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 June 1, 2022

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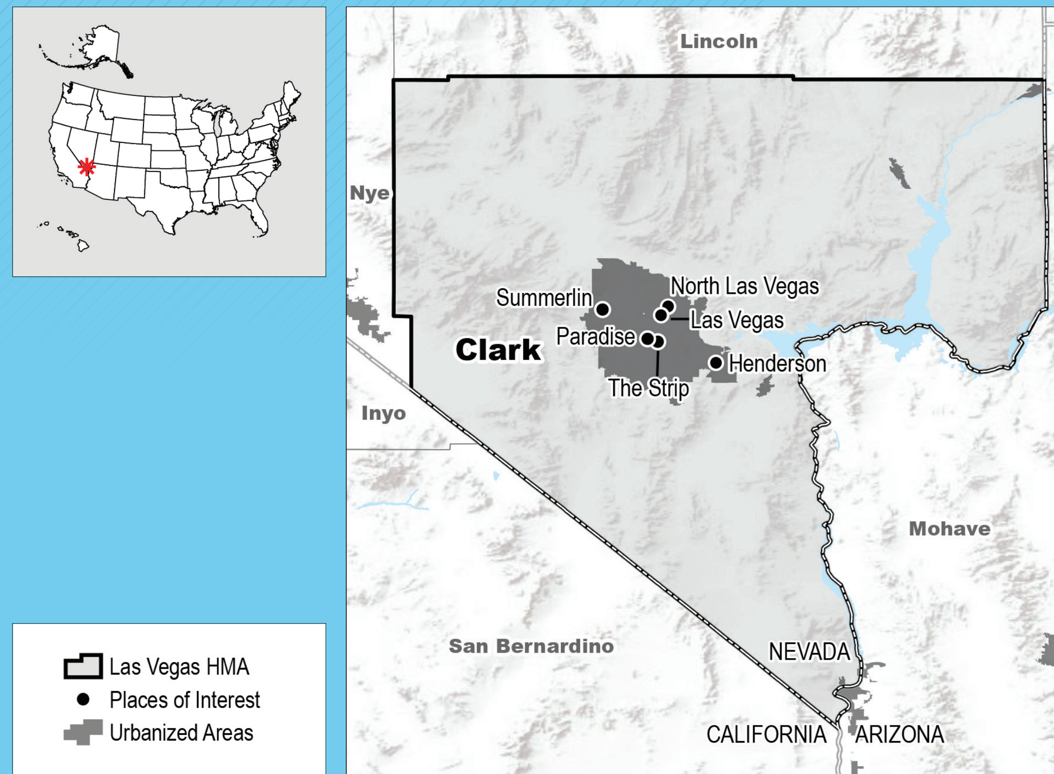
Executive Summary

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 (MSA), which consists of Clark County and is in the southern tip of Nevada.

The current population of the HMA is estimated at 2.32 million.

Tourism, including the largest casino gaming market in the nation, directly or indirectly supported 376,800 jobs while generating an estimated $63.6 billion of economic benefit in the metropolitan area during 2019 (Las Vegas Convention and Visitors Authority [LVCVA]). The Strip, a portion of South Las Vegas Boulevard that runs approximately five miles through the unincorporated area of Paradise, is home to 29 casinos and contributes significantly to the economic base 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

Weak, but Improving: Economic conditions in the Las Vegas HMA are nearly recovered from dramatic job losses associated with efforts intended to slow the spread of COVID-19.

Nonfarm payrolls in the HMA rose by 12.6 percent, or 114,800, to 1.03 million jobs during the 12 months ending May 2022, only 1.2 percent below the prepandemic high of 1.04 million during 2019. All 11 sectors added jobs during the most recent 12 months, with the largest and fastest gains in the leisure and hospitality sector, which expanded by 60,300 jobs, or 29.7 percent. Job growth is expected to average 3.2 percent annually during the next 3 years, with the strongest gains anticipated during the first year as the economic recovery concludes.

Sales Market

Tight, but Easing: A 1.5-month supply of homes for sale was available in the Las Vegas HMA during May 2022, up slightly from a 1.4-month supply a year ago (CoreLogic, Inc.).

The sales vacancy rate in the HMA is estimated at 2.2 percent as of June 1, 2022, a fraction of the 6.2-percent rate in April 2010 when sales market conditions were soft. During the 12 months ending May 2022, home sales totaled approximately 71,850, up 8 percent from the previous 12 months. The average sales price rose 19 percent to $453,400 (CoreLogic, Inc., with adjustments by the analyst). As of May 2022, 1.5 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or in real estate owned (REO) status, down from 5.0 percent a year ago. Demand is expected for 33,400 new homes during the forecast period. The 7,800 homes currently under construction will meet some of that demand.

Rental Market

Balanced: The apartment vacancy rate in the Las Vegas HMA declined sharply during the early stages of the pandemic but increased during the past year as rental construction accelerated.

The overall rental vacancy rate is currently estimated at 7.9 percent, well below the 13.4-percent rate in April 2010 when the rental market was soft. The apartment market is also balanced, with a 5.8-percent vacancy rate during the first quarter of 2022, up from 5.2 percent a year ago (CoStar Group,). The average apartment rent rose 20 percent to $1,456, nearly double the 11-percent increase to $1,594 for the nation. During the forecast period, demand is expected for 14,950 rental units in the HMA. The 5,775 units currently under construction and an additional 1,500 units in planning are expected to satisfy most of the rental demand during the next 2 years.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Las Vegas HMA	Total Demand	33,400	14,950
	Under Construction	7,800	5,775

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2022. The forecast period is June 1, 2022, to June 1, 2025.
Source: Estimates by the analyst

Economic Conditions

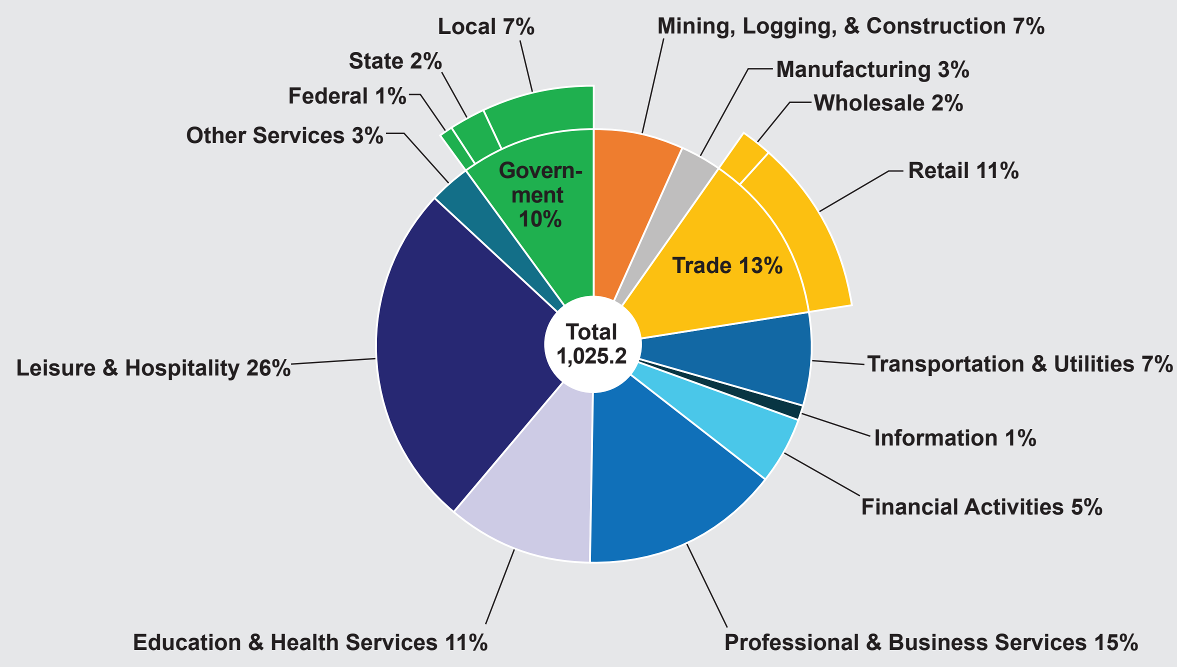
Largest Sector: Leisure and Hospitality

Nine of 11 sectors expanded by at least 5.0 percent in the Las Vegas HMA during the 12 months ending May 2022.

Primary Local Economic Factors

Due to the presence of more than 220 casinos, nearly 161,000 hotel rooms, and 14.28 million square feet of meeting and exhibition space (LVCVA), the leisure and hospitality sector is the largest in the HMA and accounted for 263,000 jobs, or 26 percent of total nonfarm payrolls, during the most recent 12 months (Figure 1). The sector includes most of the largest employers in the HMA, including MGM Resorts International and Caesars Entertainment, Inc., which operate a combined 18 of the 29 casinos on The Strip and employ more than 50,000 and 20,000 people, respectively (Table 1). The sector was dramatically impacted by both the Great Recession and the start of the COVID-19 pandemic but has on net added jobs since the early 2000s, partly because of several large-scale projects. The completion of T-Mobile Arena and a new 5,000-seat theater at the Park MGM Resort and Casino combined to create approximately 3,000 permanent jobs in 2016, and Resorts World Las Vegas, a 6,575-room casino and resort on the site of the former Stardust Resort and Casino, has created more than 13,000 jobs since opening in 2021.

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 May 2022. Military jobs are not included in these data.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Las Vegas HMA

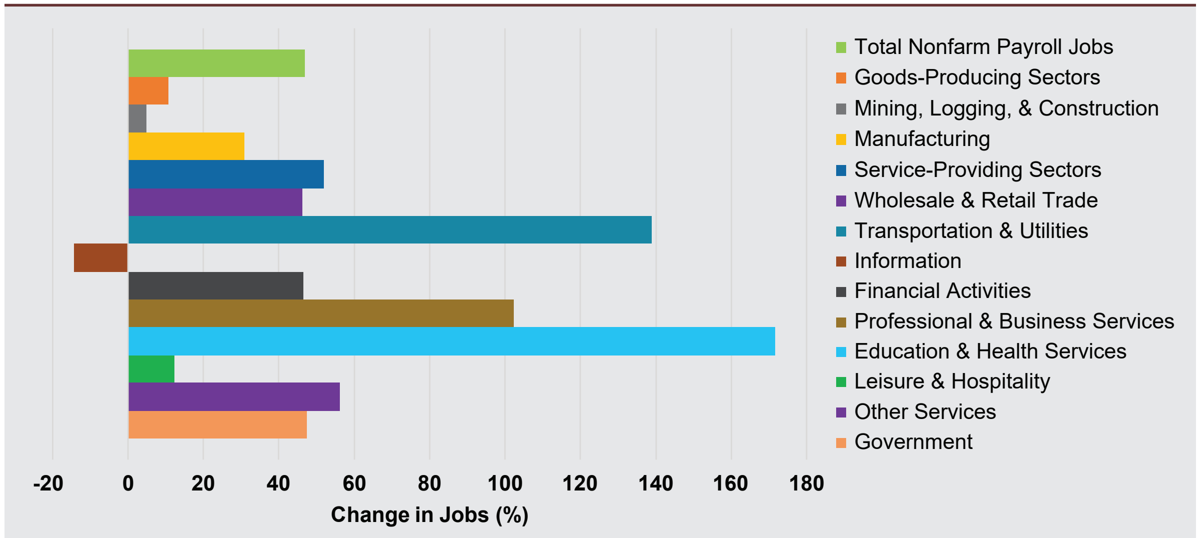
Name of Employer	Nonfarm Payroll Sector	Number of Employees
MGM Resorts International	Leisure & Hospitality	50,000+
Caesars Entertainment, Inc.	Leisure & Hospitality	20,000+
Wynn Resorts Holdings, LLC	Leisure & Hospitality	10,000+
Apollo Global Management, Inc.	Leisure & Hospitality	8,500+
Clark County	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. Respective employment totals for Nellis Air Force Base and Creech Air Force Base, which include approximately 7,775 and 3,025 uniformed military personnel who are not counted in nonfarm payrolls, are also excluded.
Sources: Las Vegas Global Alliance; Nevada Department of Employment Training and Rehabilitation; University of Nevada, Las Vegas; estimates by the analyst

A lack of statewide corporate income tax and relatively affordable land, when compared with many major metropolitan areas on the west coast, have made the HMA an increasingly attractive location for large companies outside of the leisure and hospitality sector. The city of Las Vegas is currently home to the headquarters of online retailer Zappos.com, data center operator Switch, Inc., and data firm Terbine, among others. In addition, Amazon.com, Inc. currently employs more than 5,500 people at five facilities in the HMA, all which have opened since 2019. The increasing corporate presence in the HMA has contributed to significant job growth in the professional and business services sector, which has more than doubled in size since 2001 and accounted for 15 percent of total nonfarm payrolls during the most recent 12 months.

