

FOR SALE

2627

J STREET
SACRAMENTO, CALIFORNIA

OFFERING MEMORANDUM

\$2,050,000
±5,350 SF BUILDING
5 LIVE/WORK UNITS + 1 COMMERCIAL SPACE

NEWMARK

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DISCLAIMER

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (DATE) of this Memorandum have remained the Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

The property is 100% occupied, please do not disturb tenants. Drive-by tours only. Please contact Kelly Rivett for any questions or additional information.



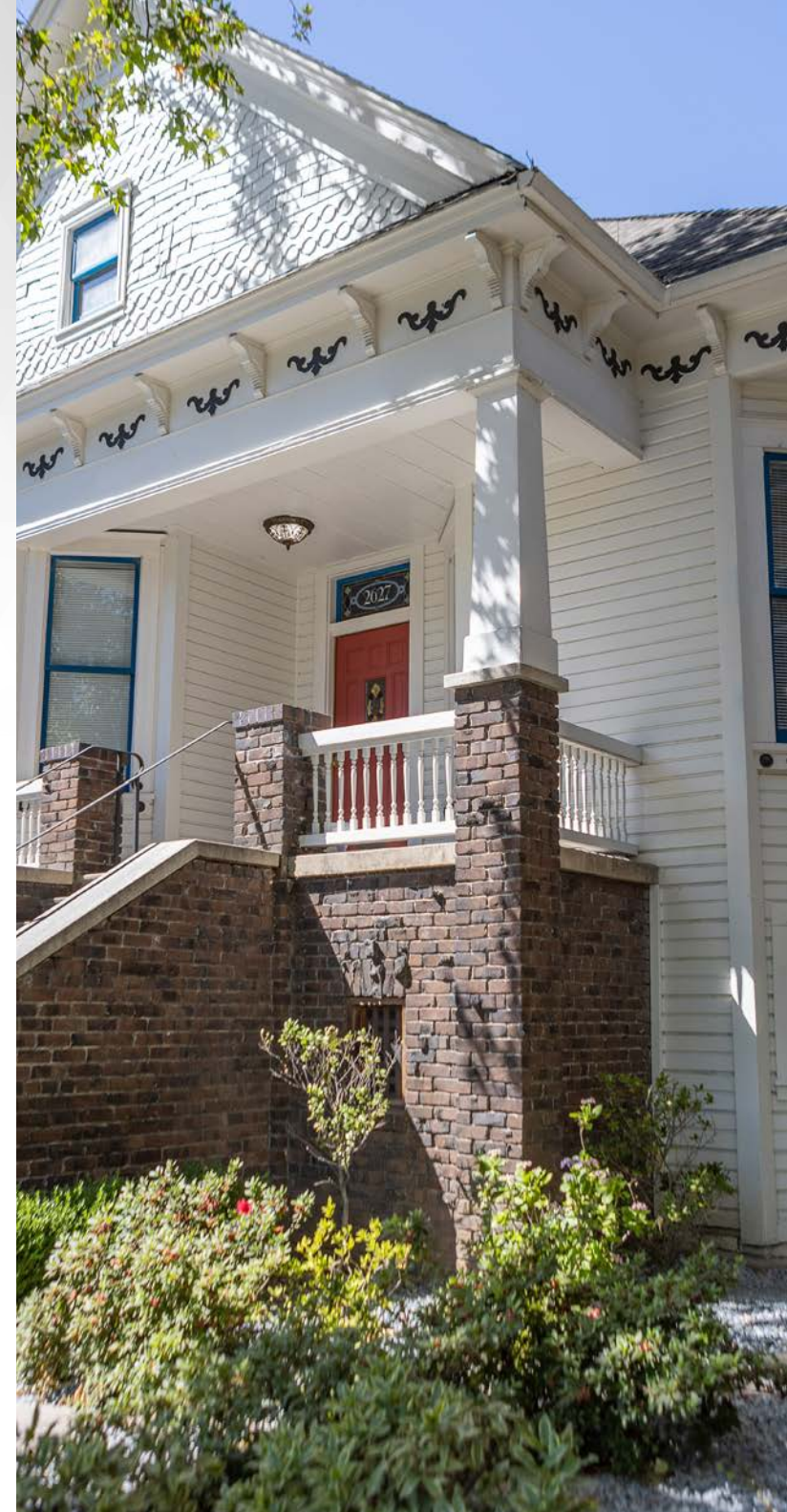
THE OPPORTUNITY

Newmark, as the executive advisor, is pleased to present the opportunity to acquire 2627 J Street, 5 - live/work units and 1 - detached commercial space located in the highly desirable midtown submarket of Sacramento, California. Built in 1891, this meticulously maintained building has transitioned beautifully through the years and offers approximately 5,350 rentable square feet on a 0.15 acre parcel. Fronting J Street @ 27th Street, 2627 offers a great mix of flex space consisting of 2 - studios, 2 - 1 bedroom/1 bath units, 1 - 4 bedroom/2 bath unit, and 1 - detached commercial space. This property has a flexible zoning code (C-2-SPD), which allows many uses for tenants seeking different opportunities. This property is 100% occupied with working professionals and offers secured entry and both street and back alley parking.

This investment is being offered at \$2,050,000 and represents a current 4.5% cap rate.

PROPERTY INFORMATION

Address:	2627 J Street, Sacramento, CA 95816
Offering Price:	\$2,050,000
Price/SF:	\$383
Building SF:	±5,350 SF
Parcel Size:	±0.15 Acre
Parking:	4 (Off-Street)
