

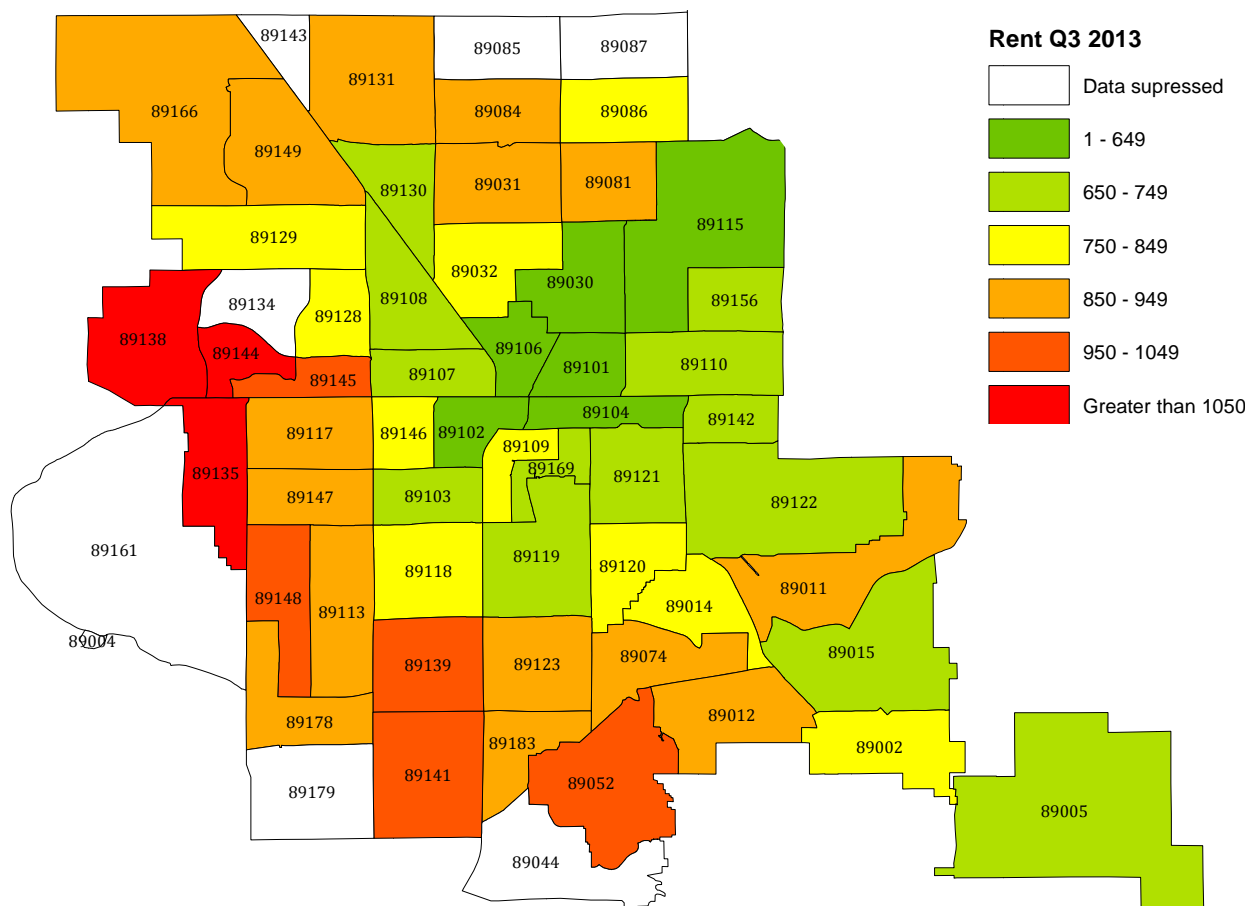
## Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

### Apartment Market Trends in 3<sup>rd</sup> Quarter 2013

According to the apartment survey administered by the Center of Business and Economic Research (CBER), for the third quarter of 2013, apartment rental rates increased to \$758.26. This rate is \$9 higher than last quarter. Current apartment rental rates impact new or moving tenants because they portray the typical monthly rent that will last throughout the life of some contract. Tenants inherently respond to price changes as they scout for apartments, condominiums, or other rental homes that offer the most commodities at agreeable prices. During this same period, the average vacancy rate increased slightly to 9.95 percent. In the prior year, the vacancy rate was 0.45 percentage points lower.

