

ASSESSOR'S

EVIDENCE

Washoe County Board of Equalization
Appeal Summary Page - Secured Roll

Hearing # **19-0044**
Hearing Date **02/21/2019**
Tax Year **2019**

APN: 026-031-42
Owner of Record: HOME DEPOT USA INC
Property Address: 2955 NORTH TOWNE LN
Property Type: DISCOUNT WAREHOUSE STORE 100%
Gross Building Area: 106,898
Year Built: 1997
Parcel Size: 13.43 Acre

Description / Location: The subject property is a Discount Warehouse Store built by and for Home Depot. Its location, design and overall utility is still being capitalized upon by the first generation occupant. A local and different Home Depot was recently purchased by an investor on 4/26/18 for \$15,980,000.

2019/20 Taxable Value:	Land:	\$3,788,127	3788127
	Improvements:	\$5,011,089	
	Total:	\$8,799,216	
	Taxable Value / SF	\$82.31	

Sales Comparison Approach:	Indicated Value	\$15,607,108
	Indicated Value / SF	\$146

Income Approach:	Indicated Value	\$15,072,618
	Indicated Value / SF	\$141

Conclusions: Taxable value does not exceed full cash value. Please refer to the analysis within for foundational support of this conclusion.



ASSESSOR'S EXHIBIT I
23 PAGES

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0044
LAND:	\$3,788,127	\$1,325,844	\$/SF GBA	DATE:	02/21/2019
IMPROVEMENTS:	\$5,011,089	\$1,753,881	\$82.31		
TOTAL:	\$8,799,216	\$3,079,726		TAX YEAR:	2019
OWNER: HOME DEPOT USA INC			TAXABLE		
			\$/SF Land	SEE LAND SALES	
			\$6.48		

SUBJECT													
BLDG#	APN	Location (Occupancy)	Use %	Total GBA (GBA)	Construction Type Exterior Walls	QC	Finish Area	Age(WAY) Height	Land (SF) %Coverage Zoning	Sale Price Sale Date	Sale Price/GBA	EGI GIM OER	NOI OAR
1	026-031-42	2955 NORTHTOWNE LN		106,898					585,011		N/A		
		DISCOUNT WAREHOUSE STORE	100%	106,898	MASONRY BRNG CONC TILT-UP	C15		1997 22	18% AC				
IMPROVED SALES													
IS-1	025-570-01	6590 S VIRGINIA ST		102,832					435,382	\$15,980,000	\$155		\$933,660
		DISCOUNT WAREHOUSE STORE	100%	102,832	MASONRY BRNG CONC TILT-UP	C15		1993 25	24% MUSV	04/26/2018	see note		5.84%
		HOME DEPOT											
IS-2	039-750-13	5150 MAE ANNE AVE		94,213					395,743	\$9,350,000	\$99		\$636,250
		DISCOUNT STORE	100%	94,213	MASONRY BRNG CONCRETE BLK	C20		1990 24	24% AC	09/12/2017			6.80%
		KOHL'S											
IS-3	040-141-42 10, 12, 20, 22	6139 S VIRGINIA ST		81,838					240,016	\$24,100,000	\$294		\$1,145,146
		SUPERMARKET	62%	81,838	MASONRY BRNG CONCRETE BLK	C25		1993 24	34% AC	07/24/2017	see note		4.75%
		DISCOUNT STORE	38%										
		WHOLE FOODS & SIERRA TRADING POST											
ADD'L INFO	ATTACHMENT B - Compilation of eight sales. Sales reflect Home Depot and Lowes properties from the Western Region. Sales date, price, \$/SF, NOI and Cap rate herein is the median reflected in the attached table. MEDIAN SIZE = 127,400sf									MEDIANS =	\$14,700,477	\$128.00	5.93%

COMMENTS:
The subject property is a well maintained, fully functioning and performing Home Depot. The recent sale of a local Home Depot (IS-1) indicates that the taxable value does not exceed full cash value.
IS-1: Sale of a Home Depot property; Sold with 100% occupancy at a 5.84% cap rate. Current rent noted at \$81,900/mth and/or \$0.80/sf/mth. The option for lease renewal is 8/31/24. A review of the rent found that excess rent may in fact exist. Discounting the excess rent and adjusting the sales price results in a ~\$1M reduction and/or equates to an adjusted market value of ~\$14,980,000 and/or \$146/sf. Please refer to Attachment "A" for additional information.
IS-2: Sale of a big box property with Kohl's as tenant; Property is a co-anchor with other big box retailers. Sold with 100% occupancy at a 6.8% cap rate. The lease has 8yrs. remaining. Five year options are available.
IS-3: Sale of a big box property w/Whole Food and Sierra Trading Post as tenants; Sold w/ 100% Occupancy at an est. 4.75% cap rate. Rent analysis not performed but strong rent is assumed. Sale is considered superior due to its large use as a supermarket which includes additional finish and partitioning. Based on the superiority, a 40% downward adjustment is being applied. This adjustment is based solely on the difference in costing the occupancy's in relation to the comparable and the subject. The result of the adjustment is \$177/sf.
ADDITIONAL INFORMATION: A review of sales within the western region of the US was compiled. Sales include properties with Home Depot and Lowe's as tenants. Please refer to Attachment "B" for additional information of each sale. The median was taken and added to the table above. The results of this compilation illustrate a median sales price of \$14,700,477 and/or \$128/sf. Based on this result, the compilation is added evidence illustrating, as an indicator of value, that taxable value does not exceed full cash value.
ADJUSTED SALES PRICES RANGE: \$100 to \$177/sf. MARKET VALUE: Estimated at \$14,980,000 and/or 146/sf. CONCLUSION = Taxable value does not exceed full cash value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

LAND:	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING:	19-0044
	\$3,788,127	\$1,325,844	\$/SF Land \$6.48	DATE:	02/21/2019
				TAX YEAR:	2019

OWNER: HOME DEPOT USA INC

LAND SALES

Sale #	APN	Location	Sale Date	Sale Price	Size(ac)	Size(sf)	\$/sf	Zoning	Comments
LS-1	040-900-19&20	DEL MONTE LN	05/03/2018	\$11,142,640	12.22	532,085	\$20	PUD	Monte Ln and Kietzke Ln is a part of the Rancharrah development project. One of the buyers is Tolles Development Co, a commercial real estate developer in the area. Offices, retail and restaurants are to be built as Village at Rancharrah per Reno Land Inc's master plan. The land price per SF in this sale is \$20.01.
LS-2	163-061-06 (now 12&13)	537 & 597 SOUTH MEADOWS PKWY	08/30/16	\$5,921,345	9.24	402,526	\$15	PUD	SVL verified arms length sale. Property was not on the market, however the owner was accepting offers and decided to sell to the buying party since they had a fair market offer. The new buyers purchased the land to construct a Sprout's Farmers Market and retail center.
LS-3	160-040-26	SOUTH MEADOWS PKWY	07/20/16	\$4,628,680	5.18	225,641	\$21	PUD	SVL verified arms length transaction. Property was not on the open market, however the seller was open to offers and accepted the buyer's market value offer. Property is going to be developed as a hotel.
LS-4	037-412-03 037-422-06	LEGENDS - 1425 GEORGE FERRIS DR & 1370 BIG FISH DR	08/07/17	\$6,748,617	6.50	283,082	\$24	NUD	The sale was for 2 parcels totaling 283,082 sf. The buyer was Big Shopping Centers that is an equity investor that purchases a portion or all of the property from developers to free up cash for the developer to use for improvements or other projects. They bought an 80% interest in these 2 vacant parcels , and the total purchase was computed using the sales price.
LS-5	400-040-15	1405 SKY MOUNTAIN	08/11/17	\$4,525,000	10.61	461,997	\$10	CC	Previously portion of APN 400-040-07 "The Great Western Marketplace" has been split into two parcels and was sold to two different parties. This lot is formerly the parking area.

