

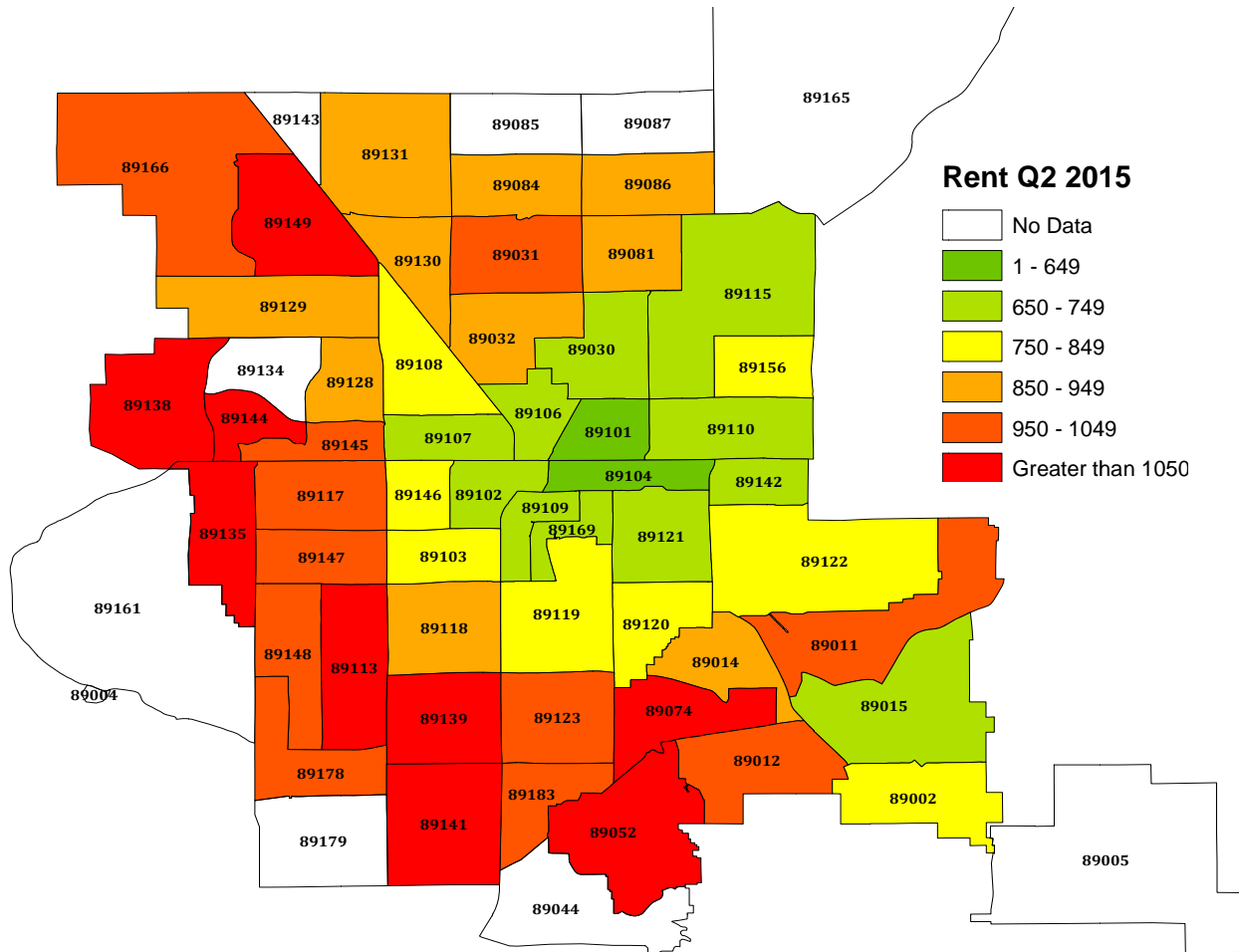
Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

Apartment Market Trends in 2nd Quarter 2015

The Las Vegas apartment market saw an increase in asking rents and a decrease in the vacancy rate this quarter, according to data from our apartment survey, collected by the Center for Business and Economic Research (CBER). Asking rents increased by two percent this quarter and the average asking rent is now \$832. Asking rents are up 7 percent on a year over year basis. Still, average asking rents in Las Vegas remain 5 percent lower than their peak in 2007 (\$876). After seeing a large increase in the vacancy rate in last quarter, the vacancy rate decreased back to 8.0 percent this quarter. The vacancy rate is down 0.9 percentage points on a year over year basis, and is the lowest it has been since 2007.

