

FIGURES | RENO INDUSTRIAL | Q2 2026

Reno industrial vacancy and availability drop off as strong occupancy continues

▼ 9.8%

Vacancy Rate

▲ 1.3M

SF Net Absorption

▶ 0

SF Construction Delivered

▲ 652,000

SF Under Construction

▼ \$0.80

NNN/MTH Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

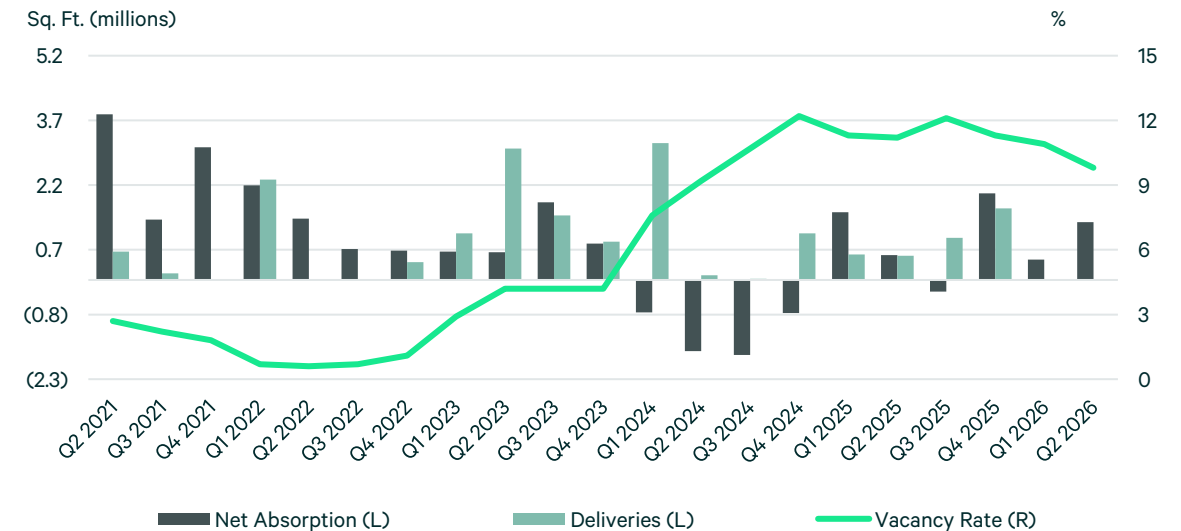
The second quarter of 2026 reflects continued positive absorption and declining vacancy, which fell into the single digits for the first time since Q2 2024. Market conditions have tightened steadily, with the rate decreasing by 110 basis points in each of the past three quarters as demand aligns with available supply. Year-over-year, vacancy improved by 140 basis points.

Over the past two years, absorption has been positive but largely offset by large vacancies entering the market. This quarter closed with net absorption reaching approximately 1.3 million sq. ft. This represented a quarter-over-quarter increase of roughly 866,000 sq. ft.

Construction activity has begun to re-emerge after two quarters without any new starts or deliveries. A major project of 652,000 sq. ft. broke ground this quarter and is currently under construction.

Despite ongoing geopolitical uncertainty, including elevated oil prices and interest rate uncertainty, tenant demand remains strong. Major occupiers of space include data center-related developers/infrastructure companies and high-tech manufacturers. While macroeconomic headwinds persist, signs point to the pendulum swinging toward a more favorable market, with improving fundamentals.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy Rate

Overall market vacancy closed Q2 2026 at 9.8%, down from 10.9% in Q1 2026, a decrease of 110 basis points quarter-over-quarter. Year over year, vacancy is down 140 basis points from 11.2% in Q2 2025. Over the past three years vacancies have increased 560 points from a low of 4.2%.

Direct vacancy ended Q2 2026 at 9.4%, a decrease of 110 basis points change both quarter-over-quarter from 10.5% in Q1 2026 and year-over-year from 10.5% in Q2 2025. The sublease vacancy rate was 0.4% in Q2 2026, unchanged quarter-over-quarter, and a decrease of 40 basis points year-over-year from 0.8% in Q2 2025.

