



99

SUBJECT PROPERTY
**HOSPITAL
DRIVE
HEALTH
CENTER**


Dignity Health.
**Methodist Hospital
of Sacramento**

BRUCEVILLEROAD

Hospital Drive Health Center

RARE ON-CAMPUS, FEE-SIMPLE MULTI-TENANT MEDICAL OFFICE BUILDING

SACRAMENTO, CA



CPPHEALTHCARE
A DIVISION OF CP PARTNERS



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Hospital Drive Health Center

7501 HOSPITAL DRIVE, SACRAMENTO, CA 95823 [↗](#)

\$3,600,000

PRICE

5.44%

CAP RATE

NOI (IN-PLACE)	\$195,937
PRICE/SF	\$140
OCCUPANCY	49%
AVAILABLE SPACE	51%
BUILDING SIZE	25,683 SF
LAND AREA	2.37 AC
PARKING	134 Spaces
YEAR BUILT/RENOVATED	1975/2014



Rare on-campus, fee simple healthcare facility in major medical hub nearby a popular light rail station

The opportunity to acquire hospital-adjacent real estate does not come up often. The subject is a multi-tenant healthcare center with **several leading behavioral health tenants** that is within close proximity to large (175-bed) **Universal Health Sierra Mental Hospital** and **two Major Hospital Campuses**.



The Offering

- Hospital Drive Health Center is a 26,025 SF multi-tenant medical office building with suites ranging from 973-4,473 SF
- The subject property is on a large 2.37 acre parcel with an abundance of parking (5.1/1,000 parking ratio; 134 spaces)
- The ideal location offers convenient access to highway 99
- Hospital Drive Health Center was built in 1975 and renovated in 2014
- The available space in the buildings is 51% allowing an owner user to utilize SBA/504 Financing

Critical Use Tenancies

- Strategically leased to synergistic medical related tenants which serve the community
- Outpatient clinics are recession resilient and play a key role in keeping beds open in nearby hospitals; several physicians at this building are also affiliated with big hospitals in the area; Dignity Hospital's 315-bed general medical and surgical hospital and Dignity Family Health Center next door to the subject property

Nearby Economic Healthcare Drivers

- The property is situated within immediate proximity to the Universal Health Sierra Mental Health Hospital (175 beds), providing an ideal location for behavioral health-related tenants in the area
- Adjacent to Dignity Methodist Hospital of South Sacramento (30+ acre hospital/assisted living campus) allowing a rare fee simple opportunity for an investor
- Kaiser's South Sacramento Hospital (36+ acre sprawling hospital campus) is located 0.25 miles away, creating a true medical hub accessed by light rail, major highways, and prominent retail corridor, Bruceville Road

		CURRENT
Price		\$3,600,000
Price Per Square Foot		\$140
Capitalization Rate		5.44%
Down Payment	35%	\$1,260,000
Loan Amount	65%	\$2,340,000
Sq.Ft Available for Imidiate Occupancy	51%	13,806
Building Size (SF)		25,683
Lot Size (Acres)		2.37
Stabilized Income	\$/SF	\$140.17
Tenant Recoveries 2024	\$0.90	\$23,000
Scheduled Rent (In Place)	\$15.8	\$405,000
Gross Potential Income		\$428,000
Less Estimated Expenses for 2024	\$/SF	
Property Taxes (1% + Special Assessments)	\$1.73	(\$44,430)
Roof - (Replaced in 2014)	\$0.10	(\$2,500)
Insurance	\$0.55	(\$14,000)
HVAC Repair	\$0.25	(\$6,500)
Fire Protection	\$0.02	(\$540)
Electricity & Gas	\$0.82	(\$21,060)
Water/sewer	\$0.56	(\$14,455)
Garbage & Recycling	\$0.50	(\$12,720)
Elevator Service/Repair/Telephone	\$0.28	(\$7,234)
Landscaping	\$0.28	(\$7,200)
Plumbing	\$0.30	(\$7,800)
Electrical	\$0.13	(\$3,320)
Mgmt Fee	\$0.82	(\$21,000)
Parking Lot	\$0.08	(\$2,000)
Pest Control	\$0.07	(\$1,683)
General Maintenance	\$0.31	(\$8,000)
Janitorial/Supplies	\$2.24	(\$57,621)
Total Operating Expenses	\$9.04	(\$232,063)
Net Operating Income		\$195,937

PROPOSED FINANCING/CASH FLOW

	PROPOSED FINANCING
Proposed Loan Amount	\$2,340,000
Loan To Value	65%
Interest Rate (I/O)	6.25%
Amortization (Years) Interest Only	30
Term (Years)	5
Net Operating Income	\$195,937
Debt Service	(\$145,473)
Pre-Tax Cash Flow	\$50,464
Debt Coverage Ratio	1.35
Pre-Tax Leveraged Cash-on-cash Return	4.01%
Principal Pay down (Year 1 of Ownership)	\$35,367
Total Return	\$85,830
Yield	6.81%

Note: Proposed loan terms may fluctuate with market conditions and are for evaluation purposes only. CP Partners is not a lender or mortgage broker.

