

2556

Grass Valley Hwy
AUBURN, CA

**REDUCED
PRICE**



LEASED INVESTMENT/VALUE-ADD OPPORTUNITY | RETAIL/OFFICE BUILDING

CBRE

THE OFFERING

2556 GRASS VALLEY HWY. | RETAIL & OFFICE BUILDING

NEW REDUCED PRICE: \$3,362,277

7.25% CAP RATE

CBRE, Inc is pleased to offer for sale 2556 Grass Valley Highway, a two-story $\pm 20,682$ rentable square foot retail storefront/office strip center, anchored by **Big 5**, and also leased to **Papa Murphys**, **Sun Real Estate** and **California Tan**. The subject is situated on its own ± 1.40 acre parcel.

Big 5 Sporting Goods has been an anchor tenant in this center since May 1994 (± 25 years) and has exercised another 5 year lease renewal, scheduled to expire in 2025, with three 5-year options. Additionally, the asset is 81.7% leased to four tenants providing an investor with value add upside by leasing the vacant office space located on the second floor. The property has several tenant-ready office suites available, which are currently offered for lease at \$0.75 psf/mo, modified gross.

The property offers investors an excellent value at $\pm \$163$ per foot, well below replacement cost, with ability to add value with income growth through lease up.



Amazing traffic counts! The center is located at the high-traffic intersection of Highway 49 and Willow Creek Drive, just one block north of Cottage Drive where there is an ADT count of $\pm 50,000$ cars per day and one block south of Bell Road with an ADT of $\pm 35,000$ (2017). *Source: Traffic Metrix Products.*

The property boasts excellent Highway 49 visibility and ample parking. Visitors and employees enjoy excellent access to the local area and the greater region via Highway 49 which is a major thoroughfare and is approximately three miles from I-80.

INVESTMENT HIGHLIGHTS


VALUE-ADD INVESTMENT OPPORTUNITY WITH IN-PLACE INCOME

RENT ROLL AND INCOME AND EXPENSE DETAILS ARE AVAILABLE UPON REQUEST WITH CONFIDENTIALITY AGREEMENT.

[confidentiality agreement](#)

TENANTS INCLUDE BIG 5 SPORTING GOODS, PAPA MURPHY'S, CALIFORNIA TAN, AND OTHERS

- + Priced well below replacement cost at \$163 per square foot!
- + Value add opportunity through lease up of existing vacant office space
- + Big 5 has been a tenant since May 1994 (±25 years) and has exercised a new 5-year lease renewal with three, 5-year options
- + 81.7% leased
- + Varied sized suites offer leasing flexibility for the market
- + Desirable Location: The Property benefits from being located on one of the busiest highways in Northern California, Highway 49, also known as Grass Valley Highway.
- + High traffic area: ±50,000 cars ADT 2018 on an average day at the collection street of Grass Valley Hwy and Cottage Drive (one block south of the property).
- + Regional Access: The location has great access and is less than 2.5 miles from Interstate 80 and approximately 1/4 mile from Bell Rd.
- + The retail market segment has become an increasingly attractive opportunity for many investors as they are taking advantage of the recent stabilization of average cap rates.



OFFERING PRICE	\$3,362,277 (\$162.57)
CAP RATE	7.25%
ACTUAL NOI	\$243,765
ADDRESS	2556 -2578 Grass Valley Hwy Auburn, CA 95603
COUNTY	Placer County
PROPERTY TYPE	Retail Strip Center
YEAR BUILT	1988
TOTAL BUILDING SIZE	±20,682 RSF
NUMBER OF STORIES	Two
% LEASED	81.7%
LEASE TYPE	MG & NNN
PARKING	78 Spaces
APN	038-113-053
TOTAL LAND	±1.40 Acres
ZONING	CPD-Dc (Commercial Planned Development)
USE	Retail with second story office

INVESTMENT HIGHLIGHTS



ANCHORED BY BIG 5 SPORTING GOODS



EXCELLENT HIGHWAY 49 LOCATION WITH HIGH TRAFFIC COUNTS!



