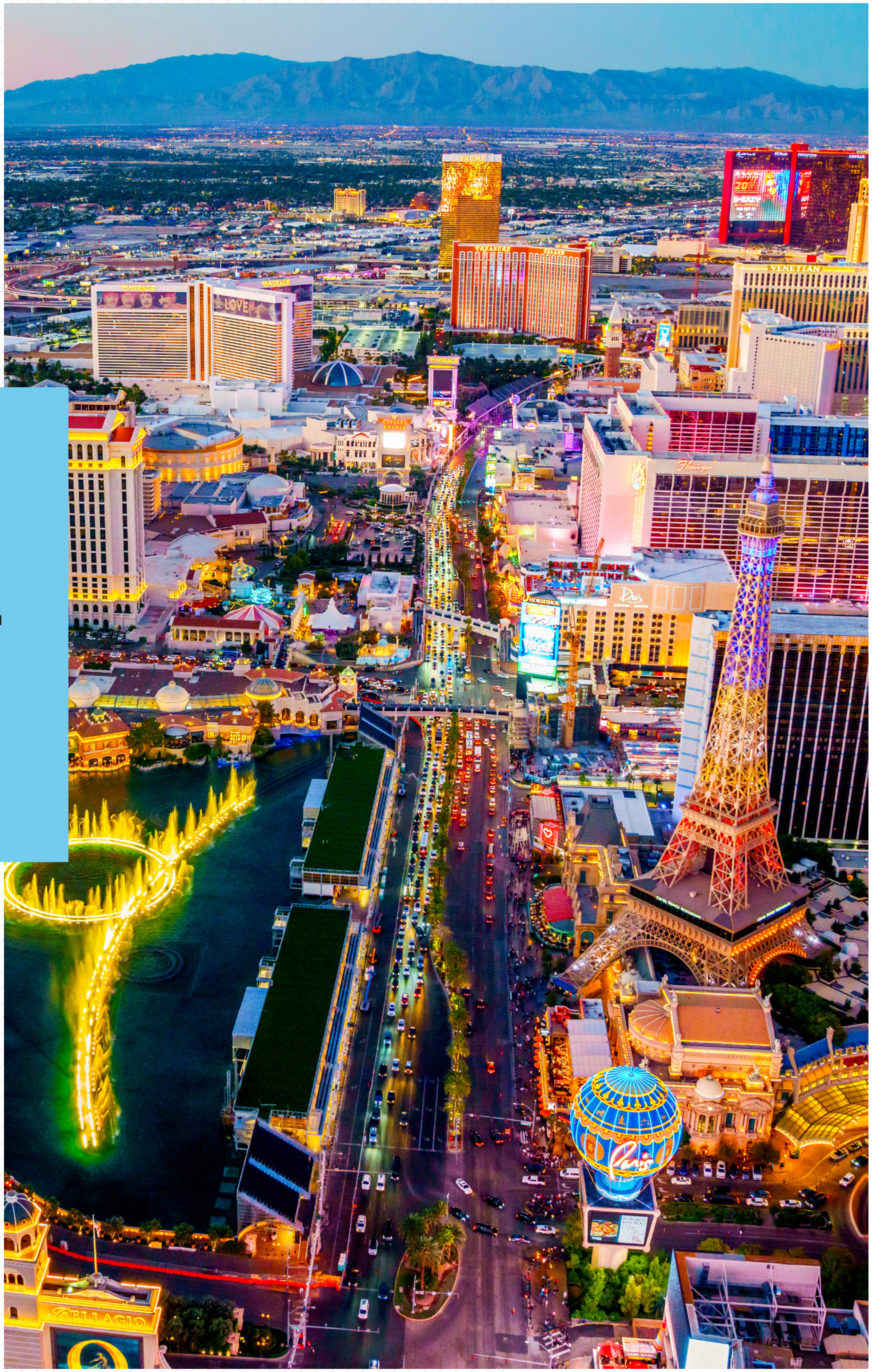
COMPREHENSIVE HOUSING MARKET ANALYSIS

Las Vegas-Henderson-Paradise, Nevada



U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2024

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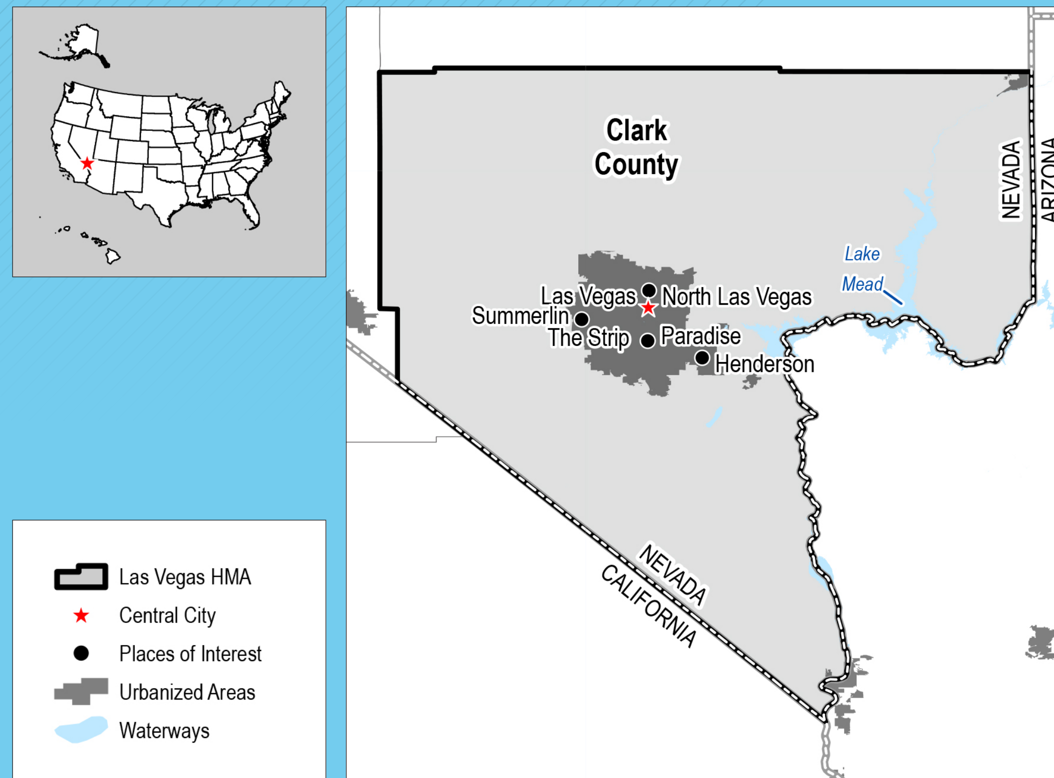
Executive Summary

Housing Market Area Description

The Las Vegas-Henderson-Paradise, NV Housing Market Area (hereafter, Las Vegas HMA) is coterminous with the Las Vegas-Henderson-Paradise, NV Metropolitan Statistical Area, which includes Clark County and is at the southern tip of Nevada. Nearly three-fourths of the population of Nevada reside in the HMA.

The current population of the HMA is estimated at 2.37 million.

As the largest casino gaming market in the nation, tourism is the principal economic base of the HMA, which directly or indirectly supported approximately 358,900 jobs and generated an estimated $79.3 billion of economic activity in the HMA during 2022 (Las Vegas Convention and Visitors Authority [LVCVA]). The Strip, an approximately 5-mile portion of South Las Vegas Boulevard primarily in the unincorporated community of Paradise, is home to 31 casinos and contributes significantly to the economy of the HMA.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Strong: Relatively strong job growth during the past 2 years contributed to current payrolls being 9.2 percent above the level in 2019—the most recent corresponding period before the COVID-19 pandemic—compared with 3.4 percent nationally.

In 2023, nonfarm payrolls increased year over year by an average of 49,600 jobs, or 4.6 percent, to 1.13 million. By comparison, payrolls increased year over year in 2022 by 94,700 jobs, or 9.6 percent, when the economy was still recovering jobs lost from the pandemic recession. In 2023, the number of jobs in the leisure and hospitality sector surpassed 2019 levels with an increase of 17,200 jobs, or 6.1 percent. The unemployment rate averaged 5.7 percent in 2023, down from 6.0 percent in 2022, because employment growth outpaced growth in the labor force. Nonfarm payroll growth is expected to moderate to an average of 2.8 percent annually during the 3-year forecast period.

Sales Market

Balanced: The average home sales price in the Las Vegas HMA was $481,300 in 2023, relatively unchanged from a year earlier, compared with average annual growth of 15 percent in 2021 and 2022.

The sales vacancy rate in the HMA is currently estimated at 1.4 percent. Market conditions eased from tight to balanced when interest rates started to rise significantly in January 2022, suppressing home sales demand considerably. In 2023, new and existing home sales fell 22 percent to 43,050 sales, following a 26-percent drop in 2022 (CoreLogic, Inc., with adjustments by the analyst). However, the rise in rates has also deterred potential sellers from listing their homes, restricting the supply of for-sale housing and preventing market conditions from becoming soft. The number of active listings had fallen 46 percent year over year by December 2023. During the forecast period, demand is anticipated for 33,650 new sales units in the HMA. The 5,300 homes currently under construction will meet some of that demand.

Rental Market

Slightly Soft: A sharp slowdown in renter household growth since 2020 and elevated apartment construction have resulted in slowing absorption and rising vacancy rates.

The overall rental vacancy rate is currently estimated at 9.0 percent, up from 8.1 percent in April 2020 when market conditions were tighter. Apartment market conditions are similar, with an apartment vacancy rate of 9.8 percent in the fourth quarter of 2023 compared with 8.1 percent a year ago and up significantly from an average rate of 5.7 percent in the corresponding quarters of 2020 and 2021 (CoStar Group). The rise in the rate is largely the result of negative net absorption during 6 of the past 9 quarters. The average apartment rent was $1,384 in the fourth quarter of 2023 and has been relatively unchanged since the fourth quarter of 2021, when it was up 19 percent year over year. During the forecast period, demand is estimated for 10,300 rental units in the HMA. The 7,850 units currently under construction and 660 additional planned completions will meet more than three-fourths of that demand.