COMMENTS:

Land sales herein represent large parcels that are located at premier locations throughout Reno/Sparks. Attributes affiliated with these superior locations include high traffic counts and excellent visibility from major arterial roads. Sales range in value from \$10/sf to \$24/sf. Based on the subjects superior location and the comparable sales, the subjects taxable land value is below market value.

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	TAXABLE VALUE	ASSESSED VALUE	TAXABLE	HEARING: 19-0044
LAND:	\$3,788,127	\$1,325,844	\$/SF GBA	DATE: 02/21/19
IMPROVEMENTS:	\$5,011,089	\$1,753,881	\$82.31	
TOTAL:	\$8,799,216	\$3,079,726		TAX YEAR: 2019

APN: 026-031-42

OWNER: HOME DEPOT USA INC

Income Approach

Potential Gross Income	106,898 sq ft. @	\$0.65 /mo =	\$69,484	
	sq ft. @	/mo =	\$0	
	sq ft. @	/mo =	\$0	
			\$69,484	
	x 12 months =		12	
			\$833,804	
- Vacancy & Collection loss		0%	\$0	
= Effective Gross Income			\$833,804	
- Operating Expenses		5%	\$41,690.22	
= Net Operating Income			\$792,114	
Divided by Overall Capitalization Rate		5.25%	\$15,087,889	
		Rounded	\$141 /sf GBA	

Subject Income Information: The building is 100% owner occupied by Home Depot. A sale of a local Home Depot was recently purchased by an investor. The components of income that were affiliated with that sale was reviewed.

Potential Gross Income: The property is owner occupied and thus a contract or current rent does not exist. Please refer to Attachments "B" and "C" for the market rent analysis. Results from local rental data indicates that market rent for the subject, with consideration for subjects premium location and building (a first generation build to suit), is \$0.65. Applying this rent to the subjects rentable area and annualizing it, reflects a PGI of \$833,804.

Effective Gross Income: The subject is a first generation building build to suit. The property has had zero vacancy since it's construction. Moreover, vacancy for comparable big box properties at superior locations remains stable at 0%. Therefore, a 0% stabilized vacancy rate was utilized. The application results in a EGI that is equal to PGI.

Net Operating Income: The property, if available, would likely be leased on a NNN basis by which the tenant is responsible for all expenses. However, management fees and the costs in relation to capital reserves and replacement should be, and is, herein considered. Expenses estimated at 5%. Estimated NOI is \$792,114.

Capitalization Rate Analysis: Properties reflecting strong real estate fundamentals in primary locations remain in high demand amongst institutional investors. The subject property is a sought after investment that has been well maintained with a national credit tenant, has had zero vacancy, and has a premium location. Therefore, the overall investment risk is considered low. The cap rate on the sale of the local Home Depot was 5.84%. However, given the lower rents that were used in this analysis in relation to the contract rent that exists, overall risk is reduced.

For a summary of cap rates in relation to big box retail, please refer to Attachments "B" & "D". Cap rates attained at the local level suggest a range of 4.75% to 6.8% with 5.84% as the median. Rates from the Western Region level indicated a range of 5% to 6.25% and a median of 5.93%. The cap rate used in this equation was 5.25% and again is reflective of the lower rents used within the equation.

Indicated Value Income Approach: \$15,087,889 and/or \$141/sf.

Conclusion: The taxable value of the subject does not exceed full cash value.

Owner & Mailing Address:
HOME DEPOT USA INC
PO BOX 105842
ATLANTA, GA 30348

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 026-031-42

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Bld. 1 - 1



HOME DEPOT
Tax District: 1000

printed: 01/25/2019

ACTIVE

3285.17

DBHQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY				Database	Roll Year	Prior % Complete	% Complete		
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation		Building Level Cost		PROD					
							Building Value		3,792,907							
							Extra Feature Value		1,218,182							
							Land Value		3,788,127							
							Taxable Value		8,799,216							
							Exemption		0				Reopen	Code:		
							FLAGS						Reappraisal			
							Type	Value								
							Cap Code	NFM								
							Eligible for Form?	NO			NC / C	New Land	New Sketch			
							Low Cap Percentage	0								
							Parcel Map	4423								
BUILDING DETAILS							BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY	
Code		Description	Category	Units	Code	Description		Yr Blt	Units	Cost New	Tot Lump Sum Adj		0			
Type	COMM	Commercial/Industr	Units	1	GBA	GBA - GROSS BUILDING AREA			106,898		Sub Area-RCN		5,046,632			
Occupancy	458	Discount	No of Stories	1		Base Cost			106,898	3,061,559	% Incomplete		0			
Story/Frame	C	MSNRY BRNG ~	Quality Class	1.5		Exterior Walls			106,898	1,502,986	% Depreciation		33.00			
Quality	0	Commercial	Avg Wall Height/Floor	22		Heating & Cooling			106,898	222,658	\$ Dep & Inc		1,665,389			
Year Built	WAY	%Comp	Year of Addn/Remodel	Alternate Shape Code	1	Sprinklers			110,867	259,429	Obso/Other Adj.		0			
1997	1997	100		Sprinkler System Generic -	110867						Sub Area DRC		3,381,243			
BUILDING CHARACTERISTICS											Additive DRC		1,218,182			
Category	Code	Type	%								Total DRC		4,599,425			
Ext. Wall	818	CONC TILT-UP	100								Override					
Heating Type	606	SPACE HEATER	97								Cost Code		89502			
Heating Type	611	PACKAGE UNIT	3								PROPERTY CHARACTERISTICS					
						Base Rate Adjustment		Adj.				Water Sewer Street	Municipal Municipal Paved			
						Construction Modifiers		Adj.								

HOME DEPOT

Tax District: 1000

printed: 01/25/2019

ACTIVE

3285.17

DBHQ - Commercial



BUILDING PERMITS

Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
10/24/2018	BLD19-03416	FENCE;	200	Assgn	0	11/06/18 SYJ Assgn	Assigned Based On
08/19/2014	BLD14-04692	TELECOM	5,000	Compl	100	06/10/15 TAO Compl	NVC
09/26/2013	BLD14-00496	MECHANICAL	56,550	Compl	0	10/18/13 JST Compl	NVC
03/19/2013	BLD13-04250	REROOF	285,000	Compl	0	04/12/13 CWA Compl	NVC
11/27/2012	BLD13-00611	SEE NOTES	125000	Compl	0	03/01/13 CWA Compl	NVC TELEC
11/06/2012	BLD13-02114	REROOF	317143	Compl	0	03/01/13 CWA Compl	NVC

SALES/TRANSFER INFORMATION

Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
CREDIT SUISSE	3697112	10/16/2008	400	2MD		12,393,539	INCLUDED 026-031-24 & 42
CREDIT SUISSE	3239939	06/30/2005	400	3NTT			

#	Bld	Date	User ID	Activity Notes
2	0-0	10/26/2017	ltett	REXT BY SYJ - 09/12/2017
3	0-0	10/13/2016	rlope	REXT BY CWA - 10/07/2016
4	0-0	11/06/2015	idiez	TAG FROM 1005 TO 1000 TMUGWB NOW SPECIAL ASSESSMENT
5	1-1	09/26/2014	PRCL	CH20 LINE = 7,575,317 -- REMAINDER PARCEL.
6	0-0	04/29/2014	canac	AERL - PICTOMETRY REVIEW
7	0-0	11/14/2013	prcl	CH20 LINE = 7,575,317 -- REMAINDER PARCEL.
8	1-1	09/13/2013	canac	REXT DBHQ IMPROVEMENT LINE DONE 11/09/2013 BY RD, LAND LINE DONE
9	1-1	08/17/2012	canac	REXT DBHQ IMPROVEMENT LINE DONE 11/09/2012 BY RD, LAND LINE DONE
10	1-1	04/17/2012	mbozm	DATA CHANGE EXT WALL, ADD PROP NAME.

