NEWMARK

Las Vegas:

Industrial Market Overview

2Q26

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Access the Expanded 2Q26 Las Vegas Industrial 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.
- **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 32 slides—a detailed presentation packed with useful office information and in-depth analysis.

Las Vegas Industrial Market Observations

Economy

- Loaded import volumes at Southern California ports reached 4.1 million containers in the first five months of 2026, exceeding the same period in 2023–2025 but still trailing the 2021–2022 peak. U.S. retail sales remain healthy based on the latest Census Bureau data.
- U.S. wage growth has lagged inflation since April. This could dampen future retail sales, especially if unemployment were to rise meaningfully.
- Local industrial-using employment posted mixed results: job totals grew in the warehouse segment but contracted in manufacturing.
- Las Vegas' housing market is sluggish, which is affecting industrial leasing.
- The Federal Reserve kept its benchmark rate unchanged at 3.5%–3.75% in June, while updated projections pointed to no cuts in 2026.

Leasing Market Fundamentals

- This quarter, 1.2 MSF in net absorption gains were met with 0.6 MSF in construction deliveries, causing total vacancy (12.4%) to compress by 40 bps from last quarter. Vacancy has been in the double-digits since the fourth quarter of 2024.
- North Las Vegas led other submarkets in net absorption gains, with 0.7 MSF this quarter.
- Under-construction activity is moderate, with 5.0 MSF, or roughly 2.8% of existing inventory. The largest project is a 2.4-MSF facility for Haas Automation set to deliver in the fourth quarter.
- Available sublease space (2.7 MSF) increased for the fourth consecutive quarter. However, sublease space as a percentage of inventory remains low, at 1.5%.
- Vacancy has tightened for three consecutive quarters and will likely edge lower in the near term.

Major Transactions

- Leasing activity was noticeably softer in the first half of the year compared with 2025.
- North Las Vegas captured this quarter's largest leases, including new commitments from World Pack USA, MasterBrand Cabinets, Freeman Exhibits, and Updike Distribution Logistics.
- North accounts for roughly 65% of industrial construction delivered over the past five years and benefits from a Union Pacific domestic intermodal terminal, making it the metro's leading hub for large-format 3PL, e-commerce, food and beverage, and other logistics-oriented users.
- Industrial comprised 26% of commercial property sales volume in the first half of 2026, higher than the long-term average of 20%. Heated rent growth in past years favors the segment, with many investors targeting desirable buildings with credit tenants whose leases are up for renewal.

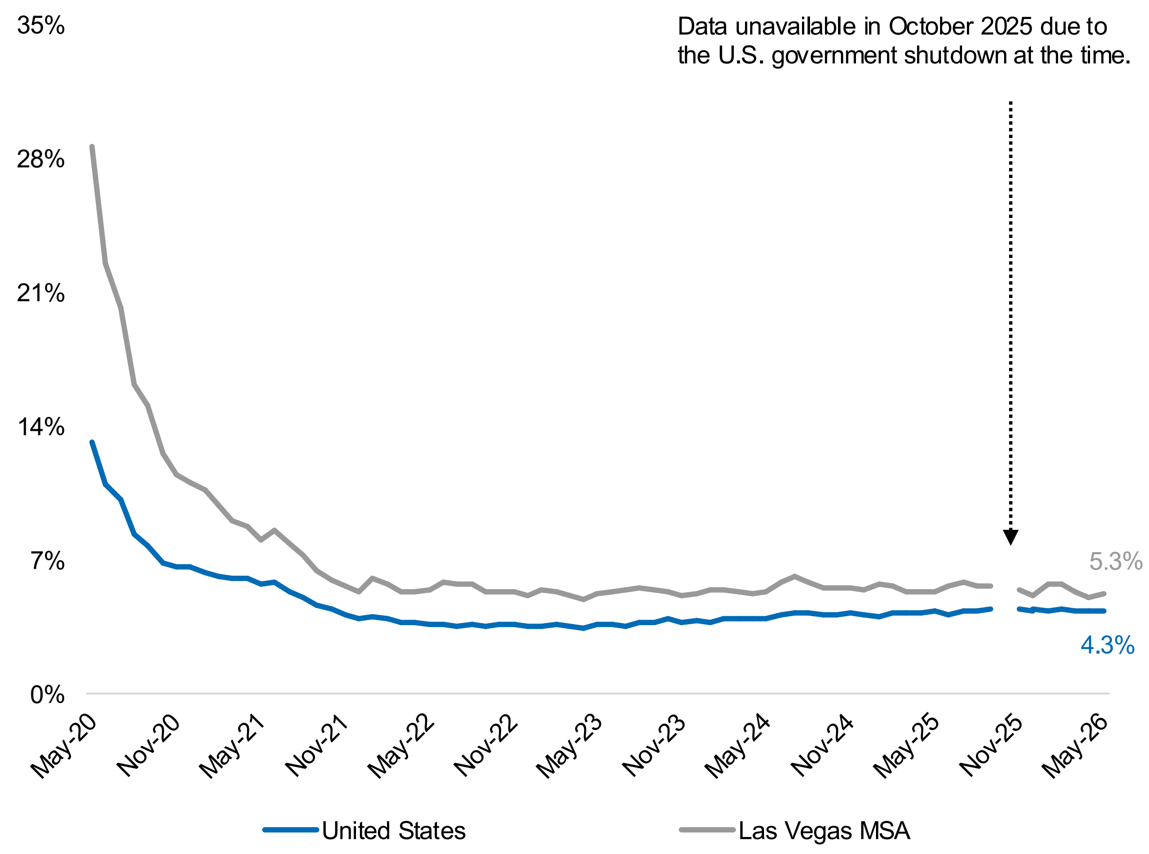
Outlook

- The U.S. consumer price index rose 4.1% year-over-year in May, the biggest jump in three years. While current consumer spending is presently healthy, a continued inflation-driven erosion of purchasing power will remain a meaningful risk to retail sales as the year progresses. Volatile fuel prices due to the U.S.-Iran conflict and progressive tariff-related cost pass-throughs from business to consumers are factors.
- Under-construction activity will remain limited since 87% of Clark County's land is under federal control. Only 41.8 acres in the Las Vegas Valley were purchased from the government in 2025.
- Casino-sector M&A activity could lead to industrial footprint reductions. This quarter, for instance, Caesars Entertainment entered a definitive agreement to be acquired by the owner of the Golden Nugget casinos.
- Population growth and infrastructure enhancements favor the market long-term.

