

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **19-0032**
Hearing Date **02/21/2019**
Tax Year **2019**

APN: 037-031-06

Owner of Record: LOWE'S HIW INC

Property Address: 1355 SCHEELS DR

Property Type: DISCOUNT WAREHOUSE STORE

Gross Building Area: 119,528

Year Built: 2012

Parcel Size: 10.02 Acre

Description / Location: The subject property is a Discount Warehouse Store that was recently built by and for Lowes. Its location, design and overall utility is still being capitalized upon by the first generation occupant. Please note that a local Home Depot (inferior) was recently purchased by an investor on 4/26/18 for \$15,980,000.

2019/20 Taxable Value:	Land:	\$5,239,740
	Improvements:	\$8,512,698
	Total:	<hr/> \$13,752,438
	Taxable Value / SF	\$115.06

Sales Comparison Approach:	Indicated Value	\$17,809,672
	Indicated Value / SF	\$149

Income Approach:	Indicated Value	\$17,690,144
	Indicated Value / SF	\$148

Conclusions: Taxable value does not exceed full cash value. Please refer to the analysis within for foundational support of this conclusion.



WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0032
LAND:	\$5,239,740	\$1,833,909	\$/SF GBA	DATE:	02/21/2019
IMPROVEMENTS:	\$8,512,698	\$2,979,444	\$115.06		
TOTAL:	\$13,752,438	\$4,813,353		TAX YEAR:	2019
OWNER: LOWE'S HIW INC			TAXABLE		
			\$/SF Land	SEE LAND SALES	
			\$12.00		

SUBJECT													
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI GIM OER	NOI OAR
1	037-031-06	1355 SCHEELS DR		119,528					436,645		N/A		
		DISCOUNT WAREHOUSE STORE	100%	119,528	MASONRY BRNG	C15		2012	27%				
					BRICK W/BLK			26	NUD				
IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST		102,832					435,382	\$15,980,000	\$155		\$933,660
		DISCOUNT WAREHOUSE STORE	100%	102,832	MASONRY BRNG	C15		1993	24%	04/26/2018	see note		5.84%
		HOME DEPOT			CONC TILT-UP			25	MUSV				
IS-2	039-750-13	5150 MAE ANNE AVE		94,213					395,743	\$9,350,000	\$99		\$636,250
		DISCOUNT STORE	100%	94,213	MASONRY BRNG	C20		1990	24%	09/12/2017			6.80%
		KOHL'S			CONCRETE BLK			24	AC				
IS-3	040-141-42	6139 S VIRGINIA ST		81,838					240,016	\$24,100,000	\$294		\$1,145,146
	10, 12, 20, 22	SUPERMARKET	62%	81,838	MASONRY BRNG	C25		1993	34%	07/24/2017	see note		4.75%
		DISCOUNT STORE	38%		CONCRETE BLK			24	AC				
		WHOLE FOODS & SIERRA TRADING POST											
ADD'L INFO	ATTACHMENT B - Compilation of eight sales. Sales reflect Home Depot and Lowes properties from the Western Region. Sales date, price, \$/SF, NOI and Cap rate herein is the median reflected in the attached table. MEDIAN SIZE = 127,400sf									MEDIANS =	\$14,700,477	\$128.00	5.93%

COMMENTS:
The subject property is a newly built, well maintained, fully functioning and performing Lowes. The recent sale of a local Home Depot (IS-1) indicates that the taxable value does not exceed full cash value.
IS-1: Sale of a Home Depot property that is 20 years older; Sold with 100% occupancy at a 5.84% cap rate. Current rent noted at \$81,900/mth and/or \$0.80/sf/mth. The option for lease renewal is 8/31/24. A review of the rent found that excess rent may in fact exist. Discounting the excess rent and adjusting the sales price results in a ~\$1M reduction and/or equates to an adjusted market value of ~\$14,980,000 and/or \$146/sf. Please refer to Attachment "A" for additional information.
IS-2: Sale of a big box property with Kohl's as tenant; Property is a co-anchor with other big box retailers. Sold with 100% occupancy at a 6.8% cap rate. The lease has 8yrs. remaining. Five year options are available.
IS-3: Sale of a big box property w/Whole Food and Sierra Trading Post as tenants; Sold w/ 100% Occupancy at an est. 4.75% cap rate. Rent analysis not performed but strong rent is assumed. Sale is considered superior due to its large use as a supermarket which includes additional finish and partitioning. Based on the superiority, a 40% downward adjustment is being applied. This adjustment is based solely on the difference in costing the occupancy's in relation to the comparable and the subject. The result of the adjustment is \$177/sf.
ADDITIONAL INFORMATION: A review of sales within the western region of the US was compiled. Sales include properties with Home Depot and Lowe's as tenants. Please refer to Attachment "B" for additional information of each sale. The median was taken and added to the table above. The results of this compilation illustrate a median sales price of \$14,700,477 and/or \$128/sf. Based on this result, the compilation is added evidence illustrating, as an indicator of value, that taxable value does not exceed full cash value.
ADJUSTED SALES PRICES RANGE: \$100 to \$177/sf.
MARKET VALUE: Estimated at \$17,809,672 and/or 149/sf. (Increased by 2% in comparion to Home Depot which is 20 years older and at inferior location)
CONCLUSION = Taxable value does not exceed full cash value.

COMMERCIAL / INDUSTRIAL

WASHOE COUNTY BOARD OF EQUALIZATION

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0032
	\$5,239,740	\$1,833,909	\$/SF Land	DATE:	02/21/2019
			\$12.00	TAX YEAR:	2019

OWNER: HOME DEPOT USA INC

LAND SALES

Sale #	APN	Location	Sale Date	Sale Price	Size(ac)	Size(sf)	\$/sf	Zoning	Comments
LS-1	040-900-19&20	DEL MONTE LN	05/03/2018	\$11,142,640	12.22	532,085	\$20	PUD	Monte Ln and Kietzke Ln is a part of the Rancharrah development project. One of the buyers is Tolles Development Co, a commercial real estate developer in the area. Offices, retail and restaurants are to be built as Village at Rancharrah per Reno Land Inc's master plan. The land price per SF in this sale is \$20.01.
LS-2	163-061-06 (now 12&13)	537 & 597 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.24	402,526	\$15	PUD	SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center.
LS-3	160-040-26	SOUTH MEADOWS PKWY	07/20/16	\$4,628,680	5.18	225,641	\$21	PUD	SVL verified arms length transaction. Property was not on the open market, however the seller was open to offers and accepted the buyer's market value offer. Property is going to be developed as a hotel.
LS-4	037-412-03 037-422-06	LEGENDS - 1425 GEORGE FERRIS DR & 1370 BIG FISH DR	08/07/17	\$6,748,617	6.50	283,082	\$24	NUD	The sale was for 2 parcels totaling 283,082 sf. The buyer was Big Shopping Centers that is an equity investor that purchases a portion or all of the property from developers to free up cash for the developer to use for improvements or other projects. They bought an 80% interest in these 2 vacant parcels , and the total purchase was computed using the sales price.
LS-5	400-040-15	1405 SKY MOUNTAIN	08/11/17	\$4,525,000	10.61	461,997	\$10	CC	Previously portion of APN 400-040-07 "The Great Western Marketplace" has been split into two parcels and was sold to two different parties. This lot is formerly the parking area.

