

FIGURES | RENO OFFICE | Q1 2026

Demand Recovery Pauses Amid Slight Vacancy Uptick

▲ 9.1%
Vacancy Rate

▼ (5,768)
SF Net Absorption

▶ 0
SF Construction Delivered

▶ 0
SF Under Construction

▲ \$2.39
FSG/MTH Direct Lease Rate

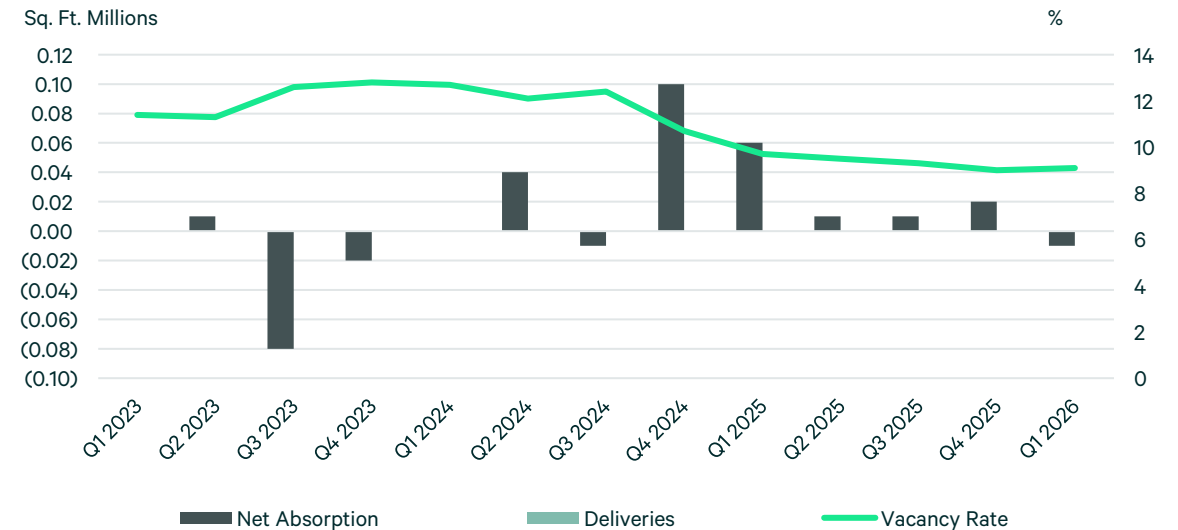
Note: Arrows indicate change from previous quarter.

Market Overview

From 2023 to 2025, the market moved from net space givebacks to sustained tenant demand. In 2023, net absorption totaled negative 87,000 sq. ft. and vacancy increased 140 basis points over the year, from 11.4% in Q1 2023 to 12.8% in Q4 2023. In 2024, net absorption turned positive, totaling 131,000 sq. ft., and vacancy decreased 2.1 percentage points to 10.7% by Q4 2024. In 2025, an additional 101,000 sq. ft. of net absorption coincided with vacancy edging down to 9.0% in Q4 2025. With no new construction delivered, average asking rents rose 12.5% between Q4 2023 and Q4 2025, from \$1.92 to \$2.16 per sq. ft. on a monthly full service gross basis (FSG).

Q1 2026 showed a modest pullback in occupancy alongside further rent growth. Net absorption measured negative 6,000 sq. ft., a 22,000 sq. ft. change from Q4 2025, while availability increased 70 bps quarter-over-quarter to 13.2% and vacancy ticked up 10 bps to 9.1%. During the same period, average asking rents reached \$2.39 FSG, up 10.6% quarter-over-quarter and 9.6% year-over-year from \$2.16 and \$2.18 FSG, respectively.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Total vacancy in Q1 2026 measured 10.1% in Class A, 8.8% in Class B, and 7.0% in Class C. Class A vacancy increased 80 bps quarter-over-quarter but was 50 bps lower year-over-year, while Class B declined 40 bps over both periods. Class C posted the lowest rate, falling 90 bps QoQ and 110 bps YoY. Direct vacancy followed a similar pattern at 9.1% for Class A, 8.4% for Class B, and 6.7% for Class C, with sublease vacancy capped at 1.0% across all classes, indicating limited shadow space.

