

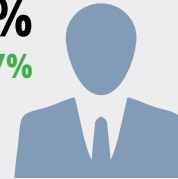
## LAS VEGAS MSA | MULTIFAMILY | YE 2023 REPORT



LAS VEGAS MSA OVERVIEW	01
MULTIFAMILY PROPERTY ANALYSIS: 100+ & 10-99 UNITS	02
ABInsight® LAS VEGAS & THE NATIONAL ECONOMY	03-05
ABI COMPARATIVE MARKET REVIEW: YE 2023	06

**2,365,366**  **POPULATION**  
DECEMBER 2023\*

**5.0%**  
-0.7%



**UNEMPLOYMENT**  
Q-O-Q AS OF DECEMBER 2023\*

**4.2%**



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

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

**Total Sales Volume**    **\$452M**    **-87.9%**    **\$3.74B**

**AVERAGE**    **Price/Unit**    **\$182,586**    **-28.2%**    **\$254,199**

**Price/SF**    **\$234.25**    **-20.4%**    **\$294.39**

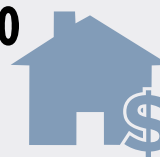
**Year Built**    **1977**    **-7 Yrs**    **1984**

**Average Rent**    **\$1,447**    **-2.6%**    **\$1,486**

**Occupancy Rate**    **92.6%**    **-1.2%**    **93.8%**

**Units Delivered**    **2,834**    **+19.6%**    **2,370**

**\$72,290**



**MEDIAN HH INCOME**  
DECEMBER 2023\*

**\$69,463**



**GDP PER CAPITA**  
DECEMBER 2023\*

**10,973**  
Units (50+)



**UNDER CONSTRUCTION**  
YARDI

**235,180**  
Units (10+)

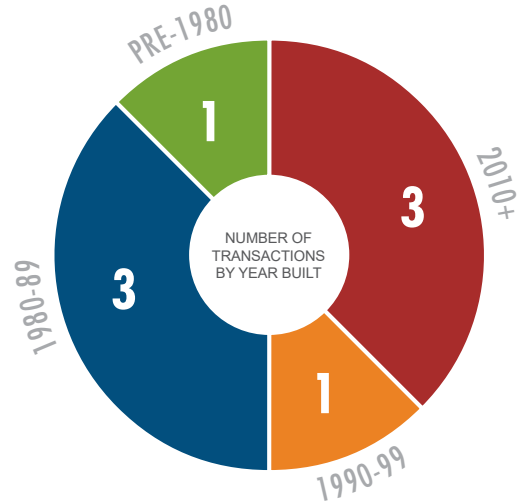


**TOTAL INVENTORY**  
ABI RESEARCH, COSTAR; YARDI

\* Forecasted

# 100+ UNIT MULTIFAMILY PROPERTY ANALYSIS

	YE 2023	INCREASE/DECREASE	YE 2022
<b>Total Sales Volume</b>	<b>\$378.6M</b>	<b>-89.3%</b>	<b>\$3.53B</b>
<b>AVERAGE Price/Unit</b>	<b>\$196,252</b>	<b>-26.1%</b>	<b>\$265,388</b>
<b>Price/SF</b>	<b>\$245.57</b>	<b>-19.2%</b>	<b>\$304.07</b>
<b>Year Built</b>	<b>1997</b>	<b>+3 Yrs</b>	<b>1997</b>



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



### Alta Southern Highlands

Las Vegas, 228 Units | \$79,000,000  
\$346,491/unit | \$246.88/SF | Built 2023



### The Michael B Townhomes & Flats

Las Vegas, 252 Units | \$67,000,000  
\$265,873/unit | \$274.56/SF | Built 2010



### Tribeca North

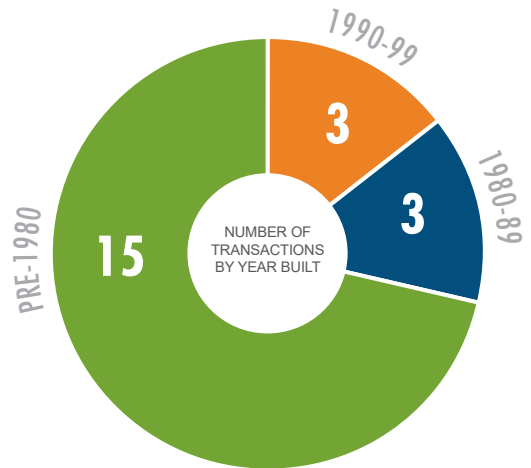
North Las Vegas, 312 Units | \$81,000,000  
\$259,615/unit | \$268.64/SF | Built 2010

