

THE  
WIP

**1025 19<sup>th</sup> Street**

AAA Location Opportunity Zone Development Site  
Located in the Heart of the Midtown Grid



**TURTON**  
COMMERCIAL REAL ESTATE



WP



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# THE OFFERING

Turton Commercial Real Estate is pleased to bring to market 1025 19th Street (the “Property”) in the heart of Sacramento’s highly desirable Midtown Grid. 1025 19th Street is a 28,913 square foot (SF) parcel consisting of one vacant 16,400 SF building of poured-in-place concrete construction and 18 parking spaces. Fronting 19th Street between J and K Streets,

the former WP site provides a developer with one of the most desirable locations available for acquisition in the Midtown Grid in the last two decades. In addition, the Property is located in an Opportunity Zone. The Property is being offered at a price of \$5,495,000 representing a per square foot price of \$190 per SF for the land and \$343

per SF for the building. In essence, the Property offers a mixed-use multi-family residential developer the opportunity to acquire the largest and arguably most valuable contiguous piece of land in the Midtown Grid while benefitting from the Opportunity Zone tax protections.





# THE PROPERTY

28,913	\$5,495,000	C-2 SPD	240+
SF OF LAND	PURCHASE PRICE	ZONING	POTENTIAL UNITS

1025 19th Street is a 28,913 SF of high-visibility opportunity zoned development land. Ideal for longer term development. The Property occupies the entire 19th Street frontage between J and K Streets.

The Property is zoned C-2 SPD and currently includes a 16,941 SF vacant structure and 30 parking stalls.

The Property is a rare Midtown infill opportunity, located in a highly desirable mixed-use neighborhood. Some of the recently completed, or underway, mixed-use properties include 19J, a 175 unit 12-story mixed use apartment complex caddy-corner to the Property. The Mansion, a premier high-density mixed-use project

of 186 units, currently under construction for delivery in early 2022, H16 Midtown (95 units recently completed), 17 Central (111 units under construction), 16J and 17J (currently under development) and Eleanor Apartments at 16th and E Streets (95 units).

The Property is in the epicenter of the Midtown “Grid” commonly defined as the area bounded by 16th Street on the west, Capitol Avenue on the south, 28th Street on the east and I Street on the north. The Property is on the same block as MARRS (Midtown Arts, Restaurant, Retail Scene) which is generally regarded as the heart of Midtown and features the most successful Farmer’s Market in Northern California

every Sunday.

In addition, the Property will be one block from the new Urban Target Grocery Store, one block from the Lavender District, 13 blocks from the Golden 1 Center and DoCo, 10 blocks from Ice Blocks, and surrounded by more than 100 restaurants, bars, art galleries and entertainment venues. The Property provide walkability to most of the urban core, without sacrificing ancillary parking options, privacy, or noise.

The Property is a prime development opportunity that could potentially yield up to 240+ units in a project of five or six stories based on other projects recently approved by the City of Sacramento.



# MAKE YOUR MARK

There exists no other Midtown  
development opportunity with this much  
potential impact on the city.





Section Two: The Property



PROPERTY DETAILS

PROPERTY INFO

Address:	1025 19 <sup>th</sup> Street, Sacramento, CA 95816
Price:	\$5,495,000
APN:	007-0083-0110 (1025 19 <sup>th</sup> Street)
Size:	± 28,943 SF
Zoning:	C-2 SPD (General commercial zoning that permits high density dwelling units, office uses, and sales of goods)

- Located in a Qualified Opportunity Zone
- Near significant other high-density developments
- Could potentially accommodate up to 240+ units
- Central location to both Midtown and Downtown

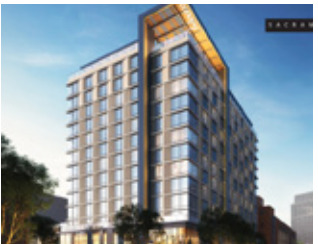
LAND SALES COMPARABLES



**1900 J Street** (completed)  
Price: \$2,500,000 (\$195.31/SF)  
Size: ±12,800 square feet (±0.29 AC)  
Land Sale Date: January 2016



