



Las Vegas office market report

Q3 2024

**AVISON
YOUNG**

Las Vegas office market trends

15.2%

Total office vacancy witnessed its first drop in vacancy since the start of 2024.

Las Vegas remains an appealing market for office trends, boasting some of the lowest vacancy rates in the country. Although vacancy has increased over the past six quarters, the growth has been slower and more manageable compared to many larger metropolitan areas. In Q2 2024, the national office availability rate stood at 23.7% (which includes spaces nearing lease expiration without renewals), while Las Vegas' vacancy rate in Q3 2024 sits at a much lower 15.2%, an impressive 850 basis points below the national average.

\$30.47

Direct asking rents have surged to a decade-high due to limited new supply and strong suburban demand.

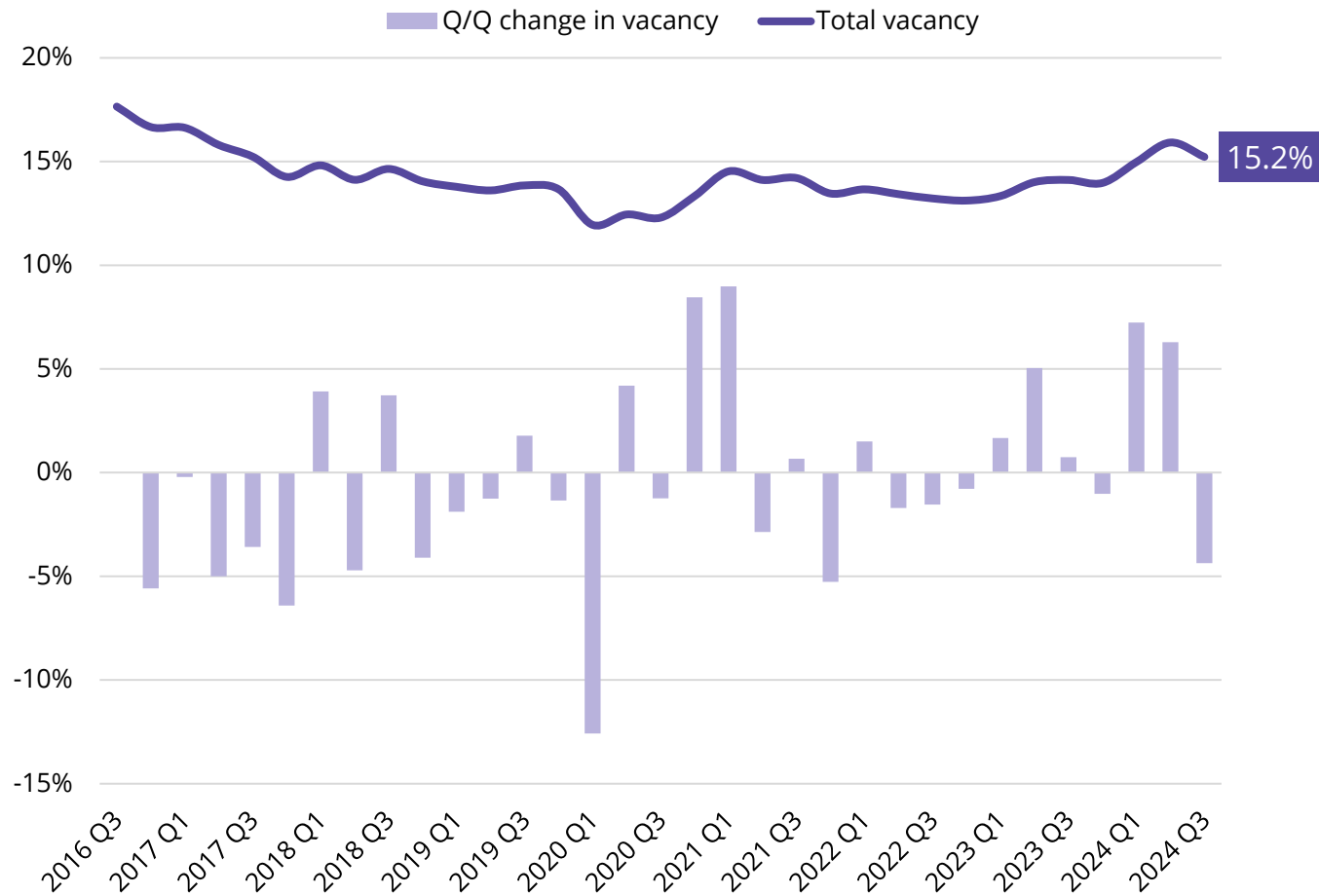
The Las Vegas office market has experienced steady annual increases in direct asking rents, reaching a decade-high of \$30.47 per square foot. This marks a 5% rise from Q3 2023, when rents were \$1.50 lower. Rent growth is primarily driven by the limited availability of new buildings compared to the overall market, along with strong demand for these modern spaces. Additionally, the growing population and the appeal of suburban markets have further fueled this trend. Since 2016, rents have increased by an average of 4.6% annually, equating to approximately \$1.02 per year.