Owner & Mailing Address:
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PO BOX 105842
ATLANTA, GA 30348

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 026-031-42

Card 2 of 2
Bld. 1 - 2



HOME DEPOT
Tax District: 1000

printed: 01/25/2019

ACTIVE

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DBHQ - Commercial

VALUATION HISTORY							PARCEL VALUE SUMMARY		Database	Roll Year	Prior % Complete	% Complete	
Roll Year	Taxable Land	Land New	Taxable Improvements	Improvement New	Total Taxable	Total Assessed	Primary Valuation	Building Level Cost	PROD				
2019 NR	3,788,127	0	5,011,089	0	8,799,216	3,079,726	Building Value	3,792,907					
2018 FV	3,551,401	0	4,998,157	0	8,549,558	2,992,345	Extra Feature Value	1,218,182					
2017 FV	2,959,584	0	5,049,775	0	8,009,359	2,803,276	Land Value	3,788,127					
2016 FV	2,959,584	0	5,138,899	0	8,098,483	2,834,469	Taxable Value	8,799,216			Reopen	Code:	
2015 FV	2,959,584	0	5,089,337	0	8,048,921	2,817,122	Exemption	0					
2014 FV	3,314,674	0	5,145,748	0	8,460,422	2,961,148	FLAGS						
2013 FV	3,314,674	0	5,148,515	0	8,463,189	2,962,116	Type	Value			Reappraisal		
2012 FV	3,510,066	0	5,240,914	0	8,750,980	3,062,843	Cap Code	NFM					
2011 FV	3,744,070	0	4,250,159	0	7,994,229	2,797,980	Eligible for Form?	NO			NC / C	New Land	New Sketch
2010 FV	3,510,100	0	4,217,739	0	7,727,839	2,704,744	Low Cap Percentage	0					
2009 FV	3,580,285	0	4,225,624	0	7,805,909	2,732,068	Parcel Map	4423			By:		Date:
2008 FV	4,633,310	0	4,262,114	0	8,895,424	3,113,398							
BUILDING DETAILS			BUILDING FEATURES AND ADJUSTMENTS				BUILDING SUB-AREAS				BUILDING COST SUMMARY		
Code		Description	Category		Units		Code	Description	Yr Blt	Units	Cost New	Tot Lump Sum Adj	
Type	MISC	Miscellaneous					CNM	CNPM - CANOPY METAL		9,824	392,862	Sub Area-RCN	614,424
Occupancy	600	Miscellaneous					CNW	CNPW - CANOPY WOOD		2,835	95,256	% Incomplete	0
Story/Frame	0	NONE					PCS	POR1 - PORCH CONCRETE SLAB		18,412	126,306	% Depreciation	33.00
Quality	20	Fair										\$ Dep & Inc	202,760
Year Built	WAY	%Comp	Year of Addn/Remodel									Obso/Other Adj.	0
1997	1997	100										Sub Area DRC	411,664
BUILDING CHARACTERISTICS												Additive DRC	0
Category	Code	Type	%									Total DRC	411,664
												Override	
												Cost Code	89502
												PROPERTY CHARACTERISTICS	
												Water Sewer Street	Municipal Municipal Paved
												BUILDING NOTES	

WASHOE COUNTY APPRAISAL RECORD

2019

APN: 026-031-42

HOME DEPOT
Tax District: 1000

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DBHQ - Commercial

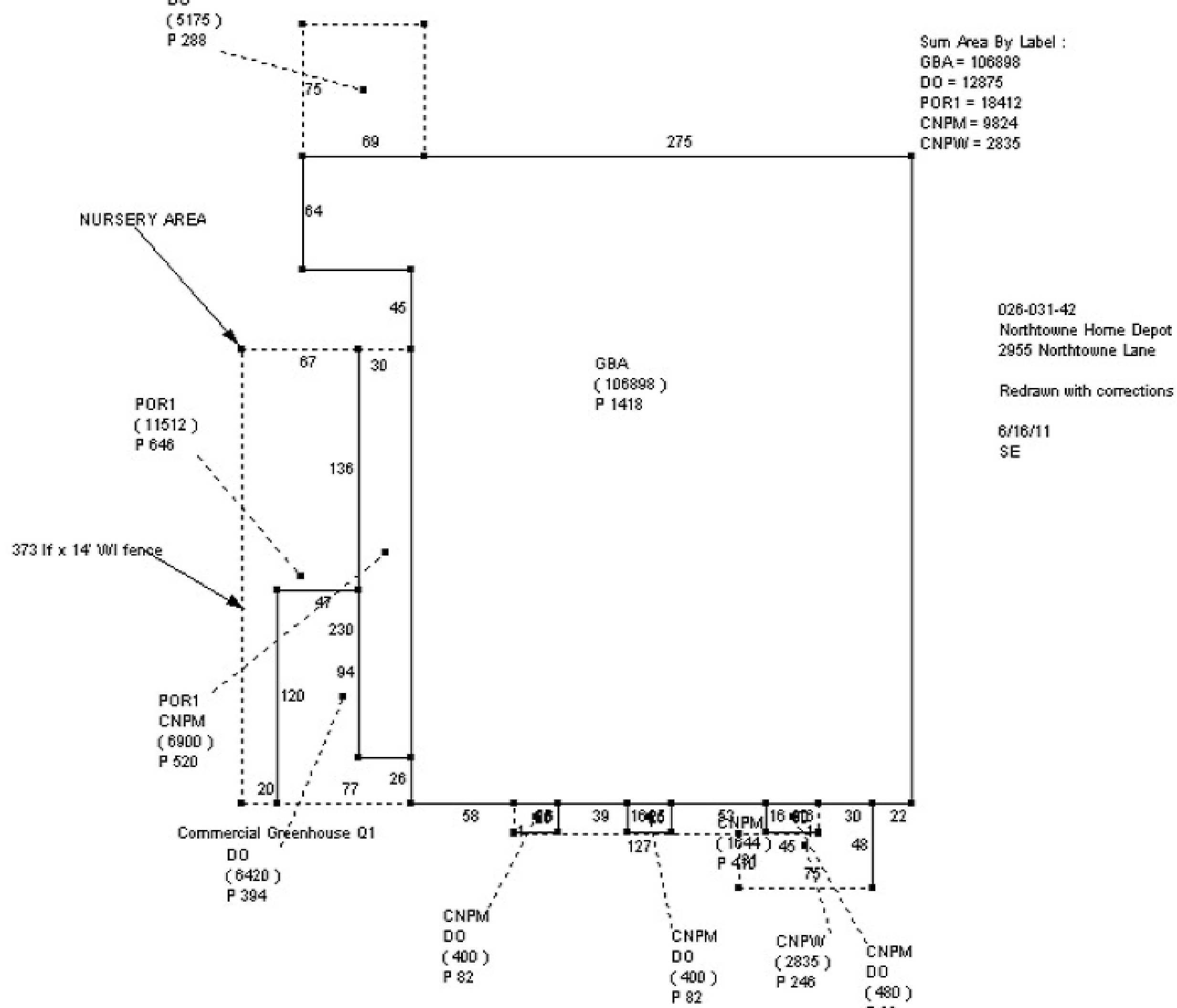
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Date	Permit #	Description	Amount	Status	% Comp	Last Visit/Appr/Results	Notes
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11/27/2012	BLD13-00611	SEE NOTES	125000	Compl	0	03/01/13 CWA Compl	NVC TELEC
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Grantor	Document	Date	LUC	Verif	Terms	Sales	Notes
CREDIT SUISSE	3697112	10/16/2008	400	2MD		12,393,539	INCLUDED 026-031-24 & 42
CREDIT SUISSE	3239939	06/30/2005	400	3NTT			

#	Bld	Date	User ID	Activity Notes



ATTACHMENT A

Home Depot Property Rights Adjustment

Contract Rent: \$81,900/monthly

Market Rent: \$66,841/monthly (\$0.65/SF *102,832)

