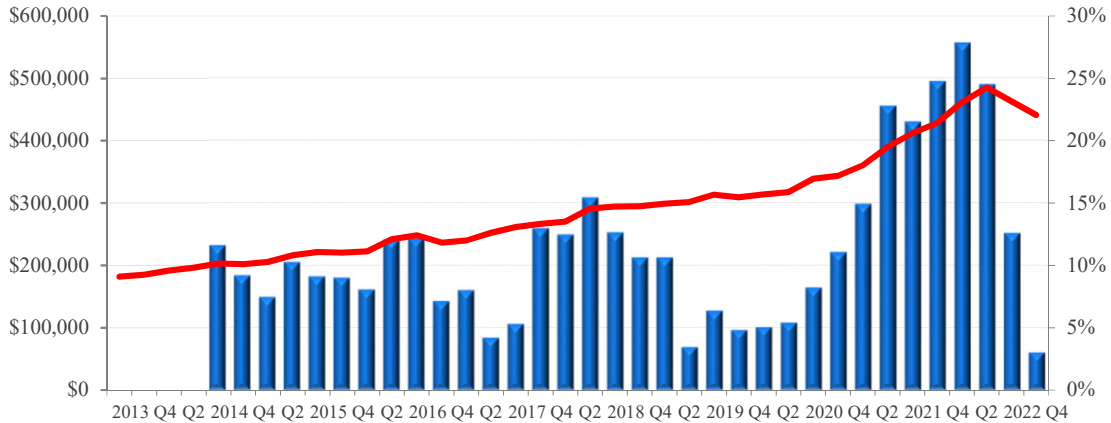


# Las Vegas-Henderson-Paradise Area

## Local Market Report, Fourth Quarter 2022

### Today's Market...

**Median Price (Red Line) and One-year Price Growth**



Local Price Trends			
Price Activity	Las Vegas	U.S.	Local Trend
Current Median Home Price (2022 Q4)	\$441,300	\$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	3.0%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	42.7%	36.9%	
3-year (12-quarter) Housing Equity Gain*	\$132,000	\$100,367	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$220,800	\$151,900	
9-year (36 quarters) Housing Equity Gain*	\$256,000	\$175,767	

\*Note: Equity gain reflects price appreciation only

	Las Vegas	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	61%	not comparable	

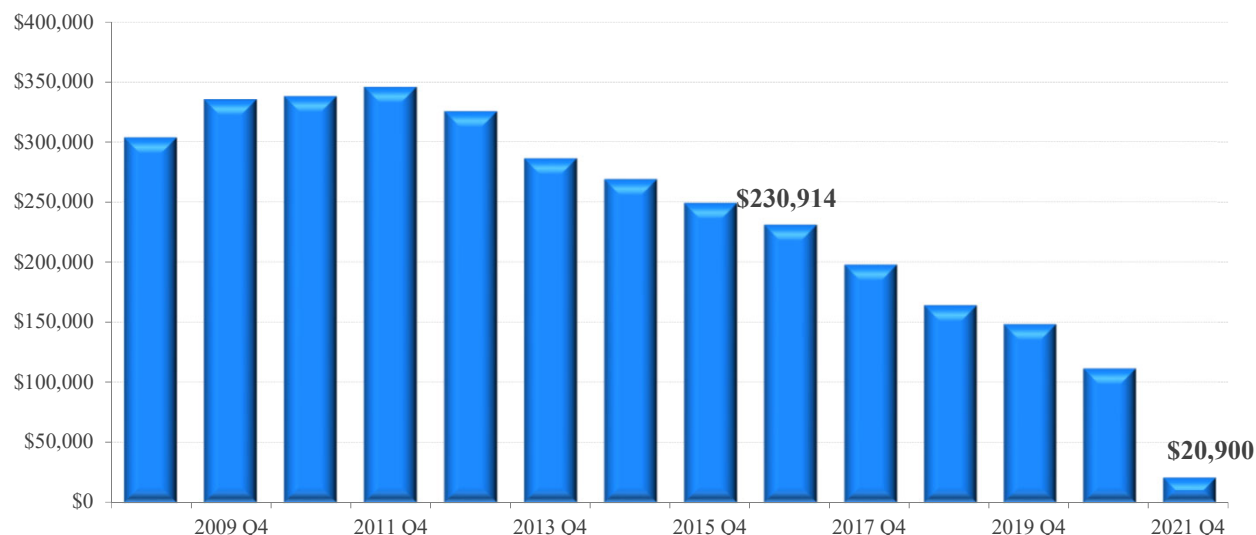
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Las Vegas-Henderson-Paradise market is part of region 11 in the NAR governance system, which includes all of Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada. The 2023 NAR Regional Vice President representing region 11 is Kevin Sigstad.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



