



Las Vegas retail market report

Q1 2024

**AVISON
YOUNG**

Las Vegas retail: Market trends

-34.9k

Net absorption (sf)

In Q1 2024, the Las Vegas retail market saw a net absorption of -34,937 square feet, breaking the positive absorption streak that was witnessed quarter over quarter in 2023.

The Resort Corridor contributed greatly to this negative absorption, while Southeast/Henderson and West Las Vegas submarkets showed positive trends; overall, the market remains strong and positive.

5.4%

Direct vacancy (%)

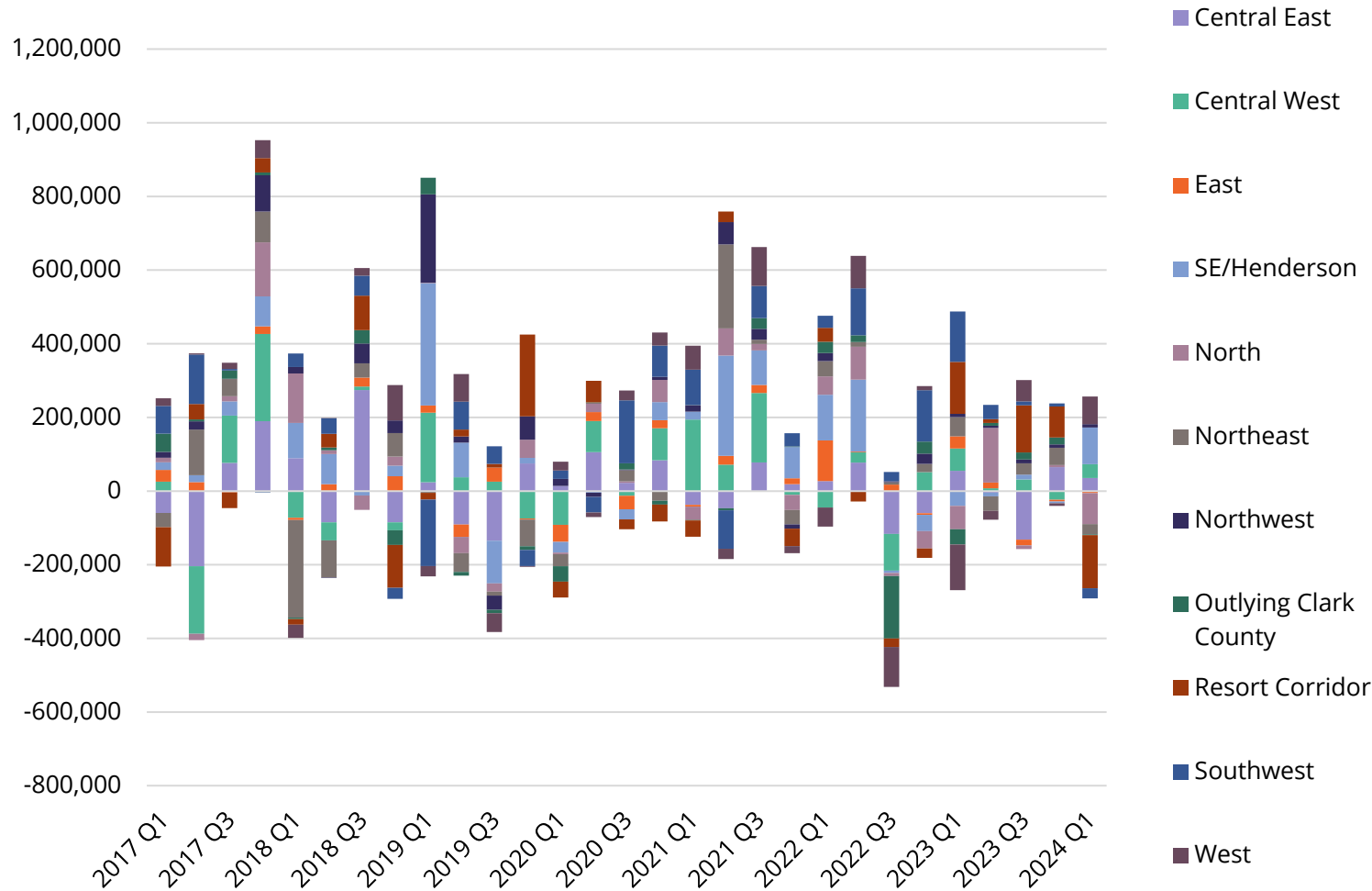
The Las Vegas retail vacancy rate continues to sit near historic lows, registering at 5.4% for direct vacancy, 6.6% for multi-tenant vacancy, and 2.9% for single-tenant vacancy. The current market condition shows improved performance compared to pre-pandemic levels. In Q1 2019, the direct vacancy rate was 6.3%, which increased to 7.1% during the peak of the pandemic in Q3 2020. The market's current condition represents a 24% decrease in vacancy from Q3 2020 to the end of Q1 2024.

