

Q1 | Q2

2024

NORTHERN NEVADA  
MEDICAL OFFICE  
REPORT



HEALTHCARE





## Northern Nevada Medical Office Market Overview

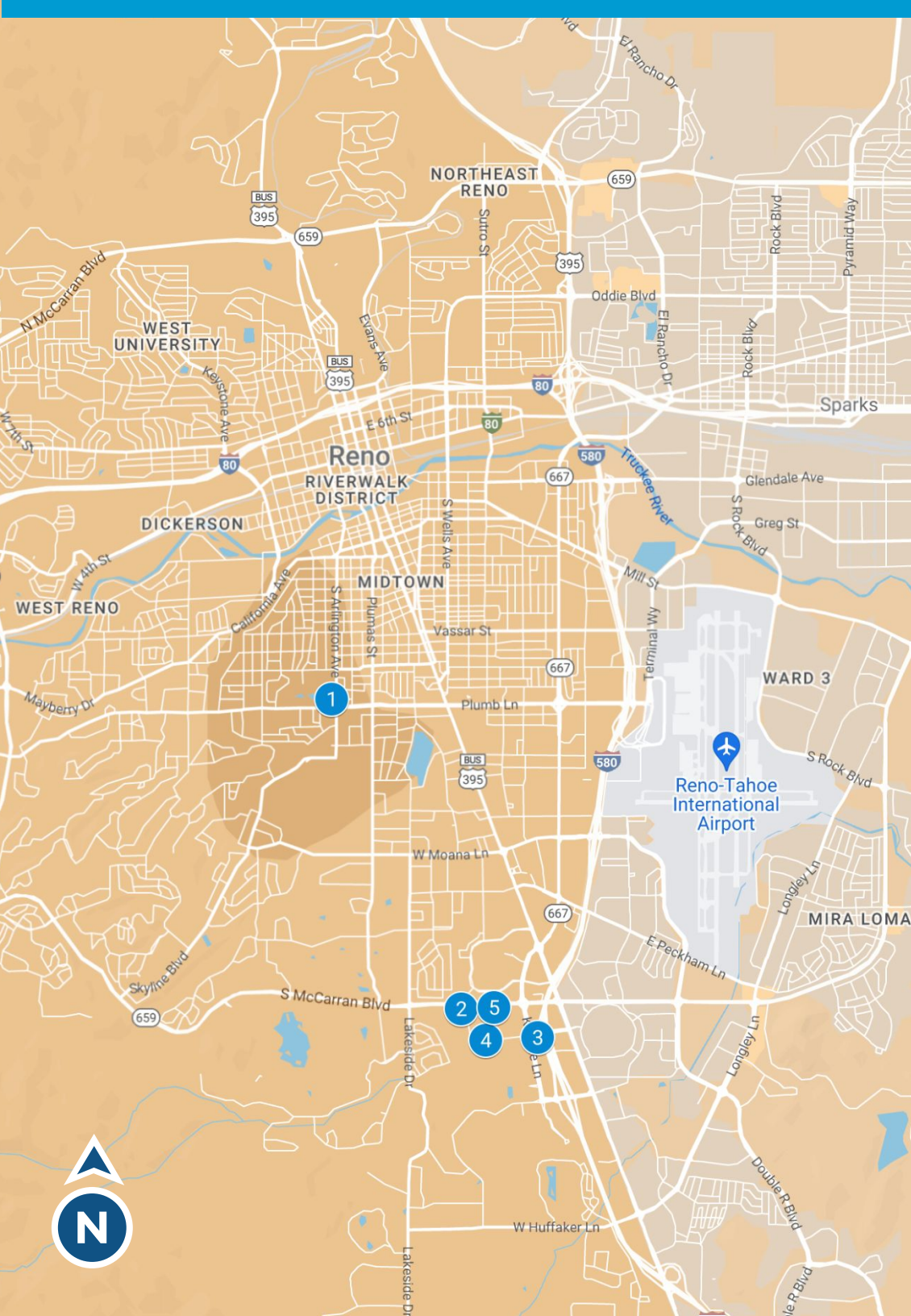
### Leasing Incentives & Cost Trends

Reno's medical office market has maintained a steady pace of activity, characterized by a range of deals from single practitioners returning to private practice to larger groups consolidating offices to reduce costs. The scarcity of space in the Reno/Sparks area has driven up rental rates by an average of 8% since the end of 2023. Despite ongoing challenges with construction costs, there is evidence of stabilization, and in some larger projects, even a slight decrease in cost per square foot. This trend provides some relief to medical office developers and tenants alike.

