

FIGURES | RENO INDUSTRIAL | Q1 2026

Market Sees Modest Demand, Slight Reduction in Vacancy

▼ 10.6%

Vacancy Rate

▼ 425,912

SF Net Absorption

▼ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$0.81

NNN/MTH Direct Lease Rate

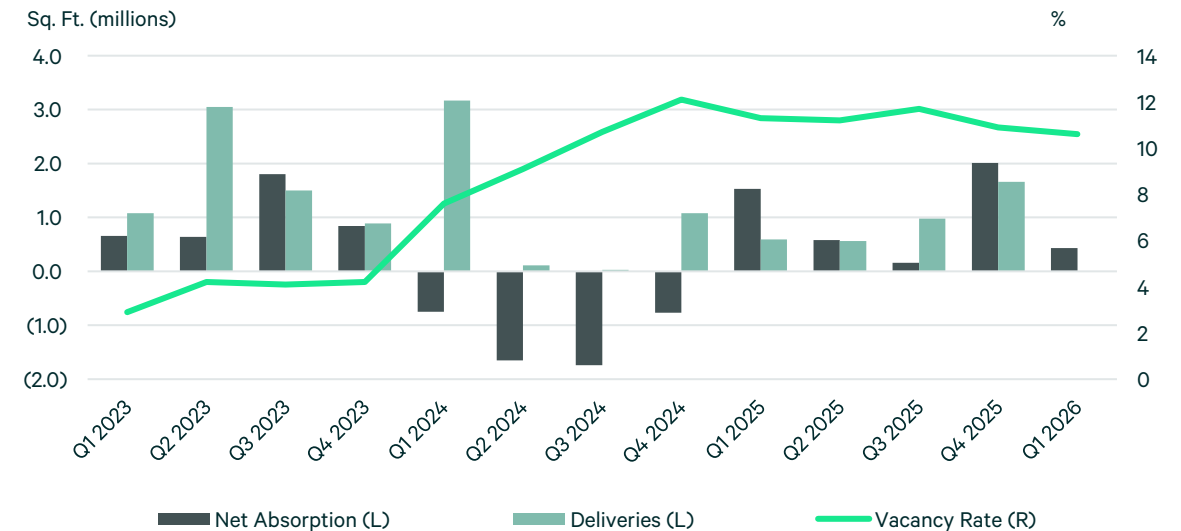
Note: Arrows indicate change from previous quarter.

Market Overview

The market shifted from tight to oversupplied over the past three years. In 2023, net absorption was positive each quarter and vacancy remained low, but by Q1 2024 absorption flipped from 842,000 sq. ft. in Q4 2023 to negative 751,000 sq. ft., lifting vacancy 340 basis points (bps) quarter-over-quarter to 7.6%. The correction deepened through Q4 2024 as vacancy rose to 12.1% and availability to 14.0%, up 790 bps and 740 bps year-over-year, while average asking rents moved lower, falling about 5.0% on average from 2023 to 2024. For 2024 overall, the market gave back about 4.9 million sq. ft.

Momentum improved in 2025 as absorption turned positive and totaled roughly 4.3 million sq. ft. for the year, pulling vacancy down to 10.9% in Q4 2025 and 10.6% in Q1 2026. Availability nonetheless edged higher through 2025, reaching 15.1% in Q4 2025 before easing to 14.0% in Q1 2026, and rents stabilized in a lower band of \$0.80 per sq. ft. on a monthly NNN basis (NNN), about 11–14% below Q1 2023 levels. Over the last three years, nearly 14.7 million sq. ft. delivered while the construction pipeline shrank from 5.1 million sq. ft. in Q1 2023 to no projects underway by Q1 2026, underscoring the overlap of elevated supply and a later pullback in new starts.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Availability Rate

The market availability rate finished Q1 2026 at 14.0%, a decrease from the Q4 2025 level of 15.1%. Availability has edged up year-over-year from 13.3% in Q1 2025. Over the last three years, availability has climbed from 4.1% in Q1 2023 to 14.0% in Q1 2026.

The West Reno submarket had the lowest availability rate in the metro at 8.1%, followed closely by Central/Airport at 8.3%. The North Valleys submarket posted the highest availability rate at 17.8%.

