

RENO
SPARKS

2018 A YEAR IN REVIEW

COMMERCIAL MARKET REPORT

DCG DICKSON
COMMERCIAL
GROUP



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ECONOMIC OVERVIEW

Personal income in Nevada reached \$147 billion in the third quarter of 2018, up 5.6% from a year ago. Nevada's year-over-year growth is the 3rd strongest in the U.S.

Nationally, we saw exciting legislation passed for the industry with the creation of Opportunity Zones. This new incentive is reshaping community and economic development by creating potential for new private investment in long-neglected markets.

Thanks to the help of organizations like EDawn (Economic Development Authority of Western Nevada) and GOED (Governor's Office of Economic Development), our area attracted 29 new companies, with a large amount of tech and advanced manufacturing. Almost half of these companies were from California.

We are starting to see higher wage jobs, and our region is seeing more tech companies focused in Blockchain, Biotech, IoT, Fintech, and drone technology.



CLICKBIO
Tech/Manufacturing
30 Jobs



POLARIS
Distribution
80 Jobs



MyVR
Tech
22 Jobs



MECP Reno
Tech
202 Jobs



MASONITE
Manufacturing
300 Jobs



RFXCEL
Tech
200 Jobs



CHAMPION WINDOWS
Manufacturing
127 Jobs



FIGURE TECHNOLOGIES
Tech
240 Jobs



NOTABLE NEW COMPANIES IN 2018



FOX RACING
Distribution
60 Jobs



IRIS AUTOMATION
Technology
25 Jobs



DEANTRONICS
Manufacturing
100 Jobs



ECONOMIC OVERVIEW

Our economy and commercial real estate markets had another good year! If the country makes it through Q1 2019 recession free, it will be the first time we've gone 10 years without a recession since 1857! In contrast to the boom of the mid-2000's, no global evidence of simultaneous excesses in lending and construction seems to exist. Outstanding mortgage volumes are growing half as fast as in the run-up to the financial crisis, which should limit economic damage caused by price corrections.

The Reno/Sparks region continued its recovery in 2018 with similar fundamentals from prior years. The Industrial and Apartment sectors continue to be the leaders when looking at absorption and new development. Office was relatively flat in absorption and retail was slightly positive with a small amount of new development and positive absorption.

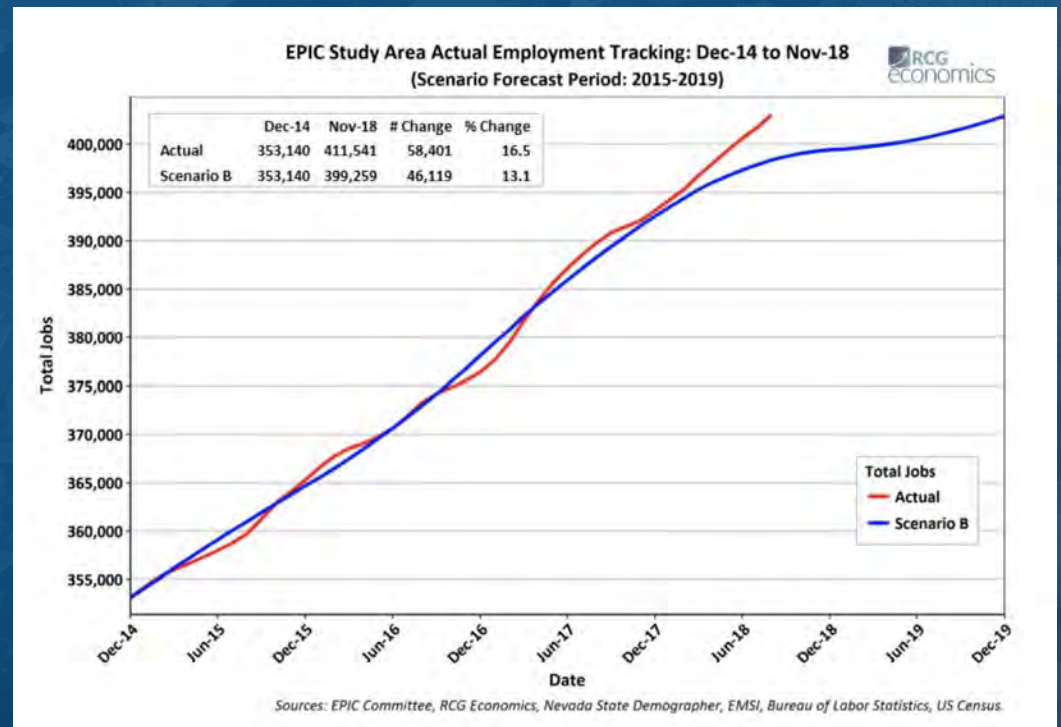
In Investment, many asset classes saw a similar or slightly lower number of transactions year-over-year and we saw prices increase and cap rates continue to decline. This is a sign of continued strong demand, but lack of inventory.

The region's unemployment has been on a steady decline since the recession, when Reno/Sparks had a rate of 14%. Nevada topped all states in job growth with a 3.9% year-over-year increase in employment numbers, according to the Bureau of Labor and Statistics. The Reno-Sparks metro area performed even better, boasting a 5.2% increase in employment. In January, the Reno metro area was ranked No. 1 nationwide for job growth by the Milken Institute's 2018 Best-Performing Cities List. We saw 29 companies either move into or expand in the area — including 15 headquarter relocations in 2018.

In the last five years, Reno-Sparks added 48,000 new jobs. A look at the top five industries that contributed the most net growth in jobs over the last five years consisted of trade, transportation, utilities (which includes wholesale and retail trade), cargo, and warehousing adding a total of 11,400 new jobs.

Professional and business services (including company headquarters), engineering services, law firms, management companies and call centers contributed 9,000 new jobs. Manufacturing, including the Tesla Gigafactory added 8,400 new jobs. Construction contributed 7,900 new jobs, and Education added 3,700 new jobs.

Northern Nevada exceeded what some may have thought was an overly optimistic projection of 50,000 new jobs in five years; we have nearly hit that number in just four years! The blue line in the graph below represents projected jobs and the red line is actual jobs.





ECONOMIC OVERVIEW

The Reno-Tahoe Industrial Center Job Growth exceeded expectations, and housing remains a concern.

CONSTRUCTION INDEX

In November 2018, the U.S. Bureau of Labor Statistics Unemployment Rate for the Reno Area decreased back to the May 2018 level at 3.3%. The Reno Area unemployment rate continued to outpace the 3.5% United States nation rate. The Reno Area Professional and Business Services sector jumped the Manufacturing sector to lead the Reno area employment growth rate with a 20.2% year over year increase in jobs.

The November 2018 Nevada Economy in Brief reported year-over-year Job Growth in the Reno-Sparks MSA of 5.7%, and outperformed both the 3.8% Nevada rate and the 1.7% United States rate.

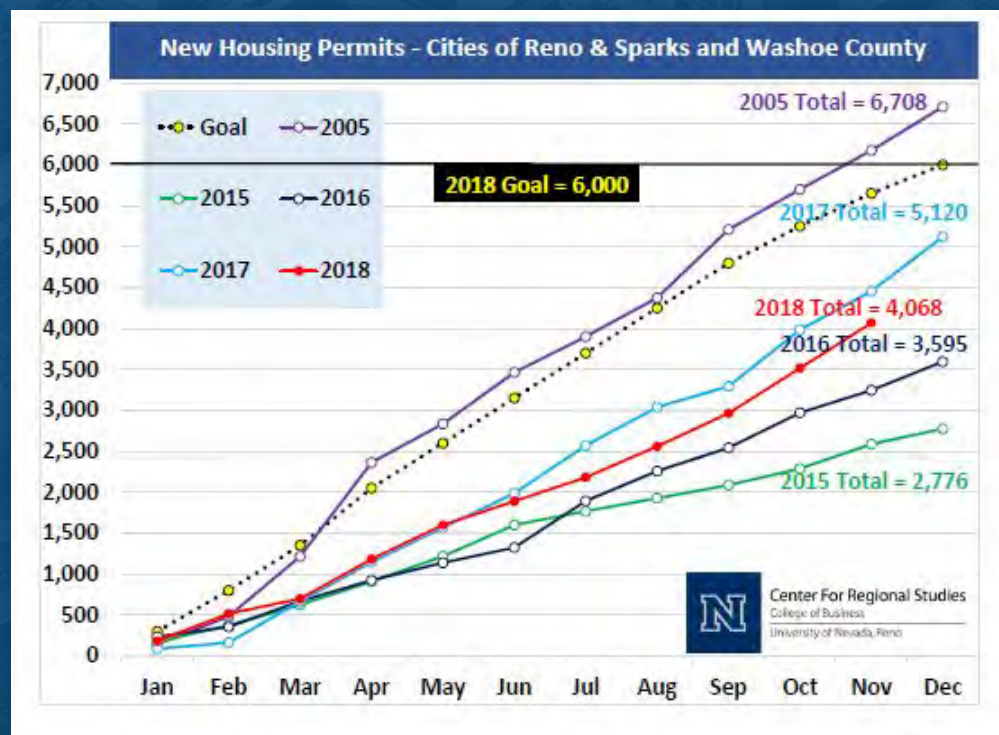
HOUSING REMAINS A SERIOUS CONCERN

EDAWN CEO Mike Kazmierski was quoted saying, "Housing remains a serious concern: The New Housing Permits chart shows that we are well off the goal for the number of permits for new housing units (including apartments and condos). As of October 2018, we are almost 2,000 permits short of where we should be for this year. The shortage of new housing continues to drive our housing prices up."

