

Q4 NORTHERN NEVADA

2021

INVESTMENT REPORT

OFFICE

RETAIL

INDUSTRIAL



CHRIS SHANKS, CCIM

cshanks@dicksoncg.com
775.762.7103 **CELL**
S.0167217

MATT DERICCO

mdericco@dicksoncg.com
775.336.8412 **CELL**
S.0187965



MARKET RECAP

Q4

Washoe County buyer demand remains extremely high. 2021 was a record year throughout all four quarters. The quick rebound began in Q4 2020 in large part to record low interest rates and easing of COVID restrictions. Adding to that, for the second straight year, uncertainty with the current administration's proposed changes to the tax code created a push to get deals closed by the end of the year. The strength of our market continues to be institutional grade Industrial.

Cap rates compressed across all asset types in 2021 due to the high buyer demand and significant lack of inventory. Well priced properties in all price ranges and asset types continue to have great success in the marketplace. This shows the importance of accurate underwriting based on current market/investor expectations relative to perceived risk.

Although it remains the best Seller's market we have seen in the 2000s, cap rate compression is likely to slow from the pace we have seen the last few years due to proposed interest rate hikes. 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.

DCG's Investment Team closed out the year strong. DCG represented the seller in the Rainbow Springs Shopping Center in Las Vegas. The Walmart Anchored Center sold for \$42,000,000. Additionally, DCG represented both sides in the sale of the South Meadows Promenade which sold for \$34,000,000 and is anchored by Sprouts. Lastly, Mill at McCarran, a multi-tenant flex project which sold for \$26,325,000 and DCG represented the seller.

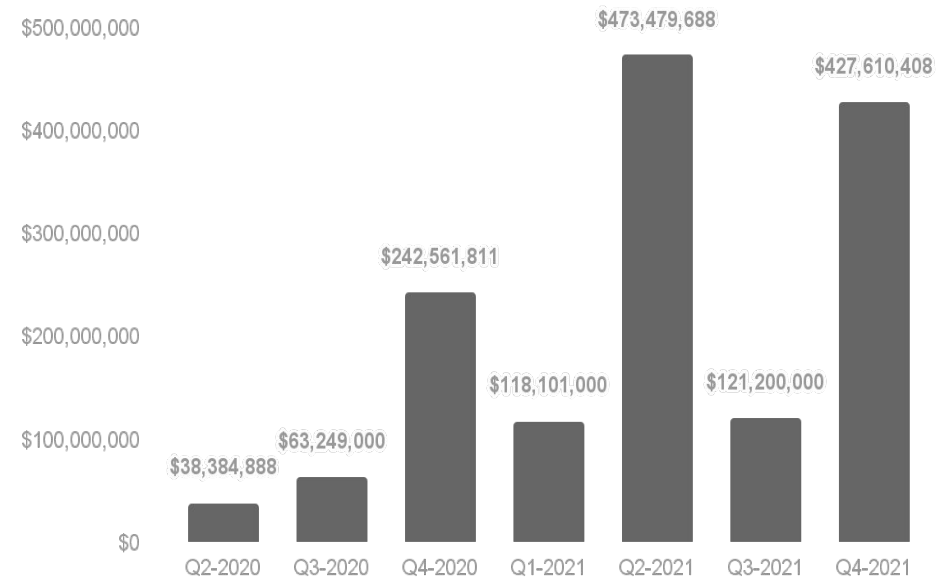
FEDERAL RESERVE/INFLATION NEWS:

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. Fed Chair Powell said to prepare for the first rate hike in March of 2022. With inflation showing no signs of slowing, we anticipate at least 4 rate hikes throughout the year. How aggressive will the FOMC get? That remains to be seen.

