

An aerial photograph of a large industrial warehouse with a concrete roof and a parking lot filled with semi-trucks. The trucks are parked in neat rows, and the warehouse has several skylights on its roof.

NEWMARK

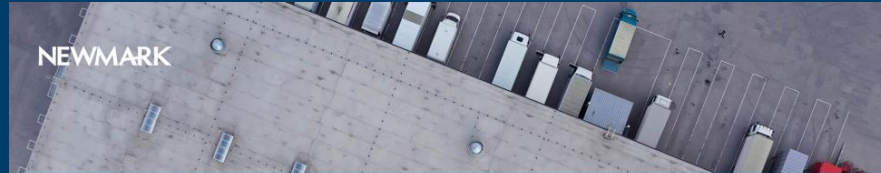
*Las Vegas:*  
Industrial Market Overview

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1Q26

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# Access the Expanded 1Q26 Las Vegas Industrial Market Overview



## *Las Vegas:* Industrial Market Overview

1Q26



The expanded version of this report includes:

- **Population Growth and Business Costs:** Insightful analysis on historical population gains in the metro, the housing market, and how Nevada compares to California.
- **Southern California's Ports and U.S. Retail Sales:** Both influence Las Vegas' industrial leasing market dynamics.
- **Sales Activity:** Includes notable industrial sales, top buyers, and how industrial compares to other property segments.
- **Industrial Submarket Statistics**

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*Extensive content across 33 slides—a detailed presentation packed with useful office information and in-depth analysis.*

# Las Vegas Industrial Market Observations



## Economy

- Import traffic at Southern California's seaports made for the busiest year on record in 2025 despite volatile [U.S. tariffs](#) on foreign goods.
- Local industrial-using employment contracted on a year-over-year basis.
- U.S. wage growth continues to outpace inflation and retail sales remain healthy; both are supportive of import demand and occupier activity. These conditions could deteriorate if the Iran conflict escalates into a sustained inflationary shock and unemployment rises meaningfully.
- Las Vegas' housing market remains depressed, which is affecting industrial leasing.
- The Federal Reserve kept its benchmark rate unchanged at 3.5%–3.75% in March, projecting quarter-point cuts in 2026 and 2027.



## Leasing Market Fundamentals

- This quarter, 1.5 MSF in net absorption gains were met with 1.3 MSF in construction deliveries, causing total vacancy (12.7%) to compress by 20 bps from last quarter. Vacancy has been in the double-digits since the fourth quarter of 2024.
- DHL (1.3 MSF across two buildings) and Kreate (337,008 SF) were this quarter's top move-ins. The three North Las Vegas facilities were built in 2024.
- New construction is taking longer to lease, while most speculative developers have hit the pause button on groundbreakings. EBS Realty and Penwood Real Estate Investment are the exception to the rule, however, after breaking ground on Apex Ridge Logistics Park (two buildings, totaling 1.3 MSF), a speculative campus in North Las Vegas.
- Available sublease space (2.6 MSF) rose for the third consecutive quarter. Though, sublease space as a percentage of inventory remains low, at 1.5%.



## Major Transactions

- Leasing activity dipped this quarter after solid gains throughout 2025.
- PepsiCo committed to 1.0 MSF at North Vegas Logistics Center in what became the largest lease of the quarter. The facility was built in 2024.
- North Las Vegas is the region's dominant industrial submarket, accounting for 65% of new supply delivered over the past five years and capturing the majority of net absorption. Union Pacific operates a domestic intermodal terminal within the submarket; however, the facility is limited to weekday operations and handles only domestic containerized freight — it does not accommodate marine or international cargo.
- Real estate investment firm PCCP acquired an Amazon-occupied fulfillment center in North Las Vegas for \$124 million. The 813,120-square-foot build-to-suit facility, located at 4550 Nexus Way along Interstate 15 near Lamb Boulevard, sits on a 38-acre footprint and was completed in 2017.

