

UNLV

LEE BUSINESS SCHOOL

LIED INSTITUTE FOR  
REAL ESTATE STUDIES

APARTMENT MARKET TRENDS



VOLUME 21

1ST QUARTER 2018

Featuring data from the Center for Business and Economic Research

The Las Vegas apartment market saw a slight increase in the average asking rent and an increase the vacancy rate this quarter, according to data from our apartment survey, collected by the Center for Business and Economic Research(CBER).

The Las Vegas apartment market has seen consistent quarterly growth in rental rates for over three consecutive years. This quarter saw a 1.1 percent increase in the average asking rent and the average asking rent is now \$979. Asking rents are up 7.1 percent since 2017Q1 (\$909). This was the largest year over year growth in rental rates since 2015Q4. The Las Vegas average asking rent is now 11.6 percent higher than it's peak in 2008 (\$876). The average asking rent is also 32.1 percent higher than it's low in 2013 (\$741).

The Las Vegas apartment market vacancy rate increased slightly for the second consecutive quarter and is now 7.8 percent. This represents a 0.2 percentage point increase since the previous quarter and 0.6 percentage point increase since the previous year. This was the first time that the vacancy rate increased for two consecutive quarters since 2013Q1. The vacancy rate is now 3.2 percentage points lower than it's peak in 2009Q3(10.96%), but 3.3 percentage points higher than it's low in 2006Q1 (4.5%).

