



**Street Commercial Real Estate**

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**2023-2024**

# RELOCATE<sup>TO</sup> THE SILVER STATE

*Key Factors That Every Business Owner Needs to  
Know About the Reno-Tahoe Area*

**PREPARED BY**

**STREET COMMERCIAL REAL ESTATE**

# REGION & LOCATION

Just East of the Sierras, the Great Basin region of Northern Nevada is home to a diverse, growing, and unexpected hub of development. While the gaming, downtown nightlife, and world-class ski-resorts draw people to the region, the low cost of living, job growth, and sense of community makes them hesitate to leave.

For businesses especially, the low-regulation, pro-business climate paired with resource availability and growing sustainability efforts makes for an attractive investment. As the region develops and shows no signs of slowing, more and more businesses are coming to find this western hotspot.



## COMMUNITY EVENTS

- Food Truck Fridays
- Hot August Nights
- Reno Balloon Races
- Art Town
- Burning Man



## RECREATION

- 11 Ski Resorts
- 78 Hiking Trails
- 87 Parks
- 7 Lakes
- 16 Rivers



## EDUCATION

- 3 Universities
- 3 Community Colleges
- 22 High Schools
- 76 Elementary Schools

\*Reno ranked 9th Most Educated City in the US! (*Forbes Advisor*, 2024)



**Over 130 Departures/Arrivals in a day at Reno Tahoe Airport and more than 500 daily at McCarran Airport in Las Vegas**



**20% of the country can be reached in 1 day through major shipping carriers, with the rest reached within 2-3 days**



**Less than one day's drive to 60 million customers and 5 major US ports on the Pacific Rim**

**SAN FRANCISCO- 219 MI**  
3.75 HR DRIVE- 45 MIN FLIGHT

**SALT LAKE CITY- 518 MI**  
7 HR DRIVE- 1.5 HR FLIGHT

**BOISE- 424 MI**  
7 HR DRIVE- 1.25 HR FLIGHT

**PHOENIX- 730 MI**  
11.5 HR DRIVE- 1.25 HR FLIGHT

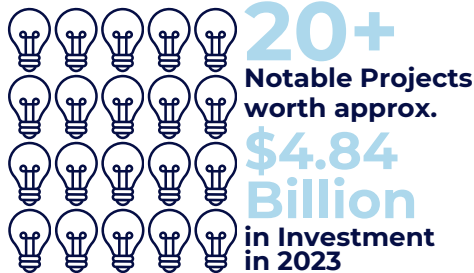
**LOS ANGELES- 472 MI**  
7.5 HR DRIVE- 1.75 HR FLIGHT

\*DISTANCES CALCULATED FROM RENO, NV

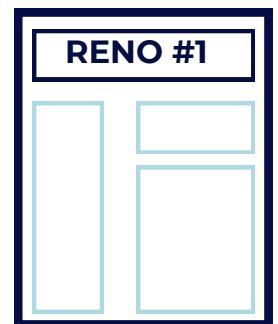
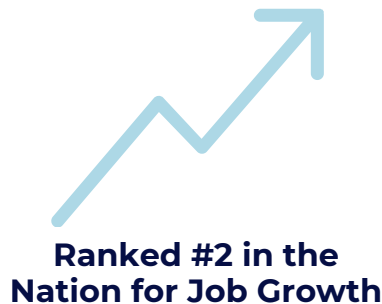


# YEAR IN REVIEW. DEVELOPMENT

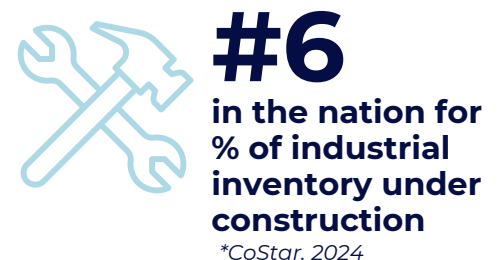
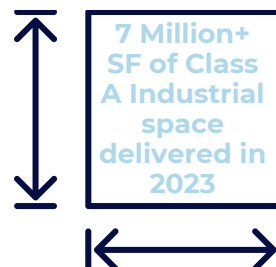
## BY THE NUMBERS



\*EDAWN, 2023



**Ranked 1 of 15 Happiest  
Place to Live in the US by  
*Outside Magazine*  
(Sep, '23)**



Northern Nevada finished out 2023 with a promising level of momentum for 2024. While rising interest rates and construction costs kept development slightly restricted, the region showed strong resilience and was able to deliver millions of square feet of commercial space to the market by the end of Q4.