### Total Equity Gained\*\* through 2022 Q4 from quarter in which home was of purchased

Price Activity	Las Vegas	U.S.	Local Trend
1-year (4-quarter)	\$20,900	\$21,777	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$148,230	\$114,655	
5-year (20-quarter)*	\$197,952	\$147,773	
7-year (28 quarters)*	\$249,131	\$180,265	
9-year (36 quarters)*	\$286,281	\$207,943	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

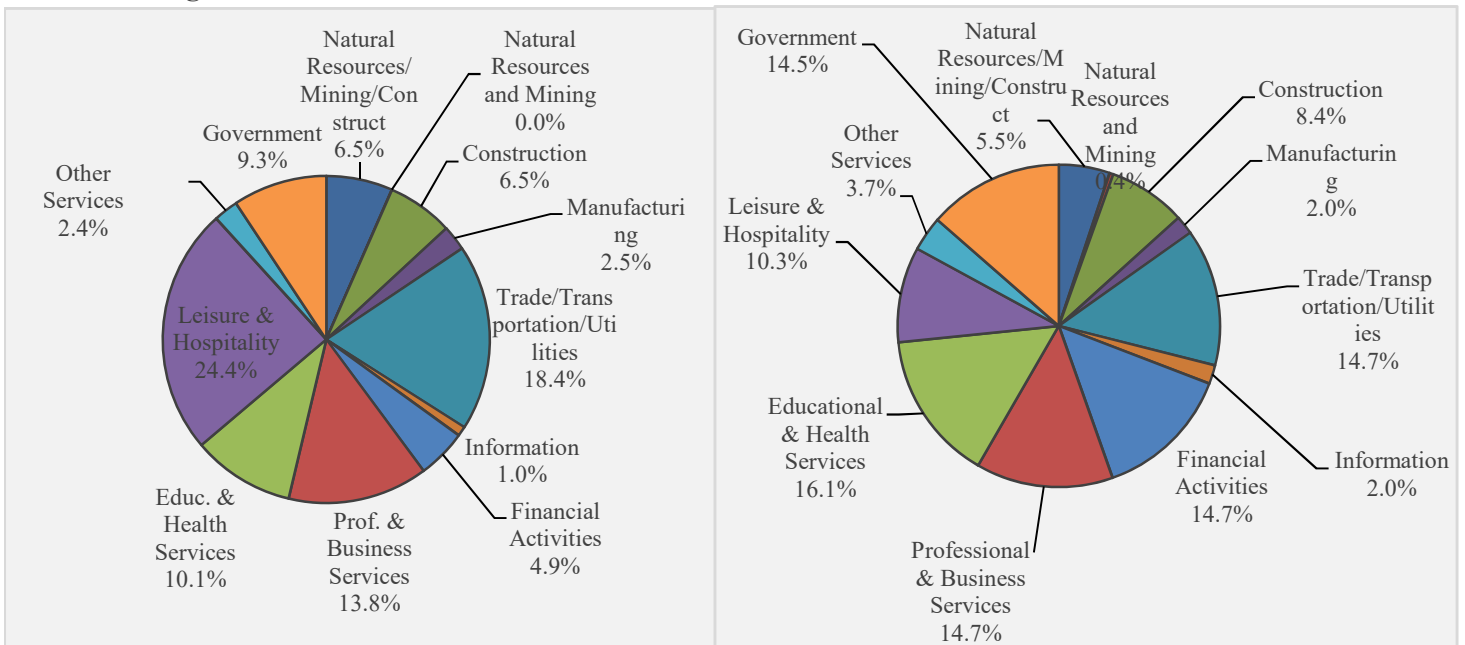


Local Economic Outlook	Las Vegas	U.S.	
12-month Job Change (Dec)	43,300	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	51,000	Not Comparable	
36-month Job Change (Dec)	19,600	Not Comparable	Las Vegas's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Dec)	5.4%	3.5%	
Year-ago Unemployment Rate	5.0%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	4.2%	4.3%	

## Share of Total Employment by Industry

Las Vegas-Henderson-Paradise Area

U.S.



