

LAS VEGAS COMMERCIAL REAL ESTATE ROUNDUP

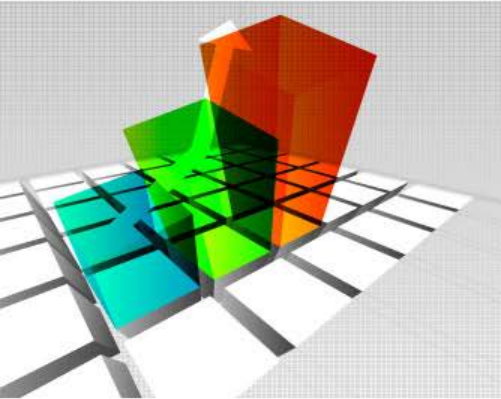
Presented to:

 **IREM** Institute of Real Estate Management
Las Vegas Chapter No. 99

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Presented by:

**RCG
ECONOMICS**

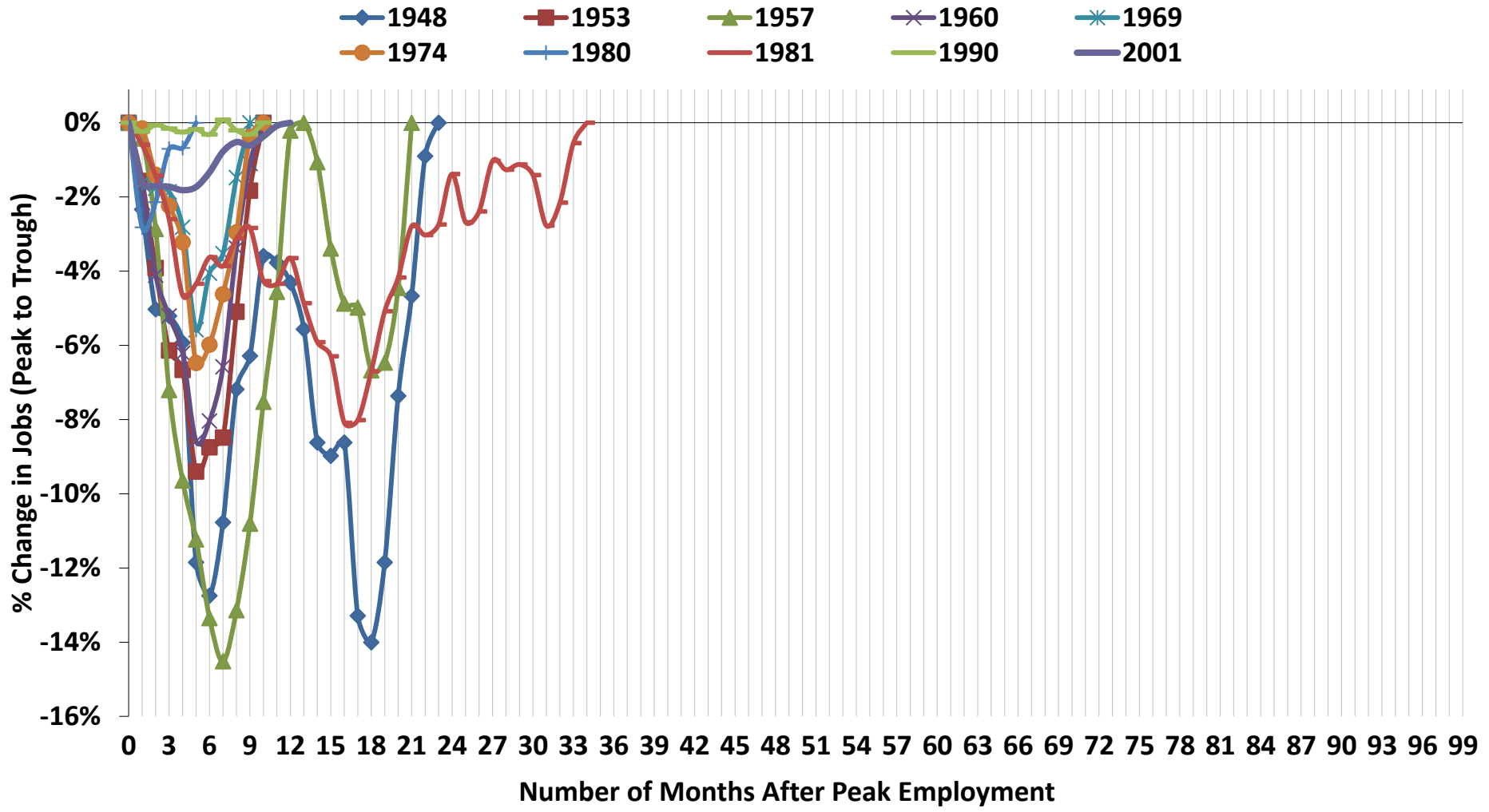


WHY WE'RE HERE



Nevada job recovery: Previous 10 Recessions

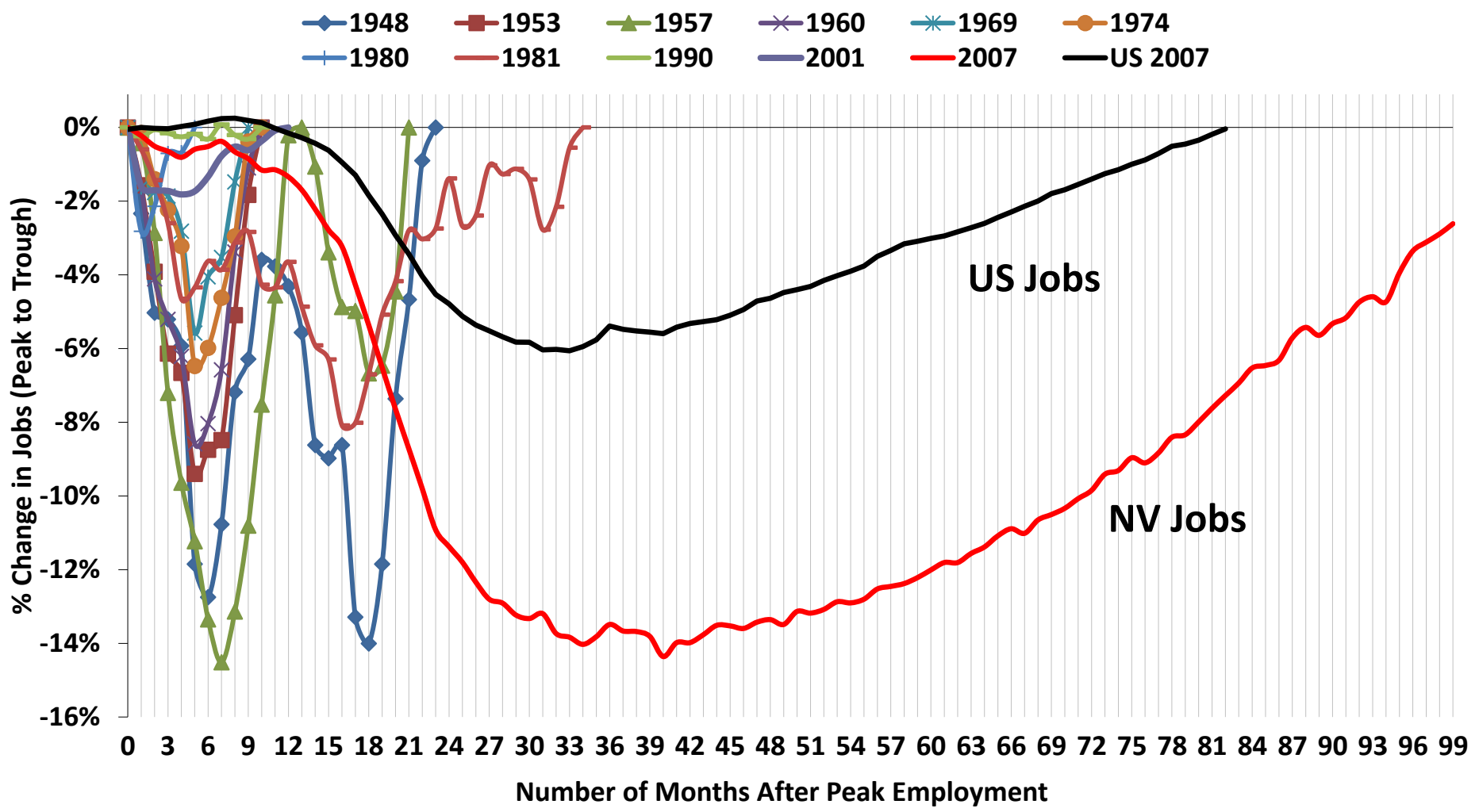
Peak to Trough % Job Change: 1948-2001



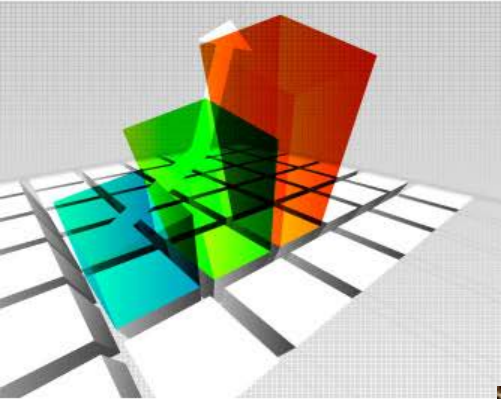
Source: Bureau of Labor Statistics.

Nevada job recovery from Great Recession (after 99 months)

Peak to Trough % Job Change: 1948 to Present



Source: Bureau of Labor Statistics.



