

Q4
2023

RETAIL REPORT

SALES
LEASING
INVESTMENTS



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NORTHERN **NEVADA**

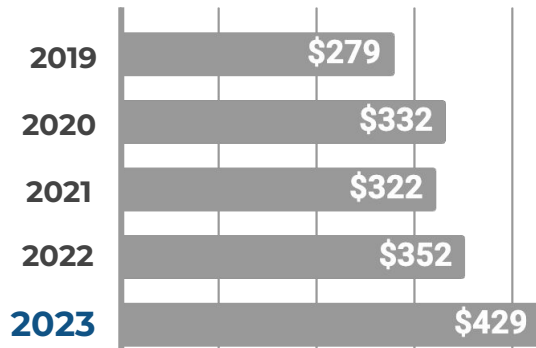
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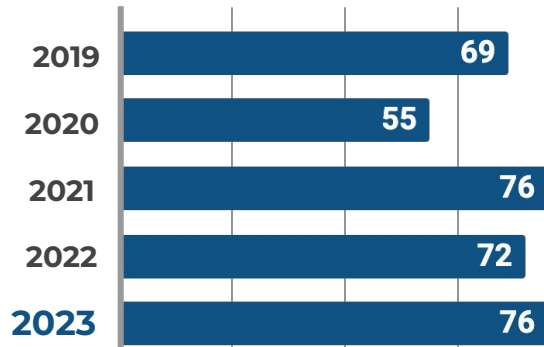
NORTHERN NEVADA RETAIL

Q4

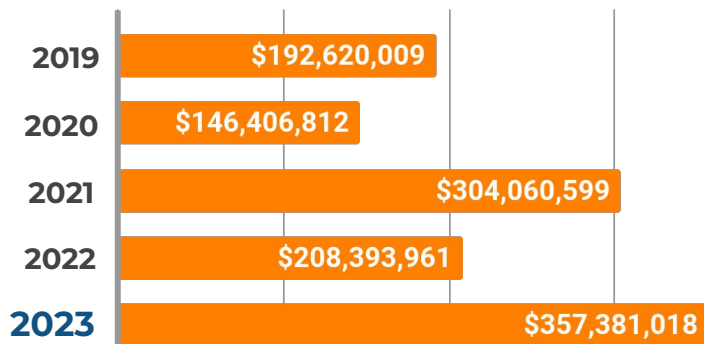
AVERAGE P/SF



NUMBER OF SALES



TRANSACTION VOLUME



INVESTMENT ACTIVITY

Overall transaction volume nearly doubled year over year in Reno. The number of sales only increased by 5.5% but the transaction volume jumped up significantly from \$208mm in 2022 to \$357mm in 2023. The increase in volume was attributable to a handful of larger transactions like the Summit at Sierra which transacted in Q1 2023, along with a handful of neighborhood centers and inline buildings trading hands throughout the course of the year.

Inline and Neighborhood centers have been resilient in the current capital markets climate, and have provided some available investment options in our market to help meet what demand does exist.

Single Tenant

In the Airport submarket, a newly developed 45,000 sq. ft. free-standing building at 1195 Corporate Drive, occupied by a Tesla semi-truck collision center sold for \$13,100,000 (\$294.25 per sq ft.). In the Meadowood submarket, a 8,200 sq. ft. freestanding bank building located on a corner lot of South Virginia Street and W Peckham Lane near the Reno Convention Center in the Reno Town Mall at 4045 S Virginia Street sold for \$2,750,000 (\$335.37 per sq. ft.).

Neighborhood Center / Multi-tenant

Multi-tenant sales included The Winner's Crossing Neighborhood Center, at 7675 S Virginia St, which traded for \$13,750,000 (\$208.36 per SF) at a reported 6.50% cap. The retail center sits on 7.95 acres and was purchased by an individual investor based in California.

