

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 | 2013 Review

Nevada Statewide Trends

Population: **2,790,136** in 2013

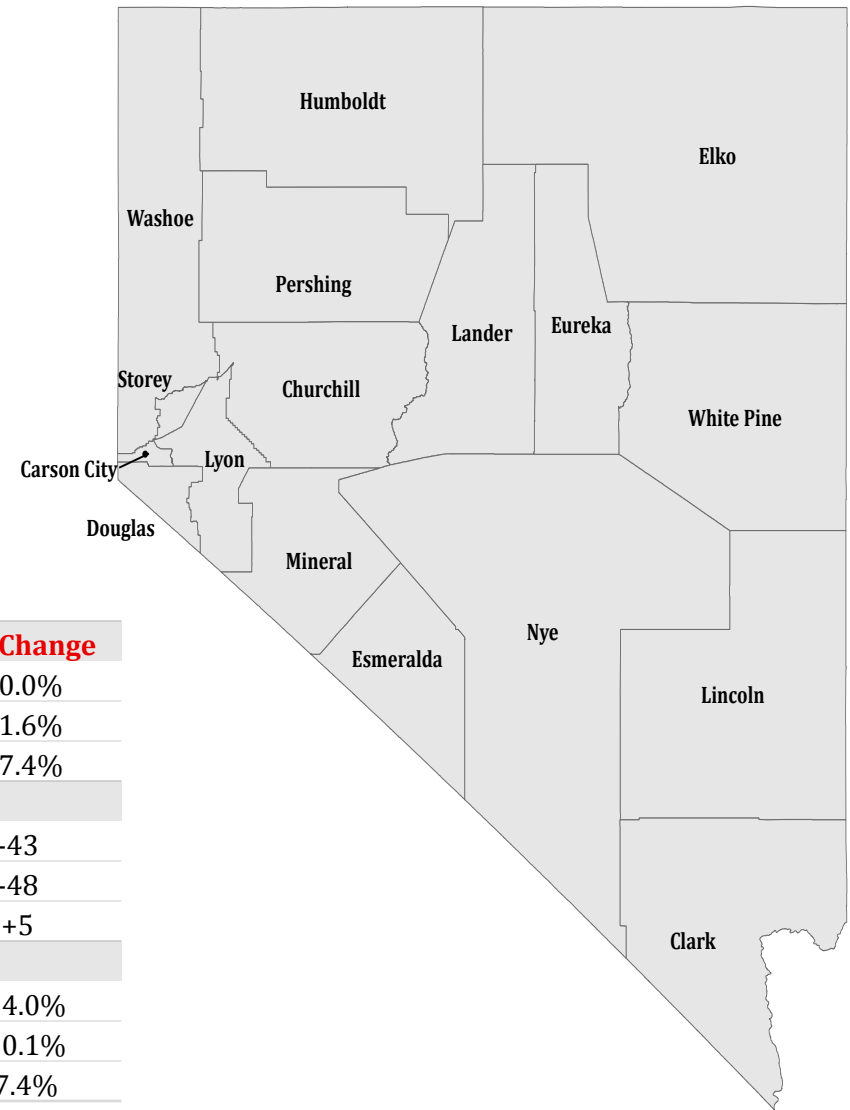
Housing Units: **1,183,870** in 2012

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



Nevada Statewide Trends

Compared to last year, Nevada's residential housing market is performing remarkably better and homeowners are financially stronger. The mortgage delinquency rate declined substantially along with foreclosure inventory throughout 2013 (page 7). This means that fewer homeowners are in danger of losing their homes by foreclosure. Subsequently, traditional home sales dominated the re-sale market and soared above short sales and real estate owned (REO) sales this year past year (page 6). Furthermore, the average price for single family homes increased – driving more homes into positive equity (page 4 & 7). Despite price increases, half of the local working class can still afford most homes being sold. Competition, nevertheless, persists and the level of available homes for sale reached a new low in December 2013 (page 5).

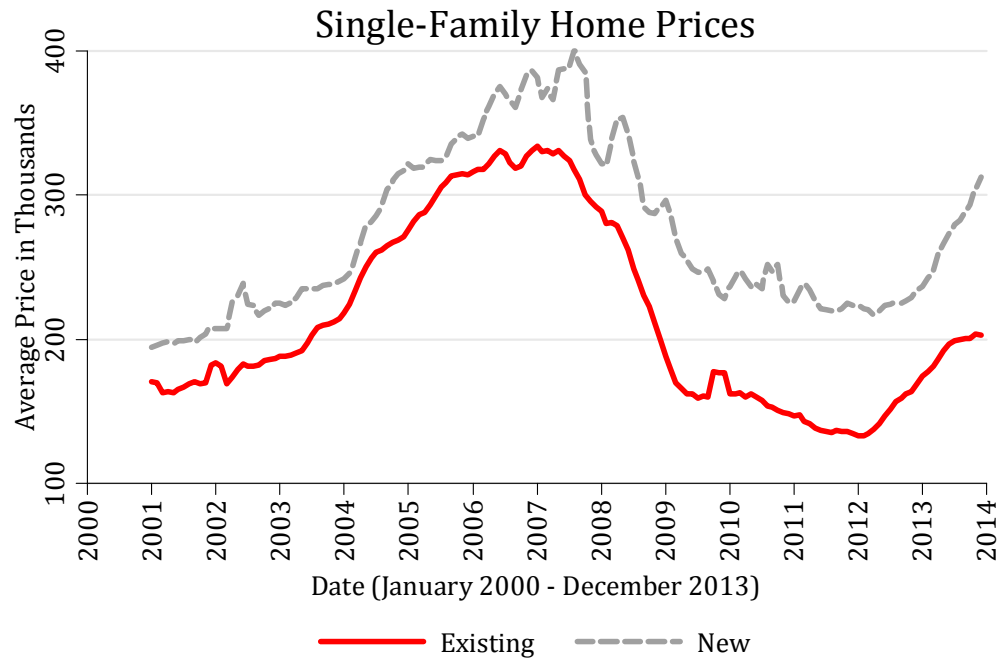


Single-Family Home Sales*	December 2013	M2M Change	Y2Y Change
New	662	-8.4%	-20.0%
Existing	4,418	-4.5%	-11.6%
Distress Share	22.2%	-6.1%	-47.4%
Residential Construction			
Total Starts	591	-67	-43
Single-Family	480	-93	-48
Multifamily	111	+26	+5
Average Single-Family Sales Price*			
New	\$312,671	+2.6%	+34.0%
Existing	\$202,814	-0.3%	+20.1%
Distress	\$157,117	0.0%	+7.4%

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

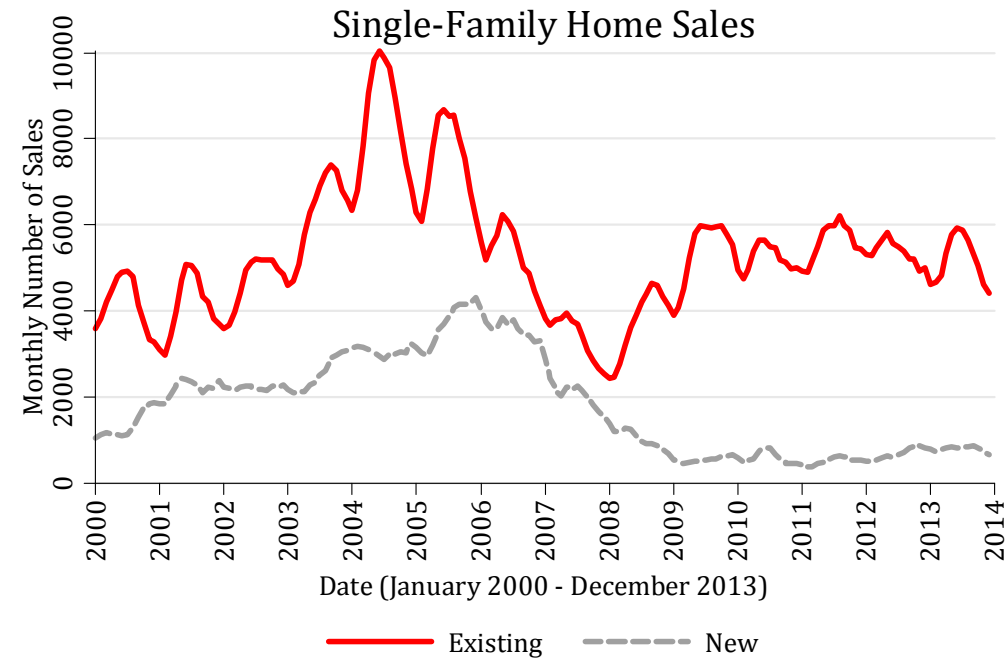
*Figures portray Three-Month Moving Weighted Averages

Nevada Statewide Trends



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

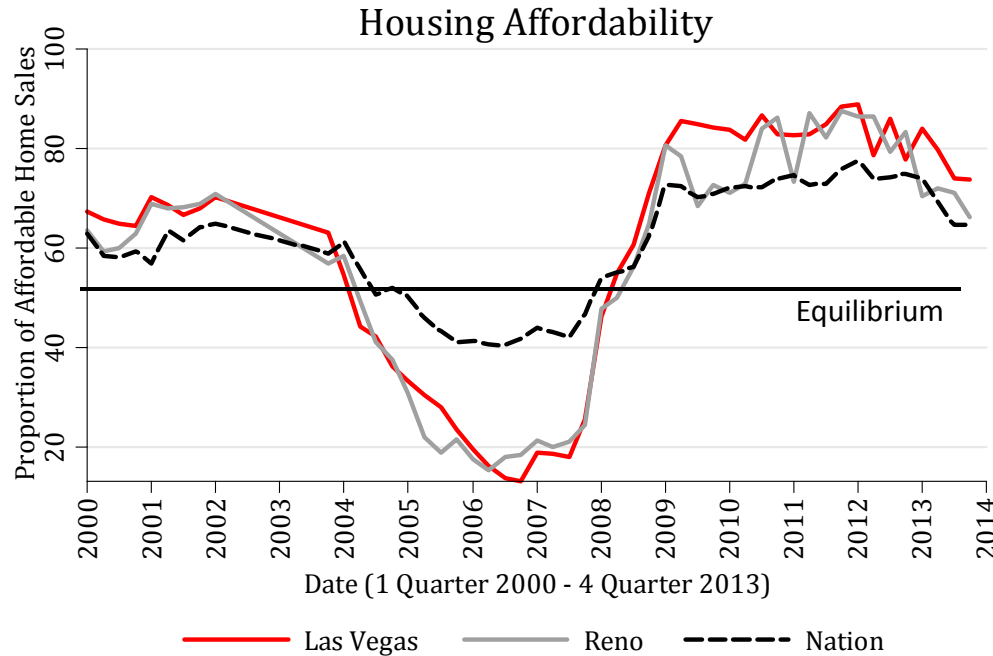


Source: CoreLogic

Note: Series are 3-month weighted moving averages.

