

NEWMARK



Las Vegas:
Office Market Overview

4Q25



Access the Expanded 4Q25 Las Vegas Office Market Overview



Las Vegas: Office Market Overview



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

Extensive content across 32 slides—a detailed presentation packed with useful office information and in-depth analysis.

Las Vegas Office Market Observations



Economy

- Local unemployment was 5.7% in September, down 10 basis points from 12 months ago. While office-using employment remains above pre-pandemic levels, growth continues to be sluggish, with a mere 0.7% year-over-year gain.
- U.S. unemployment rose from 4.4% in September to 4.6% in November, the highest in four years. Recent local employment figures were unavailable due to the last federal government shutdown and subsequent delays from the BLS. Las Vegas' unemployment rate will likely increase when new figures are released.
- 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

- Despite muted leasing activity, the market posted a modest net absorption gain of 206,410 SF in 2025. Total vacancy declined to 12.8%, down 50 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 0.7%. Based on the absence of new construction this year, Class A supply 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.
- 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.

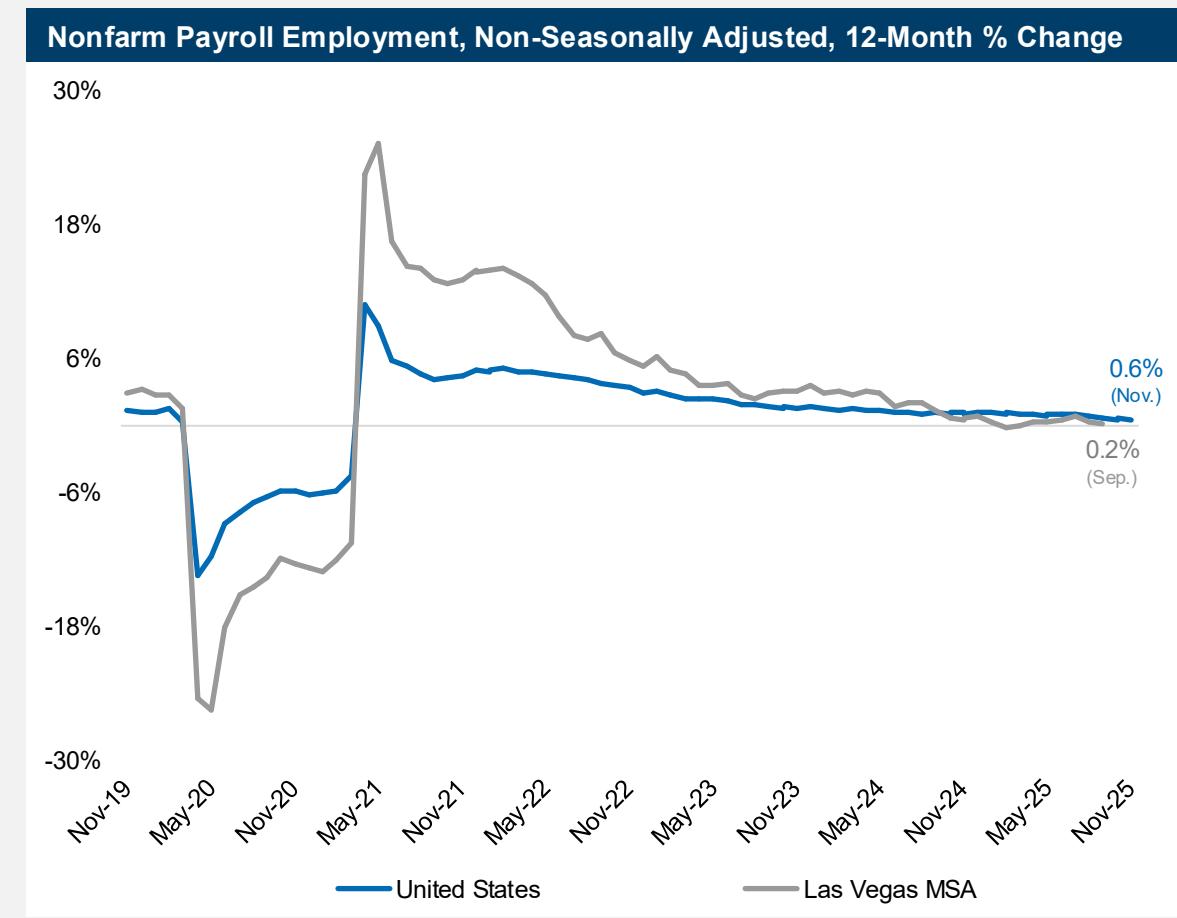
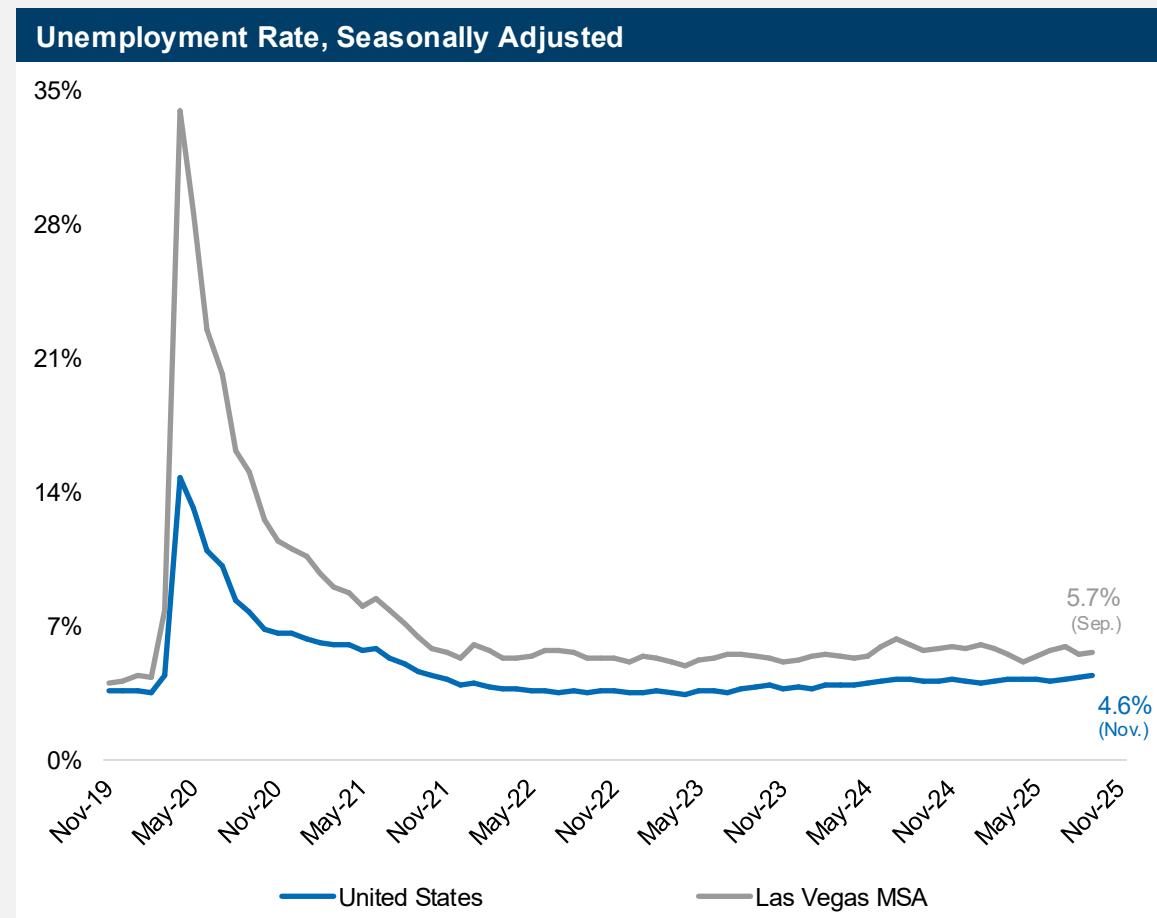


