

NEWMARK



Las Vegas: Office Market Overview

1Q26



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Access the Expanded 1Q26 Las Vegas Office Market Overview



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.
- **The State of Tourism:** Leisure/hospitality is the region’s dominant industry, and fluctuations in tourism has implications for office demand.
- **Office Submarket Statistics**

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*Extensive content across 30 slides—a detailed presentation packed with **useful office information and in-depth analysis.***

Las Vegas Office Market Observations



Economy

- Recent local employment figures were unavailable due to the last federal government shutdown and subsequent delays from the Bureau of Labor Statistics to collect and process data.
- Local unemployment was 5.2% in December 2025, down 70 basis points from 12 months ago.
- Las Vegas' office-using employment totaled 238,000 jobs in December, 7.8% higher than before the pandemic, but 2.2% lower than 12 months prior.
- The housing market is slow, while tourism is thinner amid higher prices, a sluggish labor market, and U.S. foreign policy (namely, tariffs). Both have implications for future office leasing activity: Housing influences population growth (and demand for population-serving office occupiers, such as banks), while casino operators have office space throughout the region.



Leasing Market Fundamentals

- First-quarter's leasing activity was moderate, while a modest net absorption gain of 206,410 SF was recorded. Total vacancy was 12.4%, down 30 basis points from year-end 2024.
- Asking rents were marginally down year-over-year. Desirable Class A space continues to lease quickly, while older, long-vacant spaces are dragging down average rates.
- Sublet availability remains low at 0.6%. Based on the absence of new construction, Class A supply with desirable floor layouts, ample parking, and in good locations will progressively narrow and rents will rise.
- Southwest Las Vegas was identified as a top-performing submarket in a Newmark paper, titled ["Winning Office: Where U.S. Office Space is Thriving and Why."](#)



Major Transactions

- Large lease signings remain limited, with most activity concentrated in deals under 10,000 SF. Cost control, hybrid work models, and inflationary pressures continue to shape tenant behavior.
- While overall leasing volume remains subdued, a diverse tenant mix and strong renewal activity are bright spots.
- Office demand is well-represented in suburban hubs like Summerlin and Henderson, where executive housing is prevalent.
- On the investment side, activity is focused on single-tenant and medical office assets, seen as lower-risk opportunities in a cautious capital environment.
- Academica Nevada, LLC acquired Corporate Center Circle (41,790 SF) in Henderson for \$11.54 million (\$275/SF). This was one of several owner-user sales.

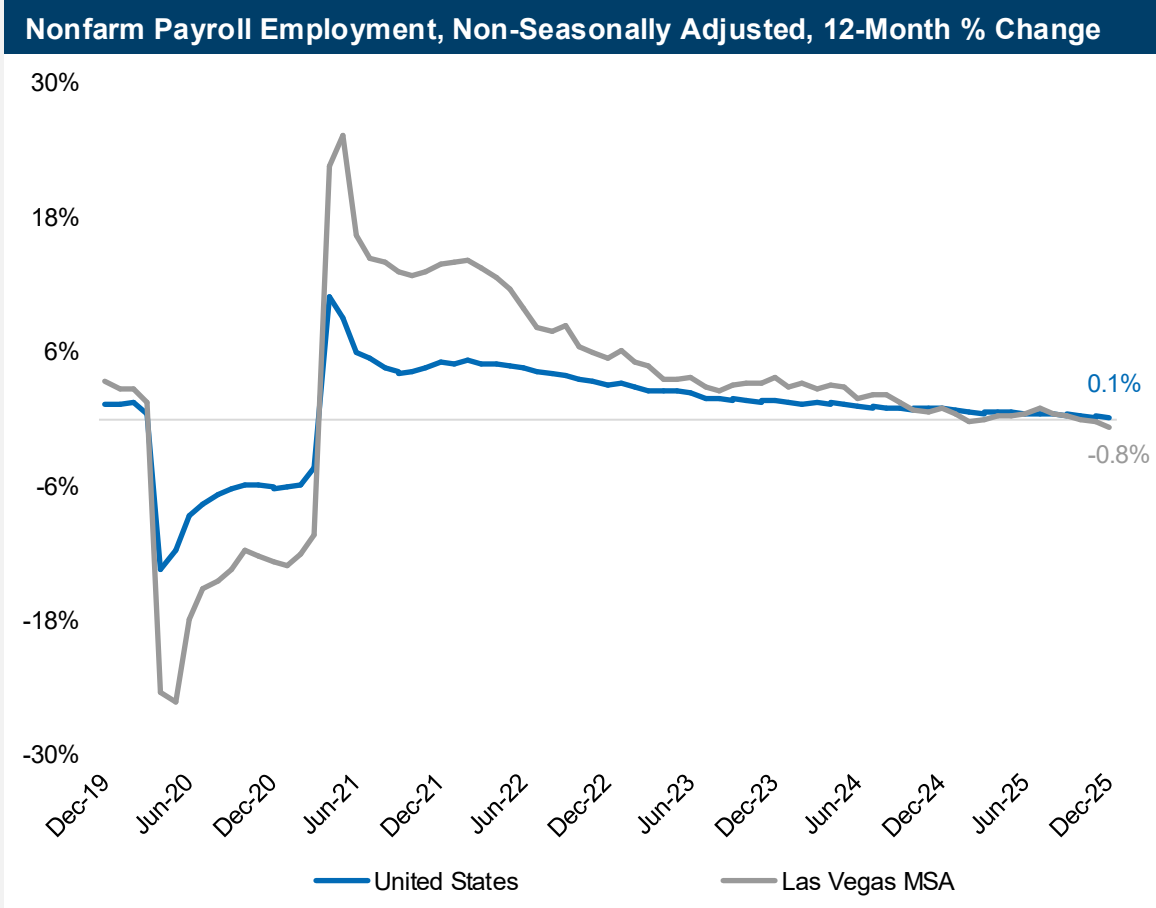
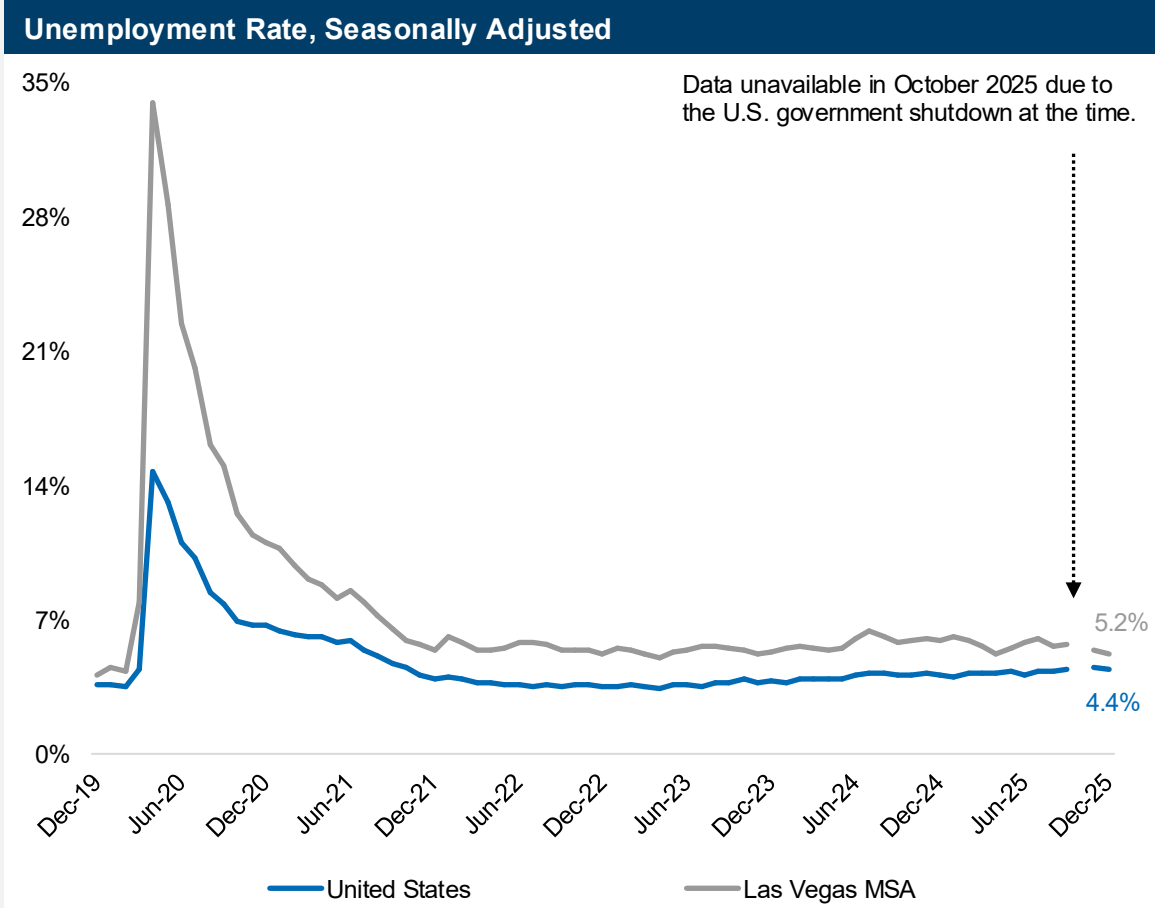