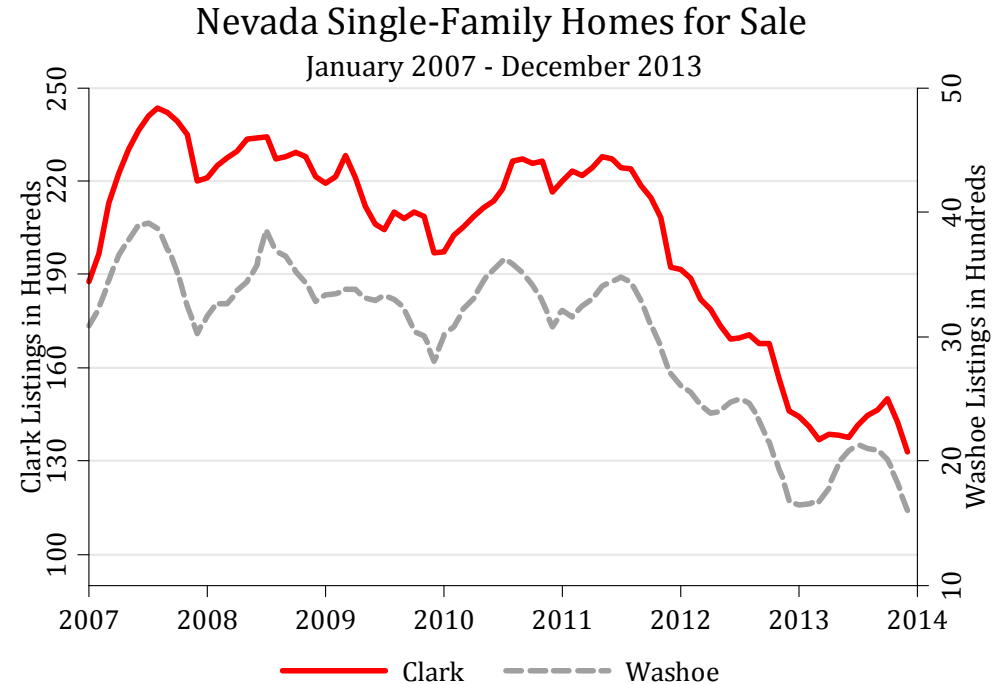
The Single-Family Home Price figure above shows the three-month moving average price of existing homes and new homes. Existing homes are single family homes that were exchanged from one private owner to another. This includes homes sold by real estate agents, owners, and lenders. New homes are single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

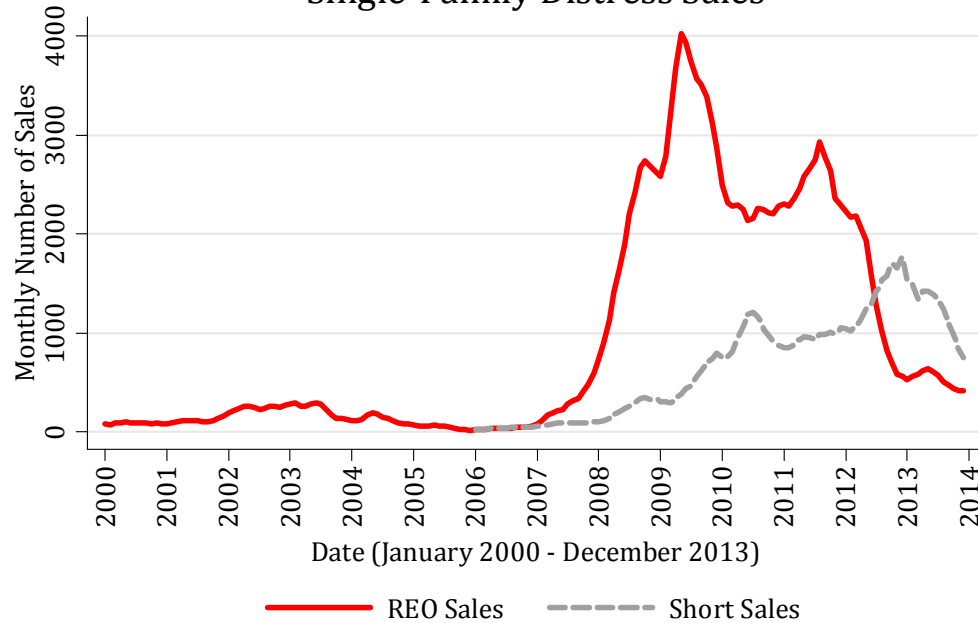


Source: Greater Las Vegas Association of Realtors and UNR's Center for Regional Studies

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 is 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

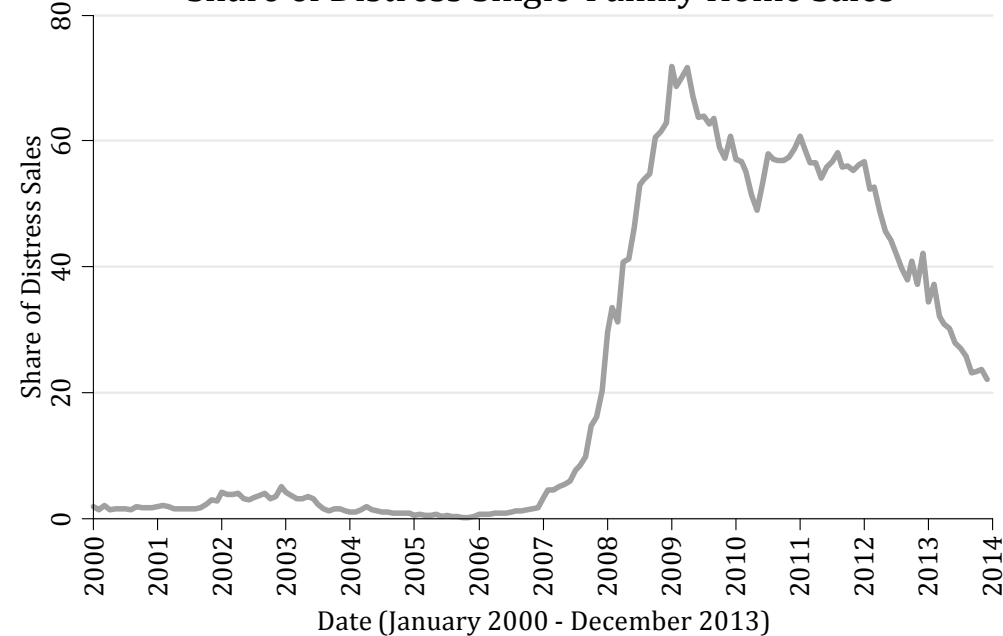
Single-Family Distress Sales



Source: CoreLogic

Note: Series are 3-month weighted moving averages.

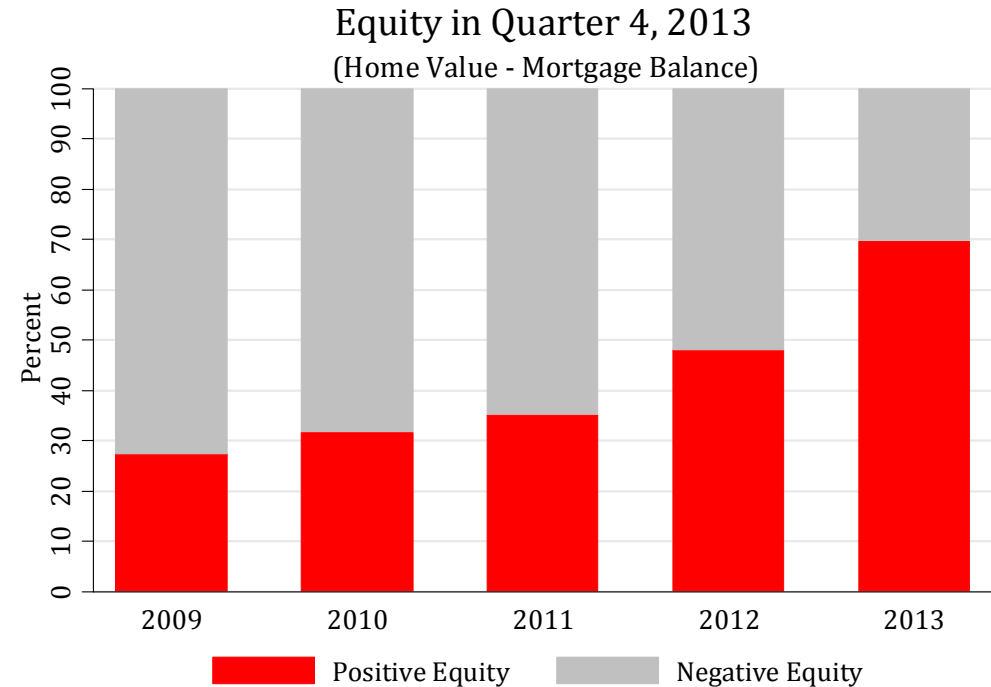
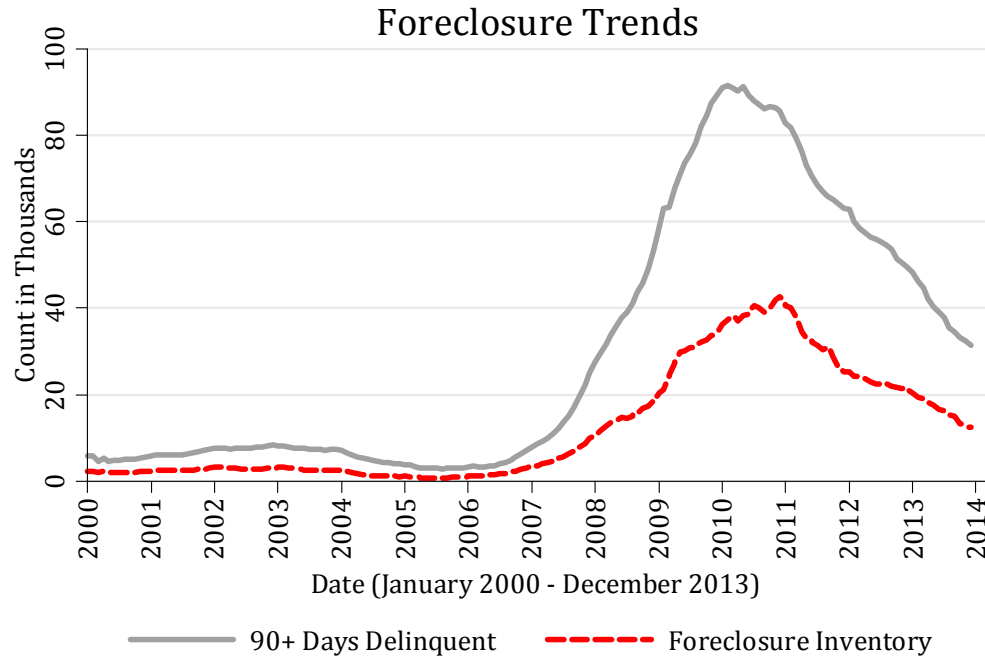
Share of Distress Single-Family Home Sales



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. A healthy proportion for a housing market is close to zero.

