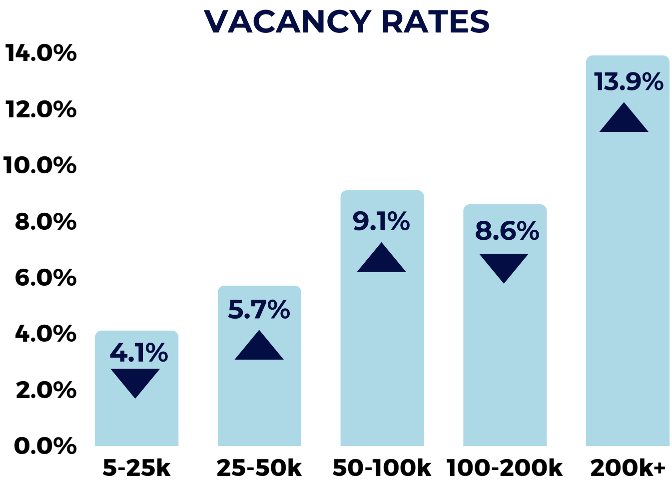
STREET COMMERCIAL REAL ESTATE

BIGGEST LITTLE INDUSTRIAL REPORT

Q3 2024

Square Ft	Monthly Rent PSF		Avg Sale PSF	
5-25k	$1.21		$217	▲
25-50k	$1.10	▼	$177	▲
50-100k	$0.99		$164	▼
100-200k	$1.04	▲	$154	
200k+	$0.78	▼	$136	▲



As of Q3, 4.6 Million SF of Industrial Space is Under Construction in the Reno/Sparks area (CoStar, 2024)

NOTABLE LEASES

7930 Sugar Pine Ct
- Industrial Flex
- 15,551 SF
- $1.07/SF
- West Reno

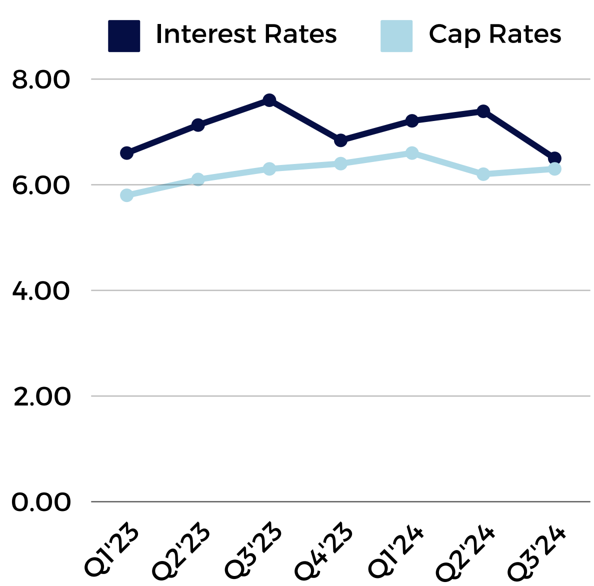
4750 Longley Ln #208
- Industrial Warehouse
- 6,251 SF
- $1.32/SF
- Airport

9355 Gateway Dr
- Industrial Warehouse
- 116,256 SF
- $0.96/SF
- South Reno

9470 N Virginia St
- Industrial Warehouse
- 135,200 SF
- $0.83/SF
- North Valleys

CHANGES SINCE LAST QUARTER

The industrial market this past quarter has shown an overall and encouraging decrease in vacancy rates, indicating a steady demand in the sector. While leasing activity has remained relatively stable, there's been a noticeable uptick in renewals and extensions, suggesting tenants are more committed to staying in place rather than seeking new spaces. New construction remains passive, helping alleviate pressure on vacancy rates by limiting the supply of available space, though this could also signal a cautious approach by developers due to economic uncertainties.



Advice for occupiers:

In the current market, tenants have an opportunity to capitalize on falling and flattening rent rates, especially in larger spaces. With rents for 25-50k SF spaces decreasing to $1.10 and even further for 200k+ SF spaces to $0.78, now is a strategic time to negotiate long-term leases to secure more favorable rates. This is particularly important if your business is growing and your space needs are increasing. Additionally, with rising vacancy rates, landlords may be more open to offering concessions such as tenant improvement allowances, free rent periods, or flexible lease terms to fill vacancies. Take advantage of this by negotiating for these perks, which can reduce your overall costs. However, in segments where space is more limited, like the 5-25k SF category, competition remains strong, and demand is still robust. Be prepared to act quickly in these cases, with your financials ready and space requirements clearly defined, to secure the best available space before prices start to climb again.

Advice for landlords:

A possible peak in vacancy? An improving economic outlook presents an opportunity to optimize portfolios and position for growth. As demand for warehouse, distribution, and manufacturing spaces may rise with economic recovery, it's important to focus on maintaining flexibility in lease terms to attract both short- and long-term tenants. This may include offering scalable spaces and renegotiating leases with favorable terms for tenants willing to commit to longer durations, Additionally, landlords should consider investing in facility upgrades, such as energy-efficient systems or automation capabilities to increase the property's appeal to growing industries, particularly in sectors like ecommerce, logistics, and technology-driven manufacturing. Keeping a close watch on local market trends and adjusting pricing strategies accordingly will also help maximize occupancy and returns as demand strengthens.

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