LAS VEGAS, NV
MULTIFAMILY REPORT

2024 | MID-YEAR

BERKADIA

Jobs Added / Lost*

LAST 12 MONTHS

43,100

3.9%

Unemployment*

JUNE 2024

5.3%

0 BPS YOY

**Seasonally Adjusted*

LAS VEGAS, NV

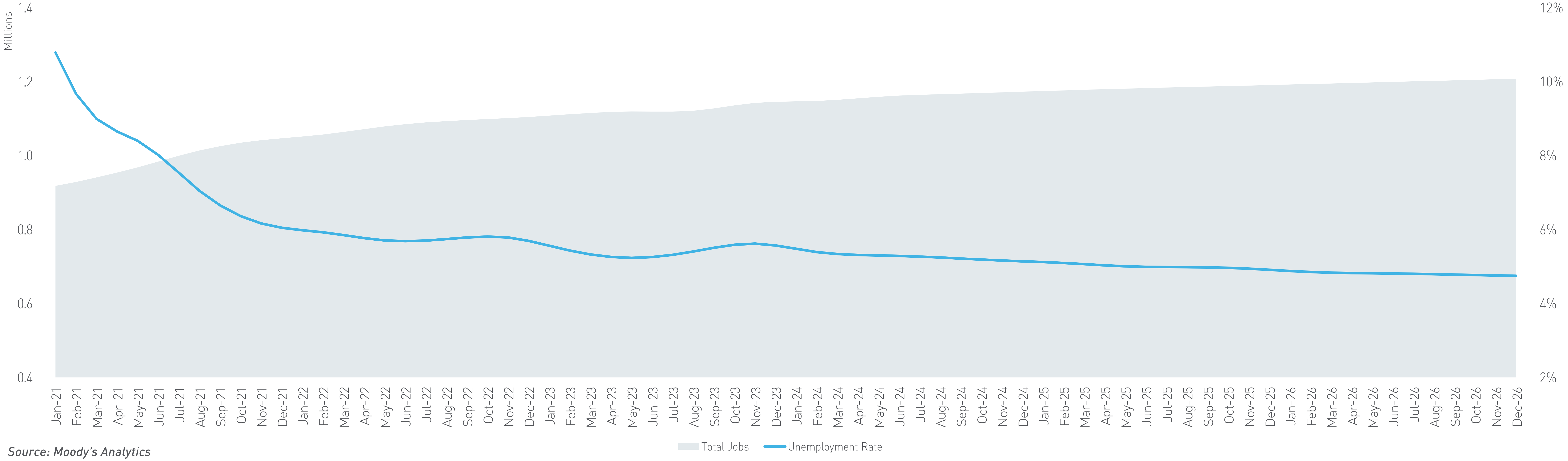
EMPLOYMENT

In the past year, the Las Vegas metro's employment increased 3.9%, outpacing the national average. The Las Vegas economy is heavily influenced by the leisure and hospitality sector. With an additional 13,900 net jobs added to the sector year over year, leisure and hospitality reigns as the largest employment sector in the market and is fueled by tourism and the opening of a new resort. In December 2023, the $3.2 billion Fontainebleau Las Vegas became the newest hotel on The Strip and hired upwards of 6,000 new employees. Furthermore, 40.8 million people visited Las Vegas in 2023, a 5.2% increase from 2022. Meanwhile, casinos on The Strip reported a record $8.9 billion in revenues, accounting for 58.6% of gaming revenue from the state of Nevada. Hosting a Formula One Grand Prix and Super Bowl LVIII over the past year, Las Vegas resort operators saw record average daily rates. Specifically, during the Super Bowl in February, hotel rates were up by 227%, compared to the same weekend one year prior. Beyond these major events, visitors are still flocking to Las Vegas. In May 2024, Las Vegas led the top 25 U.S. markets for event volume growth. Technology events such as the Electronics Distributor Show at Resorts World and International Council of Shopping Centers meeting drove event volume up by 18.5% annually, beating out Oahu Island, Hawaii.

