

FIGURES | RENO INDUSTRIAL | Q2 2025

# Supply and demand align amid development cooldown

▼ 11.2%

Vacancy Rate

▼ 860K

SF Net Absorption

▲ 1.9M

SF Under Construction

▲ \$0.83

NNN / Lease Rate  
Existing Properties

▼ 76K

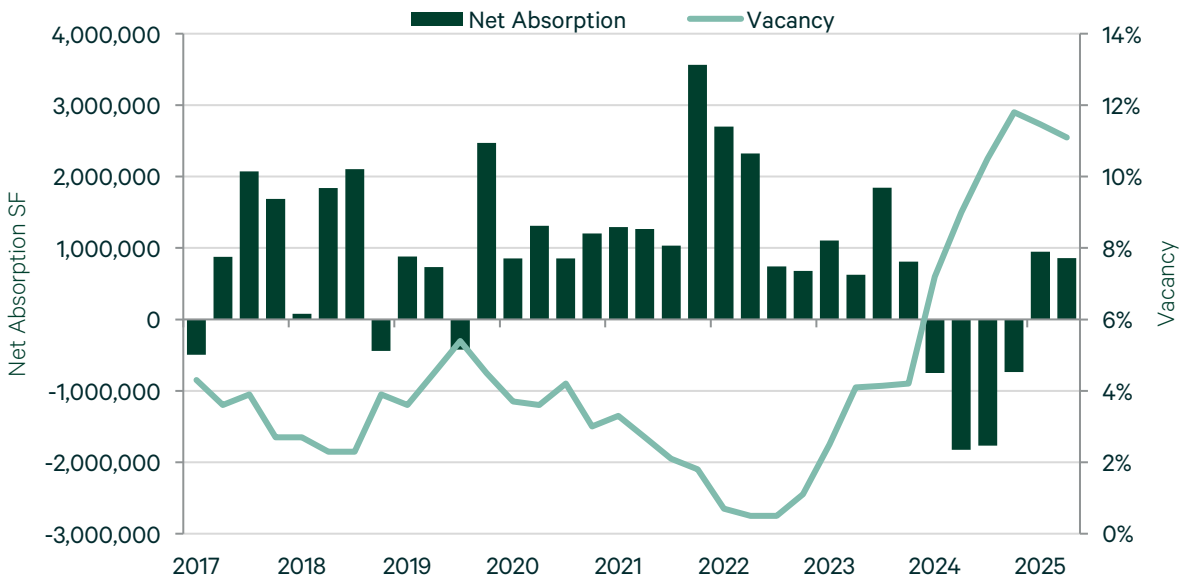
Industrial Using Employment  
Reno Market

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- The Reno region is home to 575,500 residents with a labor force of 294,200. During Q2 2025, the industrial sector provided 76,320 jobs, accounting for 26% of total employment in the region. The unemployment rate ended Q2 2025 at 4.7%, up 3-basis-points (bps) from the previous quarter.
- The overall net absorption of the Reno industrial market closed Q2 2025 at positive 859,899 sq. ft., down from 948,000 sq. ft in Q1 2025.
- The entirety of the 1.9 million sq. ft. of new product under construction is slated for delivery at the end of 2025, none of which is preleased.
- 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, Q2 2025

INDUSTRIAL OVERVIEW

The Reno industrial market was comprised of approximately 116 million sq. ft. at the close of Q2 2025. There were three new industrial buildings delivered to the market in Q2 2025, totaling 557,785 sq. ft. The construction pipeline had 1.9 million sq. ft. underway with another 15.8 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 \$0.94 NNN and \$1.22 NNN, respectively.

During Q2 2025, the overall vacancy rate decreased to 11.2%, while the availability rate increased to 13.3%. Sublease space continued to flow into the market, which represented 2.2 million sq. ft. of the total available space in Q2 2025.

Despite the ongoing global economic uncertainty driven by the current tariff/trade negotiations, demand requirements have retracted to more traditional sectors and activity. In Q2 2025, active requirements amounted to 6.8 million sq. ft., a dramatic reduction from 12.9 million sq. ft. a year ago. Nearly 60% of the current space requirements was represented by distribution and third party logistics companies.

