



2019

Commercial Real
Estate Forecasts

Presented by CCIM



Melissa Molyneaux, SIOR, CCIM
Senior Vice President | Executive Managing Director
Office Services
Colliers International, Reno
Melissa.Molyneaux@colliers.com
775-823-4674



Key Takeaways



Strong sale year

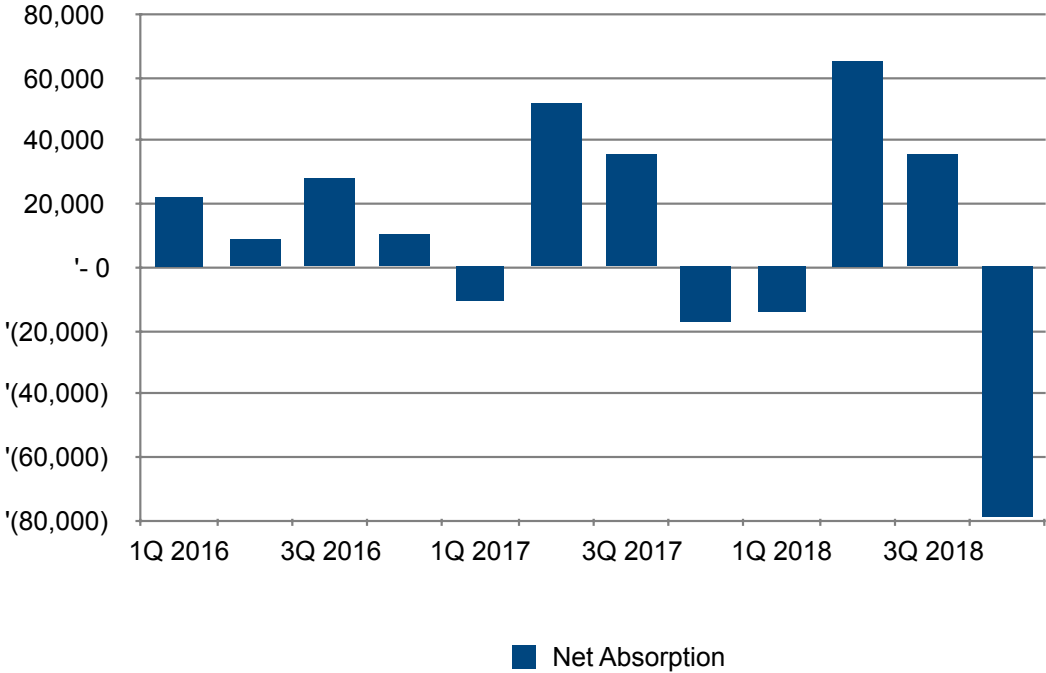


Despite a strong year, 2018 ended with negative net absorption and increased vacancy