Due in part to generally strong population growth, particularly associated with an influx of retirees, the education and health services sector has been the fastest growing sector in the HMA for more than 2 decades (Figure 2). The number of payrolls in the sector, which was the only sector in the HMA to add jobs each year of the 2000s and 2010s, has nearly tripled since 2001. The sector benefits from the presence of 8 of the 10 largest hospitals in Nevada, including the 710-bed Sunrise Hospital and Medical Center and the 510-bed University Medical Center (American Hospital Directory).

Figure 2. Sector Growth in the Las Vegas HMA, 2001 to Current



Notes: The current date is June 1, 2022. Military jobs are not included in these data.
Source: U.S. Bureau of Labor Statistics

Current Conditions—Nonfarm Payrolls

The HMA was severely impacted by a dramatic reduction in tourism associated with the COVID-19 pandemic. Economic conditions have since improved significantly, however, and the average of 1.03 million jobs during the 12 months ending May 2022 was only 1.2 percent below the prepandemic high of 1.04 million during 2019. After declining by 20,600 jobs, or 2.0 percent, during the 12 months ending May 2020, and by 89,400 jobs, or 8.9 percent, during the 12 months ending May 2021, nonfarm payrolls in the HMA rose by 114,800 jobs, or 12.6 percent, during the most recent 12 months (Table 2). The leisure and hospitality sector accounted for nearly all the jobs lost in the HMA during the 12 months ending May 2020 and 71 percent of the job losses during the 12 months ending May 2021, but the sector has since contributed significantly to improving economic conditions. Payrolls in the sector rose by 60,300 jobs, or 29.7 percent, during the 12 months ending May 2022, accounting for 53 percent of the overall increase in nonfarm payrolls in the HMA. Gains in the sector were highly correlated with increased tourism. The number of visitors to the HMA rose 74 percent to 38.59 million during the 12 months ending May 2022, following respective declines of 21 and 39 percent during the same 12 months in 2020 and 2021 (Figure 3; University of Nevada, Las Vegas Center for Business and Economic Research [CBER]).

The COVID-19 Pandemic: Monthly Economic Data

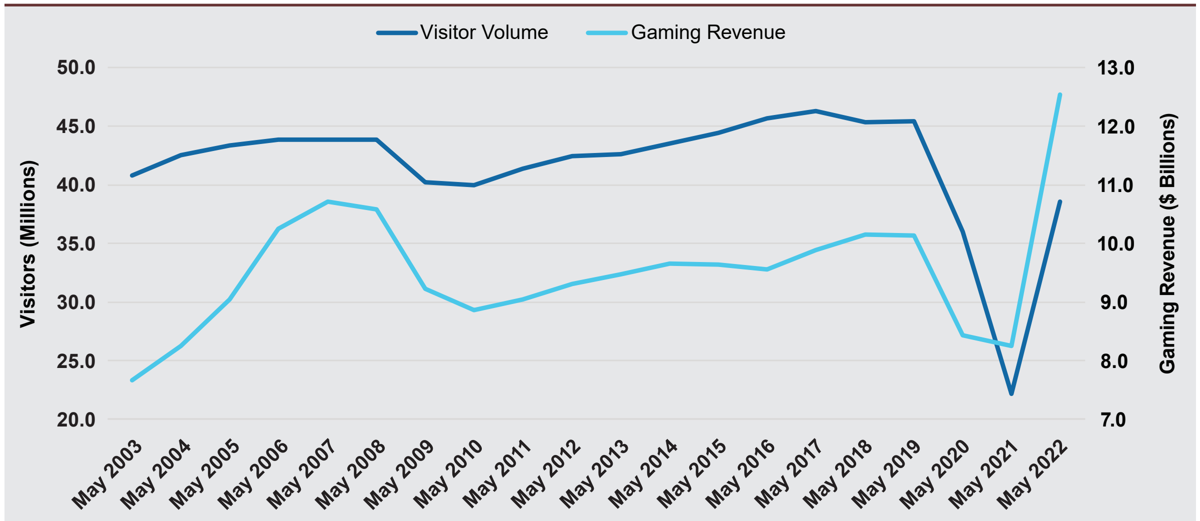
An analysis of monthly data suggests that a full recovery from the economic downturn caused by the COVID-19 pandemic is nearing. In an effort to combat the spread of COVID-19, nonessential businesses in Nevada were ordered to close on March 21, 2020. The order encompassed all casinos and hotels, including those along The Strip, and the economic impact was immediate and dramatic. During April and May 2020, the combined number of visitors to the HMA plummeted to only 258,200, down 96 percent from a combined 7.23 million during April and May 2019 (LVCVA). The massive decline in tourism contributed to significant job losses. Nonfarm payrolls in the HMA fell 27 percent from 1.05 million during February 2020 to a low of 771,800 in May 2020 (monthly data; not seasonally adjusted). By comparison, nonfarm payrolls for the nation declined 13.7 percent from 150.97 million during February 2020 to a low of 130.25 million during April 2020. Nearly all restrictions associated with the COVID-19 pandemic, including mask requirements, have since been lifted in the HMA, and visitor volume has increased significantly. The combined 7.22 million visitors to the HMA during April and May 2022 was a

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

	12 Months Ending May 2021	12 Months Ending May 2022	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**910.4**	**1,025.2**	**114.8**	**12.6**
Goods-Producing Sectors	92.4	96.8	4.4	4.8
Mining, Logging, & Construction	68.1	70.4	2.3	3.4
Manufacturing	24.3	26.4	2.1	8.6
Service-Providing Sectors	818.0	928.4	110.4	13.5
Wholesale & Retail Trade	128.0	135.4	7.4	5.8
Transportation & Utilities	57.8	66.6	8.8	15.2
Information	9.6	11.5	1.9	19.8
Financial Activities	51.9	55.8	3.9	7.5
Professional & Business Services	133.4	152.1	18.7	14.0
Education & Health Services	105.1	110.8	5.7	5.4
Leisure & Hospitality	202.7	263.0	60.3	29.7
Other Services	27.3	29.0	1.7	6.2
Government	102.3	104.1	1.8	1.8

Notes: Based on 12-month averages through May 2021 and May 2022. Numbers may not add to totals due to rounding. Data are in thousands. Military jobs are not included in these data.
Source: U.S. Bureau of Labor Statistics

Figure 3. Visitor Volume and Gaming Revenue in the Las Vegas HMA



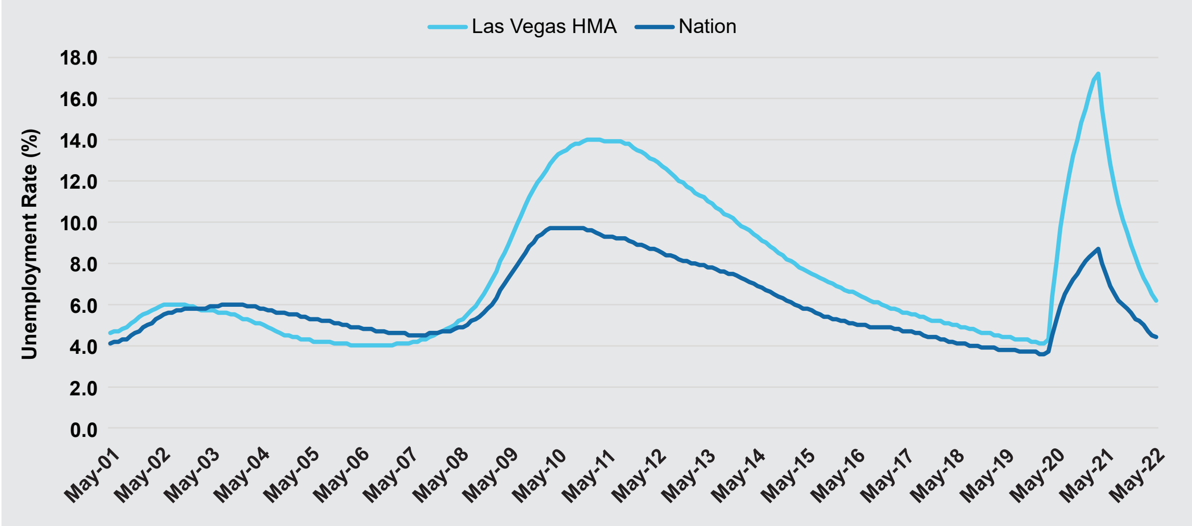
Note: 12-month totals.
Source: University of Nevada, Las Vegas Center for Business and Economic Research

27-percent increase from the combined 5.68 million visitors during April and May 2021 and was only 7 percent below the total during the same period in 2019 (CBER). Due in part to increased tourism during the past year, nonfarm payrolls totaled 1.05 million in the HMA during May 2022, up 0.3 percent from February 2020 before the pandemic-related closures. By comparison, in May 2022, nonfarm payrolls for the nation were 0.5 percent higher than in February 2020.

Current Conditions—The Unemployment Rate

The unemployment rate declined sharply in the HMA during the most recent 12 months but remained elevated when compared with the period immediately before the pandemic. During the 12 months ending May 2022, the unemployment rate in the HMA averaged 6.2 percent, down from the 14.0-percent rate a year ago (Figure 4). By comparison, the unemployment rate for the nation was 4.4 percent during the 12 months ending May 2022, down from 7.4 percent during the previous 12 months. Prior to the pandemic, the unemployment rate in the HMA declined each year from 14.0 percent during 2010 to 4.2 percent during 2019. By comparison, the unemployment rate for the nation was 3.7 percent during 2019, down from 9.6 percent during 2010.