YE 2023 Transactions by Year Built

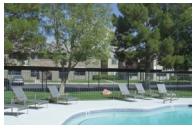
	# of Transactions	Avg Price/Unit	Avg Price/SF
2010+	3	\$287k	\$262
2000-09	--	--	--
1990-99	1	\$68K	\$164
1980-89	3	\$150K	\$247
Pre-1980	1	\$90K	\$136

# 10 - 99 UNIT MULTIFAMILY PROPERTY ANALYSIS

	YE 2023	INCREASE/DECREASE	YE 2022
<b>Total Sales Volume</b>	<b>\$73M</b>	<b>-64.8%</b>	<b>\$207M</b>
<b>AVERAGE Price/Unit</b>	<b>\$134,126</b>	<b>-9.3%</b>	<b>\$147,898</b>
<b>Price/SF</b>	<b>\$189.05</b>	<b>-0.7%</b>	<b>\$190.43</b>
<b>Year Built</b>	<b>1970</b>	<b>-2 Yrs</b>	<b>1972</b>

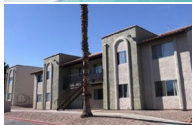


## TOP 3 TRANSACTIONS BY PRICE/UNIT (10-99)



### Madison at Green Valley

Henderson, 88 Units | \$15,400,000  
\$175,000/unit | \$185.77/SF | Built 1992



### The Reserve at Andover

Las Vegas, 57 Units | \$8,625,000  
\$151,316/unit | \$183.12/SF | Built 1985



### Merlayne Villas

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

YE 2023 Transactions by Year Built

	# of Transactions	Avg Price/Unit	Avg Price/SF
2010+	--	--	--
2000-09	--	--	--
1990-99	3	\$154K	\$187
1980-89	3	\$141K	\$190
Pre-1980	15	\$117K	\$191

# LAS VEGAS & THE NATIONAL ECONOMY

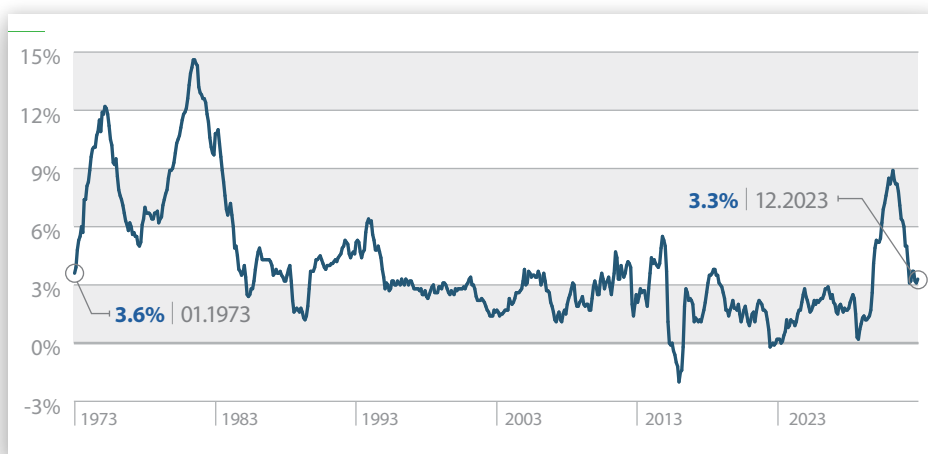
2023 proved a tough year for the multifamily market as rapidly rising interest rates decimated transactions. National sales volume for the year reached a decade-spanning low as deals dried up and real estate prices fell. Investor expectations are slowly adapting to the new norm as more consistent and predictable interest rate movements will drive the market in the coming year. Market forecasts anticipate six rate cuts in 2024 as inflation continues to cool. However, Fed signaling indicates closer to three, with those more likely to occur in the latter half of the year. Excessively strong economic data, or an inability to quell inflation, would be cause for concern for Federal Reserve officials, and could cause rate cuts to be pushed further into the future.