BUILDING SIGNAGE AVAILABLE



RETAIL STOREFRONT WITH 2ND FLOOR OFFICE SUITES



SITUATED ON ITS OWN INDIVIDUAL PARCEL.



The property is directly across the street from Smart & Final, Starbucks, Chick-Fil-A, Home Depot and Petsmart.

Over the last several years Panda Express, Costa Vida, Smart & Final, Petco, Panera Bread, Wing Stop, Chipotle, Michaels, Bev-Mo, and ULTA have entered the Auburn retail market.

Strategically located to capture regional trade areas of Auburn, Grass Valley and the surrounding foothill communities.

The Auburn office market consists just over 2 million square feet of inventory that provides business owners the ability to work in the community they reside in. Most of Auburn's growth is due to the number of existing tenants who choose to stay in the Auburn area and expand their business locally.





GENERAL INFO

The Big 5 Center was constructed in 1988 and is situated on its own ±1.40 acre parcel. Primary entry to the property is via Willow Creek Drive, a signalized intersection of Highway 49 (Grass Valley Highway).

The project is located within the Highway 49 retail corridor, surrounded by mostly retail uses, as well as residential uses in the side streets and extended neighborhoods.

UTILITY PROVIDERS

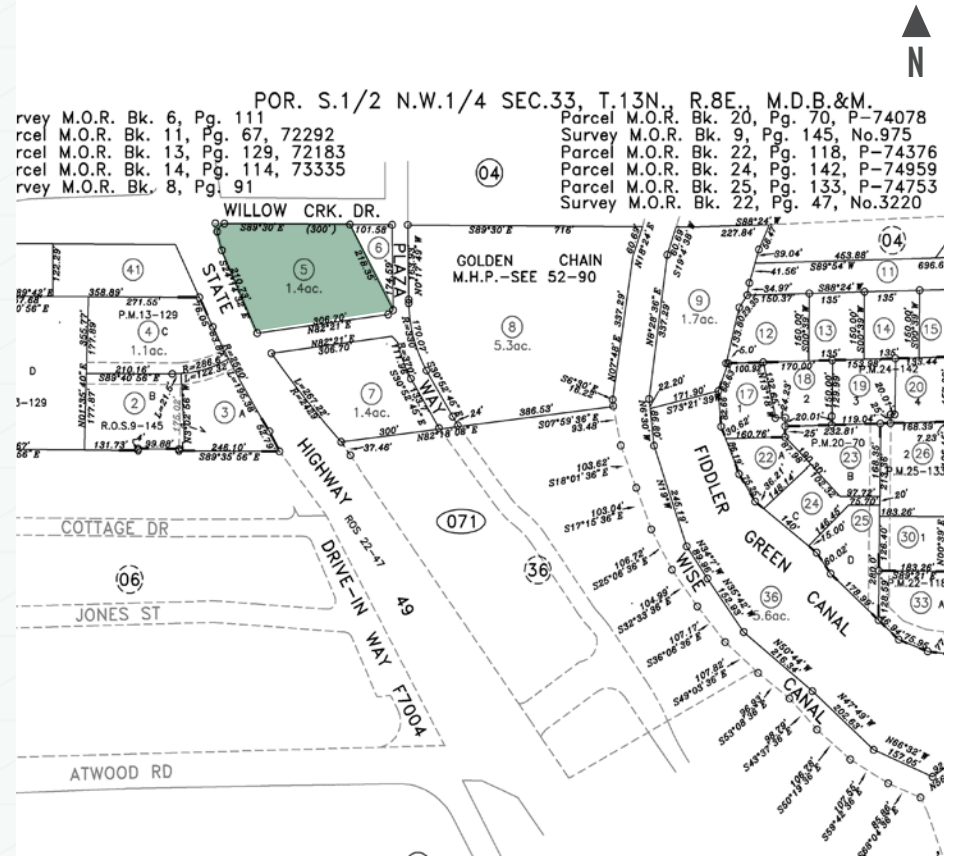
PG&E - electric & gas
 City of Auburn - sewer
 PCWA - water
 Recology - trash

