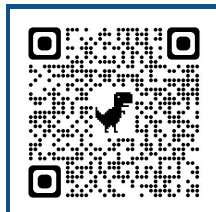




A YEAR
IN REVIEW



NORTHERN NEVADA
2023 COMMERCIAL MARKET REPORT



SIGN UP FOR OUR
DIGITAL REPORTS

333 Holcomb Ave., Ste. 300 | Reno, Nevada 89502 | **775.850.3100** | dicksoncg.com



NOTABLE NEW & EXPANDED COMPANIES IN 2023



RENO RANKED #16 BEST PERFORMING CITIES 2023

Reno placed 16th among 200 large U.S. cities
in the 2023 Best-Performing Cities

**Milken Institute's Best-Performing Cities 2023*



OMEC Medical
Manufacturing
500 Jobs



Generac
Manufacturing
100 Jobs



Stellar Aviation Group
Aerospace / Aviation / Defense
100 Jobs



Weber Metals, Inc.
Manufacturing
100 Jobs



Arcadia Cold
Logistics / Distribution
80 Jobs



EdgeCore Digital Infrastructure
E-Commerce
50 Jobs



OMNI Cable
Logistics / Distribution
50 Jobs



Protective Industrial Products (PIP USA)
Logistics / Distribution
50 Jobs



TruckX
Technology
30 Jobs

INDUSTRIAL

SALES RECAP

Sales transactions for 2023 rebounded from an extremely slow 2022 market with respectable sale volume.

There was a 13.16% increase in the number of sales transactions and a 97.22% increase in overall sales volume, both substantial increases.

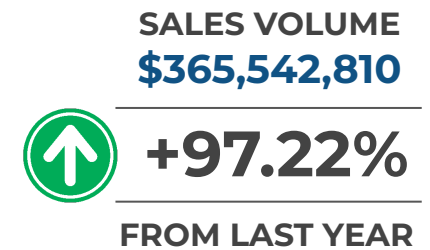
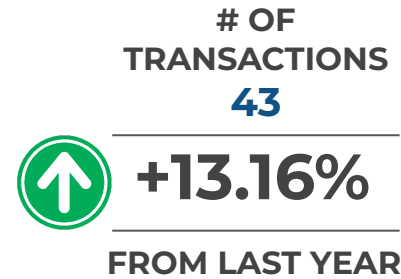
Compared to years prior, the investment market has seen significant changes in interest rates and cap rates spiking over the course of the year. Despite some headwinds, 2024 ended with \$203M of investment volume in Q4, providing many with optimism heading into the new year.

Industrial development land acquisitions were significantly down in 2023, with only six notable transactions completed, at an average of \$8.59 psf. with a few notable sales north of \$10 psf. There has been a surge in the transaction volume for data center sites in the region, with several transactions occurring in 2023.

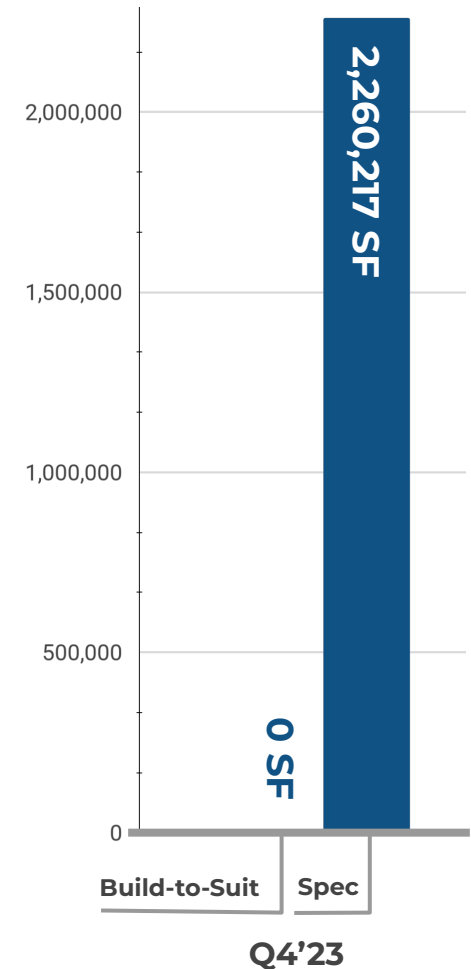
NEW CONSTRUCTION

4th quarter deliveries were concentrated with several infill projects in the Central-West Reno, South Reno, and Airport submarkets. In West Reno, Dermody Properties delivered a 170,500 sq. ft Building 1 at LogistiCenter at I-80 West Phase II, which had 50% of the building pre-leased. In South Reno, Prologis completed a 390,240 sq. ft. build-to-suit for Dragonfly Energy, and in the Airport submarket, Tolles Development Company put the roof on the remaining 3 spec buildings at Airway Commerce Center, totaling 752,347 sq. ft.

Seven new building completions totaled 1,853,837 sq. ft. of new product to the market in the 4th quarter, contributing to one of the highest historical years for industrial construction in Northern Nevada, with a staggering year end total of 8,344,458 sq. ft. With a runway of 6.9M sq. ft. of available inventory heading into 2024, multiple anticipated new construction starts have paused until further lease-up of competing spec projects is achieved. Currently, there is 2.3M sq. ft. slated for delivery over the next 12 months.



UNDER CONSTRUCTION SPEC VS BUILD-TO-SUIT





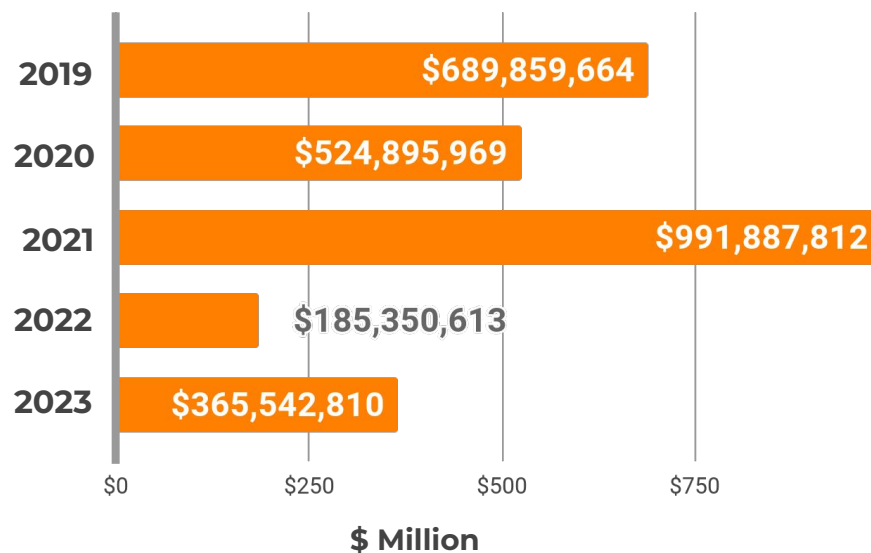
TOP SALES 2023

INDUSTRIAL

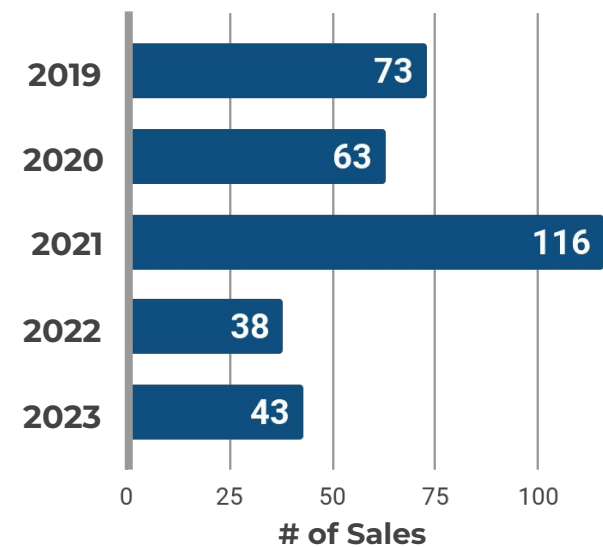
PROJECT	SIZE	SALE PRICE	BUYER
980 Packer Way/ 1400 Kleppe Ln Portfolio	585,718 sf.	\$91,200,000	DRA Advisors
700 Milan Dr	632,130 sf.	\$82,500,000	Westcore
655 Spice Islands Dr	164,918 sf.	\$29,935,000	Stag Industrial Holdings
16025 S Virginia St	94,781 sf.	\$18,000,000	HMC Three, LLC.
4775 Aircenter Cir	104,835 sf.	\$15,686,000	New Mountain Center
14291 Lear Blvd	144,278 sf.	\$15,000,000	Jensen Precast
295 Lillard Dr	70,000 sf.	\$12,100,000	Acco Engineered Systems, Inc,



