

BIGGEST LITTLE INDUSTRIAL REPORT

Q3 2025

Street Commercial Real Estate
522 Lander St #200 Reno, NV 89509
(775) 852-5225
www.street-cre.com

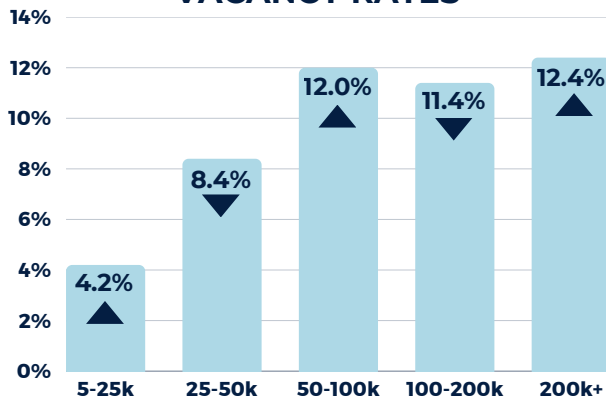


MARKET SUMMARY

Through the first half of 2025, Reno's industrial market began to stabilize after a brief period of imbalance. After peaking at 12.2% in Q1, Reno's overall industrial vacancy declined to approximately 10.6% in Q3, signaling that new supply is finally being met with renewed tenant demand. This marks a positive absorption trend of 2.5M square feet through Q3, particularly notable given the wave of speculative product delivered since 2020. Lease rates have stabilized, with small-bay product continuing to command a premium, while large-format spaces (100,000+ SF) still face downward pressure as landlords compete for fewer active users. Demand remains concentrated among small and mid-bay users, who continue to drive absorption, while large-box vacancies persist—often requiring greater concessions and flexible deal structures to secure occupancy.

Square Ft	Monthly Rent/SF	Avg Sold/SF
5-25k	\$1.17 ▼	\$181 ▲
25-50k	\$1.04 ▲	\$143 ▲
50-100k	\$0.95 ▼	\$144 ▲
100-200k	\$0.91 ▲	\$181 ▲
200k+	\$0.82 ▲	\$145 ▲

VACANCY RATES



NOTABLE TRANSACTIONS

310 Airway Dr

- 98,000 SF
- \$0.98/SF/SF NNN
- Airport Submarket

310 Airway Dr

- 45,000 SF
- \$1.15/SF/Mo NNN
- Airport Submarket

320 Airway Dr

- 168,000 SF
- \$1.00/SF/Mo NNN
- Airport Submarket

1190 Trademark Dr

- 198,000 SF
- \$0.82/SF/Mo NNN
- South Reno Submarket

Advice for Tenants:

Act early if you're in the market for small-bay space under 50,000 SF. Supply remains tight, and options will narrow heading into Q4. Early renewals or relocations will help you avoid increased competition and limited availability later in the year.

If you're seeking 100,000+ square feet, now is a favorable time to negotiate. Landlords are more flexible on rent, TI packages, and lease terms. Take advantage of this leverage before vacancy rates tighten and negotiating power shifts leverage back toward landlords, impacting your.

Let's discuss how we secure your leverage while it still favors you because your early moves can lock in better terms and flexibility.

Advice for Investors:

Remain flexible with deal structure, especially for spaces over 100,000 SF. Competitive rental rates and TI dollars are essential to attract and retain tenants. Consider offering rent abatements, expansion options, or shorter lease terms to maintain occupancy during transitional market conditions. Prioritize functionality over aesthetics.

Tenants are focused on operational efficiency, so highlight features like strategic location, dock-high loading, and adaptable layouts. These elements are more valuable to tenants than cosmetic upgrades. Avoid overpricing small-bay spaces. While demand remains steady, tenants in this segment are highly price-sensitive. To minimize turnover, pursue even earlier renewals and apply modest rent increases.

Ask us for a quick rent benchmark and strategy review tailored to your property, because the sooner you adjust, the stronger your position

EXPECTATIONS FOR Q4

- Expect continued gradual absorption in mid-size product as tenants who delayed decisions in Q1 and Q2 return to the market.
- Vacancy could dip below 10% by Q1 of 2026, signaling a more balanced landscape.
- Pricing stability is likely across small to mid-bay product, while big-box rents may compress slightly further as owners chase occupancy.
- Investment activity should remain strong as pricing expectations adjust to the "new normal" rent levels.

LEASE RATES



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THE BIGGEST LITTLE INDUSTRIAL REPORT IS BROUGHT TO YOU BY THE STREET CRE INDUSTRIAL TEAM



Matthew Harris

Principal- Broker
matt.harris@street-cre.com
O: (775) 852-5225 Ext 1002
C: (775) 250-4684
NV RE#B.1002868.LLC



Christian Stolo

Senior Industrial Associate
christian.stolo@street-cre.com
O: (775) 852-5225 Ext 1003
C: (775) 842-7450
NV RE#S.0196067



Sakara Ferebee

Industrial Associate
sakara.ferebee@street-cre.com
O: (775) 852-5225
C: (775) 688-9277
NV RE#S.0199687



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