

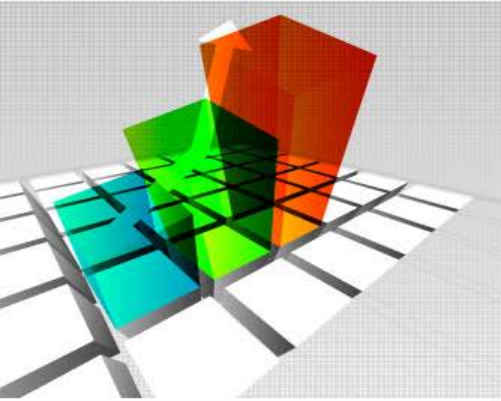
LAS VEGAS VALLEY COMMERCIAL REAL ESTATE ROUNDUP

Presented to:
SNAPPE

October 1, 2015

Presented by:

RCG
ECONOMICS

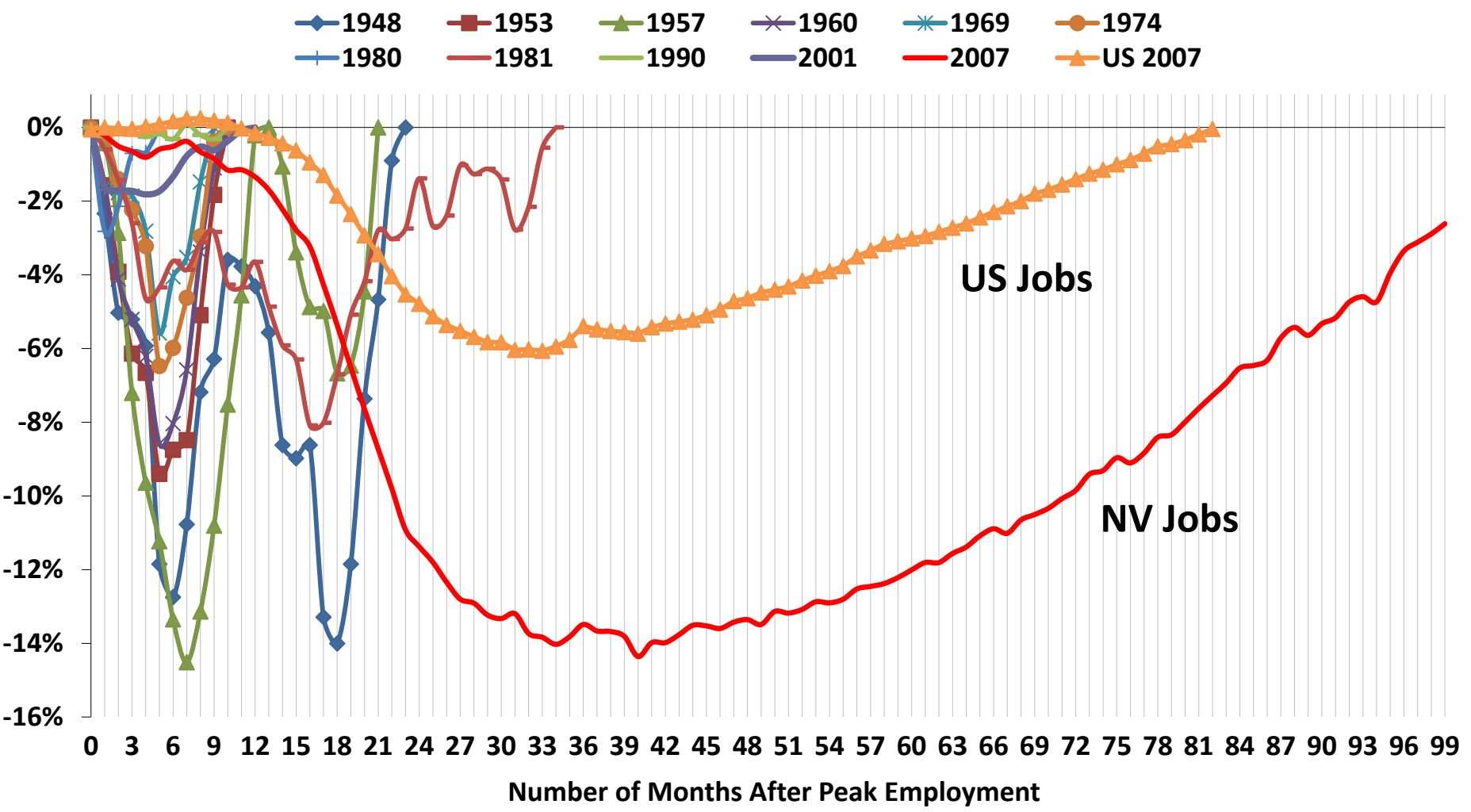


PART 1: THE SOUTHERN NEVADA JOB MARKET



Nevada job recovery from Great Recession (after 99 months)

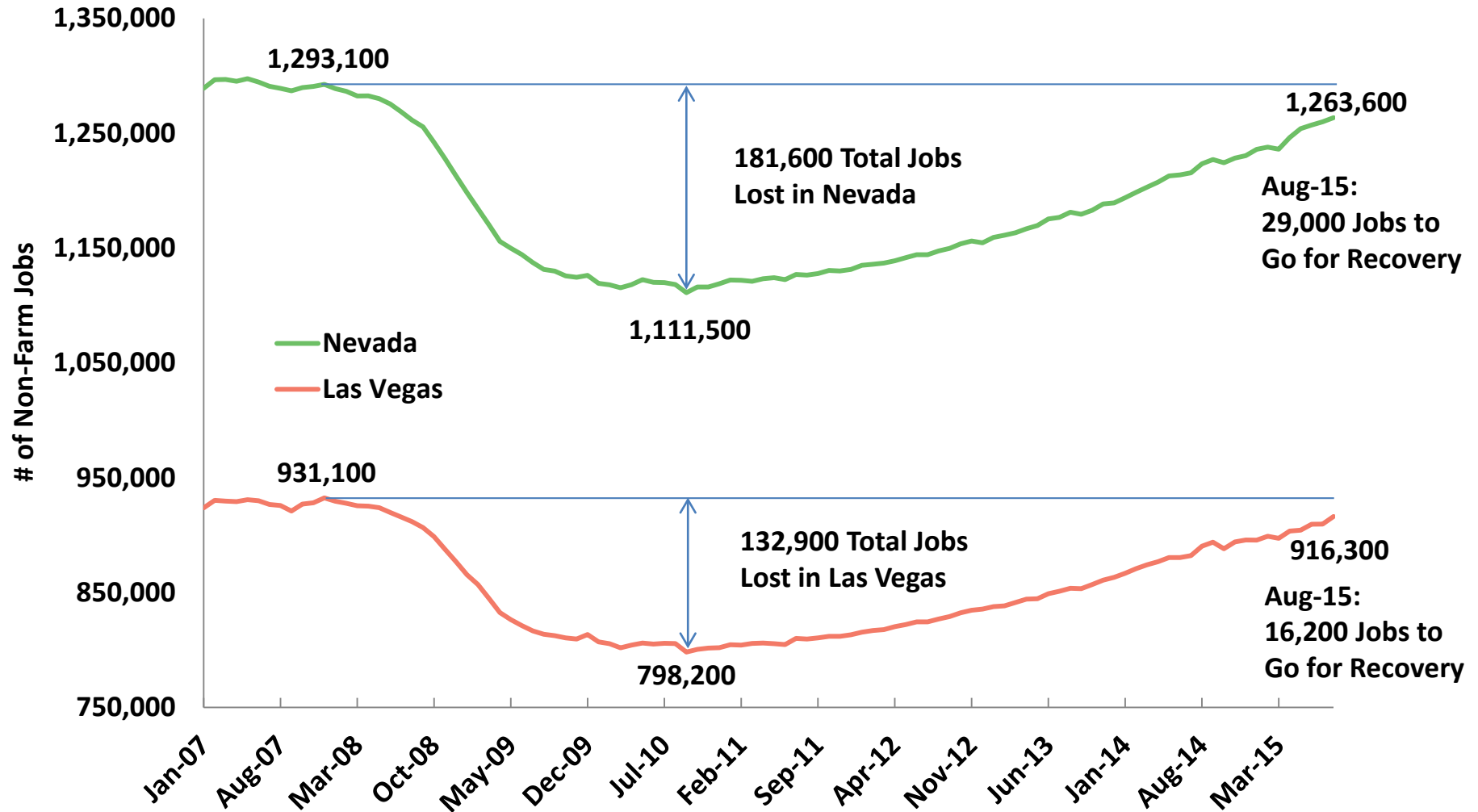
Comparison of Recession Job Recoveries, by Percent: 1948 to Present



Source: Bureau of Labor Statistics.

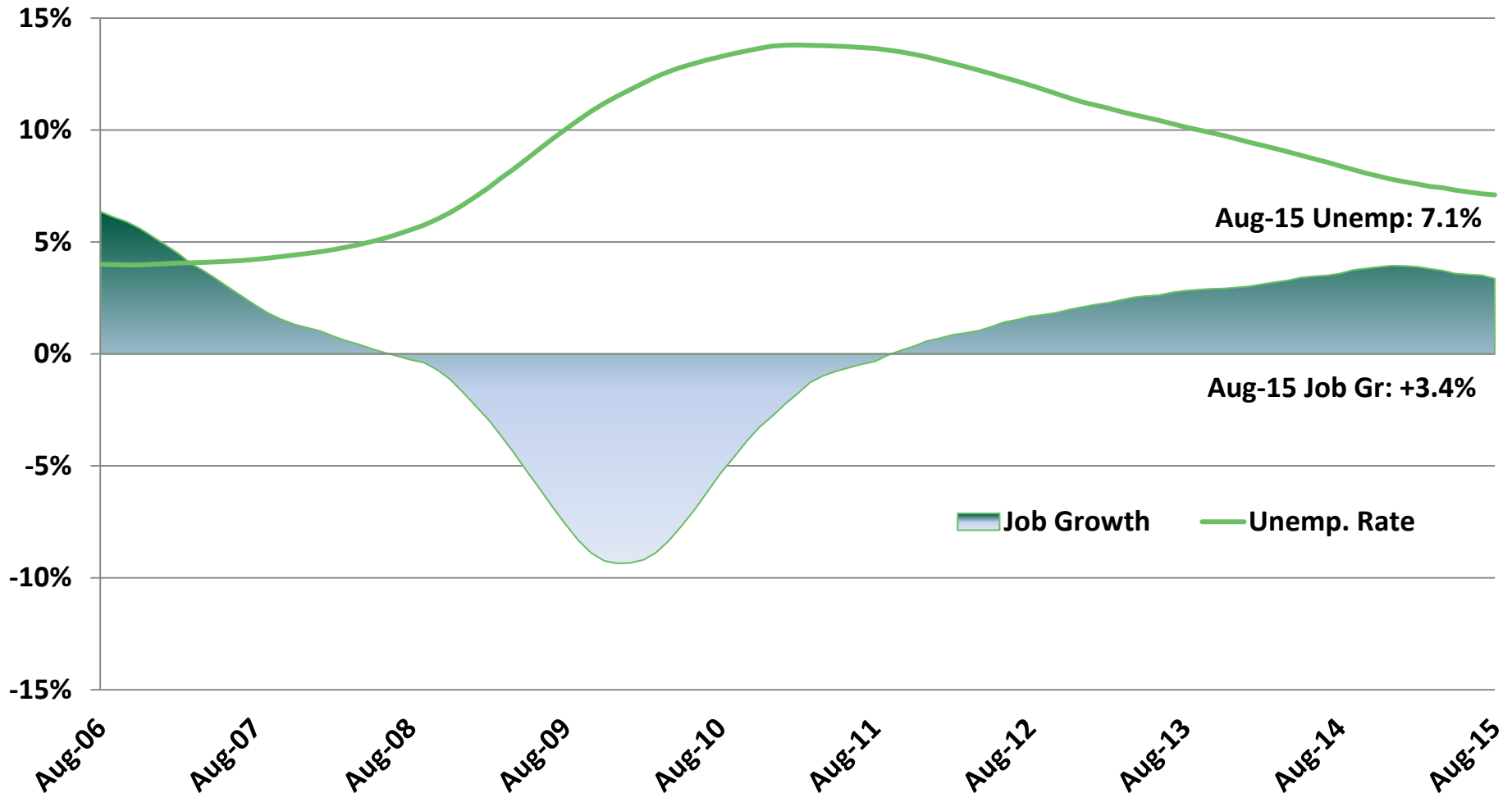
Las Vegas job recovery 88% complete, full recovery likely within 9 months

