







## outlook.

The story of high demand and low supply continued within the Las Vegas Industrial real estate market in the second quarter of 2021. Supply chain challenges such as shortages in roofing materials have added pressure on the supply side while the reemergence of trade shows, conventions, and resort corridor-related industries have added to demand. Rental rates have increased in all submarkets, and acquisition demand from end-users and investors

has never been greater. According to CoStar, the year-to-date sales volume of \$1.1 billion has already matched 2020, and is on pace to surpass the previous calendar year sales volume record of \$1.9 billion from 2019. The third quarter will kick off with casino floors lively, conventions and rooms booked solid, plus Allegiant Stadium and T-Mobile Arena operating at full capacity. Vegas Baby!

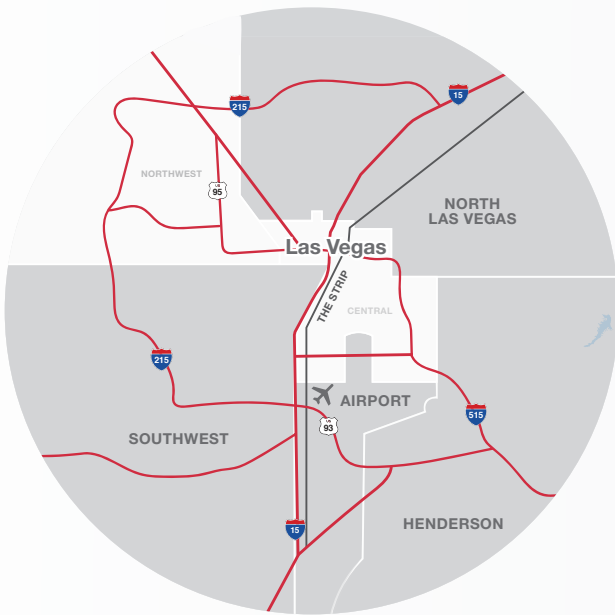
 SUBMARKET	 STANDING INVENTORY	 UNDER CONSTRUCTION	 UNDER CONSTRUCTION AVAILABLE	 UNDER CONSTRUCTION PRE-LEASED	 PLANNED
North	1,510,318	4,070,629	2,059,324	2,011,305	4,843,613
Southwest	125,862	1,527,497	1,145,627	381,870	729,132
Henderson	298,900	1,591,179	1,513,619	77,560	927,693
Airport	0	151,200	151,200	0	70,000
<b>TOTAL</b>	<b>1,935,080</b>	<b>7,340,505</b>	<b>4,869,770</b>	<b>2,470,735</b>	<b>6,570,438</b>

## construction.

The total amount of newly planned industrial square feet in Southern Nevada increased 49% between the first and second quarter of 2021. However, one of the largest newly planned projects, VanTrust's 4.5 million-square-foot development in Apex, isn't expected to deliver its first phase until 2023. It is also the only newly planned industrial development in North Las Vegas, which will make the next 18 months very short on space up north. Planned construction

increased across the rest of the valley by 22%. Several much-needed mid-bay projects surfaced in the central submarkets from developers such as Beedie, Harsch, BrassCap, and Niccola Wealth. Valley-wide, the number of square feet under construction remained consistent quarter over quarter. Supply chain issues are pushing construction timelines making an already dynamic market more unpredictable.

\*Detailed Pipeline Report Available Upon Request



## submarkets.

**North Las Vegas** — Excluding VanTrust’s Apex project, newly planned development increased by only 1%. Projects under construction have robust preleasing activity. For instance, SunCap Property Group’s six-building ±730,000 square-foot project announced in the first quarter, SunPoint West, already has offers on all six buildings during site work. Standing inventory in North Las Vegas decreased by 85% quarter over quarter. The following 18 months will be exceptionally supply constrained in North Las Vegas.

**Southwest & Airport** — Standing inventory decreased by 50% quarter over quarter, and preleasing activity increased by 35%. Several recent mid-bay project announcements increased the total amount of planned projects by 48%. Expect increased leasing activity on all projects as walls are tilted, and Resort corridor-driven businesses seek space as the pandemic slowdown wanes. Demand may be understated in the preleasing numbers as mid-bay users typically won’t commit to smaller units in advance.

**Henderson** — The 1.6 million square feet of industrial product under construction in Henderson is concentrated in the West Henderson submarket. Preleasing activity increased by 64% quarter over quarter as smaller units were delivered, with multiple tenants highly interested in the West Henderson submarket already waiting in the wings. Several projects with buildings and condo units available for sale are getting multiple offers at what could be record-setting prices, potentially elevating West Henderson to the most expensive submarket on the map.

## notable transaction.

“ GDB International trusts the Larkin Group at NAI Vegas with operational real estate direction, having completed several transactions with their representation. Our company is extremely excited about our most recent acquisition of 5420 E El Campo Grande Ave. in North Las Vegas. Eric & Mike found us the off-market purchase opportunity and led us through a unique sales process. ”

– Sanjeev Bagaria, CEO | GBD International



### challenge.

GDB International, A multinational conglomerate of the paint industry that excels in providing sustainable solutions, sought a long-term real estate investment for their west coast operations. With specific functional needs plus attention to real estate investment returns, the combination was tricky.

### action.

GDB had worked with The Larkin Industrial Group in Las Vegas on a previous leasing assignment. NAI proved they had the market knowledge and local broker and landlord relationships to meet the challenge. The company tasked NAI to identify opportunities.

### results.

Through a local relationship with a reputable developer, NAI Vegas identified an off-market opportunity. GDB acquired a 42,556 SF facility in a growth submarket at an attractive price. The building met operational requirements, and the underwriting as a real estate investment exceeded expectations.

**Eric J. Larkin, CCIM, MBA, SIOR**  
LIC#BS.0073906  
702.534.1713  
elarkin@naivegas.com

**Michael Kenny**  
LIC#S.0178188  
702.534.1703  
mkenny@naivegas.com

**Leslie Houston**  
LIC#S.01879121  
702.534.1705  
lhouston@naivegas.com

**Erik Sexton**  
LIC#S.0067183  
702.534.1711  
erik.sexton@naivegas.com

**Bryan Houser**  
LIC#S.0038030  
702.534.1714  
bhouser@naivegas.com