TRANSACTION VOLUME YEAR OVER YEAR



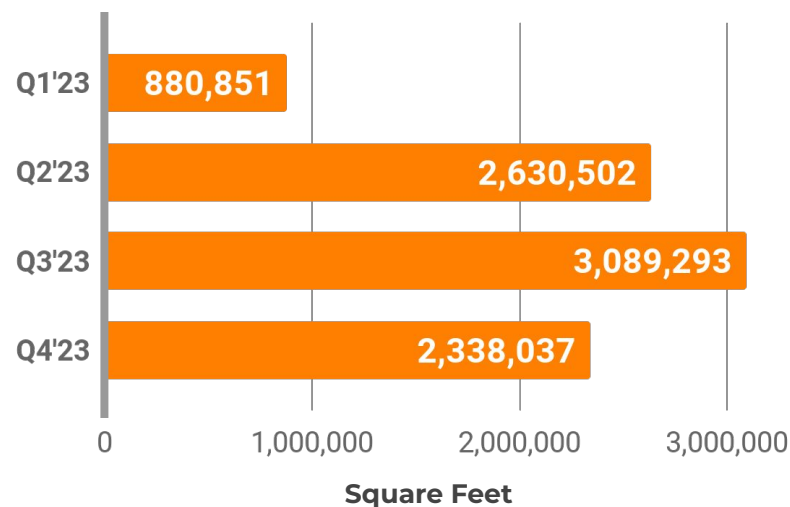
NUMBER OF SALES YEAR OVER YEAR



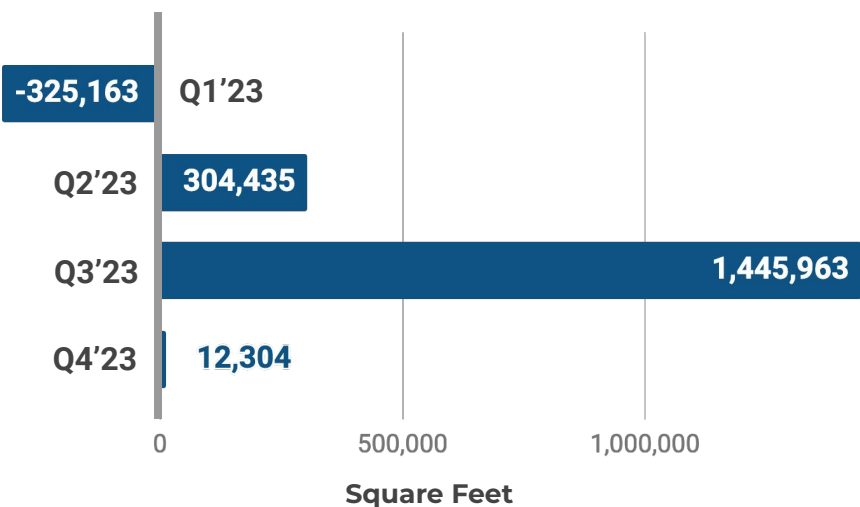
ABSORPTION & VACANCIES

INDUSTRIAL

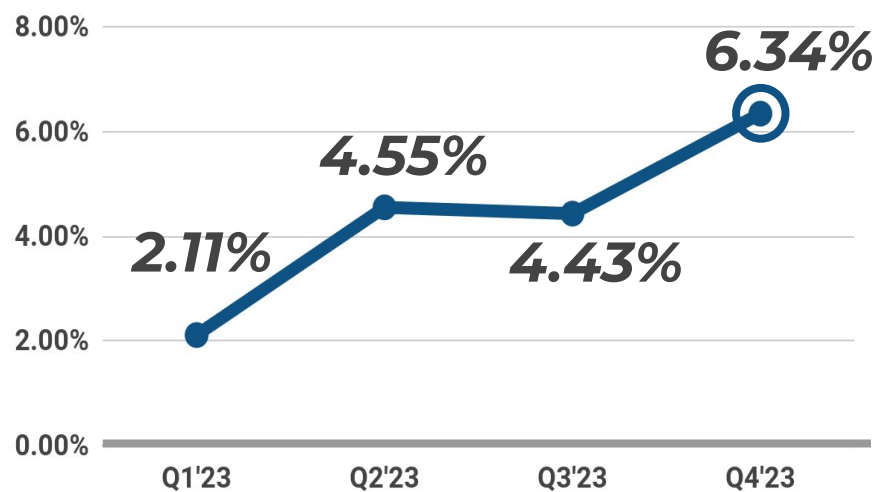
Gross Absorption



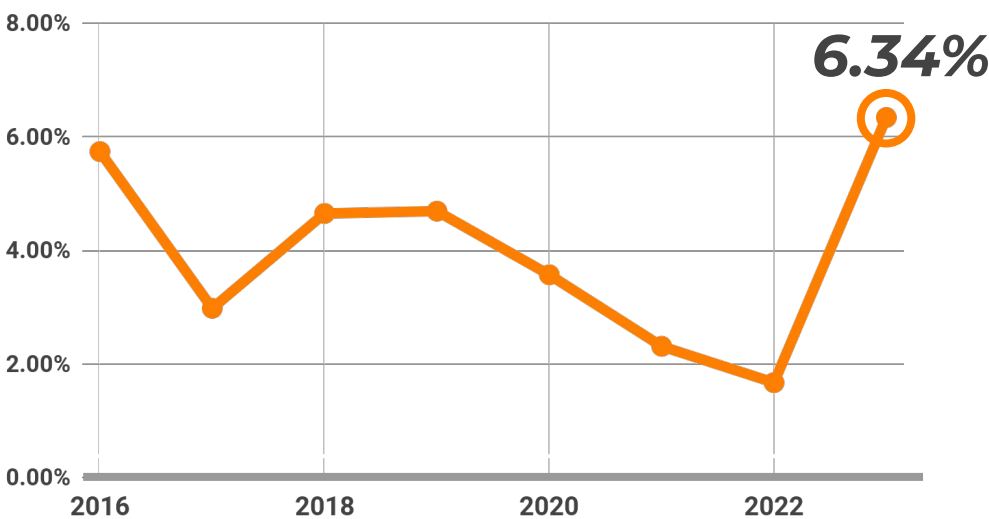
Net Absorption



QUARTERLY
DIRECT VACANCY RATES



YEAR OVER YEAR
DIRECT VACANCY RATES



OFFICE

SALES RECAP

2023 was a very slow year for transaction volume with a record low number of sales transactions for the past 5 years. Transaction volume, number of sales, and average price per square foot were all down across the board. In 2023, the total sales volume in Washoe County only reached \$86,314,094, which is down 54.35% from the previous year. Additionally, there were 54 transactions, a 37.21% decline in transaction volume, and the average price per sq. ft. finished the year at \$295.53, a 3.72% decrease compared to that of 2022.

Carrying over from 2022, interest rates are still greatly affecting the commercial real estate environment, as the bid-ask spread remains between buyers and sellers, resulting in fewer transactions getting done. As interest rates remain to stay elevated, buyers continue to adjust their expectations, looking for more favorable properties with either lower asking prices or higher cap rates. The last quarter of '23 saw a welcome increase in both volume and the overall number of sales.

Volume tallied the highest figure for any quarter this year, with \$35 million in transactions. Underwriting office continues to be a challenge for investor and lenders alike. Owners are having to come to the realization that yields and therefore values have shifted, and lenders are tightening requirements and scrutinizing owner user and investor transactions. We expect to see a choppy first half of the year with renewed investor and owner user activity picking up towards the end of Q4 as interest rates potentially drop.





LEASING RECAP

The year ended with negative net absorption, which capped off an underwhelming 2024. Direct vacancy grew to 10.61% and current sublease vacancy to 13.82%.

The market continues to experience vacancies pre-marketed before a tenant's true sublease term expires, creating shadow space across the market. Many regional tenants are successfully 'right-sizing' their occupancy needs and can reduce footprints into more efficiently designed spaces. Despite the negative headlines, lease transactions are still being completed. Tenant improvement pricing continues to be a challenge despite the negative net absorption. Costs in our market have essentially doubled from five years ago, which continues to put headwinds on the office recovery.