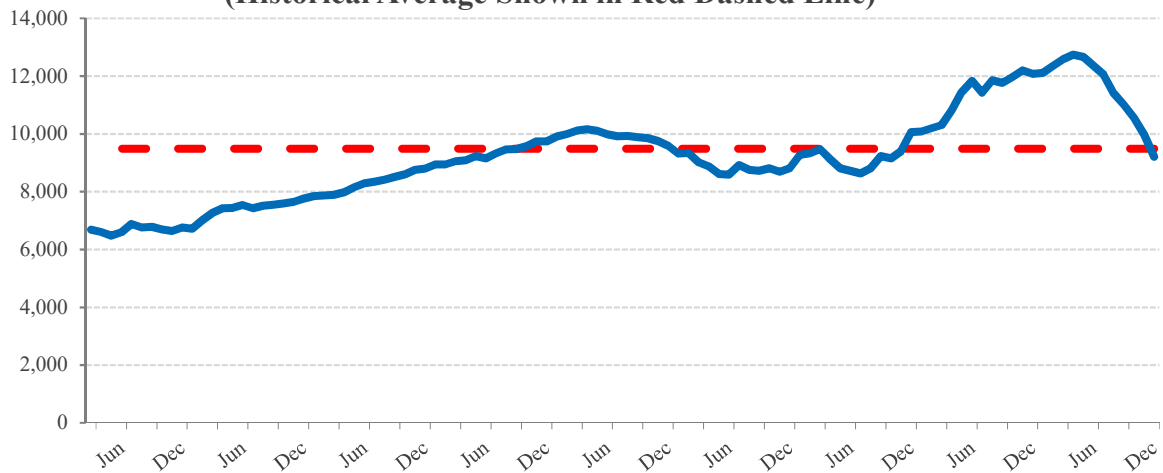
### 12-month Employment Change by Industry (Dec - 2022)

Goods Producing	NA	Information	-500
Natural Resources/Mining/Construction	9,300	Financial Activities	1,600
Natural Resources and Mining	0	Prof. & Business Services	4,800
Construction	9,300	Educ. & Health Services	6,200
Manufacturing	2,900	Leisure & Hospitality	18,400
Service Providing Excluding Government	NA	Other Services	-1,100
Trade/Transportation/Utilities	7,200	Government	2,200

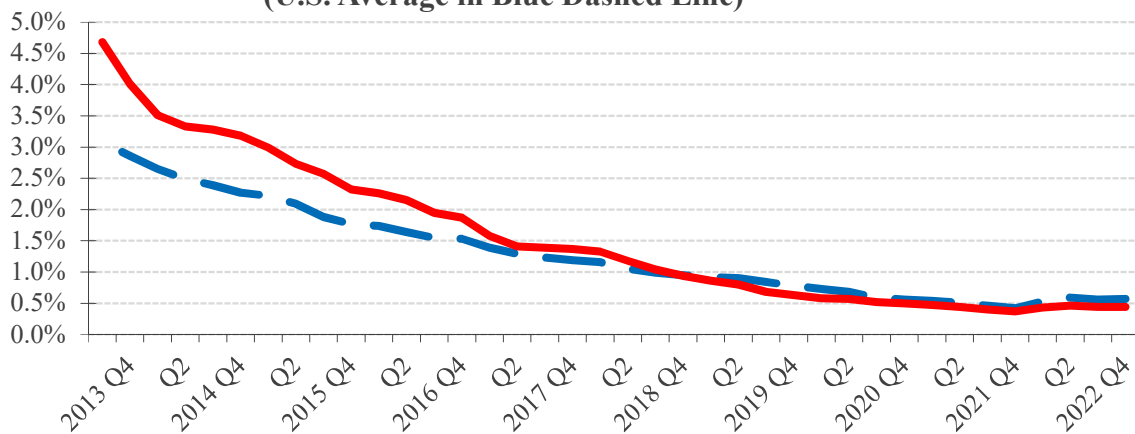
State Economic Activity Index	Nevada	U.S.	
12-month change (2022 - Dec)	4.3%	4.1%	Nevada's economy is stronger than the nation's, but slowed from last month's 5.09% change
36-month change (2022 - Dec)	5.5%	5.4%	