2021 Q4 Sales: \$427,610,408

TOTAL 2021 Sales: \$1,140,391,096

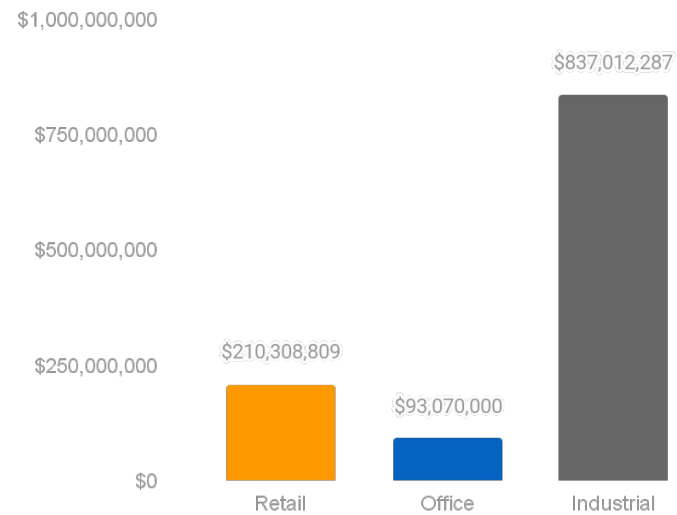
Total Volume By Quarter



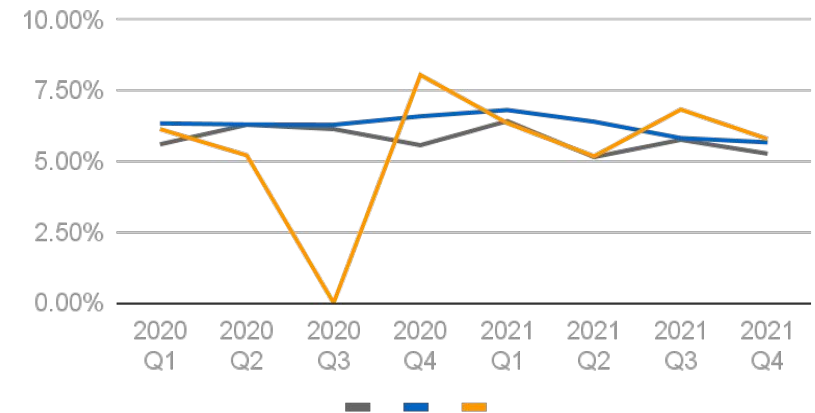
NOTABLE INVESTMENT SALES **DCG - 2021**

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.

