

Q3 NORTHERN NEVADA

2021

INVESTMENT REPORT

OFFICE

RETAIL

INDUSTRIAL



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MARKET RECAP

Washoe County buyer demand remains as high as we have seen in some time. The first three quarters of 2021 are off to a record start and that is continuing through Q4 2021. Low interest rates and a “return to normal” have been drivers of the rebound that began in Q4 2020. Adding to that, uncertainty with the current administration’s proposed changes to the tax code are creating a push to get deals closed by the end of this year. The strength of our market continues to be institutional grade Industrial. DCG represented the seller in the largest industrial deal in Washoe County in Q3. Mill at McCarran sold for \$26,325,000 or nearly 22% of the total investment volume for Q3 2021.

Cap rates are continuing to compress across all asset types due to the extremely high buyer demand and significant lack of inventory. We continue to see more properties trade over list price and some even receiving 10+ offers. This shows the importance of accurate underwriting based on current market/investor expectations relative to perceived risk. Well priced properties in all price ranges and asset types continue to have great success in the marketplace.

It remains the best Seller’s market we have seen in the 2000s. So much so, that some Seller’s are reluctant to sell because of lack of properties in the market to 1031 into. Our recommendation is for property owner’s to discuss their tax implications with their CPA and also consider looking into other markets where there may be more buying and diversification opportunities.

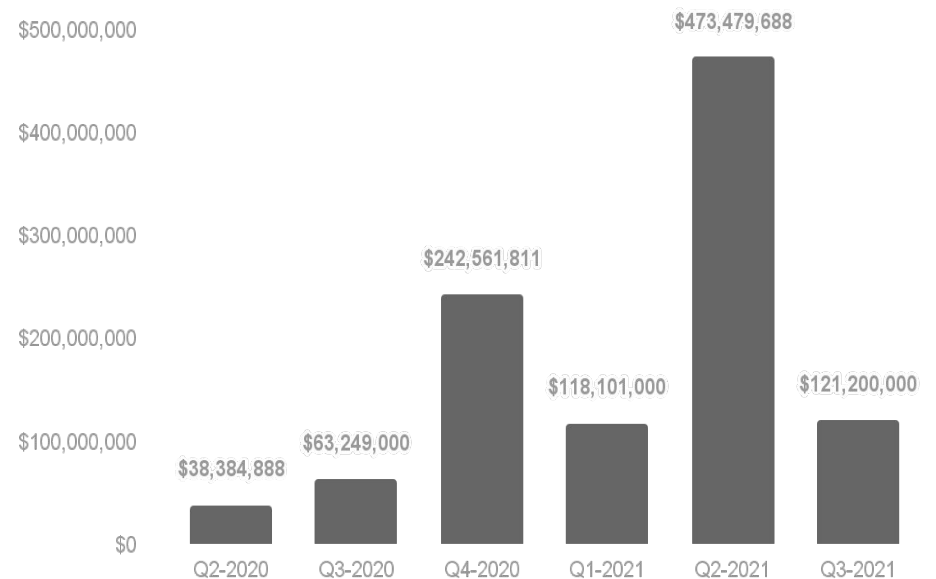
FEDERAL RESERVE/INFLATION NEWS:

The Federal Reserve will begin tapering of bond purchases in late November. The reductions will be \$15 billion per month - \$10 billion in treasuries and \$5 billion in mortgage backed securities. With no immediate plans to increase interest rates, Fed Chair Powell expects the elevated inflation to last “well into next year.”

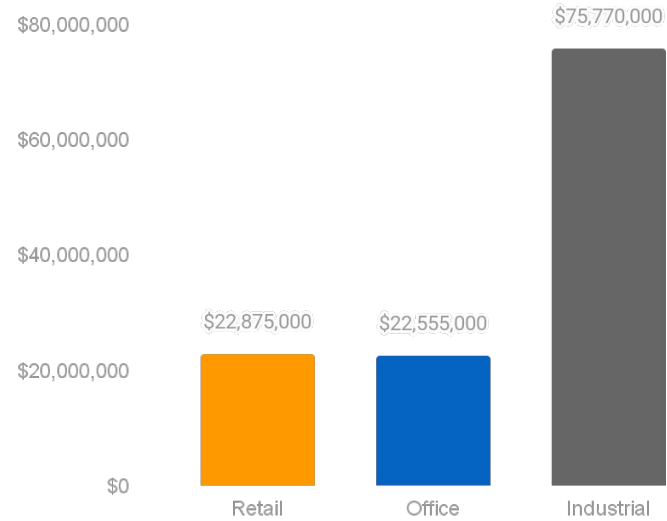
2021 Q3 Sales:

\$121,200,000

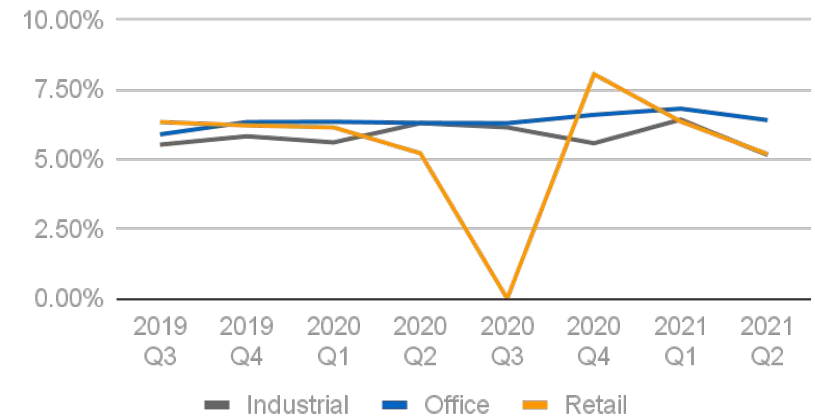
Total Volume By Quarter



Q1 Volume By Type

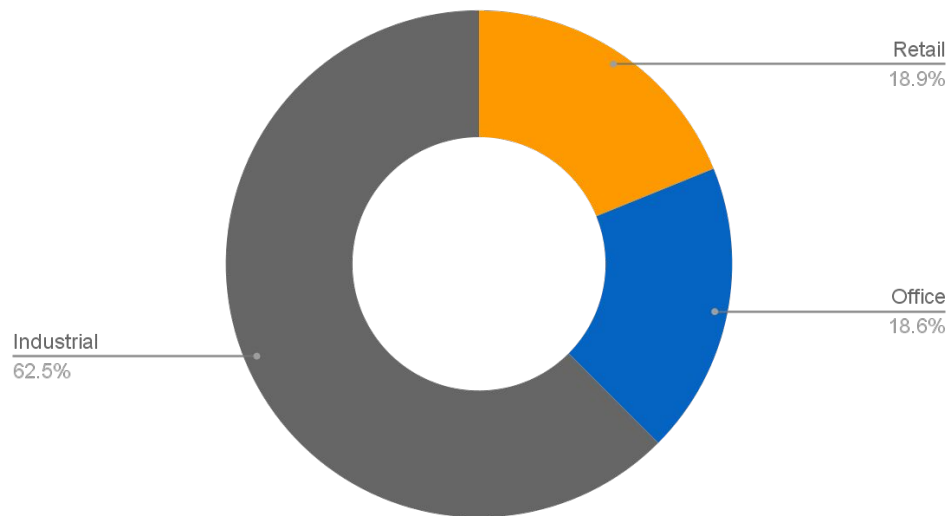


Cap Rate By Type

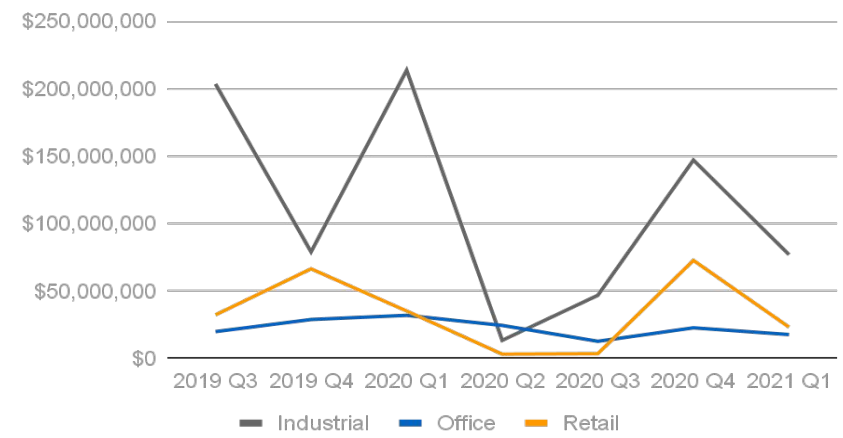


**No reported cap rates in Q3 for Retail Properties*

% of Total Volume By Type



Volume By Type

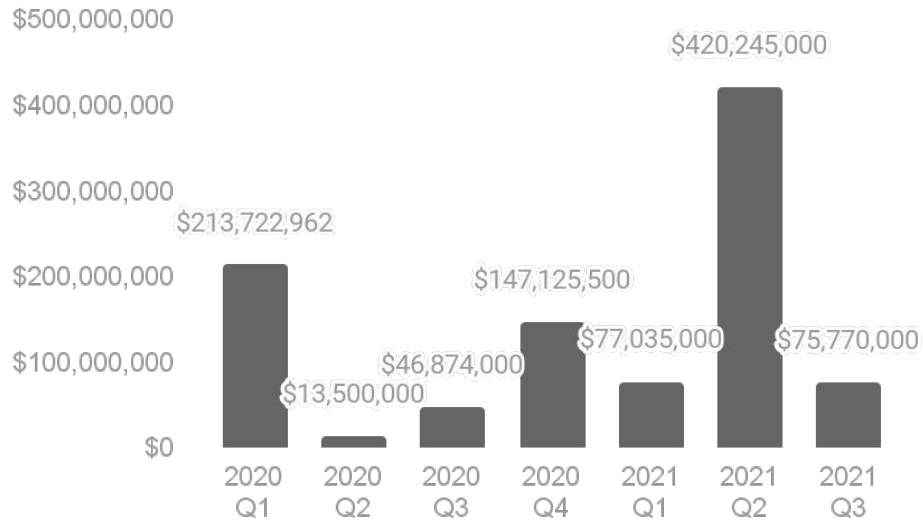


TOP SALES **INDUSTRIAL**

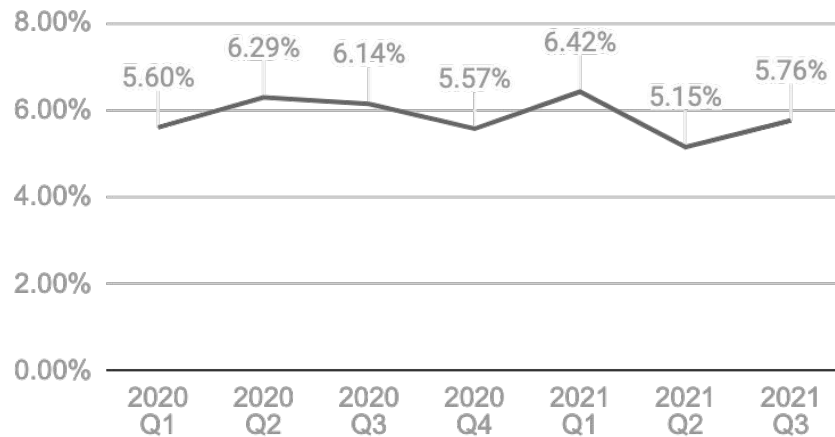
ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
 MILL @ MCCARRAN 1140-1170 FINANCIAL	129,767	5.50%	\$26,325,000 \$202.86 P/SF	DCG REPRESENTED THE SELLER, BASIN STREET PROPERTIES IN THE SALE OF THE MULTI-TENANT FLEX PORTFOLIO.