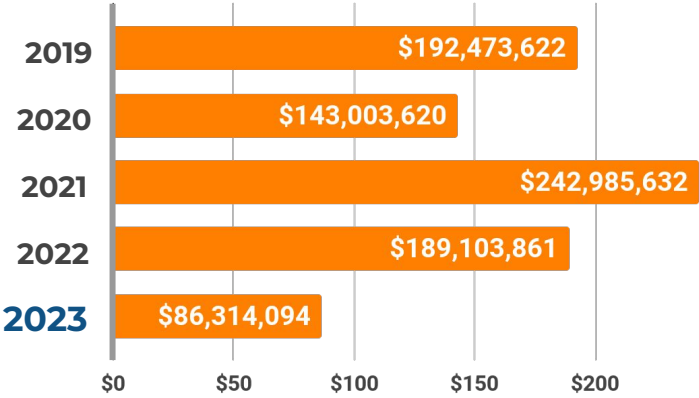
The lack of supply of Class A space is benefiting those landlords with modernized offerings that have adapted to the new office occupancy culture. These owners continue to achieve strong rents based on a lack of tenant options.

With zero new construction in the region due to costs and capital markets constraints, Class A rents in the Kietzke corridor exceed \$3.00 per square foot per month. The older class B and C properties are where we are really seeing occupancy and rates struggle.

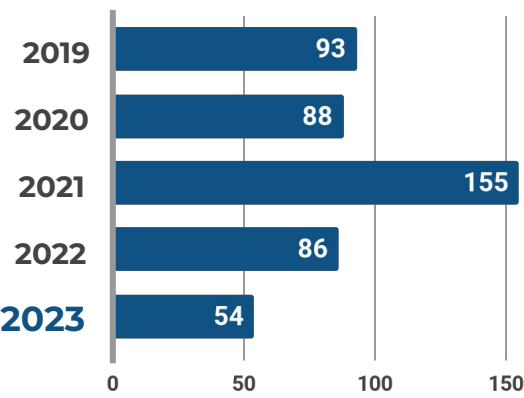
# OF TRANSACTIONS	TRANSACTION VOLUME	AVERAGE P/SF	AVERAGE CAP RATE
54	\$86,314,094	\$295.53	
 -37.21%	 -54.35%	 -3.72%	 6.66%
FROM LAST YEAR	FROM LAST YEAR	FROM LAST YEAR	YEAR OVER YEAR

OFFICE

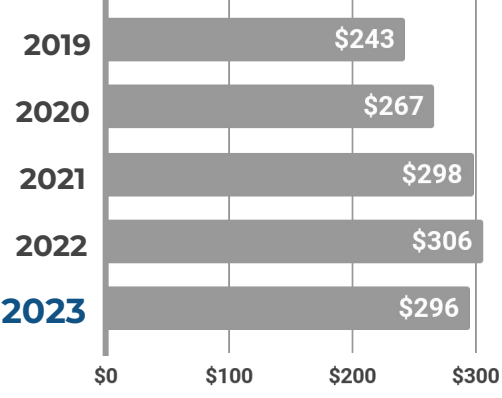
TRANSACTION **VOLUME**
YEAR OVER YEAR



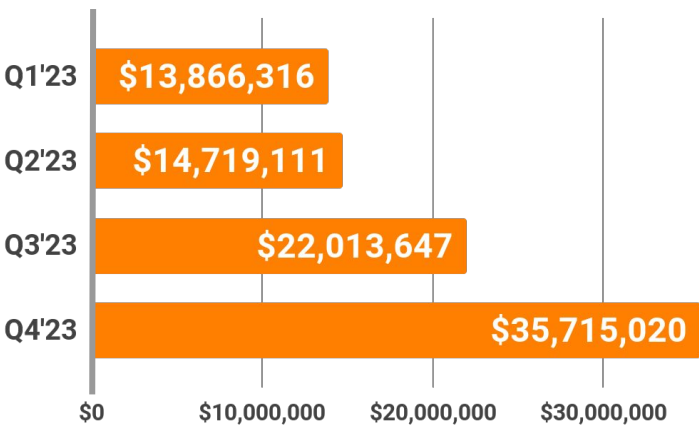
NUMBER OF **SALES**
YEAR OVER YEAR



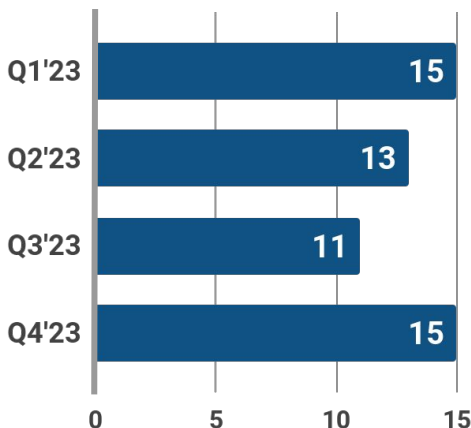
AVERAGE **P/SF**
YEAR OVER YEAR



TRANSACTION **VOLUME**



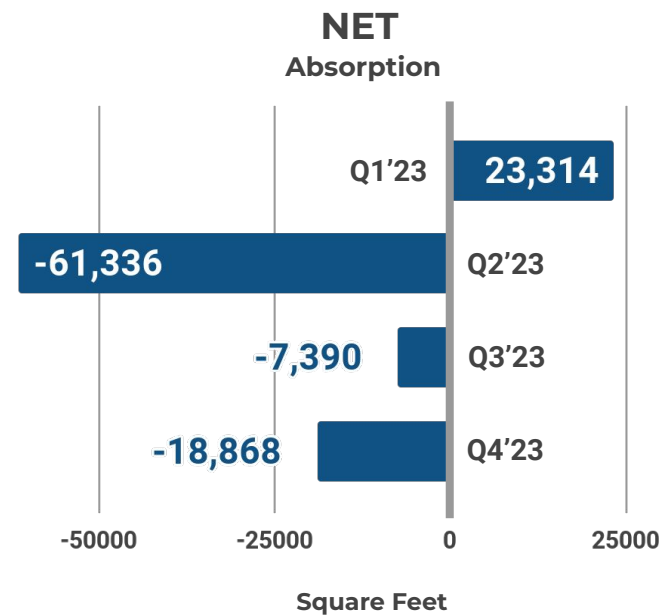
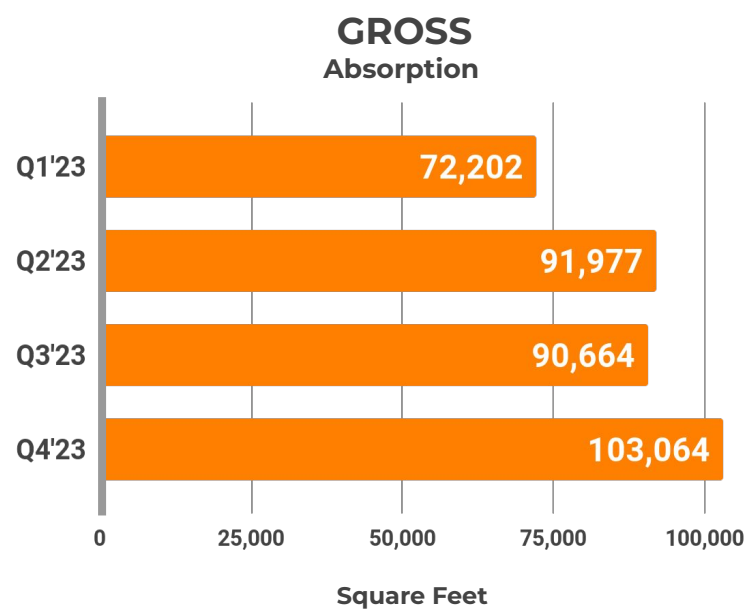
NUMBER OF **SALES**



