



Las Vegas retail market report

Q2 2024

**AVISON
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Las Vegas retail market trends

1.2m

New multi-tenant retail is under construction (sf)

Despite minimal single-tenant construction, the Las Vegas retail market is experiencing a resurgence with several new multi-tenant projects underway. After a period of slowed growth in 2023, construction activity has picked up in 2024. Notable developments include BLVD, a high-profile, 500,000-square-foot shopping destination on the strip. Big-name tenants such as H&M, Adidas, and Puma have already signed on.

5.7%

Retail vacancies remain limited across the valley (%)

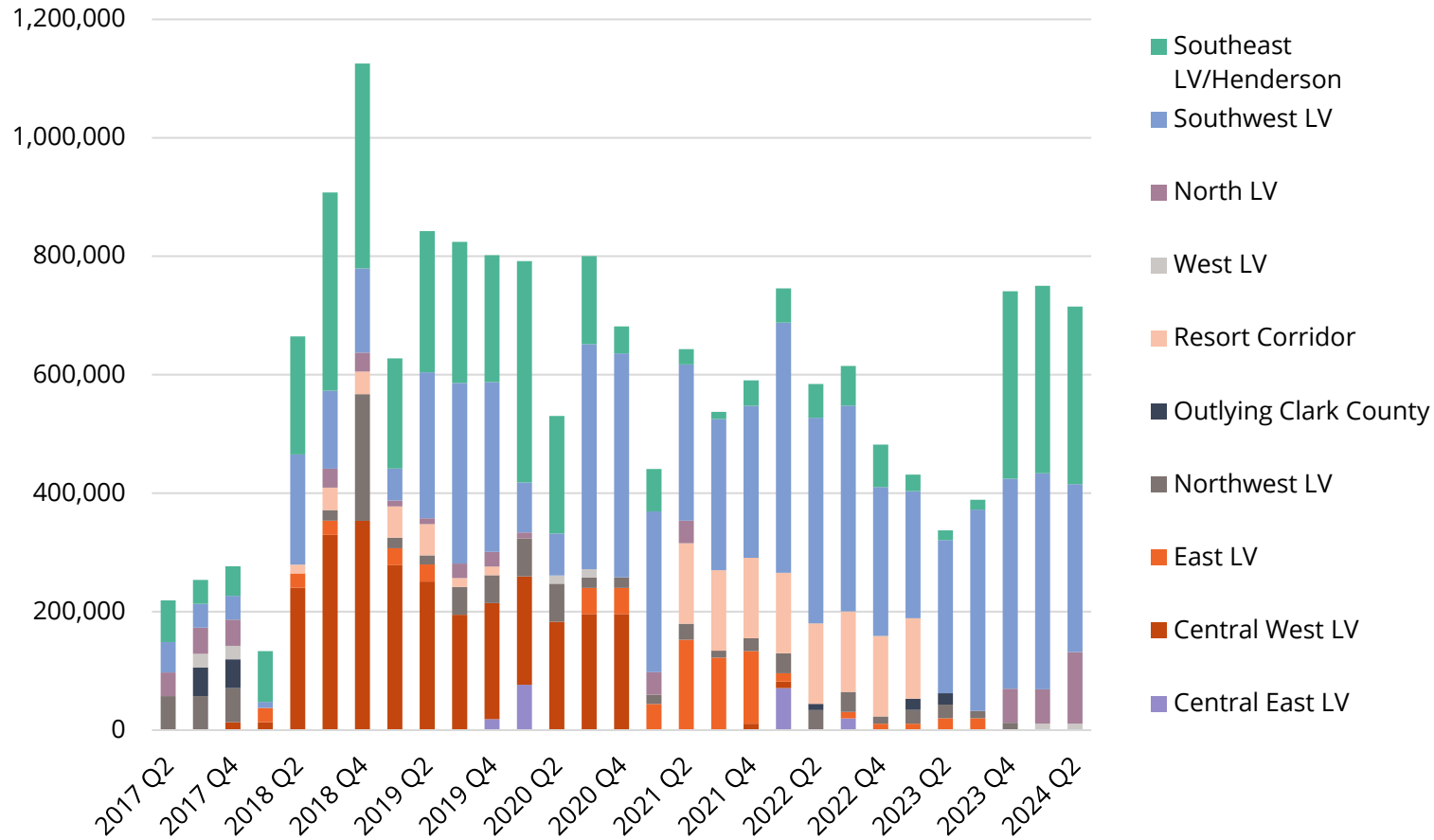
The Las Vegas retail market remains a national leader, boasting low vacancy rates and attracting large numbers of visitors as a popular tourist destination. Notably, there is increasing expansion into southern residential submarkets. Overall, the valley's vacancy rate stands at 5.7% in Q2 2024, with specific submarkets like Northwest Las Vegas and East Las Vegas reporting vacancies under 3%, while most other submarkets fall between 3% to 8%.

