

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **23-0042**
Hearing Date **2/22/2023**
Tax Year **2023**

APN: 164-333-02

Owner of Record: PARAGON INDUSTRIES II INC

Property Address: 6970 LONGLEY LN 100

Property Type: STORAGE WAREHOUSE 60% INDUSTRIAL FLEX BUILDING 40%

Gross Building Area: 47,205

Year Built: 2018

Parcel Size: 3.20 AC

Description / Location: The subject is located on Longley Ln. in south Reno off of Innovation Dr. and is within the South Reno submarket. The property has good access to arterial roadways, freeway and airport. The subject was built in 2018 and contains a 47,205/sf building with a dual occupancy of 40% industrial flex building and 60% storage warehouse.

2023/2024 Taxable Value:	Land:	\$1,324,224
	Improvements:	\$4,280,279
	Total:	<u>\$5,604,503</u>
	Taxable Value / SF	\$119

Sales Comparison Approach:	Indicated Value:	\$8,300,000
	Indicated Value SF	\$176

Income Approach:	Indicated Value:	\$8,292,040
	Indicated Value SF	\$176

Conclusions: A recommendation to uphold the taxable value is being made and is supported by the reconciliation of all three approaches to value. The current taxable value is \$5,604,503 or \$119/SF. Additionally the sales comparison approach indicates a value of \$8,300,000 or \$176/SF, while the income approach to value shows \$8,292,040 or \$176/SF. Based on this analysis, the taxable value does not exceed market value and the property is equalized with similarly situated properties.

RECOMMENDATION: Uphold **X** Reduce



ASSESSOR'S EXHIBIT I
22 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	23-0042
	\$1,324,224	\$463,478	\$/SF GBA	DATE:	2/22/2023
IMPROVEMENTS:	\$4,280,279	\$1,498,098	\$118.73		
TOTAL:	\$5,604,503	\$1,961,576		TAX YEAR:	2023
			TAXABLE	VALUATION:	Reappraisal
			\$/SF Land		
			\$9.50		

OWNER: PARAGON INDUSTRIES II INC

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	164-333-02	6970 LONGLEY LN 100 STORAGE WAREHOUSE INDUSTRIAL FLEX BUILDING	60% 40%	47,205 29,805 17,400	MASONRY BRNG CONCRETE, TILT-UP	C20	24% 29% 15%	2018	27	139,392 34% IC			

IMPROVED SALES													
IS-1	163-112-06	9240 PROTOTYPE DR INDUSTRIALS, LIGHT MFTG.	100%	46,237 46,237	MASONRY BRNG CONCRETE, TILT-UP	C15	24% 24%	1995	24	151,807 30% PD	\$7,000,000 3/24/2021	\$151.39	
IS-2	164-352-26	3663 BARRON WAY STORAGE WAREHOUSE	100%	34,000 34,000	MASONRY BRNG CONCRETE, TILT-UP	C20	19% 19%	2007	21	179,729 19% IC	\$6,290,000 8/16/2021	\$185	
IS-3	012-231-26	280 GREG ST INDUSTRIAL FLEX BUILDING	100%	38,150 38,150	MASONRY BRNG CONCRETE, TILT-UP	C30	50% 50%	1997	14	107,158 36% IC	\$7,858,422 3/9/2022	\$206	\$392,921 5.00%
IS-4	163-102-16	725 TRADEMARK DR INDUSTRIAL FLEX BUILDING	100%	19,864 19,864	MASONRY BRNG CONCRETE, TILT-UP	C15	20% 20%	2001	20	20,000 99% IC	\$4,850,000 9/30/2022	\$244	\$247,396 5.10%

LAND SALES									
Sale #	APN	Location	Sale Date	Sale Price	Size(sf)	\$/sf	\$/ac	Zoning	Comments
LS-1	025-590-09	550 MAESTRO DR	12/21/2020	\$2,302,113	156,075	\$14.75	\$643,048	PO	Located in the same neighborhood. Located west of Longley Ln and south of Maestro Dr. Similar in lot size. A Child care facility was built in 2021 and office PAD sites were planned after parcel was split into 025-590-11 & 12.
LS-2	164-342-33	3770 BARRON WAY 100	12/23/2021	\$775,000	57,867	\$14.73	\$583,584	IC	Located in the same neighborhood. Located east of Longley Ln and south of Alexander Lake Rd. Smaller in lot size. The lot has about +/- 5,000 SF of area with heavy topography and the net usable SF is about 52,621 SF. If adjusted for the topo, the price per SF is about \$14.73/SF
LS-3	164-333-04	660 INNOVATION DR 100	5/14/2020	\$1,400,000	65,325	\$21.43	\$930,214	PO	Located in the same neighborhood. Just two parcels to the east. Smaller lot size.
LS-4	163-072-01	9355 GATEWAY DR.	3/18/2022	\$4,181,107	309,973	\$13.49	\$587,564	PD	Superior in size, similar location

The subject was built in 2018 and is located on Longley Ln., southeast of the Double R Blvd and Longley Ln intersection. The subject contains one building with a dual occupancy of 40% industrial flex building and 60% storage warehouse. Industrial flex buildings are modern multi-tenant loft structures, typically of low-rise construction. The subject is a better quality industrial flex building with fully finished customer service areas and store front entries. Storage warehouses are buildings designed for storage and include an amount of office space commensurate with the quality of the building, typically they have plaster or drywall interior partitions and may have some finished ceilings. The subject is a better quality storage warehouse with small office fronts and ornamental materials at the front elevation. Property owner, Bedrosians Tile & Stone, is occupying the south end of the building with the occupancy code of storage warehouse. It is finished with about 8721 SF of showroom and office. The north flex end of the building is occupied by Timeless Interiors. The north end consists of approximately 5,503/SF with 2,684/SF of finished showroom and office. The comparables for the subject are as follows:

