

# APARTMENT MARKET TRENDS

UNLV

LEE BUSINESS SCHOOL  
LIED INSTITUTE FOR  
REAL ESTATE STUDIES



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Featuring data from the Center for Business and Economic Research

The Las Vegas apartment market saw a large increase in the average asking rent 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).

The Las Vegas apartment market has seen consistent quarterly growth in rental rates for three consecutive years. This quarter saw a 1.3 percent increase in the average asking rent and the average asking rent is now \$968. Asking rents are up 6.5 percent since 2016Q4 (\$909). The Las Vegas average asking rent is now 10.2 percent higher than it's peak in 2008 (\$878). The average asking rent is also 30.6 percent higher than it's low in 2013 (\$741).

The Las Vegas apartment market vacancy rate increased slightly to 7.6 percent. This represents a 0.2 percentage point increase since the previous quarter and no change since the previous year. The vacancy rate has been between 7 to 8 percent for the past seven quarters. The vacancy rate is now 3.4 percentage points lower than it's peak in 2009Q3(10.96%), but 3.1 percentage points higher than it's low in 2006Q1 (4.5%).

Figure 1

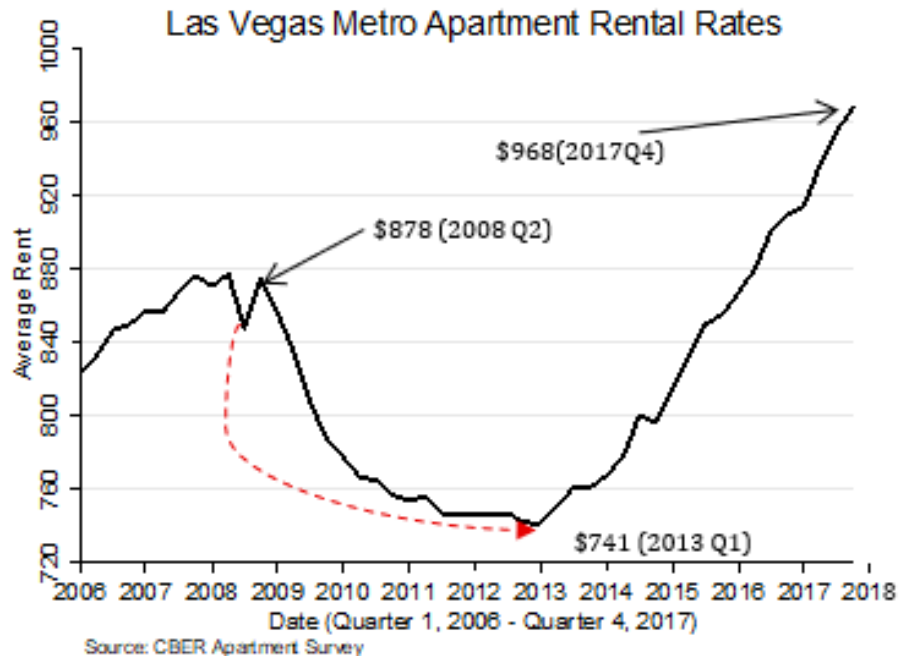


Figure 2

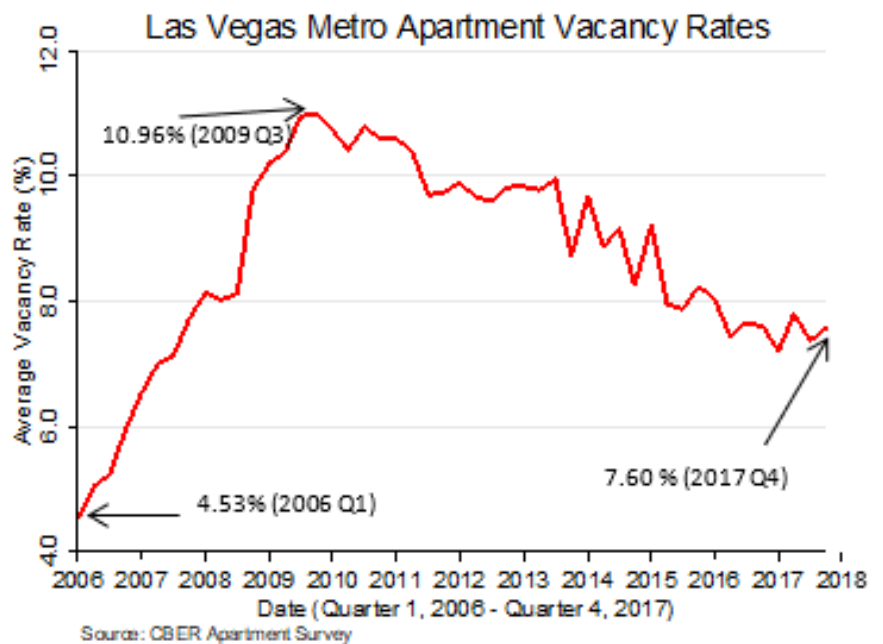
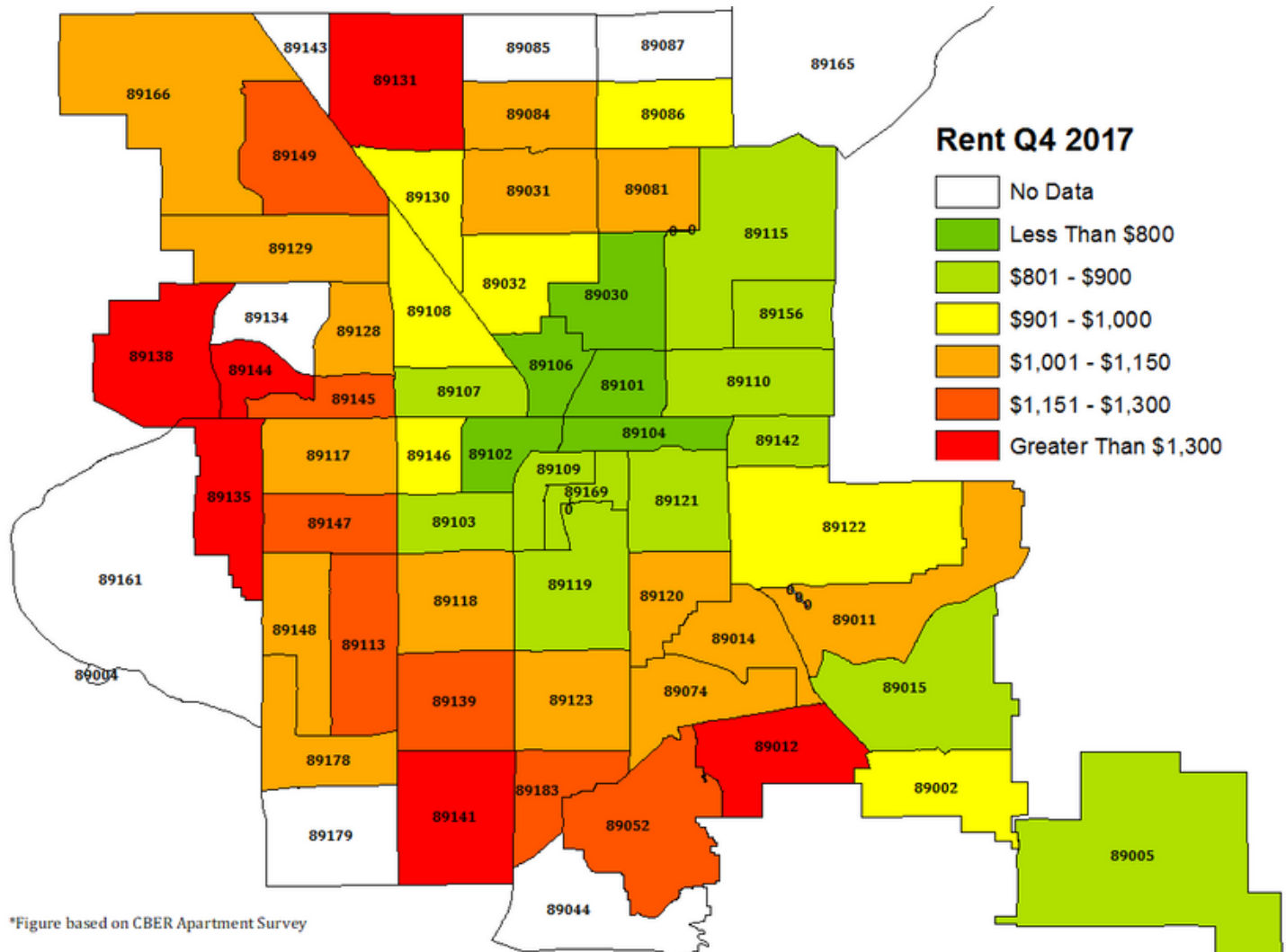