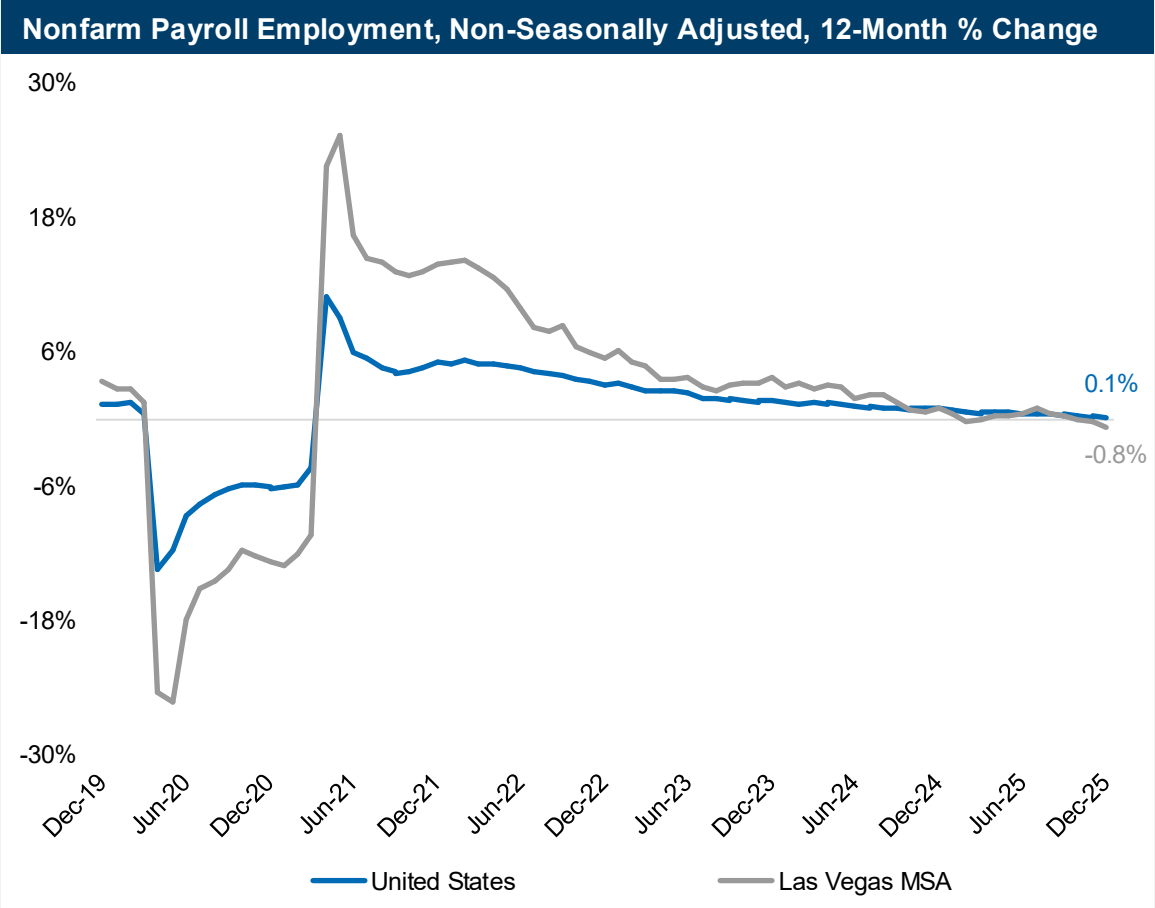
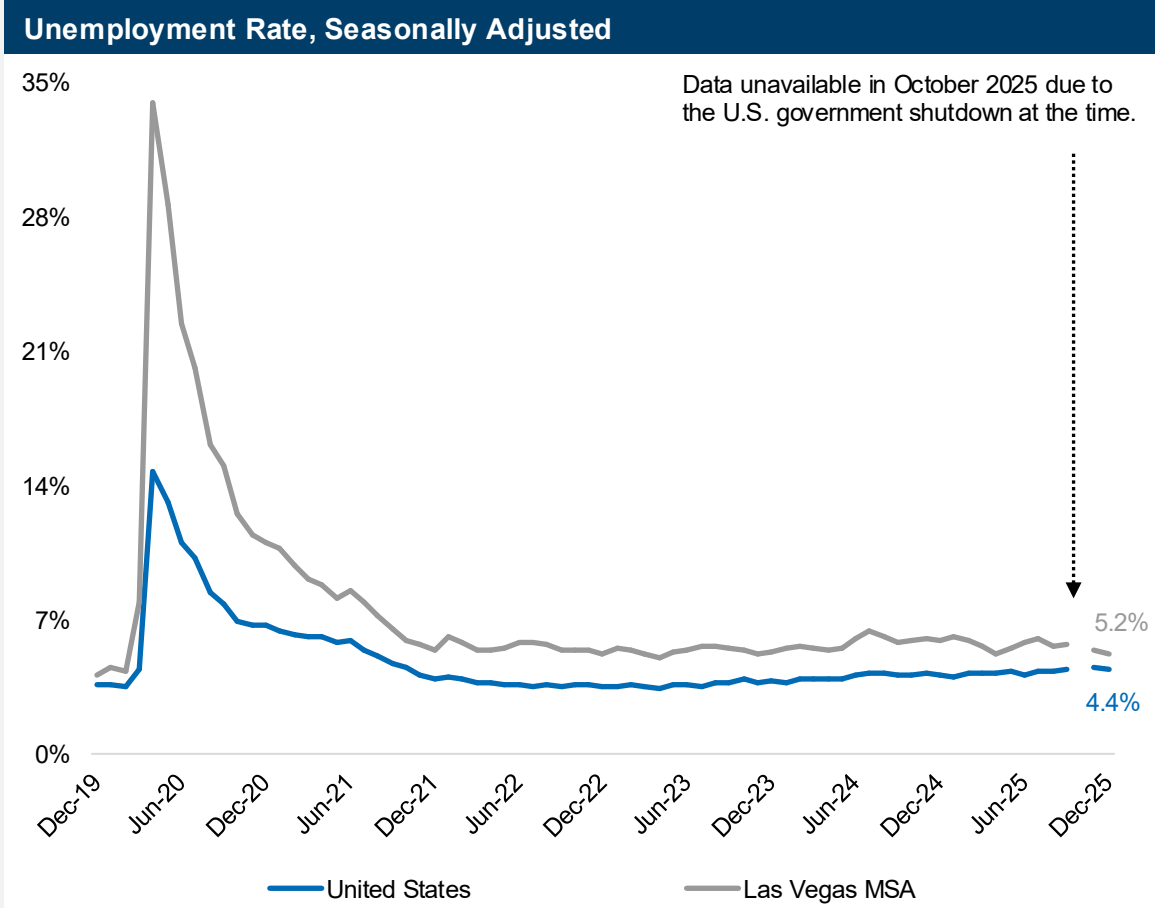


## Outlook

- The U.S. economy is on track to expand roughly 2.4% in 2026, despite a Q4 2025 stumble (0.7% annualized, partly attributable to the government shutdown), with Q1 signaling a recovery toward trend growth. Oil price escalation and persistent tariff-driven inflation remain the primary near-term threats to business confidence and consumer spending.
- Casino-sector M&A activity is expected to drive office footprint reductions. This quarter, the owner of the Golden Nugget casinos entered negotiations to acquire Caesars Entertainment, which operates eight primary properties on the Strip.
- The trajectory of U.S. retail sales, coupled with local housing market dynamics, will ultimately shape demand for industrial space.
- Population growth and infrastructure enhancements favor the market long-term.

