

Yardi® Matrix

OFFICE MARKET REPORT

Las Vegas' Volatile Office Market

Winter 2020

**Asking Rates
Spike**

**Construction
Slows Down**

**Sales Volume Hits
Cycle Low**



LAS VEGAS OFFICE MARKET

Yardi® Matrix

Steering Troubled Waters

Las Vegas' office market is facing hardships. Despite positive demographics and employment trends, the metro saw a significant decline of more than 300 basis points in its vacancy rate last year, as deliveries fell dramatically. Coworking companies expanded into the metro at a far slower pace compared to previous years, with only one major location opening in 2019—WeWork's 50,000-square-foot space at Howard Hughes Corp.'s new Two Summerlin building.

The metro gained 29,200 jobs in the 12 months ending in November, reaching a total of 1.1 million. Office-using jobs accounted for almost a quarter of the new positions created throughout the metro. With Amazon's decision to open a new, 30,000-square-foot office at Town Square and hire 125 workers, other companies are expected to follow suit and invest in the market.

Meanwhile, the metro had the weakest year for office investment activity in almost a decade, with some \$210 million in closed deals—a 65% decline since 2018. Development activity also reached a record low in 2019—the lowest level since 2015—with only 111,000 square feet delivered. With one 47,700-square-foot project expected to come online by the end of 2020, completions are projected to plummet even further.

Market Analysis

Winter 2020

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