Current Las Vegas MSA Recession Job Recovery, by Jobs: Jan-07 to Aug-15



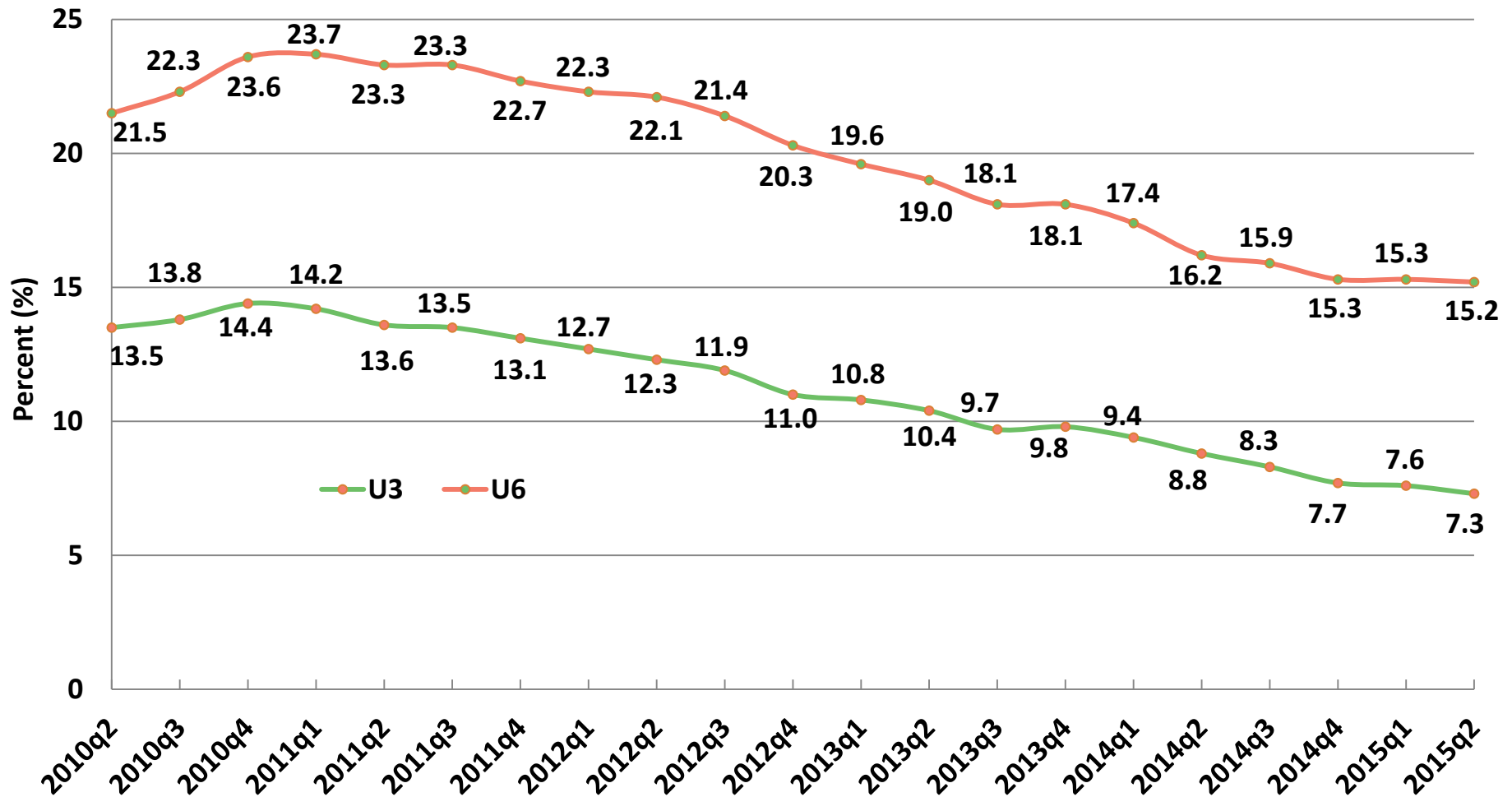
Unemployment continues to drop, job growth slowing but good

Nevada Job Growth & Unemployment Rate: Aug-06 to Aug-15



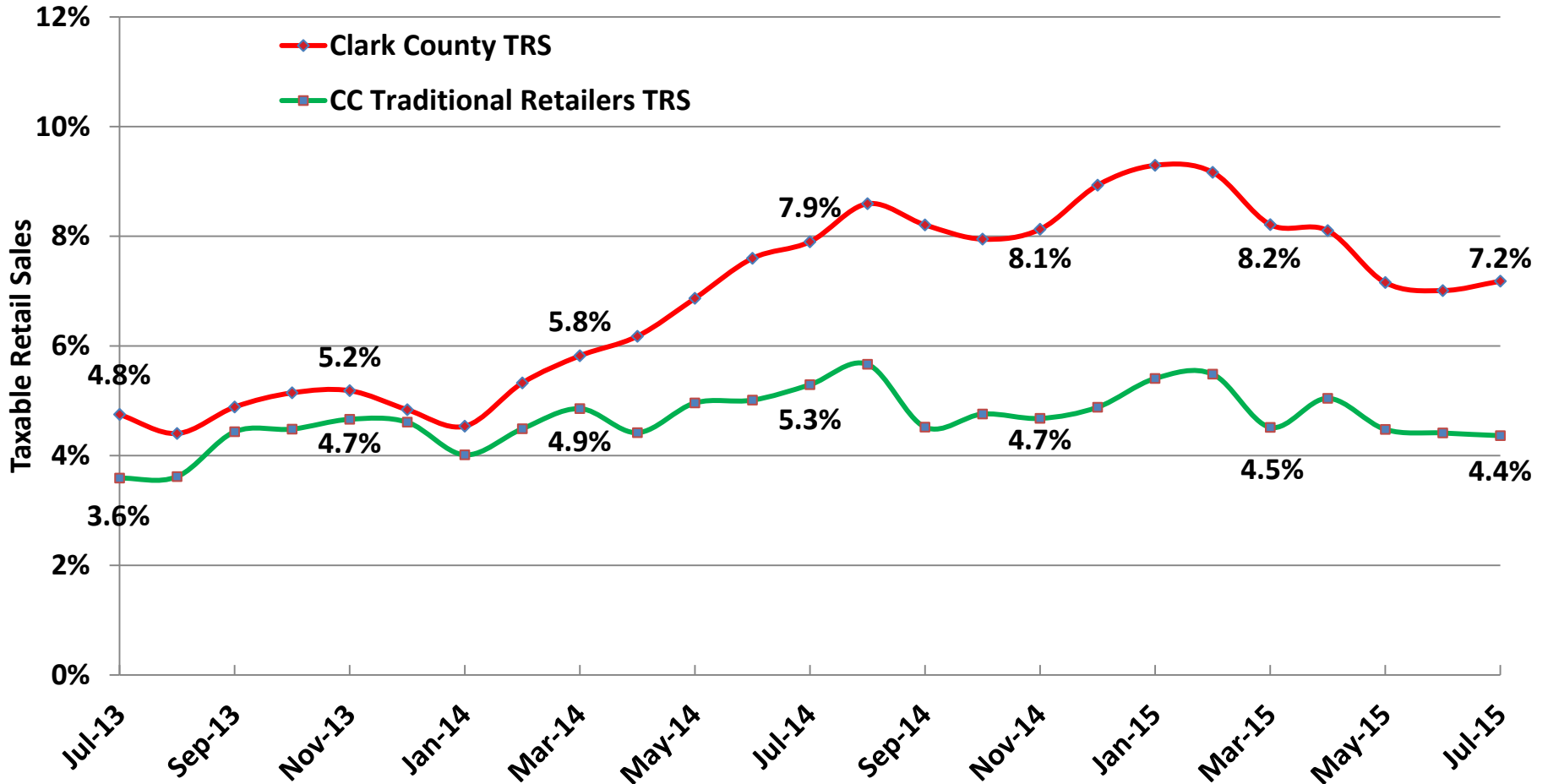
U-6 rate shows high share of forced part-time workers in Nevada

Nevada U-3 & U-6 Rates: Q2/10 to Q2/15

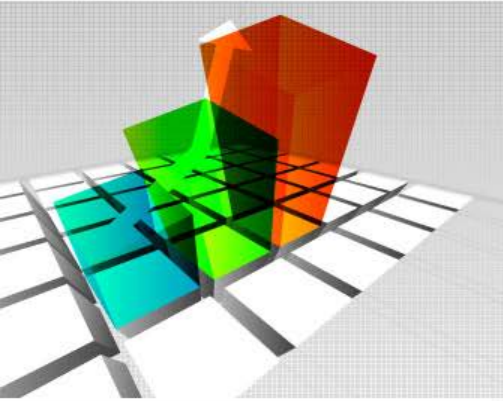


Retail sales holding steady, with slight drop-off going into summer

Clark County Total Taxable Retail Sales ("TRS") vs. Traditional Retailers' TRS: Jul-13 to Jul-15



Source: Nevada Department of Taxation; calculated by RCG Economics.