77.0%

Las Vegas has seen return-to-office visitation reach 77% of the in-person workforce levels observed in 2019.

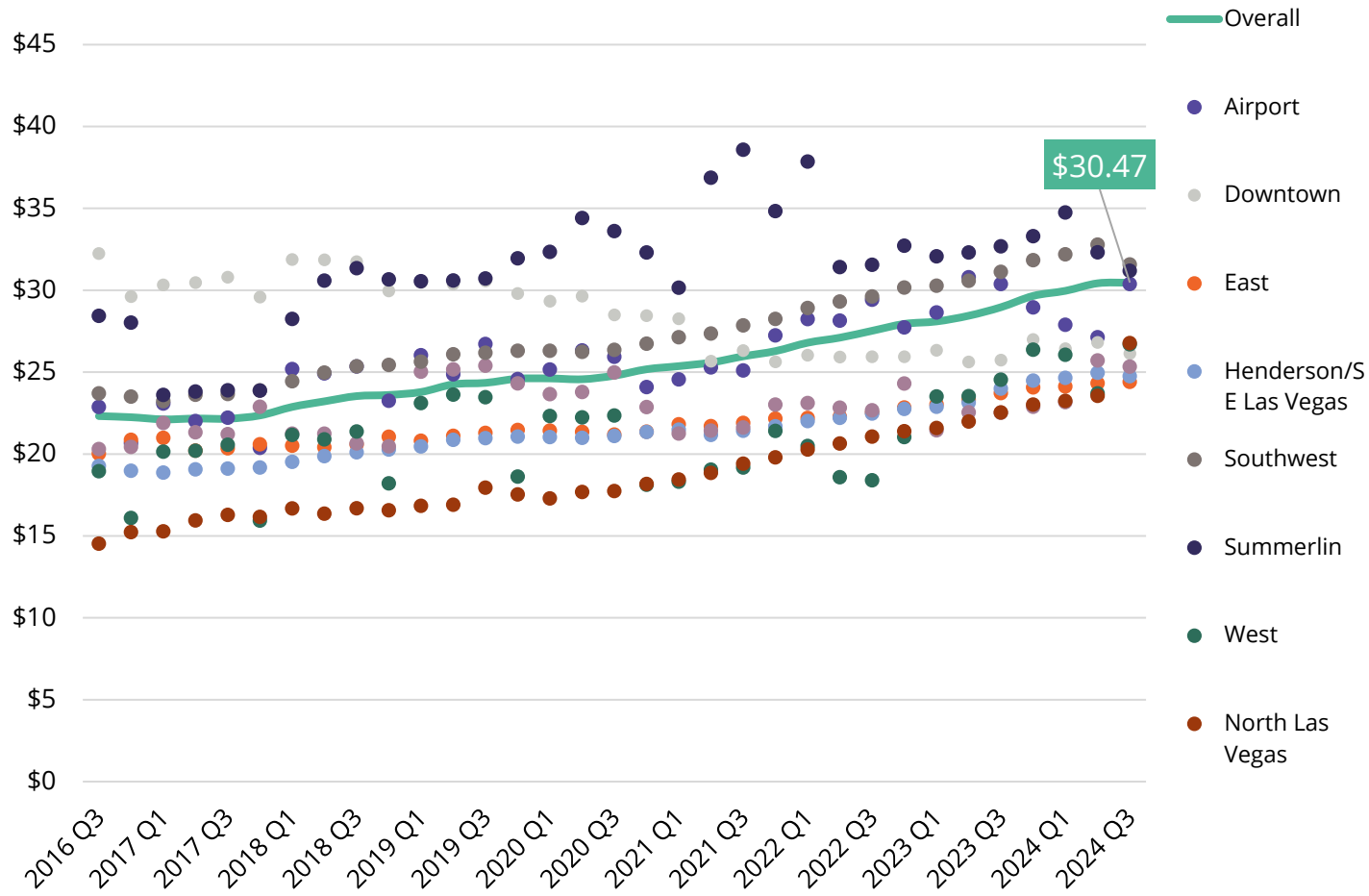
The Las Vegas office market is showing promising recovery in return-to-work trends, exceeding national averages. Using 2019 as a benchmark for in-office visitation—set at "100%"—data from Placer.ai integrated into our Office Busyness Index indicates that by Q3 2024, visitation reached 77%, significantly higher than the national average of 60.4%, reflecting a rise of 174 basis points. Contributing factors include a growing local economy, increased business activity, and the appeal of Las Vegas as a desirable workplace, as companies adopt hybrid work models that encourage office attendance while maintaining flexibility.

