



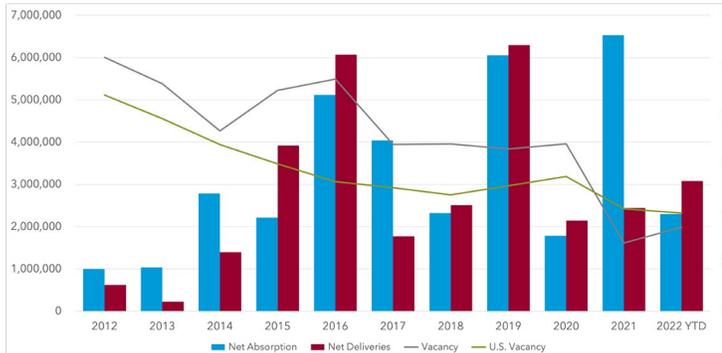
INDUSTRIAL MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

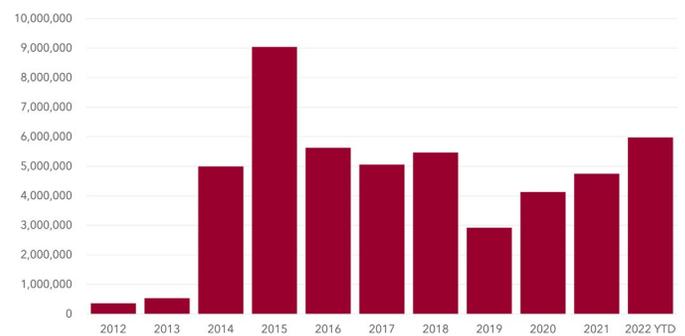
Vacancy for Q3 was a low 3.41%, which, although up from last quarter, is very low given the amount of construction and increasing lease rates. New construction is 80% pre-leased, I do not see things changing in the short term. Expectations are for rising prices and low vacancy. As ground in Reno Proper is all but spoken for, many of the new projects are pushing our boundaries as well. Projects further north, east, and south are being developed and considered by those wanting into our market. Projects inside Reno command the higher (relative to our market) pricing. The rising interest rates will put a damper on projects not yet out of the ground, but do not look for this to affect our market much until later.

| MARKET INDICATORS | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | 4,324,224 | 3,908,233 | 4,314,058 | 6,527,267 | 4,628,945 |
| ▲ Vacancy Rate | 3.4% | 2.5% | 2.3% | 2.8% | 4.1% |
| ▲ Avg NNN Asking Rate PSF | \$8.51 | \$8.38 | \$8.24 | \$8.01 | \$7.82 |
| ▼ SF Under Construction | 5,975,809 | 7,993,380 | 6,766,118 | 4,748,568 | 4,729,710 |
| ▲ Inventory SF | 108,671,732 | 106,538,481 | 105,761,021 | 105,591,981 | 104,975,510 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---------------------------------|------------|--------------------------------|---|----------------|
| 8760 Technology Way Reno, NV | 151,409 SF | \$21,958,500 \$145.03 PSF | Chesapeake Spice Company McKenzie Properties | Class A |
| 1645 Crane Way Sparks, NV | 56,353 SF | \$13,579,000 \$240.96 PSF | Newlake Capital Partners Sandelman Partners | Class C |
| 725 Trademark Reno, NV | 19,864 SF | \$4,999,967.44 \$251.71 PSF | Brett Murphy Goldfish Properties | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--------------------------------|------------|---------------|---------------|---------------------|
| 200 S McCarran Reno, NV | 995,782 SF | Reno Land Inc | Ames | Distribution |
| 575 Reactor Reno, NV | 60,480 SF | Yu Ying | Sampco | Roofing |
| 1385 Greg Street Sparks, NV | 47,955 SF | Blackstone | Southern Star | Fertilizer Producer |

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2022 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com