

PETITIONER'S EVIDENCE

REAL PROPERTY TAX VALUATION PACKAGE

Large Big-Box Retail Stores



Property Name: Home Depot
Address: 2955 Northtowne Ln,
City, State: Reno, NV
Jurisdiction: Washoe County
Account Number(s): 02603142

Valuation Date As Of: January 1, 2019

Why Are All Large Big-Box Retail Stores Different?

HOME DEPOT



LOWE'S



COSTCO



SAM'S CLUB



TARGET



WALMART



EXTRA FEATURES OF LARGE BIG BOX STORES

	Home Depot	Lowe's	Costco	Sam's Club	Target	Walmart
Vinyl Flooring	X	X	X	X	✓	✓
Drop Down Ceilings	X	X	X	X	✓	✓
Painted/Finished Walls	X	X	✓	✓	✓	✓
Restaurants	X	X	✓	✓	✓	✓
Deli	X	X	✓	✓	✓	✓
Meat Department	X	X	✓	✓	✓	✓
Bakery	X	X	✓	✓	✓	✓
Refrigerated Aisles	X	X	✓	✓	✓	✓
Pharmacy	X	X	✓	✓	✓	✓
Eye Center	X	X	✓	✓	✓	✓
Tire Shop	X	X	✓	✓	X	✓
Gas Pumps	X	X	✓	✓	X	✓
Garden Center	✓	✓	X	X	X	✓
Overall Rank:	Low/Avg	Low/Avg	Average	Average	Avg/High	Avg/High

*This analysis is based on the average store's finish out. Not all stores are built exactly the same.

Cost Approach

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building:	Big Box Retail	Wall Height:	22 Ft.
Effective Age:	22 Years	Number of Buildings:	1
Condition:	Low	Gross Building Area:	106,898 SF
Exterior Wall:	Cheap block or tilt-up, light panelized roof, no glass storefront	Net Leasable Area:	106,898 SF
Building Components		Warehouse Discount Stores (458)	
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Cost Updated As Of		May, 2018	
Date of Valuation		January 1, 2019	
Construction Quality		Low	
Class		C	
Component Sq. Ft.		106,898	
Base Cost Per Square Foot		\$40.25	
Square Foot Multipliers			
Sprinklers		\$1.98	
Heating/Cooling		\$5.35	
Subtotal		\$47.58	
Construction Multipliers			
Height Multiplier		1.213	
Area / Perimeter Multiplier		0.799	
Current Cost Multiplier		1.020	
Local Multiplier		1.090	
Final Base Cost Per Square Foot		\$51.27	
Base Building Cost		\$5,480,516	
Site Improvements		Rate	SF
Parking Area		\$1.79	309,300
Canopy Area		\$10.25	12,659
Other Area		\$7.69	6,420
Extra Site Improvements			\$100,000
Total Building & Site Imp. Costs (Rounded)		\$6,314,698	
COST APPROACH CONCLUSION			
Total Replacement Cost New		\$6,314,698	
Accrued Depreciation			
Physical Depreciation		-60%	(\$3,788,819)
Functional Obsolescence		0%	\$0
Economic Obsolescence		0%	\$0
Total Accrued Depreciation			(\$3,788,819)
Depreciated Replacement Cost		\$2,525,879	
Estimated Land Value		\$3,788,127	
Indicated As Is Value		\$6,314,006	
Indicated As Is Value (Rounded)		\$6,310,000	
Value Per SF		\$59.03	

* Cost Approach is using cost data straight out of Marshall & Swift Cost Valuation book and all data is updated to the current date of valuation