Outlook

- 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 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.

Las Vegas Nonfarm Employment is Flat

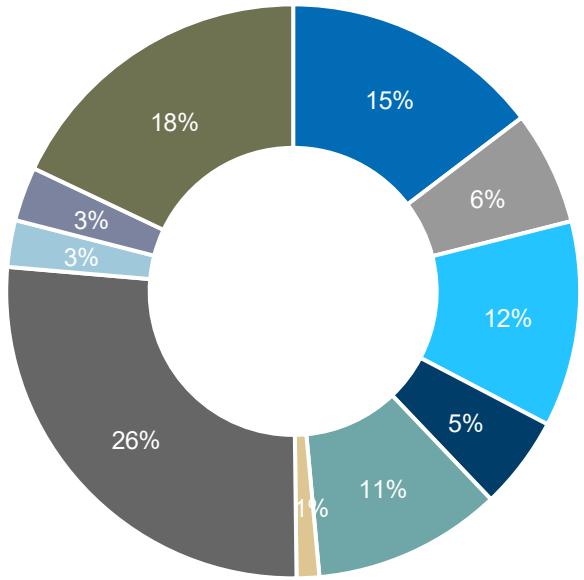
Las Vegas consistently outperformed national employment growth from 2021-2024, rebounding swiftly from pandemic-related losses. This strong performance was largely driven by population growth and Nevada's low-cost, business-friendly environment, especially compared to coastal Southwest markets. However,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



