

3Q25

Las Vegas Office Market Overview



Market Observations

Economy

- Local unemployment was 5.6% in August, higher than the national average of 4.3%
- While office-using employment remains above pre-pandemic levels, growth continues to be sluggish, with a mere 1.0% year-over-year gain.
- The housing market is slowing, with [a Redin report](#) citing Las Vegas as the fastest-cooling market in the U.S. Additionally, tourism is thinner amid higher prices, economic uncertainty, and U.S. foreign policy (namely, tariffs).
- The above 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.

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.
- New office development has shifted toward suburban hubs like Summerlin and Henderson, reflecting executive housing trends and decentralized demand.
- On the investment side, activity is focused on single-tenant and medical office assets, seen as lower-risk opportunities in a cautious capital environment.

Leasing Market Fundamentals

- Despite muted leasing activity, the market posted a modest net absorption gain of 146,780 SF in the first nine months of 2025. Overall vacancy declined to 12.8%, down 30 basis points from year-end 2024.
- Asking rents were flat 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 0.7%. With no new construction starts or deliveries to date, limited supply could pressure vacancy lower and support rent growth. Notably, in the Class A segment.
- 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.”](#)”

Outlook

- Economic uncertainty is driving conservative decision-making across the board, with occupiers and investors prioritizing stability, cost control, and low-risk opportunities.
- With new development paused, vacancy is expected to remain relatively steady. Lower remote work adoption compared to coastal markets and a limited tech occupier base also favors Las Vegas’ office market.
- Near-term population growth will slow until the housing market rebounds. 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.

1. Economy
2. Market Fundamentals
3. Population Growth and Business Costs
4. Tourism
5. Appendix

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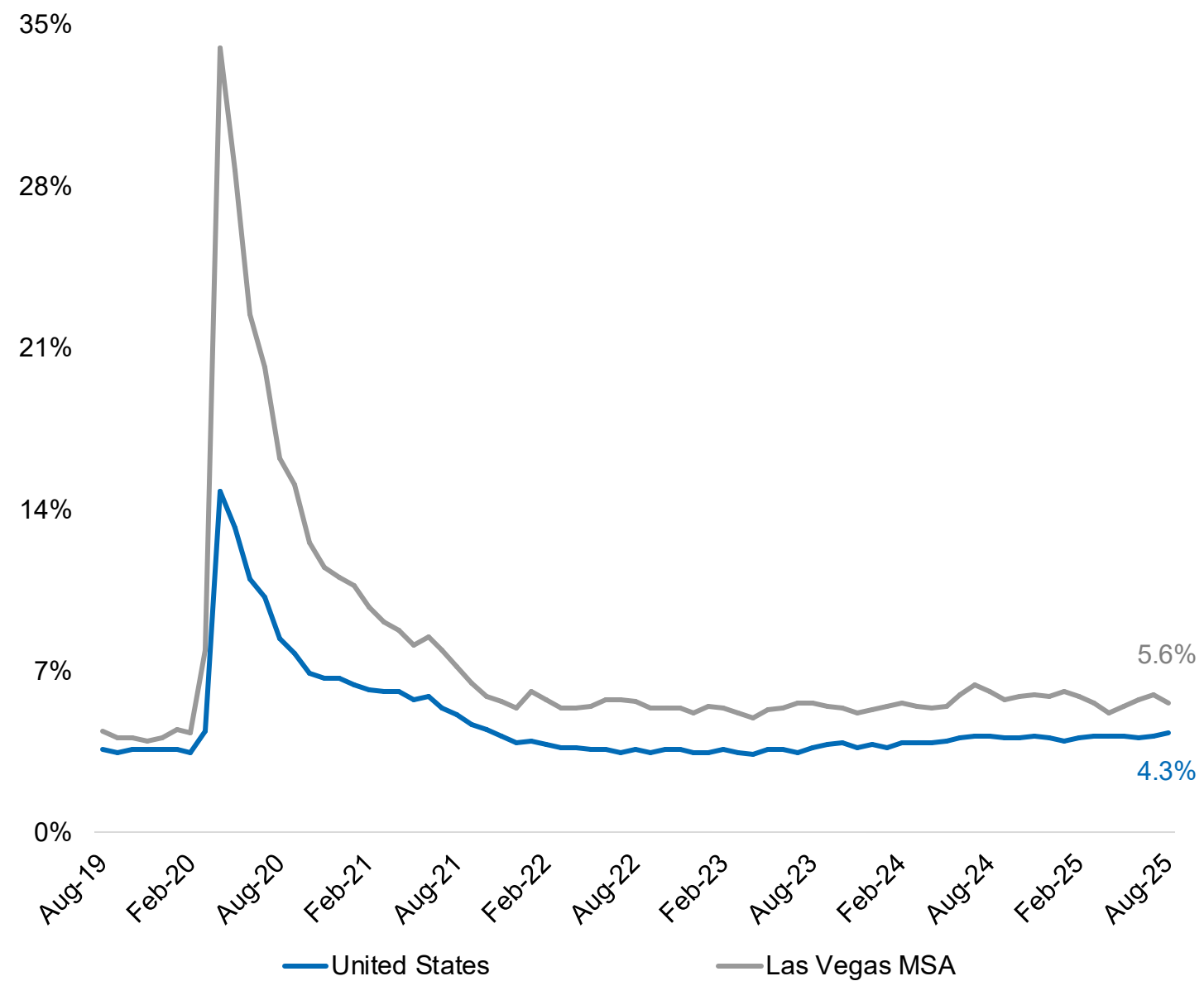
Economy



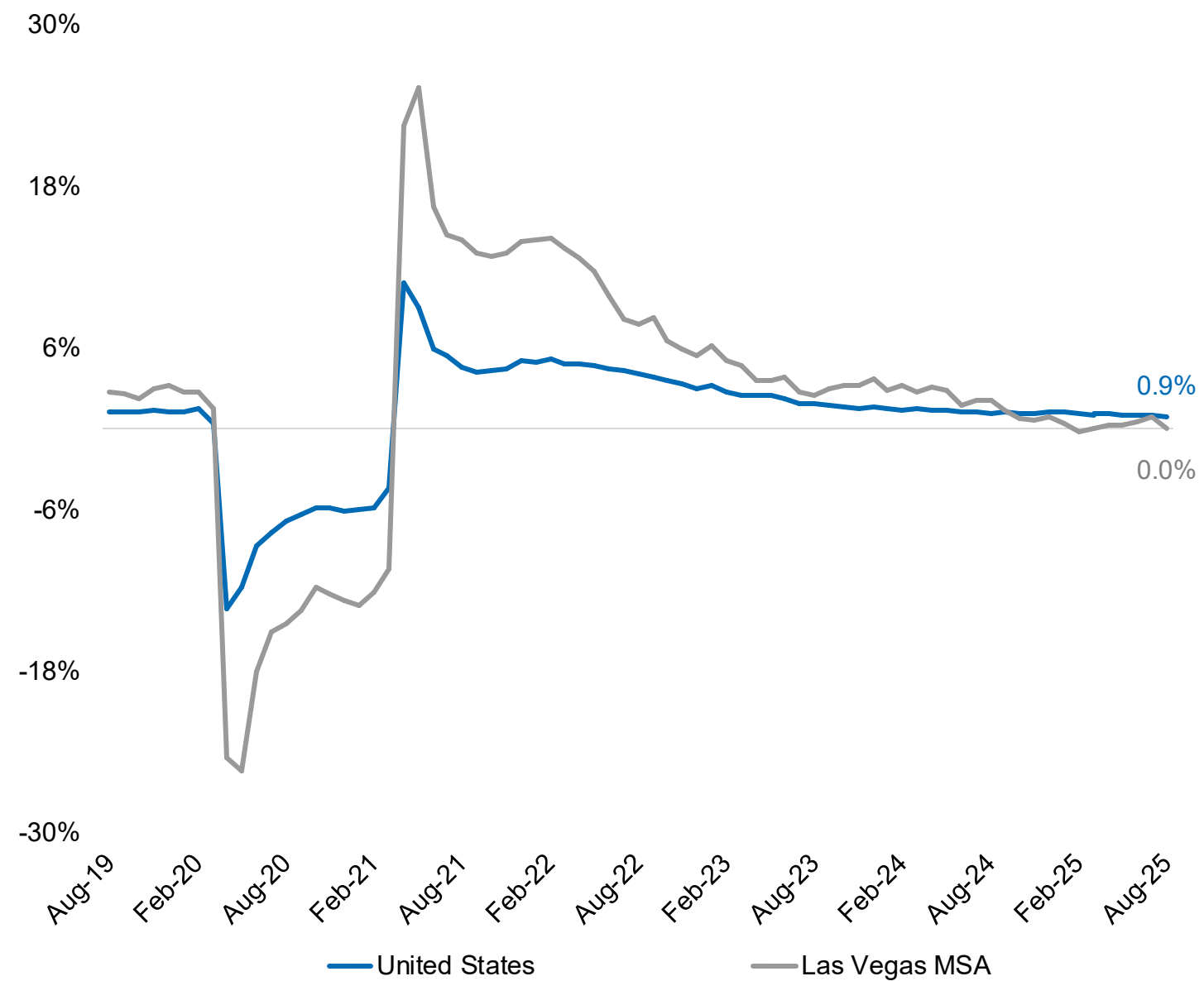
Las Vegas Job Market Shifts Amid Slower Growth

Las Vegas consistently outperformed national employment growth from 2021-2024, 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 slowing housing market and fewer tourists in the region among present challenges.

