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 on housing market trends for stakeholders throughout Nevada.

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

- Lied Institute for Real Estate Studies
- LEE Business School
- State of Nevada Department of Business & Industry
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Nevada’s Housing Market | May 2015

Nevada Statewide Trends

Population: 2,839,099 in 2014

Housing Units: 1,186,879 in 2013

Source: U.S. Census Bureau: State and County QuickFacts
Nevada Statewide Trends

- All three regions in Nevada saw significant increases in existing home sales this month. Existing home sales this month were the highest they had been since October 2013.

- The share of home sold under distress increased by 4.5 percent this month as both Northern and Southern Nevada saw increases in the distress share. This increase was a result of a 15 percent increase in REO sales as short sales actually decreased this month. REO sales have been higher than short sales in Nevada for four out of the five months of 2015.

- Both Northern and Southern Nevada saw increases in new and existing home prices this month. May 2015 marked the fourth consecutive month of an increase in existing home prices for the state of Nevada.

### Single-Family Home Sales*

<table>
<thead>
<tr>
<th></th>
<th>May 2015</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>602</td>
<td>+2.9%</td>
<td>+23.0%</td>
</tr>
<tr>
<td>Existing</td>
<td>4945</td>
<td>+10.7%</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>14.0%</td>
<td>+4.5%</td>
<td>-28.4%</td>
</tr>
</tbody>
</table>

### Residential Construction

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
<td>1,423</td>
<td>+290</td>
</tr>
<tr>
<td>Single-Family</td>
<td>904</td>
<td>-110</td>
</tr>
<tr>
<td>Multifamily</td>
<td>519</td>
<td>+400</td>
</tr>
</tbody>
</table>

### Average Single-Family Sales Price*

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$341,841</td>
<td>+1.4%</td>
</tr>
<tr>
<td>Existing</td>
<td>$227,782</td>
<td>+1.3%</td>
</tr>
<tr>
<td>Distress</td>
<td>$169,319</td>
<td>-0.5%</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.
Nevada Statewide Trends

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 invokesuch 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 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 | May 2015

Northern Trends

Population: 621,826 in 2014

Housing Units: 267,161 in 2013

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

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

Northern Nevada has seen large increases in existing home sales the past two months. Existing home sales in May 2015 were the highest they had been since 2006.

After an extraordinarily large decrease in the distress share last month, the distress share in Northern Nevada reverted back to a value similar to what it has been throughout most of 2015. The distress share is down more on a year over year basis in Northern Nevada than any other region in Nevada.

Northern Nevada was the only region to see monthly increases in prices for all home types. Still, Northern Nevada is seeing smaller year over year gains than Southern Nevada and Rural Nevada.

<table>
<thead>
<tr>
<th>Single-Family Home Sales*</th>
<th>May 2015</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>98</td>
<td>-3.3%</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Existing</td>
<td>1128</td>
<td>+13.8%</td>
<td>+11.1%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>12.4%</td>
<td>+32.4%</td>
<td>-28.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Construction</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
<td>234</td>
<td>-88</td>
</tr>
<tr>
<td>Single-Family</td>
<td>181</td>
<td>-35</td>
</tr>
<tr>
<td>Multifamily</td>
<td>53</td>
<td>-53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Single-Family Sales Price*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$347,509</td>
</tr>
<tr>
<td>Existing</td>
<td>$268,662</td>
</tr>
<tr>
<td>Distress</td>
<td>$185,845</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
Northern 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.
Northern Trends

Foreclosure Trends

Equity Measures as of Quarter 1, 2015
(Home Value - Mortgage Balance)

Notices of Default and Repossessions

Residential Home Auctions

Source: CoreLogic

Source: RealtyTrac

Source: RealtyTrac
Nevada’s Housing Market | May 2015

Southern Trends

Population: 2,069,681 in 2014
Housing Units: 854,089 in 2013

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

(Clark County)
Southern Trends

- Southern Nevada has seen three consecutive months with increases in existing home sales greater than 5 percent. Existing home sales in May 2015 were the highest they had been since October 2013.

- May 2015 was the third consecutive month with an increase in the share of homes sold under distress. REO sales and short sales made up an equal portion of the homes sold under distress.

