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today from Las Vegas-based Home Builders Research.

Aug. 22, 2014

Business continues to slump for Las Vegas homebuilders. Local developers sold 499 new homes last month, down 23 percent from July 2013, according to a report out today from Las Vegas-based Home Builders Research.

The median sales price last month was \$290,000, up 9 percent from a year earlier but down 3 percent from January.

Despite the slowdown, builders are steadily pulling more construction permits for new homes. They pulled 791 permits last month, up 76 percent from January, Home Builders Research found.

Dennis Smith, president of the firm, noted that housing prices have been rising at a much faster pace than household income, which is largely flat in the valley. As he sees it, the current level of sales activity could be “the 'new norm' for the next few years or more,” he wrote.

Sales have plunged as would-be buyers — saddled with credit woes, flat wages and sticker shock — can't pay the high listing prices.

Las Vegas builders sold about 3,200 new homes this year through July, down 25 percent from the same period in 2013, according to Smith.

One issue crimping sales: Federal housing officials in January slashed the pool of potential buyers by drastically lowering the limit on mortgages they'd guarantee in Las Vegas, to \$287,500 from \$400,000 for the purchase of a single-family house. Citing a national housing rebound and uptick in private lending, they slashed the Federal Housing Administration-backed loans nationwide.

But given how hard Las Vegas was hit by the recession, local residents likely are far

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