



NEWMARK

*Las Vegas:*  
Industrial Market Overview

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4Q25

# Access the Expanded 4Q25 Las Vegas Industrial Market Overview



## Las Vegas: Industrial Market Overview

4Q25



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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, U.S. Retail Sales, and Tariffs:** All 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**

*Extensive content across 36 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 was uneven this quarter due to ever-changing [U.S. tariffs](#) on foreign goods.
- Tariffs have a delayed impact, as businesses try to pass on costs to suppliers, stockpile goods before new duties go into effect, and/or utilize existing inventory first before higher prices work their way down the supply chain to consumers.
- For now, unemployment is low, retail sales are healthy, and wage growth is outpacing inflation.
- The Fed cut interest rates three times this year (25 bps each, bringing its benchmark rate to 3.50-3.75%). One rate cut is presently expected in 2026.
- Las Vegas' housing market has cooled, which is affecting industrial leasing.



## Leasing Market Fundamentals

- This year, 3.9 MSF in net absorption gains were met with 7.0 MSF in construction deliveries, causing vacancy to rise to 12.9%. Total vacancy has been in the double-digits since the fourth quarter of 2024.
- Available sublease space (2.2 MSF) shot up this quarter after a few large-block offerings came to market. Sublease space as a percentage of inventory is low, at 1.2%.
- New construction is taking longer to lease, and most speculative developers have hit the pause button on groundbreakings.
- Large-block (250,000+ SF) leasing is slower due to the economy and declining rents in Southern California. Large-block vacancy is currently 17.9%.



## Major Transactions

- Leasing activity was flat this quarter. On an annual basis, however, volume was up 14.2% compared to 2024.
- Daimler Truck North America signed one of the quarter's larger leases when it committed to 303,159 SF in a single-tenant, North Las Vegas facility built in 2024.
- The lion's share of leasing activity is occurring in the high-growth North Las Vegas submarket, which accounts for 65% of new supply built over the last five years.
- Blackstone appears to be scaling back its industrial holdings, based on sales this year to NorthPoint Development (587,254 SF) and MDH Partners (898,398 SF).