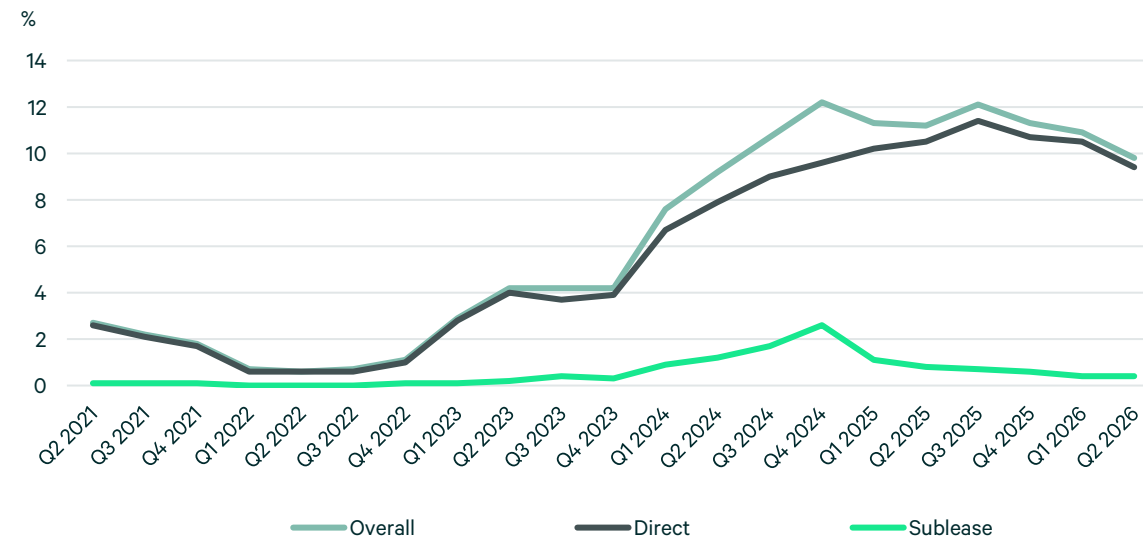
By submarket in Q2 2026, Central/Airport recorded the lowest overall vacancy at 6.7%, followed by South Reno at 7.3%, while North Valleys posted the highest overall vacancy at 13.0% and East Valley stood at 11.0%. Total sublease space available across the Central/Airport, East Valley, North Valleys, South Reno, Sparks and West Reno submarkets is 500,381 sq. ft. in the current quarter.

Asking Rent

In Q2 2026, the market average asking rent was \$0.80, down 1.2% quarter-over-quarter and 3.6% year-over-year. This continues a modest easing from the Q4 2022 peak of \$1.00, as subsequent quarters have shown smaller quarter-over-quarter movements and increasingly negative year-over-year readings. Over the full data series, rents climbed from \$0.57 in Q2 2021 to that \$1.00 peak on the back of strong quarterly and annual increases through 2022, before partially retracing those gains from 2023 onward.

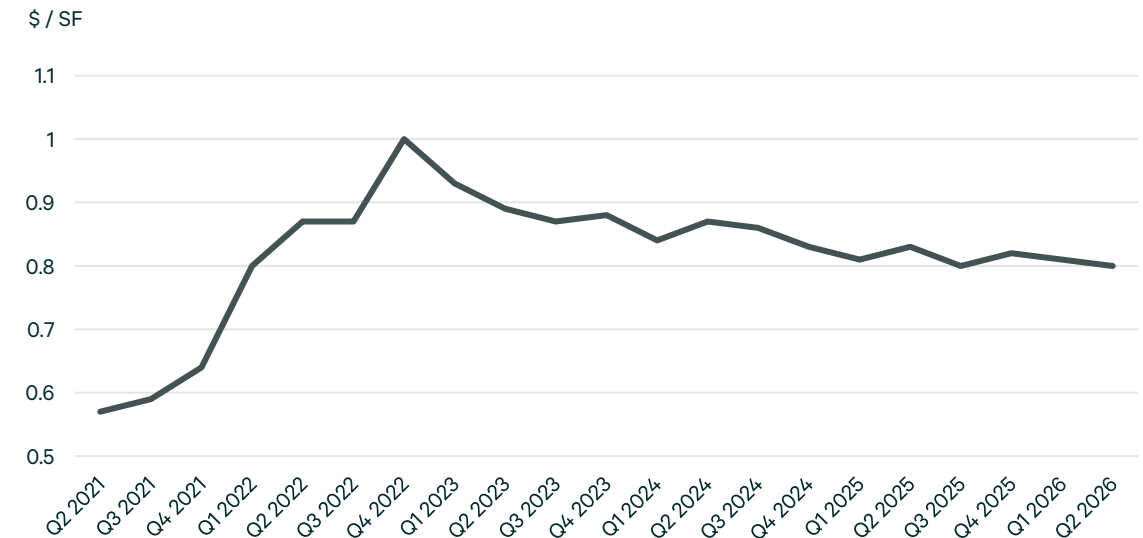
At the submarket level in Q2 2026, Central/Airport recorded the highest average asking lease rate at \$0.93, while East Valley had the lowest at \$0.74. South Reno and Sparks both posted rents of \$0.88, West Reno was close at \$0.87, and North Valleys stood at \$0.80, creating a spread of \$0.19 between the highest- and lowest-priced areas and highlighting a clear pricing gradient across the market.

