

Q2 2022 | RETAIL REPORT

SALES
LEASING
INVESTMENTS



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NORTHERN NEVADA

INVESTMENT ACTIVITY

Although the second quarter saw a considerable decrease overall in commercial sales, retail numbers increased in volume by almost \$55 million. There were 20 total sale transactions in Q2 2022, totaling \$97,968,389 in volume, the second highest quarter in the last few years. The Iron Horse shopping center was the most notable sale, which accounted for nearly 20% of the quarter's volume.

Single Tenant

There were no notable single tenant trade hands in Q2.

Shopping Center

In Sparks, the Marina Marketplace neighborhood shopping center at 1495 East Prater Way sold for \$6,725,100 with a reported cap rate of 5.70%. The building is anchored by Starbucks and Peg's Glorified Ham n Eggs. Other tenants include Great Clips, Subway, Hiroba Sushi, MoneyTree, and Bubble Tea Station.

A 51,000 square-foot shopping center at 7111 South Virginia Street sold for \$10,500,000 (\$205.88 per sq. ft.) with a cap rate of 7.83%. Tenants include Camp Bow Wow, The Urban Deli, and Reno Family Physicians.

Multi-tenant

The sale of Reno GMC Buick Cadillac was sold to the Corwin family of dealerships, including a 43,622 square foot auto dealership with a 6,252 square foot automobile showroom at 900 Kietzke Lane and a 4,979 square foot auto repair store at 955 Harvard Way, and sold for \$15,500,000 (\$282.57 per sq. ft).

NOTABLE **SALES**

Address	Price	Details
593 E. Prater Way 3,220 SF	\$18,000,000 \$96.08 p/sf	In Sparks, Rhino Investments Group out of Nevada purchased Iron Horse Shopping Center in Sparks. The sale totals 187,349 square feet with a 7.50% cap rate.
955 Harvard Way 54,853 SF	\$15,500,000 \$318.92 p/sf	Reno GMC Buick Cadillac was sold to the Corwin family of dealerships. This sale included a 43,622 square foot auto dealership at 900 Kietzke Lane and a 4,979 square foot auto repair store at 955 Harvard Way.
7111 S. Virginia St. 51,000 SF	\$10,500,000 \$306.94 p/sf	51,000 square foot neighborhood shopping center. The property consists of four retail/office buildings on a single 4.39 acre lot and had a 7.83% cap rate at time of sale.
777 S. Center 27,956 SF	\$9,800,000 \$350.55 p/sf	In Midtown, Tolles Development Company sold the 27,956 square foot mixed use building at a 5.75% cap rate. Building tenants included Arario Midtown, Piñon Bottle Company, Breathe Bar, Noble Pie Parlor Midtown, and My Religion Tattoo.
100 California Ave. / 517 Forest St. 13,356 SF	\$5,350,000 \$400.57 p/sf	Was sold by Alignment Real Estate to an investor with a 6% cap rate. DCG represented both the ownership group and the buyer.
1495 E. Prater Way 15,984 SF	\$6,725,000 \$420.73 p/sf	At Marina Marketplace in Sparks, the neighborhood center sold to an investor at a 5.70% cap rate. Building tenants include Subway, Starbucks, and Peg's Glorified Ham n Eggs.



MARKET FACTS & LEASING

Our market continues to have the same challenges, lack of inventory and high construction costs. There are several new developments added to our market that created some inventory but at lease rates much higher than existing properties.

There were two notable lease transactions in excess of 30,000 square feet this month. The largest was 50,861 square feet leased by AutoZone in the Iron Horse Shopping Center in Sparks. This was formerly a portion of Target, demised into three spaces which includes Tractor Supply and Harbor Freight. The second largest lease this quarter was 31,792 square feet. This building was a former bowling alley, AMF Starlite Lanes. The new Tenant will be Starlite Express, LLC, an indoor car wash that has multiple locations in California currently.

Net Absorption



116,000 SF

SALES	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Total Volume	\$28,319,000	\$188,000,921	\$45,571,00	\$97,968,389
Total Deals	10	25	21	20
Average P/SF	\$200.36	\$382.79	\$360.16	\$363.78

NEW DEVELOPMENT

210 Silver Lake Road is the newest retail development within the North Valleys Submarket. The total size of the project is just over 18,000 square feet. The first Tenant to join the center is Norte Cantina, a 6,000-square-foot Mexican cuisine restaurant with an outdoor patio. Dickson Commercial Group has leased over 70% of this building; only 4,800 square feet remains available for lease.

Reno Public Market, the redevelopment of Shoppers Square, recently announced a list of vendors joining their Food Hall. They include Pink Taco, Wok & Roll, V's Churro Bar, A La Parilla Latin Food, Nash and Proper Chicken, Michest Vatos, BurgerNV, and Los Cipotes Salvadoran. A majority of these restaurants currently operate food trucks locally, and who are frequent vendors at Food Truck Fridays at Idlewild Park. The Food Hall is estimated to open to the general public this October.