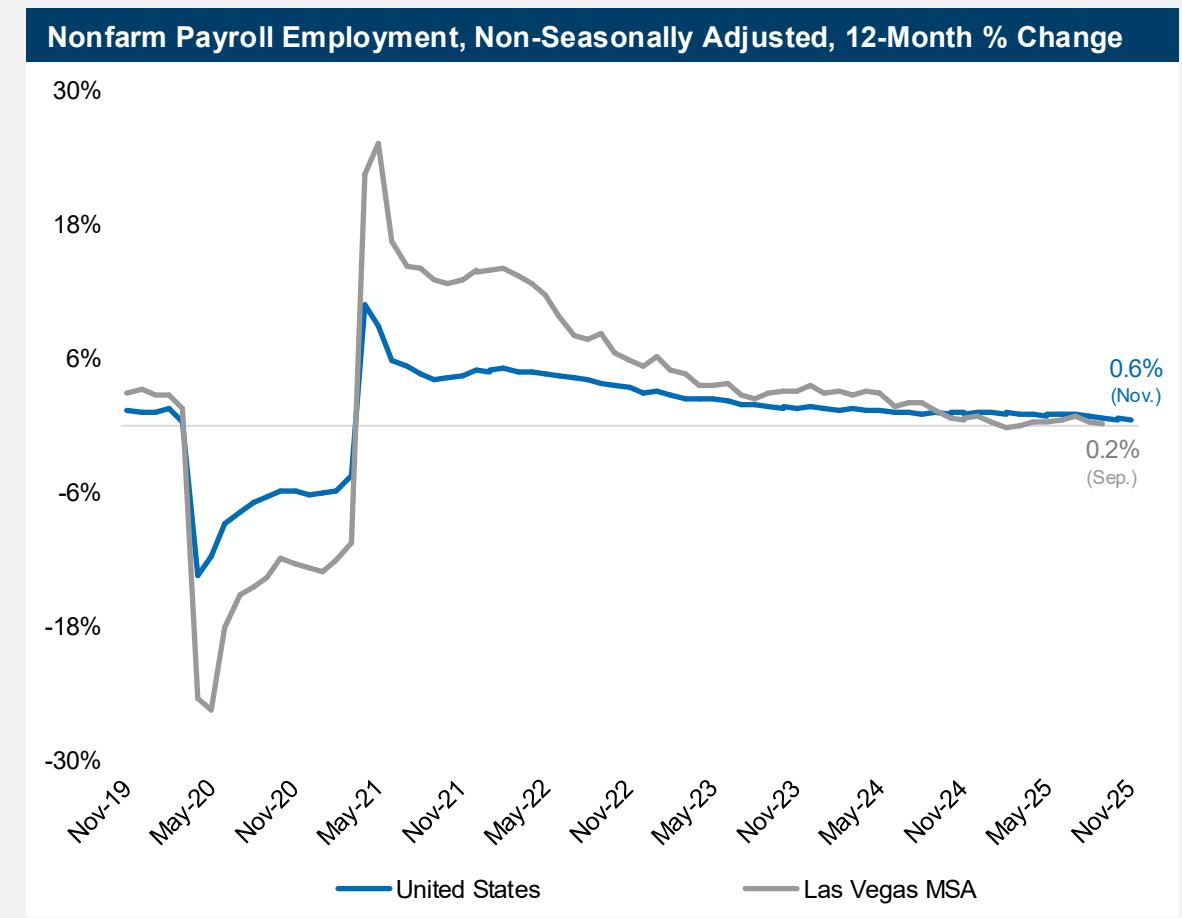
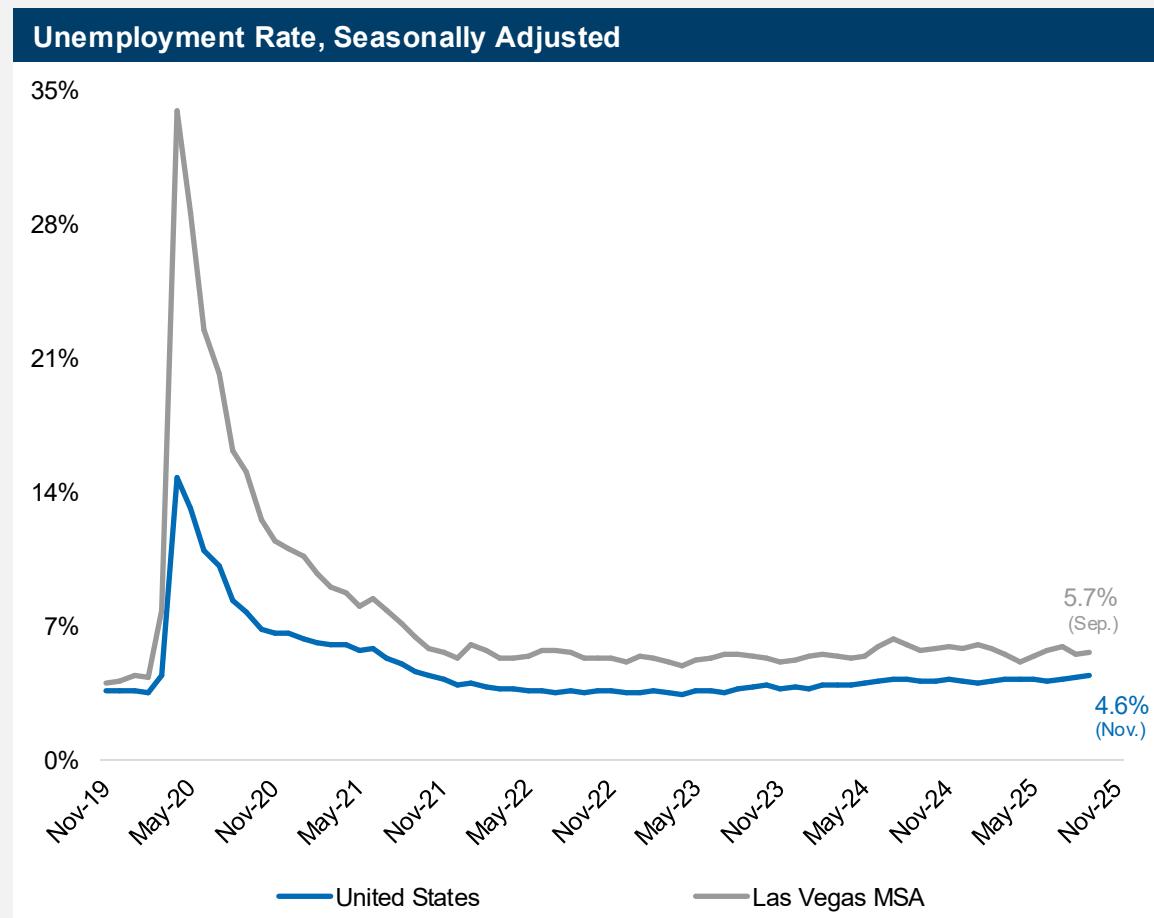


## Outlook

- Some economists expect U.S. business spending to remain resilient or even accelerate in 2026, driven by factors like AI adoption, easing labor constraints, and potential policy stimulus. Though, growth might moderate from peak 2025 levels, with some signs pointing to a slower start to the year before picking up.
- 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. Last year, a proposed intermodal terminal that will have connectivity to the Port of Oakland and Southern California was announced in Southern Nevada.

# Las Vegas Nonfarm Employment is Flat

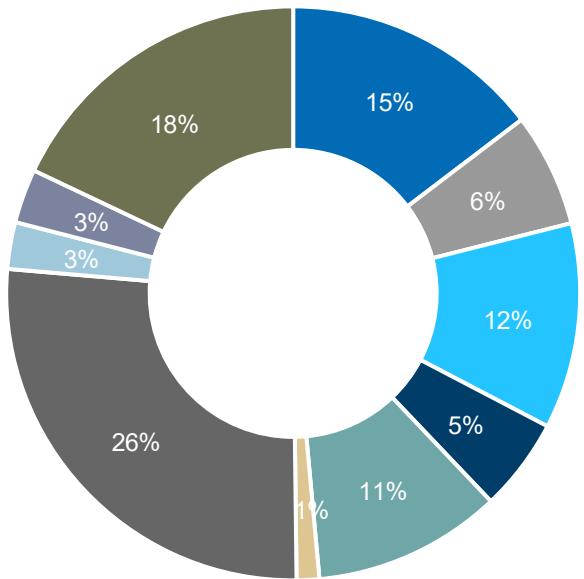
Las Vegas consistently outperformed national employment growth from 2021-2024, rebounding swiftly from pandemic-related losses. This strong performance was largely driven by population growth and Nevada's low-cost, business-friendly environment, especially compared to coastal Southwest markets. However,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



