



Office Capital Markets Report

North Natomas

Sacramento - CA

PREPARED BY



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Broker/Owner



OFFICE CAPITAL MARKETS REPORT - SUBMARKET

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Capital Markets Overview

North Natomas Office

Asset Value	12 Mo Sales Volume			Market Cap Rate	Mkt Sale Price/SF Chg (YOY)			
\$790.6M	\$7.5M			7.3%	2.4%			
12 MO SALES VOLUME	Total	Lowest	Highest	12 MO SALES PRICE	Average	Lowest	Highest	Market
Transactions	3	-	-	Cap Rate	7.0%	5.6%	8.3%	7.3%
Sales Volume	\$7.5M	\$1.3M	\$3.2M	Sale Price/SF	\$207	\$135	\$253	\$204
Properties Sold	3	-	-	Sale Price	\$2.5M	\$1.3M	\$3.2M	-
Transacted SF	36.2K	9.7K	14.7K	Sale vs Asking Price	-11.3%	-14.3%	-3.7%	-
Average SF	12.1K	9.7K	14.7K	% Leased at Sale	100%	100%	100%	-

KEY PERFORMANCE INDICATORS

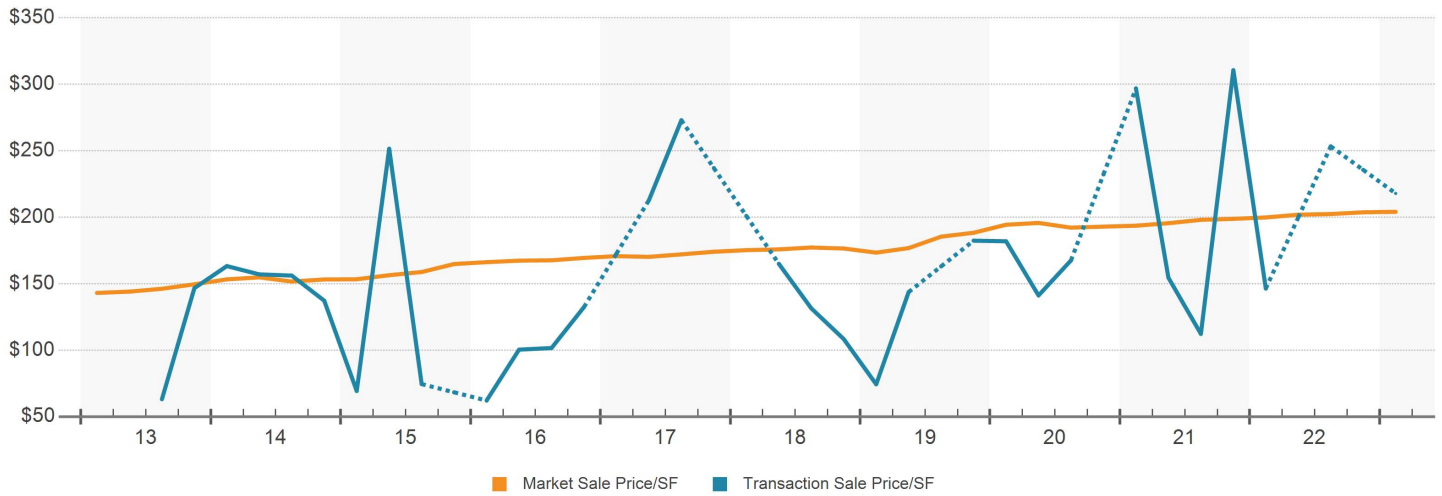


SUMMARY

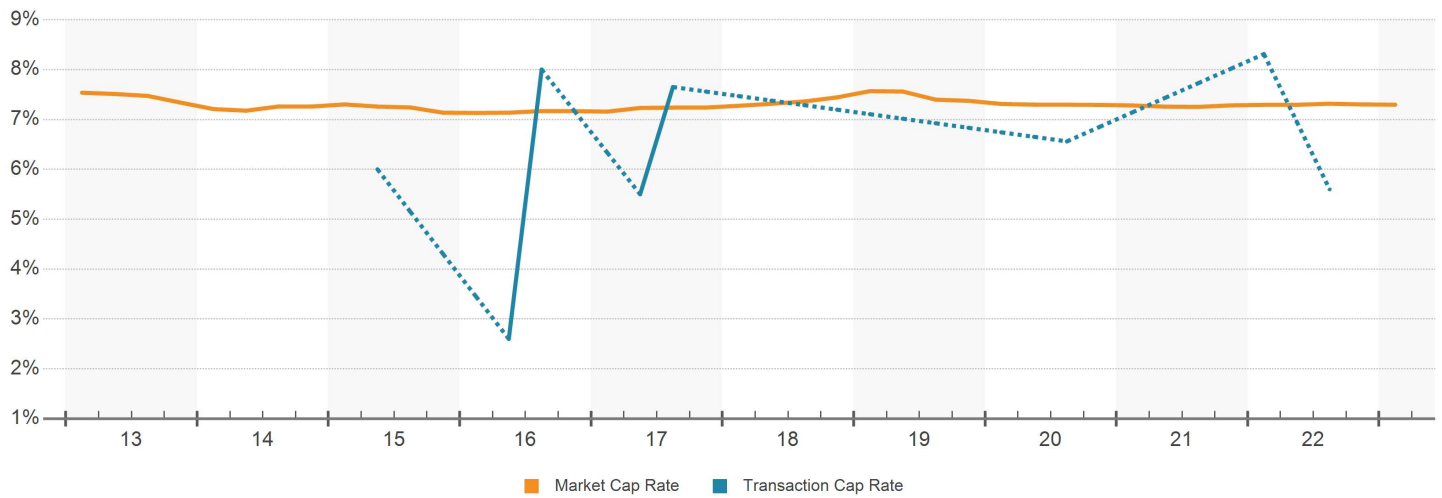
Buyers have shown some interest in North Natomas office buildings and have scooped up assets over the years. But historical trends haven't carried over through the past year, and deal flow has pulled back. Annual sales volume has averaged \$37.1 million over the past five years, and the 12-month high in investment volume hit \$117 million over that stretch. In the past 12 months specifically, \$7.6 million worth of assets sold.

Market pricing, based on the estimated price movement of every office building in the submarket, sat at \$204/SF during the first quarter of 2023. That figure is up from this time last year, and the price itself is below the average for the region. At 7.3%, the market cap rate is within a few basis points of its year-ago levels, and it's fairly similar to the metro average.

