

Las Vegas, NV



Quick Stats

778,184

Total SF of Professional Office Space Under Construction

0

Total SF of New Deliveries

72

Number of Professional Office Sales

254

Number of Professional Office Leases signed

“Las Vegas’ economic growth, which stalled at the onset of the pandemic, is growing again and starting to recover losses 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.

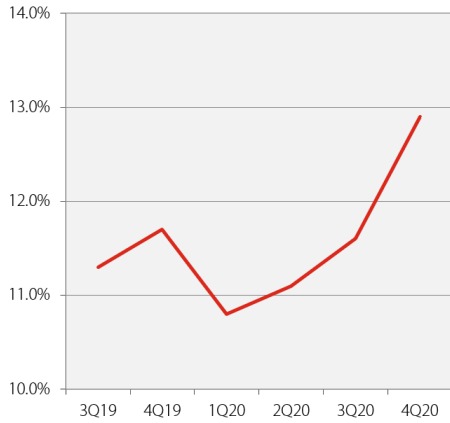
Office vacancies increased recently as demand weakened in the fourth quarter and though the vacancy rate is below its historical average, it remains in the double digits. Rent growth has decelerated and new construction continues to trail historical levels. Investment volume in 2020 is well off the pace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

Vacancies increased recently to around 12.0% 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 when continuing instability in office-using employment drove vacancies up to nearly 20%.

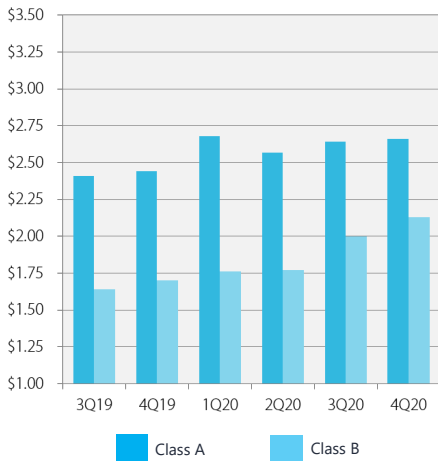
Prior to the pandemic, employment in the metro had grown, with the healthcare and construction sectors gaining ground. However, these industries, along with the metro’s primary industry of leisure and hospitality, tend not to be major driver of office demand. The majority of office space in Las Vegas 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.

While law firms, consulting companies, financial services firms, and other professional tenants that bolster office demand in more diverse economies have a comparatively minor presence in Las Vegas. A majority of the professional office tenants are located in the South, Southwest and West Las Vegas submarkets which are close to the major highways and high-end neighborhoods where many white-collar professionals live. One of the significant financial tenants to move into Las Vegas is Credit One Bank, which moved its corporate headquarters to Southwest Las Vegas in 2018 and in 20Q4 signed a lease for 150,000-SF to expand its operations in the metro.” - *CoStar*

