

Q1
2022

**RETAIL
REPORT**

**SALES
LEASING
INVESTMENTS**



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NORTHERN NEVADA

INVESTMENT **ACTIVITY**

Although 2021 ended with a large increase in volume (almost \$200 million) investment activity in the first quarter dropped back down to \$45 million in sales transactions to start the year. Which is more consistent with previous quarters going back 24 months.

Single Tenant

In Sparks, a 2,175 square foot Taco Bell on Disc Drive sold for \$3,635,00 (\$1,671 per sf) or a 5.26% cap rate.

Shopping Center

There were no notable shopping centers trade hands in Q1.

Multi-tenant

Redevelopment projects were a theme in Q1. Most notably the building at 5390 Longley Boulevard. Located near the Longley and McCarran intersection the 33,682 square foot former Gold's Gym was purchased as a redevelopment into a multi-use and multidisciplinary medical building.

In South Meadows, a partially occupied 78,816 square foot building at 6895 Sierra Center Parkway sold for \$7,500,000 (\$95 per square foot). The building was occupied by Need 2 Speed (indoor go kart racing) and a vacant mid box suite that was previously a Fallas Discount Store.

NOTABLE SALES

Address	Price	Details
5390 Longley Lane 33,683 sf	\$8,600,000 \$255.32 p/sf	The 33,683 square foot building is planned to be redeveloped into a multi-tenant and multi-discipline medical building
6895 Sierra Center Parkway 78,816 sf	\$7,500,000 \$95.16 p/sf	The building was occupied by Need 2 Speed (indoor go kart racing) and a large vacancy that was previously a Fallas Discount Store. 64% occupied at time of sale.
191 Disc Drive 2,175 sf	\$3,635,000 \$1,671.26 p/sf	In Sparks, a Taco Bell sold with a 5.26% cap rate.
955 S Virginia Street 12,508 sf	\$3,600,000 \$287.82 p/sf	The building is comprised of executive suites and includes a warehouse area with roll-up door.
2590 Orovada Street 17,736 sf	\$2,700,000 \$152.13 p/sf	A 17,736 square foot former Montessori school.
695 Ferrari Mcleod Boulevard 10,240 sf	\$2,666,000 \$260.35 p/sf	This property was sold to Sunbelt Rentals
405 Gentry Way 34,104 sf	\$2,050,000 \$104.04 p/sf	In Central Reno, a 19,704 square foot retail store and a 14,400 square foot office building at 405 & 425 Gentry Way sold.
6340 Mae Anne Ave 6,130 sf	\$1,600,000 \$261.01 p/sf	This was an investment sale with an actual cap rate of 6.32%

MARKET FACTS & LEASING

Reno's retail leasing market remains consistent, as anticipated, for Q1. There is limited inventory, as the retail vacancy rate of 5.0% is the lowest we've seen in over a decade. There are a few new developments that will deliver more retail opportunities in our market that should assist with our limited inventory.

That being said, there are two new developments in our market that are almost at 100% occupancy already - West End Commons in Reno & Red Rock Retail development in North Valleys. West End Commons is home to our 3rd In-N-Out in Reno/Sparks, Reno's first Cracker Barrel (coming soon), Chipotle, FireHouse Subs, and many other national food retailers.

NEW DEVELOPMENT

There has been significant progress on the redevelopment of Shoppers Square, Reno Public Market. Tenants that have joined the project so far: Sprouts Farmers Market, CVS, BlueZone Sports, Fifty Fifty Brewing, Wandering Wyld, Maker's Paradise Art Collective, and many more. The Public Market Food Hall will provide a variety of food offerings from many local business owners, with an abundance of public indoor dining space and outdoor patios.

The Reno Experience District across the street kicked off their retail portion of the development, which will add about 60,000± SF to our market. The overall project will also include 1,300± luxury apartments, and a 382,000± SF tech campus.

Net Absorption



317,000 SF

SALES	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Total Volume	\$47,536,938	\$28,319,000	\$188,000,921	\$45,571,00
Total Deals	23	10	25	21
Average P/SF	\$356.78	\$200.36	\$382.79	\$360.16

Overall Vacancy Rate:



5.0%

Neighborhood Center Vacancy:



7.8%

Power Center Vacancy:



3.5%

Strip Center:

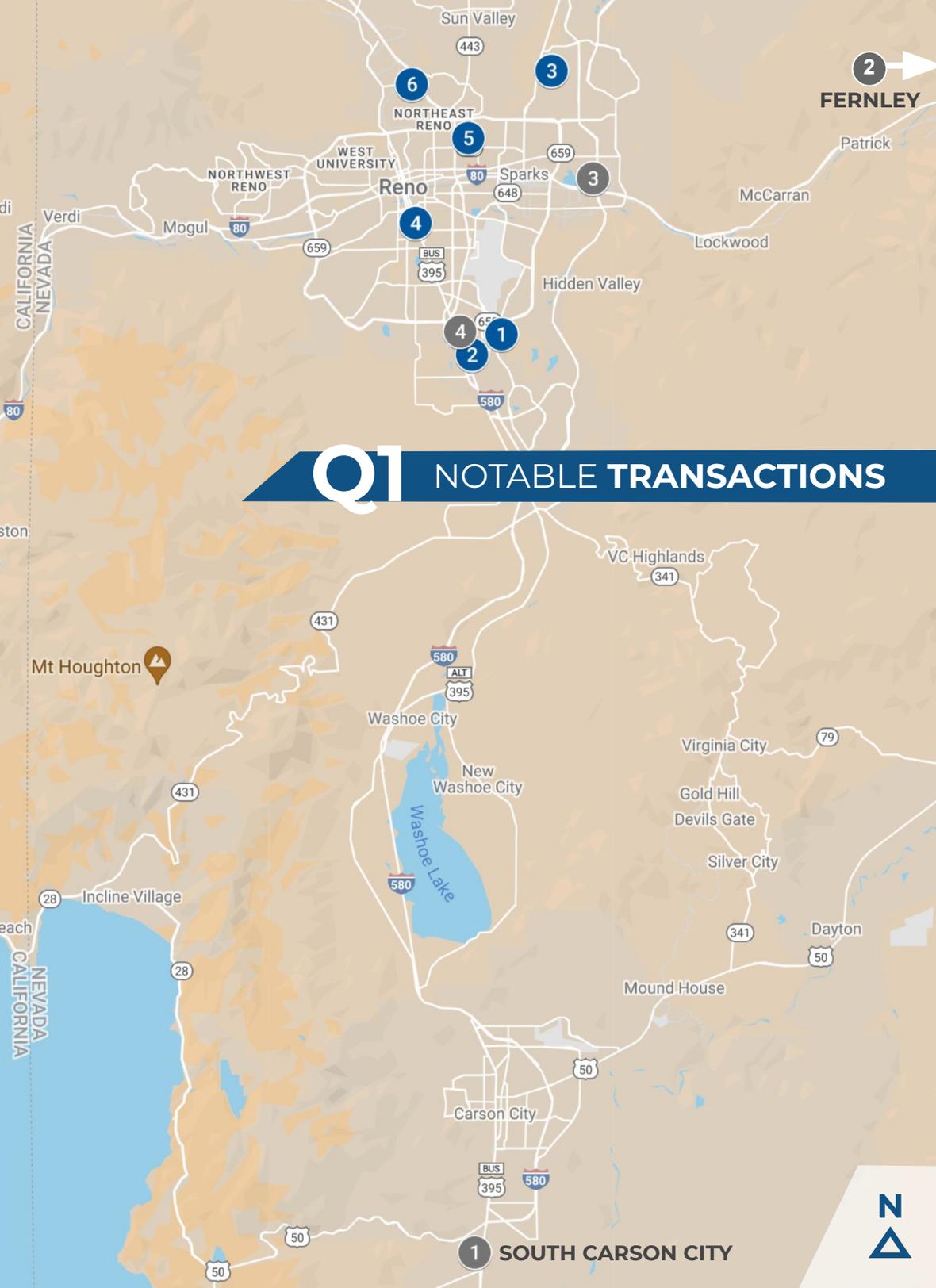


3.4%

General Retail Vacancy:
Free Standing



2.8%



Q1 NOTABLE TRANSACTIONS

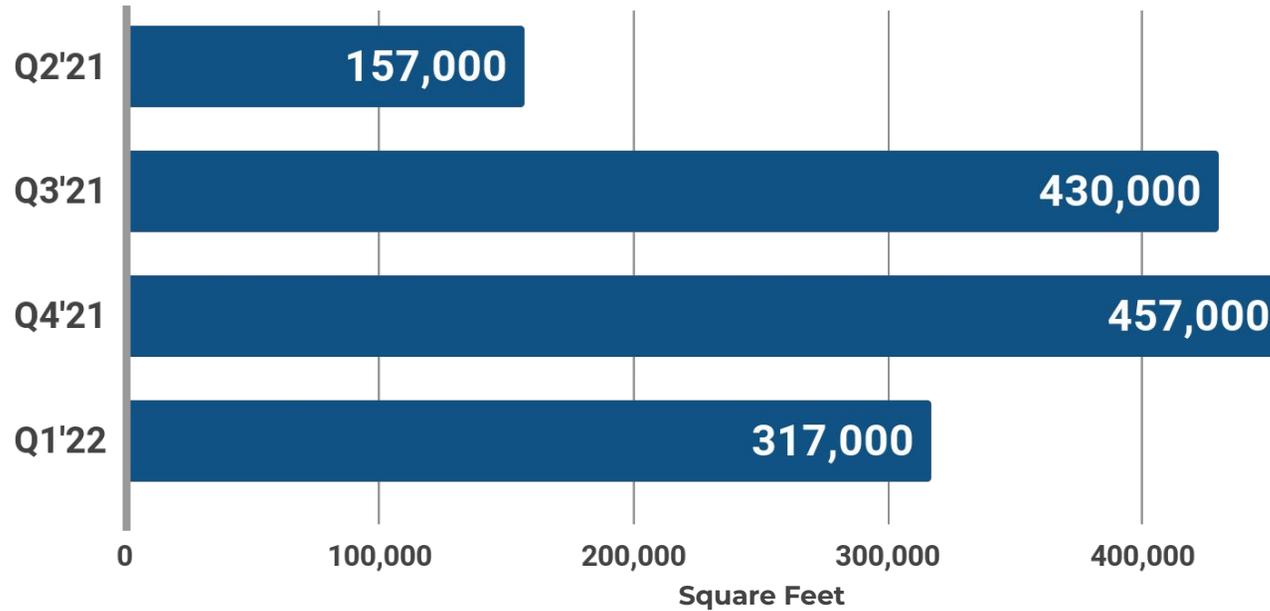
NOTABLE SALES

- | | |
|--|--|
| <p>1. 5390 Longley Ln
 33,683 SF
 \$8,600,000
 \$255.32 p/sf</p> | <p>2. 6895 Sierra Center Pkwy
 78,816 SF
 \$7,500,000
 \$95.16 p/sf</p> |
| <p>3. 191 Disc Dr
 2,175 SF
 \$3,635,000
 \$1,671.26 p/sf</p> | <p>4. 955 S Virginia St
 12,508 SF
 \$3,600,000
 \$287.82 p/sf</p> |
| <p>5. 2590 Orovada St
 17,736 SF
 \$2,700,000
 \$152.13 p/sf</p> | <p>6. 695 Ferrari Mcleod Blvd
