

# Q2 2023

# INVESTMENT REPORT



OFFICE  
RETAIL  
INDUSTRIAL



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## NORTHERN **NEVADA**





## Q2 2023 SALES

Washoe County Q2 investment sales volume totaled \$28,825,000. There were 9 total investment sales across Washoe County in all of Q2, which remains a continued sign of the disconnect between buyers and sellers pricing expectations. Retail sales accounted for just over 77% of the total sales volume with industrial being the remaining 23%. Office had zero investment sales in Q2.

**This sales volume number marks the worst quarter dating back to the Great Financial Crisis.**

**2023 Q2 Sales Volume: \$28,825,000**

**2022 Sales Volume: \$299,809,042**

**2021 Sales Volume: \$1,140,391,096**

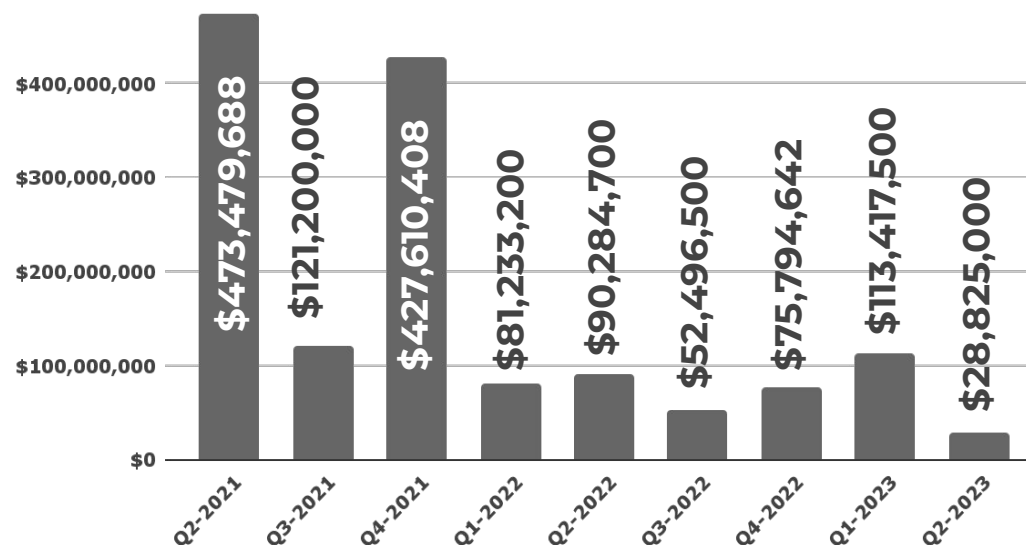


## 2ND HALF - 2023 OUTLOOK

2023 Q2 investment sales volume were down nearly 80.00% from Q1 2023. The continued high interest rates have hindered the investment markets locally and nationwide. With the higher cost of capital and significant decrease in demand, we have seen cap rates increase +/- 125-200 BPS across all asset types. Even with the increase in cap rates, volume remains low as buyer's are finding alternative investments for their capital.

Given the current amount of uncertainty, accurate underwriting will be as important as ever when solving for risk-adjusted returns. We expect buyers to remain patient until more opportunistic investments start to become available in the next 6-24 months. As loans begin to mature, Lenders and Borrowers will be faced with difficult decisions as most loans originated in the last three years will be out of covenant. We believe this will be the turning point for value-add opportunities.