New Housing Construction			
Local Fundamentals	Las Vegas	U.S.	
12-month Sum of 1-unit Building Permits through Dec	9,214	not comparable	The current level of construction is 2.9% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	9,490	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	-23.7%	-13.2%	Construction continues to decline from last year

**Construction: 12-month Sum of Local Housing Permits**  
(Historical Average Shown in Red Dashed Line)

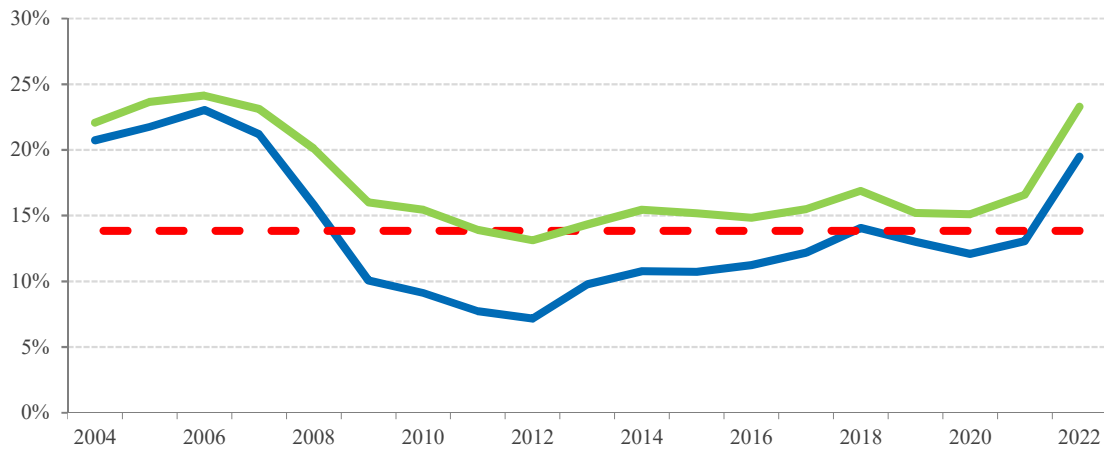


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



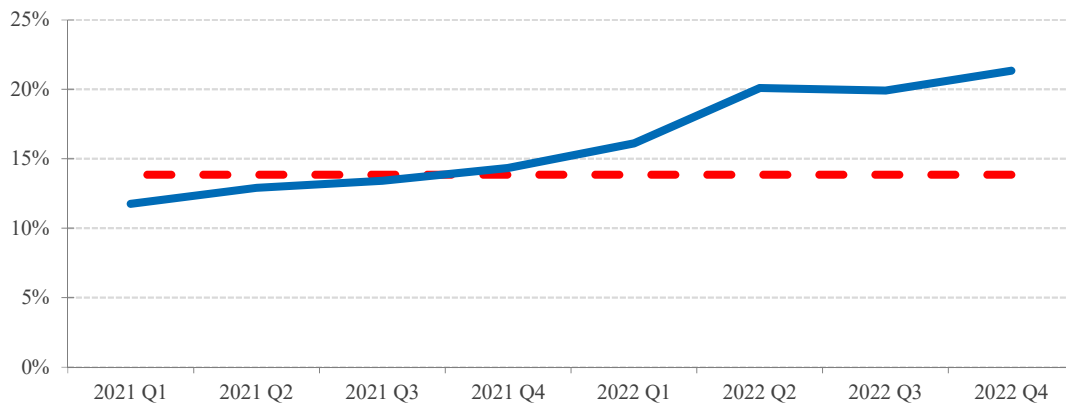
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

