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Housing Confidence in the Mountain West

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HOUSING CONFIDENCE IN THE MOUNTAIN WEST

Housing & Real Estate Fact Sheet No. 8 | June 2021

Prepared by: Emmanuel Berrelleza, Caitlin J. Saladino, and William E. Brown, Jr.

PURPOSE:

This fact sheet explores housing metrics in the Las Vegas, Denver, and Phoenix metropolitan areas, as originally reported in the *Pulsenomics* report, “Renter Confidence Dashboard.”¹ Market conditions, expectations, and homeownership aspirations are some of the key factors in assessing the livelihood of housing and real estate in metropolitan areas. These factors are presented with a comparison between all generations and millennials.

ABOUT THE DATA:

Within the Mountain West, the Las Vegas, Denver, and Phoenix metropolitan areas are included in 2018 housing metrics from *Pulsenomics*.² *Pulsenomics* data reflect a biannual survey of more than 15,000 households from “the U.S. Housing Confidence Survey.” The data scales are indexed to 100, wherein the “Housing Confidence Index” and the “Transaction Sentiment Index” provide the calculations.

The numbers are indexed to a maximum value of 100, with a range of 0 to 100. An index value exceeding 50 designates a positive degree of confidence, equal to 50 indicates a neutral degree of confidence, and less than 50 indicates a negative degree of confidence. Degrees of confidence relate to uniformly positive/negative answers to relevant questions within the U.S. Housing Confidence Survey (HCS).

Definitions are provided for the 3 key factors explored in this fact sheet:

Market Conditions	Factors that determine the housing market, namely local home values relative to inflation in the past 12 months, the current direction of local housing market, and local market buying/selling transactions.
Expectations	The extent to which the housing market is anticipated to behave.
Homeownership Aspirations	The extent to which people are optimistic in owning a home.

KEY FINDINGS:

1. The Denver metropolitan area reports a higher degree of confidence in market conditions and housing market expectations compared to the Las Vegas and Phoenix metropolitan areas.
2. For the housing metric of “market conditions,” millennials report a lower degree of confidence than all generations in the Las Vegas and Phoenix.
3. In the Las Vegas, Denver, and Phoenix metropolitan areas, millennials report a higher degree of confidence in homeownership aspirations when compared to all generations.

¹ See *Pulsenomics*, “Renter Confidence Dashboard,” (pulsenomics.com/renter-confidence-dashboard/)

² *Pulsenomics* compiles and analyzes survey responses in completed questionnaires collected from representative samples of 3,000 households nationwide, plus 500 households from each of 25 of the largest metropolitan areas. Additional information about the national and metropolitan area samples explored in the Housing Confidence Survey™ can be found at: (pulsenomics.com/wp-content/uploads/2018/08/HCS_HCI_Overview_v2.0.pdf)

