



3501 J

**EAST SACRAMENTO
INVESTMENT OPPORTUNITY**



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THE OPPORTUNITY

2020
RENOVATION

4
LUXURY RESIDENTIAL UNITS

3
BLOCKS FROM MERCY HOSPITAL

AAA
LOCATION

LONG-TERM, STABILIZED INVESTMENT OPPORTUNITY

Turton Commercial Real Estate is pleased to present the opportunity to purchase 100% fee simple interest in 3501 J Street, a premiere multifamily fourplex

investment in East Sacramento. The Property is being offered for \$2,315,000 which equates to a 4.54% capitalization rate on existing income. The Property

is prominently located at the corner of J Street and 35th Street, located less than three blocks from both McKinley Park and Mercy Hospital.

THE ENTIRE PROPERTY HAS BEEN
BEAUTIFULLY REMODELED AND IS IN A
PRIME EAST SACRAMENTO LOCATION
NEAR MERCY GENERAL HOSPITAL





PROPERTY DETAILS

Address:	3501 J Street, Sacramento, CA 95816
APN:	007-0072-011-0000
Price:	\$2,315,000.00
Cap Rate (actual income):	4.54%
Year Built:	1922
Year Renovated:	2020
Number of Units:	4
Total Square Feet:	3,987 SF
Parcel Area:	8,276 SF (.19AC)
Parking:	4 on-site garage stalls
Avg. In-Place Residential Rent:	\$2,798.75.00
Occupancy:	100%



PROPERTY OVERVIEW

3501 J Street features two 2 bed/1 bath units and two 1 bed/1 bath units across two floors. In 2020, all four units were renovated head-to-toe, including luxury finishes; updated kitchens and bathrooms; and new plumbing, electrical, and HVAC. Further, the units feature high-end stainless ap-

pliances, real hardwood floors, quartzite counters, and solid wood cabinetry. The Tenants also enjoy a secluded and shaded backyard, including a built-in BBQ and covered seating area, and a four-car garage accessible off Harmon Alley. Also included in the sale is an approved set of

plans to construct a new structure in place of the existing garage that includes a 1,270 SF, two-bedroom and two-bathroom residential unit over a four-car garage.





BUILDING LOCATION

IN THE MIDDLE OF A HIGHLY-DESIREABLE NEIGHBORHOOD

The Property has one of, if not, the finest locations in the highly desirable East Sacramento submarket of Sacramento and is within easy walking distance of several notable amenities. The Property is also walking or biking distance to Midtown, Sacramento, home to over 50 of the best restaurants and bars in the entire city.

1 BLOCK FROM SUTTER MIDDLE SCHOOL	2 BLOCKS FROM SAFeway SHOPPING CENTER	2 BLOCKS FROM LINCOLN LAW SCHOOL	2 BLOCKS FROM MCKINLEY PARK	3 BLOCKS FROM DAVID LUBIN ELEMENTARY
4 BLOCKS FROM BUSINESS 80	4 BLOCKS FROM MERCY GENERAL HOSPITAL	4 BLOCKS FROM PACHAMAMA COFFEE BAR	4 BLOCKS FROM 5+ LOCAL EATERIES & BARS	5 BLOCKS FROM MIDTOWN







EAST SACRAMENTO SUBMARKET

No single neighborhood in Sacramento is more desirable to live than East Sacramento. Homes in East Sacramento are highly sought after due to the central freeway location, proximity to the State Capitol Corridor and central business district, as well as easy access to numerous fine dining options, social events, and art offerings. Further, established schools, community and outdoor activities, and sense of security make the neighborhood highly desirable to both homeowners and tenants.

