

Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

Apartment Market Trends in 4th Quarter 2015

The Las Vegas apartment market saw a slight increase in the average asking rent and an increase in the vacancy rate this quarter, according to data from our apartment survey, collected by the Center for Business and Economic Research(CBER). The average asking rent increased each quarter during 2015. This quarter saw less than a one percent increase in asking rents and the average asking rent is now \$855. Asking rents are up 7.4 percent since 2014Q4(\$796). Average asking rents in Las Vegas remain 3 percent lower than their peak in 2007(\$876), but 15.4 percent higher than their low in 2013Q1(\$741). After two consecutive quarters with a decrease in the vacancy rate, the vacancy rate increased this quarter. The vacancy rate increased 1.3 percentage points this quarter and is now 8.2 percent. The vacancy rate is unchanged on a year over year basis. The vacancy rate remains 2.7 percentage points lower than it's peak in 2009Q3(10.96%), but 3.7 percentage points higher than it's low in 2006Q1 (4.5%).

Figure 1

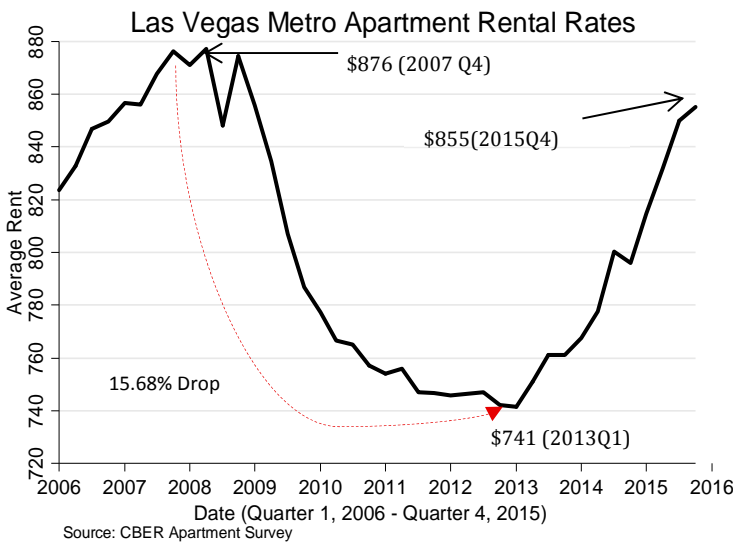


Figure 2

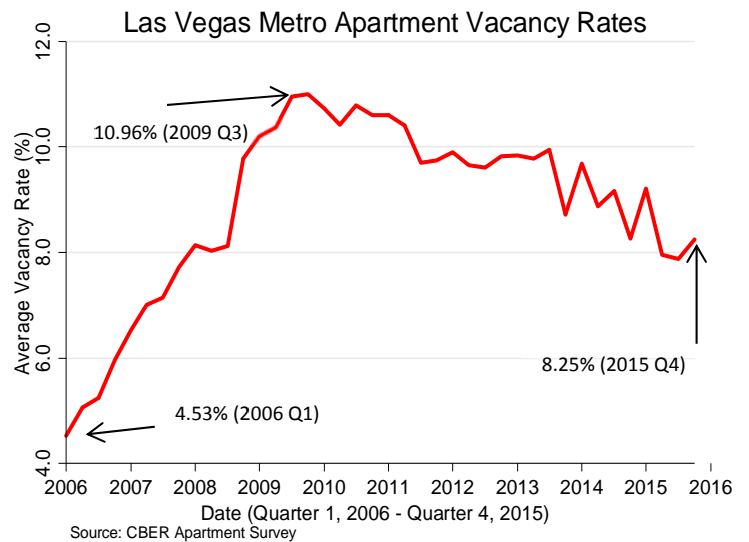
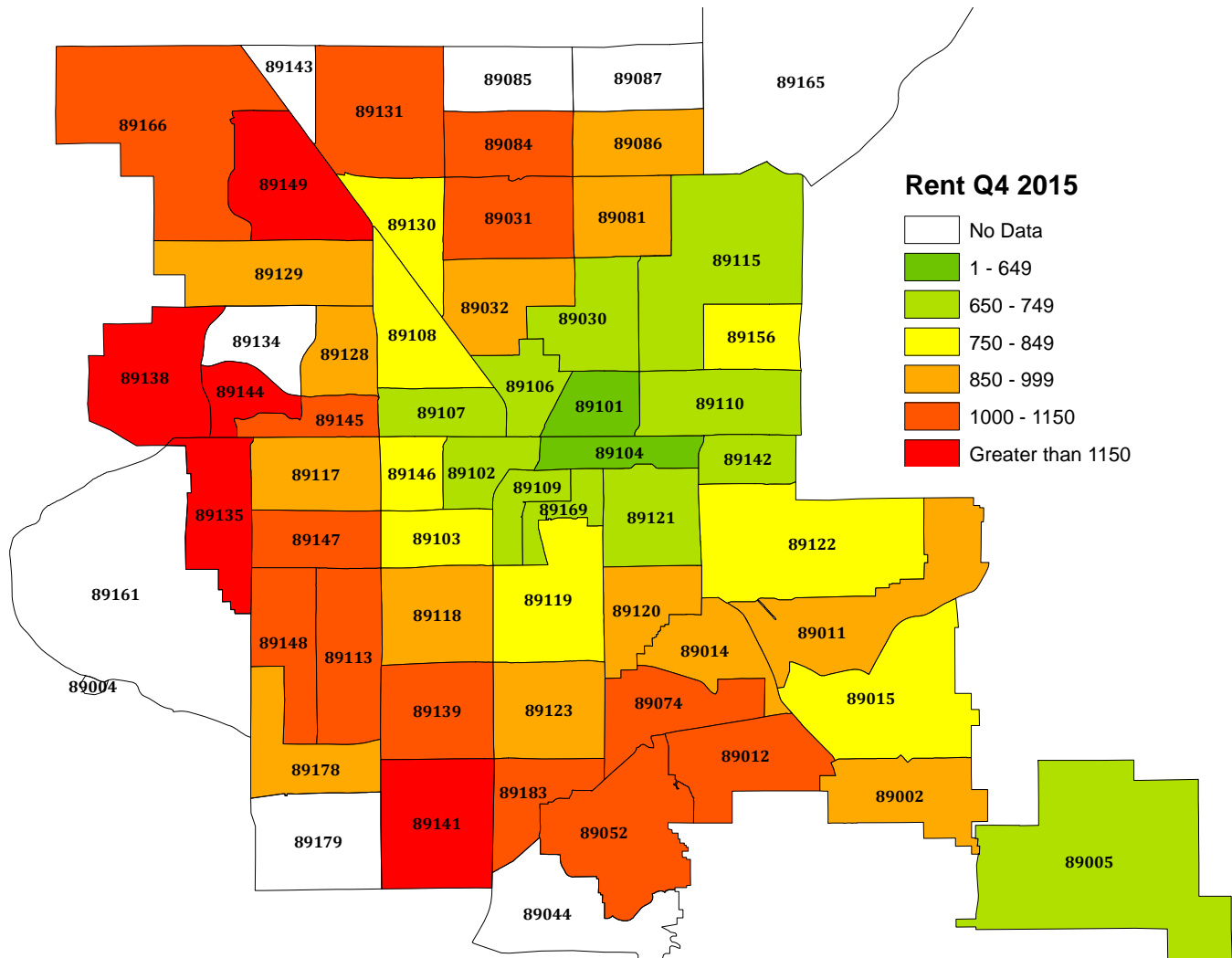