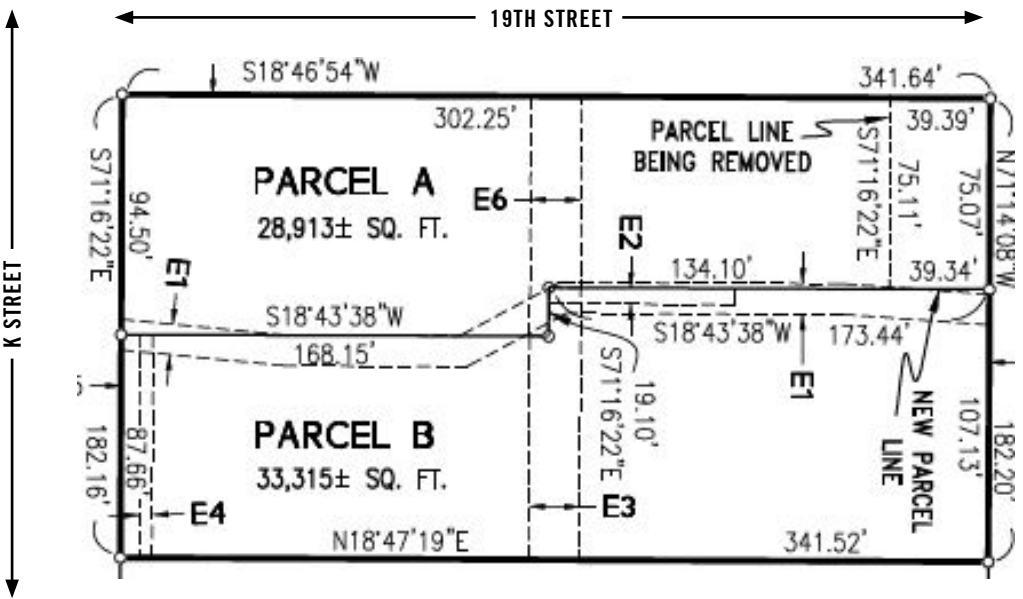
**1018-1030 J Street** (underway)  
Price: \$5,000,000 (\$173.61/Sf),  
Size: ±28,800 square feet (±0.70 AC)  
Land Sale Date: September 2018



**831 L Street** (proposed)  
Price: \$5,000,000 (\$183.82/SF)  
Size: ±27,200 square feet (±0.62 AC)  
Land Sale Date: January 2017



**601 Capitol Mall** (underway)  
Price: \$7,000,000 (\$179.62/SF)  
Size: ±38,972 square feet (±0.90 AC)  
Land Sale Date: May 2018





