

Las Vegas



Market Facts

231,827

Total SF of professional office space under construction.

0

Total amount of new delivery SF during the quarter

263

Total number of leases signed

177

Total number of office sales

Office Market Overview

Professional office vacancy decreased slightly to 11.4% in the fourth quarter. While there were no deliveries during the quarter, there was approximately 232,000 square feet under construction. Overall office vacancy is expected to trend downward throughout the year.

There were approximately 263 office leases executed in the fourth quarter of 2019. While the largest lease was 27,311 square feet, there were only 6 leases completed over 15,000 square feet. By comparison, there were approximately 286 office leases executed in the fourth quarter of 2018. The largest lease was 24,000 square feet, with a majority being under 10,000 square feet.

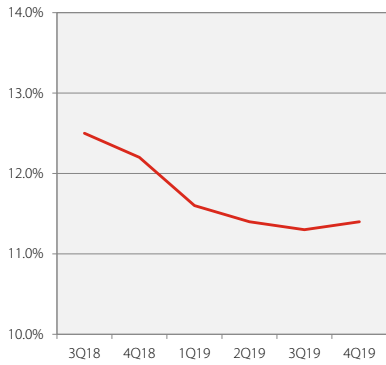
In the fourth quarter of 2019, there were approximately 177 office sales, with the biggest sale being a 138,558 square foot office building in the west submarket which sold for \$57M or \$411/SF. A majority of the sales that took place were under 50,000 square feet. By comparison,

there were approximately 104 office sales completed in the fourth quarter of 2018. The biggest sale was a 69,569 square foot office building in the south submarket which sold for \$14,250,681 or \$204.84/SF. A majority of sales that took place in the fourth quarter of 2018 were under 50,000 square feet.

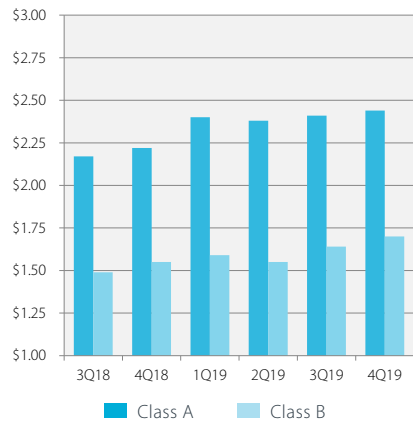
The medical office market performed well in the fourth quarter of 2019 with 46 sales and 51 leases. The 102,232 square foot medical office building located at 4750 West Oakey Boulevard in the west submarket was the largest medical office sale of the quarter. The building sold for \$30,500,000 or \$298.34/SF. The largest medical office lease was located at 2215-2389 Renaissance Drive in the central east submarket. The 14,205 square foot lease was signed for a three year term.

