

Q2
2023

RETAIL REPORT

SALES
LEASING
INVESTMENTS



GARY TREMAINE
SENIOR VICE PRESIDENT OF RETAIL
775.745.2060 **CELL**
775.850.3151 **OFFICE**
gtremaine@dicksoncg.com
S.29033

ANDY GLENN
ASSOCIATE, RETAIL
775.686.9474 **CELL**
aglenn@dicksoncg.com
S.199992

NORTHERN **NEVADA**



INVESTMENT ACTIVITY

During the second quarter of 2023, retail investment continued at a relatively slow pace. There continues to be a bid ask gap between buyers and sellers that we think will persist until we see stabilization with the Fed Funds rate increases. Despite the ever changing capital markets, there was a number of single-tenant investment transactions in Q2, highlighted by the sale of a single-tenant O'Reilly's Auto Parts property in Sun Valley at a 5% cap rate.

Single Tenant

In Central Reno, an existing Wendy's sold near the newly developed West End Commons retail center for \$1,500,000 (\$596.42 per sq ft). Another Wendy's also sold for \$1,500,000 (\$597.85 per sq ft.) the same day in the Wells Avenue District adjacent to Champion Chevrolet.

Neighborhood Center / Multi-tenant

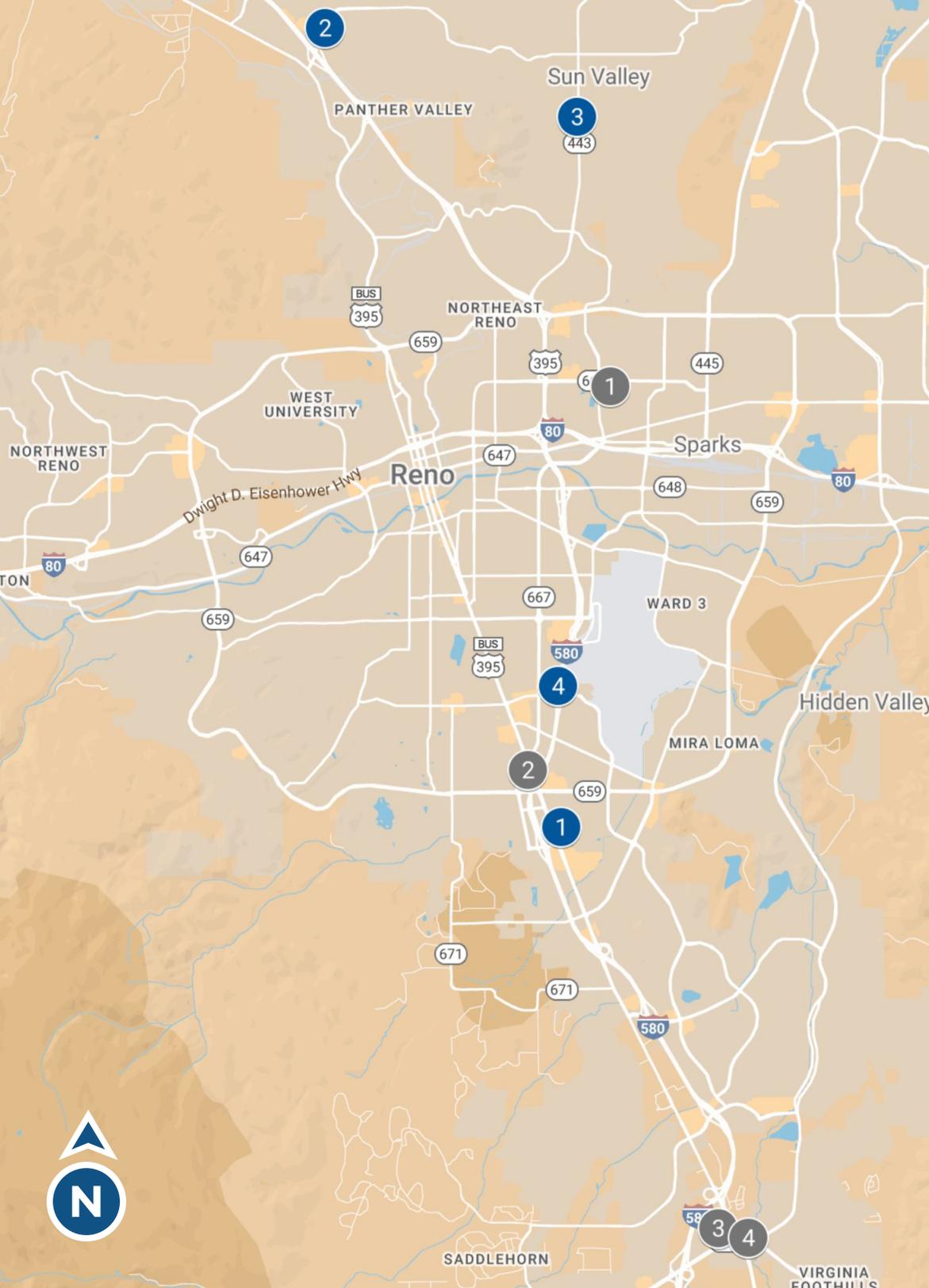
Multi-tenant sales were highlighted by the sale of a primarily vacant two-story building attached to Meadowood Mall, which was sold for \$7,600,000 (\$45.84 per sq ft). The current tenants, with an occupancy of 24%, include Round 1 Bowling & Amusement and Beecher Saboo Eye Care.