TABLE OF CONTENTS

3-Year Housing Demand Forecast

		Sales Units	Rental Units
Las Vegas HMA	Total Demand	33,650	10,300
	Under Construction	5,300	7,850

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Economic Conditions

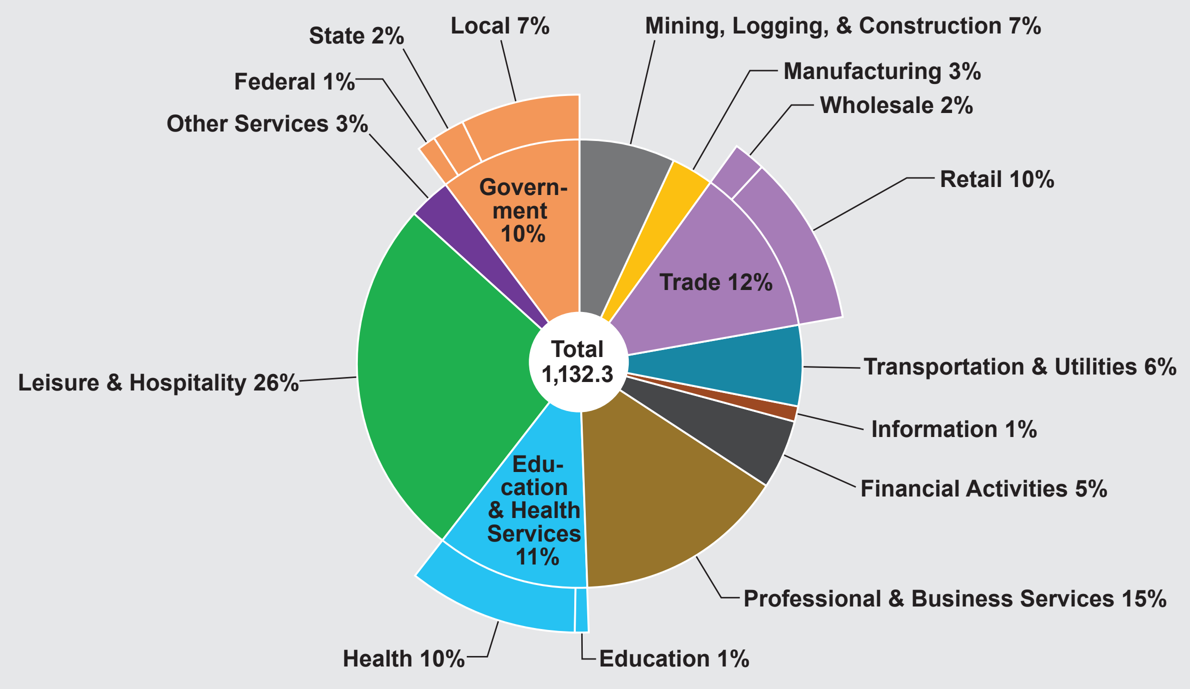
Largest Sector: Leisure and Hospitality

> The leisure and hospitality sector in the Las Vegas HMA added the most jobs of any nonfarm payroll sector from 2011 through 2019, increasing by an average of 4,500 jobs, or 1.7 percent, annually.

Primary Local Economic Factors

The leisure and hospitality sector is the largest employment sector in the HMA, accounting for 26 percent of total nonfarm payrolls, compared with 11 percent nationally (Figure 1). The presence of approximately 220 casinos, nearly 152,300 hotel rooms, and 15 million square feet of meeting and exhibition space support jobs in the sector (LVCVA; Nevada Gaming Control Board, October 2023). The sector includes the two largest employers in the HMA, MGM Resorts International and Caesars Entertainment, Inc., which operate a combined 17 casinos on The Strip (Table 1). Tourism activity in the HMA has increased significantly after plummeting in 2020 during the COVID-19 pandemic. The number of visitors to the HMA increased 5 percent in 2023 from a year ago to 40.83 million but was still 4 percent less than the 42.52 million visitors in 2019, whereas gaming revenue has more than doubled compared with 2019 (Figure 2). Several large-scale developments have contributed to job growth in the leisure and hospitality sector,

Figure 1. Share of Nonfarm Payroll Jobs in the Las Vegas HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2023. Data do not include military jobs.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Las Vegas HMA

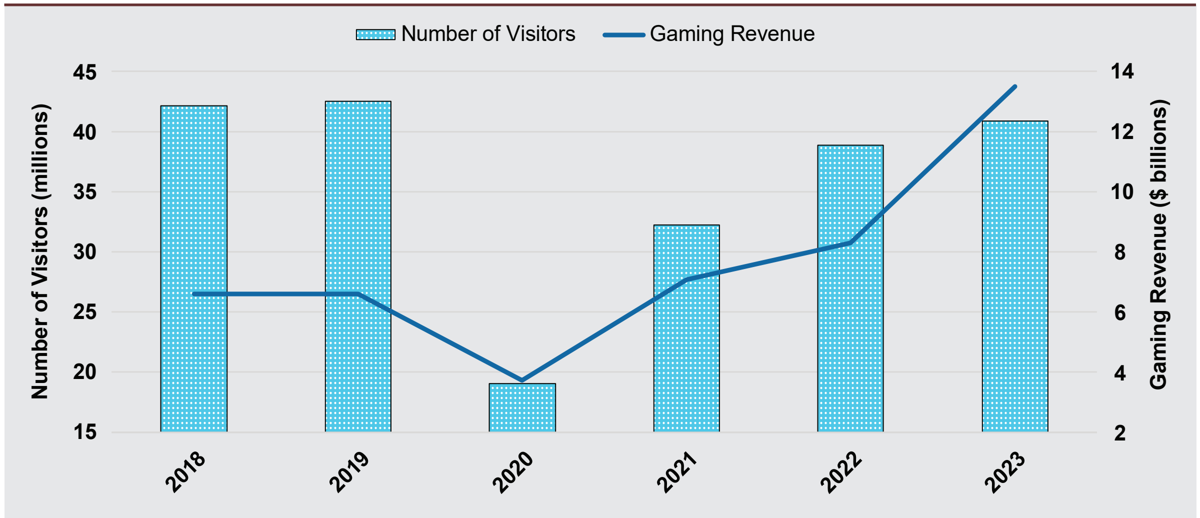
Name of Employer	Nonfarm Payroll Sector	Number of Employees
MGM Resorts International	Leisure & Hospitality	50,000+
Caesars Entertainment, Inc.	Leisure & Hospitality	20,000+
Wynn Resorts Holdings, LLC	Leisure & Hospitality	10,000+
Apollo Global Management, Inc.	Leisure & Hospitality	8,500+
Clark County	Government	8,500+
Boyd Gaming Corporation	Leisure & Hospitality	8,000+
Amazon.com, Inc.	Transportation & Utilities	5,500+
Las Vegas Metropolitan Police Department	Government	5,000+
Golden Entertainment, Inc.	Leisure & Hospitality	4,500+
University of Nevada, Las Vegas	Government	3,000+

Notes: Excludes local school districts. The approximately 7,775 and 3,025 uniformed military personnel at Nellis Air Force Base and Creech Air Force Base are also excluded from nonfarm payroll totals.
Sources: Las Vegas Global Alliance; Nevada Department of Employment Training and Rehabilitation; University of Nevada, Las Vegas; estimates by the analyst

including the $4.3 billion Resorts World Las Vegas that opened in June 2021—the first casino built on The Strip since 2010—with 3,500 rooms and a workforce of 5,000.

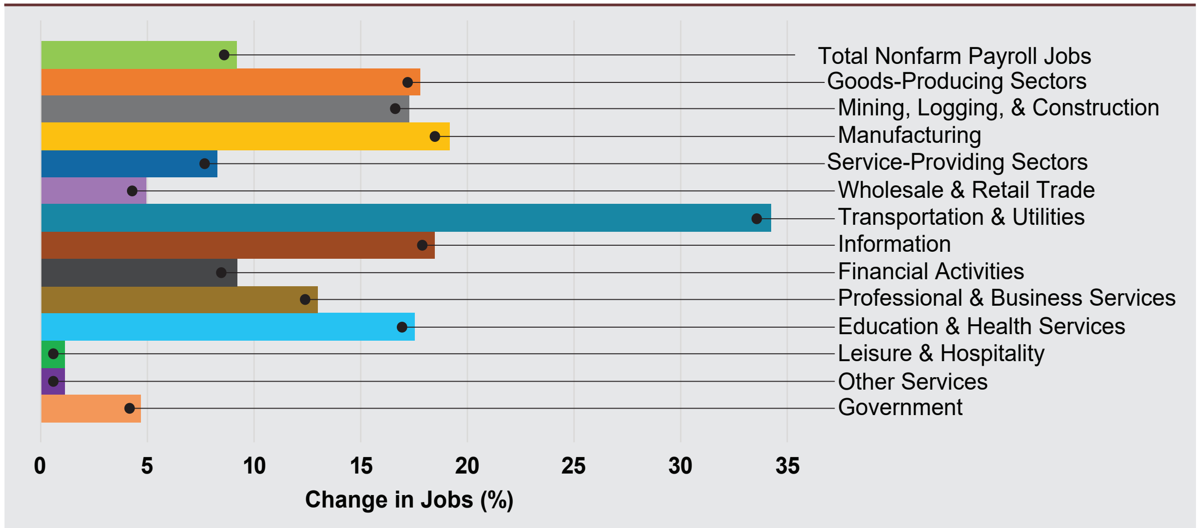
The transportation and utilities sector has been the fastest growing employment sector in the HMA since 2020 (Figure 3), largely because of e-commerce and the growing demand for warehouse space. The city of North Las Vegas accounts for the plurality of the industrial properties in the HMA at more than 30 percent (CoStar Group). The 18,000-acre Apex Industrial Park in the city of North Las Vegas has required substantial public and private investment in recent decades, including more than $60 million to bring utilities to the site and a current $250 million water and sewer project (University of Nevada, Las Vegas, Center for Business and Economic Research [CBER]). In addition, the Nevada Department of Transportation (NDOT) is widening Interstate 15 and updating interchanges to improve ease of access to the site. Since 2022, the park has added three tenants, resulting in a total capital investment estimated at $126 million and creating 470 jobs with an average hourly wage of $27.35 (*Las Vegas Review-Journal*). The Kroger Company and the online retailer, HeyDude, a subsidiary of Crocs, Inc., each have distribution centers, and L'Air Liquide S.A. opened the largest liquid hydrogen manufacturing plant in the world (used to power fuel cell vehicles).

