

Q1 | INVESTMENT 2022 | REPORT



OFFICE
RETAIL
INDUSTRIAL



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NORTHERN NEVADA



MARKET RECAP

Q1

Washoe County sales volume in Q1 dipped to the lowest level since Q3 2020. Q1 investment sales volume totaled \$81,233,200, compared to nearly \$430MM in Q4. Industrial investment sales volume in Q1 was also the lowest we have seen in years at +/- \$12.4MM. That being said, we expect industrial real estate to remain the strength of our market as the vacancy rate remains at +/- 2%.

With further proposed interest rate hikes, Russia/Ukraine war, continued inflation, and economic uncertainty, accurate underwriting will be extremely important when solving for risk-adjusted returns. Cash buyers will likely head to the sidelines for the time being and the majority of investment demand will come from 1031 buyers.

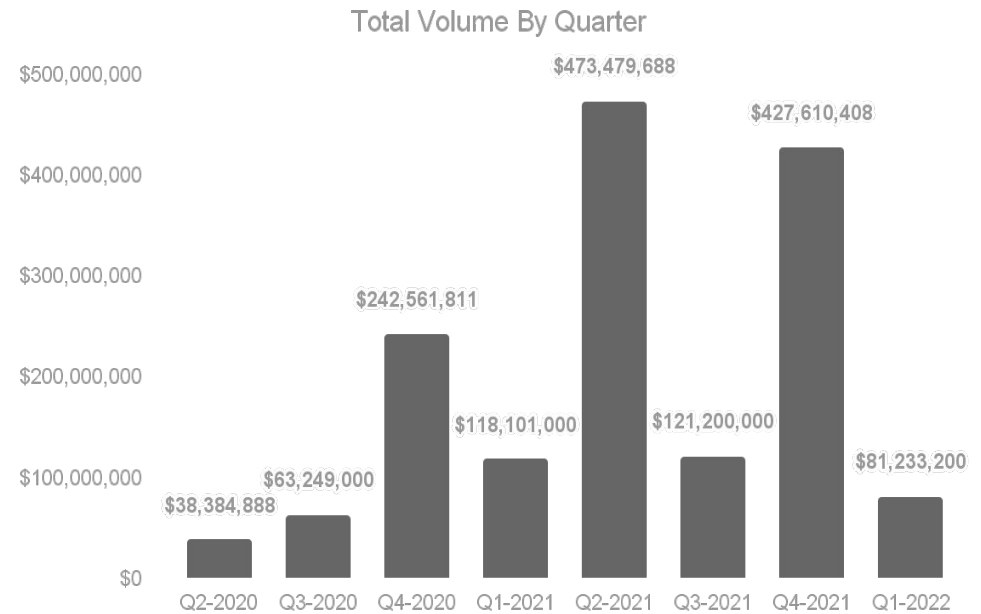
Although it remains the best Seller's market we have seen in the 2000s, we anticipate that cap rates will be stagnant for Q2 with likely increases thereafter depending on interest rate hikes. Our recommendation is for property owners to discuss their tax implications with their CPA and also consider looking into other markets where there may be more buying and diversification opportunities.

DCG's Investment Team closed out 2021 strong with involvement in over \$120MM in sales transaction volume. Their 3 largest sales ranged from \$26MM to \$42MM, including two grocery-anchored shopping centers and a flex portfolio.

FEDERAL RESERVE/INFLATION NEWS:

The latest CPI reading, March 2022, indicated a CPI at 8.5%. In 2021, the Consumer Price Index (CPI) climbed to 7%, which is the largest 12-month gain we have seen since 1982, according to the Labor Department. The first rate hike was in March and was 25 BPS. The second rate hike was the beginning of May at 50 BPS. With inflation showing no signs of slowing, we expect a hawkish FOMC to be aggressive with future rate hikes.

