

---

---

# AN APPRAISAL REPORT

## OF

### 1775 E. 4TH STREET RENO, NV 89512

APN 008-211-50

AN OFFICE, SERVICE REPAIR GARAGE, RV STORAGE BUILDING  
AND A METAL STORAGE BUILDING  
CONTAINING A TOTAL BUILDING AREA OF 37,360± SF



SUBMITTED BY  
ANTHONY J. WREN, MAI, SRA  
CERTIFIED GENERAL APPRAISER #A.0000090-CG  
P.O. BOX 20867  
RENO, NEVADA 89515

---

---

**AN APPRAISAL REPORT**  
**OF**  
**1775 E. 4<sup>th</sup> STREET**  
**RENO, WASHOE COUNTY, NV 89512**

**APN 008-211-50**

**AN OFFICE, SERVICE REPAIR GARAGE, RV STORAGE BUILDING AND METAL A  
STORAGE BUILDING**

**CONTAINING A TOTAL BUILDING AREA OF 37,360± SF**

**PREPARED FOR**  
**Petra Bartella, CGMS**  
**Fiscal Compliance Officer**  
**Community Services Department**  
**Finance and Administration**  
**Washoe County Community Services Department**  
**1001 E. Ninth St., Bldg. A,**  
**Reno, NV 89512**

**EFFECTIVE DATE OF APPRAISAL**  
**June 6, 2022**

**DATE OF INSPECTION**  
**June 6, 2022**

**DATE OF REPORT**  
**June 22, 2022**

**SUBMITTED BY**  
**ANTHONY J. WREN, MAI, SRA**  
**CERTIFIED GENERAL APPRAISER #A.000090-CG**  
**P.O. BOX 20867**  
**RENO, NEVADA 89515**

ANTHONY J. WREN AND ASSOCIATES

P.O. BOX 20867  
RENO, NEVADA 89515  
(775) 329-4221

TONY WREN, MAI, SRA  
CERTIFIED GENERAL APPRAISER

SUSAN WREN  
EMERITUS RESIDENTIAL APPRAISER

June 22, 2022

Petra Bartella, CGMS  
Fiscal Compliance Officer  
Community Services Department  
Finance and Administration  
Washoe County Community Services Department  
1001 E. Ninth St., Bldg. A,  
Reno, NV 89512

RE: An appraisal of APN 008-211-50, an office, service repair building, Rv storage building and a metal storage building that contains a total building area of 37,360± sf.

Dear Petra:

I have made an inspection and analysis of the above-referred property, which is more specifically described in the following report. The purpose of this report is to estimate the "as is" market value as of June 6, 2022. Market value "as is" means an estimate of market value of a property in the condition observed upon inspection and as it physically and legally exists as of the date of valuation. Market value is defined in the body of the report.

The subject property is appraised as a fee simple estate, subject to the limitations of eminent domain, escheat, police power, and taxation.

The function of this appraisal is the use by the client for the purpose of purchasing APN 008-211-50, an office, service repair building, Rv storage building and a metal storage building that contains a total building area of 37,360± sf. The appraisal will not be used in connection with any loan application or for lending purposes. Any other utilization of this report without the prior written consent of the signer of this report is prohibited.

The accompanying appraisal report is being prepared in conformance with this appraiser's understanding of the appraisal requirements of the current Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation, as well as the Supplemental Standards required by the Appraisal Institute.

I attest that I have knowledge and experience to complete this assignment and have appraised this type of property before.

I have performed no services, as an appraiser, regarding the property that is the subject of this report, within a three-year period immediately preceding acceptance of this assignment.

After analyzing the current market data, a marketing period to sell the property is considered to be less than 12 months. This is based upon adequate exposure to the open market as well as competitive pricing.

The following report provides a summary physical description of the subject and a summary review of the pertinent data analyzed in forming the estimate of value for the subject property. Based on the examination and study made, I have formed the opinion that as of June 6, 2022, the effective date of valuation, the estimated Market Value is:

**FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS  
(\$5,500,000)**

Sincerely,

A handwritten signature in blue ink that reads "Anthony J. Wren". The signature is written in a cursive style with a large initial "A".

Anthony J. Wren MAI, SRA  
Certified General Appraiser #A.0000090-CG



## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

<b>Location:</b>	An office, service repair building, RV Storage building and a metal storage building containing a total building area of 37,360± sf
<b>Address:</b>	1775 E. 4th Street, Reno, Washoe County, Nevada 8512
<b>Location:</b>	E. 4 <sup>th</sup> Street between Line Drive and Threlkel Street
<b>Owner of Record:</b>	Reno Housing Authority
<b>Legal Description:</b>	Parcel A& B of Parcel Map No. 3372 for Wells Cargo Inc., according to the map of, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 2, as File No. 2224336.
<b>Assessor's Parcel No.:</b>	APN 008-211-50
<b>Zoning:</b>	MU- Mixed Use
<b>Present Use:</b>	An office, service repair building, Rv Storage Building and a metal storage building
<b>Highest and Best Use:</b>	An office, service repair building, Rv Storage Building and a metal storage building
<b>Land Area:</b>	
<b>APN 008-211-50</b>	206,779.32± sf or 4.747± ac
<b>Effective Date of Valuation:</b>	June 6, 2022
<b>Date of Inspection:</b>	June 6, 2022
<b>Date of Report:</b>	June 22, 2022

### Final Retrospective Value Conclusions:

Cost Approach	N/A
Income Approach	N/A
Direct Sales Comparison Approach	\$5,500,000.00

**FINAL RETROSPECTIVE ESTIMATE OF VALUE:** **\$5,500,000.00**  
 As of June 6, 2022

---

**TABLE OF CONTENTS**

	Page
Title Page . . . . .	
Letter of Transmittal . . . . .	
State Map . . . . .	1
Regional Map . . . . .	2
Area Map . . . . .	3
Reno/sparks Map . . . . .	4
Assessors Parcel Map . . . . .	5
Aerial Map . . . . .	6
Limiting Conditions . . . . .	7
Purpose of the Appraisal . . . . .	13
Function of the Appraisal . . . . .	13
Client . . . . .	13
Intended User . . . . .	13
Appraisal Report . . . . .	13
Scope of the Appraisal . . . . .	14
Effective Date of the Appraisal . . . . .	15
Legal Description . . . . .	15
Property Rights Appraised . . . . .	15
Owner of Record . . . . .	15
Land Area . . . . .	15
Topography . . . . .	16
Access . . . . .	16
Utilities . . . . .	16
Flood Zone Map . . . . .	16
Zoning . . . . .	17
Earthquake Zone . . . . .	18
Five-year Sales History . . . . .	19
Tax Data . . . . .	20
Special Assessments . . . . .	20
Reno Area Map . . . . .	21
Neighborhood Map . . . . .	41
Neighborhood Description . . . . .	42
Site Data . . . . .	45
Description of Subject Improvements . . . . .	47
Plot Plan . . . . .	48
Highest and Best Use Analysis . . . . .	82
Highest and Best Use as If Vacant . . . . .	83
Highest and Best Use as Improved . . . . .	87
Approaches to Value . . . . .	88
Sales Comparison Approach to Value . . . . .	89
Comparable Sale Chart . . . . .	90
Comparable Sales Location Map . . . . .	91
Comparable Sales Location Map . . . . .	92
Sales Data . . . . .	93
Comparison Factors . . . . .	109
Sales Analysis . . . . .	110

Summary and Conclusion of Value . . . . . 117  
Exposure and Marketing Time Analysis . . . . . 119  
Certification . . . . . 120  
    Addendum . . . . . 122  
    Qualifications of Appraiser . . . . . 1

### STATE MAP



### REGIONAL MAP

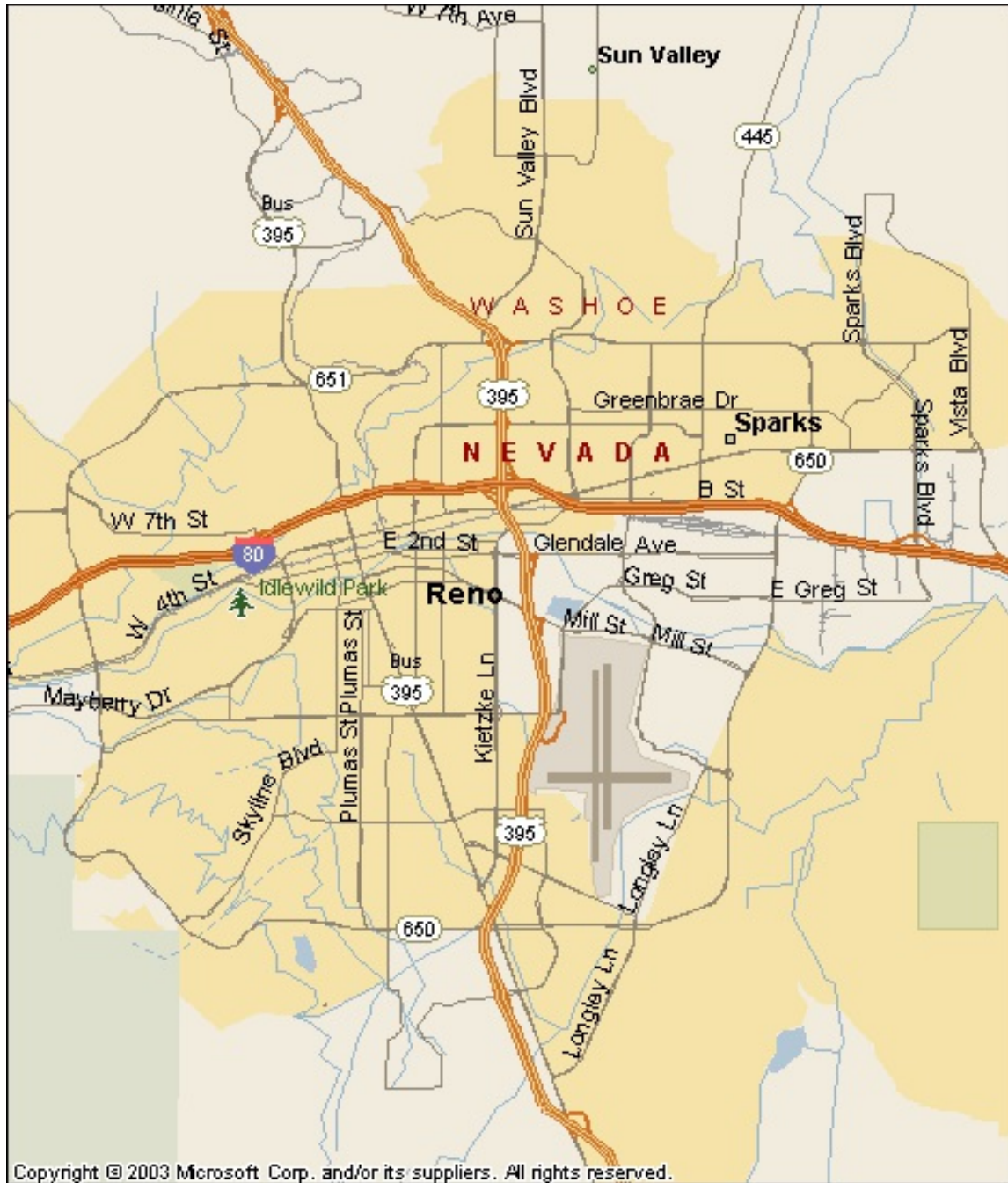




### AREA MAP



### RENO/SPARKS MAP







AERIAL MAP



---

---

## LIMITING CONDITIONS

### IN ACCEPTANCE OF THIS APPRAISAL ASSIGNMENT AND THE COMPLETION OF THE APPRAISAL REPORT SUBMITTED HEREWITH, IT HAS BEEN ASSUMED BY THIS APPRAISER:

#### 1. LIMIT OF LIABILITY:

The liability of Anthony J. Wren & Associates and employees is limited to the client only and to the fee actually received by the Appraiser. Further, there is no accountability, obligation or liability to any third party. If this report is disseminated to anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that if a legal action is initiated by any lender, partner, part owner in any form of ownership, tenant, or any other party, the client will hold the Appraiser completely harmless in any such action from any and all awards or settlements of any type, regardless of outcome.

#### 2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as the may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the appraiser. (See last item in following list for client agreement/consent).

#### 3. CONFIDENTIALITY:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser. The

Appraiser and firm shall have no responsibility if any such unauthorized change is made.

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the Appraisal Institute as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

**4. INFORMATION USED:**

No responsibility is assumed for accuracy of information furnished by work of others, the client, their designee, or public records. I am not liable for such information or the work of possible subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for such inclusion to the best of my factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds or subject property.

**5. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:**

The contract for appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report, and/or as agreed upon between the parties involved. The Appraiser or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

**6. EXHIBITS:**

Any sketches, maps, and photographs in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Site plans are not surveys unless shown from separate surveyor.

**7. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL COMPONENTS; SOIL QUALITY:**

No responsibility is assumed for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The

property is appraised as if free and clear, unless otherwise stated in the appraisal report.

The legal description is assumed to be correct as used in this report as furnished by the client, their designee or as derived by the Appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, soils and potential for settlement on drainage, matters concerning liens, title status and legal marketability and similar matters. The client should seek assistance from qualified architectural, engineering, or legal professionals regarding such matters. If a lender is involved then the lender and owner should inspect the property before any disbursement of funds. Further, it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural or other components. I have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimates consider there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm; however, subsidence in the area is unknown. The Appraiser does not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Condition of heating, cooling, ventilating, electrical, and plumbing equipment, is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for the subject property's age and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representations or warranties are made concerning the above mentioned items.

The Appraiser assumes no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.



**8. LEGALITY OF USE:**

The appraisal is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report, and that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report. It is further assumed that all required licenses, consents, permits, or other legislative or administrative approvals from all applicable local, state, federal and/or private authorities have been or can be obtained or renewed for any use considered in the value estimate.

**9. COMPONENT VALUES:**

The allocation of the total valuation in this report between land and improvements, if included in this report, applies only under the use of the property which is assumed in this report. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

**10. AUXILIARY AND RELATED STUDIES:**

No environmental or impact studies, special market study or analysis, special highest and best use study or feasibility study has been requested or made unless otherwise specified in an agreement for services or so stated in the report.

**11. DOLLAR VALUES, PURCHASING POWER:**

The market value estimated and the costs used are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and value of the dollar as of the date of the value estimates.

**12. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:**

The estimated market value, which is defined in the report, is subject to change with market changes over time. Value is highly related to exposure, time, promotional effort, terms, motivation and conditions. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the market place as of the date of value.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value and they are thus subject to change as the market changes.

The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraisal report and value estimate are subject to change if the physical or legal entity or the terms of financing are different from what is set forth in this report.

**13. INCLUSIONS:**

Except as specifically indicated and typically considered as a part of the real estate, furnishings, equipment, other personal property, or business operations have been disregarded with only the real estate being considered in the value estimate. In some property types, business and real estate interests and values are combined but only if so stated within this report.

**14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:**

Improvements proposed, if any, on-site or off-site, as well as any repairs required, are considered for purposes of this appraisal to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraiser. In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected, unless otherwise stated.

**15. MANAGEMENT OF THE PROPERTY:**

It is assumed that the property which is the subject of this report will be under typically prudent and competent management, neither inefficient nor superefficient

**16. FEE:**

The fee for this appraisal or study is for the service rendered and not solely for the time spent on the physical report itself.

**17. INSULATION AND TOXIC MATERIALS:**

Unless otherwise stated in this report, the Appraiser signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements. If such is present the value of the property may be adversely affected and reappraisal at additional cost will be necessary to estimate the effects of such.



**18. CHANGES, MODIFICATIONS:**

The Appraiser reserves the right to alter statements, analyses, conclusions or any value estimate in the appraisal if there becomes known to him facts pertinent to the appraisal process which were unknown when the report was finished.

**19. ACCEPTANCE AND/OR USE OF THIS APPRAISAL REPORT BY THE CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO THE STATED CLIENT AND NOT TO SUBSEQUENT PARTIES OR USERS, AND THE LIABILITY IS LIMITED TO THE AMOUNT OF FEE RECEIVED BY THE APPRAISER.**

---

---

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate a supportable "as is" market value as of the effective date of the appraisal, which is June 6, 2022. The purpose is for the possible purchase of an office, service repair building, Rv Storage building and a metal storage building containing a total building area of 37,360± sf.

### **FUNCTION OF THE APPRAISAL**

The appraisal was prepared for Petra Bartella, CGMS, Fiscal Compliance Officer Community Services Department, Finance and Administration, Washoe County Community Services Department. The function is to assist the client in the possible purchase of APN 008-211-50, an office, service repair building, Rv Storage building and a metal storage building containing a total of 37,360± sf. The appraisal is not to be used in connection with any loan applications or for lending purposes. Any other use of this report without the prior written consent of the appraiser is prohibited.

### **CLIENT**

The client is Petra Bartella, CGMS, Fiscal Compliance Officer, Community Services Department, Finance and Administration, Washoe County Community Services Department.

### **INTENDED USER**

It is the appraiser's understanding that the user of the report will be Petra Bartella, CGMS, Fiscal Compliance Officer, Community Services Department Finance and Administration, Washoe County Community Services Department, for the purpose of the possible purchase of APN 008-211-50, an office, service repair building, Rv Storage building and a metal storage building containing a total building area of 37,360± sf.

### **APPRAISAL REPORT**

It is the intention of Anthony James Wren, MAI, SRA, the appraiser, that this report be an appraisal report. The appraiser has made every effort to comply with USPAP standards as well as Supplemental Standards of the Appraisal Institute.

## **SCOPE OF THE APPRAISAL**

The appraiser, in preparation of this appraisal assignment, has made a physical inspection of the subject property and has taken sufficient photographs to adequately depict the property. The subject neighborhood was inspected by the appraiser to assist the appraiser in determining the characteristics of the neighborhood. Real estate signs on both vacant land and improved properties, were noted for later investigation and confirmation.

The valuation of the real estate was made considering the three approaches to value – the Cost Approach, Direct Sales Comparison Approach, and the Income Approach. The Cost Approach is not considered to be applicable nor necessary, and therefore has been omitted from this report. The Income Approach is not considered to be applicable nor necessary and therefore has been omitted from this report. A Direct Sales Comparison Approach has been included.

## **DEFINITION OF FAIR MARKET VALUE**

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite of a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus, whereby the sale is consummated on a specified date and the title to the property is passed from the seller to the buyer under the following conditions:

- a. The buyer and seller are typically motivated,
- b. The buyer and seller are well informed or advised and acting in what they consider to be their best interests,
- c. A reasonable time is allowed to expose the property for sale on the open market,
- d. Payment is made with United States dollars in cash or in terms of financial arrangements comparable thereto, and
- e. The sale price represents the normal consideration for the property and is

unaffected by special or creative financing or sales concessions granted by any person associated with the sale." <sup>1</sup>

### **EFFECTIVE DATE OF THE APPRAISAL**

The effective date of this appraisal is June 6, 2022. The date of inspection was June 6, 2022. All value conclusions contained herein reflect market conditions as of the date of value.

### **LEGAL DESCRIPTION**

According to Washoe County Records and a Grant, Bargain & Sale Deed recorded 12/11/2020 and recorded with Document No. 5116037 , the subject property is legally described as follows.

Parcel A & B of Parcel Map No. 3372 for Wells Cargo Inc., according to the map of, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 2, as File No. 2224336.

### **PROPERTY RIGHTS APPRAISED**

The subject property is appraised as a fee simple estate. A fee simple estate is defined as an absolute ownership unencumbered by any other interest or estate, subject only to the four powers of government.

### **OWNER OF RECORD**

According to county records, the subject property is currently owned by the Reno Housing.

### **LAND AREA**

The subject property contains one identifiable Assessor's Parcel Number. The parcel number is 008-211-50. The parcels contain 206,779.32± sf or 4.747± acres.

---

<sup>1</sup>Assembly Bill AB #80, effective June 18, 1993

## TOPOGRAPHY

The subject site is mostly above street grade and is considered to be level.

## ACCESS

The subject property has access via Line Drive on the west, Threlkel Street on the east. Access is considered to be both typical and adequate.

## UTILITIES

The subject site is provided with all available utilities. Water, gas, and electricity are provided by NV Energy. Sewer is provided by the City of Reno. Telephone is provided by AT&T, while cable television is provided by Charter Cable. Utilities appear to be typical and adequate.

## FLOOD ZONE

According to the Federal Emergency Management Agency (flood insurance rate map, community panel #32031C3045G, effective date March 16, 2009), the subject property is located in a Flood Zone X, or an area of minimal flooding.

## FLOOD ZONE MAP



## ZONING

According to public records, the subject property is zoned MU-Mixed use,  
18.02.307 - MU: Mixed-Use Urban

Purpose: the MU district is intended to promote an urban pattern of mixed-use development. The MU district is located adjacent to existing/planned high-frequency transit corridors, or where higher pedestrian activity is desired. The district accommodates an integrated mix of higher-density residential, commercial, retail, employment, and other service-oriented uses. Higher-intensity uses are located adjacent to designated Urban Corridors (Virginia Street, Fourth Street, Mill Street and Plumb Lane), with lower intensities near the adjacent residential districts.

Table 2-20 MU: Lot and Building Standards		
	<b>General Standards</b>	
A	Lot Width, minimum	30 ft
	FAR, minimum	Abutting Virginia Street and Fourth Street: 0.75 [1] Abutting other streets: 0.25 [1]
	FAR, maximum	—
	Density, minimum	Abutting Virginia Street and Fourth Street: 18 du/acre [1] Abutting other streets: —
	Density, maximum	—
	<b>Setbacks, minimum</b>	
B	Front (Virginia Street and Fourth Street)	18 ft [2]
	Front (Other streets)	12 ft [2]
C	Side	0 ft / 5 ft [3] [4]
D	Rear	0 ft / 5 ft [3] [4]
	Street-Facing Garage	20 ft measured from sidewalk or planned sidewalk to face of garage
	Building Separation	10 feet between principal buildings
	<b>Height, maximum</b>	
H	Height	— [5]
	Stories	—
	<b>Other</b>	
	Accessory uses/structures: See Chapter 18.03 Article 4	
	Site and building standards for mixed-use districts: See Chapter 18.04 Article 10	
	Development standards (parking, landscaping, etc.): See Chapter 18.04	
Notes:		
[1] See general standards for density in the MU district in Section 18.04.1003(a)(4).		
[2] See general standards for front setbacks in the MU district in Section 18.04.1003(a)(2)		
[3] A minimum zero-foot setback is allowed when the property line abuts an alley and at least 24 feet of backup space (including the alley) is provided from all garage doors and parking spaces that backup onto an alley.		
[4] The building shall be either placed on the property line or set back a minimum of 5 feet. However, if the building is located immediately adjacent to a residentially zoned property, a minimum setback shall be 5 feet.		
[5] Site Plan review required for building greater than 85 feet.		

## **EARTHQUAKE ZONE**

According to the current edition of the Uniform Building Code, Reno/Sparks is located in a Seismic Zone 3. This Zone encompasses areas which have a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity.

In an interview with a respected Nevada engineer, it was indicated to this appraiser that earthquakes of approximately 6.5 on the Richter scale would be associated with a Seismic Zone 3. It was further indicated to this appraiser that plans for commercial and residential structures are typically reviewed by a structural engineer due to earthquake hazards. Based upon a review of the Earthquake Hazards Map prepared by the Nevada Bureau of Mines and Geology for the Reno/Sparks area, the subject property is not near any specific fault. There are no faults that appear to pose any constraints on the development of the subject. Based upon an analysis of available data, it is this appraiser's opinion that the development of the subject property would not be impacted by earthquake hazards to a greater degree than is typical for the Reno/Sparks area. The conditions present are quite common throughout the Reno/Sparks area as well as throughout northern Nevada.

## **NUISANCES AND HAZARDS**

The subject property is improved with an office, service repair garage, metal storage building, constructed in approximately 1946. There is also a Rv Storage building build in 1999. The appraiser has inspected the subject property with the due diligence expected of a professional real estate appraiser. Based upon routine observation made during the appraisal process, this appraiser did not detect any signs of existing ground contamination, hazardous materials, or any other hazardous conditions on the subject site. However, the reader should note that the appraiser is not qualified to detect hazardous waste and/or toxic materials. If the reader feels it necessary, the appraiser would recommend an Environmental Phase 1 report be conducted on the subject site. The presence of hazardous substances and/or conditions could affect the value of the property. However, any comment by this appraiser that might suggest the presence or absence of substances or conditions should not be taken as confirmation of the presence or absence of contaminations, hazardous wastes, and/or toxic materials. Such determination would require



investigation by qualified experts in the field of environmental assessment. No responsibility is assumed by this appraiser for any environmental condition or for any expertise or engineering knowledge required to discover them. The reader should note that the value estimates developed in this appraisal report were predicated on the assumption that there are no adverse environmental conditions on the subject property which could cause a loss in value.

### **FIVE-YEAR SALES HISTORY**

The subject property has sold once in the past five years. The property was purchased by the Reno Housing Authority On December 11, 2020. Terms of the sale were not disclosed, so no further analysis of the sale can be made.

## TAX DATA

The subject property contains one Assessor's Parcel Number. The assessed value for the subject property is based upon a 35% assessment ratio of the Assessor's estimate of the taxable value of the individual subject parcels. The 2022-2023 taxes for the subject property are \$0.00\*.

As is discussed in the *Area Analysis* of this report, the Reno/Sparks area and the State of Nevada have a very favorable tax rate. There are no apparent or anticipated increases in taxes in the foreseeable future, nor are there any anticipated assessments that would affect the subject property. The taxes for the subject property are typical for the area and do not appear to have any positive or negative effect on the overall value of the subject improvements. Taxes on the improvements are considered to be typical for the area and again, do not appear to have an overall effect on valuation. The following chart sets forth the summary of tax data for the parcel contained in the subject property.

### SUMMARY OF TAX DATA

A.P.N.	Assessed Value		Total Assessed Value	2022-2023 Taxes	Taxable Value
	Land	Improvements			
008-211-50	\$1,661	\$334,212	\$335,874	\$0.00*	\$959,641

\*Taxes are exempt.

### SPECIAL ASSESSMENTS

The appraiser has contacted the Washoe County Treasurer's Office to determine if there are any special assessments against the subject property. As of June 6, 2022, a representative with the Treasurer's Office indicated to this appraiser that there are no current pending special assessments against the subject parcel.

### RENO AREA MAP



---

---

## RENO/SPARKS AREA DESCRIPTION

The Reno-Sparks urban area is Nevada's second largest population center, after the Las Vegas metro area. The metro area is traversed by the Truckee River, giving rise to the region's common name as the Truckee Meadows. The Truckee Meadows encompasses Rattle Snake Mountain at Huffaker Park, following the span of Steamboat Creek to the southern east end of Washoe and Storey County ending at the base of the Virginia Highlands. The Truckee Meadows is a north-south basin covering approximately 94 square miles in western Nevada. It is bounded on the east by the Virginia Range, on the west by the Carson Range, on the south by the Steamboat hills, and on the north by Peavine Peak. The Northern Nevada business and economic climate is currently experiencing a major boom. The Reno/Sparks market is comprised of 84 million square feet of industrial space and 7 million square feet of office space with 3 million square feet classified as Class A. Commercial real estate is quickly being leased up as more businesses are establishing operations in Northern Nevada, following the footsteps of Google, Tesla, Switch and Apple. Nevada offers these companies one of the most business-friendly environments in the country along with favorable incentives and a high quality of life. The region's optimal location to San Francisco, Portland, Salt Lake City, Las Vegas and Los Angeles all within a day's drive, is another added benefit.

### Population

Robust population growth was the dominant feature of the Truckee Meadows' economy for several decades. The following chart sets forth a summary of the area's current population and depicts recent population trends.

The 2008 Nevada State Demographer's Forecast of Washoe County Population  
(2008 – 2030)\*

Year	Population
2008	426,966
2009	436,776
2010	445,329
2011	453,875
2012	462,514
2013	471,132
2014	479,581
2015	487,936
2016	496,119
2017	503,940
2018	511,366
2019	518,351
2020	524,944
2021	531,204
2022	537,270
2023	543,087
2024	548,709
2025	554,134
2026	559,373
2027	564,448
2028	569,371
*2029	576,491
*2030	583,612

Source: Washoe County and Nevada State Demographer.

Robust population growth supported an active and relatively healthy housing industry for many years. In the early 2000s, building spiked upward, fueled in part by unsustainable demand from the junk-lending boom. When the sub-prime lending market collapsed, demand virtually ceased overnight, leaving homebuilders in Reno with huge inventories of unsold homes and land in various stages of development. The area has seen a robust recovery over the last few years, starting in about 2014 and continuing strong onto 2022.

