Q126

SOUTHWEST REGION

PREPARED BY :

SVN® COMMERCIAL REAL ESTATE ADVISORS

Q126

COLLECTIVE STRENGTH. ACCELERATED GROWTH.

SOUTHWEST REGION

Q126

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THE SVN® BRAND

We believe in the power of **COLLECTIVE STRENGTH** to accelerate growth in commercial real estate. Our global coverage and amplified outreach to traditional, cross-market, and emerging buyers and tenants allows us to drive outsized success for our clients, colleagues, and communities. Our unique business model is built on the power of collaboration and transparency and supported by our open, inclusive culture. By proactively promoting properties and sharing fees with the entire industry, we build lasting connections, create superior wealth for our clients, and prosper together.

SVN® BY THE NUMBERS

200+
Office Owners Nationwide

3
Global Offices & Expanding

18
Core Services & Specialty Practice Areas

2,000+
Advisors & Staff

$15.5B
Total Value of Sales & Lease Transactions in 2024

66M+
SF in Properties Managed

That's the SVN Difference.

SOUTHWEST REGION OFFICES

The **SVN Southwest Region Quarterly Newsletter** will keep you informed and equipped with the latest trends, opportunities, and expert analysis in this thriving region. Our team of experienced professionals understands the dynamic nature of the Southwest's commercial real estate landscape. We are committed to delivering valuable content, including market indicators, investment opportunities, regulatory updates, and localized insights.

REGIONAL TRANSACTIONS

243
CLOSED DEALS

$128 M
TOTAL VALUE

SOLD - Undisclosed
± 40,300 SF | Office
Neal King
SVN | J. Beard Real Estate

SOLD - $1,800,000
± 5,024 SF | Office
Justin Horwitz, Richard Lewis, Sean Alderman
SVN | Desert Commercial Advisors

SOLD - $11,212,344
±7.15 AC | Land
Art Farmanali, SIOR
SVN | The Equity Group

SOLD - $3,800,000
±10,445 SF | Retail
SVN | Rich Investment Real Estate Partners

REGIONAL LISTINGS

627
LISTINGS ON MARKET

$858M
SALES LISTINGS VALUE

FOR SALE - 8,000,000
± 57,799 SF | Industrial
Peter O'Bryan
SVN | Denver Commercial

FOR SALE - $6,653,790
± 122.2 AC | Land
Eric Schoen, Reese Good-Aumell, MBA
SVN | Walt Arnold Commerial Brokerage

FOR SALE - SUBJECT TO OFFER
± 5,044 SF | Retail
Travis Taylor
SVN | Traditions

FOR SALE - $37,000,000
± 96,338 SF | Retail
Anthony Ying, Mohit Uppal
SVN | Vanguard

RICH INVESTMENT
REAL ESTATE PARTNERS

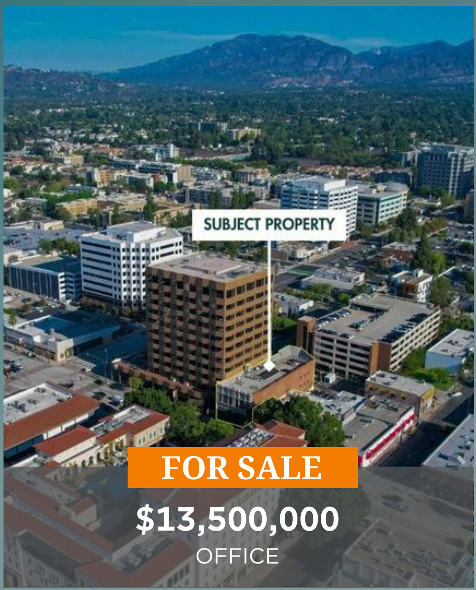
Southern California

LOS ANGELES

Los Angeles remains a global cultural hub shaped by diversity, entertainment, and world-class institutions. The city faces population shifts, affordability challenges, and pressure to keep downtown vibrant, while major infrastructure and transit investments—spurred by the upcoming 2028 Olympics—aim to drive growth balanced with sustainability. Notable commercial real estate developments (planned or under construction) in Los Angeles include:

- **Alloy Arts District (DTLA) -mixed-use high-rise project featuring 475 apartments along with office and retail space**
- **Habitat at La Cienega/Jefferson Station - 12-story residential tower with 260 apartments, a 243,000-square-foot office building, and commercial space**

FEATURED ON MARKET LISTINGS



CORP DRE 01881602

VIEW ALL LISTINGS

SOUTHERN CA - LOS ANGELES

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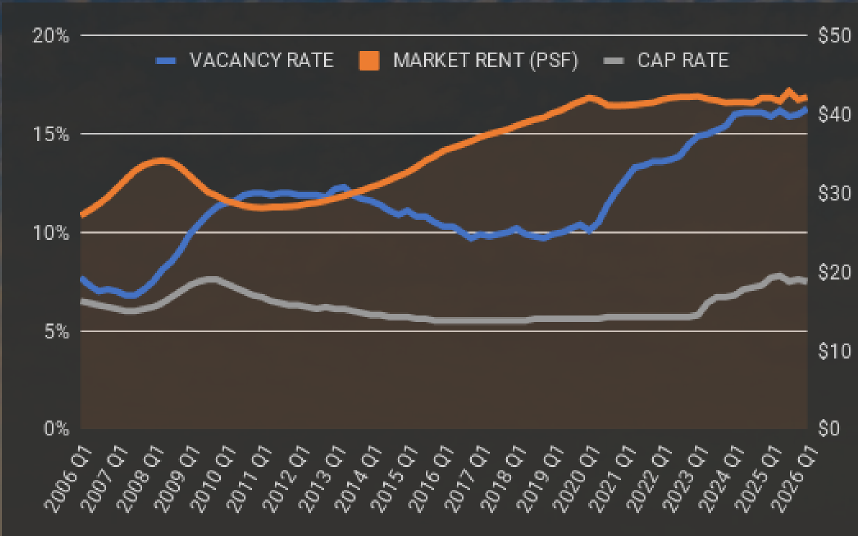
OFFICE

Los Angeles' office market continues to adjust as tenants refine space needs and prioritize efficiency, with conditions in Q1 2026 reflecting ongoing pressure across older inventory. Vacancy has risen to 16.3%, with less competitive assets experiencing the greatest challenges in maintaining occupancy. Leasing activity remains selective, largely favoring well-located, amenitized buildings that meet evolving tenant expectations. Market rents are holding near $42.19 per square foot, supported by concessions rather than direct price reductions. Investment activity remains measured, with pricing around $337 per square foot and cap rates at 7.5%, as investors continue to underwrite cautiously amid shifting demand patterns and elevated availability.



16.3% VACANCY RATE

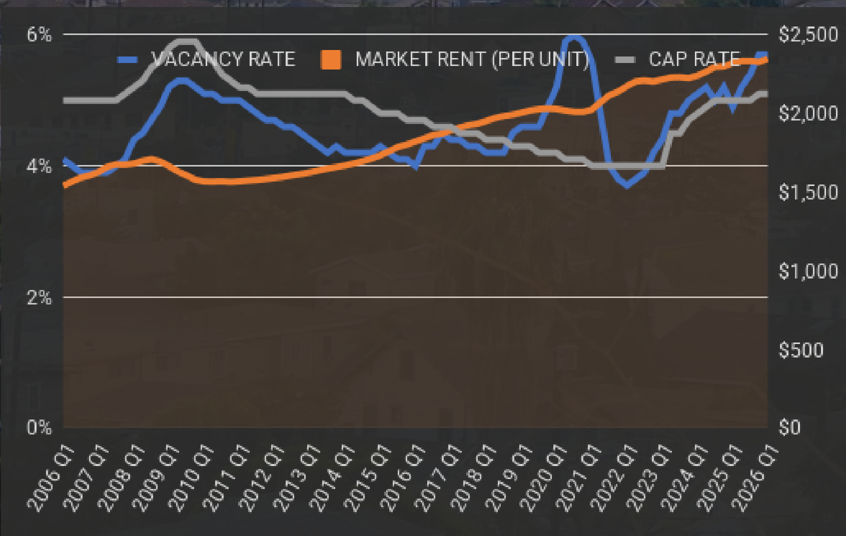
7.5% CAP RATE

$42.19 MARKET RENT

$337 PRICE/SF

MULTIFAMILY

The multifamily market is transitioning toward a more balanced position in Q1 2026, as new deliveries and affordability constraints begin to influence renter demand. Vacancy currently stands at 5.7%, reflecting a slight increase from recent lows but still indicating relatively stable conditions. Market rents average $2,349 per unit, with growth moderating as operators use concessions to maintain occupancy. Investment activity remains active, with pricing near $350,395 per unit and cap rates at 5.1%, reflecting continued investor interest. Long-term fundamentals remain supported by persistent housing shortages and strong demand across the region despite near-term headwinds.



5.7% VACANCY RATE

5.1% CAP RATE

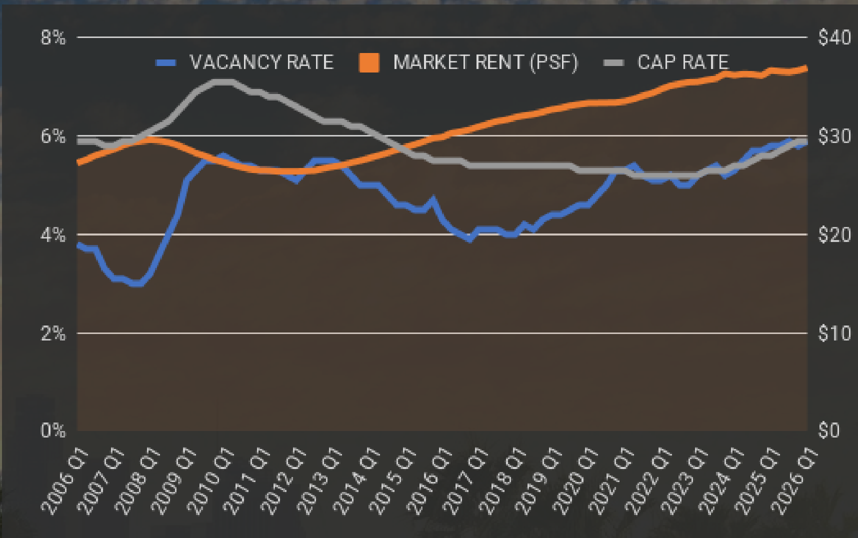
$2,349 MARKET RENT

$350,395 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail fundamentals have softened slightly in Q1 2026 as consumer demand normalizes and space availability increases across select corridors. Vacancy has reached 5.9%, reflecting modest upward pressure tied to national retailer closures and ongoing shifts in consumer behavior. Market rents average $36.96 per square foot, remaining among the highest in the country due to dense population and strong spending patterns. Investment activity continues, with assets trading near $410 per square foot and cap rates at 5.9%. Leasing demand remains strongest in well-located centers, with necessity-based and experiential tenants helping stabilize occupancy levels across core trade areas.



5.9% VACANCY RATE

5.9% CAP RATE

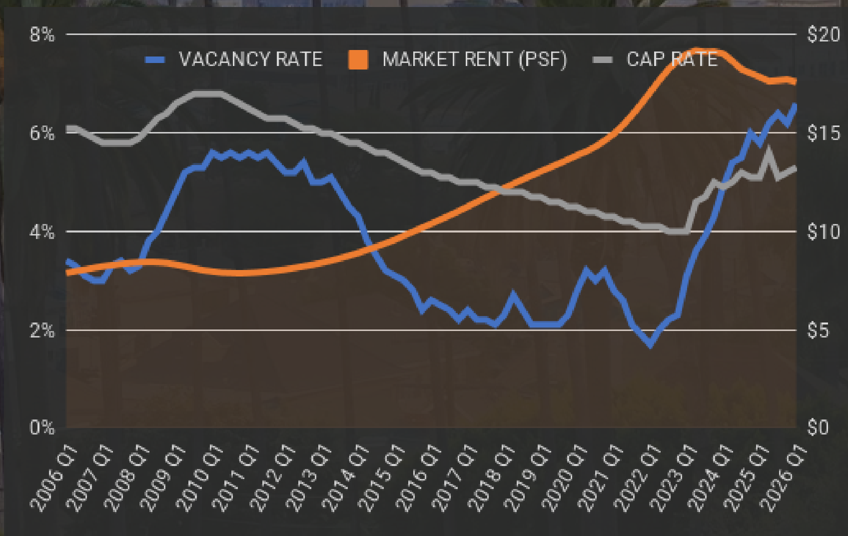
$36.96 MARKET RENT

$410 PRICE/SF

LOS ANGELES

INDUSTRIAL

The industrial sector is showing signs of normalization heading into Q1 2026, following a prolonged period of historically tight conditions. Vacancy has increased to 6.6% as demand moderates and additional supply becomes available across key submarkets. Despite this shift, Los Angeles remains one of the most supply-constrained logistics markets in the country due to limited developable land. Market rents average $17.60 per square foot, remaining elevated relative to historical norms. Assets are trading near $319 per square foot, with cap rates at 5.3%, reflecting a more balanced investment environment. Long-term fundamentals remain strong, supported by port activity and the region's critical role in global supply chains.



