

MARKET TRENDS

LAS VEGAS INDUSTRIAL

Despite rising vacancy and decreasing demand, the market remains resilient and poised for future growth.

New big-box developments are helping to transform Southern Nevada into a regionally competitive logistics hub, particularly for e-commerce and distribution companies. Demand is expected to continue growing in the near term as occupiers relocate or expand from adjacent states like California to capitalize on Nevada's tax benefits and lower operating costs.

Construction deliveries totaled 1.8M SF during Q4 2024, bringing the year-end total to more than 14.2M SF, eclipsing its previous high in 2023 by approximately 56%. In total, the amount of new product added to the market is more than double the market's most recent five-year average of 7M SF. As expected with the high volume of activity, both new construction starts and under-construction levels have decelerated, with 8.1M SF currently under construction.

Key industries expected to drive future growth include advanced manufacturing, lithium-ion battery production, clean technologies, and logistics. These sectors are attracting businesses looking to establish long-term operations and support substantial growth through 2030. The goal is to help diversify the economy through these sectors and align with the region's industrial development trends.

After historic lows just two years ago, vacancy rates are currently rising, largely due to the influx of new deliveries. Market-wide, the vacancy rate increased from a low of 1.2% in mid-2022 to 3.3% at the end of 2023 and currently sits at 9.2% after a 140-basis-point increase quarter-over-quarter. Near-term vacancy rates are expected to rise as demand catches up to supply before stabilizing during the second half of 2025.

Total net absorption reached 88,262 SF, bringing the year-end total to nearly 3.2M SF, most of which was leased in newer industrial products. This represents a notable deceleration from 2023, when the year-end total was 6.4M SF. However, this still marks the 43rd straight quarter with positive net absorption activity. Although both net absorption and leasing activity are below last year's levels, both figures remain positive and relatively solid compared to long-term pre-COVID averages.

Market Summary

	4Q24	3Q24	4Q23	YOY Change
Vacancy Rate	9.2%	7.8%	3.2%	350 bps
Asking Lease Rate	\$1.11	\$1.15	\$1.14	430 bps
Average Sales Price/SF	\$222	\$222	\$273	-0.9%
Under Construction	8,140,785	9,610,238	17,572,038	17.4%

	4Q24	2024	2023	YOY Change
Net Absorption	88,262	3,169,024	5,083,443	-39%
Leasing Activity	1,799,225	8,286,465	9,114,166	-43%
New Deliveries	1,795,956	14,210,313	6,659,119	85%

↓ **1.8M SF**
LEASING ACTIVITY

↓ **88K SF**
NET ABSORPTION

↑ **9.2%**
VACANCY RATE

↓ **\$1.11**
ASKING RENT (AVG)