Figure 2: Vacancy Rate



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption shifted from strong expansion to pronounced volatility over the period. (See Figure 4). Starting at 3.8 million sq. ft. in Q2 2021, net absorption fell quarter-over-quarter by 63.6% in Q3 2021 before rebounding 120.3% in Q4 2021. Through 2022, each quarter recorded quarter-over-quarter declines, with net absorption down to 716,000 sq. ft. by Q3 2022 and 681,000 sq. ft. in Q4 2022, alongside year-over-year declines of 48.8% and 77.9%, respectively. The rolling four-quarter average followed the same trajectory, posting quarter-over-quarter contractions of 23.0% in Q2 2022 and 32.4% in Q4 2022 and year-over-year declines of 54.8% by year-end.

In 2023, net absorption remained subdued but spiked to 1.8 million sq. ft. in Q3, up 180.2% quarter-over-quarter and 150.8% year-over-year, before easing to 842,000 sq. ft. in Q4. Conditions deteriorated sharply in 2024, with net absorption turning negative from Q1 (-751,000 sq. ft.) and deepening to roughly negative 1.7 million sq. ft. in both Q2 and Q3; year-over-year changes ranged from negative 213.9% in Q1 to negative 357.6% in Q2. The rolling four-quarter average turned negative by Q3 2024 and remained heavily down year-over-year through 2025. The sequence from Q1 2025 to Q2 2026 was highly volatile, alternating between negative quarters and strong positive absorption, culminating in Q2 2026 at 1.3 million sq. ft., up 183.9% quarter-over-quarter and 131.7% year-over-year, while the rolling average increased 27.3% quarter-over-quarter, but stayed deeply negative year-over-year.

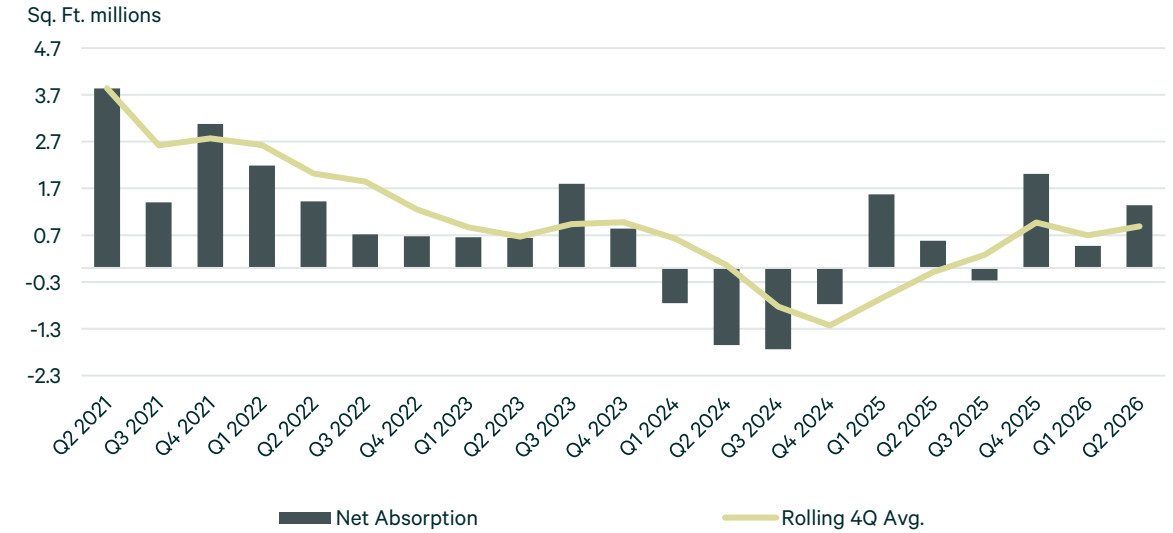
In Q2 2026, North Valleys posted the highest positive net absorption at 885,000 sq. ft., followed by East Valley at 557,000 sq. ft. No additional submarkets recorded positive net absorption above 10,000 sq. ft. in the quarter. On the negative side, South Reno saw the most contraction with negative 72,000 sq. ft. of net absorption, while Central/Airport followed with negative 26,000 sq. ft.