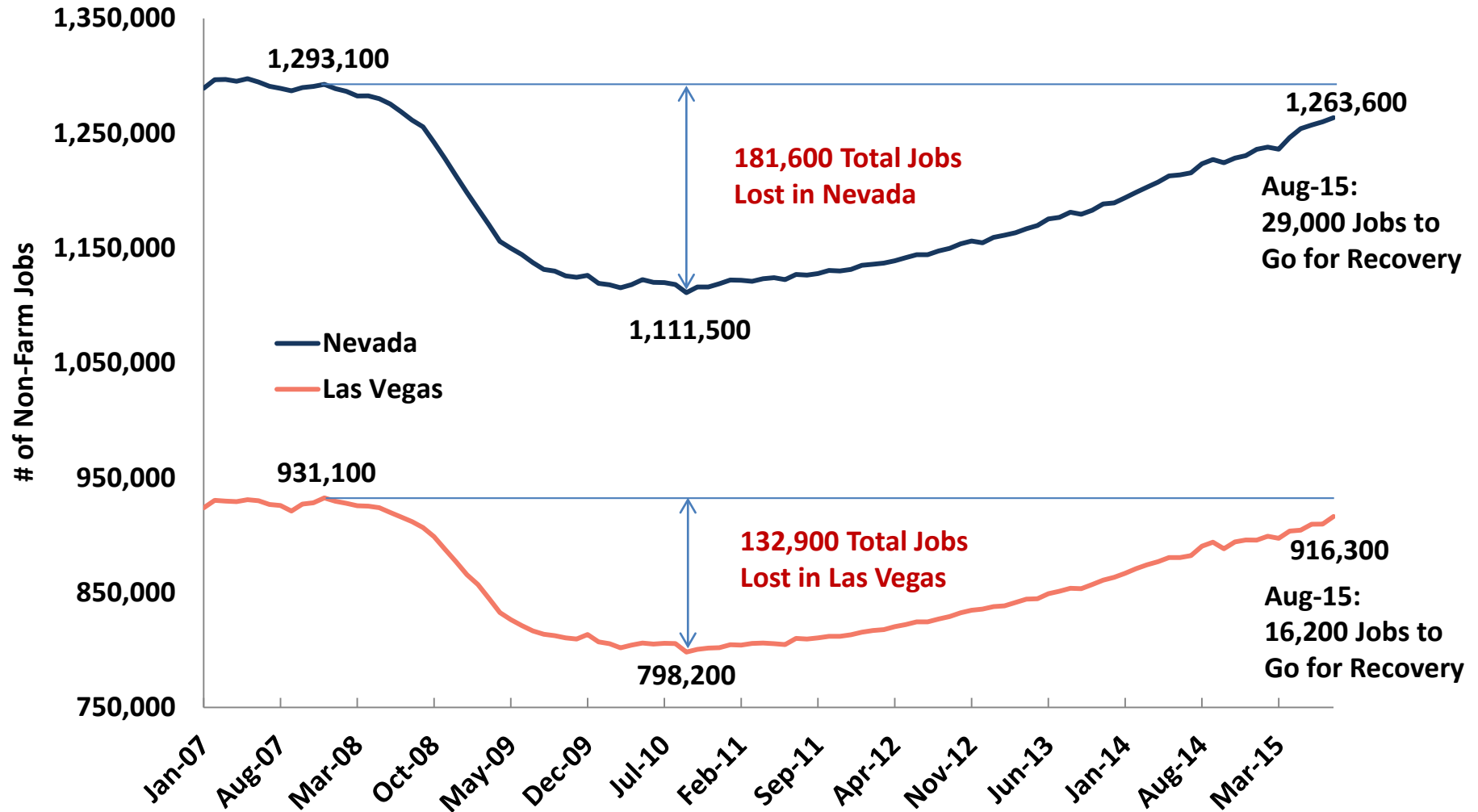
PART 1: THE SOUTHERN NEVADA JOB MARKET

Jobs
Absorption
Vacancy
Rents



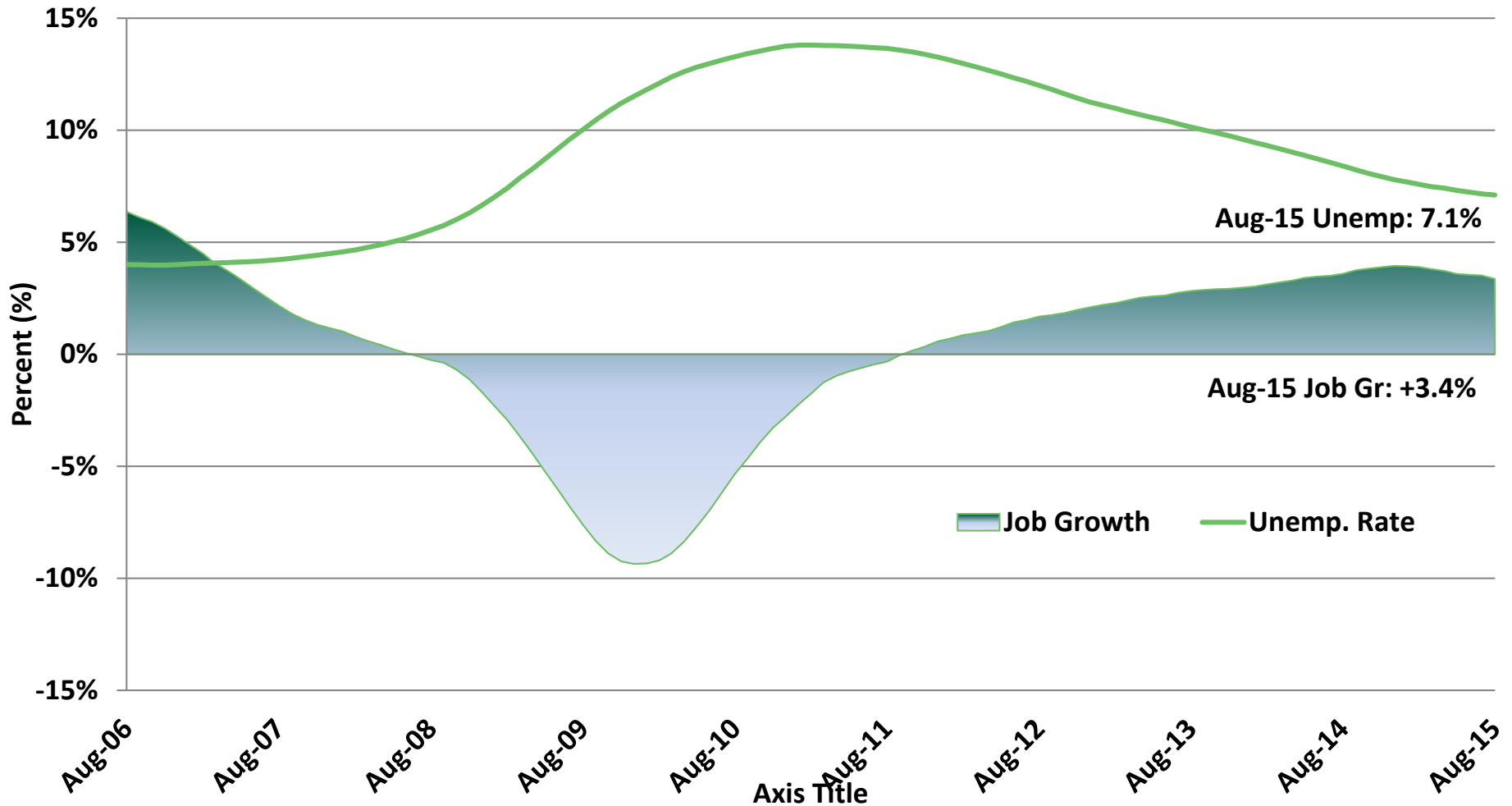
Las Vegas job recovery 88% complete, full recovery likely within 9 months

Rate of Nevada & Las Vegas MSA Job Recovery, by Jobs: 1/2007-8/2015



Unemployment continues to drop, job growth slowing but good

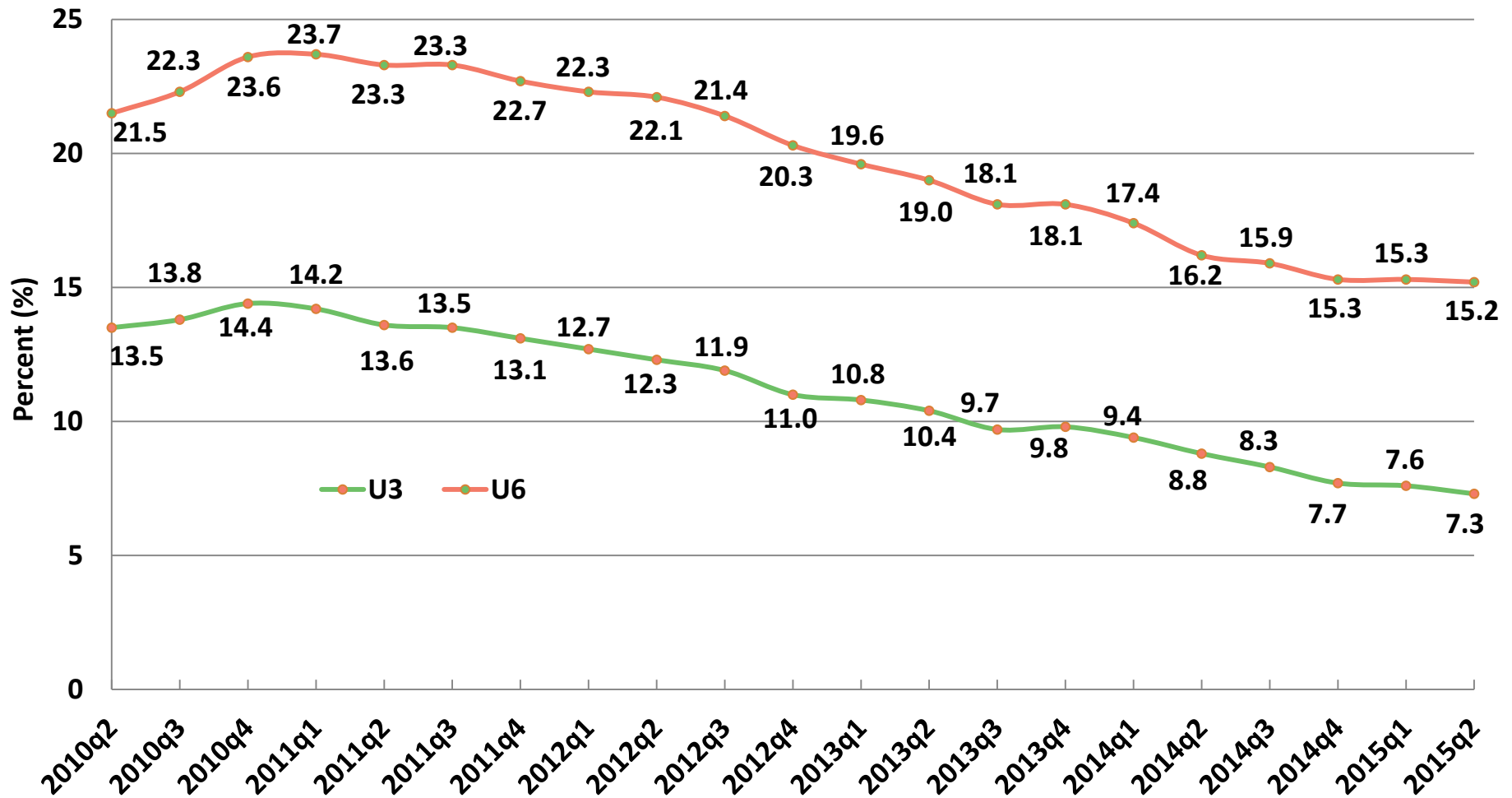
Nevada Job Growth & Headline Unemployment Rate: 8/2006-8/2015



Source: Bureau of Labor Statistics.

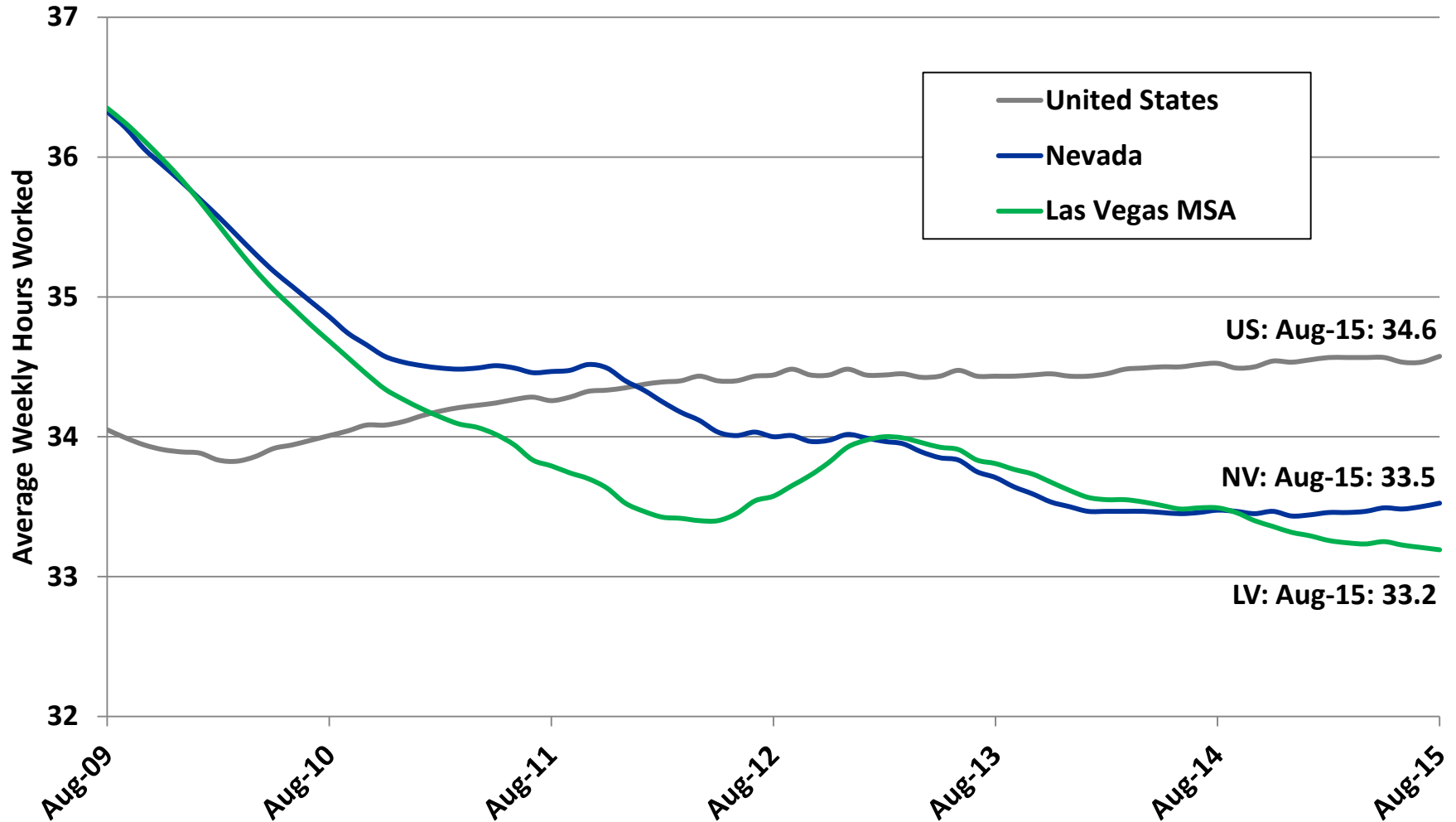
U-6 rate shows high share of forced part-time workers in Nevada

