

CoStar Industrial Statistics

Year - End 2017

Reno/Sparks Industrial Market



CoStarTM
The knowledge market

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Methodology

The CoStar Industrial Statistics calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

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CoStar Group, Inc.

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Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certi-

cate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

Reno/Sparks' Vacancy Decreases to 8.1%

Net Absorption Positive 927,104 SF in the Quarter

The Reno/Sparks Industrial market ended the fourth quarter 2017 with a vacancy rate of 8.1%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 927,104 square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 2,577,764 square feet. Rental rates ended the fourth quarter at \$4.44, an increase over the previous quarter. A total of one building delivered to the market in the quarter totaling 10,000 square feet, with 4,204,957 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Reno/Sparks Industrial market was positive 927,104 square feet in the fourth quarter 2017. That compares to positive 238,235 square feet in the third quarter 2017, positive 1,271,372 square feet in the second quarter 2017, and positive 635,344 square feet in the first quarter 2017.

The Flex building market recorded net absorption of positive 45,727 square feet in the fourth quarter 2017, compared to positive 42,108 square feet in the third quarter 2017, negative (25,459) in the second quarter 2017, and positive 48,856 in the first quarter 2017.

The Warehouse building market recorded net absorption of positive 881,377 square feet in the fourth quarter 2017 compared to positive 196,127 square feet in the third quarter 2017, positive 1,296,831 in the second quarter 2017, and positive 586,488 in the first quarter 2017.

Vacancy

The Industrial vacancy rate in the Reno/Sparks market area decreased to 8.1% at the end of the fourth quarter 2017. The vacancy rate was 9.0% at the end of the third quarter 2017, 9.1% at the end of the second quarter 2017, and 9.2% at the end of the first quarter 2017.

Flex projects reported a vacancy rate of 4.2% at the end of the fourth quarter 2017, 4.7% at the end of the third quarter 2017, 5.2% at the end of the second quarter 2017, and 4.9% at the end of the first quarter 2017.

Warehouse projects reported a vacancy rate of 8.5% at the end of the fourth quarter 2017, 9.4% at the end of third quarter 2017, 9.4% at the end of the second quarter 2017, and 9.6% at the end of the first quarter 2017.

Largest Lease Signings

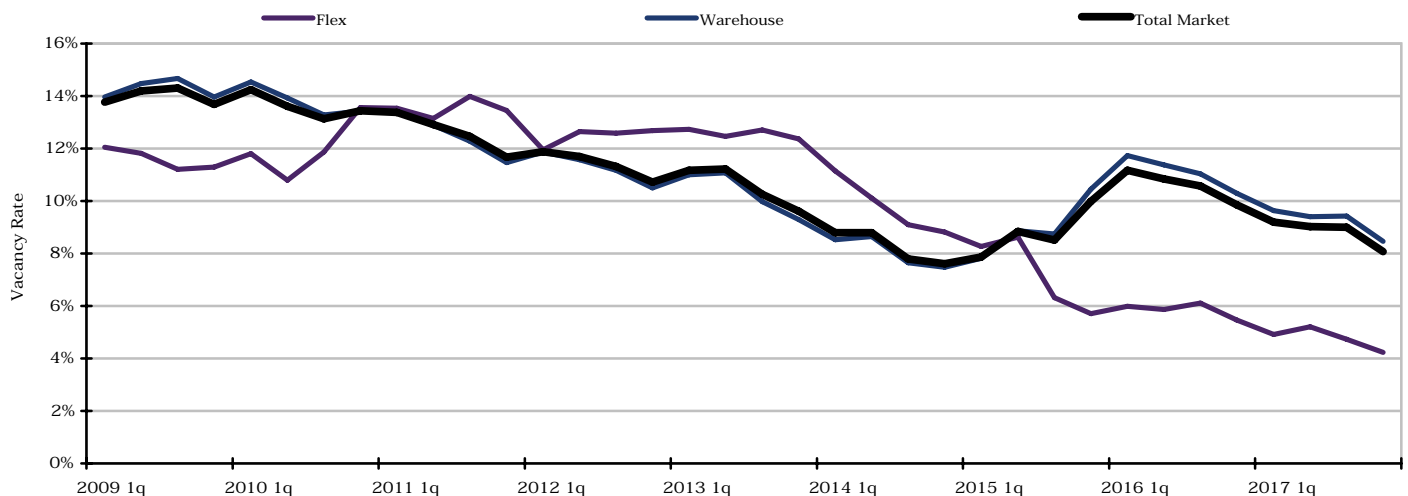
The largest lease signings occurring in 2017 included: the 1,251,179-square-foot lease signed by IGT at 9295 Prototype Dr in the South Reno market; the 323,520-square-foot deal signed by Daehan Solutions America LLC at 1600 E Newlands Dr in the Fernley market; and the 302,680-square-foot lease signed by Almo Distribution at 8040 N Virginia St in the North Valleys market.

Sublease Vacancy

The amount of vacant sublease space in the Reno/Sparks market increased to 2,577,764 square feet by the end of the fourth quarter 2017, from 2,345,944 square feet at the end of the third quarter 2017. There was 2,145,546 square feet vacant at the end of the second quarter 2017 and 2,048,387 square feet at the end of the first quarter 2017.

Vacancy Rates by Building Type

2007-2017



Source: CoStar Property®

Reno/Sparks’ Flex projects reported vacant sublease space of 17,996 square feet at the end of fourth quarter 2017, up from the 14,249 square feet reported at the end of the third quarter 2017. There were 14,249 square feet of sublease space vacant at the end of the second quarter 2017, and 24,977 square feet at the end of the first quarter 2017.

Warehouse projects reported increased vacant sublease space from the third quarter 2017 to the fourth quarter 2017. Sublease vacancy went from 2,331,695 square feet to 2,559,768 square feet during that time. There was 2,131,297 square feet at the end of the second quarter 2017, and 2,023,410 square feet at the end of the first quarter 2017.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$4.44 per square foot per year at the end of the fourth quarter 2017 in the Reno/Sparks market area. This represented a 1.8% increase in quoted rental rates from the end of the third quarter 2017, when rents were reported at \$4.36 per square foot.

The average quoted rate within the Flex sector was \$9.27 per square foot at the end of the fourth quarter 2017, while Warehouse rates stood at \$4.25. At the end of the third quarter 2017, Flex rates were \$9.00 per square foot, and Warehouse rates were \$4.21.

Deliveries and Construction

During the fourth quarter 2017, one building totaling 10,000 square feet were completed in the Reno/Sparks market

area. This compares to nothing completed in the third quarter 2017, three buildings totaling 1,204,783 square feet completed in the second quarter 2017, and nothing completed in the first quarter 2017.

There were 4,204,957 square feet of Industrial space under construction at the end of the fourth quarter 2017.

Some of the notable 2017 deliveries include: 1 Superloop Cir, a 1,200,947-square-foot facility that delivered in second quarter 2017 and is now 100% occupied, and 10880 Lear Blvd, a 240,500-square-foot building that delivered in 2017 and is now 100% occupied.

The largest projects underway at the end of fourth quarter 2017 were Tesla–Gigafactory Phase II, a 3,800,000-square-foot building with 100% of its space pre-leased, and 9470 N Virginia St, a 352,957-square-foot facility that is 100% pre-leased.

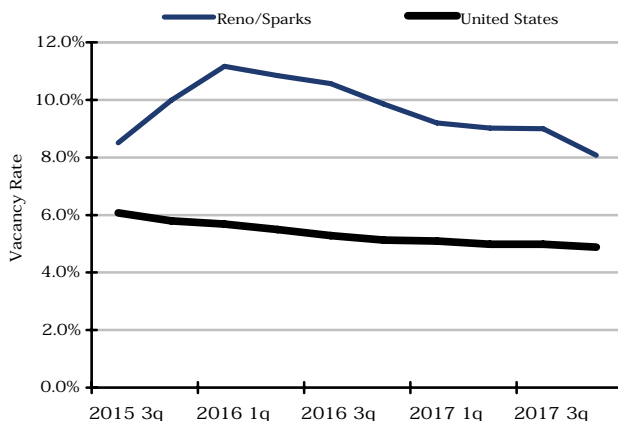
Inventory

Total Industrial inventory in the Reno/Sparks market area amounted to 99,194,818 square feet in 2,027 buildings as of the end of the fourth quarter 2017. The Flex sector consisted of 9,020,298 square feet in 374 projects. The Warehouse sector consisted of 90,174,520 square feet in 1,653 buildings. Within the Industrial market there were 137 owner-occupied buildings accounting for 14,002,233 square feet of Industrial space.

Reports compiled by: Scott Stephenson, Research Manager

U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property®

Reno/Sparks Industrial Market



Markets

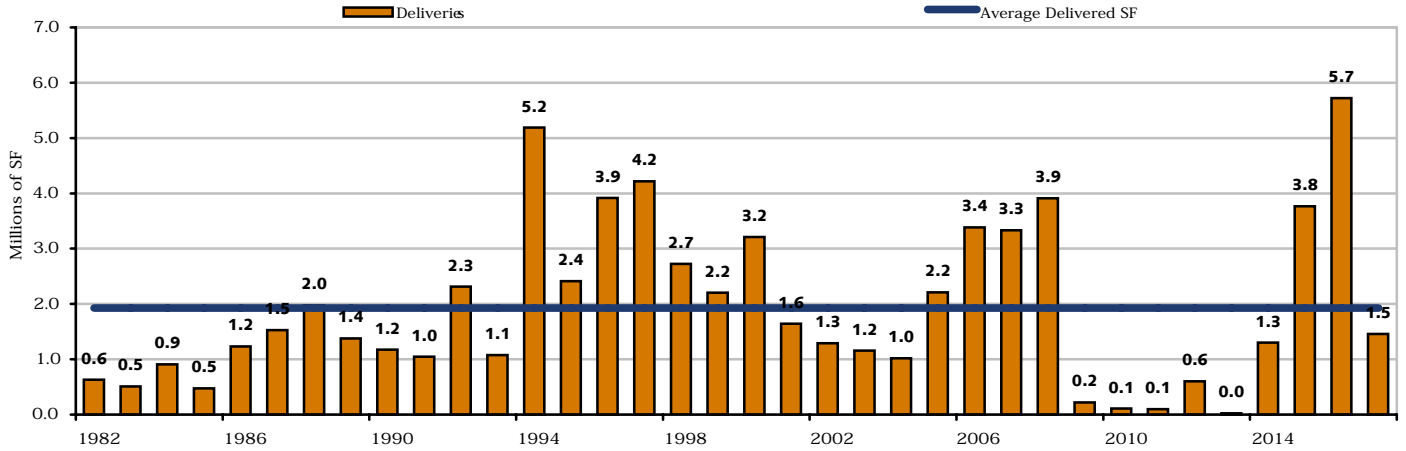
CoStar Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

Submarket Clusters
Airport Ind
Carson City County Ind
Central Reno Ind
Churchill County Ind
Douglas County Ind
Fernley Ind
North Valleys Ind
S Lyon County Ind
South Reno Ind
Sparks Ind
Storey County Ind
West Reno Ind

Historical Deliveries

1982 - 2017



Source: CoStar Property® * Future deliveries based on current under construction buildings.

