Tenant activity continued as occupancy levels softened

▲ 11.6%
Vacancy Rate

▼ (84,000)
SF Net Absorption

▶ 0
SF Construction Delivered

▶ 0
SF Under Construction

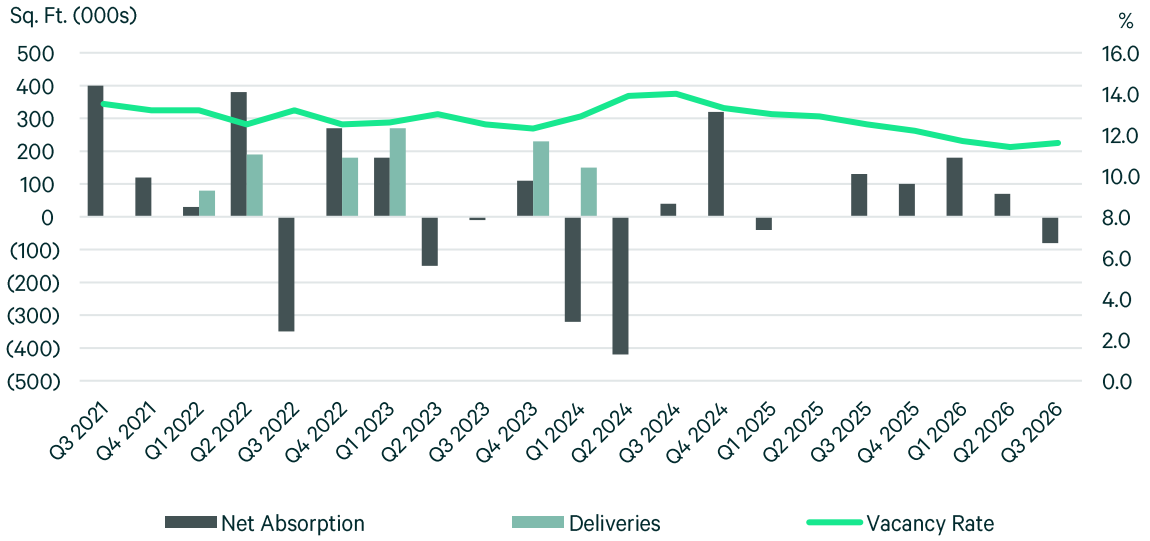
▲ $2.59
FSG/MTH Direct Lease Rate

Market Overview

The Las Vegas office market remained relatively stable in Q3 2026 as limited new supply and steady tenant demand helped support balanced conditions. Overall vacancy increased modestly to 11.6%, while net absorption totaled negative 84,000 sq. ft. following positive occupancy gains earlier in the year. Despite the quarterly setback, vacancy remained below the level recorded one year ago, reflecting the gradual improvement achieved since conditions softened in 2024. With no projects under construction and no deliveries completed, supply-side pressures remained minimal and continued to support market stability.

Leasing activity totaled approximately 281,000 sq. ft. during the quarter, demonstrating that tenant demand remained active despite ongoing caution around long-term space commitments. Tenant preferences remained focused on well-located, high-quality properties, particularly those offering updated amenities and move-in-ready suites. While market activity has become more measured than during previous expansion periods, the combination of limited development, stable pricing, and ongoing leasing activity helped maintain relatively balanced market conditions heading into year-end. Overall, the market continues to benefit from a favorable supply backdrop, allowing landlords and tenants to operate within a more predictable environment than was seen during earlier periods of volatility.

Figure 1: Historical Net Absorption (SF), Deliveries (SF), and Vacancy (%)



Source: CBRE Research, Q3 2026

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Vacancy

Overall vacancy increased 20 basis points quarter-over-quarter to 11.6% in Q3 2026, though it remained below the 12.5% recorded one year earlier. While vacancy continued to sit above historical norms, market conditions remained relatively stable over the past year as the office sector adjusted to evolving workplace strategies and space utilization trends. The absence of new development also helped limit additional supply-side pressure, allowing the market to gradually work through available inventory despite periodic occupancy fluctuations.