\$32.85

Direct asking rents (\$/sf)

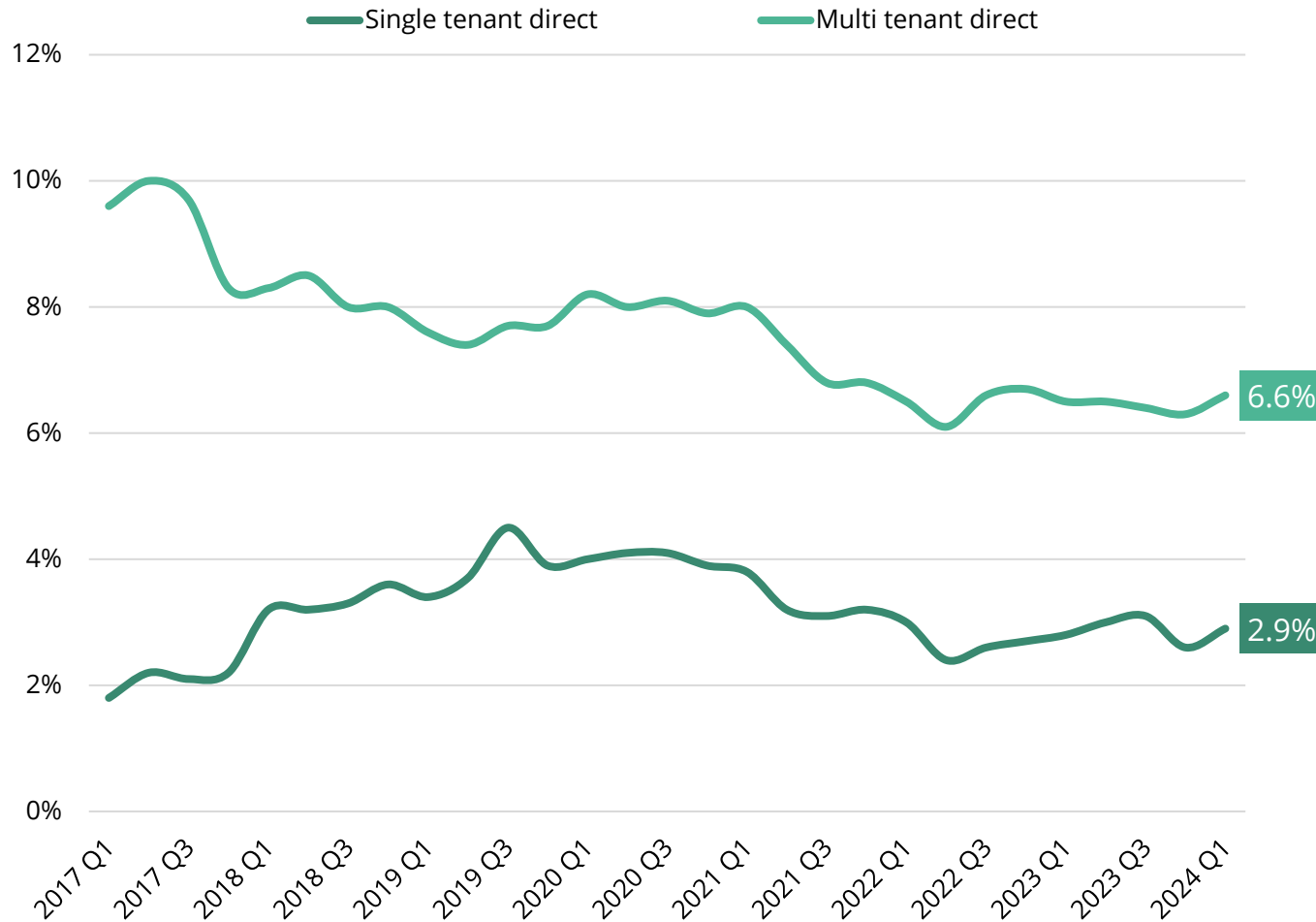
In the past 7 years, asking rents in the Las Vegas retail market have grown by 43.5% and by 5.7% in the past year - jumping from \$31.09 in Q1 2023 to \$32.86 in Q1 2024. Even through the pandemic, asking rents continued climbing, showing the resilience and competitiveness of the market. Las Vegas retail rents are growing at a rate that outperforms many other major retail markets and is not anticipated to slow down.

