

Q4 NORTHERN
2021 NEVADA

RETAIL REPORT

SALES |

LEASING |

INVESTMENTS |



GARY TREMAINE

775.745.2060 **CELL**
775.850.3151 **OFFICE**
gtremaine@dicksoncg.com
S.29033

AMANDA BRIERTON

775.386.8499 **CELL**
775.850.3115 **OFFICE**
abrierton@dicksoncg.com
S.181292



INVESTMENT **ACTIVITY**

Retail had its strongest quarter of the year for sales with \$188,000,921 and 25 total sales in Q4. There were multiple shopping centers and larger multi-tenant sales that took place before year end.

Single Tenant

In West Reno, CAI Investments purchased the Cabela's in Verdi, for \$38,957,622 (\$305.27 P/SF). CAI investments out of Las Vegas purchased the stand alone retail property. The market has limited inventory and Single Tenant Net Leased deals priced under \$5,000,000 are still seeing strong buyer interest. The buyer demand for well-priced product with credit tenants remains as high as we have seen in recent memory.

Shopping Center

In South Meadows, DCG represented the ownership group and the buyer in the sale of the South Meadows Promenade Shopping Center, which was purchased by an investor in a 1031-exchange for \$34M on December 15th, 2021. The center was 100% occupied at close of escrow and had an in-place cap rate of 5.0%.

The 80,000 square foot, 10-acre South Meadows shopping center is located on the corner of South Meadows Parkway and Double R Boulevard and was completed by Truckee Meadows Construction in 2017. The development is anchored by Sprouts Farmers Market and includes other major retailers such as Marshalls, Pet Station, The Joint Chiropractic, Chase Bank, Chipotle, Panda Express, Starbucks, Blaze Pizza, Jersey Mike's Subs, and Sports Clips.

Multi-tenant

Near Midtown, S3 Development sold its mixed use building at 300 S. Wells for \$10,057,000 or a reported 6.06% cap rate. The credit mix was primarily local and featured both retail, F&B, and office tenants.

NOTABLE SALES

Address	Price	Details
8650 Boomtown Garson Road 127,616 sf	\$38,957,622 \$305.27 p/sf	Single Tenant Sale, reported cap rate at time of sale was 6.1%.
720-770 South Meadows Parkway 57,492 sf	\$20,050,000 \$348.74 p/sf	The property was 73% occupied at the time of sale with an actual 7.2% cap rate.
1445 South Meadows Parkway 41,132 sf	\$9,500,000 \$229.96 p/sf	This repurposed industrial building development will be converted into retail space with multiple restaurants, breweries, and urban markets.
910 Tahoe Boulevard 101-103 22,940 sf	\$7,700,000 \$335.66 p/sf	The building is located in the heart of Incline Village. Tenants included Umpqua Bank, Pet Station, and Ace Hardware.
970 Harvard Way 19,633 sf	\$7,150,000 364.18 p/sf	Mesa Rim signed a 20-year NNN leaseback at close of escrow and the reported cap rate at time of sale was 6.29%.
11775 Veterans Parkway 2,052 sf	\$3,667,000 \$1,787.04 p/sf	Taco Bell fast food restaurant.
537-597 South Meadows Pkwy 80,000 sf	\$34,000,000 \$425.00 p/sf	South Meadows Promenade, 5% cap rate. 1031 buyer from California, Sprouts anchored, Starbucks, Blaze Pizza, Jersey Mike's, Chase Bank
300 S Wells Ave 39,816 sf	\$10,057,500 \$252.60 p/sf	6.06% cap rate. This multi-tenant retail space has 39,816 square feet of both office and retail tenants. Primarily local credit.



MARKET FACTS & LEASING

Reno's retail leasing market was consistently steady throughout the year, but finished with a strong Q4. We started 2021 at a 6.2% vacancy rate, and it gradually decreased each quarter until a significant drop at the end of the year to 4.9%.

The largest transaction this quarter was BlueZone Sports, joining one of the newest redevelopment projects - The Reno Public Market. They took down 11,786 SF, and will be joining Sprouts Market, CVS, Fifty Fifty Brewing, and many more.

Overall, we have seen quite a few larger retail spaces being leased up. Spaces that have sat vacant for 10+ years, over 20k SF in size, are now seeing new businesses occupy them. If we continue to fill these larger junior anchor spaces, our vacancy rate will continue to drop significantly.