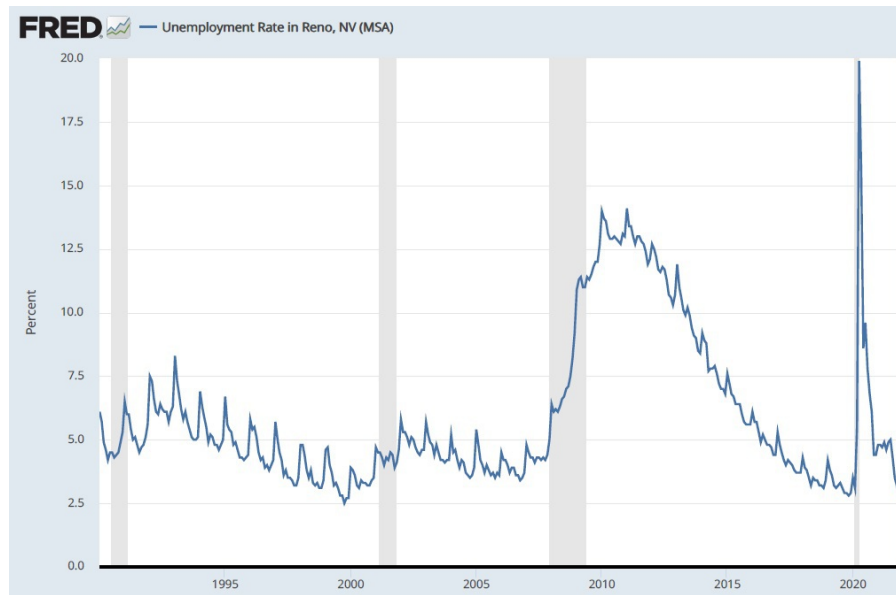
### Employment

Employment in the Truckee Meadows was dominated by the gaming industry from the 1950s. By 1980, Nevada had lost its exclusive franchise on gaming and the industry started to lose market share to competing locations. However, gaming related employment was still the area's dominant sector in 1990, when leisure and hospitality employment (hotels, gaming, and recreation) accounted for approximately 26% of the area's employment. By 2000, gaming's decline, and the expansion of the area's non-gaming employment, had decreased the gaming sector share to 22% of total employment.

The 2008-09 national recession was especially hard on Washoe Valley's key industry. By 2012, leisure and hospitality employment had dropped to approximately 17.5% of total employment. Because the total number of persons employed in all sectors declined during the recession, gaming employment's share is calculated on a smaller employment base. The 2014 statistics reveal a decline in real numbers for the gaming sector. The total number of leisure and hospitality employees was 42,900 in 1990, but 35,500 in 2014. This represents a real loss of 7,400 jobs or 17.25%.

As of December 2021, the Nevada Department of Employment Security reported Washoe Valley MSA unemployment at 6.40%, compared to national unemployment of 4.0%. This report shows a continued rebound in employment growth in Nevada with the state adding 3,700 jobs in December 2021. This growth was spread across many different industries with the leisure and hospitality industry growing the most. The Las Vegas Metropolitan Statistical Area alone added 1,000 jobs in leisure and hospitality. The state's unemployment rate continues to drop, with the seasonally adjusted unemployment rate falling from 6.9 percent in November 2021 to 6.4 percent in December 2021 and the unadjusted unemployment rate falling from 5.4 percent to 5.2 percent. The state's labor market is continuing its recovery as we emerge from the COVID recession, particularly in the industries that were hit hardest by the pandemic" said David Schmidt, Chief Economist.

The Reno MSA's unemployment rate was 2.8 percent in December 2021, decreasing from 2.9 percent in November 2021, and down from 4.4 percent in December 2020, non-seasonally adjusted. The number of unemployed individuals decrease by 275 since November 2021 for a current level of 7,521 people, which is 4,214 less unemployed people than December 2020. The labor force in Reno is currently 264,813 people, which is 838 less people than November 2021, and is up 718 people since December 2020.



## Transportation

Reno/Sparks is traversed by Interstate 80, which provides direct freeway access from Washoe Valley to the San Francisco Bay area in four hours and to Salt Lake City in eight. US Highway 395 traverses the area north-south, and provides direct access to interior Washington, Oregon and southern California.

The area is served by Reno/Tahoe International Airport, as the 63rd busiest commercial airport in the nation, Reno-Tahoe International Airport (RTIA) serves approximately 4.1 million passengers per year. Located 5 minutes from downtown Reno and 40 minutes from some of the finest ski resorts and outdoor recreation in the world, Reno-Tahoe International is the Gateway to Lake Tahoe and the entire region.

This airport has service by 11 airlines with more than 73 daily flights that serve 27 non-stop destinations. The airport also prides itself on a high level of customer service and convenience. Cargo volumes at the Reno/Tahoe International Airport were up in each of the past four years suggesting that the national recovery is having a positive impact on the region's warehousing industry. The abundance of distribution warehouses in the area serve the larger Northern California and western regional markets and have benefitted from modest recoveries regionally.



## **Tourism/Gaming**

New Jersey voters passed a referendum legalizing gaming in Atlantic City in 1976. Since then, gaming in some form, whether state lotteries or full casino gaming, has spread across the US. During the same period, Indian gaming has proliferated as well. There are now few major metropolitan areas in the US that are more than a few hours' drive from legal gaming venues.

The Reno-Tahoe market in particular has lost market share to California Indian casinos. Unlike Las Vegas, which is an international gaming destination, the Reno-Tahoe market is largely regional. Most Reno visitors drive from northern California. A significant portion of this market is now intercepted at Indian gaming properties in northern California, several of which rival any of Reno's major gaming resorts in size and quality.

The Nevada Gaming Control Board has reported that Washoe County Gaming Revenues reversed their downward trend with small improvements over the past two years. Clark County revenues have improved in each of the past 4 years but remain 9% below their peak. State wide, gaming revenues have also improved over the past four years but remained nearly 12% below their peak. Recently gaming revenues have been rebounding across the state.

Although tourism and gaming are still important to the local economy, they no longer dominate it. The last new, ground up casino built in downtown Reno was the Silver Legacy in the early 1990s. A number of old casinos in the downtown core have been converted to condominiums. Local officials are hopeful that new residential demand will be the economic engine that drives the rebirth of downtown Reno.

## **Trade**

Reno is the largest city in a relatively sparsely populated region which encompasses much of northern Nevada, eastern California and southeastern Oregon. As such, it is a regional trade center. The Reno/Sparks area has two large regional shopping malls and over 90 neighborhood shopping centers with more than 13,000,000 square feet of retail space. The majority of the area's retail space is scattered throughout the region's suburban residential neighborhoods.

Reno MSA Leading Index<sup>1</sup> declined between March and April 2021,

though it still exceeds pre-pandemic levels, a trend started September 2020.

The RLI shows a 2.39% decline between March and April 2021. The index increased by 29.99% over the same period last year (April 2020 to 2021). This is the first full month of the index comparing pandemic levels month to month and previous year, as the initial impact of COVID-19 occurred in March 2020.

There are two reasons for the decline in the monthly index. The biggest reason is taxable sales in April 2021 are estimated are relatively regular levels, compared to March 2021 which experienced the second highest sales level (second to December 2020) recorded. As a result, while April levels are not lower than expected, they show a strong decline compared to historically high March levels. The second reason is the increase in the initial claims of unemployment compared to the previous month.

All series are showing significant improvements compared to April 2020, which was the full first month of pandemic impacts. This indicates recovery from the pandemic is well on its way in the region.

### Reno MSA Leading Economic Index

Series	Latest Period-	Prev. Period-	Change	Prev. Year-	Change
	April 2021	March 2021	Prev. Period	April 2020	Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	449,048,103	582,426,991	-22.90%	396,403,019	13.28%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	51,076,248	48,092,477	6.20%	631,289	7990.79%
# of Single Family Homes Sold (Washoe Co., SA)	763	742	2.81%	670	13.90%
Airport Passengers (RTIA, SA)	255,012	229,393	11.17%	17,809	1331.91%
Airport Cargo Lbs. Shipped (RTIA, SA)	13,719,115	13,349,437	2.77%	12,064,672	13.71%
Initial Claims for Unemployment (Nevada, SA)	11,083	10,665	3.92%	55,917	-80.18%
S&P 500 Index (US, CPI)	2,379	2,266	4.99%	1,684	41.28%
M2 Money Supply (US, CPI)	11,474	11,446	0.24%	10,116	13.43%
<b>Leading Index Result</b>	<b>177.68</b>	<b>182.04</b>	<b>-2.39%</b>	<b>136.69</b>	<b>29.99%</b>

Source: US Department of Labor, Nevada Gaming Control Board, Washoe County Assessor/Center for Regional Studies (UNR), Federal Reserve Bank of St. Louis, Nevada Department of Taxation, Reno-Tahoe International Airport (RTIA).

SA-Series results are seasonally adjusted.

CPI-Series results are adjusted for inflation to 1995.

### EDUCATION:

The Washoe County School District administers all public schools (K-12) in the county. The district includes 64 elementary schools, 15 middle schools and 12 high schools. There is also an occupational high school and a facility for the handicapped. The school district employs approximately 7,400 people and serves more than 63,635 students. School enrollment has been growing at about 5% per year. There are

approximately 12 private schools in the Truckee Meadows area including Bishop Manogue High School with an enrollment of approximately 675. Recently Washoe County School District built two new high schools, and several elementary schools to fit its growing population.

Higher education is provided by Truckee Meadows Community College and the University of Nevada, Reno. Truckee Meadows Community College, founded in 1971, serves nearly 10,000 students.

**MEDICAL:**

City and county residents have a wide array of medical services available in the Reno/Sparks area. The facilities serve the Truckee Meadows' existing permanent population and its nearly 10 million annual visitors. There are seven hospitals including Renown Medical Center, recently expanded, St. Mary's Regional Medical Center, Northern Nevada Medical Center, the Ioannis A. Lougaris VA Medical Center, which is expanding, Nevada Mental Health Institute, also expanding and West Hills Hospital, an acute care psychiatric facility.

**GOVERNMENT:**

The unincorporated areas of Washoe County are governed by a board of five elected commissioners, with a county manager administering day-to-day operations. Reno and Sparks are governed by a mayor and six councilmen, all elected by popular vote.

Law enforcement in the Truckee Meadows area is provided by each jurisdictional police force. Each of the cities and counties provides fire protection to their respective areas.

**UTILITIES:**

All necessary utility services are available within the Reno/Sparks area. NV Energy Company produces and distributes electricity and natural gas in the area. Water service is provided by TMWA within the urban areas. In rural areas, natural gas and water services are provided by wells and propane tanks. Sewer service within the urban areas are provided through the Reno/Sparks Joint Sewer Treatment Plant or by the Washoe County Sewer Treatment Plant. However, in many outlying areas sewer service is provided by individual on-site septic tanks. Telephone service in the area is provided by AT&T, while solid waste disposal is provided by Reno Disposal or Sparks

Sanitation Company.

## **TELEVISION AND NEWSPAPERS:**

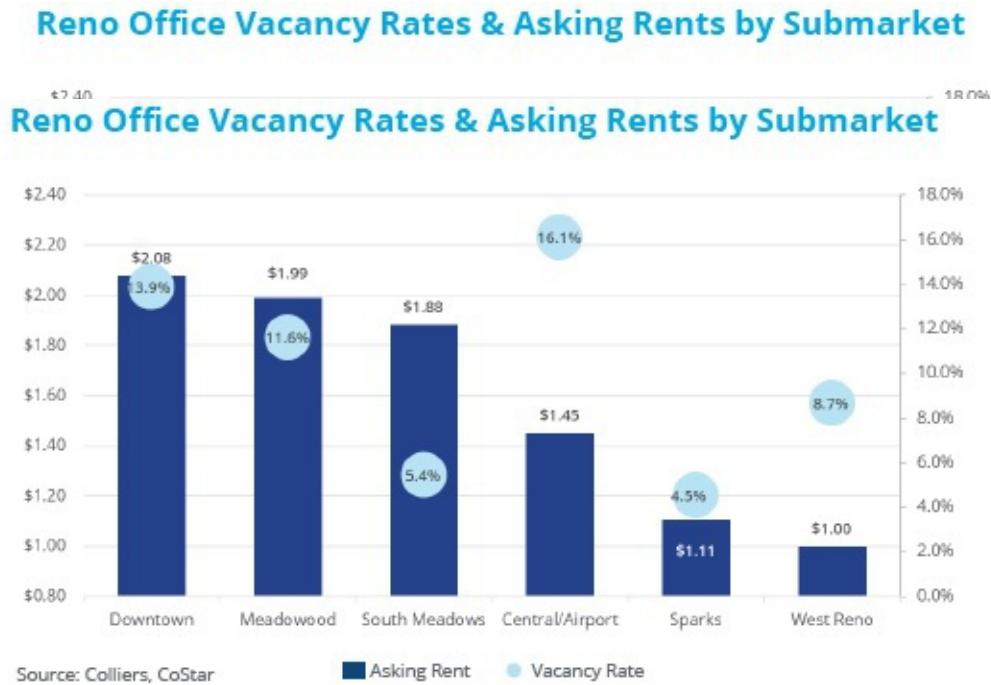
One large daily newspaper providing Sunday delivery, plus other smaller local newspapers service the area. Five major TV stations are located in the Truckee Meadows. Four stations are affiliated with major networks, and one is a public (PBS) station. Twenty radio stations (approximately three AM, seventeen FM) supply a wide range of radio broadcasting. Additional newspapers, TV stations (cable TV), and radio stations are available from Sacramento and San Francisco Bay areas.

## **Office:**

The Reno office market ended 2021 with positive momentum. The 4<sup>th</sup> quarter of 2021 concluded with an impressive 145,558 square feet of positive net absorption. Outside of the 95,000 square foot Panasonic lease at 645 E Plumb Lane, we have continued to see smaller local and regional office tenants carry the weight in driving down vacancy rates. Overall vacancy rates are nearing pre-pandemic levels as we cautiously start to think the worst of the pandemic is finally behind us.

What then will be the big trends we see in 2022? Will the larger companies that implemented a hybrid or work from home order adjust their strategy? How will Landlords continue to adapt to new tenant demands concerning flexibility and layout changes? Will inflationary risk start to affect the leasing market rates, annual escalations, and tenant improvement concessions? No matter what we see in 2022, the past two years can tell us that the Reno office market is resilient and adaptable.

The office sales market saw a strong overall year in Washoe County. There were increases across the board in overall volume, price per square foot, and number of sales. Both volume and the number of sales nearly doubled year over year. Despite any naysayers of the office market, our area's stabilized and well positioned investment sales are still attracting a rush of multiple offers. Owner users looking to acquire real estate are having a hard time finding available properties, so it still feels very much like a seller's market. There were not any sales transactions over \$3 million in 4<sup>th</sup> quarter 2021, but the smaller to mid-size deal size is very active with local and regional investors.

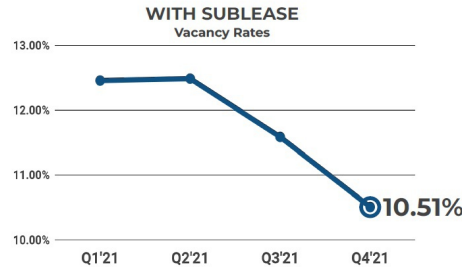
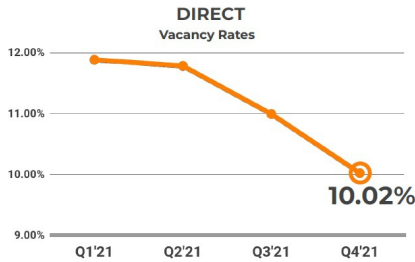
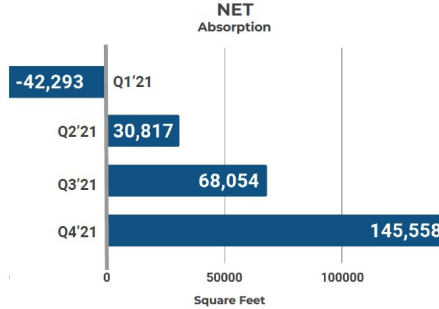
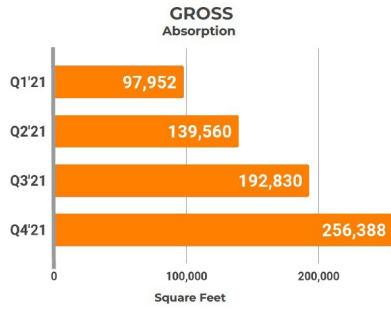


## VACANCY AND ABSORPTION

With strong leasing activity in the second half of 2021, annual net absorption reached 132,519 square feet, the highest total since 2019. The market’s occupancy gains in 2021 more than made up for negligible occupancy losses in 2020. Reno proved to be more resilient than many larger markets throughout 2021, with minimal sublease space entering the market and stable or declining vacancy rates. Robust tenant demand 4<sup>th</sup> quarter 2021 dropped the vacancy rate down 100 basis points year-over-year to 11.6 percent. The Downtown sub-market saw some of the largest occupancies of the 4<sup>th</sup> quarter 2021, with Washoe County moving into a 7,308 square foot space at 170 South Virginia Street. Downtown’s vacancy rate also improved in 2021, decreasing 280 basis points year-over-year to 13.9 percent.

NORTHERN NEVADA  
OFFICE

Q4



**Sales**

2021 saw renewed investment in office assets after nearly two years of sluggish sales activity. Annual sales volume of \$222.8 million was the highest deal volume recorded since 2018, thanks to a strong 4<sup>th</sup> quarter 2021, at \$56.0 million. Demand for office properties has remained high in 2021, and limited supply has pushed pricing to new heights. The average price per square foot has continued to grow, reaching \$227.72 in the 4<sup>th</sup> quarter 2021, up 20.0 percent year-over-year. 2022 year should see rising buyer interest, continued cap rate compression, and further pricing growth.

**MARKET FORECAST**

The Reno/Sparks region experienced a strong economic recovery in 2021. Faced with continued mitigation measures and business restrictions for new COVID variants, Northern Nevada remained flexible and resilient. The regional unemployment rate dropped 150 basis points year-over-year to 2.9 percent in November 2021, according to the Nevada Department of Employment, Training and Rehabilitation (DETR). In this same period, Washoe County added 9,500 jobs as total employment increased 4.0 percent. A recent EDAWN (Economic Development Authority of Western Nevada) article highlighted some 59 companies that either relocated or expanded

operations in the area in the past two years. Over half of these companies are in the technology or manufacturing space and will bring many high-paying jobs to the region. These companies alone are projected to add about 5,600 jobs in the next five years. This new batch of businesses are planting their roots in the region, with 29 of these companies relocating their headquarters to Northern Nevada. Reno/Sparks has been undergoing a renaissance as developers are building new properties and adapting existing properties to fit the needs of an evolving market. Proposed Skypointe is a speculative mixed-use project which will include one of-a-kind open-air shopping, restaurants, and office space just northwest of the Meadowood Mall. Scheduled to break ground in early 2022, this new development is slated to introduce 150,000 square feet of Class A office space to one of the most sought-after sub-markets in the area. Sales Activity 2021 saw renewed investment in office assets after nearly two years of sluggish sales activity. Annual sales volume of \$222.8 million was the highest deal volume recorded since 2018, thanks to a strong 4th quarter 2021 at \$56.0 million. Demand for office properties has remained high through out 2021 and on to 2022, and limited supply has pushed pricing to new heights. The average price per square foot has continued to grow, reaching \$227.72 in the 4<sup>th</sup> quarter 2021, up 20.0 percent year-over-year. The 2022 year should see rising buyer interest, continued cap rate compression, and further pricing. Redevelopment of the historic Harrah's Casino in Downtown Reno, is currently being renovated and will add roughly 105,000 square feet of office space to the market in early 2022, along with 530 apartments and 80,000 square feet of retail space. Some of the office space is already in lease negotiations according to industry experts. Northern Nevada's office market picked up tremendous momentum this past year, with steady rent growth, declining vacancy, and surging investor demand. Additionally, regional employment improved to pre-pandemic levels by the end of 2021. "Home Means Nevada" for a large group of businesses and individuals that have continued to relocate to the area in recent years. With this burst of new opportunities, the region is poised for continued economic growth in 2022.

### Reno Office Sales Activity



## Construction

Village at Rancharrah Transformed into a community at 7100 Rancharrah Parkway on a 140.80 acre property. Currently has one office building space available with 4,436 SF.

New UHS Hospital Full service hospital at intersection of Double R Blvd and Longley Ln is projected to be 350,000 SF of hospital and medical office space after the initial phase. The new hospital, opening in 2022, will include 200 private patient rooms and 262 beds.

New Renown Expansion of South Meadows Hospital Renown plans to expand its 16.164 acre hospital site at 10101 Double R Blvd with 154,000 gross SF of new surgery rooms, public spaces, new facade and upgrades for the Medical Center. Majority of this project should be done by fall of 2023.

Reno City Center Former Harrah's property being redeveloped by CAI investments. Plans call for a mixed-use complex with 530 apartments, 150,000 square feet of office space and 78,500 square feet of retail (including a potential grocery store). The large plaza in front of Harrah's will be transformed to public green space with open seating.

223 Court Street - Kimpton hotel project being developed by CAI, starting in May 2021, 75,000 square feet of class A office space, upscale international boutique hotel with 271 rooms, and 45 branded residential units.

Skypointe Southeast corner of McCarran Boulevard and South Virginia Street, will offer a six story building with 180,000 SF of office space and 50,000 SF of



energized retail and restaurant space.

Mayberry Gardens Office Project - 5 building, 23,200 square foot office and medical development. Under construction.

UNR Gateway Project - At the northern tip of downtown, the University has acquired all the land for the proposed Gateway Project that will include a new Life Sciences building, College of Business and a parking structure with a skyway bridge connecting to the path on Manzanita Lake. A new RTC Rapid transfer station is also part of this multi-block development project.

RED (Reno Experience District) Tech campus includes 4 proposed buildings totaling 382,000 square feet One 6-story building offers ±132,000 sq. ft of rentable workspace two 5-story buildings offer ±220,000 sq. ft of rentable workspace One 1-story building offers ±30,000 sq. ft. of rentable workspace Bonde Lane Single-story Medical Office, ±30,000-35,000 sq. ft. Construction commencing January 2022.

### **Industry:**

Reno's Industrial rental rate growth in 2021 was one of the largest in the country. This highlights our overall lack of, and increasingly high demand for, industrial product. It is anticipate that pre-easing throughout the year and into 2023 for most evelopments.

In a year marked by intense tenant demand, incredibly low available inventory, and astronomical rent growth, Reno's industrial market posted a record year of growth despite glaring logistical hurdles relating to labor, land, and steel. 4<sup>th</sup> quarter 2021 net absorption of nearly 888,000 square feet pushed annual net absorption to roughly 5.7 MSF in 2021, the highest the market has seen in five years. Vacancy continued its dramatic downward plunge as the market ended the year 2021 at a new low point of 1.1 percent. With the ongoing swell of households into Northern Nevada signaling a bolstered labor market, further signs of relief are in the future as construction costs begin to moderate and material delays begin to improve.

## Market Fundamentals



Robust tenant demand compressed the industrial market's vacancy rate to yet another all-time low in 2021. Vacancy declined 320 basis points year-over-year to 1.1 percent in Q4 2021. The supply deficit grew larger this year as a net of 5.7 MSF of space was absorbed while only 1.9 MSF of new product was delivered. With nearly 6 MSF under construction and more projects in the pipeline, there could be some relief on the horizon for relocating tenants.

## Historic Comparison

	20Q4	21Q3	21Q4
<b>Total Inventory</b> (in Thousands of SF)	98,947	101,478	101,959
<b>New Supply</b> (in Thousands of SF)	362.3	639.6	30.0
<b>Net Absorption</b> (in Thousands of SF)	1,500.2	1,046.7	887.7
<b>Overall Vacancy</b>	4.3%	1.8%	1.1%
<b>Under Construction</b> (in Thousands of SF)	1,582.5	4,251.6	5,836.5
<b>Overall Asking Lease Rates (NNN)</b>	\$0.51	\$0.64	\$0.68

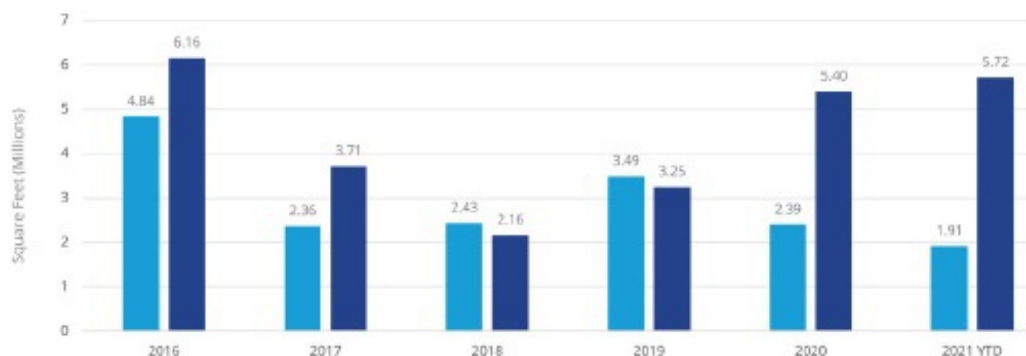
## Vacancy:

Just as it did in many larger warehouse and distribution markets, regional vacancy continued its nose dive in 2021. Persistent tenant demand over the past four quarters pushed annual net absorption to 5.7 MSF and compressed vacancy to a record low of 1.1 percent by the end of 2021. With such a scarcity of vacant space, market rents experienced unprecedented growth in 2021. Direct average asking rates grew 5.9 percent quarter-over-quarter to \$0.68 per square foot on a triple-net basis, which is a 33.3 percent increase over the fourth quarter of 2020.

## SUPPLY AND DEMAND:

The Economic Development Authority of Western Nevada (EDAWN) celebrated 59 companies that have either relocated or expanded operations in Reno/Sparks over the past two years, with a majority of them in the technology and manufacturing industries. These expansions have placed increased pressure on existing warehouse and manufacturing space in the region. In 2021 alone, the market saw absorption well outpace the amount of 1.9 MSF of new supply delivered. The next construction cycle is set to deliver an incredible amount of product to a market met with relentless demand in recent years. However, much of this new space is being leased by delivery. 2022 could see upwards of 5.8 MSF of new build-to-suit and speculative product, with a large portion of this new space already pre-leased.

### Reno Historical Industrial Supply & Absorption



## Reno Historical Industrial Asking Rents & Vacancy Rates

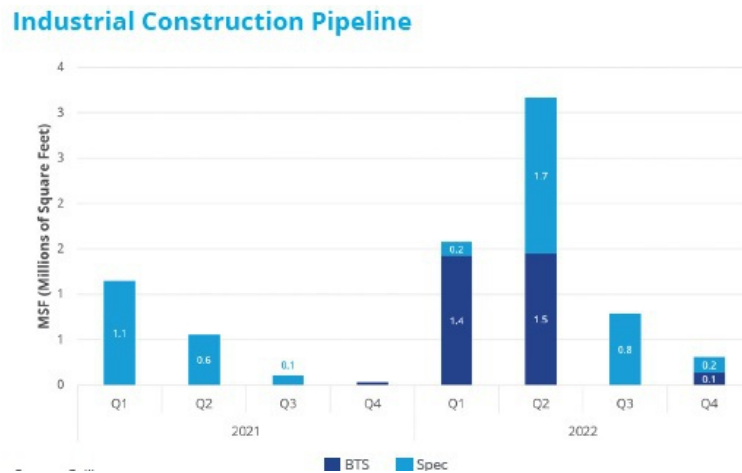


### Investment Sales

Industrial remains on top of mind for institutional investors. In 2021, the Reno/Sparks region has recorded more than \$503 million in sales volume. Sales volume this 4<sup>th</sup> quarter 2021 was \$212 million, the second straight quarter of more than \$200 million in deal volume and 29.0 percent above the five-year quarterly trailing average. The average warehouse/distribution sale price of \$88.54 per square foot increased 6.0 percent quarter-over-quarter, but is down slightly year-over-year as a result of older inventory trading. Newer inventory continues to command much higher price points than what we have seen historically in Reno. 9715 N Virginia Street in North Valleys, a 2019-delivered building fully occupied by OnTrac, sold for \$30 million (\$165/SF) to LBA Logistics this quarter.

### Construction:

Developers struggled to secure steel trusses and lumber, among other construction materials this year with disruptions throughout the supply chain. Fortunately, it appears there may be some relief in the future with the cost of materials waning and improving delivery times for building supplies. The market is set to gain 5.8 MSF of new product next year, with nearly 4.7 MSF scheduled to deliver in the first half of 2022. Approximately half of under construction space is already pre-leased with many more tenants competing for the last blocks of space. Competition for entitled industrial sites remains fierce, resulting in rising land prices.



