

CPR Commercial Property Review

Monitoring the Heartbeat of Commercial Real Estate Activity in Nevada County



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Commercial Real Estate Market Activity, Grass Valley & Nevada City 2nd Quarter 2016

Stable Slow Growth

The Western Nevada County commercial real estate market in the second quarter of 2016 shows positive net absorption year-to-date across all product types – office, industrial and retail. With very little new construction, except for a couple of user-specific build-to-suits (e.g. Sierra Central Credit Union & DMV), vacancies continue to decrease, albeit slowly. Rents are flat to slightly increasing.

Looking at the national macro economy, we are seeing stable but slow growth, with the growth rate currently trending slower. Employment and housing growth are the current indicators of concern for the coming several months and should be watched carefully. It is becoming difficult for employers to find qualified labor in the U.S.

Major markets (New York, San Francisco, Chicago, LA) have seen the fastest growth, with the commercial property pricing index in these markets now at an all-time high (surpassing '07-'08 levels). Non-major markets (including smaller tertiary markets like Nevada County) have seen less of a pricing run-up. Therefore, investors looking for good yield and stability will find their best opportunities in these smaller markets.

While the oft-quoted 8-year economic cycle is now supposedly at the end of its expansion phase, there remain positive signs for the economy. The cap rate spread over 10-year treasuries is about 400 basis points (vs. 100 in '06). Additionally, leverage levels remain low and deal fundamentals remain strong.



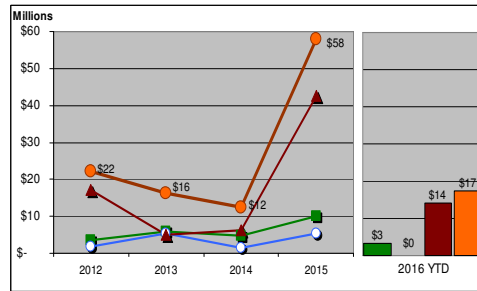
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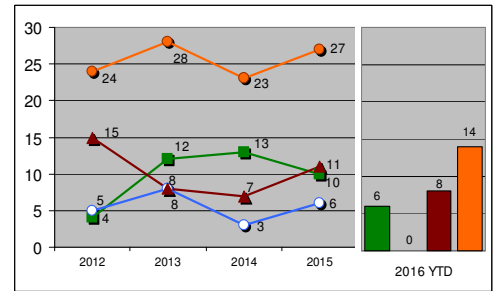
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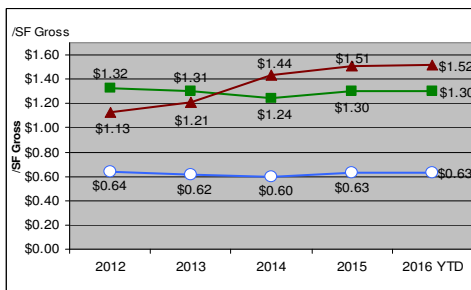
Sale Volume



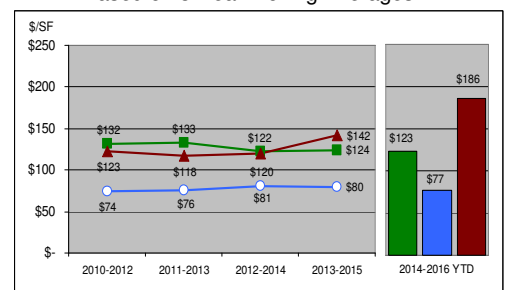
of Sale Transactions



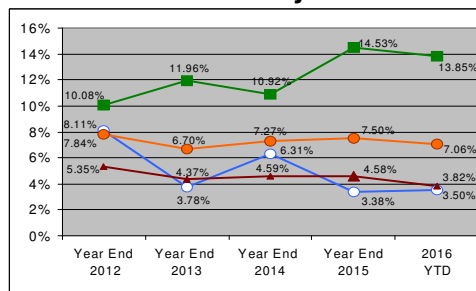
Median "Asking" Lease Rates



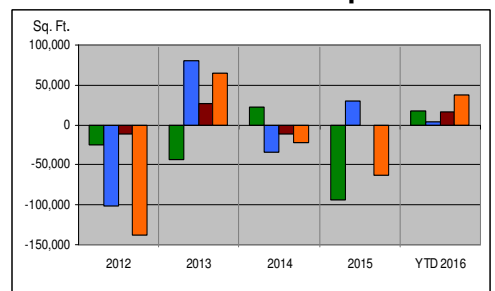
Median "Closed" Sale Prices Based on 3-Year Moving Averages



