

**\$49,400**

Median HH Income

YoY
Chg12-Mo.
Forecast**1.7%**

Population Growth

**7.9%**

Unemployment Rate



Source: BLS

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

**U.S. ECONOMIC INDICATORS
Q4 2021****5.4%**

GDP Growth

YoY
Chg12-Mo.
Forecast**11.3%**Consumer Spending
Growth**17.9%**

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

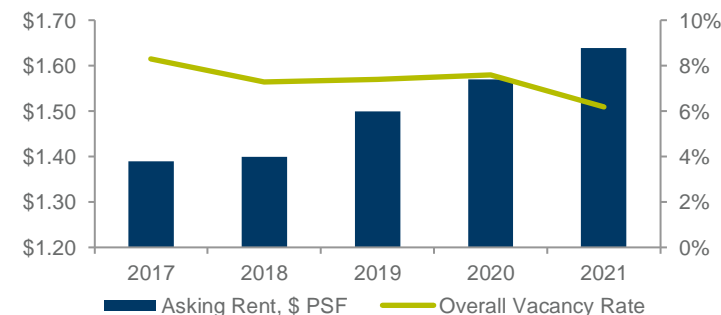
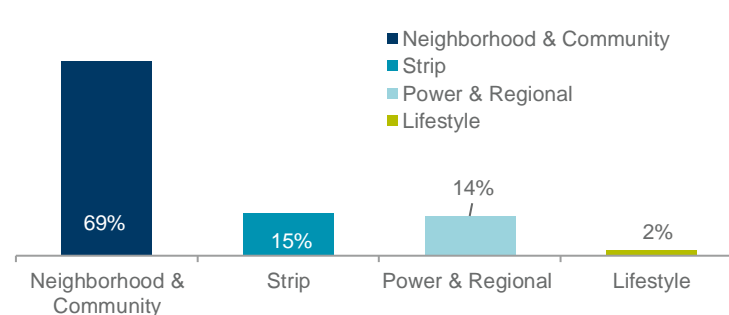
The Las Vegas employment market has recovered 213,800 (78%) of the 274,800 jobs lost during the beginning of the pandemic between March and May of 2020. Nonfarm employment grew by 77,300 or +8.5% year-over-year (YOY) between November 2020 and November 2021, with the leisure and hospitality sector accounting for 31,500 jobs added (+15.9% YOY), while professional and business services added 21,500 jobs (+16.3%) YOY. During the same time, the monthly unemployment rate decreased from 9.8% last year to 6.3% and is currently 160 basis points (bps) below the Q4 2021 quarterly average of 7.9%.¹ All employment sectors are expected to grow at a combined rate of 7.2% in 2022, while the office-using sector is forecasted to grow 5.8% and high-tech employment 7.3%. Las Vegas's economy of \$106.7 billion as measured by 2021 gross regional product is forecasted to grow 6.3% in 2022 and 7.0% in 2023, above its 10-year average of 1.8%.²

MARKET OVERVIEW

Retail vacancy, including sublease, remained the same at 6.2% in Q4 2021 and decreased by 140 basis points (bps) YOY. The current vacancy rate is 310 bps below the 10-year quarterly average of 9.3%. Occupancy fell this quarter by 74,557 square feet (sf) mainly due to negative net absorption of 116,705 sf in the Northeast and -23,235 sf in the North submarkets. In 2021, occupancy grew by 952,686 sf market-wide. Tenants absorbed the most space in strip centers (+24,385 sf), followed by lifestyle centers (+9,968 sf) during Q4 2021. The average asking rent of \$1.64 per square foot (psf) on a monthly triple net basis remained the same from last quarter and grew 4.5% YOY across all centers. Since the second quarter of 2020, all property types except for power & regional malls (-11.0% YOY) and lifestyle centers (-4.3% YOY) have seen substantial rental rate increases. This growth was led by strip centers (+10.5% YOY), followed by neighborhood & community centers (+3.9% YOY). There were no deliveries being added to the market in Q4 2021. Eleven projects, totaling 102,237 sf, have been delivered in 2021. There are 11 projects, totaling 71,171 sf, under construction valley-wide, with 33,100 (47%) of future inventory located in the Southeast submarket.