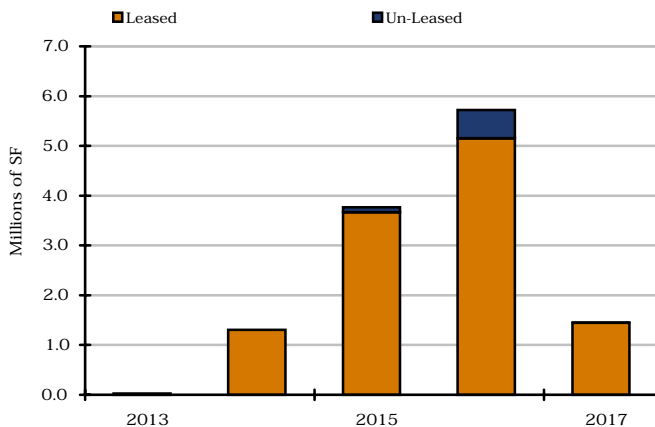
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Storey County Ind	1	3,800,000	3,800,000	100.0%	214,772	3,800,000
North Valleys Ind	1	352,957	352,957	100.0%	97,402	352,957
South Reno Ind	1	52,000	34,320	66.0%	60,213	52,000
West Reno Ind	0	0	0	0.0%	27,285	0
Fernley Ind	0	0	0	0.0%	96,805	0
S Lyon County Ind	0	0	0	0.0%	19,329	0
Carson City County Ind	0	0	0	0.0%	21,857	0
Airport Ind	0	0	0	0.0%	40,904	0
Central Reno Ind	0	0	0	0.0%	13,195	0
Churchill County Ind	0	0	0	0.0%	7,602	0
All Other	0	0	0	0.0%	40,810	0
Totals	3	4,204,957	4,187,277	99.6%	48,937	1,401,652

Source: CoStar Property®

Recent Deliveries

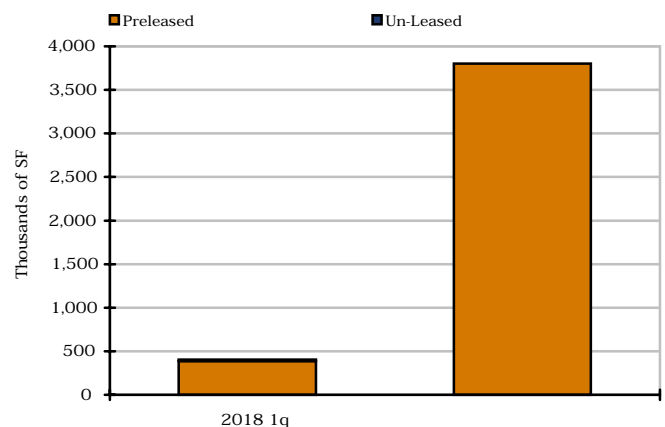
Leased & Un-Leased SF in Deliveries Since 2013



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

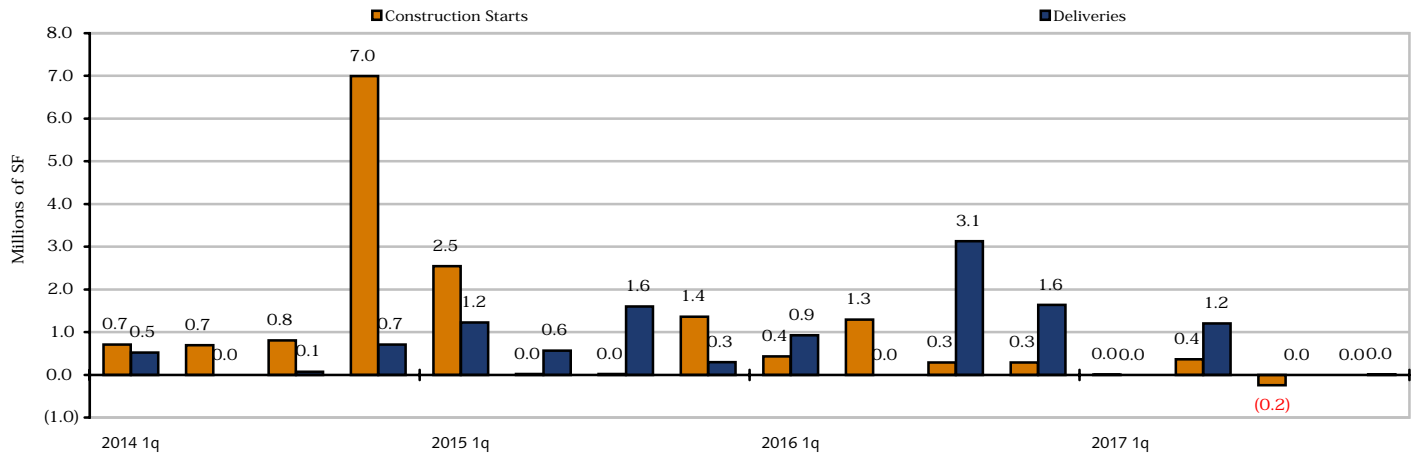
Reno/Sparks Industrial Market



Inventory & development

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	3	13,836	3,936	28.4%	\$10.80	2,300	11,536
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	1	240,500	240,500	100.0%	\$0.00	0	240,500
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	1	1,200,947	1,200,947	100.0%	\$0.00	0	1,200,947

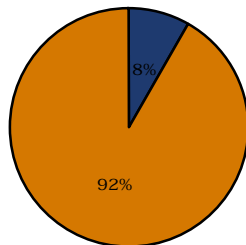
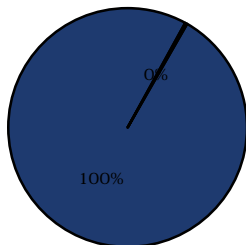
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2017 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

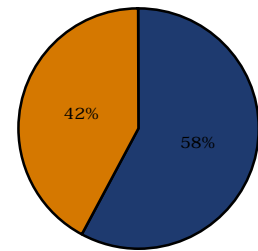
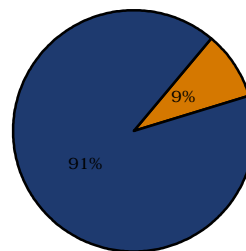
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 1 Superloop Cir Submarket: Storey County Industrial Market RBA: 1,200,947 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2015 Deliv Date: Second Quarter 2017 Leasing Co: Switch Communications Group Developer: Blue Scope Steel North America	2. 10880 Lear Blvd Submarket: North Valleys Industrial Market RBA: 240,500 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: N/A Deliv Date: 2017 Leasing Co: CBRE Developer: Prologis	3. 3320 Research Way Submarket: Carson City County Industrial Market RBA: 10,000 Occupied: 1% Quoted Rate: \$10.80 Grnd Brk Date: Second Quarter 2017 Deliv Date: Fourth Quarter 2017 Leasing Co: John Uhart Commercial Developer: N/A
4. 2255 Enterprise Ln Submarket: Douglas County Industrial Market RBA: 2,300 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2017 Leasing Co: Intero Real Estate Services Developer: N/A	5. 2219 Enterprise Ln Submarket: Douglas County Industrial Market RBA: 1,536 Occupied: 100% Quoted Rate: N/A Grnd Brk Date: First Quarter 2017 Deliv Date: Second Quarter 2017 Leasing Co: Intero Real Estate Services Developer: N/A	

Select Top Under Construction Properties

Based on Project Square Footage

1. Tesla - Gigafactory Phase II Submarket: Storey County Industrial Market RBA: 3,800,000 Preleased: 100% Quoted Rate: N/A Grnd Brk Date: Fourth Quarter 2014 Deliv Date: Fourth Quarter 2019 Leasing Co: Tesla Motors, Inc. Developer: N/A	2. 9470 N Virginia St Submarket: North Valleys Industrial Market RBA: 352,957 Preleased: 100% Quoted Rate: \$4.32 Grnd Brk Date: 2017 Deliv Date: First Quarter 2018 Leasing Co: Kidder Mathews Developer: Alston Construction Company	3. 6796 Longley Ln Submarket: South Reno Industrial Market RBA: 52,000 Preleased: 66% Quoted Rate: Negotiable Grnd Brk Date: Fourth Quarter 2016 Deliv Date: First Quarter 2018 Leasing Co: McIntyre Real Estate Services Developer: N/A
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Reno/Sparks Industrial Market



Figures at a Glance

Flex Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	88	2,684,867	140,883	140,883	5.2%	96,501	0	0	\$9.99
Carson City County Ind	27	478,159	4,191	4,191	0.9%	40,325	0	0	\$5.55
Central Reno Ind	27	362,503	89,440	89,440	24.7%	(87,000)	0	0	\$11.40
Churchill County Ind	0	0	0	0	0.0%	0	0	0	\$0.00
Douglas County Ind	12	303,565	16,830	16,830	5.5%	19,390	0	0	\$6.60
Fernley Ind	1	20,820	0	0	0.0%	0	0	0	\$0.00
North Valleys Ind	15	108,771	8,640	8,640	7.9%	(6,640)	0	0	\$6.78
S Lyon County Ind	1	4,920	4,920	4,920	100.0%	(4,920)	0	0	\$0.00
South Reno Ind	54	2,284,414	15,492	19,239	0.8%	53,662	0	0	\$11.50
Sparks Ind	137	2,676,653	83,018	97,267	3.6%	(86)	0	0	\$8.56
Storey County Ind	1	13,927	0	0	0.0%	0	0	0	\$0.00
West Reno Ind	11	81,699	0	0	0.0%	0	0	0	\$8.40
Totals	374	9,020,298	363,414	381,410	4.2%	111,232	0	0	\$9.27

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	134	6,395,842	171,830	309,498	4.8%	34,066	0	0	\$5.01
Carson City County Ind	148	3,346,860	239,793	240,233	7.2%	50,502	10,000	0	\$5.63
Central Reno Ind	187	2,461,320	76,550	76,550	3.1%	(56,443)	0	0	\$7.14
Churchill County Ind	1	7,602	0	0	0.0%	0	0	0	\$0.00
Douglas County Ind	61	1,644,610	56,250	56,250	3.4%	25,869	3,836	0	\$6.55
Fernley Ind	44	4,335,390	322,975	578,975	13.4%	378,320	0	0	\$3.66
North Valleys Ind	187	19,566,503	1,901,034	2,034,034	10.4%	1,002,363	0	352,957	\$4.33
S Lyon County Ind	116	2,256,572	79,641	79,641	3.5%	(21,322)	0	0	\$4.95
South Reno Ind	106	7,349,743	363,699	462,699	6.3%	14,592	0	52,000	\$5.43
Sparks Ind	578	27,533,705	1,464,266	3,215,926	11.7%	100,420	0	0	\$3.69
Storey County Ind	66	14,375,819	391,961	573,961	4.0%	1,410,376	1,200,947	3,800,000	\$4.26
West Reno Ind	25	900,554	0	0	0.0%	22,080	0	0	\$8.26
Totals	1,653	90,174,520	5,067,999	7,627,767	8.5%	2,960,823	1,214,783	4,204,957	\$4.25

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2017

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport Ind	222	9,080,709	312,713	450,381	5.0%	130,567	0	0	\$5.91
Carson City County Ind	175	3,825,019	243,984	244,424	6.4%	90,827	10,000	0	\$5.62
Central Reno Ind	214	2,823,823	165,990	165,990	5.9%	(143,443)	0	0	\$7.29
Churchill County Ind	1	7,602	0	0	0.0%	0	0	0	\$0.00
Douglas County Ind	73	1,948,175	73,080	73,080	3.8%	45,259	3,836	0	\$6.57
Fernley Ind	45	4,356,210	322,975	578,975	13.3%	378,320	0	0	\$3.66
North Valleys Ind	202	19,675,274	1,909,674	2,042,674	10.4%	995,723	0	352,957	\$4.33
S Lyon County Ind	117	2,261,492	84,561	84,561	3.7%	(26,242)	0	0	\$4.95
South Reno Ind	160	9,634,157	379,191	481,938	5.0%	68,254	0	52,000	\$5.91
Sparks Ind	715	30,210,358	1,547,284	3,313,193	11.0%	100,334	0	0	\$3.82
Storey County Ind	67	14,389,746	391,961	573,961	4.0%	1,410,376	1,200,947	3,800,000	\$4.26
West Reno Ind	36	982,253	0	0	0.0%	22,080	0	0	\$8.27
Totals	2,027	99,194,818	5,431,413	8,009,177	8.1%	3,072,055	1,214,783	4,204,957	\$4.44

Source: CoStar Property®



Reno/Sparks Industrial Market

Figures at a Glance

Flex Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	374	9,020,298	363,414	381,410	4.2%	45,727	0	0	0	0	\$9.27
2017 3q	374	9,020,298	412,888	427,137	4.7%	42,108	0	0	0	0	\$9.00
2017 2q	374	9,020,298	454,996	469,245	5.2%	(25,459)	0	0	0	0	\$8.97
2017 1q	374	9,020,298	418,809	443,786	4.9%	48,856	0	0	0	0	\$9.25
2016 4q	374	9,020,298	481,965	492,642	5.5%	58,470	0	0	0	0	\$8.96
2016 3q	374	9,020,298	540,435	551,112	6.1%	(21,490)	0	0	0	0	\$8.81
2016 2q	374	9,020,298	529,622	529,622	5.9%	19,464	0	0	0	0	\$8.37
2016 1q	373	9,011,298	538,994	540,086	6.0%	(25,431)	0	0	1	9,000	\$8.41
2015	373	9,011,298	513,563	514,655	5.7%	279,398	0	0	1	9,000	\$8.18
2014	373	9,011,298	794,053	794,053	8.8%	320,119	0	0	0	0	\$7.55
2013	373	9,011,298	1,095,436	1,114,172	12.4%	28,782	0	0	0	0	\$7.52
2012	373	9,011,298	1,142,954	1,142,954	12.7%	68,827	0	0	0	0	\$7.83
2011	373	9,011,298	1,201,001	1,211,781	13.4%	10,286	0	0	0	0	\$7.32
2010	373	9,011,298	1,193,225	1,222,067	13.6%	(204,745)	0	0	0	0	\$8.67
2009	373	9,011,298	999,288	1,017,322	11.3%	(138,591)	0	0	0	0	\$9.29
2008	372	9,001,330	835,659	868,763	9.7%	(157,063)	1	20,634	1	9,968	\$10.35