COMMENTS:

Land sales herein represent large parcels that are located at premier locations throughout Reno/Sparks. Attributes affiliated with these superior locations include high traffic counts and excellent visibility from major arterial roads. Sales range in value from \$10/sf to \$24/sf. Based on the subjects superior location and the comparable sales, the subjects taxable land value is below market value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: 19-0032
		\$5,239,740	\$1,833,909	\$/SF GBA	DATE: 02/21/19
	IMPROVEMENTS:	\$8,512,698	\$2,979,444	\$115.06	
	TOTAL:	\$13,752,438	\$4,813,353		TAX YEAR: 2019

APN: 037-031-06
OWNER: LOWE'S HIW INC

Income Approach					
Potential Gross Income	119,528 sq ft. @	\$0.65 /mo =	\$77,693		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$77,693		
	x 12 months =		12		
				\$932,318	
- Vacancy & Collection loss			0%	\$0	
= Effective Gross Income				\$932,318	
- Operating Expenses			5%	\$46,615.92	
=Net Operating Income				\$885,702	
Divided by Overall Capitalization Rate				5.00%	
				\$17,714,050	
				Rounded	\$148 /sf GBA

Subject Income Information: The building is 100% owner occupied by Lowes. A sale of a local Home Depot was recently purchased by an investor. The components of income that were affiliated with that sale was reviewed.

Potential Gross Income: The property is owner occupied and thus a contract or current rent does not exist. Please refer to Attachments "B" and "C" for the market rent analysis. Results from local rental data indicates that market rent for the subject, with consideration for subjects premium location and building (a first generation build to suit), is \$0.65. Applying this rent to the subject rentable area and annualizing it reflects a PGI of \$932,318.

Effective Gross Income: The subject is a first generation building build to suit. The property has had zero vacancy since it's construction. Moreover, vacancy for comparable big box properties at superior locations remains stable at 0%. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

Net Operating Income: The property, if available, would likely be leased on a NNN basis by which the tenant is responsible for all expenses. However, management fees and the costs in relation to capital reserves and replacement should be, and is, herein considered. Expenses estimated at 5%. Estimated NOI is \$885,702.

Capitalization Rate Analysis: Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is a sought after investment that has been well maintained with a national credit tenant, has had zero vacancy, and has a premium location. Therefore, the overall investment risk is considered low. The cap rate on the sale of the local Home Depot was 5.84%. However, given the lower rents that were used in this analysis in relation to the contract rent that exists, overall risk is reduced.

For a summary of cap rates in relation to big box retail, please refer to Attachments "B" & "D". Cap rates attained at the local level suggest a range of 4.75% to 6.8% with 5.84% as the median. Rates from the Western Region level indicated a range of 5% to 6.25% and a median of 5.93%. The cap rate used in this equation was 5.00% and again is reflective of the lower rents used within the equation. It also reflects the newer age and superior location of the subject.

Indicated Value Income Approach: \$17,714,050 and/or \$148/sf.

Conclusion: The taxable value of the subject does not exceed full cash value.

Situs & Keyline Description:
1355 SCHEELS DR SPARKS
PM 4941
LT 2

Owner & Mailing Address:
LOWE'S HIW INC
1000 LOWES BLVD STOP 2ETA
MOORESVILLE, NC 28117-8520

WASHOE COUNTY APPRAISAL RECORD 2019

APN: 037-031-06

Card 1 of 2
Bld. 1-1



Tax District: 2002

printed: 01/25/2019

ACTIVE

3463.17

DIDQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete		
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation	Building Level Cost		PROD						
2019 NR	5,239,740	0	8,512,698	0	13,752,438	4,813,353	Building Value	7,018,951								
2018 FV	5,239,740	0	8,452,321	0	13,692,061	4,792,221	Extra Feature Value	1,493,747								
							Land Value	5,239,740								
							Taxable Value	13,752,438								
							Exemption	0								
							FLAGS									
							Type	Value								
							Cap Code	NFM								
							Eligible for Form?	NO								
							Low Cap Percentage	0								
							Parcel Map	4941								
											NC / C	New Land	New Sketch			
											By:	Date:				
BUILDING DETAILS				BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS					BUILDING COST SUMMARY			
Type	Code	Description	Category	Units	Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj	0					
Occupancy	COMM	Commercial/Industr	Units	1	GBA	GBA - GROSS BUILDING AREA	2012	119,528		Sub Area-RCN	7,244,115					
Story/Frame	458	Discount	No of Stories	1		Base Cost		119,528	3,679,072	% Incomplete	0					
Quality	C	MSNRY BRNG ~	Quality Class	1.5		Exterior Walls		119,528	2,216,767	% Depreciation	10.50					
	0	Commercial	Avg Wall Height/Floor	26		Heating & Cooling		119,528	1,068,580	\$ Dep & Inc	760,632					
Year Built	WAY	%Comp	Year of Addn/Remodel			Sprinklers		119,528	279,696	Obso/Other Adj.	0					
2012	2012	100								Sub Area DRC	6,483,483					
BUILDING CHARACTERISTICS										Additive DRC	1,493,747					
Category	Code	Type	%							Total DRC	7,977,230					
Ext. Wall	818	CONC TILT-UP	40							Override						
Ext. Wall	805	BRICK W/BLK	60							Cost Code	89502					
Heating Type	611	PACKAGE UNIT	100							PROPERTY CHARACTERISTICS						
										Water	Municipal					
										Sewer	Municipal					
										Street	Paved					
										BUILDING NOTES						
										2/6/18 ADDED SKETCH PER APEX SKETCH AND AERIAL IMAGES.						
										Gross Living/Building Area 119,528						
										Perimeter 1,646						
#	Bld	Date	User ID	Activity Notes												
1	0-0	10/29/2018	smartell	REXT BY MB - 10/09/2018												
EXTRA FEATURES, ADDITIVES, AND ADJUSTMENTS																
#	Code	Description	Quality	Bld #	Length	Width	Units	Unit Price	Year Built	Roll Year	% Comp	RCN	% Good	DRC	Override Value	Notes
1	CRBC	CONCRETE CURB 6", NO GUTTER	30	1-1	0	0	4700	13.59	2012		100	63,873	89.5	57,166		
2	FWAS	FLATWORK ASPHALT	30	1-1	0	0	162000	1.95	2012		100	315,900	89.5	282,731		
3	FWCO	FLATWORK CONCRETE	30	1-1	0	0	66000	4.39	2012		100	290,037	89.5	259,583		
4	GHS2	GREENHOUSE Q2	20	1-1	0	0	9240	63.27	2012		100	584,615	89.5	523,230		
5	PKLT	PARKING LOT LIGHTING	30	1-1	0	0	228000	0.65	2012		100	148,200	89.5	132,639		
6	TKW4	TRUCK WELL CONCRETE WITH RETAINING WALL	30	1-1	0	0	4275	18.76	2012		100	80,199	89.5	71,778		
7	YIMP	YARD IMPROVEMENTS	30	1-1	0	0	20	1,593.78	2012		100	31,876	89.5	28,529		
8	DKLV	DOCK LEVELER	30	1-1	0	0	3	7,922.00	2012	2018	100	23,766	89.5	21,271		
9	FN11	WROUGHT IRON FENCE-LOW	20	1-1	0	0	12000	7.08	2012	2018	100	84,906	89.5	75,991		
10	WLBK	WALL BRICK	10	1-1	0	0	1200	20.27	2012	2018	100	24,327	89.5	21,772		
11	TRS2	TRASH ENCLOSURE CONCRETE BLOCK WALL	30	1-1	0	0	825	25.81	2012	2018	100	21,293	89.5	19,057		
LAND VALUE		DOR Code	400	Neighborhood		3463.17 DIDQ - Commercial		Land Size		10.0240		Unit Type		AC		
#	Code	Description	Zone	Units	Unit Type	Sub Type	Unit Price	Influence 1 Code	%	Influence 2 Code	%	Taxable Value		Land Notes		
1	400	General Commercial: retail,	NUD	436,645.00	SF	9	12.00					5,239,740				

