NAR Commercial Real Estate Metro Market Report | 2021.Q4
Carson City, NV
Core-Based Statistical Area Code: 16180

The Carson City, NV commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 40.0

Overall economic conditions are stronger than nationally.
The apartment property market is about the same than nationally.
The office property market is not as strong than nationally.
The industrial property market is not as strong than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

	Carson City, NV			U.S.			
Economic	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Total non-farm employment ('000)	31	31	30	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	2	1	(1)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	5.4%	2.3%	-3.6%	4.1%	4.0%	-6.0%	*Job creation is stronger than nationally*
Unemployment rate (%)	4.4%	5.0%	4.5%	4.2%	4.7%	6.7%	*Unemployment rate is higher than nationally*
Average weekly wages	$740	$717	$682	$1,080	$1,073	$1,038	
Wage growth, year-over-year	8.8%	2.9%	-1.0%	4.8%	4.5%	6.7%	*Wages are rising faster than nationally*
(data are as of last month of the quarter)							
	2020	**2019**	**2018**	**2020**	**2019**	**2018**	
GDP growth (%)	-2.6%	5.0%	3.9%	-3.4%	2.3%	2.9%	
	2019	**2018**	**2017**	**2019**	**2018**	**2017**	
Median household income	$57,270	$56,160	$55,700	$87,470	$84,423	$81,284	
Demographic	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	
Net domestic migration ('000)	0.3	0.8	0.8	0	0	0	*Area is experiencing net domestic in-migration*
Population ('000)	56	56	55	331,501	328,330	326,838	
Population growth (%)	0.25%	1.10%	1.10%	0.97%	0.46%	0.53%	*Population growth is slower than nationally*

II. Multifamily

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	1.8%	1.6%	8.0%	4.6%	4.6%	6.6%	*The area has a lower vacancy rate than nationally*
Absorption of units over the quarter	(6)	3	27	78,063	189,629	94,740	
Absorption of units in past 12 months	217	250	168	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	6.3%	7.2%	5.2%	4.2%	4.3%	2.3%	*The area has stronger absorption than nationally*
Market asking rent per unit	$1,213	$1,203	$1,132	$1,543	$1,532	$1,387	
Market asking rent per unit, y/y % chg	7.2%	10.3%	5.9%	11.3%	10.6%	0.5%	
Effective rent per unit	$1,208	$1,199	$1,126	$1,534	$1,523	$1,367	
Effective rent per unit, y/y % chg	7.3%	10.5%	5.6%	12.2%	11.6%	-0.1%	*Rents are rising more slowly than nationally*
Rent as a percent of 2-person annual wage income	18.8%	19.2%	19.0%	16.3%	16.3%	15.2%	*Renting is less affordable than nationally*
Supply indicators							
Inventory	3,458	3,464	3,241	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	-	-	370	369,993	387,542	434,591	
Net delivered units, as % of inventory	-	-	11.4%	2.2%	2.3%	2.6%	
Units under construction	-	-	-	681,402	692,701	687,551	
Units under construction, as % of inventory	-	-	-	4.0%	4.1%	4.2%	
Ratio of jobs created to net delivered units	-	-	(3.0)	16.2	14.7	(21.3)	
(as of latest available month of the quarter)							
Sales transactions							
Total investment acquisitions (in million $)	$25	$4	$5	$86,764	$63,211	$47,522	*Sales transactions are rising faster than nationally*
Transaction sales price per unit	$138,701	$122,059	$115,217	$235,199	$231,697	$212,033	*Prices are rising faster nationally*
Market cap rate	5.6%	5.6%	5.7%	5.2%	5.2%	5.3%	*Cap rates are higher than nationally*

III. Office

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	11.5%	13.0%	9.1%	12.2%	13.0%	9.1%	*The area has a lower vacancy rate than nationally*
Absorption in sq.ft. over the quarter	41,164	8,851	26,624	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(69,043)	(83,583)	13,365	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-2.7%	-3.4%	0.5%	-0.5%	-1.2%	-1.0%	*The area has lower absorption than nationally*
Market rent per sq.ft.	$19.0	$19.0	$18.7	$34.4	$34.3	$34.3	
Market rent growth, y/y % chg.	1.8%	1.6%	0.1%	0.1%	-0.3%	-1.5%	*Rents are rising faster than nationally*
Y/Y chg.in professional/business services jobs ('000)	0.1	0.2	0.2	1,134	1,092	(870)	*Stronger office job creation than nationally*
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	2,517,349	2,476,185	2,586,392	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	-	-	-	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.6%	
Under construction in sq.ft.	-	-	-	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million $)	$5	$19	$5	$28,031	$29,974	$21,646	*Sales transactions are not rising as fast than nationally*
Transaction sale price per sq.ft.	$95	$150	$150	$305	$306	$301	*Prices are not rising as fast than nationally*
Market cap rate	8.1%	7.9%	8.0%	7.0%	7.0%	7.0%	*Cap rates are higher than nationally*

