

Las Vegas office market report

Q2 2022

**AVISON
YOUNG**

Office market trends

01

Office transactions set new pricing high

The average office property sold for \$291 psf in the quarter, eclipsing the previous average transaction pricing high of \$288 psf set in Q3 2021.

Our take on this trend...

Total investment volume for office transactions was just over \$50.4 million. The two largest sales in the quarter sold for \$351 and \$298 psf respectively. The low volume of investment sales in the quarter likely means that the average pricing level will decline in the second half of 2022.

02

Southwest continues to shine

The total vacancy rate in the Southwest Las Vegas submarket declined from 10.4% in Q1, to 9.4% in Q2. The average rental rate for the submarket climbed from \$33.54 to \$34.47 psf, leading the market in rent pricing.

Our take on this trend...

Las Vegas' only class A office building under construction is in the Southwest submarket. The first UnCommons building, set to deliver in late 2022, is just the latest example of premium office space that has attracted tenants to the Southwest. Expect the current pricing and availability trends in the Southwest to continue.

03

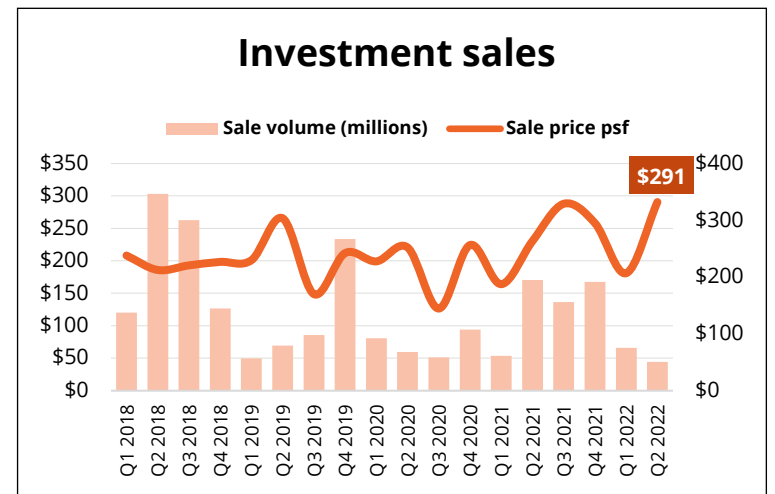
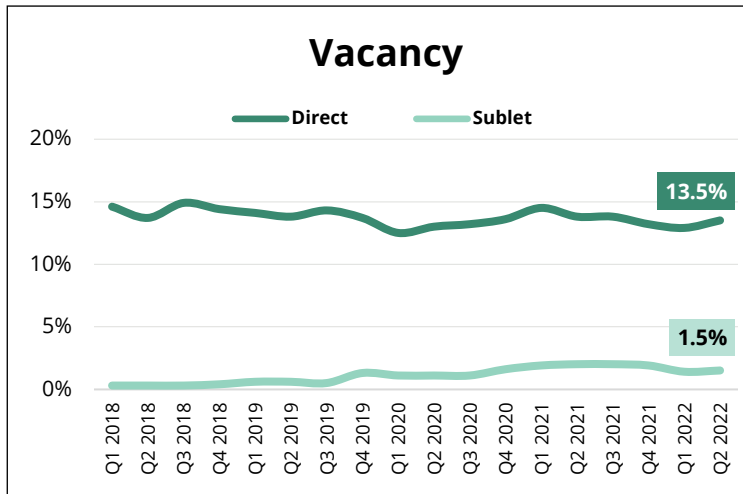
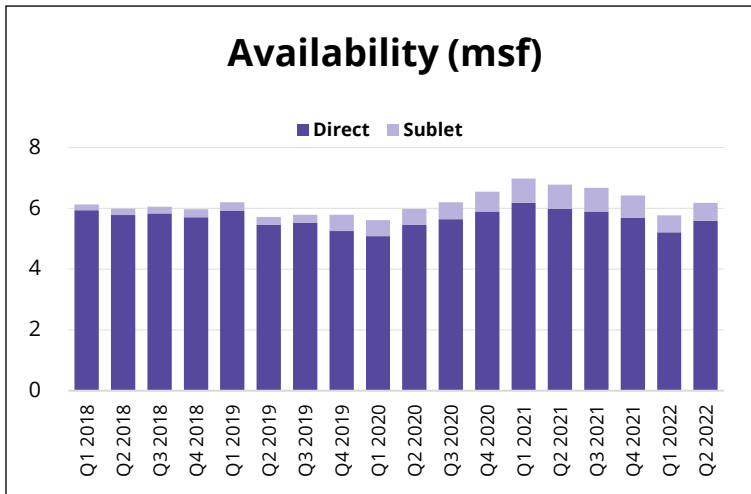
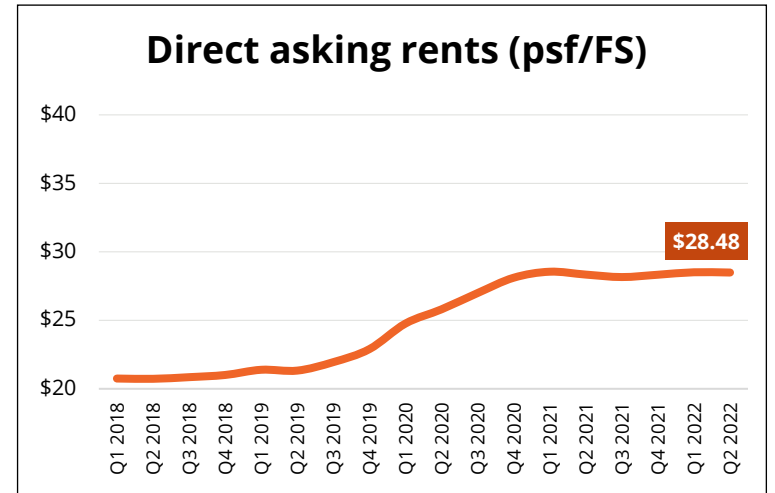
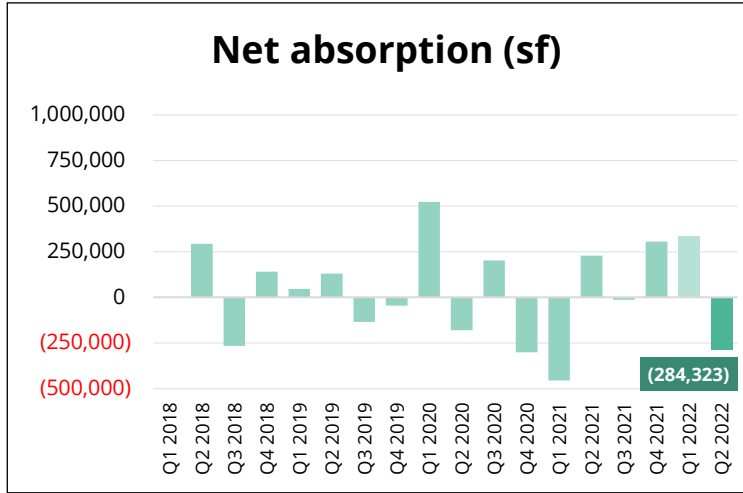
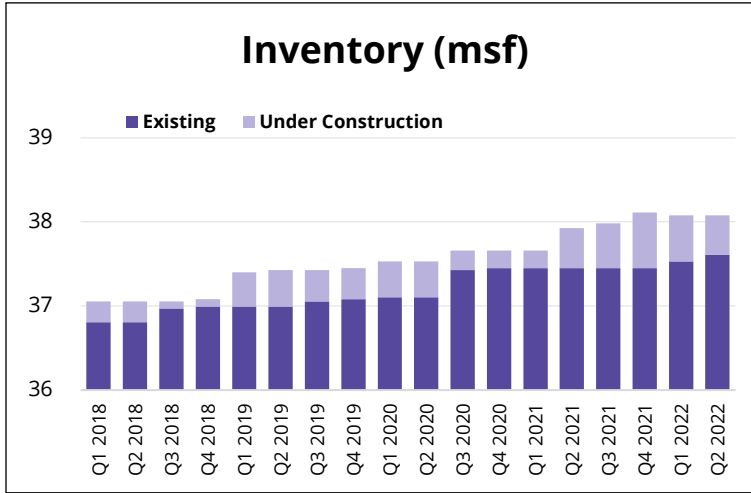
Rising vacancy rates driven by three submarkets

The total vacancy rate rose from 14.3% to 15.0% during Q2. The Western, Downtown, and Northwestern submarkets saw the largest increase in total vacancy rates at 5.0%, 2.9%, and 2.1% respectively.