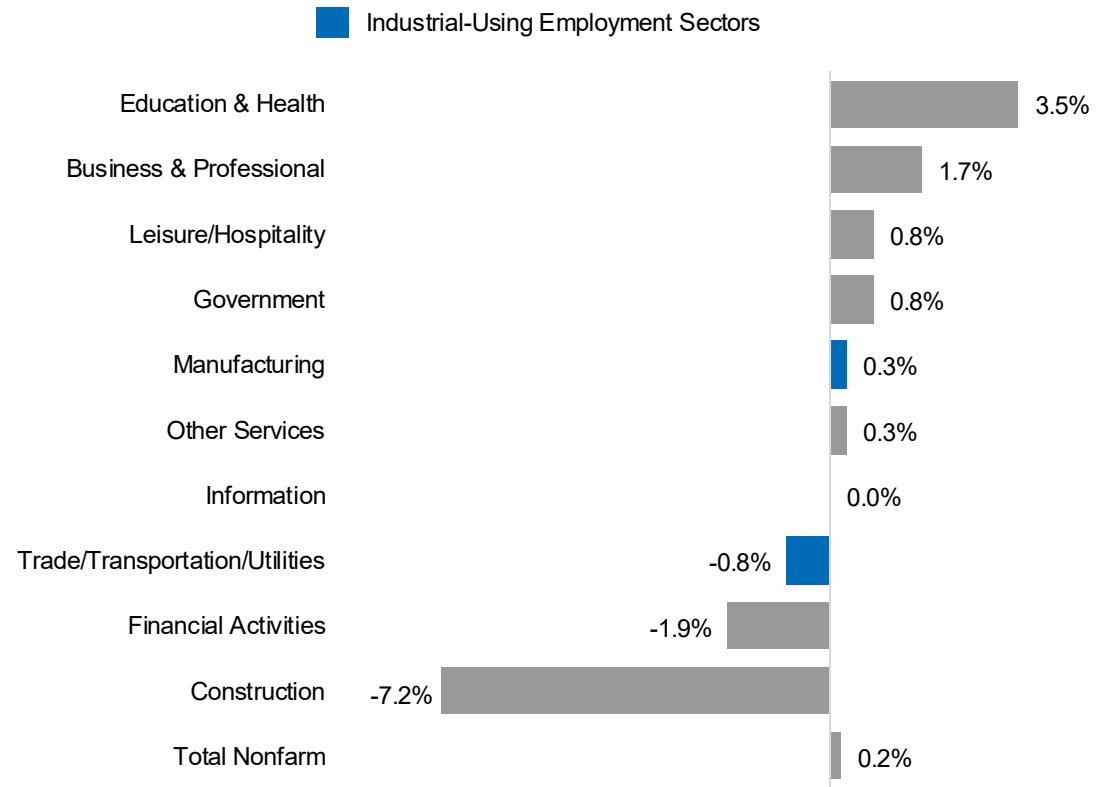
# Shifting Toward a More Diverse Economy

Leisure/hospitality continues to be the dominant sector, comprising 26.5% 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: education and health 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, September 2025