APN:	007-0036-011
Zoning:	C-2-SPD
Year Built:	1891
# Of Units:	5
# of Stories:	2
Roof:	Pitched Composition
Mechanical:	Central Heat/Air (Mini Split Systems)
Construction:	Wood Frame. Wood Lap Exterior
Foundation:	Raised (Perimeter)
Plumbing:	Copper
Electrical:	Romex





PROPERTY HIGHLIGHTS



5 Live/Work Units + 1 Commercial Space



Location! Location! Location!



All Units 100% Renovated



Flexible C-2-SPD Zoning



Pride of Ownership Building



Great Unit Mix



Walk Score (97)



Within Blocks to Everything!



Cash Cow with Upside

FINANCIAL ANALYSIS

PRICE:		\$2,050,000		Current	Market
PROPOSED DOWN PAYMENT	50%	\$1,025,000	GRM:	15.62	15.08
NUMBER OF UNITS:		6	CAP RATE:	4.51%	4.72%
YEAR BUILT:		1891-Updated	PRICE PER UNIT:		\$341,667
APPROXIMATE LOT SIZE:		.15/Acre	PRICE PER NET RSF:		\$383.18
APPROXIMATE NET RSF:		5,350	ROOF TYPE:		Pitched Comp
ZONING:		C-2-SP	EXTERIOR		Wood

CURRENT AND MARKET RENTS

# of Units	Unit Mix	Approx SF	Total NRSF	Avg		Annual Rent	Mkt	Mkt Rent/ Month	Mkt Rent/ Year
				Rent/ Unit	Annual Rent				
1	0/1	400	400	\$1,100	\$13,200	\$1,275	\$1,275	\$15,300	
1	0/1	1,000	1,000	\$1,500	\$18,000	\$1,525	\$1,525	\$18,300	
1	1/1	450	450	\$1,275	\$15,300	\$1,400	\$1,400	\$16,800	
1	1+1	1,000	1,000	\$1,650	\$19,800	\$1,675	\$1,675	\$20,100	
1	4/2	1,300	1,300	\$3,200	\$38,400	\$3,200	\$3,200	\$38,400	
1	Comm	1,200	1,200	\$2,015	\$24,180	\$2,050	\$2,050	\$24,600	

ESTIMATED OPERATING EXPENSES

Account	Amount
New Taxes	\$22,500
Insurance	\$2,000
Utilities (water-sewer)	\$1,800
Electricity	Tenant
Administrative	\$500
(acct, legal, permits, advtsg)	
Management (4%)	\$5,251
(on-site, off-site)	
Maintenance and Repairs	\$3,000
(Indscp, turns, etc.)	