FLOOD & EARTHQUAKE

According to a natural hazards disclosure report from First American, the property is not within a Flood Hazard Area, an Earthquake Fault Zone or Wildland Area/High Fire Hazard area

ZONING

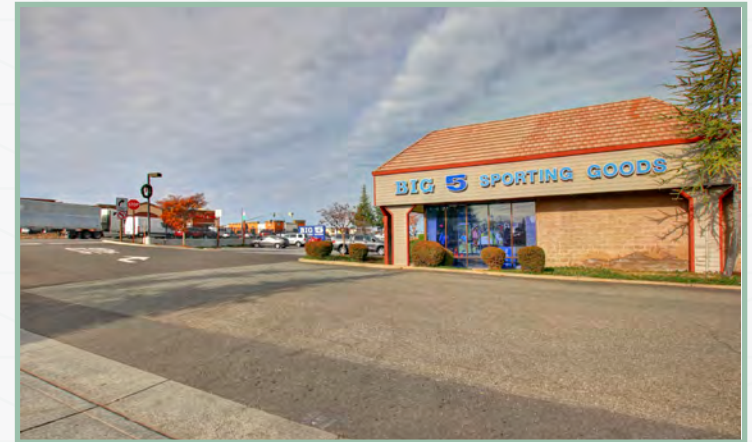
CPD-Dc (Commercial Planned Development)
 According to Placer County, the property is currently located in a general commercial zone. Uses permitted within this district include retail, personal service, entertainment, office and related commercial uses.