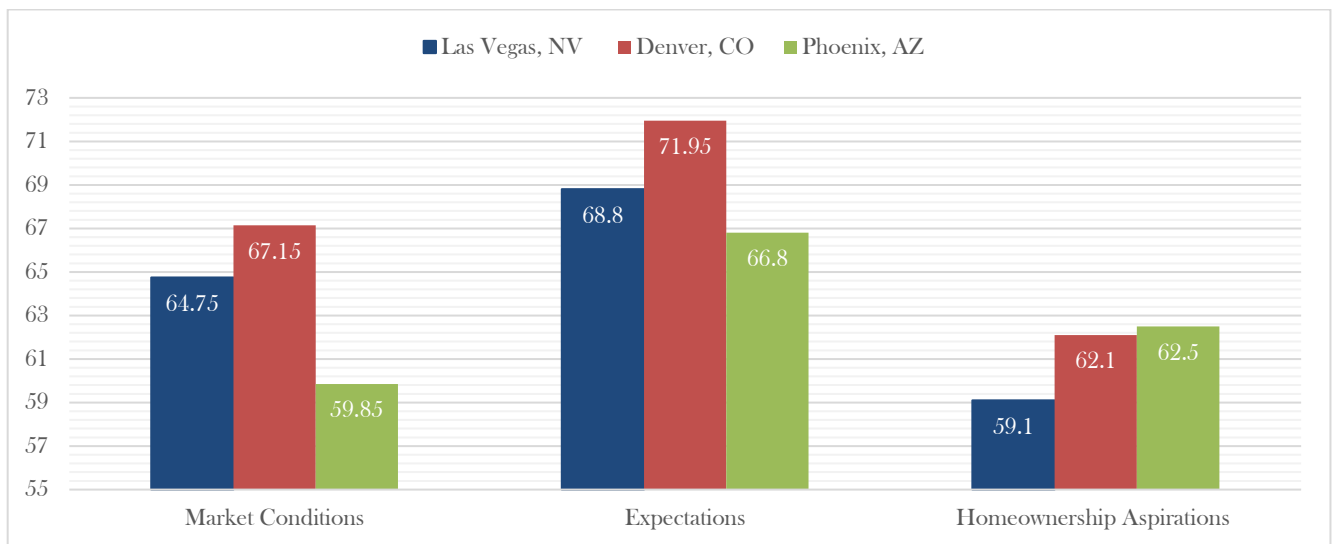
Table 1 demonstrates an overview comparison of market conditions, expectations, and homeownership aspirations between the Las Vegas metropolitan area, Denver metropolitan area, and Phoenix metropolitan area. Each metro is further segmented between “all generations” and “millennials.” Overall, Mountain West metros display consistent index values over 50, which indicates a positive degree of confidence in key housing factors. In the Las Vegas metropolitan area, Denver metropolitan area, and Phoenix metropolitan area, millennials report a higher degree of confidence in homeownership aspirations when compared to all generations.

Table 1: Summative Housing Factor Indexes in Mountain West Metropolitan Areas, by Demographic Group

		Market Conditions	Expectations	Homeownership Aspirations
Las Vegas, NV	all generations	66.1	68.6	55.5
	millennials	63.4	69.0	62.7
Denver, CO	all generations	66.9	71.5	61.1
	millennials	67.4	72.4	63.1
Phoenix, AZ	all generations	61.4	68.1	59.5
	millennials	58.3	65.5	65.5

Figure 1 shows the average between all generations and millennials in market conditions, expectations, and homeownership aspirations for the Las Vegas, Denver, and Phoenix metropolitan areas. The Denver metropolitan area has higher average indexes in market conditions (67.15) and expectations (71.95), followed by the Las Vegas metropolitan area (64.75 and 68.8, respectively). The Phoenix metropolitan area has the highest average indexes for homeownership aspirations (62.5) relative to the Denver (62.1) and the Las Vegas (59.1) metropolitan areas.