Nevada U-3 & U-6 Rates: Q2, 2010-Q2, 2015



Las Vegas MSA work hours continue to slide as unemployment rate improves

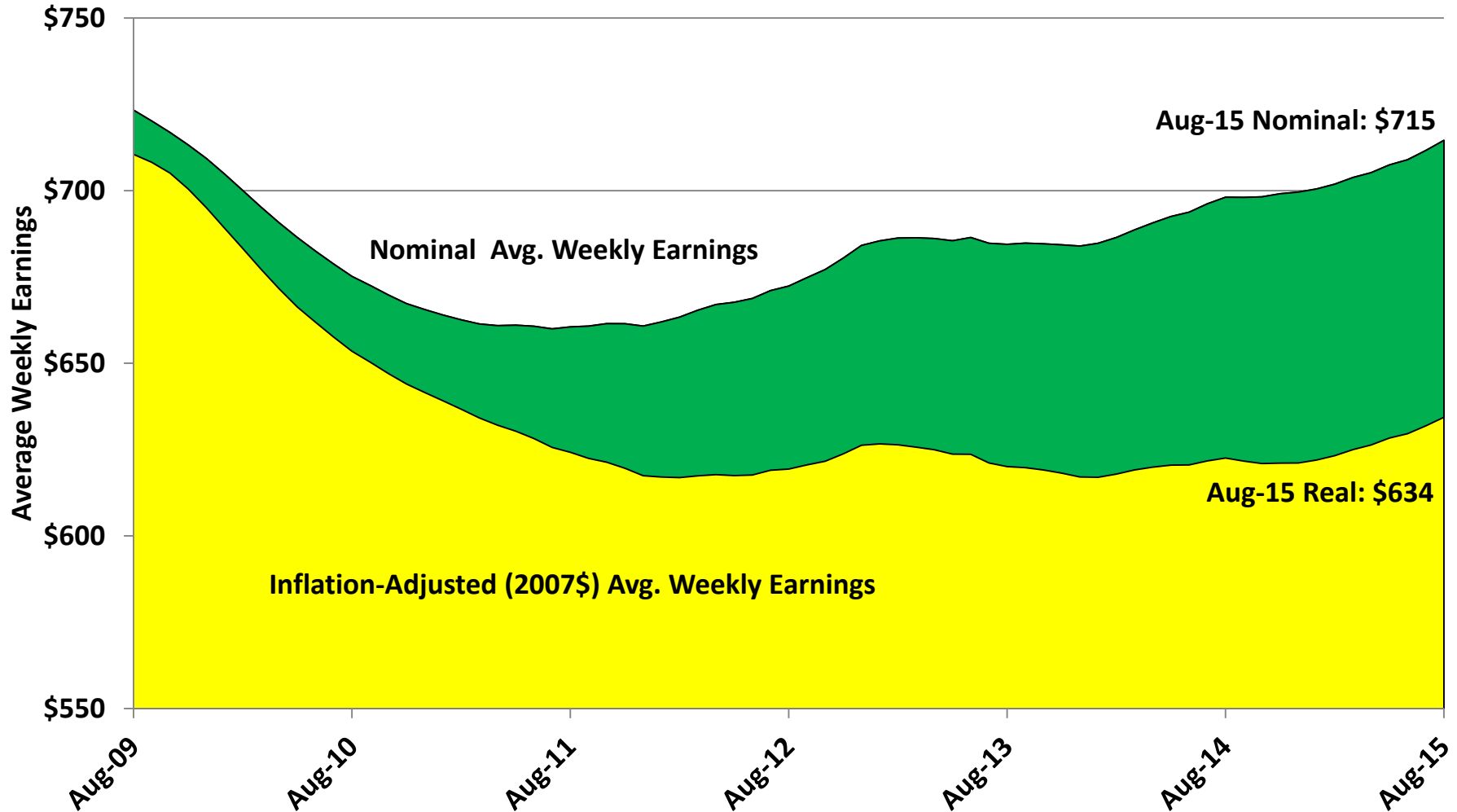
US, Nevada & Las Vegas MSA Average Weekly Hours: 8/2009-8/2015



Source: Bureau of Labor Statistics.

Las Vegas MSA earnings rising with improving unemployment rate

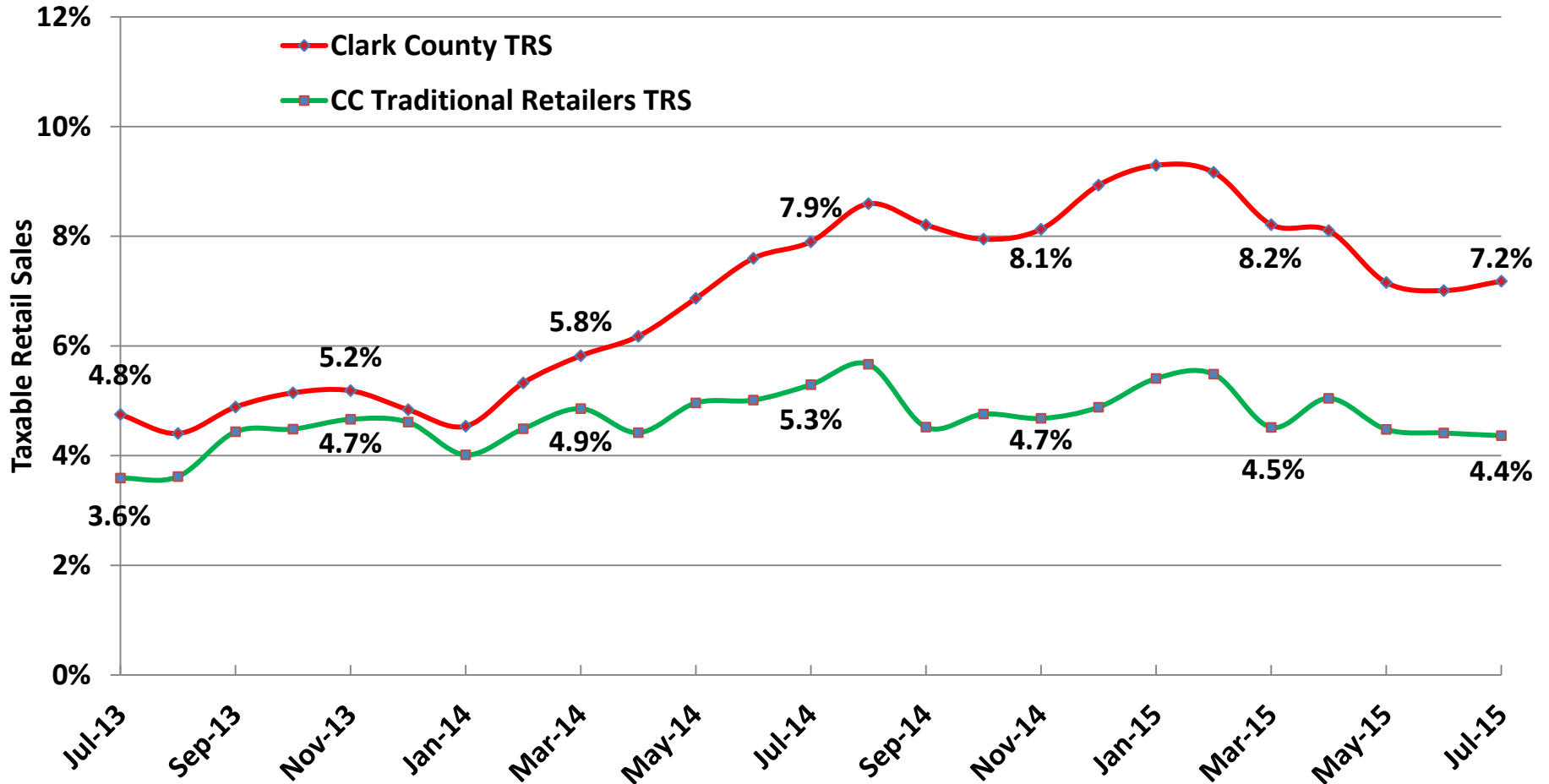
Las Vegas MSA Average Weekly Earnings: 8/2009-8/2015



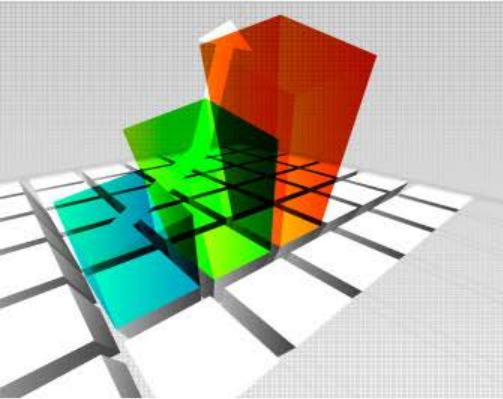
Source: Bureau of Labor Statistics.

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

Clark County Total Taxable Retail Sales ("TRS") vs. Traditional Retailer TRS: 7/2013-7/2015



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



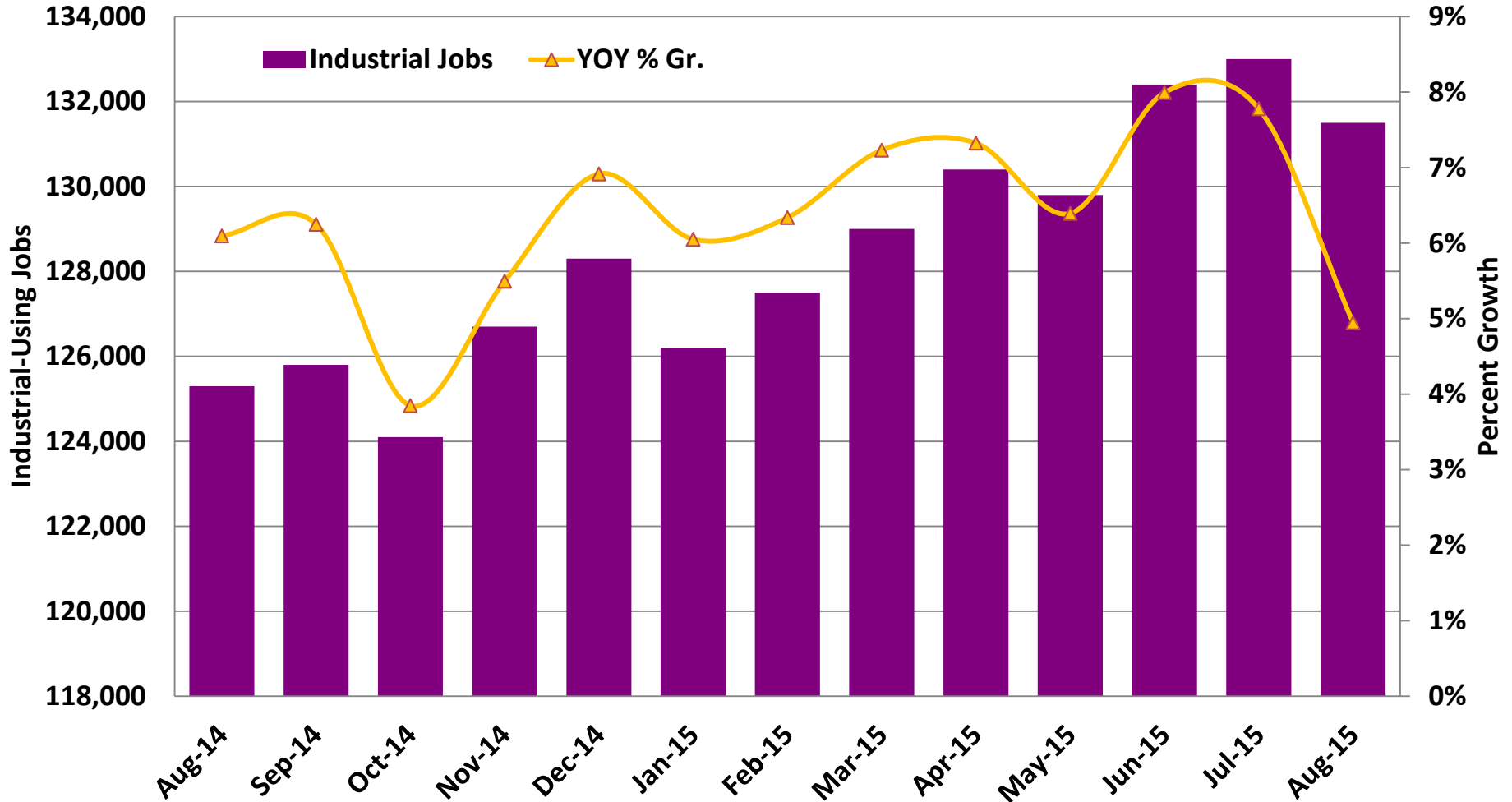
PART 2: THE COMMERCIAL REAL ESTATE MARKETS

