



Renovated Triplex for Sale in Midtown





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THE OPPORTUNITY

\$1,225,000
PURCHASE PRICE

3,100
BUILDING SF

572
GARAGE SF

.07
ACRES

3
NUMBER OF UNITS

LONG-TERM, LOW-RISK INVESTMENT OPPORTUNITY!

Turton Commercial Real Estate is pleased to present the opportunity to purchase 100% fee simple interest in 2229 24th Street, a premiere triplex investment on the cusp of Midtown, Sacramento, and Land Park. The Property is being offered for \$1,225,000 which equates to a 4.14% capitalization rate on existing income. The Property has been substantially renovated over the last three years, including upgrades to all kitchens, bathrooms, flooring, paint, windows, and exterior landscaping.

The Property presents a unique stabilized and renovated multifamily asset in the urban core. That said, the average existing rent at the Property is only \$2.00 PSF, which according to CoStar data, is approximately \$.50 PSF less than the average rent for comparable residential units in the urban core. Further, none of the three tenants are paying a utility reimbursement or garage rent. As such, an owner can still realize upside by increasing the average rent over time or by including a utility reim-

bursement and/or garage rent to the existing base rent.

Additional Information:

- 3 luxury residential units
- Units and infrastructure renovated within last three years
- Long-term, Low-Risk Investment Opportunity
- Professional and Stable Tenants
- Great location on the border of Midtown and Land Park



THE PROPERTY WAS SUBSTANTIALLY REMODELED WITHIN THE LAST THREE YEARS INCLUDING A RECENTLY LANDSCAPED BACK COURTYARD.



PROPERTY DETAILS

Address:	2229 24th Street, Sacramento, CA Sacramento, CA 95818
APN:	001-0171-021-0000
Price:	\$1,225,000.00
Cap Rate (actual income):	4.14%
Year Built:	1938
Year Renovated:	2018
Number of Units:	3
Building SF:	3,100 SF
Garage SF:	572 SF
Parcel Area:	3,049 SF (.07 AC)
Parking:	3 single garage stalls
Avg. In-Place Residential Rent:	\$2,075.00
Occupancy:	100%

BUILDING UPGRADES

- New roof in 2022
- Central HVAC in upstairs unit
- Mini-split HVAC units in both downstairs units
- New dual-pane windows throughout building
- New electrical wiring throughout building
- New plumbing in kitchens and bathrooms in all 3 units
- Renovated kitchens and bathrooms in all 3 units
- New lighting and ceiling fans in all 3 units
- Washer and dryer in all 3 units
- Custom wood cabinetry, countertops, fixtures, and tile in kitchens and bathrooms
- New insulation throughout building
- New electric garage doors
- Refinished original hardwood floors in all 3 units
- New window coverings in all 3 units
- Custom iron security fence and new mailbox
- Exterior and interior paint
- New security screen doors at front entrance
- Professional landscaping and irrigation in front and back courtyard
- Plant arbor and seating area in backyard





PROPERTY OVERVIEW

2229 24th Street (the “Property”) is a three-unit residential building comprised of 2 one-bedroom and one-bathroom units on the ground floor and 1 three-bedroom and one-bathroom unit on the entire second floor. The Property was substantially remodeled within the last three years, including new finishes throughout all three units, energy-efficient dual-pane windows on both floors, new HVAC units (two mini-split), custom metal work on the exterior, and a recently landscaped back courtyard area.

The three residential units feature original hardwood floors throughout, granite/quartzite counters, solid wood custom-cabinetry, updated lighting, custom tile shower walls and floors, washer/dryer combo in each unit, dishwashers, electric cooktop, and garbage disposals. The two ground floor units, each with one bedroom and one bath, are approximately 775 rentable square feet. The upstairs unit has three bedrooms and one full bathroom, measuring approximately 1,500 rentable square feet. All three units have a spacious

living room and dining room.

The Property also features a 572 square foot three-car garage to the east of the Building, accessible off W Street. The garages provide each tenant with an off-street parking option, storage, or both. From an ownership perspective, the stand-alone garage provides a unique value-add development opportunity, whereby the existing garage is demolished and replaced with a new garage and additional residential units above. The current zoning – R3-SPD – may permit additional units on the Property.



