8-7-2020

Housing Affordability in Nevada Recreation Counties

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HOUSING AFFORDABILITY IN NEVADA RECREATION COUNTIES

Housing & Real Estate Fact Sheet No. 5 | August 2020

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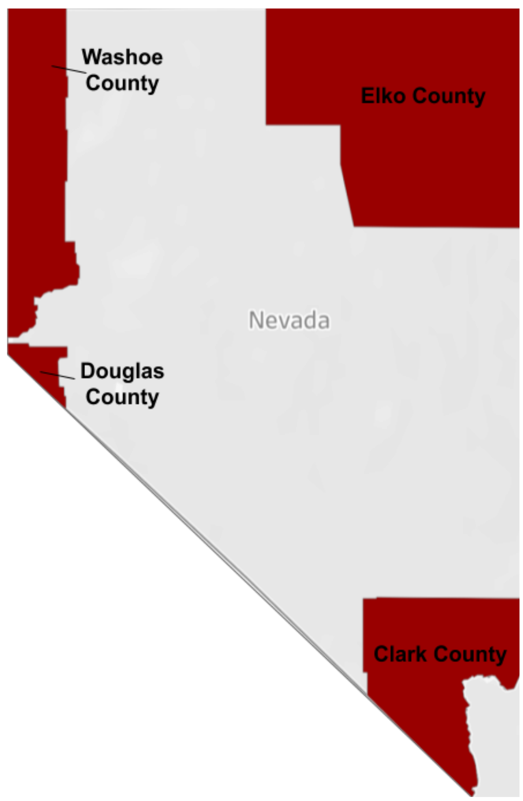
PURPOSE:

Using 2019 data from the Bureau of Economic Analysis and the U.S. Census Bureau's American Community Survey, this Fact Sheet highlights housing affordability in Nevada's four recreation counties: Clark, Douglas, Elko, and Washoe. This synthesis is based on a published, national study by Dr. Megan Lawson of Headwaters Economics titled, "Housing in recreation-dependent counties is less affordable."[1]

ABOUT THE DATA:

Recreation counties are determined by the U.S. Department of Agriculture's Economic Research Service. Factors that contribute to the categorization of a recreation county are employment, wages[2] and earnings from tourism-related sectors, and a high share of seasonal and vacation housing.



The original report defines housing affordability as the share of earnings per job used to pay for monthly mortgages or rent. This measurement captures the relationship between working residents' income and housing expenses. Some of the factors that influence housing affordability include income inequality, population growth, the prevalence of higher-paying jobs, wealth, and recreation premiums.[3]

KEY FINDINGS:

1. Nevada's four recreation counties are among the least affordable counties in the state to live in for both renters and homeowners.
2. Approximately three-quarters of Nevada's population resides in Clark County, yet Clark is among the least affordable counties for housing; the average homeowner spends 33% of wages on a mortgage and the average renter spends 25% of wages on rent.
3. Douglas County is the least affordable Nevada recreation county for both rent and mortgage payments; Eureka County is the most affordable county for both rent and mortgage payments.

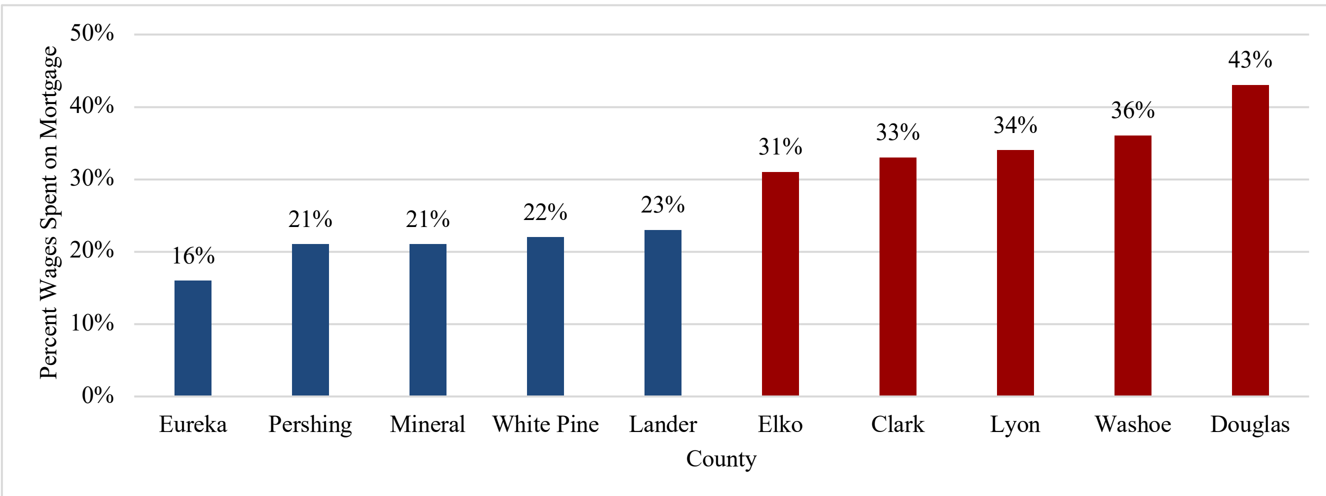
1 Lawson, M. (2020 May). "Housing in recreation-dependent counties is less affordable," Headwaters Economics. Retrieved from https://headwaterseconomics.org/equity/housing-affordability-recreation-counties/

2 Defined by Lawson as "monthly earnings per job"

3 Defined by Lawson as "the remaining effect on housing affordability in non-metro recreation counties after controlling for the previously described, easily measurable factors such as growth in wages and new people moving in."