Jobs
Absorption
Vacancy
Rents



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

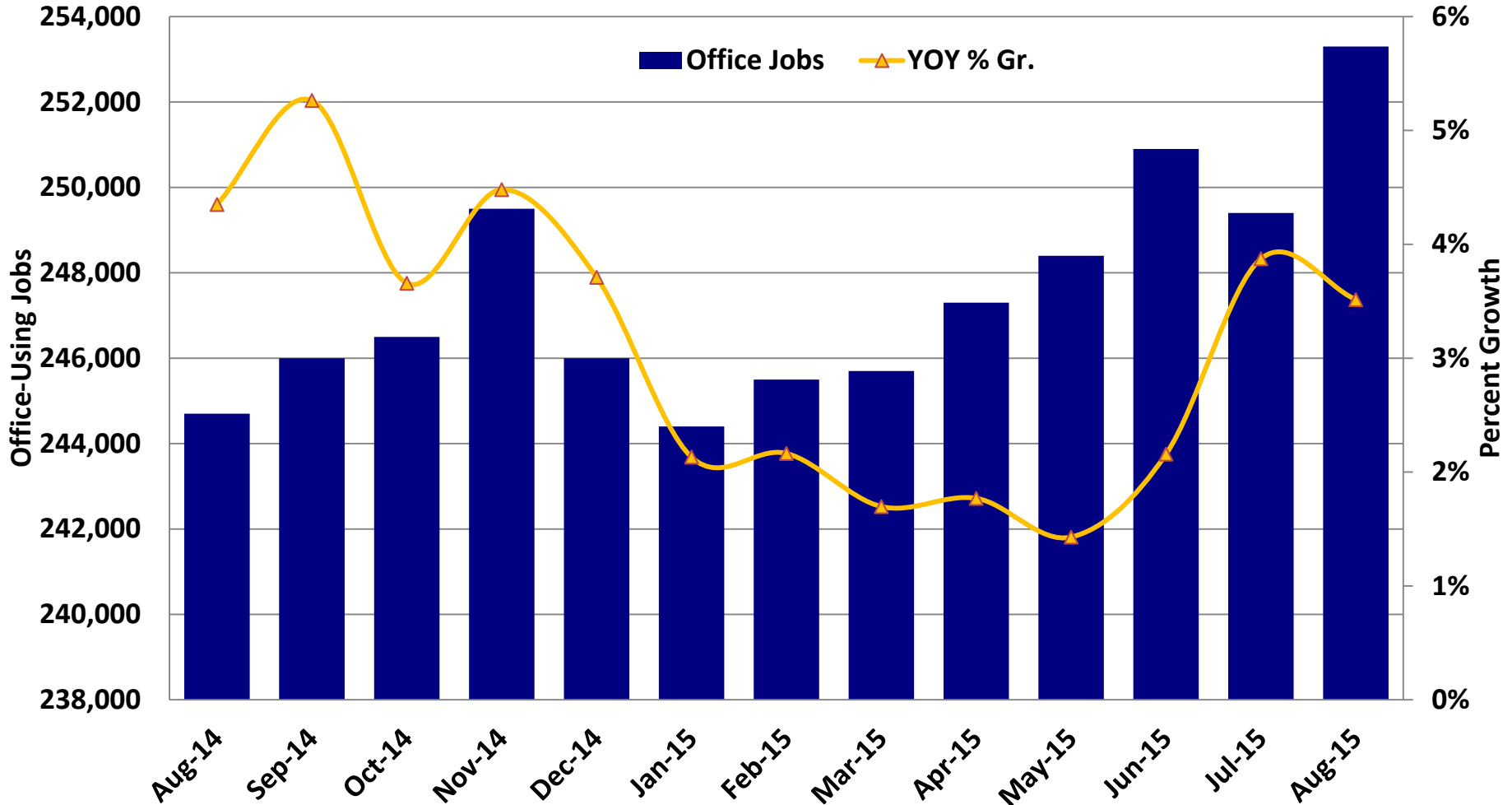
Las Vegas MSA Industrial-Using* Jobs & Growth: 8/2014-8/2015



*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

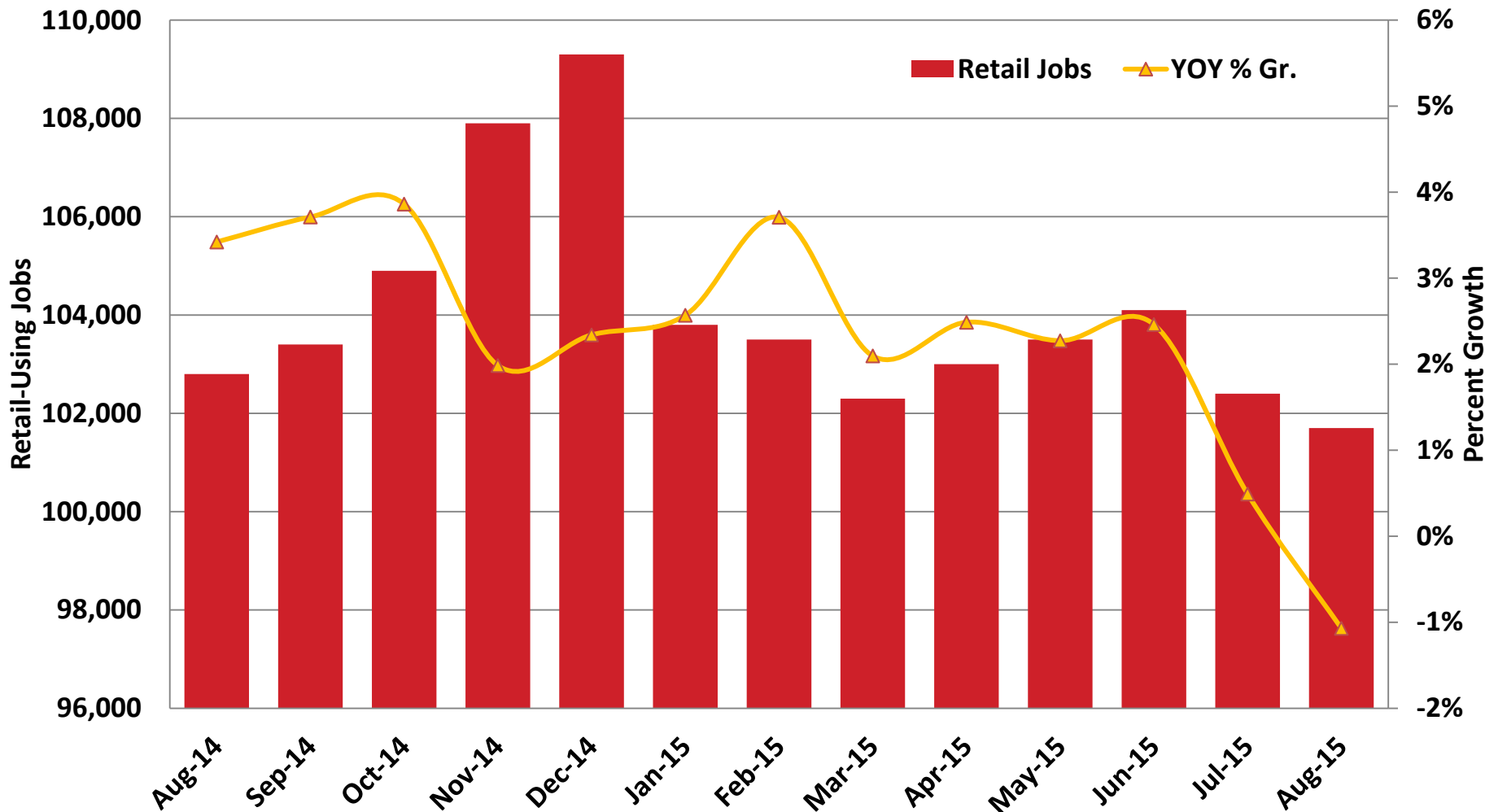
Las Vegas MSA Office-Using* Jobs & Growth: 8/2014-8/2015



*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

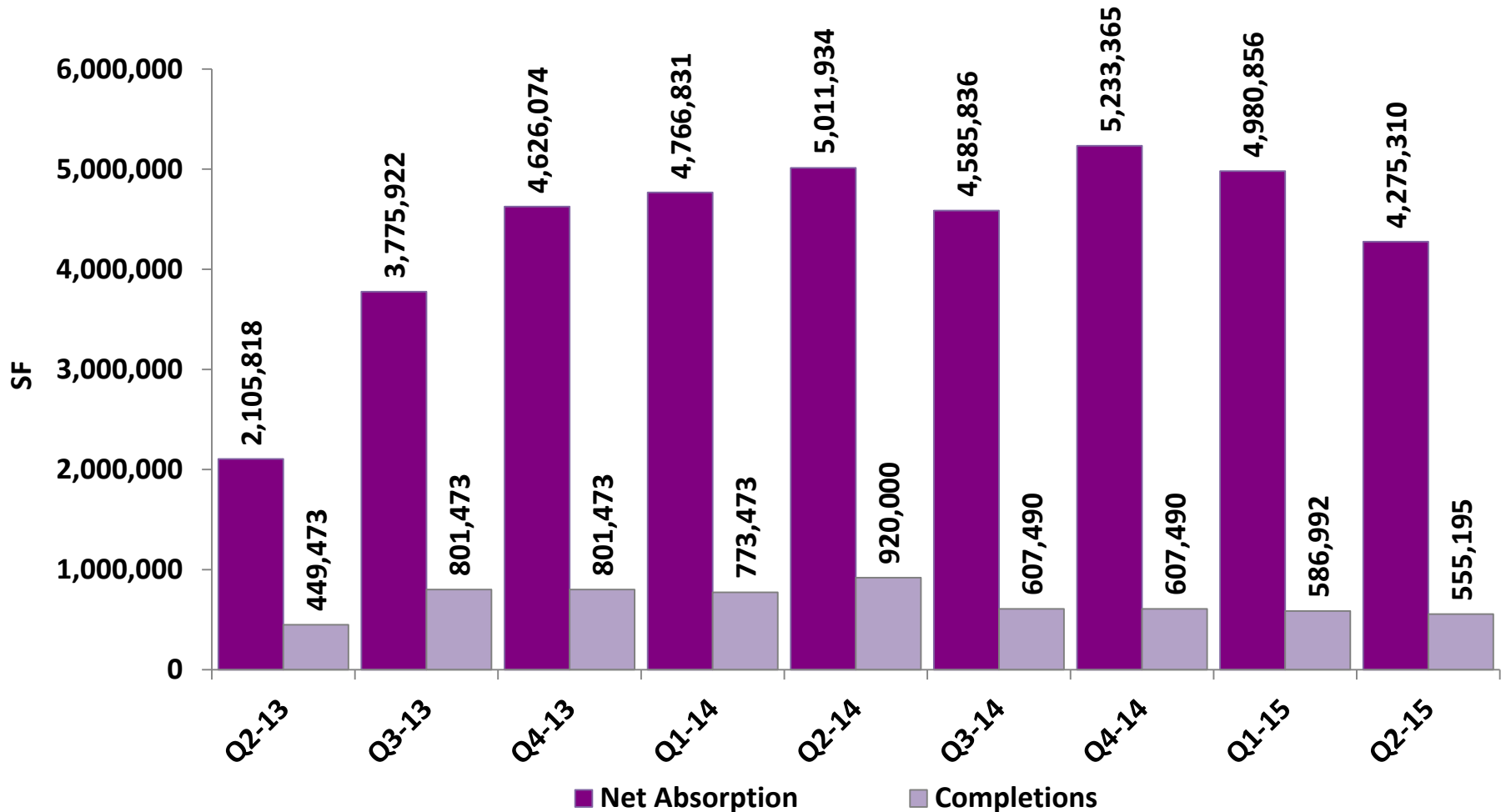
Las Vegas MSA Retail-Using Jobs & Growth: 8/2014-8/2015



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

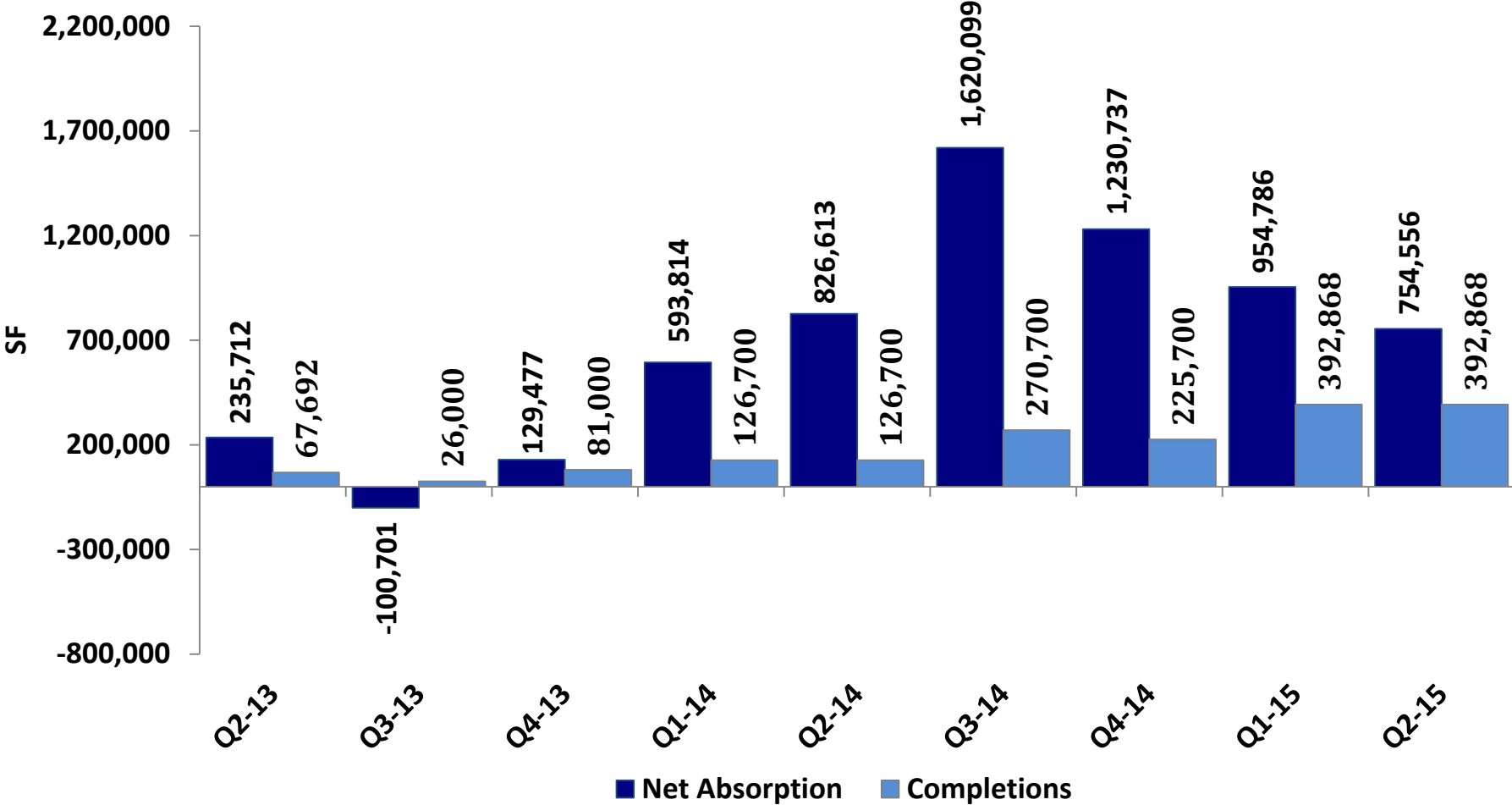
Industrial absorption over 4M SF for 7 straight quarters

