2024
NORTHERN NEVADA
Q3 INDUSTRIAL REPORT

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Where Do **We Stand?**

Vacancy

Three consecutive quarters of negative net absorption have driven a 382-basis-point increase in direct vacancy for 2024. The market remains heavily influenced by sublease inventory, with 1.2 million sq. ft. of new sublet space added in the third quarter.

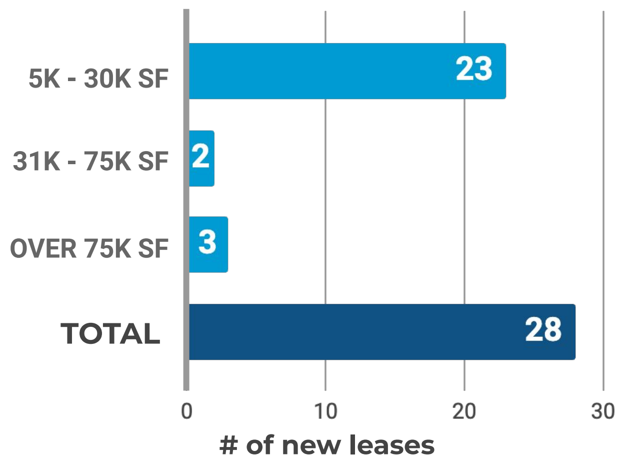
Absorption

Transaction volume climbed quarter-over-quarter with a 104% increase in gross absorption and 75% increase in newly completed leases. However, new availability continues to outpace demand primarily in the North Valleys and I-80 East submarkets, which have experienced significant negative absorption in 2024.

Lease Rates & Sale Prices

Direct lease rates held relatively steady despite pressure from increasing sublease inventory, though renewal rates have dipped as landlord's continue to sharpen their pencils to retain occupancy. Sale values remained resilient with multiple institutional grade buildings trading within the $130-$150 psf price point.

New Lease Transactions



AVERAGE BULK INDUSTRIAL ASKING LEASE RATE

$0.84 SF/MO NNN

Gross Absorption ▲
898,912 SF

Newly Available ▲
2,644,600 SF

Net Absorption ▼
(1,745,688) SF

Direct Vacancy Rate ▲
10.16%

New Construction

- 1.4 million sq. ft. across 8 buildings entered the pipeline, bringing the total under construction to 1,632,779 sq. ft.
- 753,696 sq. ft. across 4 buildings were marked complete with the roofs on, including Dermody Properties' Reno AirLogistics Park Bldg 2, totalling 468,697 sq. ft. and Buzz Oates' 1400 Electric Ave, totalling 202,800 sq. ft.

Under Construction*

VS

Build-to-Suit: 45,059 SF
Spec: 1,389,988 SF

*Does not include projects on standby in pad-ready or mass graded condition

Completed

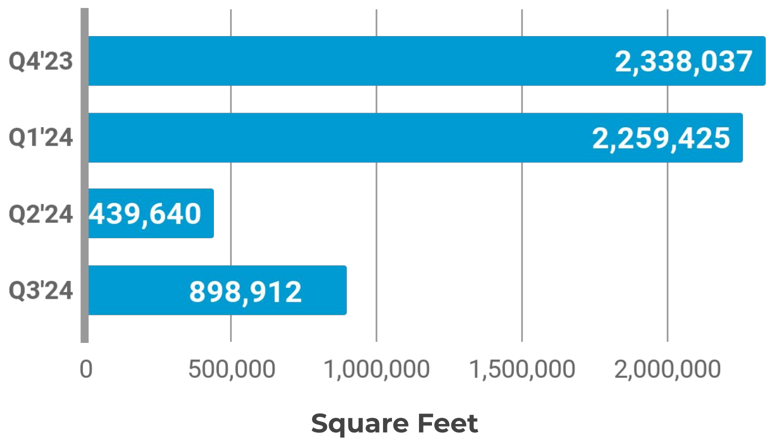
Submarket	Delivery	Project	Developer	SF	Type
North Valleys	Q2 2025	Reno AirLogistics Park - Bldg 2	Dermody Properties	468,697	Spec
Sparks	Q4 2024	180 Design Pl	Private	26,579	Spec
South Reno	Q3 2024	9405 Gateway Dr - Bldg A	McKenzie Properties	55,620	Spec
I-80 East	Q4 2024	1400 Electric Ave	Buzz Oates	202,800	Spec
				753,696	