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	1,653	90,174,520	5,067,999	7,627,767	8.5%	881,377	1	10,000	3	4,204,957	\$4.25
2017 3q	1,652	90,164,520	6,167,449	8,499,144	9.4%	196,127	0	0	4	4,214,957	\$4.21
2017 2q	1,651	89,924,020	6,323,474	8,454,771	9.4%	1,296,831	3	1,204,783	5	4,455,457	\$4.18
2017 1q	1,648	88,719,237	6,523,409	8,546,819	9.6%	586,488	0	0	6	5,297,283	\$4.16
2016 4q	1,648	88,719,237	6,929,282	9,133,307	10.3%	2,108,051	6	1,635,331	4	5,293,447	\$4.10
2016 3q	1,642	87,083,906	7,657,040	9,606,027	11.0%	3,093,467	3	3,132,112	8	6,636,278	\$4.10
2016 2q	1,638	83,932,394	7,579,410	9,547,982	11.4%	294,406	0	0	10	9,476,998	\$4.32
2016 1q	1,638	83,932,394	7,912,116	9,842,388	11.7%	(240,540)	3	927,060	7	8,172,997	\$4.18
2015	1,635	83,005,334	6,789,704	8,674,788	10.5%	880,416	8	3,690,620	8	8,671,057	\$4.14
2014	1,628	79,381,786	5,895,042	5,931,656	7.5%	2,629,448	3	1,301,810	8	8,420,620	\$4.11
2013	1,625	78,079,976	7,219,441	7,259,294	9.3%	838,167	1	19,035	1	524,800	\$3.81
2012	1,624	78,192,055	8,003,053	8,209,540	10.5%	1,286,240	2	602,720	0	0	\$3.76
2011	1,622	77,589,335	8,386,844	8,893,060	11.5%	1,605,917	1	99,000	2	602,720	\$3.92
2010	1,621	77,490,335	9,767,281	10,399,977	13.4%	514,564	4	103,566	1	99,000	\$4.95
2009	1,616	77,378,769	10,466,639	10,802,975	14.0%	(15,162)	4	107,323	4	103,566	\$4.95
2008	1,607	77,168,530	9,821,862	10,577,574	13.7%	732,465	16	3,772,369	6	125,555	\$4.36

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2017

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2017 4q	2,027	99,194,818	5,431,413	8,009,177	8.1%	927,104	1	10,000	3	4,204,957	\$4.44
2017 3q	2,026	99,184,818	6,580,337	8,926,281	9.0%	238,235	0	0	4	4,214,957	\$4.36
2017 2q	2,025	98,944,318	6,778,470	8,924,016	9.0%	1,271,372	3	1,204,783	5	4,455,457	\$4.35
2017 1q	2,022	97,739,535	6,942,218	8,990,605	9.2%	635,344	0	0	6	5,297,283	\$4.35
2016 4q	2,022	97,739,535	7,411,247	9,625,949	9.8%	2,166,521	6	1,635,331	4	5,293,447	\$4.29
2016 3q	2,016	96,104,204	8,197,475	10,157,139	10.6%	3,071,977	3	3,132,112	8	6,636,278	\$4.30
2016 2q	2,012	92,952,692	8,109,032	10,077,604	10.8%	313,870	0	0	10	9,476,998	\$4.51
2016 1q	2,011	92,943,692	8,451,110	10,382,474	11.2%	(265,971)	3	927,060	8	8,181,997	\$4.37
2015	2,008	92,016,632	7,303,267	9,189,443	10.0%	1,159,814	8	3,690,620	9	8,680,057	\$4.33
2014	2,001	88,393,084	6,689,095	6,725,709	7.6%	2,949,567	3	1,301,810	8	8,420,620	\$4.27
2013	1,998	87,091,274	8,314,877	8,373,466	9.6%	866,949	1	19,035	1	524,800	\$4.06
2012	1,997	87,203,353	9,146,007	9,352,494	10.7%	1,355,067	2	602,720	0	0	\$4.02
2011	1,995	86,600,633	9,587,845	10,104,841	11.7%	1,616,203	1	99,000	2	602,720	\$4.22
2010	1,994	86,501,633	10,960,506	11,622,044	13.4%	309,819	4	103,566	1	99,000	\$5.20
2009	1,989	86,390,067	11,465,927	11,820,297	13.7%	(153,753)	4	107,323	4	103,566	\$5.20
2008	1,979	86,169,860	10,657,521	11,446,337	13.3%	575,402	17	3,793,003	7	135,523	\$4.64

Source: CoStar Property®

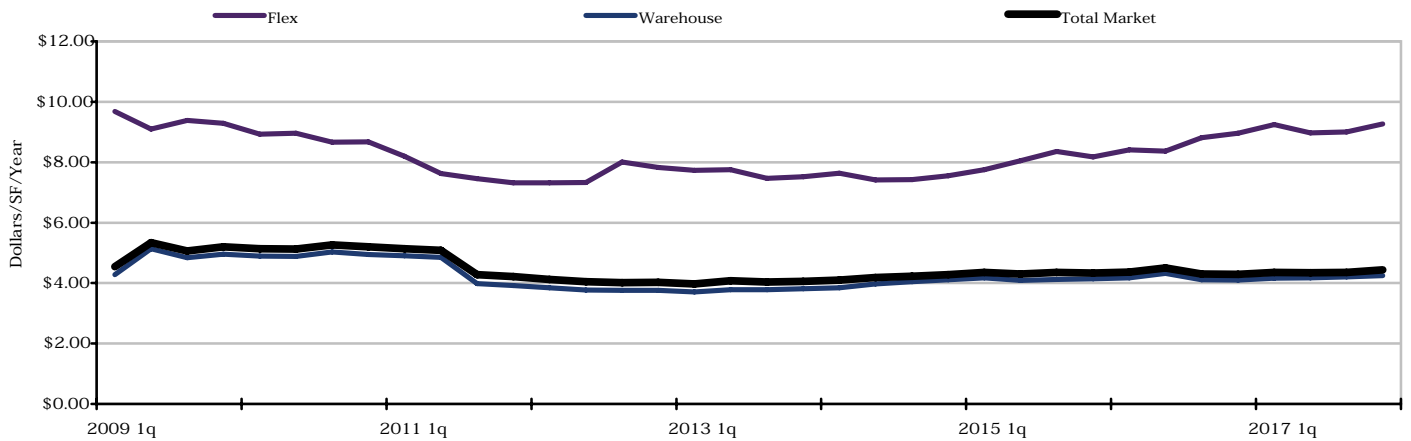
Reno/Sparks Industrial Market



Leasing Activity

Historical Rental Rates

Based on Quoted Rental Rates



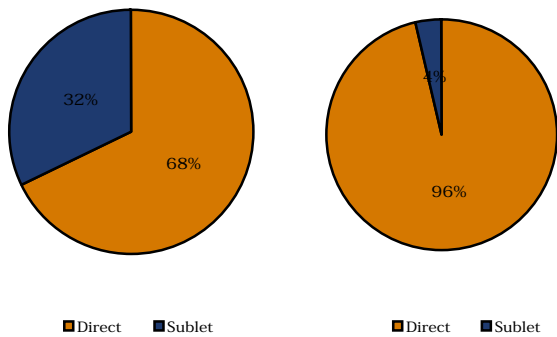
Source: CoStar Property®

Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Reno/Sparks

United States



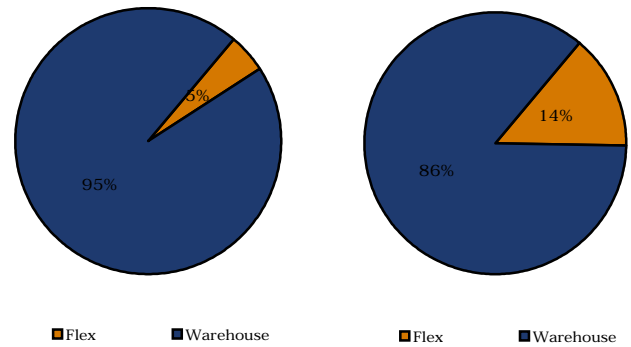
Source: CoStar Property®

Vacancy by Building Type

Percent of All Vacant Space by Building Type

Reno/Sparks

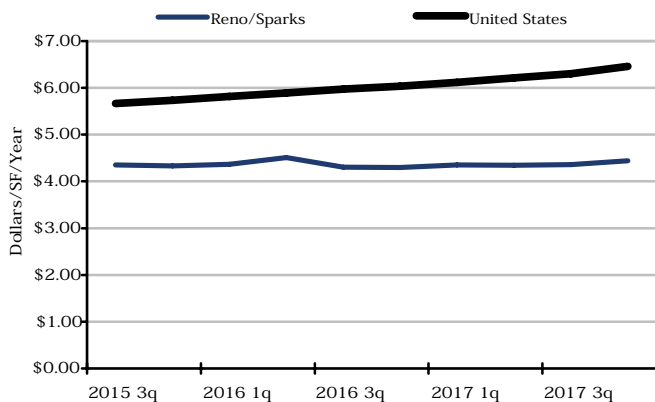
United States



Source: CoStar Property®

U.S. Rental Rate Comparison

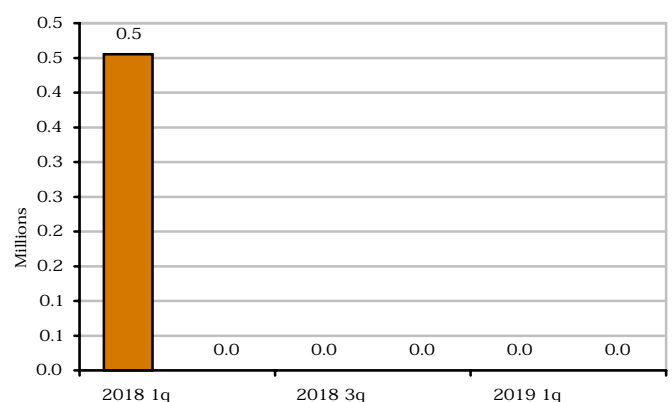
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

Select Top Industrial Leases Based on Leased Square Footage For Deals Signed in 2017

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	9295 Prototype Dr*	South Reno Ind	1,251,179	1st	IGT	Direct Deal	Direct Deal
2	9470 N Virginia St	North Valleys Ind	352,957	4th	N/A	N/A	Kidder Mathews
3	1600 E Newlands Dr	Fernley Ind	323,520	1st	Daehan Solutions America LLC	N/A	Kidder Mathews
4	8040 N Virginia St	North Valleys Ind	302,680	2nd	Almo Distribution	N/A	CBRE
5	8730 Military Rd	North Valleys Ind	269,620	1st	Fosdick Fulfillment	N/A	CBRE
6	1600 E Newlands Dr	Fernley Ind	266,000	4th	N/A	N/A	Kidder Mathews
7	1450 E Greg St	Sparks Ind	201,295	3rd	Panasonic	Dickson Commercial Group	CBRE
8	811 Sandhill Rd	South Reno Ind	180,792	1st	Zazzle	NewmarkCornish&Carey;KidderMat	Kidder Mathews
9	620 Spice Islands Dr	Sparks Ind	176,308	1st	N/A	McIntyre Real Estate Services	CBRE
10	843 Trademark Dr	South Reno Ind	170,000	3rd	Elite Spice	N/A	McKenzie Properties
11	9460 N Virginia St	North Valleys Ind	162,086	3rd	Barrier Safe Solutions	N/A	Kidder Mathews
12	45 Vista Blvd*	Sparks Ind	161,437	3rd	Express Messenger	Colliers International	N/A
13	10880 Lear Blvd	North Valleys Ind	161,200	4th	N/A	N/A	Prologis; CBRE
14	9175 Moya Blvd	North Valleys Ind	150,000	1st	Tagg Logistics	Colliers International	Kidder Mathews
15	12995 Echo Ct	North Valleys Ind	112,500	3rd	CV Oils	N/A	Kidder Mathews
16	9085 Moya Blvd	North Valleys Ind	96,000	4th	N/A	N/A	Prologis; Kidder Mathews
17	9393 Gateway Dr*	South Reno Ind	93,257	1st	South Reno Athletic Club	N/A	N/A
18	900 N Hills Blvd	North Valleys Ind	88,000	3rd	Fulfillment Works	N/A	CBRE
19	630 Spice Islands Dr	Sparks Ind	87,127	1st	Geodis	McIntyre Real Estate Services	CBRE
20	10880 Lear Blvd	North Valleys Ind	79,300	3rd	N/A	N/A	Prologis; CBRE
21	350 Lillard Dr	Sparks Ind	77,250	3rd	N/A	N/A	Kidder Mathews
22	1280 Icehouse Ave	Sparks Ind	77,000	2nd	Admiral Boat Storage	NAI Alliance Commercial Real Estate	McKenzie Properties
23	725 Greg St*	Sparks Ind	76,505	3rd	Intelligent Lifecycle	N/A	Kidder Mathews
24	725 Greg St*	Sparks Ind	76,505	2nd	Intelligent Lifecycle	N/A	New Horizon NV LLC
25	4950 Joule St	Airport Ind	74,610	3rd	TRC Industries	N/A	RE/MAX Premier Properties
26	10991 Lear Blvd	North Valleys Ind	72,027	2nd	N/A	N/A	CBRE
27	855 Sandhill Rd	South Reno Ind	65,600	2nd	N/A	N/A	N/A
28	14525 Industry Cir	North Valleys Ind	64,000	1st	Waxmam Sales	AvisonYoung/WesternAlliance	Kidder Mathews
29	750 S Rock Blvd	Airport Ind	62,720	3rd	Sunstate Equipment	Dickson Commercial Group	McKenzie Properties
30	902 N Hills Blvd	North Valleys Ind	61,875	4th	N/A	N/A	NAI Alliance Commercial
31	1170 Trademark Dr*	South Reno Ind	59,500	2nd	Bloch, Inc.	Colliers International	Colliers International
32	380 Parr Blvd	North Valleys Ind	56,000	2nd	Bender Warehouse Company	Perkins Company Nevada	Miller Industrial Properties
33	1445 South Meadows Pky	South Reno Ind	56,000	1st	Rounders Entertainment Group	N/A	N/A
34	4910 Longley Ln	Airport Ind	54,534	2nd	N/A	N/A	Kidder Mathews
35	4875 Aircenter Cir	Airport Ind	53,000	1st	Michael Lewis Company	McIntyre Real Estate Services	CBRE
36	855 Sandhill Rd	South Reno Ind	51,776	2nd	Elemental LED	N/A	Kidder Mathews
37	960 United Cir	Sparks Ind	50,336	4th	N/A	N/A	Kidder Mathews
38	902-930 Kleppe Ln	Sparks Ind	48,296	3rd	N/A	N/A	Kidder Mathews
39	1316 Capital Blvd	Airport Ind	47,736	2nd	N/A	N/A	Kidder Mathews
40	1005 Standard St	North Valleys Ind	46,535	2nd	N/A	N/A	Stark & Associates