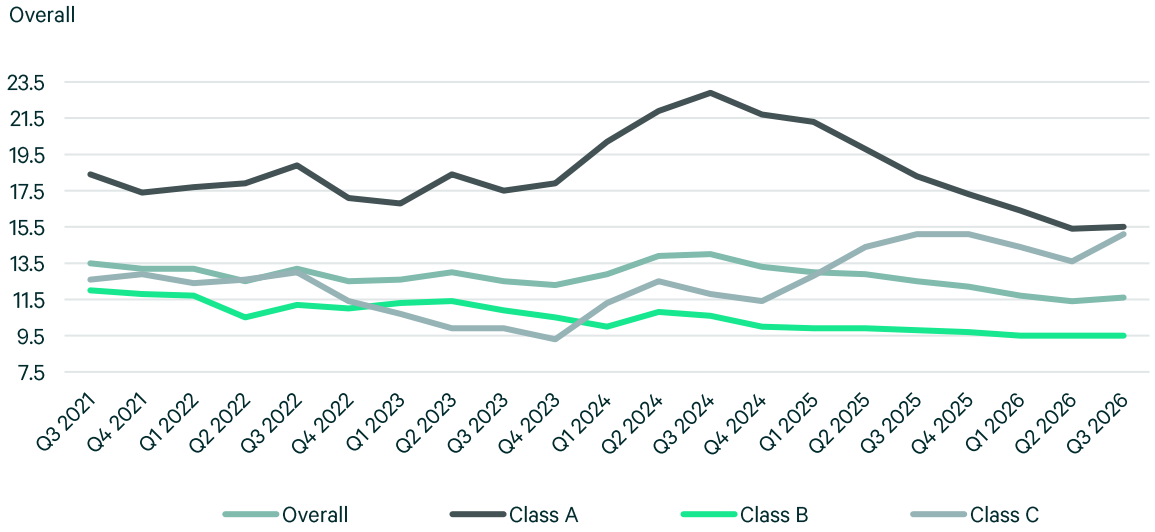
Vacancy conditions varied across property classes and submarkets, reflecting differences in tenant demand and the distribution of available space. Class B vacancy remained the lowest at 9.5%, while Class A vacancy measured 15.5%, highlighting the continued availability of larger blocks of space within higher-quality inventory. Ongoing sizable availabilities within the Central East and Central West submarkets, including those at 101 Convention Center Dr and West Sahara Financial Center, continued to contribute to elevated vacancy levels during the quarter. At the same time, flight-to-quality trends remained evident, as many occupiers favored modern, amenity-rich environments when making leasing decisions. As a result, vacancy performance continued to vary across the market, with strong demand for select properties offset by larger pockets of available space elsewhere.

Asking Rent

Average asking rents remained generally stable in Q3 2026, increasing modestly to $2.59 per sq. ft. per month FSG. Pricing has largely plateaued following several years of growth, as elevated vacancy and tenant choice have reduced landlords' ability to aggressively push rates higher. Even so, asking rents have remained resilient, supported in part by the limited addition of new supply and continued tenant demand for quality office space. The stability in asking rates suggests the market has largely transitioned from a period of rapid rent growth to one characterized by incremental movement and greater pricing discipline.