\$33.05

High retail rents may stabilize upon decelerated growth (\$)

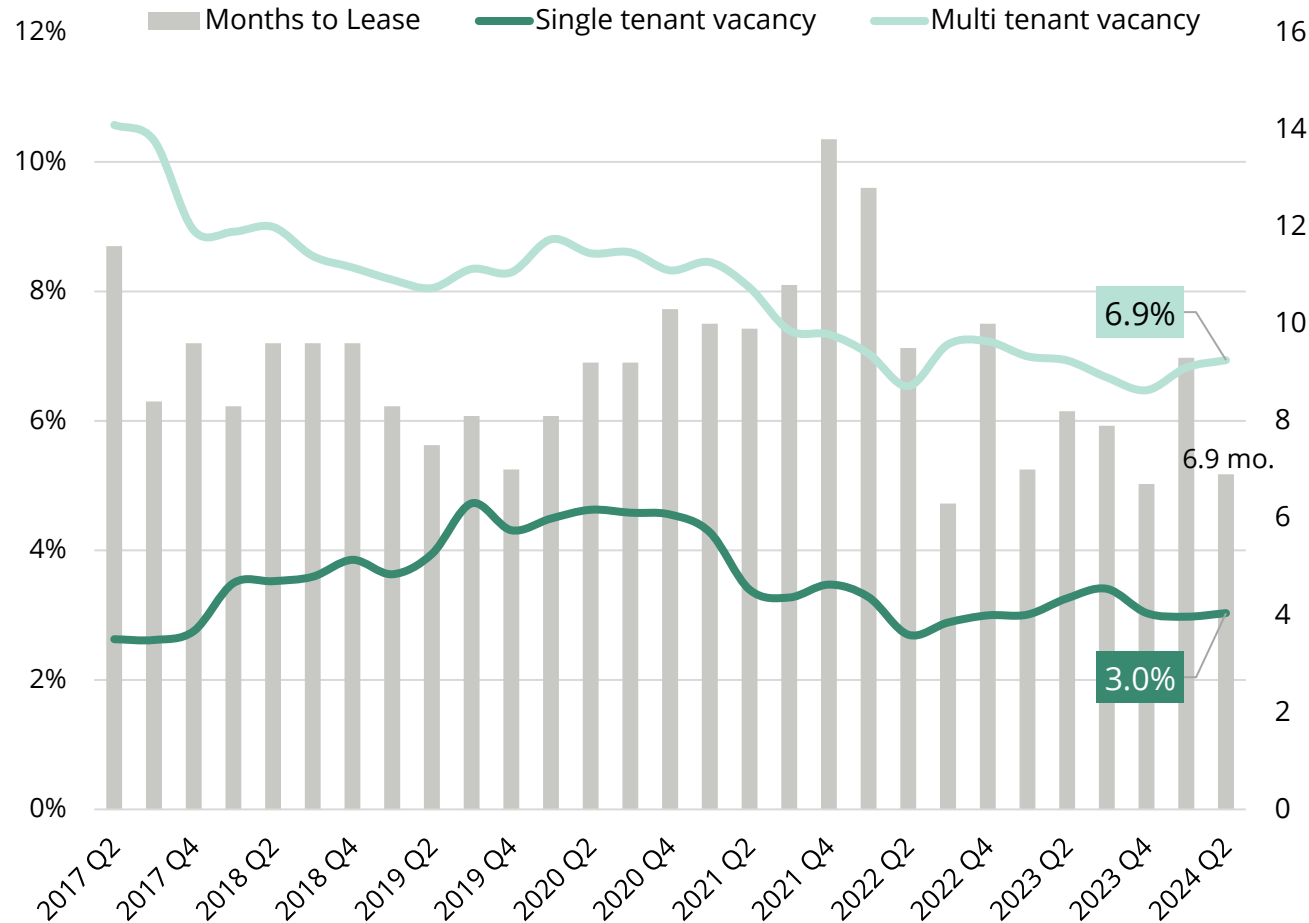
Las Vegas retail asking rents average \$33.05 per square foot across the valley in Q2 2024, a 28% increase from Q2 2020 and about \$1.50 higher than Q2 2023. While rents have consistently risen over the past seven years, the rate of increase has slowed. Rents in the Resort Corridor submarket (The Strip), averaging over \$88 per square foot, reflect high demand and limited supply. Outer submarkets range from \$20 to \$30 per square foot, emphasizing the competitive nature of prime retail locations in high-traffic areas.

