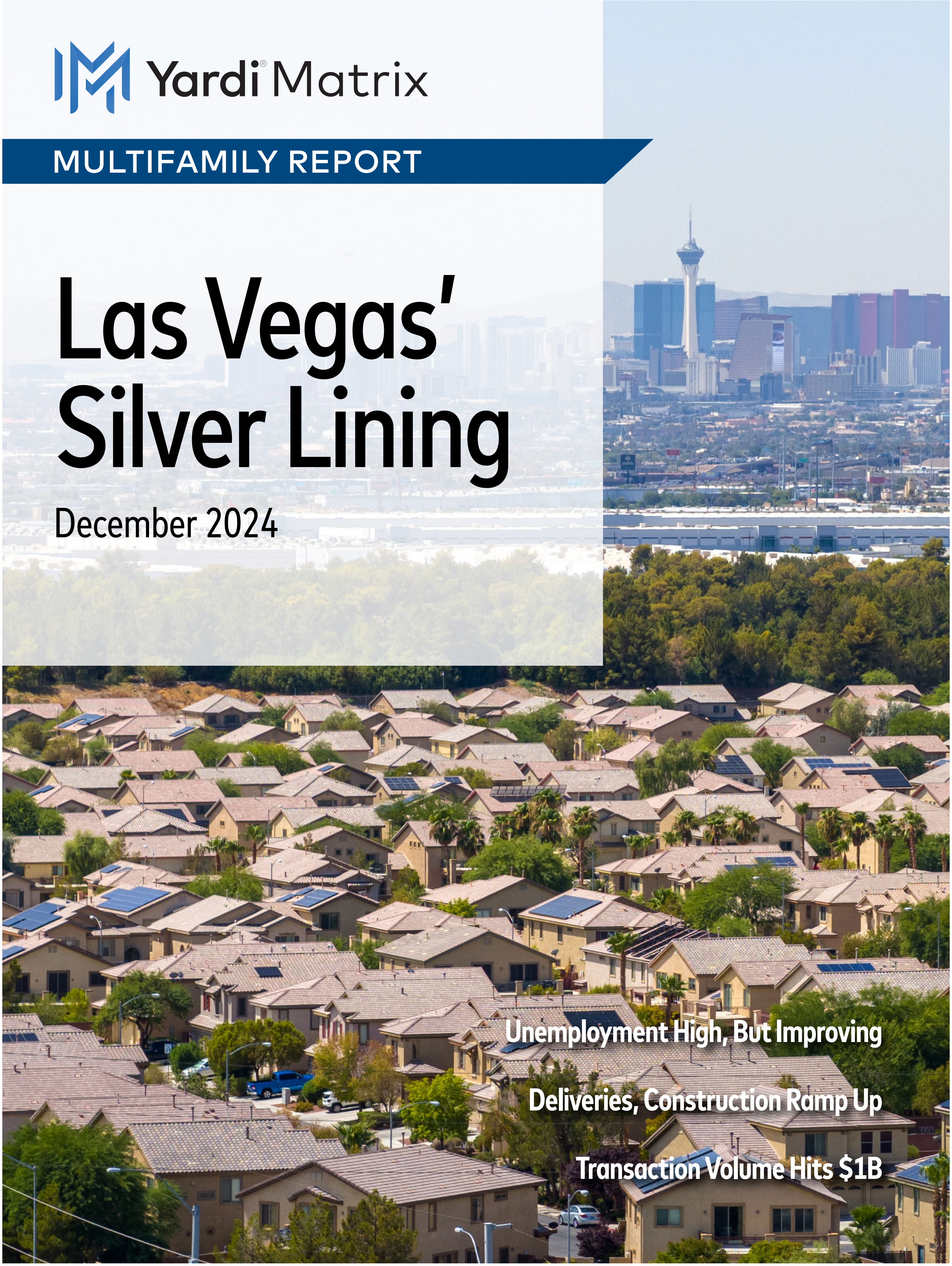
Yardi Matrix

MULTIFAMILY REPORT

Las Vegas' Silver Lining

December 2024



Unemployment High, But Improving

Deliveries, Construction Ramp Up

Transaction Volume Hits $1B

Yardi Matrix

New Construction, Sales Pick Up

In line with seasonal trends, rent growth softened in Las Vegas at the end of summer and remained on a downward trajectory for the third consecutive month in October. Average advertised asking rents decreased 0.4%, on a T3 basis through October, to $1,472, while the national rate slid 0.1%, to $1,748. Las Vegas occupancy climbed 100 basis points year-over-year through October, to 93.7%, increasing nearly equally across quality segments.

