

Q4 2022 | RETAIL REPORT

SALES
LEASING
INVESTMENTS



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CORFAC
INTERNATIONAL

INVESTMENT **ACTIVITY**

The fourth quarter sales volume for Q4 2022 saw a slight increase in comparison to the prior quarter, with an increase of nearly \$8 million but the year ended up with much lower transaction volume in 2022.

There was a decrease in both volume and number of sales in 2022, but actually saw a slight increase in the average price per square foot per transaction. There was only one larger shopping center sale in 2022, the Ironhorse Center in Sparks which was purchased by Rhino Holdings, who also purchased the Summit at Sierra in early 2023. The remainder of the transactions for 2022 were smaller neighborhood or inline centers and STNL transactions.

The shift in buyer and seller expectations on cap rates is a large reason for the decrease in volume. On the owner user side, increased borrowing costs are contributing to slower sales. We are beginning to see both buyers and sellers come to grips with today's cap rates and appropriately priced centers are seeing demand as the market inventory is still low.

Single Tenant

In West Sparks at 1200 El Rancho Dr, a daycare center sold for \$1,500,000 (\$277.47 per sq. ft.), purchased by the Boys and Girls Club.

A building in Northeast Sparks in the Ironhorse Shopping Center at 205 E Prater Way sold for \$1,310,000 (\$218.33 per sq. ft.). The current tenant in the property is Rent-A-Center with a reported cap rate of 6.04%.

Neighborhood Center

In Central Reno, a neighborhood center at 2323 & 2295 S Virginia St sold for \$9,300,000 (\$300.54 per sq. ft.), with a reported cap rate of 6.75%. Tenants include Men's Wearhouse, Shanghai Bistro, and American Family Insurance, and a freestanding Black Bear Diner.

Multi-tenant

A 9,250 SF retail space at 120 Thoma St sold for \$1,800,000 (\$194.59 per sq. ft.). The property contains six commercial suites and four residential apartments. Tenants include: Leonine Salon & Moonlit Artistry.

In Northeast Sparks, a retail strip center at 3150 Vista Blvd sold for \$8,400,000 (\$920.14 per sq. ft.) at a reported cap rate of 6.17%. Tenants of the center include: Guild Mortgage, CPR Dental, StateFarm, and a Goodwill.

NOTABLE SALES

Address	Price	Details
2323 & 2295 S. Virginia St 22,914 SF	\$9,300,000 \$294.97 p/sf	In Orchard Plaza, a neighborhood retail center sold with a reported cap rate of 6.75%. Tenants include: Black Bear Diner, Men's Wear, Shanghai Bistro, and American Family Insurance.
3150 Vista Blvd 9,091 SF	\$8,400,000 \$920.41 p/sf	A 100% occupied retail strip center with a reported 6.17% cap rate at time of sale. Tenants include Goodwill, CPR Dental, and Guild Mortgage.
8050-8056 S. Virginia St & E. Patriot Blvd 21,583 SF	\$4,561,552 \$211.35 p/sf	Quail Park Patriot LLC purchased the three properties of the multi-building strip center which included the tenants The Human Bean, Orangetheory Fitness, and Sierra Sewing Center.
 701 Kietzke Ln 13,160 SF	\$3,650,000 \$277.36 p/sf	The sale included an additional vacant parcel. This property was purchased as an owner-user transaction. DCG was the listing broker of the former Wells Fargo Bank.
120 Thoma St 9,250 SF	\$1,800,000 \$194.59 p/sf	The property contains six commercial suites and four residential apartments, with a 3,250 SF unfinished basement. The building tenants include Leonine Salon and Moonlit Artistry.
205 E Prater Way 6,000 SF	\$1,310,000 \$218.33 p/sf	In Northeast Sparks, a building leased to Rent-A-Center in the Ironhorse Shopping Center sold with a reported cap rate 6.04%.