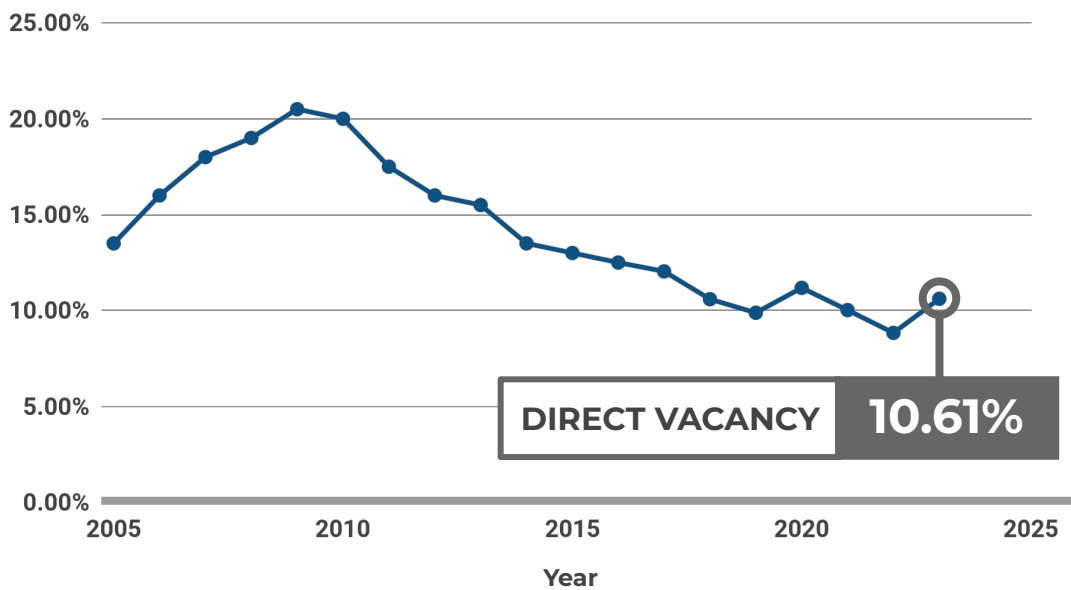
AVERAGE **P/SF**



OFFICE



TOP 200 OFFICE BUILDING HISTORICAL VACANCY DCG



VACANCY RATES	DIRECT	WITH SUBLEASE
Downtown	11.33%	12.93%
South Meadows	19.84%	27.48%
Meadowood	8.10%	9.15%
Central	5.14%	5.14%
Airport	7.03%	13.03%
OVERALL	10.61%	13.82%



TOP SALES 2023

OFFICE



ADDRESS & SF	PRICE PSF	NOTES
950 Sandhill Rd 43,800 sf.	\$11,800,000 \$269.41 psf	A two-tenant office in the South Meadows submarket that was 100% leased at the time of sale to Lumos & Associates and Light & Wonder and had a cap rate of 7.71%.
6884 Sierra Center Pkwy 45,167 sf.	\$9,900,000 \$219.19 psf	Owner User transaction of an office building previously occupied by Intuit in the Meadowood submarket. The property was purchased by Ormat Technologies.
275 Hill St 16,878 sf.	\$6,000,000 \$348.07 psf	In Downtown Reno, a multi-tenant building occupied by Washoe Public House, Belle Business Services & SimpleTech. 6.50% Cap Rate.
250 Village Blvd 9,520 sf.	\$4,000,000 \$420.17 psf	In Incline Village, near Alibi Ale Works and Engel & Volkers, an office building was sold. At the time of sale, the building was 100% leased by tenants such as Incline Tahoe Glass, Simonian Flooring, and Costalupes Construction.
5540 Reno Corporate Dr 6,596 sf.	\$3,158,061 \$478.78 psf	A behavioral therapy group closed on a build-to-suit building in the RPC Campus at 5540 Reno Corporate Drive.
661 Sierra Rose Dr 6,048 sf.	\$3,030,000 \$500.99 psf	100% Occupied By Renown At Time Of Sale.
204 Marsh Ave 8,639 sf.	\$2,159,750 \$250.00 psf	In Midtown, on the corner of Plumas Street & Marsh Avenue, an office building occupied by Pellett Construction, Dennis Cameron Law, and A Disability Services sold.
4960 Vista Blvd #100 5,675 sf.	\$2,750,000 \$484.58 psf	In the Sparks submarket, a freestanding turnkey office building with frontage on Vista Blvd sold.
6119 Ridgeview Dr 8,265 sf.	\$2,000,000 \$241.98 psf	Near Lakeridge Golf Course and the Shops at Bartley Ranch, an office building sold. Neighboring tenants include Albright & Associates, Hole in One International, and Quest Counseling.

RETAIL

INVESTMENT ACTIVITY






Overall transaction volume nearly doubled year over year in Reno. The number of sales only increased by 5.5%, but the transaction volume jumped up over 70%, from \$208M in 2022 to \$357M in 2023.

The increase in volume was attributable to a handful of larger transactions like the Summit at Sierra, which transacted in Q1 2023, along with a handful of neighborhood centers and inline buildings trading hands throughout the course of the year.

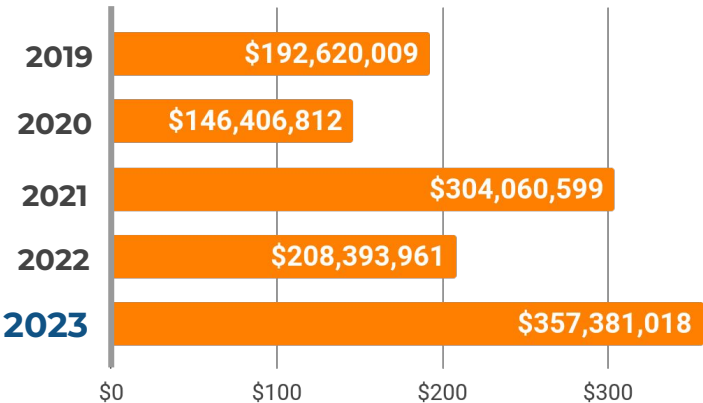
Inline and neighborhood centers have been resilient in the current capital markets climate and have provided some available investment options in our market to help meet what demand does exist.

LEASING RECAP

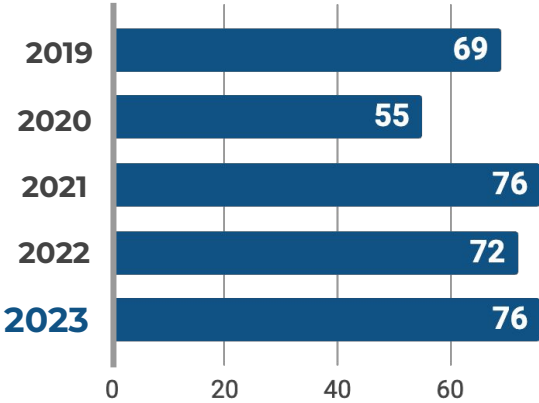
Carrying over from 2022, the Reno retail sector produced a sub 5% overall vacancy rate in 2023, which can be attributed to the lack of new space availability as well as continued population growth in Northern Nevada. There are little to no new projects in Washoe County as construction deliveries remain limited, with the newer developments occurring in the South Meadows and Downtown Reno submarkets based on demand.

Overall Vacancy Rate: YEAR OVER YEAR		4.4%
Neighborhood Center Vacancy:		5.6%
Power Center Vacancy:		4.0%
Strip Center:		3.9%
General Retail Vacancy: Free Standing		4.0%

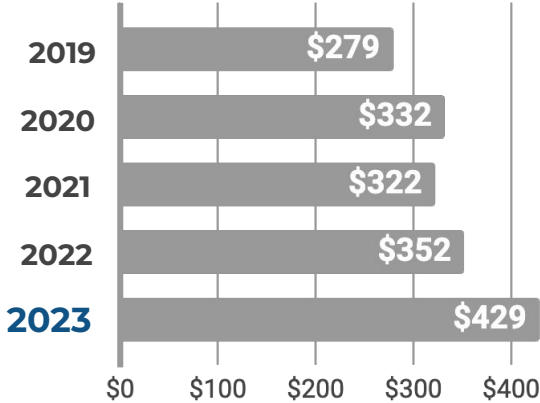
TRANSACTION VOLUME YEAR OVER YEAR



NUMBER OF SALES YEAR OVER YEAR




AVERAGE P/SF YEAR OVER YEAR



NEIGHBORHOOD CENTER / INLINE

RETAIL NOTABLE SALES 2023

ADDRESS & SF	PRICE PSF	NOTES
7675 S. Virginia Street (65,992 SF)	\$13,750,000 (\$208.36 psf)	In South Reno, in the South Meadows submarket, a retail center sold at a reported 6.50% cap rate. The retail center sits on 7.91 acres and is commonly known as Winner's Crossing.
 6135 Lakeside Drive (34,491 SF)	\$9,800,000 (\$284.13 psf)	In Southwest Reno, a multi-tenant neighborhood retail strip on the corner of Ridgeview Drive and Lakeside Drive sold at a reported 6.86% cap rate. The retail center sits on 3.815 acres and is known as the Shops at Bartley Ranch. Tenants include Bighorn Tavern, Pasta Fresca, Blackrock Wine Co., and Smiling with Hope Pizza.
589/527 E Prater Way (37,097 sf.)	\$9,259,000 (\$249.59 psf)	In the Iron Horse Shopping Center, two retail properties with inline space along the shopping center sold at a reported 7.86% cap rate.
675 N McCarran Blvd (7,302 sf.)	\$4,221,000 (\$578.06 psf)	Located in Sparks, in the Iron Horse Shopping Center near FoodMaxx and Harbor Freight Tools, a food and service building occupied by Super Chix, Roberto's Taco Shop, and Starbucks sold at a reported 6.47% cap rate.
440 E Golden Valley Rd (12,000 SF)	\$4,000,000 (\$333.33 psf)	A free standing retail building in North Valleys selling at a 6.8% cap rate with tenants including: Longboards Pizza, Yogurt Beach, and Golden Valley Nails.

