



SOUTHERN NEVADA'S COMMERCIAL REAL ESTATE MARKETS

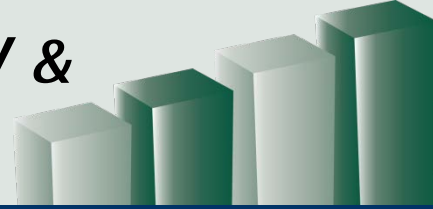
Presented to:
Institute of Real Estate Management, LV Chapter



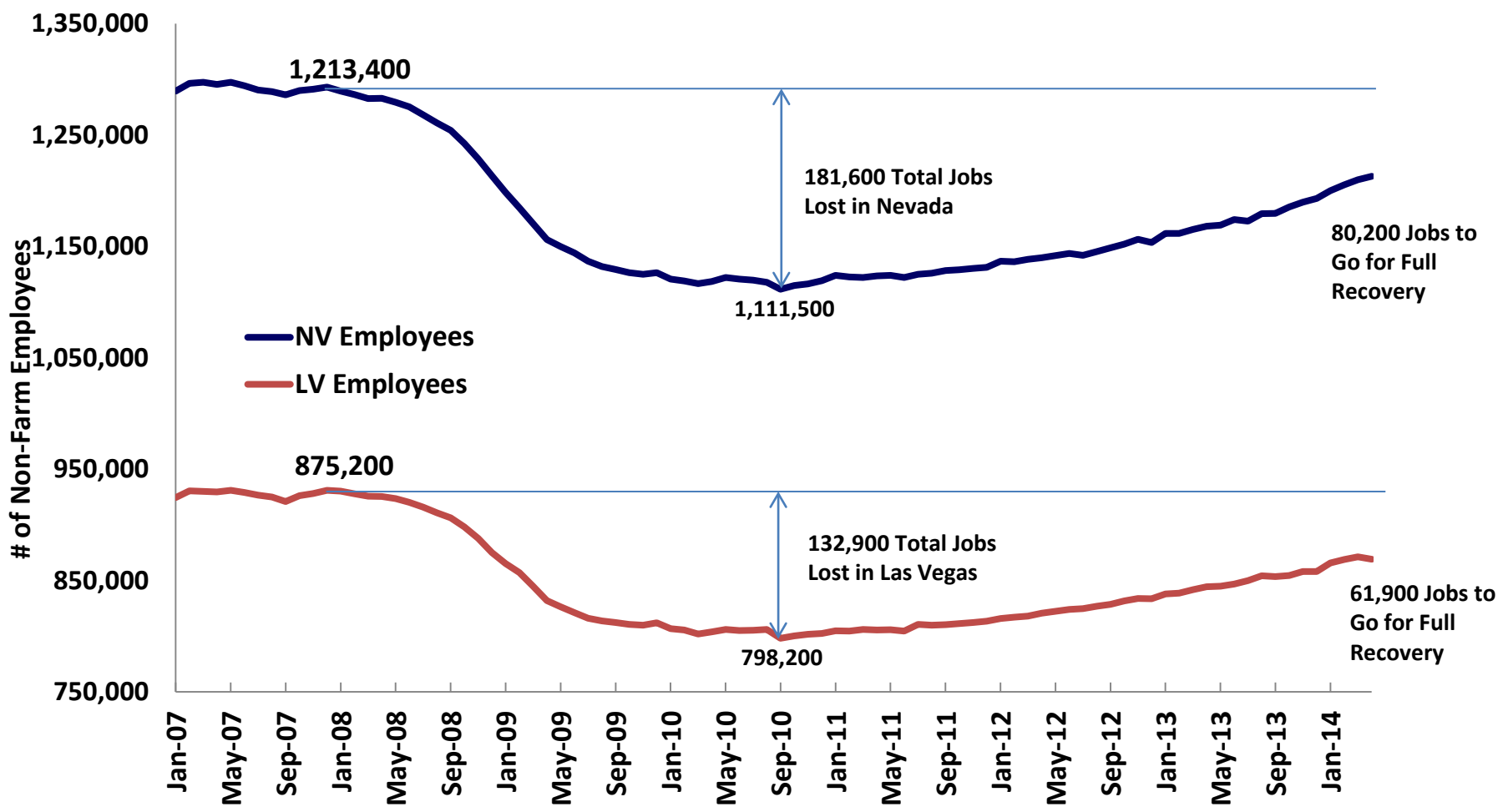
July 9, 2014

RCG
ECONOMICS

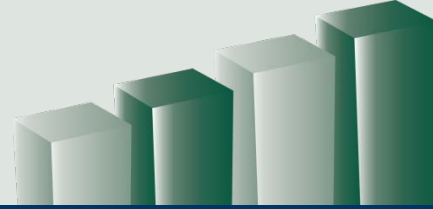
Another sign of recovering employment; but NV & LV have a ways to go for full recovery.



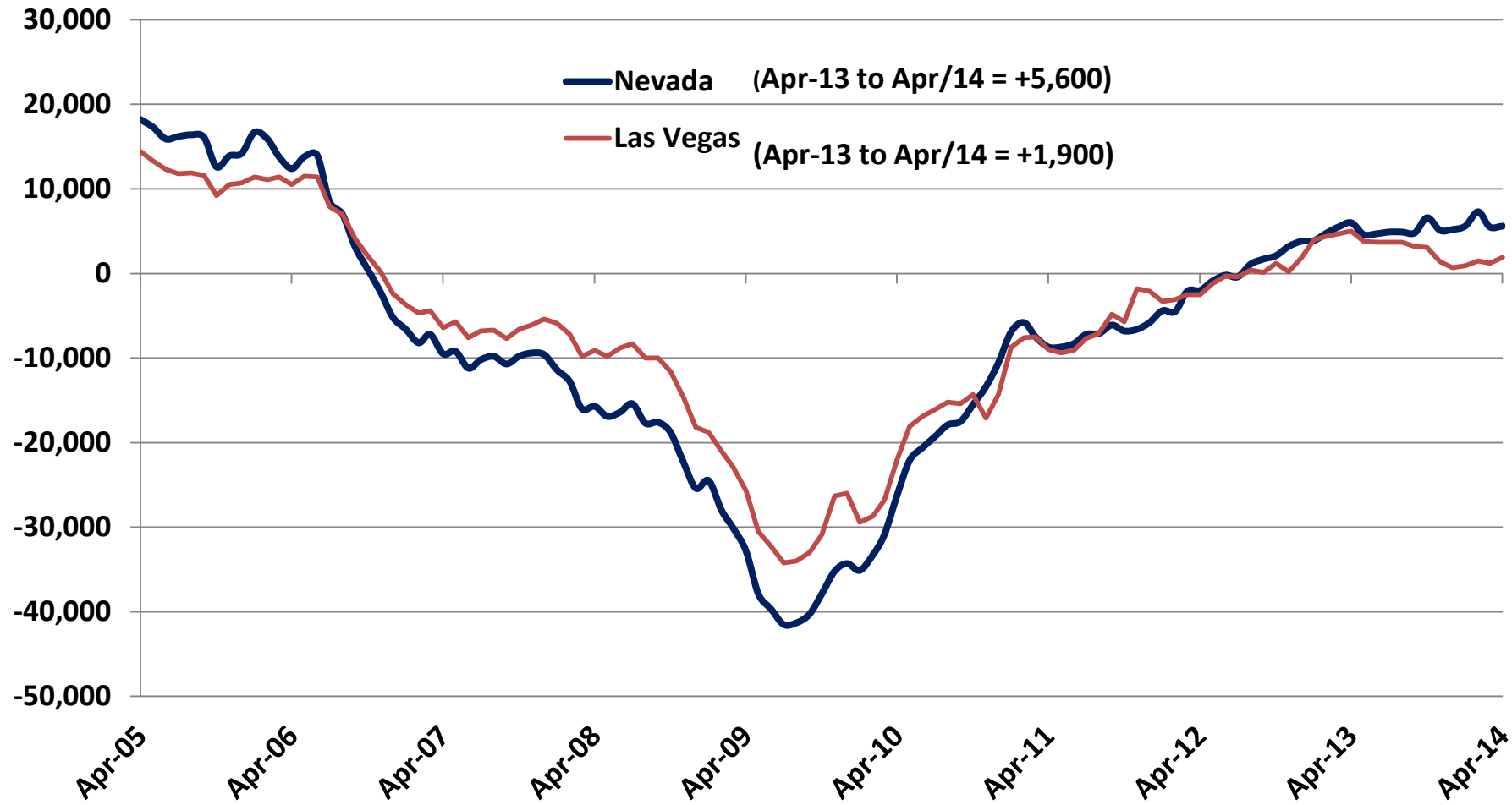
Nevada & Las Vegas Recession Job Recovery (1/2006 to 4/2014)



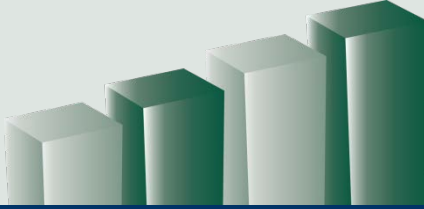
Construction sector seeing positive job growth.



Nevada & LV Construction Employment Growth: 4/2005 – 4/2014

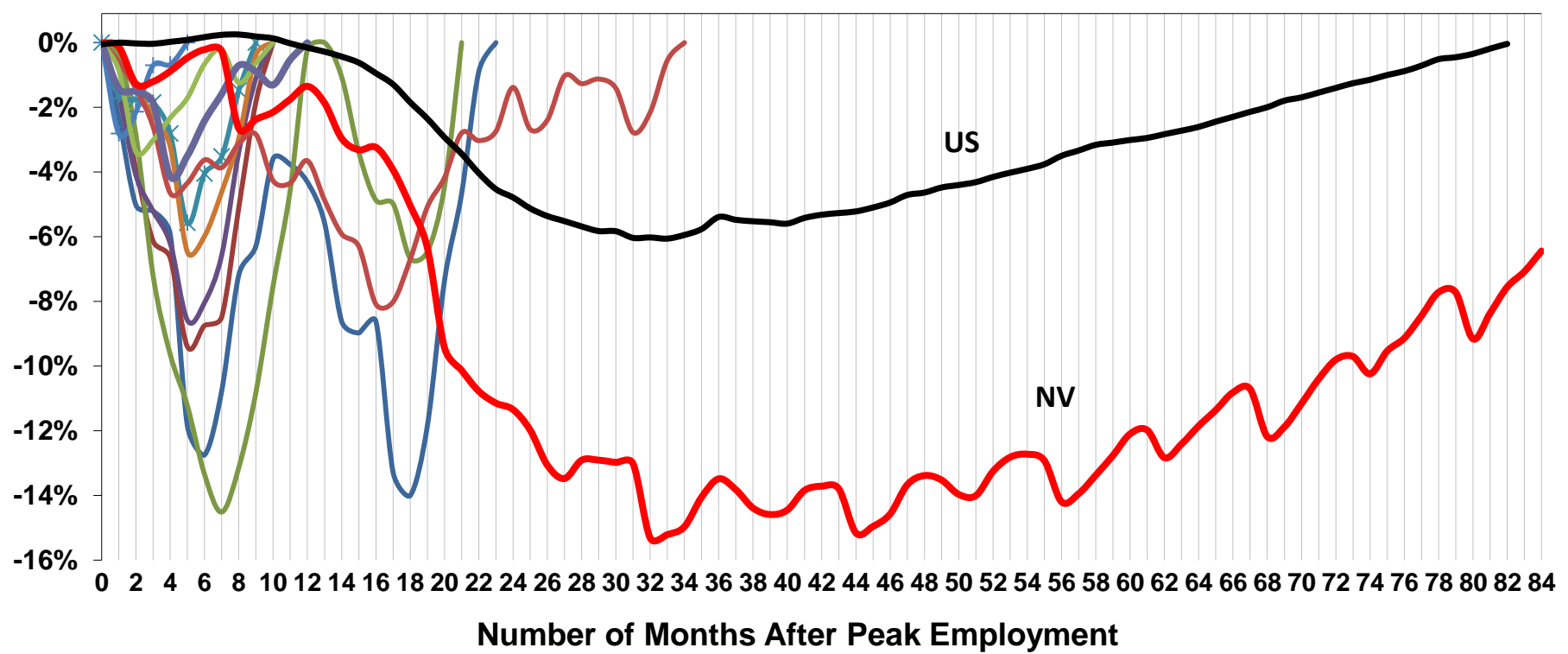


US recession job losses totally recovered, NV still 6.4% below peak jobs as of May-14.