In the News

- Apex Industrial Park creating hundreds of new jobs
- Workers eager to fill 3,000 Las Vegas jobs
- Smith's seeking hires at new North Las Vegas Distribution Center

Employment Trends



Source: Moody's Analytics

2024 YEAR TO DATE

DELIVERIES
3,457 UNITS

ABSORPTION
5,297 UNITS

2024 TOTAL*

DELIVERIES
6,087 UNITS

ABSORPTION
8,697 UNITS

*Projected

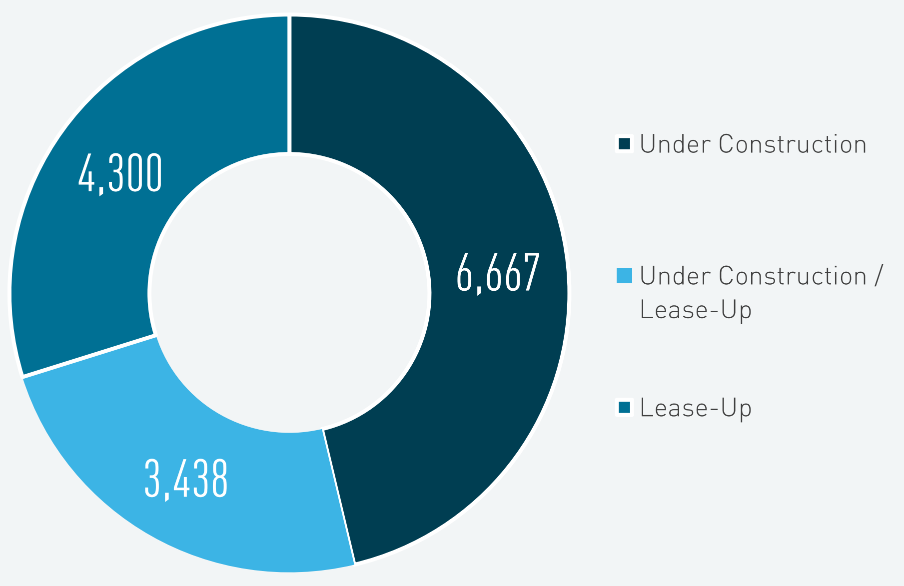
LAS VEGAS, NV
DELIVERIES & ABSORPTION

Las Vegas is on pace to have a record-breaking year in multifamily supply and demand. Las Vegas's 2024 projected deliveries and absorption are on track to outperform 2023 significantly. By the end of the year, the market is forecast to have nearly 8,697 net move-ins, compared to 1,044 from one year prior. Net absorption was strong in the first two quarters of 2024. Nearly 5,300 net units have been absorbed, outpacing the 3,457 units delivered during the first half of 2024. The 6,087 units projected to come online this year will set a record and is the most inventory that has hit the market in the past decade and is nearly double the number of new units from 2021, the previous record year. The last time the Las Vegas metro had an increase in inventory growth similar to this was in the late 1990's. The heightened demand can be attributed to strong in-migration driven by relocators, specifically from California. Roughly 35% of people exchanging their out-of-state drivers' licenses for local licenses in Clark County are former California residents. Former Californians are attracted to Las Vegas's unique combination of affordability and vacation-like living. Las Vegas offers residents Micheline-Starred restaurant experience, designer shopping, and pristine golf courses while boasting an effective rent less expensive than markets in the neighboring state of California.