1210-1280 ICEHOUSE AVE. SPARKS, NV 89431	123,400	5.70%	\$13,400,000 \$108.59 P/SF	TOLLES DEVELOPMENT SOLD THE MULTI TENANT INDUSTRIAL BUILDING IN SPARKS. 100% OCCUPIED AT TIME OF SALE.
802-820 PACKER WAY SPARKS, NV 89431	70,320	N/A	\$13,000,000 \$184.87 P/SF	MULTI-TENANT INDUSTRIAL PORTFOLIO IN SPARKS INDUSTRIAL SUBMARKET.
3000 MILL ST. RENO, NV 89502	39,048	7.00%	\$7,300,000 \$186.95 P/SF	MULTI TENANT FLEX STRIP WITH SHORT TERM LEASES IN PLACE.
1291 E GLENDALE AVE. SPARKS, NV 89441	61,770	5.96%	\$6,290,000 \$101.83 P/SF	TWO TENANT WAREHOUSE IN SPARKS INDUSTRIAL.
 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.
 3655 ARROWHEAD DR. CARSON CITY, NV 89706	20,560	6.00%	\$2,600,000* \$126.46 P/SF	DCG REPRESENTED THE BUYER IN THE FLEX SPACE IN CARSON CITY. 2-YEAR NNN LEASEBACK BY CONCOURS AUTO PARTS.

