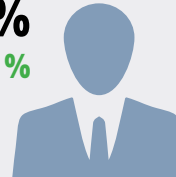


## LAS VEGAS MSA | MULTIFAMILY | Q2 2023 REPORT

LAS VEGAS MSA OVERVIEW	01
MULTIFAMILY PROPERTY ANALYSIS: 100+ & 10-99 UNITS	02
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2,353,099  **POPULATION**  
JUNE 2023\*

5.6%  
-0.1%



**UNEMPLOYMENT**  
Q-Q AS OF JUNE 2023\*

4.6%



**EMPLOYMENT GROWTH**  
Y-O-Y AS OF JUNE 2023\*

**10+ UNIT PROPERTIES**    Q2 2023    INCREASE/DECREASE    Q2 2022

**Total Sales Volume**    \$147M    -88.0%    \$1.23B

**Price/Unit**    \$169,071    -26.7%    \$230,775

**Price/SF**    \$277.34    -0.3%    \$278.31

**Year Built**    1984    +1 Yr    1983

**Average Rent**    \$1,484    -1.7%    \$1,509

**Occupancy Rate**    93.6%    -2.2%    95.8%

**Units Delivered**    306    +56.9%    195

\$68,171



**MEDIAN HH INCOME**  
JUNE 2023\*

\$61,016



**GDP PER CAPITA**  
JUNE 2023\*

10,837  
Units (50+)



**UNDER CONSTRUCTION**  
YARDI

231,012  
Units (10+)

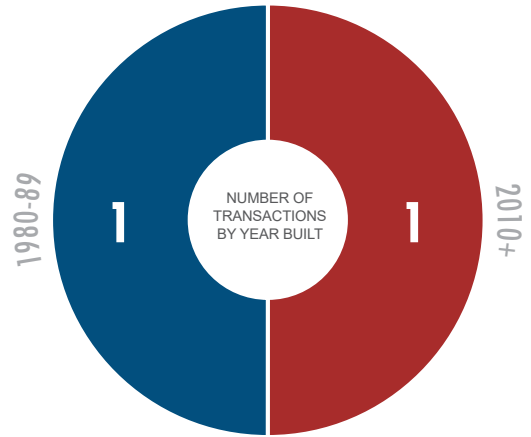


**TOTAL INVENTORY**  
ABI RESEARCH, COSTAR; YARDI

\* Forecasted

# 100+ UNIT MULTIFAMILY PROPERTY ANALYSIS

	Q2 2023	INCREASE/DECREASE	Q2 2022
<b>Total Sales Volume</b>	<b>\$129M</b>	<b>-89.0%</b>	<b>\$1.17B</b>
<b>AVERAGE Price/Unit</b>	<b>\$176,712</b>	<b>-26.2%</b>	<b>\$239,360</b>
<b>Price/SF</b>	<b>\$299.06</b>	<b>+2.5%</b>	<b>\$291.72</b>
<b>Year Built</b>	<b>1997</b>	<b>+8 Yrs</b>	<b>1989</b>



## TOP 3 TRANSACTIONS BY PRICE/UNIT (100+)



**The Michael B Townhomes and Flats**  
Las Vegas, 252 Units | \$67,000,000  
\$265,873/unit | \$274.56/SF | Built 2010



**Ridge on Charleston**  
Las Vegas, 478 Units | \$62,000,000  
\$129,707/unit | \$330.97/SF | Built 1984

--  
--  
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## Q2 2023 Transactions by Year Built

	# of Transactions	Avg Price/Unit	Avg Price/SF
<b>2010+</b>	<b>1</b>	<b>\$266K</b>	<b>\$275</b>
<b>2000-09</b>	--	--	--
<b>1990-99</b>	--	--	--
<b>1980-89</b>	<b>1</b>	<b>\$130K</b>	<b>\$331</b>
<b>Pre-1980</b>	--	--	--

# 10 - 99 UNIT MULTIFAMILY PROPERTY ANALYSIS

	Q2 2023	INCREASE/DECREASE	Q2 2022
<b>Total Sales Volume</b>	<b>\$18M</b>	<b>-64.9%</b>	<b>\$52M</b>
<b>AVERAGE Price/Unit</b>	<b>\$129,789</b>	<b>+1.4%</b>	<b>\$128,043</b>
<b>Price/SF</b>	<b>\$183.87</b>	<b>+34.0%</b>	<b>\$137.22</b>
<b>Year Built</b>	<b>1979</b>	<b>+6 Yrs</b>	<b>1973</b>