Las Vegas retail absorption by submarket (sf)



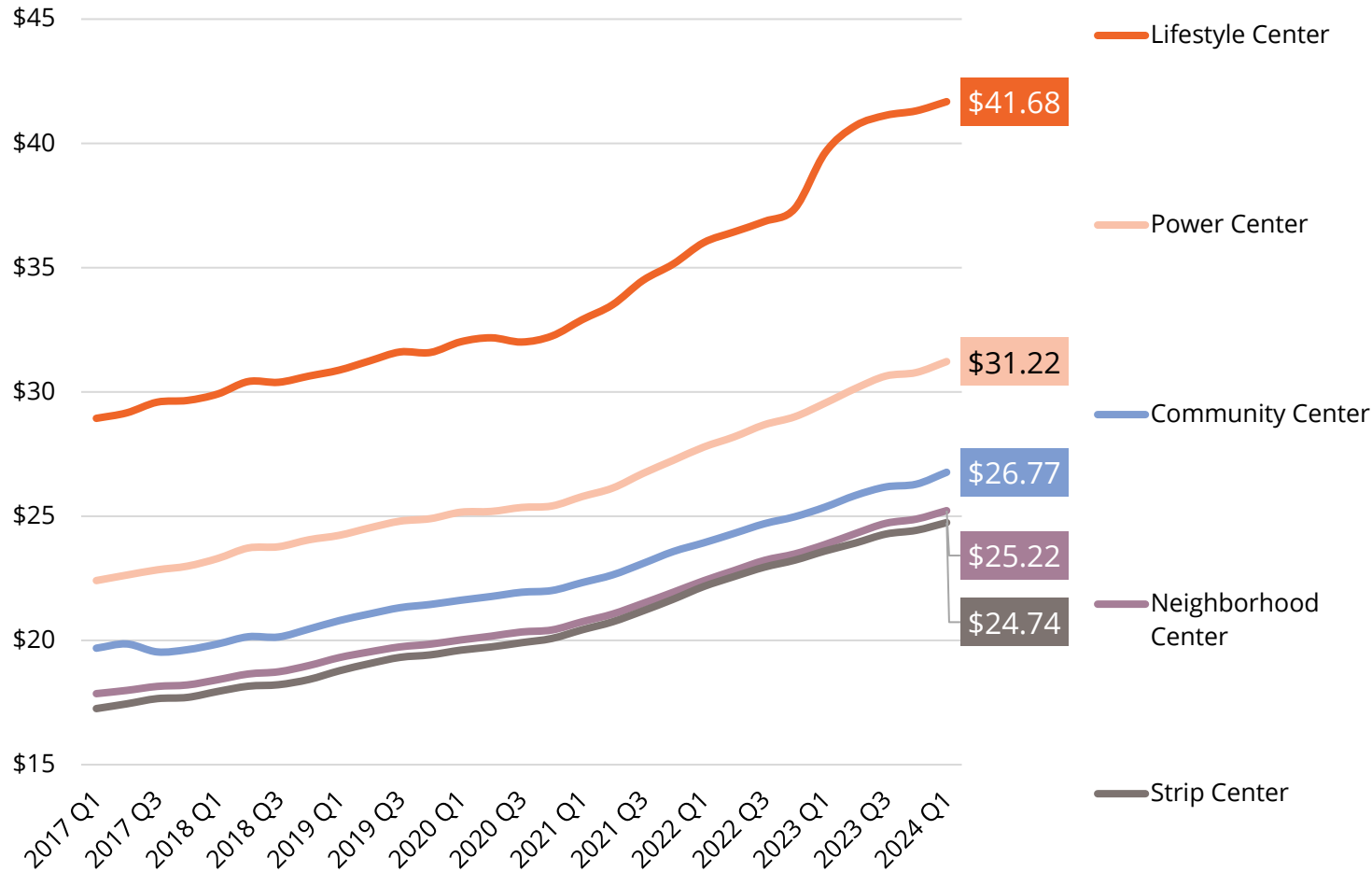
The Resort Corridor specifically recorded -144,320 square feet of negative absorption. Conversely, the Southeast/Henderson Las Vegas and West Las Vegas submarkets reported higher positive absorption levels. Despite this, the market's overall performance remains robust and continues a positive trajectory.

