

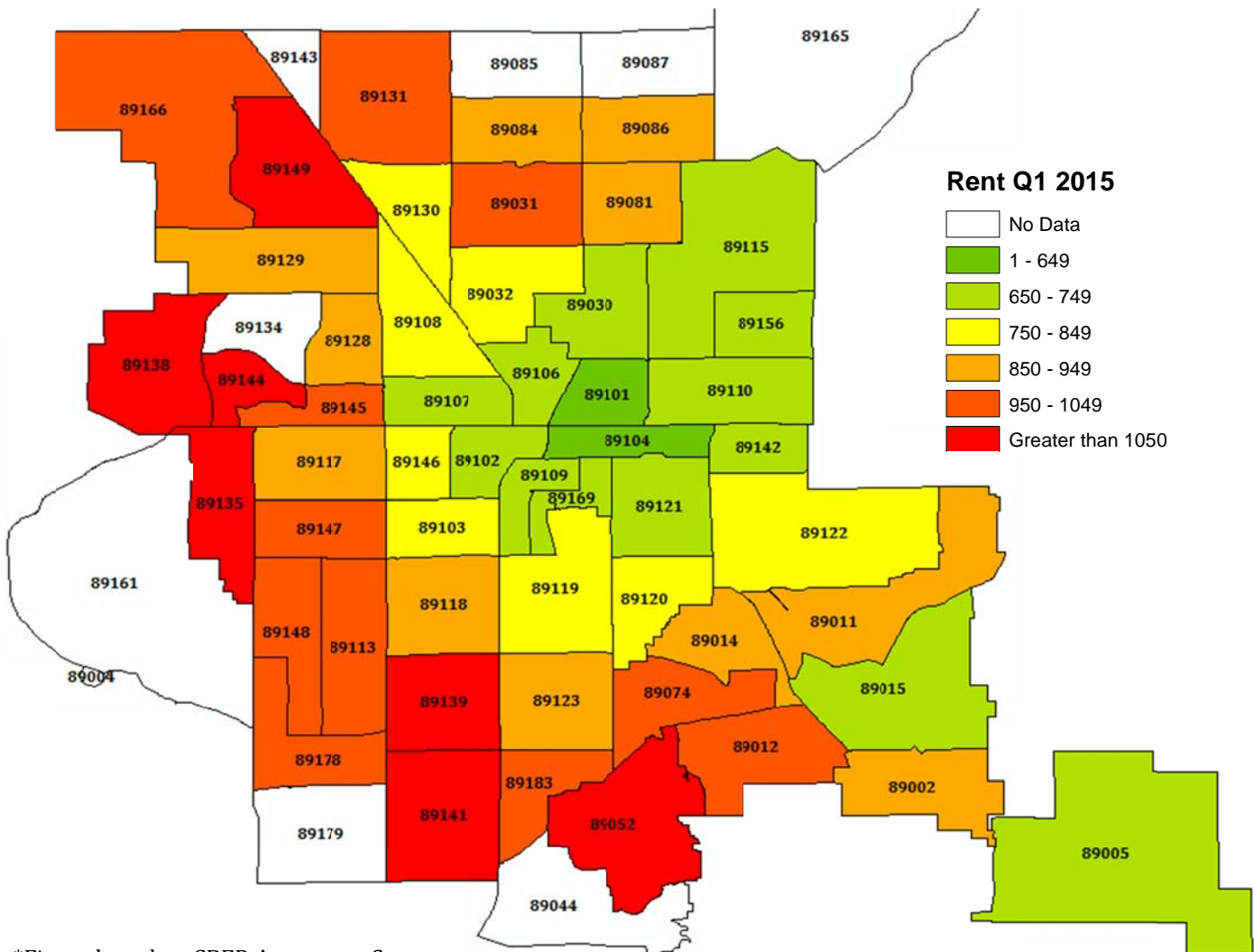
Lied Institute Report on Apartment Market Trends

