



SOUTHWEST PROPERTY CONSULTANTS

MARKET RENT ANALYSIS

# DOWNTOWN CIVIC CENTER PLAZA

505 S. MAIN STREET  
LAS VEGAS, NEVADA 89101

PERTINENT DATES:

Valuation Date: July 3, 2023

Report Date: July 6, 2023

PREPARED FOR:

City of Las Vegas

Economic and Urban Development

Attn: Cynthia Packer/Julie Quisenberry

495 S. Main Street, 5th Floor

Las Vegas, NV 89101

PREPARED BY:

Matthew Buxton MAI, SRA

Southwest Property Consultants, Inc.

9205 W. Russell Road, Suite 240

Las Vegas, NV 89148

SPC Job No.: C-2306-08



LGA bnm OJB



July 6, 2023

City of Las Vegas  
Economic and Urban Development  
Attn: Ms. Cynthia Packer/Julie Quisenberry  
495 S. Main Street, 5th Floor  
Las Vegas, NV 89101

Re: Market Rent Analysis  
Downtown Civic Center Plaza  
505 S. Main Street  
Las Vegas, Nevada 89101  
SPC Reference: C-2306-08

Ms. Packer and Ms. Quisenberry:

As requested, we have completed a fair market rent analysis for the retail space at the proposed Civic Center Plaza in the downtown area of Las Vegas, Nevada. We have provided a detailed description of the subject property, relevant market data, and a description of the appraisal process to support the valuation scenarios contained in this report.

The subject property is the proposed development known as Civic Center Plaza located south of the Las Vegas City Hall site encompassing a city block bound by Clark Avenue to the north, Bonneville Avenue to the south, 1st Street to the east and Main Street to the west in the downtown area of Las Vegas. It is surrounded by large government buildings including Las Vegas City Hall and parking garage, Las Vegas Municipal Court, a motel and other mature downtown properties. Civic Center Plaza represents one of the largest-scale projects in downtown in several years. It is a proposed mixed-use redevelopment site incorporating Class A office and retail portions along with a large grassy area for staging events in the park. The City of Las Vegas will schedule various events and festivals in the center. It will have a west tower, east tower and pavilion with a combined 273,070 square feet. The client has requested that we analyze the fair market rent for two ground floor retail spaces in the center containing 2,547 square feet in Building 1 and 2,630 square feet in Building 2. The site has approximately 3.03 acres, or 132,000 square feet. It is zoned C-2, General Commercial under the jurisdiction of the City of Las Vegas.

This report is presented in Summary format. As such, the significant elements of the scope of work include: i) an observation of the subject and its surroundings; ii) a collection, verification and analysis of rental data; and iii) completion of the estimate of market rent. Additional information supporting our analysis is retained in the appraisal work file.

The client of this report is the City of Las Vegas. The intended user of this report is City of Las Vegas. The purpose of this report is to assist the client in establishing the market rent for future negotiations. The report date is July 6, 2023. The requested lease premise, effective date and market rent conclusions are illustrated in the following table:

VALUE CONCLUSIONS			
Appraisal Premise	Lease Premise	Date	Market Rent PSF/Yr.
Fair Market Rent / Bldg. 1 Retail	NNN	7/3/2023	\$39.00
Fair Market Rent / Bldg. 2 Retail	NNN	7/3/2023	\$39.00

The lease rates indicated in the table above are \$39.00 per SF per year on a triple net basis. This correlates to \$3.25 per SF per month. Typical terms in the market are 5-year leases with CPI or 3% annual increases.





No finish details were provided; however, it is reasonably assumed that the floors, ceilings, windows, lighting, plumbing, restrooms, elevators and fire protection will be of a high quality considered typical for a Class A office/retail building in a downtown setting. Only limited architectural plans were provided. The anticipated date of completion for Building 1 is December 2024 and for Building 2 is the Spring of 2025.

This appraisal report is intended to satisfy the scope of work and requirements set forth by the City of Las Vegas and Southwest Property Consultants. The analyses, opinions and conclusions illustrated within this appraisal report were developed based upon our interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The information, supporting data and calculations leading to an opinion of value are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

This report is intended to adhere to the scope of work and intended use requested by the City of Las Vegas. It is our goal to provide meaningful analysis that supports the opinions of value contained herein. If you have any questions or concerns regarding the attached appraisal report, or, if we can provide additional assistance with this or any other valuation assignment, please contact us.

Sincerely,

**SOUTHWEST PROPERTY CONSULTANTS**

Matthew Buxton, MAI, SRA  
Principal  
Certified General Real Estate Appraiser  
State of Nevada Certificate No. A.0007839-CG  
Expiration Date: June 30, 2024  
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ADDENDUM A:	GLOSSARY OF DEFINITIONS
ADDENDUM B:	CLIENT CORRESPONDENCE
ADDENDUM C:	SUBJECT INFORMATION
ADDENDUM D:	COMPARABLE DATA
ADDENDUM E:	APPRAISER QUALIFICATIONS





SUMMARY OF SALIENT DATA AND CONCLUSIONS

SUMMARY OF SALIENT DATA AND CONCLUSIONS

PROPERTY DATA

Property Name or Identification	Downtown Civic Center Plaza
Location	505 S. Main Street Las Vegas, Nevada 89101
Interest Appraised	Fee Simple
Highest and Best Use (as vacant)	Develop with a Mixed-Use
Highest and Best Use (as improved/proposed)	Mixed-Use Site / Office and Retail

SITE INFORMATION

Area (Net Acres):	3.0303
Area (Net SF):	132,000
Zoning	C-2, General Commercial
Jurisdiction	City of Las Vegas
Census Tract	7.00
Assessor's Parcel Numbers	139-34-311-001 thru 007; 139-34-210-014 thru 016; 139-34-311-018 thru 022 and 139-34-210-017 thru 018

IMPROVEMENTS DESCRIPTION

Property Type	Proposed Mixed-Use Site
Construction Type	Steel Frame
Rentable Area	273,070
Year Built	2023
Investment Class	A

PROPOSED TENANCY

Type of Occupancy	Local and Regional Tenancy
Number of Tenant Spaces	2+
Current Occupancy	0.0%

APPROACH TO VALUE

	Expense Basis	Date:	7/3/2023
Fair Market Rent - Bldg. 1 Retail	NNN		\$39.00 PSF/Yr.
Fair Market Rent - Bldg. 2 Retail	NNN		\$39.00 PSF/Yr.

EXPOSURE AND MARKETING TIME

6 to 12 Months





Main Street Facing North



View West Across Property



Bonneville Avenue Facing West



View West Across the Site



Site View to the Northeast



Site View to the Southeast





ASSIGNMENT INTRODUCTION

This section is intended to assist the reader in understanding what is being appraised and why. It illustrates the general aspects governing this real estate assignment. Specifically, we identify the subject property via a general description and legal description. We also introduce the ownership, sales status and listing history. Our client is identified along with the report purpose, intended use and users, property rights appraised, value definition and special client instructions. We define the exposure and marketing time and any extraordinary assumptions or hypothetical conditions that have been considered as part of this assignment.

PROPERTY IDENTIFICATION

The subject property is the proposed development known as Civic Center Plaza located south of the Las Vegas City Hall site encompassing a city block bound by Clark Avenue to the north, Bonneville Avenue to the south, 1st Street to the east and Main Street to the west in the downtown area of Las Vegas. It is surrounded by large government buildings including Las Vegas City Hall and parking garage, Las Vegas Municipal Court, a motel and other mature downtown properties. Civic Center Plaza represents one of the largest-scale projects in downtown in several years. It is a proposed mixed-use redevelopment site incorporating Class A office and retail portions along with a large grassy area for staging events in the park. The City of Las Vegas will schedule various events and festivals in the center. It will have a west tower, east tower and pavilion with a combined 273,070 square feet. The client has requested that we analyze the fair market rent for two ground floor retail spaces in the center containing 2,547 square feet in Building 1 and 2,630 square feet in Building 2. The site has approximately 3.03 acres, or 132,000 square feet. It is zoned C-2, General Commercial under the jurisdiction of the City of Las Vegas.

Further property identification is illustrated as follows:

SUBJECT IDENTIFICATION	
Property Name or Type	Downtown Civic Center Plaza
Address	505 S. Main Street Las Vegas, Nevada 89101
County	Clark
MSA	Las Vegas, NV-AZ
Submarket Area	Downtown
Census Tract	7.00
Tax Parcel Numbers	139-34-311-001 thru 007; 139-34-210-014 thru 016; 139-34-311-018 thru 022 and 139-34-210-017 thru 018

LEGAL DESCRIPTION

The subject property can be legally defined as follows:

Clarks Las Vegas Townsite Plat Book 1 Page 37 Lots 1-5 and 17-30 of Clark County, Nevada.





**OWNERSHIP HISTORY AND LISTING STATUS**

The subject’s current ownership and ownership history is displayed in the following table.

<b>OWNERSHIP AND LISTING STATUS</b>	
Current Ownership	City Parkway V Inc
Prior Sale/Transfer Date	8/31/2020 (APN 139-34-210-016)
Prior Sale Amount	\$2,085,000
Prior Sale Document No.	2020083101021
Listing Status	Not Listed
Contract Status	Not Under Contract

According to county records, the subject property is owned by the City Parkway V Inc. Of the 17 parcels, only APN 139-34-210-016 has transferred in the last 3 years. It sold as an improved property on August 31, 2020 for \$2,085,000 and was subsequently razed. At the time of sale, this was considered a market-oriented transaction although the City of Las Vegas was motivated to purchase the property for the assemblage of Civic Center Plaza. The property is not listed for sale or under a purchase agreement at this time.

**CLIENT IDENTIFICATION**

The client of this report is the City of Las Vegas.

**PURPOSE**

The purpose of this report is to assist the City of Las Vegas in establishing the fair market rent.

**INTENDED USE AND INTENDED USERS**

The intended use of this report is to assist the City of Las Vegas in establishing the market rent for future negotiations. The intended user is City of Las Vegas.

**RELEVANT DATES/VALUE SCENARIOS**

Matthew Buxton, MAI, SRA inspected the property on July 3, 2023. The date of this report is July 6, 2023. Relevant valuation dates are summarized in the following table:

<b>RELEVANT DATES AND VALUE TYPES</b>	
Inspection Date	7/3/2023
Report Date	7/6/2023
Fair Market Rent	7/3/2023

**PROPERTY RIGHTS APPRAISED**

Fee Simple Interest







**DEFINITIONS OF VALUE**

The following definition of market rent is considered most relevant given the intended use and scope of this assignment.

Market rent is defined as:

“The most probably rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”<sup>1</sup>

More relevant definitions are provided in the addendum of this report.

**SPECIAL CLIENT INSTRUCTIONS**

There are no special appraisal instructions relating to this assignment. The reader is encouraged to view the engagement letter in the addendum for a complete list of client instructions.

**PERSONAL INTANGIBLE PROPERTY**

No personal property or intangible items are included in the valuation of the subject property.

**APPRAISAL ASSISTANCE**

No one provided significant real property appraisal assistance to the individual signing this certification.

**EXPOSURE AND MARKETING TIME**

Exposure Time: 1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market (USPAP, 2016-2017 ed.).<sup>2</sup>

Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.).<sup>3</sup>

Information from various sources including rent comparables and broker opinions have been considered in estimating the appropriate exposure and marketing time as illustrated in the following table:

<sup>1</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

<sup>2</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

<sup>3</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015





MARKETING AND EXPOSURE TIME	
SOURCE	PERIOD
Market Participants	3 to 12 months
Comparable Rentals	3 to 12 months
Southwest Property Consultants	
Estimated Marketing Time	6 months
Estimated Exposure Time	6 months

**ASSIGNMENT CONDITIONS**

Extraordinary Assumptions and/or Hypothetical Conditions that may have been used during the appraisal process are discussed below. The client is advised to carefully consider these issues as they relate to the value indications and the intended use of this appraisal. The use of extraordinary assumptions and/or hypothetical conditions might affect assignment results:

**EXTRAORDINARY ASSUMPTIONS**

The client stated that we were appraising two proposed retail suites within the proposed project known as Civic Center Plaza on the city block encompassing Assessor Parcel No's 139-34-311-001 thru 007; 139-34-210-014 thru 016; 139-34-311-018 thru 022 and 139-34-210-017 thru 018. These parcels are to be assembled into a single parcel. No site survey or plan was provided. Our site area measurement of 3.03 acres is based on the appraiser's aerial estimate (440 feet x 300 feet) and is assumed accurate.

No finish details were provided; however, it is reasonably assumed that the floors, ceilings, windows, lighting, plumbing, restrooms, elevators and fire protection will be of a high quality considered typical for a Class A office/retail building in a downtown setting. Only limited architectural plans were provided. The anticipated date of completion for Building 1 is December 2024 and for Building 2 is the Spring of 2025.

**HYPOTHETICAL CONDITIONS**

None





**SCOPE OF WORK**

Establishing credible assignment results involves gathering and analyzing information considered most relevant to the subject property in consideration of the intended use outlined by the client. The scope of work outlines the research and analysis necessary to support the conclusions contained in this report.

**REPORT TYPE**

This report has been prepared in an Appraisal Report format as identified in USPAP Standard 2.

**EXTENT TO WHICH THE PROPERTY IS IDENTIFIED**

The subject property is identified through various sources where available: county records, title policies, recorded deeds, site plans and surveys. At a minimum, a legal description, parcel number and street address (unless unassigned) are provided.

**EXTENT TO WHICH TANGIBLE PROPERTY IS INSPECTED**

Matthew Buxton, MAI, SRA inspected the property on July 3, 2023.

**TYPE AND EXTENT OF DATA RESEARCHED**

We researched all applicable sources necessary to fully develop the opinion of fair market rent contained in this report. Specifically, the regional and neighborhood sections of this report were researched through personal experience, local newspapers, published county information, state demographer’s website, U.S. census data, demographic specialists, and market participants. The market section was researched through published industry sources from local real estate firms and national market surveys that specialize in the subject’s market area and highest and best use. Site and improvement characteristics were determined through a personal inspection of the site and information provided by the county assessor, plat maps, surveys and title policies where available. Taxes were obtained through the county assessor’s website. Comparable listing and rental data were verified through various sources, which may include CoStar, Crexi, LoopNet, county records, local industry publications and information provided by brokers, property owners, property managers, buyers and sellers.

**TYPE AND EXTENT OF ANALYSIS APPLIED TO ARRIVE AT OPINIONS OR CONCLUSIONS**

The market has been surveyed to determine appropriate rent comparables to establish an opinion of the fair market rent. Specifically, we considered local market conditions and searched for rent comparables that were within the neighborhood and exemplified economic and physical similarities that were reasonable for use in this analysis.

**COMPETENCY RULE**

USPAP Standard 2 requires the appraiser to have competency regarding the subject property being analyzed or provide the client with the steps taken to assure competency. Matthew Buxton, MAI, SRA has experience in the local market area appraising similar properties and meets the criteria set forth in USPAP.





**SOURCES USED FOR THIS ASSIGNMENT**

The specific sources used for this assignment are illustrated below:

<b>VERIFICATION SOURCES</b>	
<b>ITEM</b>	<b>SOURCE</b>
Subject Site Information	County Assessor
Zoning Information	City of Las Vegas
Tax Information	County Treasurer
Demographics	ESRI
Flood Map	FEMA
Comparable Information	See Comparable Abstracts
Legal Description	Clark County Assessor

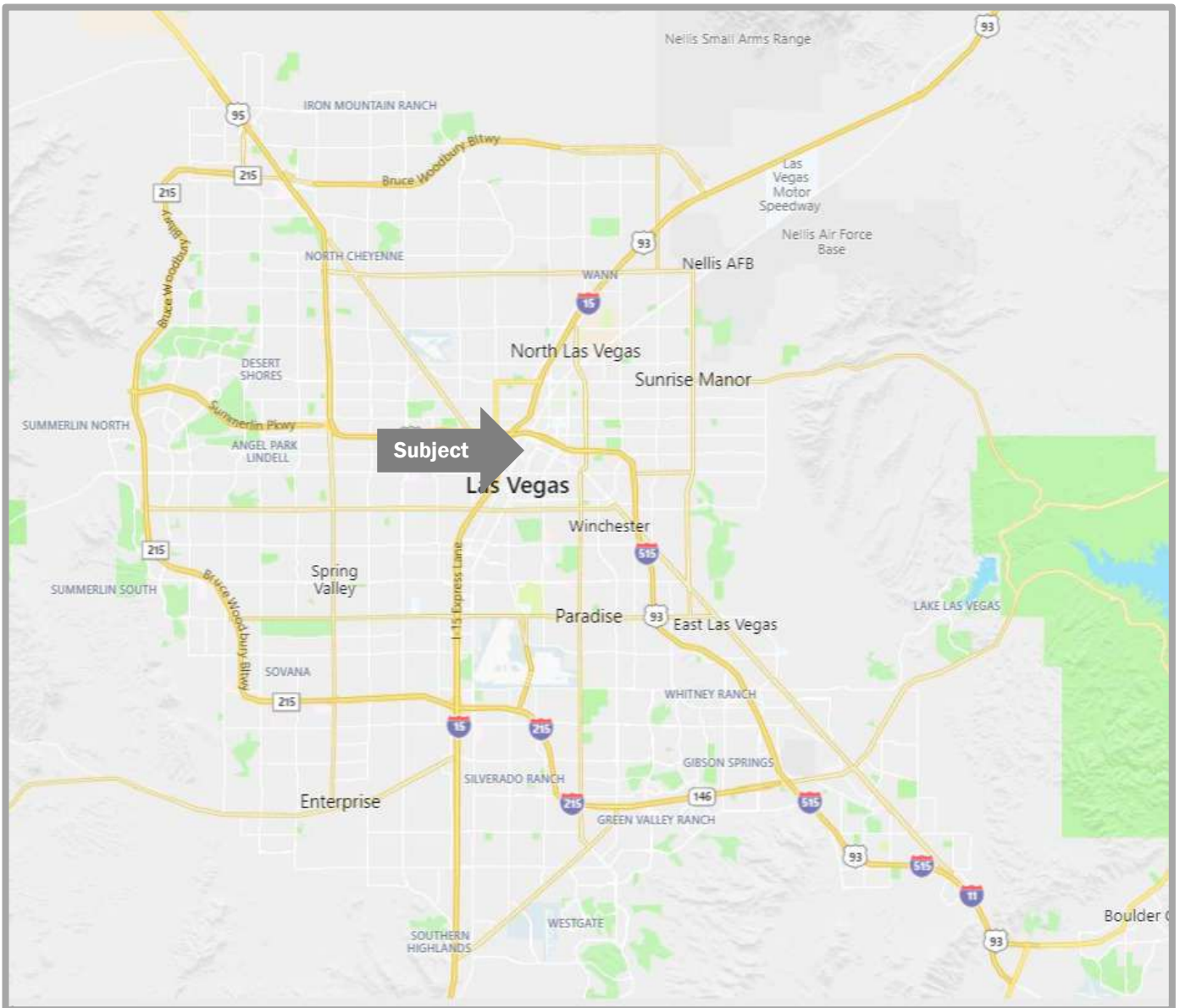




### REGIONAL ANALYSIS

The Las Vegas Metropolitan Statistical Area (MSA) is in the southernmost section in the State of Nevada and encompasses all of Clark County. There are five incorporated cities in Clark County: Las Vegas, Henderson, North Las Vegas, Boulder City and Mesquite. The MSA encompasses approximately 8,100 square miles. The City of Las Vegas is the primary city in the MSA and is situated in the high-altitude Mojave Desert.

### REGIONAL MAP





**REGIONAL ECONOMIC OVERVIEW**

The following regional economic overview was provided by CoStar Analytics:

Las Vegas nonfarm employment returned to its pre-pandemic peak in September 2022, several months after the U.S. recovered in July. The metro area suffered one of the sharpest economic contractions during pandemic shutdowns but rebounded much quicker relative to previous recessions.

Gaming revenue in the state of Nevada eclipsed \$1 billion for a record 23 consecutive months in January 2023. Annual job growth in the Las Vegas metro has averaged 3.1% in the past 10 years, outperforming the national average of 1.4%.

Approximately two-thirds of the market's population growth can be attributed to in-migration, with a significant portion from southern California metros. Las Vegas's population has grown by 16.3% in the past decade, well above the national average of 5.8%.

For the first time ever this past November, more than 5 million visitors passed through Harry Reid International Airport in a single month. The continuous rise of foreign passengers is also contributing to the airport's record-breaking figures, but overall this segment has yet to return to pre-pandemic levels. In the most recent data from Las Vegas Convention and Visitor's Authority, convention attendance is up 32% YOY and 20% versus 2019 levels.

The local construction industry was heavily impacted by the collapse of the housing market during the recession in 2008. But now annual employment growth in the construction sector over the past five years averaged around 10%. However, the number of workers still remains at only approximately 70% of levels from 2006.

The success of the 65,000-seat Allegiant Stadium for the Las Vegas Raiders likely increases the chances of an NBA or MLB team moving to Clark County. Additionally, Las Vegas will host the NFL's Super Bowl in 2024 and a Formula One race in November 2023, the latter of which is likely to become an annually recurring event.

**LAS VEGAS EMPLOYMENT BY INDUSTRY IN THOUSANDS**

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	29	0.3	2.20%	2.27%	3.54%	0.80%	0.78%	-0.10%
Trade, Transportation and Utilities	207	1.0	0.05%	1.19%	2.93%	1.22%	0.40%	0.00%
Retail Trade	111	1.0	-1.38%	0.43%	1.22%	0.42%	0.56%	0.01%
Financial Activities	60	0.9	1.82%	1.35%	3.35%	1.50%	0.76%	0.00%
Government	109	0.7	4.88%	1.84%	1.64%	0.28%	1.19%	0.44%
Natural Resources, Mining and Construction	82	1.3	10.48%	3.55%	7.23%	2.55%	0.79%	0.13%
Education and Health Services	121	0.7	6.08%	4.11%	4.53%	1.77%	1.23%	0.56%
Professional and Business Services	168	1.0	6.71%	2.55%	4.26%	2.20%	1.18%	0.24%
Information	13	0.6	3.39%	1.39%	3.32%	1.29%	-0.09%	-0.05%
Leisure and Hospitality	295	2.5	7.53%	6.42%	1.10%	1.61%	0.36%	0.92%
Other Services	33	0.8	4.29%	3.27%	3.04%	0.67%	1.03%	0.22%
<b>Total Employment</b>	<b>1,118</b>	<b>1.0</b>	<b>5.14%</b>	<b>2.80%</b>	<b>2.91%</b>	<b>1.37%</b>	<b>0.75%</b>	<b>0.30%</b>

Source: Oxford Economics  
LQ = Location Quotient

**NEVADA COVID-19 RESTRICTIONS**


Nevada reopened to 100% capacity in 2021 and social distancing guidelines were lifted, helping the state return to mostly pre-pandemic openings. Mask mandates ended for businesses and public buildings in early 2022.





POPULATION TRENDS

Based on information provided by ESRI, Southern Nevada shows an overall increase in population from 2010 to 2022 is 19.5% with a population of 1,951,269 in 2010 to 2,332,273 in 2022. This is viewed as a result of a strong regional economy, a thriving hospitality sector and major employers moving into the region thereby adding jobs to the area. The median household income is \$69,448 anticipated to grow to \$84,107 by 2026.



