

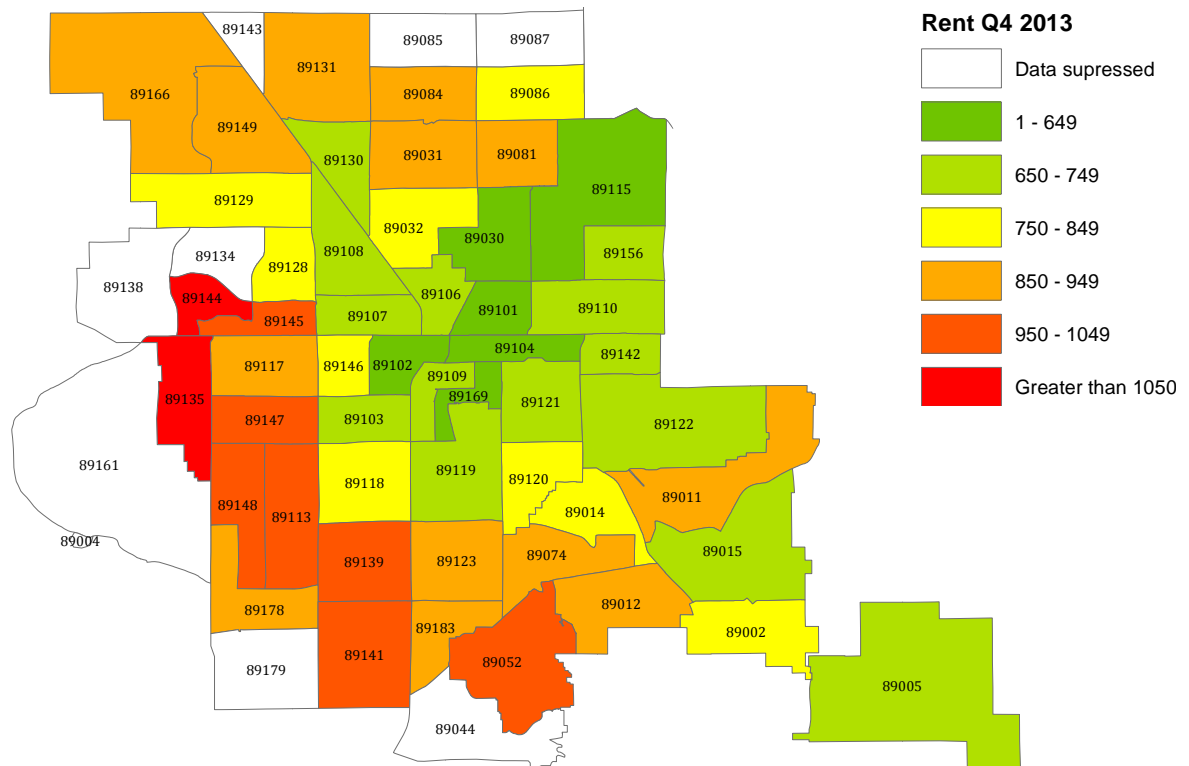
Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

Apartment Market Trends in 4th Quarter 2013

According to data from the apartment survey administered by the Center of Business and Economic Research (CBER), vacancy rates in the Las Vegas Valley fell to 8.72 percent. This is an 11.22 percent drop year-over-year. It is also a level not seen since early 2008. The Valley now holds an estimated 14,786 vacant apartment units. That is the number of units property managers reported vacant at the end of the quarter. Across the Valley, the greatest drops in vacancies quarter-to-quarter were in the Northern area. The Southwest area, on the other hand, kept similar to the previous quarter with vacancy rates ranging between 6 percent and 14 percent from one zip code to another.

