

1801 K STREET

**FULLY-LEASED
AAA LOCATION
MIDTOWN INVESTMENT
PROPERTY FOR SALE**



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THE OPPORTUNITY

FULLY LEASED-INVESTMENT SINGLE-TENANT OFFICE BUILDING IN MIDTOWN

Turton Commercial Real Estate is pleased to bring to market 1801 K Street (the “Property”) representing a rare opportunity to acquire a fully-leased investment in the heart of Sacramento’s thriving Midtown submarket.

The Property, priced well below replacement cost, is in a premier location along Midtown’s K Street corridor, and features two-floors of modern office space, built for the single tenant, the Public Employment Relations Board (PERB), who has occupied the location since 1982, and has lease term through 2030*. Moody’s Investors Service gives the State of California a Aa2 bond rating, and Standard and Poor’s, a AA-, two very consistent and reliable ratings.

The Public Employment Relations Board is a quasi-judicial administrative agency charged with administering the collective bargaining statutes covering employees of California’s public schools, colleges, and universities, employees of the State of Cal-

ifornia, employees of California local public agencies (cities, counties and special districts), trial court employees, trial court interpreters, supervisory employees of the Los Angeles County Metropolitan Transportation Authority, Judicial Council employees, Orange County Transportation Authority employees, Bay Area Rapid Transit District (BART) employees, Sacramento Regional Transit District employees, Santa Cruz Metropolitan Transit District employees, Santa Clara Valley Transportation Authority employees, and child care providers who participate in a state-funded early care and education program.

The Property is being offered at \$3,500,000, or \$197 per State of California leasable square foot, with income in place, representing a 7.45% Capitalization Rate (Cap Rate) on year one net operating income of \$260,653, inclusive of proforma property taxes. The tenant has rent escalations of 3% every two years.

The Property features approximately 11 secured parking spaces, including an electric vehicle charging station.

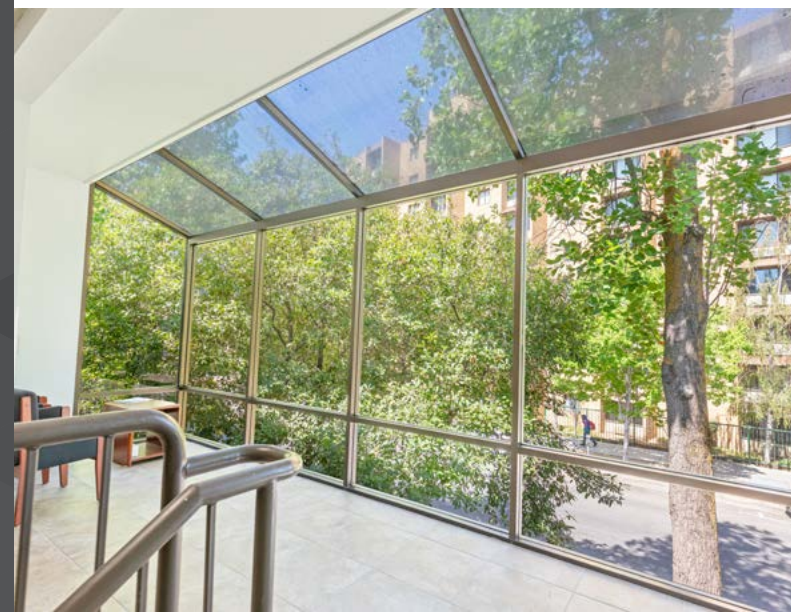
At the last lease renewal, PERB spent \$200,000 on updates to their space, to accommodate their occupancy, a strong sign they intend to remain at the building for the future.

The Property features a brand new TPO membrane roof, installed in 2023.

The Property is located near dozens of Midtown’s best amenities, including restaurants, cafes, bars and entertainment venues.

The Property presents a unique opportunity to own a long-term, fully-leased investment, in the heart of midtown, with a great location that cannot be replicated.