Figure 2. Number of Visitors and Gaming Revenue in the Las Vegas HMA



Note: Data are annual totals.
Source: University of Nevada, Las Vegas, Center for Business and Economic Research

Figure 3. Sector Growth in the Las Vegas HMA, 2020 to Current

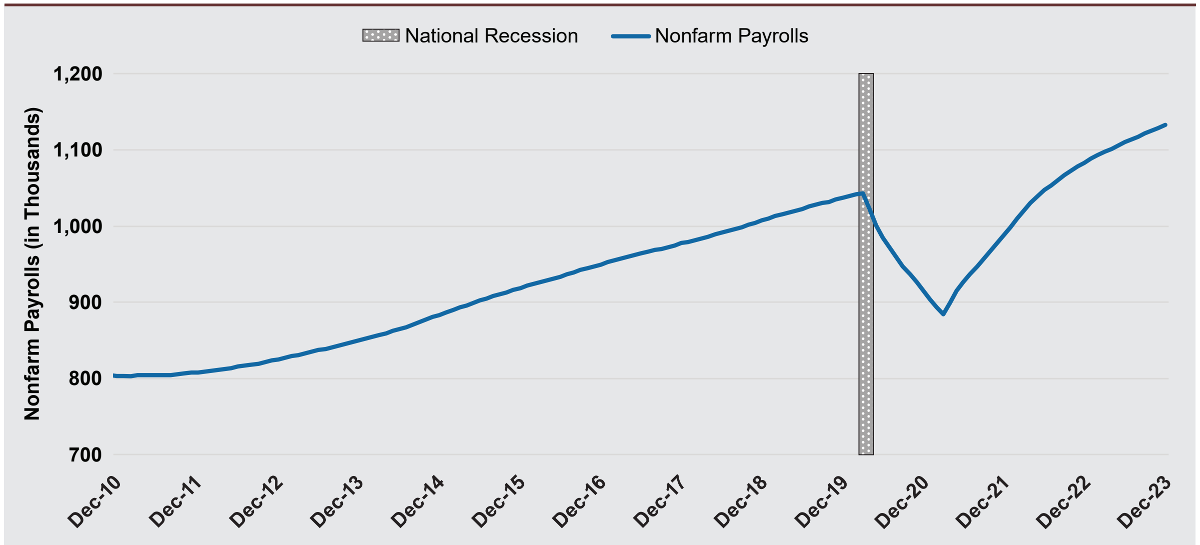


Notes: Current data are based on the 12-month averages ending December 2023. Data do not include military jobs.
Source: U.S. Bureau of Labor Statistics

Current Conditions—2020 to Current

The economy of the HMA is currently strong, characterized by swift economic recovery and expansion following the pandemic recession of March and April 2020, but the growth moderated in the past year (Figure 4). During 2023, nonfarm payrolls in the HMA averaged 1.13 million, increasing by 49,600 jobs, or 4.6 percent, from 2022 (Table 2). By comparison, payrolls increased in 2022 by 94,700 jobs, or 9.6 percent, from a year earlier, fully recovering the jobs lost in 2020 by mid-2022. The economic recovery and expansion from the pandemic recession in the HMA has been significantly faster than the national average, despite the HMA having one of the largest economic contractions among major metropolitan areas in the country. In 2020, countermeasures to slow the spread of COVID-19 resulted in payrolls declining by 122,100 jobs, or 11.8 percent, in the HMA, compared with a 6.0-percent decline nationally. The leisure and hospitality sector had the steepest declines across the nation, and the pandemic had an outsized impact on that sector in the HMA. Job growth in the HMA corresponded with economic activity fully resuming when COVID-19 vaccines became available. Payrolls increased by 73,000 jobs, or 8.0 percent, in 2021. All employment sectors except the government sector added jobs in 2021, with 45 percent of the increase occurring in the leisure and hospitality sector.

Figure 4. 12-Month Average Nonfarm Payrolls in the Las Vegas HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Las Vegas HMA, by Sector

	12 Months Ending December 2022	12 Months Ending December 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,082.7**	**1,132.3**	**49.6**	**4.6**
Goods-Producing Sectors	106.0	113.2	7.2	6.8
Mining, Logging, & Construction	77.2	82.5	5.3	6.9
Manufacturing	28.9	30.8	1.9	6.6
Service-Providing Sectors	976.7	1,019.1	42.4	4.3
Wholesale & Retail Trade	138.1	141.0	2.9	2.1
Transportation & Utilities	68.8	68.2	-0.6	-0.9
Information	13.1	13.6	0.5	3.8
Financial Activities	58.8	58.8	0.0	0.0
Professional & Business Services	161.3	172.2	10.9	6.8
Education & Health Services	116.9	124.0	7.1	6.1
Leisure & Hospitality	280.3	297.5	17.2	6.1
Other Services	32.3	32.3	0.0	0.0
Government	107.1	111.5	4.4	4.1

Notes: Based on 12-month averages through December 2022 and December 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

In 2023, the leisure and hospitality sector led job growth in numeric terms, adding 17,200 jobs, or 6.1 percent, following a gain of 38,600 jobs, or 16.0 percent, in 2022. Despite strong growth in this sector during the past 3 years, leisure and hospitality payrolls are only 1.1 percent above prepandemic levels. The sector contracted 29.1 percent, or by 85,600 jobs, in 2020, accounting for more than 70 percent of all jobs lost in the HMA that year. New hotels, attractions, and sporting venues contributed to increased tourism activity in the HMA during the past year. Seven hotels opened in 2023, adding approximately 4,650 rooms and creating an estimated 5,570 new jobs (CBER). The largest hotel to open was the $3.6 billion Fontainebleau Las Vegas in December 2023, which hired 1,500 people initially, with plans to employ a total of 6,500 workers. Allegiant Stadium—which opened in 2021 and is home to the Las Vegas Raiders National Football League team—generated $2.29 billion in revenues in 2023 (*Las Vegas Review-Journal*). The HMA hosted a week-long Formula One Grand Prix racing event in November 2023, which had an estimated economic impact of $1.2 billion. In terms of new attractions, the newest and largest to open was Sphere Las Vegas, a $2.3 billion entertainment venue. Sphere opened in September 2023, creating an estimated 3,000 permanent jobs in addition to the 1,500 workers employed during construction.

More than 99 percent of the jobs in the mining, logging, and construction sector are in the construction subsector. That grew because of numerous large-scale commercial projects under construction and increased residential construction. In 2023, $8 billion in commercial construction projects were completed in the HMA, and the mining, logging, and construction sector added 5,300 jobs, or 6.9 percent. By comparison, payrolls in that sector increased by 6,600, or 9.3 percent, in 2022. Current sector payrolls are more than 17 percent greater than prepandemic levels.

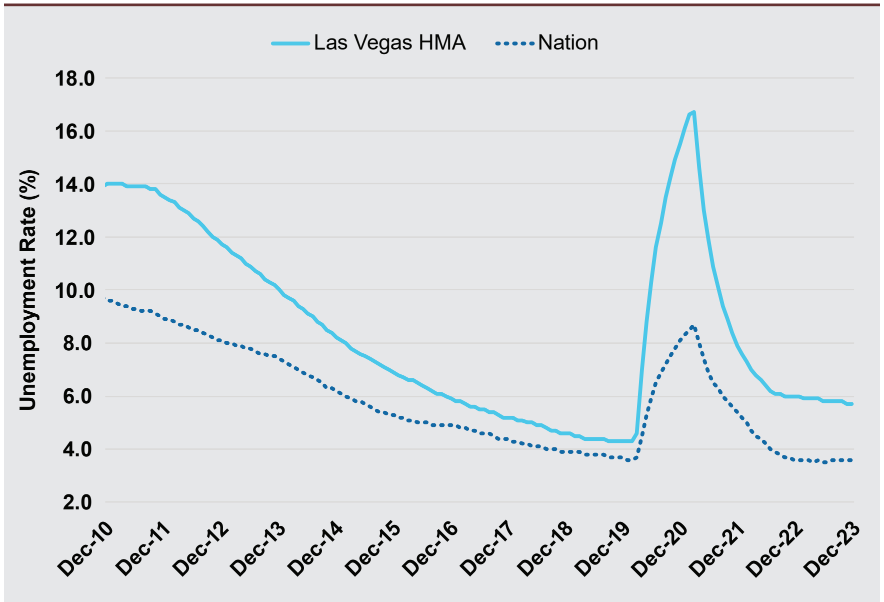
Additional high-growth sectors in 2023 include the professional and business services and the education and health services sectors. The professional and business services sector increased by 10,900 jobs, or 6.8 percent, following growth of 16,700 jobs, or 11.5 percent, in 2022, contributing to current payrolls that are 13.0 percent greater than prepandemic levels. A lack of statewide corporate income tax and relatively affordable land compared with many major metropolitan areas on the West Coast has made the HMA increasingly attractive for corporate relocations. From 1990 through 2019, an estimated 2,832 companies relocated from California to the city of Las Vegas, including nearly 725 firms in 2019 alone (*Las Vegas Review-Journal*). Strong population growth, coupled with a generally aging population, supported job gains in the education and health services sector, which added 7,100 jobs, or 6.1 percent, in 2023, following an increase of 6,500 jobs, or 5.9 percent, in 2022.

Although the transportation and utilities sector has been the fastest growing sector since 2020, it was the only sector to lose jobs in 2023, contracting by 600 jobs, or 0.9 percent. Conversely, this sector was the only employment sector to continue adding jobs in 2020, with average annual growth of 5,500 jobs, or 10.1 percent, from 2019 through 2022. The sector benefited from e-commerce and the growing demand for warehouse space, including from Amazon.com, Inc., which built three distribution centers in the HMA since 2021, each hiring between 1,000 and 2,000 workers. The recent decline in sector payrolls is partly the result of overzealous hiring during the first 2 years of the pandemic when the demand for e-commerce soared.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 5.7 percent in 2023, down from an average of 6.0 percent in 2022, because resident employment growth of 3.7 percent outpaced the 3.3-percent growth in the labor force. The average annual unemployment rate rose from a recent low of 4.3 percent in 2019 to a high of 15.5 percent in 2020 because of the countermeasures to slow the spread of COVID-19 that resulted in significant layoffs. The rate subsequently fell by nearly one-half to 7.9 percent in 2021 because the number of visitors to the HMA increased when vaccines became available, and the tourism industry started to recover. For context, the average annual unemployment rate in the HMA reached 14.0 percent in 2010 because of the Great Recession. The average annual rate in the HMA has been consistently higher than the national average rate (Figure 5).

Figure 5. 12-Month Average Unemployment Rate in the Las Vegas HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2011 Through 2015: Recovery From the Great Recession

The HMA economy was relatively weak at the start of the 2010s due to the severity of local job losses resulting from the Great Recession. From 2008 through 2010, nonfarm payrolls declined an average of 4.7 percent annually, more than twice the 1.9-percent average annual rate of decline for the nation. Job growth in the HMA resumed in 2011, with payrolls increasing by an average of 20,000 jobs, or 2.4 percent, annually through 2014, significantly faster than the national average annual growth rate of 1.6 percent. The leisure and hospitality sector led job growth in the HMA during this period, adding an average of 6,200 jobs, or 2.4 percent, annually, largely because of increased tourism activity in the HMA. The professional and business services sector increased by an average of 4,500 jobs, or 4.3 percent, annually, partly because of growth in corporate offices, including race car manufacturer Carroll Shelby International, Inc., which moved its global headquarters to the HMA in 2013. Although the nation recovered to pre-Great Recession job counts by 2014, payrolls in the HMA in 2015 were still 1.0 percent lower, partly because the mining, logging, and construction sector never fully recovered. A surplus of for-sale housing due to overbuilding during the housing boom that preceded the Great Recession suppressed demand for construction workers. The sector added an average of 200 jobs, or 0.3 percent, annually from 2011 through 2014, with a job count 58 percent less than during the peak in 2006. All other employment sectors matched or exceeded prerecession job levels by 2014, and payrolls increased by 35,400 jobs, or 4.0 percent, in 2015. The mining, logging, and construction sector contributed 16 percent of the jobs gained in 2015, partially supported by a 14-percent annual increase in new home construction.

