

FIGURES | RENO OFFICE | Q3 2026

Vacancy Rate Holds Steady as Occupancy Sustains Incremental Growth



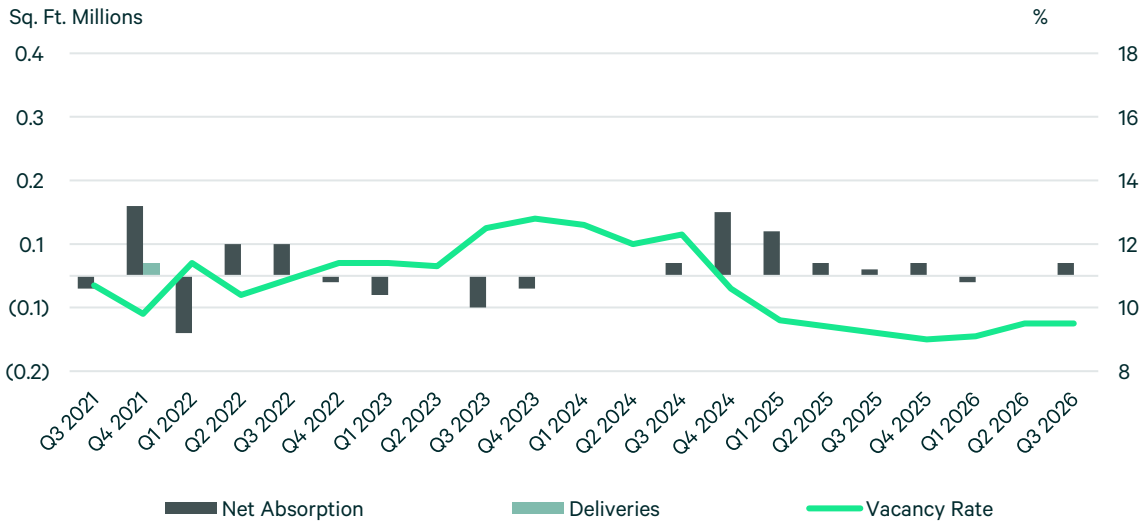
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions remained broadly stable, with modest demand and a steady vacancy rate. Net absorption totaled approximately 21,000 sq. ft., improving on the small negative totals posted in the first half of 2026. Vacancy held at 9.5%, unchanged from Q2 2026, while availability edged down quarter-over-quarter from 13.6% to 13.1%. Leasing activity remained solid in Q3 2026 at 140,000 sq. ft., compared to the 60,000 sq. ft. completed in Q1 2026 and the 140,000 sq. ft. recorded in Q2 2026. While there were no deliveries and no space under construction, average asking rents eased from \$2.32 per sq. ft. in Q2 2026 to \$2.31 per sq. ft. in Q3 2026 but remained elevated relative to prior years.

From Q3 2021 through Q3 2026, the market transitioned from soft demand and rising vacancy to a tighter environment. In Q3 2021, net absorption totaled negative 25,000 sq. ft. and vacancy were 10.7%, and intermittent negative absorption through 2022 and 2023 occurred during a period when vacancy rose to 12.8% by Q4 2023 and availability reached 16.5%. Leasing volumes followed a similar arc, modest in 2022, stronger in 2023, peaking at 190,000 sq. ft. in Q2 2024 and fluctuating between 60,000 sq. ft. and 160,000 sq. ft. from 2025 through Q3 2026. In Q3 2021 asking rates were \$1.85 per sq. ft. and steadily rose to \$2.16 per sq. ft. in Q4 2025 and then reached the current \$2.31 per sq. ft. in Q3 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy

In Q3 2026, overall vacancy shifted only modestly quarter-over-quarter, but trends differed by asset class and continued to reflect the longer-term adjustment of the market. Class A vacancy was 10.1%, declining 30 basis points quarter-over-quarter yet remaining 90 bps higher year-over-year. Class B vacancy held steady quarter-over-quarter at 9.7%, standing 60 bps above its level in Q3 2025. Class C vacancy increased 40 bps quarter-over-quarter to 7.6% but was 210 bps lower than in Q3 2025. Over the past three years, from Q3 2023 to Q3 2026, vacancy in Class A fell 620 bps from 16.3% to 10.1%, Class B declined 100 bps from 10.7% to 9.7%, and Class C rose 90 bps from 6.7% to 7.6%, underscoring a rebalancing of occupancy across quality segments.