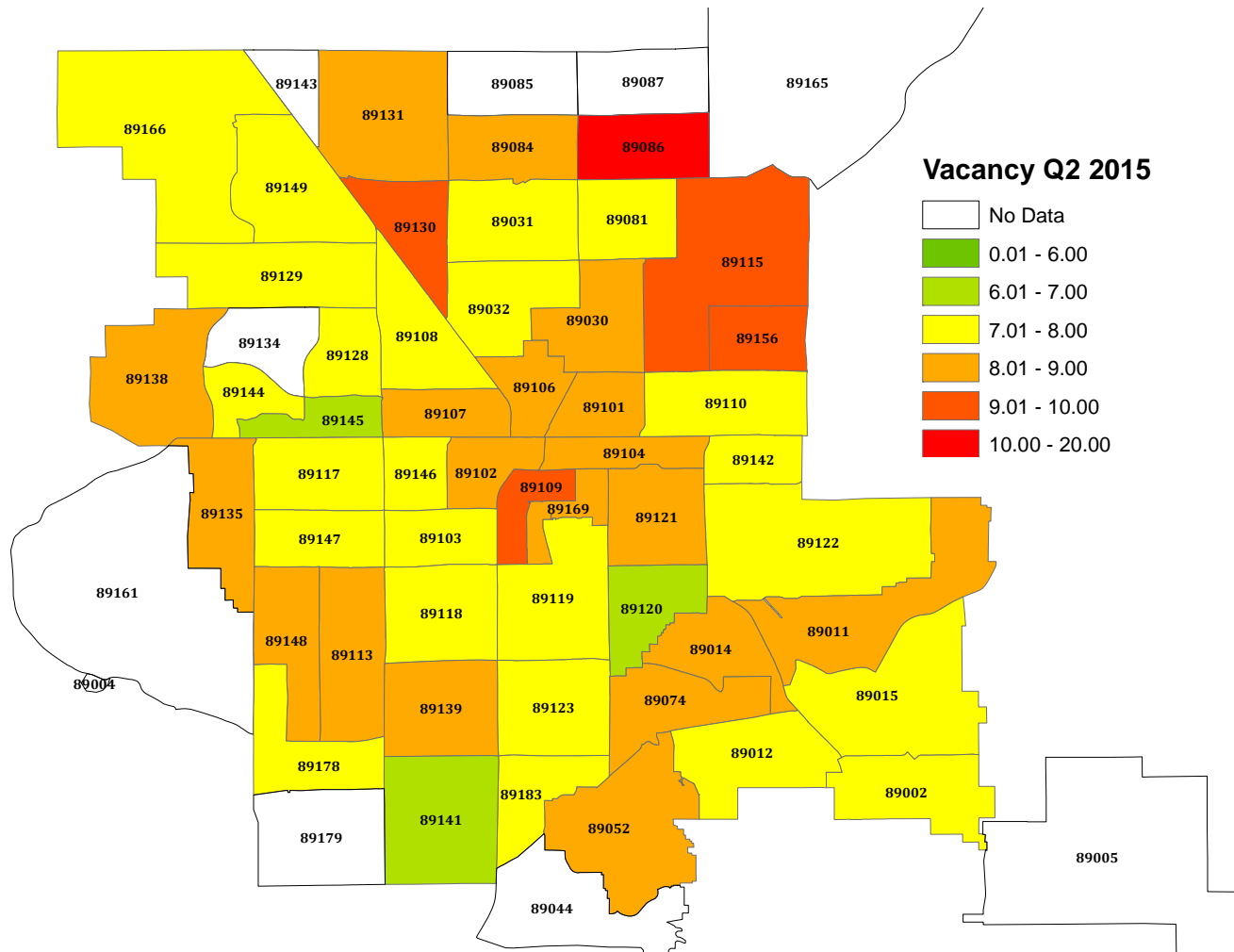
Figure 1: Apartment Rental Rates in Las Vegas*