IS-1 = Is located in south Reno, west of Double R Blvd along Prototype Dr. just 1.5 miles from the subject. Overall similar building size with similar buildout and location; Inferiorities include: Ceiling height, quality and age. After adjusting the subject property for these differences a value of \$8,400,000 or \$178 / sf would be indicated for the subject		
IS-2 = Is located in south Reno, east of Longley LN along Barron Way just .6 miles from the subject. Overall smaller building size with similar location; Inferiorities include: Size, ceiling height, age, finish area and occupancy; Superiorities include: Land size. After adjusting the subject property for these differences a value of \$8,177,000 or \$173 / sf would be indicated for the subject. IS-2 was sold to TMFPD, and although typically these sales are considered questionable, a fee appraisal was obtained concluding this was a market value transaction.		
IS-3 = Is located on 280 Greg Street in the Sparks submarket. Overall smaller building size with inferior location; Inferiorities include: Age, size, and ceiling height; Superiorities include: Quality class, occupancy and finished area. After adjusting the subject property for these differences a value of \$8,640,000 or \$183 / sf would be indicated for the subject		
IS-4 = Is located southeast of the subject at 725 Trademark Dr. in the South Reno submarket and was reported 100% occupied at time of sale. Overall smaller building with similar location; Inferiorities include: Age, size, quality, ceiling height, finished area; Superiorities include: occupancy. After adjusting the subject property for these differences a value of \$7,760,000 or \$164 / sf would be indicated for the subject		
Comments: All improved sales have occurred within the last two years and comprise of similar buildings. Additionally, these sales represent income producing properties that had high occupancy at the time of sale. It is noted that the subject currently is 100% occupied. After adjusting for size, ceiling height, age, occupancy, quality and the percentage of finished area, the value indicated for the subject is \$8,300,000 or \$176/SF, therefore, the subject's taxable value does not exceed full cash value.		
LS-1 is a 3.58 ac lot located in the same neighborhood as the subject. The parcel sold for \$14.76/SF in 12/2020. It is most similar in size and location.		
LS-2 is a 1.328 ac lot located in the same neighborhood as the subject. The parcel sold for \$14.73/SF in 12/2021. It is similar in location.		
LS-3 Is a 1.5 ac lot also located in the same neighborhood as the subject. It is smaller in size. The price per square foot in this 5/2020 sale \$21.43/SF.		
LS-4 is also located in south Reno. Slightly inferior in location. This 7.116 Acre lot sold in 3/2022 for \$13.49/SF.		
Comments: Land sales provide that the taxable land value does not exceed market value.		

RECOMMENDATION:

Uphold **X**

Reduce

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: <u>23-0042</u>
		\$1,324,224	\$463,478	\$/SF GBA	DATE: <u>2/22/2023</u>
	IMPROVEMENTS:	\$4,280,279	\$1,498,098	\$118.73	
	TOTAL:	\$5,604,503	\$1,961,576		TAX YEAR: <u>2023</u>
APN: 164-333-02				TAXABLE	
OWNER: PARAGON INDUSTRIES II INC				\$/SF Land	
				\$9.50	

Income Approach

Potential Gross Income					
Industrial Flex	17,400 sq ft. @	\$0.99 /mo =	\$17,226		
Storage Warehouse	29,805 sq ft. @	\$0.68 /mo =	\$20,267		
	sq ft. @	/mo =	\$0		
			\$37,493		
	x 12 months =		12		
				\$449,921	
- Vacancy & Collection loss			3%	\$13,498	
= Effective Gross Income				\$436,423	
- Operating Expenses			5%	\$21,821.16	
= Net Operating Income				\$414,602	
Divided by Overall Capitalization Rate				5.00%	
			\$8,292,040		
				Rounded	\$176 /sf GBA

Subject Income Information: 2022 income and expense information was not provided and thus actual Net Operating Income is unknown at this time. A lease brochure and the lease signed by Timeless Interiors in 2019, however, indicates the rent for the subject ranged from \$0.85 to \$0.87/sf/mo NNN. The lease for Timeless Interiors is for seven years with an annual escalation of 3% bringing it to a current rate of approximately \$0.99/sf/mo NNN. Costar shows no space available as of 1/2023. This information as well as overall market conditions were examined in developing an opinion of value through the income approach.

Potential Gross Income: The subjects rent of \$.99/SF for the industrial flex portion of the building and \$.68/SF for storage warehouses were used for analysis. The contract rents fall within the range of the market rent analysis shown on page 10 and were deemed appropriate for the subject. Applying \$.99/sf/mo to the industrial flex building area of 17,400 sf, and \$.68/sf/mo to the storage warehouse building area of 29,805 sf, the potential gross income is \$449,921. These rents also acknowledge actual rents as well as rent incentives/concession and escalations that might take place. Additionally, overall attributes regarding the property such as location, age, size, current vacancy, etc. were evaluated in the rent projection. Please see Page 10 for additional information regarding the rent analysis.

Effective Gross Income: The subject is 100% occupied at this time including owner occupancy. Overall vacancy for industrial properties within the South Reno submarket is approximately < 3%. Please see Page 12 for additional information. Even though the subject is 100% occupied, a market vacancy rate of 3% was used in this analysis, and an EGI of \$436,423 is estimated.

Net Operating Income: Expenses are estimated on the Triple Net (NNN) basis whereby landlords recover most expenses by passing incurred costs onto the tenant. This type of lease is predominate for properties like the subject. An expense rate of 5% was deemed appropriate to account for reserves for replacements and miscellaneous expense not reimbursed by the NNN leases. Based on this expense rate, a NOI of \$414,602 is derived.

Capitalization Rate Analysis: In the South Reno industrial market, the cap rate for an industrial flex is around 5.5% and the cap rate for a storage warehouse is around 5%. Most weight was given to CR-1 & CR-5 and a 5% cap rate was determined to be appropriate for the subject. Please see page 11 for additional information regarding the cap rate analysis.

Indicated Value Income Approach: The capitalization process is a conversion of anticipated future payments into a present value. The return of investment (Recapture Rate) and return on investment (Discount Rate) are essential in developing an Overall Capitalization Rate. Therefore the variables in relation to risk that a property inherently has must be considered in determining the Overall Rate that will be used. Such variables include but are not limited to contracted rents, quality of tenant, vacancy and overall condition of the property. Based on this understanding a range of Cap Rates has been provided. Please refer to the Cap Rate analysis on page 11 for additional and supporting information regarding Cap Rates. Applying a 5% cap rate results in an income approach to value of \$176/sf or \$8,292,040.

WASHOE COUNTY SUMMARY APPRAISAL RECORD



APN: **164-333-02**

2023

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ACTIVE

Roll YR

Code

%Comp

Situs 6970 LONGLEY LN100, RENO Database WASHOE NBHD OBHU Appr DA Exemption AV|Exemption
 Owner PARAGON INDUSTRIES II INC Printed 2/7/2023 Industrial
 4285 GOLDEN STATE BLVD FRESNO, CA 93722 Tax District 1000
 Property Name

Reopen

Reappraisal

Valuation History

Parcel Value Summary

OBSO

☐ Change

☐ No Change

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD
2023 VN	1,324,224		4,280,279		5,604,503	1,961,576	Land Value	1,324,224
2023 NR	1,324,224		4,280,279		5,604,503	1,961,576	Building Value	3,783,956
2022 FV	1,184,832		3,545,996		4,730,828	1,655,790	XFOB Value	496,323
2021 FV	1,045,440		3,519,381		4,564,821	1,597,687	Obsolescence	0
2020 FV	1,045,440		3,600,568	39,977	4,646,008	1,626,103	Taxable Value	5,604,503
2020 FV	1,045,440		3,595,600	35,009	4,641,040	1,624,364	Total Exemption	
2019 FV	906,048		3,366,340	688,343	4,272,388	1,495,336		

