

**Real Estate Market Review**

# Reno Office

The summer of 2017 was a busy one for the northern Nevada office market. The third quarter in the Reno office market pushed vacancy to 9%; the lowest since post-recession. Rental rates continue to trend upwards with an asking lease rate of \$1.48 per square foot, per month full service compared to this time last year. Net absorption for the third quarter continued in a positive direction in the Reno market, making the sixth consecutive quarter for positive net absorption. This quarter's net absorption was 65,739 SF.

No new office buildings have been delivered in the Reno office market to this point in 2017. The largest speculative building under construction is a 40,826 SF, Class B office building at 5520 Kietzke Lane by McKenzie Properties. The project is due for completion in Q2 2018.

The Downtown submarket shows signs of stable demand. With limited options for companies who want the walkable amenities for their employees, lease rates will continue to rise. Current full service rates are in the range of \$1.80 - \$1.85 square feet, per month.

**Market Forecast Trends**

**Notable Lease Transactions**

**Civil Air Patrol, Inc.**  
601 S Rock Boulevard, Reno  
15,000 s.f. leased

**Clear Capital (expansion)**  
Park Center Tower, 300 E 2nd Street, Reno  
14,084 s.f. leased

**NSHE**  
604 W Moana Lane, Reno  
13,380 s.f. leased

**Guild Mortgage**  
10345 Professional Circle, Reno  
12,823 s.f. leased

**Notable Sale Transactions**

**Fuchs Investments, LLC**  
6140 Plumas Street, Reno  
27,676 s.f. | \$2.9M or \$105/s.f.

**Silverhorn Properties, LLC**  
85 Keystone Avenue, Reno  
13,778 s.f. | \$1.07M or \$78/s.f.

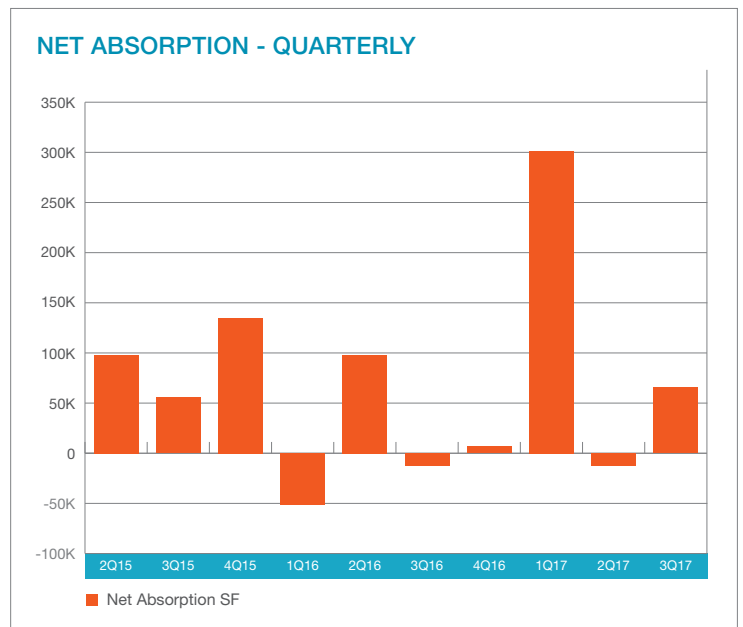
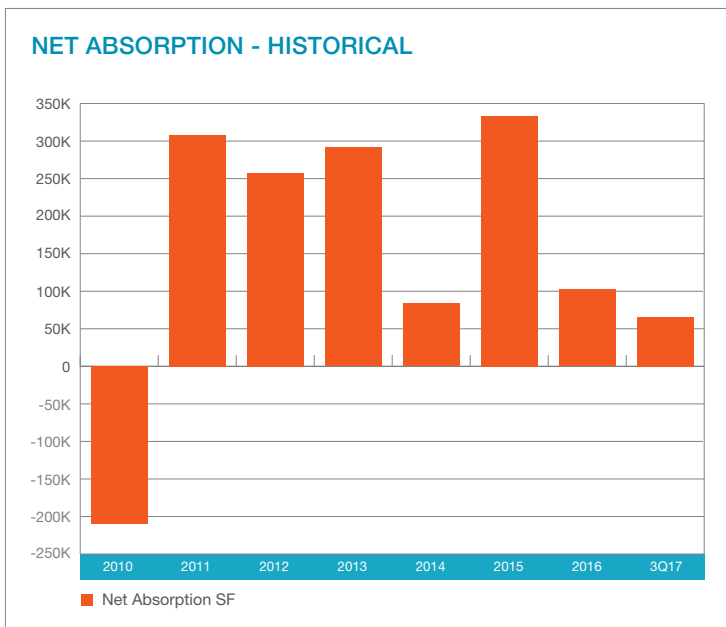
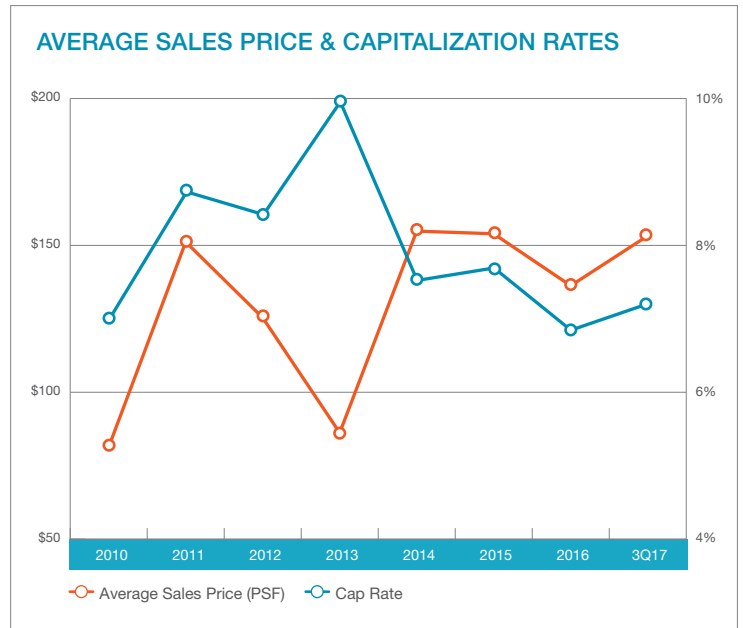
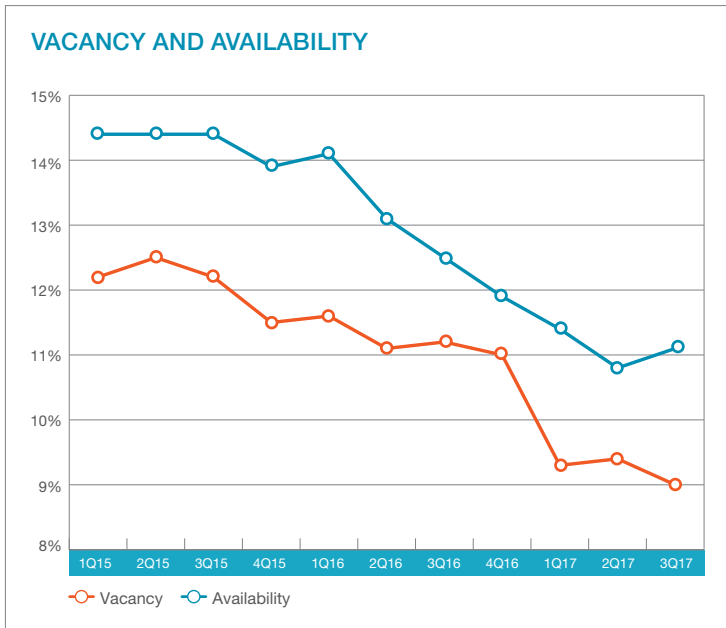
**333 Holcomb Investments, LLC**  
333 Holcomb Avenue, Reno  
14,107 s.f. | \$2.5M or \$177/s.f.