Figure 1: Apartment Rental Rates in Las Vegas\*

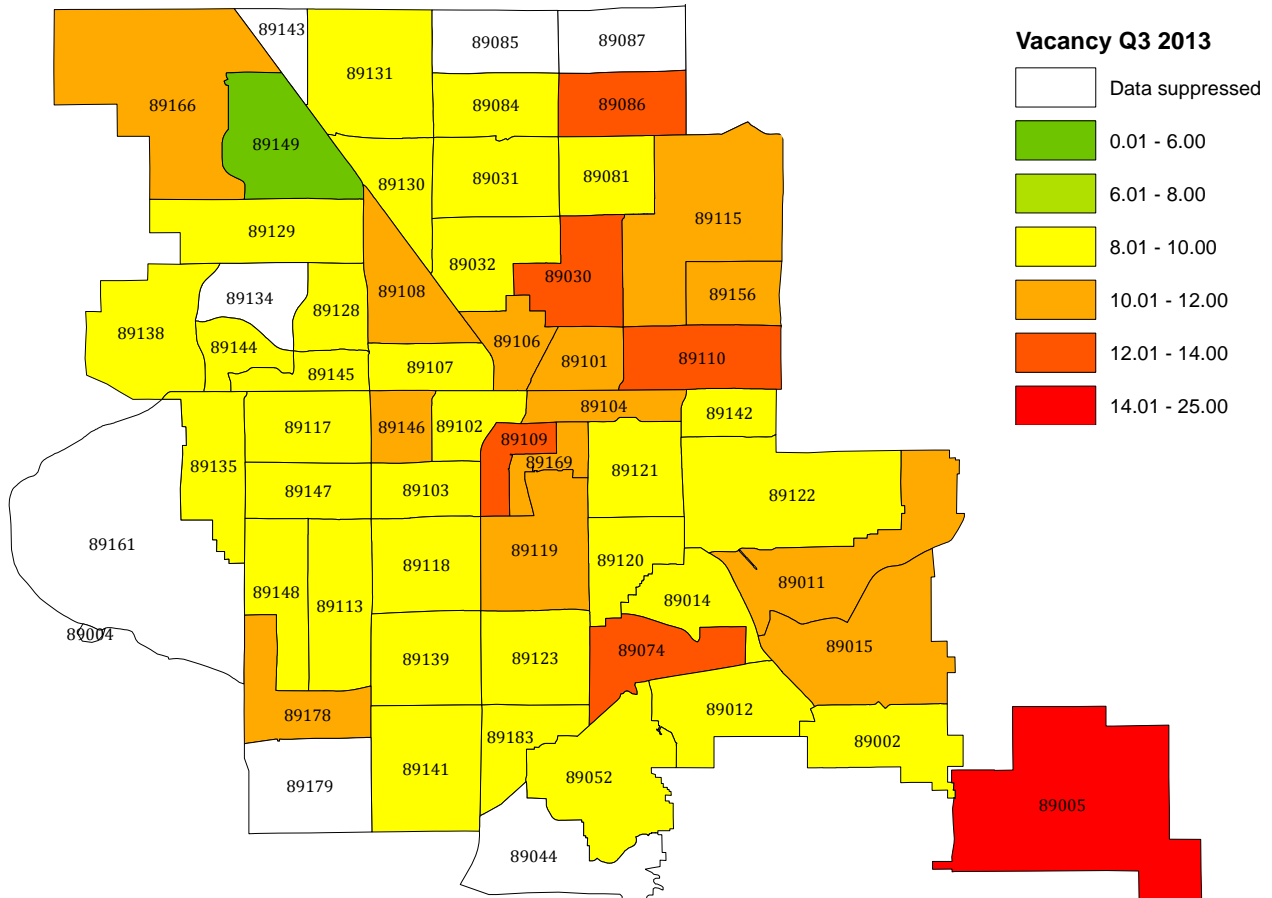


\*Figure based on CBER Apartment Survey

Naturally, apartment market conditions vary throughout Las Vegas as concentrations of high and low rents persist. Downtown and the Northeast region offer the lowest rates while the Western region and outer edges of Las Vegas such as Mountains Edge Community offer the highest rates. Yet, approximately

95 percent of all apartment complexes have rental rates that average between \$391 and \$1,126. Figure 1 illustrates these disparities as a heat map of rental rates across the Las Vegas Valley. Notably, rents in Summerlin and Henderson grew slightly since last quarter. Throughout the rest of Las Vegas rents mostly kept in the same tier or increased. Average rents in zip code 89086, however, fell from the \$850-\$949 tier to the \$750-\$849 tier.