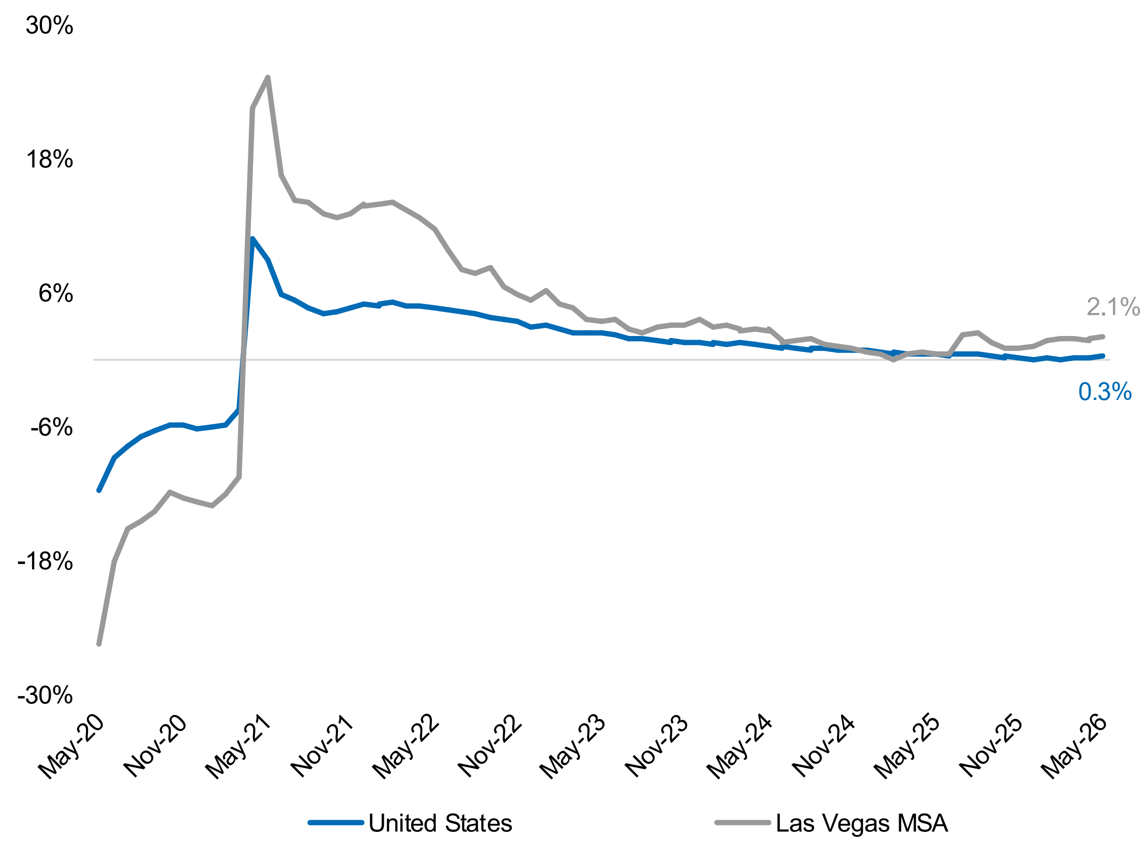
Las Vegas Nonfarm Employment Growth Stronger than the Nation's

Las Vegas job growth has cooled materially from the post-pandemic rebound, but the metro is still expanding faster than the national average. Population growth and Nevada's low-cost, business-friendly environment, especially compared to coastal Southwest markets, partly account for why nonfarm employment grew by 2.1%.