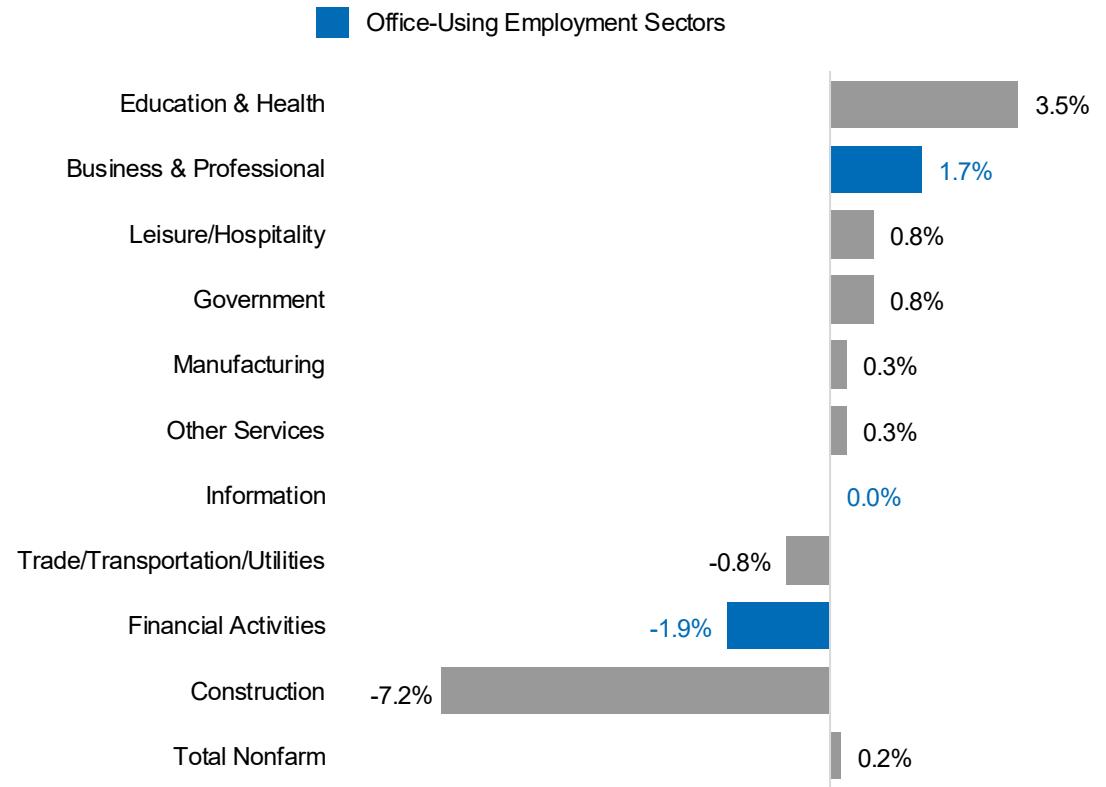
Shifting Toward a More Diverse Economy

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

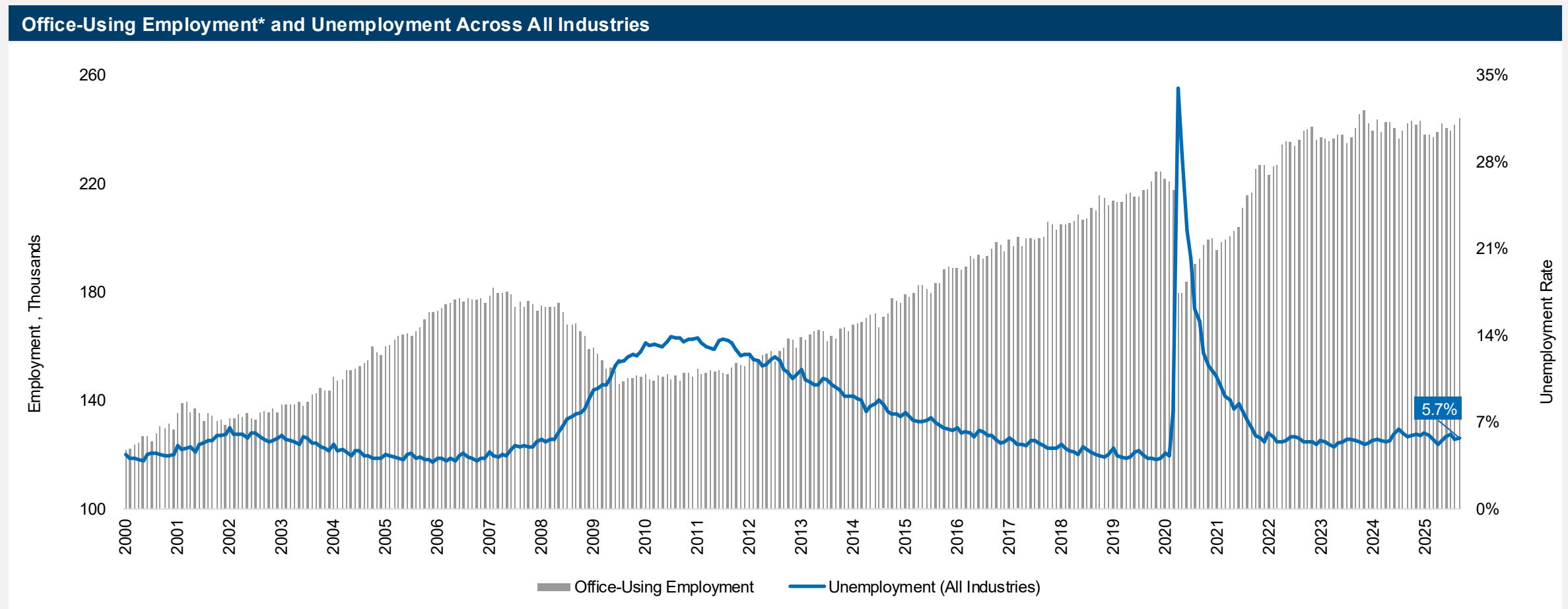


Employment Growth by Industry, 12-Month % Change, September 2025



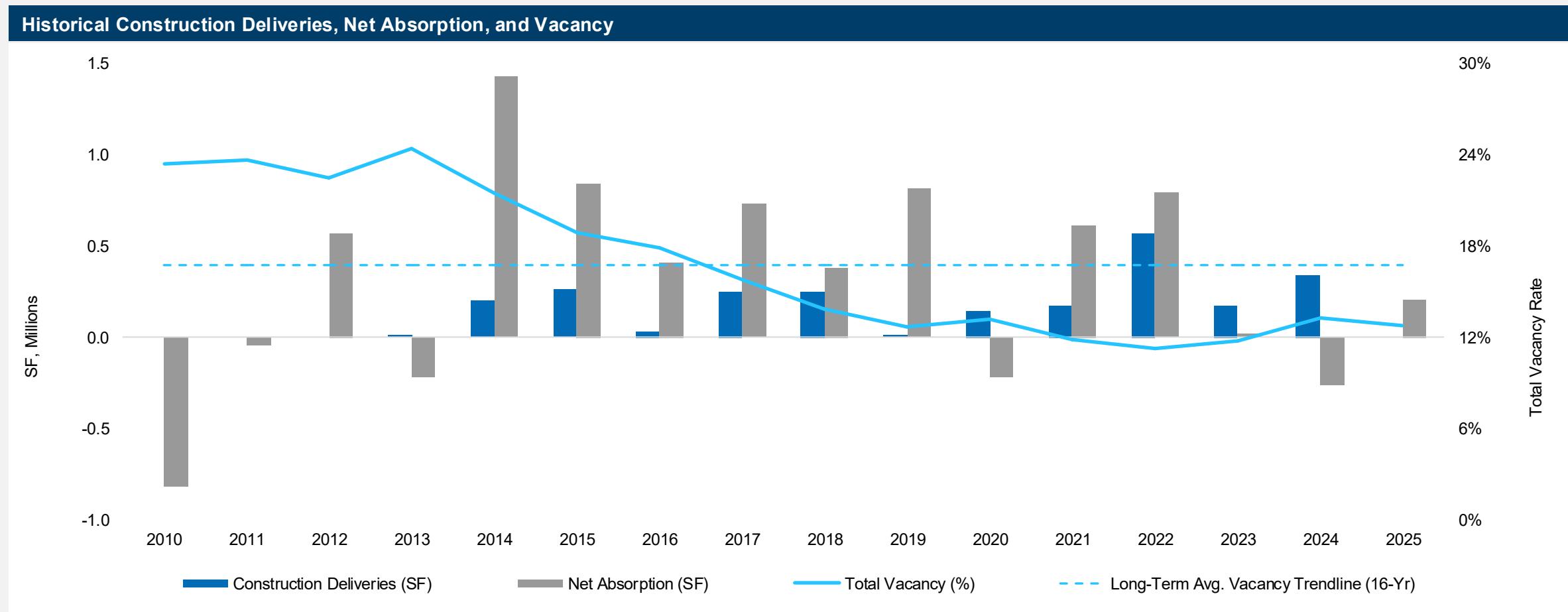
Las Vegas Office Employment Growth Slows

Office-using employment in September 2025 was up 0.7% from 12 months ago and exceeds pre-pandemic levels by 