Las Vegas Valley Industrial YOY Absorption & Completions: Q2, 2013-Q2, 2015



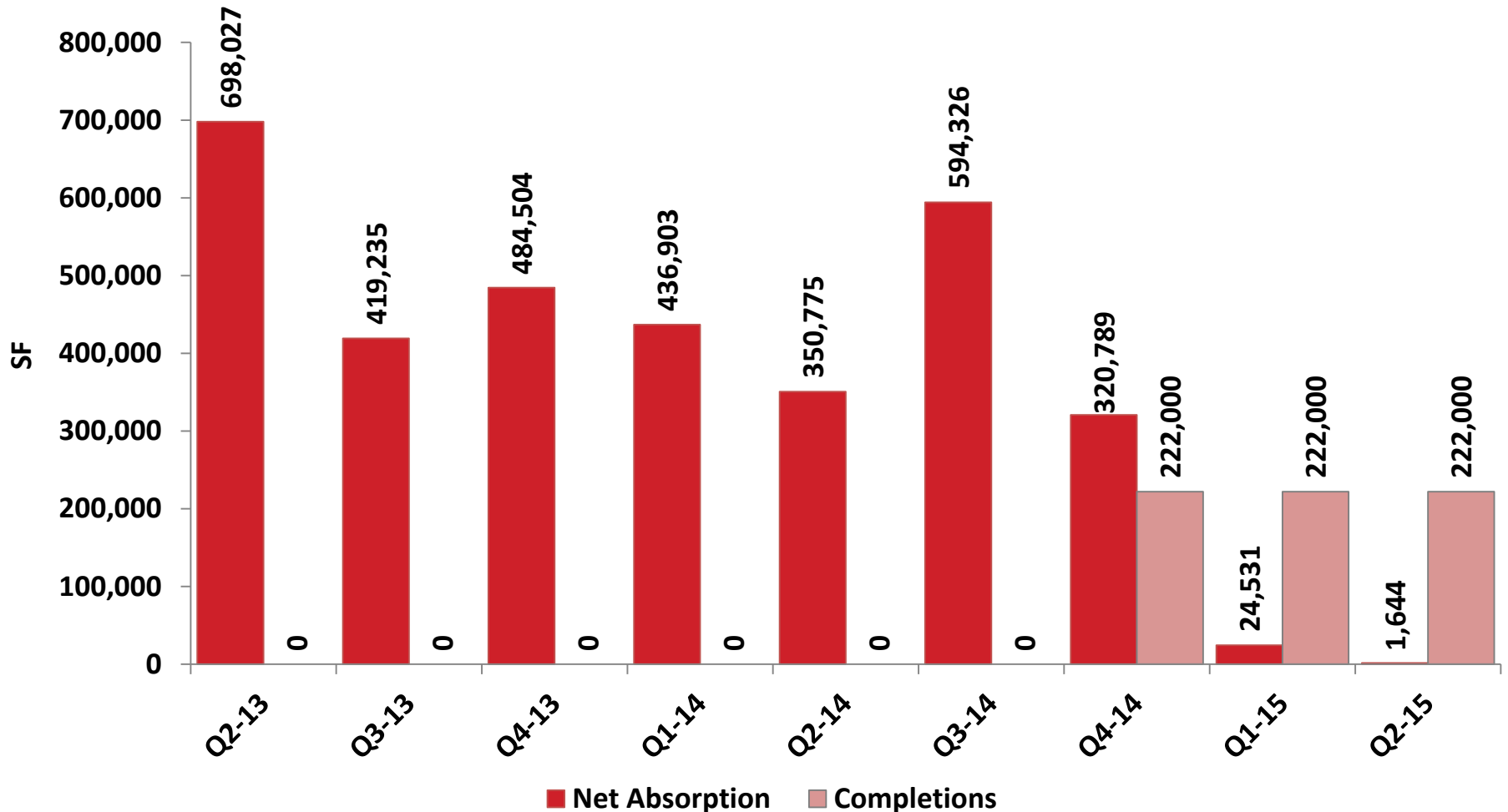
Office absorption declined 3 quarters in a row

Las Vegas Valley Spec Office YOY Absorption & Completions: Q2, 2013-Q2, 2015



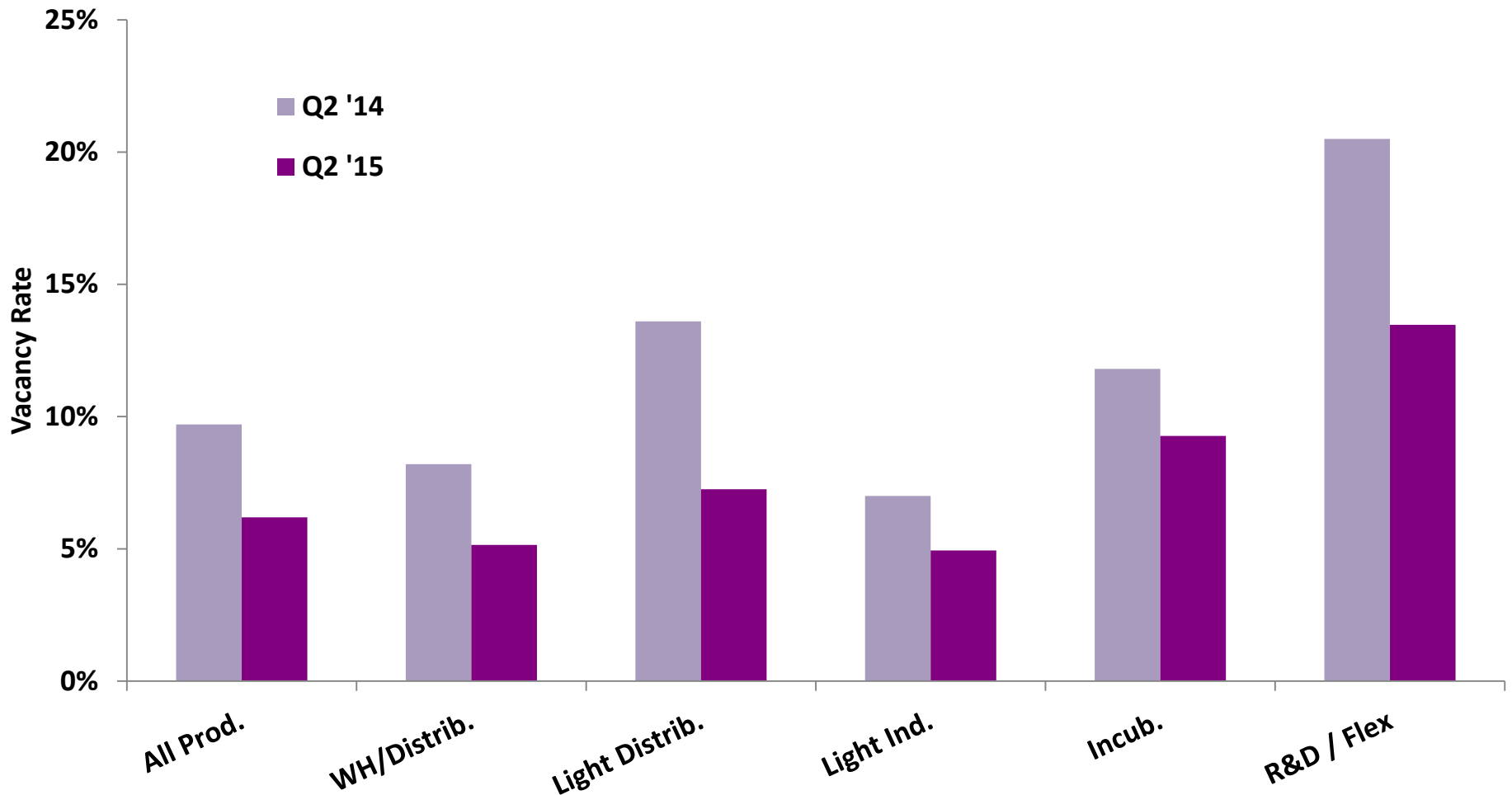
Retail absorption effectively zero over last 2 quarters

Las Vegas Valley Anch. Retail YOY Absorption & Completions: Q2, 2013-Q2, 2015



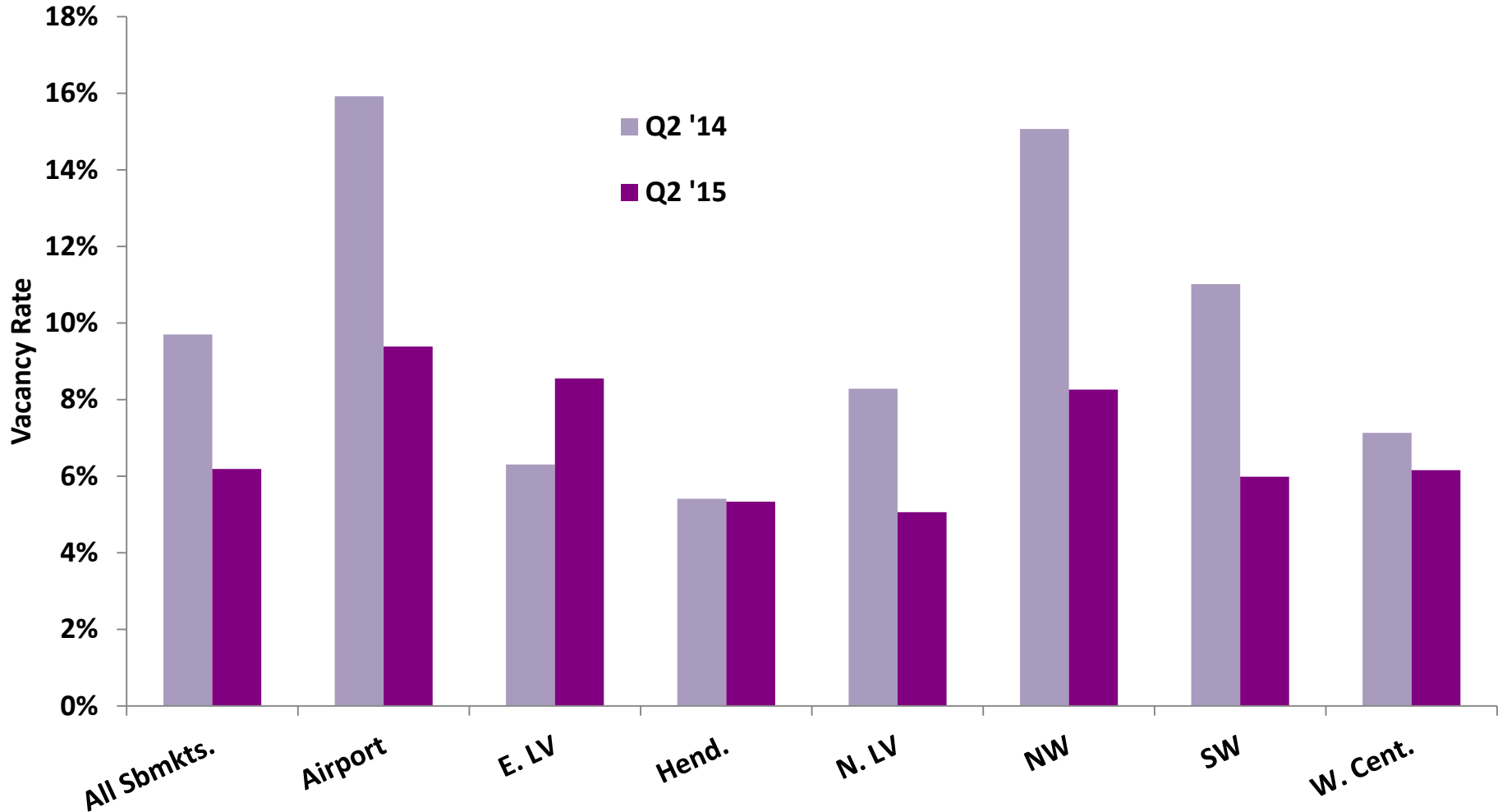
All Industrial space types experienced improvement in vacancy rate