**Demographic and Income Profile**

Clark County, NV 2  
Clark County, NV (32003)  
Geography: County

Prepared by Esri

Summary	Census 2010	Census 2020	2022	2027
Population	1,951,269	2,265,461	2,332,273	2,401,821
Households	715,365	845,888	872,476	900,984
Families	467,916	-	566,255	585,488
Average Household Size	2.70	2.65	2.65	2.64
Owner Occupied Housing Units	408,206	-	484,672	510,410
Renter Occupied Housing Units	307,159	-	387,804	390,574
Median Age	35.5	-	37.3	37.3
Trends: 2022-2027 Annual Rate	Area	State	National	
Population	0.59%	0.60%	0.25%	
Households	0.65%	0.68%	0.31%	
Families	0.67%	0.70%	0.28%	
Owner HHS	1.04%	1.04%	0.53%	
Median Household Income	3.90%	3.59%	3.12%	
Households by Income	2022		2027	
	Number	Percent	Number	Percent
<\$15,000	78,915	9.0%	67,214	7.5%
\$15,000 - \$24,999	57,183	6.6%	41,296	4.6%
\$25,000 - \$34,999	62,363	7.1%	44,594	4.9%
\$35,000 - \$49,999	105,130	12.1%	90,907	10.1%
\$50,000 - \$74,999	158,914	18.2%	150,806	16.7%
\$75,000 - \$99,999	121,270	13.9%	128,343	14.2%
\$100,000 - \$149,999	151,861	17.4%	190,406	21.1%
\$150,000 - \$199,999	66,414	7.6%	98,004	10.9%
\$200,000+	70,398	8.1%	89,386	9.9%
Median Household Income	\$69,448		\$84,107	
Average Household Income	\$97,778		\$116,055	
Per Capita Income	\$36,623		\$43,579	

Source: ESRI

LOCAL ECONOMY

The following information comes UNLV Lee Business School, Center for Business and Economic Research (CBER), established in 1975. CBER conducts applied research vital to business and government. CBER cooperates with partners to extend the benefits of the UNLV's research community throughout the state of Nevada and the country. Their work includes tracking and forecasting local, regional, and state economic conditions.

The following tables show key economic data for Clark County on an annual and monthly basis:





ANNUAL ECONOMIC DATA FOR CLARK COUNTY						
Annual Data	2017	2018	2019	2020	2021	2022
U.S. Census Bureau	2,183.31	2,228.97	2,275.88	2,274.73	2,295.19	2,322.99
Nevada State Demographer	2,193,818	2,251,175	2,293,391	2,320,107	2,320,551	2,338,127
Clark County Comprehensive Planning	2,248,390	2,284,616	2,325,798	2,376,683	2,333,092	2,376,683
Nevada Population Living in Clark County	73.45%	73.63	73.67	73.77	73.87	72.97
Las Vegas-Henderson-Paradise Real GDP (millions of chained 2009 dollars)	101,392.42	107,751.45	112,654.17	101,883.80	111,288.53	
Las Vegas-Henderson-Paradise GDP (millions of current dollars, MSA)	112,818.45	122,689.03	131,692.94	120,732.64	136,198.68	
Personal income (thousands of dollars)	98,439,211	104,985,712	114,155,310	121,767,470	133,596,955	
Per capita personal income (dollars)	45,087	47,814	51,012	53,562	58,276	
Housing Units Permitted	14,055	15,491	14,429	15,157	16,848	16,861
Gross Gaming Revenue	9,978,899,203	10,250,612,181	10,355,664,476	6,540,868,899	11,452,004,000	12,786,627,665
Visitor Volume	45,704,785	45,320,500	45,699,300	20,369,900	33,443,700	40,994,700
Convention Attendance	6,576,986	6,501,800	6,649,100	1,727,200	1,804,800	4,993,100
McCarran Total Passengers	48,505,756	49,718,526	51,537,638	22,194,866	39,709,220	52,646,604
Average Room Rate	129.45	128.85	132.62	120.31	137.37	NA
Room Nights Occupied	47,665,200	47,452,600	48,300,100	21,201,200	36,191,100	NA
Occupancy Rate	88.7	88.2	88.9	42.1	0.67	NA
Hotel Rooms	148,897	147,238	149,422	143,117	150,487	NA
LV Strip Gross Gaming Revenue	7,051,758,170	6,588,499,372	6,586,724,334	3,733,427,000	7,088,882,000	8,287,962,891
Visitor Volume	42,215,900	42,116,800	42,523,700	19,031,100	32,230,600	38,829,300

Frequency: Annual Publisher: University of Nevada, Las Vegas - CBER

MONTHLY ECONOMIC DATA FOR CLARK COUNTY						
Monthly Data	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023
Employees on Nonfarm Payrolls (1,000's)	1,072.90	1,075.50	1,073.90	1,111.90	1,119.20	1,123.30
Employees on Nonfarm Payrolls (1,000's)	1,081.90	1,085.80	1,082.10	1,097.30	1,111.40	1,116.60
Employment in Leisure and Hospitality (1,000's)	281.8	282.3	283.0	291.8	292.3	291.6
Employment in Leisure and Hospitality (1,000's)	283.4	283.4	282	286	289.1	291.9
Unemployment Rate (SSA)	5.5	5.6	5.6	5.8	5.9	5.9
Unemployment Rate (NSA)	5.6	5.6	5.4	5.9	6	5.7
CC Taxable Sales	5,364,486,810	5,226,191,318	6,148,837,611	4,904,213,482	4,802,194,500	Not Yet Published
CC Motor Vehicle and Parts	543,736,550	525,127,855	553,320,930	580,763,579	533,384,433	↓
Taxable Gasoline Sales (gallons)	67,153,171	67,153,171	67,560,201	67,144,433	Not Yet Published	
McCarran Total Passengers	5,171,911	4,561,564	4,370,694	4,390,361	↓	
CC Visitor Volume	3,830,800	3,432,400	3,474,100	3,435,200		
LV Visitor Volume	3,639,200	3,265,500	3,307,200	3,275,300		
CC Gross Gaming Revenue	1,104,847,938	1,062,511,215	1,156,915,432	1,129,714,929		
LV Strip Gross Gaming Revenue	705,823,128	669,480,916	814,185,519	713,223,773		
LV Room Inventory	150,867	150,915	150,857	151,771		
LV Hotel/Motel Occupancy Rate	87.7	81.2	79.1	79.1		
LV Convention Attendance	628,100	582,800	219,900	513,000		
CC Drivers License Count	6,208	5,123	5,052	4,840		

Frequency: Monthly Publisher: University of Nevada, Las Vegas - CBER

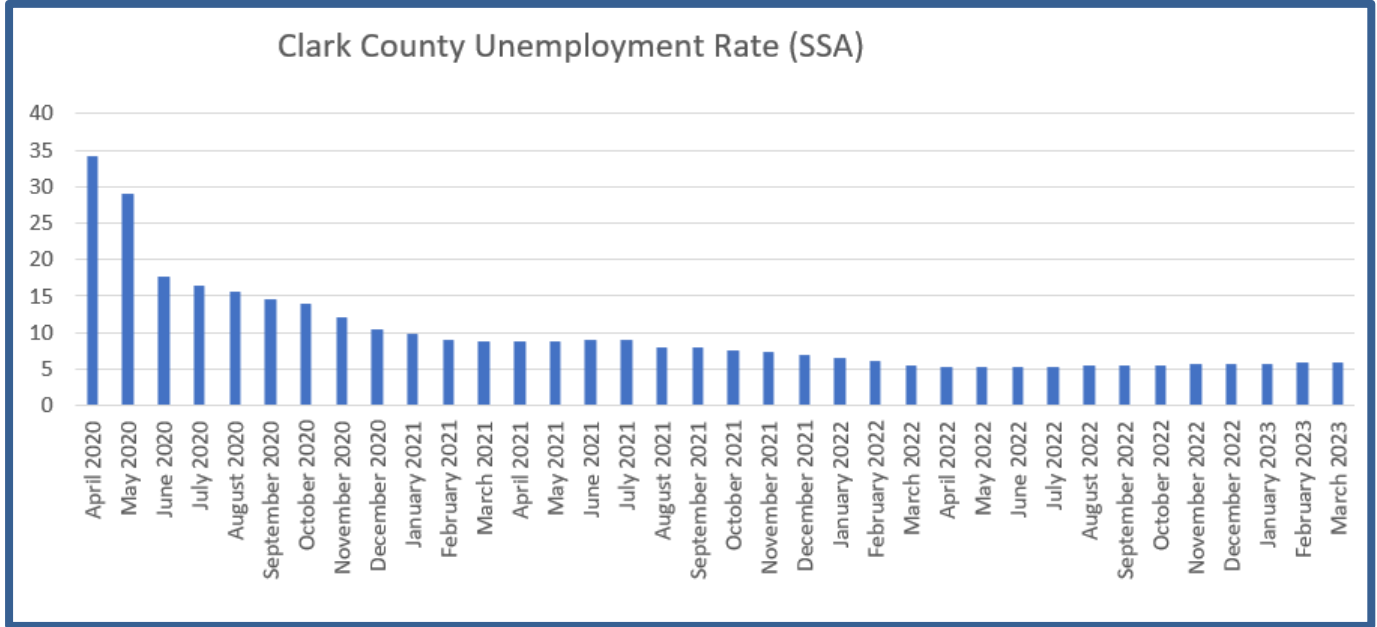






EMPLOYMENT TRENDS

The following table illustrates the 3-year trend for employment in Clark County:



EMPLOYMENT

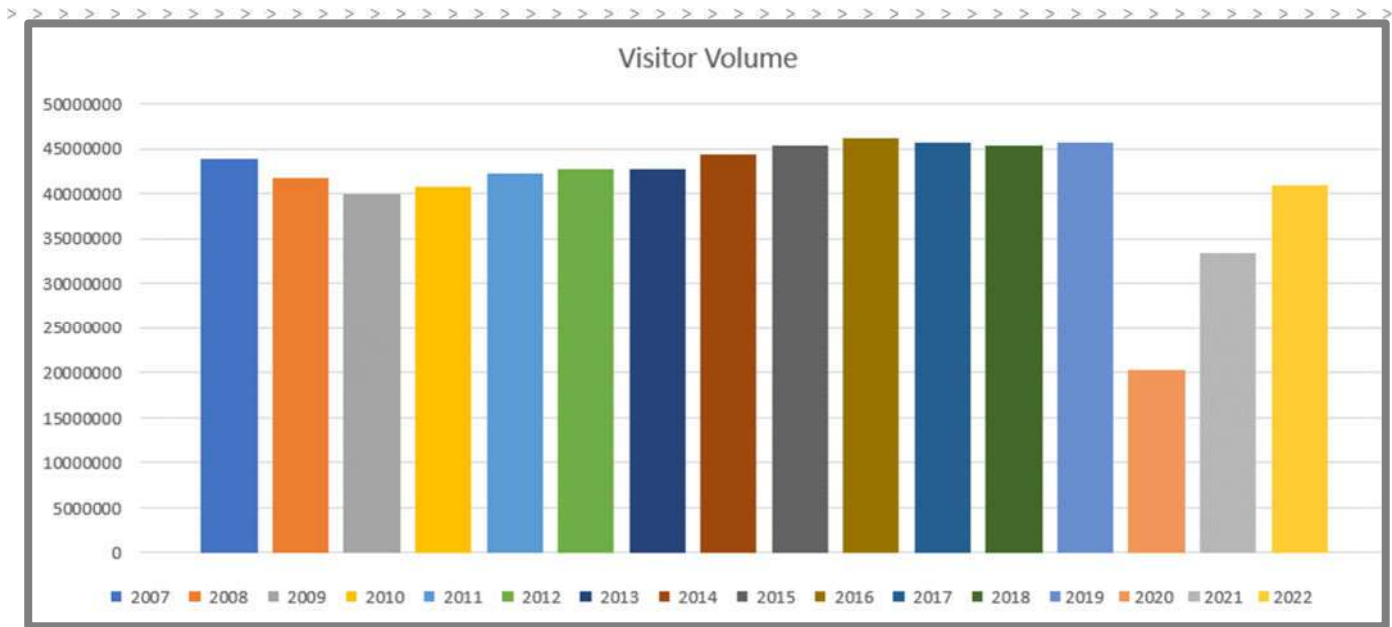
The overall unemployment rate in Clark County is 5.7% in April 2023, down from 8.9% as of May 2021, and down from the peak of 34% in April 2020 during massive business closures. The current rate is higher compared with the overall U.S. unemployment rate at 3.4%. Prior to the pandemic, local unemployment was below 4%. Nationally, there is a shortage of workers although this could shift due to a possible recession in 2023.

TOURISM, GAMING AND HOSPITALITY

Southern Nevada’s hotels and local economy rely heavily on the gaming industry. Gaming revenue in 2022 was \$12.79 billion an increase from \$11.45 billion in 2021. 2020 was significantly lower due to COVID-19 with gross gaming revenue declining to \$6.56 billion compared with \$10.35 billion in 2019. This is viewed as a result of a more competitive global market for high rollers coupled with travelers spending a greater amount of money on entertainment and food & beverage. Convention attendance in 2022 was 5 million a significant increase from prior years. In other recent years, convention attendance was 6.5 million in 2018, 6.6 million in 2019 declining to 1.7 million in 2020, a sharp drop-off due to COVID-19. Visitor volume had a similar trajectory with 42.1 million in 2018, 42.5 million in 2019 declining to 19 million in 2020. In 2022, visitor volume reached 38.8 million. Figures for gaming, convention attendance and visitor volume rebounded significantly in 2022 with expected growth in 2023 although this may change due to speculation about a possible recession.

The following table illustrates the 15-year trend for Las Vegas visitor volume prior to the pandemic:





**MAJOR STRIP AND OFF-STRIP DEVELOPMENT**

There are several major projects totaling over \$11 billion that are in various stages of development. The Fontainebleau project, expected to contain 4,000 rooms is expected to be completed in late 2023.

The first hotel built downtown in 40 years in the Fremont Street Experience is Circa Resort and Casino, adding 777 guest rooms, five restaurants and a two-level casino. It opened in October 2020 creating 1,500 new jobs in downtown.

Resort World opened in June 2021 and is the largest hotel/casino opening in Las Vegas in over a decade. It has a 59-story tower with three Hilton hotels, 3,506 rooms and 117,000 square feet of gaming space. At a cost of \$4.3 billion, it is the most expensive property ever developed in Las Vegas.

Madison Square Gardens is developing a project known as the Sphere, a globe-shaped performance venue reaching 360 feet into the air behind the Sands Expo & Convention Center. This is a technological marvel that will host everything from gaming conventions to famous music artists. This is under construction and expected to open in 2023.

The Las Vegas Convention and Visitors Authority, on June 8, 2021, debuted an expansion of its convention center in order to host larger trade shows. The West Hall expansion is 600,000 SF and has unobstructed views to the Las Vegas Strip. Overall, the convention center has 12 million square feet of meeting space and is recognized as the No. 1 trade show destination in the country and one of the largest in the world.

One of most anticipated developments for locals and visitors to Las Vegas was the relocation of the Oakland Raiders to Las Vegas and the opening of their \$1.9 billion, 65,000-seat Allegiant Stadium just a mile west of the Las Vegas Strip. Games and concerts have started in the new stadium with fans returning in the Summer of 2021.

Durango Station is a 211-room hotel with an 83,178 square foot casino on South Durango Drive just south of the I-215 beltway. The Station Casinos project broke ground in 2022 with the first phase containing a 216-foot tall hotel tower, water features, parking, restaurants, race and sportsbook, convention center, pool area and event lawn.

The UnCommons, is a \$400 million, large-scale mixed-use project on the southeast corner of Durango Drive and I-215 beltway. The UnCommons will feature office space, retail and apartments on 40 acres. The first phase opened in late 2022.







Retail Market

Few retail markets in the country depend on tourism as much as Las Vegas, and the recent travel boom has benefited the entertainment capital. Convention attendance increased by more than 30% annually and 20% versus 2019 levels per the latest data release from the Las Vegas Convention and Visitor's Authority. Gaming revenue in the state of Nevada exceeded \$1 billion for a record 23 consecutive months in January, and taxable sales in Clark County are up more than 10% annually based on the latest quarterly data.

Las Vegas's economic performance correlates with its retail metrics: the vacancy rate has compressed by roughly 150 basis points since 20Q1 thanks to consistent demand and minimal new construction. Although annual rent growth is decelerating like the national trend, gains are still outperforming the U.S. benchmark by roughly 200 basis points.

Construction remains below the market's historical average and is heavily concentrated in and around the Las Vegas Strip. In the suburbs, development has typically been limited to neighborhood and strip centers as well as drive-thru QSRs, which have outperformed thanks to Las Vegas's fast-paced commuter culture.

Investment activity for Las Vegas retail assets has noticeably slowed following the sharp rise in interest rates post-Labor Day, catching many investors off guard. Sales volume has decelerated for three consecutive quarters dating back to 22Q3, while upward pricing pressure has also appeared to have subsided. The biggest retail trade since Labor Day involved a portfolio of auto dealerships in the Southwest area, suggesting many potential investors are weary of buying at the top of the market while recession risks continue to rise.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	9,841,663	6.5%	\$73.83	4.4%	(75,536)	0	0
Power Center	13,226,200	4.2%	\$30.55	5.1%	93,637	0	0
Neighborhood Center	42,813,219	6.9%	\$25.50	7.5%	63,039	21,119	49,820
Strip Center	11,375,719	7.2%	\$24.77	7.8%	(16,263)	20,062	101,850
General Retail	40,039,141	2.8%	\$28.76	3.7%	(2,239)	36,413	1,162,736
Other	3,166,095	7.9%	\$36.92	2.3%	(5,802)	0	0
<b>Market</b>	<b>120,462,037</b>	<b>5.3%</b>	<b>\$31.29</b>	<b>5.6%</b>	<b>56,836</b>	<b>77,594</b>	<b>1,314,406</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	7.4%	5.7%	11.1%	2011 Q2	2.5%	2005 Q3
Net Absorption SF	555K	1,433,378	867,054	5,983,043	2007 Q4	(1,315,009)	2009 Q1
Deliveries SF	736K	1,731,916	1,257,255	7,019,510	2007 Q4	152,380	2013 Q1
Rent Growth	8.0%	0.5%	3.5%	10.3%	2022 Q1	-11.7%	2010 Q1
Sales Volume	\$3.2B	\$1.3B	N/A	\$4.6B	2016 Q4	\$185.4M	2009 Q4







Multi-Family Market

After five consecutive quarters of negative absorption, demand finally rebounded in the Las Vegas apartment market in 23Q1. However, upward pressure on vacancies will be the norm in the near term with weaker demand and upcoming supply waves. Las Vegas vacancies have expanded at one of the fastest rates in the country—after bottoming at about 4% in 2021 they have spiked to 9.4% and above the market's historical average of 7.8%. The forecast calls for vacancies to hit double digits by the second half of 2023.

Las Vegas was the first major market to see annual rent growth turn negative since the GFC. It went from one of the best rent growth markets in 2021 to the worst in 2022 (among metros with a population of 1M+). Weak demand and supply pressure have turned the tables in favor of renters as landlords contend with lower occupancy.

In-migration trends, driven by Southern Californians, are a key component of the Las Vegas apartment outlook. Clark County's population has grown by 6.5% in the past five years, adding roughly 140,000 residents. Recent data from Apartments.com suggest an uptick in out-of-market search activity, which translated into improving demand in 23Q1.

Investment activity slowed substantially in the second half of 2022 as interest rates rose aggressively. Additionally, the chasm between bid/ask spreads has prevented many deals from moving forward, but completed trades suggest apartment values have leveled off. Based on recent transactions, cap rates have risen by 100 basis points or more when compared with trades that were completed before October 2022..

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	73,774	9.8%	\$1,633	\$1,613	87	0	6,513
3 Star	80,943	9.4%	\$1,356	\$1,339	10	0	2,085
1 & 2 Star	25,358	8.3%	\$1,031	\$1,020	(14)	0	89
<b>Market</b>	<b>180,075</b>	<b>9.4%</b>	<b>\$1,434</b>	<b>\$1,416</b>	<b>83</b>	<b>0</b>	<b>8,687</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.1%	7.8%	10.2%	11.2%	2009 Q4	4.2%	2021 Q2
Absorption Units	(2,450)	1,994	2,008	7,128	2021 Q2	(3,970)	2022 Q3
Delivered Units	3,471	2,578	2,888	5,487	2001 Q2	0	2013 Q2
Demolished Units	69	273	299	1,736	2005 Q4	0	2019 Q2
Asking Rent Growth (YOY)	-2.1%	3.0%	1.8%	21.5%	2021 Q4	-7.9%	2009 Q4
Effective Rent Growth (YOY)	-2.9%	3.0%	1.7%	22.1%	2021 Q4	-8.0%	2009 Q4
Sales Volume	\$2.3B	\$1.4B	N/A	\$6.1B	2022 Q1	\$67.9M	2009 Q3







- In March, 65.7% of all existing local homes and 71.7% of all existing local condos and townhomes sold within 60 days. That’s down from one year earlier, when 89.9% of all local homes and 94.5% of all local condos and townhomes sold within 60 days.

**MARKET PARTICIPANT DISCUSSION – CURRENT IMPACT OF COVID-19**

The following information has been taken from local market participants concerning commercial properties:

- Three years since the inception of COVID-19, market participants report that business operations have resumed. Some businesses have reorganized employees and many are reporting a return to work in normal employment centers. Hotels and tourism have rebounded to pre-pandemic occupancy levels including gaming and conventions.
- Brokers and property managers report strong demand and stable rent payments. Rental rates have remained stable or risen in recent months.
- In 2023, commercial transactions are expected to move forward based on buyer motivations despite rising interest rates. Most buyers and sellers have adjusted to current market conditions. The vaccine is being widely distributed and social gatherings have resumed in various sectors including religious gatherings, concerts, theaters and sporting events.
- With the Fed increasing rates, banks have increased loan terms and interest rates and a slowdown in residential and commercial lending is occurring.
- Rising interest rates has led to increasing supply and prices are starting to stabilize or decline in some sectors. Media outlets and market participants report concerns regarding high rents and housing affordability although there is evidence of stabilization of rents in the past 6-12 months.
- Unemployment is low and local businesses report difficulty finding new applicants to fill open job positions.
- Market participants have expressed worry over increased government spending, uncertain economic conditions and political unrest. High construction costs, inflation and high gas prices continue to be a major concern in the local and national economy as prices escalate in housing, construction materials, cars, food and other household goods.

**ECONOMIC OUTLOOK CONCLUSION**

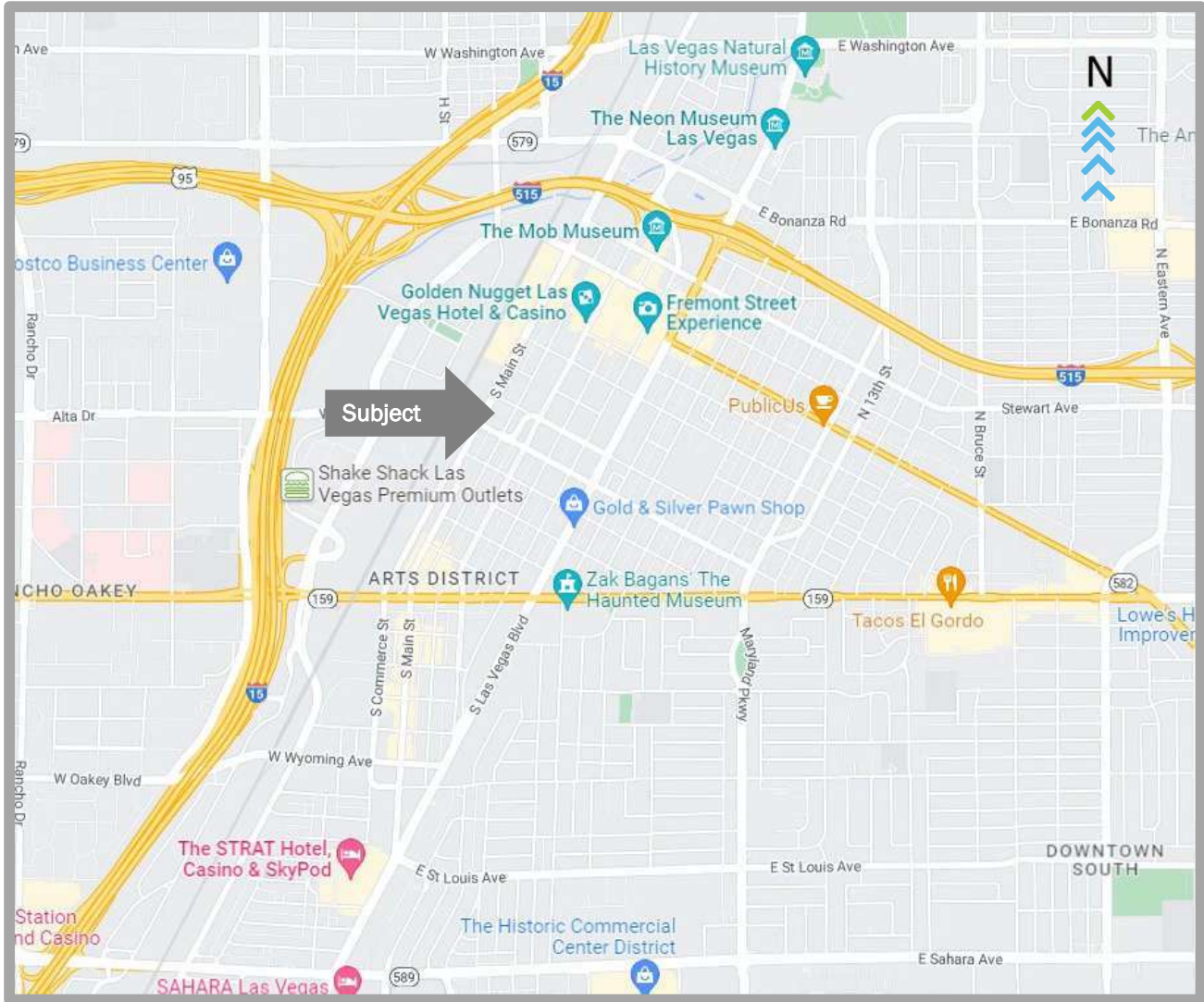
The local economy has recovered since the pandemic. Southern Nevada is experiencing strong population growth. There is strong visitor volume in conventions with growing hotel occupancy and conventions. The local economy is experiencing high demand and higher price levels although rising interest rates are fueling increases in supply. In the commercial sectors, industrial warehousing continues to grow due to increased demand for distribution and logistics. Retail and office sectors are now expanding in high growth neighborhoods. Positive rent growth and absorption was reported over the last 12 months. Overall, Southern Nevada is expected to experience continued population growth and a strong hospitality sector with new development occurring. There is concern that rising interest rates may lead to a recession in 2023.