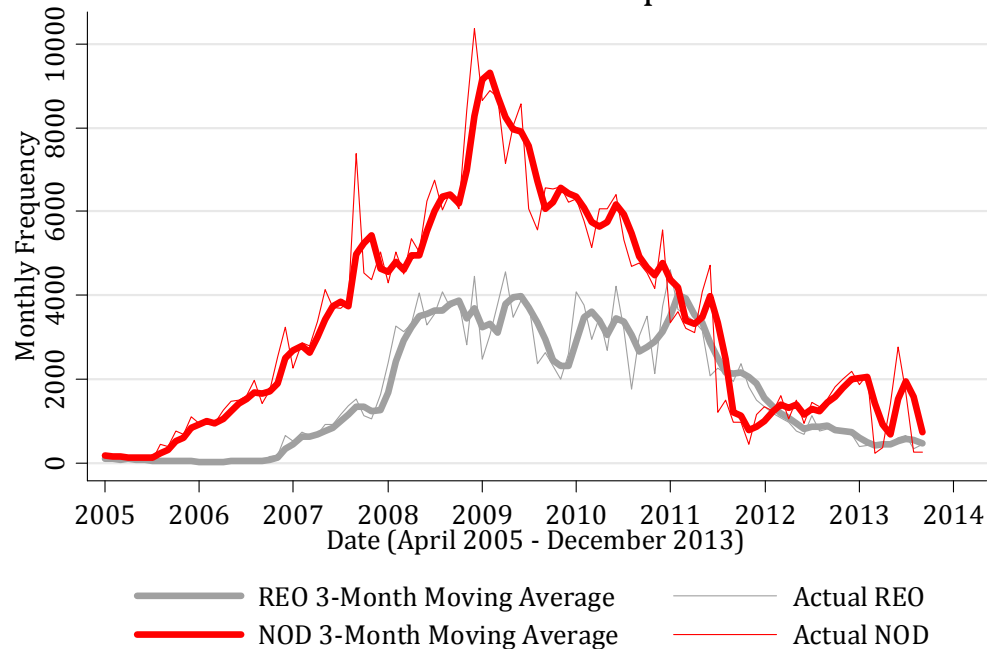
Nevada Statewide Trends



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.

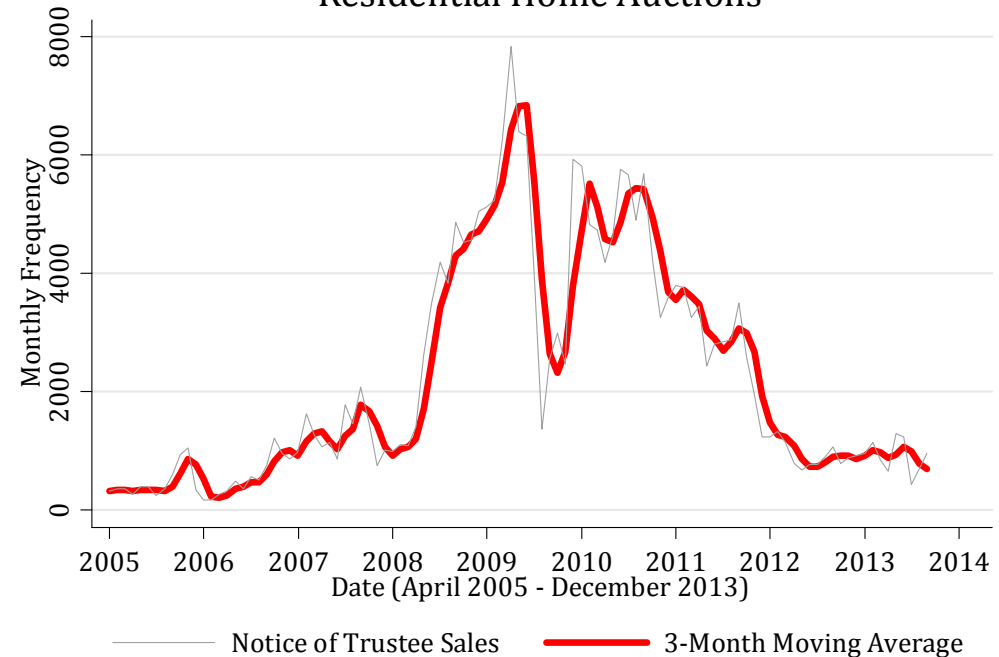
Nevada Statewide Trends

Notices of Default and Repossessions



Source: RealtyTrac

Residential Home Auctions



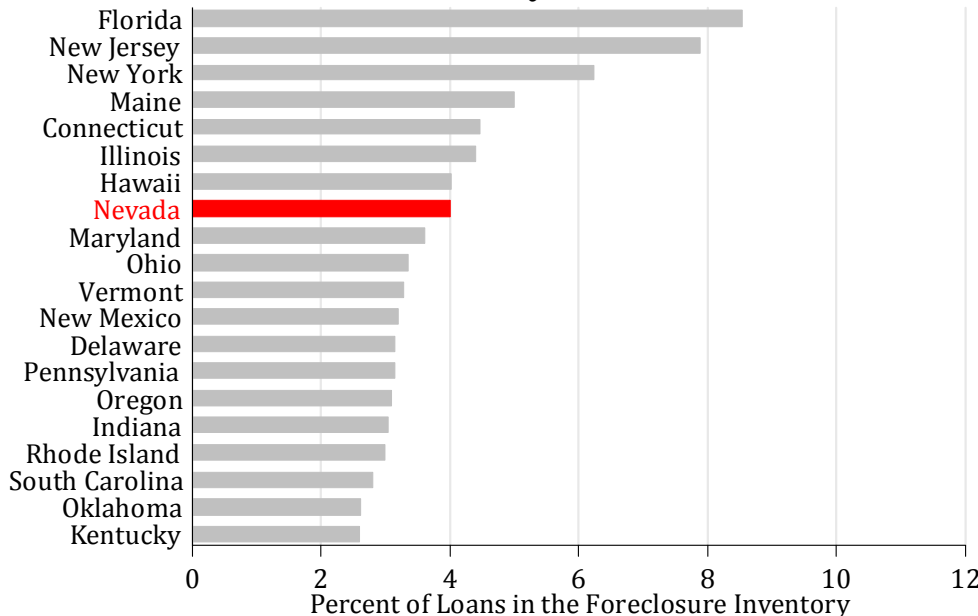
Source: RealtyTrac

These two figures are based on 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

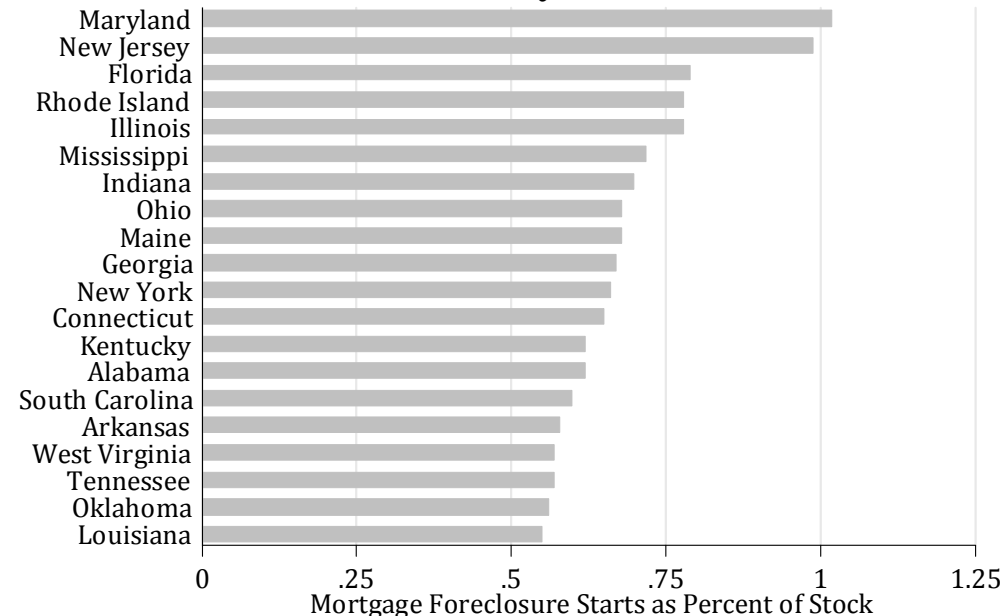
4th Quarter 2013



Source: Mortgage Bankers Association's National Delinquency Survey

Top 20 States in Foreclosure Starts

4th 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.

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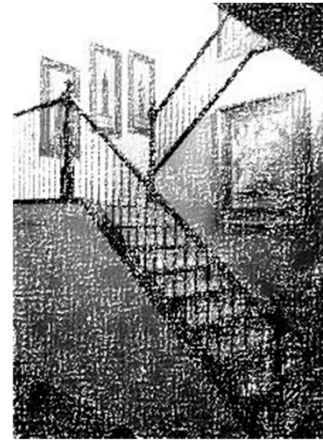
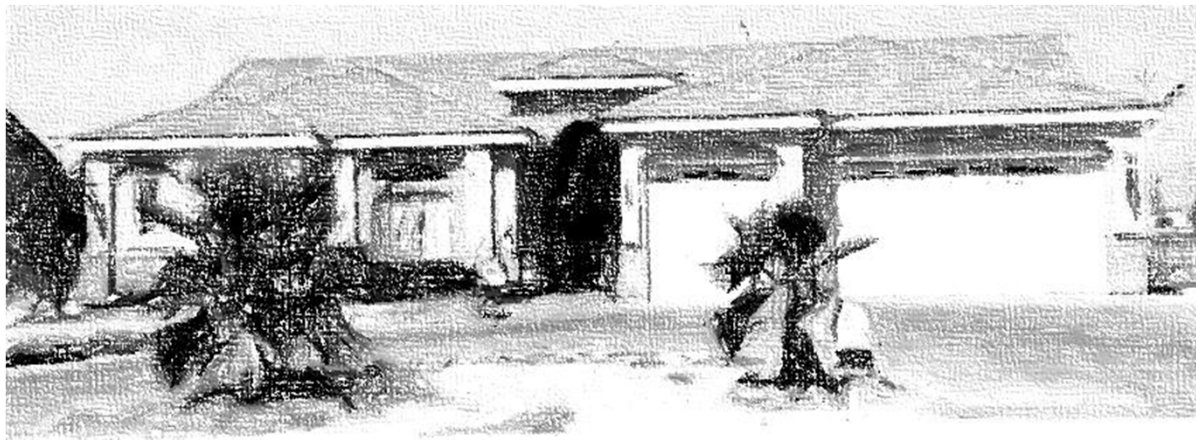
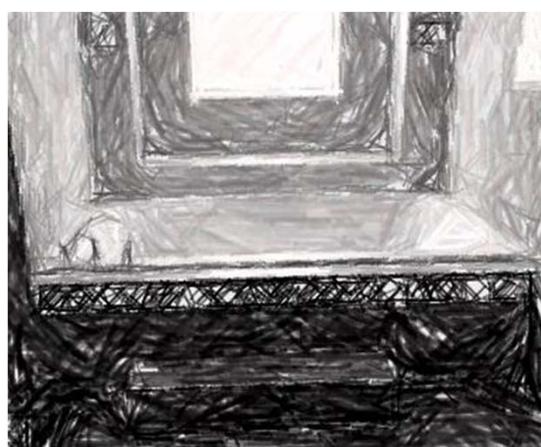
Northern Trends

