



TURTON
COMMERCIAL REAL ESTATE

2016 P

PRIME MIDTOWN OWNER-USER OR INVESTOR OPPORTUNITY

PROPERTY SUMMARY

TURTON COMMERCIAL IS PLEASED TO PRESENT THE OPPORTUNITY TO PURCHASE 2016 P STREET. THE SUBJECT PROPERTY IS A 5,440 SQUARE FOOT MULTIPLE TENANT OFFICE BUILDING.

The property is on a 6,400 square parcel zoned C-2 and can accommodate a range of commercial applications for interested owner-users (who can occupy the 2nd floor space) or an investor who is looking for an income producing commercial property after re-tenanting the 2nd floor unit.

The building features an exciting Mid Century Modern façade with a floor to ceiling glass entrance and floating staircase to access the 2nd floor. Building is currently occupied with a tenant on the ground floor with two years of term remaining. The Second floor can be delivered vacant to accommodate an owner-user or incoming tenant.

The Mid Century Modern building has been nicely renovated with a thorough renovation in 2008 featuring highly marketable floor plans and modern finishes. The quality of construction and the quality of improvements cannot be understated. In a market where the cost of construction is at an all time high, 2016 P Street offers the opportunity to secure a plug and play building in Midtown.

Small commercial opportunities in Midtown are scarce. Developments are replacing underutilized or lower density commercial properties. Higher density projects will be bringing thousands of new residential units in the coming years. There are less than 10 properties in the Central City that are under 5,000 square feet and even less that are priced reasonably and walking distance to world class amenities provided by the Ice Blocks.



PROPERTY INFO	
PRICE:	\$1,550,000 (\$284/SF)
ADDRESS:	2016 P Street, Sacramento CA 95811
BUILDING SIZE:	± 5,440 SF*
LOT SIZE:	± 6,400 SF
ZONING:	C-2 – General Commercial
YEAR BUILT:	1961
CONSTRUCTION:	Concrete Block & Frame Over Concrete
ROOF:	2016 with 10 Year Warranty
PARKING:	12 Stalls
CEILING HEIGHT:	9+ FT
POWER	3phase 200amp Main Feeding Bldg

*Assessor's Records



PROPERTY LOCATION

Midtown Sacramento is the perfect fusion of successful locally owned businesses and organic youth infused goods and services; a healthy dose of carefully selected national and regional retailers and an eclectic mix of high-end demographic occupations are embedded in a landscape of unique older buildings and mature trees. Business owners, residents and investors have flocked to the center of Sacramento's art, music, and cultural scene to cash in on the fruitful submarket. Many people consider Midtown to be the most centralized area in the city of Sacramento, with easy access to Downtown, Old Sacramento, West Sacramento and East Sacramento. Walk to grab coffee at The Mill, Old Soul at the Weatherstone, Peet's, Starbucks, Pachamama or Temple Coffee.

Large infill housing and mixed-use development projects are scattered throughout the urban core; however, there is significant concentration of large developments within the immediate vicinity of the subject property, indicating regional growth and an increased emphasis on inner-city living. Specifically, retailers, office tenants and residents alike love the creative and original feel of both Midtown and that of R Street's former warehouse district.

The recently completed Ice Blocks mixed-use development brings over 100,000 SF of commercial space, 70,000 SF of Retail Space, and 175 Residential Units to the neighborhood. The adjacent Safeway anchored shopping center is closer to the subject property and even closer is the recently completed Truitt Bark Park and Q19. 19th & Q Street is a recently completed four story, 60 unit apartment building with ground floor retail. The final 20PQR is nearing completion with 32 high end townhomes along 20th Street between R Street and P Street. The third largest SKK development is the Press, which recently broke ground and will bring approximately 290 Units above ground floor retail on what was formerly the Sacramento Bee's parking garage. Construction began in 2017. Lastly, the Midtown Dog Park and Community Garden is also within a convenient distance.