# BUILDING LOCATION

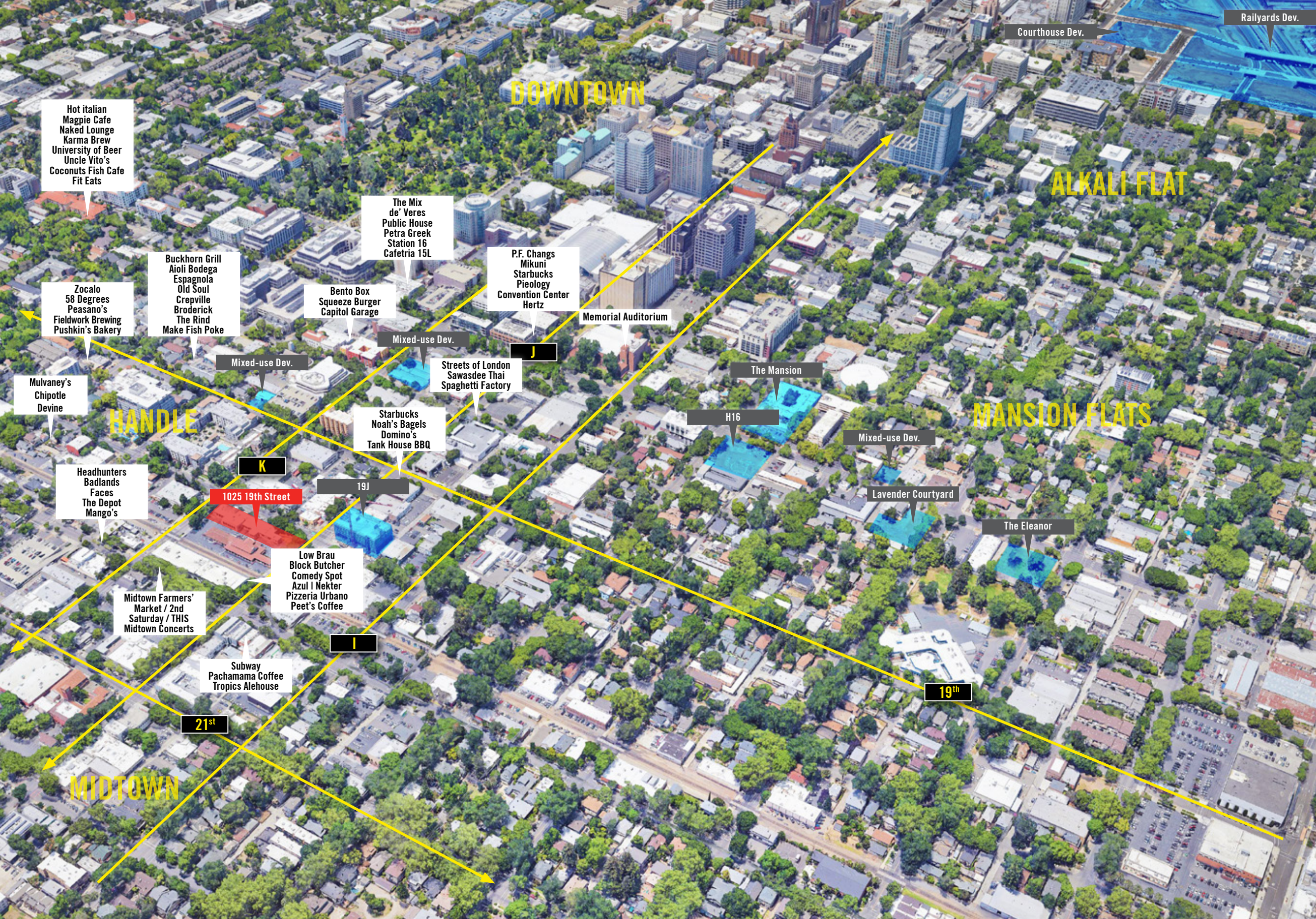
*In the heart of Midtown Sacramento!*

Midtown Sacramento is the perfect blend of carefully curated local, national, and regional retailers with an eclectic mix of high-end demographic occupations embedded in a landscape of unique older buildings paired with mature trees. Business owners, residents and investors near and far have flocked to the center of Sacramento's art, music, and cultural scene to cash in on the fruitful sub-market. Many people consider Midtown to be the most desirable area in the city of Sacramento, with easy freeway access and adjacent to Downtown, Old Sacramento, West

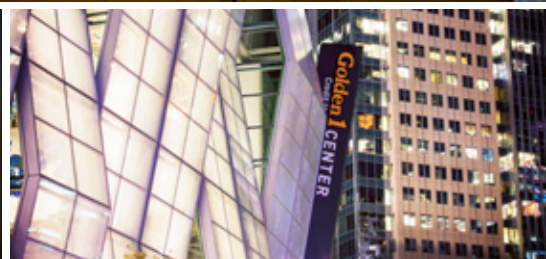
Sacramento and East Sacramento. The Property is located in the heart of the Lavender Heights neighborhood that has emerged as one of the submarket's hottest micro-markets. The epicenter of this exciting district is the MARRS building, which is part of the same block that the Subject Property is on. The neighborhood recently welcomed rainbow cross walks to commemorate the cultural inclusion and progressive thinking of the neighborhood. The neighborhood features some of Sacramento's most successful restaurants and nightlife venues and has

over thirty unique mix of local restaurants, art galleries, coffee houses and boutiques. The Lavender Heights district has high foot traffic both day and night and is a local hot spot for those who love to eat and drink and enjoy many of Midtown's most popular establishments. While it is an excellent starting location for the popular Second Saturday festivities, this area is home to many additional noteworthy events such as the Midtown Love, The Midtown Farmers' Market, Midtown Mini, THIS Sacramento block parties, PARK(ing) Day, and so much more!