↓ **1.8M SF**
NEW DELIVERIES

Year-Over-Year Trend

Market Highlights

VACANCY RATES increased to 9.2% compared to 7.8% last quarter

ASKING RATES dropped modestly year-over-year to \$1.11 NNN

DELIVERIES totaled 14.2M SF for the year

LEASE RATE & VACANCY

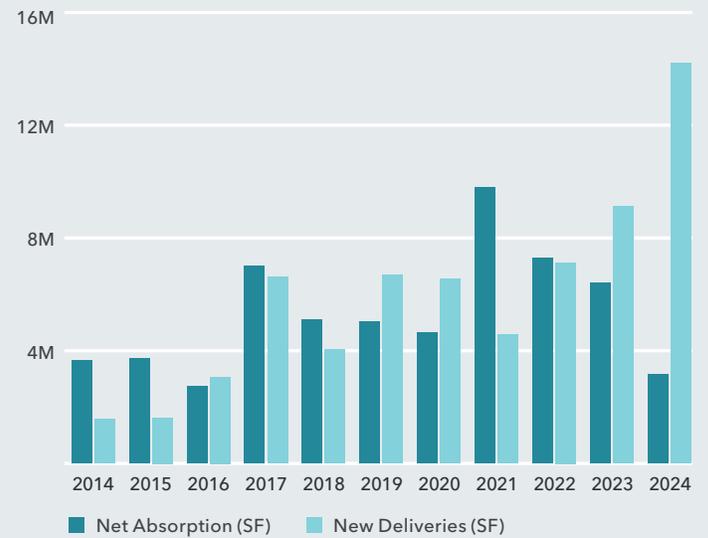


BIGGEST SALE OF THE QUARTER

*IDV Speedway - 349,875 SF
5150 N Sloan Ln, Las Vegas*



NET ABSORPTION & NEW DELIVERIES



AVERAGE SALES PRICE/SF & CAP RATE



SALE VOLUME & LEASING ACTIVITY



SUBMARKET STATISTICS

Submarket	Total Inventory	Total Vacancy Rate	Total Availability Rate	4Q24 Net Absorption	2024 Net Absorption	Avg NNN Rental Rate
Airport/East	13,989,955	4.3%	6.4%	(39,594)	(339,010)	\$1.31
Apex/Northeast	5,543,602	53.8%	57.1%	(200,000)	383,320	\$0.85
Central	7,413,217	2.2%	3.0%	50,898	32,106	\$1.10
Henderson/Southeast	24,530,611	9.6%	12.7%	222,581	1,211,736	\$1.20
North/Northwest	73,705,576	8.5%	11.0%	10,362	1,214,726	\$1.16
Southwest/West	48,821,087	5.8%	8.5%	44,015	666,146	\$1.25
Las Vegas Market Total	174,004,048	9.2%	12.0%	88,262	3,169,024	\$1.11

BIGGEST LEASE OF THE QUARTER

*Logistics Center at Speedway II - 144,090 SF
6050 N Hollywood Blvd, Las Vegas*



SIGNIFICANT SALE TRANSACTIONS 4Q 2024

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
IDV Speedway	North/Northwest	349,875	\$54,250,000	\$155	AEW Capital Management	Link Logistics
5625 N Sloan Ln	North/Northwest	180,235	\$41,800,000	\$232	Invesco Limited	LXP Industrial Trust
1220 Trade Dr	North/Northwest	155,384	\$27,300,000	\$176	GID Investment Advisors, LLC	Blackstone

SIGNIFICANT LEASE TRANSACTIONS 4Q 2024

Property	Submarket	SF	Transaction Date	Tenant
LogisticsCenter at Speedway II	North/Northwest	144,090	December 2024	Ryder Logistics
Desert Willow Logistics Center	North/Northwest	130,421	November 2024	Chivari
Speedway Commerce Center III	North/Northwest	79,441	November 2024	KINGWIRE

SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery Date
Windsor Commerce Park	North/Northwest	1,585,440	1Q 2025
Moonwater West	Apex/Northeast	922,569	1Q 2025
Desert Willow Logistics Center	North/Northwest	722,652	1Q 2025

SIGNIFICANT DELIVERIES 4Q 2024

Property	Submarket	SF	Type
SunPoint Commerce Center	North/Northwest	572,156	Warehouse/Distribution
IDV Speedway	North/Northwest	349,875	Warehouse/Distribution
LogistiCenter at Speedway II	North/Northwest	336,000	Warehouse/Distribution

Data Source: EDD, CoStar



Kidder Mathews is the largest independent commercial real estate firm on the Western US, with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Idaho, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

GARY BARAGONA
 Director of Research
 415.229.8925
 gary.baragona@kidder.com

DAVID NELSON
 Regional President, Brokerage
 Northern California & Nevada
 775.301.1300
 david.nelson@kidder.com
 LIC N° 01716942

COMMERCIAL BROKERAGE	<i>\$10B</i> 3-YEAR AVERAGE TRANSACTION VOLUME	<i>31.7M</i> ANNUAL SALES SF	<i>42.4M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>58M SF</i> MANAGEMENT PORTFOLIO SIZE	<i>850+</i> ASSETS UNDER MANAGEMENT	<i>260+</i> CLIENTS SERVED
VALUATION ADVISORY	<i>2,600+</i> 3-YEAR AVERAGE ASSIGNMENTS	<i>39</i> TOTAL APPRAISERS	<i>29</i> WITH MAI DESIGNATIONS

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.