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.
Table of Contents

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

- Both Northern and Southern Nevada saw large monthly increases in new and existing home sales. However, statewide new and existing home sales were up only slightly on a year over year basis.

- All three regions saw significant decreases in the share of homes sold under distress. 10.6 percent of all homes sold in Nevada were sold under distress – the lowest share since 2007. This decrease was driven by a decreases in both REO and short sales.

- New and existing home prices increased on a month to month basis for Northern and Southern Nevada as well. Southern Nevada saw more robust growth in new home prices while Northern Nevada saw more robust growth in existing home prices.

<table>
<thead>
<tr>
<th>Single-Family Home Sales*</th>
<th>April 2016</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>742</td>
<td>+9.1%</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Existing</td>
<td>5,136</td>
<td>+11.2%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>10.6%</td>
<td>-11.1%</td>
<td>-23.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Construction</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
<td>1,552</td>
<td>+218</td>
<td>+420</td>
</tr>
<tr>
<td>Single-Family</td>
<td>1,101</td>
<td>+65</td>
<td>+88</td>
</tr>
<tr>
<td>Multifamily</td>
<td>451</td>
<td>+153</td>
<td>+332</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Single-Family Sales Price*</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$381,818</td>
<td>+5.7%</td>
<td>+11.9%</td>
</tr>
<tr>
<td>Existing</td>
<td>$233,695</td>
<td>+0.9%</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Distress</td>
<td>$183,965</td>
<td>+1.0%</td>
<td>+10.5%</td>
</tr>
</tbody>
</table>

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
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.
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.
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.
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.
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.
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.
Nevada’s Housing Market | April 2016

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

- New and existing home sales increased for the third consecutive month. However, existing home sales were down on a year over year basis.

- The share of homes sold under distress decreased 1.5 percentage points on a month to month basis. This was a result of a large decrease in REO sales and a slight increase in short sales. The distress share decreased 2.6 percentage points on a year to year basis.

- New and existing home prices increased slightly on a month to month basis. New home prices were up $43,000 on a year over year basis. Existing home prices were up $23,000 on a year over year basis.

### Single-Family Home Sales*

<table>
<thead>
<tr>
<th></th>
<th>April 2016</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>164</td>
<td>+9.6%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>Existing</td>
<td>1,077</td>
<td>+9.8%</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>6.8%</td>
<td>-18.1%</td>
<td>-27.6%</td>
</tr>
</tbody>
</table>

### Residential Construction

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Starts</strong></td>
<td>265</td>
<td>-69</td>
<td>-57</td>
</tr>
<tr>
<td>Single-Family</td>
<td>221</td>
<td>+10</td>
<td>+5</td>
</tr>
<tr>
<td>Multifamily</td>
<td>44</td>
<td>-79</td>
<td>-62</td>
</tr>
</tbody>
</table>

### Average Single-Family Sales Price*

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</thead>
<tbody>
<tr>
<td>New</td>
<td>$389,250</td>
<td>+1.6%</td>
<td>+12.2%</td>
</tr>
<tr>
<td>Existing</td>
<td>$289,860</td>
<td>+2.2%</td>
<td>+9.3%</td>
</tr>
<tr>
<td>Distress</td>
<td>$194,840</td>
<td>+0.1%</td>
<td>+5.8%</td>
</tr>
</tbody>
</table>

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’s Housing Market | April 2016

Northern Trends

Single-Family Home Prices

- **Average Price in Thousands**
  - 2000: 150
  - 2001: 200
  - 2002: 250
  - 2003: 300
  - 2004: 350
  - 2005: 400
  - 2006: 375
  - 2007: 350
  - 2008: 300
  - 2009: 250
  - 2010: 200
  - 2011: 150
  - 2012: 100
  - 2013: 50
  - 2014: 100
  - 2015: 150
  - 2016: 200

Date (January 2000 - April 2016)

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

Single-Family Home Sales

- **Monthly Number of Sales**
  - 2000: 500
  - 2001: 200
  - 2002: 100
  - 2003: 50
  - 2004: 100
  - 2005: 200
  - 2006: 300
  - 2007: 400
  - 2008: 300
  - 2009: 200
  - 2010: 100
  - 2011: 50
  - 2012: 100
  - 2013: 200
  - 2014: 300
  - 2015: 400
  - 2016: 500

Date (January 2000 - April 2016)

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

Single-Family Distress Sales

- **Monthly Number of Sales**
  - 2000: 0
  - 2001: 100
  - 2002: 200
  - 2003: 300
  - 2004: 400
  - 2005: 300
  - 2006: 200
  - 2007: 100
  - 2008: 50
  - 2009: 100
  - 2010: 200
  - 2011: 300
  - 2012: 400
  - 2013: 300
  - 2014: 200
  - 2015: 100
  - 2016: 0

Date (January 2000 - April 2016)

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

Share of Distress Single-Family Home Sales

- **Share of Distress Sales**
  - 2000: 0
  - 2001: 0
  - 2002: 0
  - 2003: 0
  - 2004: 0
  - 2005: 0
  - 2006: 0
  - 2007: 0
  - 2008: 0
  - 2009: 0
  - 2010: 0
  - 2011: 0
  - 2012: 0
  - 2013: 0
  - 2014: 0
  - 2015: 0
  - 2016: 0

Date (January 2000 - April 2016)

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

Foreclosure Trends

Equity Measures as of Quarter 1, 2016
(Home Value - Mortgage Balance)

Notices of Default and Repossessions

Residential Home Auctions
Nevada’s Housing Market | April 2016

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

- Southern Nevada saw a month to month increase in new home sales for the first time in 7 months. New home sales were still down slightly on a year over year basis.