Las Vegas continued to lead the U.S. in employment expansion, with the rate at 3.6% as of August, well ahead of the 1.4% U.S. figure. Meanwhile, unemployment stood at 5.9% in September, trailing the U.S. (4.1%) and the state (5.6%), according to data from the Bureau of Labor Statistics. Las Vegas added 41,100 jobs during the 12-month period ending in August, with construction (9,600) and government (9,500) leading gains. Construction is underway at the $206 million expansion of M Resort Spa Casino and is scheduled to be finalized by the summer of 2025. Also underway is the 19-acre mixed-use project NLV Gateway, which is estimated to create more than 1,000 jobs upon completion.

Development ramped up, with 3,030 of the 9,190 units under construction breaking ground this year through October. Deliveries during the period totaled 4,996 units. Investment activity also surged, totaling $1 billion through October, for a price per unit that increased 0.4% year-to-date, to $204,232.

Market Analysis | December 2024

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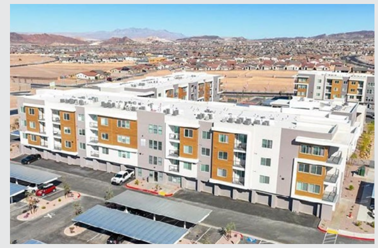
Recent Las Vegas Transactions

Element 12



City: Henderson, Nev.
Buyer: Sunroad Enterprises
Purchase Price: $104 MM
Price per Unit: $392,000

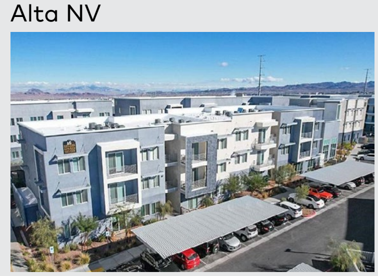
Lofts at 7100

City: Las Vegas
Buyer: LivCor
Purchase Price: $93 MM
Price per Unit: $245,383

LeVante at Valley Vista

City: Las Vegas
Buyer: Praedium Group
Purchase Price: $93 MM
Price per Unit: $255,495

Alta NV

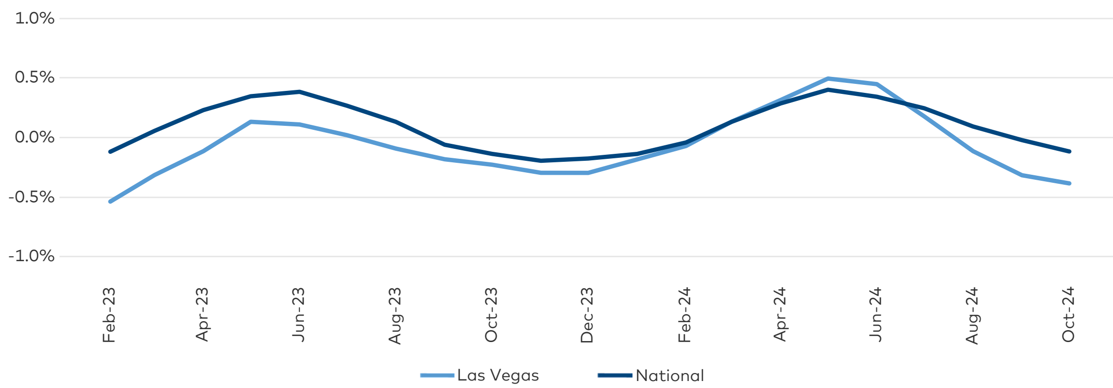


City: Henderson, Nev.
Buyer: MC Cos.
Purchase Price: $91 MM
Price per Unit: $261,527