Source: CoStar Property®

* Renewal

Reno/Sparks Industrial Market

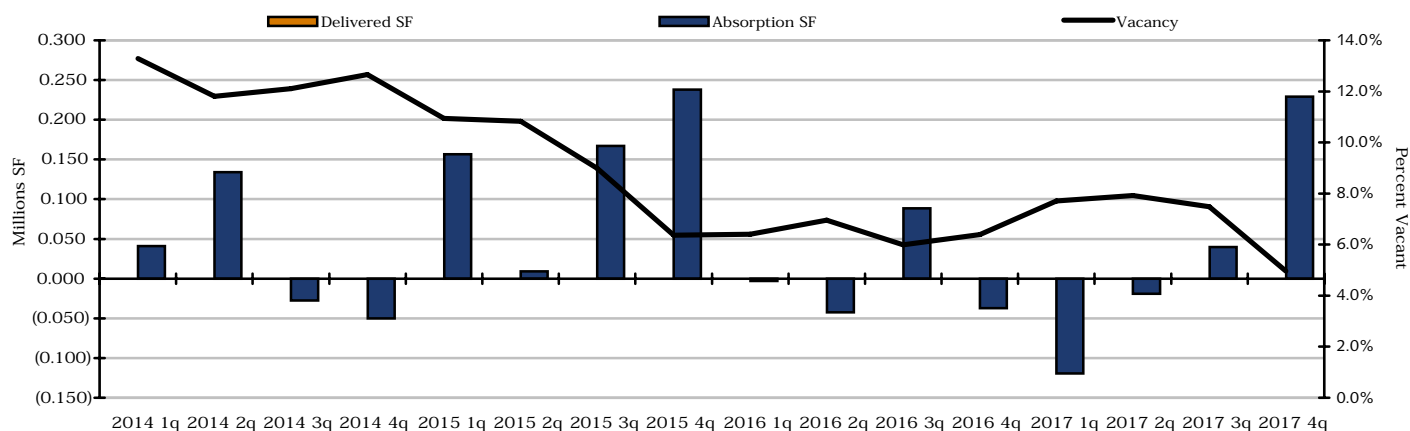


Airport Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

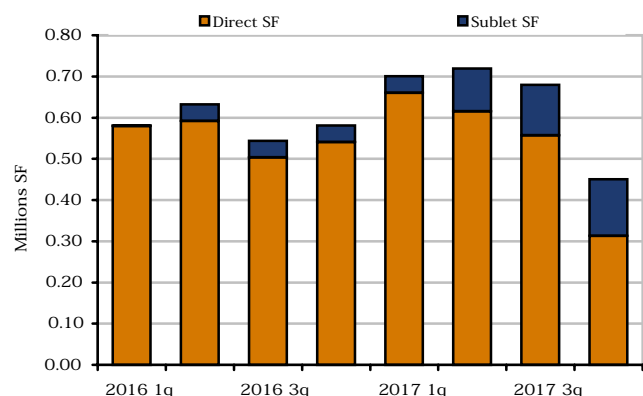
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

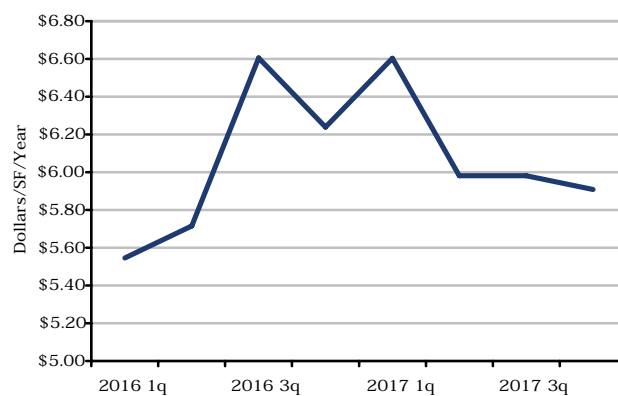
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	222	9,080,709	450,381	5.0%	228,946	0	0	0	0	\$5.91
2017 3q	222	9,080,709	679,327	7.5%	39,864	0	0	0	0	\$5.98
2017 2q	222	9,080,709	719,191	7.9%	(18,957)	0	0	0	0	\$5.98
2017 1q	222	9,080,709	700,234	7.7%	(119,286)	0	0	0	0	\$6.60
2016 4q	222	9,080,709	580,948	6.4%	(37,381)	0	0	0	0	\$6.24
2016 3q	222	9,080,709	543,567	6.0%	88,647	0	0	0	0	\$6.60
2016 2q	222	9,080,709	632,214	7.0%	(42,597)	0	0	0	0	\$5.71
2016 1q	221	9,071,709	580,617	6.4%	(3,101)	0	0	1	9,000	\$5.55
2015 4q	221	9,071,709	577,516	6.4%	238,138	0	0	1	9,000	\$5.33
2015 3q	221	9,071,709	815,654	9.0%	167,247	0	0	0	0	\$5.46
2015 2q	221	9,071,709	982,901	10.8%	9,309	0	0	0	0	\$5.42
2015 1q	221	9,071,709	992,210	10.9%	156,579	0	0	0	0	\$5.22
2014 4q	221	9,071,709	1,148,789	12.7%	(50,173)	0	0	0	0	\$4.98
2014 3q	221	9,071,709	1,098,616	12.1%	(27,529)	0	0	0	0	\$4.94
2014 2q	221	9,071,709	1,071,087	11.8%	134,000	0	0	0	0	\$5.05
2014 1q	221	9,071,709	1,205,087	13.3%	40,932	0	0	0	0	\$5.36

Source: CoStar Property®



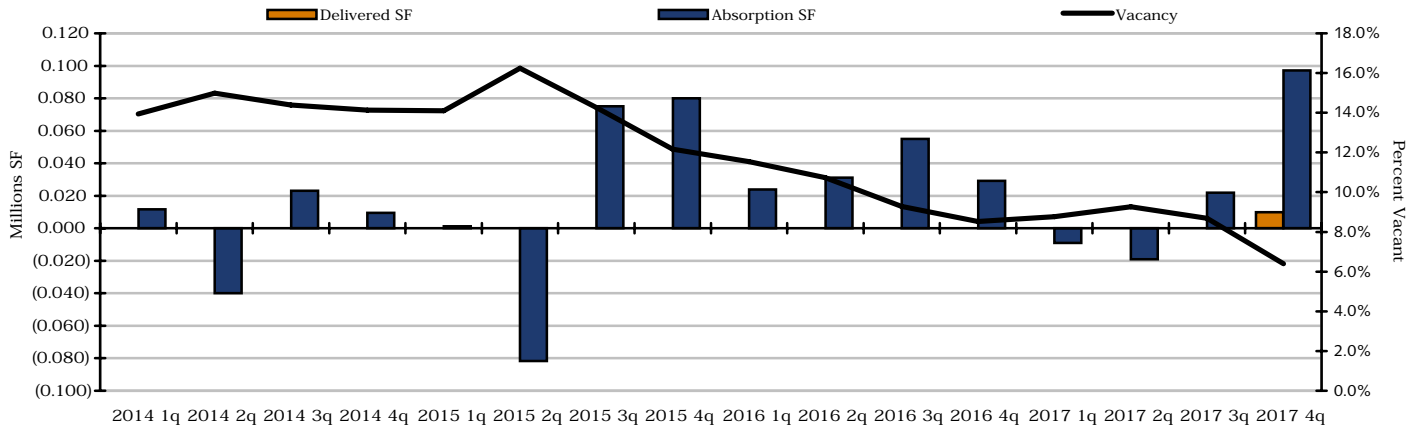
Reno/Sparks Industrial Market

Carson City County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

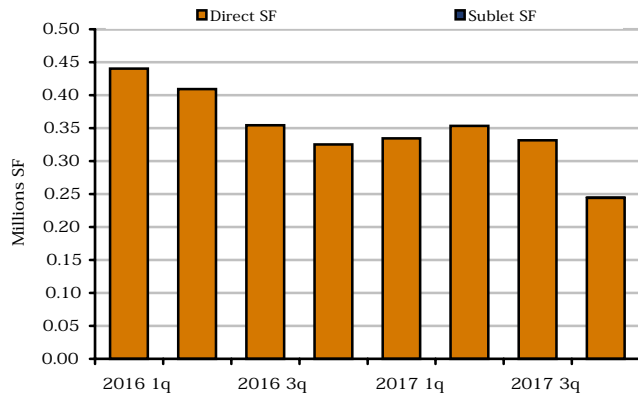
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

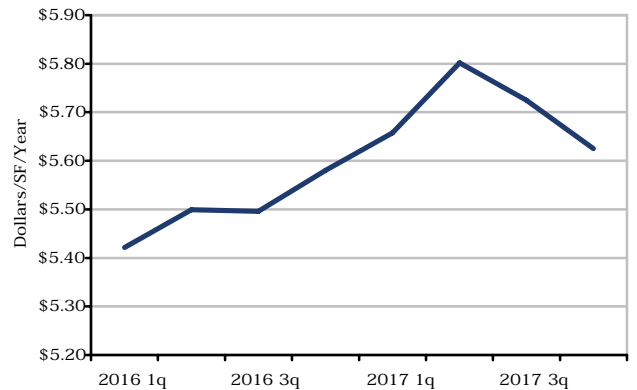
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	175	3,825,019	244,424	6.4%	97,085	1	10,000	0	0	\$5.62
2017 3q	174	3,815,019	331,509	8.7%	21,920	0	0	1	10,000	\$5.72
2017 2q	174	3,815,019	353,429	9.3%	(19,106)	0	0	1	10,000	\$5.80
2017 1q	174	3,815,019	334,323	8.8%	(9,072)	0	0	0	0	\$5.66
2016 4q	174	3,815,019	325,251	8.5%	29,115	0	0	0	0	\$5.58
2016 3q	174	3,815,019	354,366	9.3%	54,996	0	0	0	0	\$5.50
2016 2q	174	3,815,019	409,362	10.7%	31,097	0	0	0	0	\$5.50
2016 1q	174	3,815,019	440,459	11.5%	23,879	0	0	0	0	\$5.42
2015 4q	174	3,815,019	464,338	12.2%	79,923	0	0	0	0	\$5.42
2015 3q	174	3,815,019	544,261	14.3%	75,176	0	0	0	0	\$5.24
2015 2q	174	3,815,019	619,437	16.2%	(81,629)	0	0	0	0	\$5.20
2015 1q	174	3,815,019	537,808	14.1%	1,315	0	0	0	0	\$5.80
2014 4q	174	3,815,019	539,123	14.1%	9,603	0	0	0	0	\$5.82
2014 3q	174	3,815,019	548,726	14.4%	23,086	0	0	0	0	\$5.97
2014 2q	174	3,815,019	571,812	15.0%	(39,990)	0	0	0	0	\$5.96
2014 1q	174	3,815,019	531,822	13.9%	11,634	0	0	0	0	\$6.12