Figure 2: Apartment Vacancy Rates in Las Vegas\*



\*Figure based on CBER Apartment Survey

This quarter there are an estimated 16,885 vacant apartment units in the valley. This figure represents the number of reported vacancies at the end of the month, and not necessarily the number of units that were vacant for three months of the quarter. Vacancy rates likewise vary throughout Las Vegas. Figure 2 shows these disparities as a heat map of vacancy rates. Notably since last quarter, vacancy rates eased in the Northeast and Downtown regions while they increased in the Southwest region. Those areas are the same areas that experienced changes in rental rates. Boulder City continues to sustain high vacancy rates above 14 percent, while the area West of Aliante managed to perform well in sustaining the lowest vacancy rate tier in the Valley. This area, zip code 89149, has a vacancy rate of 5.3 percent.

Historically, current rental rates and vacancy rates inversely mirror each other. Back in the first quarter of 2006, rental rates were slightly over \$820 on average for all apartment types. Rents increased to a peak of \$876 in the fourth quarter of 2007. Afterwards, commensurate with the burst of the housing bubble, rental rates fell by 15.67 percent hitting bottom in the fourth quarter of 2012. For each quarter

since then the average rental rate increased (Figure 3). On the other hand, vacancy rates were low at 4.53 percent in the first quarter of 2006. Vacancies increased to a peak of 10.96 percent in the third quarter of 2009 and since then fell slightly by no more than 2 percentage points (Figure 6).