Population: **611,379** in 2012

Housing Units: **267,622** in 2012

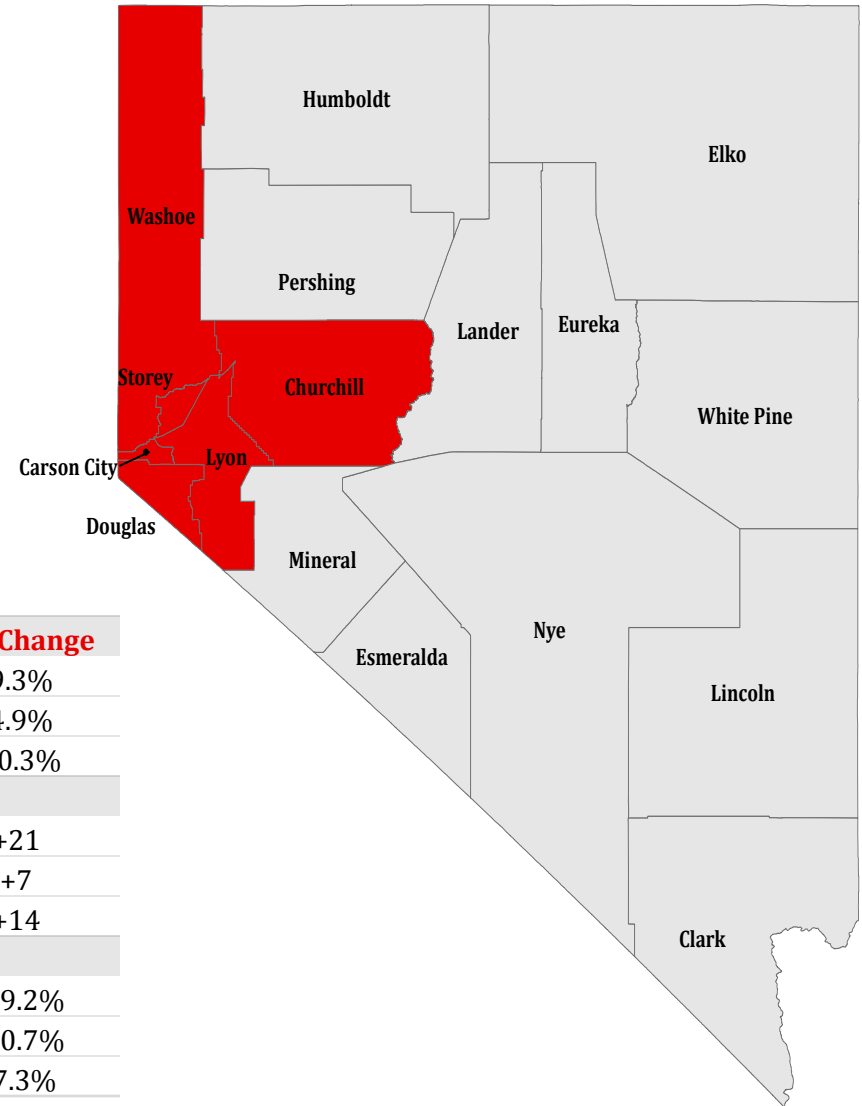
Source: U.S. Census Bureau: State and County QuickFacts

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



Northern Trends

The average price for existing single family homes in the Northern Counties appears to be stabilizing after realizing high yearly increases. Throughout 2013, monthly changes were marginal at best for existing homes. On the other hand, the average price for new home sales grew stubbornly. This helped strengthen home values and subsequently reduce the number of homes underwater – those are homes with market values below their outstanding mortgage balance. Notably, as of December 2013, the number of homeowners seriously delinquent and the foreclosure inventory are more than half way below their peaks. Currently, fewer than 2,500 homes in the Northern Counties are pending foreclosure.

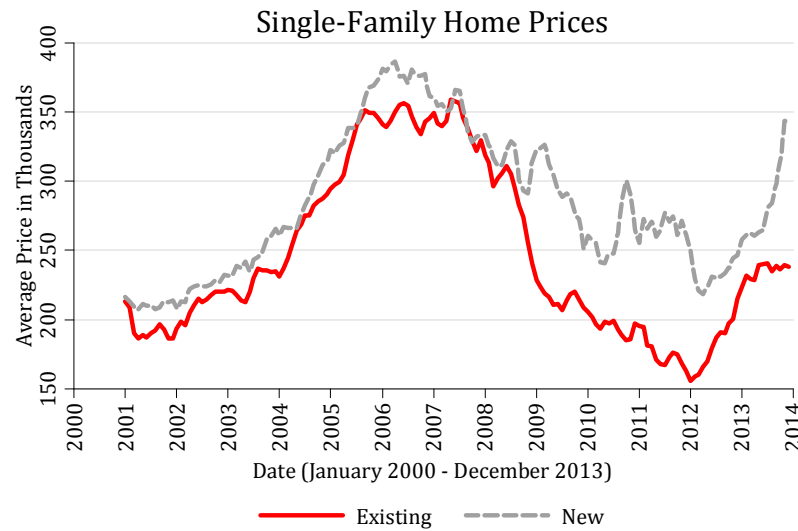


Single-Family Home Sales*	December 2013	M2M Change	Y2Y Change
New	91	-3.5%	-9.3%
Existing	940	-3.0%	-4.9%
Distress Share	19.8%	-11.0%	-50.3%
Residential Construction			
Total Starts	113	+8	+21
Single-Family	99	-6	+7
Multifamily	14	+14	+14
Average Single-Family Sales Price*			
New	\$343,561	-0.0%	+39.2%
Existing	\$238,308	-0.4%	+10.7%
Distress	\$174,150	-1.0%	+7.3%

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

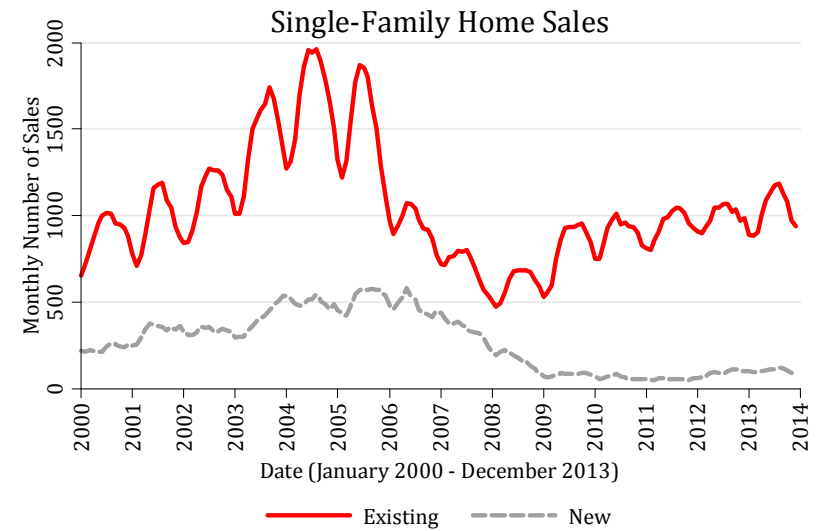
*Figures portray Three-Month Moving Weighted Averages

Northern Trends



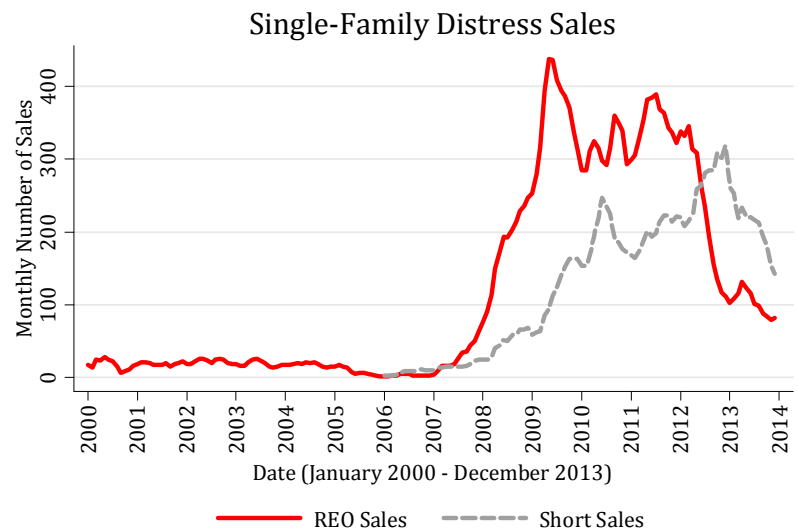
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



