

GERRIT HILLEBRAND, CCIM *S.167217* **DOMINICK HOOVER** *S.*0201555

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Market Recap



Multifamily sales volume in Q2 2024 included 23 sales, totaling \$20,337,048 (averaging \$197,447 per door) in Washoe County. This is a 69% decline in total sales volume as compared to Q1 2024, which totaled \$65,679,100.

As we adjust to the price fluctuations driven by elevated interest rates, the bid-ask spread continues to widen. In this challenging economic landscape, characterized by stricter lending guidelines and higher borrowing costs, stringent underwriting remains vital for accurately assessing risk-adjusted returns.

With lenders offering reduced loan proceeds, buyers are compelled to evaluate their liquidity limits and the implications of committing substantial capital to a single asset. This has led to a noticeable rise in seller financing, which appears to be sustaining property values that might otherwise be out of reach in the current debt environment.



Q1 2024

SALES VOLUME **\$65,679,100**

OF TRANSACTIONS
20

PRICE PER DOOR **\$254,729**

Q2 2024

SALES VOLUME **\$20,337,048**

OF TRANSACTIONS
23

PRICE PER DOOR \$197,447

| OVER 10 UNITS | | | | | | | | |
|--------------------------------------|-------------|-------------|------------|------------|--------------|---|--|--|
| Address | Building SF | Sales Price | # of Units | Price/Unit | Price Per SF | Notes | | |
| 355 Broadway Blvd Reno, NV | 25,856 SF | \$5,355,048 | 32 | \$167,345 | \$207.11 PSF | Charming value-add asset, well-located with an attractive unit mix, and original interiors and exteriors that need to be brought up to modern design standard. | | |
| 1380 N Sierra St Reno, NV | 5,272 SF | \$800,000 | 12 | \$66,667 | \$151.75 PSF | Sold at a significant discount due to structural issues. The property is located walking distance to the UNR campus. | | |

| 10 UNITS & UNDER | | | | | | | | |
|---|-------------|-------------|------------|------------|--------------|--|--|--|
| Address | Building SF | Cap Rate | # of Units | Price/Unit | Price Per SF | Notes | | |
| 2308 Wedekind Rd Reno, NV | 3,456 SF | \$875,000 | 6 | \$145,833 | \$253.18 PSF | This asset is located in the Northeast Reno submarket. It transacted as a value-add, market rate deal. | | |
| 116 Saint Lawrence Ave Reno, NV | 3,494 SF | \$1,000,000 | 6 | \$166,667 | \$286.20 PSF | This six unit asset that is located in Reno's Midtown district. Some upgrades have been performed, including a mix of both original and newer appliances. | | |
| 528 E 7th St Reno, NV | 2,030 SF | \$600,000 | 4 | \$150,000 | \$295.57 PSF | Conveniently situated in walking distance to UNR. It features original finishes that need to be updated. | | |
| 2380 Orange Ln Reno, NV | 3,660 SF | \$500,000 | 4 | \$125,000 | \$136.61 PSF | Located just south of Plumb and west of Kietzke, this is a 4 unit building with substantial fire damage. | | |
| 130 Caliente St Reno, NV | 3,476 SF | \$1,300,000 | 4 | \$325,000 | \$373.99 PSF | This property is fully remodeled, excellent midtown location, with classic brick architecture. | | |



