

Las Vegas



Market Facts

8.51%

Total vacancy

868,744

Total square footage under construction

0

Total square footage of new deliveries

114

Leases signed this quarter.

Retail Market Overview

Vacancies had compressed by more 300 basis points from their peak during 2010-11 prior to closures but rose again as some companies are unable to pay their rent or reopen. However, construction remains below the market's historical average, so the addition of new supply should put modest pressure on vacancies. Investment volume in the first half of 2020 is down compared to last year, with sales declining substantially in the second quarter. This follows a strong 2019, which saw sales surpassing \$1.2 billion.

The positive momentum the Las Vegas retail market was benefiting from in terms of healthy job growth in the metro and increasing tourist dollars for dining and entertainment stalled due to coronavirus closures. The state's stay-at-home order that closed casinos, restaurants, and nonessential businesses led to a substantial number of layoffs. With casinos and other businesses open again, at least a portion of laid off workers are returning to work as tourists flock back to Las Vegas.

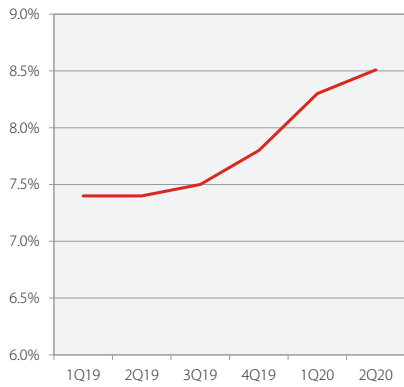
Prior to the closures, the population of Las

Vegas was increasing at a good clip, due in part to healthy job growth and the affordable cost of living. Median household incomes in the metro are rising, which could create some additional disposable income. Visitor traffic continues to be strong, bringing in much-needed tourist dollars. The Las Vegas Convention and Visitors Authority reported that more than 42 million people visited the metro in 2018.

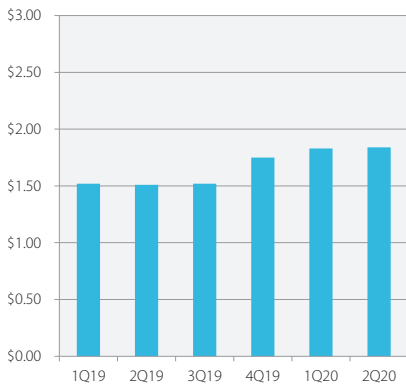
New supply, which is restrained compared to 2000-09, has recently started to outpace demand, and the vacancy rate has risen slightly. Vacancies have compressed by around 300 basis points since peaking in 2011 at over 11% and are below the metro's historical average. The Southeast Las Vegas Submarket has experienced some of the strongest demand over the past year, with over 300,000 SF of positive net absorption. Southeast Las Vegas includes the city of Henderson, which has lately seen a growing population and favorable demographics, driving retail demand as well as an abundance of new residential construction.