Outlook

- Heightened geopolitical tensions, particularly in the Middle East, has elevated economic uncertainty. This will propel conservative decision-making in the business community, with occupiers and investors prioritizing stability, cost control, and low-risk opportunities.
- Near-term population growth will slow until the housing market recovers. Future tourism (the region's dominant industry) will be shaped by fluctuations in the U.S. economy and how aggressively casino operators lower room rates to woo travelers.
- 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.
- More owner-user sales, which allow companies to better control their long-term occupancy, are likely. Notably, in an elevated inflationary environment.

Las Vegas Nonfarm Employment is Flat

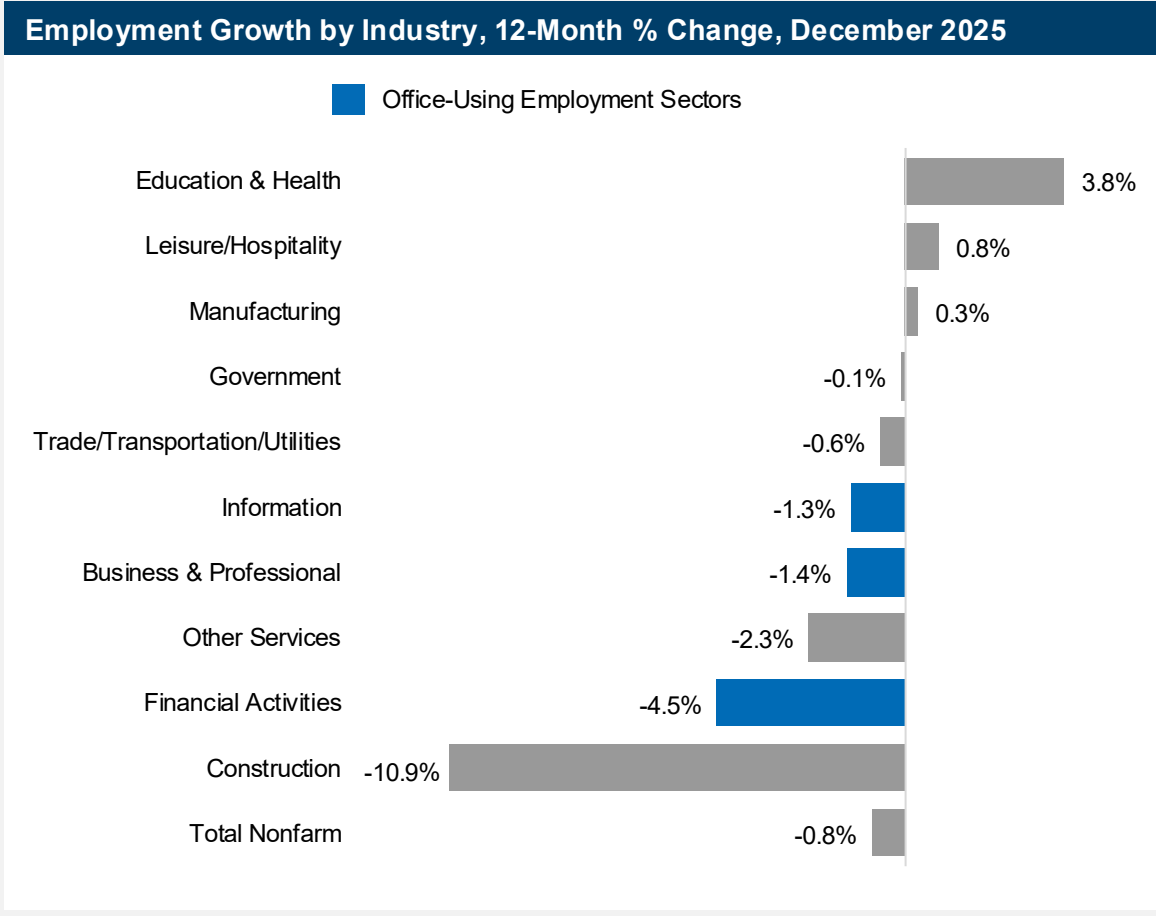
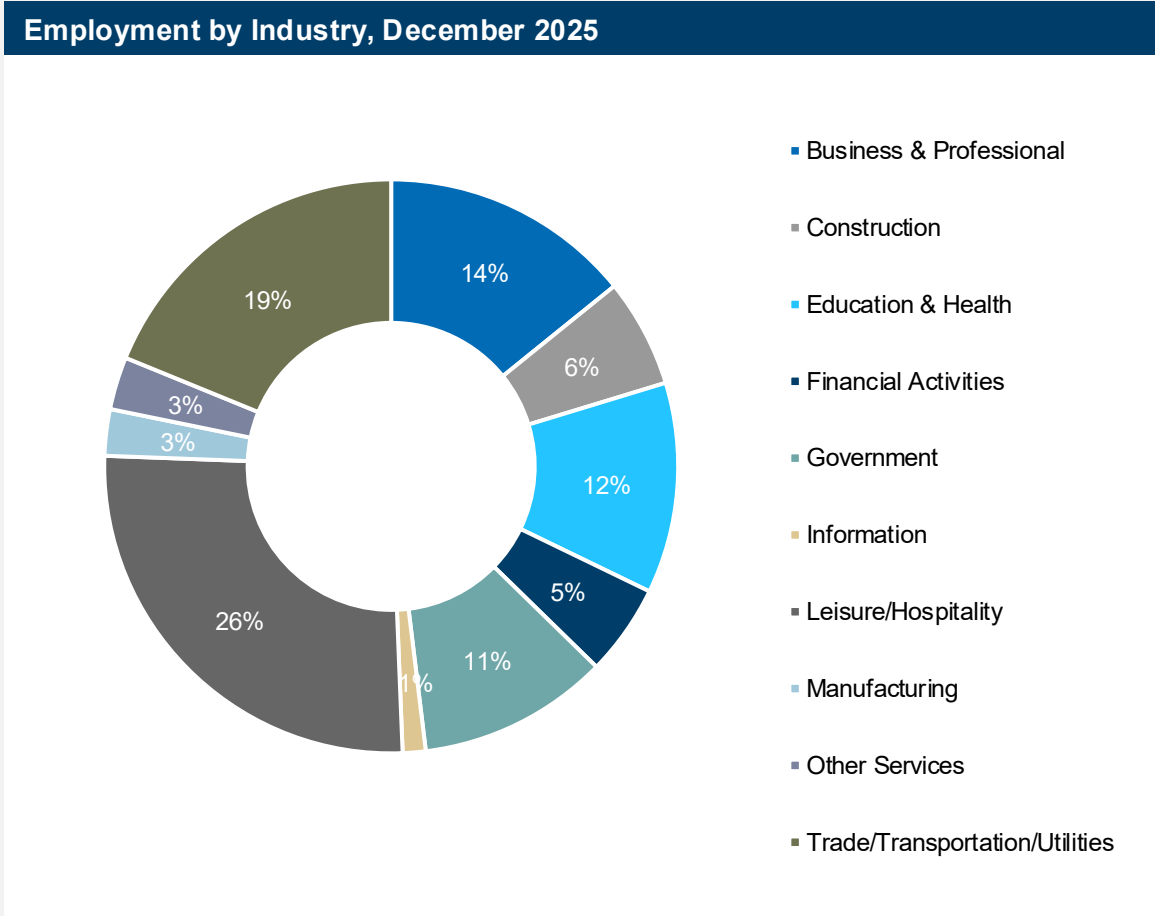
Las Vegas consistently outperformed the nation in job growth from 2021 through mid-2024, rebounding swiftly from pandemic-related losses. This strong performance was largely driven by population growth and Nevada’s low-cost, business-friendly environment, especially compared to coastal Southwest markets. 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