Office Market Snapshot

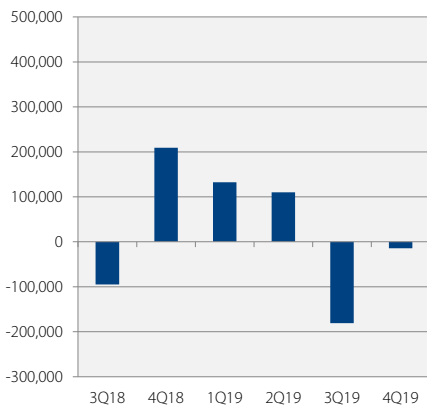
Vacancy Rates



Asking Rents

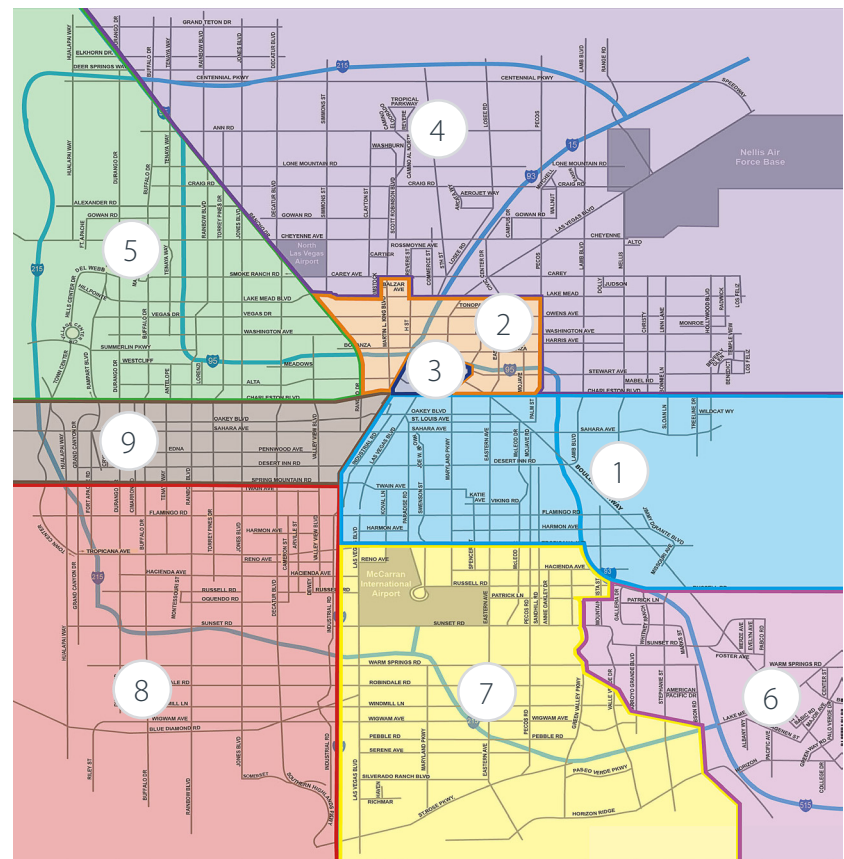


Absorption



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 | YTD Net Absorption | Under Construction | Avg. Asking Rate Class A** | Avg. Asking Rate Class B** |
|---------------------|-------------------|---------------------|--------------------|------------------------|--------------------|--------------------|----------------------------|----------------------------|
| Central East | 5,595,481 | 794,274 | 14.2% | 118,691 | 17,023 | 0 | \$2.71 | \$1.69 |
| Central North | 1,482,309 | 2,974 | 0.2% | 2,549 | 2,082 | 0 | n/a | \$0.97 |
| Downtown | 4,489,806 | 310,617 | 6.9% | 61,930 | 138,376 | 0 | \$2.75 | \$2.18 |
| North Las Vegas | 1,392,891 | 116,236 | 8.3% | (28,025) | (19,198) | 0 | \$2.11 | \$1.23 |
| Northwest | 6,091,976 | 888,188 | 14.6% | (28,998) | 13,580 | 0 | n/a | \$1.71 |
| Southeast/Henderson | 1,015,261 | 111,041 | 10.9% | 14,859 | 27,324 | 0 | \$2.41 | \$1.10 |
| South | 8,210,710 | 808,131 | 9.8% | 123,064 | (6,420) | 23,832 | \$2.41 | \$1.66 |
| Southwest | 7,588,578 | 816,955 | 10.8% | 35,599 | (1,989) | 207,995 | \$2.41 | \$1.81 |
| West | 5,215,873 | 830,886 | 15.9% | (314,094) | (307,973) | 0 | \$2.13 | \$1.50 |
| Totals | 41,082,885 | 4,679,302 | 11.4% | (14,425) | (137,195) | 231,827 | \$2.44 | \$1.70 |

* 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 | YTD Net Absorption | Under Construction | Avg. Asking Rate ** |
|---------------------|-------------------|---------------------|--------------------|------------------------|--------------------|--------------------|---------------------|
| Central East | 2,416,868 | 360,029 | 14.9% | 41,696 | (46,024) | 0 | \$1.37 |
| Central North | 795,423 | 82,684 | 10.4% | 8,453 | 8,657 | 0 | \$1.56 |
| North Las Vegas | 480,215 | 42,865 | 8.9% | 5,228 | 42,997 | 20,000 | \$1.43 |
| Northwest | 3,409,546 | 199,249 | 5.8% | 113,254 | 145,383 | 0 | \$1.45 |
| Southeast/Henderson | 593,097 | 131,269 | 22.1% | (1,801) | 12,427 | 0 | \$0.87 |
| South | 2,741,269 | 345,018 | 12.6% | 11,444 | 56,699 | 323,832 | \$1.46 |
| Southwest | 3,125,843 | 456,990 | 14.6% | 17,857 | 101,404 | 71,552 | \$1.85 |
| West | 1,322,177 | 157,675 | 11.9% | 2,601 | 58,738 | 0 | \$1.28 |
| Totals | 15,020,235 | 1,797,946 | 12.0% | 198,732 | 380,282 | 415,384 | \$1.49 |

* Includes buildings over 5,000 SF

** Average asking rates have been converted to FSG including CAM, janitorial and electric.



avisonyoung.com

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

Prepared by:

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