



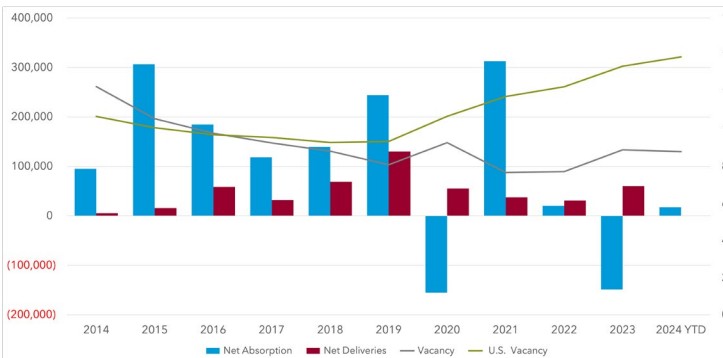
**OFFICE MARKET OVERVIEW**

LYLE CHAMBERLAIN, *President*

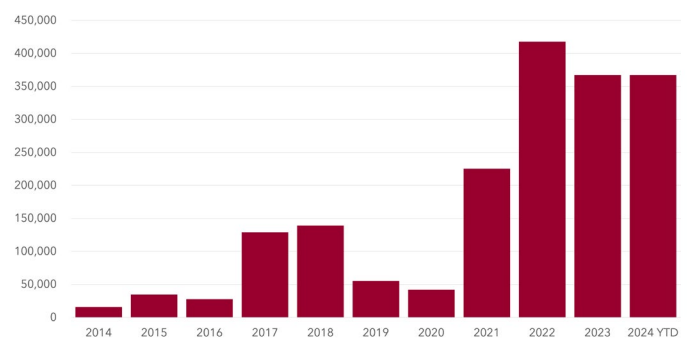
The office market has not changed except that the 350,000+ SF “Under Construction” segment will come to market soon. This part of the market will need to be at pricing greater than existing, but will come at a cost to existing supply. The increased population and job markets have only kept the overall market “even” when it comes to overall demand for office space. As the nicer/newer options come to the market, the users for this product will come from the other sectors, as there is not enough demand to keep up with, let alone, substantiate increasing the overall market pricing. The silver lining will be the cost to do business should not increase all that much from the rise in rental rates. I see a flat market to continue while demand struggles to keep up with the newer supply.

| MARKET INDICATORS          | Q3 2024    | Q2 2024    | Q1 2024    | Q4 2023    | Q3 2023    |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 71,824     | 114,063    | 28,549     | (148,824)  | (254,541)  |
| ◀▶ Vacancy Rate            | 8.8%       | 8.8%       | 9.1%       | 8.9%       | 9.2%       |
| ▲ Avg NNN Asking Rate PSF  | \$24.48    | \$24.42    | \$24.32    | \$23.99    | \$23.75    |
| ▲ Sale Price PSF           | \$189.50   | \$187.86   | \$187.16   | \$186.08   | \$191.20   |
| ◀▶ Cap Rate                | 9.3%       | 9.3%       | 9.3%       | 9.3%       | 9.0%       |
| ◀▶ Under Construction SF   | 367,218    | 367,218    | 367,218    | 367,218    | 347,218    |
| ◀▶ Inventory SF            | 17,433,874 | 17,433,874 | 17,433,874 | 17,433,874 | 17,433,874 |

**NET ABSORPTION, NET DELIVERIES, & VACANCY**



**UNDER CONSTRUCTION**



| TOP SALE TRANSACTIONS BY SF       | SIZE      | SALE PRICE                  | BUYER / SELLER                       | BUILDING CLASS |
|-----------------------------------|-----------|-----------------------------|--------------------------------------|----------------|
| 850 Harvard Way<br>Reno, NV       | 50,400 SF | \$6,000,000<br>\$119.05 PSF | JBJM Investments<br>Renown Health    | Class C        |
| 241 Ridge Street<br>Reno, NV      | 34,407 SF | \$8,100,000<br>\$235.42 PSF | JAM for Dravet<br>Tolles Development | Class B        |
| 201 W. Liberty Street<br>Reno, NV | 33,208 SF | \$7,300,000<br>\$219.83 PSF | Terry Bogart<br>TDC Reno Office      | Class B        |

| TOP LEASE TRANSACTIONS BY SF        | SIZE      | LANDLORD              | TENANT          | TENANT INDUSTRY |
|-------------------------------------|-----------|-----------------------|-----------------|-----------------|
| 9805 Double R Boulevard<br>Reno, NV | 26,098 SF | Incline Capital Group | State of Nevada | Government Off  |
| 5560 Longley Lane<br>Reno, NV       | 15,316 SF | Powell Family Trust   | Qualus          | Tech            |
| 5310 Kietzke Lane<br>Reno, NV       | 11,495 SF | NevDex Properties     | Swift Industry  | Health Care     |

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