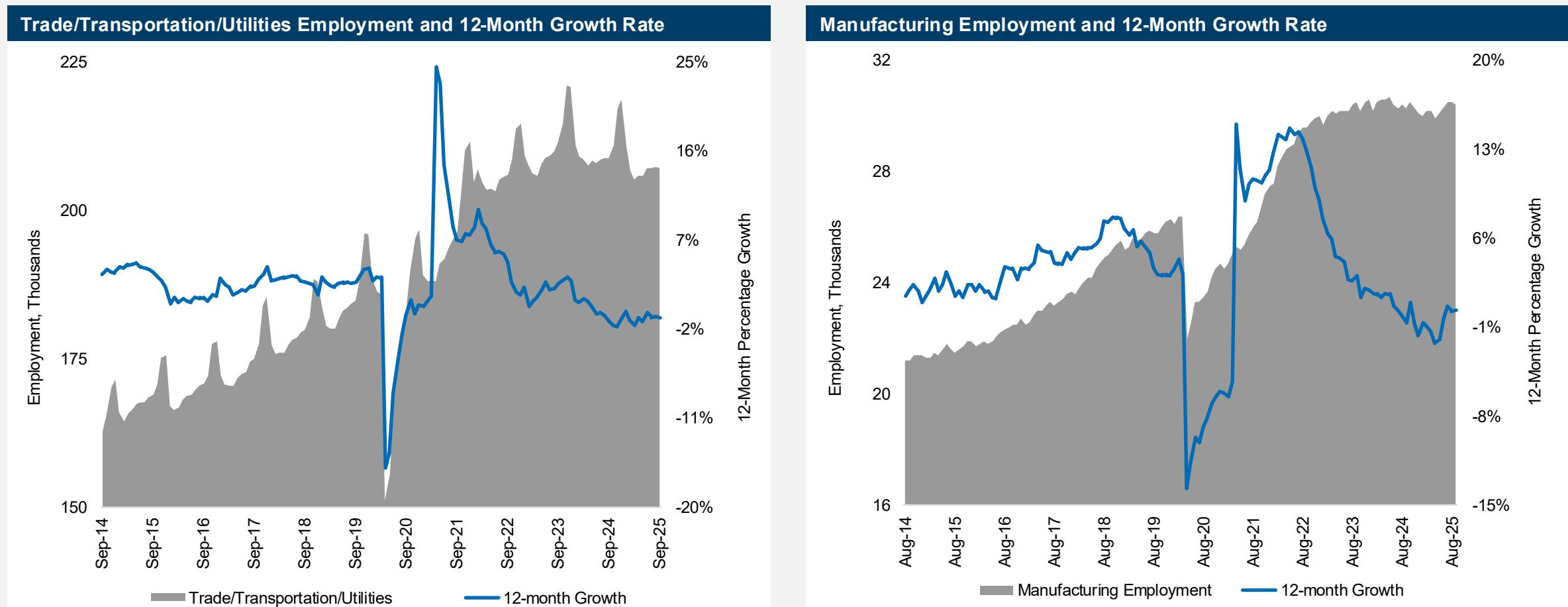


Employment Growth by Industry, 12-Month % Change, September 2025



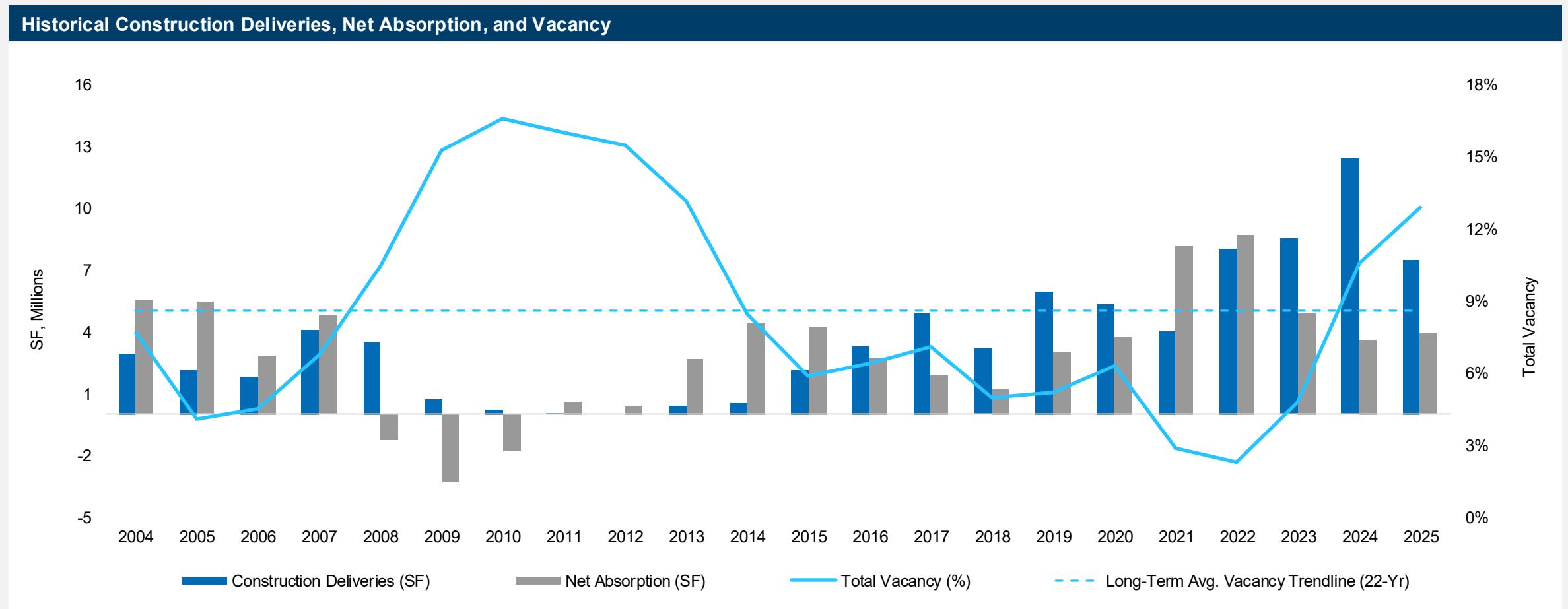
# Seasonal Volatility Aside, Industrial Employment Remains Strong

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).