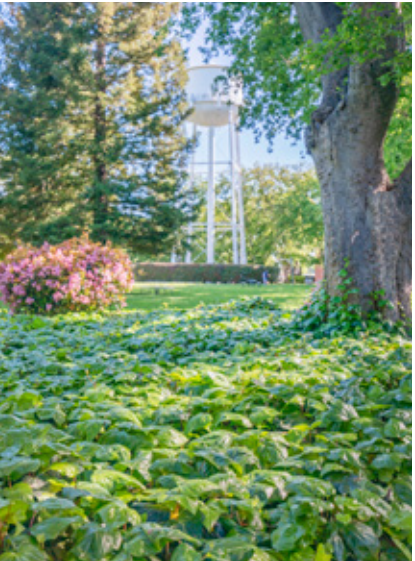
The availability of “for lease” rental housing in East Sacramento is quite limited because most of the housing inventory is comprised of single-family

homes. Even then, rental housing in the submarket often includes retrofitted single-family homes, ADUs, and older multifamily buildings with dated finishes and no amenities. As a result, luxury rental units, when available in East Sacramento, experience high demand and command premium rent.

The Property is also located just two blocks from McKinley Park, one of the most underrated amenities in the entire city of Sacramento. The 32-acre park features a library, lake, tennis courts, a playground, a perimeter running and walking track, and ample grass sports fields.

Lastly, Mercy General Hospital, located at 39th

and J Streets, is located just four blocks from the Property. Mercy General is a member of the Dignity Health Network and currently employs over 2,000 clinical and medical staff. The hospital also serves as the major Cardiac Surgery center in the greater Sacramento area and is consistently ranked as one of the best hospitals in the entire county. Over time, the Property has demonstrated consistent tenancy from hospital employees, residency doctors, and long-term visitors. To that end, the hospital provides a valuable pool of well-paid and well-educated tenants searching for housing within walking distance of the hospital.





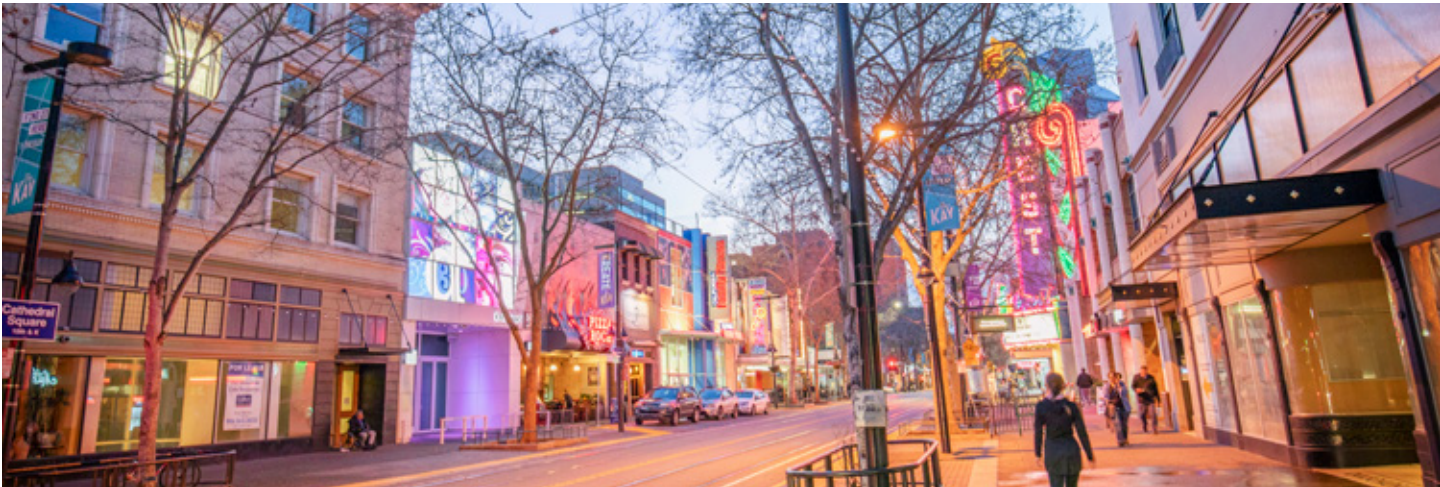
NEARBY URBAN AMENITIES

3501 J Street is in the heart of East Sacramento with immediate access to both the Urban Core and the Freeway system.

POPULAR RESTAURANTS NEAR 3501 J STREET (NOT ALL ARE MENTIONED HERE):