Net Absorption



457,000 SF

SALES	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Total Volume	\$40,203,740	\$47,536,938	\$28,319,000	\$188,000,921
Total Deals	18	23	10	25
Average P/SF	\$ 347.20	\$356.78	\$200.36	\$382.79

NEW DEVELOPMENT

We have seen quite a few new retail construction projects show significant progress during 2021.

Village at Rancharra - retail is at 100% occupancy, with all locally owned and operated businesses within. Tenants include: Mari Chuy's Tequileria and Botanas, Perenn Bakery, Hinoki Sushi, Centro, Dolce Vita and more (entire list posted on the following page).

Northern Nevada's first Cracker Barrel will be joining In-N-Out, Starbucks, Chipotle, and many other national restaurants within one of the newest centers in town - *West End Commons*.

There are quite a few new planned retail centers coming in 2022-2023, including *Skypointe Reno* near Meadowood Mall. *Skypointe* will offer a mix of 181,533 SF of office space and 33,821 SF of retail & restaurant space.

Overall Vacancy Rate:



4.9%

Neighborhood Center Vacancy:



8.3%

Power Center Vacancy:



3.7%

Strip Center:



3.9%

General Retail Vacancy:
Free Standing



2.6%

RETAIL

NEW DEVELOPMENTS

1 RED (Reno Experience District)
45.6 acre site with permits for residential, multifamily, student housing, office and retail on the SEC of South Virginia Street and East Plumb Lane. RED's location will create over 1,300 apartment homes and 70,000 SF of retail and restaurants. Offers retail spaces from 500 SF to 2,000 SF.

2 Reno Public Market
Former Shoppers Square Center at 370 Casazza Dr that is being redeveloped into a 150,000 square foot mixed use development anchored by a food hall and Sprouts grocery.

3 Tolles Development University Retail Center
A student-centric commercial project on 705 N Virginia, behind the Chevron gas station on Sierra Street and across from the Bank of America on Virginia Street, which may include Jimmy John's, a coffee shop catering to students and another retail business geared towards the University community

4 Village at Rancharrah
Transformed into a community at 7100 Rancharrah Parkway on a 141 acre property with 49,000 SF. Currently has one office building space available with 4,436 SF.