Figure 4. 12-Month Average Unemployment Rate in the Las Vegas HMA and the Nation



Notes: Based on the 12-month moving average. Military jobs are not included in these data.
Source: U.S. Bureau of Labor Statistics

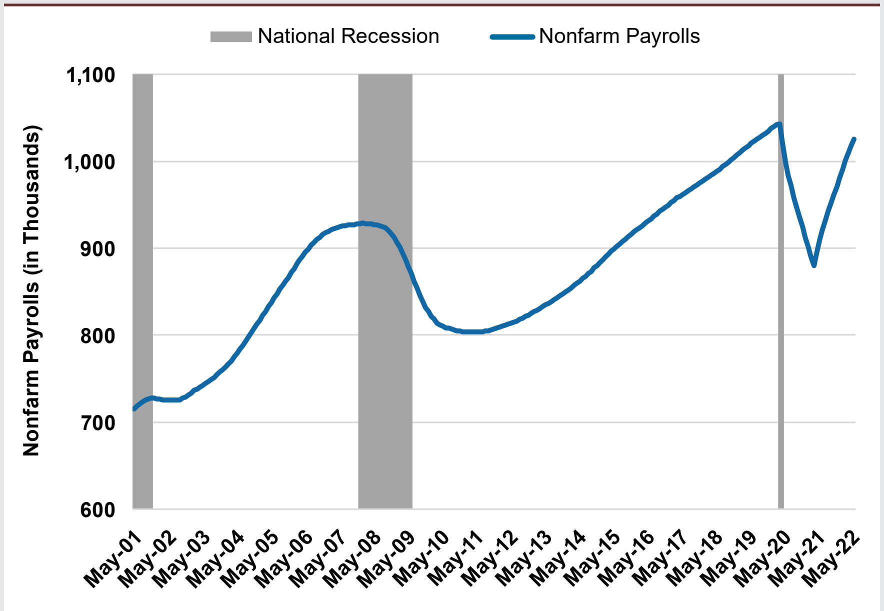
Economic Periods of Significance

2001 Through 2007: Strong Job Growth and The Housing Boom

The HMA added jobs at a very strong rate during the early and mid-2000s, which included a period known as the housing boom, when the housing market was overbuilding. From 2001 through 2007, nonfarm payrolls in the HMA increased by an average of 32,800 jobs, or 4.1 percent, a year (Figure 5). By comparison, nationally, nonfarm payrolls declined an average of 0.4 percent a year from 2001 through 2003 and increased an average of 1.4 percent annually from 2004 through 2007. Ten of 11 sectors added jobs in the HMA from 2001 through 2007, led by the professional and business services and the leisure and hospitality sectors, which expanded by averages of 5,900 and 5,600 jobs, or 6.4 and 2.2 percent respectively, a year. An increasing corporate presence in the HMA, including Zappos.com relocating its corporate headquarters from San Francisco to Las Vegas in 2004, contributed to gains in the professional and business services sector during the period. Growth in the leisure and hospitality sector was driven by significantly increased levels of visitor spending. The completion of the 2,716-room Wynn luxury resort and casino in 2005 and The

Palazzo, a 3,068-room hotel and casino, in 2007 contributed to a then-record high of $10.87 billion in gaming revenue during 2007 (CBER). The fastest job growth from 2001 through 2007 was in the education and health services sector, which added an average 6.5 percent, or 3,200 jobs, each year, due in part to a consistent trend of new hospital construction, particularly in the southwestern part of the HMA. The 364-bed Spring Valley Hospital, which opened in 2003, the 265-bed Southern Hills Hospital & Medical Center, and the 200-bed St. Rose Dominican Hospital San Martin Campus, which opened in 2006, are all approximately 10 miles southwest of The Strip.

Figure 5. 12-Month Average Nonfarm Payrolls in the Las Vegas HMA



Notes: 12-month moving average. Military jobs are not included in these data.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

2008 Through 2010: The Great Recession

The impact of the Great Recession was notably severe in the HMA. From 2008 through 2010, nonfarm payrolls declined by an average of 41,500 jobs, or 4.7 percent, annually, more than twice the 1.9-percent average annual rate of decline for the nation. Jobs losses in the HMA were highly concentrated in the mining, logging, and construction and the leisure and hospitality sectors, which combined account for more than one-half of the total decline in nonfarm payrolls during the period. The mining, logging, and construction sector plummeted by an average of 19,300 jobs, or 24.1 percent, each year, partly because of a sharp decline in residential permitting, which fell an average of 39 percent annually. Losses in the leisure and hospitality sector, which decreased by an average of 6,600 jobs, or 2.5 percent, were largely associated with an average annual decline of 3 percent in the number of visitors to the HMA and an average decline of 6 percent annually in gross gaming revenue (CBER). The education and health services sector, which expanded by an average annual 2,100 jobs, or 3.2 percent, was the only sector in the HMA to add jobs during the period. Gains in the sector were driven by continued development and expansion of large medical facilities, including a $100 million expansion of Summerlin Hospital Medical Center, completed in 2009, and the opening of the Cleveland Clinic Lou Ruvo Center for Brain Health in 2010.

2011 Through 2019: Recovery and Expansion

Due to the severe impact of the Great Recession in the HMA, the subsequent economic recovery took a year longer than for the nation; however, the rate of job growth in the HMA exceeded the rate for the nation throughout the 2010s. The HMA added an average of 20,000 jobs, or 2.4 percent, a year from 2011 through 2014. Nonfarm payrolls then rose by an average of 30,700 jobs, or 3.3 percent, annually during the next 5 years, surpassing the pre-Great Recession high in 2015 and reaching 1.04 million jobs during 2019. By comparison, the national rate of job growth averaged 1.6 percent a year from 2011 through 2014, when nonfarm payrolls exceeded the pre-Great Recession high and averaged 1.7 percent annually from 2015 through 2019. The leisure and hospitality sector had the largest and fastest job gains in the HMA in the early 2010s, increasing by an average of 6,200, or 2.4 percent, annually from 2011 through 2014. The sector benefited from an average annual increase of 2 percent in visitor volume during the period (CBER). The professional and business services sector added the most jobs from

2015 through 2019, expanding by an average of 6,900 jobs, or 5.3 percent, annually. Corporate expansion and relocations contributed significantly to gains in the sector during the period, including by Konami Gaming Inc., which more than doubled the size of its U.S. headquarters in the city of Las Vegas to 360,000 square feet in 2015, and 500 Group, a venture capital firm that moved its headquarters from Connecticut to a 20,000-square-foot facility in the HMA in 2017. The mining, logging, and construction sector added an average annual 4,900 jobs, or 9.0 percent, from 2015 through 2019, the fastest job gains in the HMA during the period. An average annual increase of 7 percent in residential permitting contributed to growth in the sector, which also benefited from several large-scale commercial projects during the period. Project NEON, a $1.0 billion expansion of Interstate 15 between Sahara Avenue and Interstate 515 that began in 2016, supported approximately 4,000 jobs until its completion in late 2019. Construction of Allegiant Stadium, the $1.9 billion home of the National Football League Las Vegas Raiders, supported approximately 2,725 jobs from 2017 through 2020.

Forecast

Job growth in the HMA is expected to average 3.2 percent annually during the 3-year forecast period. The fastest job growth is expected during the first year of the period as the 12-month average job total surpasses the prepandemic high. Nonfarm payroll growth is expected to moderate but continue during the second and third years. Gains are expected to continue in the leisure and hospitality sector, which will benefit from the completion of several resort and casino properties that are currently under construction. The 3,700-room Fontainebleau Las Vegas is scheduled to open in late 2023, and the 720-room Majestic Las Vegas and the 530-room Dream Las Vegas are expected to follow in 2024. Strong growth is also expected to continue in the education and health services sector, partly because of several notable projects in the city of Henderson. Multiple new facilities within Union Village, a $1.2 billion integrated healthcare development, are expected to open in the near future, and completion of the $385-million West Henderson Hospital is anticipated by 2024. Construction of a $3.0-billion sports entertainment district near the intersection of Interstate 15 and Interstate 215, which will include an 850,000-square-foot sports arena and hotel and casino, will also contribute to job growth in the HMA when it begins in 2023.

Population and Households

Current Population: 2.32 Million

As of 2021, 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

Strengthening economic conditions contributed to accelerating population growth in the HMA for much of the mid- and late 2010s; however, the rate of population growth has slowed since the early stages of the pandemic. As of June 1, 2022, the population of the HMA is estimated at 2.32 million (Table 3), reflecting an average annual increase of 29,050, or 1.3 percent, since 2019. Net in-migration to the HMA has averaged 24,000 people a year since 2019, down from the average of 26,900 people a year from 2014 to 2019, when total population growth averaged 37,400 people, or 1.8 percent, annually (Figure 6). Net natural increase has also slowed since the late 2010s, due in part to the ongoing impact of the pandemic. Since 2019, net natural increase has averaged only 5,050 a year, down from an average of 10,500 annually from 2014 to 2019.

The HMA was one of the fastest growing counties in the nation during the economic boom in the early and mid-2000s. Population growth in the HMA averaged 67,900 people, or 4.2 percent, annually from 2001 to 2007, as strong job growth contributed to average net in-migration of 53,500 people a year and net natural change averaged 14,400 annually (Census Bureau Population Estimates as of July 1). The HMA added more residents than all except two counties in the nation during the period; however, population growth subsequently decreased sharply

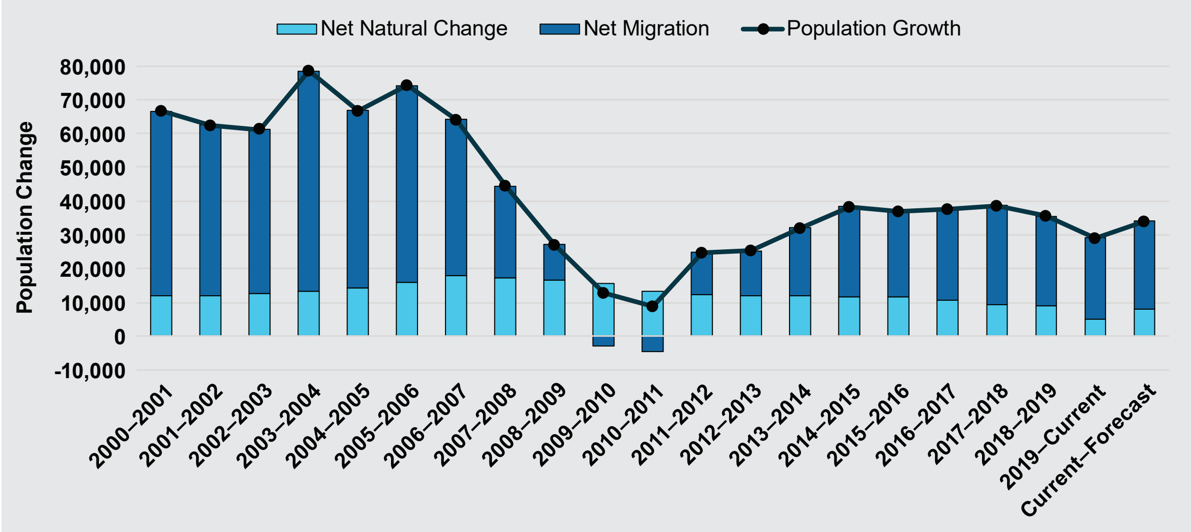
Table 3. Las Vegas HMA Population and Household Quick Facts

Population Quick Facts		2010	Current	Forecast
	Population	1,951,269	2,315,000	2,417,000
	Average Annual Change	57,550	29,900	34,050
	Percentage Change	3.6	1.4	1.4

Household Quick Facts		2010	Current	Forecast
	Households	715,365	867,600	910,400
	Average Annual Change	20,300	12,500	14,250
	Percentage Change	3.4	1.6	1.6

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (June 1, 2022) to June 1, 2025.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the Las Vegas HMA, 2000 Through the Forecast



