

# 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, 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:



State of Nevada  
Department of Business & Industry



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# Nevada's Housing Market | December 2013

## Nevada Statewide Trends

Population: **2,758,931** in 2012

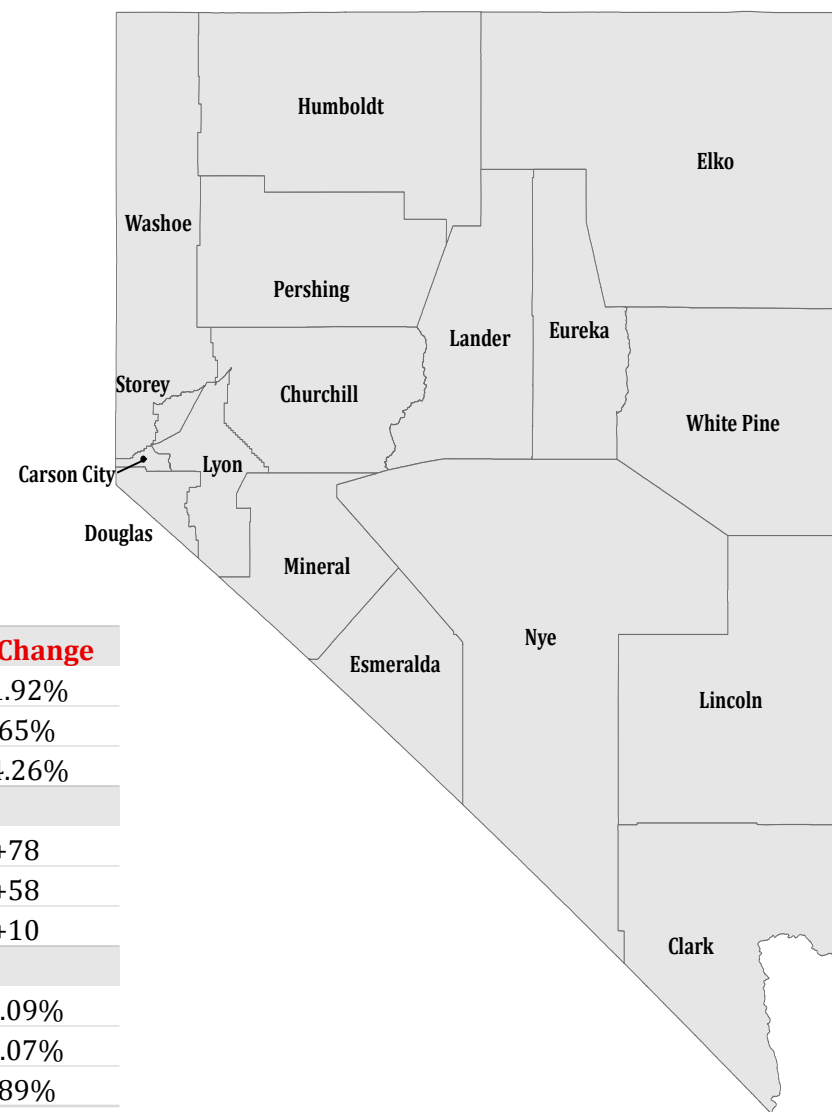
Housing Units: **1,183,873** in 2011

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



## Nevada Statewide Trends

In October 2013, home prices across Nevada embraced a slower pace of appreciation. On average, existing homes increased marginally by 0.24 percent month-to-month. New homes prices appreciated by 2.6 percent. And, both price types portray levels substantially greater than last year. Distress sales declined in October by 34.26 percent year-over-year. This month there were fewer than 1,000 short sales and fewer than 500 REO sales. Notably, 26.19 percent of all the home sales are distress properties. This follows recent slow downs in repossessions and declines in the number of homeowners that are seriously delinquent and awaiting foreclosure (see the Foreclosure Trends figure in page 7).



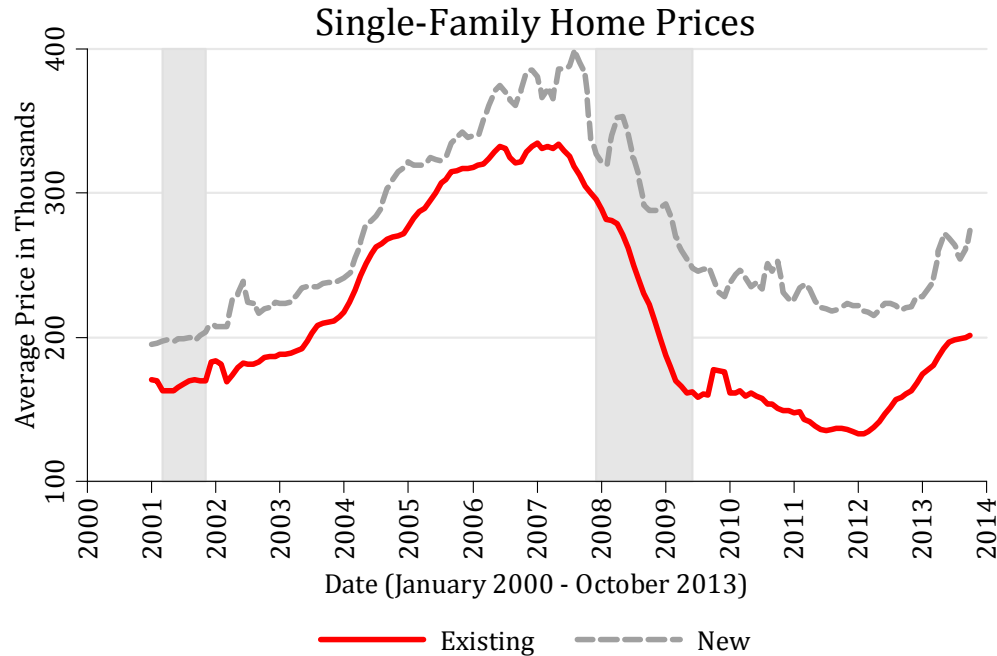
Single-Family Home Sales*	October 2013	M2M Change	Y2Y Change
New	240	-7.57%	-61.92%
Existing	5,200	-6.30%	0.65%
Distress Share	26.19	-9.30%	-34.26%
Residential Construction			
Total Starts	792	-17	+78
Single-Family	754	+70	+58
Multifamily	38	-87	+10
Average Single-Family Sales Price*			
New	\$260,978	2.60%	19.09%
Existing	\$199,484	0.24%	26.07%
Distress	\$156,493	-0.61%	9.89%

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

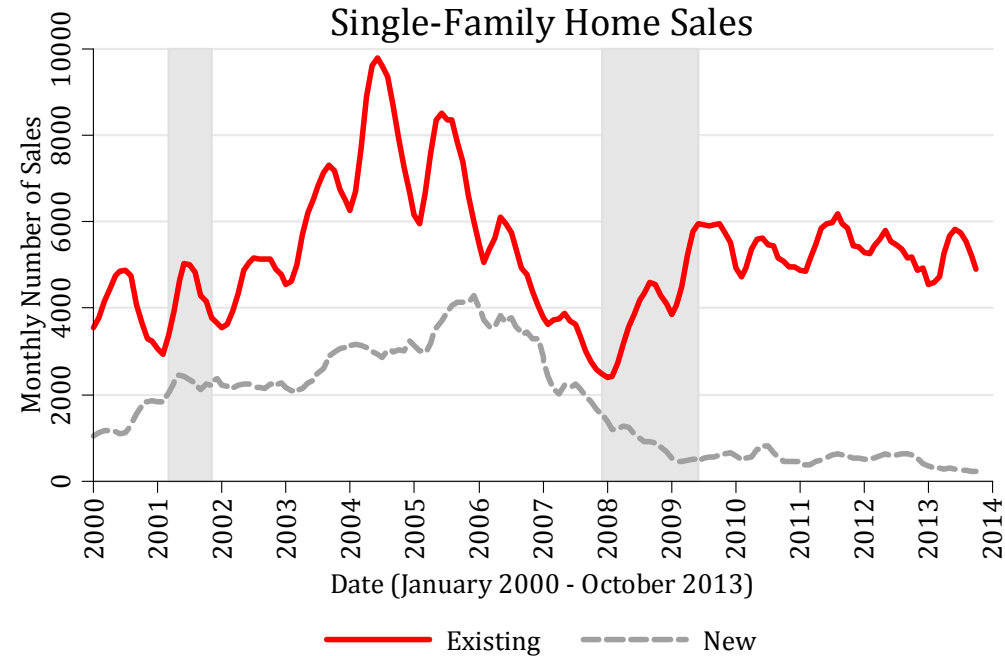


## Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages. Gray bars represent recessions.

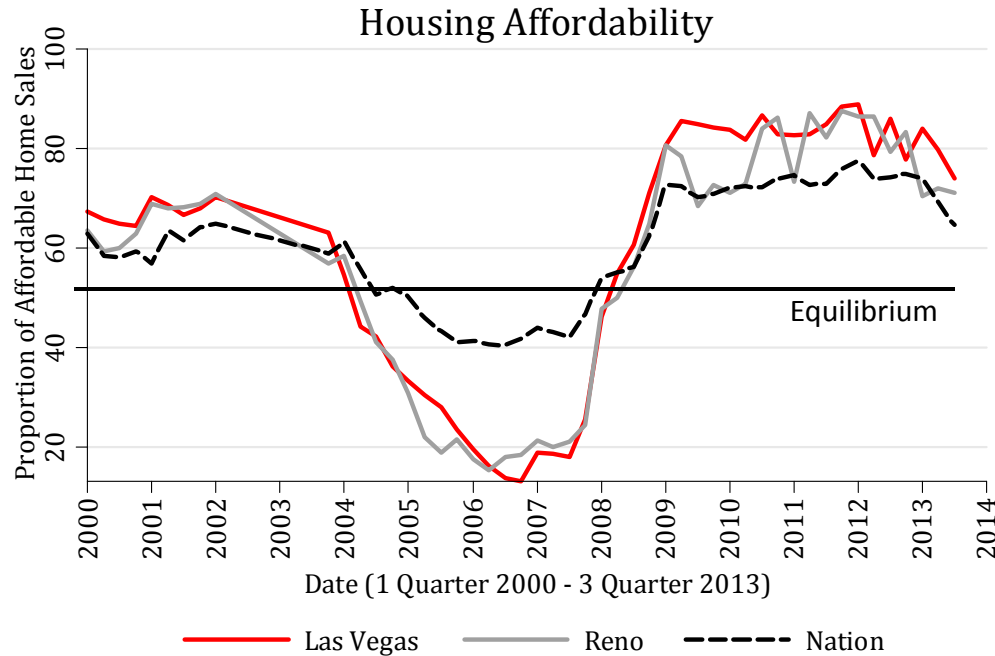


Source: CoreLogic

Note: Series are 3-month weighted moving averages. Gray bars represent recessions.