Unemployment Rate, Seasonally Adjusted



Nonfarm Payroll Employment, Non-Seasonally Adjusted, 12-Month % Change

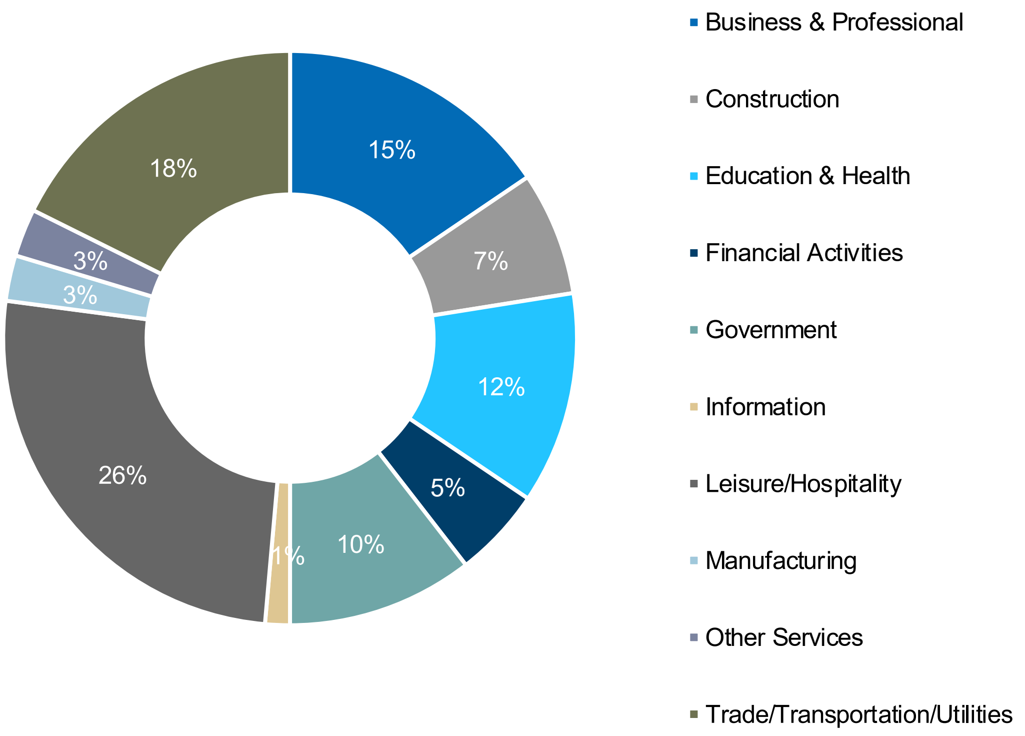


Source: U.S. Bureau of Labor Statistics, Las Vegas MSA

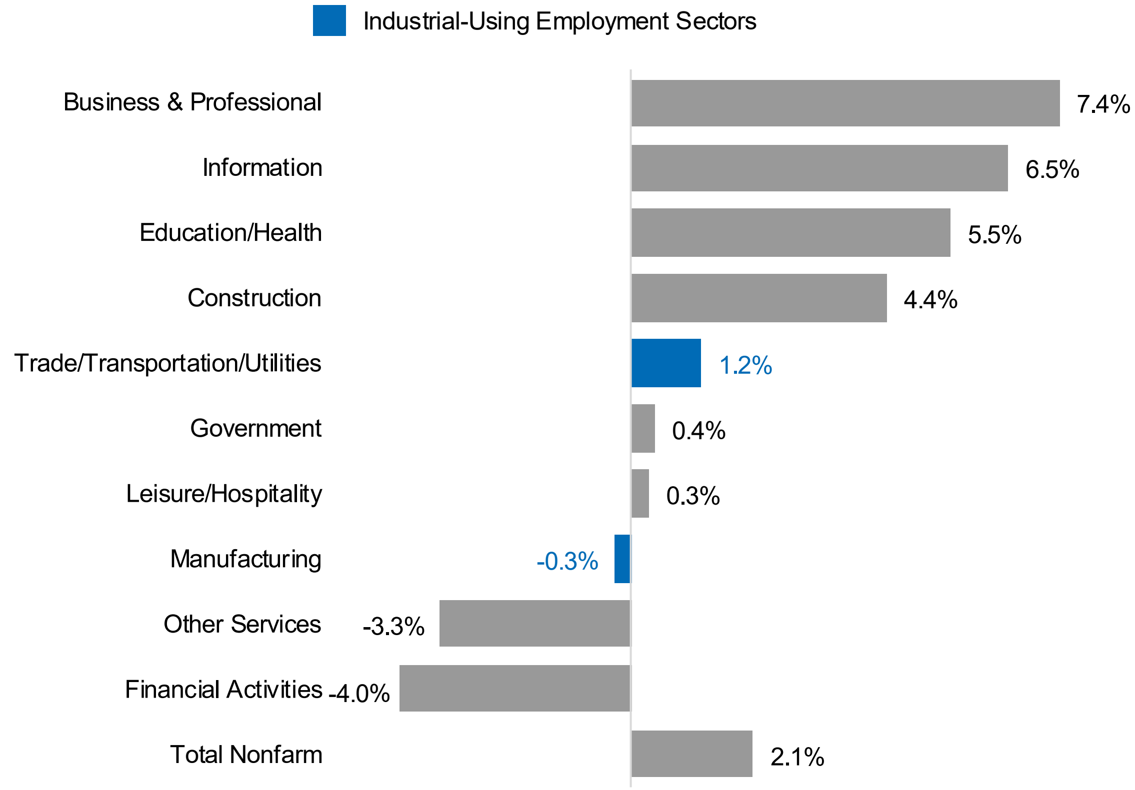
Shifting Toward a More Diverse Economy

Leisure and hospitality remains the largest employer at 26% of total jobs, down from roughly 33% in 2010, indicating a gradual broadening of the employment base. Recent job growth has been led by business and professional services, information, and education/health, while financial activities and other services have weakened.