Source: CoStar Property®

Reno/Sparks Industrial Market

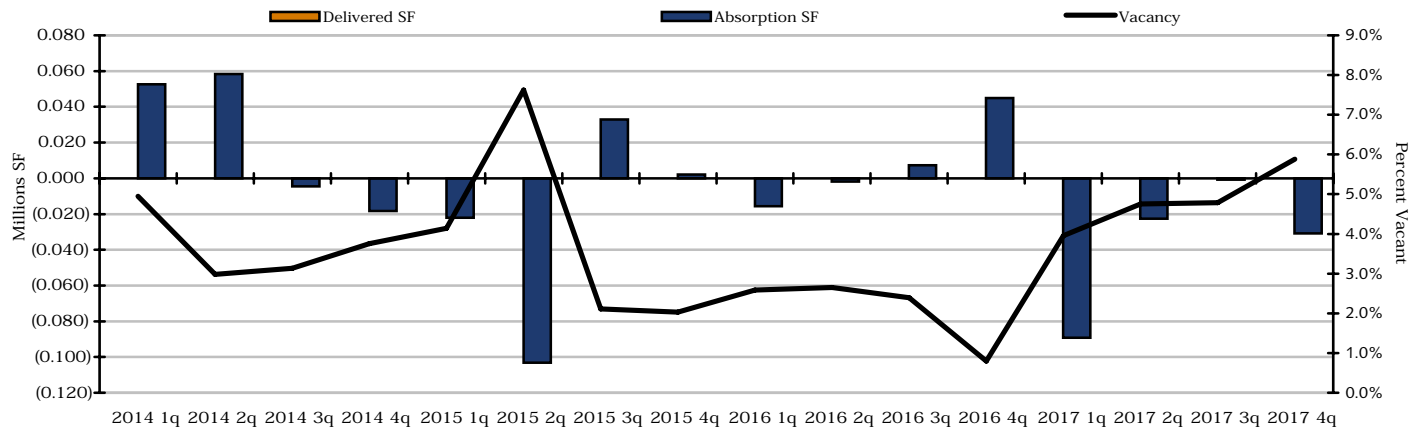


Central Reno Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

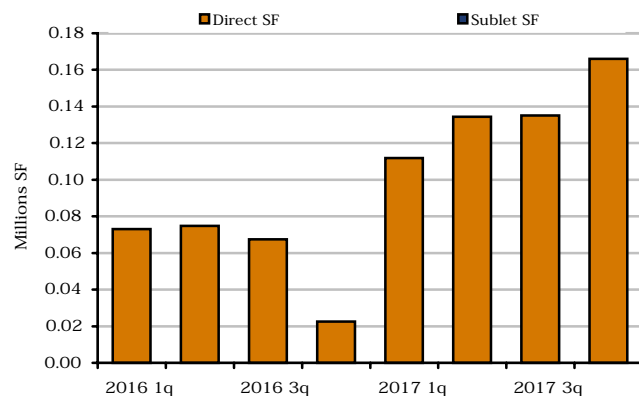
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

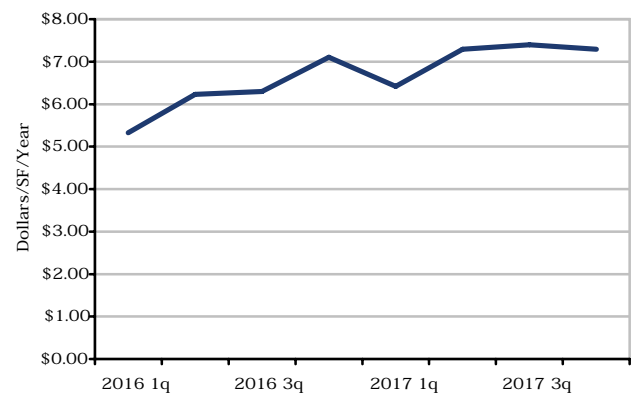
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	214	2,823,823	165,990	5.9%	(30,894)	0	0	0	0	\$7.29
2017 3q	214	2,823,823	135,096	4.8%	(755)	0	0	0	0	\$7.40
2017 2q	214	2,823,823	134,341	4.8%	(22,533)	0	0	0	0	\$7.29
2017 1q	214	2,823,823	111,808	4.0%	(89,261)	0	0	0	0	\$6.42
2016 4q	214	2,823,823	22,547	0.8%	44,991	0	0	0	0	\$7.11
2016 3q	214	2,823,823	67,538	2.4%	7,302	0	0	0	0	\$6.30
2016 2q	214	2,823,823	74,840	2.7%	(1,863)	0	0	0	0	\$6.23
2016 1q	214	2,823,823	72,977	2.6%	(15,639)	0	0	0	0	\$5.33
2015 4q	214	2,823,823	57,338	2.0%	2,187	0	0	0	0	\$5.33
2015 3q	214	2,823,823	59,525	2.1%	32,913	0	0	0	0	\$5.29
2015 2q	215	2,956,857	225,472	7.6%	(103,094)	0	0	0	0	\$5.15
2015 1q	215	2,956,857	122,378	4.1%	(22,059)	0	0	0	0	\$5.21
2014 4q	216	2,967,895	111,357	3.8%	(18,308)	0	0	0	0	\$5.27
2014 3q	216	2,967,895	93,049	3.1%	(4,454)	0	0	0	0	\$4.89
2014 2q	216	2,967,895	88,595	3.0%	58,302	0	0	0	0	\$4.82
2014 1q	216	2,967,895	146,897	4.9%	52,594	0	0	0	0	\$4.56

Source: CoStar Property®



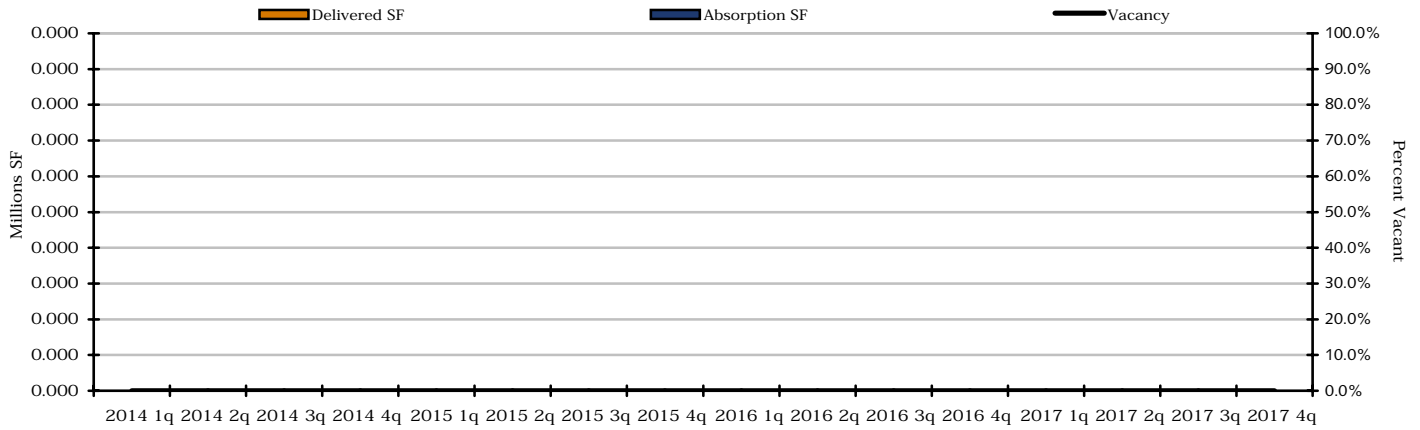
Reno/Sparks Industrial Market

Churchill County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

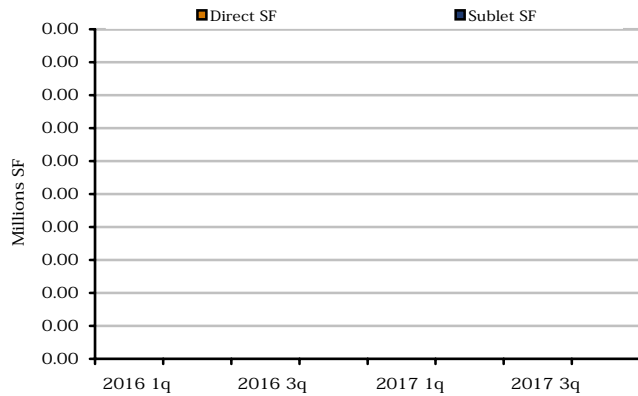
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

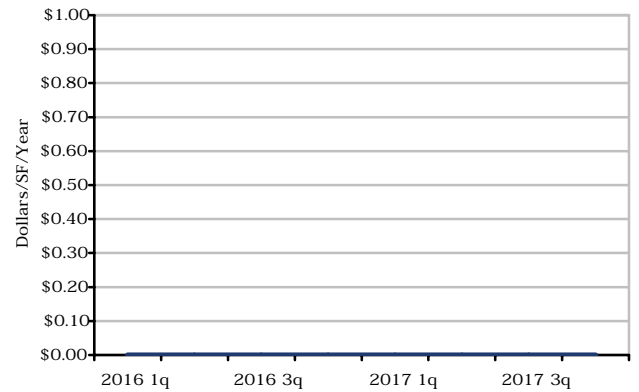
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2017 3q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2017 2q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2017 1q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2016 4q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2016 3q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2016 2q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2016 1q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2015 4q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2015 3q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2015 2q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2015 1q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2014 4q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2014 3q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2014 2q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00
2014 1q	1	7,602	0	0.0%	0	0	0	0	0	\$0.00

Source: CoStar Property®

Reno/Sparks Industrial Market

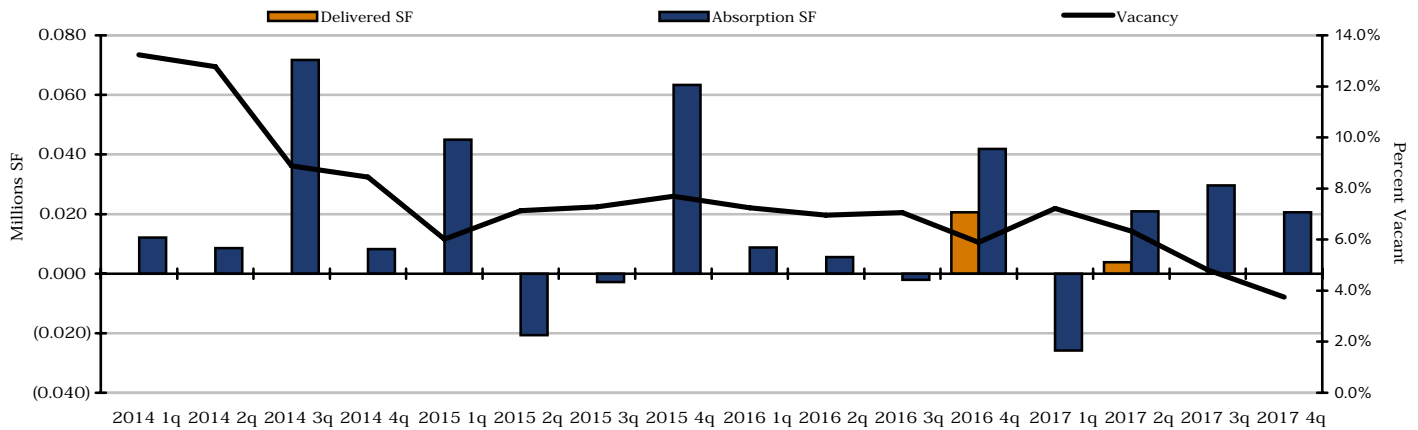


Douglas County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

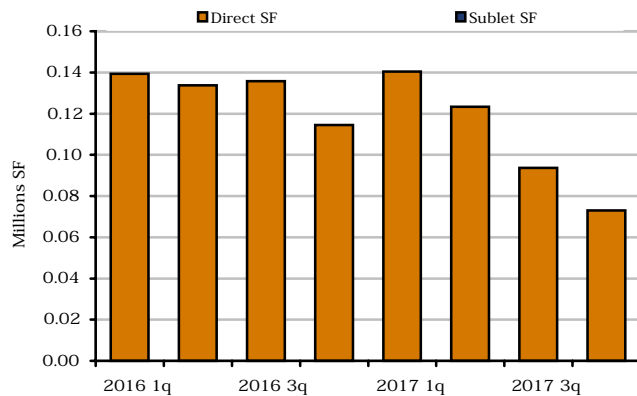
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

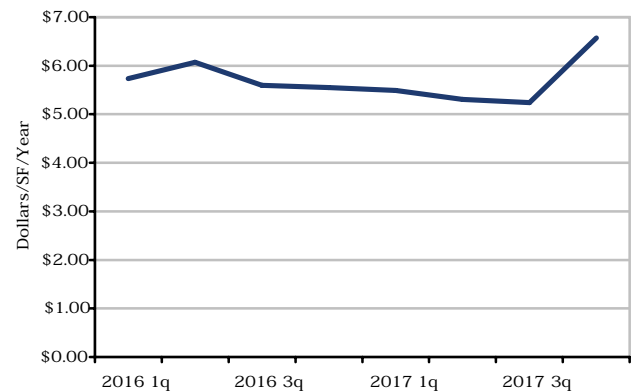
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	73	1,948,175	73,080	3.8%	20,630	0	0	0	0	\$6.57
2017 3q	73	1,948,175	93,710	4.8%	29,588	0	0	0	0	\$5.24
2017 2q	73	1,948,175	123,298	6.3%	20,910	2	3,836	0	0	\$5.31
2017 1q	71	1,944,339	140,372	7.2%	(25,869)	0	0	2	3,836	\$5.49
2016 4q	71	1,944,339	114,503	5.9%	41,835	1	20,538	0	0	\$5.55
2016 3q	70	1,923,801	135,800	7.1%	(2,040)	0	0	1	20,538	\$5.60
2016 2q	70	1,923,801	133,760	7.0%	5,591	0	0	1	20,538	\$6.07
2016 1q	70	1,923,801	139,351	7.2%	8,745	0	0	1	20,538	\$5.74
2015 4q	70	1,923,801	148,096	7.7%	63,386	0	0	1	20,538	\$5.75
2015 3q	69	1,846,801	134,482	7.3%	(2,805)	0	0	2	97,538	\$5.98
2015 2q	69	1,846,801	131,677	7.1%	(20,685)	0	0	2	97,538	\$5.81
2015 1q	69	1,846,801	110,992	6.0%	44,955	0	0	1	77,000	\$5.70
2014 4q	69	1,846,801	155,947	8.4%	8,220	0	0	0	0	\$5.35
2014 3q	69	1,846,801	164,167	8.9%	71,708	0	0	0	0	\$4.95
2014 2q	69	1,846,801	235,875	12.8%	8,566	0	0	0	0	\$4.95
2014 1q	69	1,846,801	244,441	13.2%	12,074	0	0	0	0	\$5.07