Vacancy



Net Lease Absorption



■ Office ■ Industrial ■ Retail ■ All Product Types

Note: Statistics based on SVN proprietary database consisting of approximately 2.4m sq. ft. office (375 props), 1.8m sq. ft. industrial (188 props), and 2.7m sq. ft. retail (925 props), located in Grass Valley & Nevada City areas. We attempt to provide the most accurate data at each quarter's end, however revisions may be made throughout the year accounting for past reporting discrepancies. Vacancy information is based on current market listings and subject to short-term discrepancies due to lag periods between lease signings and tenants occupying; and lease postings and tenants vacating.

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FOR LEASE

Location	Sq. Ft.	Price Range
Industrial		
13321 Grass Valley Ave, Grass Valley	1,175	\$0.67 - \$0.67
13340-13346 Grass Valley Ave, Grass Valley	2,400	\$0.60 - \$0.60
12506 Loma Rica Dr, Grass Valley	1,000	\$0.80 - \$0.80
13046 Loma Rica Dr, Grass Valley	2,400	\$0.55 - \$0.55
2391 Nevada City Hwy, Grass Valley	47,000	\$0.35 - \$0.50
142-158 Olympia Park Rd, Grass Valley	3,000	\$0.55 - \$0.55
Office		
2344 & 2352 Nevada City Hwy, Grass Valley	3,212	\$0.62 - \$0.62
131 S Auburn St, Grass Valley	3,383	\$1.01 - \$1.51
501 S Auburn St, Grass Valley	1,800	\$1.00 - \$1.00
375 Brunswick Rd, Grass Valley	6,791	\$1.27 - \$1.27
256 Buena Vista St A-F, Grass Valley	1,682	\$0.87 - \$0.95
124 Clydesdale Ct, Grass Valley	18,030	\$0.85 - \$1.05
333 Crown Point Cir, Grass Valley	3,041	\$1.50 - \$1.50
345 Crown Point Cir, Grass Valley	2,563	\$1.35 - \$1.35
350 Crown Point Cir, Grass Valley	5,550	\$1.40 - \$1.40
355 Crown Point Cir, Grass Valley	12,000	\$0.65 - \$0.65
360 Crown Point Cir, Grass Valley	9,603	\$1.39 - \$1.49
431 Crown Point Cir, Grass Valley	11,100	\$0.85 - \$0.85
149 Crown Point Ct, Grass Valley	1,161	\$1.50 - \$1.50
650 Gold Flat Rd, Nevada City	1,007	\$1.25 - \$1.25
900 Golden Gate Ter, Grass Valley	2,400	\$0.94 - \$0.94
13100 Grass Valley Ave, Grass Valley	2,400	\$0.65 - \$0.65
154 Hughes Rd #6, Grass Valley	648	\$0.69 - \$0.69
175 Joerschke Dr, Grass Valley	588	\$0.85 - \$0.85
200 Litton Dr, Grass Valley	3,000	\$1.40 - \$1.40
1740 - 1744 E Main St, Grass Valley	1,617	\$1.65 - \$1.65
640 E Main St, Grass Valley	1,579	\$0.65 - \$0.65
900 E Main St, Grass Valley	11,150	\$1.00 - \$1.10
970 E Main St, Grass Valley	1,654	\$1.15 - \$1.15
204 W Main St & 215 Richardson St, Grass Valley	644	\$0.50 - \$0.50
944 - 1020 McCourtney Rd, Grass Valley	5,679	\$1.55 - \$1.55
