



# LAS VEGAS OFFICE MARKET

Yardi® Matrix

## Market Analysis

First Quarter 2019

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## Slow but Steady Improvement



Las Vegas' office market continues to improve, thanks to its business-friendly tax climate and reasonably low cost of living. While the city's reputation remains mostly linked to the entertainment industry, a push to make the city more technology friendly is underway. Taking advantage of the Las Vegas Global Economic Alliance's pro-business policies, a number of companies decided to open or expand offices in Las Vegas, including PRA Group, Virtual Guard and Tissue Life. Coworking companies have also eyed Las Vegas in recent years, with Work in Progress, The Coop and Co-Operate all opening offices in the metro.

Positive demographic trends have added to the metro's population this cycle, as growth has picked up since 2014, at an annual average of 50,000 new residents. As the availability of highly skilled professionals has slowly risen, employment growth has stayed positive throughout the second half of the cycle. Unemployment has been significantly dented, down to a record low of 4.4% as of October.

Development activity has been limited throughout the current expansion. There was an uptick in 2017, with some 460,000 square feet delivered; last year ended with about 340,000 square feet completed, some 100,000 additional square feet underway and another 2.2 million in the planning and permitting stages. The metro's office vacancy rate was 16.4% as of October, and it is expected to continue to decrease over the coming quarters as demand picks up.