PART 2: THE COMMERCIAL REAL ESTATE MARKETS

Jobs
Absorption
Vacancy
Rents



Industrial jobs still growing but rate slowing, possible due lack of space

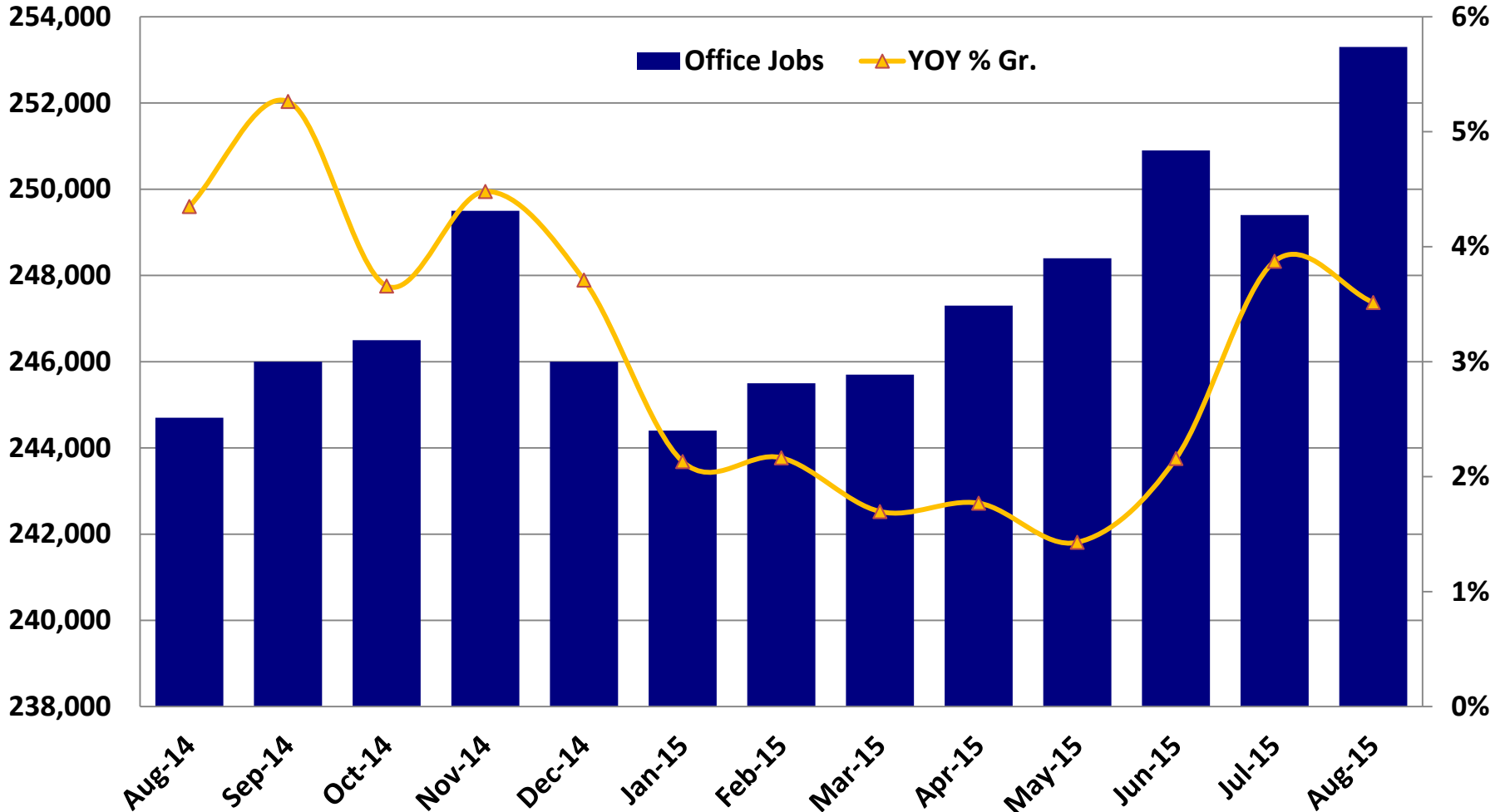
Las Vegas MSA Industrial-Using* Jobs & Growth: Aug-14 to Aug-15



*Natural resources, construction, manufacturing, and transportation & warehousing industries.
Source: Bureau of Labor Statistics; calculated by RCG Economics.

2015 office job growth generally trending upward after slow start

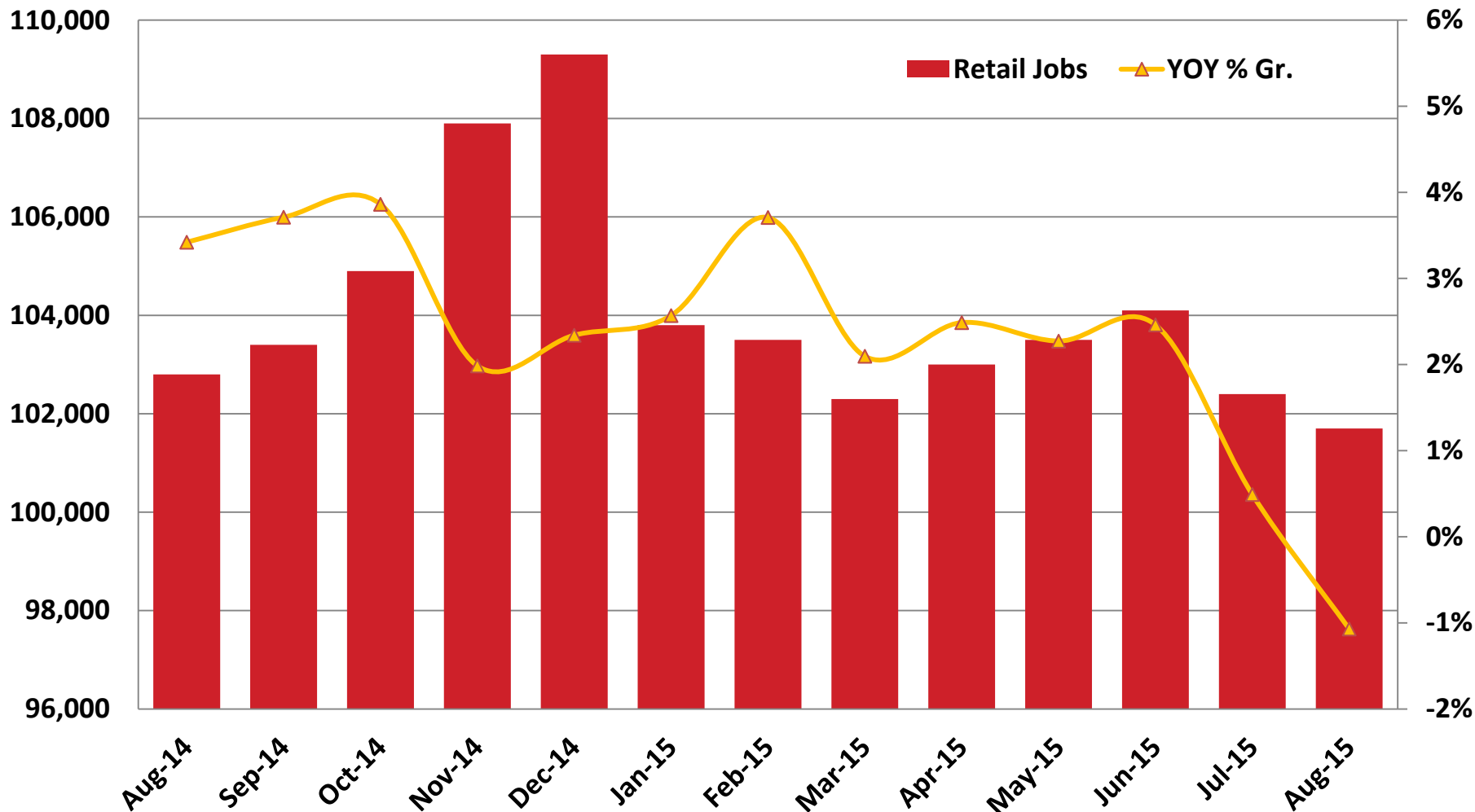
Las Vegas MSA Office-Using* Jobs & Growth: Aug-14 to Aug-15



*Information, financial activities, professional & business and health care & social assistance.
Source: Bureau of Labor Statistics; calculated by RCG Economics.

Retail job growth falling big during summer doldrums; will pick-up in holidays

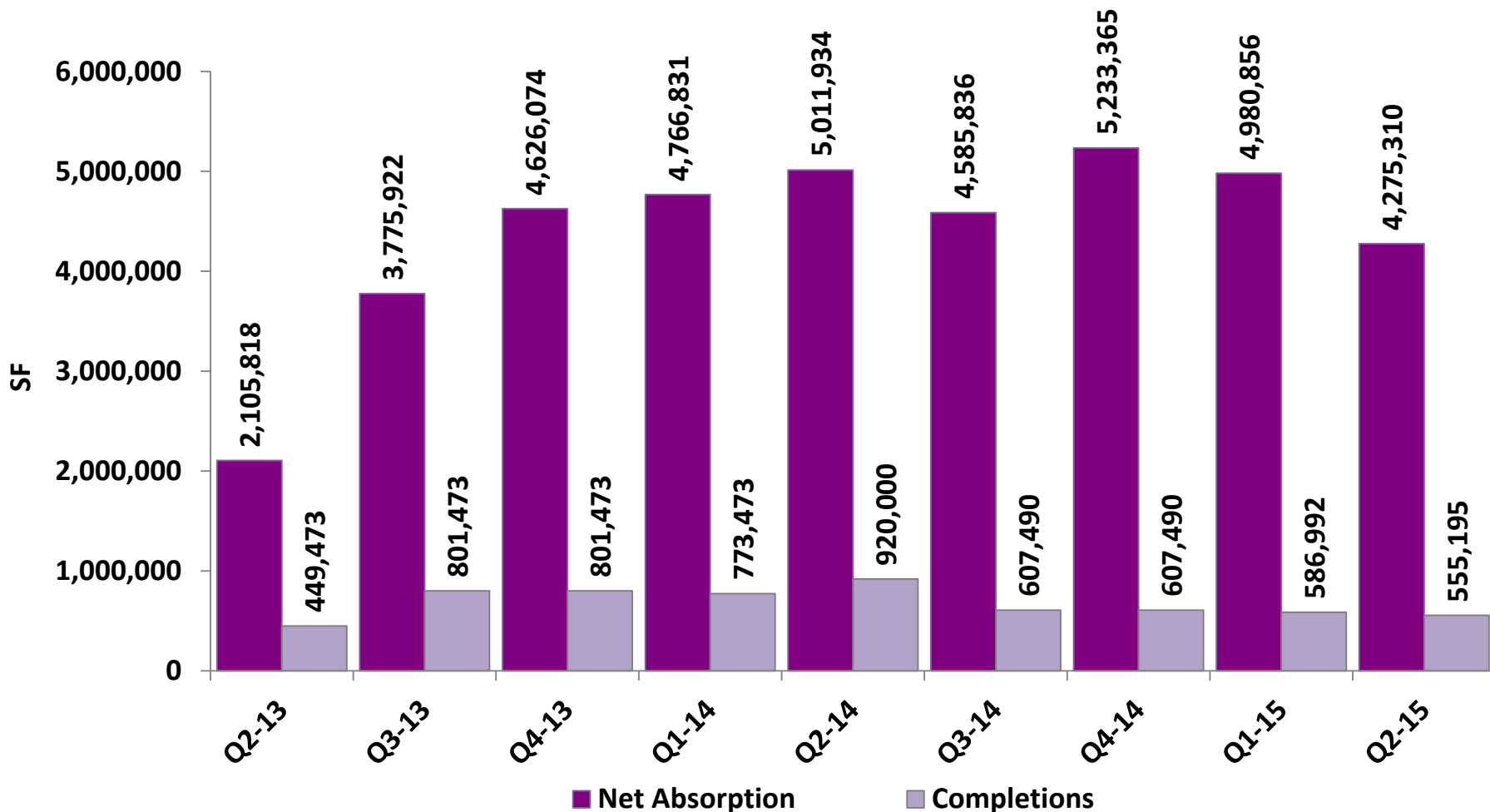
Las Vegas MSA Retail-Using Jobs & Growth: Aug-14 to Aug-15



Source: Bureau of Labor Statistics; calculated by RCG Economics.