2022 Q1 Sales: \$81,233,200
TOTAL 2021 Sales: \$1,140,391,096



[CLICK HERE FOR MORE](#)

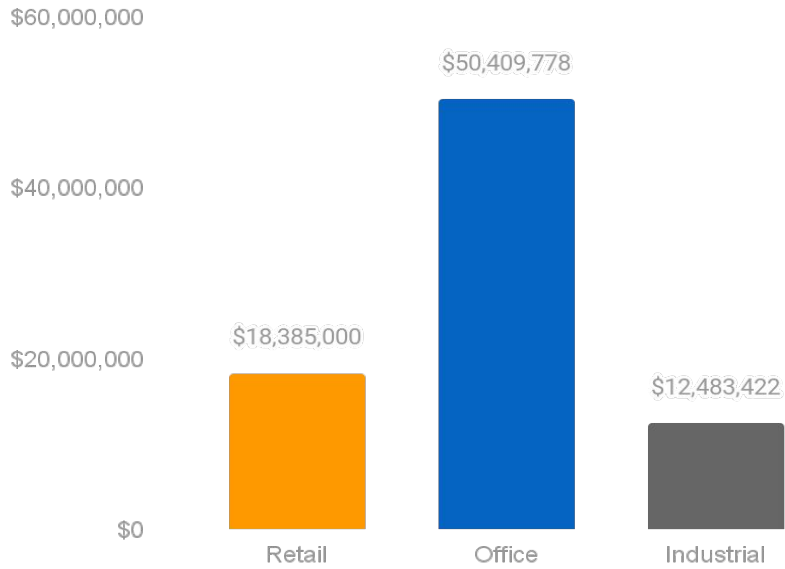
NOTABLE INVESTMENT SALES DCG - 2021

ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
RAINBOW SPRINGS SHOPPING CENTER - LAS VEGAS	364,196	8.20%	\$42,500,000 \$116.70 P/SF	DCG REPRESENTED THE SELLER. WALMART ANCHORED SUPERCENTER IN WEST LAS VEGAS.
SOUTH MEADOWS PROMENADE 537-597 S MEADOWS PKWY.	80,356	5.00%	\$34,000,000 423.12 P/SF	DCG REPRESENTED BOTH SIDES. SPROUTS ANCHORED. 100% OCCUPIED. TENANTS INCLUDE: SPROUTS, BLAZE PIZZA, STARBUCKS, CHIPOTLE, CHASE BANK, PANDA EXPRESS, ETC.
MILL @ MCCARRAN 1140-1170 FINANCIAL BLVD.	129,767	5.50%	\$26,325,000 \$202.86 P/SF	DCG REPRESENTED THE SELLER, BASIN STREET PROPERTIES IN THE SALE OF THE MULTI-TENANT FLEX PORTFOLIO.
2615-2697 MILL ST. RENO, NV 89502	97,040	N/A	\$12,000,000 \$123.66 P/SF	DCG REPRESENTED THE SELLER. 4 MULTI-TENANT INDUSTRIAL BUILDINGS, KNOWN AS QUINCY MILL, SOLD FOR \$136.66 P/SF.
1610-1630 KLEPPE LN. SPARKS, NV 89431	14,760	PROFORMA: 6.00%	\$5,450,000 \$369.24 P/SF	DCG REPRESENTED THE SELLER IN THE PORTFOLIO. COMPETITIVE BIDDING PROCESS BROUGHT IN 14 OFFERS AND THE PROPERTY SOLD FOR NEARLY 21% OVER ASK.
21 LOCUST ST. RENO, NV 89502	23,670	5.08%	\$3,925,000 \$165.82 P/SF	DCG REPRESENTED BOTH SIDES. 100% OCCUPIED BY RENOWN. 3 YEARS REMAINING ON THEIR NNN LEASE.
40 LA RUE AVE. RENO, NV 89509	12 UNITS	3.89%	\$3,300,000 \$275,000 P/UNIT	DCG REPRESENTED BOTH SIDES. 12 UNIT MULTI-FAMILY COMPLEX IN MIDTOWN. RECENTLY RENOVATED.
3655 ARROWHEAD DR. CARSON CITY, NV 89706	20,580	6.00%	\$2,600,000 \$126.34 P/SF	DCG REPRESENTED THE BUYER. TENANT SIGNED 2-YEAR NNN LEASEBACK AT CLOSE OF ESCROW.
3725 LAKESIDE DR. RENO, NV 89509	4,338	4.75%	\$2,500,000 \$576.30 P/SF	DCG REPRESENTED THE SELLER. 10-YEAR NNN LEASEBACK BY PINECONE PEDIATRICS. COMPETITIVE BIDDING PROCESS LED TO THE PROPERTY SELLING WELL ABOVE ASK PRICE.
630 SIERRA ROSE DR. RENO, NV 89511	5,994	5.15%	\$2,400,000 \$400.40 P/SF	DCG REPRESENTED THE BUYER. 100% OCCUPIED MEDICAL OFFICE. TENANTS: RENOWN, AGELESS MEN'S HEALTH, DR. McCMULLEN
9736 S VIRGINIA ST. STES. F/G RENO, NV 89511	10,880	6.20%	\$2,100,000 \$193.01 P/SF	DCG REPRESENTED BOTH SIDES. TENANT WILL BE VACATING END OF Q1 2022. BUYER WILL BACKFILL THE SPACE.
990 CAUGHLIN CROSSING A RENO, NV 89519	5,164	6.57%	\$1,825,000 \$353.41 P/SF	DCG REPRESENTED THE SELLER. 100% OCCUPIED BY RENOWN ON A 3-YEAR LEASE.
1100 CALIFORNIA AVE. RENO, NV 89509	4,540	6.71%	\$1,700,000 \$374.45 P/SF	DCG REPRESENTED THE BUYER. 100% LEASED BY TRC DOMES AND CARLSON & WORK LAW. TRC HOMES SIGNED A 5-YEAR NNN-LEASE AT COE.