RENT TRENDS

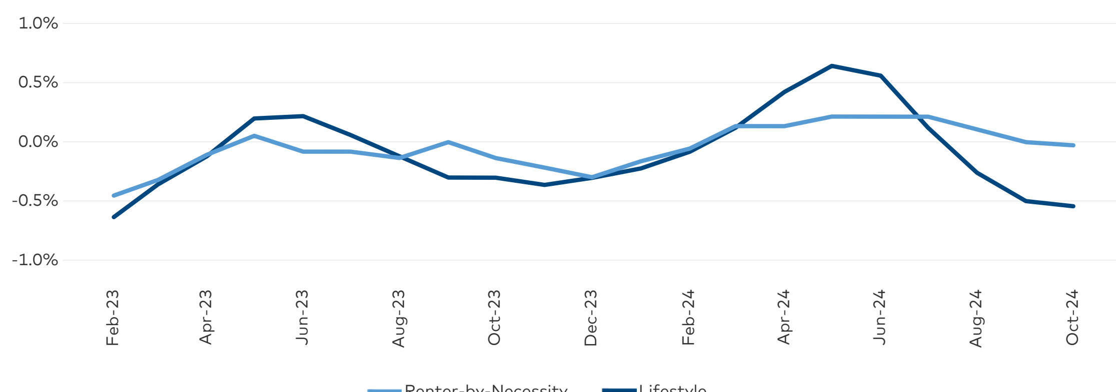
- The average advertised asking rent in Las Vegas was down 0.4% on a trailing three-month (T3) basis through October—the third consecutive month of losses—to $1,472. The U.S. average inched down 0.1%, to $1,748. Year-over-year, advertised asking rents in the metro declined 0.2%, while the U.S. rate was up 0.9%.
- A high supply of upscale projects slowed Lifestyle rent growth, down 0.5% on a T3 basis through October, to $1,640. Advertised asking rents for working-class Renter-by-Necessity properties remained unchanged for the second consecutive month, at $1,241.
- The occupancy rate in stabilized properties rose 100 basis points year-over-year through October to 93.7%. Performance was nearly equal across property segments. Lifestyle occupancy was up 1.0%, to 94.2%, while the RBN figure rose 1.0%, to 93.0%. Meanwhile, the national rate remained unchanged, at 94.7%.
- Rents contracted year-over-year in 10 of the 29 submarkets tracked by Yardi Matrix. The largest drop was recorded in the Las Vegas Strip submarket, down 9.6% to $1,115, making it the cheapest in the metro. Meanwhile, the most expensive submarkets posted rent increases—Las Vegas–Summerlin (2.5% to $1,789) and Spring Valley–West (0.5% to $1,740).
- SFR advertised asking rents were among the lowest in the country, at $1,776 in October, following a 1.7% year-over-year increase. SFR occupancy fell 0.6%, to 96.8%, during the period.

Las Vegas vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Las Vegas Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Las Vegas employment growth was 3.6% year-over-year as of August, more than double the 1.4% U.S. figure. The rate bottomed out in November 2023, at 3%, and has been on a steady upward trend since.
- The metro gained 41,100 jobs in the 12 months ending in August, with construction (9,600 jobs) and government (9,500 jobs) in the lead. During this period, financial activities lost 400 positions and information remained unchanged.
- The unemployment rate in Las Vegas stood at 5.9% in September, a 20-basis-point improvement from August but 50 basis points higher than the start of the year. At this level, it trailed both the national (4.1%) and state (5.6%) figures.
- Notable construction projects across the metro include the $206 million expansion of M Resort Spa Casino in Henderson, which will add a new tower with 385 hotel rooms and 15,000 square feet of convention space, anticipated to be finalized by the summer of 2025. Another project that stands out is NLV Gateway, a 19-acre mixed-use development comprising 14 sites, estimated to create more than 1,000 permanent jobs. It is slated to include medical offices, retail shops, restaurants, multifamily housing, micro-business units and community-focused public space.

Las Vegas Employment Share by Sector

		Current Employment	
Code	Employment Sector	(000)	% Share
15	Mining, Logging and Construction	91.6	7.9%
90	Government	117	10.1%
70	Leisure and Hospitality	298.7	25.8%
60	Professional and Business Services	167.1	14.5%
40	Trade, Transportation and Utilities	215.4	18.6%
30	Manufacturing	32.1	2.8%
80	Other Services	35.6	3.1%
65	Education and Health Services	124.8	10.8%
50	Information	14.3	1.2%
55	Financial Activities	59.4	5.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Las Vegas gained 34,779 residents in 2022, up 1.6% year-over-year—significantly higher than the 0.1% gain recorded in 2021. The U.S. population was up 0.4% in 2022.
- Between the 2010 Census and 2022, the metro's population rose 19.5%, well ahead of the 8.9% U.S. rate.

Las Vegas vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Las Vegas	2,182,004	2,228,866	2,231,147	2,265,926

Source: U.S. Census

SUPPLY

- Las Vegas had 9,190 units under construction as of October and another 25,000 in the planning and permitting phases. About 80% of the units underway were in Lifestyle projects, followed by 12.4% in fully affordable communities, and less than 8% in RBN developments.