Figure 1

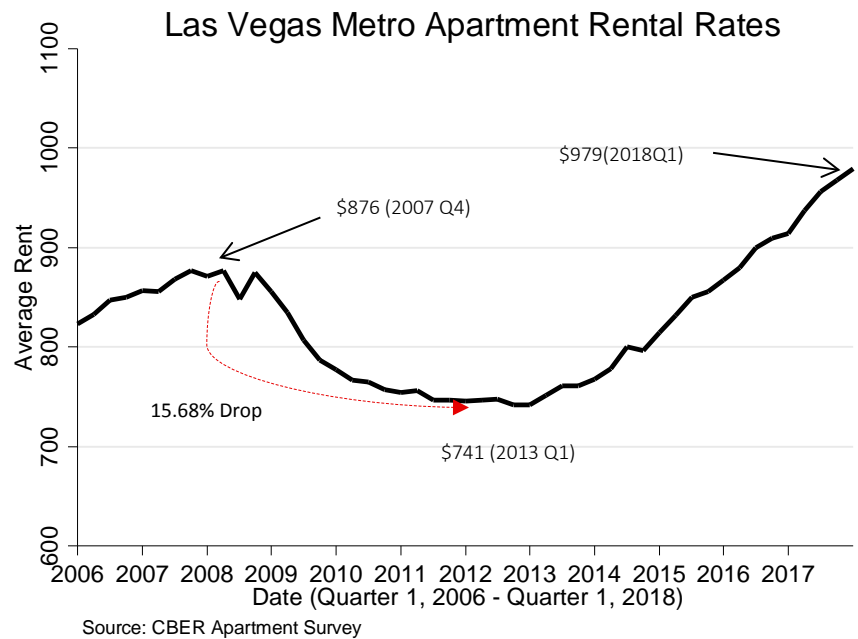


Figure 2

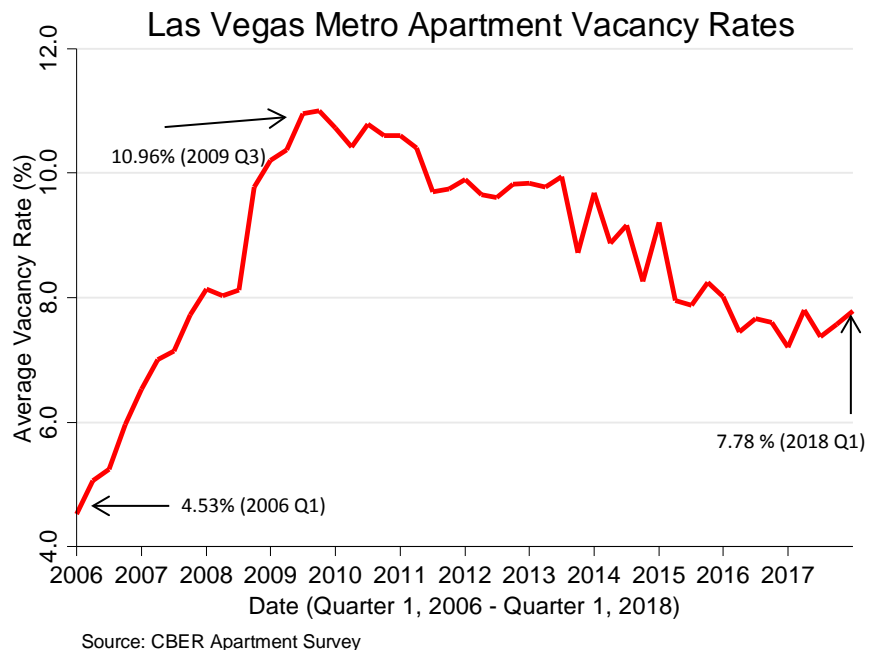