Q F VENTURES LLC Date: 11-04--24

IMPROVEMENTS

DETAIL	YEAR	INVESTMENT
Elevator Up-grade	2011	66,400.00
Elevator Up-grade	2012	39,841.14
New Roof	2012	59,747.00
New HVAC Units (19 HP & FC)	2012	95,183.00
Parking lot	2013	8,964.00
Halls Up-grade-carpet 2nd & 3rd Floor	2013	14,095.88
New HVAC 2 Units	2014	10,624.00
Lobby Up-grade	2015	52,956.15
New HVAC 1 Unit	2016	4,556.00
New HVAC 1 Unit	2017	5,818.00
New HVAC 1 Unit	2019	5,499.00
New HVAC 1 Unit	2020	6,687.00
Up grate Suite 204	2021	225,984.90
New HVAC 1 Unit	2022	6,596.00
Up-grade Suite 102	2024	288,030.56
Parking lot	2024	49,676.00
Up Grade Suite 202	2024	21,000.00
Total Improvements		961,658.63

Tenant Info			%	Lease Terms		Rent Summary									
SUITE	TENANT NAME	SQ. FT.	%	LEASE START	LEASE END	CURRENT RENT	YEARLY RENT	YEAR RENT/FT	RENT INCREASE	INCREASE DATE	LEASE STRUCTURE	RENEWAL OPTIONS	BASE YEAR	% of OPEX	CAP on OPEX Controllable
100	Medic Ambulance Service, Inc.	995	3.87%	7/1/2020	6/30/2025	\$1,401	\$16,810	\$16.89	\$1,442.82	6/30/2025	FS	1-3 Yr	2020	3.87%	None
101	Perpepual Care Home Health	942	3.7%	4/1/2022	3/31/2026	\$1,824	\$21,889	\$23.24	\$1,878.80	4/1/2025	FS	1-2 Year Option	2022	3.69%	None
102	Child Communications and Behavioral Specialists	3,251	12.7%	6/1/2024	7/31/2029	\$7,997	\$95,964	\$29.52	\$8,225.03	5/1/2025	FS	2-3 Year	2024	12.50%	
103	Vacant	2,900	11.3%											11.3%	
202	Mdpanel, LLC	875	3.4%	7/1/2024	6/30/2027	\$1,531	\$18,372	\$21.00	\$1,576.93	7/1/2025	FS		2024	3.43%	
201/203/205	Sacramento Valley Pediatric	3,182	12.4%	11/1/2005	7/31/2025	\$7,159	\$85,908	\$0.00	\$7,159.00	7/1/2025	FS	None	No Base Yr	11.97%	
204	Wellspace	3,352	13.05%	10/1/2021	9/30/2026	\$8,036	\$96,432	\$28.77	\$8,204.00	10/1/2025	FS	1-5 Year	2021	13.15%	
						\$1,500									
207	Vacant	1,407	5.5%											5.50%	
301	Vacant	973	3.8%	10/6/2021	9/30/2026	\$1,800	\$21,601	\$22.20	\$1,897.35	10/1/2025	FS	None	2021	3.81%	
	Nightingale Home Health (dark, but paying rent)														
302-307	Dr Rasmussen	1,642	6.4%	10/1/2010	MTM	\$3,366	\$40,393	\$24.60	\$3,366.00		FS	None	2005	6.88%	
303	Vacant	1,854	7.2%											7.20%	
304-305B	Sacramento Autism Services (Vacating)	2,810	10.9%	2/1/2020	1/31/2025						FS	1-5yr	2020	10.90%	
305A	Vacant	1,500	5.8%											5.80%	
Common Area/Janitorial Closets													100.00%		
Total Occupied:		12,597		49.0%		\$33,114	\$397,368		\$33,750						
Total Vacant & MTM:		13,086		51.0%		In Place Income			Income W/Scheduled Incease						
Total Rentable SF:		25,683		100%											

