

7880  
Alta Valley Drive

- ✓ HOSPITAL ADJACENT
- ✓ 100% LEASED
- ✓ BELOW MARKET RENTS
- ✓ LONG-TERM CREDIT TENANTS

## LEASED MEDICAL/OFFICE BUILDING INVESTMENT

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# The offering

JLL, as exclusive advisor, is pleased to present the opportunity to acquire 7880 Alta Valley Drive in Sacramento. The 31,897 square foot building is located in Sacramento’s lowest vacancy submarket and is 100% leased, primarily by long term tenants. It offers an investor the ability to enjoy secure cash flow while potentially repositioning the building to maximize future value by increasing rents.

It is located adjacent to Kaiser Permanente’s South Sacramento Hospital within the main medical services corridor in the South Sacramento and Elk Grove markets. It features unbeatable access to Highway 99 and major arterials, plentiful parking, walkable food a shopping amenities, and signage and visibility in a highly trafficked area at the entrance to one of Sacramento’s largest hospitals.

## SITE DESCRIPTION

Address	7880 Alta Valley Way, Sacramento, CA 95823
Square Feet	±31,897 SF
Stories	2
APN	117-0330-006-0000
Zoning	C-2
County use	Office, Medical
Parcel size	1.59 Acres
Year built	1986

## PRICING SPECIFICATIONS

Pricing	\$5,975,000
Price per SF	\$187
NOI	\$406,070
Cap Rate	6.8%
Occupancy	100%



# Site area map



# Area map



# Submarket area map

Demographics	2 mile	5 miles	10 mile	Traffic courts	Cars per day
2022 Population	88,361	349,048	749,147	Alta Valley Dr @ Bruceville Rd	14,187
2027 Population Projection	101,232	403,051	868,768	Alta Valley Dr @ Mack Rd	30,624
2022 Households	28,864	119,389	301,946	Highway 99	144,182
2027 Household Projection	30,080	124,648	315,022		
Daytime Employment	20,547	92,129	384,613		
Avg Household Income	\$69,885	\$82,377	\$93,909		



# Investment highlights



## Credit tenancy

73% of the building is occupied by Kaiser Permanente on a newly extended lease into 2028.



## Long term tenants

The vast majority of the current tenant roster has occupied the building for over 20 years.



## Hospital adjacent

Unparalleled proximity to retail amenities, freeway access, and to the main entrance to one of the regions largest medical centers.



## Recent capital investment

Current ownership has invested in a new roof and common area remodels over the past five years. A new monument sign has been designed and bid as well.



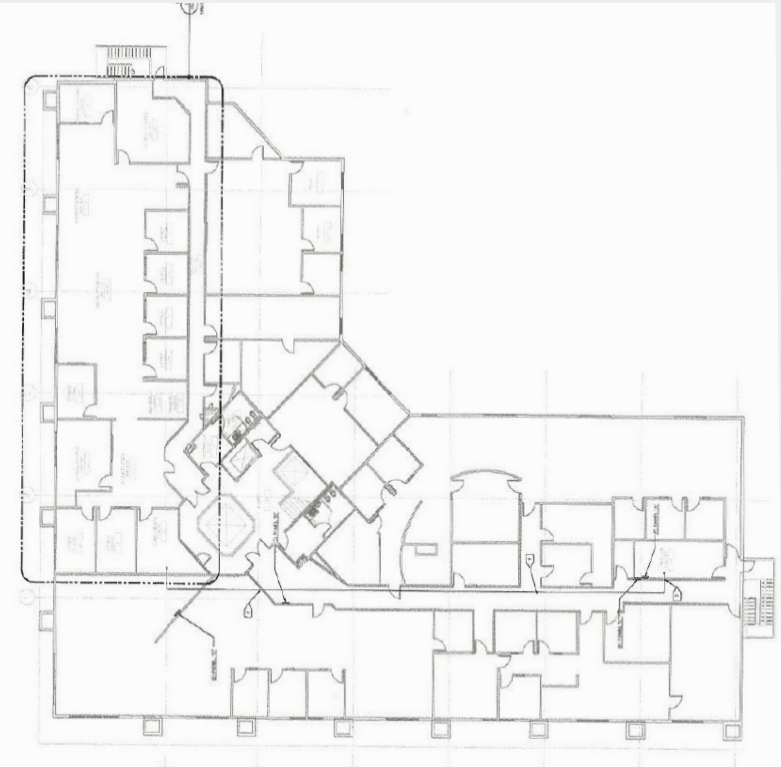
## Value-add investment

The current rent roll provides new ownership the opportunity to reposition the building and increase cash flow due to current below market rental rates at the building.