## TOTAL VOLUME BY QUARTER





## SALES Q2 2023

# OF TRANSACTIONS

9

SALES VOLUME

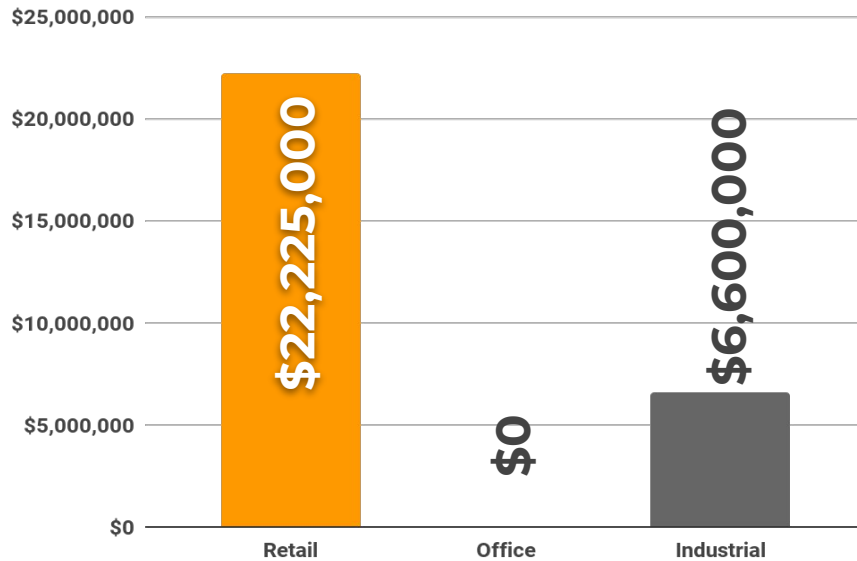
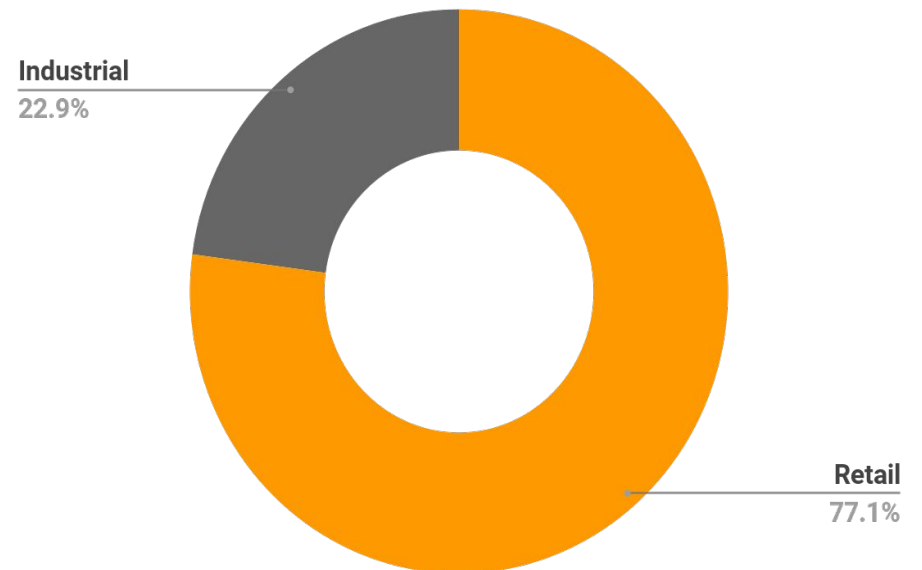
\$28,825,000

