

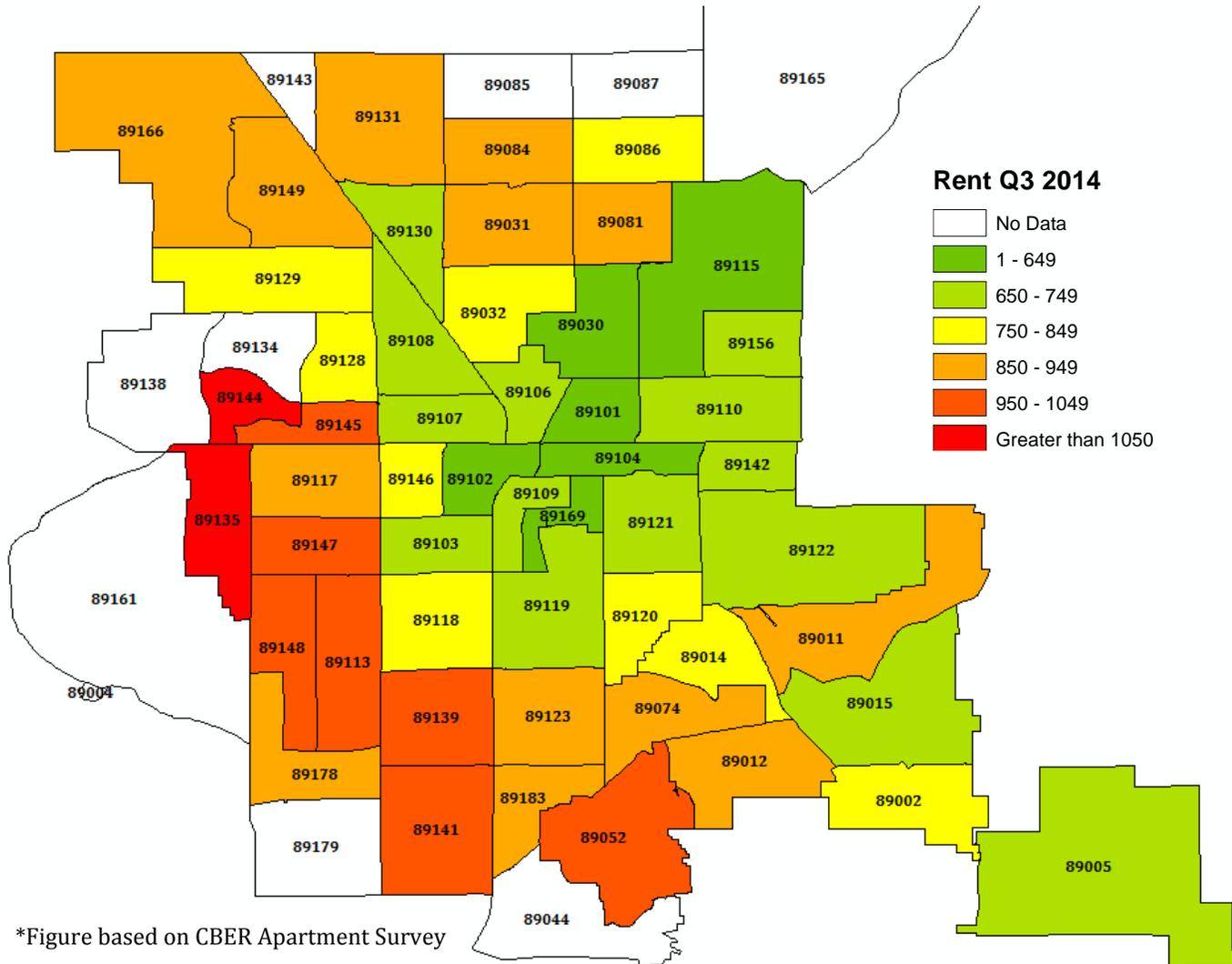
Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

Apartment Market Trends in 3rd Quarter 2014

Las Vegas's apartment market saw small quarterly decreases in both vacancies and asking rents, according to data from our apartment survey, collected by the Center for Business and Economic Research(CBER). This was the first quarter since the first quarter of 2013 where the asking rent decreased. The average asking rent for apartments this quarter was \$758 – 2 percent less than last quarter(\$775). Vacancy rates also saw a slight decrease as the vacancy rate is now at 8.7 percent – 0.2 percentage points less than last quarter(8.9 percent). The average asking rent is now the same price as it was this time last year and the vacancy rate is down 1.2 percentage points from this time last year.