**Alfred Pennyworth, LLC**  
979 Pyramid Way, Sparks  
5,924 s.f. | \$1.5M or \$253/s.f.

# Area Review

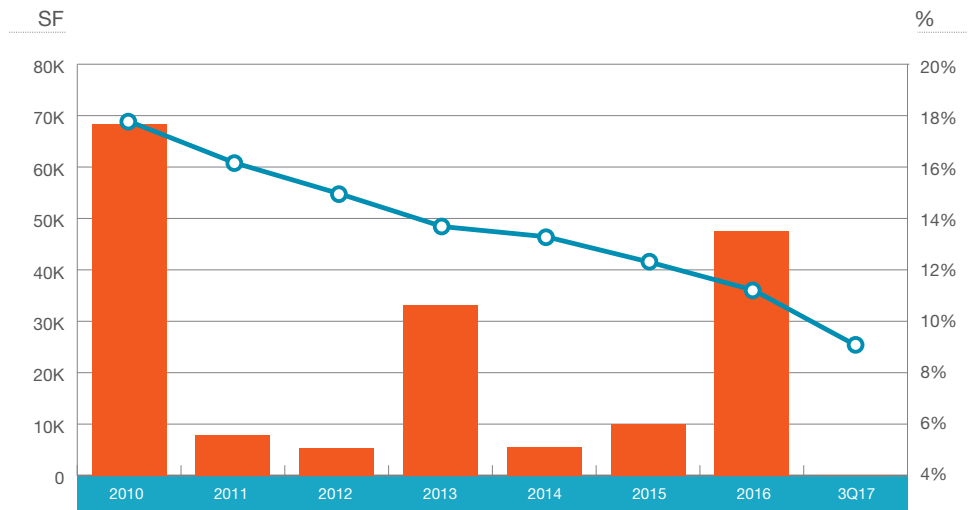
## Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy Rate	Q3 Net Absorption	YTD Net Absorption	YTD Leasing Activity	Rental Rate
Central/Airport	2,816,177	11.1%	39,547	66,599	147,521	\$1.22
Downtown	4,983,903	8.4%	(2,622)	33,255	298,949	\$1.66
Meadowood	3,363,374	8.3%	45,319	51,303	206,573	\$1.73
South Reno	2,330,326	8.6%	21,672	3,764	203,592	\$1.61
Sparks	1,305,180	7.4%	(1,674)	167,059	27,590	\$1.27
West Reno	373,201	24.4%	(7,934)	(13,127)	17,794	\$1.16
<b>Total</b>	<b>15,172,161</b>	<b>8.89%</b>	<b>94,308</b>	<b>308,853</b>	<b>902,019</b>	<b>\$1.44</b>



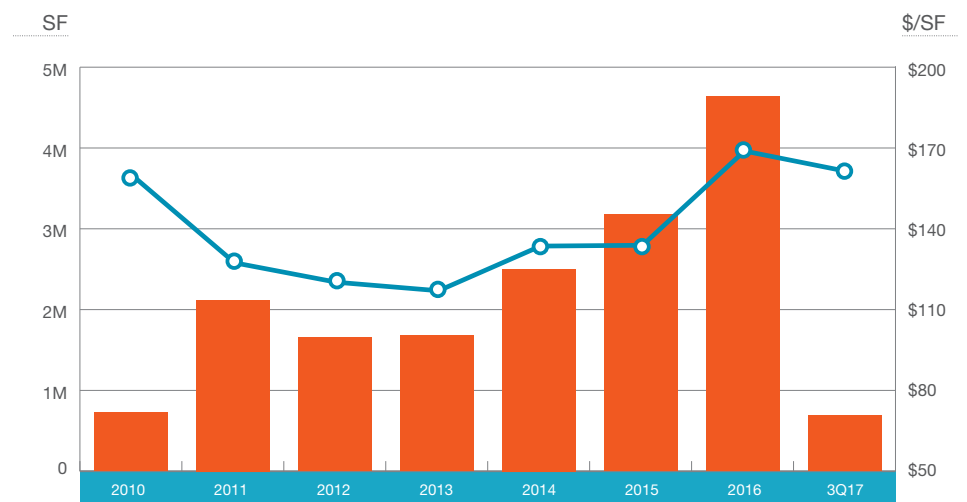
### HISTORICAL NEW CONSTRUCTION & VACANCY RATE