PROPERTY PHOTOS



TWO-STORY RETAIL & OFFICE BLDG



ANCHOR ENTRY/SIDE VIEW

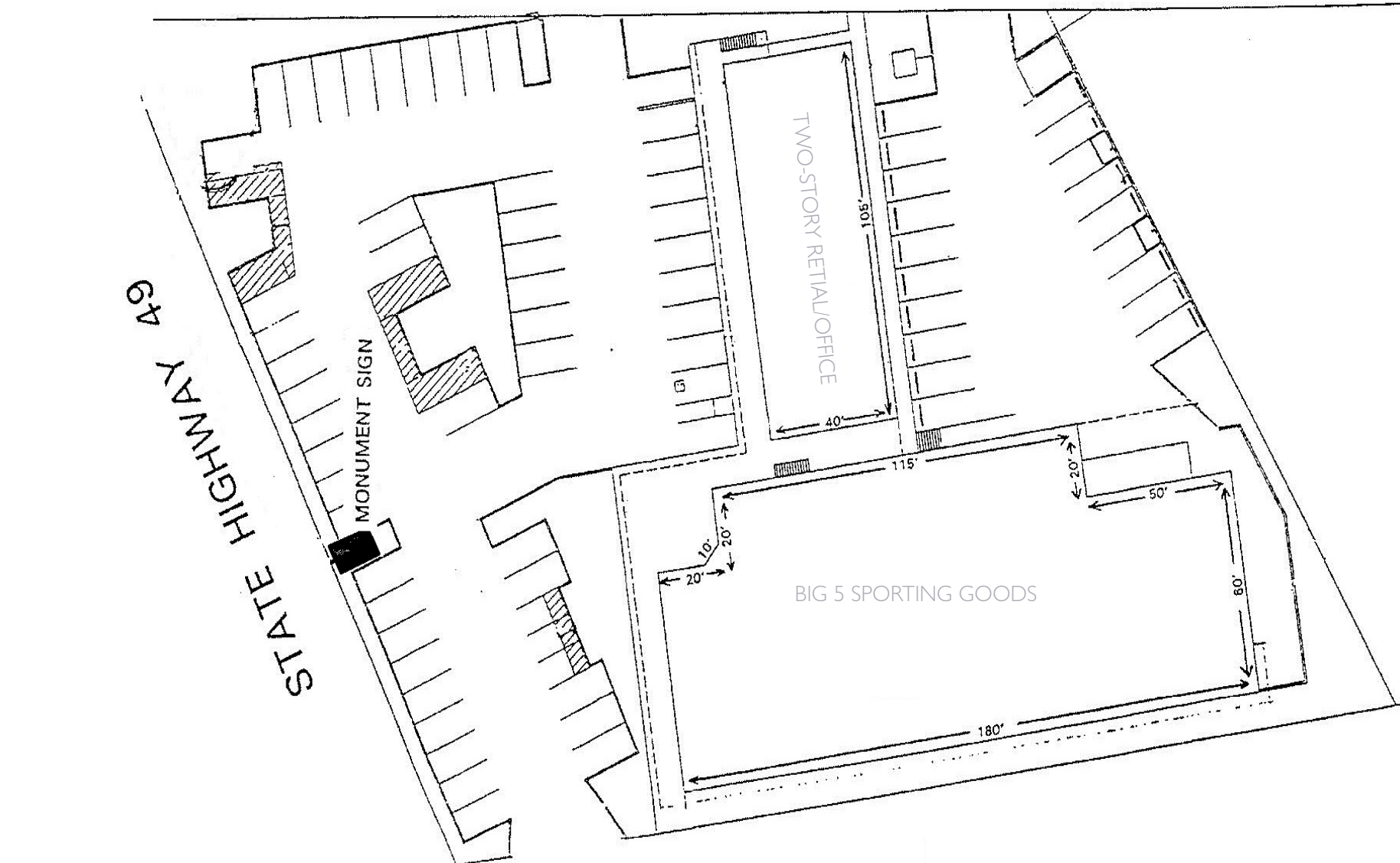


AERIAL OF PROJECT



AERIAL OF PROJECT - HWY 49/SOUTH

SITE PLAN

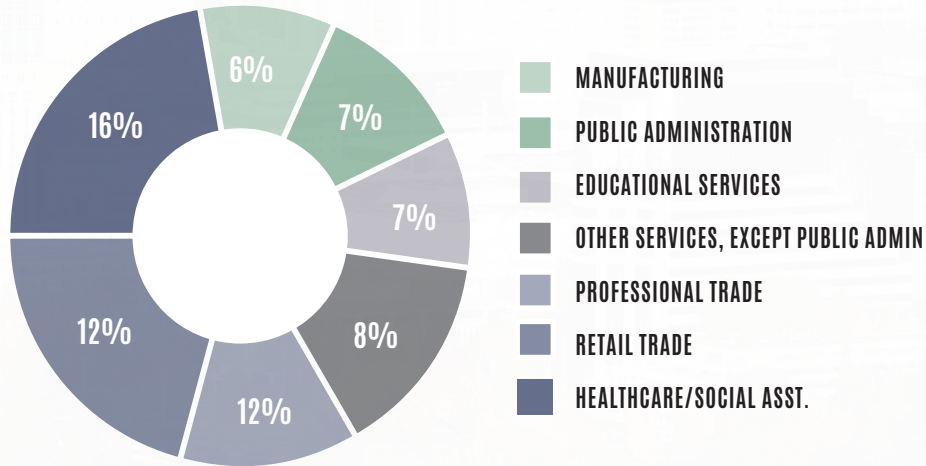


NOT TO SCALE - ALL DIMENSIONS ARE APPROXIMATE.

