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 with quarterly commentary on housing market trends for stakeholders throughout Nevada, which will be crucial as Nevada embarks on a path of housing recovery.

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

[Logos of UNLV Lied Institute for Real Estate Studies and State of Nevada Department of Business & Industry]
Highlights Revealed in July 2013

- In May 2013, existing single-family home sales in Nevada increased to 5,404 reflecting an 8.8 percent increase from the previous month. New single-family home sales in Nevada increased to 260 during the same month (page 9).

- Average home prices continue to show positive improvements. Average price for existing single-family home sales increased 2.84 percent month-to-month in May rising to $191,067. Average prices for new and distress home sales in most regions throughout Nevada (North, South, and Rural) also saw increases (page 9).

- The number of available homes for sale remains low in both Washoe and Clark County. During June 2013 there were 13,750 listings in Clark and 2,079 listings in Washoe. In Washoe County, however, available homes for sales have been increasing each successive month since the start of the year (page 3).

- The share of distress home sales continues to decline. In May 2013, one in four was a short sale while 11.21 percent of all home sales were real estate owned (REO). This complements growth of traditional home sales (page 4).

- The share of non-owner occupied loan purchases, a proxy of investors in the market, is about 25 percent of loan purchases in May 2013. Those are loan purchases done by homebuyers that do not intend to live in the house (page 5).

- In Clark County, the share of non-owner occupied cash purchases is greater than 30 percent of all homes sold through May of this year. Sixty percent of those same home sales were done by non-owner occupants (page 5).

- Peaking in February 2013 at 18.5 percent, foreclosure inventory continues to decline and now represents 4.11 percent of all mortgages as of May 2013. This shows that more than 20,000 single-family homes have funneled out of the foreclosure inventory (page 6).

- Lenders are reporting lower levels of foreclosure starts. The first quarter of 2013 showed that less than 1 percent of all loans are starting the foreclosure process compared to 3.6 percent in 2009 (page 6).

- The number of recorded notices of default dropped by 31.4 percent from May to June 2013 as a three month moving average. This is a reverse from the increasing patterns that were seen during the previous year. In addition, notices of trustee sales (auctions) fell by 2.75 percent. The level, however, has not varied too much from around 1,000 auctions per month over the past twelve months (page 7).

- Luis A. Lopez, Data Analyst
Nevada's Housing Market

Nevada Single-Family Home Sales

Note: These figures are three month moving averages
Source: CoreLogic

Nevada Single-Family Home Prices

Note: These figures are three month weighted moving averages
Source: CoreLogic
Nevada’s Housing Market | July 2013

Housing Opportunity Index

Proportion of Home Sales Affordable at Median Income

Date (1 Quarter 2004 - 1 Quarter 2013)

Source: National Association of Home Builders

Nevada Single-Family Homes For Sale

January 2001 - June 2013

Clark Listings in Hundreds

2007 2008 2009 2010 2011 2012 2013

Washoe Listings in Hundreds

100 200 300 400 500

Source: Greater Las Vegas Association of Realtors and University of Nevada Reno
Nevada’s Housing Market | July 2013

**Single-Family Distress Sales in Nevada**

Date (January 2000 - May 2013)

Source: CoreLogic

**Distribution of Nevada Home Sales in May 2013**

- 58.52% New Construction Sales Count
- 25.14% Short Sales Count
- 11.21% REO Sales Count
- 5.13% Resale Sales Count

Note: This chart is based on actual counts and excludes non arms-length home sales.
Source: CoreLogic
Nevada’s Housing Market | July 2013

Share of Non-Owner Occupied Loan Purchases in Nevada

Date (January 2000 - May 2013)

Homebuyers in Clark County
by Share of Total Single-Family Home Sales

Note: Investors share can be proxied by adding Non-Owner Occupied shares.
Source: Greater Las Vegas Association of Realtors’ MLS
*2013 consists of home sales through May 31, 2013.
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Nevada Foreclosure Trends
for Single-Family Homes

- Count in Thousands
- Date (January 2000 - May 2013)
- Mortgages 90+ Days Delinquency
- Foreclosure Inventory

