

CPR Commercial Property Review

Monitoring the Heartbeat of Commercial Real Estate Activity in Nevada County



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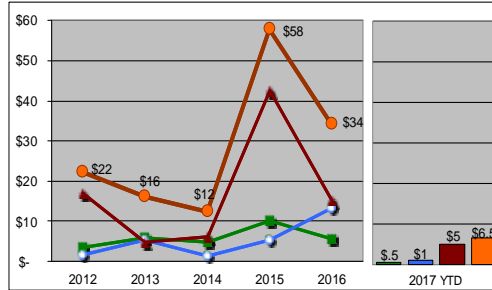
Commercial Real Estate Market Activity, Grass Valley & Nevada City 2nd Quarter 2017

Goldilocks in the House

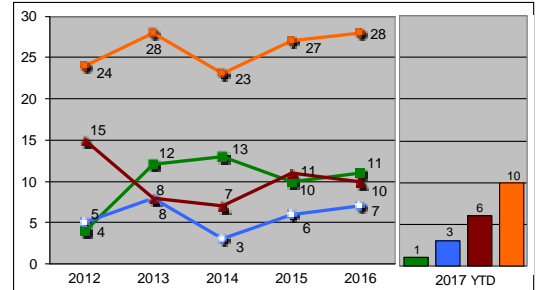
At mid-year 2017, the nation seems to be enjoying what has been referred to as a "Goldilocks" commercial real estate market. In the children's fairy tale, Goldilocks finds the perfect bowl of porridge – not too hot, not too cold, but just right. We currently have roaring stock values, growing GDP, minimal unemployment, rising disposable incomes and increasing spending, which historically would result in rising inflation, market overheating, and a downward turn in the economic cycle. However, this is currently not the case as overall inflation during the first two quarters has been almost non-existent, interest rates remain very low and stable, and commercial property values are rising, but not at the expense of yields and other real estate fundamentals. Seemingly, we are sitting in front of a lovely bowl of porridge!

It's interesting that in such a favorable market, sales volume is down in 2017 compared to 2016, both nationally and locally. Various factors may be contributing to this including gridlock and uncertainty in Washington, dissipating "distressed property" sales, low new supply, and "peak pricing" concerns (where investors sense a bubble and feel upside may be limited). As to peak pricing, this is definitely not the case locally, as Western Nevada County has greatly lagged its immediate neighbors - Bay Area/Sacramento and Truckee/Reno - in price appreciation over the past few years. This leaves Nevada County positioned for greater profit potential than surrounding areas and the promise of a very strong second half 2017.

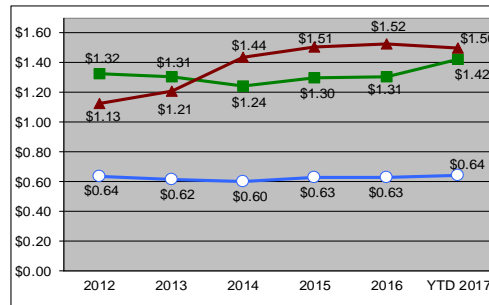
Sale Dollar Volume (Millions)



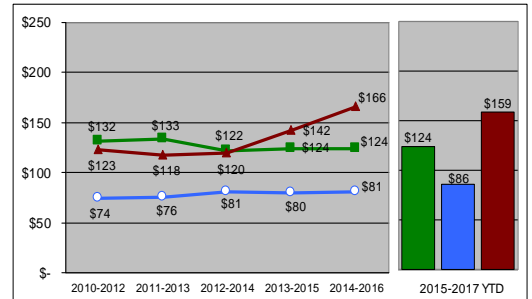
of Sale Transactions



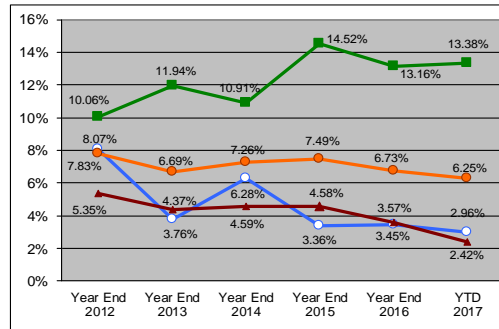
Median "Asking" Rents - Gross (SF/Month)



