INVESTMENT FORECAST

Industrial

Las Vegas

IPA | INSTITUTIONAL PROPERTY ADVISORS

2026

Rapid Reduction in Local Supply Pressure Warranted; Investors Undeterred By Elevated Vacancy

Northern submarkets receive reprieve. Las Vegas' industrial inventory expanded by nearly 24 million square feet over the last three years, a rapid growth that increased vacancy by 1,060 basis points, despite positive net absorption throughout. This spike, driven by a supply influx, has catalyzed a pronounced pullback in local development activity that will significantly ease supply-side pressure in 2026. After receiving 4 million to 7.7 million square feet of new space apiece over the past three years, North Las Vegas, Speedway, and outlying northeast Clark County will all lack speculative deliveries in 2026. Elsewhere, Southwest Las Vegas continues to add properties, though at a slower pace than in recent years, with most of the space accounted for. These dynamics and growing demand among certain tenants for post-2020-built space should allow a portion of the metro's newer-built inventory to be removed from its vacant stock this year, potentially stabilizing or reducing vacancy over the near term.

Investors bet on future improvement. Despite the recent rapid escalation in vacancies, a diverse buyer pool will actively compete for local listings this year. The metro's continued growth and expectations for steady, long-term population gains are poised to fuel demand among private investors, including those from California, for smaller warehouses suitable for last-mile operations. North Las Vegas and areas immediately west, south, and east of Harry Reid International Airport, which provide quick access to both Interstates 215 and 15, should account for a sizable share of these trades. Institutional investors, meanwhile, may discover opportunities to acquire newly built warehouses and distribution centers in these submarkets, as well as in Speedway and outlying portions of Clark County, following a historic stretch of development.

2026 MARKET FORECAST

+1.0% — **Employment:** After adding 19,200 roles last year, Las Vegas notes a modest tapering in hiring. The metro's count of manufacturing and logistics positions should remain historically elevated.

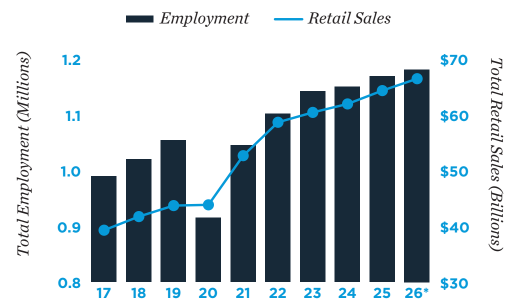
1.5 million *sq. ft.* — **Construction:** Delivery volume slows to an 11-year low in 2026, translating to just 1.0 percent stock growth. Of the space slated for completion, roughly 80 percent was accounted for as of April.

-20 bps — **Vacancy:** A stark pullback in completions allows for a portion of the metro's supply overhang to be absorbed. As such, vacancy dips to 12.8 percent, a rate still 930 basis points above the 2023 mark.

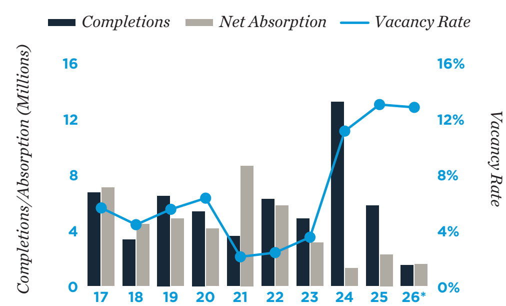
-0.8% — **Rent:** For a third straight year, elevated vacancy prevents meaningful rent movement. Still, the metro's average of $12.85 per square foot ranks highest among Mountain markets.

INVESTMENT: *The local average price reached a record $260 per square foot last year, a benchmark that, along with notable out-of-state buyer activity, could generate additional sell-side momentum in 2026.*

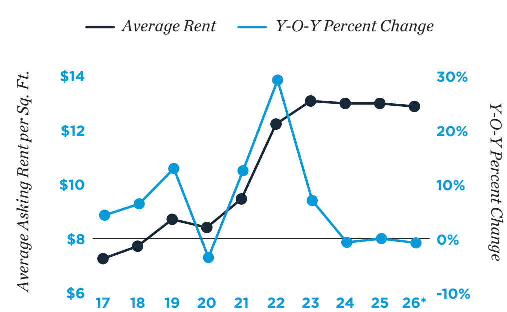
Economic Trends



Supply and Demand



Rent Trends



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

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Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at $1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding future event. This is not intended to provide specific investment advice and should not be considered as investment advice.