

Q3 2022 | RETAIL REPORT

SALES
LEASING
INVESTMENTS



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CORFAC
INTERNATIONAL

INVESTMENT **ACTIVITY**

The third quarter saw a large decrease in overall commercial sales volume, with retail numbers decreasing in volume by nearly \$70 million. There were 16 total sale transactions in Q3 2022, in comparison to last quarter's 20, being the second highest in the last few years. A North Valleys strip mall at 1130 North Hills Blvd was the most notable sale, which accounted for nearly 20% of the quarter's volume.

Single Tenant

In the Airport Submarket, an auto dealership at 1000 Kietzke Ln sold for \$3,790,000 (\$213.01 per sq. ft.). This was previously owned and operated by an automotive and marine dealership, now a Reno Mitsubishi.

A restaurant in the Meadowood submarket was 100% leased at sale by Chili's Bar and Grill on an absolute NNN ground lease. DCG represented the ownership group on the sale, with a reported cap rate of 5%.




Shopping Center

In North Valleys, a strip mall shopping center at 1130 North Valleys Blvd sold for \$5,750,000 (\$269.01 per sq. ft.), represented by DCG with a reported cap rate of 5.92%. The strip mall is headlined by The Dollar Tree and Anytime Fitness. Other tenants include; My Kids Smile, Taco Bell and Steak and Shake being nearby.

Multi-tenant

No notable multi-tenant sales.

NOTABLE SALES

Address	Price	Details
1000 Kietzke Ln 17,797 SF	\$3,791,000 \$213.01 p/sf	In the Kietzke Submarket, an auto-dealership was sold as an owner-user transaction to Reno Mitsubishi.
 6340 Mae Anne Ave 19,157 SF	\$1,100,000 \$166.67 p/sf	A near 20,000 square foot RBA cold shell unit in Quail Country Estates of Northwest Reno. DCG represented the buyer, with plans to open an indoor swim school.
 1130 North Hills Blvd 21,375 SF	\$5,750,000 \$269.01 p/sf	A three-tenant strip center in North Valleys. Tenants include The Dollar Tree, My Kids Smile, and anytime fitness. DCG represented the ownership group. The sale had a 5.92% cap rate at sale.
 5090 Smithridge Dr 5,645 SF	\$3,000,000 \$531.44 p/sf	100% leased at sale, with a reported cap rate of 5% to the tenant, Chili's Grill & Bar, who occupies the building on an absolute NNN ground lease. DCG represented the ownership group in this sale.
1251 South Virginia St 17,600 SF	\$3,200,000 \$181.82 p/sf	A free standing retail building in the South Virginia Submarket. Formerly an antique mall occupying 17,600 sq. ft.
3500 Sullivan Ln 11,084 SF	\$1,770,000 \$159.78 p/sf	Located near the northeast corner of N. McCarran Blvd. and Sullivan Ln., a potential remodel for a golf course for Northern Nevada Youth Golf Foundation.

MARKET FACTS & LEASING

The retail market is continuing to face development factors, combating high construction costs and the need to fight growing inflation. Although this has made new development tough, several new projects are moving forward in our market.

Two notable lease transactions took place in Q3 in excess of 15,000 square feet this month. The largest was 19,090 square feet leased by Round Bowling & Amusement in the Meadowood Shopping Mall. This is near another notable lease of 17,944 by 4 Wheel Parts also in the Meadowood Submarket. The second largest lease this quarter was 31,792 square feet. In Sparks, a lease of 8,541 square feet took place in a shopping center that includes tenants, The Dollar Tree, Big 5 Sporting Goods, and Planet Fitness.

Net Absorption



251,000 SF

SALES	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Total Volume	\$188,000,921	\$45,571,00	\$97,968,389	\$29,202,021
Total Deals	25	21	20	16
Average P/SF	\$382.79	\$360.16	\$363.78	\$260.68

NEW DEVELOPMENT

There have been a few recent notable developments announced with large retail components. In South Meadows, DiLoreto has joint ventured with the David Duffield to create a headquarter campus for Ridgeline, as well as an adjacent mixed use development, Downtown Damonte, which includes 244,000 square feet of planned retail and 150,000 square feet of office space, as well as a world class companion animal dog training facility.

On the entertainment front, Reno is set to get its first ground-up hotel-casino project in decades, tentatively named the Firecreek Crossing Resort-Casino project, which will be located on the corner of Kietzke Lane and South Virginia Street. The resort-casino includes 201 rooms and 48 suites as part of its plans. In addition to a hotel-casino with a lobby bar, initial plans for the project include a public park, restaurants, food court and beer garden.

