

FOR SALE

EVERGREEN PLAZA

2300-2360 ODDIE BOULEVARD
SPARKS, NEVADA 89431



CONTACT

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CBRE

EXECUTIVE SUMMARY

CBRE, Inc., as exclusive advisor, is pleased to offer for sale Evergreen Plaza, located in Sparks, Nevada. The property is a ±81,175 square foot multi-tenant community shopping center anchored by CVS and Savers. Well-positioned at the signalized corner of Oddie Boulevard and El Rancho Drive, Evergreen Plaza offers investors an opportunity to purchase an investment property at well below replacement cost with the benefit of current In Place Income with substantial near-term repositioning/upside potential.

The center's trade area is experiencing a recent surge in commercial real estate activity which includes several reposition or expansion projects along Oddie Boulevard. Renown Hospital recently purchased an adjacent building, and is currently moving forward with plans to build out a future Call Center, which will also house its Population Health Management Organization, Information Technology, and Revenue Cycle offices.

Renown is projecting a minimum of 500 new jobs. Directly to the east across El Rancho Drive is a proposed 312-unit apartment community which will bring more residents to the submarket. Additionally, the site's proximity to the Tesla Gigafactory just east of Sparks (which is projected to add ±22,000 business/community related jobs in total) will benefit the ±113,855 residents in a three (3) mile radius of the property with an average HH income of \$47,376.



PROPERTY OVERVIEW

PURCHASE PRICE: \$6,500,000

NOI (YEAR 1): \$504,278

CAP RATE: 7.75%

ADDRESS: 2300-2360 Oddie Boulevard

CITY/ STATE/ ZIP: Sparks, Nevada 89431

COUNTY: Washoe

TOTAL CENTER SIZE: ±81,175 SF

OCCUPANCY: 94%

SITE SIZE (ACRES): 8.12 Acres

YEAR BUILT: 1980

PARCEL NUMBER: 026-284-34

PARKING: 368 spaces (CBRE count)

ZONING: MU-C or Mixed Use Commercial.

TRAFFIC COUNTS: 17,000 AADT (2017) - Oddie Blvd., just east of El Rancho Drive (NDOT)

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LONG-TERM NATIONAL AND REGIONAL TENANTS

Over 69% of the property is occupied by national/regional tenants offering investors stability of cash flow and increased levels of consumer draw. The national tenant mix increases the overall appeal and creates additional opportunity for the remaining tenants.

- + The property is anchored by CVS on a long-term ground lease that commenced in 1980 and expiring in 2021.
- + Savers has been at the property since 1992 and its base term is coming up for renewal in 2022.
- + These upcoming renewals present a strong NOI growth opportunity and possibility of changing the dynamic of the center should the new owner elect to do so.

Over 82% of the tenants have occupied the property for at least 10 years. These long-term tenants have proven business models, and several have rents at the lower end of the market range as the annual rent escalations have not been able to keep pace with the growth in the submarket.



INVESTMENT OVERVIEW



WELL LOCATED VALUE-ADD OPPORTUNITY IN A GROWING MARKET

Evergreen Plaza is a well-established multi-tenant center anchored by CVS and Savers. The property is located in a growing submarket surrounded by several thousand apartment units, numerous retailers, single family developments, various schools including Montessori and Charter schools, as well as regional parks. The center offers easy egress and ingress as well as quick access to all the major transportation routes in the region including US 395 and McCarran Blvd.



PRICED BELOW REPLACEMENT COST AND ATTRACTIVE YIELD

The property represents a unique opportunity to acquire an asset at well below replacement cost and achieve a Year 1 CAP rate of 7.75%.



GROWING JOB CENTER WITH A MAJOR HOSPITAL

Renown Hospital, the largest healthcare provider in the region, acquired a neighboring 180,000 square foot big box and is currently investing heavy capital into the building in order to convert it into a medical call center. This would translate into 500 full time employees at the property looking for services, visiting restaurants, and this also creates a big opportunity for CVS Pharmacy to grow its customer base.



UPSIDE POTENTIAL FROM BELOW MARKET RENTS

The existing rents are well below market especially with month to month tenants as well as with anchors CVS and Savers allowing the new owner to bring them to market upon rollover. Additional revenue could be derived from continued lease up.