Employment by Industry, May 2026



Employment Growth by Industry, 12-Month % Change, May 2026

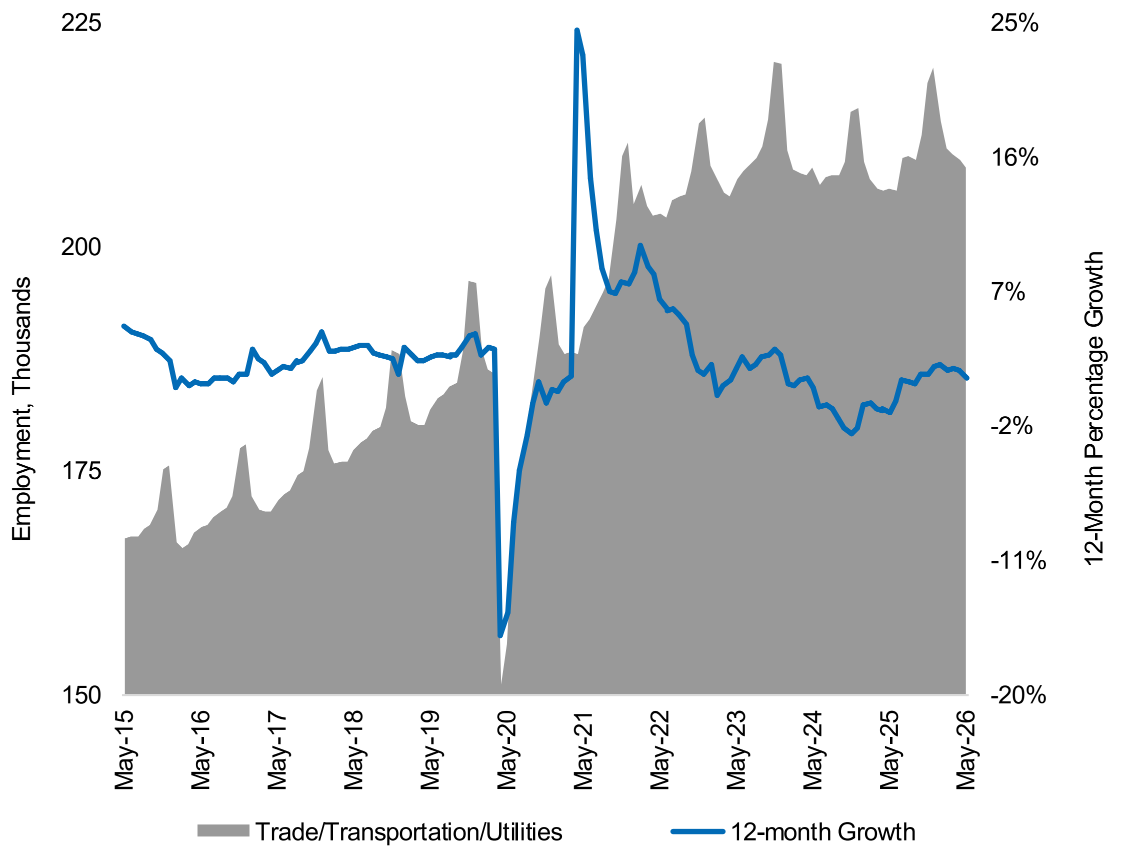


Source: U.S. Bureau of Labor Statistics, Las Vegas MSA

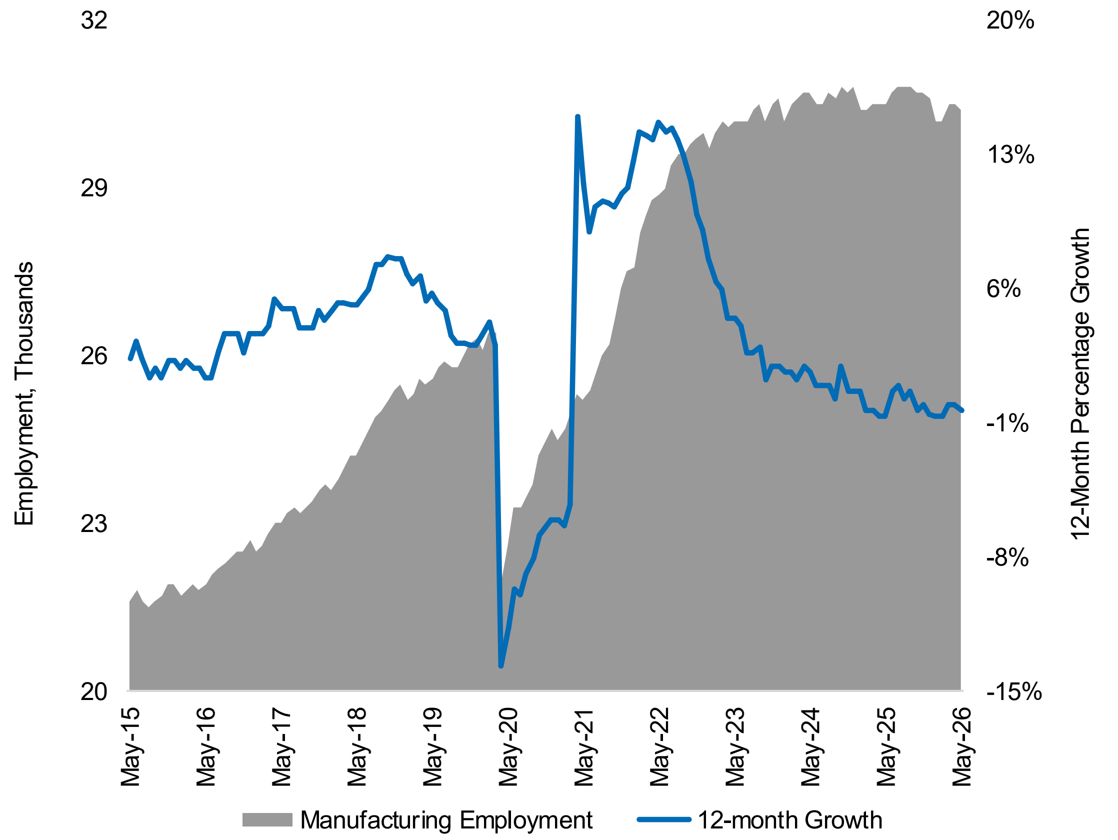
Seasonal Volatility Aside, Industrial Employment Remains Strong

New to market entrants and prior expansions from existing companies account for trade/transportation/utilities' (TPU's) long-term employment growth, while 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). When surveying 12-month job growth, TPU posted a modest 1.2% gain, while manufacturing contracted by 0.3%.