# ECONOMIC ACTIVITY

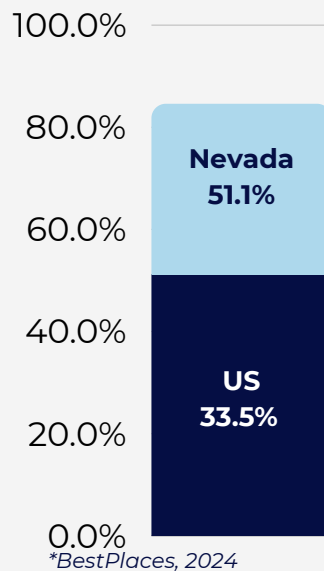
 **272,692** People in Reno-Sparks Labor Force  
\*YCHARTS, 2024

**#1** NEVADA RANKED FIRST IN THE NATION FOR JOB GROWTH  
\*USNEWS.COM, 2024

**“DIVERSIFICATION WITHIN THE NORTHERN NEVADA REGION HAS PROVEN TO PROVIDE STABILITY DURING RECENT ECONOMIC VOLATILITY MORE BROADLY,” GORDON SAID. “AT THE SAME TIME, WAGES ARE RISING AND CONSUMER SPENDING HAS BEEN STRONG.”**

*-Brian Gordon, Principal Analyst with Applied Analysis*

## PREDICTED 10 YR JOB GROWTH RATE



## KEY INDUSTRIES

- Manufacturing & Logistics
- Aerospace & Defense
- Health
- Information Technology
- Mining
- Tourism/Gaming

## GROWING INDUSTRIES

- Technology
- Advanced Manufacturing
- Renewable Energy
- Financial Services

**\$93,306** Avg Household Income for Reno  
\*World Population Review, 2024

**6.3%** NV Real GDP Growth in Q4 of 2023, above the Nation's rate of 4.9%

Diversification has been the name of the game for the Northern Nevada region in recent years. Leaving the dependence upon Tourism and Gaming behind, northern counties have been focusing on new and emerging industries such as lithium battery technology, data centers, advanced manufacturing, and e-commerce distribution. While the region was not immune to the effects of the pandemic and is still in the recovery stages, the region predicts nothing but growth in the future.

## TAX BENEFITS

- NO Corporate Income Tax
- NO Personal Income Tax
- NO Capital Gains Tax
- NO Inventory Tax
- NO Franchise Tax
- NO Special Intangible Tax
- NO Inheritance or Gift Tax
- NO Unitary Tax
- NO Estate Tax

## STATE INCENTIVES

- Business Development & Assistance Programs
- Workforce Development Programs
- Innovations-Based Economic Development Programs
- International Trade Program
- Rural Community & Economic Development Programs



## RIGHT TO START STATE

As of July 2023, Nevada became the first state to sign the "Right to Start" bill—which aims to "foster entrepreneurship and economic growth" by removing unnecessary hurdles and regulations for new businesses

*\*NV GOED, 2024*

# #7

State In the nation  
for Best Business  
Tax Climate as of  
July 2022

While the Reno-Tahoe area's location, community, and economy attracts a large customer base, the business-friendly and low-regulation policies allow them to put their roots down and sustain their businesses. With California refugee companies especially, operations and strategy managers are on the lookout for markets that allow a break from the regulations, restrictions, and start-up obstacles that plague so many other states. Nevada remains a prime destination for allowing not only start ups, but also established companies to keep their doors open.

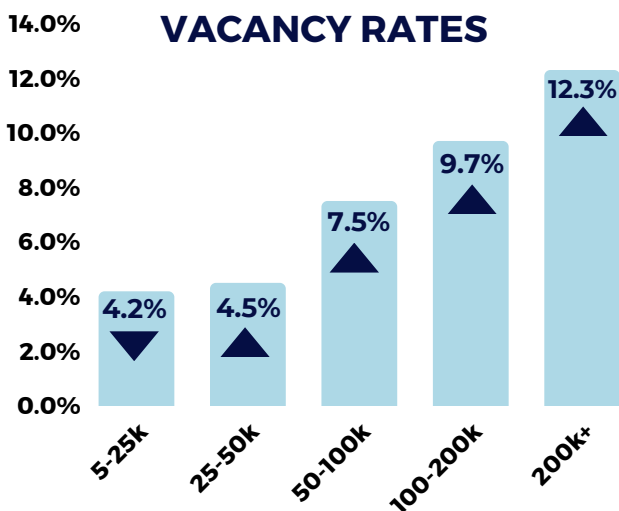
# Q2 2024

## MARKET DATA

### GREATER RENO AREA

Square Ft	Monthly Rent PSF		Avg Sale PSF	
5-25k	\$1.21	▼	\$191	▼
25-50k	\$1.13	▲	\$175	▼
50-100k	\$0.99		\$170	▲
100-200k	\$1.02	▲	\$154	
200k+	\$0.79	▼	\$129	▲

### VACANCY RATES



### NOTABLE TRANSACTIONS

#### 3200 USA Parkway

- Vacant Investment Sale
- Sold June 27th, 2024
- 707,010 SF
- \$115.27/SF

#### 500 Denmark Dr

- Forward Sale
- Sold June 14th, 2024
- 322,400 SF
- \$129.22/SF

### Advice for occupiers:

Q2 saw industrial vacancies up sharply to numbers that have not been seen since Q1 of 2016. This increase is due to three consecutive quarters of negative net absorption along with the new market deliveries of around 2M SF. With the higher vacancies, the market has seen a larger number of sublease opportunities present themselves. This has allowed occupiers that have been on the sidelines due to inflated rates the chance to take up excess square footage at a more favorable price. Leasing velocity has slowed, but overall activity with small, medium, and large companies remains high. Landlords are more likely to offer more considerations like lower rates, free rent, or higher tenant improvement allowances. Occupiers must remain diligent and be able to show a strong financial position and favorable leasing history in order to maintain their negotiating power.