### Infrastructure/Community:

Washoe County and the Cities of Reno and Sparks are the three local municipal services providers. All three entities saw significant employment reductions during the 2008-09 recession, and none has managed to return to pre-recession budget and employment levels. Although local governments have improved their financial resources since the depths of the recession, budgets are still tight.

Metro area water service is provided by the Truckee Meadows Water Authority (TMWA). NVEnergy provides electric power and natural gas throughout the region. Public sewage disposal is provided by the Reno/Sparks Joint Regional Sanitation District. Trash removal is handled by contract carriers in the cities of Reno and Sparks and in Washoe County.

A county-wide school district includes all public schools. The University of Nevada, Reno and Truckee Meadows Community College provide higher education.

### Reno Housing Market:

In January 2022, the median listing home price in Reno, NV was \$566.6K, trending up 27.3% year-over-year. The median listing home price per square foot was \$315. The median home sold price was \$560K. Reno, NV is a seller's market in January 2022, which means that there are more people looking to buy than there are homes available

There are 1,112 homes for sale in Reno, NV, 123 of which were newly listed

within the last week. Additionally, there are 368 rentals, with a range of \$605 to \$5.6K per month. Discover more Reno listings for open houses, price reduced, foreclosures, recently sold, new home communities, and new home construction.

There are 33 neighborhoods in Reno. Skyline Boulevard has a median listing home price of \$937.5K, making it the most expensive neighborhood. Smithridge is the most affordable neighborhood, with a median listing home price of \$205K.

Housing afford ability remains a problem for many residents of the Biggest Little City as a new report named Reno one of the least affordable cities in the U.S. Reno was named the 21st least affordable city among the 100 biggest metro areas in the country in the latest housing analysis released by real estate listing site Realty Hop. The study cited the high price of housing in the Reno-Sparks metro in relation to household incomes in the area.

“The Reno housing market has been booming thanks to the historic low interest rates and population inflow from neighboring cities and counties,” Lee said. “More and more high-income Californians choose to call Reno home to enjoy tax benefits and low cost of living.”

## **Conclusion**

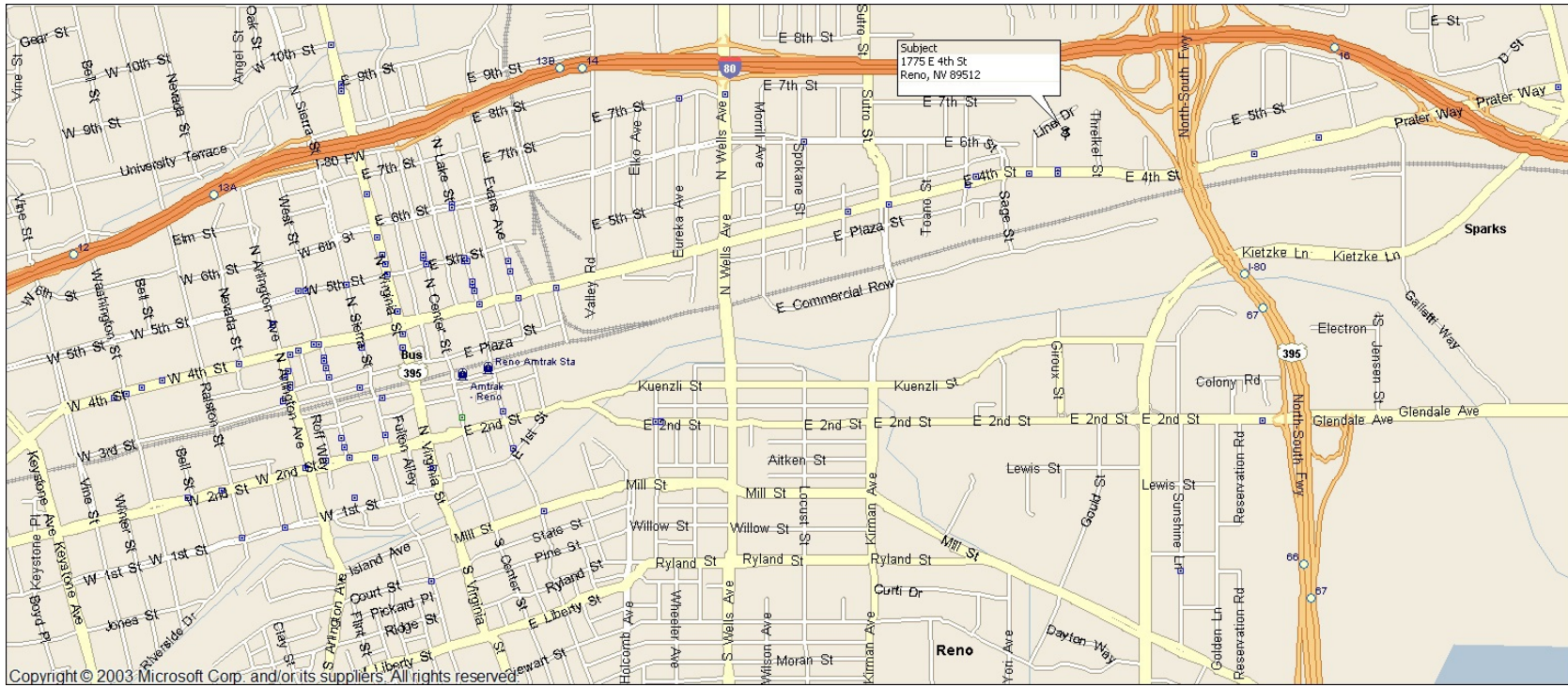
Rapid population growth was the driver of the local and statewide economy from the 1960s until 2006, when the housing boom ended with a crash. From the late 1990s through 2005, Nevada rarely fell out of the top one or two fastest-growing states in the country. Las Vegas's gaming-driven population growth made it a national center for real estate speculation and development.

Northern Nevada had a brief casino boom in the 1970s and early 1980s, but most of the area's population increase was fueled by growth of the industrial sector, lifestyle choices made by California retirees, and growth in retail and "back-office" functions. During the residential market hyper-boom from about 2003 to 2005, construction employment was the driving factor. Reno's construction-fueled economy created a period of prosperity that masked underlying weakness: construction as the primary industry, without an underlying economic engine of non-construction job growth, has a short cycle. During the market's most frenzied years, both private developers and local governments, flush with profits and tax revenues, made bets on future growth and

revenue streams that have not been realized. Coping with actual population loss and declining economic activity has been the major challenge of the last several years in much of Nevada. After a two- to three-year period of declining employment, massive personal and business bankruptcies and foreclosures, and profound retrenchment of state and local government, the 2022 economy is in the midst of a seemingly sustained rebound.

Truckee Meadows is climbing its way back to more robust employment growth and more vigorous economic activity. Home prices are increasing, and there is a sense of optimism from the construction sector. Retail sales have increased. The regional population is again on the increase. Vacant holes in shopping centers are starting to refill. The general outlook is one of optimism.

# NEIGHBORHOOD MAP





## NEIGHBORHOOD DESCRIPTION

### Location

The subject property is located in the eastern quadrant of Reno. Northwest of the Reno/Tahoe International Airport and east of downtown Reno. The Reno/Tahoe International Airport is approximately 3 miles southeast and 2 miles east of the Reno downtown center. The subject property is also located west of US Highway 395/I-580 and is situated on the north side of E. 4<sup>th</sup> Street between Line Drive and Threlkel Street.

### Neighborhood Boundaries

The neighborhood can generally be described as that area bounded to the south by the Truckee River, to the west by Wells Avenue, to the east by the US Highway 395/I-580 and to the north by I-80.

### Characteristics of the Neighborhood

The neighborhood analysis completes the evaluation of the external forces that influence or directly affect the subject property. Since market forces directly determine the value of specific property, the analysis must explicitly identify the neighborhood and the unique sub-market forces that operate in this geographic area. The major influences on the subject property and the immediate area are the US Highway 395/I-580, and the 4<sup>th</sup> Street Corridor. The City of Reno's master plan designates the area as a mixed-use area with commercial including hotels and restaurants, professional office, warehouse, retail, and residential.

Residential uses are primarily in the peripheral areas of the subject neighborhood.

Finally, the retail-commercial use in the neighborhood involves properties fronting on the major arterial roadways within the neighborhood including E. 4<sup>th</sup> Street, E. 6<sup>th</sup> Street and wells Avenue.

### Primary Streets

As previously mentioned, US Highway 395/I-580, is located just east of the neighborhood. The area has access ramps at E. 4th Street.

### **Neighborhood Zoning**

There are several different zoning classifications within the neighborhood. They include HC (Hotel Casino), CC (Community Commercial), AC (Arterial Commercial), NC (Neighborhood Commercial), IB (Industrial Business), IC (Industrial Commercial), MF-43 (Multifamily Residential), PO (Professional Office), PF (Public Facility), and SFR-6 (Single-family Residential). The most predominant zoning in the neighborhood is MU a mixed use zoning classification.

The single-family residential zoning within the neighborhood as well as the multi-family residential classifications are limited. Vacant land within the neighborhood is zoned for either commercial or Mixed Use development, depending on its location.

### **Utilities and Governmental Services**

Electricity and natural gas are provided to the subject property by NV Energy. The subject property has both city water and sewer. Telephone is provided by AT&T. The subject property has cable television provided by Charter Communications. Utilities are both adequate and typical for the area. Police and fire protection are provided by the City of Reno and both are considered to be adequate. As a matter of fact the Reno Police department is located across the street from the subject property. Trash removal is a service provided by Waste Management Company.

### **Neighborhood Trends**

Originally, the primary development within the neighborhood was highway access used such as motels, gas stations and restaurants. However, there has been recent gentrification development. Development within the past few years has been primarily brew pub type development. Current zoning and the master plan for the Reno area would suggest that commercial or mix use development is the most suitable development for this area.

### **Summary and Conclusion**

The subject property is located in the east quadrant of Reno between the US Highway 395/I-580 and downtown Reno. The neighborhood is developed with mixed uses ranging from commercial to Mix Use uses. The current trend for the

neighborhood is for commercial. The subject neighborhood is approximately 95% developed and is serviced by all necessary public utilities and services. Access to the subject neighborhood and the subject property is good. The subject property is located on the north side of E. 4<sup>th</sup> Street and is situated between Line Street and Threlkel Street.

---

---

## SITE DATA

### **Location and Access**

The subject property is located on the north side of E. 4<sup>th</sup> Street. Access is via Line Drive on the west and Threlkel Street on the east. Access is considered to be both adequate and typical.

### **Easements**

The appraiser has not been made aware of any adverse easements on the subject property which would have an effect on valuation. Therefore, no positive or adverse effects on easements or restrictions are included in this report.

### **Topography and Drainage**

The subject property is primarily above street grade and is considered level. The appraiser has not been supplied with a soils analysis. Drainage on the site appears to be adequate and fill would be necessary for development.

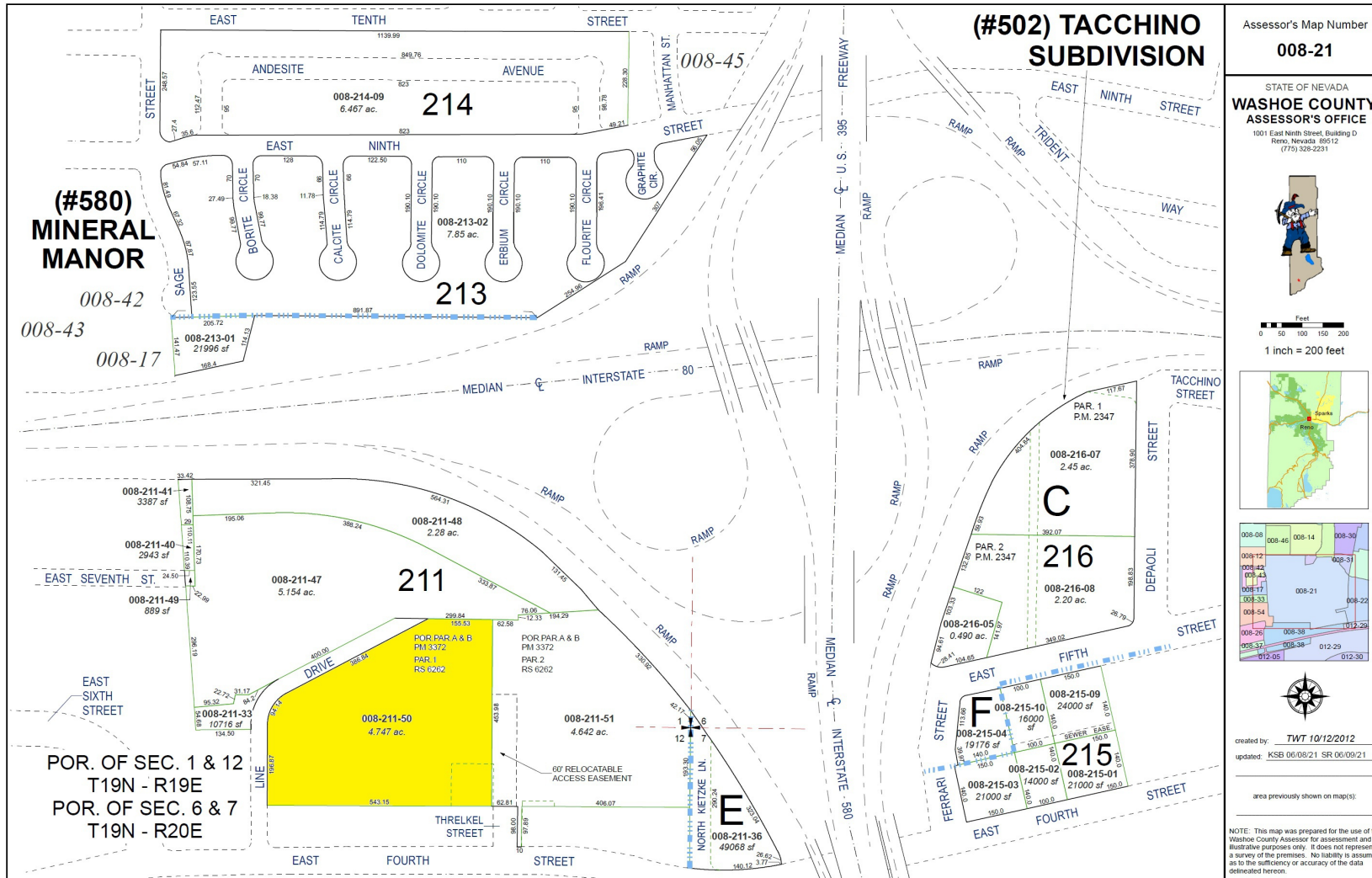
### **Utilities**

Electricity and natural gas are provided to the subject property by NV Energy. The subject property has both city water and sewer. Telephone is provided by AT&T. The subject property has cable television provided by Charter Communications. Utilities are both adequate and typical for the area.

### **Size and Shape**

The subject property is rectangular in shape. The parcel contains 206,779.32± sf or 4.747± acres. The reader is referred to various parcel maps and other maps which adequately depict the subject site.

# ASSESSORS PARCEL MAP



## DESCRIPTION OF SUBJECT IMPROVEMENTS

The subject property description is based upon a full interior and exterior inspection of the subject property by the appraiser, as well as a review of all public information. The pictures found in this section of the report are pictures as of the date of inspection. The subject property was found to be in average/poor condition.

The subject property has a brick exterior office containing 1,520± sf, with a full unfinished basement. The interior of the office is finished with carpet floors, sheet rocked walls and tiled floors in the bath area, with standard white fixtures. The area is heated with forced warm air. This building was built in 1946. This building is in average condition.

There is a metal framed service repair garage containing 16,682± sf. The sides and roof are metal. This building has minimal finish. This building is heated with gas fired ceiling hung heaters. This service repair garage building has 12 overhead doors. This building was built in 1946. This building is in poor condition.

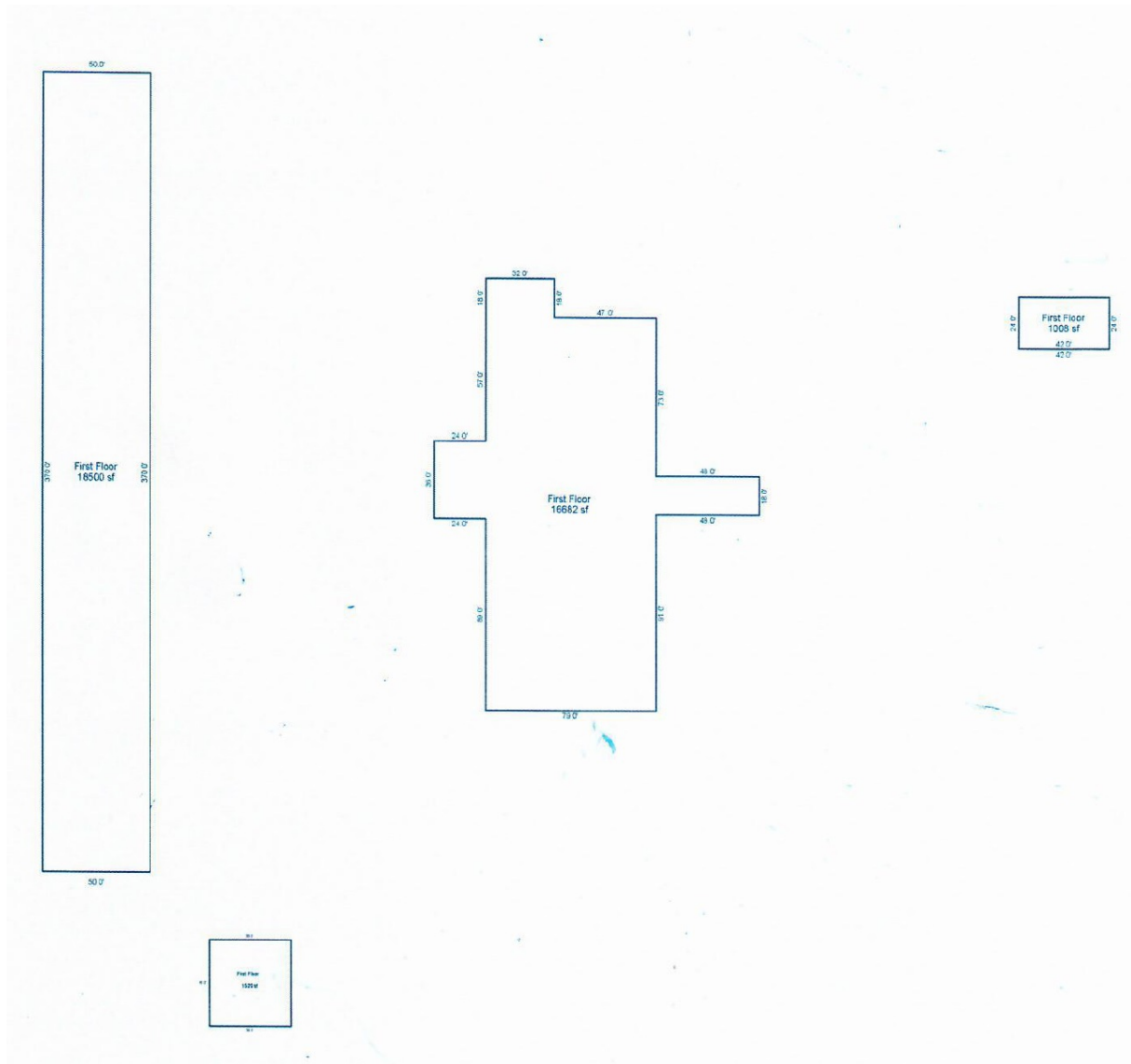
There is also a concrete block Rv storage building containing 18,150± sf. The interior is finished with drywall, electricity, lights and an overhead heaters. There are 26 bays in total, all with over head doors. This building was built in 1999. This building is in average condition.

The fourth building is a smaller metal framed storage building containing 1,008± sf. This building has no heat. This building was built in 1946. This building is in poor condition.

The four building contain a total combined area of 37,360± sf.

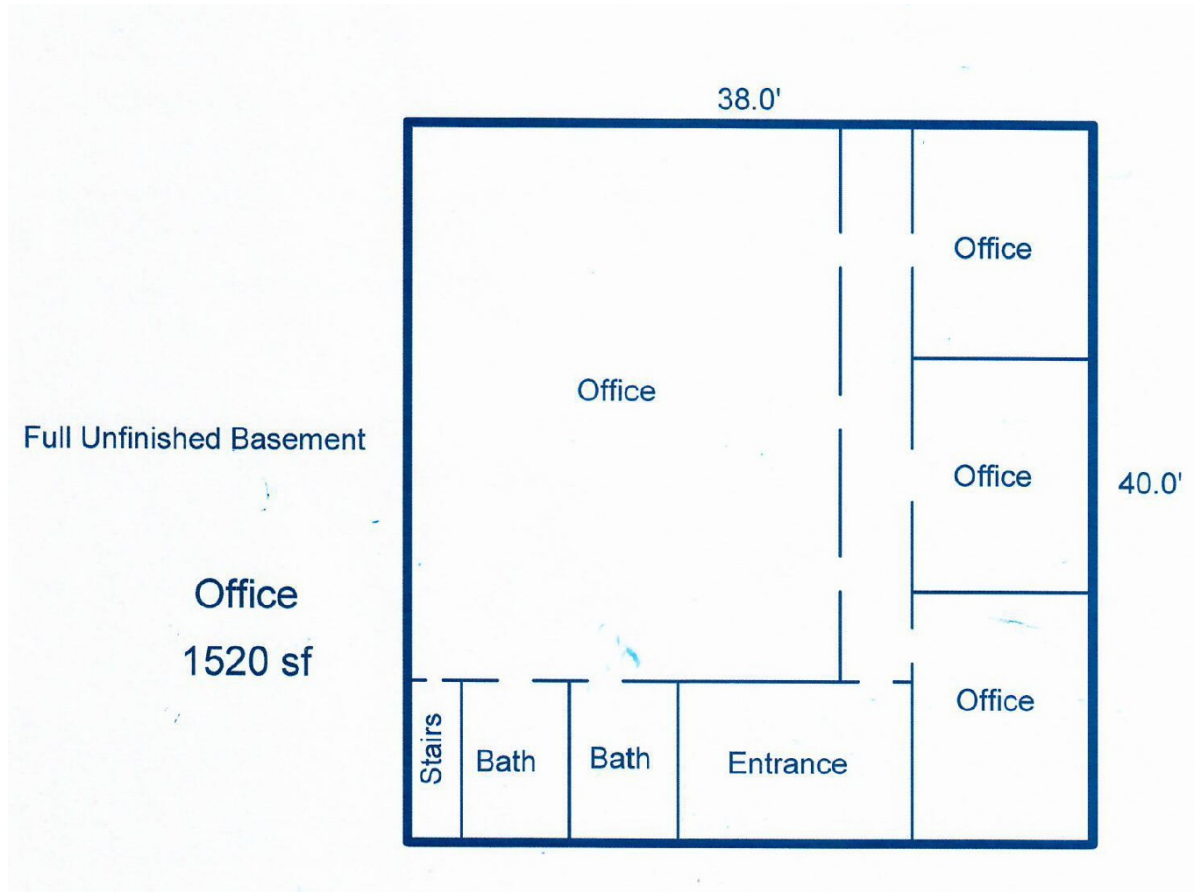
The following pictures and improvement sketches were taken and/or made after the appraiser's inspection. The following sketch is from the appraisers notes and inspection.