58 Degrees & Holding Co.	Chipotle	Kru	Paragary's	Tank House BBQ
Aioli Bodega Espanola	Club Raven	Kupros Craft House	Peet's Coffee	Tapa the World
Allora	Cornerstone	La Trattoria Bohemia	Pine Cove Tavern	Tea Cup Cafe
Amaro Italian Bistro & Bar	Crepeville	Lowbrau	Pizzeria Urbano	Temple Coffee
Azul Mexican	Der Biergarten	Metro Kitchen & Drinkery	Pronto Pizza	Thai Basil
Bacon & Butter	Eatuscany Cafe	Midtown Taqueria	Pushkin's Bakery	Thai Palace
Bar West	Elixir Bar & Grill	Mimosa House	Q Street Bar & Grill	The Golden Bear
Bento Box	Evan's Kitchen	Mulvaney's B&L	Red Rabbit	The Mill Coffee House
Block Butcher Bar	Federalist Public House	N Street Cafe	Rick's Dessert Diner	The Porch
Bonn Lair	Fieldwork Brewing Co.	Nekter	Roxie Deli and Barbecue	The Rind
Broderick Midtown	FishFace Poke Bar	Nido	Sakamoto	The Shack
Buckhorn Grill	Fit Eats	Nishiki Sushi	See's Candies	The Waterboy
Burgers and Brew	Ginger Elizabeth Chocolates	Nopalitos Southwestern Café	Selland's Market Cafe	Tres Hermanas
Cafe Bernardo	Highwater	OBO Italian Table & Bar	Shanghai Garden	Tupelo Coffee & Roasting
Cafe Capricho	Hot Italian	Old Soul Coffee	Shoki Ramen House	Vibe Health Bar
Canon	I Love Teriyaki	OneSpeed	Star Ginger	Waffle Square Country Kitchen
Cantina Alley	Identity Coffee	Original Mel's Diner	Station 38 Coffee	Wing's Restaurant
Celestin's	Jack's Urban Eats	Orphan	Steve's Pizza	Yogurt a GoGo
Centro Cocina Mexicana	Juno's Kitchen	Pachamama Coffee Bar	Sun & Soil Juice	Zelda's Pizza
Chando's Tacos	Karma Brew	Paesano's	Sushi Café	Zocalo





