



SAMPLE

OPERATING COST ANALYSIS

PREPARED FOR PROJECT X

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KEY METRIC SCORECARD

Las Vegas MSA vs. competitor MSAs



■ **TAKEAWAY** Las Vegas leads on cost of business, population and job growth, energy cost, and cost of living.

CATEGORY	KEY METRIC	LAS VEGAS	INLAND EMPIRE	LOS ANGELES
COST OF BUSINESS	No State Income Tax	●	○	○
	No Corporate Income Tax	●	○	○
	Industrial Avg Asking Rate	\$1.02	\$1.09	\$1.21
	Commercial Avg Asking Rate	\$2.57	\$2.23	\$4.13
WORKFORCE	Population Growth Rate	5.83%	1.25%	0.64%
	Job Growth Rate	2.00%	0.20%	0.70%
	Workforce Age (Median)	39	32	37
INFRASTRUCTURE	Distance to San Pedro Ports	270 mi	50 mi	20 mi
	Destinations w/ Direct Flights	169	30	183
	Energy Cost (Comm.) / KWh	\$0.0758	\$0.1987	\$0.1987
QUALITY OF LIFE	Median Home Sale Price	\$416K	\$613K	\$937K
	Cost of Living Index	95.6	117	152.4
	ParkScore	47	85	98

● Advantage / present ○ Not present

ASSUMPTIONS

Las Vegas vs. SoCal · project parameters



This Annual Business Operating Cost Analysis is prepared from the operating information provided. Where a figure was not supplied, a reasonable assumption based on similar operations is used — every parameter can be revised to match your plan.

PROJECT ASSUMPTIONS

- **Scope of analysis:** 1 year of operation
- **Facility:** 250,000 SF warehouse / industrial
- **Total capital investment:** \$10 million
- **Total jobs:** 500 (see breakdown)
- **Electricity:** 5,000 KW · 1.5M KWh / mo
- **Natural gas:** 50,000 ccf / mo
- **Water:** 500,000 cf · 4" meter
- **Wastewater:** 500,000 cf · 4" meter

JOB BREAKDOWN

JOB TITLE	JOB
Packers & Packagers, Hand	175
Laborers & Material Movers, Hand	175
Shipping, Receiving & Traffic Clerks	50
Industrial Truck & Tractor Operators	50
Packaging & Filling Machine Operators	25
Transportation & Distribution Mgrs	25
TOTAL	500

OPERATING COSTS



Las Vegas vs. SoCal · annual business operating costs

BASIS 1-YEAR OPERATION · 250,000 SF WAREHOUSE / INDUSTRIAL · 500 JOBS · \$10M CAPITAL INVESTMENT

■ **TAKEAWAY** Operating in Las Vegas costs \$38.7M / year — 11.6% below the Inland Empire and 20.9% below Los Angeles.

LAS VEGAS

\$38.7M

INDEX 100.0

HOME · BASELINE

INLAND EMPIRE

\$43.2M

INDEX 111.6

+11.6% vs LV

LOS ANGELES

\$46.8M

INDEX 120.9

+20.9% vs LV

■ **ANNUAL COST BY COMPONENT**

LOCATION	PAYROLL	BENEFITS	UTILITIES	BLDG / LEASE	PROP. TAX	TOTAL
Las Vegas, NV	\$26,567,050	\$6,656,657	\$2,213,270	\$3,175,000	\$110,085	\$38,722,063
Inland Empire	\$27,979,750	\$7,531,736	\$4,188,918	\$3,362,500	\$150,000	\$43,212,904
Los Angeles	\$30,246,025	\$8,137,638	\$4,268,059	\$4,055,000	\$118,100	\$46,824,822

Source: Applied Economics MetroComp Model. Inland Empire = San Bernardino & Riverside metros; Los Angeles = Los Angeles metro.

HOURLY WAGES

SAMPLE

Las Vegas vs. SoCal · hourly wage comparison

■ **TAKEAWAY** Las Vegas wages run lower across every warehouse role in the analysis.