	CURRENT	MARKET
SCHEDULED RENTAL INCOME:	\$128,880	\$133,500
Other Income/Laundry	\$2,400	\$2,400
GROSS SCHEDULED INCOME (GSI):	\$131,280	\$135,900
Less Vacancy Reserve (3%)	(\$3,866)	(\$4,005)
GROSS OPERATING INCOME:	\$127,414	\$131,895
Less Expenses (26.7% of GSI)	(\$35,051)	(\$35,051)
Per SF \$6.55		
Per Unit \$5,841		
NET OPERATING INCOME:	\$92,363	\$96,844

TOTAL ESTIMATED EXPENSES: \$35,051

CASH FLOW

	CURRENT	MARKET
NET OPERATING INCOME	\$92,363	\$96,844
PROPOSED DEBT SVC	(\$64,923)	(\$64,923)
ESTIMATED CASH FLOW	\$27,440	\$31,921
CASH ON CASH	2.7%	3.1%

RETURN ON INVESTMENT

	CURRENT	MARKET
CASH ON CASH RETURN	\$27,440	\$31,921
LOAN REDUCTION	\$24,367	\$24,367
TOTAL RETURN	\$51,807	\$56,288
RETURN ON EQUITY	5.1%	5.5%

FINANCING

Loan	Type	LTV	Amount	Lender	Ind ex	Amort	Curr Rate	Term	Year Due	Monthly P&I	Annual P&I	Assumability
New		50%	\$1,025,000	TBD		25 YRS	4.00%	7		\$5,412	\$64,923	

10 YEAR CASH FLOW ANALYSIS

10 Year Cash Flow Analysis

Rental Income Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy & Concession Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other Income Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Operating Expenses Growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Property Taxes Growth	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Terminal Cap Rate	5.00%
Cost of Sale	5.00%
Sales Price, End of Year 10	\$2,526,259

	Per Unit / Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
INCOME												
Rental Revenue [1]	\$22,250	\$133,500	\$137,505	\$141,630	\$145,879	\$150,255	\$154,763	\$159,406	\$164,188	\$169,114	\$174,187	\$179,413
Vacancy & Concessions	(668)	(4,005)	(4,125)	(4,249)	(4,376)	(4,508)	(4,643)	(4,782)	(4,926)	(5,073)	(5,226)	(5,382)
Other Income/Laundry	400	\$2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	3,225
Effective Gross Income	21,983	\$131,895	135,852	139,927	144,125	148,449	152,902	157,490	162,214	167,081	172,093	177,256
EXPENSES												
New Taxes	\$3,750	\$22,500	\$22,950	\$23,409	\$23,877	\$24,355	\$24,842	\$25,339	\$25,845	\$26,362	\$26,890	\$27,427
Insurance	333	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688
Utilities (water-sewer)	300	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349	2,419
Administrative	83	500	515	530	546	563	580	597	615	633	652	672
Management (4%)	875	5,251	5,409	5,571	5,738	5,910	6,087	6,270	6,458	6,652	6,851	7,057
Maintenance and Repairs	500	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032
0	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	5,842	\$35,051	35,878	36,724	37,592	38,481	39,392	40,325	41,282	42,262	43,266	44,295
Net Operating Income	\$16,141	\$96,844	\$99,974	\$103,203	\$106,533	\$109,968	\$113,511	\$117,164	\$120,933	\$124,819	\$128,827	\$132,961

Capital Upgrades	-	-	-	-	-	-	-	-	-	-	-	-
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Purchase / Sales Price	(2,050,000)	-	-	-	-	-	-	-	-	-	2,659,220	All-Cash IRR
Cost of Sale	-	-	-	-	-	-	-	-	-	-	(132,961)	7.05%
Total Cash Flow	(2,050,000)	\$96,844	\$99,974	\$103,203	\$106,533	\$109,968	\$113,511	\$117,164	\$120,933	\$124,819	\$2,655,086	

Loan Amount	\$1,025,000	-	-	-	-	-	-	-	-	-	(\$731,434)	Leveraged IRR
Debt Service [2]	-	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	(64,923)	9.25%
Cash Flow After Debt	(\$1,025,000)	\$31,921	\$35,051	\$38,280	\$41,610	\$45,045	\$48,588	\$52,241	\$56,010	\$59,896	\$1,858,729	

