

CPR Commercial Property Review

Monitoring the Heartbeat of Commercial Real Estate Activity in Nevada County



HighlandCRE.com
530-470-1740

Commercial Real Estate Market Activity, Grass Valley & Nevada City 4th Quarter 2022

RECALIBRATION UNDER WAY

At year-end 2022 the Fed is in the middle of their most aggressive financial tightening since 2008, in a desperate attempt to halt rising inflation brought about by huge government deficit spending and supply chain effects from the pandemic and Russia's war on Ukraine. The Fed's ongoing quarterly interest rate increases have led to the dreaded "inverted yield curve", a historical harbinger of a pending recession. This in turn has brought the relatively robust commercial real estate activity of the first three-quarters of 2022 to an abrupt halt here in the fourth quarter.

We now see a growing chasm between seller and buyer pricing expectations; and with realty setting in that the market has indeed changed, price recalibration is beginning to occur. Dwindling investor demand is leading to leveling or declining pricing as cap rates begin to inch higher and the spread with the 10-year treasury tightens. Such a market tends to drive many investors to the sidelines or to seek primarily higher quality assets with established and enduring cashflows.

The news is not all bad however. There is a huge amount of patient capital available for deals that make sense, and fresh opportunities are emerging. By way of example, retail properties are emerging as the new industry darling due to consumers rediscovering the post-pandemic joy and physical and emotional fulfillment of in-person shopping.



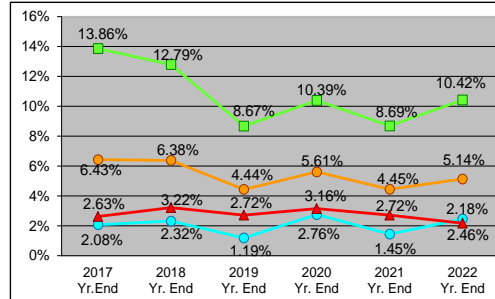
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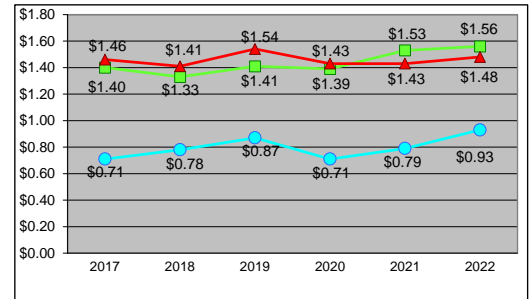
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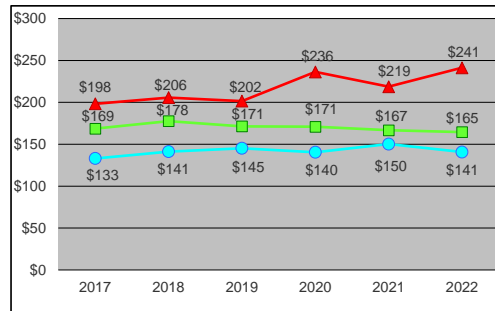
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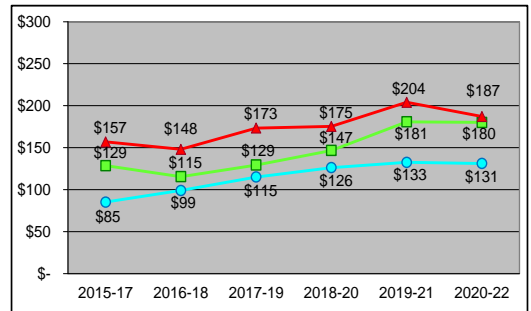
Median "Asking" Rents - Gross (SF/Month)



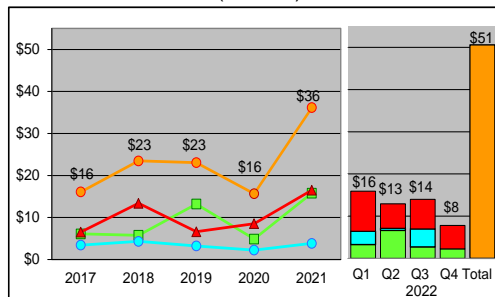
Median "Asking" Sale Prices (Price/SF)



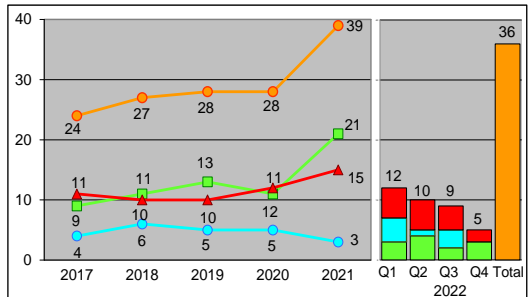
Median "Closed" Sale Prices (Price/SF - Based on 3-Year Moving Averages)



Sale Dollar Volume (Millions)



Sale Transactions



Office Industrial Retail All Product Types

Note: Statistics based on our proprietary database consisting of approximately 2.5m sq. ft. office (387 props), 1.9m sq. ft. industrial (190 props), and 2.7m sq. ft. retail (365 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.

