



MULTIFAMILY REPORT

Las Vegas Feels The Pinch

December 2023



Job Gains Surpass US Pace

Investment Nearly Halts

YoY PPU Declines

LAS VEGAS MULTIFAMILY



Rents, Occupancy Decline, Economy Holds Steady

Las Vegas' multifamily fundamentals continued to soften throughout the year, with rents inching up or remaining flat during just three of the first 10 months of 2023. The average asking rent declined 0.2% on a trailing three-month basis and 3.1% year-over-year through October, to \$1,460. The occupancy rate in stabilized properties fell to 92.6% as of September, following another 120-basis-point decrease over 12 months.

Despite moderation in the rental segment, the economy has other plans. Las Vegas employment remained among the strongest in the U.S., up 4.7%, or 39,100 jobs, in the 12 months ending in August, nearly double the 2.5% national average. Yet the rate was 200 basis points below the January figure. Unemployment stood in the 5.5% to 6.1% range throughout the year, improving to 5.4% in October, according to preliminary data from the Bureau of Labor Statistics. Las Vegas trailed the U.S. (3.9%) and the state (5.4%). During the interval, three sectors lost 3,000 jobs combined, while the leading two sectors accounted for nearly three-quarters of the jobs added—leisure and hospitality (16,500 jobs) and professional and business services (12,000 jobs).

Developers delivered 1,977 units in 2023 through October, nearly all in Lifestyle projects. Another 10,788 units were under construction. Meanwhile, investors traded just \$366 million in rental assets, for a price per unit that declined almost 30% year-over-year.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Las Vegas Transactions

Tribeca North



City: North Las Vegas, Nev.
Buyer: MG Properties
Purchase Price: \$81 MM
Price per Unit: \$259,615

Alton Southern Highlands



City: Las Vegas
Buyer: Tribal Community
Development
Purchase Price: \$79 MM
Price per Unit: \$194,581

The Michael B



City: Las Vegas
Buyer: Davlyn Investment
Properties
Purchase Price: \$67 MM
Price per Unit: \$265,873

Ridge on Charleston



City: Las Vegas
Buyer: Westland Real Estate
Group
Purchase Price: \$47 MM
Price per Unit: \$99,048