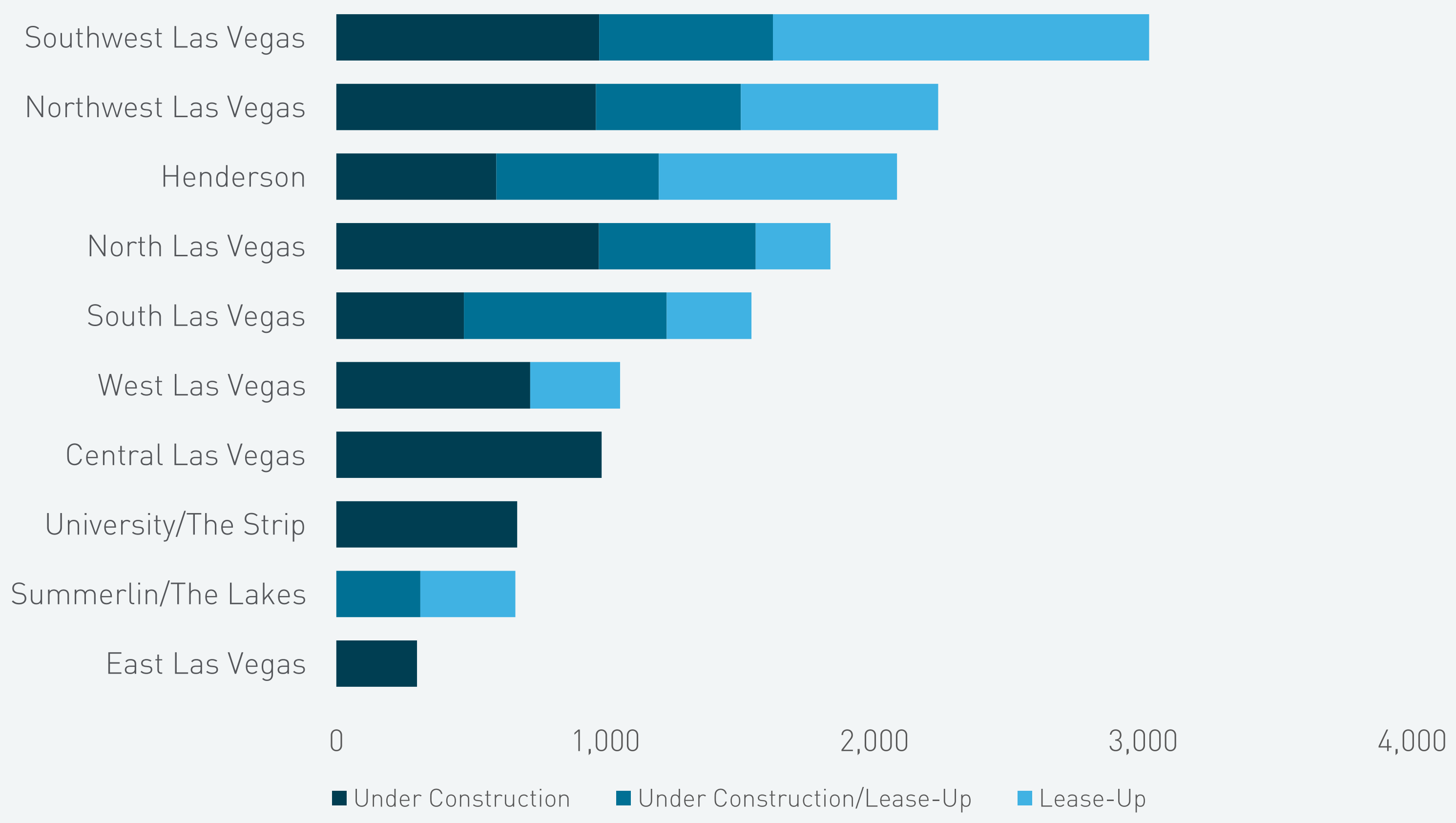
Deliveries, Absorption, & Effective Rent Change

