



Las Vegas

Land 22Q1

Key Takeaways

- Residential and industrial-zoned land dominated sales
- Sales volume reached \$529 million this quarter
- Land prices may have started to moderate



The Surge Continues

Sales of residential and industrial-zoned land increased in the first quarter of 2022, while commercial land sales returned to a more normal level after surging last year. The average price per square foot for land in the Valley increased to \$11.48 psf from \$11.13 psf. On a year-over-year basis, the average price of land decreased by \$0.36 psf.

Market Indicators



Historic Comparison

	21Q1	21Q4	22Q1
Commercial Land Sales (Acres)	180.5	403.7	160.1
Commercial Land Price Per Square Foot	\$16.27	\$11.36	\$17.40
Industrial Land Sales (Acres)	215.3	331.0	495.9
Industrial Land Price Per Square Foot	\$6.94	\$9.43	\$8.27
Residential Land Sales (Acres)	312.2	388.5	402.0
Residential Land Price Per Square Foot	\$12.66	\$12.33	\$13.08

Market Graph



Industrial- and residential-zoned land sales continued to dominate the market, driven by red hot industrial and multifamily leasing and sales.

Development



Industrial
 Logistcenter
 At Miner's Mesa
 96.51 acres | P/C



Industrial
 Switch
 SuperNAP
 62.7 acres | U/C



Industrial
 Logistcenter at
 I-15 South
 52.6 acres | U/C



Industrial
 Warm Springs
 Commerce Center
 46.4 acres | P/C



Industrial
 SunPoint
 West
 39.3 acres | U/C



Industrial
 ProLogis I-15 Speedway
 Logistics Center III
 38.93 acres | U/C

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Commercial Land

Occupancy in commercial buildings increased to 91.7% in the first quarter of 2022. A total of 62,478 square feet of new commercial space was completed on 10.9 acres this quarter. An additional 1.49 million square feet of office and retail product on 127.6 acres is scheduled to be delivered over the next four quarters.

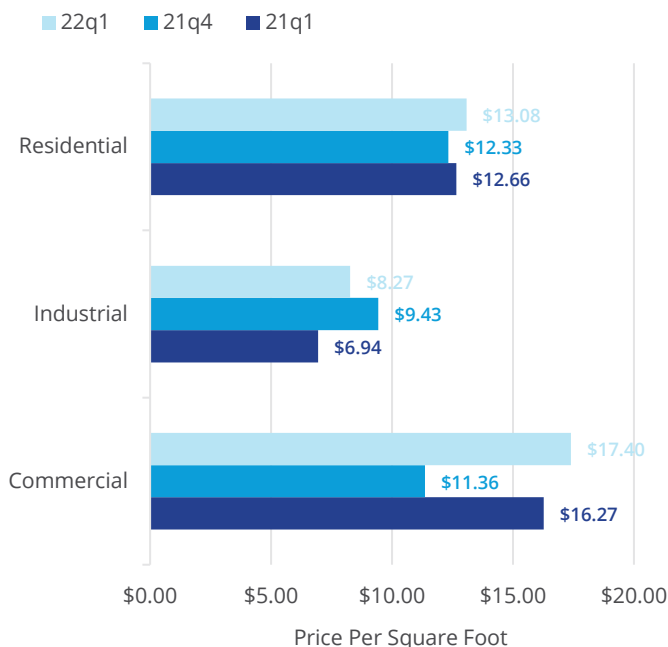
Hotel occupancy in the first two months of 2022 averaged 64.3%. The hospitality sector had 4,845 new rooms planned or under construction on 104 acres.

In the first quarter of 2022, a total of 160.1 acres of commercial land was sold with a sales volume of \$121.3 million. The average price of commercial land was \$17.40 psf, an increase from \$16.27 psf one year ago.

Commercial land sales surged in the fourth quarter of 2021, but receded back to a more normal level this quarter. Commercial real estate sectors lagged behind the industrial sector last year, but are showing improvement so far in 2022.