Economically, 2023 yielded several positive indicators that defied comparatively more bearish expectations from economists. A recession was widely

heralded as inevitable in the later parts of the year, based on 2022 discourse, but no such thing occurred. GDP growth reached 3.3% in Q4, crushing 2.0% expectations

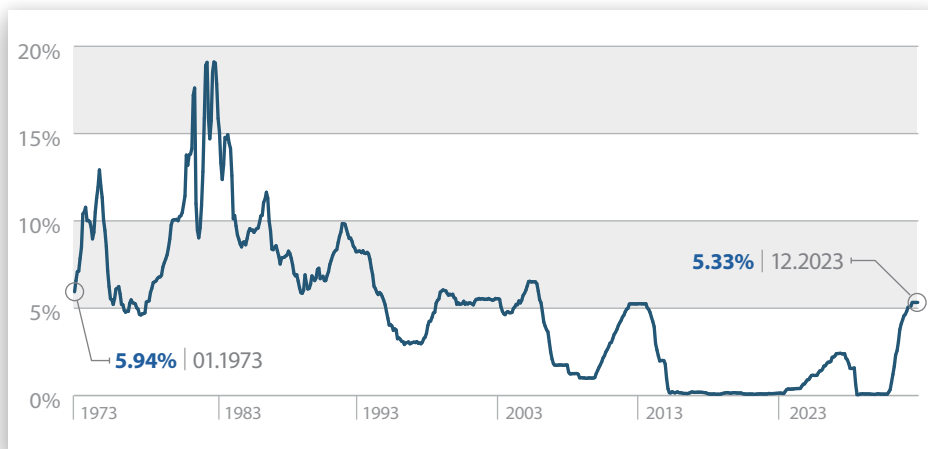
by analysts, and far ahead of the negative growth expected by many a year prior. As has been the case for the whole year, a majority of this strong GDP growth stemmed from strong consumer spending, as consumer sentiment reached its highest levels in three years.

The 'soft landing' long targeted by the Federal Reserve now seems like a far more likely scenario than it did a year ago. The drop in inflation from 6.3% at the beginning of the year to 3.3% by the end has boosted optimism about avoiding a recession and staying on course for rate cuts. However, this size of inflationary drop for an economy this large has virtually never happened without a recession, but expert economists and Federal Reserve officials are encouraged by the most recent data.



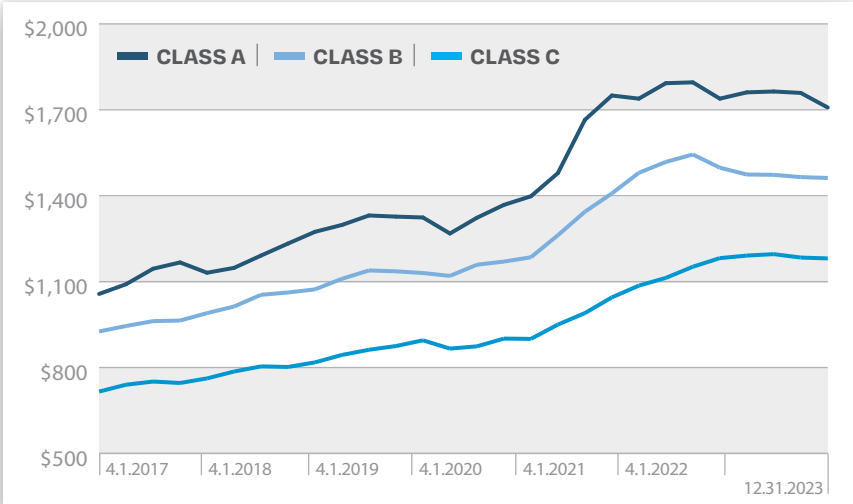
## NATIONAL CONSUMER PRICE INDEX (CPI-U)

- Annual inflation ended the year at 3.3% after reaching a peak of 8.9% last summer. This is a crucial indicator for the Federal Reserve to determine whether to decelerate or reverse course on rate hikes.
- Inflation dropped significantly throughout the year, from 6.3% at the beginning of the year. Signaling from the Fed indicates that they want to see this number continue to tick down and hold near their 2% target before interest rate cuts begin.