Las Vegas retail construction (sf)



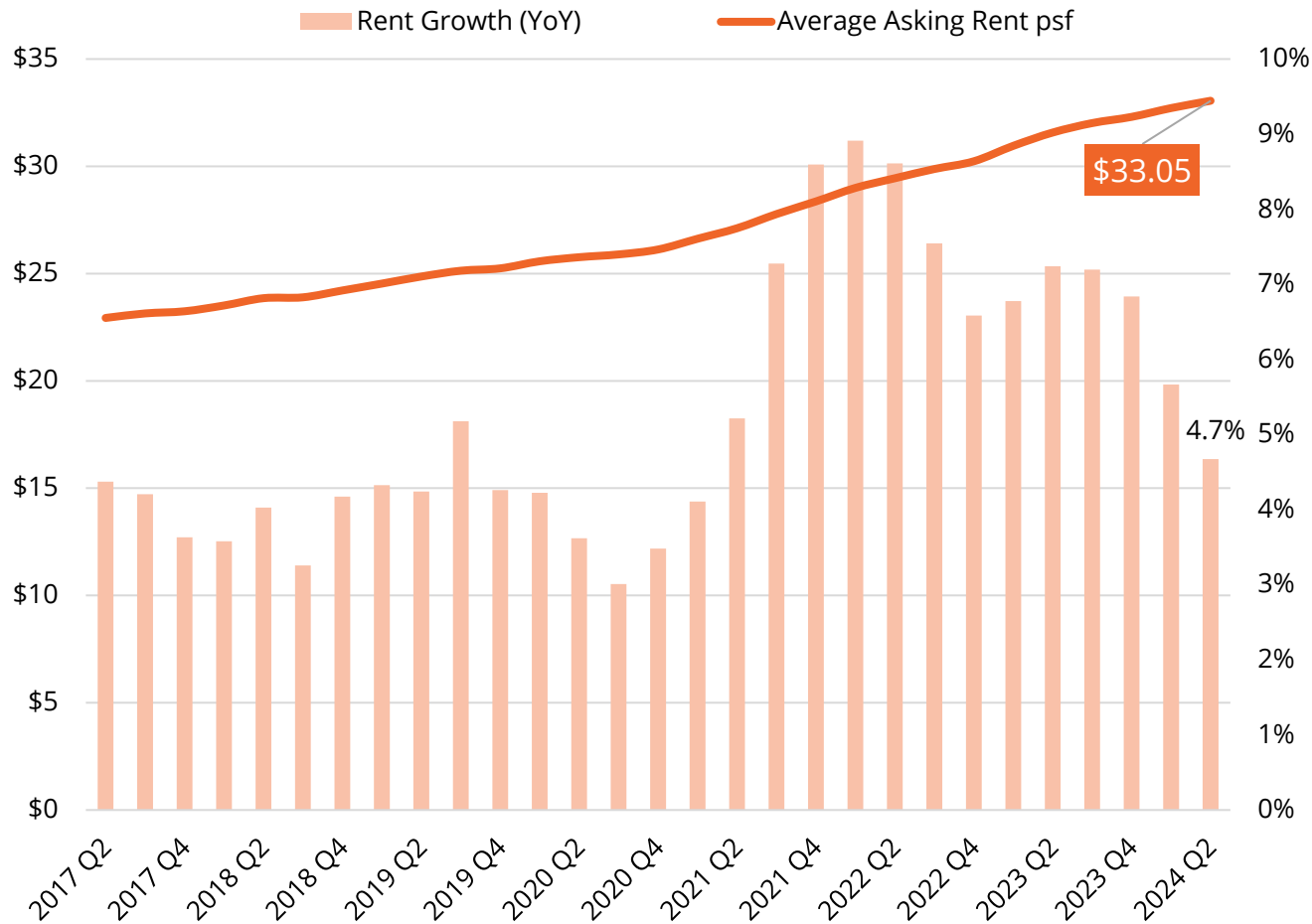
Particular submarkets experiencing significant growth in the Las Vegas retail market include Southeast Las Vegas/Henderson, which saw slowed growth from 2020 to 2023 but has recently picked up, and Southwest Las Vegas, which has had consistent construction activity throughout those years.

