



AMERICAN CENTER BUSINESS PARK

10365 OLD PLACERVILLE ROAD | SACRAMENTO, CA

SALES PRICE: \$4,800,000.00

CAP RATE: 8.2%

PRICE RSF: \$109.00



**Newmark
Knight Frank**

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PROPERTY OVERVIEW

10365 Old Placerville Road is the focal point of American Center, a 13-building, master-planned office park located on the eastern portion of the Highway 50 Corridor in Sacramento, California.

This 44,067 square foot, two-story office building is currently 78% leased with two (2) public sector tenants; The U.S. Government – Veteran Affairs and the USDA Veterinary Services, who have occupied the building since 2002 and 2006, respectively.

This asset has repeatedly demonstrated the ability to accommodate these two (2) prominent government tenants as evidenced by the lease renewals of each tenant. Most recently, the U.S. Government – Veteran Affairs renewed their lease for an additional five (5) year term.

10365 Old Placerville Road provides the opportunity to increase value through leasing of the two (2) remaining vacant suites with new tenants or the potential future expansion of the existing tenants.

INVESTMENT HIGHLIGHTS

- **Value-add opportunity (78% Leased)**
- **8.2% capitalization rate on in-place income**
- **Priced well below replacement cost (\$109.00 PSF)**
- **Freeway access via two (2) freeway interchanges**
- **Property management within the Business Park**
- **Close proximity to Mather Jet Center**
- **¼ mile from the Cordova Sports Complex**
- **Public transportation available to the Business Park**
- **American Center Business Park vacancy has dropped to 6.6%**



Folsom Boulevard

50

AMERICAN CENTER & SURROUNDINGS

Mather Field Road

Pioneer 50
Business
Park

Rockingham Drive

Sutter
Connect

Sutter
Health

Cordova
Sports
Complex

Future Office
Building

OES
California

ECMC

Sutter Health

SUBJECT

American Center

Old Placerville Road

Mather Boulevard



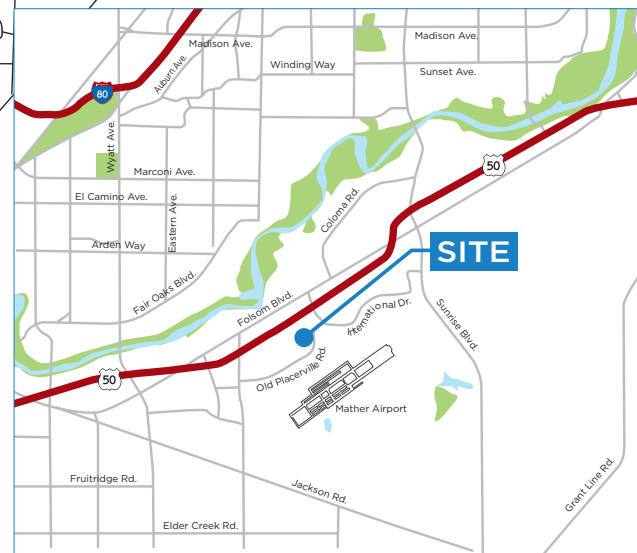
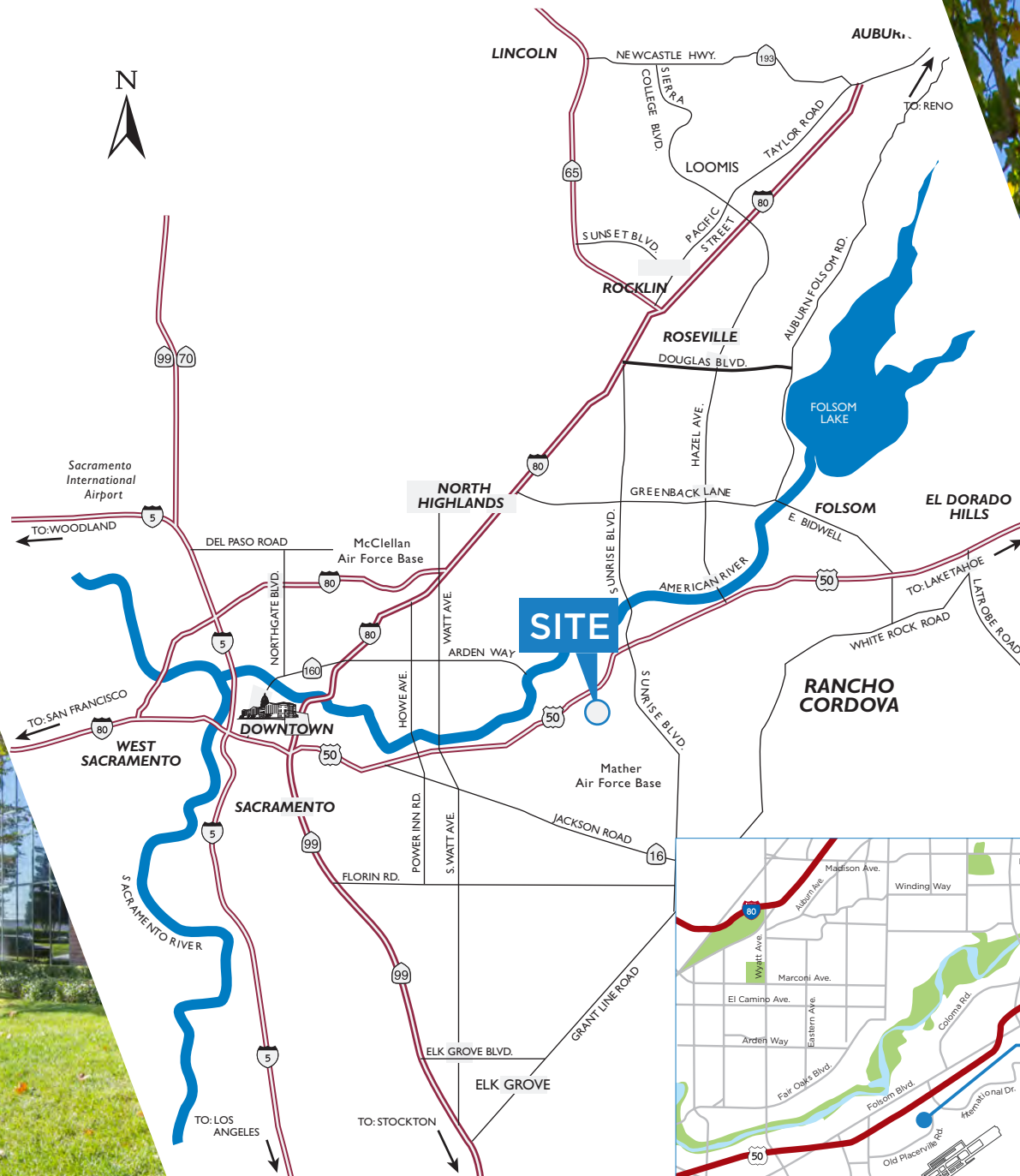
AMERICAN CENTER & AREA TENANTS