## 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 5.33% at the end of 2023, marking an increase of over 120 basis points since the end of 2022.
- The national average interest rate for a 30-year fixed rate conventional mortgage loan finished the year at 6.6%, dropping from a peak of over 8%.

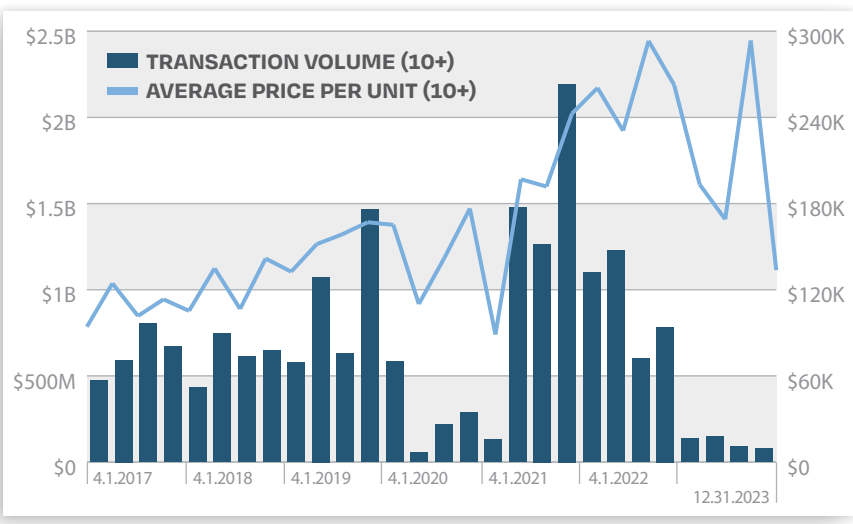
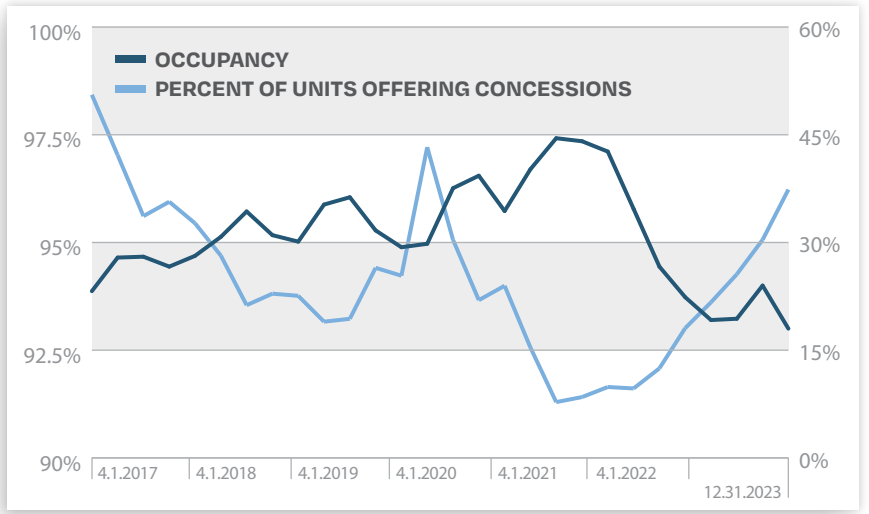


**LAS VEGAS MSA  
EFFECTIVE RENT BY ASSET CLASS**

- Over the previous 12-month period, rental rates retracted, dropping 2.6% to \$1,447.
- On average, Class A units rented for \$1,708 a month, Class B units went for \$1,462, and Class C rentals were \$1,181.
- 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**