■ New Deliveries  
○ Vacancy



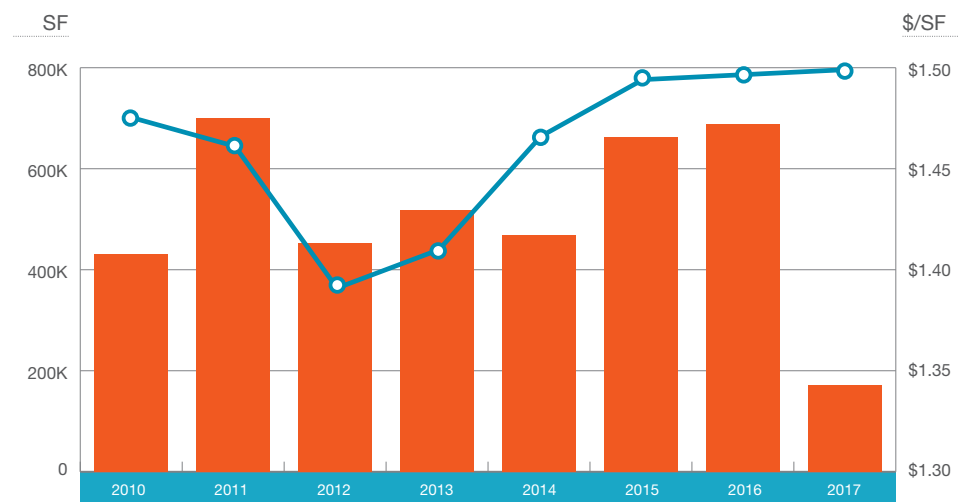
### HISTORICAL SALES ACTIVITY & MEDIAN SALES PRICE