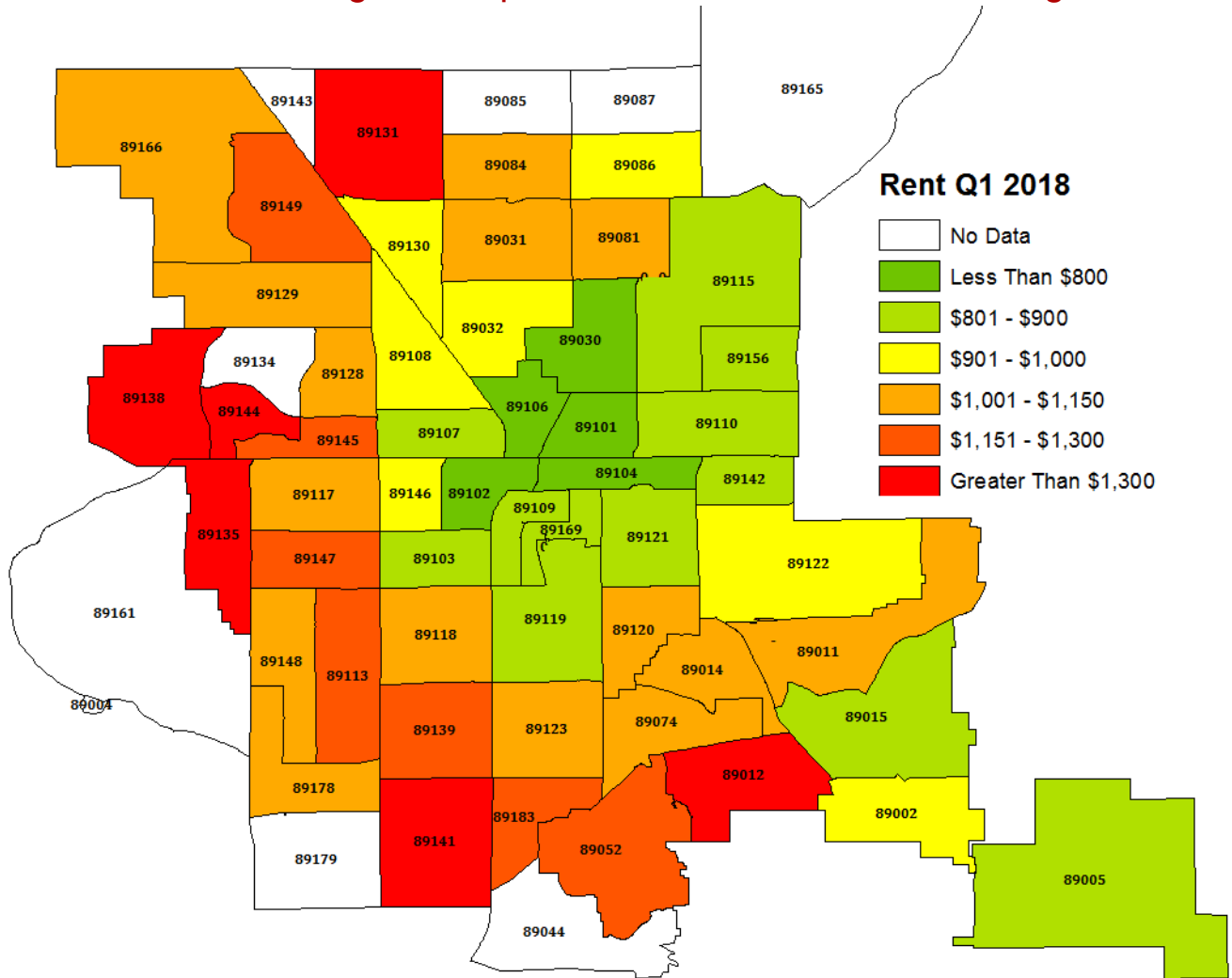
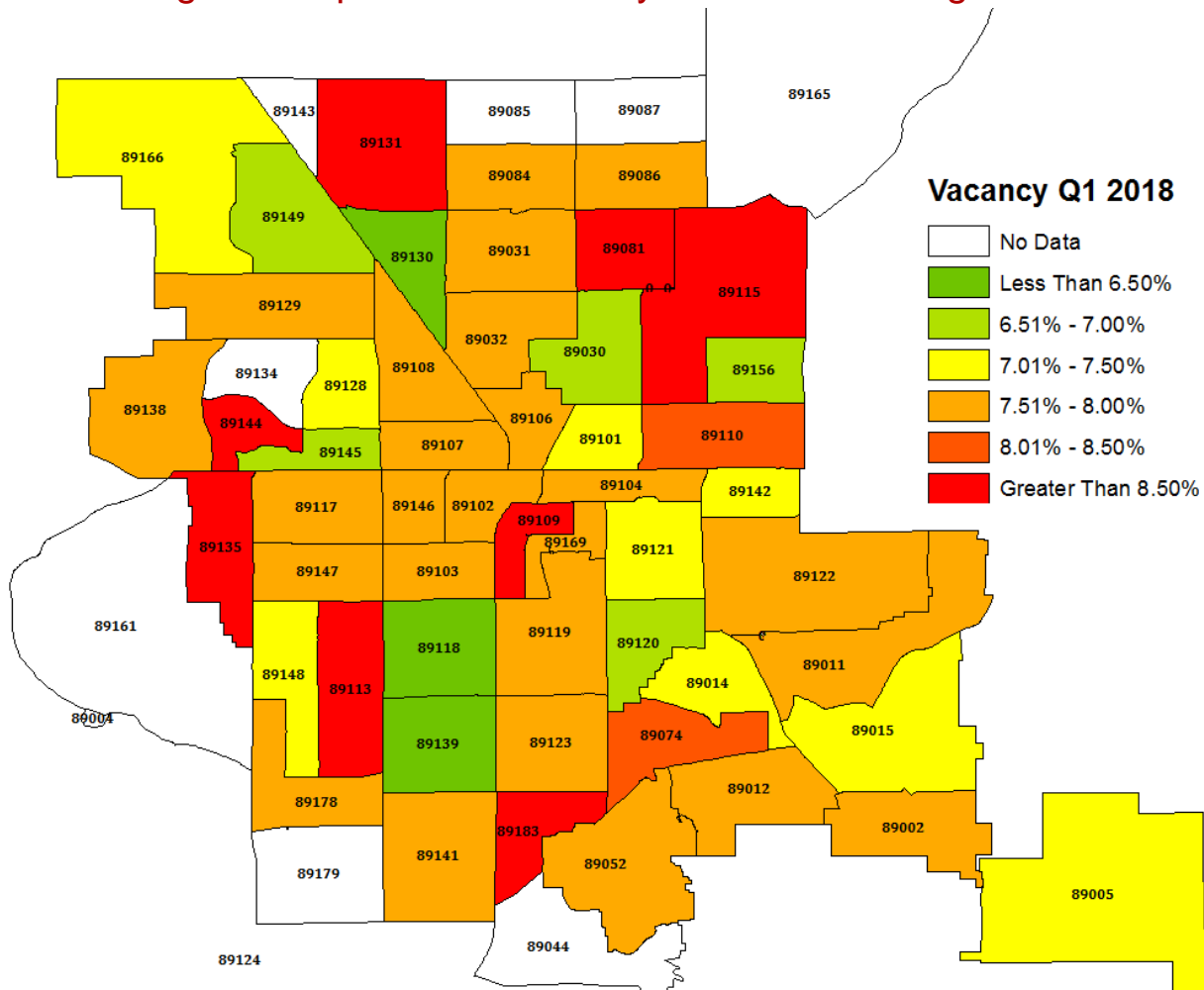