### PLOT PLAN

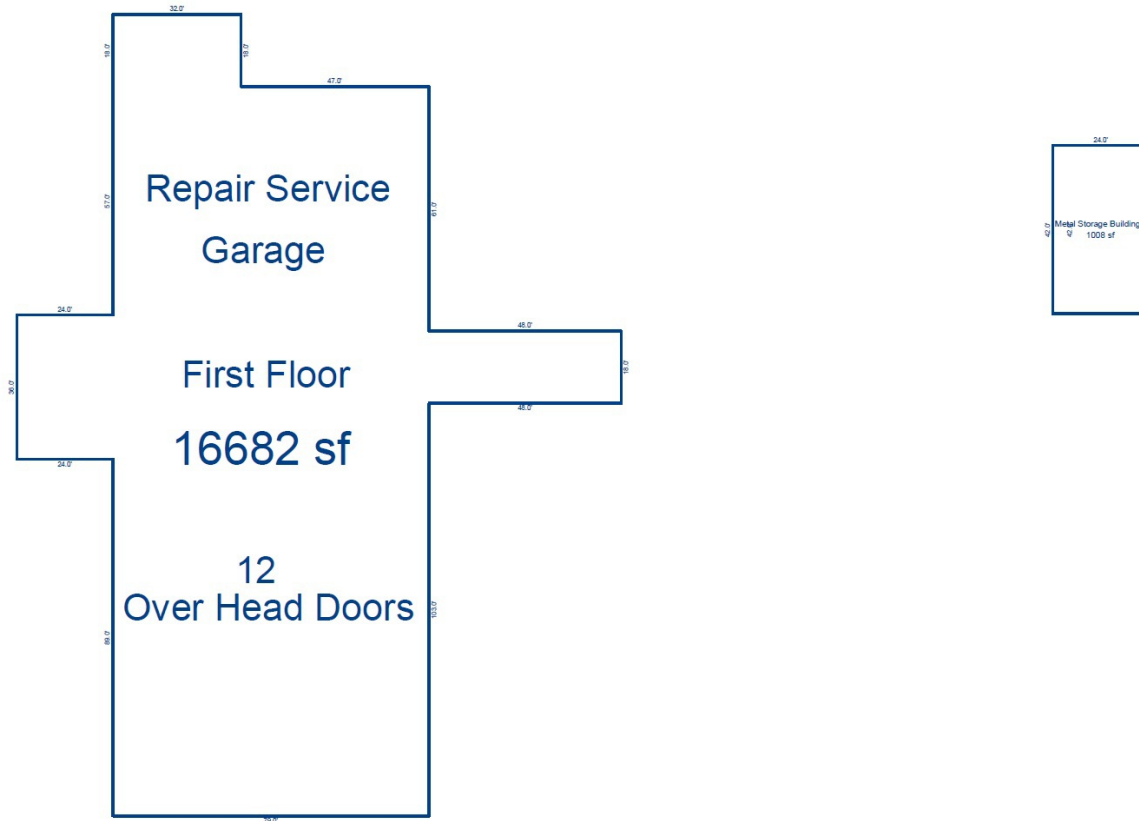




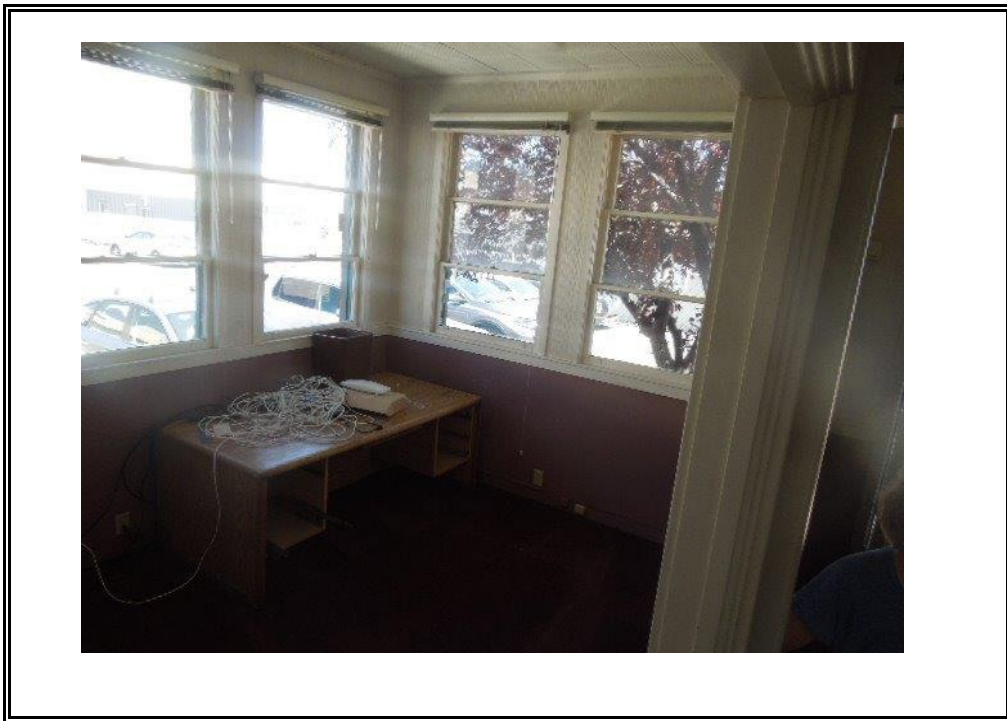
### IMPROVEMENT SKETCH



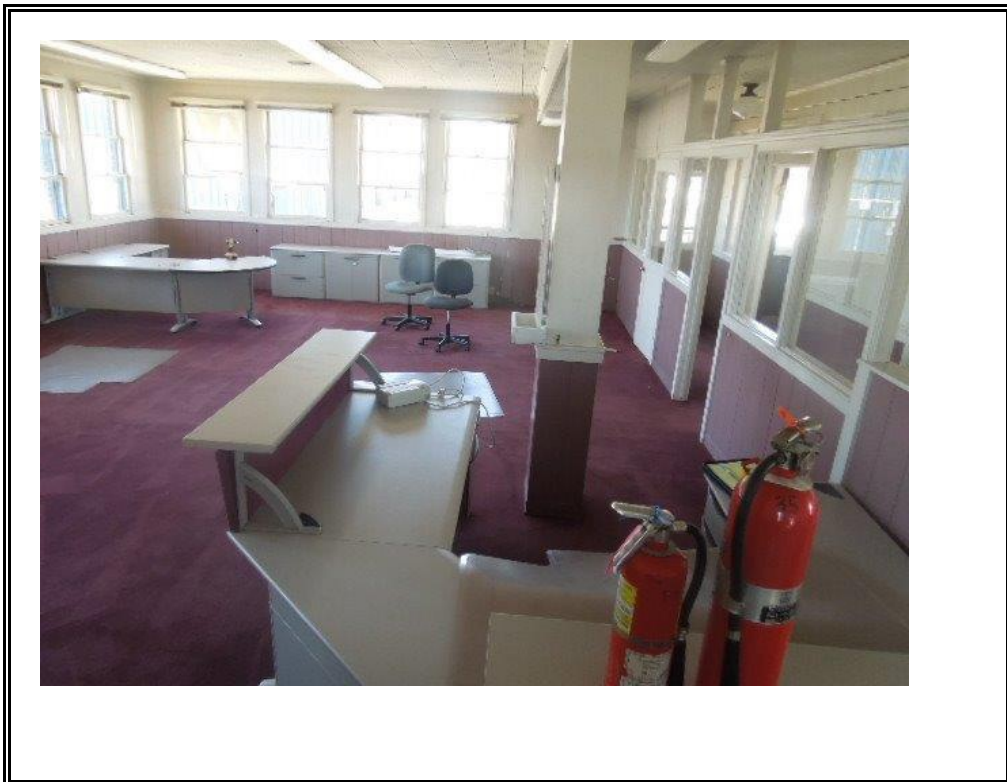
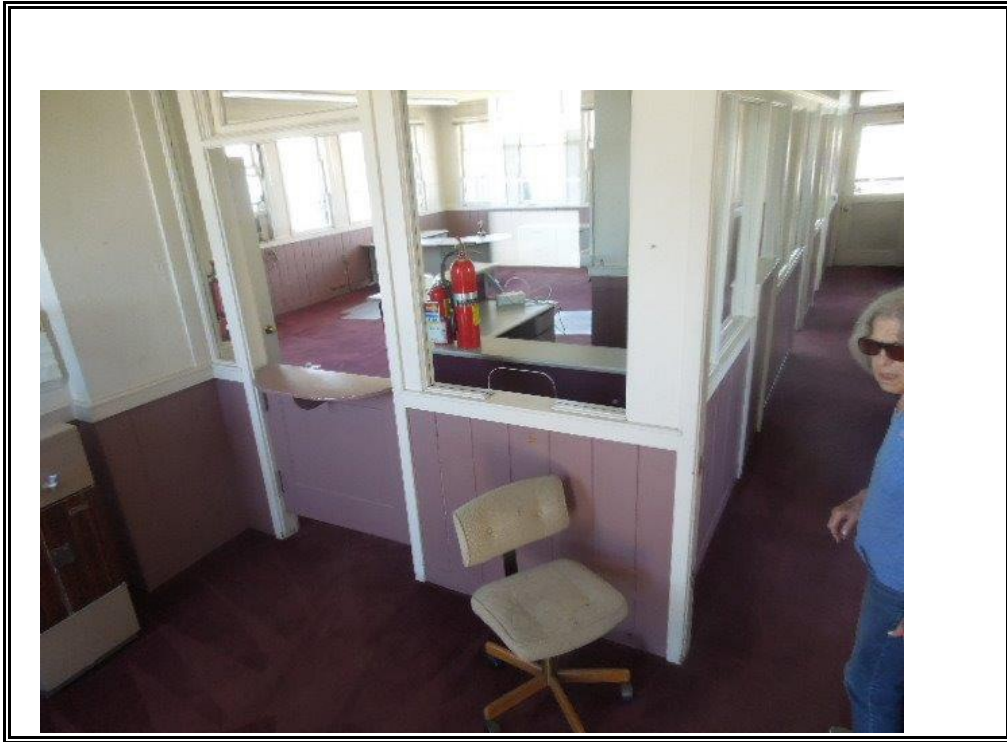
### IMPROVEMENT SKETCH



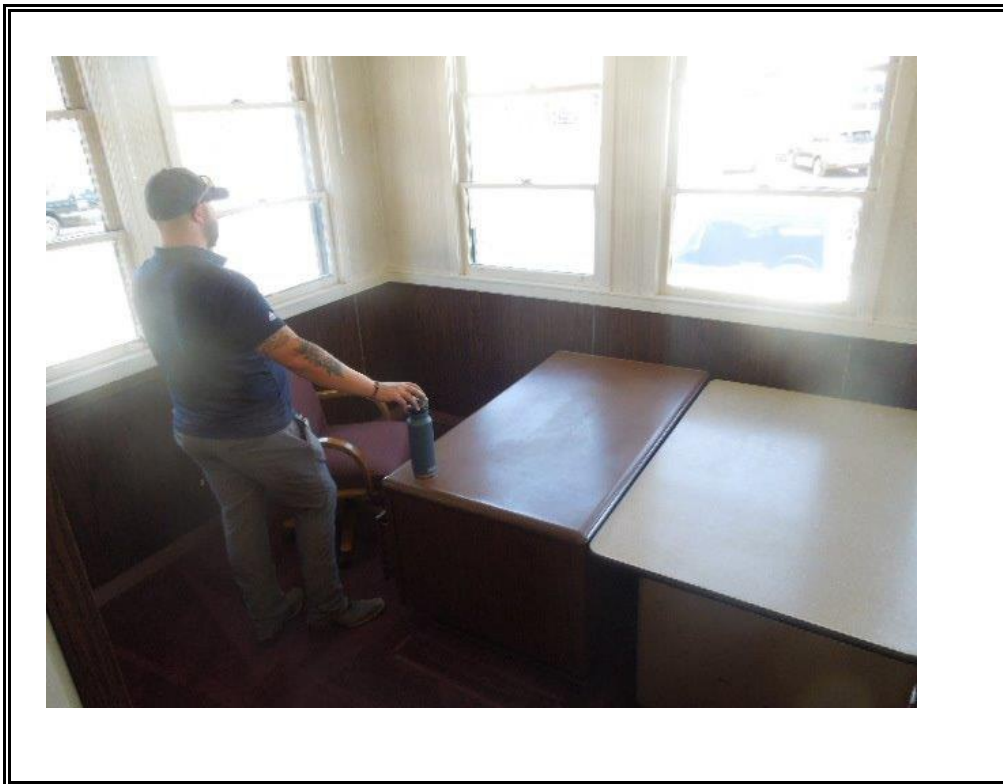
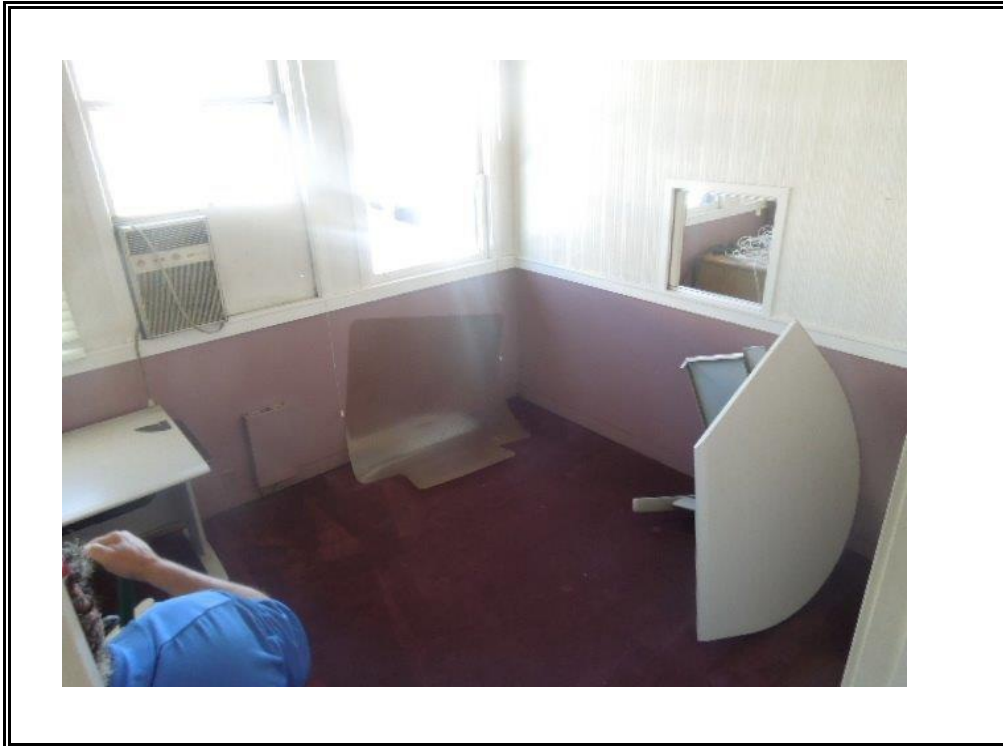
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**





**SUBJECT PROPERTY PHOTOGRAPHS**

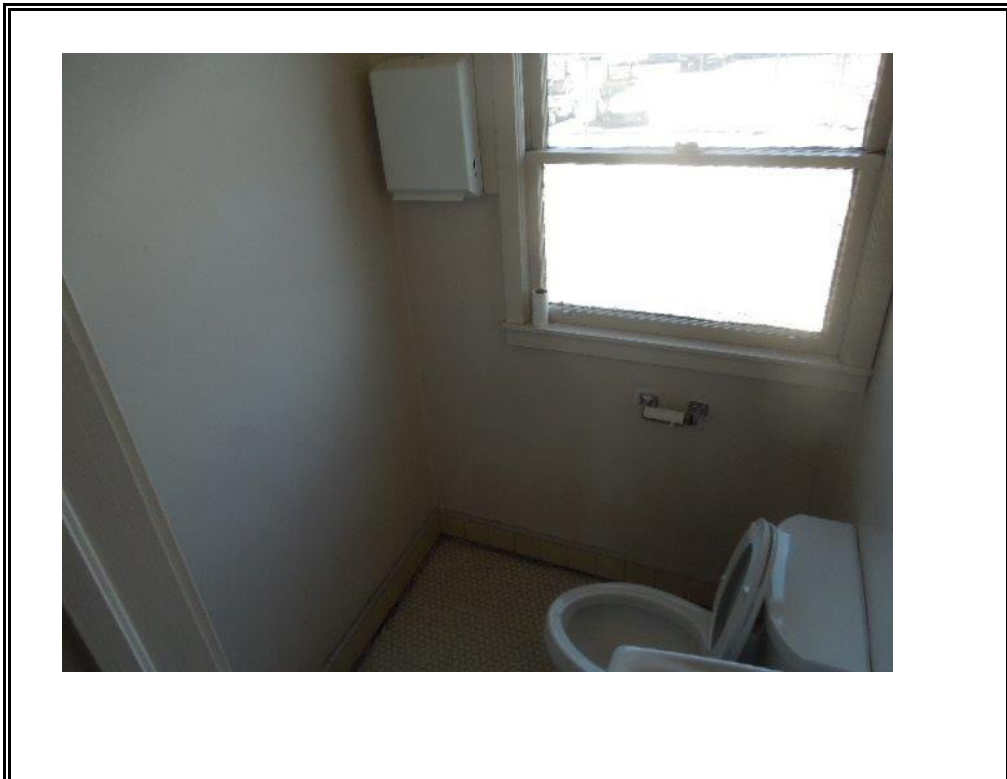
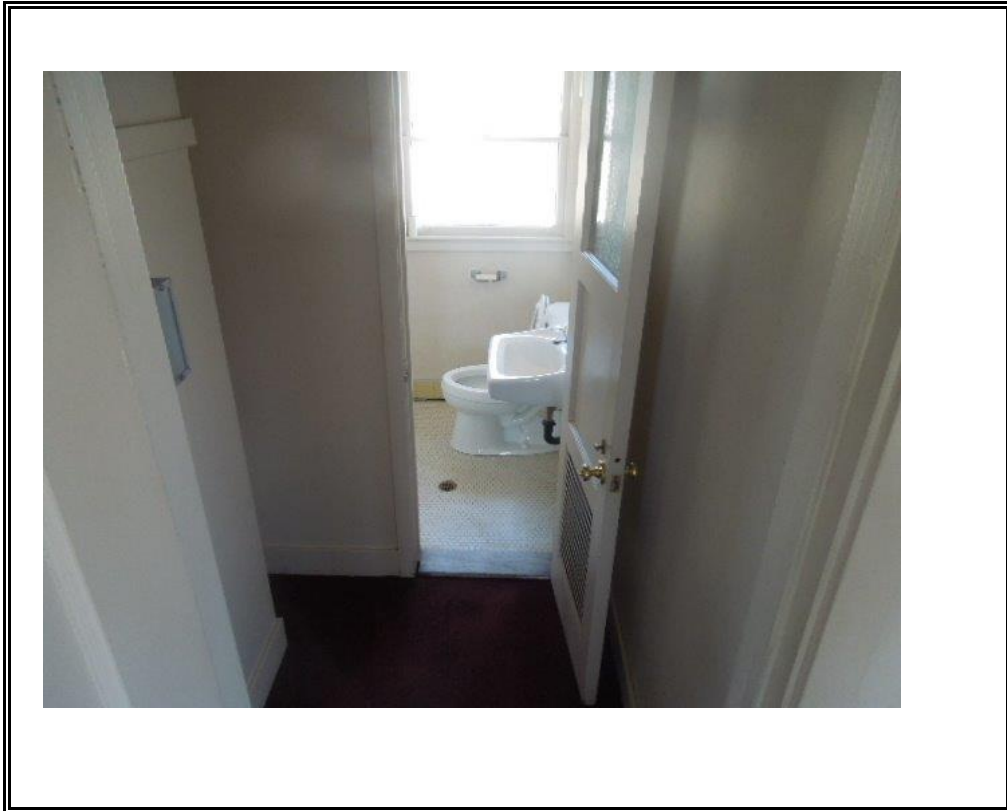


**SUBJECT PROPERTY PHOTOGRAPHS**





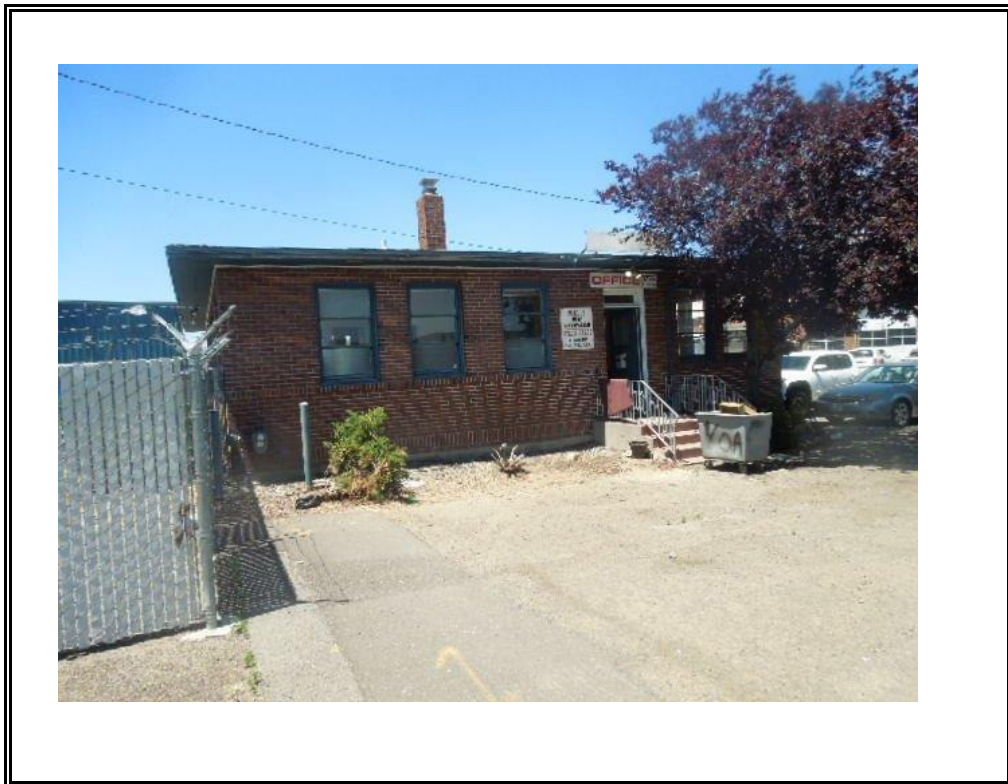
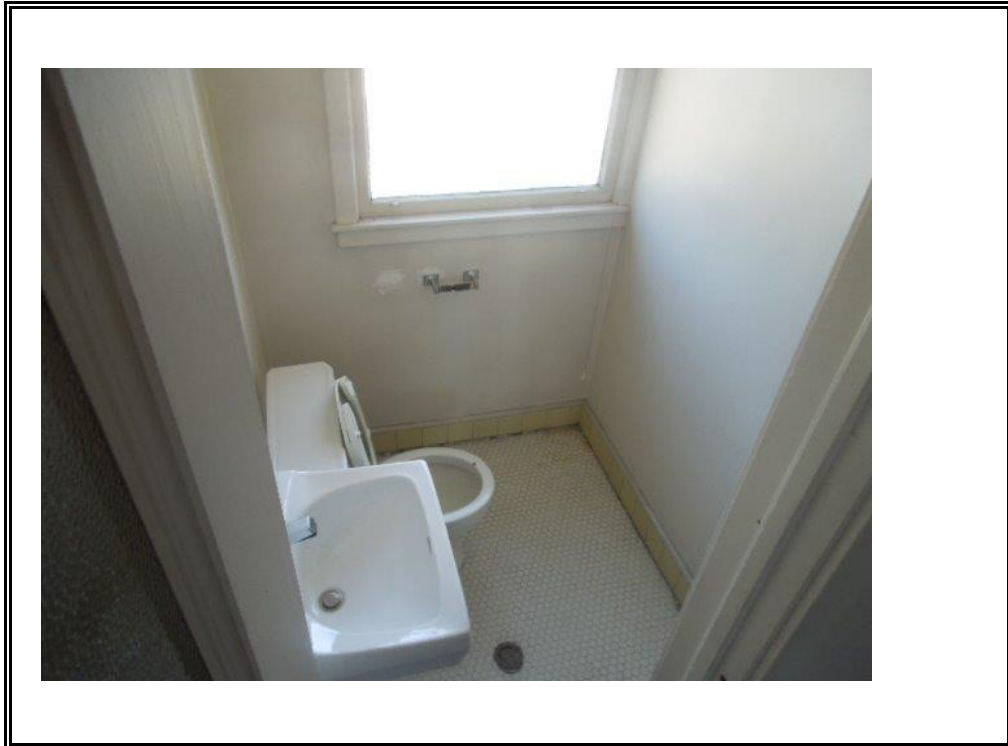
**SUBJECT PROPERTY PHOTOGRAPHS**



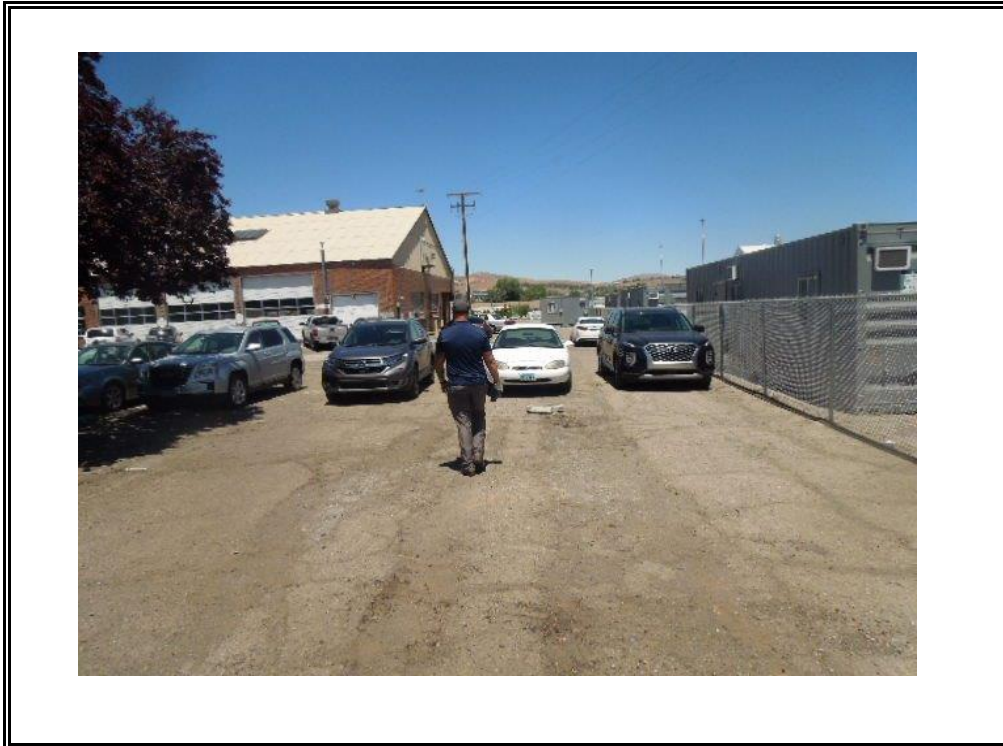
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

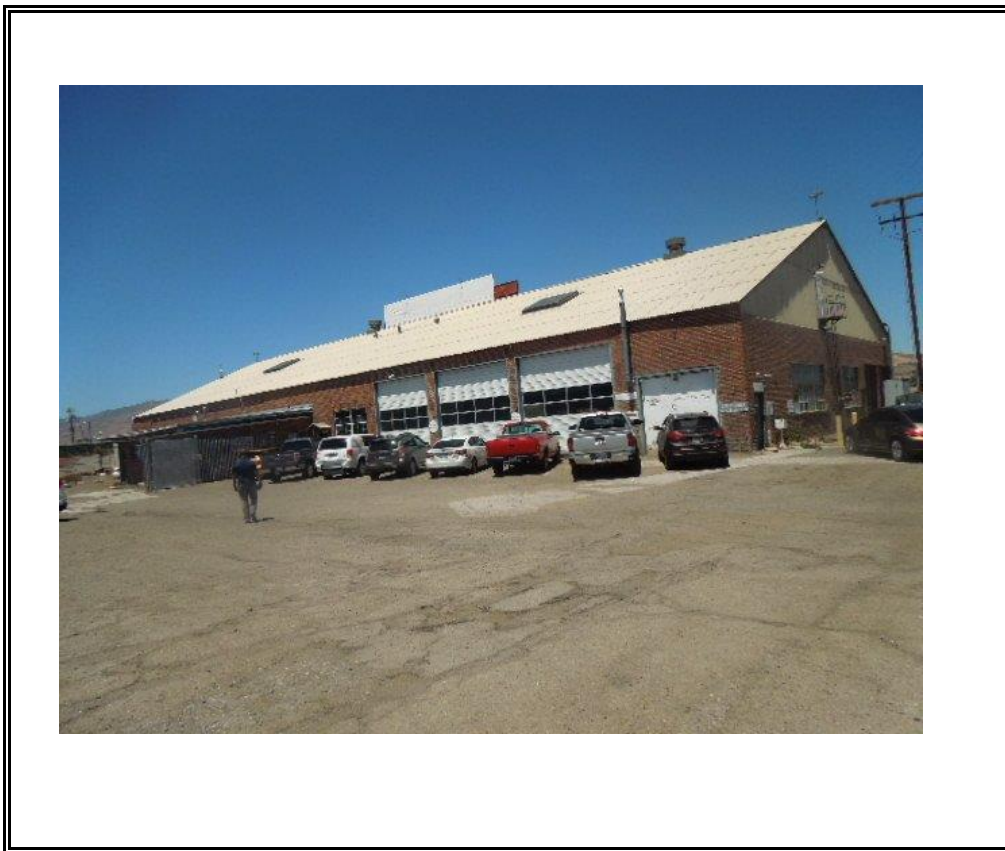
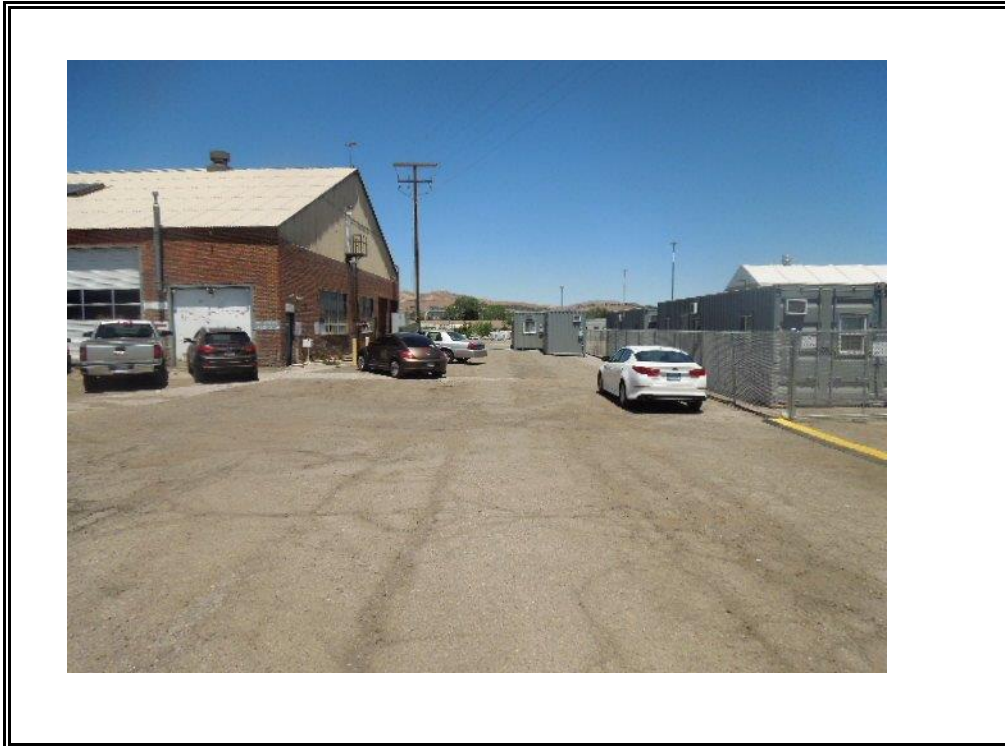


