



MULTIFAMILY REPORT

Las Vegas Rates Decline

May 2023

Job Gains Outperform US

YoY Rent Movement Down

Investment Activity Stalls

LAS VEGAS MULTIFAMILY



Rates, Occupancy Register Descent

The Las Vegas multifamily market is facing challenges, with rent and occupancy declines following an interval of solid growth. However, fundamentals are still relatively sound, as employment and demographic trends remain positive. At the end of the first quarter of 2023, average rents were down 0.2% on a trailing three-month basis, to \$1,472. Through that time, the national average remained flat, at \$1,706.

Employment growth was 5.1% in 2022, while the jobless figure stood at 6.0% in February, above the state average and the highest rate the metro has seen in 18 months. Only two sectors posted losses, with other services and information down a combined 500 jobs in 2022. Leisure and hospitality added 16,000 jobs, as the metro's economic cornerstone continued to regain positions. Although still short of pre-pandemic levels, tourism is rebounding, with sports-focused efforts such as new athletic franchises and the upcoming Las Vegas Grand Prix set to galvanize the comeback.

Investment slowed down considerably in 2023, at \$81 million through the first quarter, on the back of a single confirmed up-scale transaction. Investment has been progressively dwindling since 2022, when \$3.1 billion in assets traded. The metro had 8,900 rental units under construction and another 21,000 in the planning and permitting stages, but inventory additions have consistently underperformed during the cycle.

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Recent Las Vegas Transactions

Tribeca North



City: North Las Vegas, Nev.
Buyer: MG Properties
Purchase Price: \$81 MM
Price per Unit: \$259,615

Summit on Nellis



City: Las Vegas
Buyer: DB Capital Management
Purchase Price: \$64 MM
Price per Unit: \$216,216

Desert Ridge



City: Las Vegas
Buyer: Turner Impact Capital
Purchase Price: \$63 MM
Price per Unit: \$207,237

Orchard Club



City: Las Vegas
Buyer: 3D Investments
Purchase Price: \$61 MM
Price per Unit: \$277,273