To stimulate leasing activity for shell space, tenant improvement allowances have been increased by 18% from 2023, reducing the upfront capital required from physicians.

This strategy aims to make leasing more attractive and financially feasible for medical practices. As we move into Q3, we expect to see a rise in both renewal and new leasing activities, driven by these incentives and the ongoing demand for medical office space in the region. The combination of increased tenant improvement allowances and slight decreases in construction costs is likely to further boost leasing activity, making it an opportune time for medical professionals and groups to secure new office spaces or renew existing leases.

# Q1 & Q2 Notable Lease Transactions



1

<b>1885 S Arlington Ave</b> Reno
15,721 SF
T: The Adopt a Vet Dental Program

2

<b>6630 S McCarran Blvd (Renewal)</b> Reno
15,316 SF
T: Quail Surgical & Pain Management Center

3

<b>5250 Kietzke Ln (Renewal)</b> Reno
9,536 SF
T: The Northern Nevada Endoscopy

4

<b>655 Sierra Rose Dr (Renewal)</b> Reno
8,936 SF
T: Digestive Health Associates

5

<b>6512 S McCarran Blvd</b> Reno
9,909 SF
T: Undisclosed

## Notable Office Sales

Address/SF	Price	Details
<b>5458 Reno Corporate Dr</b> 5,778 SF	<b>\$2,970,000</b> \$514.02 p/sf	In South Reno, behind the Northern Nevada Medical Center, a medical office occupied by Sierra Infectious Diseases at 5458 Reno Corporate Drive sold. The property was 100% occupied at the time of sale and was purchased by an investor from Sequim, Washington.
<b>1575/1595 Robb Dr</b> 13,956 SF	<b>\$2,917,002</b> \$214.55 p/sf	In Northwest Reno, near the McQueen Crossings Shopping Center, Dornin Investment Group purchased two individual medical office buildings.
<b>6310 Mae Anne Ave</b> 5,650 SF	<b>\$1,100,000</b> \$194.69 p/sf	In Northwest Reno, in the Quail Northwest II Shopping Center, a shell condition retail suite was purchased by Monica T. Lee, DDS.
<b>4101 Caughlin Sq</b> 2,163 SF	<b>\$750,000</b> \$346.74 p/sf	In Caughlin Ranch, just off S McCarran Boulevard, Kuhn Family Dentistry purchased a medical office condo.
<b>455 W 5th St</b> 4,580 SF	<b>\$600,000</b> \$131.00 p/sf	In Downtown Reno, near the Reno Orthopedic Center, a medical office space previously occupied by Planned Parenthood was purchased by the owner of High Rock Properties.
<b>6165 Ridgeview Ct</b> 902 SF	<b>\$345,000</b> \$382.48 p/sf	In the Meadowood submarket, a small medical office condo sold to Michael Branzel, a physical therapist in Reno.

# Medical Office **Developments**

## **Stonebrook Medical**

1

Brand-new medical campus currently under construction in Spanish Springs. The proposed plan includes three state-of-the-art buildings, ranging from 3,000 to 15,815 square feet.

2

## **5390 Longley Lane**

This repurposed building offers over 30,000 square feet of newly renovated medical shell suites.

