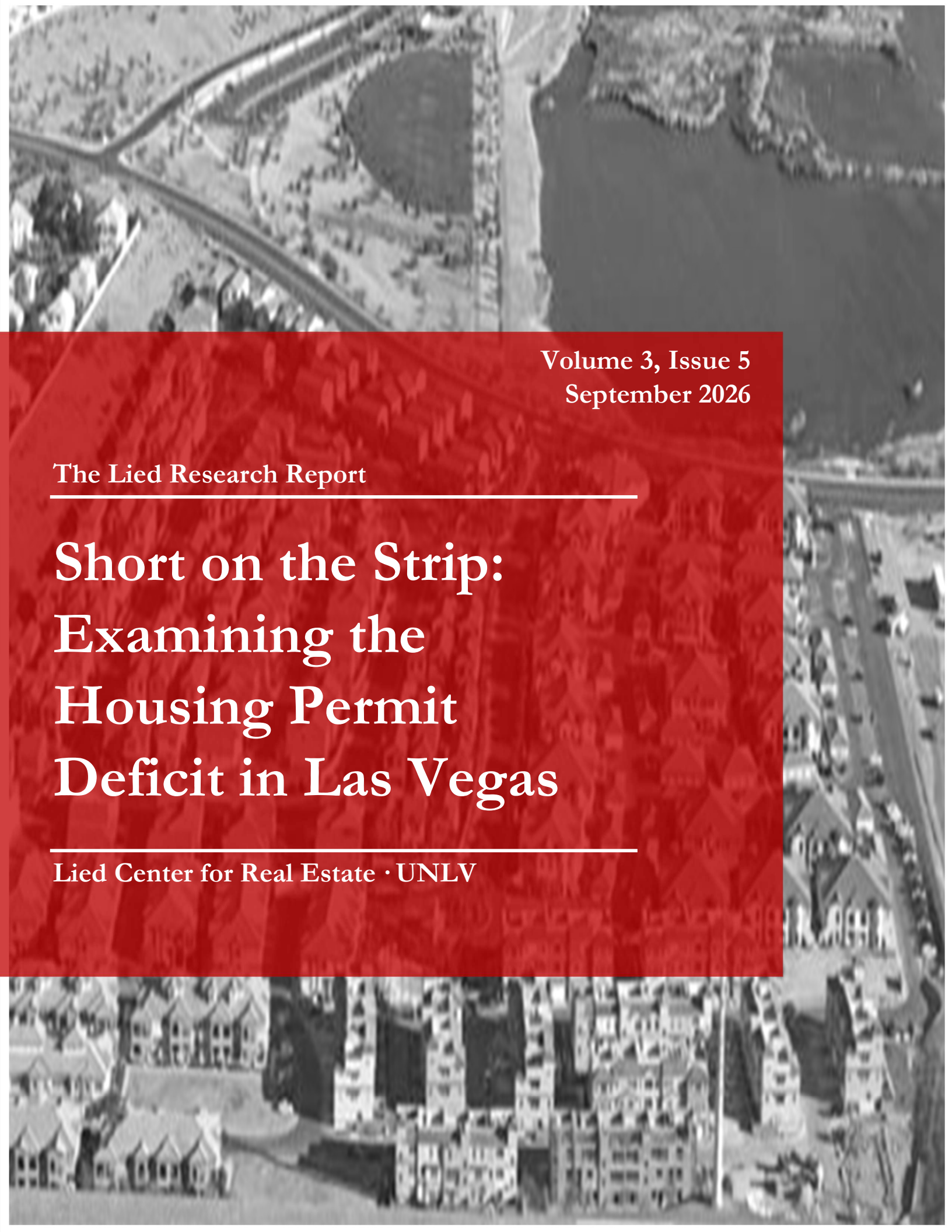

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The Lied Research Report

Short on the Strip: Examining the Housing Permit Deficit in Las Vegas

Lied Center for Real Estate · UNLV

Executive Summary

A foundational issue in addressing housing affordability is increasing the supply of housing, which will put downward pressure on prices over time. This increase in supply can take many forms, from traditional suburban-style single-family homes as part of a large development to the construction of multi-family apartment buildings. As the population of Las Vegas continues to grow and approaches three million people in the coming decades, ensuring a sufficient amount of housing to maintain steady economic growth is of paramount importance.