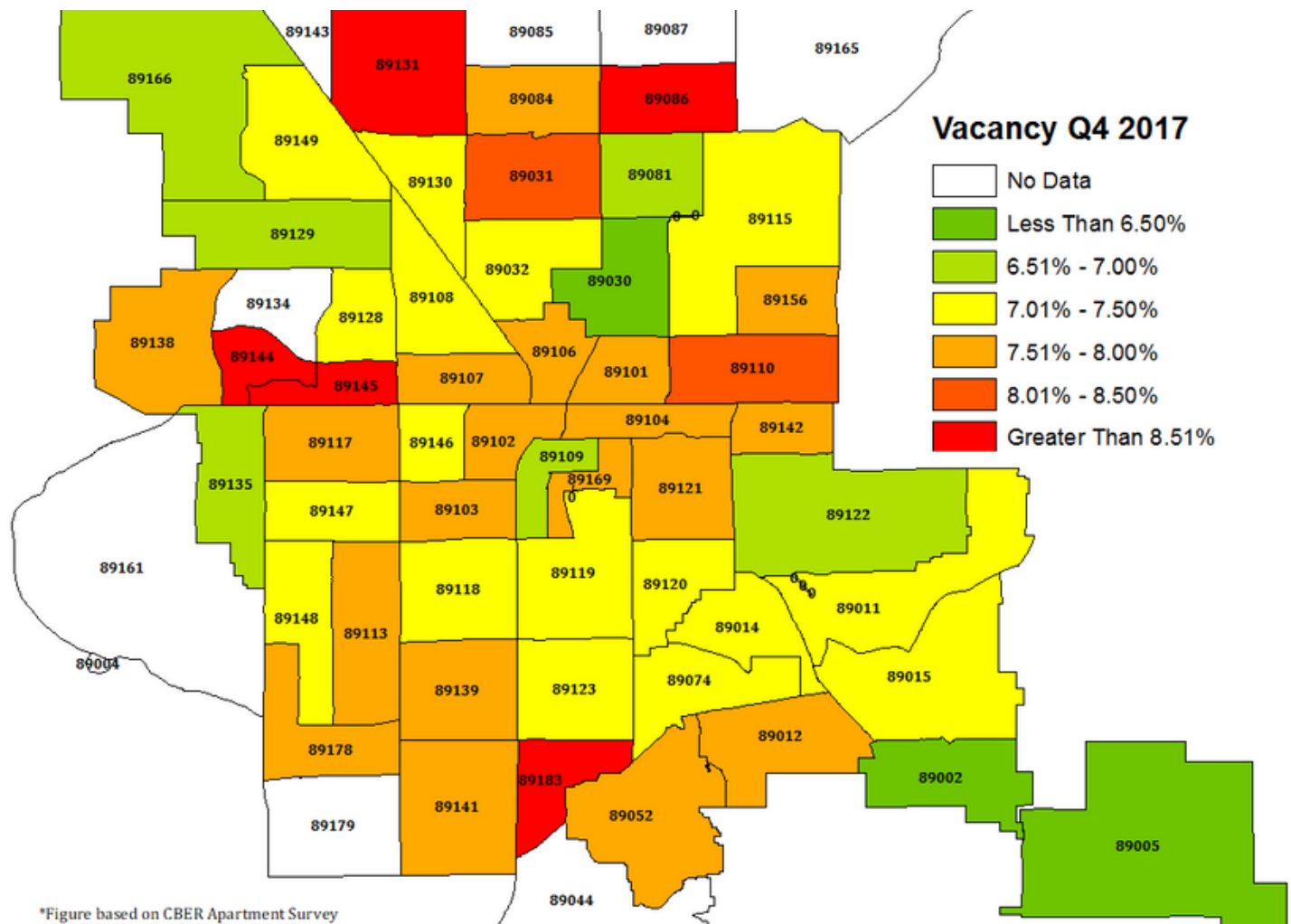
Figure 3: Apartment Rental Rates in Las Vegas\*



33 zip codes saw a quarterly increase in average asking rents while 18 zip codes saw a quarterly decrease in average asking rents. No region saw multiple zip codes with strong growth or large decreases in average asking rents. Average apartment rents now range from \$675 a month, in the 89104 zip code, to \$1,453 a month, in the 89138 zip code. The 89109 zip code, in the center region, saw a 14 percent increase in asking rents – the largest increase of any zip code this quarter. The 89109 zip code has seen significant variability in asking rents each quarter of 2017. The 89012 zip code was the only other zip code that saw an increase in average asking rents greater than 10 percent (11.4 percent).