SACRAMENTO

15.3 MILLION
ANNUAL REGIONAL VISITORS

71,335
DAYTIME EMPLOYEES

215+
BARS / RESTAURANTS

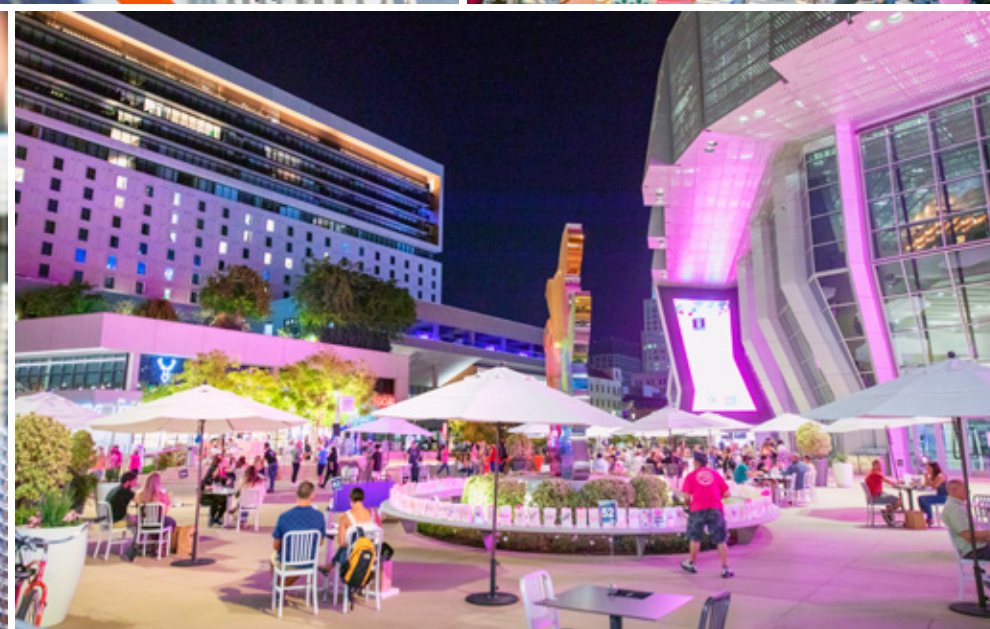
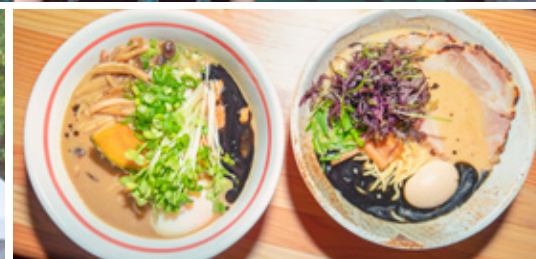
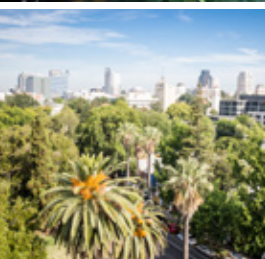
CALIFORNIA'S FASTEST-GROWING METROPOLITAN AREA

Sacramento is the Capitol of California, the fifth largest economy in the world. While perhaps not considered as prolific as many of the tourism-based cities in California such as San Francisco, Los Angeles and San Diego, being the hub of California's governmental structure provides an incredible amount of economic stability throughout the region. In addition, Sacramento is being increasingly recognized as an outdoor enthusiast's dream city with its re-

markably central location to Lake Tahoe, the Sierra's, Yosemite and the Coast. In a recent study completed by WalletHub for National Nutrition Month, Sacramento was ranked the 5th healthiest city in the United States among 100 large cities (ranking higher than the likes of Denver, Colorado Springs, San Francisco, Portland, Austin, San Antonio and Seattle). Forbes magazine ranked Sacramento as the 10th healthiest city in the United States versus all cities.

A big part of this recognition stems from the cities' proximity to the American River. Hiking trails and white-water rafting abound along the American River as well as one of Sacramento's crown jewels - the 32-mile American River Bike Trail which runs entirely along the river from Beal's State Park to Discovery Park where it conjoins with the Sacramento River to Old Sacramento on the riverfront (only 20 blocks from the Subject Property).





THIS CITY'S RAD

Midtown Sacramento, adjacent to East Sac, is dense, vibrant, and open late. As the city's cultural epicenter, it attracts art, experiences, and excitement!

SACRAMENTO DATA BITES

Sacramento's relative affordability versus amenities remains one of its biggest draws. Population growth is expected to average about 1% (20,000 annually for the region) over the next five years and is expected to outpace the national average. Household growth continues to far outpace the rate of single-family and apartment deliveries. In July 2020 Sacramento was the most popular migration destination in the U.S, with more than half of home searches from buyers outside of the area (Redfin).