In this brief, we examine recent housing development across the Las Vegas MSA and contrast it with other metropolitan areas. Utilizing data on building permits tracked by the U.S. Census Bureau, we leverage the number of permits issued through June 2026 to serve as an initial comparison point before looking at the one-year and five-year change in permit activity. This brief is a companion piece to previous Lied Center work[1], which examined longer term trends in building permits in the Las Vegas Metropolitan Statistical Area (MSA) relative to a select group of metropolitan areas. In this brief, we focus on the building environment post-COVID and compare the rate of permit issuance in Las Vegas to a broader set of Mountain West and West Coast MSAs, as well as to all large metropolitan areas nationwide.

The main empirical findings of this brief are summarized below:

1. A total of 5,277 residential permits were issued in the Las Vegas MSA through June 2026. This included 4,478 permits for single-family houses, 14 for two-to-four-unit buildings, and 785 for multi-family buildings.

2. Compared to other large MSAs in the Western United States, Las Vegas ranks 9th in terms of total residential permits issued, out of 14 MSAs.

3. Among the 55 MSAs with a population of at least one million, Las Vegas had the largest one-year decline in permits, at 35%. The next-largest decline was Orlando's at 27%, and no other MSA fell by more than 13%.

4. Over the five years since June 2021, Las Vegas saw the largest decline in permit activity among the 14 Western MSAs, with total permits down 37%.

The totality of these results provides additional evidence that the pace of residential construction activity in Southern Nevada is not keeping pace with its western peers. A failure to build at the rate needed for our population growth will exacerbate affordability concerns and it may also limit economic growth as high housing costs deter new business development or relocation to Las Vegas.

Data

We utilize data from the U.S. Census Bureau's Building Permits Survey (BPS), which collects data on building permits for new privately owned housing across the entire country. The BPS data is collected on a monthly basis and aggregated to the national, state, and MSA level while providing information on total permits in addition to a breakdown based on the number of residential

[1] Irwin, Nicholas & McCoy, Shawn (2025). Dimmed Lights in the Desert Sky: 15-years of Underbuilding Southern Nevada. *The Lied Research Report*, 2(3), 1-11.

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units: one unit, two units, three to four units, and five or more units. We limit our analysis to only include MSAs with a population greater than one million people according to the 2025 U.S. Census Population Estimate data. We also combine the permit numbers for two, three, and four unit buildings into a single count for simplicity, as the numbers in these categories are typically much lower than in the single unit and five plus unit categories. For all of the analysis, we use year-to-date totals from January through June of each year, the most recent period available, and compare them to the same period in prior years. Note that the BPS measures housing units authorized by building permits, not construction starts or completions.

Findings: Permit Activity through June 2026

In Table 1, we provide data on the 14 Western United States MSAs with a population of more than one million people based on 2025 population estimates. We provide the population rank for each MSA relative to the entire nation and information on the permitting activity to date by type within each MSA through June 2026. The Los Angeles MSA, the second largest in the country, leads the way in terms of permit activity with 20,984 permits issued, with these being concentrated in multi-family projects (5+ units) and single-family (1 unit) construction. The Phoenix MSA, the next largest in our sample and 10th largest nationally, is a close second with 19,547 permits. This relationship between MSA size and the number of permits breaks down, as both the Riverside-San Bernardino MSA and the San Francisco MSA issued substantially fewer permits than the Seattle or Denver MSAs, which are both smaller.

In the Las Vegas MSA, a total of 5,277 permits were issued through June 2026 with a breakdown of 4,478 for single unit residential, 14 for two to four unit, and 785 for five plus unit. Relative to the other MSAs, Las Vegas ranks 6th, 14th (last), and 12th, respectively across those permit categories, and places 9th overall. Las Vegas issued fewer permits than every larger Western MSA except San Francisco, which issued 415 fewer permits; Las Vegas's much higher single unit permit count more than offsets San Francisco's larger number of multi-unit permits.

Findings: Year-over-Year Change in Permit Activity

A single snapshot in time can provide a skewed view on permit activity, so in Table 2 we look at the percentage change in permit activity across the same MSAs relative to June 2025. By tracking this change, we can examine the short-run trends in building permit activity to shed more light on permit growth rates.