**SUBJECT PROPERTY PHOTOGRAPHS**

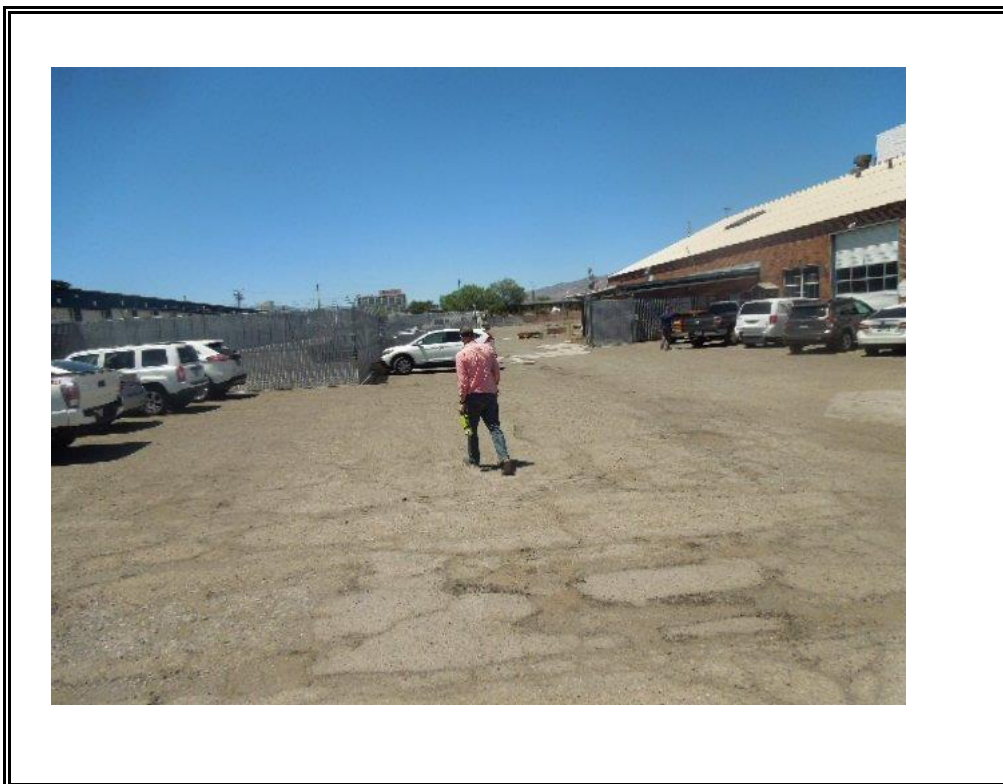




**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

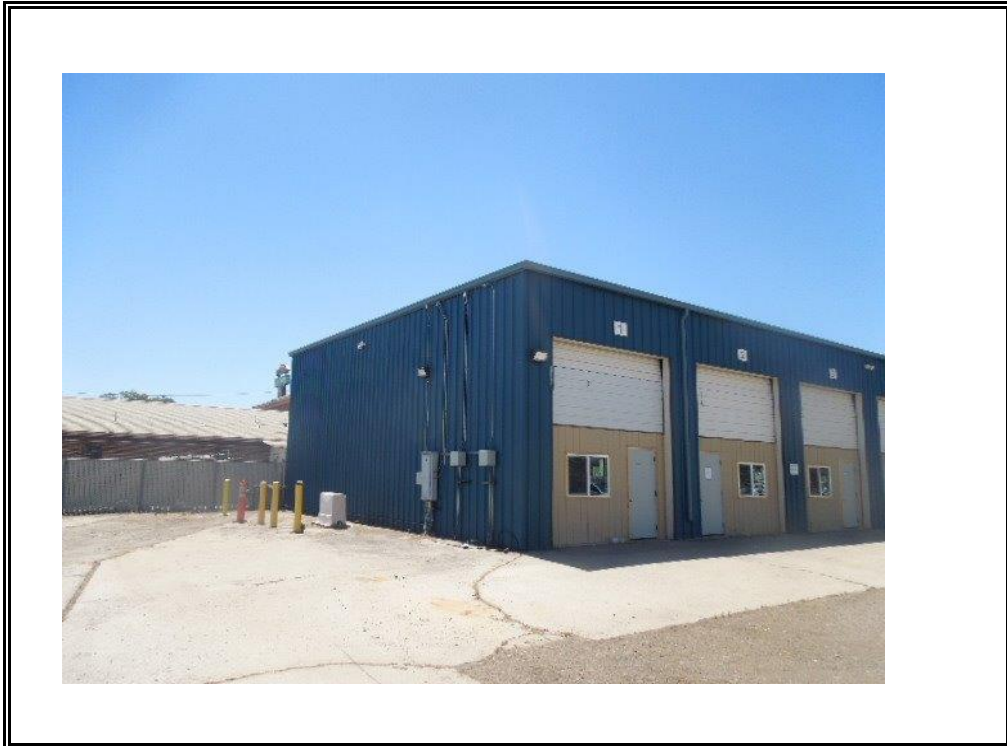


**SUBJECT PROPERTY PHOTOGRAPHS**

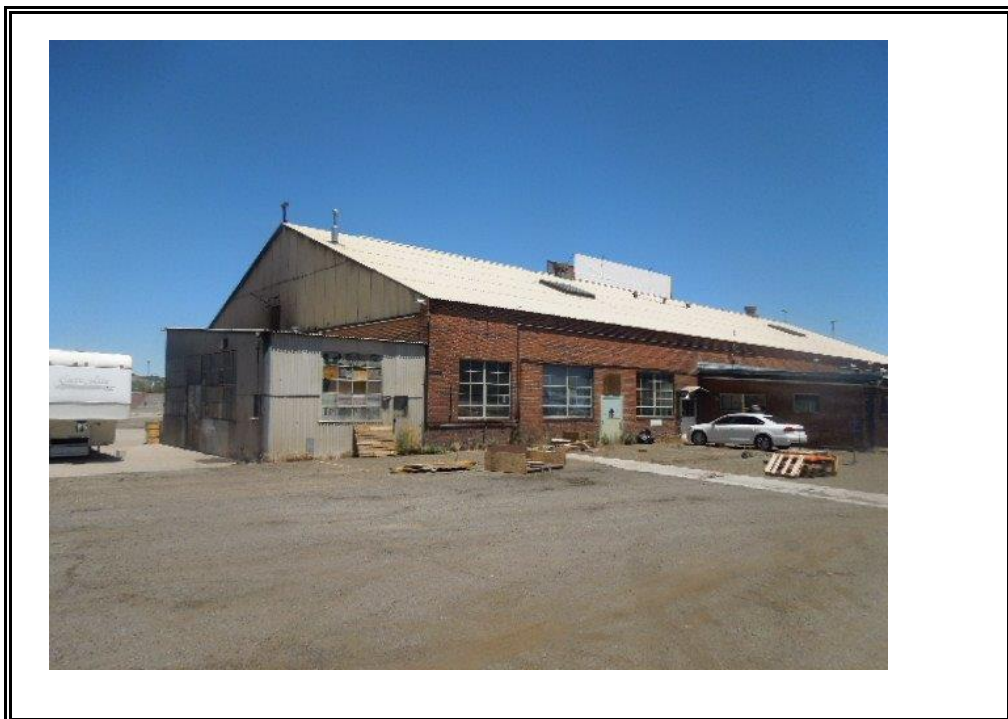
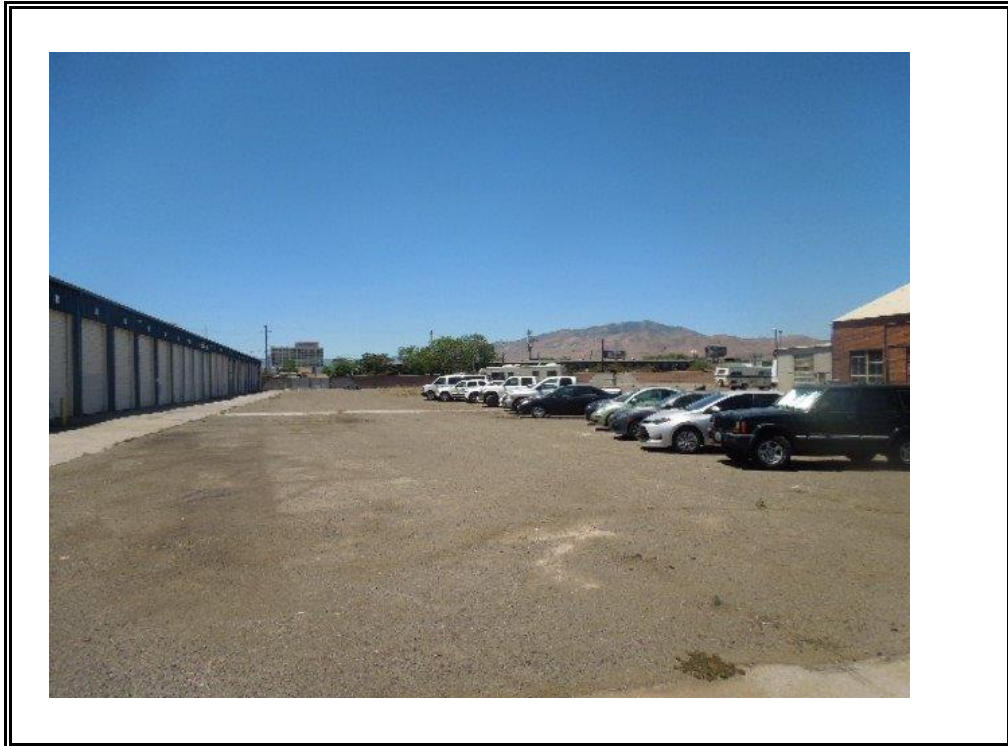




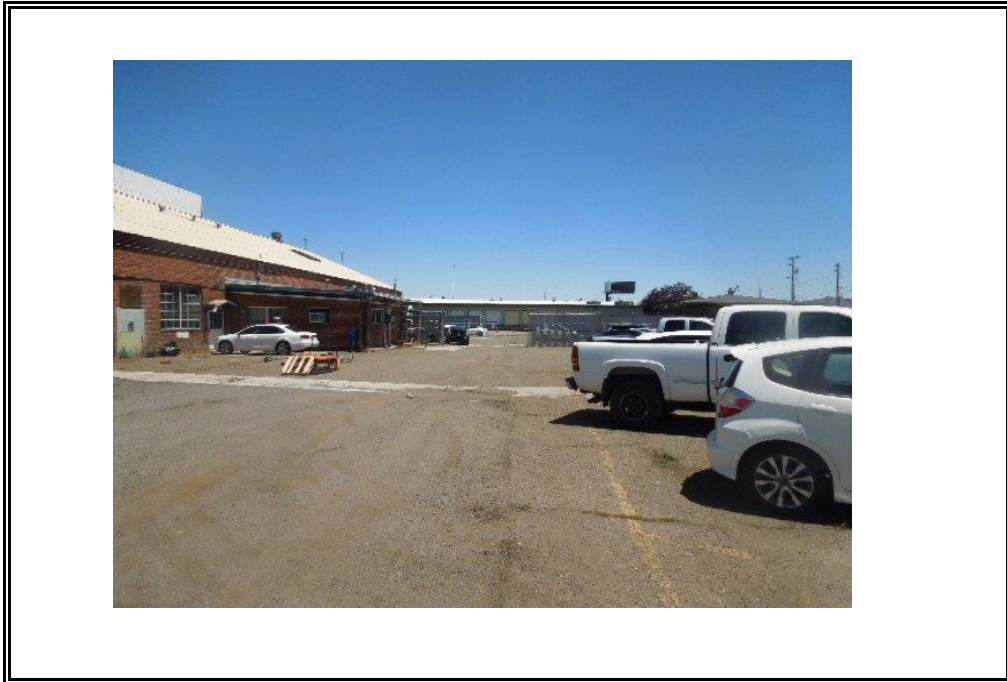
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

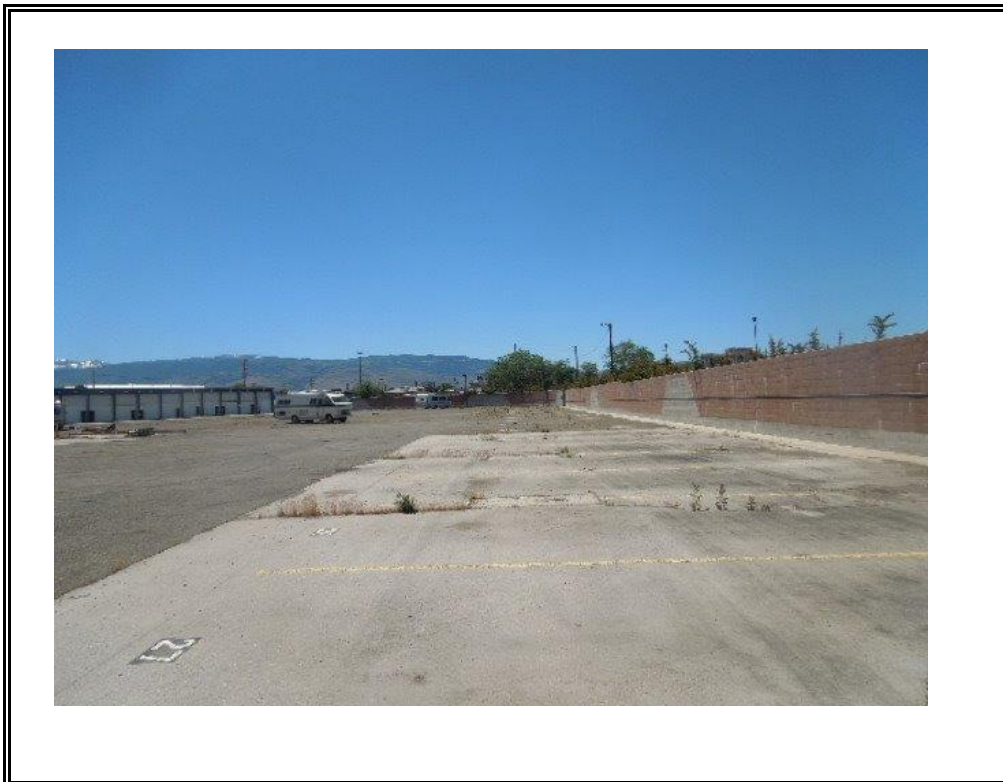
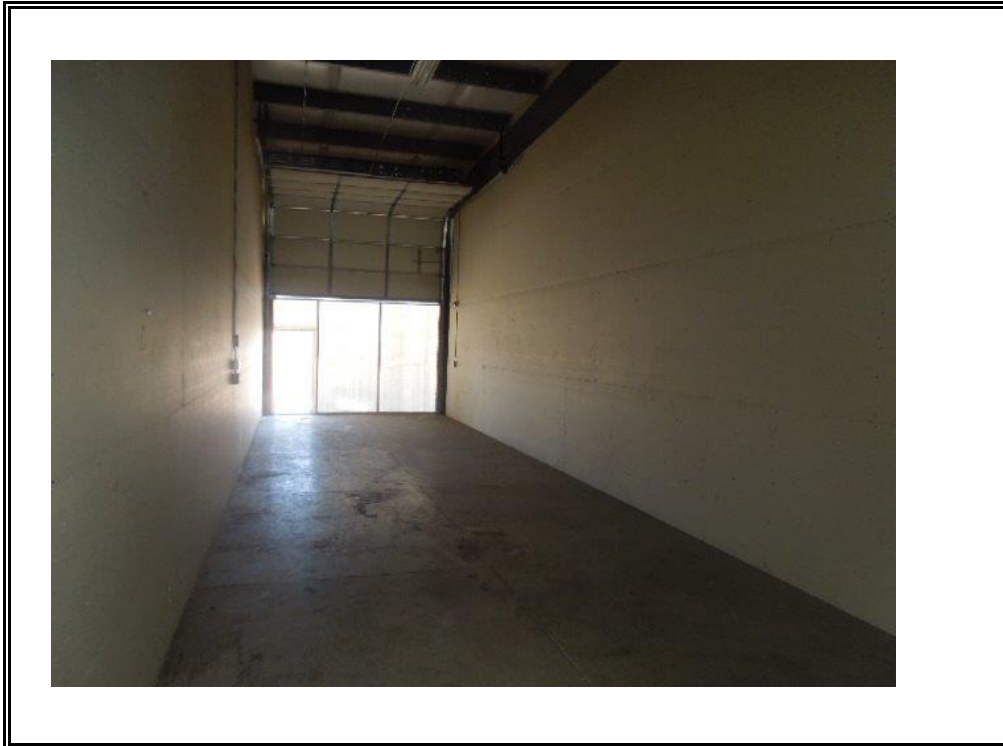


**SUBJECT PROPERTY PHOTOGRAPHS**





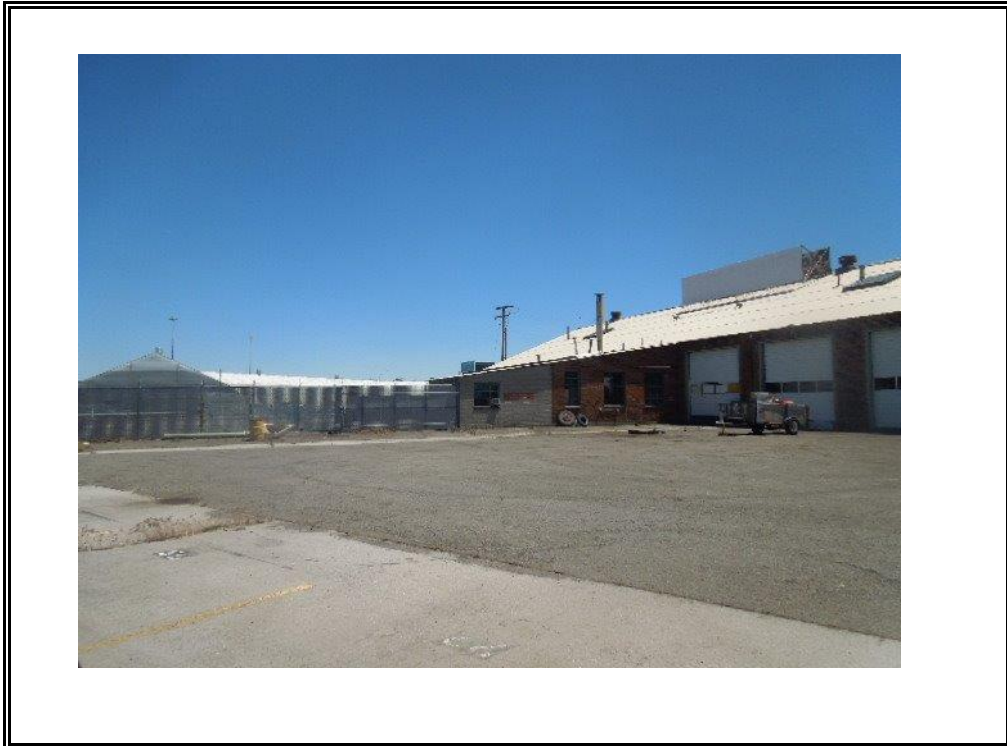
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

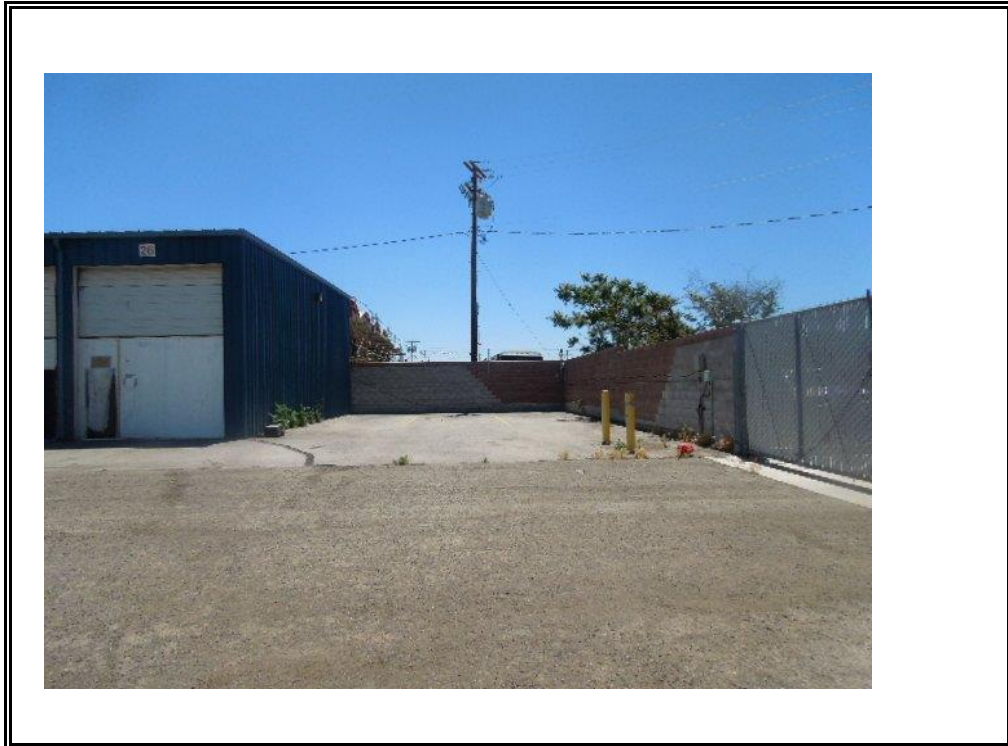




**SUBJECT PROPERTY PHOTOGRAPHS**

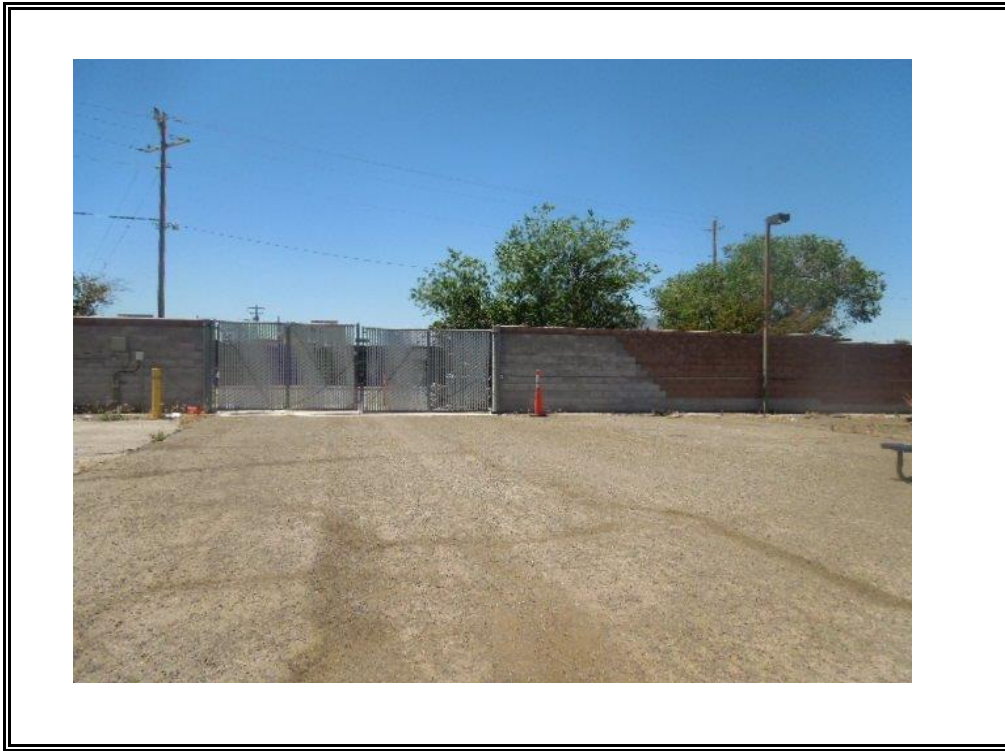


**SUBJECT PROPERTY PHOTOGRAPHS**

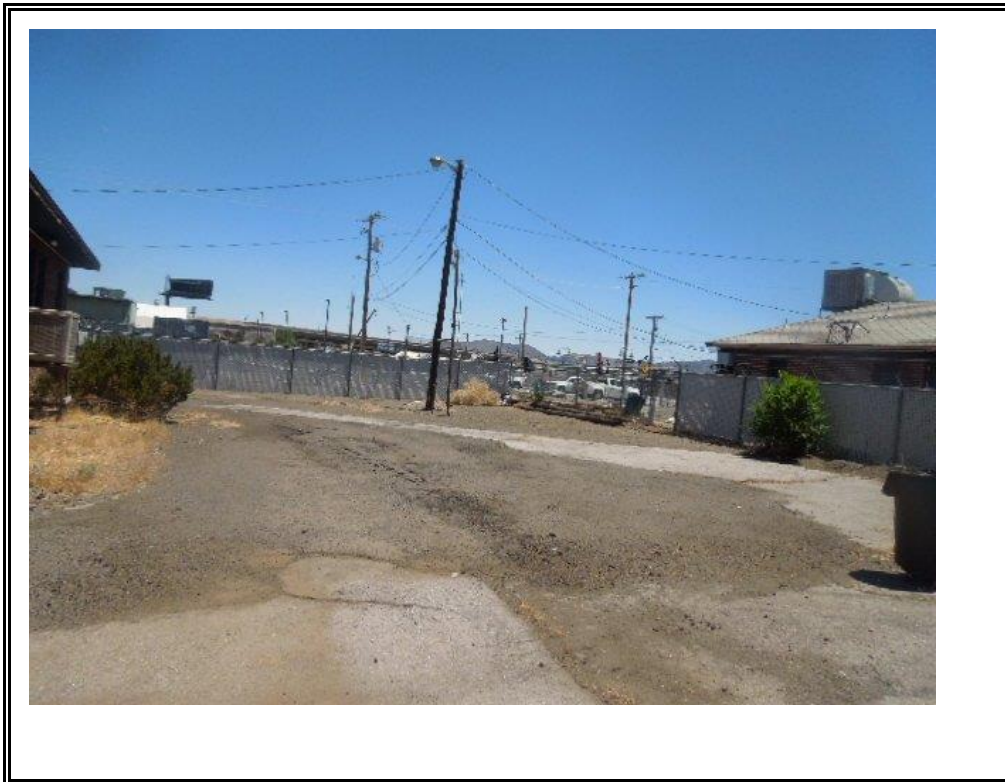




**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

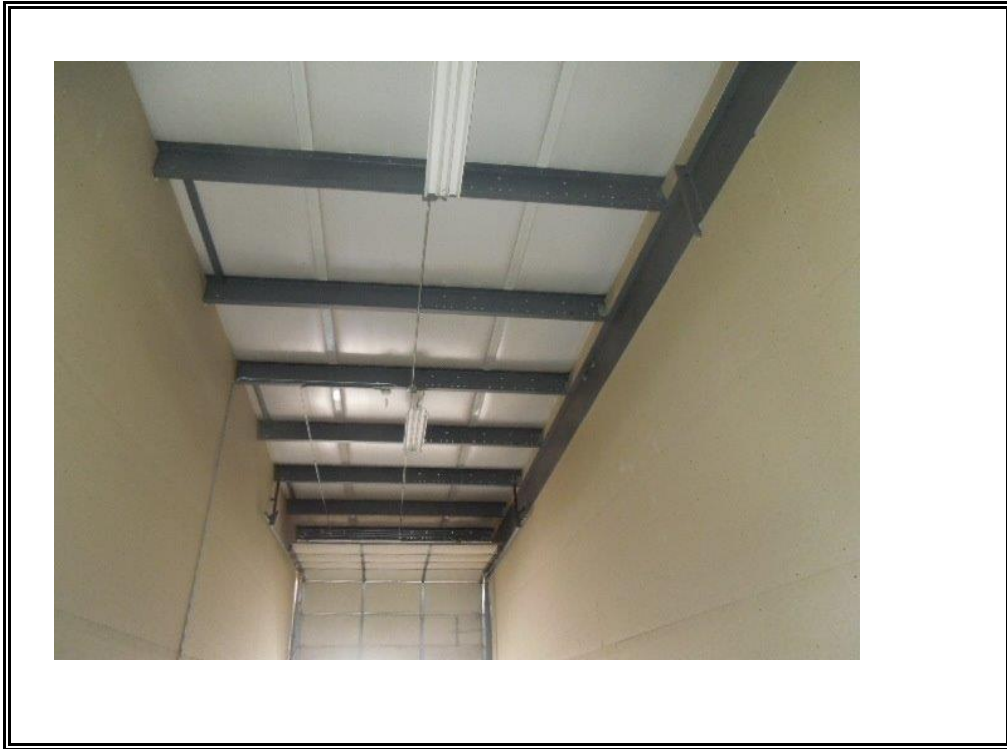


**SUBJECT PROPERTY PHOTOGRAPHS**





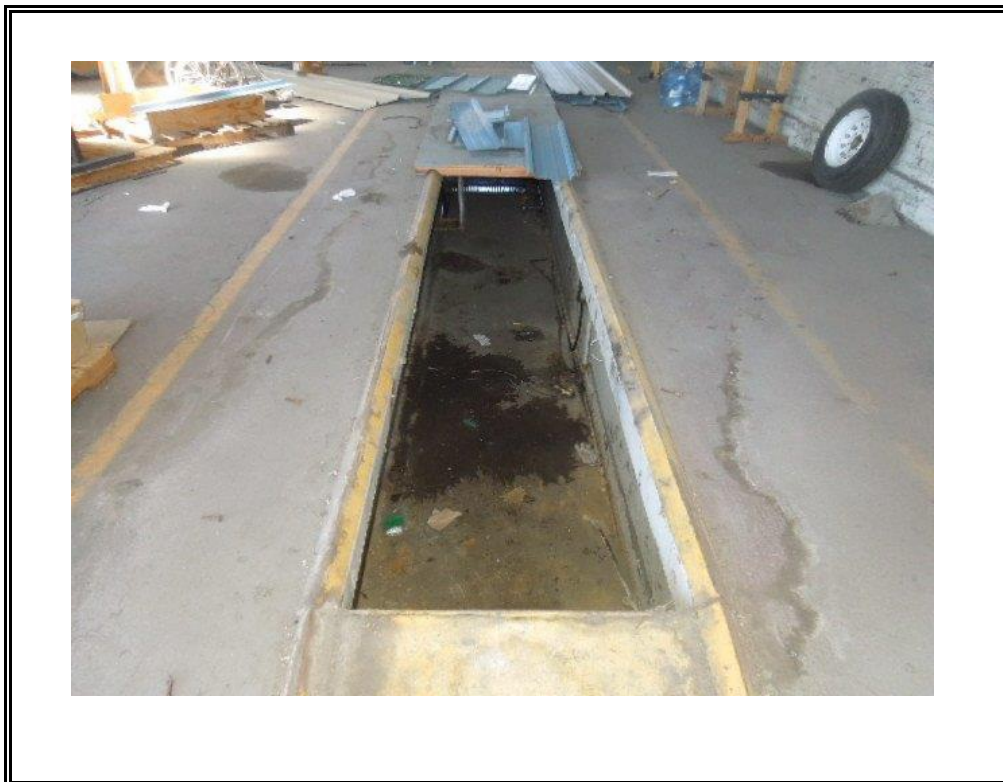
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**