Trade/Transportation/Utilities Employment and 12-Month Growth Rate



Manufacturing Employment and 12-Month Growth Rate

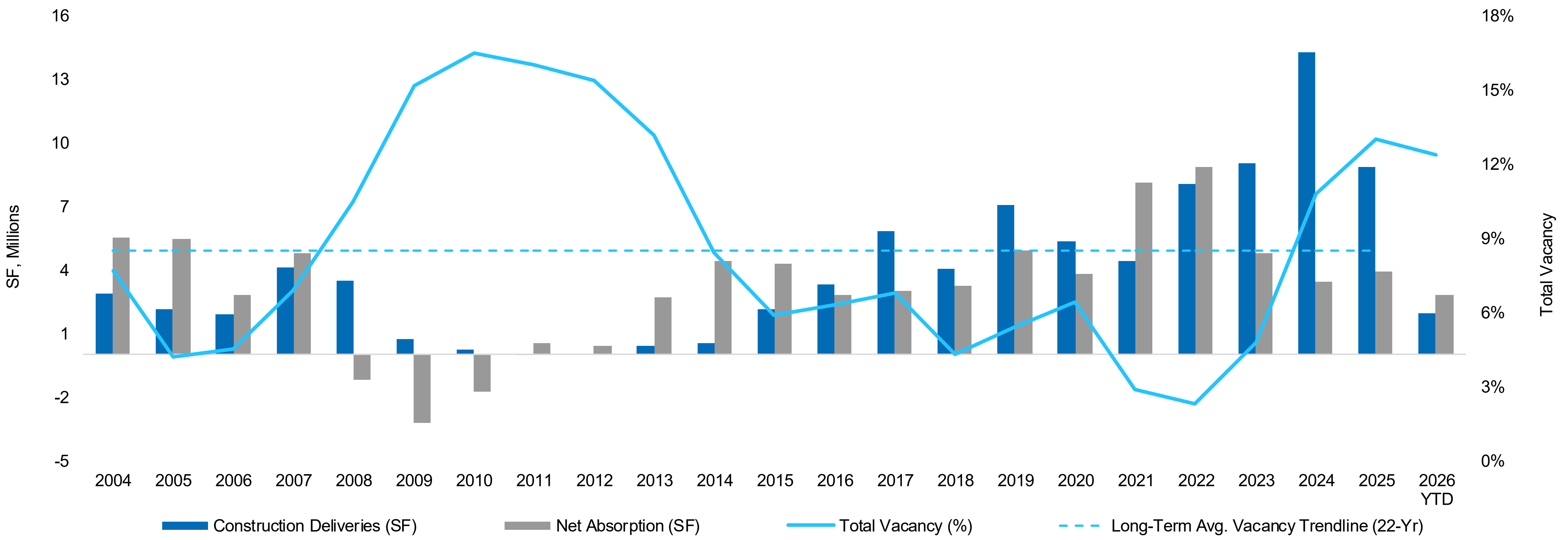


Source: U.S. Bureau of Labor Statistics, Las Vegas MSA

Vacancy is Easing After Years of Increases

2.8 MSF in net absorption outpaced 1.9 MSF in construction deliveries in the first half of 2026, causing vacancy to tighten to 12.4%, a 60 bps decrease from year-end 2025.

Historical Construction Deliveries, Net Absorption, and Vacancy

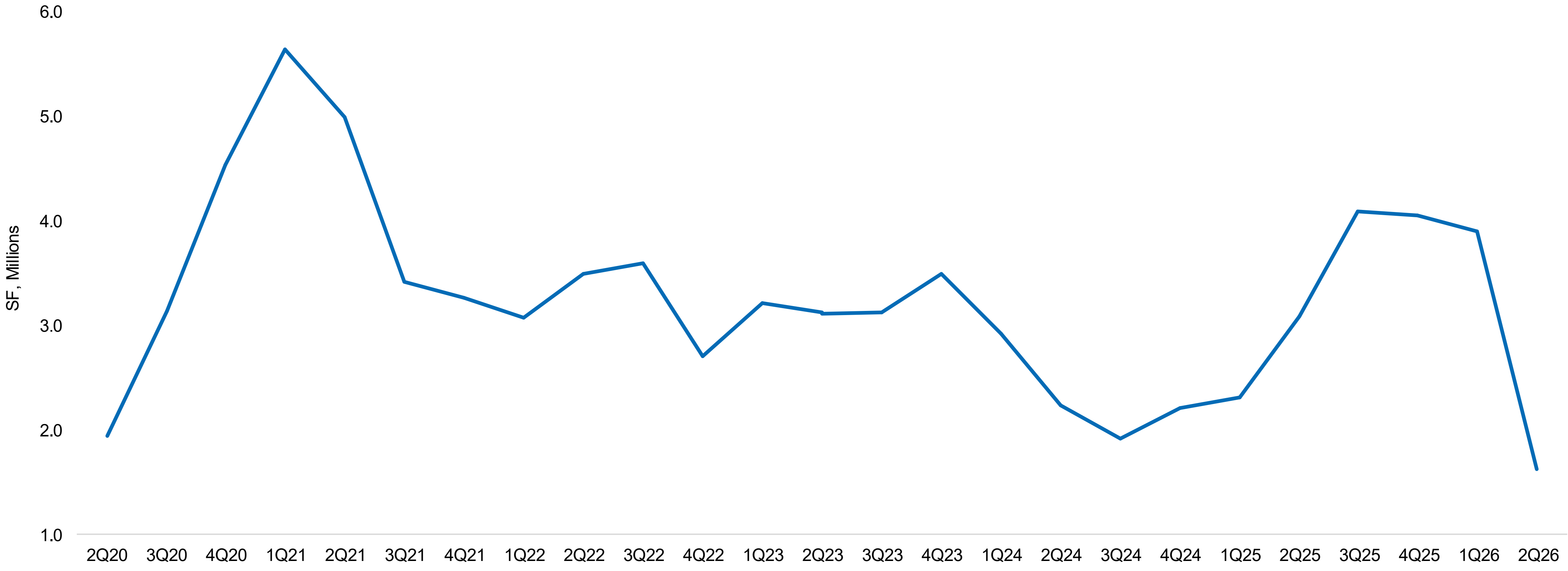


Source: Newmark Research

Leasing Activity Trends Down This Quarter

Volume progressively increased in 2025 but was down in the first half of 2026. Although it remains to be seen whether this trend persists, elevated housing costs, high borrowing costs, and wage growth outpaced by inflation are among current headwinds for industrial demand.