**+28.57%**

FROM LAST QUARTER

**-79.87%**

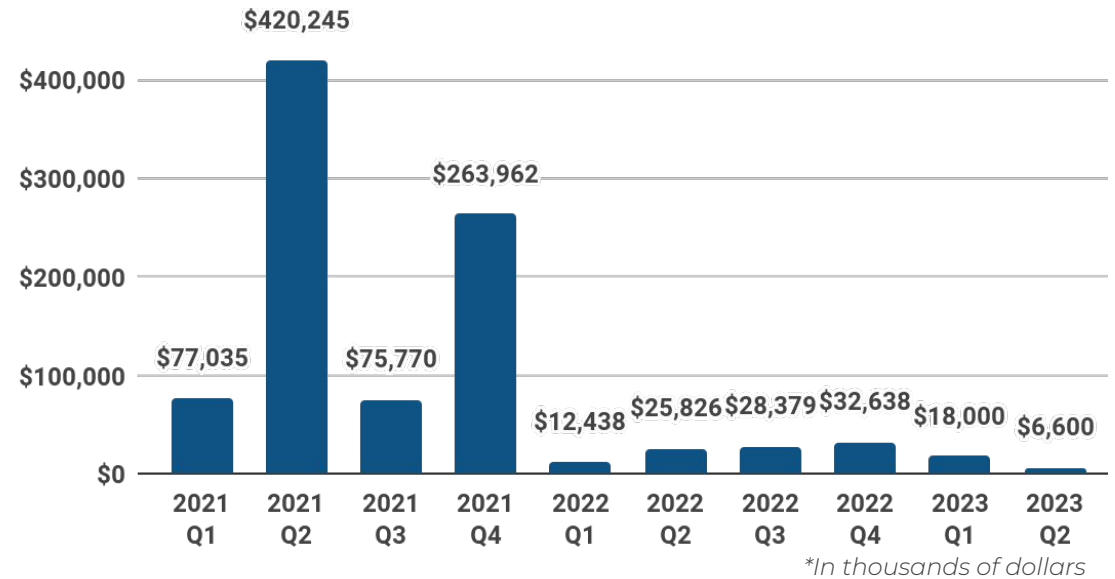
FROM LAST QUARTER

VOLUME  
BY TYPE% OF TOTAL VOLUME  
BY TYPE

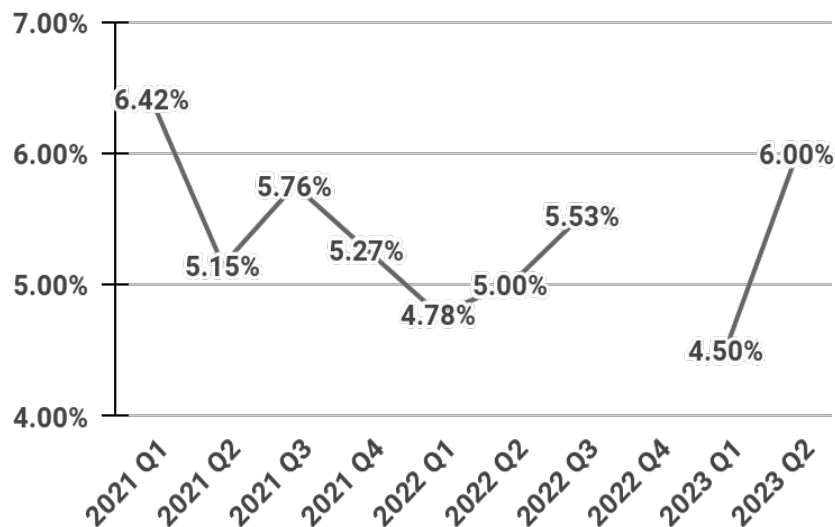
ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
14820-14830 KIVETT LN. RENO, NV 89521	15,168	N/A	<b>\$4,300,000</b> \$283.49 P/SF	3 BUILDING PORTFOLIO IN SOUTH RENO. BUYER PLANS TO OCCUPY A PORTION OF THE BUILDING.
 1070 SANDHILL RD. RENO, NV 89521	9,802	PROFORMA: 6.00%	<b>\$2,300,000</b> <b>\$234.65 P/SF</b>	BUYER PLANS TO OCCUPY JUST OVER HALF OF THE BUILDING AND LEASE THE REMAINING PORTION.

NOTE: ONLY 2 INDUSTRIAL INVESTMENT SALES IN Q1.

