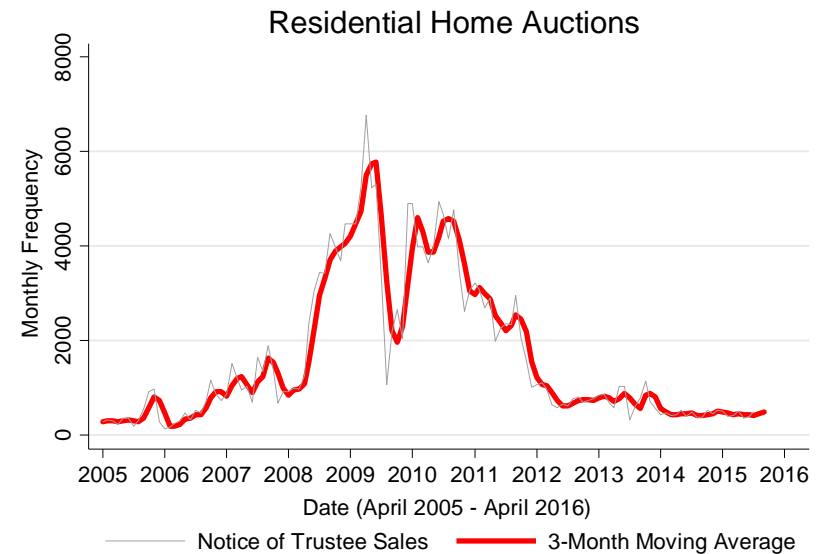
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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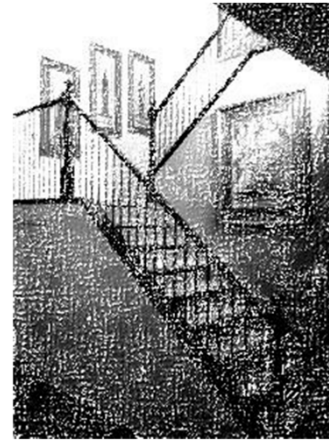
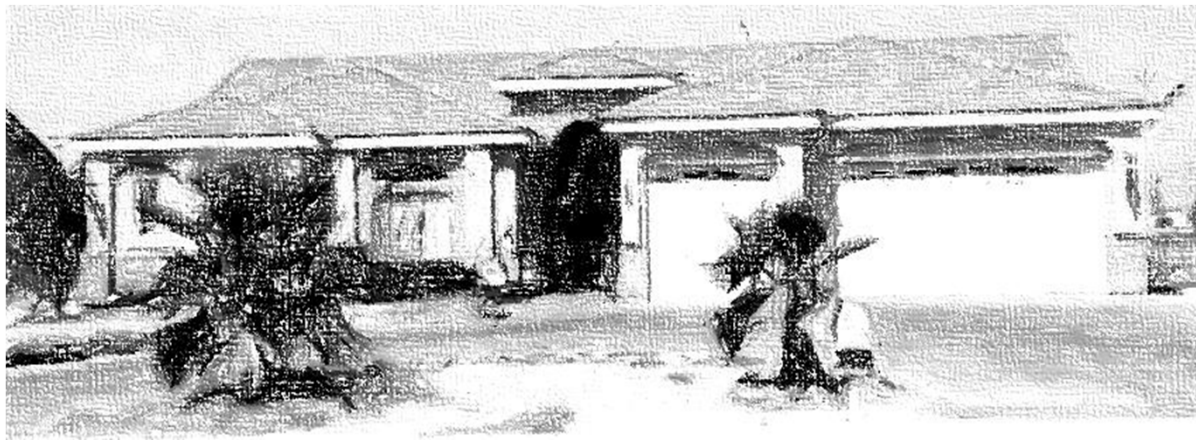
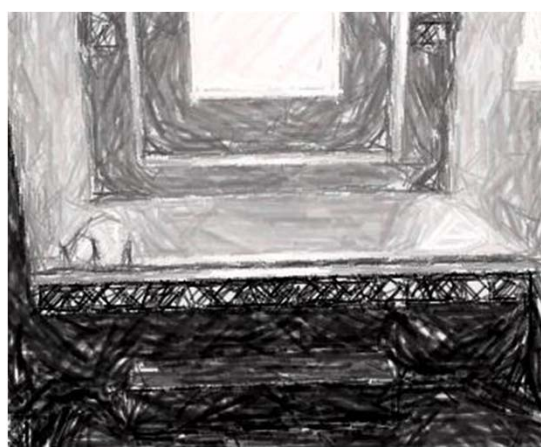
Rural Trends