Total Leasing Activity (SF)

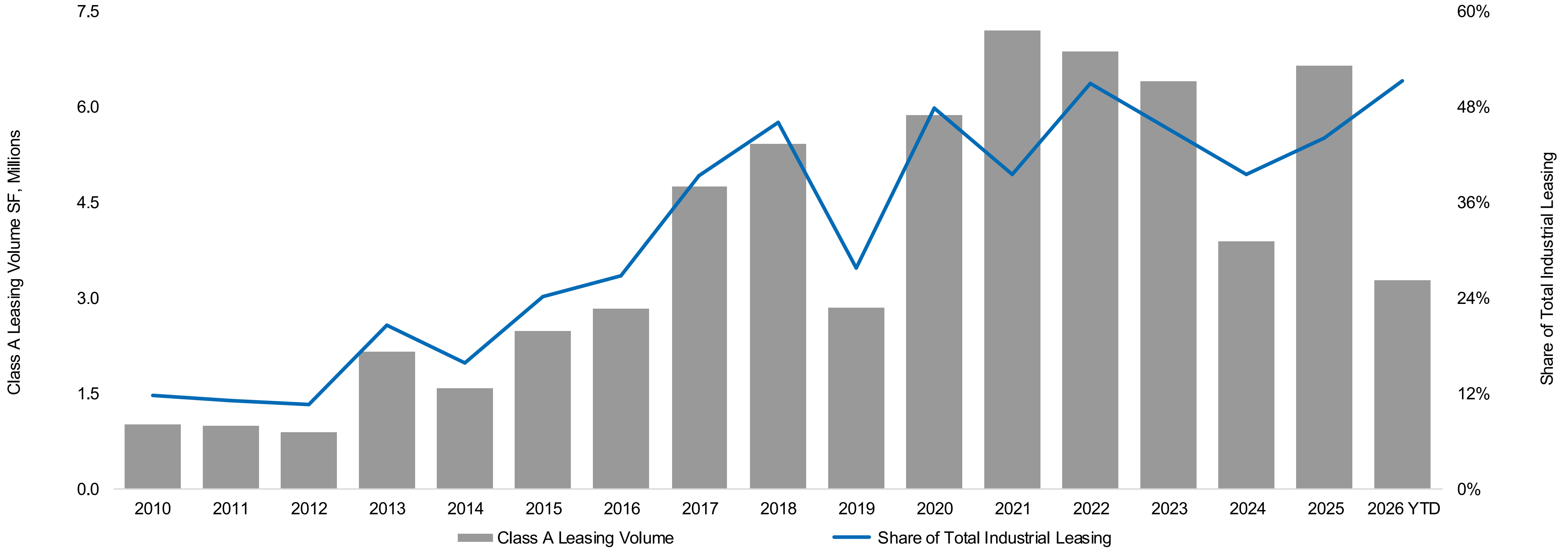


Source: Newmark Research, CoStar

Class A Leasing’s Share of Total Volume Remains Above its 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 of available product. “Flight-to-quality” is also a perennial trend during all points of a real estate cycle.

Industrial Class A Leasing Volume and Percentage of Total Industrial Leasing Volume

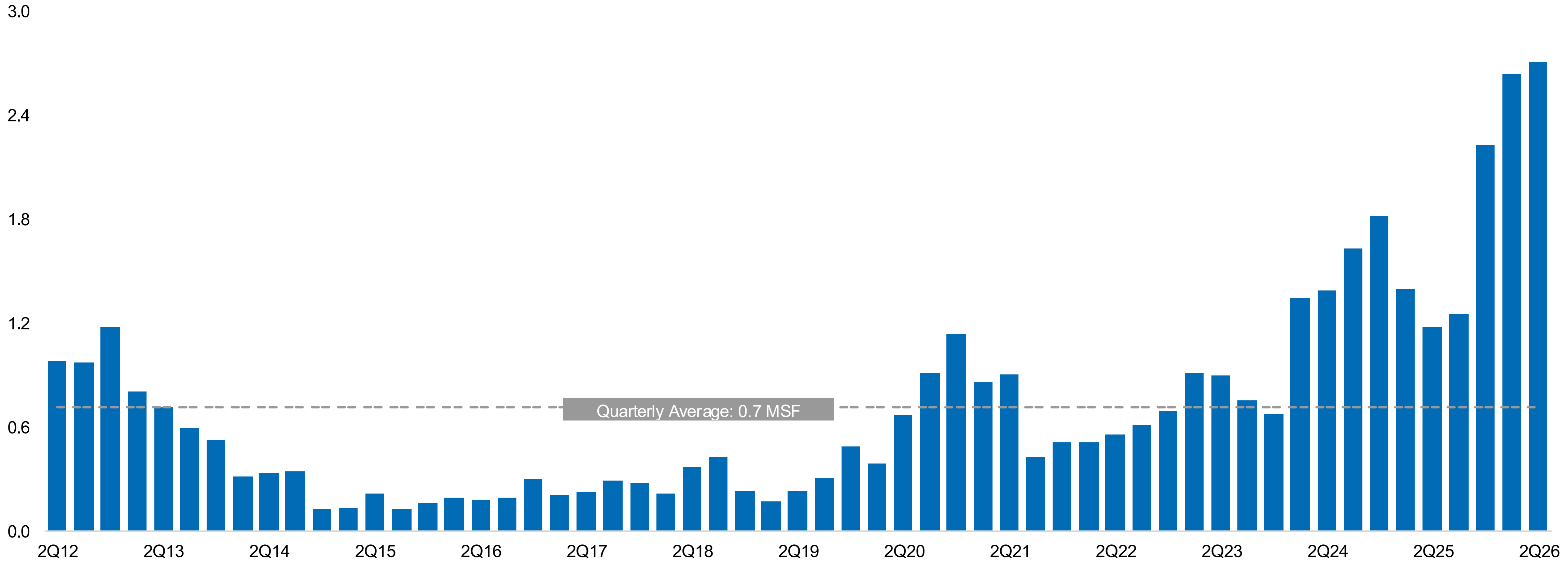


Source: Newmark Research, CoStar
Note: Class A is defined as 100,000+ SF, 30'+ minimum interior ceiling height and constructed since 2000.