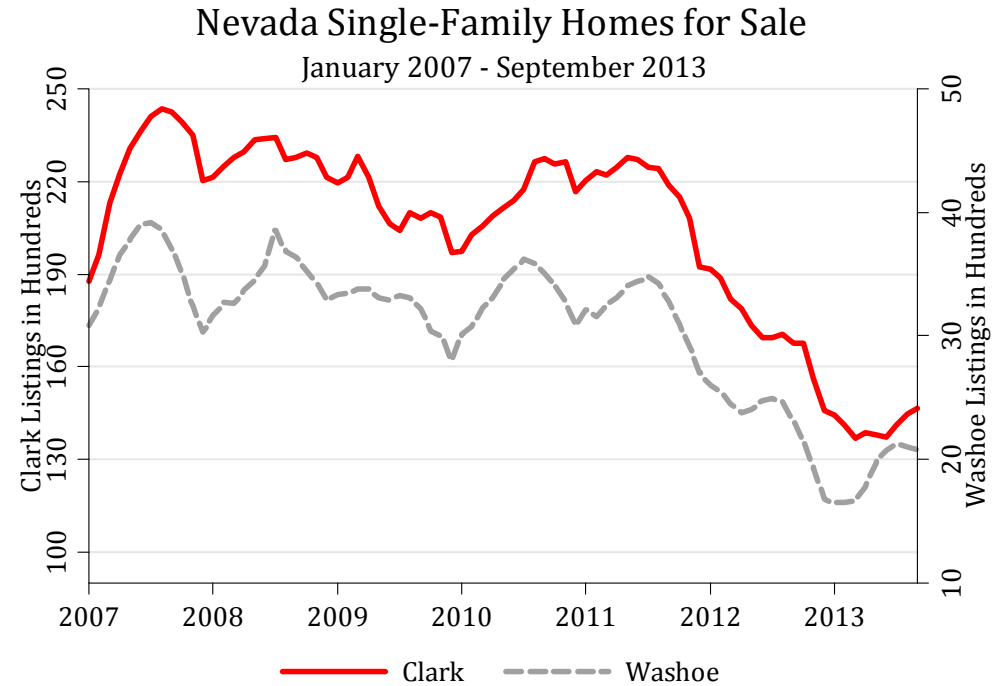
The Single-Family Home Price figure shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single family homes that were exchanged from a builder to a private owner. The other figure, Single-Family Homes Sales, illustrates the frequency of those transactions for both existing and new homes. A seasonal pattern is obvious in the Single-Family Home Sales graph. In Nevada, each year, there are more home sales during the summer than during the winter.

# Nevada Statewide Trends



Source: National Association of Home Builders

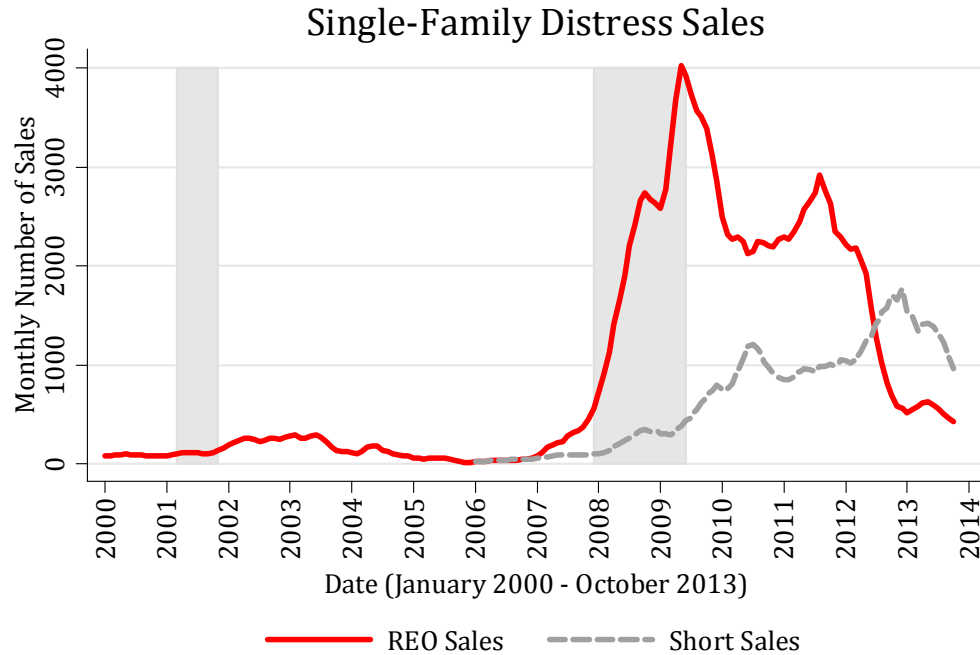
Note: Series denote the proportion of home sales affordable at median income.



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

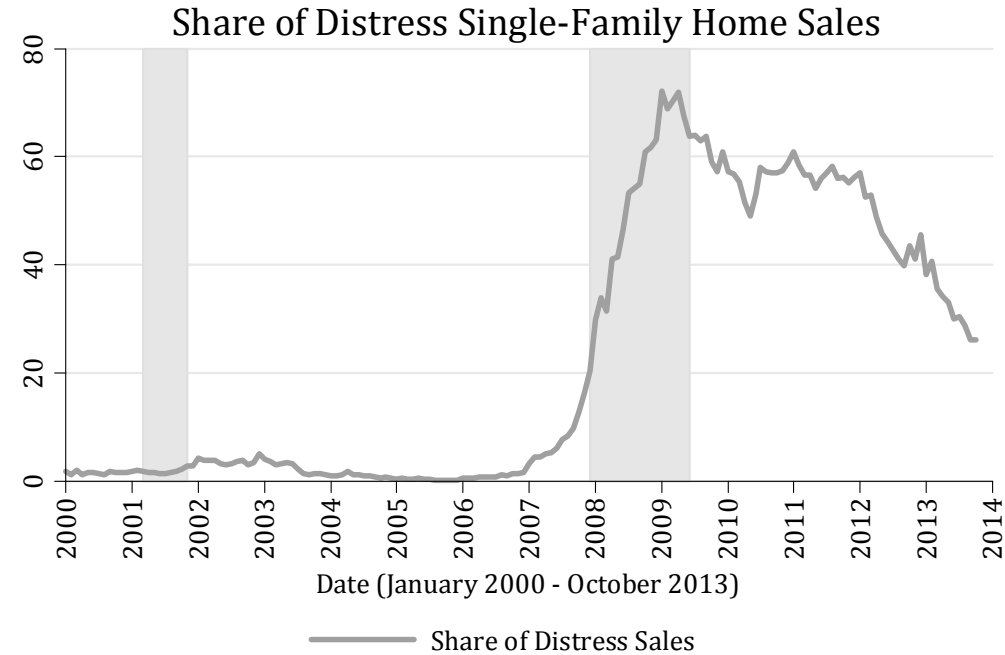
The Housing Affordability figure shows the proportion of home sales that could have been bought by borrowers with a conventional loan earning at least the local median income. It's an index developed by the National Association of Home Builders (NAHB). As a benchmark, half of the working class should be able to afford half of the homes sold when the market is in equilibrium. The other figure, Nevada Single-Family Homes for Sales, 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. Furthermore, they include homes that are under contract and about to sell.

## Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages. Gray bars represent recessions.

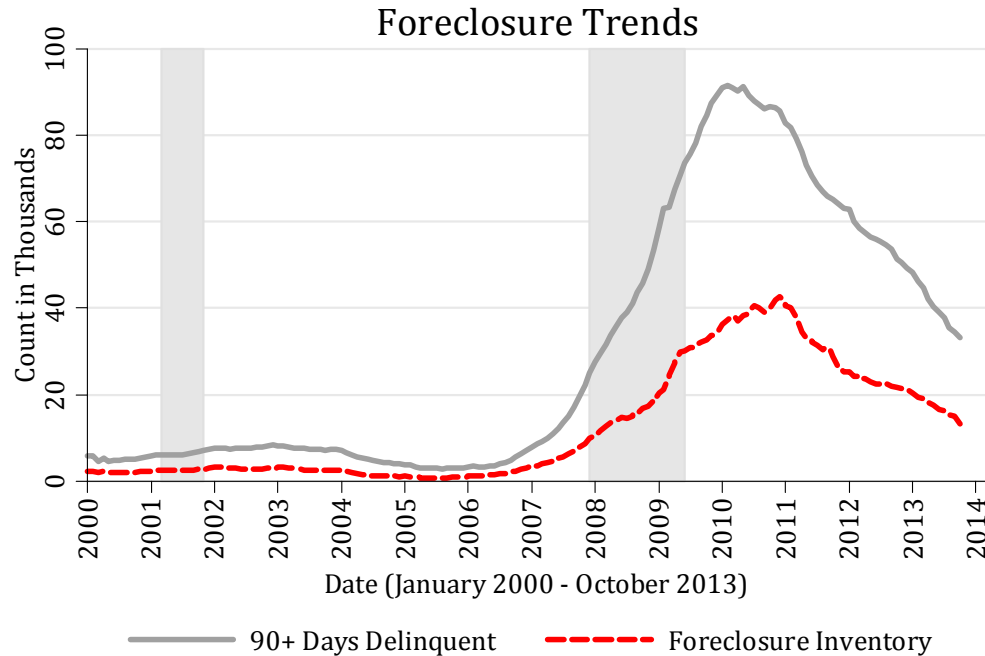


Source: CoreLogic

Note: Gray bars represent recessions.

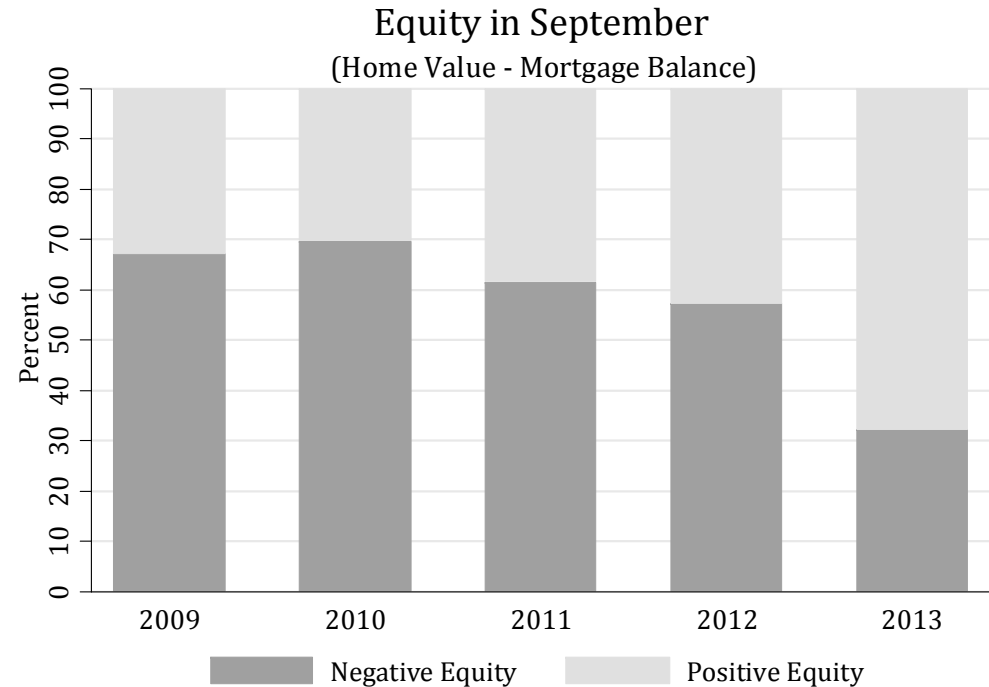
Single-Family Distress Sales is a figure that displays the monthly number of Real Estate Owned (REO) sales and short sales. REO sales are homes that have been repossessed by lenders through foreclosure and then sold in the market. Short sales, on the other hand, are homes that were sold for an amount 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. A healthy proportion for a housing market is close to zero, obviously.

