

WINDERMERE REAL ESTATE PRESENTS

# THE GARDNER REPORT

GREATER LAS VEGAS NEVADA | SECOND QUARTER 2017

The following analysis of the Greater Las Vegas real estate market is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.



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**ABOUT MATTHEW GARDNER** Mr. Gardner is the Chief Economist for Windermere Real Estate, specializing in residential market analysis, commercial/industrial market analysis, financial analysis, and land use and regional economics. He is the former Principal of Gardner Economics, and has more than 30 years of professional experience both in the U.S. and U.K.



## ECONOMIC OVERVIEW

Employment growth in the Las Vegas metropolitan area slowed down—albeit very modestly—as the market entered the summer, with an annual employment growth of 2.9%. That said, the market has added 27,300 new jobs over the past 12 months. With this growth in employment, the unemployment rate remained at 4.8% which is marginally above the statewide level of 4.7%.

Las Vegas continues to approach full employment but the market, like many others across the country, has yet to see robust wage growth. However, I do believe wages will start to rise as the labor market continues to tighten through the rest of the year.

*Please note: For the purposes of this report, we broke the market down into 12 component sub-markets with the sub-market areas defined by zip codes.*

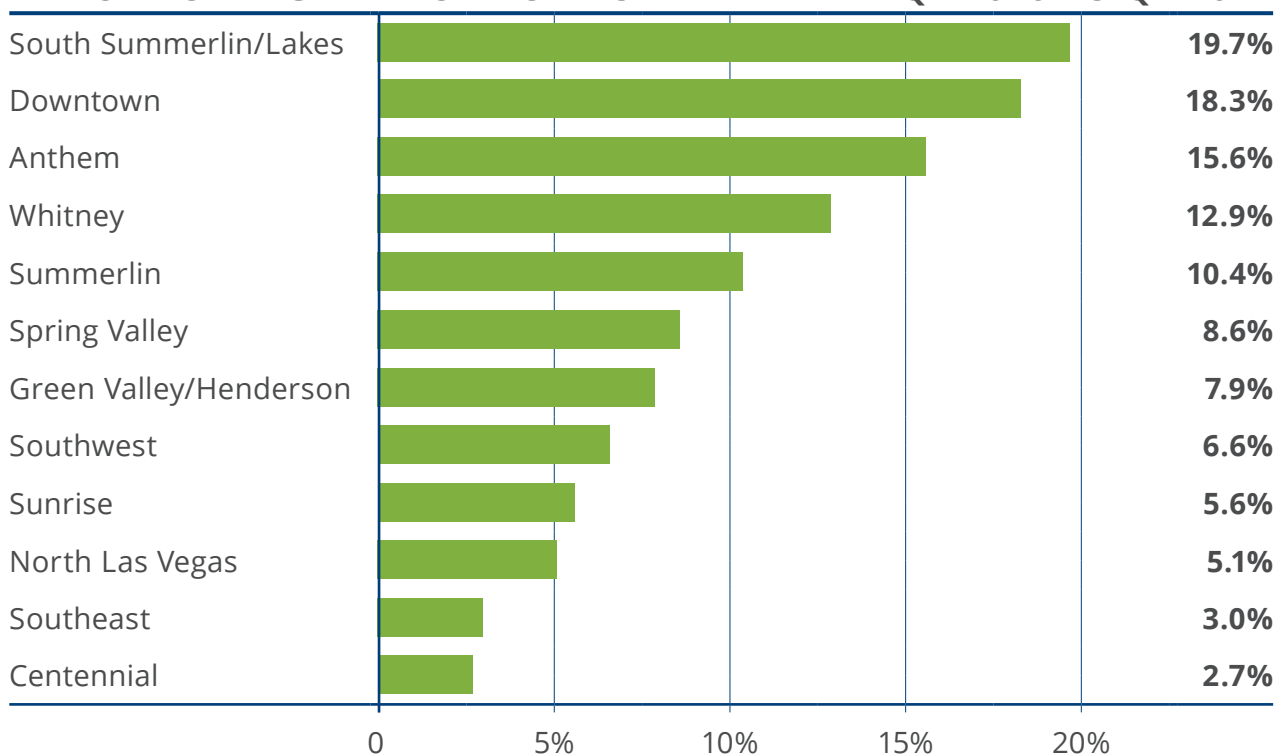
Sub-Market Areas	Zip Codes
Anthem	89012, 89044, 89052, 89183
Centennial	89108, 89130, 89131, 89143, 89149, 89166
Downtown	89101, 89104, 89106, 89107
Green Valley/Henderson	89002, 89011, 89014, 89015, 89074
North Las Vegas	89030, 89031, 89032, 89081, 89084, 89085, 89086, 89087
South Summerlin/Lakes	89117, 89135, 89144, 89145
Southeast	89109, 89119, 89123, 89169
Southwest	89113, 89118, 89139, 89141, 89148, 89178, 89179
Spring Valley	89102, 89103, 89146, 89147
Summerlin	89128, 89129, 89134, 89138
Sunrise	89110, 89115, 89142, 89156
Whitney	89120, 89121, 89122