featuring data from the Center for Business and Economic Research

Apartment Market Trends in 1st Quarter 2015

The Las Vegas apartment market saw an increase in both asking rents and the vacancy rate this quarter, according to data from our apartment survey, collected by the Center for Business and Economic Research (CBER). Asking rents increased by two percent this quarter and the average asking rent is now \$815. Asking rents are up 7 percent on a year over year basis. Still, average asking rents in Las Vegas remain 7 percent lower than their peak in 2007 (\$876). After seeing a large decrease in the vacancy rate in 2014Q4, the vacancy rate increased back to 9.2 percent this quarter. The vacancy rate is down 0.5 percentage points on a year over year basis, but remains 4.7 percentage points higher than its bottom in 2006Q1.

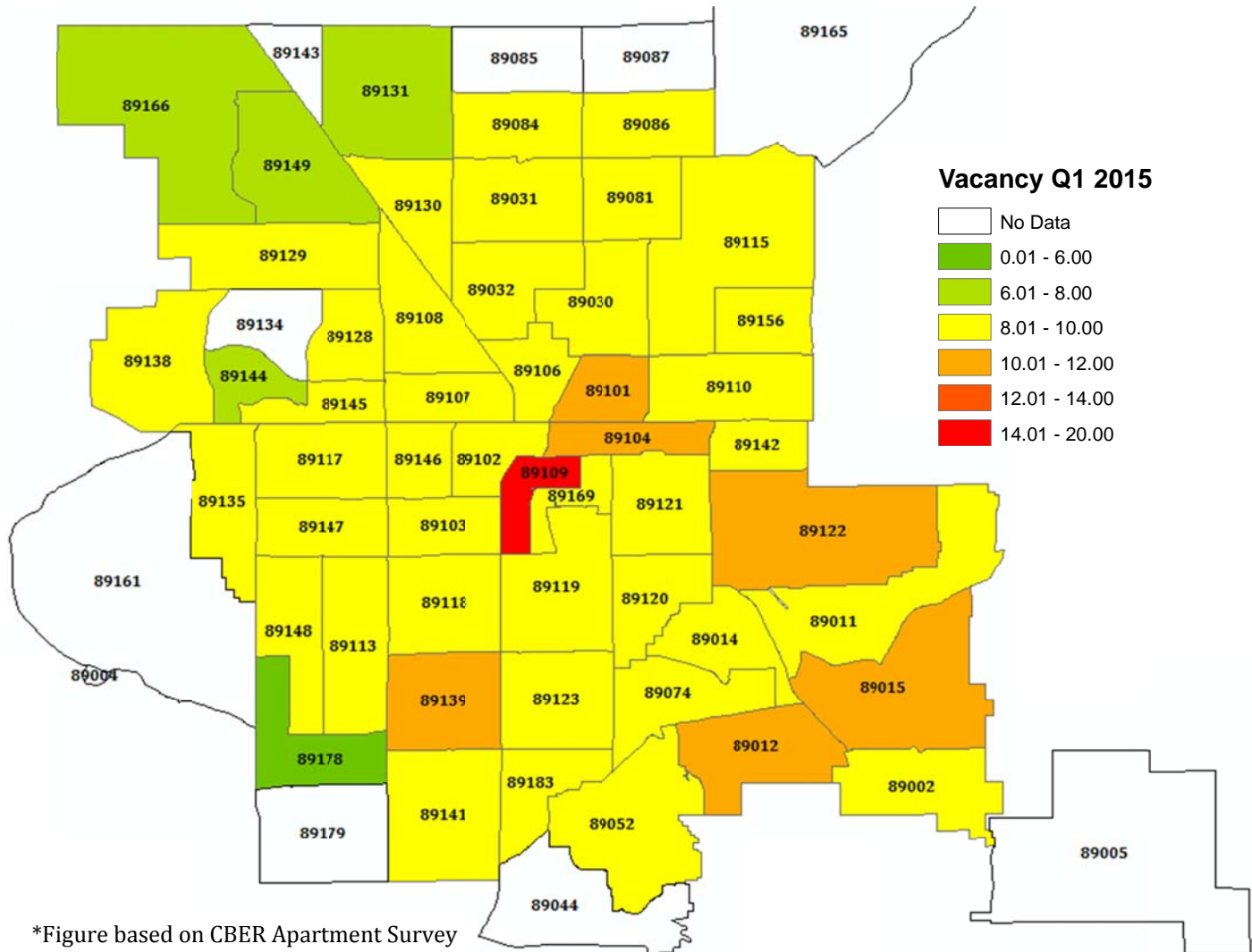
Figure 1: Apartment Rental Rates in Las Vegas*



