

Las Vegas, NV



Quick Stats

678,000

Total SF of Professional Office Space Under Construction

0

Total SF of New Deliveries

110

Number of Professional Office Sales

314

Number of Professional Office Leases signed

"Las Vegas' economic growth, which stalled at the onset of the pandemic, is starting to recover from the losses resulting from the business closures and drop in tourism. However, unemployment remains elevated and while job growth is picking up once again, a considerable portion of that growth continues to be in sectors that do not drive office demand.

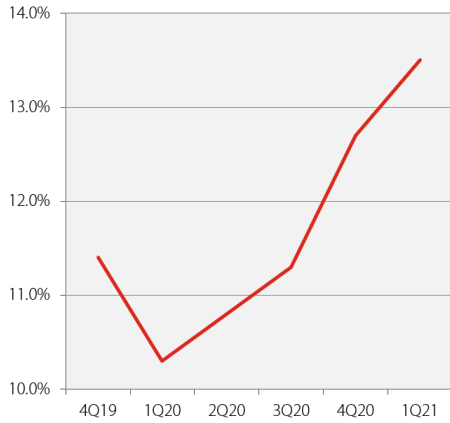
Office vacancies increased recently as demand has weakened and though the vacancy rate is below its historical average, it remains in the double digits. Rent growth has decelerated and new construction continues to trail historical levels. Investment volume in 2020 was well off the pace from the previous year as investors appear to remain cautious due to the economic uncertainty surrounding the pandemic.

Volatility poses a real risk for the metro, as Las Vegas's reliance on tourist dollars ties the metro heavily to the fate of the larger economy. Even after the reopening of the casinos and resorts and both tourism and passenger numbers at McCarran airport are well down from the previous year.

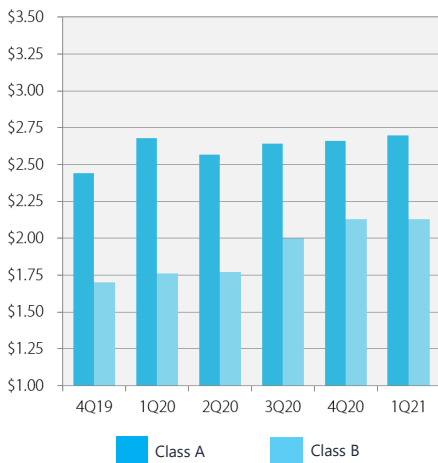
Vacancies increased recently to around 12.7% as demand weakened and are anticipated to rise further as the pandemic continues to impact the economy and demand for office space. While vacancies have compressed since 2010, they never quite recovered to the low levels from 2007 and aren't likely to in the near term as the market feels the impact of the coronavirus pandemic. Few markets were as affected by the 2008 economic downturn as Las Vegas, which was particularly hard hit by the housing bust when continuing instability in office-using employment drove vacancies up to nearly 20%.

Prior to the pandemic, employment in the metro was growing, with the healthcare and construction sectors gaining ground. However, these industries, along with the metro's primary industry of leisure and hospitality, tend not to be major driver of office demand. The majority of office space in Las Vegas is typically leased by smaller, local tenants, or government entities. One of the sizable leases signed in 20Q4 was by the Federal Bureau of Investigation renewing their lease for 106,953-SF in downtown." - CoStar