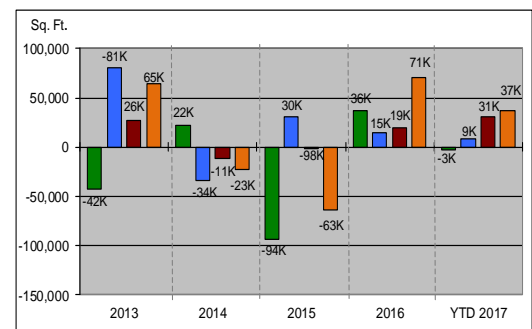
Median "Closed" Sale Prices Based on 3-Year Moving Averages



Vacancy



Net Lease Absorption



Office Industrial Retail All Product Types



Lock Richards
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Note: Statistics based on SVN proprietary database consisting of approximately 2.4m sq. ft. office (377 props), 1.8m sq. ft. industrial (191 props), and 2.7m sq. ft. retail (363 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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NNN • Office • Industrial • Retail • Apartments • Land • Leasing • Sales

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FOR LEASE

Location	Sq. Ft.	Price Range
Industrial		
416 Crown Point Cir, Grass Valley	8,000	\$0.63 - \$0.63
13340-13346 Grass Valley Ave, Grass Valley	1,564	\$0.64 - \$0.64
13355 Grass Valley Ave, Grass Valley	2,680	\$0.69 - \$0.69
13366 Grass Valley Ave, Grass Valley	7,850	\$0.64 - \$0.64
12297-12299 Loma Rica Dr, Grass Valley	2,550	\$0.60 - \$0.60
12505 Loma Rica Dr, Grass Valley	960	\$0.78 - \$0.78
12523 Loma Rica Dr, Grass Valley	1,344	\$0.60 - \$0.60
13046 Loma Rica Dr, Grass Valley	2,400	\$0.55 - \$0.55
2391 Nevada City Hwy, Grass Valley	47,000	\$0.35 - \$0.50
143 Spring Hill Dr Ste 1A, Grass Valley	5,082	\$1.23 - \$1.23
155 Spring Hill Dr #201, Grass Valley	1,350	\$0.79 - \$0.79
155 Spring Hill Dr #206, Grass Valley	2,220	\$1.20 - \$1.20
Office		
124 S Auburn St, Grass Valley	5,100	\$0.55 - \$0.55
131 S Auburn St, Grass Valley	2,237	\$1.51 - \$1.57
430 S Auburn St, Grass Valley	1,498	\$2.00 - \$2.00
375 Brunswick Rd, Grass Valley	6,791	\$1.28 - \$1.28
464-458 Brunswick Rd, Grass Valley	7,376	\$1.73 - \$1.98
563 Brunswick Rd # 7, Grass Valley	1,591	\$1.10 - \$1.10
124 Clydesdale Ct, Grass Valley	1,852	\$0.97 - \$0.97
333 Crown Point Cir, Grass Valley	3,041	\$1.45 - \$1.45
345 Crown Point Cir, Grass Valley	815	\$1.55 - \$1.55
350 Crown Point Cir, Grass Valley	5,550	\$1.40 - \$1.40
355 Crown Point Cir, Grass Valley	12,000	\$0.60 - \$0.60
