

**ASSESSOR'S**

**EVIDENCE**

**Washoe County Board of Equalization**  
**Appeal Summary Page - Secured Roll**

Hearing # 21-0072  
Hearing Date 2/22/2021  
Tax Year 2021

APN: 034-257-20  
Owner of Record: PARAGON INDUSTRIES II INC  
Property Address: 535 E GLENDALE AVE  
Property Type: STORAGE WAREHOUSE 86%  
OFFICE BUILDING 14%  
Gross Building Area: 45,496  
Year Built: 1977  
1981  
Parcel Size: 68389.00 SF

Description / Location: The subject property is located at 535 E Glendale Avenue. There are 2 buildings: a storage warehouse with 7% office space and a 6,336 SF office building on a paved 1.57 acre lot.

2021/22 Taxable Value:	Land:	\$444,528
	Improvements:	\$871,055
	Total:	<u>\$1,315,583</u>
	Taxable Value / SF:	\$29

Sales Comparison Approach:	Indicated Value:	\$3,685,176
	Indicated Value/SF:	\$81

Income Approach:	Indicated Value:	\$3,591,022
	Indicated Value/SF:	\$79

Conclusions: The improved sales indicate a value of \$3,685,176 or \$81/SF. The income approach to value indicates a market value of \$3,591,022 or \$79/SF. Therefore, the total taxable value of \$1,315,583 does not exceed full cash value and we ask that you uphold our value.

RECOMMENDATION: Uphold X Reduce



Prepared By: Shannon Scott, Appraiser

Reviewed By: Steve Clement, Senior Appraiser

**ASSESSOR'S EXHIBIT I**  
**25 PAGES**

WASHOE COUNTY BOARD OF EQUALIZATION

COMMERCIAL / INDUSTRIAL

	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>
<b>LAND:</b>	\$444,528	\$155,585	<b>\$/SF GBA</b>
<b>IMPROVEMENTS:</b>	\$871,055	\$304,869	\$28.92
<b>TOTAL:</b>	\$1,315,583	\$460,454	

<b>HEARING:</b>	<b>21-0072</b>
<b>DATE:</b>	<b>2/22/2021</b>
<b>TAX YEAR:</b>	<b>2021</b>

OWNER: PARAGON INDUSTRIES II INC

**TAXABLE**  
**\$/SF Land**  
**\$6.50**

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	034-257-20	535 E GLENDALE AVE STORAGE WAREHOUSE	86%	45,496 39,160	MASONRY BRNG CONCRETE, TILT-UP	C10	7%	1977 20	68,389 67%				
2		OFFICE BUILDING	14%	6,336	MASONRY BRNG CONCRETE, TILT-UP	C20	100%	1981 12	I				

IMPROVED SALES													
IS-1	034-352-18	1150 SOUTHERN WAY STORAGE WAREHOUSE	100%	40,040 40,040	MASONRY BRNG CONCRETE, TILT-UP	C10	7%	1975 22	125,714 32%	\$3,085,000 6/5/2019	\$77		
IS-2	034-352-21	905 LINDA WAY STORAGE WAREHOUSE	82%	35,000 28,700	MASONRY BRNG CONCRETE, TILT-UP	C10	6%	1975 20	81,588 43%	\$2,900,000 6/30/2020	\$83		
IS-3	034-111-11	1355 INDUSTRIAL WAY STORAGE WAREHOUSE	100%	20,000 20,000	MASONRY BRNG CONCRETE, TILT-UP	C10	5%	1971 18	43,574 46%	\$2,340,000 12/15/2020	\$117.00		\$129,903 6.09%

**Subject: The subject property has 2 buildings with a combined size of 45,496 SF. The first is a 39,160 SF storage warehouse with 20 foot ceilings built in 1977. The second is a 6,336 SF office building built in 1981. A typical storage warehouse will have 3-12% office space. The storage warehouse building on this property has 7% office space in addition to the office building.**

IS-1 - Purchased in June 2019 for \$3,085,000 this parcel is a 40,040 SF storage warehouse and is considered the best comparable. It has no additional occupancy or second office building. The following adjustments are required: it is similar in age, similar in building size, superior in wall height, similar in quality class, superior in land size, inferior in location and inferior in additional occupancy. Due to its inferior location, building size and additional occupancy it is considered inferior to the subject.

IS-2 - Purchased in June 2020 for \$2,900,000, it is a smaller 35,000 SF building with 28,700 SF of storage warehouse and 6,300 SF of office space. The following adjustments are required: it is similar in age, inferior in building size, similar in wall height, similar in quality class, superior in land size, inferior in location and similar in additional occupancy. Overall this parcel is considered inferior to the subject.

IS-3 - Purchased in December 2020 for \$2,340,000 this parcel has a 20,000 SF storage warehouse. The following adjustments are required: it is similar in age, inferior in building size, inferior in wall height, similar in quality class, inferior in land size, inferior in location and inferior in additional occupancy. This parcel is considered inferior to the subject.

**LAND SALES**

Below are 3 comparable land sales ranging in value from \$8.81/SF to \$12.63/SF. The subject is a 68,389 SF parcel. Similar in location these sales support our total taxable value of \$6.50/SF.

Sale #	APN	Location	Sale Date	Sale Price	Size(SF)	\$/sf	Tax/Unit	Zoning	Comments
LS-1	013-323-18	0 BIBLE WAY	7/2/2018	\$385,000	43,560	\$8.84		IC	Inferior Size, similar location
LS-2	034-372-18	1565 S Stanford Way	4/1/2019	\$550,000	43,560	\$12.63		I	Inferior size, inferior location
LS-3	034-380-08	1335 Kleppe Lane	2/8/2018	\$1,150,000	130,593	\$8.81		I	Superior size, similar location

**WASHOE COUNTY BOARD OF EQUALIZATION**

**COMMERCIAL / INDUSTRIAL**

	<b>LAND:</b>	<b>TAXABLE VALUE</b>	<b>ASSESSED VALUE</b>	<b>TAXABLE</b>	<b>HEARING: <u>21-0072</u></b>
		\$444,528	\$155,585	<b>\$/SF GBA</b>	<b>DATE: <u>2/22/2021</u></b>
	<b>IMPROVEMENTS:</b>	\$871,055	\$304,869	\$28.92	
	<b>TOTAL:</b>	\$1,315,583	\$460,454		<b>TAX YEAR: <u>2021</u></b>
<b>APN:</b> 034-257-20				<b>TAXABLE</b>	
<b>OWNER:</b> PARAGON INDUSTRIES II INC				<b>\$/SF Land</b>	
				\$6.50	

Income Approach					
Potential Gross Income	45,496 sq ft. @	\$0.43 /mo =	\$19,563		
	sq ft. @	/mo =	\$0		
	sq ft. @	/mo =	\$0		
			\$19,563		
	x 12 months =		12		
				\$234,759	
- Vacancy & Collection loss			5%	\$11,738	
= Effective Gross Income				\$223,021	
- Operating Expenses			5.0%	\$11,151.07	
= Net Operating Income				\$211,870	
Divided by Overall Capitalization Rate			5.90%	\$3,591,022	
					Rounded \$79.00 /sf GBA

**Subject Income Information:** No income was provided by the appellant so market data from the Sparks Industrial area was sought.