\$15,059/monthly difference between contract and market

\$15,059*12=\$180,708 yearly difference

\$180,708

Time Calculation

Acquired: 4/26/2018

Lease Expires: 8/31/2024

2,319 total days at above Market Rent

2,319/365=6.35 years; Or 6 years, 4 months, and 6 days at above Market Rent

Discount Calculation

Year	Difference	Safe Rate 4% (Year)
1	\$180,708	
2	\$180,708	
3	\$180,708	
4	\$180,708	
5	\$180,708	
6	\$180,708	
6 to 6.35	\$76,394	

Net Present Value **\$1,005,349.23**

Rounded **\$1,005,000**

ATTACHMENT B

WESTERN REGIONAL FREESTANDING RETAIL SALES - Fully Occupied

Sale #	Tenant	State	City	Parcel #	Coverage Ratio	Building Size	Age	Sale Date	Sales Price	\$/SF	Cap Rate	Est. Annual Net Income	Est. Annual Rent	Est. Rent/ Mth	Lease Type	Years Left
													5% est. exp applied			
1	Home Depot	NM	Farmington	38172	0.29	129,924	2001	04/25/2018	\$9,100,000	\$70	6.20%	\$564,200	\$5	\$0.38	NNN	8
2	Lowe's	CA	Clovis	498-032-38S	0.32	164,351	2003	10/01/2018	\$12,409,500	\$76	5.56%	\$689,968	\$4	\$0.37	NNN	10
3	Home Depot	AZ	Phoenix	166-14-040	0.27	107,724	1999	09/29/2017	\$11,763,000	\$109	6.22%	\$731,659	\$7	\$0.60	NNN	3
4	Lowe's	WA	Mt. Vernon	P26247 & 49	0.45	137,472	1993	04/04/2018	\$16,991,453	\$124	5.85%	\$994,000	\$8	\$0.63	NNN	10
5	Hardware	WA	Puyallup	Multi	0.31	86,355	1951	09/06/2018	\$11,400,100	\$132	6.25%	\$712,506	\$9	\$0.72	NNN	18
6	Home Depot	CA	Stanton	131-401-13	0.39	107,000	1986	06/28/2018	\$22,558,000	\$211	5.37%	\$1,211,365	\$12	\$0.99	NNN	7+
7	Home Depot	NV	Las Vegas	138-34-717-007	0.24	105,275	1993	01/05/2017	\$23,100,000	\$219	6.00%	\$1,386,000	\$14	\$1.15	NNN	7
8	Lowe's	CA	Torrance	7357-027-030	0.23	127,400	1999	11/13/2017	\$47,500,000	\$373	5.00%	\$2,375,000	\$20	\$1.64	NNN	10
MEDIAN					0.30	117,562	1996	04/14/2018	\$14,700,477	\$128	5.93%	\$862,829	\$8	\$0.68	-	-

The table illustrates that Home Depots throughout the Western Region of the US are considered valuable properties. The value for similar properties in Reno Nevada, a central point within that Western Region, coincidently falls within the central portion of these illustrated values.