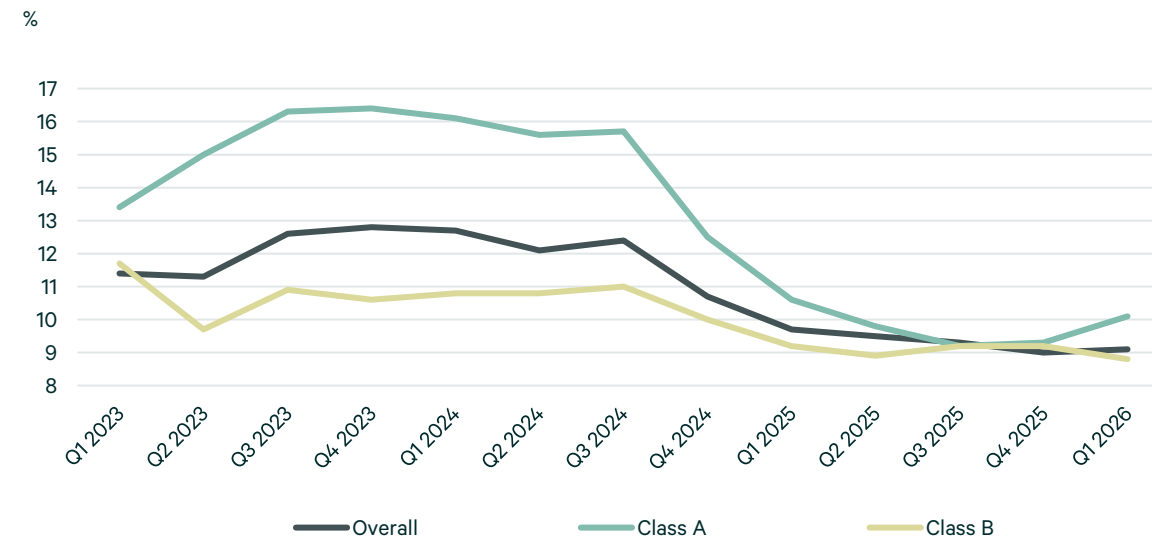
Among the metro’s key submarkets, Meadowood and Downtown showed some of the widest contrasts. Meadowood’s Class A vacancy stood at 16.4%, versus 7.1% for Class B and 3.4% for Class C, almost entirely direct. Downtown posted mid-range vacancy—8.3% in Class A, 12.1% in Class B, and 7.0% in Class C—with sublease contributing up to 2.6%. By contrast, West Reno and Sparks were among the tightest locations: West Reno recorded no vacancy for Class A and B and 5.4% for Class C, while Sparks’ Class B vacancy was 7.3%, all direct. Sublease availability was concentrated in South Reno and Downtown, which together accounted for most of the metro’s 42,000 sq. ft. of sublease vacancy.

Asking Rent

The overall average direct asking lease rate in Q1 2026 was \$2.39 FSG in Q1 2026, up 10.6% from the prior quarter and 9.6% year-over-year. Class A office asking rents increased from \$2.50 to \$2.83 FSG quarter-over-quarter and are up 15.5% year-over-year, well above the overall market’s 9.6% annual gain. Over the last three years, Class A rents have risen 32.2%, compared with 22.6% growth for the overall market and a modest 5.3% increase for Class B, underscoring the strongest pricing power in higher-end product. Class C rates have grown 13.2% over the same period but are down 1.8% year-over-year to \$1.63 FSG.