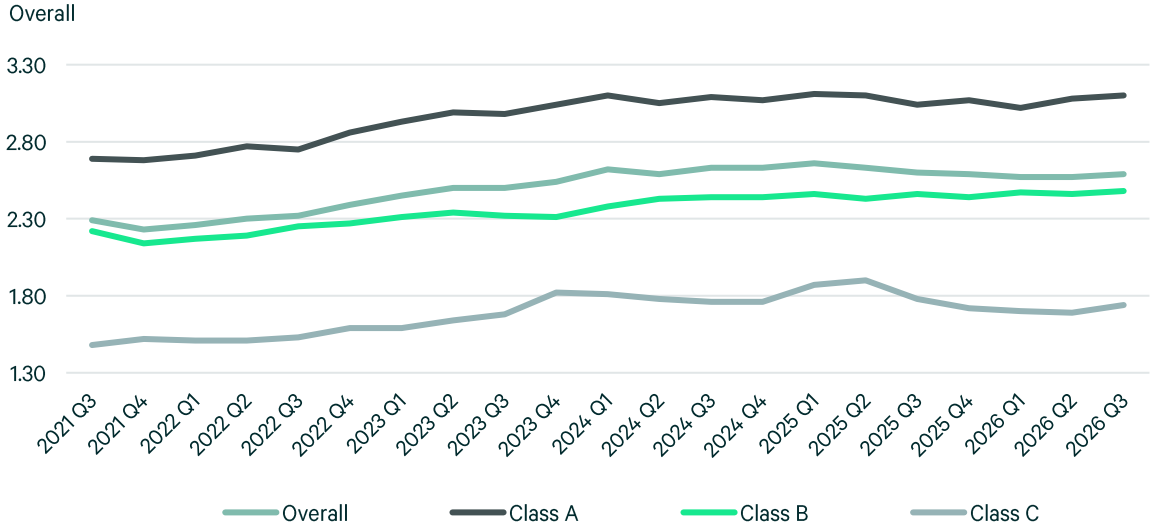
While quoted rents remained relatively steady, competitive leasing conditions continued to influence deal structures across the market. Many landlords remained focused on occupancy and lease execution, frequently utilizing concessions and tenant improvement packages to attract and retain users. As a result, effective rents in some cases faced more pressure than published asking rates would suggest. This was particularly true in buildings competing for a limited pool of active tenants, where owners often prioritized long-term occupancy over near-term rental growth. Consequently, negotiations remained highly competitive even as rental rates showed little movement.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

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Net Absorption

The office market recorded approximately 84,000 sq. ft. of negative net absorption in Q3 2026, representing a modest occupancy decline following positive gains earlier in the year. Despite the quarterly setback, year-to-date absorption remained positive at approximately 166,000 sq. ft., indicating that market conditions continued to compare favorably with much of 2024. Rather than signaling a broad decline in demand, the quarter's results reflected a market where tenant demand remained active but uneven across submarkets and property types.

Occupancy trends varied across the valley, with gains in some submarkets offset by move-outs and consolidations in others. In the Southwest submarket, a full-building lease totaling approximately 34,000 sq. ft., along with Thrive Aviation's 11,000 sq. ft. lease, supported quarterly absorption, while Scorpion Internet Marketing's 13,000 sq. ft. lease contributed to occupancy gains in the Southeast submarket. However, a 26,000 sq. ft. move-out in the Southwest partially offset those gains, illustrating the mixed performance that characterized market activity during the quarter. Tenant demand remained present but measured, as many occupiers continued to prioritize efficiency and carefully evaluate long-term space needs. While leasing activity remained sufficient to support generally stable fundamentals, the prevalence of smaller requirements and limited expansion activity tempered overall occupancy growth.

Construction Activity

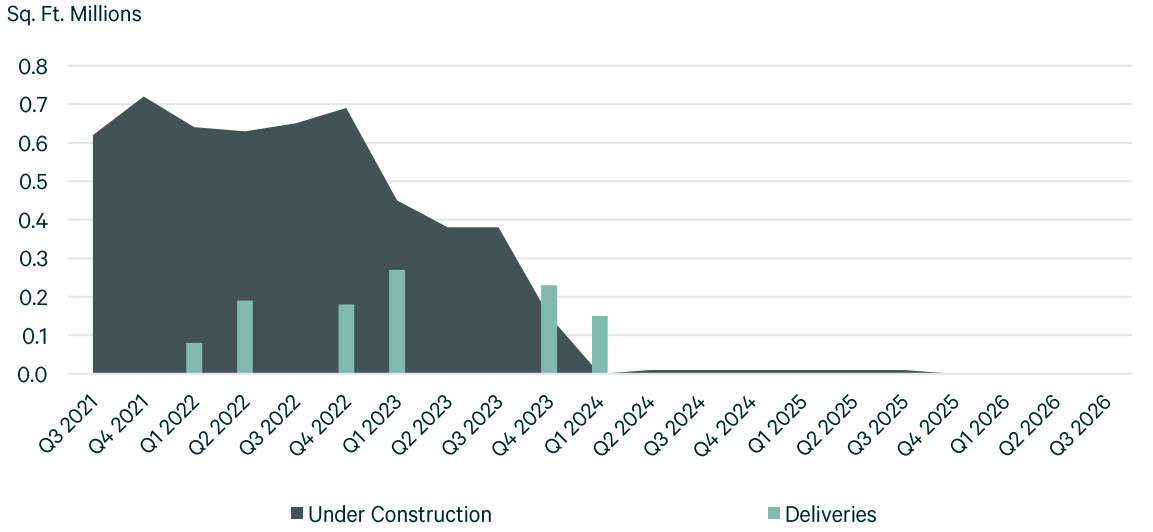
Office development activity remained limited during Q3 2026, as rising construction costs, financing challenges, and evolving workplace utilization trends continued to temper speculative development throughout the valley. As a result, the pipeline remained constrained, and existing inventory continued to accommodate the majority of tenant demand. With little pressure from new supply, market performance continued to be driven primarily by changes in occupancy, leasing activity, and the absorption of available space.