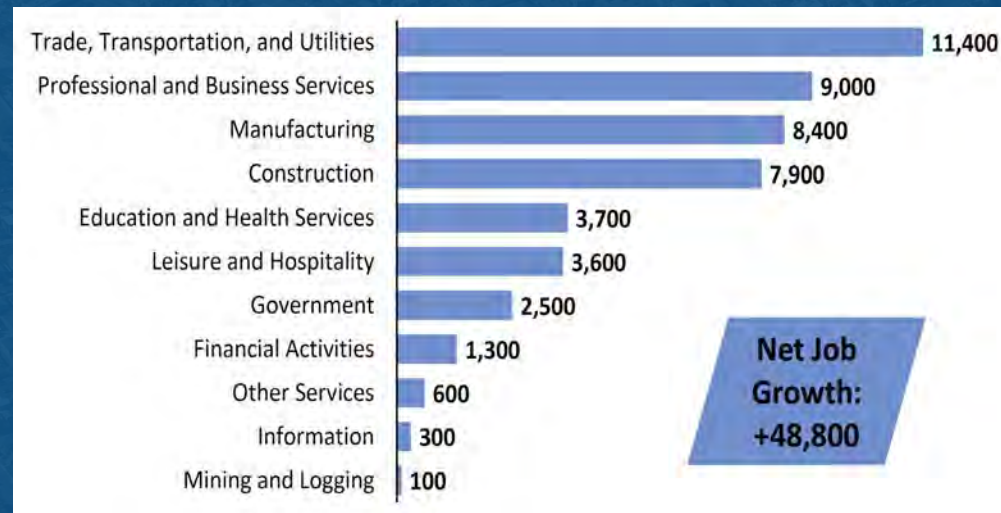
EPIC REPORT NUMBERS

Actual Job Growth in the Study Area topped the Scenario B Job Growth and Actual Employment tracking for the first time since 2016. Actual Job Growth and Scenario B Job Growth in the Study Area through October 2018 was 47,199 and 45,883 respectively reflecting 1,316 actual jobs in excess of the Scenario B forecast.

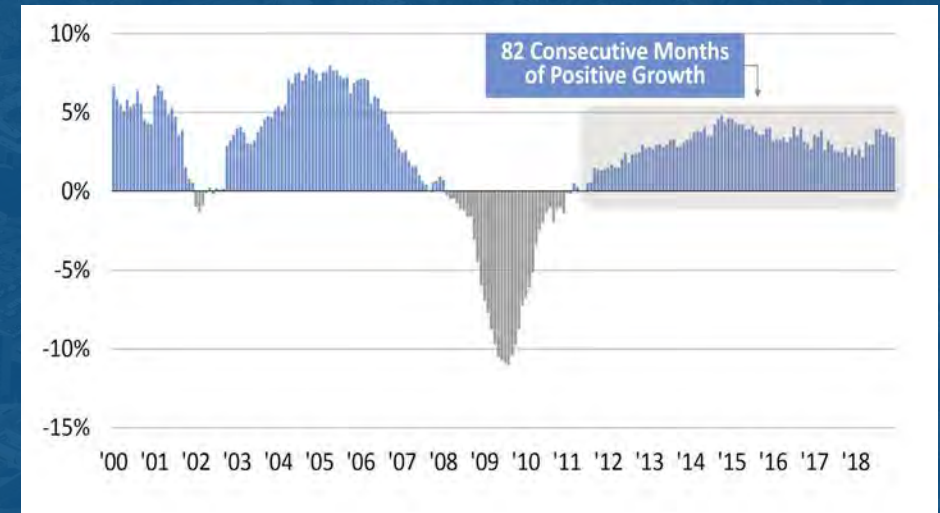
The EDAWN CEO and Business Development Updates for January 2019 explains, "You can see we are exceeding what many thought was an unrealistic projection of 50,000 new jobs in 5 years and have nearly hit that number in just four years."



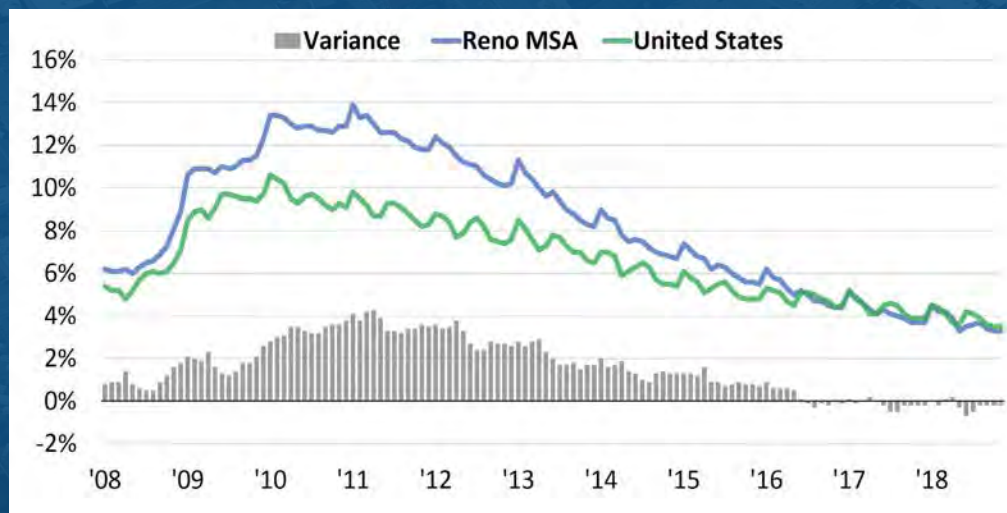
EMPLOYMENT GROWTH RENO MSA | LAST 5 YEARS



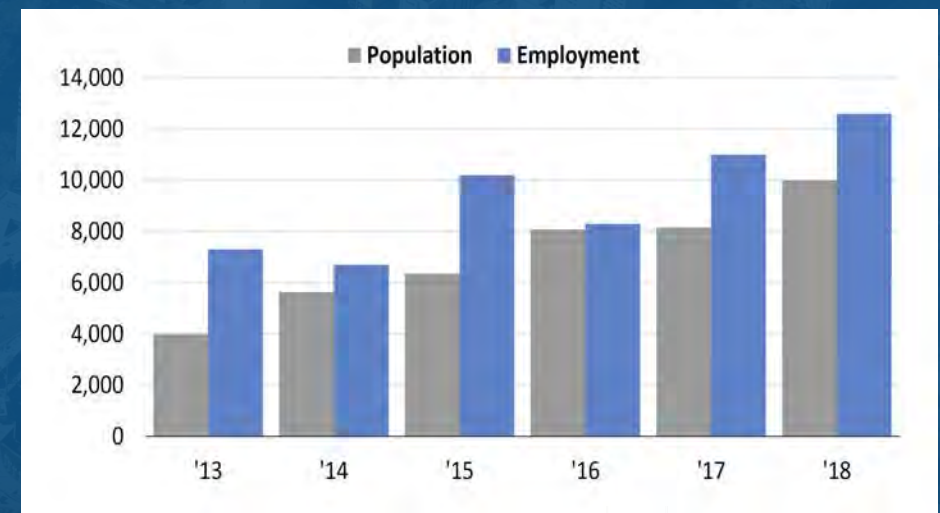
EMPLOYMENT GROWTH RENO MSA | YEAR-OVER-YEAR



UNEMPLOYMENT RATE



POPULATION & EMPLOYMENT RENO MSA TOTAL INCREASE | 2013 - 2018



Source: (Applied Analysis - 2019 and Beyond) U.S. Bureau of Labor Statistics, U.S. Census Bureau, EMSI, Governor's Office of Economic Development

INDUSTRIAL PROPERTY



SALES RECAP

The number of industrial sales stayed exactly the same as 2017 at **81 transactions in 2018**; however, the volume dropped by **32% in 2018**. The 2017 year was fueled by a strong investment market that had a large number of institutional acquisitions, while 2018 returned back to a more normalized market with the exception of an extremely active 2nd quarter. Accounting for over half of the year's volume, the 2nd quarter included large transactions completed by local developers, McKenzie Properties, Dermody Properties, and Panattoni Development. Industrial product continues to be in high demand for investors and owner-users alike. A continued lack of buildings for purchase are leading to increased pricing on a per square foot basis.



NEW CONSTRUCTION

As our developers continue to meet demand with new product, we are seeing new industrial developments in almost all markets including TRI, Fernley, Sparks, West Reno, North Valleys, and South Meadows. There is roughly 3.6 million square feet of new product scheduled to come online over the next twelve months. **The new buildings will feature a multitude of available options in 50,000-200,000 square feet and up.**

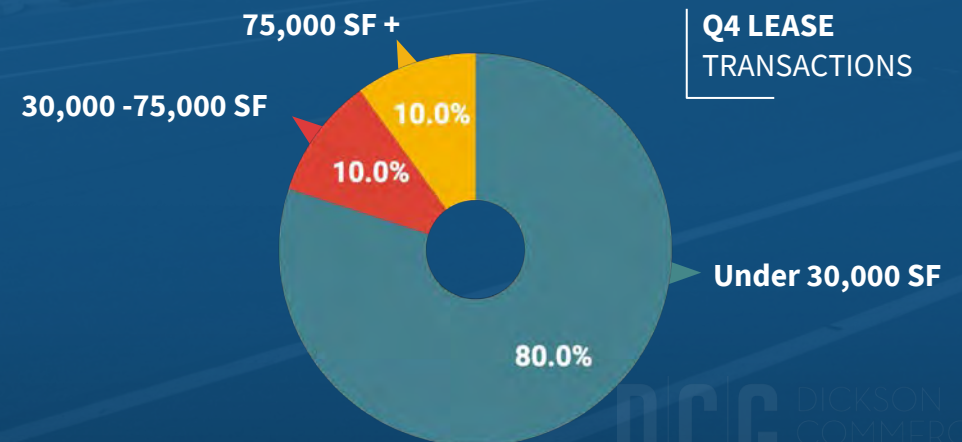


LEASING RECAP

The leasing market experienced a bit of correction in 2018 after a red hot 2017. While **2018 ended up having breakeven or negative net absorption in 3 out of 4 quarters**, this was primarily due to new developments coming out of the ground, particularly in 100,000 sf and up e-commerce and distribution facilities. Although our vacancy rate ticked up slightly from 2017, the year still ended with a low vacancy factor and strong fundamentals. We had the largest lease transaction completed in Nevada for speculative development, (S&S Activewear), almost 3 million square feet of buildings completed, and a number of new and exciting brands and companies moved into our market.