Las Vegas retail vacancy (%)



When comparing single-tenant and multi-tenant properties, the multi-tenant sector understandably has more vacancies, closing Q2 2024 with a 6.9% vacancy rate, while single-tenant spaces had a 3% vacancy rate. Additionally, the time required to lease a property has decreased over the years, fluctuating but staying at historic lows. In Q2 2024, it took an average of 6.9 months to lease a property, including both small and large centers.

Las Vegas retail asking rent (\$)

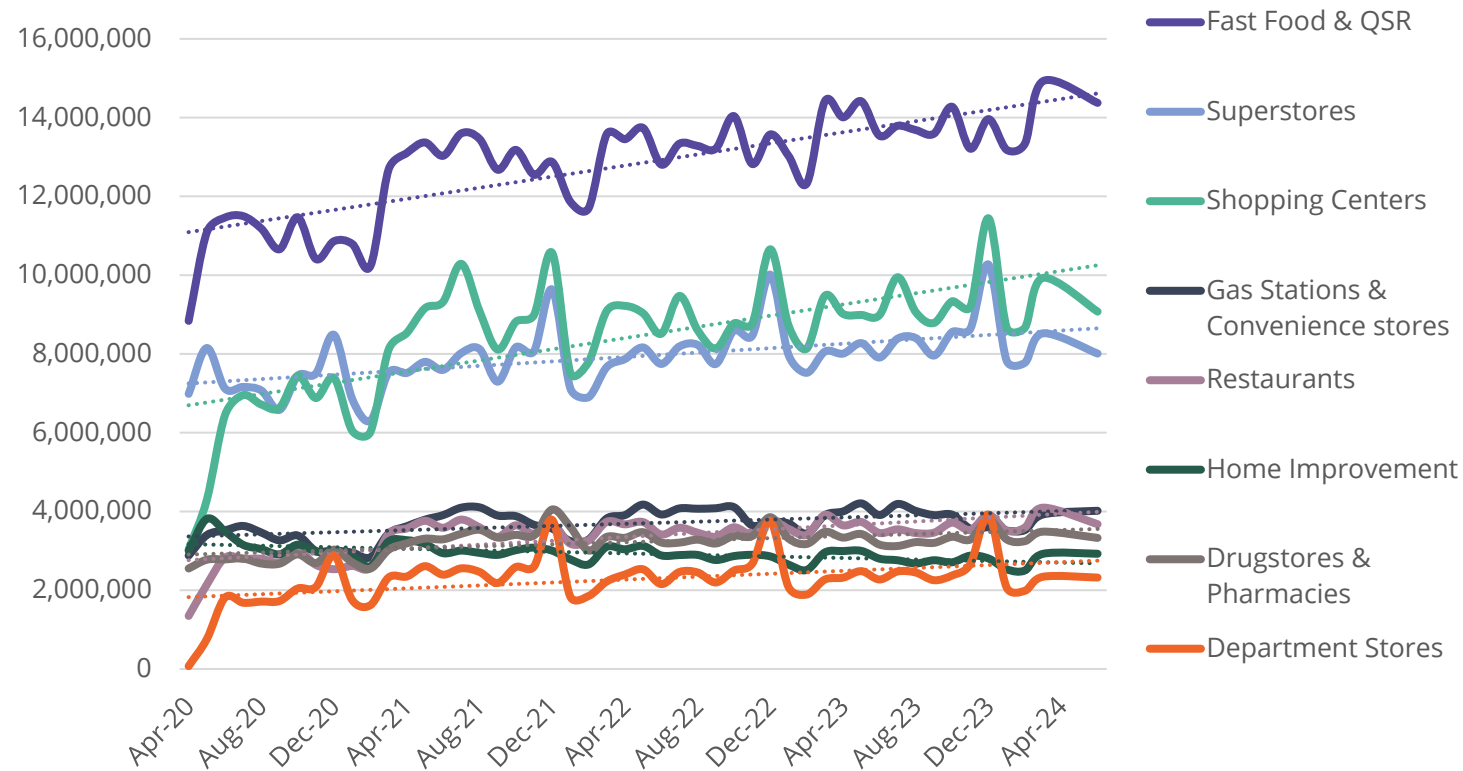


While Las Vegas retail rents have experienced significant growth over the past decade, the rapid surge observed post-pandemic from 2021 to 2023 appears to be tapering off. In Q2 2024, rents increased by 4.7% which is much smaller when compared to the previous year, signaling a deceleration from earlier periods. This suggests signs of stabilization and a healthy market outlook.

Appendix



Las Vegas retail visitation (monthly visits)



In the Las Vegas retail market, Fast Food & QSR is the leader in foot traffic at 14M visits in June of 2024, followed by Superstores and Shopping Centers with close visitation numbers. Standout tenants include Walmart at 4.5M monthly visits, and McDonald's and 7-Eleven tied at 3.2M monthly visits.

Top Performers (Q2 2020 – Q2 2024):