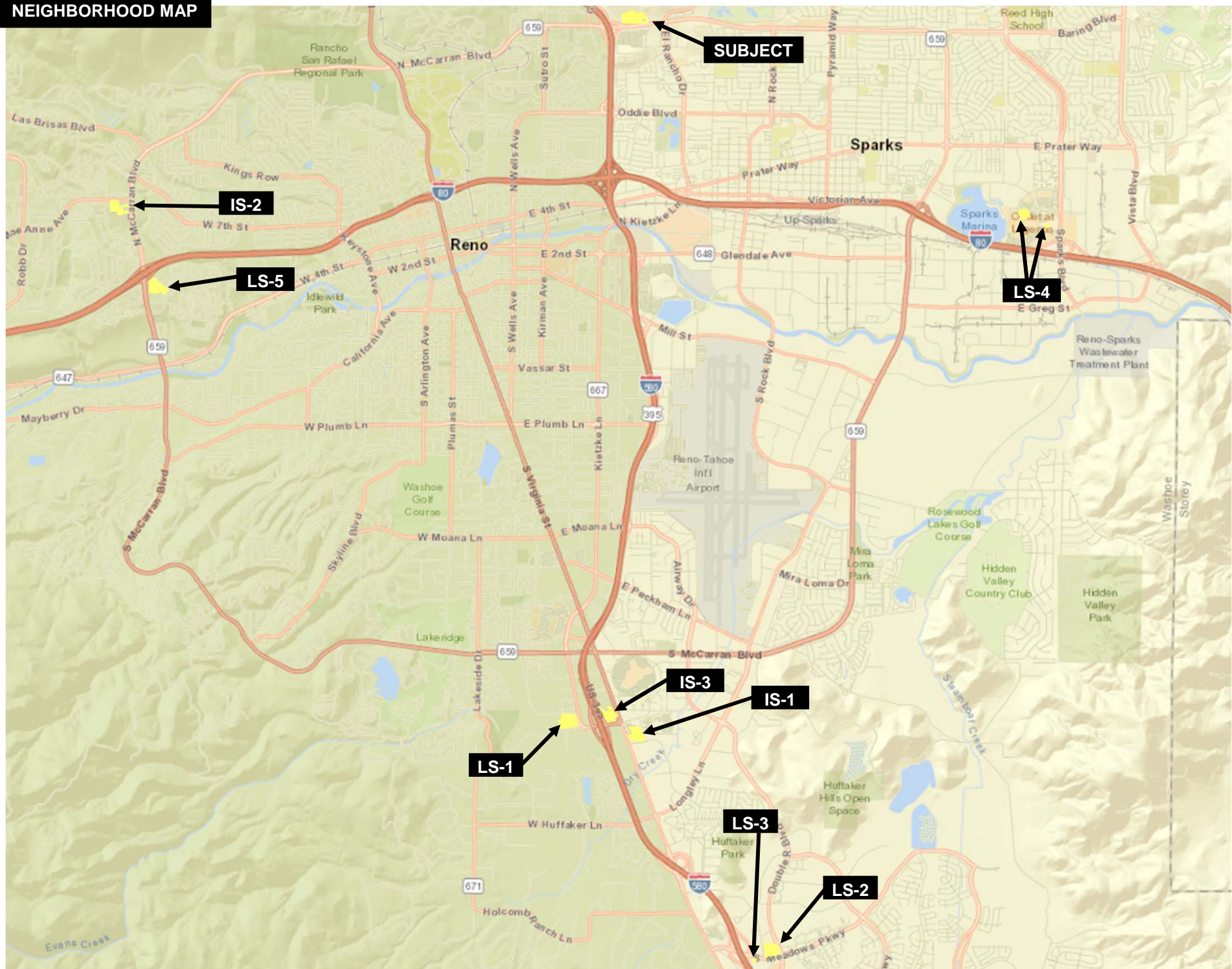
ATTACHMENT C

Box Store Rent Survey								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
Market Rents								
1	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	15,000-20,000 1980	9/2018 10 Year	\$0.62	\$0.68	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements; 10% rent escalation after 5 years; Five (5) options; Tenant received 4 months free rent
2	Undisclosed (Sparks Neighborhood Shopping Center inside McCarran Loop)	Retail Store	35,000-40,000 1980	9/2018 10 Year	\$0.42	\$0.46	NNN	Significant capital improvements were completed by owner prior to occupancy; tenant responsible for interior improvements and store front; 10% rent escalation after 5 years; Five (5) options; Tenant received 3 months free rent
3	1350 Disc Drive, Suite A 035-263-09	Big Lots	32,285 1996	08/01/2018 10 Year	\$0.50	\$0.55	NNN	Landlord contributed ~\$900,000 in tenant improvements. Rent is flat except for one 10% escalation after 5 years
4	125-165 Disc Drive, Ste. DM-2 510-083-09	Marshall's Home Goods	40,149 2006	9/2016 5 Year	\$0.63	\$0.69	NNN	Landlord responsible for tenant improvements; 2% escalations
5	Undisclosed (Spanish Springs Community Shopping Center)	Retail Store	20,000-25,000	09/01/2018 10 Year	\$0.69 *note	\$0.69	NNN *note	Landlord provided \$7.00/SF tenant improvement allowance and 5 months free rent; Options exist at end of term; Rent is MG @ \$0.74. *rent adjusted downward \$0.15/SF to reflect NNN.
6	2863 Northtowne Lane 026-182-38	Former Wal-Mart Teleperformance tenant (Call Center)	42,780 1994	11/2015 6 Year	\$0.79	\$0.79	NNN	Tenant paid for improvements; rent escalations exist; options exist to extend lease agreement to 12 years; tenant responsible for parking lot maintenance
7	2863 Northtowne Lane, Unit C 026-182-38	Former Wal-Mart Planet Fitness tenant	18,526 1994	11/2015 NA	\$0.75	\$0.75	NNN	Tenant paid for improvements; Improvements will include gym and spa
			Market Rent Median:		\$0.63	-	Reflects rents at neighborhood shopping centers. Upward adjustments for the regional power centers should be considered.	
			ADJUSTED MEDIAN		-	\$0.69	Subject is located at a regional power center and is a built to suit first generation building. Upward adjustment of 10% applied to rents at neighborhood shopping centers. Adjustment also supported by The Boulder Group Q4 "Big Box Report" Investment grade vs. non-investment grade stats.	
			RENT USED \$0.65					
ADDITIONAL INFORMATION								
#	Location APN	Description	Sq Feet/ Year Built	Lease Date/ Term	Base Rent/SF	ADJ	Lease Type	Comments
	6590 S. Virginia St 025-570-01	Home Depot	102,832 1993	1993 30 Year	\$0.80	N/A	NNN	Contract rent affixed to the recent Home Depot sale. The existence of excess rent was reviewed in this analysis. Lease option in 2024.
	1030 W. Sunset (Henderson) 178-03-610-011	Home Depot	102,370 1992	2016 unknown	\$1.14	N/A	NNN	Property is located in Henderson NV. Lease renewed and negotiated in 2016.

ATTACHMENT D

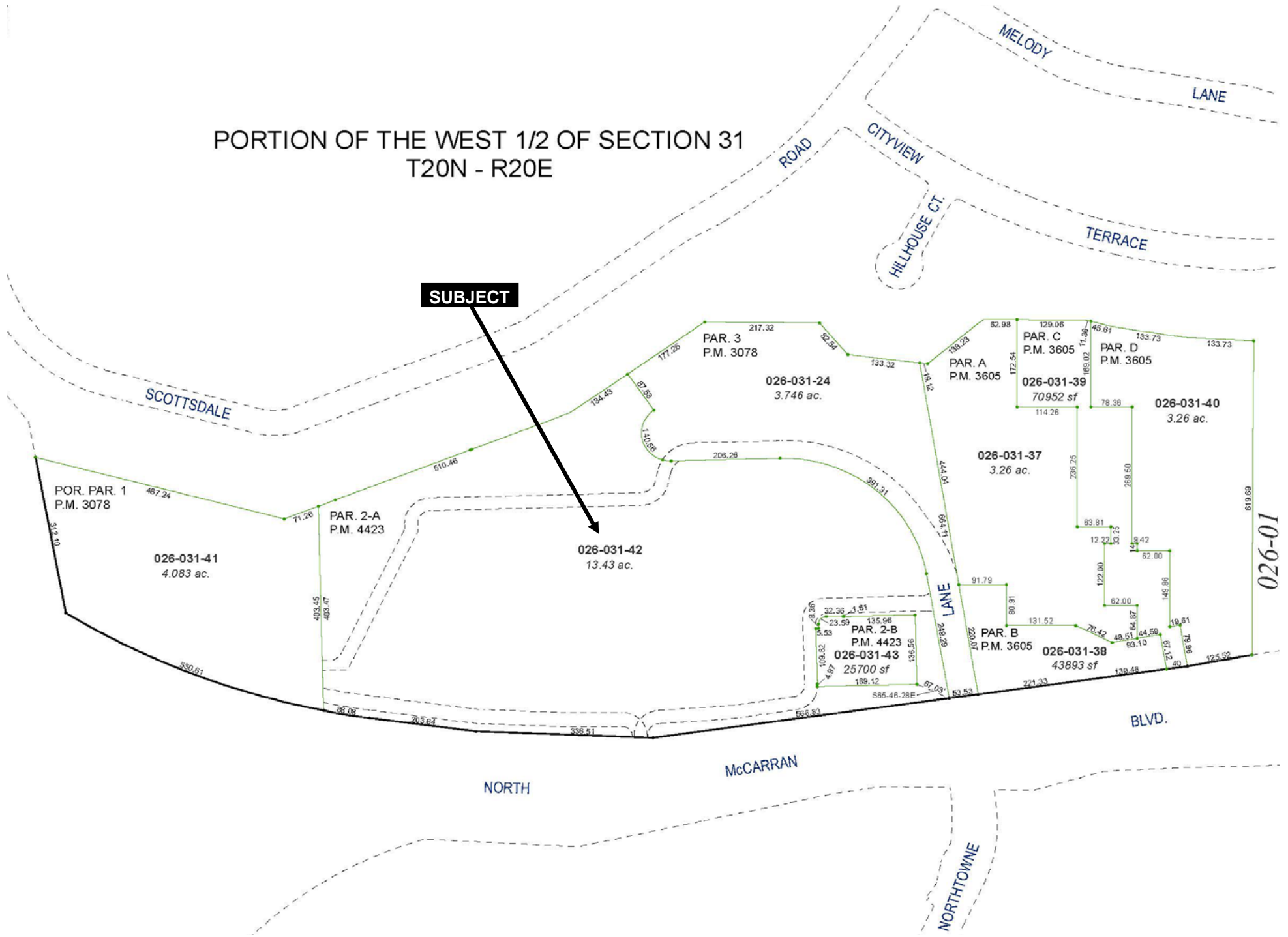
CAP RATES			
SOURCE	MIN %	MAX %	MEDIAN %
Local Sales Data (See Sales IS-1 to IS-3)	4.75	6.8	5.84
Regional Home Improvement Sales (See Attachment B)	5	6.25	5.93
USED	5.25%		
REASONING: The recent sale of the local Home Depot sold at a Cap Rate of 5.84%. The subject had a contract rent that was found to have excess rent. Applying a market rent that is less than contract rent represents less risk to the investor, thus the cap rate (a portion of which is risk of the investment) was adjusted downward slightly.			