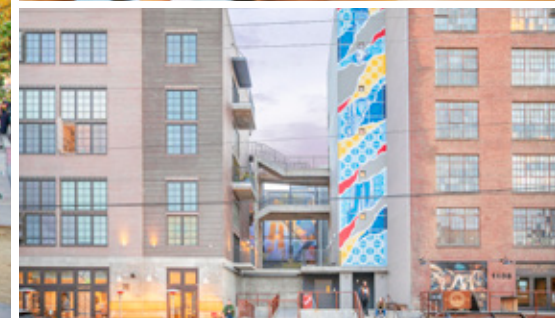
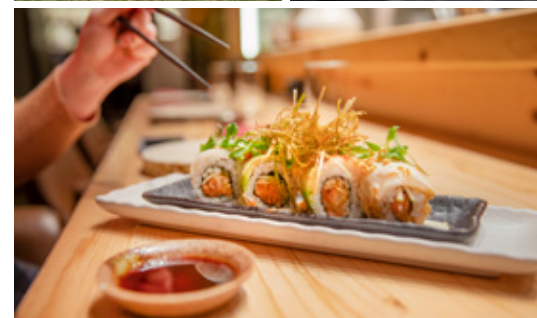
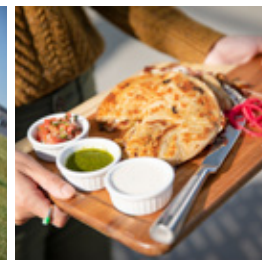
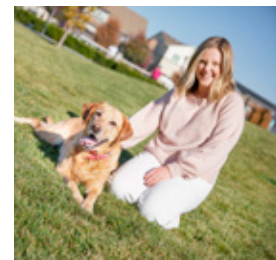


BUILDING LOCATION

IN THE MIDDLE OF A HIGHLY-DESIREABLE NEIGHBORHOOD

The Property is located on the cusp of Midtown and Land Park, and is within easy walking and biking distance of several notable amenities. The Property is also walking or biking distance to Downtown, Sacramento, home to over 50 of the best restaurants and bars in the entire city, Golden 1 Center, and Downtown Common:

2 BLOCKS FROM CA DMV HEADQUARTERS	2 BLOCKS FROM MERRYHILL SCHOOL	3 BLOCKS FROM SACRAMENTO CENTRAL YMCA	4 BLOCKS FROM 20+ LOCAL RESTAURANTS AND BARS	7 BLOCKS FROM INTERSTATE 80 ON/OFF RAMPS
9 BLOCKS FROM SAFEWAY SHOPPING CENTER	9 BLOCKS FROM TRUITT BARK PARK	11 BLOCKS FROM THE ICE BLOCKS	12 BLOCKS FROM THE EPICENTER OF MIDTOWN	13 BLOCKS FROM SUTTER HOSPITAL
1 MILE FROM CA FAMILY FITNESS CENTER	1 MILE FROM MCCLATCHY HIGH SCHOOL	1 MILE FROM MCGEORGE SCHOOL OF LAW	1.5 MILES FROM THE CA STATE CAPITOL	1.7 MILES FROM UC DAVIS MEDICAL CENTER





- Safeway
- Shake Shack
- Philz Coffee
- Truitt Bark Park
- Panda Express
- Ryujin Ramen
- T% Coffee + Tea
- See's Candies
- Nico Wine
- Beast + Bounty
- Milk Money
- Pressed Juicery
- Ju Hachi
- The Sandwich Spot

Localis

Round Corner

Albert Winn Park

- Temple Coffee
- Sac Food Co-Op
- Revolution Winery
- Pushkin's Bakery

Sun Up Market

BUSINESS LOOP 80

W

2229 24th Street

- Pancake Circus
- Pancho's Cocina
- Andy Nguyen's
- Buffalo Pizza

- Taco Bell
- McDonalds
- Real Pie Company
- River City Deli

- Wienerschnitzel
- Los Jarritos
- Carl's Jr
- Dim Sum House

24th

25th

T H E





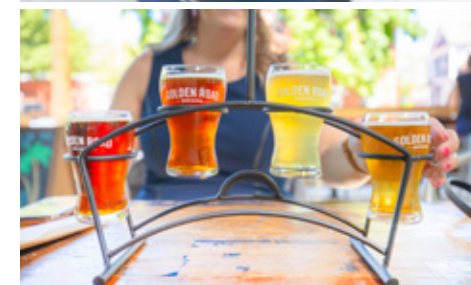
MIDTOWN SACRAMENTO SUBMARKET

The Property is located on the border of Midtown and Land Park, prominently located on the north-east corner of 24th and W Streets. More specifically, the Property is located squarely between Poverty Ridge and Newton Booth, both historic neighborhoods predominantly comprised of single-family homes and multifamily properties. According to CoStar data, there are approximately 890 residential rental units in Poverty Ridge and Newton Booth with a staggeringly low combined vacancy rate of 4.75% as of Q4 2021. Further, these two neighborhoods are slated to experience the highest rent growth in the entire urban core, with a projected

average rental increase of 7.6% by Q3 2022 and 7.75% by the end of 2022. Together, these metrics indicate a robust demand for a limited supply of rental housing in this micro-market, which translates to higher rents and lower vacancy in the years to come.