Las Vegas retail vacancy (%)



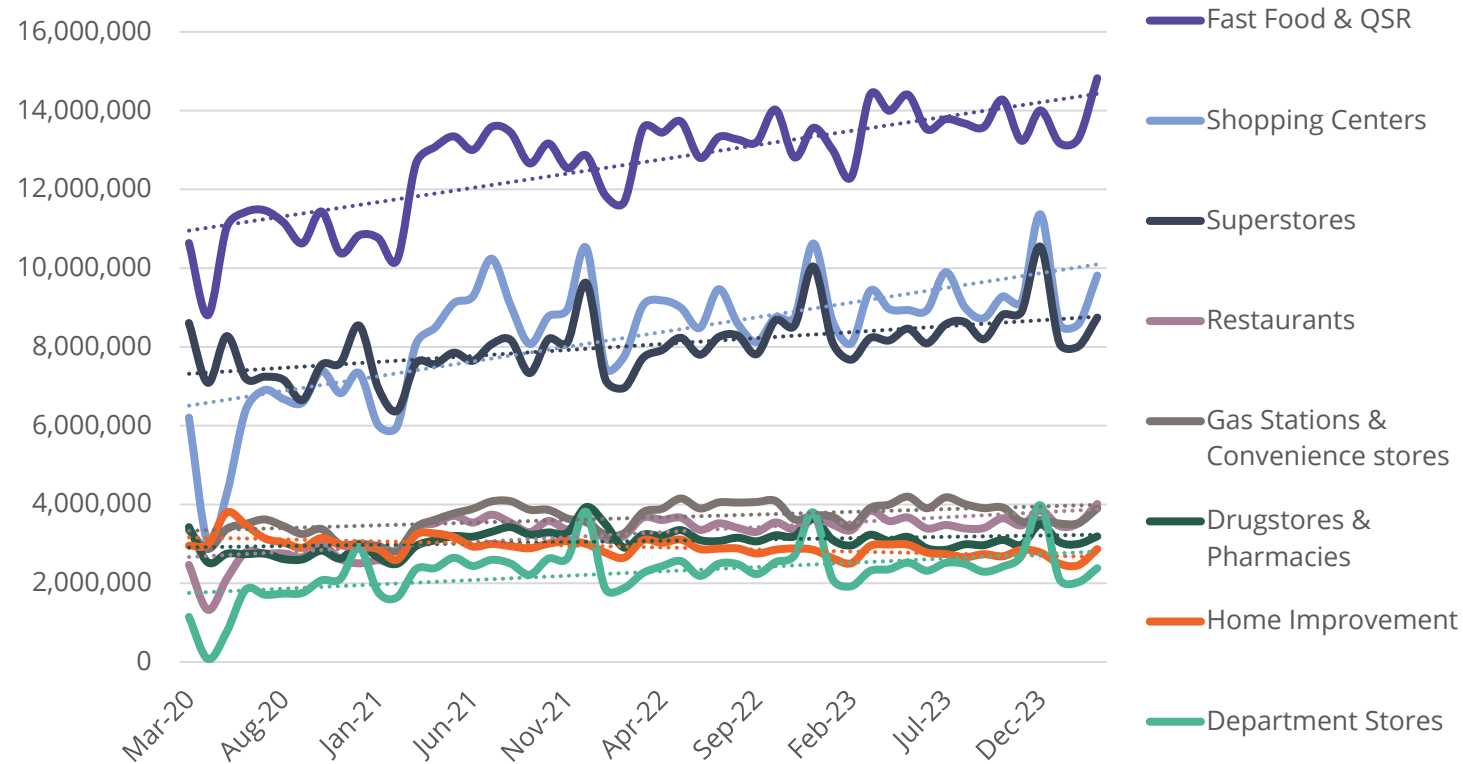
While single-tenant vacancies have remained consistent since before the pandemic, demand for multi-tenant spaces has greatly increased, dropping the vacancy rate from 8.2% in Q1 2020 at the inception of the pandemic to 6.6% at the end of Q1 2024.

Las Vegas retail asking rents (\$/sf)



Despite the pandemic, all retail centers have seen significant growth in asking rents. Particularly, rents for shops in lifestyle centers have surged by 15.7% from Q1 2022 to Q1 2024, translating to an increase of \$5.67 per square foot over the same period.

Las Vegas retail visitation (monthly visits)



Since the onset of the pandemic, the Las Vegas retail market has thrived, witnessing increased monthly visits across all shop types. Notably, Fast Food & QSR visits grew by 39%, while Shopping Centers saw a 58% increase from March 2020 to March 2024, surpassing Superstores in popularity.

Top Performers:

Fast Food & QSR

McDonald's – 155.2M visits

Shopping Centers

Grand Canal Shoppes – 68.3M

Superstores

Walmart – 222.5M visits

Restaurants

Denny's – 16.8M visits

Gas Stations & Convenience Stores

7-Eleven – 154.9M visits

Drugstores & Pharmacies

Walgreens – 88.9M visits

Home Improvement

The Home Depot – 53.9M visits

Department Stores

Ross Dress for Less – 39.8M visits

Appendix



Las Vegas retail leasing & development activity

Q1 2024 – Top leasing activity

Tenant	Center Name	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type
First Watch	Eastern Commons	10405 S Eastern Ave	SE/Henderson	March 2024	43,560	New Lease	Direct
Undisclosed	Parkway Springs Plaza	2243-2270 N Green Valley Pky	SE/Henderson	January 2024	17,440	New Lease	Direct
Goodwill	Craig Promenade	655-775 W Craig Rd	North Las Vegas	March 2024	15,154	New Lease	Direct
Undisclosed	Sahara Square	2555 S Maryland Pky	Central East Las Vegas	January 2024	15,109	New Lease	Direct
A New Day Adult Daycare Centers II	Charleston Heights Shopping Center	506-640 S Decatur Blvd	Central West Las Vegas	February 2024	12,522	New Lease	Direct

