



Las Vegas multifamily market report

Q1 2023

**AVISON
YOUNG**

Las Vegas multifamily market: Trends

203,937

Inventory (units)

Multifamily inventory totaled 203,937 units to end the 1st quarter, accounting for a little over 181.7 msf – up 2.1 msf from the prior quarter.

Multifamily development activity has experienced a tremendous rebound following the lull experienced during the pandemic, with 1,934 units delivered during the 1st quarter – the most units delivered since Q3 of 2009.

Development activity looks to continue its upward trajectory with another 9,155 units currently under construction.

9.0%

Vacancy rate

Vacancy rates for Las Vegas multifamily increased 90 basis points from 8.1% in Q4 2022 to 9.0% to end Q1 2023.

Vacancy rates have increased for 8 consecutive quarters, however, the rate at which vacancy has risen during this time is now appearing to slow down – setting the stage for a possible reversal within the next few quarters.

The increase in vacancy rate during the past quarter is a bit deceptive as occupancy has risen over the same period – meaning the primary driver of the increase in vacancy is due to the significant amount of new inventory added to the market during the quarter.

\$126.5m

Sales volume (Q1 2023)

Sales volume (by \$) was down significantly when compared to historical norms – with only \$126.5m transacted during the 1st quarter.

While some of this is attributable to cap rates and rising interest rates needing to reconcile between sellers and buyers, it is important to note that both 2021 and 2022 saw record-setting sales metrics.

It appears more owners are exhibiting confidence and holding their assets than in prior quarters. Total available listings decreased in Q1 showing this may be more of a supply-side issue than a buyer pullback or concern on multifamily investments.

Las Vegas multifamily market: Indicators

11.1k units

Development activity was **up** to start the year – with the 1st quarter posting the third largest development pipeline in the past decade – ending the period with 1,934 units delivered and 9,155 currently under construction.

10 units

Total net absorption was **up** in Q1, ending the quarter with 10 units of positive net absorption. Though 10 units may seem insignificant, this is a good sign that demand is on the rise as Q1 broke the streak of 5 consecutive quarters of negative absorption.

\$1,395/unit

Direct market rents for multifamily showed a slight **increase** quarter-over-quarter – with rents increasing 0.2% from \$1,392/unit in Q4 2022 to \$1,395/unit in Q1 2023.

180k units

Occupancy remained steady from Q4 2022 to Q1 2023 – with total occupied units increasing by only 11 units during the 1st quarter.