LEGEND

Property Boundary

25,683
Rentable SF

2.37
Acres

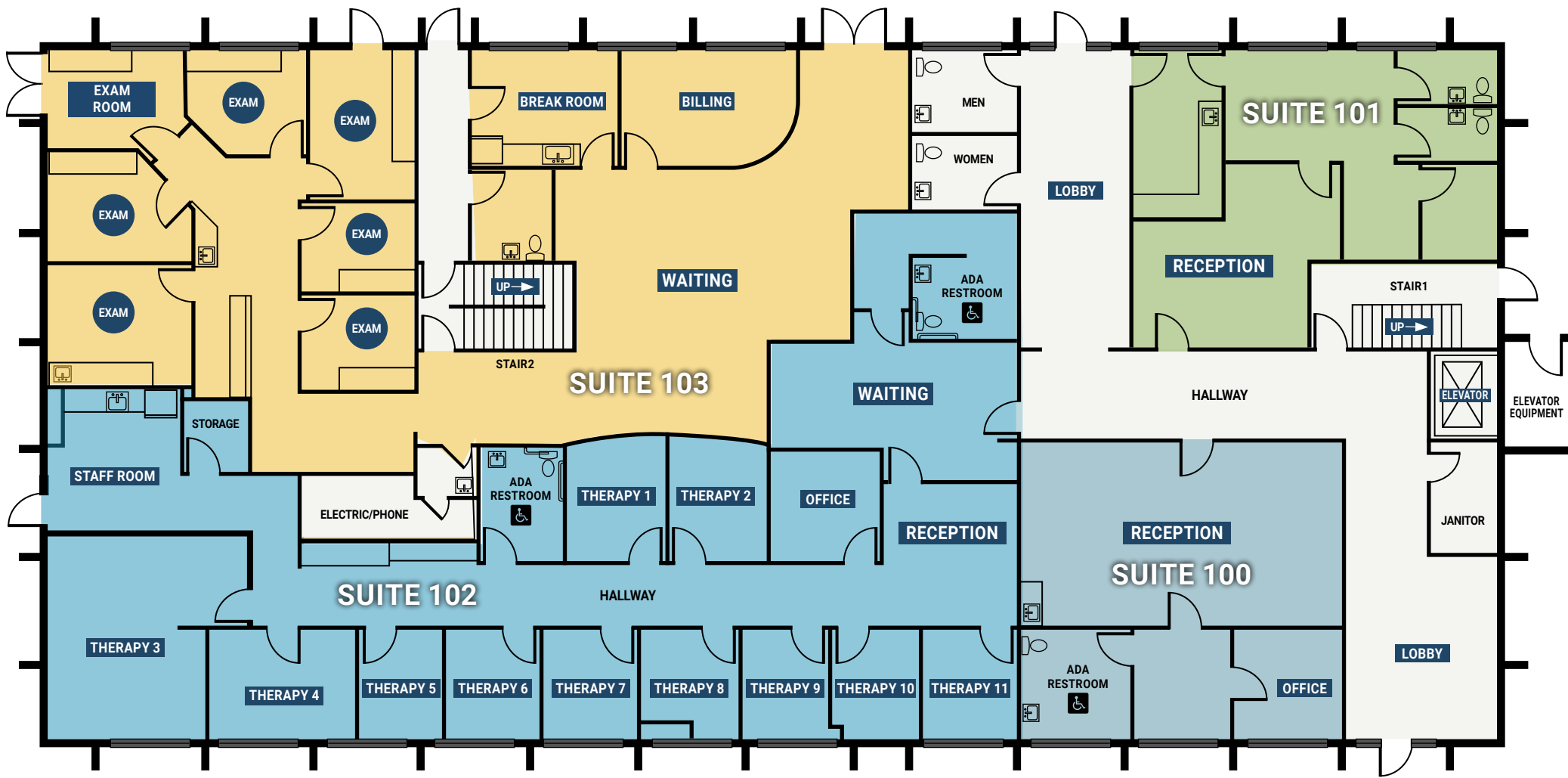
134
Parking Spaces


Egress





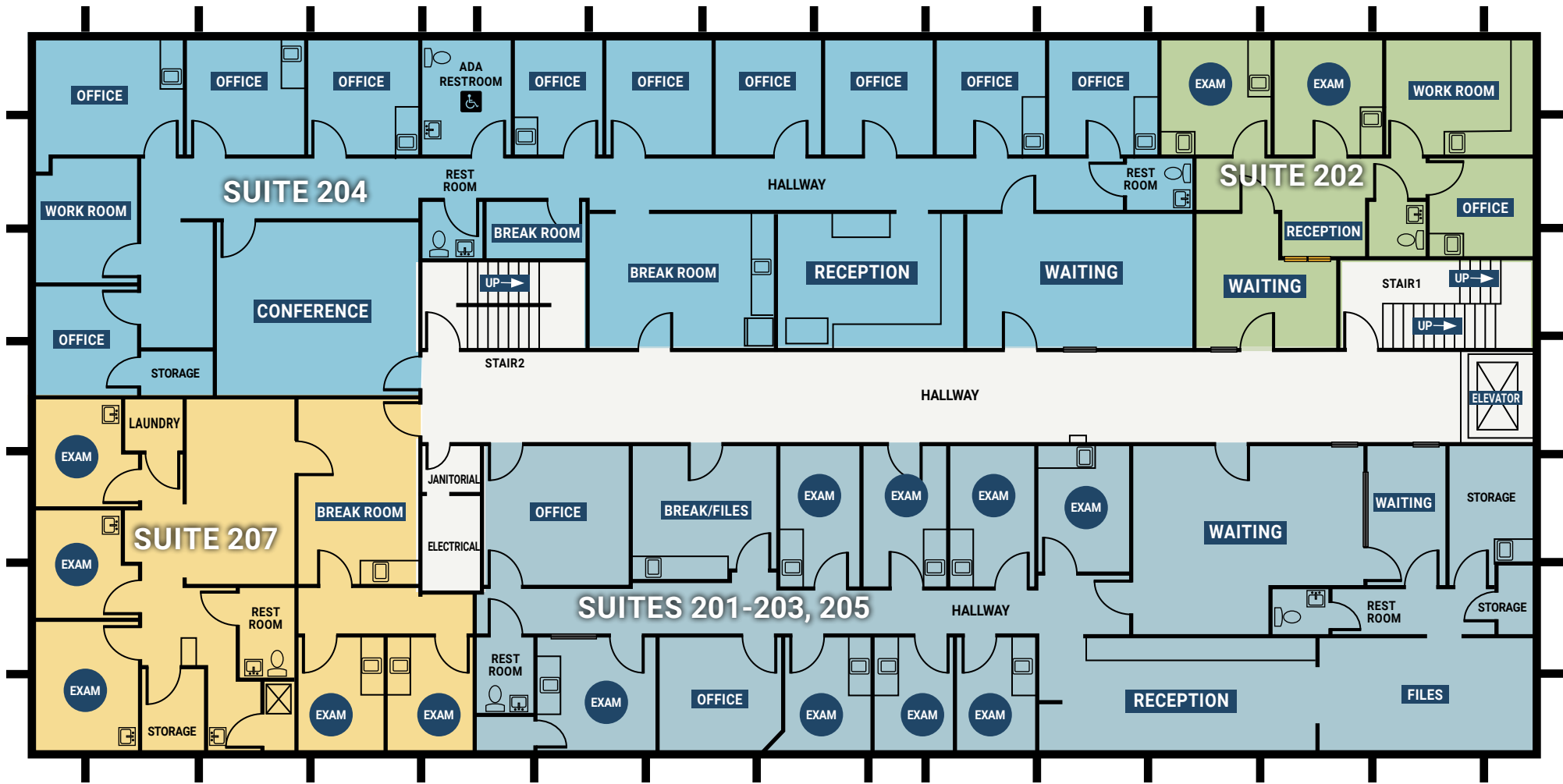
- COMMON AREA
- SUITE 100
- SUITE 101
- SUITE 102
- SUITE 103 (VACANT)