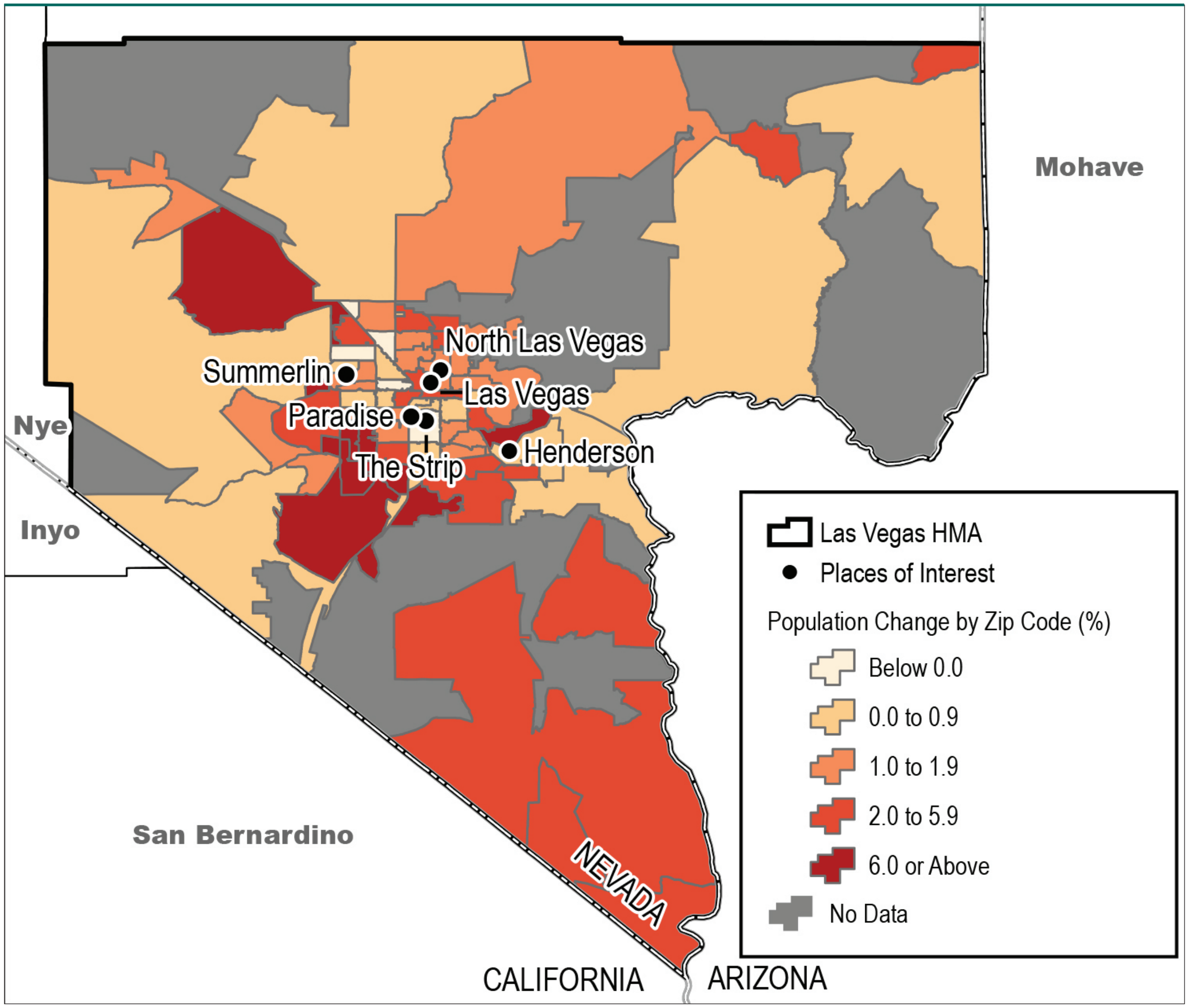
Notes: Data displayed are average annual totals. The forecast period is from the current date (June 1, 2022) to June 1, 2025.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

when economic conditions weakened during the Great Recession. The rate of population growth in the HMA slowed during each of the next 4 years to a low of only 8,700 people, or 0.4 percent, from 2010 to 2011, when net natural increase of 13,250 people was partially offset by net out-migration of 4,550 people. Improving economic conditions contributed to increased population growth from 2011 to 2014. The population of the HMA rose by an average of 27,400, or 1.4 percent, annually, and net in-migration averaged 15,300 people a year. Net natural increase continued to slow, however, to an average of 12,100 people annually, partly because of the increased number of retirees in the HMA.

Population Trends by Geography

During the period of economic expansion before the pandemic, population growth within the HMA was notably fast in areas to the south and west of The Strip (Map 1). From 2014 to 2019, the population of 29 of the 73 ZIP Codes within the HMA expanded by annual averages of at least 2.0 percent (Clark County Department of Comprehensive Planning [CCDCP]). Sixteen of those ZIP Codes are adjacent to or near an approximately 30-mile stretch of Interstate 215 between the Summerlin master-planned community (MPC) and the city of Henderson, which are approximately 15 miles northwest and 15 miles southeast of The Strip, respectively. The combined population of those 16 ZIP Codes,

Map 1. Average Annual Population Change by ZIP Code in the Las Vegas HMA, 2014 to 2019



Source: Clark County Department of Comprehensive Planning

424,200, accounted for only 20 percent of the total population of the HMA in 2014, but the population rose by an average 23,050, or more than one-half of the total population growth in the HMA during the next 5 years.

Of the three cities in the HMA with more than 100,000 residents, Henderson was the fastest growing from 2014 to 2019. Due in part to a significant influx of retirees, the population of the city rose by an average of 2.5 percent, or 7,350, annually, from 285,000 in 2014 to 321,800 in 2019 (CCDCP). The city of Las Vegas, which is directly north of The Strip, is the most populous city in the HMA. The population of the city was 661,800 in 2019, representing an average increase of 8,475, or 1.3 percent, annually from 619,400 in 2014. The city of North Las Vegas encompasses much of the area bounded by Highway 95 to the west, Interstate 15 to the east, and Las Vegas to the south, and the city added an average of 4,975 residents, or 2.0 percent, each year, from 233,800 in 2014 to 258,600 in 2019.

Migration Trends

During most of the past 2 decades, strong job growth in the HMA has contributed to significant net in-migration, particularly from outside the state of Nevada (Table 4). Residents who relocated from outside of the state accounted for approximately 93 percent, or 64,150, of the domestic in-migration to the HMA from 2015 to 2019, whereas those leaving the state accounted for 86 percent, or 51,950, of the domestic out-migration (U.S. Census Bureau County-to-County Migration Flows). In combination, these figures resulted in an overall net in-flow of residents from outside of Nevada of 12,200. Former residents of the San Francisco, San Diego, and Los Angeles metropolitan areas, where home prices are approximately 186, 132, and 104 percent, respectively, higher than in the HMA accounted for a combined net in-flow of 12,650 residents. The largest net out-flows from the HMA to other states, 2,125 and 600 people, were to Texas and Arizona, respectively. People relocating from outside the United States accounted for approximately 14 percent, or 11,600, of total in-migration to the HMA from 2015 to 2019. Asia and Central America were the most common origins for in-migration from outside the country, accounting for a combined 63 percent, or 7,325, of international in-migration. Housing costs are notably lower in many parts of Nevada than in the HMA, which has limited net in-migration from other counties within the state. Residents who relocated to the HMA from other areas within Nevada accounted for 7 percent of all domestic in-migration to the HMA from 2015 to 2019. Residents of the HMA moving to other areas within the state accounted for 14 percent of all domestic out-migration, however, resulting in a net out-flow of 3,375 residents from 2015 to 2019.

Table 4. County-to-County Migration Flows in the Las Vegas HMA, 2015 Through 2019

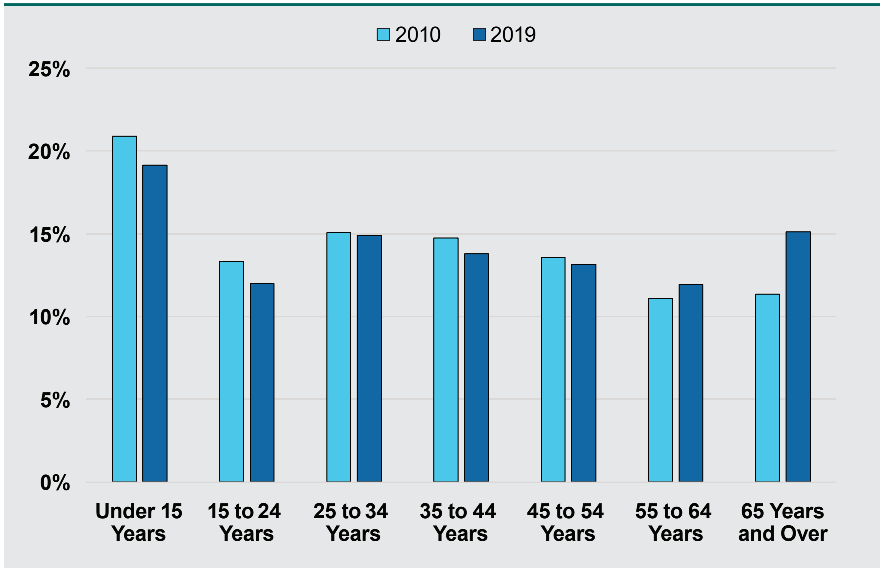
Into the HMA	
Remainder of NV	4,750
Remainder of U.S.	64,150
Outside of U.S.	11,600
Out of the HMA	
Remainder of NV	8,125
Remainder of U.S.	51,950
Outside of U.S.	NA

NA = data not available.
Source: U.S. Census Bureau Migration Flows, 2015–2019 American Community Survey 5-year data

Age Cohort Trends

The share of the population in the HMA aged 65 and older is lower than for 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 of the HMA aged 65 or older rose from 11.3 percent in 2010 to 15.1 percent in 2019, a larger percentage point increase than the share for the nation, which rose to 16.5 percent in 2019 from 13.1 percent in 2010 (American Community Survey [ACS] 1-year data). Retirees have contributed significantly to the recent trend of net in-migration in the HMA, particularly in and around the city of Henderson. Residents aged 65 years and older accounted for 21.3 percent of the total population of the city as of 2019, up from 13.5 percent in 2010. As a result, the median age in the city rose to 43.7 years in 2019, up from 39.9 years in 2010 (ACS 1-year data). By comparison, the respective figures for the HMA and the nation increased from 35.4 and 37.2 years in 2010 to 37.7 and 38.5 years in 2019.

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



Source: 2019 American Community Survey 1-year data

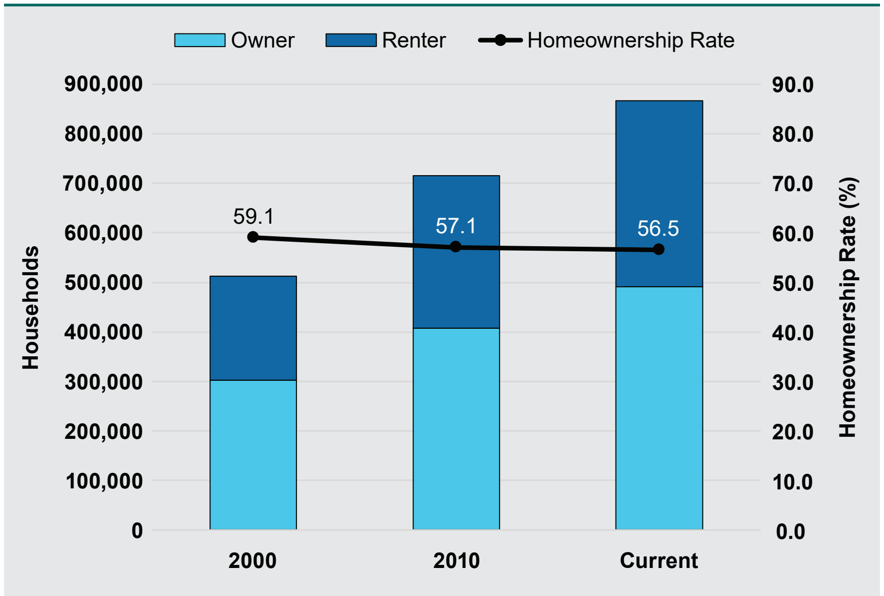
Household Trends

Household growth has generally mirrored population growth in the HMA since 2000. The number of households in the HMA is currently estimated at 867,600, reflecting an average annual increase of 12,500, or 1.6 percent, from 715,365 households in 2010. By comparison, household growth in the HMA averaged 3.4 percent a year from 2000 to 2010. Due in part to the increasing share of retirees, the average household size in the HMA has generally trended downward since the early 2010s and is currently estimated at 2.65, down from 2.69 in 2010.

Household Trends by Tenure

Largely due to the fallout from the housing crisis in the late 2000s, including very high foreclosure rates and tightened mortgage lending requirements, renter household growth significantly exceeded owner household growth in the HMA in the early 2010s. The homeownership rate in the HMA reached a low of only 50.3 percent in 2014 (ACS, 1-year data), but has since generally trended upwards as economic conditions have strengthened and mortgage interest rates have remained at, or near, historically low levels. As of June 1, 2022, the homeownership rate in the HMA is estimated at 56.5 percent (Figure 8).