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IV. Industrial

	Carson City, NV			U.S.			
Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	1.7%	2.6%	1.8%	4.2%	4.6%	5.5%	***The area has lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	38,527	34,838	83,601	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	1,282	46,356	86,190	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	0.0%	1.1%	2.0%	3.0%	2.7%	1.4%	***The area has lower absorption than nationally***
Market rent per sq.ft.	$7.7	$7.6	$7.3	$9.8	$9.5	$9.0	
Market rent growth, y/y % chg.	6.0%	6.1%	3.6%	8.6%	7.2%	4.6%	***Rent growth is slower than nationally***
Supply indicators							
Inventory in sq. ft.	4,273,329	4,234,802	4,270,947	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	-	-	-	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	-	-	-	1.7%	1.8%	1.9%	
Under construction in sq.ft.	-	-	-	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	-	-	-	3.0%	2.8%	2.1%	
Sales transactions							
Total investment acquisitions (in million $)	$3	$6	$2	$34,773	$30,151	$29,578	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$60	$48	$168	$144	$127	$110	***Prices are not rising as fast than nationally***
Market cap rate	6.7%	6.6%	6.7%	6.3%	6.3%	6.4%	***Cap rates are higher than nationally***

V. Retail

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	9.0%	9.3%	12.0%	4.6%	4.8%	5.1%	***The area has a higher vacancy rate than nationally***
Absorption in sq.ft. over the quarter	16,805	37,614	(38,949)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	132,907	77,153	(77,701)	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	3.4%	2.0%	-2.1%	0.7%	0.4%	-0.3%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$14.7	$14.6	$14.1	$22.5	$22.3	$21.9	
Market rent growth, y/y % chg.	4.3%	3.1%	0.9%	2.8%	2.1%	0.8%	***Rents are rising faster than nationally***
Y/Y chg.in retail trade payroll employment ('000)	0.30	0.40	0.20	372.10	387.70	(473.90)	***The area has stronger retail trade job creation than nationally***
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	3,878,046	3,861,241	3,745,139	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	8,235	4,809	5,609	21,047,385	28,105,270	41,736,234	***Relatively more units delivered than nationally***
Net delivered units, as % of inventory	0.2%	0.1%	0.1%	0.2%	0.3%	0.4%	***More delivered space relative to inventory than nationally***
Under construction in sq.ft.	-	8,235	8,235	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	-	0.2%	0.2%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million $)	-	$12	$19	$24,585	$21,801	$18,723	
Transaction sale price per sq.ft.	-	$105	$181	$237	$204	$192	
Market cap rate	7.2%	7.3%	7.4%	7.0%	7.0%	7.0%	***Cap rates are higher than nationally***

VI. Hotel/Lodging

	2021 Q4 (Nov)	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Leisure and hospitality payroll workers ('000)	3.5	3.4	3.1	15,362	15,397	12,896	
Y/Y change ('000)	0.4	0.2	(0.5)	2,533.0	1,841.0	(3,541.0)	***Job creation in the leisure industry is weaker than nationally***
% share to nonfarm payroll employment	11.2%	11.1%	10.4%	10.2%	10.4%	9.0%	***Higher fraction of workers in leisure industry than nationally***

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.
*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.
NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.
The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.
Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City) . The 390 markets in this report are based on the CoStar® market areas.
NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.
Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of compararable properties in the geographic area.
Data may not be available for some markets or property types.
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NAR Commercial Real Estate Metro Market Report | 2021.Q4
Las Vegas-Henderson-Paradise, NV

Core-Based Statistical Area Code: 29820

The Las Vegas-Henderson-Paradise, NV commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 68.0