All-Cash Returns											
Capitalization Rate	4.72%	4.88%	5.03%	5.20%	5.36%	5.54%	5.72%	5.90%	6.09%	NEWMARK	
Cash-on-Cash	4.72%	4.88%	5.03%	5.20%	5.36%	5.54%	5.72%	5.90%	6.09%		
Gross Rent Multiplier	15.08	14.65	14.22	13.80	13.40	13.01	12.63	12.27	11.91		
Leverage Returns											
Cash-on-Cash	3.11%	3.42%	3.73%	4.06%	4.39%	4.74%	5.10%	5.46%	5.84%		
Debt Coverage	1.49	1.54	1.59	1.64	1.69	1.75	1.80	1.86	1.92		

[1] Rental income based on Market Rent Assumptions.

[2] Loan set to 50% LTV, 4% interest rate with a 25 year amortization period.

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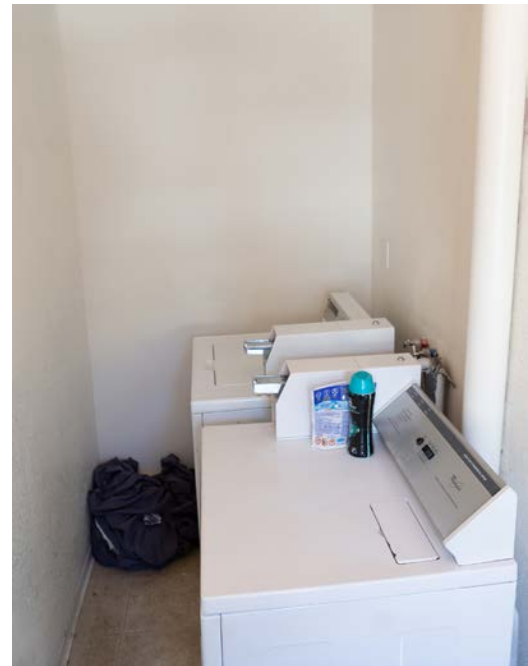
EXTERIOR PHOTOS



COMMERCIAL SPACE



INTERIOR PHOTOS



INTERIOR PHOTOS



ZONING

Designation:

C-2-SPD (General Commercial - Special Planning District)

Purpose:

C-2: To provide for the sale of goods, performance or services, office uses, dwelling, small wholesale stores, and limited process and packaging.

SPD: To establish procedures for planning and design commission and city council to provide flexibility to stimulate new development, provide incentives for private development, provide mechanisms for preserving and enhancing environmental, wildlife and other considerations, and finally, encouraging coordinated development of properties through a unified development theme consistent with the goals and criteria already established.

Permitted Uses:

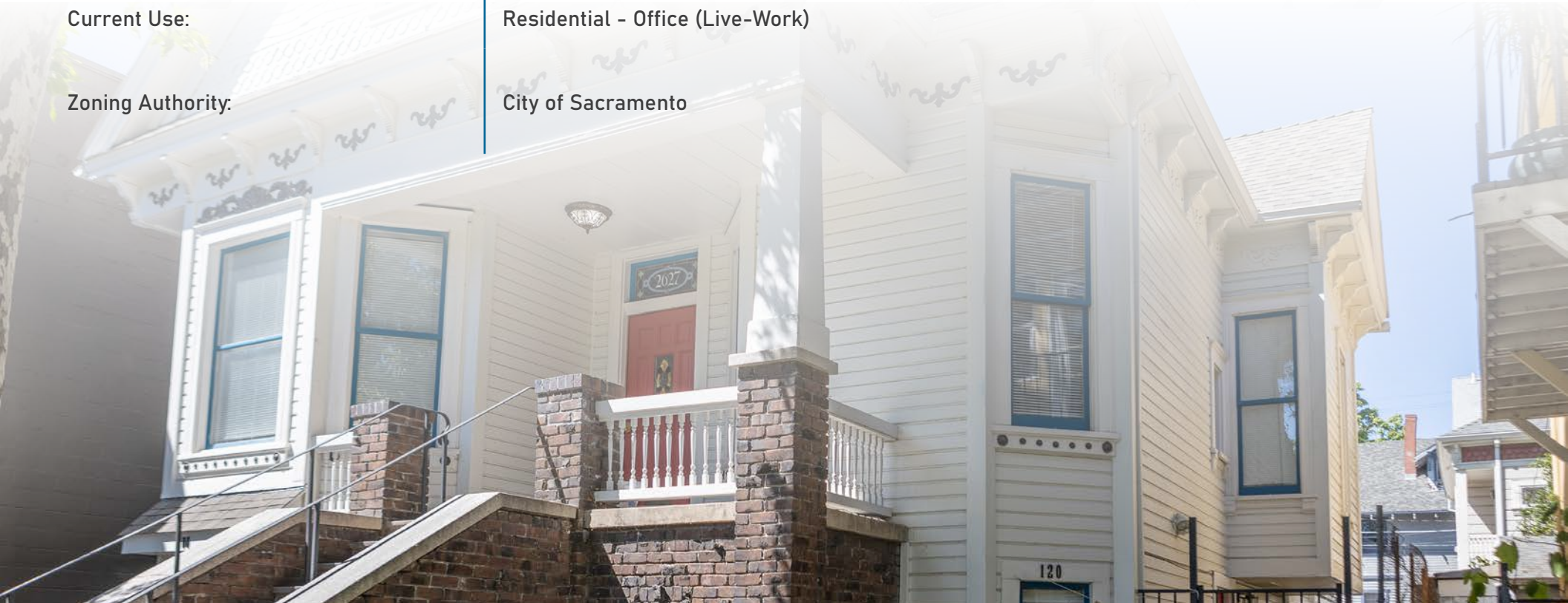
A variety of residential, office and retail uses

Current Use:

Residential - Office (Live-Work)

Zoning Authority:

City of Sacramento



PARCEL MAP

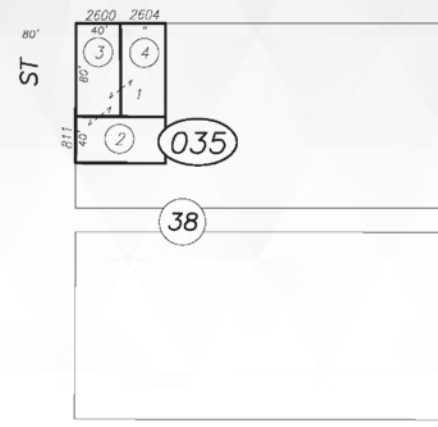
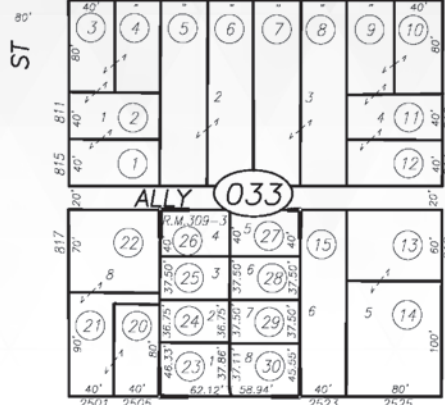
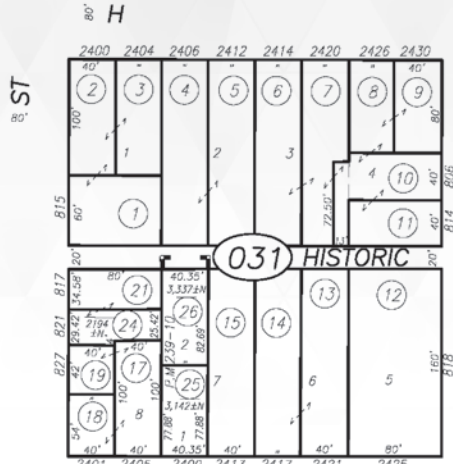
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Bk. 003

T.8N., R.5E., M.D.B. & M.