Source: RealPage

Market Pipeline



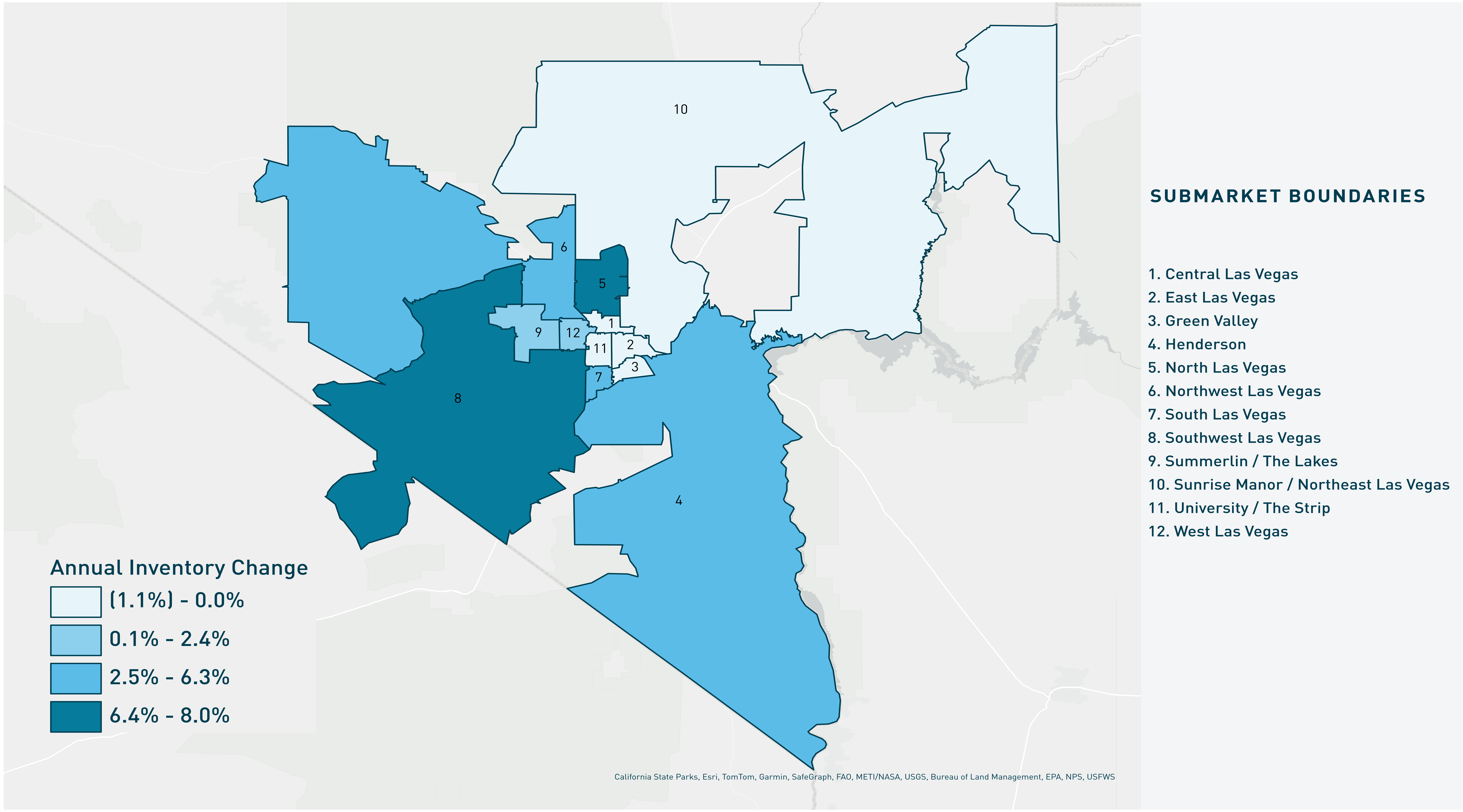
Top Submarket Pipelines



LAS VEGAS, NV

SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE

Apartment developers are targeting the outer ring of the Las Vegas metro to keep up with demand. Placed farther out from the Strip and the tourist commotion of Las Vegas, these submarkets offer a more residential, community-oriented lifestyle to tenants. The Southwest Las Vegas submarket had the most inventory growth since the beginning of the year. With 1,016 units delivered in the submarket, more units were added in the first two quarters of 2024 than the number of units delivered in 2023. Perimeter submarkets such as Southwest Las Vegas, Northwest Las Vegas, and Henderson have been development hotspots. Together, the three submarkets are set to deliver over half of the total projected units for the market by year end. Looking ahead, development will persist in Southwest Las Vegas with 1,600 units and Northwest Las Vegas with 1,504 units.



