

Las Vegas, NV



Quick Stats

650,000

Total SF of Professional Office Space Under Construction

323,000

Total SF of New Deliveries

77

Number of Professional Office Sales

303

Number of Professional Office Leases signed

"The Las Vegas office market recovery has stalled as the metro's economy is significantly impacted by the coronavirus pandemic. Las Vegas metro job growth had outpaced the national rate for the past five years, but a considerable portion of that growth has been in sectors that do not drive office demand.

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. Unemployment in Las Vegas remains elevated 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.

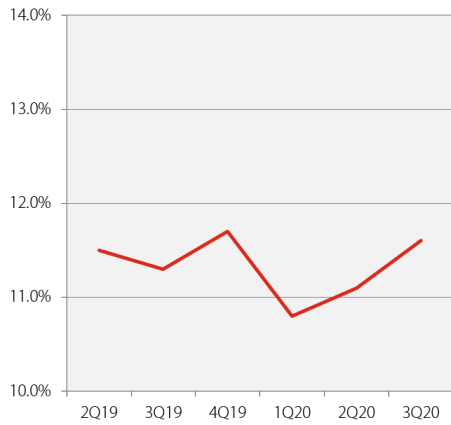
While the vacancy rate is below its historical average, it remains in the double-digits, typical for the Las Vegas office market. Rent growth has slowed and new construction continues to trail historical levels. Investment activity was solid in the first half of 2020, boosted by a significant transaction, but has declined substantially in the third quarter.

Tourism and hospitality continue to be a mainstay of the Las Vegas economy and is driven by the over 42 million visitors to Las Vegas annually the past few years. Many of the metro's major employers are in industries that don't drive office demand.

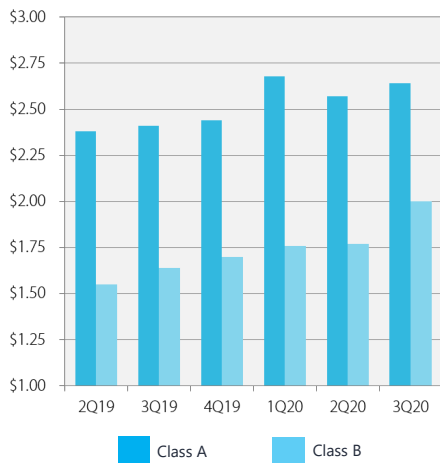
Prior to the pandemic, a significant number of Las Vegas residents (even those with white-collar jobs) were employed by the casinos and hotels along Las Vegas Boulevard. In fact, about one-third of employment in the metro is tied to leisure and hospitality. While the city is hoping that its various incentive plans will help draw a more diverse mix of companies to Las Vegas, leisure and hospitality remains the primary economic driver. Employment in the metro grew over the past decade, with the healthcare and construction sectors gaining ground. However, law firms, consulting companies, financial services firms, and other professional tenants that bolster office demand in more diverse economies have a comparatively minor presence here.

Vacancies increased recently to around 11.8% with new supply additions and weakening demand, and are anticipated to rise further due to the coronavirus pandemic. While vacancies have compressed since 2010, they never quite recovered to 2007 level lows 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. Throughout the recession, continuing instability in office-using employment drove vacancies up to nearly 20%." - *CoStar*