Unemployment Rate, Seasonally Adjusted



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



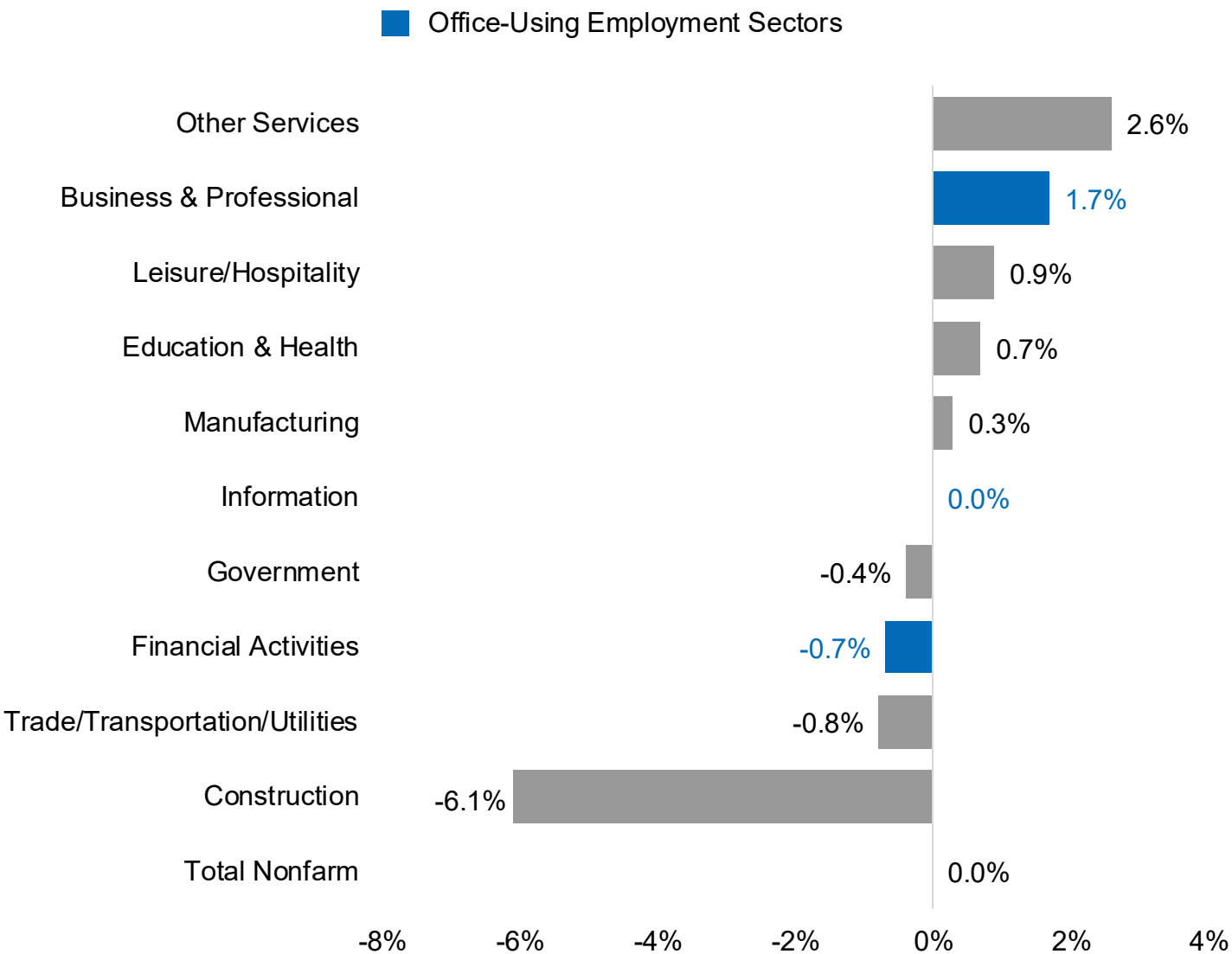
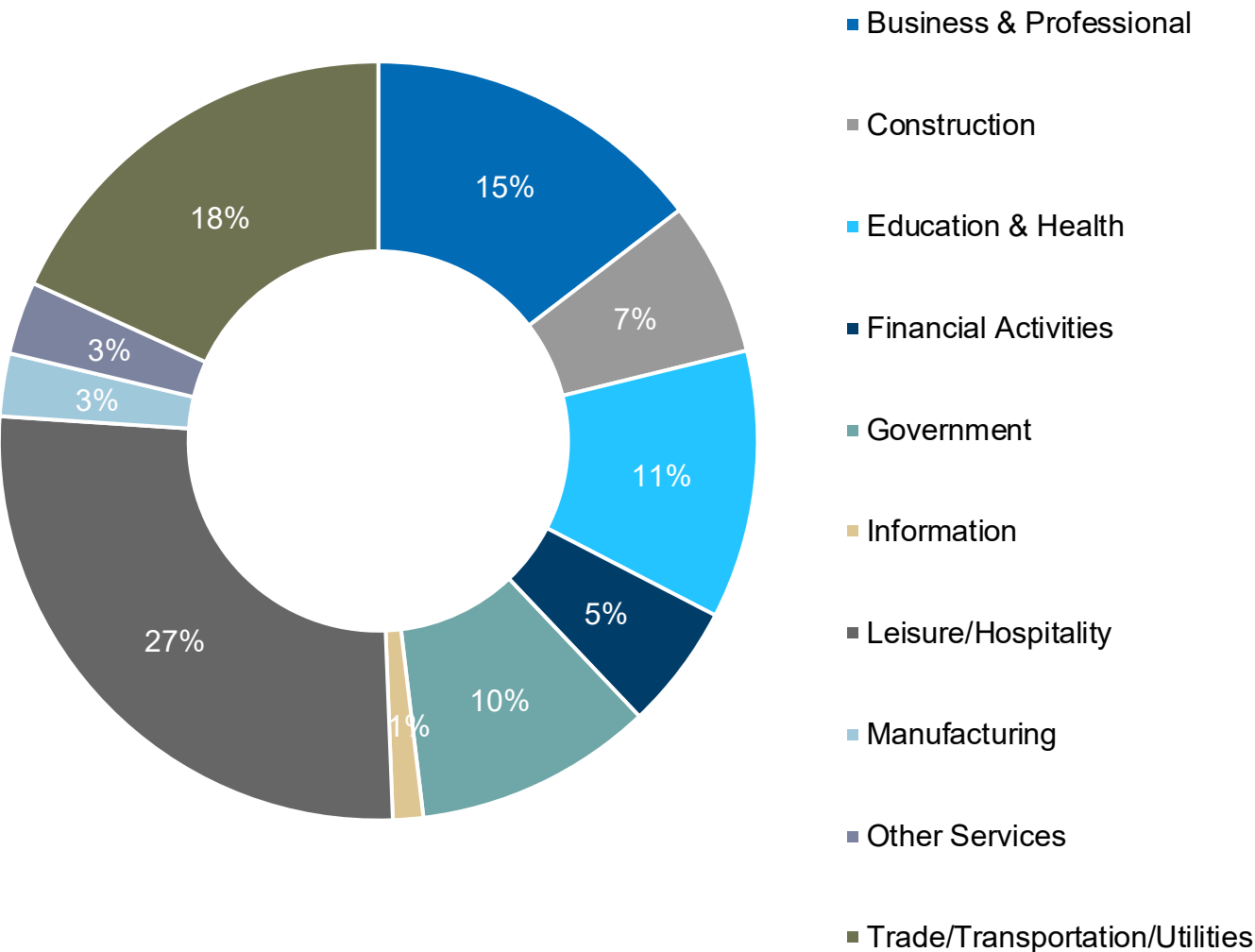
Source: U.S. Bureau of Labor Statistics, Las Vegas MSA
Note: Las Vegas’ unemployment is historically higher than the U.S. average due to volatility in the tourism industry when the economy downcycles; hence, the 34.0% unemployment average at the start of the pandemic.

Las Vegas Employment Diversifies Amid Sector Contractions

Leisure/hospitality continues to be the dominant sector, comprising 26.6% of overall employment. Still dominant, but less so when considering the average was 32.7% in 2010, a gradual decrease that illustrates continued diversification within the local economy. Annual job fluctuations were mixed across the region’s industries: other services and business and professional led in gains, while construction had the most losses. Construction’s drop is from a slowdown in homebuilding.

Employment by Industry, August 2025

Employment Growth by Industry, 12-Month % Change, August 2025

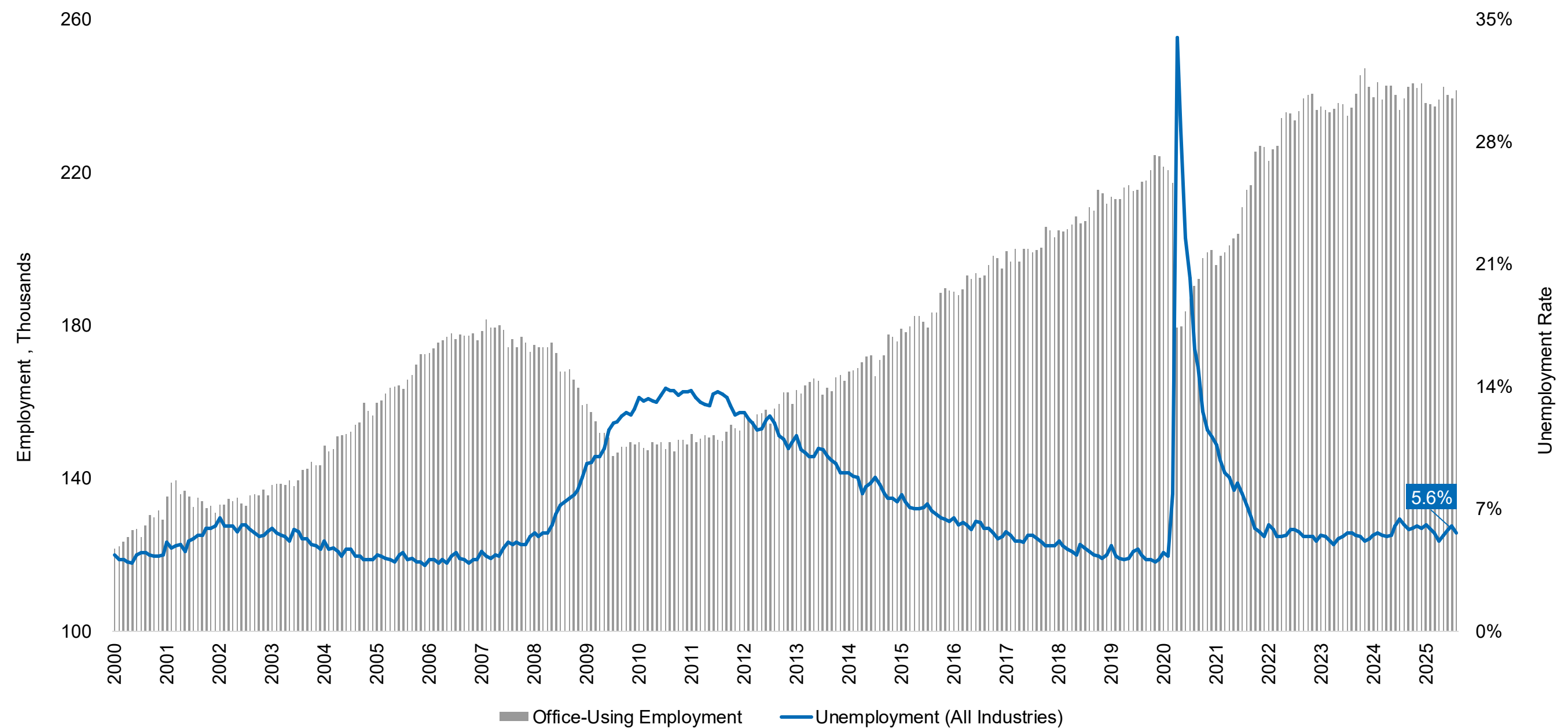


Source: U.S. Bureau of Labor Statistics, Las Vegas MSA

Las Vegas Office Employment Growth Slows

Office-using employment in August 2025 was up 1.0% from 12 months ago and exceeds pre-pandemic levels by 9.5%. While a growing population has favored the segment, near-term gains will likely be muted as companies focus on cost-savings.

