

NAR Commercial Real Estate Metro Market Report | 2022.Q1

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* 32.0

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong 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

Economic	Carson City, NV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	31	31	30	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	1	(0)	6,604	6,747	(6,644)	Job creation is weaker than nationally
Y/Y % chg. in nonfarm payroll employment	3.7%	3.3%	-1.3%	4.6%	4.7%	-4.4%	Unemployment rate is lower than nationally
Unemployment rate (%)	2.8%	3.7%	5.8%	3.6%	3.9%	6.0%	
Average weekly wages	\$750	\$766	\$722	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	3.9%	12.2%	8.4%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.6%	5.0%	3.9%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.3	0.8	0.8	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	59	56	55	331,501	328,330	326,838	
Population growth (%)	4.98%	1.10%	1.10%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Carson City, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	1.8%	1.8%	1.9%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	0	(8)	212	58,097	61,951	187,113	
Absorption of units in past 12 months	3	215	373	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.1%	6.2%	10.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,204	\$1,191	\$1,126	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	7.0%	7.6%	6.6%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,200	\$1,186	\$1,123	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	6.9%	7.7%	6.6%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	18.4%	17.8%	17.9%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	3,459	3,459	3,456	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	370	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	10.7%	2.2%	2.3%	2.5%	
Units under construction	140	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	4.0%	-	-	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(1.1)	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$18	\$3	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	-	\$109,938	\$125,909	\$220,078	\$227,367	\$157,676	
Market cap rate	5.5%	5.5%	5.5%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Carson City, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	12.4%	11.5%	13.2%	12.2%	12.1%	11.7%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(24,499)	41,164	(115,467)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	21,925	(69,043)	(38,497)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.9%	-2.7%	-1.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$19.7	\$19.6	\$19.0	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	3.4%	3.3%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.3	0.2	0.1	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	2,497,760	2,522,259	2,475,835	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$5	\$6	\$6	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$297	\$100	\$54	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.2%	8.2%	8.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Carson City, NV

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16180

IV. Industrial

	Carson City, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.4%	1.9%	3.8%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(113,405)	35,027	(90,487)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(28,736)	(5,818)	61,826	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-0.7%	-0.1%	1.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$7.8	\$7.8	\$7.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	5.6%	6.1%	4.3%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	4,264,503	4,377,908	4,292,039	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	25,154	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	0.6%	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$10	\$4	\$1	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$139	\$81	\$174	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.8%	6.8%	6.8%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Carson City, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	8.8%	9.0%	11.4%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	7,507	20,305	29,959	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	117,555	140,007	(43,897)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	3.1%	3.6%	-1.2%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$15.0	\$14.8	\$14.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	5.7%	4.7%	1.1%	3.9%	3.1%	1.1%	Rents are rising faster than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.40	0.30	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	3,843,964	3,836,457	3,726,409	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	8,235	8,235	5,609	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	8,235	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.2%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$10	-	\$9	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$612	-	\$286	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.1%	7.2%	7.2%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	3.7	3.6	3.3	14,939	14,804	12,876	
Y/Y change ('000)	0.4	0.6	(0.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	11.9%	11.5%	11.0%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

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 comparable properties in the geographic area.

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

For information about this report, email data@nar.realtor.

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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 stronger than nationally.