WASHOE COUNTY APPRAISAL RECORD 2019

APN: 037-031-06



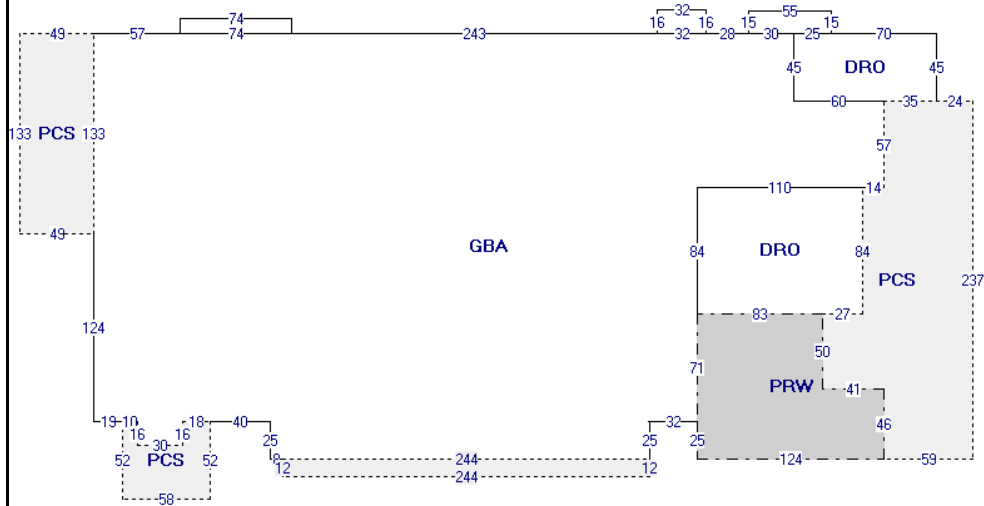
Tax District: 2002

printed: 01/25/2019

ACTIVE

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DIDQ - Commercial



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
01/09/2012	A1200033	ELECTRIC	75,000	Compl	0	03/16/12 PAO Compl	NVC
10/14/2011	A1101044	FIRE	319,000	Compl	0	12/09/11 PAO Compl	100% COMP 2012
08/18/2011	A1100606	SITE DEVEL	0	Compl	0	12/09/11 PAO Compl	100% COMP 2012
06/21/2011	A1100580	COMM	4,875,000	Compl	0	03/16/12 PAO Compl	100% COMPLETE 2012

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
LOWE'S HIW INC	MEMO	03/21/2018		3NTT			
SPARKS LEGENDS	3712371	12/12/2008		1GCA	1CTS	6,864,710	ADJ SP = \$4,364,710 +
SPARKS LEGENDS	3683269	08/29/2008		3NTT			

#	Bld	Date	User ID	Activity Notes
2	0-0	03/02/2018	elado	CBE BOARD YEAR 2018, PROTEST YEAR 2018/2019, DECREASE RECOMENDATION BY
3	0-0	11/01/2017	ltett	REXT BY MB - 10/25/2017
4	1-1	07/31/2017	srscs	LAND OK
5	0-0	10/04/2016	rlope	REXT BY MB - 09/28/2016
6	0-0	02/17/2016	mluns	2016/17 CBE DECISION - UPHELD
7	0-0	01/25/2016	sjack	MASS UPDATE OF TAXPAYER NOTIFY DATE
8	0-0	01/22/2016	sjack	MASS UPDATE OF HEARING DATE
9	0-0	11/06/2015	idiez	TAG FROM 2006 TO 2002 TMUGWB NOW SPECIAL ASSESSMENT
10	1-1	09/26/2014	PRCL	2008 REM LAND \$1,606,008

This information is for use by the Washoe County Assessor for assessment purposes only.

Owner & Mailing Address:
LOWE'S HIW INC
1000 LOWES BLVD STOP 2ETA
MOORESVILLE, NC 28117-8520

APN: 037-031-06

DIDQ - Commercial

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WASHOE COUNTY APPRAISAL RECORD 2019

APN: 037-031-06



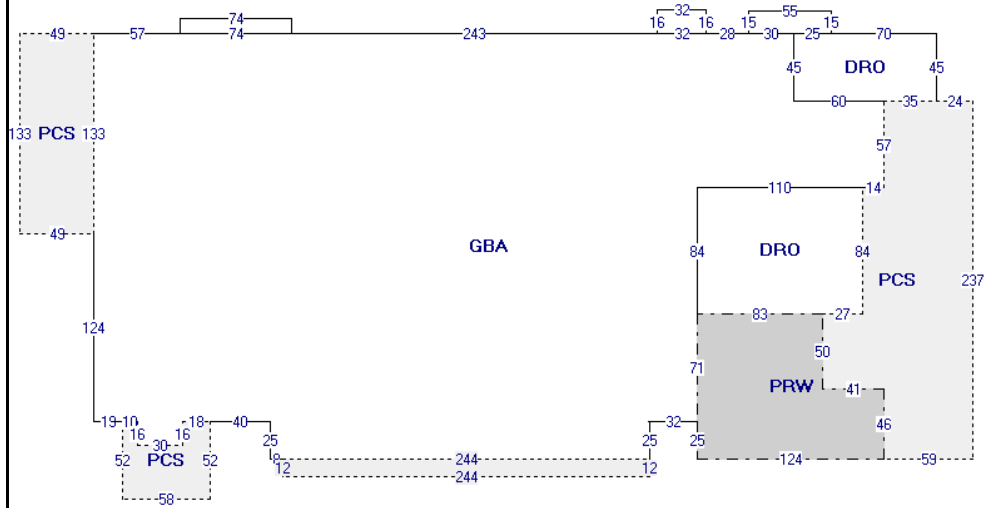
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06/21/2011	A1100580	COMM	4,875,000	Compl	0	03/16/12 PAO Compl	100% COMPLETE 2012

