



\$54,100

Median HH Income

YoY  
Chg12-Mo.  
Forecast

2.2%

Population Growth



31.6%

Unemployment Rate



Source: BLS, May 2020

(Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS  
Q2 2020

-9.9%

GDP Growth

YoY  
Chg12-Mo.  
Forecast

-11.0%

Consumer Spending  
Growth

-10.3%

Retail Sales Growth



Source: BEA, Census Bureau

## ECONOMIC OVERVIEW

The Las Vegas employment market lost 220,400 jobs (-21.3%) year-over-year (YOY) through May 2020.<sup>1</sup> During the same time period, monthly unemployment rate increased from 4.0% to 29.0% in May 2019. Notably, the current monthly unemployment rate is nearly five times the 30-year average of 6.4% and 260 basis points (bps) below the Q2 2020 average of 31.6%. Annual unemployment rate is forecasted to reach 13.7% by end of 2020 compared to 4.0% in 2019. All employment sectors are expected to shrink at a combined growth rate of -13.5% in 2020 and then grow 0.9% in 2021. Las Vegas's economy of \$110.1 billion as measured by gross regional product is forecasted to shrink -8.9% in 2020 and grow 3.4% in 2021, above its 10-year average of 2.2%.<sup>2</sup>

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

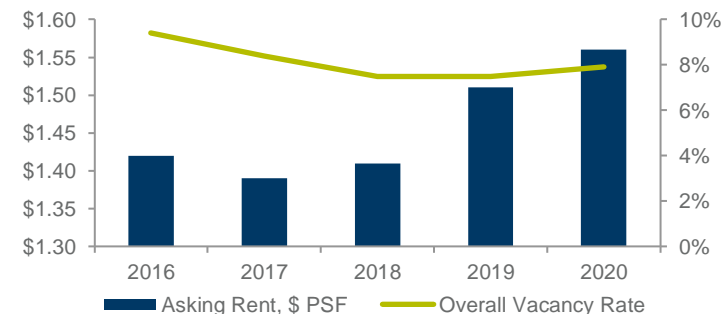
## MARKET OVERVIEW

Retail vacancy, including sublease, increased 80 bps YOY and 10 bps from last quarter to 7.9% in Q2 2020. Occupancy grew this quarter thanks to positive net absorption of 84,000 square feet (sf) in the Southeast and 50,300 sf in Central West submarkets. Year-to-date, tenants returned 222,000 sf across the market. All submarkets have lost tenants this year except for the Southeast submarket. The average asking rent of \$1.56 per square foot (psf) on a monthly triple net basis across all centers increased 1.3% from last quarter and 5.4% YOY. Strip centers continue to impress, with an 8.7% YOY increase to \$1.75 psf. The market delivered 210,500 sf of retail space since the beginning of 2020, 84% of which was added to inventory of strip centers.

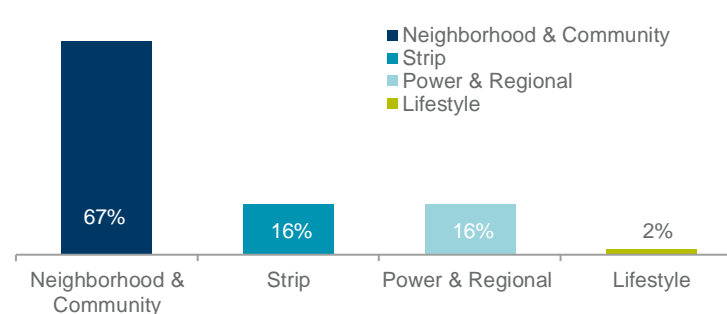
## SALES ACTIVITY

The Las Vegas retail market recorded \$112.2 million in sales volume across 21 centers and 733,000 sf thus far in 2020, an 80% decrease in volume compared to the first half of 2019. Average price was \$244 psf in Q2 2020 compared to \$253 in Q2 2019 (-3.4% YOY). Average cap rate was 6.7% in Q2 2020 compared to 6.6% a year ago. The leading buyers of retail centers in the first half of 2020 were private investors (94% compared to 93% in 2019), followed by REITs (4% compared to 1% in 2019). Private sellers accounted for 98% of activity (vs. 45% in 2019).<sup>3</sup>

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE





## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
Central East	8,843,003	46,049	1,024,125	12.1%	-45,099	-103,281	0	\$1.56
Central West	10,106,100	4,145	856,998	8.5%	50,273	-4,983	4,200	\$1.39
East	3,442,201	32,374	138,199	5.0%	8,076	-37,766	0	\$1.38
North	6,999,789	6,398	644,153	9.3%	9,703	-2,681	0	\$1.16
Northeast	3,992,875	0	289,747	7.3%	7,831	-29,677	0	\$1.39
Northwest	5,122,834	7,000	182,794	3.7%	5,427	-30,248	58,955	\$2.12
Southeast	14,165,564	68,616	1,170,032	8.7%	83,964	76,546	133,616	\$1.65
Southwest	6,525,779	10,670	454,163	7.1%	-38,825	-51,976	64,587	\$1.88
West	8,125,938	17,791	390,850	5.0%	-10,003	-37,899	0	\$1.99
<b>TOTAL</b>	<b>67,324,083</b>	<b>193,043</b>	<b>5,151,061</b>	<b>7.9%</b>	<b>71,347</b>	<b>-221,965</b>	<b>261,358</b>	<b>\$1.56</b>
Lifestyle	1,314,923	0	96,180	7.3%	424	5,287	64,587	\$2.75
Neighborhood & Community	41,782,233	172,171	3,381,768	8.5%	113,386	-126,645	84,771	\$1.56
Power	14,235,317	7,000	839,251	5.9%	-34,649	-115,297	0	\$1.33
Strip	9,991,610	13,872	833,862	8.5%	-7,814	14,690	112,000	\$1.75
<b>TOTAL</b>	<b>67,324,083</b>	<b>193,043</b>	<b>5,151,061</b>	<b>7.9%</b>	<b>71,347</b>	<b>-221,965</b>	<b>261,358</b>	<b>\$1.56</b>

\*Rental rates reflect triple net asking \$PSF/month. \*\* Renewals included in leasing statistics.

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5500 Boulder Hwy.	East	Albertson's	59,158	New
8825 W. Charleston Blvd.	West	Dick's Sporting Goods	41,000	New
321 N. Nellis Blvd.	Northeast	OmniLife	16,633	Renewal**
3830 E. Flamingo Rd.	Central East	Dollar Tree	10,920	Renewal**
4480 E. Charleston Blvd.	Northeast	Eleganza Banquet Hall	7,800	New

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1245 W. Warm Springs Rd.	Southeast	WSSR LLC / Karamooz Saeed Living Trust	121,310	\$7.7M / \$64
2675 N. Las Vegas Blvd.	Northeast	477 Compton LLC / AMERCO Real Estate	97,576	\$5.0M / \$51
183 Madison Avenue	Murray Hill	The Vons Companies, Inc. / ACI Real Estate SPE 163 LLC	51,351	\$14.5M / \$282
1421 N. Jones Blvd.	Central West	BL Hickerson Company, LLC / Net Gain Properties, LLC	50,388	\$6.1M / \$121
3640 E. Sunset Rd.	Southeast	Sunset Venture Partners LLC / Harsch Investment Properties	36,412	\$7.8M / \$214

Sources: <sup>1</sup>www.bls.gov <sup>2</sup> GDP as of 2019. (f) by Moody's Analytics economy.com 6/2020 <sup>3</sup> RCA

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