# Las Vegas Nonfarm Employment is Flat

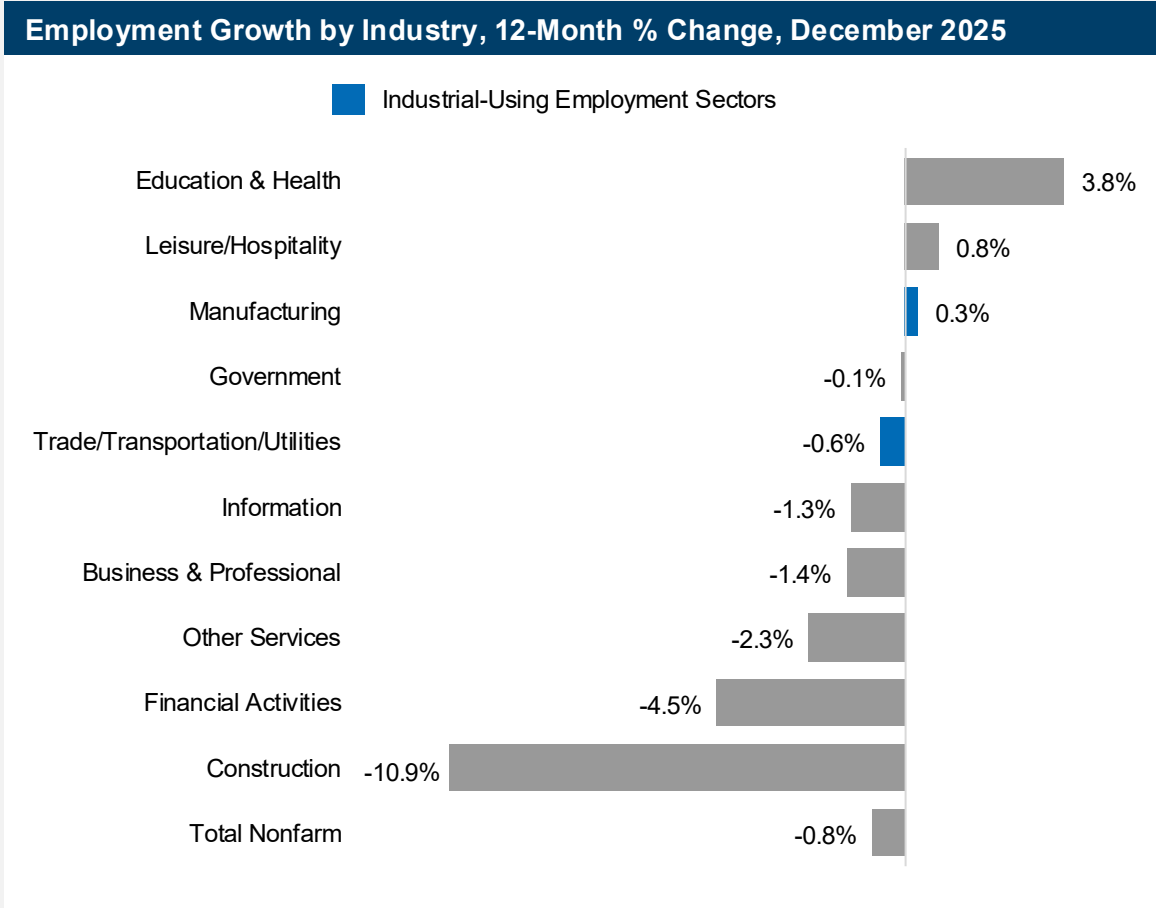
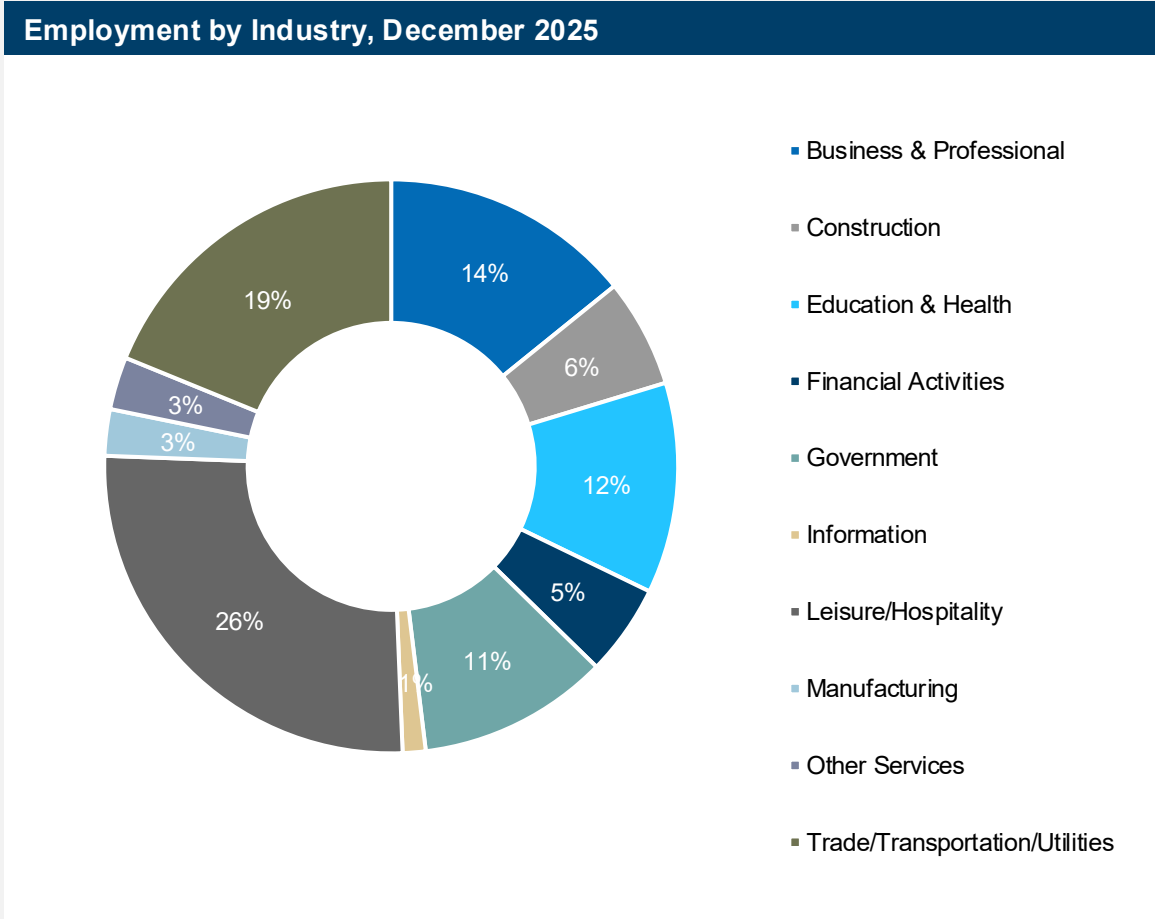
Las Vegas consistently outperformed national employment increase from 2021 through mid-2024, rebounding swiftly from pandemic-related losses. This strong performance was largely driven by population growth and Nevada’s low-cost, business-friendly environment, especially compared to coastal Southwest markets. However, recent job declines across several industries signal economic headwinds, with a sluggish housing market and fewer tourists in the region among present challenges.



Source: U.S. Bureau of Labor Statistics, Las Vegas MSA  
 Note: Due to a lapse in federal appropriations and a government shutdown in early 2026, the BLS has delayed or suspended the release of various employment reports. Early 2026 employment data was unavailable at the time of writing.