Because of the Property's centralized location, it's poised to be a significant local landmark. Being adjacent to the MARRS Building - the epicenter of Midtown - has its perks. This area's variety of restaurants, coffee shops, retailers, and entertainment venues can be found nowhere else in Sacramento (and most of Northern California, for that matter). Pedestrian counts are significantly higher in this neighborhood than many parts of Downtown. The Building's location also puts it right in ground zero for big local events like the weekly *Midtown Farmer's Market* and *THIS is Midtown*, a large DJed dance party which takes place multiple times over summer.



Section Three: The Location



NEARBY AMENITIES

This Property has one of the best locations in the highly-desirable Midtown submarket of Sacramento and is within easy walking distance of virtually every significant landmark in Sacramento's urban core.

POPULAR RESTAURANTS NEAR THE SUBJECT PROPERTY (not all are mentioned here):

58 Degrees & Holding Co.	Crepeville	Il Fornaio	Nido	Solomon's Delicatessen
Ace of Spades	Darling Aviary	Insomnia Cookies	Old Soul Coffee	Squeeze Inn
Aioli Bodega Espanola	Der Biergarten	Iron Horse Tavern	Pachamama Coffee Coop	Sun & Soil Juice
Amaro Italian Bistro & Bar	Dos Coyotes	Jack's Urban Eats	Paesano's	Taco Bell Cantina
Art of Toys	Eatuscany Cafe	Karma Brew	Paragary's	Tank House BBQ
Azul Mexican	Echo & Rig	Kodaiko Ramen & Bar	Polanco's	Tapa the World
Badlands	Elixir Bar & Grill	Kru Japanese	Portofino's	Tea Cup Cafe
Bar West	Estelle Bakery & Patisserie	Bombay Bar & Grill	Pronto Pizza	Temple Coffee
Beach Hut Deli	Faces	Kupros Craft House	Q Street Bar & Grill	Thai Basil
Bento Box	Federalist Public House	Lowbrau	R15	Thai Canteen
BevMo	Fieldwork Brewing Co.	Lucca	Rare Tea	The Golden Bear
Bottle & Barlow	FishFace Poke Bar	Luna's Cafe & Juice Bar	Red Rabbit	The Mill Coffee House
Broderick Midtown	Fit Eats	Mango's/Burgertown	Rick's Dessert Diner	The Porch
Buckhorn Grill	Fizz	Make Fish	Roxie Deli and Barbecue	The Rind
Burger Patch	Flatstick Pub	Mercantile Saloon	Roots Coffee	The Waterboy
Burgers and Brew	Fox & Goose Public House	Metro Kitchen & Drinkery	Ruhstaller BSMT	Tres Hermanas
Cafe Bernardo	Ginger Elizabeth Chocolates	MidiCi Neapolitan Pizza	Sakamoto	Uncle Vito's Pizza
Camden Spit & Larder	Grange	Mikuni Sushi	Sauced	University of Beer
Cantina Alley	Highwater	Morton's	See's Candies	Waffle Square Country Kitchen
Centro Cocina Mexicana	House	Mulvaney's B&L	Shady Lady	Yogurt a GoGo
Chipotle	I Love Teriyaki	N Street Cafe	Shoki Ramen House	Zelda's Pizza
Cornerstone	Identity Coffee	Nekter	Sibling by Pushkin's	Zocalo