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PROPERTY LOCATION



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AMERICAN CENTER BUSINESS PARK VACANCY REPORT

ADDRESS	BLDG RSF	RSF VACANT	VACANCY %
BUILDINGS WITH VACANCIES:			
1 10365 Old Placerville Road (Multi-Tenants - Government)	44,067	9,688	21.98%
2 10411 Old Placerville Road (Multi-Tenants)	13,864	4,521	32.61%
BUILDINGS WITH NO VACANCIES:			
3 10360 Old Placerville Road (Single Tenant)	20,568	0	0.00%
4 10370 Old Placerville Road (Two Tenants)	13,864	0	0.00%
5 10375 Old Placerville Road (Single Tenant)	13,864	0	0.00%
6 10381 Old Placerville Road (Single Tenant)	13,864	0	0.00%
7 10385 Old Placerville Road (Owner/User)	13,864	0	0.00%
8 10389 Old Placerville Road (Owner/User)	13,864	0	0.00%
9 10395 Old Placerville Road (Two Tenants)	13,864	0	0.00%
10 10399 Old Placerville Road (Owner/User)	13,070	0	0.00%
11 10415 Old Placerville Road (Owner/User)	13,864	0	0.00%
12 10419 Old Placerville Road (Owner/User)	13,864	0	0.00%
13 10423 Old Placerville Road (Owner/User)	13,864	0	0.00%
TOTAL AMERICAN CENTER SPACE / VACANCY 6.6 %	216,345	14,209	6.57%



PROPERTY & AREA HIGHLIGHTS

PROPERTY AMENITIES:

The amenities at 10365 Old Placerville Road include an onsite property management, a walking/jogging trail adjacent to the property, basketball and volleyball courts, lockers and showers in the building, and a public health club less than a quarter mile away at the Cordova Sports Complex.

AIR TRANSPORTATION:

Air Transportation: Sacramento International Airport, Mather Airport, Rancho Murieta Airport and FAA Automated Flight Service Station, Sacramento Executive Airport and Cameron Park Airport all service the region. However, Mather Field Airport is less than a mile from the property. Mather Field has one of the largest runways in the country, which is sought after and suitable for international air cargo. Its central location and two parallel runways also make it a popular general aviation airport for businesses with corporate jets. Mather Field's primary runway is 11,300 feet long and marked at 300 feet wide. It is lighted and equipped with precision navigation systems for all weather operations. More information can be found at www.sacairports.org/mather.

PUBLIC TRANSPORTATION:

The number one principle of Sacramento Area Council of Governments' (SACOG) Seven Principles of Smart Growth (public transportation) and Regional Transit bus service and light rail cover much of Highway 50 Corridor. In fact, one of the bus stops is a short walking distance from the building, while a little further away is the Mather/Mills Light Rail Station, which can be reached via the Regional Transit Bus Service. More information about Sacramento's public transportation can be found at www.sacrt.com.