Land Values

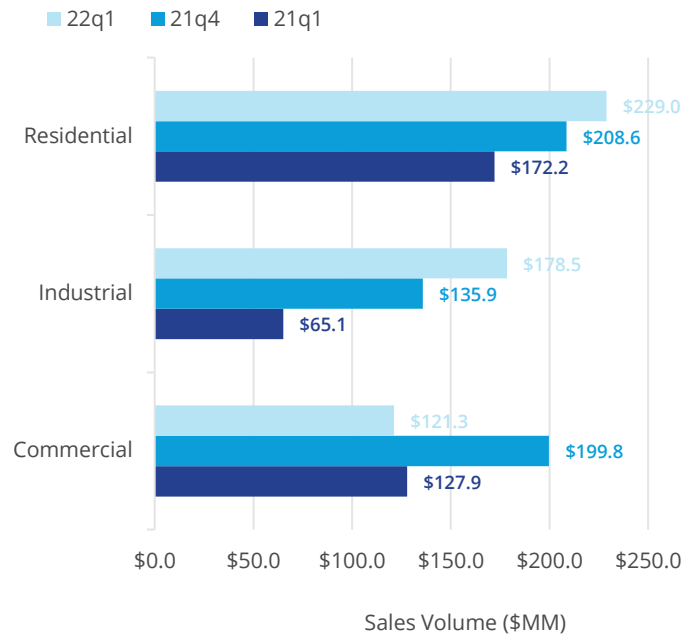
Year-over-year, quarter-over-quarter



Source: Colliers International

Sales Volume

Year-over-year, quarter-over-quarter



Source: Colliers International

Industrial Land

Occupancy in industrial buildings increased to 98.3% this quarter, the highest industrial occupancy we have yet recorded. A total of 2.1 million square feet of industrial space was completed on 76.8 acres this quarter. An additional 12.5 million square feet of industrial space on 729.5 acres of land is scheduled to be delivered over the next four quarters.

A total of 495.9 acres of industrial land was sold this quarter, with a sales volume of \$178.5 million. The average sales price of industrial land was \$8.27 psf, an increase from the average sales price of \$6.94 psf one year ago.

The third major wave of industrial development since 2017 is now underway, stoking developer demand for industrial land. Henderson and North Las Vegas dominated industrial land sales this quarter, and developers are beginning to look further afield for future development. Industrial development is now underway north of the 215 Beltway and I-15, and is just beginning to move south towards Jean and Primm.

Land

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Residential Land

New home sales in the first two months of 2022 totaled 1,982 units, a 25.4% increase from the same period in 2021. Existing home sales totaled 8,347 homes in the first three months of 2022, down 8.6% from the same period last year. For comparison's sake, new home sales topped 20,000 units per year from 1999-2006, and a record 38,604 new homes sold in 2005.

Home builders pulled 6,410 residential permits in the first two months of the year, up 8.8% from the same period last year. Multifamily developers had 6,953 units under construction in Southern Nevada, and an additional 2,317 units planned.

Residential land sales totaled 402 acres with sales volume of \$229 million this quarter. The average sales price of residential land was \$13.08 psf, an increase from the average price of \$12.66 psf one year ago. Residential land has been selling for over \$10.00 psf for the past five quarters now.

Residential land is becoming more scarce in the Las Vegas Valley of late; note that residential land prices averaged \$12.02 psf over the past five quarters, after averaging \$7.20 psf during the previous five. Home prices and multifamily rental rates continue to climb, and developers are less free than industrial developers to move their developments outside of the Valley.

Forecast

Buyers are hungry for land in Southern Nevada. This is no surprise when you consider the pace of industrial and residential development in the Valley. Industrial development and demand hit all-time highs in 2021, and have not waned in 2022. Likewise, influxes of new residents are keeping residential sales and rentals strong. Master-planned communities are underway in East Henderson, North Las Vegas and the far Northwest reaches of the Valley, but large tracts of developable land are becoming scarce.

As vacant land is depleted in Southern Nevada, redevelopment should become more viable. There is potential in redeveloping under-occupied office buildings and retail developments in the city's core to residential uses, but such redevelopments are not inexpensive and remain rare.