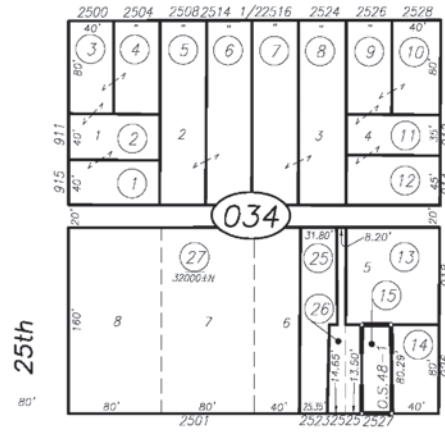
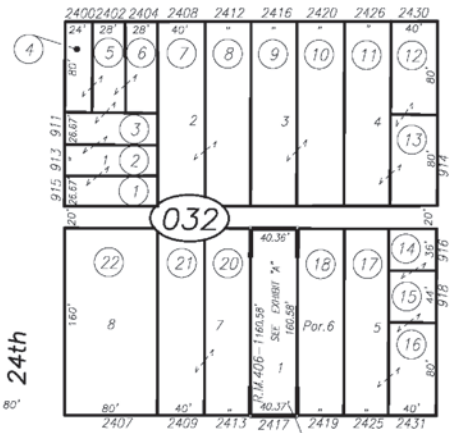
Bk. 003

007-003



02

04



10.36'	2414 J st MIXED USE
150.58'	0002 20191125/1342
150.58'	(007-0032-025-0000)
150.58'	unit no. sub no.
150.58'	001-----0001
150.58'	002-----0002
150.58'	003-----0003
150.58'	004-----0004
150.58'	005-----0005
150.58'	006-----0006
150.58'	007-----0007
150.58'	008-----0008
150.58'	009-----0009
150.58'	010-----0010
150.58'	011-----0011
150.58'	012-----0012
150.58'	013-----0013
150.58'	014-----0014
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150.58'	016-----0016
150.58'	017-----0017
150.58'	018-----0018
150.58'	019-----0019
150.58'	020-----0020
150.58'	021-----0021
150.58'	022-----0022
150.58'	023-----0023
150.58'	024-----0024
150.58'	025-----0025
150.58'	026-----0026
150.58'	027-----0027
150.58'	028-----0028
150.58'	029-----0029
150.58'	030-----0030
150.58'	031-----0031
150.58'	032-----0032
150.58'	033-----0033
150.58'	034-----0034
150.58'	035-----0035
150.58'	036-----0036
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150.58'	038-----0038
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150.58'	040-----0040
150.58'	041-----0041
150.58'	042-----0042
150.58'	043-----0043
150.58'	044-----0044
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150.58'	046-----0046
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150.58'	055-----0055
150.58'	056-----0056
150.58'	057-----0057
150.58'	058-----0058
150.58'	059-----0059
150.58'	060-----0060
150.58'	061-----0061
150.58'	062-----0062
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150.58'	064-----0064
150.58'	065-----0065
150.58'	066-----0066
150.58'	067-----0067
150.58'	068-----0068
150.58'	069-----0069
150.58'	070-----0070
150.58'	071-----0071
150.58'	072-----0072
150.58'	073-----0073
150.58'	074-----0074
150.58'	075-----0075
150.58'	076-----0076
150.58'	077-----0077
150.58'	078-----0078
150.58'	079-----0079
150.58'	080-----0080
150.58'	081-----0081
150.58'	082-----0082
150.58'	083-----0083
150.58'	084-----0084
150.58'	085-----0085
150.58'	086-----0086
150.58'	087-----0087
150.58'	088-----0088
150.58'	089-----0089
150.58'	090-----0090
150.58'	091-----0091
150.58'	092-----0092
150.58'	093-----0093
150.58'	094-----0094
150.58'	095-----0095
150.58'	096-----0096
150.58'	097-----0097
150.58'	098-----0098
150.58'	099-----0099
150.58'	100-----0100

EXHIBIT "A"
UPPER LIMIT = NONE
LOWER LIMIT = 37.41FT

UPPER LIMIT = 37.41FT
LOWER LIMIT = NONE

2515 I Street, R.M. Bk. 309, Pg. 3 (12-18-2002)
Record of Survey O.S. Bk.48, Pg.1(7-16-90)
2417 J Street Mixed-Use, R.M. Bk. 406, Pg. 1(10-15-2018)