STNL

1110 S Rock Blvd (3,010 sf.)	\$4,752,475 (\$1,578.90 psf)	STNL 7/11 in the Airport Submarket.
195 Kietzke Ln (5,637 sf.)	\$4,750,000 (\$842.65 psf)	A service/gas station but selling with a 4.72% cap rate and a triple net lease for Maverick.
324 E 4th St (11,508 sf.)	\$3,000,000 (\$260.69 psf)	In Downtown Reno, the building previously occupied by The Alpine was sold. This was an owner-user sale.
5405 Meadowood Mall Cir (17,994 sf.)	\$2,450,000 (\$136.16 psf)	4 Wheel Parts was tenant on a 10 year length term set to expire in September of 2032. Sold at a reported 9.8% cap rate.

SHOPPING CENTER

13951-13987 S Virginia St (346,600 sf.)	\$81,750,000 (\$235.86 psf)	In South Reno, the Summit Shopping Mall sold with a cap rate of 7.8%. Tenants include; Lululemon, Apple, Century Theaters, Starbucks, Sunglass Hut, Williams Sonoma, Pottery Barn, etc.
2244 Oddie Blvd (65,067 sf.)	\$7,611,635 (\$116.98 psf)	In Sparks, the Parq Commons Shopping Center sold as an investment with no cap rate reported. Tenants include Community Health Alliance, Goodwill, and Sparks Coffee Shop.

OF TRANSACTIONS

76



+5.55%

FROM LAST YEAR

TRANSACTION VOLUME

\$357,381,018



+71.49%

FROM LAST YEAR

AVERAGE P/SF

\$429.04



+21.74%

FROM LAST YEAR

MULTIFAMILY

SALES RECAP

Multifamily sales volume in 2023 included 76 different sales and totaled \$438,349,401 in Washoe County. An abnormally slow Q4 capped off a year in which transaction volume was down roughly 50% from the year prior. The majority of volume in 2023 came from a handful of institutional sales in Q2 2023 and buyers in a 1031 exchange.

The lack of quality inventory on the market is keeping cap rates compressed and we expect investors to remain patient going into the beginning of 2024. As the debt market and economic uncertainty begin to sort themselves out, more buyers will return to the market.

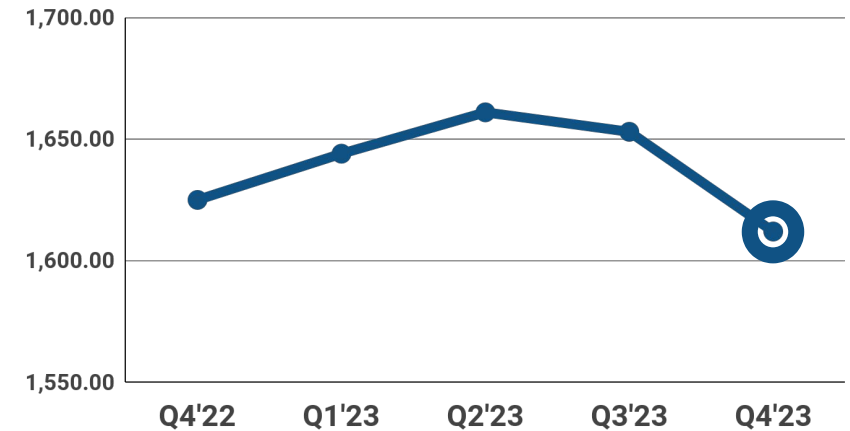
Given the economic uncertainty, tighter lending standards and higher borrowing costs; accurate and detailed underwriting continues to be as important as ever when solving for risk-adjusted returns.

RENT & VACANCY

Average rental rates decreased by \$41 from Q3 2023 to Q4 2023, averaging \$1,653. Overall vacancy increased to 3.09%. Interest rate increases have impacted the demand of the rental market as rents have been relatively flat the last year or so. Q4 2023 saw the largest number of concessions offered in the last 5 years at 37.27%, signaling a softening in rental demand.

Additionally, 2023 saw a record number of new units (4,800 +/-) delivered to the market, contributing to a rising vacancy factor throughout the year.

AVERAGE APARTMENT RENTAL RATE TRENDS



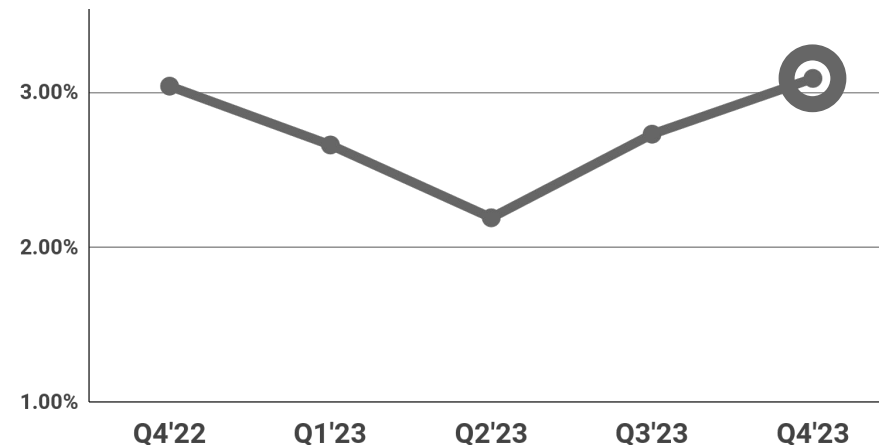
Q4'23 Reno Multifamily
Average Rental Rate

\$1,612

VACANCY RATES

Q4'23 Reno Multifamily
Average Vacancy

3.09%

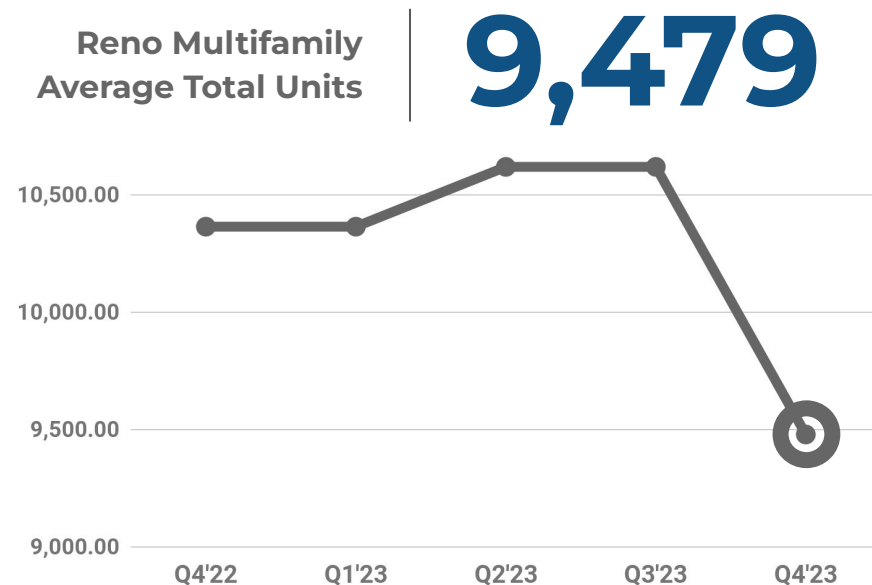




NEW CONSTRUCTION

Total planned or under-construction units dropped significantly from 10,620 units last quarter to **9,479 in Q4**. Lack of developable land, rising costs of capital and cost of construction continue to be the most influential factors hindering new multifamily supply. On the demand side, job growth continues to increase as corporations expand or desire to move to the area. Nevada inbound moves have been some of the highest in the nation, and affordability issues in single-family housing push demand higher for multifamily inventory.

2023 had a record **4,800 units** delivered, which has contributed to the decrease in rents and increase in vacancy. We expect to see the number of units delivered this year and next to decrease substantially from the record 2023.



