Market Report

MULTIFAMILY 2Q/26

Las Vegas Metro Area

IPA INSTITUTIONAL PROPERTY ADVISORS

2026 FORECAST

EMPLOYMENT
12,000 — Jobs will be created
1.0% — Increase Y-O-Y

CONSTRUCTION
3,400 — Units will be added
1.4% — Inventory increase Y-O-Y

VACANCY
6.0% — Vacancy rate
20 — BPS increase Y-O-Y

RENT
$1,431 — Average effective rent by year-end
1.4% — Increase Y-O-Y

Localized Job and Household Growth a Stabilizing Force Amid Shifting Dynamics

Vacancy movement moderates over the near term. Las Vegas recorded positive net absorption in the first quarter of 2026, a welcome sign for the metro after its apartment vacancy count increased by more than 2,200 over the prior six months. This turnaround is poised to continue through the remainder of this year, as recent notable job creation among white-collar, health services, and logistics employers supports comparable rental demand across property tiers. Concurrently, pressure from new units will ease for a second straight year, and the local rate of household formation is projected to remain stable, allowing supply and demand to align.

Future completions more concentrated. Delivery volume will moderate at the metro level in the coming quarters. However, North and Southwest Las Vegas will continue to face supply pressure. As of April, a total of 3,300 units were underway across the two submarkets. This will increase these areas' inventories by 11.2 and 8.4 percent, respectively, over the next 24 months. In contrast, both South Las Vegas and Henderson — submarkets that recorded 3 percent-plus inventory growth over the past 12 months — fewer than 500 units are underway. This dynamic may aid local properties in lease-up.

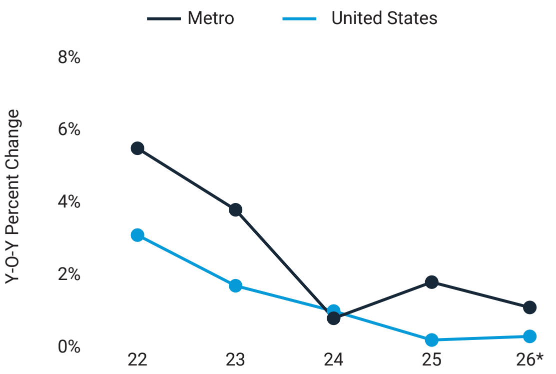
EMPLOYMENT

Las Vegas recorded the largest employment growth rate among major markets last year at 1.7 percent. Metro employers followed this performance by adding another 7,600 roles in the first four months of 2026. The creation of 6,200 professional and business services positions drove this recent gain in hiring, with positive implications for Class A rental demand. The construction sector registered the strongest employment growth among blue-collar industries, adding 4,100 positions through April.

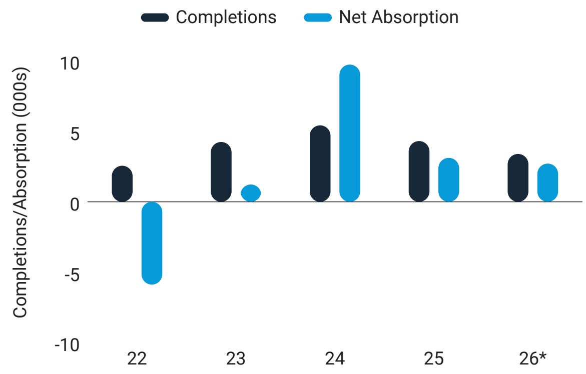
CONSTRUCTION

Approximately 5,600 units were underway at the start of April, representing 2.3 percent of existing inventory. While this ranks as the metro's smallest active pipeline since at least 2021, properties underway are sizable — averaging 280 rentals. As these complexes deliver, the active pipeline will continue to shrink as a sharp pullback in unit starts materializes. During the six months ending in March, construction started on 260 units. During the prior two quarters, developers broke ground on 1,270 rentals.

EMPLOYMENT TRENDS



CONSTRUCTION TRENDS



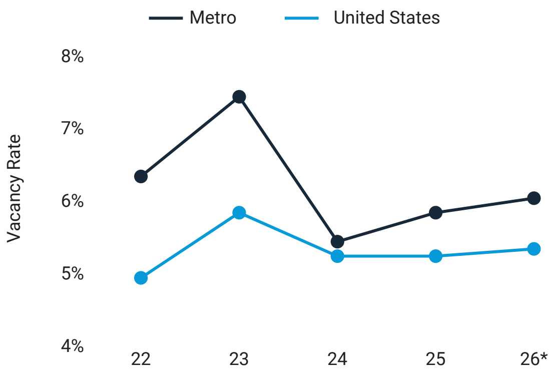
* Forecast

Sources: BLS; CoStar Group, Inc.; RealPage, Inc.