2016 Through 2019: Economic Expansion

Job growth in the HMA from 2016 through 2019 was much stronger than for the nation overall. During this period, nonfarm payrolls in the HMA increased by an average of 29,500 jobs, or 3.1 percent, nearly double the average annual growth of 1.6 percent nationally. Service-providing sectors led job growth in the HMA during this period, in large part to serve the fast-growing population, with net in-migration increasing significantly compared with the first half of the decade. The professional and business services sector increased by 6,400 jobs, or 4.7 percent, annually because an increasing number of firms relocated to the HMA. The education and health services sector added the second most jobs during the period, increasing by an average of 4,700 jobs, or 5.1 percent, each year, supported by numerous medical facilities opening and expanding. After much of the previous excess housing inventory was absorbed in the first half of the decade, residential construction increased. Several large-scale commercial projects also contributed to job growth in the mining, logging, and construction sector, which added an average of 4,700 jobs, or 8.1 percent, annually, but sector payrolls were still 36 percent below the peak in 2006. Construction of the $1.9 billion Allegiant Stadium supported approximately 2,725 jobs from 2017 to 2020 (*Las Vegas Review-Journal*). The leisure and hospitality sector continued to gain jobs during this period but at a much slower rate, increasing by an average of 2,900 jobs, or 1.0 percent, annually, corresponding with a plateau in the number of visitors and the amount of gaming revenue in the HMA.

Forecast

During the 3-year forecast, nonfarm payrolls are expected to increase at an average annual rate of 2.8 percent, slowing from the strong pace of job growth during the economic recovery. The leisure and hospitality sector will continue to be a source of strong job growth because of increased tourism activity, which will support the ongoing development of hotels and entertainment venues in the HMA. An estimated 6,490 new hotel rooms at nine different properties are expected to be complete during 2024 through 2025, which will create an estimated 7,800 new jobs combined (LVCVA). In addition, the HMA will host Super Bowl LVIII at Allegiant Stadium in February 2024, which is projected to have an economic impact in excess of $1 billion. The ongoing development of hotels, entertainment venues, and industrial space will also contribute to job growth in the mining, logging, and construction sector, with an estimated $807 million in commercial projects expected to be complete in the HMA in 2024. In December 2023, the U.S. Department of Transportation awarded NDOT—in partnership with Brightline West, a high-speed rail service company—$3 billion toward a planned $12 billion high-speed rail system connecting the cities of Los Angeles and Las Vegas. The project is expected to bolster tourism, create 35,000 jobs, and cut more than 400,000 tons of carbon emissions each year (*Las Vegas Review-Journal*). Groundbreaking is expected in early 2024, with plans to complete the project in time for the 2028 Summer Olympic Games in Los Angeles. The number of jobs in the transportation and utilities sector is expected to increase moderately because the demand for e-commerce has slowed.

Population and Households

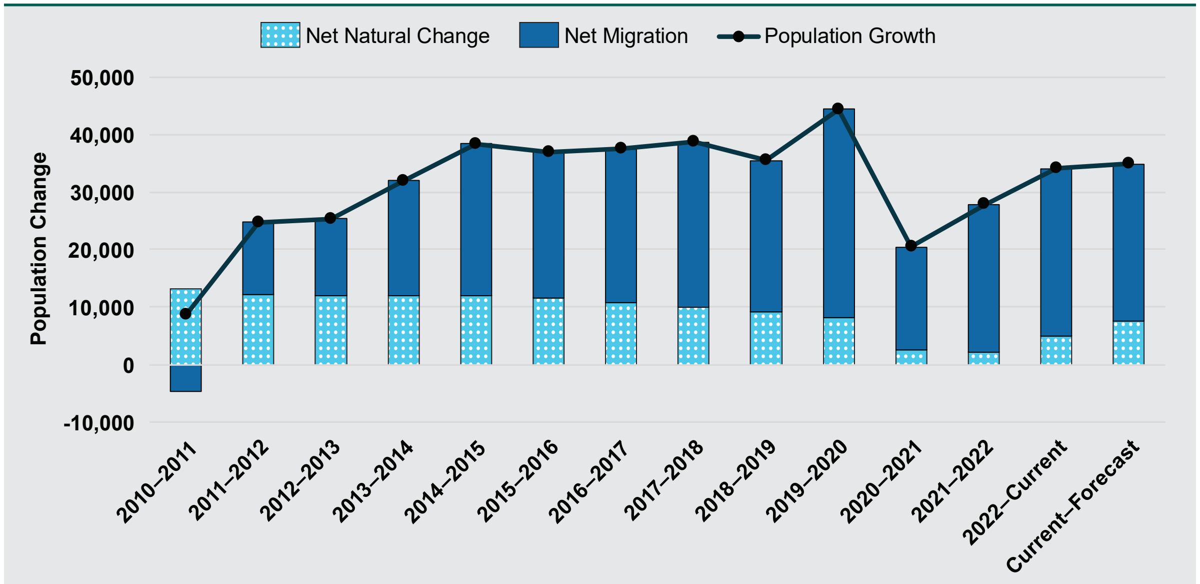
Current Population: 2.37 Million

As of 2022, the Las Vegas HMA accounted for approximately 73 percent of the population of Nevada, up slightly from 72 percent in 2010 (Census Bureau population estimates as of July 1).

Population Trends: 2014 Through Current

Strengthening economic conditions contributed to accelerating population growth during the mid- and late 2010s compared with the start of the decade when the HMA was still recovering from the effects of the Great Recession (Figure 6). However, the rate of population growth has been subdued since the early stages of the pandemic, partly due to a large drop in net natural increase. As of January 1, 2024, the population of the HMA is estimated at 2.37 million (Table 3), reflecting an average annual increase of 28,950, or 1.3 percent, since 2020. By comparison, population growth averaged 38,650 people, or 1.8 percent, annually from 2014 to 2020. A declining birth rate during the past decade, coupled with increased deaths due to the pandemic, caused net natural increase to plummet, averaging only 3,625 people annually since 2020 compared with an average of 10,500 people a year from 2014 to 2020. Net in-migration since 2020 has accounted for 88 percent of population growth, averaging 25,350 people annually, down 10 percent from the average of 28,150 a year from 2014 to 2020, when net in-migration accounted for 73 percent of overall population growth.

Figure 6. Components of Population Change in the Las Vegas HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is from the current date (January 1, 2024) to January 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Table 3. Las Vegas HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	2,265,461	2,374,000	2,479,000
	Average Annual Change	31,400	28,950	34,850
	Percentage Change	1.5	1.3	1.5
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	845,888	891,800	931,800
	Average Annual Change	13,050	12,250	13,350
	Percentage Change	1.7	1.4	1.5

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (January 1, 2024) to January 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Although population growth has not rebounded to prepandemic levels, the strong economic recovery in the HMA has supported increased net in-migration. From 2022 to the current date, the population has increased by an average of 34,100 annually, or 1.5 percent, and net in-migration has averaged 29,100 people each year. By comparison, population growth averaged 1.1 percent annually from 2020 to 2022, and net in-migration averaged 22,850 people annually.

Population Trends: Recovery From the Great Recession

Clark County was the third fastest growing county in the nation during the economic and housing boom of the early and mid-2000s. However, population growth slowed considerably in the latter part of the 2000s with the onset of the Great Recession, and weak growth persisted into the early years of the following decade. Net natural increase of 13,250 people more than offset net out-migration of 5,500 people from 2010 to 2011. Population growth began to increase in tandem with economic growth and a resumption of net in-migration, which averaged 13,000 people a year from 2011 to 2013, contributing to average annual population growth of 25,100 people, or 1.3 percent, during the period.

Population by Geography

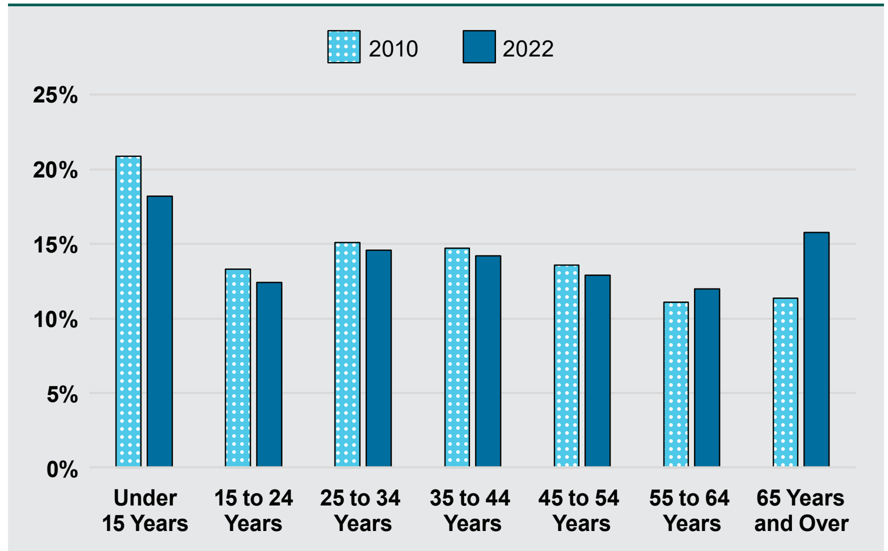
A significant share of population growth in the HMA has occurred in the city of North Las Vegas and in a 30-mile corridor between the Summerlin master-planned community (MPC) in the city of Las Vegas and the Cadence MPC in the city of Henderson. These MPCs were the fourth and sixth fastest growing MPCs in the nation in 2023, respectively, with a combined 2,050 home sales in 2023, up 52 percent from 2022 (RCLCO Real Estate Consulting).

From 2020 to 2022, North Las Vegas was the fastest growing city in the HMA, increasing at an average annual rate of 3.6 percent to 280,500, reflecting a total population gain of 19,350 (Census Bureau population estimates as of July 1). The city of Henderson had the second fastest growth rate from 2020 to 2022, averaging 1.9 percent annually to 331,400, reflecting a total increase of 12,400 residents. The city of Las Vegas is the largest in the HMA, with a 2022 population estimate of 656,300, up an average of 0.7 percent annually from 2020 to 2022, or a total gain of 9,525 people during those 2 years.

Age Cohort Trends

The share of the population in the HMA aged 65 and older is lower than that of the nation. However, the warm climate and lack of state income taxes have contributed to the HMA becoming increasingly popular with retirees (Figure 7). The share of residents aged 65 or older rose from 11 percent in 2010 to 16 percent in 2022, a larger percentage point increase than for the nation, which rose from 13 percent in 2010 to 17 percent in 2022 (American Community Survey [ACS] 1-year data). Retirees represented a significant share of net in-migration to the HMA, particularly in the cities of Henderson and North Las Vegas. Residents aged 65 and older accounted for 21 percent of the total population of the city of Henderson as of 2022, up from 14 percent in 2010,

Figure 7. Share of Population by Age Range in the Las Vegas HMA



Source: American Community Survey 1-year data and that share doubled to 12 percent in the city of North Las Vegas. In the city of Las Vegas, this cohort accounted for 16 percent of city residents compared with 13 percent in 2010.

Migration Trends

Strong job growth and relatively affordable housing in the HMA contributed to significant net in-migration, particularly from outside the state of Nevada (Table 4).

