

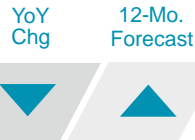
LAS VEGAS

Retail Q2 2021



\$53,700

Median HH Income



1.3%

Population Growth



9.1%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q2 2021

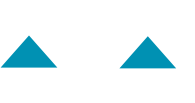
13.2%

GDP Growth



4.2%

Consumer Spending Growth



31.0%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

The Las Vegas employment market has recovered more than half (60%) of the 274,800 jobs lost during the beginning of the pandemic between March and May of 2020. Nonfarm employment grew by 165,800 or +21.4% year-over-year (YOY) between May 2020 through May 2021, with the leisure and hospitality sector accounting for 89,400 jobs added. During the same time, the monthly unemployment rate decreased from 28.1% last year to 8.9% and is currently 210 basis points (bps) above than the 30-year monthly average of 6.8% and 20 bps lower than the Q2 2021 quarterly average of 9.1%.¹ All employment sectors are expected to grow at a combined rate of 3.9% in 2021 and 7.2% in 2022. Office-using employment is forecasted to grow 2.8% in 2021 and 5.0% in 2022, positively affecting demand for office space. Las Vegas's economy of \$103.6 billion as measured by 2020 gross regional product is forecasted to grow 9.7% in 2021 and 10.3% in 2022, above its 10-year average of 1.5%.²

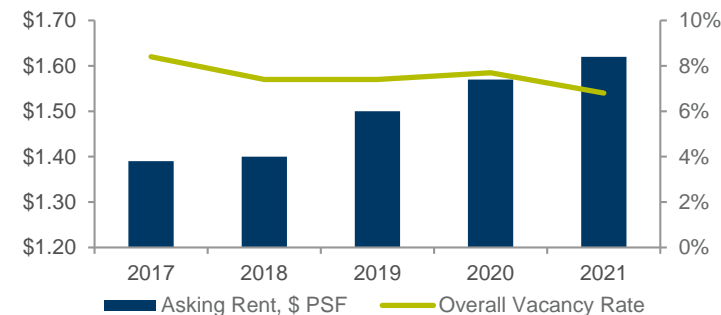
MARKET OVERVIEW

Retail vacancy, including sublease, decreased 70 bps and 120 bps YOY to 6.8% in Q2 2021. The current vacancy rate is 290 bps below the 10-year quarterly average of 9.7%. Occupancy grew this quarter by 555,317 square feet (sf) thanks to positive net absorption of 221,568 sf in the Southeast and 107,150 sf in the Central West submarkets. Tenants absorbed the most space in neighborhood & community centers (+397,662 sf), followed by strip centers (+106,587 sf) during Q2 2021. The average asking rent of \$1.62 per square foot (psf) on a monthly triple net basis across all centers increased 1.3% from last quarter and grew 5.2% YOY. Since the second quarter of 2020, all property types have seen substantial rental rate increases. This growth was led by strip centers (+5.3% YOY), followed by neighborhood & community centers (+3.9% YOY), followed by power & regional centers (3.8% YOY), and lifestyle centers (+1.8 YOY). There were two completions that amounted to 28,505 sf being added to the market during Q2 2021. There have been 8 projects delivered, amounting to 74,405 sf year-to-date. There are 66,389 sf under construction valley-wide with 60% of inventory currently under construction located in the Southeast submarket (40,067 sf).

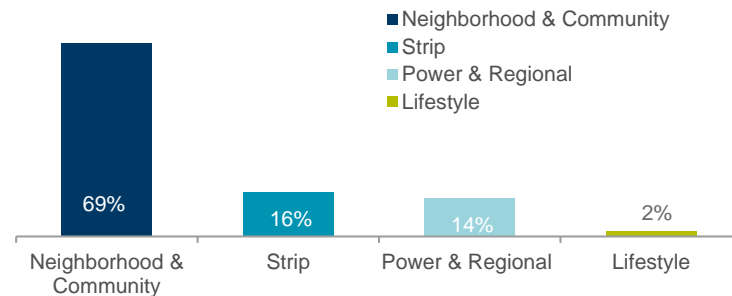
SALES ACTIVITY

The Las Vegas retail market recorded \$149 million in sales volume across 19 centers and 856,832 sf during Q2 2021, a 65% increase in volume compared to Q1 2021. Average price psf was \$193 psf in Q2 2021 compared to \$186 in Q1 2021 and \$246 in Q2 2020. Average cap rate was 6.5% in Q2 2021 compared to 6.3% last quarter and 6.7% a year ago. The leading buyers of retail centers were private investors in 2021 (88% vs. to 93% in 2020), followed by REITs (8% vs. to 6% in 2020). Private sellers accounted for 90% of activity (vs. 91% in 2020), followed by REITs accounting for 8% (vs. 0% in 2020).³

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	8,800,058	25,680	1,001,921	11.7%	-27,481	-34,740	0	\$1.52
Central West	10,125,329	3,206	615,951	6.1%	107,150	151,284	0	\$1.56
East	3,447,651	0	115,369	3.3%	9,094	16,043	0	\$1.75
North	7,143,057	6,398	450,591	6.4%	83,779	48,379	0	\$1.18
Northeast	4,011,894	0	228,066	5.7%	66,296	69,475	0	\$1.46
Northwest	5,314,290	7,000	150,499	3.0%	60,341	56,379	0	\$2.13
Southeast	14,261,505	65,681	1,243,711	9.2%	221,568	255,970	40,067	\$1.70
Southwest	6,647,851	0	331,111	5.0%	60,927	92,064	26,322	\$1.98
West	8,118,145	17,791	374,801	4.8%	-26,357	-27,368	0	\$1.95
TOTAL	67,869,780	125,756	4,512,020	6.8%	555,317	627,486	66,389	\$1.62
Lifestyle	1,280,044	0	106,016	8.3%	24,182	19,814	0	\$2.80
Neighborhood & Community	41,967,930	111,667	3,053,708	7.5%	397,662	392,700	3,300	\$1.60
Power & Regional	14,286,054	7,000	658,752	4.7%	26,886	65,644	0	\$1.38
Strip	10,335,752	7,089	693,544	6.8%	106,587	149,328	63,089	\$1.79
TOTAL	67,869,780	125,756	4,512,020	6.8%	555,317	627,486	66,389	\$1.62

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

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1425 W. Sunset Rd.	Southeast	Unknown	45,000	New
525 E. Windmill Ln.	Southeast	Brad's Toys & Collectibles	19,650	New
601-611 Mall Ring Cir.	Southeast	Wally Wombats – Spot 4 Tots	14,053	New
3625-3685 S. Rainbow Blvd.	West	ACE Hardware	12,000	New
10624 S. Eastern Ave.	Southeast	Next Level Fitness	9,298	New

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2101 N. Rainbow Blvd.	Northwest	Rainbow Promenade Banbury LLC / 8454 Stellar Drive LLC	228,279	\$25.5M / \$112
1301 S. Boulder Hwy.	Southeast	Boman Companies / Avatar Foods	95,136	\$10.3M / \$109
574 N. Eastern Ave.	Northeast	BE Uno LLC / Agora Realty & Mgmt	77,267	\$16.1M / \$208
1200 S Rainbow Blvd.	Central West	Shoppes on Rainbow LLC / David Shapiro	64,326	\$8.7M / \$135
3864 W. Sahara Ave.	Central West	Golden West Food Group/ L & Y Food Inc	47,625	\$6.3M / \$132

Sources: ¹www.bls.gov ² GDP as of 2020. (f) by Moody's Analytics economy.com 12/2020 ³ RCA.

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