Office-Using Employment* and Unemployment Across All Industries



Source: U.S. Bureau of Labor Statistics, Las Vegas MSA
Note: August 2025 data is preliminary.
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

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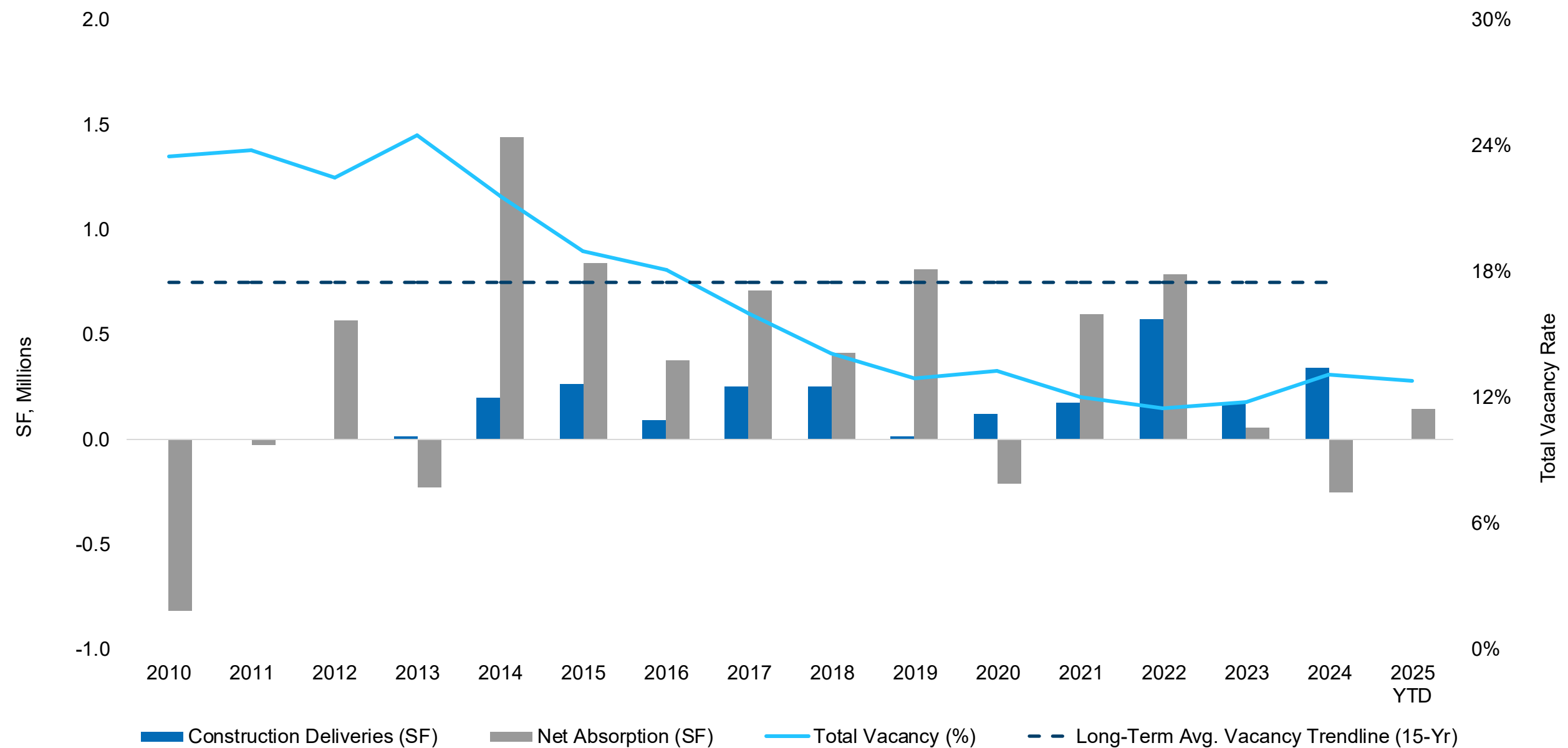
Market Fundamentals



Stable Vacancy and Modest Gains Reflect Market Resilience

Las Vegas’s post-GFC economic diversification and limited office construction has supported a stable post-pandemic recovery. Since 2021, vacancy rates have held steady, and no new deliveries occurred in the first nine months of 2025. Measured tenant activity resulted in modest but positive net absorption, totaling 146,780 square feet year-to-date.

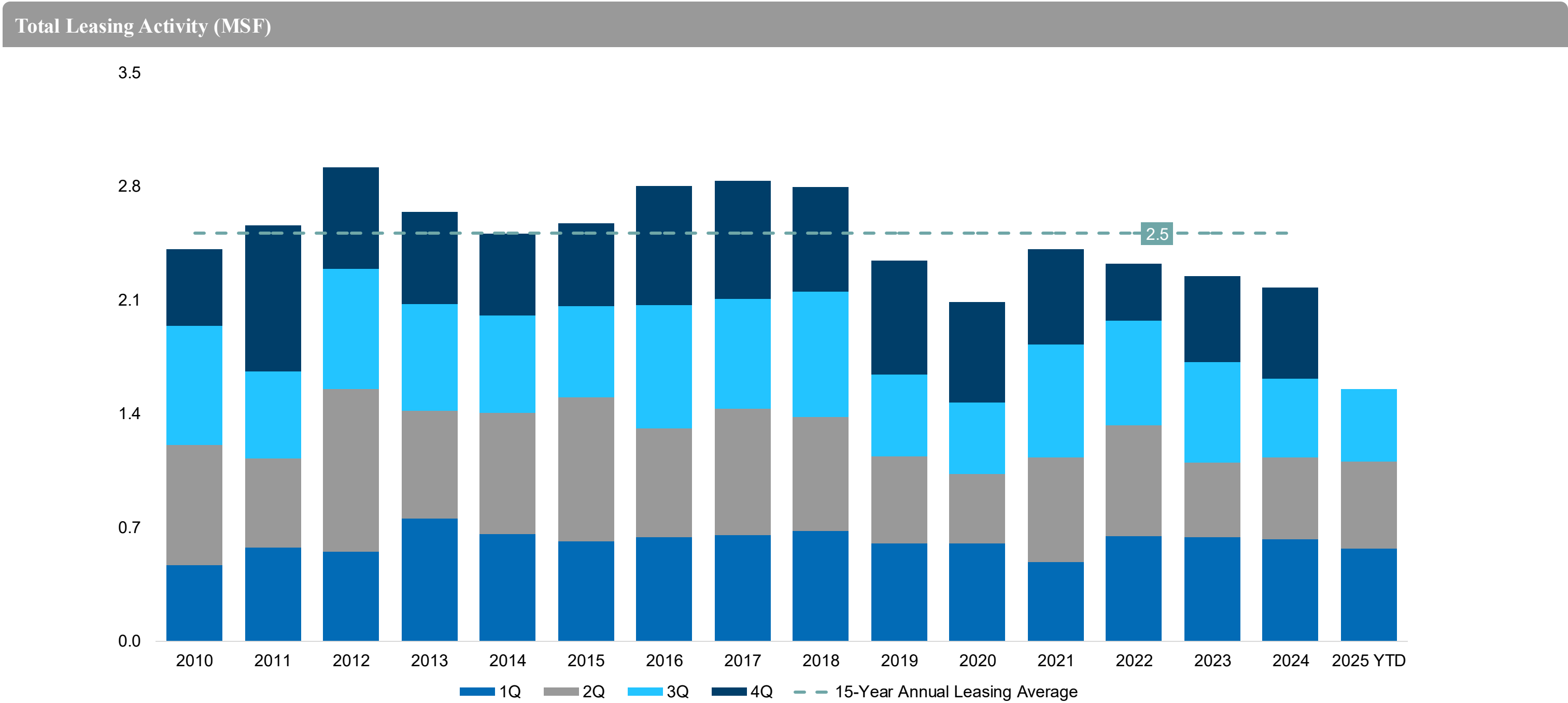
Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research

Leasing Activity Stalls Amid Economic Uncertainty

Leasing volume in the first nine months of 2025 was down 3.9% from the same period las year, reflecting continued market softness. Despite Las Vegas’ advantages of affordability and population growth, high capital costs, economic uncertainty, and widespread space reductions have dampened demand. Caution among occupiers is expected to keep activity subdued in the near term.

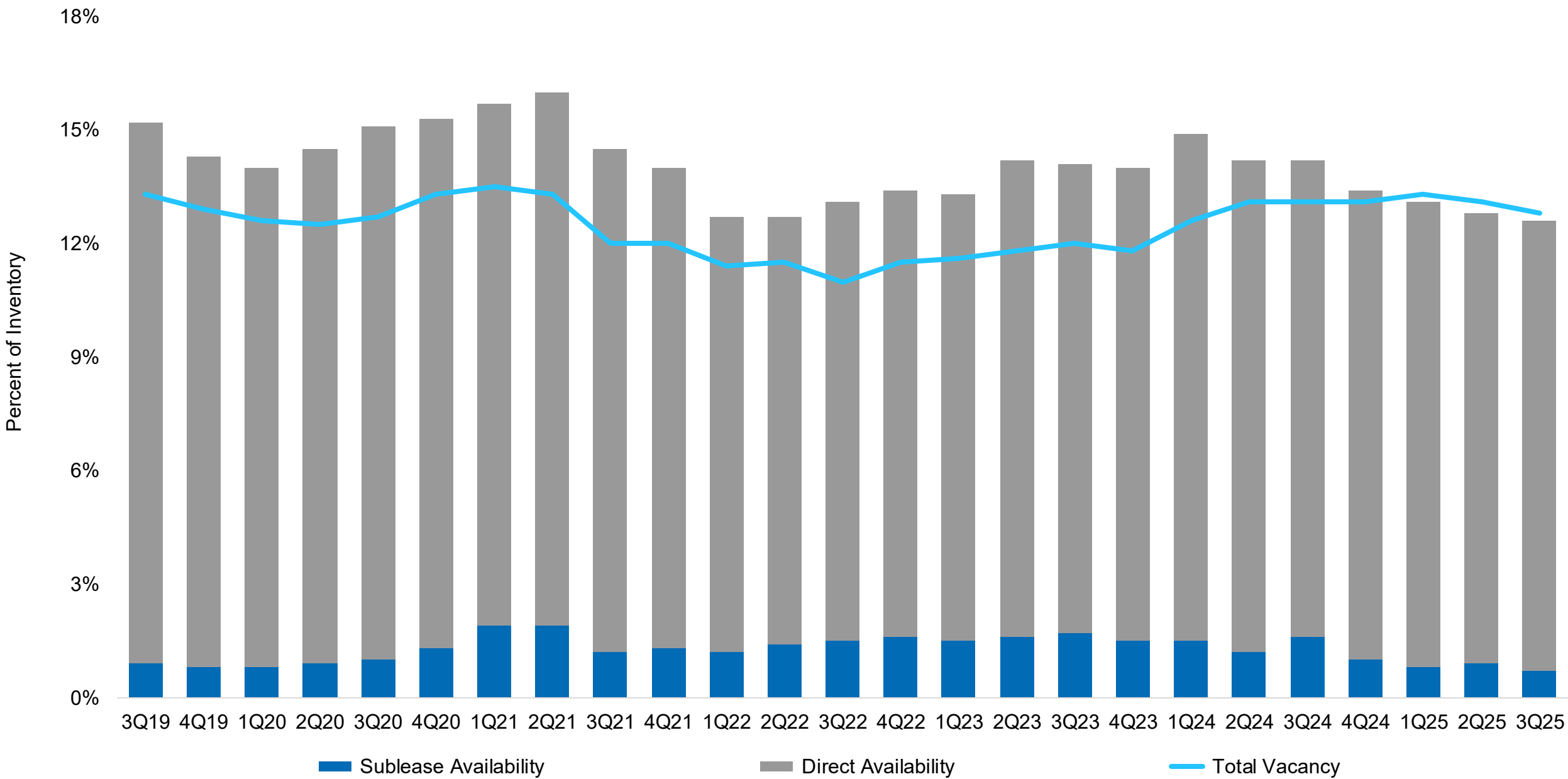


Source: Newmark Research

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 fourth-straight quarter as more space was withdrawn from the market. A key shift has emerged where the historical 160-basis-point gap between availability and vacancy has narrowed to just 20 basis points, indicating a more efficient and responsive leasing environment.