INVESTMENT HIGHLIGHTS

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Small commercial building in Midtown
Unique architectural features
High quality commercial investment opportunity
Surrounded by current and future development activity
Walking distance to Midtown amenities including Ice Blocks & Truitt Bark Park
Stabilized income with upside in rents on both suites
Building has been thoroughly renovated. Limited additional work needed to taste
Versatility provided with creative office and/or neighborhood retail

CURRENT INCOME

GROUND: Automation Group, Inc – Rent: \$4,165/month/Modified Gross – Tenant pays for electric, garbage and janitorial and half of city water, sewer and gas charges to the building – Parking 5 Stalls included with 1 Stall an additional \$100/month – Lease Commencement: May 1, 2017 – Expiration: December 31, 2020 – Original Term: 3 years - Next increase January 1, 2020 and rent will be \$4,284

2ND FLOOR: Vacant upon Close of Escrow or short term lease back– Fair Market Rent: \$6,000/month/MG – Parking 6 Stalls at \$450/month – Lease Commencement: Upon Sale – Term: 6 Months

Parking Income: The property features 12 parking stalls. The ground floor suite has 5 parking stalls included in their lease with a sixth parking stall that is \$100. The vacating suite on the 2nd floor has 6 stalls. Parking stalls in this area command a \$75-125/month premium for office users. The influx of residential units nearby may allow an enterprising investor to utilize the parking lot afterhours. Proforma uses \$75/stall and no after-hours income.

PROFORMA INCOME & OPERATING EXPENSES

Automation Group	\$	4,165
Owner-User	\$	6,000
Parking Income	\$	550
	\$	10,715

Gross Rents	\$	128,580
Plus Util Reimb	\$	7,500
Effective Rents	\$	136,080

	OpEx TCRE Estimate	
Property Tax	\$	17,250
Insurance	\$	2,000
Utilities	\$	12,480
Maint & Repair	\$	3,500
Proper Man 3%	\$	4,131
Misc	\$	2,500
Total Expenses	\$	41,861 (\$0.67/SF)

Net Income	\$	94,219
Acquisition	\$	1,550,000
Cap Rate Yr. 1		6.07%

OWNER- USER:

The entire 2nd Floor can be delivered vacant for an Owner-User. The space was nicely renovated in 2016 to accommodate the owner's business. The new owner would benefit by the recently improved space and high quality finishes. The office features a glass lined conference room off of the front, a bullpen with six cubicles in the middle and two offices along the rear. The suite features a welcoming reception, a versatile workroom with a kitchenette as well as two spacious bathrooms. *Why pay rent to a Landlord when you can make that payment to yourself?! Collect income from the downstairs tenant with term remaining on their lease and annualized increases.*

INVESTMENT:

The ground floor is leased to Automation Group with approximately two years of term and 2nd floor will be available upon close of escrow or after a short term lease back. An astute investor can re-tenant the upstairs to provide an additional stream of income. Lease the 12 parking stalls in the back until you develop the back portion of the lot. The proposed economics equate to a 6% capitalization rate year one upside by increasing rents and parking income upon lease expiration.





Strong interest in the area has spurred the redevelopment of nearby properties. The Sacramento grid is currently peppered with new developments, but R Street is the epicenter.

NEARBY DEVELOPMENT

9	270,000	700,000
MAJOR NEW DEVELOPMENTS	SF OF NEW OFFICE/RETAIL	SF OF NEW RESIDENTIAL

There are currently nine multi-family mixed use projects slated for development over the next two to three years. This will create as many as 1,200 new units on the market averaging about 600 sf per unit. In addition, almost 100,000 sf of retail space has been included with those permits not including almost 70,000 sf of new retail at the Ice Blocks project near the Subject Property. A majority of these projects are targeted for the P – Q – R Street corridors due to their centralized location to Midtown, Downtown and the Central District as well as their ideal proximity to Light Rail Transit’s urban hub at 16th and Q Street. Whether investing or developing, the time is now for this area of Midtown.