Las Vegas office vacancy (%)



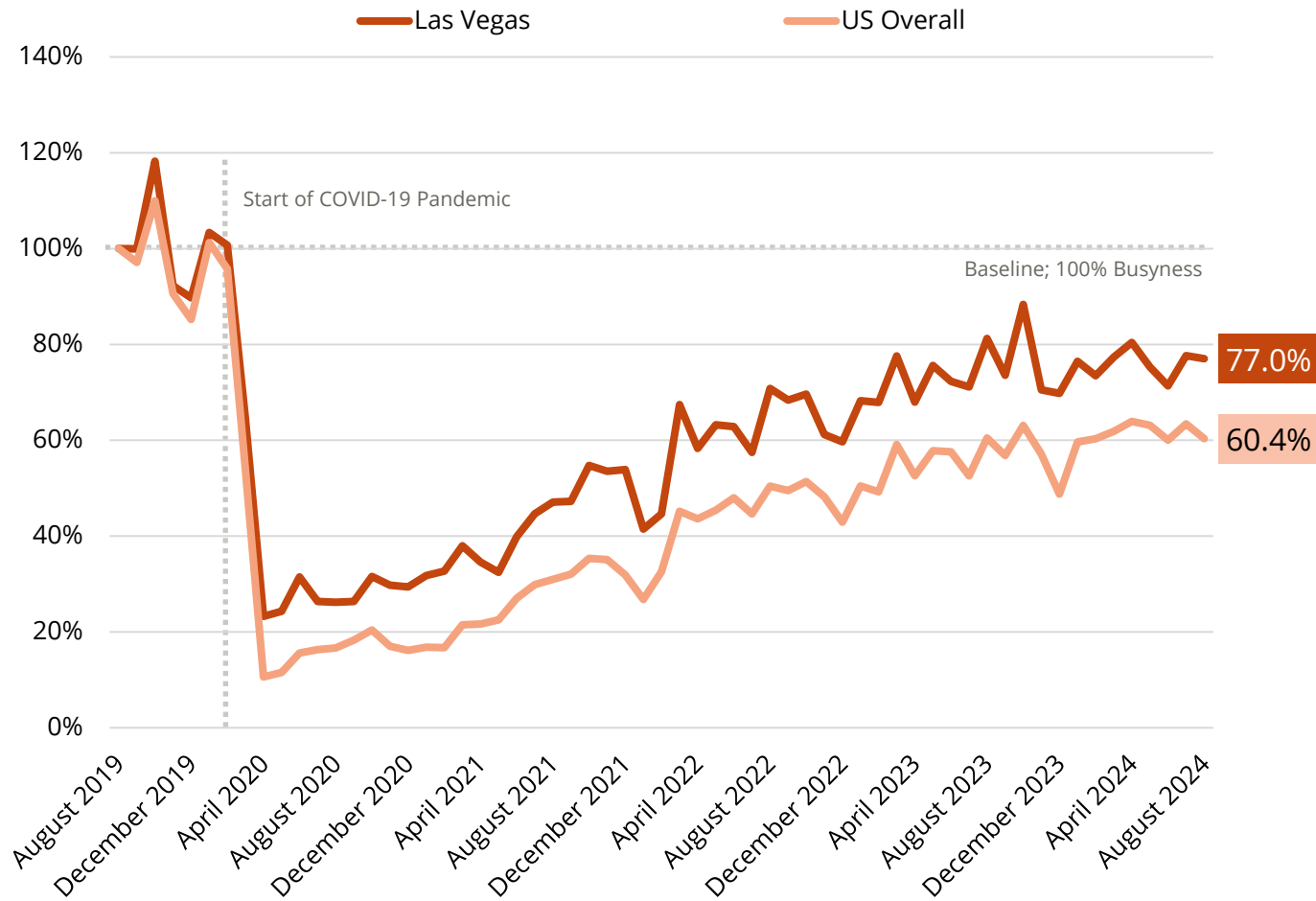
In Q3 2024, Las Vegas vacancies dropped by 4.4%, from 15.9% to 15.2%. Following a sharp 8% increase in late 2020 and early 2021 due to the pandemic, vacancy rates rebounded to pre-pandemic levels by late 2021 and remained stable through Q1 2023. While Q1 2021 and Q2 2024 saw spikes, vacancy levels declined again in Q3 2024.

Las Vegas office asking rents (\$)



Las Vegas office rents continue to rise across most submarkets, with Summerlin and the Southwest commanding the highest rates, while North Las Vegas, an industrial hub, remains below \$25 per square foot but is gradually increasing. Submarkets near residential areas see the lowest vacancy and highest rents due to strong demand for newer buildings and employee convenience. The southwest submarket particularly may witness rising rents due to no new office developments for the next couple of years.

Las Vegas return-to-office trends (%)



Source: Office Busyness Index by Avison Young, Placer.AI

While return-to-office trends in Las Vegas outperform the national average, visitation has stabilized compared to August 2023, nearing 90%. This leveling may result from recent market expansions and broader adjustments among companies due to national layoffs. Nevertheless, the Las Vegas office market remains stable and appealing, thanks to its attractive suburban landscape and flexibility for businesses and employees.

Appendix



Las Vegas office market activity

Q3 2024 – Top leasing activity

Tenant	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type
Kiln	8488 Rozita Lee Ave	Southwest Las Vegas	July 2024	26,800	New Lease	Direct
JS Holdings	701 N Green Valley Pky	South Las Vegas	August 2024	15,138	New Lease	Direct
Dental Center of Nevada	4275 S Burnham Ave	Central East Las Vegas	July 2024	13,590	New Lease	Direct