Figure 3: Apartment Rental Rates in Las Vegas\*



36 zip codes saw a quarterly increase in average asking rents while 15 zip codes saw a quarterly decrease in average asking rents. Average apartment rents now range from \$675 a month, in the 89104 zip code, to \$1,507 a month, in the 89138 zip code. No particular region saw multiple zip codes with large quarterly increases in asking rents. The 89130 zip code saw an 8.6 percent increase in asking rents this quarter – the largest of any zip code this quarter. The 89031 and 89141 zip codes saw the next largest increases in asking rents with 5 percent increases. The center region was the only region where rents increased consistently through the area. Seven zip codes in the center region experienced increases in the asking rent between 2 to 4 percent. Only two zip codes in the center region had asking rents that were down from the previous quarter. The western region saw consistent decreases in asking rents across the area. The 89144, 89135, 89145, and 89147 zip codes all saw asking rents decrease between 1 to 3 percent. Asking rents in the 89012 zip code, in the southeastern region, decreased over 12 percent since the previous quarter – the largest quarterly decrease of any zip code. Only the 89002 and 89178 zip codes have asking rents that are down on a year over year basis. Asking rents are down 2 percent year over year in the 89002 zip code and down 8 percent year over year in the 89178 zip code.

Figure 4: Apartment Vacancy Rates in Las Vegas\*

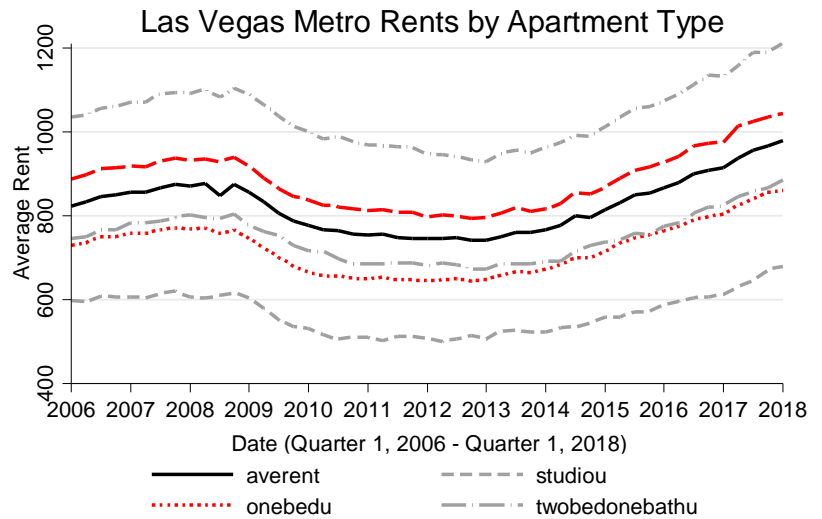


The Las Vegas Metropolitan area had 21 zip codes see a quarterly decrease in the apartment vacancy rate and 29 zip codes had a quarterly increase in the apartment vacancy rate. The vacancy rate now ranges from 5.3 percent, in the 89130 zip code, to 10.5 percent, in the 89109 zip code. The 89130 zip code is the only zip code with a vacancy rate less than 6 percent. The 89115, 89135, and 89109 zip codes all have vacancy rates over 10 percent. No zip code had a vacancy rate higher than 10 percent last quarter. The eastern region was the only region where multiple zip codes saw significant increases in the vacancy rate as the 89115 and 89081 zip code both saw increase of about 2 percentage points. The 89109 and 89135 zip codes saw the largest increases as their vacancy rates increased 3.5 percentage points. The 89139, 89145, and 89130 zip codes were the only zip codes where the vacancy rate decreased by more than 1 percentage point since the previous quarter. On a year over year basis, the vacancy rate is up in 16 zip codes and down in 35 zip codes. The 89135 zip code, which saw the largest quarterly increase in the vacancy rate, also saw the largest year over year increase in the vacancy rate with a 3.2 percentage point year over year increase. No region saw multiple zip codes with significant year over year increases in the vacancy rate.