*Figure based on CBER Apartment Survey

The Las Vegas metropolitan area saw a wide range of changes in asking rents this quarter. On one end, zipcodes on the east side, which typically have lower asking rents, saw rents increase by over \$20 this quarter. On the other end, the zip codes that had the highest asking rent last quarter, the 89138 and 89144 zip codes, both saw asking rents decrease by about \$40 this quarter. The most considerable increase came in the 89149 zip code where the average asking rent increased by \$101(11 percent). The most considerable decrease came from the 89011 zip code where the average asking rent decreased by \$80 (8 percent).

Figure 2: Apartment Vacancy Rates in Las Vegas*



All but seven zip codes saw an increase in the vacancy rate this quarter and the overall vacancy rate in the Las Vegas metropolitan area increased by 0.9 percentage points. The most notable increases came from the central area where most zip codes saw an increase in the vacancy rate of about 2 percentage points. The 89109 zip code, the strip area, saw a 2 percentage point increase in the vacancy rate and now has a vacancy rate of 15.7 percent – 4 percentage points higher than anywhere else in the Las Vegas Metropolitan area. The largest increase in the vacancy rate came from the 89139 zip code where the vacancy rate increased by 3 percentage points. The only notable decreases in vacancy rates came from the 89031 and 89131 zip codes, where the vacancy rate decreased by about 2 percent.

One bedroom apartments saw the most considerable increase in asking rents this quarter. Furnished one bedroom apartments saw an increase of \$18(2.6 percent) in the asking rent. Unfurnished one bedroom apartments saw an increase of \$16(2.3 percent). Furnished studios, which recently had the most robust growth, saw the largest decrease in asking rent this quarter with a decrease of \$14(2.3 percent). Furnished two bedroom two bathroom apartments are the only apartment type to have a decrease in the asking rent on a year over year basis.