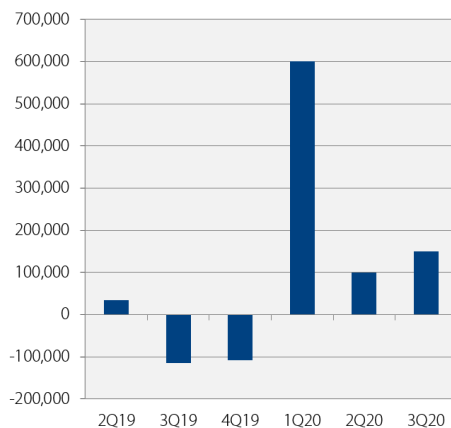
Vacancy Rates



Asking Rents

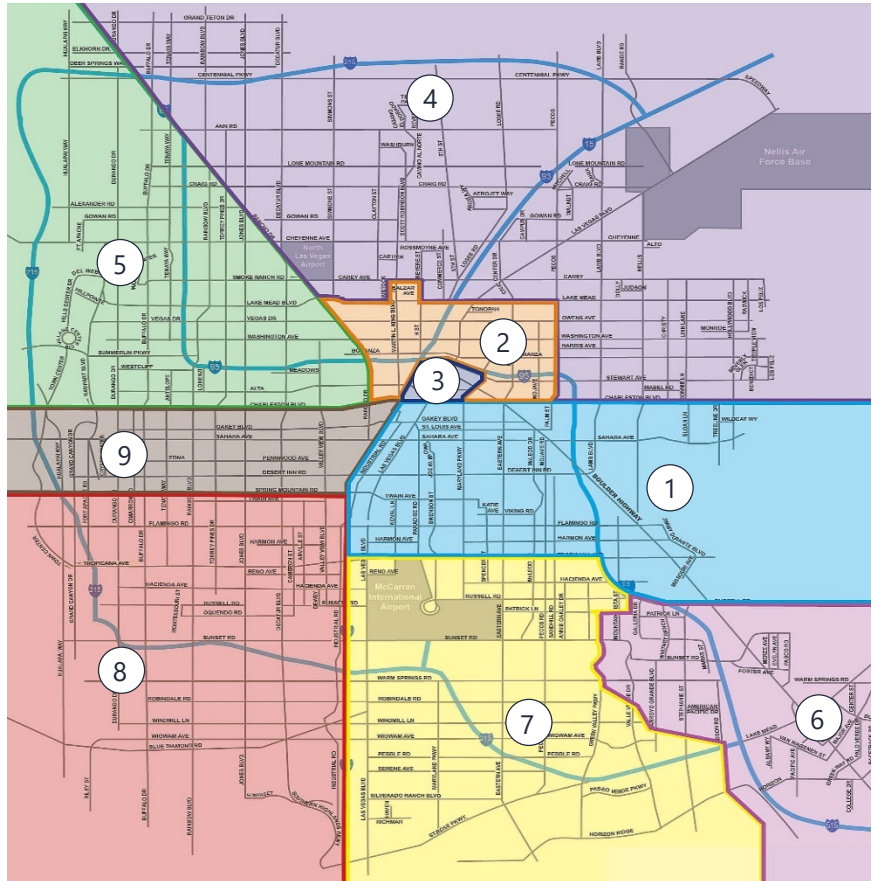


Absorption



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	5,640,818	1,179,018	20.9%	(36,216)	0	0	\$2.59	\$1.76
Central North	1,505,605	964	0.1%	0	0	0	n/a	n/a
Downtown	4,458,788	354,352	7.9%	(23,796)	0	0	\$2.75	\$2.38
North Las Vegas	1,355,492	121,812	9.0%	7,334	0	0	\$2.42	\$2.66
Northwest	6,212,125	797,834	12.8%	15,741	0	0	n/a	\$2.41
Southeast/Henderson	1,031,458	138,913	13.5%	3,326	0	0	n/a	\$1.33
South	8,532,885	858,232	10.1%	196,258	323,000	0	\$2.51	\$1.97
Southwest	7,657,800	578,595	7.6%	(34,723)	0	648,184	\$2.78	\$2.25
West	5,263,653	806,899	15.3%	22,149	0	0	\$3.27	\$2.09
Totals	41,658,624	4,836,619	11.6%	150,073	323,000	648,184	\$2.64	\$2.00

*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	2,497,538	428,279	17.1%	(20,671)	0	0	\$1.22
Central North	794,858	87,728	11.0%	(7,836)	0	0	\$1.52
North Las Vegas	499,112	52,866	10.6%	2,350	0	0	\$1.38
Northwest	3,290,428	212,729	6.5%	55,093	0	0	\$1.52
Southeast/Henderson	642,330	109,240	17.0%	(22,072)	0	0	\$1.15
South	2,852,223	379,612	13.3%	(16,130)	0	300,000	\$1.60
Southwest	3,278,952	512,506	15.6%	25,123	17,500	190,942	\$1.96
West	1,376,306	37,239	2.7%	47,841	0	0	\$1.31
Totals	15,367,544	1,841,350	12.0%	81,591	17,500	490,942	\$1.56

*Includes buildings over 5,000 SF

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

Get more market information

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