



MULTIFAMILY REPORT

Las Vegas' Improving Odds

Summer 2021



Investment Bounces Back
Rent Growth Among Highest in the US
Development Focuses on Lifestyle Segment

A wide-angle photograph of a Las Vegas street scene. In the foreground, a white SUV is driving on a road with yellow dashed lines. The middle ground shows a cityscape with various buildings, including a prominent pink and purple high-rise. In the background, a range of mountains is visible under a blue sky with scattered clouds. The text is overlaid on the bottom right of the image.

LAS VEGAS MULTIFAMILY



Rent Growth Pushes Property Values

The second quarter of 2021 posted unprecedented rent growth in Las Vegas, with the rate marking a 1.7% increase on a trailing three-month basis through June, to \$1,278. On a year-over-year basis, rents marked a 14.6% jump. The combination of a rapidly expanding population and limited supply pushed up the occupancy rate in stabilized properties by 110 basis points in the 12 months ending in May, to 96.0%, pointing to sustained demand, especially for Lifestyle units.

The unemployment rate improved to 8.9% in May, according to preliminary data from the Bureau of Labor Statistics, trailing the 5.8% national rate. The employment market posted a 4.4% contraction in the 12 months ending in May, surpassed by the -1.9% national rate. Yet with the reopening of the economy, Las Vegas is rebounding: Leisure and hospitality expanded by 70.4% year-over-year through May, adding 89,400 jobs. Visitor volume has been on an upward trend, as hotels and casinos opened at full capacity in June. Resorts World Las Vegas also opened to the public in June.

Investment sales have rebounded, having already exceeded 2020's overall transaction total during the first half of the year, totaling \$1.4 billion. With property values climbing, companies on both sides of transactions will likely reevaluate their positions.

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Recent Las Vegas Transactions

Tuscan Highlands



City: Las Vegas
Buyer: Keller Investment Properties
Purchase Price: \$115 MM
Price per Unit: \$378,289

Vue at Centennial



City: Las Vegas
Buyer: LivCor
Purchase Price: \$112 MM
Price per Unit: \$301,075

Firenze



City: Henderson, Nev.
Buyer: Keller Investment Properties
Purchase Price: \$100 MM
Price per Unit: \$216,991

Norterra Canyon



City: Las Vegas
Buyer: Buff Management
Purchase Price: \$87 MM
Price per Unit: \$203,052