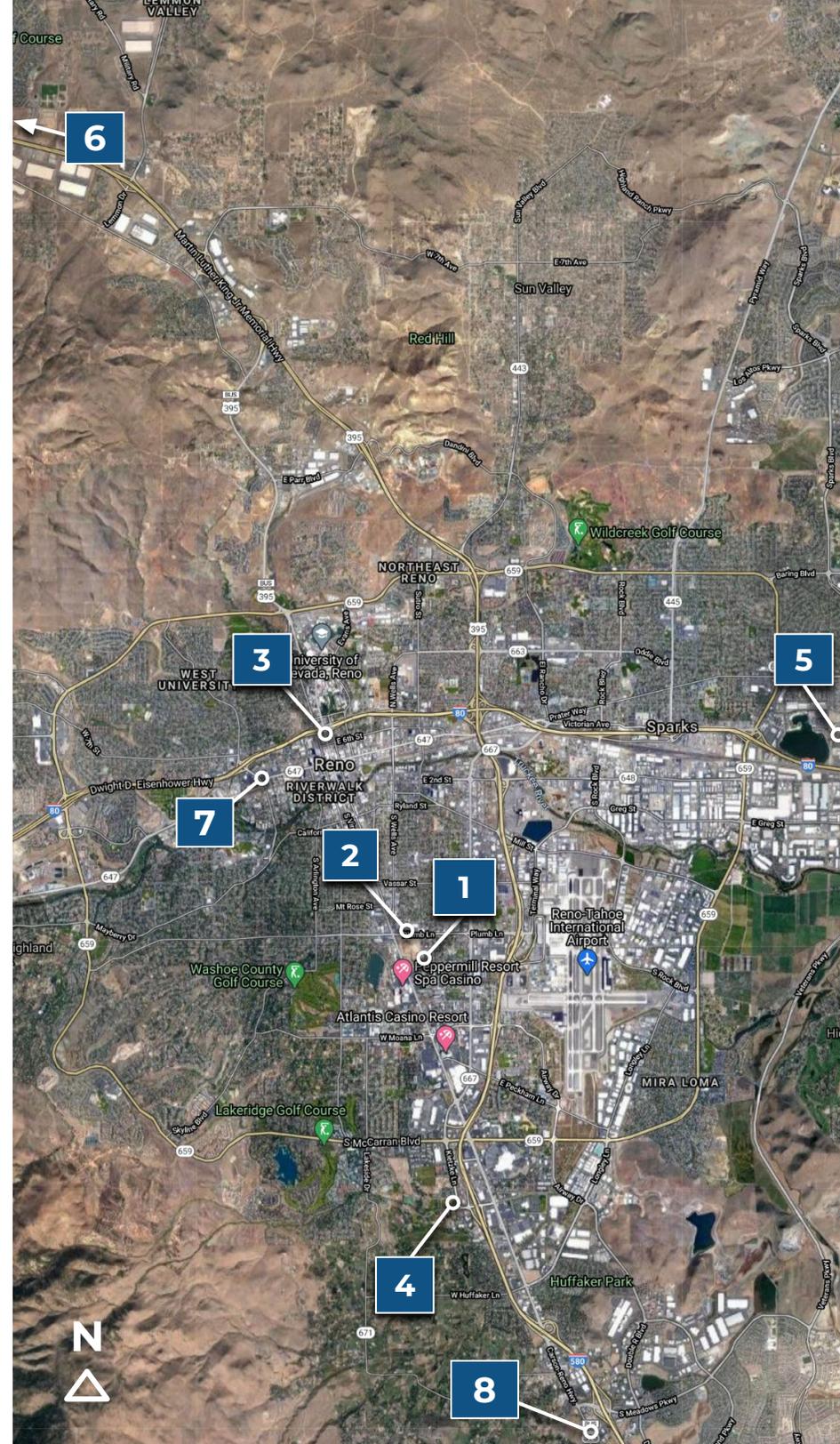
Retail tenants include; Basecamp Pizza, SUP, Dolce Vita - A Spa Destination, Tahoe Restaurant Group, Perren Bakery, Hinoki Sushi, Rolled Mountain Creamery, Chez Vous - Home, Bath, Body, Spirit, Centro - Bar and Kitchen, Dorinda's Chocolates, The Bar Effect, Grafted - Kitchen and Wine Bar and Art Obsessions - Art and Photo Gallery.

5 Olympia Gaming / Casino @ Legends in Sparks - 80,000 square foot facility will include a casino, featuring slot machines, and table games, as well as several bars, dining options, and a sportsbook. The venue will sit between the Galaxy Theater and the Hampton Inn and Suites and Residence Inn hotels. Opening Summer 2022