*Figure based on CBER Apartment Survey

The western region continues to experience the most robust growth in asking rents. The 89135, 89144, and 89149 zip codes all saw asking rents increase by more than 10 percent this quarter. The 89135 zip code saw a 13 percent increase in asking rents this quarter (\$146) – the largest increase of any zip code in the Las Vegas Metropolitan Area. The center region continues to see the lowest asking rents and the lowest growth rate in asking rents. The 89109, 89103, and 89119 zip codes all saw increases in the asking of less than 1 percent this quarter. The only significant decreases in asking rent this quarter came in the 89002 and 89106 zip codes, where the asking rent decreased 3 percent in both zip codes.

Figure 2: Apartment Vacancy Rates in Las Vegas*



*Figure based on CBER Apartment Survey

All but five zip codes in the Las Vegas Metropolitan area saw a decrease in the vacancy rate this quarter. The central region saw the most considerable decreases in the vacancy rate this quarter as the 89109, 89146, 89104, and 89101 zip codes all saw decreases in the vacancy rate greater than 2 percentage points. The 89109 zip code saw nearly a 6 percentage point decrease in the vacancy rate this quarter and no longer has the highest vacancy rate in the Las Vegas Metropolitan area. The 89139, 89122, and 89012 also saw considerable decreases in the vacancy rate this quarter of more than 3 percent. The 89131 and 89178 zip codes were the only zip codes to see increases in the vacancy rate greater than one percentage point this quarter.

The asking rent for all apartment types increased this quarter. One bedroom apartments saw a 3 percent increase in asking rents this quarter (\$10) – the largest increase of any apartment type. Unfurnished studio apartments saw an increase in the asking rent of less than \$1 this quarter; however, furnished studio apartments saw a 2 percent gain(\$13). The asking rent for two bedroom apartments increased 2.5 percent(\$22) this quarter. The asking rent for three bedroom apartments increased 2.2 percent(\$23) this quarter. All apartment types have seen at least a 5 percent increase in the asking rent on a year over year basis.