Most of the 14 MSAs in our data saw an increase in total permit activity relative to June 2025, with the largest percentage increase in the San Jose MSA and the Seattle MSA. Only four MSAs saw a decline in permit activity, with a small decrease in the Phoenix MSA (-4%) and the San Diego MSA (-2%) plus a slightly larger 13% reduction in the Riverside MSA. However, in Las Vegas, there was a 35% reduction in permit activity relative to June 2025, which is the worst among the MSAs in our data. Not only did Las Vegas experience an exceptionally large reduction in total permits, but there were also reductions in the number of single unit permits (-16%), two to four unit permits (-97%), and in the larger five plus unit category (-66%). All of these reductions place the Las Vegas MSA as the worst performing MSA in the Western United States and indicate that permit activity is falling in the short run, which suggests the total supply of residential units is not keeping pace with housing demand. To put this in perspective, the one-year change in building permits ranks Las Vegas last among the 55 MSAs examined.

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Table 1. Residential Building Permits Issued Year-to-Date through June 2026

Population Rank	Metropolitan Statistical Area	2025 Population Estimate	Residential Permits: 1-unit (YTD)	Residential Permits: 2 to 4-unit (YTD)	Residential Permits: 5+ unit (YTD)	Total Residential Permits (YTD)
2	Los Angeles-Long Beach-Anaheim, CA	12,844,441	7,604	978	12,402	20,984
10	Phoenix-Mesa-Chandler, AZ	5,228,938	13,827	597	5,123	19,547
12	Riverside-San Bernardino-Ontario, CA	4,769,007	5,877	170	1,827	7,874
13	San Francisco-Oakland-Berkeley, CA	4,630,041	1,683	139	3,040	4,862
15	Seattle-Tacoma-Bellevue, WA	4,161,883	3,802	677	8,429	12,908
18	San Diego-Chula Vista-Carlsbad, CA	3,282,248	1,877	820	2,851	5,548
19	Denver-Aurora-Lakewood, CO	3,092,037	4,679	128	5,202	10,009
26	Portland-Vancouver-Hillsboro, OR-WA	2,542,282	3,351	97	2,520	5,968
27	Sacramento-Roseville-Folsom, CA	2,477,274	4,717	394	1,319	6,430
29	**Las Vegas-Henderson-Paradise, NV**	**2,407,226**	**4,478**	**14**	**785**	**5,277**
35	San Jose-Sunnyvale-Santa Clara, CA	1,984,473	1,315	30	2,682	4,027
45	Salt Lake City, UT	1,308,377	1,768	147	1,896	3,811
46	Fresno, CA	1,203,383	1,417	133	405	1,955
51	Tucson, AZ	1,074,685	2,345	50	449	2,844

Source: *U.S. Census Bureau, Building Permits Survey (year-to-date through June 2026); U.S. Census Bureau, 2025 Population Estimates.*

Note: *Includes the 14 western U.S. MSAs with a 2025 population above one million. Population rank is the national rank among all MSAs. The Las Vegas MSA is shown in bold and shaded gray.*

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Table 2. One-Year Percent Change in Year-to-Date Residential Permits, June 2025 to June 2026

Population Rank	Metropolitan Statistical Area	1 unit (% change)	2-4 unit (% change)	5+ unit (% change)	All units (% change)
2	Los Angeles-Long Beach-Anaheim, CA	21%	-6%	122%	63%
10	Phoenix-Mesa-Chandler, AZ	-1%	-1%	-12%	-4%
12	Riverside-San Bernardino-Ontario, CA	9%	-31%	-47%	-13%
13	San Francisco-Oakland-Berkeley, CA	29%	178%	15%	22%
15	Seattle-Tacoma-Bellevue, WA	21%	-7%	223%	99%
18	San Diego-Chula Vista-Carlsbad, CA	7%	99%	-18%	-2%
19	Denver-Aurora-Lakewood, CO	9%	32%	30%	19%
26	Portland-Vancouver-Hillsboro, OR-WA	0%	45%	90%	25%
27	Sacramento-Roseville-Folsom, CA	7%	103%	34%	15%
29	**Las Vegas-Henderson-Paradise, NV**	**-16%**	**-97%**	**-66%**	**-35%**
35	San Jose-Sunnyvale-Santa Clara, CA	22%	88%	380%	143%
45	Salt Lake City, UT	16%	32%	24%	21%
46	Fresno, CA	-7%	1230%	79%	11%
51	Tucson, AZ	13%	178%	43%	18%

Source: *U.S. Census Bureau, Building Permits Survey (year-to-date through June 2025 and June 2026); authors' calculations.*

Note: *Includes the 14 western U.S. MSAs with a 2025 population above one million. Population rank is the national rank among all MSAs. The Las Vegas MSA is shown in bold and shaded gray. Percent changes in the 2-4 unit category can be large because the underlying counts are small.*