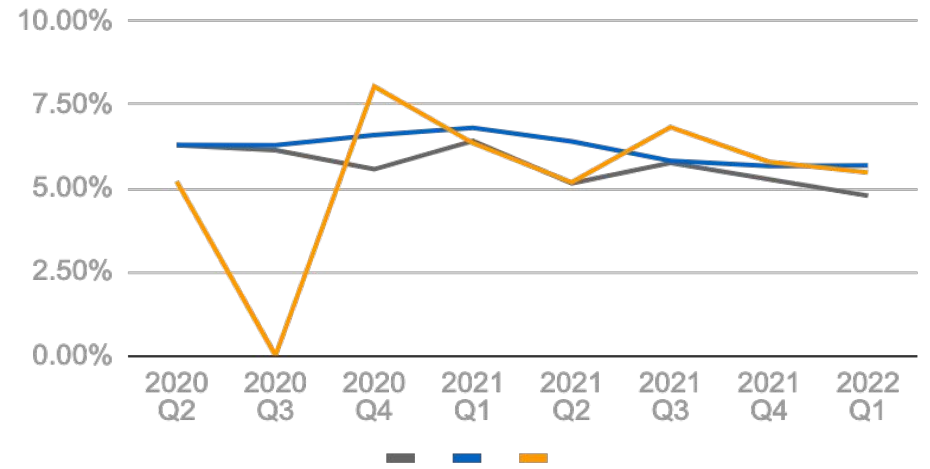
INVESTMENT

Q1

Volume By Type

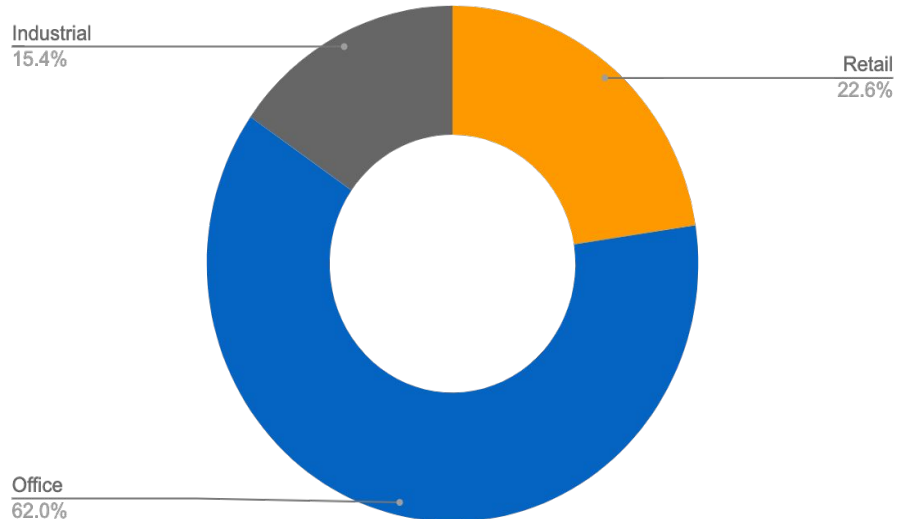


Cap Rate By Type

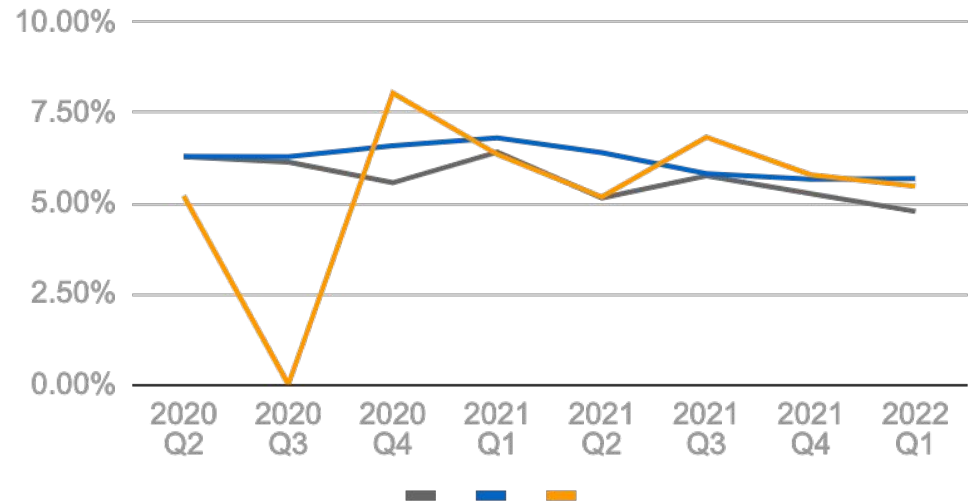


*No reported cap rates in Q3 for Retail Properties

% of Total Volume By Type



Cap Rate By Type



Q1 TOP SALES INDUSTRIAL

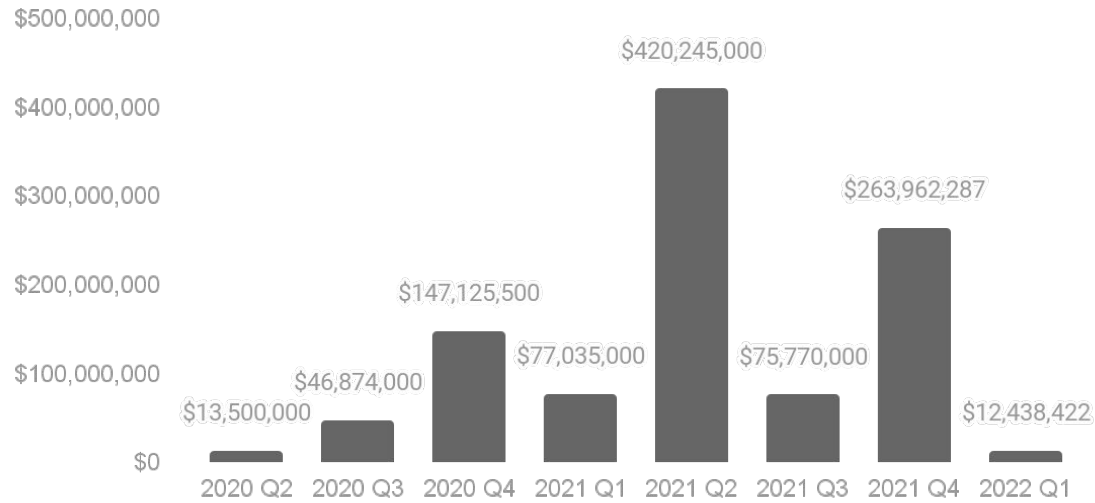
Q1

ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
280 GREG ST. RENO, NV 89502	38,150	5.00%	\$7,858,422 \$205.99 P/SF	MULTI TENANT FLEX. 100% OCCUPIED AT TIME OF SALE.
 9744 S VIRGINIA ST. RENO, NV 89511	10,880	4.50%	\$3,115,000 \$286.31 P/SF	DCG REPRESENTED SELLER. 100% OCCUPIED BY TOLL BROTHERS, WHO SIGNED A 5-YEAR NNN LEASE MARCH OF 2021.
14095 MT BISMARK. RENO, NV 89506	10,000	4.85%	\$1,465,000 \$146.50 P/SF	100% OCCUPIED BY SINGLE TENANT WITH +/- 6 YEARS REMAINING ON THE LEASE.