All apartment types saw asking rents increase since the previous quarter. Furnished one-bedroom apartment, which saw a decrease last quarter, saw the lowest growth rate this quarter as asking rents increased 0.5 percent. Two-bedroom two-bathroom apartments saw the next lowest growth rate with a growth rate of 0.8 percent. Furnished studio apartments saw the largest quarterly increase with an increase of 4.8 percent. Unfurnished studios rents experienced more modest growth as rents increased 1.1 percent. Two-bedroom one-bathroom apartments and three-bedroom apartments both saw asking rents increase by about \$20, or 2.0 percent.

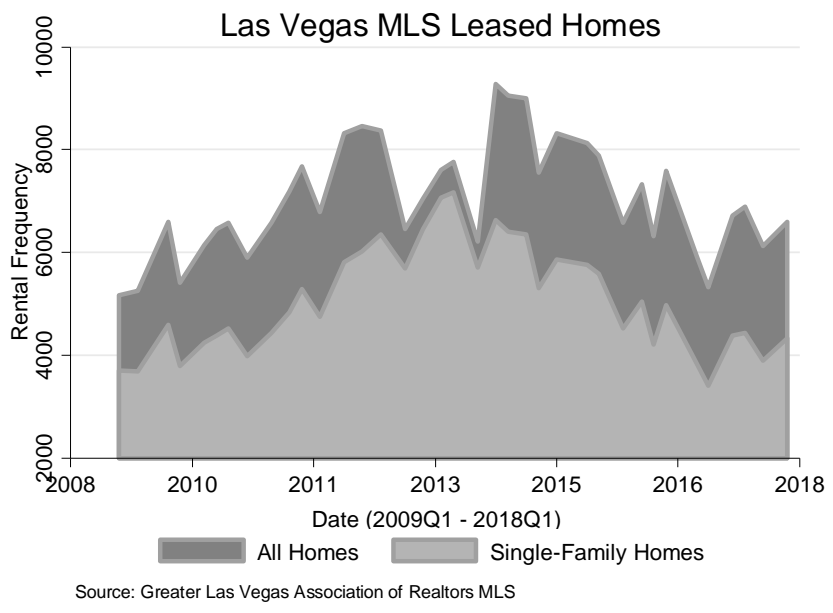
All apartment types saw year over year increases in average asking rents. Studios apartments saw the most robust year over year growth as both furnished and unfurnished studio apartments increased by 10 percent year over year. Two-bedroom one-bathroom apartments, two-bedroom two-bathroom apartments, and three-bedroom apartments all saw asking rents increase by 7 percent on a year over year basis.