## TOP 3 TRANSACTIONS BY PRICE/UNIT (10-99)



**Merlayne Villas**  
Henderson, 34 Units | \$4,890,000  
\$143,824/unit | \$147.11/SF | Built 1994



**Versailles**  
Las Vegas, 64 Units | \$8,360,000  
\$130,625/unit | \$224.54/SF | Built 1999

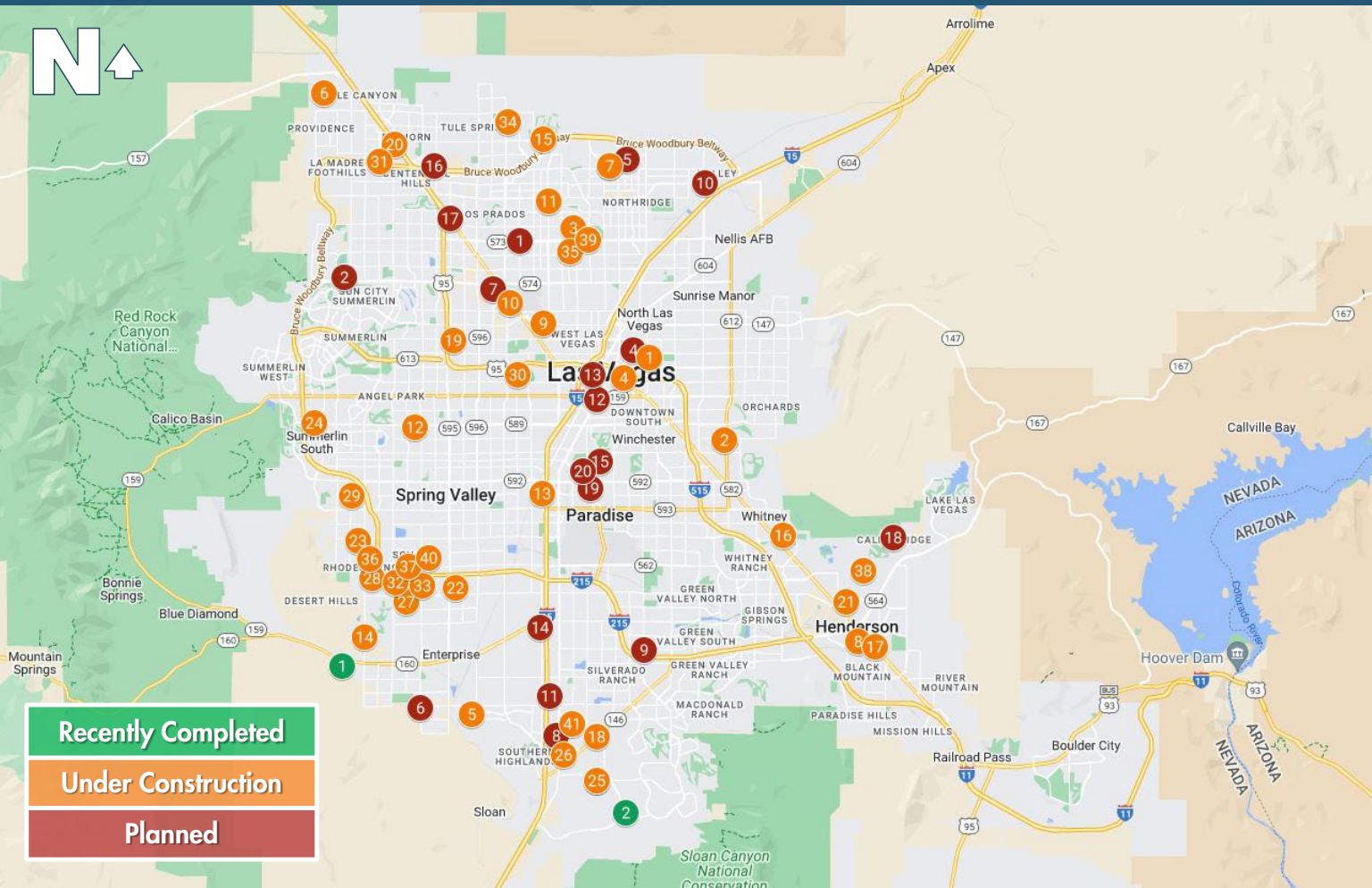


**Atlantic Apartments**  
Henderson, 14 Units | \$1,750,000  
\$125,000/unit | \$276.2/SF | Built 1980

## Q2 2023 Transactions by Year Built

	# of Transactions	Avg Price/Unit	Avg Price/SF
<b>2010+</b>	--	--	--
<b>2000-09</b>	--	--	--
<b>1990-99</b>	<b>2</b>	<b>\$135K</b>	<b>\$188</b>
<b>1980-89</b>	<b>1</b>	<b>\$125K</b>	<b>\$276</b>
<b>Pre-1980</b>	<b>2</b>	<b>\$114K</b>	<b>\$146</b>

# COMPLETED CONSTRUCTION



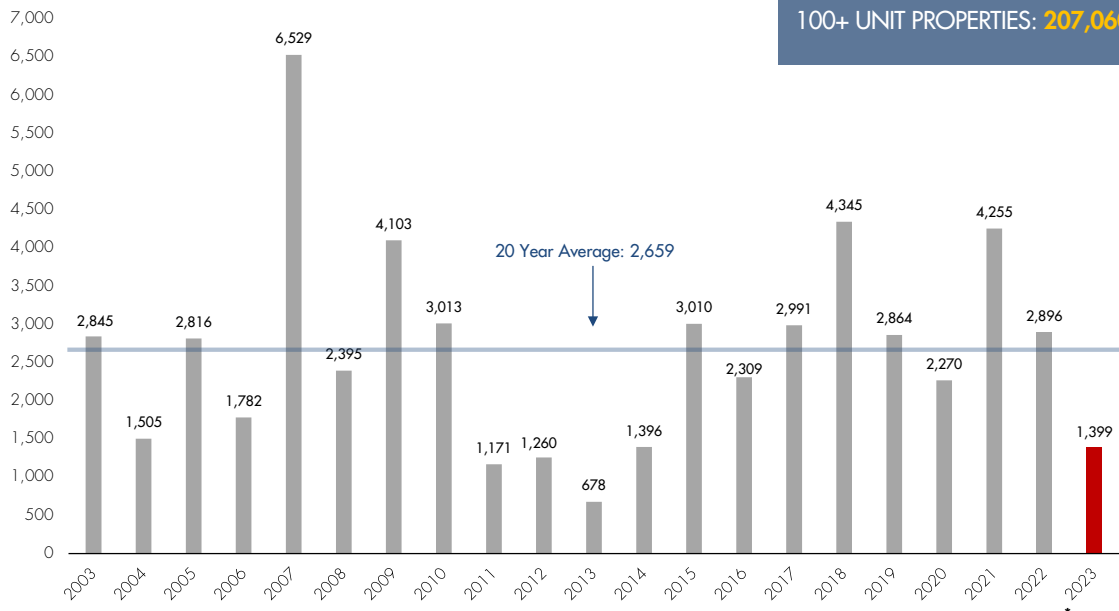
## LAS VEGAS MULTIFAMILY CONSTRUCTION PIPELINE Q2 2023

### TOTAL UNIT INVENTORY

10+ UNIT PROPERTIES: **231,012**  
100+ UNIT PROPERTIES: **207,060**

### PRE-LEASE ABSORPTION RATE

**16**  
Units/Property/Month  
(Q2 2023 Avg)



### RECENTLY COMPLETED

TOTAL # OF UNITS: **306**  
TOTAL # OF PROPERTIES: **2**

### UNDER CONSTRUCTION

TOTAL # OF UNITS: **10,837**  
TOTAL # OF PROPERTIES: **41**

### PLANNED

TOTAL # OF UNITS: **4,841**  
TOTAL # OF PROPERTIES: **21**

\* Project Units Delivered. Project units delivered is based on when the total project is completed, not as individual buildings/units are delivered

# LAS VEGAS & THE NATIONAL ECONOMY

In the face of a tightening lending environment and a series of bank collapses, the national economic landscape is experiencing increased caution among financial institutions when extending credit, heavily influencing the multifamily real estate market. The economy's inflationary pressures, including rising construction costs, have impacted consumer purchasing power and overall market dynamics, leading to fluctuations in property valuations and transaction volume within the multifamily real estate market.