2021 Volume By Type

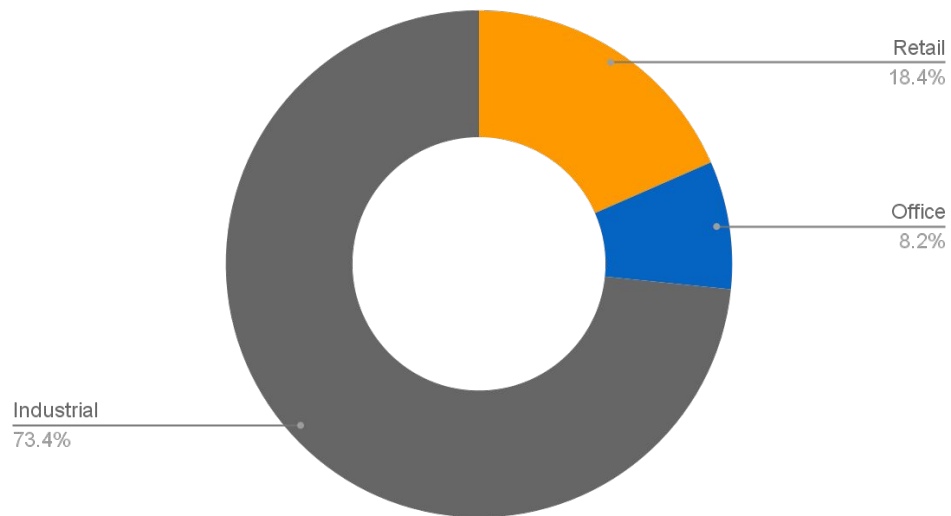


Cap Rate By Type

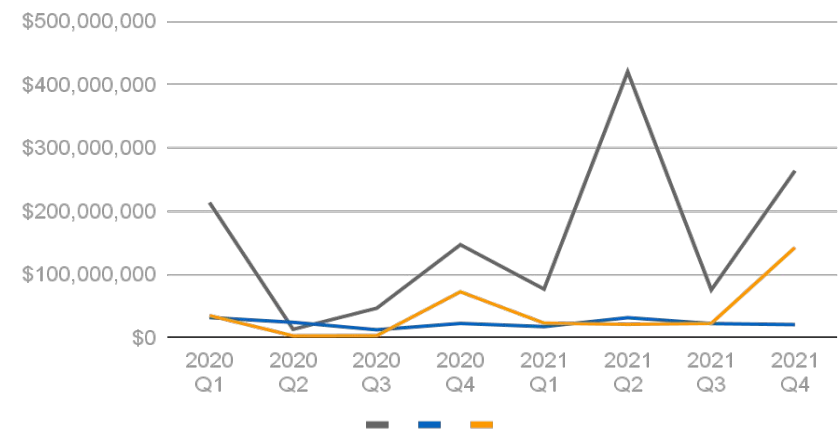


**No reported cap rates in Q3 for Retail Properties*

% of Total Volume By Type




Volume By Type

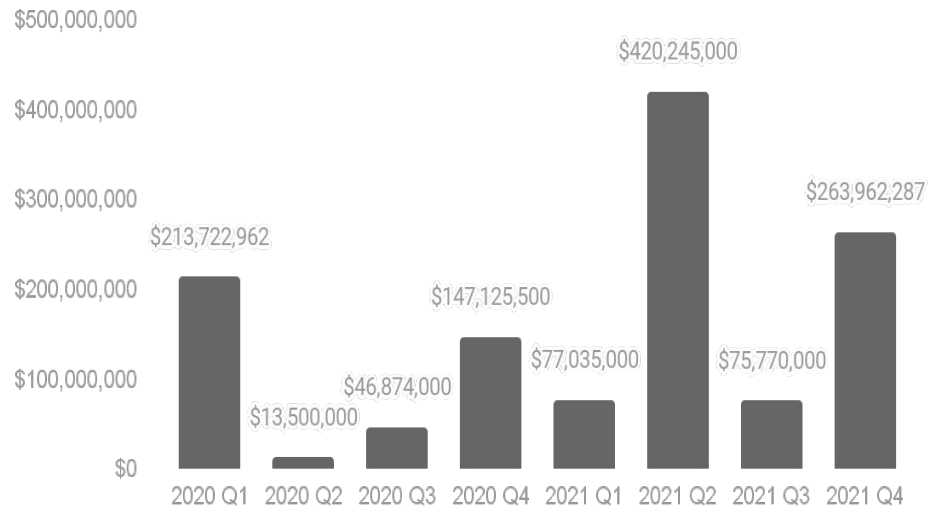


2021 TOP SALES INDUSTRIAL

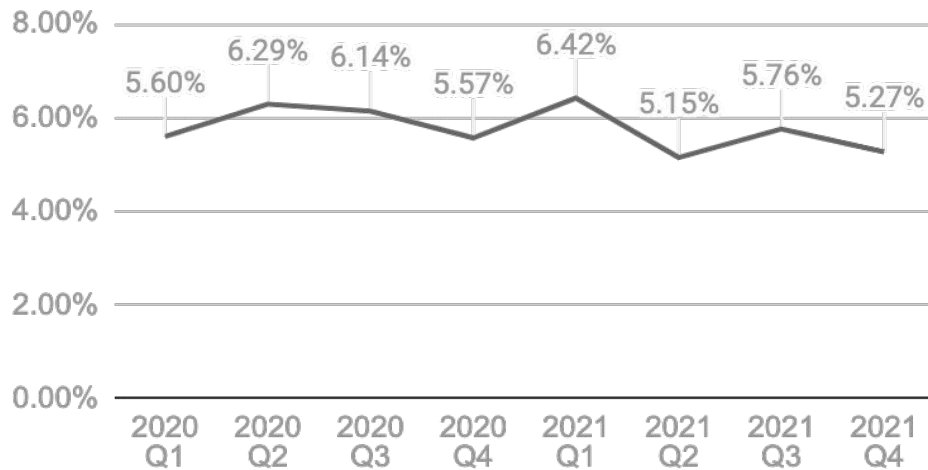
Q4

ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
STARWOOD PORTFOLIO 16 PROPERTIES	3,143,741	4.20%	\$396,300,000 \$126.06 P/SF	STARWOOD PURCHASED 16 BUILDINGS IN NORTHERN NEVADA FROM BLACKSTONE. THEY WERE REPORTED TO BE 100% OCCUPIED AT TIME OF SALE.
JCPENNEY 11111 STEAD BLVD. RENO, NV 89506	1,629,177	6.35%	\$150,950,354 \$96.96 P/SF	LBA REALTY PURCHASED 6 JCPENNEY LOCATIONS ACROSS THE COUNTRY FOR OVER \$557 MILLION. ALL LOCATIONS ARE ON A 20-YEAR NNN LEASE.
9715 N VIRGINIA ST. RENO, NV 89506	185,000	N/A	\$30,500,000 \$164.86 P/SF	LBA REALTY PURCHASED THE DISTRIBUTION WAREHOUSE IN NORTH VALLEYS FROM SCANNELL PROPERTIES. 100% OCCUPIED BY ONTRAC LOGISTICS.
