

**CONSTRUCTION  
ACTIVITY**



UNDER CONSTRUCTION **8,324**

UNITS DELIVERED (YTD) **3,989**

**MARKET  
FUNDAMENTALS**



VACANCY RATE **9.4%**

YEAR-OVER-YEAR CHANGE **+130bps**

ASKING RENTS **\$1,488**

YEAR-OVER-YEAR CHANGE **-1.6%**

**TRANSACTION  
ACTIVITY (YTD)**



MEDIAN PRICE PER UNIT **\$227,500**

MARKET INSIGHTS

# Transaction pricing improves for second consecutive year

## HIGHLIGHTS

- Fourth-quarter operating conditions softened across the Las Vegas multifamily market, as asking rents declined and vacancy rose. Development activity moderated in 2025, with completions totaling approximately 4,000 units, a 30% decline from 2024 levels.
- The vacancy rate ended 2025 at 9.4%, with most of the increase occurring in the second half of the year. After remaining relatively stable through the first six months, vacancy rose sharply in both the third and fourth quarters, recording the two largest vacancy increases in the metro since 2023.
- Average asking rents declined in the fourth quarter, slipping 0.5% to \$1,488 per month. On a year-over-year basis, rents fell 1.6%, extending the recent period of softening.
- The total multifamily transaction count in 2025 was roughly in line with the previous year. The median sale price increased 7% from 2024 to \$227,500 per unit, while properties traded at an average cap rate of 5.3%.

## LAS VEGAS MULTIFAMILY MARKET OVERVIEW

Las Vegas multifamily performance softened in 2025 as operators adjusted to a cooling employment market in a competitive leasing environment. Stabilized vacancy ended the year at 9.4%, up 130 basis points from one year earlier, while rents dipped 1.6% year over year. Many of the traditional demand drivers in Las Vegas were mixed in 2025. While visitor volume declined 7.5% and airport passenger counts fell, gaming revenue in Clark County still increased 0.9% and Strip gaming was essentially flat, pointing to resilient spending. The Las Vegas area's population continued to expand, and employment gains in the market's core industries of leisure and hospitality and healthcare helped support the renter base. Throughout the second half of 2025, weakness in multifamily property performance reflected supply pressure and competitive new deliveries rather than a broad pullback in underlying demand.

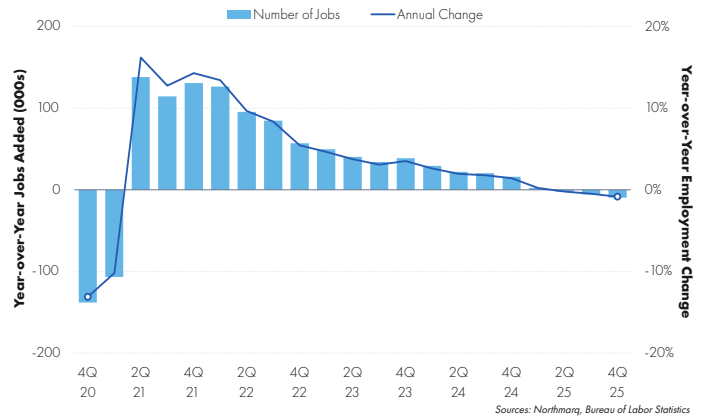
Las Vegas continues to lend itself to a range of multifamily investment strategies, supported by entry pricing that remains competitive relative to many Sun Belt peers. Sales activity accelerated over the course of this year and pricing strengthened despite softer operating conditions. The median sale price in 2025 climbed 7% to \$227,500 per unit and reported cap rates generally clustered in the low-5% range. The year's deal mix also shifted, with first half closings concentrated in Class A trades and the second half capturing a larger share of Class C activity. Newer institutional-grade assets continued to command a clear premium, with several Class A trades above \$275,000 per unit, while a meaningful share of Class B and Class C transactions closed below \$200,000 per unit, keeping workforce and value-add acquisitions viable in lower-cost submarkets. With heavy deliveries over the past three years expanding the inventory of newer rentals, the market is also offering more stabilized and near-stabilized options for groups seeking newer vintages without taking on full development risk.