**Tenant has termination right in their lease, however has occupied the specially built out space for decades and has not expressed interest to move.*



SUMMARY

17,746 RENTABLE SF BY STATE OF CA
SAME STATE OF CA TENANT SINCE 1982

- LATEST RENEWAL 2021
- TENANT INVESTED ~ \$200,000 IN IMPROVEMENTS

\$3,500,000 PURCHASE PRICE

\$197 PER SF ON STATE LEASABLE SF

7.45% CAPITALIZATION RATE

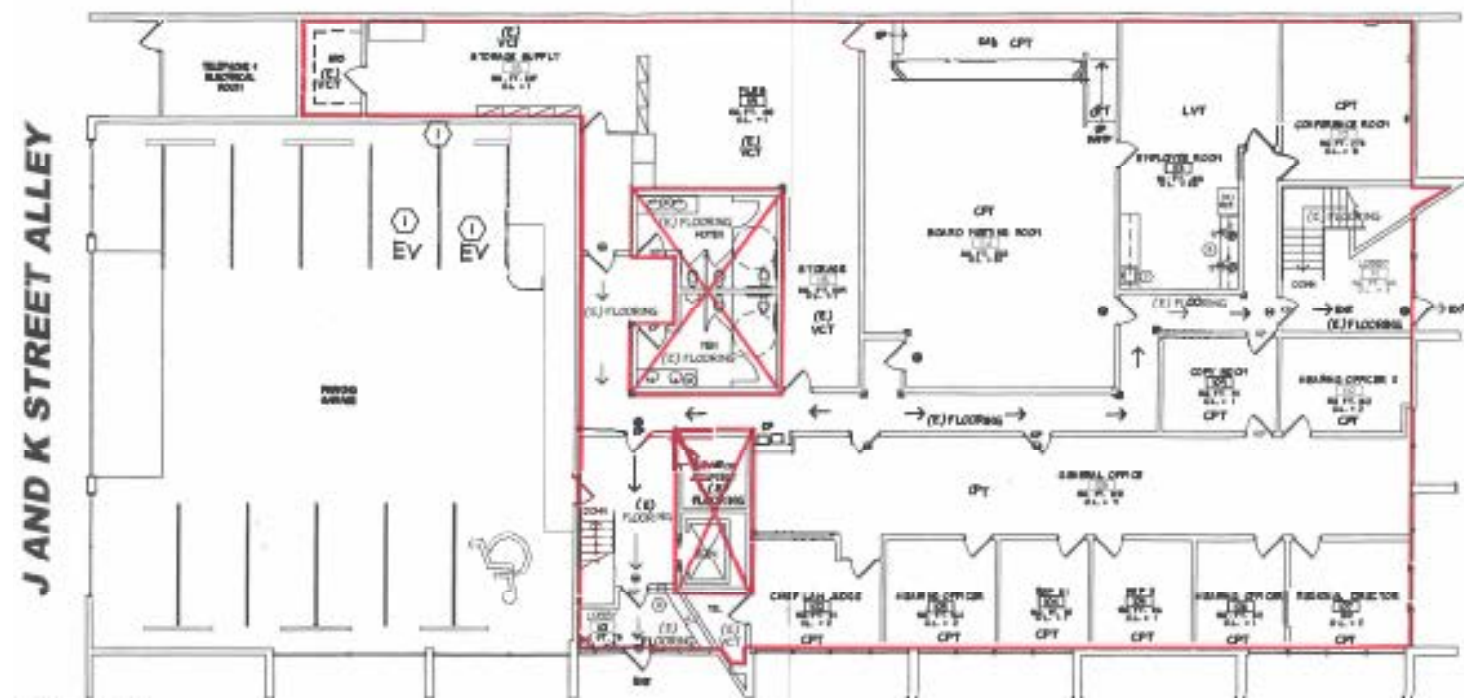
1 THE OPPORTUNITY
1801 K STREET

PROPERTY INFO