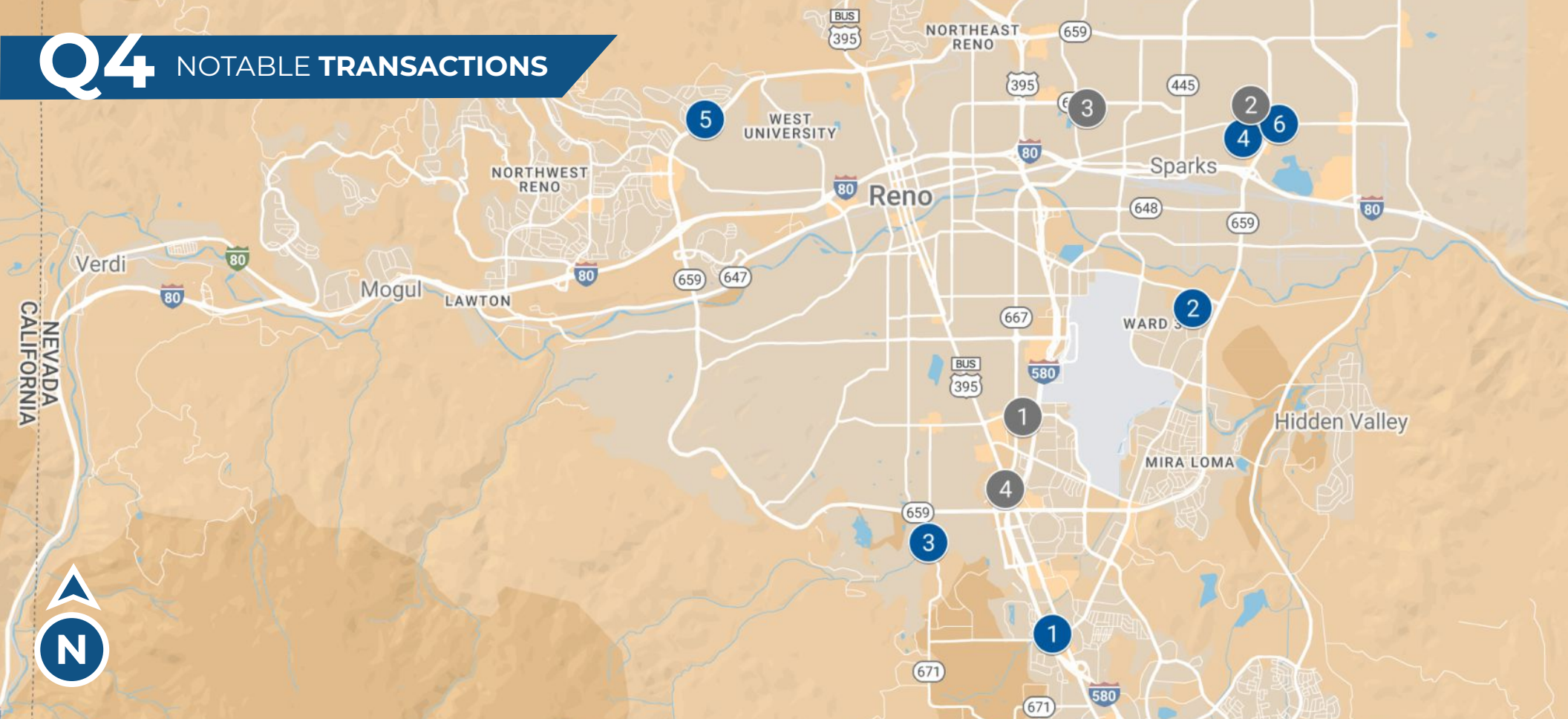
The Iron Horse Shopping Center in Sparks had a couple notable transactions, all of which being inline retail strips. The first at 589 E Prater Way sold for \$9,259,000 (\$249.59 per sq ft.) at a 7.68% cap rate and tenants include Family Dollar, Dotty's, and Pizza Plus. The second at 675 N McCarran Blvd sold for \$4,221,000 (\$578.06 per sq ft.) at a 6.47% cap rate and tenants include Super Chix, Roberto's Taco Shop, and Starbucks. Lastly, 593 E Prater Way sold for \$1,575,000 (\$489.13 per sq. ft.) at a reported 5.75% cap rate. The property was previously occupied by Firehouse Subs.

