



MULTIFAMILY REPORT

# Las Vegas: Still Placing Bets

December 2022

**Construction Pipeline Stays Robust**

**Developers Favor Lifestyle Assets**

**2022 Transaction Volume Tops \$3B**

# LAS VEGAS MULTIFAMILY



## Absorption Dents Fundamentals

At the start of the fourth quarter, the Las Vegas multifamily market continued to post mostly healthy, albeit depreciating fundamentals, with substantial investment activity and a robust construction pipeline. Rent growth contracted for the second consecutive month in October—down by 0.4% on a trailing three-month basis, to \$1,504. The decline stemmed from the Lifestyle segment, while Renter-by-Necessity rates remained flat. Meanwhile, occupancy in stabilized assets took a dive, down 180 basis points in the 12 months ending in September, to 94.5%.

The unemployment rate in Las Vegas clocked in at 5.3% in September, according to preliminary data from the Bureau of Labor Statistics, lagging the state (4.4%) and the U.S. (3.5%). The rate improved from the 5.8% recorded in January and remained above pre-pandemic figures. Employment expanded by 8.4%, or 52,100 jobs, in the 12 months ending in August, well above the 4.3% national rate, but still decelerating. Moreover, two sectors lost a combined 700 positions. Rising visitor volume and the growth of the professional and business services sector point to likely improvement in the metro.

Development picked up slightly, with 1,173 units delivered through October and another 9,400 underway. New construction starts will likely decrease due to dwindling debt sources. Meanwhile, investment sales topped \$3 billion in 2022 through October.

## Market Analysis | December 2022

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### Recent Las Vegas Transactions

#### Alicante



City: Las Vegas  
Buyer: Sares Regis Group  
Purchase Price: \$87 MM  
Price per Unit: \$374,138

#### Monterra



City: Las Vegas  
Buyer: Bridge Investment Group  
Purchase Price: \$73 MM  
Price per Unit: \$212,936

#### Vue 5325



City: Las Vegas  
Buyer: Keller Investment Properties  
Purchase Price: \$67 MM  
Price per Unit: \$279,167

#### Rancho Destino



City: Las Vegas  
Buyer: Davlyn Investment  
Properties  
Purchase Price: \$66 MM  
Price per Unit: \$355,978