The 89138 zip code, in the western region, saw the largest decrease in average asking rents with a 5.5 percent decrease. All other zip codes in the western region saw slight growth in rents of about 2 percent. The 89086, 89031, and 89146 zip codes all saw decreases in rents of about 2 percent. No other zip codes saw significant decreases in average asking rents this quarter. The 89123 zip code is the only zip code in the Las Vegas metropolitan area where average asking rents are down on a year over year basis (1.2 percent). The 89131 zip code experienced the largest year over year increase this quarter with a 23.3 percent increase. The 89120 and 89012 zip codes, both in the southeastern region, also saw significant year over year increases in average asking rents with increases of about 15%.

Figure 4: Apartment Vacancy Rates in Las Vegas\*

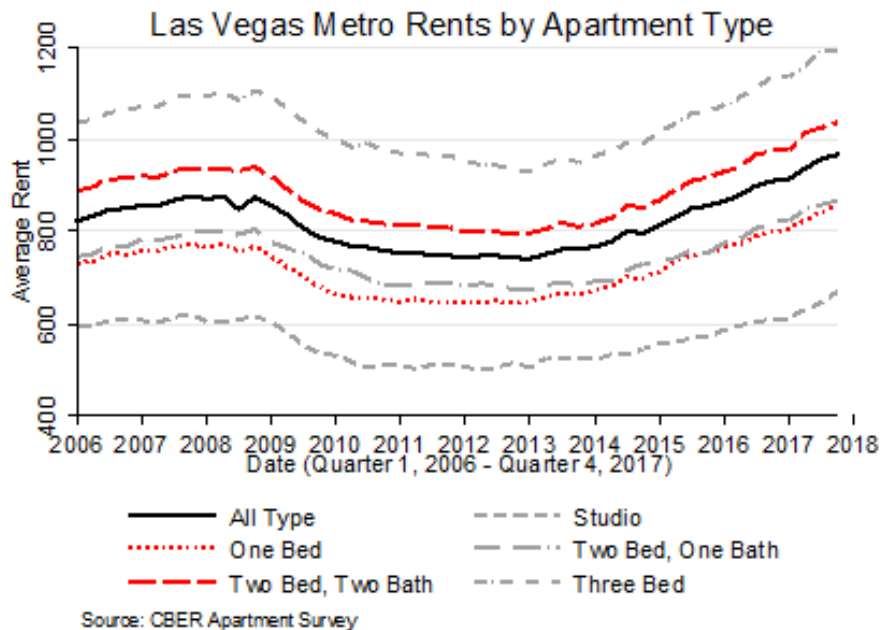


The Las Vegas Metropolitan area had 21 zip codes see a quarterly decrease in the apartment vacancy rate and 29 zip codes see a quarterly increase in the apartment vacancy rate. The vacancy rate now ranges from 5.1 percent, in the 89002 zip code, to 9.6 percent, in the 89131 zip code. The 89002 zip code is the only zip code with a vacancy rate less than 6 percent. The 89144 and 89131 zip codes are the only zip codes with vacancy rates greater than 9 percent. The 89144 zip code, in the western region, saw the largest quarterly increase in the vacancy rate this quarter with a 2.4 percentage point increase. The 89145, also in the western region, also saw an increase in the vacancy rate of about 2 percentage points. The southeastern region was the only other region with multiple zip codes with significant increases in the vacancy rate as the 89074 and 89012 zip codes both saw increases of 1.5 percentage points. The 89081 saw the most significant decrease in the vacancy rate this quarter with a 9.1 percentage point decrease. The next largest decrease in the vacancy rate came from the 89138 zip code, which saw a 2.9 percentage point decrease. The southeastern region was the only region which saw multiple zip codes with significant decreases in the vacancy rate as the 89002 and 89005 zip codes saw decreases in the vacancy rate of about 2 percentage points. On a year over year basis, 26 zip codes have experienced a decrease in the vacancy rate and 23 zip codes have experienced an increase in the vacancy rate. The 89144 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 3.5 percentage point year over year increase. The 89109 zip code, in the center region, saw the largest year over year decrease with a 4.3 percentage point decrease.