The Federal Reserve has raised interest rates ten times since last March, bringing rates to the highest level in 16 years. These moves have had a real impact on easing price pressures, but they have also discouraged borrowing and slowed economic activity. Fed signaling indicates that we can expect one or two more rate hikes this year, before starting to reduce them in 2024. The overall market may take a while to normalize, but a promising

outlook emerges, indicating that the end of the most challenging market conditions may be just around the corner.

Amidst this shifting environment, the Las Vegas Metropolitan Statistical Area (MSA) has maintained promising economic momentum. With favorable demographic trends and substantial business investment, Las Vegas stands out as one of the country's fastest-growing metros by population and

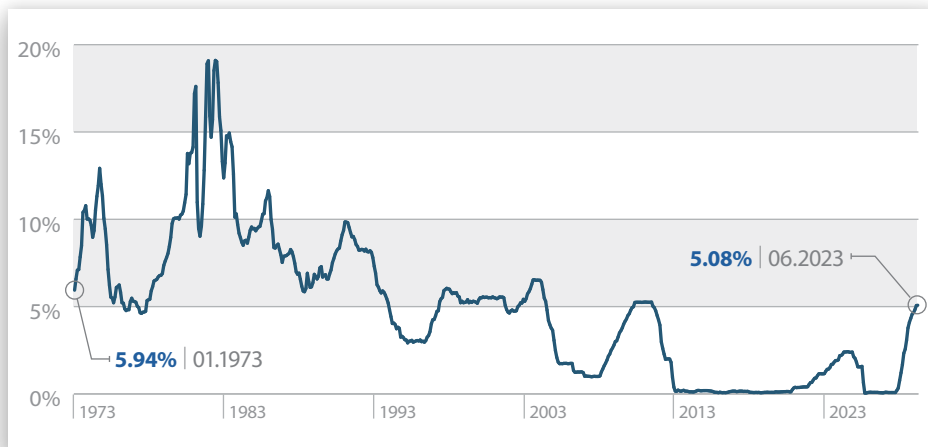
has attracted billions in new sporting and entertainment ventures, making it an enticing destination. Low home-ownership rates, and the need for housing due to large in-migration to the city, will provide ample opportunity for multifamily developers and investors.

However, Las Vegas has not been immune to the pressures of interest rate hikes and difficult market conditions, notching an 88% drop in multifamily transaction volume year-over-year. This follows the first quarter of the year which also saw an 88% transaction volume drop, leading to a combined \$2 billion less in activity this year through June. Nevertheless, this slowdown should be viewed as short-term headwinds amidst the larger picture of a dynamic and primed real estate landscape with strong fundamentals.



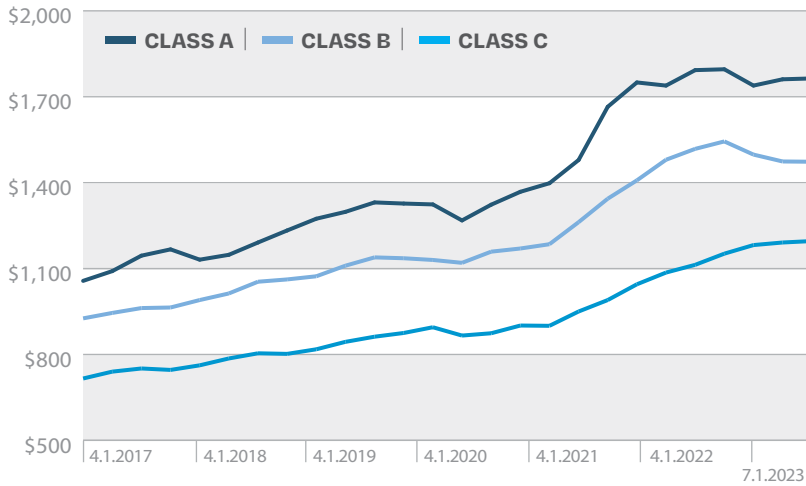
## NATIONAL CONSUMER PRICE INDEX (CPI-U)

- Annual inflation has dropped to 3.1% after reaching a peak of 8.9% last summer. This drop is a crucial indicator for the Federal Reserve to determine whether to decelerate or reverse course on rate hikes.
- 8.9% is the highest inflation rate the U.S. has seen in 40 years, and housing is playing a major role in that number. The Bureau of Labor Statistics estimates that shelter costs are accounting for over 70 percent of current inflation.