NewLand

Initials/Date

Parcel Total

New Const

☐ NC

☐ C

New Land

☐ New Sketch

Remainder

Building Data

Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	406	Storage Warehouse	C	2018	2018	100	C20	2,448,994	2,265,319	29,805	76	0
COMM	1-2	453	Industrial Flex Buildi	C	2018	2018	100	C20	1,641,770	1,518,637	17,400	87	0



Land Value

Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note
500	General industrial: ligh	IC	139,392	SF2	9.50					1,324,224	

Land Data

Land Size-Sf	139,392	Water	Municipal
Acre Size	3.200	Sewer	Municipal
DOR Code	500	Street	Paved
Deferment		SPC	
CAGC			

WASHOE COUNTY APPRAISAL RECORD



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 4285 GOLDEN STATE BLVD FRESNO, CA 93722 Tax District 1000
 Property Name

Reopen			
Reappraisal			

Valuation History							Parcel Value Summary		OBSO	<input type="checkbox"/> Change <input type="checkbox"/> No Change	
Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD		NewLand	
2023 VN	1,324,224		4,280,279		5,604,503	1,961,576	Land Value	1,324,224			
2023 NR	1,324,224		4,280,279		5,604,503	1,961,576	Building Value	3,783,956			
2022 FV	1,184,832		3,545,996		4,730,828	1,655,790	XFOB Value	496,323			
2021 FV	1,045,440		3,519,381		4,564,821	1,597,687	Obsolescence	0		Parcel Total	
2020 FV	1,045,440		3,600,568	39,977	4,646,008	1,626,103	Taxable Value	5,604,503		New Const	<input type="checkbox"/> NC <input type="checkbox"/> C
2020 FV	1,045,440		3,595,600	35,009	4,641,040	1,624,364	Total Exemption			New Land	
2019 FV	906,048		3,366,340	688,343	4,272,388	1,495,336				Remainder	<input type="checkbox"/> New Sketch

Building Data														
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%	
Type	COMM	Commercial/Industrial	BUILDING LEVEL			SHP	2	SLIGHTLY IRREGULAR	100					
Occ	406	Storage Warehouse	Rate Adj			SP1C	29,805	Sprinkler System Generic - C	100					
Stry/Frm	C	MASONRY BEARING WALL	Lump Sum			ST	1	No of Stories	100					
Quality	C20	Commercial 2.0 (Aver				UT	1	Units	100					
Year Built	2018		PARCEL LEVEL			WH	27	Avg Wall Height/Floor	100					
WAY	2018		Lump Sum 0			EW	818	CONCRETE, TILT-UP	100					
Remodel Yr			%Obso 0.0000			HEAT	606	SPACE HEATER	71					
% Comp	100	%DPR 7.5				HEAT	611	PACKAGE UNIT	29					

Sub Area							Extra Features													
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
GBA	GROSS BUILDING A	2017		29,805	82.17	2,448,994	1	OFF1	OFLOFQ1POS	30	1	5,145	51.53	2018	2018	100	265,122	245,238		TOTAL 8721, 12%
							2	TKW4	TK CON W/R	30	1	960	24.25	2018	2018	100	23,280	21,534		
							3	DKLP	DOCK PLATE	30	1	1	1,032.00	2018	2018	100	1,032	955		
							4	FWCO	FW CONCRET	30	1	20,000	5.80	2018	2018	100	115,980	107,282		
							5	FWAS	FW ASPHALT	30	1	14,000	4.07	2018	2018	100	57,030	52,753		
							6	CRBG	CURB & GUT	30	1	500	23.81	2018	2018	100	11,905	11,012		
							7	CRBC	CONC CURB	30	1	1,500	17.78	2018	2018	100	26,670	24,670		
							8	YIMP	YARD IMPS	30	1	1	2,084.00	2018	2018	100	2,084	1,928		
							9	PKLT	PKG LOT LI	30	1	30,000	0.66	2018	2018	100	19,800	18,315		
							Gross Bldg Area 29,805		Perimeter 650	Sub Area RCN 2,448,994		10	TRS2	TRASH CO B	30	1	400	34.15	2018	2018
Building Notes				Building Cost Summary																
3/6/20 JCT UPDATED PER BLD20-01302				Building RCN		2,448,994														
				Depreciation		183,675														
				Building DRC		2,265,319														
				Extra Feature DRC		496,323														
				Building Obso																
Building Name				Total DRC		2,761,642														
				Override Value																

Land Value: 1 Lines Total												Land Data		Property Characteristics		
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	139,392	Water	Municipal	
500	General industrial: high	IC	139,392	SF2	9.50					1,324,224		Acre Size	3.200	Sewer	Municipal	
												DOR Code	500	Street	Paved	
												Deferment		SPC		
												CAGC				

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WASHOE COUNTY APPRAISAL RECORD

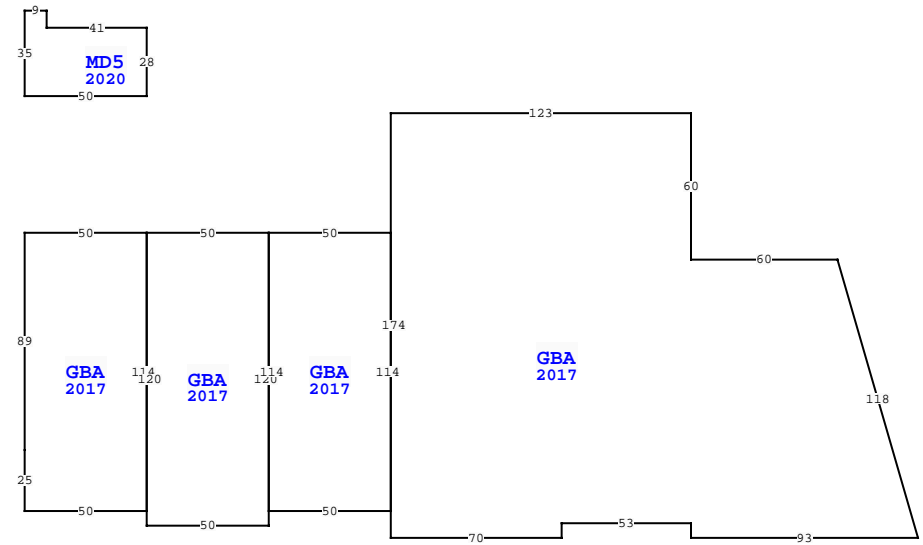
APN: **164-333-02**

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Owner **PARAGON INDUSTRIES II INC**
 Keyline Description **DED TM 3919**