The limited development pipeline also reflected the amount of space available within the market's existing inventory. With overall vacancy at 11.6%, occupiers generally had ample options to satisfy their requirements, particularly in higher-cost submarkets where existing buildings often offered a more cost-effective alternative to new construction. Consequently, developers remained cautious as the market worked through available inventory and vacancy levels gradually stabilized. Until vacancy tightens more meaningfully, development activity is likely to remain limited.

Figure 4: Net Absorption Trend

Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



Source: CBRE Research, Q3 2026

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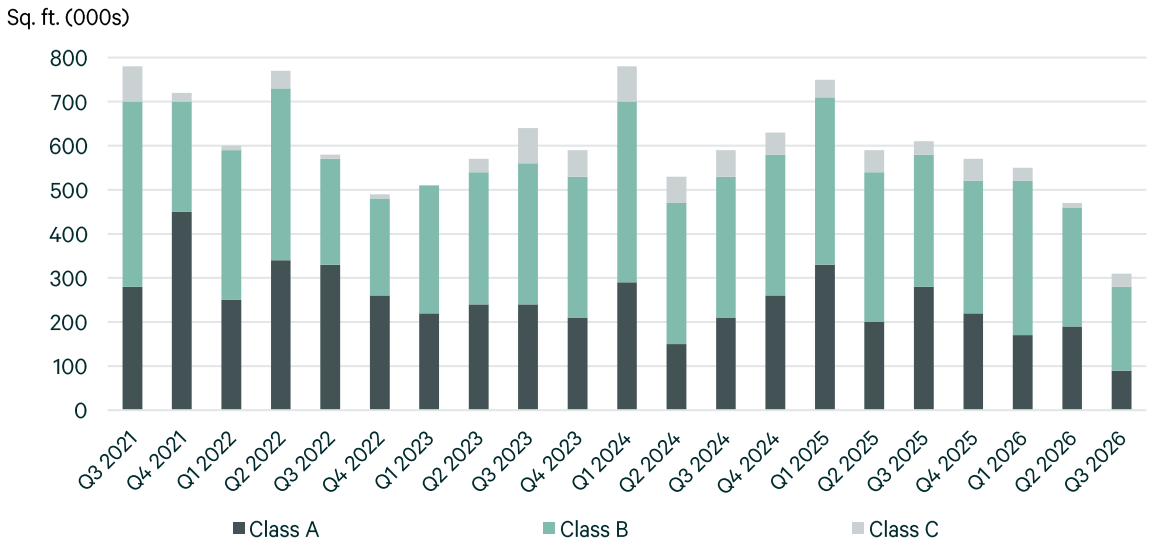
Leasing Activity

Occupier demand remained steady during the quarter, although most leasing activity was concentrated among smaller space requirements, with only a select number of leases exceeding 10,000 sq. ft. Renewals, relocations, and modest footprint adjustments drove much of the activity, while major expansion commitments remained limited. Tenants continued to prioritize building quality, location, flexibility, and overall occupancy costs when evaluating options, supporting ongoing movement within the market despite a slower pace of larger transactions.

