

INVESTMENT FORECAST

Retail
Las Vegas

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Growing Populations North and South of Core, Along With Resort Resilience, Brighten Outlook

Retailers overcome tourism fluctuations on back of household growth. Despite hotel bookings falling 8 percent in 2025, vacancy among Resort Corridor retail properties decreased by a market-leading 110 basis points to end the year at 4.8 percent. An anticipated 15 percent boost to trade show attendance at the renovated Las Vegas Convention Center also bodes well for local retail in 2026. Operations are even tighter in many residential submarkets, with availability at or below 3 percent entering this year in northwest and southwest Las Vegas. Ongoing population growth and residential development aid foot traffic here, while demand for space in north and northeast Las Vegas may improve in the long term from planned industrial construction and job creation at the Apex Industrial Park. Availability also remains limited across bars, restaurants, and convenience stores, as well as among specialized vendors such as auto repair shops. As such, both single- and multi-tenant vacancy rates will remain more than 100 basis points below their historical averages this year, even if they rise modestly.

Central and expansion areas benefiting from investor interest. Liquidity continued to improve last year, led by a roughly 25 percent increase in local multi-tenant trades. Single-tenant sales also increased, with segment velocity exceeding the annual average during 2014-2019. Greater overall competition has supported a modest increase in the average sale price since 2023, although this has also flattened the mean cap rate. While this may limit margins, many investors continue to enter the sector via 1031 exchange. The areas west of Interstate 15 and southwest of Harry Reid International Airport remain the most active for trades. At the same time, potential drivers of population growth in outer submarkets may draw investors to these smaller retail neighborhoods.

2026 MARKET FORECAST

+0.3%



Employment: While a general slowdown in metro-area construction nullified overall job growth last year, employers are expected to add a net 3,000 new roles across industries in 2026.

500,000
sq. ft.



Construction: Approximately 150,000 fewer square feet will be completed this year than last, with most completions slated near Eastland Heights and Sovana.

+20 bps



Vacancy: Reduced supply pressure for single-tenant properties will help overall vacancy advance by only a quarter of last year's margin to a metrowide rate of 6.1 percent by December.

+3.7%

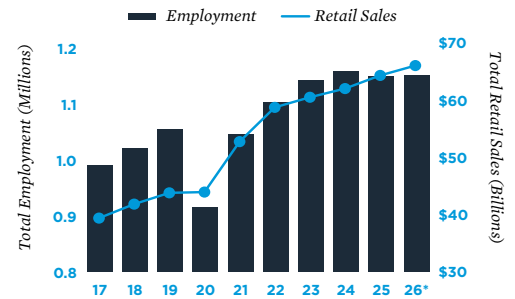


Rent: Vacancy above 7 percent among multi-tenant properties will weigh on asking rent growth, keeping the average across tenancy types from climbing much above \$27.40 per square foot in 2026.

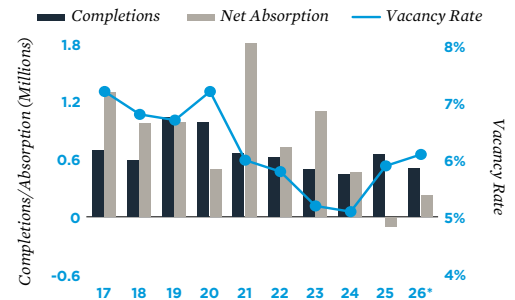
INVESTMENT:

Convenience stores traded more frequently last year. The more necessity-based nature of the stores, combined with sub-2 percent vacancy, could sustain this dynamic in 2026.

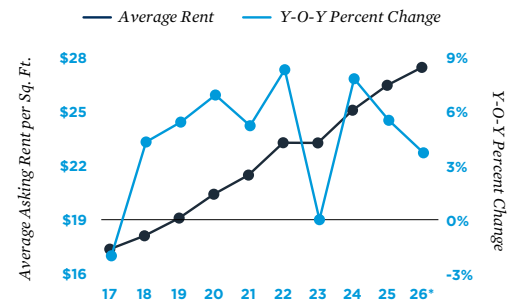
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.