MULTIFAMILY

OF TRANSACTIONS

76



+46.15%

FROM LAST YEAR

TRANSACTION
VOLUME

\$438,349,401



-50.44%

FROM LAST YEAR

AVERAGE P/UNIT

\$247,818



+14.11%

FROM LAST YEAR



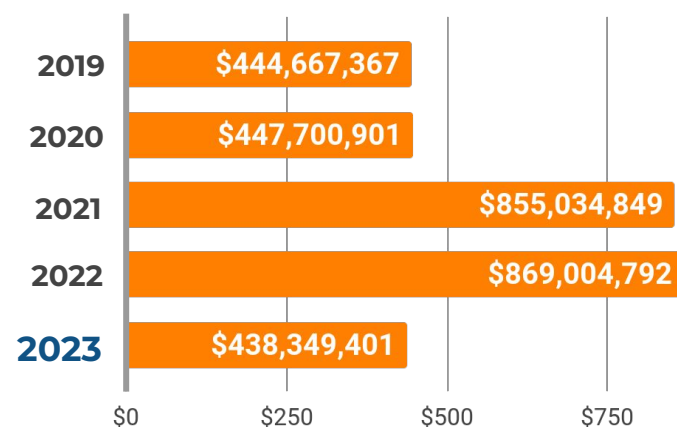
PLANNED MF CONSTRUCTION - 4,771



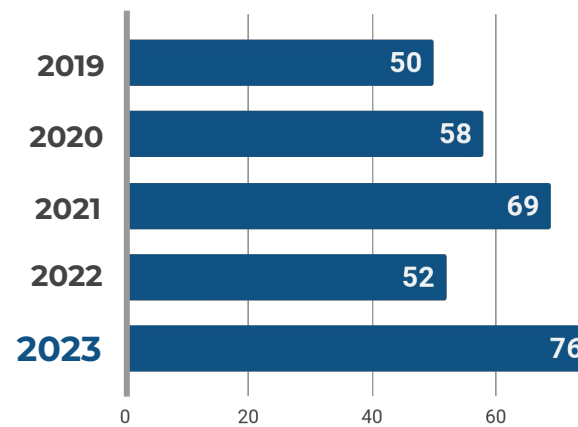
MF UNDER CONSTRUCTION - 4,708

ADDRESS	SALE PRICE	UNITS	\$/UNIT	SUBMARKET	YEAR BUILT	NOTES
Vista Ridge Apartments 1675 Sky Mountain Dr	\$76,000,000	324	\$234,568	West Reno	1996	Tilden Properties and Ideal Capital Group acquired this asset as a value-add play with plans to upgrade the interior of the property. 1.6% vacancy.
Westlook Apartments 4275 W 4th Street	\$68,300,000	192	\$355,729	West Reno	2021	A property that completed construction mid 2022 with a occupancy beginning in late 2021.
Southridge Apartments 1550 Sky Valley Dr	\$54,500,000	293	\$186,007	West Reno	1994	An apartment complex situated on a 15.19 acre parcel of land. At the time of the sale, Southridge Apartments had an occupancy rate of 92.84%.
2300 West Apartments 2300 Harvard Way	\$46,200,000	220	\$210,000	Airport	1973	An apartment complex near Costco and Lithia Reno Subaru that sold at a reported pro forma cap rate of 5.15%.
Silver Dollar Estates	\$39,100,000	104	\$375,962	North Valleys	2019	Single Family development sold in North Valleys.
The Village at Idlewild Park 1450 Idlewild Drive	\$28,250,000	133	\$212,406	Outer Old Southwest Reno	2005	Purchase of 133 units of the 216 units on the property. 1.1% vacancy rate at the time of sale.

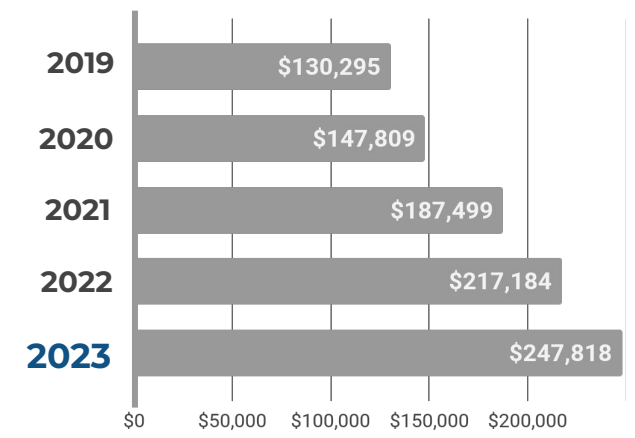
TRANSACTION **VOLUME**
YEAR OVER YEAR



NUMBER OF **SALES**
YEAR OVER YEAR



AVERAGE **P/UNIT**
YEAR OVER YEAR



INDUSTRIAL LAND

Industrial development land acquisitions were significantly down in 2023 with only six notable transactions completed. Despite the slowdown for speculative development land, there has been a surge in the transaction volume for data center sites in the region, with several transactions occurring in 2023. Power availability is critical in the location of the data center sites.

ADDRESS	SUBMARKET	SALES PRICE	ACREAGE	PRICE/SF	NOTES
0 Copperfield Dr / 0 Trail Dr	North Valleys	\$27,231,567	208.27	\$3.00	Panattoni purchased 208.27 acres of vacant land.
7031 David Allen Pkwy	Sparks	\$9,067,885	23.51	\$8.85	Industrial Developer Dermody Properties acquired land in Kiley Ranch with plans for a speculative industrial project.
20 Isidor Court	Sparks	\$5,705,358	8.82	\$14.86	A vacant parcel of industrial land in the Spanish Springs Corporate Park.
680 Spice Islands Drive	Sparks	\$5,500,000	8.24	\$15.32	A freestanding industrial building with frontage on Spice Islands Dr, as well as 8.24 acres of maintenance yard space, near Pinnacle Stone and Granite and Sierra Airfreight Express.
New Deantronics Way	Sparks	\$4,500,000	7.78	\$13.28	A three parcel purchase by PWL, LLC. The land sold for \$1,500,000 per lot.
Gateway Drive	South Meadows	\$4,425,596	7.26	\$14.00	McKenzie Properties purchased a parcel of undeveloped land in South Meadows.

COMMERCIAL LAND

Despite headwinds and a more challenging development market in 2023, our region continued to see some commercial land parcels transact in 2023. Many of the transactions were completed for owner users or with a tenant in tow, as the market for purely speculative land purchases has become challenging to finance.

Developers are sharpening their pencils on what they can pay for land to make a project make sense, while landowners are still adjusting to the changes in valuations and fluctuations in the capital markets and the overall economy.

ADDRESS	SUBMARKET	SALES PRICE	ACREAGE	PRICE/SF	NOTES
Prototype Dr	South Meadows	\$3,463,000	4.97	\$16.00	A vacant parcel of land near the Nevada Department of Motor Vehicles.
7205 Sky Vista Pkwy	North Valleys	\$2,833,843	7.29 AC	\$8.93	In the North Valleys submarket, near the Walmart Supercenter and Smith's, a 7.29 acre parcel of land located right off of US 395 N was purchased for medical office.
Reno Corporate Dr	Airport	\$2,174,242	3.30 AC	\$15.13	Two adjacent parcels of land purchased by Horiba Instruments. Owner User.
Galleria Pkwy	Sparks	\$2,012,500	3 AC	\$14.90	Located in Sparks, an undeveloped parcel of land in the Spanish Springs Town Centre off Pyramid and Los Altos Parkway was purchased by Centennial American Properties.
Double Eagle Ct	South Meadows	\$1,550,000	1.57 AC	\$22.61	1.574 acres of commercial land with freeway frontage located in the South Meadows submarket on Double Eagle Court sold.
1321 E Lincoln Way	Sparks	\$1,650,000	2.37 AC	\$16.02	In the Legends Outlets in Sparks, a local hospitality group purchased vacant land for a Staybridge Suites hotel.
7949 Tierra Del Sol Pkwy	Sparks	\$925,650	1 AC	\$17.00	In the Sparks submarket, a vacant parcel of land with frontage on Pyramid Way sold. The land was purchased by a firm that develops Les Schwab Tire Centers throughout the Western United States.

SUBDIVISION & RESIDENTIAL LAND

LAND

Despite headwinds in the economy and higher borrower costs, our local market for entitled residential land continues to see some transaction activity occurring, even in a more challenged market. There were a handful of public builder acquisitions in the market for entitled land, as many of the public home builders are able to still keep some capital at work.

AREA	SUBMARKET	SALES PRICE	ACREAGE	PRICE/LOT	NOTES
104 Lot Portfolio Purchase	Sparks	\$12,222,005	8.21	\$117,519	A large 104-parcel purchase that sold in the heart of Spanish Springs near Lazy 5 Regional Park.
62 Lot Portfolio Purchase	West Reno	\$7,861,068	4.11	\$126,791	DR Horton closed on 62 lots in the Mountain View development, just west of Downtown Reno. The future development is planned to be a mix of duplex and triplex-style homes.
28 Lot Portfolio Purchase	Sparks	\$3,237,570	2.10	\$115,628	Near the Sparks Crossing Shopping Center, DR Horton Home Builders purchased 28 parcels of vacant land that will be developed into residential housing.