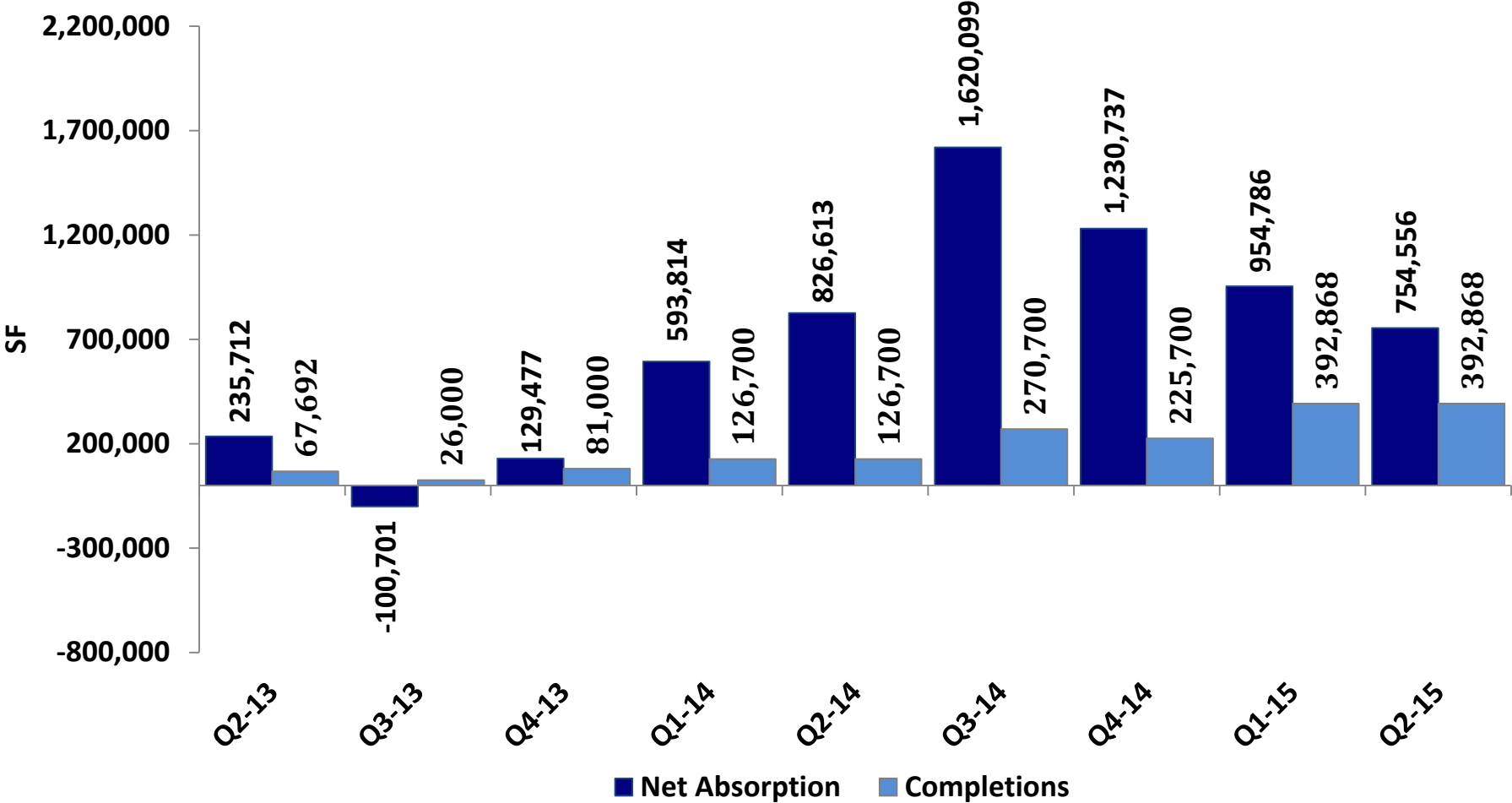
Industrial absorption over 4M SF for 7 straight quarters

Las Vegas Valley Industrial YOY Absorption & Completions: Q2/13 to Q2/15



Office absorption declined 3 quarters in a row

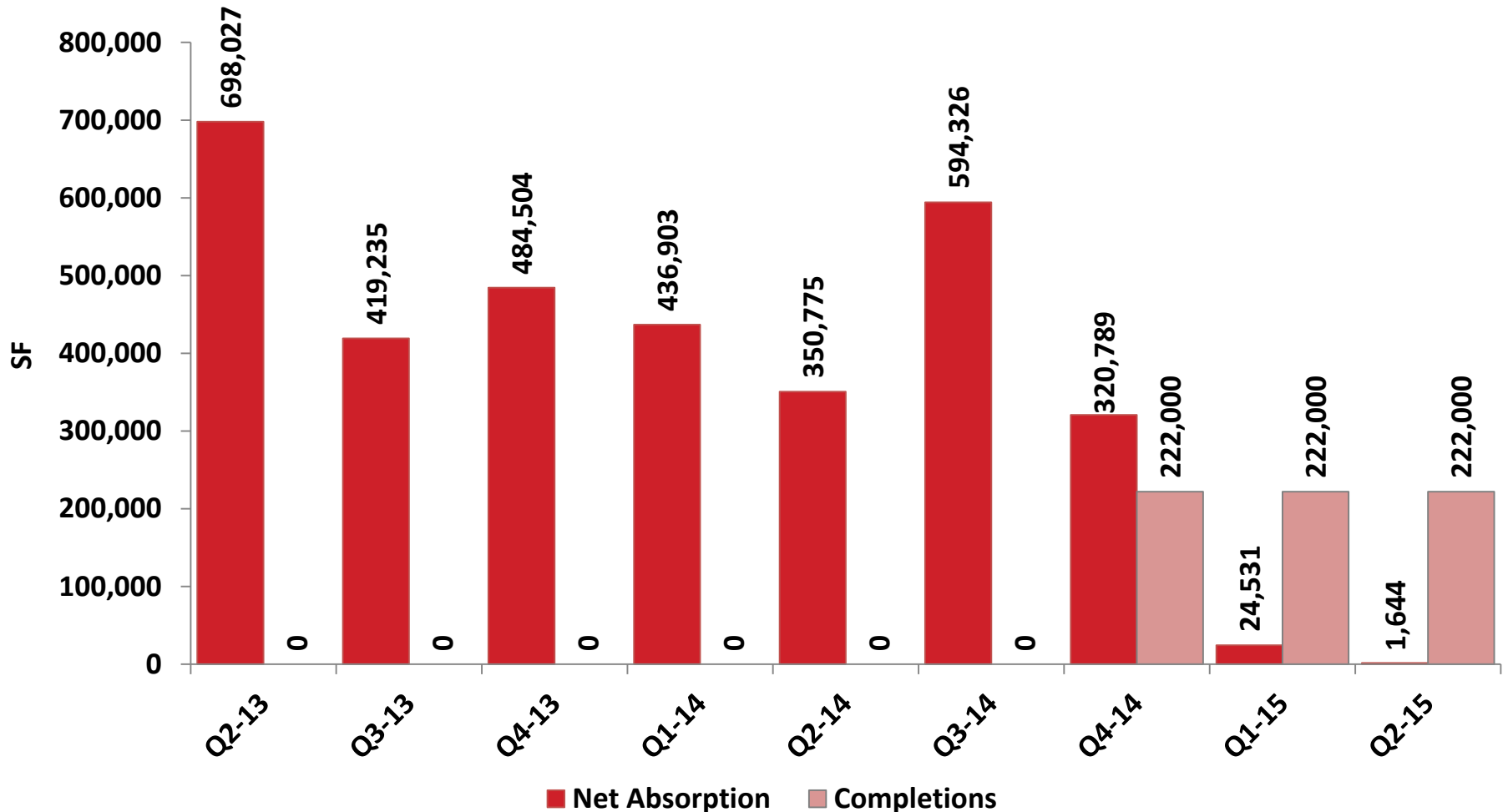
Las Vegas Valley Spec Office YOY Absorption & Completions: Q2/13 to Q2/15



Source: RCG Economics.

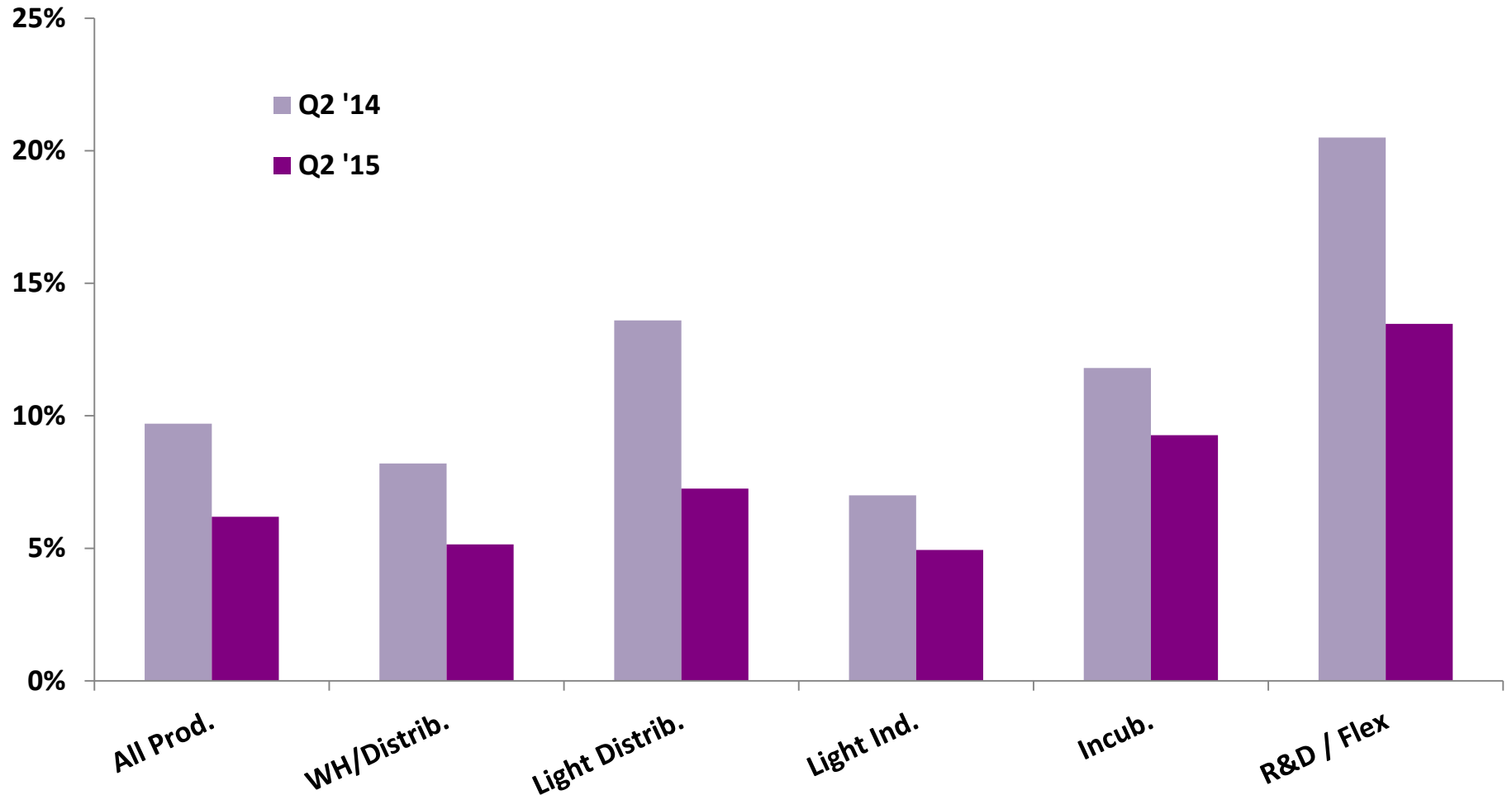
Retail absorption effectively zero over last 2 quarters