Overall Vacancy Rate:



5.0%

Neighborhood Center Vacancy:



8.0%

Power Center Vacancy:



3.7%

Strip Center:

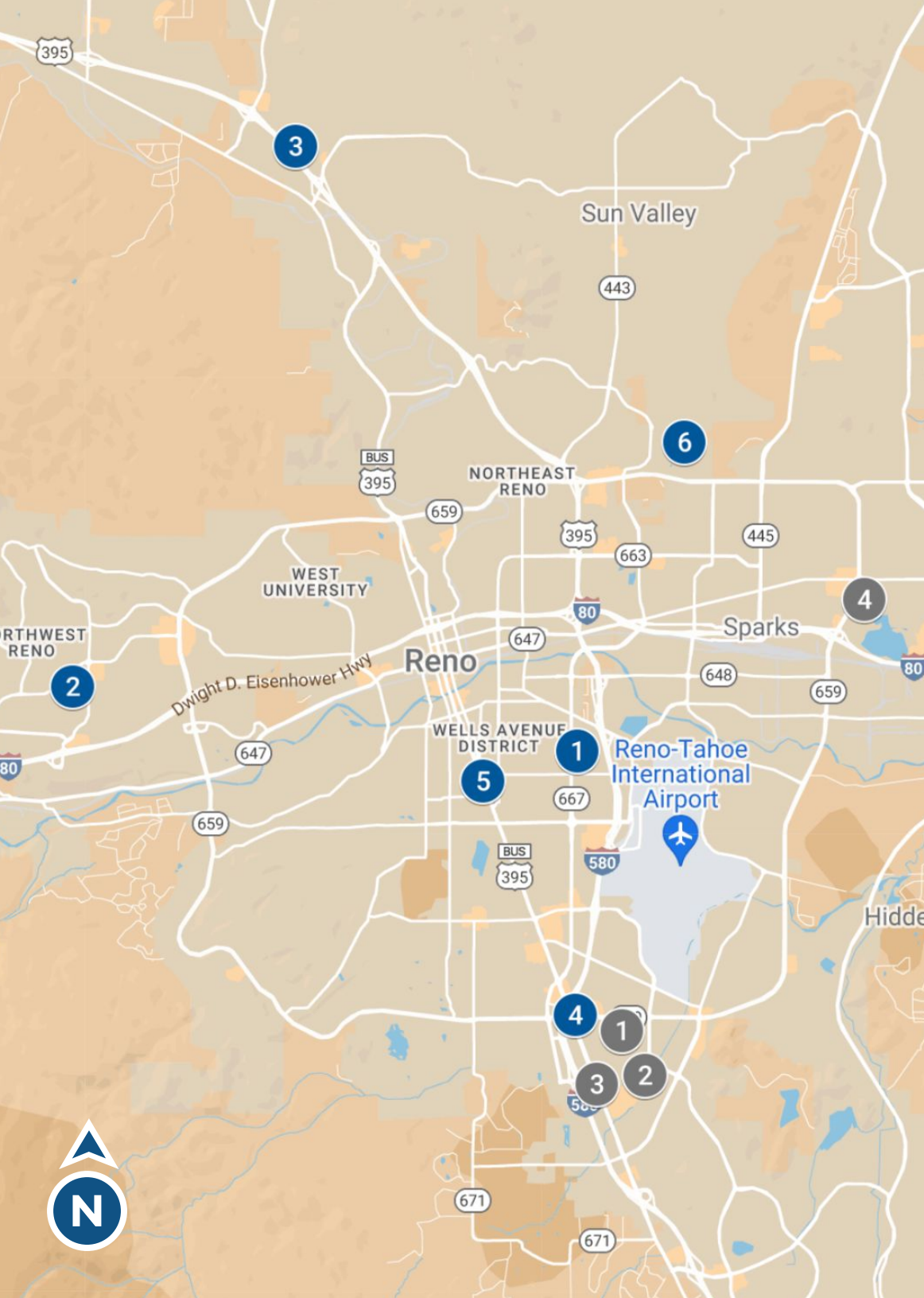


3.8%

General Retail Vacancy:
Free Standing



3.2%



Q3 NOTABLE TRANSACTIONS

NOTABLE SALES

1. 1000 Kietzke Ln

17,797 SF
\$3,791,000
 \$213.01 p/sf

2. 6340 Mae Anne Ave

19,157 SF
\$1,100,000
 \$166.67 p/sf

3. 1130 North Hills Blvd

21,375 SF
\$5,750,000
 \$269.01 p/sf

4. 5090 Smithridge Dr

5,645 SF
\$3,000,000
 \$531.44 p/sf

5. 1251 South Virginia St

17,600 SF
\$3,200,000
 \$181.82 p/sf

6. 3500 Sullivan Ln

11,084 SF
\$1,770,000
 \$159.78 p/sf

NOTABLE LEASES

1. Round1 Bowling/Amusement

19,090 SF
4500 Meadowood Mall Cir
 Meadowood Mall

2. 4 Wheel Parts

17,944 SF
5405 Meadowood Mall Cir
 Meadowood Submarket

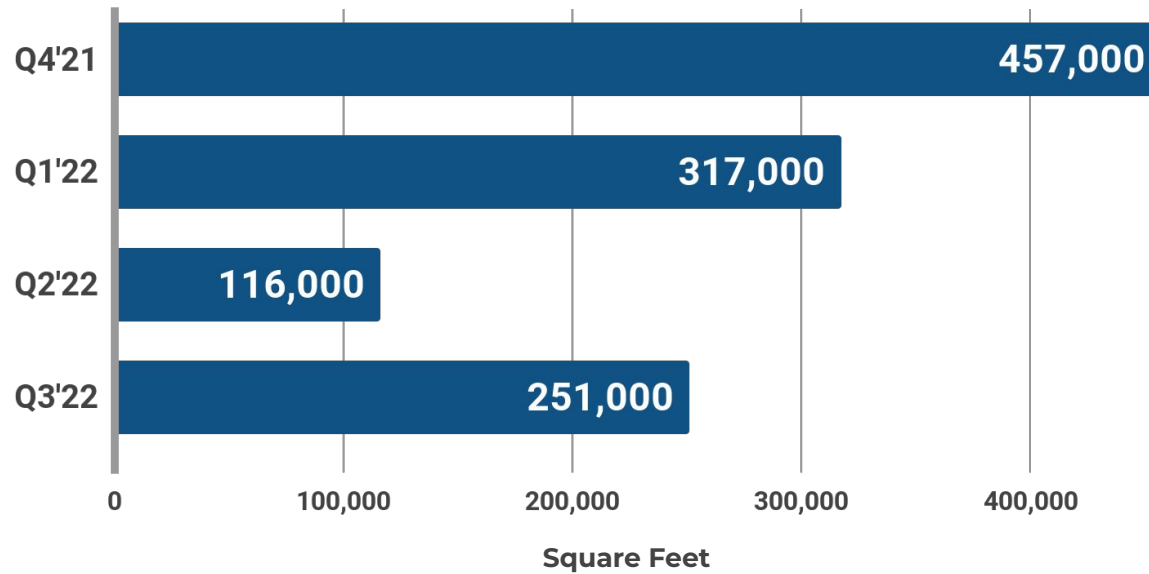
3. Ski Pro

8,500 SF
6405-6485 S. Virginia St.
 The Crossing at Meadowood