## Nevada Statewide Trends



Source: CoreLogic

Note: Gray bars represent recessions.



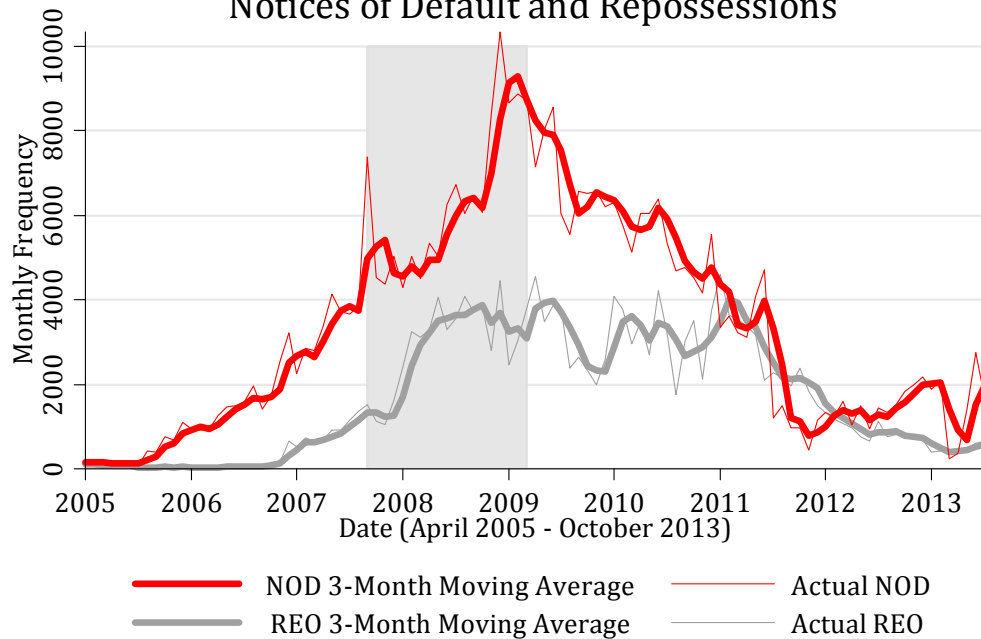
Source: CoreLogic

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

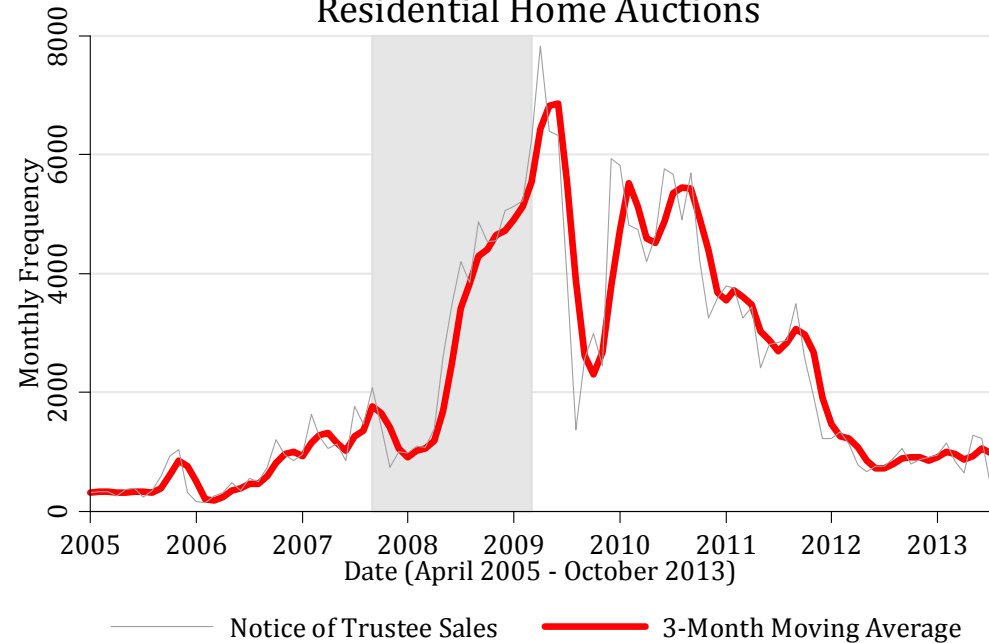
### Notices of Default and Repossessions



Source: RealtyTrac

Note: Gray bar represents recession.

### Residential Home Auctions



Source: RealtyTrac

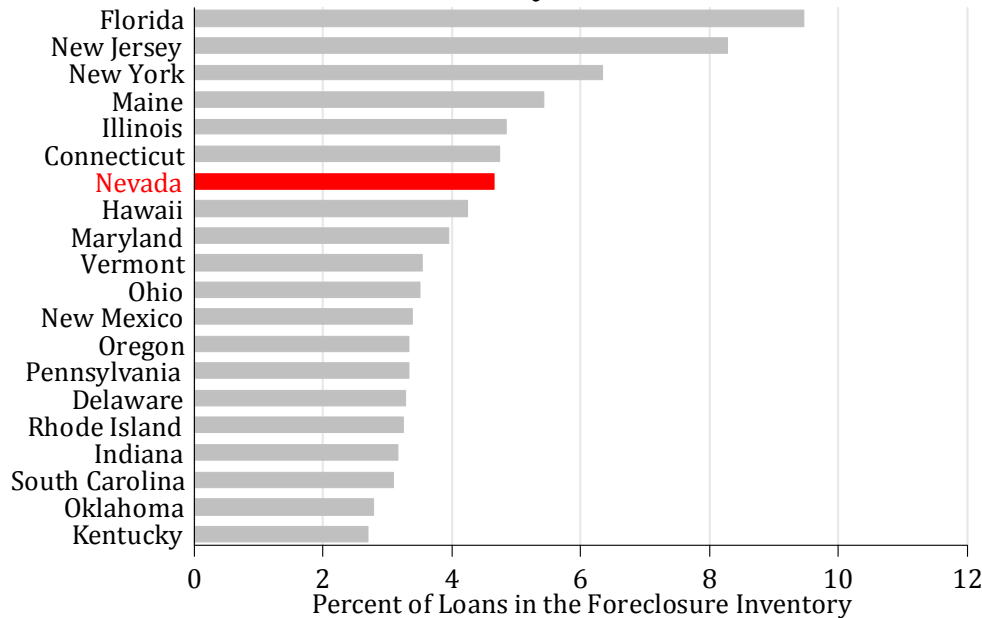
Note: Gray bar represents recession.

These two figures are based on number 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 actions. Those that were unsuccessful are reverted back to the lender, which are expectedly sold later in the market as an REO.

## Nevada Statewide Trends

### Top 20 States in Foreclosure Inventory

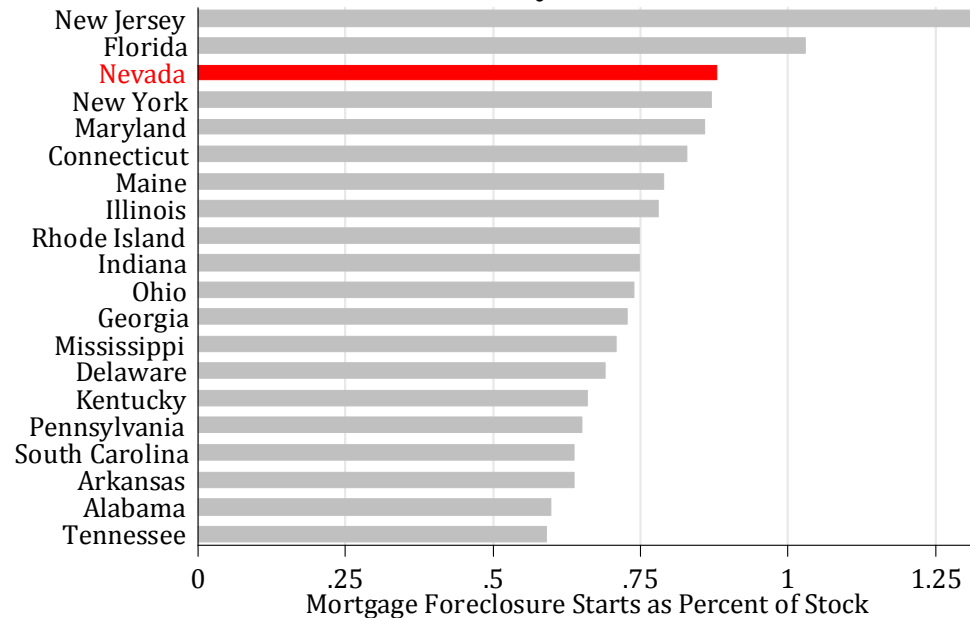
3rd Quarter 2013



Source: Mortgage Bankers Association's National Delinquency Survey

### Top 20 States in Foreclosure Starts

3rd Quarter 2013



Source: Mortgage Bankers Association's National Delinquency Survey

These figures rank Nevada nationally on the basis of statistics that are provided by Mortgage Bankers Association's National Delinquency Survey. The Top 20 States in Foreclosure Inventory figures is a ranking that uses the proportion of loans 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 2013