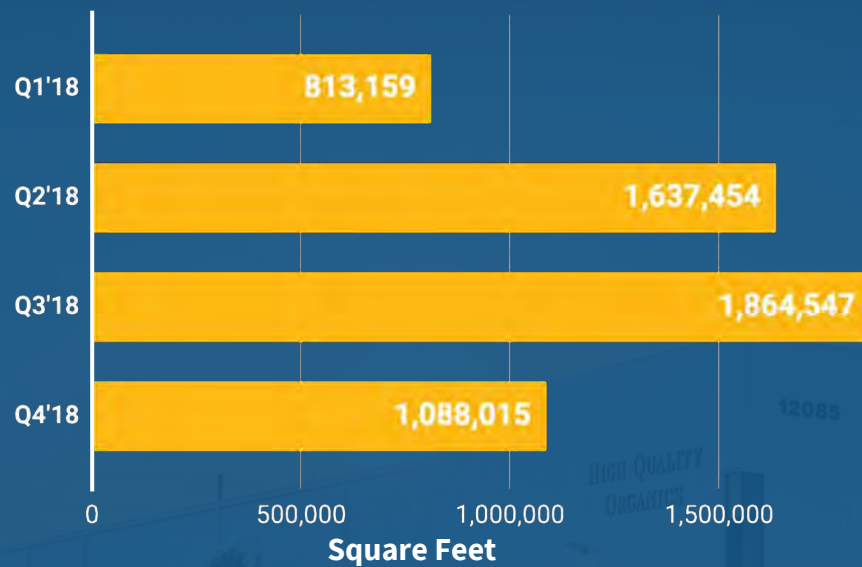
Landlords are pushing for higher rents **with average rates on bulk space at \$0.38 sf/mo, with deals being completed in the low \$0.40's sf/mo for new product.**

Finally, a notable trend in 2018 was the shift in the average size of lease deals. The majority of leases each quarter were smaller flex and mid-box space size lease transactions, as compared to previous years where larger bulk space (over 100,000 sf) signings comprised a bigger portion of each quarters' lease deals.

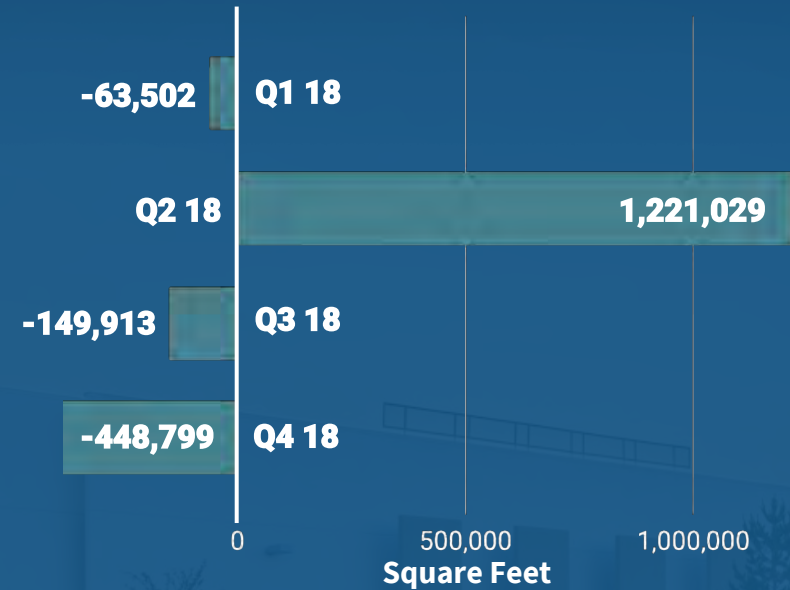


INDUSTRIAL

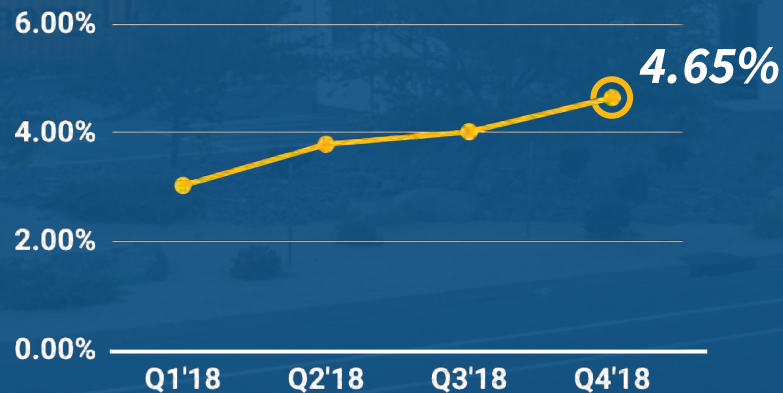
GROSS ABSORPTION



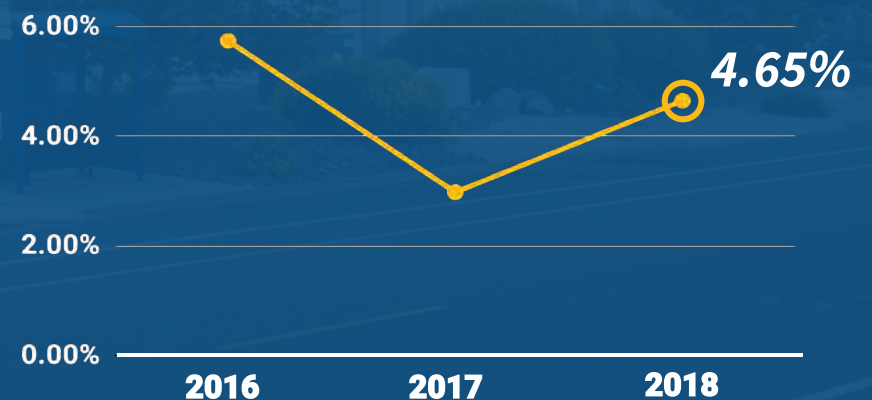
NET ABSORPTION



VACANCY RATES 2018 QUARTERLY



VACANCY RATES YEAR OVER YEAR



OF TRANSACTIONS

81



0%

FROM LAST YEAR

TRANSACTION VOLUME

\$318,676,622



-32%

FROM LAST YEAR



TOP 15 LEASES 2018

INDUSTRIAL

*Refer to Map (Next Page)

MAP	Address	Tenant	SF	Use	Submarket
1	North Valleys Commerce	S&S Activewear	801,311	DST	North Valleys
2	555 Milan	Confidential	566,875	DST	TRI
3	550 Boxington Way	ITS Logistics	271,152	DST	Sparks
4	375 Cabela Drive	Masonite	223,824	DST	West Reno
5	9460 N. Virginia St	SupplyHouse.com	190,871	DST	North Valleys
6	1450 E. Greg Street	Tranzonic	136,025	DST	Sparks
7	12055 Sage Point	UPS	132,025	DST	North Valleys
8	385 Stanley Lane	Polyglass	115,200	MFG	Fernley
9	8040 N. Virginia St	Smart Warehousing	99,640	3PL	North Valleys
10	9085 Moya Blvd	Sonwill	96,000	DST	North Valleys
11	2555 USA Parkway	CASS	85,875	SVC	TRI
12	925 N. Hills Blvd	Arnold Dental Supply	84,996	DST	North Valleys
13	350 Lillard	Tobi.com	77,281	DST	Sparks
14	46 Isidor	RHP	72,500	SVC	Sparks
15	38 Isidor	Fox Factory	71,800	MFG	Sparks



LEASES

*Refer to Notable Leases (Previous Page)



NEWLY COMPLETED CONSTRUCTION

1. North Valleys Commerce
Panattoni
North Valleys
802,311 sf

2. Conco TRI
630,000 sf

3. Lear Blvd
Prologis
North Valleys
240,000 sf

4. North Valleys Commerce
Panattoni
North Valleys
352,000 sf

5. Trademark/Elite Spice Building
Mckenzie Properties
South Meadows
174,000 sf

6. Walkenhorst Building
Owner User
Sparks
80,000 sf

7. Dermody Properties
North Valleys
436,000 sf

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TOP 10 SALES 2018

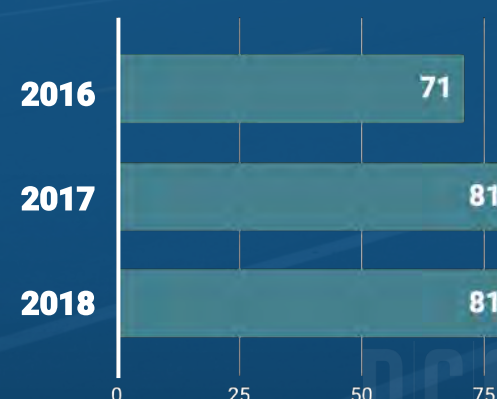
INDUSTRIAL

Address & SF	Price P/SF	Notes
North Valleys Commerce Center(1,059,260 sf)	\$81,000,000 (\$77 p/sf)	Buyer was Prism Realty (Q2), North Valleys. 5% cap
Sparks Business Center (396,497 sf)	\$38,350,000 (\$97 p/sf)	Buyer was Dermody Properties
6565 Echo Ave (394,400 SF)	\$22,449,907 (\$56 p/sf)	Owner User Acquisition, North Valleys
Reactor/Icehouse/Industrial Portfolio (203,800 SF)	\$12,500,000 (\$61 p/sf)	Buyer was TDC, Portfolio was in Airport and Sparks Submarket
550 Spice Islands Drive (187,878 SF)	\$10,500,000 (\$56 p/sf)	Sale Leaseback with HC Ventures, Sparks Submarket
1330 Capital Blvd (45,840 SF)	\$6,400,000 (\$140 p/sf)	Airport Submarket, Owner User
1445 Glendale Ave (22,650 SF)	\$5,800,000 (\$256 p/sf)	Investment Sale to 1031 Buyer, 6.3% cap, Sparks Submarket
13805 Mt. Anderson (61,000 SF)	\$5,060,500 (\$83 p/sf)	North Valleys, Owner User Acquisition
725 Trademark (19,864 SF)	\$3,350,000 (\$169 p/sf)	Investment Sale, South Meadows
1335 Airmotive (26,642 SF)	\$2,725,000 (\$102 p/sf)	Investment Sale, Airport, 6.7% cap

TRANSACTION VOLUME YEAR OVER YEAR



NUMBER OF SALES YEAR OVER YEAR



OFFICE



SALES RECAP

Office sales had a record year for number of deals, average pricing, and total volume. 2018 increased total volume by 54% from 2017, and our market saw a large increase in the number of transactions. Volume averaged \$60 million per quarter in 2018, and the average price per square foot had a healthy jump from \$190 p/sf to \$211 p/sf in 2018.

