

FIGURES | LAS VEGAS INDUSTRIAL | Q2 2025

Industrial market posts 50th consecutive quarter of positive net absorption

▲ 9.9%

Vacancy Rate

▲ 929K

SF Net Absorption

▲ 1.6M

SF Construction Delivered

▼ 7.3M

SF Under Construction

▲ \$1.13 NNN

SF/Mo Achieved Lease Rate

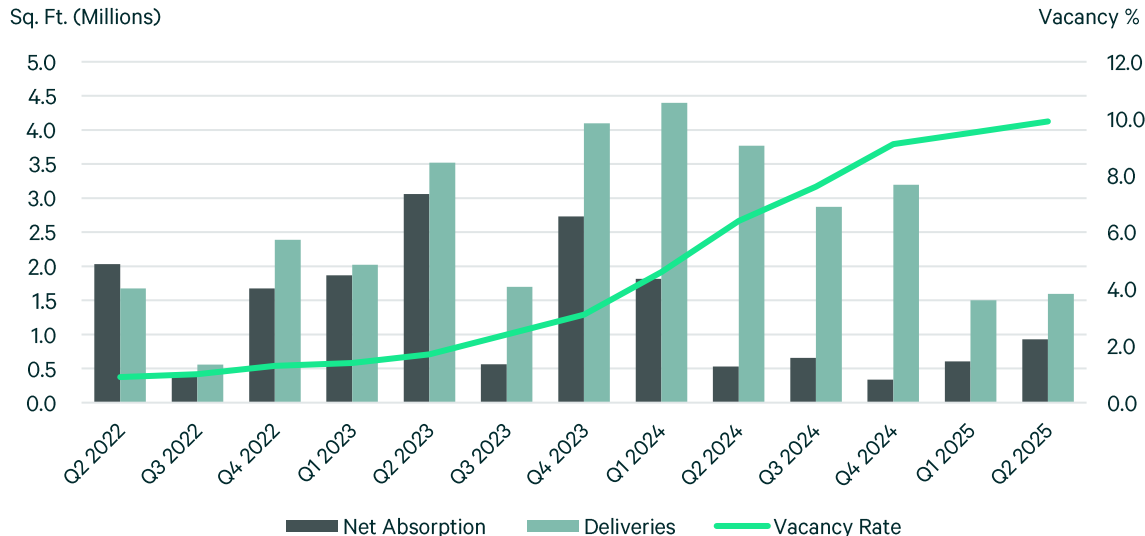
Note: Arrows indicate change from previous quarter.

SUMMARY

In Q2 2025, the Las Vegas industrial market achieved a major milestone—its 50th consecutive quarter of positive net absorption—demonstrating the region’s enduring strength and steady tenant demand. Nearly 930,000 sq. ft. was absorbed during the quarter, bringing year-to-date net absorption to approximately 1.5 million sq. ft. This ongoing trend reflects continued tenant confidence and highlights the market’s strong ability to accommodate new supply.

Overall vacancy increased by 40 basis points (bps) from the previous quarter to 9.9%, edging closer to the 10.0% threshold—a level not seen since Q4 2013, when it reached 10.2%. This upward shift was largely anticipated, driven by the continued influx of newly delivered space. The volume of new inventory has outpaced absorption, contributing to a temporary surplus of available space. However, construction activity has slowed considerably, with the volume of product under development down 65.0% year-over-year, highlighting a notable deceleration in new project starts.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

Vacancy

The overall vacancy rate rose by 40 bps quarter-over-quarter to reach 9.9%. This uptick was primarily driven by a fresh wave of newly delivered construction, rather than tenant move-outs. On a year-over-year basis, the vacancy rate climbed by 350 bps, reflecting the cumulative impact of sustained new supply entering the market.

A significant portion—approximately 70%—of the market’s vacant space was found in properties delivered between 2023 and 2025, illustrating the impact of recent speculative development. Over half of that development was concentrated in the North Las Vegas and Apex submarkets.