MULTIFAMILY RENTAL TRENDS URBAN CORE:

Class	Inventory (units)	Avg Rent	Vacancy	Absorption* (units)	Under Const. (units)
A	1,993	\$2,053	14.5%	328	1,154
B	2,172	\$1,677	9.8%	36	140
C	8,864	\$1,041	4.4%	40	0
All Types	13,029	\$1,442	7.3%	252	1,294

Costar, Multifamily All Unit Mixes

SACRAMENTO'S CITY RANKINGS:

- #1 in the U.S. for net migration
- #1 Happiest workers in midsize cities
- #2 Top 10 most fun, affordable U.S. cities
- #4 U.S metro clean tech index
- #4 Best cities for nerds
- #5 Hot startup cities
- #10 Best cities for women in the workforce
- #10 Best cities for coffee snobs
- #10 Least Stressed-out cities
- #14 America's coolest cities
- #16 Best cities for millennials

\$3,123 AVERAGE RENT PER MONTH
BAY AREA

\$1,838 AVERAGE RENT PER MONTH
SACRAMENTO

Zillow, August 2020

PERCENTAGE OF POPULATION WITH A BACHELORS DEGREE:

34.3%

SmartAsset 2018

SACRAMENTO: OWNERS VS. RENTERS



GSEC 2020
Applied Geographic Solutions & GIS Planning

THE PROPERTY

4	3,987	4	2021
LUXURY RESIDENTIAL UNITS	TOTAL RSF	PARKING STALLS	APPRAISAL

ALL UNITS AND BUILDING INFRASTRUCTURE RENOVATED IN 2020



LET’S DIVE IN DEEPER

GENERAL

Number of Residential Units	4
Unit Layout	
Unit 1	1 bedroom and 1 bath
Unit 2	2 bedroom and 1 bath
Unit 3	1 bedroom and 1 bath
Unit 4	2 bedroom and 1 bath
Year Built	1922
Year Renovated	2020
Stories	2
Net Rentable Area	3,987 SF
Unit 1	750 SF
Unit 2	900 SF
Unit 3	750 SF
Unit 4	900 SF
Average Residential In-Place Rent	\$2,798.75
Average Residential Rent PSF	\$3.39 PSF
Average Residential Reimbursement	\$125 per month

SITE

Address	3501 J Street
County	Sacramento, California
APN	007-0072-011-0000
Zoning	R-3 Multifamily Residential
Parking (Garage)	4 Garage Parking Stalls
Parking Cost	\$62.50 per stall, per month

RESIDENTIAL SYSTEMS

HVAC	New package units on the roof
Electric	Individually metered
Water Heaters	Individual water heaters in all units

UTILITIES

Electricity	SMUD
Water	City of Sacramento
Sewer/Storm drain	City of Sacramento
Gas	None
Garbage	Republic Services
Fiber	Comcast / Direct TV / U-Verse

INTERIORS

Walls and Ceilings	Semi smooth two-toned paint
Flooring	
Living Areas	Real hardwood
Bathrooms	Stone floor and shower walls with frameless glass shower enclosure. Double vanity with oversized mirror.
Cabinets	Custom upper and lower wood cabinets with granite/quartzite counters
Kitchens	Each kitchen features a full stainless-steel appliance package including a stainless-steel electric range, vent hood, dishwasher, French door refrigerator, and microwave. Additionally, all kitchens have a garbage disposal.
Lighting	Designer decorative fixtures
Laundry Appliances	Stacked high efficiency washer/dryers



ECONOMICS

PURCHASE PRICE

Operating Expenses	Amount	Pmt Frequency	% per yr
Common SMUD/PG&E Bills	\$360	\$30/mo	
Maintenance	\$1,500	\$125/mo	
Pest Control	\$500	\$150/qrt	
Landscaping	\$2,100	\$175/mo	
Sewer, Water, Garbage	\$3,000	\$250/mo	
Property Taxes	\$26,323		1.1371%
Direct Levies	\$990	\$340/2x yr	
Insurance	\$3,900	\$275/mo	
Turnover Costs	\$500	\$250/2x yr	
Total	\$39,173		
Residential Pro-Rata	\$39,173		100%



PURCHASE PRICE

Monthly Rent	\$11,170
Monthly Reimbursement	\$524
Monthly Parking	\$325
Monthly Total	\$12,019
Annual Total	\$144,228
Net Operating Income	\$105,055
Value at 4.54% Cap Rate	\$2,316,538
Price Per Unit	\$579,135



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COMMERCIAL REAL ESTATE