Table 3. Five-Year Percent Change in Year-to-Date Residential Permits, June 2021 to June 2026

Population Rank	Metropolitan Statistical Area	1 unit (% change)	2-4 unit (% change)	5+ unit (% change)	All units (% change)
2	Los Angeles-Long Beach-Anaheim, CA	36%	8%	32%	32%
10	Phoenix-Mesa-Chandler, AZ	-28%	28%	-24%	-26%
12	Riverside-San Bernardino-Ontario, CA	-3%	-33%	128%	10%
13	San Francisco-Oakland-Berkeley, CA	-26%	14%	-31%	-29%
15	Seattle-Tacoma-Bellevue, WA	-21%	-25%	0%	-9%
18	San Diego-Chula Vista-Carlsbad, CA	21%	639%	3%	25%
19	Denver-Aurora-Lakewood, CO	-31%	-73%	-13%	-24%
26	Portland-Vancouver-Hillsboro, OR-WA	-23%	-52%	-11%	-19%
27	Sacramento-Roseville-Folsom, CA	-5%	358%	-4%	0%
29	**Las Vegas-Henderson-Paradise, NV**	**-26%**	**-97%**	**-56%**	**-37%**
35	San Jose-Sunnyvale-Santa Clara, CA	16%	114%	120%	70%
45	Salt Lake City, UT	-47%	-47%	-16%	-35%
46	Fresno, CA	-10%	146%	78%	5%
51	Tucson, AZ	-15%	92%	12%	-11%

Source: *U.S. Census Bureau, Building Permits Survey (year-to-date through June 2021 and June 2026); authors' calculations.*

Note: *Includes the 14 western U.S. MSAs with a 2025 population above one million. Population rank is the national rank among all MSAs. The Las Vegas MSA is shown in bold and shaded gray. Percent changes in the 2-4 unit category can be large because the underlying counts are small.*

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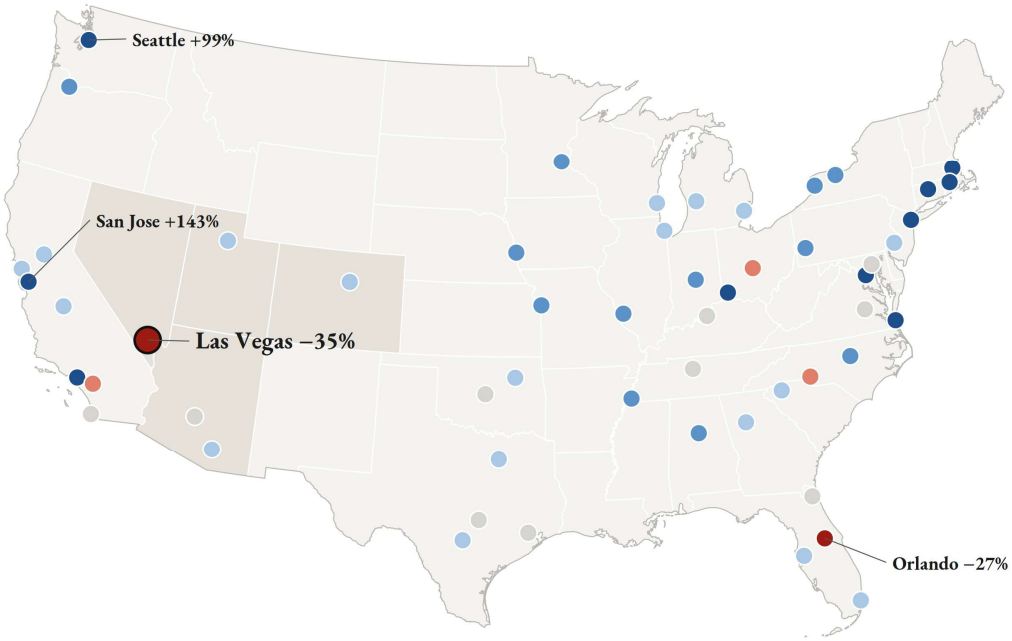
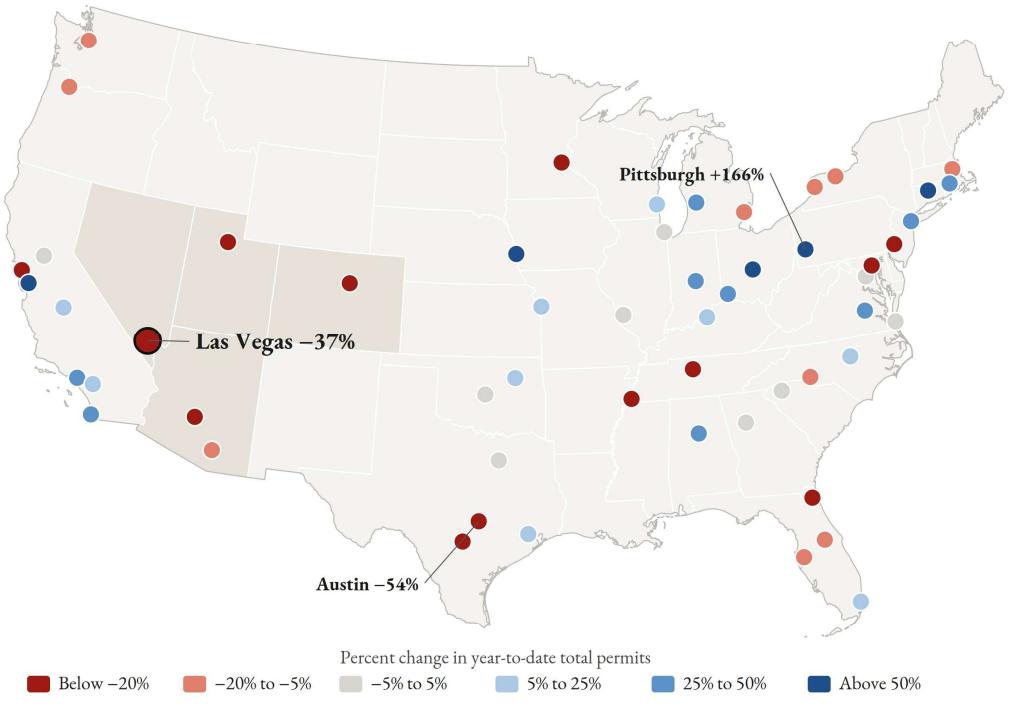
Figure 1. Percent Change in Total Residential Permits, 55 Largest U.S. Metros