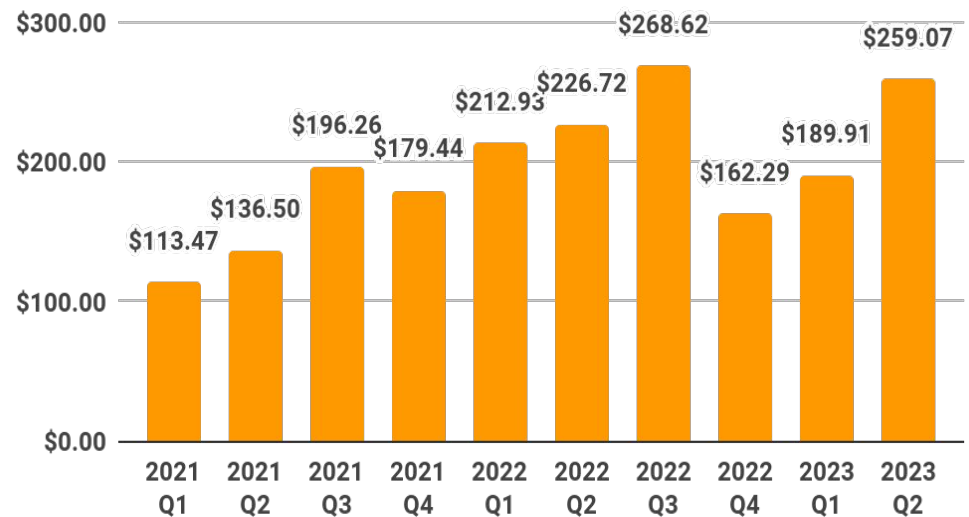
## INDUSTRIAL VOLUME BY QUARTER



## INDUSTRIAL CAP RATE BY QUARTER



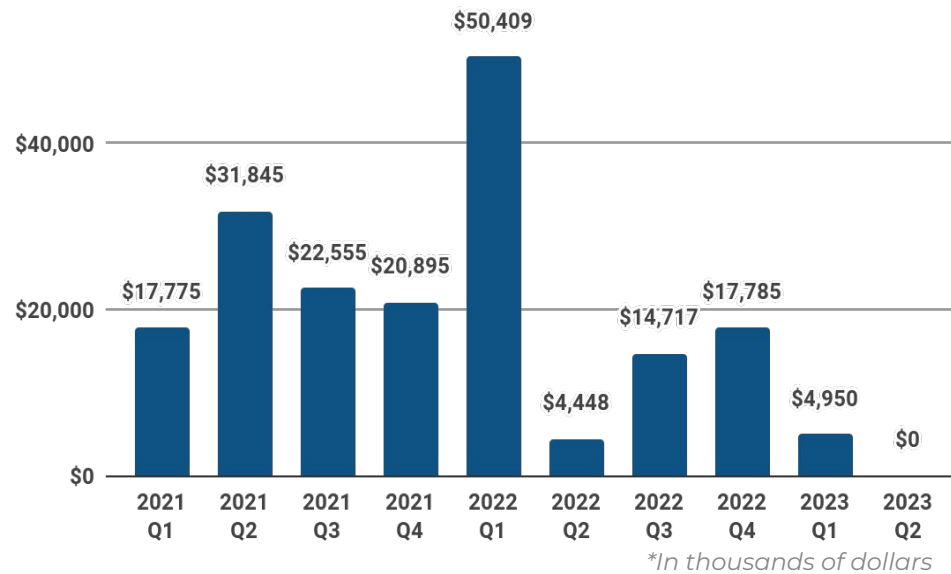
## INDUSTRIAL P/SF BY QUARTER



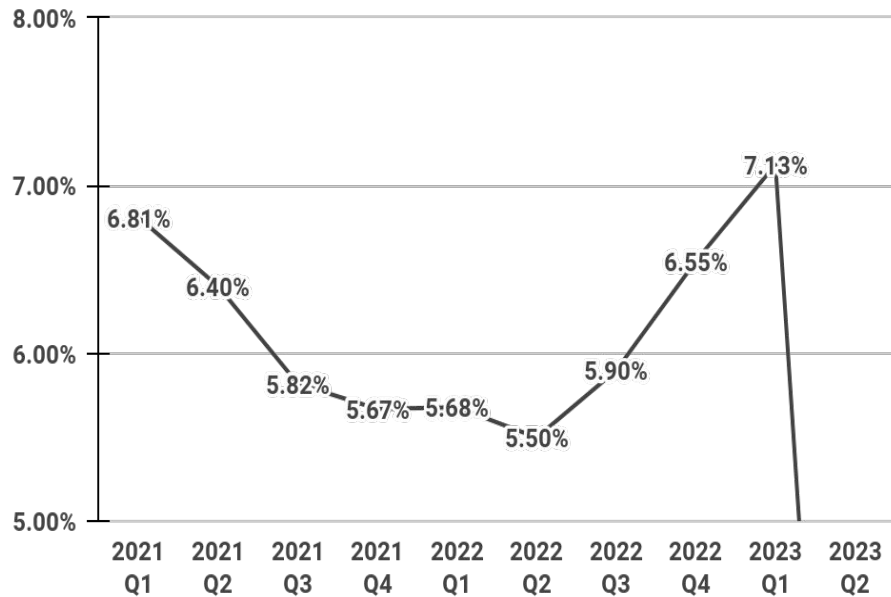
*\*No reported cap rates in Q4 2022 or Q1 2023 for Industrial Properties*

