

INVESTMENT FORECAST

Office
Las Vegas Metro Area

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Tenant Preferences Drive Outperformance in Submarkets With Higher-Quality Stock

Southern suburbs stand out. Tenant demand in Las Vegas is shifting across both quality tiers and submarkets heading into 2026. Older, low- to mid-tier space was relinquished in parts of Downtown in the second half of 2025, leading to rising vacancy and declining asking rents. In contrast, southern suburban submarkets have continued to outperform. The corridor southwest of the Interstate 15/Highway 592 interchange has seen vacancy decline to a record-low mid-7 percent range as of early 2026, while infill pockets southwest of Harry Reid International Airport are also posting lower vacancy rates. Relative strength across these areas reflects a higher concentration of mid- to high-tier properties — often in low-rise formats and built after 2000 — that align with the metro’s growing preference for quality assets. Coupled with strong freeway access and proximity to the metro’s fastest-growing residential base in Henderson, these factors should continue to support this localized momentum.

Investors remain focused on key segments. While net absorption weakened in 2025, the metro’s vacancy rate remained more than 400 basis points below its long-term mean. Still, investors remain selective. The metro’s average cap rate was among the 10 lowest of major markets in 2025, while average per-square-foot pricing rose at the fastest pace nationally, despite transaction velocity hovering near 50 percent of its 2015-2019 annual average. This disconnect points to heightened competition among buyers for select assets. As such, trading may remain concentrated in Class B properties in 2026, though certain Class A assets may trade hands on the back of improving fundamentals. Deals involving medical office facilities will also likely remain elevated, as the segment’s vacancy fell late last year to its lowest level since 2006.

2026 MARKET FORECAST

+0.3%



Employment: While still well below the long-term average growth rate of 3.3 percent, this year’s 3,000 new positions, with 500 from traditional office-using sectors, are an improvement over 2025.

100,000
sq. ft.



Construction: The delivery pipeline is set to narrow notably in 2026 as inventory expands by just 0.2 percent, representing the smallest annual gain since at least 2007.

-30 bps



Vacancy: Thinning construction coupled with accelerating net absorption helps the metro’s vacancy decline to 11.7 percent, among the 10 lowest for major markets in the nation.

+1.1%

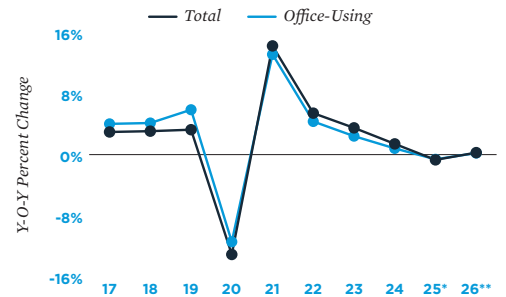


Rent: Vacancy compression supports modest asking rent growth in 2026, marking the metro’s 10th consecutive year of increases. By year-end, the average rate is forecast to reach \$27.00 per square foot.

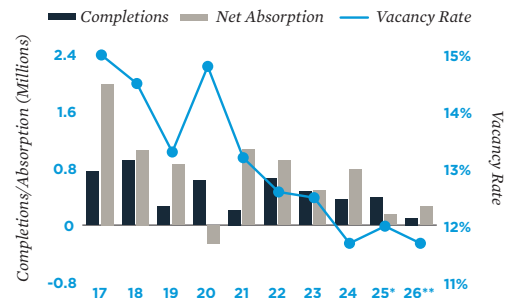
INVESTMENT:

Investor interest may remain concentrated in the outperforming southern suburbs, where both conventional and medical office space built after 2000 accounted for a large share of metro investment last year.

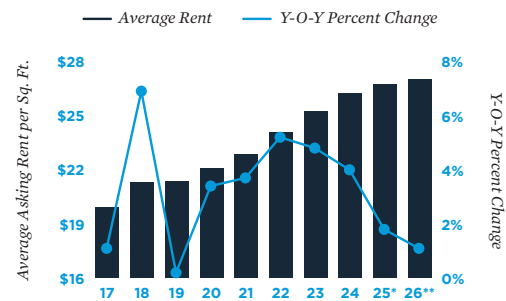
Employment Trends



Supply and Demand



Rent Trends



* Estimate ** 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 a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.