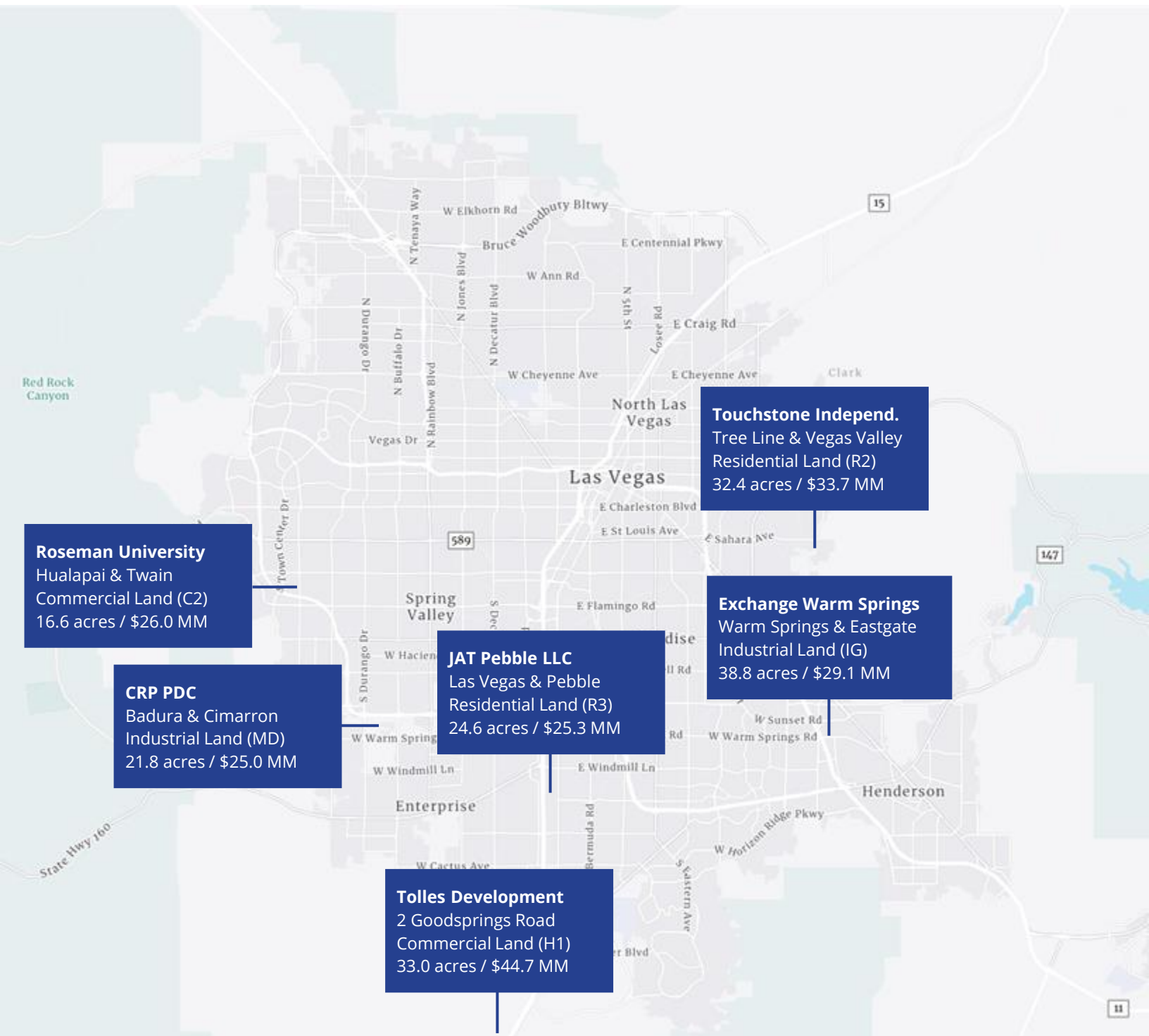
If redevelopment is not on the horizon, new developments will continue to use up what vacant land remains in the Valley, sending investors and developers looking further afield for more. Industrial developers probably have more flexibility when it comes to moving outside the Valley, and are already planning new developments in Apex, near Boulder City and towards Jean. It is unclear just how far home buyers and renters are willing to go when it comes to their daily commute, although as prices continue to rise, they may have little choice.

Market Health

Data Point	18q1	19q1	20q1	21q1	22q1
Commercial Building Occupancy	88.1%	89.3%	90.6%	89.9%	91.7%
Commercial Future Development (Acres)	730.90	680.76	846.92	808.61	709.58
Hospitality Occupancy	86.5%	87.8%	39.0%	79.6%	64.3%
Hospitality Future Development (Acres)	291.07	266.77	271.09	95.75	104.02
Industrial Building Occupancy	96.3%	95.9%	93.8%	97.4%	98.3%
Industrial Future Development (Acres)	886.67	1,403.19	1,524.25	1,535.42	3,790.62
New Home Sales (Units)	2,398	2,292	2,387	2,732	n/a
Taxable Sales (\$ billions)	\$10.47	\$11.15	\$10.46	\$11.56	n/a
Employment (000's)	1,089.6	1,121.6	1,148.0	1,116.1	1,105.2

