

COMMERCIAL REAL ESTATE REPORT Q3 2022

Las Vegas-Henderson-Paradise, NV Metro Area

Demographics and Economy

Demographics

0.8%	43.1%	2.9%	51.3%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

-9.1%	51,200	5.0%	6.5%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$51,757	5.3%	13.3%	53.2%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	200,492	555,057	4.9%	\$26	9.8%
Q3 2021	337,149	390,121	6.1%	\$25	10.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	67,852,934	-94,958	8,387	\$348,359,072	7.3%
Q3 2021	67,844,547	-1,760	254,375	\$266,039,072	7.4%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	-599	-3,204	2.9%	\$1,472	\$1,462	7.7%
Q3 2021	107	5,040	21.1%	\$1,430	\$1,425	4.4%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	177,820	1,264	2,832	4.2%		
Q3 2021	174,988	540	3,238	4.4%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-381,768	831,576	8.3%	\$30	5.4%
Q3 2021	734,717	2,072,673	7.3%	\$28	5.7%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	119,409,335	5.9%	\$401,620,288	\$332	
Q3 2021	118,860,874	6.1%	\$413,898,048	\$269	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	2,201,987	9,174,873	16.5%	\$12	1.8%
Q3 2021	1,482,655	8,494,522	9.8%	\$11	3.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	160,686,987	1,750,803	6,212,484	4.8%	\$371,751,264
Q3 2021	154,474,503	764,272	5,693,648	5.1%	\$730,622,080

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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COMMERCIAL REAL ESTATE REPORT Q3 2022

Reno, NV Metro Area

Demographics and Economy

Demographics

1.2%	40.1%	-5.7%	50.3%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

2.5%	10,100	4.0%	6.8%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$53,096	3.1%	14.2%	56.3%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	4,161	29,334	5.0%	\$24	8.0%
Q3 2021	217,633	310,667	7.4%	\$23	8.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	17,287,977	0	35,084	\$42,558,696	7.7%
Q3 2021	17,252,893	0	30,465	\$61,409,632	7.9%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	144	-62	1.3%	\$1,523	\$1,512	7.8%
Q3 2021	439	2,145	10.8%	\$1,503	\$1,494	4.6%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	42,019	912	1,325	4.3%		
Q3 2021	40,694	320	1,459	4.3%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	262,748	260,465	3.9%	\$21	5.0%
Q3 2021	79,075	222,021	3.6%	\$20	5.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	26,968,012	7.1%	\$36,212,000	\$333	
Q3 2021	26,791,129	7.1%	\$36,722,952	\$156	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	1,476,657	4,613,297	8.2%	\$8	3.1%
Q3 2021	772,543	4,732,945	6.0%	\$8	4.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	108,322,469	2,133,251	3,696,222	5.3%	\$194,033,728
Q3 2021	104,626,247	138,240	2,186,916	5.4%	\$87,973,504

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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