# Shifting Toward a More Diverse Economy

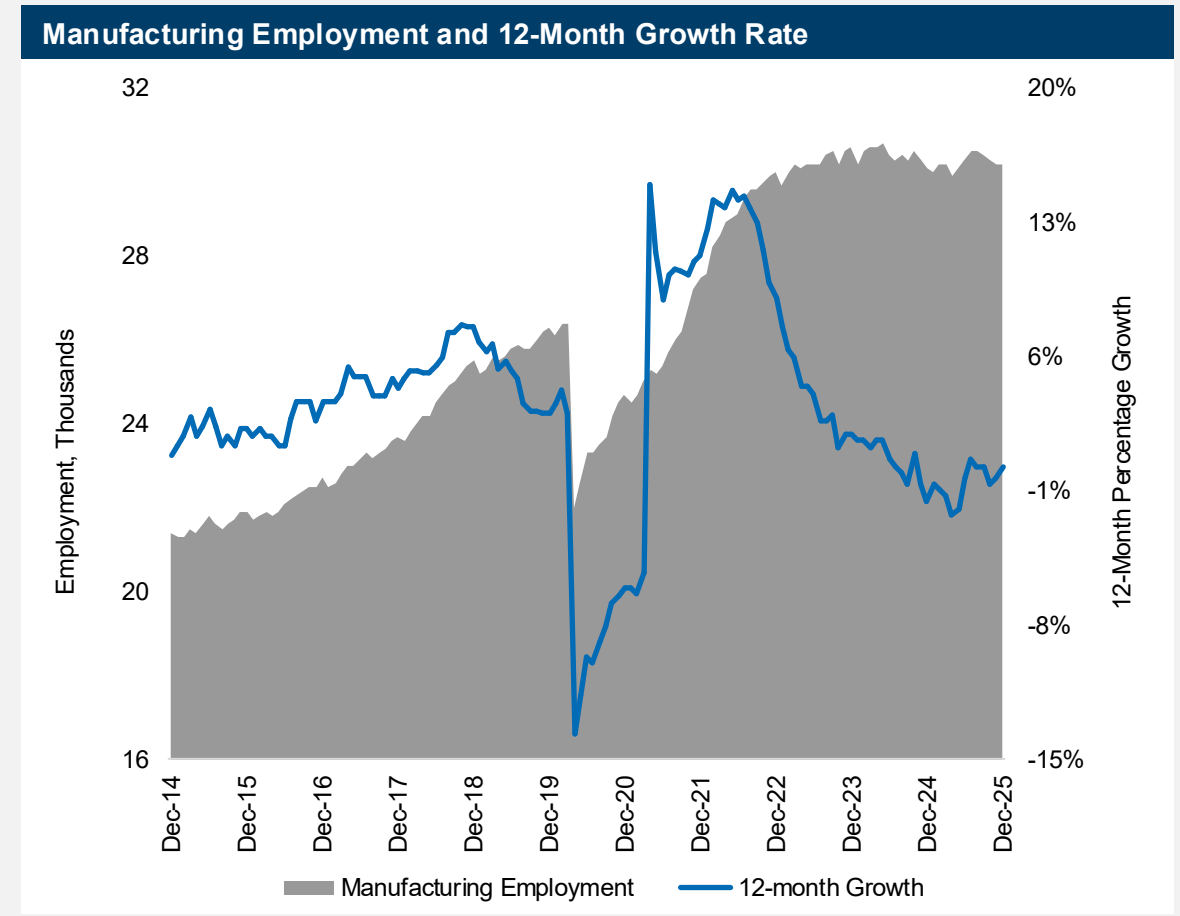
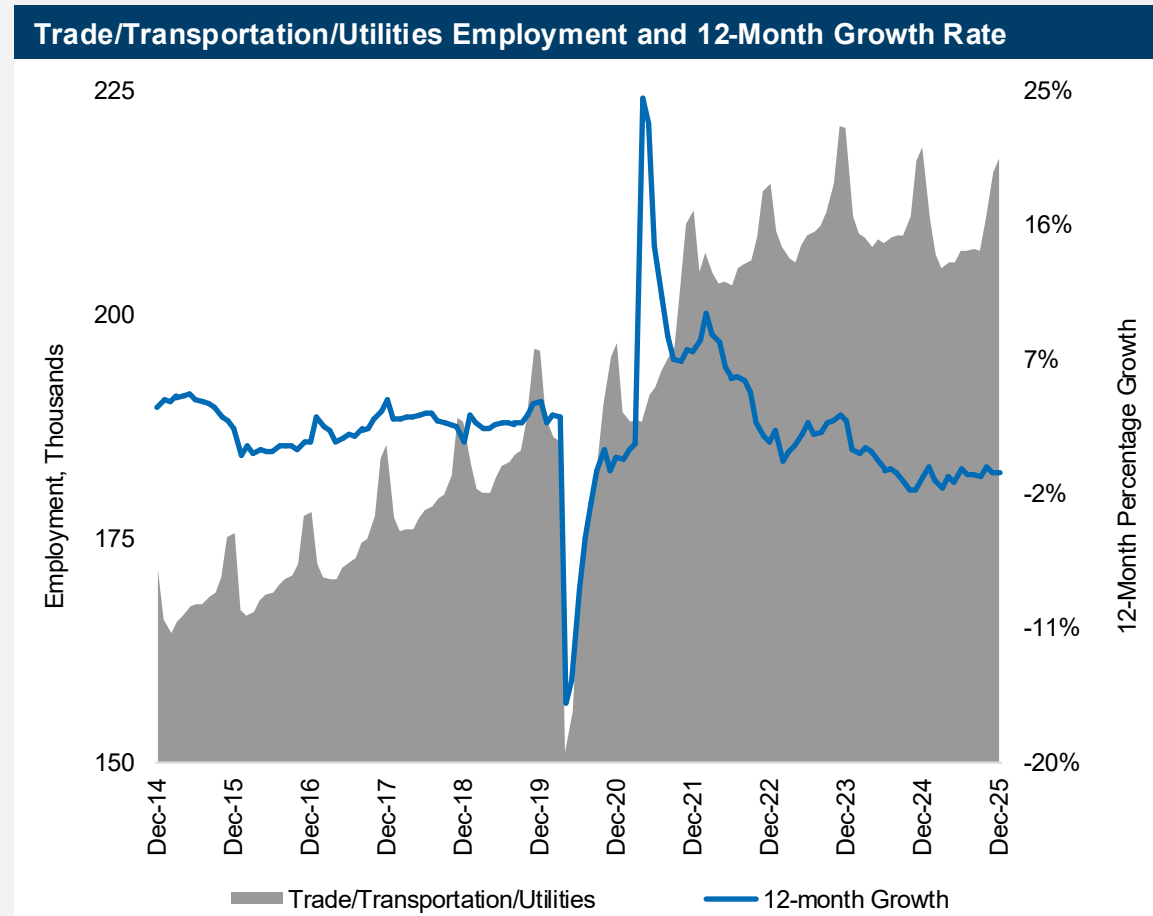
Leisure/hospitality continues to be the dominant sector, comprising 26% of overall employment. Still dominant, but less so when considering the average was 33% in 2010, a gradual decrease that illustrates continued diversification within the local economy. Annual job fluctuations were mostly negative across the region’s industries: education and health led in gains, while construction had the most losses. Construction’s drop is from a slowdown in homebuilding.