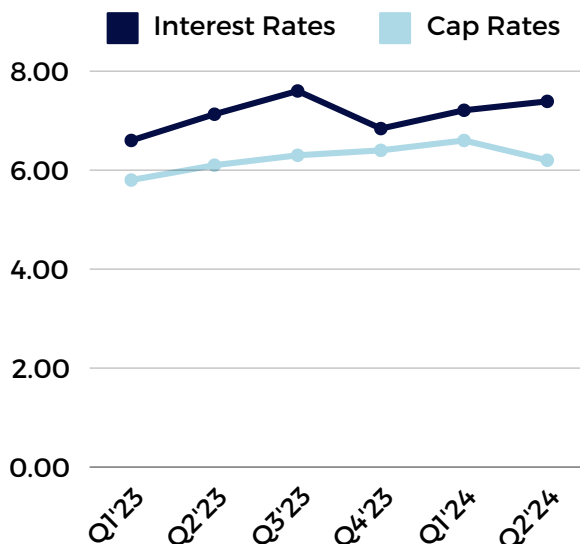
Are you an occupier that's considering a purchase in 2024? Competition from other owner/users and savvy investors in the market remains at an all-time high which puts more pressure on buyers being able to execute. When considering purchase opportunities, we recommend a clear, specific need and timeline outlined with your Broker and having your capital lined up and ready to deploy. When sourcing lending options we suggest that occupiers explore all lending opportunities across the market. This includes both community and large banking institutions, SBA Loans, and Private Money funding sources.

### Nevada Currently Ranked #1 in the country for Job Growth

(USNews.com, 2024)

### CHANGES SINCE LAST QUARTER

Big box vacancies saw a sharp increase when compared to last quarter, raising the overall market vacancy again this quarter. Although this marks the third consecutive quarter of negative net absorption for Northern Nevada, the market remains healthy as the demand for smaller, more flexible spaces continues to drive leasing activity. Moving forward, expect the vacancy rates and availability to peak as macroeconomic uncertainties unfold.



### Advice for landlords:

As Northern Nevada experiences its third consecutive quarter of negative absorption, landlords should seek guidance from qualified professionals to navigate an increasingly competitive market. Although the era of 1% vacancy may be behind us, it is still possible to stabilize assets and enhance property value. Despite another negative absorption figure, landlords can discover opportunities for stability and growth by adopting proactive and strategic measures such as enhancing property appeal, offering flexible leasing options, exploring alternative uses, and employing creative marketing strategies. For owner-users, the sale-leaseback option is becoming an increasingly attractive business strategy to raise working capital amid market uncertainty within an election year. This strategy requires substantial market expertise, but when executed correctly, can provide significant benefits, including increased liquid capital for business growth and debt consolidation.



# RESOURCES & CONTACTS

Nevada Governor's Office of  
**ECONOMIC DEVELOPMENT**  
*Empowering Success*

## **NEVADA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT** **(775) 687-9900** **goed.nv.gov**

The Nevada Governor's Office of Economic Development (GOED) was created during the 2011 Session of the Nevada Legislature through a collaboration of the Nevada Governor's Office and the Leadership of the Nevada State Senate and State Assembly with the vision of creating a vibrant, innovative, and sustainable economy with high-paying and high-quality jobs for Nevadans.



## **ECONOMIC DEVELOPMENT AUTHORITY OF WESTERN NEVADA** **(775) 829-3700** **edawn.org**

The Economic Development Authority of Western Nevada (EDAWN) is a private/public partnership established in 1983, committed to adding quality jobs to the region by recruiting new companies, supporting the success of existing companies, and assisting newly forming companies, to diversify the economy and have a positive impact on the quality of life in Greater Reno-Sparks.



## **LAS VEGAS GLOBAL ECONOMIC ALLIANCE** **(702) 791-0000** **lvgea.org**

LVGEA supports businesses looking to expand or relocate to the Greater Vegas region with a variety of services depending on the business needs. As the state-sanctioned regional economic development authority and a community-supported nonprofit, we offer our economic development services free of charge. Schedule a consultation with the team today.



## **MANUFACTURE NEVADA** **(775) 784-1935** **manufacturenevada.com**

Manufacture Nevada is a key resource for manufacturing companies navigating their path to success. Acting as advocates, advisors, and a bridge between industry and state, Manufacture Nevada creates specific business plans finely-tuned to your company.

# CONTACT US OCCUPIER TEAM

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*For more information on the current industrial market, visit our website or contact us today!*

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