SALES	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Total Volume	\$97,072,060	\$33,850,000	\$45,180,227	\$93,653,731
Total Deals	13	20	18	25
Average P/SF	\$474.23	\$362.78	\$471.17	\$384.16

NOTABLE SALES

Address	Price	Details
7675 S Virginia St 65,992 SF	\$13,750,000 \$208.36 p/sf	In South Reno, in the South Meadows submarket, a multi-tenant neighborhood retail strip known as Winner's Crossing sold at a reported 6.50% cap rate. The retail center sits on 7.91 acres.
1195 Corporate Blvd 44,520 SF	\$13,100,000 \$294.25 p/sf	In the Airport submarket, a newly developed service repair shop developed as a build to suit building for a Tesla semi-truck Collision Center located off S McCarran Blvd and Mill Street sold.
6135 Lakeside Dr 34,491 SF	\$9,800,000 \$284.13 p/sf	In Southwest Reno, a neighborhood retail strip on the corner of Ridgeview Drive and Lakeside Drive known as the Shops at Bartley Ranch sold at a reported 6.86% cap rate. Neighboring tenants include Bighorn Tavern, Pasta Fresca, Blackrock Wine Co., and Smiling with Hope Pizza. DCG represented the seller in the transaction.
527/589 E Prater Way 37,097 SF	\$9,259,000 \$249.59 p/sf	In the Iron Horse Shopping Center, two parcels of an inline retail center sold at a reported cap rate of 7.68%. Tenants include Family Dollar, Pizza Plus, Dotty's, Paycheck Advance, etc
3605 Kings Row 53,314 SF	\$6,225,000 \$116.76 p/sf	In Northwest Reno, an inline retail strip and an adjacent parking lot located in the Viewcrest Shopping Center on the corner of N McCarran Blvd and Kings Row sold.
675 N McCarran Blvd 7,302 SF	\$4,221,000 \$578.06 p/sf	In Sparks, in the Iron Horse Shopping Center near FoodMaxx and Harbor Freight Tools, a food and service building occupied by Super Chix, Roberto's Taco Shop, and Starbucks sold at a reported 6.47% cap rate.
80 E Patriot Blvd 17,753 SF	\$4,165,440 \$234.63 p/sf	In South Reno, near In N Out Burger & Burger King, a multi-tenant property occupied by Kelly Moore Paints and Prestige Portraits sold.
191 Disc Dr 2,175 SF	\$3,450,000 \$1,586.21 p/sf	In the Sparks Galleria retail center, a freestanding quick service restaurant building with frontage on Disc Dr sold at a reported 5.00% cap rate.

Q4 NOTABLE TRANSACTIONS



NOTABLE SALES

1. 7675 S Virginia St

65,992 SF
\$13,750,000
\$208.36 p/sf

3. 6135 Lakeside Dr

34,491 SF
\$9,800,000
\$284.13 p/sf

5. 3605 Kings Row

53,314 SF
\$6,225,000
\$116.76 p/sf

2. 1195 Corporate Blvd

44,520 SF
\$13,100,000
\$294.25 p/sf

4. 527/589 E Prater Way

37,097 SF
\$9,259,000
\$249.59 p/sf

6. 675 N McCarran Blvd

7,302 SF
\$4,221,000
\$578.06 p/sf

NOTABLE LEASES

1. Fitness Connection

51,096 SF Leased
Kietzke Center
Central / Kietzke

3. Hank's Farmers Market

30,386 SF Leased
Paradise Plaza
West Sparks

2. AutoZone

50,861 SF Leased
Iron Horse Shopping Center
Sparks

4. Twin Peaks

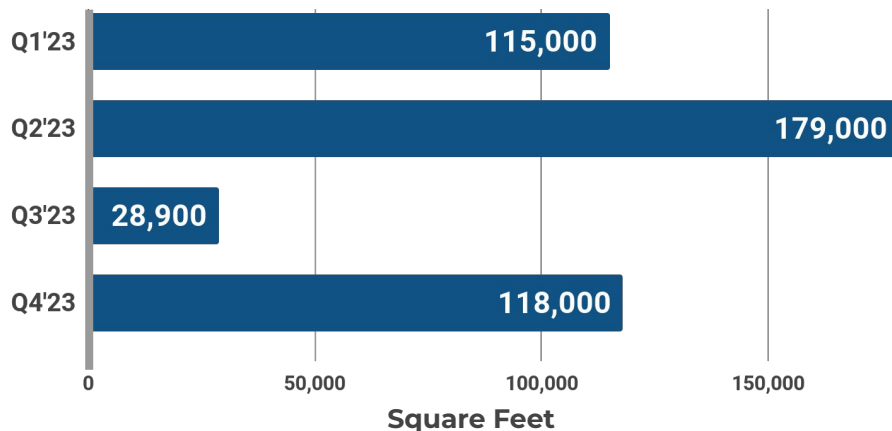
12,859 SF Leased
Redfield Promenade
Meadowood