Across the asset classes, sublease vacancy declined 10 bps quarter-over-quarter to 1.0% in Class A and 20 bps to 0.3% in Class C while holding at 0.4% in Class B, and submarkets collectively carried 38,000 sq. ft. of sublease vacancy, led by South Reno, Downtown, and Meadowood.

Asking Rent

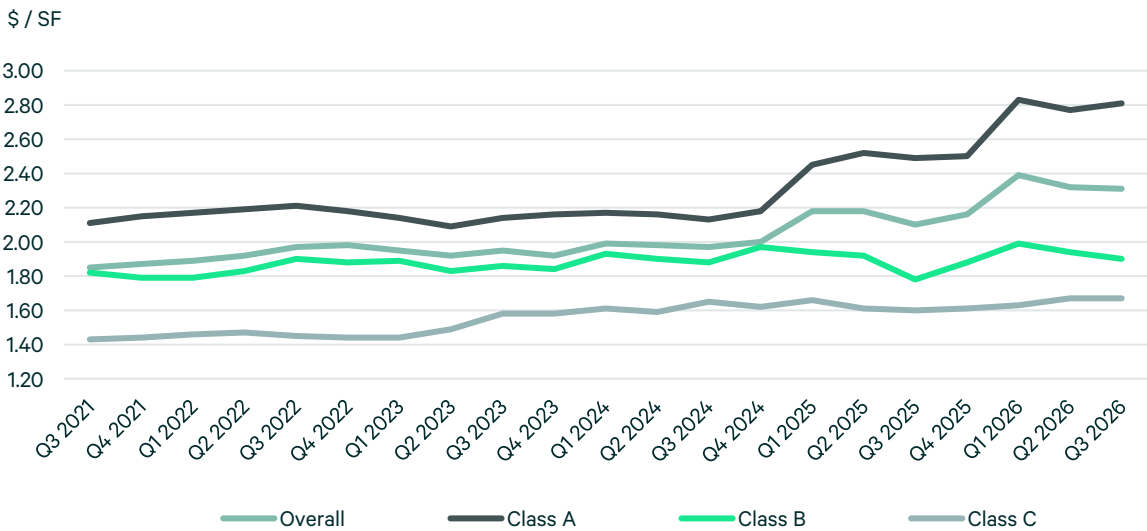
Overall asking rents in Q3 2026 remained elevated, with the market-wide average at \$2.31 per sq. ft. for the quarter and \$2.34 per sq. ft. for 2026 year-to-date. This level was slightly below the \$2.32 per sq. ft. recorded in Q2 2026, but above the \$2.10 per sq. ft. seen in Q3 2025, so overall pricing moved higher year-over-year but edged down quarter-over-quarter over the past year. Across the full series from Q3 2021 to Q3 2026, average asking rent for the overall market rose from \$1.85 per sq. ft. to \$2.31 per sq. ft., while Class A advanced from \$2.11 per sq. ft. to \$2.81 per sq. ft., underscoring that higher-quality assets commanded the strongest rent growth over time.

Figure 2: Vacancy Rates by Class



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Figure 3: Average Direct Asking Rate by Class



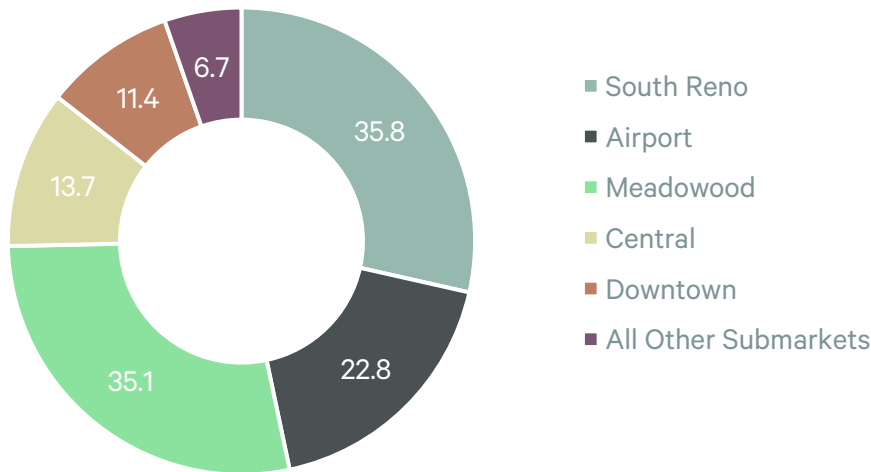
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Leasing Activity