This selective approach was reflected in the composition of leasing activity, as Class B properties accounted for approximately 69% of quarterly volume, demonstrating continued demand for cost-conscious space solutions. At the same time, flight-to-quality remained evident among tenants seeking upgraded environments, particularly when concession packages helped narrow the cost difference between property types. The combination of value-oriented leasing and targeted relocations supported a relatively active market, even as many occupiers maintained a cautious approach to long-term space decisions. Although overall volume moderated relative to earlier periods, tenant engagement remained steady as firms continued to refine workplace strategies and evaluate future space needs.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 7: Leasing by Submarket (% of Total Activity)

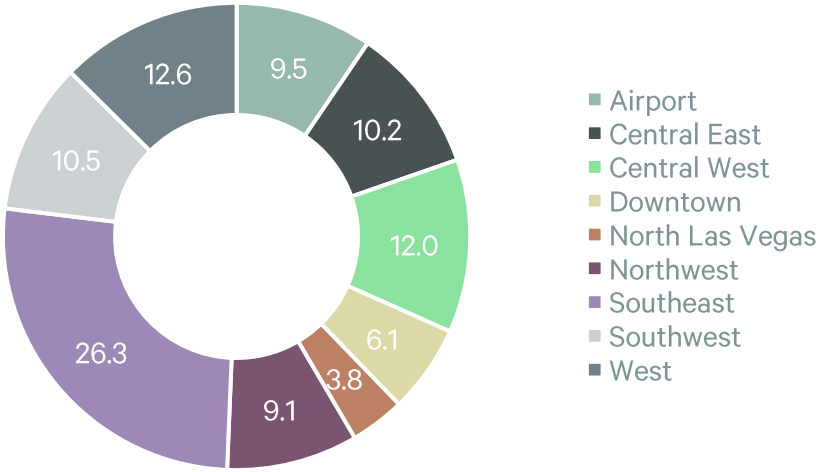


Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
The Crossing Highlands	28,000	New Lease	140 N Stephanie St	Southeast
Scorpion Internet Marketing	13,000	New Lease	2285 Corporate Cir	Southeast
Thrive Aviation	11,000	New Lease	6543 S Las Vegas Blvd	Southwest
Proud Moments	8,000	New Lease	375 N Stephanie St	Southeast
Pisanelli Bice	8,000	New Lease	300 S 4th St	Downtown

Source: CBRE Research, Q3 2026

CBRE Research

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Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Class A Asking Rent ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	3,200,000	8.3	8.8	8.7	0.1	2.58	3.43	(24,000)	-	-	-
Central East	5,400,000	28.2	28.5	27.8	0.8	2.44	3.01	10,000	48,000	-	-
Central West	4,900,000	12.8	13.5	13.3	0.2	2.24	-	(40,000)	(20,000)	-	-
Downtown	2,100,000	13.2	17.2	13.3	3.9	2.26	2.39	13,000	68,000	-	-
North Las Vegas	1,200,000	7.9	8.8	8.8	-	2.25	-	2,000	1,000	-	-
Northwest	2,300,000	15.7	16.5	16.2	0.4	2.63	3.21	13,000	(24,000)	-	-
Southeast	7,000,000	9.6	11.1	10.8	0.2	2.70	3.01	14,000	60,000	-	-
Southwest	5,800,000	4.7	6.2	6.0	0.2	3.13	3.40	(42,000)	27,000	-	-
West	7,700,000	6.5	9.2	7.7	1.5	3.03	3.56	(29,000)	7,000	-	-
Total	**40,000,000**	**11.6**	**13.1**	**12.4**	**0.7**	**2.59**	**3.10**	**(84,000)**	**166,000**	**-**	**-**

Source: CBRE Research, Q3 2026

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Market Statistics by Class

Figure 10

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	9,700,000	15.5	17.4	16.3	1.1	3.10	2,000	215,000	-	-
Class B	25,300,000	9.5	11.0	10.3	0.7	2.48	(21,000)	(51,000)	-	-
Class C	4,500,000	15.1	15.2	15.2	-	1.74	(65,000)	3,000	-	-
Total	**40,000,000**	**11.6**	**13.1**	**12.4**	**0.7**	**2.59**	**(84,000)**	**166,000**	**-**	**-**