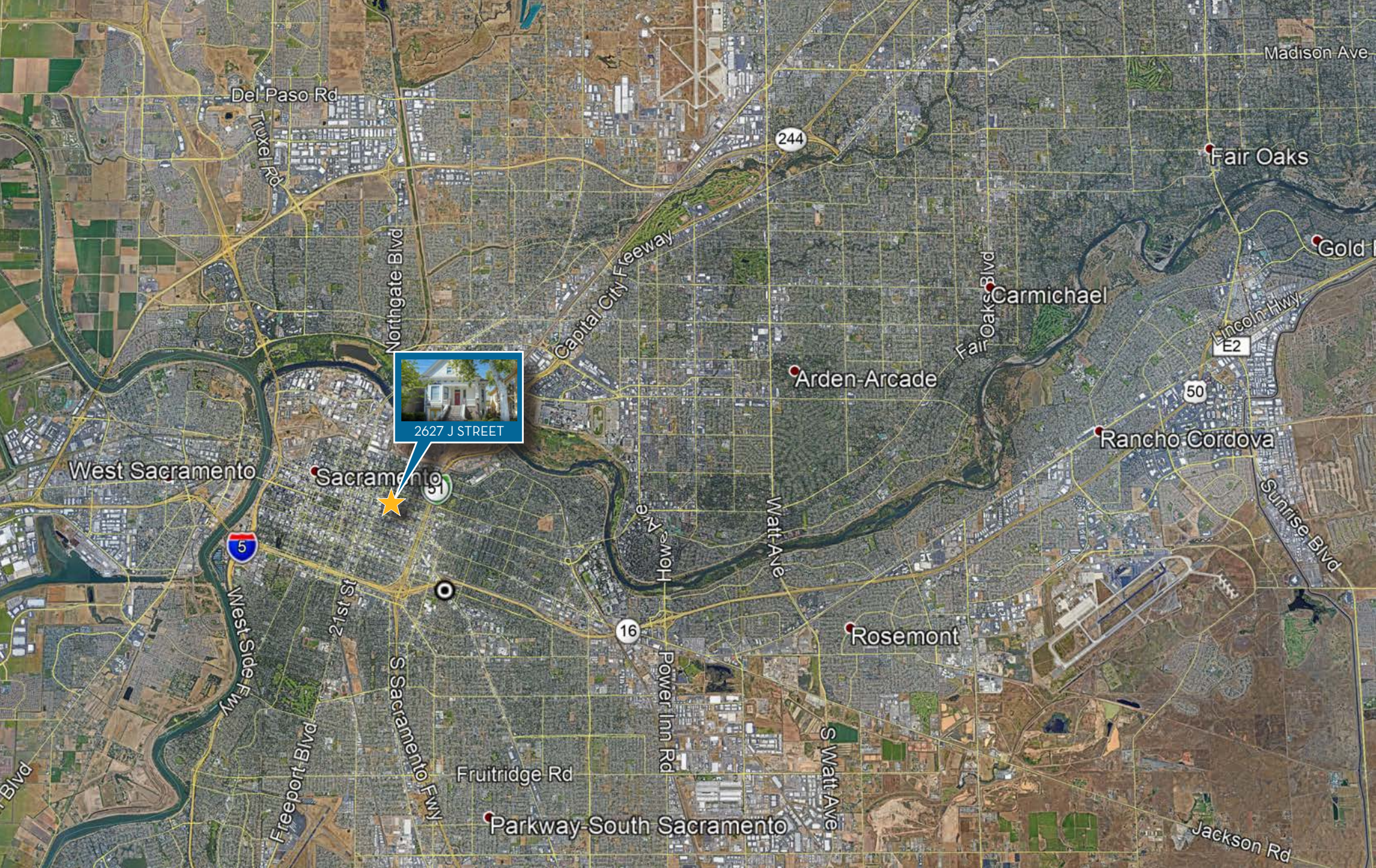
CITY OF SACRAMENTO
Assessor's Map Bk.007 Pg. 003
County of Sacramento, Calif.

JUNE 10TH, 2020

AMENITIES MAP



AERIAL MAP



FOR SALE

2627 J STREET
SACRAMENTO, CALIFORNIA

OFFERING MEMORANDUM

KELLY RIVETT

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CA RE License #01249433

NEWMARK

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