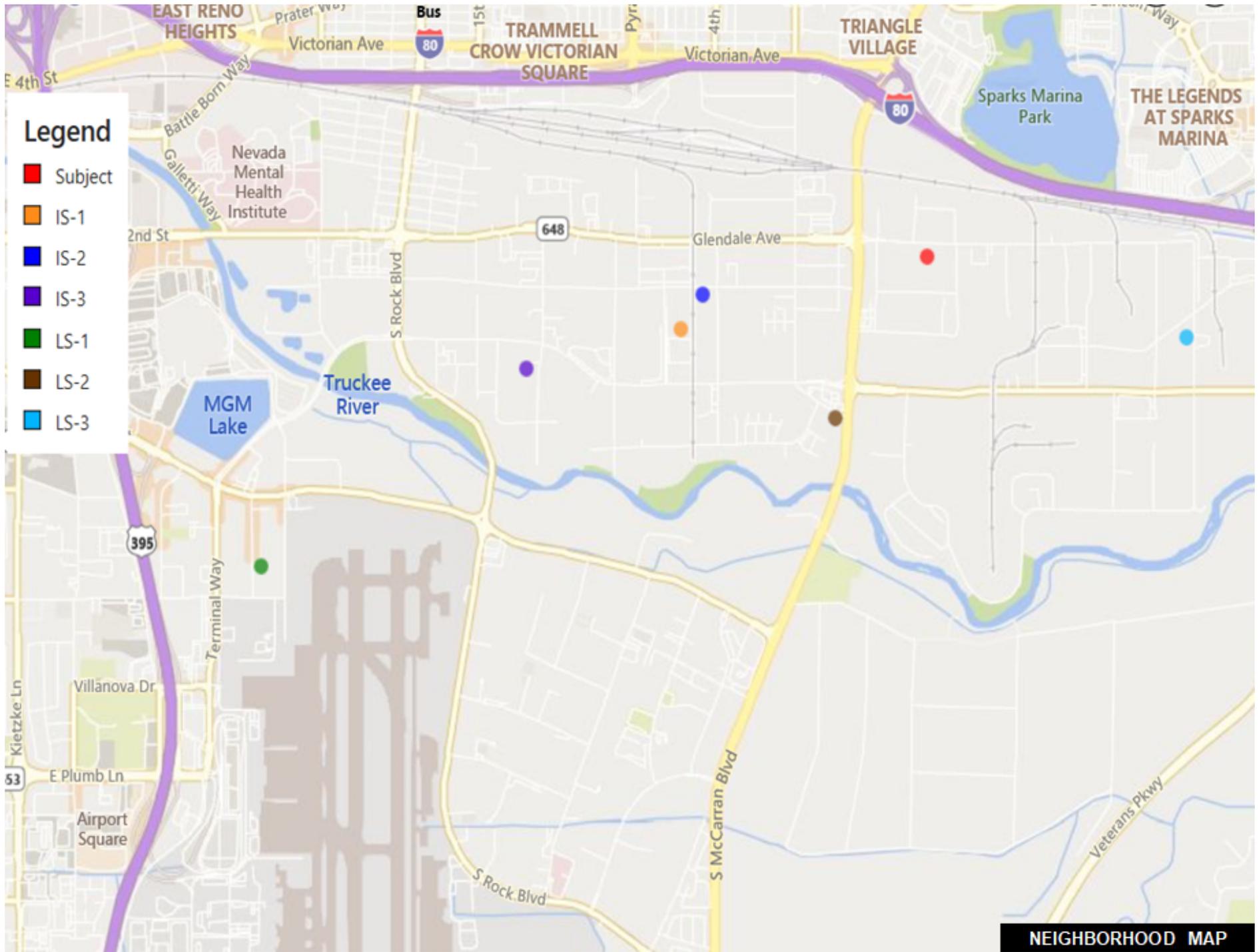
**Potential Gross Income:** Storage warehouse rents in the Sparks Industrial submarket indicate a range of \$0.33 to \$0.55 SF. A blended market rent of \$0.43 SF was applied to the overall square footage of the building and represents both the storage warehouse and office building potential gross income.