6.6% VACANCY RATE

5.3% CAP RATE

$17.60 MARKET RENT

$319 PRICE/SF

Data Source: CoStar

Southern California

ORANGE COUNTY

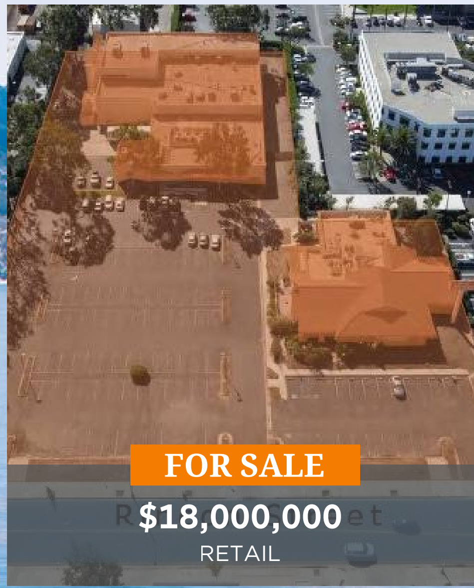
Orange County's commercial real estate market remains highly desirable, supported by affluent demographics, strong employment centers, limited land supply, and access to both Los Angeles and San Diego. Retail and multifamily continue to benefit from strong local demand, while industrial remains attractive due to scarcity and regional logistics needs. Office is more selective, with tenants prioritizing quality, location, and efficient space. Overall, Orange County remains a stable but competitive market where asset quality and pricing discipline are key. Notable commercial real estate developments (planned or under construction) in Orange County include:

- **OCVIBE — Anaheim: A major mixed-use district**
- **DisneylandForward — Anaheim: Disney's long-term expansion plan**
- **The Canopy at Great Park — Irvine: New retail and dining destination**
- **Related Bristol — Santa Ana: A large mixed-use redevelopment**

FEATURED ON MARKET LISTINGS

FOR SALE
$25,000,000
INDUSTRIAL

FOR SALE
$37,000,000
RETAIL



FOR SALE
$18,000,000
RETAIL

CORP DRE 01840569

VIEW ALL LISTINGS

SOUTHERN CA - ORANGE COUNTY

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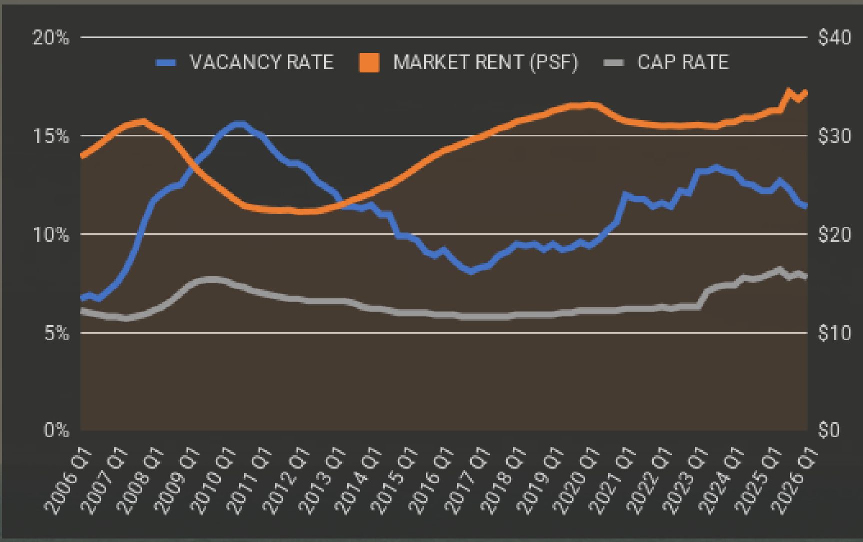
ADVISOR	Isaac Sun	LIC. 01970401
ADVISOR	Allen Lin	LIC. 2256583
ADVISOR	Noah Brown	LIC. 02259737

OFFICE

Orange County's office market continues to navigate shifting tenant demand, with companies prioritizing efficiency and flexibility in Q1 2026. Vacancy has reached 11.4%, reflecting ongoing space consolidation and limited expansion activity across the region. Leasing activity remains selective, with tenants gravitating toward newer, amenity-rich buildings in well-located submarkets. Market rents are holding at $34.58 per square foot, demonstrating resilience despite softer demand conditions. Investment activity remains disciplined, with assets trading near $268 per square foot and cap rates at 7.8%. Overall, fundamentals remain stable, though the market continues to favor higher-quality properties over older inventory.



11.4% VACANCY RATE

7.8% CAP RATE

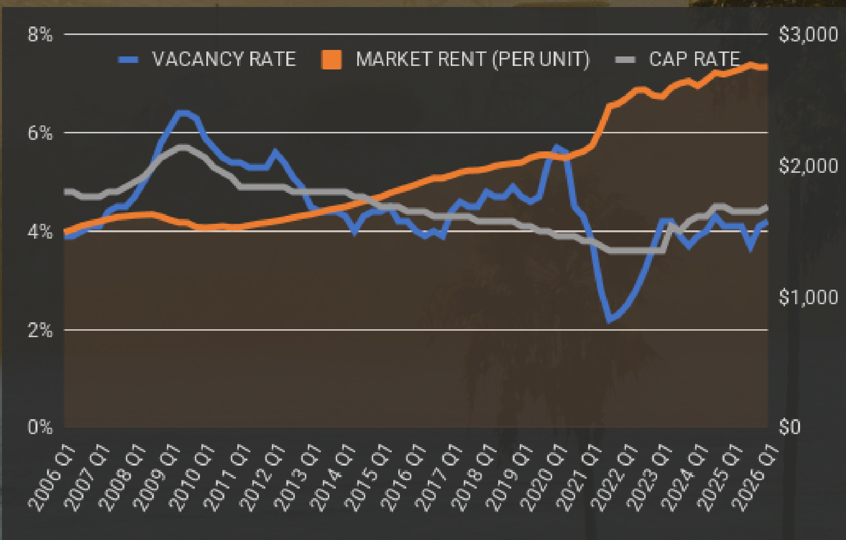
$34.58 MARKET RENT

$268 PRICE/SF

ORANGE COUNTY

MULTIFAMILY

Orange County's multifamily market remains stable in Q1 2026, with vacancy at 4.2%, indicating balanced conditions despite broader economic uncertainty. Market rents average $2,755 per unit, reflecting strong income levels and continued demand for rental housing. Investment activity remains steady, with assets trading near $444,872 per unit and cap rates at 4.5%, attracting long-term capital. While rent growth has moderated, high homeownership costs and limited housing supply continue to support occupancy levels. The sector remains one of the more stable asset classes in the region.



4.2% VACANCY RATE

4.5% CAP RATE

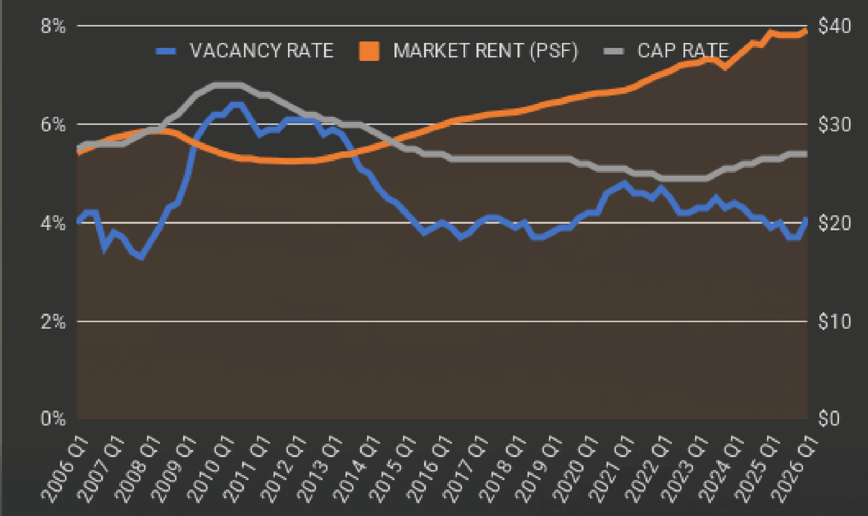
$2,755 MARKET RENT

$444,872 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail continues to be one of the tightest sectors in Orange County, supported by limited new construction and strong consumer fundamentals in Q1 2026. Vacancy remains low at 4.1%, reflecting a constrained supply environment and steady tenant demand. Market rents average $39.62 per square foot, underscoring the premium nature of the market. Investment activity remains steady, with assets trading near $449 per square foot and cap rates at 5.4%. Leasing activity continues to favor well-located centers, while redevelopment of older properties is further limiting available inventory and supporting long-term rent growth.



4.1% VACANCY RATE

5.4% CAP RATE

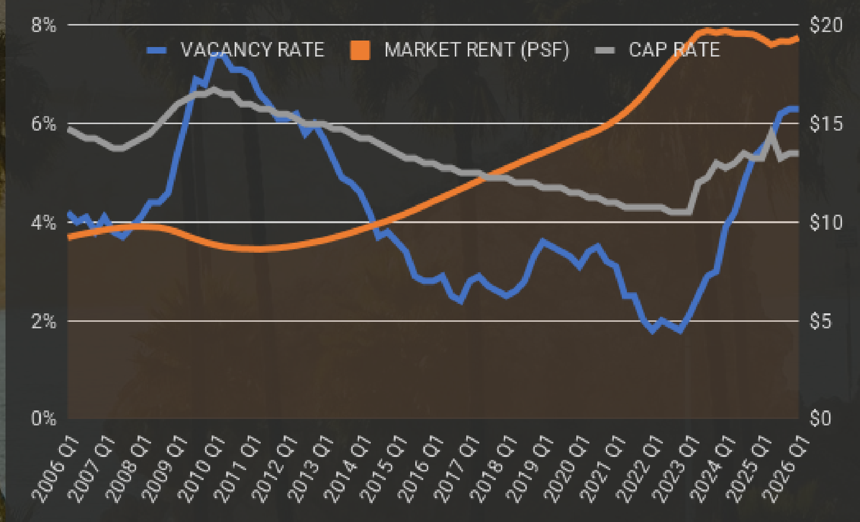
$39.62 MARKET RENT

$449 PRICE/SF

ORANGE COUNTY

INDUSTRIAL

Industrial fundamentals in Orange County remain relatively strong, though conditions have normalized from peak levels seen in recent years. Vacancy has increased to 6.3% in Q1 2026, as new supply and moderating tenant demand create slight upward pressure on availability. Market rents average $19.38 per square foot, supported by long-term supply constraints and high barriers to entry. Investment activity remains active, with assets trading near $349 per square foot and cap rates at 5.4%. While leasing velocity has slowed, demand for functional, well-located space continues to support long-term stability across the sector.



6.3% VACANCY RATE

5.4% CAP RATE

$19.38 MARKET RENT

$349 PRICE/SF

Data Source: CoStar

Southern California

INLAND EMPIRE

The Inland Empire, anchored by Riverside and San Bernardino, continues to solidify its position as a powerhouse market within Southern California, fueled by strong demand for industrial space and ongoing business expansion. Its strategic access to major transportation routes and proximity to Los Angeles and Orange County make it a critical hub for logistics, distribution, and regional growth, attracting both institutional and private investment. Notable commercial real estate developments (planned or under construction) in Inland Empire include:

- **Riverside Massachusetts Point Warehouse Redevelopment**
- **Logistics Corridor Infill Projects (Riverside & San Bernardino Counties)**
- **Coming to Lake Elsinore this winter at Cambern Avenue and 3rd Street**

FEATURED ON MARKET LISTINGS

FOR SALE

CONTACT BROKER

MIXED-USE

FOR LEASE

±1,130 - 2,980 SF

RETAIL

FOR LEASE

±1,500 SF

MEDICAL

CORP DRE 02075327

VIEW ALL LISTINGS

SOUTHERN CA - INLAND EMPIRE

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SENIOR ADVISOR

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LIC. 01947115

SENIOR ADVISOR

Robert Kirkpatrick

LIC. 00575633

ADVISOR

Francisco Sanchez

LIC.02180617

SENIOR ADVISOR

Gary Washburn

LIC. 00705913

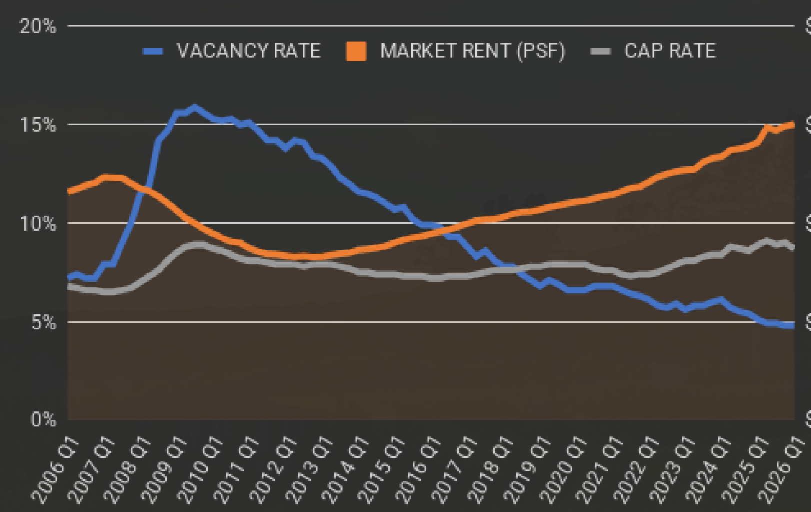
ASSOCIATE ADVISOR

Damon Platt

LIC. 02249650

OFFICE

The Inland Empire office market remains relatively stable, with conditions in Q1 2026 reflecting a balanced supply-demand environment. Vacancy is currently 4.8%, remaining low compared to coastal markets and supporting consistent occupancy levels. Market rents average $30.05 per square foot, offering a more affordable alternative for tenants priced out of neighboring regions. Investment activity remains measured, with assets trading near $204 per square foot and cap rates at 8.7%, providing attractive yields. Leasing activity continues at a steady pace, with tenants prioritizing value and functionality in well-located suburban submarkets.