CPR Commercial Property Review – 4th Quarter 2022

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FOR LEASE

Location	Sq. Ft.	Price Range/SF	Gross
Industrial			
12048 - 12050 Charles Dr, Grass Valley	1,500	\$1.00 - \$1.00	
416 Crown Point Cir, Grass Valley	22,922	\$0.81 - \$0.81	
972 Golden Gate Ter, Grass Valley	2,536	\$1.14 - \$1.14	
155 Spring Hill Dr # 201, Grass Valley	2,777	\$0.54 - \$0.54	
Office			
131 S Auburn St, Grass Valley	1,066	\$1.50 - \$1.50	
375 Brunswick Rd, Grass Valley	5,798	\$1.28 - \$1.28	
464-458 Brunswick Rd, Grass Valley	6,116	\$1.60 - \$2.05	
505 Coyote St, Nevada City	6,749	\$1.65 - \$1.65	
333 Crown Point Cir, Grass Valley	6,463	\$1.55 - \$1.55	
350 Crown Point Cir, Grass Valley	5,089	\$1.55 - \$1.55	
355 Crown Point Cir, Grass Valley	4,800	\$0.60 - \$0.60	
360 Crown Point Cir, Grass Valley	8,629	\$1.49 - \$1.49	
431 Crown Point Cir, Grass Valley	7,900	\$0.85 - \$0.85	
443 Crown Point Cir, Grass Valley	15,264	\$1.25 -	
488 Crown Point Cir, Grass Valley	5,168	\$1.60 - \$1.80	
964 Golden Gate Ter, Grass Valley	3,940	\$0.89 - \$1.25	
13100 Grass Valley/12438 Loma Rica, Grass Valley	4,960	\$0.69 - \$0.69	
200 Litton Dr, Grass Valley	1,500	\$1.40 - \$1.40	
12190 Loma Rica Drive, Grass Valley	2,600	\$1.10 - \$1.10	
900 E Main St, Grass Valley	5,900	\$1.84 - \$1.90	
970 E Main St, Grass Valley	1,350	\$1.30 - \$1.30	
944 - 1020 McCourtney Rd, Grass Valley	12,662	\$1.73 - \$1.73	
104 New Mohawk Rd, Nevada City	12,000	\$0.79 - \$0.79	
101 - 106 Providence Mine Rd, Nevada City	5,209	\$1.60 - \$1.60	
200 - 208 Providence Mine Rd, Nevada City	20,382	\$1.60 - \$1.60	
310 Providence Mine Rd, Nevada City	20,282	\$1.75 - \$1.85	
351 - 356 Providence Mine Rd, Nevada City	1,736	\$1.78 - \$1.78	
400 Providence Mine Rd, Nevada City	72,110	\$1.15 - \$2.15	
420 Sierra College Dr, Grass Valley	1,750	\$2.20 - \$2.20	
1012 Sutton Way, Grass Valley	3,200	\$1.87 - \$1.87	
841 - 857 Sutton Way, Grass Valley	601	\$1.75 - \$1.75	
819 Whispering Pines Ln, Grass Valley	5,200	\$0.85 - \$0.85	
Medical/Dental			
402 S Auburn St, Grass Valley	2,880	\$1.50 -	
563 Brunswick Rd # 5, Grass Valley	1,473	\$1.15 - \$1.15	
123 Margaret Ln, Grass Valley	1,550	\$1.60 -	
700 Zion St, Nevada City	12,000	\$1.36 -	
Retail			
10052 Alta Sierra Dr, Grass Valley	540	\$1.35 - \$1.35	
114 Argall Way, Nevada City	1,159	\$1.21 - \$1.21	
133 Argall Way, Nevada City	2,700	\$1.25 - \$1.25	
233 Broad St, Nevada City	4,000	\$2.25 -	
650 Freeman Ln, Grass Valley	13,886	\$1.95 - \$2.20	
840 E Main St, Grass Valley	18,618	\$1.60 - \$2.85	
138 E Main St & 131 Richardson St, Grass Valley	2,187	\$1.00 - \$1.00	
111 W McKnight Way, Grass Valley	8,183	\$1.50 - \$2.15	
2032 - 2118 Nevada City Hwy, Grass Valley	2,925	\$1.56 - \$1.56	
399-471 Sutton Way, Grass Valley	1,402	\$1.45 - \$1.45	
526-720 Sutton Way, Grass Valley	2,250	\$2.85 - \$2.85	
102 - 108 Union St, Nevada City	1,843	\$2.00 -	
FOR SALE (Cont'd)			
127 - 129 Mill St, Grass Valley	1,802	\$599,000	\$332.41
163 Mill St, Grass Valley	12,600	\$2,450,000	\$194.44
16282 Mount Olive Rd, Grass Valley	5,655	\$625,000	\$110.52
840 E Main St, Grass Valley	28,706	\$4,550,000	\$158.50