*NOT INCLUDED IN TOTAL SALES VOLUME

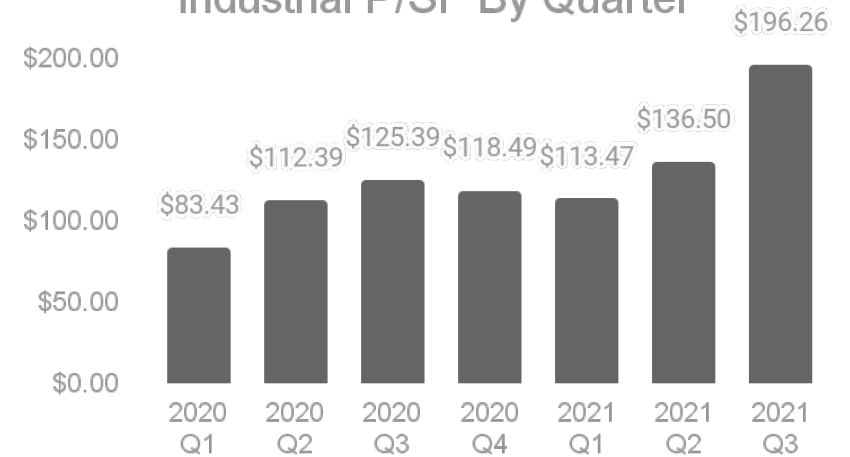
Industrial Volume By Quarter




Industrial Cap Rate By Quarter



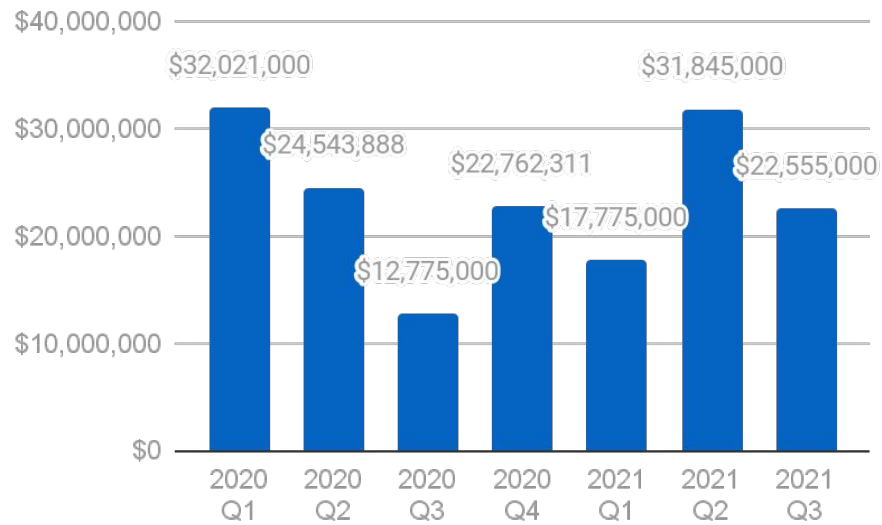
Industrial P/SF By Quarter



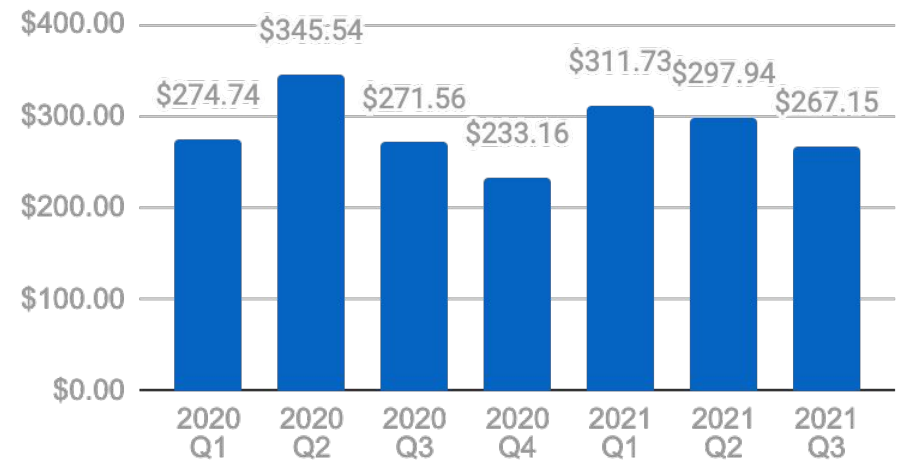
TOP SALES OFFICE

ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
950 SANDHILL RD. RENO, NV 89521	43,800	7.63%	\$8,000,000 \$182.65 P/SF	SCIENTIFIC GAMES. HAS ROUGHLY 1 YEAR REMAINING ON TERM - FOR SUBLEASE. PURCHASED BY INVESTOR OUT OF LAS VEGAS.
 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.
960 CAUGHLIN CROSSING RENO, NV 89519	6,120	5.40%	\$3,875,000 \$633.17 P/SF	100% OCCUPIED MEDICAL OFFICE IN SOUTHWEST RENO. 10-YEAR NNN LEASEBACK.
5595 KIETZKE LN. RENO, NV 89511	10,752	5.40%	\$3,280,000 \$305.06 P/SF	EXECUTIVE SUITES IN QUALITY LOCATION.
255 W MOANA LN. RENO, NV 89509	22,536	4.00%	\$1,700,000 \$75.43 P/SF	THE ATRIUM. 48% LEASED AT TIME OF SALE WITH A REPORTED CAP RATE OF 4.00%.

