

# Las Vegas



## Market Facts

**8.31%**

Total vacancy

**937,460**

Total square footage under construction

**21,270**

Total square footage of new deliveries

**190**

Leases signed this quarter.

## Retail Market Overview

"Las Vegas is one of the top tourist destinations in the U.S. The Las Vegas Strip attracts millions of tourists a year with its array of casinos, hotels, and resorts. In the wake of the coronavirus pandemic, those are now all closed. Conventions and other events, such as the gatherings scheduled surrounding the upcoming NFL draft, were canceled. With the sharp drop in travel and tourism, retail and restaurant businesses and their employees are going to be severely affected.

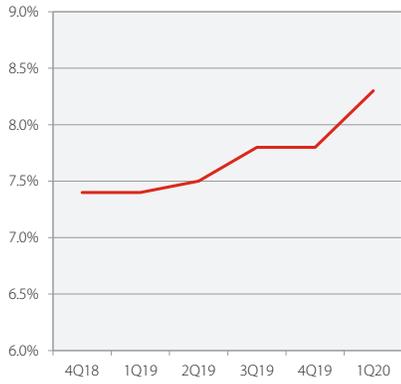
The Las Vegas economy is tied to the national economy, as it relies heavily on the population's disposable income. When the economy is in a downswing, this is mirrored in Las Vegas, though its decline tends to be more drastic and recovery slower. With the closure of casinos, restaurants, and nonessential business just extended through the end of April, many retail businesses will be impacted.

Vacancies had compressed by more 300 basis points from their peak during the recession prior to closures but are likely to rise 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.

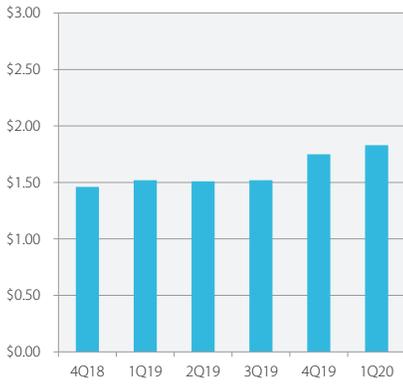
Investment volume in 20Q1 is down compared to the first quarter of last year. This follows a strong 2019, which saw sales surpassing \$1.2 billion." - CoStar

