

Yardi® Matrix

Blue Skies Ahead In Las Vegas

Multifamily Report Summer 2018

**Rising Demand Deepens
Affordability Issues**

**Rent Growth Among
Fastest in the US**

**Hiring Rate
Outpaces Nation**

LAS VEGAS MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Demand Outstrips Supply

After a decade of at times sluggish recovery, Las Vegas' economy promises blue skies. Having one of the most affordable business climates in the U.S., the metro attracts businesses and residents alike, mainly from neighboring Southern California. This builds up multifamily demand, which has been outpacing supply over the past decade. Rent growth is the second-largest in the country, up 5.8% year-over-year through July, to \$1,108, but still trailing the \$1,409 national average.

Government and trade, transportation and utilities led job growth, with the addition of a combined 12,100 jobs. Construction was also strong, up by 3,900 jobs and will likely hold the trend, as more than \$10 billion in development projects are underway in Las Vegas. However, the biggest uncertainty is related to the state of trade, which could directly impact the city's hospitality sector, still very much the local economy's cornerstone.

Multifamily transaction activity picked up pace, with roughly \$1.1 billion in assets trading through June. The boost in rent growth effused into the price-per-unit amount, which rose 14.6% year-over-year through July, to \$126,200, still trailing the \$148,902 national average. With almost 3,800 units under construction in the metro as of July, and only 1,655 units delivered, Yardi Matrix expects rents to grow by 3.6% in 2018.

Recent Las Vegas Transactions

Castile



City: Henderson, Nev.
Buyer: Thompson Michie Communities
Purchase Price: \$100 MM
Price per Unit: \$200,000

Solis at Flamingo



City: Las Vegas
Buyer: ConAm
Purchase Price: \$72 MM
Price per Unit: \$137,405

Xander 3900



City: Las Vegas
Buyer: Blackstone Group
Purchase Price: \$70 MM
Price per Unit: \$144,792

Aviata



City: Las Vegas
Buyer: TruAmerica Multifamily
Purchase Price: \$67 MM
Price per Unit: \$146,811