FREEWAY ACCESS & IMPROVEMENTS:

The subject property enjoys excellent freeway access to Highway 50 via Mather Field and Bradshaw Road, and approximately 5-10 miles from Highway 99, Interstate 5, Interstate 80 and Business 80 for statewide freeway transportation.

HOUSING:

Close proximity to a growing supply of affordable and executive housing. The City of Rancho Cordova estimates that more than 17,000 permits have been approved, more than 30,000 units have been entitled and more than another 60,000 units are on the drawing board. More information can be found about the City of Rancho Cordova's upcoming projects at www.cityofranchocordova.org/city_departments/project_map.



SACRAMENTO OFFICE MARKET

SACRAMENTO OFFICE MARKET STAYS STRONG IN THIRD QUARTER

The Sacramento office market maintained its positive momentum into the third quarter of 2018, as positive net absorption totaled 104,884 square feet. Year-to-date, the Sacramento office market has posted just over 704,000 square feet of positive net absorption, which is not far behind the 794,130 square feet of net absorption in the third quarter of 2017, when the market had approximately 1.0 million more square feet vacant. This marks the eighth consecutive quarter of positive net absorption and a continuation of the positive office market statistics posted in 2017. The vacancy rate also dropped, from 12.7% to 12.6% during the quarter whereas a year ago the vacancy was at 13.9%.

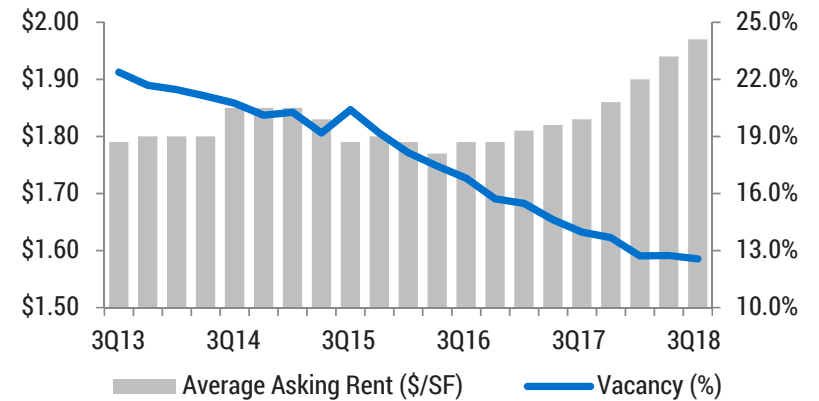
While the State of California is expanding its footprint in the area, the private sector is keeping pace. Overall, tenant activity remains very good. Newmark Knight Frank is currently tracking approximately 2.6 million to 3.0 million square feet of tenant activity in the market. This activity stems from a broad range of market drivers, including healthcare, insurance, housing, state and local government, engineering, technology and construction. Vacancy remains solid at around 12.6%, its lowest rate since 2003. South Natomas leads the area with 5.8% vacancy, followed by Carmichael/ Fair Oaks at 6.8%, Folsom at 6.8% and Roseville at 8.4%.

Investors remained active in the Sacramento office market during the third quarter of 2018. Continuing the trend set in the first and second quarters of 2018, several large investment sales occurred in the third quarter that showed Sacramento remains ripe for capital investment. Basin Street closed on the 347,967-square-foot Point West portfolio that included 1610 Arden Way, 1601 Response Road and 1545 River Park Drive, deepening its commitment to the Sacramento market.

Vectra Management Group also closed on The Summit at Douglas Ridge. The 185,492-square-foot property is located at 3721 & 3741 Douglas Boulevard in Roseville. All of the leasing and sales activity in Sacramento has encouraged landlords to continue to raise asking rents, which are up almost \$0.20/SF from the fourth quarter of 2016. Landlords have also been gradually offering fewer rental concessions, such as free rent and TI allowances.

This trend together with the lack of new inventory and investment capital coming to the market should ensure that the Sacramento office market will remain strong through the fourth quarter of 2018 and into 2019.

CURRENT CONDITION



MARKET SUMMARY

	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Inventory	69.2M SF	69.1M SF	68.6M SF	↑
Total Availability Rate	12.6%	12.7%	13.9%	↓
Quarterly Net Absorption	104K SF	19K SF	261K SF	↑
Total FS Asking Rent	\$1.97/SF	\$1.94/SF	\$1.83/SF	↑
Under Construction	345K SF	324K SF	417K SF	↑
Deliveries	0 SF	127K SF	0 SF	↑



AMERICAN CENTER PHOTO GALLERY





AMERICAN CENTER BUSINESS PARK

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OFFERING PROCESS

Offers should be delivered to the office of the Exclusive Listing Broker, attention: Craig Brinitzer, 916.569.2311 at cbrinitzer@ngkf.com.

To facilitate analysis of offers, prospective buyers are encouraged to provide information relative to funding sources, experience in owning and operating similar properties, familiarity with the market and any other information which is likely to favorably reflect on the offeror's ability to close this proposed transaction in a timely manner.



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