Q1 2024 – Top projects under development

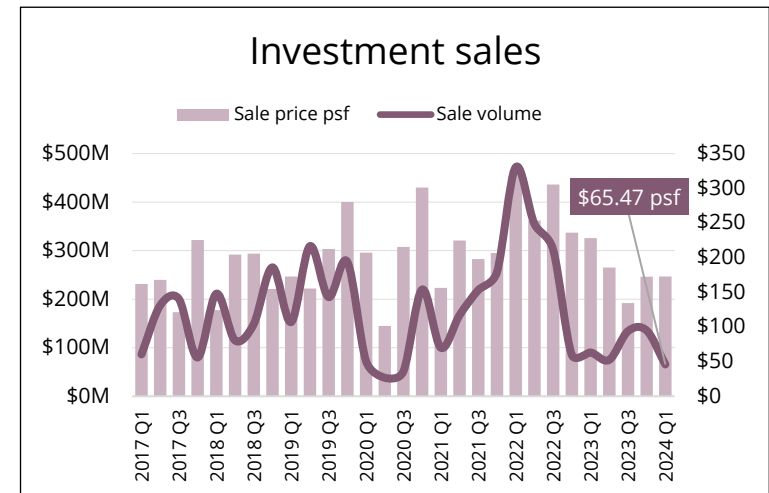
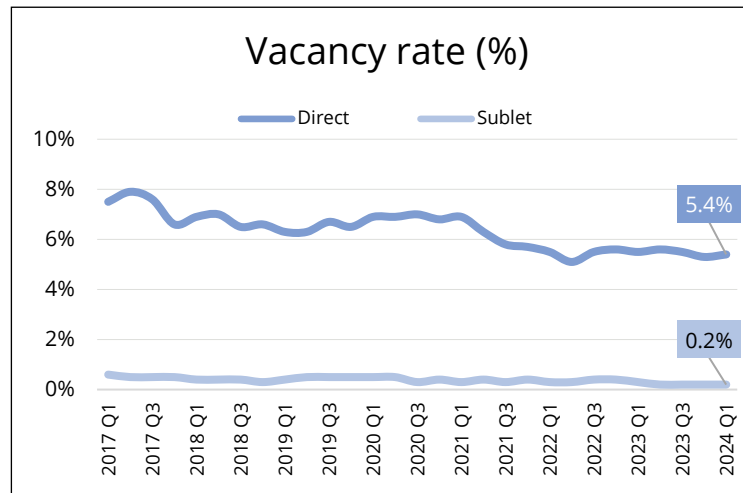
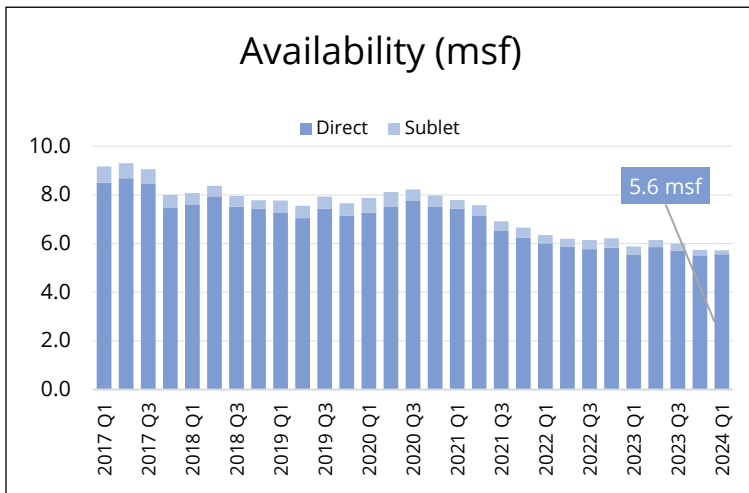
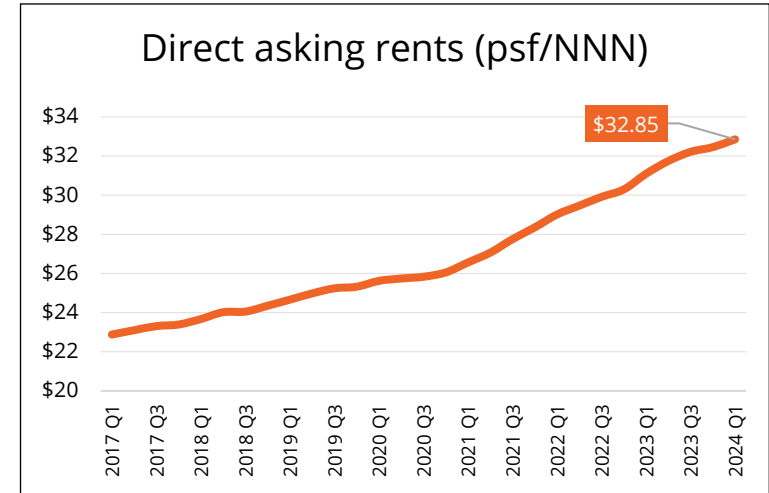
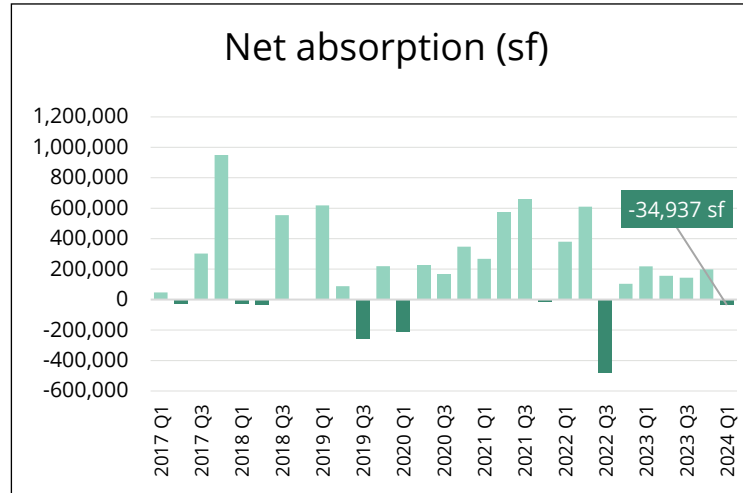
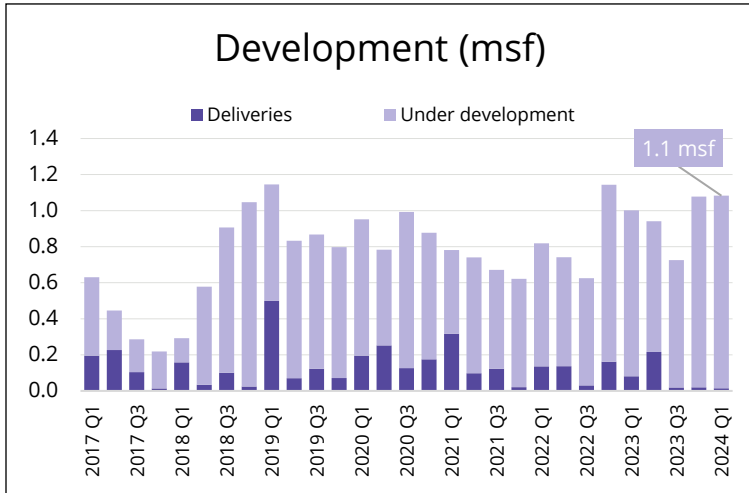
Project name	Address	Est. delivery date	GLA (sf)	Developer
BLVD (Las Vegas Boulevard)	3743-3755 S Las Vegas Rd	November 2024	500,000	Gindi Capital
The Village at St. Rose	1685 Cactus Ave	August 2025	300,000	SHEQ Properties
The Bend	Sunset & Durango	July 2024	157,000	Dapper Development
Losee 215 Village	6842 Losee Rd	January 2025	105,000	A.V.I Realty

