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Commercial real estate market in Southern Nevada starts 2016 on a high note

LAS VEGAS – A report released today by Xceligent and the Commercial Alliance Las Vegas (CALV) shows the office, industrial and retail sectors of the commercial real estate market in Southern Nevada continued to gain ground during the first quarter of 2016.

“For the most part, we picked up in 2016 where we left off in 2015 – with steady gains across the board in our commercial real estate market,” said 2016 CALV President Soози Jones Walker, CCIM, SIOR, and a longtime local commercial real estate broker. “Commercial real estate activity throughout Southern Nevada is growing along with our local economy.”

According to the latest quarterly report from CALV and Xceligent, the industrial market continued to lead the local recovery, absorbing 916,805 square feet of space during the first quarter of 2016 to lower its local vacancy rate to 6.0 percent. This follows a strong 2015, when nearly 3.4 million square feet of local industrial space was absorbed. With vacant spaces filling up rapidly, Walker said demand for local industrial space could exceed the available supply by the end of 2016.

For the first time in years, Walker said local developers are building large warehouses “on spec,” even before they have tenants lined up to lease the space. She added that “it’s a good sign for Southern Nevada and our commercial real estate industry that these bets are paying off” and that these new developments are proving to be successful.

Walker said the local retail market was also on the upswing during the first quarter, absorbing 406,173 square feet of space and seeing its vacancy rate drop to 8.2 percent. At the same time, lease rates have been increasing over the past year or more.

According to Tina Reith, director of analytics for Xceligent in the Las Vegas market, four former Fresh & Easy stores were listed as vacant during the first quarter, accounting for more than 60,000 square feet of available space in the local retail market. On the other hand, two former Target locations were leased to the Southern Nevada Health District and to Burlington Coat Factory, absorbing more than 160,000 square feet of space.

Other recent retail highlights include IKEA preparing for its May 18 opening of what is expected to be the largest single store of any kind in Nevada. Meanwhile, popular restaurant chains like Cracker Barrel, Dave & Buster’s and Chick-fil-A made news for announcing their first Southern Nevada locations.

In the office market, Walker said vacancy rates dropped to 18.4 percent in the first quarter, but remained higher than historic norms.

The office market absorbed more than 169,000 square feet in the first quarter, with more than 100,000 square feet of that space being leased by United Health Group for a new Southwest Medical Associates health care clinic at 4750 W. Oakey Boulevard in the middle of Las Vegas.

The local office market has been the slowest to recover from the economic downturn. In recent years, CALV leaders have been reporting a “flight to quality,” with office tenants moving to newer spaces in locations they generally consider to be more desirable, leaving older, usually lower-priced office spaces in more established parts of town with increasing vacancy rates. But Walker sees signs of this trend leveling off, with more tenants leasing space in central locations as lease rates continue to rise for newer space in suburban areas.

Xceligent, a rapidly growing provider of commercial real estate information locally and nationally, partners with CALV and local commercial real estate market leaders through their Quarterly Advisory Boards to produce quarterly reports on market trends and conditions in the office, industrial and retail markets in Southern Nevada. The report released today covers activity through the first quarter of 2016.

Walker, whose professional designations include being a Certified Commercial Investment Member (CCIM) and a member of the Society of Industrial and Office REALTORS[®] (SIOR), is one of dozens of leading local commercial real estate brokers who serve on advisory boards that help verify and produce these reports. She thanked her fellow brokers and others for sharing their time and expertise to help verify this data and to ensure these reports are the most accurate overview possible of the local market.

About the Commercial Alliance Las Vegas

The Commercial Alliance Las Vegas (CALV) is the commercial real estate division of the Greater Las Vegas Association of REALTORS[®]. It organizes and empowers the industry in Southern Nevada through education, networking, promoting professionalism and shaping public policy. Membership in CALV is open to REALTORS[®] and non-REALTORS[®] alike. For more information, and to access the full reports on the commercial real estate market, visit www.calv.org.

About Xceligent

Xceligent is a leading provider of verified commercial real estate information across the United States. Its professional research team pro-actively collects: a comprehensive inventory of commercial properties, buildings available for lease and sale, tenant information, sales comparables, historical trends on lease rates and building occupancy, market analytics, and demographics. This information assists the real estate professionals, appraisers, owners, investors, and developers that make strategic decisions to lease, sell, and develop commercial properties. Xceligent, backed by [dmg information](http://dmginformation.com), has launched an aggressive national expansion that will provide researched information in the 100 largest United States markets. For more information on Xceligent, please visit xceligent.com.

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