Income Capitalization Approach

INCOME PRO FORMA				
Account:	02603142	Year Built:	1997	
County:	Washoe County	Land Acres:	13 AC	
Address:	2955 Northtowne Ln	Gross Area:	106,898 SF	
Property Type:	Big Box Retail	Net Leasable:	106,898 SF	
	<u>Area</u>	<u>Rate</u>	<u>Total Value</u>	<u>\$/sf</u>
Gross Potential Income	106,898	\$6.00	\$ 641,388	6.00
Other Income 1			\$ -	0.00
Other Income 2			\$ -	0.00
Total Income			\$ 641,388	6.00
<i>Less</i>				
Vacancy		10.0%	\$ 64,139	0.60
Credit Loss			\$ -	0.00
Effective Gross Income			\$ 577,249	5.40
<i>Less</i>				
Operating Expenses		15.0%	\$ 86,587	0.81
Reserves			\$ -	0.00
Net Operating Income			\$ 490,662	4.59
Market Capitalization Rate		8.25%		
Effective Tax Rate		0.00%		
Overall Capitalization Rate		8.25%		
Stabilized Value			\$ 5,947,416	55.64
<i>Less: Excess Land</i>			\$ -	
2019 Market Value Rounded			\$ 5,950,000 or	55.66

*The Income Approach is based off available lease comps and contains both current asking rates and confirmed lease rates.

**The rents have not been adjusted for this specific market and the current building's size and condition.

Sales Comparison Approach

List of Comparable Sales						
Sale	Property Name	Address	City, State	County	Sale Date	Sale Price
1	Lowe's	2450 Oddie Blvd	Sparks, NV	Washoe	01/29/2016	\$6,510,000
2	Target	505 E Prater Way	Sparks, NV	Washoe	02/16/2016	\$6,561,948
3	Former Kmart	4855 Summit Ridge Dr	Reno, NV	Washoe	08/11/2017	\$4,525,000
4	Kmart	2125-2285 Oddie Blvd	Sparks, NV	Washoe	02/28/2017	\$11,272,964
5	Dollar Tree	2424 Oddie Blvd	Reno, NV	Washoe	05/29/2015	\$4,100,000

Sale Adjustments to Equal Subject Property											
	Sale 1		Sale 2		Sale 3		Sale 4		Sale 5		Average
Property Name:	Lowe's		Target		Former Kmart		Kmart		Dollar Tree		
Acres	12.09		9.18		19.54		11.67		5.09		11.51
Bldg. SF	177,809		105,705		166,318		145,029		73,414		133,655
Year Built	1998		1990		1996		1988		2008		1996
Sale Info:											
Sale Date	01/29/2016		02/16/2016		08/11/2017		02/28/2017		05/29/2015		
Sale Price	\$6,510,000		\$6,561,948		\$4,525,000		\$11,272,964		\$4,100,000		
Sale \$/SF	\$36.61		\$62.08		\$27.21		\$77.73		\$55.85		\$51.89
Adjustments:	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj	\$/SF	% Adj
Size	5%	\$1.83	0%	\$0.00	5%	\$1.36	5%	\$3.89	-5%	-\$2.79	2%
Location	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%	\$0.00	0%
Condition	0%	\$0.00	0%	\$0.00	0%	\$0.00	5%	\$3.89	-5%	-\$2.79	0%
Total Adj:	5%	\$1.83	0%	\$0.00	5%	\$1.36	10%	\$7.77	-10%	-\$5.58	2%
Adj Sale Price:	\$6,835,500		\$6,561,948		\$4,751,250		\$12,400,260		\$3,690,000		
Avg Sale \$/SF:	\$38.44		\$62.08		\$28.57		\$85.50		\$50.26		\$52.97

Summary of Sales Comparison Approach		
<u>Subject's Area</u>	<u>Avg Sale \$/SF:</u>	<u>Total Indicated Value</u>
106,898	\$52.95	\$5,660,000

Summary of Values

Summary of Values			
CURRENT AND PRIOR YEAR VALUES		<i>Total</i>	<i>Per SF</i>
2019 Proposed Value (County)		\$8,799,216	\$82.31
INDICATED MARKET VALUES		<i>Total</i>	<i>Per SF</i>
Cost Approach		\$6,314,006	\$59.07
Sales Comparison Approach		\$5,660,000	\$52.95
Income Capitalization Approach		\$5,950,000	\$55.66
MEDIAN MARKET VALUE		\$5,805,000	\$54.30
CONCLUDED MARKET VALUE			
Valuation Method Selected	Date of Value	2019 Total Value	Per SF
MEDIAN MARKET VALUE	January 1, 2019	\$5,805,000	\$54.30
INDICATED VALUE (ROUNDED)	January 1, 2019	<u>\$6,310,000</u>	<u>\$59.03</u>