NAI Excel
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

industrial tenant perspective.

LARKIN INDUSTRIAL GROUP

q2 2026 comments.

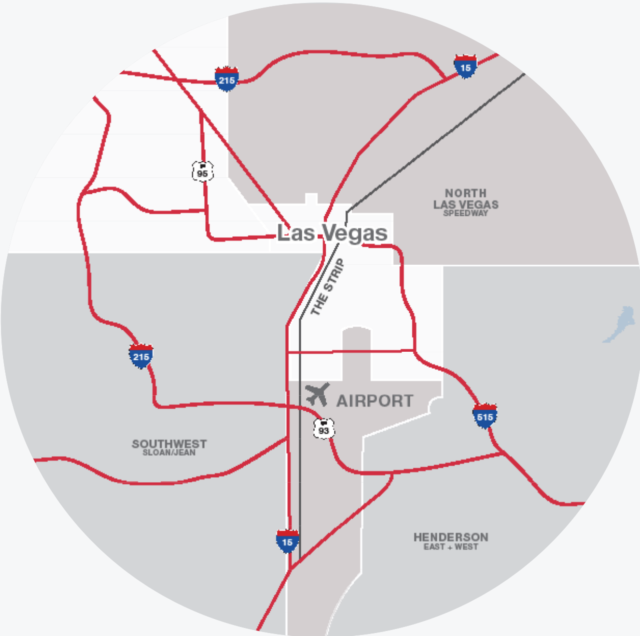
Statistics improved during the second quarter, including a reported 25% quarter-over-quarter reduction in standing inventory. Vacancy declined from 11.5% to 11.2%. This is encouraging, but deals such as PepsiCo's 1,007,536-square-foot lease in Apex can take a significant bite out of vacancy and standing inventory without correcting the underlying market conditions. A transaction of this size does not create additional demand for the smaller and mid-sized spaces where most local requirements exist. Overall, the market remains very slow, with many tenants delaying decisions unless presented with a compelling opportunity. Savvy, well-advised tenants with solid financials and flexibility continue to find excellent opportunities, including free rent, tenant-improvement allowances, reduced rental rates, and more favorable lease terms.

VACANCY RATE 11.2%

SUBMARKET	STANDING INVENTORY	UNDER CONSTRUCTION	UNDER CONSTRUCTION AVAILABLE	UNDER CONSTRUCTION PRE-LEASED	PLANNED
North	5,027,206	380,408	380,408	0	18,443,740
Southwest	1,112,320	33,408	33,408	0	1,933,392
Henderson	1,920,478	1,220,962	1,220,962	0	7,021,020
Airport	69,500	0	0	0	43,299
TOTAL	**8,129,504**	**1,601,370**	**1,601,370**	**0**	**27,441,451**

construction.

The reduction in standing inventory is encouraging, but it must be viewed in context: PepsiCo alone removed more than 1 million square feet from the market. The lease is a major win for Apex and demonstrates that Las Vegas can compete for significant regional users. However, one transaction is not enough to support a broad return to limited concessions, rent growth, or speculative development. Developers will need to see several quarters of broad-based leasing activity, reduced concessions, firmer rental rates, and more favorable capital-market conditions before confidence returns. More than 25 million square feet of industrial property remains planned throughout the Las Vegas Valley, but much of it will stay on paper through the third quarter and likely through the end of 2026.



submarkets.

North Las Vegas

Rental Rates | ±50,000 SF - $0.90-$0.95 | ±150,000 SF - $0.80-$0.90

Sale Comps:

- Jadian IOS buys 1.89-acre M-2 site for $2,800,000 or $36 per acre.
- Blak Development sells newly constructed 3650 W. Cheyenne, NNN-leased 56,500 SF two-tenant investment for 6.35 cap and $301/SF.

Southwest

Rental Rates | ±50,000 SF - $1.15-$1.30 | ±150,000 SF - $1.05-$1.15

Sale Comps:

- EBS Development sells RichTech Robotics, AI related end-user, 9530 S. Rainbow. 79,325 SF building for $267/SF.
- Private parties trade 6406 W. Montessouri St. a 4,587 SF freestanding for $386/SF.

Airport

Rental Rates | ±50,000 SF - $1.15-$1.30 | ±150,000 SF - $1.05-$1.15

Sale Comps:

- Shenmu Holdings 2 LLC sold 26,460 SF Spencer Airport Center building to end-user for $7,155,000 or $270/SF.

Henderson

Rental Rates | ±50,000 SF - $0.95-$1.05 | ±150,000 SF - $0.90 - $1.00

Sale Comps:

- Freeway 515 LLC sold 17,744 SF industrial/warehouse property on 1.07 acres to end-user for $5,250,000, or $296/SF.
- Local Asset Management buys 3-property Raiders Way small-bay 53,90 SF portfolio for $14,500,000 or $269/SF.

just leased | ±77,664 SF

Heavy Operations, Elevated Image.

"We needed more than just a new building. We needed a space that improved our manufacturing layout, supported a better customer experience, and elevated our company image. The Larkin Industrial Group at NAI delivered on all fronts. We now have a new high-image Henderson, NV showroom and manufacturing location that fits both our operations and our brand."

- Lee Bussie, Director of Operations | Mitsubishi Heavy Industries, Ltd

lending update.

COMMCAP ADVISORS

After a volatile second quarter, the Federal Reserve left the federal funds rate unchanged at 3.50%–3.75% at its June meeting, maintaining a cautious, data-dependent approach as inflation remained above the central bank's long-term target. The 10-Year Treasury opened July near 4.49%, reflecting expectations that borrowing costs may remain elevated while policymakers continue to prioritize price stability. Conflict in the Middle East and resulting pressure on energy prices further complicated the inflation outlook, reduced expectations for near-term rate cuts, and contributed to continued volatility in Treasury yields.

Economic conditions remain stable overall, supported by a resilient labor market, steady consumer spending, and continued business investment. In commercial real estate, liquidity remains available, but lenders continue to favor well-leased assets with durable cash flow, moderate leverage, and experienced sponsorship. Refinancing pressure from the significant volume of 2026 maturities also continues to influence underwriting and loan structure. Looking ahead, inflation reports, employment data, consumer demand, energy prices, and geopolitical developments will remain key drivers of monetary policy and long-term interest-rate expectations throughout the second half of 2026.

As yields fluctuate, 'current rates' quickly become obsolete. However, spreads remain applicable and fitting to specific deal characteristics. Though rates are important, having a well-articulated and clearly defined debt plan that aligns with your long-term investment strategy is vital. The experts at CommCap are here to help you navigate the current market, providing access to multiple lending sources, early rate locks, cash-out refinancing, and more.

Andy Crawford, CCIM, SR. VP
acrawford@commcap.com
702.792.7552 / CommCap.com

LARKIN INDUSTRIAL GROUP

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

Michael Kenny, SIOR
LIC#S.0178188
702.534.1703
mkenny@naiexcel.com

Leslie Houston, SIOR
LIC#S.01879121
702.534.1705
lhouston@naiexcel.com

Seth Wright
LIC#S.0202229
949.531.8369
swright@naiexcel.com