Fast Food & QSR

McDonald's – 3.2M monthly visits

Superstores

Walmart – 4.5M monthly visits

Shopping Centers

Grand Canal Shoppes – 1.7M monthly visits

Gas Stations & Convenience Stores

7-Eleven – 3.2M monthly visits

Restaurants

Denny's – 353K monthly visits

Home Improvement

The Home Depot – 1.1M monthly visits

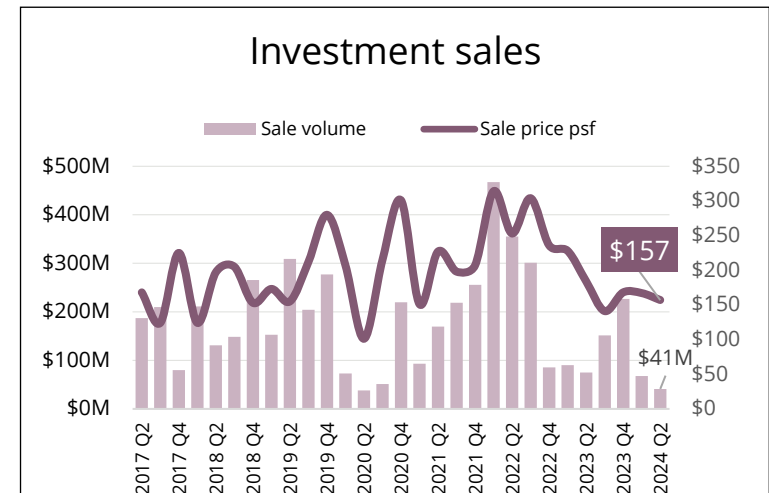
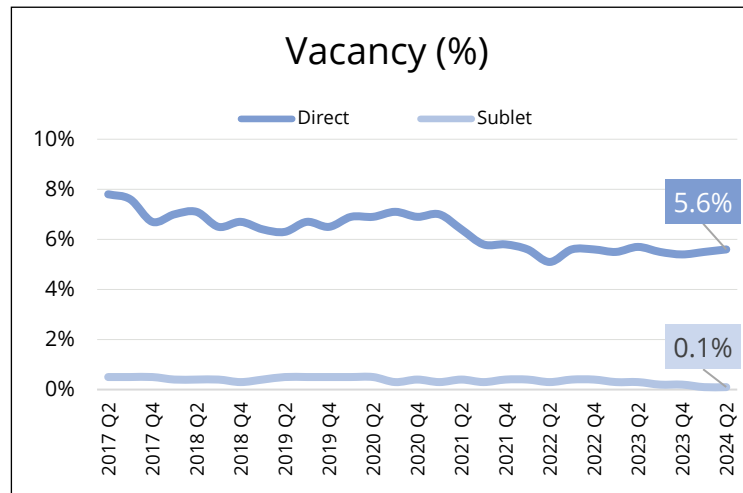
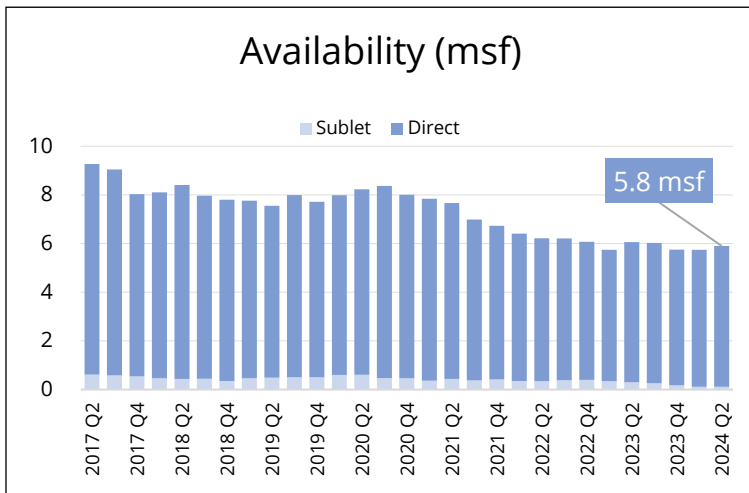
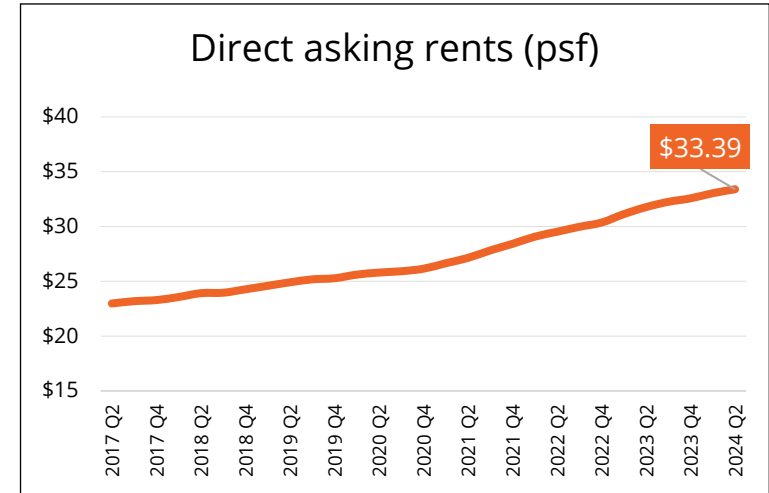
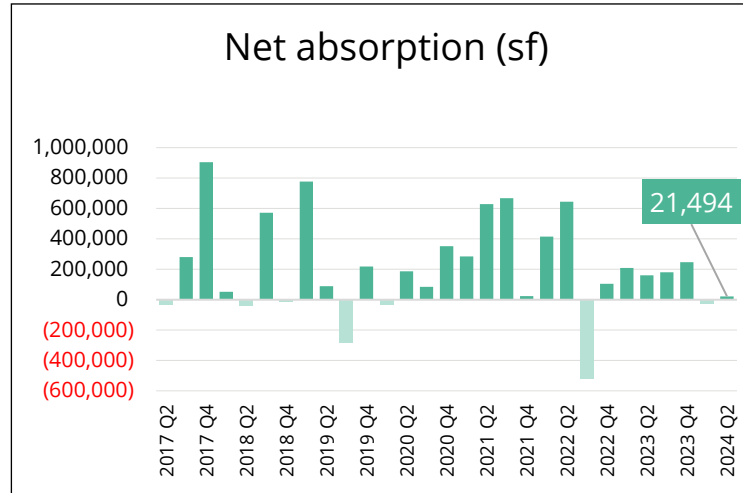
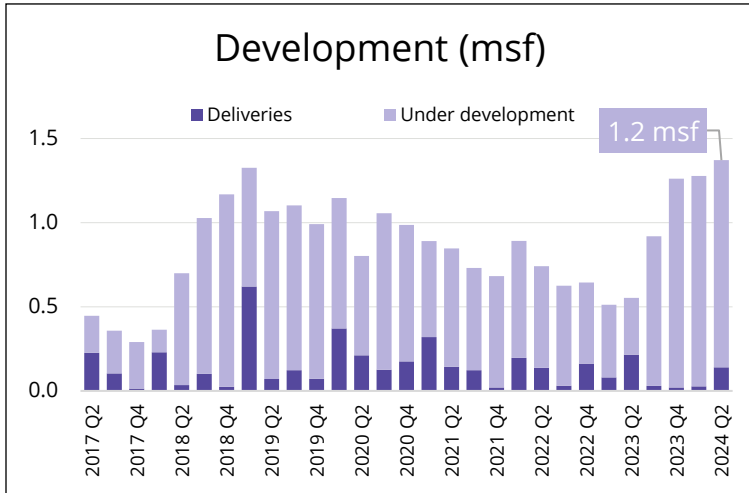
Drugstores & Pharmacies

