

LAS VEGAS

Retail Q3 2021



CUSHMAN & WAKEFIELD

\$61,000

Median HH Income

YoY
Chg12-Mo.
Forecast

1.5%

Population Growth



8.7%

Unemployment Rate



Source: BLS

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

U.S. ECONOMIC INDICATORS
Q3 2021

5.6%

GDP Growth

YoY
Chg12-Mo.
Forecast

11.0%

Consumer Spending
Growth

14.1%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

The Las Vegas employment market has recovered more than half (69%) of the 274,800 jobs lost during the beginning of the pandemic between March and May of 2020. Nonfarm employment grew by 85,400 or +9.7% year-over-year (YOY) between August 2020 and August 2021, with the leisure and hospitality sector accounting for 36,900 jobs added (+19.3% YOY) and professional and business services for 17,300 jobs (+13.3%) added YOY. During the same time, the monthly unemployment rate decreased from 16.9% last year to 8.2% and is currently 50 basis points (bps) below the Q3 2021 quarterly average of 8.7%.¹ All employment sectors are expected to grow at a combined rate of 4.2% in 2021 and 7.2% in 2022. Las Vegas's economy of \$103.5 billion as measured by 2020 gross regional product is forecast to grow 9.3% in 2021 and 7.4% in 2022, above its 10-year average of 1.5%.²

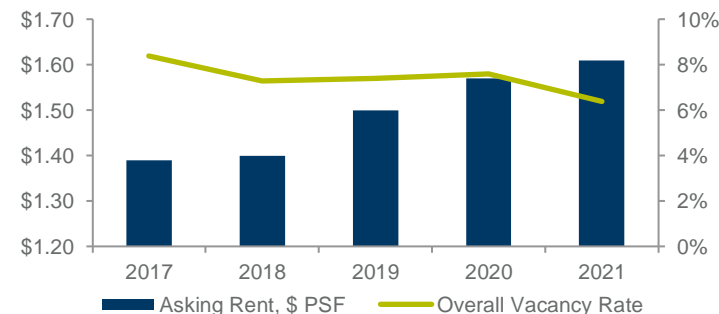
MARKET OVERVIEW

Retail vacancy, including sublease, decreased by 60 bps to 6.2% in Q3 2021 and decreased by 180 bps YOY. The current vacancy rate is 330 bps below the 10-year quarterly average of 9.5%. Occupancy grew by 372,990 square feet (sf) this quarter thanks to positive net absorption of 121,335 sf in the Central West and 111,991 sf in the Southeast submarkets. Tenants absorbed the most space in neighborhood & community centers (+188,033 sf), followed by strip centers (+99,401 sf) during Q3 2021. The average asking rent across all centers per square foot (psf) on a monthly triple net basis reached \$1.64, a 1.2% increase quarter-over-quarter (QOQ) and 3.8% YOY. The current rent is well above the 10-year quarterly average of \$1.41. Since Q3 2020, all property types except for power & regional malls (-1.5% YOY) and lifestyle centers (-3.2% YOY) have seen substantial rental rate increases. This growth was led by strip centers (+6.5% YOY), followed by neighborhood & community centers (+3.8% YOY). There was one delivery that amounted to 14,122 sf added to the market in Q3 2021. There have been nine projects delivered, totaling 88,527 sf year to date (YTD). Currently there is 50,971 sf under construction valley-wide, with 65% of inventory currently under construction in the Southeast submarket (33,100 sf).