Looking ahead, the Reno industrial market is expected to gradually stabilize as policy clarity and economic visibility improve. Elevated vacancy and returning sublease space will continue to offer tenants strategic flexibility, while demand for high-quality and flex space—especially with grade-level and dock-high access—remains strong. With over 1.9 million square feet of new construction underway and notable activity in submarkets like Airway, the market is positioned for a potential rebound in leasing and investment activity through the remainder of 2025

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q1 Net Absorption	YTD Net Absorption	Average Asking Rate NNN (\$)
Central / Airport	10,787,157	5.2	5.6	18,499	5,951	0.94
Bulk	8,125,683	5.3	5.5	9,016	12,352	0.91
Flex	2,661,474	4.9	5.9	9,483	(6,401)	1.00
East Valley	32,475,919	11.3	15.0	(71,686)	1,053,969	0.77
Bulk	32,353,232	11.3	15.1	(71,686)	1,053,969	0.77
Flex	122,687	0.0	0.0	0	0	N/A
North Valley	27,695,101	12.9	15.5	510,443	758,080	0.87
Bulk	27,466,145	13.0	15.6	510,443	758,080	0.87
Flex	228,956	0.0	0.0	0	0	N/A
South Reno	11,246,701	14.4	16.1	267,285	146,200	1.22
Bulk	9,262,650	14.5	16.3	259,537	143,262	1.18
Flex	1,984,051	4.1	4.4	7,748	2,938	1.40
Sparks	31,106,039	10.5	11.8	131,993	(274,378)	0.74
Bulk	28,144,775	11.3	12.6	147,561	(258,150)	0.74
Flex	2,961,264	3.1	3.9	(15,568)	(16,228)	1.24
West Reno	3,053,123	13.2	13.3	3,365	102,150	0.86
Bulk	2,644,063	15.2	15.2	0	104,000	0.85
Flex	409,060	0.5	0.5	3,365	(1,850)	1.50
Market Total	116,889,312	11.2	13.3	859,899	1,791,972	0.83
Bulk	108,562,167	11.7	14.0	854,871	1,813,513	0.81
Flex	8,327,145	3.6	4.3	5,028	(21,541)	1.17

Source: CBRE Research, Q2 2025

FIGURE 3: Notable Lease Transactions Q2 2025

Tenant	Address	SF Leased	Type
Bombard Electric	1400 Electric Ave, Sparks	202,800	New Lease
InMusic	1190 Trademark Dr, Reno	198,000	New Lease
Reno Fulfillment, LLC	625 Waltham Way, McCarran	180,000	New Lease
Graybar Electric Company, Inc.	1402 S McCarran Blvd, Sparks	165,600	New Lease

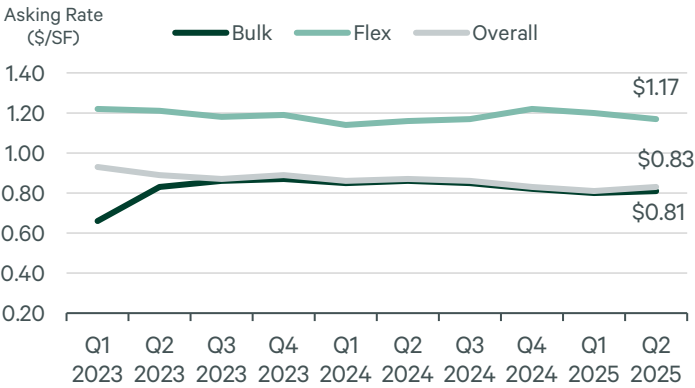
Source: CBRE Research, Q2 2025

FIGURE 4: Notable Sale Transaction Q2 2025

Buyer	Address	SF Sold	Sale Price
Prologis L.P	12035 Moya Blvd, Reno	545,500	\$59.9M
Invesco Advisers	695 Vista Blvd, Sparks	323,070	\$61.4M
Clarion Partners	500 Denmark Dr, Sparks	322,400	\$41.7M