■ Sales Activity  
○ Median Price/Building SF



### HISTORICAL LEASING ACTIVITY & ASKING LEASE RATES

■ Leasing Activity  
○ Monthly Lease Rate



## Market Breakdown

### Offices

Seattle  
206.296.9600

Bellevue  
425.454.7040

South Seattle  
206.248.7300

Tacoma  
253.722.1400

Olympia  
360.705.2800

Portland  
503.221.9900

San Francisco  
415.229.8888

Redwood Shores  
650.769.3600

Silicon Valley  
408.970.9400

Sacramento  
916.970.9700

Roseville  
916.751.3600

Los Angeles  
213.880.5250

Commerce  
323.727.1144

Long Beach  
562.472.0071

Orange County  
949.557.5000

Inland Empire  
909.764.6500

San Diego  
858.509.1200

Carlsbad  
760.430.1000

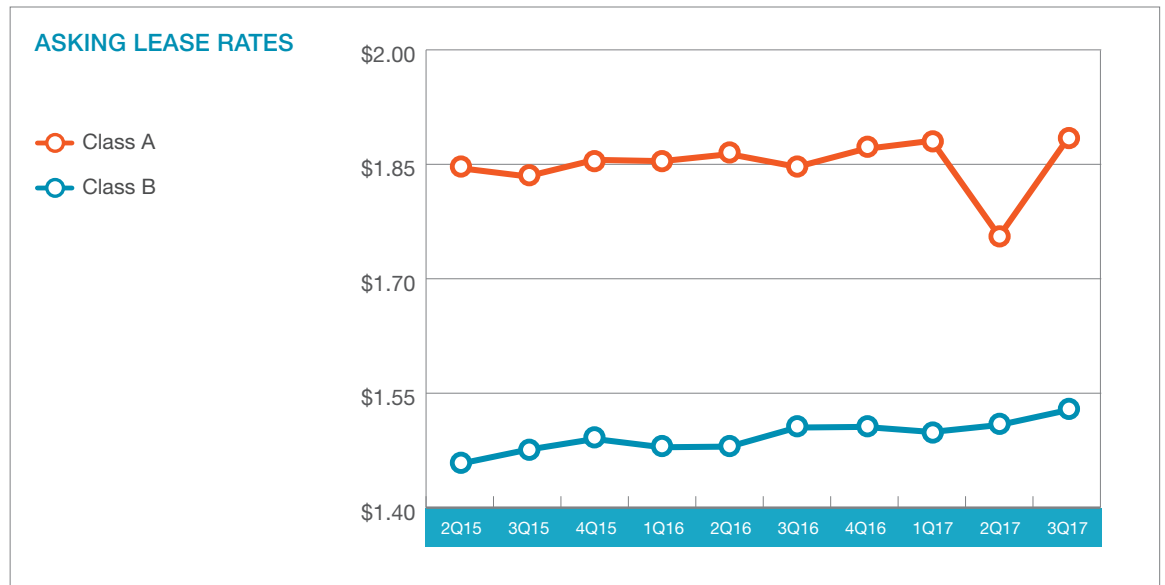
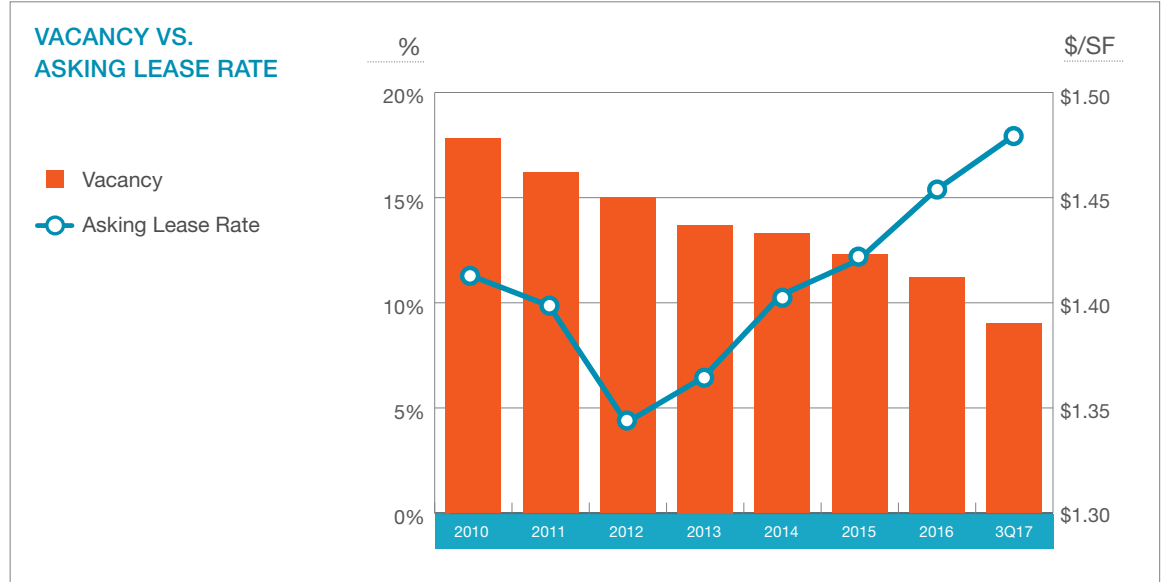
Reno  
775.301.1300

Phoenix  
602.513.5200

### Contact

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	Q3 2017	Q2 2017	Q3 2016	Annual % Change
Vacancy Rate	9.0%	9.4%	11.2%	-19.64%
Availability Rate	11.1%	10.8%	12.5%	-11.20%
Asking Lease Rate	\$1.48	\$1.47	\$1.46	1.37%
Leased SF	201,975	338,828	518,430	-61.04%
Sold SF	85,713	250,060	323,408	-73.50%
Net Absorption	65,739	-12,188	-12,371	-631.40%



Designated Broker  
Mark Read | LIC #00572743

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