THE PROPERTY

PRESS BUILDING APARTMENTS
300 apartment units

20TH STREET TOWNHOMES
32 single-family townhomes

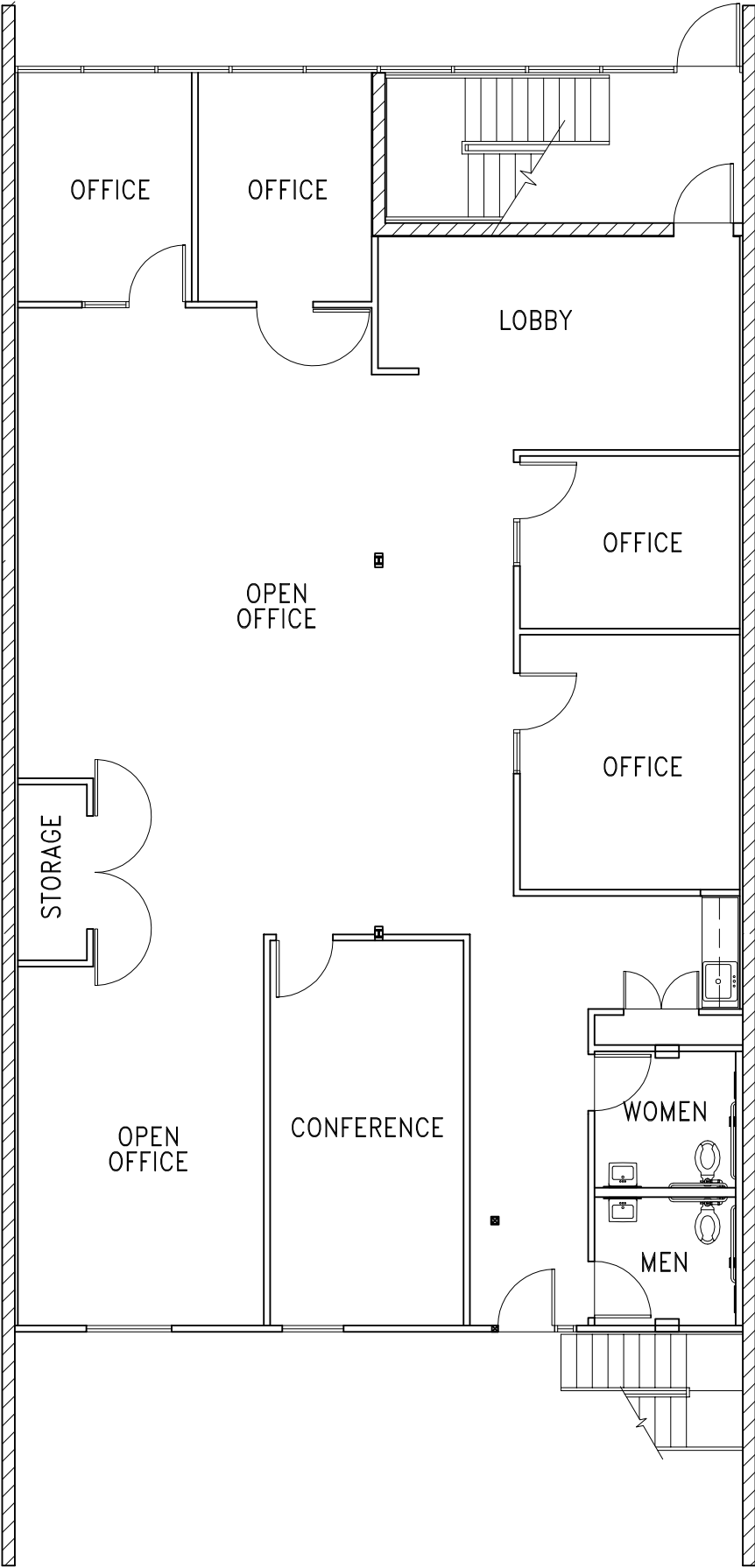
Q19
68 apartment units

PROPOSED DEV.