Construction Activity

In Q2 2026, the market had 652,000 sq. ft. under construction and zero sq. ft. delivered. Under construction volume moved up from zero sq. ft. in Q1 2026 and was down 59.7% year-over-year, while deliveries were unchanged quarter-over-quarter at zero sq. ft.

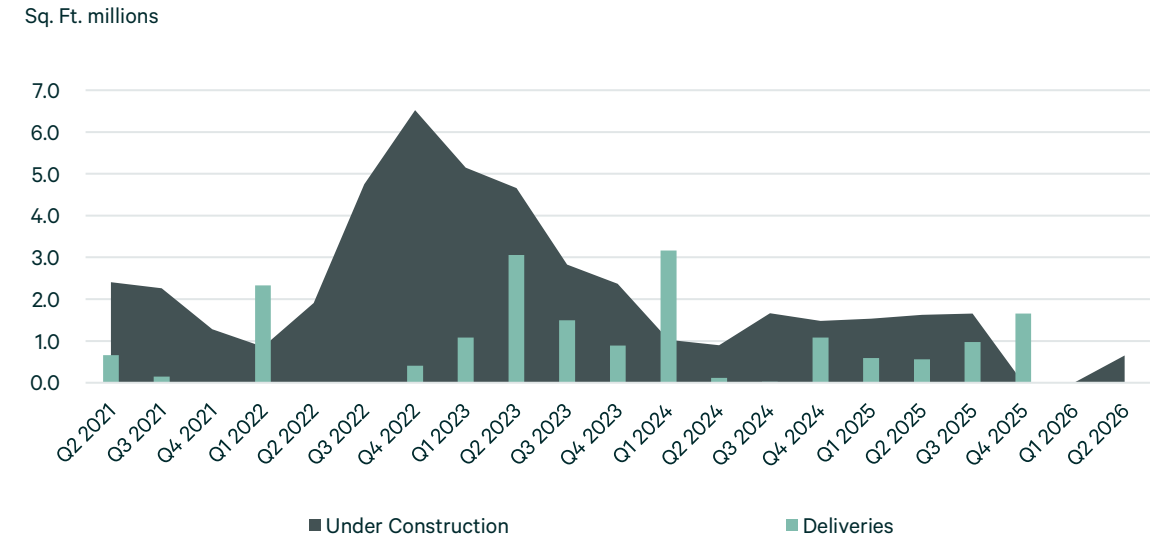
Construction in Q2 2026 is entirely concentrated in the East Valley submarket, which has 652,000 sq. ft. underway. There are no other submarkets with under construction activity above zero.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