## NATIONAL FEDERAL FUNDS RATE/ INTEREST RATES

- Federal Reserve rate hikes have pushed the Federal Funds rate to its highest point in over a decade, standing at 5.08% at the end of Q2 2023, marking an increase of nearly 400 basis points since the same time last year.
- Coinciding with these hikes, the national average interest rate for a 30-year fixed rate conventional mortgage loan has ballooned to over 7% at the end of Q2 2023.

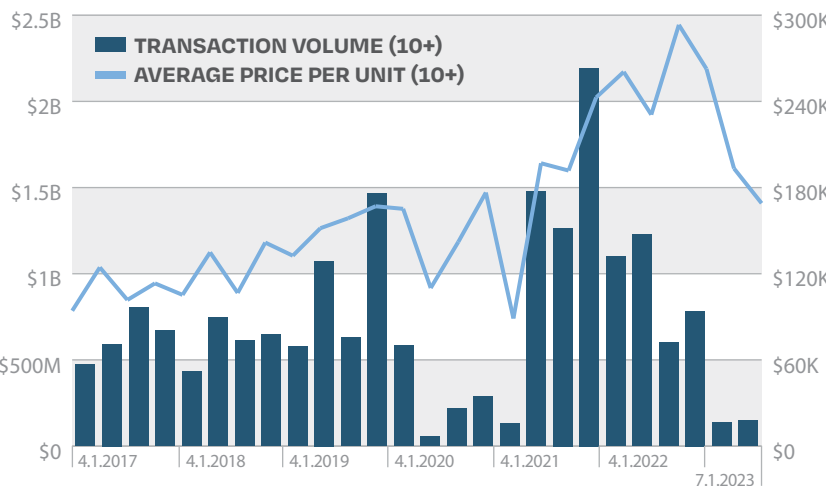
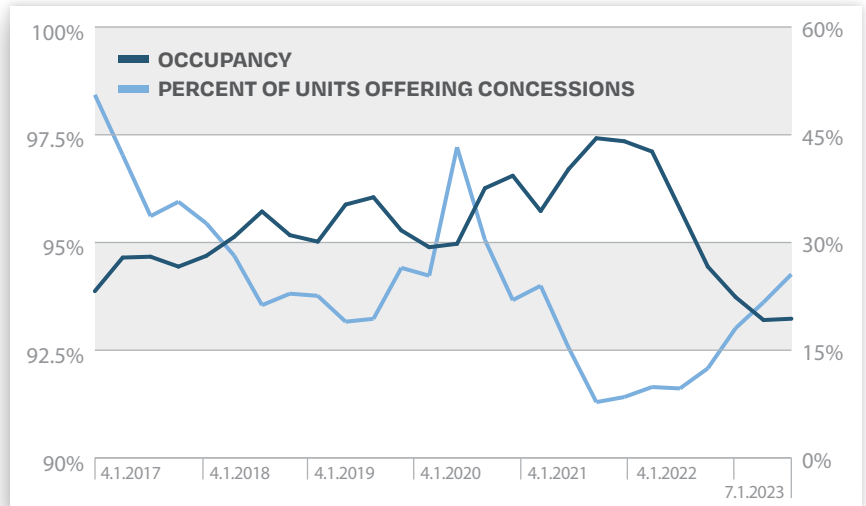


**LAS VEGAS MSA  
EFFECTIVE RENT BY ASSET CLASS**

- Over the previous 12-month period, rental rates remained relatively stable, dropping just 1.6% to \$1,484.
- On average, Class A units rented for \$1,764 a month, Class B units went for \$1,473, and Class C rentals were \$1,196.
- Las Vegas has experienced booming rent growth in recent years, but still maintains an average rental rate about 20% lower than the national average.