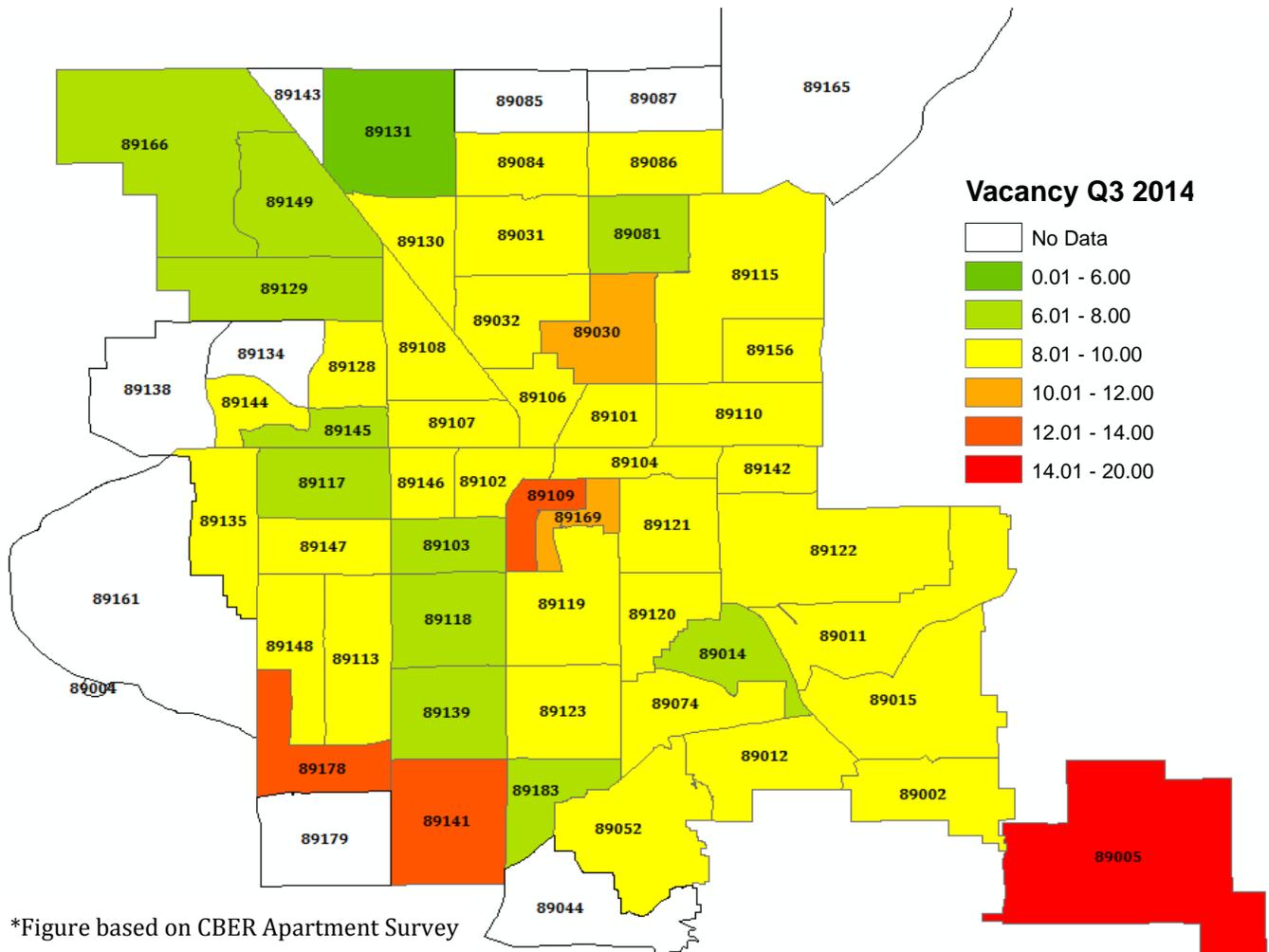
Figure 2: Apartment Rental Rates in Las Vegas*