Las Vegas Valley Anch. Retail YOY Absorption & Completions: Q2/13 to Q2/15



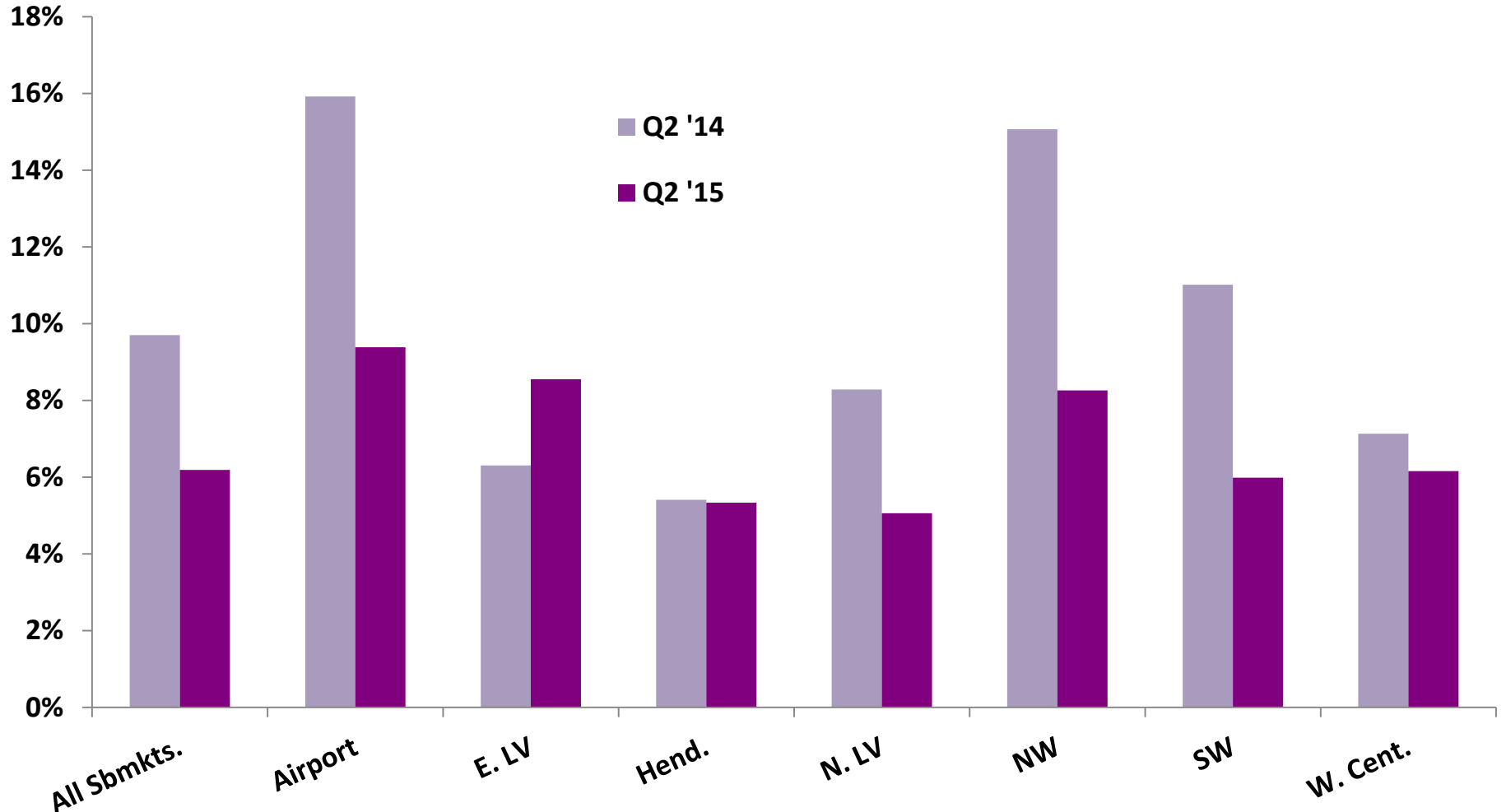
All Industrial space types experienced improvement in vacancy rate

Las Vegas Valley Industrial Vacancy Rate, by Product: Q2/14 to Q2/15



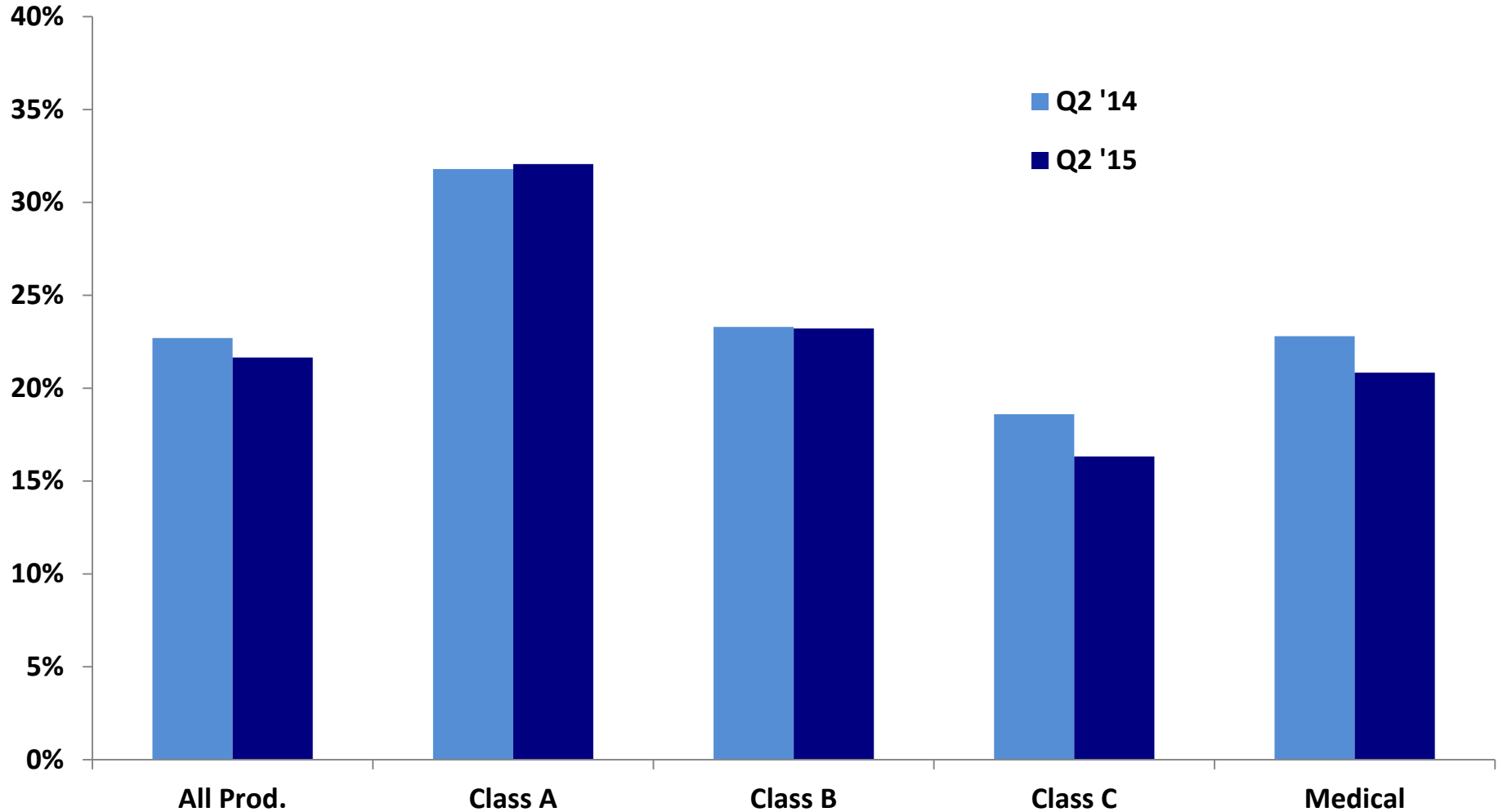
North Las Vegas, Henderson leading submarkets in occupied Industrial space

Las Vegas Valley Industrial Vacancy Rate, by Submarket: Q2/14 to Q2/15



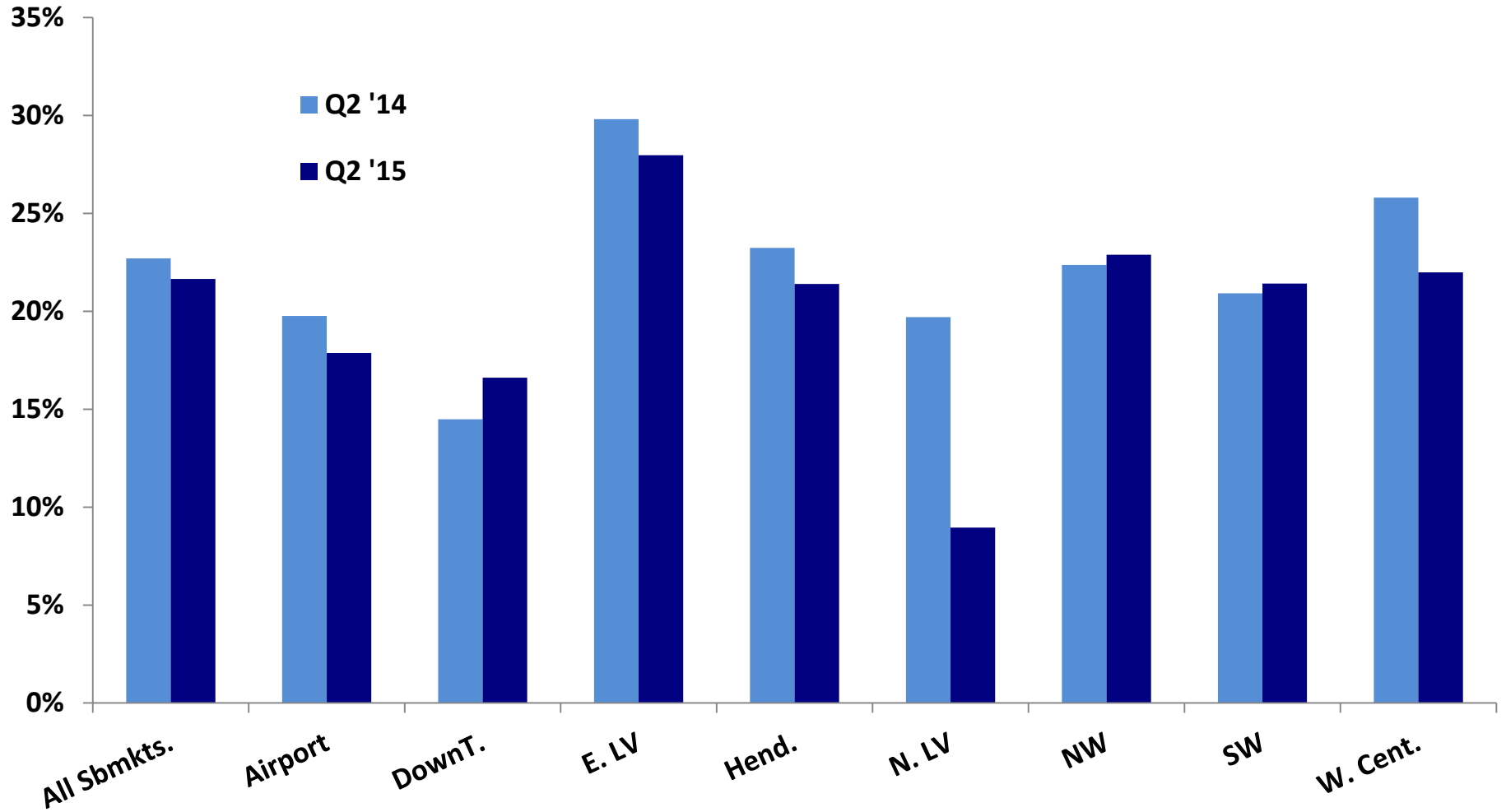
Class C driving improvement in Spec Office vacancy rate