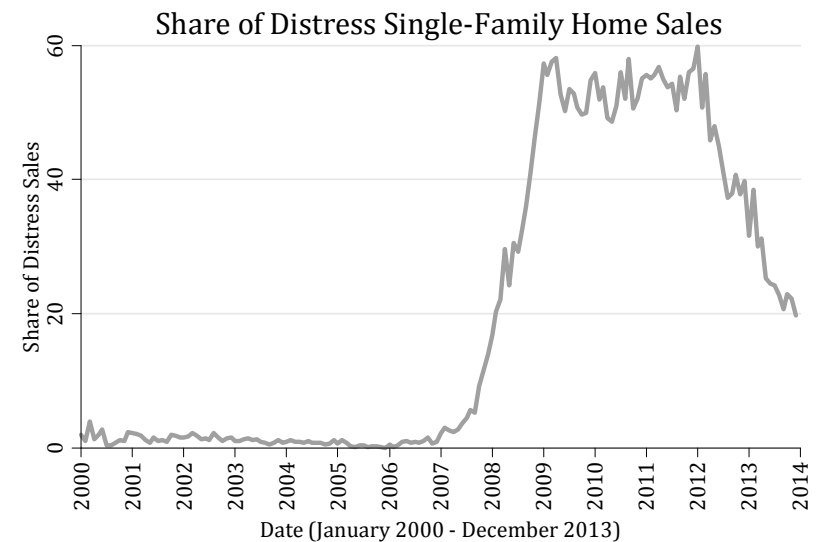
Source: CoreLogic

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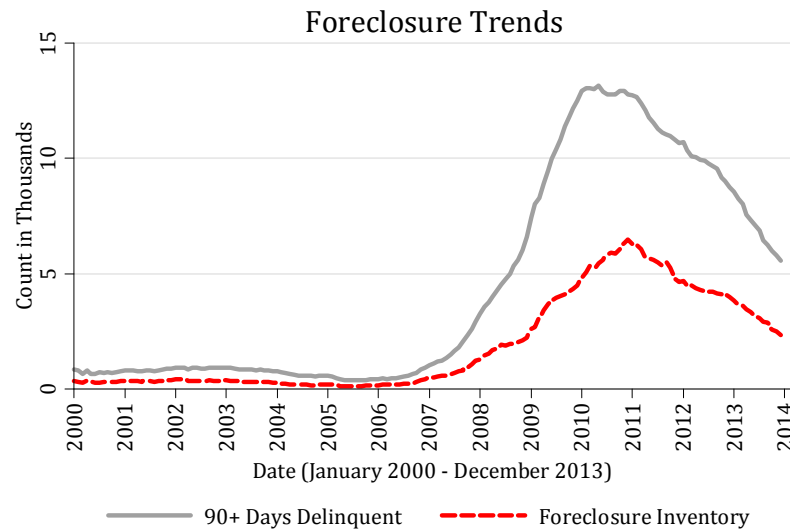
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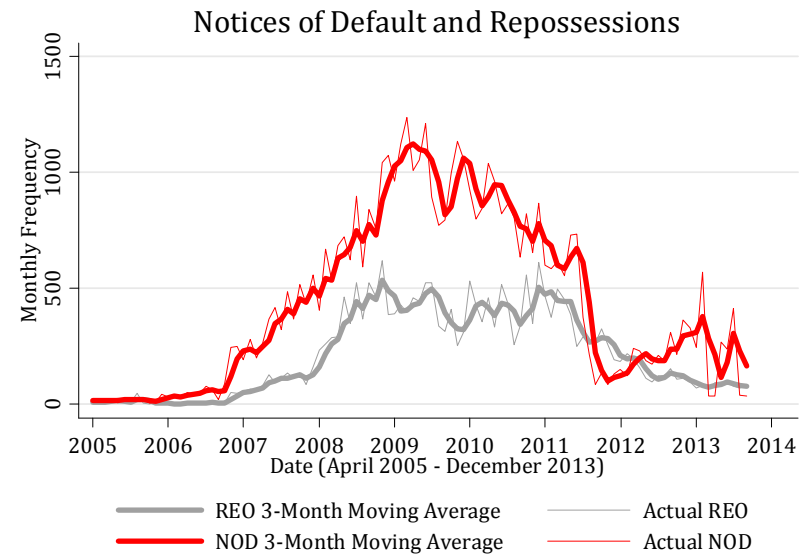


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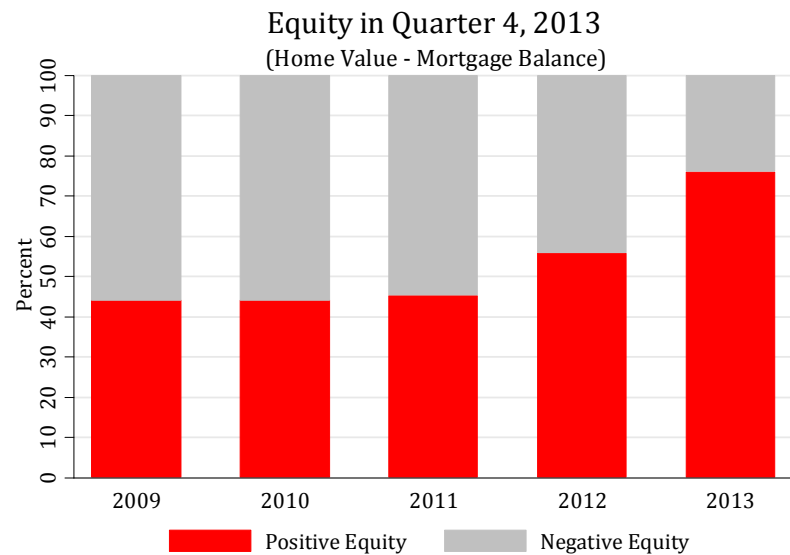
Northern Trends



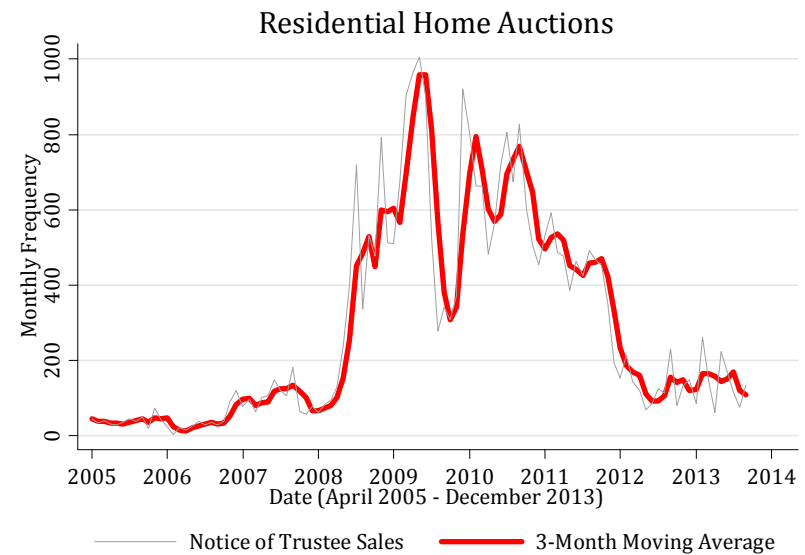
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



Source: RealtyTrac

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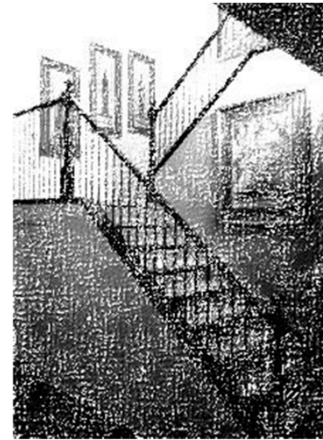
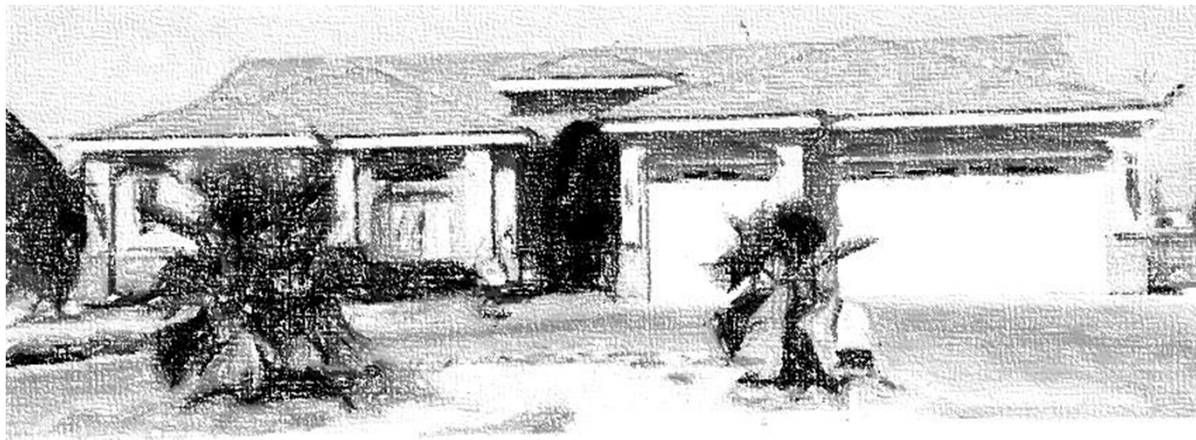
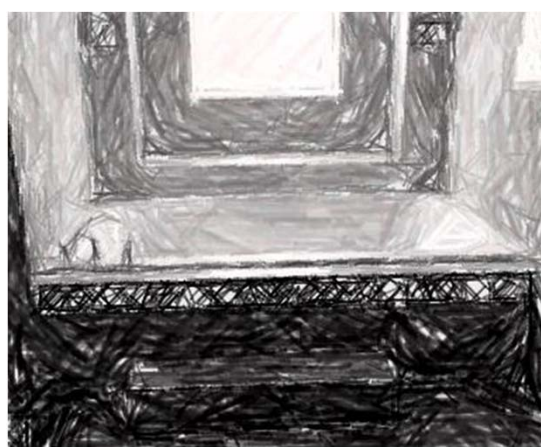
Southern Trends

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

Housing Units: **849,361** in 2012

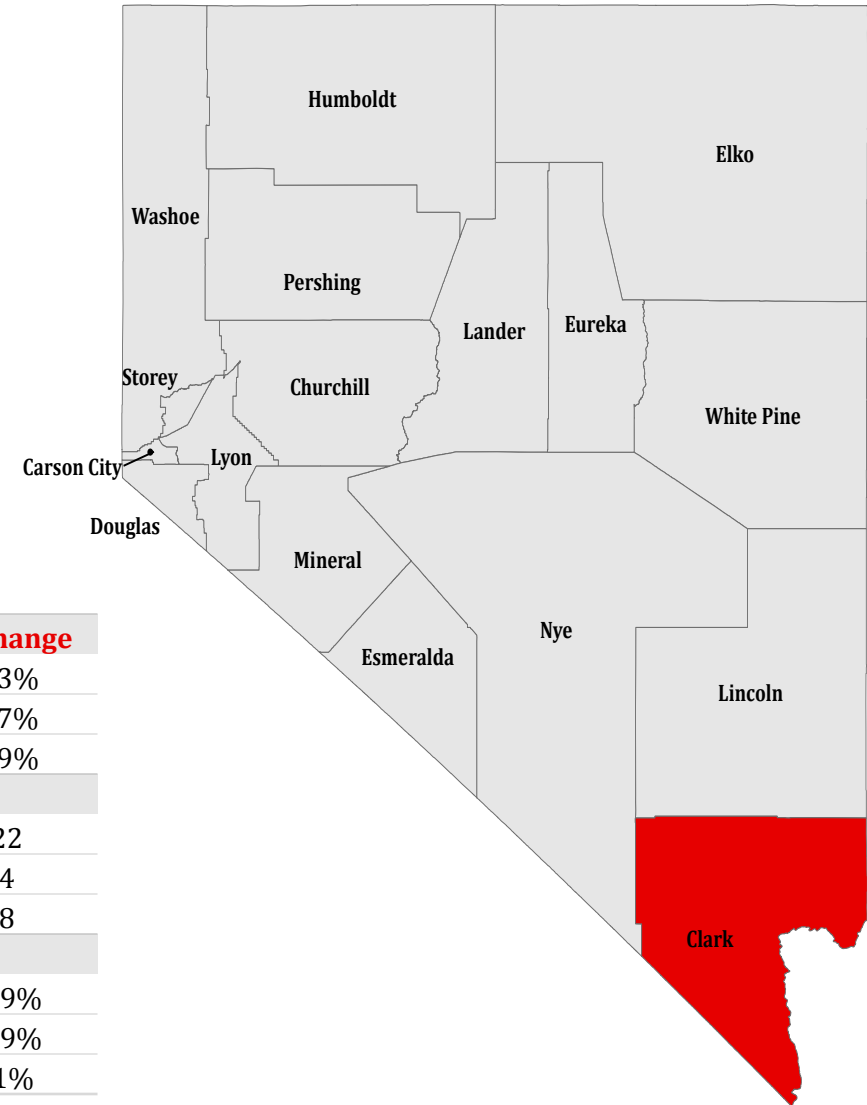
Source: U.S. Census Bureau: State and County QuickFacts