MULTIFAMILY & SENIOR LIVING

Total units planned or under construction ended the year at 10,365 total units. Our regions job growth continues to provide tenants for multifamily properties. With 9,500 new jobs added to the region in 2023, Nevada inbound moves have been some of the highest in the nation as affordability issues in single-family housing push demand higher for multifamily inventory. Developers and their construction partners are having to work together to try and get new projects to make sense from a cost, timing, and spread perspective.

ADDRESS	SUBMARKET	SALES PRICE	ACREAGE	PRICE/SF	NOTES
6026 Vista Blvd	Sparks	\$9,300,000	14.88 AC	\$14.35	A company based in Atlanta, GA purchased a portion of the Golden Triangle for multifamily use.
Grandpoint Way	West Reno	\$5,750,000	7.35	\$17.95	Longtime vacant infill parcel near Mae Anne and Robb intersection DR Horton with plans rumored for a townhome project.
Legends Bay Dr	Sparks	\$2,600,000	9.19 AC	\$6.49	In the Sparks Marina, an investment group based out of Carlsbad, CA purchased vacant land with plans for 247 rental homes.
2153 Prater Way	Sparks	\$725,000	1.26	\$13.21	A purchase by the Northern Nevada Community Housing Development for a low income housing project near the Prater Way and Victorian Ave Intersection.

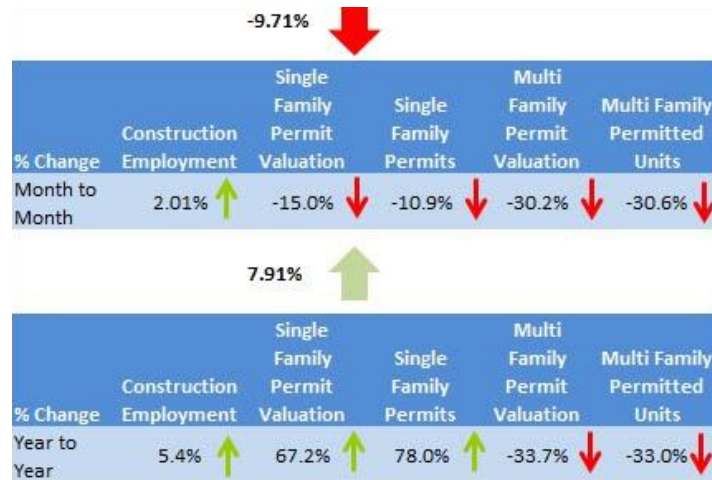


ECONOMIC OVERVIEW

Construction Index

December 2023

Provides historical and current trends for the construction industry in the Reno MSA region.



CONSTRUCTION INDEX

Reno MSA Construction Index declined between November and December 2023, following two consecutive months of index growth.

The index shows a decline of **9.71%** between November and December 2023. The index is **7.91%** higher than the same period last year (December 2022). Actual construction employment in the MSA declined slightly in December.

However, given the industry's seasonality, employment increased when adjusted for the winter months. Residential permit activity in December declined compared to the previous month, though single-family activity remained above December 2022 levels.

Multi-family activity slowed both compared to the previous month and year. The index graph compares changes in the index and federal funds rate. Permit activity slowed significantly from late 2020 levels, starting with the first rate increase in March 2022.



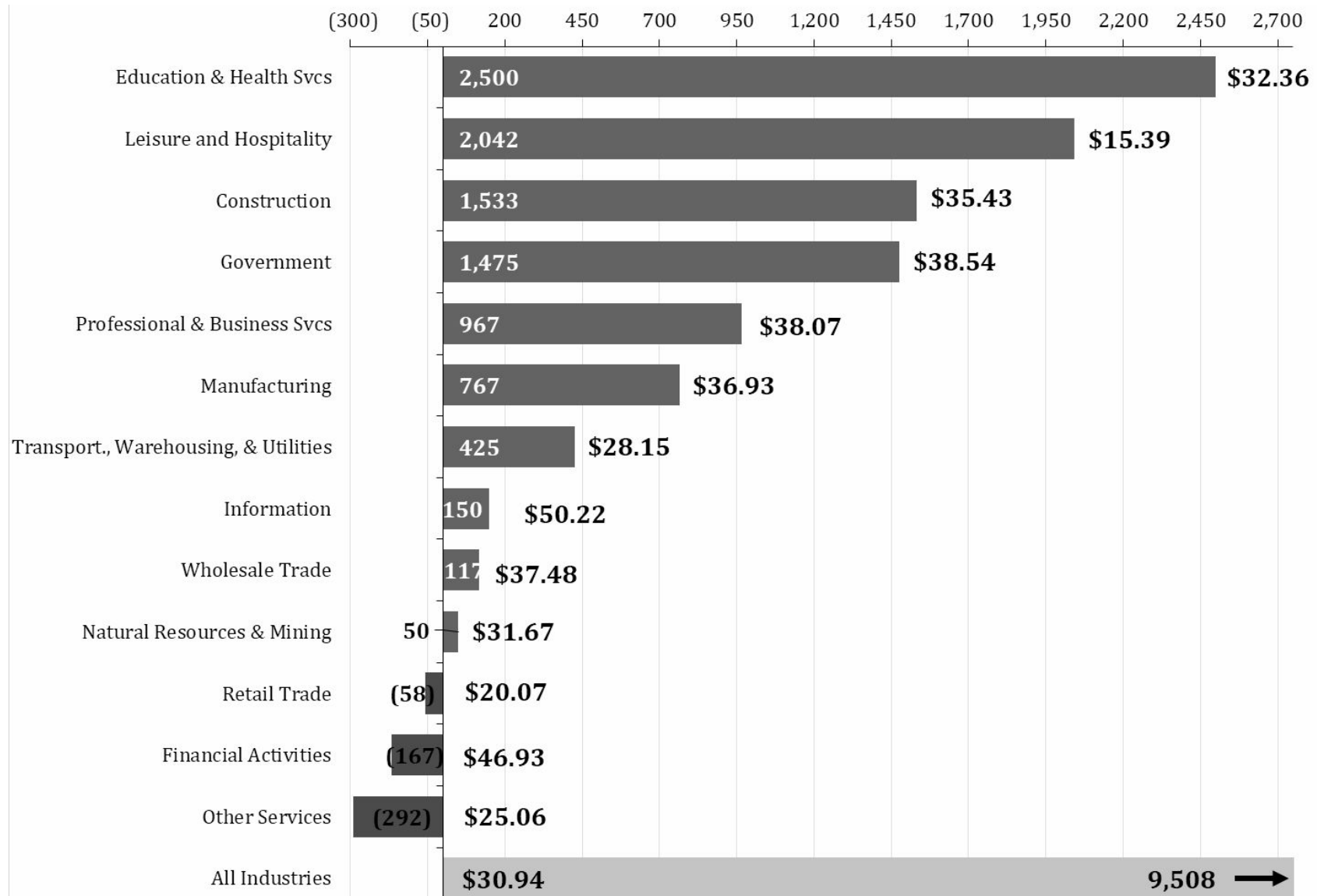
WASHOE COUNTY AREA UNEMPLOYMENT

The U.S. Bureau of Labor Statistics Unemployment Rate for Washoe County was 3.7% for November 2023. The Washoe County unemployment rate was slightly above the 3.5% United States national rate but remained below the 4.8% State of Nevada rate. The unemployment rate for Washoe County in November 2022 was 3.6%, reflecting a year-over-year increase of .03%.

The January 2024 edition of the Job Flash prepared by RCG Economics reported; "The Reno-Sparks MSA "headline" (minimum) unemployment rate declined by 0.3 points in November. This continues to be less than the Las Vegas rate. Compared to November 2022, the region gained 7,000 private payroll jobs (a 3.0% increase) while the unemployment rate increased .1 points YOY. YOY average weekly inflation-adjusted wages are 1.5% higher compared to November 2022 and average weekly hours increased 0.7 hours (a 2.1% increase). Compared to Las Vegas, the Reno-Sparks region has only seen a 2.1% decline in YOY job growth compared to Vegas' slower 1.8% decline."

Washoe County's Unemployment Rate is slightly above the United States rate but remains below the State of Nevada rate. The Ekay Economic Consultants Housing Affordability Index reveals median family income is below the income necessary to qualify for a median-priced home.