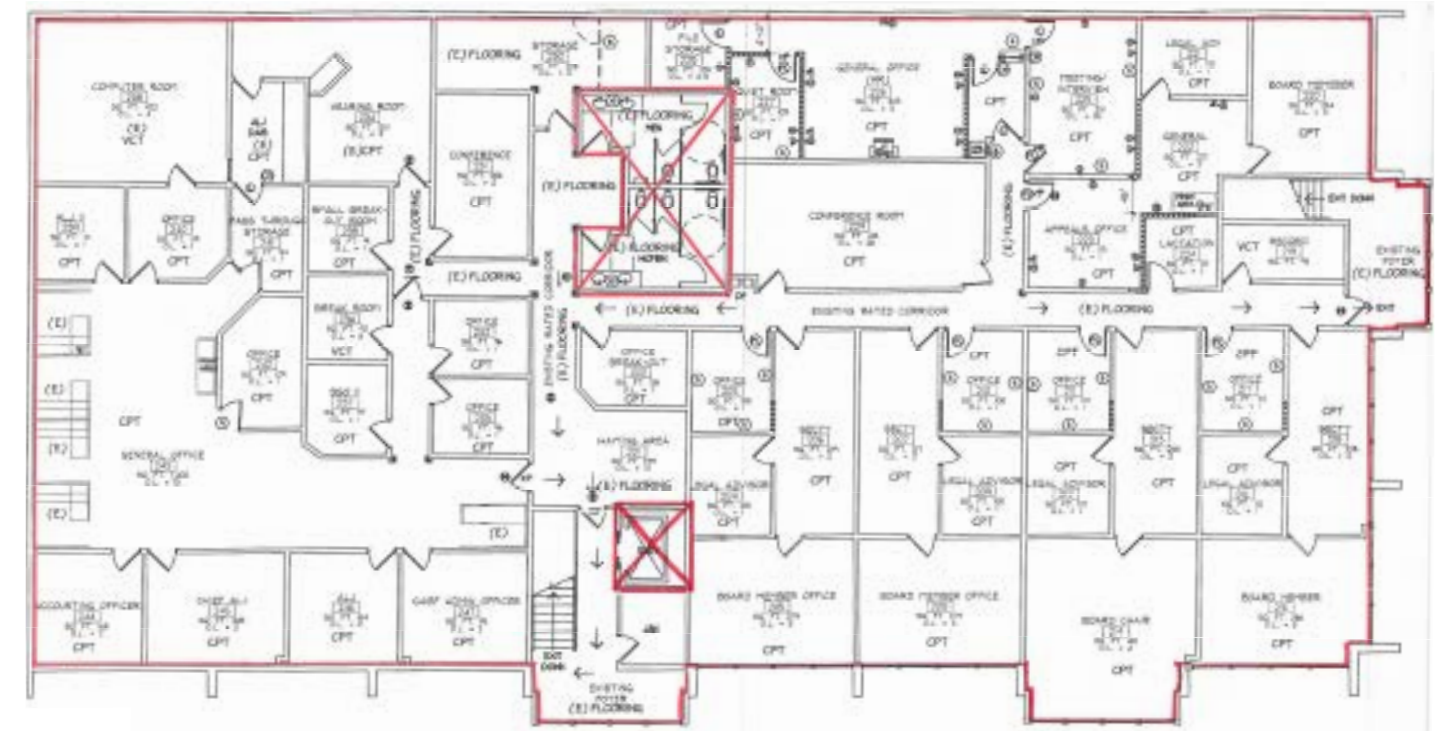
Address:	1801 K Street, Sacramento CA
APN:	007-0081-019-0000
Parcel Size:	0.29 Acres (12,800 SF)
Zoning:	C2-SPD
Year Built:	1982
Year Renovated:	2021
Building Size (Gross):	19,738 SF
Building Size (Leasable):	17,746 SF
Parking:	11 secured stalls
Stories:	Two (2)
Facade:	Stucco
Roof Type:	TPO membrane, replaced 2023
HVAC:	18 roof mounted units, varying age, all regularly maintained
Elevators:	One (1)
Electricity:	SMUD
Water/Sewer:	City of Sacramento
Gas:	PG&E