MARKET FACTS & LEASING

The retail market is continuing to face development factors, combating high construction costs and the need to fight growing inflation. Although this has made new development tough, several new projects are moving forward in our market and are still a year out. We are still seeing Regional and National tenants show interest in our area which will help keep vacancy rates stable.

Two notable lease transactions took place in Q4 in excess of 10,000 square feet. Pioneer Meadows in Wingfield Springs anchored by Raleys signed a Lease with Ace Hardware for 16,400 square feet. The second largest lease this quarter was The Rock Thrift Store, a 10,000 square foot space in the Ironhorse Shopping Center in Northeast Sparks.

Net Absorption



168,000 SF

SALES	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Total Volume	\$45,571,00	\$97,968,389	\$29,202,021	\$37,051,551
Total Deals	21	20	16	15
Average P/SF	\$360.16	\$363.78	\$260.68	\$342.44

NEW DEVELOPMENT

There have been a few recent notable developments announced with large retail components. In South Meadows, DiLoreto has joint ventured with the David Duffield to create a headquarter campus for Ridgeline, as well as an adjacent mixed use development, Downtown Damonte, which includes 244,000 square feet of planned retail and 150,000 square feet of office space, as well as a world class companion animal dog training facility.

On the entertainment front, Reno is set to get its first ground-up hotel-casino project in decades, tentatively named the Firecreek Crossing Resort-Casino project, which will be located on the corner of Kietzke Lane and South Virginia Street. The resort-casino includes 201 rooms and 48 suites as part of its plans. In addition to a hotel-casino with a lobby bar, initial plans for the project include a public park, restaurants, food court and beer garden.

Overall Vacancy Rate:



4.3%

Neighborhood Center Vacancy:



5.8%

Power Center Vacancy:



4.4%

Strip Center:



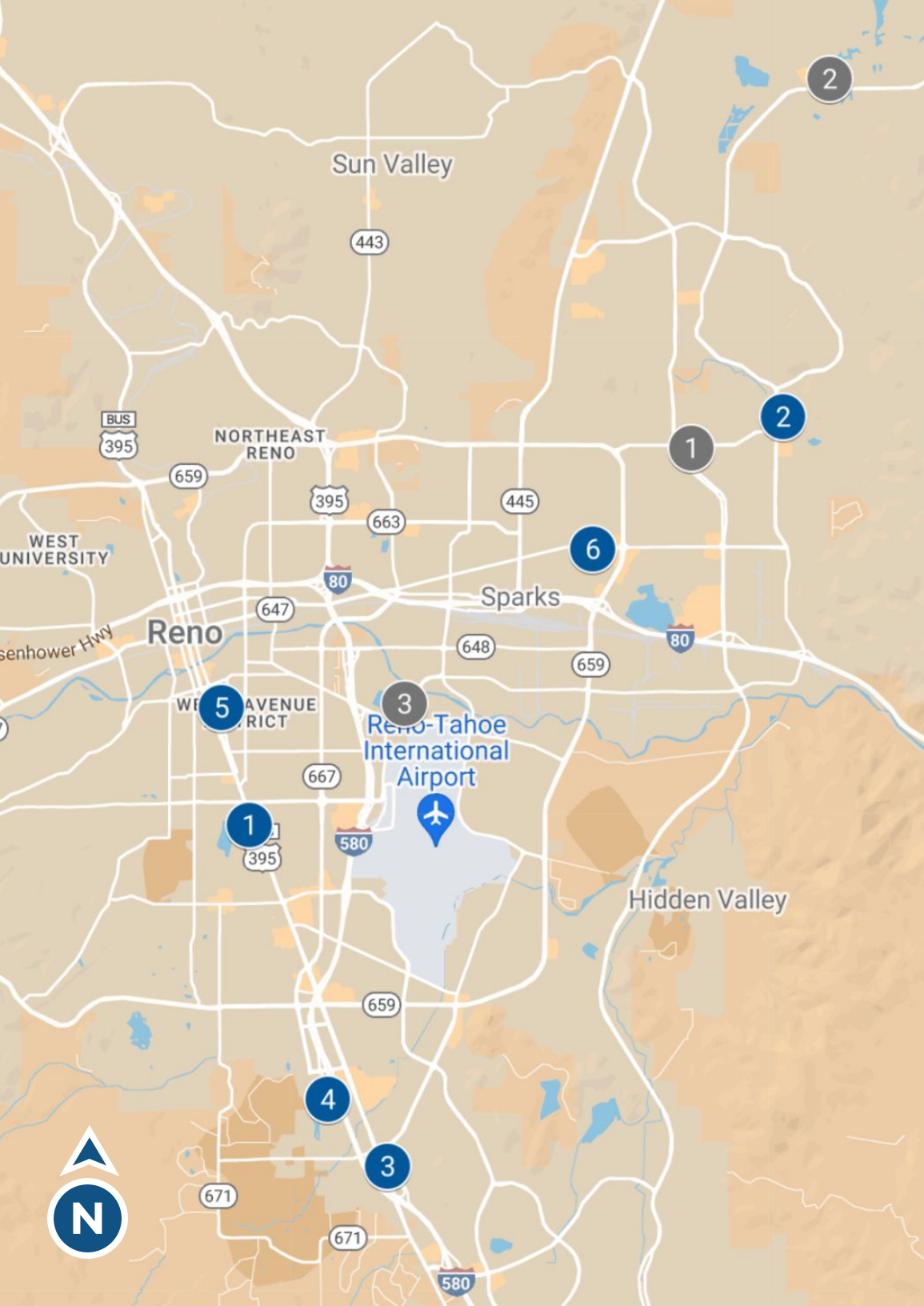
4.9%

General Retail Vacancy:
Free Standing



3.0%

Q4 NOTABLE TRANSACTIONS



NOTABLE SALES

1. 2323 & 2295 S. Virginia St
22,914 SF
\$9,300,000
\$294.97 p/sf

2. 3150 Vista Blvd
9,091 SF
\$8,400,000
\$920.41 p/sf

**3. 8050-8056 S. Virginia St
& E Patriot Blvd**
21,583 SF
\$4,561,552
\$211.35 p/sf

4. 5701 Kietzke Ln
13,160 SF
\$3,650,000
\$277.36 p/sf

5. 120 Thoma St
9,250 SF
\$1,800,000
\$194.99 p/sf

6. 205 E Prater Way
6,000 SF
\$1,310,000
\$218.33 p/sf

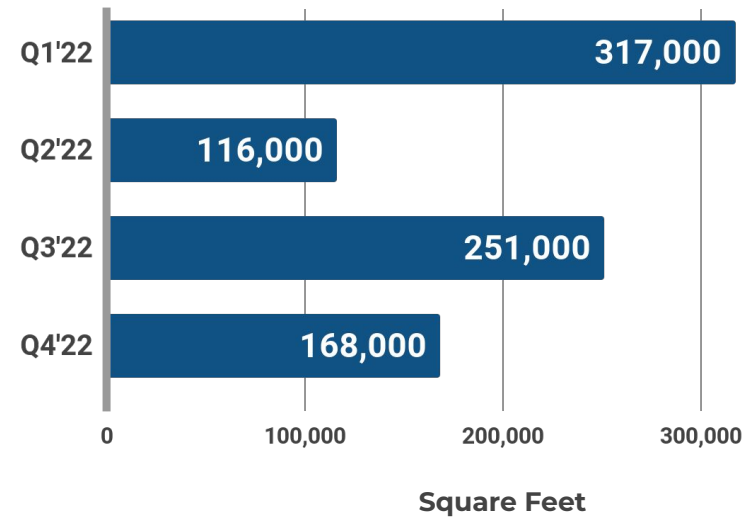
NOTABLE LEASES

1. The Rock Thrift Store
10,000 SF Leased
Ironhorse Shopping Center
Sparks

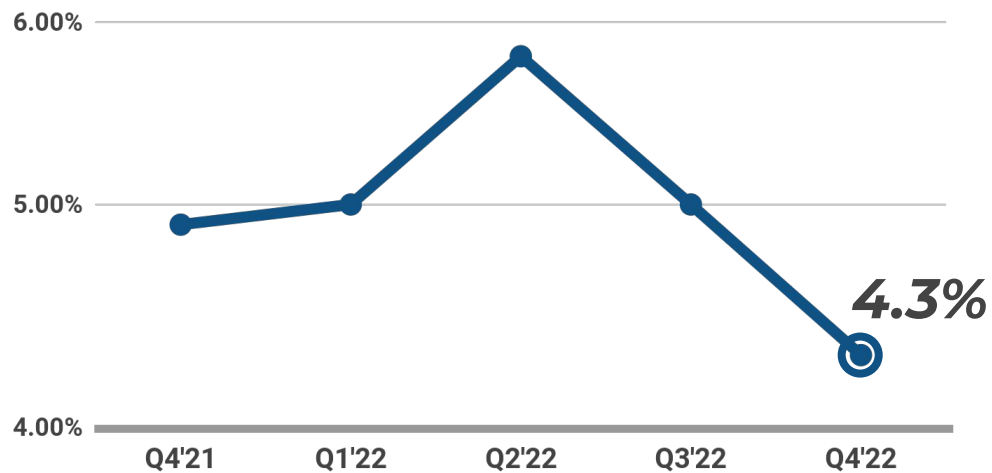
2. Ace Hardware
16,400 SF Leased
Pioneer Meadows
Sparks

3. Equality Automotive
3,330 SF Leased
The Reno Auto Center
Central Reno

NET ABSORPTION



VACANCY RATES



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1

RED (Reno Experience District)

45.6 acre site with permits for residential, multifamily, student housing, office and retail on the SEC of South Virginia Street and East Plumb Lane. RED's location will create over 1,300 apartment homes and 70,000 SF of retail and restaurants. Offers retail spaces from 500 SF to 2,000 SF.

2

Reno Public Market

Former Shoppers Square Center at 370 Casazza Dr that is being redeveloped into a 150,000 square foot mixed use development anchored by a food hall and Sprouts grocery.

3

Tolles Development University Retail Center

A student-centric commercial project on 705 N Virginia, behind the Chevron gas station on Sierra Street and across from the Bank of America on Virginia Street, which may include Jimmy John's, a coffee shop catering to students and another retail business geared towards the University community.