4.8% VACANCY RATE

8.7% CAP RATE

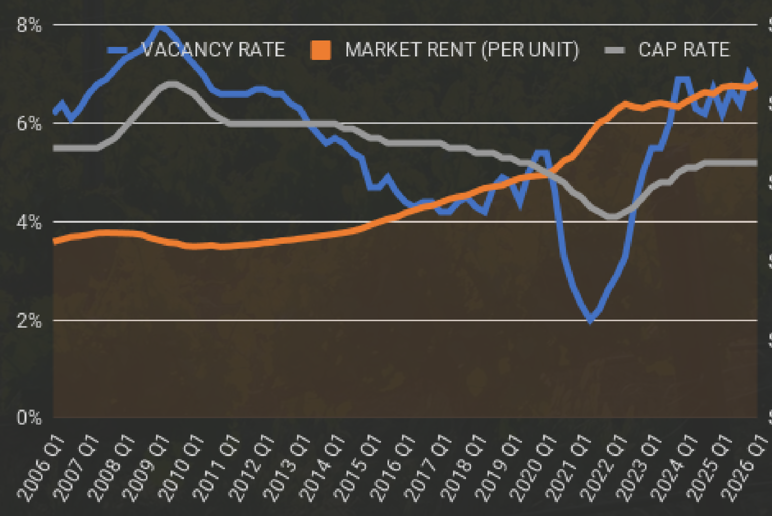
$30.05 MARKET RENT

$204 PRICE/SF

INLAND EMPIRE

MULTIFAMILY

The multifamily sector remains steady in Q1 2026, with vacancy at 6.7%, reflecting a slightly softened but balanced market. Market rents average $2,134 per unit, offering relative affordability compared to nearby coastal regions. Investment activity remains consistent, with assets trading near $275,166 per unit and cap rates at 5.2%, supporting continued investor interest. Population growth and migration trends continue to support long-term demand. While rent growth has slowed, occupancy levels remain stable as the market absorbs recent supply additions.



6.7% VACANCY RATE

5.2% CAP RATE

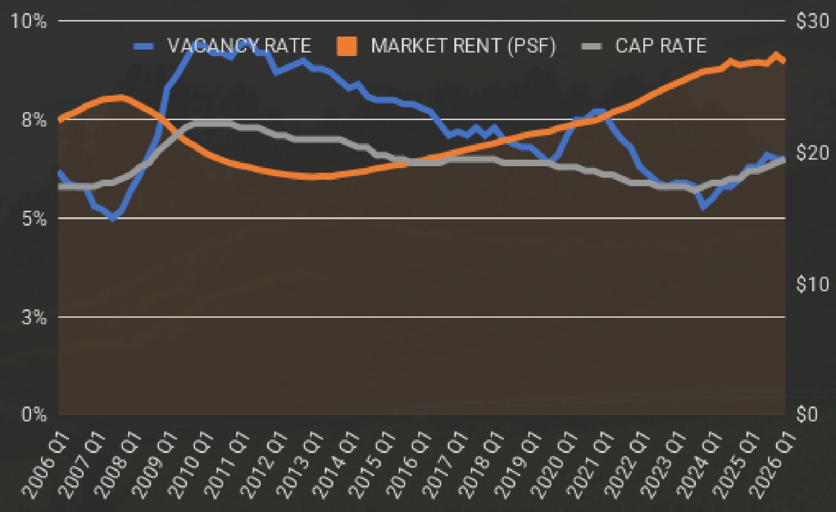
$2,134 MARKET RENT

$275,166 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail vacancy has increased to 6.5% in Q1 2026, reflecting rising availability following recent big-box closures and tenant turnover. Market rents average $26.90 per square foot, maintaining affordability relative to coastal markets. Investment activity remains balanced, with assets trading near $287 per square foot and cap rates at 6.5%. Leasing demand continues for well-located centers, particularly those anchored by necessity-based retailers. While availability has increased, the market is expected to gradually stabilize as vacant spaces are backfilled and leasing activity continues.



6.5% VACANCY RATE

6.5% CAP RATE

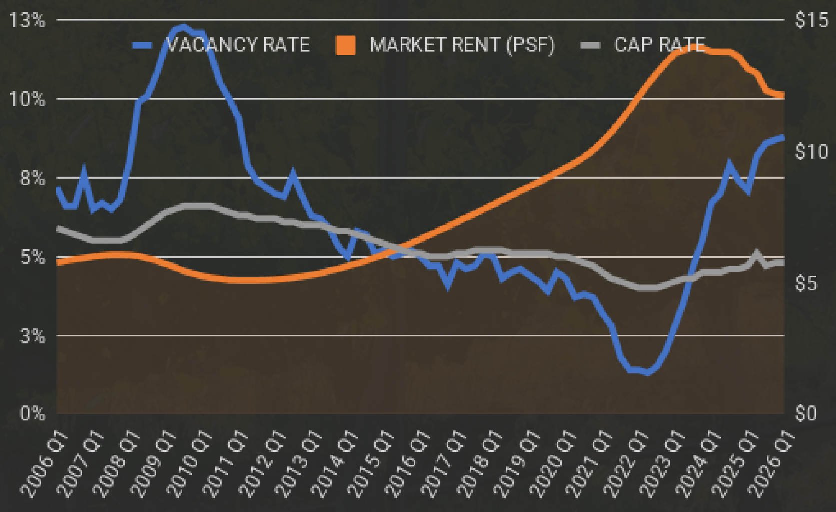
$26.90 MARKET RENT

$287 PRICE/SF

INLAND EMPIRE

INDUSTRIAL

Industrial fundamentals continue to normalize in Q1 2026, with vacancy rising to 8.8% as new supply delivers into the market. Market rents average $12.14 per square foot, remaining competitive given the region's role as a key logistics hub. Investment activity remains strong, with assets trading near $260 per square foot and cap rates at 4.8%, reflecting continued investor demand. While vacancy has increased, the Inland Empire continues to benefit from proximity to major distribution corridors and ports, supporting long-term demand. Leasing activity is expected to gradually stabilize as new space is absorbed.



8.8% VACANCY RATE

4.8% CAP RATE

$12.14 MARKET RENT

$260 PRICE/SF

Data Source: CoStar

SVN VANGUARD
COMMERCIAL REAL ESTATE ADVISORS

Southern California

SAN DIEGO

San Diego’s commercial real estate market remains resilient, supported by limited land supply, a diverse economy, and steady demand across key sectors. Performance varies by asset type, with industrial, retail, and multifamily generally supported by strong fundamentals, while office continues to adjust to changing tenant needs and hybrid work trends. Overall, investors and owners are focused on quality assets, strong locations, realistic pricing, and long-term value creation. Notable commercial real estate developments (planned or under construction) in San Diego include:

- **San Diego International Airport Terminal 1 Expansion**
- **Midway Rising / Sports Arena Redevelopment**
- **Riverwalk San Diego**
- **Downtown RaDD / Life Science Waterfront District**

FEATURED ON MARKET LISTINGS

FOR SALE
$7,000,000
LAND

FOR SALE
$1,500,000
LAND

FOR SALE
$2,325,000
RETAIL

CORP DRE 01881593

VIEW ALL LISTINGS

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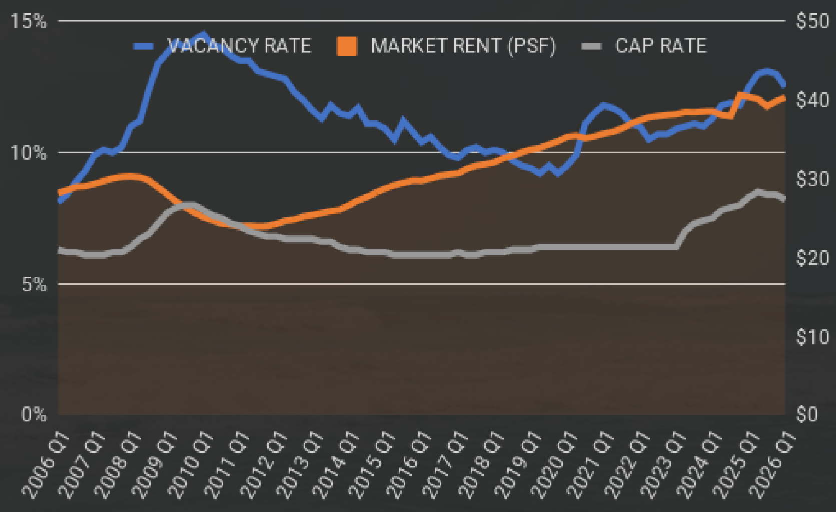
OFFICE

San Diego's office market continues to face elevated vacancy, with conditions in Q1 2026 reflecting a more tenant-favorable environment. Vacancy has risen to 12.5%, driven by slower leasing activity and continued space givebacks. Market rents average $40.35 per square foot, remaining relatively resilient despite softer demand. Investment activity has adjusted, with assets trading near $295 per square foot and cap rates at 8.2%, offering improved yields. Leasing demand remains concentrated in well-located, amenitized properties, while older inventory continues to face longer lease-up periods as tenants prioritize flexibility and quality.



12.5%
VACANCY RATE

8.2%
CAP RATE

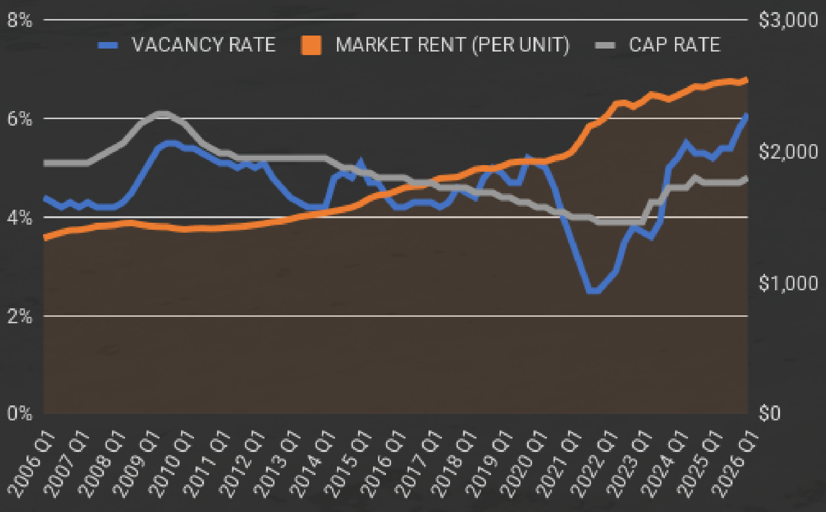
$40.35
MARKET RENT

$295
PRICE/SF

SAN DIEGO

MULTIFAMILY

The multifamily market remains balanced in Q1 2026, with vacancy at 6.1%, reflecting steady supply and moderated renter demand. Market rents average $2,552 per unit, remaining among the higher levels in the region. Investment activity continues, with assets trading near $398,002 per unit and cap rates at 4.8%, indicating stable investor interest. While rent growth has slowed, long-term fundamentals remain supported by strong lifestyle appeal and limited housing supply. Affordability challenges continue to influence renter mobility, but demand remains consistent across core submarkets.