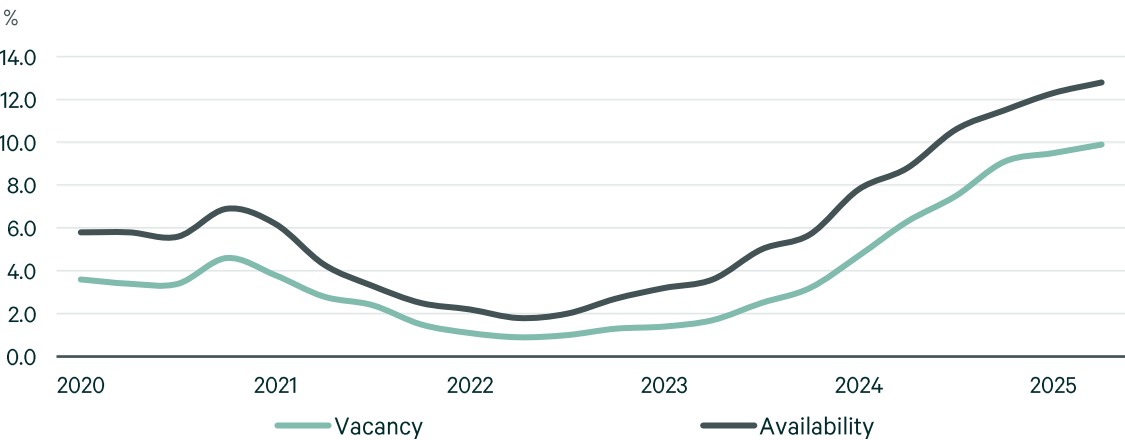
Both the Airport and Southwest submarkets continued to exhibit resilience and consistency in Q2 2025, each reporting a notably low vacancy rates of 4.0% and 4.3%, respectively. In contrast, the North Las Vegas submarket recorded a significantly higher vacancy rate of 11.3% during the same period. This pronounced disparity highlights the varying degrees of exposure to new inventory among submarkets. The Airport and Southwest submarkets have remained relatively insulated from the influx of new developments that have impacted other parts of the market.

Net Absorption

As noted, the Las Vegas Industrial market experienced its 50th quarter of positive net absorption in Q2 2025. The 930,000 sq. ft. of positive net absorption posted this quarter—a 53.9% increase over Q1 2025—represents the highest single-quarter total since Q1 2024, signaling a potential rebound in market activity. Year-to-date, net absorption has surpassed 1.5 million sq. ft., further reinforcing a favorable for the market.

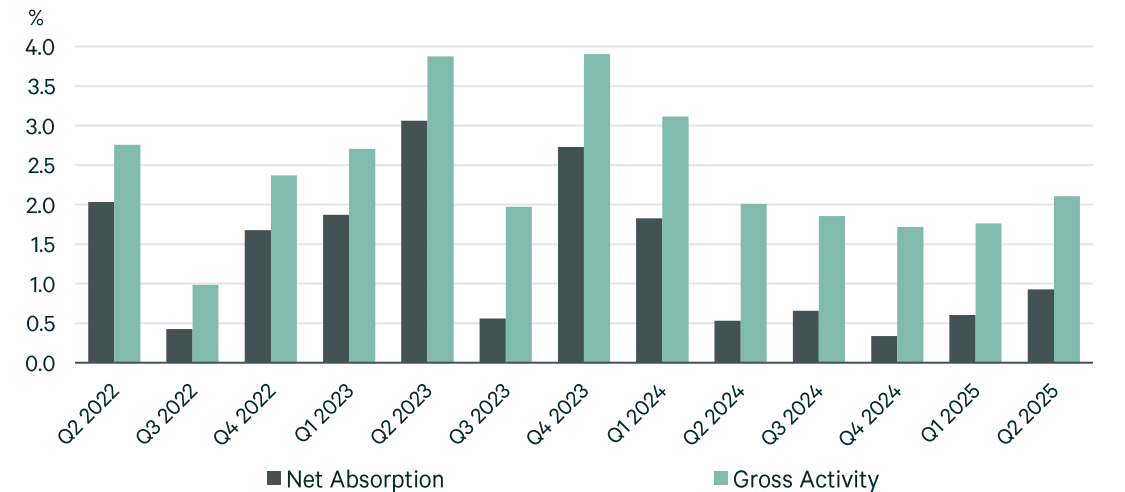
Net absorption was highest in the North Las Vegas submarket, accounting for just over 50.0% of the market’s total. The Southwest submarket followed, contributing roughly one-third of the total net absorption. Notably, the Southwest recorded the largest single-building absorption event of the quarter with the completion and full lease-up of the Prologis Desert Inn Distribution Center—a significant milestone that reinforces the ongoing demand for high-quality, move-in-ready industrial product.