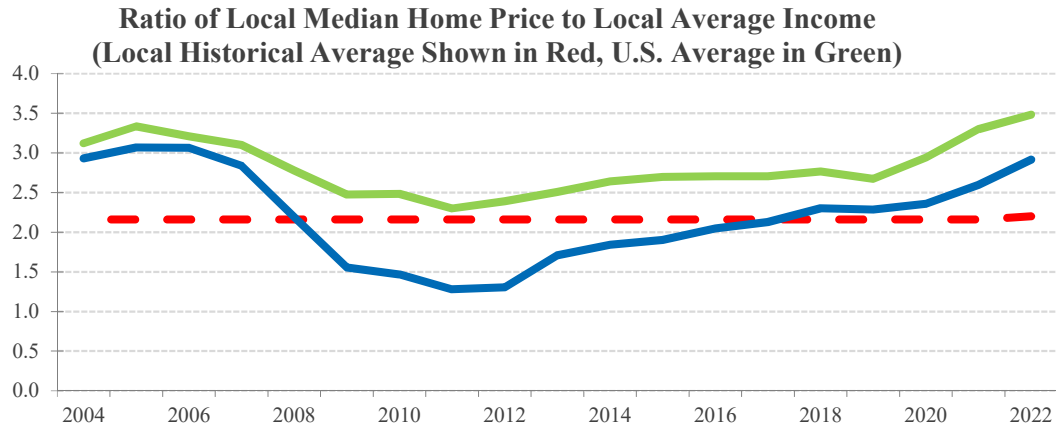


Monthly Mortgage Payment to Income	Las Vegas	U.S.	
Ratio for 2022	19.5%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	21.3%	24.5%	
Historical Average	13.8%	17.8%	More affordable than most markets

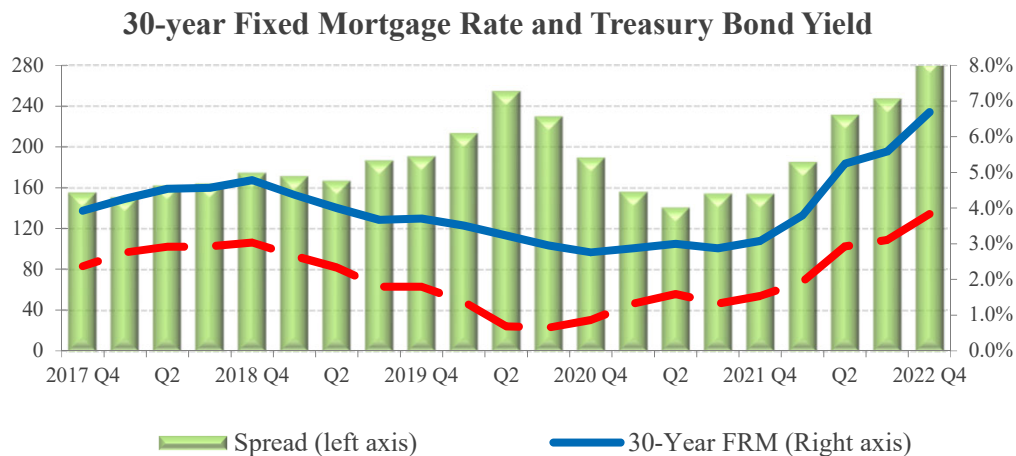
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Las Vegas	U.S.	
Ratio for 2022	2.9	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	2.8	3.2	
Historical Average	2.2	2.8	Affordable compared to most markets



## The Mortgage Market



In the last quarter of 2022, mortgage rates surpassed twice the 7 percent threshold. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 6.7 percent in Q4 2022 from 3.1 percent a year earlier. However, rates started to move down in December as inflation slowed down. For the first-time in the last couple of years, inflation rate was lower than a year ago. Prices continue to increase but slower than the previous year. As long as inflation eases, mortgage rates will continue to drop. NAR forecasts the 30-year fixed mortgage rate to average 6.1 percent in Q1 2023.

## Geographic Coverage for this Report

The Las Vegas area referred to in this report covers the geographic area of the Las Vegas-Henderson-Paradise metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Clark County

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

