

FIGURES | RENO INDUSTRIAL | Q4 2024

Right-sizing and new sublease offerings continued to impact the market

▲ 11.8%

Vacancy Rate

▲ (737K)

SF Net Absorption

▲ 2.1M

SF Under Construction

▼ \$0.83

NNN / Lease Rate
Existing Properties

▲ 95K

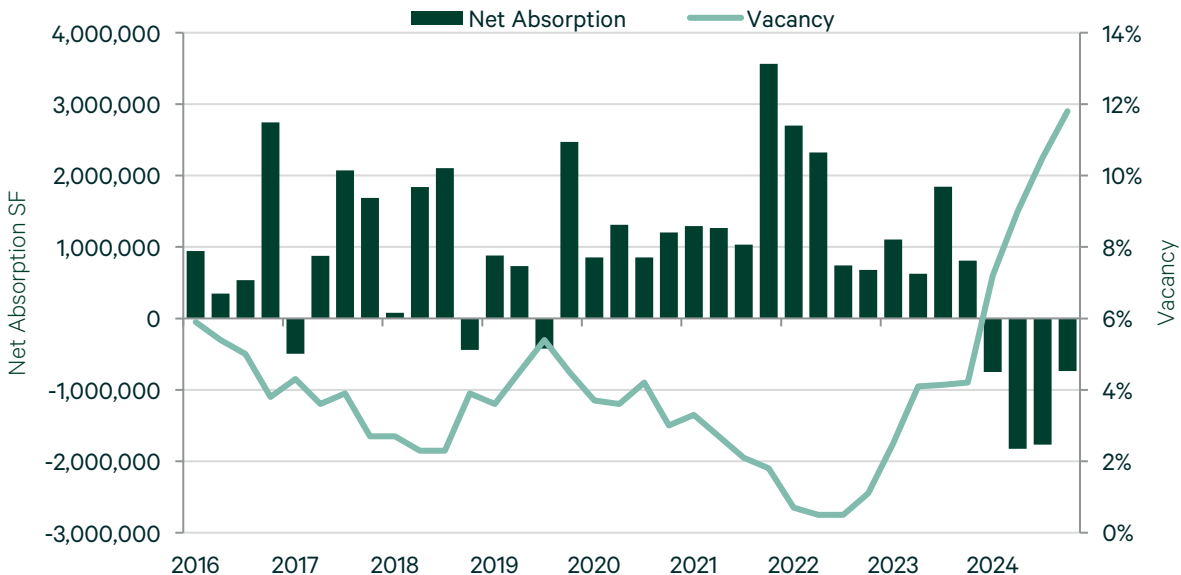
Industrial Using Employment
Reno Market

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The Reno region is home to 575,000 residents with a labor force of 294,000. During Q4 2024, the industrial sector provided 95,000 jobs, accounting for 33% of total employment in the region. The unemployment rate ended Q4 2024 at 4.6%, remaining the same from the previous quarter.
- The overall net absorption of the Reno industrial market closed Q4 2024 at negative 737,000 sq. ft., the fourth consecutive quarter in negative territory. For the year, net absorption totaled negative 5.1 million sq. ft.
- The entirety of the 2.1 million sq. ft. of new product under construction is slated for delivery in 2025, all of which remained available.
- The average direct asking rate closed the quarter at \$0.83 per sq. ft. monthly on a NNN basis (NNN).
- Continued interest by institutional investors in the region have led to cap rate compression.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2024

INDUSTRIAL OVERVIEW

The Reno industrial market was comprised of approximately 116 million sq. ft. at the close of Q4 2024. There were six new industrial buildings delivered to the market in Q4 2024, totaling 1.0 million sq. ft. The construction pipeline had 2.1 million sq. ft. underway with another 15.5 million sq. ft. in various planning stages.

The overall average asking lease rate at the end of the quarter was \$0.83 NNN. The Central/Airport and South Reno posted the highest average asking rates at \$0.97 NNN and \$1.02 NNN, respectively.