Available Space and Total Vacancy as Percent of Overall Market

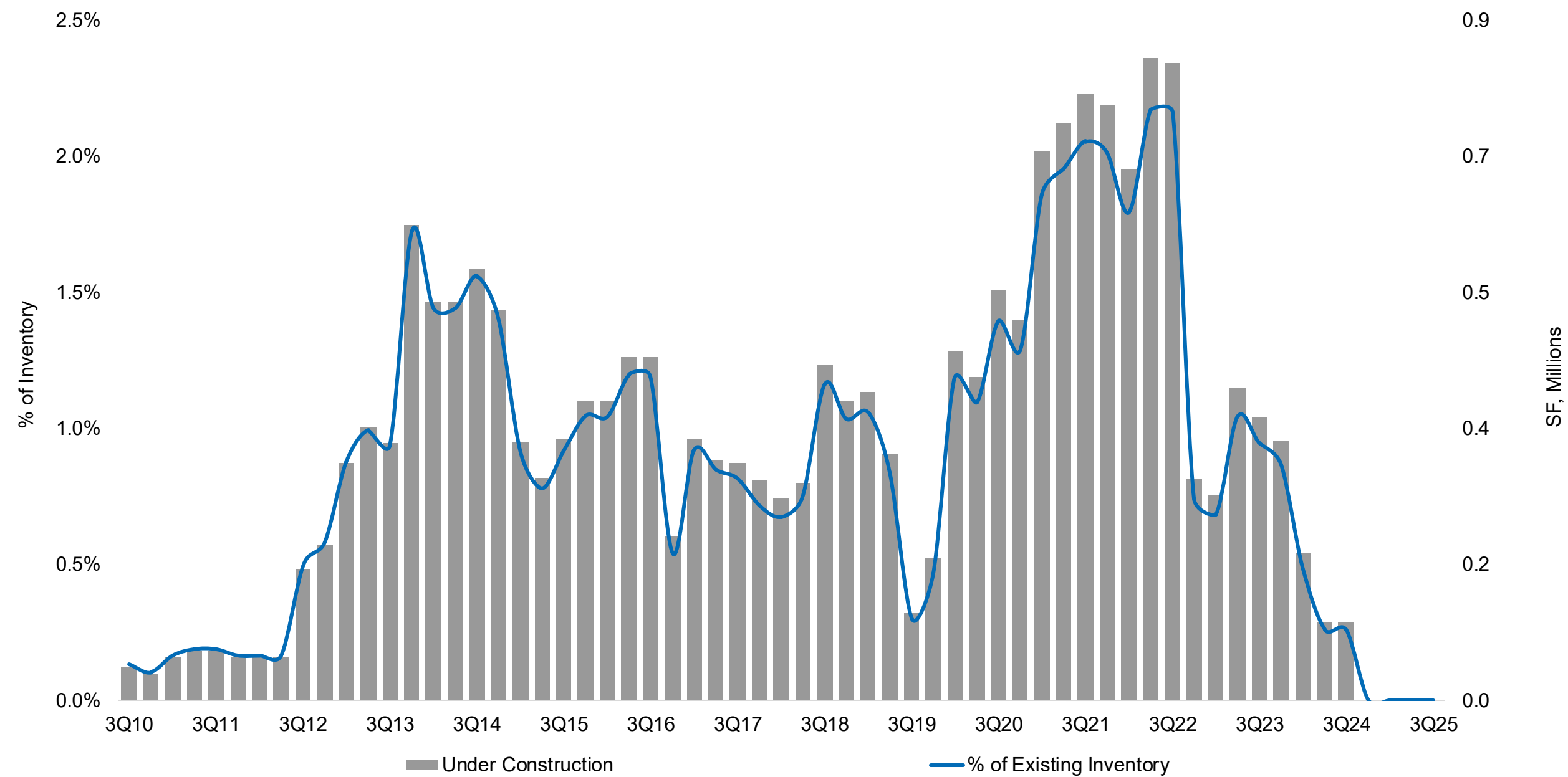


Source: Newmark Research

Construction Pauses as Market Shifts Toward Landlords

Amid rising construction costs and inflation, no new traditional office projects have broken ground or delivered this year. 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.

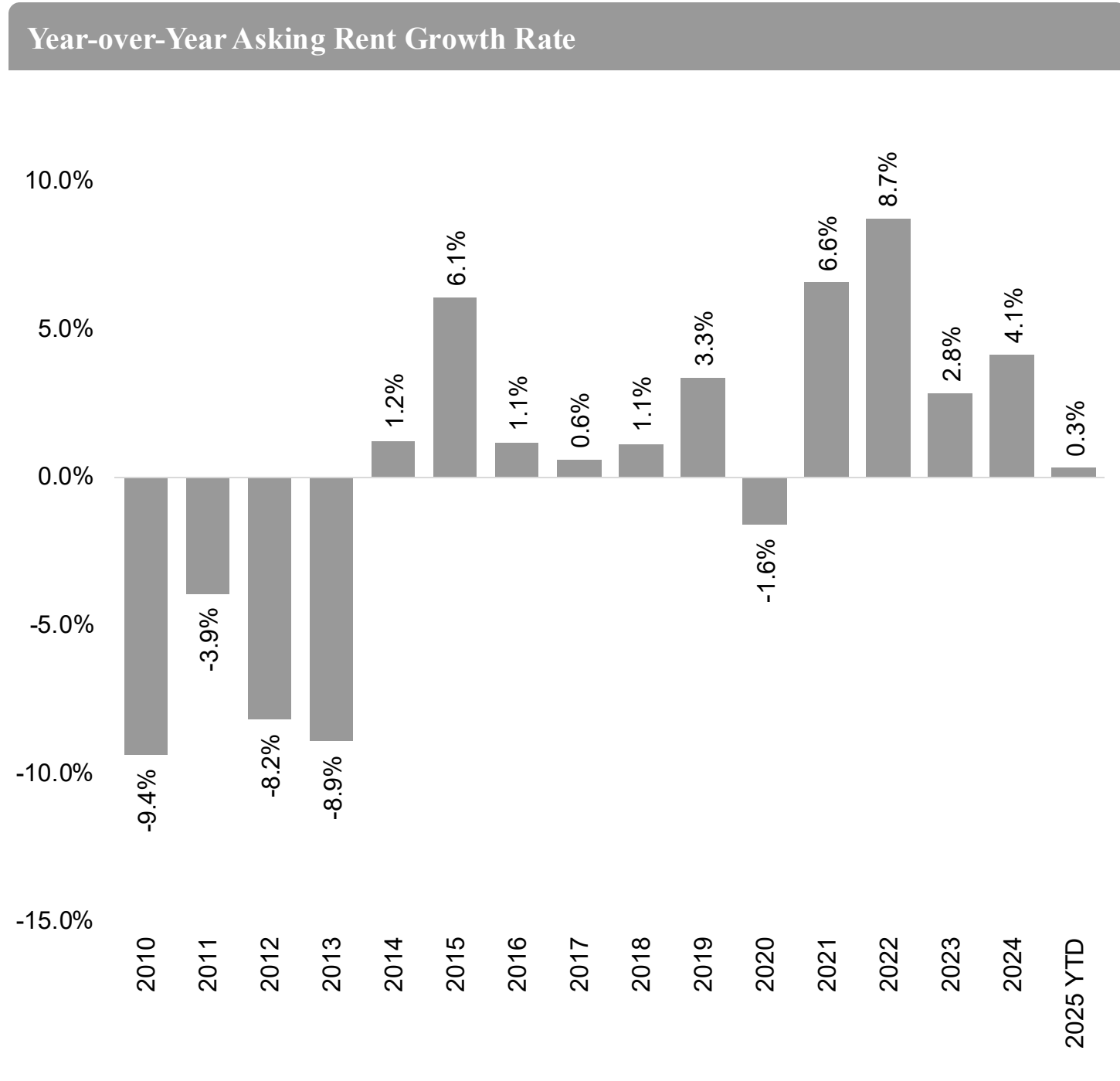
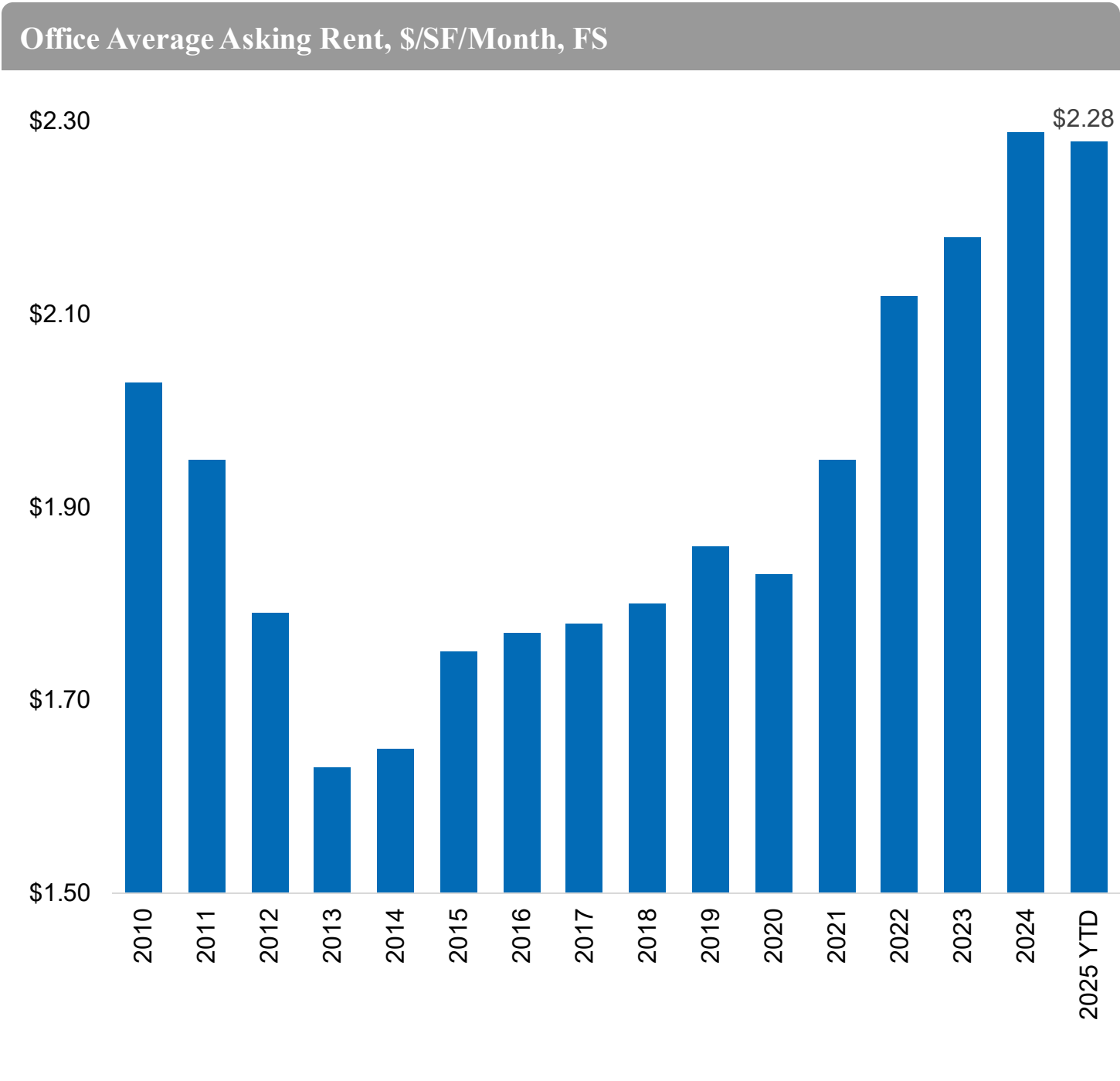
Office Under Construction and % of Existing Inventory



Source: Newmark Research

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.