Population: **146,138** in 2015

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

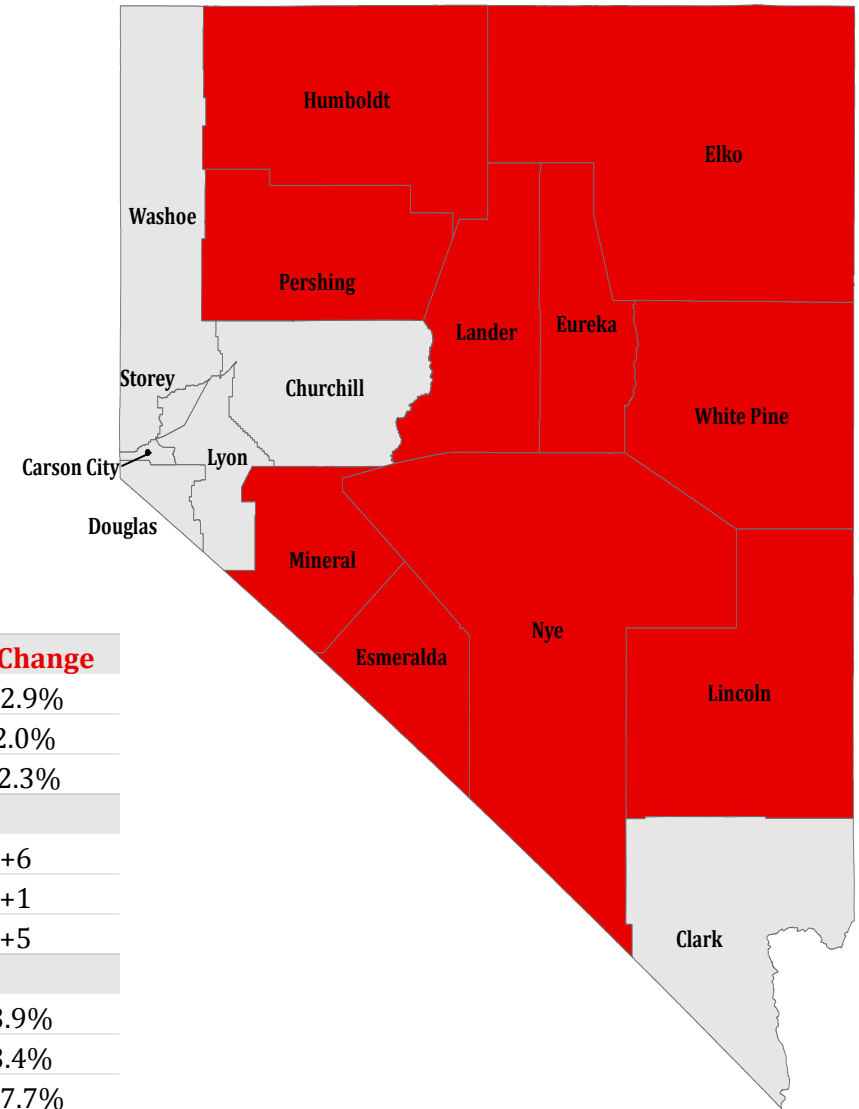
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

- ❑ Monthly new home sales decreased for the fifth consecutive month. Existing home sales saw the largest monthly increase since April 2015.
- ❑ The share of homes sold under distress was unchanged from the previous month. REO sales were unchanged and short sales increased slightly.
- ❑ Multifamily starts were positive for the first time since September 2015.
- ❑ Existing home prices saw the largest month to month increase since July 2012. Existing home prices decreased on a year over year basis for the third consecutive month. New home prices decreased on a year over year basis for the second consecutive month.