All apartment types saw asking rents increase or stay the same since last quarter, except for furnished one bedroom apartments. Furnished one bedroom apartments saw a decrease in the average asking rent of less than 1 percent. Three bedroom apartments saw asking rents unchanged since the previous quarter. Two bedroom apartments saw slight growth in average asking rents. Two bedroom one bath apartments experienced a 0.8 percent increase asking rents and two bedroom two bath apartments experienced a 1.1 percent increase. Unfurnished one bedroom apartments also saw asking rents increase by less than 2 percent (1.8 percent). Studio apartments saw the most robust growth of any apartment type. Furnished studio apartments saw average asking rents increase by 2.8 percent increase since the previous quarter and unfurnished studio apartments saw a 4.0 percent increase.

All apartment types saw year over year increases in average asking rents. Furnished studios, two bedroom one bathroom, and three bedroom apartments all saw asking rents increase by about 5 percent on a year over year basis. Two bedroom two bathroom apartments saw slightly more year over year growth with a 6.5 percent increase since 2016Q4. Unfurnished one bedrooms increased 7.1 percent year over year while furnished studios increased 9.1 percent year over year. Unfurnished studio apartments saw the most robust year over year growth with a 10.7 percent year over year increase.

**Figure 9**



**Figure 10**

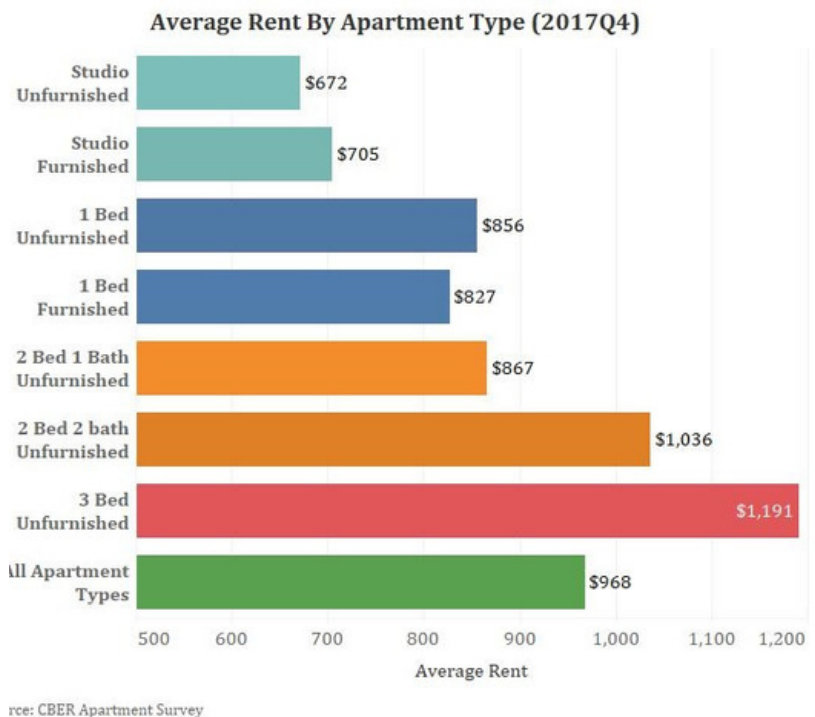
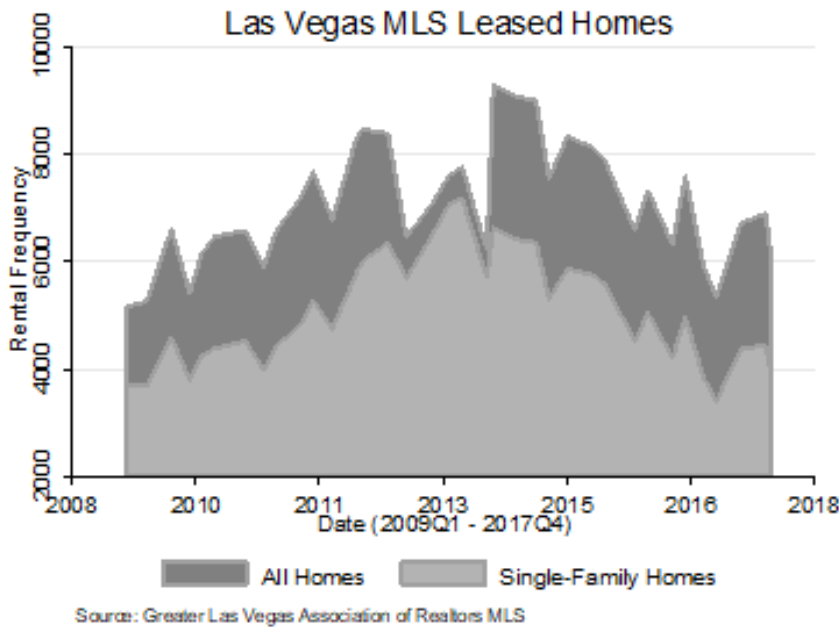
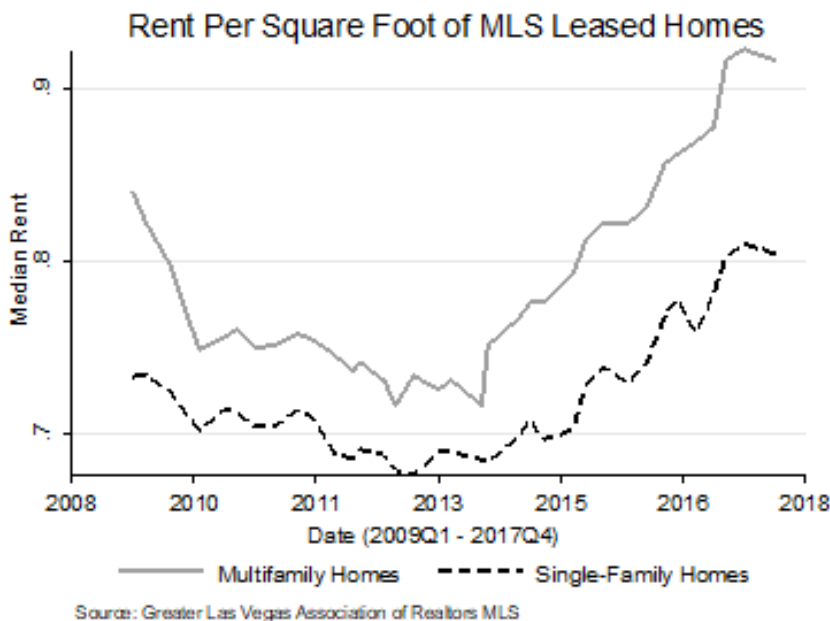