Las Vegas Valley Industrial Vacancy Rate, by Product: Q2, 2014-Q2, 2015



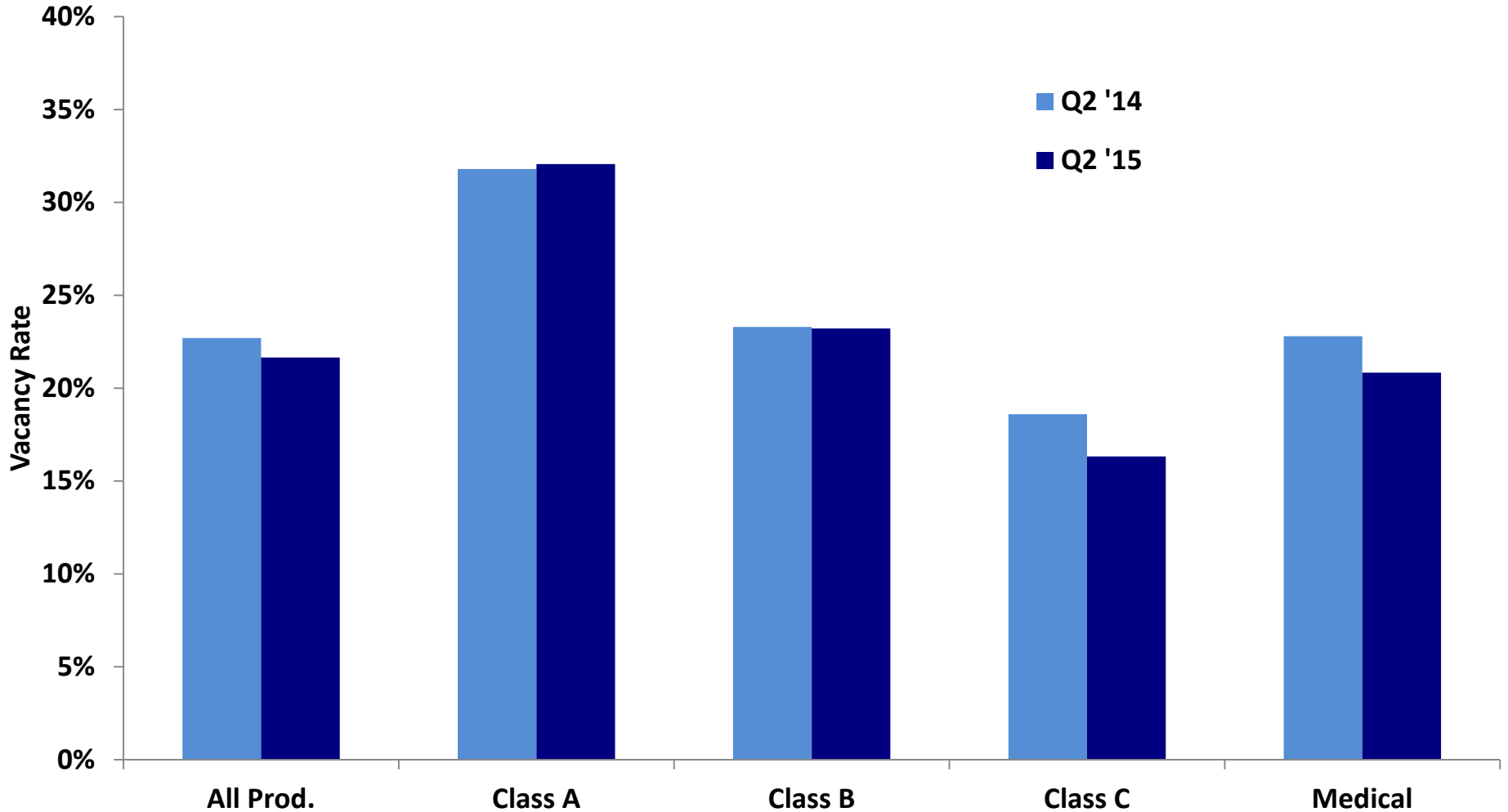
North Las Vegas, Henderson leading submarkets in occupied Industrial space

Las Vegas Valley Industrial Vacancy Rate, by Submarket: Q2, 2014-Q2, 2015



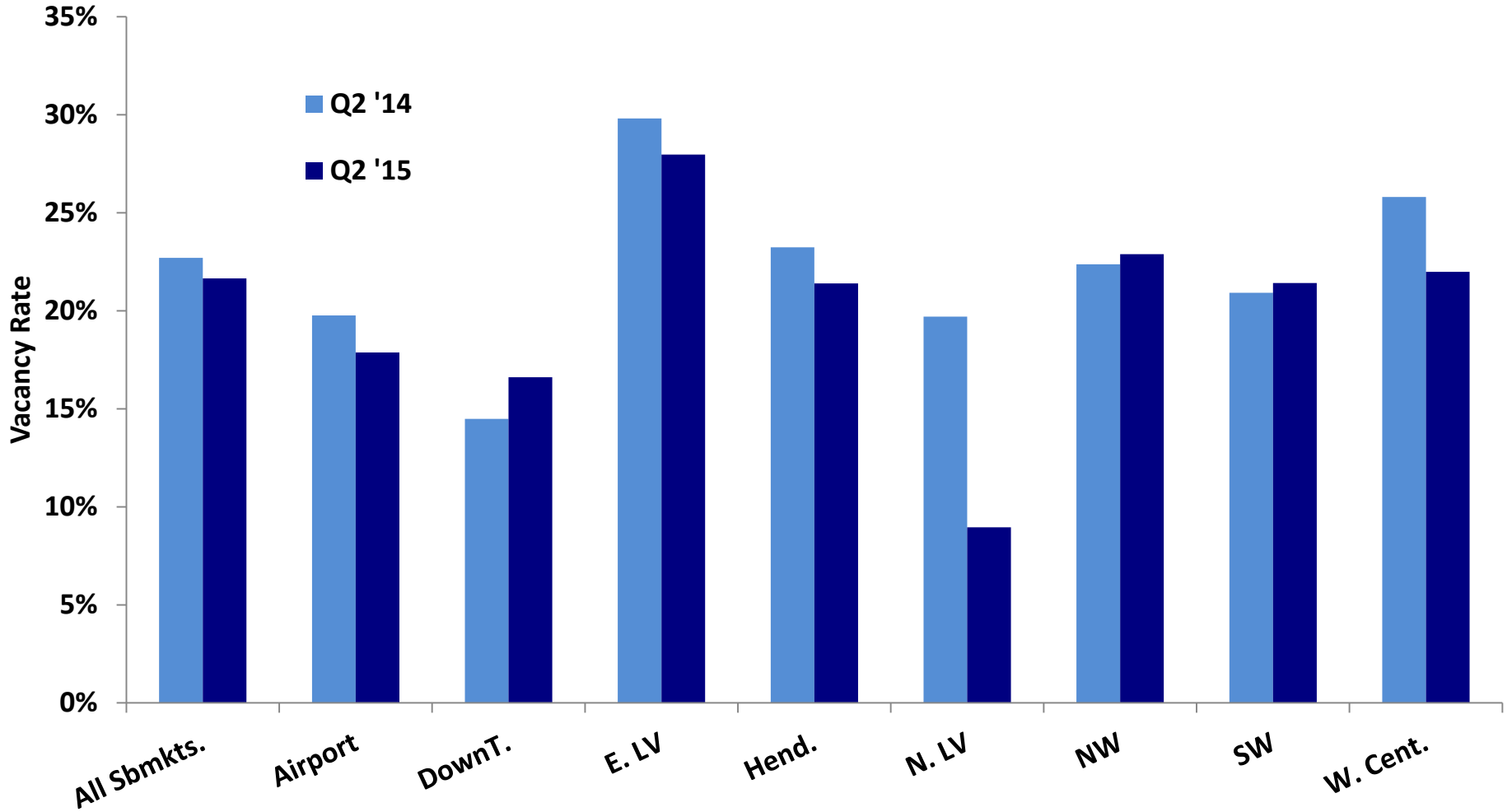
Class C driving improvement in Spec Office vacancy rate

Las Vegas Valley Spec Office Vacancy Rate, by Product: Q2, 2014-Q2, 2015



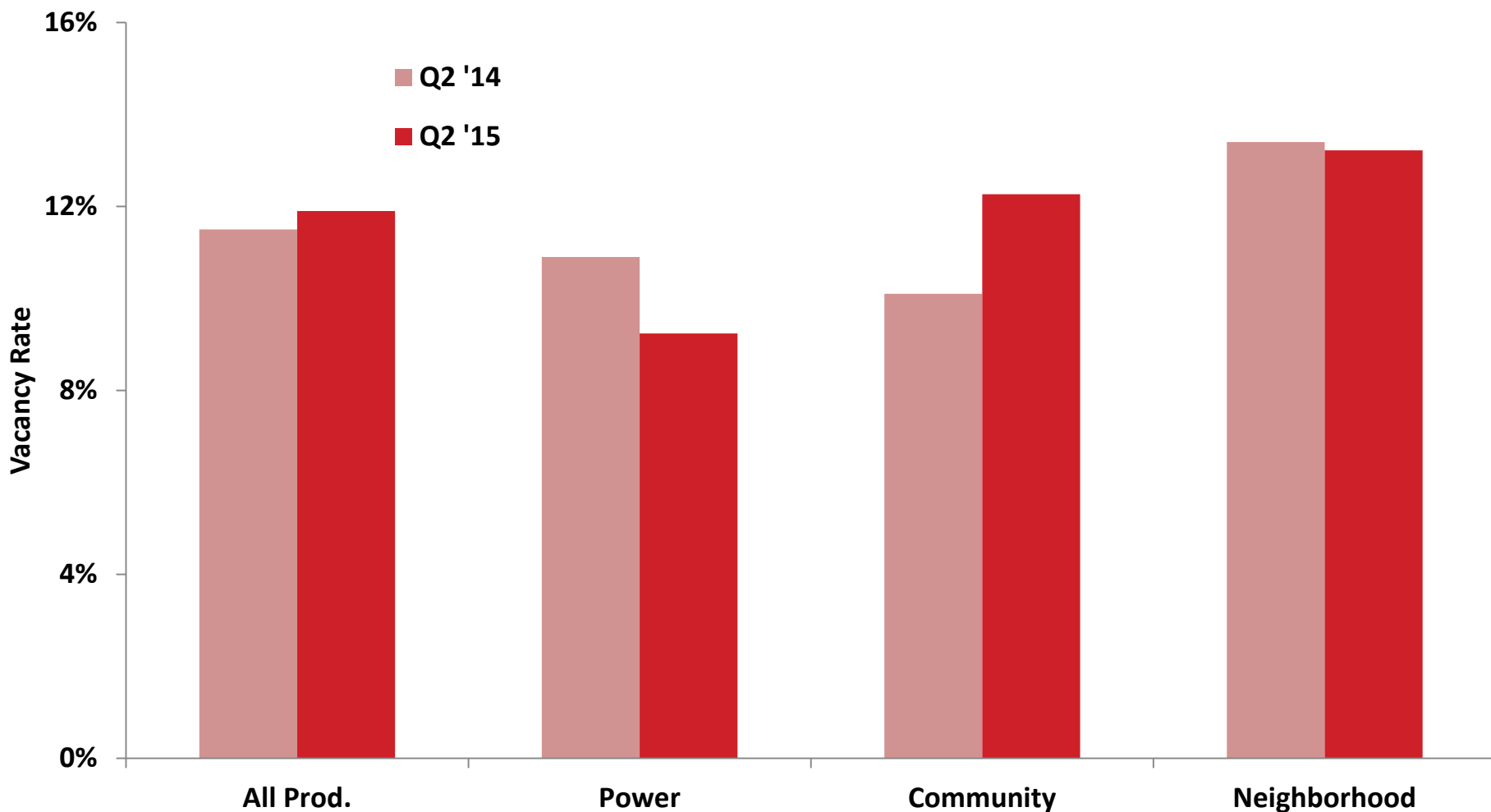
Class C-heavy NLV doing well, Class A-heavy East LV (Hughes Center) lagging