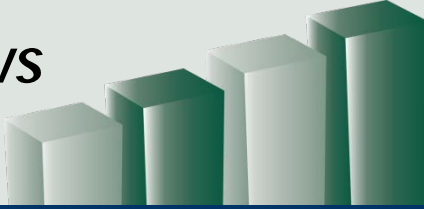


Comparison of Recession Job Growth Recoveries
% Job Losses Relative to Peak Job Month

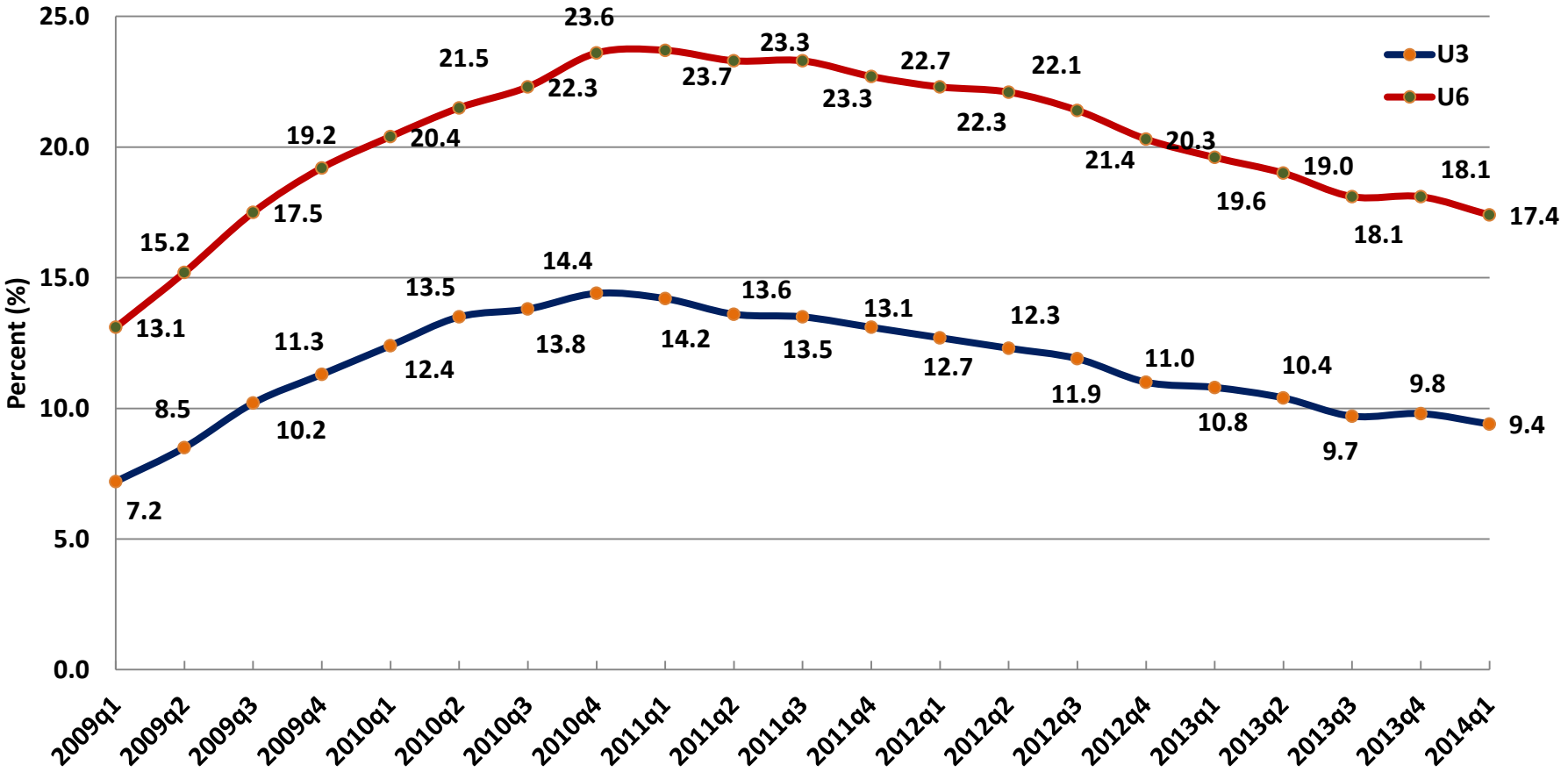
- 1948
- 1953
- 1957
- 1960
- * 1969
- 1974
- + 1980
- 1981
- 1990
- 2001
- 2007
- US 2007



Alternative U-6 measure of unemployment shows improvement, but still very high.



Alternative Measures of Nevada Unemployment: Q1 2009-Q1 2014



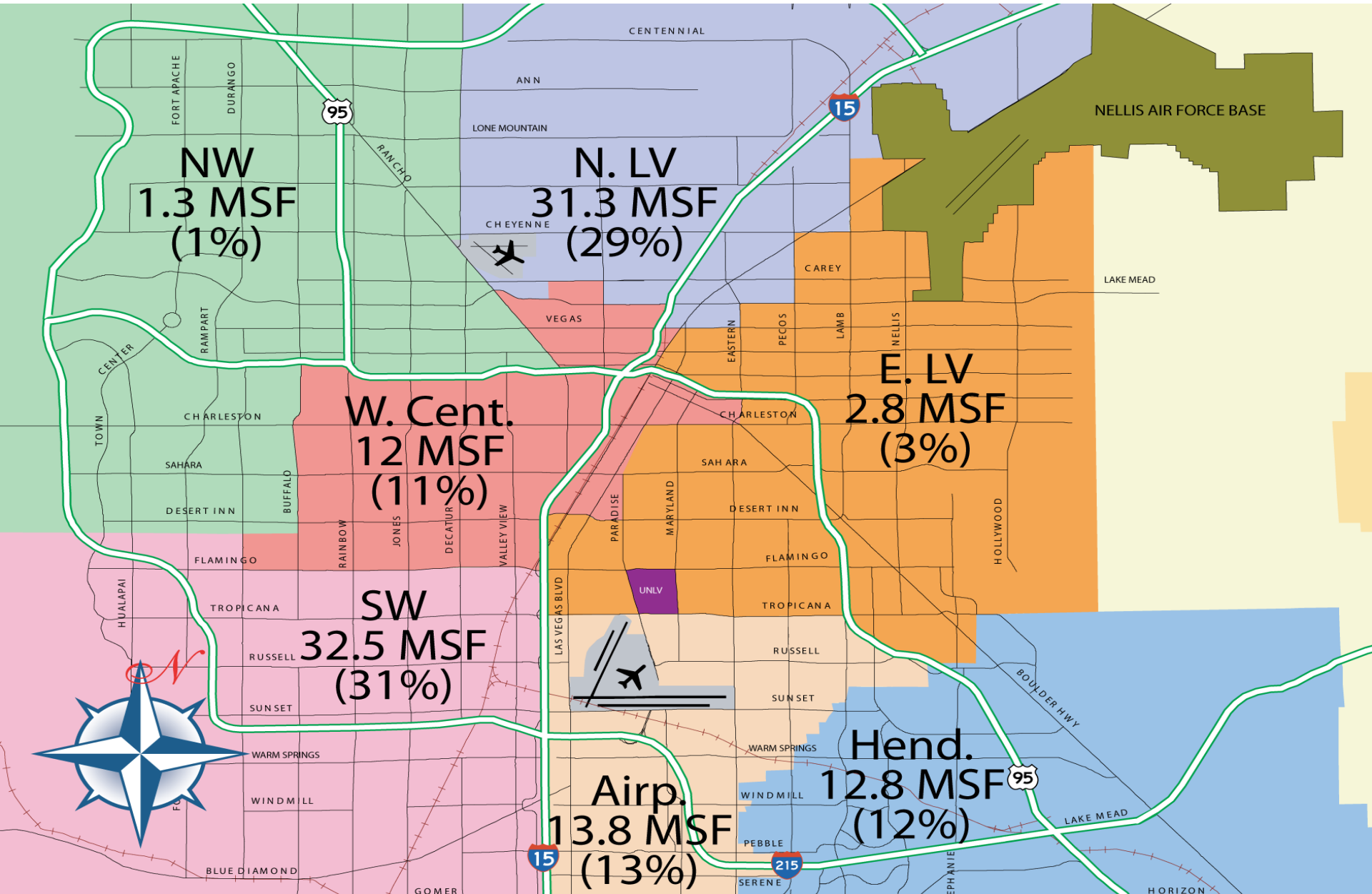
Source: Bureau of Labor Statistics.
 Quarterly figures are rolling averages of the 4 quarters starting in the noted quarter

INDUSTRIAL MARKET

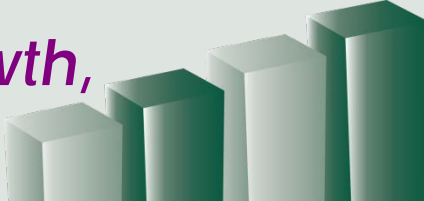


Las Vegas Valley Submarket % Share of Inventory Map

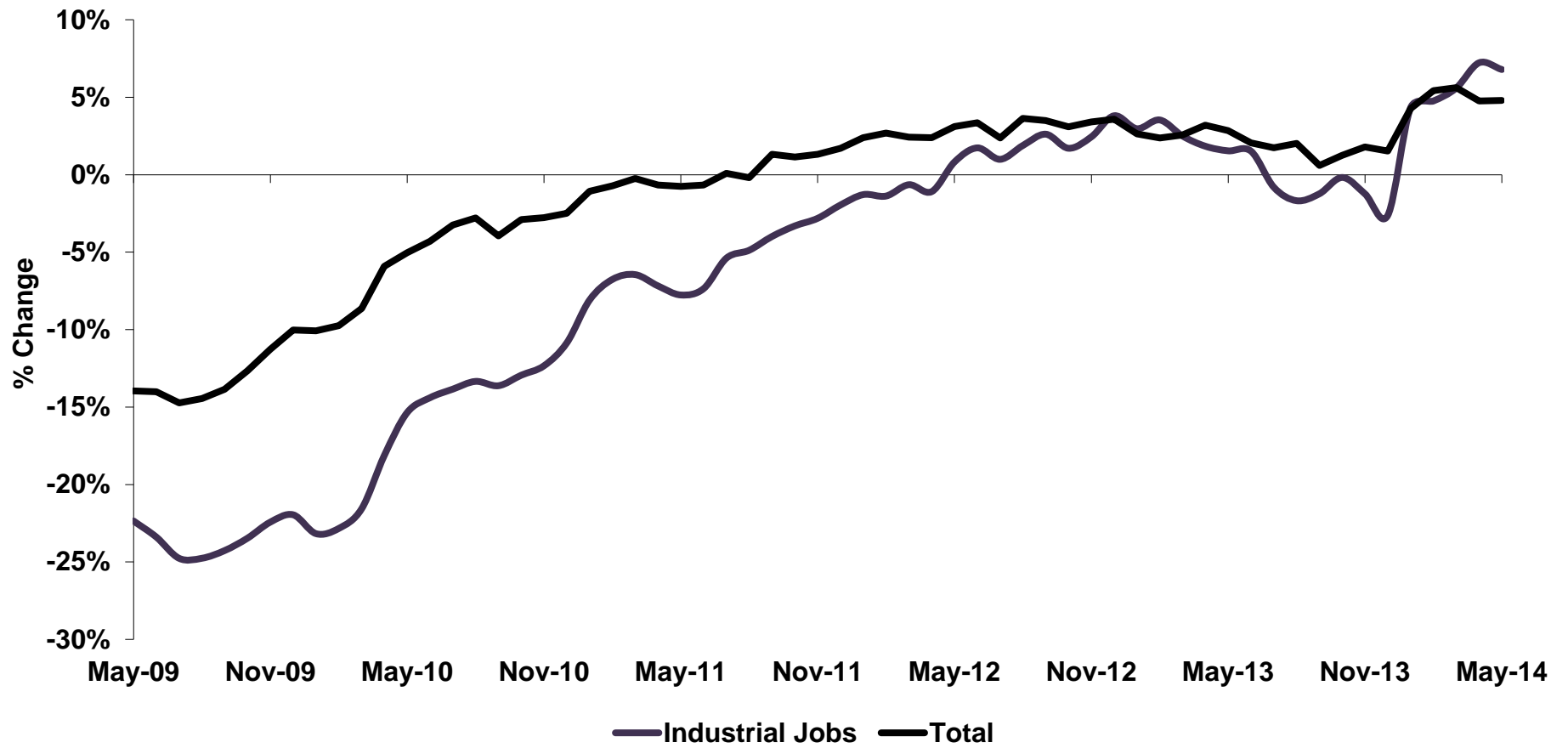
Industrial Market: Q1 2014



Industrial job growth year-over-year shows growth, back in positive territory.