Q3 2024 – Top investment sales activity

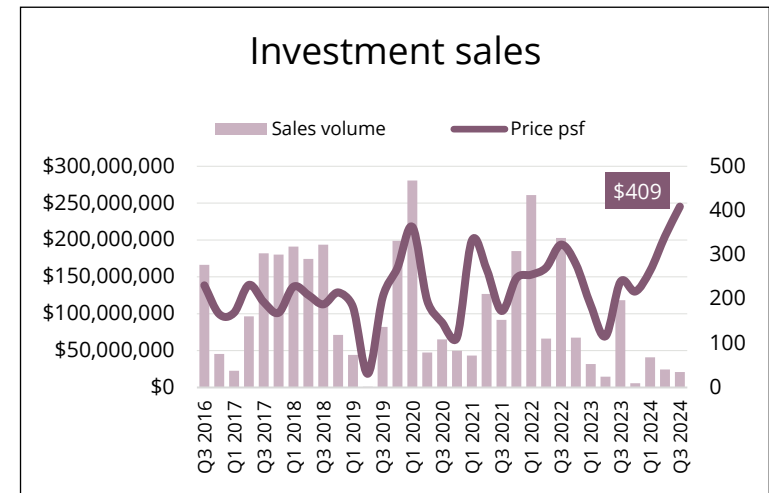
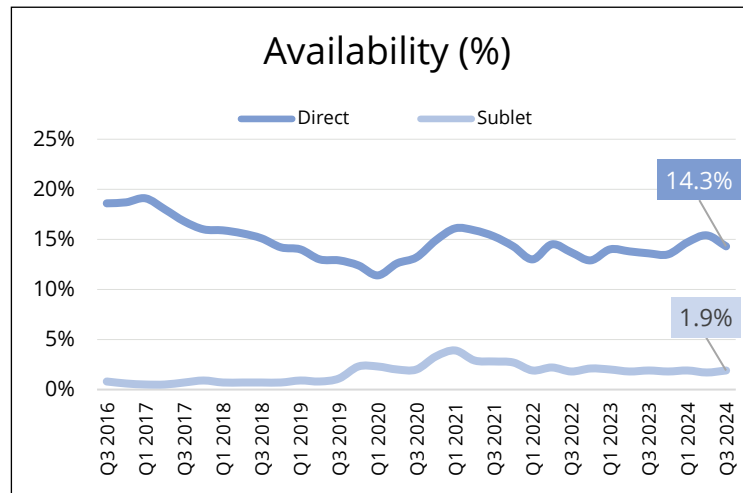
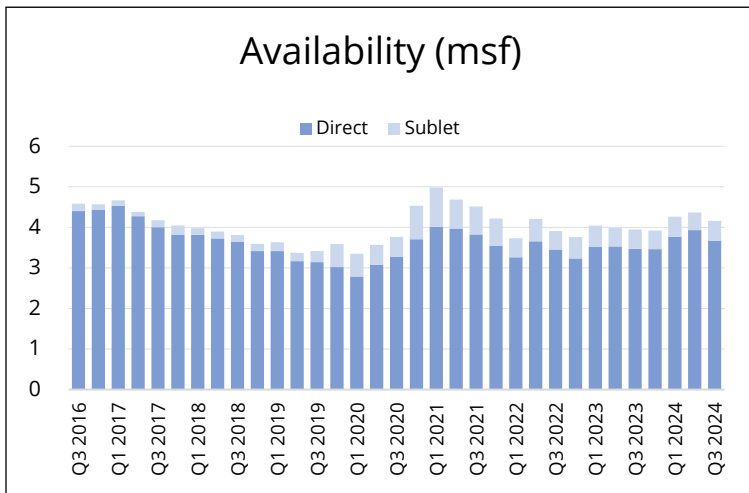
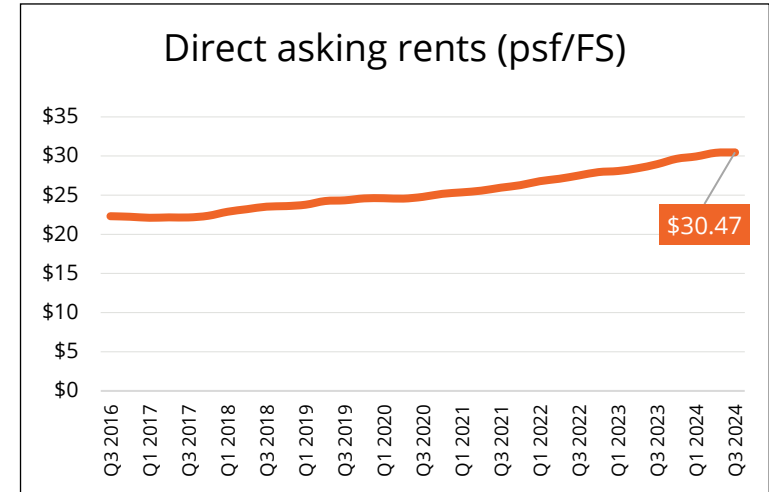
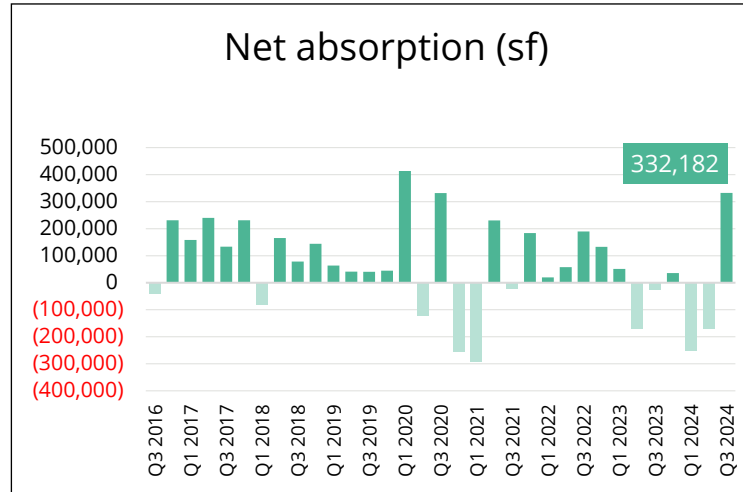
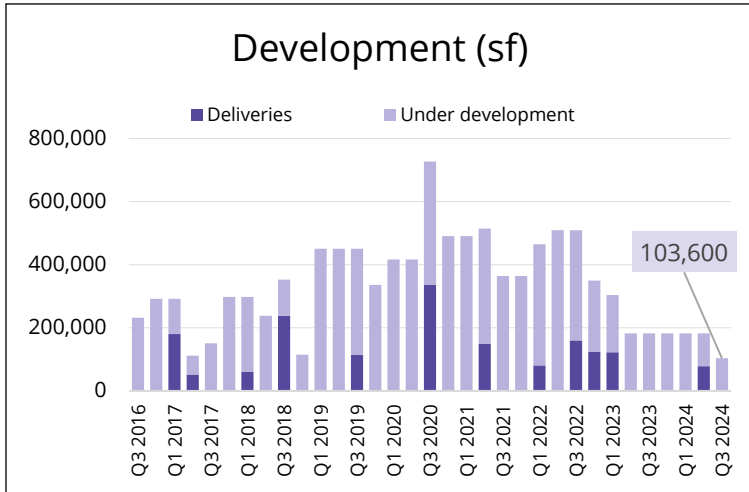
Buyer	Address	Sale date	Building size (sf)	Sale price	Sale price psf	Seller
Woodside Health	851 S Rampart Blvd	July 16, 2024	51,339	\$21M	\$409.05	Eightfold Real Estate Capital
Unknown	817 S Main St	September 17, 2024	11,785	\$4.6M	\$390.33	Jerry Chian Hong
Kenneth & Theresa LaVerne Houchin	1349 Galleria Dr	July 3, 2024	12,600	\$3.2M	\$253.97	Erickson & Whitaker PC