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SPARKS LEGENDS	3683269	08/29/2008		3NTT			

#	Bld	Date	User ID	Activity Notes

ATTACHMENT A

Home Depot Property Rights Adjustment

Contract Rent: \$81,900/monthly

Market Rent: \$66,841/monthly (\$0.65/SF * 102,832)

\$15,059/monthly difference between contract and market

\$15,059*12=\$180,708 yearly difference

\$180,708

Time Calculation

Acquired: 4/26/2018

Lease Expires: 8/31/2024

2,319 total days at above Market Rent

2,319/365=6.35 years; Or 6 years, 4 months, and 6 days at above Market Rent

Discount Calculation

Year	Difference	Safe Rate 4% (Year)
1	\$180,708	
2	\$180,708	
3	\$180,708	
4	\$180,708	
5	\$180,708	
6	\$180,708	
6 to 6.35	\$76,394	

Net Present Value **\$1,005,349.23**

Rounded **\$1,005,000**

ATTACHMENT B

WESTERN REGIONAL FREESTANDING RETAIL SALES - Fully Occupied

Sale #	Tenant	State	City	Parcel #	Coverage Ratio	Building Size	Age	Sale Date	Sales Price	\$/SF	Cap Rate	Est. Annual Net Income	Est. Annual Rent	Est. Rent/ Mth	Lease Type	Years Left
													5% est. exp applied			
1	Home Depot	NM	Farmington	38172	0.29	129,924	2001	04/25/2018	\$9,100,000	\$70	6.20%	\$564,200	\$5	\$0.38	NNN	8
2	Lowe's	CA	Clovis	498-032-38S	0.32	164,351	2003	10/01/2018	\$12,409,500	\$76	5.56%	\$689,968	\$4	\$0.37	NNN	10
3	Home Depot	AZ	Phoenix	166-14-040	0.27	107,724	1999	09/29/2017	\$11,763,000	\$109	6.22%	\$731,659	\$7	\$0.60	NNN	3
4	Lowe's	WA	Mt. Vernon	P26247 & 49	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	10
5	Hardware	WA	Puyallup	Multi	0.31	86,355	1951	09/06/2018	\$11,400,100	\$132	6.25%	\$712,506	\$9	\$0.72	NNN	18
6	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.37%	\$1,211,365	\$12	\$0.99	NNN	7+
7	Home Depot	NV	Las Vegas	138-34-717-007	0.24	105,275	1993	01/05/2017	\$23,100,000	\$219	6.00%	\$1,386,000	\$14	\$1.15	NNN	7
8	Lowe's	CA	Torrance	7357-027-030	0.23	127,400	1999	11/13/2017	\$47,500,000	\$373	5.00%	\$2,375,000	\$20	\$1.64	NNN	10
MEDIAN					0.30	117,562	1996	04/14/2018	\$14,700,477	\$128	5.93%	\$862,829	\$8	\$0.68	-	-

The table illustrates that Home Depots throughout the Western Region of the US are considered valuable properties. The value for similar properties in Reno Nevada, a central point within that Western Region, coincidently falls within the central portion of these illustrated values.