Walgreens – 1.9M monthly visits

Department Stores

Ross Dress for Less – 795.4K monthly visits

Las Vegas retail market indicators



Las Vegas retail leasing & development activity

Q2 2024 – Top leasing activity

Tenant	Center Name	Address	Submarket	Sign date	Size (sf)	Transaction type	Lease type
Jubilee Furniture	The Arroyo Market Square	7175 Arroyo Crossing Pky	Southwest Las Vegas	June 2024	35,075	New Lease	Direct
The Picklr	Foothills Plaza	1450 W Horizon Ridge Pky	Southeast Las Vegas	April 2024	27,735	New Lease	Direct
World Market	Stephanie Street Power Center	501-579 N Stephanie St	Southeast Las Vegas	June 2024	26,000	New Lease	Direct
Dollar Tree	Tropicana Beltway Center	4920-4950 S Fort Apache Rd	Southwest Las Vegas	May 2024	23,393	New Lease	Direct
Hibachi Grill and Buffet	Craig Promenade	655-775 W Craig Rd	North Las Vegas	April 2024	14,454	New Lease	Direct

Q2 2024 – Notable transactions

Name/Address	Sale date	Sale price	Size (sf)	Sale price psf	Buyer	Seller
Renaissance III Shopping Center 3230-3370 E Flamingo Rd	June 17, 2024	\$8,630,000	June 17, 2024	\$72.12	Aspen Real Estate Advisors	LNR Partners
8930 S Westwind Rd (Gas Station)	June 12, 2024	\$7,000,000	June 12, 2024	\$1,950.95	Undisclosed	LV Petroleum
West Flamingo Centre 4755 W Flamingo Rd	May 31, 2024	\$5,450,000	May 31, 2024	\$406.72	Saad Hirmez	Charles Chapin
Cheyenne Commons 3119-3129 N Rainbow Blvd	April 11, 2024	\$5,150,000	April 11, 2024	\$448.22	Jane Y Cao	PEBB Enterprises
3291 N Rancho Dr (Auto Repair)	May 30, 2024	\$4,900,000	May 30, 2024	\$266.30	Frederick Seibert	Ultimate Collision Repair Centers