Investment demand continued to be strong in 2018, and with a lack of quality product, cap rates averaged 6.46% for buildings under 10,000 square feet and 6.66% for buildings larger than 10,000 square feet, with longer-term and credit-tenant deals trading closer to 6%.

OF TRANSACTIONS

113



41.3%

FROM LAST YEAR

TRANSACTION VOLUME

\$241,582,777.00



116.6%

FROM LAST YEAR

AVERAGE P/SF

\$211.28



11.2%

FROM LAST YEAR



LEASING RECAP

The state of the Northern Nevada office leasing market is very healthy. As supporting industries roll into the new year, additional announcements of local development from Google, Blockchains, Tesla and Apple will invigorate supporting companies to relocate. At the same time, the homegrown success of companies such as Breadware, Talage and MyVR are helping bring in higher paying jobs and higher wage employees, which benefit our local office market.

The market absorbed approximately 100,000 square feet in three consecutive quarters of the year. Then in Q4, gains were erased with a few notable givebacks. Despite these givebacks, market vacancy finished at a healthy 12.6%, up slightly from the 2017 finish of 12%.

There are some large office developments in the works for 2019. McKenzie Properties is scheduled to deliver their building in Mountain View Corporate Centre in Q1, 2019 along with the two office buildings at Rancharrah seeing strong pre-leasing activity. Also, a new building in both the Meadowood and Airport Submarkets will be announced soon and will continue to help bring online new Class A product.

This newer construction is setting high marks for Class A rents, with full-service rates reaching \$2.75-3.25/sf/mo; a new high mark for Northern Nevada office.