NBHD **OBHU Industrial**

Appr **DA**



Activity Information						
Date	User ID	Activity Notes				
9/28/2022	DA	Re-appraisal Review				
3/18/2019	JCT	Permit Review				
3/18/2019	JCT	Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
LAINER ONE LP	4424960	1/9/2015	150	1,483,131	1SVR	
LAINER ONE LP,	MEMO	3/4/2010	150	0	3NTT	
LONGLEY PROPERTIES INVST	2602994	10/3/2001	150	773,922	1G	
LONGLEY PROPERTIES INVST	2525583	2/21/2001	150	0	3MNT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
2/11/2020	SGN20-04226	SIGN. INSTALL 1 EXTERIOR W	2,700	C	100%	
9/20/2019	BLD20-02139	FIRE SPRINKLERS. ADD FIRE		C	100%	
9/9/2019	BLD20-01302	TENANT IMPROVEMENT. FIRST		C	100%	
11/1/2018	BLD16-06388	RETAIL BUILDING; GRADING,		C	100%	
10/24/2018	BLD19-02843	PALLET RACKING; INSTALL 12		C	100%	

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WASHOE COUNTY APPRAISAL RECORD



APN: **164-333-02**

2023

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ACTIVE

Roll YR

Code

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 Property Name

Reopen

Reappraisal

Valuation History

Parcel Value Summary

OBSO

☐ Change

☐ No Change

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2020 FV	1,045,440		3,595,600	35,009	4,641,040	1,624,364	Total Exemption		
2019 FV	906,048		3,366,340	688,343	4,272,388	1,495,336			

Parcel Total

☐ NC

☐ C

☐ New Sketch

Building Data

1-2	Code	Description	Adjustments & Modifiers	Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL	MD5	1,463	Mezzanine - Storage	100				
Occ	453	Industrial Flex Buil	Rate Adj	SHP	2	SLIGHTLY IRREGULAR	100				
Stry/Frm	C	MASONRY BEARING WALL	Lump Sum	SP1C	18,863	Sprinkler System Generic - C	100				
Quality	C20	Commercial 2.0 (Aver		ST	1	No of Stories	100				
Year Built	2018		PARCEL LEVEL	UT	1	Units	100				
WAY	2018		Lump Sum 0	WH	27	Avg Wall Height/Floor	100				
Remodel Yr			%Obso	EW	818	CONCRETE, TILT-UP	100				
% Comp	100	%DPR 7.5		HEAT	606	SPACE HEATER	100				

Sub Area Extra Features

Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
GBA	GROSS BUILDING A	2017		17,400	94.35	1,641,770														
MD5	DRO MEZZANINE S	2020		1,463																

Gross Bldg Area 18,863 Perimeter 426 Sub Area RCN 1,641,770

Building Notes Building Cost Summary

Building RCN	1,641,770
Depreciation	123,133
Building DRC	1,518,637
Extra Feature DRC	
Building Obso	
Building Name	Total DRC 1,518,637
	Override Value

Land Value: 1 Lines Total

Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Data	Property Characteristics
												Land Size-Sf 139,392	Water Municipal
												Acre Size 3.200	Sewer Municipal
												DOR Code 500	Street Paved
												Deferment	SPC
												CAGC	

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WASHOE COUNTY APPRAISAL RECORD

APN: 164-333-02

Owner PARAGON INDUSTRIES II INC
Keyline Description DED TM 3919

NBHD OBHU Industrial

Appr DA

Activity Information						
Date	User ID	Activity Notes				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
LAINER ONE LP	4424960	1/9/2015	150	1,483,131	1SVR	
LAINER ONE LP,	MEMO	3/4/2010	150	0	3NTT	
LONGLEY PROPERTIES INVST	2602994	10/3/2001	150	773,922	1G	
LONGLEY PROPERTIES INVST	2525583	2/21/2001	150	0	3MNT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

Rent Survey

#	APN	Building Address	Location	Year Built	Class	Bld area	SF Leased	Sign Date	Lease Type	\$/SF
Market Rents- Industrial Flex										
R1	Subject	6970 Longley LN 100	South	2,018	C20	47,205	5,503	Jun-19	NNN	\$0.99
R2	163-073-04 / South	9475 Double R Blvd STE 5	South	1,997	C30	39,338	1,632	Dec-22	NNN	\$1.35
R3	163-073-04 / South	9475 Double R Blvd	South	1,997	C30	39,338	1,632	Sep-21	NNN	\$1.10
R4	025-021-20 / South	770-780 Smithridge	South	1997	C30	42,050	1,758	Jan-22	NNN	\$1.07
R5	025-021-20 / South	770-780 Smithridge	South	1997	C30	42,050	1,758	Apr-22	NNN	\$1.00
R6	164-370-21 / South	898 Maestro Dr	South	2019	C30	13,118	2,800	Jan-22	NNN	\$1.07
Median						40,694	1,758			\$1.07
Market Rents- Storage Warehouse										
#	APN	Building Address	Location	Year Built	Class	Bld area	SF Leased	Sign Date	Lease Type	\$/SF
R7	012-316-03	4970 Joule St	Airport	1973	C10	46000	46000	Dec-21	NNN	\$0.49
R8	163-102-18	8895 Double Diamond Pkwy	South	2,021	C20	84,000	84,000	May-22	NNN	\$0.68
R9	164-352-26	3663 Barron Way	South	2,007	C20	34,000	34,000	Dec-19	NNN	\$0.82
Median						46,000	46,000			\$0.68

CAP Rate Analysis industrial flex

#	Parcel	Building Address	Yr Built	Class	Bld Area	Sales Price	Sale Date	\$/SF	Cap Rate	Notes
CR1	012-231-26	280 Greg St	1997	C30	38,150	\$7,858,422	3/9/2022	\$ 206	5.00%	100% leased at time of sale
CR2	013-322-15	3000 Mill St	1970	C20	39,252	\$7,300,000	8/26/2021	\$ 186	7.00%	96% leased at time of sale
CR3	163-210-24	8985 Double Diamond Pkwy	2003	C20	5,507	\$1,350,000	9/14/2022	\$ 245	6.00%	100% leased at time of sale
CR4	163-102-16	725 Trademark Dr	2001	C15	19,864	\$4,850,000	9/30/2022	\$ 244	5.06%	100% leased at time of sale
Median					29,007	\$6,075,000		\$ 225	5.53%	