THE FLOOR PLANS



FIRST FLOOR



SECOND FLOOR

THE LOCATION

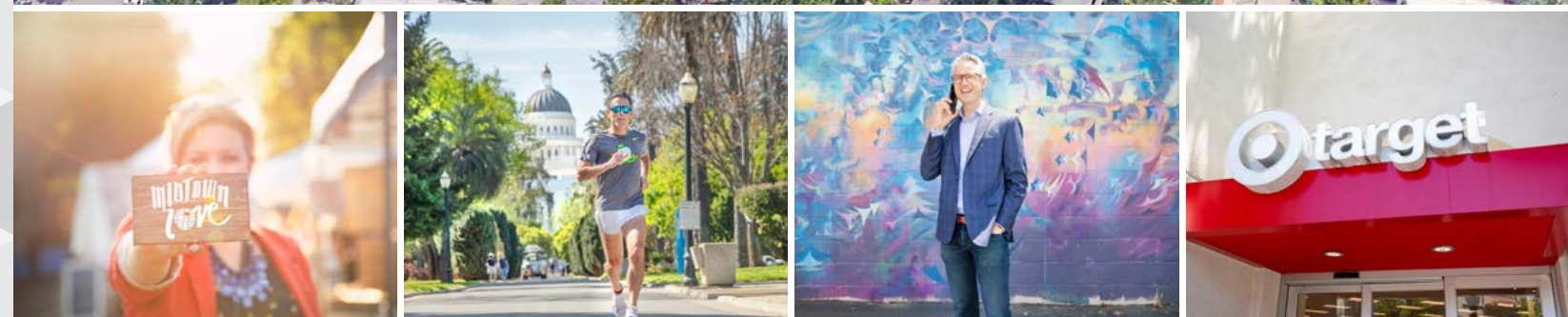
BENEFITS FROM PROXIMITY TO THE HANDLE DISTRICT & LAVENDER HEIGHTS

1801 K Street enjoys one of the most desirable locations in Midtown, Sacramento. Midtown Sacramento is the perfect blend of carefully curated local, national, and regional retailers with an eclectic mix of high-end demographic occupations embedded in a landscape of unique older buildings paired with mature trees. Business owners, residents and investors near and far 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 desirable area in the city of Sacramento, with easy freeway access and adjacent to Downtown, Old Sacramento, West Sacra-

mento and East Sacramento.

The Subject Property is located adjacent to the Handle District and surrounded by many of Midtown's most desirable amenities, including Zocalo, Fieldwork Brewing, Aioli Bodega Espagnola, Crepeville, The Rind, Capitol Park, and much more. The Handle District features some of Sacramento's most successful restaurants and nightlife venues and has a unique mix of local restaurants, art galleries, coffee houses and boutiques. The Handle District generates high foot traffic - day and night - and is a local hot spot for those who love to eat, drink, and enjoy Midtown's more popular establishments.

A few blocks away the Lavender Heights neighborhood has emerged as one of the submarket's hottest micro-markets. The epicenter of this exciting district is the MARRS building. The neighborhood recently welcomed rainbow cross walks to commemorate the cultural inclusion and progressive thinking of the neighborhood. While it is an excellent starting location for the popular Second Saturday festivities, this area is home to many additional noteworthy events such as the Midtown Love, The Midtown Farmers' Market, Midtown Mini, THIS Sacramento block parties, PARK(ing) Day, and so much more!






2 THE LOCATION
1801 K STREET



THE HANDLE DISTRICT

PLACER AI JULY 2023 - JULY 2024

 3 BLOCKS	 1.3M YEARLY VISITS	 18 BARS & RESTAURANTS	 \$86,038 HOUSEHOLD INCOME
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TOP VISITORS: SINGLES & STARTERS, YOUNG CITY SOLOS & THRIVING BOOMERS

The Handle District in Sacramento is a vibrant and bustling area known for its eclectic mix of successful restaurants, nightlife venues, local eateries, art galleries, coffee houses, and boutiques. This district experiences high foot traffic both day and night, making

it a hotspot for those who love to eat, drink, and enjoy Midtown's popular establishments. Notable spots include Zocalo, known for its vibrant Mexican cuisine; The Rind, specializing in cheese and wine; Mulvaney's B & L, offering upscale American fare; Aioli Bodega

Espanola, with its authentic Spanish dishes; and Saigon Alley Kitchen + Bar, featuring flavorful Vietnamese cuisine. Whether you're in the mood for a gourmet meal, a casual bite, or a night out on the town, the Handle District has something to offer for everyone.