# SACRAMENTO

15.3 MILLION  
ANNUAL REGIONAL VISITORS

71,335  
DAYTIME EMPLOYEES

215+  
BARS / RESTAURANTS

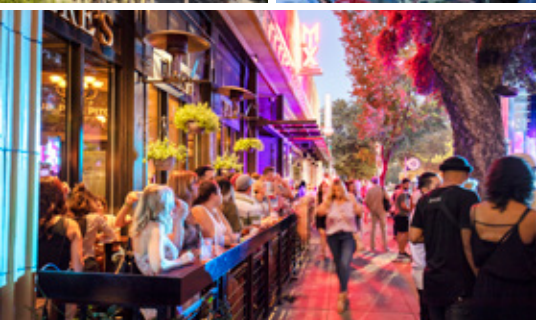
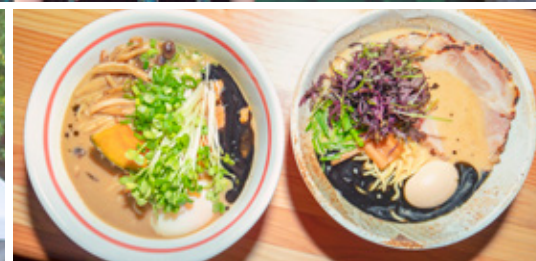
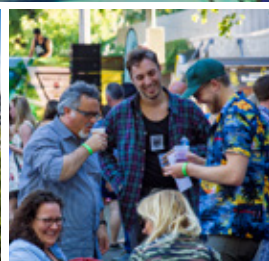
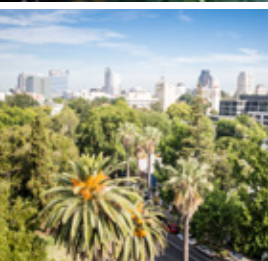
*California's fastest-growing metropolitan area!*

While the Golden 1 Center has expedited urban development, the renaissance of Sacramento's urban core has been underway for several years now. Residential migration to Sacramento has also been increasing with over 150,000 people relocating from the Bay Area or Silicon Valley between 2014 and 2018 according to census data, and upwards of 70,000 people migrating to Sacramento since 2019. Attracted by the affordability of real estate, lower cost of living, easy access to outdoors and great proximity to destinations such as Lake Tahoe, Napa Valley, and the San

Francisco Bay Area, many have found that Sacramento is an ideal location to live and improve their quality of life. Downtown and Midtown, the two submarkets that make up the Central Business District and urban grid are the most desirable, amenity-rich locations for business in the Sacramento region and easily boast the lowest vacancy rates. As of Q3 2020, the Class A Office vacancy rate in Downtown was 6% while Midtown was 1.4%, and when combined with Class B Office vacancy, 11.7% and 7.5% respectively. These figures are impressive

when factoring in many Class B buildings on the market are functionally obsolete. The urban core is the perfect fusion of multi-generational locally owned business, organic youth infused retail and services, carefully selected national and regional retailers, Michelin guide rated restaurants, an eclectic mix of high-end demographic occupations all embedded in a landscape known as the City of Trees and Farm-to-Fork capital of the world.





# THIS CITY'S RAD

Midtown Sacramento is dense, vibrant, and open late. As the city's cultural epicenter, it attracts art, experiences, and excitement!

# SACRAMENTO DATA BITES

Sacramento's relative affordability versus amenities remains one of its biggest draws. Population growth is expected to average about 1% (20,000 annually for the region) over the next five years and is expected to outpace the national average. Household growth continues to far outpace the rate of single-family and apartment deliveries. In July 2020 Sacramento was the most popular migration destination in the U.S, with more than half of home searches from buyers outside of the area (Redfin).

## MULTIFAMILY RENTAL TRENDS URBAN CORE:

Class	Inventory (units)	Avg Rent	Vacancy	Absorption* (units)	Under Const. (units)
A	1,993	\$2,053	14.5%	328	1,154
B	2,172	\$1,677	9.8%	36	140
C	8,864	\$1,041	4.4%	40	0
All Types	13,029	\$1,442	7.3%	252	1,294

Costar, Multifamily All Unit Mixes

## SACRAMENTO'S CITY RANKINGS:

- #1 in the U.S. for net migration
- #1 Happiest workers in midsize cities
- #2 Top 10 most fun, affordable U.S. cities
- #4 U.S metro clean tech index
- #4 Best cities for nerds
- #5 Hot startup cities
- #10 Best cities for women in the workforce
- #10 Best cities for coffee snobs
- #10 Least Stressed-out cities
- #14 America's coolest cities
- #16 Best cities for millennials