Figure 3

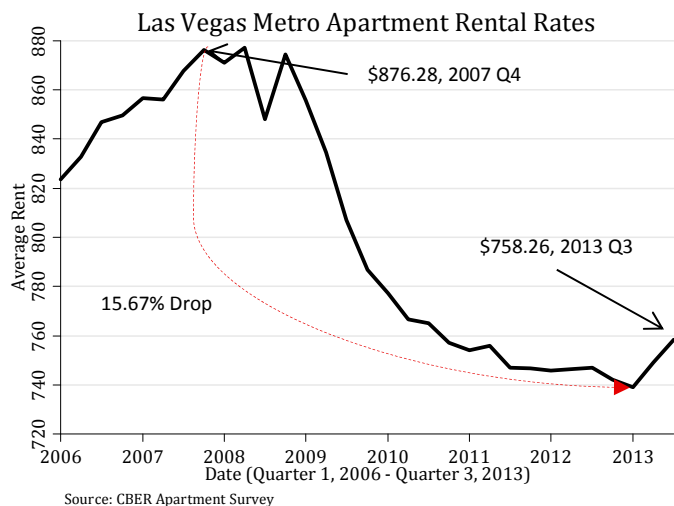


Figure 4

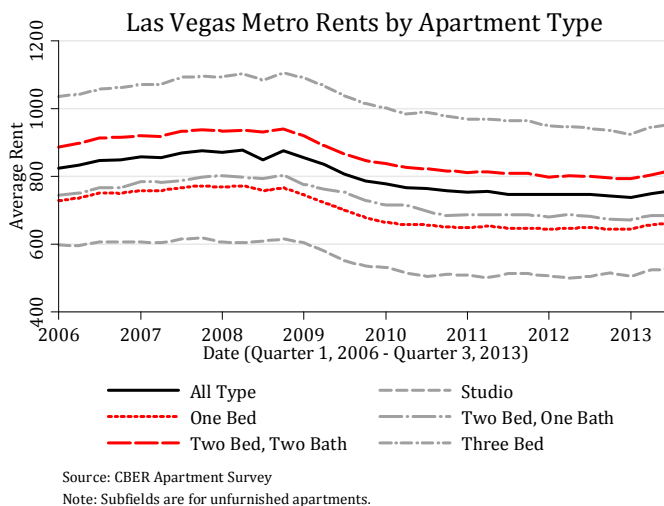


Figure 5

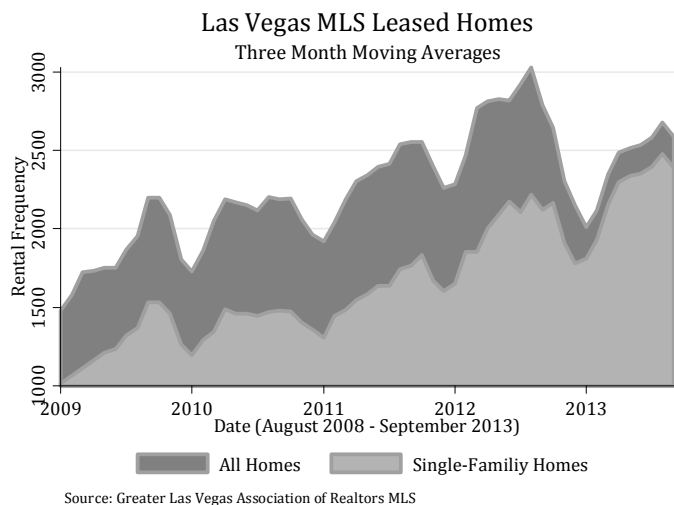
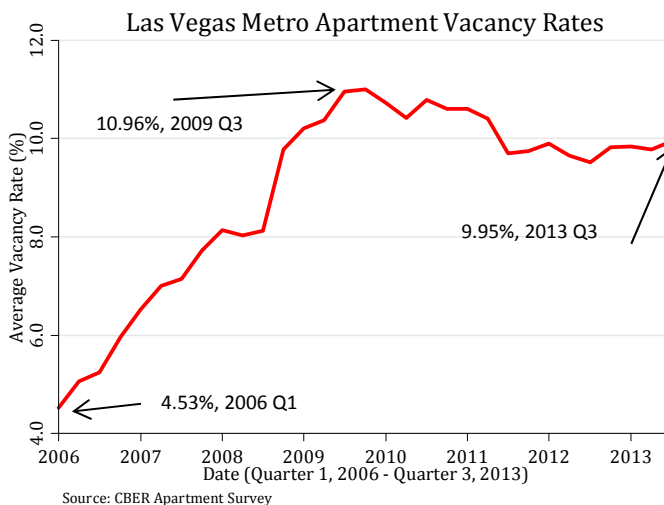


Figure 6



This quarter leasing activity through the local multiple listing service decreased for all homes to about 2,500 leases. Lease activity fluctuates heavily with seasonal cycles. Not many people want to move during the holidays in November, December, and early January. Thus, the declines could partly be attributed to the upcoming winter. Apartment complexes perhaps may experience a similar phenomenon, which is sometimes made evident by a combination of lower rental rates and higher vacancies.