14101 LEAR BLVD. RENO, NV 89506	417,410	N/A	\$29,000,000 \$69.48 P/SF	BANKRUPTCY SALE. FORMER LSC COMMUNICATIONS BUILDING IN NORTH VALLEYS. BUYER WAS INDUSTRIAL REALTY GROUP OUT OF SANTA MONICA, CA.
 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.
1675 W 4TH ST. RENO, NV 89503	98,314	4.30%	\$20,000,000 \$302.43 P/SF	SELF STORAGE FACILITY WEST OF DOWNTOWN RENO. SOLD FOR A REPORTED CAP RATE OF 4.30%
8770 TECHNOLOGY WAY RENO, NV 89521	98,720	N/A	\$19,590,362 \$199.32 P/SF)	BLACKSTONE PURCHASED THE SINGLE TENANT WAREHOUSE IN PART OF A \$3.2 BILLION PORTFOLIO CONSISTING OF 112 PROPERTIES ACROSS THE COUNTRY.
550 SPICE ISLANDS DR. SPARKS, NV 89431	174,878	LOW 5% RANGE	\$17,206,581 \$98.39 P/SF	GIC REAL ESTATE PURCHASED THE 70.5 MILLION SQUARE FOOT INDUSTRIAL NATIONAL PORTFOLIO FOR \$6.8 BILLION.
SELF-STORAGE PORTFOLIO 10650 S VIRGINIA ST. & 30 E VICTORIAN AVE.	88,016	4.00%	\$17,000,000 \$193.15 P/SF	TWO SELF-STORAGE FACILITIES IN RENO AND SPARKS WITH A REPORTED CAP RATE OF 4.00%.
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.