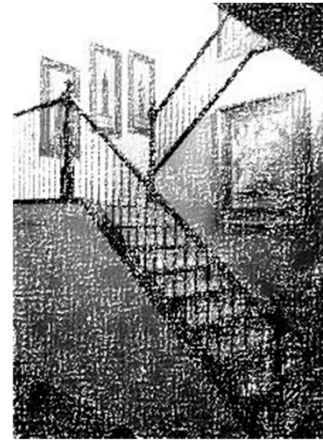
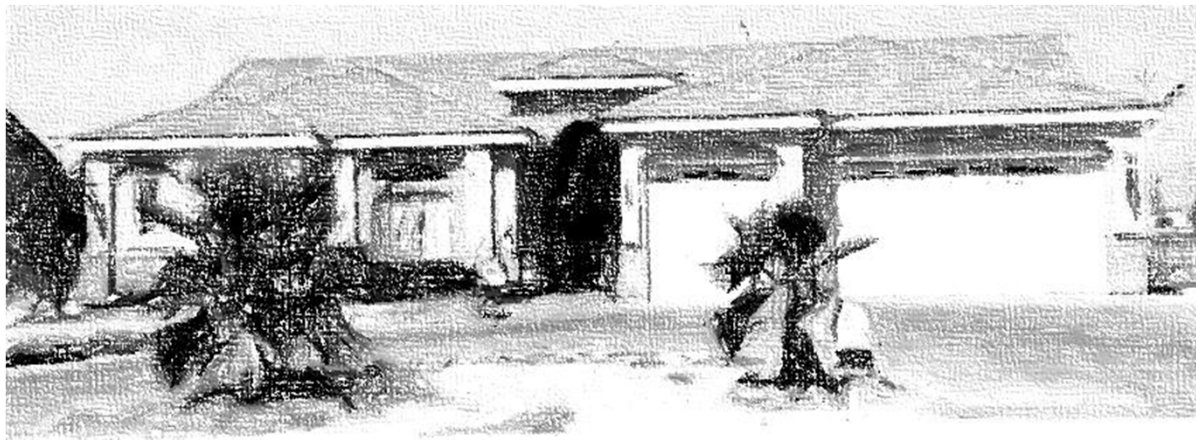
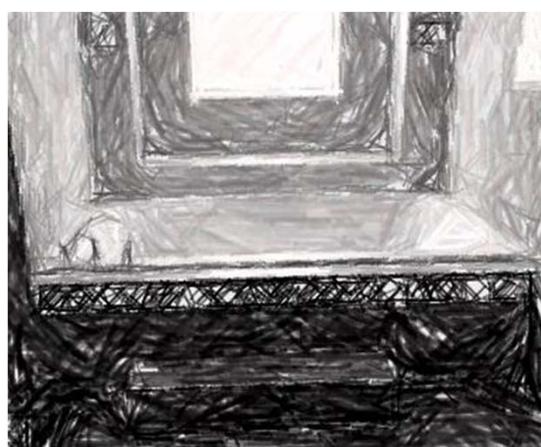
## Northern Trends

Population: **611,379** in 2012

Housing Units: **268,979** in 2011

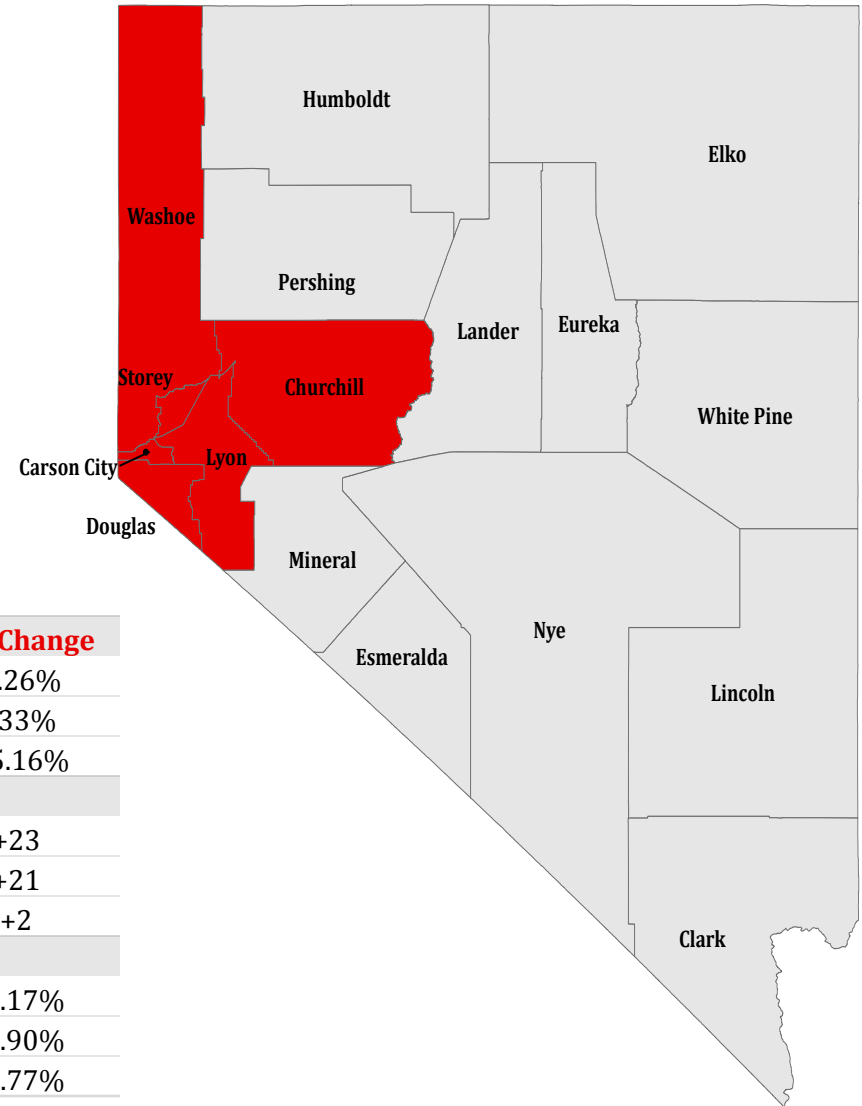
Source: U.S. Census Bureau: State and County QuickFacts

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



## Northern Trends

Up North, home prices appreciated for new and existing homes, but not for distressed homes. As of October 2013, homes in distress sell on average for \$170,616, which is about a percent lower than last month. There are few of these homes in the market. REO and short sales now represent one in every five home sales. Notably, Notices of Defaults increased in October according to RealtyTrac. Bank repossessions, however, have been lagging and auctions are low. Nevertheless, CoreLogic reports a decline in the foreclosure inventory and the number of homeowners 90 days or more delinquent on their home loan.

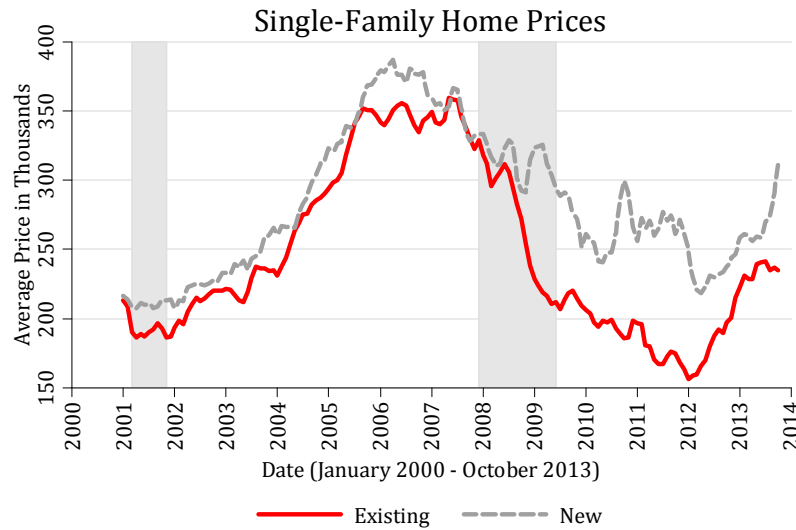


Single-Family Home Sales*	October 2013	M2M Change	Y2Y Change
New	109	-10.19%	-3.26%
Existing	1,118	-5.47%	9.33%
Distress Share	20.80%	-10.02%	-45.16%
Residential Construction			
<b>Total Starts</b>	93	-119	+23
Single-Family	91	-41	+21
Multifamily	2	-78	+2
Average Single-Family Sales Price*			
New	\$290,450	6.24%	24.17%
Existing	\$237,197	1.03%	24.90%
Distress	\$170,616	-0.91%	10.77%

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

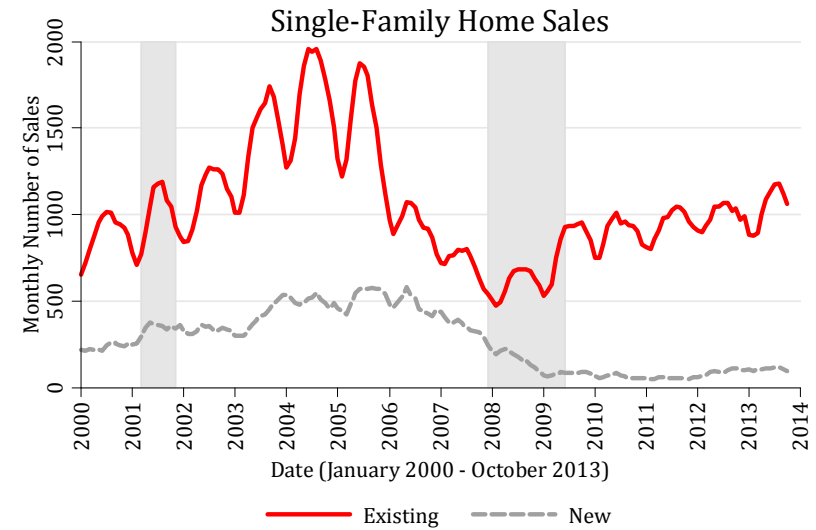
\*Figures portray Three-Month Moving Weighted Averages

# Northern Trends



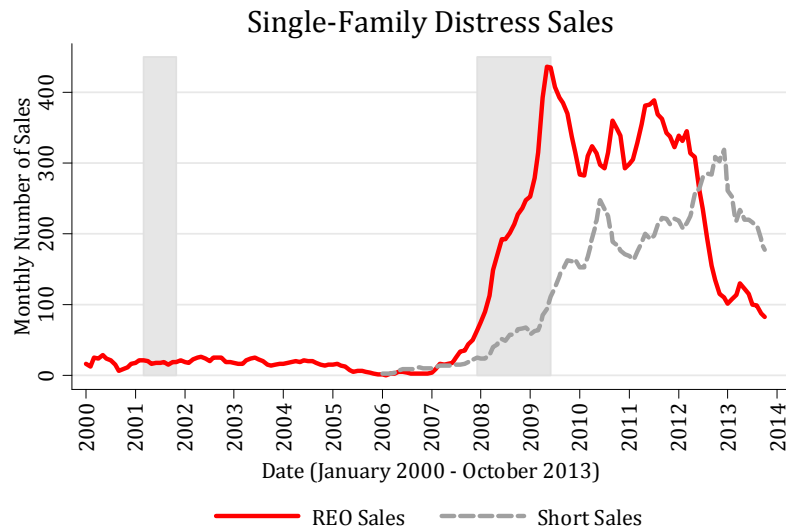
Source: CoreLogic

Note: Series are 3-month weighted moving averages. Gray bars represent recessions.