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



Note: The current date is June 1, 2022.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

Population growth in the HMA is expected to average 34,050 people, or 1.4 percent, annually, during the 3-year forecast period. Population growth is expected to increase during each of the next 3 years, with net in-migration accelerating as economic conditions in the HMA improve. Net natural increase is also expected to rise as the effects of the pandemic moderate. Household growth in the HMA is expected to average 1.6 percent annually. Due in part to continued in-migration of retirees, the number of owner households is expected to increase at a faster rate than the number of rental households, resulting in a modest increase in the homeownership rate.

Home Sales Market

Market Conditions: Tight, but Easing

New home construction rose during the past year, contributing to a modest increase in for-sale inventory in the Las Vegas HMA.

Current Conditions

The home sales market in the HMA was balanced for much of the mid- to late 2010s after high levels of excess inventory associated with the housing crisis were absorbed. Sales market conditions have been tight since late 2020; however, for-sale inventory declined sharply during the early stages of the pandemic. During May 2022, 1.5 months of for-sale inventory were available in the HMA, up slightly from 1.4 months a year ago (CoreLogic, Inc.). The latest figure is, however, less than one-half of the 3.8 months of supply before the pandemic in May 2019 and a fraction of the May high of 6.6 months, near the worst of the housing crisis in the HMA in 2011. The sales vacancy rate is currently estimated at 2.2 percent, down from 6.2 percent in April 2010, when the sales market was soft (Table 5).

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

		Las Vegas HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	2.2%	NA
	Months of Inventory	1.5	2.6
	Total Home Sales	71,850	7,319,000
	1-Year Change	8%	-2%
	New Home Sales Price	$508,500	$453,600
	1-Year Change	12%	14%
	Existing Home Sales Price	$442,200	$388,600
	1-Year Change	12%	15%
	Mortgage Delinquency Rate	1.5%	1.4%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2022; and months of inventory and mortgage delinquency data are as of May 2022. The current date is June 1, 2022.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA home sales and prices—CoreLogic, Inc., with adjustments by the analyst; national home sales and prices—CoreLogic, Inc.

Home Sales

The number of homes sold fell sharply in the HMA during the early stages of the housing crisis and remained at low levels during the Great Recession. An average annual 102,700 homes were sold in the HMA during 2004 and 2005, a figure which subsequently plummeted during each of the next 3 years to a low of only 45,950 during 2008 (CoreLogic, Inc., with adjustments by the analyst). Resale sales and new home sales averaged 67,500 and 34,650 a year, respectively, during 2004 and 2005, but totaled only 11,500 and 9,700 during 2008 (Figure 9). Distressed sales, however, which averaged only 550 a year during 2004 and 2005, skyrocketed to 24,750 during 2008. Weak economic conditions contributed to a further decline in the number of new home sales from 2009 through 2011, although the total number of homes sold increased to an average of 57,800 each year, due in large part to a further increase in the number of distressed sales. The number of new homes sold in the HMA decreased to an average of 5,725 during the period, whereas resale sales averaged 16,550 a year, and distressed sales rose to an average of 35,550 annually.

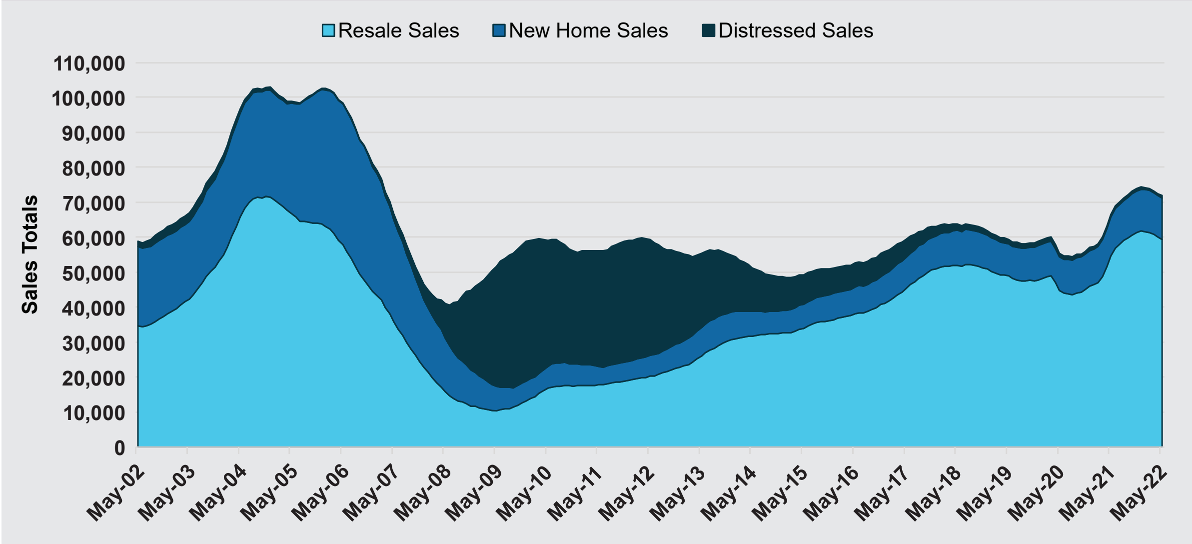
Overall home sales volume in the HMA was limited by declining numbers of distressed sales during the early 2010s; however, the total number of home sales generally trended upward in the mid- and late 2010s as economic conditions strengthened. The number of homes sold averaged 53,000 from 2012 through 2014. A sharp decline in distressed sales, which averaged only 17,200 annually, offset rising levels of resale sales and new home sales, which averaged 28,600 and 7,200 a year, respectively, during the period. The number of homes sold in the HMA rose to an average of 58,150 from 2015 through 2019. Resale sales increased to an average of 45,400 a year during the period, while new home sales rose to an average annual 8,925 sales. Conversely, the number of distressed sales decreased to average of 3,825 a year during the period.

The number of homes sold declined during the early stages of the pandemic, although home sales activity has since increased sharply because concerns regarding both the economic impact and the spread of COVID-19 have moderated. During 2020, 57,000 homes were sold in the HMA, down 3 percent from 58,700 during 2019. The decline was entirely due to reduced numbers of existing home sales. The number of resale sales declined 4 percent to 46,000, and the number of distressed sales fell 26 percent to 880. The number of new homes sold, however, rose 4 percent to 10,150. As economic conditions in the HMA began to recover, home sales increased 30 percent to 74,350 during 2021. Resale sales increased 34 percent to 61,750, and new home sales increased 18 percent to 11,950, whereas distressed sales declined 24 percent to 670. During the 12 months ending May 2022, 71,850 homes were sold in the HMA, up 8 percent from a year ago. Resale sales and new home sales rose 9 and 6 percent to 59,400 and 11,900, respectively. Distressed sales fell 30 percent to 570.

Home Sales Prices

Home sales prices in the HMA have risen consistently since the early 2010s. Notable strong periods of price growth were during the recovery from the housing market crisis, when the number

Figure 9. 12-Month Sales Totals by Type in the Las Vegas HMA



Source: CoreLogic, Inc., with adjustments by the analyst

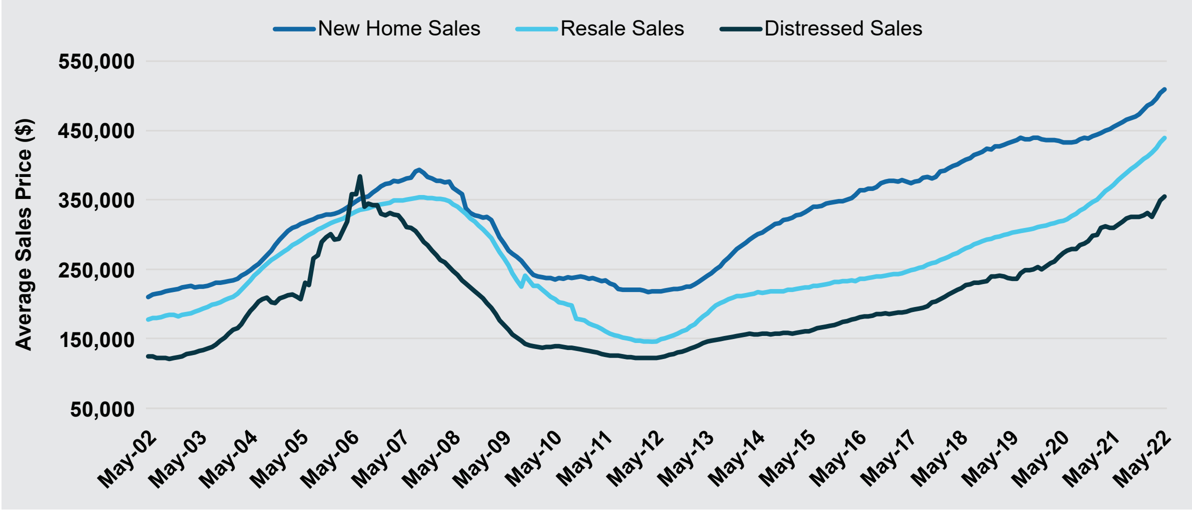
of relatively low-priced distressed sales fell sharply, and since the start of the pandemic, when for-sale inventory has been at historically low levels. After reaching a high of $355,900 during 2006, the average home sales price in the HMA declined an average of 17 percent a year to a low of $139,700 during 2011. The average home sales price subsequently rose an average of 21 percent, annually, during 2012 and 2013, and by an average of 10 percent a year from 2014 through 2021. Following a 12-percent increase during the 12 months ending May 2021, the average home sales price rose 19 percent to $453,400 during the 12 months ending May 2022, 27 percent higher than the peak before the housing crisis.

Existing home prices decreased more dramatically than new home prices during the housing crisis, but they have since risen at a faster rate. New home sales prices declined an average of 13 percent from a high $380,500 during 2007 to a low of $220,100 during 2011; they subsequently rose an average of 8 percent annually to $479,600 during 2021 (Figure 10). By comparison, the average price for a resale sale peaked at $353,000 during 2007 before declining an average annual 20 percent to only $147,500 during 2011. From 2012 through 2021, however, the average price for resale sales rose an average of 11 percent a year to $409,100. The average sales price for distressed sales reached a low of $122,400 during 2011, an average annual decline of 18 percent from a peak of $330,200 during 2006. Prices for distressed sales rose by an average of 10 percent annually during the next 10 years to an average of $327,300 during 2021. During the 12 months ending May 2022, average sales prices for new homes, resale sales, and distressed sales rose 12, 18, and 14 percent, respectively, to $508,500, $439,600, and $354,300. Approximately 27 percent of all homes sold during the most recent 12 months were priced between $300,000 and $399,999 (Figure 11), with an additional 24 percent priced from $400,000 through $499,999 (Zonda).