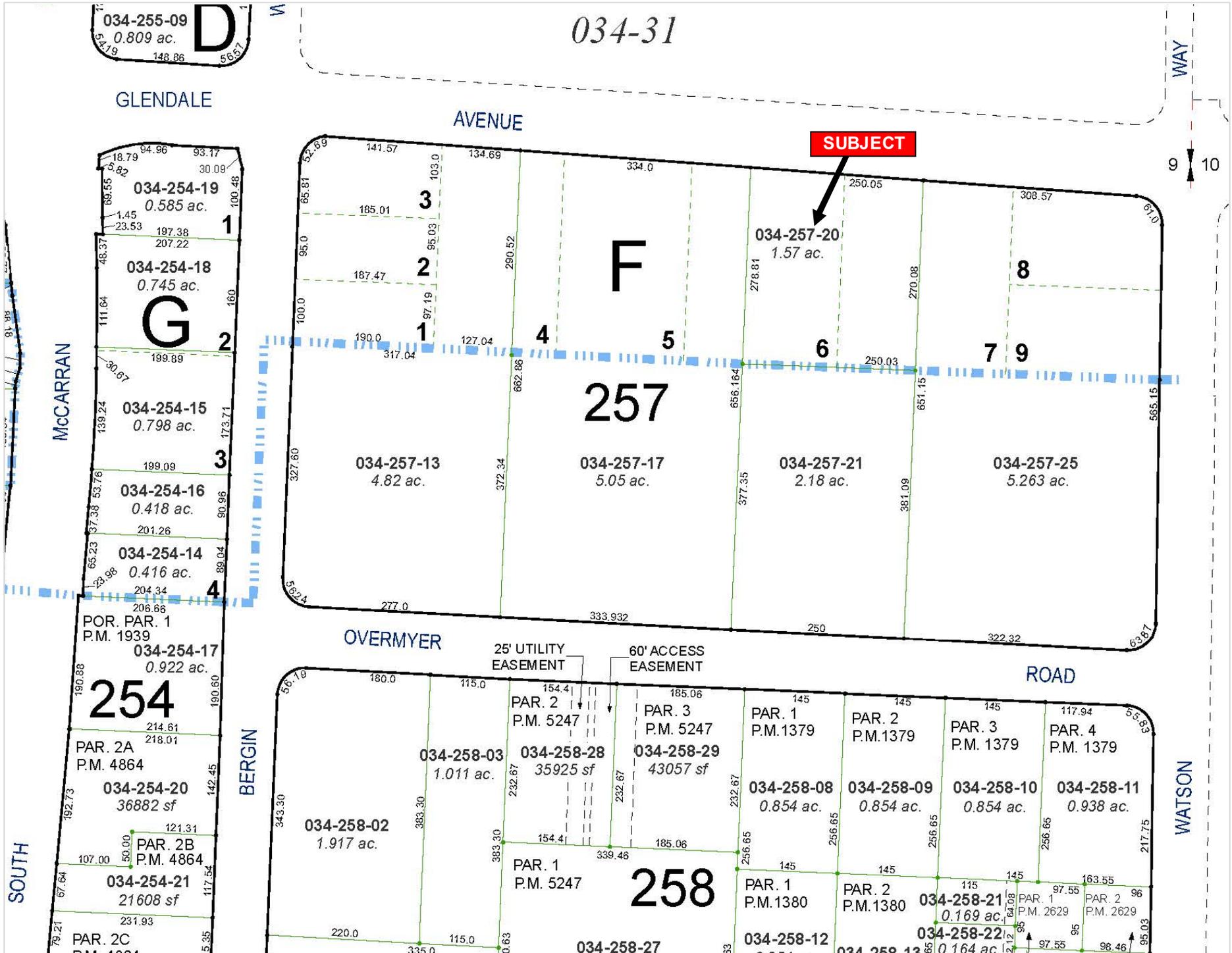
**Effective Gross Income:** The Sparks Industrial area has high demand and the typical vacancy rate for the area is less than 5%. No data was provided by the appellant but after research of business licenses at this location and a drive by inspection, the building is occupied and appears to be fully leased.

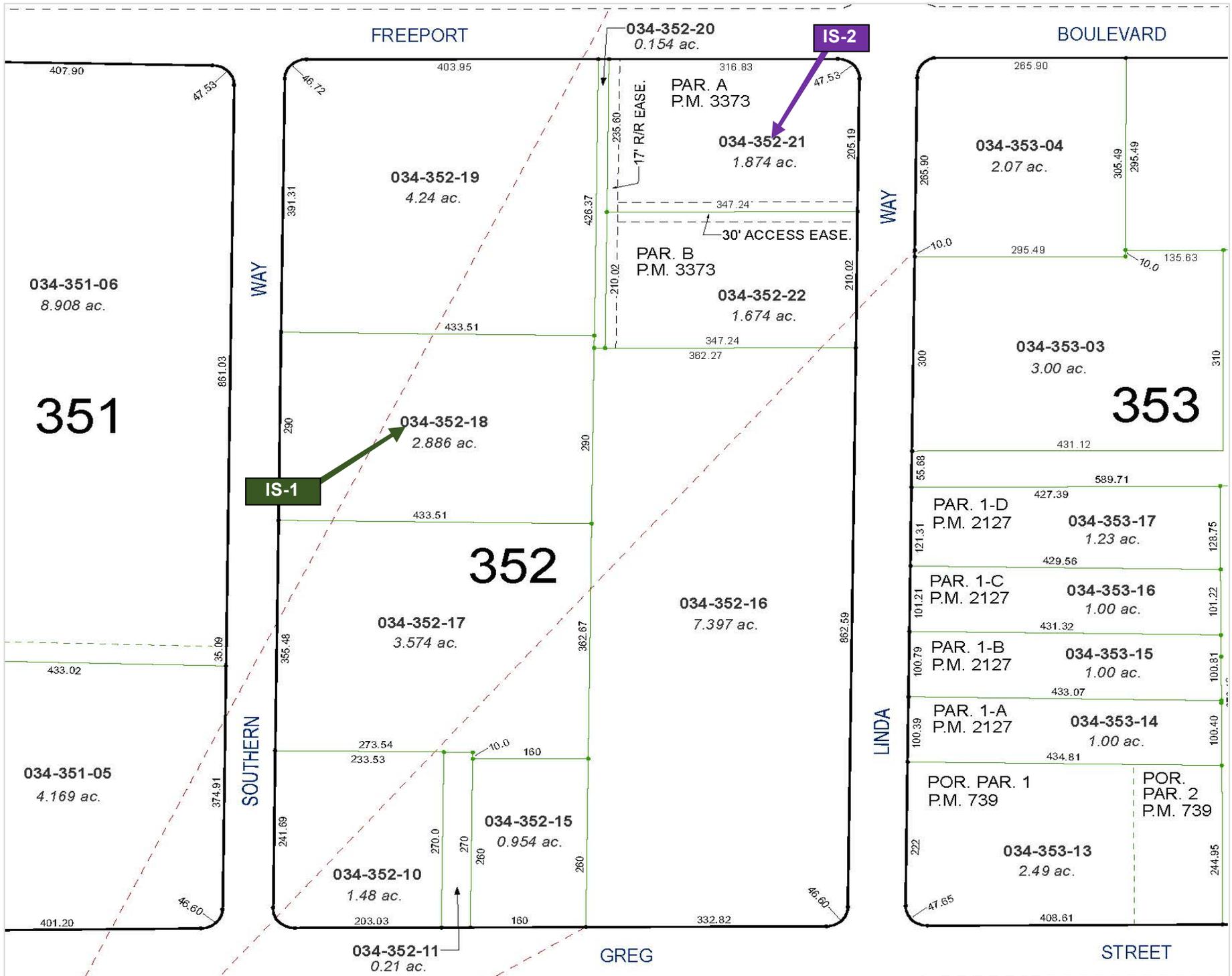
**Net Operating Income:** Expenses are based on a NNN lease and are estimated at 5%. This accounts for miscellaneous expenses and reserves for replacement.