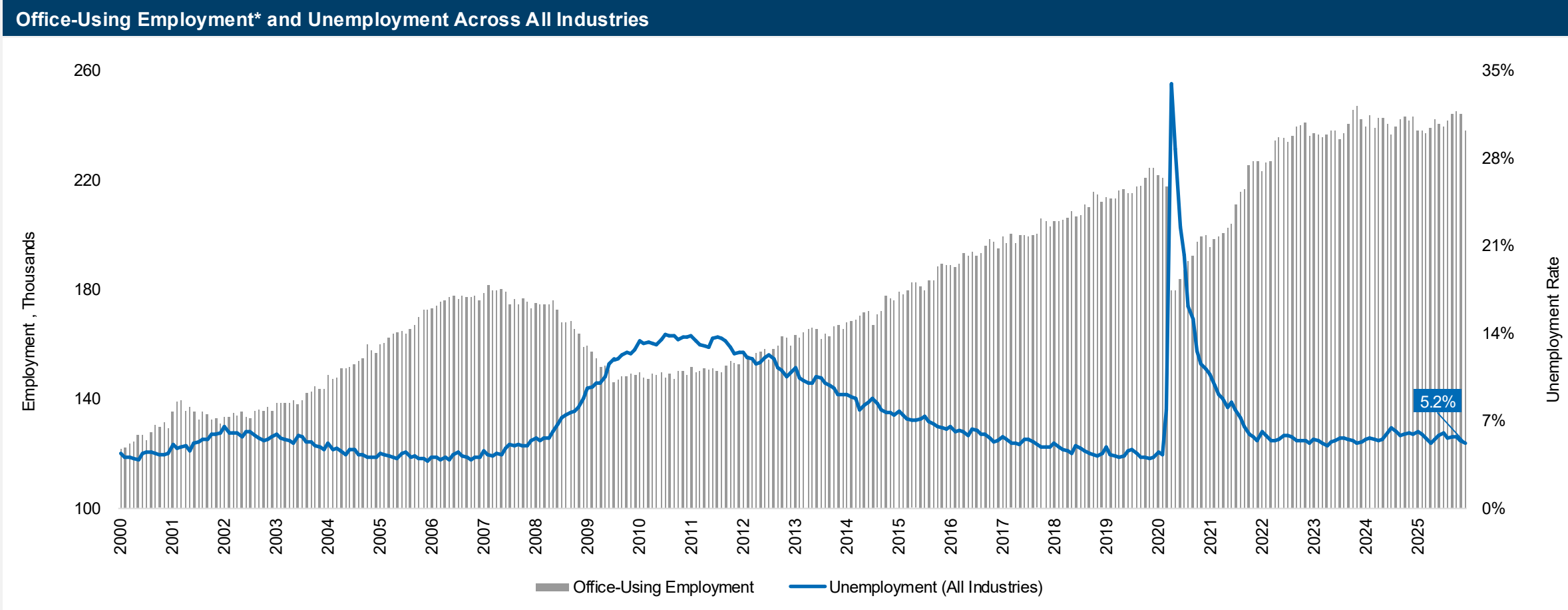
Leisure/hospitality continues to be the dominant sector, comprising 26% of overall employment. Still dominant, but less so when considering the average was 33% in 2010, a gradual decrease that illustrates continued diversification within the local economy. Annual job fluctuations were mostly negative 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.

Las Vegas Office Employment Contracts

Office-using employment in December 2025 was down 2.2% from 12 months ago and exceeds pre-pandemic levels by 7.8%. While a growing population has favored the segment, higher debt costs, companies focusing on cost-savings, and a sluggish housing market are constraining momentum.