NEIGHBORHOOD MAP





**NEIGHBORHOOD ANALYSIS**

The subject property is located in the downtown section of Las Vegas, Nevada. The general boundaries of the subject neighborhood are Washington Avenue to the north, Sahara Avenue to the south, Eastern Avenue to the east and Rancho Drive to the west. The neighborhood encompasses the central part of the City of Las Vegas, marketed as “The Entertainment Capital of the World.” Major influences include the famous Fremont Street Experience, north section of the Las Vegas Strip, historic hotels/casinos, high-rise offices, government buildings and the Hwy-95 and I-15 interchange. The downtown corridor is among the oldest sectors in the metropolitan area and is undergoing long-term redevelopment as planned by the City of Las Vegas and private investors.

These and other factors will be discussed in greater detail within this section.

**MAJOR LINKAGES AND ACCESSIBILITY**

Major East/West Arterial Roads: Washington Avenue, Bonanza Road, Fremont Street, Charleston Boulevard and Sahara Avenue.

Major North/South Arterial Roads: Rancho Drive, Las Vegas Boulevard, Maryland Parkway and Eastern Avenue

The major linkages described above are commercial thoroughfares with 3+ lanes of travel in each direction. Primary freeway access includes Highway 95 to the north and I-15 to the west. These intersect each of the major arterial roads at various sections within the neighborhood. Due to the central location, traffic is heavy as workers and tourists travel through the neighborhood to various destinations throughout the Las Vegas Valley. Access throughout the neighborhood is good, but congested, during peak traveling times.

**LAND USES AND GROWTH PATTERNS**

Due to the age of and location of the neighborhood, land uses in downtown have changed over time and new uses have been emphasized by the City of Las Vegas in their planning and redevelopment efforts. In general, land uses include a combination of hotel/resort, retail, office and other commercial developments in a CBD setting. Residential development primarily consists of mature single-family and multi-family development within the infrastructure of the neighborhood.

**DOWNTOWN DISTRICT CONCEPT**

According to the latest Downtown Master Plan Vision 2045, the City of Las Vegas has identified 12 districts with unique characteristics are identified in the Downtown area. Six districts are within the Downtown core inhabiting the traditional grid structure of Downtown accommodating various functions including tourism, government uses, business and professional offices; while the other 6 districts are at the peripheral of Downtown showing great potentials to encompass new economic opportunities such as medical, green tech, and design and new growing needs of residential and office spaces in the future.

Opportunities and envisioned characteristics of the Downtown Core Districts within the Downtown area are described as follows:

**Resort and Casino District** – Identified as the City’s original gaming district and home to a number of classic Las Vegas hotel-casinos, the Resort and Casino District serves as the activity and entertainment anchor for Downtown. Though this district acts as the most mature and intensely developed area, some new opportunities to reinforce the district’s identity may include:

- A high-profile site on the Main Street Station Casino surface parking lot for accommodating the growing needs of hospitality.





- Infilling the current site of Downtown Las Vegas Events Center for accommodating new civic and/or office spaces.
- Upgrading the “Fremont Street Experience,” and;
- Involving a place making and wayfinding system to guide tourists to destinations.

**Civic and Business District** - The Civic and Business District maintains a relatively strong civic center as it is home to various government facilities, businesses and professional offices. New opportunities to add density to the area and promote compact transit-oriented development surrounding the City Hall and Bonneville Transit Center may involve:

- A central park transformed from the vacant property opposite the City Hall at 1st Street/Clark Ave to provide a multi-purpose outdoor gathering space.
- Infilling and redeveloping the contiguous vacant parcels and blighted properties to offer diverse housing products and Class-A office spaces.
- Creating a vibrant civic center through crosswalk/streetscape enhancement, public art, and signage.
- Building a linear park on 3rd Street as an activity corridor linking the Resort & Casino District, new Central Park, and 18B Las Vegas Arts District; and
- Expanding the bicycle network and promoting a bike share system.

**18B Las Vegas Arts District** – Behaving as the creative heart of the city, the 18B Las Vegas Arts District is home to many of the city’s art galleries, resident artists, and local stores. However, underutilized and vacant land still exists in this area and offers an opportunity for investment. 3rd Street, Casino Center Boulevard, and Main Street are all underutilized and could offer a variety of improvements to the area. Strategies for further success may involve:

- Affordable housing including: live work lofts, mid-rise/high-rise condos, veterans housing, student housing, and temporary housing.
- The addition of creative office and incubator spaces.
- Civic and institutional uses including: a higher-education Downtown campus, a local art complex, art galleries, YMCA, Student Center, classrooms, and a K-12 school.
- Additional community park space including: creative greens, event spaces, student quad, and transit plaza; and
- Additional retail space including food & beverage and convenience retail.

**Symphony Park District** – Symphony Park has created an important cultural amenity with both the Smith Center and Children’s Museum and is adjacent other successful establishments including the Las Vegas Outlet Shops and World Market Center but the area lacks the connectivity or shared experience between them that could really bring the district to life year round. Strategies for connectivity may involve:

- Improved connections along and across the Union Pacific Railroad Right-of-way to more closely integrate Symphony Park with Downtown including new trails, a new bridge and expanded transit network.
- Significant residential housing that could include apartments and lofts oriented toward performers and artists; a mixed use neighborhood with both high and mid-rise formats as well as luxury housing and a research and learning hub near the Luo Ruvo Center.
- A hotel and conference center to complement the World Market Center; and
- Service retail as part of a mixed use neighborhood along with bars and restaurants.
- A Modern Art Museum is also proposed in the district adjacent to the Smith Center to complement the Arts-related cultural offerings near Downtown core and to serve the Downtown occupants and tourists at large.

**Fremont East District** – Fremont East has gained residents and shops through its popularity due to its proximity to the Resort and Casino District, but is in need of a more pedestrian friendly atmosphere for continued success and growth. Historic





conservation of housing stock is also important in this area and tools such as design standards and incentives for rehabilitation would be of great use to the district. Strategies for further improvement may involve:

- A central community green with services and amenities for families.
- Expanded retail and services including a small grocery store and community center etc. clustered near the community green.
- Additional multi-family housing including live/work and midrise/highrise workforce housing; and
- Addition of civic/institutional spaces possibly including a clinic, senior center, community center, or continuing education facility.

**Founders District** – With the potential to be one of the areas most well preserved residential neighborhoods, the founders district is in need of strong development controls to ensure continued preservation of the area. Additional strategies to maintain and improve the area may involve:

- A multi-modal transit station designed to accommodate a quick serve cafe, convenience store, ticket booth, bike share, trail connections, rest rooms etc.
- Mixed use residential including live/work and midrise/high-rise workforce housing.
- Additional retail amenities to enliven the area with a live/work/shop atmosphere including restaurants, cafes, and convenience retail; and
- Addition of creative office space along with civic/institutional uses such as a community center.

**DOWNTOWN PERIPHERAL DISTRICTS:**

**Cashman District** – The Cashman District has been a historical, cultural and civic employment hub for downtown Las Vegas historically, but suffers from the absence of a residential population and substantial programming to keep the community engaged in the area. The area is well-suited to become a mixed use community with a sports and entertainment core of activity that would attract residents and visitors. Strategies for this transition may involve:

- Building a soccer stadium and associated facilities.
- A transit plaza with BRT service, bike share and other support amenities acting as a gateway into the district; and
- Adding creative office and incubator spaces for R&D around the plaza with ground floor bars and restaurants, as well as service retail for the area.

**Gateway District** – The Gateway District establishes the southern gateway to downtown, though this area is mostly blighted residential. The landmark Stratosphere Tower has become the main attraction of the area though it is surrounded by predominantly auto-centric commercial uses and vacant parcels. Strategies to strengthen the Gateway may include the following:

- Rebranding the gateway to reinforce the landmark location as a Downtown Gateway.
- Promoting infill housing and community amenities while collaborating with BID for safety and cleaning; and
- Integrating a pedestrian gateway at Sahara & Las Vegas Boulevard.

**Medical District** – The Medical District though a significant healthcare and office node for the community, with the University Medical Center and Valley Hospital Medical Center is physically disconnected from the Downtown core. Strategies for improvement may involve according to the Las Vegas Medical District Facilities Master Plan:

- Promoting mixed-use residential/office/retail projects in the district.
- Expanding northward to incorporate more potential development spaces for medical retail services and medical supply/equipment manufacturing; and





- Strengthening the transit connection to the core through multi-modal transit connections.
- Branding and marketing the Medical District to further attract medical tech companies and new talent to the district.

**Historic Westside District** – The Historic Westside District is dominated mostly by low-rise residential neighborhoods and industrial zones. The neighborhood consists of a few historical sites, poor housing conditions, vacant parcels, and a lack of parks and amenities. The district is in need of environmental upgrades and social services. Strategies for improvement may involve according the Hundred Plan:

- Promoting contextual neighborhood infill with multifamily housing and appropriate amenities to stabilize the community.
- Conversion of vacant lots to pocket parks and community gardens.
- Preserving the historic Moulin Rouge Site and infilling a vocational school with accessible semi-public open space.
- Collaboration with BID for safety, cleaning and job training; and
- Amending local regulations to enable mixed-use in current industrial zones and bringing in flex offices and ground floor retail.

**Market District** – Visitors are drawn to the area by the dominant large scale uses such as the Las Vegas Premium Outlets and World Market Center Las Vegas, though the area lacks a consistent scale and connection to Symphony Park. Strategies for improvement may involve:

- Further reinforcing district identity via place making.
- Potentially developing the site north of World Market Center to create synergies with Symphony Park and The Smith Center.
- Improving pedestrian connections with Symphony Park and Clark County Government Center.

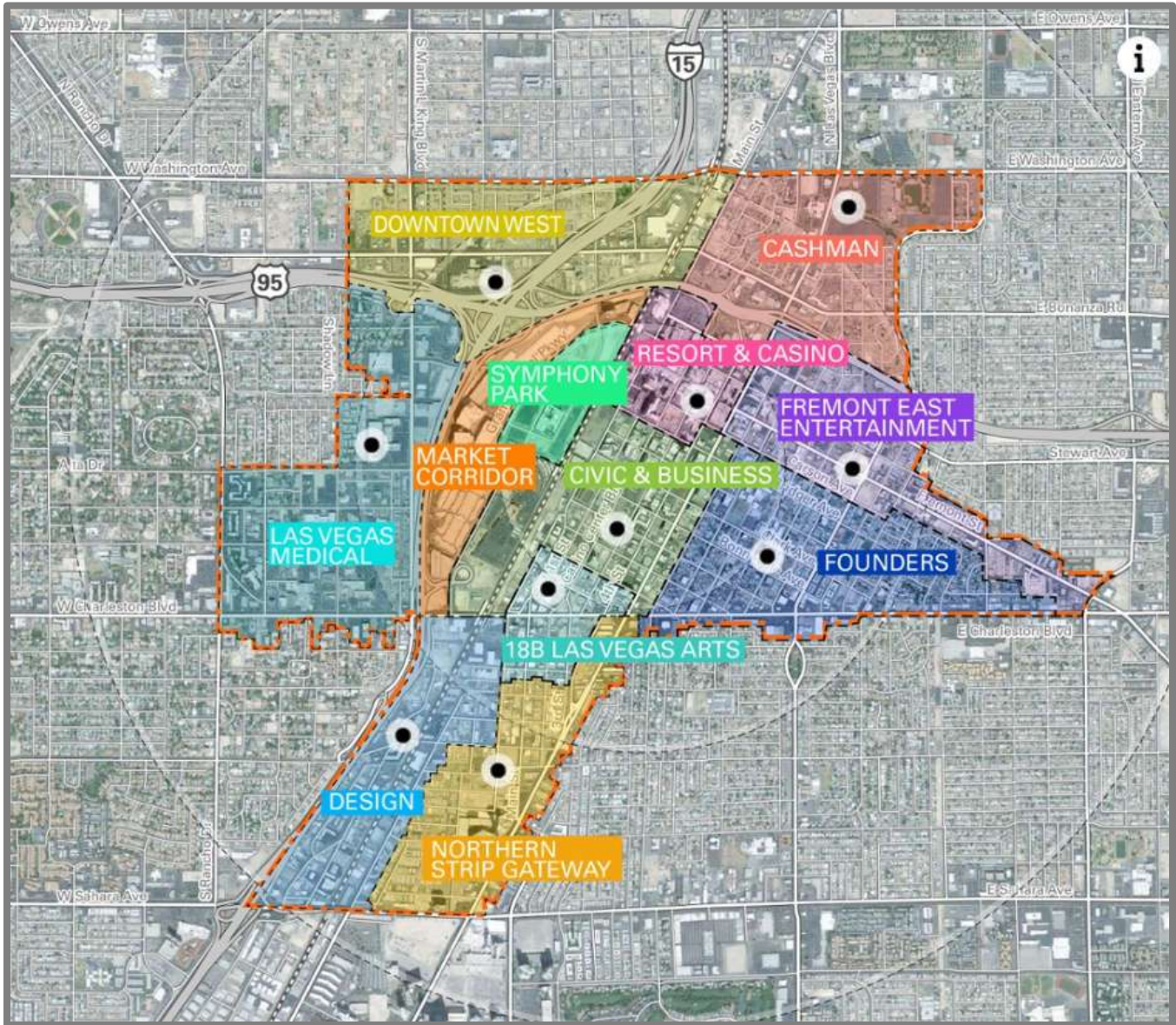
**Design District** – Currently characterized by a mix of commercial services, warehousing, storage, and industrial uses, the Design District is concentrated along the Union Pacific Railroad corridor with a significant employment base and many businesses servicing the casino and entertainment industry. Strategies for improvement may involve:

- Developing a Center of Sustainability as a showcase of Downtown’s sustainability initiative.
- Rebranding as a Design District to attract creative industries, namely fashion design, 3D printing, virtual gaming, filming etc; and
- Encouraging adaptive reuse of buildings something especially well-suited to the design industry.





DOWNTOWN DISTRICTS



MAJOR ECONOMIC INFLUENCES

Redevelopment efforts in Downtown started during the recession when Zappos CEO Tony Hsieh announced in 2010 that he was moving his company’s headquarters (and 1,000+ employees) into the former City Hall building and campus at the northwest corner of Las Vegas Boulevard and Stewart Avenue. Mr. Hsieh has also spent tens of millions of dollars purchasing land in and around the downtown core. He stated “In order for downtown to be walkable, you need connectivity and activation of things like retail, parks, restaurants and bars all within close proximity to each other, he said. “Even a single block that is not activated can prevent people from walking any further.” Tony stepped down as CEO in August 2020; Scot Schaefer is now CEO as of April 2022.





Mr. Hseih and others founded the Downtown Project (DTP) in January 2012. It is the umbrella under which an extensive portfolio of small business, tech, real estate, and other significant local investments are developed, coordinated, and managed. DTP has allocated/invested \$350 million towards this vision, resulting in more than 165 new businesses and more than 1,000 new jobs. Tony Hseih passed away in 2020. DTP Companies have stated they will carry on what Tony started and continue the development and growth in the downtown area.



The Fremont Street Experience is second only to the famed “Las Vegas Strip” in local notoriety. It is located on Fremont Street in the heart of downtown Las Vegas and runs east of Main Street and West of Las Vegas Boulevard. The Fremont Street Experience is a \$70 million open air pedestrian mall featuring permanent performance stages and live entertainment. The defining characteristic is a digital video display system over four blocks long under a 90-foot canopy. Known as Viva Vision, this light show combines state-of-the-art LED technology with 12.5 million light bulbs that is undergoing a \$32 million renovation for the end of year 2019. It also has zip lines and free concerts throughout the year. Some of Las Vegas’s most historic hotels are in located here including the Golden Nugget, Fremont Hotel & Casino, Four Queens, The D (formerly Fitzgeralds), Binion’s Horseshoe, California and The Plaza to name a few. Just outside the Fremont Street Experience is the Mob Museum, Main Street Station and the Downtown Grand. The first major hotel/casino in downtown in more than 40 years known as Circa Las Vegas is expected to open in 2020. This will have 777 hotel rooms and stand at 44 stories tall and 500 feet high. It will be the tallest hotel north of the strip.

Fremont East is a six-block, entertainment renovation project east of the Fremont Street Experience. In 2007, the Las Vegas Redevelopment Agency and local business owners committed \$5.5 million through a public-private partnership for a big make-over of the aging commercial district. Fremont East now is a pedestrian friendly community that combines diverse street-life, local businesses, eateries, side-walk cafes, bars and cocktail lounges, lively entertainment, retail, and residential living while preserving a historic gambling house.



Downtown is home to several prominent government buildings in the Central Business District including the newly constructed City Hall Building, Federal Courthouse, Clark County Office Building and Courthouse, Clark County Detention Center, U.S. Bankruptcy Court and the U.S. Small Business Administration. Prominent high-rise, non-government buildings are scattered throughout downtown including the Bank of America Building, Molasky Corporate Center, Bridger Building, Carson Building, Furniture Mart, Pawn Stars Building and many others. The downtown office and retail sectors typically enjoy occupancy levels that are among the highest in the Las Vegas Metro area. Residential houses to the south of the CBD towards Charleston Boulevard have largely been converted to professional offices popular among attorneys and accountants due to their proximity to the government buildings.

High Rise Projects in Downtown include Soho Lofts, Newport Lofts, Juhl and The Ogden (formerly Streamline). Although sales were difficult during the recession, sales at these towers have been steady in recent years. With the arrival of Zappos, land acquisitions, and new businesses arriving downtown, investor activity is increasing and new high-rise projects are being discussed.





Symphony Park is a 61-acre site converted from the Union Pacific rail yard from the early 1900s. The site is situated east of I-15 and west of the railroad tracks. It is zoned for mixed-use and the City of Las Vegas has plans for major office and retail development to take place on the site. The city-owned development was awarded Gold certification status under stage 2 by the U.S. Green Building Council (USGBC), through LEED® green building rating system. Recent developments include the Lou Ruvo Center for Brain Health staffed by the Cleveland Clinic opened in May 2010. The Smith Center, a \$470 million world-class performing arts center opened in March 2012. The Discovery Children’s Museum opened in March 2013. Additional plans

are inclusive of four districts including Civic District (The Smith Center and park areas), Specialty District (hospitality, retail and a hotel/casino), Residential District (mixed use, high density), and Medical Office District (office and clinic space). Upcoming development includes more than 600 future residential units in Aspen Heights and Southern Land Company, each having ground floor retail opportunities. Also, Convention Hotel AC Hotel by Marriott will feature 400 high-quality rooms, 20,000 square feet flexible ballroom and meeting space and ground floor retail restaurant. It opened in the fall of 2021.



The Arts District was established as an eclectic mix of unique stores, restaurants and art galleries within a short walk or ride from Fremont Street. Known as “18b” due to it containing 18 blocks, the area has now grown beyond those boundaries and is an urban mix of residential, commercial and cultural uses that make-up the local arts scene in Las Vegas. The premier event “First Friday” is a festival that draws up to 20,000 visitors to the neighborhood. The event is a festival environment with food and beverage vendors, music and an outlet where local artists can display and sell their works.



Las Vegas Premium Outlets is among the premier outdoor shopping malls in Southern Nevada. It has visibility and is located east of I-15 and west of Symphony Park. There are over 150 stores including top brands Armani Exchange, Ann Taylor, Burberry, Coach, GAP, Lacoste, Polo Ralph Lauren, TAG Heuer and others.

Container Park opened in 2013 as a family-friendly outdoor shopping, dining and entertainment attraction. Made completely of shipping containers stacked upon each other, this unique venue offers a variety of boutique shops and food outlets. There is a kids play area with a 30-foot slide and water area in the middle of the urban destination just a few blocks east of Fremont Street and Las Vegas Boulevard. There is an outdoor amphitheater for live shows.

A 53,855 SF movie complex known as Art Houz Theaters is located at 814 S. 3<sup>rd</sup> Street. It originally opened in the Fall of 2016 as Eclipse Theaters until it was sold in a foreclosure sale. It reopened in 2021 as Art Houz Theaters featuring 8-screens for first-run movies, food service, upscale bar and lounge with ground level retail shops, restaurant and parking. The property also offers special events hosting.

The northern portion of the neighborhood is within what is known as the Cultural Corridor. The Cultural Corridor Coalition is a downtown Las Vegas organization comprised of cultural institutions, local arts and culture professionals, neighborhood business owners and residents interested in promoting the six-block neighborhood along Las Vegas Boulevard between Bonanza Road and Washington Avenue. Important government and business organizations include the Cashman Center (home of the minor league soccer team Las Vegas Lights), Las Vegas Library, Las Vegas Natural History Museum, Las Vegas Shakespeare Company, Old Mormon Fort State Park and The Neon Museum.









within Symphony Park. These factors and its location in the center of the greater Las Vegas Metro area will ensure that downtown is a competitive business environment for years to come.





SITE AERIAL PHOTO





**SITE ANALYSIS**

The subject property is the proposed development known as Downtown Civic Center Plaza located south of the Las Vegas City Hall site encompassing a city block bound by Clark Avenue to the north, Bonneville Avenue to the south, 1st Street to the east and Main Street to the west in the downtown area of Las Vegas. It is surrounded by large government buildings including Las Vegas City Hall and parking garage, Las Vegas Municipal Court a motel and other mature downtown properties. The site has approximately 3.03 acres, or 132,000 square feet. It is zoned C-2, General Commercial under the jurisdiction of the City of Las Vegas.

The subject site is economically influenced by its immediate surroundings. Adjacent land uses are illustrated in the table below:

ADJACENT LAND USES	
DIRECTION	USE
North	Las Vegas City Hall, Office Buildings, Retail and Hotel
South	Motel, General Office, Retail and Parking Lots
East	Las Vegas Municipal Court, Office Buildings, government buildings
West	City of Las Vegas Parking Garage, Unmarked Government Building, Railroad Tracks

The subject property is in the downtown area of Las Vegas. Adjacent uses include professional office buildings, government office buildings, parking garages, retail storefronts, and mature office buildings. It is across from Las Vegas City Hall. Adjacent land uses shown in the table above generally compliment the site for its current use.

