



State of Nevada Department of Business & Industry

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Nevada's housing market scores average grade for stability, best showing since 2007

Las Vegas, NV- The Department of Business and Industry today released the Nevada Housing Stability Index (NHSI) report for the third quarter of 2013. The index reveals marked improvement in a number of areas, leading to the highest NHSI performance since January 2007.

The index jumped from a composite score of 1.59 at the close of the second quarter to 2.04. On a four-point grading scale, the market earned a C grade, up from the D+ posted the previous quarter. A "C" grade represents average quality.

While a number of measures are trending positively, concerns remain given ongoing significant mortgage delinquencies and unknown impact of recent legislative actions.

Third quarter findings:

- Nine of 12 indices posted improvement during the third quarter, with six of the 12 scoring average or above average on the grading scale.
- Share of purchases by investors were down to 44.6%, down from 54.2% in prior quarter.
- Distressed home sales are decreasing as a percentage of the overall total at 33.2%.
- The Housing Affordability Ratio, which represents mortgage costs as a percentage of average wages, earned an A- in the third quarter, compared to a D in the same period last year.
- The percentage of underwater homes decreased to 39.3%.
- Areas that did not see significant improvements during the quarter include the pace of sales and a delinquency rate of 8.4% of borrowers being 90-plus-days delinquent.

The Nevada Housing Stability Index can be downloaded from the Department's website at business.nv.gov/News_Media/Publications.

About the Nevada Housing Stability Index

The index is intended to monitor the overall health of the statewide Nevada housing market and provide a barometer of market stability. The index is comprised of 12 independent components such as underwater loan percentages, housing turnover rates, affordability ratios and foreclosure volumes. Each measure is weighted based on relevance and importance to the overall market's performance. The individual components and composite index is assigned a grade based on a 4.0 grade point average (GPA), with a "C" grade representing average quality. Note: Data from prior reports are subject to revision based on latest information available.

About the Housing and Data Index Project

Nevada has led the nation in residential foreclosure filings and negative net equity since the beginning of the housing market collapse. Researchers agree the absence of systematic housing data has been prohibitive in the development of meaningful policy and programs that would aid in the recovery of the housing market. The project, a joint initiative of the Department of Business and Industry and the Lied Institute for Real Estate Studies at UNLV, provides a mechanism for extensive collection of data and analysis of current and future Nevada housing market trends. This data will aid policy makers in establishing public policy, legislation and programs as well informing the general public. Project initiatives include the publication of a monthly Housing Market Report, quarterly Nevada Housing Stability Index and convening a biannual Housing Market Forum.

About the Department of Business and Industry

The Nevada State Department of Business and Industry is a cabinet level agency in Nevada State government. Our 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 B&I 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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