

WINDERMERE REAL ESTATE PRESENTS

THE GARDNER REPORT

GREATER LAS VEGAS NEVADA | THIRD 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.



WINDERMERE.COM

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 in the Las Vegas metropolitan area continues to moderate from the substantial growth of the past few years, but the region still experienced impressive annual employment growth of 3%. The market has added 28,400 new jobs over the past 12 months. With this growth in employment, the unemployment rate came in at 5.2%.

Las Vegas continues to grow its job base. This has led to solid growth in the civilian labor force, which is now at an all-time high. Given the fact that the area is approaching full employment, I expect to see wages rise at above-average rates. This will allow home price growth to continue, for the time being.

Please note: For the purposes of this report, we broke the market down into 15 component sub-markets with the sub-market areas defined by zip codes.

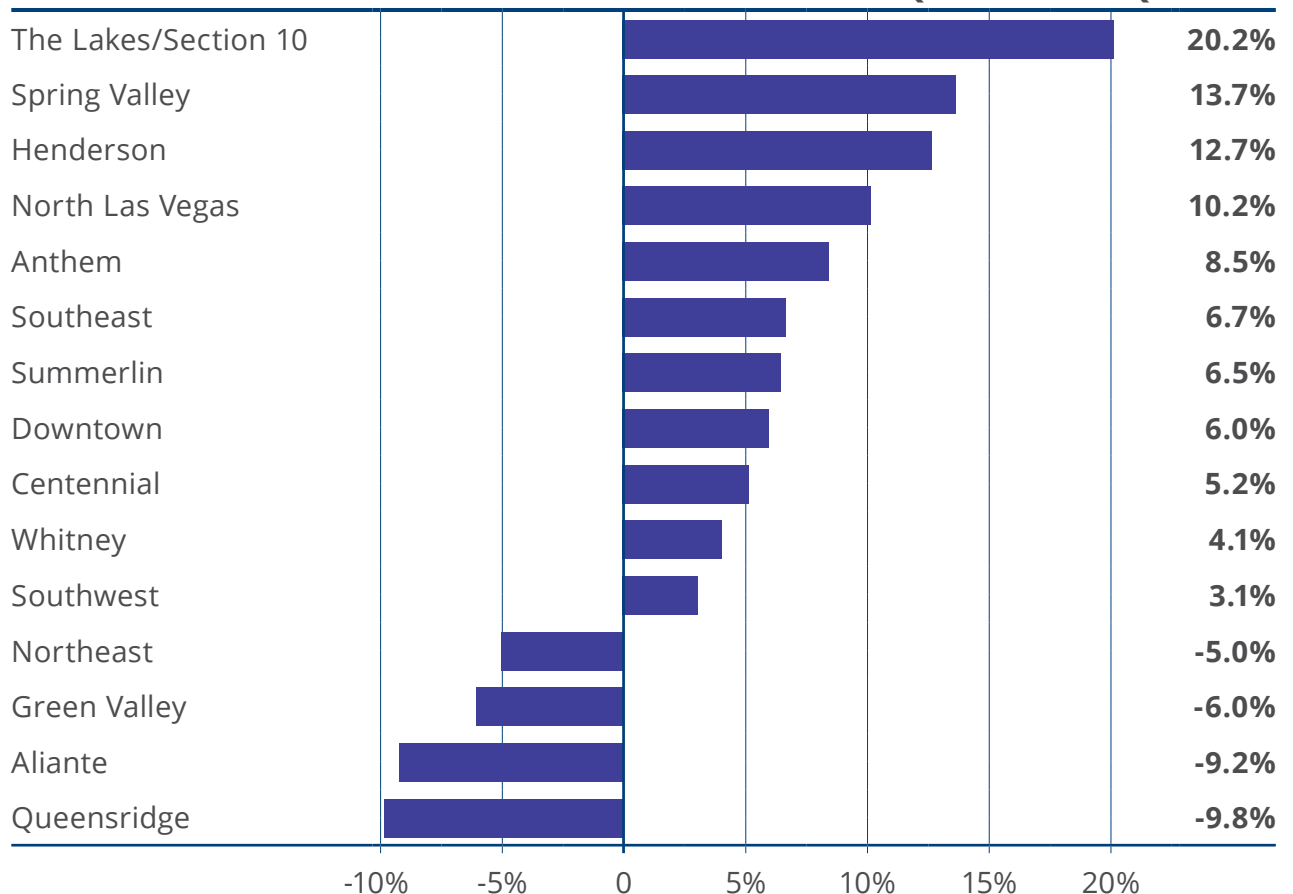
Sub-Market Areas	Zip Codes
Aliante	89004, 89005
Anthem	89012, 89044, 89052
Centennial	89108, 89130, 89131, 89143, 89149, 89166
Downtown	89101, 89104, 89106, 89107
Green Valley	89014, 89074
Henderson	89002, 89011, 89015
The Lakes/Section 10	89117
North Las Vegas	89030, 89031, 89032, 89061
Northeast	89110, 89115, 89142, 89156
Queensridge	89145
Southeast	89109, 89119, 89123, 89169, 89183
Southwest	89113, 89118, 89139, 89141, 89148, 89178, 89179
Spring Valley	89102, 89103, 89146
Summerlin	89128, 89134, 89135, 89138, 89144
Whitney	89120, 89121, 89122