**HOSPITALDRIVEHEALTHCENTER
FIRST FLOOR**



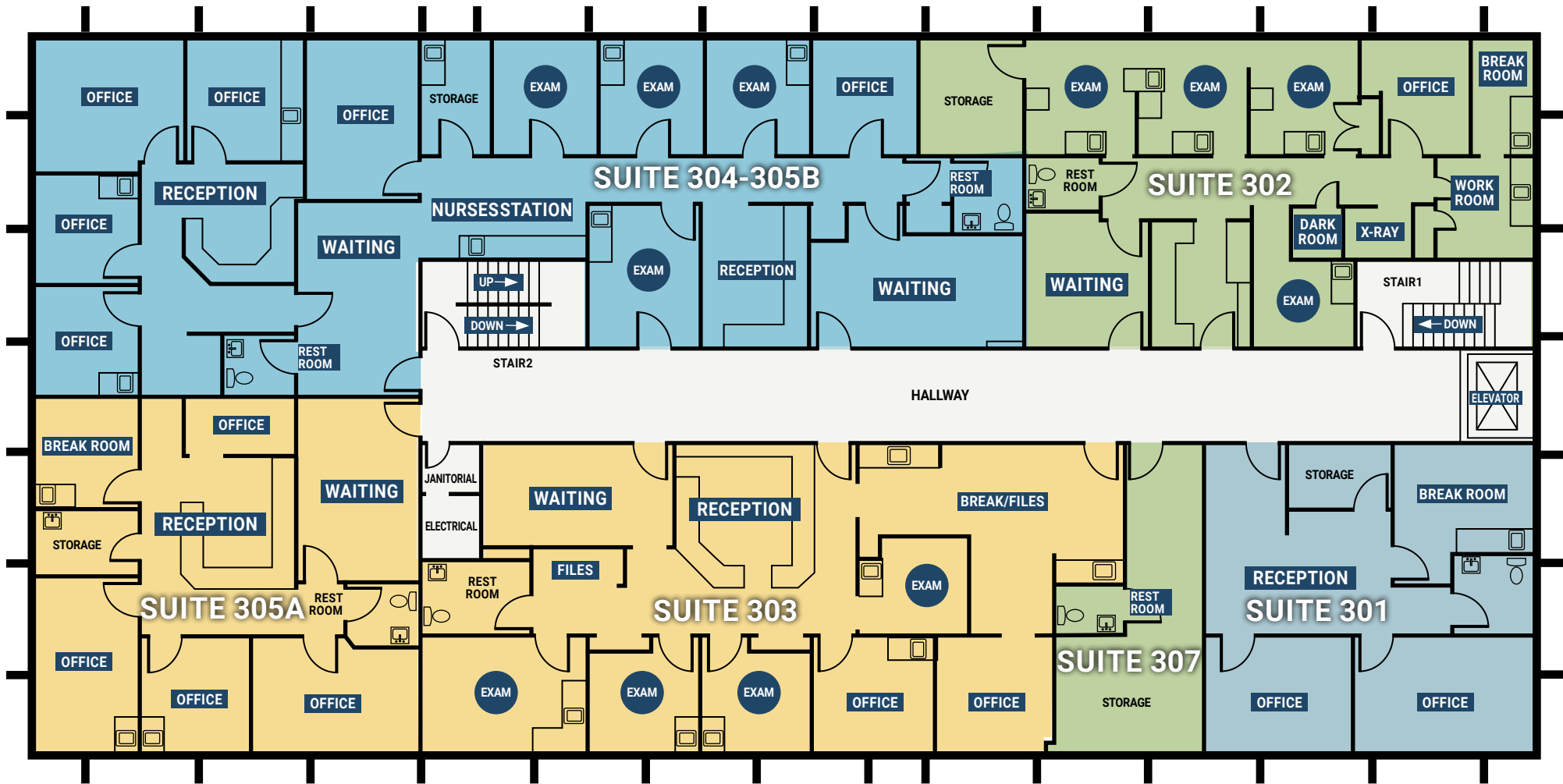
- COMMON AREA
- SUITES 201-203, 205
- SUITE 202
- SUITE 204
- SUITE 207 (VACANT)



**HOSPITALDRIVEHEALTHCENTER
SECOND FLOOR**



- COMMON AREA
- SUITE 301 (VACANT)
- SUITE 302/307
- SUITES 303/305A (VACANT)
- SUITE 304-305B (VACANT)



