



2024

NORTHERN NEVADA

# Q2 RETAIL REPORT



## Q2

### Investment Activity

The Washoe County retail market continues to remain strong as it has throughout previous quarters. Reaching \$54,824,280 in transaction volume, there was a slight uptick compared to that of Q1 2024. Retail vacancies maintain historic lows, signifying that there is much demand with lessening supply. Similar to last quarter, retail has sustained being a center of attention for investors and owner users in the Reno-Sparks area. However, interest rates throughout the year will still lay the foundations for how the retail market transaction flow will develop for the rest of 2024.

### Single Tenant

In Central Reno, on the corner of Kietzke Lane and East Taylor Street, a 24,617 sq. ft. automotive building and 0.42 acre adjacent lot at 865 Kietzke Lane sold for \$7,700,000. At the time of sale, United Nissan Reno was occupying the space and the property was purchased by the CEO and Founder of Forman Automotive, who also owns a United Nissan in Las Vegas, NV.

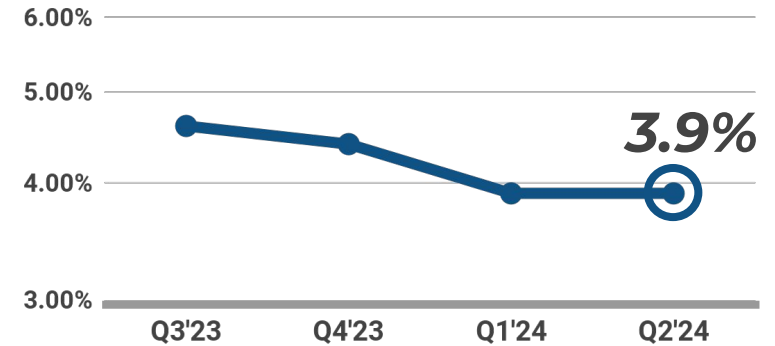
### Neighborhood Center / Multi-tenant

Neighborhood Center & Multi-tenant sales in Washoe County were strong in the second quarter of 2024, with a majority of the purchases transacting from institutional buyers.

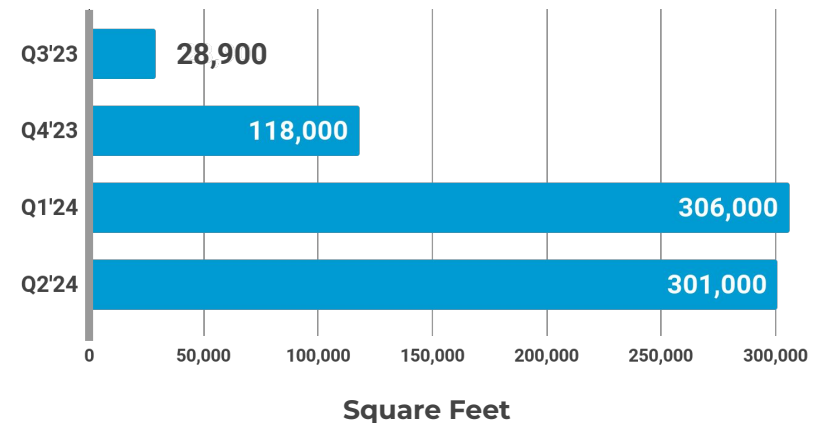
In Sparks, seven individual parcels consisting of six retail strips and one big box retail store totaling 109,006 sq. ft. was purchased by Rhino Investments for \$27,000,000.

In Northwest Reno, an inline retail strip occupied by Peg's Glorified Ham N Eggs and Mountain Dog Cycling was purchased by the Dornin Investment Group for \$2,335,550.