Note: Mortgages 90+ Days Delinquent include those in the Foreclosure Inventory
Source: CoreLogic

Nevada Foreclosure Starts
Reported by Lenders

- Percentage out of Total Loans Serviced
- Date (Quarter 1, 1979 - Quarter 1, 2013)

Note: Foreclosure Starts are considered a subset of the Foreclosure Inventory
Source: Mortgage Banker Association’s National Delinquency Survey
Notices of Default and Repossessions in Nevada

Source: RealtyTrac

Nevada Auctions of Residential Homes

Source: RealtyTrac
Nevada’s Housing Market | July 2013

Top 20 States in Foreclosure Inventory
1st Quarter 2013

- Florida
- New Jersey
- New York
- Illinois
- Maine
- **Nevada**
- Connecticut
- Hawaii
- Ohio
- Maryland
- Vermont
- Indiana
- New Mexico
- South Carolina
- Oregon
- Delaware
- Pennsylvania
- Oklahoma
- Kentucky

Lenders report 5.45 percent of all mortgages in NV are in the foreclosure inventory.

Source: Mortgage Banker Associations’s National Delinquency Survey

Top 20 States in Foreclosure Starts
June 2013

- Florida
- Connecticut
- Maryland
- South Carolina
- Maine
- California
- Hawaii
- Delaware
- Illinois
- Ohio
- Iowa
- Pennsylvania
- New York
- Oregon
- New Jersey
- Wisconsin
- **Nevada**
- Indiana
- Oklahoma
- Kentucky

3.16 foreclosures start in NV for every 10,000 houses.

Note: Foreclosure Starts consist of Notices of Default and Lis Pendens

Source: RealtyTrac
### Table 1: Supply and Demand Housing Market Trends for 2013

<table>
<thead>
<tr>
<th></th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>M2M Change</th>
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<tbody>
<tr>
<td><strong>Single-Family Home Sales</strong></td>
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<tr>
<td><strong>Nevada</strong></td>
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</tr>
<tr>
<td>New</td>
<td>285</td>
<td>272</td>
<td>241</td>
<td>260</td>
<td>7.89%</td>
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<tr>
<td>Existing</td>
<td>4,490</td>
<td>4,566</td>
<td>4,967</td>
<td>5,404</td>
<td>8.80%</td>
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<tr>
<td>Distress Share</td>
<td>29.74%</td>
<td>27.94%</td>
<td>27.36%</td>
<td>26.04%</td>
<td>-4.84%</td>
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<tr>
<td><strong>South</strong></td>
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<tr>
<td>New</td>
<td>190</td>
<td>171</td>
<td>150</td>
<td>159</td>
<td>6.00%</td>
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<tr>
<td>Existing</td>
<td>3,538</td>
<td>3,607</td>
<td>3,956</td>
<td>4,270</td>
<td>7.95%</td>
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<tr>
<td>Distress Share</td>
<td>30.77%</td>
<td>29.04%</td>
<td>28.13%</td>
<td>27.18%</td>
<td>-3.38%</td>
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<tr>
<td><strong>North</strong></td>
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</tr>
<tr>
<td>New</td>
<td>87</td>
<td>92</td>
<td>81</td>
<td>87</td>
<td>7.38%</td>
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<tr>
<td>Existing</td>
<td>855</td>
<td>858</td>
<td>928</td>
<td>1,034</td>
<td>11.50%</td>
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<tr>
<td>Distress Share</td>
<td>27.31%</td>
<td>25.24%</td>
<td>25.54%</td>
<td>23.10%</td>
<td>-3.38%</td>
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<td><strong>Rural</strong></td>
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<tr>
<td>New</td>
<td>9</td>
<td>8</td>
<td>9</td>
<td>13</td>
<td>42.86%</td>
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<tr>
<td>Existing</td>
<td>97</td>
<td>101</td>
<td>84</td>
<td>100</td>
<td>19.52%</td>
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<tr>
<td>Distress Share</td>
<td>8.91%</td>
<td>7.08%</td>
<td>8.22%</td>
<td>3.13%</td>
<td>-61.89%</td>
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### Residential Construction