10.6%. While a growing population has favored the segment, near-term gains will likely be muted as companies focus on cost-savings and lean into AI (where applicable).



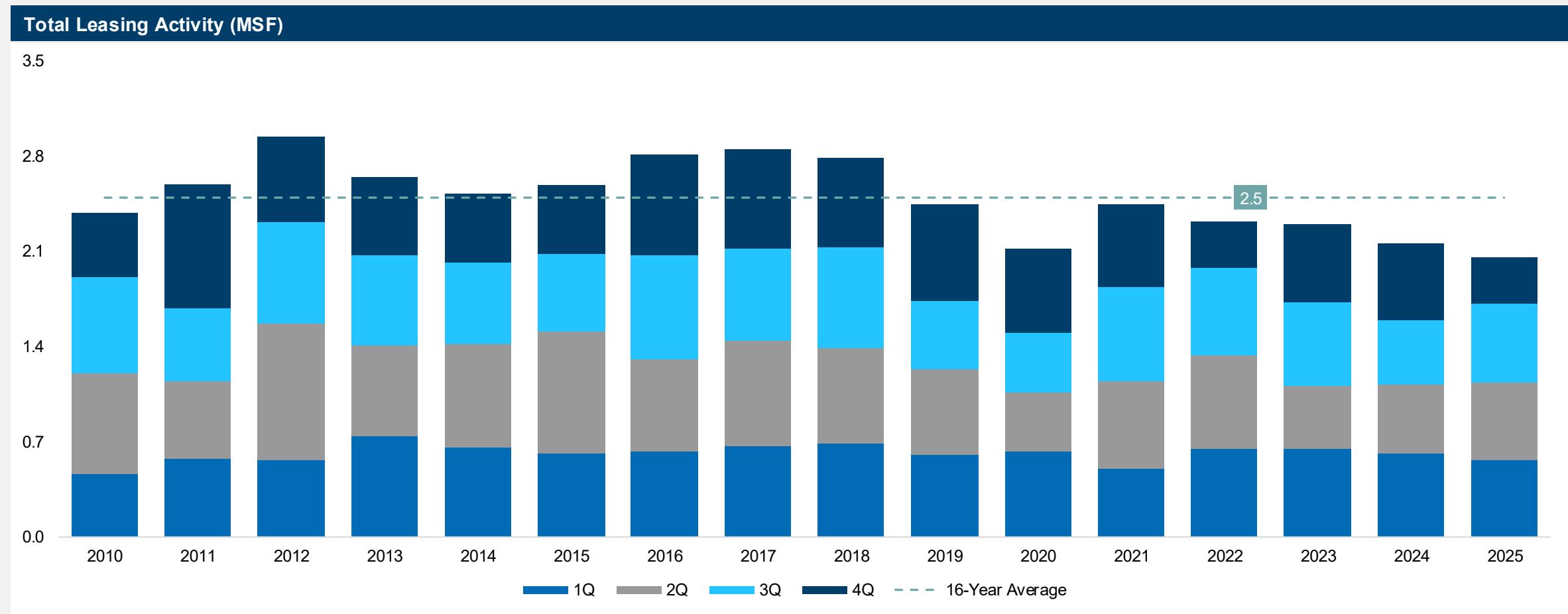
Stable Vacancy and Modest Gains Reflect Market Resilience

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 2025. Measured tenant activity resulted in modest but positive net absorption, totaling 206,410 SF in 2025.