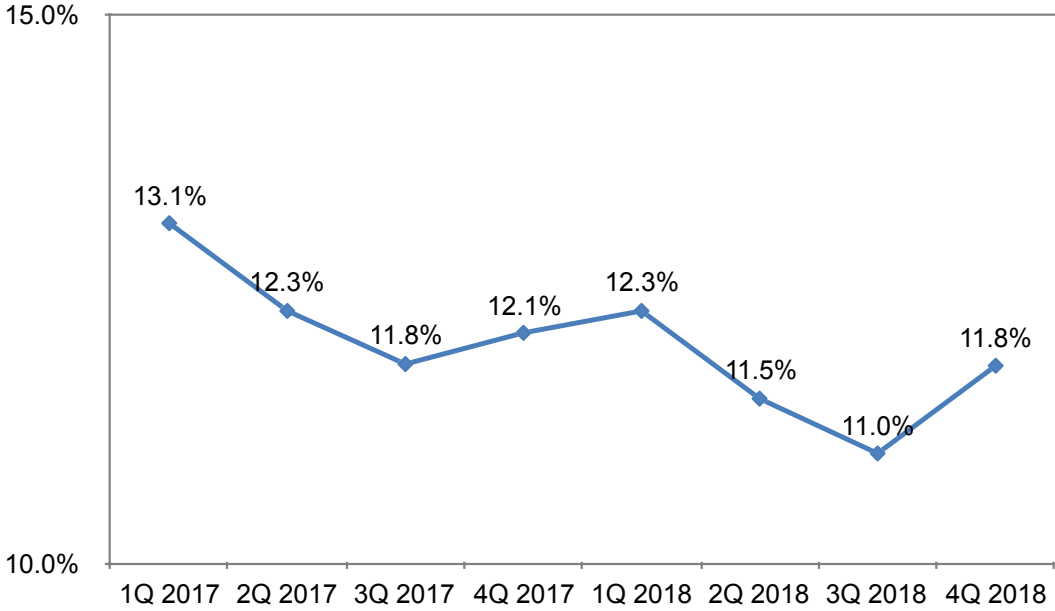


Large blocks of space came on the market

Absorption



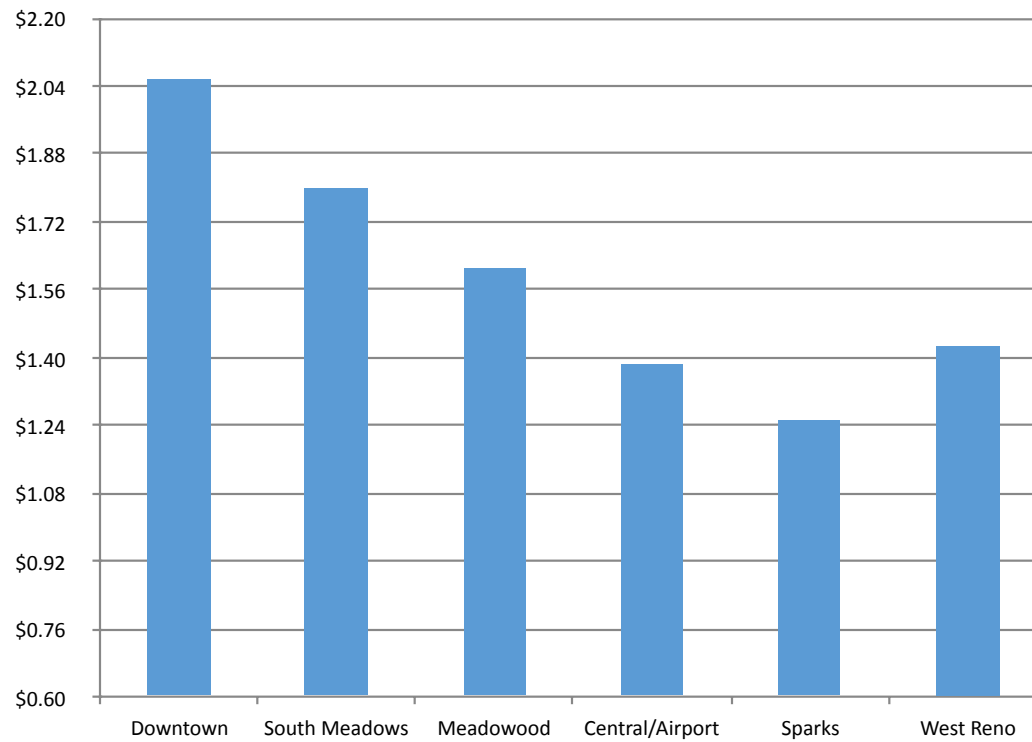
Vacancy Rate



Significant Leases


Address	SF	Tenant	Type
5340 Kietzke Lane	40,225	Wells Fargo	Renewal
4930 Energy Way	38,904	Charter Communications	New
6995 Sierra Center Parkway	19,941	Stantec Consulting	Expansion & Renewal
5190 Neil Road, Suites 500, 540, 550, & 570	17,776	Aerion	Expansion & Renewal
5250 South Virginia Street, Suite 201	16,559	AT&T Inc (HQ)	New
1625 E Prater Way, Suite 102	15,700	Sierra Nevada Corporation	New
9600 Gateway Drive	15,672	Nevada State Medical Examiners Board	New
4001 South Virginia Street	15,126	Reno Sparks Convention & Visitors	Renewal
5340 Kietzke Lane, Suite 102	12,026	Gaming Division	New
100 W Liberty Street, Suite 940	11,800	Dickson Wright	Renewal

Average Asking Rental Rates (Full Service Gross)



2018 Completed & 2019 Potential Construction


Completed

 McKenzie Properties is building a 40,000 SF spec building off Kietzke and Neil @ Mountain View Corporate Center – Near Completion 1Q 2019

 Charles Schwab 20,259 SF BTS/Spec building in Rancharrah – Done!

 Two medical buildings: Urology Group on Kietzke and an Oncology Group on Longley – Done!