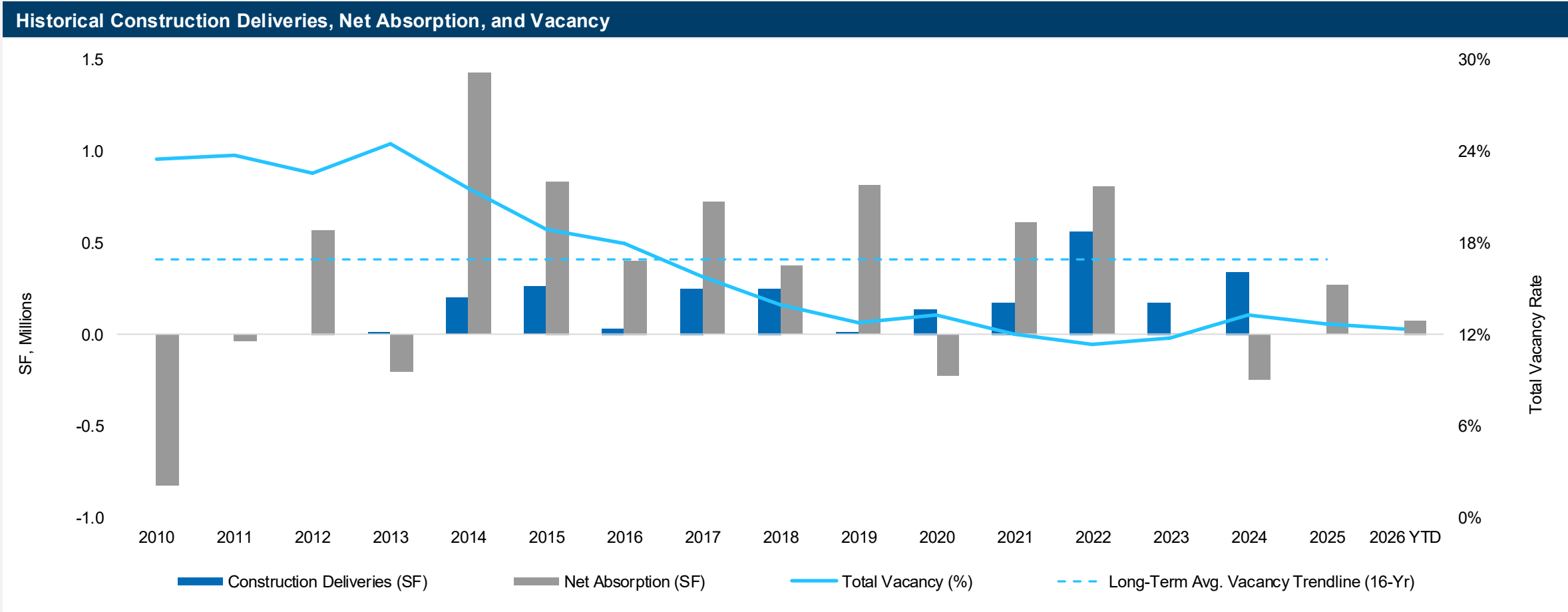


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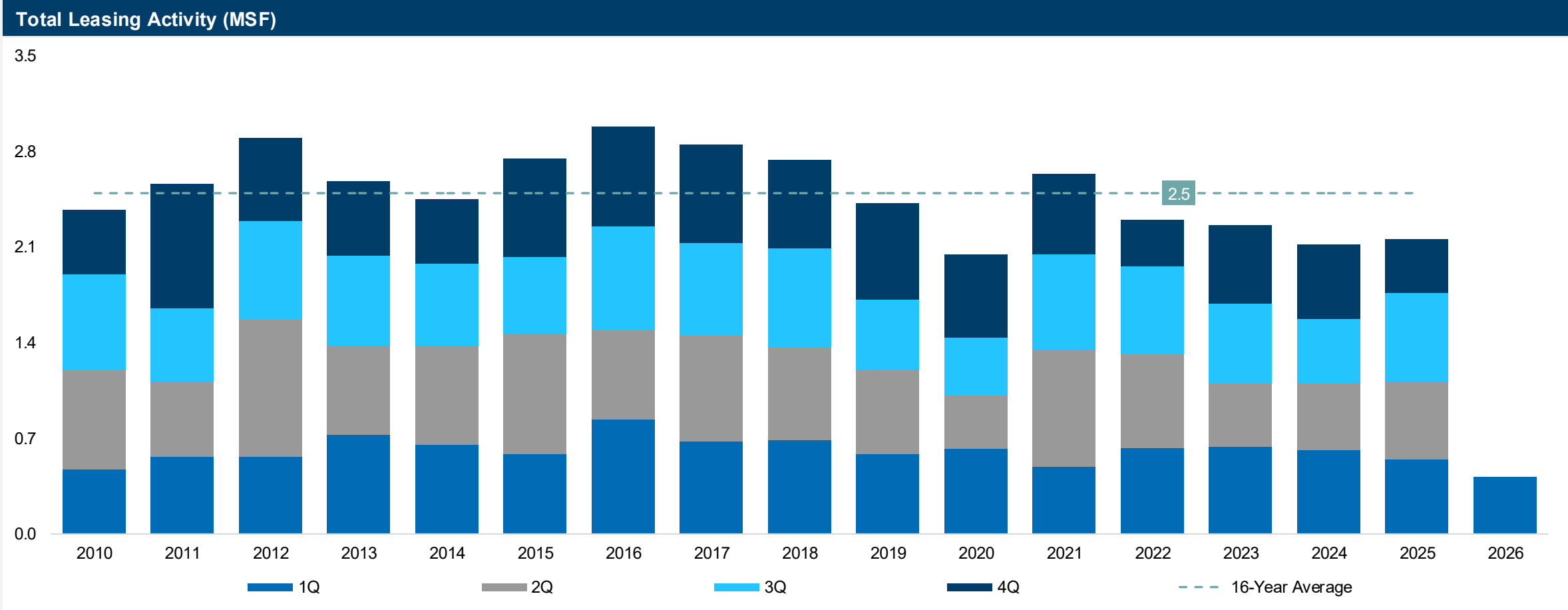
The Absence of New Supply, Paired With Modest Absorption, Kept Vacancy Low

Total vacancy decreased from 12.7% at year-end 2025 to 12.4% during the first quarter of 2026 after nearly 73,000 SF in net absorption gains were recorded. Limited office development has favored vacancy, which, since 2021 has generally hovered in the 12% range.