Las Vegas retail sales activity

Q1 - Notable transactions

Name/Address	Sale date	Sale price	Size (sf)	Sale price psf	Buyer	Seller
Galleria at Sunset - Kohl's 1316 W Sunset Rd	February 2024	\$14,325,000	86,098	\$166.38	DBB Holdings, Inc.	Roger L Williamson
Phoenix Plaza 3 (part of portfolio) 6370 W Flamingo Rd	January 2024	\$8,353,480	34,925	\$239.18	Choanna Wang	Jade Enterprises
DI Durango Commercial Center 8540 W Desert Inn Rd	February 2024	\$7,150,000	58,016	\$123.24	Stephen A Mao	Albertson Companies, Inc.
New Orleans Square 900 Liberace Ave	January 2024	\$6,646,250	23,000	\$288.97	Clark County	Ron S & Judith A McMenemy Trust
Tractor Supply Company 1310 W Pioneer Blvd	March 2024	\$5,583,334	19,097	\$292.37	Peter Cole Jensen	STNL Development
Day Care Center 9975 Placid St	January 2024	\$5,470,000	12,719	\$430.07	Chintan Parikh	Reed Fenton
Sunset Pecos Plaza 3490 E Sunset Rd	March 2024	\$3,775,000	18,600	\$202.96	Undisclosed	Realty Income Corporation
Former Las Palmas 5755 E Charleston Blvd	January 2024	\$3,500,000	17,121	\$204.43	Clark County	Ibragim Akhmedov
The Shops at Craig & Simmons 2777 W Craig Rd	March 2024	\$3,500,000	10,971	\$319.02	Browder Investments	Craig & Simmons Retail
Plaza Los Arcos 633 N Decatur Blvd	March 2024	\$3,465,000	15,856	\$218.53	Kam Liew & Nien-Ling Chen	Undisclosed / Private Individual

Las Vegas retail market indicators



Las Vegas retail submarket cluster stats

Submarket	Existing inventory sf	Deliveries sf (Q1)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption sf (Q1)	Direct market rent (psf)
Central East Las Vegas	13,074,851	-	500,000	9.3%	0.7%	10.0%	35,357	\$27.27
Central West Las Vegas	14,235,661	-	-	4.2%	0.2%	4.4%	37,678	\$24.74
East Las Vegas	4,432,622	-	-	3.4%	0.2%	3.5%	-5,388	\$22.41
SE Las Vegas/Henderson	18,530,655	-	316,504	4.8%	0%	4.9%	99,523	\$29.83
North Las Vegas	7,252,567	-	57,731	6.2%	0.2%	6.4%	-84,389	\$25.94
Northeast Las Vegas	5,101,873	-	-	8.2%	0%	8.2%	-27,969	\$19.54
Northwest Las Vegas	6,021,595	-	12,300	1.3%	0%	1.3%	9,070	\$32.20
Outlying Clark County	2,211,524	-	-	13.5%	0%	13.5%	-1,967	\$26.97
Resort Corridor	8,338,270	-	-	4.7%	0.2%	4.9%	-144,320	\$83.70
Southwest Las Vegas	6,021,595	14,500	181,864	1.3%	0%	1.3%	-27,474	\$32.20
West Las Vegas	9,333,936	-	-	5.2%	0%	5.2%	74,942	\$34.33
Market total	94,555,149	14,500	1,068,399	5.4%	0.2%	5.6%	-34,937	\$32.85

Retail 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

Retail 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 a retail 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:** retail 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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