The top two metropolitan areas for gross and net in-migration to the HMA from 2016 through 2020 were higher-cost areas in California, a trend that also prevailed earlier in the decade. Net in-migration was strongest from the Los Angeles and Riverside metropolitan areas, where respective home prices are approximately 228 and 118 percent higher than in the HMA, accounting for a combined net inflow of 13,900 residents. The most popular destinations for those leaving the HMA were the Los Angeles, Reno, and Phoenix metropolitan areas, of which the latter two have lower housing costs than the HMA, with home prices 22 and 10 percent less, respectively.

Table 4. Metro-to-Metro Migration Flows in the Las Vegas HMA: 2016–20

Into the HMA	
Los Angeles-Long Beach-Anaheim, CA	15,325
Riverside-San Bernardino-Ontario, CA	5,300
Chicago-Naperville-Elgin, IL-IN-WI	3,275
Phoenix-Mesa-Scottsdale, AZ	3,075
Urban Honolulu, HI	3,025
Out of the HMA	
Los Angeles-Long Beach-Anaheim, CA	4,650
Reno, NV	4,425
Phoenix-Mesa-Scottsdale, AZ	2,350
Riverside-San Bernardino-Ontario, CA	2,075
San Diego-Chula Vista-Carlsbad, CA	1,775
Net Migration	
Los Angeles-Long Beach-Anaheim, CA	10,675
Riverside-San Bernardino-Ontario, CA	3,225
Chicago-Naperville-Elgin, IL-IN-WI	2,175
Urban Honolulu, HI	1,850
San Jose-Sunnyvale-Santa Clara, CA	1,525

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

Household Trends

Household growth in the HMA has generally reflected population growth trends since 2010, although an increase in the number of smaller households—partly due to an increasing share of retirees—has caused household growth to exceed population growth since 2010. The average household size is currently estimated at 2.64 people, down from 2.65 in 2020 and 2.70 in 2010. As of January 1, 2024, an estimated 891,800 households reside in the HMA, representing an average annual increase of 12,250 households, or 1.4 percent, since 2020, slightly outpacing the annual population growth of 1.3 percent. By comparison, households in the HMA increased by an average of 13,050, or 1.7 percent, annually from 2010 to 2020, when the population increased 1.5 percent annually.

Household Trends by Tenure

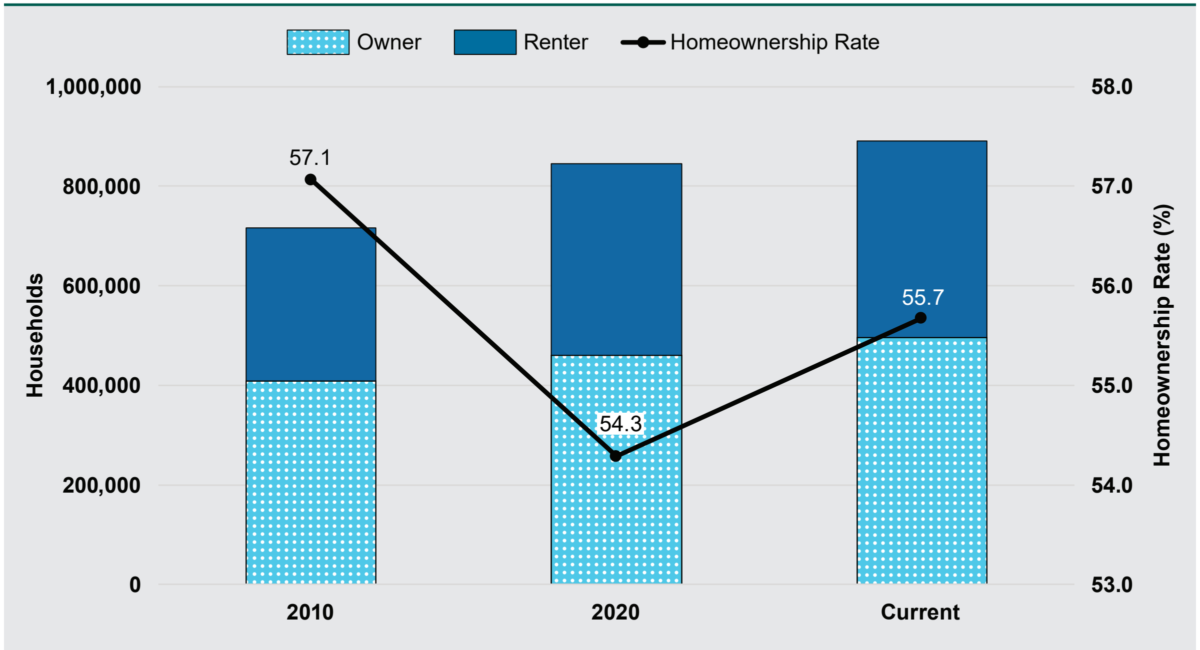
An estimated 55.7 percent of households, or 496,500 households, are currently homeowners, compared with a homeownership rate of 54.3 percent in 2020 and 57.1 percent in 2010 (Figure 8). From 2010 to 2020, renter household growth outpaced growth for owner households. In the early 2010s, this growth was largely due to the fallout from the housing crisis in the late 2000s, including very high foreclosure rates and tightened mortgage lending standards. Renter households increased at an average annual rate of 2.3 percent from 2010 to 2020 compared with 1.2 percent for owner households. Since 2020, owner household growth has nearly doubled, averaging a gain of 2.3 percent a year, and renter household growth slowed to an average annual rate of 0.6 percent. Although owner household growth was strong from 2020 to 2022, it has slowed considerably since 2022, when interest rates started to rise, and the current homeownership rate reflects a decline from 57.8 percent in 2022 (ACS 1-year data). The slowdown in renter household growth since 2020 is partly the result of increased homeownership and slowing population growth.

Population and Household Forecast

The HMA population is expected to increase by an average of 34,850, or 1.5 percent, annually during the 3-year forecast period, reaching 2.48 million by January 1, 2027. Net in-migration is estimated to average 27,350 people annually, accounting for approximately 78 percent of the growth, a lower share than recent trends because net natural increase is expected to rise because of fewer pandemic-related deaths.

Based on anticipated population and economic growth in the HMA, households are expected to increase by an average of 13,350, or 1.5 percent, annually during the forecast period, reaching 931,800 by January 1, 2027. Owner household growth during the forecast period is expected to slow, averaging 1.8 percent a year in response to continued high interest rates and a shortage of affordable for-sale inventory. Renter household growth is expected to increase to an average of 1.1 percent annually, up significantly from the 2020-to-current trend due to increased barriers to homeownership and accelerated population growth.

Figure 8. Household by Tenure and Homeownership Rate in the Las Vegas HMA



Note: The current date is January 1, 2024.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Balanced

Home sales prices in the Las Vegas HMA have been relatively stable during the past year despite a sharp drop in sales.

Current Conditions

The sales housing market in the HMA is currently balanced. The overall sales vacancy rate is estimated at 1.4 percent as of January 1, 2024, down from 1.6 percent in April 2020, when conditions were tighter. The recent drop in the vacancy rate is not indicative of tightening market conditions. Instead, it is due to a steep drop in the for-sale inventory. In December 2023, the 5,575 homes listed for sale in the HMA represented a 46-percent decline from a year earlier and a 21-percent decline from December 2020 (Table 5; CoreLogic, Inc.). Market conditions eased when interest rates started to rise significantly in January 2022, which caused home sales to decline and sales price growth to slow considerably. However, the rise in rates has also deterred potential sellers from listing homes if a subsequent purchase would require financing at a higher rate, restricting the supply of for-sale housing, which has helped prevent conditions from becoming soft. The rate for a 30-year, fixed-rate mortgage averaged 7.3 percent during the fourth quarter of 2023, up from 6.7 percent during the same time a year earlier and compared with 2.8 percent in the fourth quarter of 2020 (Freddie Mac). More than 60 percent of outstanding mortgages nationwide have an interest rate below 4.0 percent (Axios).

Table 5. Home Sales Quick Facts in the Las Vegas HMA

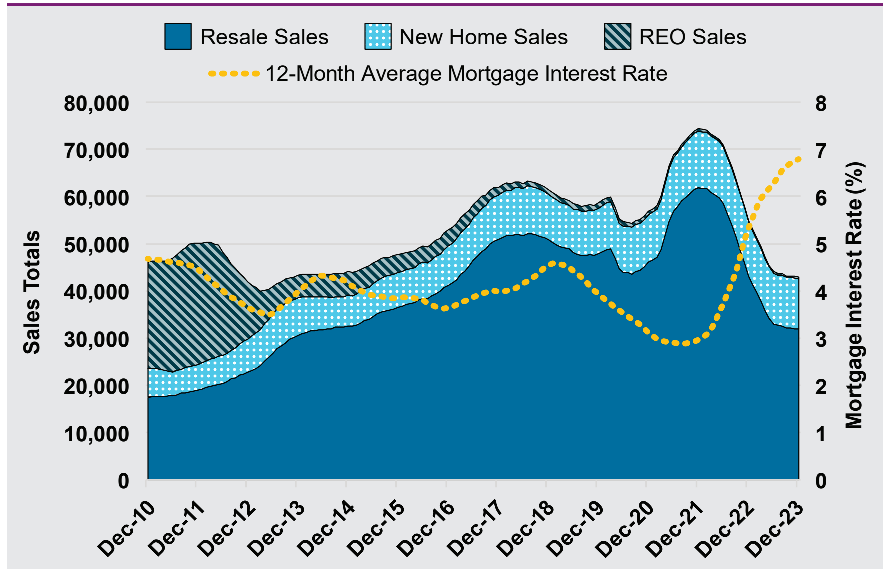
		Las Vegas HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.4%	NA
	Months of Inventory	2.3	2.8
	Active Listings	5,575	511,450
	1-Year Change	-46%	-5%
	Total Home Sales	43,050	5,073,000
	1-Year Change	-22%	-23%
	New Home Sales Price	$540,500	$490,000
	1-Year Change	-2%	0%
	Existing Home Sales Price	$462,100	$396,700
	1-Year Change	0%	0%
	Mortgage Delinquency Rate	1.0%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory, active listings, and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.
Sources: Vacancy rate—estimates by the analyst; months of inventory, active listings, and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with adjustments by the analyst

Home Sales and Sales Price Trends: 2020 to Current

Recent home sales trends in the HMA reflected rising mortgage interest rates and reduced sales housing affordability (Figure 9). Resale sales in the HMA totaled 32,000 in 2023, accounting for three-fourths of total home sales,

Figure 9. Mortgage Interest Rates and 12-Month Sales Totals by Type in the Las Vegas HMA