FIGURE 2: Historical Vacancy and Availability



Source: CBRE Research, Q2 2025

FIGURE 3: Net Absorption and Gross Activity



Source: CBRE Research, Q2 2025

Construction

1.6 million sq. ft. of new space was delivered in Q2 2025, bringing total deliveries for the year to 3.1 million sq. ft. Nearly 75% of this new inventory for Q2 2025—approximately 1.2 million sq. ft.—was concentrated in the North Las Vegas submarket, demonstrating its role as a primary hub for large-scale industrial expansion. The remaining 25%—roughly 400,000 sq. ft. of light distribution and flex/incubator space—was added in the Southwest submarket.

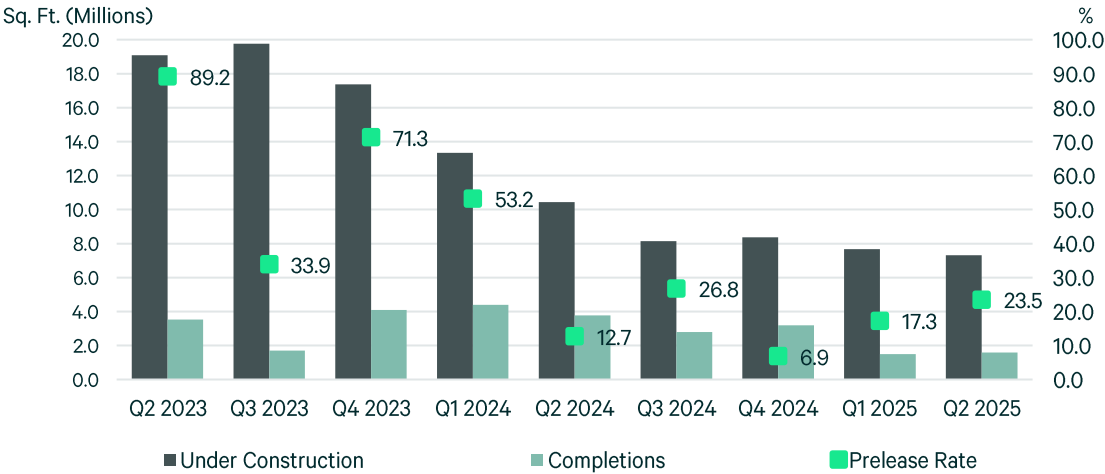
As developers and planners continue to focus on leasing up the substantial inventory of existing vacant space, new construction activity has slowed considerably; only one new project broke ground in Q2 2025 – the 91,954-sq.-ft. Springs West Distribution Center in the Southwest submarket. Given that the construction pipeline currently stands at 7.3 million sq. ft., this lack in new projects is a clear reflection of market caution, as the elevated vacancy rates and slow leasing velocity have made it increasingly difficult to justify new construction starts.

FIGURE 4: Significant Developments Under Construction

Property Name	Property Size (SF)	Developer	Submarket
Peak Distribution Center 1-2	793,614	DHL	Apex
Prologis Speedway North Distribution Center 1-2	669,975	Prologis	North Las Vegas
Phelan Commerce Center A-F	525,548	Phelan Development	Southwest
Warm Springs Commerce Center A-F	504,768	Overton Moore Properties	Henderson

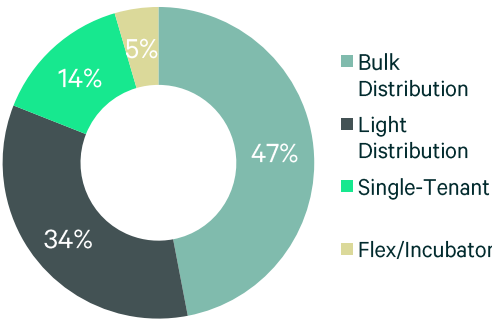
Source: CBRE Research, Q2 2025

FIGURE 5: Construction Completions by Quarter and Prelease Rate



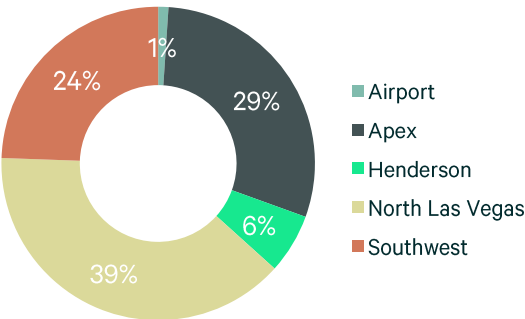
Source: CBRE Research, Q2 2025

FIGURE 6: YTD Deliveries by Product Type



Source: CBRE Research, Q2 2025

FIGURE 7: YTD Deliveries by Submarket



Source: CBRE Research, Q2 2025

Leasing Activity

While tenant interest remained healthy, the pace of deal-making continued move slowly. Many The lag between interest and execution contributed to the persistence of elevated vacancy levels, especially in areas with significant new supply.