Overall economic conditions are stronger than nationally.
The apartment property market is about the same than nationally.
The office property market is stronger than nationally.
The industrial property market is stronger than nationally.
The retail property market is stronger than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Las Vegas-Henderson-Paradise, NV			U.S.			
Economic	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Total non-farm employment ('000)	989	970	912	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	77	73	(151)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	8.5%	8.2%	-14.2%	4.1%	4.0%	-6.0%	*Job creation is stronger than nationally*
Unemployment rate (%)	7.3%	8.0%	9.7%	4.2%	4.7%	6.7%	*Unemployment rate is higher than nationally*
Average weekly wages	$946	$934	$867	$1,080	$1,073	$1,038	
Wage growth, year-over-year	7.9%	7.8%	2.2%	4.8%	4.5%	6.7%	*Wages are rising faster than nationally*
(data are as of last month of the quarter)							
	2020	**2019**	**2018**	**2020**	**2019**	**2018**	
GDP growth (%)	-10.3%	4.2%	5.5%	-3.4%	2.3%	2.9%	
	2019	**2018**	**2017**	**2019**	**2018**	**2017**	
Median household income	$62,107	$57,076	$57,189	$87,470	$84,423	$81,284	
Demographic	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	
Net domestic migration ('000)	28.5	32.1	35.8	0	0	0	*Area is experiencing net domestic in-migration*
Population ('000)	2,316	2,276	2,229	331,501	328,330	326,838	
Population growth (%)	1.76%	2.10%	2.09%	0.97%	0.46%	0.53%	*Population is growing faster than nationally*

II. Multifamily

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.9%	4.0%	5.8%	4.6%	4.6%	6.6%	*The area has a higher vacancy rate than nationally*
Absorption of units over the quarter	(700)	484	555	78,063	189,629	94,740	
Absorption of units in past 12 months	4,160	5,415	5,804	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	2.5%	3.3%	3.6%	4.2%	4.3%	2.3%	*The area has lower absorption than nationally*
Market asking rent per unit	$1,423	$1,407	$1,155	$1,543	$1,532	$1,387	
Market asking rent per unit, y/y % chg	23.2%	22.5%	4.6%	11.3%	10.6%	0.5%	
Effective rent per unit	$1,417	$1,402	$1,145	$1,534	$1,523	$1,367	
Effective rent per unit, y/y % chg	23.8%	23.2%	4.7%	12.2%	11.6%	-0.1%	*Rents are rising faster than nationally*
Rent as a percent of 2-person annual wage income	17.2%	17.3%	15.2%	16.3%	16.3%	15.2%	*Renting is less affordable than nationally*
Supply indicators							
Inventory	165,418	166,119	161,261	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	2,780	3,238	3,461	369,993	387,542	434,591	
Net delivered units, as % of inventory	1.7%	1.9%	2.1%	2.2%	2.3%	2.6%	
Units under construction	5,930	6,723	6,030	681,402	692,701	687,551	
Units under construction, as % of inventory	3.6%	4.0%	3.7%	4.0%	4.1%	4.2%	*Construction is weaker than nationally*
Ratio of jobs created to net delivered units	27.8	22.7	(43.6)	16.2	14.7	(21.3)	*More jobs per delivered units than nationally*
(as of latest available month of the quarter)							
Sales transactions							
Total investment acquisitions (in million $)	$2,255	$961	$295	$86,764	$63,211	$47,522	*Sales transactions are rising faster than nationally*
Transaction sales price per unit	$255,783	$202,178	$158,458	$235,199	$231,697	$212,033	*Prices are rising faster nationally*
Market cap rate	4.5%	4.6%	4.8%	5.2%	5.2%	5.3%	*Cap rates are lower than nationally*