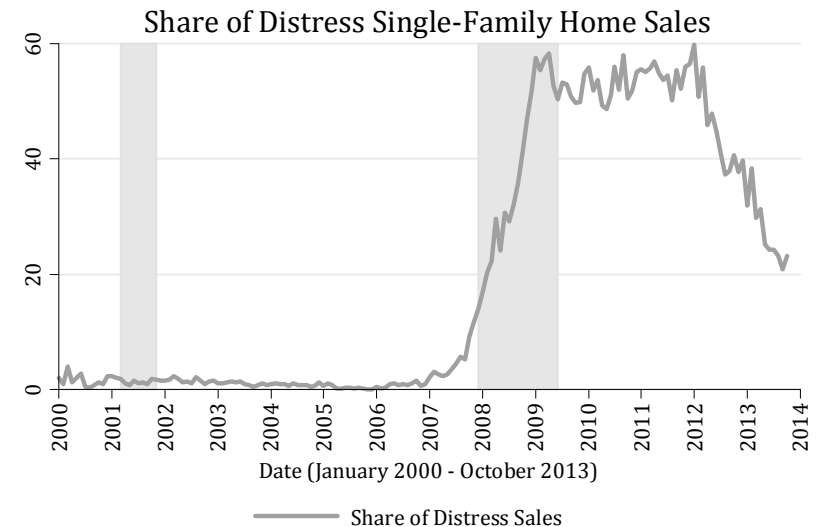
Source: CoreLogic

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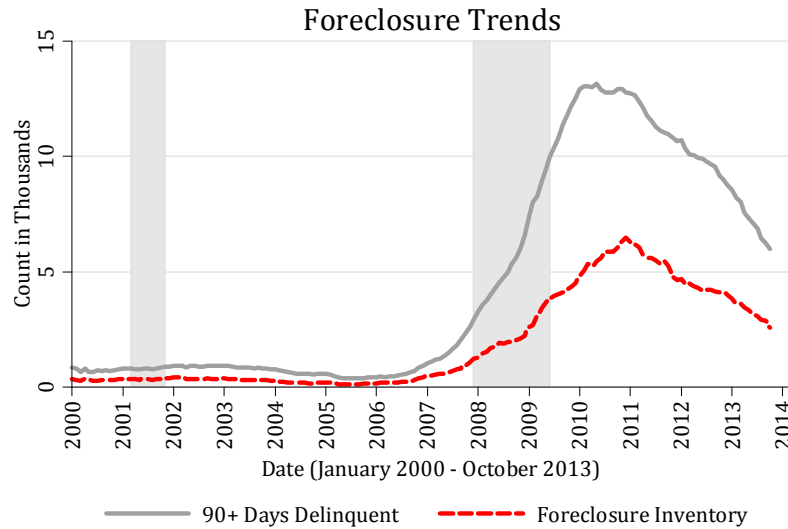


Source: CoreLogic

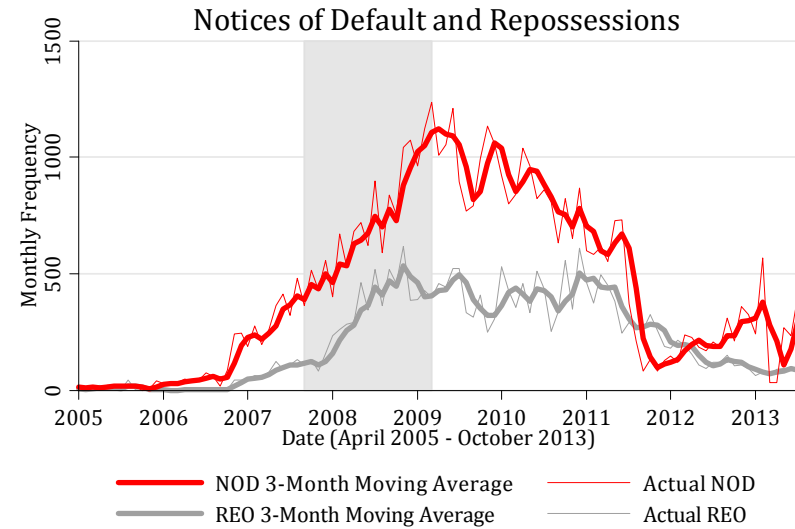
Note: Gray bars represent recessions.



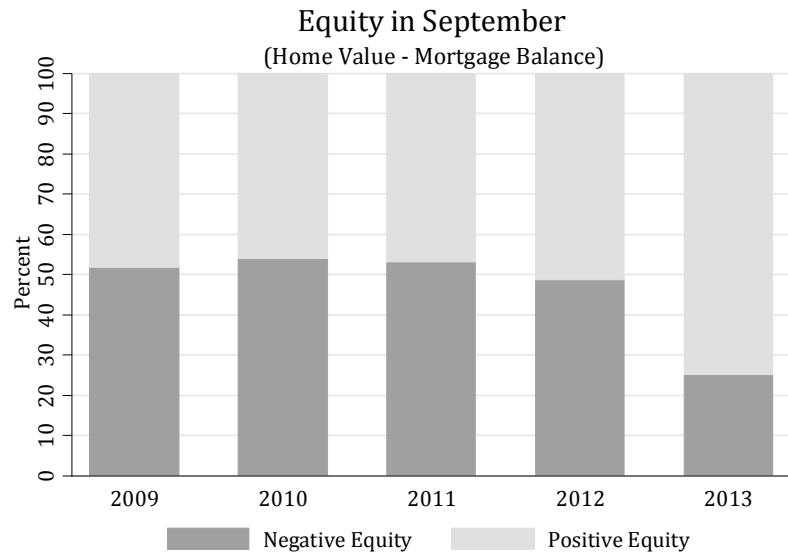
# Northern Trends



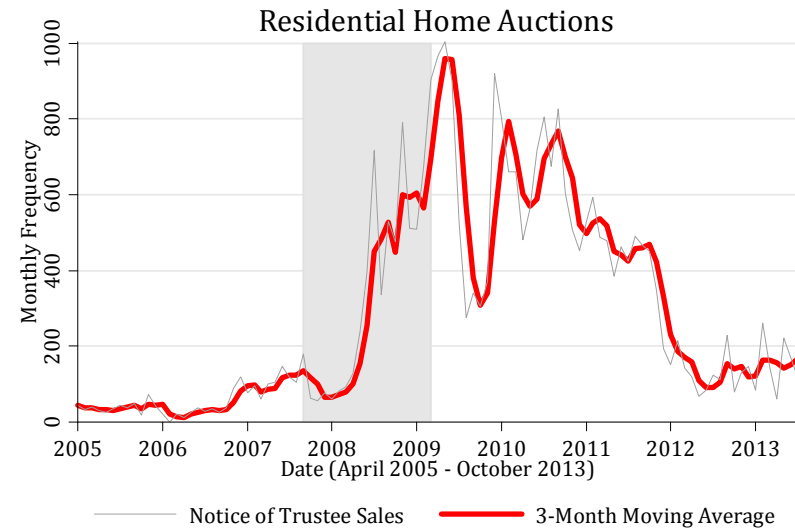
Source: CoreLogic  
Note: Gray bars represent recessions.



Source: RealtyTrac  
Note: Gray bar represents recession.



Source: CoreLogic



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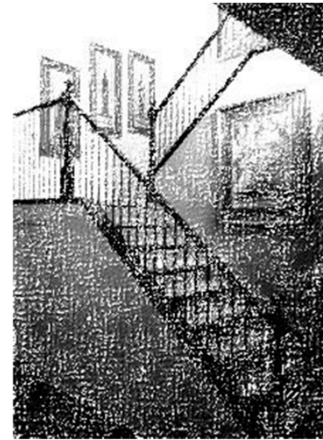
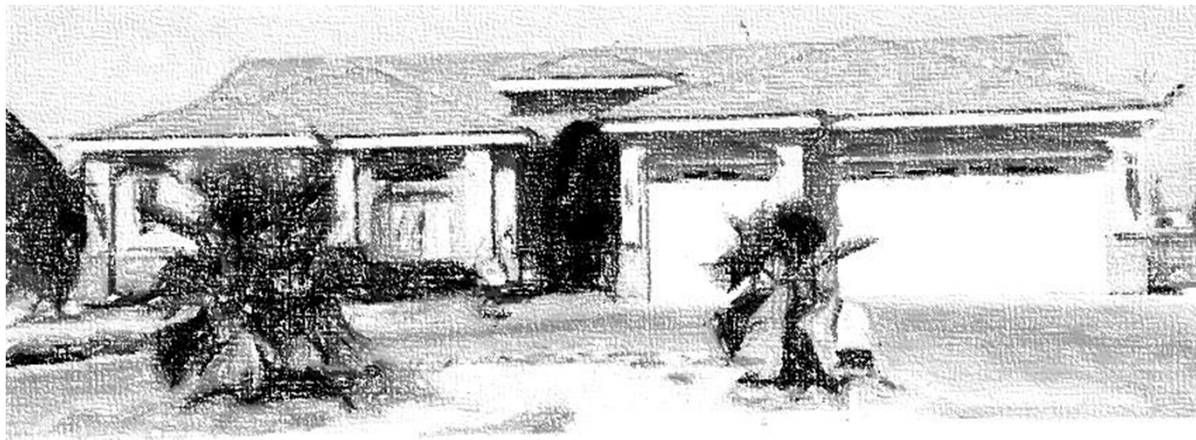
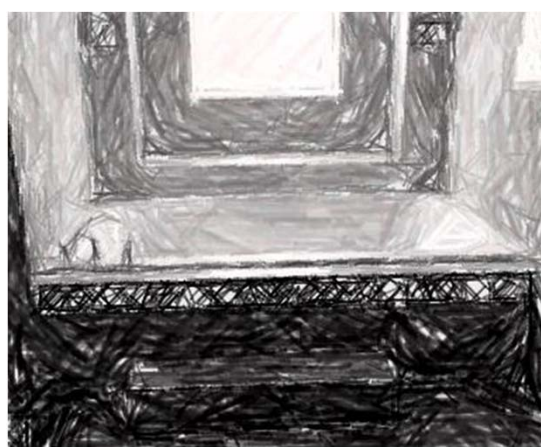
## Southern Trends

