

INDUSTRIAL BUILDING FOR SALE



229 Encinal Street
Santa Cruz, CA 95060

Price: \$2,000,000

Building Size: +- 8,300sf (+- 5,300sf ground floor, +- 3,000sf 2nd Floor)

Land Size: 10,585sf



OW COMMERCIAL

For More Information Please Contact:

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The information contained herein has been secured from sources we believe reliable, but we make no warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

INVESTMENT SUMMARY

Ow Commercial is pleased to present 229 Encinal Street for sale. This functional commercial building features +/- 8,300 square feet of space on a +/- 10,585 square foot land parcel located in the Harvey West commercial area with close proximity to Costco. This building was built in 2008 and the unpermitted second floor was installed in 2010. The building is efficiently laid out and would be ideal for an owner-user and/or investor looking to acquire a commercial building that is well suited for a variety of different uses. This building has a successful rental history and three leases in place.

INVESTMENT HIGHLIGHTS

Rare Industrial Building Investment Opportunity - Rare opportunity for owner-users and/or investors to acquire a light industrial building in Santa Cruz. Current owners are occupying approximately 3,000sf of ground floor space that could be occupied by an owner-user or leased to a new tenant upon the close of escrow.

Most Sought After Product Type - Light industrial space is in high demand and short supply in Santa Cruz.

Location, Location, Location - This property is well located in the Harvey West area within close proximity to Costco and surrounded by other light industrial and office properties.

Easy Access - The property is easily accessible via Highway 1, Highway 9, and Highway 17. The property fronts Encinal Street and Fern Street allowing multiple access points. The building was originally designed with the ability to drive through it from Fern Street to Encinal Street.

Many Different Uses Possible - The building consists of 5 bays (approximately 22' x 48') on the ground floor and an additional +/- 3,000sf on the second floor with many different ways to divide the space. Currently the building is occupied by 4 separate users. Per the current ownership, the second floor was approved by the fire marshal and is inspected by the fire marshal annually, but the second floor was not permitted through the city of Santa Cruz when it was installed in 2010.

Demographics – The city of Santa Cruz is a densely populated, affluent, and well-educated coastal community. The city of Santa Cruz has a population of approximately 61,800 with an average household income of \$148,404.



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PROPERTY DETAILS

Address:	229 Encinal Street, Santa Cruz, CA 95060
Building Size:	+ - 8,300sf (+ - 5,300sf ground floor and 3,000sf 2nd floor). 2nd floor was not permitted when constructed.
Parcel Size:	10,585sf
Year Built:	2008
Zoning	IG - General Industrial District
Parking:	Striped for 5 spaces, but room for 7+ cars.
APN:	001-045-28
Access:	Man doors and large rollup doors fronting Encinal Street and Fern Street
Building Type:	Metal building system on 3' concrete stem wall with wood façade facing Encinal Street. Fully insulated exterior walls and ceiling. Side walls framed 2x6" with 5/8" sheetrock on both sides.
Roof:	Standing seam metal
Leases:	Three leases in place. Please see rent roll for more details
Bathrooms:	2 ground floor restrooms and 2 2nd floor restrooms. 2 Showers in Suite 202 and 1 shower in Suite 201
Power:	600 amp 240/120 4 wire main service with 5 meter loca- tions
Hazardous Materials:	None known
Clear Height:	Max height of 28' in the open warehouse. 12' to the bot- tom of the truss on the ground floor with a 2nd Floor over it. 14' clear on the 2nd floor.
Flooring:	Concrete Slab