III. Office

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	10.8%	11.7%	12.1%	12.2%	11.7%	12.1%	*The area has a lower vacancy rate than nationally*
Absorption in sq.ft. over the quarter	694,360	282,102	(390,477)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	1,109,284	24,447	340,005	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.8%	0.0%	0.6%	-0.5%	-1.2%	-1.0%	*The area has stronger absorption than nationally*
Market rent per sq.ft.	$24.8	$24.7	$23.8	$34.4	$34.3	$34.3	
Market rent growth, y/y % chg.	4.1%	5.3%	1.8%	0.1%	-0.3%	-1.5%	*Rents are rising faster than nationally*
Y/Y chg.in professional/business services jobs ('000)	21.5	16.6	(26.8)	1,134	1,092	(870)	*Stronger office job creation than nationally*
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	60,119,868	59,425,508	59,013,084	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	212,913	205,097	637,397	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.4%	0.3%	1.1%	0.8%	0.8%	0.6%	*More delivered space relative to inventory than nationally*
Under construction in sq.ft.	922,311	977,171	702,491	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	1.5%	1.6%	1.2%	2.0%	2.0%	2.1%	*Construction activity is slower than nationally*
Sales transactions							
Total investment acquisitions (in million $)	$314	$280	$92	$28,031	$29,974	$21,646	*Sales transactions are rising faster than nationally*
Transaction sale price per sq.ft.	$228	$218	$150	$305	$306	$301	*Prices are rising faster nationally*
Market cap rate	7.4%	7.4%	7.8%	7.0%	7.0%	7.0%	*Cap rates are higher than nationally*

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IV. Industrial

	Las Vegas-Henderson-Paradise, NV			U.S.			
Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	2.4%	3.9%	6.2%	4.2%	4.6%	5.5%	***The area has lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	2,770,029	1,368,162	1,876,033	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	9,198,117	8,304,121	4,069,919	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	6.0%	5.5%	2.8%	3.0%	2.7%	1.4%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$10.7	$10.4	$9.7	$9.8	$9.5	$9.0	
Market rent growth, y/y % chg.	11.3%	9.2%	5.1%	8.6%	7.2%	4.6%	***Rents are rising faster than nationally***
Supply indicators							
Inventory in sq. ft.	152,409,376	149,639,360	143,211,264	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	3,533,156	5,527,435	6,379,273	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	2.3%	3.7%	4.5%	1.7%	1.8%	1.9%	***More deliveries relative to inventory than nationally***
Under construction in sq.ft.	8,211,821	7,107,988	5,349,995	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	5.4%	4.8%	3.7%	3.0%	2.8%	2.1%	***More delivered space relative to inventory than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$873	$729	$338	$34,773	$30,151	$29,578	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$271	$185	$148	$144	$127	$110	***Prices are rising faster nationally***
Market cap rate	5.2%	5.2%	5.3%	6.3%	6.3%	6.4%	***Cap rates are lower than nationally***

V. Retail

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	5.7%	5.7%	6.6%	4.6%	4.8%	5.1%	***The area has a higher vacancy rate than nationally***
Absorption in sq.ft. over the quarter	(40,411)	708,860	283,354	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	1,559,820	1,883,585	528,215	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	1.4%	1.7%	0.5%	0.7%	0.4%	-0.3%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$28.1	$27.4	$25.7	$22.5	$22.3	$21.9	
Market rent growth, y/y % chg.	9.3%	7.0%	2.6%	2.8%	2.1%	0.8%	***Rents are rising faster than nationally***
Y/Y chg.in retail trade payroll employment ('000) *(as of latest available month of the quarter)*	6.30	10.00	(1.30)	372.10	387.70	(473.90)	***The area has weaker retail trade job creation than nationally***
Supply indicators							
Inventory in sq. ft.	111,453,800	111,494,208	109,893,984	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	523,302	568,555	874,792	21,047,385	28,105,270	41,736,234	***Relatively more units delivered than nationally***
Net delivered units, as % of inventory	0.5%	0.5%	0.8%	0.2%	0.3%	0.4%	***More delivered space relative to inventory than nationally***
Under construction in sq.ft.	1,043,833	1,041,303	1,158,598	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.9%	0.9%	1.1%	0.5%	0.5%	0.5%	***Construction activity is more robust than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$1,395	$416	$271	$24,585	$21,801	$18,723	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$558	$265	$311	$237	$204	$192	***Prices are rising faster nationally***
Market cap rate	6.2%	6.3%	6.3%	7.0%	7.0%	7.0%	***Cap rates are lower than nationally***

VI. Hotel/Lodging

	2021 Q4 (Nov)	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Leisure and hospitality payroll workers ('000)	229.2	227.9	195.5	15,362	15,397	12,896	
Y/Y change ('000)	31.5	31.5	(96.1)	2,533.0	1,841.0	(3,541.0)	***Job creation in the leisure industry is stronger than nationally***
% share to nonfarm payroll employment	23.2%	23.5%	21.4%	10.2%	10.4%	9.0%	***Higher fraction of workers in leisure industry than nationally***

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of compararable properties in the geographic area.

Data may not be available for some markets or property types.