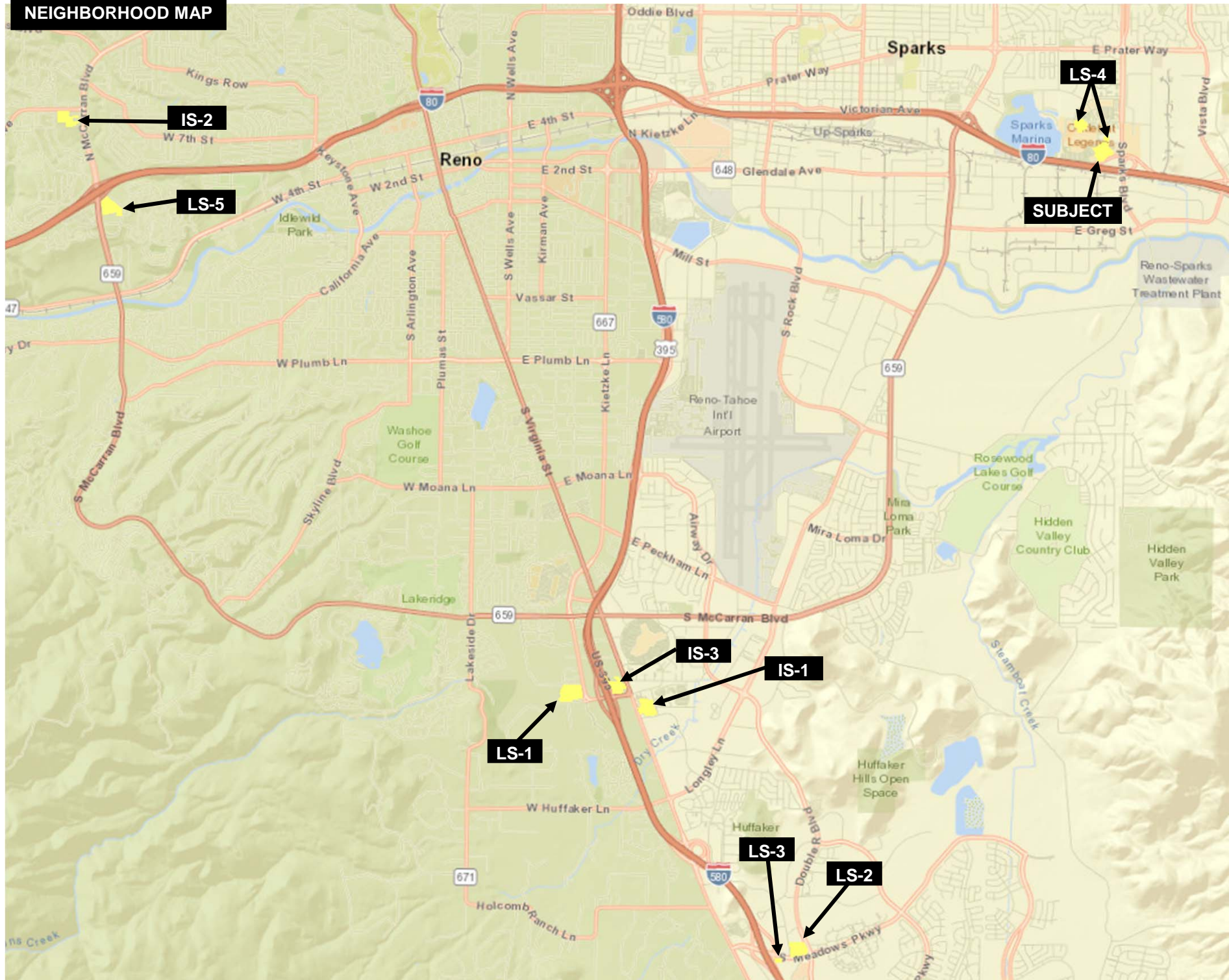
ATTACHMENT C

Box Store Rent Survey								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
Market Rents								
1	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	\$0.68	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent
2	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	\$0.46	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent
3	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	\$0.55	NNN	Landlord contributed ~\$900,000 in tenant improvements. Rent is flat except for one 10% escalation after 5 years
4	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,149 2006	9/2016 5 Year	\$0.63	\$0.69	NNN	Landlord responsible for tenant improvements; 2% escalations
5	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000	09/01/2018 10 Year	\$0.69 *note	\$0.69	NNN *note	Landlord provided \$7.00/SF tenant improvement allowance and 5 months free rent; Options exist at end of term; Rent is MG @ \$0.74. *rent adjusted downward \$0.15/SF to reflect NNN.
6	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	\$0.79	NNN	Tenant paid for improvements; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance
7	2863 Northtowne Lane, Unit C 026-182-38	Former Wal-Mart Planet Fitness tenant	18,526 1994	11/2015 NA	\$0.75	\$0.75	NNN	Tenant paid for improvements; Improvements will include gym and spa
			Market Rent Median:		\$0.63	-	Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.	
			ADJUSTED MEDIAN		-	\$0.69	Subject is located at a regional power center and is a built to suit first generation building. Upward adjustment of 10% applied to rents at neighborhood shopping centers. Adjustment also supported by The Boulder Group Q4 "Big Box Report" Investment grade vs. non-investment grade stats.	
			RENT USED			\$0.65		
ADDITIONAL INFORMATION								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	N/A	NNN	Contract rent affixed to the recent Home Depot sale. The existence of excess rent was reviewed in this analysis. Lease option in 2024.
	1030 W. Sunset (Henderson) 178-03-610-011	Home Depot	102,370 1992	2016 unknown	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease renewed and negotiated in 2016.

ATTACHMENT D

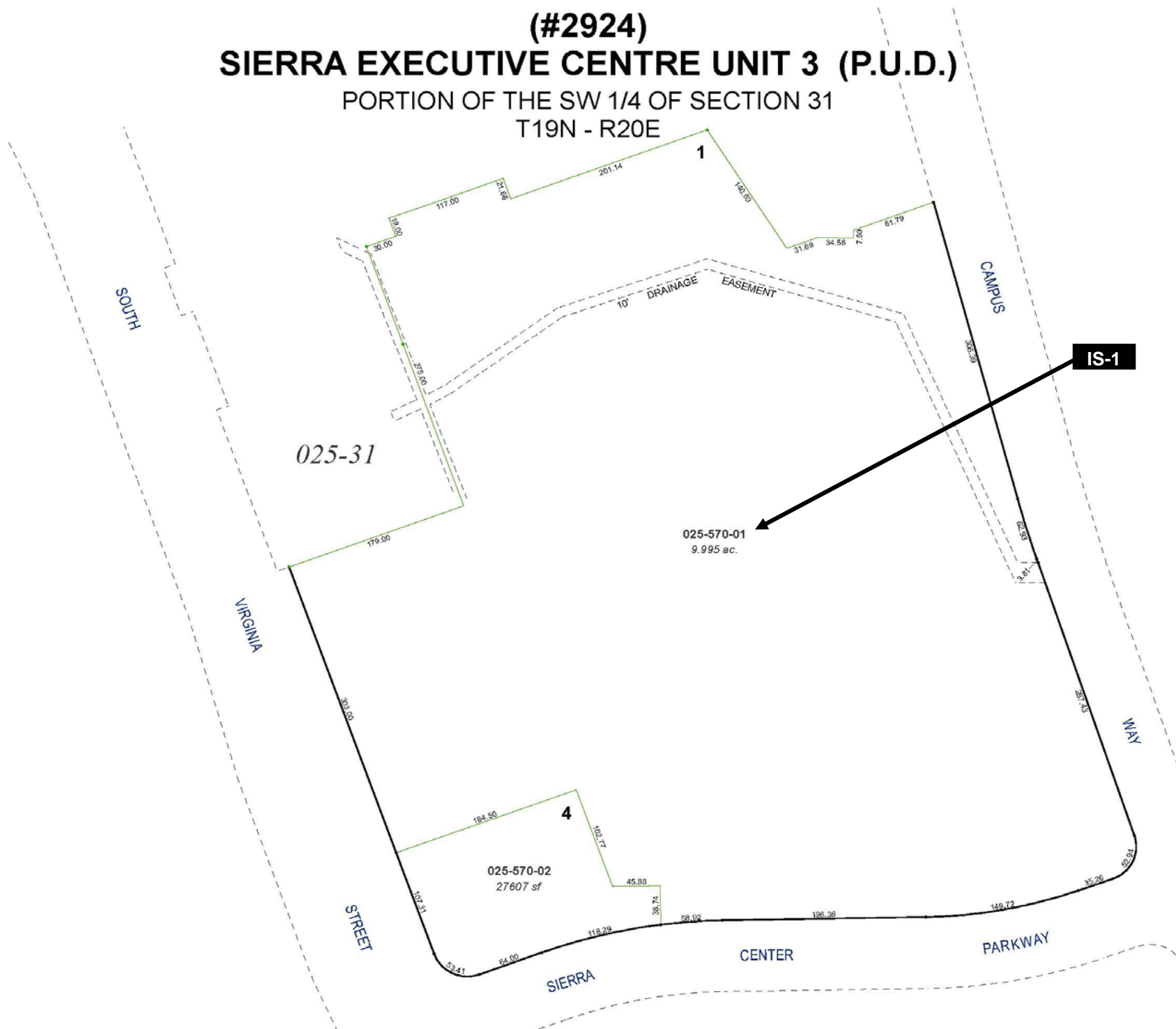
CAP RATES			
SOURCE	MIN %	MAX %	MEDIAN %
Local Sales Data (See Sales IS-1 to IS-3)	4.75	6.8	5.84
Regional Home Improvement Sales (See Attachment B)	5	6.25	5.93
USED	5.25%		
REASONING: The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject had a contract rent that was found to have excess rent. Applying a market rent that is less than contract rent represents less risk to the investor, thus the cap rate (a portion of which is risk of the investment) was adjusted downward slightly.			