Source: Colliers International

Sales Activity



Submarket	Sales	Square Footage Sold	Acreage Sold	Sales Volume	Average Price Per SF
Airport					
COM	4	584,574	13.4	\$22,500,000	\$38.49
IND	1	110,207	2.5	\$5,150,000	\$46.73
RES	8	2,157,527	49.5	\$48,113,000	\$22.30
Total	13	2,852,308	65.5	\$75,763,000	\$26.56
Apex					
COM	0	0	0.0	\$0	n/a
IND	0	0	0.0	\$0	n/a
RES	0	0	0.0	\$0	n/a
Total	0	0	0.0	\$0	n/a
Downtown					
COM	1	104,108	2.4	\$720,000	\$6.92
IND	1	286,625	6.6	\$1,200,000	\$4.19
RES	1	80,150	1.8	\$2,500,000	\$31.19
Total	3	470,883	10.8	\$4,420,000	\$9.39
East Las Vegas					
COM	0	0	0.0	\$0	n/a
IND	0	0	0.0	\$0	n/a
RES	4	1,695,791	38.9	\$34,876,415	\$20.57
Total	4	1,695,791	38.9	\$34,876,415	\$20.57
Henderson					
COM	2	2,051,676	47.1	\$22,375,206	\$10.91
IND	5	3,388,096	77.8	\$55,857,068	\$16.49
RES	19	2,896,609	66.5	\$37,028,432	\$12.78
Total	26	8,336,381	191.4	\$115,260,706	\$13.83
North Las Vegas					
COM	7	1,414,827	32.5	\$23,550,000	\$16.65
IND	10	15,381,559	353.1	\$74,853,878	\$4.87
RES	4	716,126	16.4	\$17,725,000	\$24.75
Total	21	17,512,512	402.0	\$116,128,878	\$6.63
Northeast					
COM	1	72,310	1.7	\$605,000	\$8.37
IND	5	1,175,684	27.0	\$10,938,906	\$9.30
RES	1	435,600	10.0	\$3,100,000	\$7.12
Total	7	1,683,594	38.7	\$14,643,906	\$8.70
Northwest					
COM	7	1,359,943	31.2	\$13,000,183	\$9.56
IND	0	0	0.0	\$0	n/a
RES	15	2,141,410	49.2	\$7,139,374	\$3.33
Total	22	3,501,353	80.4	\$20,139,557	\$5.75
Resort Corridor					
COM	0	0	0.0	\$0	n/a
IND	0	0	0.0	\$0	n/a
RES	0	0	0.0	\$0	n/a
Total	0	0	0.0	\$0	n/a
Southwest					
COM	4	475,040	10.9	\$8,443,211	\$17.77
IND	3	1,257,141	28.9	\$30,530,450	\$24.29
RES	32	6,868,106	157.7	\$63,018,344	\$9.18
Total	39	8,600,287	197.4	\$101,992,005	\$11.86
Summerlin					
COM	2	831,124	19.1	\$29,315,774	\$35.27
IND	0	0	0.0	\$0	n/a
RES	4	429,501	9.9	\$15,208,000	\$35.41
Total	6	1,260,625	28.9	\$44,523,774	\$35.32
West Las Vegas					
COM	1	77,972	1.8	\$770,000	\$9.88
IND	0	0	0.0	\$0	n/a
RES	1	89,734	2.1	\$275,000	\$3.06
Total	2	167,706	3.9	\$1,045,000	\$6.23
Grand Total					
COM	29	6,971,574	160.0	\$121,279,374	\$17.40
IND	25	21,599,312	495.9	\$178,530,302	\$8.27
RES	89	17,510,554	402.0	\$228,983,565	\$13.08
Total	143	46,081,440	1057.9	\$528,793,241	\$11.48
Historical					
22q1	143	46,081,440	1057.9	\$528,793,241	\$11.48
21q4	143	48,928,452	1123.2	\$544,336,958	\$11.13
21q3	166	71,680,371	1645.6	\$715,989,689	\$9.99
21q2	88	36,399,956	835.6	\$325,420,834	\$8.94
21q1	108	30,840,133	708.0	\$365,135,968	\$11.84

480 offices in 67 countries on 6 continents

United States: 160
Canada: 49
Latin America: 14
Asia Pacific: 97
EMEA: 108



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals and staff

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Market Contacts:

John M Stater
Research Manager
Las Vegas
+1 702 836 3781

John.Stater@Colliers.com

Aaron West
Managing Director
Las Vegas
+1 702 735 5700

Aaron.West@Colliers.com



3960 Howard Hughes Pkwy, Suite 150
Las Vegas, NV 89169
+1 702 735 5700
colliers.com