NEIGHBORHOOD MAP

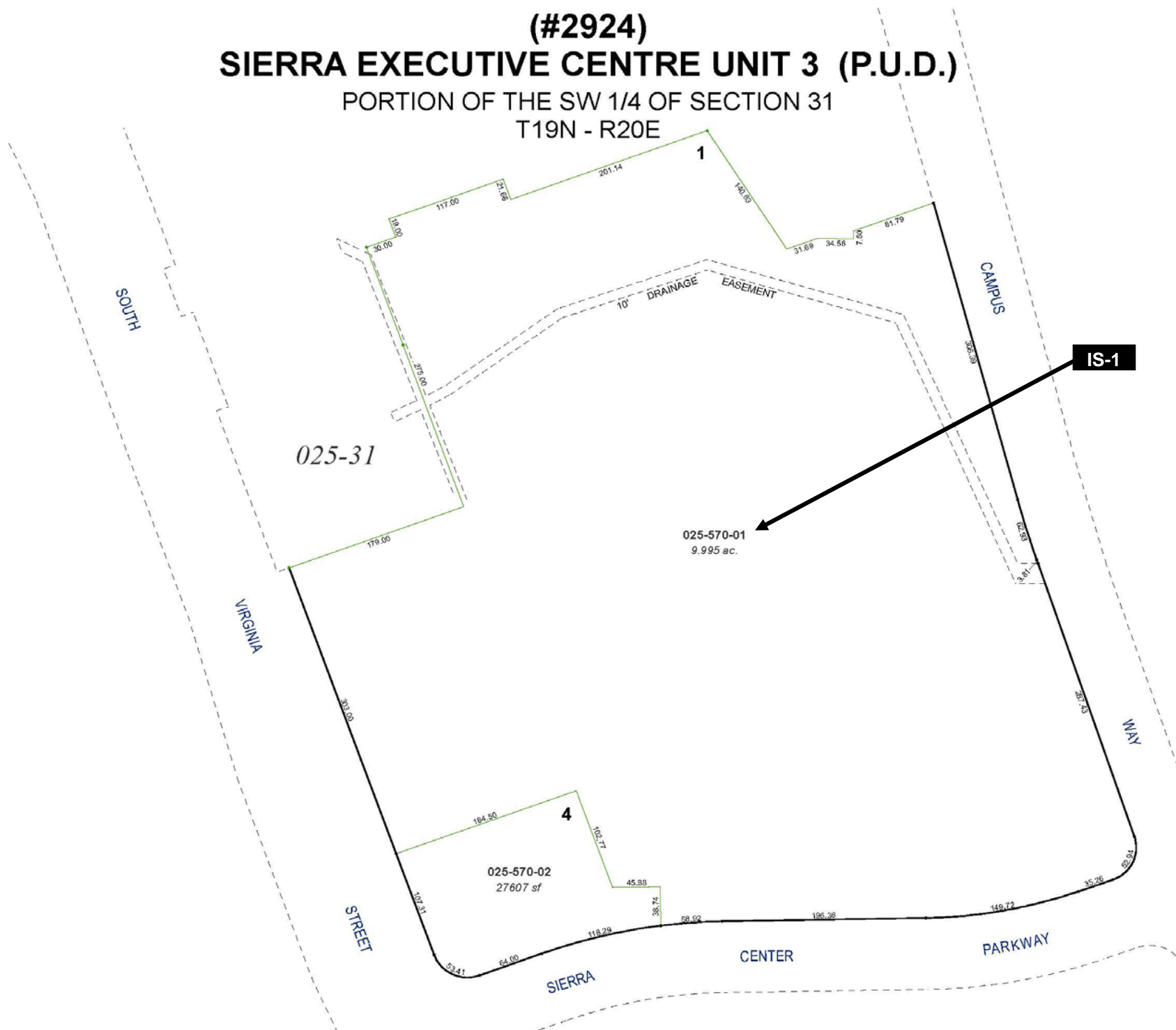


PORTION OF THE WEST 1/2 OF SECTION 31
T20N - R20E

SUBJECT



(#2924)
SIERRA EXECUTIVE CENTRE UNIT 3 (P.U.D.)
PORTION OF THE SW 1/4 OF SECTION 31
T19N - R20E



039-;

039-05

039-05

MAE ANNE AVENUE

351.36' 5 4
8 9

SIERRA HIGHLANDS DRIVE

MCCARRAN BOULEVARD

IS-2

PORTION NE 1/4 OF SECTION 8
T19N - R19E

BOOK 005

039-04

039-06

039-12

039-71

039-70

PAR.1
P.M.2273

PAR.1
P.M.2657
039-750-02
65,878 sf

PAR.2
P.M.2657
039-750-03
34,691 sf

039-750-13
9.085 ac.
PAR. 1-A
PM 4163

039-750-12
30055 sf
PAR. 1-B
PM 4163

PAR.1
P.M.3999

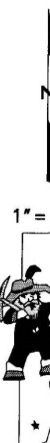
PAR.2
P.M.2348
039-750-04
26,934 sf

039-750-09
9.182 ac.

PAR.2
P.M.3999
039-750-10
35,045 sf

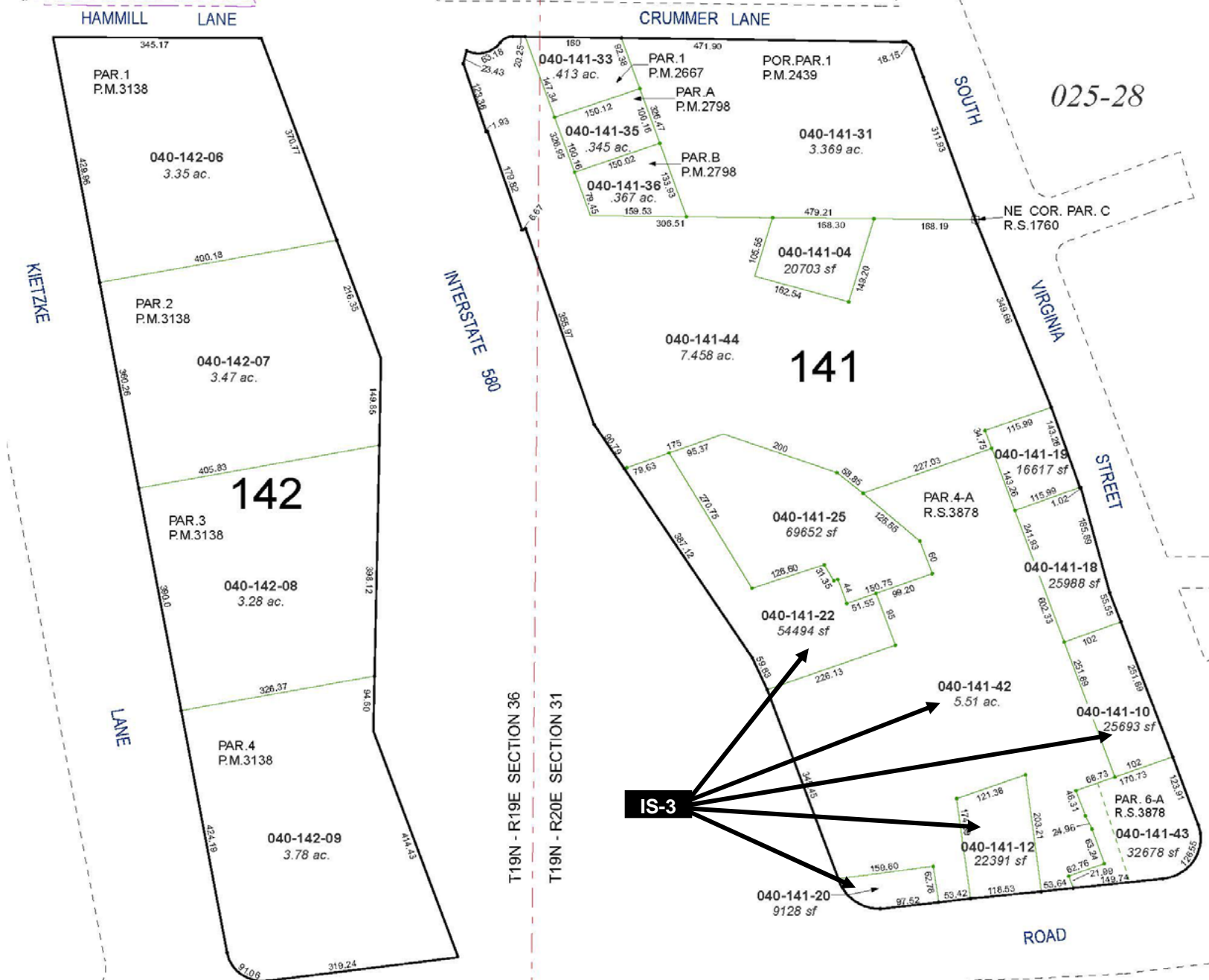
PAR.3
P.M.3999

039-750-11
6.923 ac.