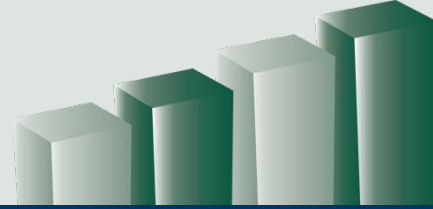


YOY Clark County Industrial & Total Private Sector Job Growth (May'09 to May'12)

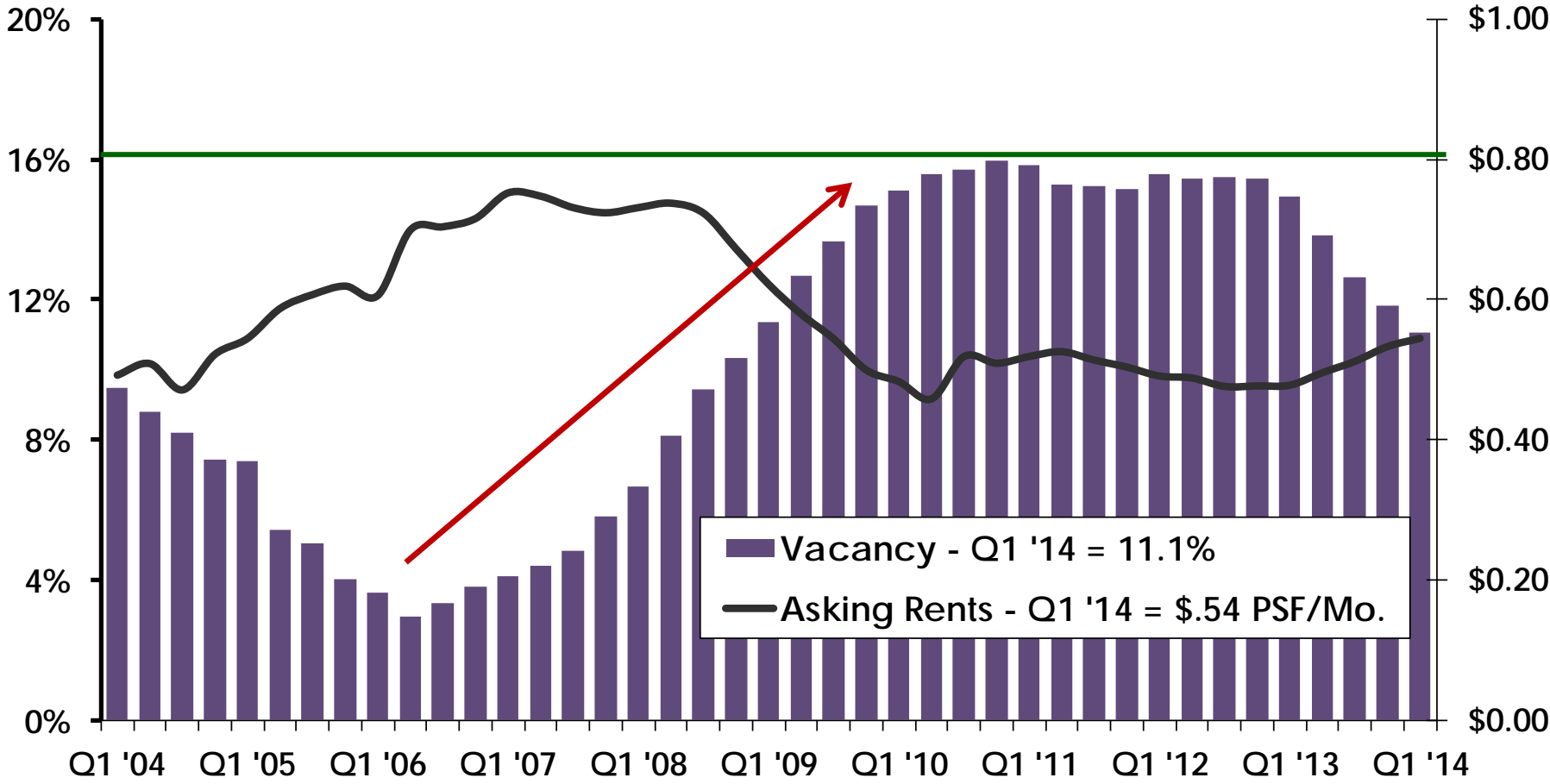


Sources: Nevada Department of Employment, Training & Rehabilitation; calculated by RCG Economics.
 Industrial = Natural Resources, Construction, Manufacturing, Wholesale & Transportation & Warehousing

The Industrial market has shown significant improvements since Q1 2013.

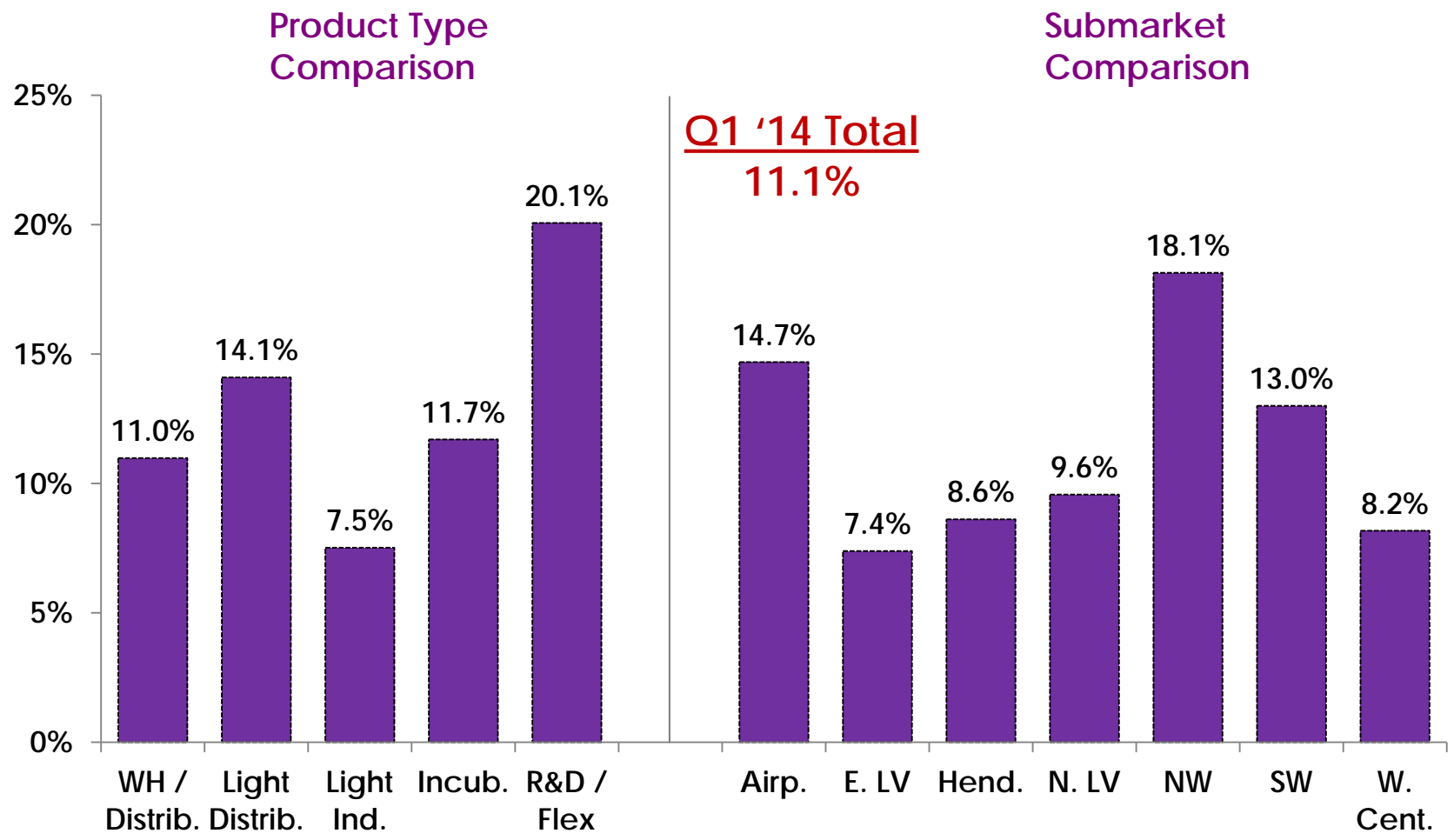
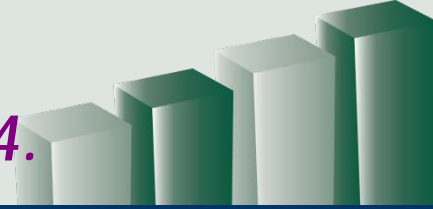


Industrial Vacancy & Asking Rents: Q1 2004 – Q1 2014

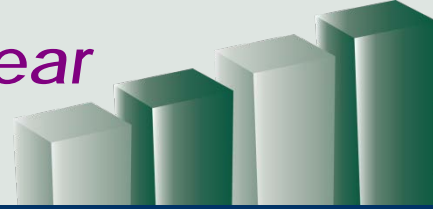


Vacancy varies by Product & Submarket.

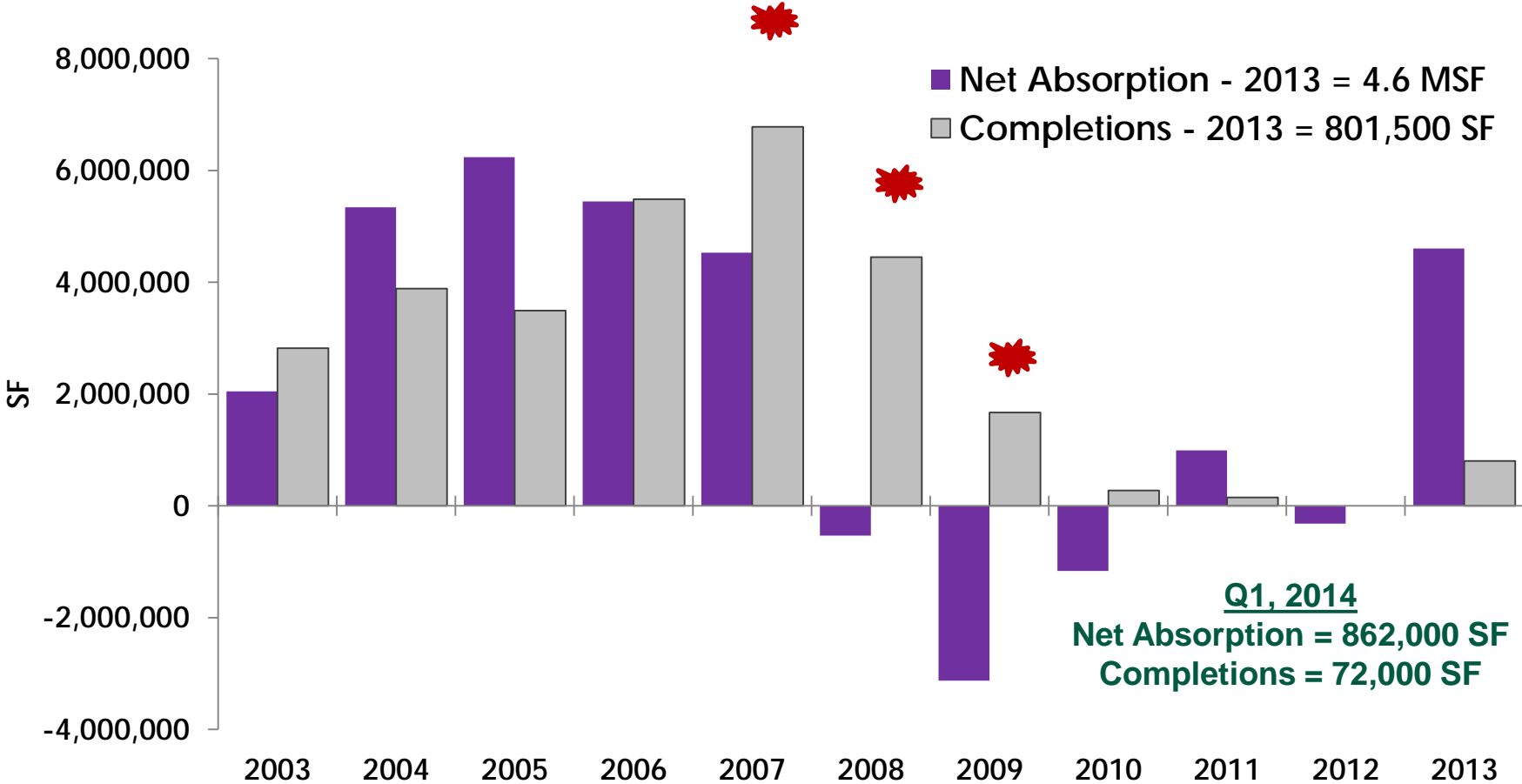
Lowest in Light Industrial & in E. Las Vegas: Q1'14.