Retail Market Snapshot

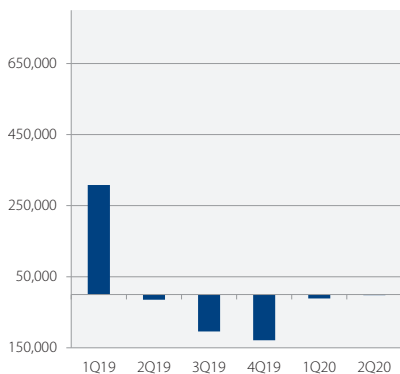
Vacancy Rates



Asking Rents

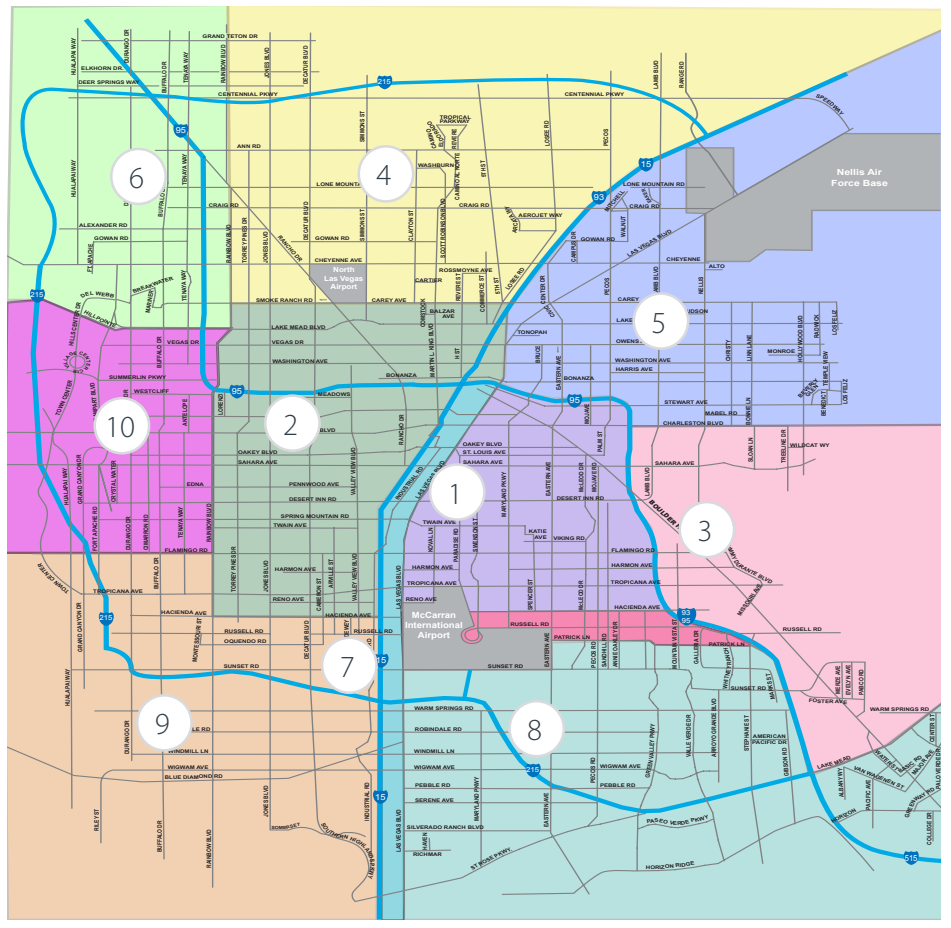


Net Absorption



Las Vegas Retail Submarkets

1. Central East
2. Central West
3. East
4. North
5. Northeast
6. Northwest
7. Resort Corridor
8. Southeast
9. Southwest
10. West



Type	Total SF	Vacant %	Net Absorption	Avg. Asking Rates
Central East				
Power Center	488,353	22.8%	0	\$1.55
Neighborhood	5,513,758	15.3%	4,312	\$1.54
Strip Center	1,273,458	9.4%	0	\$1.52
Total	7,275,569	15.83%	4,312	\$1.54
Central West				
Power Center	1,071,127	7.7%	0	\$2.17
Neighborhood	6,882,044	9.8%	(764)	\$1.47
Strip Center	2,152,929	6.5%	350	\$1.57
Total	10,106,100	8.0%	(414)	\$1.74
East				
Power Center	933,004	0.5%	0	\$1.45
Neighborhood	1,854,464	5.5%	1,570	\$1.59
Strip Center	654,733	9.8%	620	\$1.47
Total	3,442,201	5.27%	2,190	\$1.50
North LV				
Power Center	1,475,079	15.5%	0	\$1.74
Neighborhood	4,988,839	8.1%	4,980	\$1.78
Strip Center	535,871	4.7%	(1,500)	\$1.37
Total	6,999,789	9.43%	3,480	\$1.63
Northeast				
Power Center	340,817	10.3%	0	\$1.40
Neighborhood	2,599,250	8.4%	5,765	\$1.37
Strip Center	1,046,668	7.3%	0	\$1.26
Total	3,986,735	8.67%	5,765	\$1.34

Type	Total SF	Vacant %	Net Absorption	Avg. Asking Rates
Northwest				
Power Center	1,333,029	3.6%	0	\$2.40
Neighborhood	3,361,277	3.6%	(2,099)	\$2.21
Strip Center	412,905	5.4%	0	\$1.80
Total	5,107,211	4.2%	(2,099)	\$2.14
Resort Cor				
Power Center	969,402	13.3%	0	\$3.05
Neighborhood	162,558	14.9%	0	\$2.37
Strip Center	321,470	5.6%	0	\$1.81
Total	1,453,430	11.27%	0	\$2.41
Southeast				
Power Center	2,130,499	3.5%	0	\$2.05
Neighborhood	9,731,302	9.0%	1,447	\$1.81
Strip Center	2,026,808	14.7%	(2,600)	\$1.81
Total	13,888,609	9.07%	(1,153)	\$1.89
Southwest				
Power Center	2,455,127	7.4%	0	\$2.24
Neighborhood	2,698,677	7.6%	(4,191)	\$2.10
Strip Center	1,205,291	6.9%	(2,765)	\$1.99
Total	6,359,095	7.3%	(6,956)	\$2.11
West				
Power Center	1,992,624	6.2%	0	\$2.48
Neighborhood	4,130,928	5.1%	(8,208)	\$2.24
Strip Center	678,440	7.0%	1,000	\$1.66
Total	6,801,992	6.1%	(7,208)	\$2.13
Grand Total	65,420,731	8.51%	(2,083)	\$1.84

* - Source: CoStar



avisonyoung.com

10845 Griffith Peak Drive, Ste 100, Las Vegas, NV 89135
702.472.7979

E. & O.E.: The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.

Prepared by:

Dave A. Dworkin
702.475.7544
dave.dworkin@avisonyoung.com

2020 Avison Young - Nevada, LLC. All rights reserved.