**GENERAL SITE CHARACTERISTICS**

Net Land Area (Acres)	3.03 Acres
Net Land Area (SF)	132,000 Square Feet
Excess Land (SF)	N/A
Surplus Land (SF)	N/A
Corner Influence	Yes
Shape	Rectangular

The client stated that we were appraising two proposed retail suites within the proposed project known as Civic Center Plaza on the city block encompassing Assessor Parcel No's 139-34-311-001 thru 007; 139-34-210-014 thru 016; 139-34-311-018 thru 022 and 139-34-210-017 thru 018. These parcels are to be assembled into a single parcel. No site survey or plan was provided. Our site area measurement of 3.03 acres is based on the appraiser's aerial estimate (440 feet x 300 feet) and is assumed accurate. The subject has a site size and shape that accommodates a variety of commercial uses.

The site is presently undergoing redevelopment and there was on-site grading and excavation being done at the time of inspection in preparation for the development of Civic Center Plaza.

**LAND CONDITIONS**

Topography	Level
Soil Conditions	Unknown/Assumed Adequate
Flood Zone	Zone X
Flood Zone Map No.	32003C2170F





Flood Map Effective Date	November 16, 2011
Seismic Hazards	None indicated
Environmental Issues	None known

The subject property is level, at street grade. It is within Flood Zone X, characterized as an area not prone to flooding and outside the 100-year flood plain.

We were not provided with an Environment Assessment. Nor did we observe or search for any potentially hazardous substances including lead paint, asbestos, urea formaldehyde foam insulation or any other potentially hazardous construction materials on the site. It is possible that the existence of such materials could have a detrimental impact on the property and we recommend that a qualified environmental engineering firm be contacted before making any financial decisions regarding the subject property.

**STREET IMPROVEMENTS**



Road Frontage	See Comments
Secondary Road Frontage	See Comments
Finished Road Frontage	Yes
Number of Traffic Lanes	2 (in each direction)
Finished Curbs/Sidewalks	Yes
Streetlight Signalization	Yes
Ingress/Egress	Average
Visibility	Good
Traffic Count	12,800
Traffic Counter Location	Main / Clark

The site is under development and there was some excavation and grading being completed at the time of inspection. The site is bound by Clark Avenue to the north, Bonneville Avenue to the south, 1st Street to the east and Main Street to the west. Off-site improvements include paved frontage roads, curbs, gutters, sidewalks and adequate street lighting. There is a stoplight at each of the 4 corners of the site.

**UTILITIES**

Availability of Utilities	All to site
---------------------------	-------------

**UTILITY PROVIDERS:**

Electricity	NV Energy
Water	City of Las Vegas
Sewer	City of Las Vegas
Natural Gas	Southwest Gas
Trash	Republic Services
Telephone	CenturyLink

**EASEMENTS/ENCROACHMENTS**

There are no known detrimental easements or encumbrances on the site. Only typical utility easements are known to exist on the site.





**RECIPROCAL PARKING**

The subject property is not known to have reciprocal agreements with adjacent land owners.

**DEED RESTRICTIONS**

The appraisers were not provided with a title report for the subject property. We are unaware of any public or private deed restrictions that limit the subject’s current use. It is beyond the scope of this appraisal to discover and analyze any such restrictions. It is recommended that a title report be obtained to determine whether or not any restrictions exist to determine any potentially adverse impact on the property. Deed restrictions are legal matters and it is suggested that a title company, or attorney, be procured to uncover restrictive covenants before any financial decisions are made regarding the subject property.

**ZONING**

The following table illustrates the zoning and legal considerations as they relate to the subject property. They have a direct impact on site utility and development potential.

<b>ZONING AND LEGAL CONSIDERATIONS</b>	
Zoning Code	C-2, General Commercial
Zoning Jurisdiction	City of Las Vegas
Zoning Comments	The C-2 District is designed to provide the broadest scope of compatible services for both the general and traveling public. This category allows retail, service, automotive, wholesale, office and other general business uses of an intense character, as well as mixed-use developments.
Current Use	Mixed Use, Retail, Office
Legal Conformity	The subject is a legal and conforming use

The appraisers are not experts in the interpretation and analysis of complex zoning ordinances. However, general commercial and mixed-retail uses are permitted on the site. The subject’s proposed improvements appear to be a legal and conforming use of the site. Establishing the legal compliance to all zoning, master plan and overlay requirements is beyond the scope of this appraisal. We recommend that planning and zoning officers within the subject’s local jurisdiction be contacted if further clarification is required.

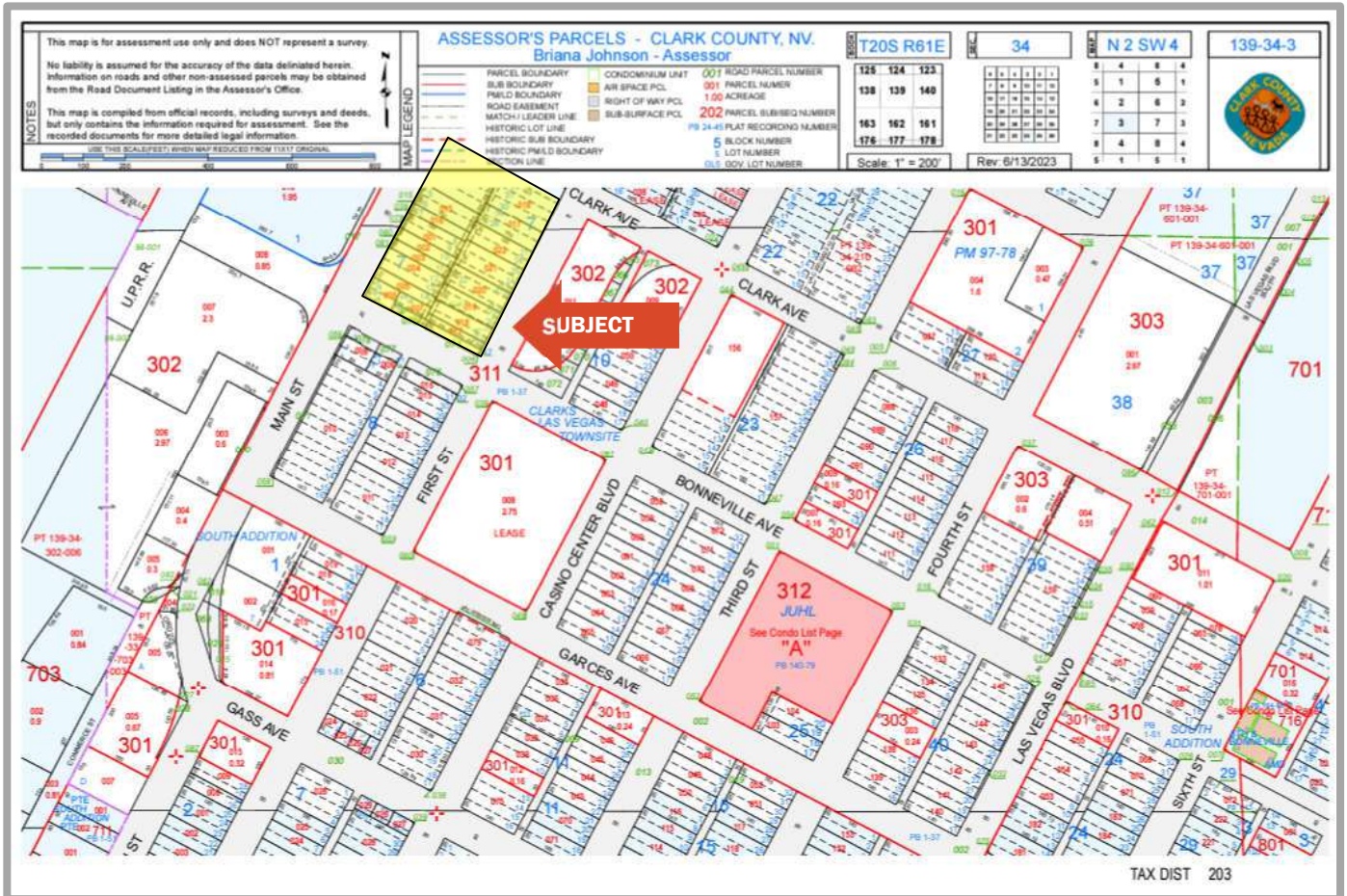
**SITE FUNCTIONALITY AND CONCLUSION**

The site contains approximately 3.03 acres and is level with the fronting street. It is the proposed side for a large-scale mixed-use project known as Civic Center Plaza. It is in a downtown area of Las Vegas near City Hall with few infill sites and redevelopment occurring in the neighborhood. The site has a functional size and shape to accommodate a variety of commercial uses based on its C-2, General Commercial zoning. Surrounding streets include Clark Avenue, Bonneville Avenue, 1st Street and Main Street. The site is presently undergoing redevelopment and there was on-site grading and excavation being done at the time of inspection in preparation for the development of Civic Center Plaza. Based on the site’s physical and economic characteristics, we rate the site as good with favorable opportunities for redevelopment.





PARCEL MAP





**PROPOSED IMPROVEMENT ANALYSIS**

The subject property is the proposed development known as Civic Center Plaza located south of the Las Vegas City Hall site encompassing a city block bound by Clark Avenue to the north, Bonneville Avenue to the south, 1st Street to the east and Main Street to the west in the downtown area of Las Vegas. It is surrounded by large government buildings including Las Vegas City Hall and parking garage, Las Vegas Municipal Court, a motel and other mature downtown properties. Civic Center Plaza represents one of the largest-scale projects in downtown in several years. It is a proposed mixed-use redevelopment site incorporating Class A office and retail portions along with a large grassy area for staging events in the park. The City of Las Vegas will schedule various events and festivals in the center. It will have a west tower, east tower and pavilion with a combined 273,070 square feet. The client has requested that we analyze the fair market rent for two ground floor retail spaces in the center containing 2,547 square feet in Building 1 and 2,630 square feet in Building 2. The site has approximately 3.03 acres, or 132,000 square feet. It is zoned C-2, General Commercial under the jurisdiction of the City of Las Vegas.

**PROPERTY ATTRIBUTE SOURCES:**

IMPROVEMENT SOURCES	
ITEM	SOURCE
Subject Site Information	County Assessor
Legal Description	City of Las Vegas
Construction Data	County Assessor
Gross Building Area	City of Las Vegas
Rentable Area	City of Las Vegas
Tenant Space	City of Las Vegas

**GENERAL PROPERTY DESCRIPTION**

Building Investment Classification <sup>4</sup>	A
Year Built	2023
Number of Buildings	2
Number of Stories	6 Floors (West Tower) / 5 Floors (East Tower)
Gross Building Area (SF)	273,070 SF
Rentable Area (SF)	273,070 SF
Number of Tenant Spaces	TBD
Occupancy at Inspection	0%

The property being appraised will consist of two retail spaces: a 2,547 SF ground level retail space in Building 1. A second space is a 2,630 SF ground level retail space in Building 2. The client is anticipating the suites to be marketed with a likely user such as a fast casual restaurant or a fresh market style concept.

<sup>4</sup> The reader should not confuse building investment classification with construction classification. Building investment classifications (A, B or C) refer to how a property is perceived in the market among prospective buyers and investors. It generally considers a property's economic and physical attributes. Construction classifications (A, B, C, D, H, M, P, S and W) refer to a property's building materials including type of framing, walls, floors, roof structures and fireproofing.







**CONSTRUCTION DETAILS**

Foundation	Slab
Exterior Walls	Steel Frame
Roof Cover	Flat, Built-up
HVAC	Forced Air
Electrical	Assumed Adequate

Upon completion, the subject property will have steel frame construction. Marshall & Swift classifies it as having A - Structural Steel construction materials. No finish details were provided; however, it is reasonably assumed that the floors, ceilings, windows, lighting, plumbing, restrooms, elevators and fire protection will be of a high quality considered typical for a Class A office/retail building in a downtown setting. Only limited architectural plans were provided. The anticipated date of completion for Building 1 is December 2024 and for Building 2 is the Spring of 2025.

**EXTERIOR**

Parking Lot	Common Area Grounds and Pavilion
Lighting	Pole Lighting/Building Mounted

**CONDITION/DEFERRED MAINTENANCE**

Deferred maintenance is curable, physical deterioration that should be corrected immediately. While the immediacy of need is inherent and exists, it does not necessarily suggest inadequate maintenance in the past.

Upon completion, the improvements will be in good condition with no items of deferred maintenance.

**ECONOMIC AGE AND LIFE**

Upon completion, the subject property will have an estimated effective age that is newer than its actual age. Our estimate is illustrated below:

>>Total Economic Life	70 Years
>>Estimated Effective Age	0 Years
>>Remaining Economic Life	70 Years

**PERSONAL PROPERTY/FF&E**

No personal property has been considered in this analysis.

**ADA COMPLIANCE**

The Americans with Disabilities Act (ADA) was enacted January 26, 1992. The scope of work does not require a specific survey or analysis of the property in order to establish compliance with specific measures of the ADA. We were not provided with a compliance survey. If discovered, non-compliance of one or more of the ADA requirements could potentially have a negative impact on value.

**FUNCTIONAL UTILITY AND CONCLUSION**

Civic Center Plaza is a proposed mixed-use office and retail center in downtown Las Vegas that is in the early stages of development. It is presently in the grading and excavation stage. Once complete, the project consist of two buildings and a pavilion with 273,070 SF of office and retail space plus a grassy area for outdoor events and festivals. This is a major redevelopment project expected to attract more tenants and visitors to downtown. We are appraising two retail suites on the





ground floor of the two buildings. They will be well accepted in the local downtown market area drawing customers from both the mixed-use project and from visitors to the grounds in the plaza.



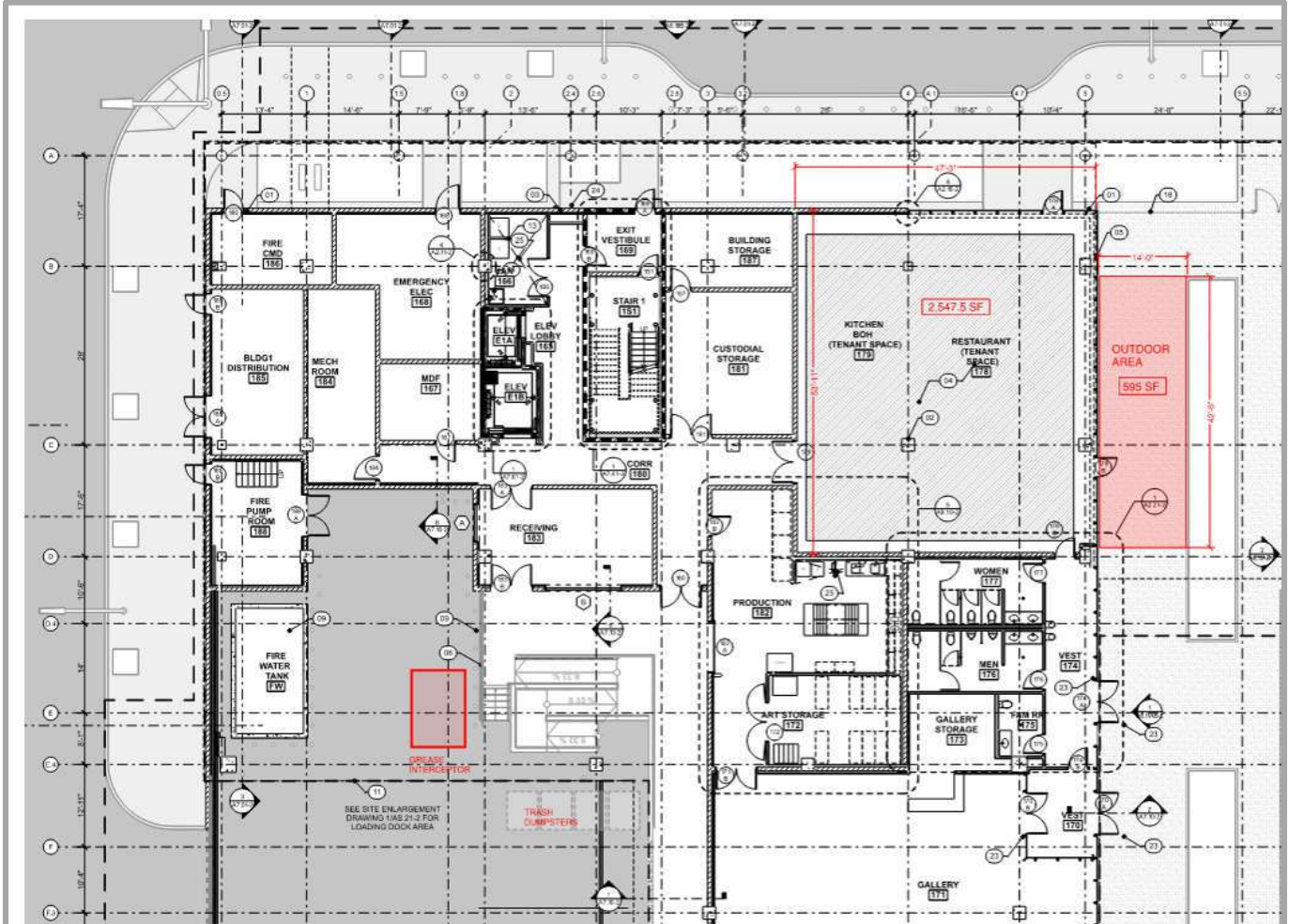


### CIVIC CENTER PLAZA SITE PLAN





BUILDING ONE FLOOR PLAN (1<sup>ST</sup> FLOOR)

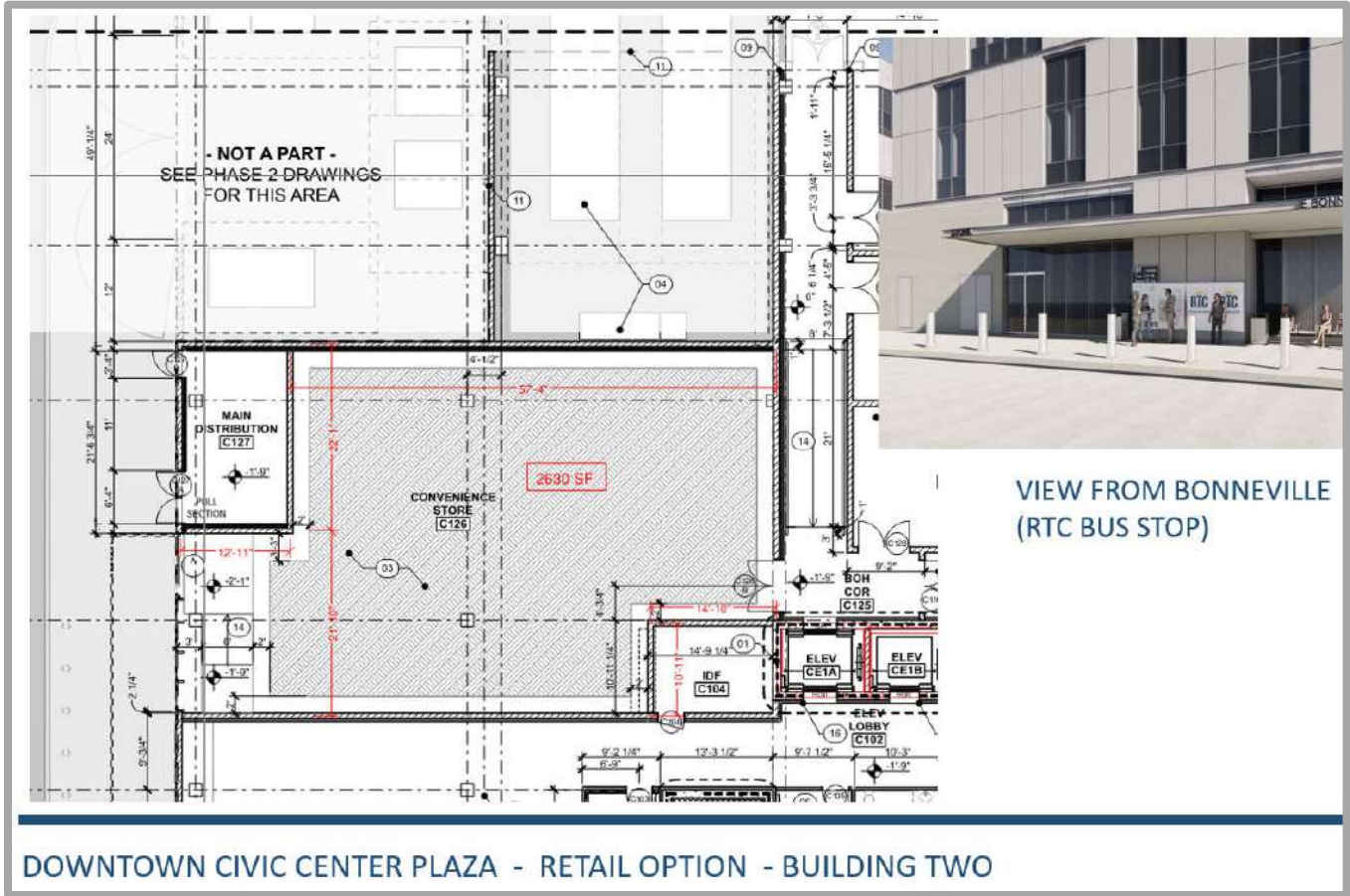


DOWNTOWN CIVIC CENTER PLAZA - CONCESSION OPTION - BUILDING ONE





**BUILDING TWO FLOOR PLAN (1<sup>ST</sup> FLOOR)**



VIEW FROM BONNEVILLE  
(RTC BUS STOP)

DOWNTOWN CIVIC CENTER PLAZA - RETAIL OPTION - BUILDING TWO





**RETAIL MARKET ANALYSIS**

The market analysis provides the reader with current trends on a regional market area, as well as within the subject’s submarket. Specifically, trends such as absorption, vacancy, lease signings, rental rates, deliveries and vacancies, inventory and sales activity are all discussed in further detail. CoStar is the leading research firm for Retail properties in the market. The following material and research are provided by The CoStar Retail Report, published quarterly.

CoStar calculates retail statistics using CoStar Group’s base of existing, under construction and under renovation retail buildings in each given metropolitan area. Retail building classifications are included such as General Retail Centers, Power Centers and Shopping Centers, in both single-tenant and multi-tenant buildings, including owner occupied buildings.

**LAS VEGAS OVERVIEW**

Few retail markets in the country depend on tourism as much as Las Vegas, and the recent travel boom has benefited the entertainment capital. Convention attendance increased by more than 30% annually and 20% versus 2019 levels per the latest data release from the Las Vegas Convention and Visitor’s Authority. Gaming revenue in the state of Nevada exceeded \$1 billion for a record 23 consecutive months in January, and taxable sales in Clark County are up more than 10% annually based on the latest quarterly data.

Las Vegas's economic performance correlates with its retail metrics: the vacancy rate has compressed by roughly 150 basis points since 20Q1 thanks to consistent demand and minimal new construction. Although annual rent growth is decelerating like the national trend, gains are still outperforming the U.S. benchmark by roughly 200 basis points.

Construction remains below the market's historical average and is heavily concentrated in and around the Las Vegas Strip. In the suburbs, development has typically been limited to neighborhood and strip centers as well as drive-thru QSRs, which have outperformed thanks to Las Vegas's fast-paced commuter culture.

Investment activity for Las Vegas retail assets has noticeably slowed following the sharp rise in interest rates post-Labor Day, catching many investors offguard. Sales volume has decelerated for three consecutive quarters dating back to 22Q3, while upward pricing pressure has also appeared to have subsided. The biggest retail trade since Labor Day involved a portfolio of auto dealerships in the Southwest area, suggesting many potential investors are weary of buying at the top of the market while recession risks continue to rise.





KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	9,841,663	6.5%	\$73.83	4.4%	(75,536)	0	0
Power Center	13,226,200	4.2%	\$30.55	5.1%	93,637	0	0
Neighborhood Center	42,813,219	6.9%	\$25.50	7.5%	63,039	21,119	49,820
Strip Center	11,375,719	7.2%	\$24.77	7.8%	(16,263)	20,062	101,850
General Retail	40,039,141	2.8%	\$28.76	3.7%	(2,239)	36,413	1,162,736
Other	3,166,095	7.9%	\$36.92	2.3%	(5,802)	0	0
<b>Market</b>	<b>120,462,037</b>	<b>5.3%</b>	<b>\$31.29</b>	<b>5.6%</b>	<b>56,836</b>	<b>77,594</b>	<b>1,314,406</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	7.4%	5.7%	11.1%	2011 Q2	2.5%	2005 Q3
Net Absorption SF	555K	1,433,378	867,054	5,983,043	2007 Q4	(1,315,009)	2009 Q1
Deliveries SF	736K	1,731,916	1,257,255	7,019,510	2007 Q4	152,380	2013 Q1
Rent Growth	8.0%	0.5%	3.5%	10.3%	2022 Q1	-11.7%	2010 Q1
Sales Volume	\$3.2B	\$1.3B	N/A	\$4.6B	2016 Q4	\$185.4M	2009 Q4

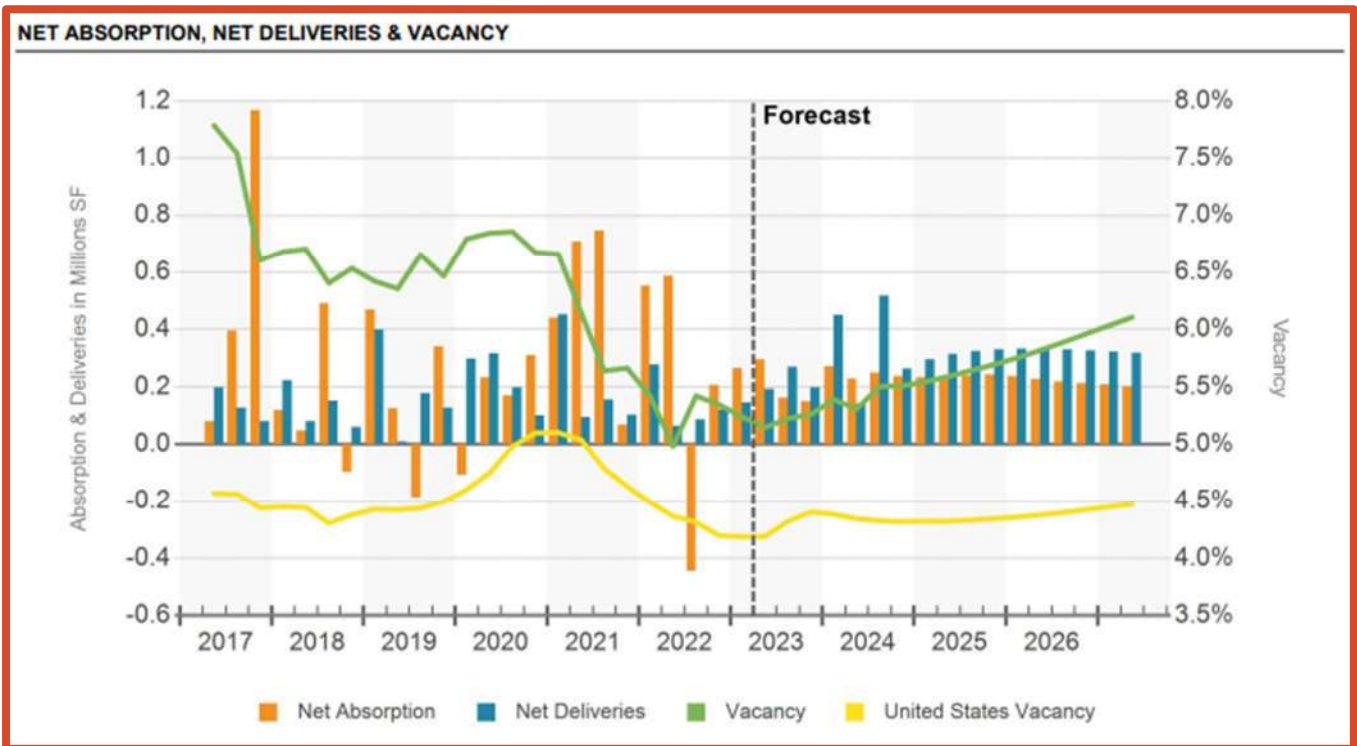
LEASING

The Las Vegas retail market continues to exhibit strength in the face of broader economic headwinds. The growing population coupled with a robust rebound in tourism is boosting consumer and tenant demand alike. Absorption has outpaced deliveries in four of the past five quarters, compressing the vacancy rate which currently registers at 5.3%.

Pandemic shutdowns that closed casinos, restaurants, and nonessential businesses led to a substantial number of job losses that employers are now finding challenging to fill. Las Vegas' high concentration of jobs in leisure and hospitality became a weakness instead of a strength, but fiscal and monetary stimulus kept occupancy and rent collection relatively stable. With casinos and other businesses benefiting from the recent surge in travel, a significant portion of laid-off workers have returned to the workforce, but not all.

Several of the biggest recent leases include Boulevard Home's 101,000 SF space at Rancho Sierra Shopping Center in North Las Vegas, Patio Outdoor Furniture's 59,000 SF space at Horizon Pointe in Henderson, and Burlington's 32,000 SF space at Deer Springs Town Center II in North Las Vegas.







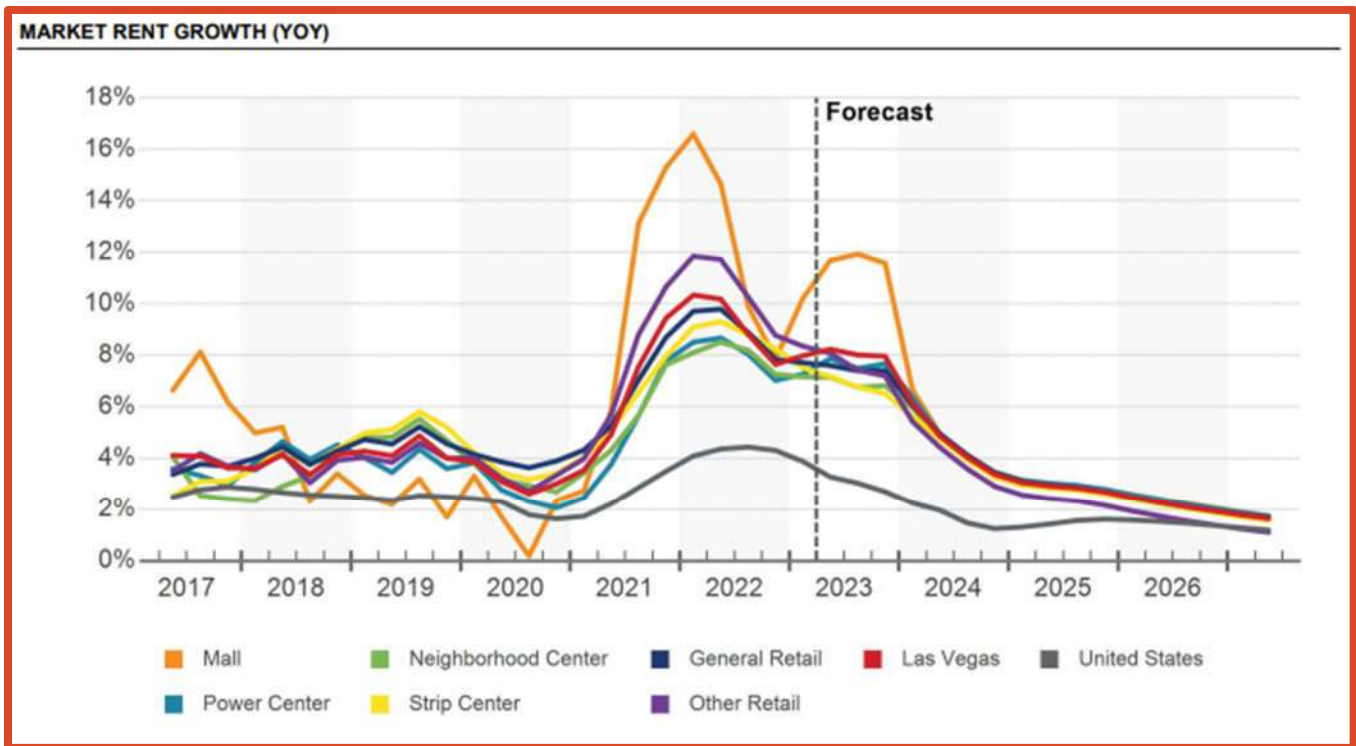


### RENT

Despite being one of the most impacted markets by pandemic shutdowns, the recovery in Las Vegas retail rents has been one of the best in the U.S. Annual rent growth in Las Vegas remains robust at about 8.0%, but is decelerating compared to gains of 10.2% four quarters ago. The Baseline forecast calls for positive rent growth to continue while outperforming most major U.S. metro.

Malls are posting rent gains of 10.7% and also have the highest rents in the metro by a considerable margin. This is not surprising given that the majority of the top malls in Las Vegas are located in the Resort Corridor Submarket, which covers the Las Vegas Strip. Market rents in the Resort Corridor are more than double the metro average at around \$74/SF.

Despite strong rent gains over the past several years, rent levels have only recently recovered from the losses sustained during the Great Financial Crisis. Rents are unlikely to face pressure from oversupply, and tightening market conditions could continue to push rents higher, albeit at a more moderate pace.



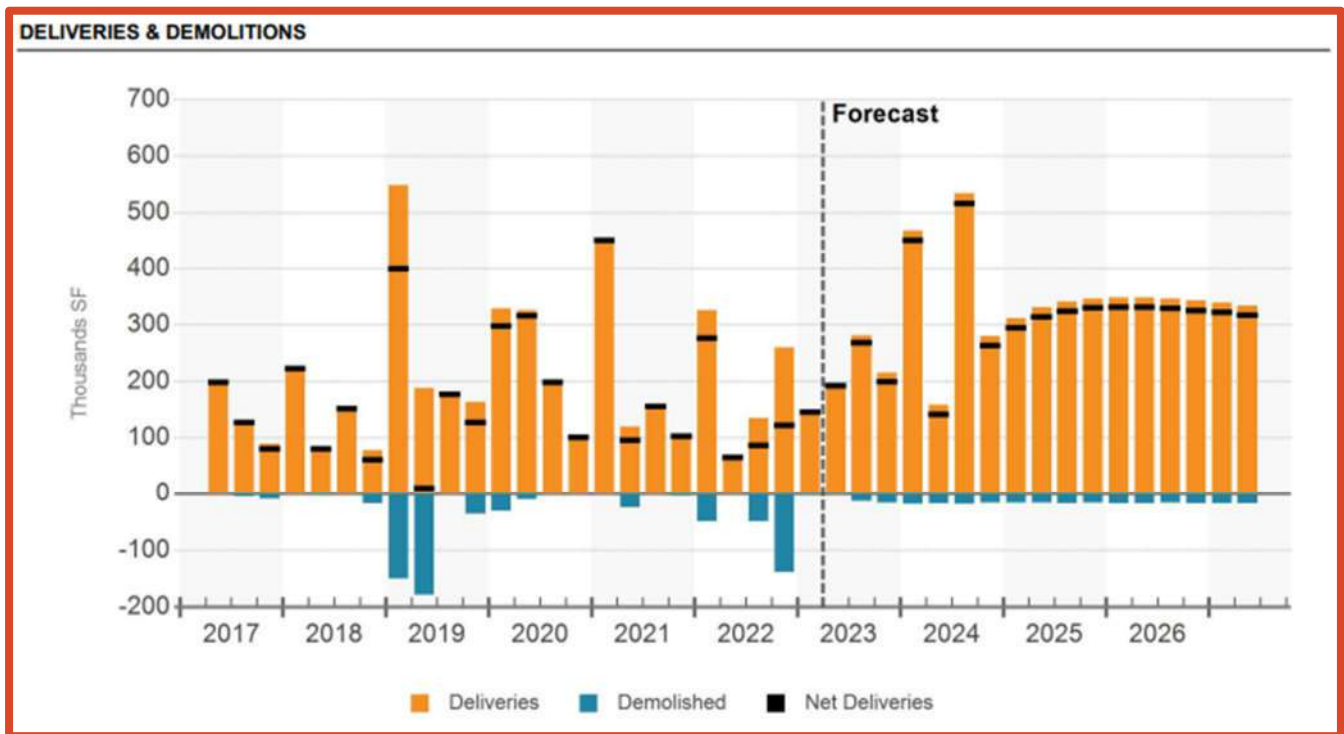


**CONSTRUCTION**

Retail development in Las Vegas traditionally comes in fits and starts. Annual net completions averaged approximately 840,000 SF annually from 2010–19, compared to around 4 million SF from 2000–09, peaking at nearly 7 million SF in 2007. Approximately 1.3 million SF of new retail space is under construction, with all but a handful of properties under 50,000 SF in size. The lack of supply pressure turned out to be a positive for the market as vacancy never eclipsed 7% during the pandemic downturn. In comparison, vacancy reached double digits in the years following the Great Financial Crisis.

Outside of the Strip, some of the largest projects are in the fast-growing Southwest and Southeast Las Vegas and Central West Las Vegas submarkets. The 300,000- SF Village at St. Rose Parkway is near the Las Vegas Raiders' state-of-the-art practice facility. Near the Strip, the 200,000-SF AREA15 has space for a collection of experiential retail, along with an outdoor space for events. Roughly 100,000 SF of retail space is slated for the UnCommons mixed-use project, where multifamily and office space is also underway.

The retail market was hit hard by the last recession and vacancies soared as a lot of newly built properties stood empty. One outcome of that is that speculative retail development has been limited over the past decade compared to prior cycles. Approximately 75% of the retail space under construction is preleased and many of the proposed projects in Las Vegas are waiting on tenants prior to moving forward.



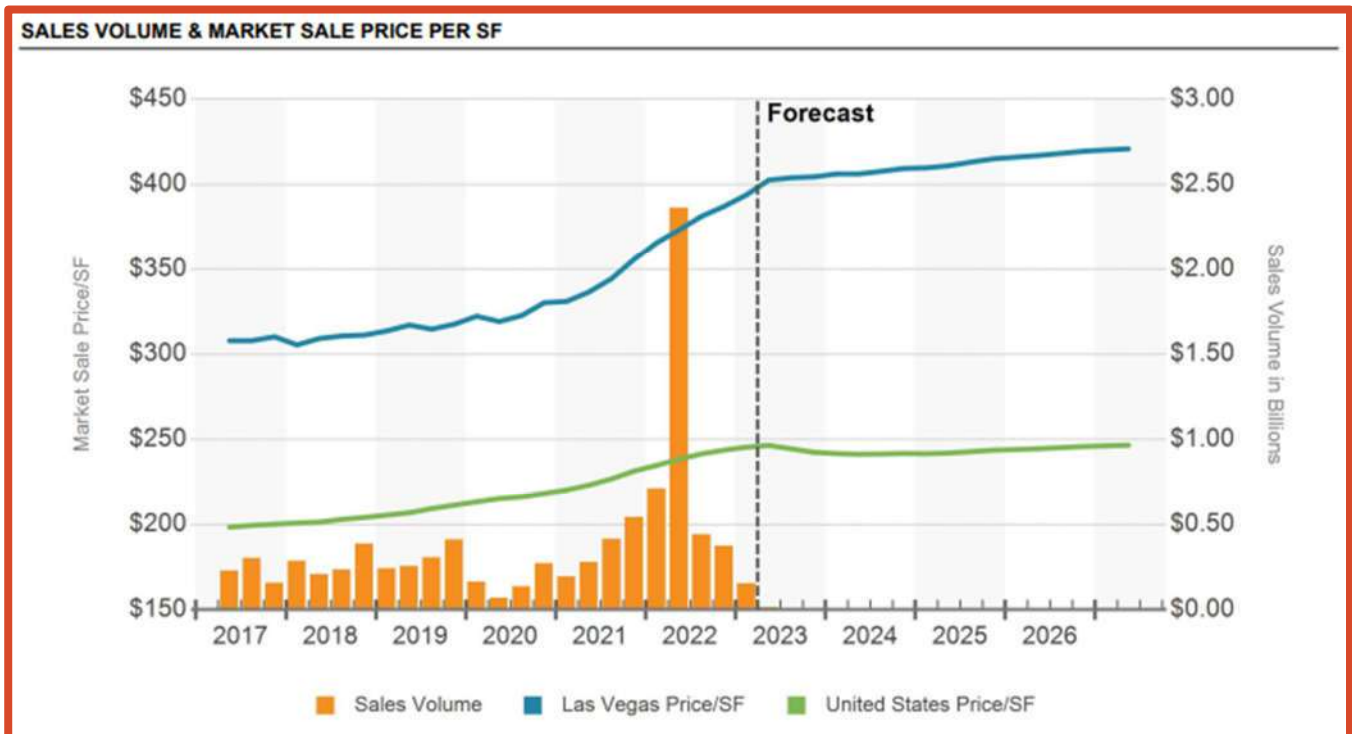


**SALES**

Approximately \$2.6 billion in sales volume was recorded in the past 12 months, but investment activity has slowed substantially since interest rates rose aggressively in the second half of 2022. The market average price per SF is currently \$400 and the average cap rate is 5.8%.

Recent sales volume has been driven by one outsized transaction. In April, VICI properties acquired the Shoppes at Mandalay Bay as part of a bulk portfolio trade from MGM. The portfolio included 16 properties across the U.S. and was valued at \$17.2 billion (\$387/SF). VICI's purchase was for a leasehold interest in the Shoppes at Mandalay Bay.

One of the biggest trades in the past 12 months was a private buyer's acquisition of a portion of Desert Marketplace in Southwest Las Vegas. A total of 163,000 SF traded for \$50.5 million (\$309/SF) in January. Tenants included HomeGoods, Petco, TJ Maxx, and Smith's Food and Drug. Kite Realty Group Trust also purchased a portion of another retail center. In February, the Indiana-based firm paid \$44.1 million (\$513/SF) for three buildings at Pebble Marketplace. The property was fully occupied at the time of sale.

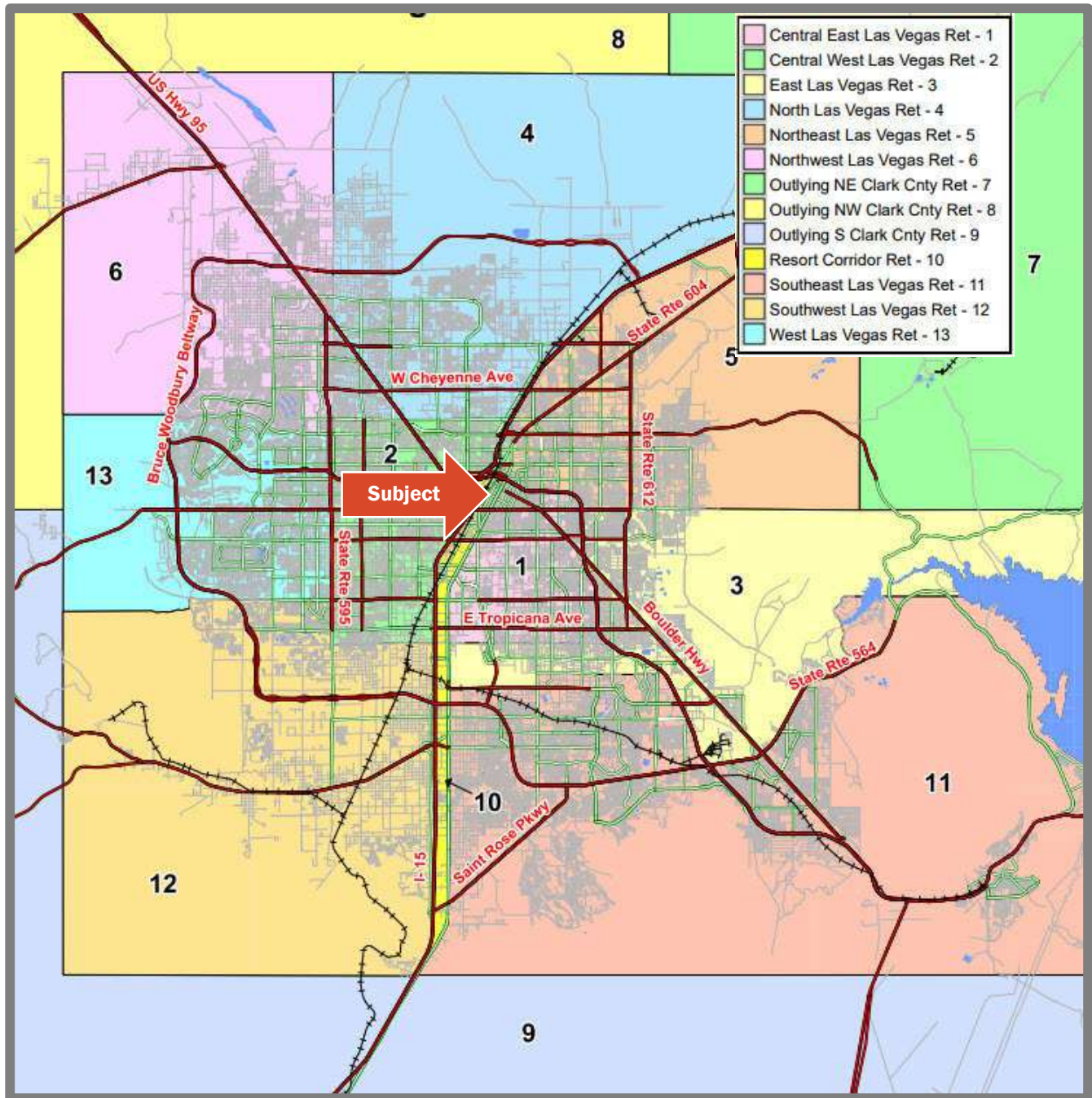




**SUBMARKET OVERVIEW**

CoStar identifies submarkets in the Greater Las Vegas Metro area based on geographic regions throughout the market area. They are shown in the following map:

**RETAIL SUBMARKET MAP**



The overall retail statistics from the submarkets are illustrated below:





**RESORT CORRIDOR SUBMARKET**

Vacancy in the Resort Corridor retail submarket is 4.6% and has decreased 0.4% over the past 12 months. During this period, 66,000 SF has been removed from inventory, and there has been 25,000 SF of negative absorption.

Rents are around \$77/SF, which is a 9.7% increase from where they were a year ago. In the past three years, rents have increased a cumulative 31.5%.