CAP Rate Analysis storage warehouse

#	Parcel	Building Address	Yr Built	Class	Bld Area	Sales Price	Sale Date	\$/SF	Cap Rate	Notes
CR5	163-102-18	8895 Double Diamond Pkwy	2021	C20	84,000	\$20,076,000	5/27/2022	\$ 239	3.70%	100% leased at time of sale
CR6	034-262-08	831 Deming Way	1979	C10	61,770	\$6,290,000	8/16/2021	\$ 102	5.00%	100% leased at time of sale
CR7	032-302-54	1248 Glendale Ave	1996	C15	24,375	\$8,673,000	10/1/2021	\$ 355	6.00%	99% leased at time of sale
Median					61,770	\$8,673,000		\$ 239	5.00%	

Costar

<https://www.costar.com/>

Submarket Sales Trends

South Reno Industrial

SUBMARKET SALES TRANSACTIONS PAST 12 MONTHS

Submarket Name	Sales Volume	Transactions	Transacted SF	Avg SF	Mkt Cap Rate	Mkt Sale Price/SF
Sparks	\$278,634,230	58	2,062,134	35,554	5.4%	\$117
North Valleys	\$189,849,482	11	2,205,347	200,486	5.1%	\$113
South Reno	\$99,029,304	19	470,409	24,758	5.1%	\$141
Storey County	\$75,523,607	2	882,720	441,360	5.4%	\$116
Airport	\$48,373,422	10	254,630	25,463	5.4%	\$139
Central Reno	\$21,320,600	10	122,083	12,208	5.9%	\$152
West Reno	\$1,585,000	2	6,569	3,285	5.2%	\$128

Vacancy References

Dickson Commercial Group

<https://www.dicksoncg.com/>

VACANCY					
Submarket	Total SF	Direct Available SF	Vacancy Rate	Completed Construction SF	Under Construction SF
North Valleys	28,300,952	154,440	0.55%	595,065	550,569
Sparks	27,425,650	226,256	0.82%	464,360	274,000
Airport	10,199,495	185,105	1.81%	-	100,900
South Reno	9,838,909	62,167	0.63%	-	901,930
Central-West Reno	2,090,572	12,923	0.62%	-	-
I-80 East Corridor	21,588,595	303,550	1.41%	694,640	5,284,905
TOTAL	99,444,173	944,441	0.95%	1,754,065	7,112,304

Kidder Matthews

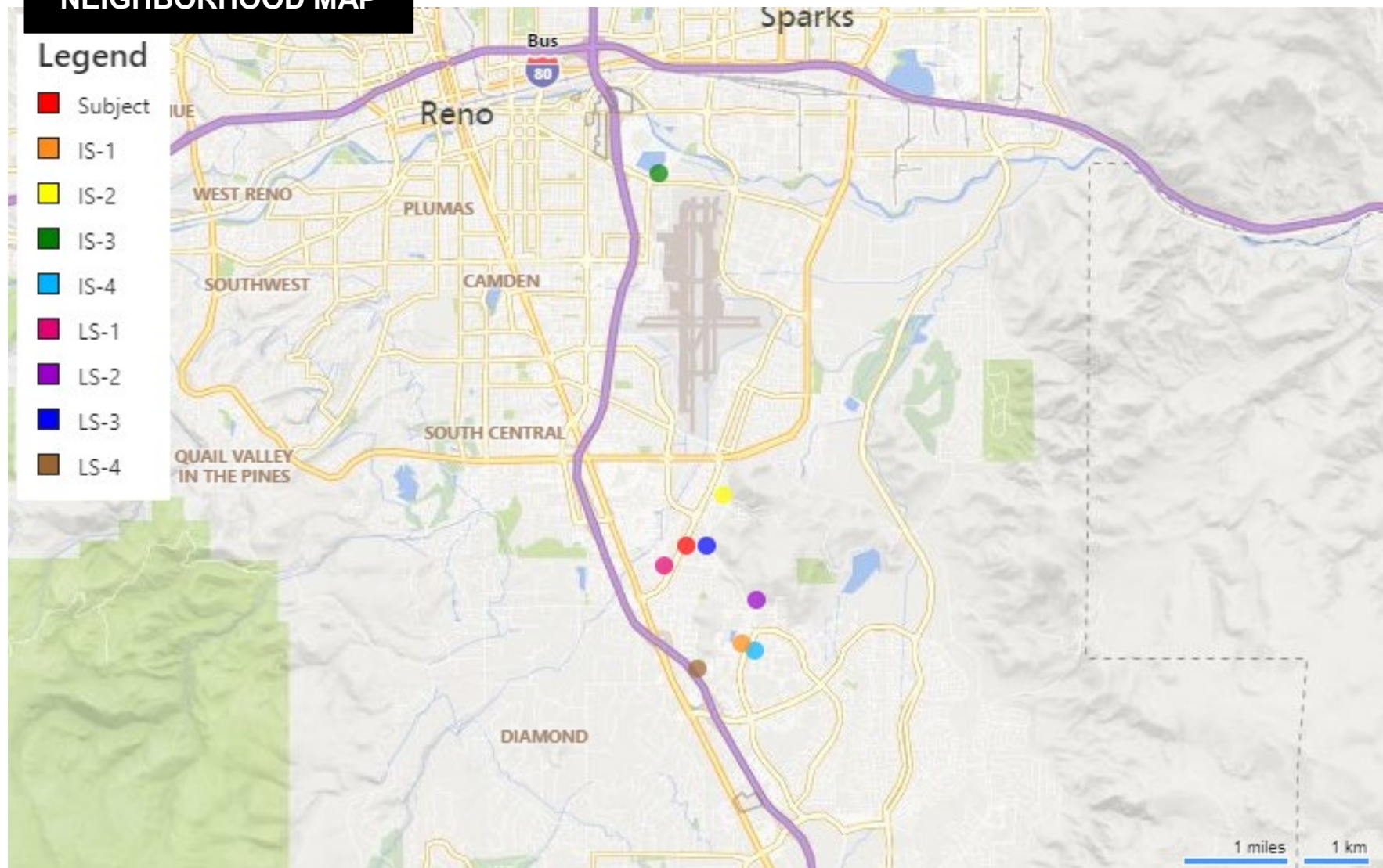
[Reno Industrial Market Report | Kidder Mathews](#)