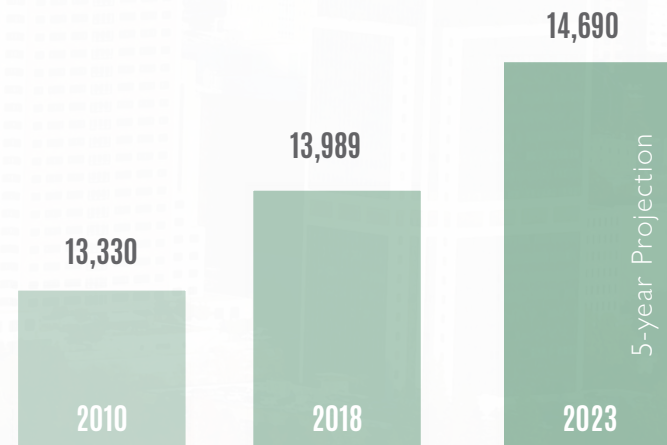
MARKET DEMOGRAPHIC QUICK FACTS

THE CITY OF AUBURN IS LOCATED IN PLACER COUNTY AND ENCOMPASSES 7.2 SQUARE MILES.
Source: wikipedia

LARGEST NEARBY EMPLOYMENT INDUSTRIES IN AUBURN



TOTAL POPULATION WITHIN VARYING IN YEARS



AUBURN ANNUAL SALARY BREAKDOWN

Over \$200K. 8.4%	\$150K-\$200K. 7.3%	\$100K-\$150K. 15.6%
\$75K-\$100K. 12.2%	\$50K-\$75K. 15.8%	\$35K-\$50K. 11.5%
\$25K-\$35K. 9.3%	\$15K-\$25K. 9.6%	Under \$15K. 10%



AVERAGE HOUSEHOLD INCOME

\$91,400

DAYTIME EMPLOYEES

11,303

TOTAL OWNER-OCCUPIED UNITS

58.4%

2018 HOUSEHOLDS

6,041

TOTAL BUSINESSES

1,171

SOURCES: CBRE 2018



RETAIL MARKET OVERVIEW

Auburn Area & Business Climate

Auburn is located in South Placer County. Placer County has been one of the fastest growing regions in California for the last 25 years. Auburn's population is currently projected to be 13,989 people and is projected to increase to nearly 14,690 residents by 2023. The city of Auburn boasts $\pm 1,171$ businesses with $\pm 10,478$ employees and \$17.2M in reported retail sales. With a qualified workforce and strong business sector, Auburn's 4.7 percent unemployment rate is the one of the lowest unemployment rates among 480 California cities. Additionally, Auburn reports that their business climate is noted for being among the most affordable cities to do business in the state with a supportive climate for entrepreneurs and an active chamber supporting small businesses.

Auburn Retail Market

Auburn has 317 existing retail buildings, with a total square footage of $\pm 2,997,347$ SF. The vacancy rate has stabilized since mid-2016, with today's vacancy rate of 4.2%, down from its 5-year average of 4.8% (Costar). The vacancy rate is less than the greater Sacramento market's vacancy rate of 6.7% (CBRE Q2 2019-MarketView). The Auburn market is a stabilized market with competitive rents that attract a diverse sector of businesses. The average asking retail lease rate is \$1.66 PSF/mo., NNN (Costar).

Currently there is no new retail product under construction and/or expected deliverable within the next 12 months in the Auburn Retail Submarket.

Roseville Retail Market Overview

The Roseville retail submarket posted one of the lowest vacancy and availability rates in the region. The Roseville submarket has a total inventory of approximately 6.5 million sq. ft. and is one of the most desirable areas for retail users in the market. The submarket finished 2018 with $\pm 72,109$ sq. ft. of positive net absorption. The Q4 2018 vacancy rate for the Roseville retail submarket is 3.4%, a tenth straight quarter decrease, which is in line with the Sacramento Retail Market. The average asking lease rate is \$1.73 PSF/mo., NNN.

Sacramento Retail Market Overview

The overall market continued to experience solid demand as the vacancy rate decreased for the ninth consecutive quarter, ending 2018 at 7.8%; the lowest vacancy rate since 2008. Historically, retail activity has been dominated by retailers who cater primarily towards a consumer purchase environment. However recently, service-oriented retailers such as food-service tenants, fitness clubs and other personal service businesses have been leading market activity. The average asking lease rate is \$1.57 PSF/mo., NNN.



OFFICE MARKET OVERVIEW

Auburn Office Market

Auburn has 168 existing office buildings (not owner occupied); with a total square footage of 1,321,880 SF. The vacancy rate has stabilized since mid-2016, with today's vacancy rate of 3.6%, down from its 5-year average of 8.2% (Costar). The vacancy rate is less than the Sacramento market's vacancy rate of 10.5% (CBRE Q2 2019-MarketView). The Auburn market is a stabilized market with competitive rents that attract a diverse sector of businesses.

Roseville/Rocklin Office Market Overview

The Roseville/Rocklin office submarket has a total inventory of approximately 7.2 million sq. ft. and is one of the most desirable areas for office users in the market. The submarket finished 2018 with ±113,733 sq. ft. of positive net absorption. The Q1 2018 vacancy rate for the Roseville/ Rocklin office submarket is 9.3%, less than the greater Sacramento Suburban market of 10.5% vacancy.