4

Village at Rancharrah

Transformed into a community at 7100 Rancharrah Parkway on a 141 acre property with 49,000 SF featuring premier shopping, dining and wellness.

5

Olympia Gaming / Casino @ Legends in Sparks

80,000 square foot facility will include a casino, featuring slot machines, and table games, as well as several bars, dining options, and a sportsbook. The venue will sit between the Galaxy Theater and the Hampton Inn and Suites and Residence Inn hotels.

6

Red Rock Retail

16,000 square feet of inline retail + restaurant space + 1 acre drive through pad at the corner of Red Rock and 395.

7

West End Commons (Keystone and I-80)

Large residential component, composed of 296-unit multifamily complex. 42,000 square feet of office and retail space, including Starbucks and In N' Out Burger.

8

Corwin Ford Dealership

16-acre parcel on South Virginia Street, south of Foothill Road and north of Bishop Manogue High School. Purchased by Corwin Ford with plans to construct an automobile dealership beginning in Q2 2022.

9

Firecreek Crossing Resort - Casino

Will be located on the corner of Kietzke Lane and South Virginia Street. The resort-casino includes 201 rooms and 48 suites as part of its plans. In addition to a hotel-casino with a lobby bar, initial plans for the project include a public park, restaurants, food court and beer garden.

10

Downtown Damonte

Mixed use development in Damonte Ranch including 244,000 square feet of planned retail and 150,000 square feet of office space, as well as a world class companion animal dog training facility.

RETAIL NEW DEVELOPMENTS