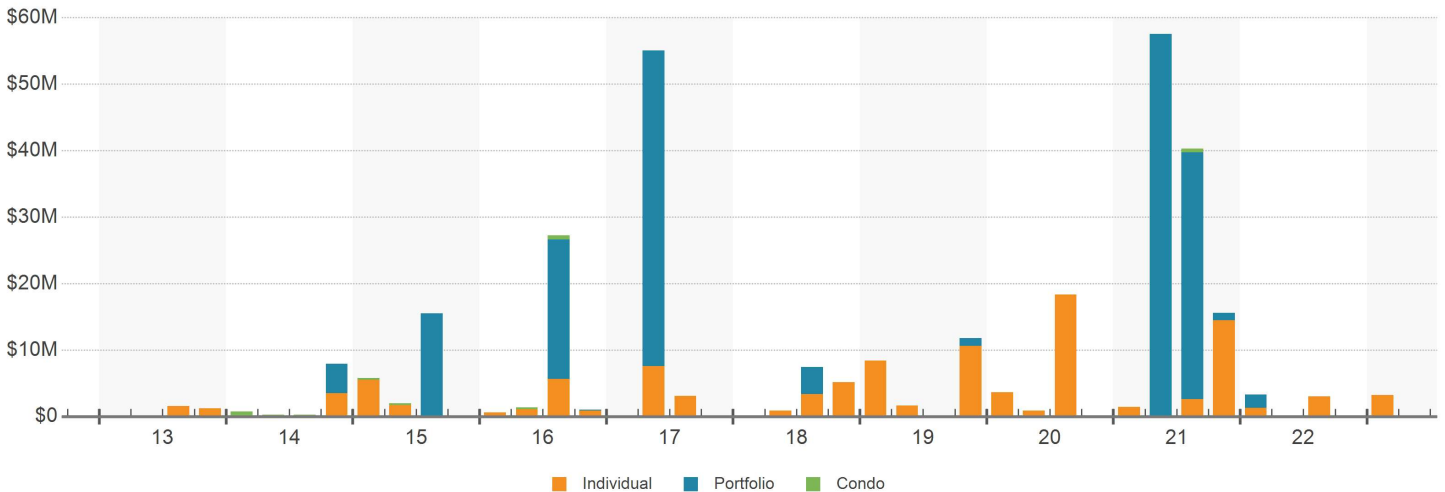
MARKET SALE PRICE & TRANSACTION SALE PRICE PER SF



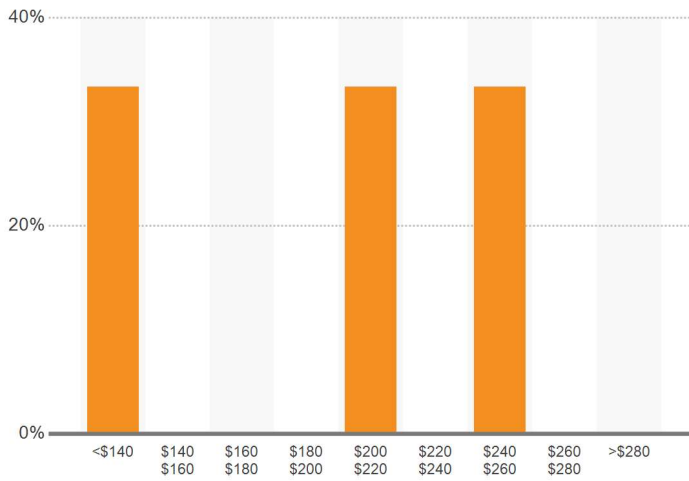
MARKET CAP RATE & TRANSACTION CAP RATE



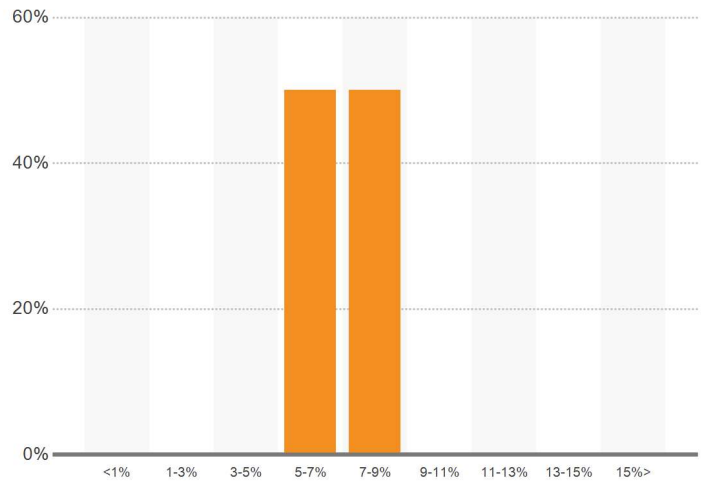
SALES VOLUME BY TRANSACTION TYPE



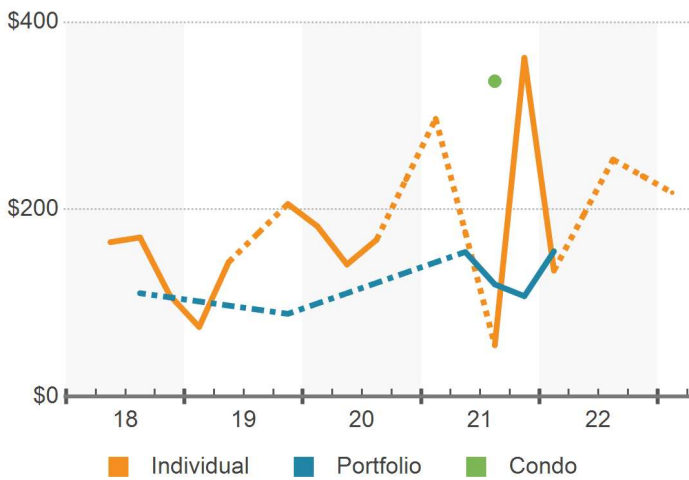
SALE PRICE PER SF DISTRIBUTION PAST 12 MONTHS



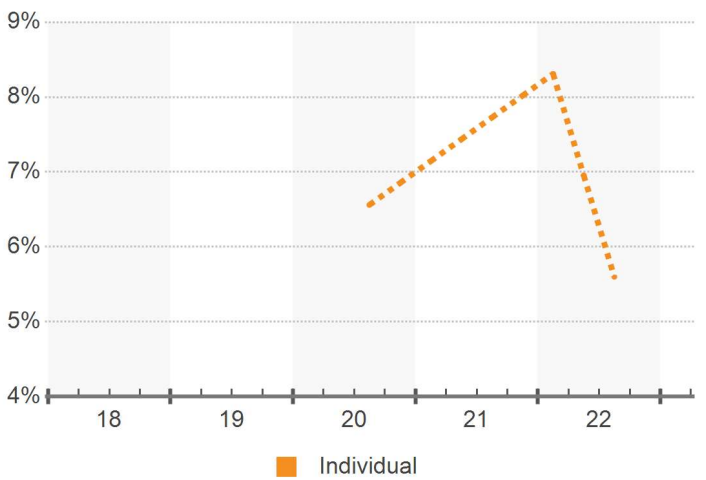
CAP RATE DISTRIBUTION PAST 12 MONTHS



