



# Las Vegas industrial market report

Q1 2022

**AVISON  
YOUNG**

# Industrial market trends

## 01

### Industrial hiring drives labor market recovery

The unemployment rate in Las Vegas declined to 5.0% as of March 2022, a notable improvement relative to the 10.3% rate a year prior. Industrial specific employment reached 190,700 workers in March 2022, 6.1% higher than the pre-pandemic peak from November 2019.

#### Our take on this trend...

The employment gain in industrial specific roles aligns with the increased activity levels in the industrial market in recent years. Expect continued strength in manufacturing and warehouse hiring as industrial tenants look to adequately support their business operations.

## 02

### High demand levels outpace supply

Market fundamentals remained strong through the first quarter of 2022 as the market recorded a seventh consecutive quarter of positive net absorption. Additionally, total vacancy rates declined to just 1.8% in the quarter.

#### Our take on this trend...

The Las Vegas industrial market simply has more demand than the existing market inventory can meet, resulting in rising rental rates and record-low vacancies. Limited land availability for future development is another contributing factor that will result in demand outpacing supply for the foreseeable future.

## 03

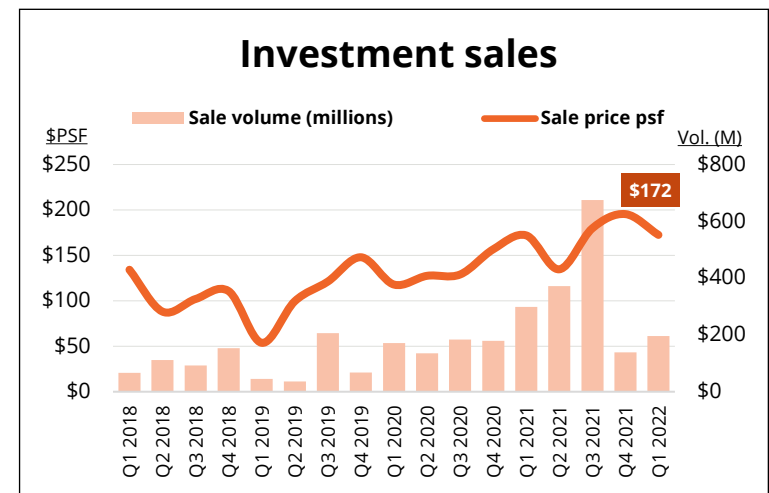
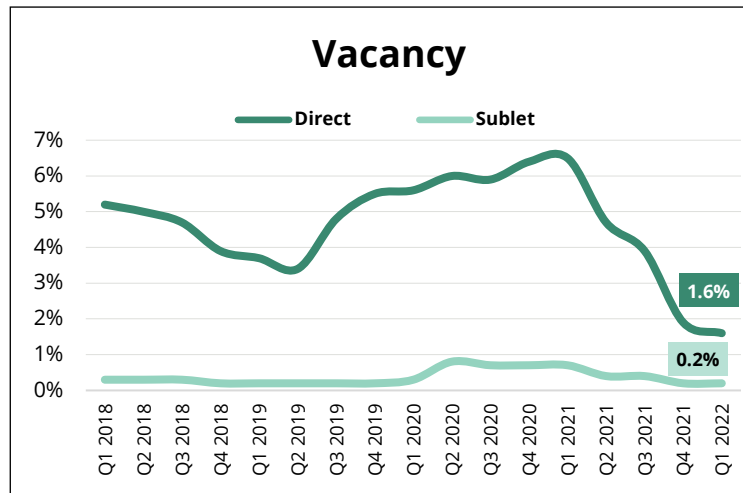
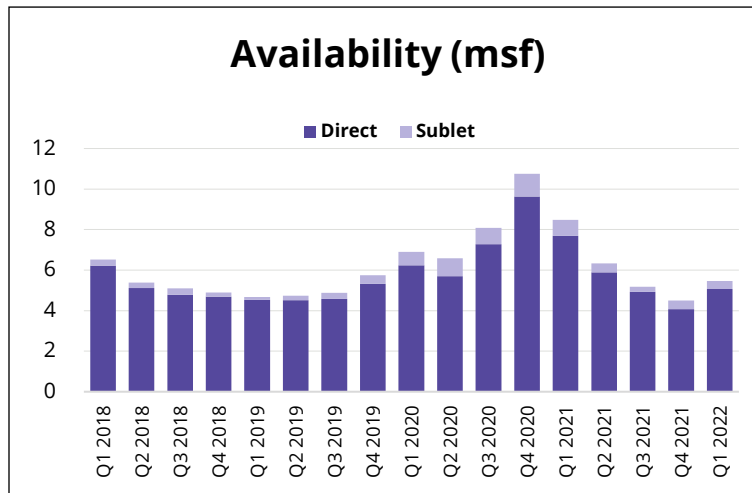
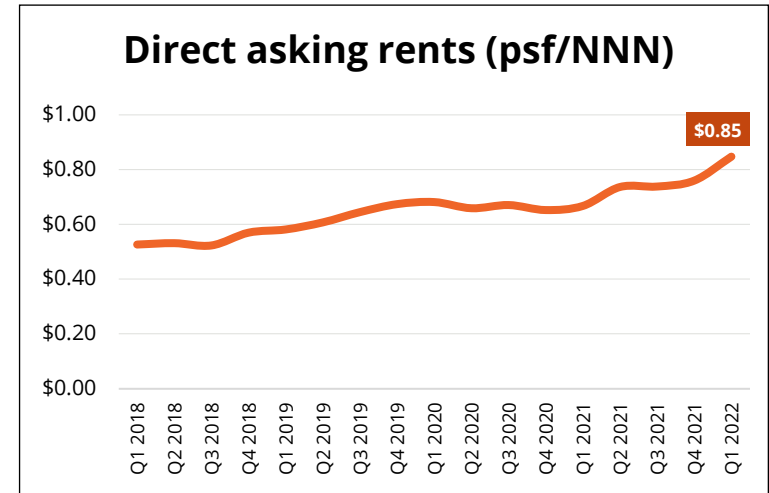
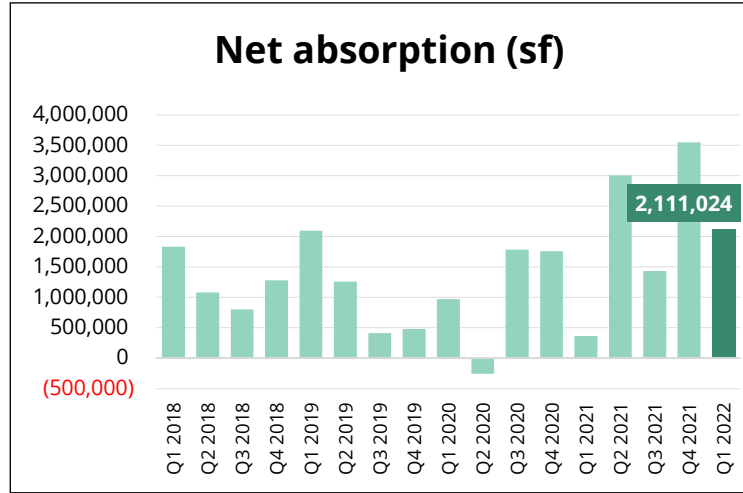
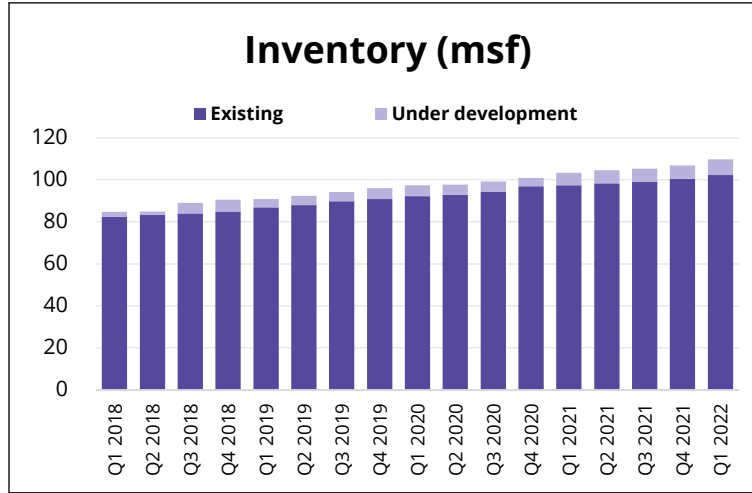
### Record level of construction activity

Industrial tenants should be relieved to know that there is more than 7.5 msf of industrial space under development. This construction space comes from 37 projects largely concentrated in North Las Vegas, Speedway, and Southeast Las Vegas/Henderson.

#### Our take on this trend...

The 7,533,102 sf in ongoing construction activity is more than 1 million sf higher than the amount of space in development at the end of 2021. Many of these projects are scheduled to deliver in the second half of 2022 or early 2023, which should address some of the excess demand for industrial space.