(Clark County)



Southern Trends

Southern Nevada over the course of 2013 lead price increases in the state for both new and existing single family homes. The number of sales for those types of properties is down compared to prior years. This is the result of declines in the number of available homes for sale. Home price appreciation, nevertheless, is good news for some people. Homeowners, for example, enjoy this because their home values rise and their equity situations improve. As of December 2013, more than 70 percent of all financed homes in Southern Nevada held positive equity. In 2013, other housing conditions have improved as well. The share of seriously delinquent mortgages fell and fewer homes began the foreclosure process than the prior year.

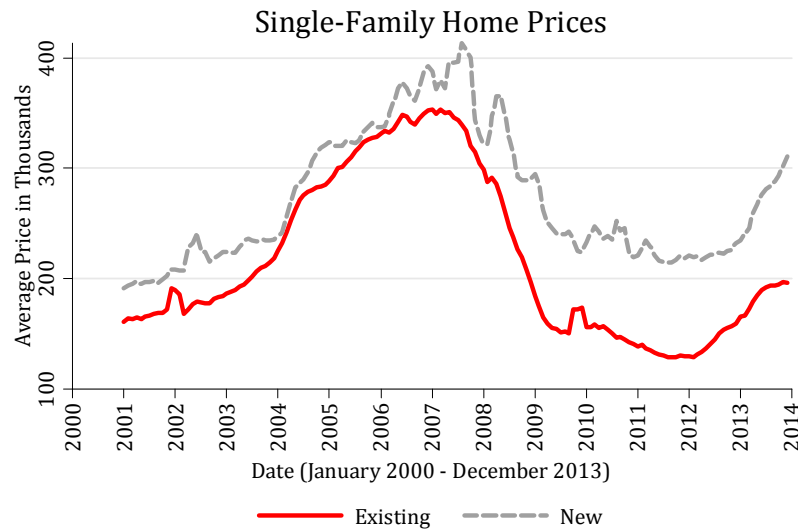


Single-Family Home Sales*	December 2013	M2M Change	Y2Y Change
New	548	-8.9%	-22.3%
Existing	3,311	-4.3%	-12.7%
Distress Share	22.8%	-6.0%	-47.9%
Residential Construction			
Total Starts	389	-135	-122
Single-Family	361	-78	-44
Multifamily	28	-57	-78
Average Single-Family Sales Price*			
New	\$310,737	+2.8%	+33.9%
Existing	\$196,268	-.05%	+22.9%
Distress	\$155,054	+0.2%	+8.1%

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

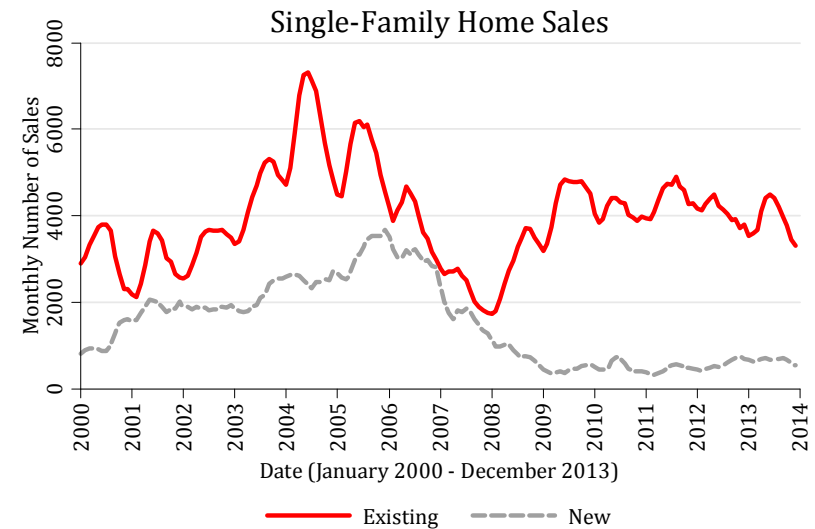
*Figures portray Three-Month Moving Weighted Averages

Southern Trends



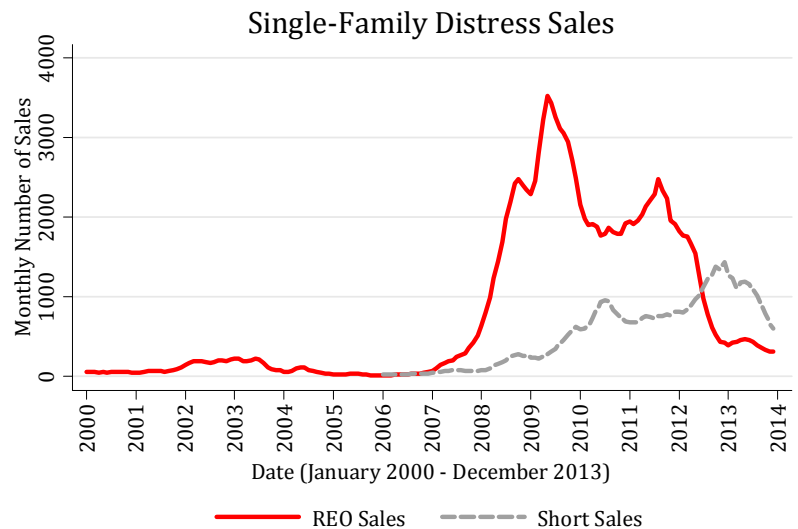
Source: CoreLogic

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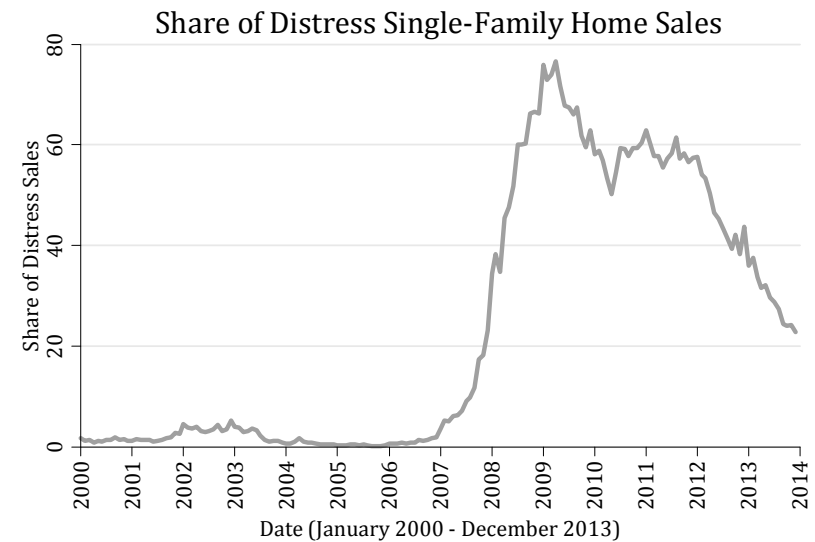
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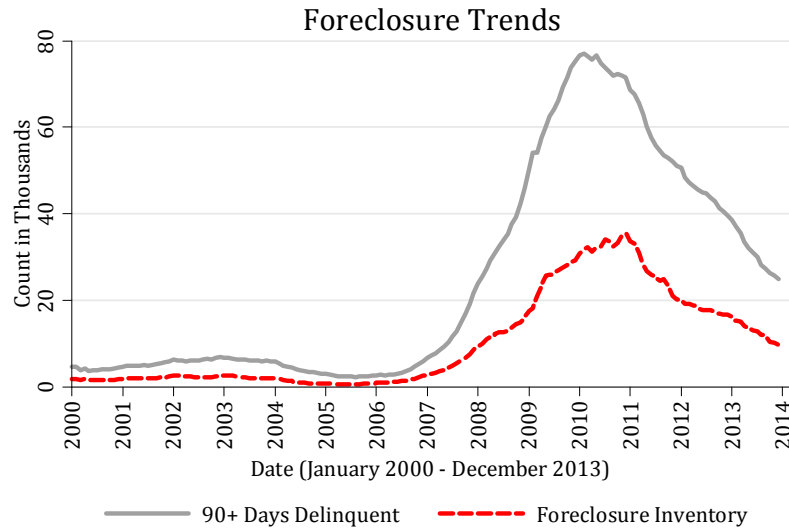
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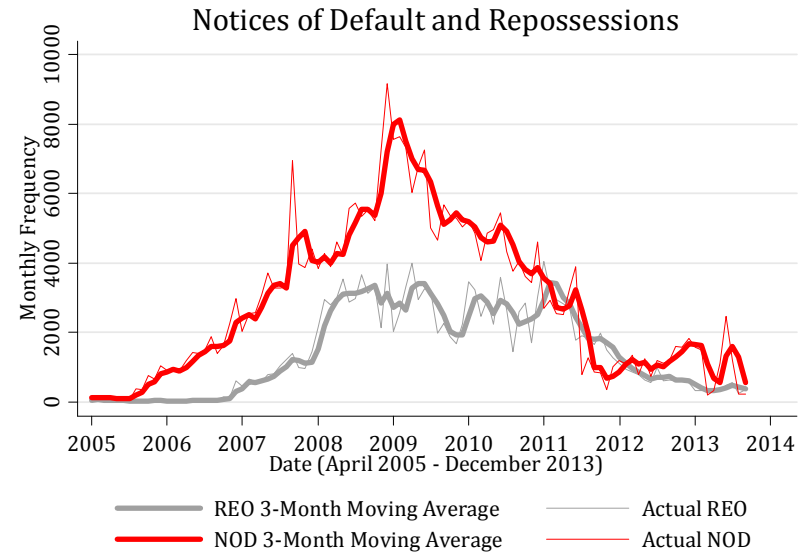