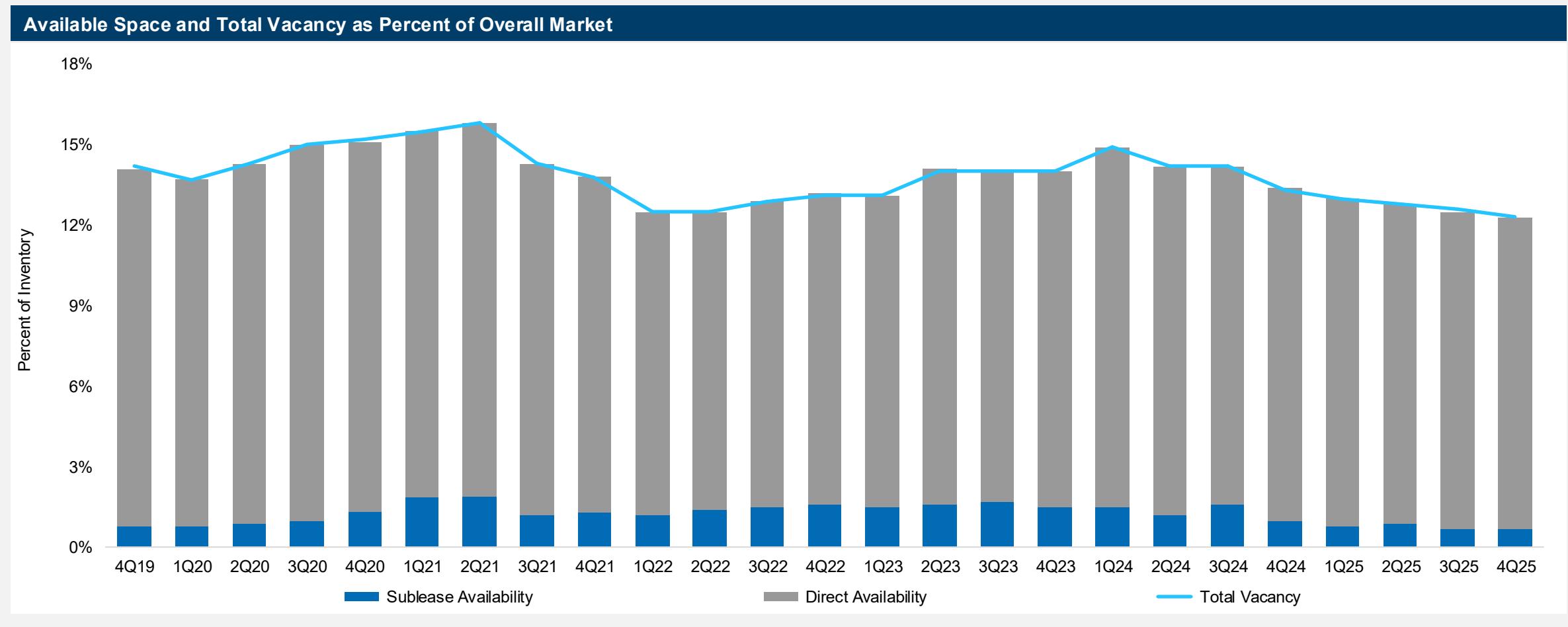
Leasing Activity Moderately Down from 2024

Leasing volume in 2025 was down 4.7% from 2024, 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.



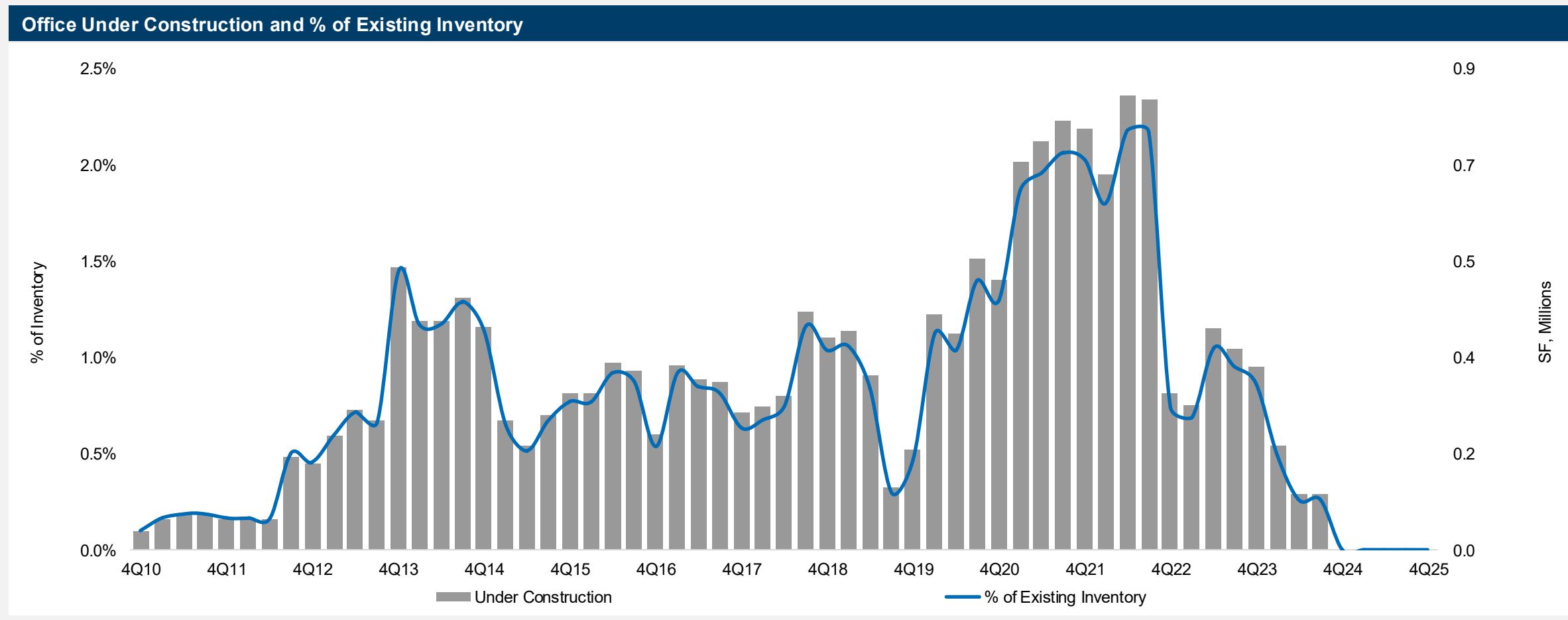
Las Vegas Office Market Tightens as Availability Narrows