In North Valley's, a multi-tenant strip was sold at \$4,000,000 (\$333.33 per sq ft.). It sold at a reported cap rate of 6.8% and tenants include: Longboards Pizza, Yogurt Beach, and Golden Valley nails.

NOTABLE SALES

Address	Price	Details
<p>5400 Meadowood Mall Circle 165,792 SF</p>	<p>\$7,600,000 \$45.84 p/sf</p>	<p>California-based investor, Ethan Conrad Properties, purchased a primarily vacant two-story building attached to Meadowood Mall. The building currently has an occupancy rate of 24%, with tenants including Round 1 Bowling & Amusement and Beecher Saboo Eye Care.</p>
<p>440 E Golden Valley Rd 12,000 SF</p>	<p>\$4,000,000 \$333.33 p/sf</p>	<p>A freestanding, multi-tenant retail building in North Valleys was sold with a reported cap rate of 6.8%. Tenants include Longboards Pizza, Yogurt Beach, and Golden Valley Nails.</p>
<p>5415 Sun Valley Blvd 6,000 SF</p>	<p>\$1,700,000 \$283.33 p/sf</p>	<p>A free standing retail building in Sun Valley, with O'Reilly Auto Parts as the main tenant, sold at a 5% cap rate. Surprisingly, this property ranks as the #2 O'Reilly location in the state of Nevada and is in the top 4% nationwide.</p>
<p>890 Gentry Way 11,915 SF</p>	<p>\$1,100,000 \$92.32 p/sf</p>	<p>Located off of Kietzke Lane near the Peppermill and Atlantis Resort Spa & Casino, an auto shop has been sold. The current tenant is the Auto Hospital.</p>

Q2 NOTABLE TRANSACTIONS



NOTABLE SALES

1. 5400 Meadowood Mall Circle
165,792 SF
\$7,600,000
\$45.84 p/sf

2. 440 E Golden Valley Rd
12,000 SF
\$4,000,000
\$333.33 p/sf

3. 5415 Sun Valley Blvd
6,000 SF
\$1,700,000
\$283.33 p/sf

4. 890 Gentry Way
11,915 SF
\$1,100,000
\$92.32 p/sf

NOTABLE LEASES

1. Hank's Farmers Market
30,386 SF Leased
Paradise Plaza
West Sparks

2. Twin Peaks
12,859 SF Leased
Redfield Promenade
Meadowood

3. J Crew
4,701 SF Leased
The Summit
South Reno

4. Carhartt
4,300 SF Leased
The Summit
South Reno

MARKET FACTS & LEASING

The retail market continued to face development challenges, including high construction costs and the need to counter growing inflation. Despite these hurdles, several new projects are progressing, with capital-based setbacks. Regional and national tenants continue to express interest in our area, contributing to stable vacancy rates.

In the second quarter, two lease transactions stood out: the leasing of Hank’s Farmers Market in Paradise Plaza and Twin Peaks in the Redfield Promenade. These deals collectively secured 43,245 square feet of retail space. Specifically, 30,386 SF was leased in the thriving Paradise Plaza within the West Sparks submarket, while an additional 12,859 SF found successful leasing in the Redfield Promenade of the Meadowood submarket.