**HOSPITAL DRIVE HEALTH CENTER
THIRD FLOOR**

Property Address	7501 Hospital Drive, Sacramento, CA 95823
Location	South Sacramento
Year Built	1975
Class	B
Occupancy	49%
Rentable SF	25,683 SF
Floors	Triple-story
Site	2.37 AC
Parking Spaces	134
Parking Ratio	5.1
Property Type	Multi-tenant medical & professional office
Parcel Number	117-0120-020-0000
Ownership Type	Fee-simple
Construction	Wood frame with brick veneer
HVAC	32 AC units, 24 replaced in 2014, 6 replaced over the last 5 years, heat pumps, air handler - roof mounted
Roof	Flat/mansard roof, replaced in 2014
Parking Lot	Re-stripped and re-sealed in 2024
Elevator	Replaced controllers in 2021 on hydrophilic system



LOCATED IN A DENSE MEDICAL CORRIDOR

The tenancy of the subject property offers **strong synergy** with the surrounding tenants in this **dense medical corridor of Sacramento**. Nearby tenants include national and regional medical companies including **Kaiser Permanente, Dignity Health, Mercy**, and Regency assisted/senior living facilities.



MEDIC AMBULANCE SERVICE, INC.



Suite: 100

Medic Ambulance Service, Inc. is a family-owned and operated ambulance company that provides emergency and non-emergency medical transportation services. Founded in 1979, Medic Ambulance operates primarily in Northern California, including Solano and Contra Costa counties. The company is known for its high standards of patient care and commitment to the communities it serves. Key services include emergency/non-emergency medical services and special event coverage

PERPETUAL CARE HOME HEALTH



Suite: 101

Perpetual Care Home Health is a provider of home health care services, offering a range of medical and non-medical care to individuals in their homes. This type of service is designed to support patients who need medical assistance but prefer to stay in the comfort of their own homes rather than moving to a hospital or long-term care facility. Key services include skilled nursing, physical therapy, occupational therapy, speech therapy, chronic disease care, post-surgical care, and more.

CHILD COMMUNICATION AND BEHAVIOR SPECIALISTS



Suite: 102

Child Communication and Behavior Specialists (CCBS) offers services focused on skill development in children and youth through applied behavior analysis (ABA) and acceptance and commitment therapy (ACT). They provide behavioral assessments, ABA therapy, group therapy, parent training, communication skills enhancement, and transitional skills support. Located in San Jose and Sacramento, CCBS aims to empower children and their families by offering individualized evaluations.

MDPANEL, LLC



Suite: 202

MDpanel is a prominent provider of expert medical opinions in the U.S., focused on facilitating independent and qualified medical evaluations (IME and QME) for insurance claims processes. The company aims to be the partner of choice for physicians, insurance carriers, attorneys, and injured workers by connecting those in needs of medical opinions with highly qualified medical professionals across various specialties.

SACRAMENTO VALLEY PEDIATRIC

Suites: 201, 203, 205



Sacramento Valley Pediatric offers comprehensive pediatric care for children from newborns to 18 years old. Their services include well-child care, immunizations, newborn care, sports physicals, nutrition counseling, ADHD and autism screenings, sick child visits, and allergy treatments. The practice is staffed by a team of experienced pediatricians and healthcare professionals dedicated to providing high-quality medical care.

WELLSPACE HEALTH

Suite: 204



WellSpace Health is a comprehensive healthcare provider based in Sacramento, offering a wide range of medical, dental, and behavioral health services. Established in 1953, the organization focuses on delivering integrated care to under served populations within the community. Key services include, but are not limited to: primary care, women’s health, dental care, behavioral health, and other specialized community programs (Sacramento Violence Intervention Program, Birth & Beyond Family Resource).