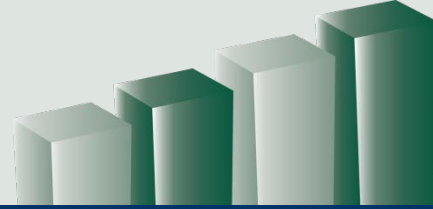
Industrial absorption stays positive after good year in 2013.



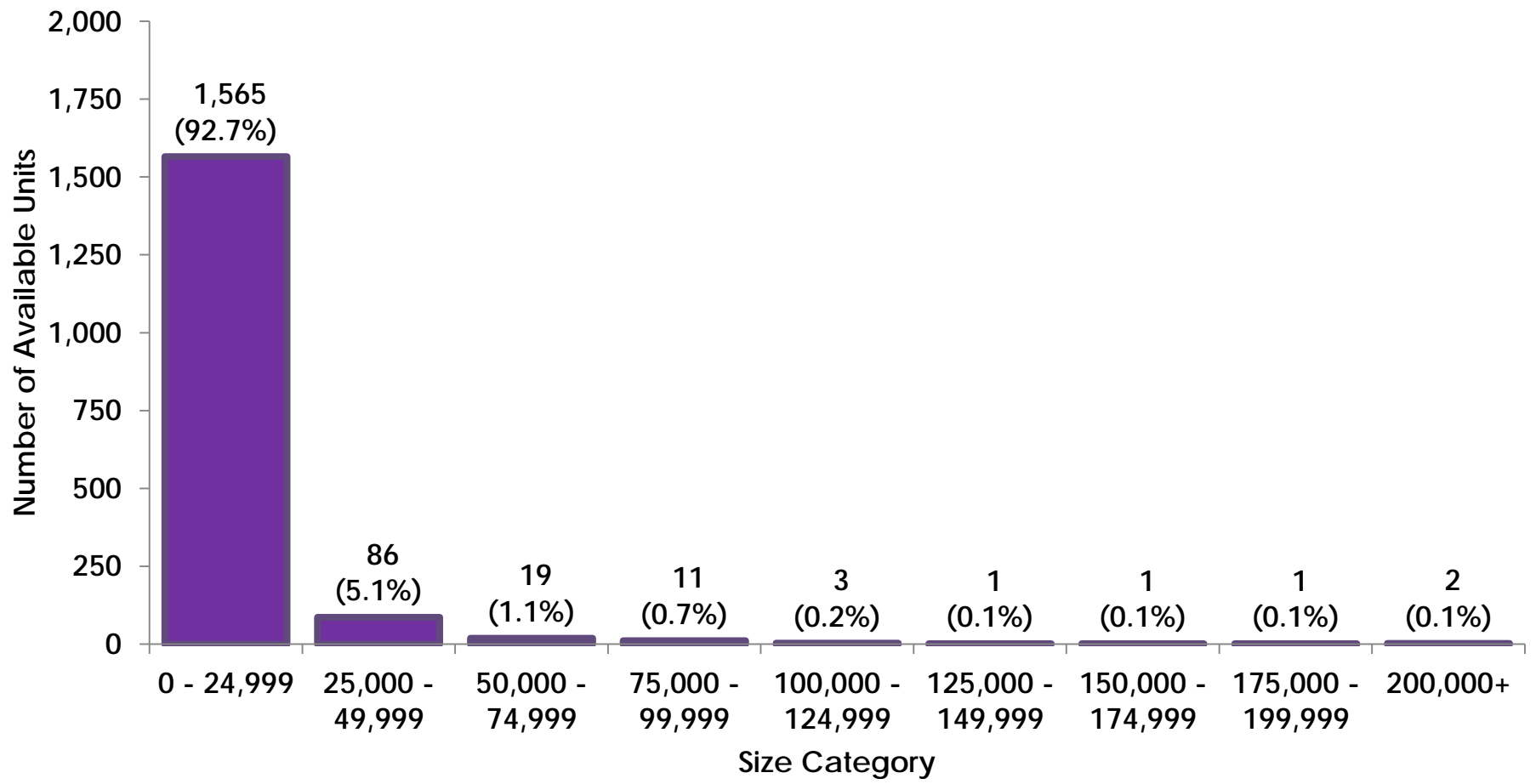
Industrial Absorption & Completions: 2003 – 2013 & Q1, 2014



The most critical Industrial chart: Q1 2014; not enough large Industrial space available.

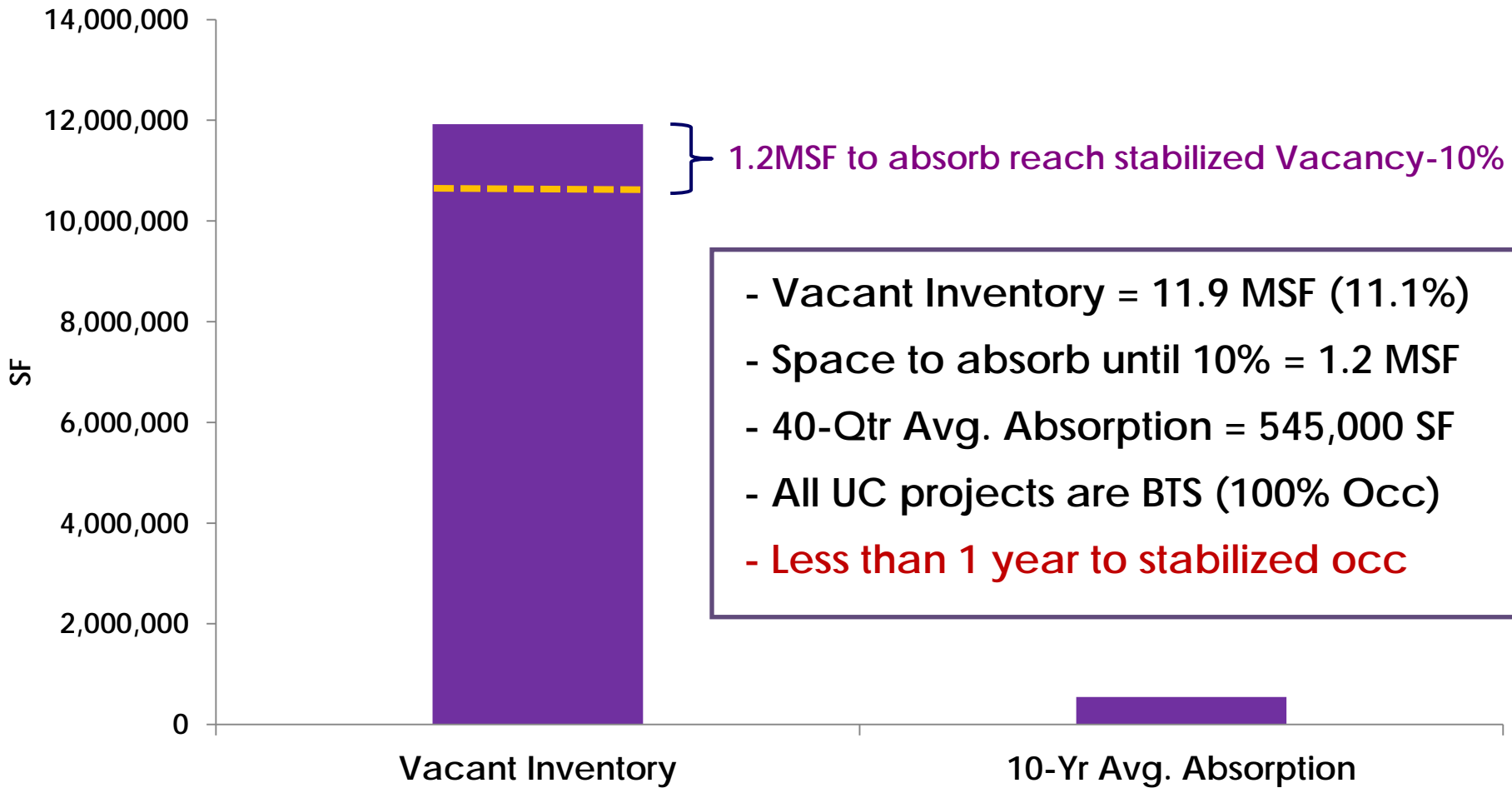


Distribution of Industrial Available Space Units, by Size Category



Industrial market should stabilize in about one year.