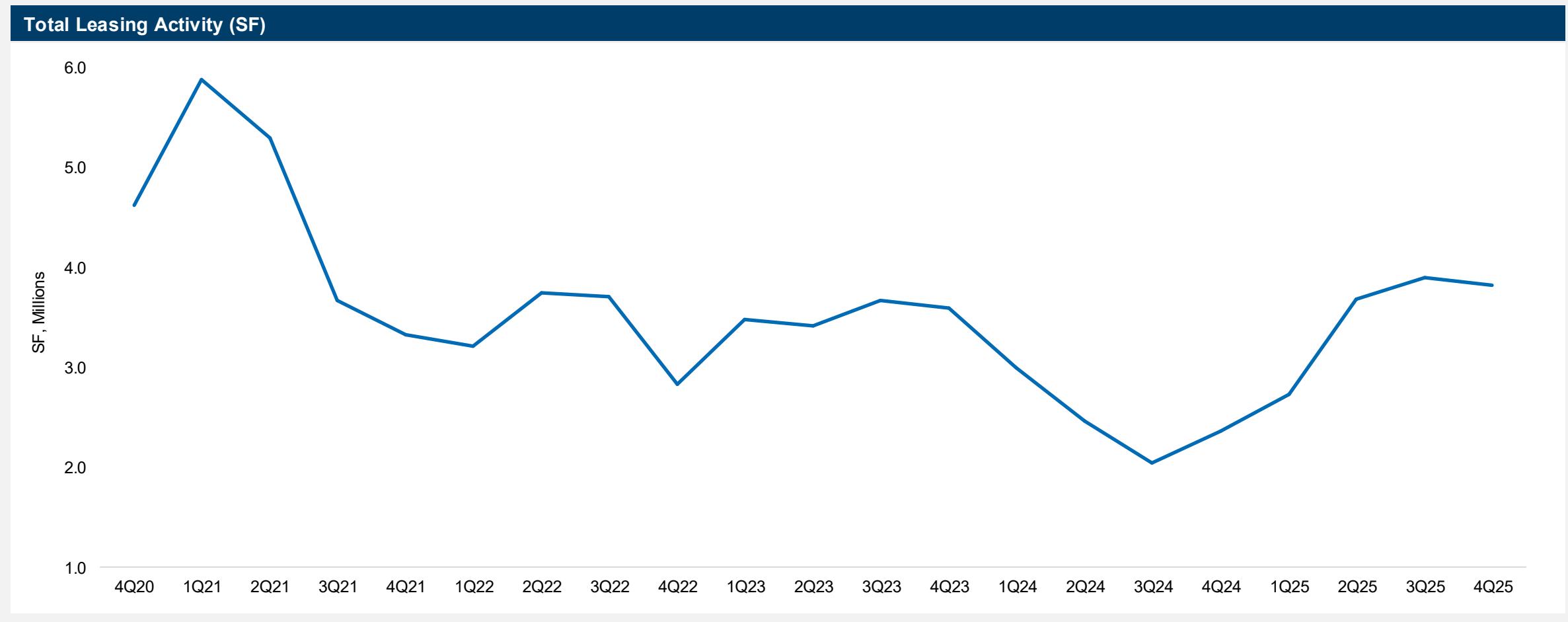
# Vacancy's Rise in 2025 Was Slower Than Prior Years

3.9 MSF in net absorption gains were met with 7.9 MSF in construction deliveries in 2025, causing vacancy to rise to 12.9%. Vacancy was up 230 bps from 2024, less than the 580 bps jump from 2023 (4.8% vacancy) to 2024 (10.6%).



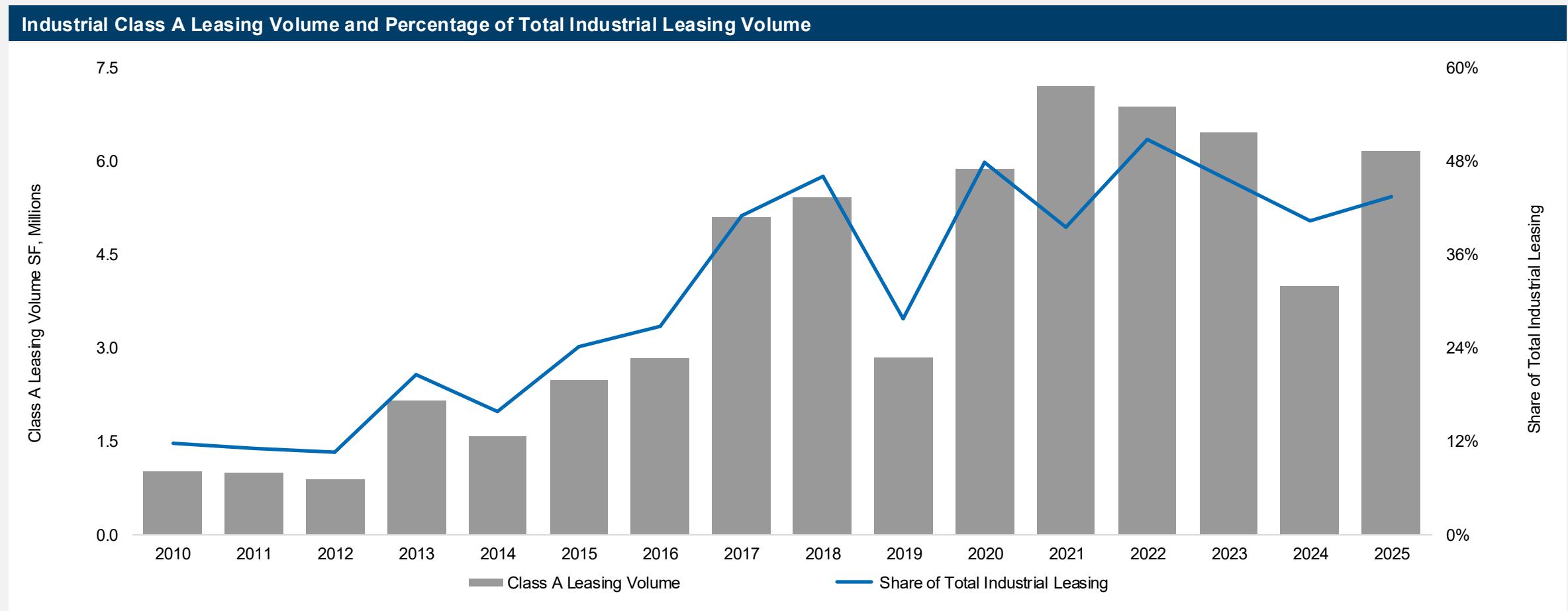
# Leasing Activity Trends Down This Quarter

Volume was up in the first half of 2025 and was somewhat flat in the second. Sowing population gains to the region due to elevated housing costs, high borrowing costs, and a sleepier labor market are among current headwinds.