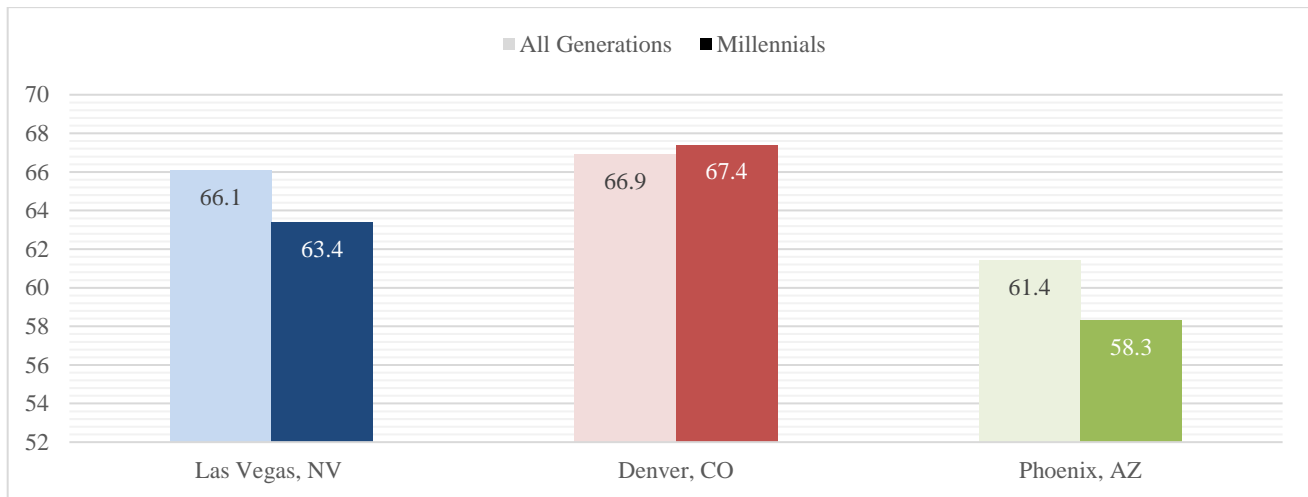
Figure 1: Average Housing Factor Indexes in Mountain West Metropolitan Areas



*Adapted from the “Renter Confidence Dashboard,” *Pulsenomics*, pulsenomics.com/renter-confidence-dashboard

Figure 2 shows a comparison between all generations (lighter color) and millennials (darker color) on market conditions, or the extent to which the housing market is anticipated to behave. Except for the Denver metropolitan area, millennials hold lower indications of market conditions compared to all generations among Mountain West metros. The Phoenix metropolitan area demonstrates the largest discrepancy in the market conditions index between all generations (61.4) and millennials (58.3).

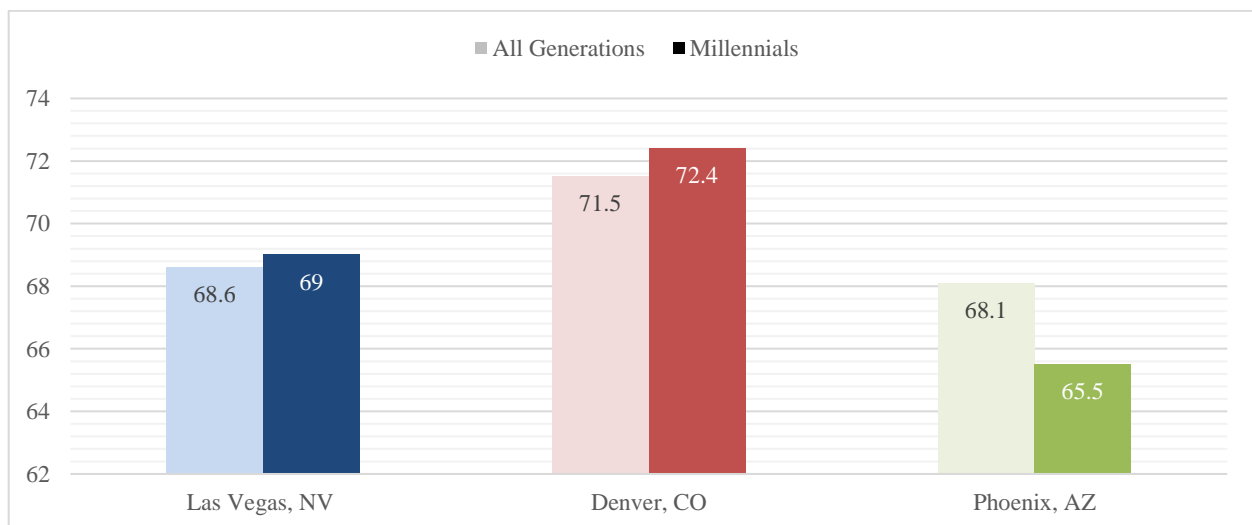
Figure 2: Market Conditions Indexes for All Generations & Millennials, by Mountain West Metro