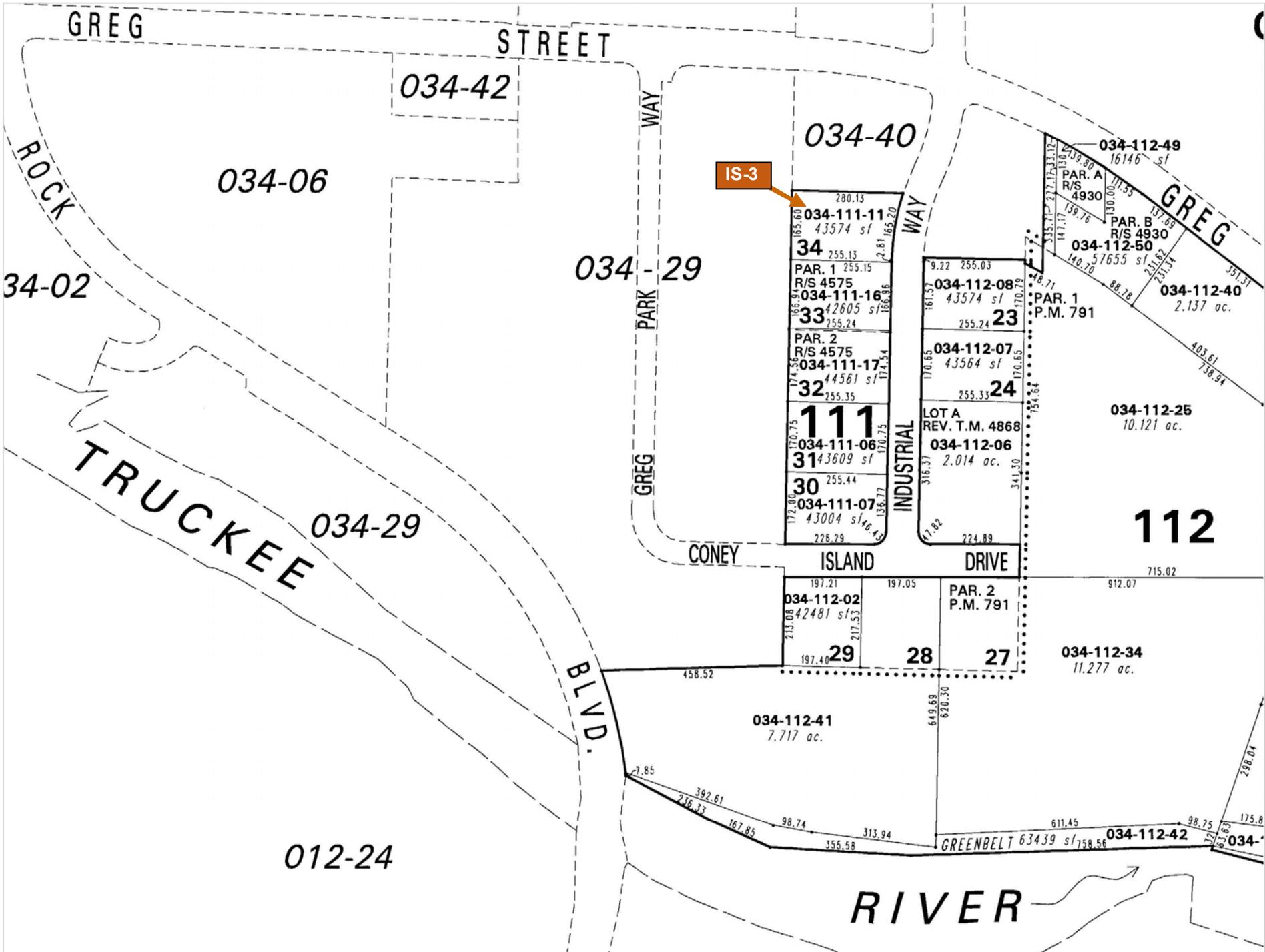
**Capitalization Rate Analysis:** Capitalization rates in the Reno/Sparks Industrial area continue to decrease. A range of recent cap rates for consideration are 5% to 7.4%. A rate of 5.9% was used for this analysis.

**Comments:** The income approach to value indicates a market value of \$3,591,022 and/or \$79/sf. The taxable value of the subject property is \$1,315,583.











GREG STREET

McCARRAN INDUSTRIAL

H

36

14

STANFORD WAY



S 83° 36' 51" W 2621.52 TO SEC. COR.

LS-2

PORTION OF SECTIONS 9 & 16 T19N, R20E

41

371

A

B

372

ISLAND

CONEY

BLVD.