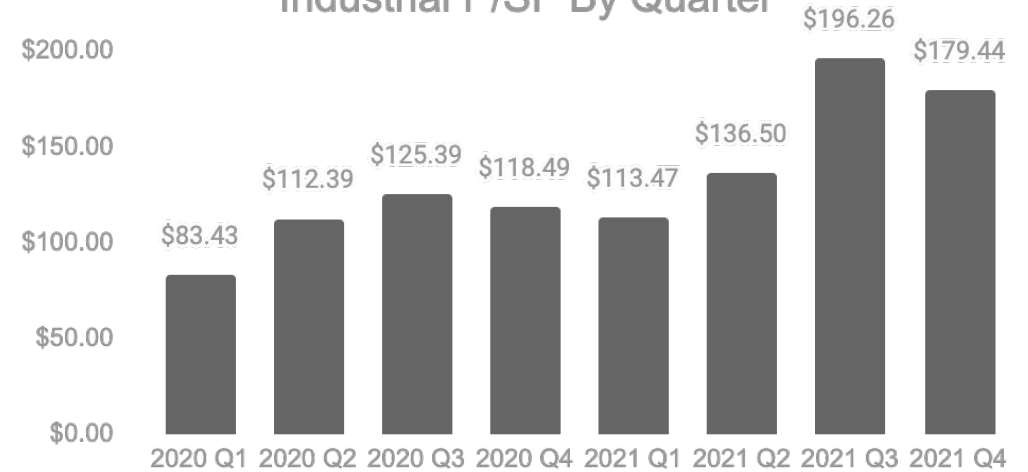
Industrial Volume By Quarter



Industrial Cap Rate By Quarter



Industrial P/SF By Quarter



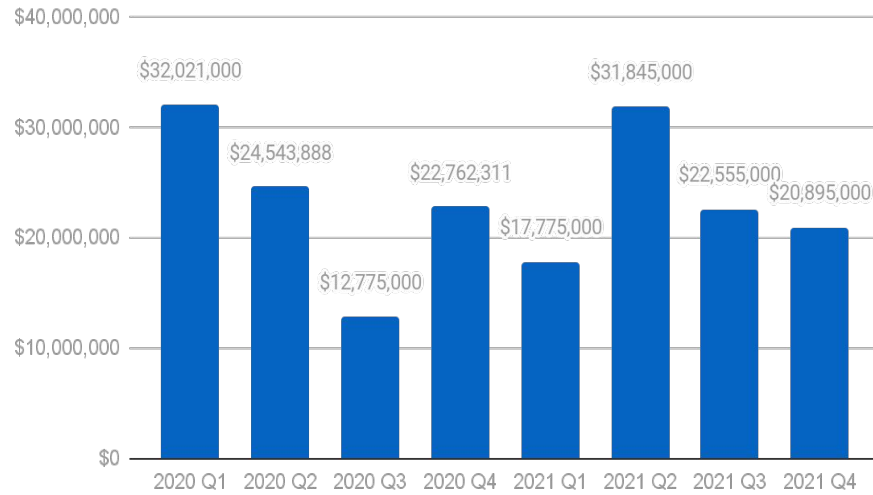
2021 TOP SALES OFFICE

Q4

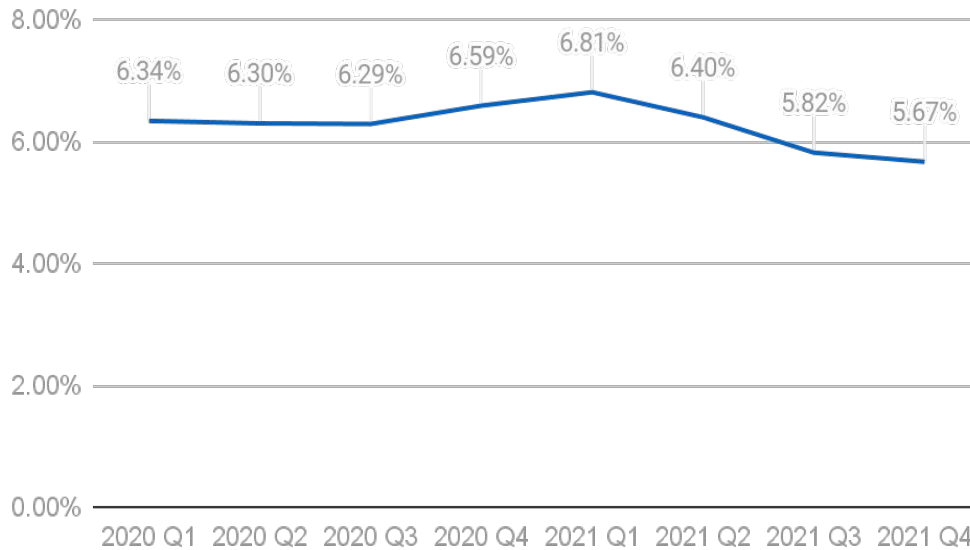
ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
5560 KIETZKE LN. RENO, NV 89511	21,575	N/A	\$11,700,000 \$542.29 P/SF	100% OCCUPIED BY UROLOGY NEVADA. HYBRID SALE-LEASEBACK. PHYSICIANS TO MAINTAIN OWNERSHIP OF REAL ESTATE ON A TAX DEFERRED BASIS.
950 SANDHILL RD. RENO, NV 89521	43,800	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.
5443 KIETZKE LN. RENO, NV 89511	8,452	6.16%	\$6,725,000 \$795.67 P/SF	SURGICAL CENTER 100% OCCUPIED BY COMPREHENSIVE INTEGRATIVE CARE ON A 15-YEAR NNN LEASE..
7800 RANCHARRAH PKWY. RENO, NV 89511	11,953	5.75%	\$6,400,000 \$535.43 P/SF	100% OCCUPIED BY FENNEMORE LAW, A REGIONAL LAW FIRM. OVER 7 YEARS REMAINING ON ORIGINAL LEASE TERM.
245 E LIBERTY ST. RENO, NV 89501	48,034	N/A	\$6,400,000 \$133.24 P/SF	VALUE ADD OFFICE IN DOWNTOWN.
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.
850 MILL ST. RENO, NV 89502	21,165	5.70%	\$3,495,000 \$165.13 P/SF	MULTI TENANT MEDICAL OFFICE ACROSS FROM RENOWN DOWNTOWN. 74% OCCUPIED AT CLOSE OF ESCROW.
5595 KIETZKE LN. RENO, NV 89511	10,752	5.40%	\$3,280,000 \$305.06 P/SF	EXECUTIVE SUITES IN QUALITY LOCATION.
5375 KIETZKE LN. RENO, NV 89511	9,625	PROFORMA: 6.29%	\$2,800,000 \$290.91 P/SF	MULTI-TENANT OFFICE. 63% OCCUPIED AT CLOSE OF ESCROW.