About 140,000 SF is under construction, representing a 1.5% expansion of inventory. In the past year there have been 15 sales, and the market sale price is now \$779/SF, higher than its trailing three-year average of \$709/SF.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	2,786,778	2.0%	\$153.18	0%	0	0	0
Power Center	1,117,650	16.0%	\$42.04	24.8%	(9,613)	0	0
Neighborhood Center	132,558	0%	\$37.94	0%	0	0	0
Strip Center	320,759	9.0%	\$25.73	8.0%	0	0	0
General Retail	3,663,935	4.5%	\$46.62	5.9%	(34,450)	0	135,815
Other	1,210,328	0%	\$46.40	0%	0	0	0
<b>Submarket</b>	<b>9,232,008</b>	<b>4.6%</b>	<b>\$76.91</b>	<b>5.6%</b>	<b>(44,063)</b>	<b>0</b>	<b>135,815</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	4.6%	5.3%	7.0%	2013 Q2	1.0%	2007 Q3
Net Absorption SF	(25.2K)	73,037	87,200	825,761	2007 Q4	(200,077)	2011 Q4
Deliveries SF	4.1K	102,418	113,781	1,003,015	2007 Q4	0	2019 Q2
Rent Growth	9.7%	1.2%	3.9%	15.3%	2022 Q1	-12.4%	2009 Q4
Sales Volume	\$1.9B	\$274.5M	N/A	\$2.4B	2016 Q4	\$0	2010 Q1

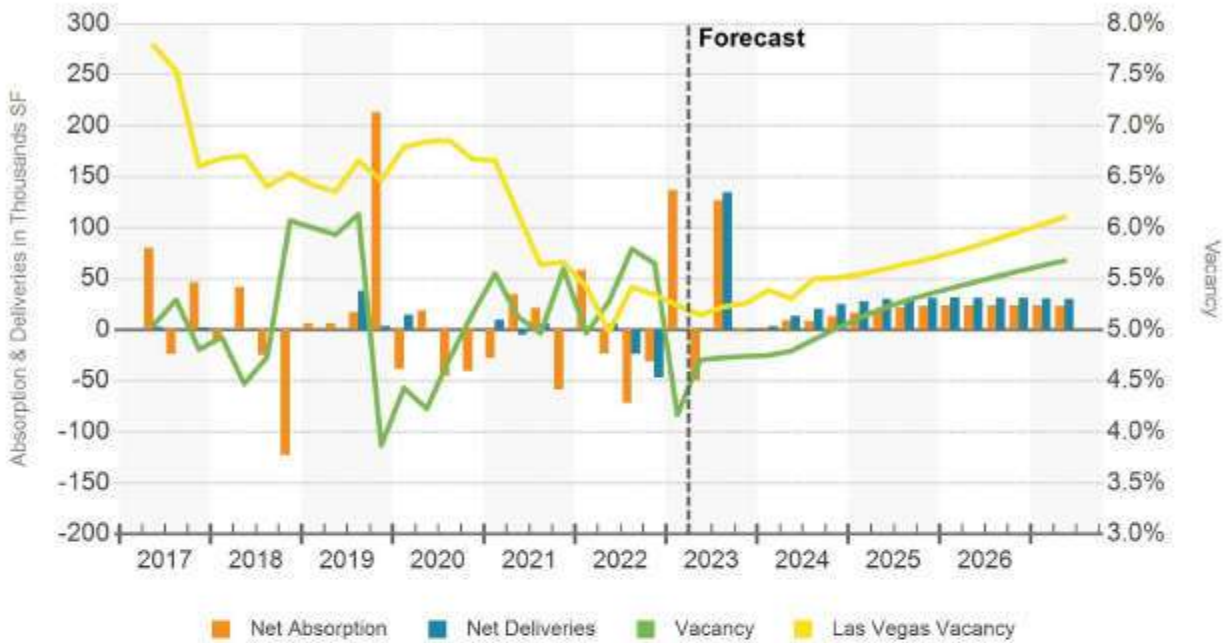




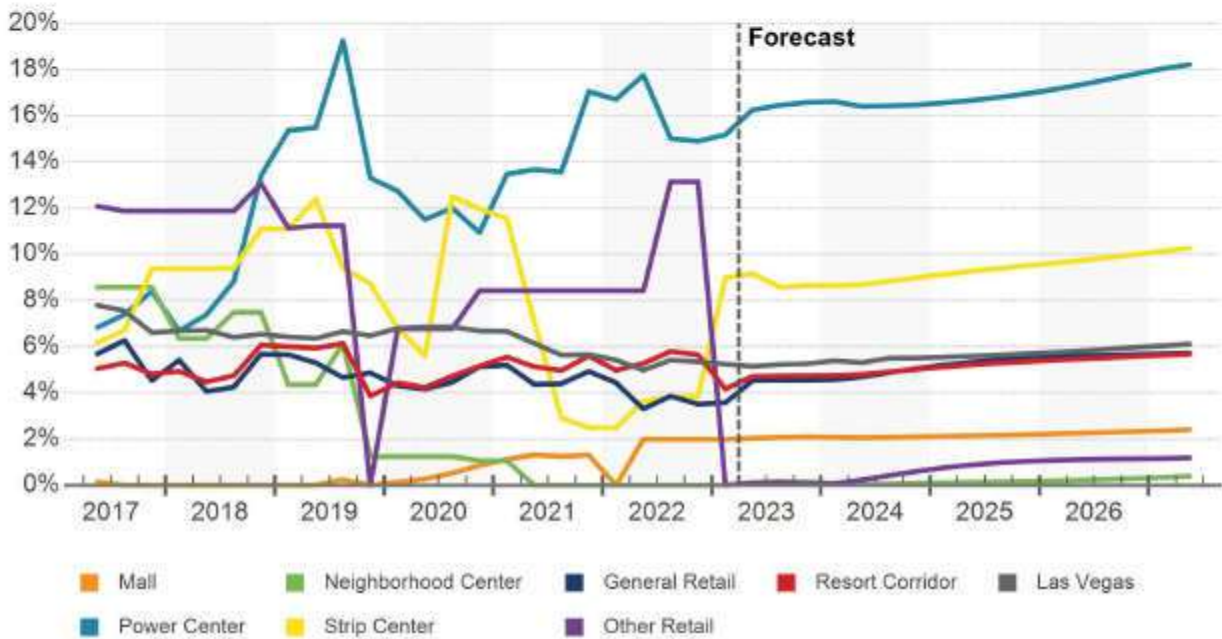
# Leasing

## Resort Corridor Retail

### NET ABSORPTION, NET DELIVERIES & VACANCY



### VACANCY RATE

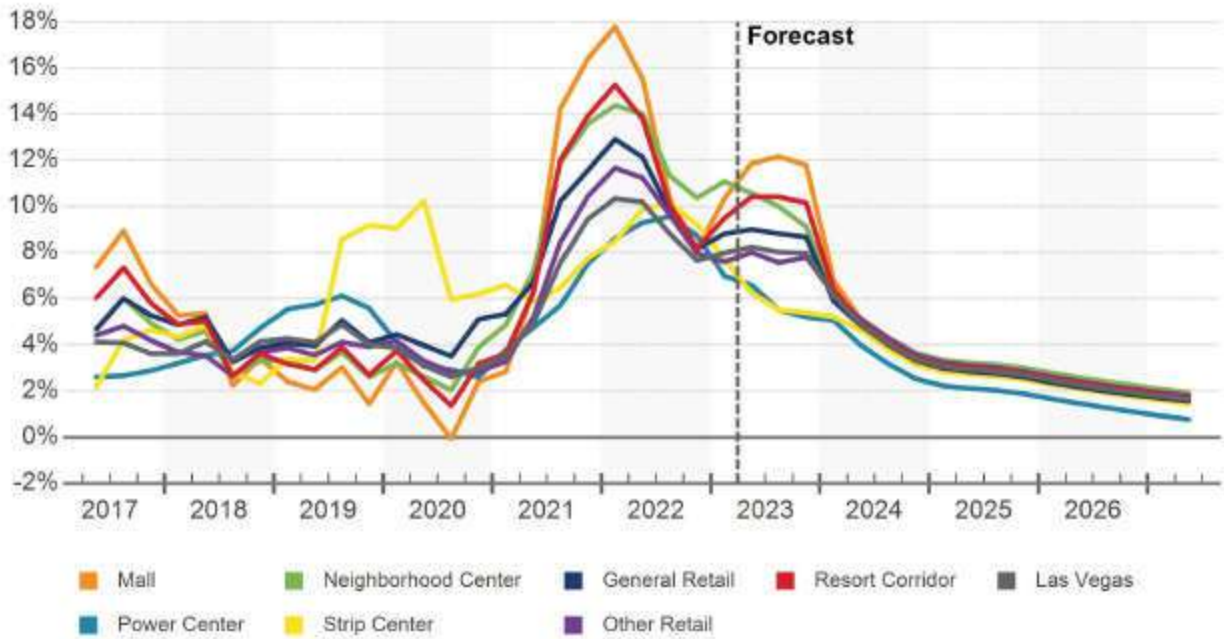




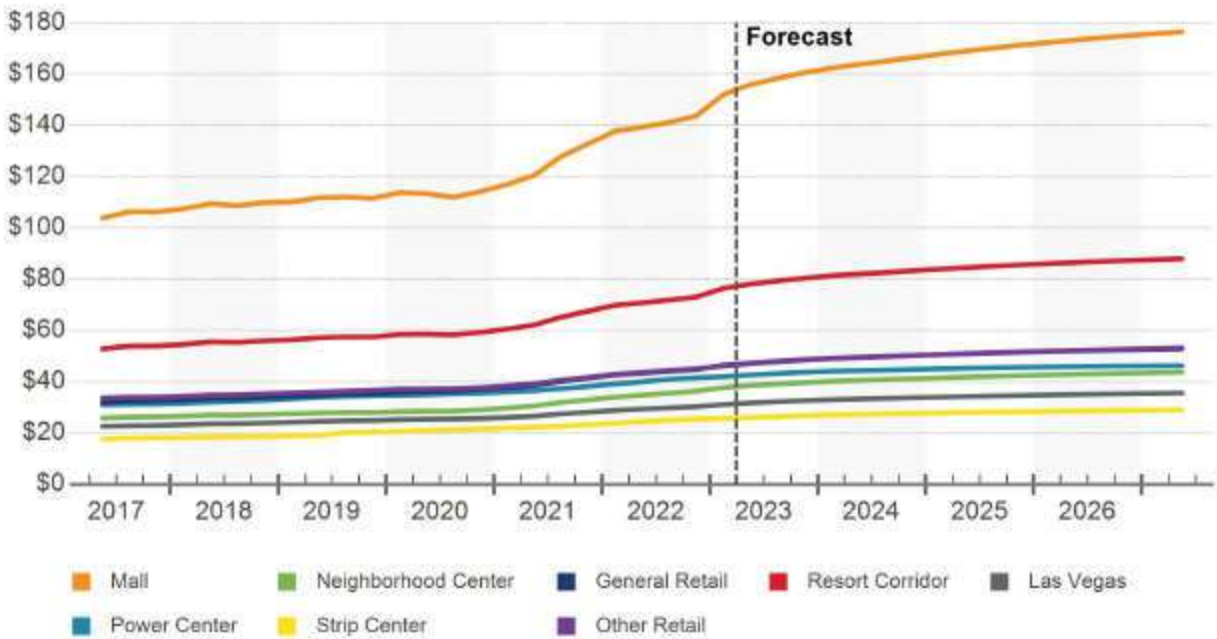
# Rent

## Resort Corridor Retail

### MARKET RENT GROWTH (YOY)



### MARKET RENT PER SQUARE FEET





# Rent & Vacancy

Resort Corridor Retail

## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$88.56	147	1.5%	21.3%	564,858	5.8%	0.2%
2026	\$87.25	145	2.0%	19.5%	539,420	5.6%	0.2%
2025	\$85.52	142	2.8%	17.1%	510,678	5.3%	0.3%
2024	\$83.22	138	3.5%	14.0%	472,832	5.0%	0.3%
2023	\$80.43	133	10.1%	10.1%	444,101	4.7%	-0.9%
YTD	\$76.91	128	9.7%	5.3%	428,790	4.6%	-1.0%
2022	\$73.02	121	8.2%	0%	521,674	5.7%	0.1%
2021	\$67.50	112	13.9%	-7.6%	520,513	5.6%	0.4%
2020	\$59.26	98	3.2%	-18.8%	478,661	5.2%	1.3%
2019	\$57.43	95	2.7%	-21.4%	358,444	3.9%	-2.2%
2018	\$55.93	93	3.6%	-23.4%	560,273	6.1%	1.3%
2017	\$53.97	90	5.8%	-26.1%	443,858	4.8%	-0.9%
2016	\$51.01	85	6.0%	-30.1%	524,134	5.7%	0.2%
2015	\$48.10	80	4.7%	-34.1%	500,613	5.5%	0.3%
2014	\$45.94	76	3.8%	-37.1%	473,443	5.2%	-0.7%
2013	\$44.26	73	0.7%	-39.4%	539,788	5.9%	0.3%
2012	\$43.94	73	-5.1%	-39.8%	516,708	5.7%	-0.7%
2011	\$46.30	77	-4.2%	-36.6%	578,421	6.3%	2.1%







### Construction

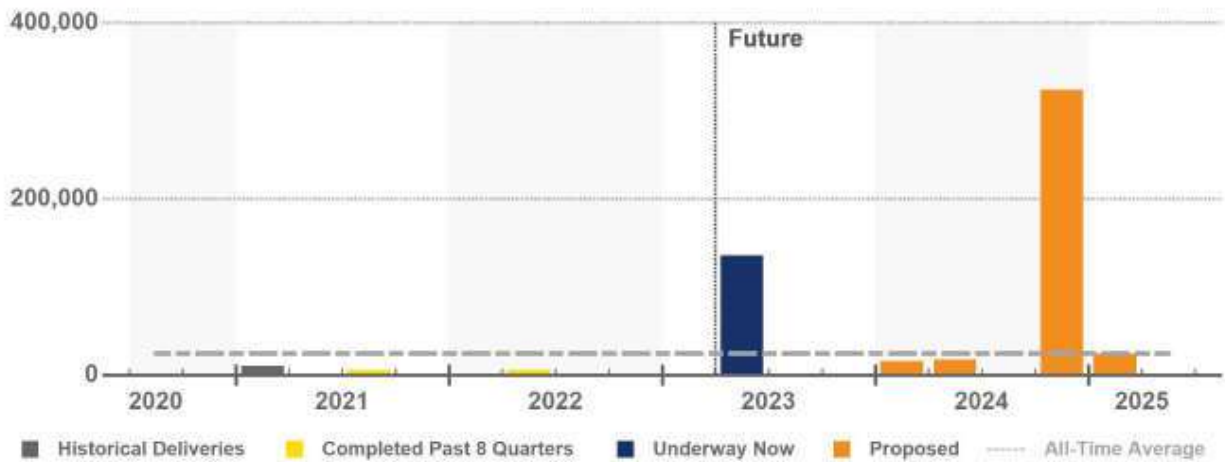
#### Resort Corridor Retail

All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
99,372	12,057	135,815	381,953

#### PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



#### PAST & FUTURE DELIVERIES IN SQUARE FEET

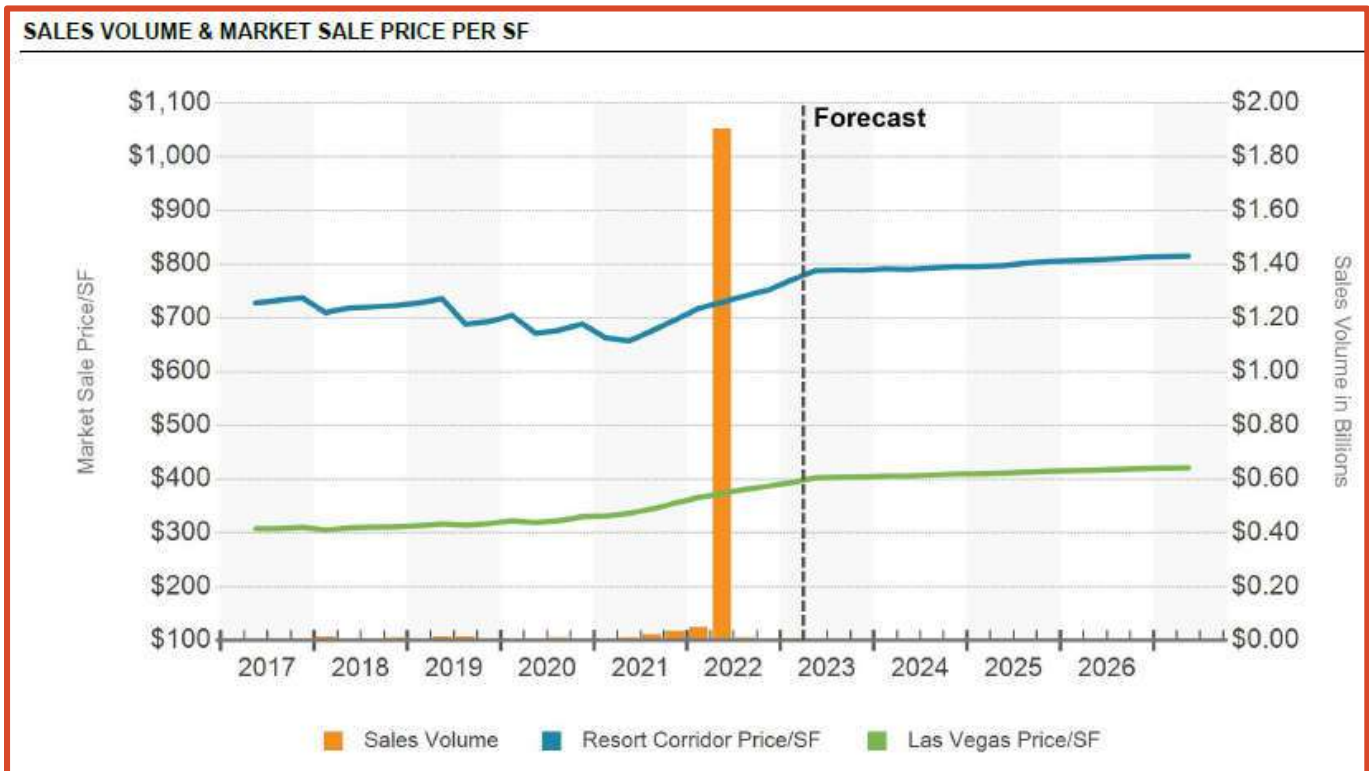




**SALES**

Resort Corridor is a regular target among retail investors in the Las Vegas metro. Annual sales volume has averaged \$464 million over the past five years, including a 12-month high of \$2.0 billion over that stretch. The recorded transaction volume here reached \$1.3 billion in the past year. Though Resort Corridor is one of the smallest submarkets in Las Vegas, it accounted for the majority of sales volume. The general retail sector drove that volume.

Market pricing, based on the estimated price movement of all properties in the submarket, sat at \$779/SF during the second quarter of 2023. That market price is up compared to the second quarter from last year, and the price itself sits well ahead of the average pricing for the Las Vegas region. In fact, the market price here is more than 50% higher than the metro's average. The market cap rate has shrunk since last year to 5.2%. That is the lowest cap rate in the past five years, which is a tighter yield than the overall region.



**CONCLUSION**

Regionally, the vacancy rate is 5.3% with an average market rent of \$31.29 per SF, an 8% increase over the prior year. There has been a positive 155 K in net absorption over the past 12 months and 736 K in deliveries. The retail market is showing favorable signs in rents, occupancy and deliveries.

The Resort Corridor Las Vegas submarket has a vacancy rate of 4.6% with an average market rent of \$76.91 per SF, a 9.7% increase over the prior year. The vacancy rate and rental rate are consistent with the regional averages. There has been negative 25.2 K in net absorption over the past 12 months and 4.1 K in deliveries. Given the submarket's location among major resort hotels and casinos, it should continue to be a competitive retail market.





**HIGHEST AND BEST USE**

**AS VACANT**

**LEGALLY PERMISSIBLE**

Land uses are predicated upon the current zoning and master plan. The subject property is zoned C-2, General Commercial under the jurisdiction of the City of Las Vegas. The C-2 District is designed to provide the broadest scope of compatible services for both the general and traveling public. This category allows retail, service, automotive, wholesale, office and other general business uses of an intense character, as well as mixed-use developments. Based on the current zoning and master plan designations, a variety of mixed uses are concluded.

**PHYSICALLY POSSIBLE**

Physical characteristics of the site that affect its possible uses include its location, size, shape, topography, street frontage and access, availability of utilities and easements/encroachments.

The subject site is retail storefront space on the first floor of the proposed Civic Center Plaza. The property's site contains 3.03 acres, or 132,000 square feet and has a functional, rectangular shape. The site is level and has access to public utilities. Given the subject's physical characteristics and legally permitted uses, including its position within downtown, only mixed-uses are given further consideration.

**FINANCIALLY FEASIBLE**

Establishing financial feasibility is determined by analyzing building costs versus the supply and demand for the legally probable and physically possible uses of the site. Vacancy has fallen in recent quarters and rental rates are slowly rising. The prices of improved properties are meeting or exceeding the cost of development. There are pockets of re-development in various neighborhoods within the downtown market area. It is expected that the economy will may struggle in future months due to high inflation and rising interest rates; however, most new projects are moving forward in Las Vegas. In the subject's market area, prices typically exceed construction costs and a mixed-use development is considered the financially feasible use of the site.

**MAXIMALLY PRODUCTIVE**

As presented in the previous section, the revenue potential for a mixed-use justifies development based on the construction costs. The data shows improving market rents and a slow, but positive, trajectory. Demand will escalate as population and employment grow within the submarket.

The maximally productive use of the site and the highest and best use as vacant is to develop the site with a mixed-use project.





**AS IMPROVED (PROPOSED)**

**LEGALLY PERMISSIBLE**

The subject property is proposed for a mixed-use project known as Civic Center Plaza. It has a zoning of C-2, General Commercial under the jurisdiction of the City of Las Vegas. Under existing zoning requirements, the proposed mixed-use is a legally permissible and conforming use of the site.

**PHYSICALLY POSSIBLE**

Civic Center Plaza is scheduled for completion in late 2024 and early 2025. The entire project consisting of Class A office and retail space will have 273,070 square feet of rentable space. The buildings will contain excellent quality retail and office improvements. We are appraising two retail suites on the ground floor of each building. The client anticipates a fresh food market, restaurant or other retail-oriented business for these suites.

Legal and physical factors support the existing use as the highest and best use of the site.

**FINANCIALLY FEASIBLE**

The financial feasibility of a retail property is based on the amount of residual income that exists after operating expenses are subtracted from the amount of rent that can be achieved. The subject will be capable of generating a positive net cash flow. The proposed utilization of the subject as a mixed-use property is considered to be a financially feasible use of the site.

**MAXIMALLY PRODUCTIVE**

The proposed mixed-use improvements are the best use of the site as improved based on legal, physical and financial considerations. We end the highest and best use analysis with several alternative considerations including demolition, expansion, renovation, conversion and continued use “as is”.

- DEMOLITION     The proposed improvements contribute to the overall value of the site beyond the land value.
- EXPANSION     The subject consists of two proposed retail suites located on the ground level of the Civic Center Plaza. Further expansion is not likely.
- RENOVATION    The subject property will be new upon completion with no further renovations beyond likely TI’s for the vacant space.
- CONVERSION    Although other commercial uses are permitted on the site, modification to another use would not produce a greater property value.

**CONTINUED USE “AS IS” / HIGHEST AND BEST USE CONCLUSION**

After all other considerations, the proposed mixed-use improvements are viable and expected to produce the greatest value to the site. In conclusion, the highest and best use of the site as improved (proposed) is for the anticipated use as a mixed-use project.

The most likely buyer for the subject property is an investor.





**VALUATION METHOD**

This section discusses the various approaches considered in the valuation of the subject property. All approaches are based on the principle of substitution. They are presented based on their relevance to the scope of work being performed and their support of the value indications set forth in this appraisal. The purpose of this report is to determine the fair market rent for the subject. As a result, none of the approaches have been utilized in our analysis. To determine the fair market rent, rent comparables of similar properties in the downtown area are presented in the following section.





**MARKET RENT ANALYSIS**

The purpose of this report is to determine the fair market rent for the subject. Rent comparables of similar properties in or near the downtown area are presented in the proceeding section.

**SELECTION OF RENT COMPS**

The subject property consists of two retail suites in the proposed Civic Center Plaza in the downtown area of Las Vegas. The overall condition, design and layout of the tenant spaces will be good and consistent with the other retail spaces in the submarket. Due to similarities between both suites, the same rent comparables apply.