2019 Potentially Planned

 Rancharrah Office & Retail

 Corporate Pointe



 Double R & Professional Circle

Significant Sales

	Address	SF	Sale Price	PSF
	5190 Neil Road	106,130	\$14,875,000	\$140.16
	10375 Professional Circle	79,552	\$25,300,000	\$318.03
	1575 Delucchi Lane	78,204	\$7,300,000	\$93.35
	885 Trademark Drive	77,132	\$20,400,000	\$264.48
	745 W Moana Lane	60,011	\$9,000,000	\$149.97
	328 S Wells Avenue	39,816	\$4,400,000	\$110.51
	236 W 6 th Street	38,456	\$5,500,000	\$143.02
	3500 Lakeside Court	32,040	\$2,125,000	\$66.32
	9895 Double R Boulevard	25,108	\$3,400,000	\$135.42

Logo denotes a transaction that Colliers International was involved in

Significant Sales

	Address	SF	Sale Price	PSF
	6995 Sierra Center Parkway	19,941	\$5,500,000	\$275.81
	9785 Gateway Drive	18,964	\$3,925,000	\$206.97
	5423 Reno Corporate Drive	17,300	\$4,966,059	\$287.06
	888 Willow Street	16,335	\$980,000	\$59.99
	9600 Gateway Drive	15,672	\$3,400,000	\$216.95
	9222 Prototype Drive	15,672	\$3,400,000	\$216.95
	6160 Plumas Street	15,564	\$3,500,000	\$224.88
	5560 Longley Lane	15,316	\$4,000,000	\$261.16
	1475 Terminal Way	15,159	\$1,230,000	\$81.14