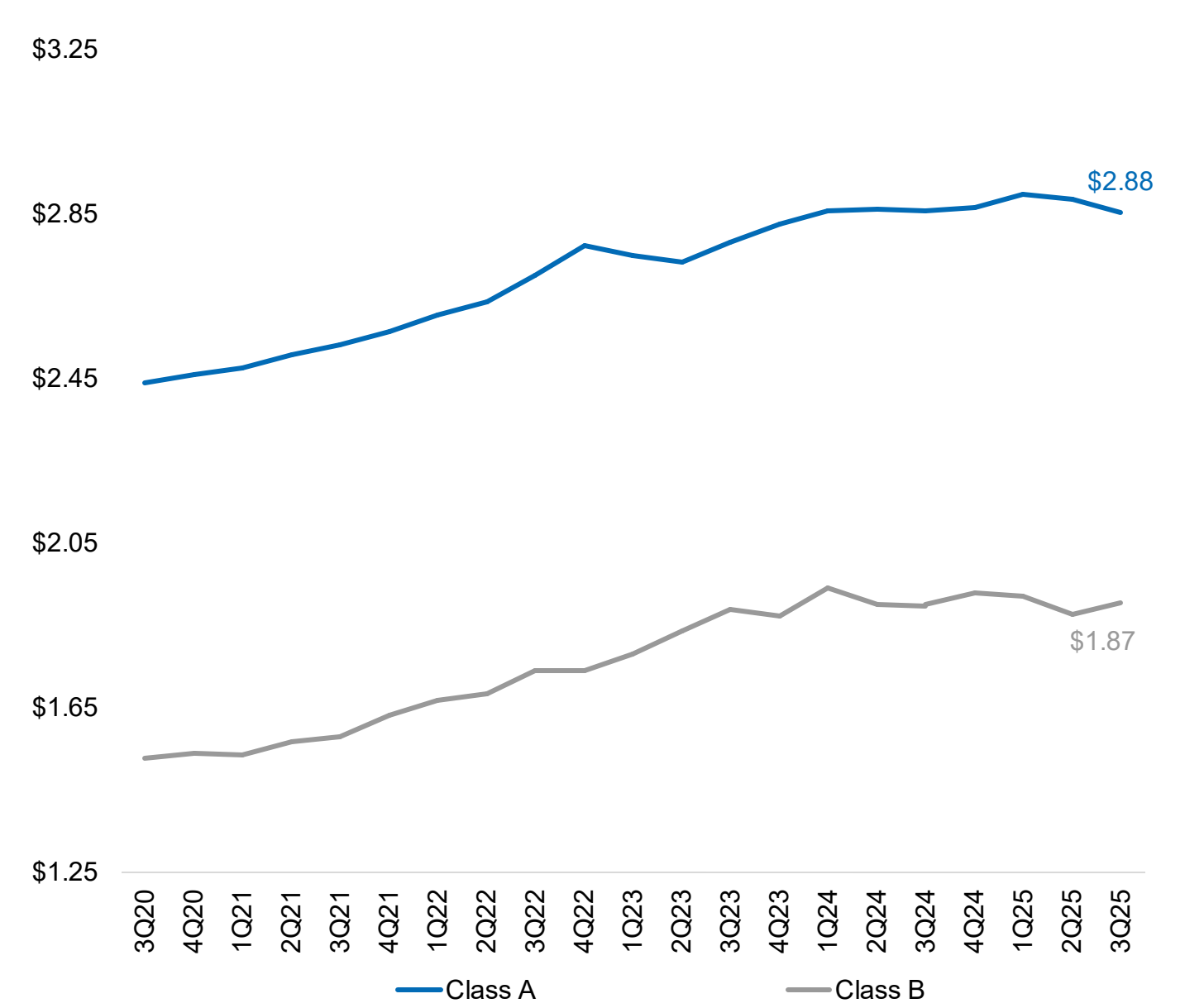


Source: Newmark Research

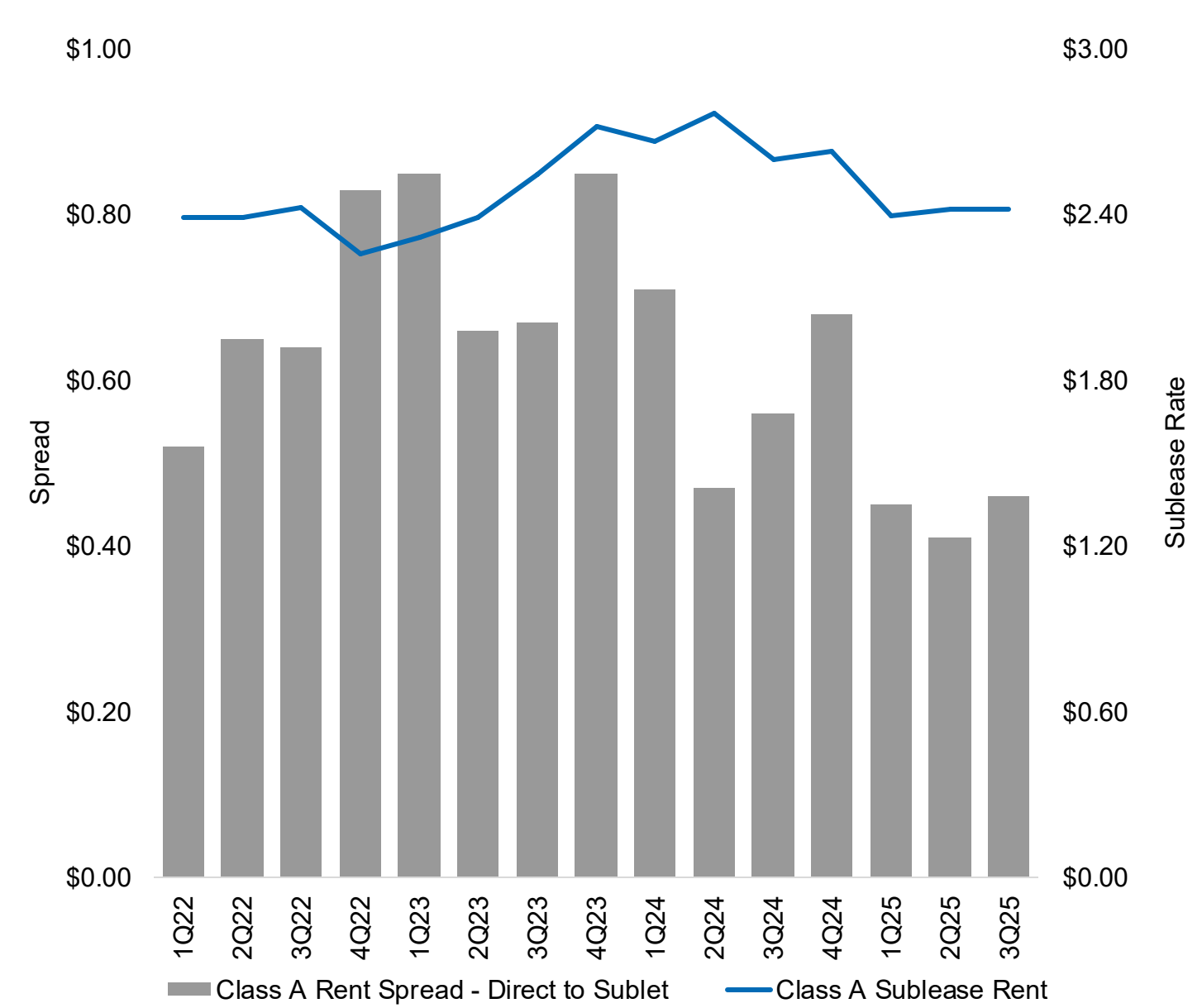
Flight to Quality Narrows Rent Gap Between Direct and Sublease Space

Cost-conscious tenants have helped stabilize Class A direct rents, as landlords focus on maintaining occupancy. In contrast, rates in lower-tier buildings are declining due to prolonged vacancies. Sublease rates held steady this quarter, with the rent gap between sublease and Class A direct space hovering in the \$0.41 to \$0.46/SF range over the last three quarters.

Class A and Class B Asking Rents, \$/SF/Month, FS



Class A Sublease Asking Rents



Source: Newmark Research

This Quarter’s Notable Leases Were Diverse

Activity was spread out across submarkets, industries, and lease types.

Notable 3Q25 Lease Transactions

Tenant	Building(s)	Submarket	Lease Type	Square Feet
WeWork	6543 S Las Vegas Blvd	South	Renewal	49,057
The coworking provider renewed for another term.				
Emerald X, LLC	101 Convention Center	Central East	Direct	42,310
The company provides trade shows and events, design and construction, equipment, technology, safety and other marketing service.				
Google Fiber	1 Meridian Vista Dr	Southwest	Direct	25,829
The office will support the company's ongoing efforts to build and expand its fiber-to-the-home network across the Las Vegas metro. Occupancy will occur n Spring 2026.				
Sphere Entertainment Group, LLC	3773 Howard Hughes Pky	Central East	Extension	9,527
The company operates Sphere, a next-gen entertainment medium, and MSG Networks.				