Leasing activity in the market slowed in Q3 2026, with demand indicated by lower completed leasing volumes. Total leasing reached 140,000 sq. ft. in the quarter, while calendar year 2025 recorded 374,000 sq. ft. of completed leases. Leasing volume decreased nearly 2% quarter-over-quarter from 143,000 sq. ft. in Q2 2026 and fell 13% year-over-year from 134,000 sq. ft. in Q3 2025.

Within the market, South Reno recorded the highest leasing activity this quarter, while Meadowood and Airport shared the next-highest volumes. In the quarter, Meadowood recorded 35,000 sq. ft. of leasing across Class A and Class B space. In terms of class B leasing, Central registered 12,000 sq. ft. of leasing activity, Downtown also posted 12,000 sq. ft., South Reno 9,000 sq. ft., Sparks 4,000 sq. ft., and Airport 1,000 sq. ft., all reflecting decent demand across submarkets.

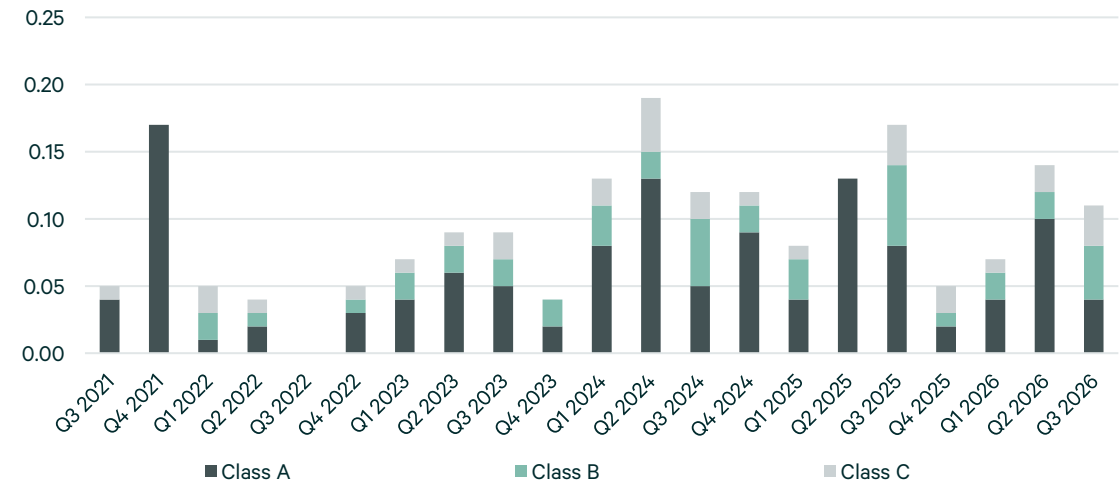
Figure 10: Leasing by Submarket (% of Total Activity)



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Figure 9: Leasing Activity Trend

Sq. Ft. (millions)



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Figure 11: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
LNW Gaming	41,000	Renewal	900 Sandhill Rd	South Reno
DOWL LLC	19,997	New Lease	5441 Kietzke	Meadowood
Confidential Tenant	8,000	New Lease	6900 S Mccarran Blvd	Meadowood
Ablefish	8,000	New Lease	10615 Professional Cir	South Reno
Chris Nevada	6,000	Renewal	1755 E Plumb Ln	Airport
Confidential Tenant	4,000	New Lease	4830 Vista Blvd	Sparks
Stewart Title Co.	4,000	Renewal	540 W Plumb Ln	Central
Confidential Tenant	4,000	New Lease	639 Isbell Rd	Central