Logo denotes a transaction that Colliers International was involved in

2019 Office Forecast

RENTS



Vacancy



Absorption



Construction





2019

Commercial Real
Estate Forecasts

Presented by CCIM

Johnson Perkins Griffin Q3 2018 Actual Vacancy

2.79%

Jessie Greer

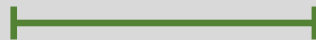


2.72%

Todd Blonsley
Other Guy

2.85%

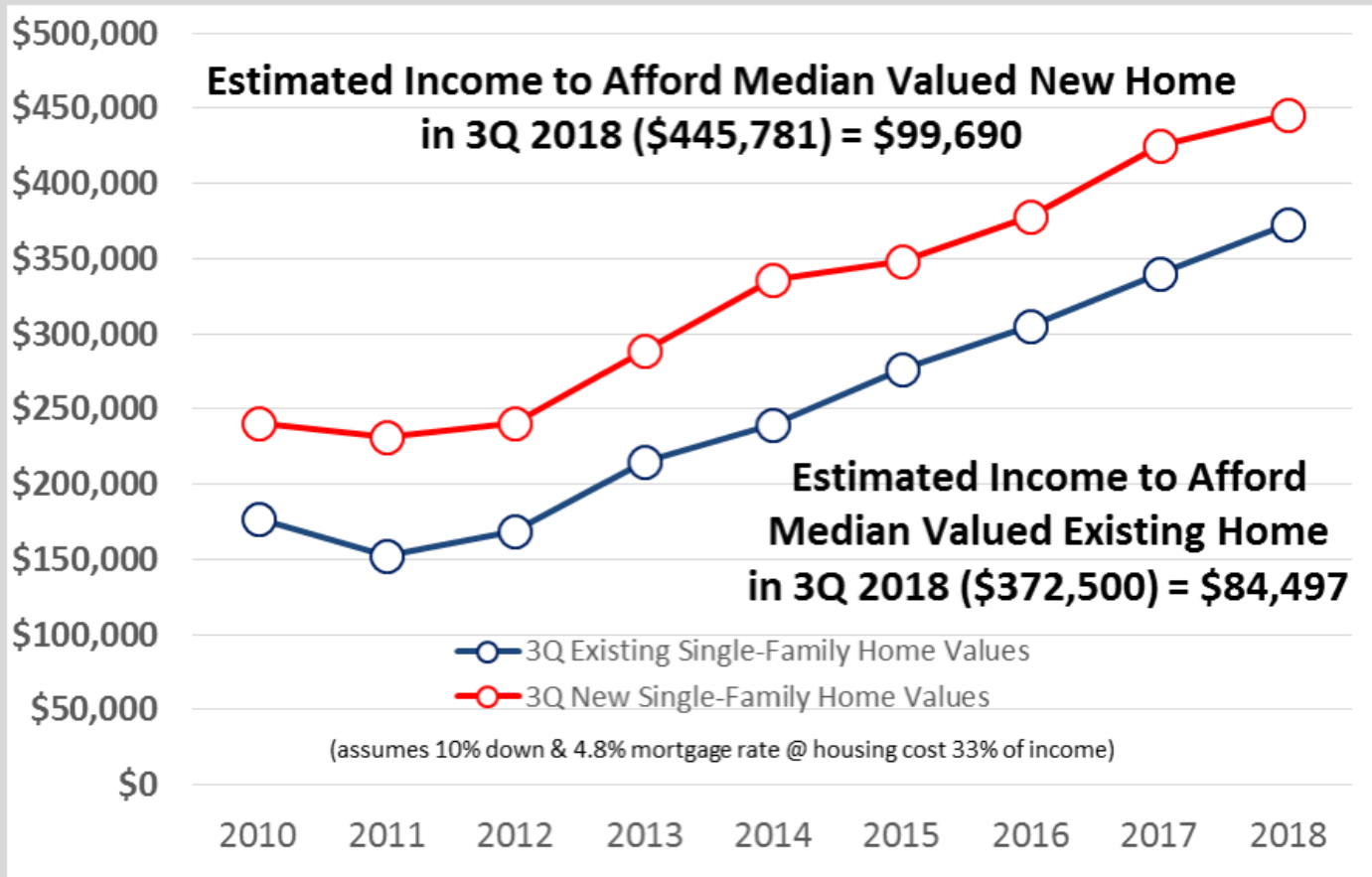
.07%



.06%



OVER



Instruction/Approved
Action/Approved

Sources: Center For Regional Studies

Thank you!



Jessie Rich-Greer MSRE, CCIM, CPM
Trusted Advisor to buyers, sellers and owners
Jessie.Greer@avisonyoung.com