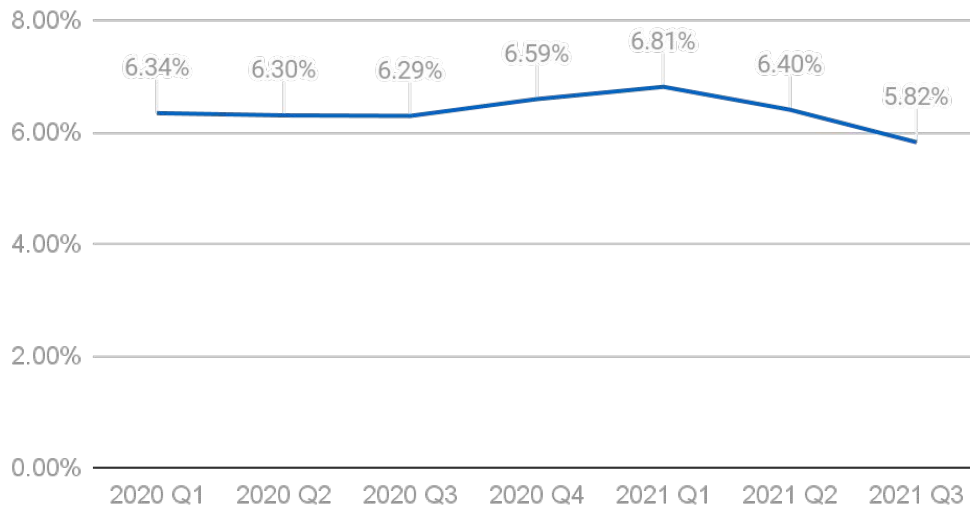
Office Volume By Quarter



Office P/SF By Quarter



Office Cap Rate By Quarter

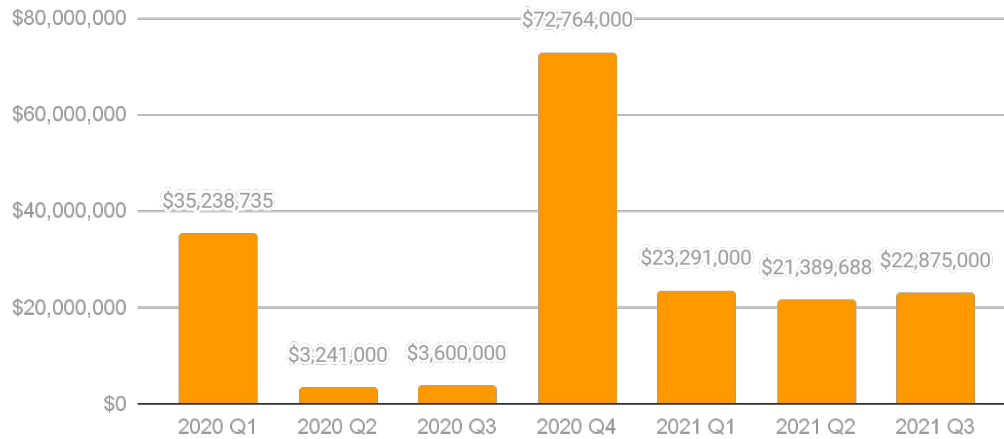


TOP SALES **RETAIL***

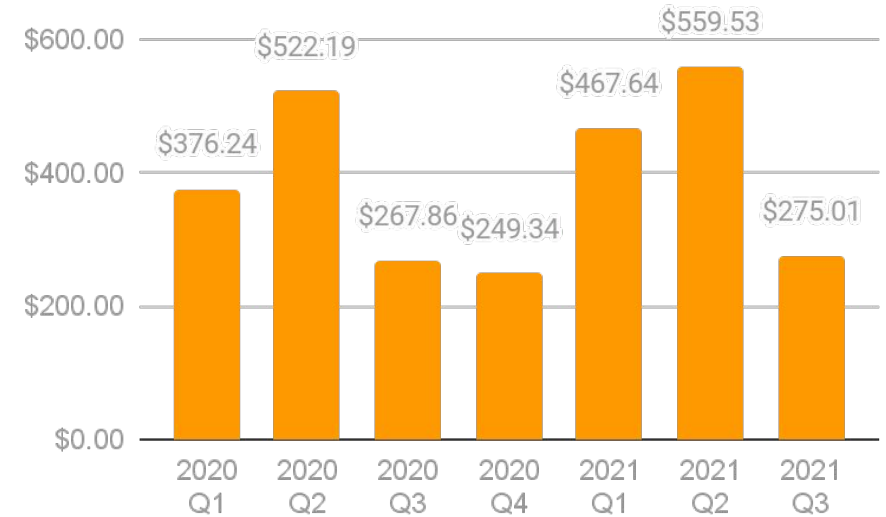
ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
SMITHRIDGE CENTER 5090 SMITHRIDGE DR. RENO, NV 89502	77,652	7.70%	\$10,100,000 \$130.07 P/SF	SMITHRIDGE CENTER IN MEADOWOOD SUBMARKET. REPORTED TO BE 97% OCCUPIED AT TIME OF SALE.
GOODWILL 5000 SMITHRIDGE DR. RENO, NV 89502	43,131	5.95%	\$9,400,000 \$217.94 P/SF	100% OCCUPIED BY GOODWILL. 15-YEAR NNN LEASE.
5490 S LOS ALTOS PKWY. RENO, NV 89523	8,123	N/A	\$3,375,000 \$415.49 P/SF	SWIMMING POOL OCCUPIED BY SILVER BEAR SWIM SCHOOL.