Population: **2,000,759** in 2012

Housing Units: **848,118** in 2011

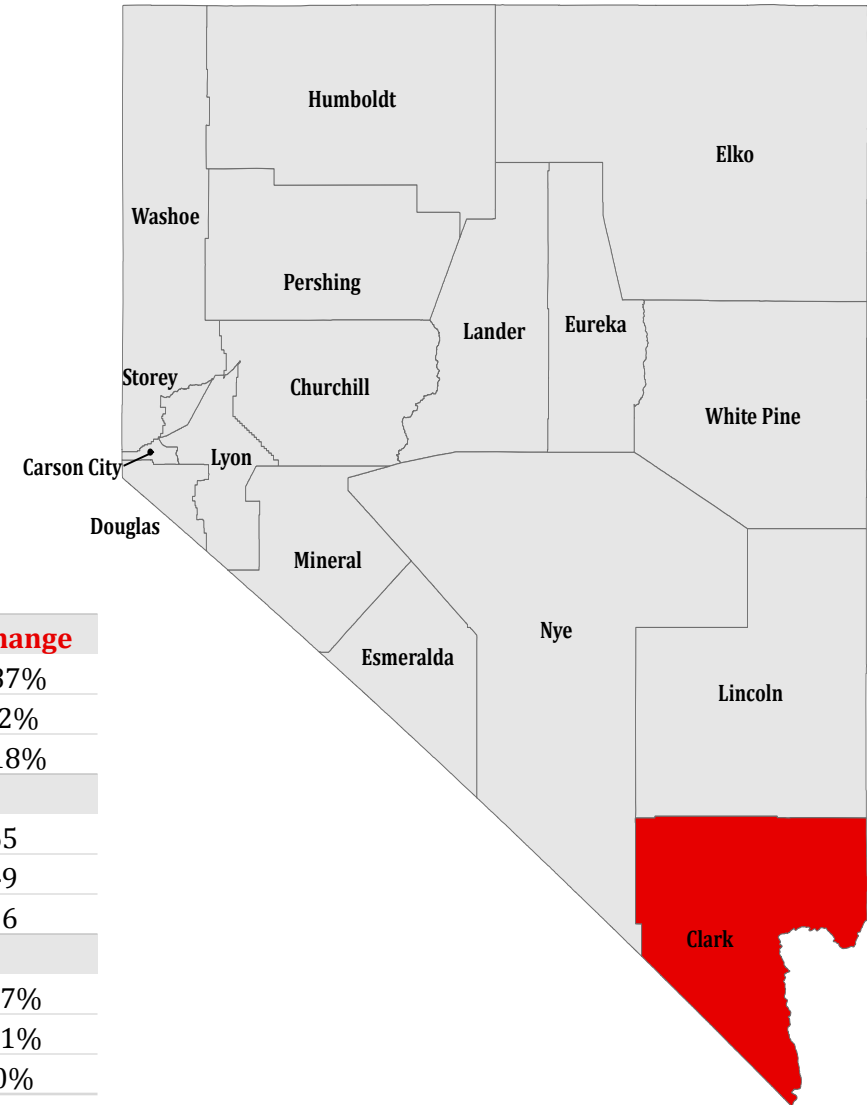
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



## Southern Trends

Home prices in the South seem to be slowing, after months of continuous appreciation. This October prices fell slightly by 0.26 percent for existing homes. New homes, however, kept a strong performance by increasing 1.03 percent. Distress sales fell and their presence in the market shrank too. REO and short sales account for 28.4 percent of all the homes sold in Southern Nevada in October. Those numbers should continue to decline over the next few months while the Foreclosure Inventory continues to decline. This month there are fewer than 11,000 homes in the foreclosure inventory, which is less than a third of its peak three years ago.

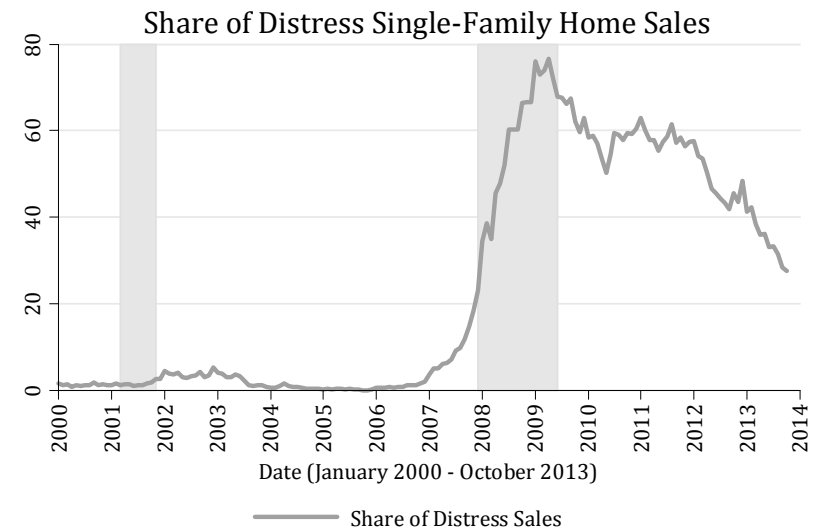
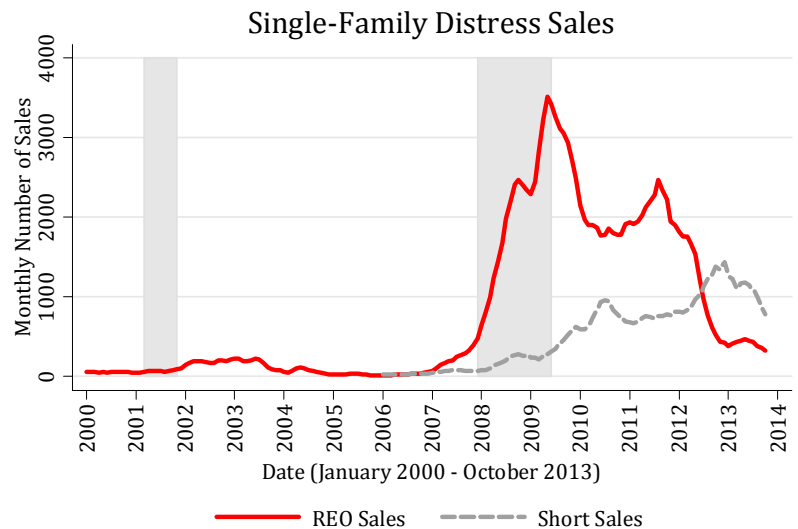
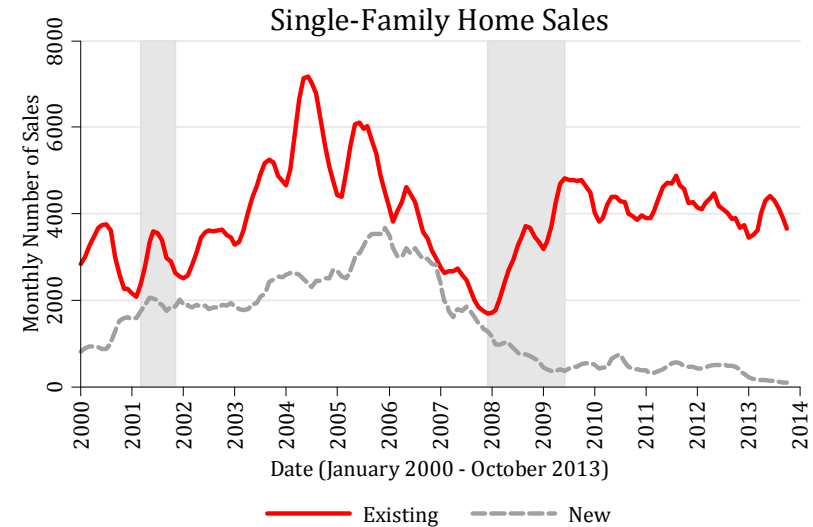
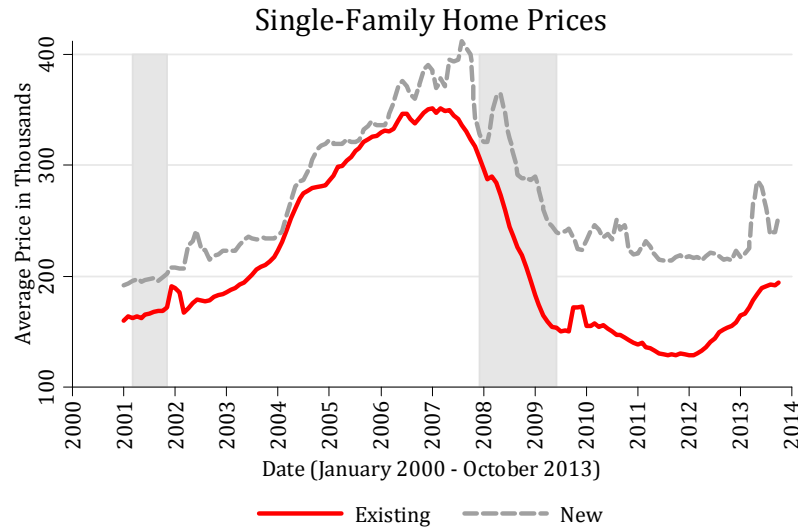


Single-Family Home Sales*	October 2013	M2M Change	Y2Y Change
New	109	-6.59%	-77.87%
Existing	3,875	-6.12%	-0.12%
Distress Share	28.40%	-10.00%	-32.18%
Residential Construction			
<b>Total Starts</b>	651	+90	+65
Single-Family	617	+99	+49
Multifamily	34	-9	+16
Average Single-Family Sales Price*			
New	\$240,014	1.03%	11.87%
Existing	\$192,084	-0.26%	26.41%
Distress	\$154,746	-0.50%	9.80%

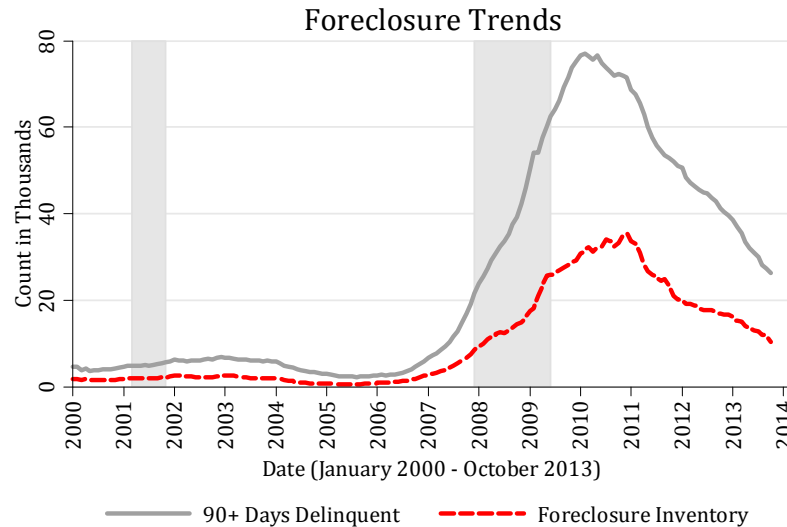
Source: Lied Institute calculations using CoreLogic Data and the *State of the Cities Data Systems* by U.S. Department of Housing and Urban Development.