Placer County Overview

Between 1990 and 2015 (estimated) Placer County population grew by an astounding 117 percent – due in part to in-state migration from the Bay Area and Los Angeles regions. This represents an increase of 51% and in the last five years of that time-frame (2010-2015) Placer County has grown eight percent. As part of Placer County, Roseville/Rocklin market has surpassed every other submarket in the Sacramento region. Between 1994 and 2004, Placer County job opportunities increased to just over 134,000, a growth of over 88%. This is almost three times higher than the Sacramento region, 10 times higher than the Bay Area and over four and a half times higher than California's rate over the same time period. Placer County is projecting an increase of total employees in 2020 to be 165,233 and jumping to 209,797 by 2035. (Source Placer County Economic & Demographic Profile, SACOG 2020 and 2035 MTP/SCS Land Use Forecast).

MORE ABOUT AUBURN

HISTORY

Auburn is the county seat of Placer County, California. It is known for its California Gold Rush history and is registered as a California Historical Landmark. The city is bursting with energy, optimism and spirit for all ages to enjoy. Visitors are attracted to the charming Downtown and Old Town districts as well as to the multitude of events that come to the City of Auburn each year – from rodeos to the antique fair to parade of lights – the city of Auburn offers activities and events for everybody to enjoy.

The new Historic Placer County Courthouse constructed in part in 1894 and was dedicated in 1898. The courthouse is one of Placer County's active Superior Court locations. The Placer County Museum occupies the first floor of Auburn's historic courthouse.

ECONOMY

Auburn has a stable economic environment with its population steadily growing each year. The unemployment rate in Auburn is 4.8%, which is lower the U.S. average of 5.2%. Compared to the rest of the country, the cost of living is also 39.3% higher than the

U.S. average. The city continues to experience positive revenue growth as well as a flourishing economy.

HIGHER EDUCATION

Sierra College: Sierra College is a public community college located in Rocklin, California and is 10 miles from the center of Auburn. The campus extends over 300 acres and has almost 19,000 students enrolled. Extended campuses are located in Auburn and Grass Valley.

William Jessup University: William Jessup University is a private liberal arts university located in Rocklin, California and is 13 miles from the center of Auburn. The campus has a total enrollment of just over 1,100 students and offers both undergraduate and graduate programs.

AIRPORTS

Auburn Municipal Airport: Auburn Municipal Airport is a public airport located three miles north of Auburn, serving Placer County, CA and its surrounding area. The airport is mostly used for general aviation and is owned by the City of Auburn. It totals approximately 285 acres with 80 acres within the industrial park complex.