### Vacancy Rates



### Net Absorption

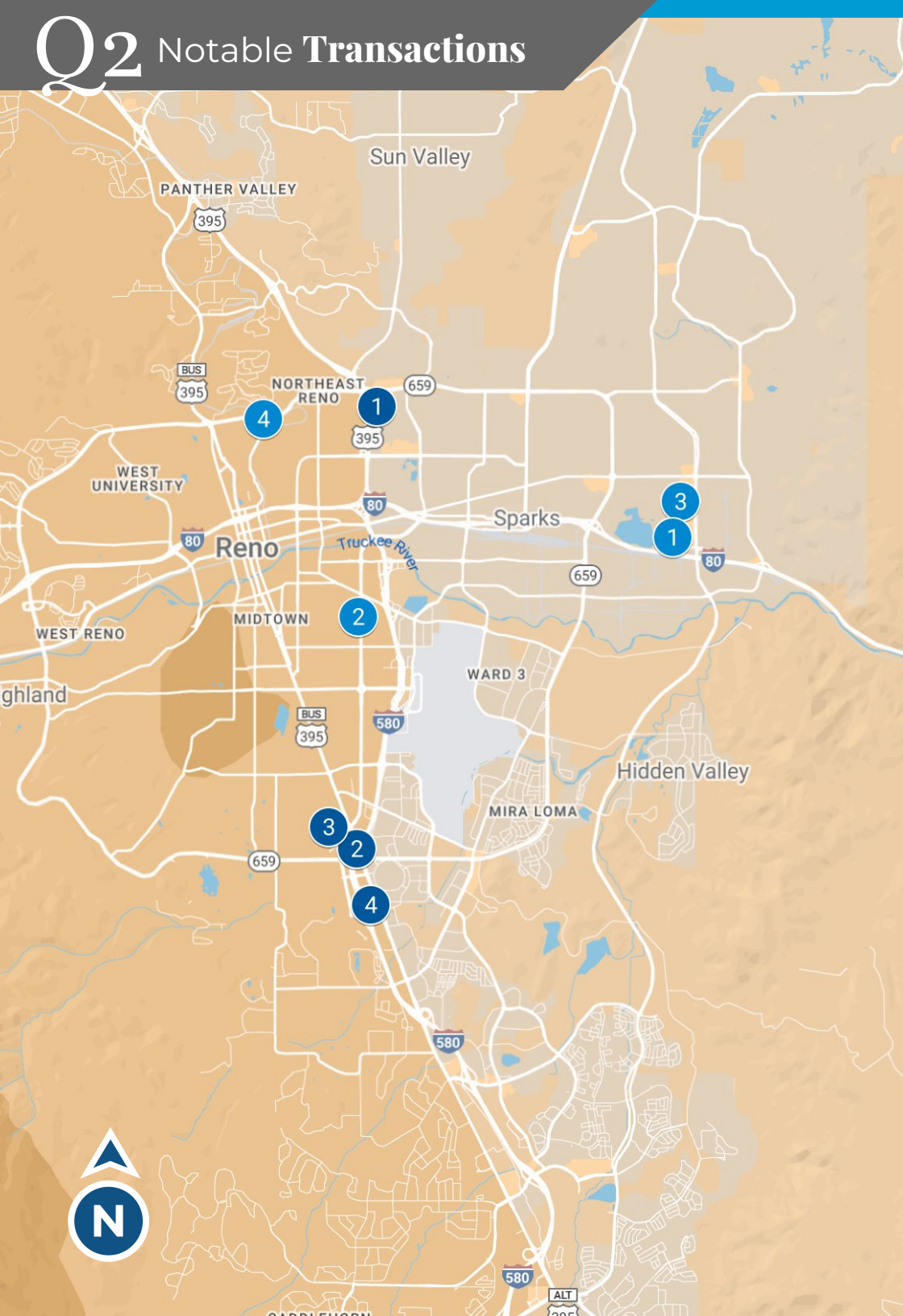


Sales	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Total Volume	\$45,180,227	\$93,653,731	\$37,946,228	\$54,824,280
Total Deals	18	25	18	18
Average p/sf	\$471.17	\$384.16	\$380.91	\$304.08