HOME SALES ACTIVITY

- A total of 10,018 homes sold in the third quarter, which was an increase of 5.3% over the same period a year ago. With a solid 7.6% increase in pending sales, a strong number of closings are expected to occur in the fourth quarter.
- Home sales were not as strong in the Queensridge and Aliante sub-markets, but this is due to very low inventory levels rather than a drop in demand.
- Sales rose substantially in several of the sub-markets within this report, but the greatest increase was seen in The Lakes/Section 10 market area, which saw an annual increase of 20.2%.
- Inventory levels remain remarkably low, with 36.3% fewer homes for sale than the same period in 2016. Listing activity is unlikely to grow in the fourth quarter, so the market will remain out of balance.

ANNUAL CHANGE IN HOME SALES

Q3-2016 TO Q3-2017

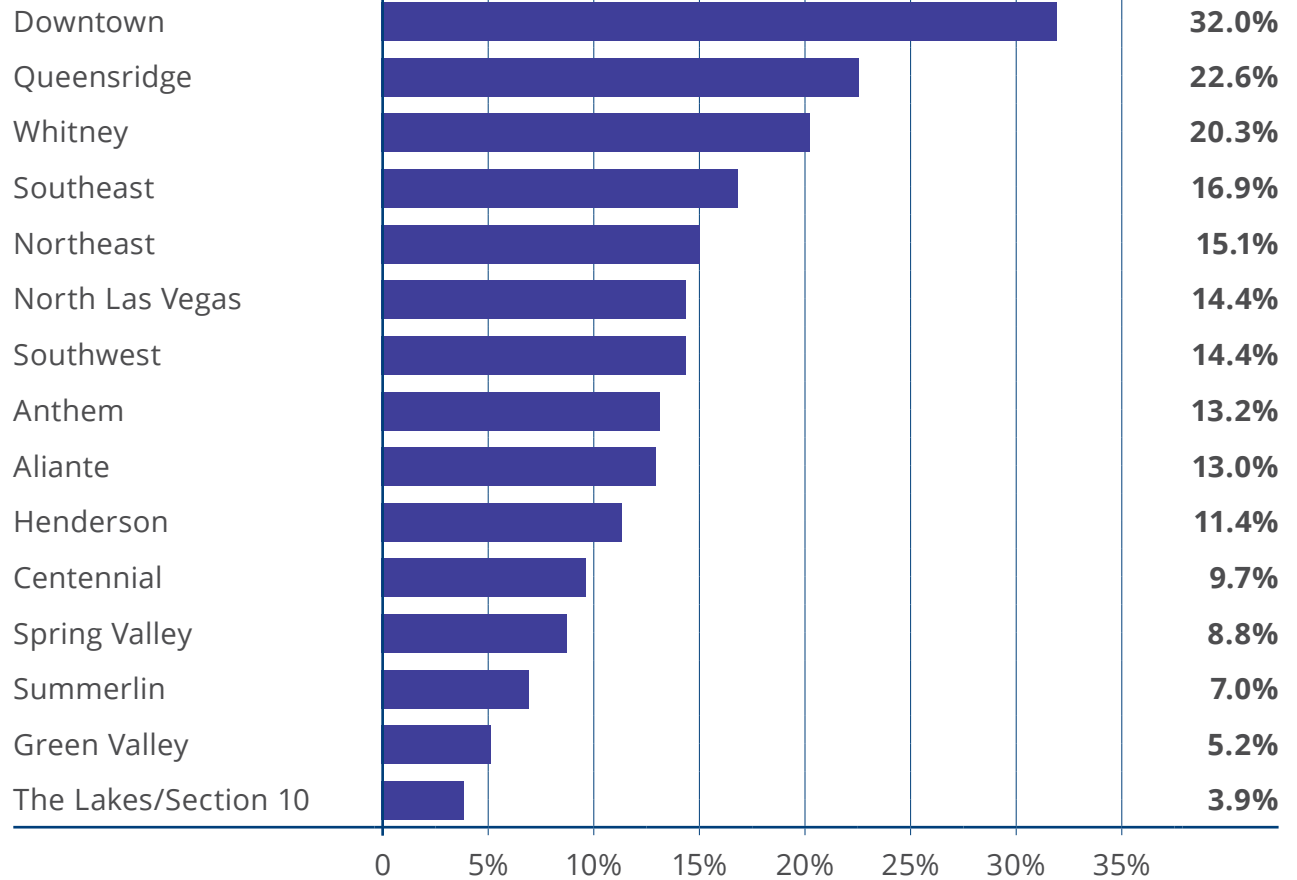


HOME PRICES

- Home prices in the area have risen by 12.7% year-over-year, to an average of \$268,958.
- Double-digit gains were seen in an additional eight neighborhoods, and only five sub-markets saw prices rise by less than 10%.
- Prices rose in all sub-markets compared to the third quarter of 2016. The strongest growth was in the more-affordable Downtown sub-market, where prices were up by 32%.
- I continue to believe that we will see above-average price growth in the greater Las Vegas market as robust job growth continues and inventory levels remain very constrained.