Figure 9



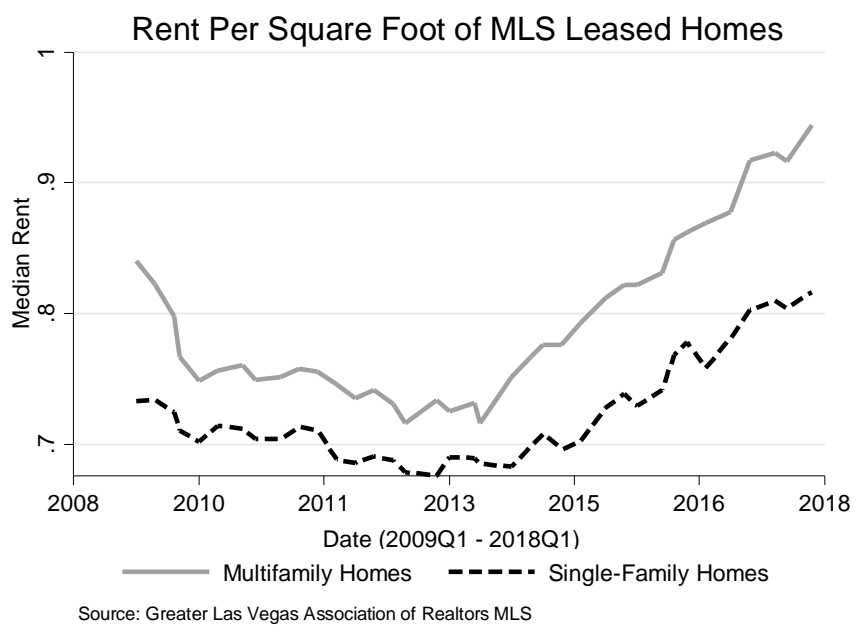
Source: CBER Apartment Survey

Figure 11



Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single family homes, townhomes, and condominiums. MLS rental leases proxy this competition. MLS leases typically increase during the first quarter each year. During the first quarter of 2018, single-family rental leases increased by about 11 percent and multifamily rental leases were nearly unchanged. There were 4,300 new single-family rental leases and 2,200 new multifamily new rental leases during 2018Q1. Single-family rental leases are up 27 percent since the previous year and multifamily rental leases are up 16 percent since the previous year.

Figure 12



Median price per square footing on MLS rental leases also follow seasonal patterns and typically increase during the first quarter each year. This quarter saw an increase in price per square footing for both single-family and multifamily home. Multifamily homes rented for \$0.94 a square foot in 2018Q1 – a \$0.03 increase from the previous quarter and a \$0.07 increase from the previous year. This \$0.07 year over year increase was the largest year over year increase since the recession. Single-family homes rented for \$0.82 a square foot in 2018Q1 – a \$0.01 increase from the previous quarter and a \$0.03 increase from the previous year.

