

BIGGEST LITTLE INDUSTRIAL REPORT

Q1 2026

Street Commercial Real Estate
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The Northern Nevada industrial market continued its gradual rebalancing into early 2026, with performance increasingly split across size segments. Large-bay properties (100K+ SF) saw the most pressure, with lease rates declining 5-10% quarter-over-quarter as landlords leaned into concessions to drive absorption. Vacancy has begun to stabilize, signaling demand is catching up to available supply, though conditions remain tenant favorable.

In contrast, small and mid-bay products (under 100K SF) have held firm. Lease rates are steadier and vacancy largely unchanged, reinforcing consistent demand from local and regional users less sensitive to institutional capital flows. On the capital markets side, macro conditions are increasingly influential. Conflict involving Iran has contributed to upward pressure on U.S. Treasury yields, pushing the cost of funds higher for commercial real estate. Debt is more expensive, underwriting is tighter, and has impacted pricing expectations and transaction velocity. At the same time, land acquisition activity from non-data center users has quietly returned. While hyperscale demand dominates headlines, traditional industrial users and developers are re-entering selectively. Could be an early signal of confidence in long-term fundamentals.

Bottom line: the market remains bifurcated, trending toward equilibrium but still driven as much by capital markets as leasing fundamentals.

SF	Avg Lease PSF Q1	Avg Lease PSF YoY	Avg Sale PSF Q1	Avg Sale PSF YoY
5-25k	\$1.16	\$1.19	\$185	\$196
25-50k	\$1.05	\$1.05	\$144	\$141
50-100k	\$0.92	\$0.96	\$155	\$142
100-200k	\$0.79	\$0.86	\$148	\$159
200k+	\$0.71	\$0.76	\$129	\$130

Advice for Tenants:

Tenants are still in a favorable position overall, but strategy should vary depending on submarket, size, and operational needs such as power.

Larger users (100K+ SF) continue to have the most leverage. While rents have come down slightly, the bigger advantage remains in deal structure—landlords are still willing to offer concessions, flexibility, and aggressive terms to fill space. This window won't stay open forever, so locking in long-term occupancy now can be a smart move. For users between 5k - 50k SF, the story is shifting a bit. While rents haven't moved dramatically, vacancy trends suggest a stabilizing market. This segment has historically tightened quickly, so waiting too long could backfire if demand surges.

Across the board, tenants should focus less on headline rent and more on total economics—TI dollars, free rent, and flexibility still vary widely and can materially impact the deal.

Advice for Investors:

The market is moving into a more nuanced phase where asset selection and execution matter more than timing the cycle. Small-bay assets remain the most stable investment profile. Even with a slight uptick in vacancy, rent levels are holding, and long-term demand fundamentals are still intact. These properties continue to offer durability and are well-suited for conservative, income-focused strategies including ground-up development. Large-format assets, however, are where the opportunity is evolving. While rent pressure persists, improving vacancy trends suggest the worst of the supply-demand imbalance may be behind us. Investors who can lease creatively, price competitively, and remain patient may benefit from acquiring or repositioning these assets at a discount before fundamentals fully recover. In this environment, success is less about betting on rapid rent growth and more about:

- Basis discipline
- Lease-up execution
- Realistic underwriting

Investors who align with current market realities—rather than peak-cycle expectations—will be best positioned as the market continues to stabilize through 2026.

NOTABLE TRANSACTIONS

SALE

875 Panther Dr

- 58,300 SF
- Investment
- 100% Occupied
- \$12.8M (\$220/SF)

4910 Longley Ln

- 300,000 SF
- Investment
- 38% Occupied
- \$37.5M (\$113/SF)

9985 Moya Blvd

- 112,000 SF
- Investment
- 50% Occupied
- \$17.8M (\$158/SF)

LEASE

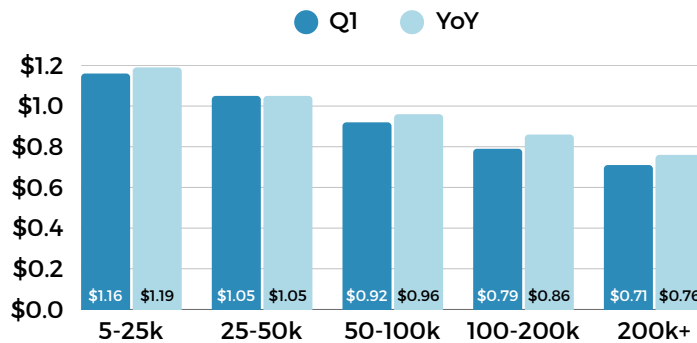
12663 Old Virginia Rd

- 45,600 SF
- March 2026
- South Reno

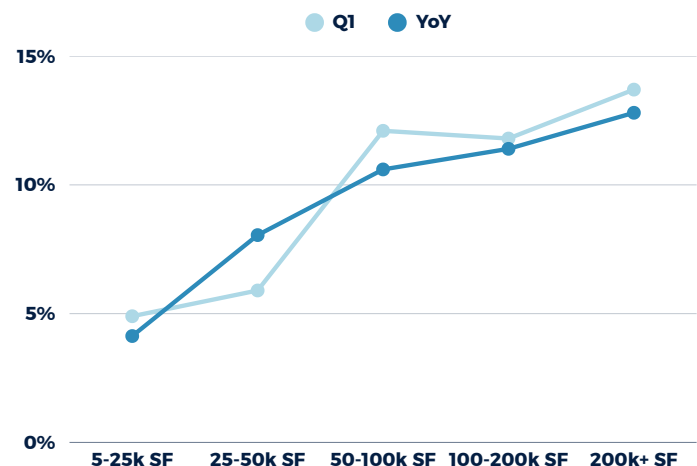
3000 Airway Dr

- 7,842 SF
- March 2026
- Airport

LEASE RATES



VACANCY RATES



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