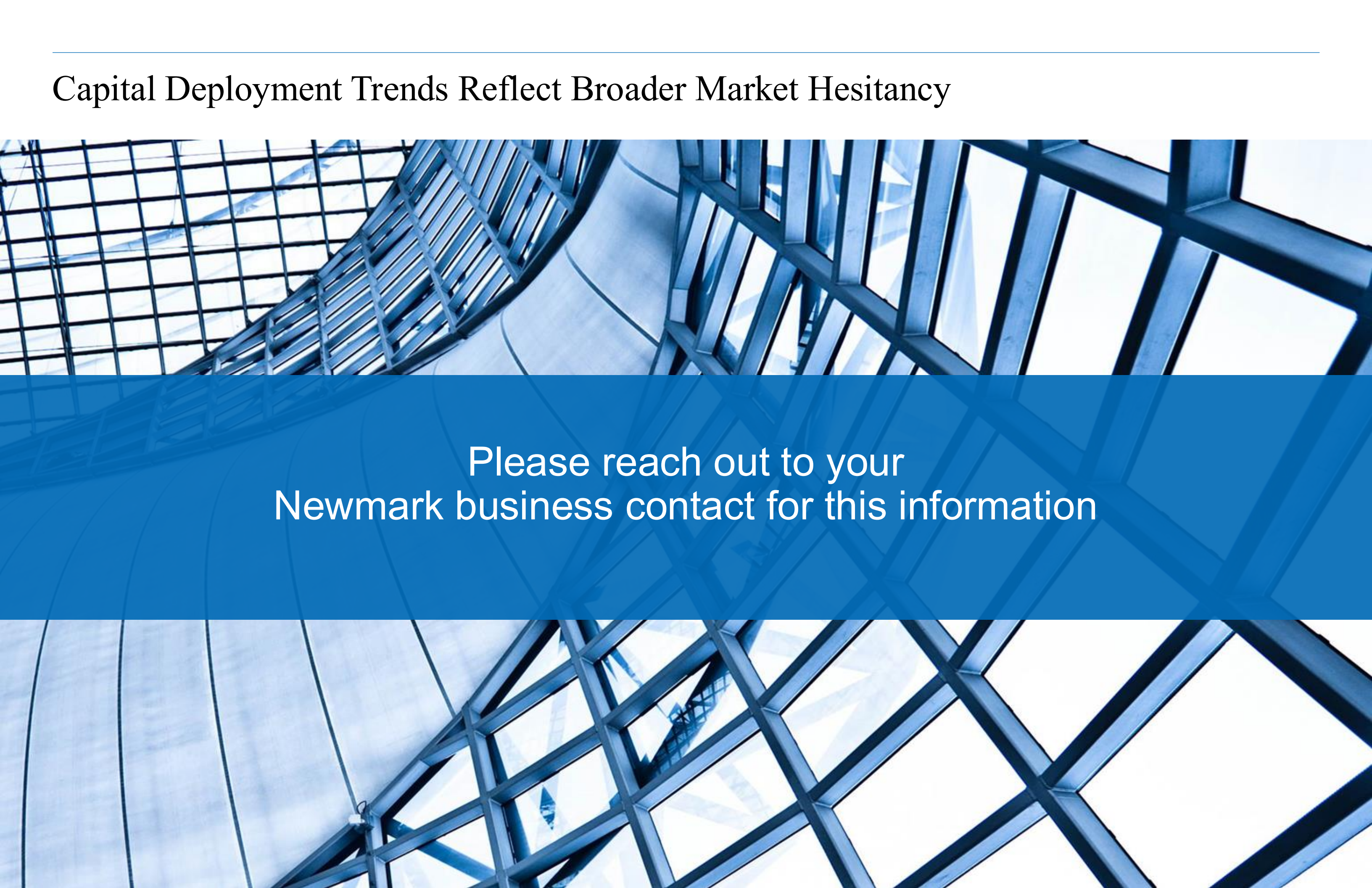
Source: Newmark Research

Las Vegas Investment Remains Cautious Despite 2024 and 2025 Rate Cuts



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Capital Deployment Trends Reflect Broader Market Hesitancy



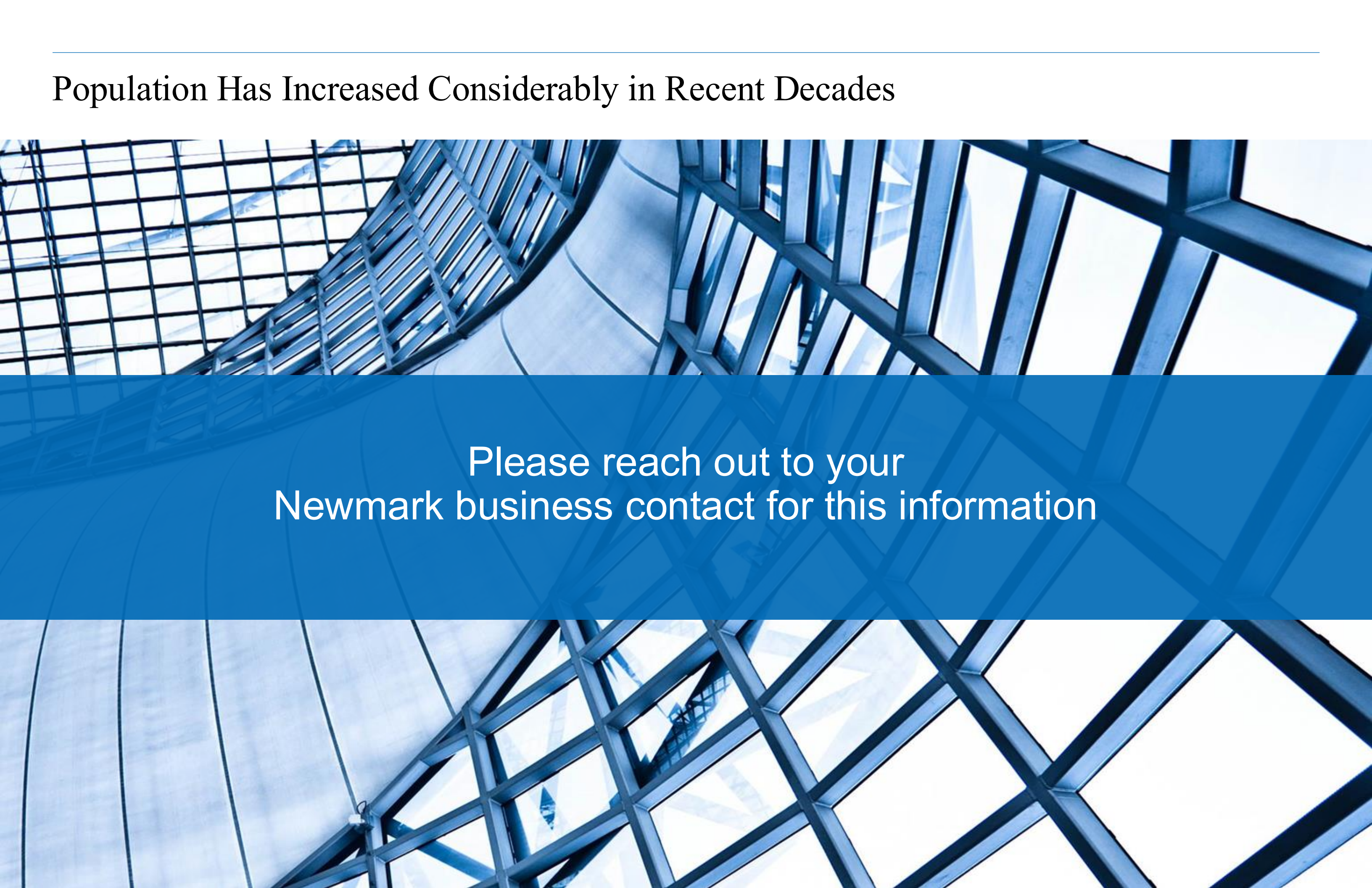
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Population Growth and Business Costs