Las Vegas Valley Spec Office Vacancy Rate, by Submarket: Q2, 2014-Q2, 2015



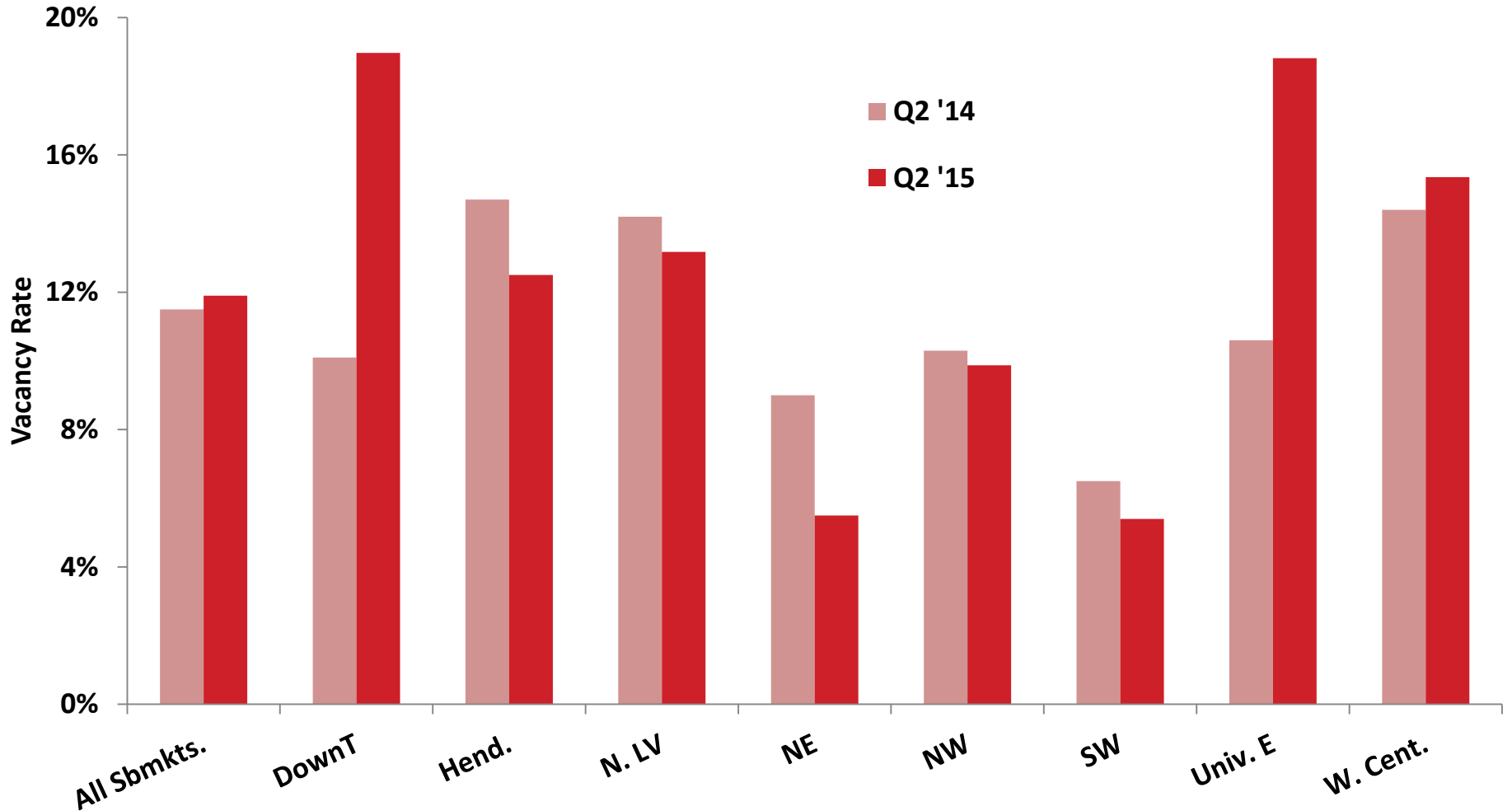
Improvement in Retail vacancy rate stall, Power Centers strengthening

Las Vegas Valley Anch. Retail Vacancy Rate, by Product: Q2, 2014-Q2, 2015



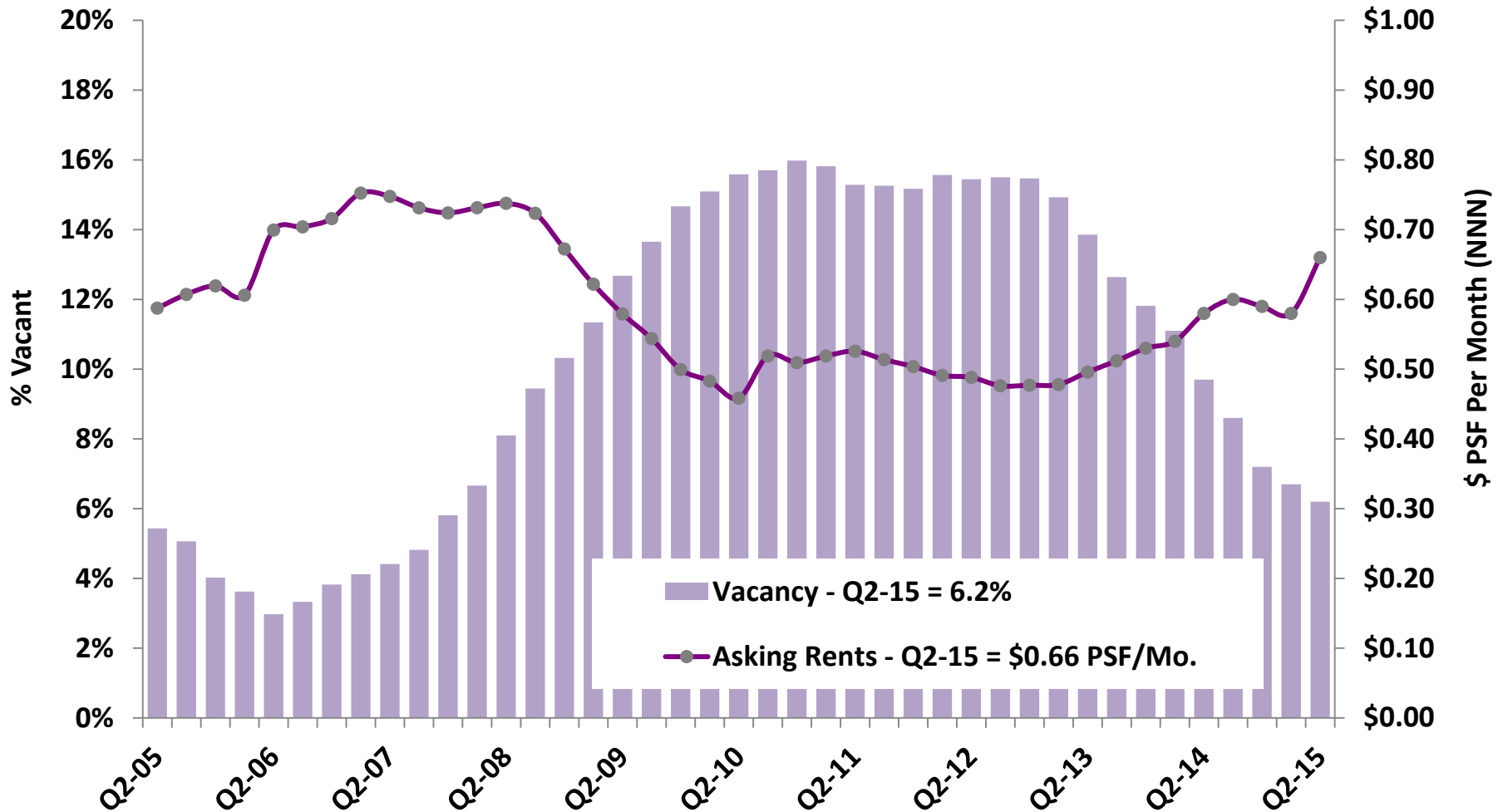
NE, NW & SW markets healthy, while Downtown, University East struggling

Las Vegas Valley Anch. Retail Vacancy Rate, by Submarket: Q2, 2014-Q2, 2015



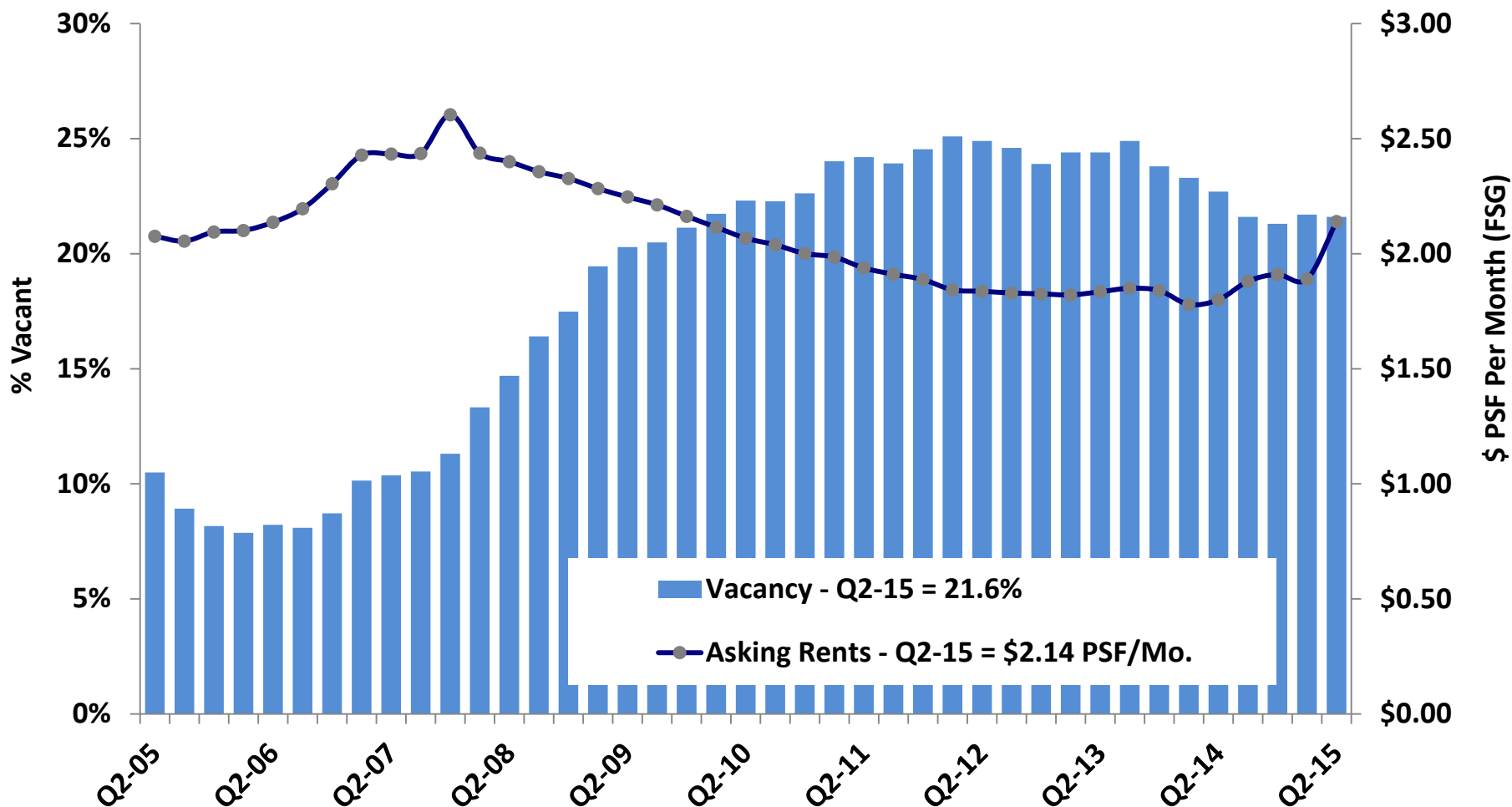
Industrial rents rising slowly as vacancy rate drops below 10%; quality space gone

Las Vegas Valley Industrial Vacancy Rate & Rents: Q2, 2014-Q2, 2015



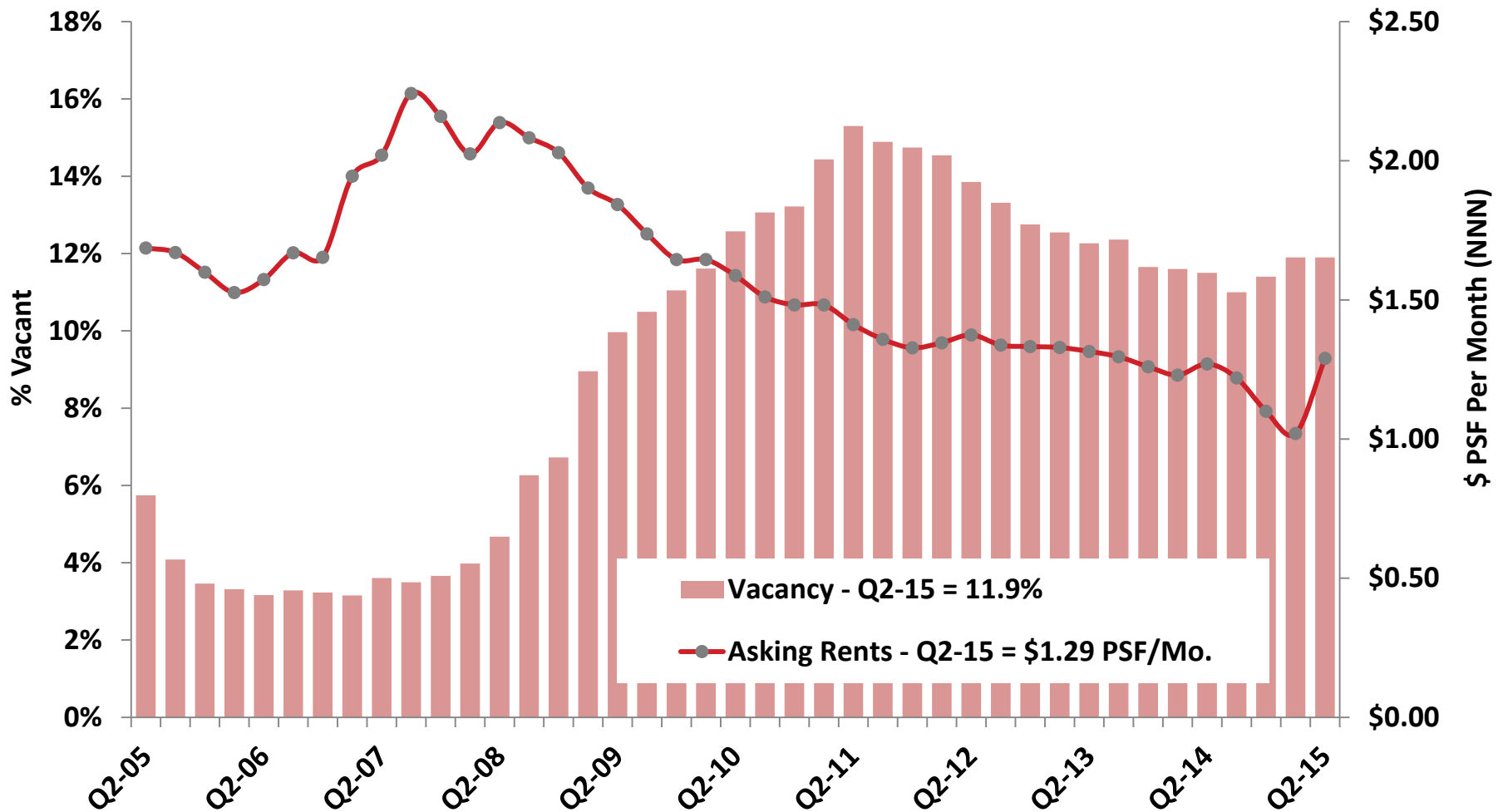
Office rents roughly stable with a high but stable vacancy rate