Average Cap Rate

6.46%

UNDER 10K SF

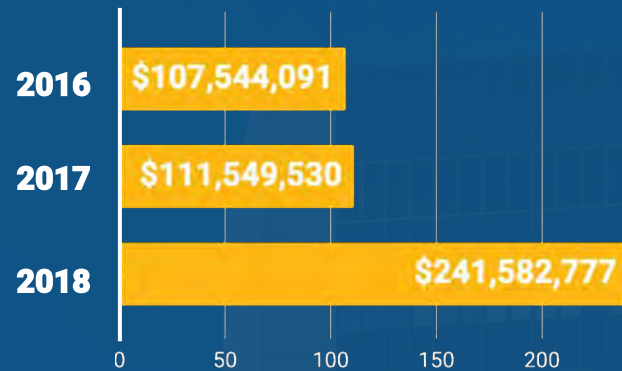
Average Cap Rate

6.6%

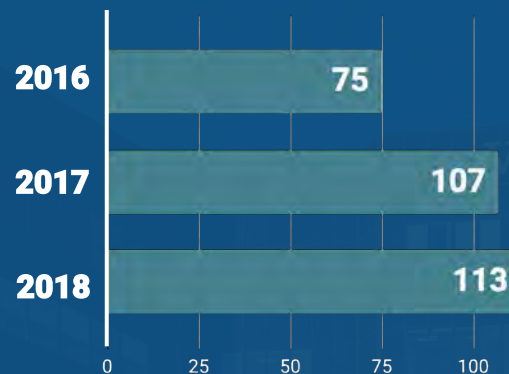
OVER 10K SF

OFFICE

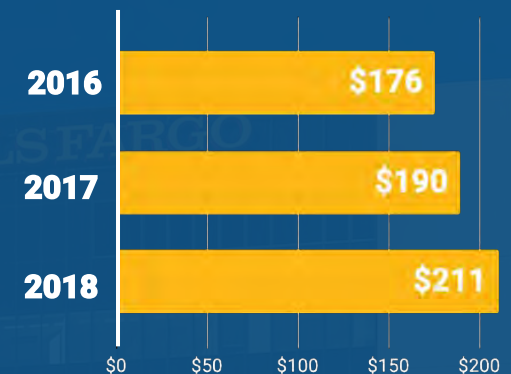
TRANSACTION **VOLUME**
YEAR OVER YEAR



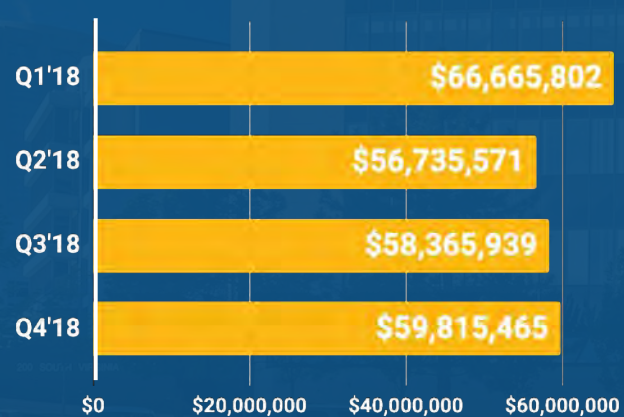
NUMBER OF **SALES**
YEAR OVER YEAR



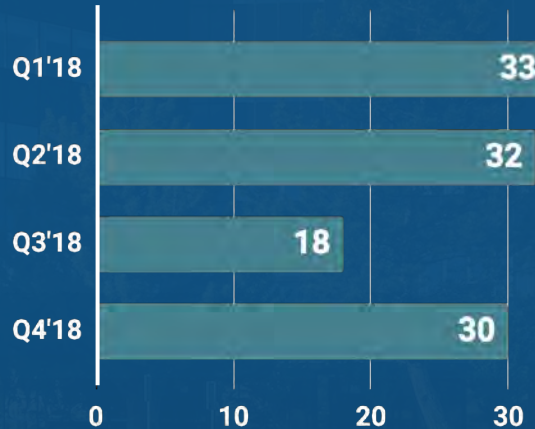
AVERAGE **P/SF**
YEAR OVER YEAR



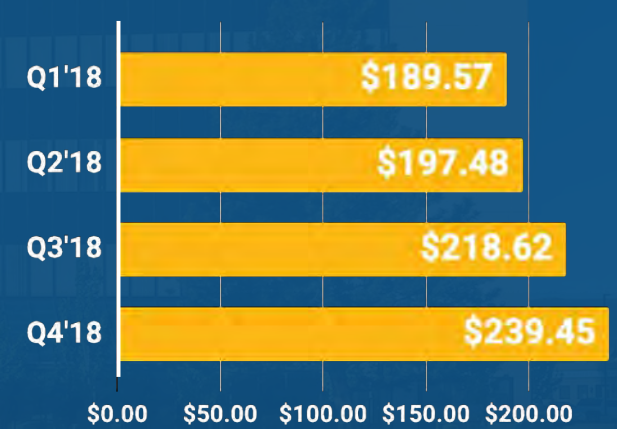
TRANSACTION **VOLUME**



NUMBER OF **SALES**

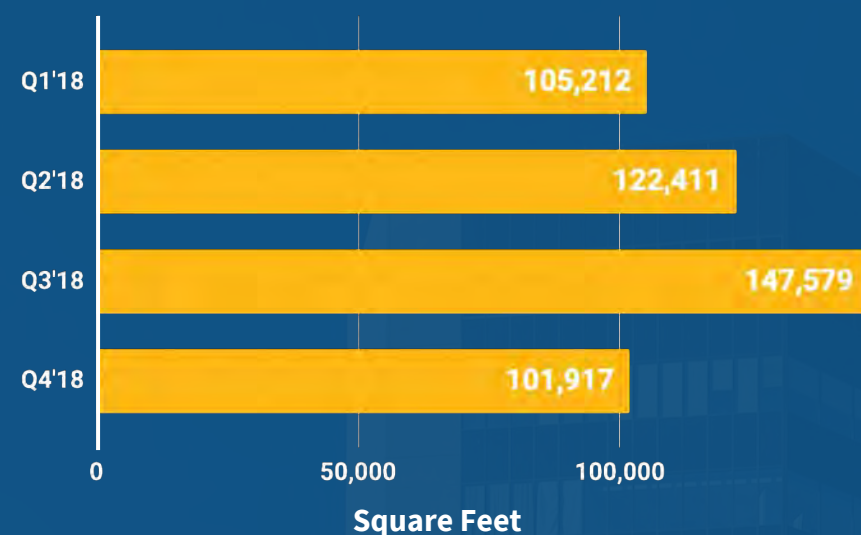


AVERAGE **P/SF**

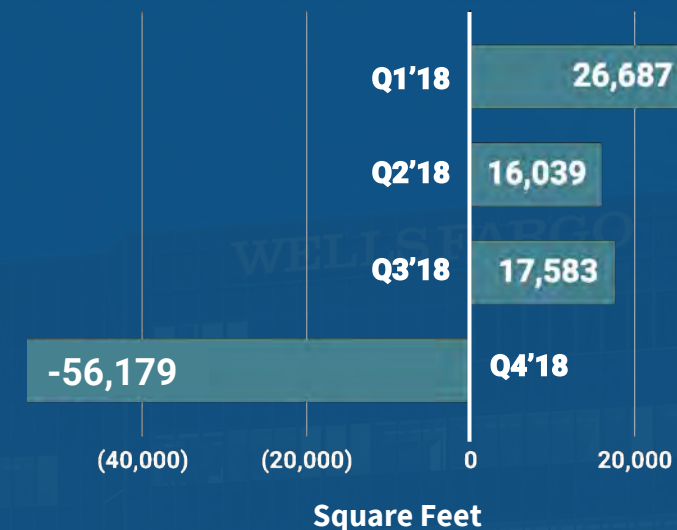


OFFICE

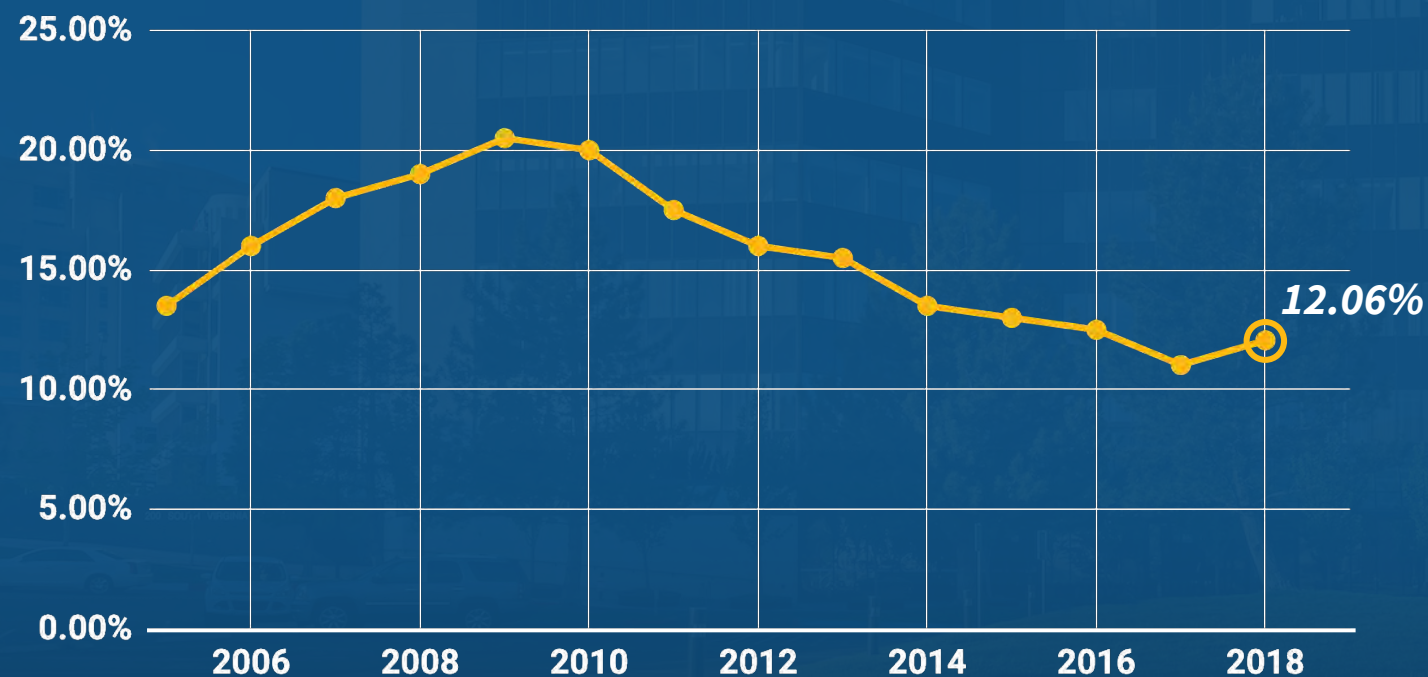
GROSS ABSORPTION



NET ABSORPTION



TOP 200 OFFICE BUILDING HISTORICAL VACANCY DCG



VACANCY RATES

Overall Vacancy Rate



12.06%

Downtown 13.48%

South Meadows 7.03%

Meadowood 9.83%

Central 19.61%

Airport 13.97%

OFFICE



NOTABLE LEASES 2018

Tenant	SF	Address/Submarket
Charter Communications	38,904	4930 Energy Way
AT&T Inc. (HQ)	16,559	5250 South Virginia Street
Nevada State Medical	15,672	9600 Gateway Drive
Gaming Division	12,026	5340 Kietzke Lane
Carson Tahoe Hospital	11,589	10539 Professional Circle
Eldorado Resorts	7,128	Renewal at 100 W Liberty 9th Floor, Downtown
Public Restroom Company	8,270	3700 Barron Way, South Meadows
Freedom Road Financial	7,545	10509 Professional Circle, South Meadows (renewal)
Army Corps of Engineers	7,404	300 E. 2nd Street - Downtown
Salvation Army	8,256	911 E. 2nd Street - Carson City
Nevada State Pharmacy Board	6,088	985 Damonte Ranch Pkwy - South Meadows
PBS West	7,782	425 Maestro - Meadowood

OFFICE



TOP 10 SALES 2018

Address & SF	Price P/SF	Notes
10375 Professional Cir (79,552 sf)	\$25,300,000 (\$318 p/sf)	100% leased to Employers through 2027 5.9% cap
5590 Kietzke Lane (14,670 sf)	\$5,500,000 (\$375 p/sf)	Medical Office
236 W 6th Street (38,456 sf)	\$5,500,000 (143 p/sf)	Medical Office
5190 Neil Road (106,823 sf)	\$14,875,000 (\$139 p/sf)	US Bank Building, 57.5% leased. 406 reg parking spaces, 8 handicap; 1.32 FAR, 5.8% cap rate
6995 Sierra Center Pkwy (19,941 sf)	\$5,500,000 (\$276 p/sf)	Investment sale, single tenant building with Stantec Engineering on 3 year term. 6.41% cap rate
745 W Moana Lane (60,011 sf)	\$9,000,000 (\$150 p/sf)	Purchased by UNR
885 Trademark Drive (77,132 sf)	\$20,400,000 (\$264 p/sf)	Fully leased to Mitel, Elemental LED, Legal Match, and PODS. 6.25% cap rate
5423 Reno Corporate Dr (17,248 sf)	\$4,966,059 (\$288 p/sf)	Medical Office
5901-5975 Los Altos Pkwy (29,264 sf)	\$9,200,000 (\$314 p/sf)	Los Altos Office Park with combination of office and medical space sold to 1031 buyer. 6.6% cap rate
1575 Delucchi Lane (78,240 sf)	\$7,300,000 (\$93 p/sf)	Meadowood Crown Plaza - 35 executive suites & 32 office spaces - 7.06% cap rate 93% leased

RETAIL



INVESTMENT ACTIVITY

Despite a big shake-up in the retail market nationally, our retail market in Reno/Sparks stayed consistent in 2018.

Investment demand was down slightly with only 69 sales and \$226,176,109 in volume for 2018, as compared to 107 sales and \$263,000,000 in volume in 2017.

We saw almost the same amount of volume with a 35% drop in the number of transactions, which reflects a lack of supply for investment product. This is also evident in the increase in the average price per square foot, which bumped up from \$240 p/sf in 2017 to \$266 p/sf in 2018.

The second half of the year had a much slower finish (about 50% down quarter over quarter in Q4) which could signal cooling in the investment market or could just be a sign of lack of quality inventory for sale. 2019 will be a telling year for investment demand.



LEASING RECAP

Similar to the sales market, leasing in 2018 started strong, and then dropped flat in the second half of the year. The vacancy rate essentially flatlined at just under 7% overall, and lease rates seem to be firming across the market.

Overall Vacancy Rate



7%

Shopping Center Vacancy

7.7%

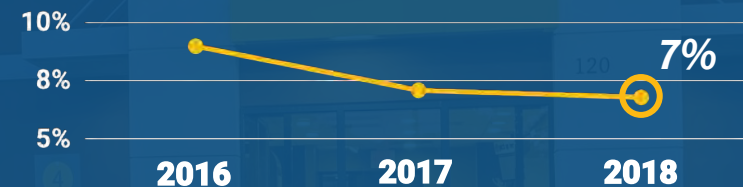
Power Center Vacancy

11.8%

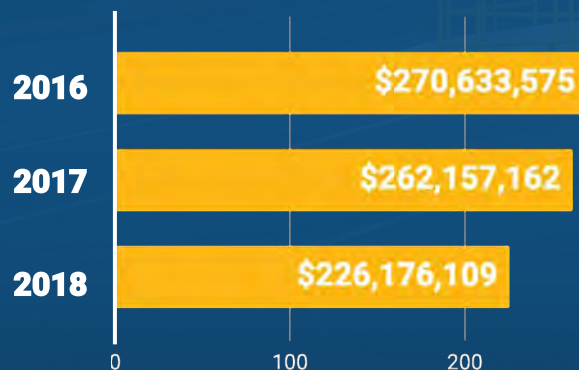
General Retail Vacancy:

3.9%

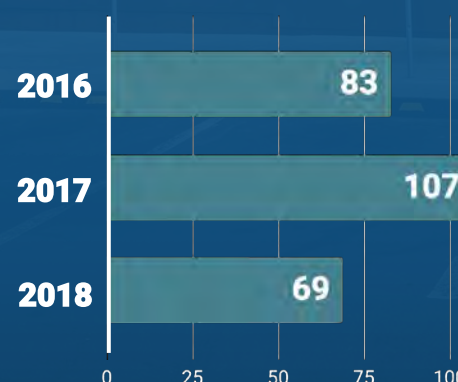
Year over Year Vacancy



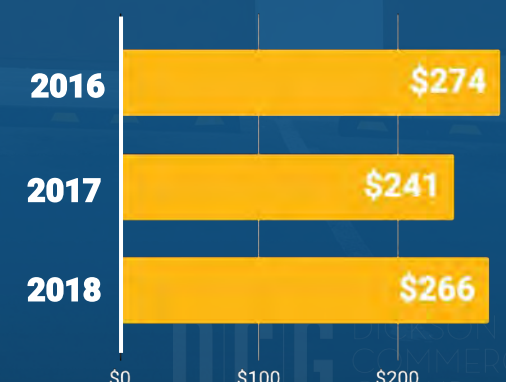
TRANSACTION VOLUME YEAR OVER YEAR



NUMBER OF SALES YEAR OVER YEAR



AVERAGE P/SF YEAR OVER YEAR





NOTABLE SALES 2018

RETAIL

SHOPPING CENTER

Address & SF	Price P/SF	Notes
Smithridge Plaza/Trader Joe's Center S. McCarran 137,691 SF	\$30,800,000 (\$224 p/sf)	Cap rate of 6.5% on a NOI of \$2,000,000 Seller spent \$1,200,000 on capital improvements prior to sale
Commons Shopping Center S. Virginia 151,877 SF	\$28,900,000 (\$190 p/sf)	8.7% cap rate, \$2.5M NOI Tenants - Total Wine, DSW Shoes, Guitar Center, Starbucks, Massage Envy, AAA
Franktown Corners Kietzke & Grove 44,425 SF	\$4,150,000 (\$93 p/sf)	Part of a 3-property portfolio sale
Caughlin Ranch Shopping Center 113,376 SF	\$18,000,000 (\$158 p/sf)	Cap rate of 7.58%, Special Servicer Sale. Grocery anchored center.
2950 Northtowne Lane 30,240 SF	\$2,350,000 (\$77 p/sf)	Vacant box space purchased by liquor store chain based in Las Vegas.
Sharon Square Shopping Center 50,934 SF	\$6,475,700 (\$127 p/sf)	Cap rate of 9%, non-anchor portion of Sharon Square in NW Reno
Mira Loma Shopping Center S. McCarran 84,076 SF	\$16,350,000 (\$160 p/sf)	Built in 1990 on five parcels at corner of S. McCarran and Mira Loma. 6.8% cap rate on year 1 income. Tenants include Scolari's, McDonald's, Dollar Tree, CVS Pharmacy, Port of Subs, Dotty's, Kona Gold Coffee, Cost Cutters, Dollar Loan Tree, Mountain Mike's, and Goodwill.