Our take on this trend...

The rising vacancies in the Western, Downtown, and Northwestern submarkets are indicative of the mixed conditions that continue to persist in the overall office market. Year-to-date net absorption is at 49,670 sf, a sign of the lingering impact of the COVID-19 pandemic on office leasing activity.

Office market indicators



Office market activity

Recent leasing activity

Tenant name	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type	Term	Rent
Law Office of Gina Corena	300 S 4 th St	Downtown LV	May 2022	16,538	New	Direct	129 Months	\$28.20 FS
University of Phoenix	3755 Breakthrough Way	SW Las Vegas	May 2022	13,584	New	Direct	-	\$33.00 FS
Clark Hill	1700 Pavilion	W Las Vegas	May 2022	13,166	New	Direct	-	-
Unknown Tenant	2485 Village View Dr	Henderson	May 2022	12,826	New	Direct	-	\$30.60 MG
LIK Fine Art	6700 Via Austi Pky	S Las Vegas	May 2022	10,143	New	Direct	65 Months	\$30.00 FS

Recent sales activity

Buyer	Address	Submarket	Sale date	Sale price	Size (sf)	Sale price (psf)	Seller
Samuel & Co	1351 N Town Center Dr	NW Las Vegas	May 2022	\$30,100,000	85,708	\$351	Inland RE Group of Companies
Kirkorian Enterprises	6600 Bermuda Rd	S Las Vegas	Jun 2022	\$9,750,000	32,700	\$298	Benjamin Garfinkle
Qaisar Hameed	8290 W Sahara Ave	W Las Vegas	Apr 2022	\$6,500,000	31,106	\$209	Coldwell Banker Commercial
Rock Ridge Flamingo Retail	3585 E Flamingo Rd	Central E LV	Jun 2022	\$4,112,579	24,140	\$170	Robert Hechter

Large contiguous space availabilities

Owner	Address	Submarket	Date available	Block size (sf)	Floors	Asking rent	Landlord Broker
Tiberti Management Co.	330 S Valley View Blvd	NW Las Vegas	Vacant	163,400	1-2	\$13.20 NNN	Tiberti Management Co.
Elardi Family	8725 W Sahara Ave	W Las Vegas	Vacant	117,000	1	\$16.80 NNN	CBRE
Dekel Capital	6226 W Sahara Ave	W Las Vegas	Vacant	81,000	1	\$14.40 NNN	Colliers
Third Lake Partners	6569 Las Vegas Blvd S	S Las Vegas	Vacant	41,138	2	\$33.00 MG	CBRE

Office market stats by submarket and class

By Submarket	Inventory (sf)	Vacancy	Net Absorption	SF Under	Average Asking Rent	
		Total %	2Q22	Construction	Annual	Monthly
Central E Las Vegas	5,855,699	21.6%	88,800	-	\$26.72	\$2.23
Central N Las Vegas	1,441,170	3.8%	4,108	-	-	-
Downtown	3,419,712	14.7%	-99,471	-	\$27.78	\$2.32
N Las Vegas	771,933	6.1%	1,099	-	\$32.89	\$2.74
NW Las Vegas	6,804,966	16.8%	-146,244	71,400	\$31.24	\$2.60
SE Las Vegas/Henderson	894,171	10.8%	-4,631	-	\$25.32	\$2.11
S Las Vegas	7,388,321	14.5%	16,064	-	\$29.31	\$2.44
SW Las Vegas	6,832,609	9.4%	65,202	130,000	\$34.47	\$2.87
W Las Vegas	4,200,774	19.8%	-209,250	267,000	\$29.18	\$2.43
Market Total	37,609,355	15.0%	-284,323	468,400	\$28.48	\$2.37

By Class	Inventory (sf)	Vacancy	Net Absorption	SF Under	Average Asking Rent	
		Total %	2Q22	Construction	Annual	Monthly
Class A	10,722,096	16.8%	-39,483	130,000	\$31.86	\$2.66
Class B	24,765,978	15.1%	-306,931	338,400	\$25.75	\$2.15
Class C	2,121,281	5.1%	62,091	-	-	-
Market Total	37,609,355	15.0%	-284,323	468,400	\$28.48	\$2.37

For more market insights
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