A. One-year percent change, June 2025 to June 2026



B. Five-year percent change, June 2021 to June 2026



Source: *U.S. Census Bureau, Building Permits Survey (year-to-date through June 2021, June 2025, and June 2026); authors' calculations.*
Note: *Includes all U.S. MSAs with a 2025 population above one million. Mountain West states (AZ, CO, NV, UT) are shaded darker.*

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Findings: Five-Year Change in Permit Activity

In Table 3, we look at the medium-term growth in building permits among the same MSAs over a five-year window, with our reference point being June 2021. Remembering that 2021 was a period of unusually strong permitting in many markets, fueled by low interest rates and pandemic-era housing demand, we find a more mixed signal in terms of overall permit issuance. Six of the 14 MSAs saw no decline in total building permits (five increased and Sacramento was flat), while the remaining eight saw decreases, with an average decrease across the sample of roughly 3%. This should not necessarily be surprising as much in the economy has changed since June 2021, most notably interest rates, which impact the cost of capital to finance building projects, and an increase in tariffs, which impact the cost of construction materials and supplies.

Even knowing there are larger economic factors at play that explain this decrease, we again find that the reduction in Las Vegas was the largest of any western MSA at 37% fewer permits issued year-to-date in June 2026 than were issued by the same time in June 2021. Las Vegas also saw the largest decrease in non-single unit permit activity but only the fourth-largest reduction in single unit permits at -26% (tied with San Francisco), a smaller decline than the Phoenix MSA (-28%), the Denver MSA (-31%), and the Salt Lake City MSA (-47%).

Regional Variation

To put the Las Vegas results in a national context, we widen the comparison to all 55 U.S. metropolitan areas with a population above one million. Figure 1, which follows Tables 2 and 3, maps the percentage change in year-to-date total permits for each of these MSAs over one year (Panel A, June 2025 to June 2026) and five years (Panel B, June 2021 to June 2026). Red markers show declines in permit activity, blue markers show increases, and gray markers show little change. Las Vegas is outlined in black. The Mountain West states of Arizona, Colorado, Nevada, and Utah are shaded to highlight the region's closest peers.

The one-year map (Panel A) shows a broad national rebound in residential permitting. The median MSA saw a 19% increase in permits relative to June 2025, and only 8 of the 55 MSAs saw a decline. Las Vegas stands out as the clear exception, with a 35% reduction that is the largest in the country, followed by Orlando at 27%. No other MSA declined by more than 13%. The contrast with Las Vegas's regional neighbors is especially notable: Salt Lake City (+21%), Denver (+19%), and Tucson (+18%) all posted solid gains, while Phoenix was roughly flat (-4%).