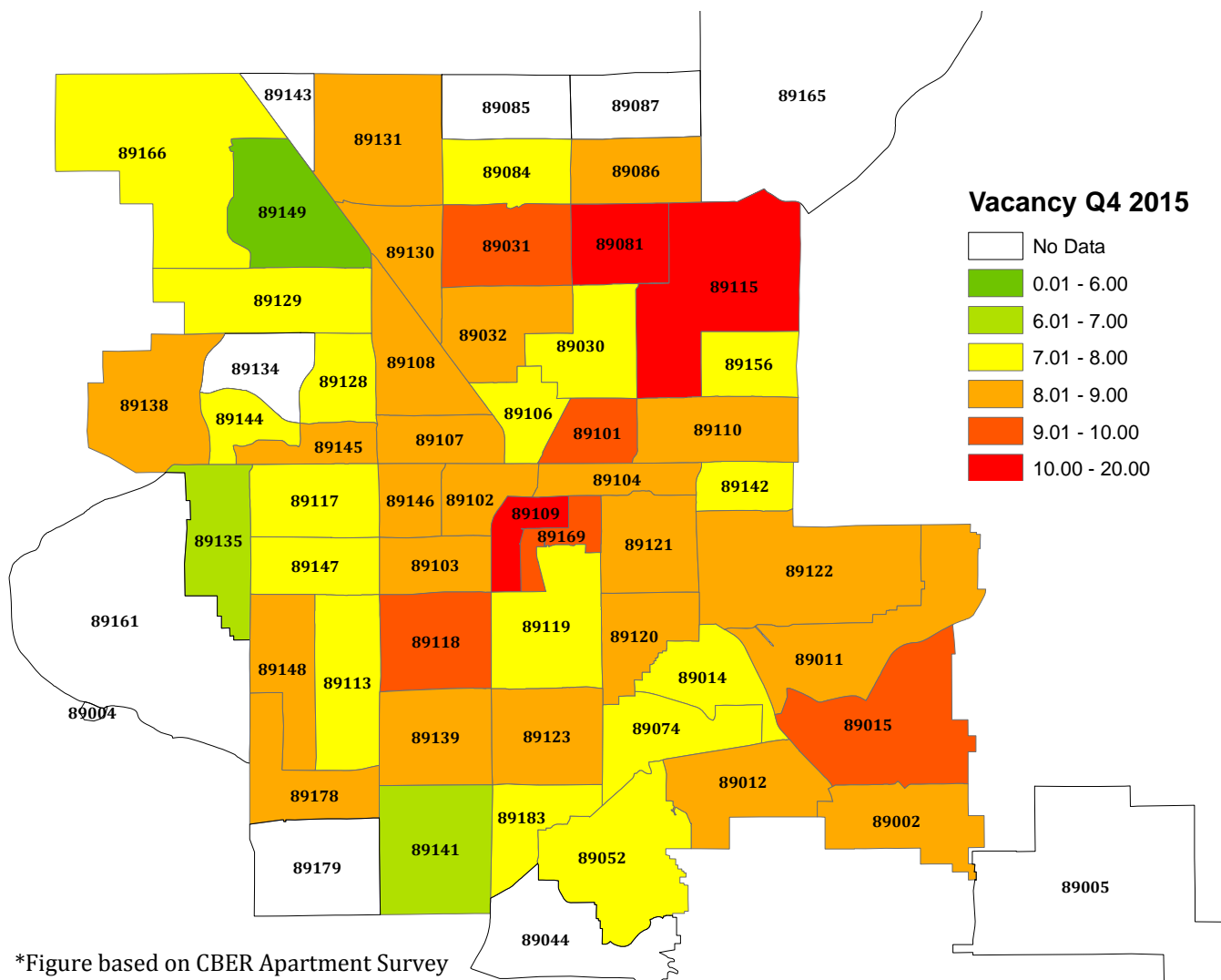
Figure 1: Apartment Rental Rates in Las Vegas*



*Figure based on CBER Apartment Survey

Most zip codes in the Las Vegas Metropolitan area saw changes of less than 2 percent in asking rents this quarter. The Northwest region saw the most significant increases in asking rents this quarter. The 89149 zip code saw a 6.5 percent(\$72) increase in asking rents this quarter – the largest increase of any zip code in the Las Vegas Metropolitan area. The 89149 also has the largest year over year increase in asking rents of any zip code in the Las Vegas Metropolitan area with a 22 percent(\$214) increase. Many other zip codes in the western region saw an increase in the average asking rent of about 2 percent this quarter. The Center and Southern region were the only areas to see any significant decrease in asking rents this quarter. The 89107 zip code saw a 5 percent decrease(\$37) in asking rents this quarter – the largest decrease of any zip code in the Las Vegas Metropolitan area. The asking rent is up year over year for all zip codes in the Las Vegas Metropolitan area.

Figure 2: Apartment Vacancy Rates in Las Vegas*



The Eastern and Center region saw the most significant increases in the vacancy rate this quarter. Both the 89081 and 89109 zip codes saw increases in the vacancy rate of 3.3 percentage points – the largest increase of any zip code in the Las Vegas Metropolitan area. The 89109 zip code currently has the highest vacancy rate (11.3 percent). The Western and Southeastern region both saw changes of less than one percentage point this quarter. After seeing notable increases in the vacancy rate last quarter, the Southwestern region saw the most notable decreases in the vacancy rate this quarter. The 89113 zip code had the most significant decrease in the vacancy rate this quarter with a 4 percentage point decrease. The 89081 zip code is also the only zip code with any significant change in the vacancy rate on a year over year basis with a 3.1 percentage point year over year increase.