-Luis A. Lopez, Data Analyst

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	.	.	.	708	.	730	.	920	.	1042	842	9.0%	785	70
89005	.	.	.	603	.	660	.	750	.	863	691	19.3%	282	54
89011	.	.	.	752	.	994	.	911	.	1019	888	11.3%	1061	120
89012	.	.	.	791	.	800	.	937	.	1140	914	9.2%	2421	223
89014	.	545	.	690	.	775	.	832	.	988	812	9.2%	5789	530
89015	.	.	.	598	.	672	.	711	.	817	697	10.2%	2480	253
89027	349	.	.	466	.	499	.	563	.	.	473	25.0%	312	78
89029	.	.	.	426	.	488	.	487	.	566	482	8.7%	2202	191
89030	.	537	.	535	.	606	.	646	.	752	638	13.2%	2197	291
89031	.	.	.	.	.	.	.	798	.	963	886	9.2%	321	30
89032	.	684	.	653	.	949	.	812	.	939	808	9.0%	2644	237
89052	.	.	.	830	.	1004	.	986	.	1190	955	9.4%	2686	252
89074	.	.	.	805	.	.	.	933	.	1139	910	13.4%	2689	361
89081	.	.	.	716	.	953	.	872	.	972	852	9.4%	1573	148
89084	.	.	.	736	.	835	.	972	.	1062	879	8.3%	1008	84
89086	.	.	.	697	.	795	.	799	.	948	792	12.9%	1095	142
89101	533	467	612	513	.	603	799	648	.	712	553	10.7%	6492	693
89102	475	517	599	569	850	633	.	727	.	802	640	9.9%	7958	790
89103	.	551	.	641	.	679	.	776	.	955	729	8.4%	8906	746
89104	881	421	890	531	2124	623	953	621	.	748	610	10.3%	5532	571
89106	645	407	759	526	.	559	.	699	.	818	638	11.3%	2749	310
89107	.	515	.	587	.	594	.	715	.	814	654	9.1%	2537	230
89108	.	473	.	634	.	622	.	772	.	906	727	10.2%	7949	809
89109	499	535	646	685	.	571	.	976	.	932	768	12.2%	2484	302
89110	.	.	.	568	.	598	.	685	.	799	659	12.4%	3597	446
89113	.	.	.	802	.	.	.	985	.	1163	943	9.1%	585	53
89115	534	445	699	521	.	535	.	638	.	728	615	10.7%	5526	594
89117	.	.	.	768	.	861	.	901	.	1038	882	8.8%	7796	686
89118	.	555	.	727	.	788	.	900	.	1024	841	8.2%	1815	149
89119	534	518	736	614	1081	606	.	785	.	923	703	11.0%	22081	2427
89120	.	569	.	664	.	665	.	791	.	907	751	9.1%	2123	193
89121	807	508	889	596	.	668	.	724	.	805	690	9.8%	6393	625
89122	530	400	676	652	1036	719	.	785	.	881	749	8.6%	4050	349
89123	.	599	.	792	.	1115	.	949	.	1156	923	9.7%	4684	457
89128	.	.	.	696	.	.	.	795	.	929	807	9.5%	2582	244
89129	.	701	.	682	.	895	835	832	.	1022	808	8.3%	2548	211
89130	.	.	.	598	.	.	.	729	.	877	740	8.4%	1040	87
89131	.	.	.	753	.	.	.	898	.	1085	912	9.9%	348	35
89135	.	1050	.	995	.	.	.	1113	.	1322	1107	8.3%	1459	121
89138	.	.	.	1180	.	1176	.	1260	.	1397	1253	10.0%	271	27
89139	.	.	.	857	.	1075	.	995	.	1211	1005	8.6%	1386	119
89141	.	.	.	835	.	958	.	1023	.	1215	1008	10.0%	340	34
89142	.	.	.	592	.	575	.	694	.	831	683	9.6%	1454	140
89144	.	.	.	903	.	.	.	1088	.	1261	1110	9.5%	732	69
89145	.	.	.	871	.	810	.	994	.	1141	999	9.8%	614	60
89146	.	360	.	646	.	579	.	765	.	931	753	10.8%	3337	360
89147	.	.	.	783	.	845	.	926	.	1058	925	9.1%	3216	293
89148	.	.	.	867	.	1036	.	996	.	1068	961	9.4%	1788	168
89149	.	730	.	780	.	891	.	1020	.	1188	922	5.3%	1306	69
89156	.	.	.	593	.	.	.	707	.	934	688	10.4%	728	76
89166	.	.	.	790	.	940	.	1029	.	1120	943	11.1%	1484	164
89169	691	507	724	577	.	586	895	693	.	908	658	11.7%	7575	883
89178	.	.	.	795	.	970	.	1045	.	.	937	10.0%	539	54
89183	.	.	.	814	.	905	.	963	.	1082	941	8.2%	4170	343
<b>METRO LV</b>	<b>582</b>	<b>527</b>	<b>730</b>	<b>664</b>	<b>1111</b>	<b>684</b>	<b>874</b>	<b>817</b>	.	<b>952</b>	<b>758</b>	<b>9.9%</b>	<b>169719</b>	<b>16885</b>

". ." Number of observations insufficient for statistical purposes. "F" stands for Furnished and "U" stands for Unfurnished.

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.



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