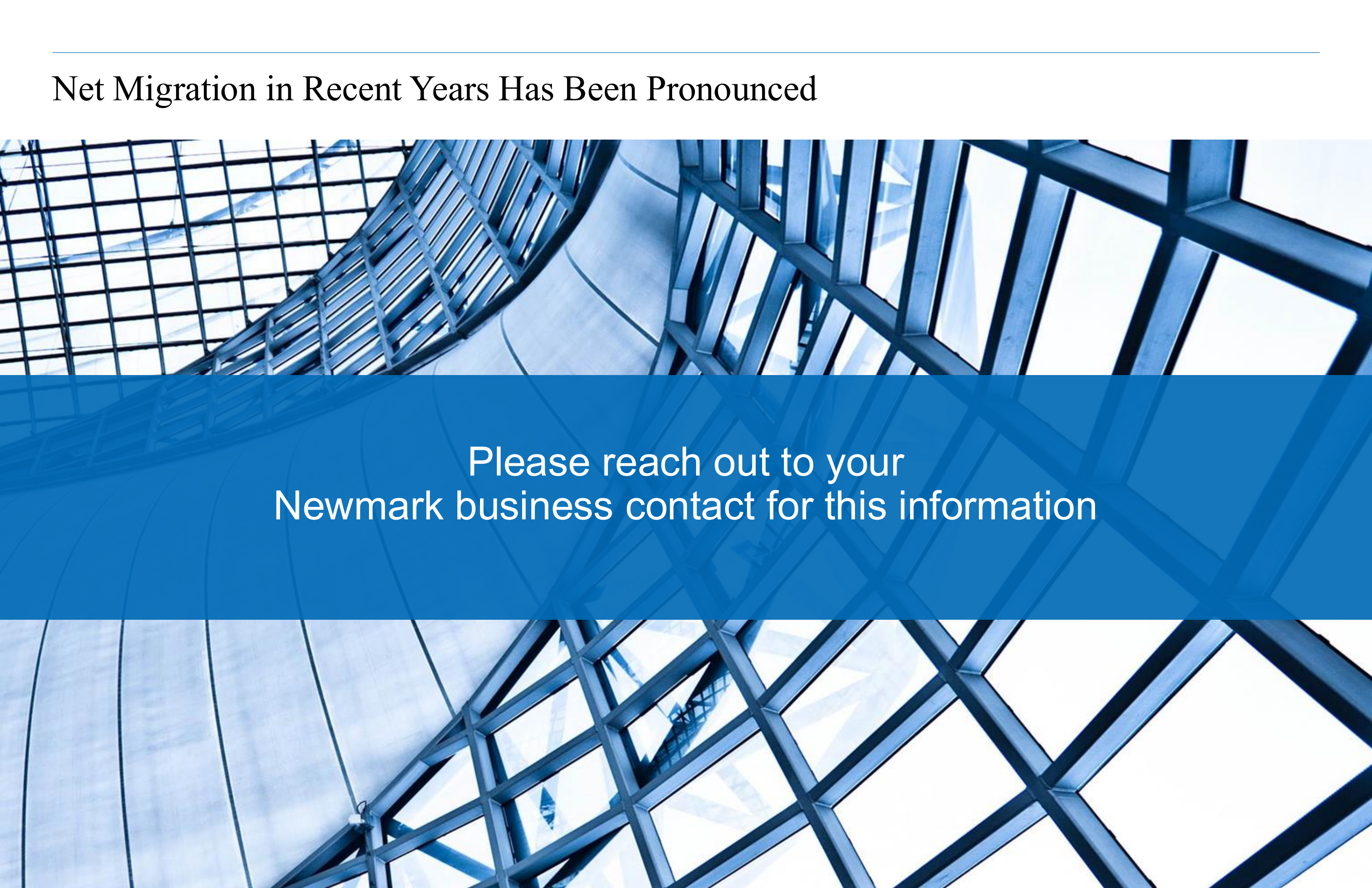


Population Has Increased Considerably in Recent Decades



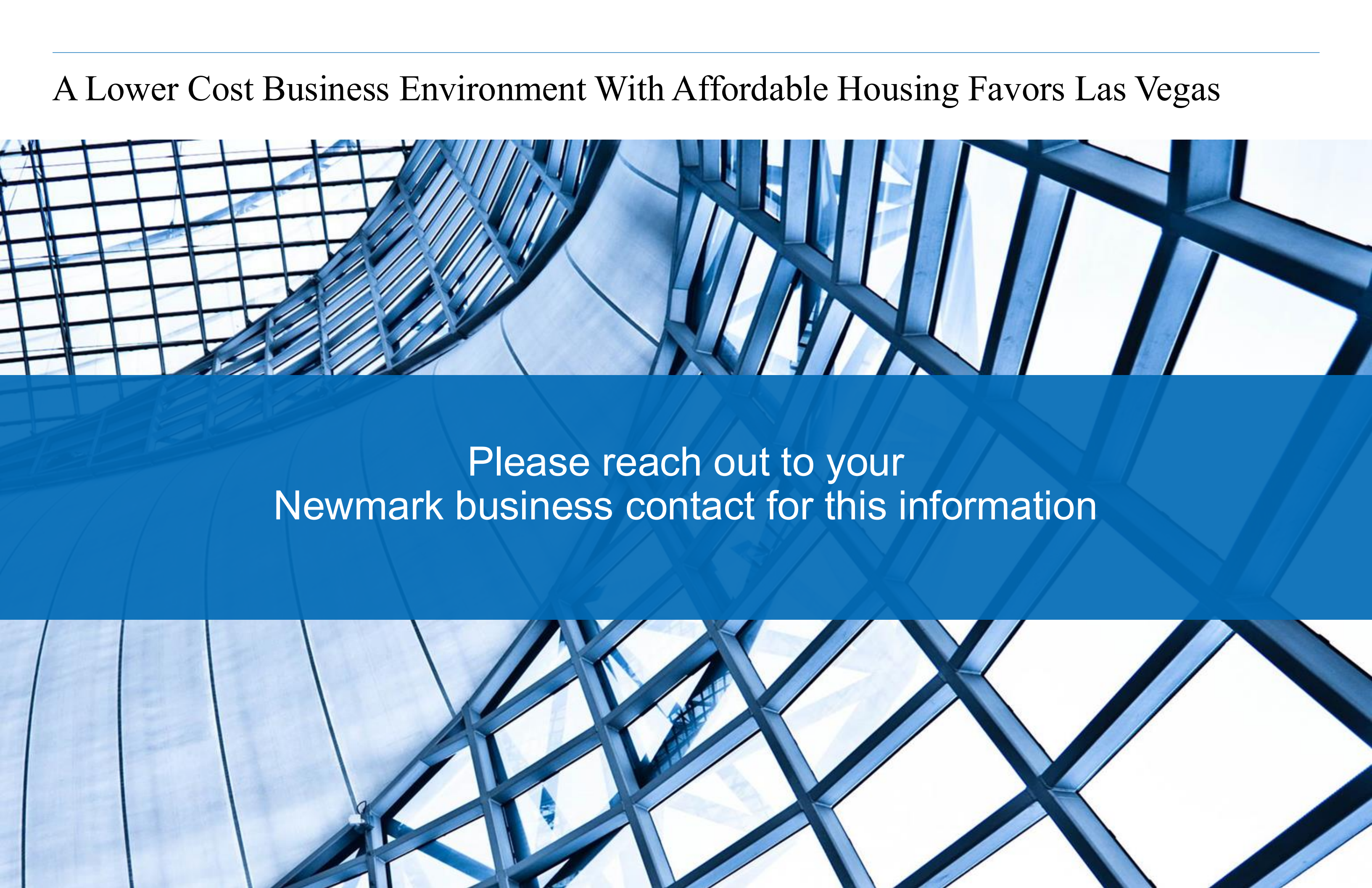
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Net Migration in Recent Years Has Been Pronounced



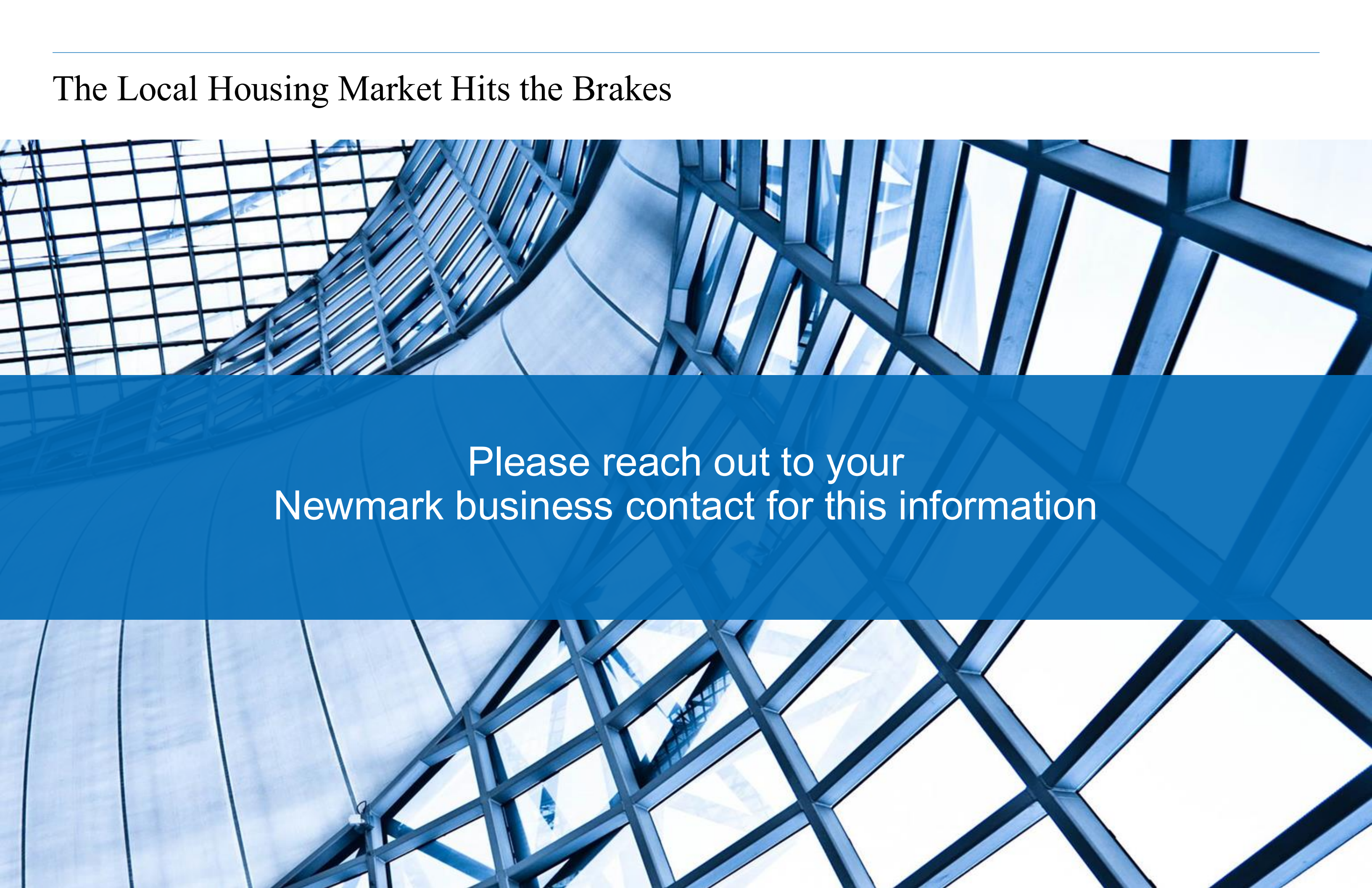
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A Lower Cost Business Environment With Affordable Housing Favors Las Vegas



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The Local Housing Market Hits the Brakes



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Tourism



Visitor Volume in 2024 Made for the Sixth Busiest Year On Record

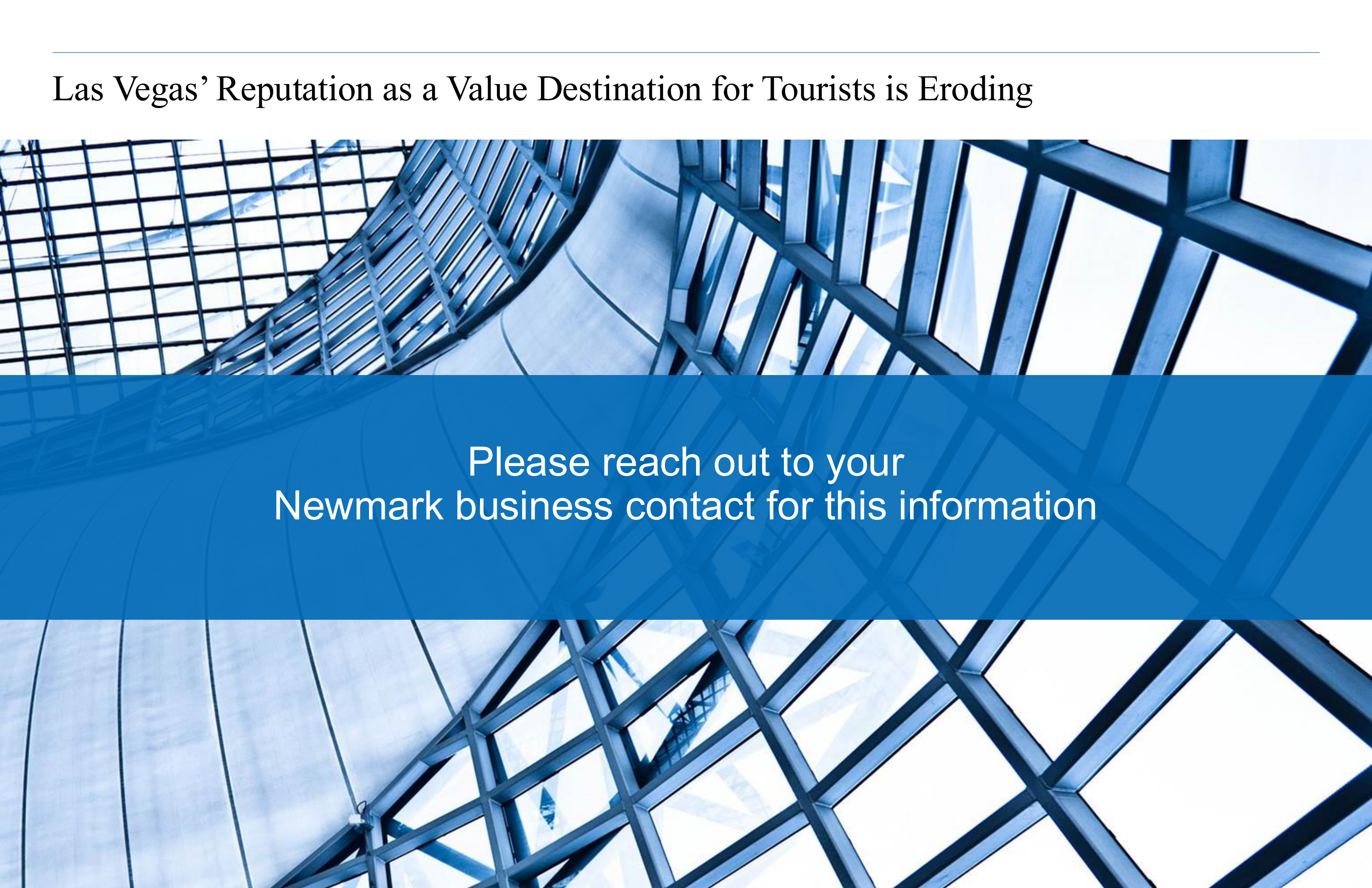


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Recent Visitor Traffic is Trending Down, However