The Property is also conveniently located near many of the city's most important amenities. The Property is less than 1 mile from Sutter Hospital and less than 2 miles from UC Davis Medical Center, thereby making the Property a convenient choice for medical students and medical residents. Further, the Property is within walking distance to

McGeorge School of Law, Merryhill School, and the California DMV Headquarters, providing the ownership with an additional pool of high-demographic tenants to choose from. Additionally, virtually every meaningful bar, restaurant, entertaining center, and hotel in the urban core is within walking or biking distance from the Property, including the Golden 1 Center, Downtown Commons (DoCo), Ice Blocks, and countless retail establishments along Broadway. In conclusion, the Property is centrally located in the heart of the urban core, which results in higher demand for the units and increased rent over time.





NEARBY URBAN AMENITIES

2229 24th Street is on the cusp of Midtown and Land Park with nearby access to the Interstate 80 on/off ramps, along with endless amenities:

POPULAR RESTAURANTS NEAR 2229 24TH STREET (NOT ALL ARE MENTIONED HERE):

58 Degrees & Holding Co.	Chipotle	Kru	Paragary's	Tank House BBQ
Aioli Bodega Espanola	Club Raven	Kupros Craft House	Peet's Coffee	Tapa the World
Allora	Cornerstone	La Trattoria Bohemia	Pine Cove Tavern	Tea Cup Cafe
Amaro Italian Bistro & Bar	Crepeville	Lowbrau	Pizzeria Urbano	Temple Coffee
Azul Mexican	Der Biergarten	Metro Kitchen & Drinkery	Pronto Pizza	Thai Basil
Bacon & Butter	Eatuscany Cafe	Midtown Taqueria	Pushkin's Bakery	Thai Palace
Bar West	Elixir Bar & Grill	Mimosa House	Q Street Bar & Grill	The Golden Bear
Bento Box	Evan's Kitchen	Mulvaney's B&L	Red Rabbit	The Mill Coffee House
Block Butcher Bar	Federalist Public House	N Street Cafe	Rick's Dessert Diner	The Porch
Bonn Lair	Fieldwork Brewing Co.	Nekter	Roxie Deli and Barbecue	The Rind
Broderick Midtown	FishFace Poke Bar	Nido	Sakamoto	The Shack
Buckhorn Grill	Fit Eats	Nishiki Sushi	See's Candies	The Waterboy
Burgers and Brew	Ginger Elizabeth Chocolates	Nopalitos Southwestern Café	Selland's Market Cafe	Tres Hermanas
Cafe Bernardo	Highwater	OBO Italian Table & Bar	Shanghai Garden	Tupelo Coffee & Roasting
Cafe Capricho	Hot Italian	Old Soul Coffee	Shoki Ramen House	Vibe Health Bar
Canon	I Love Teriyaki	OneSpeed	Star Ginger	Waffle Square Country Kitchen
Cantina Alley	Identity Coffee	Original Mel's Diner	Station 38 Coffee	Wing's Restaurant
Celestin's	Jack's Urban Eats	Orphan	Steve's Pizza	Yogurt a GoGo
Centro Cocina Mexicana	Juno's Kitchen	Pachamama Coffee Bar	Sun & Soil Juice	Zelda's Pizza
Chando's Tacos	Karma Brew	Paesano's	Sushi Café	Zocalo