\$3,123 AVERAGE RENT PER MONTH  
BAY AREA

\$1,838 AVERAGE RENT PER MONTH  
SACRAMENTO

Zillow, August 2020

## PERCENTAGE OF POPULATION WITH A BACHELORS DEGREE:

34.3%

SmartAsset 2018

## SACRAMENTO: OWNERS VS. RENTERS



GSEC 2020  
Applied Geographic Solutions & GIS Planning



# LOCAL MULTIFAMILY MARKET

The Sacramento Urban Core apartment market is bordered by American River (North), HWY 50 (South), to CSUS (East) and I-5 (West). The market consists of 806 total properties (five units and greater) and a total of 13,028 rental units. These communities benefit from being in close proximity to plentiful urban amenities and the CBD of Sacramento. At the close of 2020, the Urban Core vacancy rate stood at 7.9%, inflated by more than 700 units delivered over the past two years. The average asking price across all unit types in the Urban Core was \$1,442 and \$2,277 for newer product. Despite the rise in vacant units, leasing activity proved to be strong in 2020—in the middle of a global pandemic—as the year reported the second highest annual absorption on record at 252 units (compared to 307 in 2014).

The Urban Core has witnessed a dramatic increase in its apartment stock over the past eight years in response to the recent revitalization throughout. What was historically a B & C market until recently, saw a dramatic shift in the development of Class A communities. Represented by just two properties 20 years ago, The Urban Core has ballooned to 22 properties or nearly 2,000 units by year-end 2020, with more right around the corner. This shift was predicated on the growing number of millennials or younger and higher income earning individuals in search of enhanced on-site and local amenities. The newer, “urban” package resembles more of what you’ll find in a hip, boutique hotel including smart home integration, WiFi lobby/ communal areas, roof deck lounges, micro-mobility, Amazon lockers, state-of-the-

art fitness centers with Peloton bikes, etc. Coupled with the best in restaurants, entertainment, and nightlife night life only found in the Urban Core, it’s no surprise millennials fit right in and why we’ve also seen a strong in-bound migration from the Bay Area. Recent construction further demonstrates the double-down on the millennial population, as 78% of units delivered since 2012 were in the studio and one bedroom unit mixes. These tenants are likely to be either single or couples without children. Rents in these two categories and vintage are seeking on average \$1,788 and \$2,282 per unit, respectively. Currently in the construction pipeline are 7 more projects underway slated to be delivered over the next three to 24 months. In total, this will bring another 1,300 units to the Urban Core.

## Multifamily Deliveries Sacramento GRID – 2020



The Press, Sacramento
SKK, DeBartolo Dev.
277 Units; 200,616 SF
Studio (20); 1BR (137); 2BR (44); & 3BR (7)
Current Avg. Rent: \$2,256



H16, Sacramento
SKK, Guardian Capital
95 Units; 60,000 SF
Studio (42); 1BR (40); & 2BR (13)
Current Avg. Rent: \$2,108



1430 Q, Sacramento
D&S Development
73 Units; 72,000 SF
1BR (33); 2BR (39); & 3BR (1)
Current Avg. Rent: \$3,603



The Carlaw, Sacramento
James Cordano
26 Units; 45,000 SF
Studio (8); 1BR (10); & 2BR (8)
Current Avg. Rent: \$2,735

Source: Costar, Multifamily All Unit Mixes

## Multifamily Trophy Sales Sacramento GRID – 2020



Property Name:
Address:
Developer:
Owner / Buyer:
Year Built:
Site Size SF:
Gross Building Area SF:
Total Units:
Current Rent Avg:
Current Vacancy:
Building Sale Price:
Price / SF:
Price / Unit:
Vacancy:
Cap Rate:
Sale Date:

The Press
1714 21st St
SKK / DeBartolo Dev.
Oakmont Properties
2020
110,642
200,616
277
\$2,385
61.0%
\$118,000,000
\$588.19
\$425,993
70.0%
N/A
9/30/2020



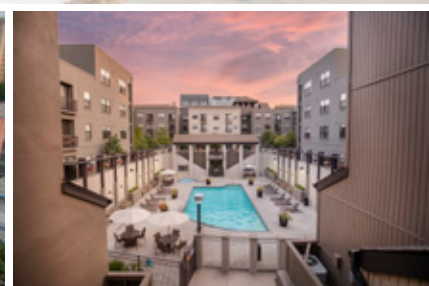
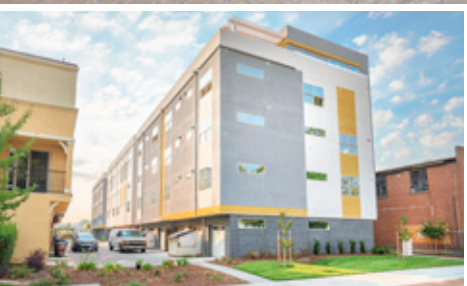
Q18 Apartments
1507 Q St
SKK / Grupe Company
Woodmont Real Estate
2018
25,700
46,170
68
\$1,899
7.4%
\$26,800,000
\$580.46
\$394,118
0.0%
4.65%
4/19/2019