- Existing home sales increased over 11 percent on a month to month basis. April 2016 was the fifth consecutive month with a year over year increase in existing home sales.

- The share of homes sold under distress decreased 1.4 percentage points on a month to month basis. This was driven by a decrease in both REO and short sales. The distress share decreased 3.1 percentage points on a year over year basis.

- New, existing, and distress properties all saw month to month and year to year increases in price.

### Single-Family Home Sales*

<table>
<thead>
<tr>
<th></th>
<th>April 2016</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>560</td>
<td>+9.5%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Existing</td>
<td>3,810</td>
<td>+11.9%</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>11.8%</td>
<td>-10.4%</td>
<td>-20.6%</td>
</tr>
</tbody>
</table>

### Residential Construction

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<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
<td>1,257</td>
<td>+272</td>
<td>+471</td>
</tr>
<tr>
<td>Single-Family</td>
<td>855</td>
<td>+45</td>
<td>+82</td>
</tr>
<tr>
<td>Multifamily</td>
<td>402</td>
<td>+227</td>
<td>+389</td>
</tr>
</tbody>
</table>

### Average Single-Family Sales Price*

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<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$384,310</td>
<td>+7.0%</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Existing</td>
<td>$224,455</td>
<td>+0.4%</td>
<td>+3.3%</td>
</tr>
<tr>
<td>Distress</td>
<td>$186,084</td>
<td>+1.0%</td>
<td>+10.9%</td>
</tr>
</tbody>
</table>

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

**Single-Family Home Prices**

![Graph showing single-family home prices from 2000 to 2016](image)

*Source: CoreLogic*

*Note: Series are 3-month weighted moving averages.*

**Single-Family Home Sales**

![Graph showing single-family home sales from 2000 to 2016](image)

*Source: CoreLogic*

*Note: Series are 3-month weighted moving averages.*

**Single-Family Distress Sales**

![Graph showing single-family distress sales from 2000 to 2016](image)

*Source: CoreLogic*

*Note: Series are 3-month weighted moving averages.*

**Share of Distress Single-Family Home Sales**

![Graph showing share of distress single-family home sales from 2000 to 2016](image)

*Source: CoreLogic*

*Note: Series are 3-month weighted moving averages.*
Southern Trends

Foreclosure Trends

Equity Measures as of Quarter 1, 2016

Residential Home Auctions

Notice of Default and Repossessions

Source: CoreLogic
Nevada’s Housing Market | April 2016

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

- New home sales decreased over 10 percent on a year over year basis. Rural Nevada had seen four consecutive months of large year over year growth in new home sales prior to April 2016.

- The distress share decreased slightly one percentage point since March 2016 and over 12 percentage points since April 2015.

- Distress home prices saw an 11 percent monthly increase. Distress home prices were up $15,000 on a year to year basis.

- Multifamily starts were positive for the first time since September 2015.

- New home prices decreased for the third consecutive month. New home prices were down slightly on a year over year basis.

### Single-Family Home Sales*

<table>
<thead>
<tr>
<th></th>
<th>April 2016</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>18</td>
<td>-3.6%</td>
<td>-10.2%</td>
</tr>
<tr>
<td>Existing</td>
<td>224</td>
<td>+8.8%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>9.2%</td>
<td>-10.1%</td>
<td>-56.8%</td>
</tr>
</tbody>
</table>

### Residential Construction

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<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Starts</strong></td>
<td>30</td>
<td>+15</td>
<td>+6</td>
</tr>
<tr>
<td>Single-Family</td>
<td>25</td>
<td>+10</td>
<td>+1</td>
</tr>
<tr>
<td>Multifamily</td>
<td>5</td>
<td>+5</td>
<td>+5</td>
</tr>
</tbody>
</table>

### Average Single-Family Sales Price*

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$235,365</td>
<td>-1.2%</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Existing</td>
<td>$129,794</td>
<td>+3.7%</td>
<td>+9.3%</td>
</tr>
<tr>
<td>Distress</td>
<td>$101,884</td>
<td>+11.2%</td>
<td>+18.2%</td>
</tr>
</tbody>
</table>

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

Single-Family Home Prices

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

Single-Family Home Sales

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

Single-Family Distress Sales

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

Share of Distress Single-Family Home Sales

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

Foreclosure Trends

- Count in Thousands
- Date (January 2000 - April 2016)
- Source: CoreLogic

Equity Measures as of Quarter 1, 2016

- Positive Equity
- Negative Equity
- (Home Value - Mortgage Balance)
- Source: CoreLogic

Notices of Default and Repossessions

- Date (April 2005 - April 2016)
- Source: CoreLogic

Residential Home Auctions

- Date (April 2005 - April 2016)
- Source: CoreLogic
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.