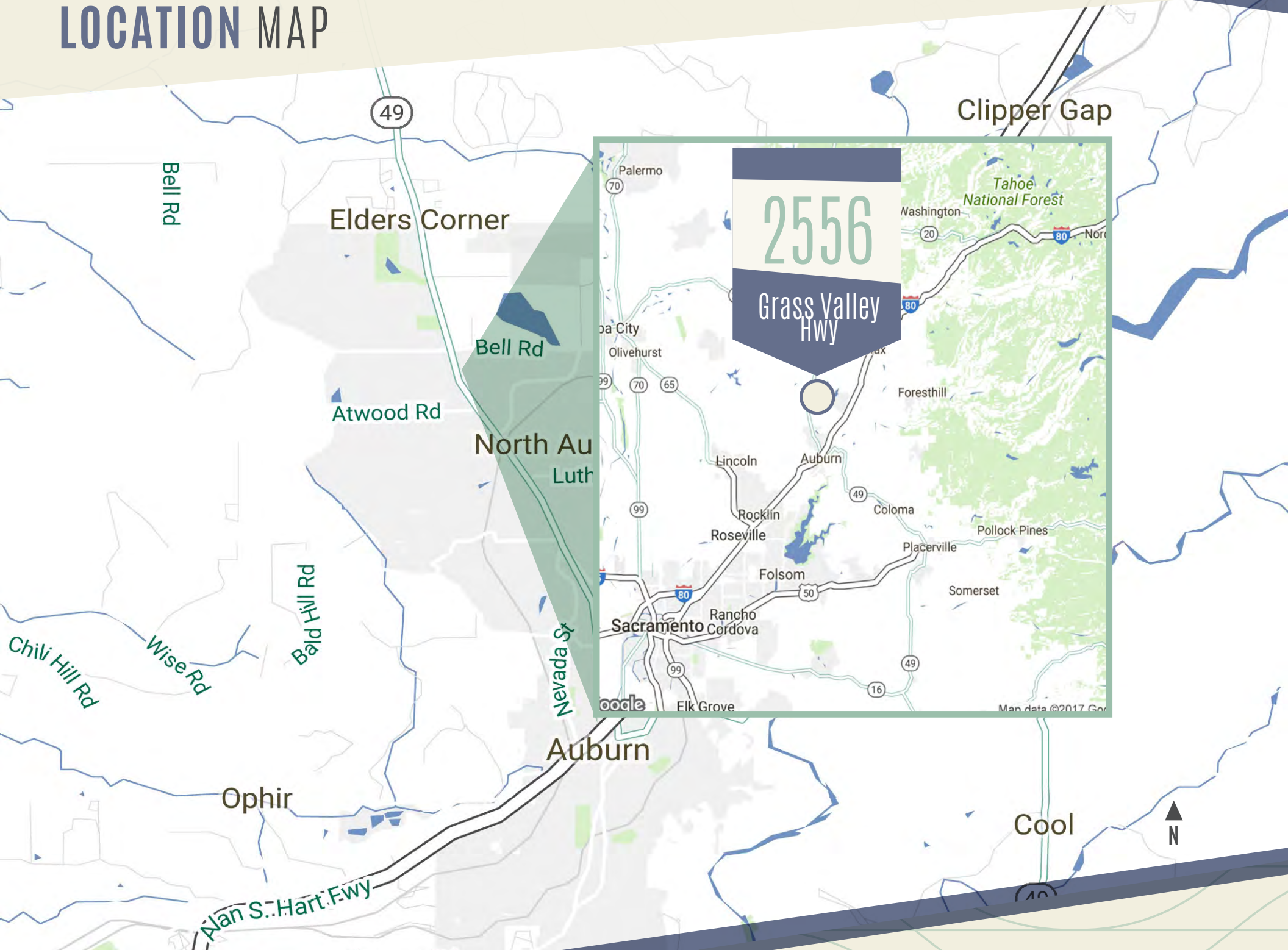
Sacramento International Airport: Sacramento International Airport is a public airport centrally located in Sacramento, a city in Sacramento County, CA and is only 40 miles away from Auburn, CA. It is owned by the Count of Sacramento and is run by the Sacramento County Airport System. Over 10 million people use this airport a year, making it the seventh busiest airport in California.

TOURISM

Old Town Auburn: Old Town Auburn is a quaint town with a lot of character. Tourists can found out about local history, walk around the town, and enjoy the variety of shops. There are plenty of things to do in the town, including boutique shops, wine tastings, museums and concerts.

Auburn State Recreation Area: Auburn State Recreation Area is a state park unit of California. It runs for 40 miles along the North and Middle Forks of the American River. Once teeming with gold mining activity, the area now offers a wide variety of outdoor recreational opportunities. Major recreational uses include trail running, hiking, swimming, boating, fishing and camping.

LOCATION MAP



LOCAL AMENITIES



Sutter Health

SAFEWAY
ROSS
DRESS FOR LESS

TARGET

BURGER KING

McDonald's

Starbucks

CHIPOTLE
MEXICAN GRILL

Panera
BREAD

PETSMART

PANDA EXPRESS
EXOTIC CHINESE

Smart & Final.

Starbucks

THE HOME DEPOT

2556
Grass Valley
Hwy

Michaels
Where Creativity Happens

RITE AID

ULTA
BEAUTY

Beverages & More!

49

BEL AIR

CVS
pharmacy

Carl's Jr.

DOLLAR TREE

MOD

2556

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