Q2 2024 – Top projects under development

Project name	Address	Est. delivery date	GLA (sf)	Developer
BLVD (Las Vegas Boulevard)	3743-3755 S Las Vegas Blvd	November 2024	500,000	Gindi Capital
The Village at Saint Rose	1685 Cactus Ave	August 2025	300,000	Stable Development
The Bend	Sunset & Durango	September 2024	157,000	Dapper Development
Losee 215 Village	6842 Losee Rd	January 2025	105,000	A.V.I Realty
Gramercy (multi-use – multifamily and retail)	9215 W Russel Rd	November 2024	101,450	Lyon Living

Las Vegas retail market stats

Submarket	Existing inventory sf	Deliveries sf (Q2)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption sf (Q2)	Direct average asking rent (psf)
Central East Las Vegas	12,993,005	0	500,000	10.3%	0.4%	10.6%	(119,031)	\$27.46
Central West Las Vegas	14,284,343	0	0	5.0%	0.2%	5.2%	(117,541)	\$25.08
East Las Vegas	4,430,461	0	0	2.7%	0%	2.7%	37,128	\$22.53
SE Las Vegas/Henderson	18,420,608	16,504	300,000	4.1%	0%	4.1%	167,539	\$29.33
North Las Vegas	7,361,197	42,000	120,731	6.8%	0.2%	7.0%	(5,667)	\$26.29
Northeast Las Vegas	5,267,349	0	16,000	8.6%	0%	8.6%	(34,714)	\$19.69
Northwest Las Vegas	6,044,763	0	0	1.4%	0%	1.4%	(8,016)	\$32.85
Outlying Clark County	2,185,928	0	0	13.6%	0%	13.6%	2,500	\$26.61
Resort Corridor	8,229,880	0	0	4.3%	0.2%	4.5%	32,279	\$88.78
Southwest Las Vegas	9,176,615	81,536	283,314	3.7%	0%	3.7%	64,601	\$32.46
West Las Vegas	9,417,186	0	11,137	5.4%	0%	5.4%	2,416	\$35.41
Market total	97,811,335	140,040	1,231,182	5.6%	0.1%	5.7%	21,494	\$33.39

Retail insights glossary of terms

Demand

- **Leasing activity:** total square footage of relocations, renewals, expansions and subleases expressed when the leases are signed, not when tenants take physical occupancy of the space
- **Absorption:** period-over-period change in occupied square footage

Supply

- **Direct vacancy rate:** space operated by landlords that is ready for immediate occupancy
- **Sublease vacancy rate:** space operated by sublandlords that is ready for immediate occupancy
- **Total vacancy rate:** sum of direct vacancy rate and sublease vacancy rate
- **Availability rate:** space that is vacant plus space that will become vacant over an indefinite time horizon, including spaces that are occupied by vacating tenants and under-construction properties

Retail rents and concessions

- **Asking rents:** pricing guidance provided by landlords to tenants for available space
- **Base rents:** fair market value of market-level lease pricing based on representative executed leases
- **Free rent period:** months of free rent that are typically provided upfront by landlords to tenants as a concession to offset the total cost of a lease and/or the construction timeline of a retail suite
- **Tenant improvement allowance:** an allowance expressed in dollars per square foot provided from landlords to tenants to offset build-out, engineering, space planning and related permit costs
- **Net effective rent:** base rents discounted by the dollar values of tenant improvement allowance and free rent concessions

Capital markets

- **Investment volume:** retail sales dollars expressed when the transactions close and based on inventory thresholds; partial-interest sale dollar amounts are not grossed-up to reflect the 100% value of the sale
- **Asset pricing:** unweighted average per-square-foot asset pricing of market-level closed sales
- **Cap rate:** net operating income divided by sale price; this measurement of market-level investment returns is calculated as an unweighted average based on closed investment sales

For more market insights and information visit **avisonyoung.com**

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