Figure 3

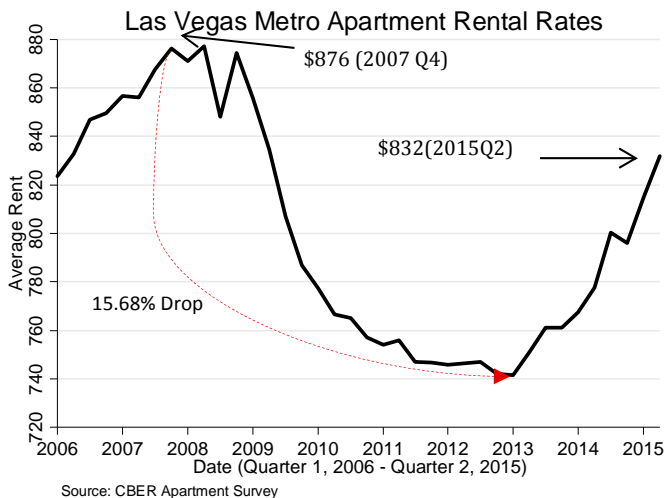


Figure 4

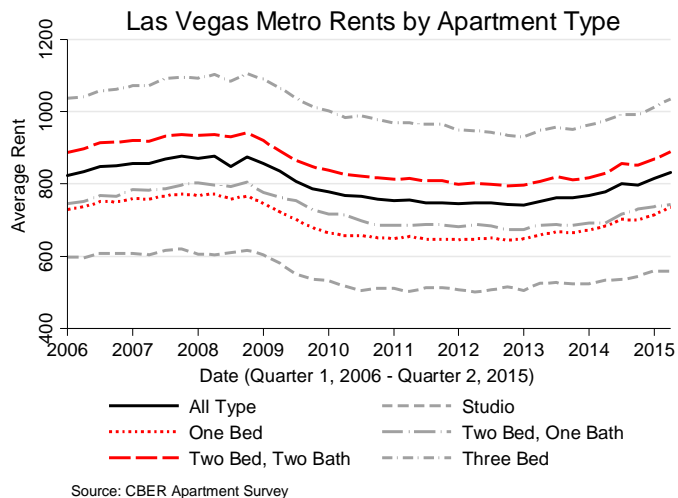


Figure 5

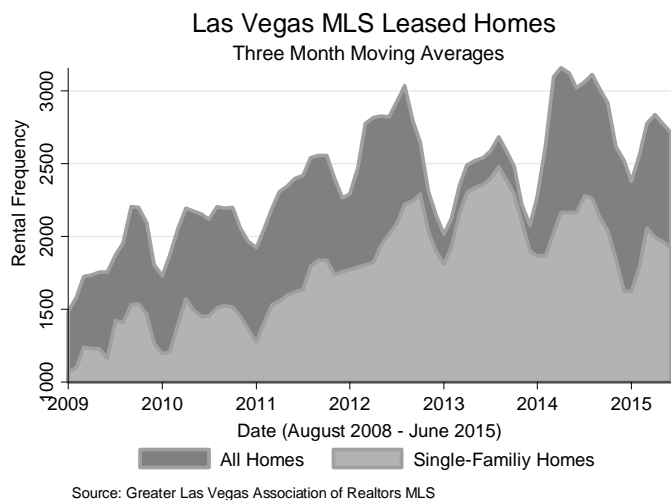
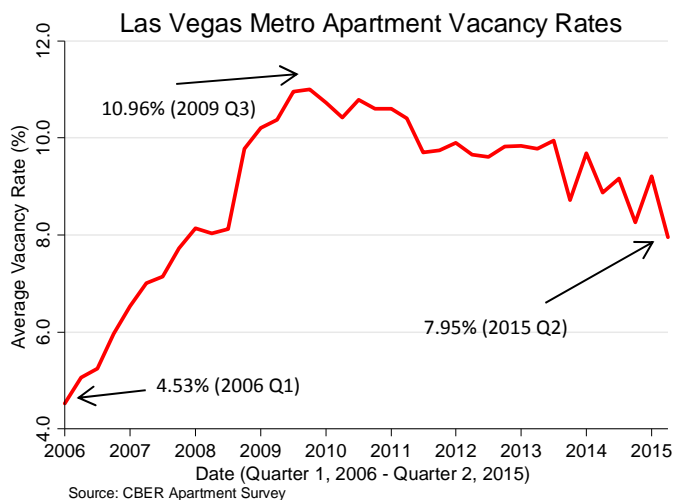


Figure 6



Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single family homes, townhomes, and condominiums. MLS rental leases, a proxy for this competition, typically start to decline towards the end of the second quarter and there was a three month moving average of 2,711 leases in June 2015 – 2 percent less than March 2015. There were 306 less MLS leases in June 2015 than in June 2014 (3,017).