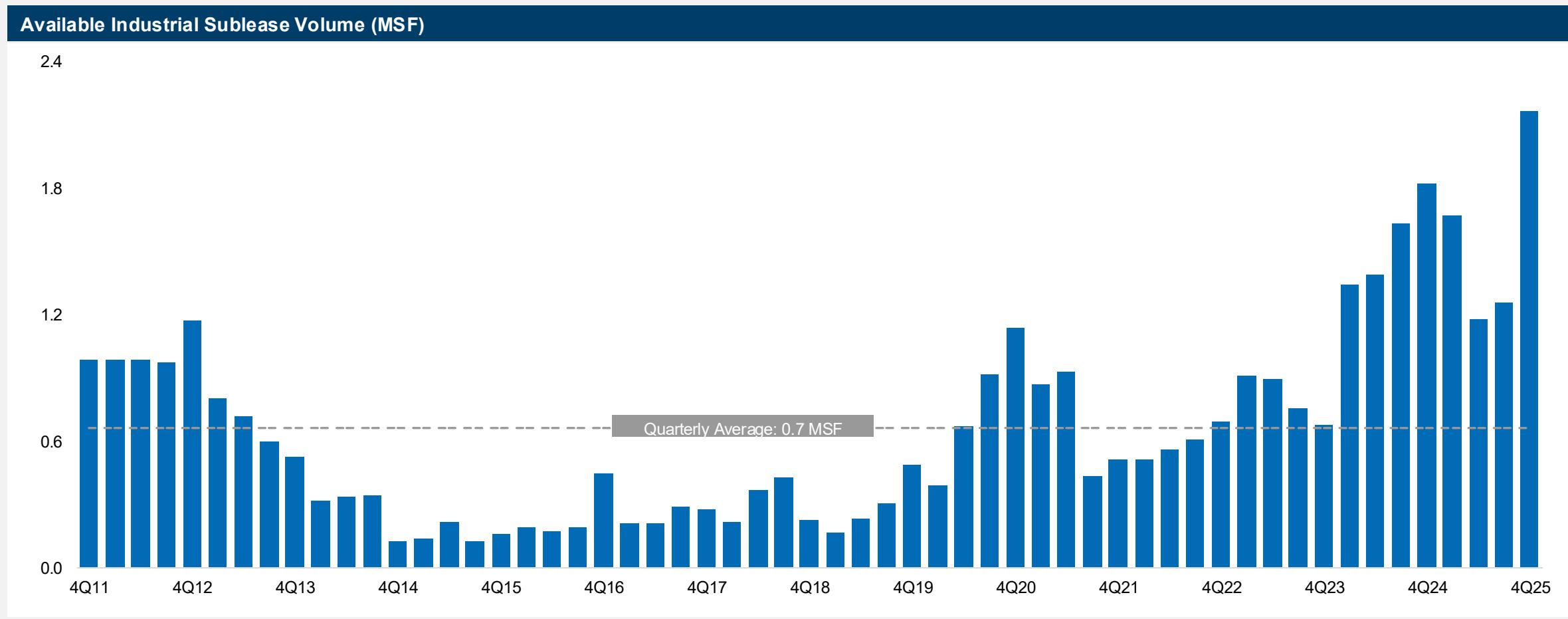
# Class A Warehouse Leasing Above Long-Term Average

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.