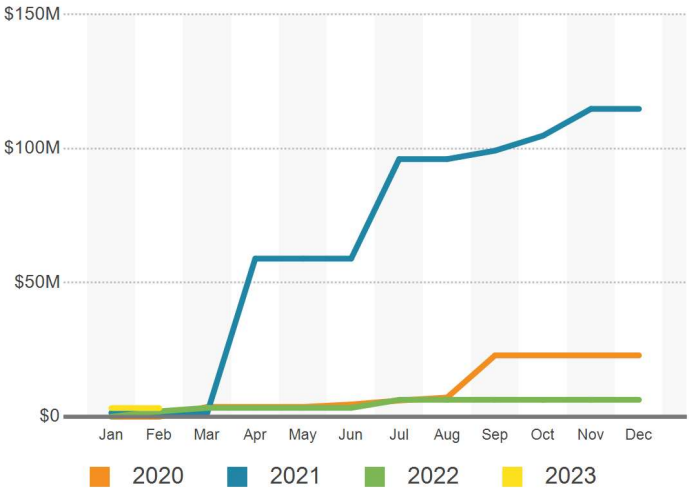
SALE PRICE PER SF BY TRANSACTION TYPE



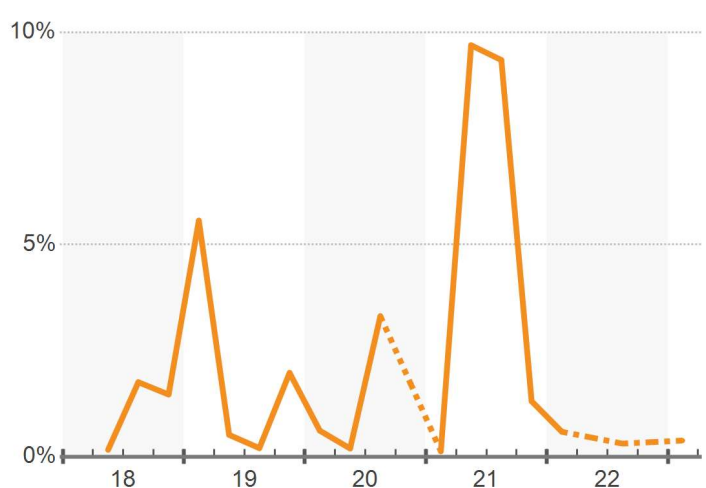
CAP RATE BY TRANSACTION TYPE



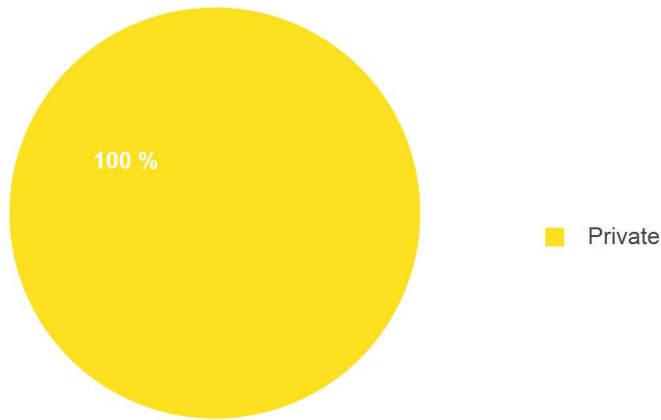
CUMULATIVE SALES VOLUME BY YEAR



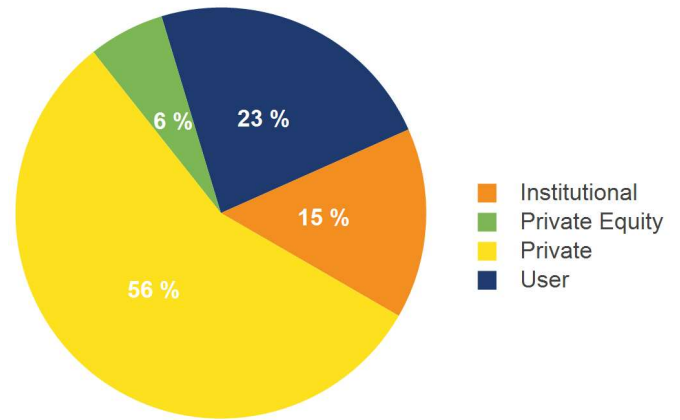
SOLD SF AS % OF TOTAL SF



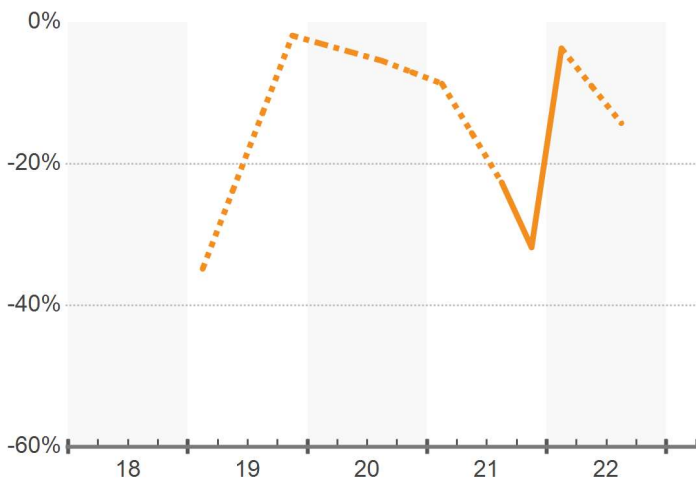
SALES VOLUME BY BUYER TYPE PAST 12 MONTHS