Leasing Activity is Measured at Best

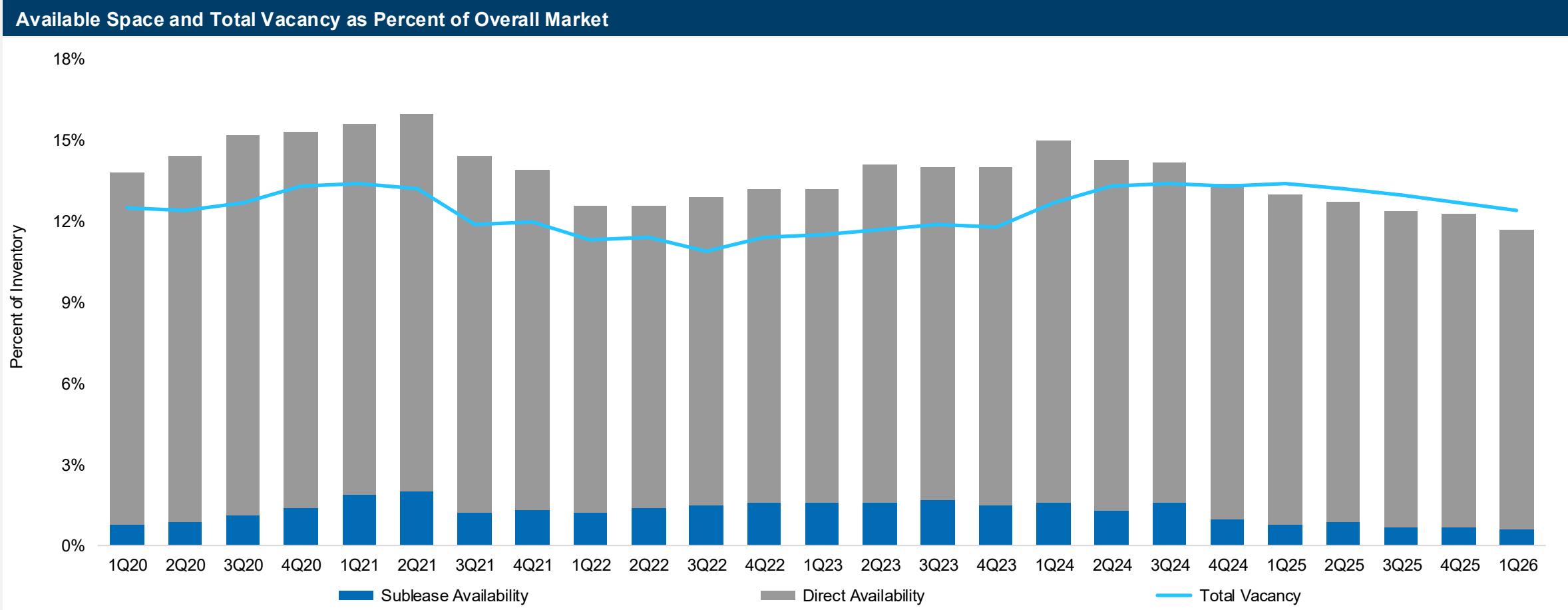
Annual leasing volume has been under the 16-year average since 2022 due to a mix of hybrid work (not as pronounced as coastal market, though), higher borrowing costs, inflation, and deceleration in the U.S. economy. Cost-cutting moves from select occupiers will likely constrain near-term leasing.