3

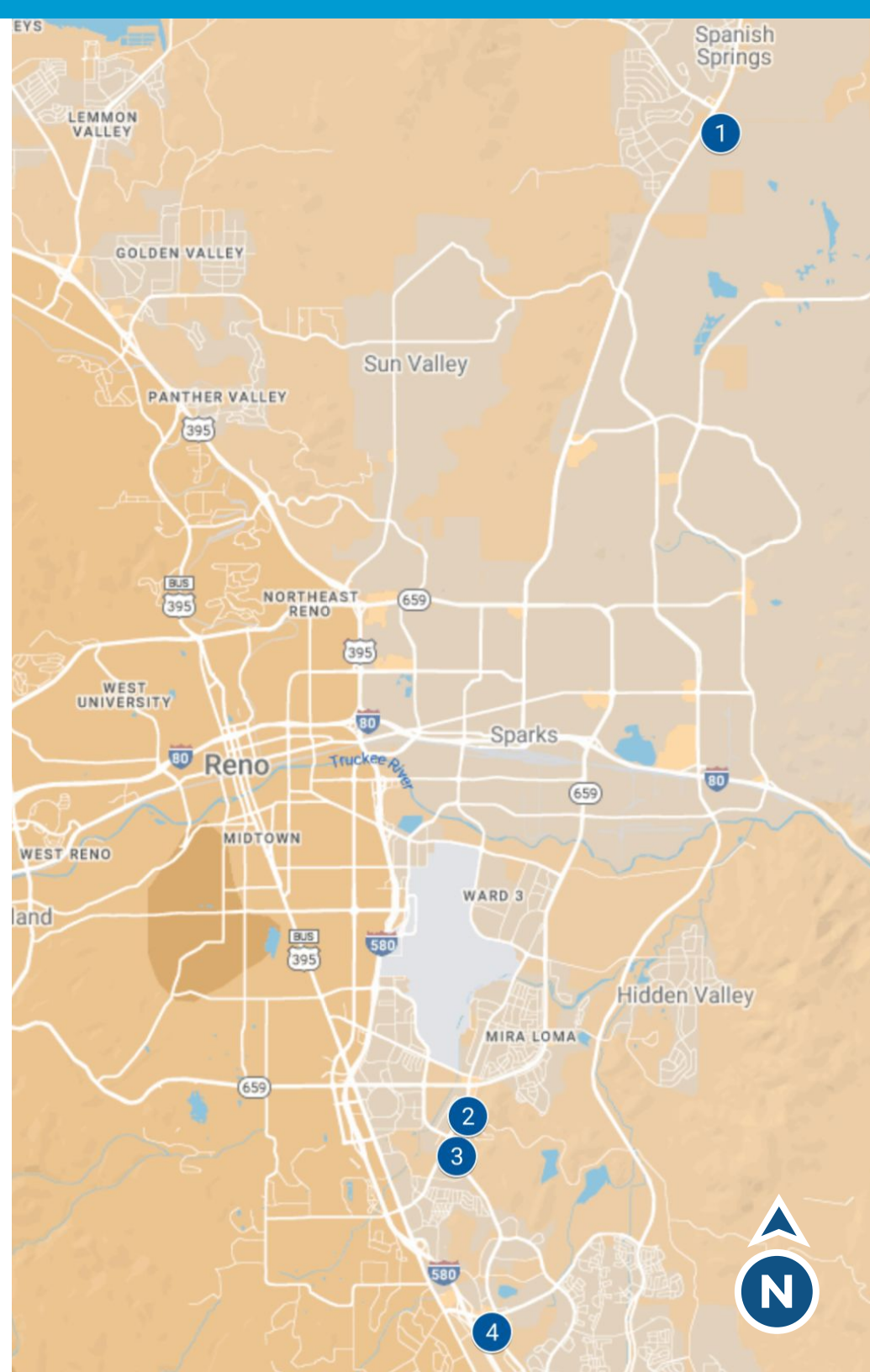
## **Northern Nevada Sierra Medical Plaza**

An 87,000-square-foot medical office building featuring Class A medical and office space.

4

## **Renown Expansion of South Meadows Hospital**

154,000 square feet of new surgery rooms, public spaces, new facade, and upgrades for the Medical Center. Expected Fall 2024.



# Q1 & Q2 2024 Completed Transactions

## SOUTHERN NEVADA



**±40,105**  
SQUARE FEET  
LEASED

GOLDRING  
MEDICAL PLAZA  
**±14,026**  
SQUARE FEET  
LEASED

DESERT  
MEDICAL PLAZA  
**±22,158**  
SQUARE FEET  
LEASED



**±9,644**  
SQUARE FEET  
LEASED



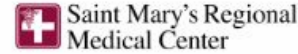
**±16,568**  
SQUARE FEET  
LEASED



**±12,569**  
SQUARE FEET  
LEASED

HENDERSON  
MEDICAL PLAZA  
**±2,585**  
SQUARE FEET  
LEASED

## NORTHERN NEVADA



**±2,773**  
SQUARE FEET  
LEASED



**±4,470**  
SQUARE FEET  
LEASED



**±15,316**  
SQUARE FEET  
LEASED



Digestive Health  
Associates & Center of Reno  
**±9,536**  
SQUARE FEET  
LEASED

OTHER  
MEDICAL OFFICE

**±3,590**  
SQUARE FEET  
LEASED

UNDISCLOSED  
LAND SALE

**1.5 AC**  
SOLD



39  
TRANSACTIONS



153,340+  
SQUARE FEET

# Featured Vacancies

**Stonebrook Medical**  
**For Lease**  
**0 TIERRA DEL SOL**  
**Rate is Economic Package Specific**  
3,000 - 15,815 SF



**Sierra Medical Plaza**  
**For Lease**  
**635 INNOVATION DR**  
**Rate Dependant on TI Package**  
3,000- 28,000 SF



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