2 THE LOCATION

1801 K STREET



LAVENDER HEIGHTS

PLACER AI JULY 2023 - JULY 2024



3
BLOCKS



1.1M
YEARLY VISITS



12
BARS & RESTAURANTS



\$75,149
HOUSEHOLD INCOME

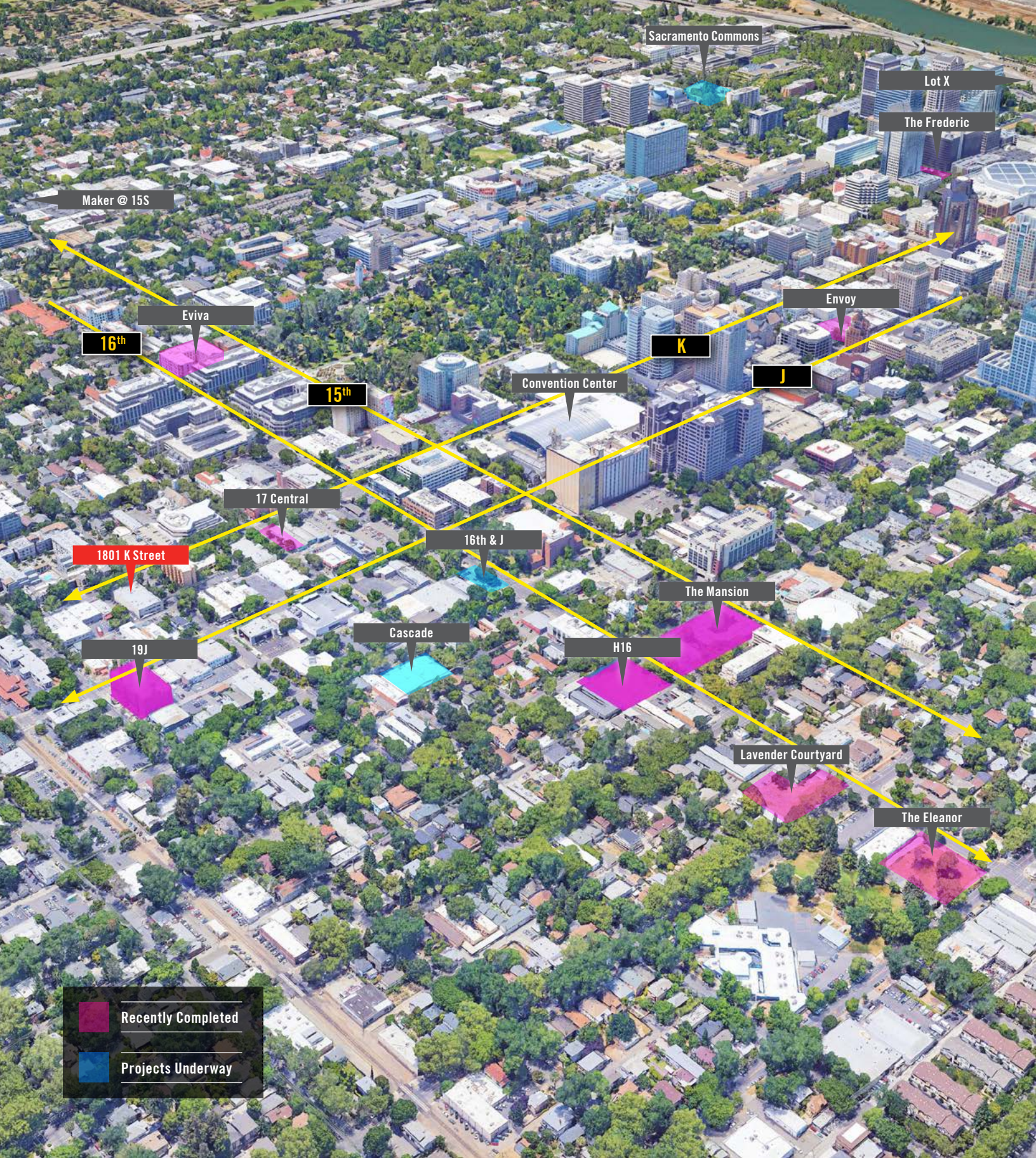
TOP VISITORS: SINGLES & STARTERS, YOUNG CITY SOLOS & SIGNIFICANT SINGLES

Lavender Heights in Sacramento has emerged as one of the city's hottest micro-markets, with the MARRS building at its epicenter. The neighborhood recently welcomed rainbow crosswalks, symbolizing its commitment to cultural inclusion and progressive thinking. This area serves as

an excellent starting point for the popular Second Saturday festivities and hosts various noteworthy events, including Midtown Love, Midtown Mini, THIS Sacramento block parties, and PARK(ing) Day.

One of the standout attractions is the Midtown Farmers' Market, held year-round

on Saturdays. This vibrant market attracts thousands of visitors each week, offering a wide array of local produce, artisanal goods, and community activities. It has become a cornerstone event for Lavender Heights, highlighting the area's dynamic atmosphere and community spirit.



2 THE LOCATION
1801 K STREET

NEW RESIDENTS ON THE CORRIDOR

16th and J Mixed Use



Along the entire north side of J Street between 16th and 17th streets, a parking lot, restaurant building and vacant auto shop is proposed a seven-story, 200-apartment-unit project with ground-floor commercial space.

Cascade



Corner of 17th and I Street is a proposed 8-story project of 208 residential units with ground floor retail.

The Mansion



Rising on the site of the former Mansion Inn Hotel at 16th and H Streets is a 5-story mixed-use community of 186 residential apartments, delivering Spring 2022.

Envoy



Mixed-use development with 153 units over 10,250 SF of retail space.

Maker @ 15S



A Mixed-use development project near the R Street Corridor with 137 units over 9,175 SF of retail space with a 2023 completion date. Project is currently underway.