18 Powerhouse
1606 P St
D&S Development
Demmon Partners
2015
19,166
71,929
50
\$3,341
6.7%
\$32,500,000
\$451.83
\$650,000
0.0%
5.05%
3/5/2018



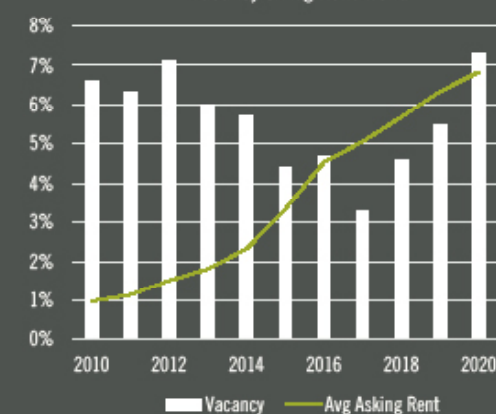
Eviva Midtown
1531 N St
LDK Ventures / Integral
Sequoia Equities
2016
30,492
180,000
118
\$2,226
4.2%
\$53,000,000
\$294.44
\$449,153
0.0%
4.78%
9/1/2017



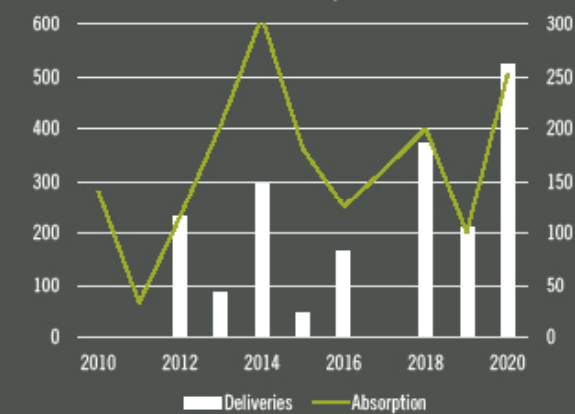
## Multifamily Rental Trends

### Sacramento GRID

Vacancy & Avg Rent Trend



Deliveries & Absorption Trend



Source: Costar, Multifamily All Unit Mixes

## Multifamily Rental Trends

Sacramento GRID – New Construction Since 2012

All Unit Types

27.9%

Vacancy

\$2,277

Avg Rent / Unit

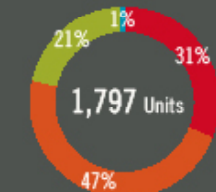
\$3.16

Avg Rent / SF

4.1%

Concessions

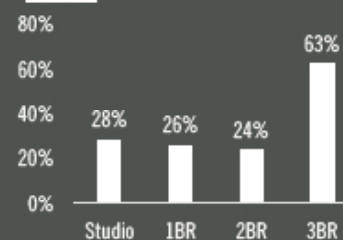
Total Units Delivered



Avg Rent / SF



Vacancy



Avg Rent / Unit



Source: Costar, Multifamily All Unit Mixes



# DEVELOPMENT POTENTIAL

5-6  
STORIES

125+  
POTENTIAL UNITS

Excellent location, Sacramento's most flexible commercial zoning, and open configuration offers numerous possible projects: apartments, single family residences, townhomes, and/ or mixed-use with ground floor retail, live/work or office. Based on projects recently entitled nearby with similar zoning and size, we estimate the site could accommodate up to 125 typical

sized residential units over ground floor retail in five or six stories. In today's market, highest and best use for urban infill property is multi-family residential. With home sales prices increasing steadily higher and severely limited inventory of housing stock, there is also an opportunity for single-family home or condominium development. Current studies indicate popu-

lation growth for Sacramento and the urban core, will outpace supply for the foreseeable future. Note: These are projections based on recent entitlements and developments approved by the City of Sacramento and we make no representations as to the validity of potential unit count or development potential of the site.





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