I. Economic and Demographic

Economic	Las Vegas-Henderson-Paradise, NV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,041	1,039	928	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	113	117	(115)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	12.1%	12.7%	-11.0%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	5.4%	6.1%	10.5%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$967	\$942	\$878	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	10.2%	8.6%	1.5%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-10.3%	4.2%	5.5%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	28.5	32.1	35.8	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	2,273	2,276	2,229	331,501	328,330	326,838	
Population growth (%)	-0.11%	2.10%	2.09%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Las Vegas-Henderson-Paradise, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.6%	5.2%	5.2%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	(580)	(1,044)	1,741	58,097	61,951	187,113	
Absorption of units in past 12 months	1,267	3,588	6,578	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.8%	2.2%	4.0%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,453	\$1,430	\$1,203	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	20.8%	22.8%	8.2%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,447	\$1,425	\$1,191	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	21.4%	23.4%	8.1%	12.2%	12.2%	1.8%	Rents are rising faster than nationally
Rent as a percent of 2-person annual wage income	17.2%	17.4%	15.6%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	165,070	165,650	163,803	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	2,032	2,780	3,773	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.2%	1.7%	2.3%	2.2%	2.3%	2.5%	
Units under construction	7,019	6,186	5,298	774,864	744,997	732,144	
Units under construction, as % of inventory	4.3%	3.7%	3.2%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	55.5	42.0	(30.5)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$1,155	\$2,488	\$145	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$268,637	\$256,036	\$123,078	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	4.3%	4.4%	4.7%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Las Vegas-Henderson-Paradise, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.3%	10.7%	12.7%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	357,905	733,678	(392,659)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	1,883,378	1,132,814	(784,993)	5,610,472	(41,726,112)	(119,807,672)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	3.1%	1.9%	-1.3%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$25.2	\$25.1	\$24.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	4.6%	4.8%	3.1%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	22.2	17.7	(17.9)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	60,712,156	60,354,252	58,831,280	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	318,226	220,693	487,032	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.5%	0.4%	0.8%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	906,679	911,221	648,231	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.5%	1.5%	1.1%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$358	\$319	\$118	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$245	\$234	\$202	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	7.4%	7.4%	7.7%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Las Vegas-Henderson-Paradise, NV

Core-Based Statistical Area Code:

29820

IV. Industrial

	Las Vegas-Henderson-Paradise, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.0%	2.3%	6.0%	4.1%	4.2%	5.3%	<i>The area has lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	2,445,383	3,750,068	760,681	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	11,893,027	10,208,325	3,884,437	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	7.6%	6.7%	2.7%	3.1%	3.1%	1.6%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$11.5	\$10.9	\$9.9	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	16.5%	12.7%	5.9%	11.0%	9.3%	5.5%	<i>Rents are rising faster than nationally</i>
Supply indicators							
Inventory in sq. ft.	155,613,488	153,168,112	143,720,464	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	5,970,676	4,553,914	5,408,664	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	3.8%	3.0%	3.8%	1.9%	1.8%	1.8%	<i>More deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	8,747,069	7,060,768	7,077,099	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	5.6%	4.6%	4.9%	3.5%	3.2%	2.4%	<i>More delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$358	\$588	\$391	\$21,817	\$51,629	\$16,323	<i>Sales transactions are not rising as fast as nationally</i>
Transaction sale price per sq.ft.	\$174	\$186	\$186	\$140	\$136	\$105	<i>Prices are not rising as fast than nationally</i>
Market cap rate	5.1%	5.2%	5.2%	6.3%	6.3%	6.3%	<i>Cap rates are lower than nationally</i>

V. Retail

	Las Vegas-Henderson-Paradise, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.5%	5.7%	6.7%	4.5%	4.7%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	366,169	8,468	420,403	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	1,670,573	1,724,807	1,137,921	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.5%	1.5%	1.0%	0.8%	0.7%	-0.2%	<i>The area has stronger absorption than nationally</i>
Market rent per sq.ft.	\$28.9	\$28.2	\$26.1	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	10.4%	9.5%	2.9%	3.9%	3.1%	1.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	5.60	4.90	(2.20)	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	112,133,936	111,767,768	110,463,368	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	295,526	631,687	1,002,671	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.3%	0.6%	0.9%	0.2%	0.2%	0.3%	<i>More delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	1,164,097	1,006,543	861,520	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	1.0%	0.9%	0.8%	0.5%	0.5%	0.5%	<i>Construction activity is more robust than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$668	\$536	\$193	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$350	\$257	\$221	\$219	\$226	\$182	<i>Prices are rising faster nationally</i>
Market cap rate	6.0%	6.1%	6.2%	6.8%	6.8%	6.8%	<i>Cap rates are lower than nationally</i>

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	267.7	266.0	209.6	14,939	14,804	12,876	
Y/Y change ('000)	58.1	67.1	(80.8)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	25.7%	25.6%	22.6%	10.0%	9.8%	9.0%	<i>Higher fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

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 comparable properties in the geographic area.