Las Vegas Valley Spec Office Vacancy Rate, by Product: Q2/14 to Q2/15



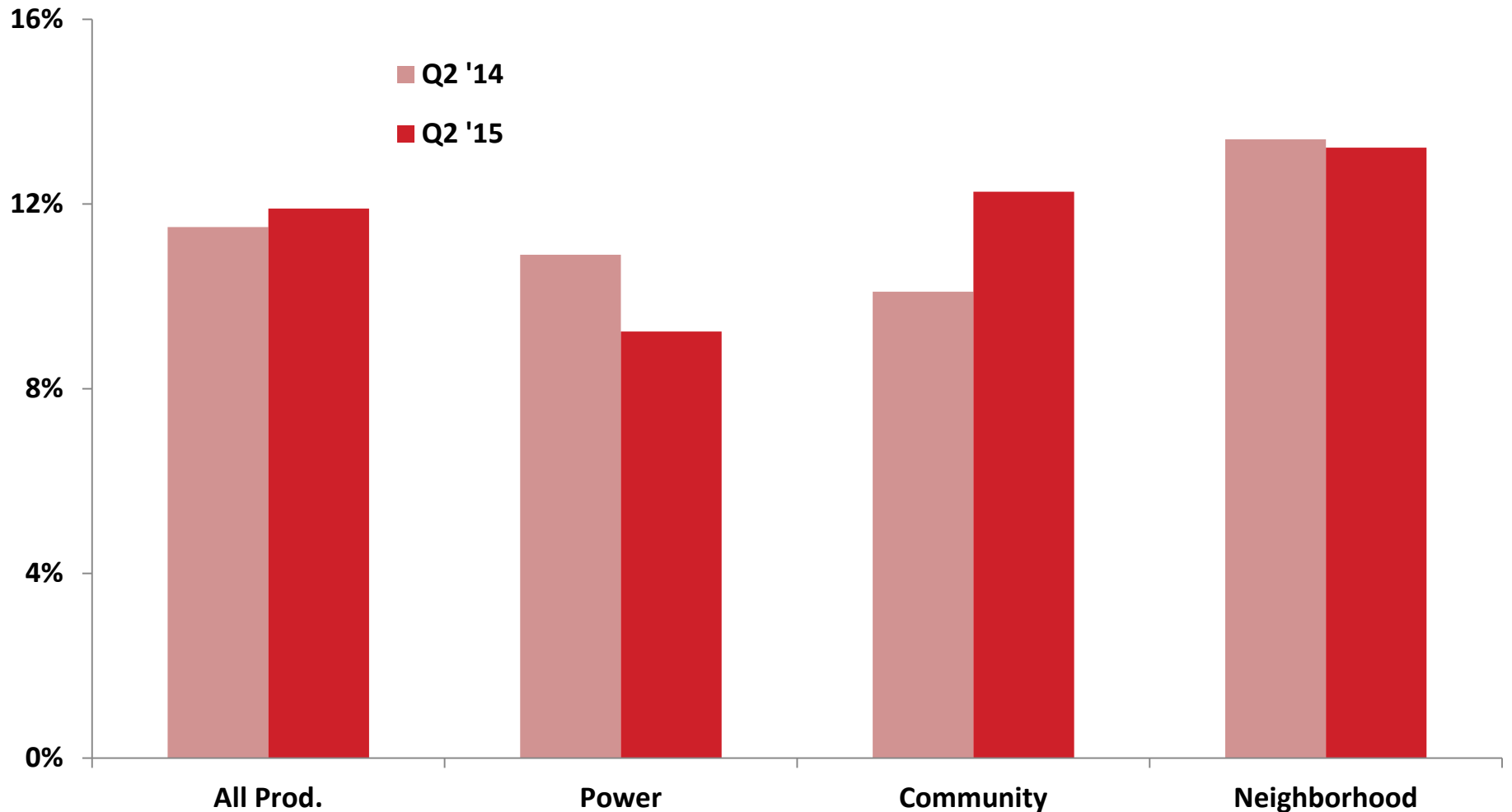
Class C-heavy NLV doing well, Class A-heavy East LV (Hughes Center) lagging

Las Vegas Valley Spec Office Vacancy Rate, by Submarket: Q2/14 to Q2/15



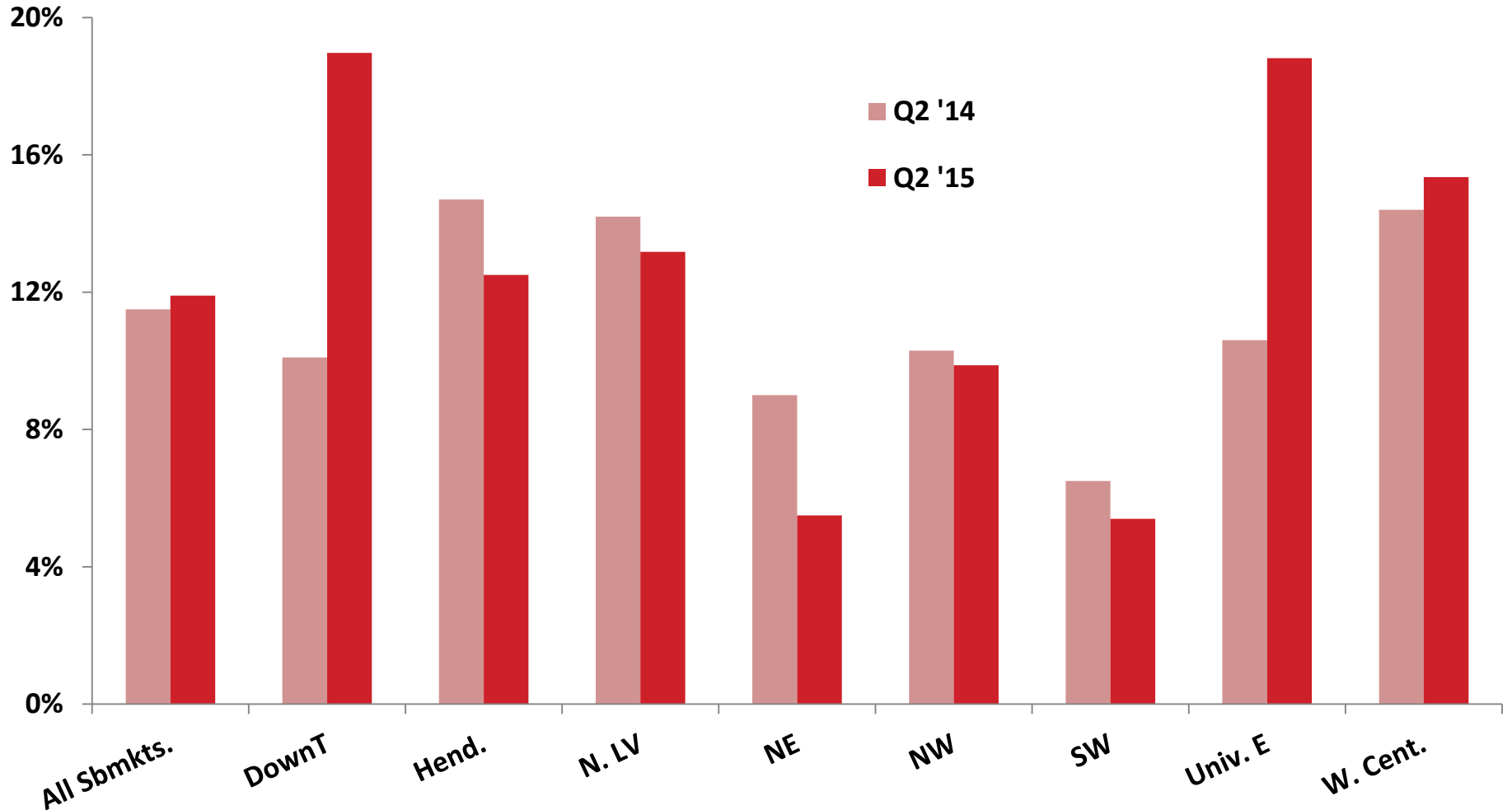
Improvement in Retail vacancy rate stall, Power Centers strengthening

