



INVESTMENT OPPORTUNITY

LAGUNA WEST BUSINESS CENTER

2208 & 2218 Kausen Drive
Elk Grove, California



INVESTMENT HIGHLIGHTS

Immediate Value Add/UpSide Opportunity

- > Combined, the buildings offer an excellent blend of stabilization with an attractive value add component.
- > An investor has the opportunity to sell each building individually.
- > Excellent location with Freeway visibility at the Laguna Boulevard and I-5 Interchange.
- > Dominant buildings within the submarket due to their superior construction, architectural details, abundant window lines, and property locations.
- > Strong, stable in-place tenancy representing $\pm 74\%$ of the project.
- > Two leases with the State of California with approximately 6 years of term remaining.
- > Two State tenants have occupied spaces since 2004 and 2008.
- > Adjacent to Apple Inc's Elk Grove Campus. Apple is currently spending \$13 million in upgrades to the location and anticipates adding a significant number of new positions.



INVESTMENT SUMMARY



INVESTMENT HIGHLIGHTS

At 74.41% occupancy, the two building office portfolio provides an investor a terrific value-add opportunity to lease up the vacant space while having a quality tenant base of existing tenants which include the California Office of Traffic Safety (9,811 SF) a tenant since 2008, California Fair Employment & Housing (17,968 SF) a tenant since 2004, DaVita (7,633 SF) a tenant since 2007, and Capital Nephrology Medical Group (2,110 SF) a tenant since 2008.

INVESTMENT SUMMARY

2208 and 2218 Kausen Drive, Elk Grove, CA

Price	\$8,200,000
Square Feet	50,429
Occupancy	74.41%
Price Per Square Foot	\$162.60
Actual Cap Rate	6.34%
Year 2 Stabilized Yield	9.12%
Cash on Cash Return Yr 2	15.45%
Estimated Actual NOI	\$519,607

SOLID REAL ESTATE FUNDAMENTALS

- > Priced below replacement costs.
- > Modern architecture and conventional site plan will maintain asset value over time.
- > Attractive debt is possible at a quoted rate of 70% loan to value, 4.65% amortized over 30 years, due in 10 years.
- > Elk Grove is a major employment center in the Sacramento region and is recognized for its top quality housing, schools and overall quality of life.

MARKET HIGHLIGHTS

- > The Elk Grove office submarket is comprised of ± 1.4 million square feet and has historically had **one of the lowest vacancy rates in the Sacramento Region**. Elk Grove currently stands at 11.90% vacancy.
- > Since the first quarter of 2012, the Elk Grove office submarket has recorded over $\pm 503,000$ square feet of positive net absorption.
- > The City of Elk Grove is one of the largest incorporated cities in Sacramento County and is home to over $\pm 171,000$ residents.

AFFLUENT SACRAMENTO COUNTY TRADE AREA

RADIUS	1-MILE	3-MILE	5-MILE
Total Population	5,186	56,662	231,470
Daytime Population	3,677	40,152	184,898
Average Household Income	\$116,658	\$104,599	\$82,114

Demographics 2016, Pitney Bowes

LOCATION HIGHLIGHTS

- > **Laguna West Business Center is located in the highly desirable and fast growing Elk Grove submarket** and is part of the Sacramento regional office market. The property lies in the northeast quadrant of the Interstate 5 and Laguna Boulevard interchange, which is one of the main freeway interchanges in Elk Grove.
- > Market drivers include an **above-regional-average household income, desirable and accessible location, and impressive traffic counts**.
- > Solid traffic counts with +34,600 cars per day at the nearby intersection of Laguna Boulevard and Harbour Point Drive. The nearby Interstate 5 and Laguna Boulevard interchange sees $\pm 172,300$ cars per day. The strong traffic counts enhance the property's high profile.
- > The land to the North of the property is occupied by the Sacramento Waste Water treatment plant. The land to the West is a designated federal wetland. It is highly unlikely that either area will ever be developed beyond their current uses, leaving very little land available for future office development.





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COUNTY OWNED

APPLE, INC.

CITY OF ELK GROVE

SLAKEY BROTHERS

LAGUNA WEST BUSINESS CENTER

**LAGUNA WEST BUSINESS CENTER
PHASE 2**

LAGUNA BLVD.

I-5 NORTH ON RAMP

