

LAS VEGAS

Retail Q4 2022

CUSHMAN &
WAKEFIELD

\$65,500

Median HH Income

YoY
Chg12-Mo.
Forecast

1.9%

Population Growth



5.2%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS
Q4 2022

0.4%

GDP Growth

YoY
Chg12-Mo.
Forecast

8.5%

Consumer Spending
Growth

8.4%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

Nonfarm employment grew by 47,200 jobs or +4.6% year-over-year (YOY) from December 2021 through December 2022, with the service producing sector accounting for 37,350 jobs added (+4.0% YOY), while leisure & hospitality added 17,620 jobs (+6.6%) YOY. During the same time, the monthly unemployment rate decreased from 6.0% last year to 5.2% and is currently 150 basis points (bps) higher than the U.S. unemployment rate of 3.7%. Nine of the twelve employment sectors are expected to grow at a combined rate of 4.2% in 2023, notably the leisure & hospitality sector is forecasted to grow 3.2% and the service-producing sector is forecasted to grow 1.5%. Las Vegas's economy of \$118.8 billion as measured by 2022 gross regional product is forecasted to grow 3.6% in 2023 and 4.6% in 2024, above its 10-year average of 2.9%.²

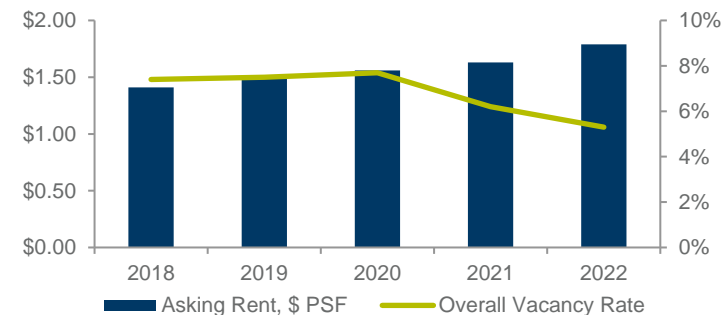
MARKET OVERVIEW

Retail vacancy, including sublease, decreased by 20 basis points (bps) to 5.3% in Q4 2022 and decreased by 90 bps YOY. The current vacancy rate is 350 bps below the 10-year quarterly average of 8.8%. Occupancy grew this quarter by 141,027 square feet (sf) mainly due to positive net absorption of 43,460 sf in the Southwest and 37,650 sf in the Southeast submarkets. Tenants absorbed the most space in neighborhood & community centers (+84,279 sf), followed by strip centers (+71,602 sf) during Q4 2022. The average asking rent of \$1.79 per square foot (psf) on a monthly triple net basis increased 1.7% quarter-over-quarter and 9.8% YOY across all centers. All property types have seen substantial rental rate increases YOY. This growth was led by power and regional centers (+50%), followed by lifestyle centers (+8% YOY), followed by neighborhood & community centers (+6% YOY), and strip centers (+2% YOY). There was seven deliveries added to the market in Q4 2022 adding 54,300 sf to the market. Currently there is 132,653 sf under construction valley-wide with 53% of currently under construction properties in the Southwest submarket (70,479 sf). Notable deliveries include the Shops at Centennial 215 Plaza. The project is located at 6400 Centennial Center Blvd. and contains an 11,600-sf strip center accompanied by a 10,000-sf pad building.

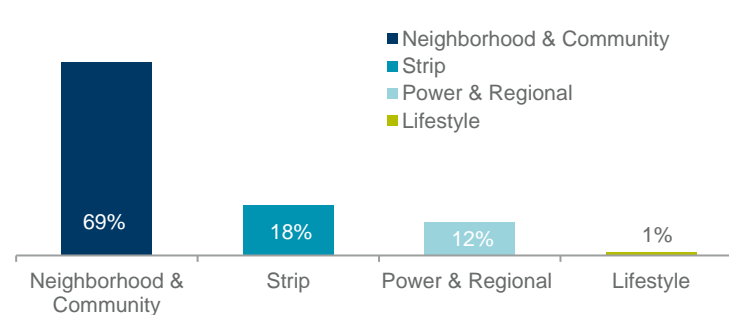
SALES ACTIVITY

The Las Vegas retail market recorded \$181 million in sales volume across 10 centers and 849,000 sf during Q4 2022, a 70% decrease in volume compared to Q4 2021. Average price psf was \$327 in Q4 2022 compared to \$171 in Q4 2021 (+92% YOY). Average cap rate was 5.9% in Q4 2022 compared to 6.2% a year ago. The leading buyers of retail centers were private buyers in Q3 2022 (85% vs. 52% in 2021), followed by institutional buyers (10% vs. 0% in 2021). Private sellers accounted for 79% of activity (vs. 46% in 2021), followed by institutional sellers accounting for 14% (vs. 3% in 2021).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	9,026,656	27,904	886,694	10.1%	25,218	-36,375	2,420	\$1.54
Central West	9,959,189	0	503,033	5.1%	28,112	-38,283	0	\$1.52
East	3,385,243	0	136,749	4.0%	3,091	470	10,909	\$1.81
North	6,898,143	16,276	276,900	4.3%	-34,204	130,297	32,690	\$1.50
Northeast	3,989,807	0	283,385	7.1%	13,155	65,476	0	\$1.49
Northwest	5,379,685	1,676	109,044	2.1%	24,449	76,989	4,858	\$2.18
Southeast	14,076,569	8,565	805,647	5.8%	37,650	360,877	13,765	\$1.79
Southwest	6,659,875	2,700	164,855	2.5%	43,460	189,030	68,011	\$2.50
West	8,443,884	23,830	374,008	4.7%	96	-66,392	0	\$2.39
TOTAL	67,819,051	80,951	3,540,315	5.3%	141,027	682,089	132,653	\$1.79
Lifestyle	1,390,132	12,453	139,937	11.0%	5,305	-20,055	0	\$2.90
Neighborhood & Community	41,922,118	60,891	2,498,020	6.1%	84,279	414,692	71,254	\$1.70
Power & Regional	14,119,646	0	377,287	2.7%	-20,159	69,617	0	\$1.82
Strip	10,387,155	7,607	525,071	5.1%	71,602	217,835	61,399	\$1.92
TOTAL	67,819,051	80,951	3,540,315	5.3%	141,027	682,089	132,653	\$1.79

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

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4355 S. Grand Canyon Dr.	Southwest	Floor & Décor	76,233	Sublease
3636 W. Sahara Ave.	Central West	Confidential	33,414	New
5720-5780 Centennial Cntr. Blvd.	Northwest	Confidential	19,981	New
345-479 W. Craig Rd.	North	Smart & Final	16,000	Renewal
1401 N. Decatur Blvd.	Central West	The Just One Project	13,500	New

KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
3035-3375 E. Tropicana Ave.	Central East	Arilex Realty Corp / First National Realty Partners	578,000	\$72.5M / \$125
305 N. Nellis Blvd.	Northeast	Omnient Capital / Glen Una Properties	83,930	\$25M / \$298
601-617 Mall Ring Cir.	Southeast	Pebb Enterprises / Dong K Kim & Jong O Kim Family Trust	64,211	\$22M / \$343
3603 Las Vegas Blvd. N.	North	Ava Mina Worldwide Investments LLC / Confidential	36,083	\$6M / \$170
1155 E. Twain Ave.	Central East	JL Management / Greenlaw Partners LLC	56,710	\$14.7M / \$258

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

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