VACANCY

Metro vacancy rose 50 basis points during the six months ending in March to 5.9 percent. The Class A sector, however, notched a 40-basis-point drop during that span, lowering vacancy to 6.3 percent. In contrast, Class C vacancy rose 120 basis points over the interval to 6.0 percent, potentially indicating financial strain among lower-income renters, despite an average lower-tier rent of $1,150 per month. Class C demand may face further hurdles as 1,270 affordable housing units are underway.

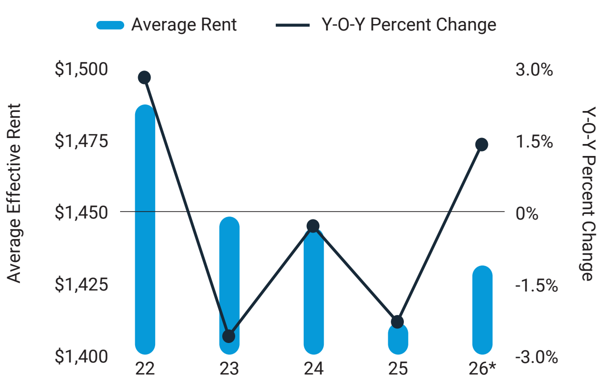
VACANCY TRENDS



RENT

For more than three years, the metro's average effective rent has ranged from $1,410 to $1,490 per month. Vacancy above the metro's prior five-year average and the prevalence of concessions in the marketplace are likely to keep the metro's mean in this band throughout this year. During the first quarter, roughly 40 percent of available units were offering concessions, double the share from 12 months prior. The value of incentives has also increased, with one month of free rent on a 13-month lease common.

RENT TRENDS



* Forecast ** Through 1Q

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.

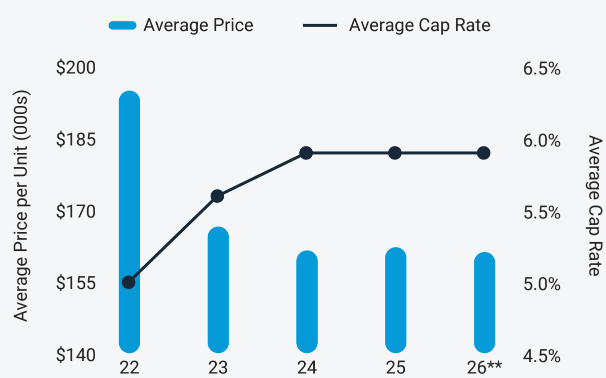
INVESTMENT HIGHLIGHTS

- Deal flow was consistent on a year-over-year basis during the 12 months ending in March, as was the metro's average price point, which remained at roughly $160,000 per unit. This latter metric is likely to attract out-of-state investors to local properties, specifically buyers targeting expanding Southwest metros where discounted pricing to their local market is available.

- Private investors from Nevada and California continue to acquire smaller Class C properties throughout the metro. Over the past year, these typically sub-$2 million complexes often traded below asking, potentially a response to recent average Class C rent, which sat at a four-year low in March. Activity in Downtown Las Vegas and adjacent neighborhoods is fueling deal flow in the sector; however, North Las Vegas is also attracting attention amid localized residential growth. Both areas entered April with some of the highest local Class C vacancy, signaling that investors see upside potential.

- Class B properties with 100 or more units are changing hands at a rate like that of smaller Class C assets. Primarily built in the 1980s through early 2000s, these typically garden-style properties are being acquired by California-based institutional groups at prices in the $200,000-per-unit range. Southern suburbs, including Spring Valley, Paradise, and Henderson, have recently been targeted. Class B listings throughout the metro, however, should garner attention after the sector posted the highest renewal conversion rate among property-class cuts in the first quarter — 58.3 percent.

SALES TRENDS



IPA Multifamily
ANDREW LEAHY
Senior Managing Director, National Division Leader
Tel: (202) 536-3700
aleahy@ipausa.com

For info on national multifamily trends, contact:
JOHN CHANG
Senior Vice President, Chief Intelligence & Analytics Officer
Tel: (602) 707-9700
jchang@ipausa.com