6.1%
VACANCY RATE

4.8%
CAP RATE

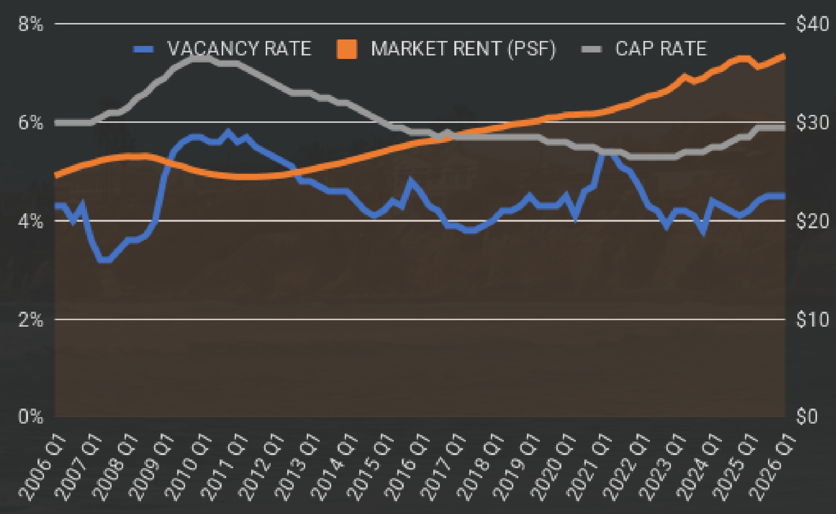
$2,552
MARKET RENT

$398,002
PRICE/UNIT

Data Source: CoStar

RETAIL

Retail fundamentals remain relatively stable in Q1 2026, though availability has increased slightly as tenant turnover rises. Vacancy is currently 4.5%, reflecting a still-tight market compared to national averages. Market rents average $36.79 per square foot, supported by strong consumer demand and limited new supply. Investment activity remains active, with assets trading near $400 per square foot and cap rates at 5.9%. Leasing demand remains strongest in well-located centers, particularly those anchored by necessity-based retailers. Limited construction and ongoing redevelopment are expected to support long-term occupancy stability.



4.5%
VACANCY RATE

5.9%
CAP RATE

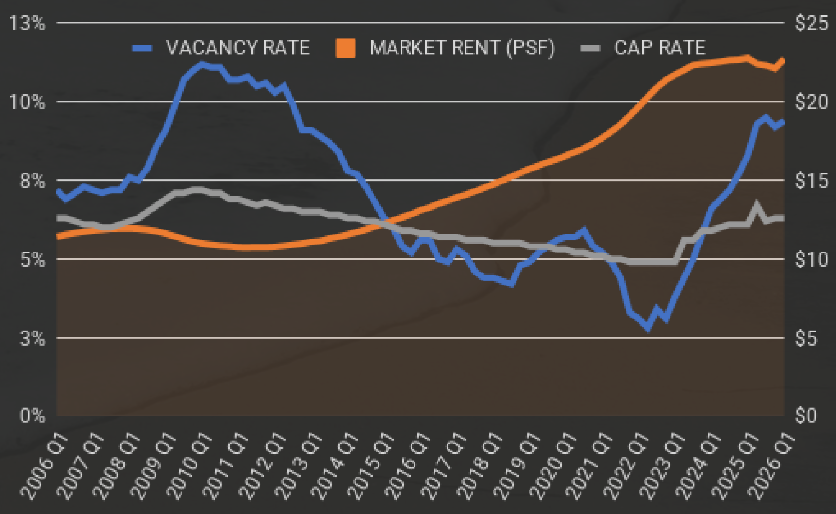
$36.79
MARKET RENT

$400
PRICE/SF

SAN DIEGO

INDUSTRIAL

Industrial fundamentals have softened slightly in Q1 2026, with vacancy increasing to 9.4% as new supply enters the market and demand moderates. Market rents average $22.74 per square foot, remaining elevated compared to historical levels. Investment activity remains steady, with assets trading near $326 per square foot and cap rates at 6.3%, reflecting continued investor confidence. While leasing activity has slowed, San Diego continues to benefit from strong logistics demand and proximity to key trade routes. Long-term fundamentals remain intact, supported by cross-border commerce and regional distribution activity.



9.4%
VACANCY RATE

6.3%
CAP RATE

$22.74
MARKET RENT

$326
PRICE/SF

Data Source: CoStar

SVN THE EQUITY GROUP

Southern Nevada

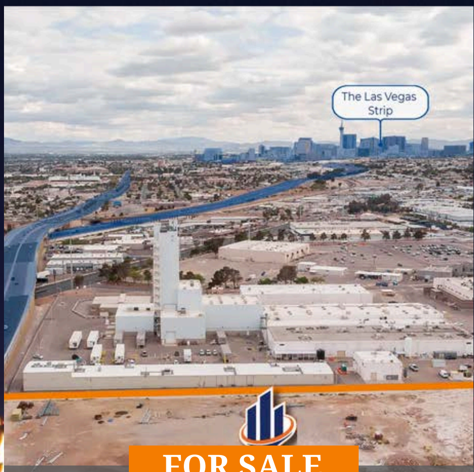
LAS VEGAS

As a key center for tourism, entertainment, and innovation, the city of Las Vegas has seen a significant increase in both population and economic activity, fueled by an attractive job market, favorable climate, and business incentives. This growth has notably positioned Las Vegas as a hotspot for commercial real estate investment. Recent developments in Las Vegas have focused on diversifying the economy beyond tourism, with significant strides in sectors such as technology, healthcare, and renewable energy. Notable commercial real estate developments (planned or under construction) in Las Vegas include:

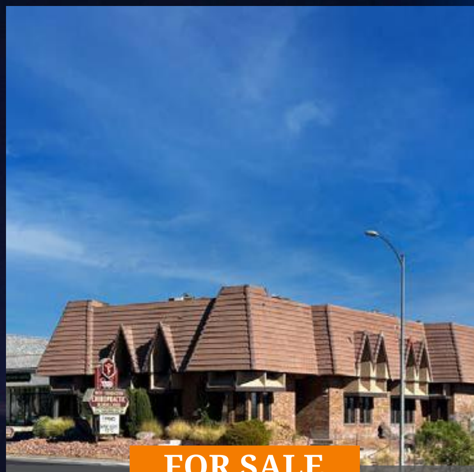
- **HAAS Automation Manufacturing Plant - $500M**
- **Oakland A’s MLB Stadium - $2B**
- **Hylo Park - $380M**

FEATURED ON MARKET LISTINGS

FOR SALE/
$5,340,000
INDUSTRIAL



FOR SALE
$3,750,000
INDUSTRIAL



FOR SALE
$2,350,000
OFFICE

NRED B.20457.CORP

VIEW ALL LISTINGS

SOUTHERN NV - LAS VEGAS

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LIC. S.189805.LLC


ADVISOR
Alexis Henry
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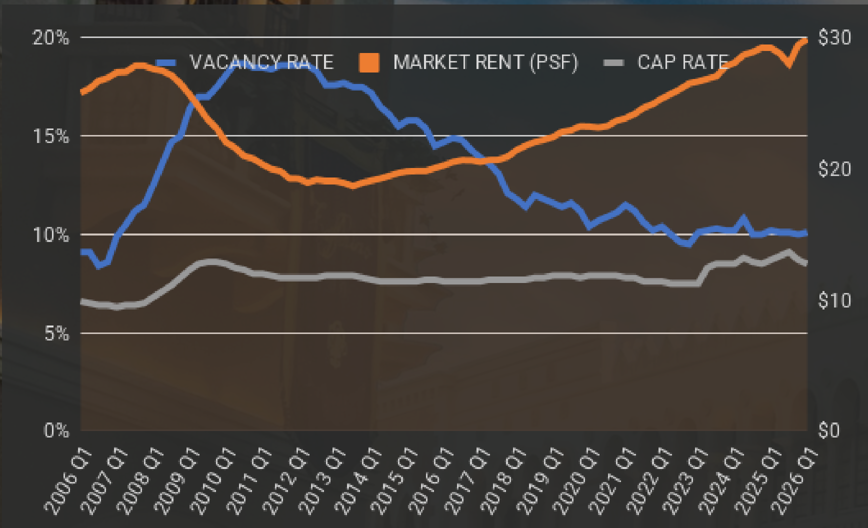
OFFICE

The Las Vegas office market is stabilizing in Q1 2026, with vacancy at 10.1% as tenants continue to right-size space needs. Market rents average $29.91 per square foot, reflecting steady pricing across most submarkets. Investment activity has adjusted, with assets trading near $261 per square foot and cap rates at 8.5%, indicating a more yield-driven environment. Leasing activity remains selective, with tenants prioritizing flexibility and value. Well-located and amenitized properties continue to outperform, while older assets face greater challenges in maintaining occupancy.



10.1% VACANCY RATE

8.5% CAP RATE

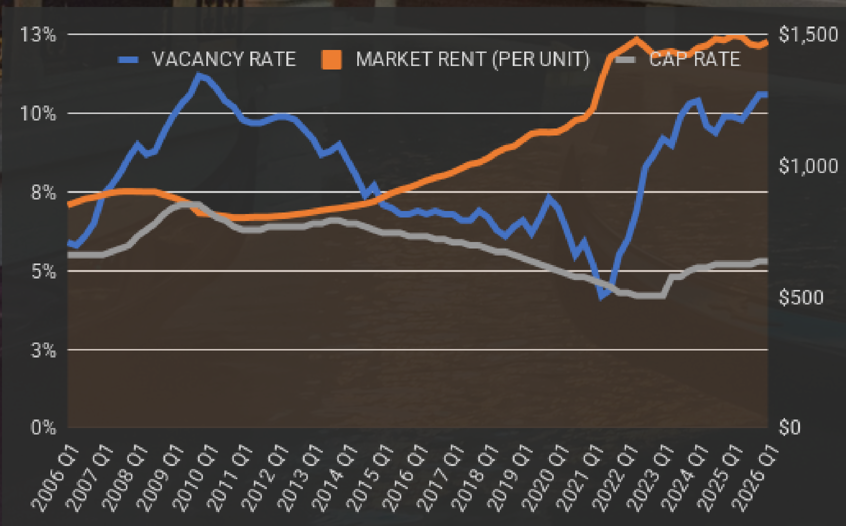
$29.91 MARKET RENT

$261 PRICE/SF

LAS VEGAS

MULTIFAMILY

The multifamily sector is experiencing normalization in Q1 2026, with vacancy at 10.6% as new deliveries impact occupancy levels. Market rents average $1,475 per unit, reflecting a slowdown in rent growth compared to prior years. Investment activity remains steady, with assets trading near $220,605 per unit and cap rates at 5.3%, supporting continued investor interest. Population growth and in-migration continue to drive long-term demand. While short-term supply pressures persist, fundamentals are expected to gradually stabilize as new units are absorbed.



10.6% VACANCY RATE

5.3% CAP RATE

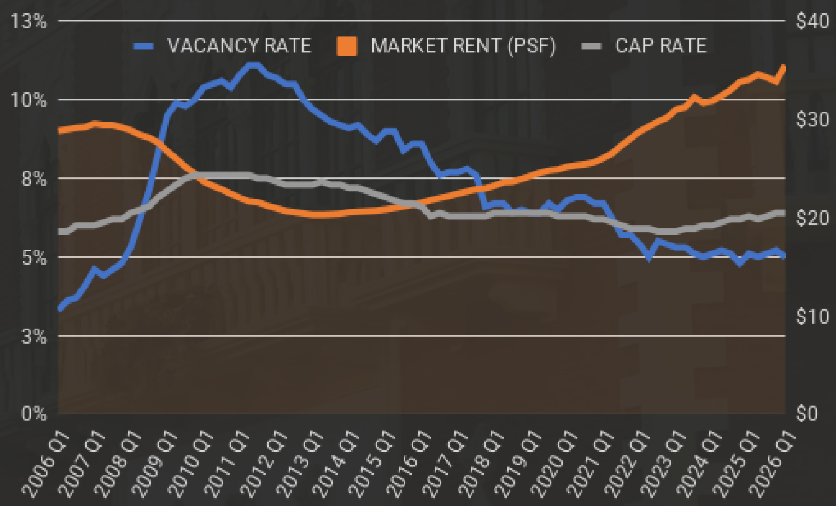
$1,475 MARKET RENT

$220,605 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail remains one of the stronger sectors in Las Vegas in Q1 2026, with vacancy at 5.0%, near long-term averages. Market rents average $35.53 per square foot, supported by steady consumer demand and tourism activity. Investment activity continues, with assets trading near $336 per square foot and cap rates at 6.4%, indicating balanced pricing. Leasing demand remains active, particularly in well-located centers and high-traffic corridors. While availability has increased slightly, overall fundamentals remain stable as demand continues to keep pace with supply.



5.0% VACANCY RATE

6.4% CAP RATE

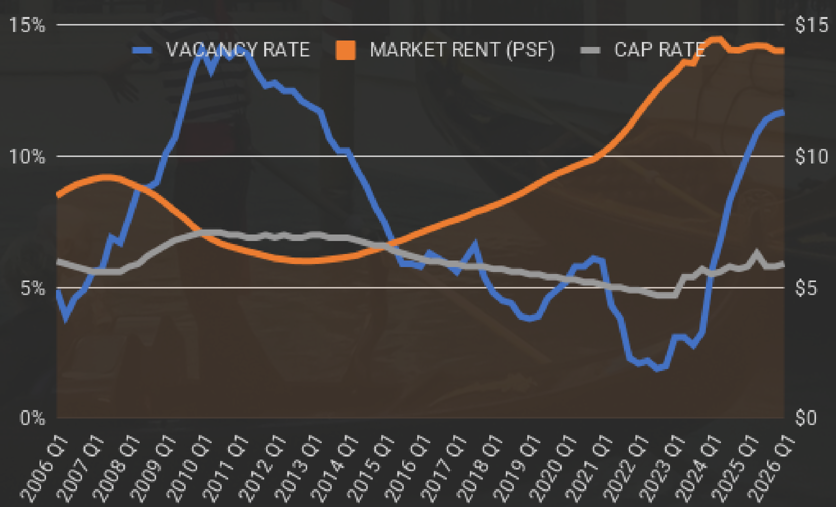
$35.53 MARKET RENT

$336 PRICE/SF

LAS VEGAS

INDUSTRIAL

Industrial fundamentals have softened in Q1 2026, with vacancy rising to 11.7% as new supply continues to deliver into the market. Market rents average $14.03 per square foot, remaining competitive within the Southwest region. Investment activity remains steady, with assets trading near $217 per square foot and cap rates at 5.9%, reflecting ongoing investor demand. While vacancy has increased, Las Vegas continues to benefit from its role as a key regional distribution hub. Long-term fundamentals remain supported by population growth and strong logistics demand.