Seriously Delinquent Mortgages and REO Properties

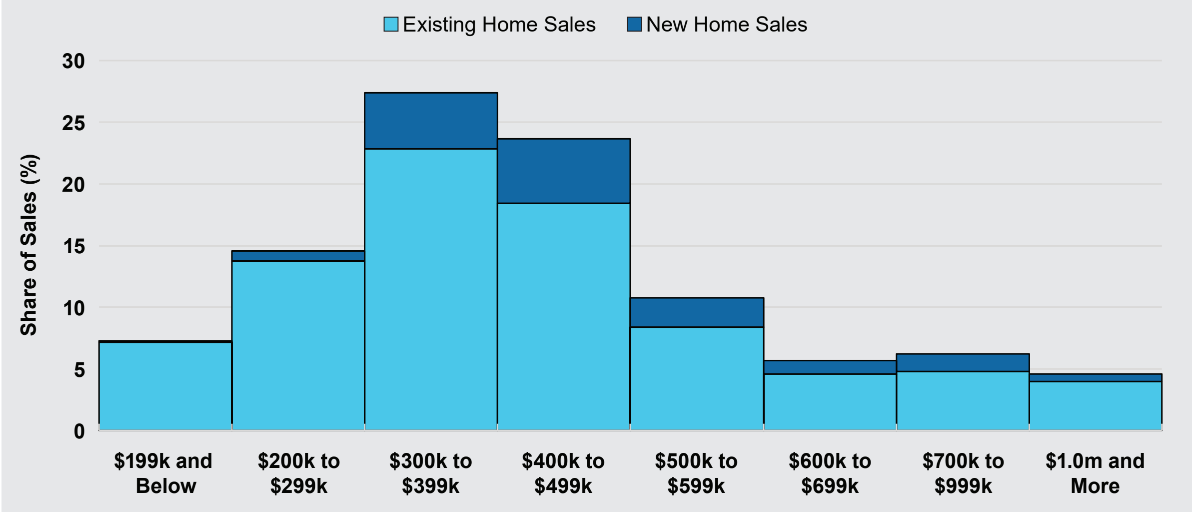
The impact of the foreclosure crisis was severe in the HMA. The rate of seriously delinquent mortgages and REO properties in the HMA reached a high of 21.1 percent during February 2010, more than double the 8.6-percent high for the nation, which also occurred during February 2010. The rate subsequently declined rapidly in the HMA throughout the remainder of the 2010s and into early 2020 before rising sharply because of the impact of the COVID-19 pandemic. As of May 2021, the rate of seriously delinquent mortgages and REO properties in the HMA was 5.0 percent, up from 1.8 percent during May 2020 (Figure 12). The entire increase in the rate was due to delinquent mortgages; many homeowners were able to avoid foreclosure because of mortgage forbearance programs. As a result of the improved economy,

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



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 11. Share of Overall Sales by Price Range During the 12 Months Ending May 2022 in the Las Vegas HMA



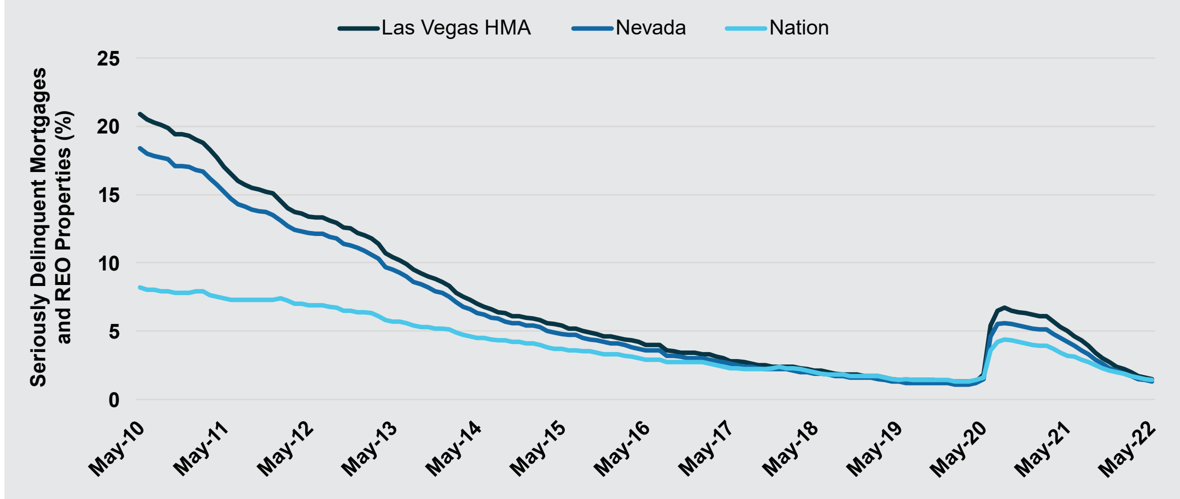
Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Zonda

the rate has since declined significantly. As of May 2022, 1.5 percent of mortgages in the HMA were seriously delinquent or in REO status. By comparison, the rate for the nation was 1.4 percent in May 2022, down from 3.2 percent in May 2021.

Sales Construction

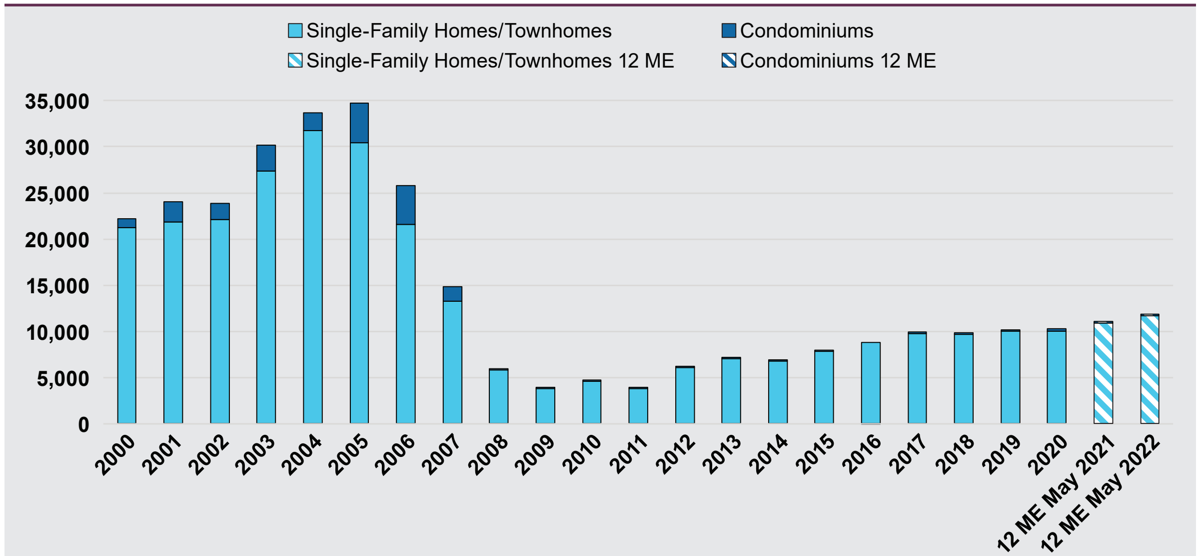
New home construction in the HMA, as measured by the number of sales units permitted, declined precipitously in the late 2000s. Construction has since trended upward as available inventory has declined and home prices have increased (Figure 13). The number of new homes permitted reached a high of 34,750 during 2005, but the number declined an average of 42 percent during each of the next 4 years because weakening economic conditions and a glut of existing inventory contributed to significantly reduced demand for new homes. An average of only 4,100 homes were permitted annually from 2009 through 2011; however, job growth and significant absorption of existing inventory contributed to increased new home construction during much of the 2010s. New home construction rose during 7 of the next 9 years and averaged 10,150 annually during 2019 and 2020. The sharp decline in for-sale inventory associated with the early stages of the pandemic contributed to a continued increase in new home construction during the most recent 24 months. Following a 9-percent increase to 11,100 homes during the 12 months ending May 2021, the number of new homes permitted in the HMA rose 7 percent to 11,850 homes during the 12 months ending May 2022.

Figure 12. Seriously Delinquent Mortgages and REO Properties



Source: CoreLogic, Inc.

Figure 13. Annual Sales Permitting Activity in the Las Vegas HMA



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Sales Construction by Geography

Recent new home construction in the HMA has been particularly notable to the south and west of The Strip, including within some of the best selling MPCs in the nation. The city of Henderson has accounted for approximately 26 percent of all new homes permitted in the HMA since 2020. Developments in the city include Cadence, a 2,200-acre MPC, which will eventually include more than 13,000 residential units. Nearly 3,500 units have been built in the community since construction started in the mid-2010s, including 860 new homes that sold in 2021, the seventh highest figure for any MPC in the nation (Robert Charles Lesser & Co. [RCLCO]). Prices for new homes in the development currently range from the low $400,000s to the mid-$600,000s for homes ranging in size from 1,325 to 3,250 square feet.

Summerlin, a 22,500-acre MPC approximately 15 miles northwest of The Strip, has been one of the most active developments in the nation since construction began in 1990. The development currently consists of more than two dozen residential and commercial “villages” that include more than 21,000 housing units. In 2021, 1,625 new homes sold in the development, the third-highest total of any MPC in the country (RCLCO). Significant development is expected to continue in Summerlin in the near future, most notably at the newest “village” that recently broke ground. That community, The Cliffs, will eventually encompass 1,700 homes, including those within Regency, a 425-home subdivision restricted to households ages 55 and older. Prices within the subdivision currently range from the low $700,000s for two-bedroom homes to more than $1.00 million for three-bedroom homes. Elsewhere in The Cliffs, prices currently start in the low $500,000 for two-, three-, four-, and five-bedroom homes ranging in size from 1,775 to 4,500 square feet.

Condominium Development

Condominium sales, which accounted for 26 percent of all new home sales from 2005 through 2007, accounted for only 5 percent of all new home sales from 2008 through 2019, with many projects stalling or being converted to apartments in the late 2000s (Zonda). Sharply rising home prices, however, have contributed to increased interest in smaller housing units since the start of the pandemic, and condominiums have accounted for 11 percent of all new home sales in the HMA since the start of 2020. That share is likely to increase in the near future because several notable developments are under way, including in the city of Henderson, where the $800-million Pinnacle Residences is the first new residential high-rise project to start in the HMA since the Great Recession. The development will include two towers and consist of 171 luxury units, with prices expected to range from $2 to $25 million for units ranging in size from 2,300 to 7,300 square feet. Initial construction recently began, with completion expected by 2025.

Housing Affordability: Sales

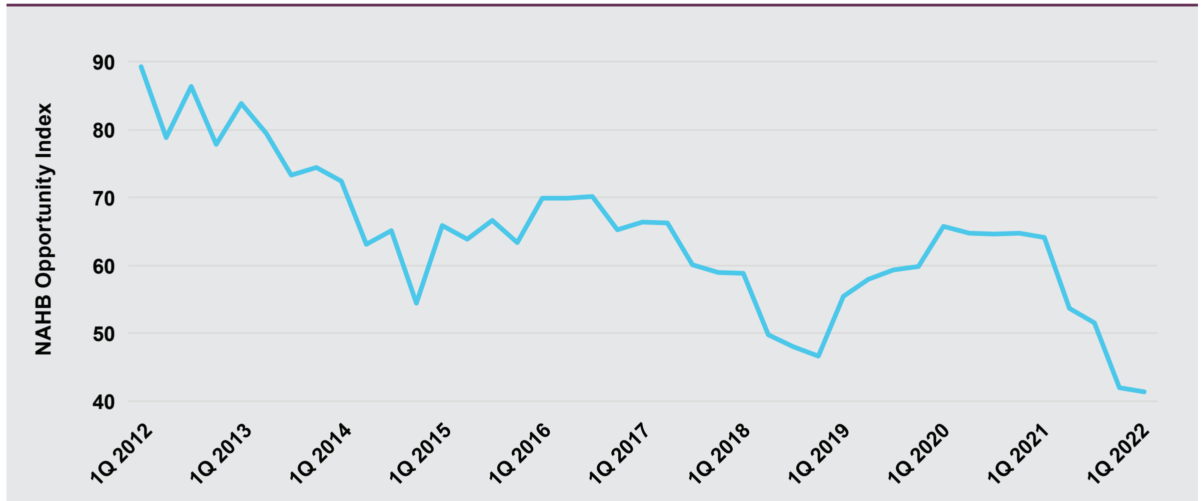
Homeownership has become markedly less affordable in the HMA since the early 2010s, with home sales prices generally increasing faster than incomes. The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a family earning the median income, was 41.4 during the first quarter of 2022, down from 64.1 during the first quarter of 2021, and less than one-half the first quarter high of 89.3 in 2012 (Figure 14). Approximately 84 percent of the 236 ranked metropolitan areas were more affordable than the HMA during the first quarter of 2022. Notably, the HOI for the HMA was lower than the respective figures for several comparable metropolitan areas, including Denver, Phoenix, and Salt Lake City, with HOIs of 48.6, 43.9, and 44.3 respectively. 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 respective HOIs were 8.3, 14.4, and 14.6 respectively during the first quarter of 2022.