We have surveyed the subject’s market for recent lease transactions and listings that best represent the market for similar retail properties. They are illustrated in summary format in the following table:

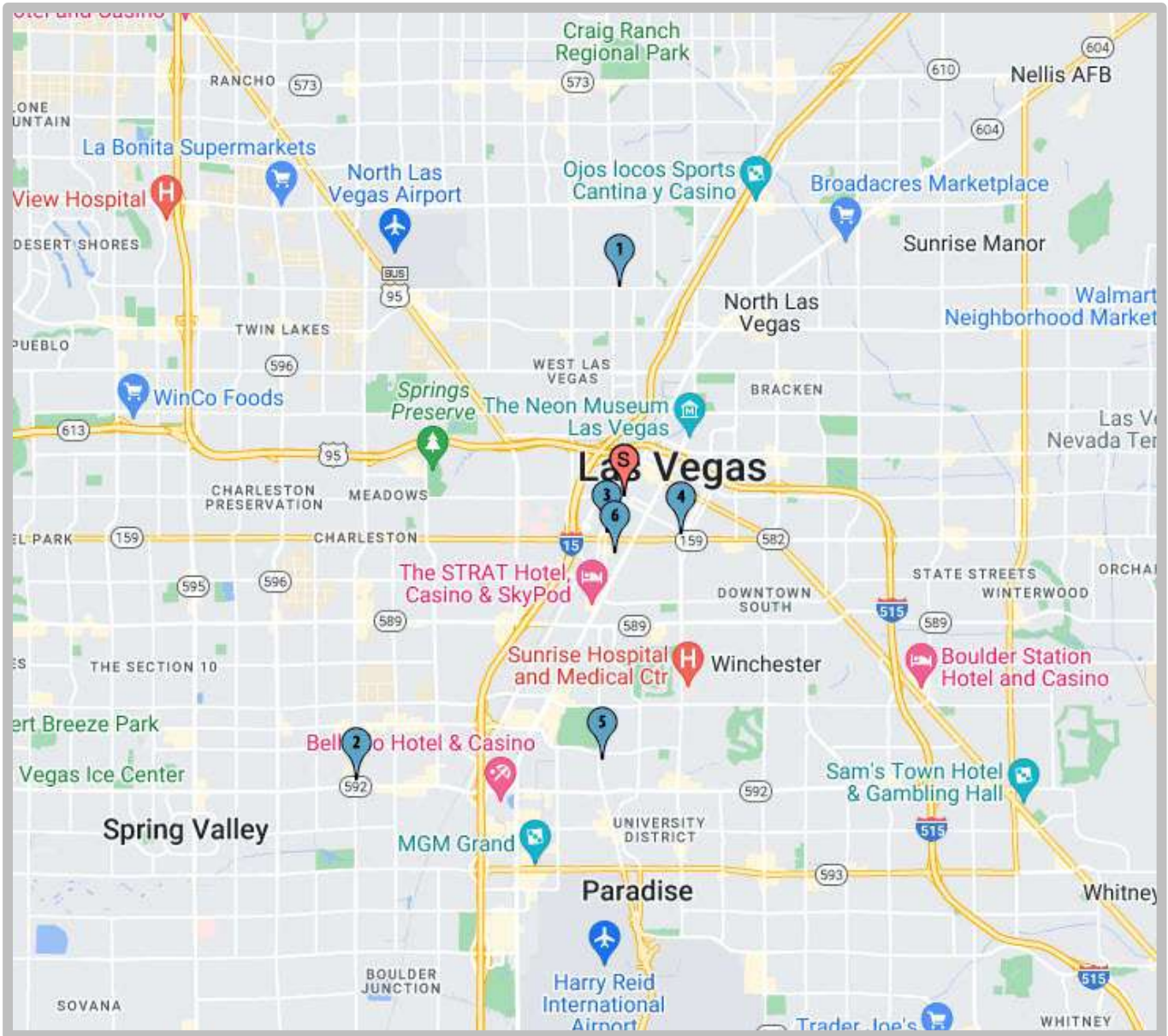
<b>RENT COMPARABLE SUMMARY</b>							
	<b>Subject</b>	<b>Rent 1</b>	<b>Rent 2</b>	<b>Rent 3</b>	<b>Rent 4</b>	<b>Rent 5</b>	<b>Rent 6</b>
<b>Property Name</b>	<b>Downtown Civic Center Plaza</b>	<b>Carey Revere Plaza</b>	<b>Max Pawn Luxury</b>	<b>Main Street Retail</b>	<b>Mahoney's Retail Center</b>	<b>Paradise Road Restaurant</b>	<b>3rd Street Commercial</b>
Address	505 S. Main Street	722 W. Carey Avenue	4050 S. Decatur Boulevard	1039 S. Main Street	608 S. Maryland Parkway	3824 Paradise Road	1214-1226 S. 3rd Street
City	Las Vegas	North Las	Las Vegas	Las Vegas	Las Vegas	Las Vegas	Las Vegas
NRA (SF)	273,070	8,400	5,388	19,800	9,901	11,369	12,284
Year Constructed	2023	2022	1988	2016	1954	1976	1974
Exterior Walls	Steel Frame	Frame & Stucco	Frame & Stucco	Masonry	Brick and Mortar	Stucco on Block	Brick and Mortar
<b>Surveyed Unit Data</b>							
Tenant Name		Sebastian Pizza	Max Pawn Luxury	Journey Ink	Jive Turkey	EKO Karaoke Lounge	Undisclosed
Lease Date		January-22	April-22	June-22	January-23	April-23	June-23
SF Leased		1,200	5,388	3,725	4,340	11,369	1,388
Effective or Asking Rate/SF		<b>\$42.00</b>	<b>\$34.80</b>	<b>\$36.00</b>	<b>\$35.40</b>	<b>\$39.00</b>	<b>\$36.00</b>
Term of Lease		72	120	36	60	120	72
Expenses		NNN	NNN	NNN	NNN	NNN	NNN
Verified By	County, City of Las Vegas	Broker, CoStar, Public Records	Internal Files, Public Records	Broker, Public Records	Broker, CoStar, Public Records	Broker, CoStar, Public Records	Broker, CoStar, Public Records

\*Full Comparable Abstracts are in the addendum of this report.





RENT COMPARABLE MAP





**SUMMARY OF ADJUSTMENTS**

**RENT COMP 1**

This is the lease of a retail suite in Carey Revere Plaza located at 722 W. Carey Avenue in the central north area of Las Vegas. The property contains 8,400 SF and was built in 2022. A suite containing 1,200 SF was leased to Sebastian Pizza on January 1, 2022. The rental rate was \$42.00 per SF per year on a triple net basis. This was 1st generation space. No concessions or tenant improvements were reported although some TI money was likely spent for the initial build-out.

Rent Comp. No. 1 is similar in major attributes and no adjustments were made.

**RENT COMP 2**

This is the lease of a free-standing retail building located at 4050 S. Decatur Boulevard in the central west area of Las Vegas. The property contains 5,388 SF and was built in 1988. It was leased to Max Pawn Luxury on April 1, 2022 for a 10 year term. The rental rate is \$34.80 per SF per year on a triple net basis with annual 3% rate increases. The tenant is doing their own tenant improvements without any other contributions.

Rent Comp. No. 2 was built in 1988, but has been renovated for the new tenant and we made an upward adjustment of 5% for effective age/condition.

**RENT COMP 3**

This is a lease of retail space located at 1029-1039 S. Main Street in downtown Las Vegas. The property consists of 3 retail buildings along Main Street, just north of Charleston Boulevard, with a combined 19,800 square feet. The unit surveyed contains 3,725 SF and was leased to Journey Ink. The lease was effective on June 1, 2022 at a rate of \$36.00 per SF per year on a triple net basis for a 3-year term. No concessions or tenant improvements were reported.

Rent Comp. No. 3 is similar in major attributes and no adjustments were made.

**RENT COMP 4**

This is the lease of storefront space in Mahoney's Retail Center located at 608 S. Maryland Parkway in downtown Las Vegas. The building contains 9,901 SF and was built in 1954. The property was recently completely renovated. The suite surveyed contains 4,340 square feet and was leased to Jive Turkey, a tavern for music and drinks. The rental rate is \$35.40 per SF per year on a triple net basis. The lease commenced on January 1, 2023 and continues for 5 years. Tenant improvements and concessions were not reported.

Rent Comp. No. 4 was built in 1954, but has been renovated for the new tenant and we made an upward adjustment of 5% for effective age/condition.

**RENT COMP 5**

This is the lease of a restaurant building located at 3824 Paradise Road in the central east area of Las Vegas. The property contains 11,369 SF and was built in 1976 but fully renovated in recent years. It was leased to EKO Karaoke Lounge. The commencement date was April 1, 2023 and the lease term is 10 years. The rental rate is \$39.00 per SF per year on a triple net basis. No concessions or tenant improvements were reported.

Rent Comp. No. 5 was built in 1988, but has been renovated for the new tenant and we made an upward adjustment of 5% for effective age/condition.







**RENT COMP 6**

This is the lease of the ground floor retail space within a mixed office and retail building located at 1214-1226 S. 3rd Street area in downtown Las Vegas. The building contains 12,284 SF and was built in 1974. The property was recently completely renovated. The suite surveyed consists of 1,388 square feet and was leased to a retail tenant. The rental rate is \$36.00 per SF per year on a triple net basis. The lease commenced on June 1, 2023 and continues for 6 years. TI's were provided by the lessor. No concessions were reported.

Rent Comp No. 6 was built in 1974, but has been renovated for the new tenant and we made an upward adjustment of 5% for effective age/condition.

The adjustments are summarized and illustrated in the following table:





RENTAL ADJUSTMENTS							
	Subject	Rent 1	Rent 2	Rent 3	Rent 4	Rent 5	Rent 6
<b>Address</b>	<b>505 S. Main</b>	<b>722 W. Carey</b>	<b>4050 S.</b>	<b>1039 S. Main</b>	<b>608 S.</b>	<b>3824 Paradise</b>	<b>1214-1226 S.</b>
	<b>Street</b>	<b>Avenue</b>	<b>Decatur</b>	<b>Street</b>	<b>Maryland</b>	<b>Road</b>	<b>3rd Street</b>
<b>Location</b>	<b>Las Vegas</b>	<b>North Las</b>	<b>Las Vegas</b>	<b>Las Vegas</b>	<b>Las Vegas</b>	<b>Las Vegas</b>	<b>Las Vegas</b>
Year Built	2023	2022	1988	2016	1954	1976	1974
Rentable Area (SF)	273,070	8,400	5,388	19,800	9,901	11,369	12,284
<b>&gt;&gt;Surveyed Unit</b>							
Tenant Name		Sebastian Pizza	Max Pawn Luxury	Journey Ink	Jive Turkey	EKO Karaoke Lounge	Undisclosed
Leased Area		1,200	5,388	3,725	4,340	11,369	1,388
Type of Lease		NNN	NNN	NNN	NNN	NNN	NNN
Start Date		January-22	April-22	June-22	January-23	April-23	June-23
<b>Effective Rate</b>		<b>\$42.00</b>	<b>\$34.80</b>	<b>\$36.00</b>	<b>\$35.40</b>	<b>\$39.00</b>	<b>\$36.00</b>
<b>Conditions of</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
Adjusted		\$42.00	\$34.80	\$36.00	\$35.40	\$39.00	\$36.00
<b>Expense Basis</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
Adjusted		\$42.00	\$34.80	\$36.00	\$35.40	\$39.00	\$36.00
<b>Market Conditions</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
<b>Subtotal</b>		<b>\$42.00</b>	<b>\$34.80</b>	<b>\$36.00</b>	<b>\$35.40</b>	<b>\$39.00</b>	<b>\$36.00</b>
<b>Physical</b>							
<b>Location</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
<b>Size</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
<b>Age/Condition</b>		Similar	Inferior	Similar	Inferior	Inferior	Inferior
% Adjustment		0%	5%	0%	5%	5%	5%
<b>Quality/Design</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
<b>Parking</b>		Similar	Similar	Similar	Similar	Similar	Similar
% Adjustment		0%	0%	0%	0%	0%	0%
<b>Total Physical Adjustments</b>		<b>0%</b>	<b>5%</b>	<b>0%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
<b>Indicated Rent</b>		<b>\$42.00</b>	<b>\$36.54</b>	<b>\$36.00</b>	<b>\$37.17</b>	<b>\$40.95</b>	<b>\$37.80</b>

MARKET RENT SUMMARY

Six properties were surveyed in our analysis. After adjustments a range of \$36.00 to \$42.00 per SF is indicated on a triple net basis. All the rent comparables are in the downtown or nearby submarkets and provide an indication of market rent that is supportable for the subject property. Adjustments were made for effective age/condition only. Although many of the comps are in older buildings, they have undergone renovations for the new tenants and market rents are rather consistent in downtown for retail space regardless of age. Despite differences in size, no adjustments were made based on economies of scale. We have given equal weight to the comparables surveyed.





**MARKET RENT**

Due to similarities between the retail units in Building 1 and 2, the same rental rates are expected to apply.

Based on the above analysis the fair market rent for the subject is concluded as follows:

<b>VALUE CONCLUSIONS</b>			
<b>Appraisal Premise</b>	<b>Market Rent PSF/Yr.</b>	<b>Date</b>	<b>Lease Premise</b>
Fair Market Rent / Bldg. 1 Retail	\$39.00	7/3/2023	NNN
Fair Market Rent / Bldg. 2 Retail	\$39.00	7/3/2023	NNN

The lease rates indicated in the table above are \$39.00 per SF per year on a triple net basis. This correlates to \$3.25 per SF per month. Typical terms in the market are 5-year leases with CPI or 3% annual increases.





**APPRAISER CERTIFICATION**

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Matthew Buxton, MAI, SRA inspected the subject property on July 3, 2023.
9. No one provided significant real property appraisal assistance to the individual signing this certification. Assistance included accompanying the signing appraiser on the physical inspection and performing property analysis and data entry for the subject and comparables.
10. The appraisers have performed ONE other services, as an appraiser or in any other capacity regarding the subject property within the three-year period immediately preceding the date of acceptance of this assignment.
11. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Matthew Buxton, MAI, SRA has completed the continuing education program of the Appraisal Institute.

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Matthew Buxton, MAI, SRA  
 Principal  
 Southwest Property Consultants  
 Certified General Real Estate Appraiser  
 State of Nevada Certificate No.: A.0007839-CG  
 Expiration Date: June 30, 2024





ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Southwest Property Consultants is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. However, Southwest Property Consultants has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Southwest Property Consultants professionals are not engineers and are not competent to judge matters of an engineering nature. Southwest Property Consultants has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Southwest Property Consultants by ownership or management; Southwest Property Consultants inspected less than 100% of the entire interior and exterior portions of the improvements; and Southwest Property Consultants was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Southwest Property Consultants reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. Southwest Property Consultants has no knowledge of the existence of such materials on or in the property. Southwest Property Consultants, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The Client is urged to retain an expert in this field, if desired.  
  
Southwest Property Consultants has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Southwest Property Consultants. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Southwest Property Consultants has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Southwest Property Consultants reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the Client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Southwest Property Consultants of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Southwest Property Consultants will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. Southwest Property Consultants assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.





- 9. Southwest Property Consultants is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
- 10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
- 11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Southwest Property Consultants does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Southwest Property Consultants.
- 12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Southwest Property Consultants to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
- 13. Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
- 14. This study may not be duplicated in whole or in part without the specific written consent of Southwest Property Consultants nor may this report or copies hereof be transmitted to third parties without said consent, which consent Southwest Property Consultants reserves the right to deny. Exempt from this restriction is duplication for the internal use of the Client-addressee and/or transmission to attorneys, accountants, or advisors of the Client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Southwest Property Consultants which consent Southwest Property Consultants reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Southwest Property Consultants shall have no accountability or responsibility to any such third party.
- 15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
- 16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
- 17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
- 18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Southwest Property Consultants unless otherwise stated within the body of this report. If the consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Southwest Property Consultants assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
- 19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Southwest Property Consultants assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
- 20. Southwest Property Consultants assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
- 21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
- 22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.





- 23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Southwest Property Consultants has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since Southwest Property Consultants has no specific information relating to this issue, nor is Southwest Property Consultants qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
- 24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
- 25. The report is for the sole use of the Client; however, Client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Southwest Property Consultants or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
- 26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements





**DEFINITIONS**

The following definitions are derived from The Dictionary of Real Estate Appraisal, Fifth Edition, published by the Appraisal Institute.

- Absorption Period: The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- Absorption Rate: The rate at which properties for sale or lease have been or are expected to be successfully marketed, sold, or leased in a given area over a duration of time.
- Ad Valorem Tax: A tax levied in proportion to the value of the thing(s) being taxed; generally refers only to property taxes, although technically the term is applicable to income taxes, ad valorem tariffs, special property taxes, etc. Exclusive of exemptions, use value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- Cash Equivalency: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.
- Contract Rent: The actual rental income specified in a lease.
- Disposition Value: The most probable price that a specified interest in real property should bring under all of the following conditions: 1) Consummation of a sale will occur within a future exposure time specified by the client; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made during the exposure time specified by the client; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- Effective Rent: The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements.
- Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.
- Excess Rent: The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized at a higher rate in the income capitalization approach.
- Exposure Time: 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.
- Extraordinary Assumption: An assumption, directly related to a specific assignment, which, if







found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2010-2011 ed.)

- Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- Fractional Vacancy: The amount of vacant space need in a market for its orderly operation. In a stabilized market, where supply and demand are in balance, fractional vacancy allows for move-in and move-outs. In markets for income-producing property, fractional vacancy measures the lost rental income as leases roll over and expire.
- Full Service Lease: See gross lease.
- General Vacancy: A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- Going Concern Value: 1) The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern. 2) The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable.

- Gross Building Area (GBA): The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.
- Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property’s operating and fixed expenses; also called full-service lease.
- Hypothetical Condition: That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.)
- Investment Value: The value of a property interest to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
- Land-to-Building Ratio: The proportion of land area to gross building area; one of the factors determining comparability of properties.
- Lease: A contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord relationship.
- Leasehold Interest: The tenant’s possessory interest created by a lease.
- Lessee: One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- Lessor: One who conveys the rights of occupancy and use to others under a lease agreement.
- Liquidation Value: The most probable price which a specified interest in real property should





bring under all of the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer is acting prudently and knowledgeable; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they considers to be their best interests; 7) A normal marketing effort is not possible due to the brief exposure time; 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

- Market Rent: The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement, including permitted uses, use restrictions, expense obligations, concessions, renewal and purchase options, and tenant improvements (TIs).
- Market Value: See body of report for market value definition used in this appraisal.
- Marketing Time: An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, “Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions” address the determination of reasonable exposure and marketing time.)
- Net Lease: A lease in which the landlord passes on all expenses to the tenant.
- Net Net Net Lease: A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building

reserves, and management. Also called NNN, triple net lease or fully net lease.

- Occupancy Rate: 1) The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in the building.
- Overage Rent The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume
- Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or stabilized level of long-term occupancy.
- Rentable Area: For retail buildings, the tenant’s pro rata portion of the entire retail floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which rent is based; calculated according to local practice.
- Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term does not define a type of value. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.





- Shell Rent: The typical rent paid for retail, office, or industrial tenant space based on minimal “shell” interior finishes (called vanilla finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- Surplus Land: Land that is not currently needed to support the existing improvements but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.
- Turnover Vacancy: A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to re-lease the space is considered. Accordingly the income estimate reflects a component of vacancy and is not true potential gross income but some level of effective gross income.
- Usable Area: 1) For retail buildings, the actual occupied area of a floor or an retail space; computed by measuring from the finished surface or the retail side of corridor and other permanent walls, to the center of partitions that separate the retail from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- Value In Use: The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of appraisal. Value in use may or may not be equal to market value but is different conceptually.
- Value Indication: An opinion of value derived through application of the appraisal process.





**CITY OF LAS VEGAS  
STANDARD OFFER TO PERFORM  
APPRAISAL SERVICES**

**1. DEFINITIONS**

(a) “*Appraisal*” means a written opinion of the market value of a Property, prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the State of Nevada as of the date of this Offer.

(b) “*City*” means the City of Las Vegas.

(c) “*Company*” means the Offeror contractually responsible for the performance of appraisal services described herein, upon acceptance of an Offer by the City.

(d) “*Contract*” means the legal obligation to perform appraisal services under all the terms and conditions described in this Offer.

(e) “*Deliverable*” means any report, software, hardware, data, documentation, or other tangible item that the Company is required to provide to the City under the terms of this Offer.

(f) “*Offer*” means this document containing (i) miscellaneous terms and conditions, (ii) a description of the Property to be appraised, (iii) any special instructions regarding Deliverables, (iv) performance schedule, and (v) price(s), which when signed and submitted to the City, may be accepted by the City to form a Contract for performance of appraisal services.

(g) “*Offeror*” means the individual or entity submitting an Offer.

(h) “*Property*” means the real estate to be appraised, as specified in Paragraph 26, “*Property Description*”, below.

(i) “*Purchase Order*” means a written order for services, which if issued by the City, would serve as the method of accepting this Offer, thus forming a binding Contract.

**2. RULES OF PRECEDENCE**

In the event of a conflict between any resulting Purchase Order and this Offer, the terms and conditions of this Offer shall govern.

**3. TAXES AND COMPLIANCE WITH LAWS**

(a) The City is exempt from paying Sales and Use Taxes under the provisions of Nevada Revised Statutes 372.325(4), and Federal Excise Tax, under Registry Number 88-87-0003k. The Company shall pay all taxes, levies, duties and assessments of every nature and kind, which may be applicable to work under any resulting Contract. The Company shall make any and all payroll deductions required by law. The Company agrees to indemnify and hold the City harmless from any liability on account of any and all such taxes, levies, duties, assessments and deductions.

(b) The Company in the performance of the obligations of any resulting Contract shall comply with all applicable laws, rules and regulations of all governmental authorities having jurisdiction over the performance of the Contract including, but not limited to, the Federal Occupational Health and Safety Act, and all state and federal laws prohibiting and/or relating to discrimination by reason of race, sex, age, religion or national origin.

**4. INVOICES**

The Company shall submit an invoice to the City following delivery and acceptance of all Deliverables to the “*Bill To:*” address on the face of the Purchase Order. The invoice must: be dated, contain the Company name and address, identify the title of the Appraisal, and contain the Purchase Order number. Upon reconciliation of all errors, corrections, credits, and disputes, payment to the Company will be made in full within thirty (30) calendar days, unless otherwise noted on the face of the Purchase Order.

**5. DISPUTES**

The parties shall attempt to amicably resolve disputes through escalating levels of management. All unresolved disputes may be settled by arbitration in Nevada if agreed to by both parties; otherwise, litigation may be used. Notice of any dispute must be given in writing within thirty (30) days of the claim, dispute, or matter arising.

**6. GOVERNING LAW/VENUE OF ACTION**

Any resulting Contract shall be construed and enforced in accordance with the laws of the State of Nevada. Any action at law or other judicial proceeding for the enforcement of any provision shall be instituted in the County of Clark, State of Nevada.

**7. LEGAL NOTICE**

(a) Notices to the Company will be addressed to the place of business as designated at the bottom of this Offer, or such other place as may be designated in writing by the Company.

(b) Notices to the City shall be addressed to:

City of Las Vegas  
Manager, Purchasing & Contracts  
495 South Main Street  
Las Vegas, NV 89101

(c) In the event of suspension or termination of the Contract, notices may also be given upon personal delivery to any person whose action or knowledge of such suspension or termination would be sufficient notice to the Successful Bidder.

**8. INDEMNIFICATION**

Notwithstanding any of the insurance requirements set forth herein, the Company shall protect, indemnify, and hold the City, its officers, employees and agents, harmless from and against any and all third-party claims arising under any resulting Contract.

**9. TERMINATION FOR CONVENIENCE**

The City shall have the right at any time to terminate further performance of any resulting Contract, in whole or in part, for any reason. Such termination shall be effected by written notice from the City to the Company, specifying the extent and effective date of the termination. The Company shall submit a written request for incurred costs for work performed through the date of termination, and shall provide any substantiating documentation requested by the City.

**10. TERMINATION FOR DEFAULT**

(a) Upon failure to perform any resulting Contract under its terms, the City will provide written notice to the Company of the breach, and the Company will have a reasonable time (as stated in the City's written notice) in which to cure the breach. Failure to cure within the stated time will subject the Company to a default termination, with no liability to the City. The City will retain all rights to common law breach of contract remedies.