Under Construction

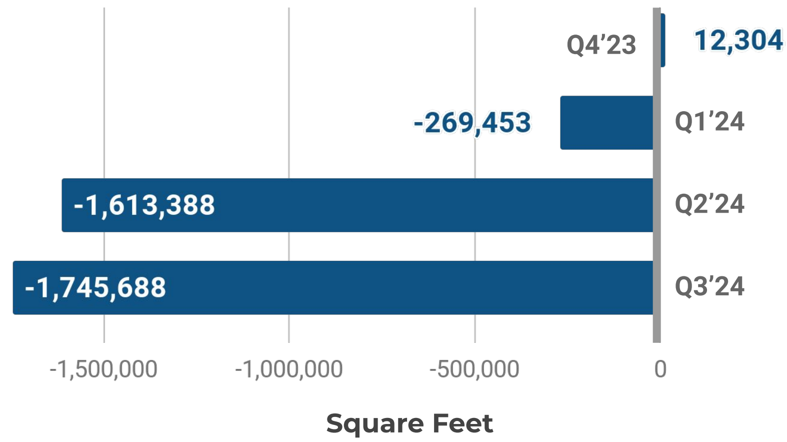
Submarket	Delivery	Project	Developer	SF	Type
North Valleys	Q3 2025	9835 N Virginia St	Mohr	178,880	Spec
North Valleys	Q3 2025	14005 Mount Anderson St	STAG/Becknell	284,233	Spec
North Valleys	Q3 2025	6980 Resource Dr	STAG	75,820	Spec
North Valleys	Q1 2025	Moya Commerce Center Bldg A	Tryline Development	72,900	Spec
North Valleys	Q1 2025	Moya Commerce Center Bldg B	Tryline Development	84,240	Spec
Sparks	Q2 2025	200 Academy Way	Quintessential Capital	25,880	Spec
Sparks	Q2 2025	LogistiCenter at Kiley Ranch - Bldg 2	Dermody Properties	187,632	Spec
Sparks	Pad Ready - In Progress	LogistiCenter at Kiley Ranch - Bldg 1	Dermody Properties	197,732	Spec
Sparks	Q1 2025	140 Design Pl	Private	7,510	Spec
South Reno	Pad Ready - In Progress	580 South Bldgs 1-4	Panattoni	840,560	Spec/BTS
I-80 East	Q3 2025	100 Wildhorse Canyon Dr	Brasa Capital	436,000	Spec
I-80 East	Q1 2025	75 Italy Dr	Private	81,952	Spec/BTS
I-80 East	Pad Ready - In Progress	Tahoe-Reno 5	Prologis	709,640	Spec/BTS
I-80 East	Pad Ready - In Progress	Tahoe-Reno 6	Prologis	327,180	Spec/BTS
I-80 East	Pad Ready - In Progress	Comstock Commerce Center - Bldg E5	Locus Dev. Group	815,360	Spec/BTS
I-80 East	Pad Ready - In Progress	Comstock Commerce Center - Bldg E6	Locus Dev. Group	465,920	Spec/BTS
I-80 East	Pad Ready - In Progress	Comstock Commerce Center - Bldg E7	Locus Dev. Group	329,280	Spec/BTS
I-80 East	Pad Ready - In Progress	Nevada Commerce Center - Bldg B	Buzz Oates	641,920	Spec/BTS
I-80 East	Pad Ready - In Progress	Nevada Commerce Center - Bldg C	Buzz Oates	96,720	Spec/BTS
I-80 East	Pad Ready - In Progress	Nevada Commerce Center - Bldg D	Buzz Oates	105,040	Spec/BTS