FOR SALE

Location	Sq. Ft.	Price	Price/SF
Industrial			
12481 Charles Dr, Grass Valley	34,950	\$4,800,000	\$137.34
972 Golden Gate Ter, Grass Valley	4,864	\$799,000	\$164.27
12507 Loma Rica Dr, Grass Valley	1,332	\$140,000	\$105.11
174-178 Lower Grass Valley Rd, Nevada City	8,590	\$1,249,000	\$145.40
258 Railroad Ave, Grass Valley	1,824	\$479,900	\$263.10
371 Railroad Ave, Grass Valley	3,740	\$650,000	\$173.80
110 Spring Hill Dr # 3 & 4, Grass Valley	3,952	\$605,000	\$153.09
110 Spring Hill Dr # 1 & 2, Grass Valley	5,500	\$795,000	\$144.55
Office			
512 - 528 Brunswick Rd, Grass Valley	6,164	\$995,000	\$161.42
563 Brunswick Rd # 2, Grass Valley	1,151	\$199,000	\$172.89
565 Brunswick Rd # 9, Grass Valley	1,387	\$179,000	\$129.06
11235 Cliffs Place, Grass Valley	1,501	\$429,000	\$285.81
424 Crown Point Cir, Grass Valley	16,000	\$3,050,000	\$190.62
443 Crown Point Cir, Grass Valley	15,264	\$2,500,000	\$163.78
900 Golden Gate Ter, Grass Valley	20,000	\$3,500,000	\$175.00
964 Golden Gate Ter, Grass Valley	5,740	\$749,000	\$130.49
224 Main St, Nevada City	4,670	\$1,225,000	\$262.31
406 - 412 E Main St, Grass Valley	7,714	\$1,470,000	\$190.56
2344 & 2352 Nevada City Hwy, Grass Valley	3,212	\$600,000	\$186.80
2611 Nevada City Hwy, Grass Valley	2,172	\$580,000	\$267.03
104 New Mohawk Rd, Nevada City	26,336	\$2,200,000	\$83.54
819 Whispering Pines Ln, Grass Valley	24,426	\$3,300,000	\$135.10
Medical/Dental			
509 S Auburn St, Grass Valley	1,429	\$590,000	\$412.88
225 Colfax Ave, Grass Valley	2,545	\$869,000	\$341.45
300 Sierra College Dr #165, Grass Valley	4,787	\$1,900,000	\$329.64
700 Zion St, Nevada City	12,000	\$2,700,000	\$225.00
1061 E Main St # 104, Grass Valley	1,813	\$265,000	\$146.17
1061 E Main St # 103, Grass Valley	1,224	\$199,000	\$162.58
Retail			
210 Broad St, Nevada City	21,675	\$2,250,000	\$103.81
214 Broad St, Nevada City	1,684	\$895,000	\$564.13
315 Broad St, Nevada City	4,979	\$1,350,000	\$271.14
202 Colfax Ave, Grass Valley	1,492	\$495,000	\$331.77
434 Colfax Ave, Grass Valley	3,052	\$625,000	\$204.78

RECENT TRANSACTIONS

Location	Sq. Ft.	Sale/Lease	Close Date
1005 Sutton Way, Grass Valley	25,208	Sale	10/17/2022
206 W Main St, Grass Valley	3,950	Sale	10/17/2022
908 Taylorville Rd, Grass Valley	11,676	Sale	10/24/2022
824 Zion St, Nevada City	1,217	Sale	10/24/2022
426 Sutton Way, Grass Valley	1,460	Lease	11/9/2022
404 S Auburn St, Grass Valley	912	Sale	11/15/2022
5961 W Oaks Blvd, Rocklin	11,613	Sale	11/29/2022
310 Broad St, Nevada City	1,200	Lease	12/15/2022
400 Providence Mine Rd, Nevada City	3,989	Lease	12/15/2022
830 Zion St, Nevada City	1,960	Sale	12/16/2022

IN THE WORKS

Location - Description
Loma Rica Ranch I, GV – Brunswick & Dorsey, 235 New Homes, Infrastructure Started
1912 Nev. City Hwy, GV – 3,792 SF C-Store w/ 2,400 SF Express Car Wash, Start 2022
403 Idaho Maryland Rd, GV – "Provisions", A new cannabis dispensary, Opening 2023
Dorsey Marketplace, GV – 104K SF Retail, 9K SF Office, 172 Apts., Start 2023
375 Hollow Way, NC – 1,627 SF Café with Drive-Thru, Start 2023
300 Spring St, NC – New BrewBilt tap house & beer garden, Completion, Summer 2023
2059 Nevada City Hwy, GV – 3,600 SF Quick Quack Carwash, Completion, Fall 2023
1812 E Main St, GV – 74 Room Hotel/Conference Center, Start 2023
1012 Sutton Ave, GV – Best Western Hotel 27 room expansion, Start 2023
Higgins Marketplace, GV – 3,452 SF Quick Quack Car Wash, Start 2023
Loma Rica Dr, GV – 20 K SF BTS to lease for County Facilities Dept., Start 2023
10715 Brunswick Rd, GV – 61 Unit multi-familij project. Start 2023

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