



MULTIFAMILY REPORT

Las Vegas Simmers Down

August 2022



Rent Growth Moderates

Transaction Activity Expected to Soften

Jobless Rate Yet to Reach Pre-Pandemic Levels

LAS VEGAS MULTIFAMILY



Demand Slowdown Pierces Occupancy

The pandemic slammed Las Vegas' ascent, and after a swift economic surge in 2021, the performance of the local economy tempered to a steady recovery. This was mirrored by the multifamily market, with rent expansion moderating after a strong run, up 0.6% on a trailing three-month basis through June, to \$1,525, trailing the 1.1% U.S. rate. The metro recorded a slowdown during the first half of 2022, with occupancy marking the largest decrease among major U.S. metros, down 1.4% in the 12 months ending in May, to 95.1%.

Las Vegas unemployment stood at 5.2% in May, according to Bureau of Labor Statistics data, trailing both the state (4.9%) and the U.S. (3.6%). Despite the slower rate, the figure marked a 3.9% annual improvement. Employment expanded by 11.7%, or 87,100 positions, in the 12 months ending in May, with all sectors adding jobs. Growth was led by leisure and hospitality (38,000 jobs), but the sector is still below its pre-pandemic peak. With visitor volume picking up, the sector's shortages are challenging.

Deliveries were lagging, with 216 units completed in 2022 through June, while construction remains elevated, with 6,907 units underway. Meanwhile, transaction volume rose to nearly \$1.9 billion during the first half of the year, above the figure registered during the same interval in 2021. The price per unit jumped by a substantial 78% on a year-over-year basis, to \$245,504.

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Recent Las Vegas Transactions

The Harmon at 370



City: Las Vegas
Buyer: Laguna Point Properties
Purchase Price: \$126 MM
Price per Unit: \$126,000

Amalfi



City: Enterprise, Nev.
Buyer: Starlight Investments
Purchase Price: \$98 MM
Price per Unit: \$371,023

Miro at the Parc



City: Henderson, Nev.
Buyer: Sares Regis Group
Purchase Price: \$65 MM
Price per Unit: \$396,341

Tides at Hacienda



City: Las Vegas
Buyer: Tides Equities
Purchase Price: \$65 MM
Price per Unit: \$265,306