

YARDI[®] Matrix

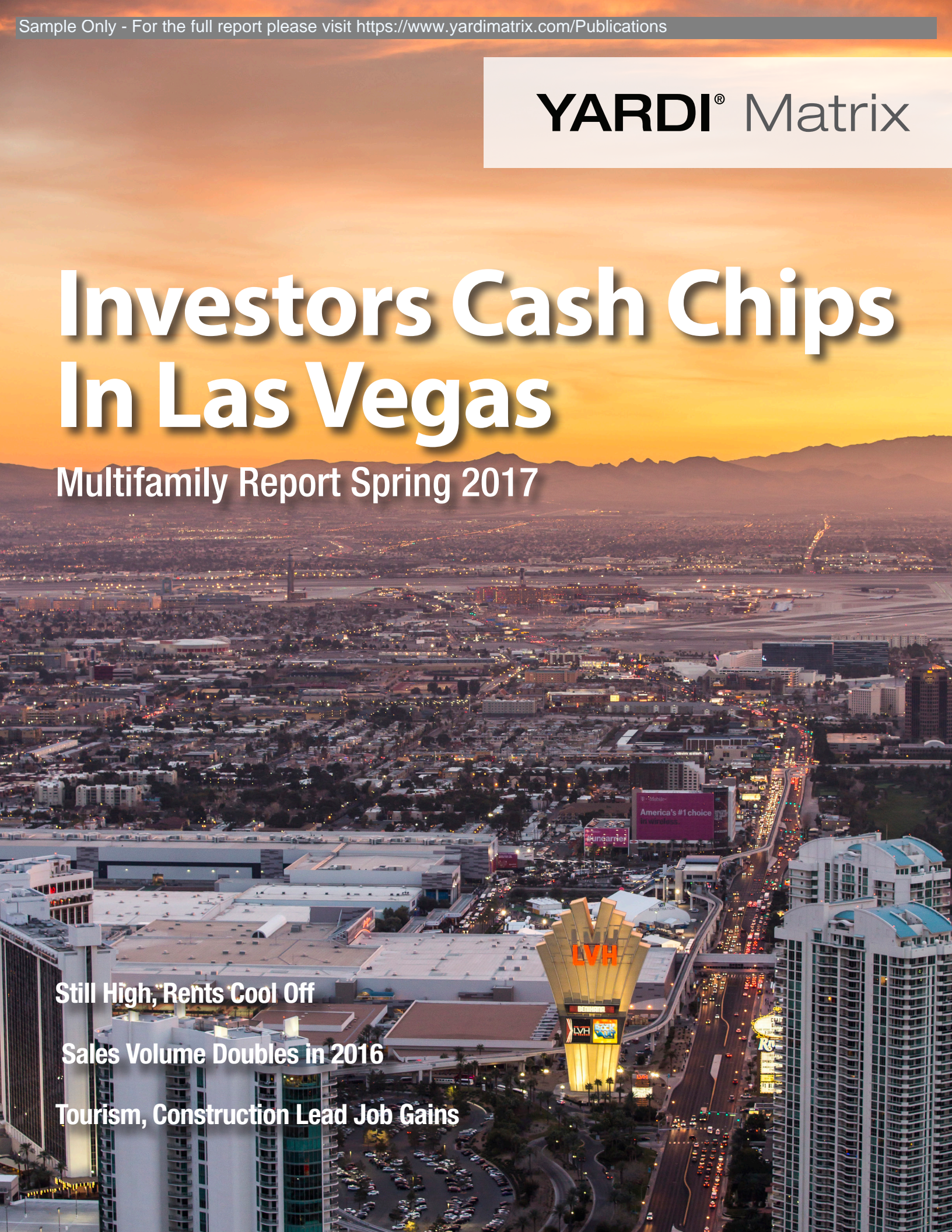
Investors Cash Chips In Las Vegas

Multifamily Report Spring 2017

Still High, Rents Cool Off

Sales Volume Doubles in 2016

Tourism, Construction Lead Job Gains



LAS VEGAS MULTIFAMILY

YARDI® Matrix

Market Analysis

Spring 2017

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From Recovery to Expansion

Amid accelerated hiring, demand for rentals heightened in Las Vegas in 2016. The city's economy grew at a healthy pace, due to broad-based employment gains and an increasing population. The mining, logging and construction and the leisure and hospitality segments were the most active during the past year.

A record number of visitors passed through Sin City last year, contributing \$25.5 billion to local tourism—a 16.3% increase from 2015. The Lucky Dragon Hotel and Casino opened in December 2016. Construction continues on Genting's \$4 billion Resorts World. The office market is expected to achieve a second consecutive annual increase in rents, further strengthening its performance. More than 100,000 square feet of space is slated for delivery in 2017. In Reno, Tesla Gigafactory has begun producing batteries and will employ several thousand people.

Multifamily fundamentals are strong: Occupancy for stabilized properties was 94.9% as of February. Apartment construction slowed in 2016 to 2,000 new units, likely because of oversupply of single-family home rentals. But the development looks promising, with more than 4,500 units under construction. Many of the new deliveries are focused in the Lifestyle segment, accentuating the city's affordability issues. Transaction volume rose 50% year-over-year to \$2.4 billion, marking a peak in the current cycle.

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

Villas at Green Valley



City: Henderson, Nev.
Buyer: Investcorp
Purchase Price: \$71 MM
Price per Unit: \$116,174

Capri North and South



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

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