The five-year map (Panel B) paints a more mixed picture, with 25 of the 55 MSAs issuing fewer permits in June 2026 than in June 2021. These declines are concentrated in the fast-growing markets of the Sun Belt and Intermountain West. They include Austin (-54%), Jacksonville (-42%), and Nashville (-38%), along with Philadelphia (-38%). The Mountain West is the only region where every large MSA saw a decline over the period, including Las Vegas (-37%), Salt Lake City (-35%), Phoenix (-26%), Denver (-24%), and Tucson (-11%). In contrast, many slower-growing MSAs in the Midwest and Rust Belt saw substantial increases, led by Pittsburgh (+166%), Omaha (+72%), and Columbus (+55%). Part of this pattern reflects the unusually high level of permitting in many Sun Belt markets in 2021, which makes the five-year comparison less favorable for those markets. Among all 55 MSAs, Las Vegas ranks 51st over this five-year window.

Taken together, the two maps suggest that Las Vegas's recent decline is not simply part of a regional or national trend. Many of the MSAs that lost ground over the five-year period, including most of Las Vegas's Mountain West peers, have begun to recover over the past year while. Las

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Vegas has not followed this trend. It is one of only five MSAs to see declines over both the one-year and five-year periods, alongside Phoenix, Orlando, Charlotte, and Baltimore and it is the only one ranked at or near the bottom nationally on both measures. As broader forces like interest rates and construction costs vary across regions, the widening gap between Las Vegas and neighboring cities points toward local constraints on development, which we discuss in the following section.

The main findings from the regional comparison are summarized below:

- Las Vegas had the largest one-year decline in permits of any large MSA, at 35%. The next-largest decline was Orlando's at 27%, and no other MSA fell by more than 13%.
- Over five years, declines were concentrated in the Sun Belt and Intermountain West, and every large Mountain West MSA issued fewer permits than in June 2021. Many Midwest and Rust Belt MSAs saw large gains.
- Most of Las Vegas's Mountain West peers have begun to recover over the past year, with Salt Lake City, Denver, and Tucson each up 18% to 21%. Las Vegas has continued to decline.
- Las Vegas is one of only five MSAs with declines over both the one-year and five-year periods. It is the only one ranked at or near the bottom nationally on both, which points toward local rather than regional or national constraints on development.

Study Takeaway and Policy Relevance

The data provides a clear picture that Las Vegas is in the midst of a significant decline in residential permitting, as indicated by BPS data. It is not keeping up with similarly sized MSAs in the Western U.S., nor is it keeping up with other large MSAs across the United States. Naturally, one may ask why this is the case and that becomes a more complicated story as there are several interrelated factors that all contribute to the underbuilding happening in the greater Las Vegas area. The first is the high cost of land, which limits both the type of projects that can succeed and the intensity with which land can be developed. As land is one of the fundamental inputs into construction, developers faced with high land costs will necessarily have to limit the type of projects on the land in order to achieve a profit on the development. This can lead to underbuilding, especially in places like Las Vegas, where a persistent land supply issue is exacerbated by federal ownership of well over 80% of the land within the MSA. The slow process of federal land disposal coupled with high demand for land pushes up land costs, feeding into reduced development despite rising housing demand.

An additional factor that can impact the number of building permits is regulatory hurdles at the local level, including zoning and permitting-related issues. Misaligned zoning on a parcel or the process of requesting a zoning variance can raise costs and constrain the type of building activity. Delays in permit issuance can also contribute to increased construction costs, which may jeopardize not only existing projects but future ones as well.

From a policy perspective, some of these factors are outside the control of policymakers, notably the issues around federal land ownership and the federal land disposal process. However, meaningful changes in the regulatory environment are in the scope of local policymakers and can be used to encourage more residential housing development across the Las Vegas MSA.

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Cover Description

Aerial photograph of Cornerstone Park and surrounding environs in Henderson, NV taken by Aaron Mayes on March 23, 2016. Converted to black and white for this report. From UNLV Special Collections: http://tiny.cc/iw1b101

About the Lied Center for Real Estate

The Lied Center for Real Estate 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 Center strives to improve real estate business and effective public-policy practices in Southern Nevada. The center produces relevant and timely real estate market reports, supports educational programs in commercial real estate for students and professionals, and provides community outreach and continuing education.

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