*NOTE: 0 OFFICE INVESTMENT SALES IN Q2.*

### OFFICE VOLUME BY QUARTER

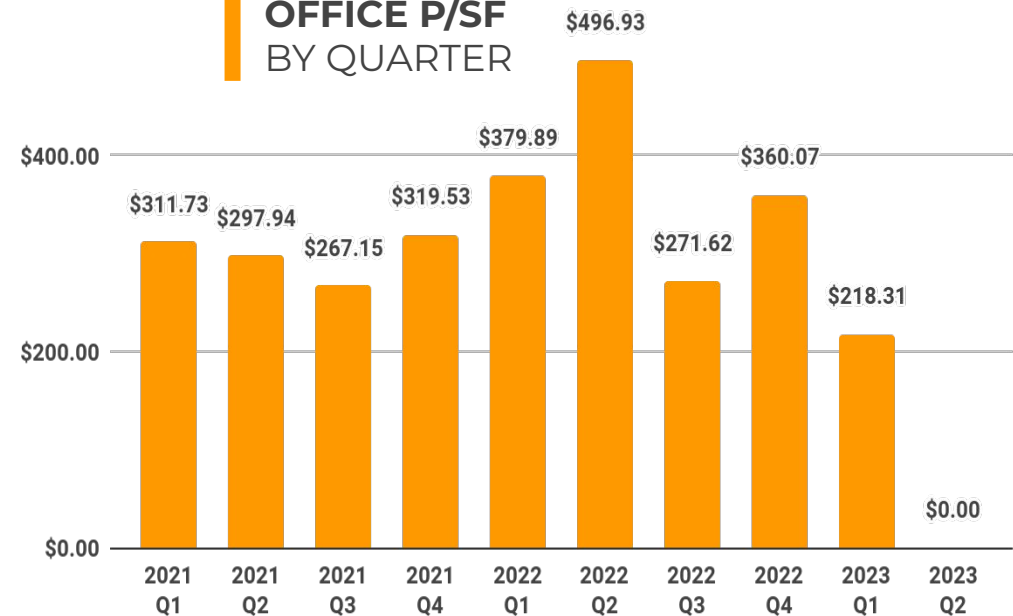


### OFFICE CAP RATE BY QUARTER



*\*No reported cap rates in Q2 2023 for Office Properties*

### OFFICE P/SF BY QUARTER

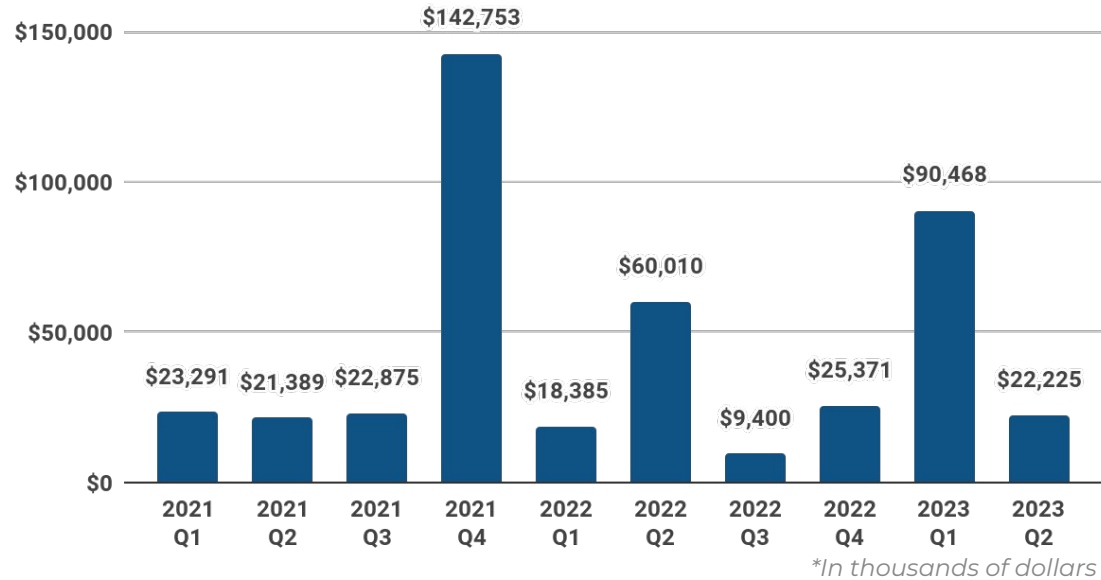


ADDRESS	BUILDING SQUARE FEET	CAP RATE	SALES PRICE PRICE/SF	NOTES
<b>ROUND 1 5400 MEADOWOOD MALL CIR RENO, NV 89502</b>	165,792	PROFORMA: 12.73%	<b>\$7,600,000</b> \$45.84 P/SF	FORMER SEARS IN MEADOWOOD MALL. 24% OCCUPIED AT TIME OF SALE BY ROUND 1. FULLY STABILIZED PROFORMA CAP RATE OF 12.73%.
<b>440 E GOLDEN VALLEY RD. RENO, NV 89506</b>	12,000	6.80%	<b>\$4,000,000</b> \$333.33 P/SF	NEW CONSTRUCTION MULTI TENANT RETAIL STRIP IN NORTH VALLEYS. 100% OCCUPIED.