Top projects under development

Project Name Address	Submarket	Delivery date	Building size sf	% Preleased	Developer
The Village at Saint Rose 1615 E Cactus Ave*	South Las Vegas	December 2025	187,600	53.2%	Stable Development
UnCommons 8488 Rozita Lee Ave – Building 3	Southwest Las Vegas	October 2024	103,600	58.40%	Matter Real Estate Group

*Medical office properties (not included in the overall market of this portion) – see page 10 for medical office statistics.

Las Vegas office market indicators



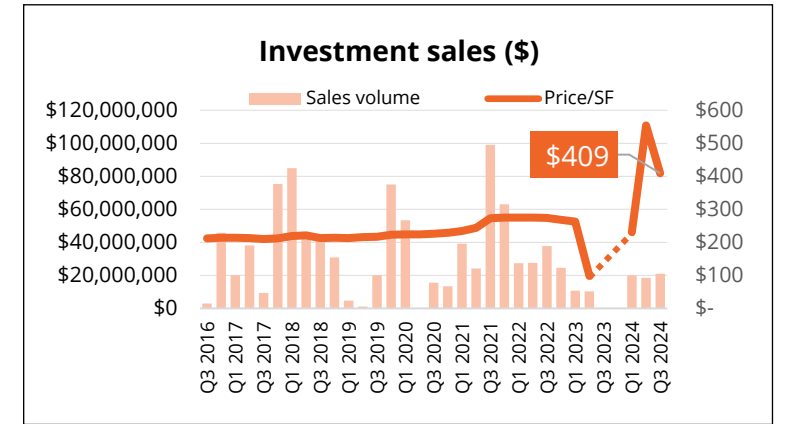
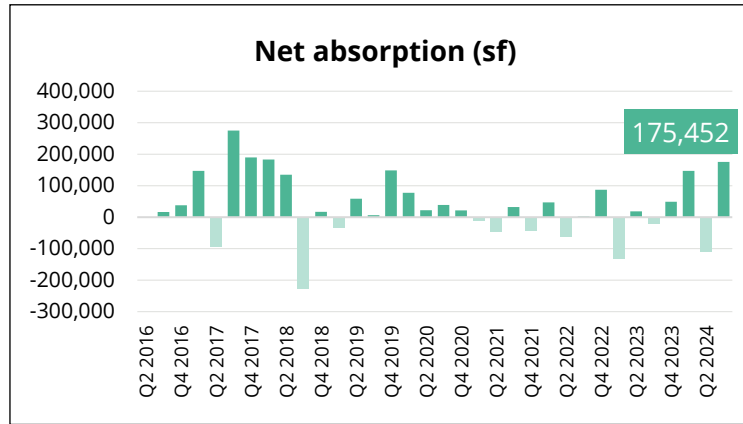
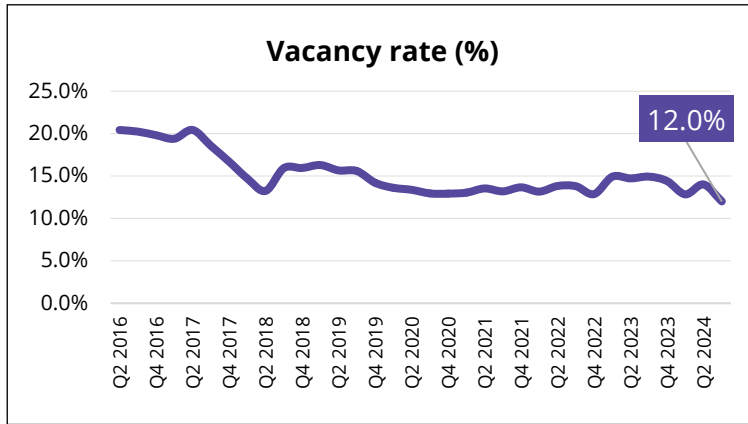
Las Vegas office market stats