Source: U.S. Bureau of Labor Statistics, Las Vegas MSA  
 Note: Due to a lapse in federal appropriations and a government shutdown in early 2026, the BLS has delayed or suspended the release of various employment reports. Early 2026 employment data was unavailable at the time of writing.

# Seasonal Volatility Aside, Industrial Employment Remains Strong

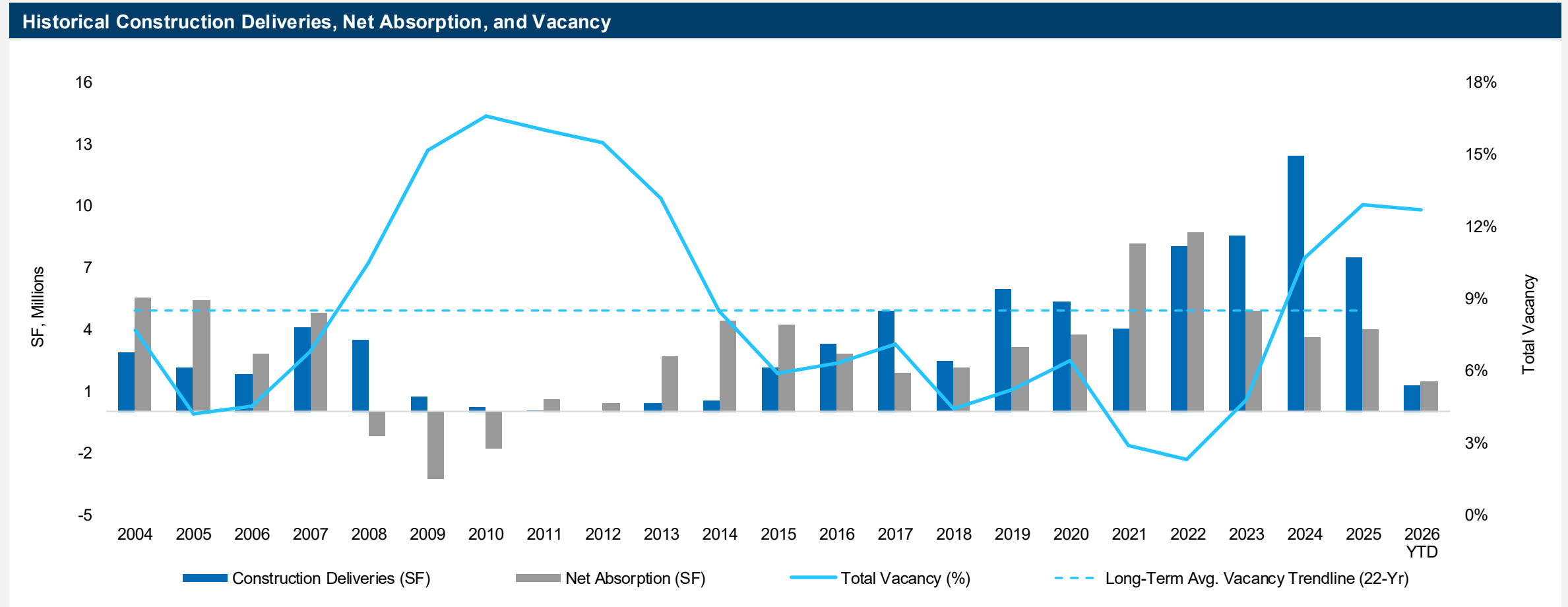
New to market entrants and prior expansions from existing companies account for trade/transportation/utilities' (TPU's) long-term employment growth. Though, gains have turned to losses in recent months amid higher operating costs and what is expected to be a slowing retail sales environment. Five-year job gains in manufacturing meanwhile are reflective of Nevada's business-friendly environment (e.g., a Right-to-Work state that does not have any corporate and personal income taxes).



Source: U.S. Bureau of Labor Statistics, Las Vegas MSA  
 Note: Due to a lapse in federal appropriations and a government shutdown in early 2026, the BLS has delayed or suspended the release of various employment reports. Early 2026 employment data was unavailable at the time of writing.

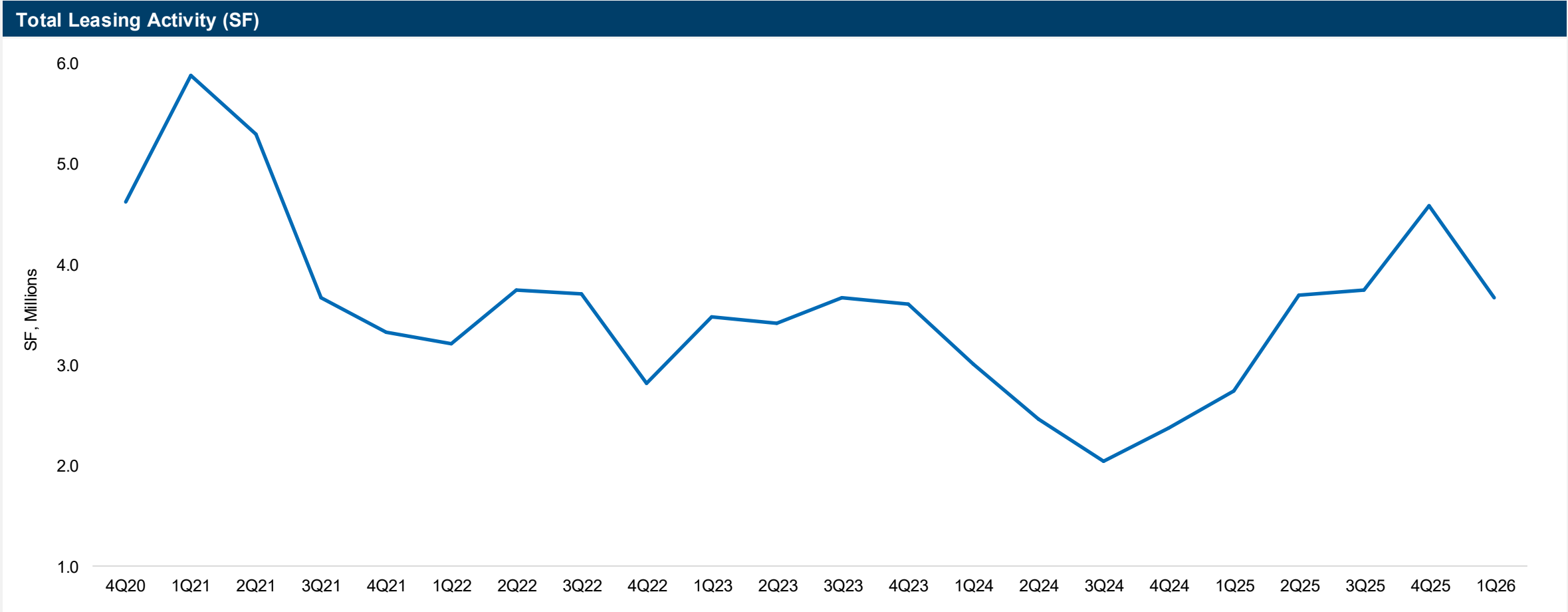
# Vacancy Eased Slightly in Early 2026 After Years of Increases

1.5 MSF in net absorption outpaced 1.3 MSF in construction deliveries in the first quarter of 2026, causing vacancy to tighten to 12.7%, a 20 bps decrease from year-end 2025.