OF TRANSACTIONS

69



-35%

FROM LAST YEAR

TRANSACTION VOLUME

\$226,176,109



-14%

FROM LAST YEAR

AVERAGE P/SF

\$266



11%

FROM LAST YEAR

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NOTABLE SALES 2018

RETAIL

NEIGHBORHOOD CENTER

Address & SF	Price P/SF	Notes
Portion of Marina Marketplace 1495 E. Prater 15,740 SF	\$4,450,000 (\$283 p/sf)	6.75% cap rate Tenants - Peg's, Subway, L & L Barbecue, Taco Del Mar, Maverick Finance, and Great Clips.
100 California Ave 13,365 SF	\$2,775,000 (\$207 p/sf)	Downtown mixed use, 7.8% cap on in place. New owner undertaking facelift on property.
155 Lemmon Drive 10,129 SF	\$4,250,000 (\$417 p/sf)	Inline shop space, 6.37% cap rate. Tenants include Papa Murphy's Pizza, AT&T Wireless, H&R Block, Paycheck Advance, and Spring Mobile. The shop space is shadow anchored by Smith's grocery.
Lakeridge Pointe 6135 Lakeside Drive 34,464 SF	\$5,100,000 (\$148)	7.5% cap rate on in place income. New owner undertaking facelift on property.
5115 Mae Anne 5,308 SF	\$3,200,000 (\$602 p/sf)	Cap rate estimated at 5.8%, 3 tenant building in the Northwest

STNL

Address & SF	Price P/SF	Notes
10340 N. McCarran 5,472 SF	\$2,863,000 (\$584 p/sf)	Part of a large portfolio of sale leasebacks of Chili's restaurants.
986 Ambassador 2,045 SF	\$1,795,000 (\$878 p/sf)	Single Tenant Starbucks, reported cap rate of 4.76%
10370 N. McCarran 14,490 SF	\$5,009,000 (\$346 p/sf)	Walgreens with 5.75% cap rate and NOI of \$288,000 with 25 years of firm term left

MULTIFAMILY



SALES RECAP

Locally, our market actually saw an increase in the overall volume, thanks to a few large student, senior, and affordable housing complex sales that helped boost investment volume to just over \$500,000,000 in 2018. The overall number of transactions stayed consistent at 81 for the year.

Cap rates remained in the low-to-mid 5% range, despite rising borrowing costs attributed to the Fed raising interest rates.



RENT & VACANCY

Apartment demand for Reno remains very strong with limited inventory available. Average rental rates grew 9.5% year-over-year, and over 3 times the national average of 3.1% according to RentCafe and Yardi Matrix.

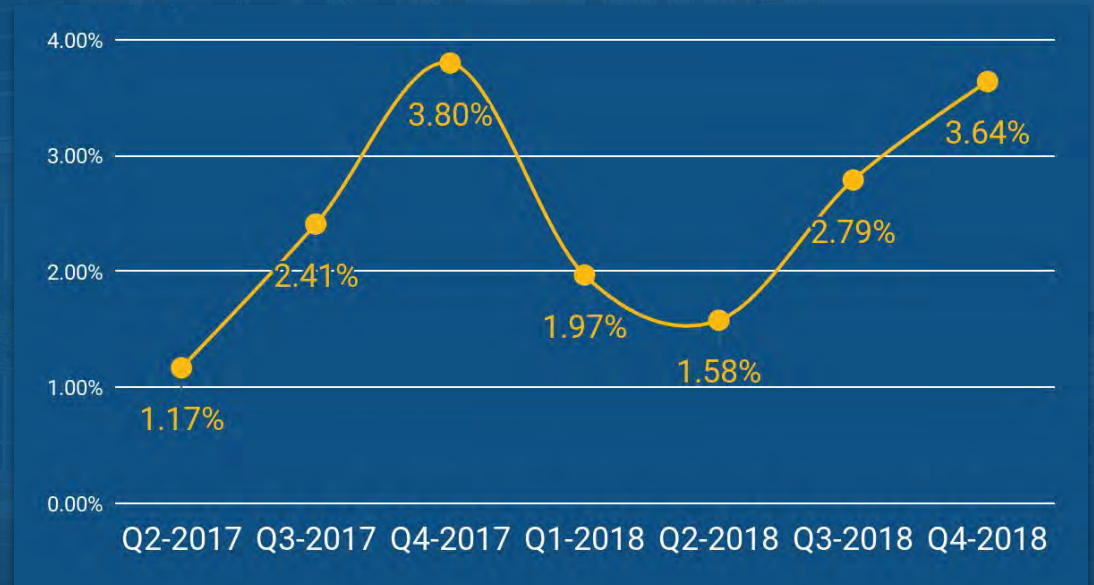
Rents did drop slightly at the end of the year, which can be attributed to Q4 being a peak moving season.

Vacancy also increased over 100 basis points year-over-year, finishing the year at 3.64%. Year-over-year rent growth for 2018 was 9.49% as compared to 7.9% in Las Vegas and 3.1% nationally according to RentCafe and Yardi Matrix.

AVERAGE APARTMENT RENTAL RATE TRENDS

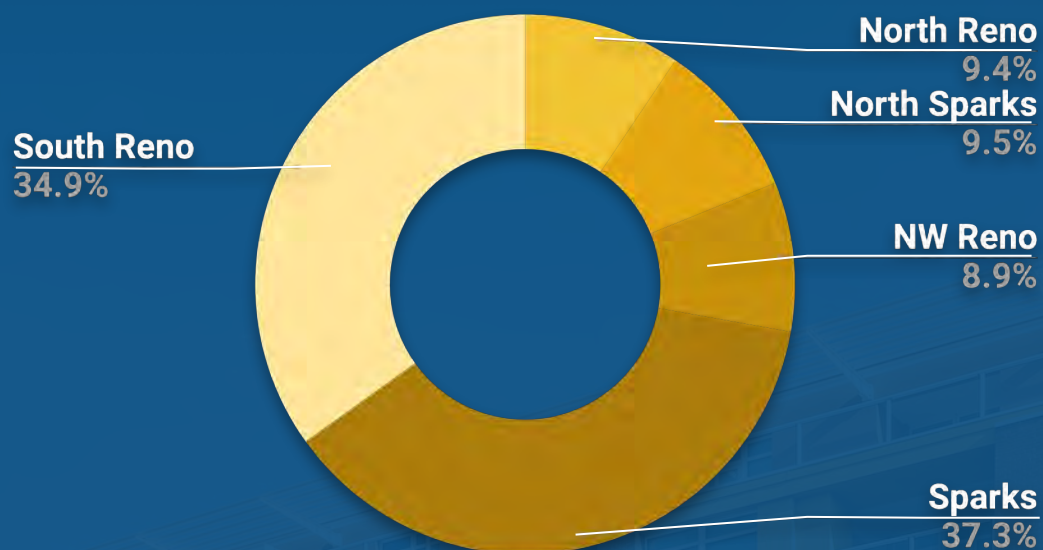


VACANCY RATES





UNDER CONSTRUCTION

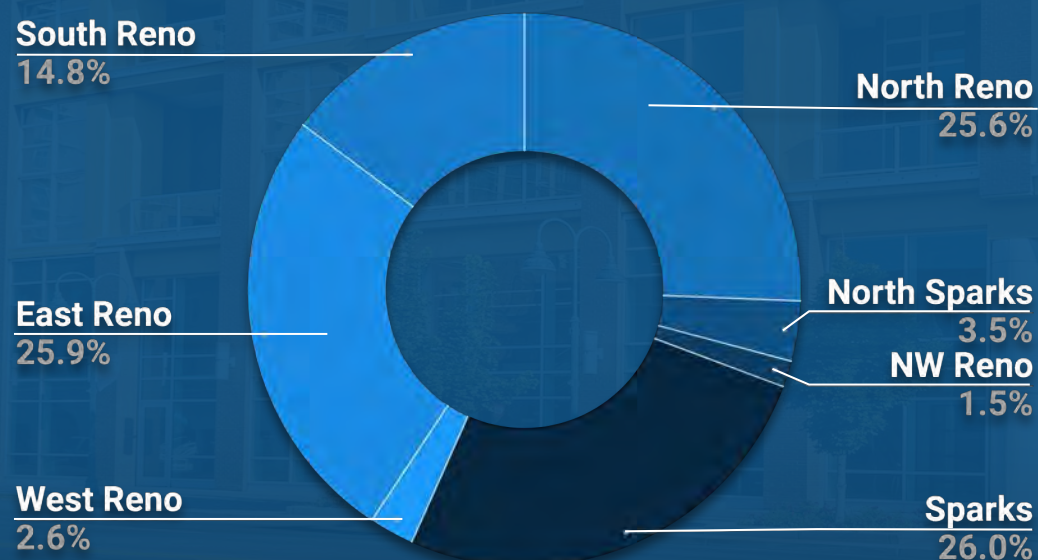


NEW CONSTRUCTION

Nationally, apartment sector completions are still greatly outpacing both office and retail from a relative perspective. Economics firm Reis expects this level of continued activity for this sector through 2019 before dropping off.

Locally, low vacancy and double-digit annual rent increases have been pushing labor and developers into the multifamily market. We currently have over 3,000 units under construction and another 6,000 planned.