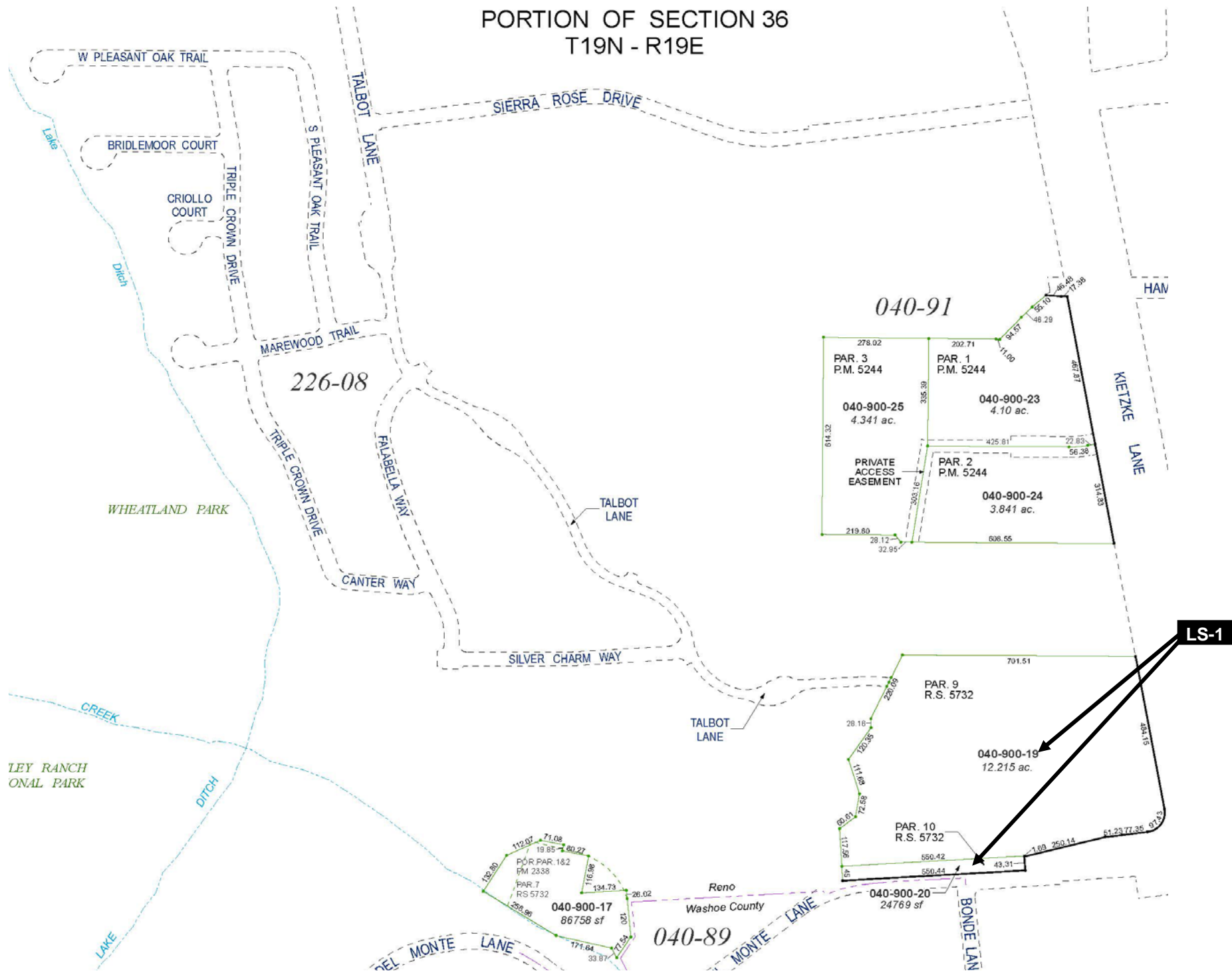


PORTION OF SECTION 36
T19N - R19E

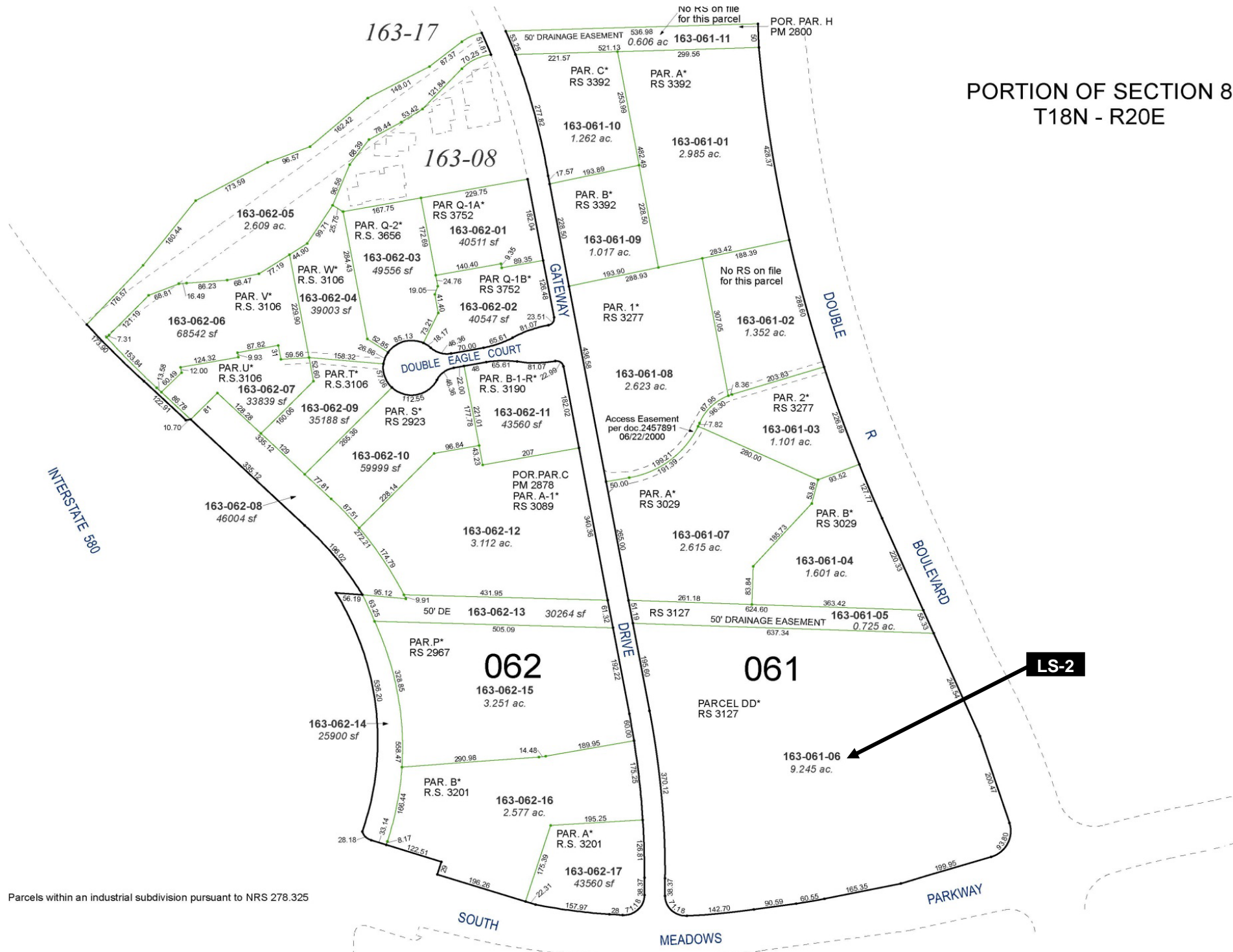
PORTION OF W 1/2 SECTION 31
T19N - R20E



PORTION OF SECTION 36
T19N - R19E

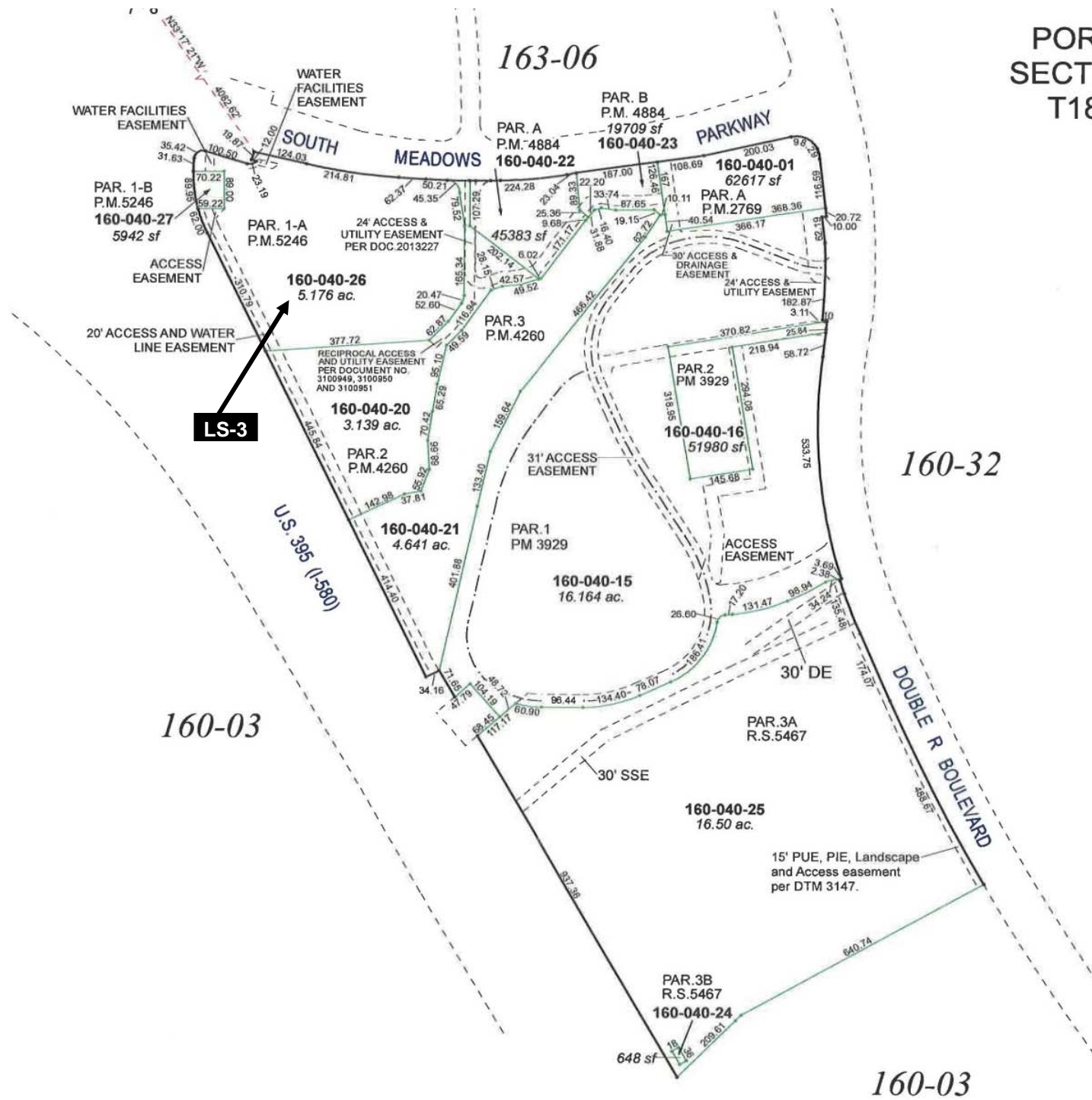


PORTION OF SECTION 8
T18N - R20E