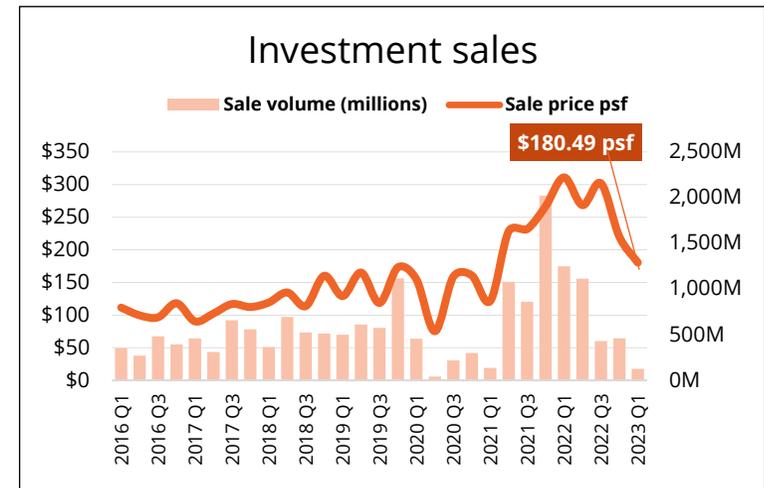
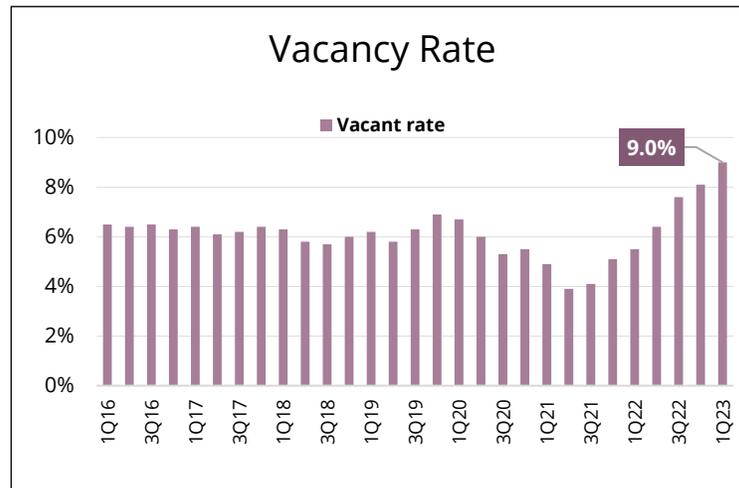
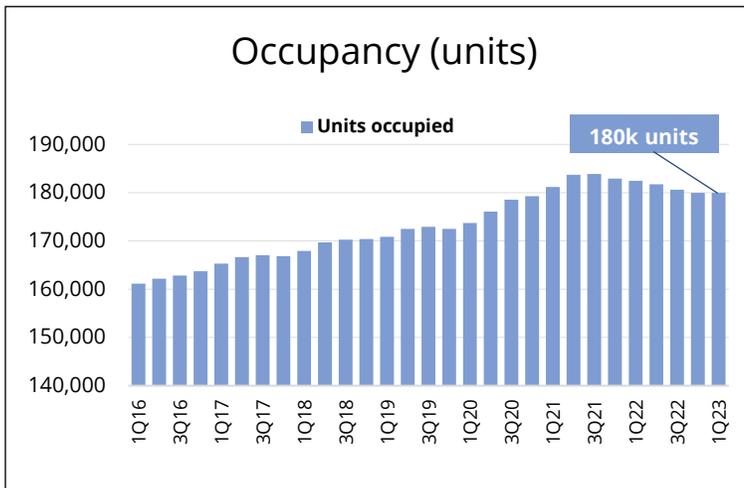
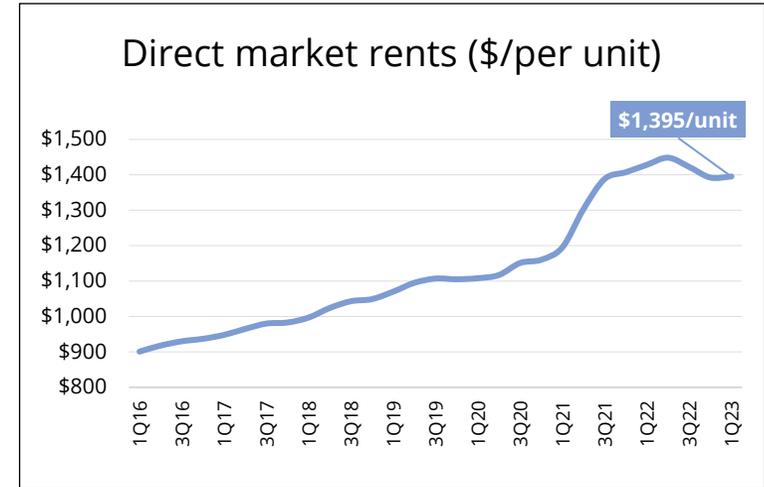
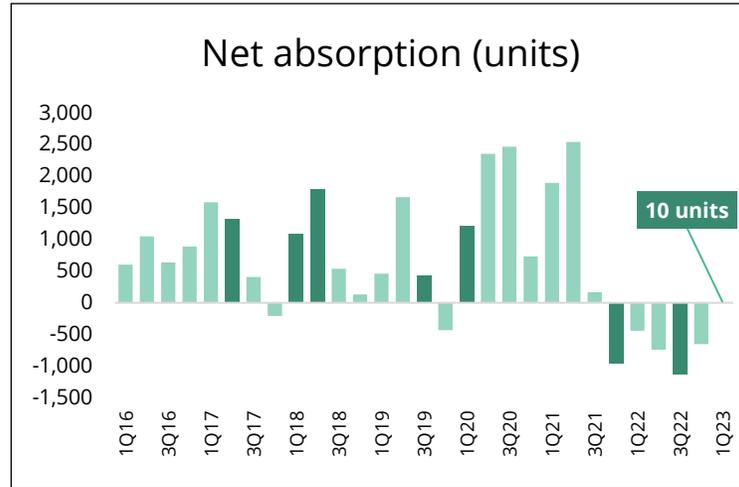
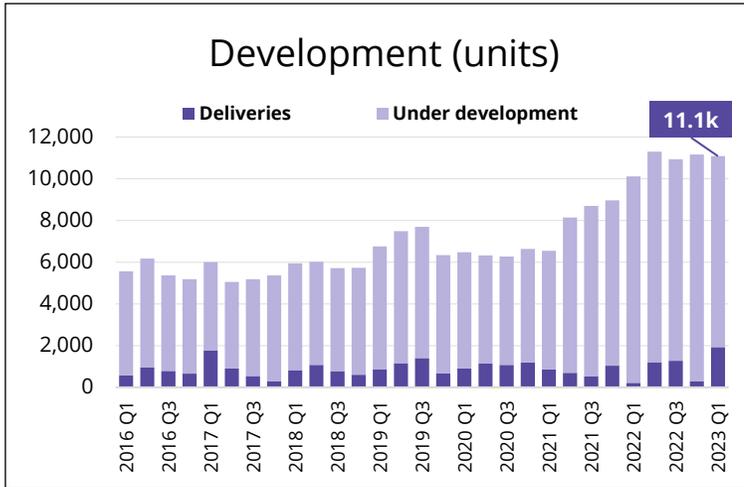
9.0%