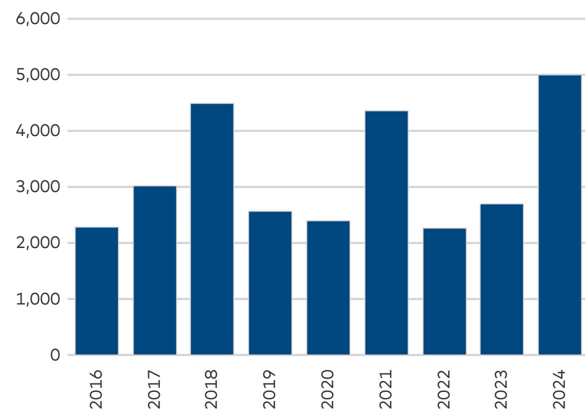
- Developers completed 4,996 units, making 2024 the best-performing year since 2016. Deliveries accounted for 2.6% of existing stock, 20 basis points higher than the national average. The composition was tilted heavily toward the upscale segment, which accounted for more than 90% of completions through October, while the rest were units in fully affordable communities.

- Bucking the national trend, construction starts were actually on the upswing in Las Vegas, up to 3,030 units across 13 properties during the first 10 months of the year. During the same period last year, developers had broken ground on 2,541 units across eight properties. Las Vegas multifamily construction is typically more limited than the U.S. volume, due to factors such as land availability and costs.

- Developers were active in half of the 29 submarkets tracked by Yardi Matrix. Spring Valley–West (1,919 units) and Enterprise (1,795 units) led activity. Las Vegas–Northwest (873), Henderson (662) and Las Vegas–Downtown South (648) rounded out the top five.

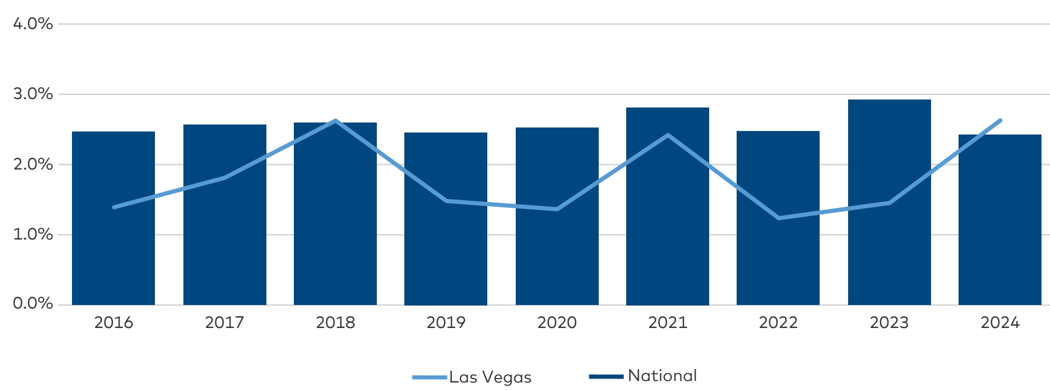
- Enterprise housed the largest project under construction as of October—the 754-unit Ariva. The property is owned by a private individual and is slated to include 71,000 square feet of retail. It holds a $92.5 million construction loan issued by Western Alliance Bank and is scheduled for completion by the end of the year.

Las Vegas Completions (as of October 2024)



Source: Yardi Matrix

Las Vegas vs. National Completions as a Percentage of Total Stock (as of October 2024)