NEW DEVELOPMENT

The Stonebrook Retail Development was the most noteworthy project in Q2 within the Reno/Sparks retail landscape. Located in the expanding Spanish Springs area, at Pyramid Hwy and Oppio Ranch Pkwy, this development will offer 5,800 square feet and includes a multi-tenant establishment with an end-cap drive-thru.

The addition of Cracker Barrel marks the continued expansion of the recently constructed retail development, West End Commons. Located in West Downtown, the built-to-suit, 10,486-square-foot space will house the first Cracker Barrel establishment in Northern Nevada. Looking ahead, West End Commons sustains its path of expansion, with the expected addition of Panera Bread.

Net Absorption



179,000 SF

SALES	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Volume	\$29,202,021	\$37,051,551	\$97,072,060	\$33,850,000
Total Deals	16	15	13	20
Average P/SF	\$260.68	\$342.44	\$474.23	\$362.78

Overall Vacancy Rate:



4.7%

Neighborhood Center Vacancy:



6.3%

Power Center Vacancy:



4.3%

Strip Center:



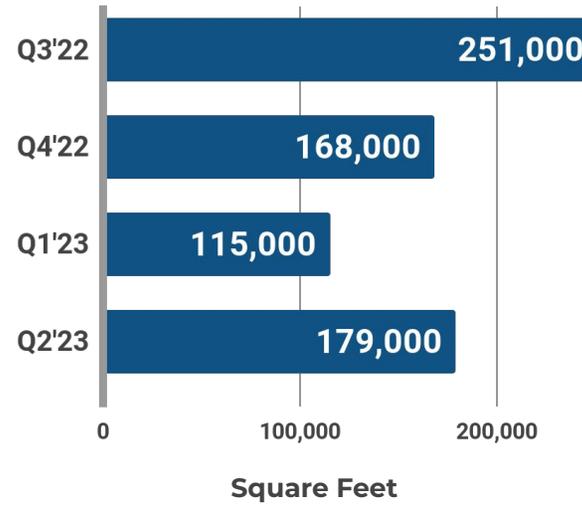
6.3%