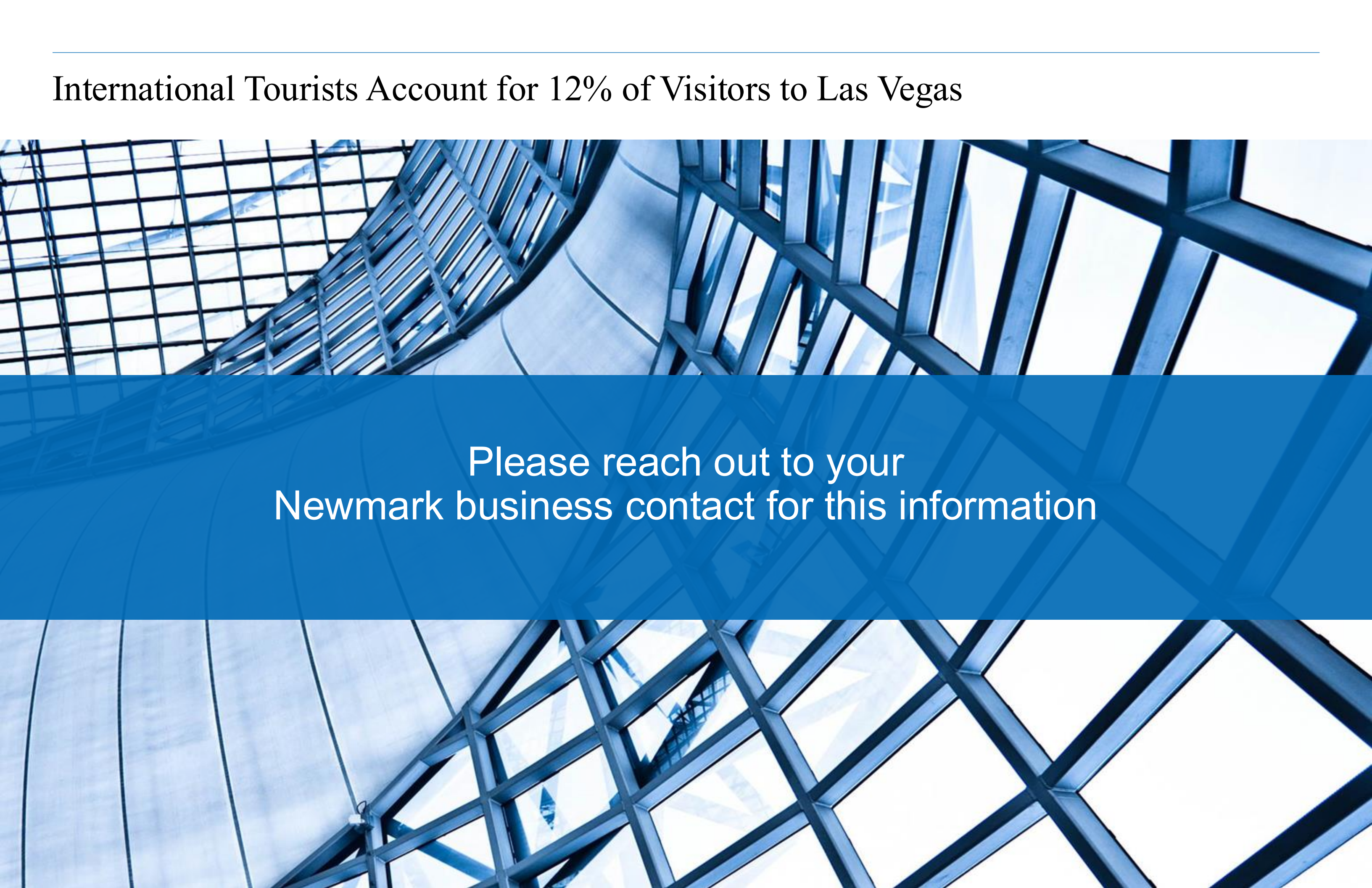
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Las Vegas' Reputation as a Value Destination for Tourists is Eroding



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International Tourists Account for 12% of Visitors to Las Vegas



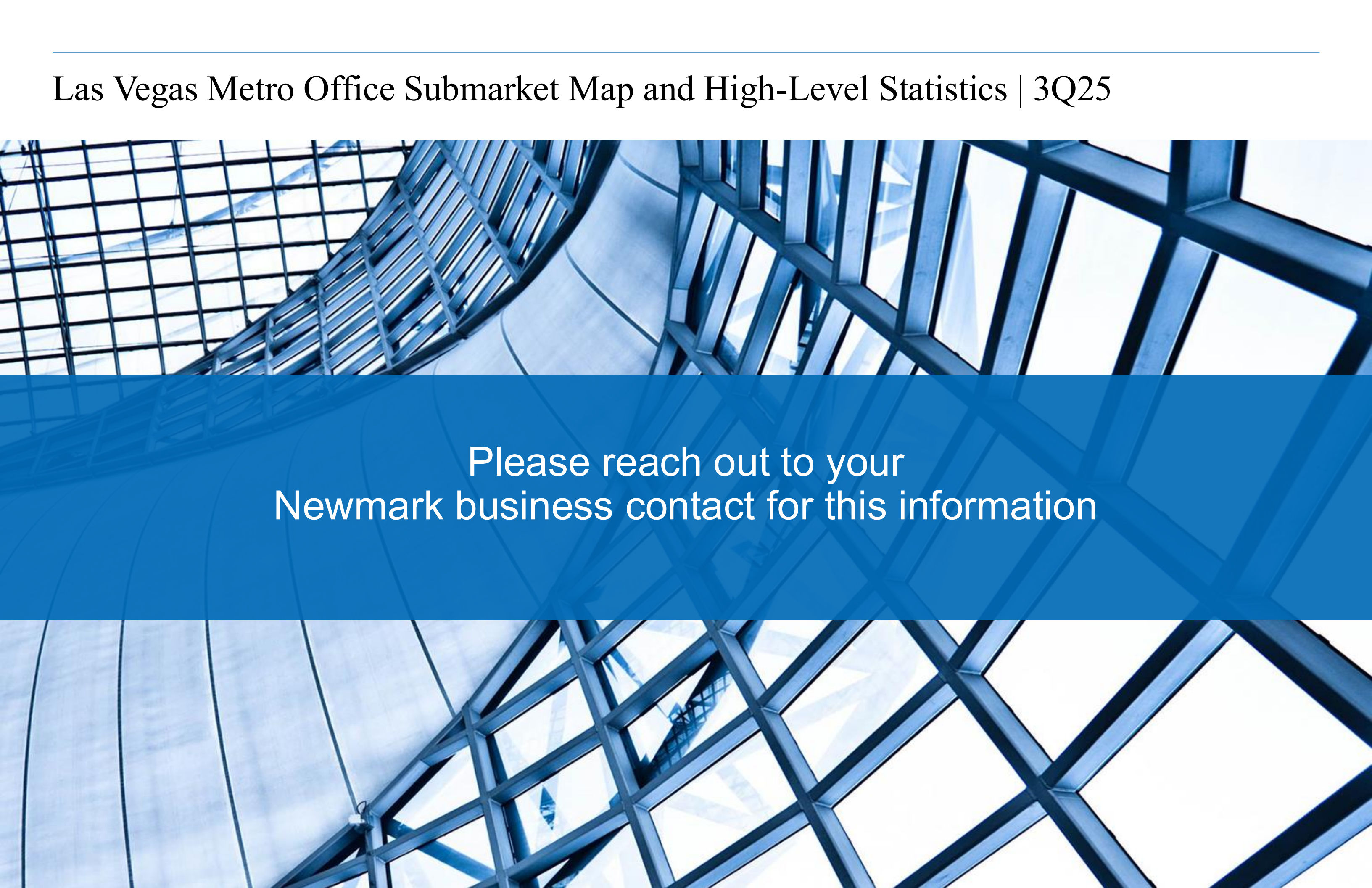
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Appendix

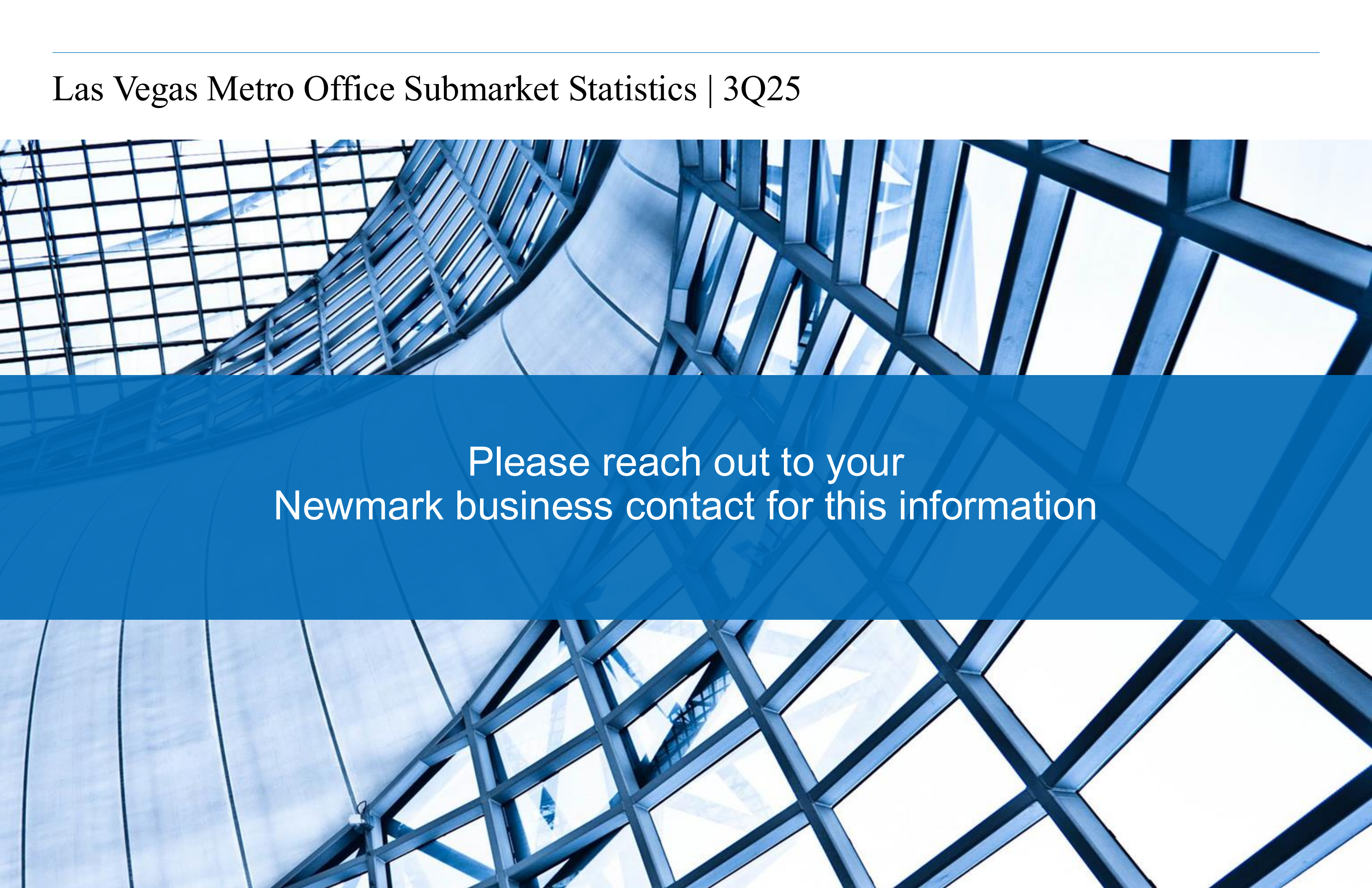


Las Vegas Metro Office Submarket Map and High-Level Statistics | 3Q25



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Las Vegas Metro Office Submarket Statistics | 3Q25



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