- Single-Family start ups are making up a larger share of total construction starts in 2015 than in 2014. May 2015 was the fourth consecutive month where Southern Nevada saw a year over year increase in single-family starts. May 2015 was only the second month this year where multifamily starts saw a year over year increase.

<table>
<thead>
<tr>
<th>Single-Family Home Sales*</th>
<th>May 2015</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>498</td>
<td>+4.1%</td>
<td>+36.7%</td>
</tr>
<tr>
<td>Existing</td>
<td>3637</td>
<td>+9.4%</td>
<td>+2.3%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>14.4%</td>
<td>+1.6%</td>
<td>-28.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
</tr>
<tr>
<td>Single-Family</td>
</tr>
<tr>
<td>Multifamily</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Single-Family Sales Price*</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
</tr>
<tr>
<td>Existing</td>
</tr>
<tr>
<td>Distress</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**

- Average Price in Thousands
- Date (January 2000 - May 2015)

**Single-Family Home Sales**

- Monthly Number of Sales
- Date (January 2000 - May 2015)

**Single-Family Distress Sales**

- Monthly Number of Sales
- Date (January 2000 - May 2015)

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

- Share of Distress Sales
- Date (January 2000 - May 2015)

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

**Foreclosure Trends**

- Date (January 2000 - May 2015)
- Source: CoreLogic

**Equity Measures as of Quarter 1, 2015**

- Home Value - Mortgage Balance
- Source: CoreLogic

**Notices of Default and Repossessions**

- Date (April 2005 - May 2015)
- Source: RealtyTrac

**Residential Home Auctions**

- Date (April 2005 - May 2015)
- Source: RealtyTrac
Nevada’s Housing Market  |  May 2015

Rural Trends

Population: **147,592** in 2014  
Housing Units: **65,629** in 2013

Source: U.S. Census Bureau: State and County QuickFacts  
(Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing, and White Pine County)
Rural Trends

- Existing home sales in Rural Nevada have increased the past three consecutive months. Existing home sales in May 2015 were the highest they had been since July 2014.

- After an extraordinarily large increase in the distress share last month, the distress share in Rural Nevada decreased to 18.9 percent this month - a value similar to what it has been throughout most of 2015. The distress share in Rural Nevada has averaged 19.1 percent so far in 2015.

- Rural Nevada was the only region to see a monthly decrease in both new and existing home prices. New and existing home prices still remain up on a year over year basis.

### Single-Family Home Sales*

<table>
<thead>
<tr>
<th></th>
<th>May 2015</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>5</td>
<td>+0.0%</td>
<td>-71.9%</td>
</tr>
<tr>
<td>Existing</td>
<td>154</td>
<td>+16.4%</td>
<td>-13.9%</td>
</tr>
<tr>
<td>Distress Share</td>
<td>18.9%</td>
<td>-28.8%</td>
<td>-24.7%</td>
</tr>
</tbody>
</table>

### Residential Construction

<table>
<thead>
<tr>
<th></th>
<th>Total Starts</th>
<th>Single-Family</th>
<th>Multifamily</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Starts</td>
<td>24</td>
<td>-1</td>
<td>+3</td>
</tr>
<tr>
<td>Single-Family</td>
<td>24</td>
<td>-1</td>
<td>+3</td>
</tr>
<tr>
<td>Multifamily</td>
<td>0</td>
<td>+0</td>
<td>+0</td>
</tr>
</tbody>
</table>

### Average Single-Family Sales Price*

<table>
<thead>
<tr>
<th></th>
<th>New</th>
<th>M2M Change</th>
<th>Y2Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$232,599</td>
<td>-6.8%</td>
<td>+9.1%</td>
</tr>
<tr>
<td>Existing</td>
<td>$130,017</td>
<td>-3.2%</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Distress</td>
<td>$84,785</td>
<td>+0.4%</td>
<td>+2.4%</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 | May 2015

#### 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**
Rural Trends

Equity Measures as of Quarter 1, 2015
(Home Value - Mortgage Balance)

Source: CoreLogic

Foreclosure Trends

Source: CoreLogic

Notices of Default and Repossessions

Source: RealtyTrac

Residential Home Auctions

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.

About the Department of Business & Industry

The Department of Business and Industry is a cabinet level agency in the 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.