

**9068 Elkmont Way
Elk Grove, CA (Sacramento MSA)**

**100% Absolute NNN Leased
Industrial Building | +/- 47,392 SF**

OFFERING MEMORANDUM



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INVESTMENT OVERVIEW

PDF powered by eXp Commercial (“PDF”) is pleased to present this +/- 47,392 SF 100% Leased Multi-Tenant Industrial Building located in Elk Grove, CA. This concrete tilt-up sits on a +/- 2.59 acre parcel and has a zoning of light industrial per the city of Elk Grove. Located within the heart of the highly sought after industrial submarket of Elk Grove, this property is just minutes away from Highway 99, approximately 16 miles south of Downtown Sacramento, and approximately 33 miles north of Stockton. 9068 Elkmont Way is anchored by California Custom Trailers & Powersports and EKC Enterprises, and includes other strong tenants that have signed long term absolute NNN leases. The property has five separate industrial/flex suites ranging from +/- 2,500 square feet to +/- 18,028 square feet. With minimal Landlord responsibilities, this is an outstanding long term investment opportunity.



INVESTMENT HIGHLIGHTS

- Fully Leased +/- 47,392 SF Industrial Building
- Five Separate Suites
- Absolute NNN Long Term Leases - Minimum Landlord Responsibilities
- Located in Heart of Competitive Industrial Submarket of Elk Grove, CA

PROPERTY HIGHLIGHTS

- +/- 47,392 Concrete Tilt-Up on +/- 2.59 AC
- Zoning: Light Industrial (City of Elk Grove)
- Five Separate Flex/Industrial Suites - Ranging from +/- 2,500 square feet to +/- 18,028 square feet
- Three (3) Dock Level Doors and Five (5) Grade Level Doors
- 1,600 amps 208/120v 3 phase
- Newly Installed Roof
- Repaved Parking Lot
- Fully Sprinklered

9068 Elkmont Way
Elk Grove, CA 95624

EXECUTIVE SUMMARY

OFFERING SUMMARY

Offering Price	\$9,000,000
CAP Rate	5.83%
Net Operating Income Year 1	\$525,048 NNN
Gross Leasable Area (GLA)	47,251 SF
Year Built	1997

SITE DESCRIPTION

Zoning	LI (Light Industrial) - City of Elk Grove
Number of Tax Parcels	One
Parcel Number	134-0620-032



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LEASING SUMMARY

Tenant Name	Unit	Square Feet	Lease From	Lease To	Monthly Rate/SF	Total Monthly Base Rent	Next Rate Increase	Option	Lease Type
California Custom Trailers & Powersports	100	14,336	9/15/22	9/14/27	0.98NNN	\$14,336.00	None	None	NNN
EKC Enterprises, Inc.	110	18,028	10/1/21	9/30/24	0.80NNN	\$14,344.00	3% on 10/1/24	One (1) - Two (2) Year	NNN
Wilton Rancheria	130	8,887	10/1/21	9/30/26	0.88NNN	\$7,109.60	None	None	NNN
On The Spot RV Repair	140	3,500	11/1/20	11/30/26	1.43NNN	\$5,005.00	None	None	NNN
Pending 5 Year Lease	150	2,500	Upon COE	Upon COE	1.00NNN	\$2,500.00	None	Three (3) - Five (5) Year	NNN
MONTH TOTAL		47,251				\$43,754.00			
ANNUAL TOTAL						\$525,048.00			



SURROUNDING AREA MAP



LOCATION OVERVIEW

Elk Grove, California (Sacramento MSA)

Sacramento enjoys a strategic location in northern California at the intersection of interstates 5 and 80. The capital city is also home to more than 2.4 million residents putting it in a prime position to serve both its own residents and those in the nearby Bay Area. Sacramento's industrial fundamentals remain strong through 2021. Annual net absorption figures have totaled 2.9 million SF, with net deliveries at 3.1 million SF with another 3.8 million SF currently underway. Despite the new inventory, the vacancy rate has fallen with all the leasing activity in the market. The market continues to attract large distribution and e-commerce users that historically focused on either the East Bay or Central Valley markets. These users are primarily focused on the region's new construction as Sacramento's older product often does not typically meet the clear height and loading requirements of modern industrial users. As a result, much of the new construction has been high-cube single-tenant buildings. Since 2017, 80% of the completed construction of 100,000 SF or more has been occupied by a single tenant. E-commerce remains a dominant driver of market activity. Amazon recently announced that, in addition to the 855,000-SF distribution center built in 2017, it has taken occupancy of a 1.3 million-SF distribution center, bringing their total occupancy in the region north of 4.5 million SF. Both properties are located in Metro Air Park, the focal point of industrial development in the region and also home to a 1.1 million-SF Walmart distribution center that opened in 2020. Rents continue to appreciate, up 8.3% over the past 12 months, reaching \$10.42/SF. This fact combined with limited quality inventory on the market creates significant upward pressure on asking rents. Little change is expected in the coming periods as landlords will continue to leverage their position to increase cash flow. Sales activity has been tepid in recent years as landlords have been content to hold their properties and push rents, however that trend has changed in 2021 with sales volume surpassing \$1 billion for the year. User purchase activity has been particularly strong as values have reached \$147/SF, a new record for the market. Investor sale activity has also been strong as quarterly investment sales volume is expected to surpass \$100 million for the third consecutive quarter for the first time since 2018.

Source: CoStar - Market Analytics



FOR MORE INFORMATION

Paul Frank

916-240-4012 mobile

Paul@pdf-usa.com

DRE #01112160

Jon Bias

916-508-9556 mobile

Jon@pdf-usa.com

DRE #01998325

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