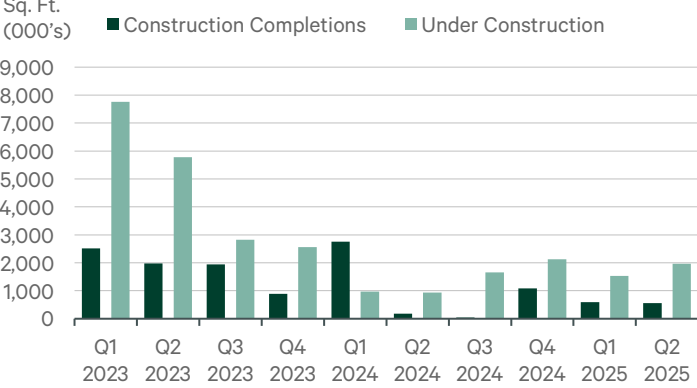
Source: CBRE Research, Q2 2025

FIGURE 5: Asking Rates



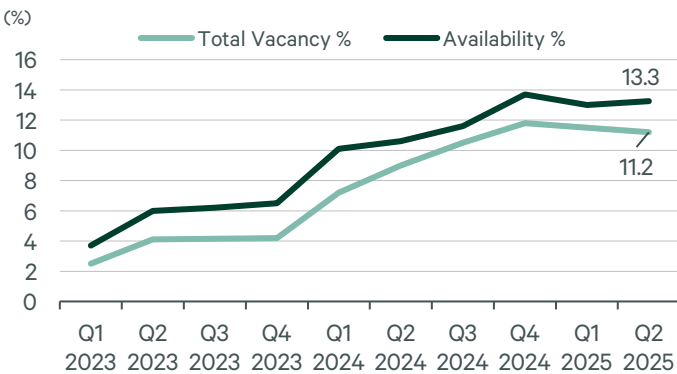
Source: CBRE Research, Q2 2025

FIGURE 7: Construction Activity



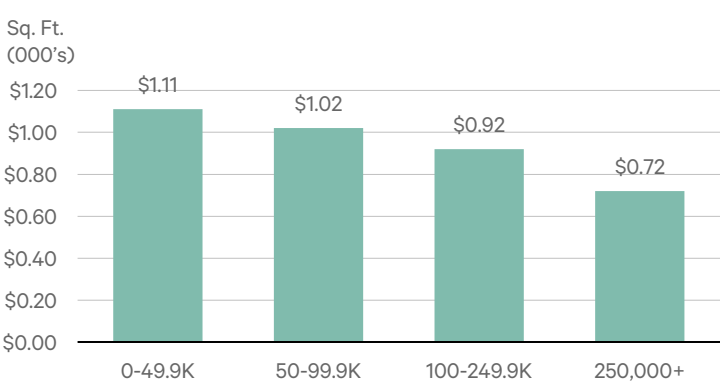
Source: CBRE Research, Q2 2025

FIGURE 6: Vacancy & Availability



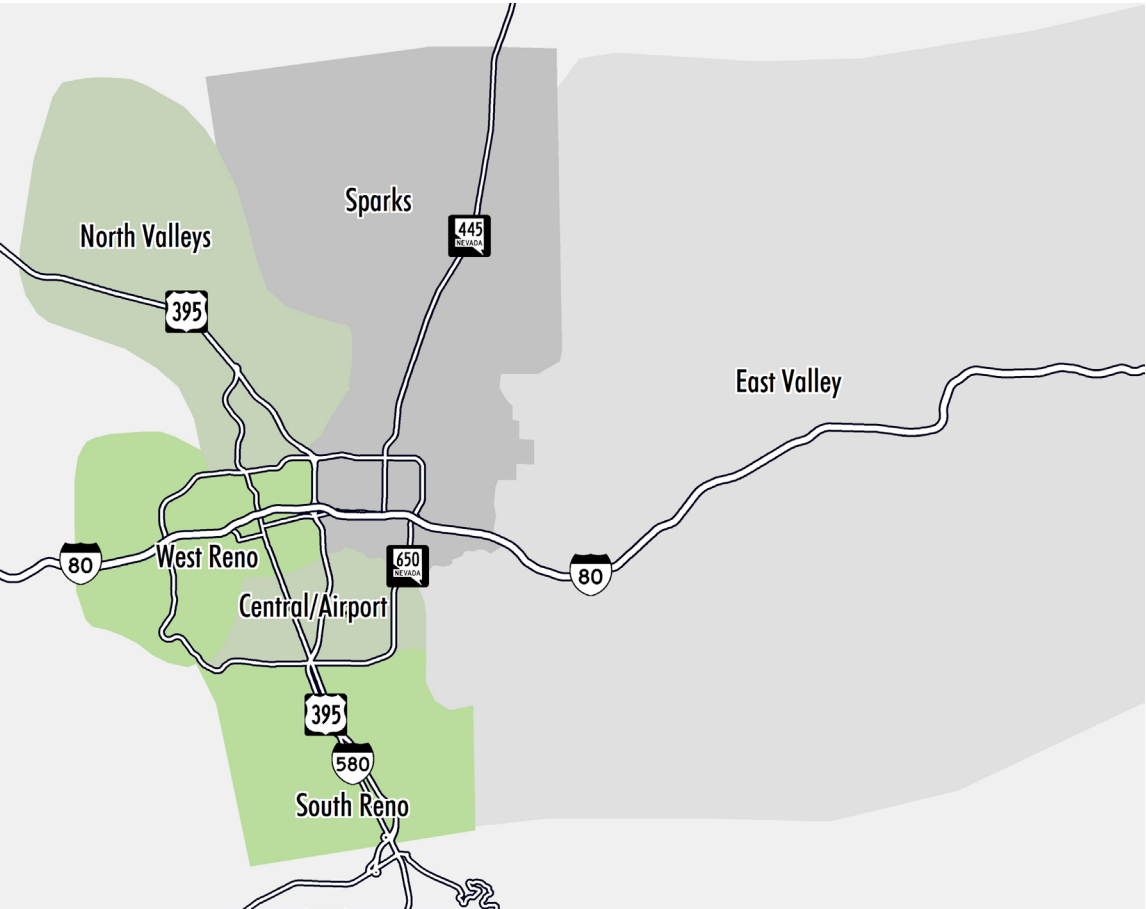
Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

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.

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