Industrial Vacant inventory & Quarterly Absorption

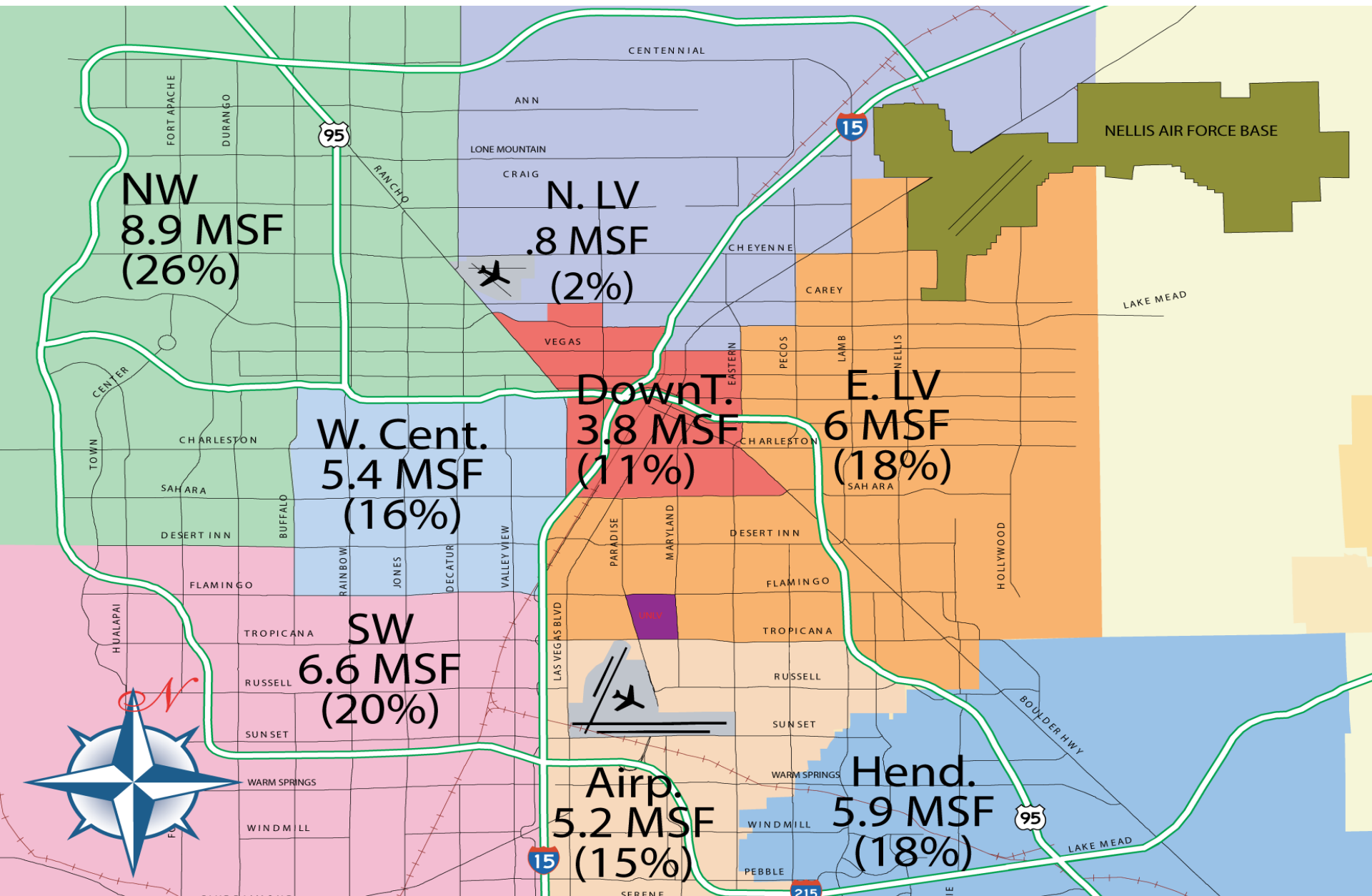




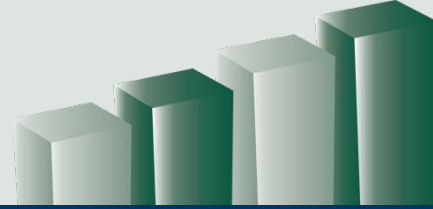
OFFICE MARKET

Las Vegas Valley Submarket % Share of Inventory Map

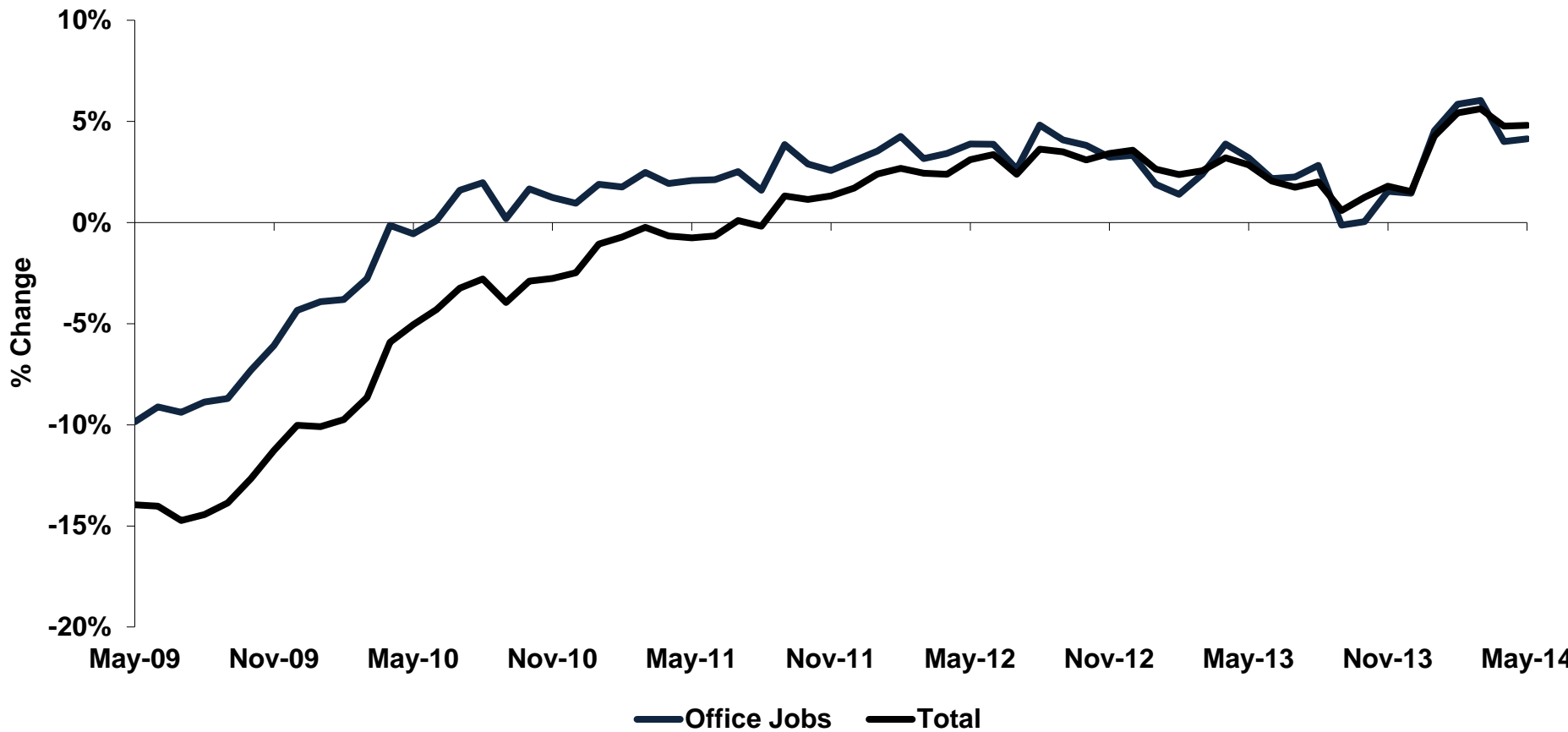
Office Market: Q1 2014



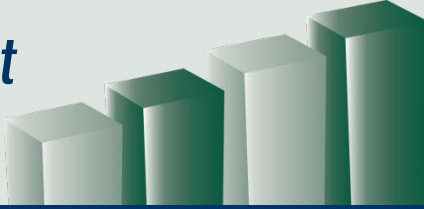
Office employment year-over-year continues; growth accelerating.



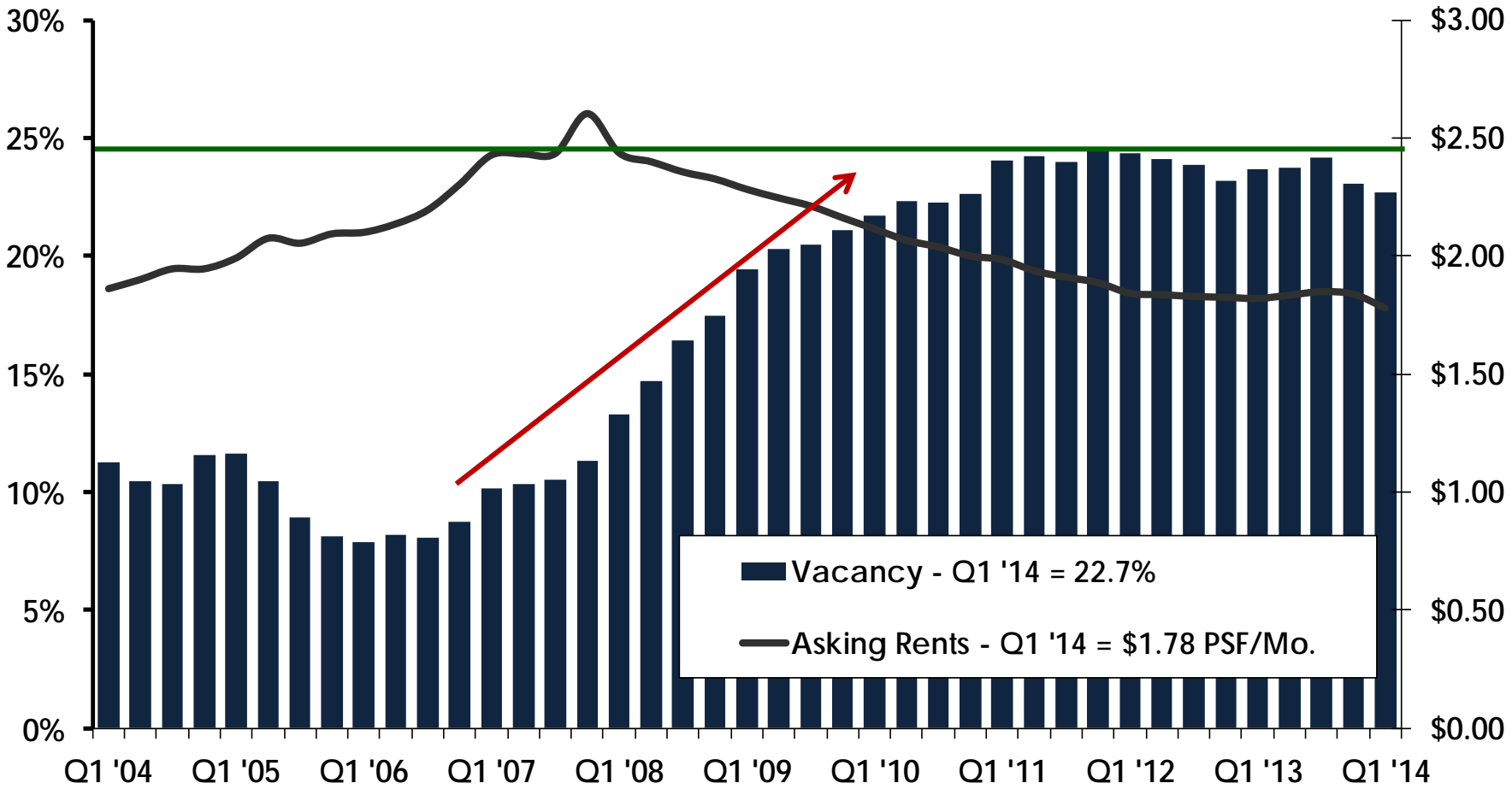
YOY Clark County Spec Office & Total Private Sector Job Growth (May'09-May'14)



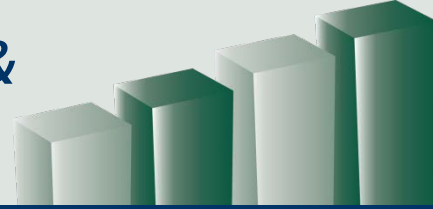
Office vacancies may finally be in recovery, but remains the weakest of the 3 markets.



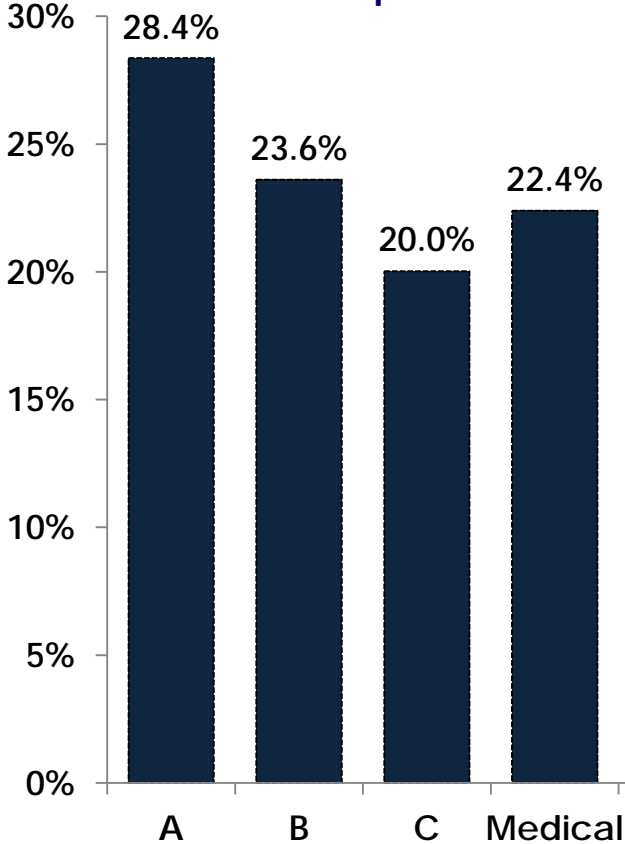
Spec Office Vacancy & Asking Rents: Q1 2004 – Q1 2014



Vacancies remain highest in Class A & in E. LV & West Central: Q1 2014.