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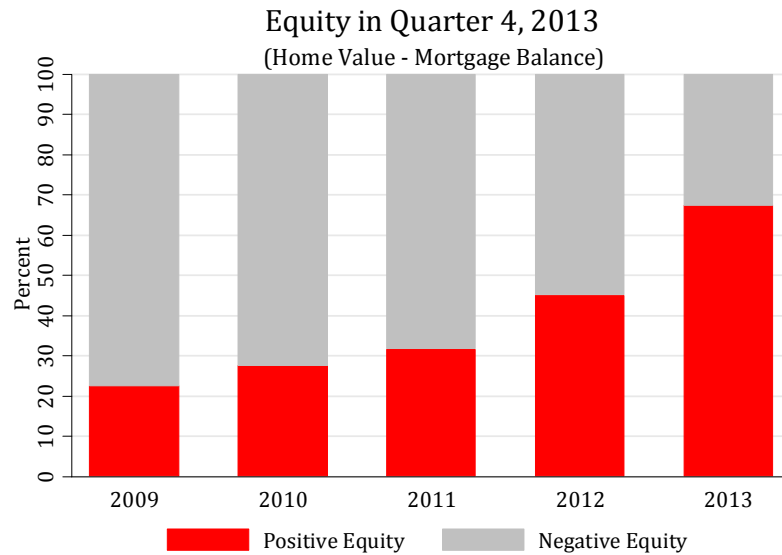
Southern Trends



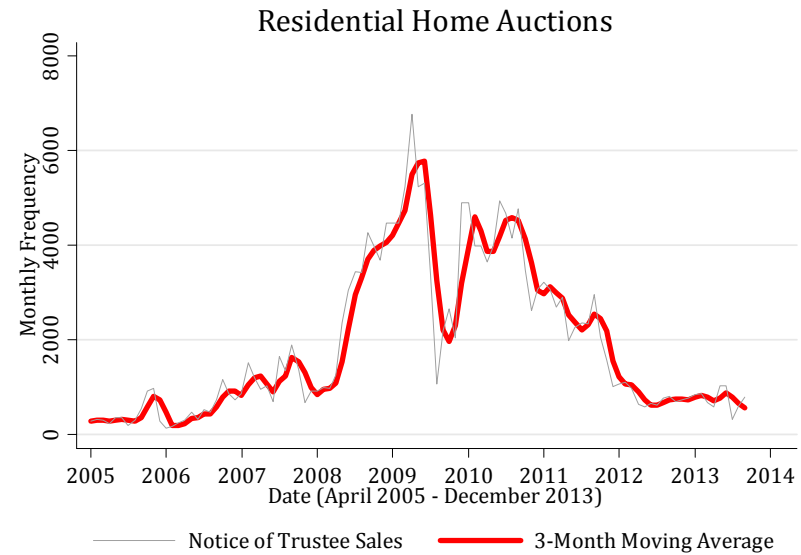
Source: CoreLogic



Source: RealtyTrac



Source: CoreLogic



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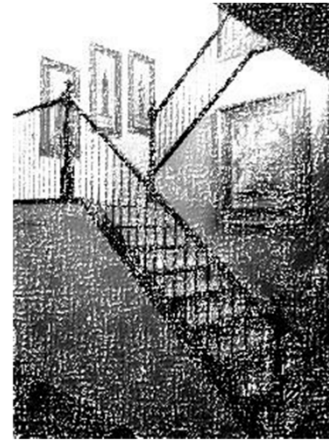
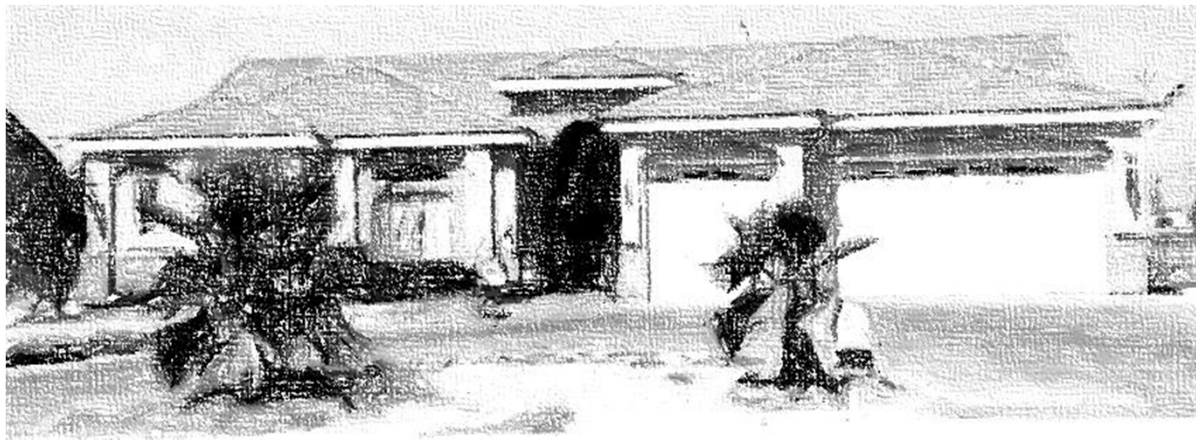
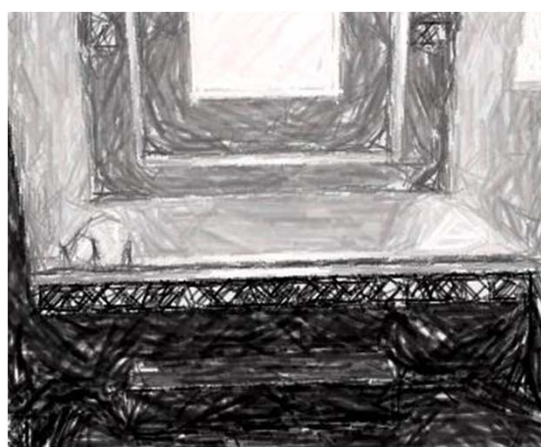
Rural Trends

Population: **146,793** in 2012

Housing Units: **66,887** in 2012

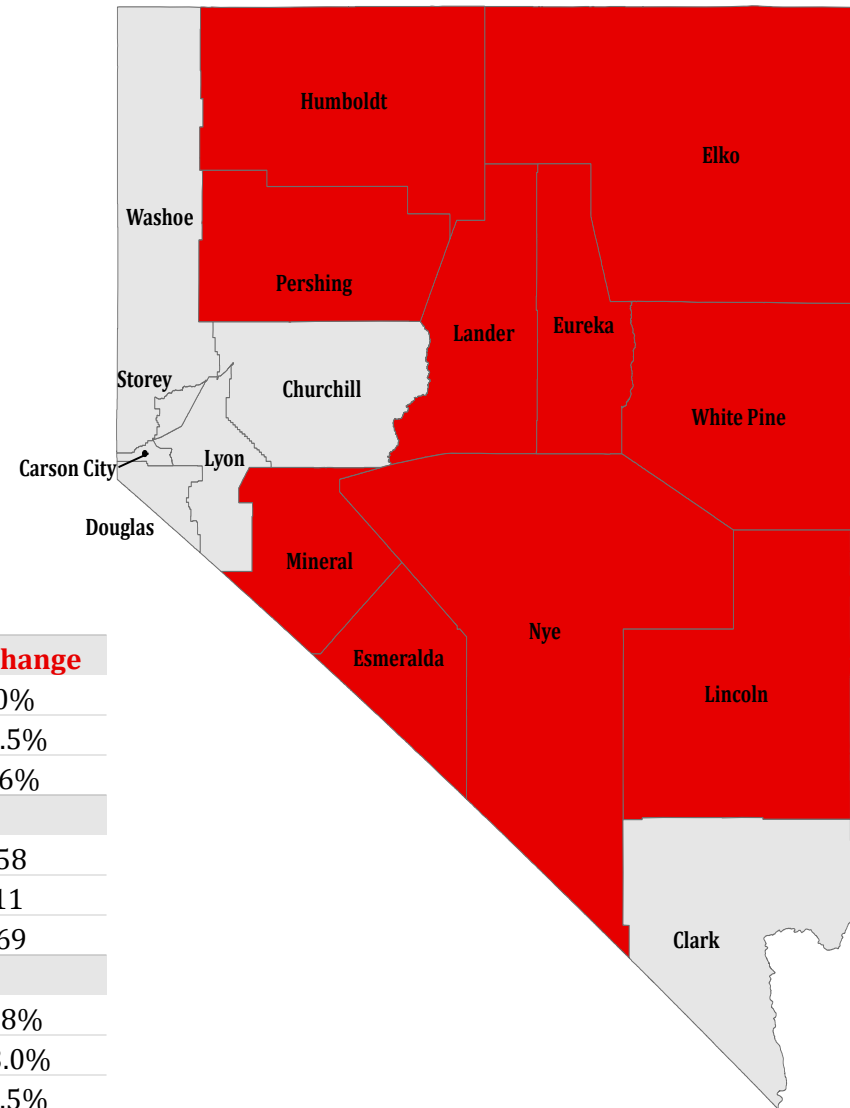
Source: U.S. Census Bureau: State and County QuickFacts

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



Rural Trends

Rural Nevada tends to follow a similar yet distinct trend to the rest of Nevada. Throughout 2013, home prices appreciated, traditional homes sales became prominent, and equity gains were realized. Notably, home prices in Rural Nevada did not drop as sharply as it happened in other parts of Nevada during the Great Recession. With the recent price increases, the current average home price reflects prices seen during the peak of the housing bubble in 2008. This price level, however, is not alarming – especially, when considering that many homeowners held their properties over the past few years. On a second note, the share of distress sales kept low over the past year. Fewer than 30 REO sales and fewer than 15 short sales occurred in December 2013.