4Q 2022 | RENO INDUSTRIAL

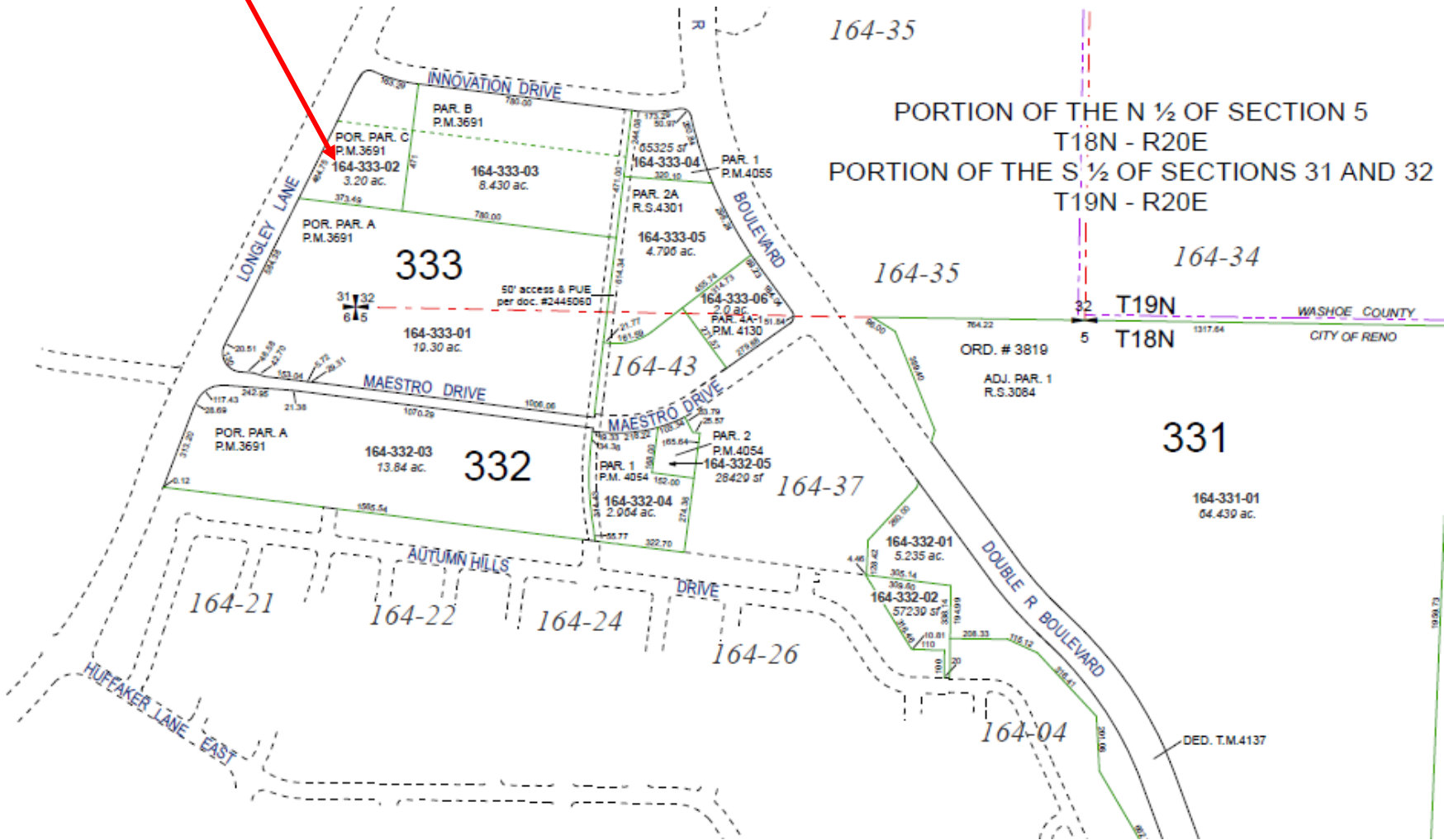
SUBMARKET STATISTICS

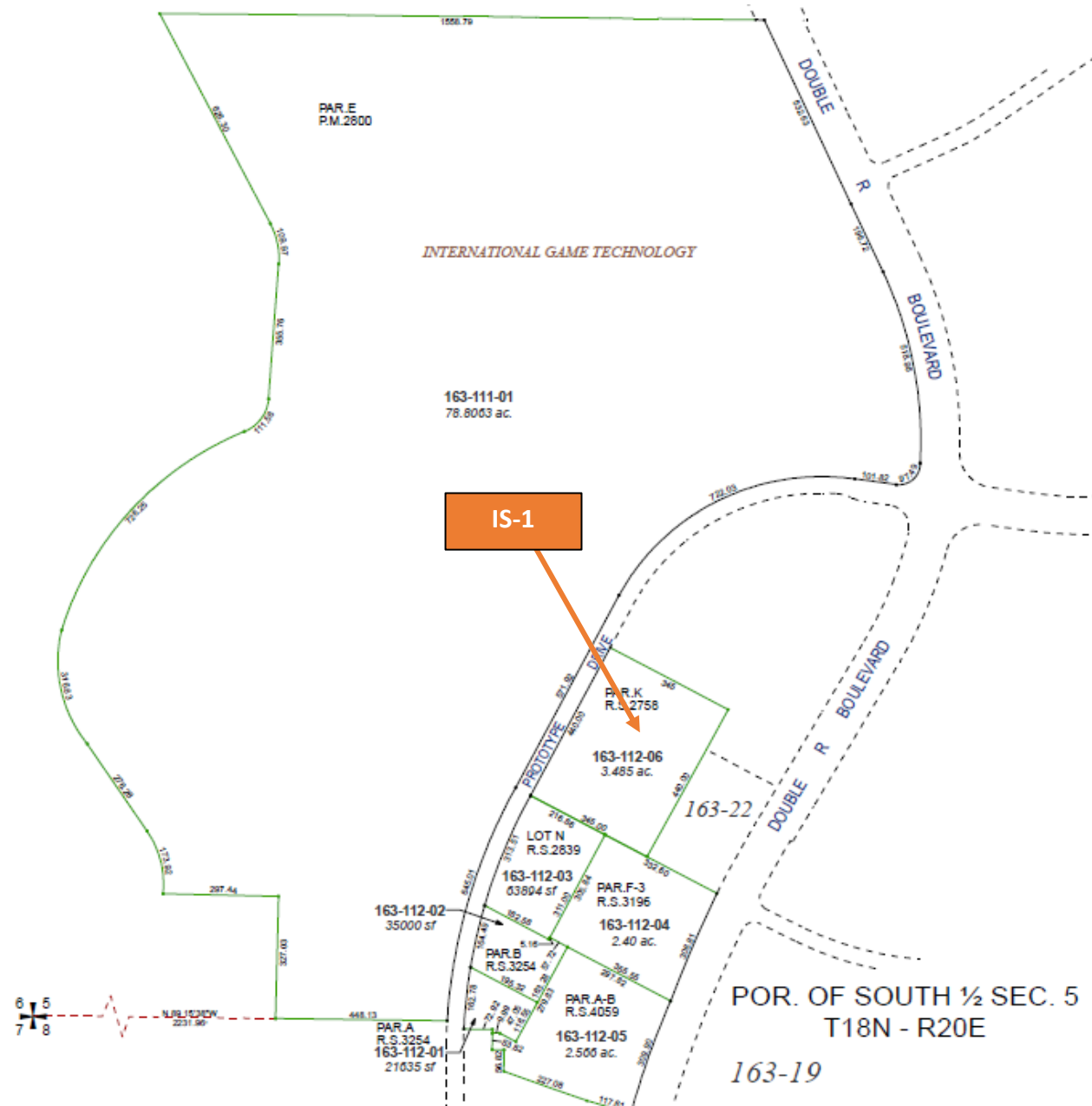
Submarket	Total Inventory	New Deliveries	Total Vacancy Rate	4Q Direct Net Absorption	YTD Direct Net Absorption	4Q 22 Gross Absorption	YTD Gross Absorption	Bulk Rental Rate (50K+SF)
North Valleys	30,775,608	207,179	0.74%	776,645	1,628,816	827,459	2,667,471	\$1.00
Sparks	25,383,749	-	1.70%	(165,971)	-243,454	136,875	1,157,764	\$0.90
Airport	10,400,618	-	2.16%	(85,195)	143,357	0	362,519	\$0.97
South Reno	10,136,419	141,440	2.42%	(40,615)	113,970	180,350	1,015,249	\$1.00
Central/West Reno	2,166,961	-	0.00%	0	0	0	180,385	N/A
I-80 East Corridor	24,097,588	694,640	1.17%	694,640	2,925,169	708,348	2,908,909	\$0.70
Reno Total	102,960,943	1,043,259	1.37%	1,179,504	4,567,858	1,853,032	8,292,297	\$0.91