**LAS VEGAS MSA  
OCCUPANCY/CONCESSIONS**

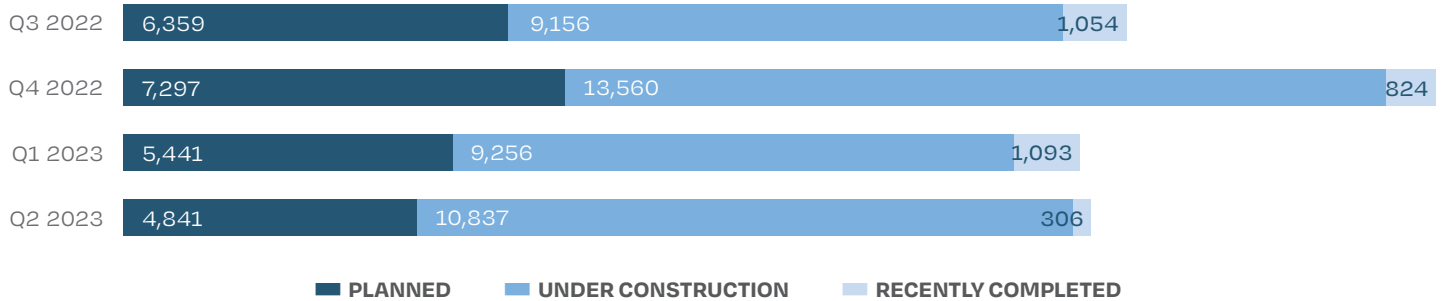
- Following national trends, occupancy decreased to 93.6% in the Las Vegas MSA, a drop of 2.2% year-over-year.
- Despite inflationary pressure, occupancy levels have moved consistently across all asset classes, with Class A/C units at 93.7%, and Class B properties hovering around 92.8%.
- As occupancy continues to trend downward, the inverse can be seen in concessions, with 25.2% of units offering concessions, up from 9.3% the same time last year.



**LAS VEGAS MSA  
TRANSACTION VOLUME**

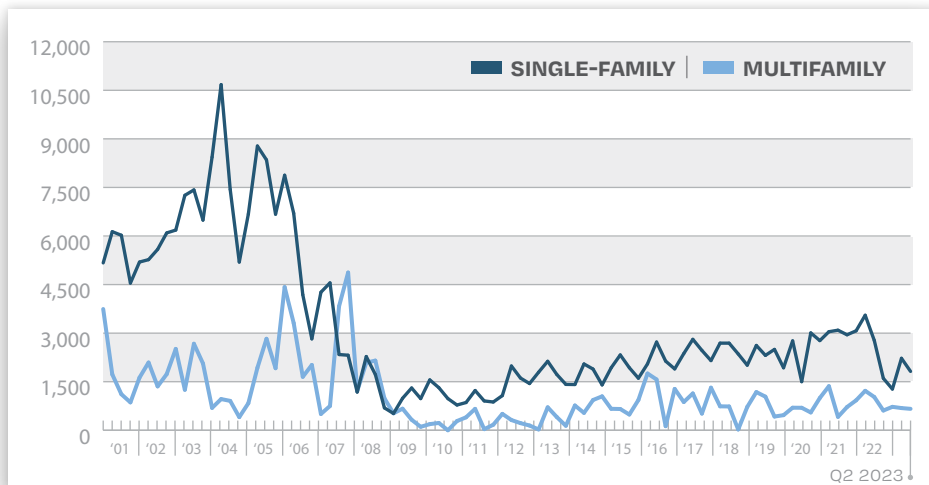
- \$147 million in multifamily transactions occurred in the second quarter this year, representing an 88% decrease in sales from the same quarter in 2022.
- This level of volume is the second lowest in a quarter witnessed by Las Vegas post-pandemic, only beaten by the quarter preceding it.
- Average Price per Unit witnessed a substantial, but less sizable dip, and settled at \$169,071/unit, a 26.7% decrease year-over-year.

LAS VEGAS MSA | MULTIFAMILY CONSTRUCTION (50+)



■ 306 multifamily units were delivered this quarter, bringing the total inventory in the market to just over 231,000.

■ At the end of Q2, Las Vegas had 10,837 units under construction, with 4,102 of those expected to be completed by the end of the year.



LAS VEGAS MSA PERMITTING ACTIVITY

- In Q2 2023, there were 1,818 single-family and 662 multifamily permits issued in the Las Vegas MSA, respectively a 35% and 36% decrease from the same period in the year prior.
- Dropping permitting activity is less drastic in Las Vegas than some other Western U.S. markets, and long-term outlooks show the market outpacing most other metropolitan areas in housing development.