MC CARRAN

SOUTH

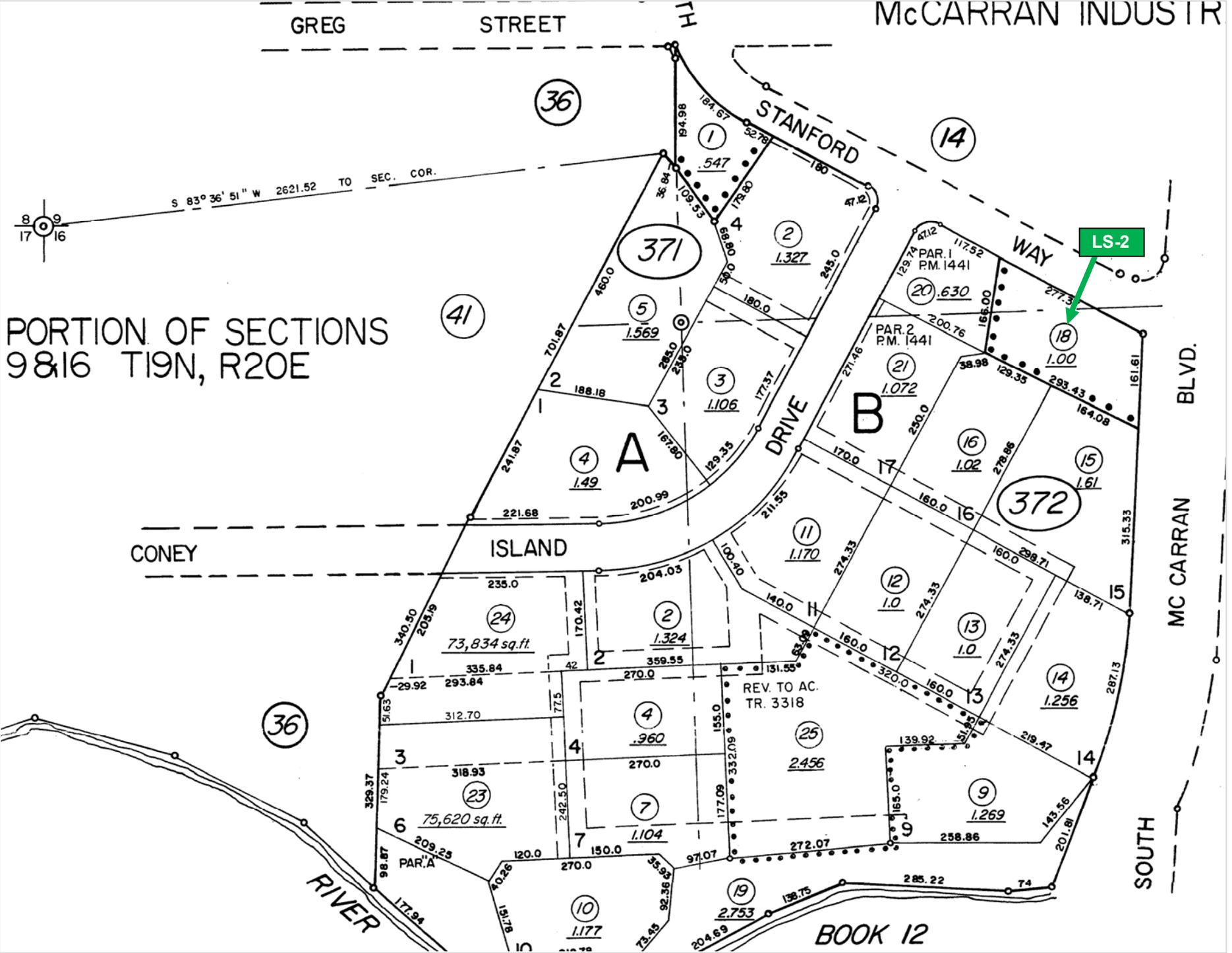
36

24  
73,834 sq.ft.

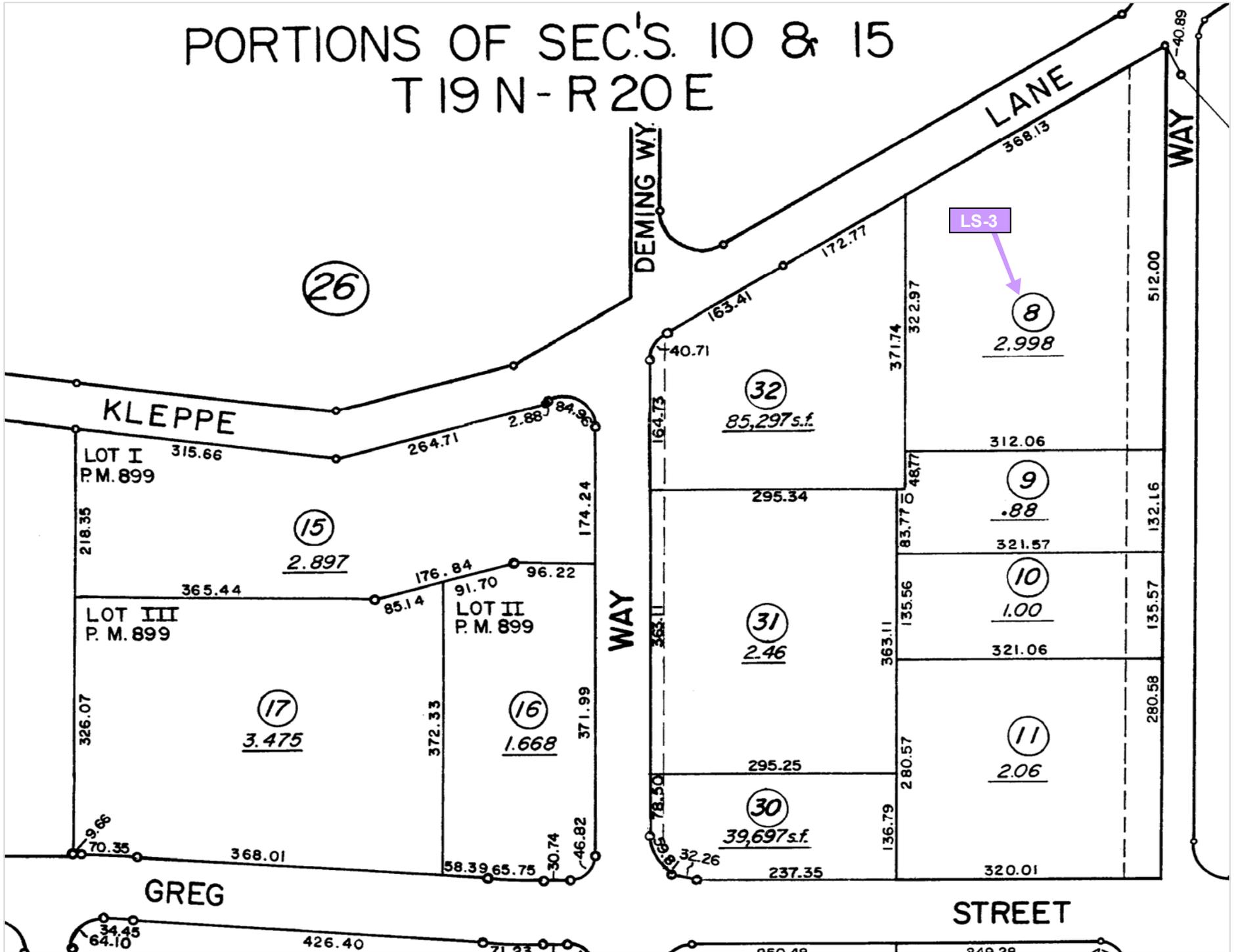
23  
75,620 sq.ft.

REV. TO AC. TR. 3318

BOOK 12



# PORTIONS OF SEC'S. 10 & 15 T 19 N - R 20 E



Washoe County PRODUCTION SUMMARY APPRAISAL RECORD



APN: 034-257-20

2021

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ACTIVE

Roll YR

Code

%Comp

Situs 535 E GLENDALE AVE SPARKS Database WASHOE NBHD NGAU Appr SRS Exemption AV|Exemption  
 Owner PARAGON INDUSTRIES II INC Printed 2/9/2021 Sparks Industrial  
 4285 GOLDEN STATE BLVD FRESNO, CA 93722 Tax District 2000  
 Property Name

Reopen			
Reappraisal			

Valuation History

Parcel Value Summary

Yr Roll	Taxable Land	New Land	Taxable Imps	New Imps	Total Taxable	Total Assessed	Primary Valuation	STANDARD	OBSO	<input type="checkbox"/> Change <input type="checkbox"/> No Change	
2021 VN	444,528		871,055		1,315,583	460,454	Land Value	444,528	NewLand		
2021 NR	444,528		871,055		1,315,583	460,454	Building Value	828,984			
2020 FV	444,528		911,353		1,355,881	474,558	XFOB Value	42,071	Initials/Date		
2019 FV	410,334		883,077		1,293,411	452,694	Obsolescence	0			
2018 FV	341,945		898,841		1,240,786	434,275	Taxable Value	1,315,583	Parcel Total	<input type="checkbox"/> NC	<input type="checkbox"/> C
2017 FV	290,653		923,046		1,213,699	424,795	Total Exemption		New Const	<input type="checkbox"/> New Sketch	
2016 FV	290,653		947,768		1,238,421	433,447		New Land	Remainder		