Figure 3

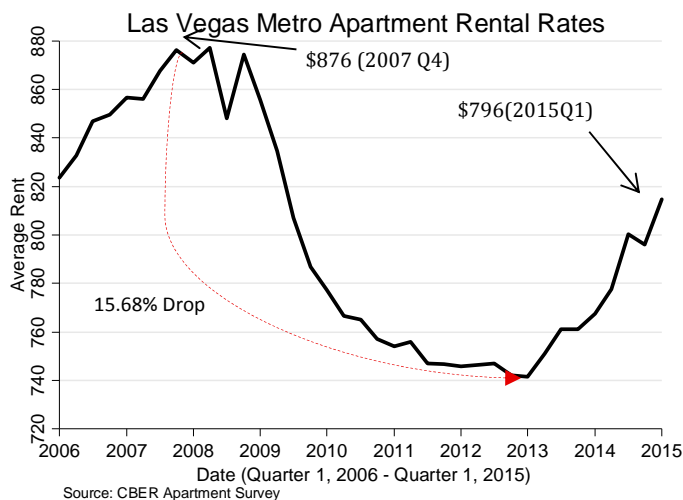


Figure 4

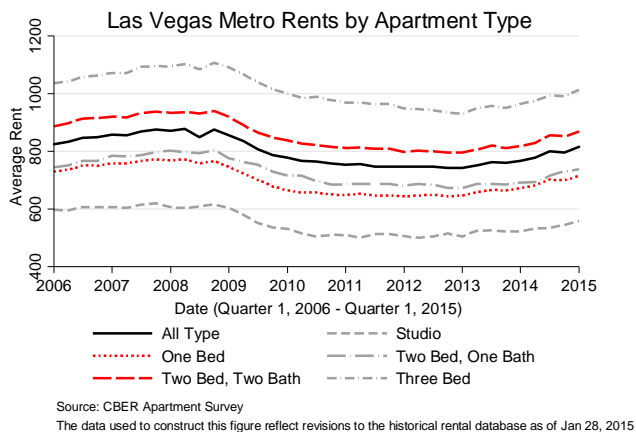


Figure 5

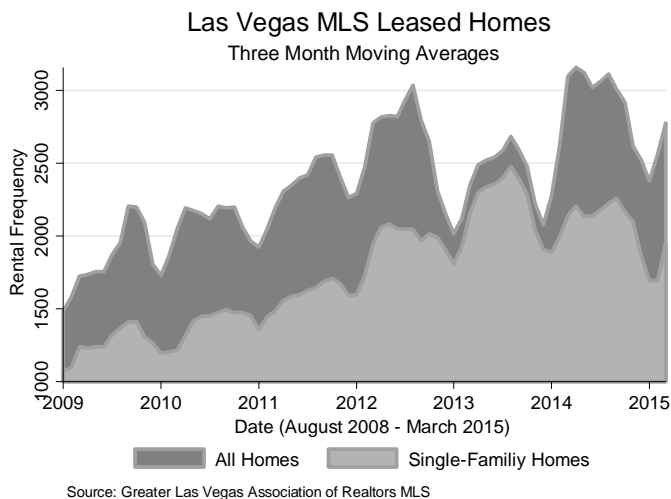
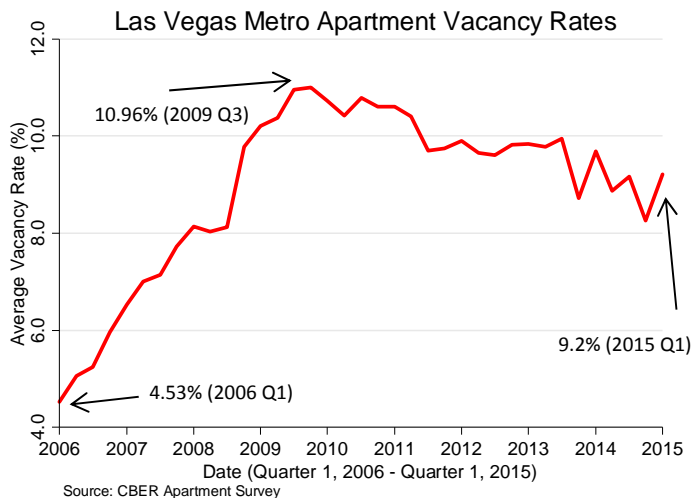


Figure 6



Apartment complexes, to a certain extent, compete with individually owned units, which mostly consist of single family homes, townhomes, and condominiums. MLS rental leases, a proxy for this competition, typically start picking up towards the end of the first quarter and there was a three month moving average of 2,774 leases in March 2015 – 10 percent more than the end of last quarter. However, MLS leases are down 319 leases(10 percent) on a year over year basis.