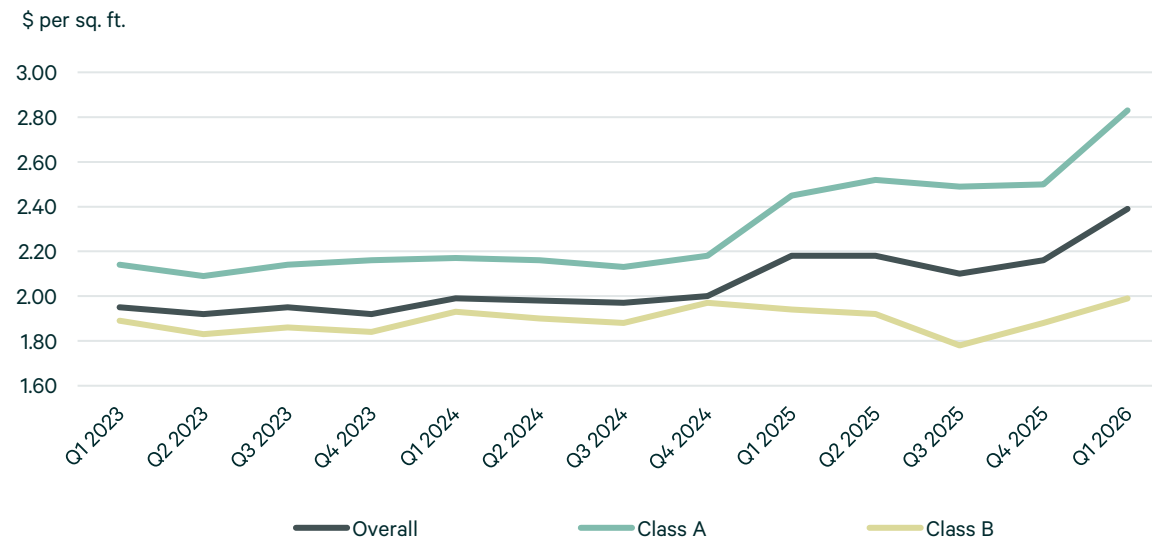
The Meadowood submarket held the highest average direct asking rate on a combined Class A and B basis, at \$2.65 FSG; that submarket’s average rose to \$3.30 FSG when isolating to only Class A product. On the low-cost side, Airport offered an average direct quoted rate of \$1.93 FSG on a combined Class A and B basis, while Downtown stood at \$2.26 using the same mix.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Total net absorption in Q1 2026 was negative 6,000 sq. ft., below the 16,000 sq. ft. recorded in Q4 2025. This was driven by Class A spaces, which posted negative 23,000 sq. ft. of net absorption during the quarter while all other classes registered 17,000 sq. ft. of positive absorption, as gains in lower-grade product only partially offsetting Class A vacancies.

On a combined basis across all property classes, positive net absorption for Q1 2026 was concentrated primarily in the Downtown submarket with 7,000 sq. ft. for the quarter and the Airport submarket with 6,000 sq. ft. Central was the other submarket, which posted positive net absorption of 3,000 sq. ft. Three submarkets recorded negative net absorption: Meadowood with negative 17,000 sq. ft., South Reno with negative 3,000 sq. ft., and West Reno with negative 2,000 sq. ft.

Construction Activity

Construction activity remained dormant in Q1 2026, with 0 sq. ft. under construction and 0 sq. ft. delivered across Class A, B, and C assets. Under construction and delivered inventory were unchanged quarter-over-quarter from Q4 2025 and year-over-year versus Q1 2025, extending a period of no new starts or completions from Q1 2023 through Q1 2026.

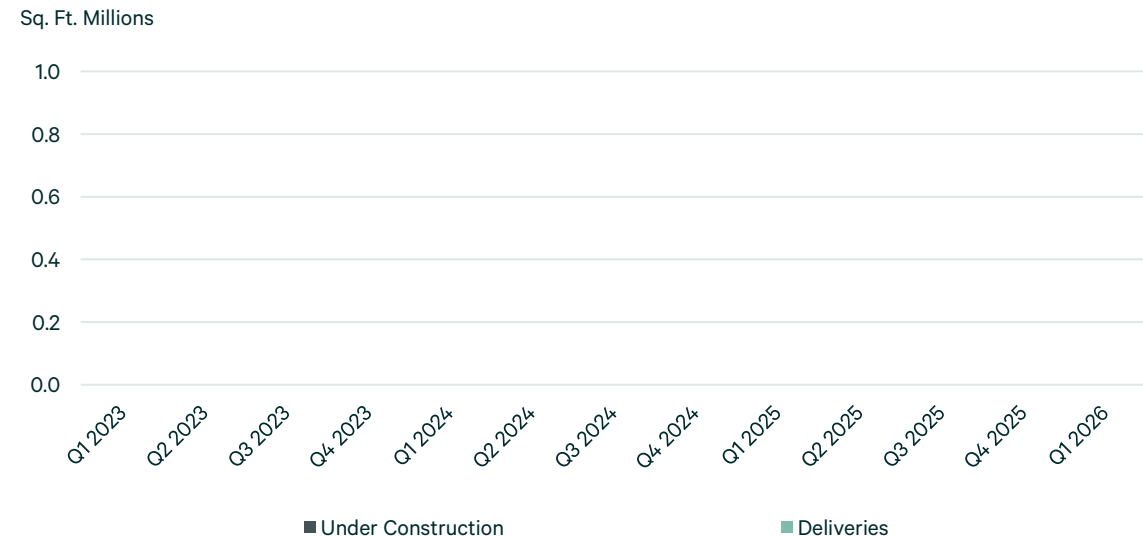
With no projects active this quarter, no submarkets registered positive under construction volume and there are no largest projects to highlight. All areas of the market effectively reported 0 sq. ft. underway, leaving the pipeline empty in Q1 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Leasing Activity