Overall Vacancy Rate:



5.8%

Neighborhood Center Vacancy:



8.0%

Power Center Vacancy:



3.6%

Strip Center:



4.2%

General Retail Vacancy:
Free Standing



3.3%

Q2 NOTABLE TRANSACTIONS

NOTABLE SALES

1. 593 E. Prater Way

3,220 SF
\$18,000,000
 \$96.08 p/sf

2. 955 Harvard Way

54,853 SF
\$15,500,000
 \$318.92 p/sf

3. 7111 S. Virginia St.

51,000 SF
\$10,000,000
 \$306.94 p/sf

4. 777 South Center

27,956 SF
\$9,800,000
 \$350.55 p/sf

5. 100 California Ave. & 517 Forest St.

13,356 SF
\$5,350,000
 \$400.57 p/sf

6. 1495 E. Prater Way

15,984 SF
\$6,725,000
 \$420.73 p/sf

NOTABLE LEASES

1. Autozone

50,861 SF
450 East Prater Way
 Ironhorse Shopping Center

2. Starlite Express

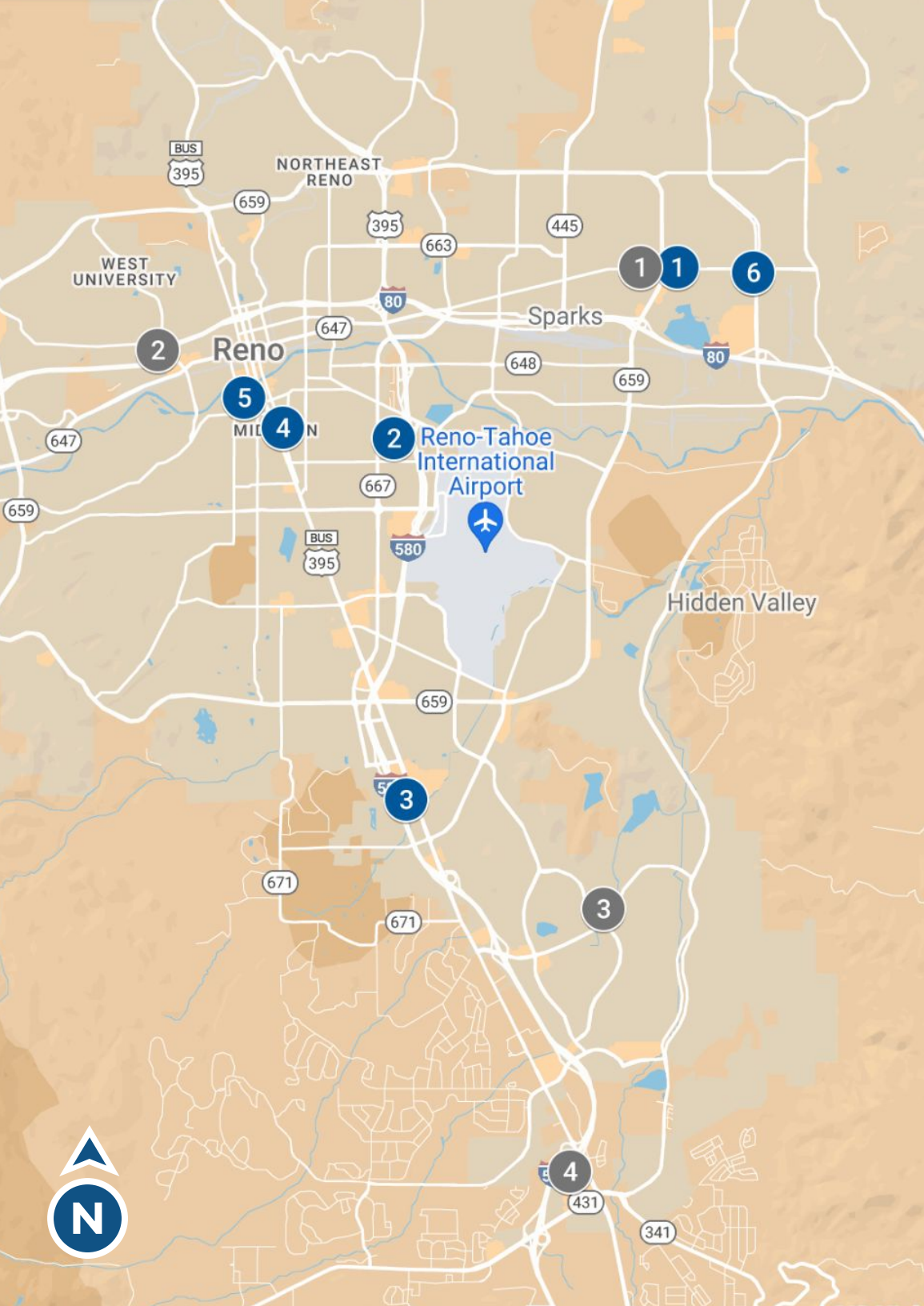
31,792 SF
1201 Stardust St
 Former Bowling Alley