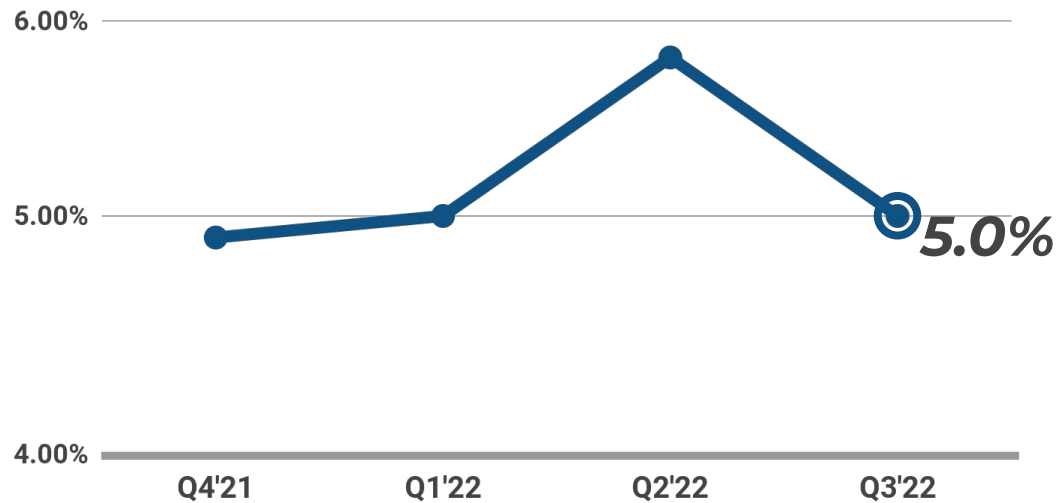
4. Undisclosed

8,451 SF
550-670 N. McCarran Blvd
 Northeast Sparks

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 featuring premier shopping, dining and wellness.

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.

6

Red Rock Retail

16,000 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.

9

Firecreek Crossing Resort - Casino

Will be located on the corner of Kietzke Lane and South Virginia Street. The resort-casino includes 201 rooms and 48 suites as part of its plans. In addition to a hotel-casino with a lobby bar, initial plans for the project include a public park, restaurants, food court and beer garden.

10

Downtown Damonte

Mixed use development in Damonte Ranch including 244,000 square feet of planned retail and 150,000 square feet of office space, as well as a world class companion animal dog training facility.

RETAIL NEW DEVELOPMENTS