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<td><strong>Total Starts</strong></td>
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<tr>
<td>Single-Family</td>
<td>633</td>
<td>1013</td>
<td>1131</td>
<td>1268</td>
<td>137</td>
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<tr>
<td>Multifamily</td>
<td>590</td>
<td>874</td>
<td>869</td>
<td>1004</td>
<td>135</td>
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<tr>
<td><strong>South</strong></td>
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<tr>
<td>Single-Family</td>
<td>470</td>
<td>739</td>
<td>905</td>
<td>832</td>
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<tr>
<td>Multifamily</td>
<td>470</td>
<td>708</td>
<td>689</td>
<td>822</td>
<td>133</td>
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<td><strong>North</strong></td>
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<tr>
<td>Single-Family</td>
<td>143</td>
<td>117</td>
<td>183</td>
<td>375</td>
<td>192</td>
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<tr>
<td>Multifamily</td>
<td>100</td>
<td>117</td>
<td>141</td>
<td>121</td>
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<td><strong>Rural</strong></td>
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<tr>
<td>Single-Family</td>
<td>20</td>
<td>157</td>
<td>43</td>
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<tr>
<td>Multifamily</td>
<td>20</td>
<td>49</td>
<td>39</td>
<td>61</td>
<td>22</td>
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### Average Single-Family Sales Price

<table>
<thead>
<tr>
<th></th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>M2M Change</th>
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<tbody>
<tr>
<td><strong>Nevada</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>New</td>
<td>$233,438</td>
<td>$236,133</td>
<td>$259,911</td>
<td>$273,695</td>
<td>5.30%</td>
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<tr>
<td>Existing</td>
<td>$177,955</td>
<td>$181,090</td>
<td>$185,799</td>
<td>$191,067</td>
<td>2.84%</td>
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<tr>
<td>Multifamily</td>
<td>$148,619</td>
<td>$146,390</td>
<td>$151,919</td>
<td>$152,908</td>
<td>0.65%</td>
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<tr>
<td><strong>South</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>$226,076</td>
<td>$235,957</td>
<td>$274,863</td>
<td>$290,862</td>
<td>5.82%</td>
</tr>
<tr>
<td>Existing</td>
<td>$167,739</td>
<td>$172,674</td>
<td>$179,173</td>
<td>$184,586</td>
<td>3.02%</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$147,150</td>
<td>$146,363</td>
<td>$152,798</td>
<td>$154,702</td>
<td>1.25%</td>
</tr>
<tr>
<td><strong>North</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>$260,083</td>
<td>$254,522</td>
<td>$252,255</td>
<td>$255,877</td>
<td>1.44%</td>
</tr>
<tr>
<td>Existing</td>
<td>$233,857</td>
<td>$230,865</td>
<td>$228,945</td>
<td>$237,204</td>
<td>3.61%</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$167,042</td>
<td>$157,976</td>
<td>$159,058</td>
<td>$159,541</td>
<td>0.30%</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New</td>
<td>$243,293</td>
<td>$256,357</td>
<td>$252,540</td>
<td>$274,133</td>
<td>8.55%</td>
</tr>
<tr>
<td>Existing</td>
<td>$168,033</td>
<td>$170,615</td>
<td>$173,263</td>
<td>$144,963</td>
<td>-16.33%</td>
</tr>
<tr>
<td>Multifamily</td>
<td>$218,180</td>
<td>$199,145</td>
<td>$208,243</td>
<td>$432,737</td>
<td>107.80%</td>
</tr>
</tbody>
</table>

Source: Lied Institute tabulation of CoreLogic Data and HUD Permit Data

*Figures portray Three-Month Weighted Averages.

South includes Clark, Lincoln, and Nye County.
North includes Carson City, Churchill, Douglas, Lyon, Storey, and Washoe County.
Rural includes Elko, Esmeralda, Eureka, Humboldt, Lander, Mineral, Pershing, and White Pine County.
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 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.