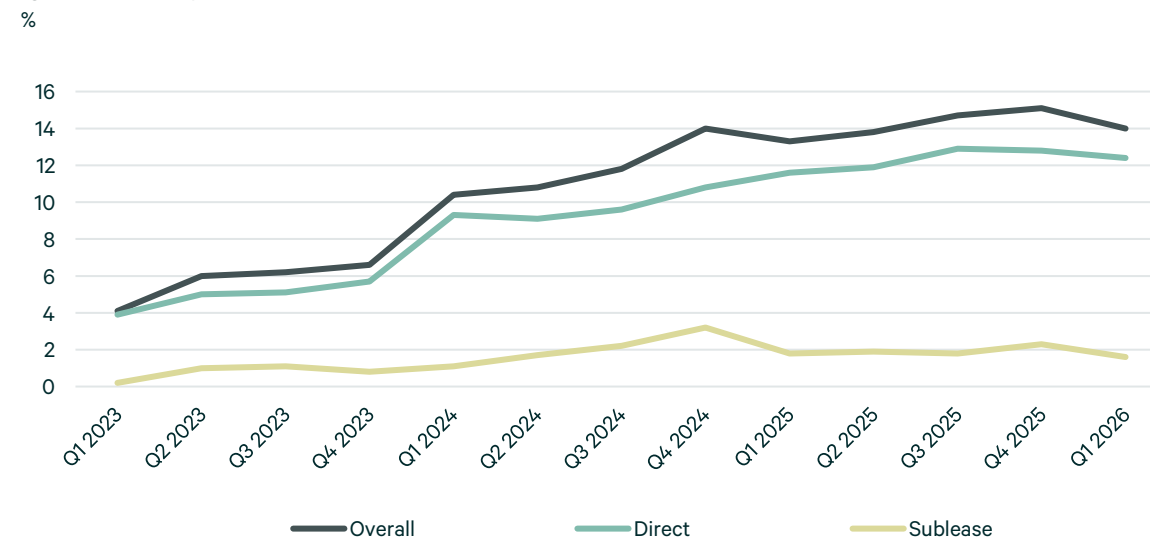
Sublease space decreased in Q1 2026, with an availability rate of 1.6% compared to 2.3% in Q4 2025. In total, there was 2.0 million sq. ft. of sublease space on the market in Q1 2026.

Asking Rent

Average asking rent was \$0.81 NNN in Q1 2026, down 1.2% quarter-over-quarter and unchanged year-over-year. Over the last three years, the average rate declined from \$0.93 to \$0.81 NNN, a 12.9% decrease.

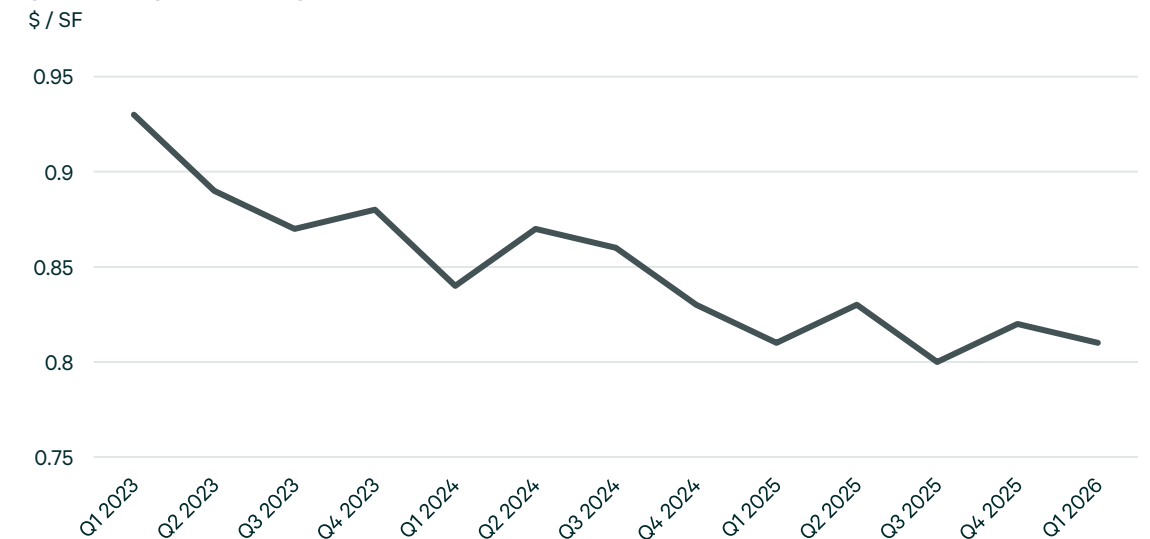
By submarket, Central/Airport recorded the highest average asking rent in Q1 2026 at \$0.94 NNN, closely followed by South Reno at \$0.93 NNN. Remaining submarkets posted positive asking rents ranging from \$0.74 NNN in East Valley and \$0.80 NNN in North Valleys to \$0.88 NNN in Sparks and \$0.87 NNN in West Reno, resulting in a \$0.20 spread between the highest and lowest submarket rates.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