2022-2023 EMPLOYMENT CHANGES



Reno-Sparks MSA **3.7%**
Total Payroll Jobs **277,200**

YOY Job Gains by Sector (Top 3)

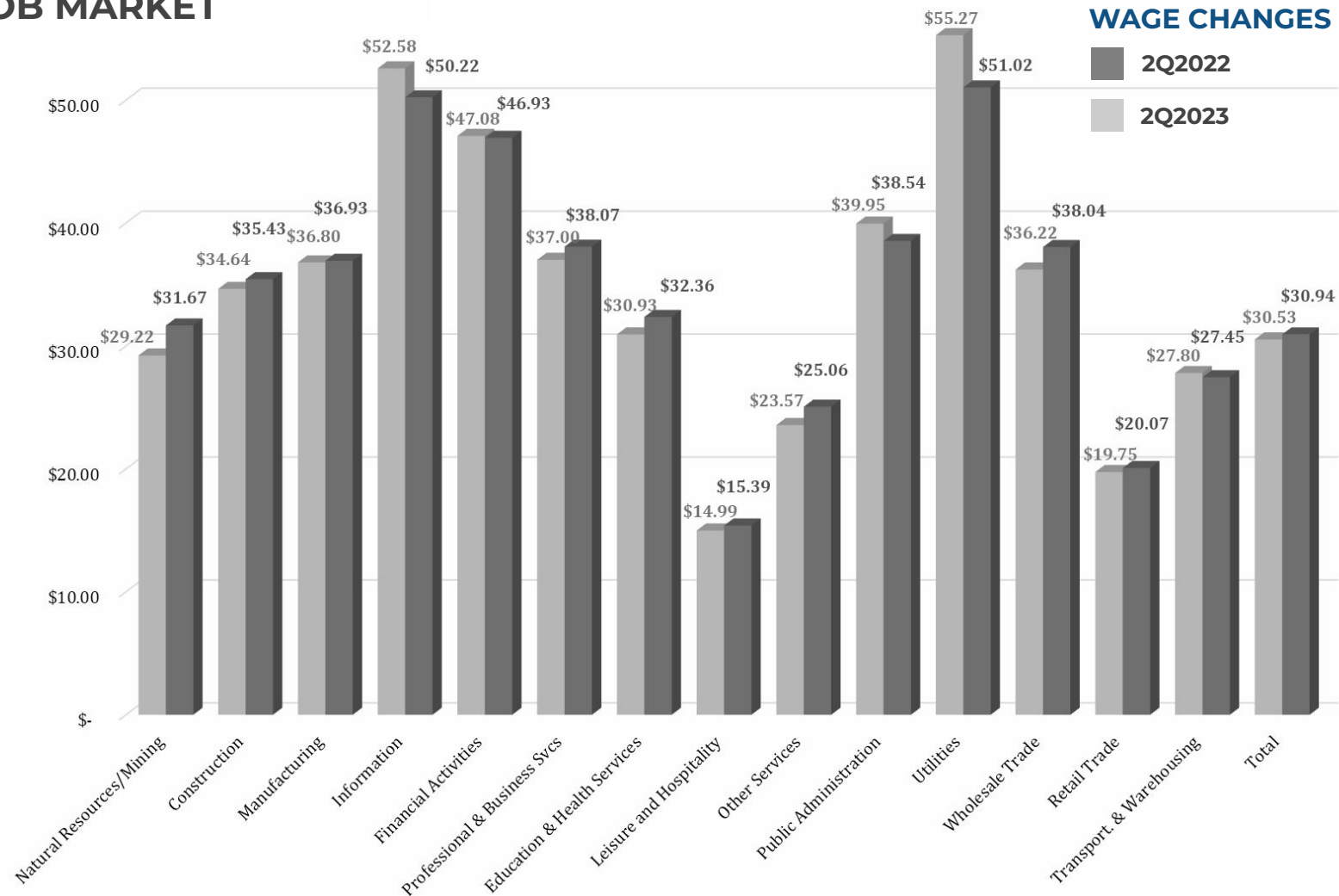
Education & Health Services +2,500 Jobs	Construction +1,700 Jobs	Government +1,300 Jobs
---	------------------------------------	----------------------------------

Source: DETR, Center for Regional Studies, UNR & RCG Economics. Wages a/o 2nd Quarter 2023.

WASHOE COUNTY JOB MARKET

2Q 2023 WAGE

Nevada: **\$29.72**
Washoe Co.: **\$30.38**
Storey Co.: **\$37.82**
Reno MSA: **\$30.94**



*Wage Changes - Reno - Source: DETR, EKAY Economic Consultants, Inc.

JOB SUPPLY AND DEMAND

2023

0.49 CANDIDATES AVAILABLE
PER JOB OPENING.

5,294 CANDIDATES | 10,760 JOB
OPENINGS

2024

1.15 CANDIDATES AVAILABLE PER
JOB OPENING.

8,674 CANDIDATES 7,514 JOB
OPENINGS

FEBRUARY 2022

Annual Wage 2Q 2022	\$63,502
---------------------	-----------------

FEBRUARY 2023

Annual Wage 2Q 2023	\$64,356
---------------------	-----------------

*Job Source: Online advertised jobs data
*Candidate Source: Individuals with active résumés in the workforce system.

*Job Market - Data gathered from DETR, EmployNV

WASHOE COUNTY **IN-MIGRATION BY STATE**
US CENSUS BUREAU 2017-2021
5-YEAR AVERAGES

Top 25 State/Regions

Source State/Region	Person/Year
California	8,583
Nevada	7,851
Asia	1,262
Texas	992
Florida	975
Missouri	813
Oregon	699
Washington	651
Colorado	561
Arizona	489
Utah	455
Europe	398
Tennessee	381
Central America	376
Mississippi	276
Pennsylvania	266
South Carolina	251
Michigan	219
Idaho	207
New Mexico	205
Illinois	203
New York	199
Wisconsin	192
North Carolina	167
Georgia	160

Change Of In-Migration Source

In-Migration Source	2021	2018	2021-2018	% Ch.
California	10,264	9,299	965	10.4%
NorCal	7,063	6,271	792	12.6%
SoCal	3,201	3,028	173	5.7%
Nevada	4,360	4,289	71	1.7%
Balance of States	6,475	7,250	-775	-10.7%
Other Flows	1,776	2,047	-271	-13.2%
Total	22,875	22,885	-10	0.0%

All Flows

In-Migration	%	Source
19,974	68.8%	Western States
4,194	14.5%	Southern States
2,639	9.1%	Northern States
2,206	7.6%	Foreign Countries

ABOUT DCG

Institutional Experience. Local Knowledge.

Dickson Commercial Group has been working the Northern Nevada market for nearly

40 years with over **2,000 transactions** and **\$4 billion in transaction volume** over the last 8 years.

Our seasoned group of real estate professionals offers broad based market knowledge, proven problem solving capabilities and resourcefulness with a complete focus on commercial real estate. We work as a team in the truest sense of the word. We collaborate to find the best solutions, and we exploit the targeted knowledge of each agent.

Our multifaceted brokerage provides local, national and international clients the full array of commercial real estate services.



DCG is a proud member of CORFAC International, a global network comprised of 71 privately held commercial real estate firms. The CORFAC offices collectively close an average of 10,000 lease and sales transactions valued in excess of \$9.0 billion annually, totaling 500 million square feet closed and 65 million square feet managed worldwide.



Society of Industrial and Office Realtors® (SIOR), is the world's leading industrial and office brokerage association with over 3,600 members located in 722 cities and 42 countries.

Awards



Agent Affiliations



BROKERAGE **SERVICES**

Market segments served

- Industrial
- Flex
- Office
- Medical Office
- Retail
- Multifamily
- Land
- Investment Services
- Property Management



Services Provided

- Listing for Sale or Lease
- Tenant and Buyer Representation
- Market Analysis
- Feasibility Studies
- Site Studies
- Relocation Coordination
- Development Process Consultation
- Financing Consultation



NAIOP



Institutional Experience. Local Knowledge.

DICKSON COMMERCIAL GROUP

TOM FENNELL, SIOR, CCIM

333 Holcomb Ave., Ste. 300
Reno, Nevada, 89502



NORTHERN NEVADA

2023 COMMERCIAL MARKET REPORT

TOM FENNELL, SIOR, CCIM

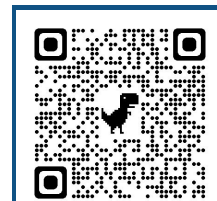
PRINCIPAL

775.850.3117 **OFFICE**

775.250.6600 **CELL**

tfennell@dicksoncg.com

B.1001434



SIGN UP FOR OUR
DIGITAL REPORTS

333 Holcomb Ave., Ste. 300 | Reno, Nevada 89502 | **775.850.3100** | dicksoncg.com



CORFAC
INTERNATIONAL