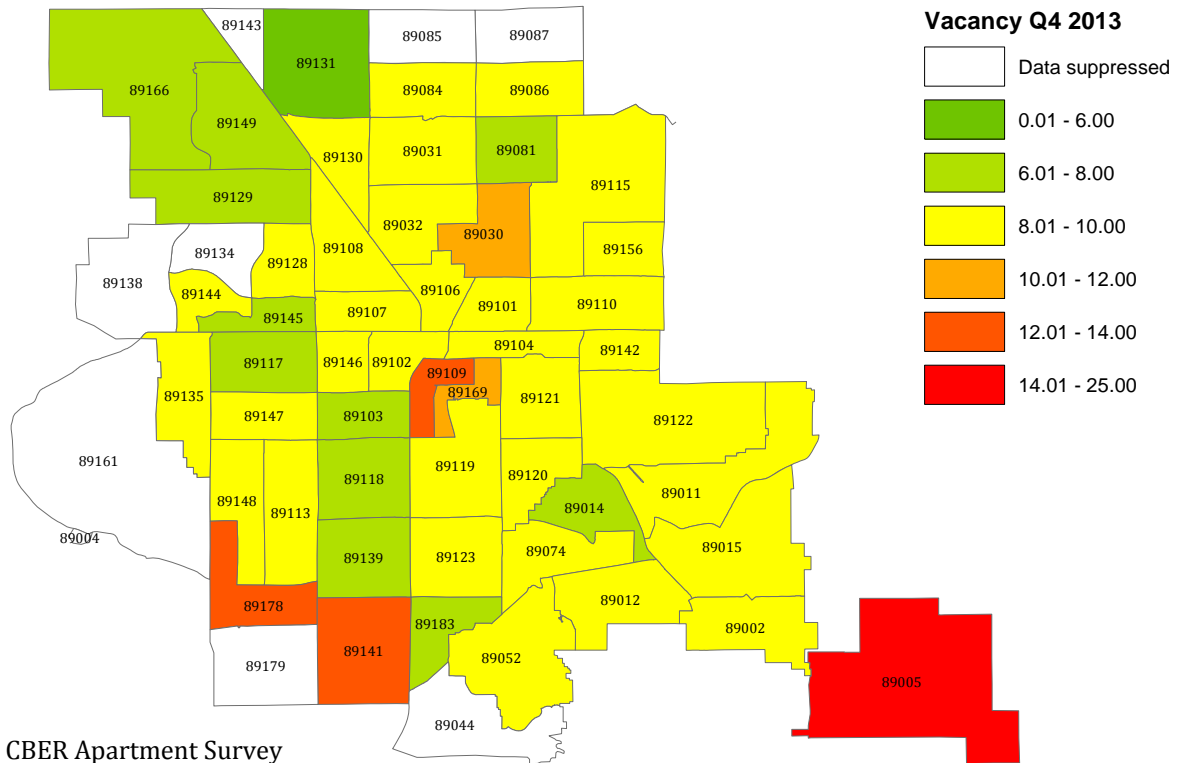
Figure 1: Apartment Rental Rates in Las Vegas*



*Figure based on CBER Apartment Survey

The average rental rate this quarter \$758.29 did not change meaningfully since last quarter. By keeping constant as vacancies declined, the expected rental returns for the average stakeholder increased. This sets a positive pace for these stakeholders and could encourage further investment in the apartment market. The highest rental rates circumscribe the Southwest edges with rental rates exceeding an average of \$850. The lowest rental rates describe the older region of the Valley with average rental rates between \$600 and \$749.

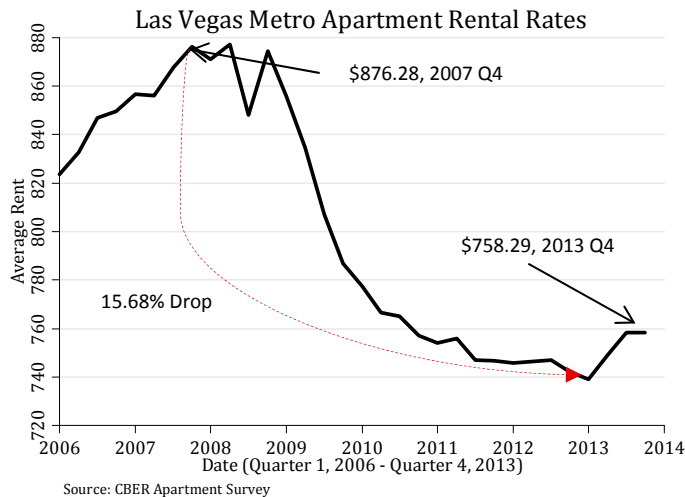
Figure 2: Apartment Vacancy Rates in Las Vegas*