<b>SILVER STATE RELIEF 175 E GREG ST. SPARKS, NV 89434</b>	7,384	8.70%	<b>\$3,500,000</b> \$474.00 P/SF	SILVER STATE RELIEF STNL. SILVER STATE HAD A 7 YEAR NNN LEASE IN PLACE ON THE DISPENSARY.
<b>PANERA BREAD 275 SPARKS BLVD. SPARKS, NV 89434</b>	3,423	5.10%	<b>\$2,425,000</b> \$708.44 P/SF	FUTURE PANERA BREAD STNL IN LEGENDS MALL.
<b>5415 SUN VALLEY BLVD. SUN VALLEY, NV 89433</b>	6,000	5.00%	<b>\$1,700,000</b> \$283.33 P/SF	O'REILLY AUTO PARTS STNL. +/- 4 YEARS REMAINING ON THEIR LEASE.
<b>WENDY'S 875 W 5TH ST. RENO, NV 89503</b>	2,515	N/A	<b>\$1,500,000</b> \$596.42 P/SF	WENDY'S STNL. NO FINANCIALS WERE REPORTED.
<b>WENDY'S 805 KIETZKE LN. RENO, NV 89502</b>	2,509	N/A	<b>\$1,500,000</b> \$597.85 P/SF	WENDY'S STNL. NO FINANCIALS WERE REPORTED.