775.332.7309



2019

Commercial Real
Estate Forecasts

Presented by CCIM

2019 Industrial Commercial Real Estate Forecast



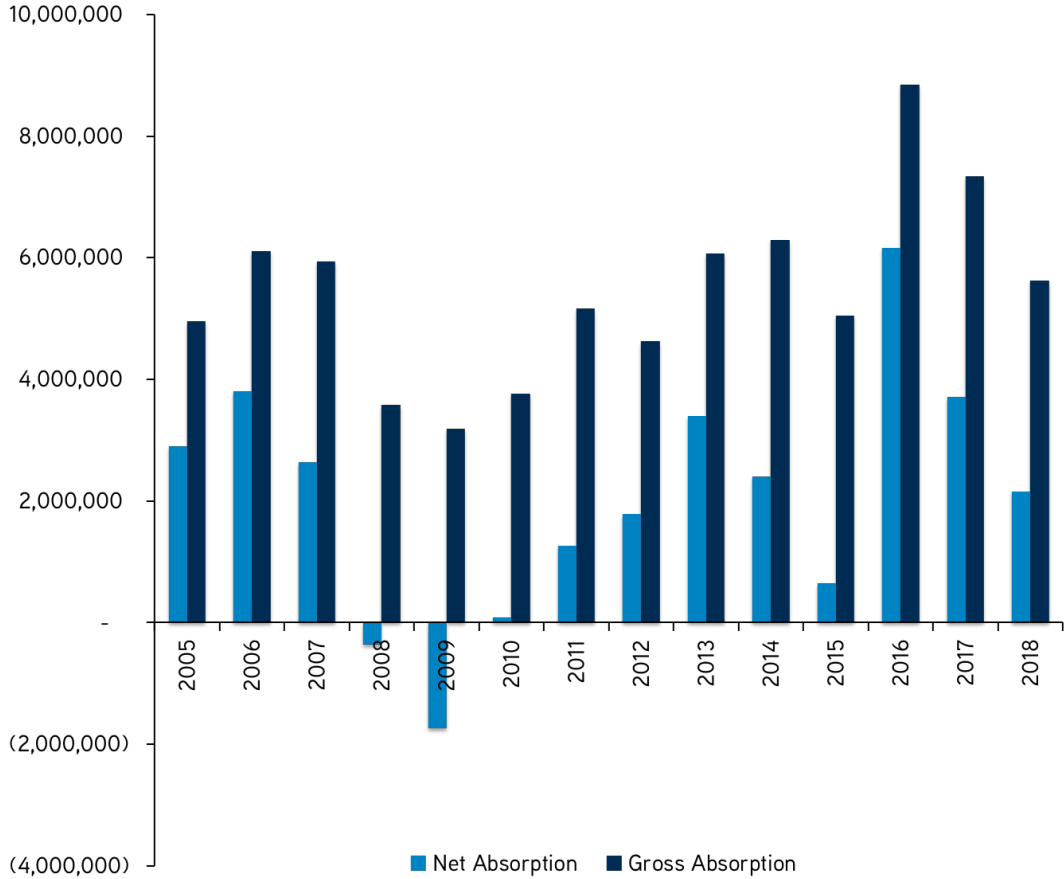
Chris Fairchild, CCIM, SIOR



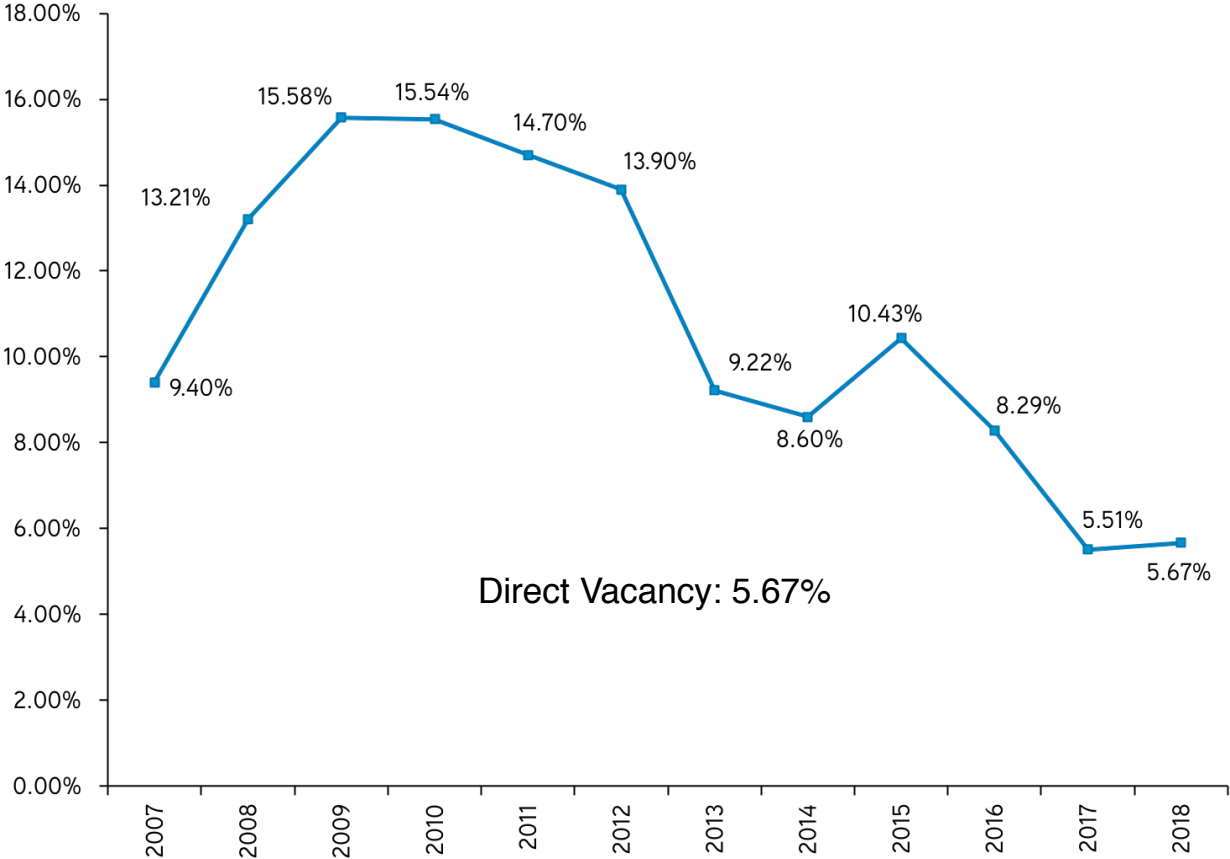
Key Takeaways

- Northern Nevada continues to see strong activity from manufacturers and distributors
 - Gross Absorption – 5.6 million square feet
 - Net Absorption – 2.2 million square feet
- Industrial construction in Northern Nevada remained strong in 2018 at 2.4 million square feet
- Lease rates and sale prices continue to climb due to lack of product. Vacancy at 5.67%

Gross vs Net Absorption



Vacancy Rate



2018 Top Leases

Address	Tenant	SF	Use
9550 N. Virginia Street	S & S Activewear	802,113	DST
555 Milan Drive	Confidential	566,875	DST
550 Boxington Way	ITS Logistics	271,152	DST
9460 N. Virginia St. #B	SupplyHouse.com	190,871	DST
375 Cabela Drive	Masonite	182,000	DST
870 Trademark	Elite Spice	174,493	MFG
1450 E Greg Street	Tranzonic	136,025	DST
12055 Sage Point	UPS	132,275	DST