## EMPLOYMENT

- The labor market in Las Vegas recorded mixed performance in 2025. Total employment is down by 9,800 positions year over year, but hiring remains positive in key sectors, with leisure and hospitality adding roughly 2,300 jobs and education and health services expanding by about 5,000 jobs.
- Job losses were concentrated in construction-linked categories. Mining, logging and construction fell by roughly 8,600 jobs year over year to 71,100 positions, a 10.8% decline, making construction the primary drag on overall employment while most other major sectors held closer to flat or positive growth.
- Haas Automation’s roughly 2.5-million-square-foot manufacturing facility in Henderson is taking shape and is expected to deliver in late 2026. The project is expected to support approximately 1,400 employees as operations ramp up.
- **FORECAST:** After a year of below-trend performance, employment in the Las Vegas area is forecast to regain momentum in 2026 as job gains broaden across more sectors. Employers are projected to add roughly 11,500 jobs in 2026, translating to 1.0% employment growth.

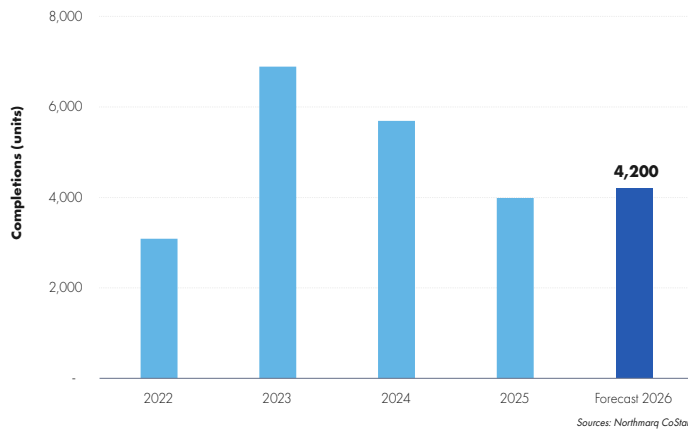
*Leisure and hospitality employment increased 0.8% year over year.*

### EMPLOYMENT OVERVIEW



*Developers completed more than 840 units during the fourth quarter.*

### DEVELOPMENT TRENDS

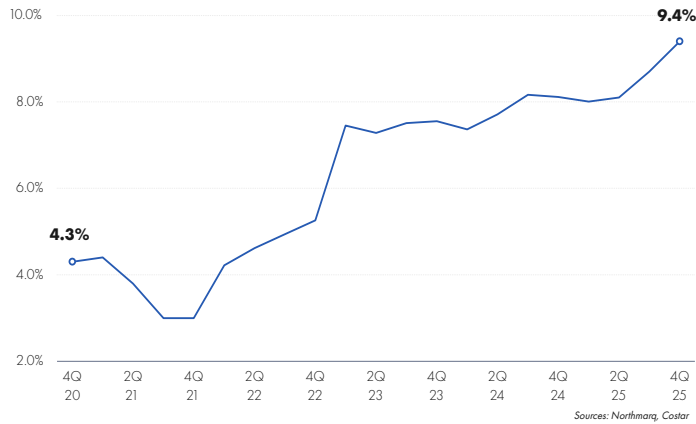


## DEVELOPMENT & PERMITTING

- Deliveries during the fourth quarter totaled more than 840 units, similar to the figure from the prior three-month period. For the full year, developers completed nearly 4,000 units, down approximately 30% from the 2024 total.
- Approximately 8,300 units were under construction at the end of the fourth quarter. Henderson and Summerlin/Spring Valley accounted for a large share of the pipeline, while North Las Vegas also recorded a notable share of units underway.
- Multifamily permitting accelerated in 2025, totaling roughly 4,000 units for the year, nearly double 2024 levels. Activity peaked in October, when permits were issued for 1,256 units across 11 properties, the highest single-month total of the year.
- **FORECAST:** Developers are forecast to deliver roughly 4,200 units across Greater Las Vegas in 2026, below the five-year average but broadly in line with the metro’s decade-long norm.