NEIGHBORHOOD MAP



$$\frac{3}{10}$$


(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



039-;

039-05

039-05

MAE ANNE AVENUE

351.36' 5 4
8 9

039-04

SIERRA HIGHLANDS DRIVE

039-06

039-12

039-71

039-70

PAR.1
P.M.2273

PAR.1
P.M.2657
039-750-02
65,878 sf

PAR.2
P.M.2657
039-750-03
34,691 sf

039-750-13
9.085 ac.
PAR. 1-A
PM 4163

039-750-12
30055 sf
PAR. 1-B
PM 4163

PAR.1
P.M.3999

PAR.2
P.M.2348
039-750-04
26,934 sf

039-750-09
9.182 ac.

PAR.2
P.M.3999
039-750-10
35,045 sf

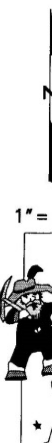
PAR.3
P.M.3999

039-750-11
6.923 ac.

MCCARRAN BOULEVARD

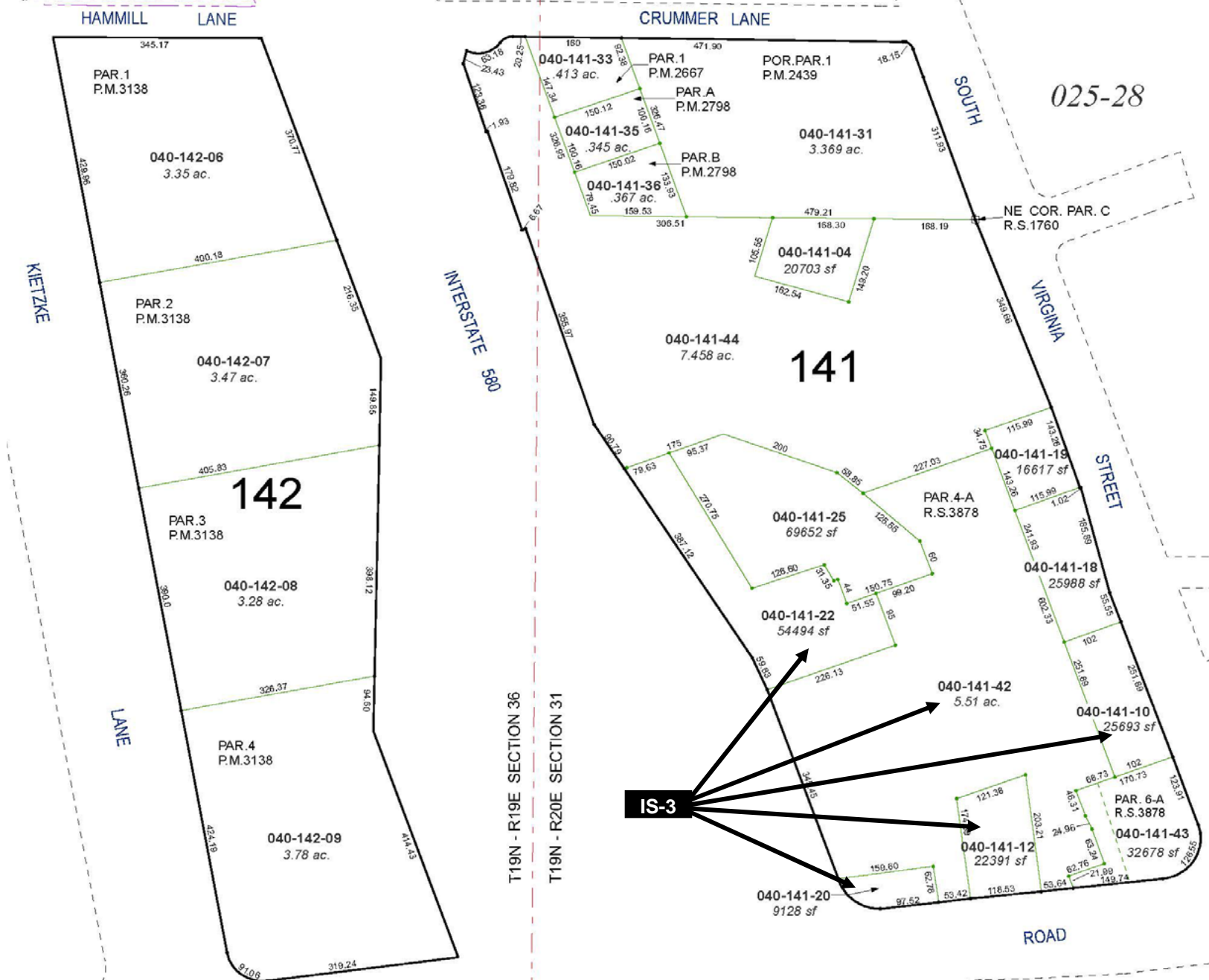
IS-2
PORTION NE 1/4 OF SECTION 8
T19N - R19E