PLANNED CONSTRUCTION



OF TRANSACTIONS

81



0%

FROM LAST YEAR

TRANSACTION VOLUME

\$501,248,875



36%

FROM LAST YEAR

Overall Vacancy Rate



3.64%

AVERAGE P/UNIT

\$107,543



15%

FROM LAST YEAR

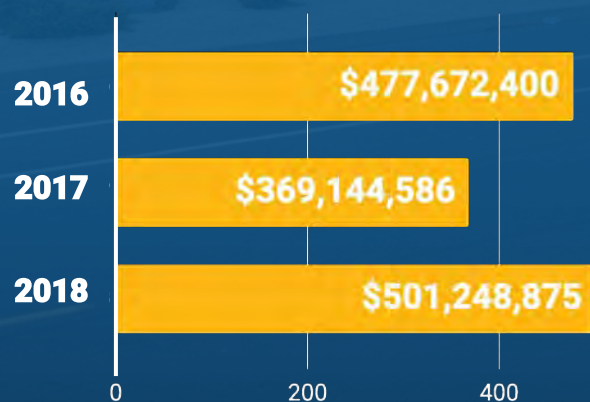


NOTABLE SALES 2018

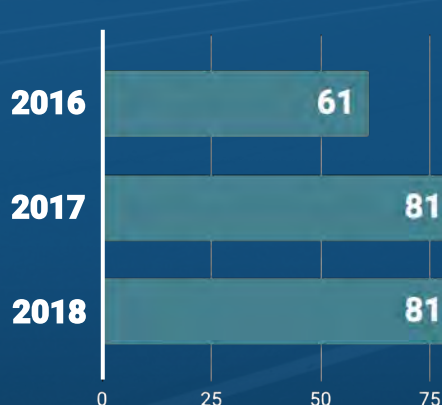
MULTIFAMILY

Address	Sales Price	Units	\$/Door	Neighborhood	Year Built	Notes
Horizon Apartments 9350 Double R Blvd	\$67,300,000	344	\$195,639	South Reno	2005	4.94% cap rate
Cascades Senior Living Facility 275 Neighborhood Way	\$69,903,186	292	\$238,764	Spanish Springs	2008	Senior Living facility
Courtyard Center Apartments 695 3rd St & 160 Sinclair St	\$21,000,000	498	\$42,169	Downtown	2000 & 2001	Affordable Housing
Balfour Place Apartments 2300 Harvard Way	\$25,500,000	220	\$115,909	Central	1973	Market Rate
Wolf Run Village & Wolf Run East	\$35,000,000	142	\$246,479	University	2017 & 1996	Student Housing + Adjacent 5 acres
Southridge, Skyline & Skyview Apartments 1550-1590 Sky Valley Drive	\$36,000,000	292	\$122,867	Northwest	1994 & 1996	Market Rate
350 Harbour Cove Drive	\$51,120,000	240	\$213,000	Sparks	2003	Market Rate
4145 Neil Road (Alder Creek)	\$21,500,000	213	\$100,939	Central	1979	Market Rate
14 Park Street	\$9,000,000	36	\$250,000	Downtown	2018	New Construction
1000 Harvard Way	\$6,575,000	200	\$32,876	Central	1974	Avg 400 sf studio units
2121 E Prater Way	\$8,975,000	48	\$186,979	Sparks	1997	Assisted Living
500 Broadway Blvd	\$6,000,000	42	\$142,857	Central	1964	Market Rate
207 Hillcrest Drive	\$5,620,000	58	\$96,897	Central	1963	Market Rate

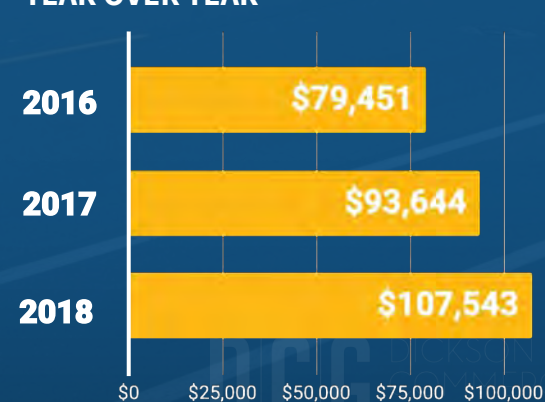
TRANSACTION VOLUME YEAR OVER YEAR



NUMBER OF SALES YEAR OVER YEAR



AVERAGE P/UNIT YEAR OVER YEAR





Land sales continued to have another strong year in 2018, with acquisitions being done for large-scale projects. Similar to prior years, multifamily (market rate, student, and senior) housing and industrial led the way, as those speculative markets are the hottest, with office and retail following behind.

We are seeing rents continue to increase, but also our available workforce has been reduced with the economic recovery. We've gone from 14.2% unemployment in 2011 to 3.3% unemployment at the end of 2018, making available labor scarce and, subsequently, projects have been taking longer than expected. Our market is still less costly and has much easier entry to build in comparison to neighboring states, but we will need to have a continued focus on workforce attraction to meet the growing demand.

INDUSTRIAL LAND

With our industrial market experiencing historically low vacancy, and a large amount of distribution, e-commerce, and manufacturing companies choosing to consider the region, we've seen continued demand by local and national developers for suitable industrial land.

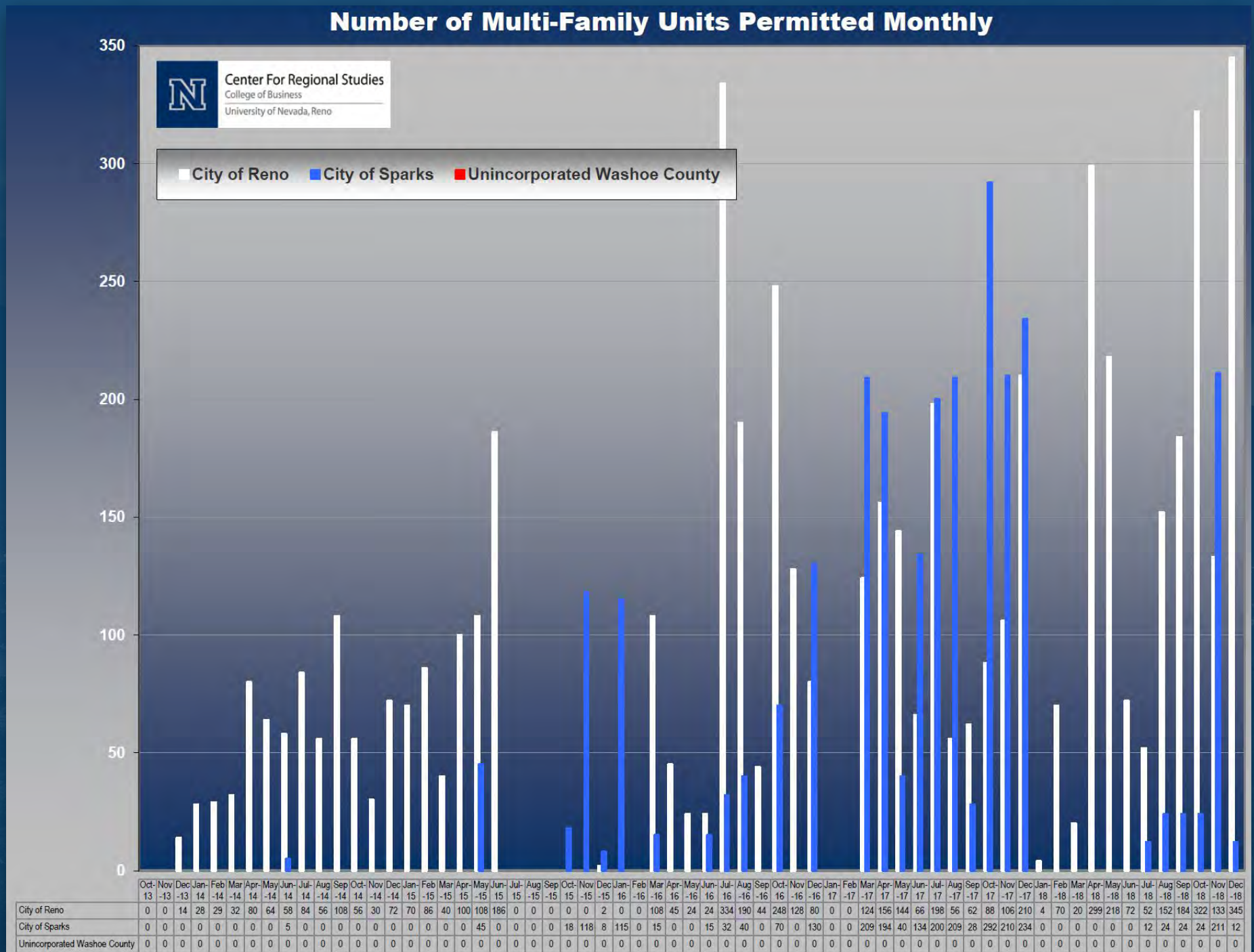
Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
N Virginia St south of Stead Blvd	North Valleys	\$9,460,000	94.60	\$2.30	Panattoni Development
3900-4090 N. Virginia St.	North Valleys	\$1,650,000	9.5	\$5.65	G Archie LLC was buyer
Spanish Springs Industrial Park	Sparks	\$1,691,435	14.12	\$2.75	PWL LLC was buyer
6550 Longley Lane	Airport	\$4,238,823	14.85	\$6.55	Capurro-Quilici Investments sold to Panattoni Development
Spanish Springs Industrial Park	Sparks	\$4,076,169	33.42	\$2.80	Clausen Quality Chocolate Inc. was buyer
Distribution Drive Spanish Springs Business Center	Sparks	\$1,698,840	\$10.00	\$3.90	Heather Lake LLC out of Wisconsin
Academy Way near Distribution Dr.	Sparks	\$1,297,698	10.45	\$2.85	MGF Properties out of Florida
9560 N Virginia Street	North Valleys	\$1,777,565	16.65	\$2.45	Panattoni development was buyer for phase 2 of NVCC
9715 N Virginia Street	North Valleys	\$3,249,000	32.99	\$2.26	Scannell Properties acquisition for new OnTrac building
Silver Lake Rd near Red Rock Rd	North Valleys	\$900,000	9.27	\$2.23	Purchased by Uhaul

MULTIFAMILY & SENIOR LIVING

Our market continued to see strong fundamentals for new apartment construction. We have almost 4,000 units under construction and another 6,000 units currently planned in the region. With a vacancy rate around 3% and double-digit rent growth the prior two years, apartment land was in high demand in 2018.

Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
Kietzke in Rancharrah	Meadowood	\$4,950,000	4.10	\$27.72	CSL Berkshire purchased this parcel for a Senior Memory Care, and it is being developed by the same group who owns the Senior Living Facility to the west of this parcel.
Mountain View Drive and Salem Place	Central	\$1,625,000	3.261	\$11.44	Near Virginia Lake zoned PUD. Plans are for an assisted living facility
7900 Pyramid Way	Sparks	\$12,500,000	168.00	\$1.71	Utah group Denver Street Apartments, LLC purchased
Lake Street & Evans - 4 parcels	Downtown	\$2,400,000	0.682	\$80.79	Simon Equity Partners purchased four parcels on Lake Street and Evans with a total 0.682 acres across from the Aces Ballpark
Lake Street - 1 parcel	Downtown	\$2,521,092	0.689	\$84.00	Simon Equity Partners purchased four parcels on Lake Street and Evans with a total 0.682 acres across from the Aces Ballpark
Center Street - 5 parcels	Midtown	\$1,900,000	0.836	\$52.17	5 parcels traded with plans for a high-density project

LAND



STUDENT HOUSING

With the growth of the University, student housing land has continued to be in high demand and has been fetching the highest pricing on a price per square foot basis in the market. Many of these developments are taking out blighted blocks and replacing them with new, class A facilities in Downtown and near campus.

Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
1625 & 1659 N. Virginia	University	\$4,075,000.00	1.123	\$83.30	Student housing developer Park7 from New York City purchased the former Golden Bear Gas site on 0.542 acres for \$1,975,000 and a nearby 0.581-acre parcel for \$2,100,000.
Evans, 9th Street, and Record St.	University	\$5,543,073	1.554	\$81.00	Capstone Companies purchased nine parcels across from UNR, some with single-family residences
N. Virginia across from Circus Circus garage	Downtown	\$5,040,000	2.00	\$60.00	University Housing Group plans to build a six-story project on the block between Sixth and Seventh St. and Virginia and Center streets
N. Virginia St across from UNR	University	\$3,725,000	0.826	\$103.00	Northern California developer plans to demolish 34-unit apartment building on site and construct a 7-story student housing tower

LAND

OFFICE LAND

We saw a few speculative office land acquisitions in 2018, but as a whole, rents versus construction costs are still a challenge for new office product. Most office land acquisitions in 2018 were on the smaller side.

Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
Rancharrah Development Kietzke & Del Monte	Meadowood	\$11,142,640	12.784	\$20.00	Tolles Development Company LLC doing business as TDC Village LLC purchased 2 parcels
S Virginia and S Meadows Pkwy	South Meadows	\$355,000	0.84	\$9.70	DCG represent both sides in the resale
Prototype	South Meadows	\$218,000	0.77	\$6.50	DCG represented the seller of a fully graded lot ready to build with all utilities on site
Double Eagle Ct off Gateway Dr. South Meadows	South Meadows	\$290,000	0.777	\$8.57	Zoned PUD
Moana Ln and Plumas St.	Central Reno	\$1,600,000	2.05	\$17.92	Corner of Moana/Plumas
Pullman Dr near E. Prater Way	Sparks	\$1,500,000	1.74	\$19.79	DCG represented the seller and buyer of two parcels.

RETAIL LAND

Similar to office, the recent trend in retail land sales continue to be more infill in nature. Popular new land acquisitions include freestanding food and coffee, hospitality, self-storage, and car wash uses.

Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
Buck Drive near Lemmon Dr.	North Valleys	\$500,000	0.78	\$14.72	Small freestanding retail planned
S. Virginia and Gentry Way	Central	\$1,100,000	3.06	\$8.25	Former Famous Murphy's location
8072 S. Virginia	South Meadows	\$485,000	0.59	\$18.87	Small inline retail planned
Salomon Ct near Vista Blvd	Sparks	\$1,050,000	1.54	\$17.86	After lot line adjustments, total acreage is now 1.36. Proposed plan is for a quick-service restaurant
Mt. Rose Highway	South Meadows	\$2,875,000	2.36	\$28.01	Reno land purchased two parcels adjacent to Summit Apartments, which had been foreclosed by Wells Fargo
9490 S. Virginia St.	South Meadows	\$1,100,000	1.65	\$15.27	Lifestyle RV purchased
Mt. Rose Highway at Edmonton Dr.	South Meadows	\$2,000,000	5.60	\$8.20	Plans are to develop a mini self-storage facility

LAND

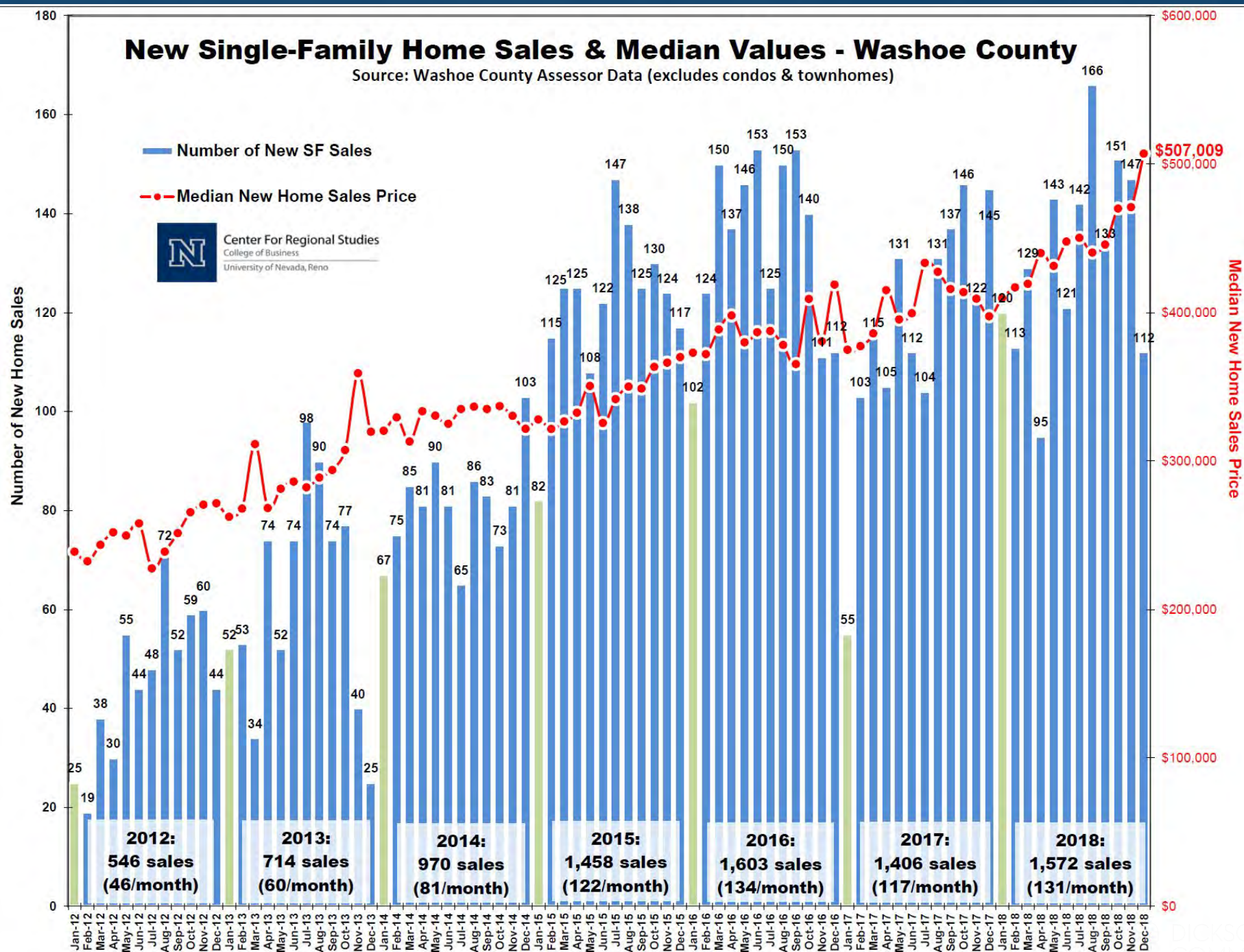
SUBDIVISION & RESIDENTIAL LAND

Our subdivision land market has exceeded pricing from the last peak. We are still only pulling about half of the annual permits from the early 2000's, and sales of new inventory have remained consistent for the past 4 years.

Land Type	Submarket	Sales Price	Acreage	Price/SF	Notes
Arrowcreek and Wedge Parkways	South Meadows	\$7,300,000	37.68	\$4.45	Ryder Homes purchased several parcels
Off Kietzke & Talbot in Rancharra	Meadowood	\$11,880,000	7.72	\$246,000/lot	Toll Brothers purchased 45 lots in Rancharra
350 Calle De La Plata	Sparks	\$4,830,000	58.487	\$1.90	Jenuane Communities purchased 161 approved tentative mapped residential lots
North Hills Blvd & Discovery Lane	North Valleys	\$3,265,000	36.235	\$2.07	Jenuane Communities acquired 7 parcels
Kiley Parkway	Sparks	\$7,011,770	40.44	\$3.98	DR Horton purchased
South of La Posada Drive	Sparks	\$6,042,000	106 final map lots	\$57,000/lot	Toll Brothers purchased

New Single-Family Home Sales & Median Values - Washoe County

Source: Washoe County Assessor Data (excludes condos & townhomes)



DICKSON COMMERCIAL GIVES AND SUPPORTS



University of Nevada, Reno



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We work as a team in the truest sense of the word. We collaborate to find the best solutions, and we exploit the targeted knowledge of each agent. Our multifaceted brokerage provides local, national, and international clients the full array of commercial real estate services. Agents are trained specialists with accreditation through the Society of Industrial and Office Realtors (SIOR) and Certified Commercial Investment Members (CCIM).

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