## HOME SALES ACTIVITY

- A total of 11,256 homes sold in the second quarter, which was an increase of 8.9% over the same period a year ago. Sales were a substantial 30.5% higher than last quarter.
- Home sales were not as strong in the Centennial and Southeast Las Vegas sub-markets, but this is due to low inventory levels rather than a decrease in demand.
- There were substantial increases in home sales in a majority of the sub-markets within this report, but the fastest rate was in the South Summerlin/Lakes area, which saw an annual increase of 19.7%.
- Inventory levels remain remarkably low with 35.1% fewer homes for sale than the same period in 2016 and 11.5% below the level seen in the first quarter. Unfortunately, we failed to see any rise in listings in the spring.

### ANNUAL CHANGE IN HOME SALES

### Q2-2016 TO Q2-2017

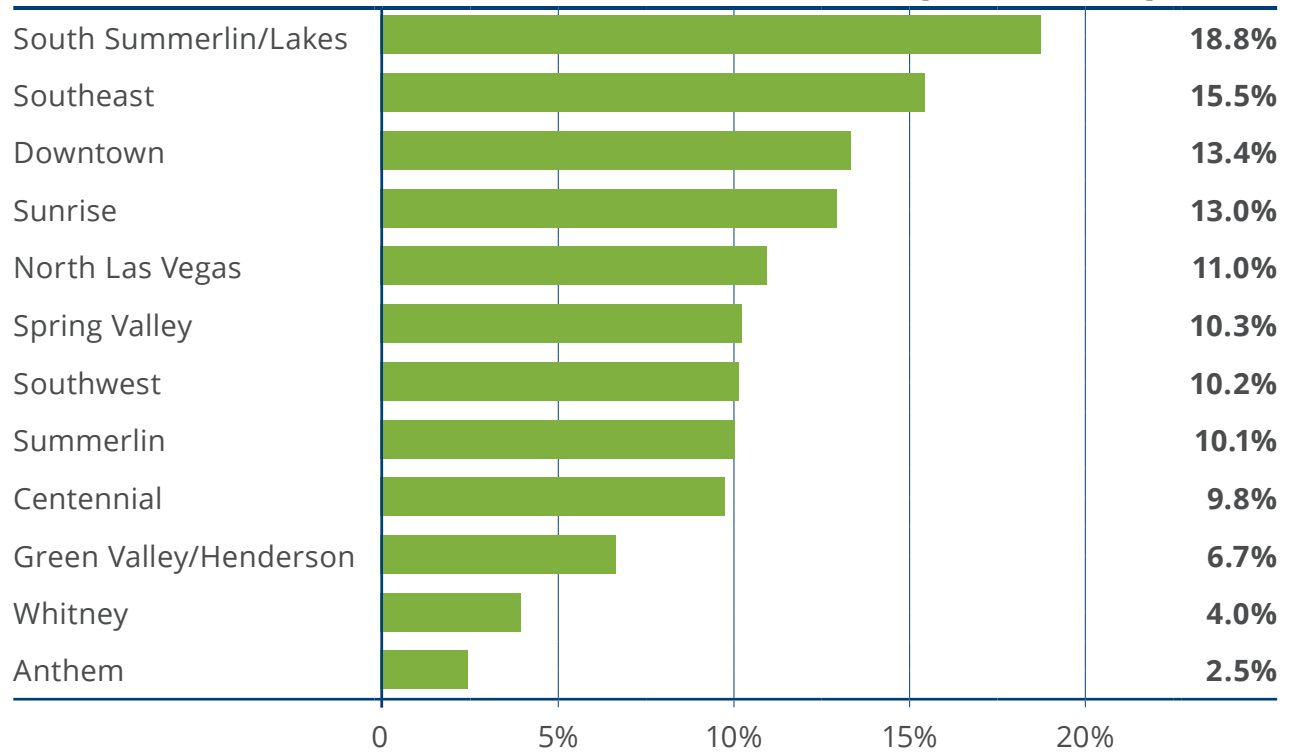


## HOME PRICES

- Home prices in the area have risen by 10.4% year-over-year, to an average of \$260,535, and are 6.3% higher than first quarter.
- The relatively affordable downtown sub-market saw a substantial price increase of 13.4% to \$164,000. Double-digit gains were also seen in the Sunrise, North Las Vegas, Spring Valley, Southwest Las Vegas, and Summerlin neighborhoods.
- Prices rose in all sub-markets when compared to the second quarter of 2016, with the strongest growth seen in the South Summerlin/Lakes and Southeast Las Vegas sub-markets, which saw prices up by 18.8% and 15.5% respectively.
- I anticipate that we will continue to see above-average price growth in the greater Las Vegas market, as job growth continues and inventory levels remain constrained.