 10,240 SF
 \$2,666,000
 \$260.35 p/sf</p> |

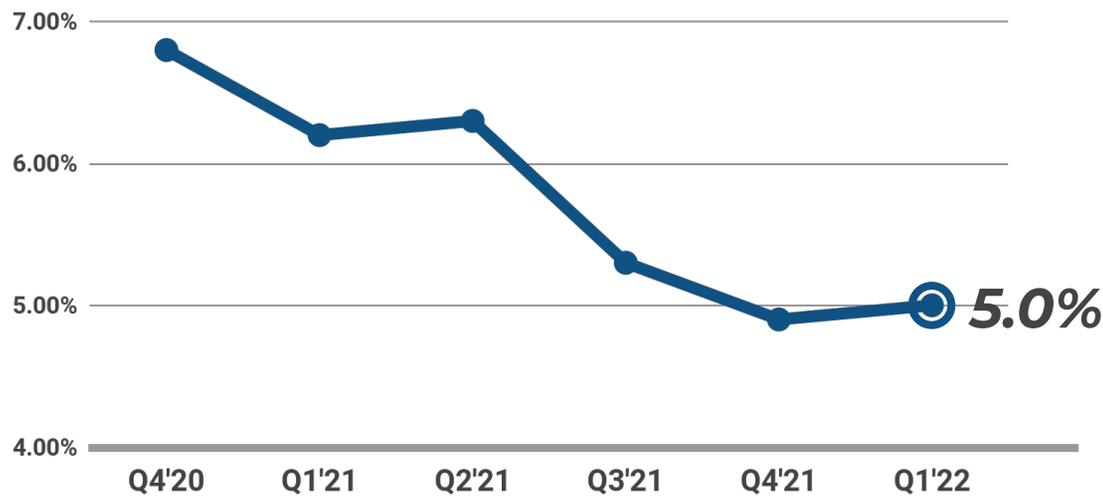
NOTABLE LEASES

- | | |
|---|---|
| <p>1. Carson Valley Plaza
 911 Topsy Ln
 16,994 SF
 Vim & Vigor Gym</p> | <p>2. 45-95 W. Main St
 Fernley
 7,000 SF
 Just4U</p> |
| <p>3. Legends at Sparks Marina
 1565 E. Lincoln Way
 5,852 SF
 Cai's Oriental Cafe</p> | <p>4. Crummer Lane Plaza
 5890 S. Virginia St
 4,911 SF
 Stellar Consignment</p> |

NET ABSORPTION



VACANCY RATES



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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.