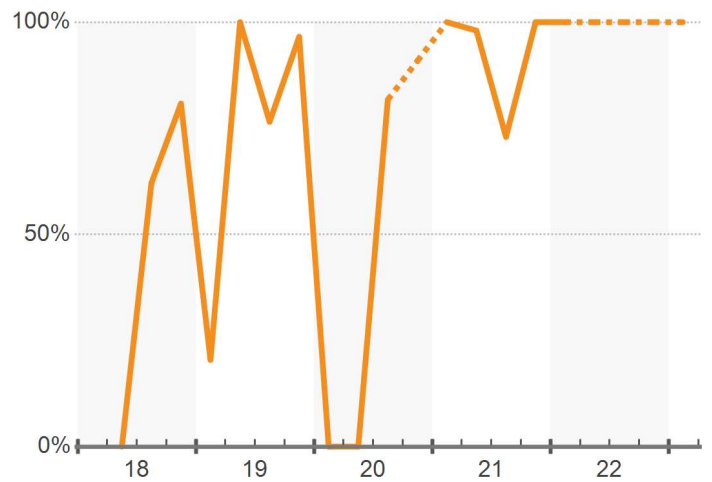
ASSET VALUE BY OWNER TYPE



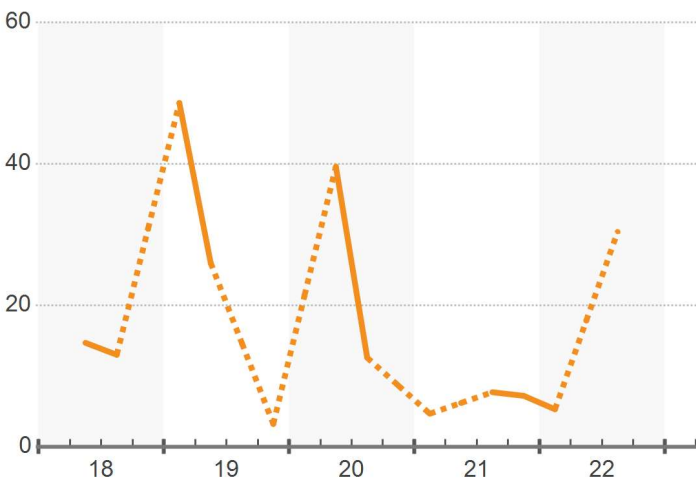
SALE TO ASKING PRICE DIFFERENTIAL



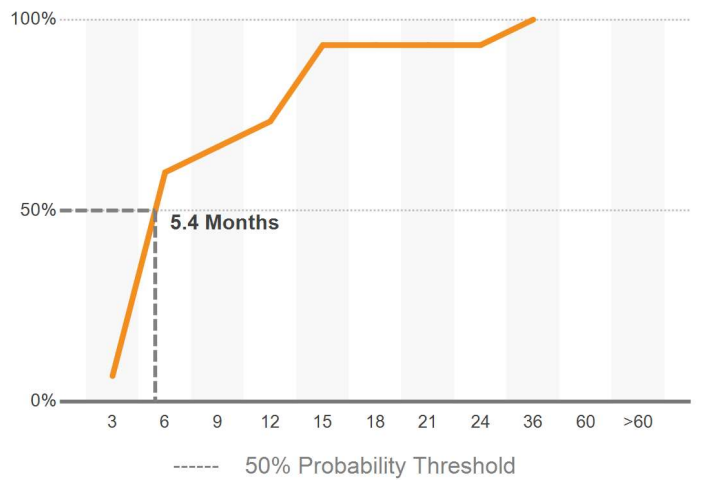
OCCUPANCY AT SALE



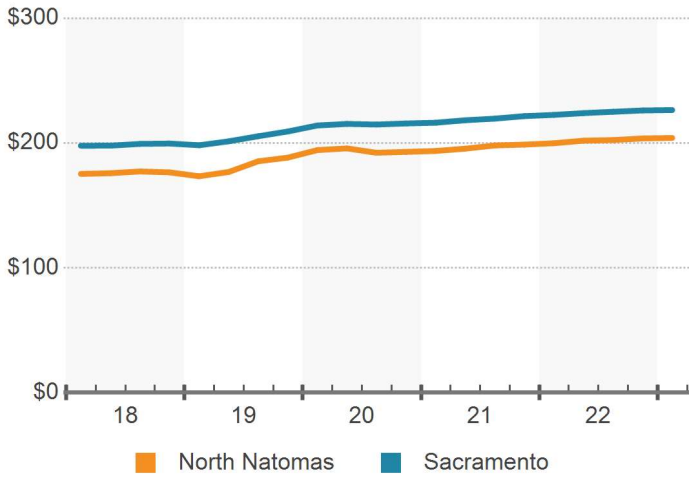
MONTHS TO SALE



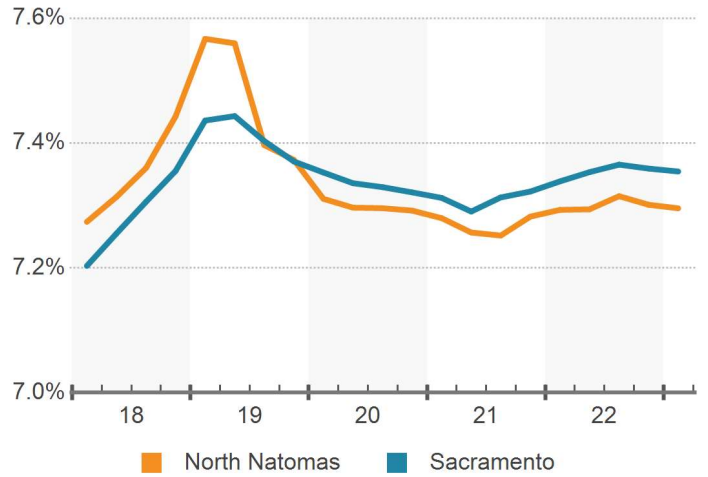
PROBABILITY OF SELLING IN MONTHS



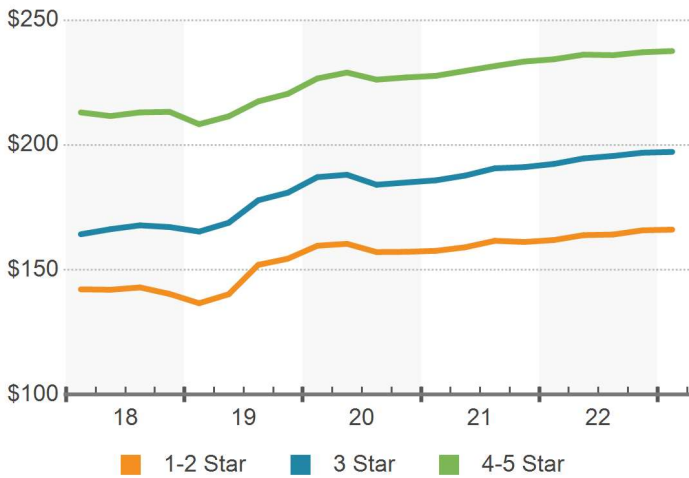
MARKET SALE PRICE PER SF



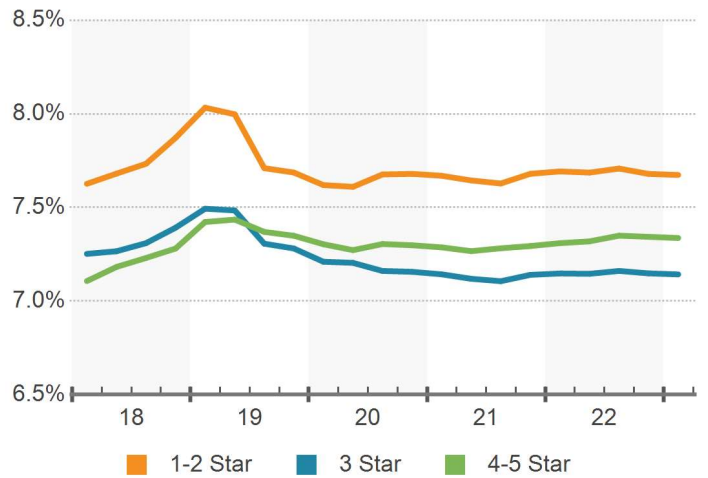