Source: CoStar Property®

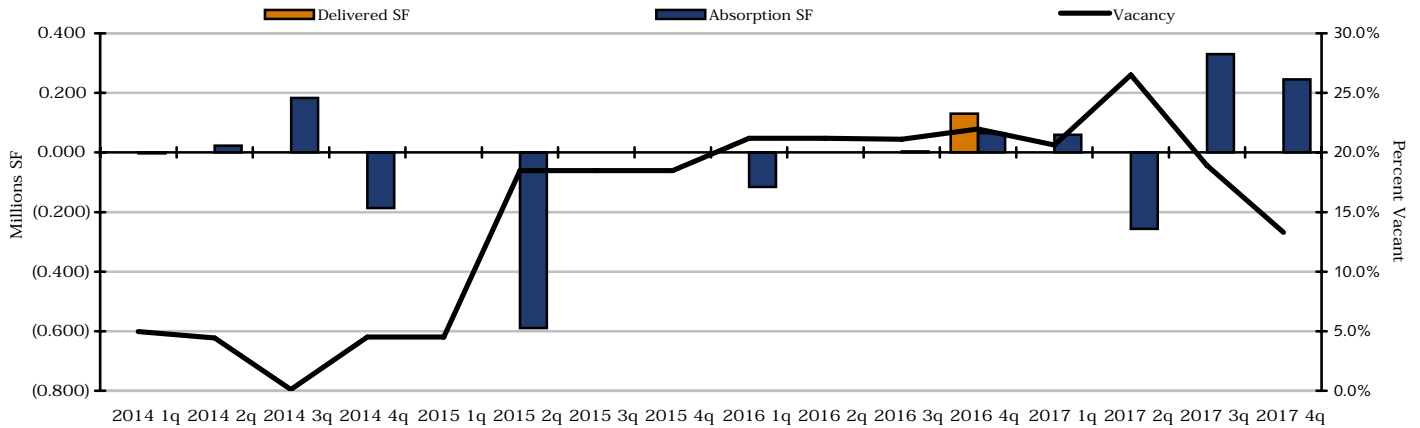


Reno/Sparks Industrial Market

Fernley Market
MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

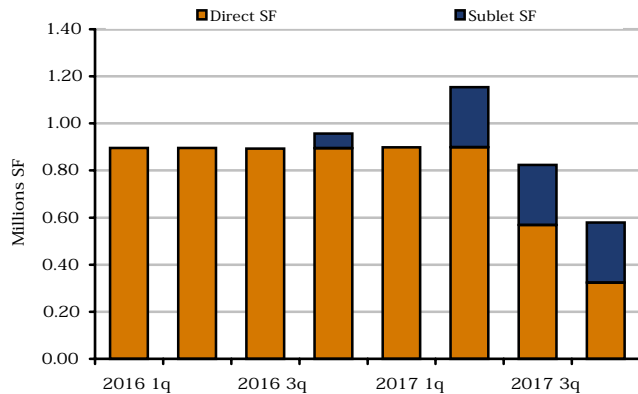
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

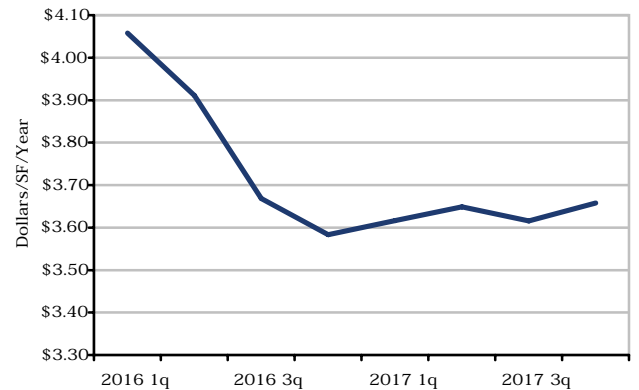
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	45	4,356,210	578,975	13.3%	244,910	0	0	0	0	\$3.66
2017 3q	45	4,356,210	823,885	18.9%	330,410	0	0	0	0	\$3.62
2017 2q	45	4,356,210	1,154,295	26.5%	(256,300)	0	0	0	0	\$3.65
2017 1q	45	4,356,210	897,995	20.6%	59,300	0	0	0	0	\$3.62
2016 4q	45	4,356,210	957,295	22.0%	65,200	1	130,000	0	0	\$3.58
2016 3q	44	4,226,210	892,495	21.1%	3,240	0	0	1	130,000	\$3.67
2016 2q	44	4,226,210	895,735	21.2%	0	0	0	0	0	\$3.91
2016 1q	44	4,226,210	895,735	21.2%	(115,200)	0	0	0	0	\$4.06
2015 4q	44	4,226,210	780,535	18.5%	0	0	0	0	0	\$4.06
2015 3q	44	4,226,210	780,535	18.5%	0	0	0	0	0	\$4.06
2015 2q	44	4,226,210	780,535	18.5%	(589,520)	0	0	0	0	\$3.97
2015 1q	44	4,226,210	191,015	4.5%	0	0	0	0	0	\$4.21
2014 4q	44	4,226,210	191,015	4.5%	(186,675)	0	0	0	0	\$4.30
2014 3q	44	4,226,210	4,340	0.1%	183,435	0	0	0	0	\$4.15
2014 2q	44	4,226,210	187,775	4.4%	22,500	0	0	0	0	\$4.15
2014 1q	44	4,226,210	210,275	5.0%	(3,240)	0	0	0	0	\$3.03

Source: CoStar Property®

Reno/Sparks Industrial Market

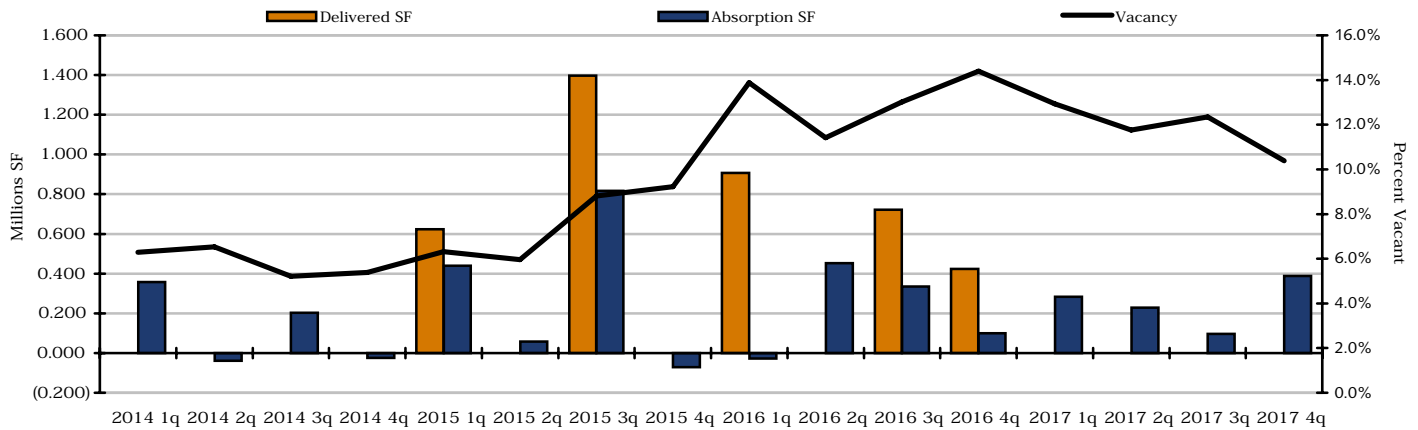


North Valleys Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

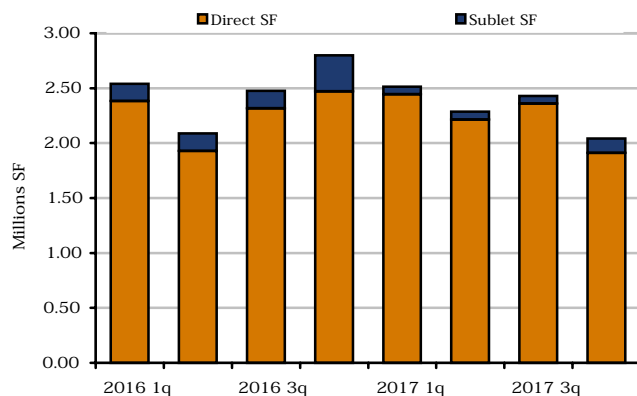
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

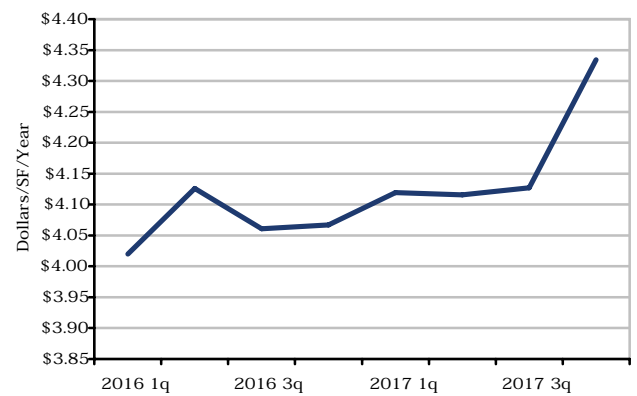
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	202	19,675,274	2,042,674	10.4%	387,811	0	0	1	352,957	\$4.33
2017 3q	202	19,675,274	2,430,485	12.4%	95,966	0	0	1	352,957	\$4.13
2017 2q	201	19,434,774	2,285,951	11.8%	228,984	0	0	2	593,457	\$4.12
2017 1q	201	19,434,774	2,514,935	12.9%	282,962	0	0	1	240,500	\$4.12
2016 4q	201	19,434,774	2,797,897	14.4%	99,535	1	423,001	1	240,500	\$4.07
2016 3q	200	19,011,773	2,474,431	13.0%	335,252	1	722,512	1	423,001	\$4.06
2016 2q	199	18,289,261	2,087,171	11.4%	452,443	0	0	2	1,145,513	\$4.13
2016 1q	199	18,289,261	2,539,614	13.9%	(27,974)	2	907,660	1	722,512	\$4.02
2015 4q	197	17,381,601	1,603,980	9.2%	(71,578)	0	0	3	1,630,172	\$4.08
2015 3q	197	17,381,601	1,532,402	8.8%	816,900	3	1,396,960	1	200,000	\$3.99
2015 2q	194	15,984,641	952,342	6.0%	58,197	0	0	4	1,596,960	\$4.01
2015 1q	194	15,984,641	1,010,539	6.3%	439,673	1	624,000	4	1,596,960	\$4.07
2014 4q	193	15,360,641	826,212	5.4%	(25,061)	0	0	3	1,250,960	\$4.03
2014 3q	193	15,360,641	801,151	5.2%	202,400	0	0	1	624,000	\$3.92
2014 2q	193	15,360,641	1,003,551	6.5%	(38,240)	0	0	1	624,000	\$3.77
2014 1q	193	15,360,641	965,311	6.3%	357,309	0	0	0	0	\$3.52

