



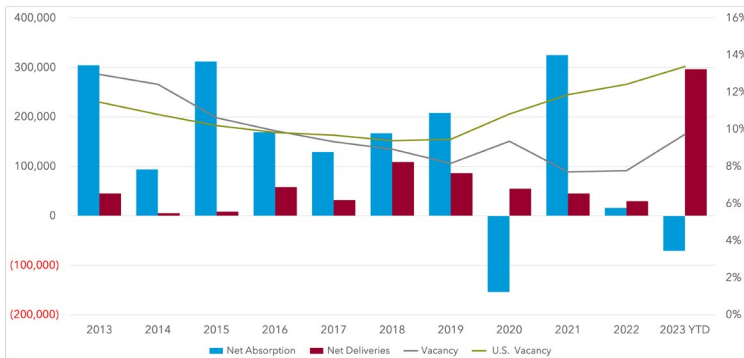
OFFICE MARKET OVERVIEW

LYLE CHAMBERLAIN, *President*

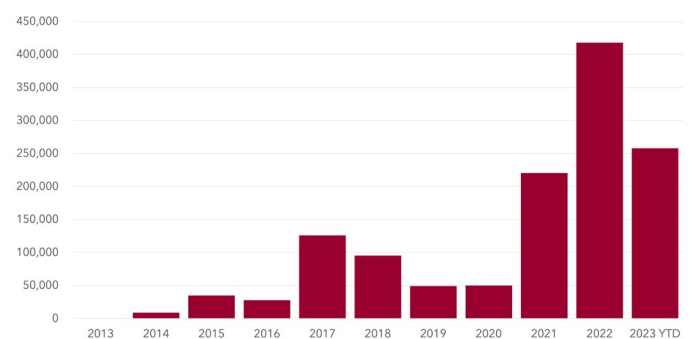
The increase in vacancy in our Northern Nevada office market is tied directly to the construction of new space. We have just been outpacing demand with new construction. As predicted, this has resulted in relatively bigger losses for older construction as users clamor for the new space. With more space under construction, I see this trend continuing until demand has some time to "catch up". Our location, lifestyle, and proximity to the outdoors, along with pricing much lower than much of the nation, should bring this market back into line, but owners should be prepared to have patience, and there might be some opportunities in this market on the purchase side in the coming months.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	(114,581)	(173,755)	(211,463)	16,425	119,296
▼ Vacancy Rate	9.7%	10.0%	10.2%	7.8%	7.4%
▼ Avg NNN Asking Rate PSF	\$24.41	\$24.46	\$24.33	\$24.07	\$23.83
▼ SF Under Construction	257,786	268,021	166,202	417,603	422,731
▲ Inventory SF	17,548,814	17,538,579	17,538,579	17,252,328	17,240,499

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6884 Sierra Center Parkway Reno, NV	45,231 SF	\$9,900,000 \$218.88 PSF	Ormat Technologies Max Haynes	Class B
275 Hill Street Reno, NV	17,916 SF	\$6,000,000 \$334.90 PSF	SVG Capital TDC Reno Ovvice	Class B
80 W. 1st Street (2nd Floor Condo) Reno, NV	6,674 SF	\$1,450,000 \$217.26 PSF	Dunham Trust 32nd Street Office LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9850 Double R Boulevard Reno, NV	11,641 SF	Paul Shirley	Harley Davidson Financial	Financing
9850 Double R Boulevard Reno, NV	10,718 SF	Paul Shirley	Gainwell	Technology and Health Services
94440 Double R Boulevard Reno, NV	5,621 SF	Peter Bosco	Cal Neva Towing	General Office

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