FREE AND CLEAR OFFERING

The property will be delivered free and clear of any debt. Based on current market rates, investors can expect favorable terms on proposed new financing with the potential for interest-only loans to maximize yields. This will allow investors the ability to obtain new financing at historically low rates, enhancing leveraged yields.





DOWNTOWN
RENO

UNIVERSITY OF
NEVADA, RENO

< TO SOUTH LAKE
TAHOE



EVERGREEN PLAZA

ODDIE BOULEVARD

EL RANCHO DRIVE

Renown
HEALTH
FUTURE RENOWN
CALL CENTER
(±500 JOBS)

PROPOSED 312-UNIT
APARTMENT
PROJECT

LOCATION OVERVIEW

Evergreen Plaza is situated in the Oddie Boulevard corridor of Sparks, Nevada, an area that is currently undergoing a process of major transformation. The property is located within a ±15-minute drive to such employers as Apple,

Blockchains, Google, Switch, Tesla, and the ±107,000-acre Tahoe Reno Industrial Center. The area is well positioned to benefit from recent growth in the economy due to tremendous levels of new job creation.



MARKET OVERVIEW

Greater Reno-Tahoe encompasses the cities of Reno, Sparks, Carson City, Minden/Gardnerville, and Incline Village. The region is centrally located to major western cities including San Francisco, Portland, Salt Lake City, Las Vegas and Los Angeles, all within a day's drive. With its many recreational opportunities, a rich quality of life, and no state taxes for businesses, the area is strongly poised for continued growth and expansion.

Reno/Sparks/Tahoe is the cultural center of the Sierras and home to its own opera company, ballet, symphony orchestra, chamber orchestra, repertory theatres, art galleries, and museums. There are over 80 city parks and over 10 golf courses to enjoy. In addition to cultural activities, the area offers three regional shopping malls including the 1.2 million square foot Outlets at Sparks, the Summit Mall anchored by Dillard's, and the recently updated Meadowood Mall anchored by Macy's, JC Penney, and The Cheesecake Factory.



The Reno area is a popular destination for annual events. The top 10 annual events in the area (ranked by order of attendance) include Hot August Nights, the Best in the West Nugget Rib Cook-off, Artown, the National Championship Air Races, the Great Reno Balloon Race, Reno Rodeo, Nevada State Fair, Reno River Festival, Lake Tahoe Shakespeare Festival, and the Legends Reno-Tahoe Open PGA Tournament.

The region boasts three major medical centers including Renown Health, St. Mary's, and Northern Nevada Medical Center with a total of 1,150 beds, as well as a VA hospital. The University of Nevada, Reno, Truckee Meadows Community College and Sierra Nevada College in Incline Village offer a variety of degree programs. The University of Nevada, Reno (UNR) is home to 20,898 students and 1,166 instructional faculty. Since 2010, total enrollment has increased 21.94%, averaging 3.66% growth a year. UNR is projecting that total enrollment will be approximately 25,439 students.

RECENT ECONOMIC PERFORMANCE

Over 100 companies have relocated to the Reno-Sparks region within the last three years. Nevada's business-friendly tax environment has created many possibilities for out-of-state companies like Apple, Amazon, Google, Switch and Tesla/Panasonic to relocate or expand their facilities. As noted by local economic development officials from a recent study called the "EPIC" report, the region is forecast to create approximately 50,000 jobs and population growth of over 60,000 new residents between 2015 and 2019. With a current population of approximately 500,000 in the metro area, the region is on track to meet these projections.

The U.S. Labor Department reported that Nevada as a whole experienced the top employment growth rate in the country during 2017, with year-over-year job gains at 3.3% ending in December. As of July 2018, Reno has added 8,600 jobs over the year (3.7%), adding jobs at a faster rate than the State as a whole (3.4%), making it the fastest growing MSA in the state. As such, the Reno/Sparks unemployment rate stood at 3.5% in July of 2018. Reno's unemployment rate is now the lowest it's been since October of 2000, and is the only MSA in the state of Nevada with an unemployment rate less than the US average. Average personal income in the first quarter of 2018 also rose by 4.1% over the year, and has increased in all but one quarter for the past eight years.

All of this recent, regional growth has translated to a record high median home price of \$389,000 (up by 10% year-over-year) and an overall housing shortage. The market is also setting records in the multifamily sector: with record rent levels growing at 10.39% year-over-year amid strong demand and a record low vacancy rate of just 1.58%, the Reno market is poised to capitalize.





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FOR MORE INFORMATION, CONTACT

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