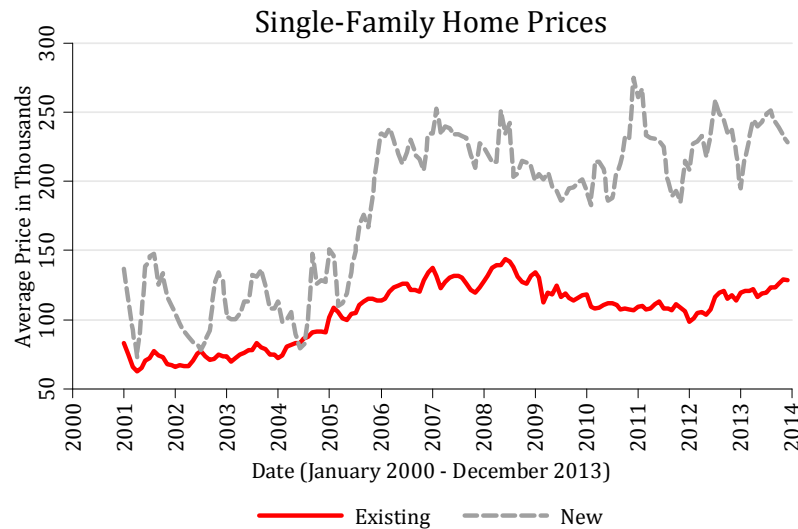


Single-Family Home Sales*	December 2013	M2M Change	Y2Y Change
New	21	-14.9%	0.0%
Existing	148	-12.3%	-23.5%
Distress Share	21.7%	16.0%	-1.6%
Residential Construction			
Total Starts	89	+60	+58
Single-Family	20	-9	-11
Multifamily	69	+69	+69
Average Single-Family Sales Price*			
New	\$228,460	-1.7%	+3.8%
Existing	\$128,412	-0.8%	+13.0%
Distress	\$95,749	-0.5%	-14.5%

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

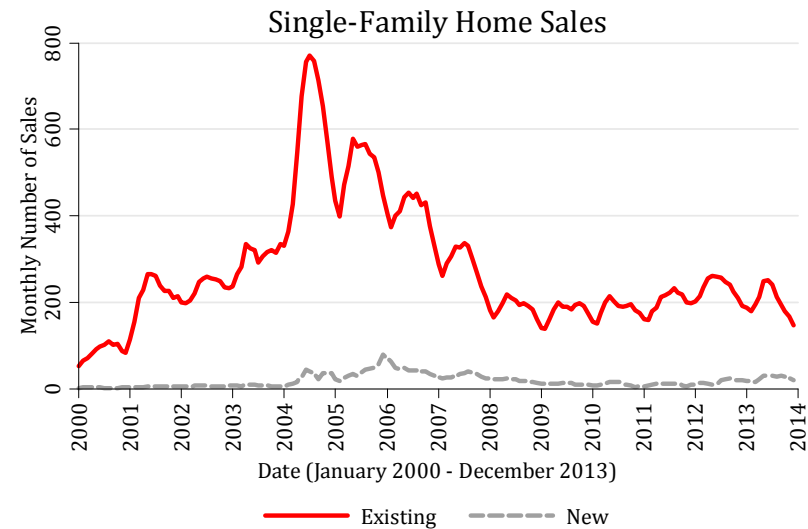
*Figures portray Three-Month Moving Weighted Averages

Rural Trends



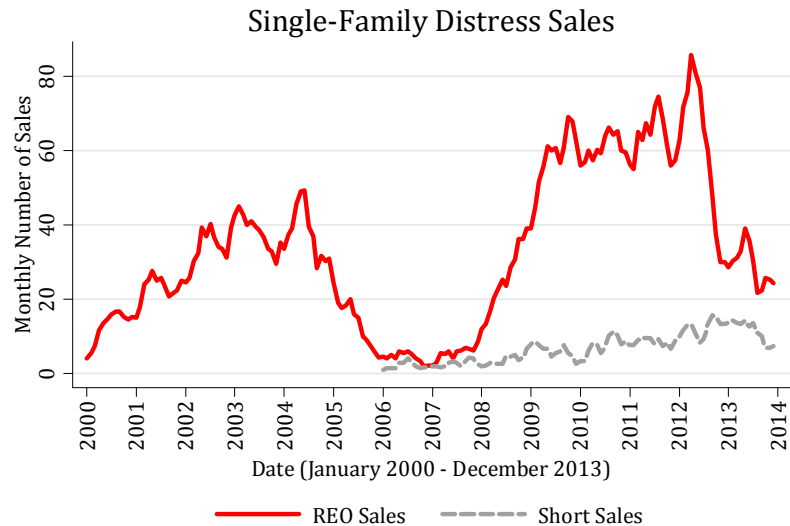
Source: CoreLogic

Note: Series are 3-month weighted moving averages.



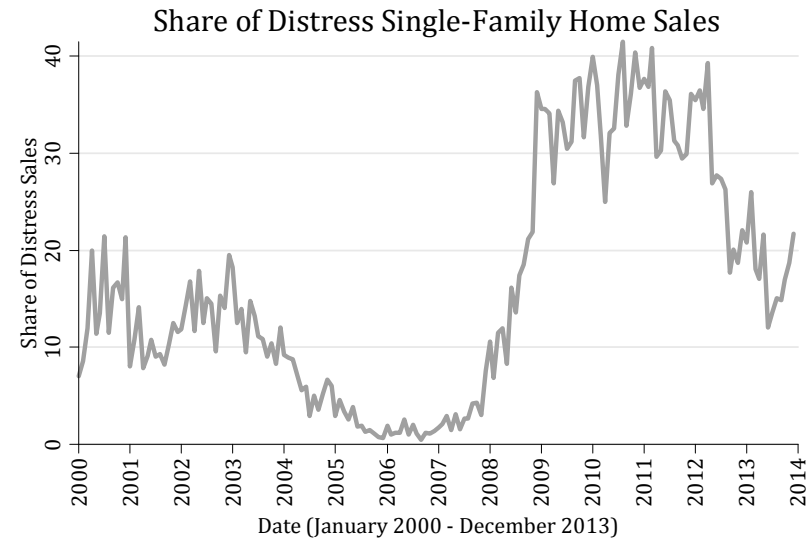
Source: CoreLogic

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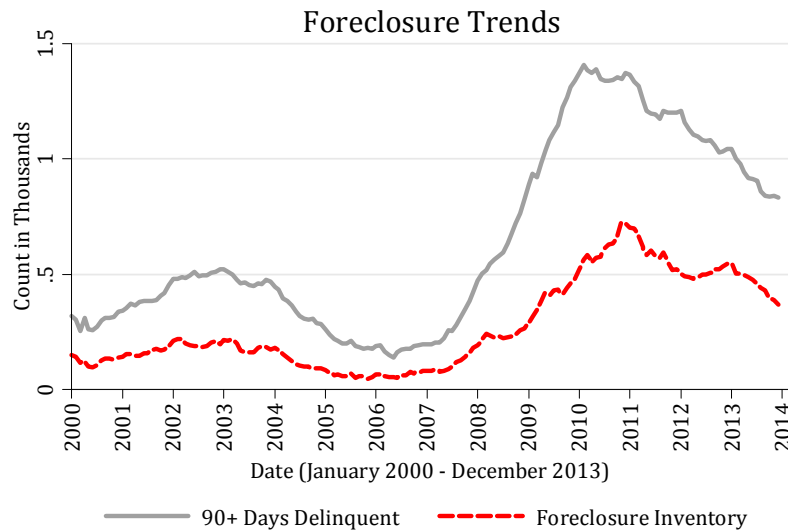
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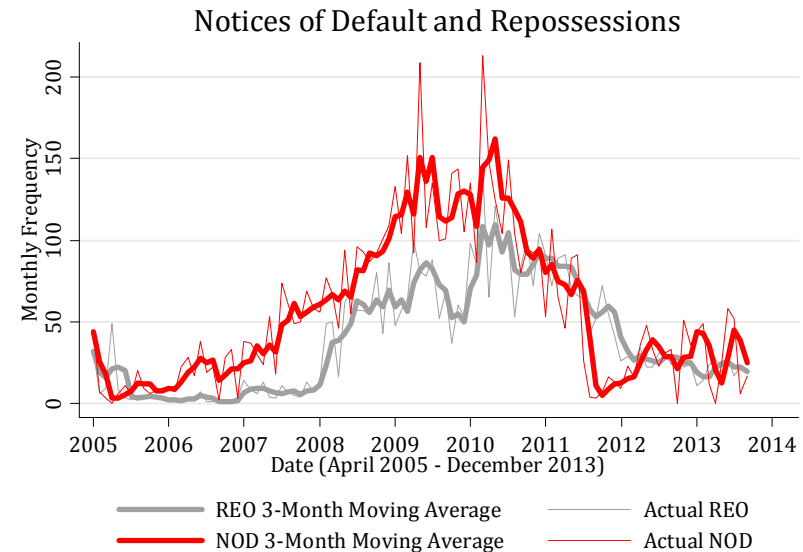


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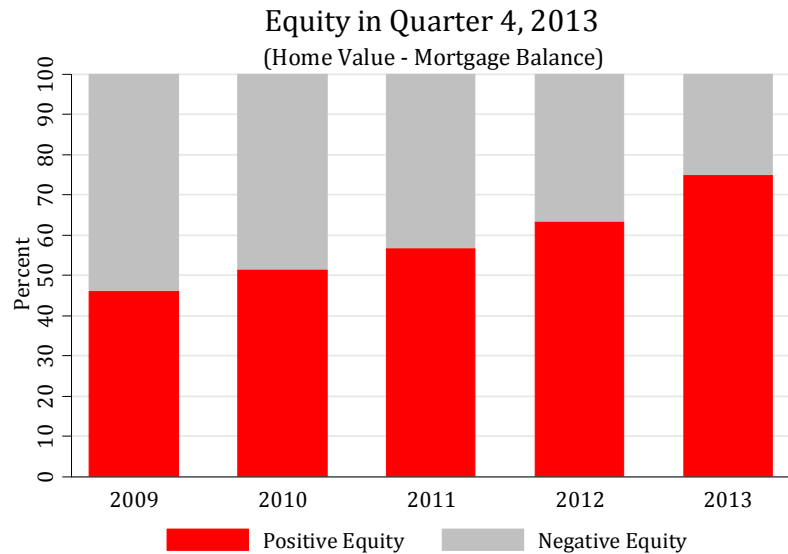
Rural Trends



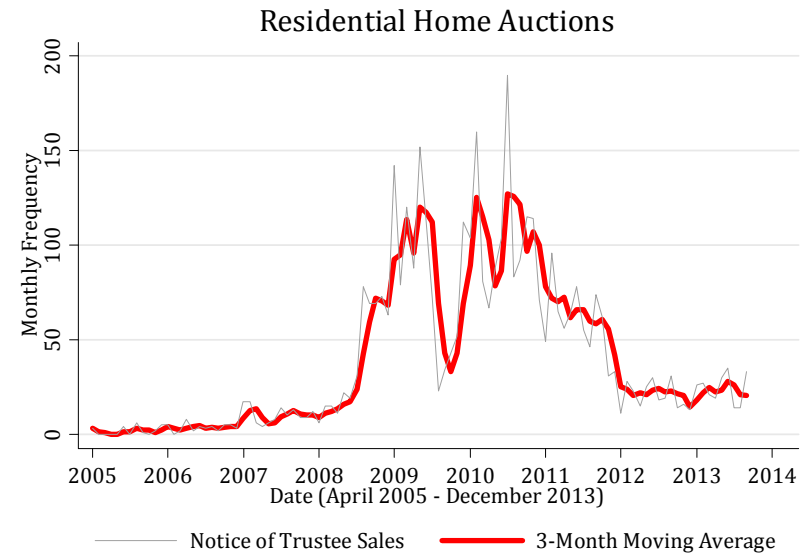
Source: CoreLogic



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.

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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