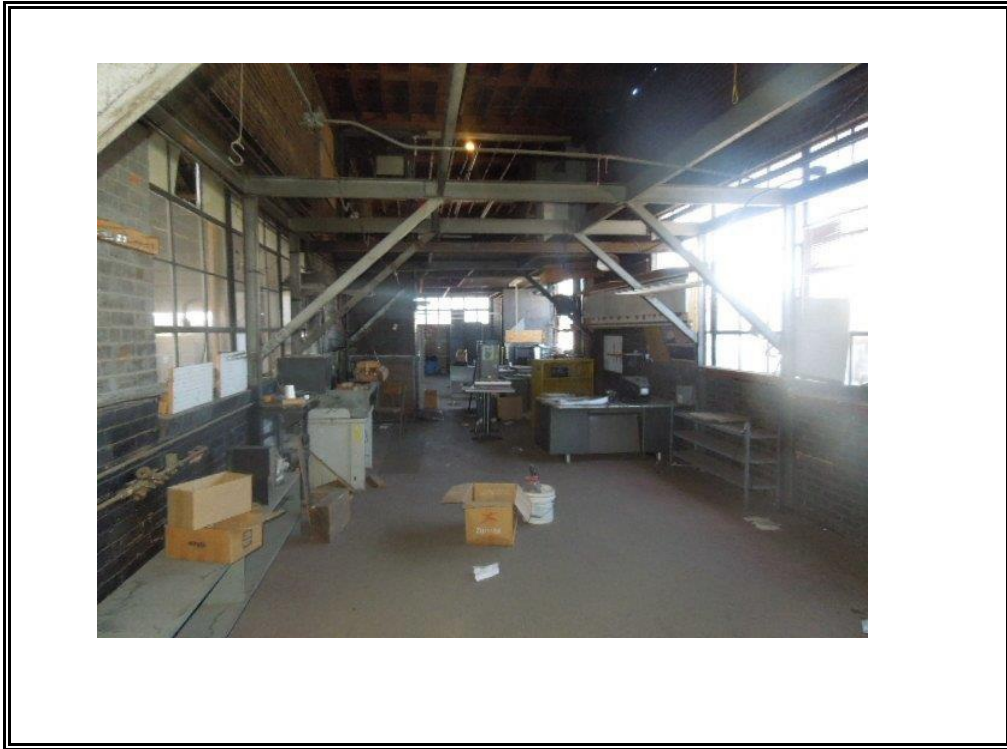


**SUBJECT PROPERTY PHOTOGRAPHS**



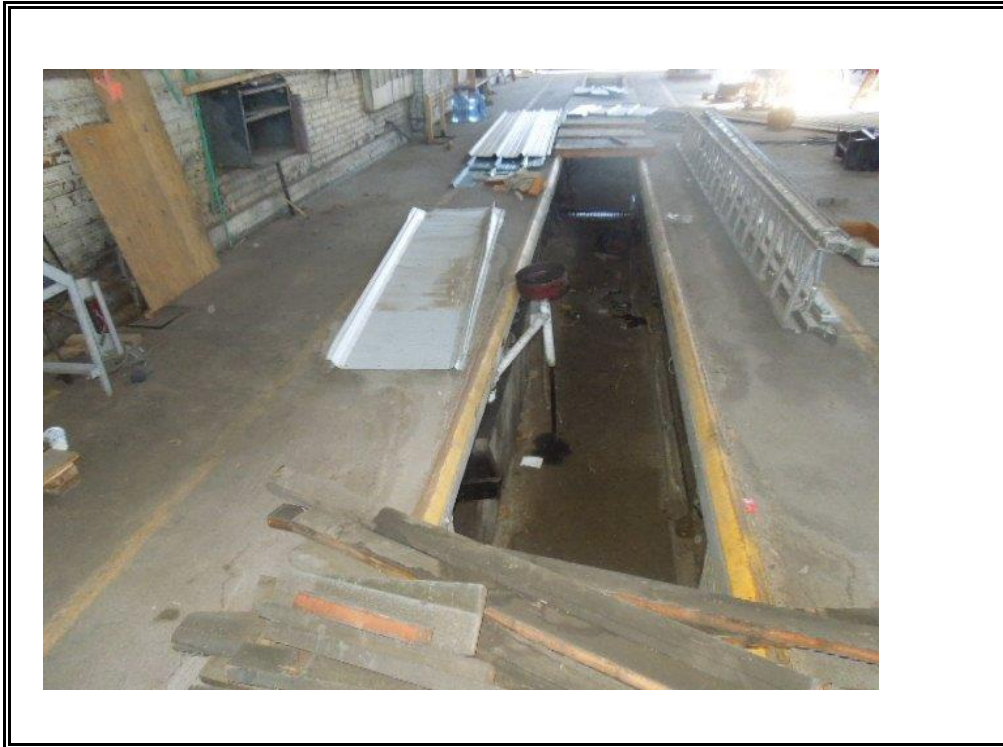


**SUBJECT PROPERTY PHOTOGRAPHS**





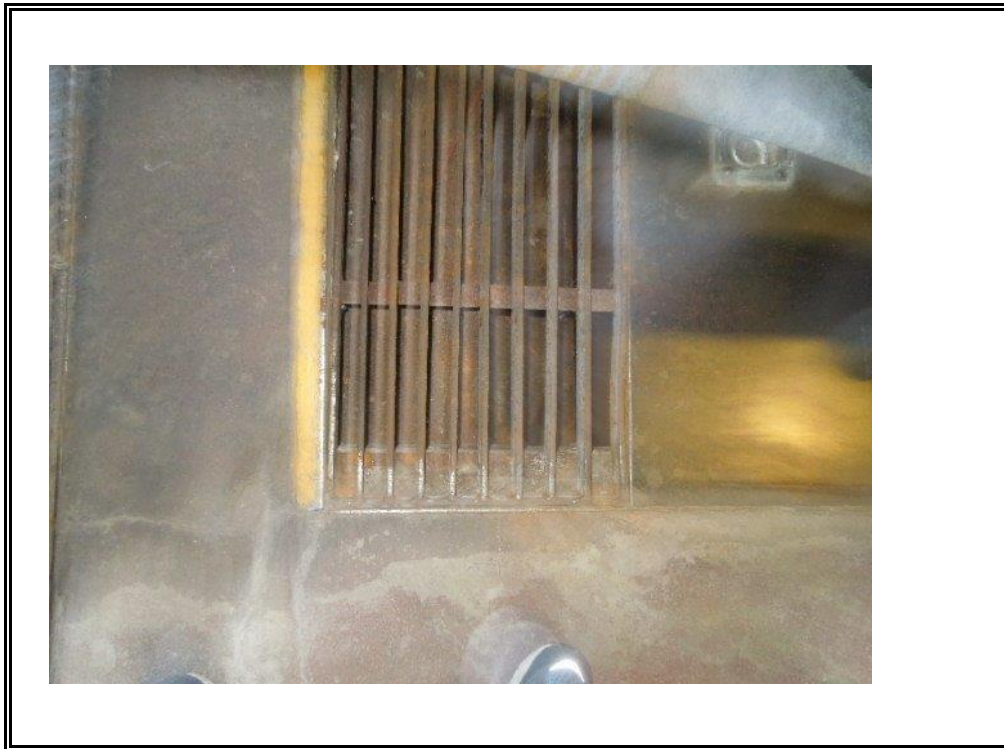
**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**



**SUBJECT PROPERTY PHOTOGRAPHS**





---

**HIGHEST AND BEST USE ANALYSIS**

---

The highest and best use of any improved property consists of two separate analyses: the highest and best use of the site as if vacant and the highest and best use of the property as if improved.

Highest and best use is defined as:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." <sup>2</sup>

Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skills. In other words, the use determined from analysis represents an opinion, not a fact to be found.

In appraisal practice, the concept of highest and best use represents the premise on which value is based. The use should take the highest advantage of the attributes of the property while neutralizing, to the greatest possible extent, any negative characteristics. At the same time, the use should operate within the limits of approved and justified investment.

In arriving at an estimation of the highest and best use for the subject property, the appraiser has followed a four point analysis, as set out below:

1. Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.
2. Physically Possible – The use to which it is physically possible to put the site in question.
3. Financially Feasible – The possible and permissible uses that will produce a net income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.
4. Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

---

<sup>2</sup>*The Appraisal of Real Estate*, 12<sup>th</sup> Edition, page 318, published by the Appraisal Institute 2001

---

**HIGHEST AND BEST USE AS IF VACANT**

---

**Legally Permissible**

The first consideration of the highest and best use of the subject property is the legally permissible uses of a property as if vacant. Primarily, this is directed at the zoning of the property; the covenants, conditions, and restrictions of the property; and the development standards of the subdivision in which the subject property is located.

The subject property is located in the City of Reno and is subject to its current zoning ordinance. According to representatives of the Zoning Department, the subject property is currently zoned MU, which is a Mixed Use zoning classification. Primarily, this zoning classification calls for future commercial and/or industrial development of the subject site. The subject is assumed to be a current legal use.

A review of public records for the subject property shows that the property is encumbered by several easements. These easements were analyzed to determine their potential impact on property uses. Due to the location of these easements, it was concluded that the easement encumbrances would not impact the use or development of the subject property.

The subject property is located in an area that has been established for several years. There are no protective covenants, conditions, or restrictions on the subject property that would affect the legally permissible uses of the subject site as if vacant. The zoning and lack of any protective covenants, conditions, and restrictions are common to the neighborhood in which the subject is located. There are no deed restrictions or legal encumbrances which further constrain the legally permissible uses of the subject site. Based on the legal characteristics of the subject property, specifically the current zoning, it is this appraiser's opinion that an industrial/commercial utilization would be appropriate for the subject site.

**Physically Possible**

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) are physically possible for the subject property. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the *Site Analysis* section of this report, the subject site contains a gross land area of

206,779.32± sf, or 4.747± ac . The site is level and has a level terrain and is located in a Flood Zone X. The subject is located on the north side of E. 4<sup>th</sup> Street. Access is from Line Drive on the west and Threlkel Street on the east. Access to the subject site is considered to be both adequate and typical. Visibility of the subject site is considered to be average. There do not appear to be any adverse easements that would affect the value or the utility of the property. Public utilities have all been brought to the site and are considered to be sufficient to support the development of the site. Due to the access and visibility of the site, it is felt that the site is adequate for various types of property uses. Those properties which would not require high visibility or high traffic volume would be very appropriate for the subject site.

The appraiser has also examined the surrounding properties and development trends in the immediate area in order to gain insight as to physical constraints experienced upon other similar sites. Located in the vicinity of the subject site are several other industrial/commercial developments. Industrial/commercial development appears to be the predominant development in the immediate area.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."<sup>3</sup> Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint, it is most likely that the subject site, as vacant, would be developed with some type of an industrial/commercial utilization because of the fact that this type of use blends well with the surrounding neighborhood.

In conclusion, the physical aspects of the subject site best lend themselves to some type of an industrial/commercial utilization because of the surrounding development and the general characteristics of the immediate area. The principle of conformity leads the appraiser to the conclusion that some type of industrial/commercial development is appropriate for the subject site.

### **Financially Feasible**

The legally permissible and more specifically, the physically possible and compatible considerations narrow the subject site's potential development

---

<sup>3</sup>The Appraisal of Real Estate, 12<sup>th</sup> Edition, published by the Appraisal Institute, 2001, page 319

alternatives to some type of industrial/commercial development as appropriate for the subject site. The next consideration is that of financial feasibility, specifically, whether or not a industrial/commercial development as indicated by the legally permissible and physically possible considerations is possible at this time. In other words, do the potential benefits from the operations of the selected uses outweigh the cost of constructing such a project.

The appraiser has appraised several properties within the Reno/Sparks area in the last few years. Although a Cost Approach has not been included in this report, a Land Analysis has been considered. When the appraiser researched land sales in the subject neighborhood, it was found that there was a shortage of available sales and/or current offerings of similar type properties. The appraiser also investigated and inspected the neighborhood to determine to which utilizations vacant sites have been put in the past few years. In the majority of cases, all new construction within the subject neighborhood on vacant sites has been for some type of industrial/commercial use. However, as indicated in the current area analysis, the Reno/Sparks area had seen a dramatic rebounding just within the last few years. There has been limited new construction of industrial/commercial properties in the immediate area; however, there appears to be an increase in industrial/commercial demand. There is currently a high indication that there is market support for new industrial/commercial property in the immediate area at this time.

Therefore, since the subject property meets the legal and physical criteria for industrial/commercial development, the subject's most feasible use, as of the date of valuation, is to be developed with some form of industrial/commercial development.

### **Maximally Productive Use**

The final step in estimating the highest and best use is to determine which use, among the feasible uses, would produce the highest net return or the highest net present value to the property. This analysis also focuses on the most appropriate density, type of finish, and other building attributes that are more specific than the use of the property.

The physical and legal characteristics would lead to a highest and best use of a industrial/commercial utilization. In the financially feasible section it was indicated



that the current Reno/Sparks market does appear to warrant new industrial/commercial construction in the immediate area of the subject. Therefore, the most feasible use, as of the date of valuation, is to be developed with some form of industrial/commercial development.

**Conclusion, As If Vacant**

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site is to be developed with some form of an industrial/commercial development.

---

**HIGHEST AND BEST USE AS IMPROVED**

---

The subject has been improved with an office, service repair building, Rv storage building and a metal storage building containing a total building area of 37,360± sf, according to the appraisers inspection and Washoe County records. The properties contains a total building area of 37,360± sf. The buildings were constructed in 1946 and 1999.

As indicated, the subject property was constructed and is currently being utilized as an office, service repair building, Rv storage building and a metal storage building . Because of the construction and design of the building, it would be rather expensive to remodel the structure to house any other use that would be appropriate for the zoning other than its current use.

The reader is referred to the *Approaches To Value* section found elsewhere in this report which indicates the improvements contribute considerably to the overall value of the subject. The subject properties were originally built in 1946 and 1999 as an office, service repair garage, Rv Storage building and a metal storage building. There is no excess amount of land that needs to be developed or expanded. In the *Zoning* section of this report it was indicated that the subject is currently being used as a legal use. There are no indications in the current market that the building should be renovated to any other use than its present use. It is estimated by the appraiser that the most likely buyer of the subject property would be an owner/user.

Referring back to the *Area Analysis* section of this report, it was noted that the Reno/Sparks area is heavily influenced by tourism and industrial utilizations in the state of Nevada. Therefore, after careful consideration of the subject's location, topography, zoning classification, and other various factors involved, it is this appraiser's opinion that the highest and best use of the subject property, as improved, is an industrial/commercial property.

Therefor it is this my onion that the improvements do contribute to the overall value. It appears that the subject property is currently improved to it highest and best use.

---

## **APPROACHES TO VALUE**

In the appraisal of real estate, there are three basic traditional approaches for estimating property values. The three approaches are: Direct Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach. The final step in estimating a property's "retrospective market value" (i.e., the most probable selling price), is to correlate the value estimate of the three approaches into a single value estimate.

### **THE COST APPROACH**

This approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use for the land, or when unique or specialized improvements are located on the site for which there exists no comparable properties on the market. Due to the age of the improvements and the fact that it is not necessary or relevant, the Cost Approach has been omitted from this report.

### **INCOME APPROACH**

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach is widely applied in appraising income producing properties. Due to the fact that this appraisal is estimating the fee simple value of the property, the Income Approach is not considered necessary or applicable and therefore has been eliminated from this report.

### **DIRECT SALES COMPARISON APPROACH**

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. It is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Adjustments extracted from the market are applied to the comparable sales for any differences that exist

between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sale, and the terms of the sale.

### **SALES COMPARISON APPROACH TO VALUE**

The sales comparison approach, also called the market approach, is a method of estimating retrospective market value whereby a subject property is compared with comparable properties that have sold recently. One premise of the sales comparison approach is that the market will determine the price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. The steps of this approach involve:

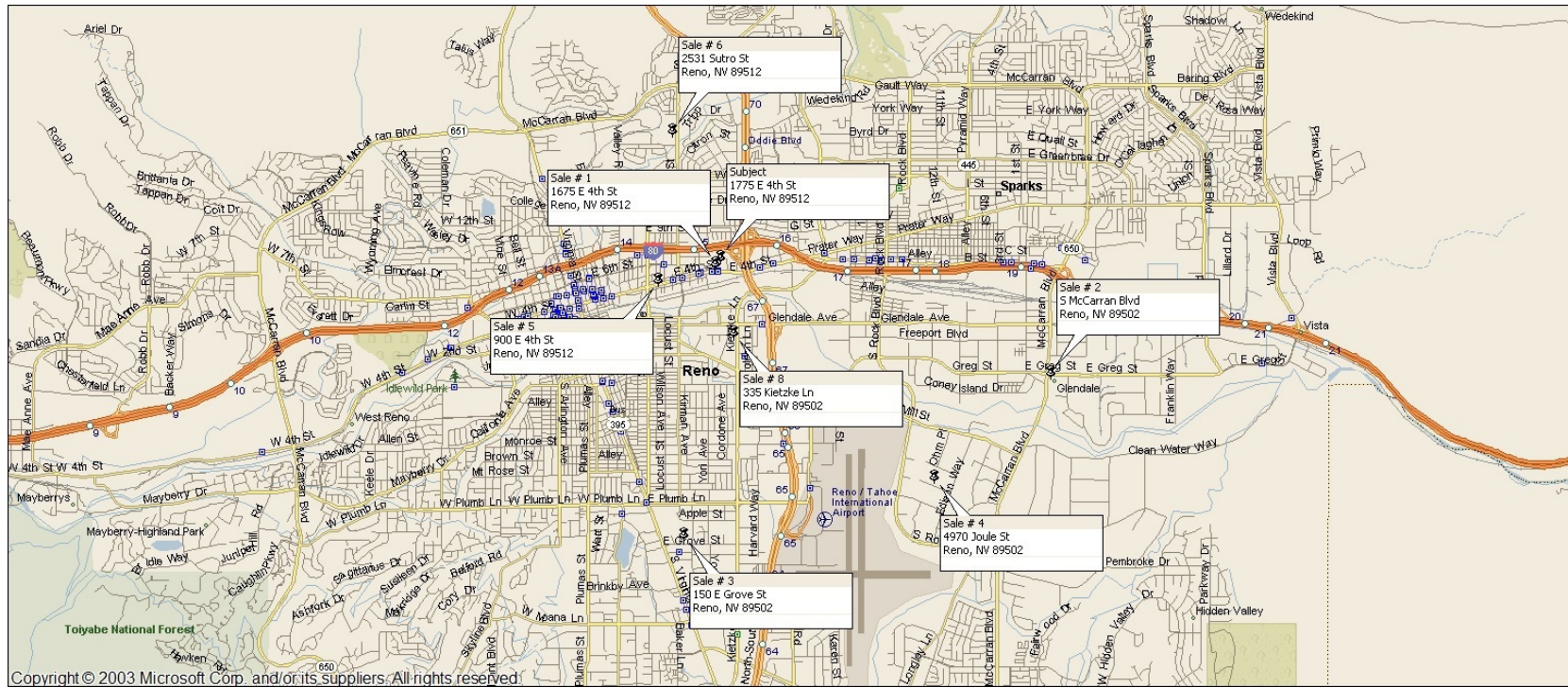
1. Researching the market to obtain information about transactions and offerings for sale.
2. Verifying the information to determine if the data is factually accurate and if the transactions are arm's length market considerations.
3. Determining relevant units of comparison (e.g., unit, square foot, room, multiplier), and develop a comparative analysis for each appropriate unit.
4. Comparing the subject and comparable sales according to the elements of comparison and adjust the sale price of each comparable as appropriate or eliminate the property as a comparable.
5. Reconciling the multiple value indications that result from the comparables into a single value indication.

Eight sales which were considered to be similar to the subject were researched and are presented in the following sales chart. These sales occurred between January 2020 and April 2022. These sales were felt to be the most similar and the best indicators available at the time of appraisal. Following will be a sales chart of the individual sales and a sales map, followed by individual sale pages.

## COMPARABLE SALE CHART

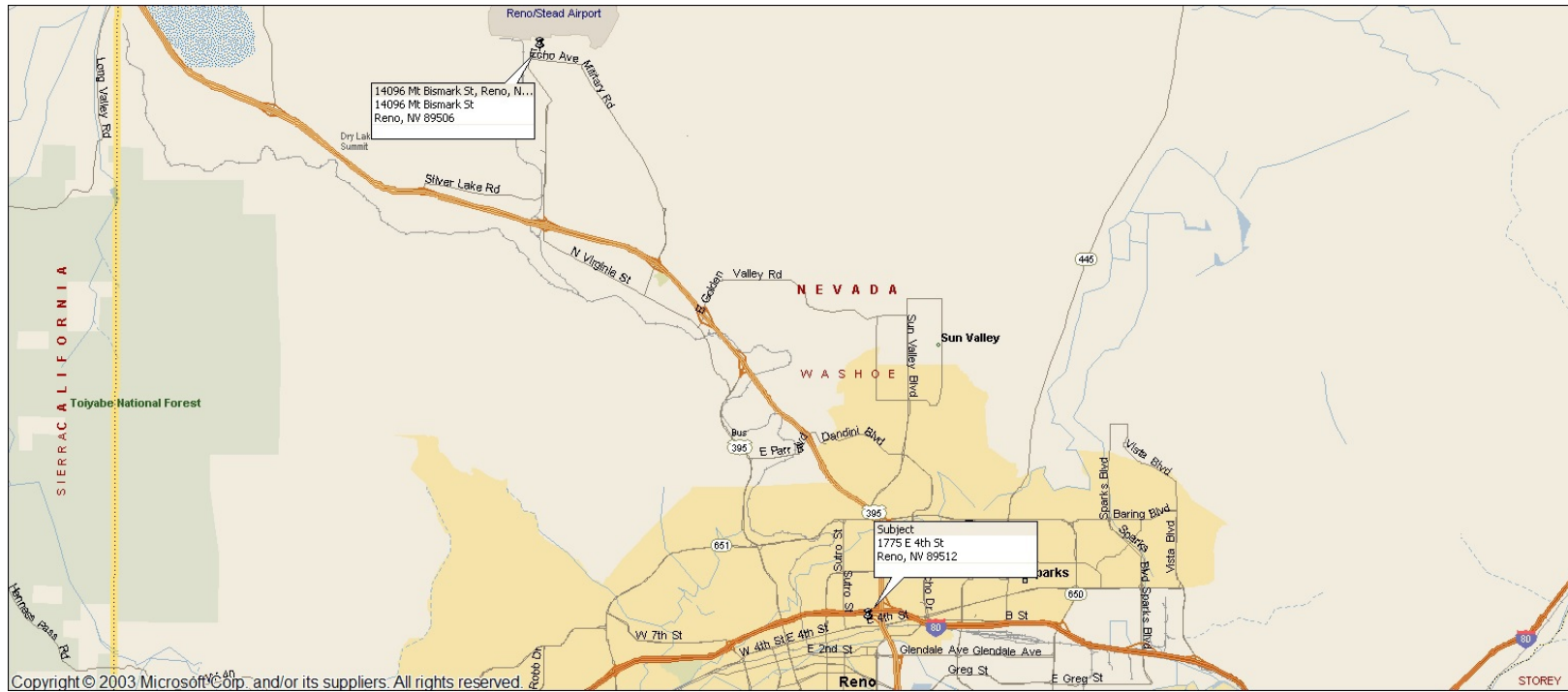
Sale No.	Address	Sale Date	Sale Price	Year Built	Land Area	Bldg. Area	Price/SF	Property Type
1	008-383-05 1675 E 4 <sup>th</sup> St. Reno, NV	01-10-20	\$800,000	1944	.651± ac	7,200± sf	\$111.11	Warehouse Store
2	034-143-05 1550 S McCarran Sparks, NV	06-01-20	\$5,000,000	1976	4.138± ac	33,562± sf	\$148.98	Service Repair Garage
3	020-011-07 150 E Grove Reno, NV	08-19-20	\$799,000	1952	.241± ac	6,028± sf	\$132.55	Service Repair Garage
4	012-316-03 4970 Joule St. Reno, NV	12-06-21	\$6,450,000	1973	2.21± ac	46,000± sf	\$140.21	Storage Warehouse
5	009-254-09/12 900 E 4 <sup>th</sup> St. Reno NV	02-02-21	\$2,266,360	1920	.9201± ac	13,100± sf	\$173.00	Storage Warehouse
6	004-130-45 2531 Sutro St. Reno, NV	09-21-21	\$3,000,000	1973	.938± ac	15,655± ac	\$191.63	Storage Warehouse
7	086-148-08 14095 Mt Bismark Reno, NV	03-08-22	\$1,465,000	1995	1.180± ac	10,000± sf	\$146.50	Storage Warehouse
8	012-165-10 335 Kietzke Ln. Reno, NV	04-11-22	\$3,100,000	1965	.877± ac	13,572± sf	\$228.41	Service Repair Garage
Subject	008-211-50 1775 E. 4 <sup>th</sup> St. Reno, NV	--	--	1943	4.747± ac	37,360± sf	--	Mixes Use

### COMPARABLE SALES LOCATION MAP





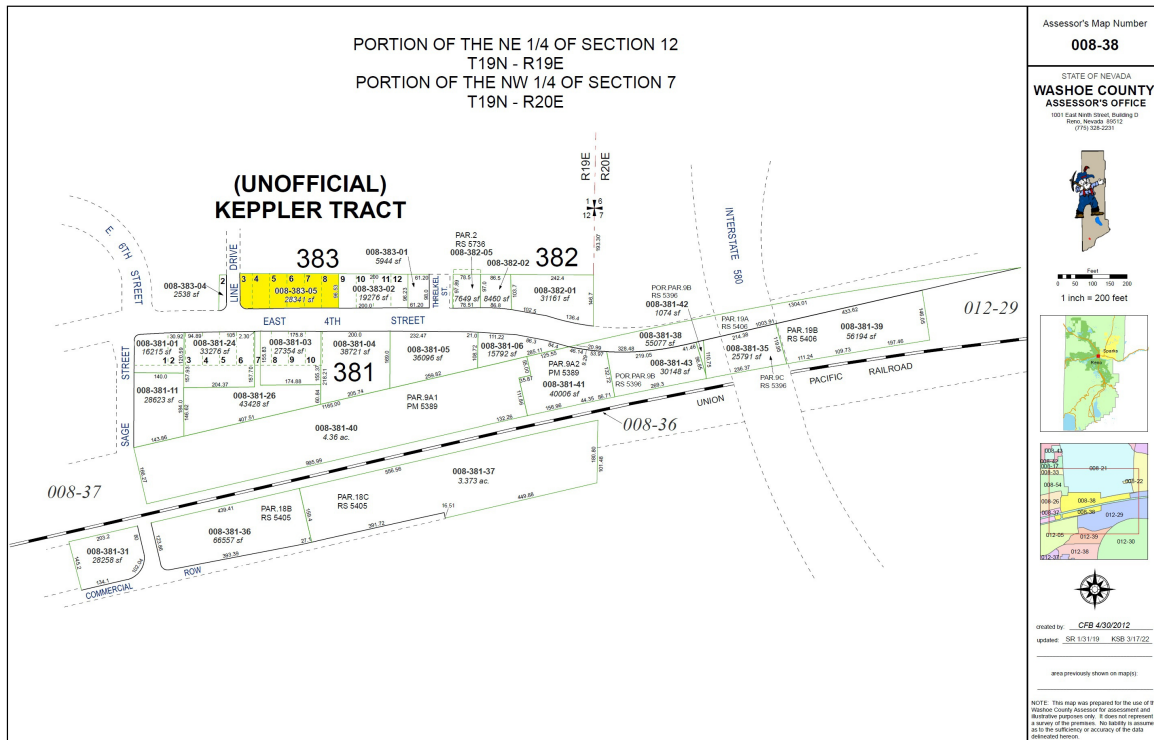
### COMPARABLE SALES LOCATION MAP



**SALES DATA****COMPARABLE SALE #1**

**APN:** 008-383-05  
**Property Type:** Warehouse Store  
**Address:** 1675 E. 4<sup>th</sup> Street, Reno, NV  
**Location:** Northeast corner of Line Drive and E 4<sup>th</sup> Street  
**Grantor:** Larry Sliter and Kathy L. Slither, as Trustees of the Larry Sliter Family Trust dated June 19, 1992 as to an undivided one-half interest and Larry Sliter as Successor Trustee of the Sliter Family trust dated November 18, 1987 as to an undivided one-half interest as tenants in common  
**Grantee:** Lin Ortega and Norma Flores, husband and wife as joint tenants  
**Sale Date:** 01-10-2020 **Doc. No.:** 4990636  
**Sale Price:** \$800,000 **Financing:** Typical  
**Sale History:** 06-01-1977, \$140,000  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** .651 ac  
**Zoning:** MU **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Warehouse Store  
**Gross Bldg. Area:** 7,200± sf **Constr. Type:** Metal frame  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1944 **Condition:** Average  
**Price/SF GBA:** \$111.11