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	.	.	.	738	.	760	.	896	.	1087	857	9.3%	785	73
89005	.	.	.	650	.	.	.	750	.	.	700	0.0%	34	0
89011	.	.	.	775	.	867	.	902	.	1000	885	9.1%	1008	92
89012	.	.	.	935	.	945	.	981	.	1198	963	11.2%	2477	277
89014	.	635	.	751	.	829	.	901	.	1054	878	9.0%	6180	555
89015	.	.	.	617	.	687	.	793	.	896	742	10.4%	2054	213
89030	.	.	.	567	642	598	.	694	.	803	685	9.1%	2106	193
89031	867	.	1063	971	10.0%	970	97
89032	.	660	.	718	.	.	.	862	.	944	840	8.5%	2159	185
89052	.	.	.	903	.	1053	.	1117	.	1319	1065	9.3%	4041	376
89074	.	.	.	839	.	.	.	1008	.	1178	970	9.5%	3269	309
89081	.	.	.	764	.	885	.	897	.	1026	898	8.9%	1855	165
89084	.	.	.	742	.	865	.	1023	.	1078	925	8.3%	1008	83
89101	600	490	666	567	.	663	820	679	.	774	604	10.2%	4635	473
89102	.	555	535	601	.	650	.	747	.	807	667	9.1%	7273	660
89103	.	609	.	671	.	723	795	810	.	898	754	8.9%	8608	769
89104	395	495	450	556	.	653	.	667	.	781	616	11.2%	3906	436
89106	719	450	804	590	.	618	.	715	.	837	690	8.3%	1873	155
89107	.	558	.	630	.	646	.	756	.	960	705	9.1%	2076	188
89108	.	546	.	668	.	664	.	794	.	750	759	9.4%	7411	699
89109	550	548	.	683	.	568	.	851	.	799	725	15.7%	725	114
89110	.	.	.	585	.	653	.	704	.	1215	685	8.9%	3250	288
89113	.	.	.	833	.	.	.	962	.	.	958	9.1%	837	76
89115	553	470	709	568	.	628	.	672	.	782	663	9.5%	5734	545
89117	.	.	.	829	.	975	.	962	.	1109	946	8.2%	8133	671
89118	.	585	.	763	.	753	.	933	.	1054	861	8.0%	2189	176
89119	604	511	733	675	.	658	.	828	.	990	753	9.2%	10131	931
89120	.	620	.	686	.	781	.	827	.	931	787	8.2%	1973	161
89121	.	551	861	625	.	703	.	745	.	834	714	9.0%	7287	659
89122	580	479	676	682	956	770	.	799	.	934	770	11.1%	4274	474
89123	.	640	.	798	.	1105	.	972	.	1142	941	8.7%	3843	336
89128	.	.	.	737	.	.	.	870	.	1029	881	9.3%	2694	251
89129	.	723	.	752	.	1020	899	892	.	1076	872	9.0%	2421	217
89130	.	.	.	698	.	.	.	769	.	950	809	9.1%	1125	102
89131	.	.	.	755	.	.	.	945	.	1165	955	6.3%	272	17
89135	.	.	.	992	.	.	.	1156	.	1384	1157	9.3%	849	79
89138	.	.	.	1252	.	1235	.	1294	.	1480	1315	9.2%	272	25
89139	.	.	.	902	.	1005	.	1095	.	1228	1062	11.4%	1705	194
89141	.	.	.	1041	.	973	.	1251	.	1431	1212	9.4%	595	56
89142	.	.	.	640	.	668	.	730	.	874	728	8.1%	1744	141
89144	.	.	.	933	.	.	.	1088	.	1271	1128	8.0%	795	63
89145	.	.	.	899	.	825	.	1021	.	1202	1034	8.7%	686	60
89146	.	535	.	678	.	644	.	812	.	995	802	9.6%	2738	263
89147	.	.	.	820	.	835	.	971	.	1087	964	9.0%	3632	327
89148	.	.	.	864	.	980	.	997	.	1106	966	8.5%	2646	225
89149	.	790	.	961	.	1021	.	1128	.	1483	1059	7.9%	1268	101
89156	.	.	.	643	.	.	.	751	.	972	730	8.7%	728	63
89166	.	.	.	823	.	968	.	1069	.	1180	982	7.3%	1484	108
89169	605	542	699	578	.	673	.	744	.	923	672	8.9%	5751	512
89178	.	.	.	913	.	886	.	1065	.	.	953	5.0%	539	27
89183	.	.	.	880	.	905	.	1051	.	1203	1002	9.1%	2494	227
METRO LV	593	559	702	715	900	737	826	868	1013	815	9.2%	146918	13518	

"." 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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