Building Data

Type	BLDG	Occ	Description	Frame	Yr Built	Way	% Comp	QC	RCN	DRC	SQFT	DRC \$/SQFT	Bldg OBSO
COMM	1-1	406	Storage Warehouse	C	1977	1977	100	C10	1,576,269	535,931	39,160	13	0
COMM	2-1	344	Office Building	C	1981	1981	100	C20	732,632	293,053	6,336	46	0



Land Value

Land Value											Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Water	Municipal
500	General industrial: ligh	I	68,389	SF6	6.50					444,528		68,389		Municipal
												Acre Size	Sewer	Municipal
												DOR Code	Street	Paved
												Deferment	SPC	
												CAGC		

Washoe County PRODUCTION APPRAISAL RECORD



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2020 FV	444,528		911,353		1,355,881	474,558	XFOB Value	42,071			
2019 FV	410,334		883,077		1,293,411	452,694	Obsolescence	0	Parcel Total		
2018 FV	341,945		898,841		1,240,786	434,275	Taxable Value	1,315,583	New Const		<input type="checkbox"/> NC <input type="checkbox"/> C
2017 FV	290,653		923,046		1,213,699	424,795	Total Exemption		New Land		<input type="checkbox"/> New Sketch
2016 FV	290,653		947,768		1,238,421	433,447			Remainder		

Building Data													
1-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			ASC	1	Alternate Shape Code	100	HEAT	611	PACKAGE UNIT	7
Occ	406	Storage Warehouse	Rate Adj			MD5	2,064	Mezzanine - Storage	100				
Stry/Frm	C	MSNRY BRNG ~ MASONRY	Lump Sum			SP1C	41,224	Sprinkler System Generic - C	100				
Quality	C10	Commercial 1.0 (Low)				ST	1	No of Stories	100				
Year Built	1977		PARCEL LEVEL			UT	1	Units	100				
WAY	1977		Lump Sum	0		WH	20	Avg Wall Height/Floor	100				
Remodel Yr			%Obso	0.0000		EW	818	CONCRETE, TILT-UP	100				
% Comp	100	%DPR 66.0				HEAT	606	SPACE HEATER	93				

Sub Area																				
														Extra Features						
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
GBA	GROSS BUILDING A			39,160	40.25	1,576,269	1	DKLP	DOCK PLATE	30	1	2	839.00	1977		100	1,678	571		
MD5	DRO MEZZANINE S			2,064			2	DKLV	DOCK LEVEL	30	1	1	8,505.00	1977		100	8,505	2,892		
							3	FN1L	FN IRON-LO	30	1	250	8.42	1977		100	2,105	716		
							4	FWAS	FW ASPHALT	30	1	20,000	2.63	1977		100	52,654	17,902		
							5	FWCO	FW CONCRET	30	1	928	6.17	1977		100	5,730	1,948		
							6	TKW4	TK CON W/R	30	1	2,648	20.04	1977		100	53,066	18,042		

Gross Bldg Area	41,224	Perimeter	958	Sub Area RCN	1,576,269
<b>Building Notes</b>		<b>Building Cost Summary</b>			
		Building RCN	1,576,269		
		Depreciation	1,040,338		
		Building DRC	535,931		
		Extra Feature DRC	42,071		
		Building Obso			
<b>Building Name</b>		Total DRC	578,002		
		Override Value			

Land Value: 1 Lines Total												Land Data		Property Characteristics	
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Water	Municipal	
500	General industrial: ligh	I	68,389	SF6	6.50					444,528		68,389	Sewer	Municipal	
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												CAGC			

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Washoe County PRODUCTION APPRAISAL RECORD

APN: 034-257-20

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Owner PARAGON INDUSTRIES II INC  
 Keyline Description SPARKS INDUSTRIAL PARK 1 FRAC LOT 6 & 7

NBHD NGAU Sparks Industrial

Appr SRS



Activity Information						
Date	User ID	Activity Notes				
10/15/2020	CSS	Re-appraisal Review				
4/1/2015	SLC	Permit Review				
		Aerial Review				
Sales/Transfer Information						
Grantor	Doc #	Date	LUC	Price	Verif	
GLENDALE BUSINESS PROPER	4186722	12/20/2012	500	1,500,000	1SVR	
HERNDON, VIRGINIA R	3131474	11/22/2004	500		0 3BGG	
HERNDON, BYRON K	3131473	11/22/2004	500		0 3BCT	
HERNDON, BYRON K	2982505	1/16/2004	500		0 3BGG	
HERNDON, BYRON K	2982502	1/16/2004	500		0 3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	
10/10/2018	FIRE18-22852	Install two (2) new sprink		C	100%	
2/4/2015	A1500182	INSTALL 2 NEW HEADS IN THE		C	100%	
3/20/2014	A1400410	240 LINEAR FEET OF 12 FT H		C	100%	
2/1/2012	A1200176	REROOF		C	100%	
9/19/2011	A1101454	REROOF		C	100%	

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2016 FV	290,653		947,768		1,238,421	433,447				Remainder	

Building Data													
2-1	Code	Description	Adjustments & Modifiers			Name	Code/Units	Description	%	Name	Code/Units	Description	%
Type	COMM	Commercial/Industria	BUILDING LEVEL			ASC	1	Alternate Shape Code	100				
Occ	344	Office Building	Rate Adj			ST	2	No of Stories	100				
Stry/Frm	C	MSNRY BRNG ~ MASONRY	Lump Sum			UT	1	Units	100				
Quality	C20	Commercial 2.0 (Aver				WH	12	Avg Wall Height/Floor	100				
Year Built	1981		PARCEL LEVEL			EW	818	CONCRETE, TILT-UP	100				
WAY	1981		Lump Sum	0		HEAT	611	PACKAGE UNIT	100				
Remodel Yr			%Obso	0.0000									
% Comp	100	%DPR 60.0											

Sub Area																				
							Extra Features													
Code	Description	Yr Built	DPR Yr	Units	Price Per Unit	RCN	#	Code	Description	QC	BLDG #	Units	\$/Unit	Yr Built	Roll Year	%Comp	RCN	DRC	Override Value	Notes
GBA	GROSS BUILDING A			6,336	115.63	732,632														