The industrial market posted positive 426,000 sq. ft. of net absorption in Q1 2026, below the 1.5 million sq. ft. total from Q1 2025. This also represented a sharp pullback from the strong 2.0 million sq. ft. recorded in Q4 2025, but kept overall demand in positive territory.

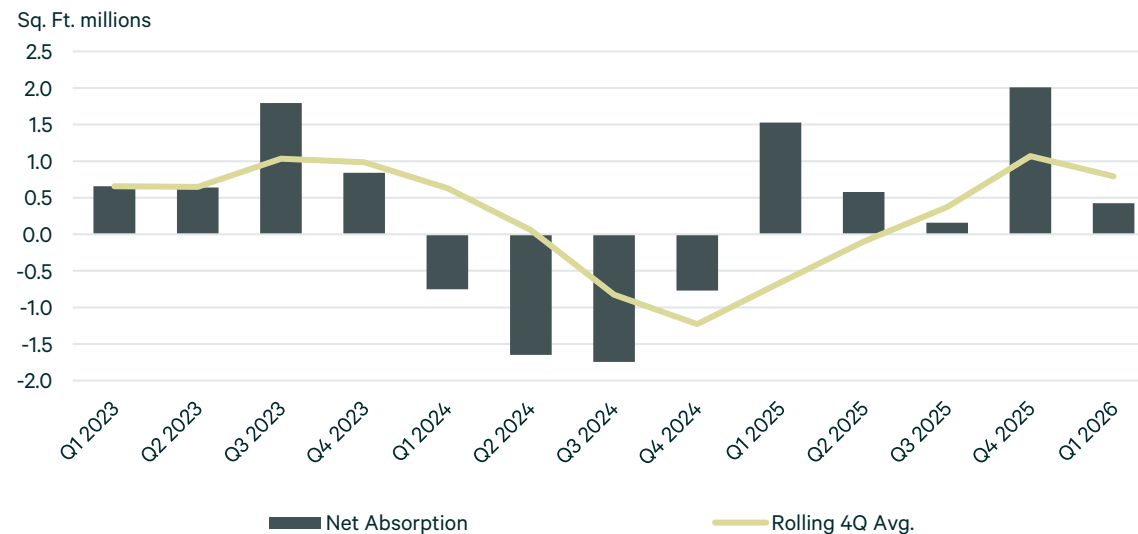
Positive net absorption for Q1 2026 was concentrated primarily in the East Valley submarket with 408,000 sq. ft. for the quarter, and the South Reno submarket with 393,000 sq. ft. West Reno and Sparks were the other submarkets recording positive net absorption with 37,000 sq. ft., and 12,000 sq. ft. respectively. Two submarkets recorded negative net absorption, North Valleys with negative 387,000 sq. ft., and Central/Airport with negative 37,000 sq. ft. The Primary driver of negative absorption was a 624,000 sq. ft. building becoming vacant and available.

Construction Activity

In Q1 2026, the market recorded 0 sq. ft. under construction and no construction deliveries. Delivered volume posted a negative 100.0% quarter-over-quarter change, while both under construction space and deliveries registered year-over-year changes of negative 100.0%, reflecting a complete halt in development activity.