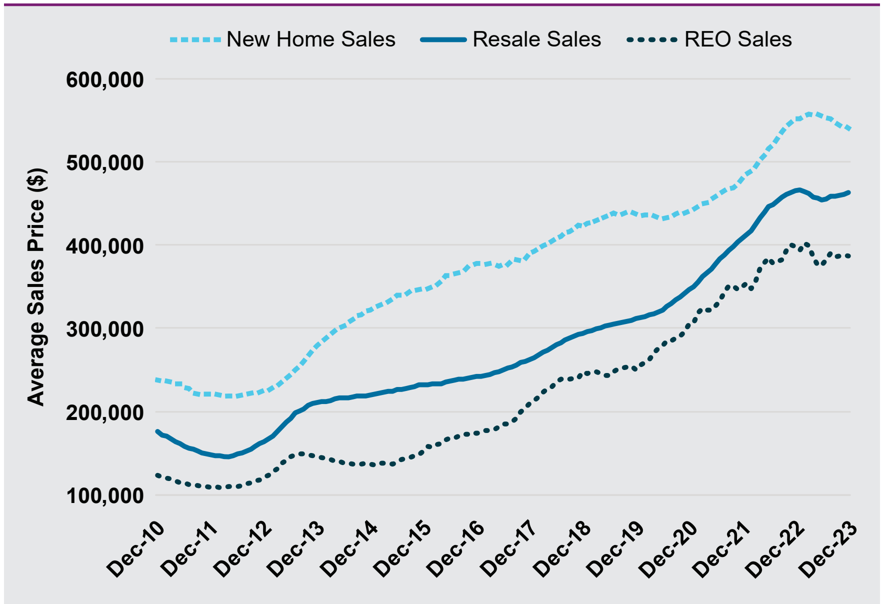


REO = real estate owned.
Note: The mortgage interest rate is the 12-month average rate for a 30-year, fixed-rate mortgage.
Sources: Home sales and prices—CoreLogic, Inc., with adjustments by the analyst; Mortgage interest rates—Freddie Mac

down 26 percent from the 43,200 resale sales in 2022 and down 48 percent from peak sales activity of 61,850 in 2021 when mortgage rates were lowest (CoreLogic, Inc., with adjustments by the analyst). New home sales totaled 10,550 in 2023, down 8 percent from the 11,450 new homes sold in 2022 following a surge in new home construction starts in 2021. Construction starts prior to the pandemic were relatively stable, and new home sales in 2020 and 2021 averaged 11,050 a year. Real estate owned (REO) home sales have accounted for less than 1 percent of total home sales in the HMA since 2020, well below the previous peak of 42 percent during 2010 and 2011.

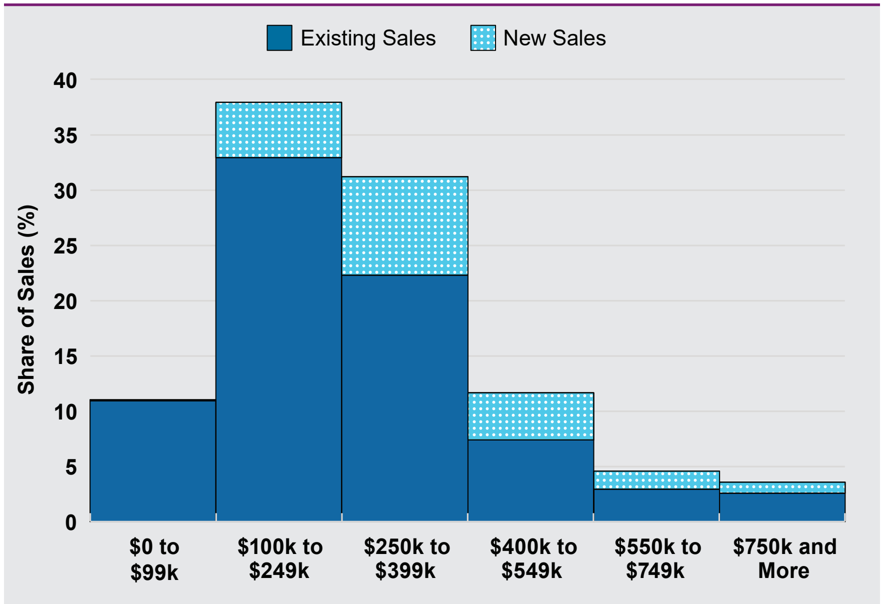
Sales price growth in the HMA since 2020 was initially strong but slowed considerably in the past year (Figure 10). In 2023, the average price of resale sales was $463,400, virtually unchanged from a year ago. However, record price growth from 2021 through 2022 preceded this moderated trend, when resale prices increased by an average of $59,400, or 16 percent, annually, finally surpassing the previous high in 2007 during the housing boom. This strong price growth significantly contributed to reduced affordability because incomes did not keep pace. The average new home sales price fell 2 percent on an annual basis in 2023 to $540,500. However, that decline followed record gains averaging $55,250, or 12 percent, annually in 2021 and 2022. REO home sales price trends were similar, with prices declining 3 percent during the past year following average price growth of 15 percent in 2021 and 2022. Nearly 70 percent of all homes sold in the HMA in 2023 were priced between $100,000 and $399,999 (Zonda; Figure 11).

Figure 10. 12-Month Average Home Sales Price by Type of Sale in the Las Vegas HMA



REO = real estate owned.
Source: CoreLogic, Inc., with adjustments by the analyst

Figure 11. Share of Overall Sales by Price Range During the 12 Months Ending December 2023 in the Las Vegas HMA



Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

Home Sales and Sales Price Trends: 2010 Through 2019

During the early 2010s, the excess inventory of REO properties from the housing crash was absorbed. However, new and resale home demand remained weak through 2012. The total number of home sales generally trended upward throughout the rest of the 2010s as economic conditions strengthened and new home construction increased. REO home sales peaked at 35,150 in 2009, accounting for 60 percent of home sales and selling at a 41-percent discount compared with resale sales. REO sales subsequently declined to 4,950 in 2014, accounting for 10 percent of total home sales, and the discount fell slightly to 38 percent. Approximately 17,450 resale homes were sold in 2010, and resale sales increased at an average annual rate of 17 percent to 32,550 sales from 2011 to 2014. After falling 16 percent from 2010 to 2011, the average resale price increased at an average annual rate of 14 percent through 2014 to $220,000. New home sales during the first half of the decade were subdued, reaching a low of 5,475 new home sales in 2011. The average new home sales price increased at an average annual rate of 13 percent from 2012 through 2014 to $321,100.

Home sales and prices grew consistently from 2015 through 2019, reflecting improving economic conditions, increased net in-migration to the HMA, and moderate mortgage interest rates. From 2015 through 2019, resale sales increased by an average of 3,050, or 8 percent, annually, accounting for 78 percent of total home sales. Price growth for resale sales averaged 8 percent a year during the 4-year period, although the average price of $311,300 in 2019 was still 12 percent less than the peak in 2007. During this period, REO sales declined at an average annual rate of 27 percent to 1,050 in 2019, accounting for less than 2 percent of total home sales. New home sales increased at an average annual rate of 8 percent from 2015 through 2019, reaching 9,725. During the same period, the average new home sales price rose at an average annual rate of 6 percent and in 2017 surpassed the pre-Great Recession high, reaching an average price of $437,200.

Home Sales and Prices by Geography

Of the homes sold in the HMA during December 2023, 34 percent were in the city of Las Vegas (Redfin, a national real estate brokerage), followed by 20- and 12-percent shares in the cities of Henderson and North Las Vegas, respectively. These shares have been relatively consistent since 2020. On an annual basis, home sales increased in all three highlighted cities in December 2023, ranging from a 6-percent increase in the city of North Las Vegas to a 20-percent increase in the city of Henderson. This growth represents a reversal from a year earlier when sales were down more than 50 percent in all three cities. Median sales prices in the cities of Henderson, Las Vegas, and North Las Vegas were $455,000, $425,000, and $404,000, up 3, 12, and 5 percent from a year ago, respectively. By comparison, median prices fell 5 and 1 percent in the cities of Henderson and Las Vegas a year earlier and increased 3 percent in North Las Vegas.

Delinquent Mortgages and Real Estate Owned Properties

The effect of the foreclosure crisis was severe in the HMA. The rate of seriously delinquent mortgages and REO properties in the HMA reached a high of 21.1 percent during February 2010, more than double the 8.6-percent high for the nation, which also occurred during February 2010. The rate in the HMA declined throughout the remainder of the 2010s to a low of 1.3 percent in November 2019, equal to the national rate, and remained unchanged through April 2020. The sharp economic contraction in the HMA from the countermeasures to slow the spread of COVID-19 resulted in a rise in delinquent loans, and the rate rose to a peak of 6.7 percent in August of 2020 compared with a national peak of 4.4 percent during the same month. The rate has declined every month since the recent peak, and as of December 2023, the rate of seriously delinquent mortgages and REO properties in the HMA was 1.0 percent, down from 1.2 percent a year ago and equal to the national rate.

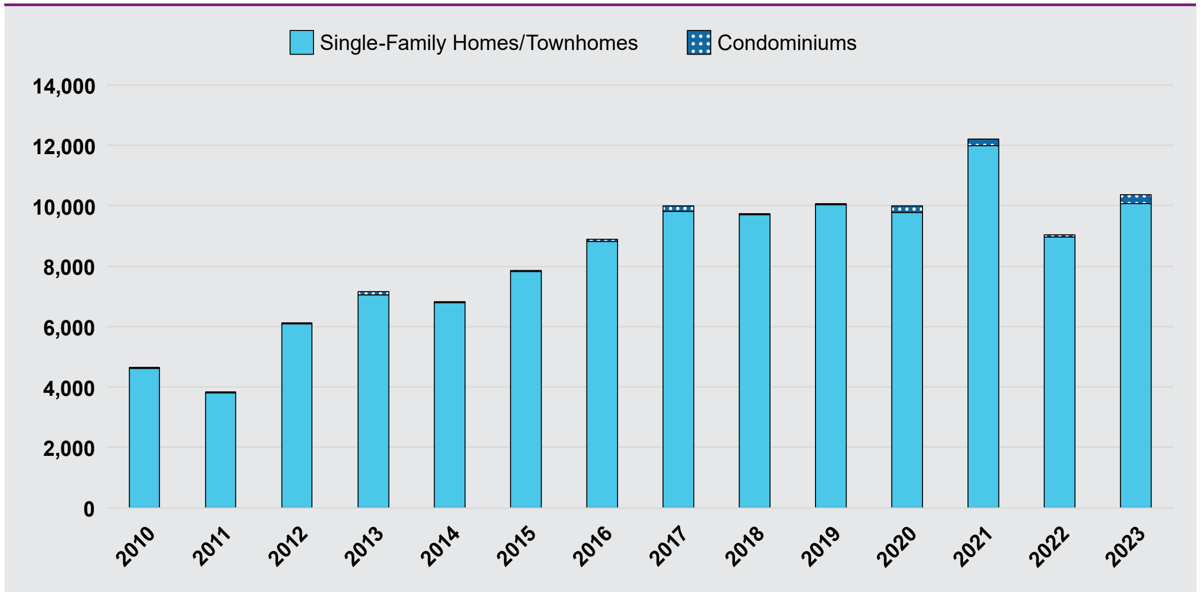
Sales Construction

Home construction in the HMA, as measured by the number of sales units permitted, has trended upward since the early 2010s when the sales market was still recovering from the Great Recession (Figure 12). An average of 4,250 homes were permitted annually in 2010 and 2011, and new home construction increased from 2012 through 2017 at an average annual rate of 17 percent to approximately 10,000 homes permitted in 2017. Home construction remained at a similar level from 2018 through 2020, averaging 9,925 homes permitted each year. Sales market conditions tightened with the onset of the pandemic and stronger housing demand, and home builders responded by increasing new home construction to a record high of 12,200 units in 2021. Home sales demand fell considerably when mortgage rates rose, resulting in a 26-percent decline in home construction in 2022 to 9,050 homes permitted. Record low levels of existing home for-sale inventories and relatively stable prices caused builders to increase new home construction to 10,400 units in 2023 (preliminary data, with adjustments by the analyst).