SALES ACTIVITY

The Las Vegas retail market recorded \$624 million in sales volume across 29 centers and 2.1 million square feet during Q4 2021, twice the volume compared to \$270 million traded in Q3 2021. The average price psf was \$165 psf in Q4 2021 compared to \$228 in Q4 2020 (-27.7% YOY). The average cap rate was 6.4% in Q4 2021, unchanged from last quarter and a year ago. The leading buyers of retail centers were REITs in 2021 (51% vs. 6% in 2020), followed by private buyers (49% vs. 93% in 2020). REITs accounted for 52% of activity (vs. 0% in 2020), followed by private sellers accounting for 44% (vs. 91% 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	8,929,663	26,880	915,479	10.6%	-20,206	6,186	0	\$1.50
Central West	10,045,720	15,236	514,796	5.3%	-5,981	268,338	0	\$1.48
East	3,459,154	0	128,258	3.7%	9,182	-6,607	0	\$2.12
North	7,140,452	14,876	457,963	6.6%	-23,235	-21,988	5,671	\$1.13
Northeast	3,949,812	0	349,551	8.8%	-116,705	-42,544	0	\$1.46
Northwest	5,347,360	2,100	163,854	3.1%	-15,461	54,071	10,000	\$2.27
Southeast	14,240,042	65,681	983,545	7.4%	87,318	465,408	33,100	\$1.67
Southwest	6,737,960	0	294,531	4.4%	19,792	184,427	22,400	\$2.07
West	7,948,196	8,977	274,932	3.6%	-9,261	45,395	0	\$2.05
TOTAL	67,798,359	133,750	4,082,909	6.2%	-74,557	952,686	71,171	\$1.64
Lifestyle	1,274,527	0	80,304	6.3%	9,968	44,371	0	\$2.69
Neighborhood & Community	41,827,103	127,310	2,783,673	7.0%	-77,497	519,503	0	\$1.61
Power & Regional	14,351,080	0	597,548	4.2%	-31,386	105,225	0	\$1.21
Strip	10,345,649	6,440	621,384	6.1%	24,358	283,587	71,171	\$1.90
TOTAL	67,798,359	133,750	4,082,909	6.2%	-74,557	952,686	71,171	\$1.64

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

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
501-579 N Stephanie St.	Southeast	Buy Buy Baby	26,000	New
3055-3185 E Tropical Ave.	Central East	Bulldog Liquidators	20,711	New
1425-1445 W. Sunset Rd.	Southeast	Unknown	12,400	New
4920-4950 S. Fort Apache Rd.	Southwest	Unknown	10,886	New
7380 S. Eastern Ave.	Southeast	Unknown	10,400	New

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
4505 W. Charleston Blvd. (P)	Central West	VEREIT, Inc. / Realty Income Corporation	223,901	Undisclosed
3615 S. Rainbow Blvd. (P)	West	W&W Partnership / CFT NV Developments LLC	223,269	\$25.9M / \$116
4625 W. Charleston Blvd. (P)	Central West	VEREIT, Inc. / Realty Income Corporation	162,557	Undisclosed
911-1035 S. Rainbow Blvd. (P)	West	Brixton Capital AC LLC / Phillips Edison & Caompany	124,515	\$24M / \$193
2200 E. Serene Ave. (P)	Southeast	VEREIT, Inc. / Realty Income Corporation	105,700	Undisclosed

Sources: ¹www.bls.gov ²GDP as of 2021. (f) by Moody's Analytics economy.com 12/2021 ³RCA.

JEFF PLATTS

Research Analyst, Nevada

+1 702 605 1852 jeff.platts@cushwake.com

JOLANTA CAMPION

Director of Research, Nevada, Utah & San Diego

+1 858 625 5235 / jolanta.campion@cushwake.com

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