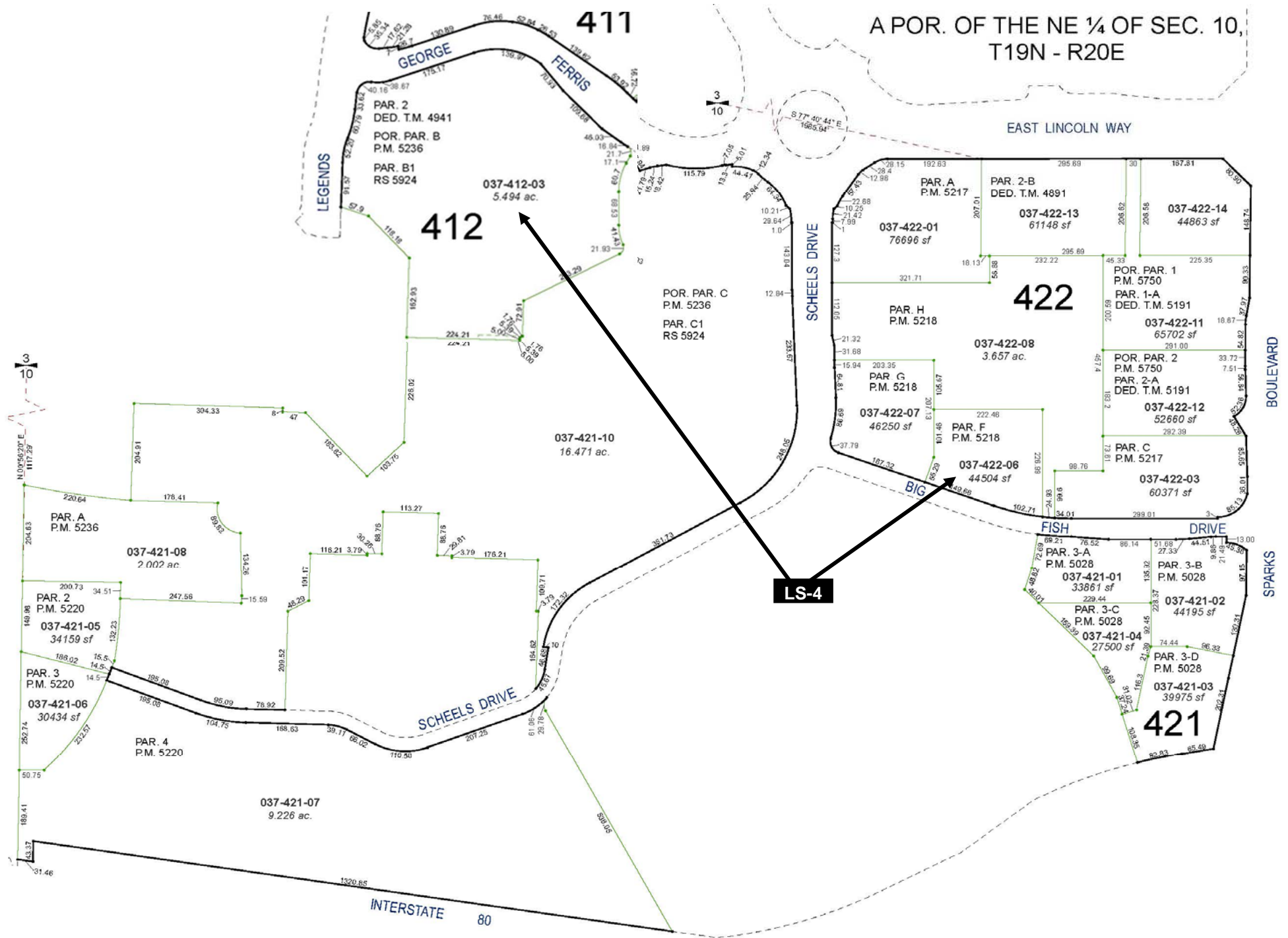


Parcels within an industrial subdivision pursuant to NRS 278.325

PORTIONS OF
SECTIONS 8 & 17
T18N - R20E



A POR. OF THE NE ¼ OF SEC. 10,
T19N - R20E



PORTIONS OF SOUTH 1/2 OF SEC. 9 & NORTH 1/2 OF SEC. 16, T19N - R19E