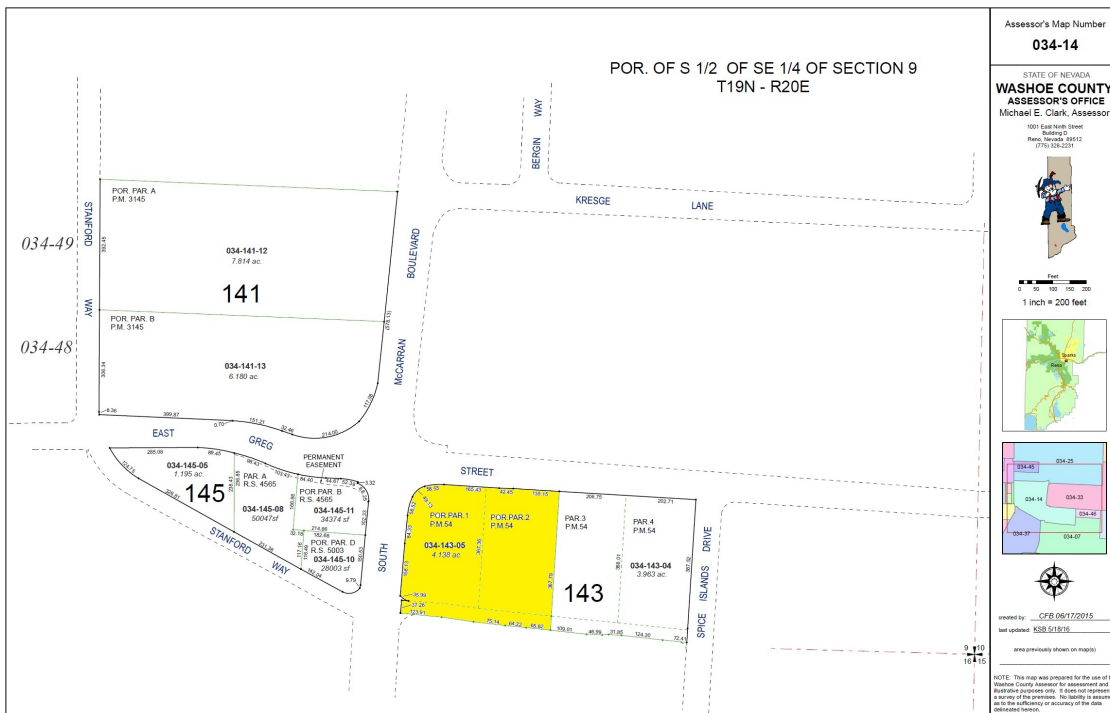
**SALE # 1**  
 1675 E. 4<sup>th</sup> Street, Reno, NV



**COMPARABLE SALE #2**

**APN:** 034-143-05  
**Property Type:** Service Repair Garage  
**Address:** 1550 S. McCarran Blvd., Sparks, NV  
**Location:** Southeast corner of S. McCarran Blvd. And East Gregg Street.  
**Grantor:** That 1550 S. McCarran, LLC  
**Grantee:** Velocity Dealership Acquisition LLC  
**Sale Date:** 6-01-20 **Doc. No.:** 5035450  
**Sale Price:** \$5,000,000 **Financing:** Typical  
**Sale History:** 09-11-07, \$5,200,000  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** 4.138± sf  
**Zoning:** I **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** AE – 100 Year Flood Area  
**Highest and Best Use:** Service Repair Garage  
**Gross Bldg. Area:** 33,562± sf **Constr. Type:** Masonry  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1976 **Condition:** Average  
**Price/SF GBA:** \$148.98  
**% Office:** 15% **% Warehouse:** 85%

**SALE # 2**  
1550 S. McCarran Blvd., Sparks, NV

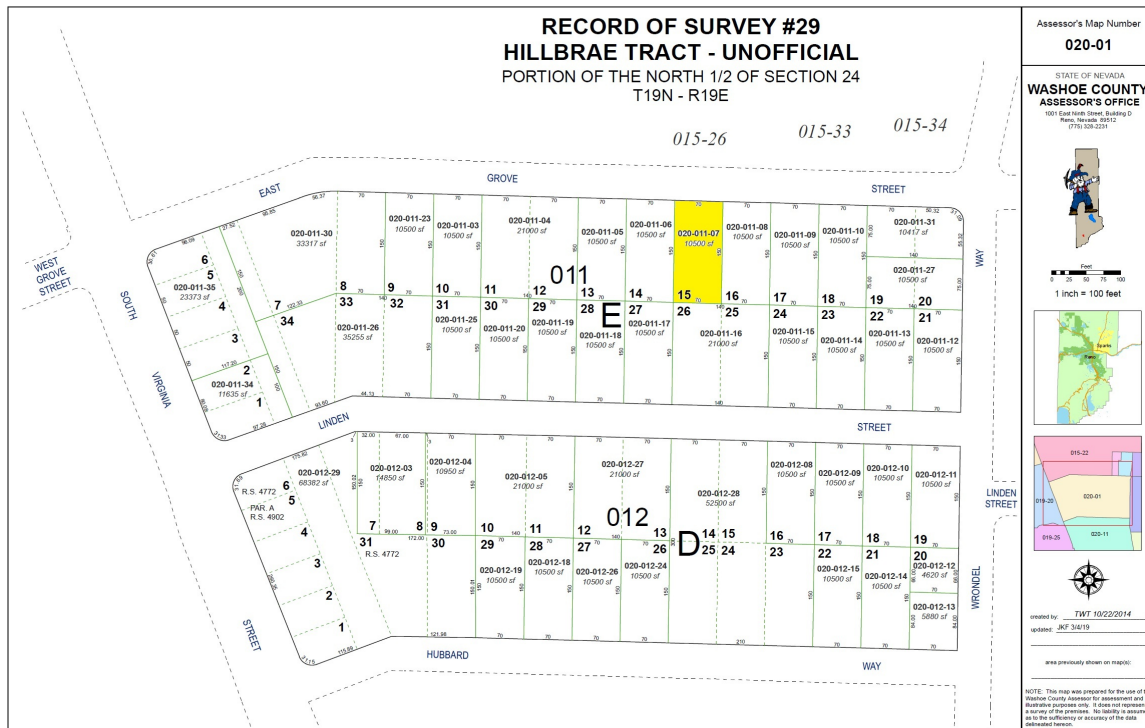
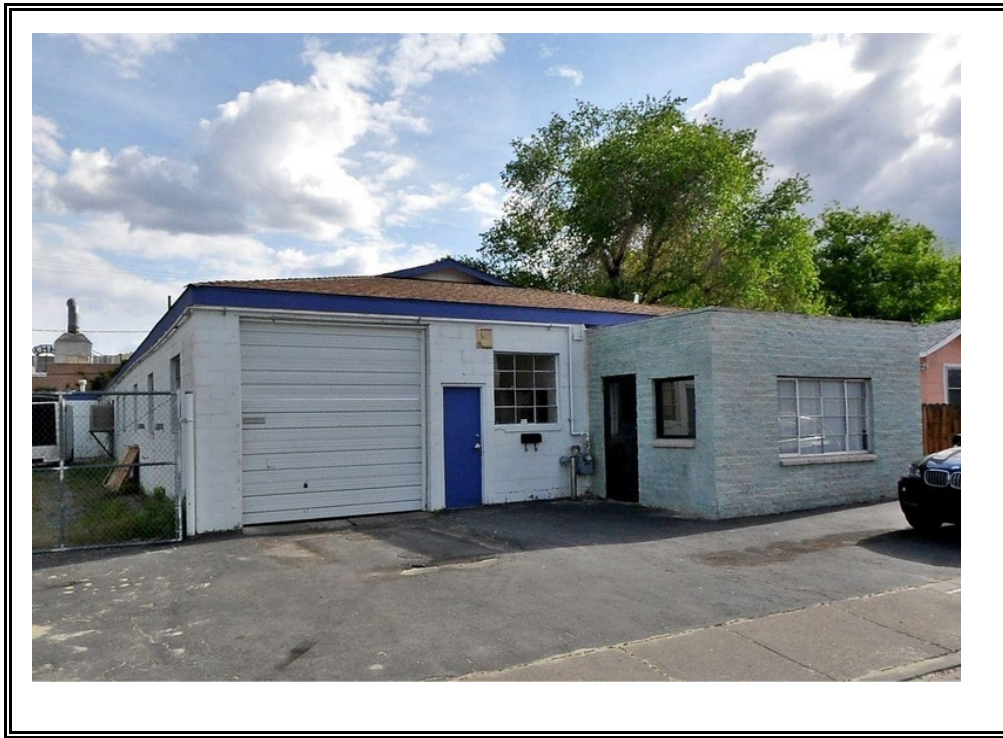




**COMPARABLE SALE #3**

**APN:** 020-011-07  
**Property Type:** Service Repair Garage  
**Address:** 150 E Grove Street, Reno, NV  
**Location:** South side of E Grove St. between S. Virginia St. and Wrondel Way.  
**Grantor:** Mark E. Hutchinson Trustee  
**Grantee:** Leonardo Quintero Wences and Carmen Quintero-Ferreira  
**Sale Date:** 8-19-20 **Doc. No.:** 5067307  
**Sale Price:** \$799,000 **Financing:** Typical  
**Sale History:** 4-19-16, 4325,028  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** .241± ac  
**Zoning:** MUSV **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Apartments  
**Gross Bldg. Area:** 6,028± sf **Constr. Type:** Masonry  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1952 **Condition:** Average  
**Price/SF GBA:** \$132.55

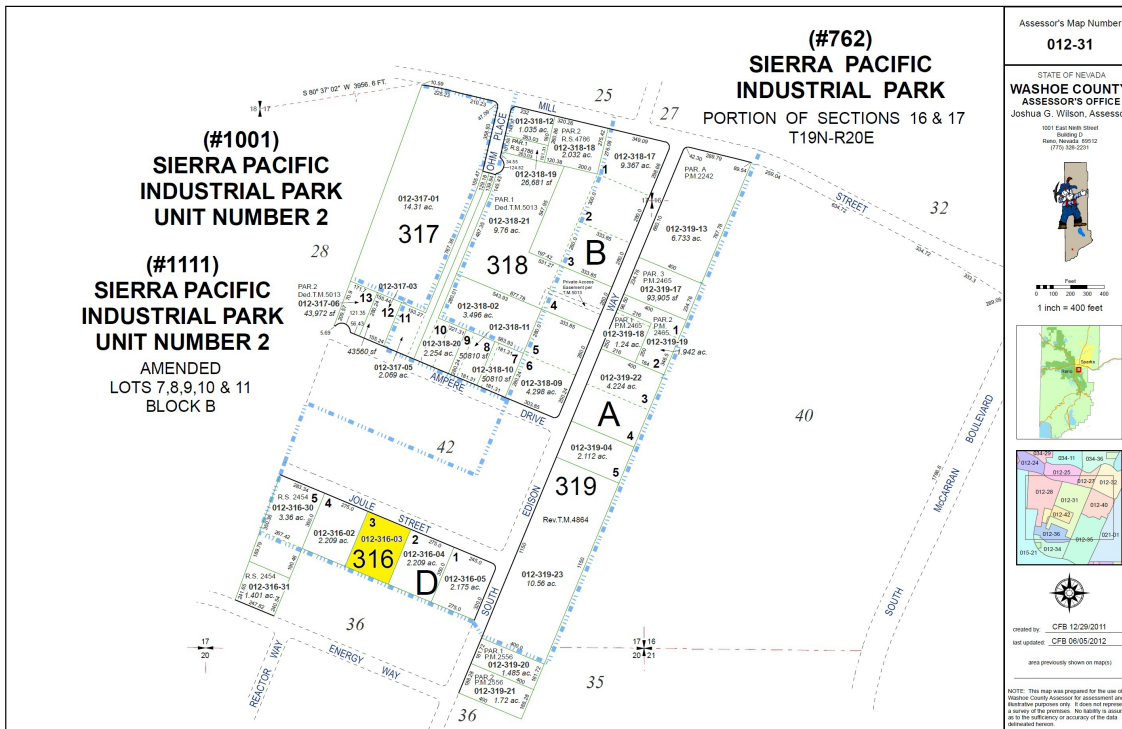
**SALE # 3**  
150 E Grove Street, Reno, NV



**COMPARABLE SALE #4**

**APN:** 012-316-03  
**Property Type:** Storage Warehouse  
**Address:** 4970 Joule Street, Reno, NV  
**Location:** South side of Joule Street west of South Edison Way  
**Grantor:** Hermco Inc. a Nevada corporation  
**Grantee:** Diamond Joule LLC, a Nevada limited liability company  
**Sale Date:** 12-06-2021 **Doc. No.:** 5255287  
**Sale Price:** \$6,450,000 **Financing:** Typical  
**Sale History:** 11-22-2017, \$6,690,000 and 09-01-2016, \$3,299,000  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** 2.21± ac  
**Zoning:** IC **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Storage Warehouse  
**Gross Bldg. Area:** 46,000± sf **Constr. Type:** Masonry  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1972 **Condition:** Average  
**Price/SF GBA:** \$140.21

**SALE # 4**  
4970 Joule, Reno, NV

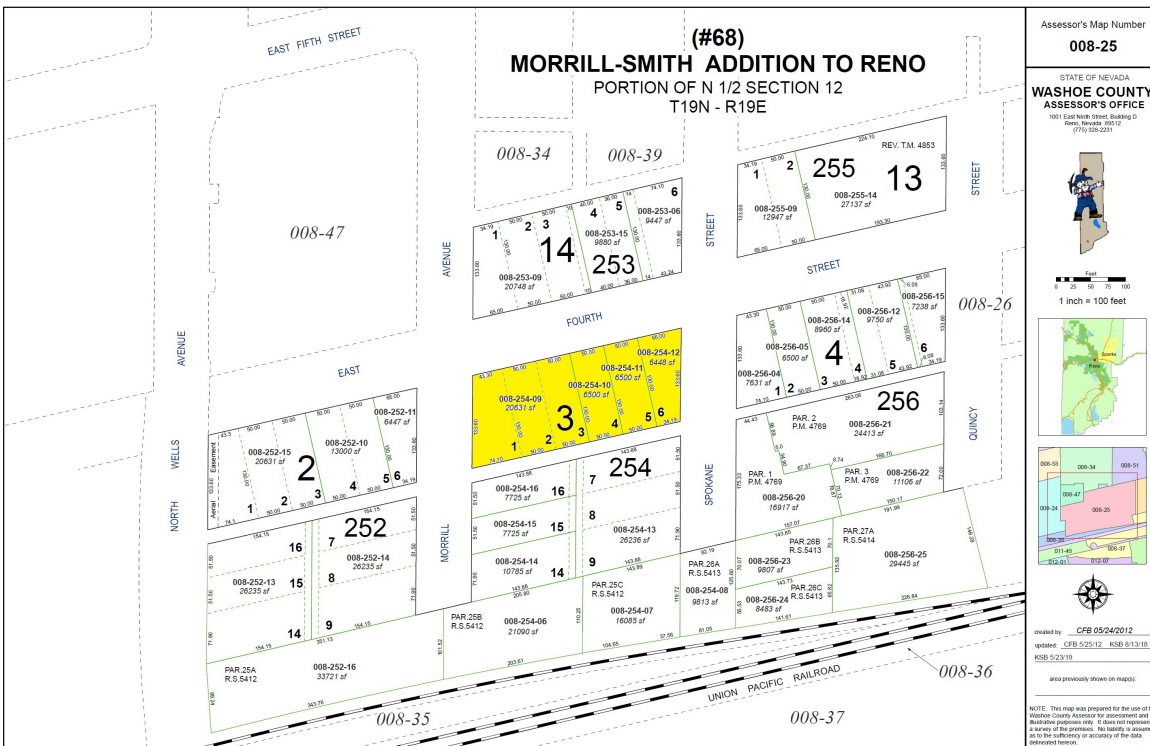
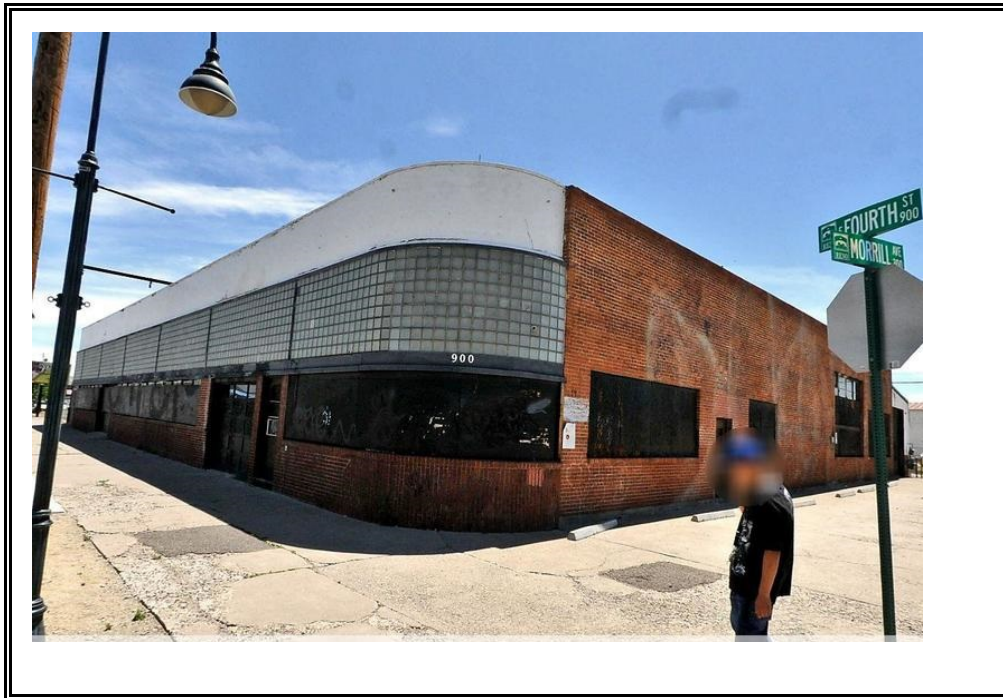


**COMPARABLE SALE #5**

**APN:** 008-254-09,10,11,12  
**Property Type:** Storage Warehouse  
**Address:** 900 E. 4<sup>th</sup> Street, Reno, NV  
**Location:** South side of E 4<sup>th</sup> Street between Morrill Avenue and Spokane St.  
**Grantor:** Frontier Land & Livestock, Inc., a Nevada corporation  
**Grantee:** Highway Ventures, LLC, a Nevada limited liability company  
**Sale Date:** 02-02-2021 **Doc. No.:** 5136715  
**Sale Price:** \$2,266,360 **Financing:** Typical  
**Sale History:** None  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** .9201± ac  
**Zoning:** MU **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Storage Warehouse  
**Gross Bldg. Area:** 13,100± sf **Constr. Type:** Masonry  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1920 **Condition:** Average  
**Price/SF GBA:** \$173.00



**SALE # 5**  
 900 E. 4<sup>th</sup> Street, Reno, NV

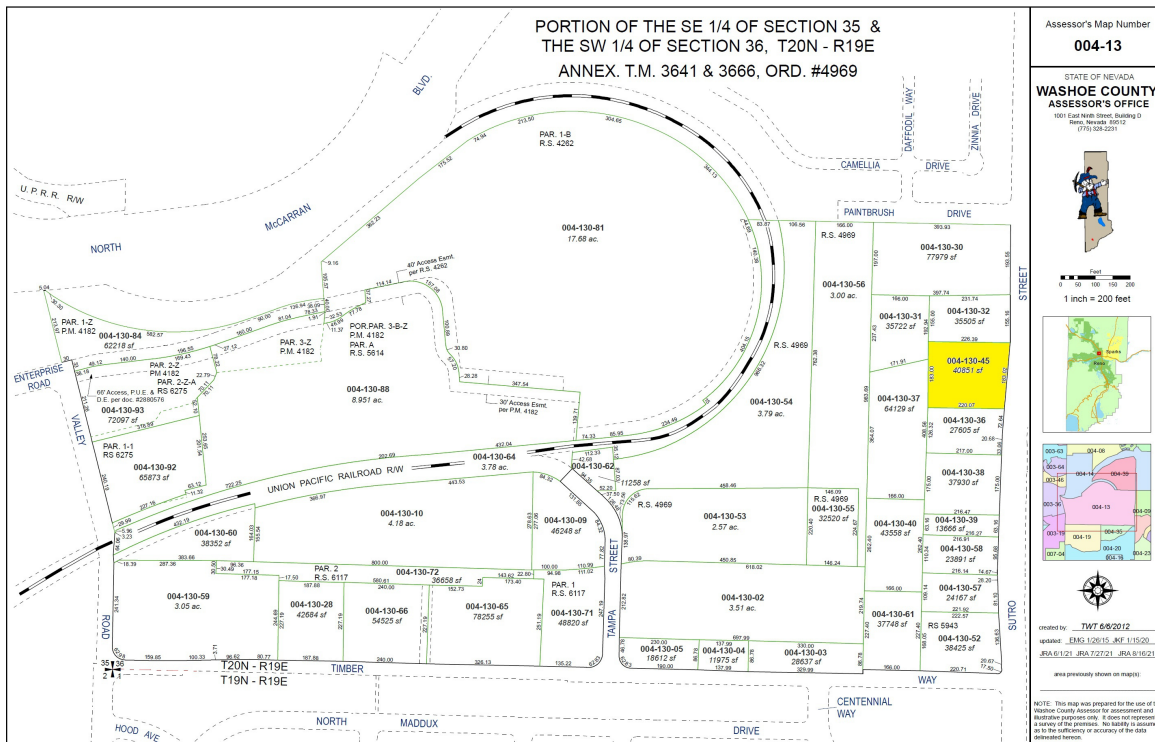
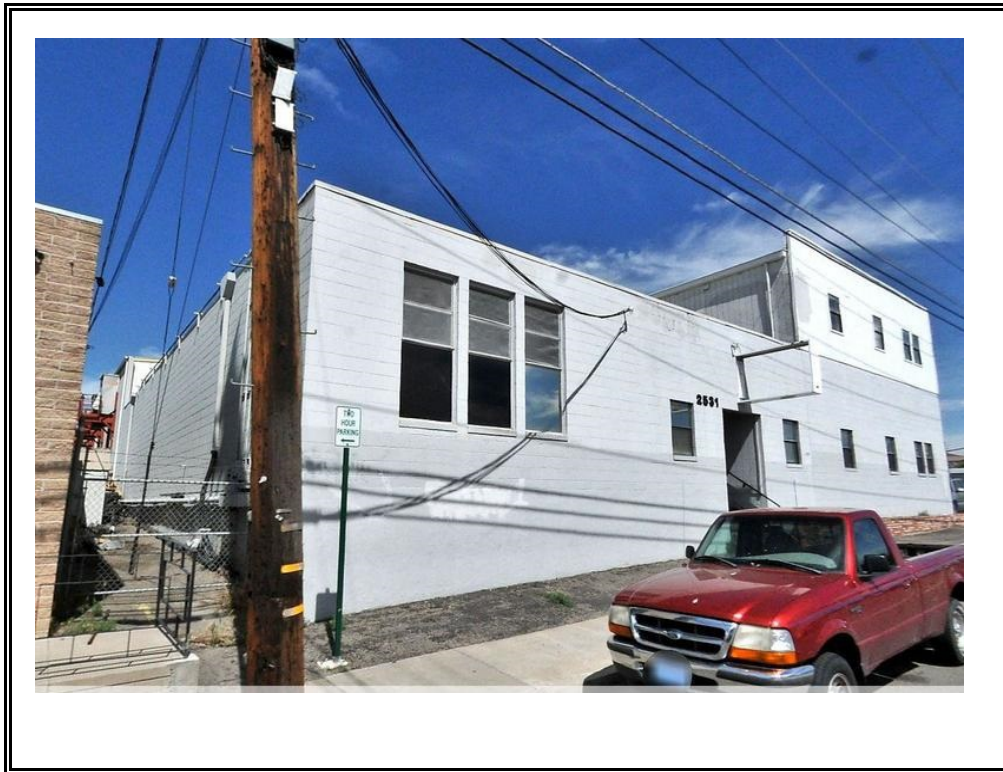




**COMPARABLE SALE #6**

**APN:** 004-130-45  
**Property Type:** Storage warehouse  
**Address:** 2531 Sutro Street, Reno, NV  
**Location:** West side of Sutro St. between Timber Way and Paintbrush Dr.  
**Grantor:** Nevada Seafood Company a Nevada corporation  
**Grantee:** Bayside Mountain View LLC, a Nevada limited liability company  
**Sale Date:** 09-21-2021 **Doc. No.:** 5228844  
**Sale Price:** \$3,000,000 **Financing:** Typical  
**Sale History:** 11-01-2002, \$1,285,000  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** .938± ac  
**Zoning:** ME **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Storage Warehouse  
**Gross Bldg. Area:** 15,655± sf **Constr. Type:** Metal Frame  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1973 **Condition:** Average  
**Price/SF GBA:** \$191.63

**SALE # 6**  
2531 Sutro Street, Reno, NV

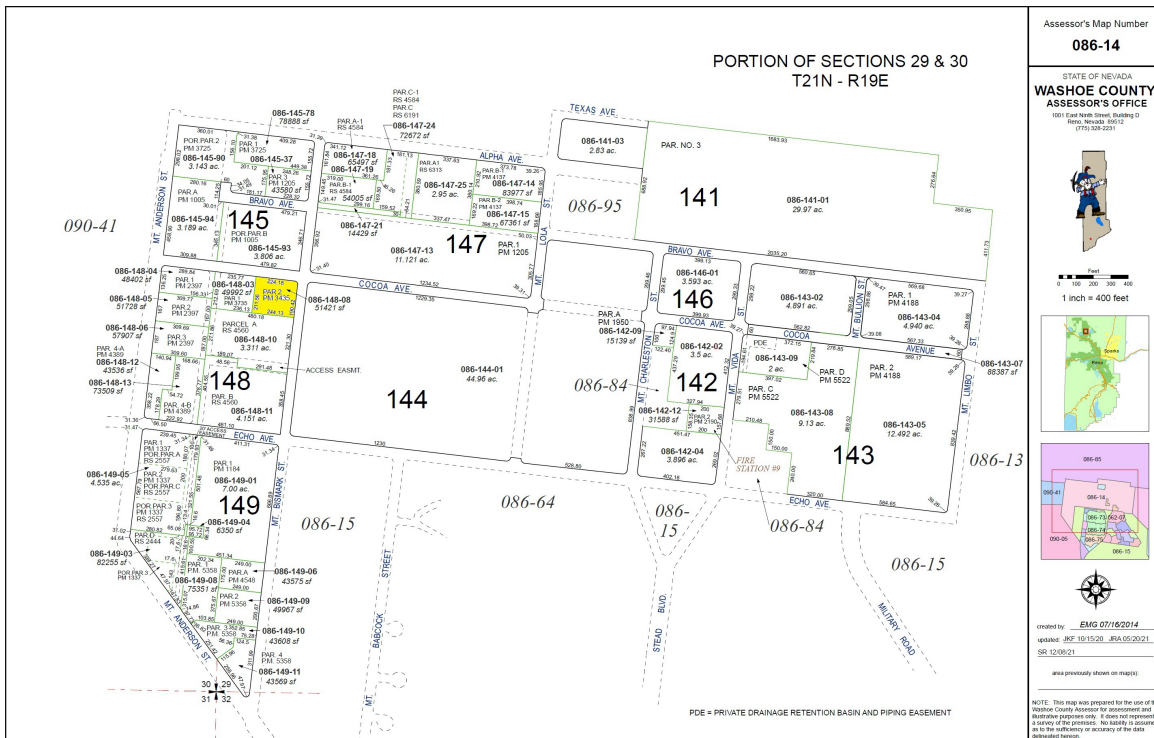


**COMPARABLE SALE #7**

**APN:** 086-148-08  
**Property Type:** Storage Warehouse  
**Address:** 14095 Mount Bismark Street, Reno, NV  
**Location:** SWC Mt. Bismark St. And Cocoa Ave  
**Grantor:** Doodle Properties, LLC #10, a Nevada limited liability company  
**Grantee:** James P. Nuss and Kristine H. Nuss, trustees under the Nuss Family Trust Agreement dated April 21, 2017  
**Sale Date:** 03-08-2022                      **Doc. No.:** 5283302  
**Sale Price:** \$1,465,000                      **Financing:** Typical  
**Sale History:** 04-20-2018, \$857,000  
**Verification:** Public Records  
**Conditions of Sale:** Market                      **Property Rights:** Fee Simple  
**Land Area:** 1.180± ac  
**Zoning:** I    **Topography:** Level  
**Utilities:** Available                              **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Storage Warehouse  
**Gross Bldg. Area:** 10,000± sf                      **Constr. Type:** Metal frame  
**Foundation:** Concrete slab                      **Stories:** 1  
**Year Built:** 1995                                  **Condition:** Average  
**Price/SF GBA:** \$146.50