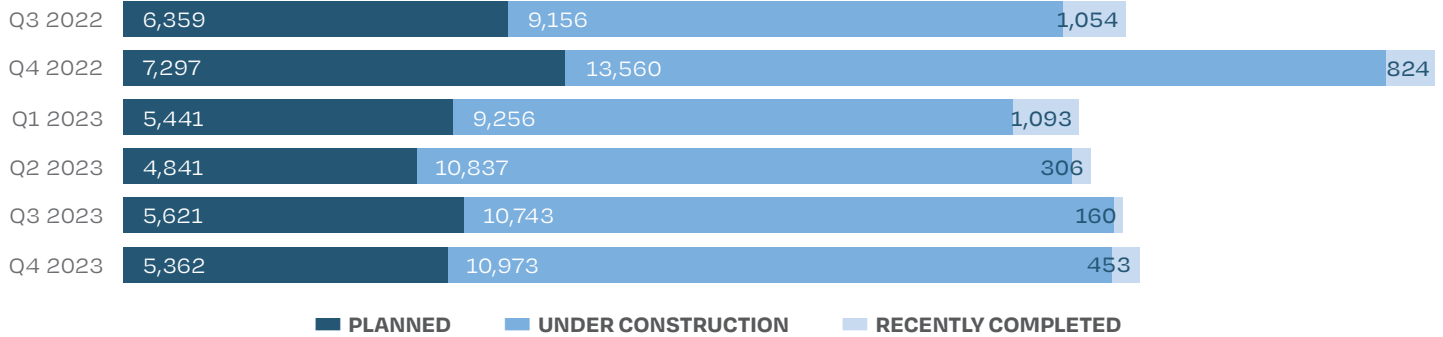
- Following national trends, occupancy decreased to 92.6% in the Las Vegas MSA, a drop of 1.2% year-over-year.
- Occupancy levels have started to diverge among asset classes, with Class A units at 93.6%, Class B properties at 92.7%, and Class C at 91.6%.
- As occupancy continues to trend downward, the inverse can be seen in concessions, with 36.5% of units offering concessions, up from 17.7% the same time last year.



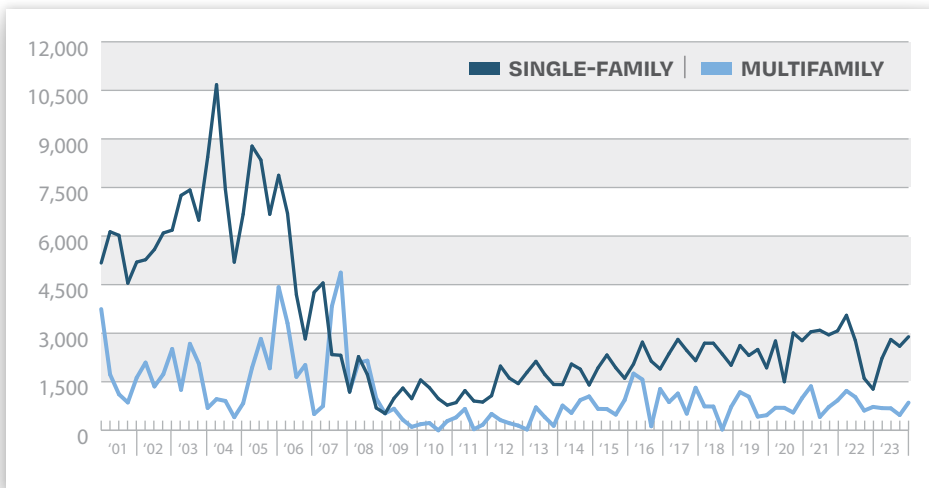
**LAS VEGAS MSA  
TRANSACTION VOLUME**

- \$452 million in multifamily transactions occurred this year, representing an 88% decrease in sales from 2022.
- This is the lowest annual transaction volume for the MSA in nearly a decade, and was driven primarily by rapidly rising interest rates.
- Average price per unit saw a substantial, but less sizable dip, and settled at \$182,586/unit, a 28.2% decrease year-over-year.

LAS VEGAS MSA | MULTIFAMILY CONSTRUCTION (50+)



- Over 2,000 units were delivered this year, bringing the total multifamily inventory to 235,180.
- At the end of the year, Las Vegas had 10,973 units under construction, a 19% decrease from the same period last year.



LAS VEGAS MSA PERMITTING ACTIVITY

- In Q4 2023, there were 2,891 single-family and 856 multifamily permits issued in the Las Vegas MSA, respectively a 127% and 18% increase from the same period in the year prior.
- Las Vegas permitting activity is picking up, and will need to continue to do so to accommodate the hundreds of thousands of new residents flowing into the MSA in the coming years.