\*Figures portray Three-Month Moving Weighted Averages

## Southern Trends

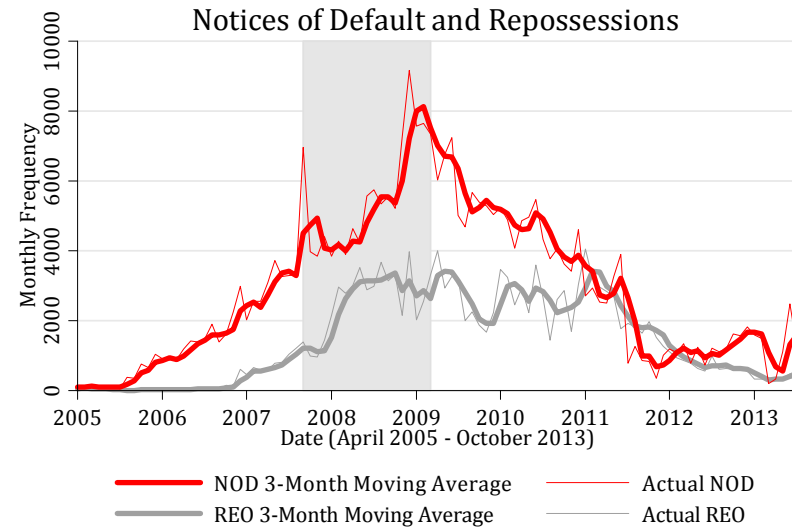


# Southern Trends



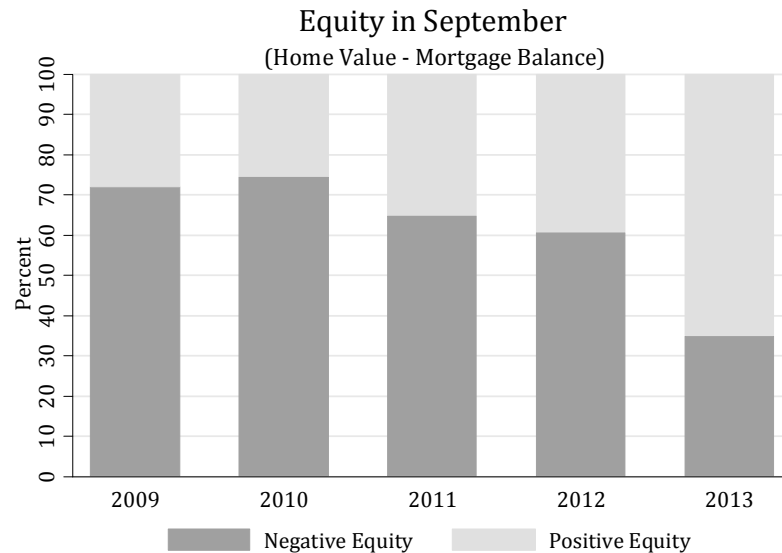
Source: CoreLogic

Note: Gray bars represent recessions.

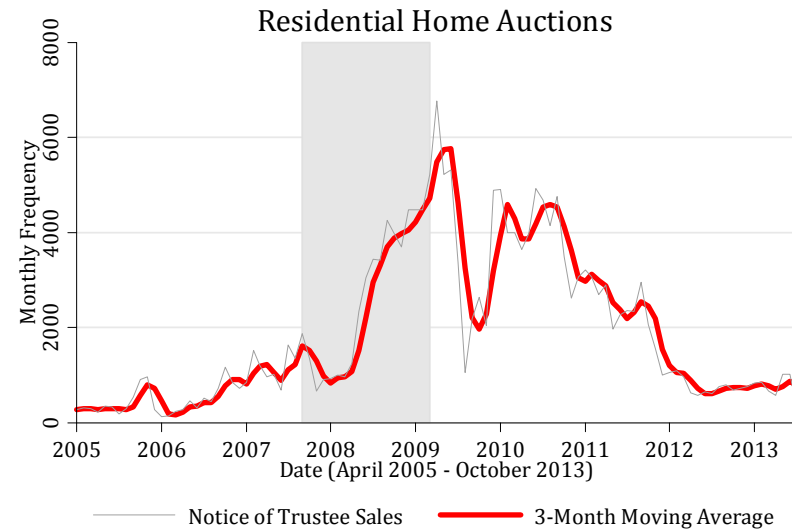


Source: RealtyTrac

Note: Gray bar represents recession.



Source: CoreLogic



Source: RealtyTrac

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# Nevada's Housing Market | December 2013

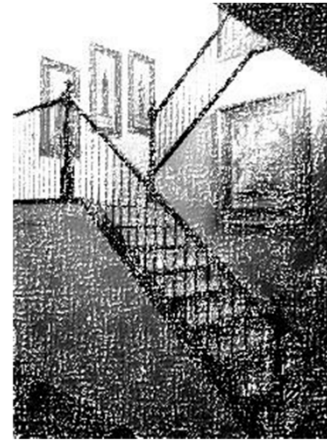
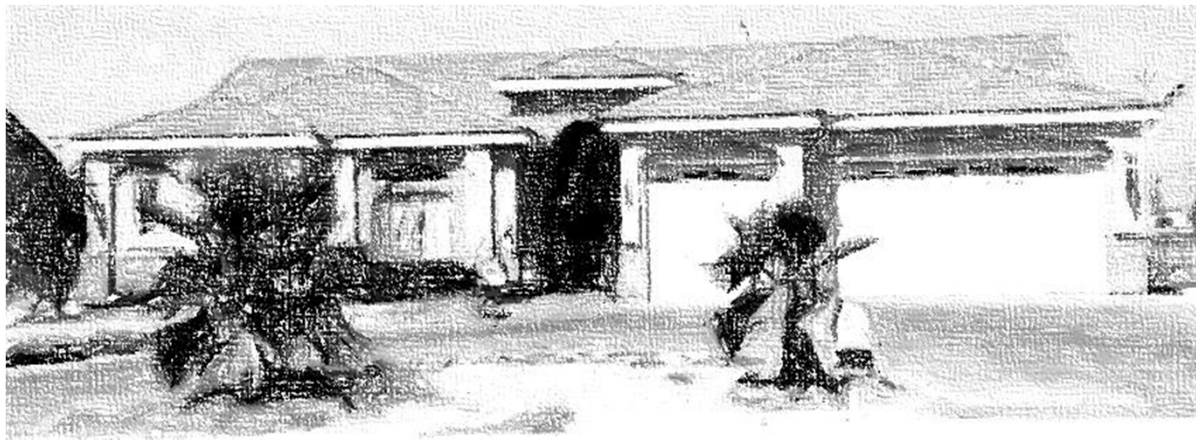
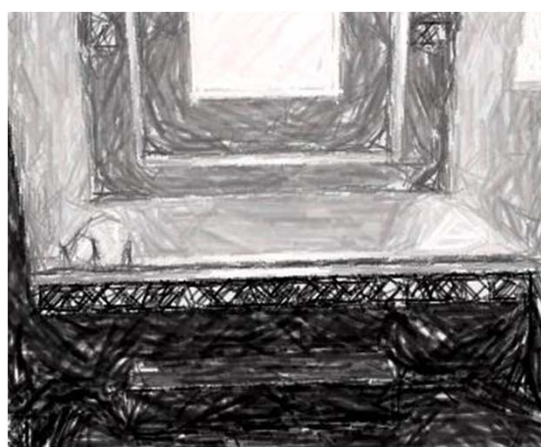
## Rural Trends

Population: **146,793** in 2012

Housing Units: **66,776** in 2011

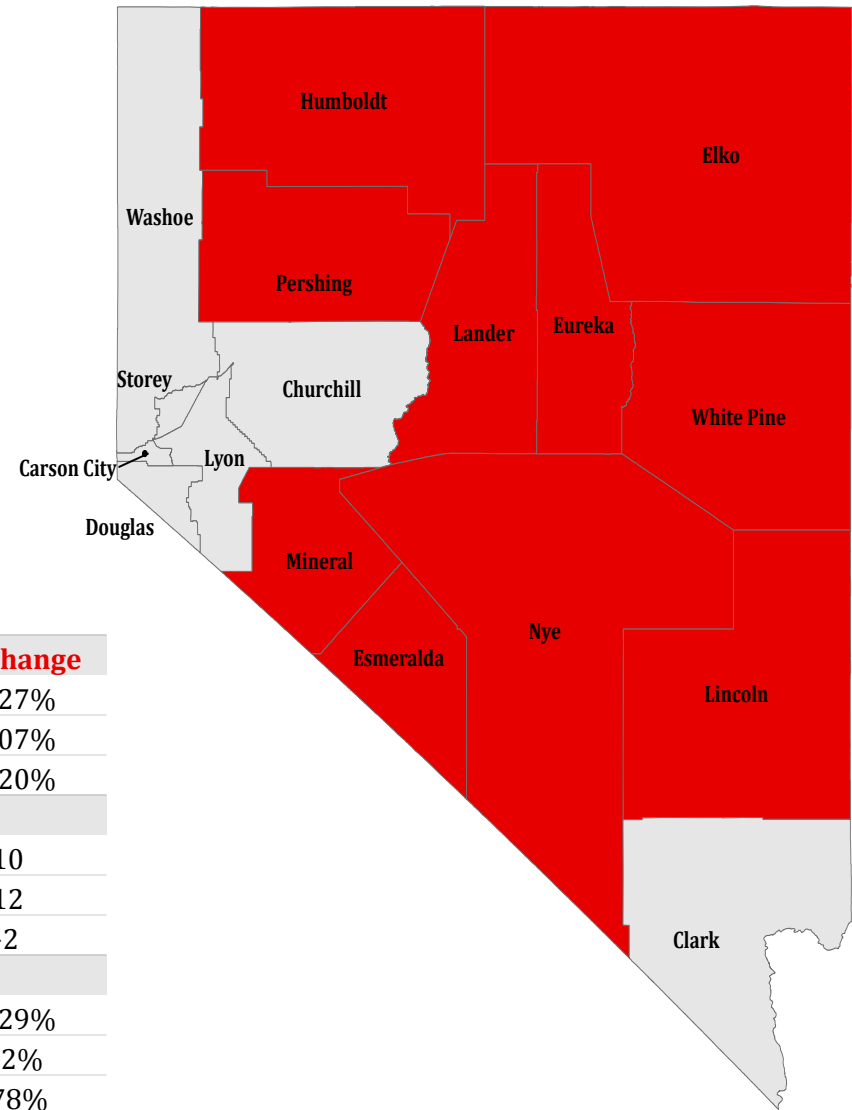
Source: U.S. Census Bureau: State and County QuickFacts

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



## Rural Trends

Unlike urban Nevada, in the rural counties, home prices on average fell for all three types during October. New home prices took the deepest dip with a decline of 9.67 percent month-to-month. This places new home prices at a values lower than a year ago. Distress sales behaved similar to new home sales, but experiencing a depreciation of 1.88 percent. Existing homes, however, remain slightly above their price last year at an average of \$123,927. Slightly less than 80 percent of all homes with a loan in the rural counties have positive equity. This places the rural borrowers in a stronger financial lead when compared to the rest of Nevada. Nevertheless, REO sales and short sales still persist in these counties accounting for at least 15 percent of all home sales.