PRIMED FOR FUTURE GROWTH

A substantial drop-off in transactions, new permits, and occupancy rates, along with flattening rent growth, may not be as dire as it initially appears. Market conditions were anything but normal in the aftermath of the pandemic, and a correction was inevitable. The leadup to 2023 saw consecutive years of record-breaking transaction volume and rental growth hitting 25% year-over-year, both of which have positive permanent impact on the market.

Despite the more recent challenges, Las Vegas is exhibiting strength and

resilience through its comparatively strong fundamentals. The region's high in-migration rate, fueled by an attractive combination of job opportunities and a desirable climate, contributes to robust housing demand that remains intact even during market fluctuations. Booming economic development from sporting ventures, amongst various other sectors, has further bolstered the region's appeal as a prime investment destination. Additionally, a growing pipeline of ongoing and planned multifamily developments not only

signifies investor confidence in the area's prospects but also ensures a steady supply of housing options to meet the needs of the growing population.

As the real estate market continues to stabilize, Las Vegas's multifamily sector appears well-positioned for growth and prosperity. With its performance in recent years and a promising outlook, the region remains an attractive and dynamic market for both investors and residents.

# ABI COMPARATIVE MARKET REVIEW: Q2 2023



	LAS VEGAS	TUCSON	PHOENIX
<b>Total Population (June 2023*)</b>	2,353,099	1,062,472	5,045,448
<b>Unemployment Rate (June 2023*)</b>	5.6%	3.4%	3.2%
<b>Employment Growth (y-o-y)</b>	4.6%	1.6%	2.0%
<b>Median HH Income (June 2023*)</b>	\$68,171	\$64,964	\$82,121
<b>GDP Per Capita (June 2023*)</b>	\$61,016	\$50,303	\$68,088
<b>Rent (Q2 2023)</b>	\$1,484	\$1,202	\$1,633
y-o-y % Increase/Decrease	-1.7%	+3.2%	-2.4%
<b>Occupancy (Q2 2023)</b>	93.6%	93.2%	93.3%
y-o-y % Increase/Decrease	-2.2%	-2.9%	-2.5%
<b>Total Inventory (10+)</b>	231,012	100,304	400,940
<b>Total Under Construction (50+)</b>	10,837	2,764	43,854
<b>Units Delivered (50+, YTD)</b>	1,399	0	7,167
<b>Total Sales Volume (Q2 2023)</b>	\$147M	\$22M	\$854M
y-o-y % Increase/Decrease	-88.0%	-94.0%	-85.0%
<b>Average P/U (Q2 2023)</b>	\$169,071	\$93,608	\$320,054
y-o-y % Increase/Decrease	-26.7%	-32.2%	-6.8%

DEMOGRAPHICS

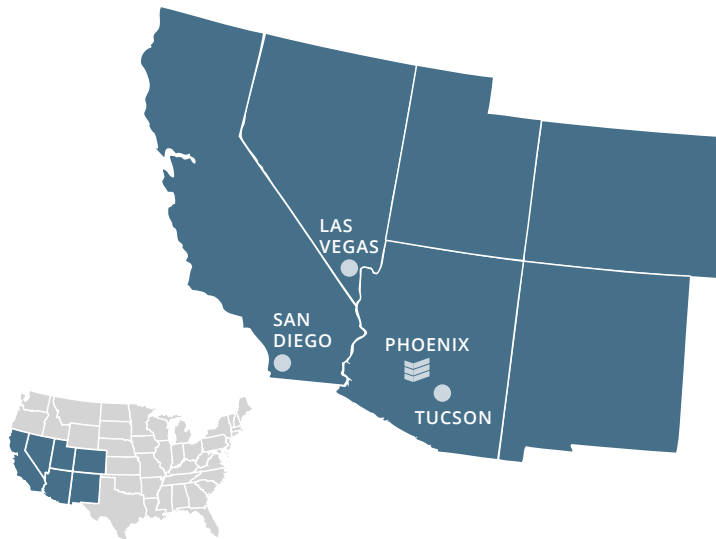
RENT/OCCUPANCY/CONSTRUCTION

SALES

\* Forecasted

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SEASONED ADVISORS WITH REGIONAL INSIGHT  
COLLABORATION & COOPERATION



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