# SALE # 7

14095 Mount Bismark Street, Reno, NV

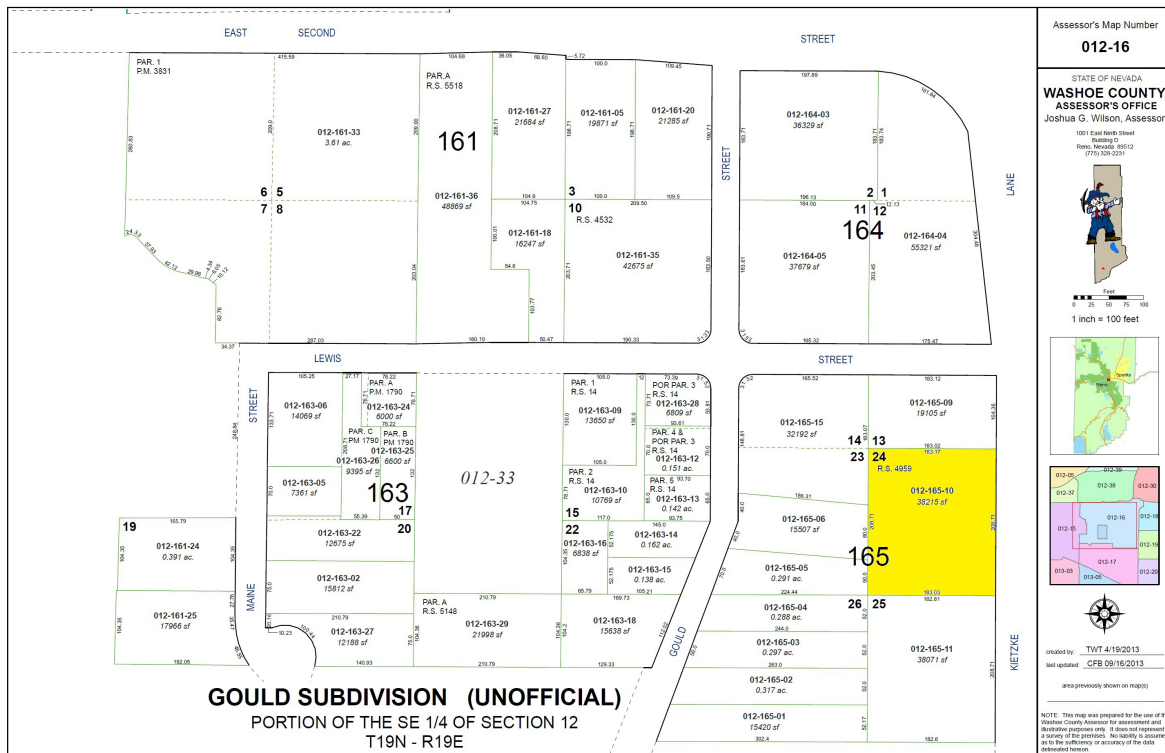
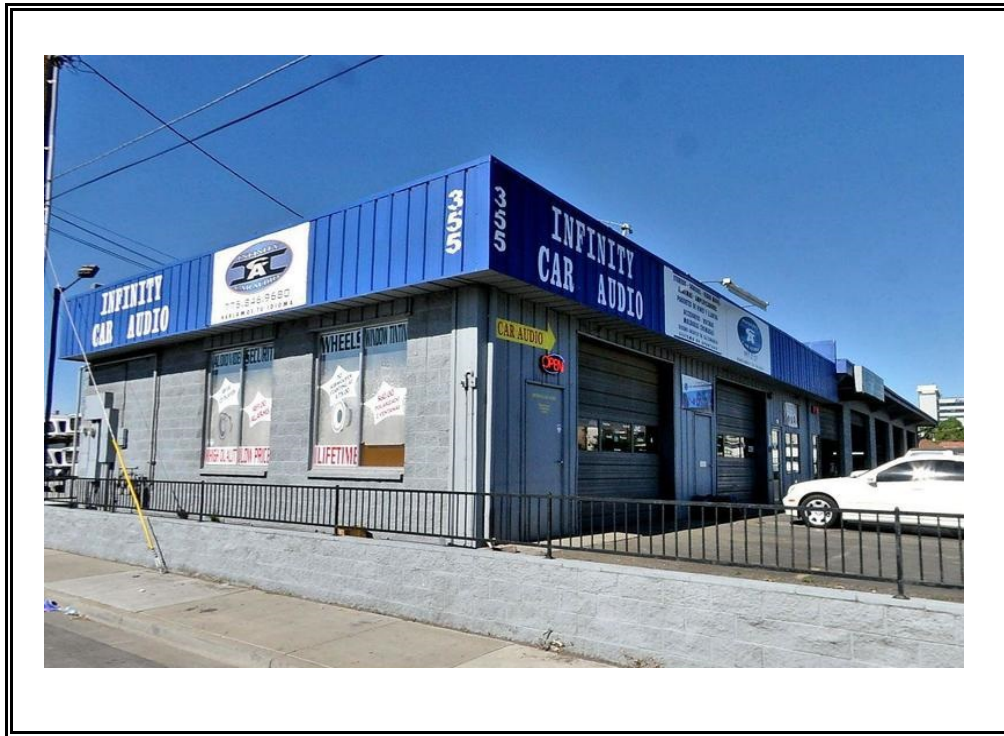


**COMPARABLE SALE #8**

**APN:** 012-165-10  
**Property Type:** Service Repair Garage  
**Address:** 335 Kietzke Lane, Reno, NV  
**Location:** West side of Kietzke Land south of Lewis Street  
**Grantor:** BDC Properties LLC, a Nevada limited liability company  
**Grantee:** Manchester Partners LLC, a Nevada limited liability company  
**Sale Date:** 04-11-2022 **Doc. No.:** 5293532  
**Sale Price:** \$3,100,000 **Financing:** Typical  
**Sale History:** 06-18-2007, \$1,285,000 and 09-25-1998, \$880,000  
**Verification:** Public Records  
**Conditions of Sale:** Market **Property Rights:** Fee Simple  
**Land Area:** .877± ac  
**Zoning:** MU **Topography:** Level  
**Utilities:** Available **Shape:** Irregular  
**Flood Zone:** X – Outside Flood Area  
**Highest and Best Use:** Service Repair Garage  
**Gross Bldg. Area:** 13,572± sf **Constr. Type:** Masonry  
**Foundation:** Concrete slab **Stories:** 1  
**Year Built:** 1965 **Condition:** Average  
**Price/SF GBA:** \$228.41



**SALE # 8**  
335 Kietzke Lane, Reno, NV





---

---

## COMPARISON FACTORS

### Property Rights

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

### Terms

Sales or listings will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

### Time

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

### Location

Adjustments may consider value differences attributed to location.

### Utility

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

### Zoning

Sales will be adjusted according to their zoning classification.

### Size

Adjustments consider if size affects value.

## SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price per square foot. Buyers and sellers of office, service garage buildings, Rv storage and metal storage buildings in the Reno/Sparks area typically analyze sales and potential properties on a price per square foot basis. Therefore, this analysis is being made on a price per square foot basis. After a thorough search of the Reno/Sparks and Washoe County areas, and specifically the surrounding areas around the subject property, the most recent sales thought to be comparable to the subject were found and analyzed. These sales are similar as possible to the subject property and are all located in the same marketing area as the subject property, which is both Reno and Sparks. The sales ranged in sales dates from January 01, 2020 to April 11, 2022. The gross building area ranges from a low of 6,028± sf up to 46,000± sf, as compared to the subject's total gross building area 37,360± sf. The land area of these sales range from .241± ac to 4.138± ac. as compared to the subject's 4.747± ac of land area. The properties were built between 1920 and 1995 as compared to the subject's year built of 1943 and 1999. The price per square foot of these sales ranged from a low of \$111.11 to a high of \$228.41. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for transit warehouse and service garage buildings. An upward adjustment is made to the comparables' sales price per square foot when a property is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

### Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

**Terms**

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

**Time (Marketing Conditions)**

The sales occurred between January 2020 and April 2022. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Reno/Sparks area had undergone a significant economic decline after its peak period, approximately 2006. Sales in 2020 and 2022 are sales that occurred well after the economic downfall and therefore are considered to be contemporary indicators for the subject's value. There has been a limited amount of sales activity in 2020-2022 similar to the subject property. The eight comparable sales found were felt to be the most similar and most comparable to the subject property. All sales are considered current, therefore, no further adjustments for time will be made.

**Location**

Overall, location is a very important aspect in any sale. The subject property is located on the north side of E. 4<sup>th</sup> Street between Line Drive and Threlkel Street Reno. Sale #1 is located on the northeast corner of Line Drive and E 4<sup>th</sup> Street, similar to the subject property requiring no adjustment. Sale #2 is located southeast corner of S. McCarran Blvd. And East Gregg Street, similar to the subject property requiring no further adjustment. Sale #3 is located at 1875 Industrial Way, similar to the subject property requiring no adjustment. Sale #4 is located on the south side of Joule, west of south Edison way, similar to the subject property requiring no further adjustment. Sale #5 is located on the south side of E. 4<sup>th</sup> Street between Morrill Avenue and Spokane Street, similar to the subject property requiring no adjustments. Sale #6 is located on the west side of Sutro Street between Timber Way and Paintbrush drive, similar to the subject property requiring no adjustments. Sale #7 is located on the south-west-corner of Mount Bismark Street and Cocoa Avenue, inferior to the subject property requiring an upward adjustments. Sale #8 is located on the west side of Kietzke Lane, south of Lewis Street, similar to the subject property requiring no adjustments.

## Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject property is felt to be similar to that of the sales utilized in this report. This section of the adjustments will also consider adjustments for utilities. All eight sales utilized in this report have the availability of public water and sewer and are similar to the subject property. All sales are considered to be similar in utility, therefore requiring no further adjustment.

## Zoning

The subject site is zoned MU Mixed use. Sale #1 is zoned MU, similar to the subject property requiring no adjustments. Sale #2 is zoned I, inferior to the subject property requiring an upward adjustments. Sale #3 is zoned MUSV, similar to the subject property requiring no adjustments. Sale #4 is zoned , inferior to the subject property requiring an upward adjustments. Sale #5 is zoned MU, similar to the subject property requiring no adjustments. Sale #6 is zoned ME, similar to the subject property requiring no adjustments. Sale #7 is zoned I, inferior to the subject property requiring an upward adjustments. Sale #1 is zoned MU, similar to the subject property requiring no adjustments. Sale #8 is zoned MU, similar to the subject property requiring no adjustments.

## Size

The subject's office, service repair building, Rv Storage building and a metal storage building containing a total building area of 37,360± sf. The sales in this report range in gross building area from a low of 6,028± sf to a high of 46,000± sf. Sale #1 contains 7,200± sf, smaller than the subject property, requiring a downward adjustment. Sale #2 contains 33,562± sf, similar to subject property, requiring no adjustment. Sale #3 contains 6,028± sf, smaller than the subject property, requiring a downward adjustment. Sale #4 contains 46,000± sf, larger than the subject property, requiring an upward adjustment. Sale #5 contains 13,100± sf, smaller than the subject property, requiring a downward adjustment. Sale #6 contains 15,655± sf, smaller than the subject property, requiring a downward adjustment. Sale #7 contains

10,000± sf, smaller than the subject property, requiring a downward adjustment. Sale #8 contains 13,572± sf, smaller than the subject property, requiring a downward adjustment.

### **Land Size**

The subject's lot contains a total of 4.747± sf. The sales in this report range in land area from a low of .241± ac to a high of 4.138± ac. Sale #1 contains .651± ac, smaller than the subject property, requiring an upward adjustment. Sale #2 contains 4.138± ac, similar to the subject property, requiring no adjustment. Sale #3 contains .241± ac, smaller than the subject property, requiring an upward adjustment. Sale #4 contains 2.21± ac, smaller than the subject property, requiring an upward adjustment. Sale #5 contains .9201± ac, smaller than the subject property, requiring a downward adjustment. Sale #6 contains .938± ac, smaller than the subject property, requiring an upward adjustment. Sale #7 contains 1.180± ac, smaller than the subject property, requiring an upward adjustment. Sale #8 contains .877± ac, smaller than the subject property, requiring an upward adjustment.

### **Other Adjustments**

**Sale #1** is located at 1675 E. 4<sup>th</sup> Street, Reno, Nevada. This sale is further identified as APN 008-383-05. This property was sold by Larry Sliter and Kathy L. Slither, as Trustees of the Larry Sliter Family Trust dated June 19, 1992 as to an undivided one-half interest and Larry Sliter as Successor Trustee of the Sliter Family trust dated November 18, 1987 as to an undivided one-half interest as tenants in common. The property was purchased by Lino Ortega and Norma Flores, husband and wife as joint tenants. The sale occurred on January 10, 2020. The sale was recorded with Document No. 4990635. This property contains .651± ac of land area and is zoned MU. This property is a warehouse store. The building contains 7,200± sf, is metal frame construction and was constructed in 1944. This property sold for \$800,000 indicating a price per square foot of \$111.11. Overall in comparison to the subject property this sale is considered to be a low indicator requiring an upward adjustment.

**Sale #2** is located at 1550 S. McCarran Blvd. Sparks, Nevada. This sale is further identified as APN 034-143-05. This property was sold by That 1550 S. McCarran LLC, a Nevada limited liability company and was purchased by Velocity Dealership Acquisition LLC, a Delaware limited liability company. This occurred August 01, 2020. The sale was recorded with Document No. 5035450. The improvements are situated on a 4.138± ac site. The zoning is I. This property is considered to be a service repair garage. The gross building area contains 33,562± sf and construction is masonry. The building was built in 1976. The reported sales price was \$5,000,000 indicating a price per square foot of \$148.98. Overall in comparison to the subject property this sale is considered to be a low indicator requiring an upward adjustment.

**Sale #3** is located at 150 E. Grove Street, Reno, Nevada. This sale is further identified as APN 020-011-07. This property was sold by Mark E. Hutchinson, Trustee of the Meh Family Trust, under declaration of trust dated February 26, 2015 and was purchased by Leonardo Quintero Wences and Carmen Quintero-Ferreira, husband and wife, as joint tenants with right of survivorship. This sale occurred on August 19, 2020. The sale was recorded with Document No. 5067307. The improvements are situated on an .241± ac site. The zoning is MUSV. This property was a service repair garage. The gross building area is 6,028± sf and construction is masonry. The improvements were built in 1952. The reported sales price was \$799,000 indicating a price per square foot of \$132.55. Overall in comparison to the subject property this sale is considered to be a low indicator requiring upward adjustment.

**Sale #4** is located at 4970 Joule Street, Reno, Nevada. This sale is further identified as APN 012-316-03. This property was sold by Hermco, Inc., a Nevada corporation and was purchased by Diamond Joule LLC, a Nevada limited liability company. This sale occurred on December 6, 2021. The sale was recorded with Document No. 5255287. The improvements are situated on an 4.138± ac site. The zoning is IC. This property was a storage warehouse. The gross building area is 46,000± sf and construction is masonry. The improvements were built in 1972. The reported sales price was \$6,450,000 indicating a price per square foot of \$140.21.



Overall in comparison to the subject property this sale is considered to be a low indicator requiring upward adjustment.

**Sale #5** is located at 900 E. 4<sup>th</sup> Street, Reno, Nevada. This sale is further identified as APN 008-254-09,10,11,12. This property was sold by Frontier Land & Livestock, INC., a Nevada corporation and was purchased by Highway Ventures, LLC, a Nevada limited liability company. This sale occurred on February 3, 2021. The sale was recorded with Document No. 5136715. The improvements are situated on an .9201± ac site. The zoning is MU. This property was a storage warehouse. The gross building area is 13,100± sf and construction is masonry. The improvements were built in 1920. The reported sales price was \$2,266,360 indicating a price per square foot of \$173.00. Overall in comparison to the subject property this sale is considered to be a high indicator requiring a downward adjustment.

**Sale #6** is located at 2531 Sutro Street, Reno, Nevada. This sale is further identified as APN 004-130-45. This property was sold by Nevada Seafood Company s Nevada corporation and was purchased by Bayside mountain View LLC, a Nevada limited liability company. This sale occurred on September 21, 2021, 2020. The sale was recorded with Document No. 5228844. The improvements are situated on an .038± ac site. The zoning is ME. This property was a service repair garage. The gross building area is 6,028± sf and construction is metal frame. The improvements were built in 1973. The reported sales price was \$3,000,000 indicating a price per square foot of \$191.63. Overall in comparison to the subject property this sale is considered to be a high indicator requiring a downward adjustment.

**Sale #7** is located at 14095 Mount Bismark Street, Reno, Nevada. This sale is further identified as APN 086-148-08. This property was sold by Doodle Properties, LLC #10, a Nevada limited liability company and was purchased by James P. Nuss and Kristine H. Nuss, trustees under the Nuss Family Trust Agreement dated April 21, 2017. This sale occurred on March 8, 2022. The sale was recorded with Document No. 5283302. The improvements are situated on an 1.180± ac site. The zoning is I. This property was a storage warehouse. The gross building area is

10,000± sf and construction is metal frame. The improvements were built in 1995. The reported sales price was \$1,465,000 indicating a price per square foot of \$146.50. Overall in comparison to the subject property this sale is considered to be a low indicator requiring upward adjustments.

**Sale #8** is located at 335 Kietzke lane, Reno, Nevada. This sale is further identified as APN 012-165-10. This property was sold by BDC Properties, LLC, a Nevada limited liability company and was purchased by Manchester Partners LLC, a Nevada limited liability company. This sale occurred on April 11, 2022. The sale was recorded with Document No. 5293532. The improvements are situated on an .877± ac site. The zoning is MUSV. This property was a service repair garage. The gross building area is 13,572± sf and construction is masonry. The improvements were built in 1965. The reported sales price was \$3,100,000 indicating a price per square foot of \$228.41. Overall in comparison to the subject property this sale is considered to be a high indicator requiring a downward adjustment.

### SUMMARY AND CONCLUSION OF VALUE

All sales utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively large. In the before condition, the sales ranged from a low of \$111.11 a square foot to a high of \$228.41 a square foot. Sales #5, #6, and #8 are considered to be superior while Sales #1, #2, #3, #4 and #7 are considered to be inferior. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size. A summary of adjustments for the price per square foot is as follows.

#### SUMMARY OF ADJUSTMENTS FOR PRICE PER SQUARE FOOT

Sale No.	Unadjust. Unit Price	Prop. Rights	Terms	Time	Location	Land Size	Zoning	Size	Overall Adjust.
1	\$111.11	0	0	0	0	+/+	0	0/+	+
2	\$148.98	0	0	0	0	0	+/+	0/+	+
3	\$132.55	0	0	0	0	+/+	0	0/+	+
4	\$140.21	0	0	0	0	+/+	0	0/+	+
5	\$173.00	0	0	0	0	+/+	0	0	-
6	\$191.63	0	0	0	0	+/+	0	0	-
7	\$146.50	0	0	0	0	+/+	0	+/+	+
8	\$228.41	0	0	0	0	+/+	0	0	-

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the five sales in an array relative to the subject property. Following is an indication of how the subject property fits within this array.

	<u>Comparable</u>	<u>Price/SF</u>	<u>Overall Comparability</u>
	Sale #8	\$228.41	Superior
	Sale #6	\$191.63	Superior
	Sale #5	\$173.00	Superior
<b>Subject Property</b>			
	Sale #2	\$148.98	Inferior
	Sale #7	\$146.50	Inferior
	Sale #4	\$140.21	Inferior
	Sale #1	\$111.11	Inferior

As can be seen from the above chart, the subject property appears to fit well

within these sales. These sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$111.11 a square foot to a high of \$228.41 a square foot. The subject is felt to fall within these indicators. It appears that the subject fits best somewhere around Sale #2 at \$148.98 a square foot and Sale #5 at \$173.00 a square foot. Applying that value range, the subject's gross building area of 37,360± sf give a value range of \$5,565,892.80 to \$6,463,280.

I have also given consideration to the fact that the subject property has four different type buildings. An office, service repair building, Rv Storage building and a metal storage building containing a total building area of 37,360± sf.

Therefore, based on the above analysis of the data contained in this report, with consideration given to the definition of value contained in this report, most weight is given to Sales #2 and #5 and the analysis will be correlated to \$5,500,000 indicating \$147.22 a square foot.

Therefore, it is this appraiser's opinion that the subject's market value as of the date of valuation is \$5,500,000.

**Indicated Market Value:**  
**\$5,500,000**  
**(\$147.22 a square foot)**

**EXPOSURE AND MARKETING TIME ANALYSIS**

The appraiser has been asked to consider the probable exposure time for the subject. Exposure time is the market period that would reasonably be anticipated for the subject property prior to the date of value necessary for the subject if it had in fact been marketed for sale. USPAP requires the appraiser to address exposure time. Exposure time, again, is that time that would have been necessary to expose the subject property on the open market in order to have consummated a sale at the value conclusion.

Also, FIRREA requires an appraiser to address marketing time. Marketing time is that time that would be necessary to consummate a sale on the subject property at the final value conclusion, assuming it was first placed on the market on the effective date of valuation. In a stable market, exposure and marketing time are generally synonymous.

The appraiser has interviewed several real estate agents in the Reno/Sparks areas who have been active in commercial real estate for the last several years. These individuals indicate that properties such as the subject would have a high demand if they were placed on the market for sale. In all cases, it was indicated to the appraiser that the property should be able to be sold if reasonably marketed and priced in a six to twelve month period.

Based upon those discussions, it would appear as though a typical exposure time for the subject property should be in the range of 6 to 12 months

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, that are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. my engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
7. my reported analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. As well as the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation. The opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
8. I have made a personal inspection of the property that is the subject of this report;
9. no one provided significant real property appraisal assistance to the person signing this certification;
10. the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives;
11. as of the date of this report, I, Anthony J. Wren MAI, SRA have completed the requirements of the continuing education program of the Appraisal Institute.
12. I have performed no services as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding



acceptance of this assignment.

The estimate of retrospective fair market value of the herein described property as of the effective date of value, which was June 6, 2022, the market value for the subject property is:

**FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS**

**(\$5,500,000.00)**

A handwritten signature in blue ink that reads "Anthony J. Wren". The signature is written in a cursive style with a large initial "A".

**Anthony J. Wren, MAI, SRA**  
**Certified General Appraiser #A.0000090-CG**

**ADDENDUM**

## QUALIFICATIONS OF APPRAISER

**QUALIFICATIONS OF  
ANTHONY J. WREN, MAI, SRA  
REAL ESTATE APPRAISER**

**PROFESSIONAL DESIGNATIONS:**

MAI – Member Appraisal Institute*	1991
SRPA – Senior Real Property Appraiser*	1987
SRA – Senior Residential Appraiser*	1984

\* These are no longer consider to be acronyms by the Appraisal Institute

**PROFESSIONAL INVOLVEMENT:**

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Chairman 11/19 to 10/23
  
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Current Member 5/16 to 10/19
  
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
  
- Reappointed to a new term and Chair 3/12 to 10/15
  
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
  
- President, Commission of Appraisers of Real Estate, State of Nevada (1996, 1998)
  
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
  
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/Tahoe Board of Realtors
  
- Over 43 years of Appraisal Experience

**APPRAISAL LICENSE:** Nevada Certified General Appraiser  
#A.0000090-CG

**REAL ESTATE BROKERAGE:** Nevada Real Estate Brokerage Licensed Broker  
Anthony J. Wren  
#B.0023456.INDV.

**OFFICES HELD:** *Member* Young Advisory Council SREA,  
San Diego & San Francisco, CA 1989 & 1991

*Education Chairman, Reno/Tahoe/Carson  
Chapter Appraisal Institute 1993*

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute	1993-2007
<i>President, Reno/Carson/Tahoe Chapter 189</i>	1988-1989
<i>First Vice President, Reno/Carson/Tahoe Chapter 189</i>	1987-1988
<i>Secretary, Reno/Carson/Tahoe Chapter 189</i>	1986-1987
<i>President, Reno/Carson/Tahoe Chapter 1892000</i>	

### Appraisal Instruction

Several USPAP Update Courses taught through		2020
Business Practices and Ethics		2020
15-Hour National USPAP		2018
Comparison Valuation of Small, Mixed-Use Properties		2011
Income Valuation of Small, Mixed-Use Properties		2011
15-Hour National USPAP Course		03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)		03/22/07
7-Hour National USPAP Update (Las Vegas, NV)		03/02/07
7-Hour National USPAP Update (Chicago, IL)		04/15/05
7-Hour National USPAP Update (Reno, NV)		02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals		09/05/03
Business Practices and Ethics		07/25/03
7-Hour National USPAP Update Course		05/02/03
15-Hour National USPAP		03/22/03
Appraisal Procedures		05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties		03/31/01
Standards of Professional Practice, Part B (USPAP)		02/10/01
Income Valuation of Small, Mixed-Use Properties		02/19/00
Standards of Professional Practice, A, B, & C, USPAP		1992–2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV		
Income Valuation of Small Mixed Use Properties	(Reno, NV)	1998
	(Casper, WY)	1999
	(Sacramento, CA)	1999
Residential Case Study, Course 210	(Las Vegas, NV)	10/97
Alternative Residential Reporting Forms	(Buffalo, WY)	9/97
	(Polson, MT)	9/97
Data Confirmation and Verification	(Richland, WA)	11/96
	(Riodoso, NM)	09/96
	(Reno, NV)	03/96
	(Savannah, GA)	12/95
Understanding the Limited Appraisal	(Savannah, GA)	12/95
	(Tucson, AZ)	09/94

110 "Real Estate Appraiser Principles"	(Minneapolis, MN)	07/99
	(Sacramento, CA)	05/95
	(Wenatchee, WA)	09/94
	(St. Louis, MO)	02/94
	(Las Vegas, NV)	05/94
URAR Update	(Casper, WY)	01/94
	(Reno, NV)	12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV)	05/92
Course 207B, Income Valuation Appraising	(Reno, NV)	Fall 1989
Truckee Meadows Community College	(Reno, NV)	Spring 1989

## APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988
Income Valuation of Small Mixed-Use Properties	
Sales Comparison Valuation of Small, Mixed-Use Properties	

## APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

## Classes Taken Online

Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

## Classes Attended

Uniform Appraisal Standard For Federal Land Acquisition	2017
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising - Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions	
(Phoenix, AZ)	12/17 & 18/09
Valuation of Easements and Other Partial Interests (Reno, NV)	12/04/09



General Market Analysis and Highest & Best Use (Las Vegas, NV)	08/31/09 – 09/03/09
Introduction to International Valuation Standards (Online)	08/01/31 – 08/31/09
Valuation of Green Residential Properties (Phoenix, AZ)	02/19/09
REO Appraisal: Appraisal of Residential Property Foreclosures (Las Vegas, NV)	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course (Dedham, MA)	02/24/07
AQB USPAP Instructor Recertification Course (Tucson, AZ)	12/04/04
Water Rights in Nevada	2/01/03
Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification (San Francisco, CA)	10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA (San Diego, CA)	12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use (Sacramento, CA)	10/20/00
Supporting Sales Comparison Grid Adjustments for Residential Properties (Reno, NV)	09/29/00
Case Studies in Commercial Highest and Best Use (Reno, NV)	07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators (Las Vegas, NV)	07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990
Meetings Attended	
Committee Credit – National	12/31/00

## FORMAL EDUCATION:

---

---

University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972