



MULTIFAMILY REPORT

Las Vegas Economy Holds Steady

August 2023



T3 Rents Continue Positive Trend

Jobless Rate Improves, Trails State

Investment Volume, PPU Decline

LAS VEGAS MULTIFAMILY



Economic Rebound In Early Stages

Not yet out of the woods, Las Vegas' fundamentals posted modest signs of a rebound. Rent growth recorded its second straight month out of negative territory, up 0.2% on a trailing three-month basis through June, to \$1,475, boosted by the upscale Lifestyle sector. Still, occupancy decreased 110 basis points year-over-year as of June, to 93.1%.

Las Vegas' unemployment rate stood at 5.6% in May, a 30-basis-point improvement from January, but lagging the state (5.4%) and the U.S. (3.7%), according to data from the Bureau of Labor Statistics. Employment growth was up 5.5%, or 45,700 jobs, in the 12 months ending in April, well ahead of the 2.9% U.S. rate. Two sectors lost jobs—financial activities and other services—for 1,300 jobs combined. Gains were led by leisure and hospitality and professional and business services. The tourism sector continued to thrive, with visitor volume through May rising to nearly 17 million, 10.8% above the figure recorded during the same period last year, according to the Las Vegas Convention and Visitors Authority.

Developers delivered 1,067 units during the first half of the year and had 10,298 units under construction, but the number of new projects dropped to half of the figure registered during the same period last year. Investment plummeted, with just \$238 million in multifamily assets trading through June. The price per unit decreased by 25.7% year-over-year, to \$184,407.

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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

The Michael B



City: Las Vegas
Buyer: Davlyn Investment
Properties
Purchase Price: \$67 MM
Price per Unit: \$265,873

Ridge on Charleston



City: Las Vegas
Buyer: Westland Real Estate
Group
Purchase Price: \$47 MM
Price per Unit: \$99,048

Vista Del Rey



City: Las Vegas
Buyer: Benedict Canyon Equities
Purchase Price: \$34 MM
Price per Unit: \$177,604