

Yardi® Matrix

Las Vegas In High Gear

Multifamily Report Summer 2019

Rent Growth Leads Nation

Development Lags Behind

Job Growth Continues Hot Streak

LAS VEGAS MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Strong Demand Boosts Rent Growth

With rents up 7.3% year-over-year through April—the highest rate among major U.S. metros—Las Vegas' multifamily market continues to benefit from the city's rapid economic expansion. The average rent reached \$1,072 in April, well below the U.S. average, and the metro's affordability advantage over other western cities, especially coastal Californian metros, continues to boost in-migration.

Although construction outperformed all other sectors with the addition of 6,700 jobs, the metro continues to have a shortage of skilled workers in the field. The list of large projects in the area includes the Las Vegas Raiders stadium, nearly 50% complete; the expansion of the Las Vegas Convention Center, on track for a January 2021 opening; and the Resorts World Las Vegas, set to open at the end of 2020. Amazon recently opened a 2.4 million-square-foot fulfillment center in North Las Vegas, with need for 1,300 employees, while Sephora is nearing the opening of a 714,000-square-foot distribution center in its vicinity.

Investment sales in the first quarter of 2019 totaled \$680 million, with the average per-unit price rising a solid 40% year-over-year. Considering the imbalance between supply and demand, we expect rents to continue their fast-paced rise, with the average rate advancing 5.4% this year.

Recent Las Vegas Transactions

Pointe at Centennial



City: Las Vegas
Buyer: The Calida Group
Purchase Price: \$100 MM
Price per Unit: \$160,256

Dune



City: Henderson, Nev.
Buyer: Blackstone Group
Purchase Price: \$92 MM
Price per Unit: \$232,021

Mosaic



City: Las Vegas
Buyer: The Calida Group
Purchase Price: \$87 MM
Price per Unit: \$191,096

Spur



City: Henderson, Nev.
Buyer: Blackstone Group
Purchase Price: \$66 MM
Price per Unit: \$232,021