During Q4 2024, the overall vacancy rate increased to 11.8%, while the availability rate reached 13.7%. Notably, this quarter marked the fourth instance of negative absorption since Q3 2019, resulting in negative 737,000 sq. ft. of net absorption, bringing the yearly total to negative 5.1 million sq. ft. Sublease space continued to flow into the market, which represented 3.7 million sq. ft. of the total available space in Q4 2024.

Despite stable demand, the market continued to face challenges due to an influx of lease expirations and further right-sizing by existing users. Nevertheless, several new leases and sales exceeding 100,000 square feet were signed in Q4 2024.

Looking ahead, vacancy and availability rates appear to have peaked and are expected to decline in 2025 as tenants take advantage of the short-lived, tenant-favorable lease rates on sublease spaces. The market is expected to continue experiencing an upswing in tenant demand, as indicated by the increased number of letters of intent, RFPs, and lease activity at the end of Q4 2024. Institutional owner interest in the region will persist, and sales activity is expected to increase in 2025. New electric vehicle and data center demand in the East Valley, specifically in the Tahoe Reno Industrial Center, will contribute to new transactions and absorption.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q4 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Central / Airport	10,787,157	5.1	6.6	(17,532)	(81,995)	0.97
Bulk	8,125,683	5.3	6.7	(14,207)	(134,523)	0.95
Flex	2,661,474	4.6	6.1	(3,325)	52,528	1.06
East Valley	32,039,119	13.3	14.6	(532,975)	(609,803)	0.74
Bulk	31,916,432	13.3	14.6	(532,975)	(609,803)	0.74
Flex	122,687	0.0	0.0	0	0	0.00
North Valley	27,537,961	14.0	16.9	(271,864)	(2,562,626)	0.83
Bulk	27,309,005	14.2	17.0	(271,864)	(2,562,626)	0.83
Flex	228,956	0.0	0.0	0	0	0.00
South Reno	11,246,701	15.7	17.1	(81,802)	(241,467)	1.02
Bulk	9,262,650	18.2	19.9	(81,227)	(243,989)	1.00
Flex	1,984,051	4.1	4.4	(575)	2,522	1.36
Sparks	31,106,039	8.8	11.0	63,351	(1,611,985)	0.80
Bulk	28,144,775	9.4	11.8	16,460	(1,650,684)	0.78
Flex	2,961,264	2.6	3.0	46,891	38,699	1.30
West Reno	3,053,123	16.6	16.6	104,000	23,224	0.88
Bulk	2,644,063	19.2	19.2	104,000	23,224	0.88
Flex	409,060	0.0	0.0	0	0	0.0
Market Total	115,770,100	11.8	13.7	(736,822)	(5,084,652)	0.83
Bulk	107,402,608	12.5	14.5	(779,813)	(5,178,401)	0.82
Flex	8,367,492	3.4	4.1	42,991	93,749	1.22

Source: CBRE Research, Q4 2024

FIGURE 3: Notable Lease Transactions Q4 2024

Tenant	Address	SF Leased	Type
Confidential EV	1600 Peru Dr, Sparks	410,750	Renewal
Boxout	625 Pittsburgh Ave, Sparks	141,107	New Lease
Intex Recreation	385 Cabela Dr, Reno	104,000	New Lease
Takkt America Holding	9455 N Virginia St, Reno	94,656	New Lease

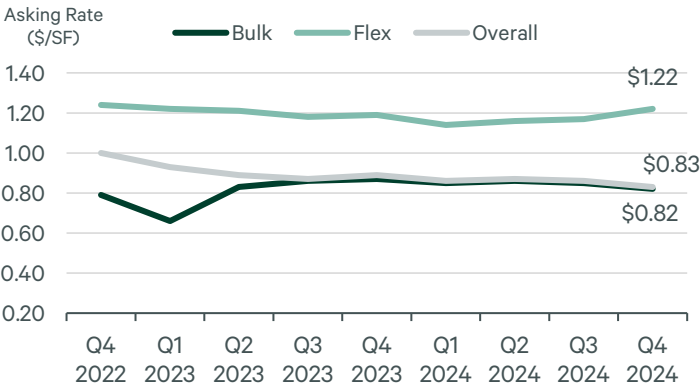
Source: CBRE Research, Q4 2024

FIGURE 4: Notable Sale Transaction Q4 2024

Buyer	Address	SF Sold	Sale Price
LBA Realty	9195 Moya Blvd, Reno	136,777	\$26.8M
Polyglass U.S.A	210 Lyon Dr, Fernley	100,000	\$14.2M
5JS Reno Double Diamond LLC	9005 9025 Double Diamond Pkwy, Reno	57,700	\$14.6M