Source: CoStar Property®



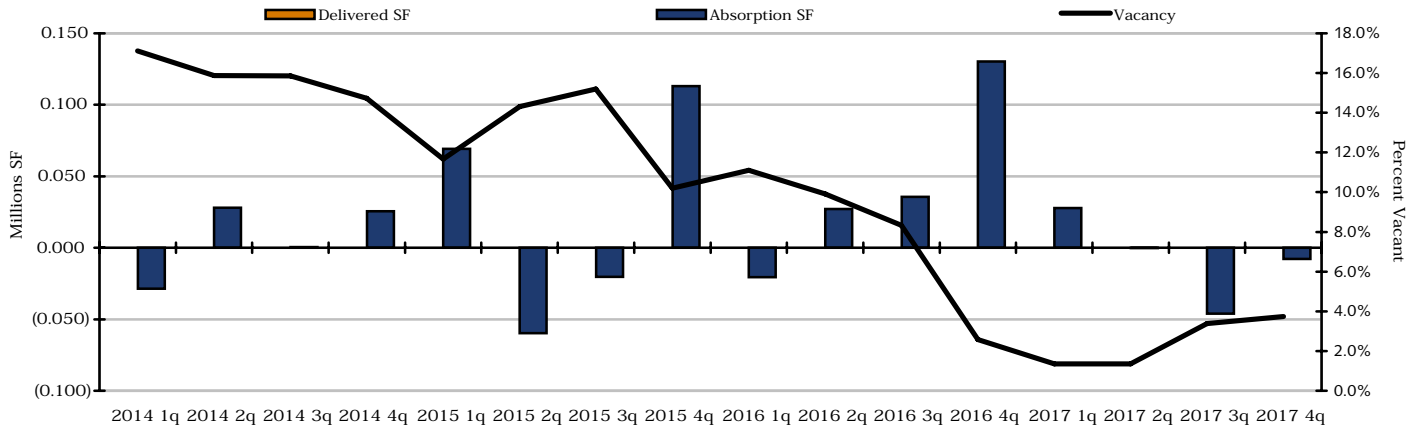
Reno/Sparks Industrial Market

S Lyon County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

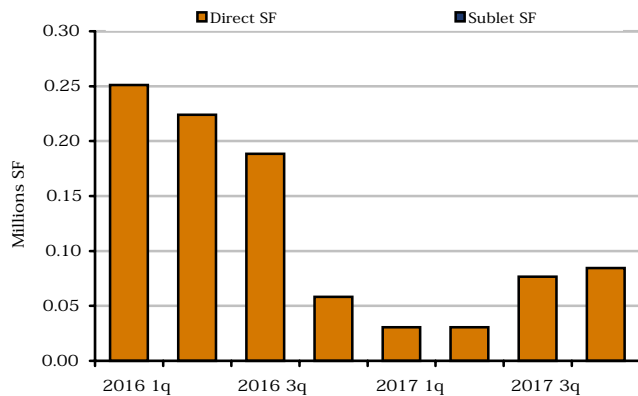
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

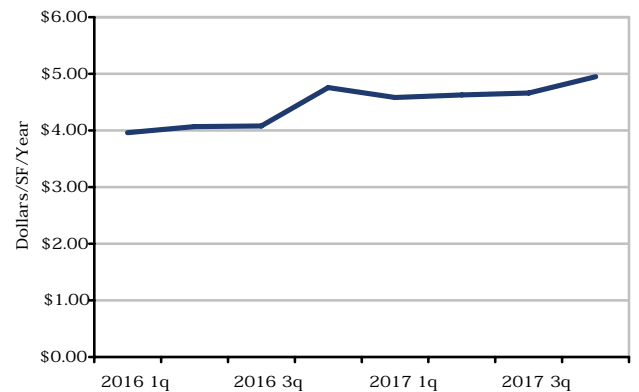
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	117	2,261,492	84,561	3.7%	(7,898)	0	0	0	0	\$4.95
2017 3q	117	2,261,492	76,663	3.4%	(45,989)	0	0	0	0	\$4.66
2017 2q	117	2,261,492	30,674	1.4%	(200)	0	0	0	0	\$4.63
2017 1q	117	2,261,492	30,474	1.3%	27,845	0	0	0	0	\$4.58
2016 4q	117	2,261,492	58,319	2.6%	130,240	0	0	0	0	\$4.76
2016 3q	117	2,261,492	188,559	8.3%	35,525	0	0	0	0	\$4.08
2016 2q	117	2,261,492	224,084	9.9%	27,041	0	0	0	0	\$4.07
2016 1q	117	2,261,492	251,125	11.1%	(20,586)	0	0	0	0	\$3.96
2015 4q	117	2,261,492	230,539	10.2%	113,180	0	0	0	0	\$3.77
2015 3q	117	2,261,492	343,719	15.2%	(20,230)	0	0	0	0	\$3.68
2015 2q	117	2,261,492	323,489	14.3%	(59,706)	0	0	0	0	\$3.48
2015 1q	117	2,261,492	263,783	11.7%	69,302	0	0	0	0	\$3.35
2014 4q	117	2,261,492	333,085	14.7%	25,478	0	0	0	0	\$3.08
2014 3q	117	2,261,492	358,563	15.9%	390	0	0	0	0	\$3.07
2014 2q	117	2,261,492	358,953	15.9%	28,040	0	0	0	0	\$3.10
2014 1q	117	2,261,492	386,993	17.1%	(28,600)	0	0	0	0	\$3.11

Source: CoStar Property®

Reno/Sparks Industrial Market

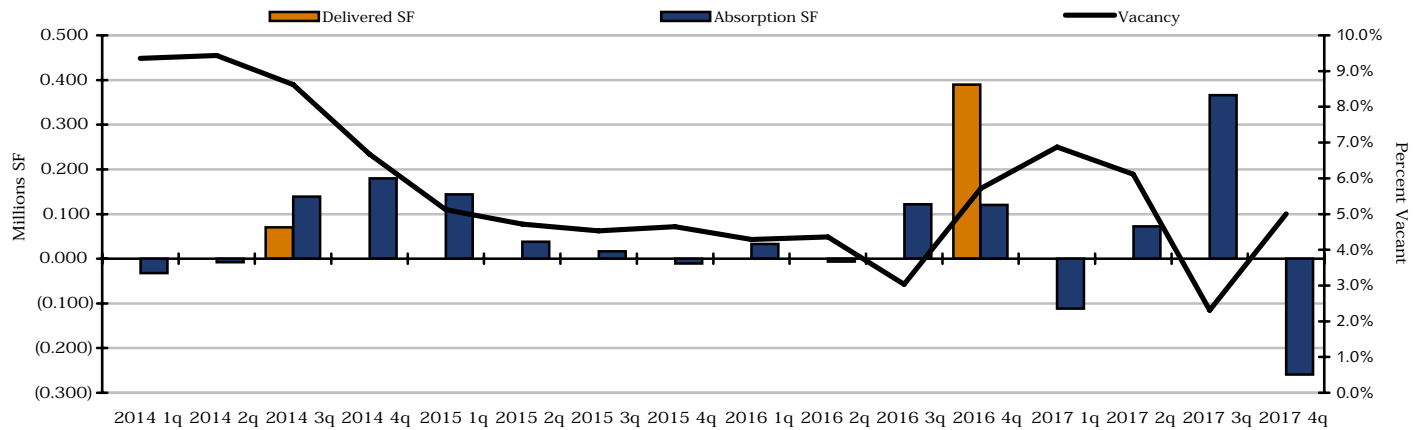


South Reno Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

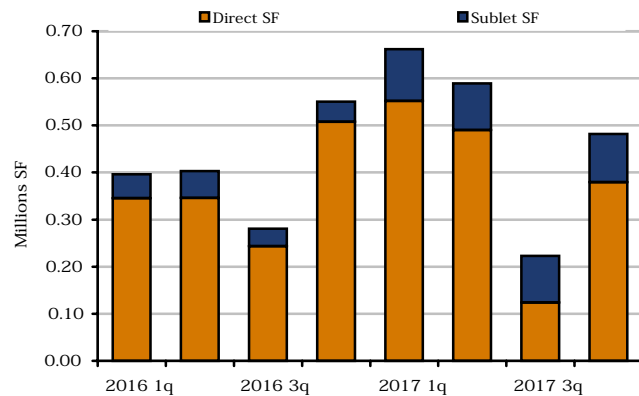
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

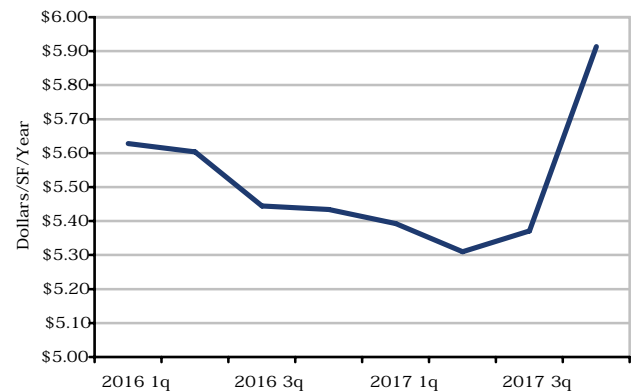
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	160	9,634,157	481,938	5.0%	(259,030)	0	0	1	52,000	\$5.91
2017 3q	160	9,634,157	222,908	2.3%	366,375	0	0	1	52,000	\$5.37
2017 2q	160	9,634,157	589,283	6.1%	72,728	0	0	1	52,000	\$5.31
2017 1q	160	9,634,157	662,011	6.9%	(111,819)	0	0	1	52,000	\$5.39
2016 4q	160	9,634,157	550,192	5.7%	120,361	2	389,792	1	52,000	\$5.43
2016 3q	158	9,244,365	280,761	3.0%	121,984	0	0	2	389,792	\$5.44
2016 2q	158	9,244,365	402,745	4.4%	(6,222)	0	0	1	209,000	\$5.60
2016 1q	158	9,244,365	396,523	4.3%	32,794	0	0	0	0	\$5.63
2015 4q	158	9,244,365	429,317	4.6%	(10,299)	0	0	0	0	\$5.74
2015 3q	158	9,244,365	419,018	4.5%	16,778	0	0	0	0	\$5.55
2015 2q	158	9,244,365	435,796	4.7%	37,793	0	0	0	0	\$5.39
2015 1q	158	9,244,365	473,589	5.1%	143,931	0	0	0	0	\$5.17
2014 4q	158	9,244,365	617,520	6.7%	179,612	0	0	0	0	\$4.98
2014 3q	158	9,244,365	797,132	8.6%	138,832	1	70,000	0	0	\$4.91
2014 2q	157	9,174,365	865,964	9.4%	(8,027)	0	0	1	70,000	\$4.93
2014 1q	157	9,174,365	857,937	9.4%	(32,196)	0	0	0	0	\$4.82

Source: CoStar Property®

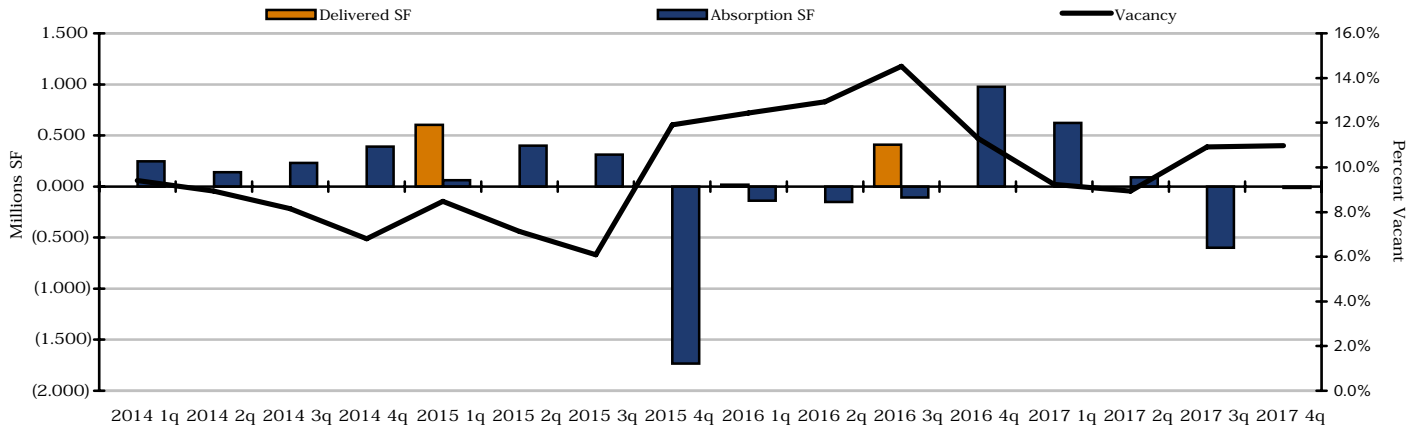


Reno/Sparks Industrial Market

Sparks Market
MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

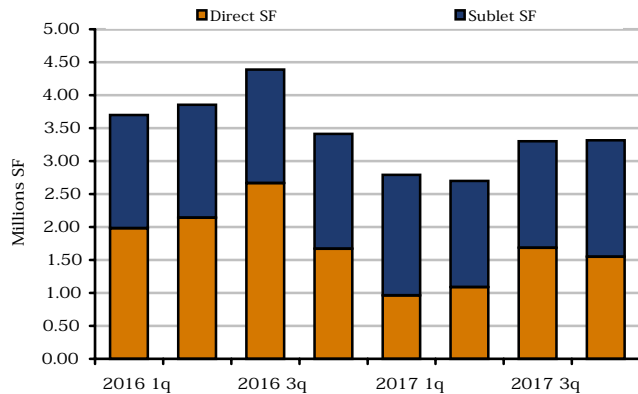
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