# Retail Market Snapshot

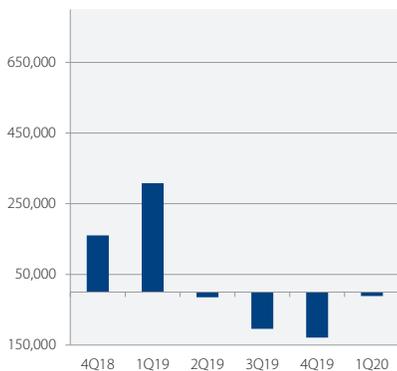
## Vacancy Rates



## Asking Rents

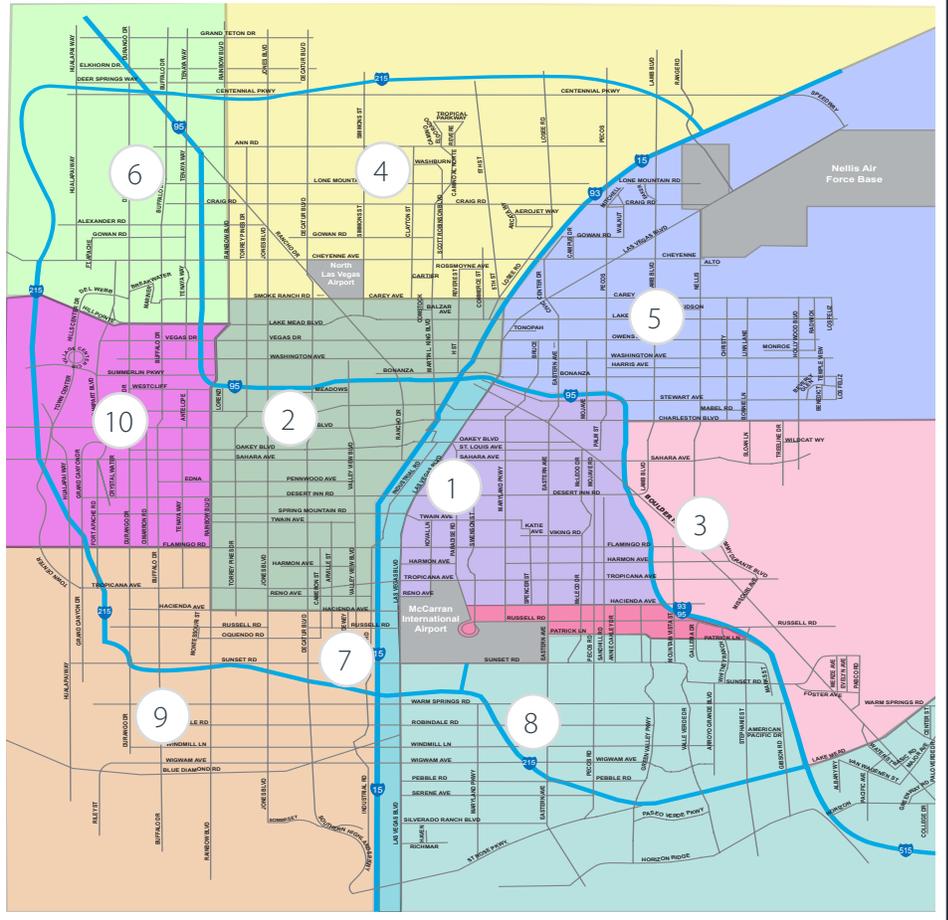


## Net Absorption



## 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 |
|---------------------|-------------------|---------------|----------------|-------------------|
| <b>Central East</b> |                   |               |                |                   |
| Power Center        | 488,330           | 22.6%         | 0              | \$1.54            |
| Neighborhood        | 5,515,755         | 14.5%         | 8,120          | \$1.54            |
| Strip Center        | 1,273,458         | 8.9%          | (700)          | \$1.50            |
| <b>Total</b>        | <b>7,277,543</b>  | <b>15.33%</b> | <b>7,420</b>   | <b>\$1.53</b>     |
| <b>Central West</b> |                   |               |                |                   |
| Power Center        | 1,071,145         | 5.8%          | 0              | \$2.16            |
| Neighborhood        | 6,937,188         | 10.8%         | (6,350)        | \$1.46            |
| Strip Center        | 2,186,000         | 6.4%          | 5,150          | \$1.54            |
| <b>Total</b>        | <b>10,194,333</b> | <b>7.67%</b>  | <b>(1,200)</b> | <b>\$1.72</b>     |
| <b>East</b>         |                   |               |                |                   |
| Power Center        | 943,261           | 1.6%          | 0              | \$1.43            |
| Neighborhood        | 1,854,464         | 5.6%          | (1,209)        | \$1.56            |
| Strip Center        | 654,733           | 9.8%          | 0              | \$1.47            |
| <b>Total</b>        | <b>3,452,458</b>  | <b>5.67%</b>  | <b>(1,209)</b> | <b>\$1.49</b>     |
| <b>North LV</b>     |                   |               |                |                   |
| Power Center        | 1,475,079         | 14.2%         | (2,068)        | \$1.74            |
| Neighborhood        | 4,988,843         | 8.9%          | (2,362)        | \$1.77            |
| Strip Center        | 535,871           | 4.5%          | 0              | \$1.36            |
| <b>Total</b>        | <b>6,999,793</b>  | <b>9.2%</b>   | <b>(4,430)</b> | <b>\$1.62</b>     |
| <b>Northeast</b>    |                   |               |                |                   |
| Power Center        | 350,554           | 9.5%          | 1,572          | \$1.40            |
| Neighborhood        | 2,603,450         | 8.8%          | 0              | \$1.33            |
| Strip Center        | 1,077,042         | 8.1%          | 0              | \$1.24            |
| <b>Total</b>        | <b>4,031,046</b>  | <b>8.8%</b>   | <b>1,572</b>   | <b>\$1.32</b>     |

| Type               | Total SF          | Vacant %      | Net Absorption  | Avg. Asking Rates |
|--------------------|-------------------|---------------|-----------------|-------------------|
| <b>Northwest</b>   |                   |               |                 |                   |
| Power Center       | 1,333,632         | 3.6%          | 0               | \$2.41            |
| Neighborhood       | 3,354,463         | 3.3%          | (2,338)         | \$2.20            |
| Strip Center       | 412,905           | 6.3%          | (255)           | \$1.77            |
| <b>Total</b>       | <b>5,101,000</b>  | <b>4.4%</b>   | <b>(2,593)</b>  | <b>\$2.13</b>     |
| <b>Resort Cor</b>  |                   |               |                 |                   |
| Power Center       | 982,127           | 14.5%         | 0               | \$3.01            |
| Neighborhood       | 162,558           | 14.9%         | 0               | \$2.31            |
| Strip Center       | 314,365           | 7.0%          | 0               | \$1.71            |
| <b>Total</b>       | <b>1,459,050</b>  | <b>12.13%</b> | <b>0</b>        | <b>\$2.34</b>     |
| <b>Southeast</b>   |                   |               |                 |                   |
| Power Center       | 2,130,499         | 3.0%          | 0               | \$2.05            |
| Neighborhood       | 9,742,695         | 10.1%         | (2,338)         | \$1.80            |
| Strip Center       | 1,872,690         | 7.6%          | (255)           | \$1.81            |
| <b>Total</b>       | <b>13,745,884</b> | <b>6.9%</b>   | <b>(2,593)</b>  | <b>\$1.89</b>     |
| <b>Southwest</b>   |                   |               |                 |                   |
| Power Center       | 2,458,887         | 6.9%          | 0               | \$2.29            |
| Neighborhood       | 2,732,029         | 5.8%          | (1,161)         | \$2.06            |
| Strip Center       | 1,205,291         | 7.8%          | (2,590)         | \$1.99            |
| <b>Total</b>       | <b>6,396,207</b>  | <b>6.83%</b>  | <b>(3,751)</b>  | <b>\$2.11</b>     |
| <b>West</b>        |                   |               |                 |                   |
| Power Center       | 1,993,752         | 7.2%          | (1,680)         | \$2.49            |
| Neighborhood       | 4,130,298         | 4.4%          | (2,620)         | \$2.21            |
| Strip Center       | 678,440           | 6.9%          | 0               | \$1.63            |
| <b>Total</b>       | <b>6,802,490</b>  | <b>6.17%</b>  | <b>(4,300)</b>  | <b>\$2.11</b>     |
| <b>Grand Total</b> | <b>65,459,804</b> | <b>8.31%</b>  | <b>(11,084)</b> | <b>\$1.83</b>     |

\* - Source: CoStar



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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.

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