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.



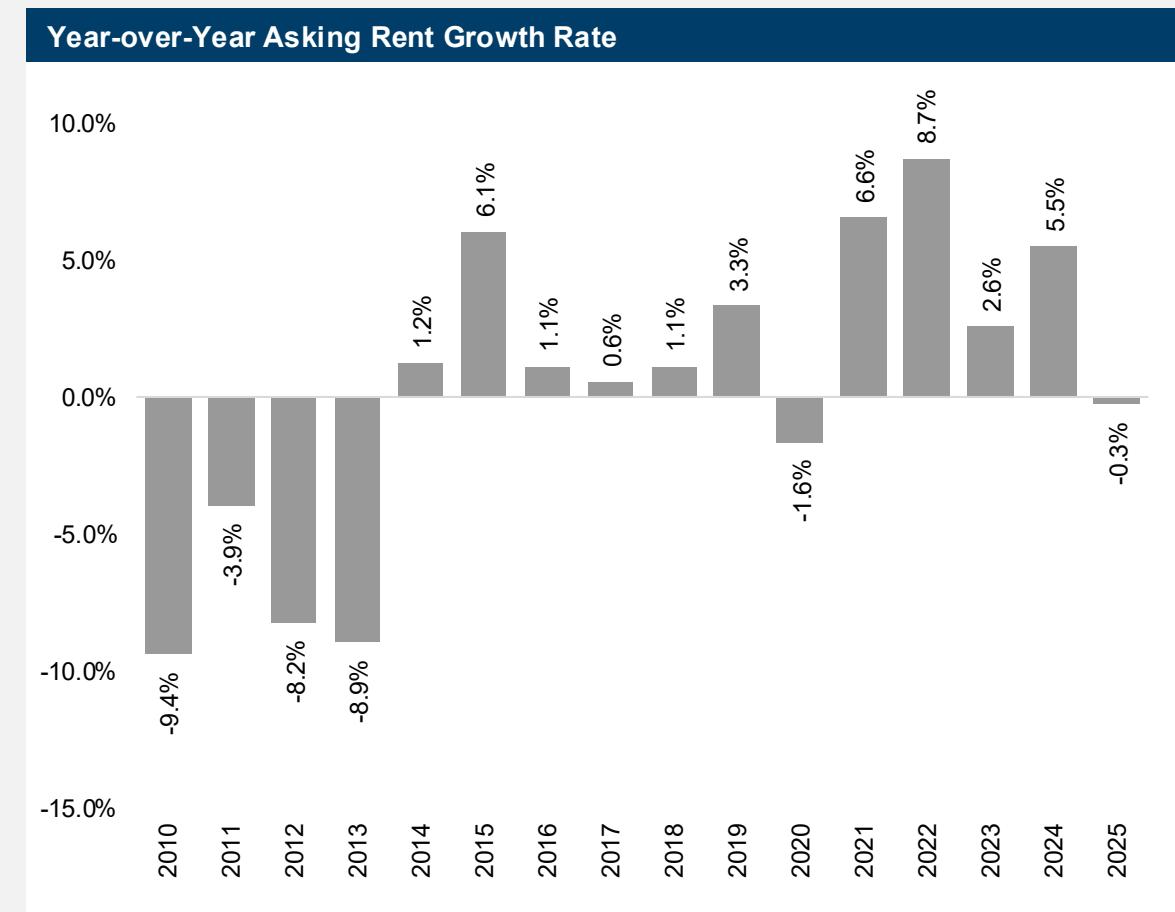
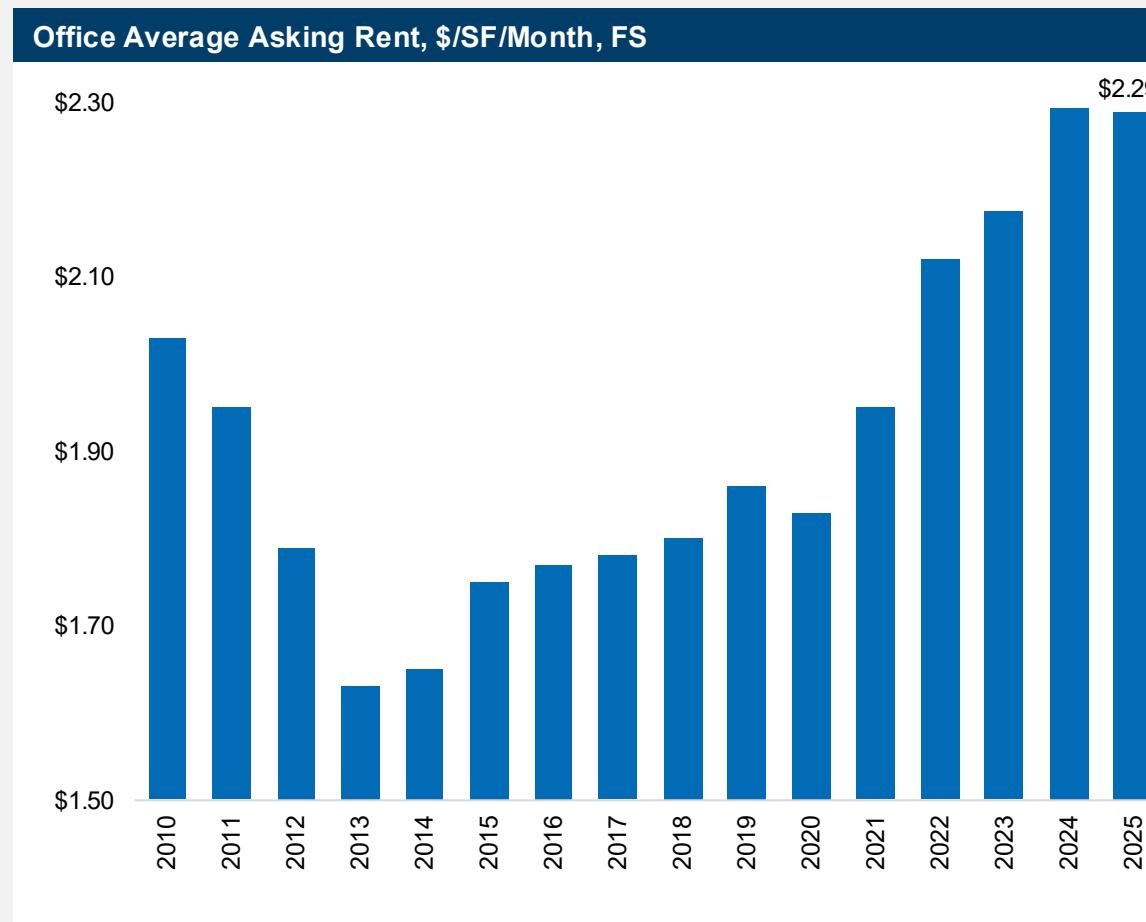
Construction Pauses as Market Shifts Toward Landlords