In line with trends observed in last quarter, leasing activity in Q2 2025 were dominated by smaller-scale industrial spaces, particularly within the flex/incubator and midbay property categories. Geographically, the Southwest submarket maintained its position as the most active leasing area, accounting for approximately 40.0% of all new lease agreements signed during the quarter. The North Las Vegas submarket followed, capturing nearly one-third of new leasing activity.

Demand for larger distribution and warehouse spaces—those exceeding 100,000 sq. ft.—continued this quarter, albeit on a smaller scale. These transactions, both new commitments and renewals, highlight sustained interest from major occupiers despite market conditions.

Sales Activity

Total sales volume in Q2 2025 reached \$366.4 million, remaining relatively flat compared to the previous quarter but marking a 46.4% increase year-over-year. A major contributor to this growth was the \$175.0 million acquisition of the Las Vegas Logistics Center in the North Las Vegas submarket by NorthPointe Development. The three-property portfolio, totaling 1.0 million sq. ft., was fully leased at the time of sale and accounted for nearly half of the quarter’s total sales volume. Additionally, the 143,763-sq.-ft. WesTech Business Center in the Southwest submarket sold for \$35.3 million.

Industrial sales activity for the balance 2025 is expected to remain relatively stable. Despite the elevated vacancy, the market is showing signs of stabilization, with net absorption remaining positive. Demand remained strong, particularly for newer, high-quality industrial properties. While sales volumes may not reach the highs of previous years, the market is poised for a period of recalibration, with moderate sales activity supported by long-term growth prospects and a diversifying industrial base.

FIGURE 8: Q2 2025 Notable Lease Transactions

Tenant Name	Lease Size (SF)	Property Name	Transaction Type	Submarket
Alo, LLC	198,720	Windsor Commerce Park	Sublease	North Las Vegas
Columbus Vegetable Oils	128,990	Golden Triangle Industrial Park	New Lease	North Las Vegas
Las Vegas Metro PD	85,210	Cheyenne & Lamb	New Lease	North Las Vegas
The Chefs' Warehouse	50,455	Arroyo Beltway Commercenter	New Lease	Southwest

Source: CBRE Research, Q2 2025

FIGURE 9: Q2 2025 Notable Sale Transactions

Building Name	Address	Submarket	Sale Size (SF)	Sale Price (\$)	Cap Rate (%)
Las Vegas Logistics Center	1837-3717 Bay Lake Trl 3200 E Gowan Rd	North Las Vegas	1,046,211	\$175.0M	5.86
WesTech Business Center	5075-5175 Diablo Dr	Southwest	143,763	\$35.3M	5.22
Strongbox Myers Industrial Center	7180 Myers St	Southwest	83,280	\$24.1M	N/A
Southwest Vegas Innovation Center	3300-3515 Bircher Dr	Southwest	147,100	\$22.5M	N/A