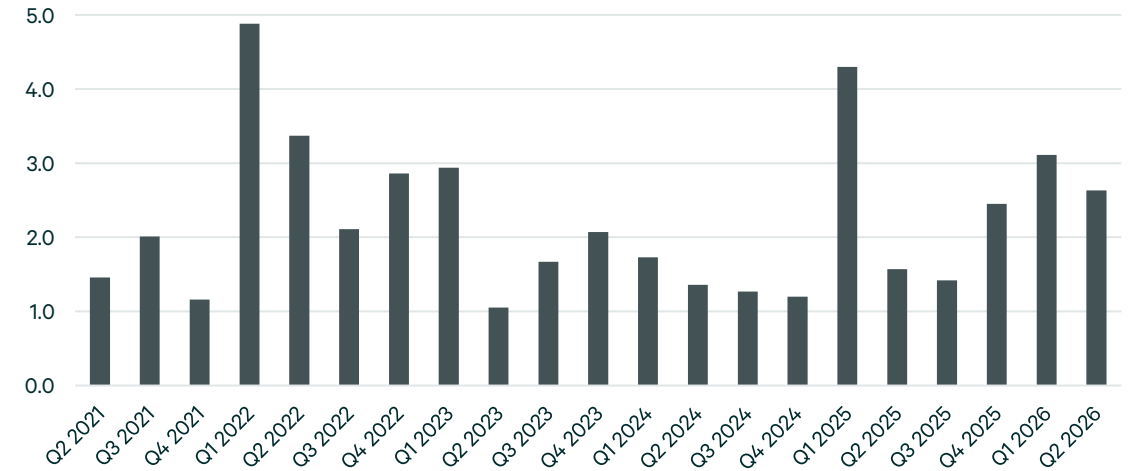
Leasing Activity

Leasing activity in Q2 2026 totaled 2.6 million sq. ft., while calendar 2025 recorded 9.7 million sq. ft. of completed deals. Compared with Q1 2026, second-quarter volume declined 15.5% quarter-over-quarter, but it was still 67.7% higher year-over-year than in Q2 2025.

By submarket, North Valleys captured the highest leasing activity at 1.1 million sq. ft., followed by East Valley at 958,000 sq. ft., together accounting for most of the 2.6 million sq. ft. leased in Q2 2026. Sparks (323,000 sq. ft.), South Reno (173,000 sq. ft.), Central/Airport (44,000 sq. ft.), and West Reno (4,000 sq. ft.) also registered positive leasing activity, though at more modest levels.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



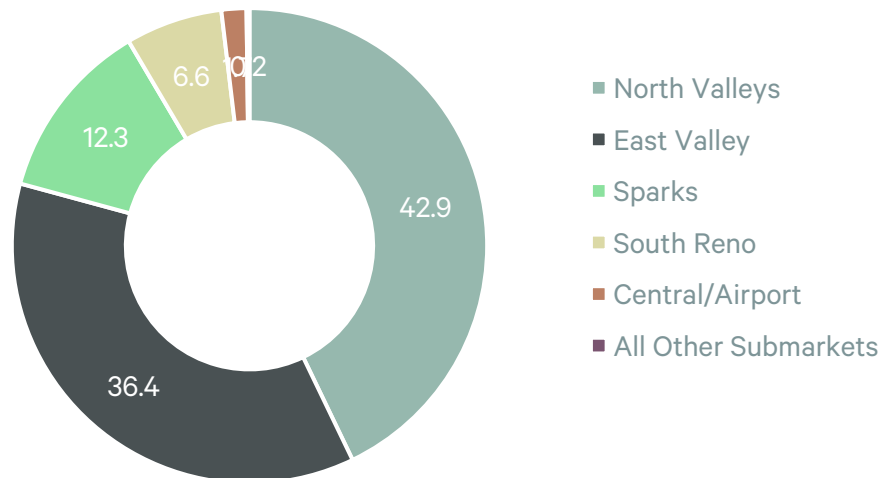
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential	624,000	New Lease	8000 N Virginia St	North Valleys
Confidential	308,000	New Lease	2555 USA Pkwy	East Valley
Confidential	268,000	New Lease	13003 Moya Blvd	North Valleys
Bombard Electric	243,000	New Lease	1200 USA Pkwy	East Valley
Confidential	201,000	New Lease	13003 Moya Blvd	North Valleys
SendCutSend	153,000	New Lease	4980 Longley Ln	Airport
B.C. Lawson Drayage	90,000	New Lease	775 Waltham Way	East Valley
Silicon Valley Mechanical	88,000	New Lease	1025 Waltham Way	East Valley

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central/Airport	10.67M	6.7	7.5	6.8	0.7	0.93	(26,000)	(63,000)	-	-
East Valley	34.00M	11.0	13.8	13.0	0.8	0.74	557,000	965,000	-	652,000
North Valleys	28.22M	13.0	14.6	13.9	0.7	0.80	885,000	497,000	-	-
South Reno	11.44M	7.3	10.7	10.4	0.3	0.88	(72,000)	337,000	-	-
Sparks	30.66M	7.7	11.2	8.7	2.5	0.88	(7,000)	34,000	-	-
West Reno	3.24M	7.7	7.7	7.7	-	0.87	-	37,000	-	-
Total	118.23M	9.8	12.3	11.1	1.1	0.80	1.34M	1.81M	-	652,000