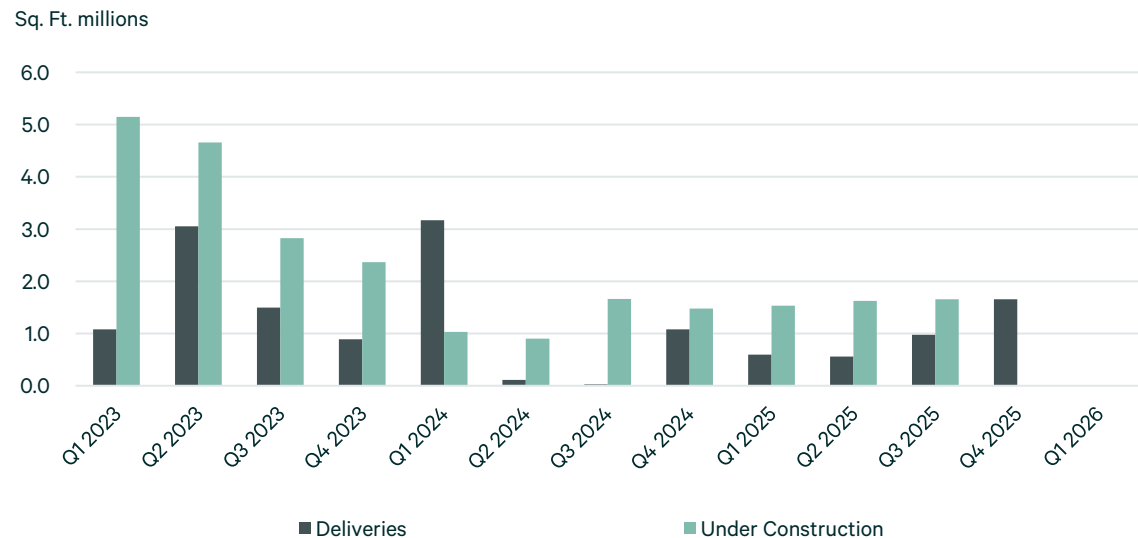
Given the lack of new construction starts and no new projects actively under construction, even modest demand will erode vacancy over the course of the year. CBRE forecasts single digit vacancy in the second half of 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



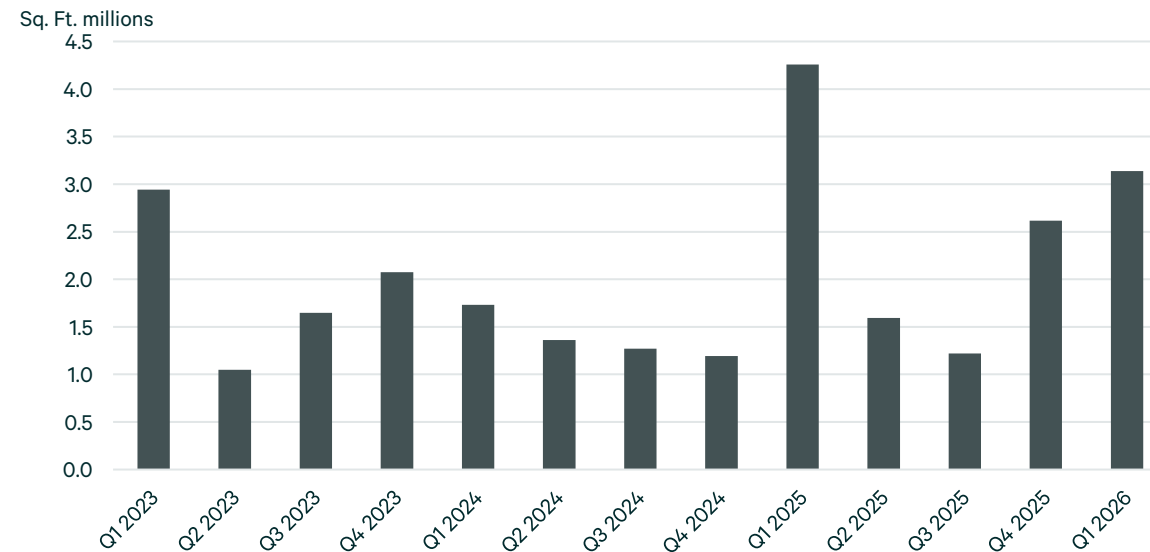
Source: CBRE Research, Q1 2026

Leasing Activity

At the close of Q1 2026, leasing activity totaled 3.1 million sq. ft., up 20% quarter-over-quarter but down 26.3% year-over-year. Over the past four quarters, tenants leased 8.5 million sq. ft. across the market. Since Q1 2023, cumulative leasing totals 26.1 million sq. ft., with current quarterly activity 6.7% higher than in Q1 2023.