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NATIONAL ASSOCIATION OF REALTORS®

NAR Commercial Real Estate Metro Market Report | 2021.Q4
Reno, NV
Core-Based Statistical Area Code: 39900

The Reno, NV commercial real estate market is stronger compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 56.0

Overall economic conditions are stronger than nationally.
The apartment property market is about the same than nationally.
The office property market is stronger than nationally.
The industrial property market is stronger than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Reno, NV			U.S.			
Economic	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Total non-farm employment ('000)	252	249	243	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	9	11	(10)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	3.8%	4.4%	-3.9%	4.1%	4.0%	-6.0%	***Job creation is weaker than nationally***
Unemployment rate (%)	3.7%	4.1%	4.7%	4.2%	4.7%	6.7%	***Unemployment rate is lower than nationally***
Average weekly wages	$941	$956	$1,033	$1,080	$1,073	$1,038	
Wage growth, year-over-year	-10.7%	-7.1%	5.0%	4.8%	4.5%	6.7%	***Wages are rising at a slower pace than nationally***
(data are as of last month of the quarter)							
	2020	**2019**	**2018**	**2020**	**2019**	**2018**	
GDP growth (%)	0.5%	3.7%	-2.1%	-3.4%	2.3%	2.9%	
	2019	**2018**	**2017**	**2019**	**2018**	**2017**	
Median household income	$72,132	$63,466	$61,360	$87,470	$84,423	$81,284	
Demographic	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	
Net domestic migration ('000)	3.6	6.5	6.7	0	0	0	***Area is experiencing net domestic in-migration***
Population ('000)	481	477	469	331,501	328,330	326,838	
Population growth (%)	0.99%	1.70%	1.68%	0.97%	0.46%	0.53%	***Population is growing faster than nationally***

II. Multifamily

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.8%	4.5%	5.4%	4.6%	4.6%	6.6%	***The area has a higher vacancy rate than nationally***
Absorption of units over the quarter	59	521	454	78,063	189,629	94,740	
Absorption of units in past 12 months	1,832	2,227	1,833	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	4.7%	5.7%	5.0%	4.2%	4.3%	2.3%	***The area has stronger absorption than nationally***
Market asking rent per unit	$1,476	$1,489	$1,346	$1,543	$1,532	$1,387	
Market asking rent per unit, y/y % chg	9.7%	11.4%	5.4%	11.3%	10.6%	0.5%	
Effective rent per unit	$1,469	$1,479	$1,334	$1,534	$1,523	$1,367	
Effective rent per unit, y/y % chg	10.2%	11.7%	5.8%	12.2%	11.6%	-0.1%	***Rents are rising more slowly than nationally***
Rent as a percent of 2-person annual wage income	18.0%	17.8%	14.9%	16.3%	16.3%	15.2%	***Renting is less affordable than nationally***
Supply indicators							
Inventory	38,805	38,746	36,974	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	1,654	1,459	1,293	369,993	387,542	434,591	
Net delivered units, as % of inventory	4.3%	3.8%	3.5%	2.2%	2.3%	2.6%	
Units under construction	2,075	2,276	2,980	681,402	692,701	687,551	
Units under construction, as % of inventory	5.3%	5.9%	8.1%	4.0%	4.1%	4.2%	***Construction is stronger than nationally***
Ratio of jobs created to net delivered units	5.6	7.2	(7.7)	16.2	14.7	(21.3)	***Fewer jobs per delivered units than nationally***
(as of latest available month of the quarter)							
Sales transactions							
Total investment acquisitions (in million $)	$114	$155	$108	$86,764	$63,211	$47,522	***Sales transactions are not rising as fast than nationally***
Transaction sales price per unit	$250,884	$213,466	$222,127	$235,199	$231,697	$212,033	***Prices are rising faster nationally***
Market cap rate	4.5%	4.5%	4.6%	5.2%	5.2%	5.3%	***Cap rates are lower than nationally***