Las Vegas Valley Spec Office Vacancy Rate & Rents: Q2, 2014-Q2, 2015



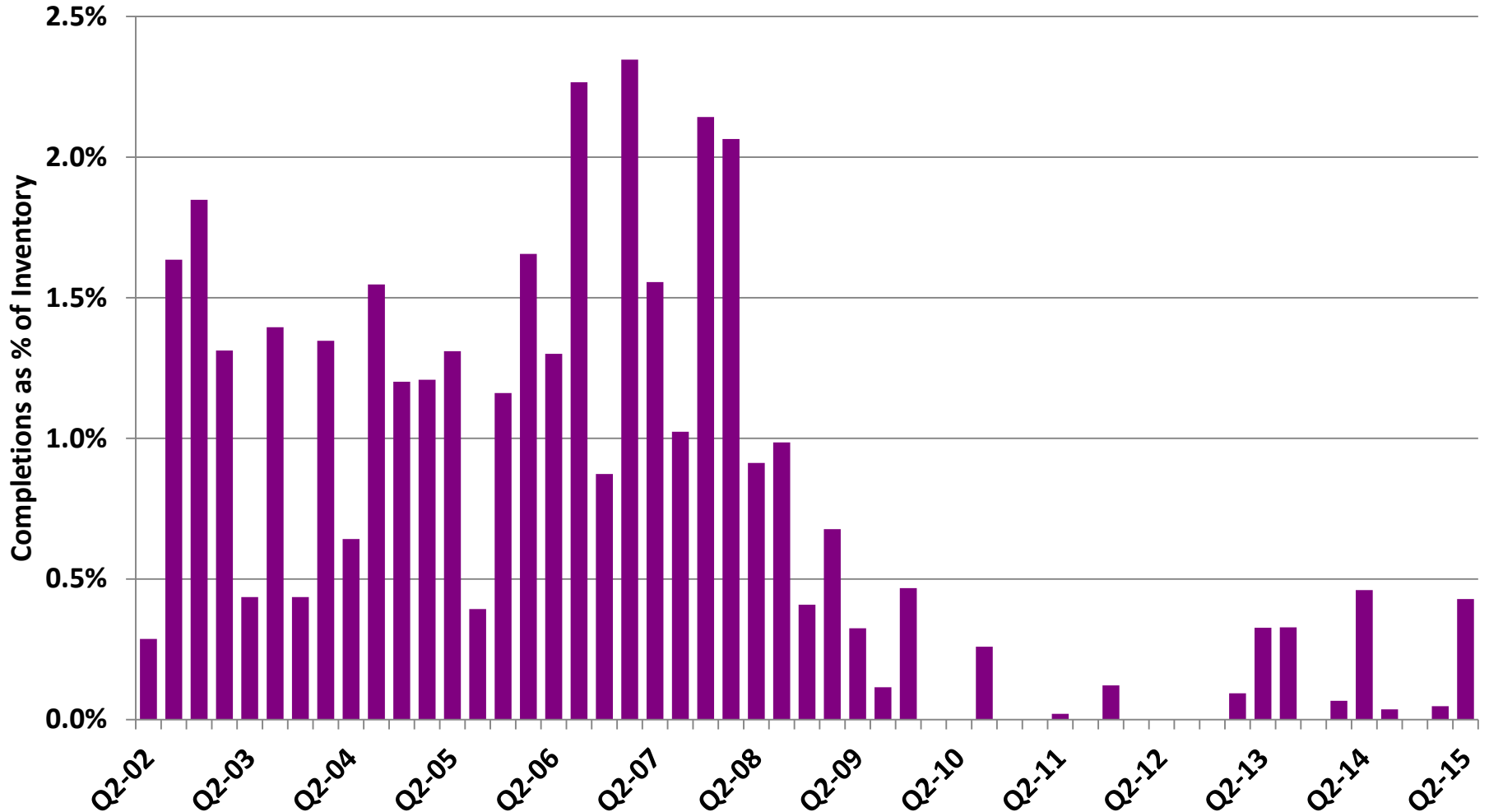
Retail rents leveling off; vacancy rate stabilizing at ~11.5%

Las Vegas Valley Anch. Retail Vacancy Rate & Rents: Q2, 2014-Q2, 2015



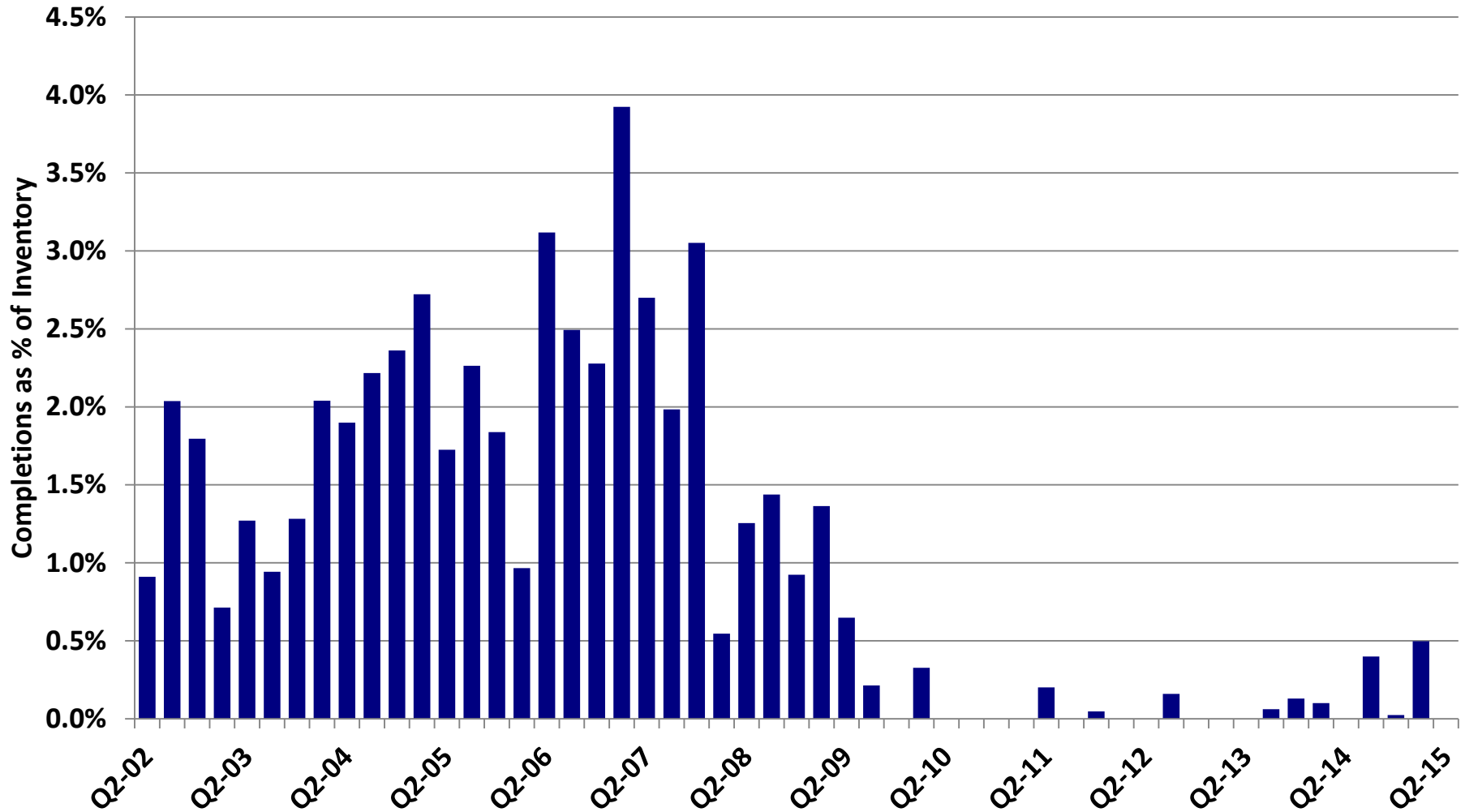
Industrial completions picking up; more space on the way

Las Vegas Valley Industrial Completions as % of Inventory: Q2, 2014-Q2, 2015



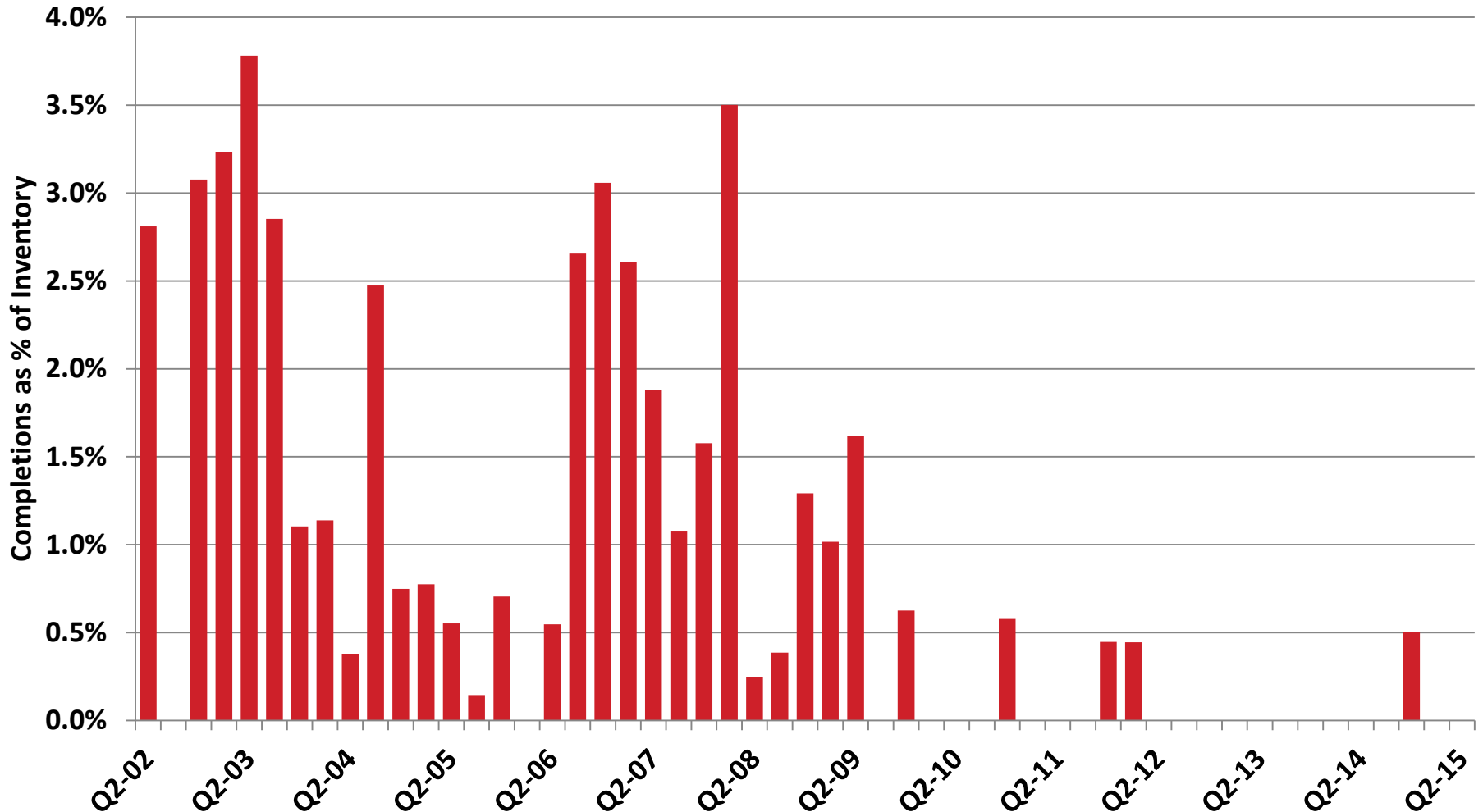
New Office completions started recently, some targeted growth ahead

Las Vegas Valley Spec Office Completions as % of Inventory: Q2, 2014-Q2, 2015



Retail completions near zero, flickers of hope on horizon

Las Vegas Valley Anch. Retail Completions as % of Inventory: Q2, 2014-Q2, 2015



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- ✓ *Real Estate Market Research*
- ✓ *Regional Economics*
- ✓ *Demographics*
- ✓ *Public Policy Research*
- ✓ *Tax Policy Analysis*

Our Products

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- ✓ *Nevada Job Flash*
- ✓ *Quarterly Commercial Real Estate Services*
- ✓ *Metro Area Overviews*

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