*Only 3 retail investment sales in Q3.

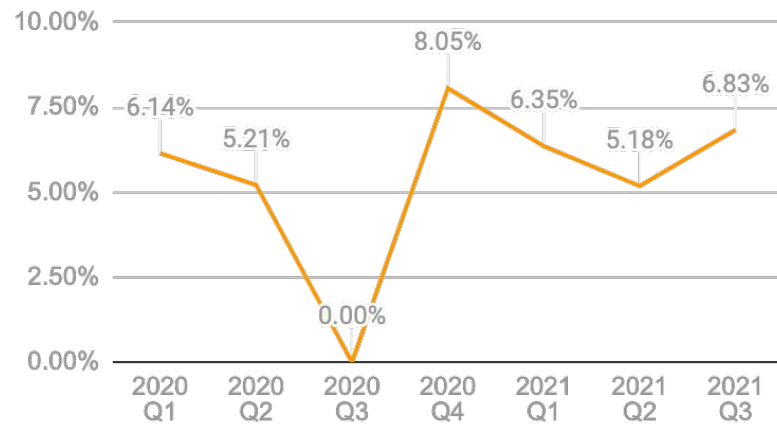
Retail Volume By Quarter



Retail P/SF By Quarter



Retail Cap Rate By Quarter



*No reported cap rates in Q3 for Retail Properties



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Chris has been in the commercial real estate industry since 2006 and has participated in brokering over \$300 million dollars in real estate transactions with an average transaction volume of \$3.75 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 \$75 million in transactions with an average sales price of \$3.65 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.