11.7% VACANCY RATE

5.9% CAP RATE

$14.03 MARKET RENT

$217 PRICE/SF

Data Source: CoStar

DESERT COMMERCIAL ADVISORS

Central Arizona

PHOENIX

Phoenix remains one of the fastest-growing major metros, driven by steady population inflows, job opportunities, and a relatively affordable cost of living. The region continues to attract new businesses and investment, supported by ongoing infrastructure expansion and a pro-growth environment. This sustained momentum is strengthening the local economy, creating long-term opportunity, and reinforcing Phoenix's position as a top destination for both companies and residents. In addition, Phoenix is emerging as a global hub for semiconductor manufacturing and its ancillary industries, attracting significant capital investment and further elevating the region's profile on an international scale.

- **Taiwan Semiconductor Manufacturing Company (TSMC Chip Manufacturing Campus) - $165B**
- **Halo Vista (North Phoenix "City Within a City") - $7B**
- **Intel (Chandler Semiconductor Expansion) - $20B**

FEATURED ON MARKET LISTINGS

FOR SALE
$2,995,000
MIXED USE REDEVELOPMENT

FOR SALE
SUBJECT TO OFFER
INDUSTRIAL

FOR SALE
$2,950,000
OFFICE

ADRE 02075327

VIEW ALL LISTINGS

PHOENIX

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LIC. SA693314000


SENIOR ADVISOR
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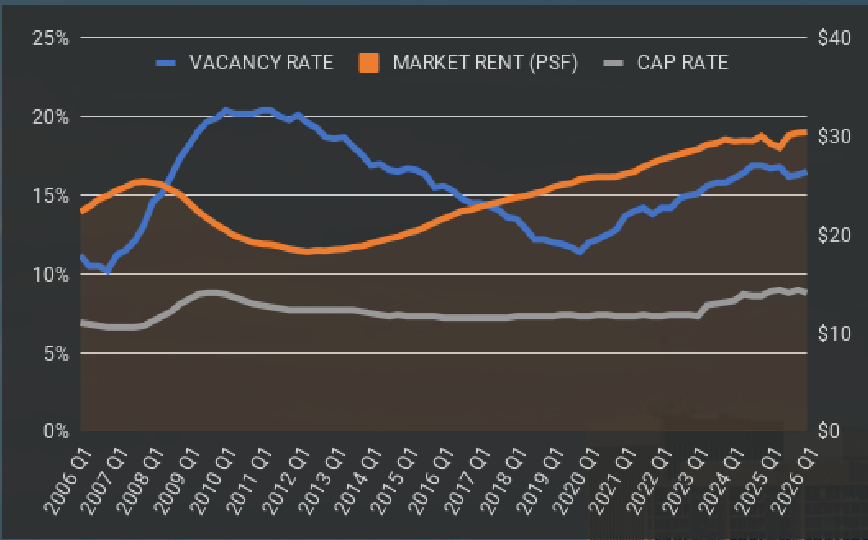
LIC. SA720204000


ADMINISTRATIVE ASSISTANT
Taylor Martin

OFFICE

The Phoenix office market continues to adjust in Q1 2026, with vacancy rising to 16.5% as the market works through post-pandemic demand shifts. Market rents average $30.45 per square foot, remaining relatively stable despite softer leasing activity. Investment conditions have shifted, with assets trading near $209 per square foot and cap rates at 8.8%, reflecting a more cautious environment. Leasing activity remains uneven, with stronger demand for newer, higher-quality assets. Older inventory continues to face increased vacancy as tenants prioritize efficiency and flexibility.



16.5% VACANCY RATE

8.8% CAP RATE

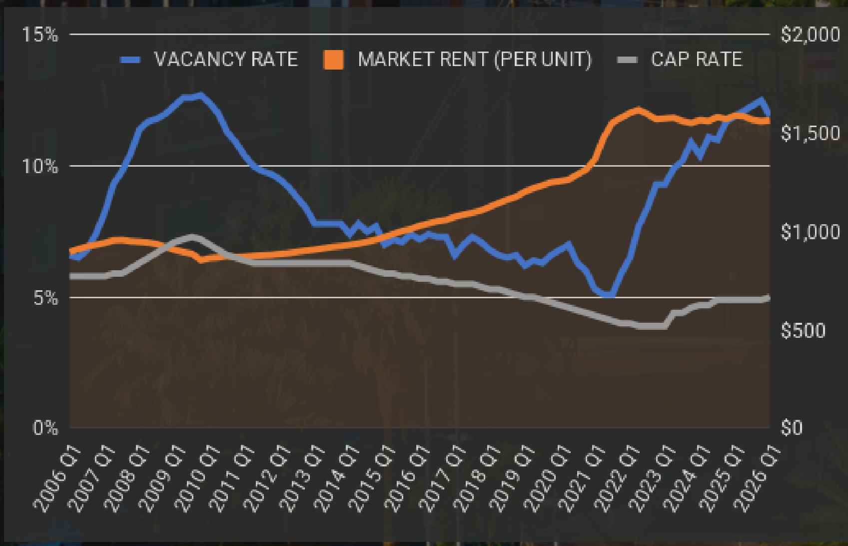
$30.45 MARKET RENT

$209 PRICE/SF

PHOENIX

MULTIFAMILY

The multifamily sector is experiencing a period of normalization in Q1 2026, with vacancy rising to 11.9% as new supply continues to deliver. Market rents average $1,566 per unit, reflecting moderated growth compared to prior years. Investment activity remains steady, with assets trading near $268,146 per unit and cap rates at 5.0%, supporting continued investor interest. Population growth remains a key driver of long-term demand. While near-term absorption is lagging, fundamentals are expected to improve as new deliveries taper.



11.9% VACANCY RATE

5.0% CAP RATE

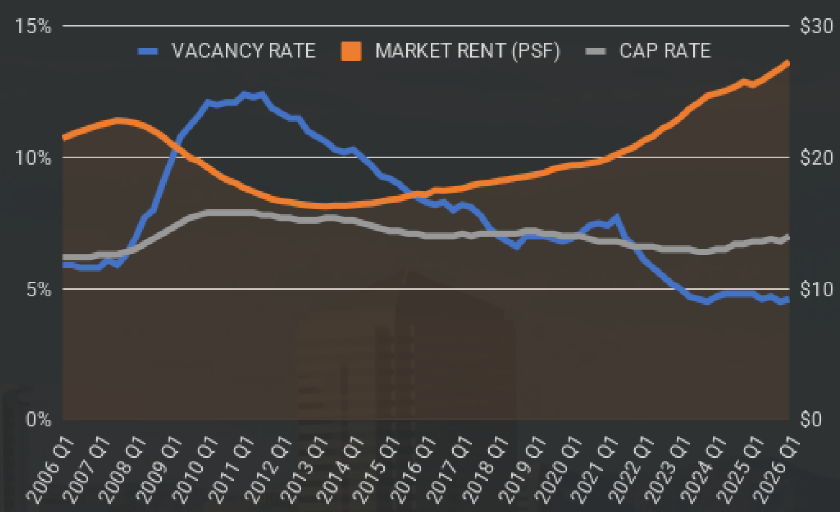
$1,566 MARKET RENT

$268,146 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail continues to perform well in Q1 2026, with vacancy at 4.6%, reflecting steady tenant demand and limited new supply. Market rents average $27.31 per square foot, supporting stable income growth across the sector. Investment activity remains consistent, with assets trading near $261 per square foot and cap rates at 7.0%, reflecting balanced investor sentiment. Leasing demand remains strong in well-located centers, particularly in growing suburban submarkets. Population growth continues to support long-term retail fundamentals.



4.6%
VACANCY RATE

7.0%
CAP RATE

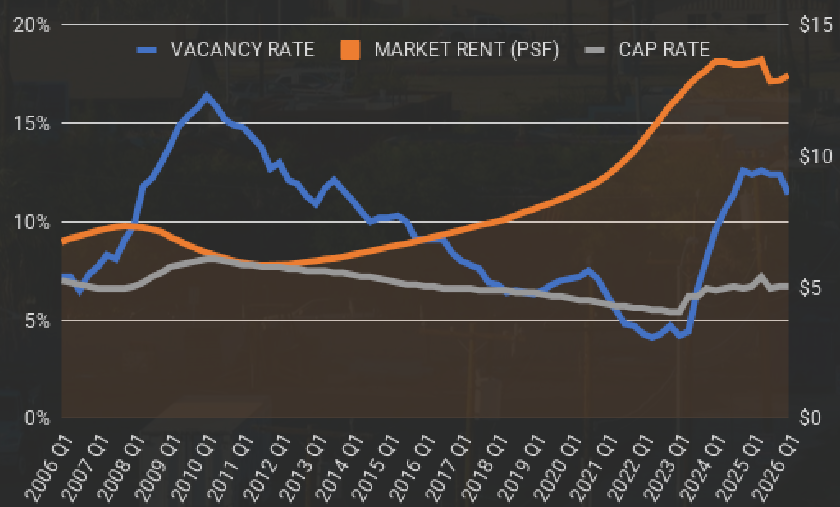
$27.31
MARKET RENT

$261
PRICE/SF

PHOENIX

INDUSTRIAL

Industrial fundamentals remain stable in Q1 2026, with vacancy at 11.4% as recent deliveries continue to be absorbed. Market rents average $13.09 per square foot, reflecting competitive pricing within the region. Investment activity remains active, with assets trading near $187 per square foot and cap rates at 6.7%, indicating continued investor interest. Phoenix continues to benefit from its position as a major logistics hub. Long-term demand remains supported by population growth and expanding distribution networks.



11.4%
VACANCY RATE

6.7%
CAP RATE

$13.09
MARKET RENT

$187
PRICE/SF

Data Source: CoStar

SVN
DENVER COMMERCIAL

North-Central Colorado

DENVER

Denver, the capital of Colorado and the economic center of the Rocky Mountain region, anchors a fast-growing metro area situated at the base of the Front Range. The city's economy is driven by technology, aerospace, healthcare, energy, and financial services, supported by a highly educated workforce and a quality of life that continues to attract both employers and talent. Denver's central geographic position, extensive transportation infrastructure, and access to world-class outdoor recreation give it a distinctive appeal among major Western U.S. metros. Notable commercial real estate developments (planned or under construction) in Denver include:

- **Denver Pavilions Redevelopment Vision**
- **High Fidelity Plaza — 1M SF Office-to-Residential (621 & 633 17th St)**
- **AVE Station House — RiNo Groundbreaking (April 16, 2026)**
- **Petroleum Building Conversion (16th & Broadway)**

FEATURED ON MARKET LISTINGS

FOR SALE
$8,000,000
INDUSTRIAL

FOR SALE
$6,955,000
RETAIL

FOR SALE
$6,580,000
RETAIL

EC 100021133

VIEW ALL LISTINGS

DENVER

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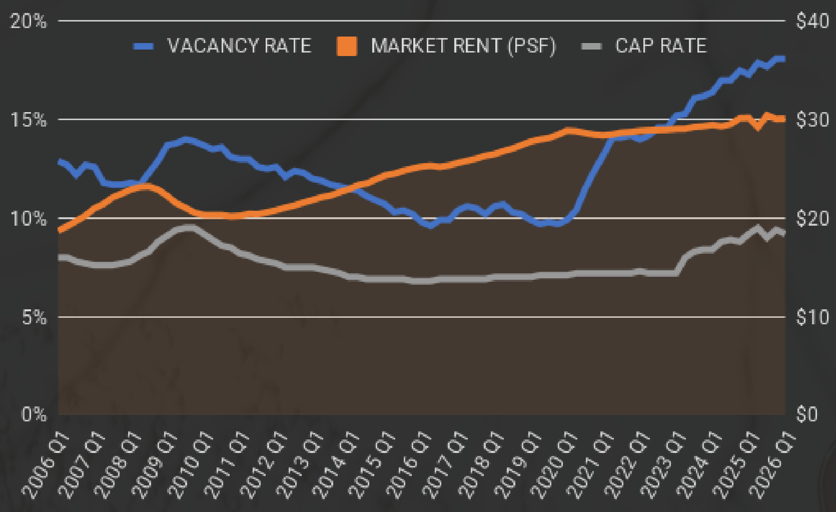
DIRECTOR OF MARKETING
Caitlin Stepan

OFFICE

Denver's office market continues to face elevated vacancy, with rates at 18.1% in Q1 2026, among the highest in major U.S. markets. Tenants remain cautious, often downsizing footprints, which has contributed to slower absorption trends and persistent availability. Despite this, leasing activity is stabilizing, supported by government and energy-sector demand. Market rents average $30.11 per square foot, holding relatively flat as landlords rely more on concessions to attract tenants. Investment activity reflects ongoing repositioning, with assets trading around $208 per square foot and cap rates near 9.2%, signaling a more opportunistic environment for buyers. While challenges remain, early signs of stabilization suggest a gradual recovery ahead.