The western region of the Las Vegas Metropolitan area, which is typically the most expensive region, saw large changes in both directions in asking rents this quarter. The zip codes in the northwest saw the

asking rent for all apartment types decrease by about 6 percent from last quarter. The 89149 zip code saw the largest decrease this quarter as the asking rent decreased by 7 percent to 19 percent depending on apartment type. Most of the western and southwestern regions saw growth rates of about 4 percent this quarter. The eastern and center regions of the Las Vegas metropolitan area saw very little change in the asking rents over the same time period.

Figure 1: Apartment Vacancy Rates in Las Vegas*



Many areas, particularly the southwest and southeast, saw increases in the vacancy rate. The area surrounding the strip had the most considerable increase in the vacancy rate this quarter as it grew to 13.4 percent - 3.3 percentage points higher than the vacancy rate last quarter. However, these increases were offset by heavily populated areas, particularly the 89103 and 89119 zip codes, seeing a decrease in their vacancy rate. Despite many zip codes seeing an increase in the vacancy rate this quarter, the vacancy rate is trending downwards for almost all zip codes on a year to year basis.

The average asking rents for all unfurnished studio, one bedroom, two bedroom, and three bedroom apartments decreased by about 2 percent this quarter. The most notable decrease was in unfurnished three bedroom apartments which fell \$26(3 percent). All furnished apartment types saw small changes of less than 2 percent this quarter. Furnished studios were the only apartment types to see any increase

in the asking rent this quarter and the increase was only \$4(less than 1 percent). Furnished apartments continue to have a small impact on the overall average asking rent as most apartments are unfurnished.