*Figure based on CBER Apartment Survey

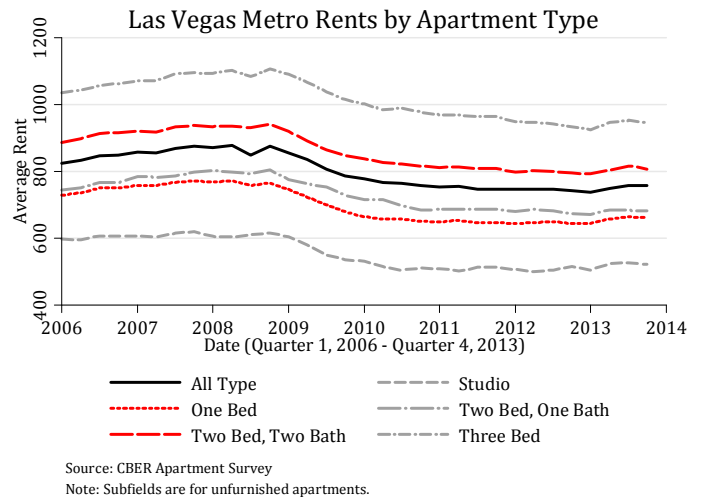
However, by apartment type (units with one, two, or three bedrooms) rental rates appear to have fallen, but only slightly. Units with two bedrooms, for example, experienced marginal drops in asking rent. Last quarter an unfurnished unit with two bedrooms and two baths on average would rent for \$817 per month. For the fourth quarter of 2013, this same unit rents for \$807 per month on average – representing a drop of 1.24 percent. Other unit types held larger drops, but they can be attributed to sampling error from small sample sizes.

Figure 3



Source: CBER Apartment Survey

Figure 4



Source: CBER Apartment Survey
Note: Subfields are for unfurnished apartments.

Figure 5

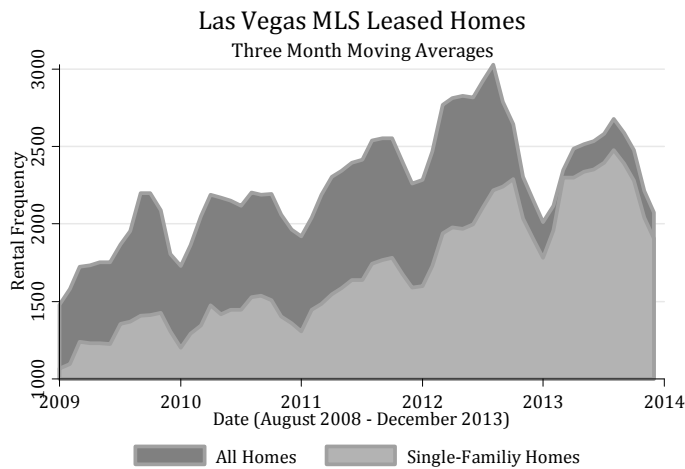
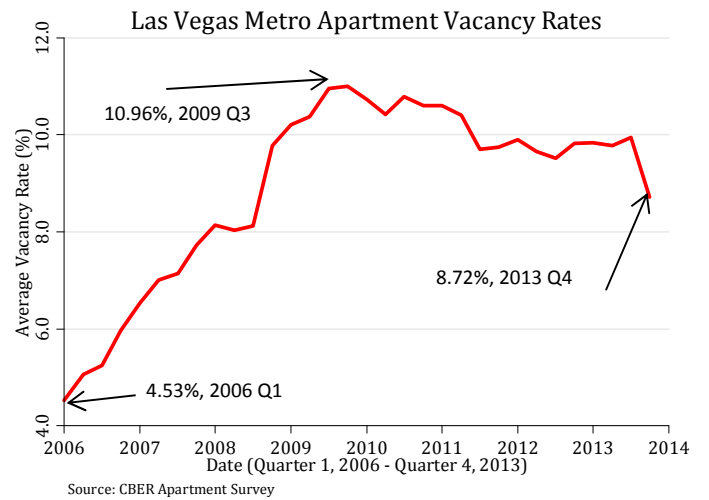


Figure 6



While owners of apartment complexes often hire onsite property managers, individual investors can be found competing for tenants with the help of real estate agents. They use a multiple listing service (MLS) that advertises homes for rent or sale on an efficient agent-client network. Notably, leasing activity through the MLS decreased for a second consecutive quarter to 2,073 leases. This decline correlates with the winter seasonality, which needs to be accounted for when determining the trend. In any given year, most leases often realize during the summer. Thus, compared to last year, the decline is 3.72 percent.

-Luis A. Lopez, 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	.	.	.	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	.	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	641	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.

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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