General Retail Vacancy:
 Free Standing

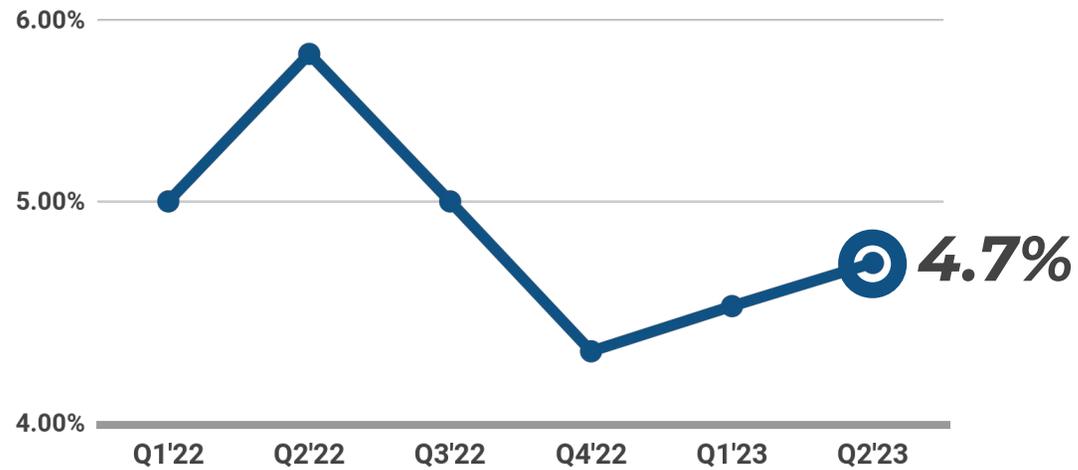


3.4%

NET ABSORPTION

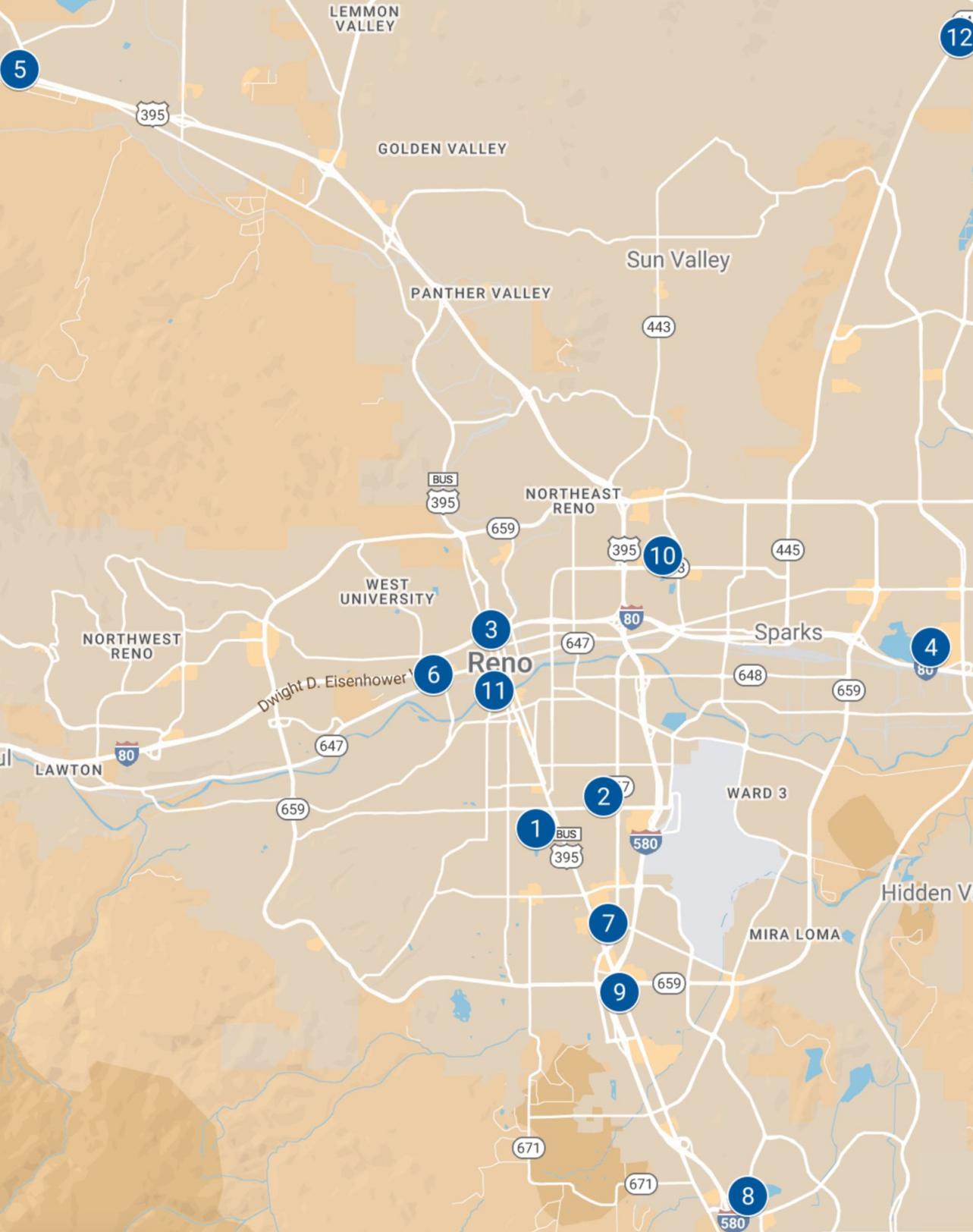


VACANCY RATES





RETAIL NEW DEVELOPMENTS



- 1 RED (Reno Experience District)**- 1,300 apartment homes & 70,000 SF
- 2 Reno Public Market**- 150,000 SF mixed use development
- 3 University Crossing**- Five retail & restaurant suites
- 4 Legends Bay Casino @ Legends in Sparks**- 80,000 SF casino
- 5 Red Rock Retail**- 296-unit multifamily complex, 42,000 SF of office & retail space
- 6 West End Commons**- 42,000 SF of office & retail space with 196 multifamily units
- 7 Firecreek Crossing Resort - Casino**- Resort-casino, 201 rooms, & 48 suites
- 8 Downtown Damonte**- 244,000 SF planned retail & 150,000 SF of office space
- 9 Skypointe**- 208,272 SF of restaurant, café, retail, office, service and hospitality
- 10 The Oddie District**- Art space, education, flex-tech workspaces, food & dining
- 11 Neon Line District**- Art, gaming, and musical offerings
- 12 Stonebrook Retail**- Multi-tenant retail strip with 2,800 SF to 3,000 SF