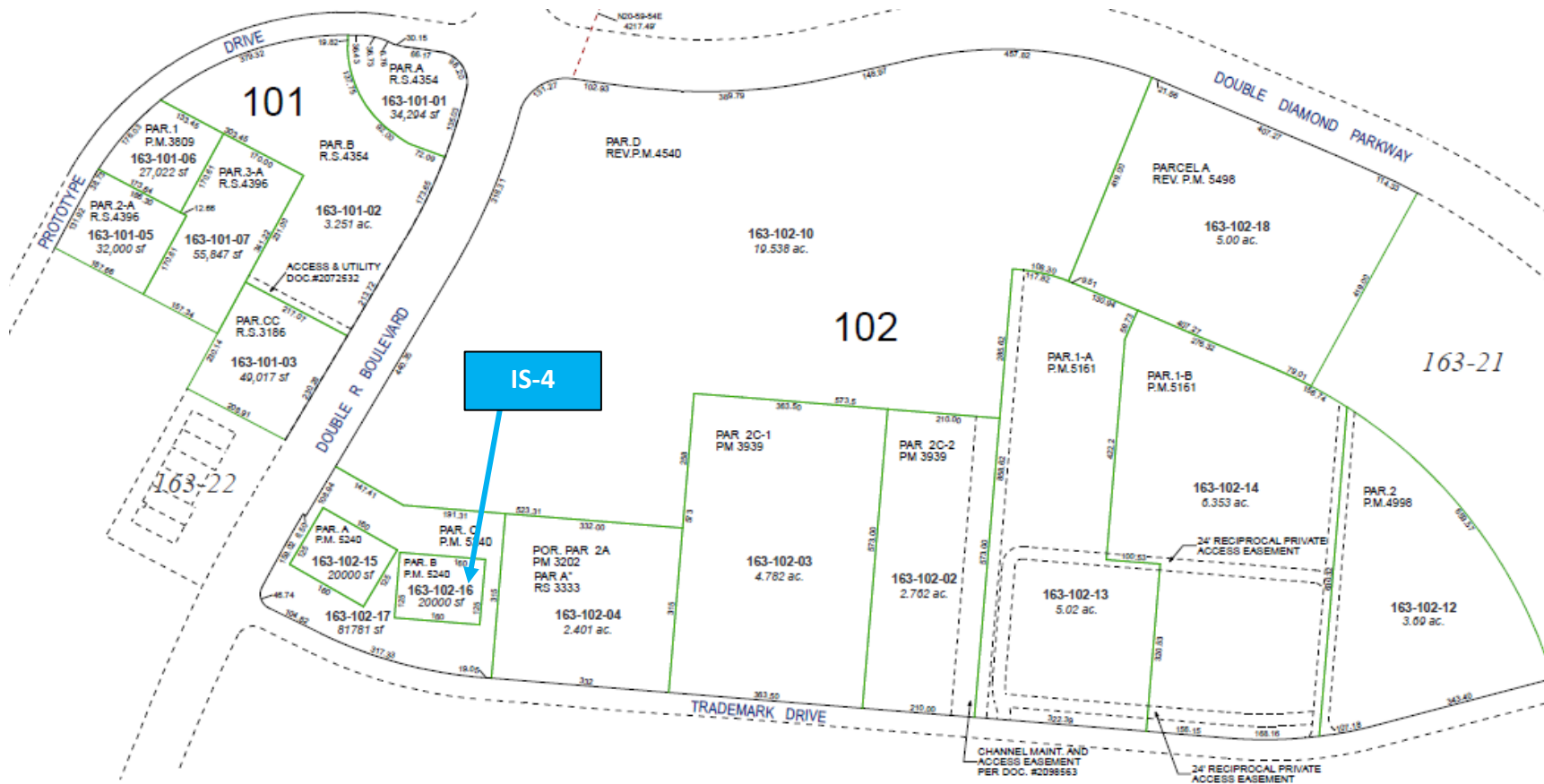
NEIGHBORHOOD MAP

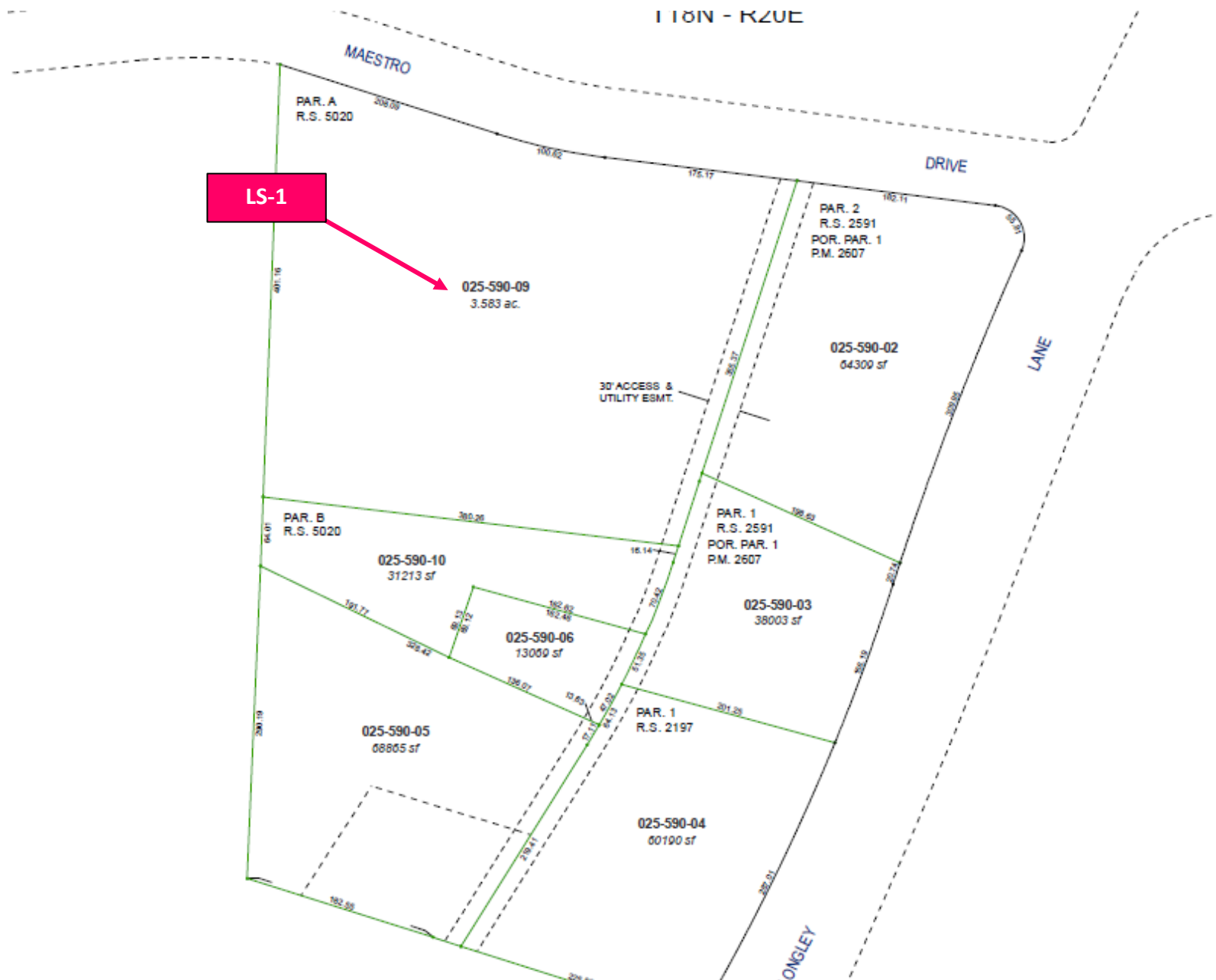