205 - 207 N Pine St, Nevada City	1,200	\$1.46 - \$1.46
101 - 106 Providence Mine Rd, Nevada City	8,552	\$1.48 - \$1.48
200 - 208 Providence Mine Rd, Nevada City	14,558	\$1.48 - \$1.48
351 Providence Mine Rd, Nevada City	1,152	\$1.80 - \$1.80
352 Providence Mine Rd, Nevada City	1,530	\$1.60 - \$1.60
353 Providence Mine Rd, Nevada City	1,704	\$1.70 - \$1.70
354 Providence Mine Rd, Nevada City	1,494	\$1.75 - \$1.75
356 Providence Mine Rd, Nevada City	622	\$1.38 - \$1.38
357 Providence Mine Rd, Nevada City	1,800	\$1.75 - \$1.72
400 Providence Mine Rd, Nevada City	6,265	\$0.95 - \$0.95
400 Providence Mine Rd, Nevada City	72,110	\$0.95 - \$0.95
400 Providence Mine Rd, Nevada City	71,985	\$0.95 - \$0.95
305 Railroad Ave, Nevada City	674	\$1.41 - \$1.41
206 Sacramento St, Nevada City	850	\$1.12 - \$1.12
360 Sierra College Dr, Grass Valley	803	\$1.25 - \$1.25
155 Spring Hill Dr, #206, Grass Valley	2,720	\$1.20 - \$1.20
155 Spring Hill Dr, Grass Valley	1,350	\$0.79 - \$0.79
165 Spring Hill Dr, Grass Valley	2,500	\$1.00 - \$1.00
401 Spring St, Nevada City	3,628	\$1.29 - \$1.29
819 Whispering Pines Ln, Grass Valley	5,276	\$0.75 - \$0.75
1415 Whispering Pines Ln, Grass Valley	8,009	\$1.60 - \$1.60
692- 698 Whiting St, Grass Valley	1,620	\$1.00 - \$1.99
Medical/Dental		
470 S Auburn St, Grass Valley	1,059	\$1.13 - \$1.13
563 Brunswick Rd # 10, Grass Valley	1,463	\$1.20 - \$1.20
1061 E Main St # 104, Grass Valley	1,813	\$1.30 - \$1.30
123 Margaret Ln, Grass Valley	2,300	\$1.00 - \$1.20
590 Searls Ave, Nevada City	1,566	\$1.38 - \$1.50
280 Sierra College Dr, Grass Valley	6,000	\$2.05 - \$2.05
300 Sierra College Dr #250, Grass Valley	1,740	\$2.00 - \$2.00
404 Sierra College Dr, Grass Valley	5,375	\$1.90 - \$1.90
Retail		
408 Broad St & 405 Commercial Street, Nevada City	1,607	\$1.20 - \$1.60
650 Freeman Ln, Grass Valley	14,833	\$1.62 - \$1.97
147 Joerschke Dr, Grass Valley	800	\$0.63 - \$0.63
533-537 E Main St, Grass Valley	11,804	\$1.15 - \$1.15
840 E Main St, Grass Valley	12,760	\$1.50 - \$1.60
11229 McCourtney Rd, Grass Valley	6,000	\$0.70 - \$0.70
111 W McKnight Way, Grass Valley	6,906	\$1.58 - \$1.58
105 - 121 Neal St, Grass Valley	4,200	\$1.43 - \$1.43
2032 - 2118 Nevada City Hwy, Grass Valley	12,356	\$1.51 - \$1.61
521 Searls Ave, Nevada City	4,000	\$1.50 - \$1.50
1245 Sutton Way, Grass Valley	1,350	\$0.96 - \$0.96
399-471 Sutton Way, Grass Valley	2,826	\$1.25 - \$1.25
526-720 Sutton Way, Grass Valley	4,452	\$2.11 - \$2.11
102 - 108 Union St, Nevada City	3,401	\$1.65 - \$1.65