18.1%
VACANCY RATE

9.2%
CAP RATE

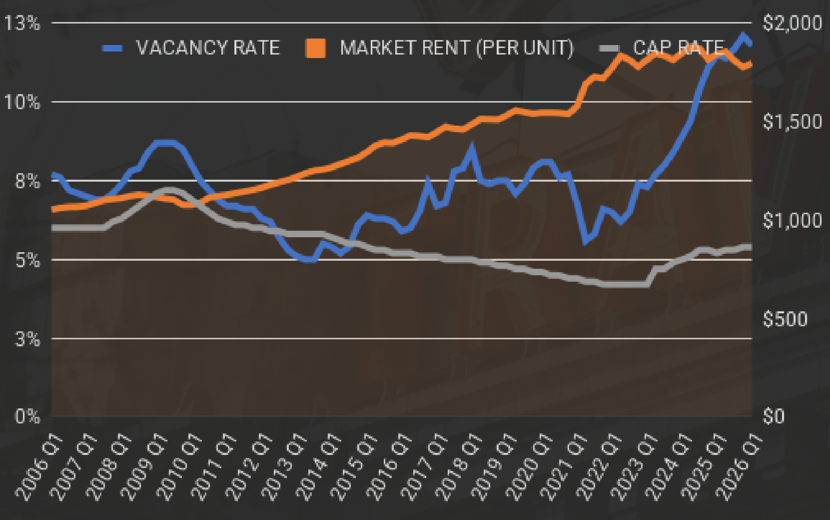
$30.11
MARKET RENT

$208
PRICE/SF

DENVER

MULTIFAMILY

Denver's multifamily market is adjusting to a wave of new deliveries, with vacancy rising to 11.8% in Q1 2026 as supply outpaces near-term demand. Despite this, underlying fundamentals remain supported by population growth and a highly educated workforce. Average rents are holding at $1,798 per unit, reflecting stabilization after rapid increases in prior years. Investment activity continues, with pricing averaging $307,117 per unit and cap rates around 5.4%, indicating long-term confidence in the market. While short-term softness may persist as new inventory is absorbed, Denver's diverse economy and lifestyle appeal are expected to support multifamily performance over time.



11.8%
VACANCY RATE

5.4%
CAP RATE

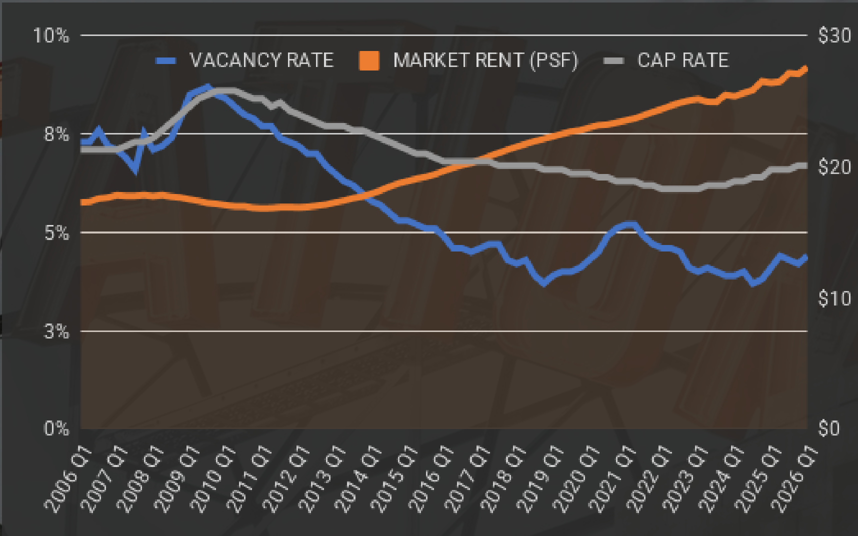
$1,798
MARKET RENT

$307,117
PRICE/UNIT

Data Source: CoStar

RETAIL

Denver's retail sector remains one of the tightest property types, with vacancy at just 4.4% in Q1 2026, supported by limited new construction and steady consumer demand. While net absorption slowed due to recent national retailer closures, neighborhood centers and convenience-based retail continue to outperform. Market rents average $27.59 per square foot, reflecting steady growth driven by constrained supply. Investor demand remains active, particularly among private buyers targeting smaller deals, with assets trading around $272 per square foot and cap rates near 6.7%. With development still limited, retail fundamentals are expected to remain stable, though broader economic conditions could influence tenant expansion in the near term.



4.4%
VACANCY RATE

6.7%
CAP RATE

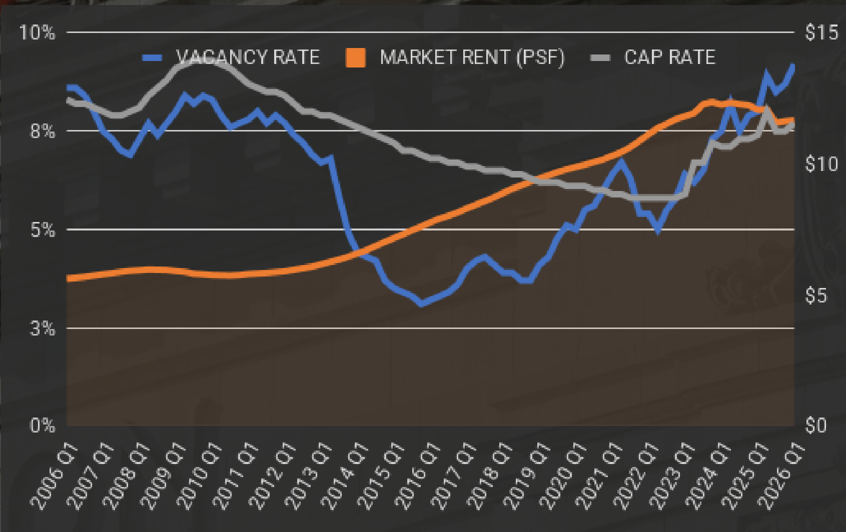
$27.59
MARKET RENT

$272
PRICE/SF

DENVER

INDUSTRIAL

Industrial fundamentals in Denver remain solid, though softening slightly from peak performance. Vacancy has risen to 9.2% in Q1 2026, reflecting an influx of new supply and moderating tenant demand. Even with this shift, the market continues to benefit from Denver's strategic location and strong logistics infrastructure. Average rents are holding at $11.67 per square foot, supported by long-term demand from distribution, e-commerce, and manufacturing users. On the investment side, pricing averages $168 per square foot with cap rates around 7.7%, indicating continued investor interest despite broader capital market adjustments. Overall, the industrial sector remains one of the more resilient asset classes in the region.



9.2%
VACANCY RATE

7.7%
CAP RATE

$11.67
MARKET RENT

$168
PRICE/SF

Data Source: CoStar

Central New Mexico

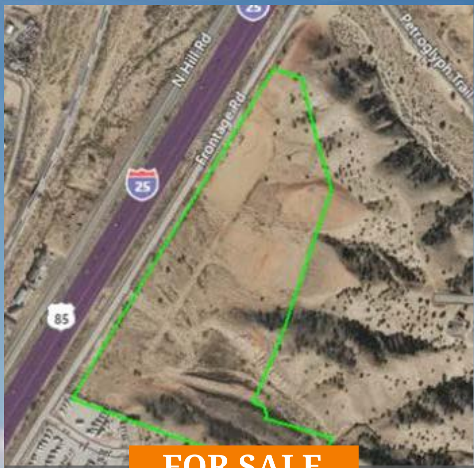
ALBUQUERQUE

Albuquerque, New Mexico's largest city, is a vibrant desert hub known for its high-altitude terrain, deep multicultural roots, and status as the "Hot Air Balloon Capital of the World." Situated at the foot of the 10,000-foot Sandia Mountains and bisected by the Rio Grande, it offers a blend of ancient tradition and high-tech innovation. Notable commercial real estate developments (planned or under construction) in Albuquerque include:

- **Allaso Olivine - Allaso Olivine is a Class A luxury apartment community**
- **The Senary by Allaso - The Senary by Allaso is an urban multifamily community in the Journal Center Business Park**
- **Allaso Vineyards - Allaso Vineyards is an urban-style, multifamily community in the Northeast Heights**

FEATURED ON MARKET LISTINGS

FOR SALE
$6,653,790
LAND



FOR SALE
$5,250,000
LAND

FOR SALE
$5,278,165
LAND

NMREC 02075327

VIEW ALL LISTINGS

ALBUQUERQUE

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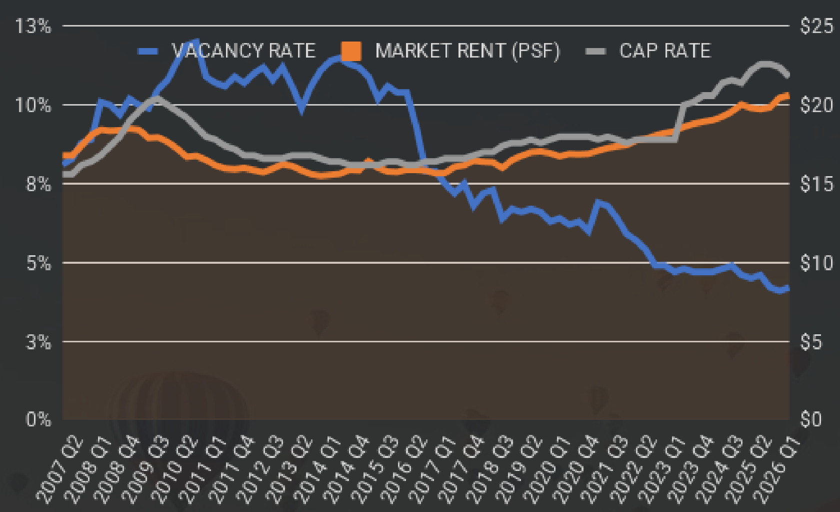
William Yun
LIC. REC-2024-0379

OFFICE

Albuquerque's office market remains one of the tightest among the Southwest markets, with vacancy at 4.2% in Q1 2026, reflecting limited new supply and steady tenant demand. Leasing activity continues at a measured pace, largely supported by government, healthcare, and education sectors. Market rents average $20.62 per square foot, providing a cost-effective alternative compared to larger metros. Investment activity remains stable, with assets trading near $117 per square foot and cap rates at 10.9%, offering attractive yields for investors. While demand is not aggressive, the combination of low vacancy and affordability continues to support stable occupancy and long-term performance across the market.



4.2% VACANCY RATE

10.9% CAP RATE

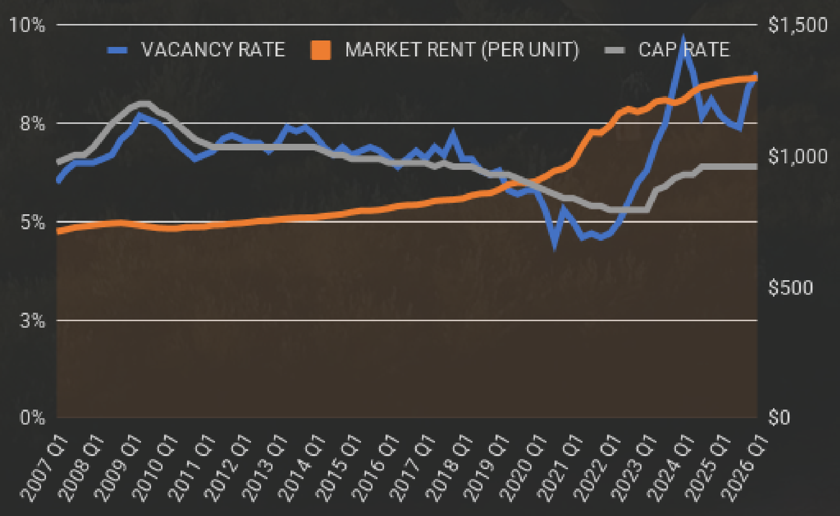
$20.62 MARKET RENT

$117 PRICE/SF

ALBUQUERQUE

MULTIFAMILY

Albuquerque's multifamily market is showing balanced conditions, with vacancy at 8.8% in Q1 2026 as new supply is gradually absorbed. Market rents average $1,300 per unit, reflecting stable pricing supported by affordability relative to larger Western markets. Investment activity remains consistent, with assets trading near $145,268 per unit and cap rates at 6.4%, attracting long-term investors. While population growth is more modest than other Sun Belt markets, steady household formation and affordability continue to support demand, positioning the sector for gradual stabilization as supply and demand rebalance.