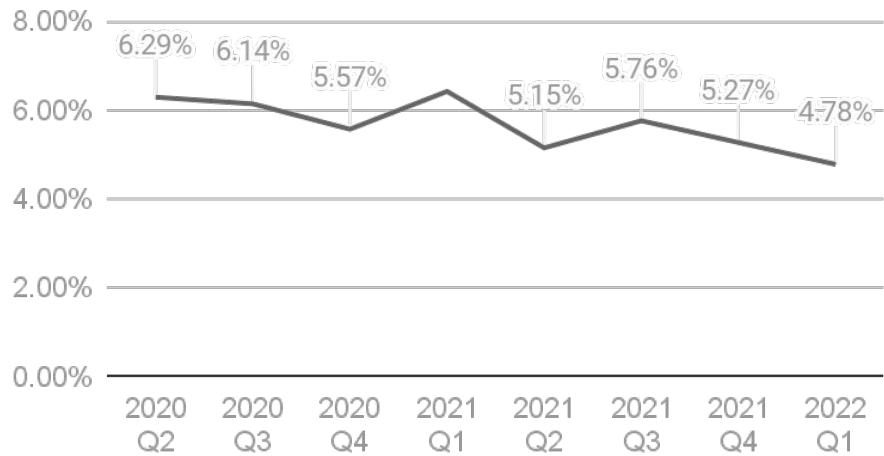
NOTE: ONLY 3 INDUSTRIAL INVESTMENT SALES ALL OF Q1.

