

YARDI MATRIX
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Multifamily Outlook

Spring 2015



**A City on
The Rebound**

**Hospitality Jobs
Booming Again**

**Investors Roll Dice:
Sales Top \$1B**

LAS VEGAS MULTIFAMILY

Market Analysis

Spring, 2015

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Dana Seeley

Senior Research Analyst
Dana.Seeley@Yardi.com
(800) 866-1124 x2035

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

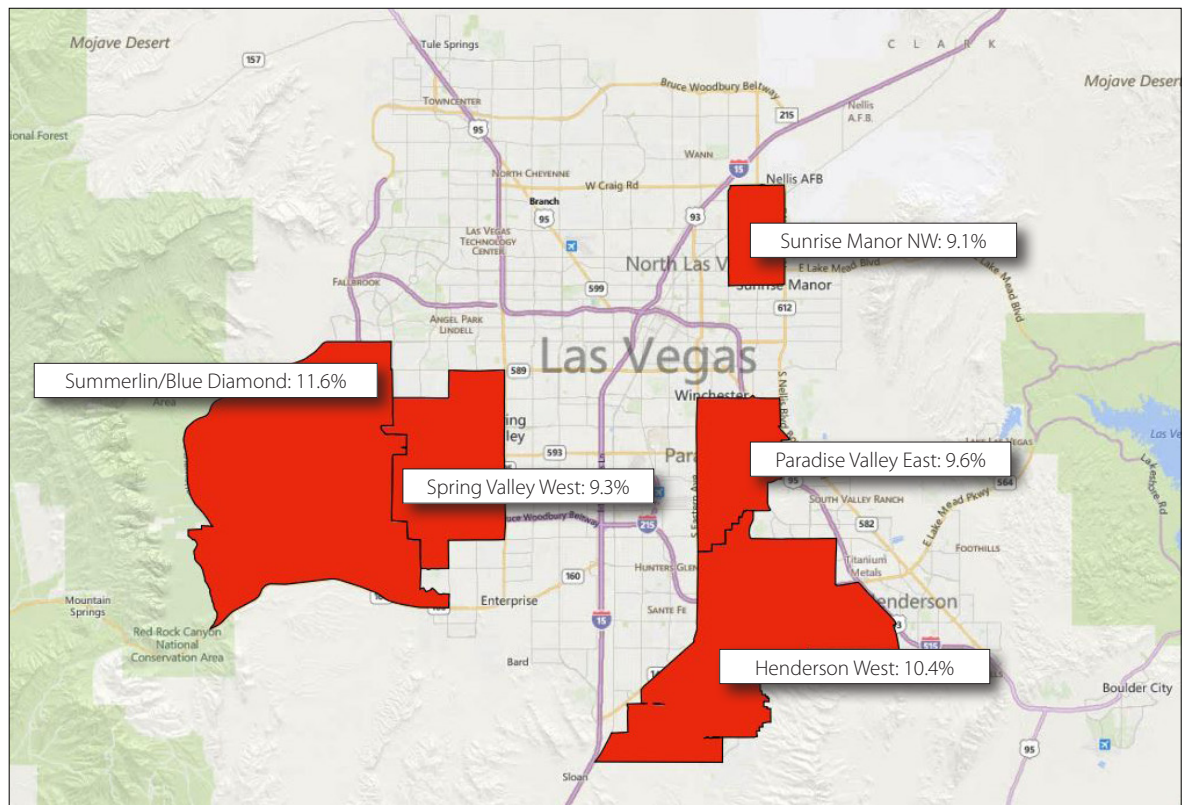
Las Vegas: A City on the Rebound

Strong job and population growth is lifting the Las Vegas multifamily market, finally producing a recovery after a years-long hard landing from the recession. The market is adapting to a number of new economic drivers, slowly transitioning from a gaming center to an entertainment-driven city. This is illustrated by the fact that gaming revenue fell in 2014 in Clark County, despite the fact that tourism traffic was higher. And while hospitality has led the gains in new jobs over the past year, employment also has benefitted from growth in other sectors such as construction and logistics.

The city's core is also set to finally witness the effects of The Downtown Project, an organization that owns or invests in hundreds of businesses and legal entities, and directly employs 300 people. The project has turned a 60-acre area in the city's downtown into a startup community with the goal of turning Las Vegas' core into a tech hotspot. The plan is produce growth in higher-wage industries, such as technology.

Multifamily fundamentals are improving. Property sales topped \$1 billion for the second straight year, a sign of demand for product from a wide range of investors. Development has started to creep back in the metro, although it is relatively tepid compared to the national trend and remains less than the rising demand for apartments. Rents, although still well below national averages, have risen steadily for two straight years. We expect another year of solid 5.5% growth in 2015.

Top 5 Submarkets for Rent Growth (Fall 2014 to Spring 2015¹)



¹ YardiMatrix™ surveys over 700 properties in Las Vegas, three times a year during the Spring, Summer & Fall.

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