8.8% VACANCY RATE

6.4% CAP RATE

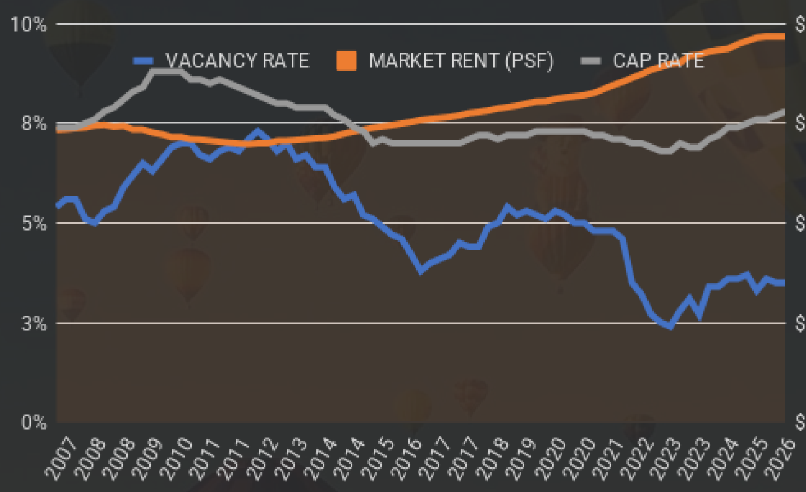
$1,300 MARKET RENT

$145,268 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail fundamentals remain stable in Albuquerque, with vacancy at 3.5% in Q1 2026, reflecting a tight market with limited availability. Demand remains steady across service-oriented and necessity-based tenants, supporting consistent leasing activity. Market rents average $19.36 per square foot, maintaining affordability compared to national benchmarks. Investment activity remains active, with assets trading near $198 per square foot and cap rates at 7.8%, indicating balanced investor sentiment. While tenant turnover has slightly increased availability, limited new construction continues to support occupancy and long-term stability across well-located retail centers.



3.5%
VACANCY RATE

7.8%
CAP RATE

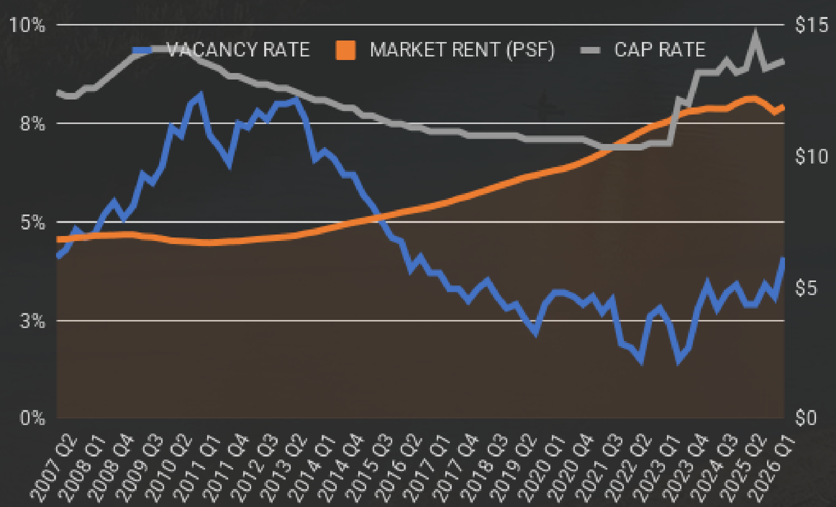
$19.36
MARKET RENT

$198
PRICE/SF

ALBUQUERQUE

INDUSTRIAL

Industrial fundamentals in Albuquerque remain strong, with vacancy at 4.1% in Q1 2026, indicating a near fully occupied market. Demand continues to be driven by logistics, light manufacturing, and regional distribution users. Market rents average $11.91 per square foot, remaining competitive while showing steady growth. Investment activity reflects continued interest, with assets trading near $113 per square foot and cap rates at 9.1%, appealing to yield-focused buyers. While new development remains limited, the market's strategic Southwest location continues to support long-term demand, keeping fundamentals balanced and supportive of landlord positioning.



4.1%
VACANCY RATE

9.1%
CAP RATE

$11.91
MARKET RENT

$113
PRICE/SF

Data Source: CoStar

SVN
J. BEARD REAL ESTATE
GREATER HOUSTON

Southeast Texas

GREATER HOUSTON

Houston, Texas, boasts a diverse economy driven by energy, particularly oil and gas, along with strong sectors in aerospace, healthcare, and manufacturing. The city is a major hub for international trade and has a robust business environment supported by its port, one of the busiest in the United States. Notable commercial real estate developments (planned or under construction) in Houston include:

- **George R. Brown Convention Center Expansion - Phase 1 +700,000 expansion**
- **Park 8 Place - Site preparation & preleasing are underway**
- **Innerbelt Northwest Logistics Park**
- **Magnolia Town Center - 200-acre, 1 million SF mixed-use development**

FEATURED ON MARKET LISTINGS

FOR SALE

SUBJECT TO OFFER

INDUSTRIAL

FOR SALE

SUBJECT TO OFFER

LAND

FOR LEASE

±38,250 SF

MEDICAL

TREC 519836-BB

VIEW ALL LISTINGS

GREATER HOUSTON

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ADVISOR

Linda Crumley
LIC. 619836

ADVISOR

Rosa Dye
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Ethan Dellmore
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ASSOCIATE

Katherine Bowler
LIC. 841821

SENIOR ADVISOR & BA

Tony Roubik
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ED OF ASSET SERVICES

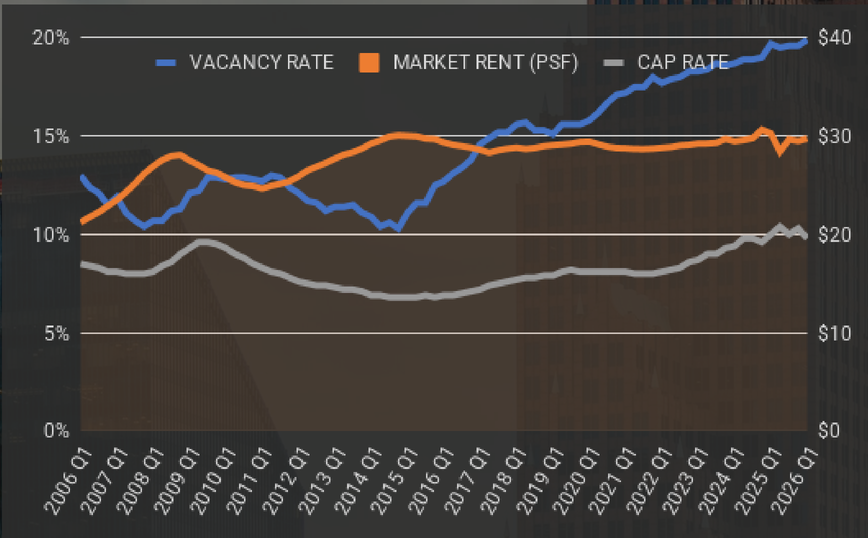
Scott Hill
LIC. 414690

EXECUTIVE DIRECTOR PM

Misty Kelly
LIC. 477904

OFFICE

Houston's office market continues to work through elevated vacancy, with conditions in Q1 2026 reflecting ongoing challenges across older inventory. Vacancy stands at 19.9%, as tenants continue to right-size space and prioritize higher-quality buildings. Market rents average $29.76 per square foot, remaining relatively stable as landlords rely on concessions to maintain occupancy. Investment activity reflects a repricing environment, with assets trading near $200 per square foot and cap rates at 9.8%, offering more attractive yields. Leasing demand remains concentrated in newer, amenitized properties, while older assets continue to experience slower absorption and higher availability.



19.9%
VACANCY RATE

9.8%
CAP RATE

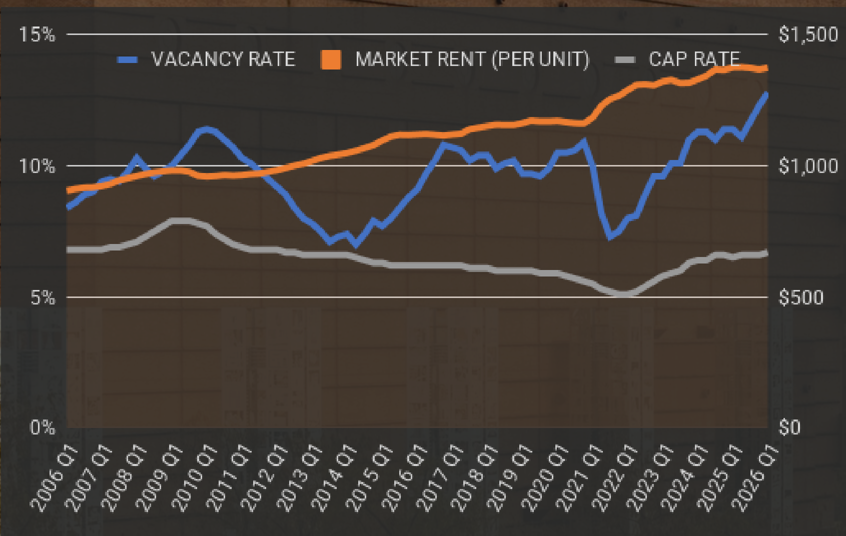
$29.76
MARKET RENT

$200
PRICE/SF

GREATER HOUSTON

MULTIFAMILY

Houston's multifamily market is adjusting to recent supply deliveries, with vacancy at 12.8% in Q1 2026, reflecting elevated availability across several submarkets. Market rents average $1,375 per unit, with growth moderating as operators focus on maintaining occupancy. Investment activity remains steady, with assets trading near $148,207 per unit and cap rates at 6.7%, indicating continued investor confidence. Population growth and in-migration continue to support long-term demand, though short-term absorption is expected to lag until new supply is fully absorbed.



12.8%
VACANCY RATE

6.7%
CAP RATE

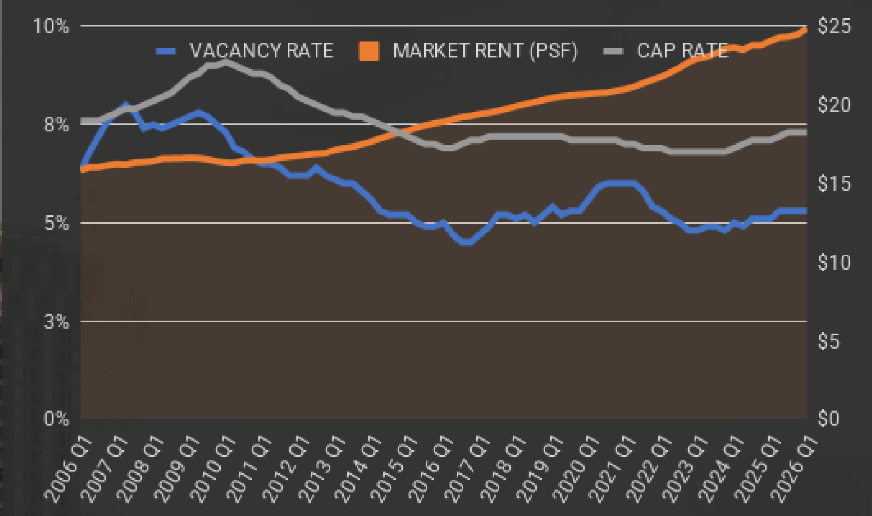
$1,375
MARKET RENT

$148,207
PRICE/UNIT

Data Source: CoStar

RETAIL

Retail fundamentals in Houston remain stable, with vacancy at 5.3% in Q1 2026, reflecting a balanced market despite recent tenant turnover. Market rents average $24.88 per square foot, supported by steady consumer demand and limited new construction. Investment activity continues, with assets trading near $252 per square foot and cap rates at 7.3%, reflecting consistent investor interest. Leasing demand remains strongest in well-located centers, particularly in growing suburban areas. While some availability has increased, overall fundamentals remain stable as demand continues to keep pace with supply.