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption sf (Q3)	Net absorption % of inventory (Q3)	Annual direct asking rent psf FS
Henderson/SE Las Vegas	3,705,175			11.9%	1.5%	13.4%	-12,045	-0.33%	\$ 24.75
Airport	3,558,632			26.3%	1.3%	27.6%	41,615	1.17%	\$30.37
Downtown	3,352,746			8.8%		8.8%	9,366	0.28%	\$26.13
Southwest	3,145,714	78,400	103,600	14.7%	1.7%	16.4%	34,700	1.09%	\$31.57
West	3,177,987			6.4%	0.3%	6.7%	166,243	5.23%	\$26.69
Northwest	3,019,009			14.9%	3%	18%	31,970	1.06%	\$25.33
Summerlin	2,275,473			14%	3.5%	17.5%	57,607	2.52%	\$31.18
East	688,225			17.6%		17.6%	4,966	0.72%	\$24.40
North	519,351			2.3%		2.3%	-2,240	-0.43%	\$26.77
Overall market	23,503,566	78,400	103,600	14.3%	1.9%	16.2%	332,182	1.41%	\$30.47

*Availability rates differ from vacancy rates due to space being listed as available before the current leases' expiration and the pre-leasing of unreleased space.

Las Vegas

Medical office market snapshot | Q3 2024



Q3 2024 - Top leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
JS Holdings	701 N Green Valley Pky	15,138	New Lease	Direct
Dental Center of Nevada	4275 S Burnham Ave	13,590	New Lease	Direct
Roseman University	5380 S Rainbow Blvd	8,519	Renewal	Direct
Unknown	2980 W Horizon Ridge Pky	7,000	New Lease	Direct

Q3 2024 - Top investment sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Woodside Health	851 S Rampart Blvd	\$21M	\$409.05	Eightfold Real Estate Capital
Bfh Vegas I LLC	3210 E Tropicana Ave*	\$2.9M	\$220.73	Rakayla Properties LLC
Sonny Sushi Co	9055 W Post Rd*	\$1.97M	\$385.85	Aggie Choi

*These comps are not factored into the total quarterly investment sales volume as the property is smaller than 20k square feet.

Note: This data stands alone. Medical office data was not factored into other insights in this report.

Source: AVANT by AY, Costar. Survey criteria: Non-owner user medical office properties greater than 20k sf.

Office insights glossary of terms

Demand

- **Leasing activity:** total square footage of relocations, renewals, expansions and subleases expressed when the leases are signed, not when tenants take physical occupancy of the space
- **Absorption:** period-over-period change in occupied square footage

Supply

- **Direct vacancy rate:** space operated by landlords that is ready for immediate occupancy
- **Sublease vacancy rate:** space operated by sublandlords that is ready for immediate occupancy
- **Total vacancy rate:** sum of direct vacancy rate and sublease vacancy rate
- **Availability rate:** space that is vacant plus space that will become vacant over an indefinite time horizon, including spaces that are occupied by vacating tenants and under-construction properties

Office rents and concessions

- **Asking rents:** pricing guidance provided by landlords to tenants for available space expressed as full service (FS)
- **Base rents:** fair market value of market-level lease pricing based on representative executed leases, expressed as full service (FS)
- **Free rent period:** months of free rent that are typically provided upfront by landlords to tenants as a concession to offset the total cost of a lease and/or the construction timeline of an office suite
- **Tenant improvement allowance:** an allowance expressed in dollars per square foot provided from landlords to tenants to offset build-out, engineering, space planning and related permit costs
- **Net effective rent:** base rents discounted by the dollar values of tenant improvement allowance and free rent concessions expressed as full service (FS)

Capital markets

- **Investment volume:** office sales dollars expressed when the transactions close and based on inventory thresholds; partial-interest sale dollar amounts are not grossed-up to reflect the 100% value of the sale
- **Asset pricing:** unweighted average per-square-foot asset pricing of market-level closed sales
- **Cap rate:** net operating income divided by sale price; this measurement of market-level investment returns is calculated as an unweighted average based on closed investment sales

For more market insights and information visit **avisonyoung.com**

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