# Industrial market indicators



# Industrial market activity

## Recent leasing activity

Tenant name	Address	City	Sign date	Size	Transaction type	Lease type	Term	Rent (monthly)
Amazon	5801 N Nicco Way	Las Vegas	Feb 2022	341,254	Renewal	Direct	10 years	\$0.58 NNN
Hagen USA	Ann Rd & Beesley Dr	Las Vegas	Feb 2022	201,500	New	Direct	10 years 4 months	\$0.69 NNN
evTerra Recycling	1085 Alper Center Dr	Henderson	Mar 2022	102,960	New	Direct	7 years 2 months	\$0.76 NNN
Lucky Top	5840 Donovan Way	Las Vegas	Mar 2022	95,513	New	Direct	5 years	\$0.96 NNN
Felix Lighting	7465 Dean Martin Dr	Las Vegas	Feb 2022	30,476	New	Direct	5 years 3 months	\$0.96 NNN

## Recent sales activity

Buyer	Address	City	Sale date	Size	Sale price	Sale price psf	Seller
Pauls Corp, Dream Alternatives Trust	5345 - 5445 E Centennial Pkwy	North Las Vegas	Jan 2022	683,436	\$123,888,000	\$181	CapRock Partners
Invesco Real Estate	1635 - 1645 Amigo St	Henderson	Feb 2022	154,435	\$25,000,000	\$162	Brass Cap Development
TA Realty	6620 Escondido St	Las Vegas	Jan 2022	153,120	\$20,200,000	\$132	MAS Investments
MCA Realty	7201 W Post Rd	Las Vegas	Feb 2022	80,677	\$16,900,000	\$209	JMAC Industries
Nicola Wealth Real Estate Acquisitions	249 - 257 Elliott Rd	Henderson	Mar 2022	86,274	\$16,175,000	\$187	Sierra Nevada Property Management

## Large contiguous space availabilities

Owner	Address	City	Date available	Block size	Floors	Lease type	Asking rent	Landlord broker
Dermody Properties	6550 Bruce St	Las Vegas	Vacant	95,600	1	Sublease	\$0.95 NNN	CBRE
Clarion Partners	4980 Statz St	North Las Vegas	June 2022	64,440	1	Direct	-	Colliers
Marvin Schmidt	7485 Commercial Way	Henderson	July 2022	53,204	1	Direct	\$0.94 NNN	MDL Group

# Industrial market stats by submarket & product type

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption	SF Under	Average Asking Rent (NNN)		
			W / D	Flex	1Q22	Construction	Total	W/D	Flex
Airport/E Las Vegas	8,140,434	2.10%	2.20%	1.40%	278	79,200	\$1.00	\$0.95	\$1.06
Central Las Vegas	8,066,476	0.60%	1.90%	0.00%	-10,099	-	\$0.76	\$0.75	\$0.97
N Las Vegas	37,190,478	1.20%	1.20%	5.00%	354,985	2,390,311	\$0.63	\$0.62	\$1.00
NW Las Vegas	301,851	-	-	-	866	-	\$1.18	\$1.00	\$1.20
SE LV/Henderson	13,998,411	4.40%	4.40%	-	96,131	2,016,855	\$0.85	\$0.85	-
SW Las Vegas	19,704,040	1.20%	0.70%	6.20%	281,064	348,992	\$1.23	\$0.86	\$1.52
Speedway	11,184,597	1.20%	1.30%	0.00%	1,328,926	2,033,444	\$0.73	\$0.73	-
W Las Vegas	3,623,328	4.00%	4.10%	4.00%	-36,729	-	\$0.89	\$0.83	\$1.25
Outlying Clark County	68,000	-	-	-	-	664,300	\$0.75	\$0.75	-
<b>Market Total</b>	<b>102,277,615</b>	<b>1.80%</b>	<b>1.80%</b>	<b>1.70%</b>	<b>2,015,422</b>	<b>7,533,102</b>	<b>\$0.85</b>	<b>\$0.80</b>	<b>\$1.34</b>

By Product Type	Inventory (sf)	Vacancy	1Q Absorption	SF Under Construction	Available Sublease	Average Asking Rent (NNN)
Warehouse / Distribution	92,128,405	1.80%	2,105,010	7,533,102	371,672	\$0.80
Flex	10,149,210	1.70%	6,014	-	14,671	\$1.34
<b>Market Total</b>	<b>102,277,615</b>	<b>1.80%</b>	<b>2,111,024</b>	<b>7,533,102</b>	<b>386,343</b>	<b>\$0.85</b>

For more market insights  
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