## Notable Retail Sales

Address/SF	Price	Details
<b>7 Property Portfolio Purchase</b> 109,006 SF	<b>\$27,000,000</b> \$247.69 p/sf	In the Outlets at Legends Shopping Center, Rhino Investments, a privately held real estate acquisition and development firm in Henderson purchased seven individual parcels of retail properties. The purchase consisted of six retail strips and one big box retail store.
<b>865 Kietzke Ln</b> 24,617 SF	<b>\$7,700,000</b> \$312.79 p/sf	In Central Reno, on the corner of Kietzke Lane and E Taylor Street, a 24,617 sq. ft. building and 0.42 acre adjacent lot sold. At the time of sale, United Nissan Reno was occupying the space and the property was purchased by the CEO and Founder of Forman Automotive
<b>1530 E Lincoln Way</b> 24,308 SF	<b>\$3,636,993</b> \$149.62 p/sf	In the Outlets at Legends Shopping Center, Agree Realty, a real estate investment trust, purchased a retail store from Rhino Investments.
<b>1690 Evans Ave</b> 2,200 SF	<b>\$2,700,000</b> \$1,227.27 p/sf	In North Reno, on the corner of Evans Avenue and N McCarran Boulevard, the Zippy Mart Convenience Store and The Wave Car Wash sold.
<b>6300 Mae Anne Ave</b> 10,050 SF	<b>\$2,335,550</b> \$232.39 p/sf	In Northwest Reno, in the Quail North West II Business Center, an inline retail strip occupied by Peg's Glorified Ham N Eggs and Mountain Dog Cycling was purchased by the Dornin Investment Group.
<b>1365 Big Fish Dr</b> 6,996 SF	<b>\$1,950,000</b> \$278.73 p/sf	In the Sparks submarket, in The Outlets at Legends near Lowe's Home Improvement and Taco Bell, an automotive center occupied by AAA Auto Repair Center sold.
<b>1351 E Prater Way</b> 8,850 SF	<b>\$1,600,000</b> \$180.79 p/sf	A multi-tenant retail building occupied by Playful Potter and the Career College of Northern Nevada sold at a reported 4.72% cap rate. The owner was in default on the property and Career College of Northern Nevada closed during the sales process.
<b>7460 S Virginia St</b> 5,303 SF	<b>\$1,500,000</b> \$272.58 p/sf	In the Meadowood submarket, with frontage on S Virginia Street, 3 free standing retail buildings sold. At the time of sale, all three properties were occupied by Sierra Feed & Saddlery.

# Q2 Notable Transactions



## NOTABLE SALES

1	2
<b>7 Property Portfolio</b> Sparks	<b>865 Kietzke Ln</b> Central Reno
109,006 SF	24,617 SF
<b>\$27,000,000</b>	<b>\$7,700,000</b>
\$247.69 p/sf	\$312.79 p/sf
3	4
<b>1530 E Lincoln Way</b> Sparks	<b>1690 Evans Ave</b> Northeast Reno
24,308 SF	2,200 SF
<b>\$3,636,993</b>	<b>\$2,700,000</b>
\$149.62 p/sf	\$1,227.27 p/sf

## NOTABLE LEASES

1	2
<b>Need 2 Speed</b>	<b>Bob's Discount Furniture</b>
44,500 SF	28,788 SF
<b>2863 Northtowne Ln</b> Sparks	<b>4879-4995 S Virginia St</b> Central Reno
3	4
<b>Natural Grocer</b>	<b>Harbor Freight Tools</b>
16,198 SF	23,812 SF
<b>Redfield Promenade</b> Reno	<b>Del Monte Plaza</b> Reno

## Market Facts & Leasing

The retail market has encountered ongoing development obstacles, such as elevated construction expenses and the imperative to address escalating inflation. However, retail is still very strong. The overall vacancy rate is 3.9% and with lack of spaces available, competition for spaces are driving lease rates up.

Four lease transactions stood out in the second quarter of 2024: 44,500 SF was leased to Need 2 Speed in the Northtowne Shopping Center, 28,788 SF to Bob's Discount Furniture in central Reno, and Natural Grocer took a portion of the former Bed, Bath, and Beyond at Redfield Promenade. Finally, Harbor Freight Tools took 23,812 SF in the former Tuesday Morning space at Del Monte Plaza.

## New Development

The biggest project to move forward in Q2 was Double R Market Place. The development is now underway at the NW, NE, and SW corners of Double R and Damonte Ranch Parkway. It will be approximately 135,000 sf of retail and office space. DCG represents the Developer and is currently pre-leasing space.