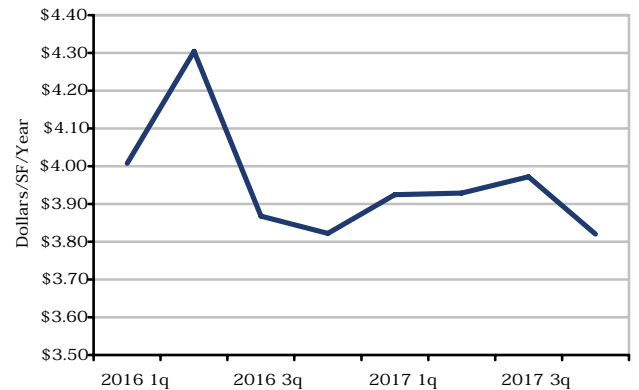
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	715	30,210,358	3,313,193	11.0%	(14,495)	0	0	0	0	\$3.82
2017 3q	715	30,210,358	3,298,698	10.9%	(599,144)	0	0	0	0	\$3.97
2017 2q	715	30,210,358	2,699,554	8.9%	90,433	0	0	0	0	\$3.93
2017 1q	715	30,210,358	2,789,987	9.2%	623,540	0	0	0	0	\$3.92
2016 4q	715	30,210,358	3,413,527	11.3%	975,525	0	0	0	0	\$3.82
2016 3q	715	30,210,358	4,389,052	14.5%	(107,549)	1	409,600	0	0	\$3.87
2016 2q	713	29,781,358	3,852,503	12.9%	(151,620)	0	0	2	429,000	\$4.30
2016 1q	713	29,781,358	3,700,883	12.4%	(138,149)	1	19,400	2	429,000	\$4.01
2015 4q	712	29,761,958	3,543,334	11.9%	(1,732,663)	0	0	1	19,400	\$3.95
2015 3q	712	29,761,958	1,810,671	6.1%	311,831	0	0	1	19,400	\$3.96
2015 2q	712	29,761,958	2,122,502	7.1%	401,167	0	0	0	0	\$3.89
2015 1q	712	29,761,958	2,523,669	8.5%	63,107	1	603,000	0	0	\$3.97
2014 4q	711	29,158,958	1,983,776	6.8%	392,141	0	0	1	603,000	\$3.89
2014 3q	711	29,158,958	2,375,917	8.1%	230,951	0	0	1	603,000	\$3.88
2014 2q	711	29,158,958	2,606,868	8.9%	138,737	0	0	0	0	\$3.79
2014 1q	711	29,158,958	2,745,605	9.4%	245,709	0	0	0	0	\$3.70

Source: CoStar Property®

Reno/Sparks Industrial Market

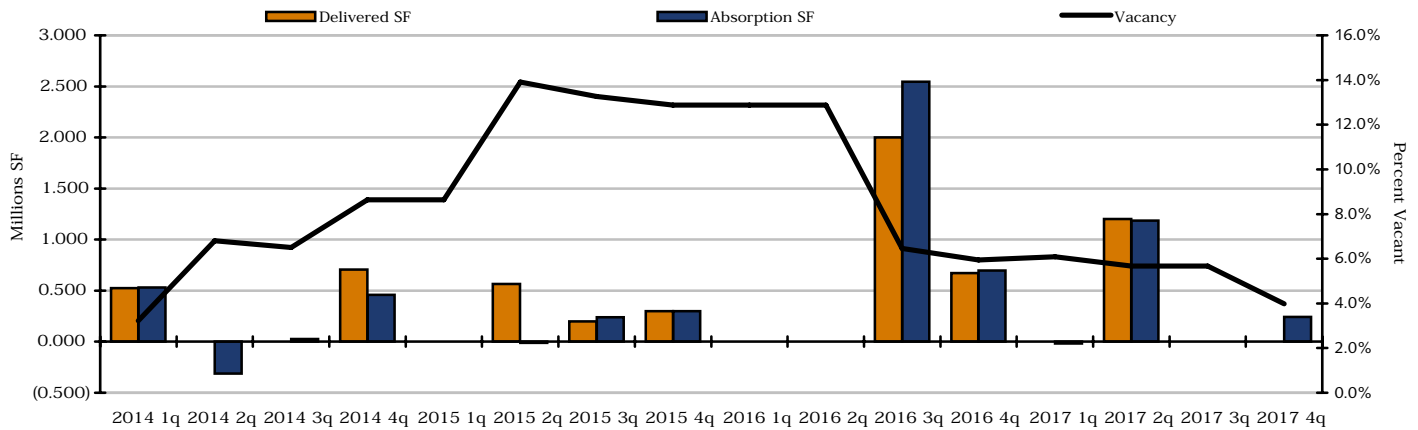


Storey County Market

MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

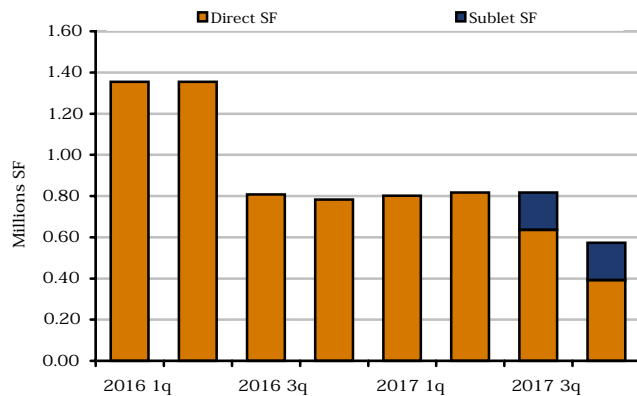
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

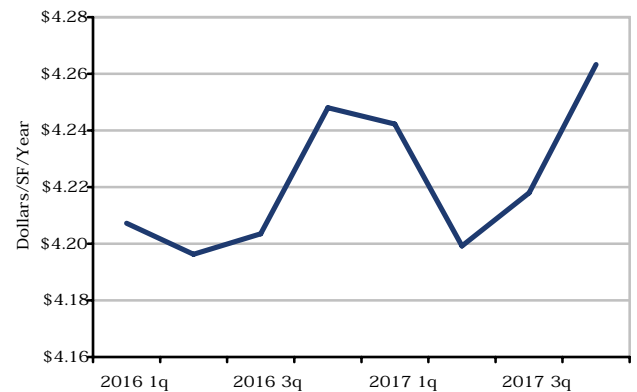
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	67	14,389,746	573,961	4.0%	243,039	0	0	1	3,800,000	\$4.26
2017 3q	67	14,389,746	817,000	5.7%	0	0	0	1	3,800,000	\$4.22
2017 2q	67	14,389,746	817,000	5.7%	1,186,047	1	1,200,947	1	3,800,000	\$4.20
2017 1q	66	13,188,799	802,100	6.1%	(18,710)	0	0	2	5,000,947	\$4.24
2016 4q	66	13,188,799	783,390	5.9%	697,100	1	672,000	2	5,000,947	\$4.25
2016 3q	65	12,516,799	808,490	6.5%	2,545,660	1	2,000,000	3	5,672,947	\$4.20
2016 2q	64	10,516,799	1,354,150	12.9%	0	0	0	4	7,672,947	\$4.20
2016 1q	64	10,516,799	1,354,150	12.9%	300	0	0	3	7,000,947	\$4.21
2015 4q	64	10,516,799	1,354,450	12.9%	299,995	1	300,000	3	7,000,947	\$4.11
2015 3q	63	10,216,799	1,354,445	13.3%	239,290	1	200,000	4	7,300,947	\$4.09
2015 2q	62	10,016,799	1,393,735	13.9%	(10,185)	1	566,660	5	7,500,947	\$4.09
2015 1q	61	9,450,139	816,890	8.6%	(5)	0	0	6	8,067,607	\$4.08
2014 4q	61	9,450,139	816,885	8.6%	458,780	1	707,010	4	6,566,660	\$4.14
2014 3q	60	8,743,129	568,655	6.5%	26,331	0	0	2	907,010	\$4.03
2014 2q	60	8,743,129	594,986	6.8%	(313,370)	0	0	1	707,010	\$4.01
2014 1q	60	8,743,129	281,616	3.2%	530,800	1	524,800	1	707,010	\$3.87

Source: CoStar Property®

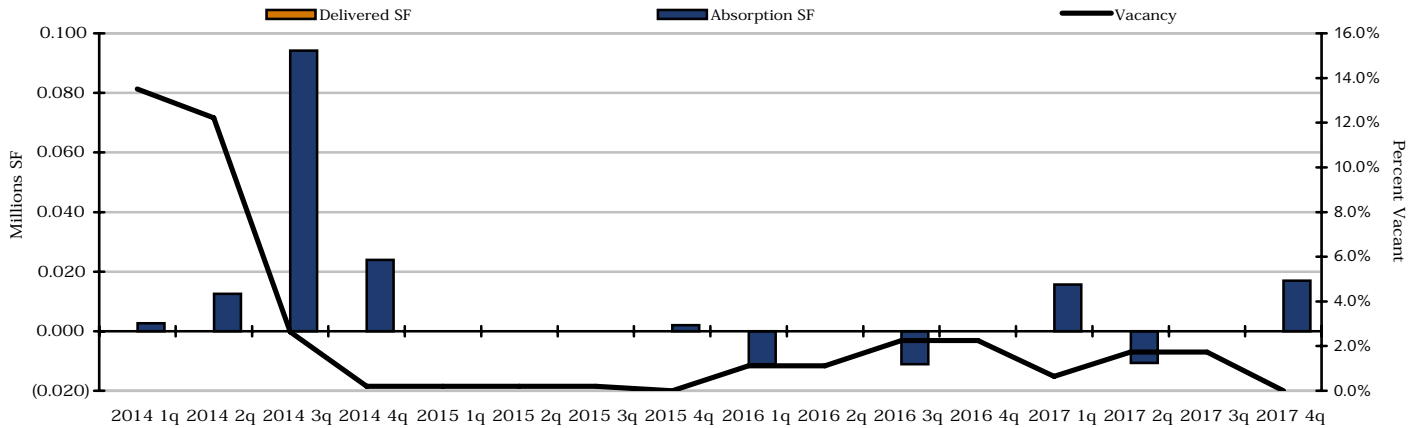


Reno/Sparks Industrial Market

West Reno Market
MARKET HIGHLIGHTS - Flex & Warehouse

Deliveries, Absorption & Vacancy

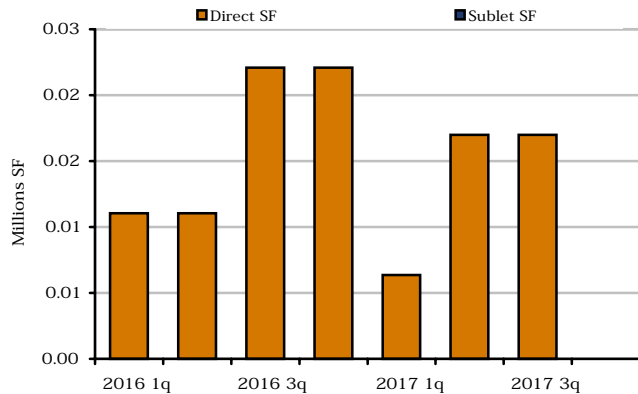
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Vacant Space

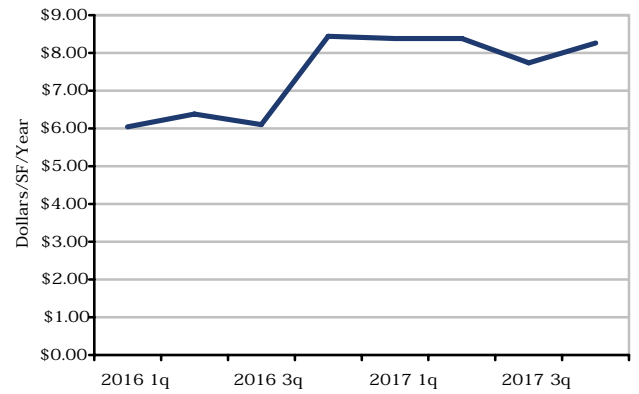
Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Quoted Rental Rates

Historical Analysis, Flex and Warehouse



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2017 4q	36	982,253	0	0.0%	17,000	0	0	0	0	\$8.27
2017 3q	36	982,253	17,000	1.7%	0	0	0	0	0	\$7.74
2017 2q	36	982,253	17,000	1.7%	(10,634)	0	0	0	0	\$8.38
2017 1q	36	982,253	6,366	0.6%	15,714	0	0	0	0	\$8.38
2016 4q	36	982,253	22,080	2.2%	0	0	0	0	0	\$8.44
2016 3q	36	982,253	22,080	2.2%	(11,040)	0	0	0	0	\$6.10
2016 2q	36	982,253	11,040	1.1%	0	0	0	0	0	\$6.38
2016 1q	36	982,253	11,040	1.1%	(11,040)	0	0	0	0	\$6.04
2015 4q	36	982,253	0	0.0%	2,000	0	0	0	0	\$6.69
2015 3q	36	982,253	2,000	0.2%	0	0	0	0	0	\$6.69
2015 2q	36	982,253	2,000	0.2%	0	0	0	0	0	\$7.02
2015 1q	36	982,253	2,000	0.2%	0	0	0	0	0	\$4.83
2014 4q	36	982,253	2,000	0.2%	23,900	0	0	0	0	\$4.72
2014 3q	36	982,253	25,900	2.6%	94,170	0	0	0	0	\$4.35
2014 2q	36	982,253	120,070	12.2%	12,556	0	0	0	0	\$4.35
2014 1q	36	982,253	132,626	13.5%	2,640	0	0	0	0	\$4.67

Source: CoStar Property®