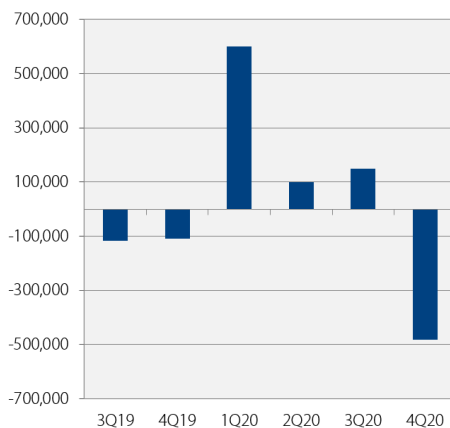
Vacancy Rates



Asking Rents

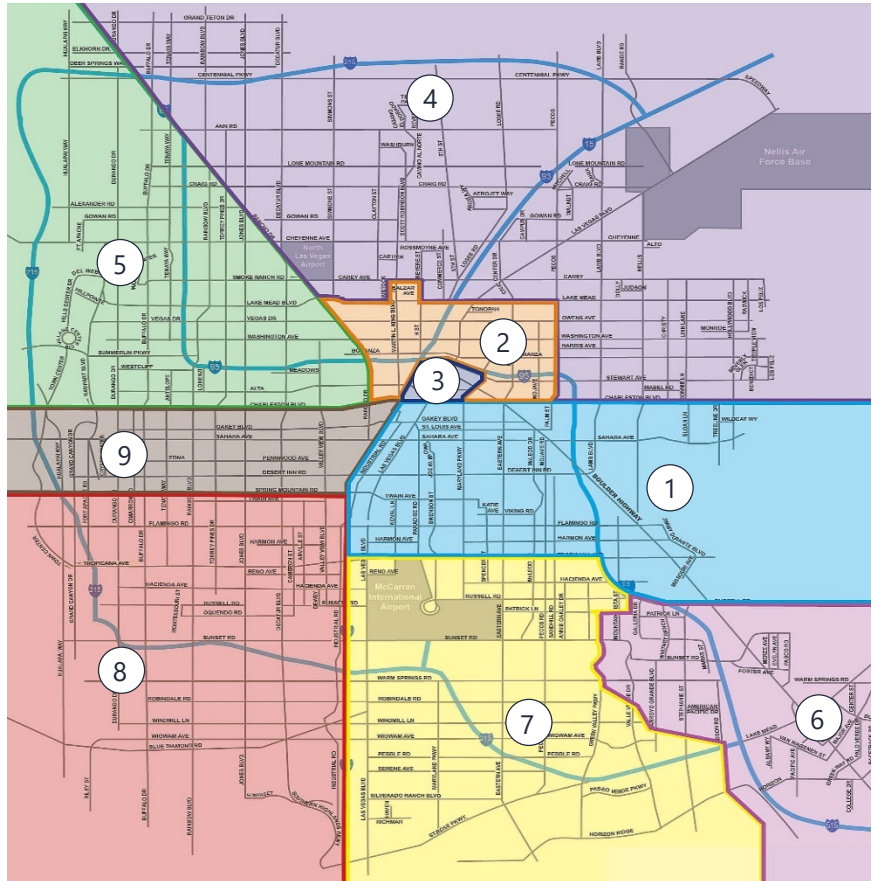


Absorption



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 | 1,263,779 | 22.4% | (106,591) | 0 | 0 | \$2.59 | \$1.82 |
| Central North | 1,505,605 | 964 | 0.1% | 0 | 0 | 0 | n/a | n/a |
| Downtown | 4,458,788 | 362,941 | 8.1% | (8,589) | 0 | 0 | \$2.75 | \$2.43 |
| North Las Vegas | 1,345,492 | 127,008 | 9.4% | 2,026 | 0 | 0 | n/a | \$2.66 |
| Northwest | 6,261,914 | 843,301 | 13.5% | (109,590) | 0 | 0 | \$2.47 | \$2.62 |
| Southeast/Henderson | 1,074,570 | 162,688 | 15.1% | (12,414) | 0 | 0 | n/a | \$1.40 |
| South | 8,359,014 | 793,579 | 9.5% | (54,850) | 0 | 0 | \$2.48 | \$2.43 |
| Southwest | 7,661,598 | 826,059 | 10.8% | (221,057) | 0 | 778,184 | \$2.99 | \$2.31 |
| West | 5,243,046 | 963,999 | 18.4% | 29,819 | 0 | 0 | \$3.26 | \$2.02 |
| Totals | 41,550,845 | 5,344,318 | 12.9% | (481,246) | 0 | 778,184 | \$2.66 | \$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 | 2,505,780 | 422,724 | 16.9% | (24,505) | 0 | 0 | \$1.32 |
| Central North | 794,858 | 96,281 | 12.1% | (8,563) | 0 | 0 | \$1.55 |
| North Las Vegas | 499,112 | 50,922 | 10.2% | 1,944 | 0 | 0 | \$1.38 |
| Northwest | 3,296,697 | 223,639 | 6.8% | (28,680) | 0 | 0 | \$1.52 |
| Southeast/Henderson | 599,535 | 106,534 | 17.8% | (2,220) | 0 | 0 | \$1.14 |
| South | 2,923,387 | 385,499 | 13.2% | 39,783 | 0 | 300,000 | \$1.64 |
| Southwest | 3,350,875 | 465,215 | 13.9% | 92,135 | 47,000 | 143,942 | \$1.95 |
| West | 1,380,384 | 61,551 | 4.5% | (22,992) | 0 | 0 | \$1.37 |
| Totals | 15,490,007 | 1,834,224 | 11.8% | 52,442 | 47,000 | 443,942 | \$1.61 |

*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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