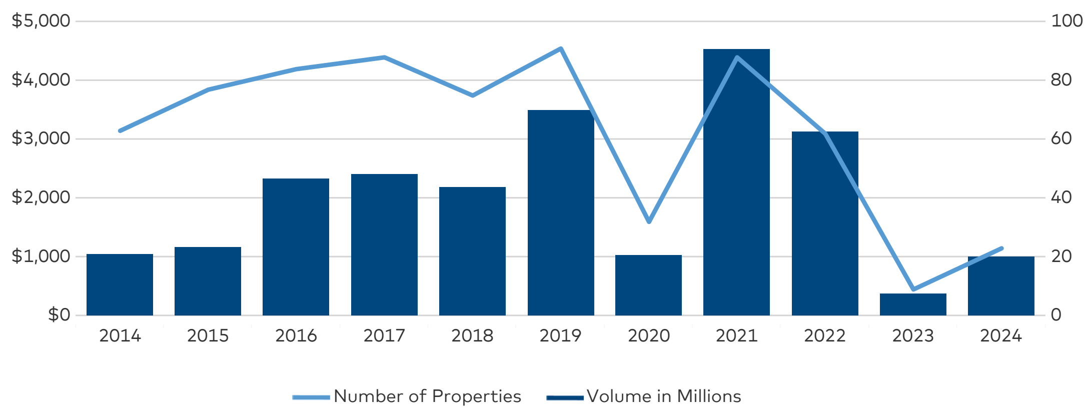


Source: Yardi Matrix

TRANSACTIONS

- Investors traded $1 billion in multifamily assets during the first 10 months of 2024. Although still below the annual average recorded between 2014 and 2023—$2.2 billion—the figure is more than double last year's total, when only $366 million in multifamily properties changed hands in Las Vegas.
- Investor interest has been balanced across asset classes this year through October, with 12 Lifestyle and 11 RBN properties trading. The average price per unit inched up 0.4% year-to-date, to $204,232, while the U.S. rate increased 2.0%, to $190,509.
- The largest transaction total for a multifamily asset registered in 2024 through October was $104 million, paid by Sunroad Enterprises to AG Spanos Cos., for the 265-unit Element 12. The property, which boasted a per-unit price of $392,000, is in Henderson and was completed earlier this year.

Las Vegas Sales Volume and Number of Properties Sold (as of October 2024)



Source: Yardi Matrix

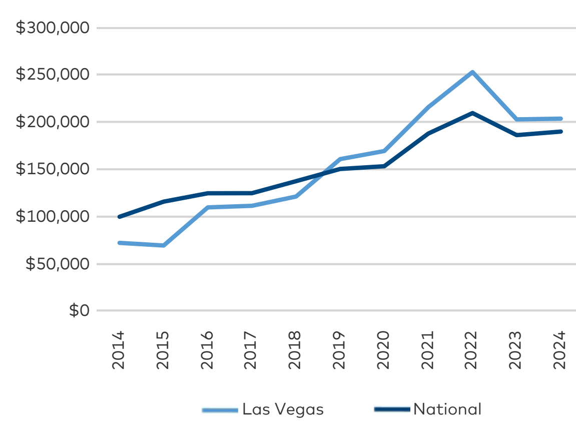
Top Submarkets for Transaction Volume[1]

Submarket	Volume ($MM)
Las Vegas–Central West	250
Green Valley	164
Henderson	149
Sunrise Manor–North	126
North Las Vegas–West	93
Las Vegas–Northwest	93
Las Vegas–Westside	40

