

NEVADA WATCHDOG

Nevada tops nation for inbound movers in one study, No. 4 in another

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Nevada's first-in-the-nation growth to start this century was slowed by the Great Recession. But according to two recent surveys, that population growth could be resuming.

According to United Van Lines' annual Movers Study, Nevada ranked fourth out of the 50 states for state-to-state migration. United Van Lines attributed 61 percent of their rentals in the state to people moving in, with 39 percent of their vans being rented for those moving out. In a previous report from United Van Lines, Nevada was ranked ninth.

Within the Silver State, Washoe County has seen the highest number of new residents with an inbound migration rate of just under 70 percent.

“Regarding why people are moving, the Mountain West led the way with retirees, with one in four movers indicating they chose to move to this location for retirement reasons,” the most recent report states.

One thing that could be attracting transplants in such large numbers, besides the weather, is the state's tax structure, although it's somewhat difficult to get an accurate read on people's “moving motivations,” Chris Edwards of the CATO Institute says. Edwards said “...the only detailed source on motives is the Census survey, and it doesn't ask about taxes. It does, however, show that people move for other economic reasons, of which taxes are a subset.”

Atlas Van Lines looked at their own numbers and placed Nevada in the top three states for inbound movers. The Atlas report said that 62 percent of their vans were used by people coming into the state. The only states to place higher than Nevada were Washington and Idaho.

For the first 10 years of the 21st century, Nevada was the fastest growing state (population-wise) in the union. The recession slowed that growth, but the new reports indicate the state is on a comeback.

While the influx of new residents has affected a number of private and public businesses and services, one of the ones' that is seeing the biggest impact is the housing market.

Dr. Vivek Sah, director of the LIED Institute for Real Estate Studies at UNLV said “Nationwide, Nevada as a state has seen the most price appreciation in home prices over the last five years (data from 2012 to 2017). The continued growth of the U.S. economy as well statewide economic growth has led the resurgence of Nevada in the last few years. With no state income tax, still relatively lower housing costs, environmental concerns in other states combined with robust job growth, has propelled the in-migration of people into the state.

Rising labor costs and the exponential rise in land costs in Nevada has made housing expensive in the last couple years, he added.

"The average new single family home price in Las Vegas MSA is \$530,000 and existing home price average is \$340,000," Sah said. "Similarly, in Washoe County, these numbers are at \$522,000 and \$466,000, respectively. These are very high prices as compared to the national average. Same can be said about the rising costs of rental housing, especially newly constructed apartments."

Statewide, there is some concern that the prices for homes have become stagnant. There also still is a gap in the availability of modestly priced starter homes for first-time homebuyers. It's a need that is impacted by the rising cost of land, labor and materials. Still, prices overall are lower than neighboring states, like California, making them still attractive to new residents.

"Housing affordability has started to become a concern now, especially for the first time home-buyer," Sah said. "This has been particularly impacted in the last three quarters with increasing interest rates due to the successive hike in rates by the Federal Reserve. ... Along with that, national home builders operating in the region have learnt from their past mistakes (2005-2006) and have been very cautious not to flood the market with new homes despite the increasing demand."