MARKET CAP RATE



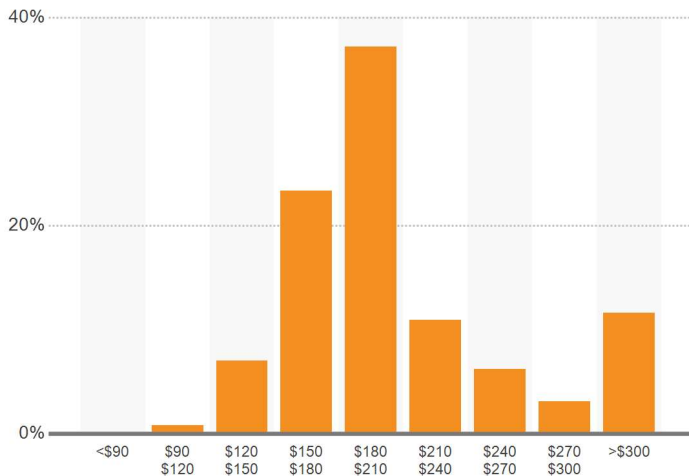
MARKET SALE PRICE PER SF BY STAR RATING



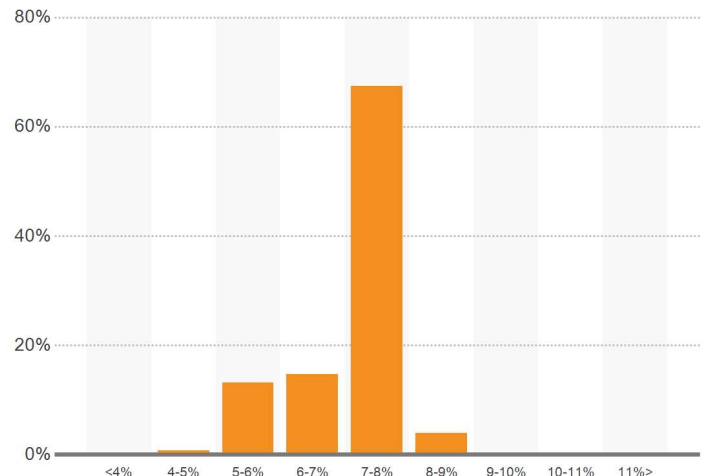
MARKET CAP RATE BY STAR RATING



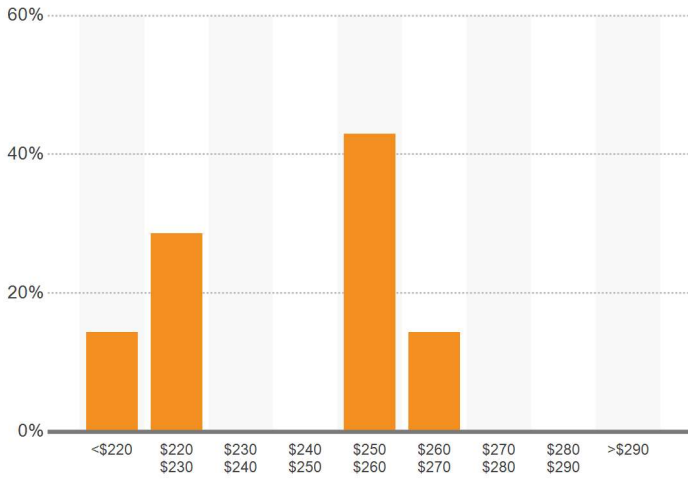
MARKET SALE PRICE PER SF DISTRIBUTION



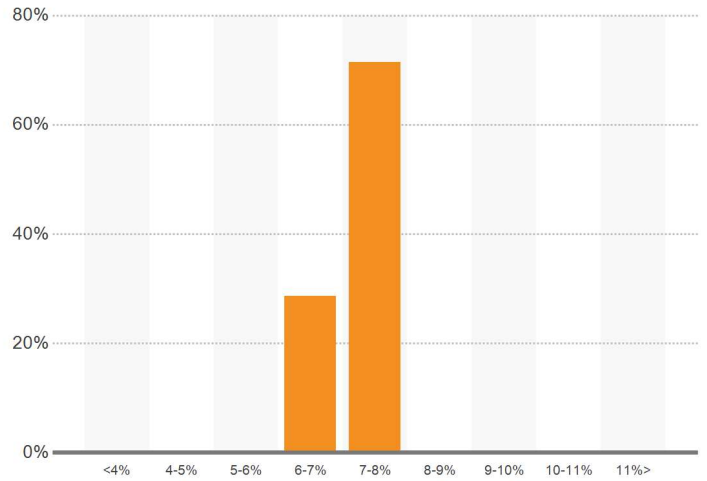
MARKET CAP RATE DISTRIBUTION



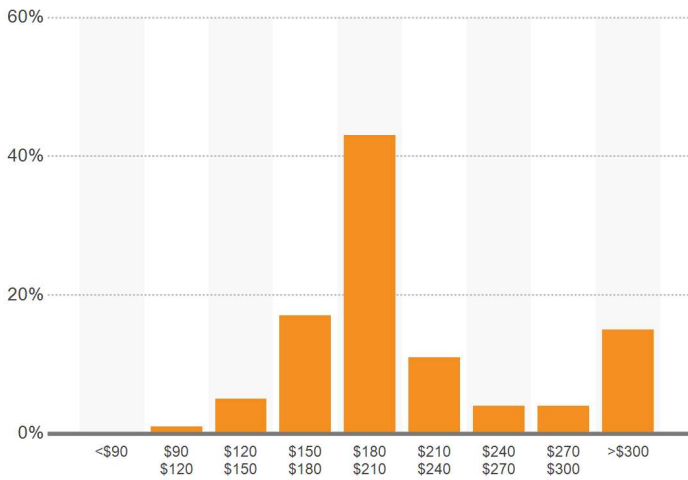
4-5 STAR MARKET SALE PRICE PER SF DISTRIBUTION