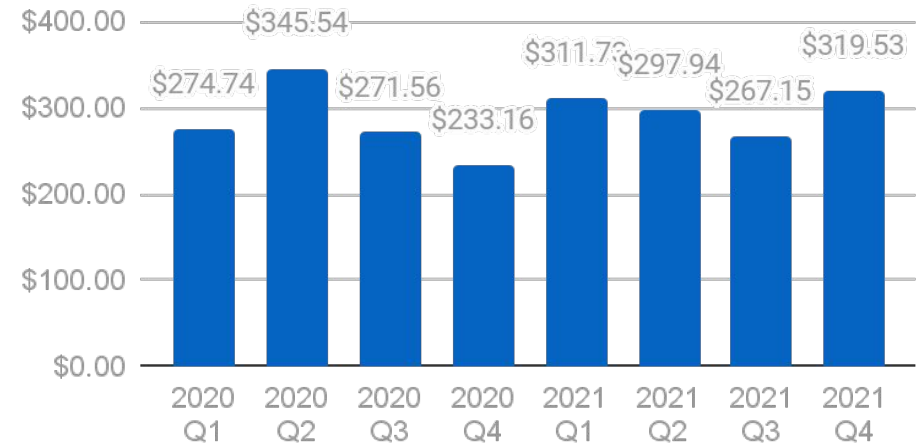
Office Volume By Quarter



Office Cap Rate By Quarter



Office P/SF By Quarter



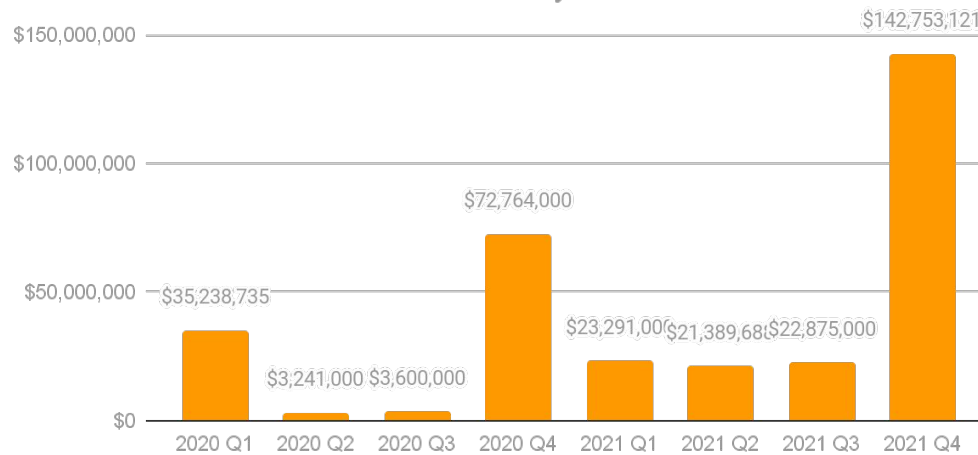
2021 TOP SALES **RETAIL**

Q4

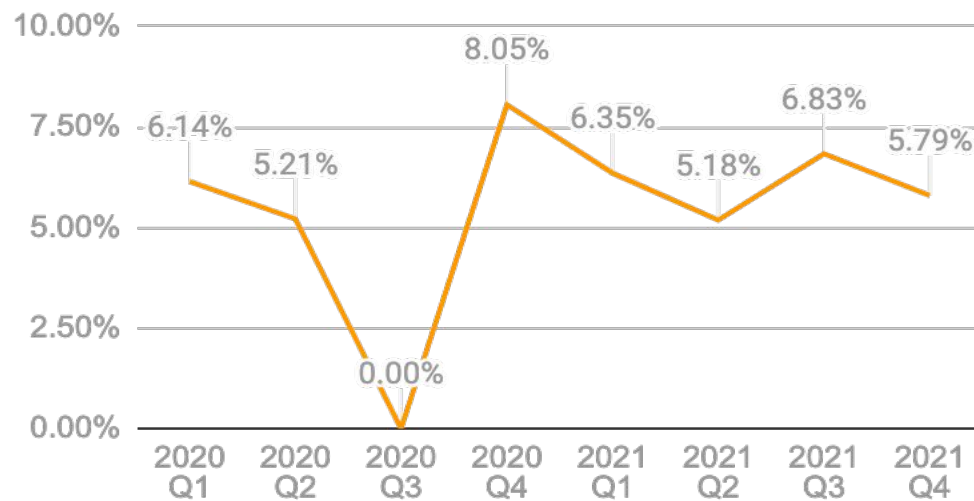
ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
 *RAINBOW SPRINGS SHOPPING CENTER - LAS VEGAS	364,196	8.20%	\$42,500,000 \$116.70 P/SF	DCG REPRESENTED THE SELLER. WALMART ANCHORED SUPERCENTER IN WEST LAS VEGAS.
CABELA'S VERDI 8650 BOOMTOWN GARSON RD. VERDI, NV 89439	127,616	6.10%	\$38,937,622 \$364.18 P/SF	100% OCCUPIED BY CABELA'S. PURCHASED BY CAI INVESTMENTS FROM BASS PRO SHOPS.
 SOUTH MEADOWS PROMENADE 537-597 S MEADOWS PKWY. RENO, NV 89521	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.
VILLAGE AT DOUBLE DIAMOND 720-770 S MEADOWS PKWY. RENO, NV 89521	57,492	7.20%	\$20,050,000 \$349.74 P/SF	4 PARCEL PORTFOLIO. ANCHORED BY SMITHS (NAP). PROPERTY WAS 73% OCCUPIED AT TIME OF SALE.
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.
300 S WELLS AVE., RENO, NV 89502	39,816	6.06%	\$10,057,500 \$252.60 P/SF	MULTI-TENANT RETAIL IN MIDTOWN.