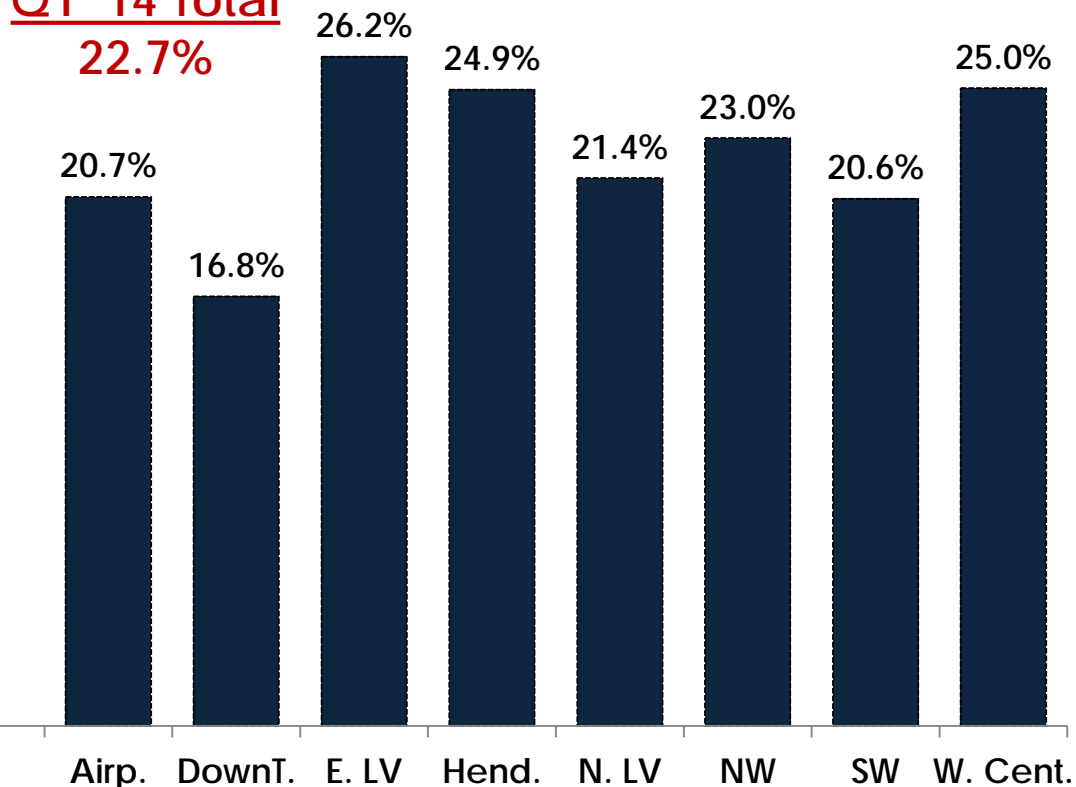


Product Type Comparison

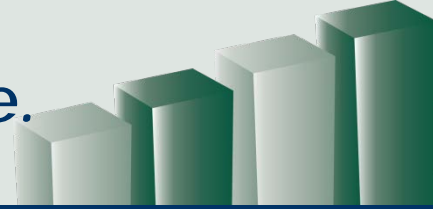


Submarket Comparison

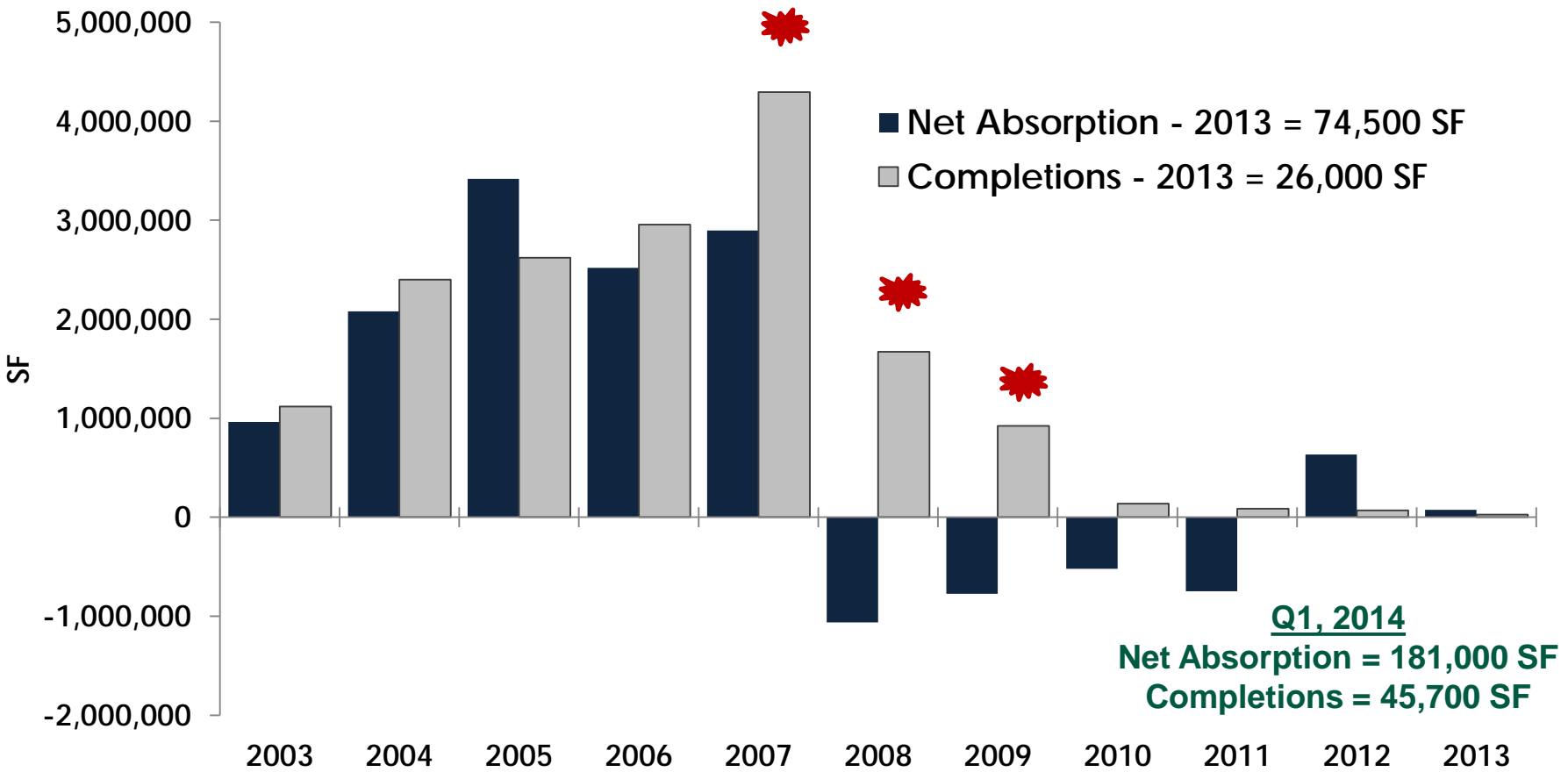
Q1 '14 Total
22.7%



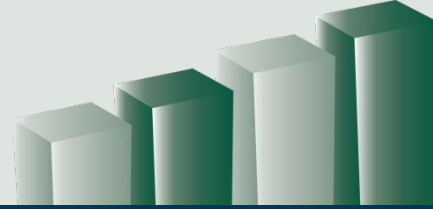
Office absorptions small, but no longer negative.



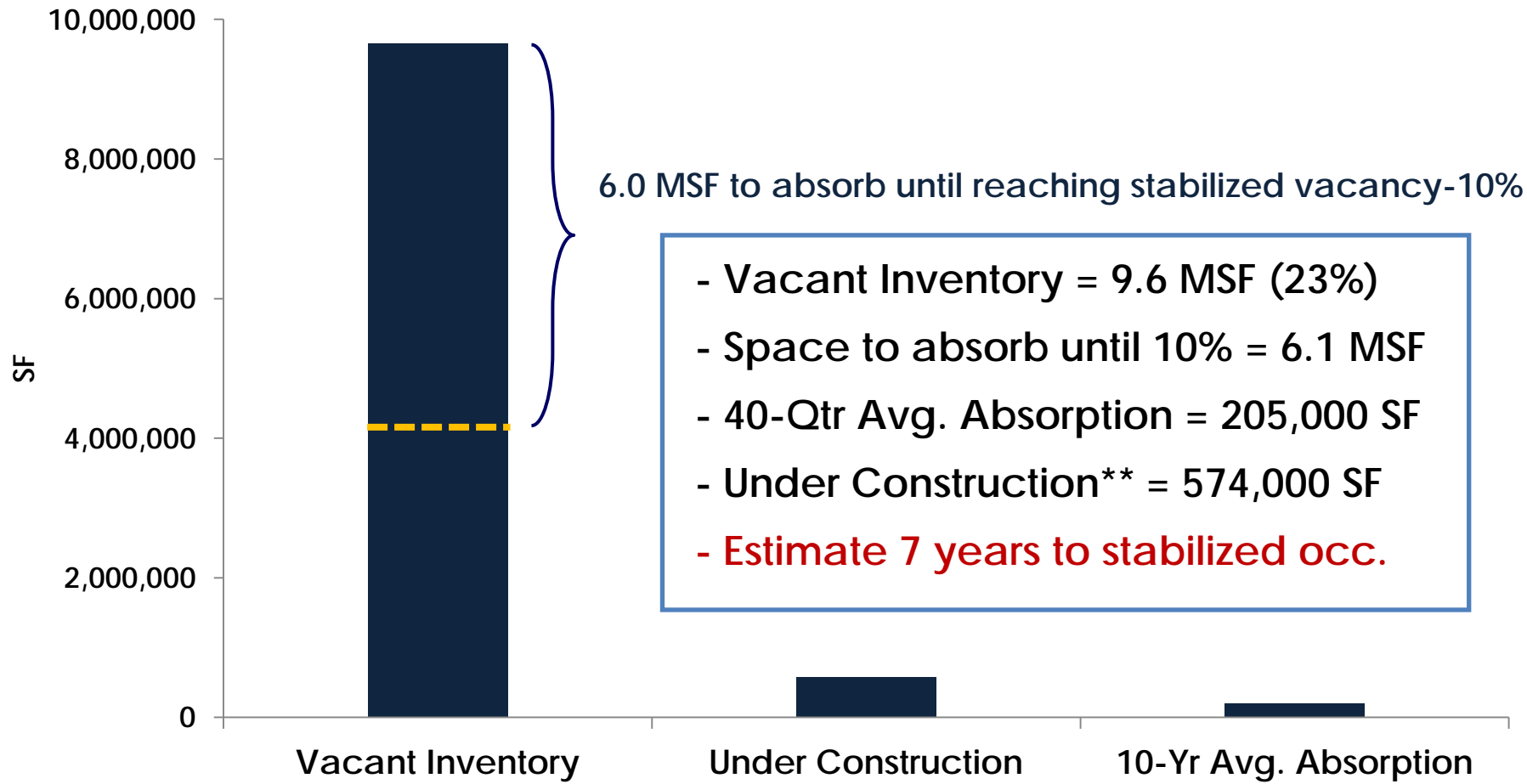
Spec Office Absorption & Completions: 2003 – 2013 & Q1 2014



Spec Office market still several years from Stabilizing at 10% vacancy.