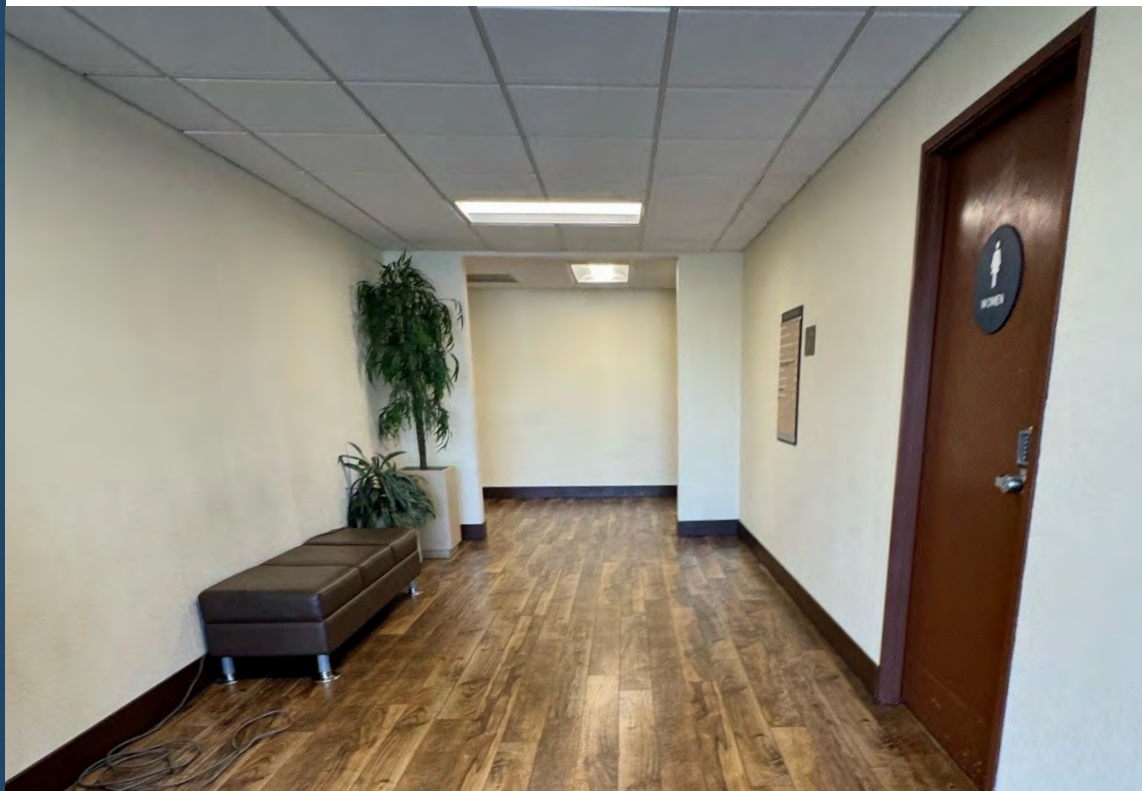
RONALD L. RASMUSSEN, DDS

Suites: 302-307



Dr. Ronald L. Rasmussen, DDS, provides dental care in Sacramento, CA. The practice offers a wide range of services, including comprehensive dental checkups, dentures, and children’s dentistry. Dr. Rasmussen emphasizes quality care and respect, ensuring a positive dental experience for all patients. The practice welcomes new patients, offers early morning appointments, and aims to accommodate busy schedules.









DOWNTOWN SACRAMENTO

DOWNTOWN SACRAMENTO
9 MILES


KAISER PERMANENTE®
Main Hospital

 **Mercy** AIDS Assisted Living Facility


COSTCO
WHOLESALE

 **REGENCY PLACE** Senior Housing


KAISER PERMANENTE®
Medical Center



Sierra Vista
HOSPITAL
Patients and Families First.
171 Beds

 **CAPITAL ORTHOPAEDIC SURGERY CENTER**

SUBJECT PROPERTY
HOSPITAL DRIVE HEALTH CENTER

148,680 VPD

99

 **Dignity Health.** Dignity-Owned Land

12,367 VPD

BRUCEVILLE ROAD

HOSPITAL DRIVE

TIMBERLAKE WAY

 **Dignity Health.**
Methodist Hospital of Sacramento
See page 19 for more information.

 **Dignity Health.**
Emergency Room

 **Dignity Health.**
Health Center



99

DirectDerm
 labcorp
 Sutter Health
 uchealth
 Dr. Marcelina Ibanez, M.D.

Starbucks
 CVS pharmacy
 TARGET

Cosumnes River College
 Public Community College
 14,000+ Total Enrollment
 Top 10 Most Diverse
 Community College (U.S.)

Mercy
 Regency Assisted
 Living 72 Units

Associated Family
 Physicians
 Sutter Health
 Imaging Facility for
 Sutter

Dignity Health.
**Methodist Hospital of
 Sacramento**
 See page 19 for more
 information.

Davita.

South Sacramento
Cancer Center

REGENCY
 PLACE
 Senior
 Housing

Dignity Health
**Dignity
 Medical
 Center**

Dignity Health.
**Dignity Community
 Care Assisted Living**

SacRT Light Rail - Blue Line
 Runs North-South between
 Watt/I-80 and Consumnes
 River College

Dignity Health.
Family Care Center

**Sacramento
 Community Health**
 Hospital Drive Valley
 Pharmacy
 Sutter Health
 Dr. Gregory Smith,
 M.D.

SUBJECT PROPERTY
**HOSPITAL
 DRIVE
 HEALTH
 CENTER**

**Foot and Ankle
 Specialists**
**Sacramento
 Pediatrics Medical
 Corporation**
Pediatric Urgent Care
**U Smile Family
 Dentistry**

Dignity Health.
**Dignity-Owned
 Land**

BRUCEVILLEROAD

12,367 VPD



37,977 VPD

SACRAMENTO INTERNATIONAL AIRPORT

Mercy
MERCY HOSPITAL



KAISER PERMANENTE
SACRAMENTO MEDICAL CENTER

Dignity Health
MERCY SAN JUAN MEDICAL CENTER

Sutter Health
SUTTER DAVIS HOSPITAL

UC DAVIS HEALTH
SACRAMENTO VA MEDICAL CENTER



UC DAVIS HEALTH
SACRAMENTO MEDICAL CENTER

DOWNTOWN SACRAMENTO

ARC
AMERICAN RIVER COLLEGE

132,996 VPD

VIBRA HEALTHCARE
VIBRA HOSPITAL OF SACRAMENTO

Dignity Health
MERCY HOSPITAL OF FOLSOM

UC DAVIS
UNIVERSITY OF CALIFORNIA

Shriners Hospitals for Children
NORTHERN CALIFORNIA

VA Health Care
SACRAMENTO VA MEDICAL CENTER

110,369 VPD

KAISER PERMANENTE
SOUTH SACRAMENTO HOSPITAL CAMPUS

97,859 VPD

HOSPITAL DRIVE HEALTH CENTER

DOWNTOWN SACRAMENTO 11.5 MILES

Dignity Health
METHODIST HOSPITAL OF SACRAMENTO

ARC
AMERICAN RIVER COLLEGE

Sutter Health
SUTTER OUTPATIENT FACILITIES

78,549 VPD

+ INDEPENDENT MEDICAL OFFICE
● DIALYSIS
Rx PHARMACY

N

Ring Radius Population Data

	1-MILE	3-MILES	5-MILES
2022	15,151	181,452	383,489

Ring Radius Income Data

	1-MILE	3-MILES	5-MILES
Average	\$77,333	\$92,434	\$98,658
Median	\$64,541	\$75,489	\$79,175