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

For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

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* 52.0

Overall economic conditions are stronger than nationally.
 The apartment property market is not as strong 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

Economic	Reno, NV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	254	254	243	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	11	10	(4)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.6%	4.1%	-1.7%	4.6%	4.7%	-4.4%	Job creation is stronger than nationally
Unemployment rate (%)	2.6%	3.2%	5.2%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$995	\$939	\$1,037	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-4.1%	-9.0%	6.6%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	0.5%	3.7%	-2.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	3.6	6.5	6.7	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	491	477	469	331,501	328,330	326,838	
Population growth (%)	3.13%	1.70%	1.68%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Reno, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.2%	5.6%	5.2%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	(139)	(192)	711	58,097	61,951	187,113	
Absorption of units in past 12 months	658	1,508	2,443	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.7%	3.9%	6.5%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,518	\$1,489	\$1,396	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	8.7%	9.3%	7.8%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,509	\$1,483	\$1,385	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	9.0%	9.8%	8.1%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.5%	18.2%	15.4%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	38,399	38,538	37,742	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	1,127	1,654	1,889	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.9%	4.3%	5.0%	2.2%	2.3%	2.5%	
Units under construction	3,743	3,034	2,652	774,864	744,997	732,144	
Units under construction, as % of inventory	9.7%	7.9%	7.0%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	9.9	6.1	(2.2)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$414	\$123	\$221	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$272,188	\$206,285	\$196,597	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	4.4%	4.4%	4.5%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

III. Office

Demand indicators	Reno, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	8.2%	7.8%	9.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(55,665)	46,005	7,091	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	223,514	286,270	(220,524)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.4%	1.8%	-1.4%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$24.0	\$23.8	\$22.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	5.8%	5.6%	4.7%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.4	(0.3)	(0.6)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	15,725,753	15,781,418	15,502,239	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	31,440	17,814	41,307	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.2%	0.1%	0.3%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	242,332	255,958	237,659	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.5%	1.6%	1.5%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$77	\$77	\$53	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$293	\$248	\$195	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	7.7%	7.8%	7.8%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Reno, NV

Core-Based Statistical Area Code:

39900

IV. Industrial

	Reno, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.5%	3.0%	5.3%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	686,662	1,975,348	3,290,221	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	4,066,729	6,670,288	4,977,446	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.9%	6.5%	5.0%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$8.1	\$7.9	\$7.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.7%	6.8%	4.6%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	103,621,680	102,935,024	99,409,904	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	1,183,491	2,445,500	3,556,075	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.1%	2.4%	3.6%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	6,134,588	4,982,820	2,892,689	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	5.9%	4.8%	2.9%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$24	\$336	\$218	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$179	\$96	\$86	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	5.5%	5.5%	5.5%	6.3%	6.3%	6.3%	Cap rates are lower than nationally

V. Retail

	Reno, NV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.8%	4.9%	5.7%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	67,091	199,984	89,427	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	398,279	420,615	(114,277)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.6%	1.6%	-0.5%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$20.0	\$19.8	\$19.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.7%	3.5%	1.7%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	(0.10)	0.60	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	25,627,588	25,560,496	25,229,308	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	162,302	138,014	12,112	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.6%	0.5%	0.0%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	156,016	180,987	247,746	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.6%	0.7%	1.0%	0.5%	0.5%	0.5%	Construction activity is more robust than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$49	\$158	\$48	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$166	\$287	\$166	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.1%	7.3%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
Leisure and hospitality payroll workers ('000)	35.5	34.6	30.7	14,939	14,804	12,876	
Y/Y change ('000)	4.8	4.0	(6.8)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	14.0%	13.6%	12.6%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

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