Q1 2021

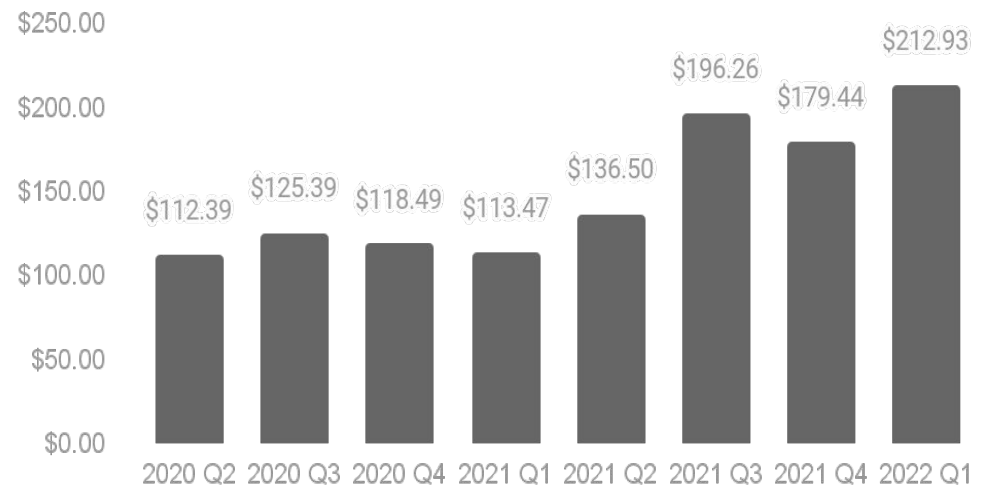
Industrial Volume By Quarter



Industrial Cap Rate By Quarter





Industrial P/SF By Quarter



Q1 TOP SALES OFFICE

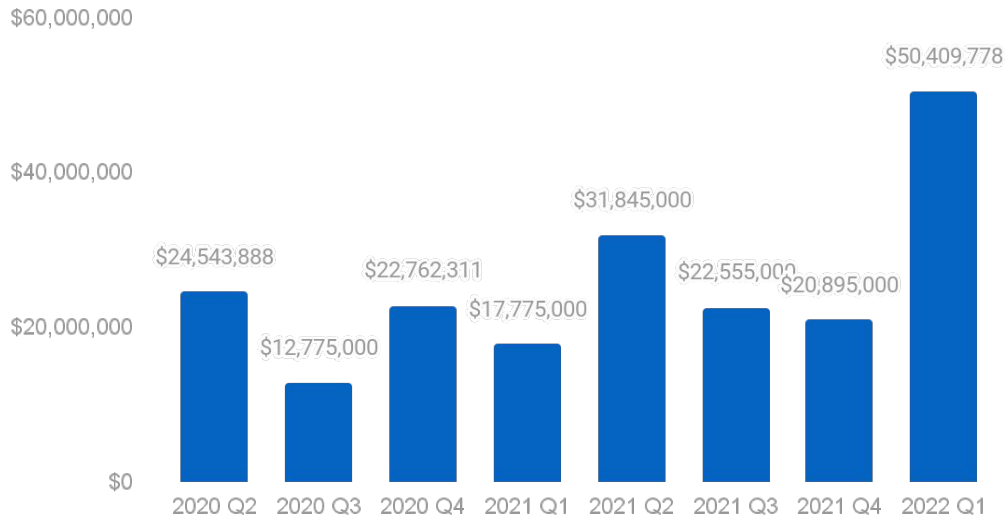


ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
7900 RANCHARRAH PKWY. RENO, NV 89511	25,730	5.31%	\$14,000,000 \$544.11 P/SF	MULTI TENANT OFFICE IN NEW RANCHARRAH DEVELOPMENT. TENANTS INCLUDE: CBRE, KIMLEY HORN & REMAX
6884 SIERRA CENTER PKWY. RENO, NV 89521	45,167	8.08%	\$9,200,000 \$203.69 P/SF	100% OCCUPIED BY INTUIT, WHO HAD LESS THAN 2 YEARS REMAINING ON THEIR LEASE.
 15 MCCABE DR. RENO, NV 89511	21,504	5.19%	\$8,350,000 \$388.30 P/SF	DCG REPRESENTED BUYER. 100% OCCUPIED MEDICAL OFFICE IN SOUTH RENO.
 595 DOUBLE EAGLE CT. RENO, NV 89521	18,964	6.70%	\$4,475,000 \$235.97 P/SF	DCG REPRESENTED BUYER. MULTI-TENANT OFFICE IN SOUTH RENO.
475 SOMERSETT PKWY. RENO, NV 89523	5,659	4.50%	\$4,431,222 \$783.04 P/SF	100% OCCUPIED DENTAL OFFICE ON A LONG TERM NNN LEASE.
10455 DOUBLE R BLVD. RENO, NV 89521	7,900	4.50%	\$3,936,556 \$498.30 P/SF	100% OCCUPIED DENTAL OFFICE ON A LONG TERM NNN LEASE.