5.3% VACANCY RATE

7.3% CAP RATE

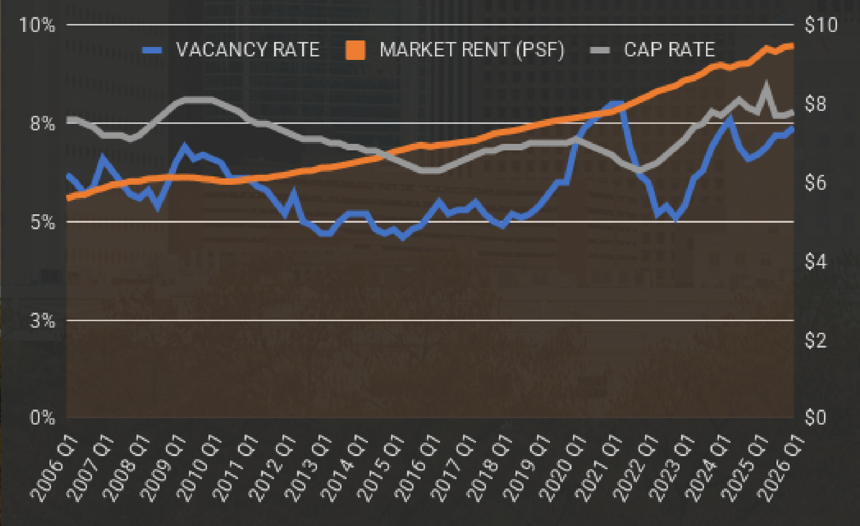
$24.88 MARKET RENT

$252 PRICE/SF

GREATER HOUSTON

INDUSTRIAL

Houston's industrial sector remains a core strength, with vacancy at 7.4% in Q1 2026, reflecting a more normalized environment following years of rapid expansion. Market rents average $9.48 per square foot, maintaining affordability for large-scale users while supporting steady occupancy. Investment activity remains active, with assets trading near $109 per square foot and cap rates at 7.8%, indicating continued investor demand. While new supply has moderated rent growth, the market continues to benefit from strong logistics demand, port activity, and population growth, supporting long-term fundamentals.



7.4% VACANCY RATE

7.8% CAP RATE

$9.48 MARKET RENT

$109 PRICE/SF

Data Source: CoStar

SVN TRADITIONS

Southern Texas

SAN ANTONIO

San Antonio is a vibrant city known for its rich cultural heritage and historical significance, including the famous Alamo. The city features a picturesque River Walk lined with shops, restaurants, and entertainment options, making it a popular destination for both locals and tourists. Just a short drive northeast lies New Braunfels, with the Guadalupe and Comal Rivers, and the historic Schlitterbahn Waterpark. Together, these cities offer a blend of history, recreation, and cultural experiences. Notable commercial real estate developments (planned or under construction) in San Antonio include:

- **Town Center at Creekside Expansion**
- **Frontera Logistics Supersite (San Antonio / I-35 Industrial Corridor)**
- **The Neue Mixed-Use Development (New Braunfels)**
- **I-35 NEX Corridor Expansion (San Antonio Region)**

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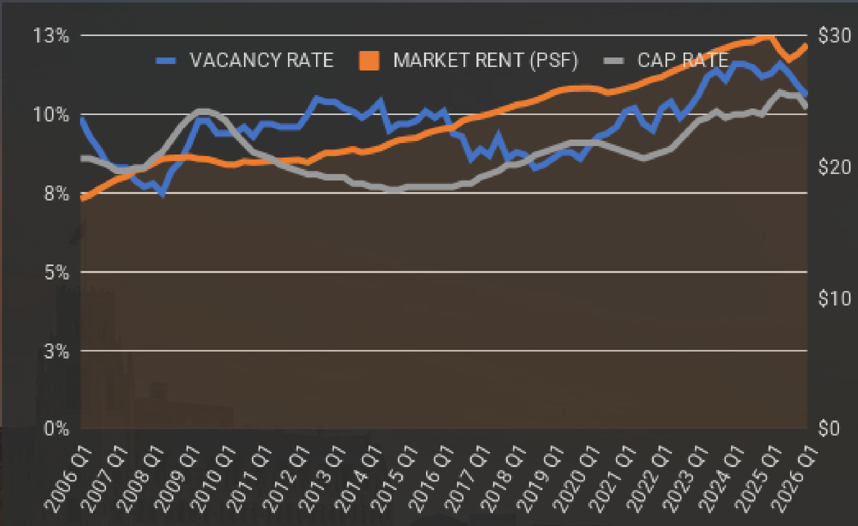
OFFICE

San Antonio's office market continues to show moderate stability, with vacancy at 10.6% in Q1 2026, reflecting a more balanced environment compared to larger Texas metros. Leasing activity remains steady, supported by government, healthcare, and military-driven demand. Market rents average $29.33 per square foot, remaining competitive while holding relatively firm. Investment activity reflects a higher-yield environment, with assets trading near $174 per square foot and cap rates at 10.2%, attracting value-oriented investors. While absorption remains measured, the market's diverse economic base continues to support occupancy and long-term stability across office assets.



10.6% VACANCY RATE

10.2% CAP RATE

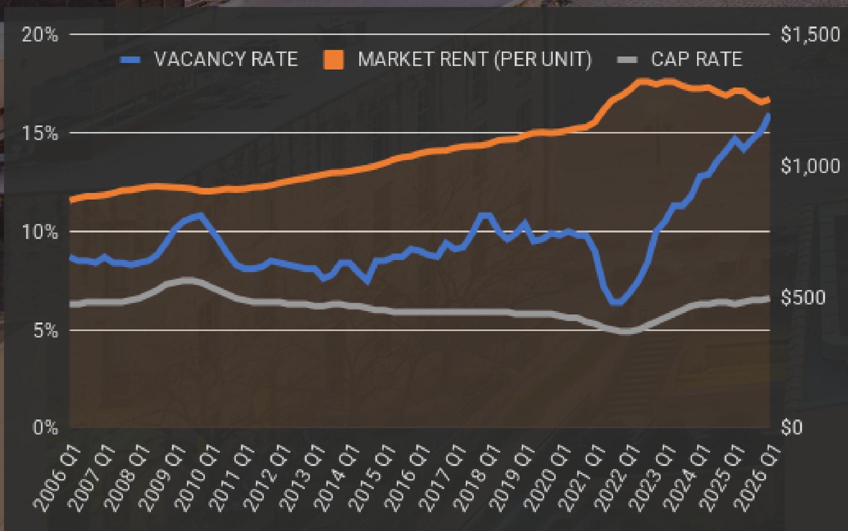
$29.33 MARKET RENT

$174 PRICE/SF

SAN ANTONIO

MULTIFAMILY

San Antonio's multifamily market is adjusting to elevated supply levels, with vacancy at 16.0% in Q1 2026, reflecting increased availability across several submarkets. Market rents average $1,255 per unit, with growth moderating as operators focus on maintaining occupancy. Investment activity remains stable, with assets trading near $135,738 per unit and cap rates at 6.6%, attracting long-term investors. While short-term absorption remains challenged, continued population growth and household formation are expected to support demand as the market works through new deliveries.



16.0% VACANCY RATE

6.6% CAP RATE

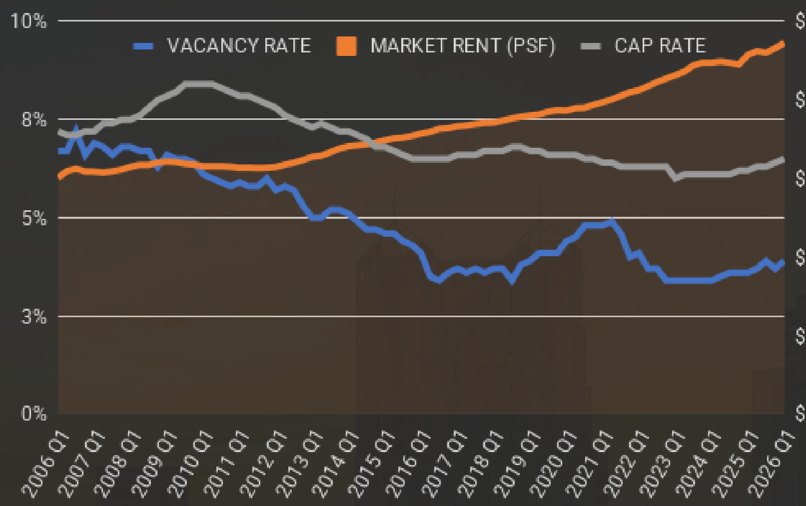
$1,255 MARKET RENT

$135,738 PRICE/UNIT

Data Source: CoStar

RETAIL

Retail fundamentals remain strong in San Antonio, with vacancy at 3.9% in Q1 2026, reflecting a tight and stable market. Demand continues to be driven by population growth and consumer spending, supporting consistent leasing activity across well-located centers. Market rents average $23.63 per square foot, maintaining steady growth while remaining competitive. Investment activity remains active, with assets trading near $254 per square foot and cap rates at 6.5%, indicating strong investor demand. Limited new construction and continued in-migration are expected to support occupancy and long-term performance.



3.9%
VACANCY RATE

6.5%
CAP RATE

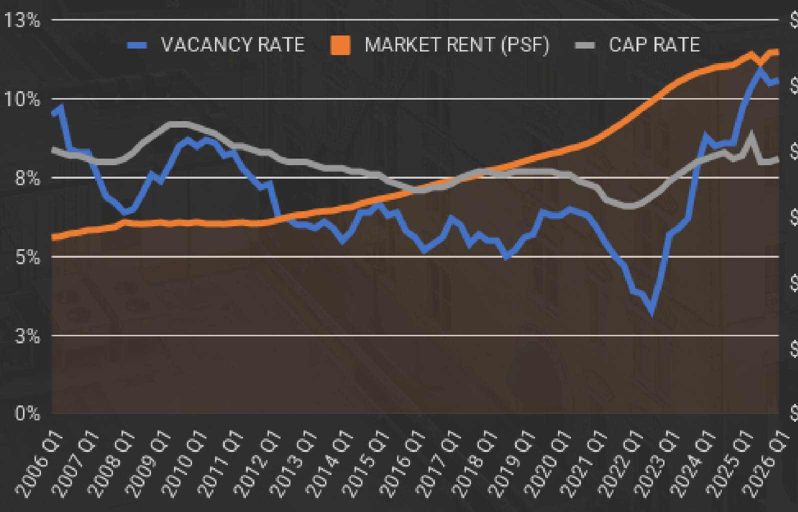
$23.63
MARKET RENT

$254
PRICE/SF

SAN ANTONIO

INDUSTRIAL

Industrial fundamentals in San Antonio are softening slightly, with vacancy at 10.6% in Q1 2026, as new supply has outpaced near-term absorption. Market rents average $11.04 per square foot, continuing to reflect affordability for logistics and distribution users. Investment activity remains steady, with assets trading near $123 per square foot and cap rates at 8.1%, appealing to investors seeking stable returns. Despite increased availability, long-term demand drivers including population growth, central Texas connectivity, and distribution activity continue to support the sector's outlook.



10.6%
VACANCY RATE

8.1%
CAP RATE

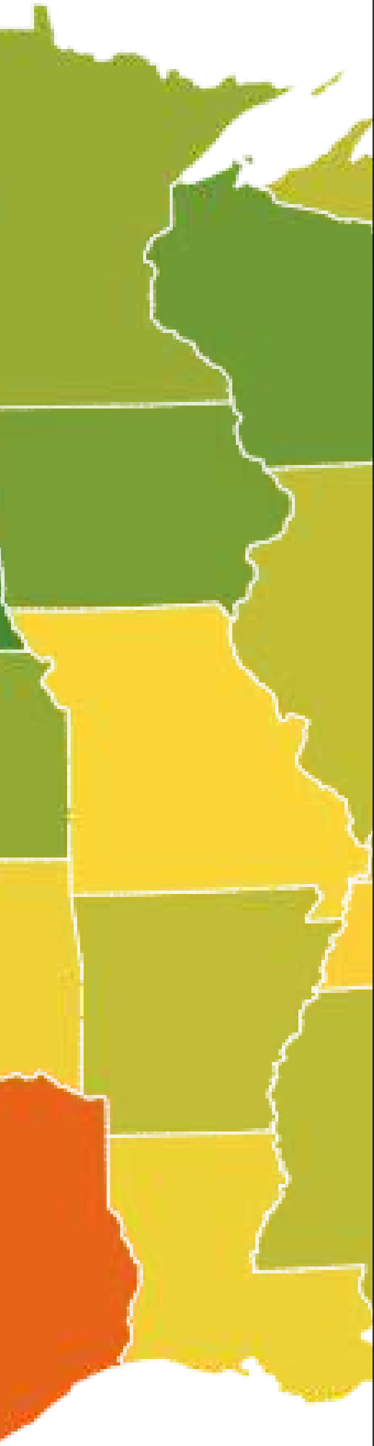
$11.04
MARKET RENT

$123
PRICE/SF

Data Source: CoStar

SOUTHWEST DISTRESS TRACKER

MULTIFAMILY



MULTIFAMILY
Distress Ranking
Watchlist % by State

1	Florida	11.35%
2	Texas	10.73%
3	Georgia	9.45%
4	New York	9.07%
5	Alabama	8.70%
6	Colorado	7.78%
7	Tennessee	7.76%
8	Indiana	7.64%
9	Arizona	7.56%
10	Washington	7.48%
11	New Jersey	7.38%
12	Pennsylvania	6.95%
13	Michigan	6.55%
14	Louisiana	6.41%
15	Missouri	6.40%
16	South Carolina	6.18%
17	Maryland	6.18%
18	California	6.03%
19	Ohio	5.40%
20	North Carolina	5.36%
21	Illinois	4.95%
22	Virginia	4.02%
23	Minnesota	3.89%
24	Massachusetts	2.86%
25	Wisconsin	2.23%

Orange = Southwest Markets

Data Source: Trepp


Q126
SOUTHWEST REGION