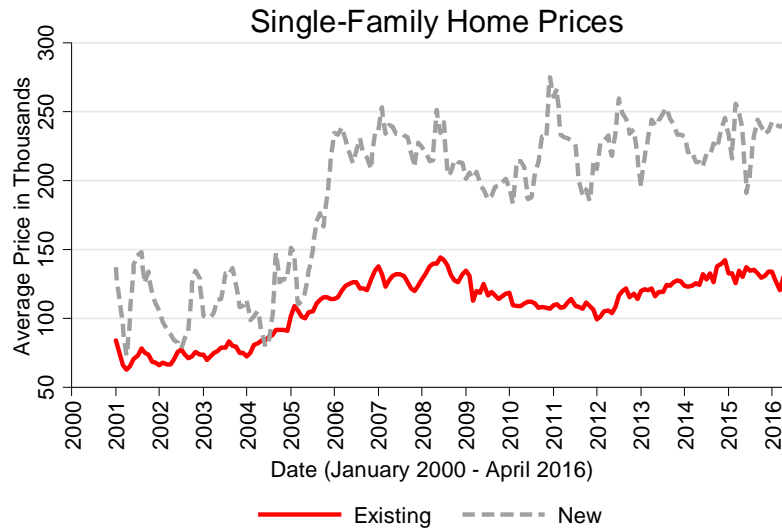


Single-Family Home Sales*	April 2016	M2M Change	Y2Y Change
New	9	-10.0%	+92.9%
Existing	135	+13.4%	+2.0%
Distress Share	10.0%	+0.0%	-62.3%
Residential Construction			
Total Starts	30	+15	+6
Single-Family	25	+10	+1
Multifamily	5	+5	+5
Average Single-Family Sales Price*			
New	\$239,819	+0.5%	-3.9%
Existing	\$129,738	+7.6%	-3.4%
Distress	\$99,435	+12.1%	+17.7%

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

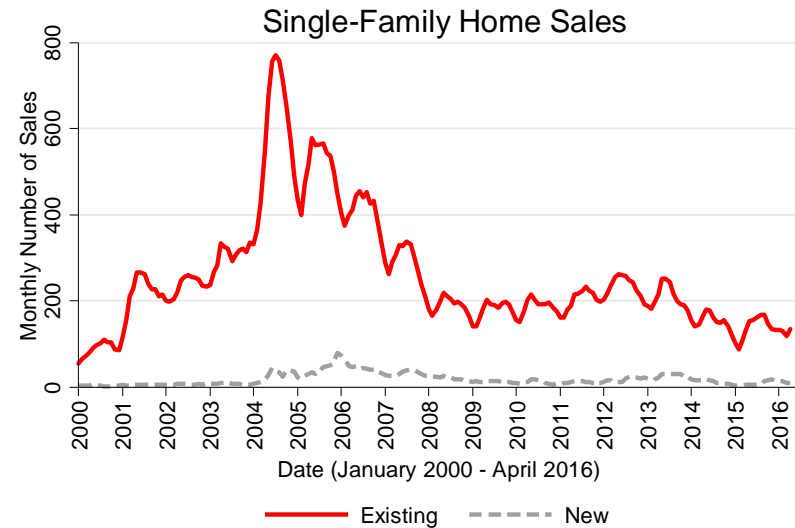
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