2018 Investment Sales

NORTH VALLEY COMMERCE CENTER A & C

9460 & 9470 N Virginia Street
707,000 sf & 353,000 SF
\$76/SF
Seller - Panattoni
Buyer - Prism Realty Corporation
±5.0% Cap

MCKENZIE PORTFOLIO

Reactor Way, Icehouse Ave, Industrial Way
203,560 SF
Five Buildings - Multi Tenant
\$61/SF
Seller - McKenzie Properties
Buyer - Tolles Development
±6.5% Cap

SPARKS BUSINESS CENTER

Boxington, E Prater Way, Lillard Way
396,054 SF
Four Building - Multi Tenant
\$61/SF
Seller - A&B Properties
Buyer - Dermody Properties
±5.6% Cap

2018 Top Industrial User Purchases

8880 DOUBLE DIAMOND PKWY	1555 CRANE WAY	13805 MOUNT ANDERSON STREET
Peppermill Casinos Inc	Anderson Nevada LLC	DD Holdings LLC
\$5,600,000	\$3,000,000	\$5,060,500
45,362 SF	48,000 SF	61,132 SF
\$123/SF	\$63/SF	\$83/SF



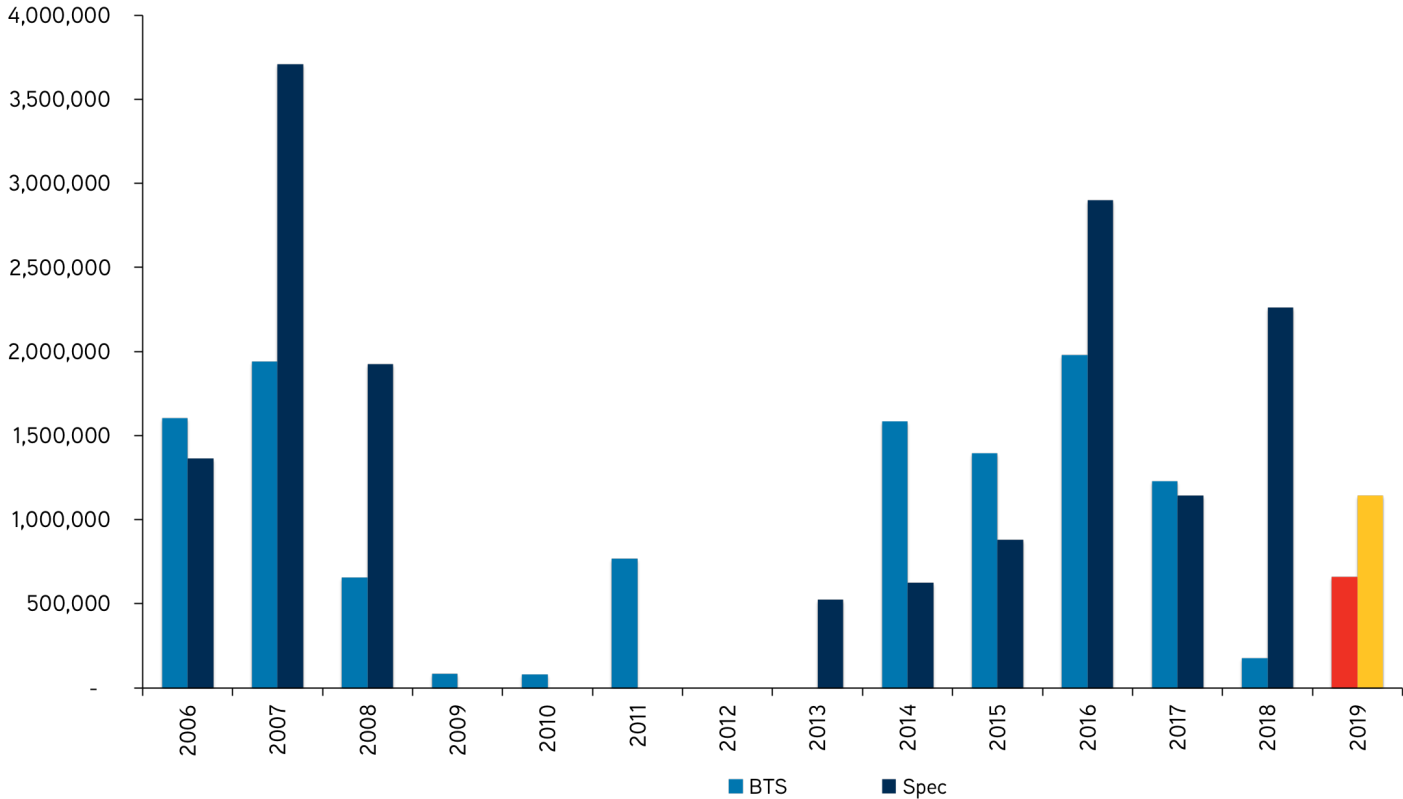
2018 Completed Construction

Developer	Site	Address	Tenant	Square Feet
Dermody Properties	Logisticenter I-80 Building 4	365 Cabela Drive	TBD	208,000
Dermody Properties	Logisticenter I-80 Building 3	385 Cabela Drive	TBD	183,750
Conco	245 E. Sydney Drive	245 E. Sydney Drive	TBD	630,240
Dermody Properties	LogistiCenter at 395 Phase II Bldg 2	8730 Military Road	TBD	436,368
Panattoni	North Valleys Commerce Center Building D	9550 N. Virginia Street	S&S Activewear	802,113
McKenzie Properties	843 Trademark Drive	843 Trademark Drive	Elite Spice	174,793
			TOTAL	2,435,264

2019 Projected Construction

Developer	Site	Tenant	Square Feet	Location
Scannell Properties	OnTrac North Valleys	9715 N Virginia Street	On Trac	185,000
Panattoni	North Valleys Commerce Center Building E	9560 N. Virginia Street	TBD	313,220