Source: Newmark Research, CoStar

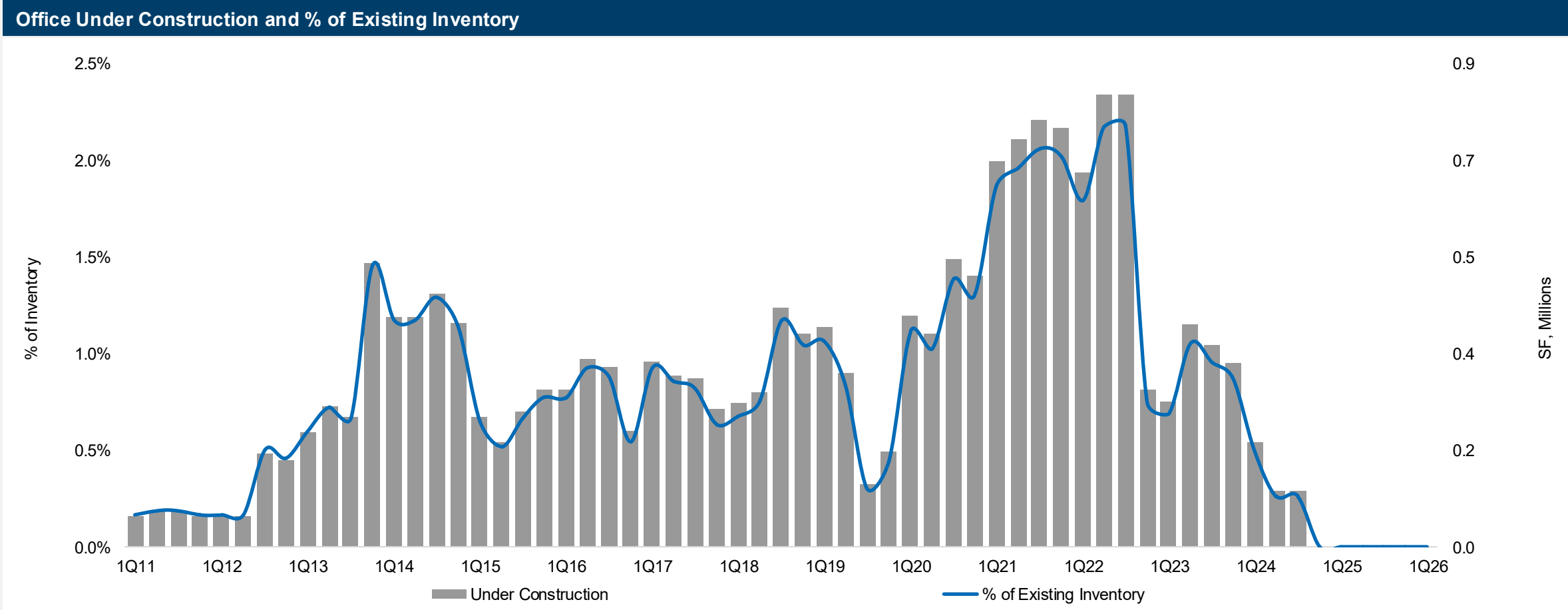
Las Vegas Office Market Tightens as Availability Narrows

Las Vegas' office market continues to outperform, with direct and sublet availability remaining below national averages. Availability declined for the fifth-straight quarter as more space was withdrawn from the market.