Source: Yardi Matrix

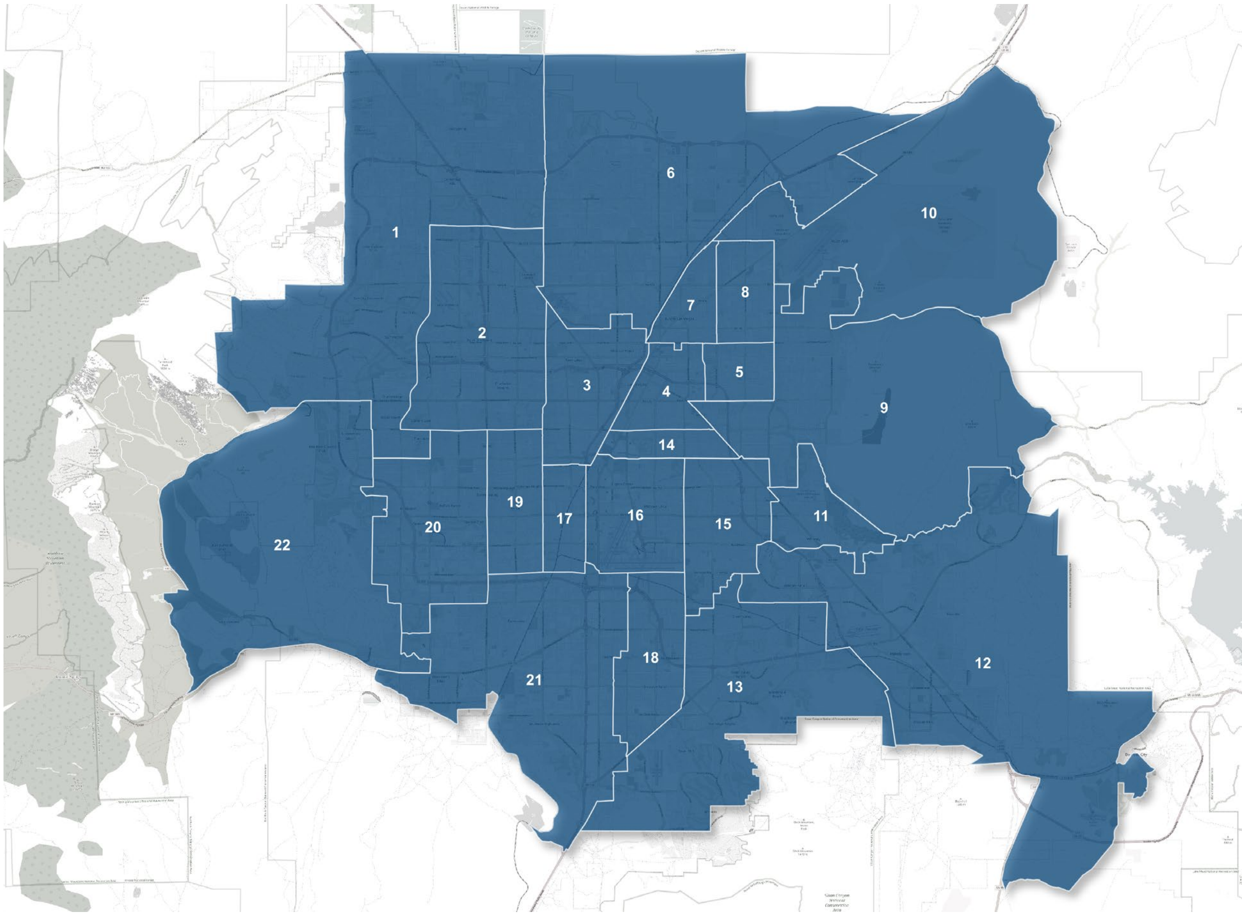
[1] From November 2023 to October 2024

Las Vegas vs. National Sales Price per Unit



Source: Yardi Matrix

LAS VEGAS SUBMARKETS



Area No.	Submarket
1	Las Vegas Northwest
2	Las Vegas Central
3	South Las Vegas
4	Downtown Las Vegas
5	Las Vegas East
6	North Las Vegas West
7	North Las Vegas East
8	Sunrise Manor Northwest
9	Sunrise Manor
10	Nellis AFB
11	Whitney

Area No.	Submarket
12	Henderson East
13	Henderson West
14	Winchester
15	Paradise Valley East
16	Las Vegas Strip
17	Bracken
18	Paradise Valley South
19	Spring Valley East
20	Spring Valley West
21	Enterprise
22	Summerlin/Blue Diamond

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students,* who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households,* composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households,* which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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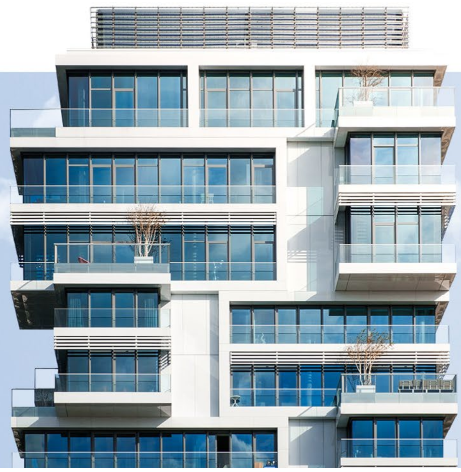
Yardi Matrix



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MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
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- Gain complete new supply pipeline information from concept to completion
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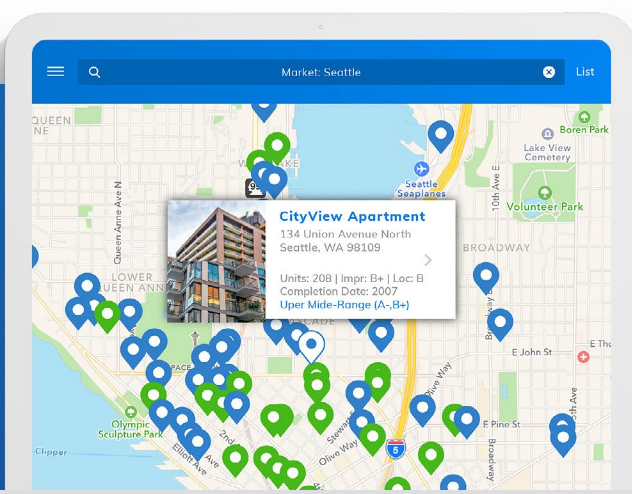
- Access aggregated and anonymized residential revenue and expense comps



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