Figure 3

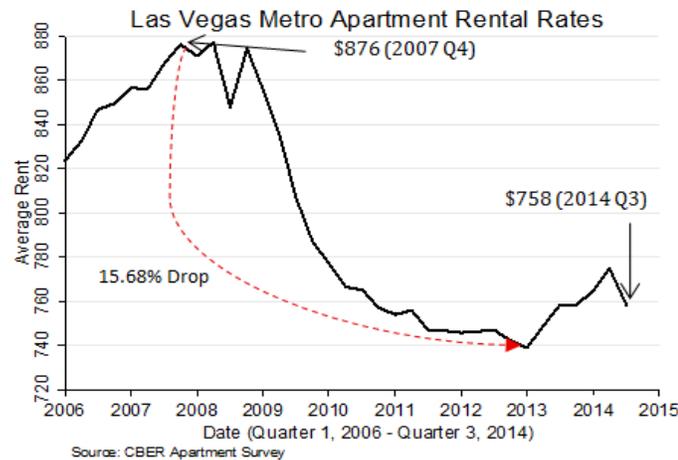


Figure 4

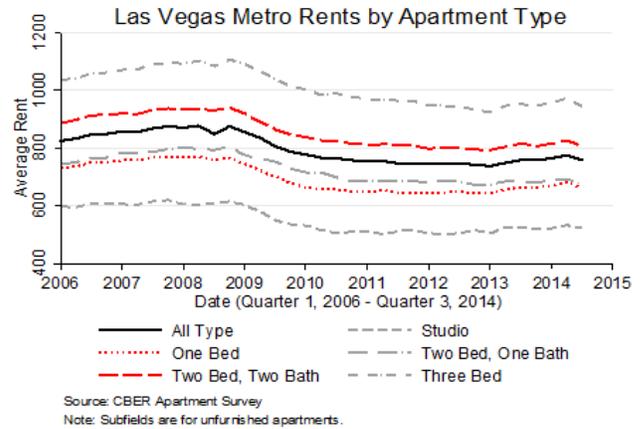


Figure 5

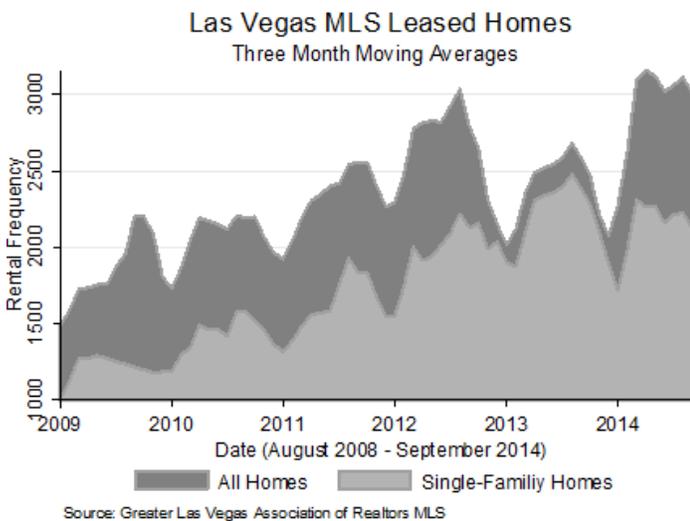
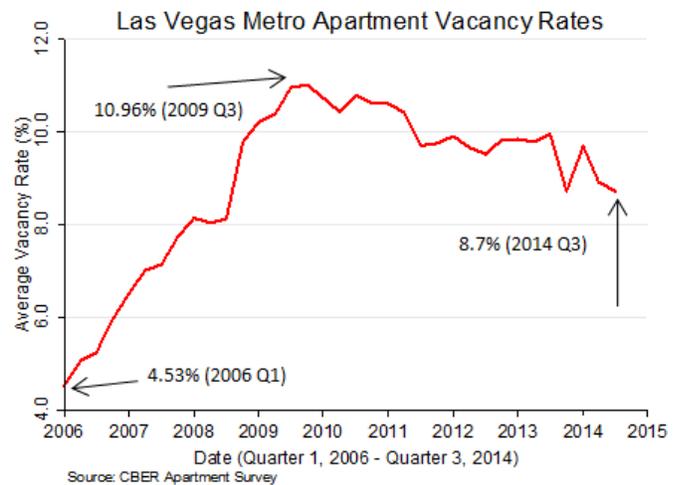


Figure 6



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 slow down during the third quarter each year and this quarter ended with a three month moving average of 3,002 leases in September 2014(Figure 5). Nonetheless, MLS rental leases, along with much of the rest of the apartment market, have shown improvement on a year over year basis.