Furnished studios were the only apartment type to see a significant decrease in asking rents this quarter. The asking rent on furnished studios decreased 3.5 percent(\$22) this quarter. However, furnished studios are up one percent(\$6) on a year over year basis. Furnished two bedroom two bathroom apartments saw a 4.2 percent(\$35) increase in asking rents this quarter – the largest increase of any apartment type. Unfurnished one bedroom apartments increased less than one percent(\$7). Both furnished and unfurnished two bedroom one bathroom apartments saw less than a one percent change in asking rents. Asking rents on unfurnished two bedroom two bathroom apartments and three bedroom apartments also increased less than one percentage this quarter. All apartment types have seen increases in the asking rent on a year over year basis. Furnished two bedroom one bathroom apartments have seen the largest increase on a year over year basis with a 10 percent increase (\$89). All apartment types have asking rents that are below their 2008 peak values.

Figure 4

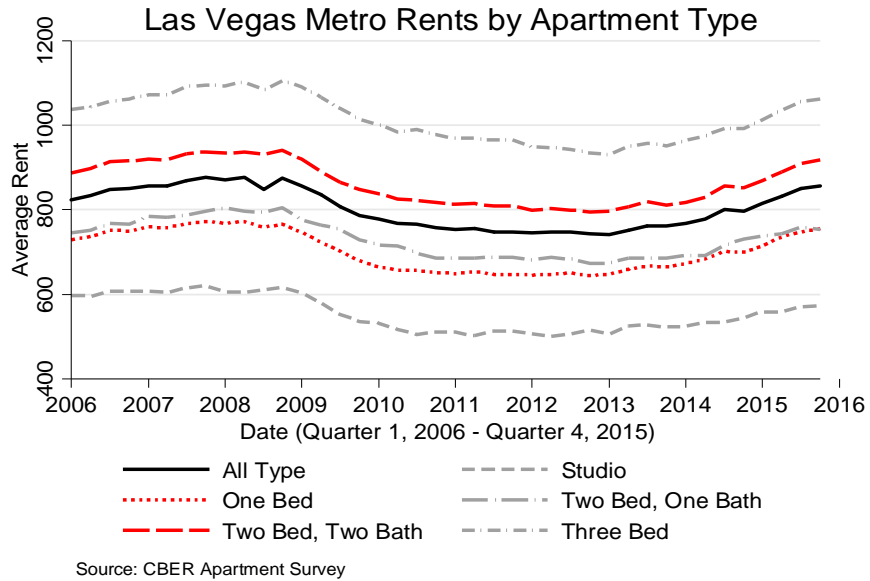


Figure 5

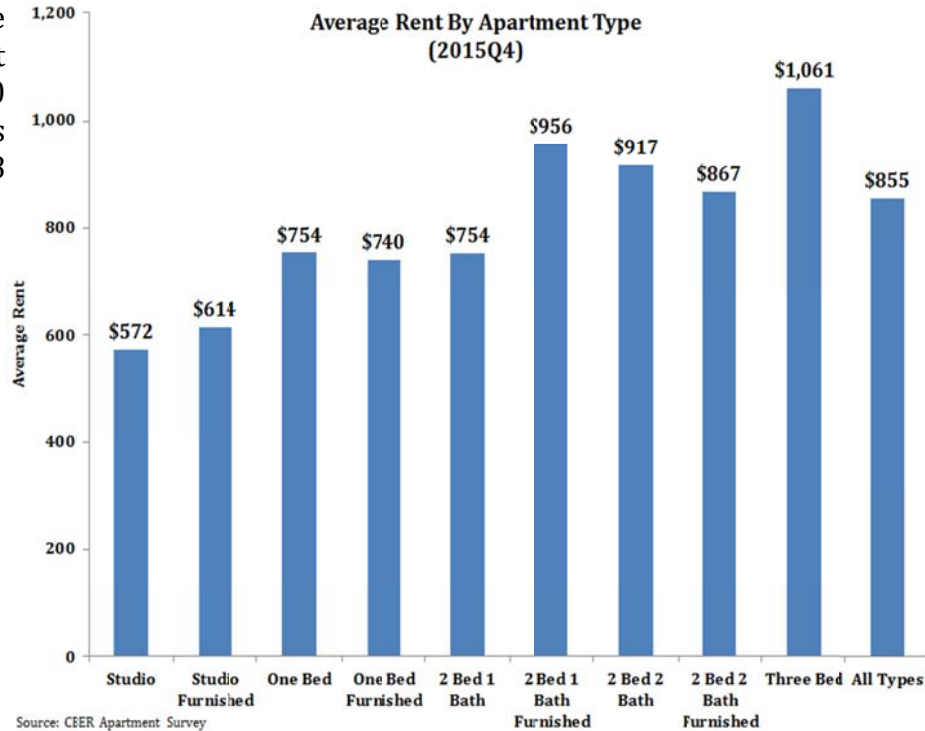


Figure 5

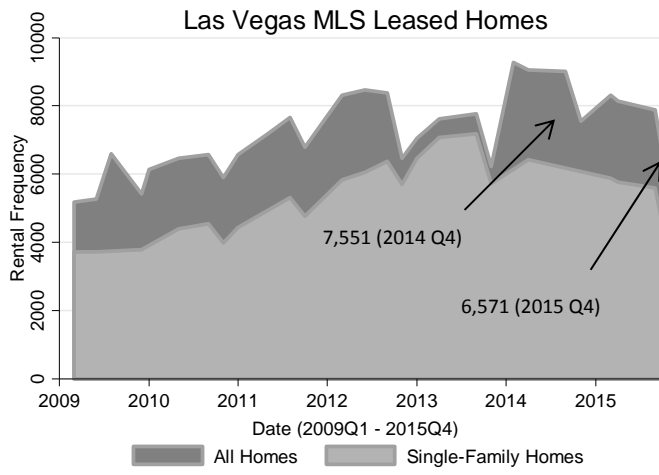
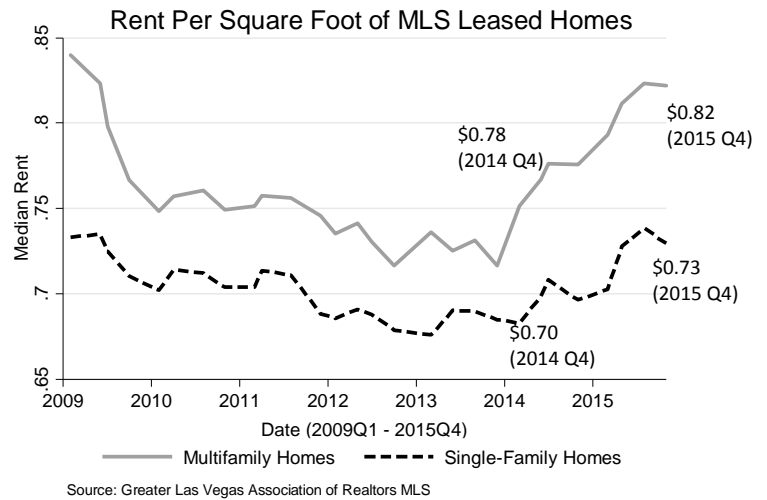


Figure 6



Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single family homes, townhomes, and condominiums. MLS rental leases proxy this competition. MLS rental leases are highly seasonal and the number of leases typically decrease in the fourth quarter each year. There were 6,571 rental leases in 2015Q4 – 980 less than 2014Q4 (7,551). Price per square footing on MLS rental leases has seen year over year growth. Single-Family homes rented for \$0.73 a square foot and Multifamily homes rented for \$0.82 a square foot in 2015Q4.