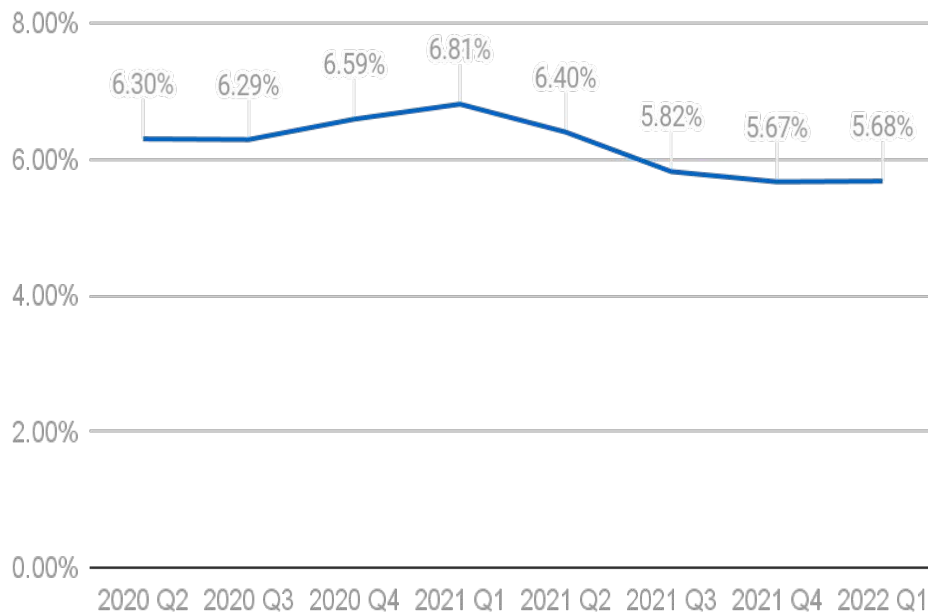
OFFICE

Q1

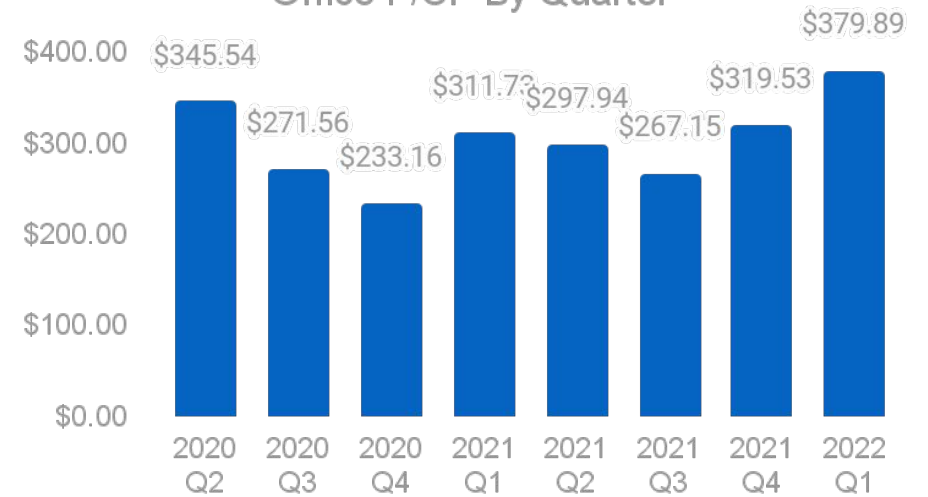
Office Volume By Quarter



Office Cap Rate By Quarter



Office P/SF By Quarter



Q1 TOP SALES **RETAIL**

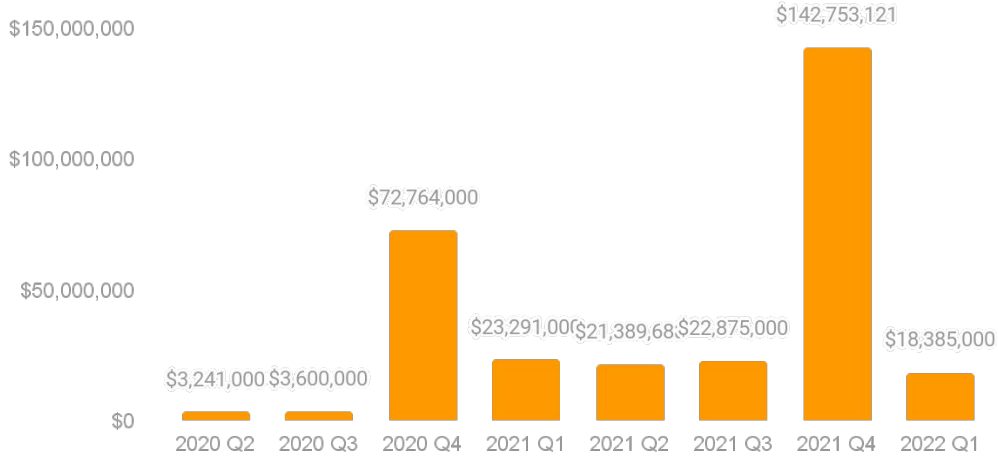
Q1

ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
6895 SIERRA CENTER PKWY. RENO, NV 89511	78,816	4.43%	\$7,500,000 \$95.16 P/SF	64% OCCUPIED BY NEED 2 SPEED AT TIME OF SALE. LEASE EXPIRES NOVEMBER OF 2023.
TACO BELL 191 DISC DR. SPARKS, NV 89436	2,715	5.26%	\$3,635,000 \$1,671.26 P/SF	TACO BELL STNL IN SPARKS.
955 S VIRGINIA ST. RENO, NV 89502	12,508	5.89%	\$3,600,000 \$287.82 P/SF	MULTI TENANT MIXED USE PROPERTY IN MIDTOWN RENO.
405 GENTRY WAY RENO, NV 89502	19,704	N/A	\$2,050,000 \$104.04 P/SF	MULTI TENANT RETAIL EAST OF MIDTOWN RENO.
6340 MAE ANNE AVE. RENO, NV 89502	77,652	6.32%	\$1,600,000 \$261.01 P/SF	DCG REPRESENTED BUYER. TWO TENANT RETAIL STRIP IN NORTHWEST RENO.

