

## A Positive Outlook

# THE RETURN OF INVESTMENT



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Southern Nevada is known as a region of constant transformation. For many decades, its status as a modern-day boomtown attracted residents, businesses, and investments seeking to capitalize on the region's rapid expansion. That growth was evident in the ubiquitous high-rise construction cranes transforming the skyline of the Las Vegas Strip and the earth movers priming desert lots for new subdivisions and shopping centers.

During the Great Recession and in the years that followed, the signs of transformation were replaced by signs of stagnation. Planned developments were scrapped or suspended, and the construction cranes and earth movers vanished, leaving behind the unfinished skeletons of half-built projects and still-empty desert lots.

Throughout the downturn, southern Nevada persevered, and as the national and world economies recovered, so did Nevada's. Jobs and businesses have returned, as have the cranes, earth movers and construction workers that are again transforming the region's landscape. These changes have been fueled by the return of investments in new resort hotels, shopping centers, industrial centers, and other building projects.

Last year marked a milestone in the economic turnaround, as major projects such as SLS Las Vegas, the LINQ and the High Roller, and Downtown Summerlin were completed. Those three projects alone represented more than \$2 billion in investment. Other recently completed projects include the \$172-million Wyndham Desert Blue resort, the \$100-million renovation of Westgate Las Vegas, and the \$55-million Bellagio room remodel.

The upward trend has only grown stronger, as currently planned or under-construction projects in southern Nevada total more than \$12 billion in investment. Those include high-profile projects such as the \$375-million Las Vegas Arena, the \$2.3-billion Global Business District, the \$1.4-billion All Net Resort and Arena, the \$4-billion Resorts World Las Vegas hotel, the \$373-million Lucky Dragon boutique hotel, and a \$47-million renovation of the Thomas & Mack Center.

The investment pipeline extends well beyond the confines of the Strip, as well. Several local shopping centers, including Las Vegas Premium Outlets North, Galleria at Sunset, Boulevard Mall and Tivoli Village have completed or are undergoing renovations or expansions. Meanwhile, iconic Swedish furniture retailer IKEA will open its 351,000-square-foot Las Vegas store next year.

Available land and opportunities have attracted significant investment in new industrial building construction as well. That includes a \$1-billion expansion for Las Vegas-based technology giant Switch Communications, the \$34-million Republic Services Recycling Center, and a new North American headquarters for Ainsworth Gaming Technology. Notably, about 2.0 million square feet of new industrial space is under construction on a speculative basis, meaning it will be built without committed tenants. This list includes the \$32-million Jones Corporate Park, Henderson Freeways Crossing, Lone Mountain Corporate Center, and others.

The list of current and planned investments includes many other commercial developments across southern Nevada, and the investment total grows even more with the inclusion of major projects in northern Nevada, such as \$5-billion Tesla Gigafactory and Switch's \$1 billion expansion there. These investments are a testament to how far the state has come since the depths of the economic downturn and reflect the belief that southern Nevada is once again a competitive and growing market.