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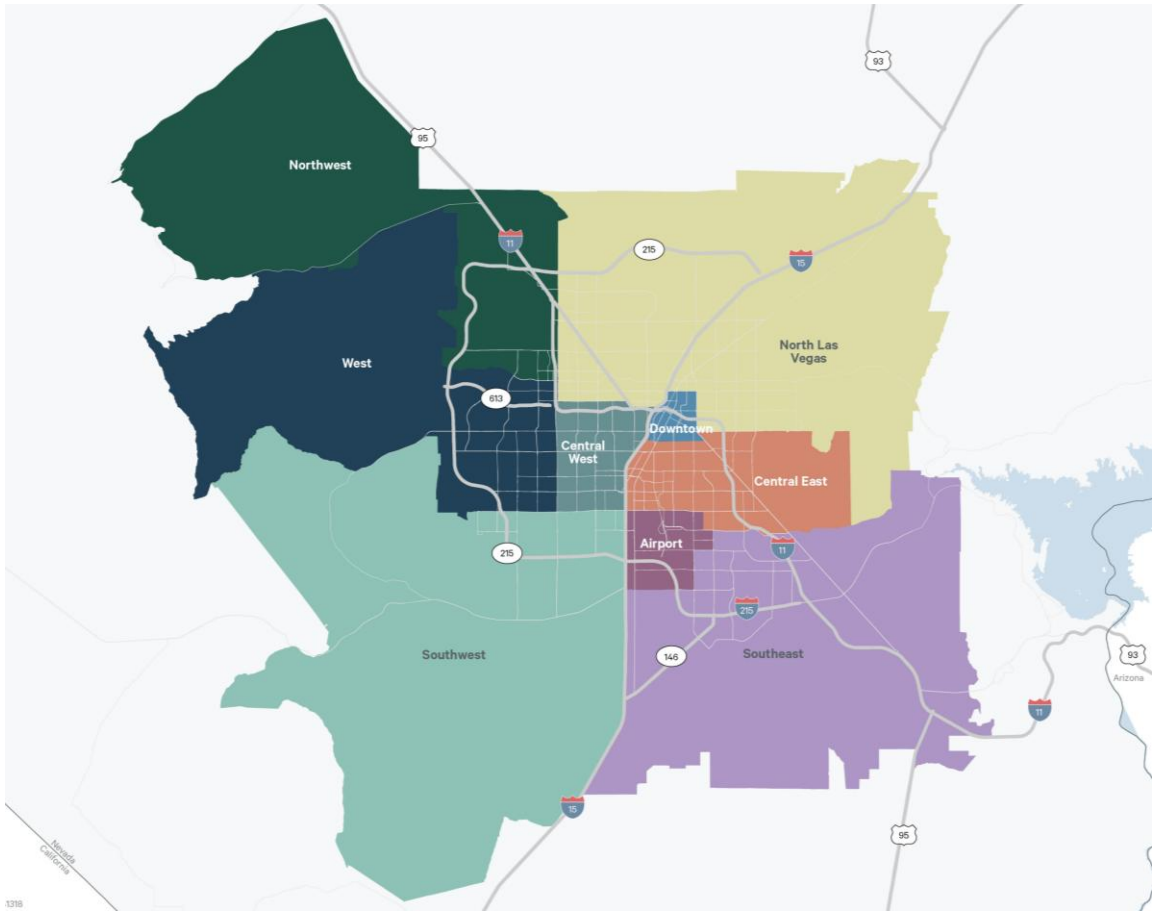
Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

Numbers presented throughout this report have been rounded for readability. As a result, individual line items may not sum to totals shown. All figures should be considered approximate.

Survey Criteria

The Las Vegas office dataset Includes all office buildings that are greater than or equal to 10,000 sq. ft. across 9 submarkets (within the Downtown and Suburban areas) excluding owner-user/single tenancy and government-owned. Buildings that have begun construction are evidenced by site excavation or foundation work.

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