Job Title	Las Vegas	Inland Empire	Los Angeles
Packers & Packagers, Hand	\$25.85	\$27.17	\$29.65
Laborers & Material Movers, Hand	\$24.92	\$26.21	\$28.53
Shipping, Receiving & Traffic Clerks	\$23.23	\$24.12	\$25.29
Industrial Truck & Tractor Operators	\$21.70	\$22.64	\$24.45
Packaging & Filling Machine Operators	\$24.86	\$26.59	\$27.88
Transportation & Distribution Managers	\$59.93	\$64.48	\$70.44

Source: Applied Economics MetroComp Model. Inland Empire = San Bernardino & Riverside metros; Los Angeles = Los Angeles metro.

FRINGE & BENEFITS



Las Vegas vs. SoCal · annual fringe & mandated benefit costs

■ **TAKEAWAY** Total employer benefit load is lowest in Las Vegas, driven mainly by workers' compensation.

LOCATION	RETIRE. & SAVINGS	LIFE & HEALTH	SOC. SEC.	WORKERS' COMP	UNEMP.	TOTAL
Las Vegas, NV	\$1,275,218	\$2,683,272	\$1,647,157	\$434,460	\$616,550	\$6,656,657
Inland Empire	\$1,343,028	\$2,825,955	\$1,734,745	\$1,509,009	\$119,000	\$7,531,736
Los Angeles	\$1,451,809	\$3,054,849	\$1,875,254	\$1,636,726	\$119,000	\$8,137,638
BENCHMARKS Retirement 5.69%, life & health 11.78%, Social Security 6.20% of payroll; workers' comp and unemployment vary by state.						

UTILITY COSTS

Las Vegas vs. SoCal · annual utility costs

■ **TAKEAWAY** Las Vegas utilities cost roughly half the SoCal markets, led by far lower energy rates.

LOCATION	ELECTRICITY	NATURAL GAS	WATER	SEWER	ANNUAL TOTAL	INDEX
Las Vegas, NV	\$1,528,200	\$194,400	\$187,669	\$303,001	\$2,213,270	100.0%
Inland Empire	\$3,274,200	\$559,800	\$127,240	\$227,678	\$4,188,918	189.3%
Los Angeles	\$3,274,200	\$559,800	\$281,059	\$153,000	\$4,268,059	192.8%

Source: Applied Economics MetroComp Model. Inland Empire = San Bernardino & Riverside metros; Los Angeles = Los Angeles metro.

LEASE & BUILDING



Las Vegas vs. SoCal · estimated lease, land & building costs

- **TAKEAWAY** Industrial lease rates are lowest in Las Vegas at \$12.70 / SF — 5.9% under the Inland Empire, 27.7% under Los Angeles.

LOCATION	ANNUAL LEASE RATE / SF	TOTAL ANNUAL LEASE COST	INDEX
Las Vegas, NV	\$12.70	\$3,175,000	100.0%
Inland Empire	\$13.45	\$3,362,500	105.9%
Los Angeles	\$16.22	\$4,055,000	127.7%
NOTE Based on 250,000 SF at Class A industrial asking rates; total annual payments equal total lease cost.			

PROPERTY TAX

Las Vegas vs. SoCal · property tax cost

- **TAKEAWAY** Nevada's 35% assessment ratio holds Las Vegas' effective rate to 1.10% — the lowest total property tax in the comparison.

LOCATION	NOMINAL RATE	ASSESSMENT RATIO	EFFECTIVE RATE	TOTAL TAX	INDEX
Las Vegas, NV	3.15%	35.00%	1.10%	\$110,085	100.0%
Inland Empire	1.50%	100.00%	1.50%	\$150,000	136.3%
Los Angeles	1.18%	100.00%	1.18%	\$118,100	107.3%
NOTE Taxable property value assumed at \$10,000,000 in every market.					

SAMPLE



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LET'S BUILD YOUR FUTURE IN SOUTHERN NEVADA



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