Since the early 2010s, homeownership in the HMA has become particularly less affordable for households in the 25- to 44-year-age cohort, the prime group of first-time homebuyers, compared with the nation as a whole. The HUD First-Time Homebuyer Affordability Index measures the median household income for householders aged 25 to 44 years old relative to the income needed to purchase the 25th percentile-priced home. From a level of 2.38 in 2012, the index for the HMA declined during 5 of the next 6 years to 1.14 in 2018 (Figure 15). Nationally, the index rose from 2.20 during 2011 to 2.29 during 2012. The national index declined during each of the next 6 years to 1.81 in 2018, indicating decreased affordability. In 2019, the HMA index rose to 1.19 because of low interest rates and increased household income. The index for the HMA remained notably below the figure for the nation, which increased to 1.88 in 2019. When more recent data are released, the HUD First-Time Homebuyer Affordability Index both for the HMA and the nation are expected to indicate a decline in affordability for first-time homebuyers in 2020 and 2021 because of strong home sales price increases, but only moderate income growth.

Forecast

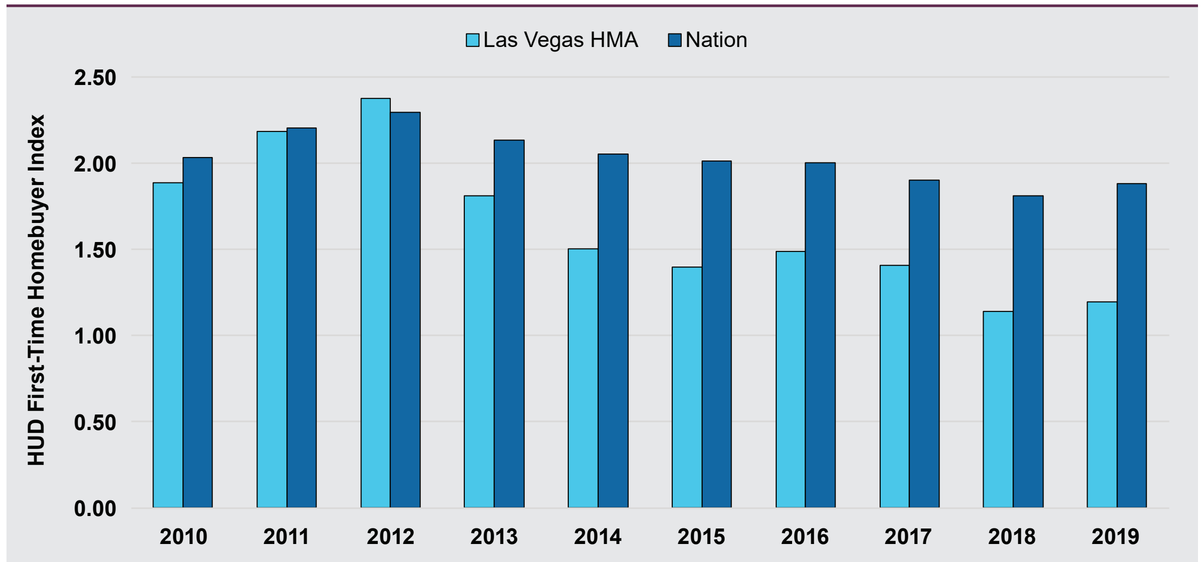
During the 3-year forecast period, demand is expected for an estimated 33,400 new homes in the HMA (Table 6). Demand for new homes in the HMA is expected to increase during each year of the forecast period as economic conditions continue to improve and population growth accelerates. It is important to note, however, that

Figure 14. Las Vegas HMA Housing Opportunity Index



1Q = first quarter. NAHB = National Association of Home Builders.
Source: NAHB/Wells Fargo

Figure 15. Las Vegas HMA HUD First-Time Homebuyer Index



Sources: American Community Survey 1-year data; Federal Housing Finance Agency; Zonda demand for sales units, particularly associated with first-time homebuyers, is likely to be limited by rising mortgage interest rates in the near future. The 7,800 new homes currently under construction will meet much of the forecast demand in the HMA during the first year of the forecast period.

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

	Sales Units
Demand	33,400 Units
Under Construction	7,800 Units

Note: The forecast period is from June 1, 2022, to June 1, 2025.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

The apartment vacancy rate increased in the Las Vegas HMA during the past year; however, the rate has generally trended downward since the early 2010s, when rental market conditions were soft.

Current Conditions and Recent Trends

The rental market in the HMA is balanced, with an overall rental vacancy rate currently estimated at 7.9 percent, down from 13.4 percent in April 2010 (Table 7). Single-family homes, which accounted for 37.6 percent of occupied rental units in the HMA in 2010, accounted for approximately 37.0 percent of all occupied rental units in 2019 (ACS 1-year data).

Apartment Market Conditions

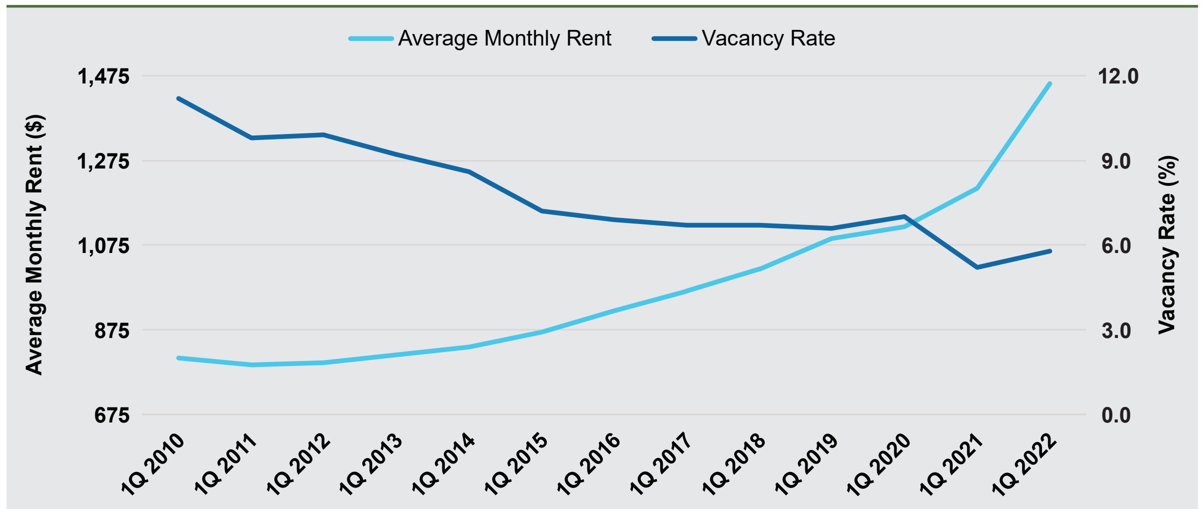
The apartment market in the HMA is also balanced. After reaching a first quarter high of 11.2 percent in 2010, the apartment vacancy rate in the HMA subsequently declined during 7 of the next 10 years to 7.0 percent during the first quarter of 2020, as relatively low levels of rental permitting allowed for absorption of existing inventory (Figure 16). The apartment vacancy rate declined sharply during the early stages of the pandemic and averaged 5.2 percent during the first quarter of 2021 before increasing to 5.8 percent during the first quarter of 2022 (CoStar Group).

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

Rental Market Quick Facts		**2010 (%)**	**Current (%)**
	Rental Vacancy Rate	13.4	7.9
		2010 (%)	**2019 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	37.6	37.0
	Multifamily (2–4 Units)	13.7	16.8
	Multifamily (5+ Units)	46.5	44.1
	Other (Including Mobile Homes)	2.1	2.1
Apartment Market Quick Facts		**1Q 2022**	**YoY Change**
	Apartment Vacancy Rate		
	Las Vegas HMA	5.8	0.6
	Nation	5.0	-1.1
		1Q 2022	**YoY Change**
	Average Asking Rents		
	Las Vegas HMA	$1,456	20%
	Nation	$1,594	11%

1Q = first quarter. YoY= year-over-year.
Notes: The current date is June 1, 2022. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—CoStar Group

Figure 16. Apartment Rents and Vacancy Rates in the Las Vegas HMA



1Q = first quarter.
Source: CoStar Group

The general trend of declining vacancy rates contributed to strong rent growth in the HMA in the mid- and late 2010s. Rent growth averaged 2 percent a year from the first quarter of 2012 through the first quarter of 2014, but rent growth subsequently accelerated to an average of 5 percent annually from the first quarter of 2015 through the first quarter of 2021. The average rent in the HMA rose at a faster rate than the average rent for the nation during each year from the first quarter of 2015 through the first quarter of 2021. Nationally, the average rent increased an average of 2 percent from the first quarter of 2012 through the first quarter of 2014, and it increased an average of 3 percent annually from the first quarter of 2015 through the first quarter of 2021. Despite increasing during the past year, the apartment vacancy rate in the HMA remained relatively low, and rent growth accelerated sharply. The average rent in the HMA was $1,456 during the first quarter of 2022, up 20 percent from a year ago, whereas the average rent for the nation increased approximately 11 percent to $1,594.

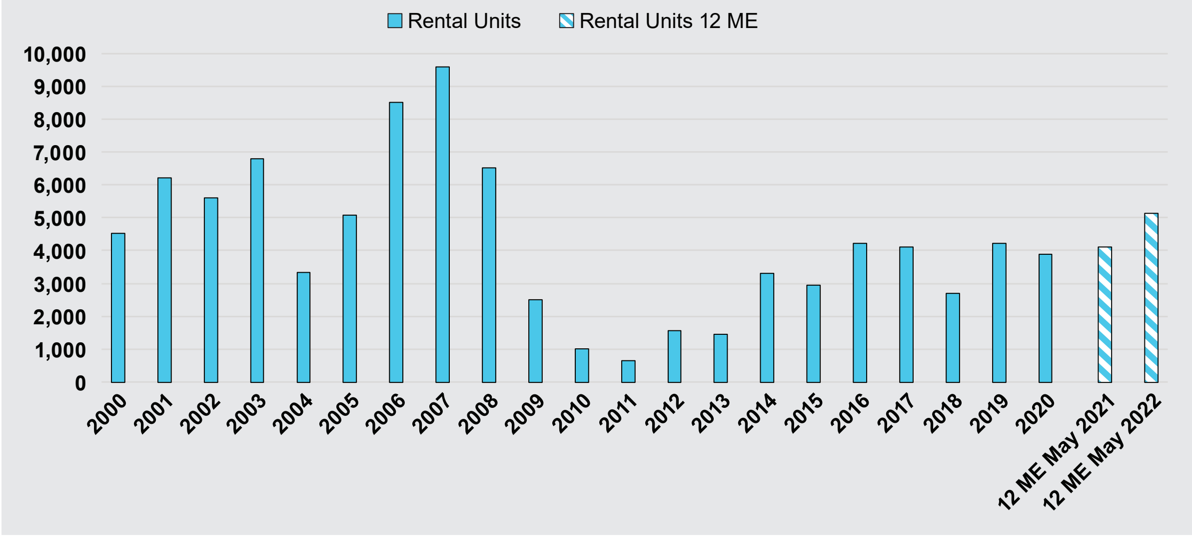
Apartment Market Conditions by Geography

Within the HMA, apartment market conditions are generally consistent with recent population growth trends. Both the lowest vacancy rates and the highest rents are concentrated in the regions south and west of The Strip. During the first quarter of 2022, vacancy rates in the HMA ranged from a low of 4.2 percent in the CoStar-defined Enterprise-South Paradise market area, which includes much of the area directly south of The Strip, to 7.8 percent in the Northwest Las Vegas market area. The Enterprise-South Paradise market area also had the highest average rent in the HMA, $1,718, during the first quarter of 2022, followed by the Summerlin-Spring Valley and Henderson market areas at $1,661 and $1,638, respectively. The lowest average rents in the HMA, $937 and $1,054, respectively, were in the North Outlying Clark County and South Outlying Clark County market areas.

