BIGGEST LITTLE INDUSTRIAL REPORT
Q2 2026

Street Commercial Real Estate
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(775) 852-5225
www.street-cre.com

The Northern Nevada industrial market continued to move in a positive direction during the second quarter of 2026, building on the stabilization that emerged throughout the latter part of 2025 and into 2026. Tenant demand remained healthy, resulting in another quarter of positive absorption and a gradual reduction in available inventory across much of the market.

Leasing activity has remained steady across a diverse mix of manufacturing, logistics, distribution, and service-oriented users, providing confidence that demand is being driven by underlying market fundamentals rather than isolated transactions. At the same time, elevated borrowing costs continue to challenge investment activity. Investors rely on improving leasing fundamentals while keeping pricing disciplined.

Overall, the market appears to be rebounding from a tenant-favorable environment toward a more balanced landscape. While tenants continue to have opportunities to negotiate favorable lease structures, landlords are beginning to see increased pricing confidence as vacancy gradually declines and demand continues to improve. The result is a healthier, more stable market that is showing measured signs of long-term growth rather than rapid acceleration.

**YoY=Trailing Average of Previous 4 Quarters*

SF	Avg Lease PSF Q2	Avg Lease PSF YoY	Avg Sale PSF Q2	Avg Sale PSF YoY
5-25k	$1.13	$1.18	$185	$256
25-50k	$1.06	$1.06	$142	$141
50-100k	$0.89	$0.92	$157	$165
100-200k	$0.78	$0.82	$152	$161
200k+	$0.72	$0.74	$127	$124

NOTABLE TRANSACTIONS

SALE

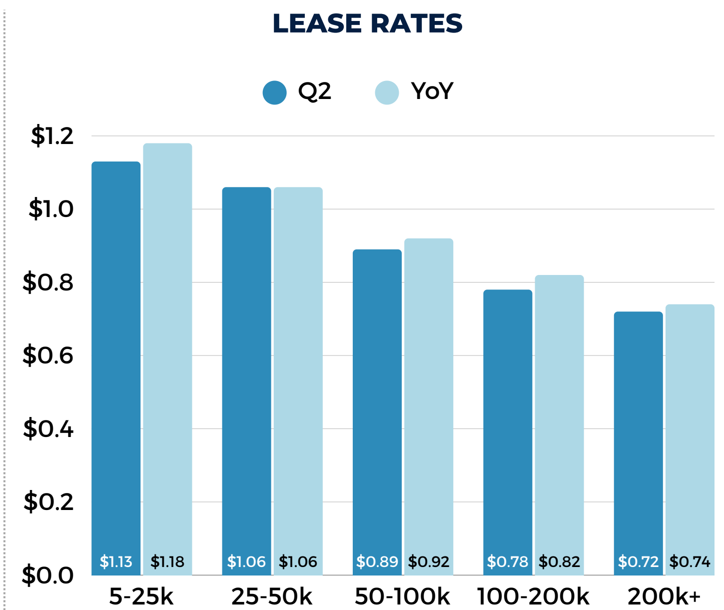
1120 Terminal Way
- 20,000 SF
- $4.28M ($214/SF)
- Sold May 2026
- Airport Submarket

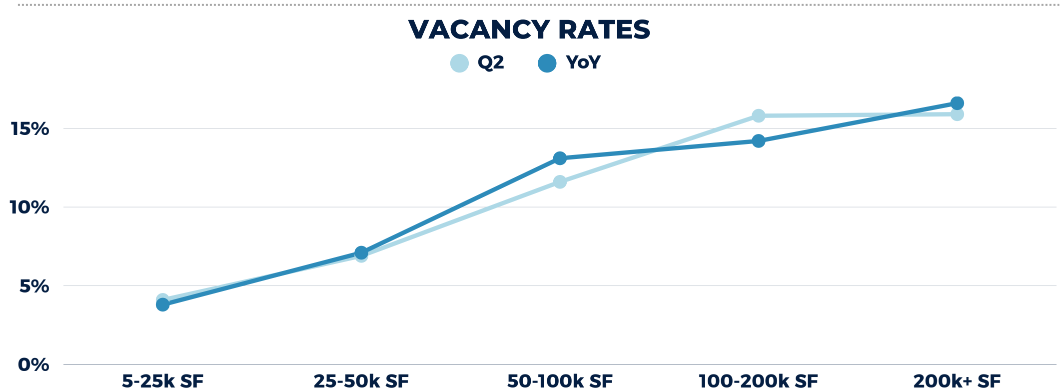
1600 Peru Dr
- 410,750 SF
- $60.9M ($148/SF)
- Sold June 2026
- Storey County Submarket