MARKET FACTS & LEASING

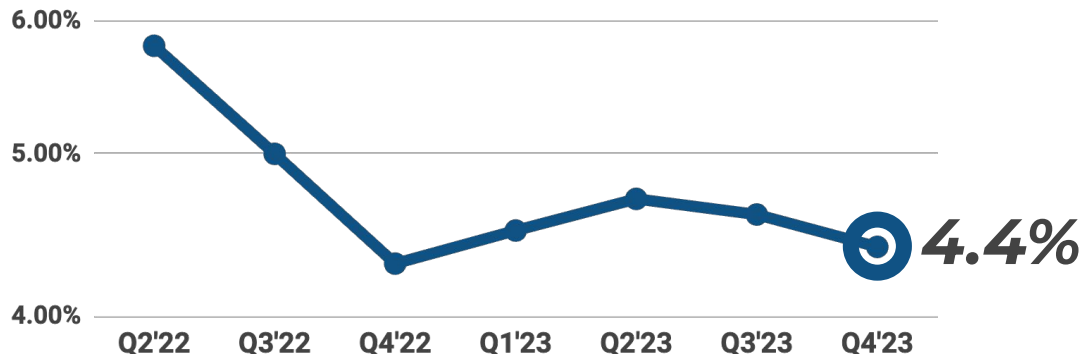
The retail market in Washoe County continued to have a strong quarter, with over \$93,653,731 in transaction volume. Q4 was highlighted with one large sale of \$13,750,000, two sales over \$9,000,000, and an average sale price of \$3,746,149. There is a continued interest in Northern Nevada by both regional and national tenants, helping to lower or keep vacancy rates stable.

In the fourth quarter, two lease transactions over 50,000 sq. ft took place: the leasing of Fitness Connection in the Kietzke Center next to Sportsmans Warehouse and Autozone in The Iron Horse Shopping Center. These transactions collectively accounted for 101,957 square feet of retail space.

NET ABSORPTION



VACANCY RATES



NEW DEVELOPMENT

As geographic expansion in the Reno-Tahoe region becomes limited, new large ground up developments are becoming constricted. However, in South Reno on Double R Blvd and Damonte Ranch Pkwy, all 3 corners are being developed in 2024. There will be more of a focus in the market on infill projects and expansion of existing developments. The University Crossing Shopping Center at the corner of North Virginia St and Maple St is a notable addition to the Reno retail market.

Also in Downtown, Panera Bread opened a new location in Q4 in the new West End Commons development off Keystone Ave and I-80. Joining tenants such as Cracker Barrel, In & Out, Starbucks, Chipotle, Mountain Mike's Pizza and Firehouse Subs.

In South Reno, the Summit Mall continues to add both square footage and new tenants with the opening of a new ground up Dave and Busters, Chipotle, and Starbucks. Joining the inline of the mall will be Carhartt, Aerie, Mt. Rose Wine, and Hammer and Nails.

Development groups associated with both Costco and Trader Joe's have been active in land acquisitions in both South Meadows and Sparks.

Overall Vacancy Rate:



4.4%

Neighborhood Center Vacancy:



5.6%

Power Center Vacancy:



4.0%

Strip Center:



