



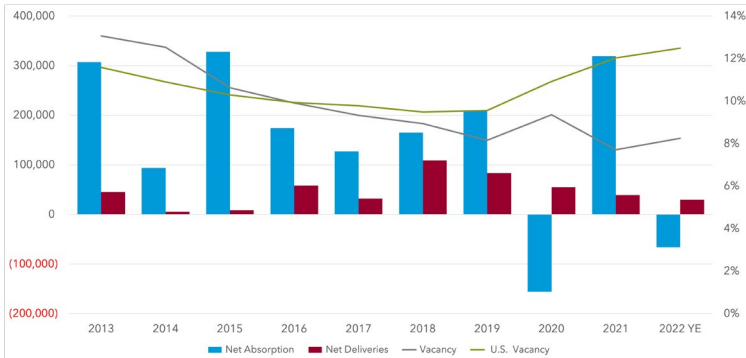
OFFICE MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

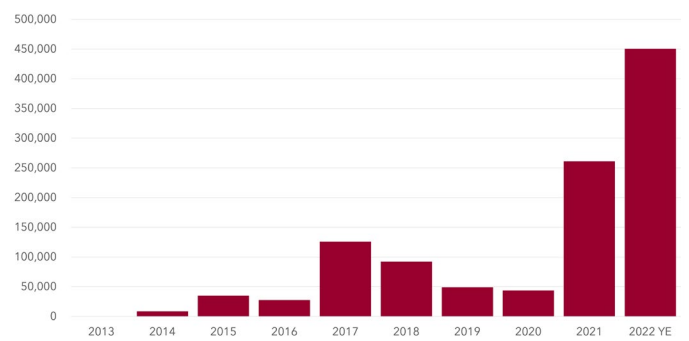
Rates in the regions have been very steady for the last year. However, with average rents well below the national average and (for this market) new construction getting close to coming to market, look to see rises in both rate, as well as vacancy. The new construction will demand higher rates, while a fairly stagnant demand will not be able to fill both existing inventory as well as the new construction. But the region is situated well to begin "stealing" users from neighboring states as the "quality of life" is very good, no state income tax, and, compared to the rest of the nation, very competitive rates exist. With the national attention to our industrial market, increasing population, and high job growth, look to see increased demand on the Office front in spite of national trends moving away from this product.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▼ 12 Mo. Net Absorption SF	(65,912)	36,855	253,808	299,290	319,401
▲ Vacancy Rate	8.3%	7.9%	7.9%	7.9%	7.7%
▲ Avg NNN Asking Rate PSF	\$24.46	\$24.37	\$24.18	\$24.02	\$23.51
▼ SF Under Construction	450,538	455,666	334,549	334,549	261,175
▲ Inventory SF	17,247,726	17,235,897	17,235,897	17,235,897	17,217,989

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2195 S Virginia Street Reno, NV	25,432 SF	\$6,400,000 \$251.65 PSF	Undisclosed Reno Land Co	Class B
255 W Moana Lane Reno, NV	22,536 SF	\$4,000,000 \$177.49 PSF	Granite CRE, Inc Aleksandr Vetushko	Class B
491 Court Street Reno, NV	4,407 SF	\$1,935,000 \$439.07 PSF	Sierra Nevada Media McGeiger Investments	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
635 Innovation Drive Reno, NV	29,442 SF	Universal Health	Erickson OB/GYN Ass	Medical
9650 Gateway Drive Reno, NV	17,337 SF	Waterton Global	Z-Line	Office
5435 Kietzke Drive Reno, NV	10,235 SF	YETIS LLC	Juniper Services	Medical