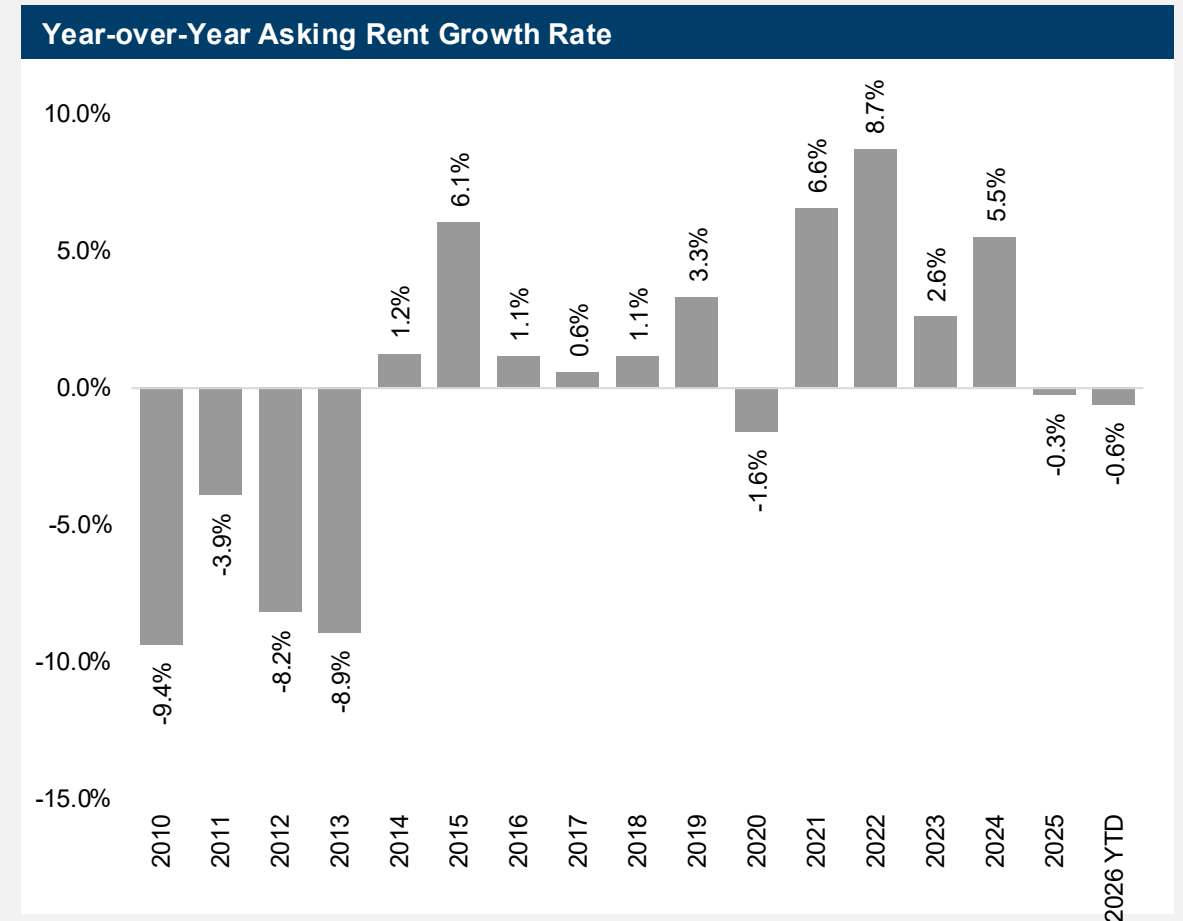
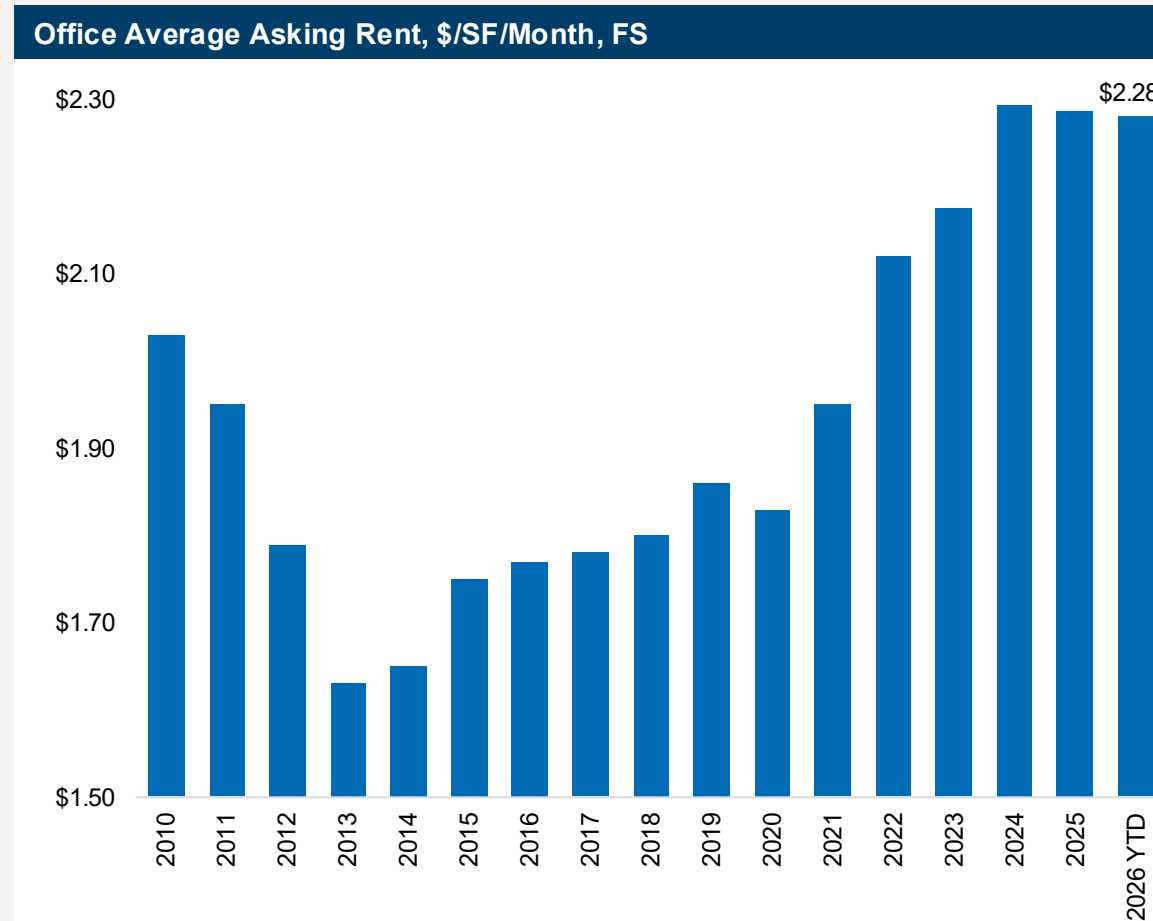
Pipeline is Empty as Financing Constraints Halts New Office Starts

Amid rising construction costs and still-high inflation, no new professional office projects have delivered since 2024. With limited new supply, steady tenant activity, and competitive rental rates, vacancy is expected to decline further. This may potentially drive rents upwards again as the market shifts toward a more landlord-favorable environment. Today's slower housing and hospitality markets are present challenges, however.