3.9%

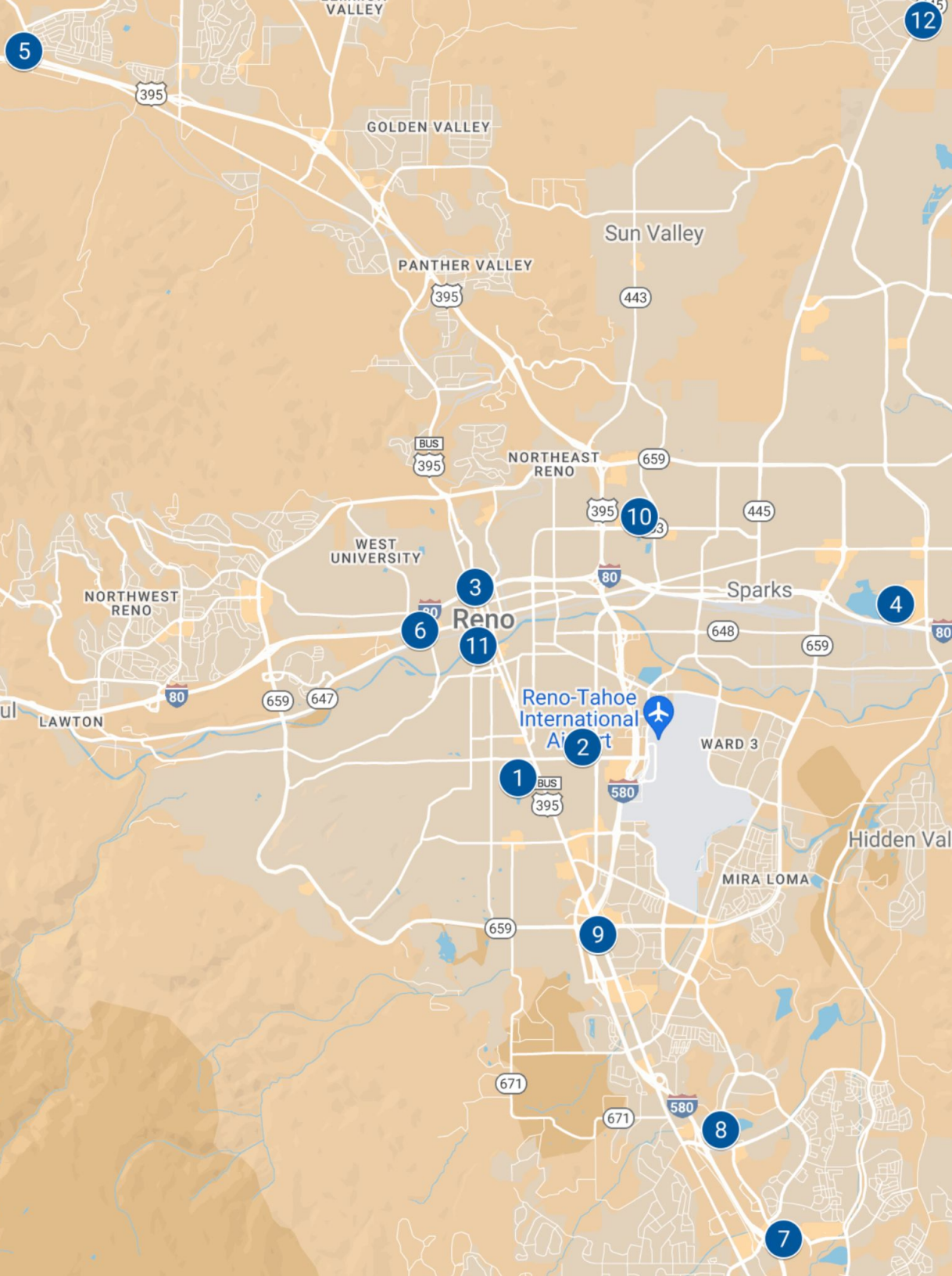
General Retail Vacancy:
Free Standing



4.0%



RETAIL DEVELOPMENTS



- 1 **RED (Reno Experience District)**- 1,300 apartment homes & 70,000 SF
- 2 **Reno Public Market**- 150,000 SF mixed use development
- 3 **University Crossing**- Five retail & restaurant suites
- 4 **Legends Bay Casino @ Legends in Sparks**- 80,000 SF casino
- 5 **Red Rock Retail**- 296-unit multifamily complex, 42,000 SF of office & retail space
- 6 **West End Commons** - 42,000 SF of office & retail space - NEW Panera Bread addition
- 7 **Double R Marketplace** - 60,000 SF of retail space
- 8 **Downtown Damonte**- 244,000 SF planned retail & 150,000 SF of office space
- 9 **Skypointe**- 208,272 SF of restaurant, café, retail, office, service and hospitality
- 10 **The Oddie District**- Art space, education, flex-tech workspaces, food & dining
- 11 **Neon Line District**- Art, gaming, and musical offerings
- 12 **Stonebrook Retail**- Multi-tenant retail strip with 2,800 SF to 3,000 SF