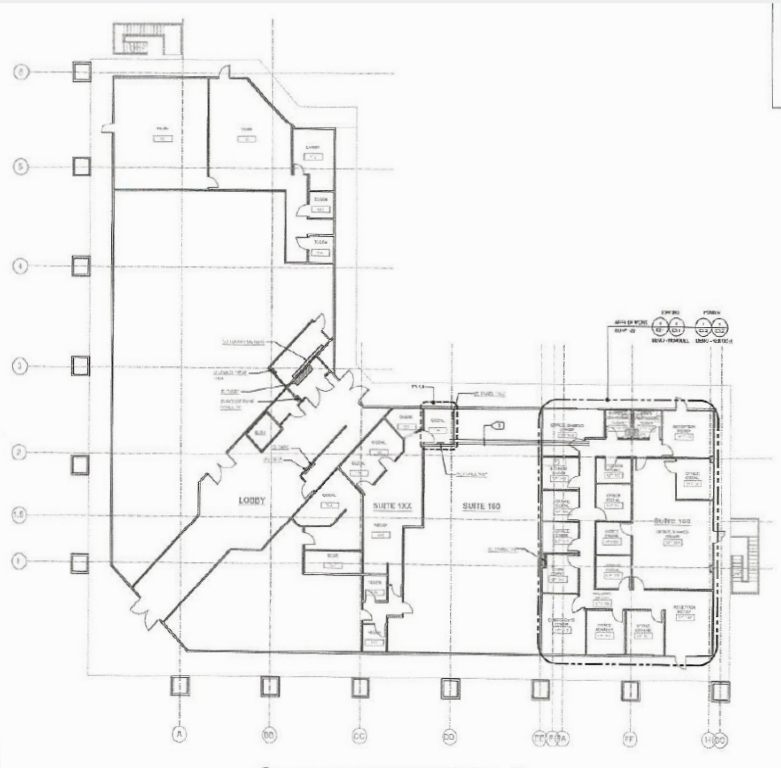
# Floor plans



## FIRST FLOOR



## SECOND FLOOR



# Financial snapshot

## RENT SCHEDULE

Tenant	LED	RSF	\$/SF	Annual Inc.	\$/SF	Annual
Kaiser Permanente	Feb-28	23,135	\$1.65	\$0.05	\$38,172.75	\$458,073
Allstate	Jan-27	1,212	\$1.49	3%	\$1,722.73	\$20,673
Diamond House	Nov-27	7,550	\$1.40	3%	\$10,570.00	\$126,840
Total		31,897				\$605,586

Gross Scheduled Income	\$605,586
Ordinary Expenses	
Cleaning and Maintenance	(\$17,500)
Garbage	(15,756)
Insurance	(\$10,098)
Landscaping (Pruning/Spraying)	(\$9,100)
Pest Control	(\$1,229)
Repairs	(\$5,400)
Sprinkler	(\$95)
Utilities	(\$38,180)
Tenant Utility Reimbursement	\$1,200
Security	(\$144,022)
KP Security Reimbursement(75% of actual)	\$108,016
Property Taxes (Est. based on purchase)	(\$67,352)
Annual Expenses	\$199,516

Net Operating Income	\$406,070
Cap Rate	6.8%
Sales Price	\$5,975,000
Price Per Office RSF	\$187

\*This information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty, or representation either express or implied, is made with respect to such information. All info should be independantly verified by prospective buyers.

# Tenant lease abstracts

All three Tenants have been long term occupiers at 7880 Alta Valley Drive. Kaiser Permanente occupies approximately 73% of the space and has steadily expanded at the property as it offers a convenient location for several of their departments that serve the hospital. Diamond House values the proximity and exposure to the hospital and has expanded into additional space in the building during each of their previous lease extension. Allstate has maintained their suite in the building for over 20 years.

### Kaiser Permanente: 23,135 RSF

Original Lease dated October 5, 2001. Lease expires February 29, 2028.

Monthly Rent Schedule (3% annual increases):  
February 1, 2025 to January 31, 2026 - \$38,172.75  
February 1, 2026 to January 31, 2027 - \$39,329.50  
February 1, 2027 to January 31, 2028 - \$40,868.25

Rent for February 2028 is abated per the extension negotiations conducted in 2022.

Tenant has two options each for a period of 5 years at 95% of the prevailing fair market rental value. Tenant to reimburse landlord 75% of total on-site security cost.

### PsychNP (Diamond House): 7,550 RSF

Original Lease dated November 12, 2022. Lease expires November 30, 2027.

Monthly Rent Schedule:  
April 1, 2025 to November 30, 2025 - \$10,570  
December 1, 2025 to November 30, 2026 - \$10,887  
December 1, 2026 to November 30, 2027 - \$11,214

Tenant has three one-year options at 3% annual rent increases

### Allstate: 1,212 RSF

Original Lease dated February 2019. Lease expires January 31, 2027.