FOR SALE

Location	Sq. Ft.	Price	Price/SF
Industrial			
10662 E Bennett Rd, Grass Valley	5,202	\$699,000	\$134.37
11960 Charles Dr, Grass Valley	1,750	\$245,000	\$140.00
11976 Charles Dr, Grass Valley	2,550	\$340,000	\$133.33
12150 Charles Dr #4, Grass Valley	1,577	\$259,000	\$164.24
12289 Loma Rica Dr, Grass Valley	1,250	\$147,500	\$118.00
12291 Loma Rica Dr, Grass Valley	1,350	\$147,500	\$109.26
12807 Loma Rica, Grass Valley	9,800	\$750,000	\$76.53
13185 Nevada City Ave, Grass Valley	19,600	\$1,395,000	\$71.17
2391 Nevada City Hwy, Grass Valley	47,000	\$2,400,000	\$51.06
345 Railroad Ave, Nevada City	7,884	\$899,000	\$114.14
110 Spring Hill Dr #10 - 13, Grass Valley	7,904	\$724,500	\$91.66
Office			
2344 & 2352 Nevada City Hwy, Grass Valley	3,212	\$319,900	\$99.60
430 S Auburn St, Grass Valley	1,498	\$465,000	\$310.41
565 Brunswick Rd # 11, Grass Valley	1,028	\$117,500	\$114.30
13100 Grass Valley Ave, Grass Valley	30,600	\$1,995,000	\$65.20
154 Hughes Rd, Grass Valley	6,650	\$759,000	\$114.14
154 Hughes Rd #5, Grass Valley	1,401	\$199,000	\$142.04
154 Hughes Rd #2,4,6,8, Grass Valley	450-648	\$115,000	\$177.47
154 Hughes Rd #1, Grass Valley	1,350	\$219,000	\$162.22
154 Hughes Rd #7, Grass Valley	1,428	\$219,000	\$153.36
563 Idaho Maryland Rd, Grass Valley	6,208	\$969,000	\$156.09
13440 Lower Grass Valley Ave, Grass Valley	3,131	\$549,000	\$175.34
231 E Main St, Grass Valley	2,264	\$429,000	\$189.49
1465 E Main St, Grass Valley	1,200	\$375,000	\$312.50
131 Mill St, Grass Valley	10,560	\$1,349,000	\$127.75
351-357 Providence Mine Rd, Nevada City	1,152-1800	From \$275,000	\$195.42
354 Providence Mine Rd, Nevada City	1,494	\$395,000	\$264.39
590 Searls Ave, Nevada City	5,575	\$1,495,000	\$268.16
819 Whispering Pines Ln, Grass Valley	24,426	\$2,600,000	\$106.44
Medical/Dental			
150 Catherine Ln., Suite D & E, Grass Valley	2,189	\$435,000	\$198.72
1061 E Main St # 103, Grass Valley	1,224	\$146,800	\$119.93
300 Sierra College Dr #165, Grass Valley	3,634	\$1,450,000	\$321.15
300 Sierra College Dr #250, Grass Valley	1,740	\$399,000	\$229.31
Retail			
147 S Auburn St, Grass Valley	3,666	\$305,000	\$83.20
318 Broad St, Nevada City	2,220	\$550,000	\$247.75
242 Colfax Ave, Grass Valley	1,269	\$220,000	\$173.36
450 Colfax Ave, Grass Valley	4,308	\$480,000	\$111.42
104 E Main St, Grass Valley	1,387	\$270,000	\$194.66
1671 E Main St, Grass Valley	1,171	\$435,000	\$371.48
11229 McCourtney Rd, Grass Valley	6,000	\$539,000	\$89.83
535 Mill St, Grass Valley	5,112	\$800,000	\$156.49
1125-1165 Sutton Way, Grass Valley	24,539	\$3,680,000	\$149.97

RECENT TRANSACTIONS

Location	Sq. Ft.	Sale/Lease	Close Date
380 Crown Point Cir, Grass Valley	14,797	Sale	4/11/2016
114 Neal St, Grass Valley	3,500	Sale	4/12/2016
109 Margaret Ln, Grass Valley	1,792	Sale	4/21/2016
216 S Pine St, Nevada City	2,516	Sale	4/25/2016
230 Colfax Ave, Grass Valley	4,084	Sale	5/12/2016
600 Freeman Ln, Grass Valley	10,150	Sale	6/1/2016
1781 E Main St, Grass Valley	3,184	Sale	6/3/2016

IN THE WORKS

Location - Description
2391 Nevada City Hwy, GV – New Tentative Map 6-lot Commercial Sub-division Approved
900 Sutton Way, GV – DMV New Construction, 7,600 SF, Start 2016
Alpha Building, NC – Community Collaborative Project, 28,000 SF, Start 2016
Bear River Mill site, La Barr Meadows Rd, GV – Planned Industrial Park, Unknown Start
Dorsey Dr & Hwy 49, GV – Planned 220,000 SF Community Shopping Center, Start 2017
13145 Loma Rica Drive, GV – Approved 18,700 SF Industrial Building, Unknown Start
La Barr Meadows/Hwy 49, GV – Planned 28,000 SF Public Works Building, Start 2016
500 Idaho Maryland Rd, GV – Two Planned 22,500 SF Trailer Mfg. Buildings, Start 2016
E. Main St/W. Olympia Dr, GV – 44,000 SF Hotel with 9,000 SF Retail, Unknown Start
12871 Loma Rice Drive, GV – 32,000 SF Mini-Storage Facility, Start 2016

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