3. Undisclosed, Restaurant

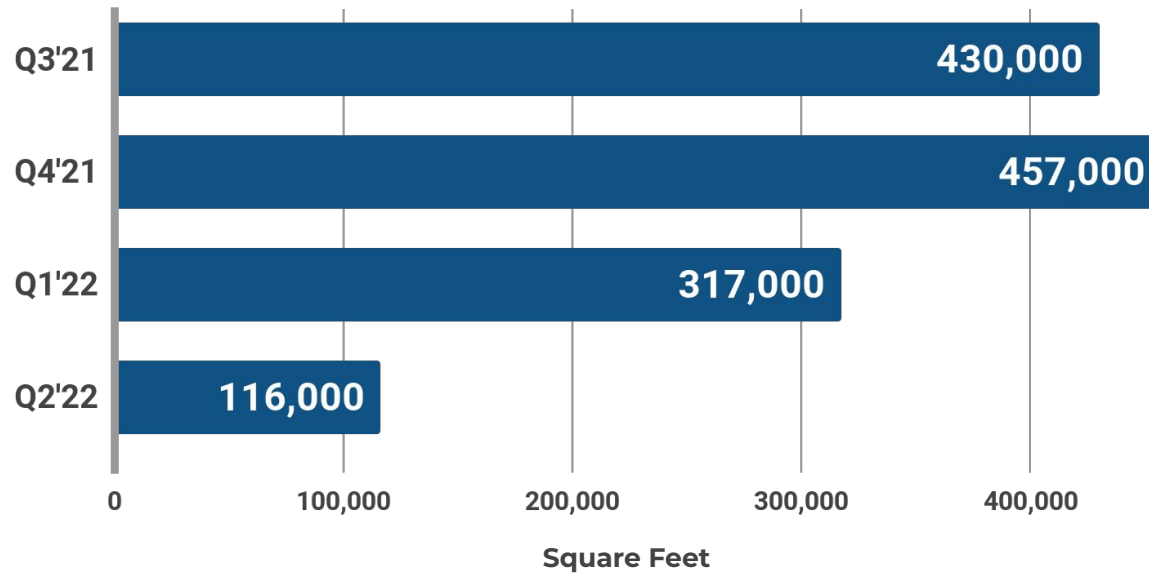
15,000 SF
1445 South Meadows Pkwy
 The Loop

4. Five Below

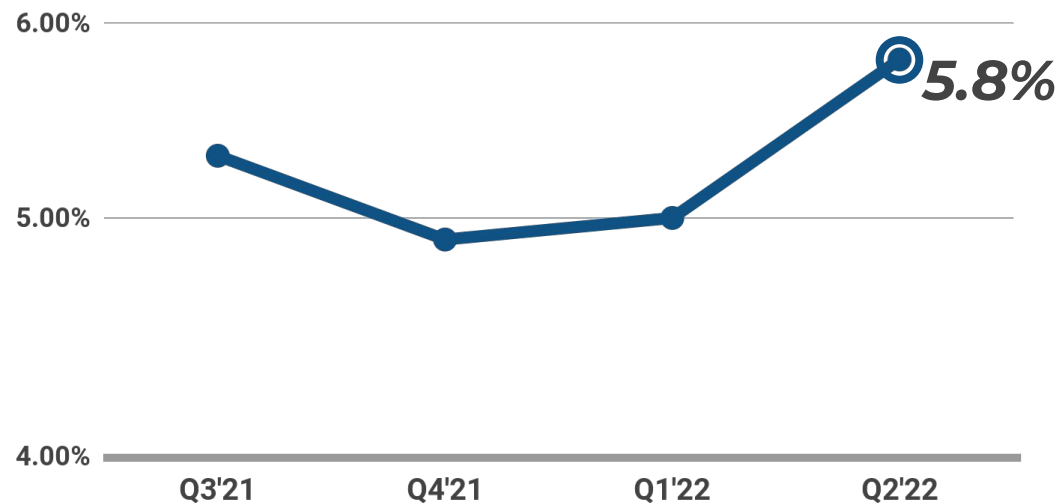
6,554 SF
13945 South Virginia St
 The Summit



NET ABSORPTION



VACANCY RATES



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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 Vouz - 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.

7

West End Commons (Keystone and I-80)

Large residential component, composed of 296-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.

RETAIL NEW DEVELOPMENTS