Sublease Space Up 3% from Last Quarter

2.7 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 716,934 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.

Available Industrial Sublease Volume (MSF)

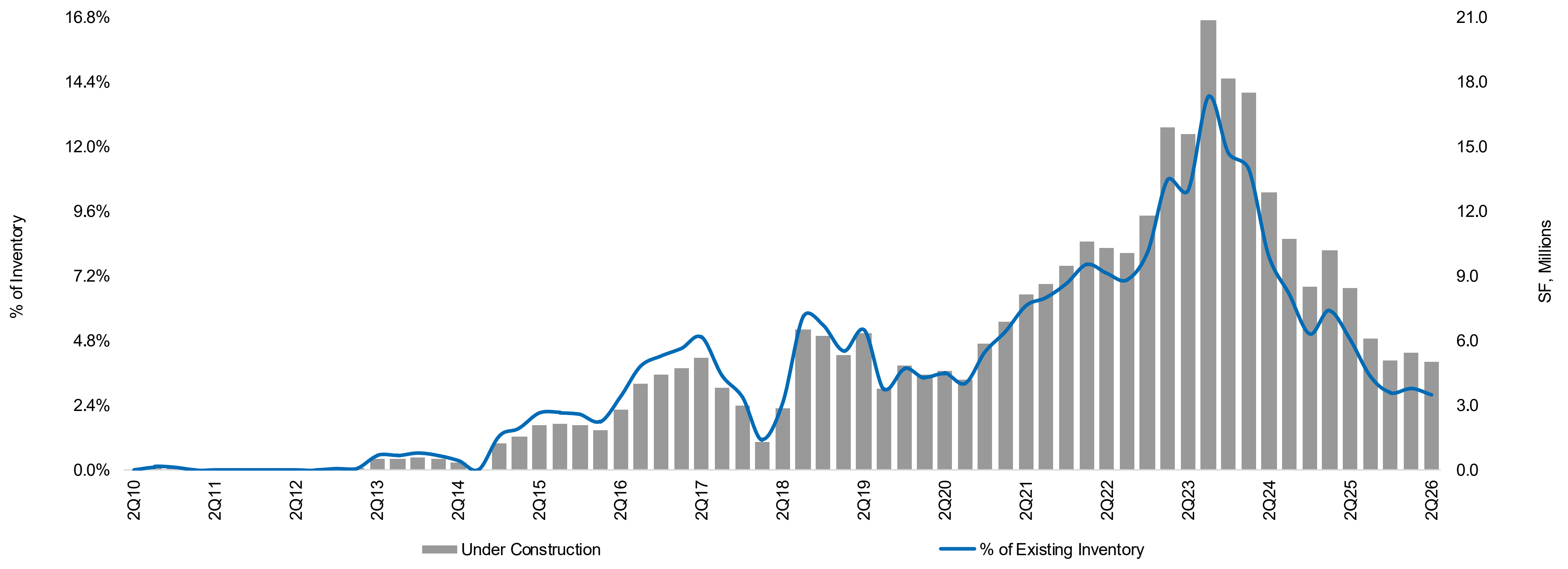


Source: Newmark Research

Construction Pipeline Near Cycle Lows After Sustained Pullback

5.0 MSF was under construction this quarter, representing 2.8% 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.

Industrial Under Construction and % of Existing Inventory

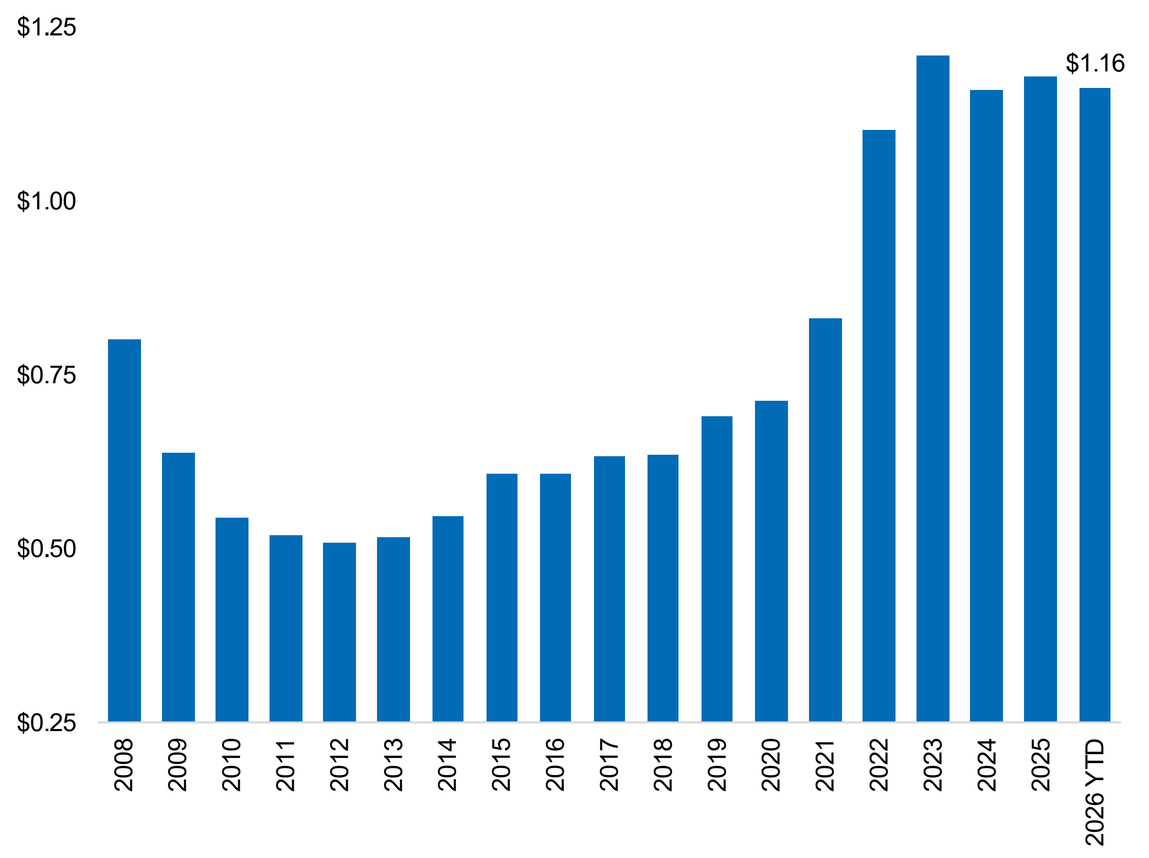


Source: Newmark Research

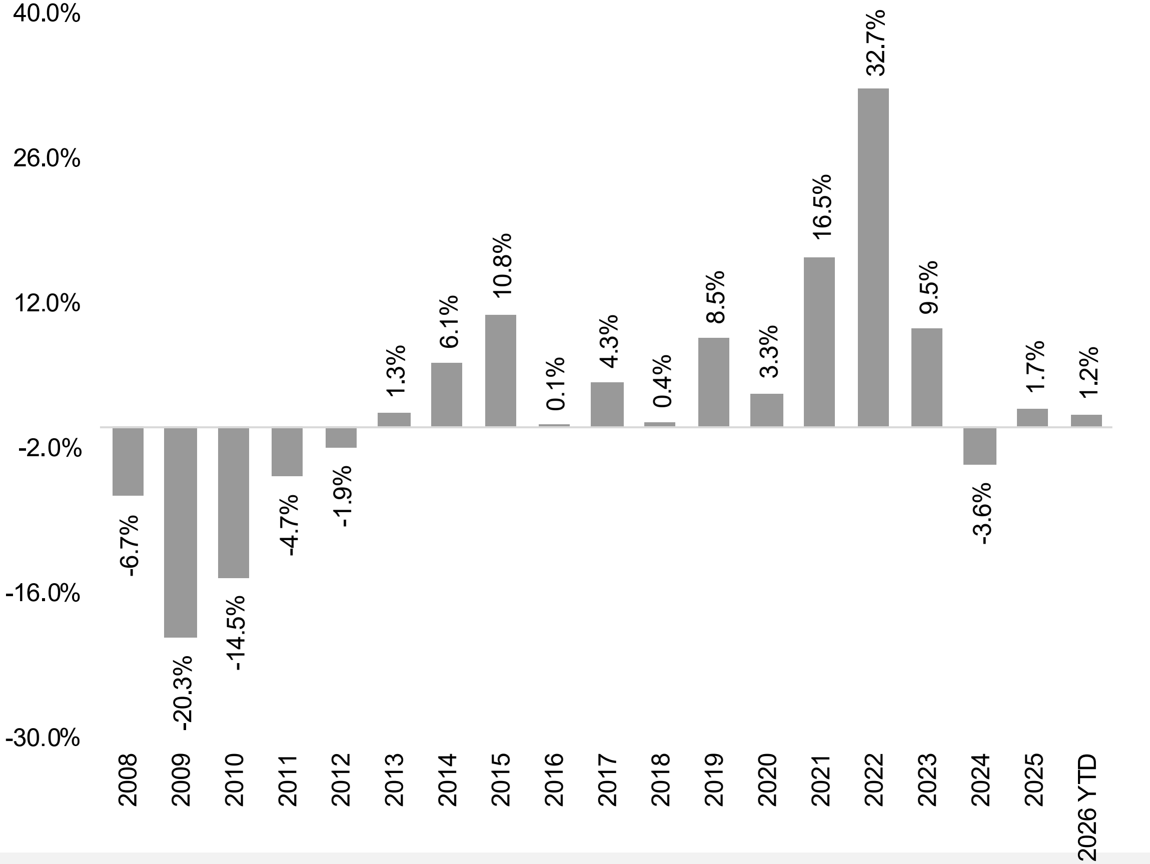
Direct Asking Rents Have Hovered in the $1.16 to $1.18/SF Range Since 2024

After unprecedented annual growth in 2021 (+16.5%) and 2022 (+32.7%), rent growth decelerated in 2023 (+9.5%) and has had minor fluctuations since 2024. Rent growth largely hinges on leasing activity.

Industrial Average Asking Rent, $/SF/Month, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research

Notable 2Q26 Lease Transactions

Activity was firmly concentrated in North Las Vegas and was diverse across industries.

Select Lease Transactions

Tenant	Building	Submarket	Type	Square Feet
World Pack USA	Sunrise Industrial Park, Bldg. 7	North Las Vegas	Renewal	303,150
The 3PL has occupied the entirety of the building since 2016.				
Undisclosed	Matter Logistics @ North 15, Bldg. 1	North Las Vegas	Direct	291,212
A HVACR wholesale distributor of equipment, parts, and supplies took a portion of the 686,446-SF facility that was built in 2024.				
MasterBrand Cabinets	Prologis Speedway North, Bldg. 1	North Las Vegas	Direct	181,190
MasterBrand, the largest manufacturer of residential cabinets in North America, will occupy a portion of the 669,975-SF building that was constructed in 2025.				
Freeman Exhibits	6705 W Post Rd	North Las Vegas	Sublease	164,618
The trade show, exhibit, and event company will backfill space previously occupied by Everi.				
Updike Distribution Logistics	3000 Lincoln Rd	North Las Vegas	Renewal	80,181
The logistics service provider has occupied the building since 2023.				

Source: Newmark Research

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