Source: CBRE Research, Q3 2026

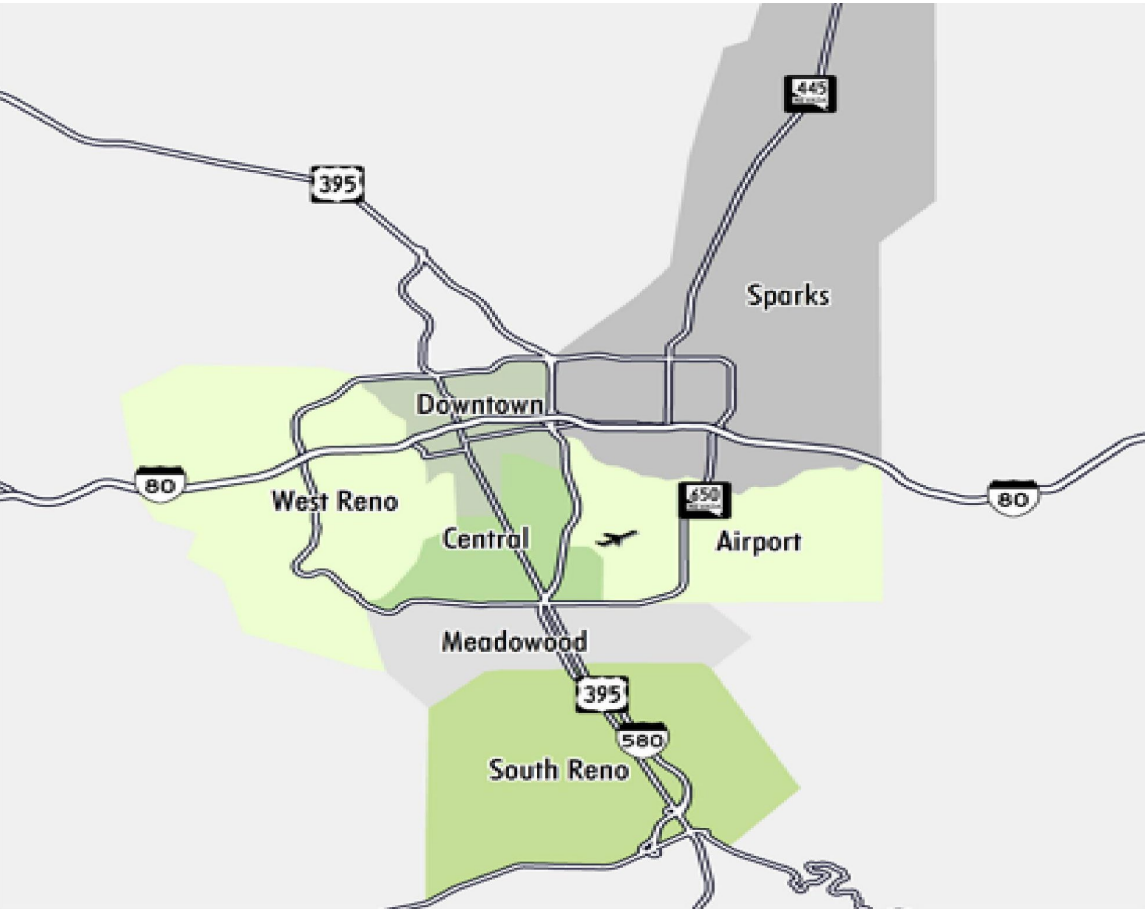
Market Statistics

Figure 12: Market Statistics by Submarket

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	684,000	8.5	8.8	8.8	-	1.52	2.30	1,000	16,000	-	-
Central	603,000	9.2	10.6	10.6	-	1.52	-	1,000	2,000	-	-
Downtown	1.42M	11.1	15.0	14.3	0.7	2.28	2.53	3,000	(23,000)	-	-
Meadowood	1.72M	12.5	16.9	16.3	0.6	2.72	3.21	(400)	(13,000)	-	-
South Reno	1.26M	6.0	11.7	8.2	3.5	2.19	2.19	14,000	20,000	-	-
Sparks	94,000	2.4	2.4	2.4	-	1.30	-	2,000	5,000	-	-
West Reno	196,000	1.8	2.5	2.5	-	1.91	-	1,000	2,000	-	-
Total	5.98M	9.5	13.1	12.0	1.1	2.31	2.81	21,000	9,000	-	-

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

[Insert survey Criteria here. Contact your manager for specific criteria]

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