Rental Construction Activity

As measured by the number of units permitted, rental construction activity in the HMA has generally trended upward since the mid-2010s as vacancy rates have declined and rent growth has accelerated. From 2014 through 2020, an average of 3,625 rental units were permitted in the HMA each year, below the average of 6,225 units a year from 2000 through 2008, but more than twice the average of only 1,450 units annually from 2009 through 2013 (Figure 17). Rental construction activity in the HMA rose sharply during the past year in response to relatively low vacancy rates and strong rent growth. During

Figure 17. Annual Rental Permitting Activity in the Las Vegas HMA

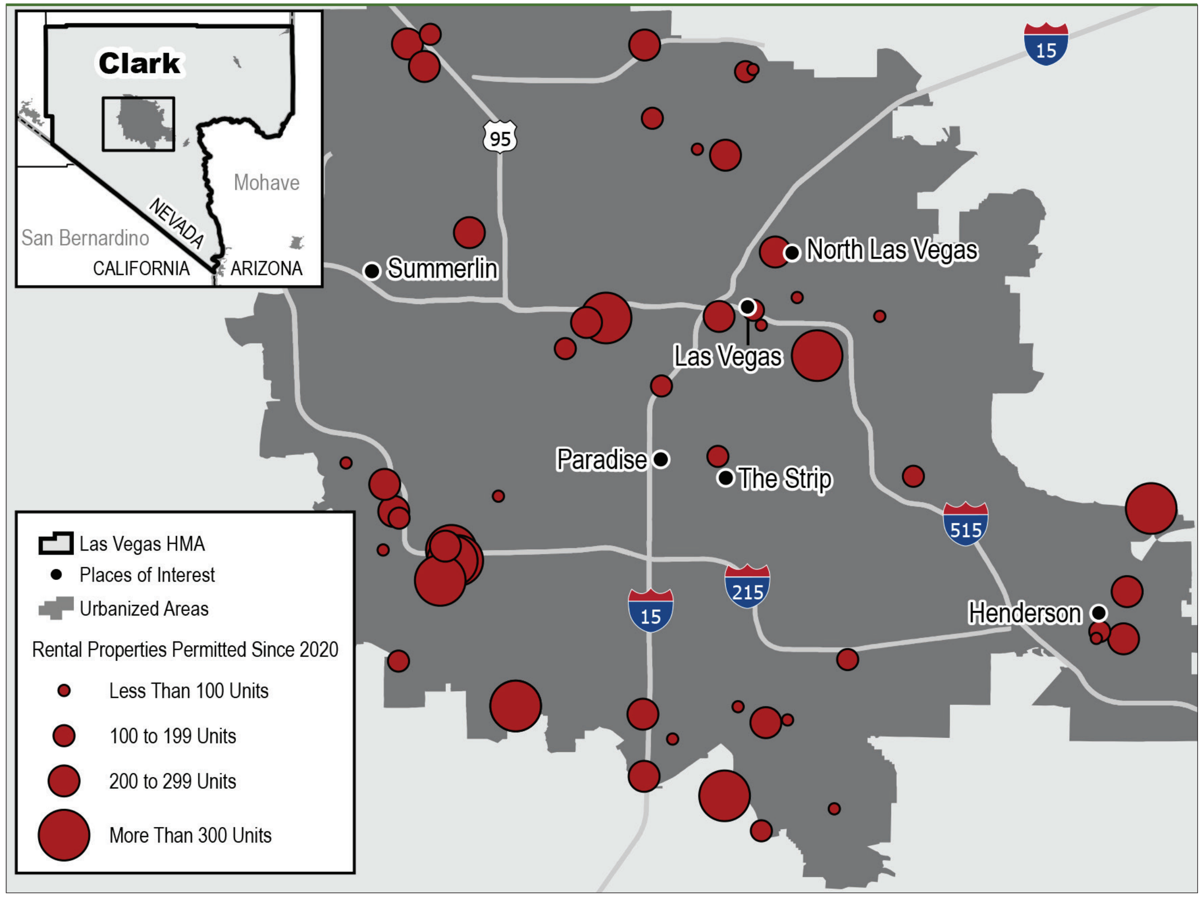


12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

the 12 months ending May 2022, 5,125 rental units were permitted in the HMA, up 24 percent from 4,125 units during the previous 12 months (preliminary data and estimates by the analyst). An estimated 5,775 rental units are currently under construction in the HMA, with 1,500 additional units currently in planning and expected to be completed during the forecast period.

Recent rental construction has been heavily concentrated near major commuting arteries, particularly along the Interstate 15, Interstate 215, and Interstate 515 corridors in the southern part of the HMA (Map 2). The Enterprise-South Paradise, Henderson, and Summerlin-Spring Valley market areas combined to account for approximately two-thirds of the rental units completed during the past year and more than 80 percent of the units currently under construction. Recently completed properties in the HMA include Society, a 454-unit property in Henderson, which began lease-up in early 2022. Rents at the property currently start at approximately $1,800 for one-bedroom units, $1,975 for two-bedroom units, and $2,475 for three-bedroom units. The first phase of Ariva Luxury Residences, on Interstate 15 approximately 10 miles south of The Strip, also began lease-up in early 2022. Rents at the property, which will include more than 750 units when construction is complete in 2023, currently start at $1,775 for one-bedroom units, $2,200 for two-bedroom units, and $3,200 for three-bedroom units.

Map 2. Rental Projects Permitted in the Las Vegas HMA since 2020



Source: McGraw-Hill Construction Pipeline database, with adjustments by the analyst

Rental Affordability

Rental affordability in the HMA declined sharply during 2015 but has since trended upward, with the median income for renter households increasing at a faster rate than the median gross rent during all but 1 year from 2016 to 2019. 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 94.5 in 2019, below the peak level of 100.6 in 2014, but above the 2015 figure of 91.9 (Figure 18). By comparison, the national Gross Rent Affordability Index was 96.8 in 2019.

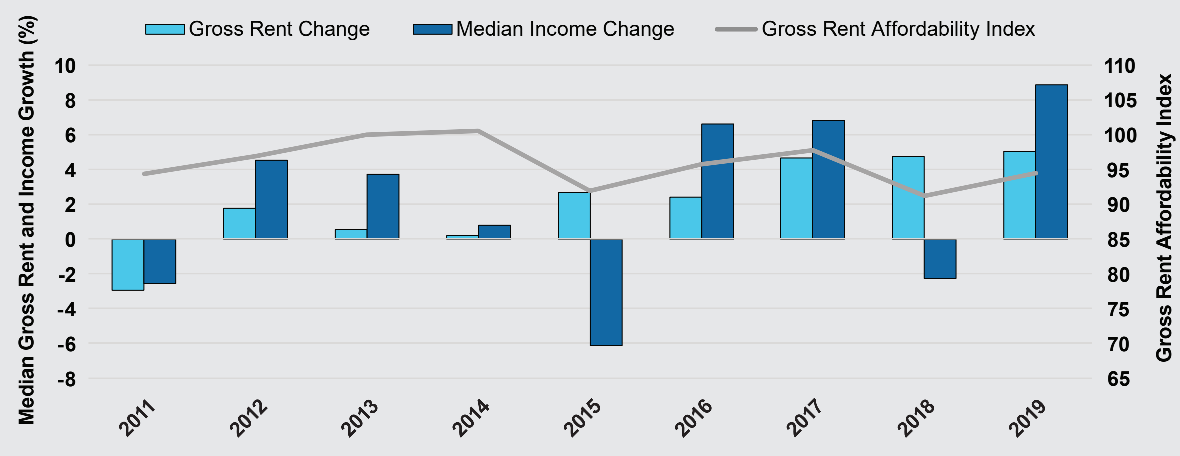
Renter Cost Burdens

Although rental affordability has trended upward since 2016, a relatively large percent of all renter households in the HMA were cost burdened during the 2015–2019 period (Table 8). An estimated 23.8 percent of all renter households had moderate- to high-cost burdens, spending between 31 and 50 percent of their income on rent, whereas 22.8 percent of renter households in the HMA were severely cost burdened, spending 51 percent or more of income toward rent. Nationally, 21.7 percent of renter households had moderate- to high-cost burdens and 22.2 percent of renter households were severely cost burdened, both lower than the respective figures for the HMA. A significantly larger share of lower income renter 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 59.1 percent of renter households with incomes less than 50 percent of the AMFI in the HMA were paying 51 percent or more of their incomes toward rent compared with 47.4 percent nationally.

Homelessness

Approximately 5,650 people throughout the HMA were homeless in 2022 (Point-in-Time Count). Of the number of people who were homeless in the HMA, 51 percent were unsheltered, which is generally in line with the most recent share throughout the nation, Puerto Rico, and the U.S. territories.

Figure 18. Las Vegas HMA Gross Rent Affordability Index



MSA = metropolitan statistical area.
Notes: Rental affordability is for the Las Vegas MSA. 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 expenditures.
Source: American Community Survey 1-year data

Table 8. Percentage of Cost Burdened Renter Households by Income, 2015 Through 2019

	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	23.8	27.5	59.1	47.4
Total Renter Households	23.8	21.7	22.8	22.2

CHAS = Comprehensive Housing Affordability Strategy. HAMFI = HUD Area Median Family Income.
Source: Consolidated Planning/CHAS Data, 2015 Through 2019 American Community Survey 5-year estimates (huduser.gov)

Affordable Housing Options: LIHTC, PBRA, HCV

The Low-Income Housing Tax Credit (LIHTC) program is the primary source of funding for new affordable rental housing in the nation. Since 2010, 5,175 LIHTC units have been placed in service in the HMA compared with 11,750 units during the 2000s. Approximately 72, 12, and 9 percent of all LIHTC units placed in service in the HMA since 2000 have been in the cities of Las Vegas, Henderson, and North Las Vegas, respectively.

In addition to LIHTC, income-eligible residents may qualify for project-based rental assistance (PBRA) or housing choice vouchers (HCV) through the local public housing authority (PHA). The PHAs in the HMA administered 11,830 HCVs in 2021, a 30.4-percent increase from the 9,073 reported in 2010 (Table 9). Through PBRA and other programs, 16,066 subsidized units are available, representing a 16.3-percent increase since 2010 (Picture of Subsidized Households). By comparison, nationally, the total number of voucher households has increased 14.1 percent, and the number of subsidized units has risen 3.1 percent.

Table 9. Picture of Subsidized Households, 2021

	Las Vegas HMA	HMA Change Since 2010	National Total	National Change Since 2010
Total Assisted Households (2021)	16,066	16.3%	4,565,867	3.1%
Total Housing Voucher Households (2021)	11,830	30.4%	2,327,707	14.1%
Average HCV Tenant Monthly Contribution	$404	-8.8%	$395	-2.5%
Average Monthly HUD Subsidy	$956	-14.6%	$883	1.5%

HCV = housing choice voucher.
Note: Dollar changes are inflation-adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).
Source: HUD Picture of Subsidized Households

Forecast

During the 3-year forecast period, demand is expected for an estimated 14,950 rental units in the HMA (Table 10). Demand for new rental units in the HMA is expected to be relatively stable during the forecast period. The 5,775 units currently under construction and an additional 1,500 units in planning are expected to satisfy most of the rental demand during the next 2 years.

Table 10. Demand for New Rental Units in the Las Vegas HMA During the Forecast Period

	Rental Units
Demand	14,950 Units
Under Construction	5,775 Units

Note: The forecast period is June 1, 2022, to June 1, 2025.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales/Prices	Includes resale sales, short sales, and REO sales.
Forecast Period	6/1/2022–6/1/2025—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.

Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Resale Sales	**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+ 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 2010 Census Urban and Rural Classification and the Urban Area Criteria.**
3.	**The census tracts referenced in this report are from the 2010 Census.**

C. Additional Notes

1.	**The NAHB 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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