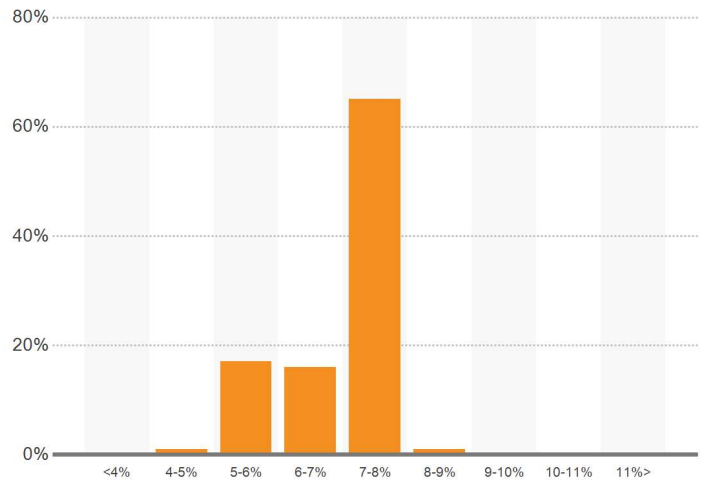
4-5 STAR MARKET CAP RATE DISTRIBUTION



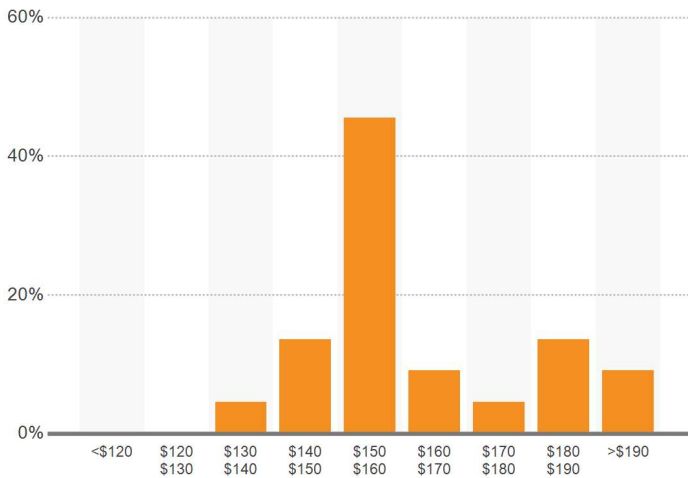
3 STAR MARKET SALE PRICE PER SF DISTRIBUTION