SACRAMENTO

15.3 MILLION
ANNUAL REGIONAL VISITORS

71,335
DAYTIME EMPLOYEES

215+
BARS / RESTAURANTS

CALIFORNIA'S FASTEST-GROWING METROPOLITAN AREA

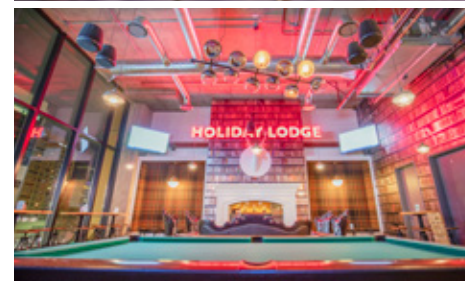
Sacramento is the Capitol of California, the fifth largest economy in the world. While perhaps not considered as prolific as many of the tourism-based cities in California such as San Francisco, Los Angeles and San Diego, being the hub of California's governmental structure provides an incredible amount of economic stability throughout the region. In addition, Sacramento is being increasingly recognized as an outdoor enthusiast's dream city with its re-

markably central location to Lake Tahoe, the Sierra's, Yosemite and the Coast. In a recent study completed by WalletHub for National Nutrition Month, Sacramento was ranked the 5th healthiest city in the United States among 100 large cities (ranking higher than the likes of Denver, Colorado Springs, San Francisco, Portland, Austin, San Antonio and Seattle). Forbes magazine ranked Sacramento as the 10th healthiest city in the United States versus all cities.

A big part of this recognition stems from the cities' proximity to the American River. Hiking trails and white-water rafting abound along the American River as well as one of Sacramento's crown jewels - the 32-mile American River Bike Trail which runs entirely along the river from Beal's State Park to Discovery Park where it conjoins with the Sacramento to River to Old Sacramento on the riverfront (only 20 blocks from the Subject Property).



THERE'S A REASON EVERYONE IS COMING HERE.





DEMAND FOR LUXURY LIVING

According to a recent study completed by Bay Area Economics (BAE) Urban Economics in coordination with the Capitol Area Development Authority (CADA) and the City of Sacramento, only 6% of the population lives in the urban core. Estimated demand over the next decade is more than 11,700 units with a possible demand of up to 20,000 units. Current total pipeline supply is

approximately 4,000 units, and that is being very generous with submarkets like the Railyards, accounting for up to 2,000 of those units, still in need of significant infrastructure. In addition, several high-rise residential projects accounting for at least another 500 units seem, at this time, economically infeasible requiring rents of over \$4.00 per sf to warrant concrete, steel and glass

construction inclusive of multi-story concrete parking structures.

Moreover, according to that same study, demand for apartment units targeting residents with median family incomes in excess of 120% over the mean is almost 2,000 units above projected supply. This does not account for the economic construction challenges mentioned

above. It goes without saying the number of professional workers in the urban core of the State's Capitol is extensive. 60% of the workforce has some college education and over 1/3 of the workforce have bachelor's degrees or graduate degrees. Over 38% of the workforce is millennial or Gen Y and over 39% of the workforce earns over \$50,000 annually and 25% earn \$75,000 -

\$150,000+ per year.

These figures also do not account for regional migration from the Bay Area which appears increasingly imminent as housing prices in the Sacramento Region are approximately 60% of Bay Area prices in every category. Notwithstanding cheaper prices, the recent COVID-19 pandemic is pushing residents from dense, highly

populated cities in the Bay Area to Sacramento where social distancing can be achieved more effectively. Lastly, with remote working or telecommuting now commonplace, employees can easily relocate to Sacramento without sacrificing employment or their career. Together, as a result, the future of luxury apartments looks very, very bright in Sacramento's urban core.



THIS CITY'S RAD

Midtown Sacramento, adjacent to East Sac, 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 midsized 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

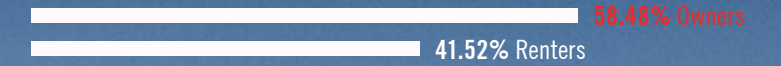
Zillow, August 2020

PERCENTAGE OF POPULATION WITH A BACHELORS DEGREE:

34.3%

SmartAsset 2018

SACRAMENTO: OWNERS VS. RENTERS



GSEC 2020
Applied Geographic Solutions & GIS Planning



**THERE'S NEVER BEEN A BETTER TIME
TO COME TO SAC**

LOCAL APARTMENT MARKET

DEMAND

Sacramento's strong economic momentum has continued through 2019. Apartment demand began in 2012 driven by distress in the housing market, forcing many former homeowners to become renters, in addition to a steady rebound in employment beginning that same year. The metro's vacancy recovery has not yet been burdened by large-scale supply additions, which has allowed vacancies to remain near historical lows.