The Frederic



Mixed-use development project with 162 units over 7,000 SF of retail space with a 2022 completion.

E@16 - The Eleanor



Corner of E and 16th Street, featuring 95 units, luxurious lobby, dog spa, fitness center, and roof deck.

Lot X



Proposed mixed-use development with a residential skyscraper component at 201 N Street. If built, the 32-story structure would be the tallest residential skyscraper in the State Capitol. Beyond housing, Lot X would create an open plaza overlooked by townhomes, a five-story office building, and a seven-story garage.

Sacramento Commons



Mixed-use development project with 436 units over 6,000 SF of retail space. 2022 - 2023

SACRAMENTO DATA BITES

Urban Sacramento is the perfect blend of carefully curated local and national retail embedded in a landscape of unique older buildings, mature trees, and a burgeoning mural scene. Business owners, residents, and investors near and far have flocked to the center of Sacramento's art, music, and cultural scene to cash in on this fruitful submarket. In July 2020, Sacramento was the most popular migration destination in the U.S, with more than half of home searches coming from buyers outside of the area (Redfin). In 2023 Forbes named Sacramento the best place to live in California. Attracted by the affordability of real estate, lower cost of living and booming Downtown, many have found that Sacramento is an ideal location to achieve a turnkey live-work-play lifestyle.

SACRAMENTO'S CITY RANKINGS:

- #1 Best Place to Live in CA
- #1 Happiest Workers in Mid-sized City
- #3 Best Foodie City in America
- #4 Best Cities for Nerds
- #5 U.S. Cities with Fastest Growth in Tech Jobs
- #5 Bike-friendly Cities
- #6 Nation's Greatest Cities for Food Lovers
- #7 Best Place to Raise Active Children
- #9 City with Best Connectivity in U.S.
- #9 City for Happiest Young Professionals
- #10 Best City for Women in the Workforce
- #10 Most Hipster City in America