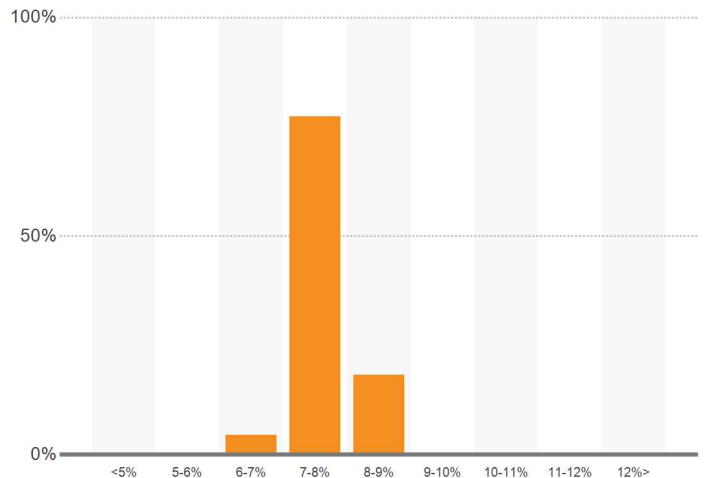
3 STAR MARKET CAP RATE DISTRIBUTION



1-2 STAR MARKET SALE PRICE PER SF DISTRIBUTION

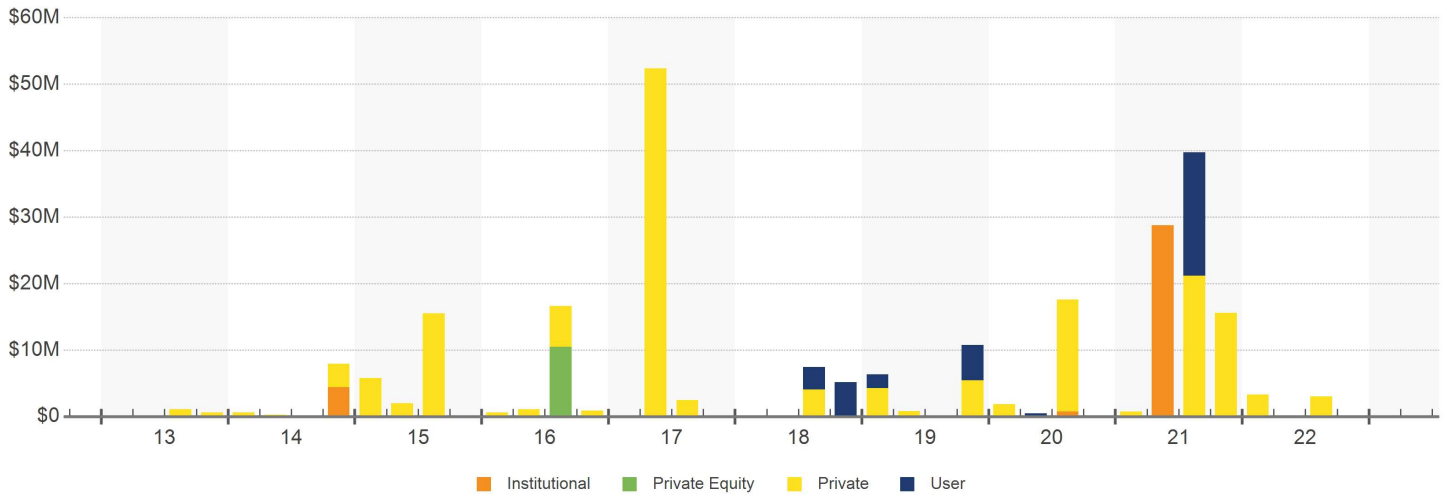


1-2 STAR MARKET CAP RATE DISTRIBUTION

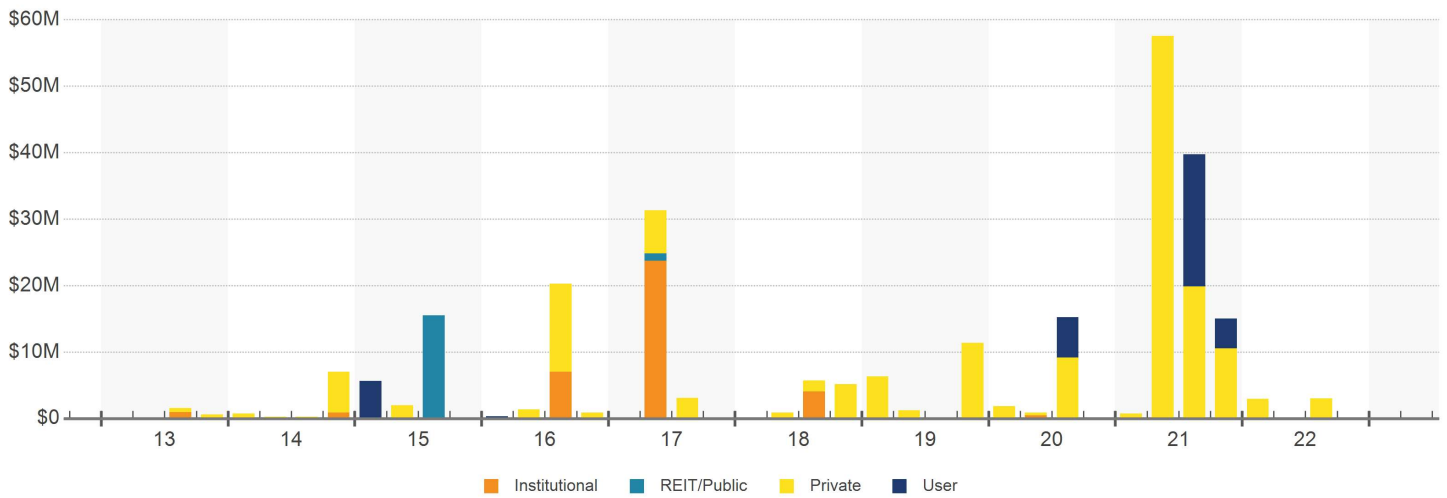


Buying & Selling By Owner Type

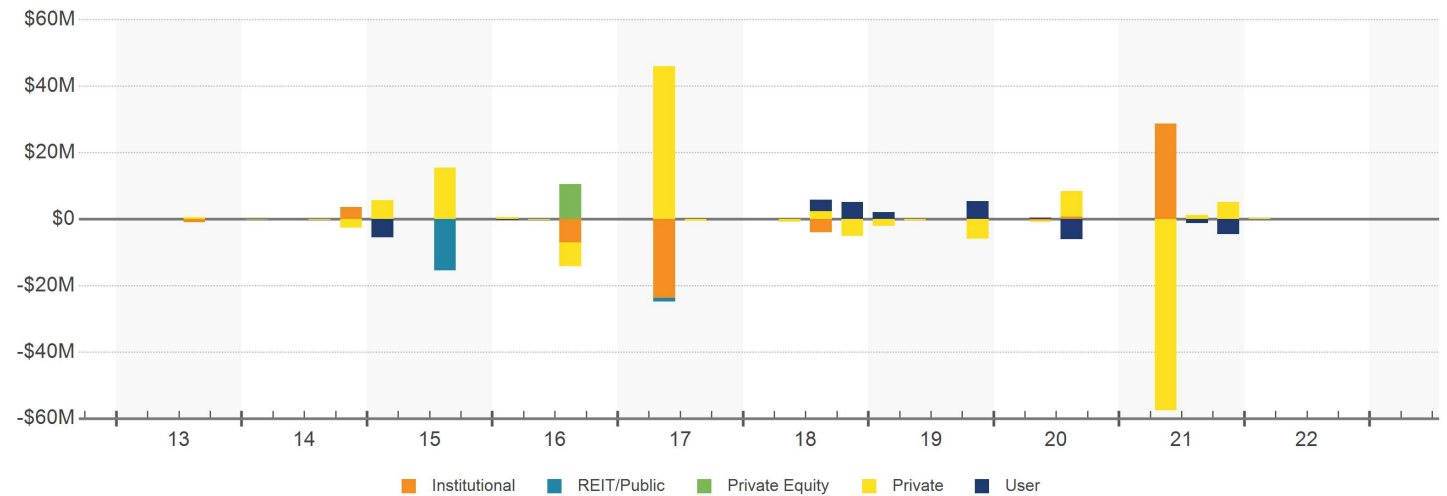
SALES VOLUME BY BUYER TYPE



SALES VOLUME BY SELLER TYPE

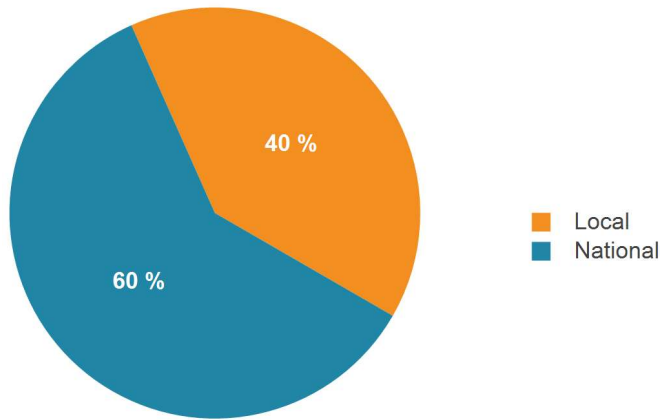


NET BUYING & SELLING BY OWNER TYPE

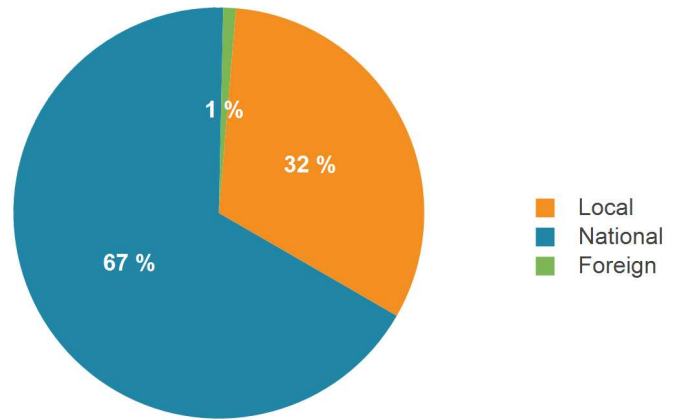


Investment Trends By Buyer & Seller Origin

SALES VOLUME BY BUYER ORIGIN PAST 12 MONTHS



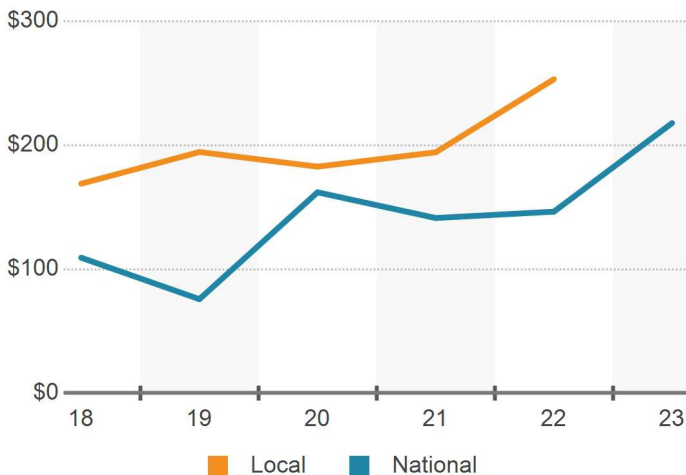
ASSET VALUE BY OWNER ORIGIN



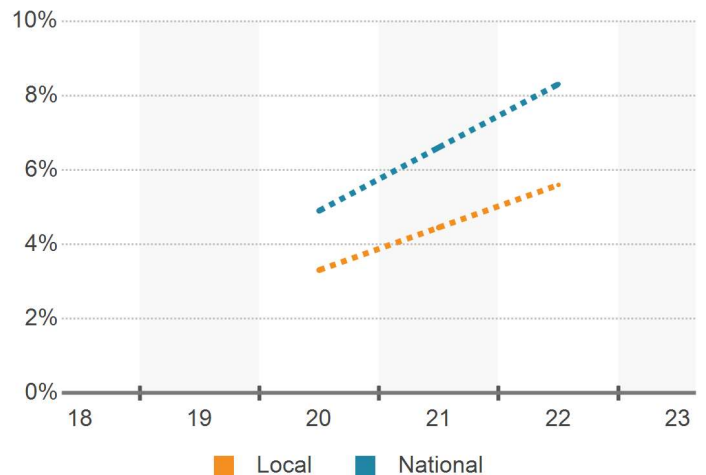
SALES VOLUME BY OWNER ORIGIN

Year	Total			Local			National			Foreign		
	Sales Volume	Bought	Sold	Net Trans	Bought	Sold	Net Trans	Bought	Sold	Net Trans		
YTD	\$3.2M	-	-	-	\$3.2M	\$3.2M	\$0	-	-	-		
2022	\$6.3M	\$3M	\$2.2M	\$825K	\$3.3M	\$4.1M	-\$825K	-	-	-		
2021	\$114.8M	\$13.9M	\$109.9M	-\$96M	\$100.9M	\$5M	\$96M	-	-	-		
2020	\$22.9M	\$7.7M	\$17.4M	-\$9.7M	\$15.2M	\$5.5M	\$9.7M	-	-	-		
2019	\$21.8M	\$12.3M	\$11.9M	\$387.5K	\$9.5M	\$9.9M	-\$387.5K	-	-	-		
2018	\$13.4M	\$4.3M	\$4.3M	\$0	\$9.2M	\$9.2M	\$0	-	-	-		
2017	\$58.1M	\$50.3M	\$1.7M	\$48.6M	\$7.9M	\$56.5M	-\$48.6M	-	-	-		
2016	\$30.2M	\$12.9M	\$6.2M	\$6.7M	\$17.3M	\$24M	-\$6.7M	-	-	-		
2015	\$23.2M	\$5.8M	\$2.3M	\$3.5M	\$17.5M	\$21M	-\$3.5M	-	-	-		
2014	\$9.1M	\$4.4M	\$3.8M	\$518.6K	\$4.8M	\$5.3M	-\$518.6K	-	-	-		
2013	\$2.8M	\$1.2M	\$1.7M	-\$481.5K	\$1.6M	\$600K	\$964K	-	\$482.5K	-\$482.5K		

SALE PRICE PER SF BY BUYER ORIGIN



CAP RATE BY BUYER ORIGIN



Submarket Sales Trends

North Natomas Office

SUBMARKET SALES TRANSACTIONS PAST 12 MONTHS

Submarket Name	Sales Volume	Transactions	Transacted SF	Avg SF	Mkt Cap Rate	Mkt Sale Price/SF
Highway 50 Corridor	\$113,749,078	33	633,890	19,209	7.6%	\$200
Roseville/Rocklin	\$101,739,958	57	523,446	9,183	7.2%	\$242