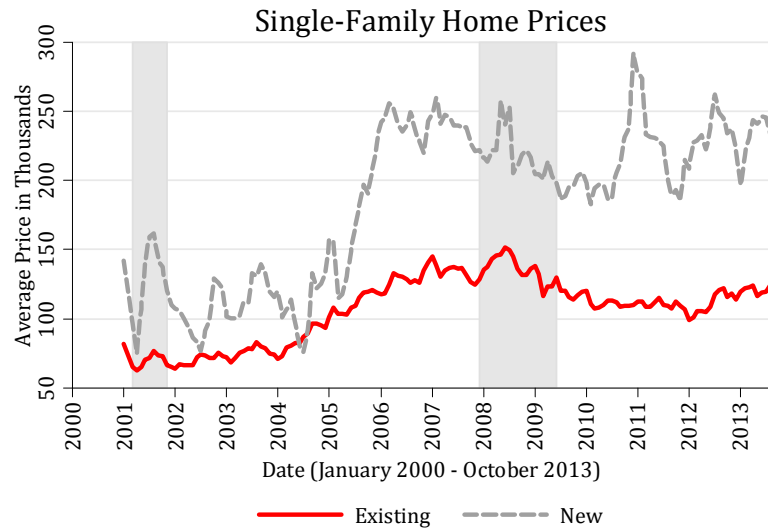


Single-Family Home Sales*	October 2013	M2M Change	Y2Y Change
New	20	-1.67%	-20.27%
Existing	177	-13.07%	-25.07%
Distress Share	15.88%	0.06%	-11.20%
Residential Construction			
<b>Total Starts</b>	48	+12	-10
Single-Family	46	+12	-12
Multifamily	2	0	+2
Average Single-Family Sales Price*			
New	\$209,761	-9.67%	-14.29%
Existing	\$123,927	-0.52%	1.42%
Distress	\$100,358	-1.88%	-4.78%

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

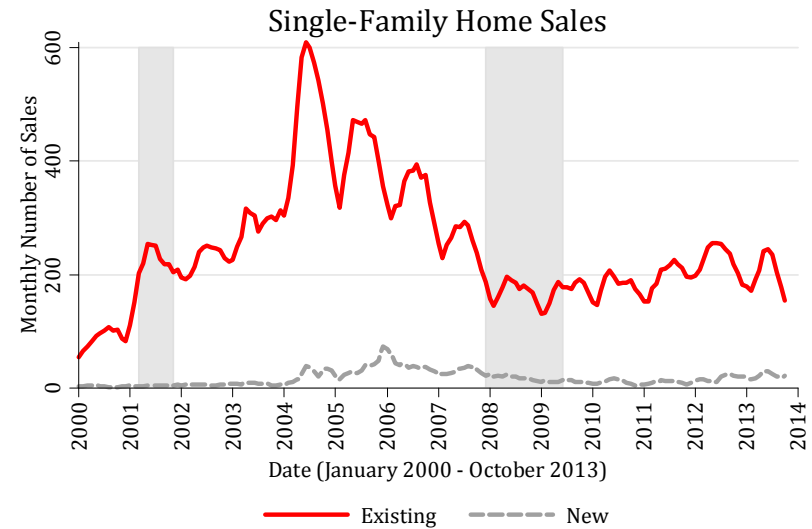
\*Figures portray Three-Month Moving Weighted Averages

## Rural Trends



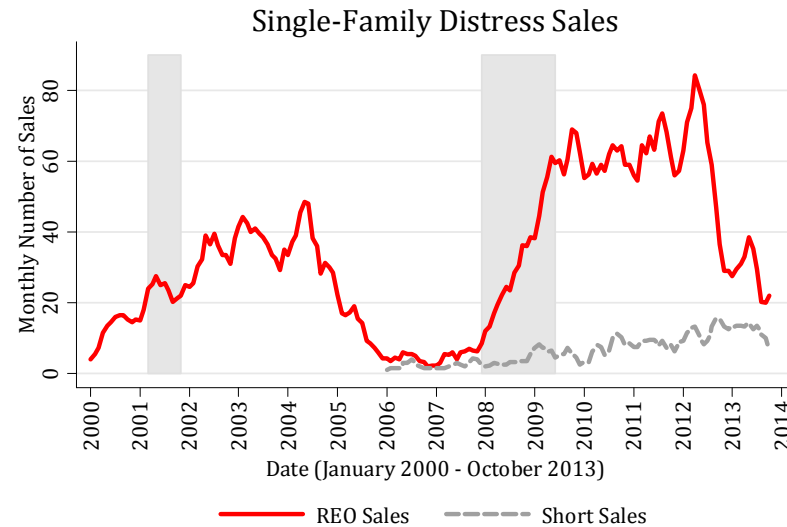
Source: CoreLogic

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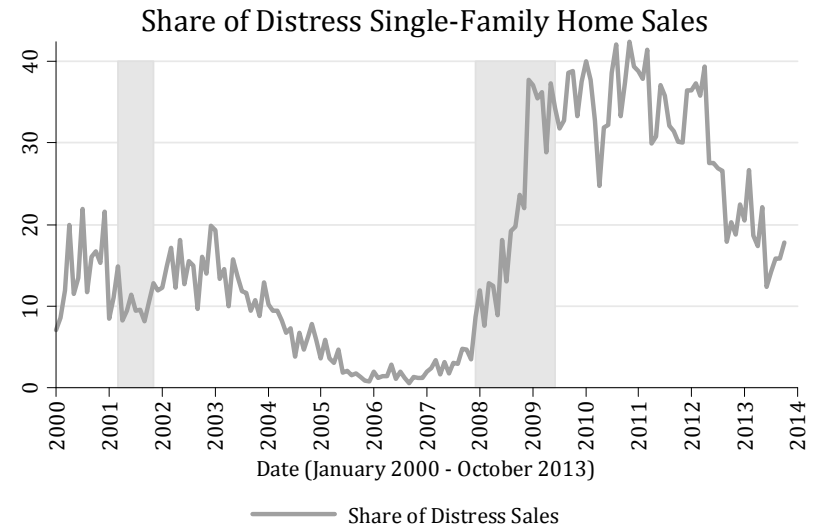
Source: CoreLogic

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Source: CoreLogic

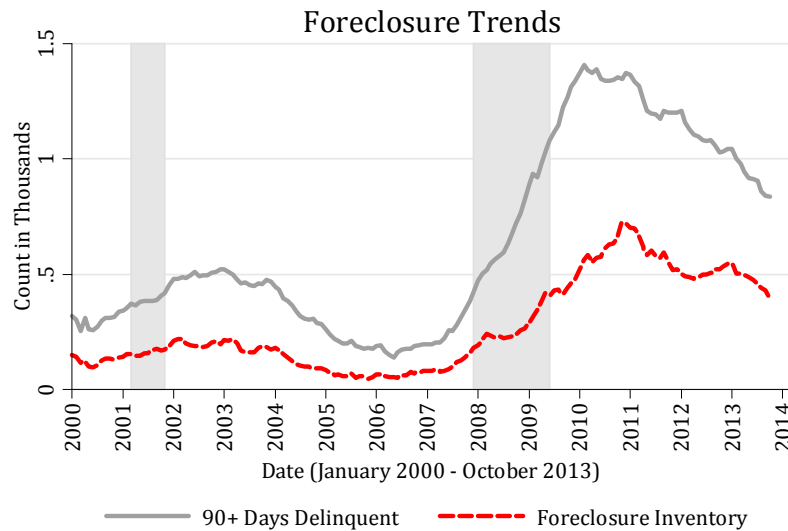
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Source: CoreLogic

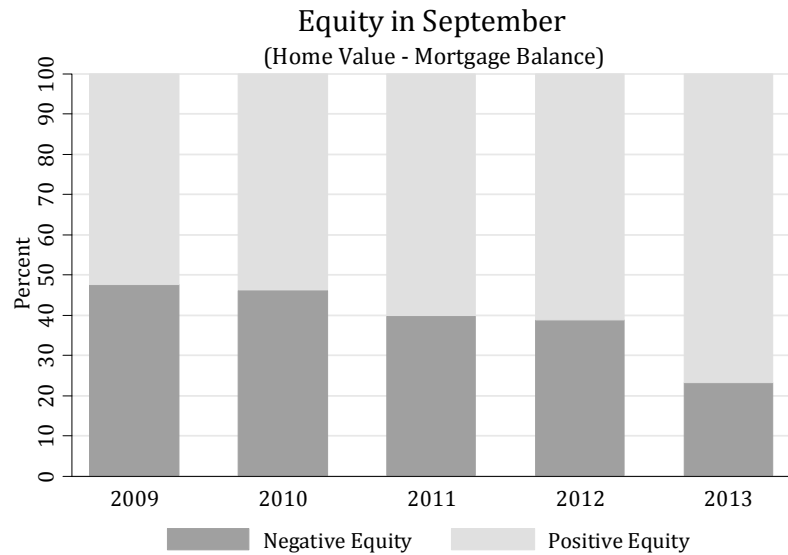
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# Rural Trends

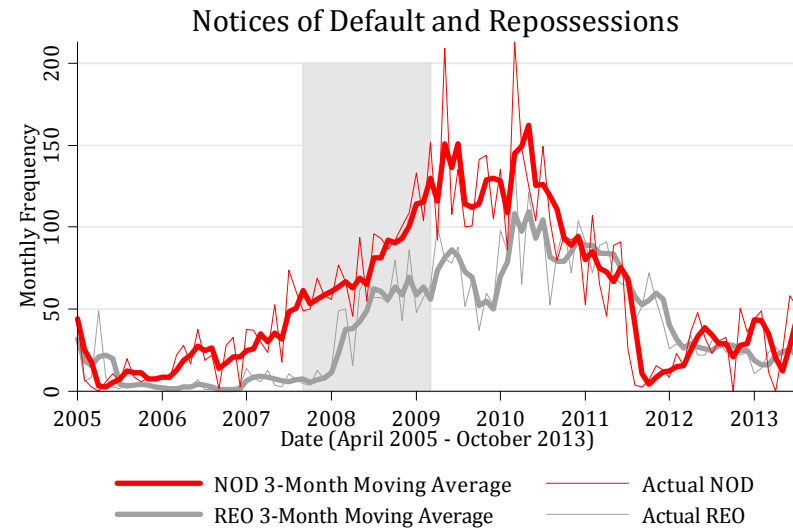


Source: CoreLogic

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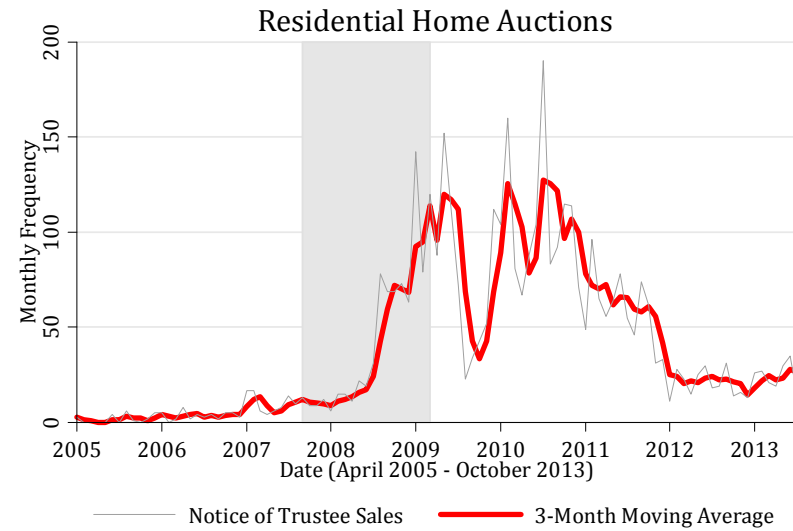


Source: CoreLogic



Source: RealtyTrac

Note: Gray bar represents recession.



Source: RealtyTrac

Note: Gray bar represents recession.

## 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.

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