Spec Office Vacant Inventory & Quarterly Absorption

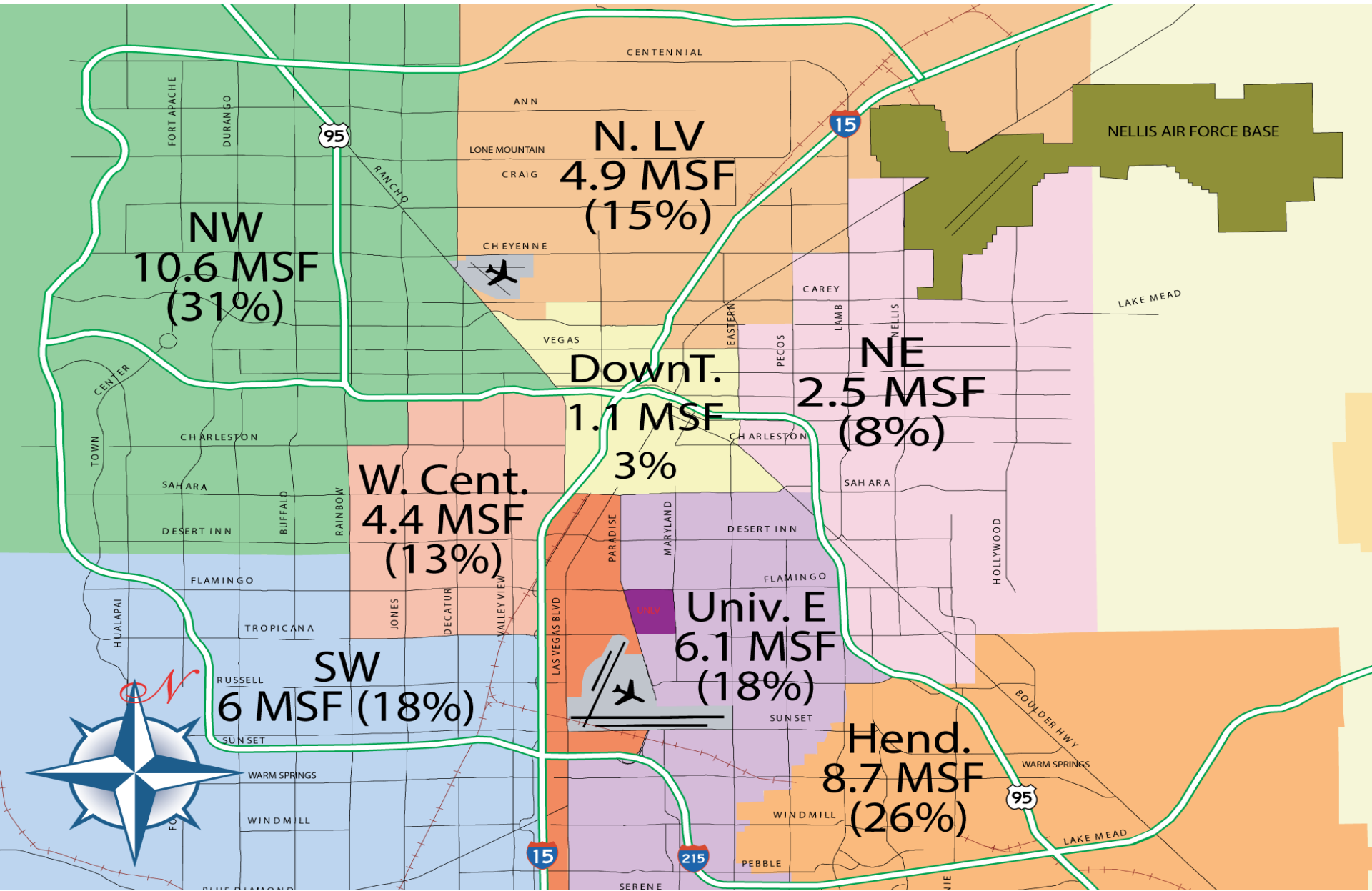


RETAIL MARKET



Las Vegas Valley Submarket % Share of Inventory Map

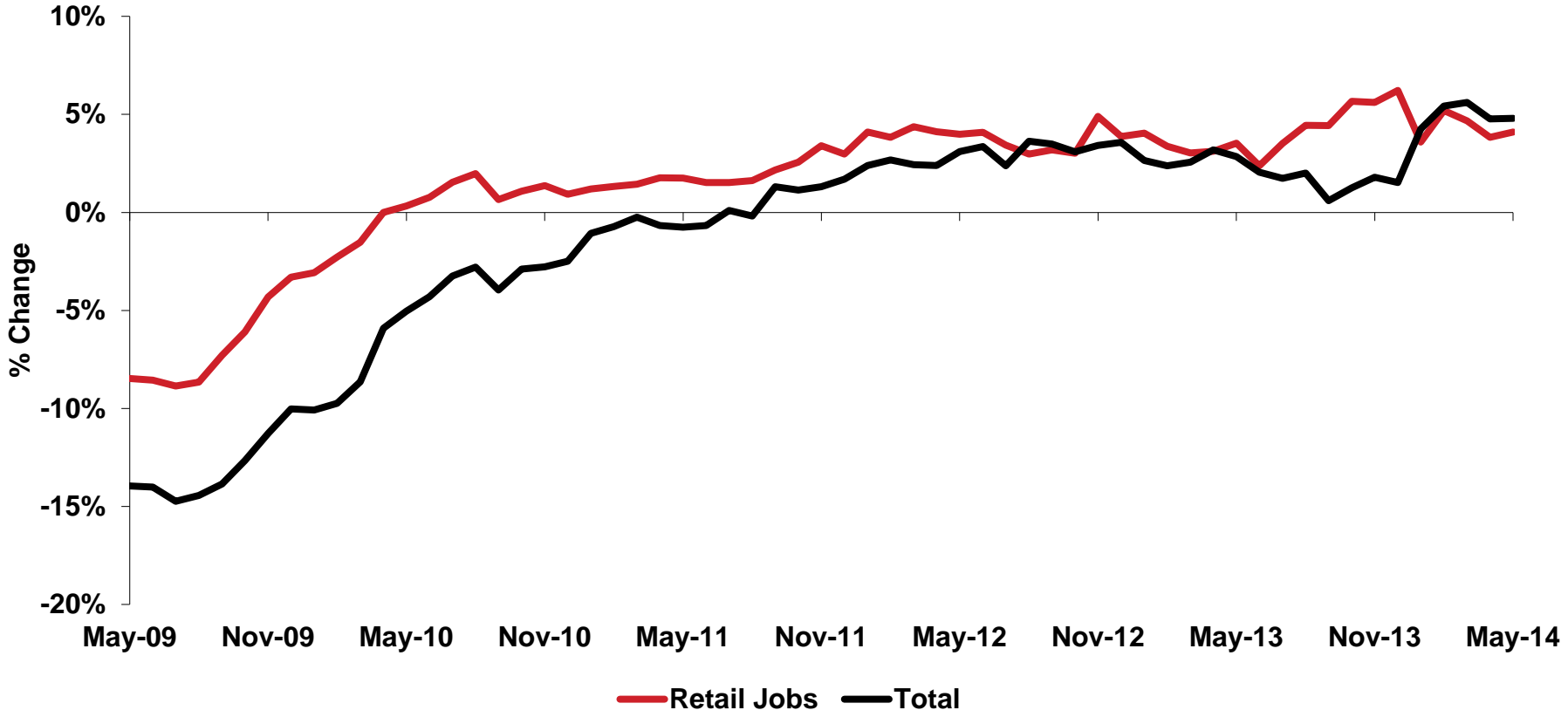
Retail Market: Q1 2014



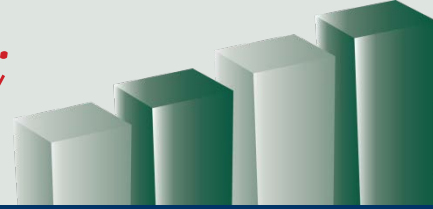
Retail employment year-over-year growth positive & steady.



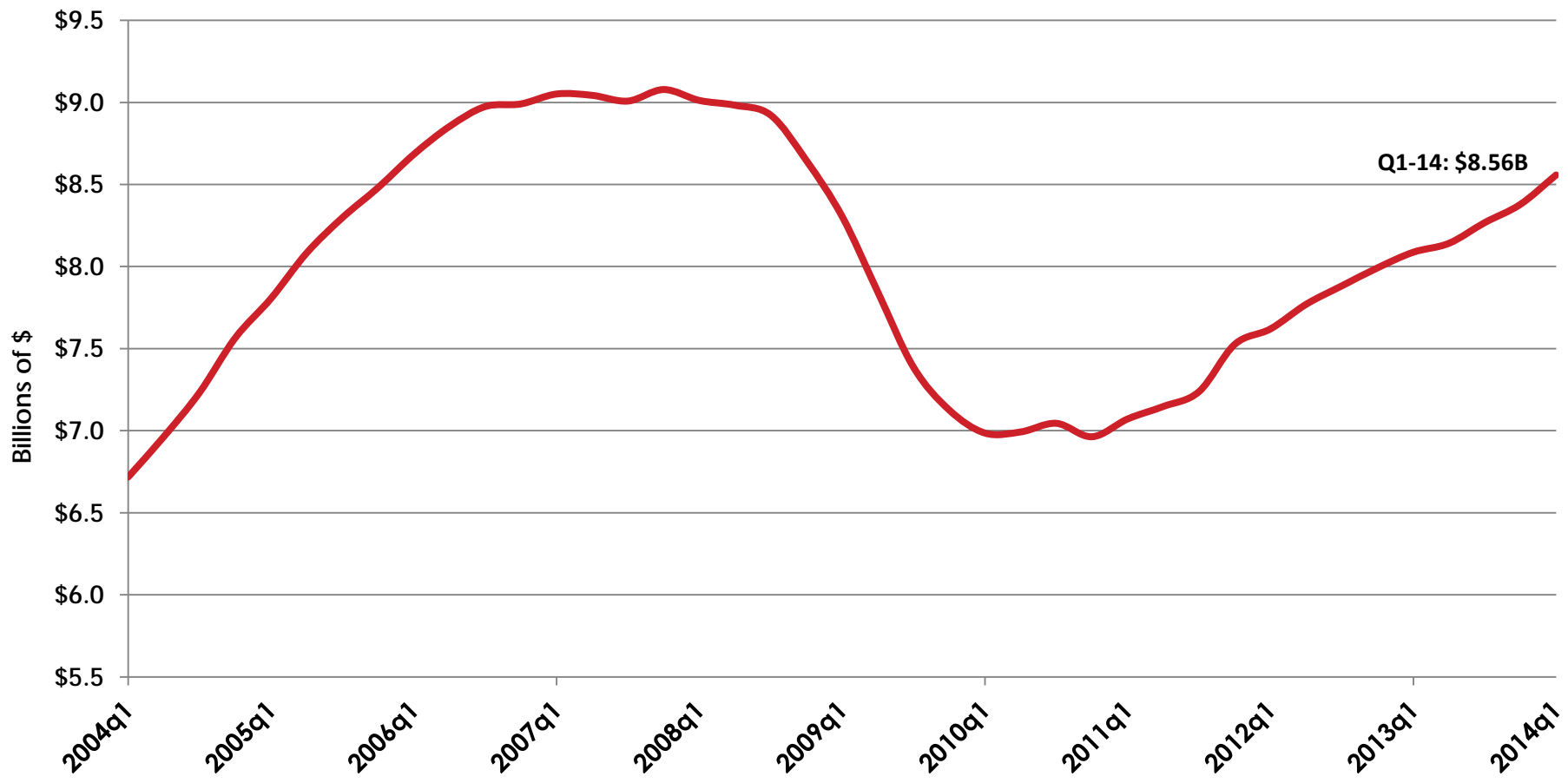
YOY Clark County Anchored Retail & Total Private Sector Job Growth (May'09 to May'14)



Clark County Taxable Retail Sales, Q1'04-Q1'14; TRS continue to approach pre-recession levels.

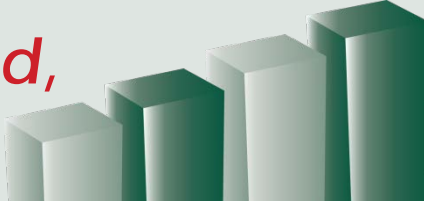


Quarterly Taxable Retail Sales: Q1 2004-Q1 2014

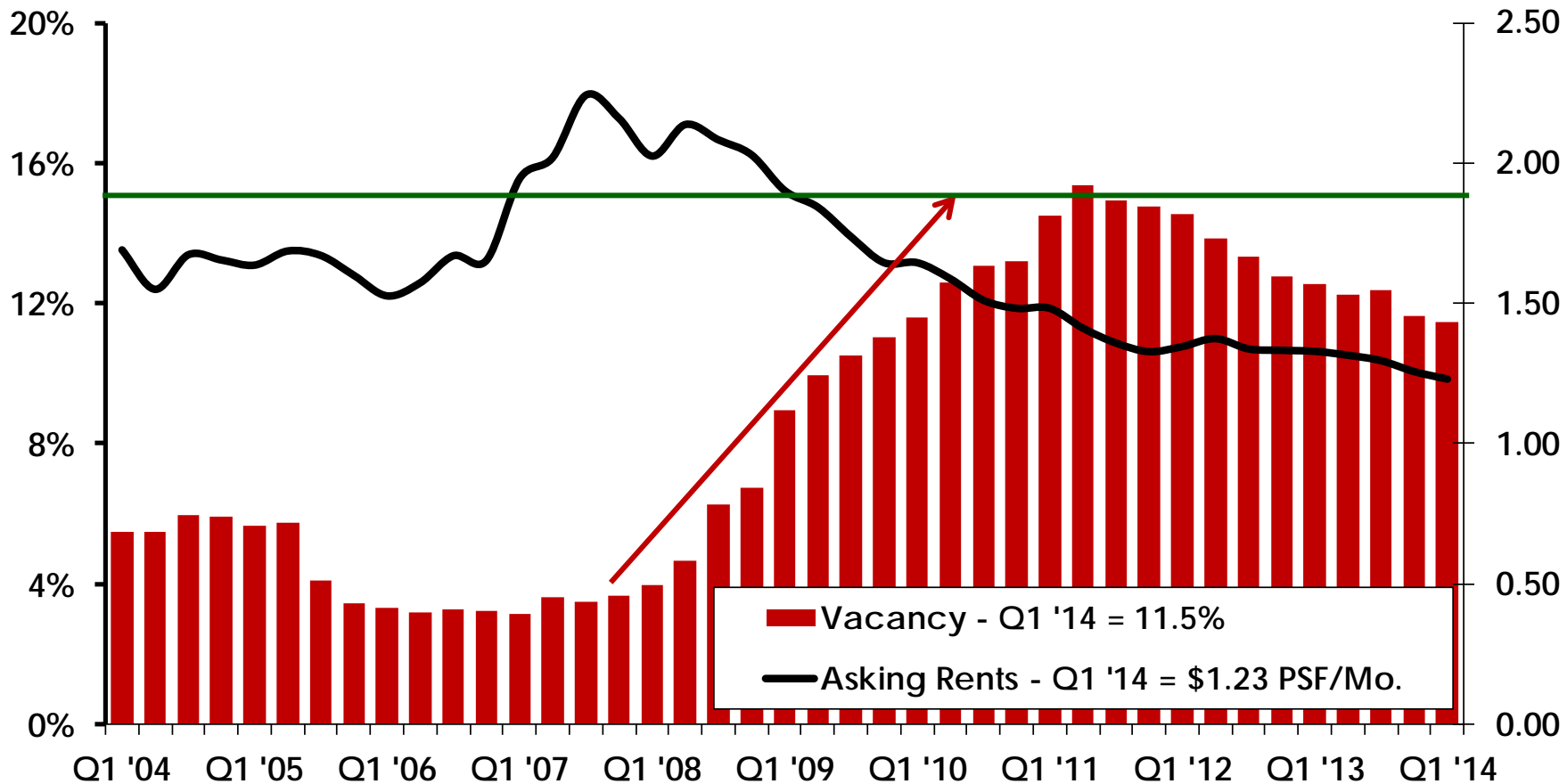


Q1-14: \$8.56B

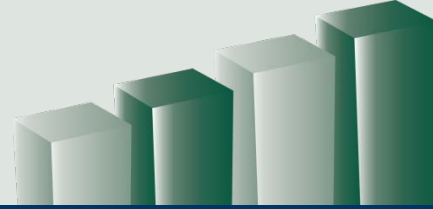
The anchored retail market continues to rebound, due to rising consumer spending.



