

LAS VEGAS OFFICE MARKET

Yardi® Matrix

Market Analysis

Second Quarter 2019

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Riding the Employment Wave



Las Vegas' office market continues to expand, thanks to positive demographic trends and the metro's pro-business climate. Coworking companies are eyeing growing suburban submarkets, with Regus operating 15 locations across Las Vegas, the majority of them situated in Henderson and Summerlin. WeWork entered the market earlier this year, signing a 50,000-square-foot lease in Summerlin.

Employment has seen healthy gains in multiple sectors, with a total of 26,800 jobs created in the 12 months ending in February. With 212,000 office-using jobs in Las Vegas, employment in that sector hit its highest mark, although Las Vegas still trails the national average. While the leisure and hospitality industry gained the most jobs (5,700), the professional and business services sector wasn't far behind (5,200). And MGM Resorts' decision to cut as many as 1,000 jobs over the coming months is likely to impact leisure and hospitality. Nevada continues to have one of the lowest minimum wages in the region, at \$7.25 per hour for workers with health benefits and \$8.25 for those without.

As only one project is underway in the metro, we expect the vacancy rate—which stood at 17.0% in April—to go down over the coming quarters. Development activity has gradually slowed down in recent years. In 2018, developers completed 370,000 square feet of office space, 20% less than in the previous year.