BOOK 005

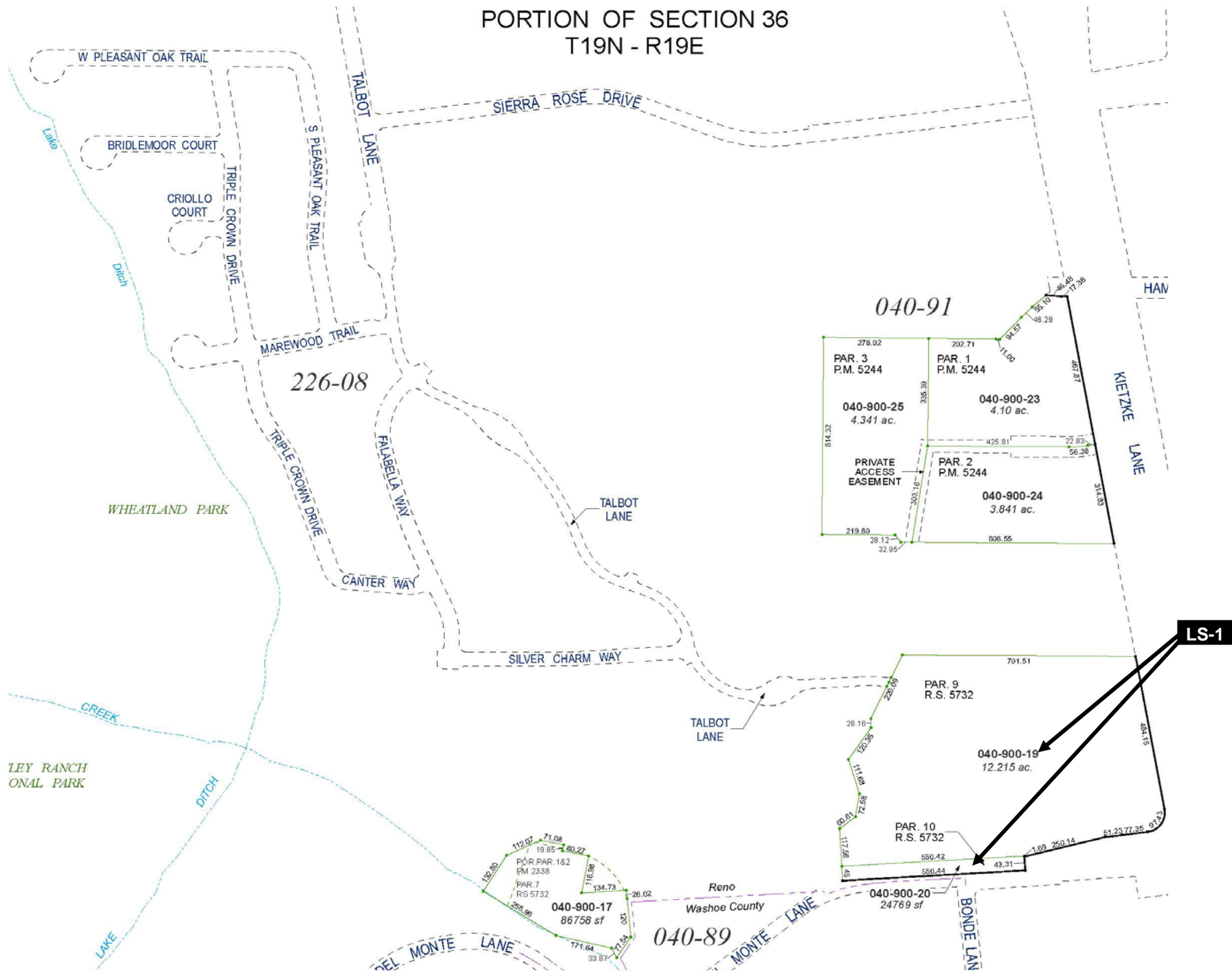


PORTION OF SECTION 36
T19N - R19E

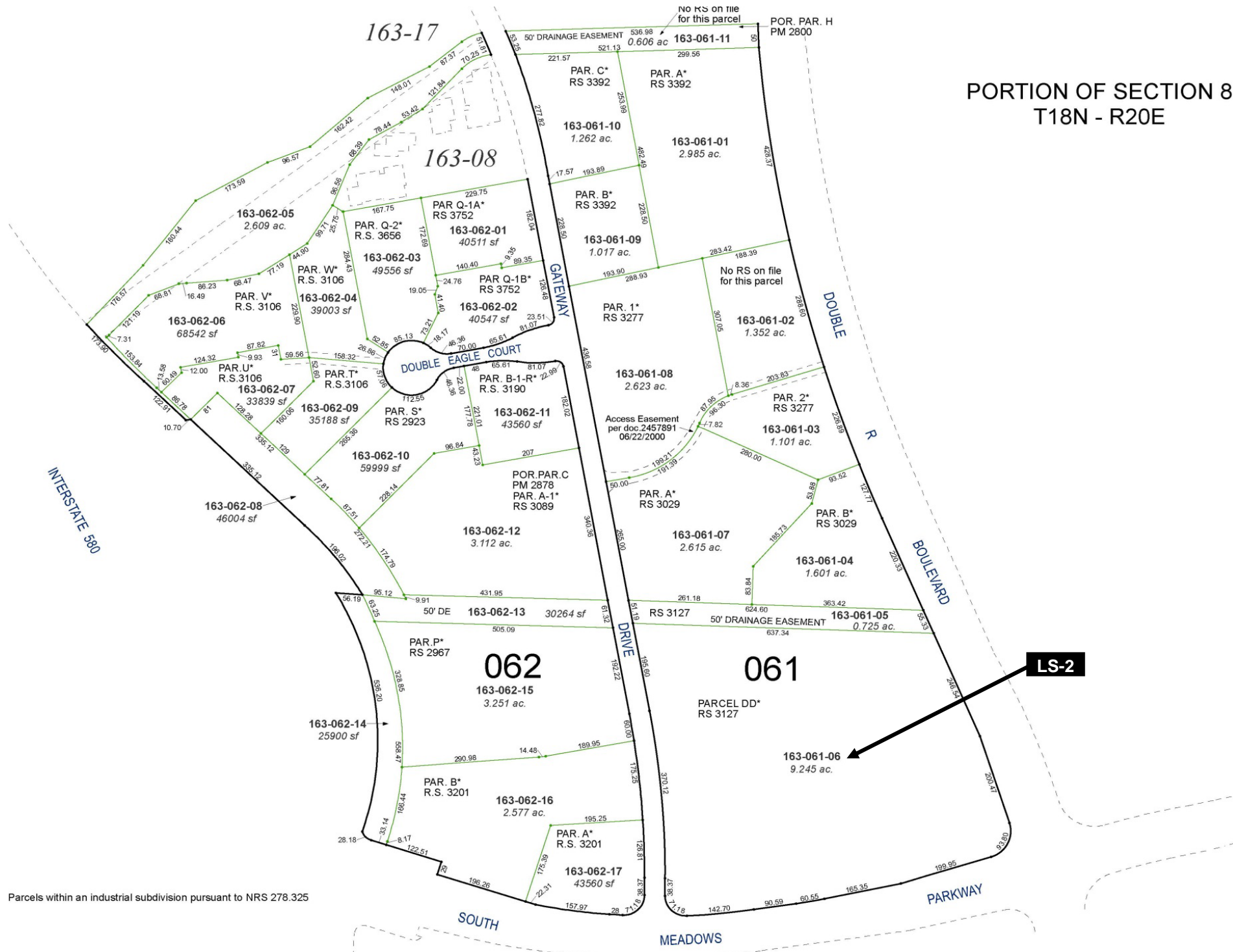
PORTION OF W 1/2 SECTION 31
T19N - R20E



PORTION OF SECTION 36
T19N - R19E

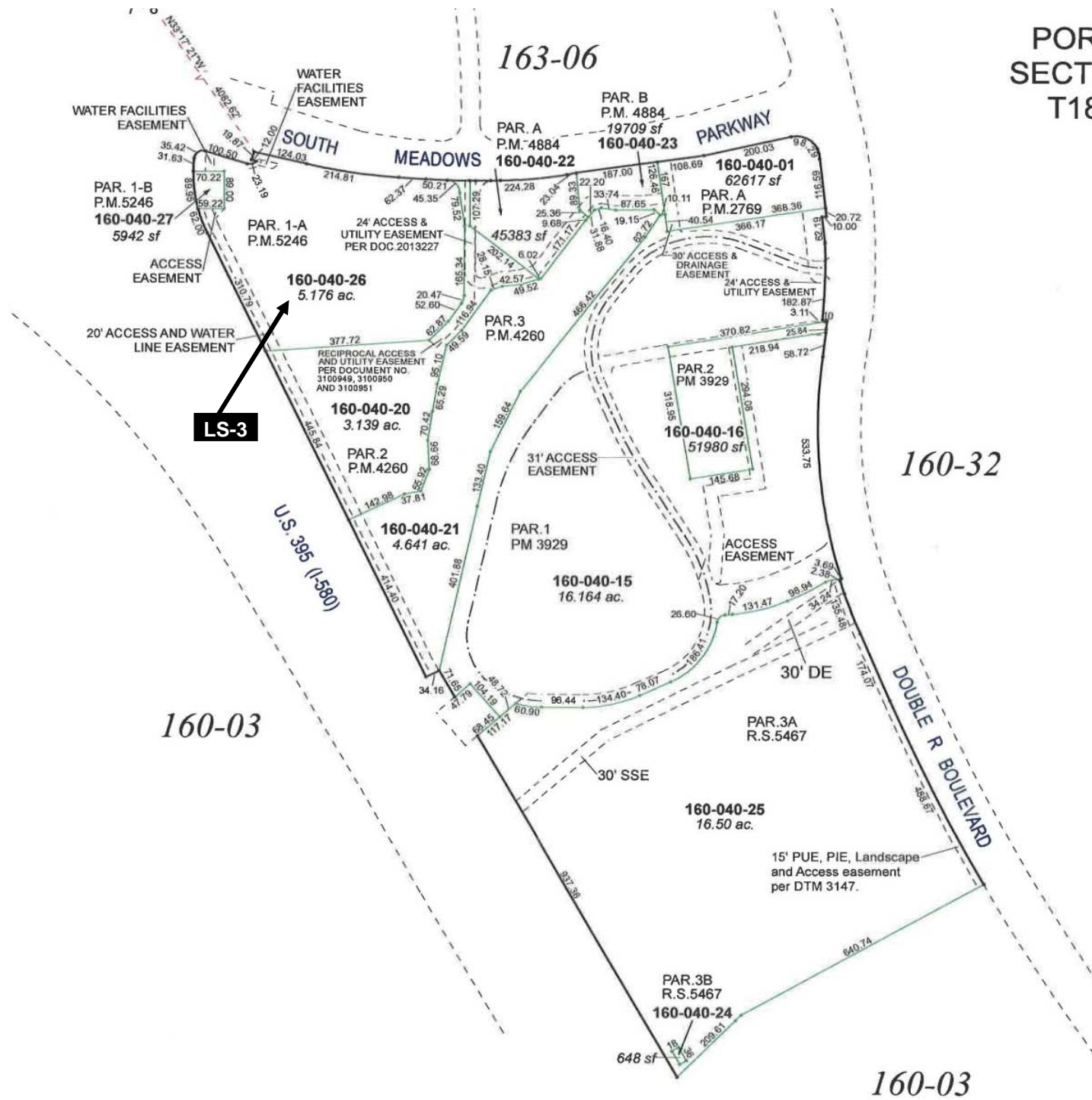


PORTION OF SECTION 8