Sales Construction by Geography

The share of new home construction in the HMA in the three largest cities—Henderson, Las Vegas, and North Las Vegas—has been 73 percent since 2020, compared with 52 percent from 2010 to 2019. Much of this increase was attributable to building activity at the Summerlin MPC in the city of Las Vegas, approximately 15 miles west of The Strip, and at the Cadence MPC in the city of Henderson.

Figure 12. Annual Sales Permitting Activity in the Las Vegas HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

Since 2020, the city of Henderson has accounted for approximately 28 percent of all new homes permitted in the HMA, compared with 22 percent from 2010 to 2019. The Cadence MPC includes 2,200 acres and will eventually include more than 13,000 residential units. The MPC is less than 50 percent built out, with 24 neighborhoods currently selling homes, including 4 that opened in the fall of 2023, and an additional 8 neighborhoods are scheduled to open in the summer of 2024. Homes range from 1,095 to 4,425 square feet, including a mix of single-family homes, townhomes, and duplexes, with prices starting in the mid-$300,000s.

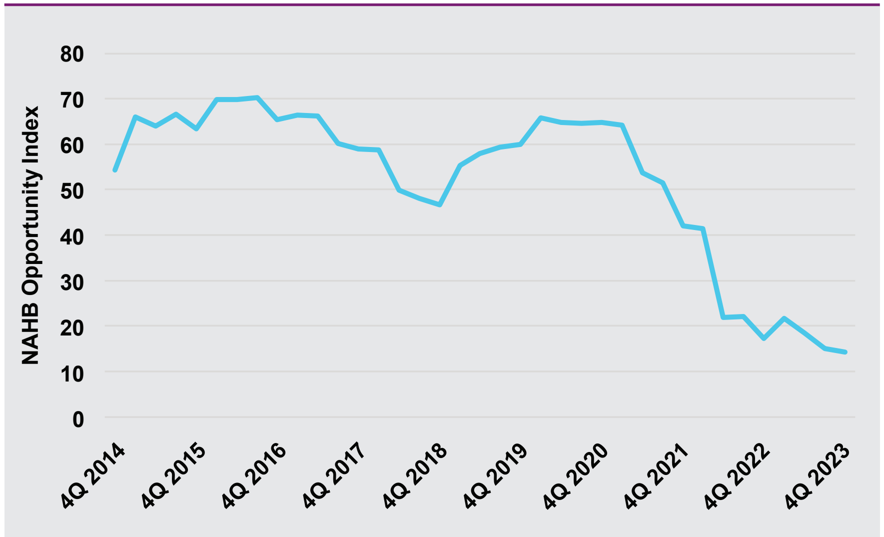
Approximately 25 percent of all home construction has been in the city of Las Vegas since 2020, compared with a 19-percent share from 2010 to 2019. The 22,500-acre Summerlin MPC currently consists of more than 200 neighborhoods within more than two dozen distinct villages with approximately 25,000 housing units.

In 2023, six new neighborhoods opened, and eight neighborhoods sold out. The Redpoint Square Village is one of the most affordable in the MPC, with four neighborhoods offering a mix of single-family homes, townhomes, and condominiums starting in the mid-$400,000s. Five additional neighborhoods are expected to open in 2024, the largest being Ascension Summerlin in The Peaks Village. This neighborhood will eventually include 561 homes in six separate subdivisions, with prices in the low $1 million range.

Housing Affordability: Sales

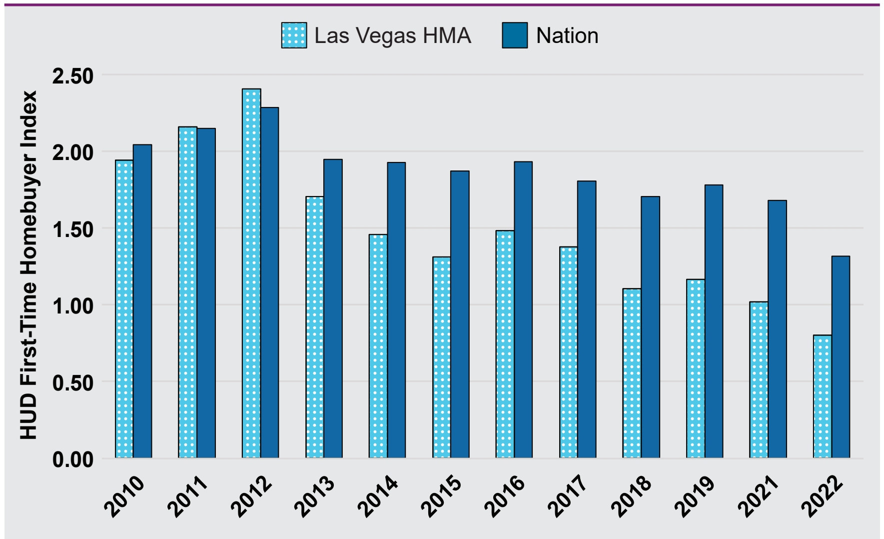
Homeownership has become significantly less affordable in the HMA since 2020, with sales prices increasing faster than incomes. The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a household earning the local median income, was 14.2 as of the fourth quarter of 2023, down from 17.2 a year earlier (Figure 13), and 214 of the 241 metropolitan areas measured, or nearly 89 percent of metropolitan areas in the nation, had greater housing affordability than the HMA. By comparison, homeownership was more affordable in the fourth quarter of 2020, and the HOI reached a recent peak at 64.7 when incomes increased. During that quarter, 78 percent of metropolitan areas in the nation had greater housing affordability than the HMA. Nevertheless, homeownership remains significantly more affordable in the HMA than in many of the large metropolitan areas on the west coast, including Los Angeles, San Francisco, and San Diego, where the HOIs were 2.7, 5.7, and 4.0, respectively, during the fourth quarter of 2023. Homeownership in the HMA has become particularly less affordable for households in the 25-to 44-year age cohort, the prime demographic for first-time homebuyers. The HUD First-Time Homebuyer Affordability Index measures the median household income for householders aged 25 to 44 relative to the income needed to purchase a home priced at the 25th percentile. The index for the HMA declined from 1.16 in 2019 to 0.80 as of 2022 (Figure 14). Nationally, the index fell from 1.78 to 1.31 during the same period.

Figure 13. Las Vegas HMA Housing Opportunity Index



4Q = fourth quarter. NAHB = National Association of Home Builders.
Source: NAHB/Wells Fargo

Figure 14. Las Vegas HMA HUD First-Time Homebuyer Index



Note: Data for 2020 are not available.
Sources: American Community Survey 1-year data; Freddie Mac; Zonda

Forecast

During the 3-year forecast period, demand is expected for 33,650 new homes in the HMA (Table 6). New home construction is expected to be concentrated in or near the Summerlin and Cadence MPCs, which already have the established amenities and infrastructure to support continued development. Elevated mortgage rates are likely to limit demand for new sales units, particularly among first-time homebuyers. The 5,300 new homes currently under construction will meet a portion of the demand.

Table 6. Demand for New Sales Units in the Las Vegas HMA During the Forecast Period

Sales Units	
Demand	33,650 Units
Under Construction	5,300 Units

Note: The forecast period is from January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft

A sharp drop in renter household growth, slowing absorption since 2020, and elevated apartment construction have resulted in rising vacancy rates.

Current Conditions and Recent Trends

The overall rental housing market in the Las Vegas HMA—including apartments, single-family homes, and other housing units available for rent—is slightly soft. In 2022, approximately 36 percent of renter households in the HMA lived in single-family homes, compared with 38 percent in 2010, and 46 percent lived in multifamily structures with five or more units per building, typically apartments, compared with 47 percent in 2010 (ACS 1-year data). Conditions softened during the past year because rental construction significantly outpaced absorption. The rental vacancy rate is currently estimated at 9.0 percent (Table 7), up from 8.1 percent in April 2020 when conditions were tighter but down considerably compared with 13.4 percent in 2010 when conditions were very soft.

Table 7. Rental and Apartment Market Quick Facts in the Las Vegas HMA

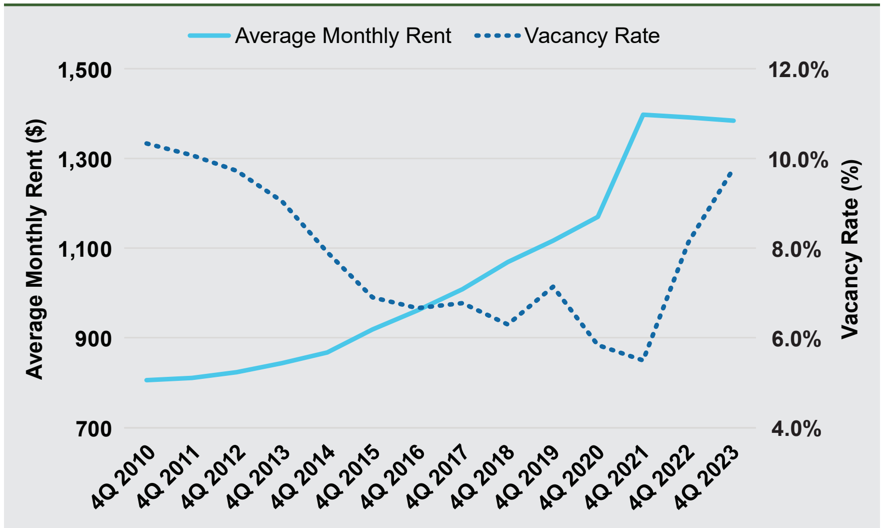
		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	8.1	9.0
		2010 (%)	**2022 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	38	36
	Multifamily (2–4 Units)	14	15
	Multifamily (5+ Units)	47	46
	Other (Including Mobile Homes)	2	3
		4Q 2023	**YoY Change**
Apartment Market Quick Facts	**Apartment Vacancy Rate**	9.8	1.7
	Average Rent	$1,384	0%
	Studio	$983	-1%
	One-Bedroom	$1,240	-1%
	Two-Bedroom	$1,476	0%
	Three-Bedroom	$1,724	1%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

Apartment Market Conditions—HMA

Apartment market conditions in the HMA are also slightly soft. The decline in renter household growth since 2020 and elevated apartment construction have resulted in slowing absorption and rising vacancy rates. The apartment vacancy rate was 9.8 percent as of the fourth quarter of 2023, up from 8.1 percent as of the fourth quarter of 2022 and an average of 5.7 percent in the fourth quarters of 2020 and 2021 (CoStar Group). Nearly 10,600 apartments have been completed in the HMA since the first quarter of 2021, but net absorption has been negative, totaling 360 units. The average fourth quarter apartment rent in the HMA has remained relatively stable during the past 2 years, with year-over-year declines of less than 0.5 percent. The average apartment rent was $1,384 as of the fourth quarter of 2023. However, annual rent growth was 19 percent as of the fourth quarter of 2021. For much of the mid- to late 2010s, apartment market conditions in the HMA were balanced, and rent growth was moderate. Rental unit construction kept pace with the strong renter household growth. From the fourth quarter of 2014 through 2019, the apartment vacancy rate stayed in a relatively narrow band, ranging from 6.3 to 7.9 percent, and rents increased at an average annual rate of 5 percent (Figure 15).