Q2 2024 Reno Multifamily Average Cap Rate





Q2 2024 Reno Multifamily Average P/Door



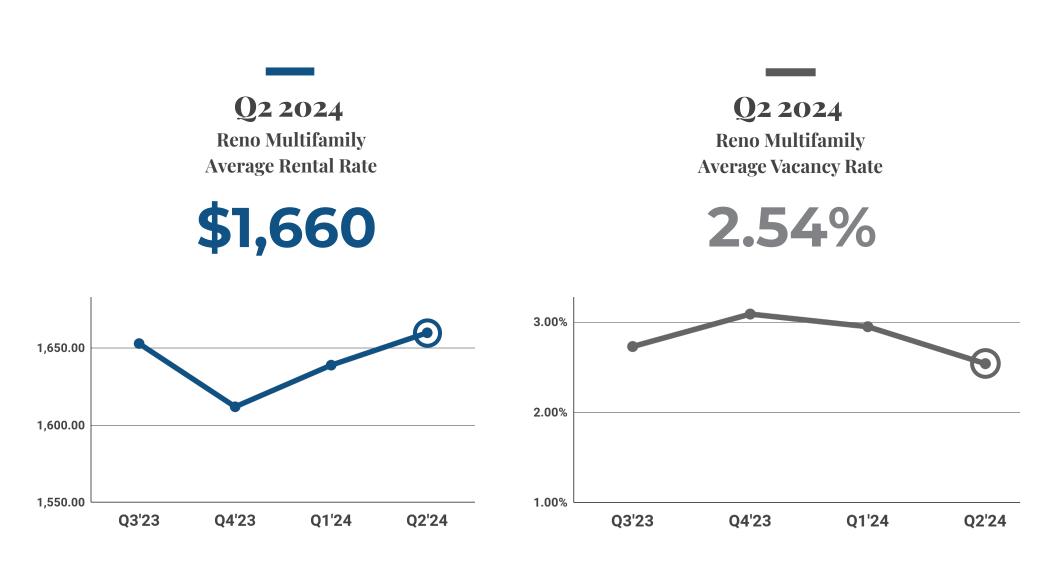


Reno Multifamily Average P/SF



RENO MULTI FAMILY Rental Trends

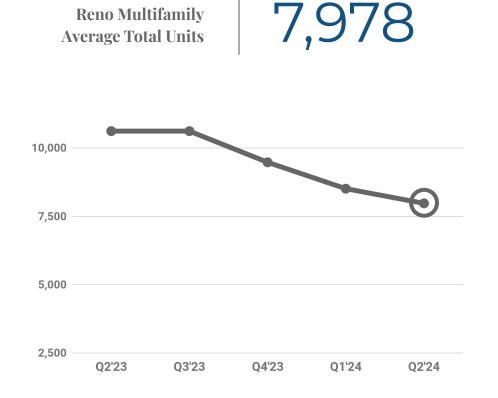
Average rental rates increased from \$1,639 in Q1 2024 to \$1,660 in Q2 2024. Interest rates continue to impact rental demand as rates have remained relatively flat throughout 2024.



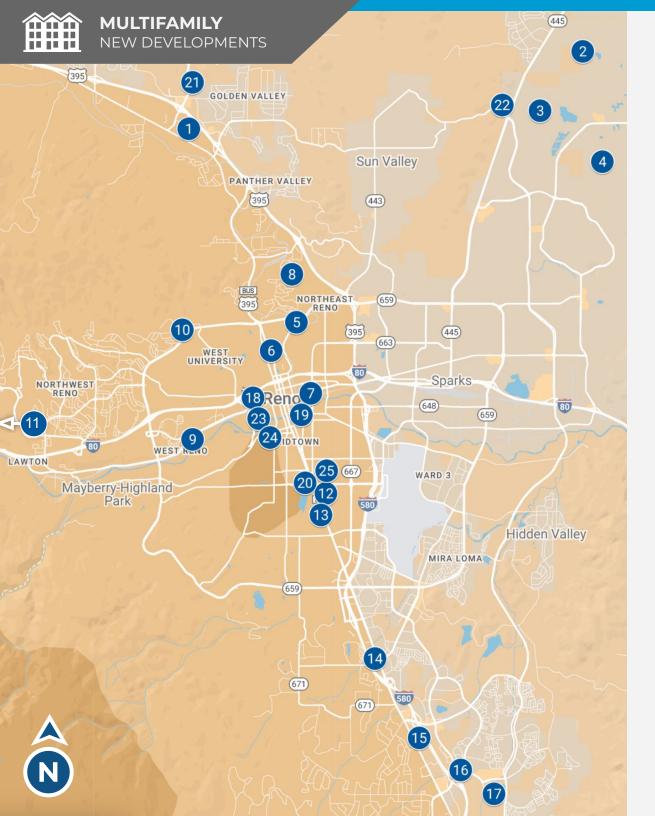
*DATA PROVIDED BY JOHNSON PERKINS GRIFFIN APARTMENT SURVEY

Reno Multifamily Construction Overview

The total number of planned or under-construction units plummeted from 8,514 last quarter to just 7,978 in Q2. Several key factors are restraining new multifamily supply, including a lack of developable land, rising capital costs, and escalating construction expenses. On the demand side, job growth continues to surge as businesses expand or relocate to the region. Nevada is seeing some of the highest rates of inbound migration in the country, and the challenges of affordability in single-family homes are boosting the demand for multifamily housing.







| 1 | Lemon Landing - 342 units |
|----|--|
| 2 | Stonebrook Apartments - 396 units |
| 3 | Homecoming at Kiley Ranch - 306 units |
| 4 | Rowan Apartments - 360 units |
| 5 | The Edison - 232 units |
| 6 | The Dean - 196 units (Student Housing) |
| 7 | Ballpark Apartments - 369 units |
| 8 | Stone Village Apartments - 300 units |
| 9 | The Retreat - 283 units |
| 10 | The Overlook @ Keystone Canyon - 342 units |
| 11 | The Kallan - 242 units |
| 12 | Atwood @ RED - 359 units |
| 13 | The Halcyon - 330 units |
| 14 | Elysium - 270 units |
| 15 | Integra Peaks - 300 units |
| 16 | Palomino - 328 units |
| 17 | Indigo - 260 units |
| 18 | Vintage @ Washington Station - 205 units (Senior) |
| 19 | State Street - 88 units |
| 20 | The Point Midtown - 117 units |
| 21 | Tricon Lemmon Dr - 98 units |
| 22 | Five Ridges - 83 units |
| 23 | 126 Winter St - 66 units |
| 24 | 700 Riverside Dr - 98 units |
| 25 | Grand Canyon Mews - 26 units |
| | |





Featured Listings

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(O) in

Vacation Motor Lodge For Sale 599 S CENTER ST \$3,300,000 (\$94,286/UNIT) 9,660 SF - 35 Units



Multifamily - 21 on Center For Sale 500 UNIVERSITY WY \$2,450,000 (\$116,667/UNIT) 6,800 SF - 21 Units



Midtown Apartment Portfolio For Sale 240-250 THOMA ST \$3,855,000 (\$226,765/UNIT) 11,104 SF - 17 Units



Multifamily For Sale 480 E GROVE ST \$4,650,000 (\$465,000/UNIT) 10,940 SF - 10 Units