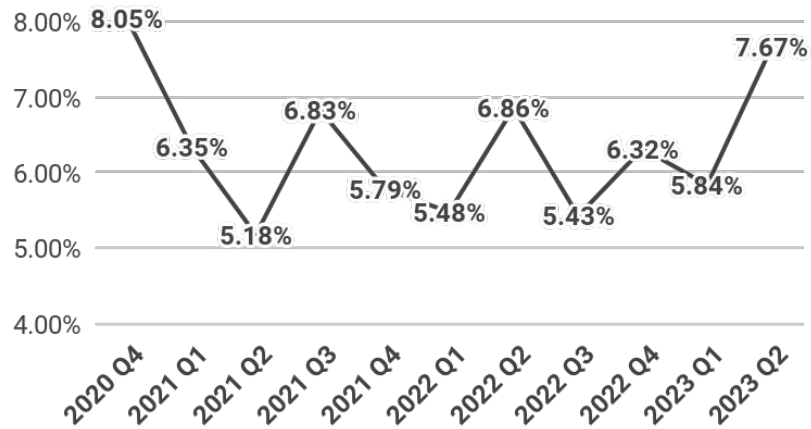
NOTE: ONLY 7 RETAIL INVESTMENT SALES IN Q1.



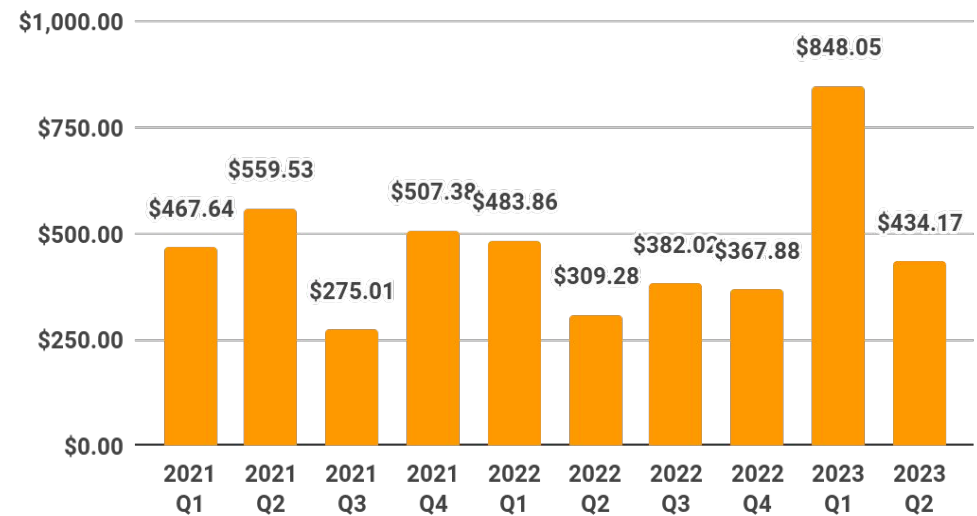
### RETAIL VOLUME BY QUARTER



### RETAIL CAP BY QUARTER



### RETAIL P/SF BY QUARTER





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Chris has been in the commercial real estate industry since 2006 and has participated in brokering over \$650 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 \$150 million in transactions with an average transaction volume over \$5.0 million.

## INVESTMENT SERVICES

- **INVESTMENT SALES & PURCHASES**
- **JOINT VENTURES**
- **SALE-LEASEBACKS**
- **PRIVATE PLACEMENTS**
- **PROPERTY UNDERWRITING**
- **1031 EXCHANGES**