Effective Rent

Q2 2024

$1,479

0.3% YOY

Occupancy

Q2 2024

93.5%

30 BPS YOY

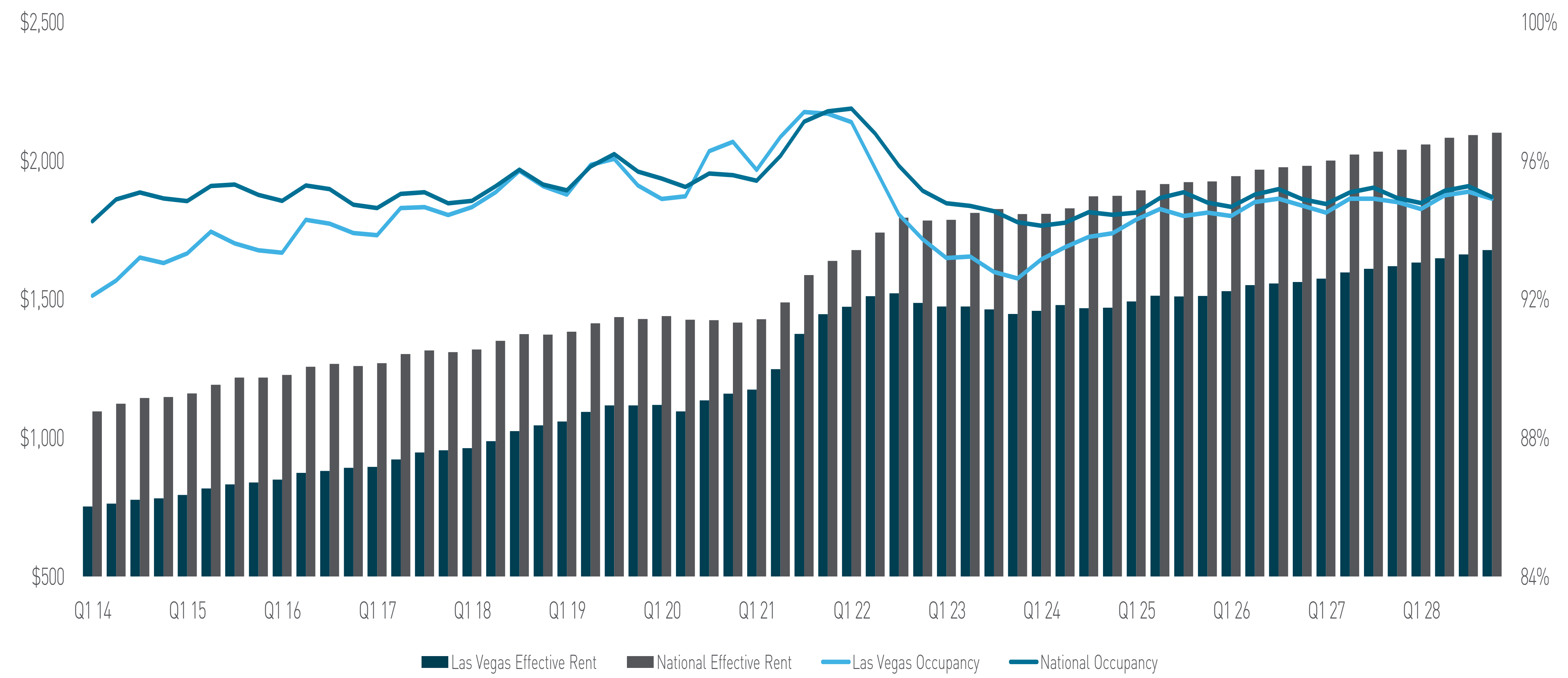
LAS VEGAS, NV

RENT & OCCUPANCY

The uptick in demand during the first half of this year contributed to a 0.3% annual increase in effective rent to $1,479 per month the second quarter of 2024. Las Vegas boasts one of the most affordable effective rents in the country, resting safely below the national average of $1,893. This will give operators leeway to continue to the positive trajectory as rent is forecast to reach $1,492 per month by the fourth quarter, representing a 3.1% growth year over year. The low rent prices are very attractive to residents migrating from Southern California. With San Diego, Orange County, and Los Angeles supporting rents above $2,700 per month, relocators are potentially saving over $1,000 a month when they move to Las Vegas.

Meanwhile, average occupancy rose 30 basis points from one year prior and was at 93.5% during the second quarter of 2024. With demand outpacing the number of units coming online in the metro, occupancy is projected to continue to increase. By the end of the year, occupancy is predicted to be 93.9%, the highest occupancy rate Las Vegas has seen since the fourth quarter of 2024. This trend will continue into 2025 as occupancy is predicted to reach 94.6% by the second quarter of 2025, despite the surge of inventory coming online in 2024.