Source: CBRE Research, Q2 2025

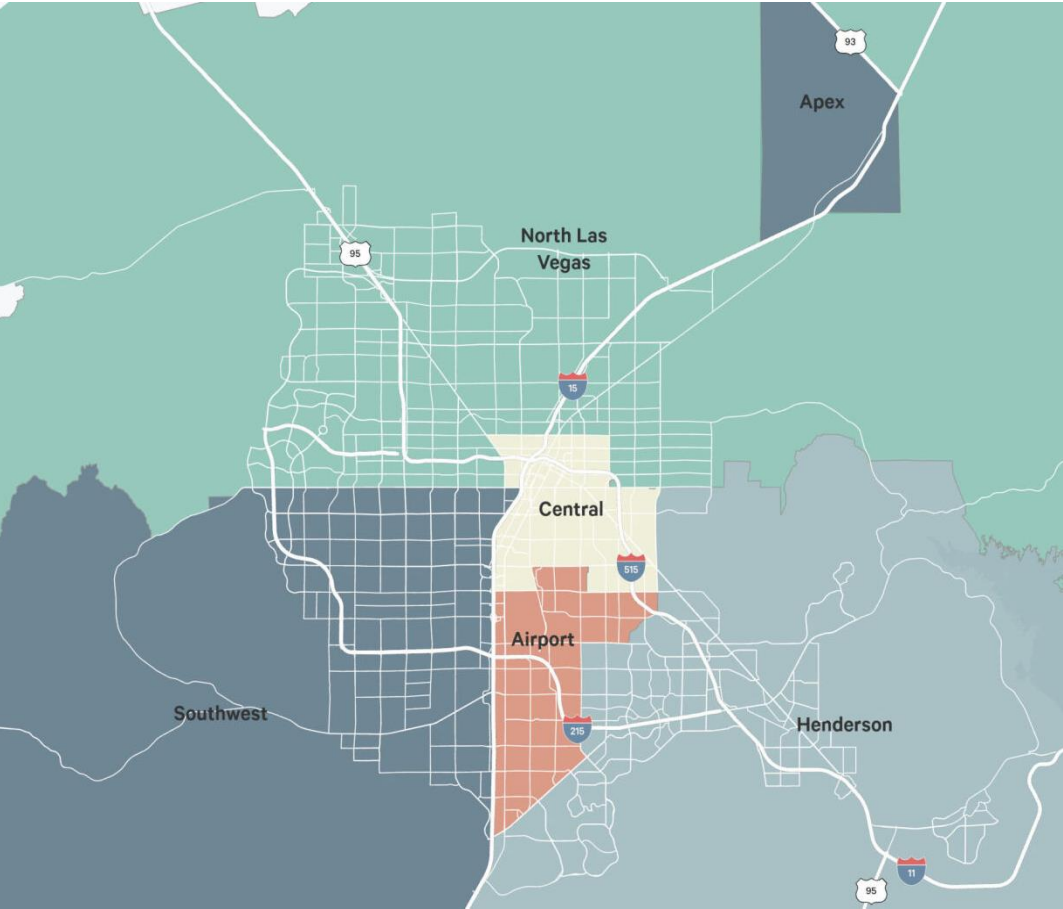
Market Statistics by Submarket

	Net Rentable Area (SF)	Vacancy Rate (%)	Availability Rate (%)	Sublease Availability (SF)	Avg. Direct Achieved Rate (\$/SF/Mo NNN)	QTD Direct Net Absorption (SF)	YTD Direct Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	14,816,520	4.0	9.0	298,229	1.34	43,401	(2,829)	-	-
Apex	6,420,655	59.2	62.4	200,000	-	-	-	-	793,614
Central	8,174,828	1.6	3.9	40,855	0.97	(8,257)	81,700	-	-
Henderson	24,425,424	10.0	12.3	309,096	1.24	112,648	80,881	-	3,780,526
North Las Vegas	77,944,153	11.3	14.3	813,746	0.97	503,688	848,620	1,217,027	1,354,924
Southwest	48,664,962	4.3	6.6	397,743	1.29	277,493	494,584	378,376	1,384,504
Total	180,446,542	9.9	12.7	2,059,669	1.13	928,973	1,502,956	1,595,403	7,313,568

Market Statistics by Property Type

	Net Rentable Area (SF)	Vacancy Rate (%)	Availability Rate (%)	Sublease Availability (SF)	Avg. Direct Achieved Rate (\$/SF/Mo NNN)	QTD Direct Net Absorption (SF)	YTD Direct Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Bulk Distribution	43,651,641	21.6	22.7	508,015	0.91	-	82,075	548,225	2,022,421
Flex/Incubator	22,583,993	4.6	6.4	125,172	1.39	(124,078)	65,221	108,794	154,000
Light Distribution	40,759,730	11.9	16.0	748,111	1.16	704,554	1,133,646	709,468	767,319
Midbay	25,922,346	5.3	9.6	319,378	1.09	107,354	(23,209)	-	1,306,390
Special Purpose	13,228,723	0.6	5.1	47,989	1.21	(24,104)	(35,284)	-	2,746,203
Single-Tenant	34,300,109	3.1	5.7	311,004	1.27	265,247	280,507	228,916	317,235
Total	180,446,542	9.9	12.7	2,059,669	1.13	928,973	1,502,956	1,595,403	7,313,568

Market Area Overview



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Survey Criteria

The Las Vegas industrial dataset Includes all industrial and flex buildings in the Las Vegas metro area, excluding data centers. Buildings that have begun construction are evidenced by site excavation or foundation work.

Recent adjustments and property reclassification efforts in our database may have resulted in changes to historical report numbers. We continuously update our data to reflect these changes. Please refer to the most recent publications for the most up-to-date market information.

Methodology

Positive absorption is based on the date the lease is signed. Average achieved lease rates are calculated using weighted average based on the square foot of the executed lease. Average asking lease rates are calculated using weighted average of asking lease rates for existing product with availability. Sublease availability is considered occupied. Lease activity is the sum of the square footage of leases signed during a designated time period.

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