Figure 1 shows Nevada's five most affordable counties and the five least affordable counties for homeowners. The five most affordable counties for mortgage payments are shown in blue, while the least affordable are in red. Eureka County is the most affordable, as residents spend about 16% of their monthly wages on mortgage payments. By contrast, the average homeowner in Douglas – the least affordable county – spends nearly half of their wages (43%) on mortgage payments.

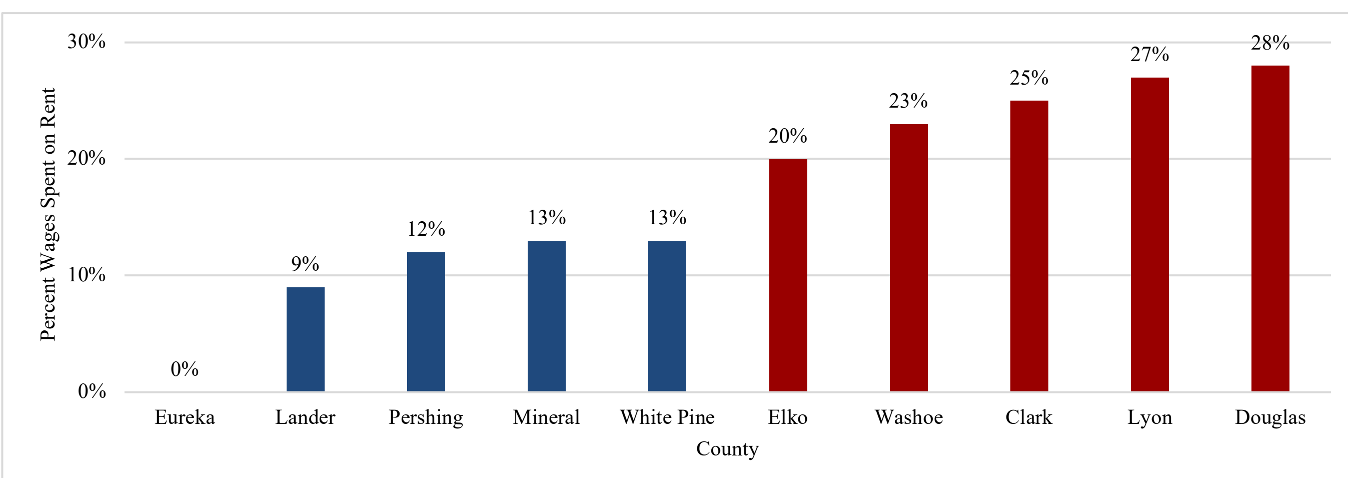
Figure 1: Mortgage Affordability in Nevada



*Adapted from Lawson, M. (2020 May). "Housing in recreation-dependent counties is less affordable," Headwaters Economics.

Figure 2 shows Nevada's five most affordable counties (blue) and five least affordable counties (red) for renters. As reported in the Headwaters Economic study, data are unavailable from the 2014-2018 American Community Survey on median gross rent in Eureka County; as a result, it is reported that renters in Eureka County spend 0% of monthly wages on rent. Douglas County is the least affordable of Nevada's counties for renters, with residents spending nearly one-third (28%) of their monthly wages on rent.

Figure 2: Rent Affordability in Nevada



*Adapted from Lawson, M. (2020 May). "Housing in recreation-dependent counties is less affordable," Headwaters Economics.

As illustrated in Figures 1 and 2, Nevada's recreation counties account for 4 of the 5 least affordable counties for both homeowners and renters. Table 1 provides more detailed information on Nevada's recreation counties. Douglas County is the least affordable of the recreation counties, as well as the least affordable county statewide for housing. Clark County is the state's most populous county, yet it is one of the least affordable counties for rents and mortgages.

Table 1: Housing Affordability in Nevada's Recreation Counties

County	2019 Population	Wages per Month	Median Rent/ Month	% of Wages Spent on Rent	Median Mortgage/ Month	% of Wages Spent on Mortgage
Clark	2,141,574	$4,478	$1,108	25%	$1,494	33%
Douglas	47,828	$3,938	$1,096	28%	$1,709	43%
Elko	52,252	$4,779	$950	20%	$1,497	31%
Washoe	450,486	$4,522	$1,018	23%	$1,618	36%

*Adapted from Lawson, M. (2020 May). "Housing in recreation-dependent counties is less affordable," Headwaters Economics.