Figure 15. Apartment Rents and Vacancy Rates in the Las Vegas HMA



4Q = fourth quarter.
Source: CoStar Group

Apartment Market Conditions by Geography

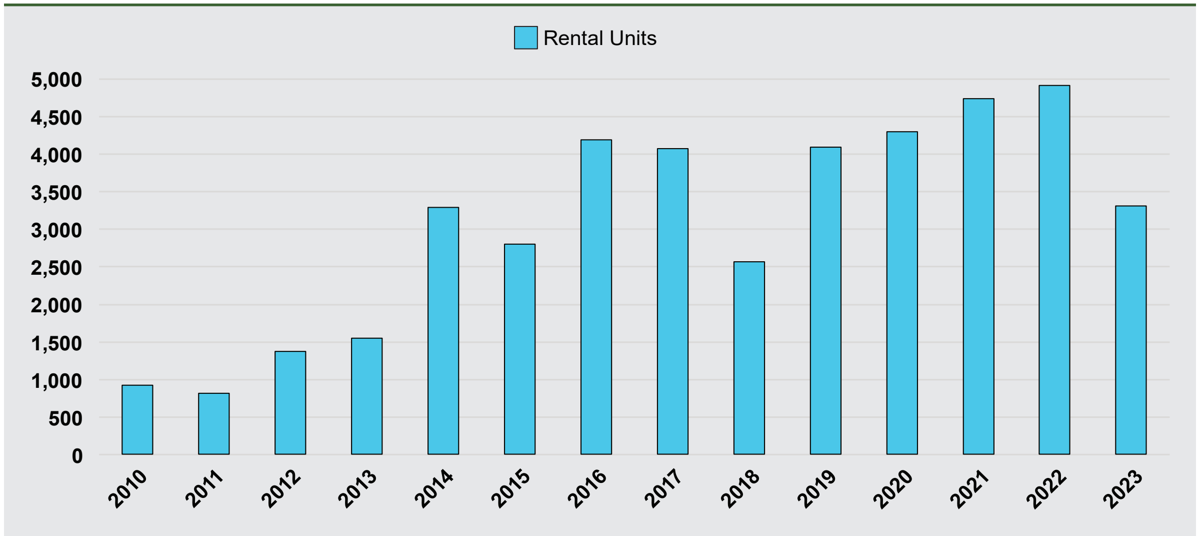
Within the HMA, apartment market conditions reflect population growth and apartment development patterns. Of the six CoStar Group-defined market areas (hereafter, market areas) in the HMA with inventories of at least 15,000 units, the Henderson and the Summerlin/Spring Valley market areas had the lowest vacancy rates as of the fourth quarter of 2023 at 7.8 and 9.9 percent, respectively, compared with 8.6 and 6.5 percent a year earlier. Rents were unchanged from a year ago in both market areas at $1,584 and $1,606, respectively, compared with respective annual declines of 2 percent and 5 percent a year earlier. However, both market areas had annual rent growth in excess of 20 percent as of the fourth quarter of 2021. The Enterprise/South Paradise market area, which includes much of the area immediately to the south of The Strip, had the highest rents in the HMA at $1,670, relatively unchanged during the past 2 years, compared with a 19-percent annual gain as of the fourth quarter of 2021. The vacancy rate in the Enterprise/South Paradise market area averaged 11.1 percent as of the fourth quarter of 2023, up from 6.5 percent a year earlier. The North Las Vegas/Sunrise Manor market area has some of the lowest rents in the HMA, averaging $1,328, down 1 percent from a year ago, and the vacancy rate increased from 8.5 to 12.4 percent.

The North Las Vegas/Sunrise Manor market area had the largest difference between units completed and absorbed in 2023, with 1,120 more units completed than absorbed. The Enterprise/South Paradise and the Summerlin/Spring Valley market areas had 1,425 and 1,250 units completed in 2023, compared with 600 and 470 units absorbed, respectively. The Henderson market area was the only one in which absorption outpaced the growth in supply, with 680 units added in 2023 compared with 840 units absorbed.

Rental Construction

Rental construction activity in the HMA, as measured by the number of units permitted, rose to recent high levels in 2021 and 2022 in response to the sharp decline in the apartment vacancy rate in the fourth quarter of 2020 and surging rent growth in 2021 (Figure 16). However, rental demand has since weakened considerably, leading to rising vacancy rates as the units were completed. Approximately 3,325 rental units were permitted in 2023, down 33 percent from a year earlier (preliminary data, with estimates by the analyst). Rental permitting during 2021 and 2022 was at the strongest level since before 2010, with 4,750 and 4,925 units permitted, respectively. For context, rental construction activity was elevated in the latter

Figure 16. Annual Rental Permitting Activity in the Las Vegas HMA



Note: Includes apartments and other units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

half of the 2010s, supported by strong net in-migration and renter household growth. From 2014 through 2020, an average of 3,625 rental units were permitted in the HMA each year, more than triple the average of 1,175 units annually from 2010 through 2013.

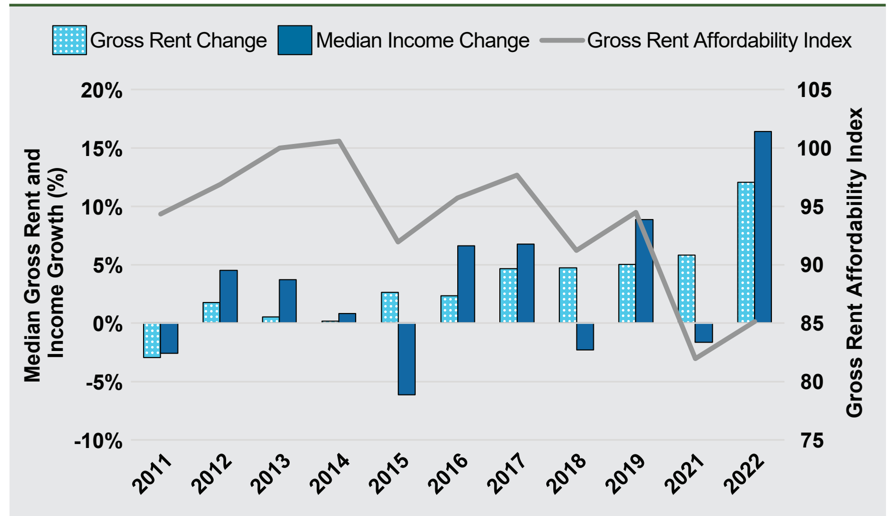
Recent rental construction activity has been heavily concentrated near major commuting arteries, particularly along the Interstate 15, 215, and 515 corridors in the southern part of the HMA. The Henderson and the Summerlin-Spring Valley market areas combined to account for 53 percent of the rental units completed during the past year and more than 50 percent of the units currently under construction. A recently completed property in the Henderson market area was the 265-unit Element 12 in the Cadence MPC, which began leasing up in 2023. Rents at the property start at $1,671 for one-bedroom units, $2,161 for two-bedroom units, and $2,626 for three-bedroom units. In the Summerlin MPC, the 456-unit Evora Vegas began leasing in late 2023. Rents start at $1,988 for studio units and range up to $4,197 for three-bedroom units. The largest property to open in 2023 was the 754-unit Ariva, on Interstate 15 approximately 10 miles south of The Strip. Rents at the property start at $1,727 for one-bedroom units, $2,179 for two-bedroom units, and $3,460 for three-bedroom units.

Housing Affordability: Rental

Rental affordability in the HMA has declined sharply since 2019 because rent growth has outpaced median income growth for renter households. As a result, the HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, was 85.1 in 2022, down from 94.5 in 2019. The index generally trended down from a peak of 100.6 in 2014 to a prerecession low of 91.2 in 2018 (Figure 17).

A relatively high percentage of all renter households in the HMA were cost burdened during the 2016–20 period (Table 8). An estimated 23.9 percent of all renter households had moderate- to high-cost burdens, spending between 31 and 50 percent of income on rent, and 23.0 percent of renter households were severely cost burdened, spending 51 percent or more of income toward rent. By comparison, 21.6 percent of renter households nationally had moderate- to high-cost burdens, and 22.0 percent of renter households were severely cost burdened. A significantly larger share of lower income renter

Figure 17. Las Vegas HMA Gross Rent Affordability Index



Notes: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available.
Source: American Community Survey 1-year data

Table 8. Percentage of Cost-Burdened Renter Households by Income in the Las Vegas HMA, 2016–20

	Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs		Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs	
	Las Vegas HMA	Nation	Las Vegas HMA	Nation
Renter Households with Income <50% HAMFI	22.3	27.1	60.2	47.9
Total Renter Households	23.9	21.6	23.0	22.0

HAMFI = HUD area median family income.
Source: Consolidated Planning/Comprehensive Housing Affordability Strategy Data, 2016–2020 American Community Survey 5-year estimates

households in the HMA—those with incomes less than 50 percent of the Area Median Family Income (AMFI)—had severe cost burdens as compared with the nation. Approximately 60.2 percent of renter households with incomes less than 50 percent of the AMFI in the HMA were paying 51 percent or more of income toward rent compared with 47.9 percent nationally.

Forecast

During the 3-year forecast period, demand is expected for 10,300 rental units in the HMA (Table 9). Demand for new rental units in the HMA is expected to be relatively stable during each year of the forecast period, and construction is expected to continue to be heavily concentrated in or near the Summerlin and Cadence MPCs because of the significant amount of infrastructure and amenities already available. The 7,850 units currently under construction and an additional 660 units in planning are expected to satisfy all the rental demand during the first 2 years of the forecast.

Table 9. Demand for New Rental Units in the Las Vegas HMA During the Forecast Period

Rental Units	
Demand	10,300 Units
Under Construction	7,850 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs. Moderate to high-cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Forecast Period	1/1/2024–1/1/2027—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.

Net Natural Increase	**Resident births are greater than resident deaths.**
Other Vacant Units	**In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the U.S. Census Bureau.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Resales	**These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.**
Seriously Delinquent Mortgages	**Mortgages 90 or more days delinquent or in foreclosure.**

B. Notes on Geography

1.	**The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.**
2.	**Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.**
3.	**The census tracts referenced in this report are from the 2020 Census.**

C. Additional Notes

1.	**The National Association of Home Builders Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.**

2.	**This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.**
3.	**The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.**

D. Photo/Map Credits

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Contact Information

Holi Urbas, Regional Economist
Seattle HUD Regional Office
206–220–5291
holi.m.urbas@hud.gov