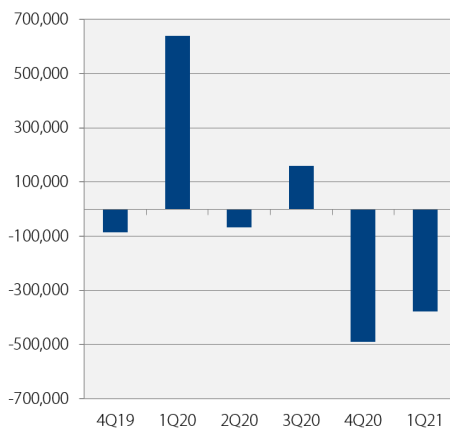
Vacancy Rates



Asking Rents

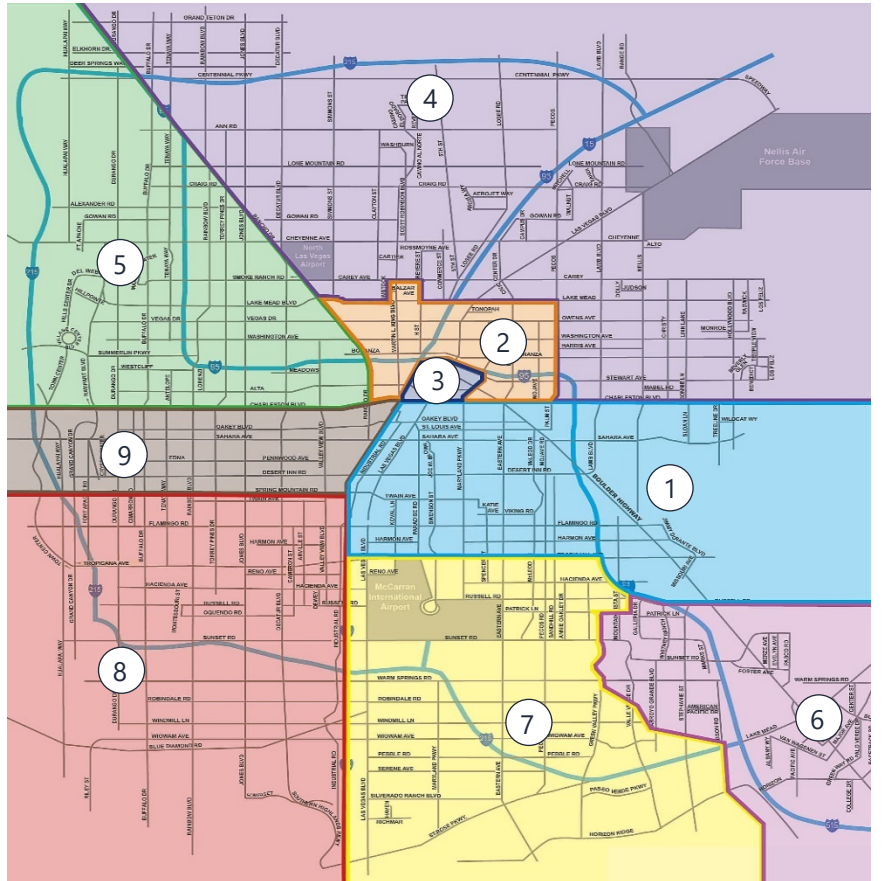


Absorption



Las Vegas Office Submarkets

1. Central East
2. Central North
3. Downtown
4. North Las Vegas
5. Northwest
6. Southeast
7. South
8. Southwest
9. West



Professional Office Market Indicators

Submarket	Total SF*	Vacant Available SF	Vacant Available %	Current Net Absorption	Deliveries	Under Construction	Avg. Asking Rate Class A**	Avg. Asking Rate Class B**
Central East	5,650,940	1,225,289	21.7%	35,816	0	0	\$2.71	\$1.83
Central North	1,505,605	964	0.1%	0	0	0	n/a	n/a
Downtown	4,458,788	341,235	7.7%	3,706	0	0	\$2.76	\$2.46
North Las Vegas	1,358,701	119,892	8.8%	7,116	0	0	n/a	\$2.66
Northwest	6,119,111	952,270	15.6%	(116,544)	0	0	\$2.47	\$2.61
Southeast/Henderson	855,681	95,081	11.1%	(29,988)	0	0	n/a	\$1.40
South	8,389,477	958,938	11.4%	(156,710)	0	0	\$2.51	\$2.44
Southwest	7,631,390	844,215	11.1%	(32,941)	0	678,000	\$2.92	\$2.35
West	5,243,046	1,046,110	20.0%	(87,545)	0	0	\$3.40	\$1.97
Totals	41,212,739	5,583,994	13.5%	(377,090)	0	678,000	\$2.70	\$2.13

*Includes buildings over 10,000 SF

**Average asking rates have been converted to FSG including CAM, janitorial and electric

Medical Office Market Indicators

Submarket	Total SF*	Vacant Available SF	Vacant Available %	Current Net Absorption	Deliveries	Under Construction	Avg. Asking Rate **
Central East	2,503,881	427,425	17.1%	(4,066)	0	0	\$1.35
Central North	794,858	91,548	11.5%	2,958	0	0	\$1.51
North Las Vegas	490,947	53,384	10.9%	4,981	0	0	\$1.40
Northwest	3,376,706	207,449	6.1%	(39,325)	0	0	\$1.50
Southeast/Henderson	818,423	112,253	13.7%	24,708	0	0	\$1.83
South	2,920,064	416,427	14.3%	(49,024)	0	300,000	\$1.61
Southwest	3,327,533	461,138	13.9%	(9,447)	0	121,190	\$2.00
West	1,387,384	48,857	3.5%	9,760	0	0	\$1.33
Totals	15,759,175	1,853,063	11.8%	11,953	0	421,190	\$1.64

*Includes buildings over 5,000 SF

**Average asking rates have been converted to FSG including CAM, janitorial and electric

Get more market information

Jayne Cayton
Principal
725.228.6022
Jayne.cayton@avisonyoung.com

Barton Hyde
Principal
702.475.7546
Barton.hyde@avisonyoung.com

Matt Kreft
Vice President
725.228.6023
Matt.kreft@avisonyoung.com

Scott Donaghe
Principal
702.637.7741
Scott.donaghe@avisonyoung.com

Johnathan King
Associate
702.780.6763
Johnathan.king@avisonyoung.com

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avisonyoung.com