The **total vacancy rate** for Las Vegas multifamily ended the 1st quarter at 9.0% - up 90 basis points quarter-over-quarter. Given occupancy was nearly identical from quarter to quarter – we can assume that this increase was primarily due to the significant increase in new inventory during the quarter.

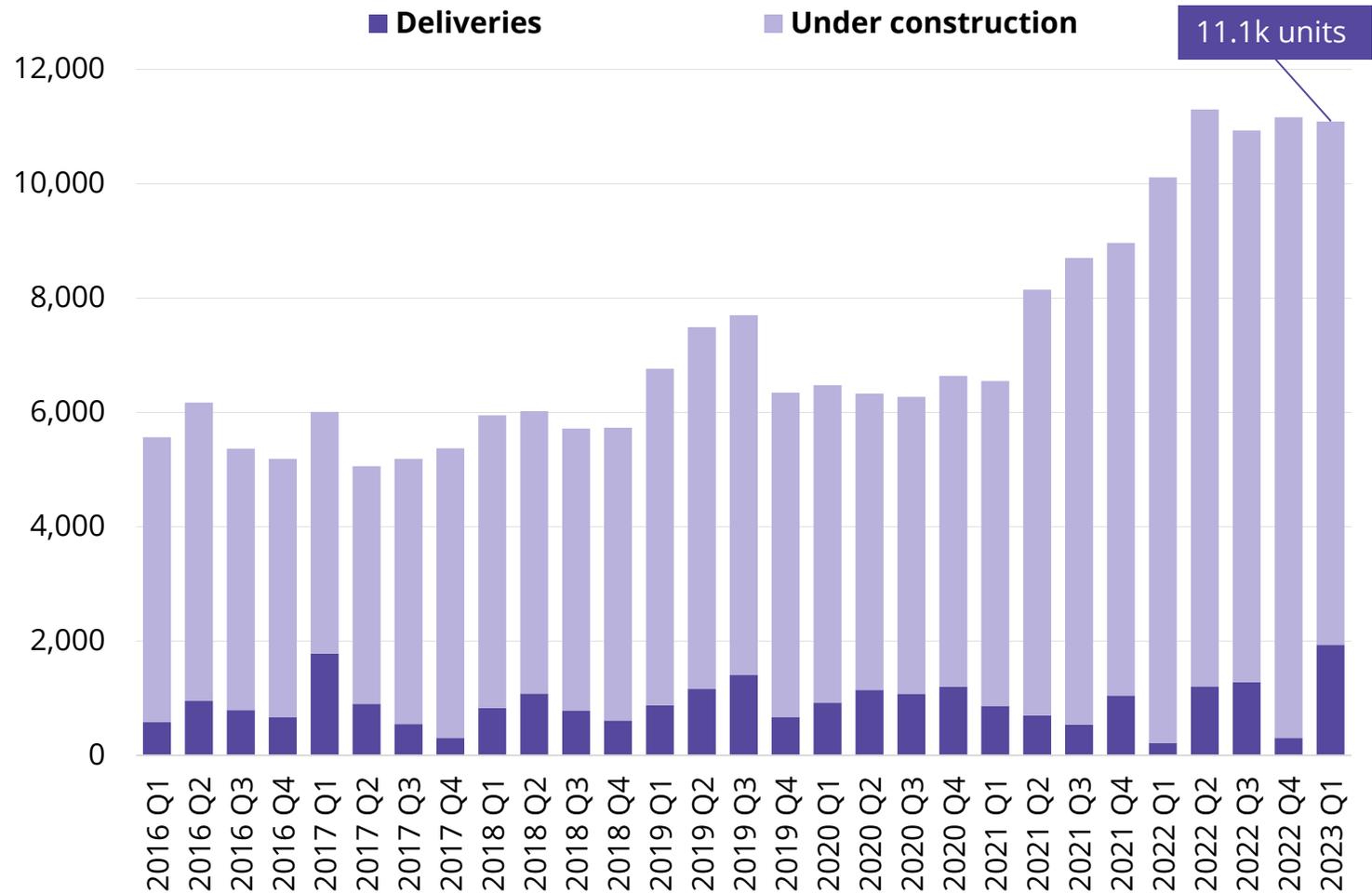
\$126.5m

Sales volume (by \$) was **down** significantly when compared to historical norms – with only \$126.5m transacted during the 1st quarter.