-Peter Counts, 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	.	.	.	748	.	823	.	959	.	1075	892	8.4%	785	66
89005	.	.	.	675	.	.	.	775	.	.	725	0.0%	34	0
89011	.	.	.	861	.	875	.	996	.	1068	965	8.4%	1040	87
89012	.	.	.	920	.	970	.	1032	.	1302	1040	8.0%	2477	199
89014	.	655	.	802	.	845	.	954	.	1143	932	7.5%	6180	467
89015	.	.	.	650	.	711	.	804	.	907	756	9.5%	1910	181
89030	.	.	.	604	.	567	.	730	.	798	699	7.9%	2294	181
89031	929	.	1089	1016	9.7%	970	94
89032	.	680	.	786	.	.	.	923	.	1034	900	8.4%	2474	207
89052	.	.	.	943	.	987	.	1172	.	1368	1100	7.9%	4041	318
89074	.	.	.	958	.	.	.	.	.	1285	1080	7.9%	2949	234
89081	.	.	.	792	.	865	.	926	.	1079	931	10.8%	1855	200
89084	.	.	.	842	.	1000	.	1060	.	1181	1006	7.4%	1008	75
89086	.	.	.	774	.	925	.	947	.	1037	911	8.2%	1107	91
89101	627	505	701	567	.	658	850	684	.	779	614	9.3%	4785	446
89102	.	587	550	645	.	684	.	788	.	856	709	8.1%	7712	621
89103	.	606	.	699	.	737	.	833	.	945	774	8.4%	8587	718
89104	425	479	475	566	.	647	.	707	.	777	625	8.7%	4418	384
89106	719	490	804	624	.	639	.	781	.	859	722	7.8%	1987	155
89107	675	543	787	627	.	690	.	792	.	.	699	8.7%	1418	123
89108	.	573	.	695	.	700	.	845	.	1008	814	8.5%	7492	639
89109	550	552	.	675	.	568	.	896	.	750	731	11.3%	734	83
89110	.	.	.	641	.	673	.	731	.	845	729	8.9%	3038	271
89113	.	.	.	889	.	939	.	1077	.	1305	1061	7.8%	1015	79
89115	670	528	734	596	.	631	.	723	.	836	700	10.2%	5984	608
89117	.	.	.	871	.	975	.	1009	.	1205	991	7.4%	8058	600
89118	.	615	.	816	.	753	.	994	.	1125	925	9.2%	1521	140
89119	649	529	816	714	.	679	.	889	.	1007	785	7.7%	11064	854
89120	.	.	.	770	.	775	.	892	.	1133	888	8.2%	1973	161
89121	.	576	836	641	.	729	.	774	.	869	737	8.1%	7064	571
89122	544	499	716	717	956	783	.	851	.	973	801	8.5%	4330	369
89123	.	650	.	827	.	1125	.	975	.	1149	945	8.4%	3843	321
89128	.	.	.	798	.	.	.	913	.	1076	928	7.4%	2694	200
89129	.	784	.	830	.	1106	909	1003	.	1138	959	7.7%	2421	186
89130	.	.	.	685	.	.	.	872	.	956	848	8.5%	1125	95
89131	.	.	.	825	.	.	.	1020	.	1230	1025	8.5%	272	23
89135	.	.	.	1130	.	1278	.	1290	.	1462	1280	6.7%	849	57
89138	.	.	.	1256	.	1329	.	1451	.	1594	1407	8.5%	272	23
89139	.	.	.	938	.	1030	.	1111	.	1279	1084	8.1%	1701	137
89141	.	.	.	1095	.	1075	.	1334	.	1481	1296	6.7%	595	40
89142	.	.	.	643	.	625	.	753	.	869	745	7.1%	1576	112
89144	.	.	.	1128	.	.	.	1302	.	1455	1321	7.3%	795	58
89145	.	.	.	920	.	825	.	1058	.	1201	1052	8.9%	686	61
89146	.	450	.	709	.	691	.	868	.	1007	842	8.2%	2956	243
89147	.	.	.	882	.	875	.	1034	.	1178	1032	7.8%	3576	278
89148	.	.	.	939	.	1076	.	1052	.	1158	1035	8.2%	2656	218
89149	.	790	.	968	.	950	.	1385	.	1480	1172	4.8%	1268	61
89156	.	.	.	704	.	.	.	828	.	1098	808	7.0%	728	51
89166	.	.	.	917	.	953	.	1158	.	1291	1062	7.8%	1148	89
89169	639	531	740	588	.	644	.	729	.	918	687	9.6%	5735	553
89178	.	.	.	923	.	930	.	1108	.	.	998	8.3%	539	45
89183	.	.	.	949	.	975	.	1110	.	1224	1072	8.1%	2537	206
METRO LV	614	572	740	754	956	754	867	917	1061	855	8.2%	148276	12225	

". ." 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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*The Lied Institute for Real Estate Studies
Lee Business School*

Contact Information

Edward Coulson

Director
(702) 895-1660
Ed.Coulson@unlv.edu

Betty Campbell

Program Coordinator
(702) 895-4492
Betty.campbell@unlv.edu

Peter Counts

Data Analyst
(702) 895-3223
Peter.Counts@unlv.edu

4505 S. Maryland Parkway, Box 456025
Las Vegas, NV 89154-6025

www.unlv.edu/business/lied-institute