LEASE

250 Greg St
- 7,500 SF
- Leased May 2026
- *Call for Pricing
- Sparks Submarket

7525 Colbert Dr Bldg C
- 22,102 SF
- Leased June 2026
- *Call for Pricing
- South Reno Submarket





Advice for Tenants:

The window to capitalize on tenant-friendly market conditions is beginning to narrow. Strong absorption throughout the second quarter has reduced available inventory across much of Northern Nevada. Although vacancy remains above historical norms, waiting for additional rent declines is becoming a riskier strategy as the lack of supply may be enough to move rent rates upward. Occupiers with upcoming lease expirations or expansion plans should begin evaluating their options well in advance.

Larger users still maintain negotiating leverage on select big-box opportunities, but this segment has experienced improving demand as available space is steadily leased.

Across all size ranges, tenants should focus on securing long-term occupancy while favorable opportunities remain, emphasizing overall lease economics, including tenant improvement allowances, expansion rights, renewal options, and operational flexibility rather than simply headline rental rates.

Companies that move proactively are likely to secure the best combination of location, economics, and future growth flexibility before market conditions tighten further.

Advice for Investors:

Market fundamentals continue to creep towards a more historically normal condition. Strong absorption during the second quarter has reduced available inventory, giving landlords a bit of positivity after several quarters of heightened competition.

Well positioned industrial properties with modern functionality, quality office buildouts, ample power, and desirable locations, are beginning to experience increased tenant competition and shorter marketing timelines. As a result, many landlords have started gradually increasing asking rental rates to reflect improving market conditions.

While optimism is warranted, execution remains critical. Properties that are competitively priced, professionally marketed, and delivered in move-in-ready condition will continue to outperform the broader market. Owners should also evaluate upcoming lease expirations, as rising demand presents an opportunity to capture stronger rental rates while retaining quality tenants before they explore alternative options.

With vacancy continuing to trend downward and leasing activity accelerating, landlords are entering the strongest negotiating position the market has experienced in more than two years.

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STREET COMMERCIAL REAL ESTATE

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NORTH VALLEYS

SF	Avg Lease Rate	Vacancy
5-25 k	$1.02	4.2%
25-50 K	$0.87	9.8%
50-100 K	$0.77	15.9%
100-200 K	$0.68	22.3%
200K +	$0.65	21.1%

SPARKS

SF	Avg Lease Rate	Vacancy
5-25 k	$1.07	6.0%
25-50 K	$0.95	8.1%
50-100 K	$0.83	10.8%
100-200 K	$0.72	15.3%
200K +	$0.66	20.0%

WEST RENO

SF	Avg Lease Rate	Vacancy
5-25 k	$1.19	0%
25-50 K	$1.12	0%
50-100 K	$0.82	9.5%
100-200 K	$0.71	12.5%
200K +	$0.66	0%