Gross Bldg Area	6,336	Perimeter	232	Sub Area RCN	732,632
<b>Building Notes</b>		<b>Building Cost Summary</b>			
		Building RCN		732,632	
		Depreciation		439,579	
		Building DRC		293,053	
		Extra Feature DRC			
		Building Obso			
<b>Building Name</b>		Total DRC		293,053	
		Override Value			

Land Value: 1 Lines Total												Land Data		Property Characteristics					
Code	Description	Zoning	Units	Type	Unit Price	Adj 1	%-\$	Adj 2	%-\$	Taxable Land	Note	Land Size-Sf	Acre Size	DOR Code	Deferment	Water	Street	Municipal	Paved
												68,389	1.570	500					

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HERNDON, VIRGINIA R	3131474	11/22/2004	500		0 3BGG	
HERNDON, BYRON K	3131473	11/22/2004	500		0 3BCT	
HERNDON, BYRON K	2982505	1/16/2004	500		0 3BGG	
HERNDON, BYRON K	2982502	1/16/2004	500		0 3NTT	
Permit Information						
Date	Permit	Description	Amount	Status	% Comp	

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**NRS 361.227 Determination of taxable value.**

1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

## 406 Storage Warehouse

These buildings are designed for storage and include an amount of office space commensurate with the quality of the building (typically 3 to 12 percent).

Typically, they have plaster or drywall interior partitions and may have some finished ceilings. The better qualities have small office fronts with ornamental materials at the front elevation, while lower cost structures are plain with very little if any ornamentation. Heating and ventilating facilities are sufficient to protect goods from freezing and other spoilage.

The following are not included in the costs: Special climate control equipment and dock levelers and material handling equipment.

Availability of [Elevators by Area](#) for this occupancy: Yes

Marshall Valuation Service sections: 14 and 44.

### Typical Lives:

Quality	Class								
	A	B	C	D	H	S	P	M	W
Low	45	45	40	35	--	35	35	40	--
Average	50	50	45	40	--	40	40	45	--
Good	50	50	45	40	--	40	40	45	--
Excellent	55	55	50	45	--	45	45	50	--

### Quality Selection Guide:

#### Class A (Fireproof Structural Steel Frame):

Quality	Exterior Walls	Interior Finish	Mechanicals	HVAC
<b>Low</b>	Low-cost block, tile or concrete	Unfinished, small office, few partitions	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Brick on block or tile, concrete panels, very plain	Painted walls, few partitions, small offices	Adequate lighting & plumbing	Space heaters
<b>Good</b>	Ornamental concrete or brick, small office front	Plaster or drywall with partitions, some finished ceilings	Good lighting, plumbing, adequate restrooms	Hot water

#### Class B (Reinforced Concrete Frame):

Quality	Exterior Walls	Interior Finish	Mechanicals	HVAC
<b>Low</b>	Low-cost block, tile or concrete	Unfinished, small office, few partitions	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Brick on block or tile, concrete panels, very plain	Painted walls, few partitions, small offices	Adequate lighting & plumbing	Space heaters

plain

<b>Good</b>	Ornamental concrete or brick, small office front	Plaster or drywall with partitions, finished ceilings in most areas	Good lighting, plumbing, adequate restrooms	Hot water
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**Class C (Masonry Bearing Walls):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Block, cheap brick, tilt-up, light construction	Unfinished, small office, shell type, minimum code	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Steel or wood frame or bearing walls, brick, block, or tilt-up	Painted walls, finished office, hardened slab	Adequate lighting, low-cost plumbing fixtures	Space heaters
<b>Good</b>	Steel frame, good brick, block, or tilt-up, tapered girders	Plaster or drywall, some masonry partitions, good offices	Good lighting, adequate plumbing	Space heaters
<b>Excellent</b>	Brick, concrete, good facade	Plaster or drywall, partitioned, finished ceilings in most areas	Good lighting & plumbing	Package A.C.

**Class D (Wood or Steel Framed Exterior Walls):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Stucco or siding on wood	Unfinished, slab, utility type, minimum office	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Stucco on wood frame, wood trusses	Small office, average slab	Adequate lighting, low-cost plumbing fixtures	Space heaters
<b>Good</b>	Heavy wood frame, wood or stucco siding	Heavy slab or mill-type floors	Good lighting, adequate plumbing	Space heaters

**Class M (Mill Type):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Average</b>	Mill-type construction, brick and block, wood trusses	Painted walls, few partitions, small offices	Adequate lighting & plumbing	Space heaters
<b>Good</b>	Mill-type construction, brick walls, wood or steel trusses	Plaster walls, masonry partitions, painted trusses	Good lighting, adequate plumbing	Steam

**Class P (Pole Frame):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Pole frame, metal siding	Unfinished utility type,	Minimum lighting &	Space

light slab, minimum office plumbing

heaters

<b>Average</b>	Pole frame, good metal siding, insulated	Small office, some finish, slab	Adequate lighting, little plumbing	Space heaters
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**Class S (Metal Frame and Walls):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Pre-engineered frame, metal siding	Unfinished utility type, light slab, minimum office	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Rigid steel frame, siding	Small office, average slab	Adequate lighting, low-cost plumbing fixtures	Space heaters
<b>Good</b>	Good steel frame, siding and fenestration	Some good office, interior finish and floor	Good lighting, adequate plumbing	Space heaters
<b>Excellent</b>	Heavy steel frame, insulated panels, good facade	Plaster or drywall, partitioned, finished ceilings in most areas	Good lighting & plumbing	Package A.C.

## 494 Industrial Light Manufacturing

These buildings are designed to shelter manufacturing processes. There is an average amount of office and support space commensurate with the quality included, typically for light industrials, between 4 and 25 percent. This includes suitable locker, break and lunchroom facilities to accommodate the personnel load. Offices may be single story or stacked. Single-story offices may have a softwood flooring storage mezzanine overhead as part of the office area costs.

Exterior finishes are masonry or concrete, typically tilt-up panels or metal siding. Frames are typically light open metal or glulam structures. The interiors, except for the office area, will usually have little or no interior finish. Fluorescent lighting is found throughout both the office and shop with the office area having better quality fixtures.

The costs include all the power leads to the building and industrial sewer and drainage lines, but do not include the following: Power panel, power wiring or industrial piping to the fixtures or equipment used in the manufacturing process, hoists or cranes.

This occupancy includes both shell and office/support space costs for a light industrial building. To price each separately (using two separate occupancies in two separate sections), use the following occupancies:

[454 Shell, Industrial Building](#)

[994 Interior Space, Industrial Building](#)

Availability of [Elevators by Area](#) for this occupancy: Yes

*Marshall Valuation Service* sections: 14 and 44.