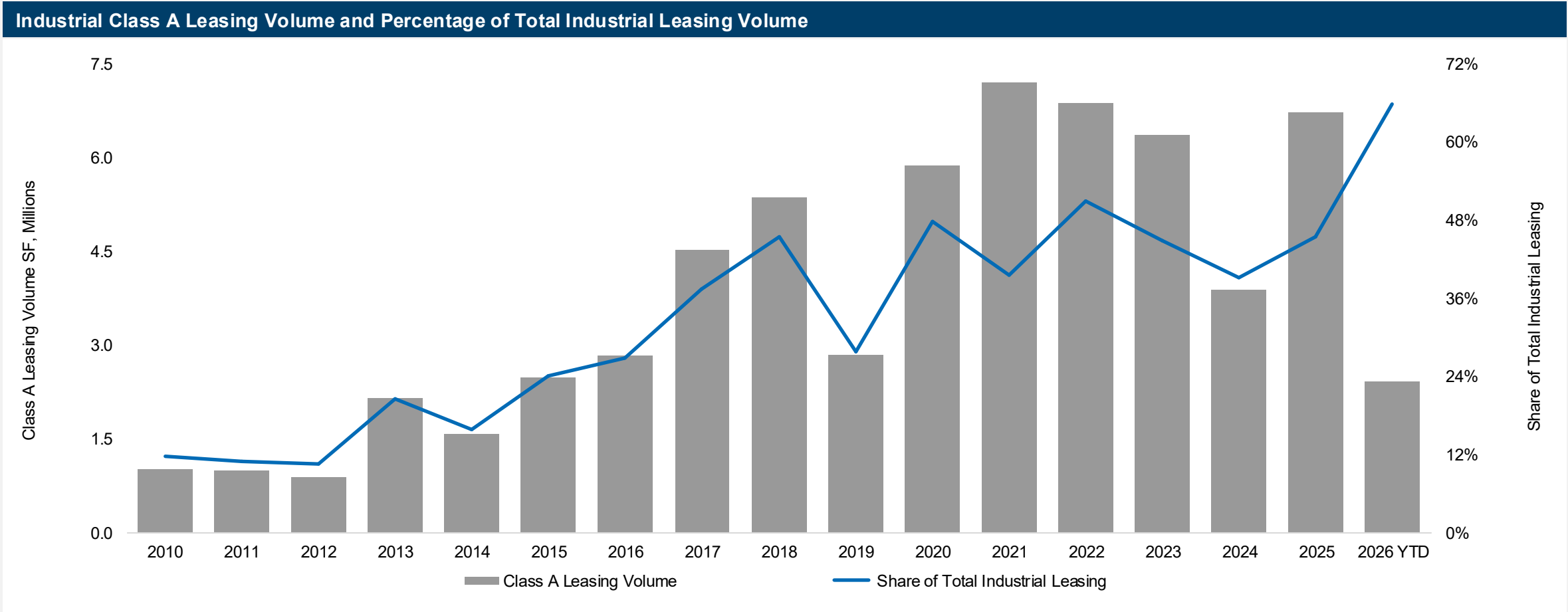
# Leasing Activity Trends Down This Quarter

Volume progressively increased in 2025 but was down in the opening quarter of 2026. Although it remains to be seen whether this trend persists, slowing population gains to the region due to elevated housing costs, high borrowing costs, and a sleepier labor market are among current headwinds.



# Class A Warehouse Leasing Above Long-Term Average

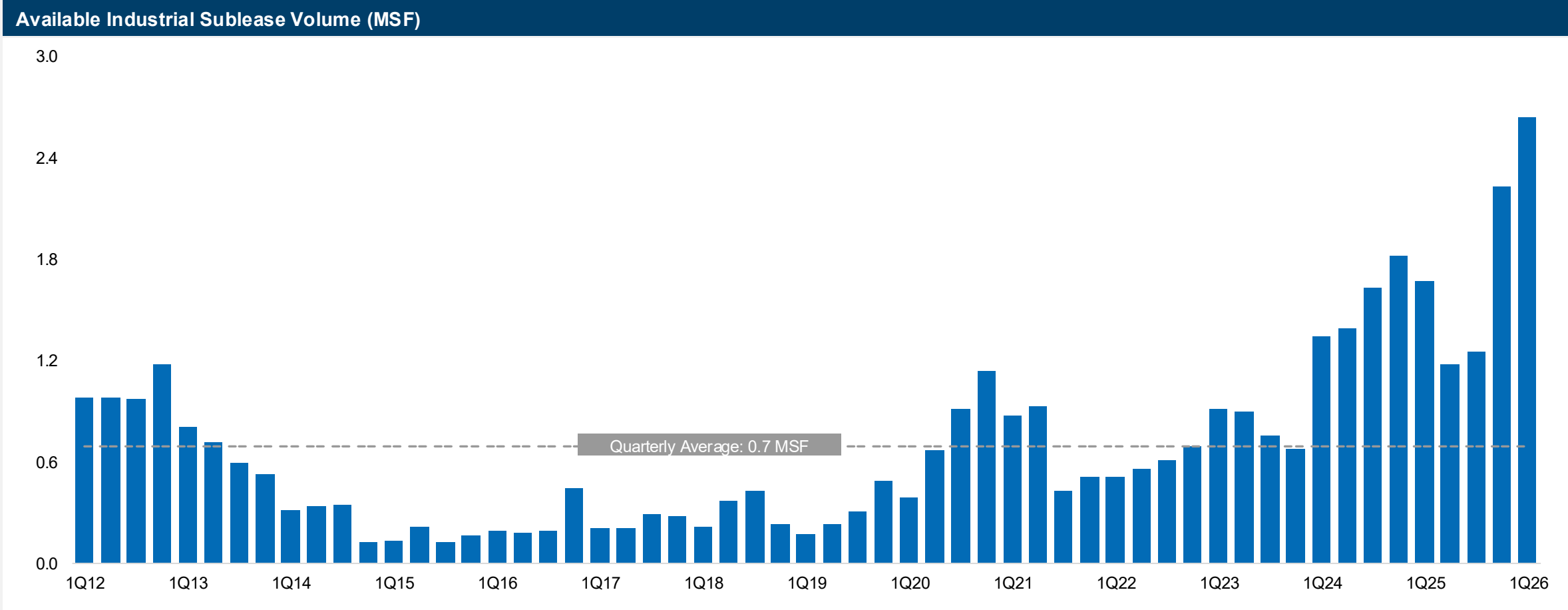
Las Vegas is a growth market and Class A leasing activity has shaped overall leasing dynamics in recent years. The only exception to the rule was 2019, a year when there was a dearth in available product. “Flight-to-quality” is also a perennial trend during all points of a real estate cycle.