## Stabilized vacancy in Las Vegas ended 2025 at 9.4%.

### VACANCY TRENDS



## VACANCY

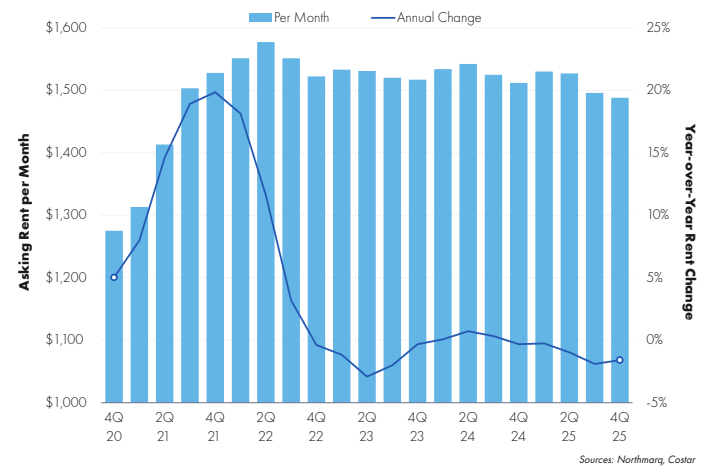
- The stabilized vacancy rate in Greater Las Vegas ended 2025 at 9.4%. After holding relatively steady through the first three quarters, the rate rose 70 basis points during the fourth quarter. The current vacancy rate is up 130 basis points from the year-end 2024 figure.
- Enterprise/South Paradise stood out as a top-performing submarket in 2025. The area recorded an annual improvement of 80 basis points, bringing its vacancy rate to 7.0% in the fourth quarter.
- While vacancy rose across Greater Las Vegas, the impact varied by asset class. Class A vacancy increased by just 60 basis points year over year to 8.6%. The mid-tier and lower-tier segments showed more pronounced softening, with Class B vacancy rising 100 basis points to 9.3% and Class C jumping 190 basis points to 8.7%.
- **FORECAST:** Vacancy is forecast to end 2026 at 9.0%, representing a 40-basis-point decline from current levels. Continued renter demand is expected to push market dynamics back toward stabilization as the year progresses.

## RENTS

- Asking rents ticked down 0.5% during the fourth quarter to \$1,488 per month. While seasonality contributed to this recent dip, the market’s most significant rent softening occurred during the third quarter. For the full year, rents declined 1.6%.
- Submarket performance favored the less expensive pockets of the metro in 2025. North Las Vegas/Sunrise Manor demonstrated the strongest rent resilience, with asking rents remaining essentially flat year over year at \$1,394 per month. Central Las Vegas and Paradise Valley East also held relatively steady, recording modest declines of 0.8% and 0.6%, respectively.
- All asset classes recorded annual rent declines in 2025, with the pace varying by property grade. Class B asking rents posted the steepest reduction, falling 2.3% to \$1,747 per month, while Class A and Class C properties experienced softer downward adjustments.
- **FORECAST:** Rent growth is expected to recover in 2026 with modest gains. Average asking rents are forecast to end the year at \$1,500 per month, a 0.8% increase.