CENTRAL/AIRPORT

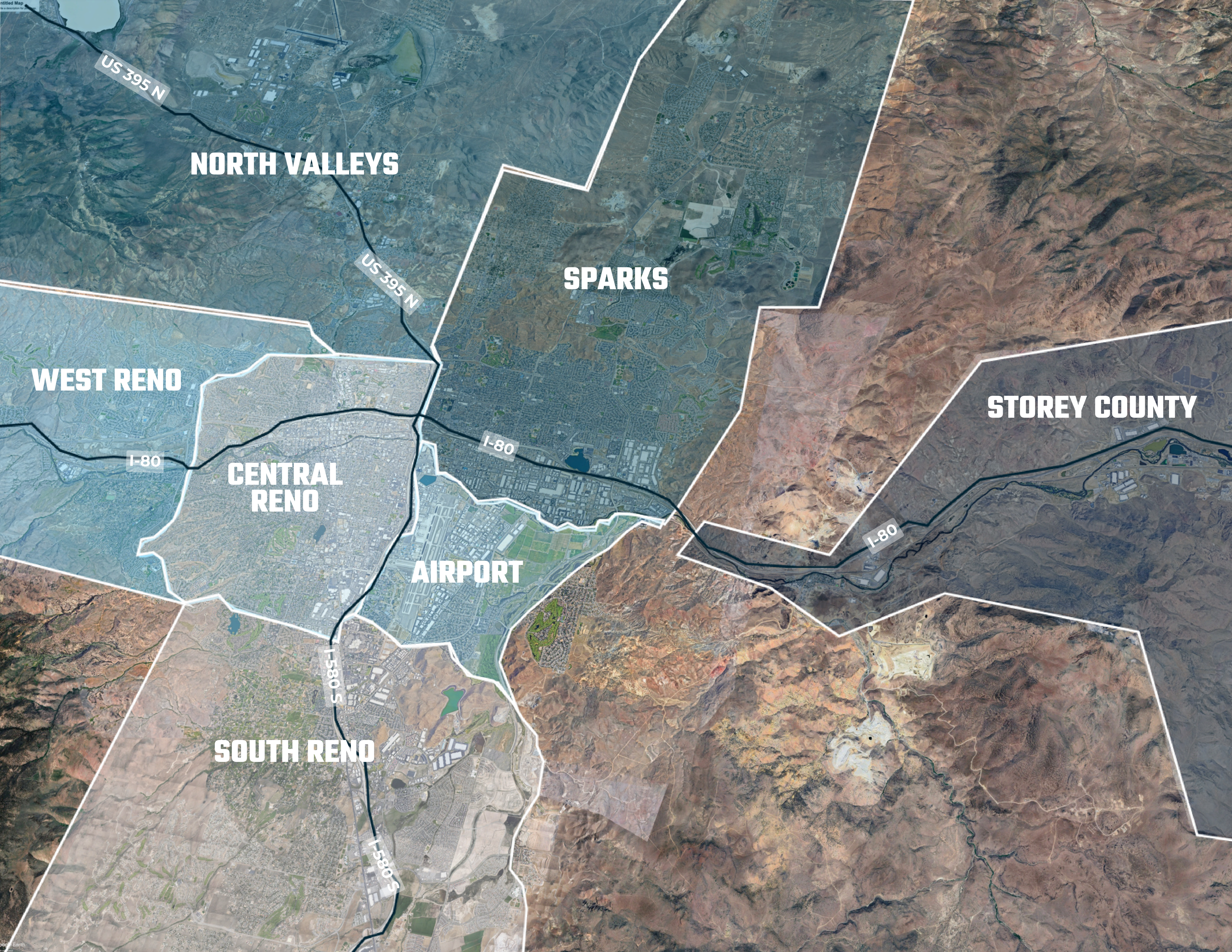
SF	Avg Lease Rate	Vacancy
5-25 k	$1.18	3.6%
25-50 K	$1.12	4.7%
50-100 K	$0.89	11.4%
100-200 K	$0.87	13.8%
200K +	$0.73	10.9%

SOUTH RENO

SF	Avg Lease Rate	Vacancy
5-25 k	$1.35	1.4%
25-50 K	$1.24	7.3%
50-100 K	$0.95	10.3%
100-200 K	$0.83	22.0%
200K +	$0.81	7.9%

STOREY COUNTY

SF	Avg Lease Rate	Vacancy
5-25 k	$1.03	4.5%
25-50 K	$0.89	8.3%
50-100 K	$0.80	0%
100-200 K	$0.79	12.7%
200K +	$0.75	18%



US 395 N
NORTH VALLEYS
US 395 N
SPARKS
WEST RENO
STOREY COUNTY
I-80
I-80
CENTRAL RENO
I-80
AIRPORT
I-580 S
SOUTH RENO
I-580 S

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