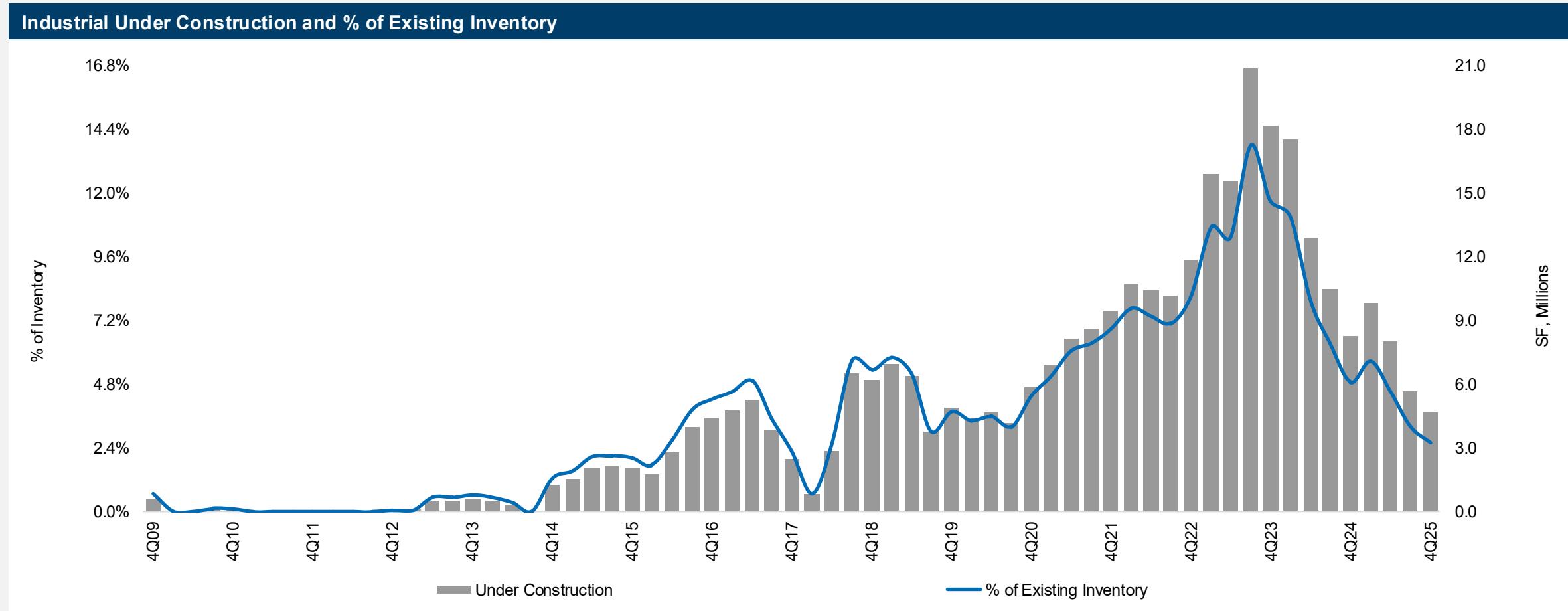
# Sublease Space Up 73% from Last Quarter

2.2 MSF of available sublease space is presently on the market, partly shaped by large-block offerings that include 4230 N 5<sup>th</sup> St (208,658 SF), 5430 Donovan Way (203,884 SF), and 5450 Beesley Dr (201,500 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.