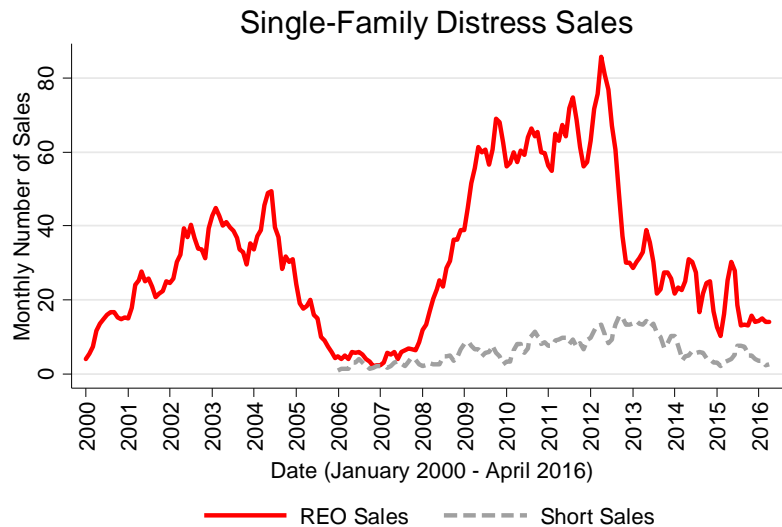
Source: CoreLogic

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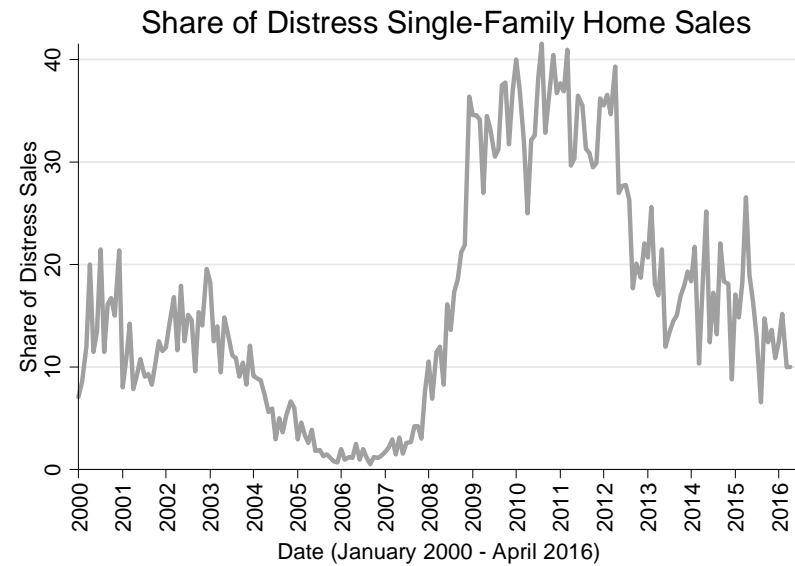
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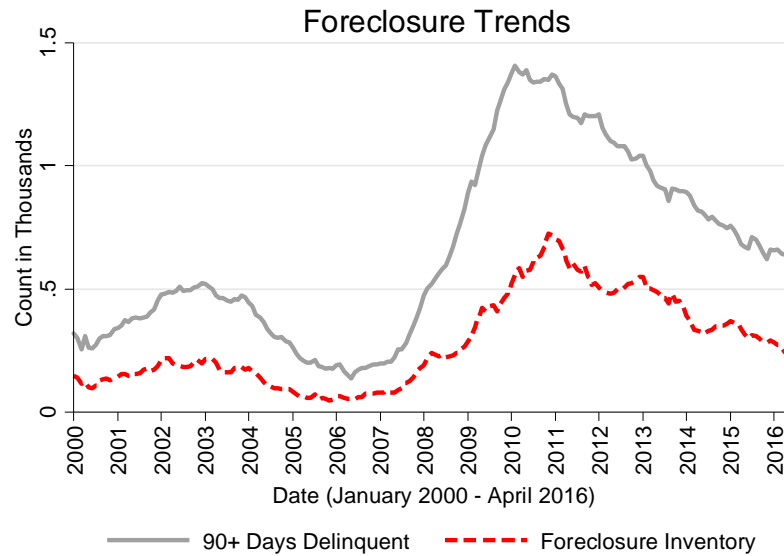
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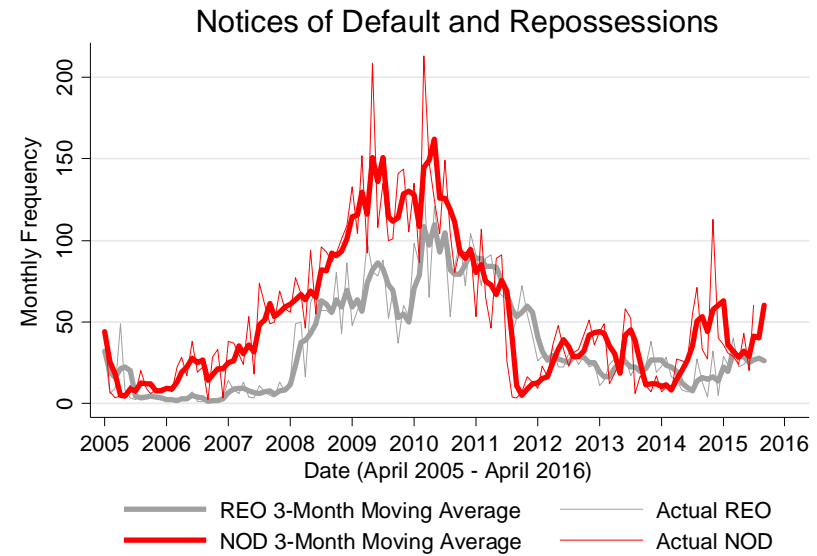