Leasing activity in Q1 2026 totaled 35,000 sq. ft., up 7,000 sq. ft. or 25.0% from Q4 2025 but down 10,000 sq. ft. or 22.2% from Q1 2025. Over the last four quarters, leasing reached 296,000 sq. ft., a decrease of 10,000 sq. ft. or 3.3% from the prior quarter yet 8,000 sq. ft. or 2.8% above the year ending Q1 2025. On this rolling basis, Class A space accounted for 241,000 sq. ft., or 81.4% of activity and was flat year-over-year, while Class B totaled 55,000 sq. ft., up 17.0% year-over-year.

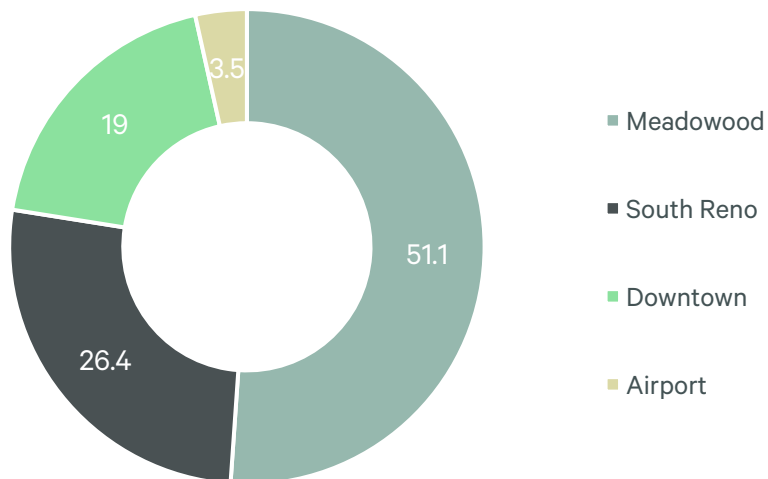
Submarket leasing in Q1 2026 was concentrated in Meadowood and South Reno, which recorded 18,000 sq. ft. and 10,000 sq. ft. of activity, respectively; Meadowood’s volume was driven by 11,000 sq. ft. in Class B space alongside 7,000 sq. ft. in Class A, while South Reno was entirely Class A. Downtown also posted positive demand, with 7,000 sq. ft. transacted, comprising 6,000 sq. ft. in Class A and 1,000 sq. ft. in Class B.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Eden Hospice at Carson City	11,000	New Lease	5420 Kietzke Ln.	Meadowood
Sanbell Nevada	10,000	New Lease	9390 Gateway Dr.	South Reno
Undisclosed	7,000	New Lease	5470 Kietzke Ln.	Meadowood
Peak Body and Mind, PLLC	3,000	New Lease	530 Hammill Ln.	Meadowood
Mark IV Capital	3,000	New Lease	1 E Liberty St.	Downtown
Skin Clinique	2,000	New Lease	5482 Longley Ln.	Meadowood
Undisclosed	1,000	New Lease	1281 Terminal Way	Airport
NAMI Nevada	1,000	New Lease	1281 Terminal Way	Airport

Source: CBRE Research, Q1 2026

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	2.77	10.1	15.7	13.9	1.8	2.83	(23,000)	(23,000)	-	-
Class B	2.28	8.8	12.6	12.0	0.7	1.99	8,000	8,000	-	-
Class C	1.04	7.0	7.9	7.4	0.5	1.63	9,000	9,000	-	-
Total	6.09	9.1	13.2	12.1	1.1	2.39	(6,000)	(6,000)	-	-