WESTRIDGE CORNERS 5365 MAE ANNE AVE. RENO, NV 89523	31,040	6.50%	\$9,900,000 \$318.94 P/SF	98% OCCUPIED TWO STORY MIXED USE PROJECT IN NORTHWEST RENO.
KOHL'S 5150 MAE ANNE AVE. RENO, NV 89523	94,385	7.29%	\$9,525,000 \$100.92 P/SF	100% OCCUPIED BY KOHL'S. 8 YEARS REMAINING ON THEIR LEASE.
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.
TESLA 9732 S VIRGINIA ST. RENO, NV 89511	21,713	5.83%	\$8,950,000 \$412.20 P/SF	100% OCCUPIED BY TESLA.

*NOT INCLUDED IN TOTAL SALES VOLUME

Retail Volume By Quarter

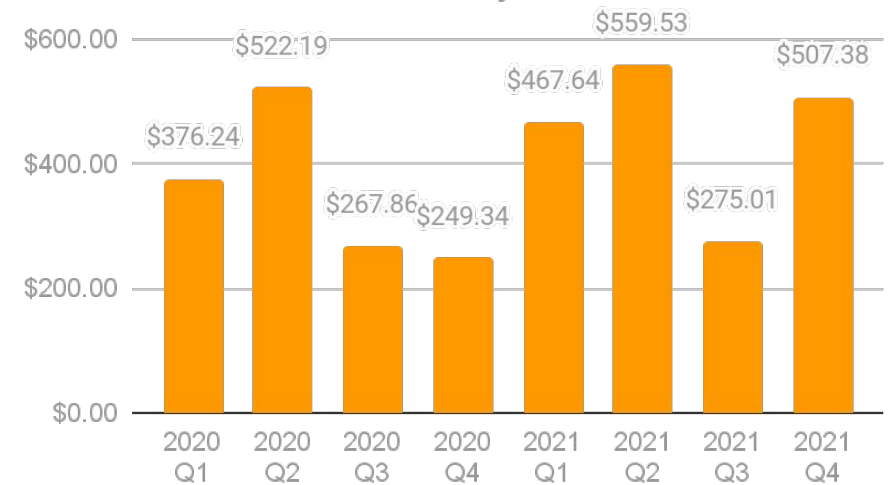


Retail Cap Rate By Quarter



*No reported cap rates in Q3 for Retail Properties

Retail P/SF By Quarter





CHRIS SHANKS, CCIM
cshanks@dicksoncg.com
775.762.7103 **CELL**

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.



MATT DERICCO
mdericco@dicksoncg.com
775.336.8412 **CELL**

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 \$115 million in transactions with an average transaction volume over \$4.5 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.