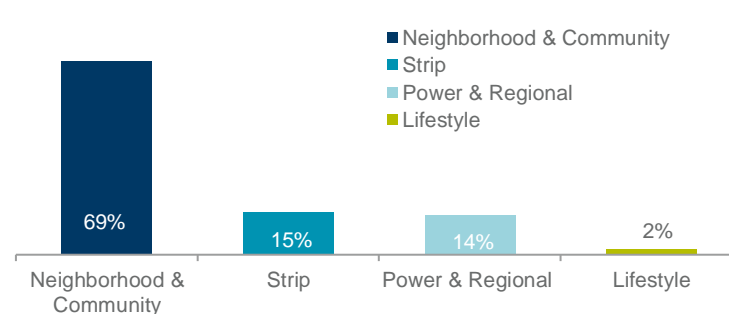
SALES ACTIVITY

The Las Vegas retail market recorded \$295 million (+80% QOQ) in sales volume across 22 centers and 1.5 million square feet (msf) during Q3 2021 compared to \$165 million in Q2 2021 and \$84 million in Q3 2020. Sales volume in 2021YTD reached \$550 million compared to \$207 million at the same time last year. Average price psf was \$196 psf in Q3 2021 compared to \$260 in Q3 2020 (-25% YOY). Average cap rate was 6.4% in Q3 2021 compared to 6.3% a year ago. The leading buyers of retail centers were private investors in 2021 (77% vs. to 93% in 2020), followed by REITs (23% vs. 6% in 2020). Private sellers accounted for 64% of activity (vs. 91% in 2020), followed by REITs accounting for 23% (vs. 0% in 2020) and institutional sellers (12% vs. 9% 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	8,922,334	0	934,176	10.5%	62,166	27,426	0	\$1.54
Central West	10,047,105	2,557	506,115	5.1%	121,335	274,319	0	\$1.50
East	3,450,752	0	141,145	4.1%	-31,832	-15,789	0	\$2.07
North	7,144,424	6,398	430,550	6.1%	-51,104	-2,725	5,671	\$1.14
Northeast	3,954,260	0	221,196	5.6%	4,686	74,161	0	\$1.46
Northwest	5,347,360	9,100	140,715	2.8%	13,153	69,532	0	\$2.11
Southeast	14,299,180	65,681	1,147,611	8.5%	111,991	367,961	33,100	\$1.69
Southwest	6,723,971	0	306,407	4.6%	60,571	154,135	12,200	\$1.99
West	8,110,955	8,977	324,498	4.1%	82,024	54,656	0	\$1.99
TOTAL	68,000,341	92,713	4,152,413	6.2%	372,990	1,003,676	50,971	\$1.64
Lifestyle	1,274,527	0	82,291	6.5%	14,589	34,403	0	\$2.72
Neighborhood & Community	41,888,978	79,273	2,842,362	7.0%	188,033	583,933	0	\$1.63
Power & Regional	14,516,357	7,000	597,178	4.2%	70,967	136,611	0	\$1.34
Strip	10,320,479	6,440	630,582	6.2%	99,401	248,729	50,971	\$1.81
TOTAL	68,000,341	92,713	4,152,413	6.2%	372,990	1,003,676	50,971	\$1.64

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

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2121 E. Sahara Ave.	Central East	AutoSavvy of Las Vegas	49,000	Sublease
6105-6115 W. Tropicana Ave.	Central West	CareNow	14,180	New
2705 W. Lake Mead Blvd.	Central West	Unknown	10,006	New
2630 Windmill Pkwy.	Southeast	Sunrise Market, LLC	9,657	New
8689 W. Charleston Blvd.	West	Unknown	8,814	Sublease

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
15-201 Nellis Blvd.	Northeast	Weingarten Realty / Kimco	332,298	Undisclosed
2101-2401 E Lake Mead Blvd.	North	Weingarten Realty / Kimco	164,000	Undisclosed
2500 S. Decatur Blvd.	Central West	3D Investments / IK Vegas LLC	161,000	\$26.2M / \$163
2500 E. Desert Inn Rd.	Central East	Weingarten Realty / Kimco	148,000	Undisclosed
2605 S. Eastern Ave.	Central East	Parkstone Cap Partners / Marry Mizrahi	104,440	\$5.7M / \$55

Sources: ¹www.bls.gov ² GDP as of 2020. (f) by Moody's Analytics economy.com 9/2021 ³ RCA.

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