(b) The Company shall not be liable for any excess costs if the failure to perform the Contract arises from circumstances beyond the control and without the fault or negligence of the Company. These circumstances are limited to such causes as (1) acts of God or of the public enemy, (2) acts of governmental bodies, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, (9) unusually severe weather. The time of performance of the Company's obligations under the Contract shall be extended by such period of enforced delay; provided, however, that such reasonably extended time period shall not exceed sixty (60) days. If the foregoing circumstances result in a delay greater than 60 days, the City may terminate the affected portion of the Contract pursuant to the terms of Paragraph 9, "Termination for Convenience".

(c) Either party may terminate the Contract, in whole or in part, if the other party becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the other party, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the other party and is not dismissed within 30 days following commencement thereof.

(d) The City retains the right to terminate for default immediately should the Company fail to maintain the required levels of insurance, fail to comply with applicable local, state, and Federal statutes governing performance of these services, or fail to comply with statutes involving health or safety.

**11. INSURANCE**

The Company shall procure and maintain, at its own expense, the following insurance for all work performed under any resulting Contract: (i) Workers' Compensation, (ii) General Liability with a minimum coverage of \$1,000,000 per occurrence, and (iii) Professional Liability (Errors and Omissions) with a minimum coverage of \$1,000,000 per occurrence. The Company shall provide verification of insurance coverage, when requested by the City.

**12. QUALIFICATIONS OF APPRAISER**

The Appraisal shall be supervised and signed by an individual who is currently licensed by the State of Nevada as a Certified General Appraiser.

**13. INDEPENDENT APPRAISALS**

In compliance with Chapter 268 of Nevada Revised Statutes, the City is ordering two independent appraisals of the Property. It is understood that the each company preparing an appraisal of the Property may learn the identity of the other company during the course of appraisal preparation; however, the City requires that the appraisals be completely independent. Therefore, any communication between the companies regarding the Property and the appraisals of it is prohibited, without the express, prior written approval of the City. Violation of this requirement may be cause for termination in accordance with Paragraph 10, "Termination For Default".

**14. CONFLICT OF INTEREST**

By submitting this Offer, the Offeror represents that neither it nor any of its affiliates (if any) has present or prospective financial or personal interest in the Property itself or in any of the parties involved. The Offeror further represents that its compensation is not contingent upon the reporting of a predetermined value or direction that favors the cause of the Property's owner or any potential buyer.

**15. WARRANTY - SERVICES**

The Company warrants that the services shall be performed in full conformity with this Offer, with the professional skill and care that would be exercised by those who perform similar services in the commercial marketplace, and in accordance with accepted industry practice and compliance with USPAP. In the event of a breach of this warranty and/or in the event of non-performance and/or failure of the Company to perform the services in accordance with this Offer, the Company shall, at no cost to the City, re-perform or perform the services so that the services conform to the warranty.

**16. LICENSES/REGISTRATIONS**

During the entire performance period of any resulting Contract, the Company shall maintain all federal, state, and local licenses and registrations applicable to the work performed under the Contract, to include the State of Nevada Certified General Appraiser requirements.

**17. INTELLECTUAL PROPERTY RIGHTS**

All Deliverables produced under any resulting Contract, as well as all data, notes, and documentation collected on behalf of the City are exclusively the property of the City, except to the extent that the City's rights to the Company's working papers and notes may be limited by law.

**18. NOTICE OF DELAY**

(a) Should the timely performance of any resulting Contract be jeopardized by the non-availability of City provided personnel or data, the Company shall immediately notify the City in writing of the facts and circumstances that are contributing to such delay. Upon receipt of this notification, the City will advise the Company in writing of the action which will be taken to remedy the situation.

(b) The Company shall advise the City in writing of an impending failure to meet the established performance schedule based on the Company's failure to perform. Notice shall be provided as soon as the Company is aware of the situation; however, such notice shall not relieve the Company from any existing obligations regarding performance or delivery.

**19. ASSIGNMENT**

Neither party may assign their rights nor delegate their duties under any resulting Contract without the written consent of the other party. Such consent shall not be withheld unreasonably. Any assignment or delegation shall not relieve any party of its obligations under the Contract.

**20. WAIVER**

Waiver of any of the terms of any resulting Contract shall not be valid unless it is in writing signed by each party. The failure of the City to enforce any of the provisions of the Contract, or to require performance of any of the provisions herein, shall not in any way be construed as a waiver of such provisions or to affect the validity of any part of the Contract, or to affect the right of the City to thereafter enforce each and every provision of the Contract. Waiver of any breach of the Contract shall not be held to be a waiver of any other or subsequent breach of the Contract.

**21. INDEPENDENT CONTRACTOR**

In the performance of services under any resulting Contract, the Company and any other person employed by it shall be deemed to be an independent Contractor and not an agent or employee of the City. The Company shall be liable for the actions of any person, organization or corporations with which it subcontracts to fulfill the Contract. The City shall hold the Company as the sole responsible party for the performance of the Contract. The Company shall maintain complete control over its employees and all of its subcontractors. Nothing contained in the Contract shall create a partnership, joint venture or agency. Neither party shall have the right to obligate or bind the other party in any manner to any third party.

**22. SEVERABILITY**

In the event any provision of a resulting Contract is held to be invalid or unenforceable, the remaining provisions shall remain valid and binding.

**23. PUBLIC RECORDS**

The City is a public agency as defined by state law. As such, it is subject to the Nevada Public Records Law (Chapter 239 of the Nevada Revised Statutes). All of the City's records are public records, which are subject to inspection and copying by any person (unless declared by law to be confidential). This Offer and any resulting Contract are deemed to be public records.

**24. CONFIDENTIALITY – CITY INFORMATION**

All information, including but not limited to, oral statements, computer files, databases, and other material or data supplied to the Company is confidential and privileged. The Company shall not disclose this information, nor allow to be disclosed to any person or entity without the express prior written consent of the City. The Company shall have the right to use any such confidential information only for the purpose of providing the services under any resulting Contract, unless the express prior, written consent of the City is obtained. Upon request by the City, the Company shall promptly return to the City all confidential information supplied by the City, together with all copies and extracts, except as required by law. The obligations of confidentiality shall survive the termination of the Contract.

**25. MARKETING RESTRICTIONS**

The Company may not publish or sell any information from or about any resulting Contract without the prior written consent of the City. This restriction does not apply to the use of the City's name in a general list of customers, so long as the list does not represent an express or implied endorsement of the Company or its services.

**26. PROPERTY DESCRIPTION**

The Company shall provide an Appraisal of the following Properties:

**Project Name: Civic Plaza retail space – City Hall Plaza @ Main/Bonneville  
Fair Market Rent APN: \*139-34-311-001 (\*City will create a new parcel for the entire block).**



**27. DELIVERABLES**

The following special instructions apply to the preparation of Deliverables:

**City of Las Vegas  
Economic and Urban Development  
Attn: Cynthia Packer/Julie Quisenberry  
495 S. Main St., 5<sup>th</sup> Floor  
Las Vegas, NV 89101**

**28. PERFORMANCE SCHEDULE**

The Company shall complete the Appraisal in accordance with the following schedule:

**Appraisal due by July 5, 2023**

**OFFER**

The undersigned hereby submits an Offer to provide the Appraisal services set forth above, under the terms and conditions stated, for a firm-fixed-price of \$2,400.00. I understand that the City may accept this Offer through the issuance of a Purchase Order, thus forming a binding Contract. This Offer is valid for a period of sixty (60) days from the date set forth below. The conflict of interest disclosure required under NRS Chapter 268 is attached.

By Offeror:

NAME: Matthew Buxton, MAI, SRA

ADDRESS: 9205 W. Russell Road, Ste. 240

Las Vegas, NV 89178

SIGNATURE: 

TITLE: Principal

DATE SIGNED: 6/29/2023

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

**Certified General Appraiser – NRS 268**

A Certified General Appraiser performing Real Estate Appraisals for the City of Las Vegas must provide a disclosure statement which includes, without limitation, all sources of income of the Appraiser that may constitute a conflict of interest and any relationship of the appraiser with the property owner or the owner of an adjacent property (collectively, "conflict of interest").

An Appraiser shall not perform a Real Estate Appraisal on any real property offered for sale or lease by the City of Las Vegas governing body if the Appraiser or a person related to the Appraiser within the first degree of consanguinity or affinity has an interest in the real property or an adjoining property (collectively, "conflict of interest").

Description of Property:

**Project Name: Civic Plaza retail space – City Hall Plaza @ Main/Bonneville Fair Market Rent APN: \*139-34-311-001 (\*City will create a new parcel for the entire block).**

The Appraiser certifies, under penalty of perjury, the following (check applicable statement):

X  I have no conflict of interest regarding the property specifically described above.

I have a potential conflict of interest regarding the property specifically described above. The specifics of that potential conflict are described in full below.

PRINTED OR TYPED NAME:  Matthew Buxton, MAI, SRA

SIGNATURE:  

DATE OF SIGNATURE:  June 29, 2023

Disclosure of potential conflict of interest is as follows (provide all details and identify any attached pages):



## Appraisal Request

Date: June 13, 2023

Officer: Julie Quisenberry

Due Date: July 5, 2023

Project Name: Civic Plaza retail space – City Hall Plaza @ Main/Bonneville

Fair Market Rent APN: \*139-34-311-001 (\*City will create a new parcel for the entire block).

Charge to Org #: 983000.98301.510510.J22001.000.000 (City Parkway V Inc.)

Zoning/Land Use: General Commercial C-2

Special Overlay Districts: Civic/Business District, Redevelopment Area

Downtown Overlay: Yes

CLV RDA Areas: Yes

Gaming Entitlements: N/A

Is the property eligible for Non-restricted gaming as defined in NRS Section 463.0177: No

Comments: Appraisal of Fair market rent for Building 1 and Building 2 retail space.



**>>RENT COMP NO. 1****Carey Revere Plaza****>> LOCATION DATA**

Property Type:	Retail
Property Name:	Carey Revere Plaza
Address:	722 W. Carey Avenue
City, State, Zip:	North Las Vegas, Nevada 89030
County:	Clark
Tax ID:	139-15-401-006
Market Area:	Las Vegas
Submarket:	Central North
Traffic Count:	N/A

**>> VERIFICATION**

Verified By:	Broker, CoStar, Public Records
Transaction Party:	Steve Munford (702) 862-9506

**>> COMMENTARY**

This is the lease of a retail suite in Carey Revere Plaza located at 722 W. Carey Avenue in the central north area of Las Vegas. The property contains 8,400 SF and was built in 2022. A suite containing 1,200 SF was leased to Sebastian Pizza on January 1, 2022. The rental rate was \$42.00 per SF per year on a triple net basis. This was 1st generation space. No concessions or tenant improvements were reported although some TI money was likely spent for the initial build-out.

Comp ID No. 9439

**>> PHYSICAL DATA**

GBA (SF):	8,400
Rentable (SF):	8,400
Investment Class:	B
Year Constructed:	2022
Exterior Walls:	Frame & Stucco
# of Stories:	1
Parking:	6.67 per 1,000
Condition:	Good
Interior:	Retail Storefront

**>> OCCUPANCY AND LEASE DATA**

Lessor:	KLQOZB L L C
Occupancy:	100.0%
Tenant Mix:	Local
Asking Rate (\$/SF):	\$42.00
Lease Type:	NNN
Escalations:	Assumed Typical
Concessions:	Not Reported
TI Description:	Not Reported

**>> SURVEYED UNIT DATA**

Lessee:	Sebastian Pizza
Space Size:	1,200
Lease Type:	NNN
Lease Rate (effect.):	\$42.00
Start Date:	01-01-2022
Term:	72
Escalations:	Assumed Typical
Concessions:	See Comments
TI Description:	See Comments

**>>RENT COMP NO. 2****Max Pawn Luxury****>> LOCATION DATA**

Property Type:	Retail
Property Name:	Max Pawn Luxury
Address:	4050 S. Decatur Boulevard
City, State, Zip:	Las Vegas, Nevada 89103
County:	Clark
Tax ID:	162-18-402-002
Market Area:	Las Vegas
Submarket:	Central West
Traffic Count:	31,000

**>> VERIFICATION**

Verified By:	Internal Files, Public Records
Transaction Party:	Adam Malan w/Logic (702) 954-4105

**>> PHYSICAL DATA**

GBA (SF):	5,388
Rentable (SF):	5,388
Investment Class:	B
Year Constructed:	1988
Exterior Walls:	Frame & Stucco
# of Stories:	1
Parking:	4.64 per 1,000
Condition:	Average to Good
Interior:	Retail Building

**>> OCCUPANCY AND LEASE DATA**

Lessor:	Daigaku Realty Trust
Occupancy:	100.0%
Tenant Mix:	Local
Asking Rate (\$/SF):	\$34.80
Lease Type:	NNN
Escalations:	3% per year
Concessions:	None
TI Description:	None

**>> SURVEYED UNIT DATA**

Lessee:	Max Pawn Luxury
Space Size:	5,388
Lease Type:	NNN
Lease Rate (effect.):	\$34.80
Start Date:	04-01-2022
Term:	120
Escalations:	3% per year
Concessions:	See Comments
TI Description:	See Comments

**>> COMMENTARY**

This is the lease of a free-standing retail building located at 4050 S. Decatur Boulevard in the central west area of Las Vegas. The property contains 5,388 SF and was built in 1988. It was leased to Max Pawn Luxury on April 1, 2022 for a 10 year term. The rental rate is \$34.80 per SF per year on a triple net basis with annual 3% rate increases. The tenant is doing their own tenant improvements without any other contributions.

Comp ID No. 8848

**>>RENT COMP NO. 3****Main Street Retail****>> LOCATION DATA**

Property Type: Retail  
 Property Name: Main Street Retail  
 Address: 1039 S. Main Street  
 City, State, Zip: Las Vegas, Nevada 89101  
 County: Clark  
 Tax ID: 139-33-801-022  
 Market Area: Las Vegas  
 Submarket: Downtown  
 Traffic Count: N/A

**>> VERIFICATION**

Verified By: Broker, Public Records  
 Transaction Party: Michael Park w/One Commercial  
 (702) 235-7300

**>> COMMENTARY**

This is a lease of retail space located at 1029-1039 S. Main Street in downtown Las Vegas. The property consists of 3 retail buildings along Main Street, just north of Charleston Boulevard, with a combined 19,800 square feet. The unit surveyed contains 3,725 SF and was leased to Journey Ink. The lease was effective on June 1, 2022 at a rate of \$36.00 per SF per year on a triple net basis for a 3-year term. No concessions or tenant improvements were reported.

Comp ID No. 4998

**>> PHYSICAL DATA**

GBA (SF): 19,800  
 Rentable (SF): 19,800  
 Investment Class: B  
 Year Constructed: 2016  
 Exterior Walls: Masonry  
 # of Stories: 1  
 Parking:  
 Condition: Good  
 Interior: Retail

**>> OCCUPANCY AND LEASE DATA**

Lessor: 1025 Main Street  
 Occupancy: 100.0%  
 Tenant Mix: Local  
 Asking Rate (\$/SF): \$36.00  
 Lease Type: NNN  
 Escalations: Assumed Typical  
 Concessions: None Reported  
 TI Description: Unknown

**>> SURVEYED UNIT DATA**

Lessee: Journey Ink  
 Space Size: 3,725  
 Lease Type: NNN  
 Lease Rate (effect.): \$36.00  
 Start Date: 06-01-2022  
 Term: 36  
 Escalations: Assumed Typical  
 Concessions: See Comments  
 TI Description: See Comments



## >>RENT COMP NO. 4

## Mahoney's Retail Center



### >> LOCATION DATA

Property Type:	Retail
Property Name:	Mahoney's Retail Center
Address:	608 S. Maryland Parkway
City, State, Zip:	Las Vegas, Nevada 89101
County:	Clark
Tax ID:	139-34-801-013
Market Area:	Las Vegas
Submarket:	Downtown
Traffic Count:	N/A

### >> VERIFICATION

Verified By:	Broker, CoStar, Public Records
Transaction Party:	J Dapper (702) 733-3622

### >> COMMENTARY

This is the lease of storefront space in Mahoney's Retail Center located at 608 S. Maryland Parkway in downtown Las Vegas. The building contains 9,901 SF and was built in 1954. The property was recently completely renovated. The suite surveyed contains 4,340 square feet and was leased to Jive Turkey, a tavern for music and drinks. The rental rate is \$35.40 per SF per year on a triple net basis. The lease commenced on January 1, 2023 and continues for 5 years. Tenant improvements and concessions were not reported.

Comp ID No. 9438

### >> PHYSICAL DATA

GBA (SF):	9,901
Rentable (SF):	9,901
Investment Class:	B
Year Constructed:	1954
Exterior Walls:	Brick and Mortar
# of Stories:	1
Parking:	1.41 per 1,000
Condition:	Renovated
Interior:	Retail Storefront

### >> OCCUPANCY AND LEASE DATA

Lessor:	Ten15 Huntridge LLC
Occupancy:	77.8%
Tenant Mix:	Local
Asking Rate (\$/SF):	\$35.40
Lease Type:	NNN
Escalations:	Assumed Typical
Concessions:	Not Reported
TI Description:	Not Reported

### >> SURVEYED UNIT DATA

Lessee:	Jive Turkey
Space Size:	4,340
Lease Type:	NNN
Lease Rate (effect.):	\$35.40
Start Date:	01-01-2023
Term:	60
Escalations:	Assumed Typical
Concessions:	See Comments
TI Description:	See Comments

**>>RENT COMP NO. 5****Paradise Road Restaurant****>> LOCATION DATA**

Property Type: Retail  
 Property Name: Paradise Road Restaurant  
 Address: 3824 Paradise Road  
 City, State, Zip: Las Vegas, Nevada 89169  
 County: Clark  
 Tax ID: 162-15-302-009  
 Market Area: Las Vegas  
 Submarket: Central East  
 Traffic Count: 25,300

**>> VERIFICATION**

Verified By: Broker, CoStar, Public Records  
 Transaction Party: Jack Woodcock w/BHHS (702)  
 362-8700

**>> COMMENTARY**

This is the lease of a restaurant building located at 3824 Paradise Road in the central east area of Las Vegas. The property contains 11,369 SF and was built in 1976 but fully renovated in recent years. It was leased to EKO Karaoke Lounge. The commencement date was April 1, 2023 and the lease term is 10 years. The rental rate is \$39.00 per SF per year on a triple net basis. No concessions or tenant improvements were reported.

Comp ID No. 9437

**>> PHYSICAL DATA**

GBA (SF): 11,369  
 Rentable (SF): 11,369  
 Investment Class: B  
 Year Constructed: 1976  
 Exterior Walls: Stucco on Block  
 # of Stories: 1  
 Parking: 7 per 1,000  
 Condition: Good  
 Interior: Restaurant

**>> OCCUPANCY AND LEASE DATA**

Lessor: Mark Miscevic and Benchmark  
 Enterprises etal  
 Occupancy: 100.0%  
 Tenant Mix: Local  
 Asking Rate (\$/SF): \$39.00  
 Lease Type: NNN  
 Escalations: Assumed Typical  
 Concessions: None Reported  
 TI Description: None Reported

**>> SURVEYED UNIT DATA**

Lessee: EKO Karaoke Lounge  
 Space Size: 11,369  
 Lease Type: NNN  
 Lease Rate (effect.): \$39.00  
 Start Date: 04-01-2023  
 Term: 120  
 Escalations: Assumed Typical  
 Concessions: See Comments  
 TI Description: See Comments

**>>RENT COMP NO. 6****3rd Street Commercial****>> LOCATION DATA**

Property Type:	Retail
Property Name:	3rd Street Commercial
Address:	1214-1226 S. 3rd Street
City, State, Zip:	Las Vegas, Nevada 89104
County:	Clark
Tax ID:	162-03-105-017
Market Area:	Las Vegas
Submarket:	Downtown
Traffic Count:	N/A

**>> VERIFICATION**

Verified By:	Broker, CoStar, Public Records
Transaction Party:	Michael Park w/One Commercial (702) 235-7300

**>> PHYSICAL DATA**

GBA (SF):	12,284
Rentable (SF):	12,284
Investment Class:	B
Year Constructed:	1974
Exterior Walls:	Brick and Mortar
# of Stories:	2
Parking:	2.69 per 1,000
Condition:	Renovated
Interior:	Office and Retail

**>> OCCUPANCY AND LEASE DATA**

Lessor:	3rd Street LLC
Occupancy:	100.0%
Tenant Mix:	Local
Asking Rate (\$/SF):	\$36.00
Lease Type:	NNN
Escalations:	Assumed Typical
Concessions:	None
TI Description:	Full Build-out

**>> SURVEYED UNIT DATA**

Lessee:	Undisclosed
Space Size:	1,388
Lease Type:	NNN
Lease Rate (effect.):	\$36.00
Start Date:	06-01-2023
Term:	72
Escalations:	Assumed Typical
Concessions:	See Comments
TI Description:	See Comments

**>> COMMENTARY**

This is the lease of the ground floor retail space within a mixed office and retail building located at 1214-1226 S. 3rd Street area in downtown Las Vegas. The building contains 12,284 SF and was built in 1974. The property was recently completely renovated. The suite surveyed consists of 1,388 square feet and was leased to a retail tenant. The rental rate is \$36.00 per SF per year on a triple net basis. The lease commenced on June 1, 2023 and continues for 6 years. TI's were provided by the lessor. No concessions were reported.

Comp ID No. 9436





## SOUTHWEST PROPERTY CONSULTANTS

**MATTHEW BUXTON, MAI, SRA / Principal of Southwest Property Consultants / 2012-Present**

ADDRESS: 9205 W Russell Road, Suite 240, Las Vegas, NV 89148

> ADDRESS: 1190 W. Moana Lane, Reno, NV 89509 >> PHONE: 702.217.1124 >> EMAIL: matt@swpconsultants.com

### >> REAL ESTATE VALUATION AND CONSULTATION

As Principal of Southwest Property Consultants my objective is to provide the highest quality reporting and expertise in real estate appraisal and advisory. The big idea is to combine quality and design, market resources and expert analysis. Clients want reports that are strong on analysis and short on fluff. I offer experience at both the local and national level demonstrating highly technical valuation and problem solving skills in a volatile real estate market.

### >> EXPERIENCE

#### **2011-2012 / Landauer Valuation & Advisory / Las Vegas, NV / Director/Senior Appraiser**

- > Supervised over the valuation of billions of dollars in real estate in one of the nation's leading valuation companies. I specialized in complex assignments for clients including high value capital market assets and portfolios across all property types.
- > Collaborated with Newmark Grubb Knight Frank brokers and property managers on complex market analysis and investor assignments.
- > Developed a high level of expertise in advanced valuation technology within customized appraisal templates including Argus Cash Flow DCF.

#### **2007-2011 / Lubawy & Associates / Las Vegas, NV / Associate Appraiser**

- > Participated in the valuation of a wide array of real estate assignments in one of the most distinguished, local, commercial firms in Las Vegas. Appraisals included proposed developments, professional offices, shopping centers, subdivisions, apartments, industrial centers, leasehold interests, etc.
- > Specialized in a variety of government assignments and condemnation cases including the valuation of right-of-ways, easements and publically owned assets.

#### **2003-2007 / Perkins Enterprises / Las Vegas, NV / Residential Appraiser**

- > Excelled as the top appraiser in a reputable residential office that placed its strongest emphasis on report quality and appraiser integrity.
- > Assignments included the valuation of condominiums, single-family residences, multi-family properties and land.
- > Specialized in the valuation of multi-million-dollar properties, custom homes and luxury condominium suites.

### >> EDUCATION

**Master's Degree in Hotel Administration, University of Nevada Las Vegas, 2004**

**Bachelor's Degree in Business Administration, Utah Valley University, 1997**

Appraisal Institute Classes include Business Practices and Ethics, Advanced Market Analysis and Highest and Best Use, Advanced Income Capitalization, Advanced Concepts and Case Studies, Report Writing and USPAP.

# APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : MATTHEW D BUXTON

Certificate Number: A.0007839-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: July 7, 2022

Expire Date: June 30, 2024

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: MATTHEW D BUXTON  
669 TROWBRIDGE ST  
LAS VEGAS, NV 89178

REAL ESTATE DIVISION

SHARATH CHANDRA  
*Administrator*