Amid rising construction costs and still-high inflation, no new professional office projects broke 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.



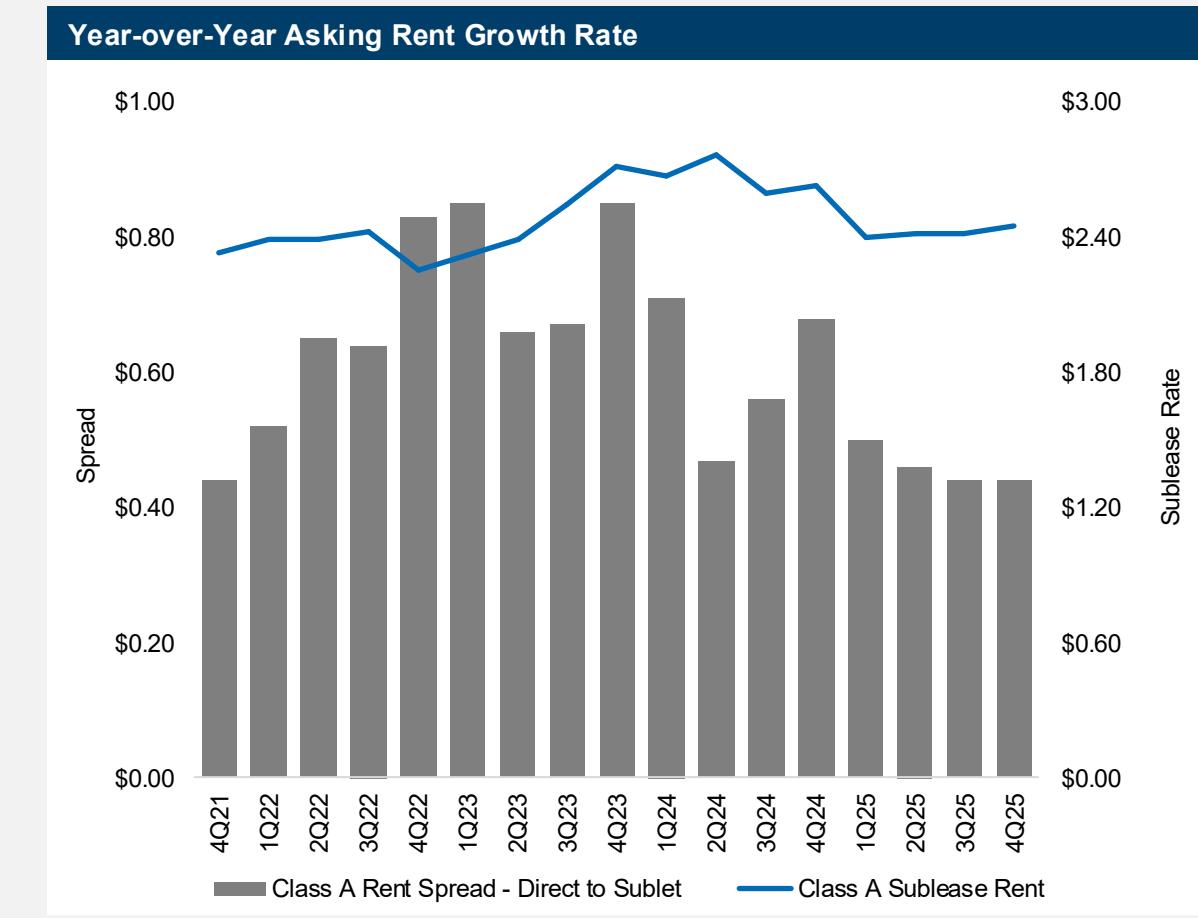
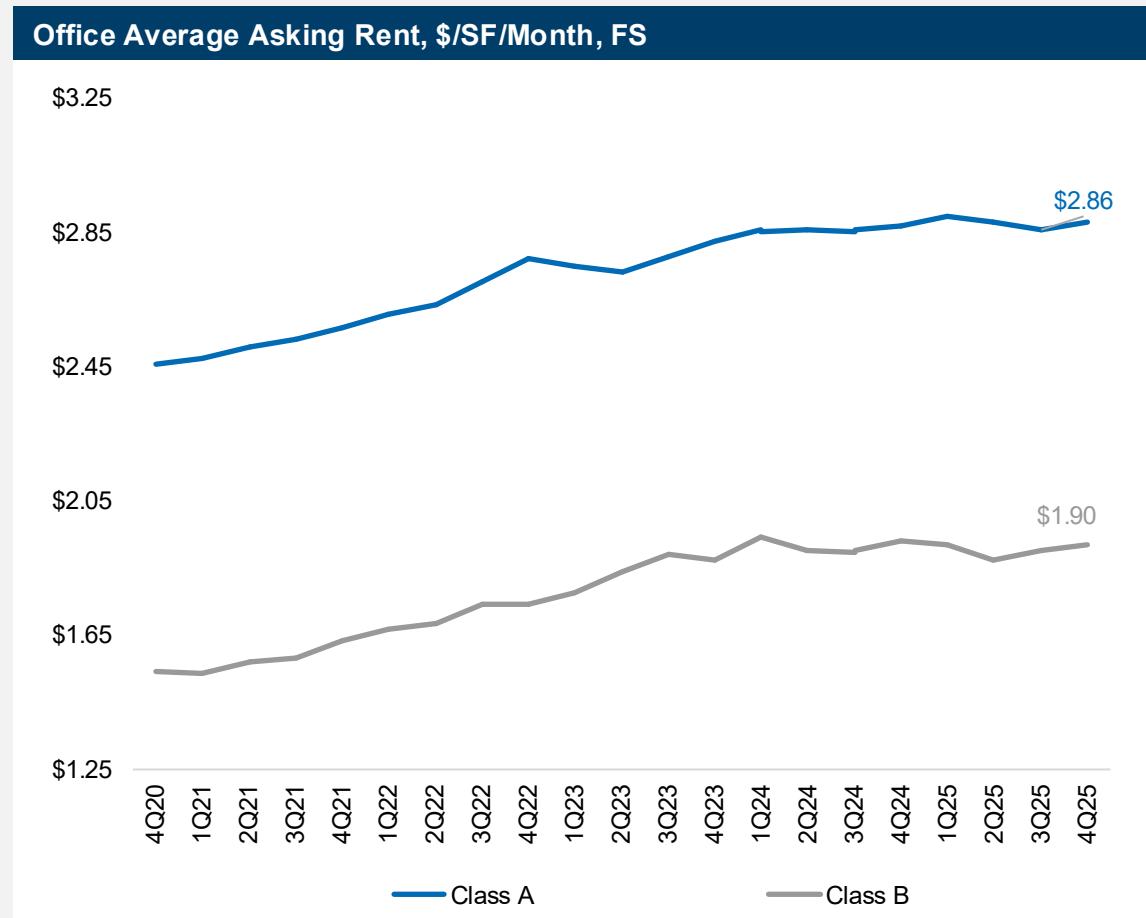
Stagnant Listings Weigh on Rents Amid Limited Supply

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.



Flight to Quality Narrows Rent Gap Between Direct and Sublease Space

Tenant demand has stabilized Class A direct rents, as landlords focus on maintaining occupancy. In contrast, rates in lower-tier buildings have been more volatile due to prolonged vacancies. Sublease rates held steady this quarter, with the rent gap between sublease and Class A direct space hovering in the \$0.44 to \$0.46/SF range over the last three quarters.



This Quarter's Notable Leases Were Diverse

Activity was spread out across industries and lease types and was concentrated within the Airport submarket.

Notable 4Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Lease Type	Square Feet
Adtalem Global Education	9901-9921 Covington Cross Dr	West	Renewal	34,650
<i>The medical/healthcare education provider renewed for another term.</i>				
Sunbit Now	6750 Via Austi Pkwy	Airport	Renewal	24,223
<i>The financial services firm renewed for another term.</i>				
Mountain West Conference	6543 S Las Vegas Blvd	Airport	Direct	16,686
<i>The Colorado-based intercollegiate athletics organization committed to direct space within Town Square Las Vegas.</i>				
Sunbit Now	6750 Via Austi Pkwy	Airport	Direct	14,171
<i>The financial services firm leased additional space within the Marnell Corporate Center in the fourth quarter.</i>				

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