Ryan Companies	Crossroads Industrial Park	Crossroads	Polaris	475,000
Scannell Properties	Mustang Industrial Park	12475 Mustang Road	TBD	560,000
Panattoni	Longley Commerce Center	6550 Longley Lane	TBD	270,975
			TOTAL	1,804,195

Build to Suit vs Speculative Construction







Industrial Construction

Submarket	2019*	2018	2017	2016	2015	2014	2013
North Valleys	498,220	1,238,481	740,371	1,880,172	1,596,970	624,000	-
Sparks	-	-	200,000	409,600	-	606,000	-
Airport	-	-	-	-	-	-	-
South Reno	270,975	174,000	-	389,792	-	70,240	-
West Reno	-	391,750	477,000	-	-	-	-
East Sparks/TRIC	1,035,000	630,240	1,030,000	2,203,000	866,866	907,010	525,000
Total	1,804,195	2,434,471	2,447,371	4,882,564	2,463,836	2,207,250	525,000
Spec Totals	1,144,195	1,868,721	1,143,371	2,901,564	1,693,186	624,000	-
BTS Totals	660,000	174,000	1,304,000	1,981,000	770,650	1,583,250	525,000

*Projected

2019 Industrial Forecast

- Rents 
- Vacancy 
- Absorption 
- Construction 





2019

Commercial Real
Estate Forecasts

Presented by CCIM

2019 Retail Forecast

Ian Cochran, CCIM & Greg Ruzzine, CCIM
Retail Leasing, Sales, & Investment Specialists




LOGIC

The Highs and Lows in the Life of a Retail Broker



Sometimes you're the Dad.
Sometimes you're the Kid.

 LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com

The Lows... Are Pretty Low



800 SF vape shops DO NOT put food on the table.

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



But The Highs... Are Pretty High



Look at that
dreamy guy staring
off into
the future of
5 more Sprouts
locations in Reno...