Anchored Retail Vacancy & Asking Rents: Q1 2004 – Q1 2014

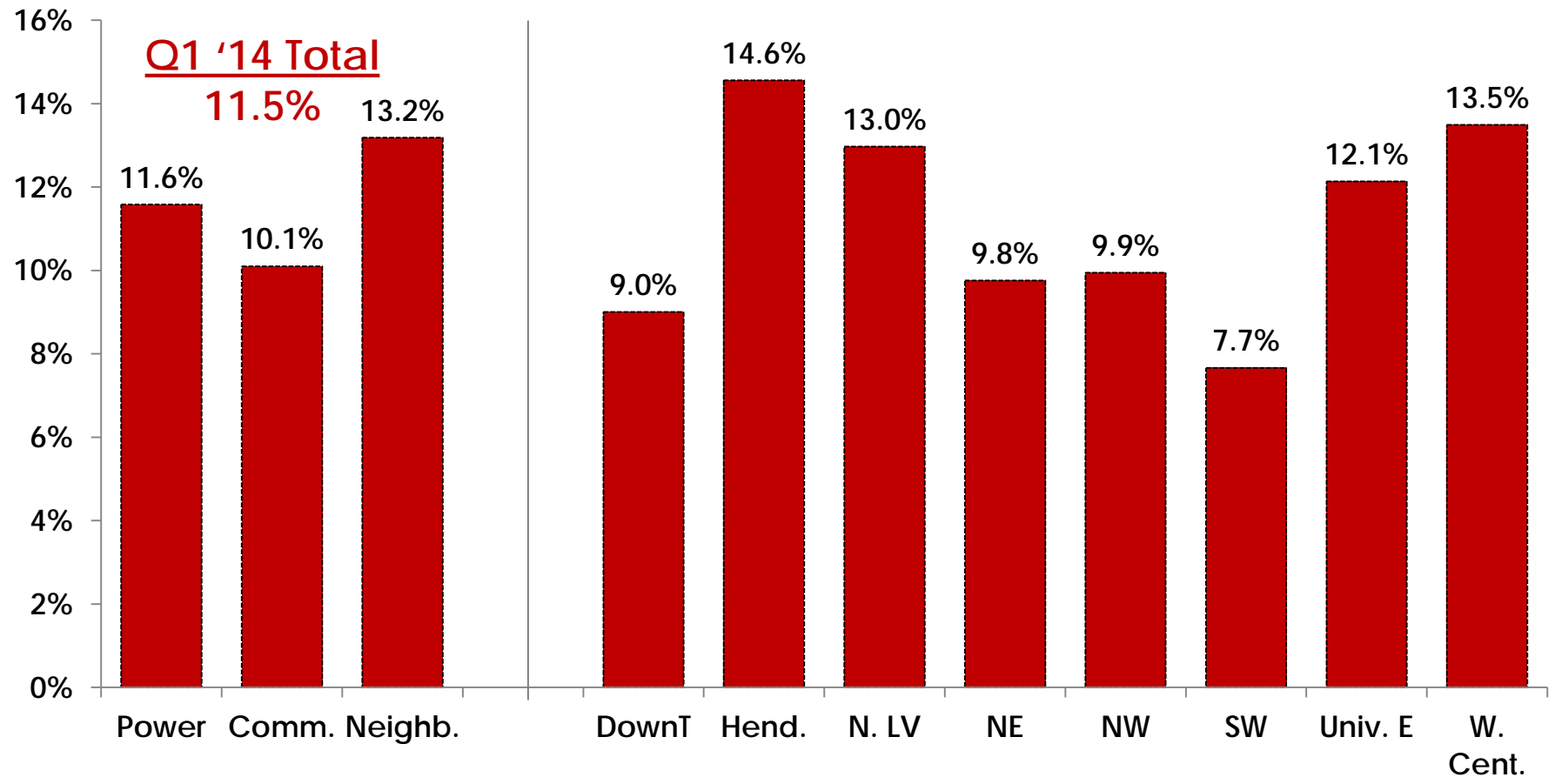


Vacancy highest in Neighborhood Centers & by submarket-Henderson: Q1 2014.

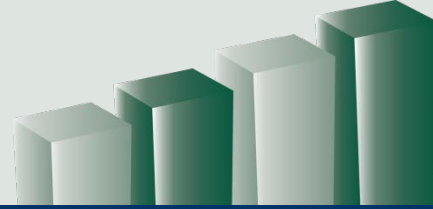


Product Type Comparison

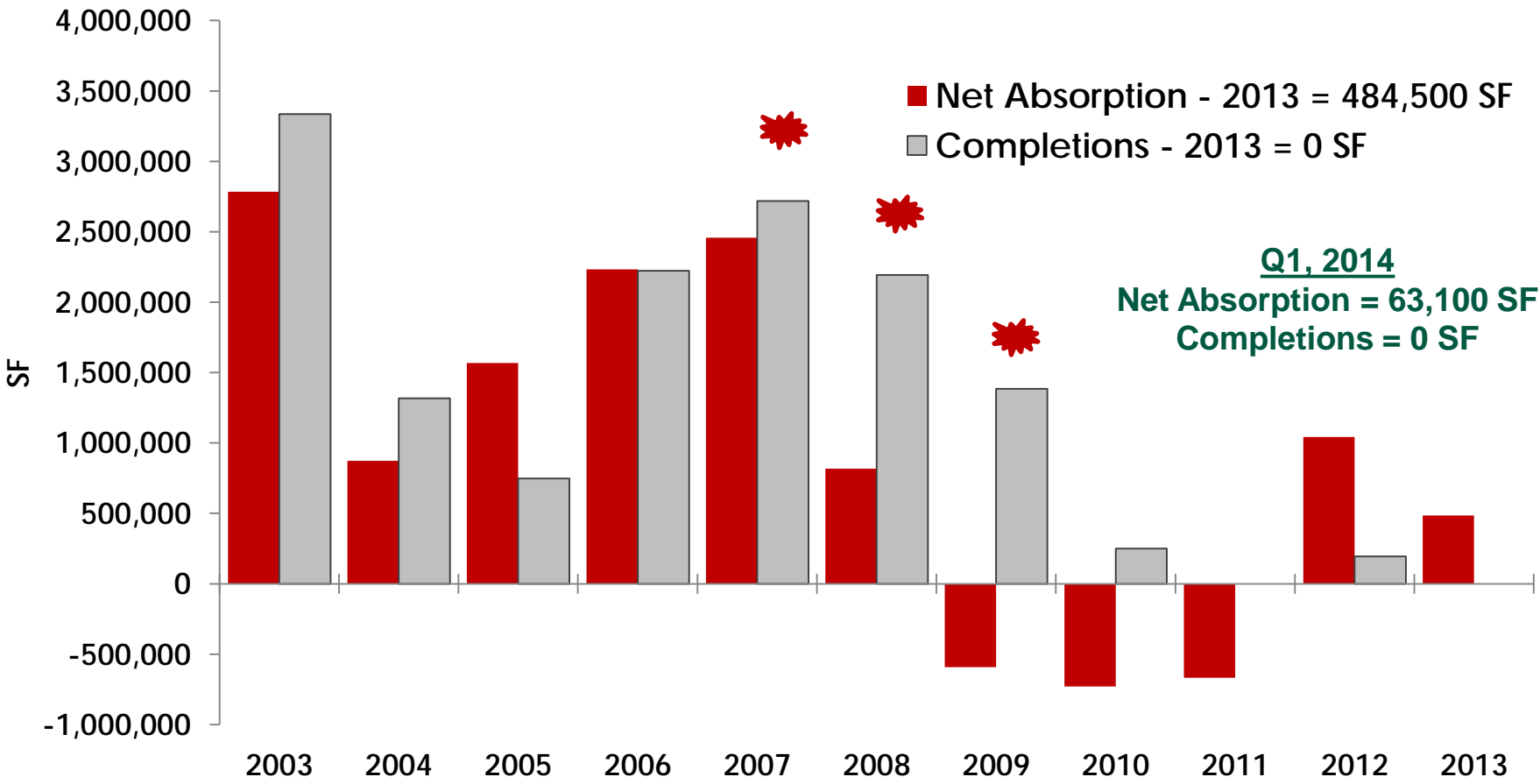
Submarket Comparison



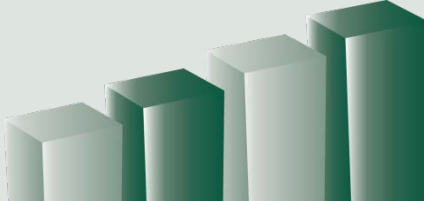
Anchored Retail absorption remains positive in 2013 & Q1 2014.



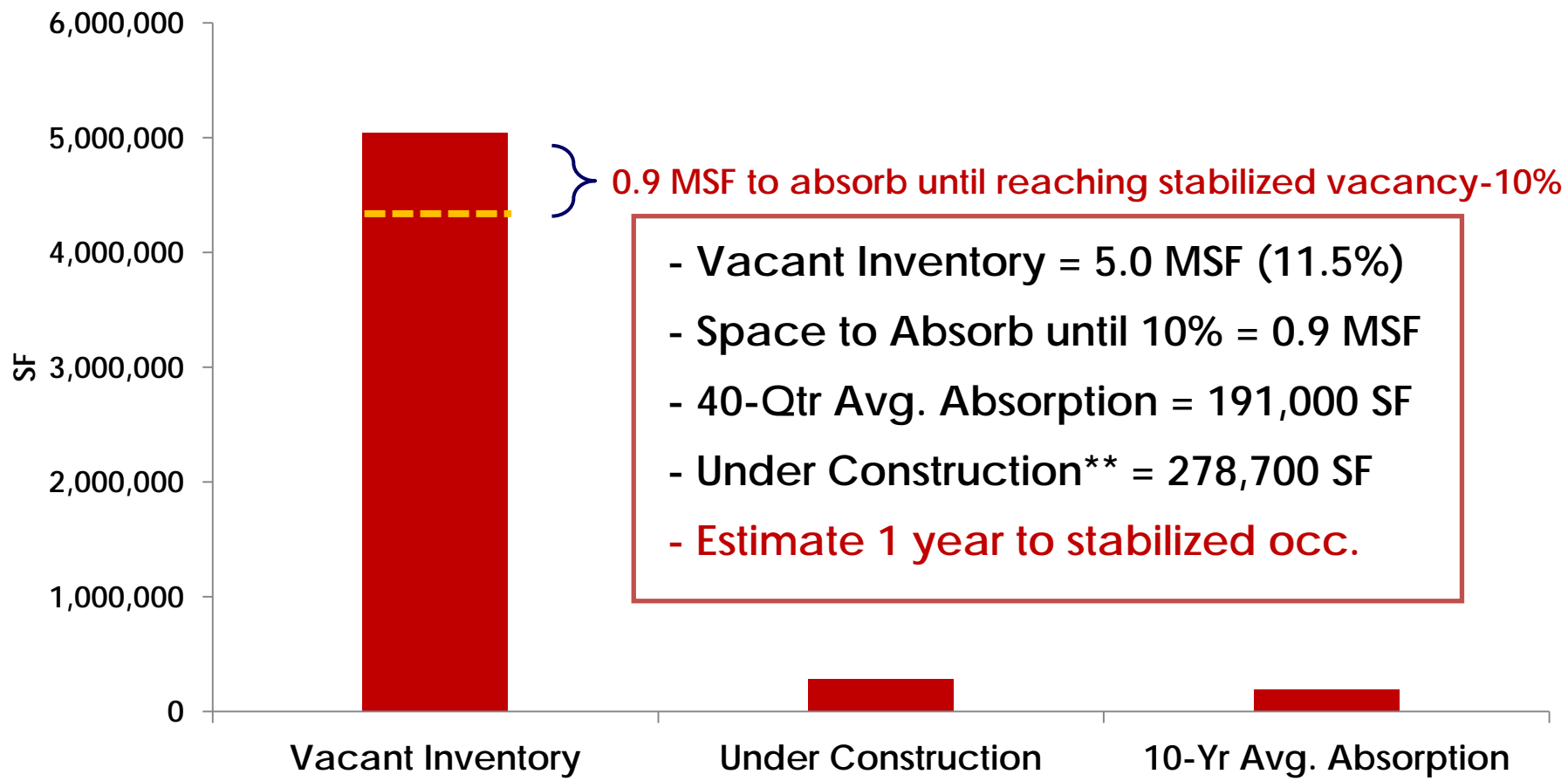
Anchored Retail Absorption & Completions: 2003 – 2013 & Q1 2014

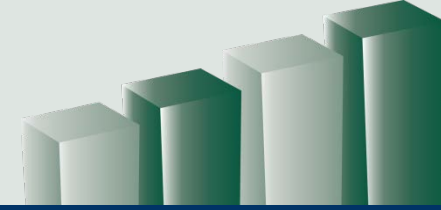


Anchored Retail market just one year of supply from 10% stabilized vacancy.



Anchored Retail Vacant Inventory & Quarterly Absorption





FINAL THOUGHTS



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