Monthly Rent Schedule:  
February 1, 2025 to January 31, 2026: \$1,722.73  
February 1, 2026 to January 31, 2027: \$1,774.41

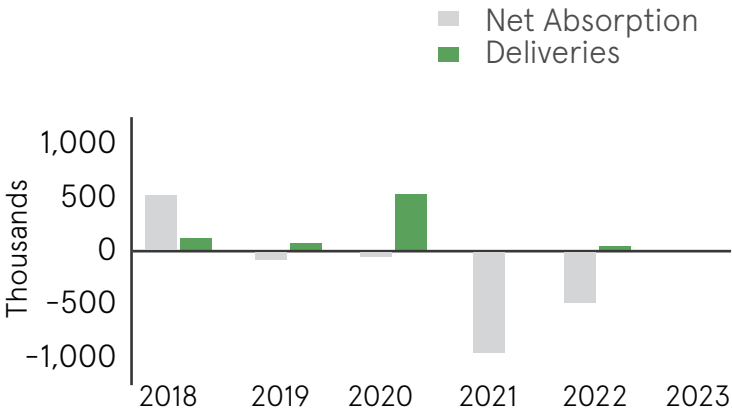
2025 Gross Scheduled Income	\$605,586
2027 Gross Scheduled Income	\$651,384

# Sacramento office statistics

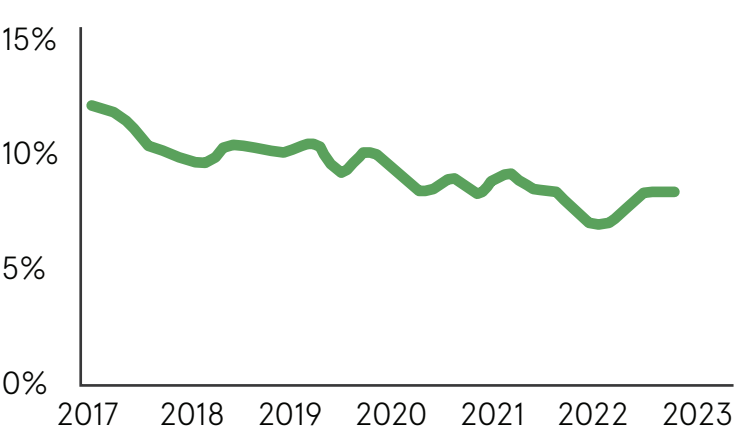
## Fundamentals South Sacramento/Elk Grove

Inventory	1,680,993 SF
YTD net absorption	2,861 SF
Total vacancy	8.8%
Direct asking rent	\$2.45 PSF
Under construction	0 SF

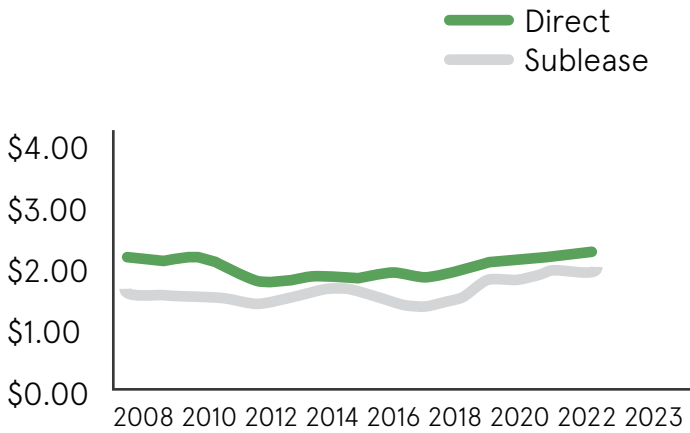
## Supply and demand (SF)



## Historical vacancy (SF) South Sacramento/Elk Grove



## Average asking rent (\$ PSF) (Sacramento)

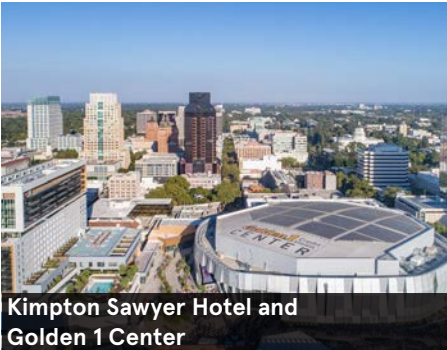


# Sacramento by the numbers

Sacramento is a leading business location in California largely because it offers employees an excellent quality of life and access to the best that California has to offer, all at a price point that is increasingly attractive. Its growing, well-educated population, relatively affordable cost of living, and proximity and access to the Bay Area, Lake Tahoe, Napa Valley and beyond will continue to fuel Sacramento's above average growth in the years ahead.

The Sacramento MSA is California's fastest growing large city with an annual population growth rate of approximately 3.7% over the last decade, outpacing the compound annual growth rate of the U.S. of 3.2% over the same period, and is projected to grow by another 14% by 2025.

According to Redfin's "Compete Score" for cities across the western U.S., Sacramento was the third most competitive large city for homebuying as of year-end 2018. This score reflects the imbalance between available inventory and demand. Much of Sacramento's growth and competitiveness has been driven by San Francisco Bay Area residents in search of more affordable homes within easy reach of the Bay Area.





# 7880 Alta Valley Drive

## Sacramento, CA

Presented by Jones Lang LaSalle Brokerage, Inc.

**EXCLUSIVE ADVISOR**

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