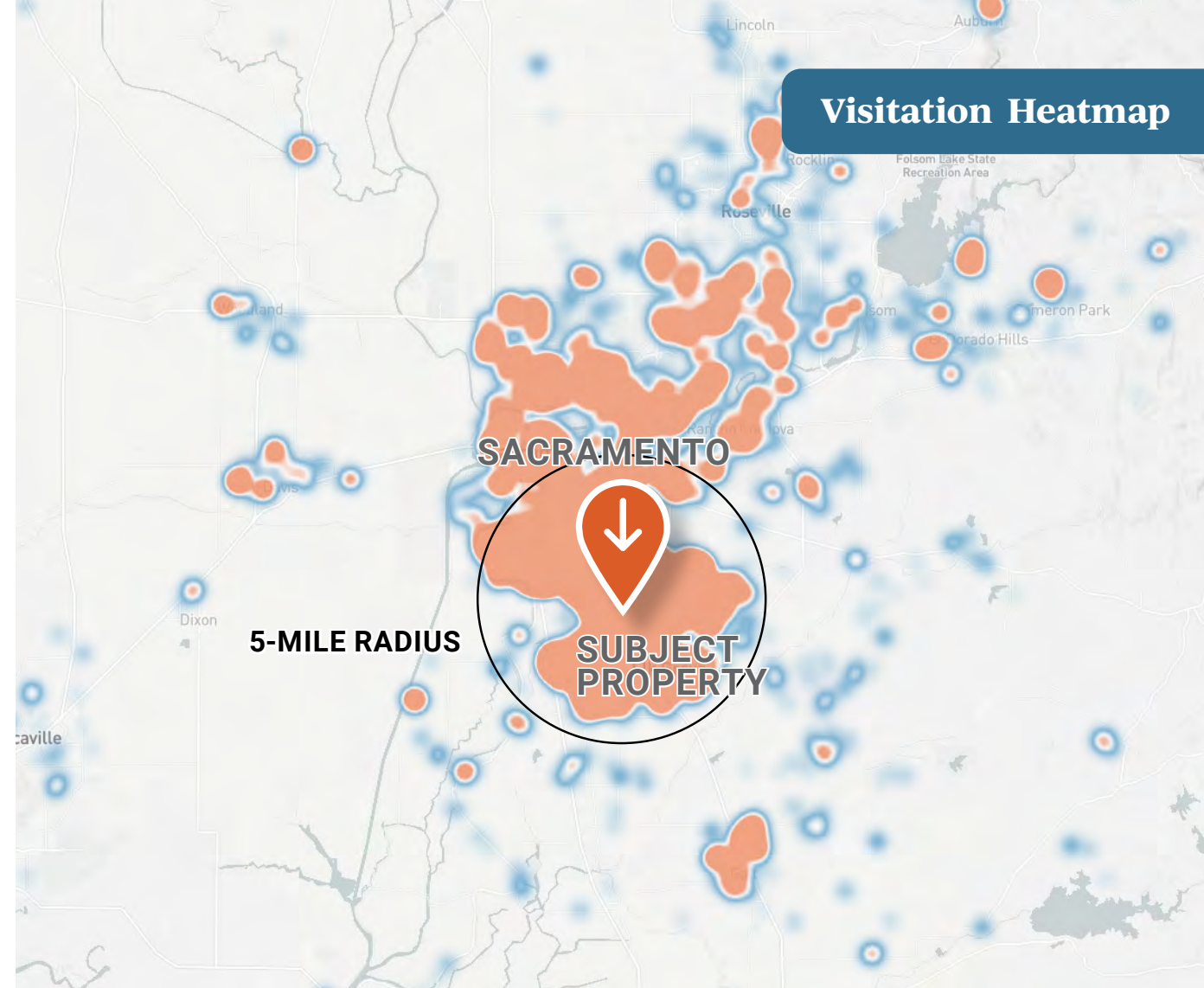
The typical visitor persona for individuals who visited the subject property in the last 12 months are individuals with **annual incomes of \$75k-\$100k**

508K Visits

OVER PAST 12 MONTHS AT THE METHODIST HOSPITAL

265 Minutes

AVERAGE DWELL TIME AT THE METHODIST HOSPITAL



The shading on the map above shows the **home location of people who visited the subject property over the past 12 months**. Orange shading represents the highest concentration of visits.

*Map and data on this page provided by Placer.ai. Placer.ai uses location data collected from mobile devices of consumers nationwide to model visitation and demographic trends at any physical location.