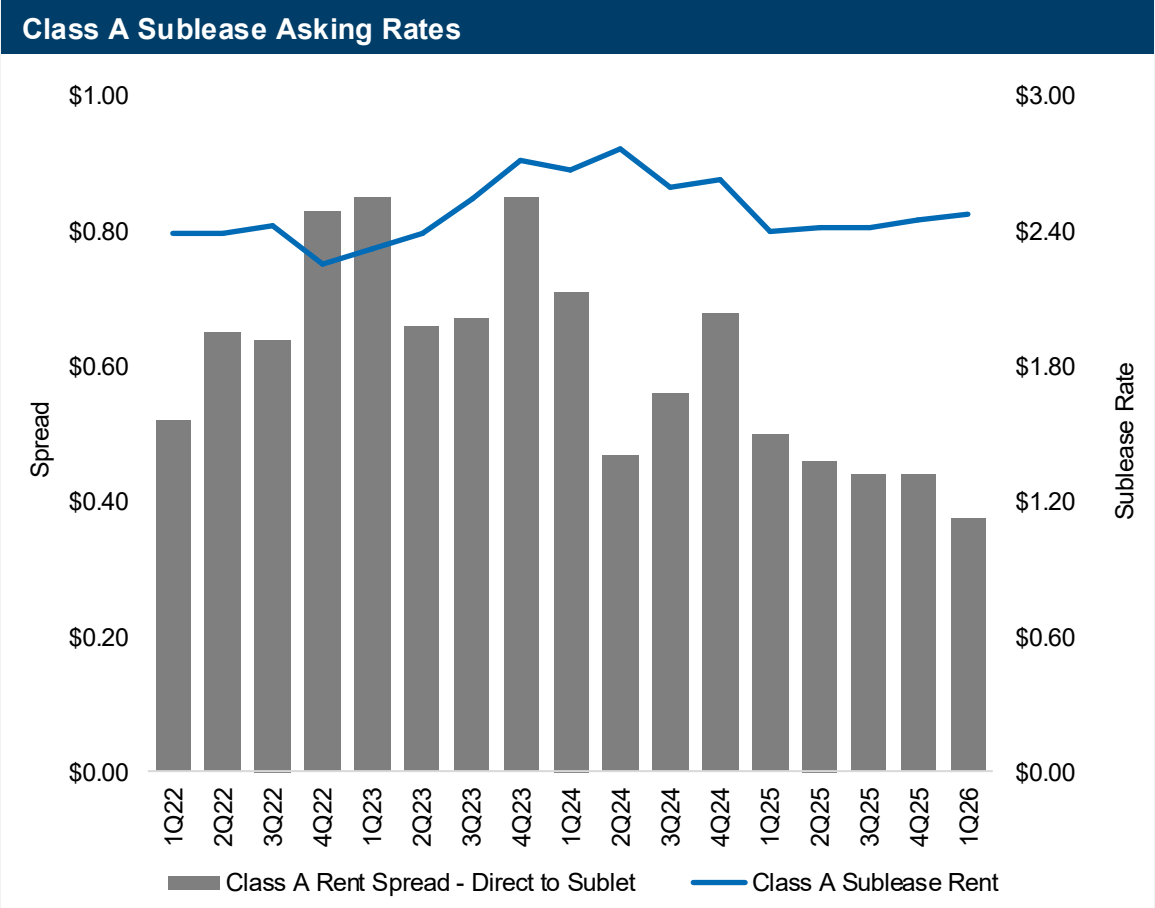
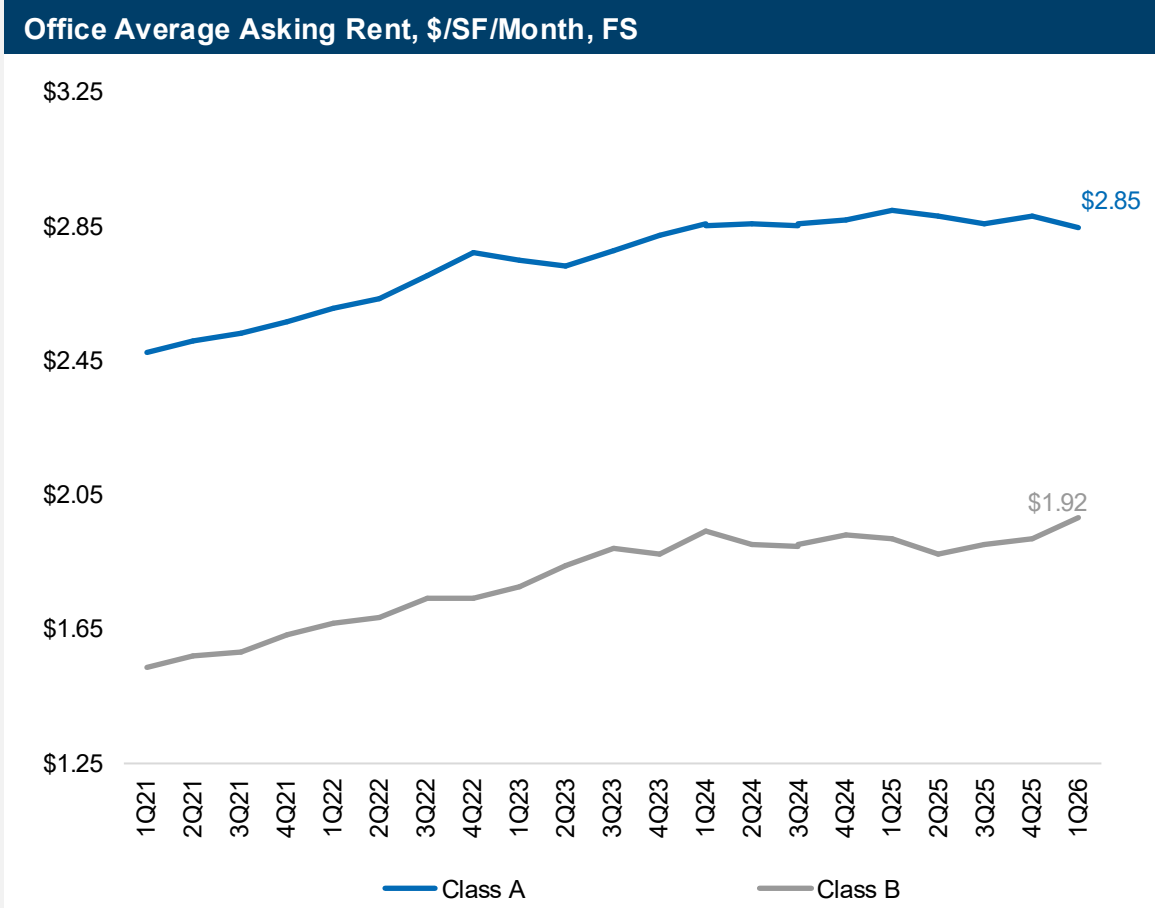
Stagnant Listings Weigh on Rents Amid Limited Supply

After steady growth from 2020 to 2024, Las Vegas office rents are feeling downward pressure as long-vacant, lower-quality spaces drag down averages. While newer, high-quality spaces lease quickly at market rates, older inventory remains challenging to fill. With an empty construction pipeline, limited supply may eventually drive moderate rent increases as demand outpaces availability.



Direct-to-Sublease Rent Gap Compresses Sharply to a Three-Year Low

Class A direct asking rents slightly trend down to \$2.85/SF in the first quarter of 2026 while sublease rates edged up to \$2.48/SF/month, tightening the direct-to-sublease spread to \$0.37/SF. Limited sublease supply is reducing the discount tenants can capture versus direct space. Landlords are generally maintaining face rents and absorbing the trade-off through off-market concessions.



This Quarter's Notable Leases

Activity was spread out across industries.

Notable 4Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Lease Type	Square Feet
JT4, LLC	585 Pilot Rd	South	Renewal	58,072
<i>JT4 provides engineering and technical support to multiple western test ranges for the U.S. Air Force and Navy.</i>				
JoshCo Group LLC	325 E Warm Spring Rd	South	Renewal/Expansion	28,000
<i>JoshCo Group LLC is a Las Vegas-based company to help veterans secure disability benefits.</i>				
Las Vegas Grand Prix	1 Meridian Vista Dr	Southwest	Direct	25,636
<i>Located within the Meridian business park, which was constructed in 2024.</i>				
Community America Credit Union	375 E Warm Springs Rd	South	Direct	16,669
<i>The building was constructed in 2002 and renovated in 2020.</i>				

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