## ANNUAL CHANGE IN HOME SALE PRICES

Q2-2016 TO Q2-2017

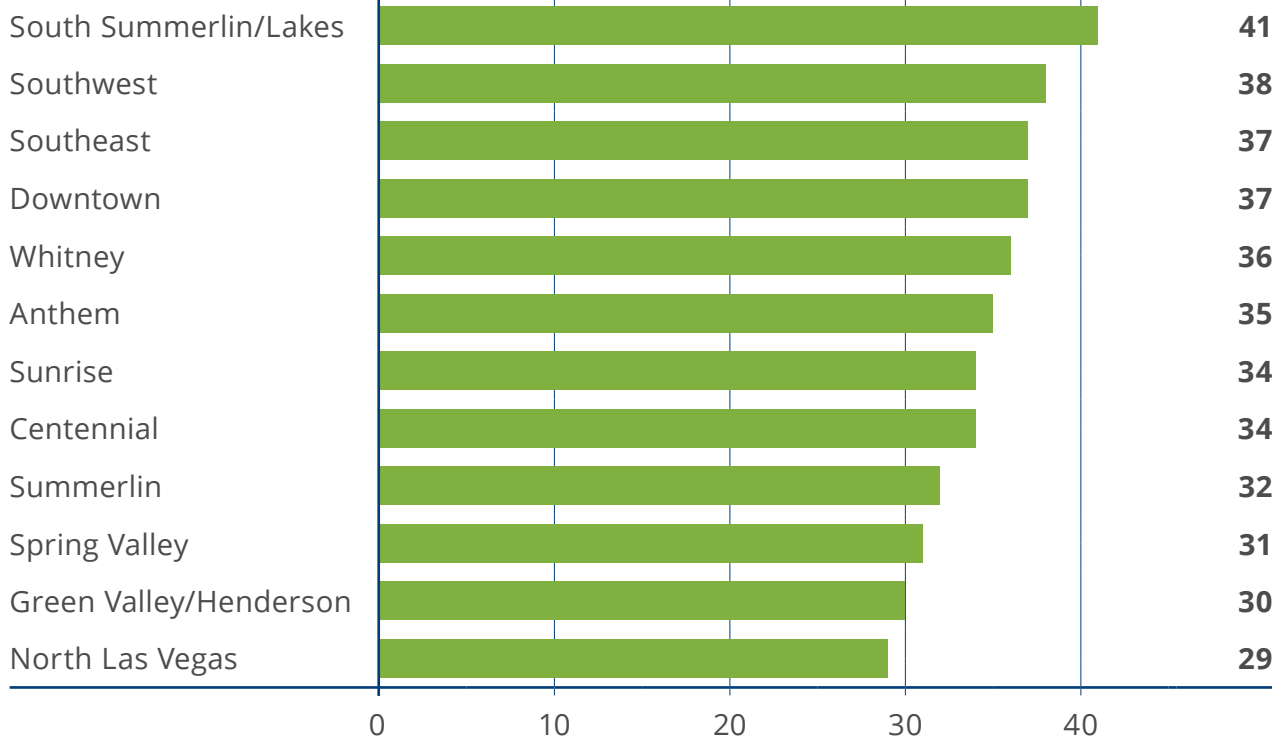


## DAYS ON MARKET

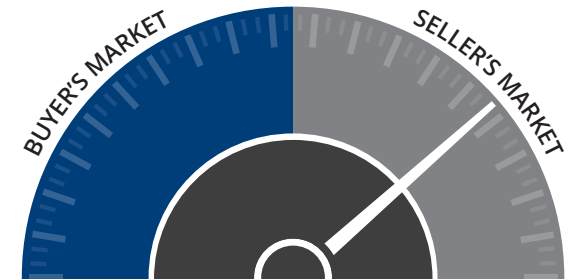
- The average time it took to sell a home in the region dropped by 18 days when compared to the second quarter of 2016.
- It took an average of just 35 days to sell a home in the second quarter—a substantial 12 fewer days than in the first quarter.
- The length of time it took to sell a home dropped in all the Las Vegas sub-markets when compared to a year ago.
- The greatest drop in days-on-market was in the downtown sub-market, which dropped by 27 days when compared to the same quarter in 2016.

## AVERAGE DAYS ON MARKET

Q2-2016 TO Q2-2017



## CONCLUSIONS



The speedometer reflects the state of the region's housing market using housing inventory, price gains, home sales, interest rates, and larger economic factors. Employment growth in Clark County, although slightly less robust than seen in the first quarter, is still gaining ground. This, in concert with low inventory levels and still-competitive mortgage rates, will lead to continued above-average price growth.

Given these factors, I have moved the speedometer a little farther in favor of sellers.