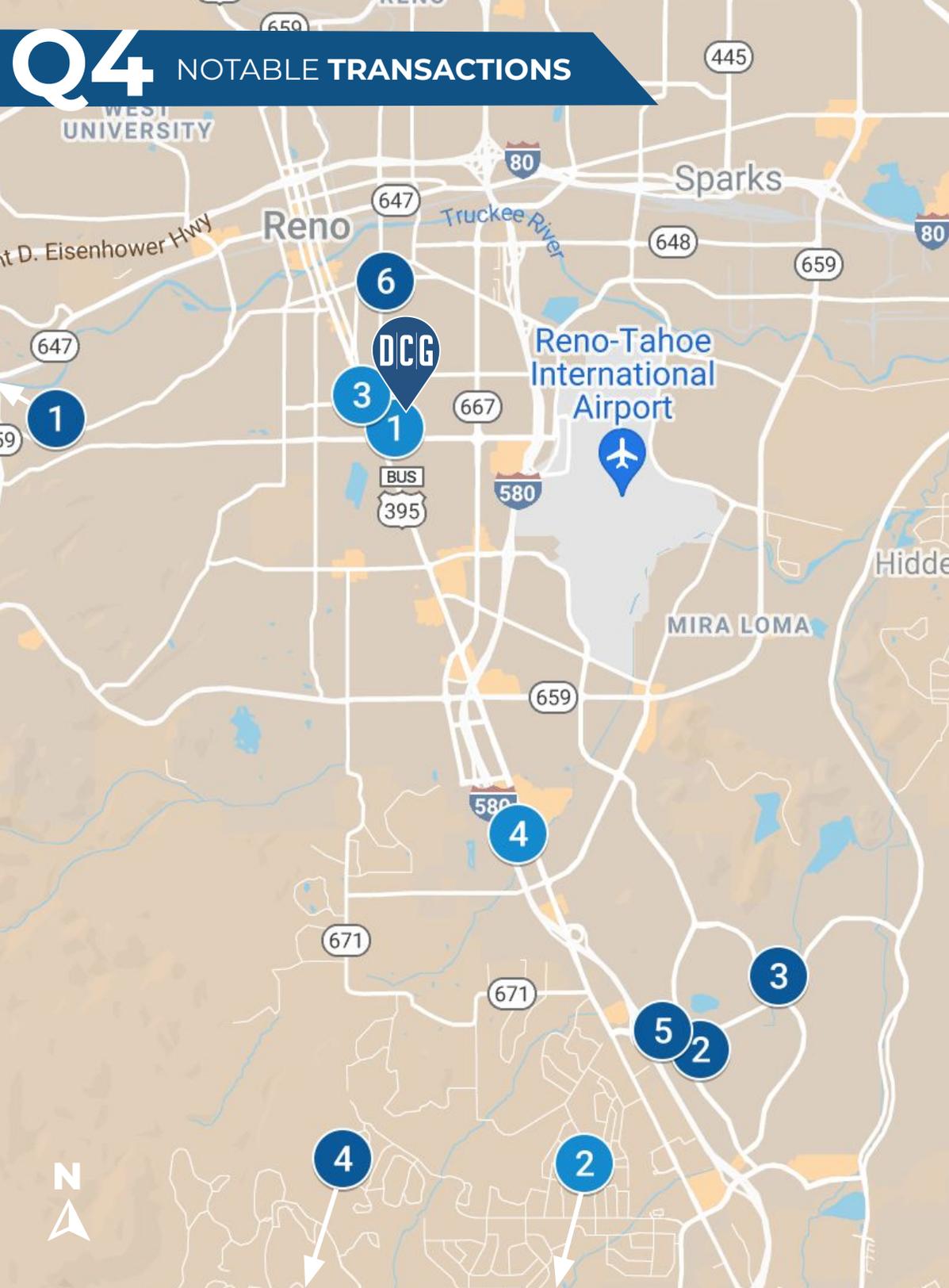
6 Red Rock Retail - 18,000 square feet of inline retail + restaurant space + 1 acre drive through pad at the corner of Red Rock and 395. MexCal Restaurant is the first Tenant to join the center, taking down 6,000 SF with patio space.

7 West End Commons (Keystone and I-80)
Large residential component, composed of 311 -unit multifamily complex. 42,000 square feet of office and retail space, including Starbucks and In N' Out Burger

8 Corwin Ford Dealership
16-acre parcel on South Virginia Street, south of Foothill Road and north of Bishop Manogue High School. Purchased by Corwin Ford with plans to construct an automobile dealership beginning in Q2 2022.