Absorption & Submarket Vacancies

Gross Absorption



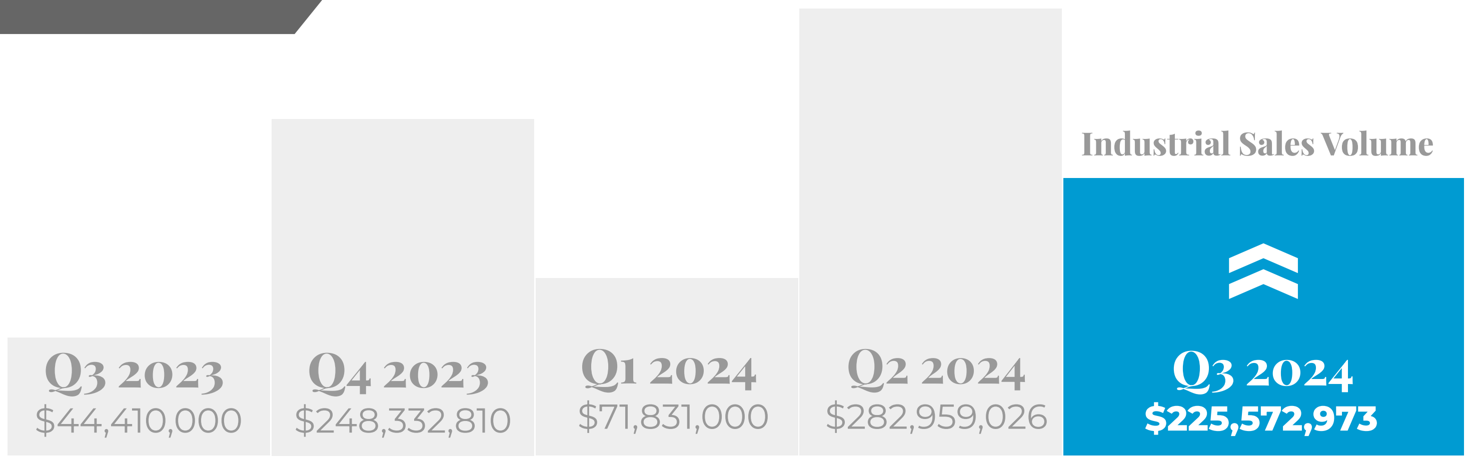
Net Absorption



VACANCY

Submarket	Total SF	Direct Available SF	Vacancy Rate	Completed Construction SF	Under Construction SF
NORTH VALLEYS	29,489,518	2,962,794	10.05%	468,697	696,073
SPARKS	27,939,229	2,326,023	8.33%	26,579	221,022
AIRPORT	11,193,502	1,368,122	12.22%	-	-
SOUTH RENO	10,924,934	636,269	5.82%	55,620	-
CENTRAL-WEST RENO	2,519,572	402,179	15.96%	-	-
I-80 EAST CORRIDOR	29,038,857	3,589,923	12.36%	202,800	517,952
TOTAL	**111,105,612**	**11,285,310**	**10.16%**	**753,696**	**1,435,047**

Industrial **Sales Volume**

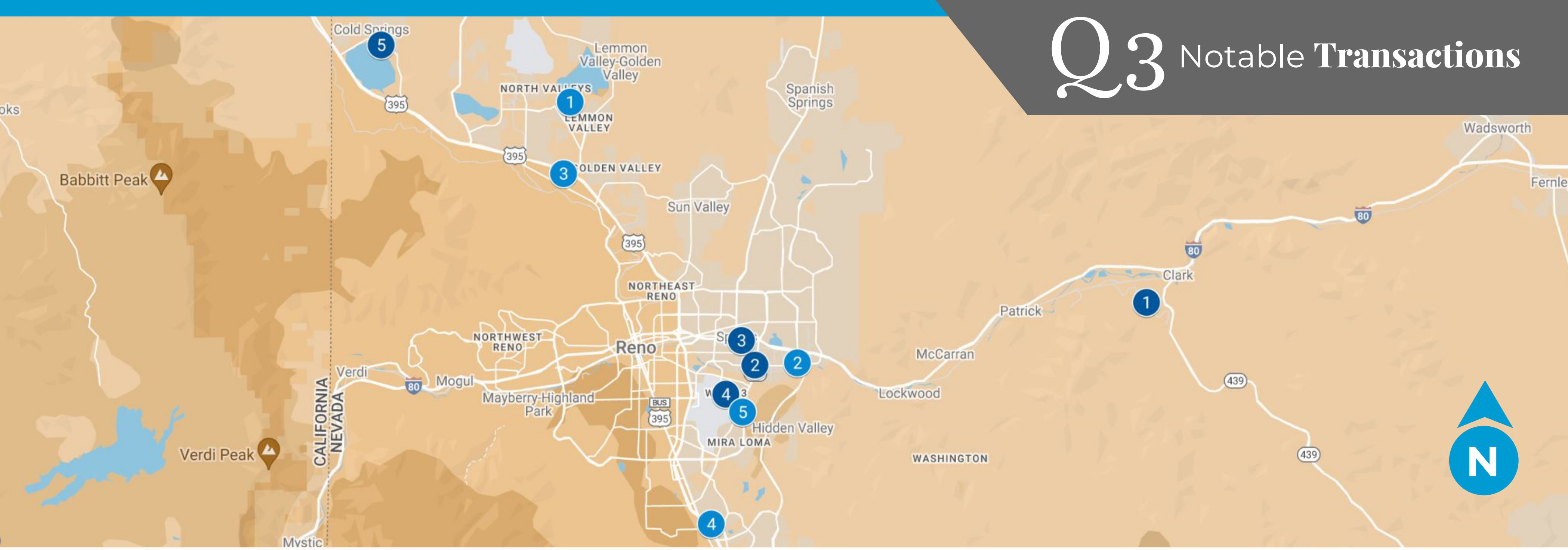


Sales Recap

Sales activity had another strong performance in Q3, with total sales volume eclipsing the $225 million threshold for a 2nd consecutive quarter. Notable transactions were characterized by a diversified buyer pool, comprised of both institutional investors and owner-users. The largest sale of the quarter was by EQT Exeter, who purchased a two building portfolio in TRI consisting of 201 Ireland Dr and 3300 Waltham Way, totaling 1,089,400 sq. ft., from New Tower Trust Company. The multi-tenanted buildings were fully occupied at the time of the sale, which totaled $142,000,000 ($128.51 psf.).