Las Vegas vs. National Effective Rent & Occupancy



Source: RealPage

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

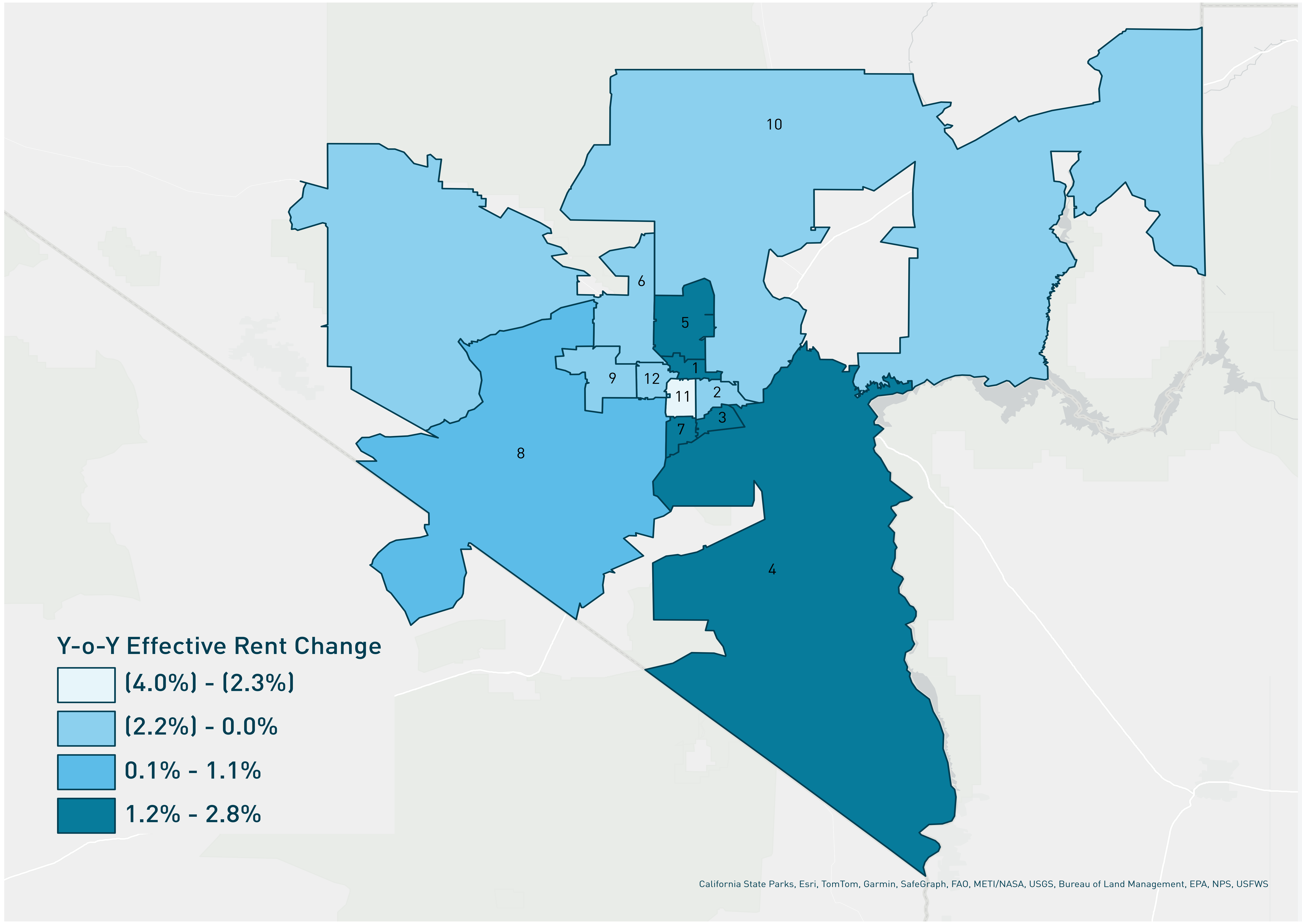
Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	YOY (BPS)	Q2 2024 EFFECTIVE RENT	YOY
Central Las Vegas	94.4%	-40	$1,242	1.2%
East Las Vegas	92.9%	0	$1,308	-0.3%
Green Valley	94.3%	70	$1,582	1.6%
Henderson	93.7%	-10	$1,677	2.8%
North Las Vegas	92.7%	110	$1,514	1.5%
Northwest Las Vegas	93.0%	40	$1,514	0.0%
South Las Vegas	95.1%	150	$1,647	2.0%
Southwest Las Vegas	94.0%	60	$1,704	0.9%
Summerlin/The Lakes	93.1%	10	$1,692	-1.3%
Sunrise Manor/Northeast Las Vegas	92.5%	50	$1,259	-1.3%
University/The Strip	93.3%	-60	$1,210	-4.0%
West Las Vegas	93.5%	20	$1,332	-0.7%

With submarkets outside the urban core of Las Vegas being in high demand, effective rent increased the most in Henderson over the past year. During the second quarter of 2024, monthly effective rent in the Henderson submarket was $1,677, rising 2.8% annually. Neighboring submarket, South Las Vegas saw the second-highest increase in effective rent, up 2.0% to $1,647 per month. The imbalance between demand and inventory in Henderson and South Las Vegas pressured effective rent to rise, despite having two of the highest effective rents compared to other submarkets in the metro. The demand in the Henderson area is underpinned by the diverse job opportunities. Major employers such as Barclays, Amazon, the Las Vegas Raiders, and multiple hospitals all are based in Henderson, offering jobs to residents in other business sectors besides leisure and hospitality within the Las Vegas market. the Las Vegas market.

LAS VEGAS, NV

SUBMARKET MID-YEAR 2024 ANNUAL RENT CHANGE



SUBMARKET BOUNDARIES

1. Central Las Vegas
2. East Las Vegas
3. Green Valley
4. Henderson
5. North Las Vegas
6. Northwest Las Vegas
7. South Las Vegas
8. Southwest Las Vegas
9. Summerlin / The Lakes
10. Sunrise Manor / Northeast Las Vegas
11. University / The Strip
12. West Las Vegas

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Sources: RealPage; Moody's Analytics; Real Capital Analytics