*Adapted from the "Renter Confidence Dashboard," *Pulsenomics*, pulsenomics.com/renter-confidence-dashboard

Figure 3 shows a comparison between all generations and millennials on expectations, or the extent to which the housing market is expected to behave. Expectations are higher in the Denver metropolitan area than in the Las Vegas and Phoenix metropolitan areas. In the Las Vegas metropolitan area, millennials and all generations demonstrate the smallest discrepancy in the expectations index between all generations (68.6) and millennials (69). The Phoenix metropolitan area demonstrates the largest discrepancy in the expectations index between all generations (68.1) and millennials (65.5).

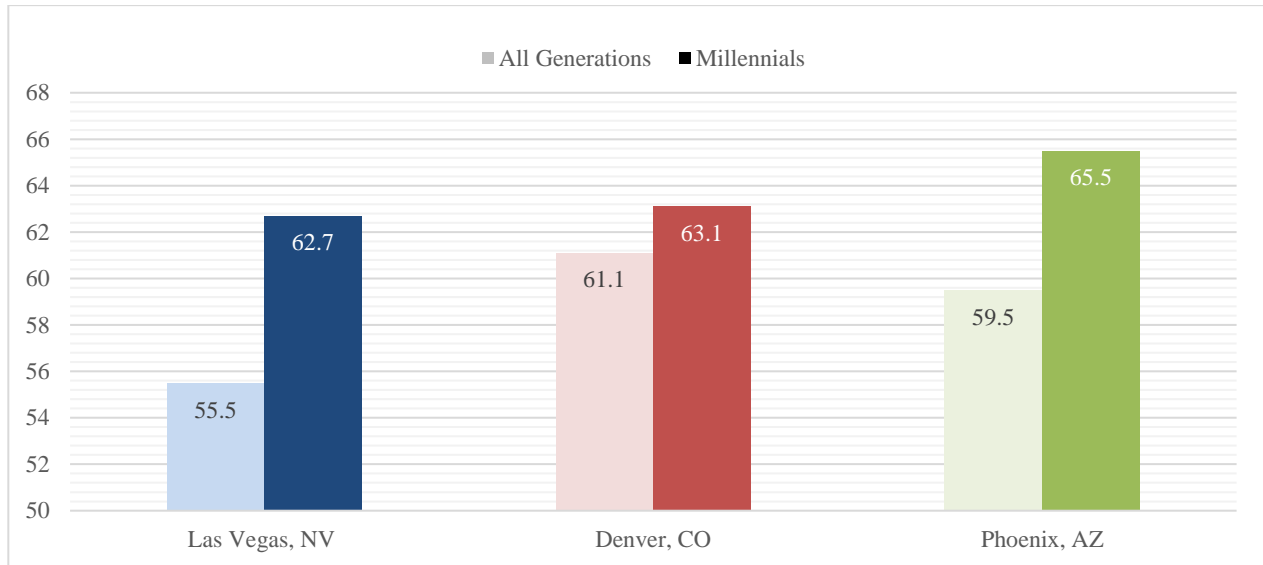
Figure 3: Expectations Indexes for All Generations & Millennials, by Mountain West Metro



*Adapted from the "Renter Confidence Dashboard," *Pulsenomics*, pulsenomics.com/renter-confidence-dashboard

Figure 4 shows a comparison between all generations and millennials on homeownership aspirations, or the extent to which people report optimism in owning a home. Millennials demonstrate higher homeownership aspirations than all generations across the Mountain West, with the Phoenix metropolitan area (65.5) reporting the highest index, followed by the Denver (63.1) and Las Vegas (62.7) metropolitan areas.

Figure 4: Homeownership Aspirations Indexes for All Generations & Millennials, by Mountain West Metro



*Adapted from the “Renter Confidence Dashboard,” *Pulsenomics*, pulsenomics.com/renter-confidence-dashboard