Source: Newmark Research, CoStar  
 Note: Class A is defined as 100,000+ SF, 30+ minimum interior ceiling height and constructed since 2000.

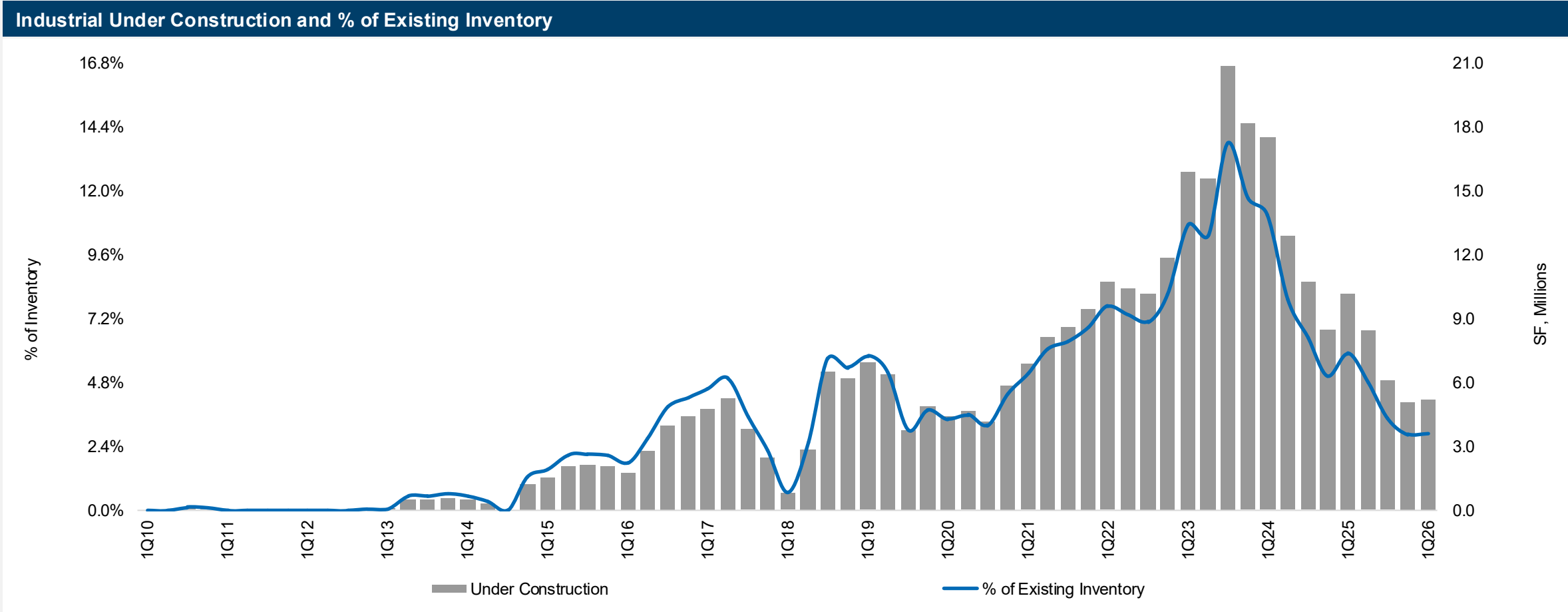
# Sublease Space Up 18% from Last Quarter

2.6 MSF of available sublease space is presently on the market, a new high. Available sublease inventory has generally climbed steadily since early 2024 and now stands at nearly four times the long-term quarterly average of approximately 694,489 SF. Going forward, the sublet pool will likely fluctuate as cost-cutting measures from some occupiers are counterbalanced with the progressive leasing of desirable sublet offerings.