POPULATION GREATER SACRAMENTO REGION

2,623,204

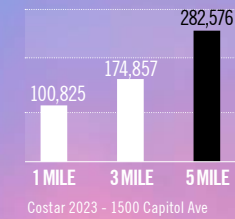
GSEC 2023
Applied Geographic Solutions & GIS Planning 2022

PERCENTAGE OF POPULATION WITH A DEGREE OR SOME COLLEGE:

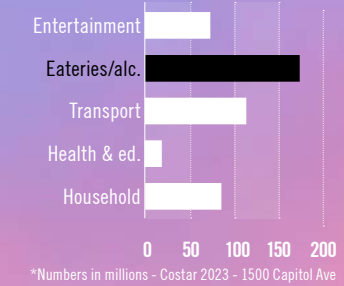
68%

GSEC 2023
Applied Geographic Solutions & GIS Planning 2022

NUMBER OF EMPLOYEES WITHIN VARYING RADIUS OF THE STATE CAPITOL:



ANNUAL CONSUMER SPENDING WITHIN ONE MILE OF THE STATE CAPITOL:



COST OF LIVING INDEX - \$100,000 BASE SALARY MOVE TO SACRAMENTO FROM SAN FRANCISCO

Grocery will cost:	18.68% less
Housing will cost:	52.93% less
Utilities will cost:	17.94% less
Transportation will cost:	9.30% less
Healthcare will cost:	12.58% less

GSEC 2023
Applied Geographic Solutions & GIS Planning 2022

SACRAMENTO LARGEST JOB COUNTS BY OCCUPATION:

Office & Administrative Support	14.20%	115,931
Sales	10.91%	89,063
Executive, Managers & Admin	10.58%	86,391
Food Preparation, Serving	6.12%	49,978
Business and Financial Operations	5.94%	48,500

GSEC 2023
Applied Geographic Solutions & GIS Planning 2022

SACRAMENTO OWNERS VS. RENTERS



GSEC 2023
Applied Geographic Solutions & GIS Planning 2022

MIDTOWN FARMERS MARKET

- #1 California's top farmers market
- #3 Best farmers market in the country

America's Farmer's Market Celebration by American Farmland Trust 2024

WALK SCORE:
98
Walker's Paradise

BIKE SCORE:
62
Biker's Paradise

TRANSIT SCORE:
96
Good Transit

walkscore.com
1500 Capitol

THE ECONOMICS

1801 K STREET - W/REASSESSED PROPERTY TAXES - \$3,500,000 PURCHASE PRICE

Address	Tenant	Size (SF) (USF)	Base Rent Per SF/FSG	Total Monthly Rent	Annual Base Rent
1801 K Street	PERB	17,746	\$2.05	\$36,379.30	\$436,551.60
Parking	PERB	11	\$0.00	\$0.00	\$0.00
Total Income				\$36,379.30	\$436,551.60
Vacancy Reserve 0%					\$0.00
Expenses			Per SF/Month	Monthly	Annually - (2023 grossed up by 3%)
	Elevator		\$0.00547	\$96.99	\$1,163.87
	Fire/Safety		\$0.00709	\$125.89	\$1,510.71
	HVAC Maintenance		\$0.05121	\$908.82	\$10,905.84
	Property Insurance		\$0.05598	\$993.39	\$11,920.74
	Janitorial		\$0.14317	\$2,540.67	\$30,488.00
	Landscaping		\$0.02902	\$515.00	\$6,180.00
	Property Management Fees		\$0.07775	\$1,379.77	\$16,557.25
	Property Taxes		\$0.18852	\$3,345.42	\$40,145.00
	Repairs and Maintenance		\$0.04799	\$851.55	\$10,218.57
	Telephone Expense		\$0.01096	\$194.51	\$2,334.18
	Trash		\$0.01436	\$254.79	\$3,057.43
	Utilities				
	Electric		\$0.17001	\$3,016.95	\$36,203.46
	Utilities - Other		\$0.02448	\$434.45	\$5,213.45
Totals			\$0.83	\$14,658.21	\$175,898.49
Net Operating Income				\$21,721.09	\$260,653.12

FUTURE VALUE SUMMARY

Cap Rate	Value
7.45%	\$3,500,000.00





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