ANNUAL CHANGE IN HOME SALE PRICES

Q3-2016 TO Q3-2017

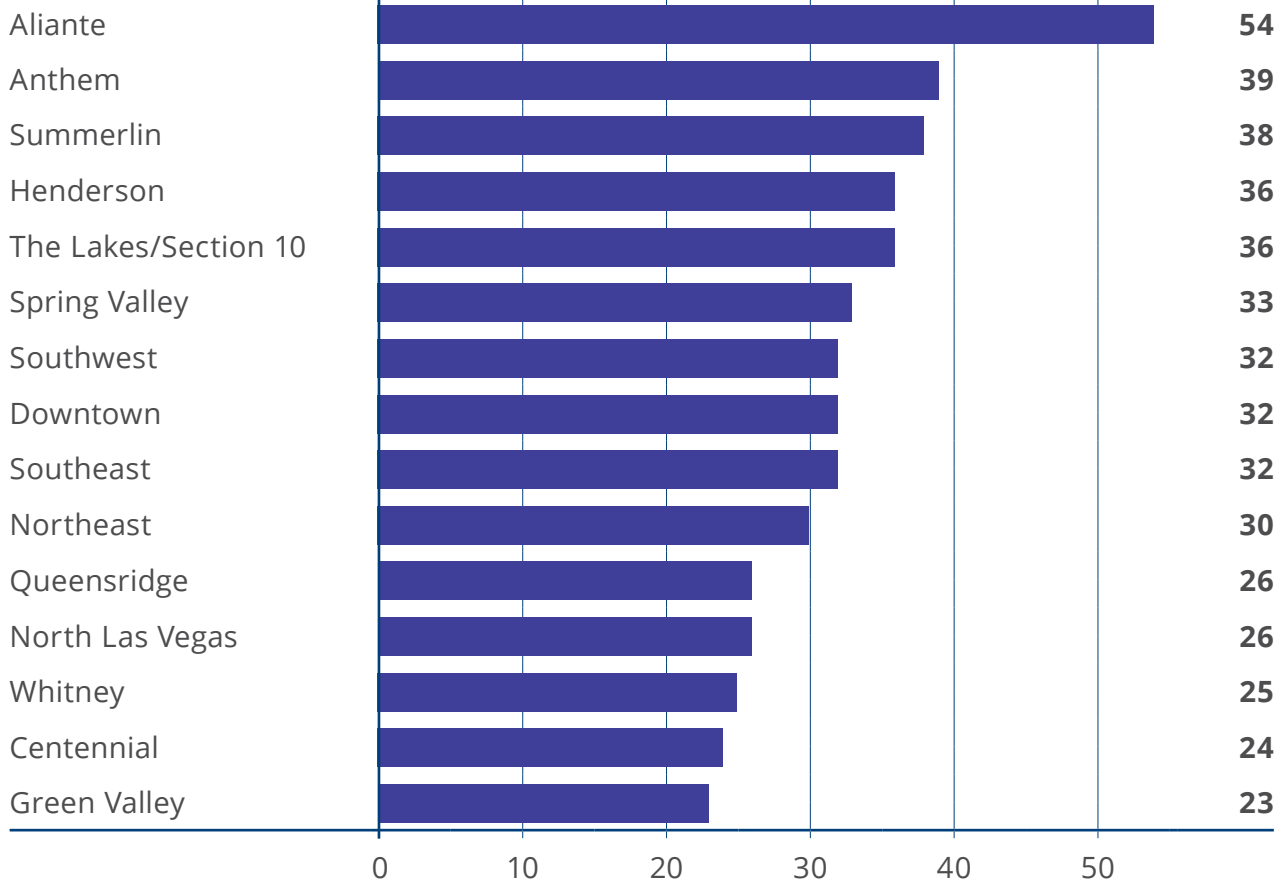


DAYS ON MARKET

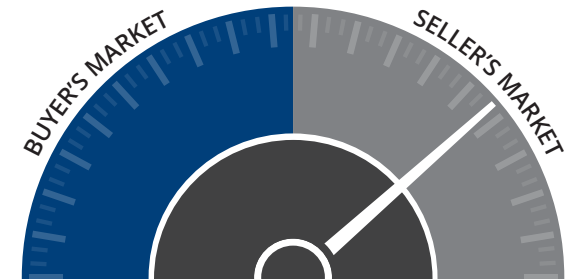
- The average time it took to sell a home in the region dropped by 19 days compared to the second quarter of 2016.
- It took an average of just 32 days to sell a home in the third quarter.
- The length of time it took to sell a home dropped in all the Las Vegas sub-markets compared to a year ago.
- The greatest drop in days-on-market was in the Aliante sub-market, which dropped by 40 days when compared to the same quarter in 2016.

AVERAGE DAYS ON MARKET

Q3-2016 TO Q3-2017



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 in the second quarter, is still gaining strength. This, in concert with low inventory levels and competitive mortgage rates, will lead to continued above-average price growth. Given these factors, I have moved the speedometer a little further in favor of sellers.