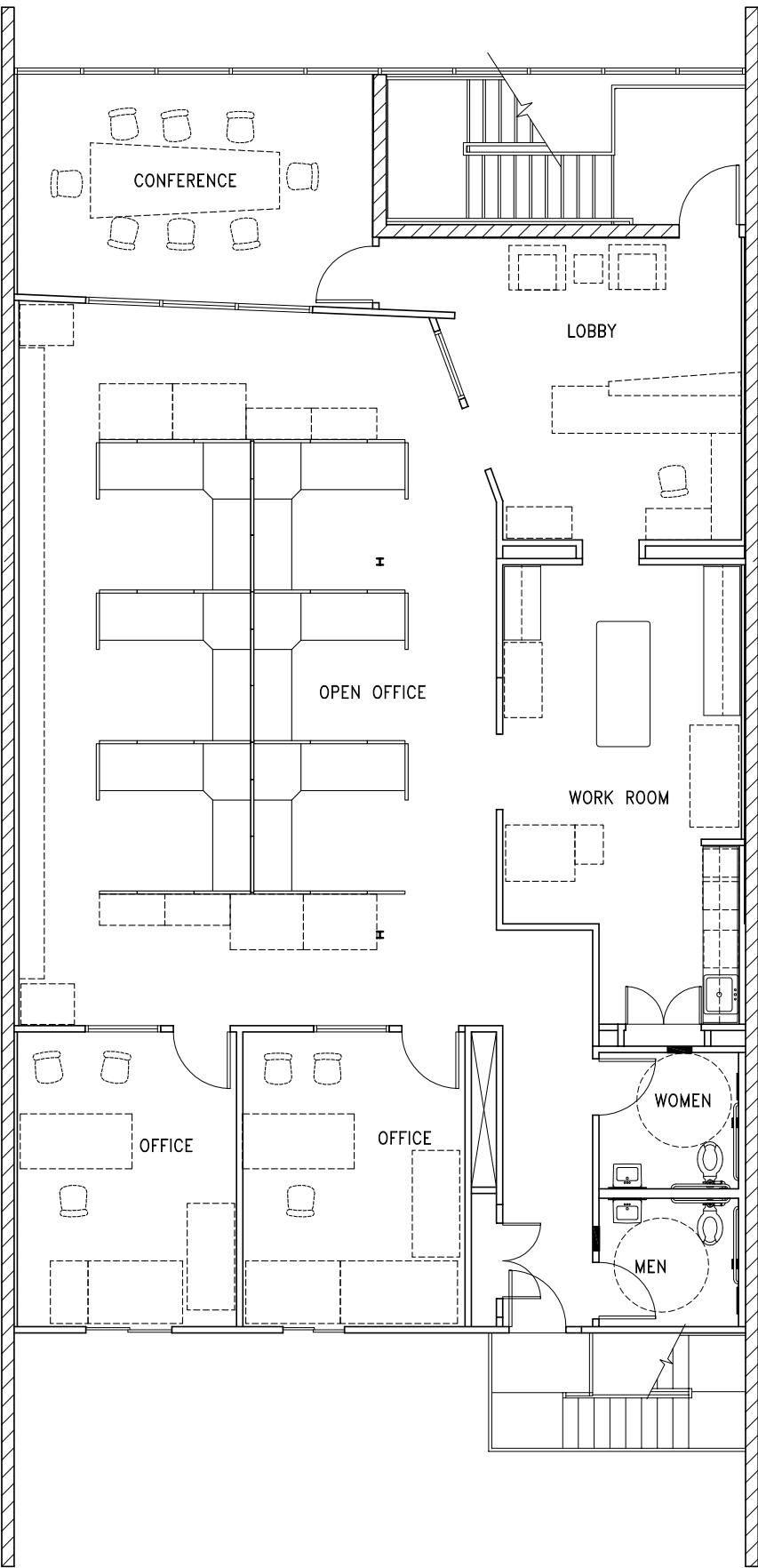
TRUITT PARK BARK

FLOOR PLANS

FIRST FLOOR



SECOND FLOOR







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