Q4 NOTABLE TRANSACTIONS



NOTABLE SALES

1. 8650 Boomtown Garson Rd
127,616 SF
\$38,957,622
\$305.27 p/sf

2. 720-770 South Meadows Pkwy
57,492 SF
\$20,050,000
\$348.74 p/sf

3. 1445 S Meadows Pkwy
57,492 SF
\$9,500,000
\$229.96 p/sf

4. 910 Tahoe Blvd 101-103
19,633 SF
\$7,700,000
\$335.66 p/sf

5. 537-597 S Meadows Pkwy
80,000 SF
\$34,000,000
\$425.00 p/sf

6. 300 S Wells Ave
39,816 SF
\$10,057,500
\$252.60 p/sf

NOTABLE LEASES



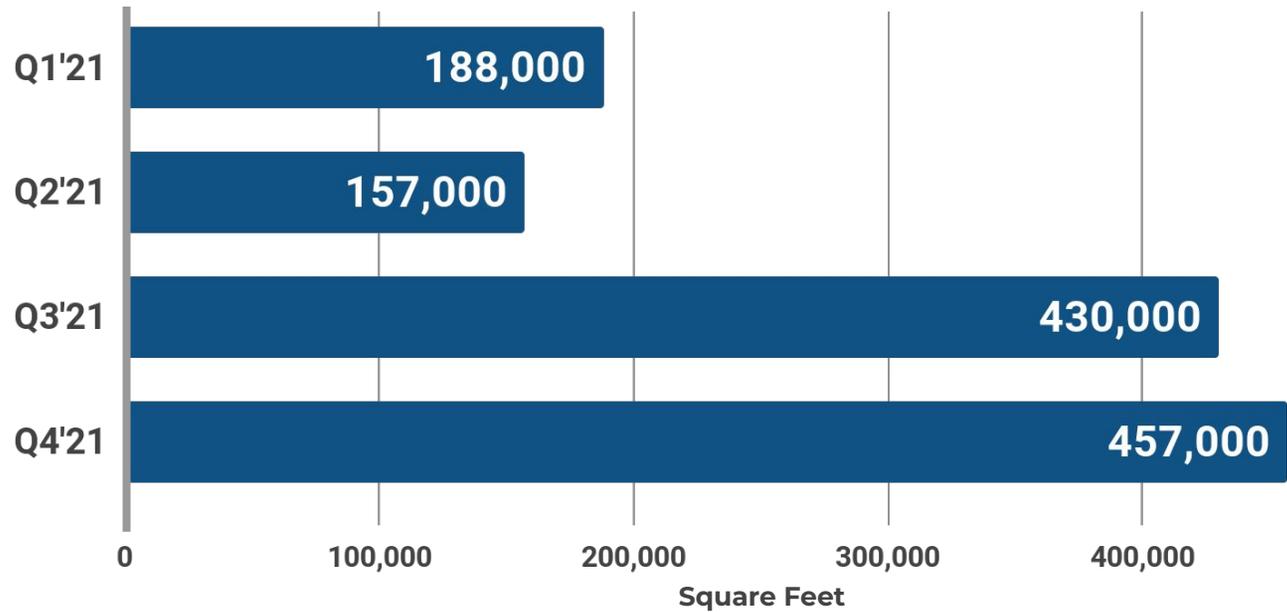
1. Reno Public Market
299 E Plumb Ln
11,786 SF
BlueZone Sports

2. Carson Mall
1105 S Carson St
10,009 SF
Nashville Social Club

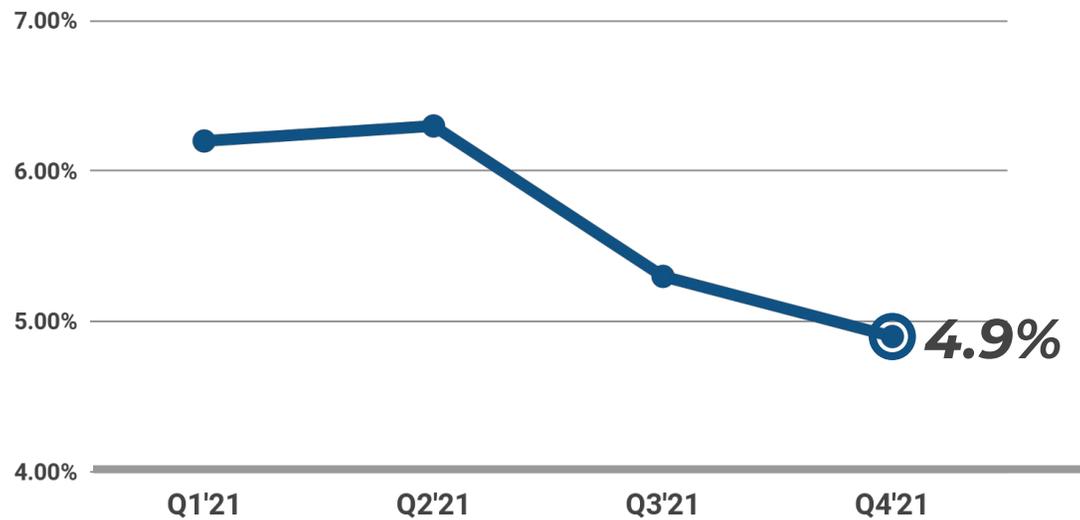
3. 1401 S Virginia St
5,216 SF
RE/MAX Gold

4. Sierra Meadows Plaza
7111 S Virginia St
4,003 SF
Sage Collective, Inc.

NET ABSORPTION



VACANCY RATES



CONTACT

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