360 Crown Point Cir, Grass Valley	9,603	\$1.39 - \$1.49
400 Crown Point Cir, Grass Valley	19,754	\$0.78 - \$1.18
431 Crown Point Cir, Grass Valley	11,100	\$0.85 - \$0.85
488 Crown Point Cir, Grass Valley	5,168	\$1.62 - \$1.62
13100 Grass Valley Ave, Grass Valley	4,352	\$0.65 - \$0.65
200 Litton Dr, Grass Valley	3,000	\$1.40 - \$1.40
900 E Main St, Grass Valley	9,200	\$1.20 - \$1.20
970 E Main St, Grass Valley	2,095	\$1.10 - \$1.10
944 - 1020 McCourtney Rd, Grass Valley	6,804	\$1.55 - \$1.55
101 - 106 Providence Mine Rd, Nevada City	6,676	\$1.41 - \$1.43
200 - 208 Providence Mine Rd, Nevada City	13,529	\$1.47 - \$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
357 Providence Mine Rd, Nevada City	1,800	\$1.75 - \$1.75
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
206 Sacramento St, Nevada City	980	\$1.15 - \$1.15
360 Sierra College Dr, Grass Valley	803	\$1.62 - \$1.62
420 Sierra College Dr, Grass Valley	1,437	\$1.80 - \$1.80
165 Spring Hill Dr, Grass Valley	2,500	\$1.00 - \$1.00
401 Spring St, Nevada City	4,628	\$1.29 - \$1.29
1415 Whispering Pines Ln, Grass Valley	8,009	\$1.60 - \$1.60
692- 698 Whiting St, Grass Valley	1,620	\$1.00 - \$1.38
Medical/Dental		
563 Brunswick Rd # 10, Grass Valley	1,463	\$1.20 - \$1.20
150 Glasson Way, Grass Valley	5,720	-
123 Margaret Ln, Grass Valley	2,300	\$1.00 - \$1.20
590 Searls Ave, Nevada City	1,500	\$1.93 - \$1.93
280 Sierra College Dr, Grass Valley	6,000	\$2.15 - \$2.15
300 Sierra College Dr #250, Grass Valley	1,740	\$2.00 - \$2.00
404 Sierra College Dr, Grass Valley	5,376	\$1.90 - \$1.90
Retail		
650 Freeman Ln, Grass Valley	11,960	\$2.20 - \$2.20
533-537 E Main St, Grass Valley	14,567	\$1.15 - \$1.15
840 E Main St, Grass Valley	12,760	\$1.50 - \$1.60
671 Maltman Dr, Grass Valley	1,200	\$1.00 - \$1.00
111 W McKnight Way, Grass Valley	6,906	\$1.58 - \$1.58
138 Mill St, Grass Valley	2,732	\$1.39 - \$1.39
2032 - 2118 Nevada City Hwy, Grass Valley	10,669	\$1.76 - \$1.76
521 Searls Ave, Nevada City	4,000	\$1.50 - \$1.50
399-471 Sutton Way, Grass Valley	2,826	\$1.25 - \$1.25