Source: CBRE Research, Q2 2026

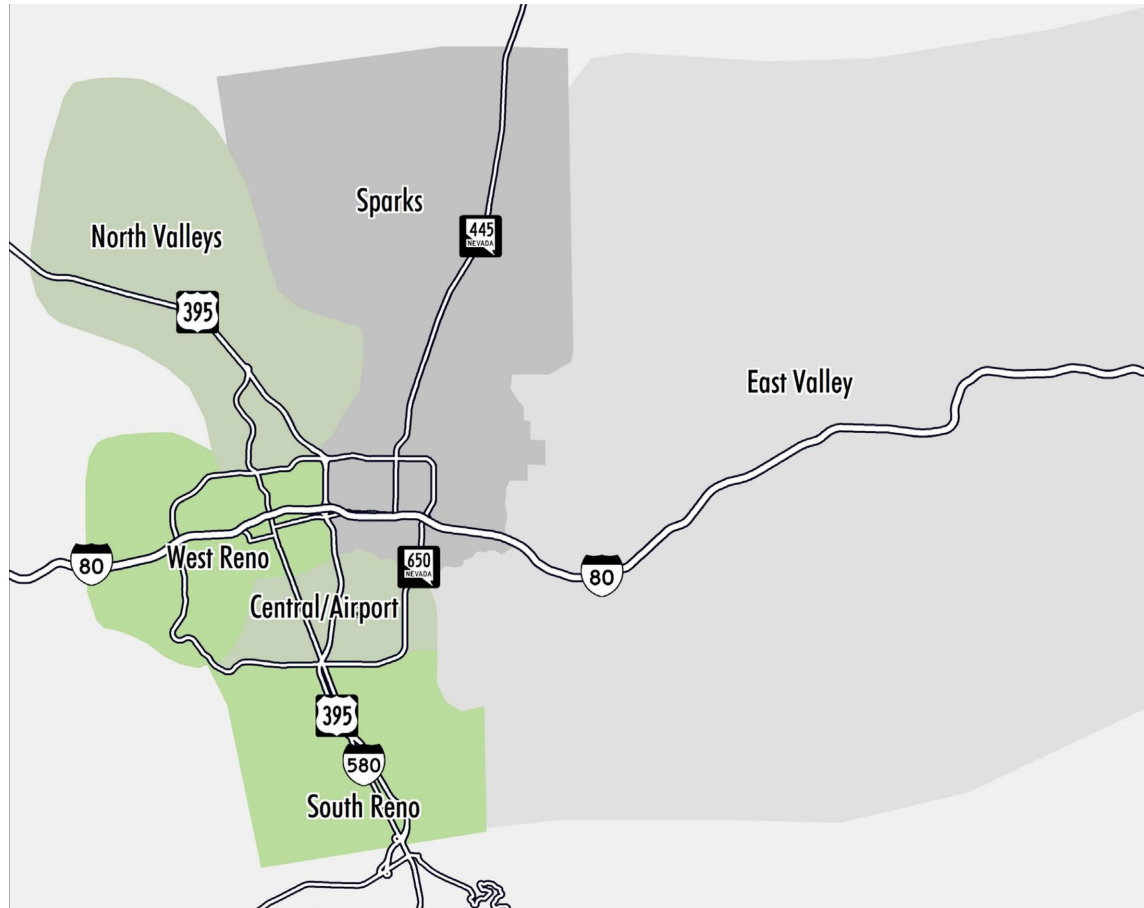
Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	14.31M	4.7	5.5	4.7	0.8	1.13	(5,000)	(29,000)	-	-
50K-99,999 SF	10.95M	9.6	11.4	10.9	0.5	0.99	(39,000)	82,000	-	-
100K-249,999 SF	25.09M	10.9	14.7	13.1	1.5	0.83	(1,000)	191,000	-	-
250K-499,999 SF	32.84M	15.6	18.0	16.6	1.5	0.78	757,000	747,000	-	-
500K-749,999 SF	19.25M	10.4	15.0	13.4	1.6	0.73	624,000	816,000	-	652,000
750,000 SF +	15.79M	-	-	-	-	-	-	-	-	-
Total	118.23M	9.8	12.3	11.1	1.1	0.80	1.34M	1.81M	-	652,000

Source: CBRE Research, Q2 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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