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Nevada vs. Tennessee for industrial & commercial real estate growth is a genuinely useful comparison right now, both states are growing, but for *very different* structural reasons. Below is a clean, investor-grade breakdown tailored to your CRE strategy and the way you evaluate markets.

Concise Takeaway

Nevada offers strong industrial demand tied to logistics, tax advantages, and constrained supply, making it a *high-margin, selective-opportunity market*.

Tennessee offers diversified economic growth, manufacturing expansion, and lower operating costs, making it a *scalable, broad-based development market*.

Industrial & Commercial Real Estate: Nevada vs. Tennessee



Nevada - Pros

Tax & Business Climate Advantage

No corporate income tax, no personal income tax, and business-friendly regulatory posture.

- This directly improves industrial pro formas and long-term hold economics.

Explosive Logistics Demand

Las Vegas and Reno serve as strategic nodes for West Coast distribution.

- Reno's proximity to NorCal (2–3 hours) continues to attract e-commerce and 3PL users.

Limited Supply = Higher Rent Growth

- Industrial vacancy in Las Vegas often sits in the **2–4%** range, supporting rent escalations and premium pricing for entitled land.

Population Growth & In-Migration

- Continued inflow from California and the Mountain West supports retail, medical office, and service-oriented commercial development.

Tourism Diversification

- Healthcare, professional services, and logistics now represent a growing share of employment, reducing reliance on gaming.

Nevada - Cons

Water & Infrastructure Constraints

- Entitlement timelines can be longer, and fringe industrial sites often require costly infrastructure extensions.

Selective Capital Markets

- Unentitled land is harder to finance; lenders prefer infill or fully serviced industrial parcels.

Tourism Volatility Still Matters

- While diversified, Las Vegas remains sensitive to national economic cycles.

Construction Costs

- Higher than Tennessee due to labor scarcity and Western-region material pricing.



Tennessee - Pros

Manufacturing Boom

Major investments from Ford (Blue Oval City), GM, Nissan, VW, and battery/EV suppliers.

- This creates long-term industrial absorption and supplier-network demand.

Logistics Strength

- Memphis is a global freight hub (FedEx World Hub), and Nashville sits at a central U.S. distribution crossroads.

Lower Land & Construction Costs

- Tennessee offers a meaningfully lower basis for industrial and commercial development compared to Nevada.

Population & Corporate Relocation Growth

- Nashville's growth continues to outperform national averages, driving office, retail, and mixed-use demand.

Pro-Business Regulatory Environment

- Predictable entitlement processes and lower operating costs attract developers and tenants.

Tennessee - Cons

Property Tax Burden Higher Than Nevada

- No income tax, but property taxes and business taxes are higher than Nevada's overall burden.

Infrastructure Catch-Up Needed

- Rapid growth in Nashville and surrounding metros strains roads, utilities, and municipal capacity.

Industrial Competition Increasing

- More developers entering the market compress margins and push land prices upward.

Weather & Climate Risk

- Tornado exposure and severe storms add insurance and resiliency considerations.

Side-by-Side Comparison

Factor	Nevada	Tennessee
Industrial Demand Drivers	Logistics, e-commerce, West Coast overflow	Manufacturing, EV/battery, logistics
Regulatory Environment	Very favorable; low taxes	Favorable; predictable but higher tax burden
Land Availability	Constrained, especially serviced industrial	More abundant, especially outside major metros
Construction Costs	Higher	Lower

Capital Market Sentiment	Strong for industrial; selective for land	Broad investor interest across sectors
Population Growth	Strong but slower than TN	Very strong, especially Nashville
Best Opportunities	Entitled industrial, infill commercial, BTR	Manufacturing-adjacent industrial, logistics, suburban commercial
Key Risks	Water, infrastructure, tourism cycles	Infrastructure strain, weather, competition

Strategic Interpretation for CRE Professionals

Given your focus on **industrial, commercial redevelopment, and investor-grade scheduling**, the choice depends on your deployment strategy:

If you want margin through scarcity:

Nevada - especially Las Vegas, North Las Vegas, and Reno, offers high-value industrial opportunities where entitlement and infrastructure readiness create outsized returns.

If you want scalable growth with diversified demand:

Tennessee, especially Nashville, Memphis, and Knoxville corridors, provides broader industrial and commercial absorption with lower development costs and strong manufacturing tailwinds.