Greater net in-migration, particularly from the Bay Area, and solid demographics have helped boost demand. According to Apartments.com, more than 30% of year-to-date searches for Sacramento apartments came from Bay Area residents (as of March 2019). Midtown Sacramento was listed as one of their most popular search areas. Improving economic conditions have supported steady demand. Construction, Education and Health services led the way in job growth

year-to-date and this trend is expected to continue in Sacramento's urban core with Kaiser expected to occupy their new 200,000 sf location at 6th and J Street as well as their new medical campus spread out over 17 acres in the Railyards over the next decade. Above-average employment growth is also expected to continue in the leisure and hospitality sector, thanks in large part to the new retail and hotels opening in relation to the Golden 1 Center development.

SUPPLY

The majority of residential projects underway are in the affluent suburban submarkets of Roseville, Rocklin and Elk Grove. However, a few developers have focused on market rate urban core properties, recently constructing notable projects in Midtown such as The Press Building, 350 units; 19J, 160 "micro" units; Q19, a 68-unit mixed-use project; and Ice House, a 146-unit mixed-use development. That said,

most new development has been relegated to Midtown and Downtown as density regulations are more lenient and development sites and land are more plentiful. As a result, luxury units with modern amenities in East Sacramento are nearly non-existent and those available command premium rents.

Even, this new product in Midtown does not even come close to supplying the apparent demand for urban core apartments as most of these projects have

waiting lists at rents above pro forma (and pro forma is pushing \$3.75 per sf). Given the scarcity of available land, the emphasis at the City level for providing "low income" housing options, the increasing cost of permit fees and the ever-extending construction timelines for project completions, it appears the supply of market rate and luxury housing will be constrained for the foreseeable future.

THE PROPERTY

3 RENOVATED RESIDENTIAL UNITS | **3,100** RSF | **3** GARAGE PARKING STALLS

UPSCALE AND STABILIZED PROPERTY!



LET'S DIVE IN DEEPER

GENERAL

Number of Residential Units	3
Unit Layout	
Unit 1 (1st Floor)	1 bedroom and 1 bath
Unit 2 (1st Floor)	1 bedroom and 1 bath
Unit 3 (2nd Floor)	3 bedrooms and 1 bath
Year Built	1939
Year Renovated	Between 2018 and 2020
Stories	2
Net Rentable Area	3,100 SF
Unit 1	775 SF
Unit 2	775 SF
Unit 3	1,550 SF
Average Residential In-Place Rent	\$2,075.00
Average Residential Rent PSF	\$2.00 PSF

SITE

Address	2229 24th Street
County	Sacramento, California
APN	010-0171-021-0000
Zoning	R-3- SPD Multifamily Residential/36 units per AC
Parking (Garage)	3 Garage Parking Stalls
Parking Cost	Free

RESIDENTIAL SYSTEMS

HVAC	New mini split for 1st floor units; new package unit for 2nd floor unit
Electric	Individually metered
Water Heaters	Individual water heaters in all units
Windows	New energy-efficient dual pane window

UTILITIES

Electricity	SMUD
Water	City of Sacramento
Sewer/Storm drain	City of Sacramento
Gas	None
Garbage	Republic Services
Fiber	Comcast / Direct TV / U-Verse

INTERIORS

Walls and Ceilings	Semi smooth two-toned paint
Flooring	
Living Areas	Original oak hardwood
Bathrooms	Stone floor and shower walls with glass shower enclosure
Cabinets	Custom upper and lower wood cabinets with granite/quartzite counters
Laundry Appliances	Washer and Dryer in all three units



ECONOMICS

PURCHASE PRICE

Operating Expenses	Amount	Pmt Frequency	% per yr
Maintenance	\$2,000	\$167/mo	
Pest Control	\$300	\$75/qrt	
Landscaping	\$1,200	\$100/mo	
Sewer, Water, Garbage	\$4,500	\$375/mo	
Property Taxes	\$13,070		1.1365%
Supplies	\$350	\$175/2x yr	
Insurance	\$2,000	\$167/mo	
Turnover Costs	\$500	\$250/2x yr	
City Tax & Tenant Protection	\$110	\$110/yr	
Fire Cert	\$120	\$120/yr	
Total	\$23,920		

RESIDENTIAL

Monthly Rent	\$6,225
Monthly Reimbursement	\$0
Monthly Parking	\$0
Monthly Total	\$6,225
Annual Total	\$74,700
Net Operating Income	\$50,780
Cap Rate	4.14%
Purchase Price	\$1,225,000
Price Per Unit	\$408,333