Source: CBRE Research, Q1 2026

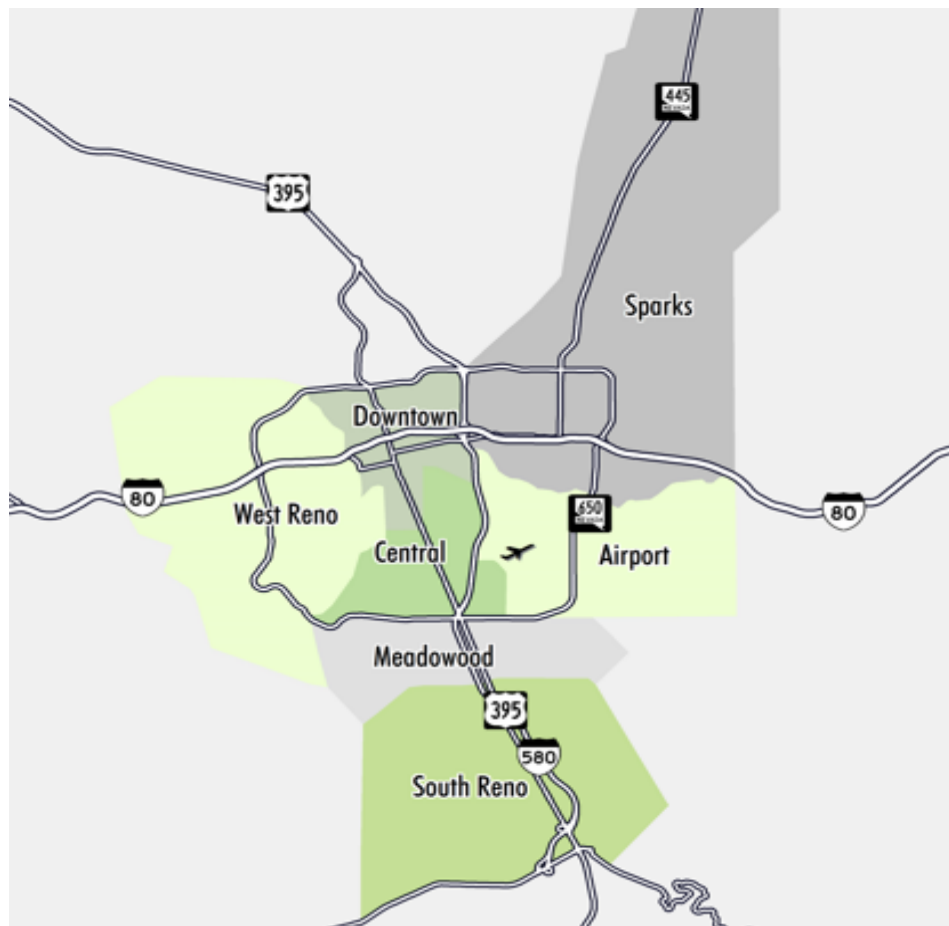
Market Statistics by Submarket

Figure 10

Submarket	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	0.68	9.7	10.1	9.9	0.3	1.53	6,000	6,000	-	-
Central	0.60	9.0	12.0	12.0	-	1.63	3,000	3,000	-	-
Downtown	1.42	8.8	14.8	14.0	0.9	2.29	7,000	7,000	-	-
Meadowood	1.70	11.6	14.8	14.2	0.5	2.84	(17,000)	(17,000)	-	-
South Reno	1.40	7.0	13.4	10.1	3.3	2.49	(4,000)	(4,000)	-	-
Sparks	0.09	7.3	7.3	7.3	-	-	-	-	-	-
West Reno	0.20	3.8	3.8	3.8	-	1.86	(2,000)	(2,000)	-	-
Total	6.09	9.1	13.2	12.1	1.1	2.39	(6,000)	(6,000)	-	-

Source: CBRE Research, Q1 2026

Market Area Overview



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Annual Lease Rates, Full-Service Gross. Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy. CBD Central Business District; consists of Financial District and South Financial District submarkets.

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 10,000+ sq. ft. in the Reno region, excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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