Figure 11



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 decrease during the fourth quarter each year. This year, both single-family and multifamily MLS leases decreased by about 10 percent from the previous quarter. There were 3,900 new single-family rental leases and 2,200 new multifamily new rental leases during 2017Q4. Single-family rental leases are almost unchanged since the previous year and multifamily rental leases increased by 16 percent since the previous year.

Figure 12



Median price per square footing on MLS rental leases typically decreases during the fourth quarter of each year. This quarter saw a decrease in price per square footing for both single-family and multifamily home. Multifamily homes rented for \$0.91 a square foot in 2017Q4 – a \$0.01 decrease from the previous quarter and a \$0.05 increase from the previous year. For the fourth quarter of 2017, rent on single-family homes was \$0.80 a square foot. This represents a slight decrease of less than one penny since last quarter and an increase of \$0.03 since last 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	.	.	.	812	.	818	.	1138	.	1325	937	5.2%	441	23
89005	.	.	.	663	.	760	.	813	.	959	843	6.3%	350	22
89011	.	.	.	910	.	1045	.	1143	.	1327	1122	7.4%	1095	81
89012	.	.	.	1108	.	1230	.	1323	.	1643	1312	7.9%	2850	225
89014	.	739	.	924	.	1003	.	1086	.	1292	1076	7.1%	6180	438
89015	.	.	.	763	.	804	.	984	.	1096	881	7.5%	1572	118
89030	.	.	.	702	.	662	.	865	.	951	800	6.5%	1948	127
89031	.	.	.	1185	.	.	.	1058	.	1199	1126	8.1%	970	79
89032	.	727	.	851	.	.	.	1000	.	1108	959	7.1%	2471	175
89052	.	1075	.	1017	.	1112	.	1245	.	1467	1170	7.7%	3874	299
89074	.	.	.	1000	.	1010	.	1197	.	1357	1140	7.5%	3593	271
89081	.	.	.	876	.	901	.	1045	.	1220	1049	6.8%	1669	114
89084	.	.	.	915	.	1059	.	1195	.	1340	1103	7.7%	1008	78
89086	.	.	.	809	.	1024	.	998	.	1166	966	8.7%	1107	96
89101	702	622	786	656	.	755	870	774	.	894	711	7.9%	4974	393
89102	.	622	625	725	.	800	.	877	.	920	788	7.7%	7735	597
89103	.	678	.	795	.	862	.	953	.	1016	882	7.8%	9177	716
89104	.	556	.	634	.	724	.	793	.	866	675	8%	4433	341
89106	750	552	835	721	.	737	.	827	.	957	800	7.7%	2005	154
89107	.	718	.	785	.	817	.	885	.	.	849	7.8%	1874	146
89108	.	681	.	793	.	788	.	956	.	800	911	7.5%	7315	547
89109	.	577	.	749	.	603	.	1033	.	977	824	6.6%	674	45
89110	.	.	.	715	.	778	.	844	.	1539	824	8.2%	3310	272
89113	.	.	.	1084	.	.	.	1320	.	973	1287	7.6%	2169	165
89115	.	584	780	683	.	756	.	823	.	.	811	7.3%	5285	384
89117	.	.	.	1006	.	1200	.	1141	.	1309	1127	7.6%	7398	561
89118	.	790	.	916	.	940	.	1095	.	1184	1016	7.2%	1666	120
89119	680	633	759	782	.	765	.	997	.	1190	864	7.5%	9950	743
89120	.	719	.	917	.	820	.	1087	.	1234	1053	7.4%	1921	143
89121	.	658	910	747	.	810	.	883	.	939	832	8.0%	6979	562
89122	681	550	891	805	1207	890	.	953	.	1095	920	6.9%	4130	284
89123	.	859	.	987	.	1138	.	1122	.	1349	1117	7.5%	4006	300
89128	.	.	.	869	.	.	.	1021	.	1227	1053	7.3%	2452	180
89129	.	932	.	927	.	950	1025	1095	.	1234	1056	7.0%	2420	168
89130	.	.	.	821	.	.	.	937	.	1120	969	7.5%	1012	76
89131	.	.	.	1024	.	.	.	1264	.	1656	1315	9.6%	272	26
89135	.	.	.	1198	.	1353	.	1436	.	1612	1395	6.7%	849	57
89138	.	.	.	1310	.	1297	.	1478	.	1728	1453	7.6%	276	21
89139	.	.	.	1043	.	.	.	1245	.	1436	1208	7.7%	1346	104
89141	.	.	.	1105	.	1129	.	1377	.	1537	1330	7.7%	595	46
89142	.	.	.	764	.	824	.	876	.	976	860	7.7%	1767	136
89144	.	.	.	1138	.	.	.	1347	.	1483	1360	9.4%	795	75
89145	.	.	.	1059	.	979	.	1175	.	1464	1226	8.7%	686	60
89146	.	550	.	791	.	744	.	937	.	1122	918	7.4%	3104	231
89147	.	.	.	1052	.	1048	.	1210	.	1393	1218	7.4%	3634	267
89148	.	.	.	1045	.	1160	.	1167	.	1226	1125	7.3%	2925	215
89149	.	969	.	1050	.	1146	.	1320	.	1726	1198	7.5%	1369	103
89156	.	.	.	775	.	.	.	879	.	1060	850	7.6%	728	55
89166	.	.	.	980	.	1066	.	1202	.	1338	1141	6.7%	1484	99
89169	745	574	850	685	.	789	.	857	.	1043	802	7.8%	5248	411
89178	.	.	.	1001	.	975	.	1265	.	.	1101	7.6%	539	41
89183	.	.	.	1025	.	1163	.	1208	.	1405	1195	8.6%	2840	243
<b>METRO LV</b>	<b>705</b>	<b>672</b>	<b>827</b>	<b>856</b>	<b>1207</b>	<b>867</b>	<b>916</b>	<b>1036</b>	<b>.</b>	<b>1191</b>	<b>968</b>	<b>7.6%</b>	<b>148470</b>	<b>11245</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 sponsored by:



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