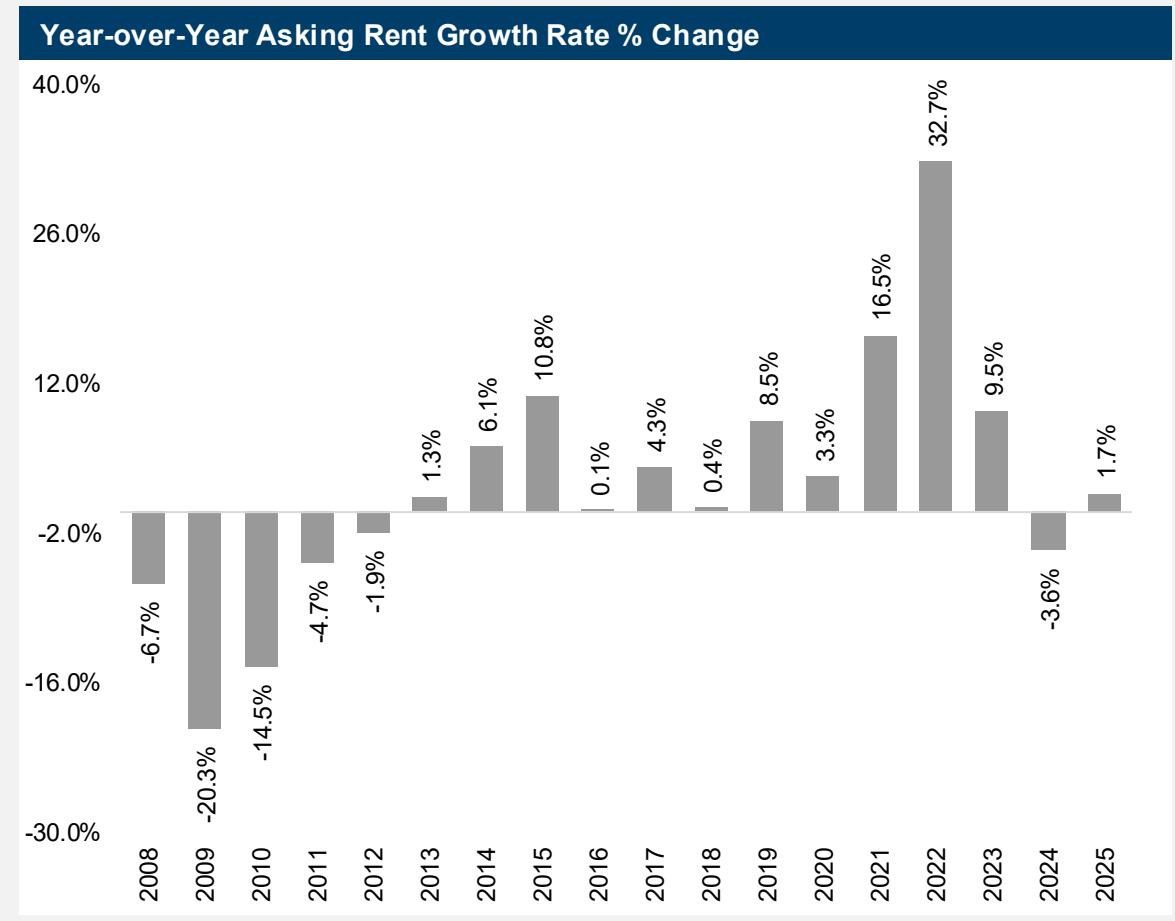
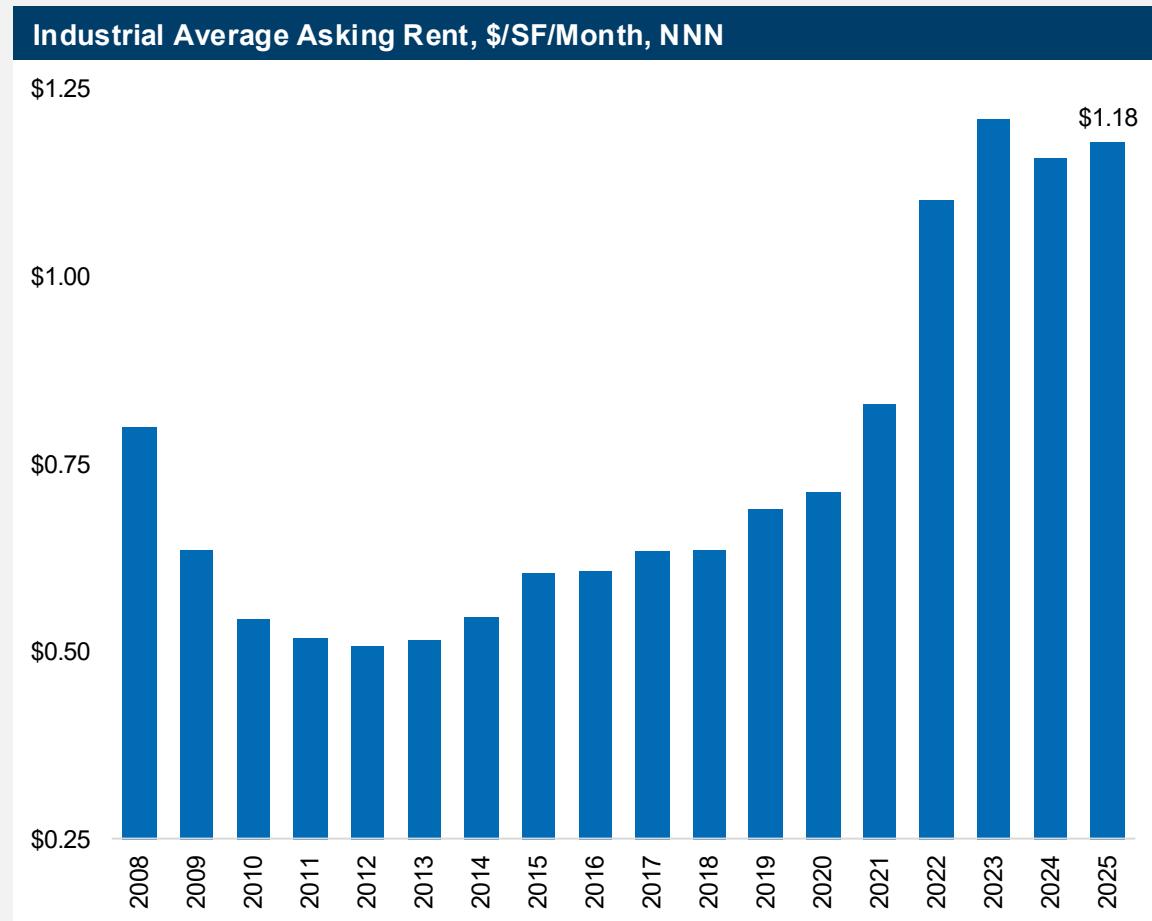
# Industrial Supply Pipeline Cools as Construction Starts Decrease

Rising vacancy, new supply set to come online, slower leasing activity, and difficulty in sourcing construction debt are acting as barriers to new construction starts.



# Direct Asking Rents Were Marginally Up in 2025

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 a modest gain (+1.7%) this year. Rent growth largely hinges on leasing activity.



# Notable 4Q25 Lease Transactions

Leasing activity continues to be concentrated in newer buildings.

Select Lease Transactions				
Tenant	Building	Submarket	Type	Square Feet
DHL	Vantage North, Bldgs. 1 and 3	North Las Vegas	Direct	1,209,826
<i>The global logistics company leased two buildings that were built in 2024.</i>				
Daimler Truck North America	Prologis I-15 Speedway, Bldg. 11	North Las Vegas	Direct	303,159
<i>The commercial automotive manufacturer signed as the sole occupant of the building. The facility was constructed in 2024.</i>				
Alo	Northgate Distribution Center, Bldg. 9	North Las Vegas	Sublease	203,384
<i>The premium athletic apparel retailer will occupy a portion of the multi-tenant building that was constructed in 2018.</i>				
(An E-Commerce Company)	Windsor Commerce Park, Bldg. F	North Las Vegas	Direct	191,360
<i>The undisclosed tenant will occupy the entirety of the building, which delivered in early 2025.</i>				
LG Express	Tropical Speedway Distribution Center, Bldg. B	North Las Vegas	Pre-lease	105,624
<i>The freight forwarder will occupy a portion of the multi-tenant building when it delivers in early 2026.</i>				

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