In the Sparks submarket, CapRock Partners purchased two buildings totaling 177,100 sq. ft. located at 120 and 150 Greg St for $25,500,000 ($143.99 psf.) from Tripp Plastics. Also in the Sparks submarket, KRA Capital Partners purchased a 53,395 sq. ft. building at 599 E Nugget Ave for $11,000,000 ($206 psf.). Main Electric, a southern California based electrical distributor, acquired 4950 Joule St in the Airport submarket. The 74,251 sq. ft. building sold for $9,500,000 ($127.94 psf.) and will be used as the company's primary location in Northern Nevada.

Q3 Notable Transactions



Leases

1	2	3	4	5
10885 Lear Blvd	**1450 E Greg St** DCG*	**9470 N Virginia St**	**9355 Gateway Dr**	**5360 Capital Ct**
168,000 SF	136,027 SF	135,200 SF	115,680 SF	43,500 SF
LL: Starwood	**SL:** Tranzonic	**LL:** Prism	**LL:** Johnson Development	**LL:** Link
T: Grove Collaborative	**ST:** 1Click	**T:** Nathan James	**T:** True Up Companies	**T:** Russell Sigler

Sales

1	2	3	4	5
201 Ireland Dr / 3300 Waltham Way	**120 / 250 Greg St**	**599 E Nugget Ave**	**4950 Joule St**	**3500 White Lake Pkwy**
1,089,400 SF	177,100 SF	53,395 SF	74,251 SF	81,392 SF
$140,000,000	$25,500,000	$11,000,000	$9,500,000	$6,000,000
Buyer: EQT Exeter	**Buyer:** CapRock Partners	**Buyer:** KRA Capital Partners	**Buyer:** Main Electric Supply	**Buyer:** Builders FirstSource
Seller: NewTower Trust Company	**Seller:** Tripp Enterprises	**Seller:** B&J, Inc.	**Seller:** Joule Partners, LLC.	**Seller:** Billings Land Group

* DCG Completed Transaction

Market **Conditions**

01	**VACANCY** Vacancy continues to rise despite improved tenant demand in Q3.	• Direct vacancy increased 1.55% in the third quarter though expected to stabilize with no new construction deliveries scheduled for the remainder of the year, backed by anticipation of increased absorption heading into 2025. • The North Valleys and I-80 East Corridor represents 58% of the overall direct vacancy with 6.5 million sq. ft. of inventory between the two submarkets.
02	**LEASING ACTIVITY** Uptick in leasing activity second half of the year provides optimism for rebound.	• Tenant demand improved after remaining stagnant since beginning of the year, fueled by signs of slight increases in consumer spending in addition to the upcoming closure of the election. • 82% of the lease transactions in Q3 were in the flex and smaller mid-bay 5K-30K sq. ft. range.
03	**SALE ACTIVITY** Investor momentum prevails over economic uncertainty.	• High quality assets in strategic locations are targets for institutional investors with funds to deploy. Led by a flurry of institutional big box transactions, 2024 sales volume through Q3 has already surpassed 2023 total volume by 75%.
04	**SUBLEASE ACTIVITY** Sublease space takes more prominence in negotiations.	• Sublease availability increased by 31% during Q3 to 2.8 million sq. ft. • Sublease space is proving to be a negotiating tool for tenants in all size categories with landlords aware that they are competing against substantially undermarket sublease rates in most lease negotiations.
05	**NEW DEVELOPMENT** Bullish developers are active.	• As quickly as buildings are getting finished, new projects are backfilling the pipeline keeping active construction in the 1.5 million sq. ft. range. • Of the 10 buildings under construction, three are over 100k SF, while the remaining seven are between 7,500 - 85,000 sq. ft.

Featured **Listings**

LogistiCenter SM at I-80 West Phase II
8800 & 8700 BOOMTOWN GARSON RD
±85,120 - ±343,620 SF Available
VIEW VIDEO

Pyramid Pointe Commerce Center
420 INGENUITY AVE
±9,000 - ±63,000 SF Available
VIEW VIDEO

Prologis Build-To-Suit
2453 HEYBOURNE RD
±216,000 SF Available
For Sale & For Lease

McCarran Business Park
1900 & 1950 SOUTH MCCARRAN BLVD
±6,260 - ±31,603 SF Available
VIEW VIDEO

Flex Industrial Space With Yard
200 ACADEMY WAY
±2,400 - ±25,880 SF Available
For Lease or Sale

Industrial Warehouse With Yard
215 & 205 LYON DR, FERNLEY
22,967 SF
For Sale

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