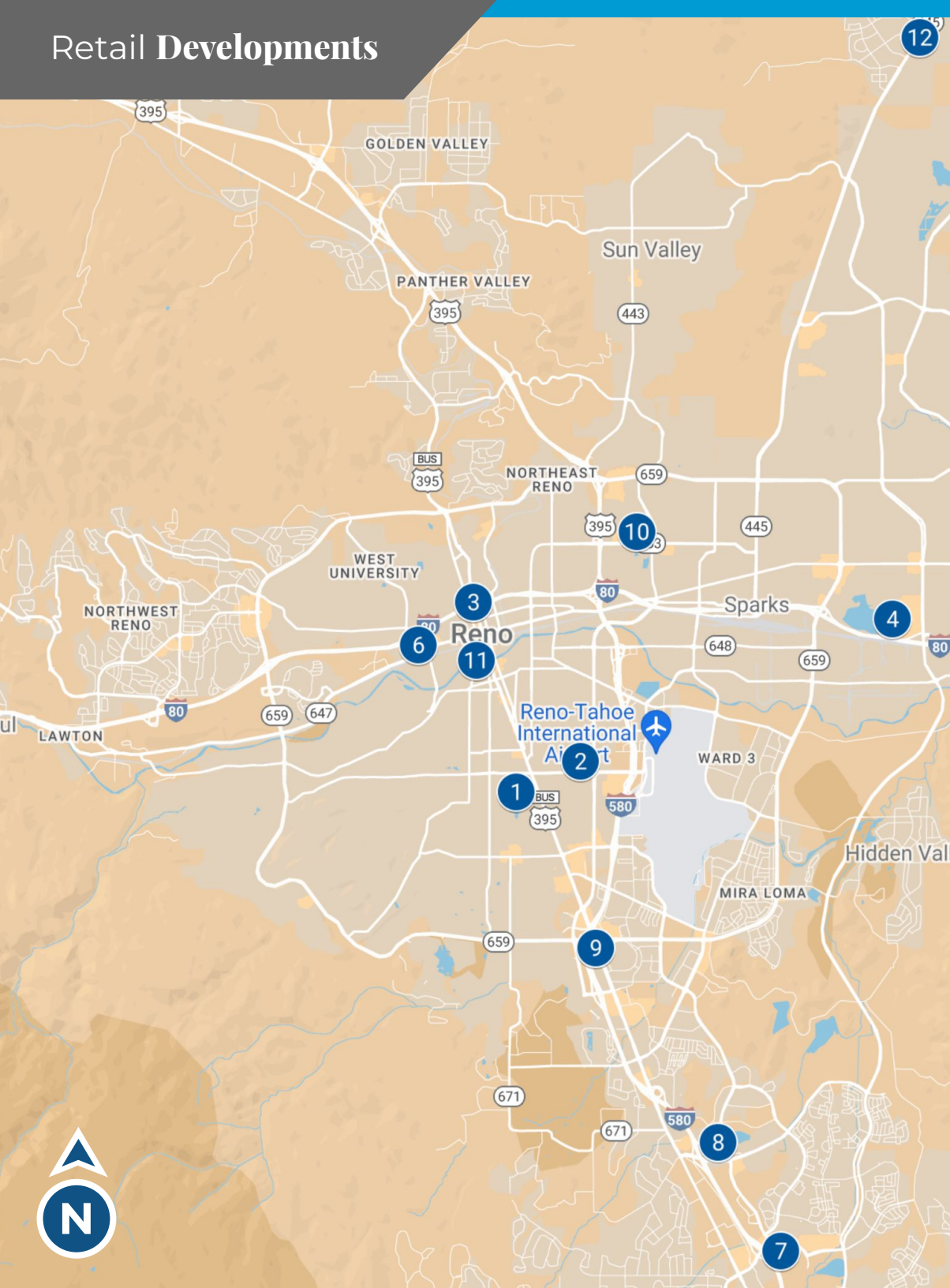
## Q2 Vacancy Rates

Overall Vacancy Rate	3.9%	▬
Neighborhood Center	5.4%	▬
Power Center	4.5%	▼
Strip Center	1.7%	▼
General Retail (Free Standing)	3.4%	▲

Net Absorption  
301,000 SF



# Retail 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 - NEW Panera Bread addition
- 7 **Double R Marketplace** - 135,000 SF of retail space
- 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

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