## Asking rents ended the fourth quarter at \$1,488 per month.

### RENTS TRENDS

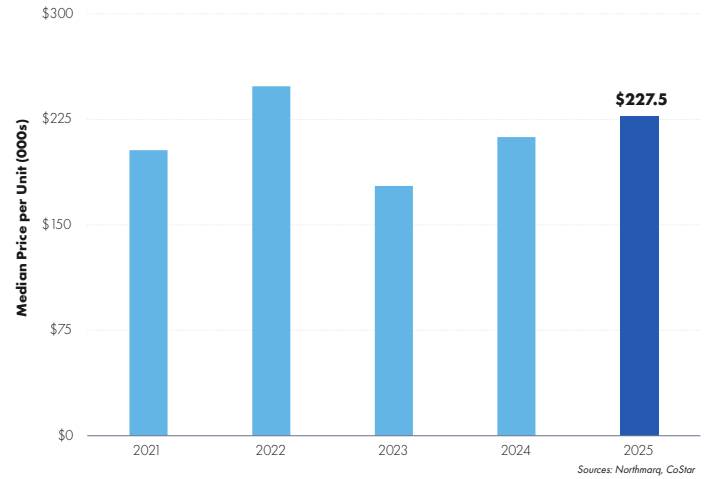


## MULTIFAMILY SALES

- Multifamily investment activity remained resilient through the end of the year, while pricing showed annual growth. The median sale price for properties that traded in 2025 reached \$227,500 per unit, representing a 7% increase from 2024 levels.
- The sales mix in 2025 shifted from premium assets to workforce properties over the course of the year. Class A deals accounted for nearly half of first-half transactions, while Class C trades emerged to capture roughly a third of second-half closings.
- Cap rates generally clustered in the low-5% range in 2025, but dispersion widened across deals. The median cap rate was about 5.3%, with more than half of reported trades landing between 5.0% and 5.5%.
- Pricing differed sharply by vintage. Pre-1980 assets traded around \$100,000 per unit, while 1980s-vintage assets sold for approximately \$150,000 per unit. Assets built between 1990 and 2009 changed hands at a median price of approximately \$230,000 per unit, while properties built since 2010 posted a median of \$307,300 per unit.

*The median sale price in 2025 was \$227,500 per unit.*

### INVESTMENT TRENDS



## RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

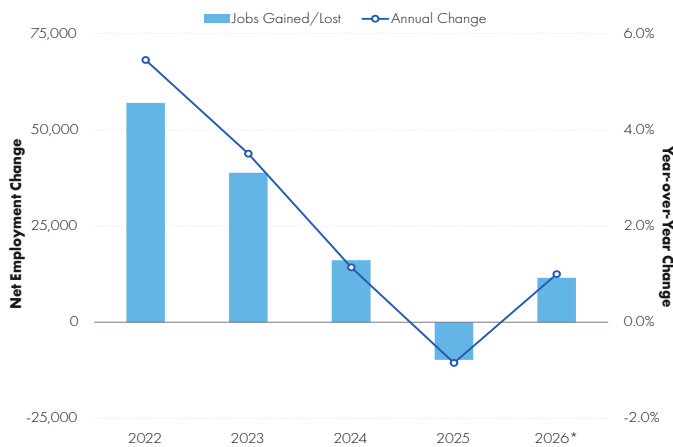
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Capri Apartment Homes	3295 Casey Drive, Las Vegas	1989	624	\$117,500,000	\$188,301
Sedona at Lone Mountain	770 W. Lone Mountain Road, North Las Vegas	1999	321	\$73,250,000	\$228,193
Pines	122 N. Jessup Road, Henderson	1989	108	\$25,300,000	\$234,259

## LOOKING AHEAD

The Las Vegas multifamily market is expected to continue stabilizing through 2026 as operators work through a supply overhang and a delivery pipeline that remains steady. Developers are forecast to complete roughly 4,200 units across Greater Las Vegas, keeping new supply near 2025 levels and maintaining competitive pressure in submarkets with multiple active projects. Even so, vacancy is projected to ease modestly by year end, ending 2026 near 9.0%, as demand gradually absorbs recent deliveries and leasing normalizes. Rents are expected to bottom out before shifting back into modest growth, with average asking rent forecast to end the year around \$1,500 per month. Continued population inflows and improving employment, led by healthcare and leisure and hospitality, are expected to support absorption and help push market fundamentals toward modest improvement.