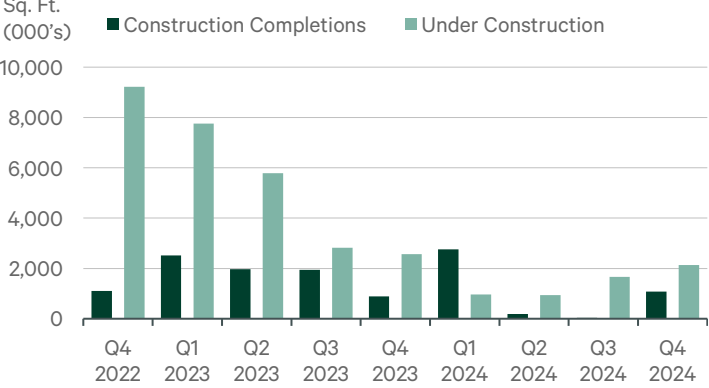
Source: CBRE Research, Q4 2024

FIGURE 5: Asking Rates



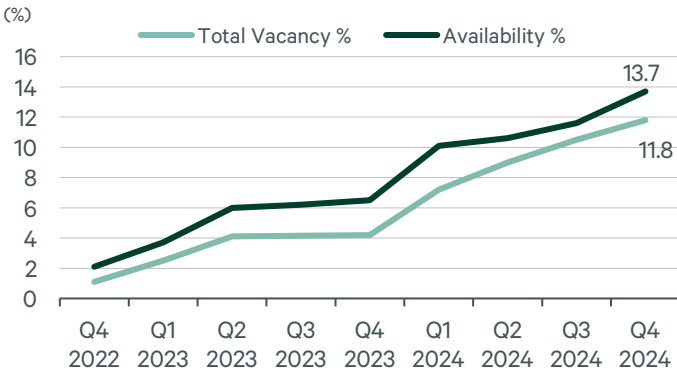
Source: CBRE Research, Q4 2024

FIGURE 7: Construction Activity



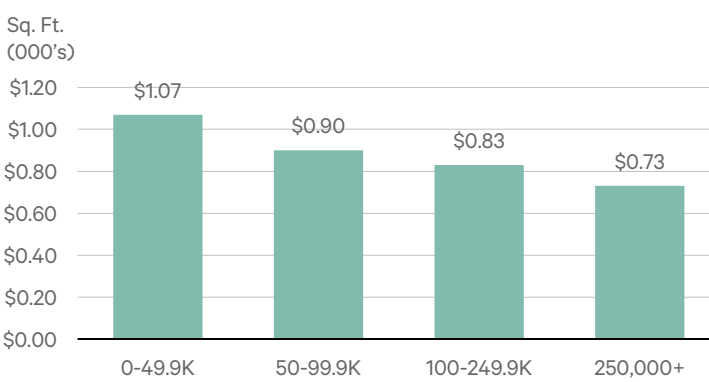
Source: CBRE Research, Q4 2024

FIGURE 6: Vacancy & Availability



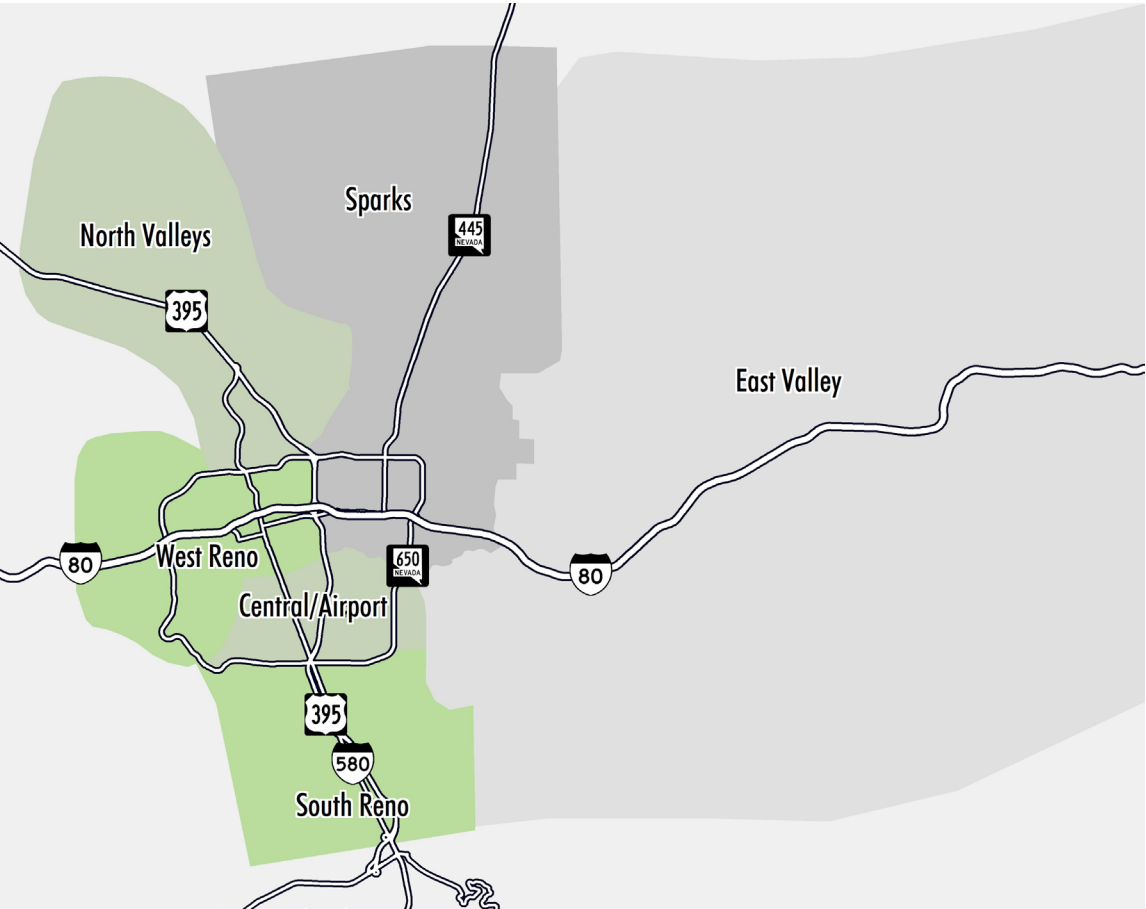
Source: CBRE Research, Q4 2024

FIGURE 8: Average Asking Rates by Size Segment (Sq. Ft.)



Source: CBRE Research, Q4 2024

Submarket Map



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate: Direct Monthly Lease Rates., Triple Net (NNN). Availability: All existing space being marketed for lease. Total Vacancy Rate: Direct Vacancy + Sublease Vacancy.

CBRE’s market report analyzes existing single- and multi-tenant industrial buildings that total 5,000+ sq. ft. within defined submarkets, including owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

Contacts

Angel Orozco
Research Analyst
+1 916 446 8787
angel.orozco@cbre.com

Brandon Wilkinson
Research Analyst
+1 209 507 2307
konrad.knutsen@cbre.com

Reno Office
7900 Rancharrah Pkwy, Suite 200
Reno, NV 89511

Grant Bollinger
Field Research Analyst
+1 916 806 0064
grant.bollinger@cbre.com

Konrad Knutsen
Research Director
Northern CA, Greater Los Angeles
+1 916 446 8292
konrad.knutsen@cbre.com

© Copyright 2025 All rights reserved. Information contained herein, including projections, has been obtained from sources believed to be reliable, but has not been verified for accuracy or completeness. CBRE, Inc. makes no guarantee, warranty or representation about it. Any reliance on such information is solely at your own risk. This information is exclusively for use by CBRE clients and professionals and may not be reproduced without the prior written permission of CBRE’s Global Chief Economist.