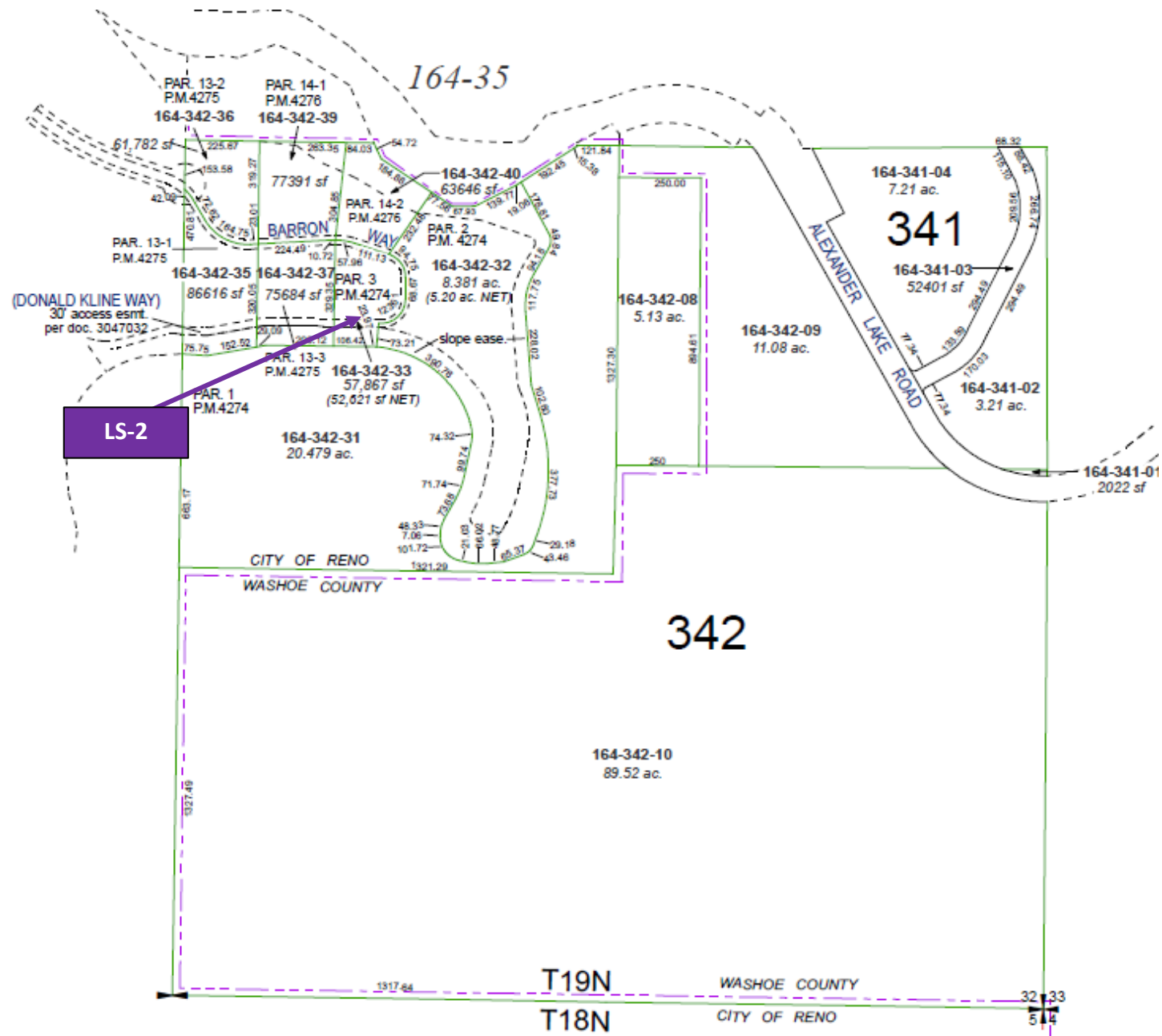
Subject











LS-3