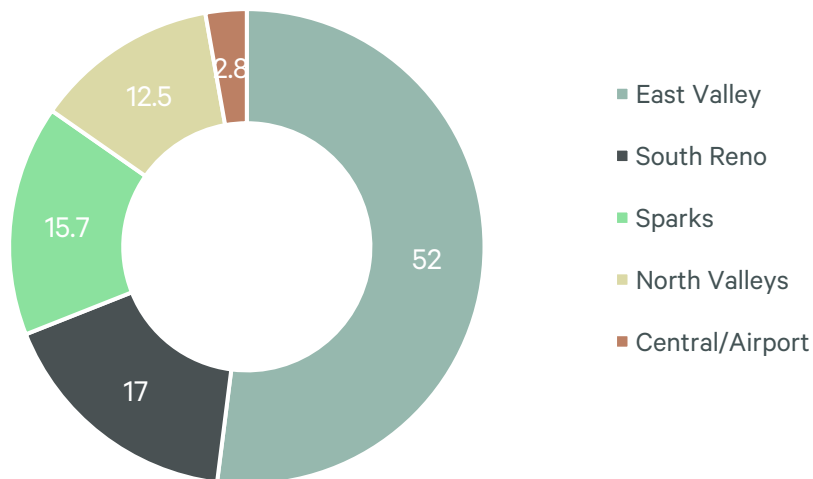
East Valley accounts for the highest leased area at 1.5 million sq. ft., followed by South Reno at 568,000 sq. ft., making them the two most active submarkets. Positive but more moderate volumes are recorded in Sparks at 538,000 sq. ft., North Valleys at 343,000 sq. ft., Central/Airport at 132,000 sq. ft., and West Reno at 45,000 sq. ft. Leasing in West Reno is the lowest among submarkets, underscoring a clear gradient in demand across the market.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	652,000	New Lease	855 Milan Dr	East Valley
Confidential Tenant	283,000	Renewal	2777 USA Pkwy	East Valley
Confidential Tenant	265,000	New Lease	3010 Airway Dr.	South Reno
Rocky Brands US	193,000	Renewal	425 E Sydney Dr	East Valley
Confidential Tenant	164,000	New Lease	9460 N Virginia St	North Valleys
Amazon Data Services	141,000	New Lease	625 Pittsburgh Ave.	East Valley
Veritiv Operating	136,000	New Lease	9515 N Virginia St	North Valleys
Confidential Tenant	89,826	Renewal	1001-1071 E Glendale Ave	North Valleys

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacant Available (%)	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	10.77	6.8	8.3	7.3	1.0	0.94	(37,000)	(37,000)	-	-
East Valley	34.60	12.6	16.0	13.8	2.2	0.74	408,000	408,000	-	-
North Valleys	28.22	14.6	17.8	17.1	0.7	0.80	(387,000)	(387,000)	-	-
South Reno	11.53	6.7	12.2	11.7	0.5	0.93	393,000	393,000	-	-
Sparks	31.26	7.7	11.5	8.9	2.6	0.88	12,000	12,000	-	-
West Reno	3.10	8.1	8.1	8.1	-	0.87	37,000	37,000	-	-
Total	119.48	10.6	14.0	12.4	1.6	0.81	426,000	426,000	-	-

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacant Available (%)	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)
Distribution/Logistics	95.27	12.0	15.7	13.8	1.9	0.79	525,000	525,000	-	-
Manufacturing - General	5.04	-	-	-	-	-	-	-	-	-
R&D/Flex	8.13	3.9	4.8	4.3	0.5	1.26	(58,000)	(58,000)	-	-
Other Industrial	11.04	8.2	12.0	11.3	0.7	0.91	(41,000)	(41,000)	-	-
Total	119.48	10.6	14.0	12.4	1.6	0.81	426,000	426,000	-	-