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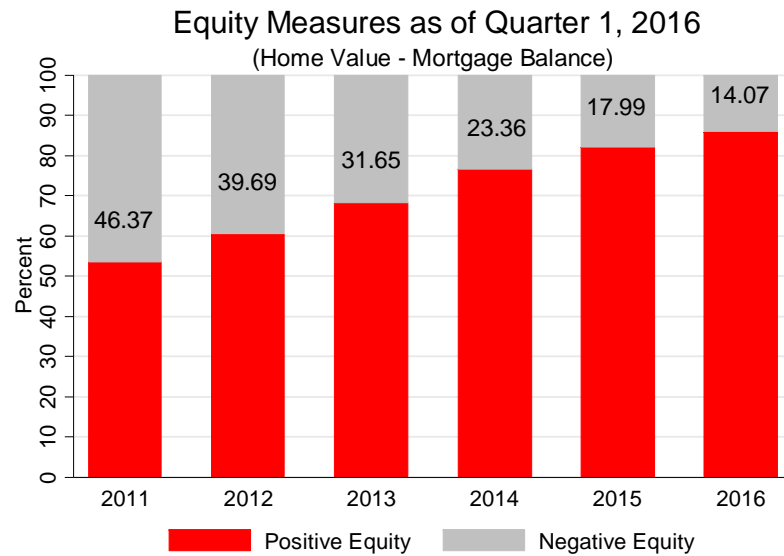
Rural Trends



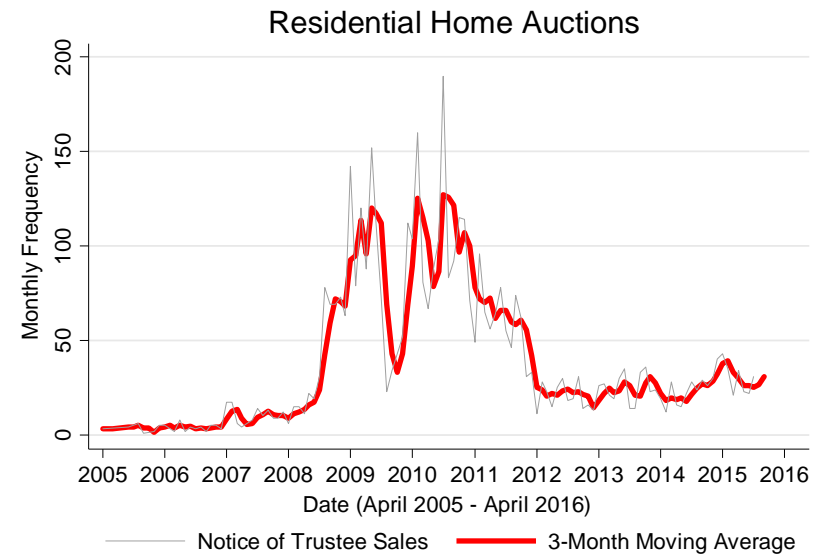
Source: CoreLogic



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.

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