Las Vegas Valley Anch. Retail Vacancy Rate, by Product: Q2/14 to Q2/15



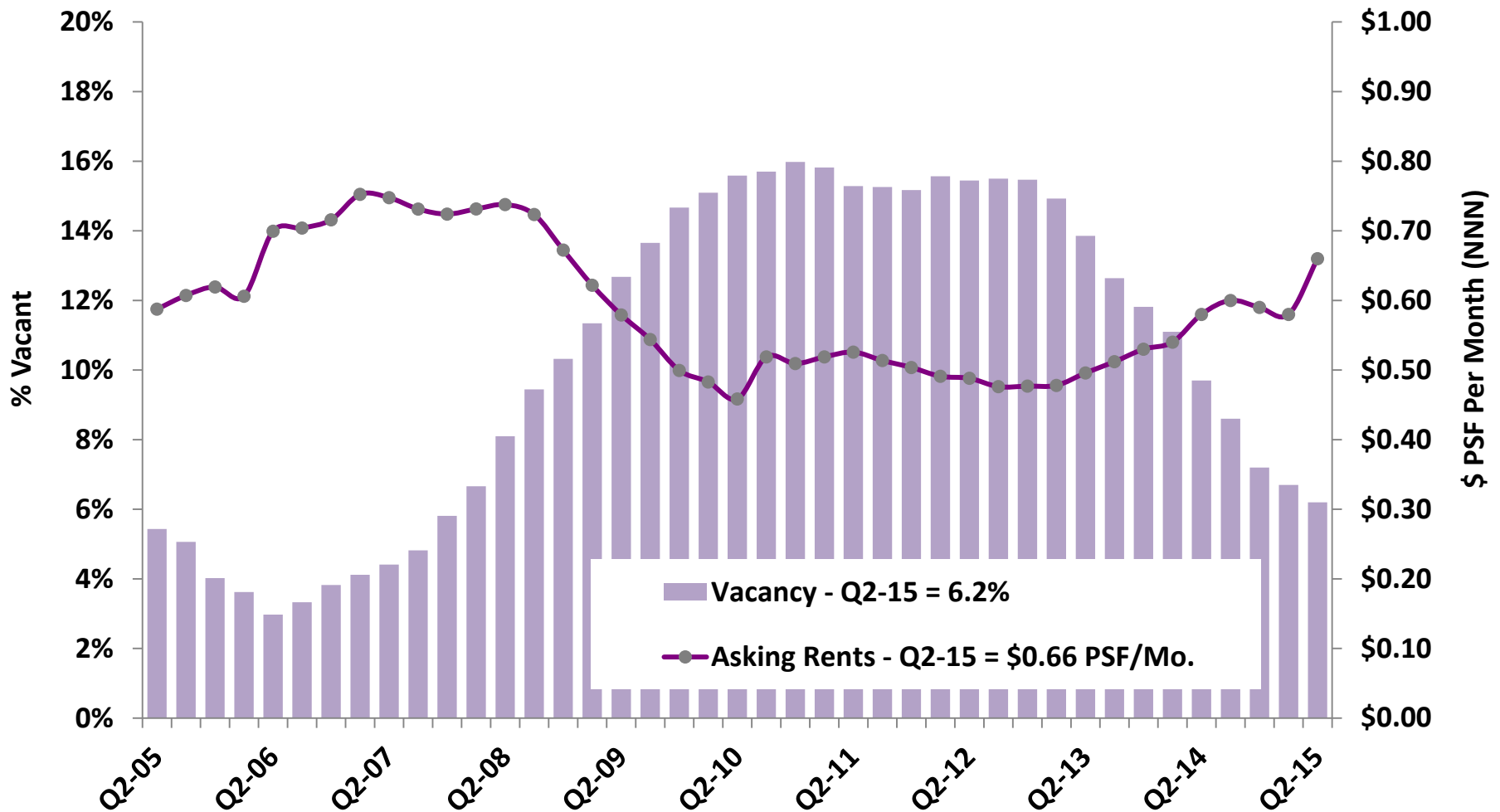
NE, NW & SW markets healthy, while Downtown, University East struggling

Las Vegas Valley Anch. Retail Vacancy Rate, by Submarket: Q2/14 to Q2/15



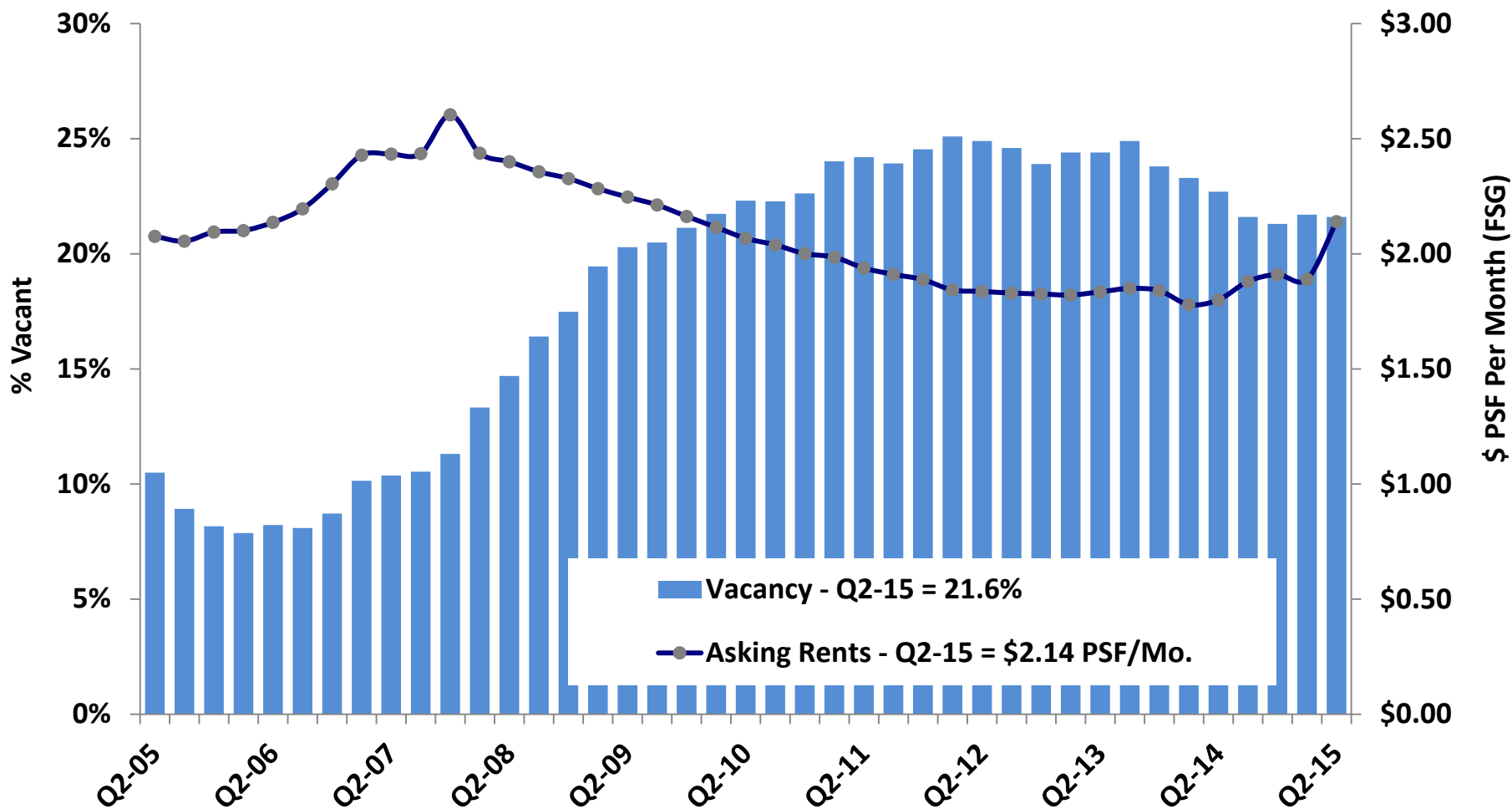
Industrial rents rising slowly as vacancy rate drops below 10%; quality space gone

Las Vegas Valley Industrial Vacancy Rate & Rents: Q2/05 to Q2/15



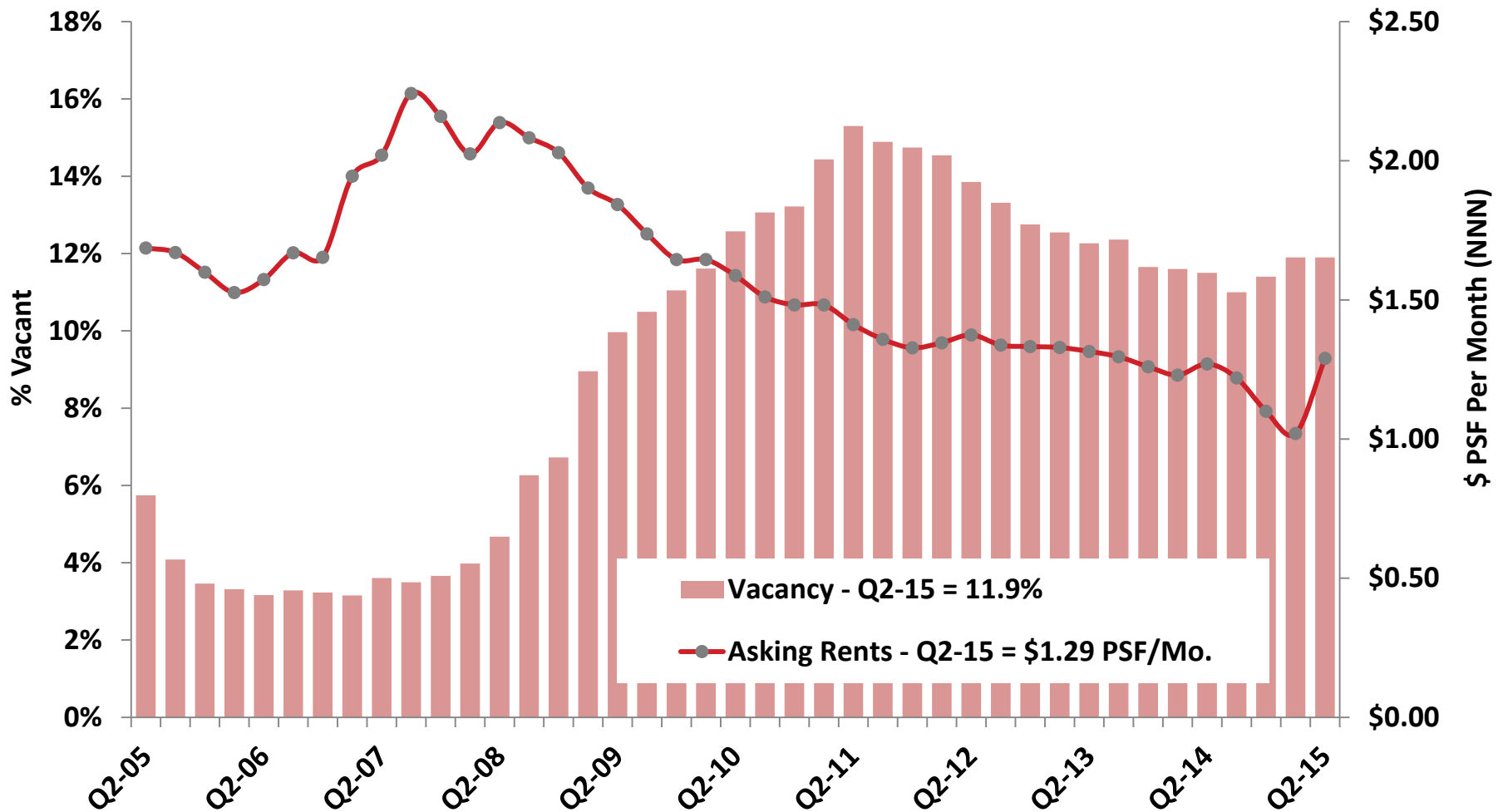
Office rents roughly stable with a high but stable vacancy rate