III. Office

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	7.8%	7.9%	9.4%	12.2%	7.9%	9.4%	***The area has a lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	46,068	227,083	45,479	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	293,157	292,568	(170,118)	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	1.9%	1.9%	-1.1%	-0.5%	-1.2%	-1.0%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$23.5	$23.4	$22.5	$34.4	$34.3	$34.3	
Market rent growth, y/y % chg.	4.7%	6.9%	4.6%	0.1%	-0.3%	-1.5%	***Rents are rising faster than nationally***
Y/Y chg.in professional/business services jobs ('000)	0.1	2.5	0.7	1,134	1,092	(870)	***Stronger office job creation than nationally***
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	15,702,345	15,656,277	15,409,187	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	24,638	13,370	59,458	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.2%	0.1%	0.4%	0.8%	0.8%	0.6%	***More delivered space relative to inventory than nationally***
Under construction in sq.ft.	255,958	277,021	22,408	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	1.6%	1.8%	0.1%	2.0%	2.0%	2.1%	***Construction activity is slower than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$62	$61	$41	$28,031	$29,974	$21,646	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$100	$204	$194	$305	$306	$301	***Prices are not rising as fast than nationally***
Market cap rate	7.9%	7.9%	7.8%	7.0%	7.0%	7.0%	***Cap rates are higher than nationally***

NAR Commercial Real Estate Metro Market Report | 2021.Q4
Reno, NV
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IV. Industrial

	Reno, NV			U.S.			
Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	2.9%	4.1%	7.1%	4.2%	4.6%	5.5%	***The area has lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	1,820,908	473,145	54,567	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	6,555,784	4,789,443	1,951,409	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	6.4%	4.7%	2.0%	3.0%	2.7%	1.4%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$7.8	$7.6	$7.3	$9.8	$9.5	$9.0	
Market rent growth, y/y % chg.	6.8%	5.5%	4.5%	8.6%	7.2%	4.6%	***Rent growth is slower than nationally***
Supply indicators							
Inventory in sq. ft.	102,813,352	100,992,448	96,112,520	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	2,340,200	1,955,507	2,125,026	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	2.3%	1.9%	2.2%	1.7%	1.8%	1.9%	***More deliveries relative to inventory than nationally***
Under construction in sq.ft.	4,829,215	5,002,456	4,101,498	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	4.7%	5.0%	4.3%	3.0%	2.8%	2.1%	***More delivered space relative to inventory than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$316	$76	$205	$34,773	$30,151	$29,578	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$100	$165	$83	$144	$127	$110	***Prices are not rising as fast than nationally***
Market cap rate	5.5%	5.5%	5.5%	6.3%	6.3%	6.4%	***Cap rates are lower than nationally***

V. Retail

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.9%	5.6%	6.2%	4.6%	4.8%	5.1%	***The area has a higher vacancy rate than nationally***
Absorption in sq.ft. over the quarter	256,349	77,238	(7,330)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	477,239	213,560	(66,276)	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	1.9%	0.8%	-0.3%	0.7%	0.4%	-0.3%	***The area has stronger absorption than nationally***
Market rent per sq.ft.	$19.8	$19.6	$19.0	$22.5	$22.3	$21.9	
Market rent growth, y/y % chg.	3.8%	3.3%	1.1%	2.8%	2.1%	0.8%	***Rents are rising faster than nationally***
Y/Y chg.in retail trade payroll employment ('000)	1.40	0.80	(1.30)	372.10	387.70	(473.90)	***The area has weaker retail trade job creation than nationally***
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	25,433,100	25,176,752	24,955,860	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	138,666	79,884	16,127	21,047,385	28,105,270	41,736,234	***Relatively more units delivered than nationally***
Net delivered units, as % of inventory	0.5%	0.3%	0.1%	0.2%	0.3%	0.4%	***More delivered space relative to inventory than nationally***
Under construction in sq.ft.	227,894	257,562	201,146	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.9%	1.0%	0.8%	0.5%	0.5%	0.5%	***Construction activity is more robust than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$125	$37	$84	$24,585	$21,801	$18,723	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$279	$156	$147	$237	$204	$192	***Prices are rising faster nationally***
Market cap rate	7.2%	7.2%	7.5%	7.0%	7.0%	7.0%	***Cap rates are higher than nationally***

VI. Hotel/Lodging

	2021 Q4 (Nov)	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Leisure and hospitality payroll workers ('000)	34.1	33.8	30.1	15,362	15,397	12,896	
Y/Y change ('000)	3.1	2.7	(8.7)	2,533.0	1,841.0	(3,541.0)	***Job creation in the leisure industry is stronger than nationally***
% share to nonfarm payroll employment	13.6%	13.6%	12.4%	10.2%	10.4%	9.0%	***Higher fraction of workers in leisure industry than nationally***

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

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