INDUSTRIAL BUILDING FOR SALE

229 Encinal Street

PROFORMA Rent Roll and Income/Expense Summary

RENT ROLL AND INCOME SUMMARY						
	LEASE EXPIRATION	RENT INCREASES	PER MONTH	SQFT.	\$ PER SQFT.	PER YEAR
Owner's Unit	Mo-to-Mo	Mo-Mo	\$ 4,500.00	3,000	\$ 1.50	\$ 54,000.00
GutterPatrol & Windowshine, Inc.	2/28/2027	None	\$ 2,900.00	2,000	\$ 1.45	\$ 34,800.00
X Academy	9/30/25; no options	None	\$ 2,484.00	1,700	\$ 1.46	\$ 29,808.00
Nick Henning	12/1/2026	None	\$ 1,850.00	700	\$ 2.64	\$ 22,200.00
Gross Rental Income			\$ 11,734.00	7,400	\$ 1.59	\$ 140,808.00
EXPENSE SUMMARY						
Maint. & Repairs			\$ (1,500.00)			\$ (642.00)
Fire Alarm Monitoring + Security System			\$ (97.60)			\$ (1,171.23)
Insurance			\$ (314.25)			\$ (3,771.00)
Management 3%			\$ (352.02)			\$ (4,224.24)
Property Taxes			\$ (2,000.00)			\$ (24,000.00)
Utilities			\$ 915.83			\$ 10,990.00
Total Expenses			\$ (3,348.04)			\$ (22,818.47)
Net Operating Income			\$ 8,385.96			\$ 117,989.53
Proforma Cap Rate Based on \$2M Price						5.90%

Owner's Unit rent, Expense Summary, and Proforma Cap Rate are estimated; Buyer should complete its own analysis and make its own assumptions.



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229 ENCINAL - AERIAL PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS



SANTA CRUZ MARKET PROFILE



CITY OF SANTA CRUZ

Santa Cruz is an iconic beachside city located 59 miles south of San Francisco and 32 miles southwest of San Jose and Silicon Valley. Located at the northernmost end of the Monterey Bay, Santa Cruz is known for its recreational amenities, renowned university of California, Santa Cruz, and world famous wharf, beach, and Boardwalk, which attract over 3,500,000 visitors a year. The town is bordered by the ocean to the south and mountains to the north. The city occupies 12 square miles and has an estimated population of 61,800. However, during the school year that population increases by almost 10,500 because of University's student population.

POPULATION, INCOME, AND EDUCATION

Santa Cruz is the home to the University of California, Santa Cruz (UCSC) which has a current enrollment of approximately 19,764 undergraduate and graduate students, local alumni of over 13,000, and is the City's largest employer, with over 7,600 employees. The principal industries of Santa Cruz are agriculture, tourism, education, and technology. The City's largest employers are the University, followed by the County of Santa Cruz, the city government, and Plantronics. The unemployment rate in Santa Cruz is 5.8%, with job growth over the next 10 years predicted to be over 3%. Santa Cruz is home to a very strong and affluent housing market. Santa Cruz has a median home price of \$1,400,000. Located within close proximity to Silicon Valley, the city is projected to continue to grow and attract a diverse and wealth population.



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REGIONAL TRANSPORTATION

Highways 1 and 17 are the main roads into and out of Santa Cruz. The Santa Cruz Metropolitan transit District provides bus service throughout Santa Cruz County. Metro also operates bus service between Santa Cruz (city) and San Jose by way of a partnership with the Santa Clara Valley transportation authority and Amtrak California. Connections are possible in San Jose. Greyhound Lines bus service is another option for visiting Santa Cruz. The nearest airports served by major commercial airlines are San Jose International airport, Monterey Peninsula airport, San Francisco International airport, and Oakland International Airport. The nearest public airport of any kind is Watsonville Municipal airport, about 15 miles to the southeast, which serves general aviation users.

SANTA CRUZ BEACH BOARDWALK AND SANTA CRUZ TOURISM

Santa Cruz offers a multitude of amenities and attractions, making it one of California's most popular tourism destinations. In fact, tourism ranks, alongside agriculture, as one of the top employers and revenue-producing industries in Santa Cruz County, generating over \$500 million in direct travel expenditures annually. Santa Cruz is well-known for water sports such as sailing, diving, swimming, paddling, and is regarded as one of the best spots in the world for surfing. The largest tourist attraction in Santa Cruz is its world famous wharf, beach, and Boardwalk, which attract over 3,500,000 visitors a year and is a short distance away from the subject property. Visitor dollars help to support Santa Cruz County by providing business and tax revenues which contribute to local employment, vast expanses of open space, beaches and parks, and small businesses which are largely locally owned. Tourism generates over \$14 million in taxes for local government, which helps to pay for police and fire protection, road repairs, park maintenance and social services, social and health service programs, City and County resident/municipal services, and an array of cultural and performing arts.



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