Sacramento, CA

CALIFORNIA'S CAPITAL CITY



About Sacramento

- The the fastest-growing major city in California, sixth largest city in the state, and the 35th largest city in the United States
- The urban Sacramento area has a population of 1.44 million while the Sacramento Valley, which includes ten counties, has an estimated population of 2.66 million
- One of the most historic cities in California, boasting an impressive array of museums, landmarks, parks, amenities, and more
- Home of the Sacramento Kings of the NBA

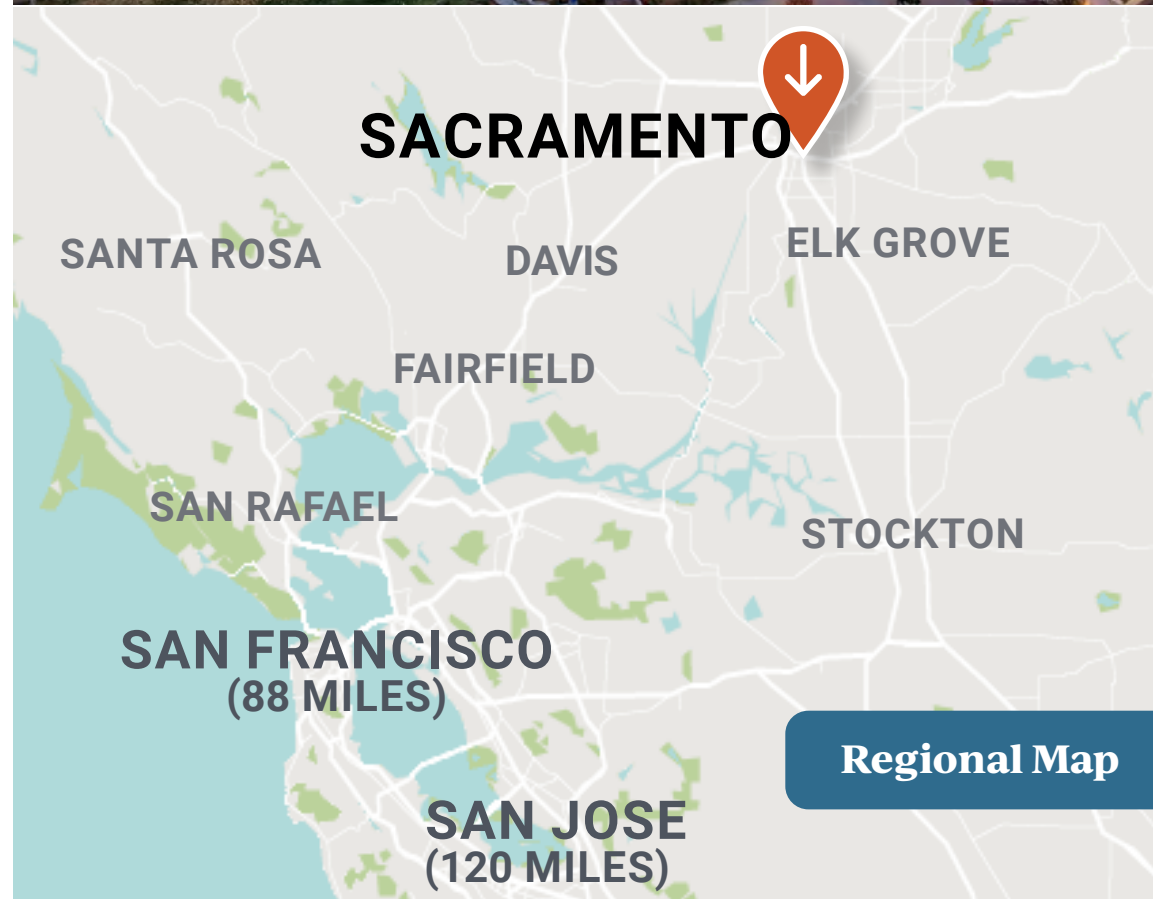
Higher Education

- Two major universities in the region: California State University, Sacramento and University of California, Davis
- California State University Sacramento is a public university which enrolls about 31,500 students annually

- UC Davis is recognized as the fifth-best U.S. public university by The Wall Street Journal, with a total enrollment of 38,347 students
- UC Davis Medical Center serves a 65,000-square-mile area that includes 33 counties and 6 million residents across Northern and Central California

A Growing Metro Region

- Government and transportation are key sectors of the Sacramento economy
- The cultural and economic hub of the Northern Central Valley – California's most productive agricultural region
- Technology-related companies such as Intel and Hewlett-Packard have increasingly been drawn to Sacramento based on proximity to research centers and a well-educated labor pool
- Sutter Health, Blue Diamond Growers, Aerojet Rocketdyne, Teichert, and The McClatchy Company are among the major companies based in Sacramento



Regional Map



A top medical center committed to providing excellent care for all patients and visitors

- Services offered include cancer care, emergency services, heart and vascular, neurology, orthopedics, women’s health, bariatrics, birth center, and spine care
- Methodist’s Rehab Center is the only Dignity Health facility in Sacramento with an indoor pool
- The Hand Therapy Program offers patients a comprehensive approach to hand, wrist, and elbow injuries caused by carpal tunnel syndrome, rheumatoid arthritis or sports or work-related injuries and takes place at the outpatient Rehab Center
- The orthopedics and sports medicine programs offers specialty care to patients suffering from injuries and diseases affecting bones, joints, ligaments, tendons, muscles, and nerves, participating in the American Joint Replacement Registry.



Clinical Metrics

Beds	315+
Physicians	530+
Employees	1,150+
Average Patient Stay	9.8 Days
Emergency Dept. Beds	29
Emergency Dept. Visits/YR	61,800
Births	1,950
Patients Admitted	9,130+
Births	4,616

Rated high performing in 7 adult procedures and conditions (US News)

315+

PRIVATE BEDS IN THE ENTIRE HOSPITAL

61K+

EMERGENCY DEPARTMENT VISITS ANNUALLY

\$1.38B

TOTAL PATIENT REVENUE



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