Source: CBRE Research, Q1 2026

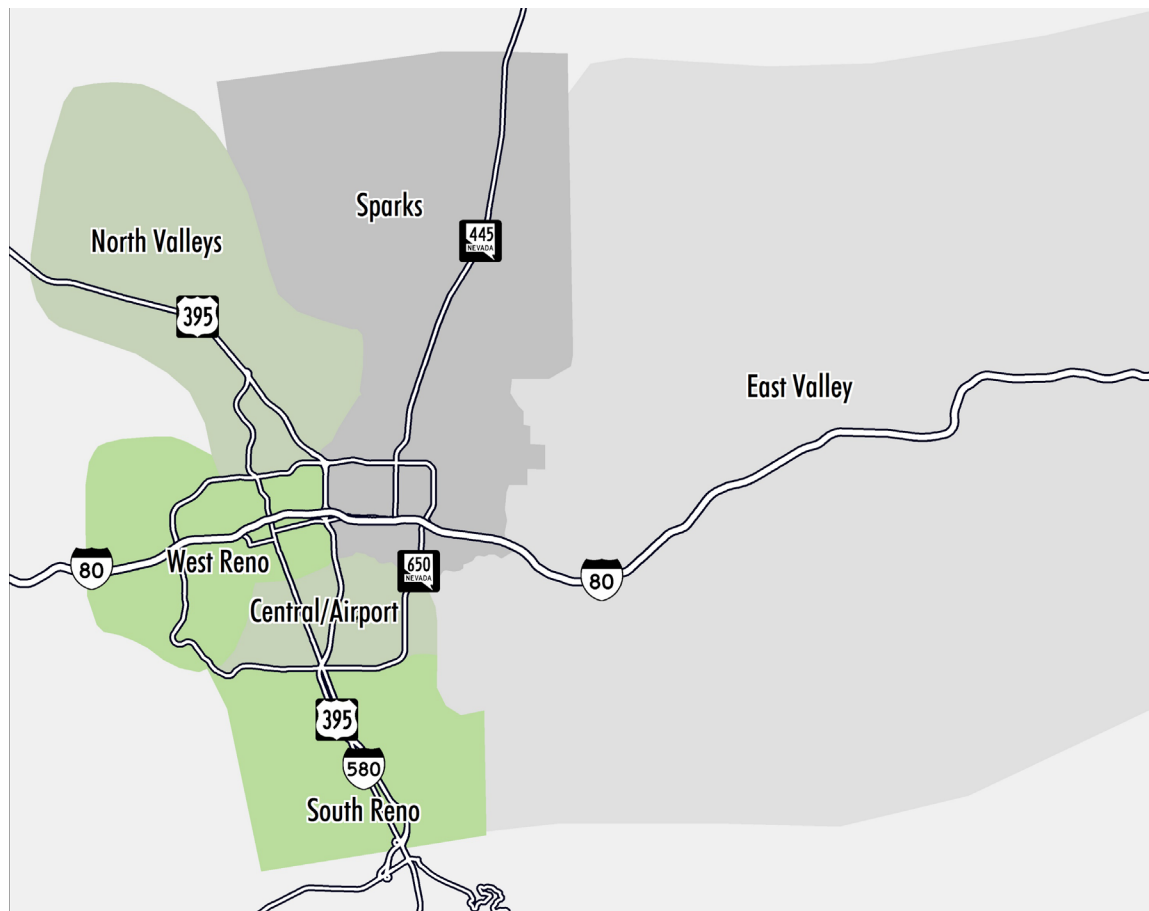
Market Statistics by Size

Figure 11

Size Range	Net Rentable Area (MSF)	Total Vacant Available (%)	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)
Under 100,000 sq. ft.	25.31	7.0	8.9	8.1	0.8	1.06	92,000	92,000	-	-
100,000-199,999 sq. ft.	19.03	11.7	14.9	14.1	0.8	0.86	(49,000)	(49,000)	-	-
200,000-299,999 sq. ft.	13.94	10.5	16.5	13.0	3.4	0.82	293,000	293,000	-	-
300,000-499,999 sq. ft.	24.95	18.2	22.1	21.1	1.0	0.76	(101,000)	(101,000)	-	-
500,000-749,999 sq. ft.	20.45	12.9	17.6	14.4	3.1	0.75	192,000	192,000	-	-
750,000 sq. ft.	15.79	-	1.4	-	1.4	-	-	-	-	-
Total	119.48	10.6	14.0	12.4	1.6	0.81	426,000	426,000	-	-

Source: CBRE Research, Q1 2026

Market Area Overview



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate: Direct Monthly Lease Rates., Triple Net (NNN). Availability: All existing space being marketed for lease. Total Vacancy Rate: Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant industrial buildings that total 5,000+ sq. ft. within defined submarkets, including 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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