

YARDI[®] Matrix

Better Odds In Las Vegas

Multifamily Fall Report 2016

Rent Growth Outpaces Nation

Developers Eye Spring Valley West

Transaction Volume Tops \$1.8B

LAS VEGAS MULTIFAMILY

YARDI® Matrix

Market Analysis

Fall 2016

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Employment Growth Triggers Demand

Though still in recovery mode, Las Vegas' multifamily market is benefiting from an expanding economy and rising demographics. Employment gains are widespread, with activity led by the mining, logging and construction; professional and business services; and leisure and hospitality sectors. More than \$10 billion worth of gaming and hospitality projects are under development, including the Lucky Dragon Hotel and Casino, slated for completion in early December, and Genting's \$4 billion Resorts World Las Vegas.

Employment opportunities mixed with the low cost of living have bolstered population growth, which in turn has increased occupancy rates and put pressure on rents. With occupancy of stabilized properties up to 95.1% as of September, average rents rose in the third quarter to \$881.

Construction is picking up steam: More than 1,800 units are slated for completion by the end of the year and another 5,300 are currently under construction. However, with development substantially targeted toward the higher-end renters and many of the new deliveries focused on the Lifestyle segment, the metro is facing a growing affordability problem. Meanwhile, improving property fundamentals and relatively high yields are intensifying demand for multifamily assets, and transaction volume climbed 50% year-over-year through November.

Recent Las Vegas Transactions

The Avondale



City: Las Vegas
Buyer: Bascom Group
Purchase Price: \$88 MM
Price per Unit: \$157,589

Sky Pointe Landing



City: Las Vegas
Buyer: Shopoff Realty Investments
Purchase Price: \$73 MM
Price per Unit: \$116,346

Capri North and South



City: Las Vegas
Buyer: Bascom Group
Purchase Price: \$69 MM
Price per Unit: \$110,577

Lyric



City: Las Vegas
Buyer: Bascom Group
Purchase Price: \$65 MM
Price per Unit: \$173,803