Las Vegas Valley Spec Office Vacancy Rate & Rents: Q2/05 to Q2/15



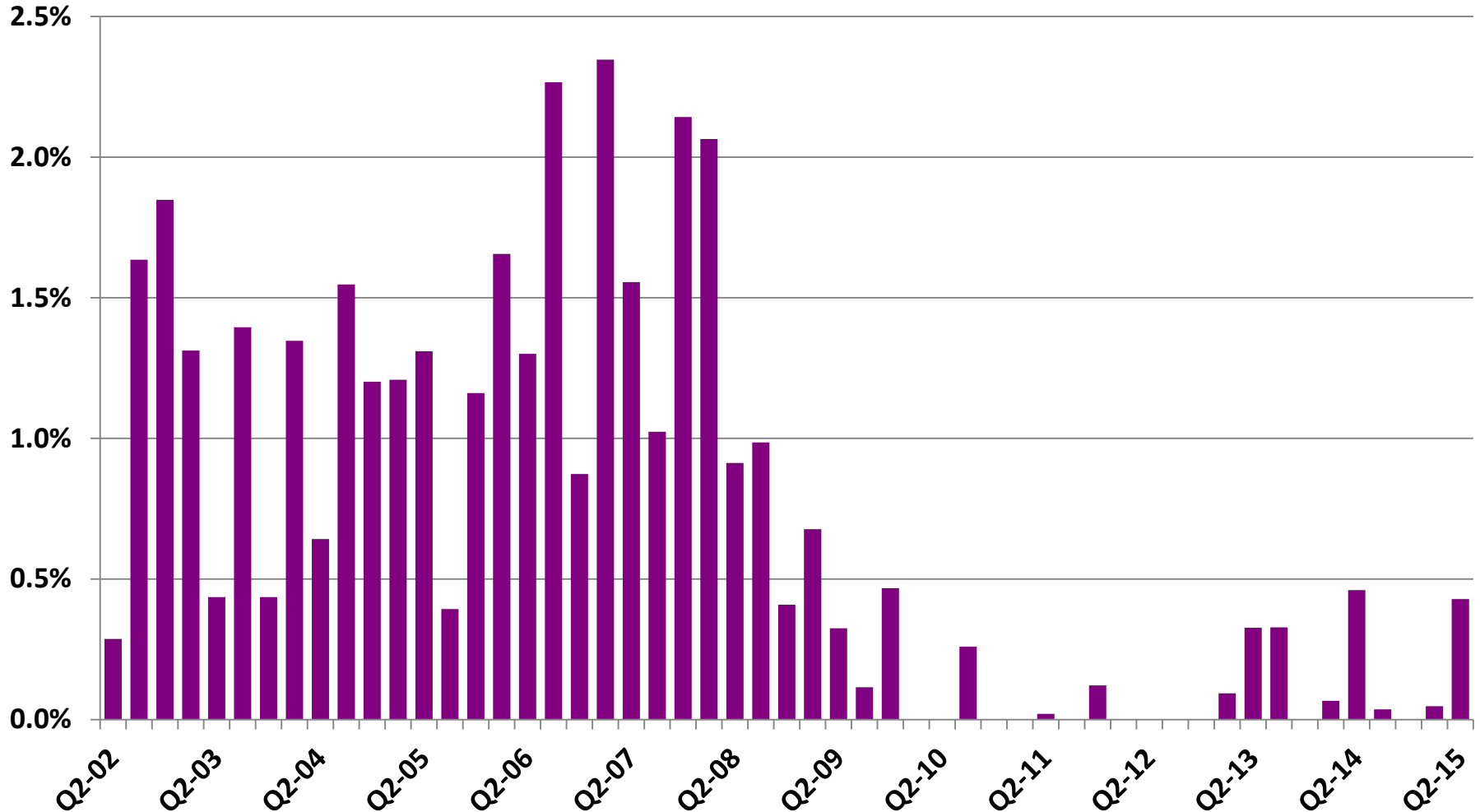
Retail rents leveling off; vacancy rate stabilizing at ~11.5%

Las Vegas Valley Anch. Retail Vacancy Rate & Rents: Q2/05 to Q2/15



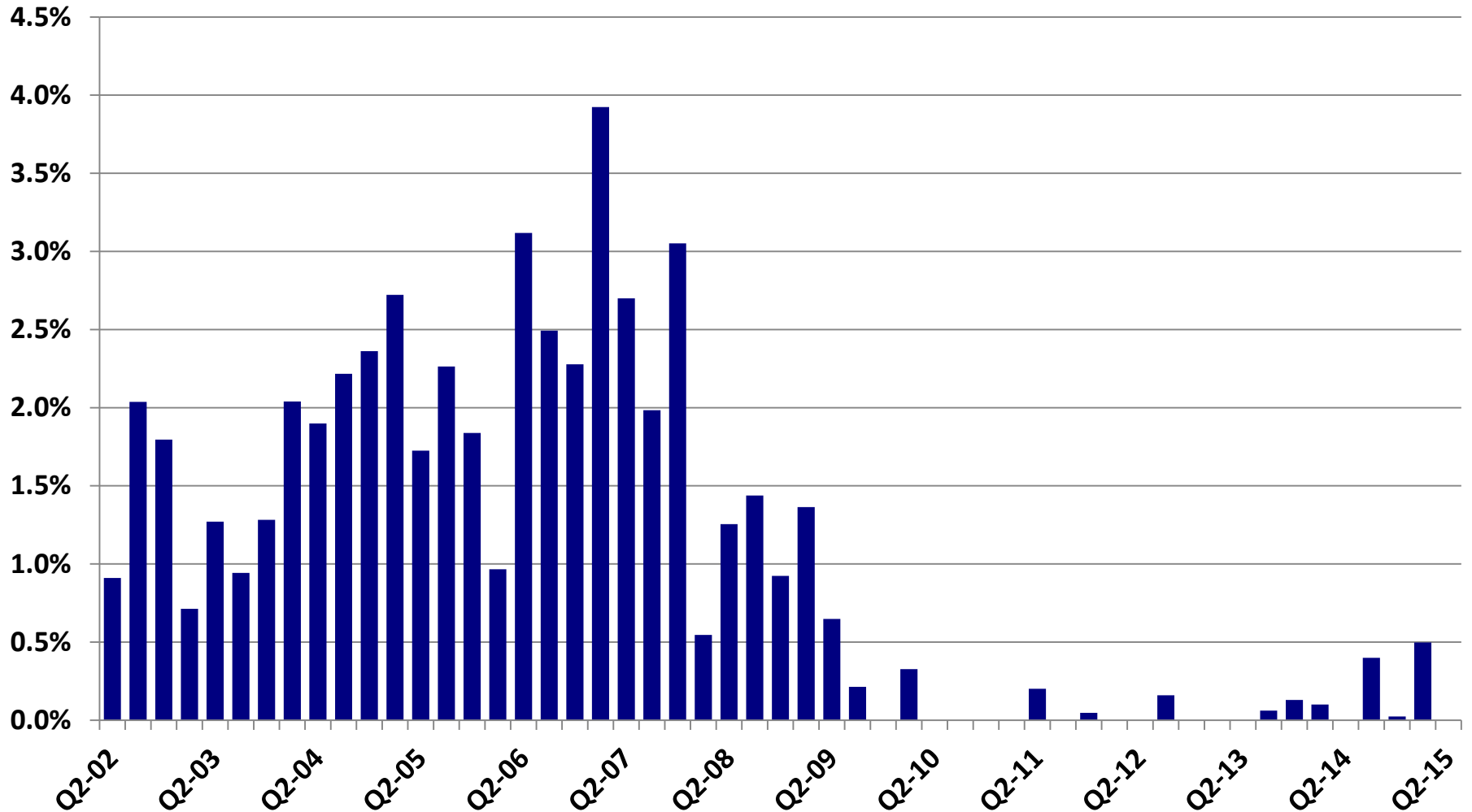
Industrial completions picking up; more space on the way

Las Vegas Valley Industrial Completions as % of Inventory: Q2/02 to Q2/15



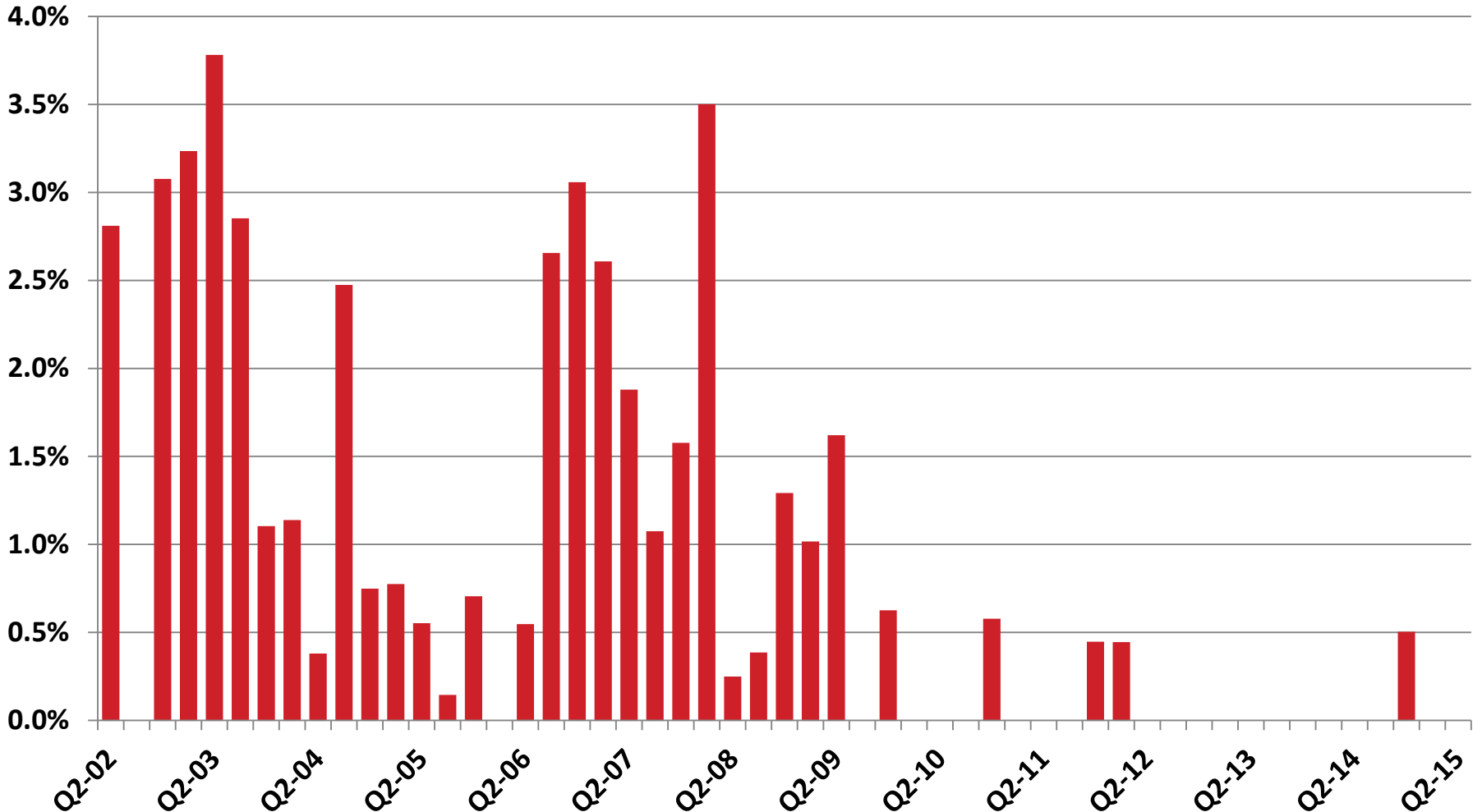
New Office completions started recently, some targeted growth ahead

Las Vegas Valley Spec Office Completions as % of Inventory: Q2/02 to Q2/15



Retail completions near zero, flickers of hope on horizon

Las Vegas Valley Anch. Retail Completions as % of Inventory: Q2/02 to Q2/15



Questions?

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