-Peter Counts, Graduate Assistant

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	.	.	.	704	.	760	.	975	.	1057	813	8.8%	785	69
89005	.	.	.	650	.	.	.	750	.	.	700	17.6%	282	50
89011	.	.	.	771	.	979	.	912	.	992	884	8.9%	1061	94
89012	.	.	.	774	.	898	.	935	.	1103	908	9.2%	2421	223
89014	.	573	.	692	.	773	.	828	.	952	811	8.0%	5789	463
89015	.	.	.	613	.	659	.	738	.	840	721	8.6%	2480	213
89027	349	.	.	520	.	511	.	700	.	.	543	19.3%	312	60
89029	.	.	.	461	.	482	.	508	0	583	512	7.1%	2202	155
89030	.	534	.	538	.	562	.	646	.	741	626	10.5%	2197	231
89031	838	.	999	918	8.1%	321	26
89032	.	632	.	748	.	.	.	849	.	839	805	9.2%	2644	243
89052	.	.	.	812	.	1036	.	1016	.	1210	967	9.0%	2686	243
89074	.	.	.	819	.	.	.	985	.	1127	937	9.0%	2689	242
89081	.	.	.	702	.	795	780	864	.	993	869	7.6%	1573	119
89084	.	.	.	768	.	795	.	1006	.	1031	926	8.4%	1008	85
89086	.	.	.	692	.	780	.	848	.	979	833	10.0%	1095	109
89101	552	495	656	475	.	601	810	636	.	707	575	9.6%	6492	620
89102	480	507	495	569	.	634	.	720	.	814	648	9.2%	7958	733
89103	.	559	.	629	.	693	.	767	.	899	712	7.6%	8906	677
89104	431	442	653	524	.	604	.	686	.	754	592	9.5%	5532	525
89105	.	.	.	494	.	.	.	593	.	.	544	0.0%	80	0
89106	659	425	759	539	.	600	.	633	.	774	649	9.3%	2749	256
89107	.	601	.	578	.	621	.	697	.	898	661	8.2%	2537	208
89108	.	465	.	626	.	631	.	759	.	885	718	8.8%	7949	700
89109	499	546	625	637	.	568	.	830	.	750	696	13.4%	2484	333
89110	.	.	.	559	.	605	.	694	.	803	665	9.8%	3597	354
89113	.	.	.	834	.	.	.	947	.	1234	959	8.8%	585	51
89115	520	445	699	538	.	557	.	658	.	768	640	8.7%	5526	480
89117	.	.	.	763	.	859	.	863	.	1029	869	7.9%	7796	619
89118	.	555	.	706	.	728	.	851	.	1030	797	7.9%	1815	144
89119	493	532	613	640	725	611	.	794	.	891	709	9.4%	22081	2067
89120	.	569	.	665	.	665	.	762	.	962	761	8.3%	2123	175
89121	.	511	860	599	.	678	.	714	.	798	688	9.1%	6393	585
89122	529	400	612	647	956	667	.	724	.	851	716	8.5%	4050	344
89123	.	555	.	750	.	1160	.	905	.	1081	868	8.7%	4684	407
89128	.	.	.	681	.	.	.	790	.	938	797	8.4%	2582	216
89129	.	687	.	710	.	925	899	830	.	1035	819	6.5%	2548	167
89130	.	.	.	609	.	.	.	708	.	883	733	8.2%	1040	85
89131	.	.	.	703	.	.	.	898	.	1080	893	5.9%	348	20
89135	.	.	.	907	.	.	.	1226	.	1313	1132	8.7%	1459	126
89139	.	.	.	861	.	935	.	1013	.	1207	1015	7.1%	1386	99
89141	.	.	.	825	.	920	.	1003	.	1185	983	13.2%	340	45
89142	.	.	.	575	.	575	.	690	.	801	655	8.2%	1454	120
89144	.	.	.	903	.	.	.	1089	.	1250	1111	8.8%	732	65
89145	.	.	.	814	.	810	.	987	.	1178	985	6.7%	614	41
89146	.	360	.	647	.	585	.	768	.	931	758	8.3%	3337	277
89147	.	.	.	820	.	875	.	955	.	1145	960	8.1%	3216	260
89148	.	.	.	869	.	.	.	990	.	1077	966	9.3%	1788	166
89149	.	.	.	760	.	750	.	975	.	1190	902	6.9%	1306	90
89156	.	.	.	598	.	.	.	697	.	934	687	9.1%	728	66
89166	.	.	.	817	.	885	.	996	.	1005	925	7.5%	1484	112
89169	941	488	750	543	.	591	895	670	.	883	635	10.1%	7575	764
89178	.	.	.	845	.	909	.	977	.	.	910	13.0%	539	70
89183	.	.	.	802	.	895	.	940	.	1098	937	7.6%	4170	318
METRO LV	551	522	674	662	867	682	824	807	945	758	8.7%	169528	14786	

"." 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.



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