MARKET REPORT

Marcus & Millichap

RETAIL

Las Vegas Metro Area

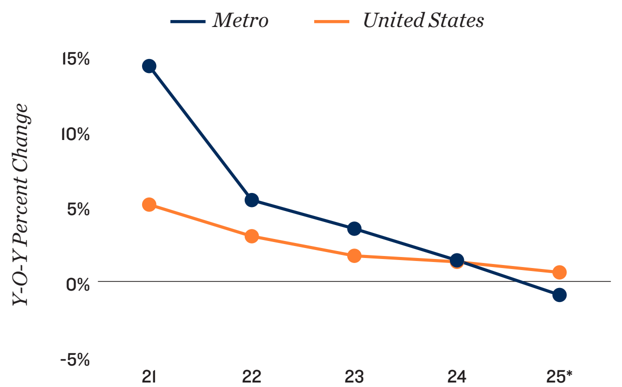
3Q/25

Las Vegas Navigates Softening Retail Space Demand and Uneven Submarket Performance

Demographic headwinds emerge amid economic uncertainty. The Las Vegas retail sector has posted historically low vacancy rates over the past two years, as well as rent growth above the national average. Demographic tailwinds are fading, however, as population and household income growth slow across the metro. Along with softening consumer spending nationwide, particularly in tourism, these trends have contributed to local job losses. As of June, the metro's unemployment rate was 5.7 percent — the highest among major U.S. metros. Despite these headwinds weighing on retail net absorption, historically tight vacancy should reinforce steady rent gains.

Retail outlook varies across submarkets. Metrowide retail leasing in the first half of 2025 matched 2024 levels, yet about 50 percent of the space slated for delivery in the second half remained unleased as of August. The Vegas Immersive District, composing roughly half of this year's pipeline, is still 90 percent vacant. Neighborhoods northwest and southeast of the airport — which hold the metro's largest retail inventories — recorded negative net absorption in the first two quarters. While the Resort Corridor posted two consecutive quarters of positive net absorption, bucking the national trend, softer hotel performance on the Strip could put that momentum at risk. In contrast, the northern part of the metro, buoyed by recent population growth, continues to outperform. Vacancy here fell to 4.3 percent in June, sitting well below the metro average.

Employment Trends



** Forecast*

Sources: BLS; CoStar Group, Inc.

Retail 2025 Outlook

10,000
JOBS
will be lost

EMPLOYMENT:

Las Vegas will shed jobs this year as the tourism industry slows. The education and healthcare sector could still see growth through the end of 2025, although not enough to raise the total workforce headcount.

740,000
SQ. FT.
will be completed

CONSTRUCTION:

Development remains steady this year, growing inventory at 0.7 percent year over year. The delivery pipeline is largely on par with the metro's annual average of 800,000 square feet of space in the last decade.

50
BASIS POINT
increase in vacancy

VACANCY:

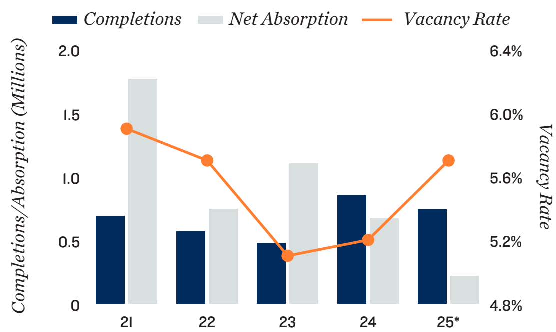
The vacancy rate will rise to 5.7 percent, returning to its 2022 level. Despite recording the lowest net absorption since 2011, vacancy remains 220 basis points below the metro's long-term average.

3.5%
INCREASE
in asking rent

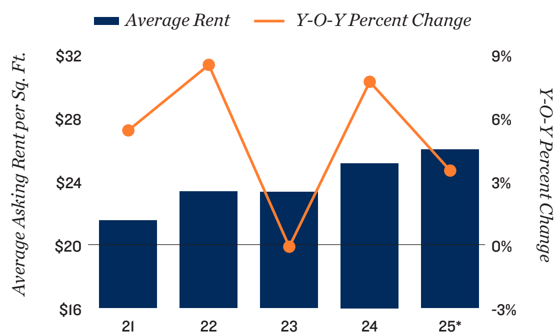
RENT:

Low vacancy will help drive the average asking rent up to $26.00 per square foot — 35 percent above 2019 levels. On a year-over-year basis, Las Vegas leads all primary and secondary U.S. markets in rent growth.

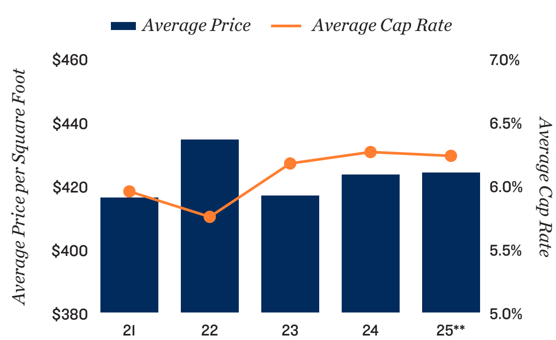
Supply and Demand



Rent Trends



Sales Trends



** Forecast ** Through 2Q*

Sources: CoStar Group, Inc.; Real Capital Analytics

2Q 2025 — 12-Month Period

CONSTRUCTION

742,000 sq. ft. completed

- Deliveries over the past 12 months were slightly higher than the levels recorded in the metro in the previous three years.
- The pipeline was led by the debut of BLVD, a landmark retail and entertainment complex on the Strip, which added 500,000 square feet in the Central East Las Vegas submarket.

VACANCY

30 basis point increase in vacancy Y-O-Y

- Softer retailer demand, reflected by the net relinquishment of space in the first quarter, caused the vacancy rate to edge up to 5.6 percent as of June.
- The Resort Corridor registered the largest vacancy increase, rising 140 basis points year over year to 5.2 percent, while the southeastern area around Henderson posted an 80-basis-point rise.

RENT

5.7% increase in the average asking rent Y-O-Y

- The average asking rent continued to grow at a steady rate over the last 12 months, reaching $25.57 per square foot.
- Single-tenant properties just east and west of the Strip saw average asking rent growth of over 10 percent year over year. The Resort Corridor recorded the highest overall rent growth of any submarket.

Investment Highlights

- Sales activity rose 25 percent year over year in the 12 months ended in June, driven by a threefold increase in deals exceeding $10 million and a 60 percent jump in multi-tenant property sales. These factors pushed total transaction activity in this period above the metro's long-term average.
- Buildings constructed in the 2000s saw transaction velocity double over the past 12 months compared with the prior year, now representing the largest share of sales among all age cohorts, followed by properties built after the 2010s. This shift suggests investors are favoring newer, more resilient assets that offer modern features and lower maintenance risks in an environment of softening consumer spending.
- Southwest and North Las Vegas — two submarkets farther from the city core — posted the largest year-over-year increases in transactions, while deal activity immediately north of the airport and along the Resort Corridor declined. Both outer areas noted vacancy compression in the second quarter compared with a year earlier, suggesting investors are gravitating toward submarkets with stronger residential growth and more stable local demand, rather than those more dependent on tourism.

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