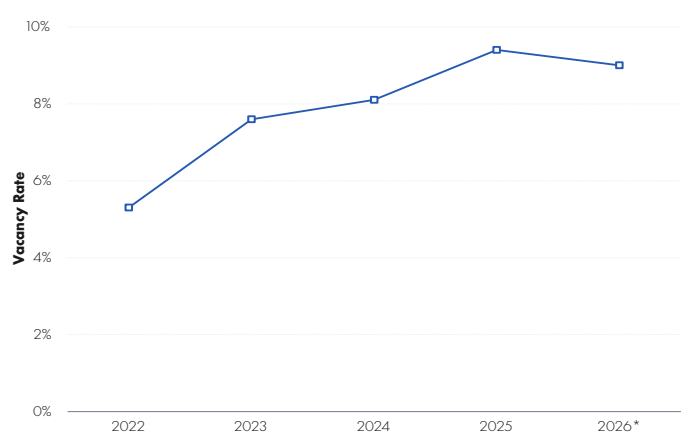
Multifamily investors in Las Vegas will likely remain selective in 2026. With vacancy still elevated and rent growth expected to be modest in the near term, many deals will continue to be underwritten on in-place operating income rather than a near-term growth story. Operating costs have also become a primary underwriting constraint. Insurance renewals have increased materially for many owners, and the Las Vegas Valley Water District's "excessive use" charges can raise water bills at communities with large pools or water-intensive landscaping, directly pressuring cash flows and valuations. Over the longer term, continued population inflows and job creation tied to major corporate commitments, including Haas Automation's manufacturing expansion in Henderson, should support renter demand and provide a steadier runway for revenue growth once the recent supply wave is absorbed.

### EMPLOYMENT FORECAST



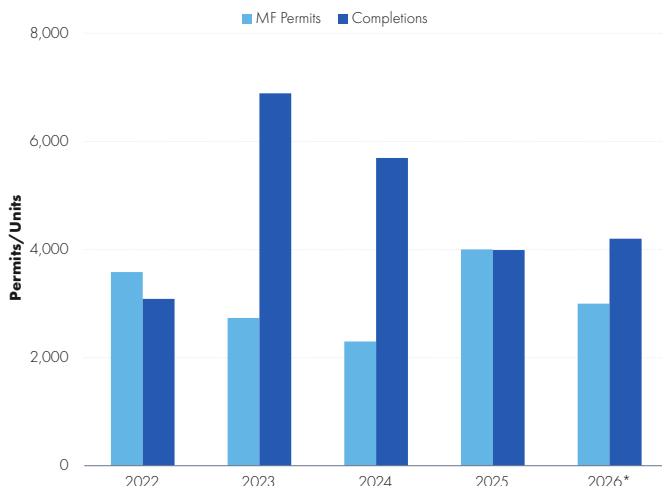
\* Year End Forecast  
Sources: Northmarq, Bureau of Labor Statistics

### VACANCY FORECAST



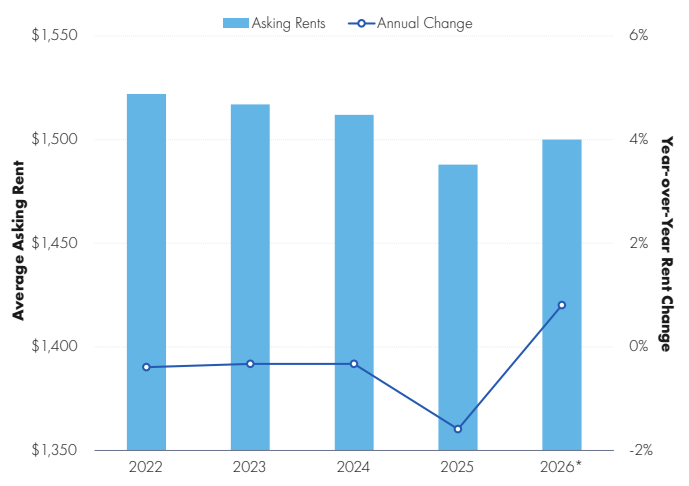
\* Year End Forecast  
Sources: Northmarq, CoStar

### CONSTRUCTION & PERMITTING FORECAST



\* Year End Forecast  
Sources: Northmarq, Yardi, Reis, Census Bureau, CoStar

### RENTS FORECAST



\* Year End Forecast  
Sources: Northmarq, CoStar



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