Las Vegas multifamily market: Indicators



Las Vegas multifamily market: Development activity



Las Vegas multifamily posts 3rd largest development pipeline in the past 10 years.

Multifamily development has experienced a significant increase in activity over the past year, with 1,934 units (2.1 msf) delivered during Q1 alone - the most deliveries in a quarter since Q3 2009.

Development is expected to remain steady at its heightened levels as an additional 9,155 units are currently under construction.

Las Vegas multifamily market: Net absorption



Las Vegas multifamily breaks 5-quarter streak of negative net absorption – posting 10 units of positive net absorption during the 1st quarter.

Though 10 units may seem insignificant when compared to the total market inventory, this is a positive sign that demand is beginning to rise after the decade lows experienced over the past several quarters.

Las Vegas multifamily market: Sales & development activity

Q1 2023: Notable closed transactions

Address	Sale date	Sale price	Units	Avg unit size (sf)	Price/unit	Buyer	Seller	Notes
Tribeca North Luxury Apartment Homes 3825 Craig Crossing Dr, North Las Vegas	Jan 2023	\$81,000,000	312	966 sf	\$259,615	MG Properties	The Bascom Group	Tribeca North Luxury Apartment Homes sold for \$81.0m at \$259,615 per unit. The complex sold with a cap rate of 4.9% with an NOI of \$3,969,000. MG Properties was attracted to the property due to its location, resort-style amenities, functional floorplans & available garages.
Vista Del Rey Apartments 6701 Del Rey Ave, Las Vegas	Mar 2023	\$34,100,000	192	993 sf	\$177,604	Benedict Canyon Equities	Ventura Investment Co.	Vista Del Rey sold for \$34.1m at \$177,604 per unit. Occupancy at the time of sale was approximately 91% with an NOI of \$2,060,000. The property is located in a middle density suburban area outside of downtown Las Vegas - near the College of Southern Nevada, the Firemans Memorial and Rainbow Family Park. Amenities at the complex include a business center, clubhouse, pool, & fitness center.
Bonanza Apartments 1720 W Bonanza Rd, Las Vegas	Jan 2023	\$13,320,000	138	636 sf	\$96,522	Don Ahern	Univest Management Company	Univest Management Company sold the 138-unit apartment community at 1720 W Bonanza Rd. in Las Vegas to an individual investor for \$13.32 million, or approximately \$96,522 per unit. The property was not in great condition at the time of sale and the price was discounted, given the amount of deferred maintenance on the complex.
The Reserve at Andover 5425 E Tropicana, Las Vegas	Mar 2023	\$8,625,000	57	819 sf	\$151,316	InTrust Property Group	Mustafa Darugar	The Reserve at Andover complex sold for \$8,625,000 at \$151,316 per unit - at the time of sale the complex was 93% occupied. The buyer, InTrust Property Group, announced that they will be making physical and cosmetic upgrades to the property, and rebranding the complex with a new name - "The Harrison".

Notable construction projects

Project Name	Address	City	Size (sf)	Est. Delivery
Gindi Capital Multifamily Development Project	3743-3755 S Las Vegas Blvd	Las Vegas	400,000	Jan 2024
Saint Rose Square	Saint Rose Pkwy & Seven Hills Dr	Henderson	300,000	Aug 2024
The Bend	Sunset & Durango	Las Vegas	157,000	Oct 2023

Las Vegas multifamily market: Submarket stats

Submarket	Existing inventory (units)	Avg. unit size (sf)	Q1 Deliveries (units)	Under construction (units)	Vacant units	Vacancy rate	Net absorption (units)	Market rent (\$/psf)
Central Las Vegas	34,390	775	228	658	2,569	7.8%	(52)	\$1.44
Enterprise / South Paradise	19,316	995	1,020	405	2,062	10.8%	146	\$1.65
Henderson	32,883	943	446	1,407	3,019	9.3%	152	\$1.60
Las Vegas Strip	28,061	745	-	184	2,762	10.6%	(41)	\$1.55
North Las Vegas / Sunrise Manor	30,615	906	160	1,592	2,634	9.0%	(316)	\$1.41
Northwest Las Vegas	9,072	963	80	1,261	758	8.4%	69	\$1.57
Outlying Clark County	2,321	880	-	-	255	11.0%	(9)	\$1.13
Paradise Valley East	5,997	845	-	-	446	8.3%	(35)	\$1.50
Summerlin / Spring Valley	41,282	978	-	3,648	3,270	7.9%	96	\$1.65
Market total	203,937 units	891 sf	1,934 units	9,155 units	17,775 units	9.0%	10 units	\$1.55

For more market insights and information visit **avisonyoung.com**

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