### Typical Lives:

Quality	Class								
	A	B	C	D	H	M	P	S	W
Low	45	45	40	35	--	--	35	35	--
Average	50	50	40	35	--	--	35	35	--
Good	50	50	45	40	--	--	40	40	--
Excellent	55	55	50	45	--	--	45	45	--

### Quality Selection Guide:

#### Class A (Fireproof Structural Steel Frame):

Quality	Exterior Walls	Interior Finish	Mechanicals	HVAC
<b>Low</b>	Low-cost brick or block, little fenestration, precast floors	Painted walls, few offices, very plain and open	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Brick on block or tile, concrete or metal panels, storefront entry	Painted walls and ceilings, finished floors and ceilings in offices	Adequate lighting & plumbing	Hot water

#### Class B (Reinforced Concrete Frame):

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Low-cost brick or block, little fenestration, precast floors	Painted walls, few offices, very plain and open	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Brick, formed concrete, or precast walls, little trim, storefront entry	Painted walls and ceilings, finished floors and ceilings in offices	Adequate lighting & plumbing	Hot water

### Class C (Masonry Bearing Walls):

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Very plain, brick, block, or tilt-up, few openings	Small office area, unfinished floors and ceilings	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Light frame or bearing walls, brick, block or tilt-up, some trim	Painted walls and exposed frame, small finished offices	Exposed conduit, fluorescent lighting, adequate plumbing	Space heaters
<b>Good</b>	Bearing walls or frame, brick, concrete panels, good glass storefront	Some finished walls, finished floors and ceilings in offices	Good fluorescent lighting, adequate plumbing	Space heaters

### Class D (Wood or Steel Framed Exterior Walls):

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Wood studs or frame, cheap stucco or siding	Unfinished, low-cost slab, small office, minimum code	Minimum lighting & plumbing	Space heaters
<b>Average</b>	Wood studs, stucco, wood rafters and sheathing, some trim	Drywall, finished office area, exposed rafters or trusses	Adequate lighting & plumbing	Space heaters
<b>Good</b>	Good frame with stucco or siding, some ornamentation	Some good offices and interior finish	Good lighting, exposed conduit, adequate plumbing	Space heaters

### Class P (Pole Frame):

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Pole frame, metal siding, insulated, few openings	Low-cost slab, few partitions, small office	Minimum code, factory lighting	Space heaters
<b>Average</b>	Pole frame, metal siding, fully lined and insulated	Finished office area, slab, some floor finish	Adequate lighting & plumbing	Space heaters
<b>Good</b>	Pole frame, metal siding, lined and insulated, some trim, glass entry	Some good offices and interior finish	Good lighting, exposed conduit, adequate plumbing	Space heaters

**Class S (Metal Frame and Walls):**

<b>Quality</b>	<b>Exterior Walls</b>	<b>Interior Finish</b>	<b>Mechanicals</b>	<b>HVAC</b>
<b>Low</b>	Light steel frame, steel or aluminum siding, few openings	Low-cost slab, unfinished interior, small office	Minimum code, factory lighting	Space heaters
<b>Average</b>	Steel frame, steel or aluminum siding, some trim	Finished office area, slab, some floor finish	Adequate lighting & plumbing	Space heaters
<b>Good</b>	Steel frame, sandwich panels, good glass storefront entry and trim	Some good offices and interior finish	Good lighting, exposed conduit, adequate plumbing	Space heaters

CAP Rate Analysis

Sale	APN SUBMARKET	YR BUILT BUILDING	DATE OF SALE SALES PRICE	NOI	OAR	NOTES
CR-1	012-316-30 SPARKS	1,972 74,251 SF	3/17/2020 \$6,682,162	\$ 383,891	5.45%	69,053 SF Storage Warehouse with 5,198 SF Office Space built in 1972
CR-2	034-111-11 SPARKS	1971 43,574 SF	8/9/2019 \$2,100,000	\$127,903	6.09%	20,000 SF Storage Warehouse built in 1971
CR-3	008-224-01 WEST RENO	1958 12,500 SF	3/8/2019 \$3,150,000	\$180,000	5.7%	12,500 SF Transit Warehouse built in 1958 with a 900 SF Service Repair Garage built in 1988.
CR-4	013-322-18 AIRPORT	1996 21,552 SF	7/22/2020 \$2,600,000	\$ 130,000	5%	21,552 SF Storage warehouse built in 1966
CR-5	012-318-12 SPARKS	1994 16,676 SF	7/6/2018 \$1,860,000	\$ 131,000	7.4%	16,676 SF Industrial Flex Building built in 1994
CR-6	032-271-09 SPARKS	1959 2,280 SF	2/28/2020 \$420,000	\$300,000	7%	2,280 SF Storage Warehouse built in 1959.

Median 5.90%

Lease Comparable Data

Date	APN	Address	Building Type	Submarket	Tenant	Leased Size	Land Size	Coverage Ratio	Term	Monthly Rent	Type	Comments
May-19	012-316-30	4950 JOULE ST	Storage Warehouse	Sparks	Stillwater Building Systems	74,251	146,362	51%		\$ 31,991	NNN	Tenant signed lease in May 2019. Sales Verification and CoStar confirmed. \$0.43 SF NNN
Jan-20	012-342-10	575 Reactor Way	General Industrial	AIRPORT	Samco of Nevada	30,143	99,927	60%	24 mo	\$ 10,249	NNN	Lease Terms verified in Costar. \$0.34 NNN
Feb-19	034-391-07	810 Meredith Way	Storage Warehouse	Sparks	Strybuc Industries	14,300	576,516	49%		\$ 7,865	NNN	Lease Terms verified in Costar. \$0.55 NNN
Listing	012-342-10	575 Reactor Way	General Industrial	Airport	Available	30,120	99,927	60%		\$ 19,578	NNN	Asking \$0.65 NNN
Listing	034-391-07	810 Meredith Way	Storage Warehouse	Sparks	Available	16,063	575516	49%		\$ 13,172	NNN	Asking \$0.82 NNN

## RENO SUBMARKET STATISTICS

Submarket	Total Inventory	Q3 New Deliveries (SF)	Total Vacancy Rate
North Valleys	26,513,174	798,152	6.04%
Sparks	25,383,749	-	3.59%
Airport	9,051,918	-	1.43%
South Reno	9,858,279	-	4.90%
Central/West Reno	2,166,961	-	0.89%
I-80 East Corridor	20,798,989	-	7.73%
<b>Reno Total</b>	<b>93,773,070</b>	<b>798,152</b>	<b>5.07%</b>

SOURCE: MARKET TRENDS RENO INDUSTRIAL - 3RD QUARTER 2020. (n.d.). *KIDDER MATTEWS*.