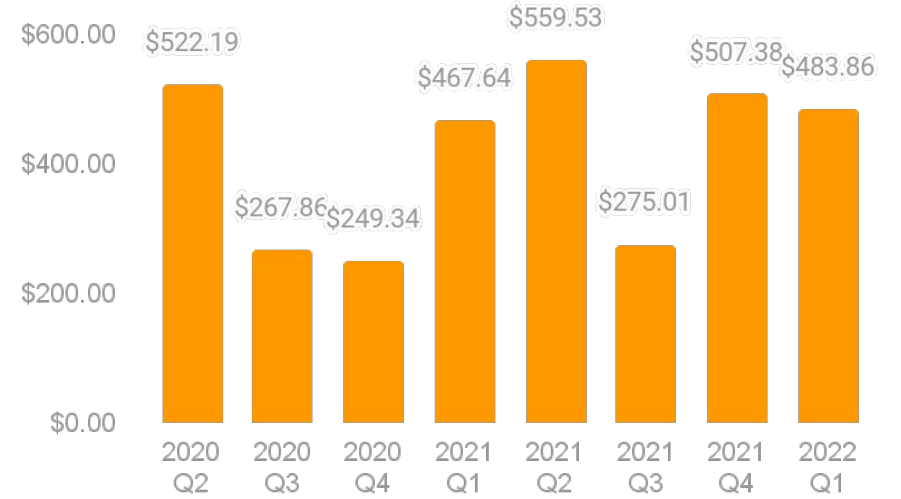


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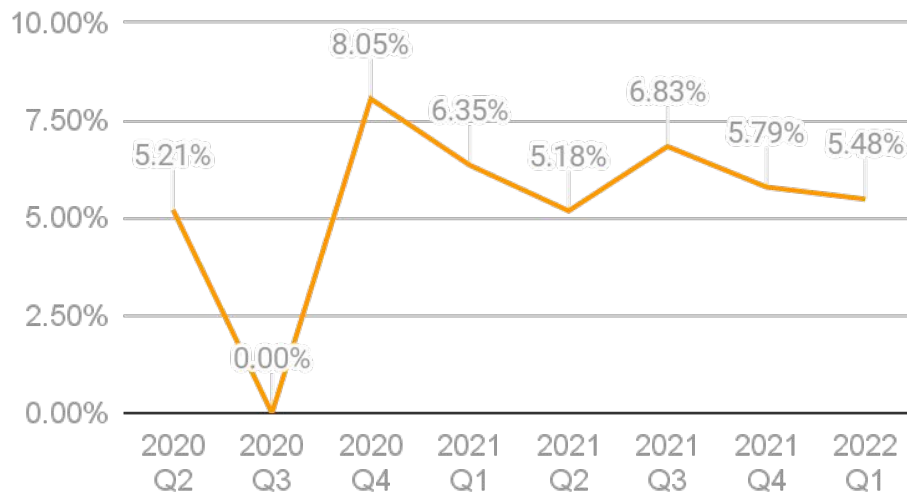
Retail Volume By Quarter



Retail P/SF By Quarter



Retail Cap Rate By Quarter





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Chris has been in the commercial real estate industry since 2006 and has participated in brokering over \$600 million dollars in real estate transactions with an average transaction volume over \$6.0 million. Additionally, Chris has completed over 400 Broker Opinion of Values totaling over \$1 billion in commercial real estate valuations. His responsibilities include providing advice, execution, and investment management services to clients engaged in buying, selling, investing in, financing, or building real estate.



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Matt graduated from the University of Nevada, Reno in 2019 with a Bachelor of Science in Finance and minor in Economics. Shortly after graduation, Matt joined DCG's Investment Team, specializing in the purchase and sale of Investment Properties. His efforts include, but are not limited to, investment sales and purchase, sale-leasebacks, 1031 exchanges, joint ventures, private placements, and property underwriting. Since joining DCG, Matt has been involved in over \$160 million in transactions with an average transaction volume over \$5.0 million.

INVESTMENT TEAM

DCG's investment team has an industry-wide reputation for helping clients create maximum returns from their real estate and achieve their long-term business goals. We work hard to build strong partnerships with clients and to develop tailored investment strategies for them.

Our investment services include providing advice, execution, and investment management services to clients engaged in buying, selling, investing in, financing, or building real estate. These services typically are provided to private and institutional owners and investors, as well as to corporate owners and occupiers. Our objective is to advise clients on how to maximize the value of their real estate. Our efforts include but are not limited to investment sales and purchases, joint ventures, sale-leasebacks, private placements, and property underwriting. We assist investors in a variety of disciplines, including but not limited to, office, retail, industrial, multi-family, hospitality, senior housing, and healthcare. In addition to our investment experience, we draw on our related capabilities in leasing, asset management, operations and valuation to create a full-service experience for all our clients.