LAS VEGAS DRIVERS

In 2023, multifamily transaction volume underperformed, but the current expected trend in interest rates suggests a turning point. In anticipation of future rate cuts and bolstered by robust recent economic data, an acceleration in transaction pace is expected during the latter half of the year. However, it is unlikely to reach the fervor seen in 2021 and 2022.

Fortunately for Las Vegas, several positive trends indicate a promising future. The region's high rate of in-migration, driven by appealing job opportunities and a desirable climate, sustains strong housing demand even amid market fluctuations. In recent years, Las Vegas has welcomed various sports franchises, the latest addition being MLB's A's, with additional speculation of

becoming the home for an NBA expansion team. Additionally, prominent projects like Elon Musk's Loop and the Vegas Sphere contribute to the city's distinctive development and culture.

To address the increasing housing needs resulting from both general in-migration and the activities spurred by these projects, Las Vegas has developed a growing pipeline of ongoing and planned multifamily developments. This expanding pipeline reflects investor confidence in the area's prospects and ensures a consistent supply of housing options for the growing population. However, challenges such as elevated material costs, labor shortages, and stricter lending conditions could pose difficulties in the upcoming years. Consequently, the viability of many

projects may be affected, leading us to anticipate a decline in new deliveries in late 2024 and into 2025. While this may help alleviate the recent rise in vacancy rates, the market will ultimately need to adapt to provide housing for the tens of thousands of additional people migrating to the metro each year.

Despite initial challenges stemming from higher interest rates, Las Vegas is set for growth. In-migration, new business activity, and a robust development pipeline will drive economic activity and the multifamily market. These longer-term trends, coupled with the city's growing job market and new infrastructure, position Las Vegas multifamily as a promising and resilient investment for the foreseeable future.

# ABI COMPARATIVE MARKET REVIEW: YE 2023



DEMOGRAPHICS

RENT/OCCUPANCY/CONSTRUCTION

SALES

LAS VEGAS

TUCSON

PHOENIX

<b>Total Population (December 2023*)</b>	<b>2,365,366</b>	<b>1,064,960</b>	<b>5,065,484</b>
<b>Unemployment Rate (December 2023*)</b>	<b>5.0%</b>	<b>3.8%</b>	<b>3.6%</b>
<b>Employment Growth (y-o-y)</b>	<b>4.2%</b>	<b>0.8%</b>	<b>1.5%</b>
<b>Median HH Income (December 2023*)</b>	<b>\$72,290</b>	<b>\$66,692</b>	<b>\$87,127</b>
<b>GDP Per Capita (December 2023*)</b>	<b>\$69,463</b>	<b>\$55,068</b>	<b>\$76,149</b>
<b>Rent (YE 2023)</b>	<b>\$1,447</b>	<b>\$1,206</b>	<b>\$1,570</b>
y-o-y % Increase/Decrease	<b>-2.6%</b>	<b>+2.2%</b>	<b>-4.0%</b>
<b>Occupancy (YE 2023)</b>	<b>92.6%</b>	<b>92.6%</b>	<b>92.7%</b>
y-o-y % Increase/Decrease	<b>-1.2%</b>	<b>-1.2%</b>	<b>-0.8%</b>
<b>Total Inventory (10+)</b>	<b>235,180</b>	<b>102,247</b>	<b>412,530</b>
<b>Total Under Construction (50+)</b>	<b>10,973</b>	<b>3,715</b>	<b>44,008</b>
<b>Units Delivered (50+, YTD)</b>	<b>2,834</b>	<b>141</b>	<b>16,880</b>
<b>Total Sales Volume (YE 2023)</b>	<b>\$452M</b>	<b>\$175M</b>	<b>\$3.72B</b>
y-o-y % Increase/Decrease	<b>-87.9%</b>	<b>-88.9%</b>	<b>-74.0%</b>
<b>Average P/U (YE 2023)</b>	<b>\$182,586</b>	<b>\$119,920</b>	<b>\$280,470</b>
y-o-y % Increase/Decrease	<b>-28.2%</b>	<b>-30.9%</b>	<b>-10.5%</b>

\* Forecasted

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