T18N - R20E

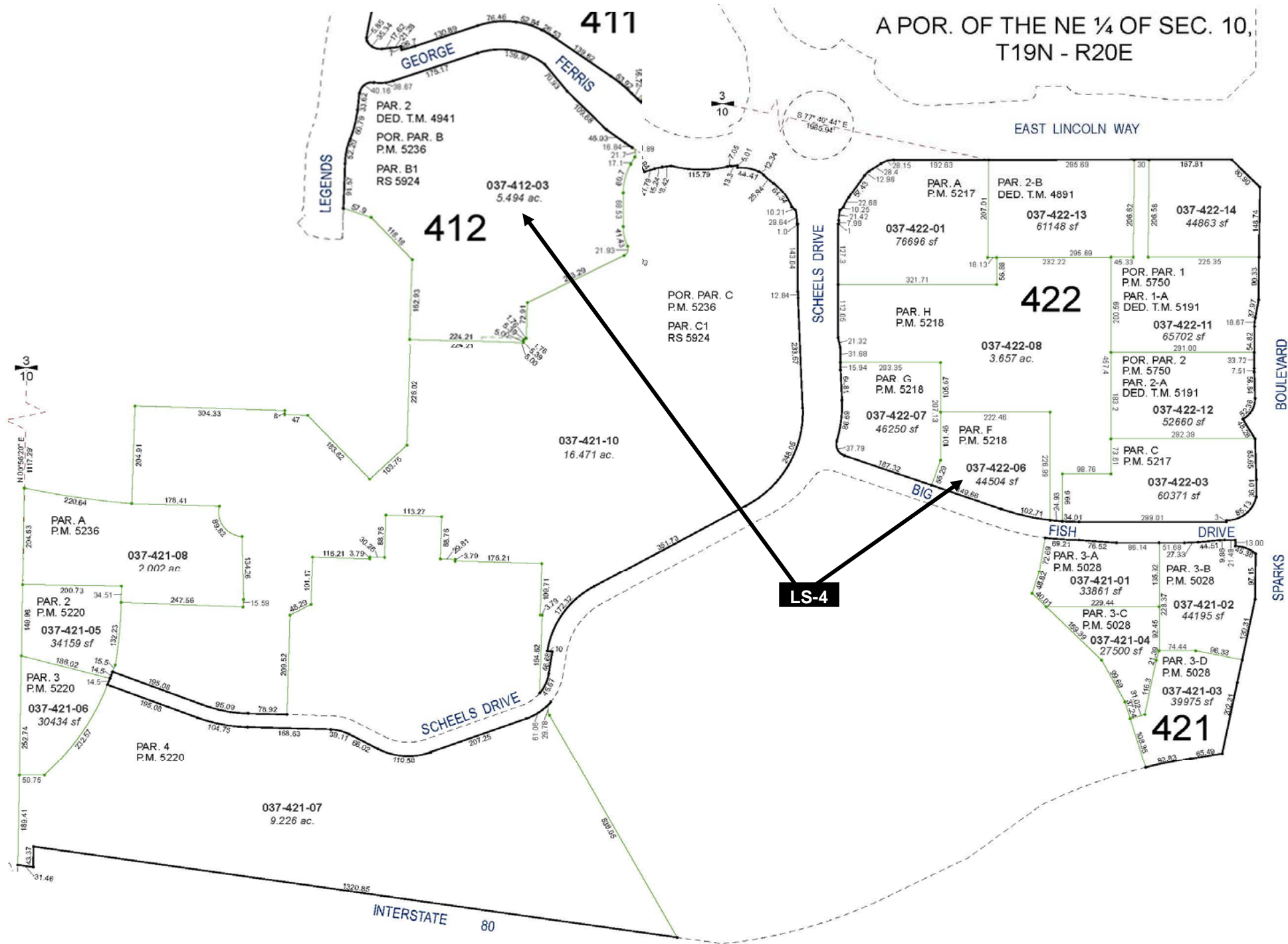


Parcels within an industrial subdivision pursuant to NRS 278.325

PORTIONS OF
SECTIONS 8 & 17
T18N - R20E



A POR. OF THE NE ¼ OF SEC. 10,
T19N - R20E



PORTIONS OF SOUTH 1/2 OF SEC. 9 & NORTH 1/2 OF SEC. 16, T19N - R19E