FOR SALE

Location	Sq. Ft.	Price	Price/SF
Industrial			
10662 E Bennett Rd, Grass Valley	5,202	\$695,000	\$133.60
11958 Charles Dr, Grass Valley	1,750	\$232,000	\$132.57
12150 Charles Dr #4, Grass Valley	1,577	\$224,000	\$142.04
850-866 Idaho Maryland Rd, Grass Valley	2,680	\$430,000	\$160.45
12523 Loma Rica Dr, Grass Valley	1,344	\$130,000	\$96.73
2391 Nevada City Hwy, Grass Valley	47,000	\$2,400,000	\$51.06
Office			
430 S Auburn St, Grass Valley	1,498	\$397,000	\$265.02
563 Brunswick Rd # 7, Grass Valley	1,591	\$199,000	\$125.08
256 Buena Vista St A-F, Grass Valley	7,156	\$670,000	\$93.63
312 Colfax Ave, Grass Valley	1,635	\$299,000	\$182.87
333 Crown Point Cir, Grass Valley	16,700	\$2,289,000	\$137.07
400 Crown Point Cir, Grass Valley	19,754	\$1,249,000	\$63.23
900 E Main St, Grass Valley	23,500	\$2,750,000	\$117.02
111 Margaret Lane, Grass Valley	2,679	\$495,000	\$184.77
131 Mill St, Grass Valley	10,560	\$1,250,000	\$118.37
351 Providence Mine Rd, Nevada City	1,152	\$275,000	\$238.72
352 Providence Mine Rd, Nevada City	1,530	\$299,000	\$195.42
353 Providence Mine Rd, Nevada City	1,704	\$349,000	\$204.81
354 Providence Mine Rd, Nevada City	1,494	\$395,000	\$264.39
357 Providence Mine Rd, Nevada City	1,800	\$399,000	\$221.67
715 Zion St, Nevada City	2,074	\$625,000	\$301.35
Medical/Dental			
150 Glasson Way, Grass Valley	6,462	\$1,250,000	\$193.44
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
404 Sierra College Dr, Grass Valley	5,376	\$1,450,000	\$269.72
Retail			
150 S Auburn St, Grass Valley	3,738	\$549,000	\$146.87
124 Bank St, Grass Valley	3,886	\$825,000	\$212.30
448 Colfax Ave, Grass Valley	3,520	\$325,000	\$92.33
930 Idaho Maryland Rd, Grass Valley	3,944	\$585,000	\$148.33
202 W Main St, Grass Valley	1,650	\$479,000	\$290.30
217 W Main St, Grass Valley	1,188	\$439,000	\$369.53
535 Mill St, Grass Valley	5,112	\$675,000	\$132.04
110 S Pine St, Nevada City	2,948	\$699,000	\$237.11
1125-1165 Sutton Way, Grass Valley	24,539	\$3,950,000	\$160.97

RECENT TRANSACTIONS

Location	Sq. Ft.	Sale/Lease	Close Date
12289 - 12291 Loma Rica Dr, Grass Valley	2,700	Sale	4/17/2017
109 Margaret Ln, Grass Valley	1,792	Leased	4/21/2017
231 E Main St, Grass Valley	2,264	Sale	4/21/2017
131-139 Joerschke Dr, Grass Valley	11,000	Leased	4/24/2017
450 Colfax Ave, Grass Valley	4,308	Sale	5/8/2017
19729 Cerrito Rd, Grass Valley	1,678	Sale	5/10/2017
470 S Auburn St, Grass Valley	4,798	Sale	5/12/2017
318 Broad St, Nevada City	2,220	Sale	6/2/2017
345 Crown Point Cir, Grass Valley	2,357	Leased	6/9/2017
580 Brunswick Rd, Grass Valley	Land	Sale	6/15/2017
12481 Charles Dr, Grass Valley	Land	Sale	6/15/2017
12555 Loma Rica Dr, Grass Valley	8,400	Leased	6/22/2017

IN THE WORKS

Location - Description
2391 Nevada City Hwy, GV – "Tractor Supply" Anchored Retail Center – Start 2017
500 Idaho Maryland Rd, GV – Two Planned 22,500 SF Trailer Mfg. Buildings, Start 2017
12871 Loma Rice Drive, GV – 32,000 SF Mini-Storage Facility, Start 2017
340 Railroad Ave, GV – 3,200 SF Planned Auto Repair Shop, Start 2017
141 E Main St., GV – Planned 7,000+ SF Brewery & Tap Room, Start 2017
464 Sutton Way, GV – Planned 5,000+ SF Brew Pub, Start 2017
900 Sutton Way, GV – DMV New Construction, 7,600 SF, Completion Late 2017
Dorsey Dr & Hwy 49, GV – Planned 220,000 SF Community Shopping Center, Start 2018
580 Brunswick Rd, GV – River Valley Community Bank, 3,500 SF Bank. Start 2018
Bear River Mill site, La Barr Meadows Rd, GV – Planned Industrial Park, Unknown Start
E. Main St/W. Olympia Dr, GV – Planned 44K SF Hotel with 9K SF Retail, Unknown Start

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