**Table 1: Apartment Rental and Vacancy Rates by Zip Code Area**

ZIP CODE	UNIT RATES										AVERAGE RATES		UNITS	
	Studio		1 Bed		2 Bed/1 Bath		2 Bed/2 Bath		3 Bed		Rent	Vacancy	Total Units	Vacant Units
	F	U	F	U	F	U	F	U	F	U				
89002	.	.	.	806	.	818	.	1150	.	1263	927	8.0%	785	63
89005	.	.	.	680	.	760	.	813	.	963	846	7.4%	350	26
89011	.	.	.	931	.	1075	.	1150	.	1352	1138	7.7%	1127	87
89012	.	.	.	997	.	1080	.	1172	.	1352	1152	7.8%	2333	181
89014	.	739	.	933	.	1051	.	1098	.	1324	1092	7.5%	6180	465
89015	.	.	.	721	.	809	.	918	.	1144	876	7.5%	1959	148
89030	.	.	.	736	.	674	.	884	.	1006	840	6.7%	2270	151
89031	.	.	.	1210	.	.	.	1136	.	1253	1192	7.9%	1004	79
89032	.	727	.	861	.	.	.	1003	.	1170	974	7.6%	2478	189
89052	.	1075	.	1017	.	1088	.	1250	.	1511	1188	7.6%	3302	249
89074	.	.	.	997	.	1025	.	.	.	1333	1139	8.3%	3593	298
89081	.	.	.	913	.	1009	.	1103	.	1229	1076	8.6%	1864	160
89084	.	.	.	925	.	1065	.	1195	.	1350	1128	7.9%	1008	80
89086	.	.	.	833	.	989	.	1009	.	1191	991	7.8%	1107	86
89101	667	610	731	654	.	789	870	827	.	927	718	7.4%	4945	368
89102	.	629	635	740	.	809	.	891	.	923	806	7.7%	7885	609
89103	.	731	.	833	.	896	.	1003	.	1065	923	7.8%	9181	716
89104	.	569	.	658	.	747	.	807	.	858	675	8%	4118	317
89106	765	540	850	708	.	735	.	888	.	960	823	7.6%	2015	153
89107	.	662	.	762	.	858	.	905	.	.	844	7.8%	1934	151
89108	.	694	.	805	.	810	.	966	.	750	919	7.9%	7477	590
89109	640	592	.	777	.	612	.	1139	.	1028	858	10.5%	576	61
89110	.	.	.	735	.	795	.	842	.	1525	844	8.1%	3248	262
89113	.	.	.	1117	.	.	.	1339	.	987	1296	9.3%	1801	167
89115	.	624	780	692	.	789	.	829	.	.	826	10.0%	5184	521
89117	.	.	.	994	.	1241	.	1151	.	1368	1150	7.9%	7286	576
89118	.	790	.	929	.	918	.	1089	.	1168	1014	6.5%	1836	120
89119	744	667	832	776	.	757	.	985	.	1170	864	7.7%	10408	799
89120	.	724	.	893	.	820	.	1070	.	1248	1030	7.0%	1973	138
89121	.	675	910	757	.	850	.	892	.	958	849	7.5%	6727	507
89122	800	565	891	829	1200	1016	.	977	.	1125	950	7.6%	3977	303
89123	.	720	.	972	.	1249	.	1160	.	1355	1136	7.7%	3579	275
89128	.	.	.	883	.	.	.	1046	.	1249	1067	7.3%	2374	173
89129	.	919	.	949	.	1000	1025	1114	.	1237	1064	7.8%	2174	170
89130	.	.	.	864	.	.	.	1033	.	1245	1052	5.3%	1156	61
89131	.	.	.	1099	.	.	.	1074	.	1298	1157	9.2%	272	25
89135	.	.	.	1188	.	1333	.	1416	.	1593	1379	10.2%	849	87
89138	.	.	.	1200	.	1510	.	1558	.	1610	1508	8.0%	276	22
89139	.	.	.	1044	.	.	.	1289	.	1429	1232	6.2%	1346	83
89141	.	.	.	1138	.	1174	.	1470	.	1632	1400	7.9%	595	47
89142	.	.	.	749	.	824	.	884	.	1018	871	7.4%	1767	130
89144	.	.	.	1112	.	.	.	1341	.	1501	1346	9.2%	795	73
89145	.	.	.	1037	.	975	.	1152	.	1427	1200	7.0%	686	48
89146	.	575	.	811	.	779	.	954	.	1123	942	7.6%	2928	223
89147	.	.	.	1000	.	1040	.	1163	.	1361	1171	7.9%	3632	286
89148	.	.	.	1035	.	1168	.	1182	.	1212	1129	7.5%	2923	218
89149	.	969	.	1056	.	1188	.	1357	.	1693	1221	6.9%	1369	94
89156	.	.	.	737	.	.	.	857	.	1078	844	7.0%	656	46
89166	.	.	.	1003	.	1104	.	1266	.	1373	1156	7.4%	1484	110
89169	764	631	868	710	.	791	.	888	.	1115	825	7.8%	4969	387
89178	.	.	.	960	.	997	.	1008	.	.	993	7.8%	539	42
89183	.	.	.	1027	.	1160	.	1190	.	1361	1183	8.8%	2870	252
<b>METRO LV</b>	<b>739</b>	<b>679</b>	<b>839</b>	<b>861</b>	<b>1200</b>	<b>886</b>	<b>916</b>	<b>1044</b>	<b>.</b>	<b>1212</b>	<b>979</b>	<b>7.8%</b>	<b>147170</b>	<b>11452</b>

"." Number of observations insufficient for statistical purposes. "F" stands for Furnished and "U" stands for Unfurnished. Cumulative sum of vacant units might not equal the reported Metro LV vacant units because of rounding issues. Source: CBER Apartment Survey

## About the LIED Institute for Real Estate Studies

The LIED Institute for Real Estate Studies was established in 1989 by the Lee Business School at the University of Nevada, Las Vegas to foster excellence in real estate education and research. Through partnerships with business and community leaders, the LIED Institute strives to improve real estate business and effective public-policy practices in Southern Nevada. The institute produces relevant and timely real estate research, supports educational programs in real estate economics and finance for students and professionals, and provides community outreach and continuing education.

### Apartment Market Trends

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