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	.	.	.	713	.	760	.	920	.	1065	830	7.9%	785	62
89011	.	.	.	836	.	905	.	971	.	1114	961	8.1%	1008	82
89012	.	.	.	962	.	950	.	1004	.	1264	988	8.0%	2477	197
89014	.	635	.	783	.	825	.	914	.	1118	912	8.1%	6180	498
89015	.	.	.	644	.	677	.	811	.	914	729	7.8%	2054	160
89030	.	.	.	627	.	627	.	742	.	832	719	8.3%	2106	174
89031	906	.	1062	991	7.8%	970	76
89032	.	609	.	743	.	.	.	885	.	983	859	8.0%	2159	172
89052	.	.	.	905	.	1038	.	1098	.	1351	1063	8.1%	4041	326
89074	.	.	.	937	.	.	.	1104	.	1284	1074	8.1%	3269	265
89081	.	.	.	777	.	838	.	937	.	1090	934	7.6%	1855	141
89084	.	.	.	787	.	915	.	992	.	1125	930	8.2%	1008	82
89086	.	.	.	732	.	875	.	859	.	1023	858	10.4%	1107	115
89101	603	485	661	562	.	655	830	682	.	757	595	8.2%	4635	382
89102	.	567	535	610	.	654	.	754	.	825	680	8.5%	7273	622
89103	.	586	.	672	.	729	770	814	.	909	755	7.7%	8608	667
89104	395	467	450	567	.	657	.	704	.	726	616	8.9%	3906	348
89106	.	465	.	594	.	636	.	715	.	875	669	8.4%	1873	158
89107	550	628	650	654	.	669	.	791	890	974	708	8.0%	2076	167
89108	.	571	.	700	.	681	.	828	.	750	785	7.5%	7411	557
89109	550	550	.	686	.	568	.	857	.	816	725	9.8%	725	71
89110	.	.	.	613	.	652	.	730	.	1257	705	7.7%	3250	251
89113	.	.	.	915	.	.	.	1106	.	.	1062	8.4%	837	70
89115	500	439	709	558	.	645	.	682	.	782	671	9.2%	5734	529
89117	.	.	.	861	.	978	.	985	.	1127	972	7.6%	8133	615
89118	.	640	.	819	.	504	.	989	.	1052	927	7.8%	2189	171
89119	632	515	674	697	.	672	.	861	.	990	755	7.9%	10131	803
89120	.	632	.	706	.	730	.	825	.	1034	795	6.7%	1973	132
89121	.	560	861	650	.	725	.	745	.	829	727	8.0%	7287	585
89122	561	510	696	697	956	776	.	836	.	926	778	7.8%	4274	332
89123	.	644	.	834	.	1105	.	1014	.	1149	970	7.9%	3843	305
89128	.	.	.	763	.	.	.	879	.	1048	899	7.9%	2694	213
89129	.	737	.	774	.	1010	859	911	.	1085	885	7.6%	2421	183
89130	.	.	.	771	.	.	.	850	.	1032	887	9.2%	1125	103
89131	.	.	.	755	.	.	.	865	.	1165	928	8.1%	272	22
89135	.	.	.	1138	.	.	.	1288	.	1624	1304	8.0%	849	68
89138	.	.	.	1200	.	1300	.	1300	.	1600	1350	8.1%	272	22
89139	.	.	.	930	.	1030	.	1114	.	1276	1087	8.0%	1705	137
89141	.	.	.	1041	.	973	.	1251	.	1431	1212	9.4%	595	56
89142	.	.	.	635	.	550	.	730	.	852	715	7.8%	1744	136
89144	.	.	.	1048	.	.	.	1218	.	1377	1253	7.2%	795	58
89145	.	.	.	898	.	825	.	1022	.	1187	1030	6.8%	686	46
89146	.	410	.	699	.	665	.	868	.	987	832	7.1%	2738	195
89147	.	.	.	859	.	895	.	1009	.	1155	1010	7.6%	3632	275
89148	.	.	.	924	.	1050	.	1001	.	1080	979	8.0%	2646	212
89149	.	820	.	949	.	930	.	1369	.	1542	1171	7.8%	1268	99
89156	.	.	.	658	.	.	.	772	.	972	749	9.2%	728	67
89166	.	.	.	868	.	958	.	1081	.	1245	1020	7.3%	1484	108
89169	690	543	781	578	.	650	.	731	.	893	689	8.0%	5751	460
89178	.	.	.	965	.	900	.	1188	.	.	1041	7.1%	539	38
89183	.	.	.	867	.	935	.	1014	.	1187	1003	7.9%	2494	198
METRO LV	607	559	712	736	956	743	814	890	890	1035	832	8.0%	147615	11741

"." 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 Institute

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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