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



LOGIC


The Future of Brick and Mortar Retail

amazon

Casper

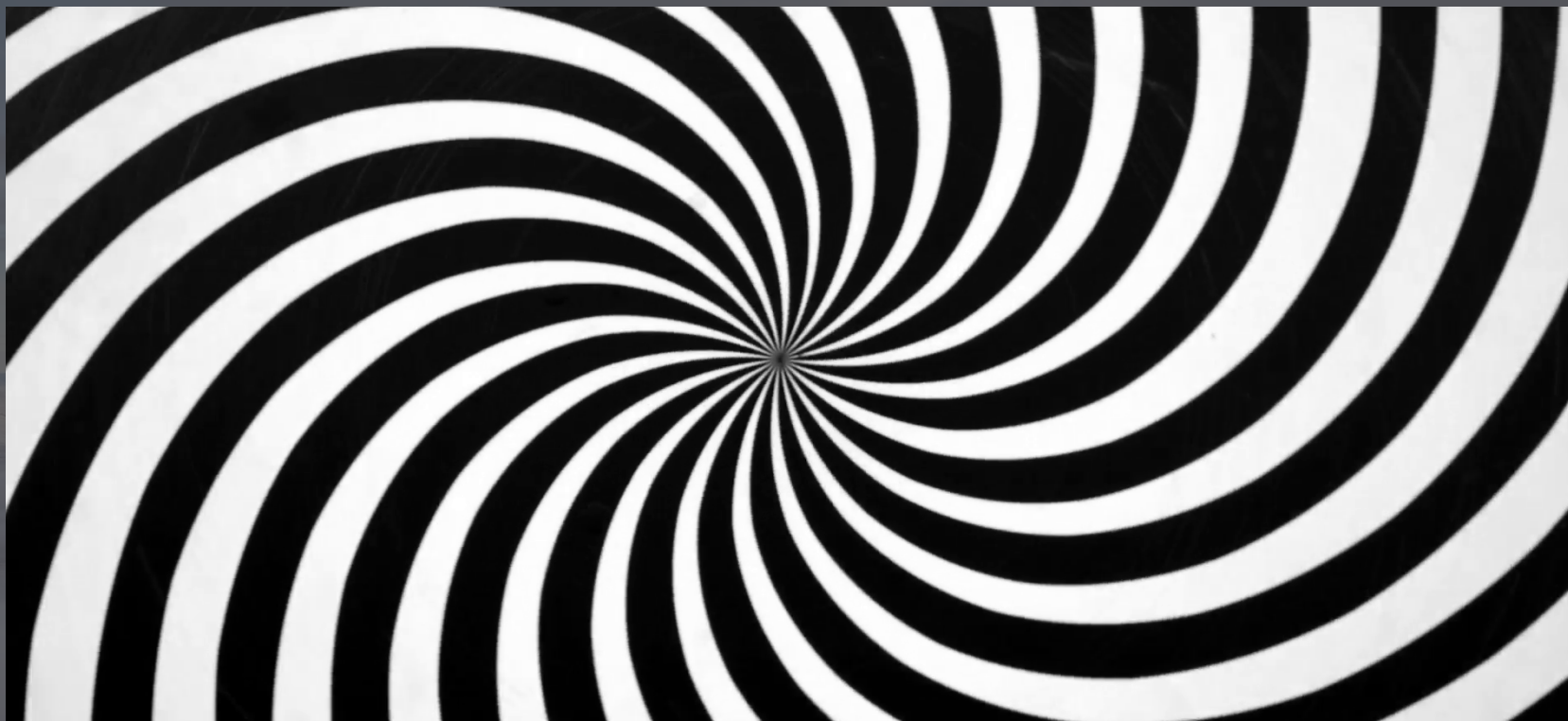
With the rise of online retailers, the question is:

Will brick and mortar retail survive?

 LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com

Stare Deeply into the Screen...



Brick and Mortar Retail will be here
FOREVER!!!

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



LOGIC

The Future of Brick and Mortar Retail



Amazon plans to add Whole Foods Stores to enhance their Prime Now delivery

Casper Mattresses plans to open 200 stores across the country

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



2019 Notable Lease Transactions



23,963 SF at Scheels - Sparks



24,473 SF at Airport Square - Reno



30,215 SF at Spanish Springs
Shopping Center



16,016 SF at Iron Horse
Shopping Center - Sparks



38,328 SF at Iron Horse
Shopping Center - Sparks

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



2018 Notable Investment Sales



Starbucks @ Robb & I-80
\$1.795 Million (\$890/SF)
4.7% CAP



Dairy Queen @ McCarran & Mae Anne
\$2.8 Million (\$1,028/SF)



Home Depot @ S. Virginia
\$15.9 Million (\$155/SF)
6.15% CAP



The Commons
\$20.3 Million (\$190/SF)

LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



Development in Reno-Sparks Area

The Village at
Rancharrah



The Loop - Reno
20,000 SF Spec Build



LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



LOGIC

Reno Market by the Numbers

Absorption



Lease Rates



Vacancy Rate



New Construction



LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com




2019 Vacancy & Rent Prediction

Vacancy Rate

6.0%

Lease Rate

\$1.55/SF NNN

 LOGIC Commercial Real Estate

100 W. Liberty St., Suite 820
Reno, NV 89501
775.800.4100 | www.LogicCRE.com



2019

Commercial Real
Estate Forecasts

Presented by CCIM