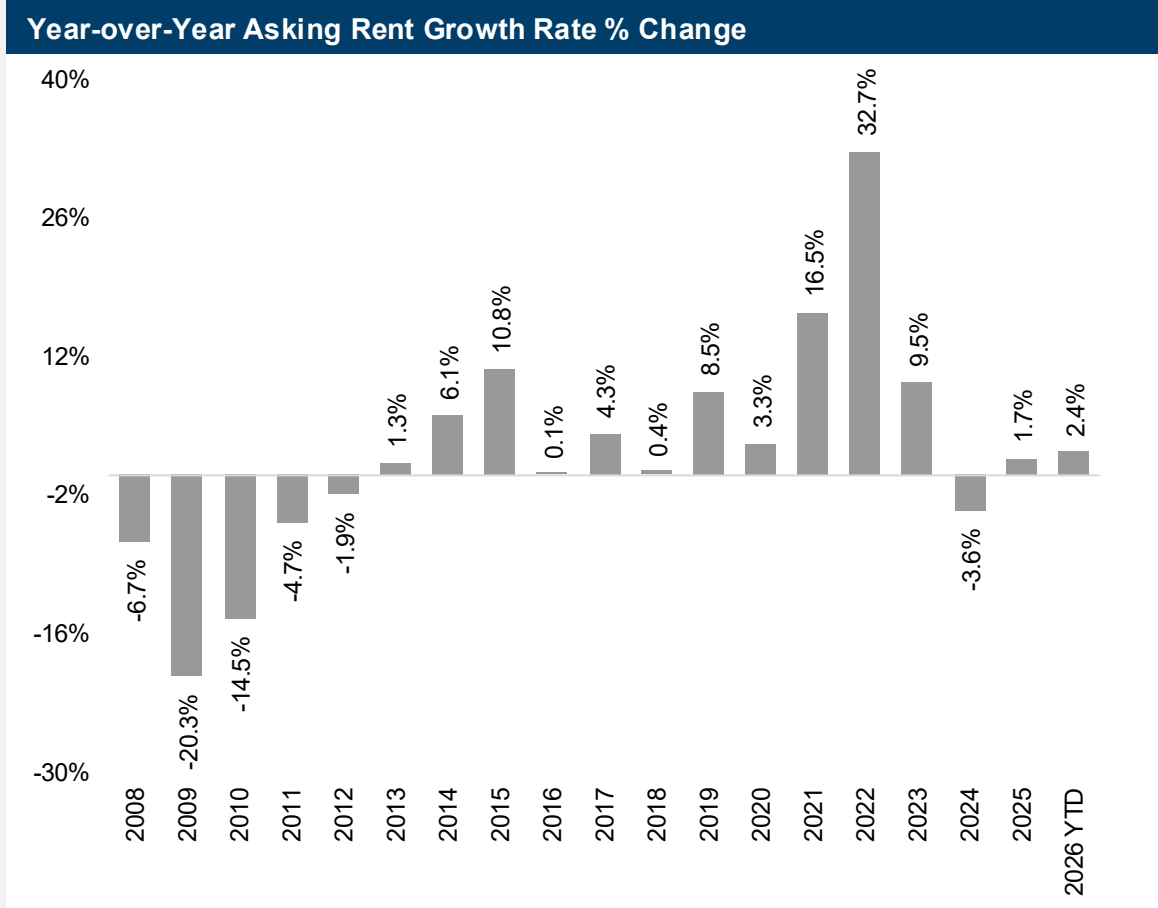
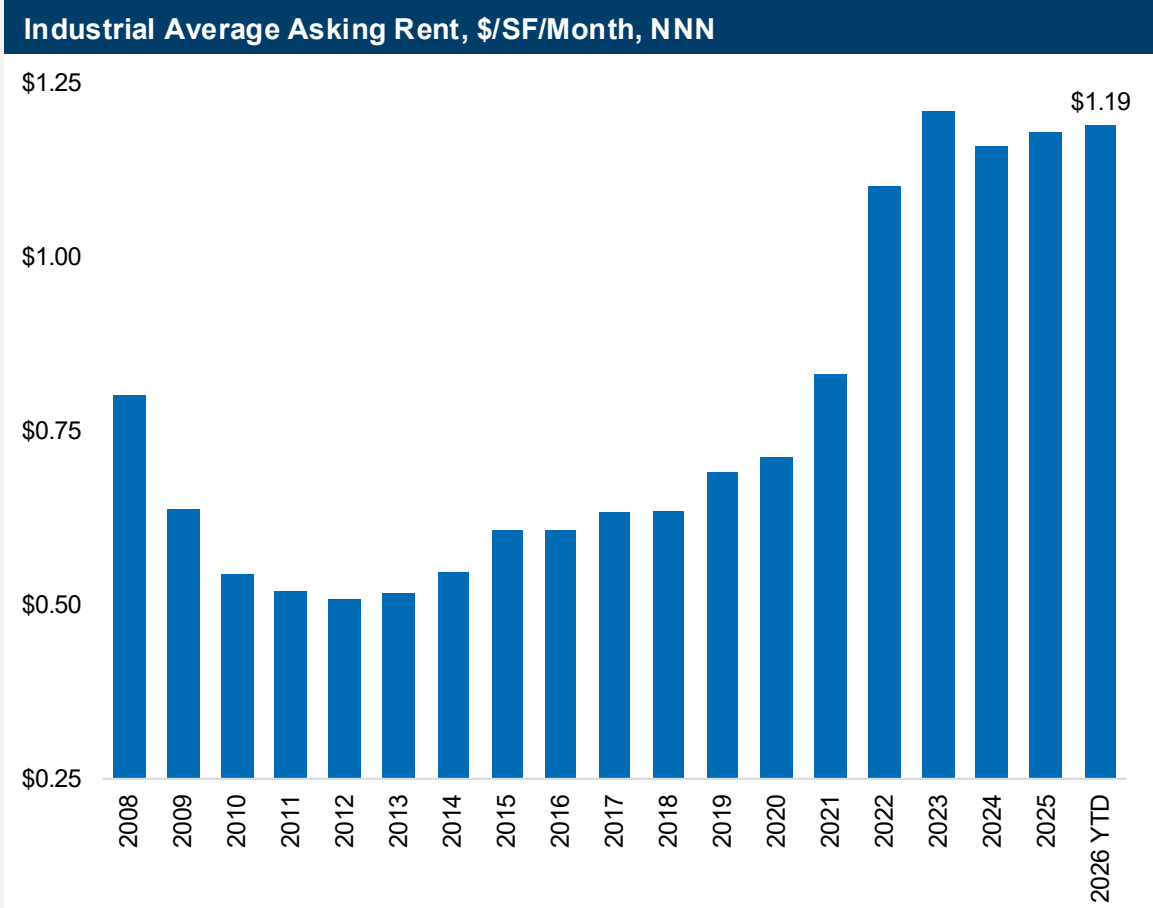
# Construction Pipeline Near Cycle Lows After Sustained Pullback

5.2 MSF was under construction in early 2026, representing 2.9% of existing inventory—down sharply from the prior cyclical peak of 20.9 MSF (13.8% of inventory) in the third quarter of 2023. Elevated vacancy, speculative completions from prior years, and difficulty sourcing construction debt continue to suppress new starts.



# Direct Asking Rents Were Marginally Up in 2025 and Early 2026

After unprecedented annual growth in 2021 (+16.5%) and 2022 (+32.7%), rent growth decelerated in 2023 (+9.5%), turned negative in 2024 (-3.6%), and had modest gains since. Rent growth largely hinges on leasing activity.



# Notable 1Q26 Lease Transactions

Leasing activity was diverse across industries.

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
PepsiCo	North Vegas Logistics Center, Bldg. 2	North Las Vegas	Pre-lease	1,007,536
<i>The leading global food and beverage manufacturer is expected to take occupancy later this year. The facility was constructed in 2024.</i>				
Pride Mobility Products Corporation	Clayton Commerce Center	North Las Vegas	Direct	190,306
<i>Pride Mobility Products Corporation is a designer and manufacturer of mobility products, including power chairs.</i>				
Alliance North America (ANA)	South 15 Airport Center, Bldg. B	West Henderson	Direct	187,788
<i>ANA. is a provider of high-performance industrial equipment, specializing in AIRMAN generators and compressors across North America. The multi-tenant building was constructed in 2018.</i>				
Udike Distribution Logistics	3000 Lincoln Rd	North Las Vegas	Renewal	80,181
<i>The logistics services provider has been a tenant of the building since mid-2023.</i>				
Moove AV	JDV Procyon at Ponderosa	Southwest	Direct	66,435
<i>Moove is a global mobility fintech platform that partners with companies like Waymo and Uber to manage, finance, and operate vehicle fleets, including autonomous vehicles (AVs).</i>				

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