Downtown	\$87,407,674	18	384,626	21,368	7.2%	\$263
Folsom	\$84,972,000	17	358,912	21,112	7.2%	\$253
South Sacramento	\$42,575,501	20	197,323	9,866	7.3%	\$198
Campus Commons	\$33,693,000	7	171,194	24,456	7.0%	\$224
Point West	\$33,067,261	8	227,198	28,400	7.3%	\$195
Midtown	\$31,925,000	17	198,036	11,649	7.1%	\$239
El Dorado	\$31,353,009	16	297,588	18,599	7.5%	\$203
Howe Ave/Fulton Ave/Watt Ave	\$30,807,001	25	256,665	10,267	7.7%	\$175
Citrus Heights/Orangevale	\$22,912,000	16	140,766	8,798	7.5%	\$203
Carmichael/Fair Oaks	\$14,973,500	20	115,525	5,776	7.5%	\$176
Auburn/Lincoln	\$12,947,500	24	116,497	4,854	7.5%	\$215
Davis/Woodland	\$8,544,500	15	255,071	17,005	7.5%	\$232
Outer Placer County	\$8,513,000	4	30,198	7,550	7.2%	\$234
North Natomas	\$7,500,000	3	36,189	12,063	7.3%	\$204
Elk Grove	\$7,480,400	8	55,024	6,878	7.2%	\$232
Outer El Dorado County	\$3,857,991	6	19,425	3,238	7.3%	\$225
West Sacramento	\$1,715,000	2	8,301	4,151	7.3%	\$237
East Sacramento	\$489,000	2	96,887	48,444	7.3%	\$233
Rio Linda/N Highlands	\$375,000	1	4,074	4,074	7.5%	\$166

Recent Significant Sales



4010 Truxel Rd • Bldg L [↻](#)

★★★★☆

Natomas Crossing Business • Sacramento, CA 95834

Sale Date	Jan 2023	Buyer	4010 Truxel Llc (USA)
Sale Price	\$3.2M (\$218/SF)	Seller	Peace Officers Research... (USA)
Leased	100%	Broker	JLL
Hold Period	223 Months		
RBA	14,687 SF		
Year Built	2004		



4110 Truxel Rd • Bldg F [↻](#)

★★★★☆

Natomas Crossing Business • Sacramento, CA 95834

Sale Date	Jul 2022	Buyer	Urban Spaces LLC (USA)
Sale Price	\$3M (\$253/SF)	Broker	Newmark
Cap Rate	5.6% (Actual)	Seller	Rico Dallosta (USA)
Leased	100%	Broker	Parker Stevenson
Hold Period	77 Months	Sale Type	Investment
RBA	11,846 SF		
Year Built	2004		



2469 Rio Linda Blvd [↻](#)

★★★★☆

Sacramento, CA 95815

Sale Date	Mar 2022	Buyer	Khusmehr Inc (USA)
Sale Price	\$1.3M (\$135/SF)	Broker	Hilltop Realty
Cap Rate	8.3% (Actual)	Seller	Mikhail Palatnik (USA) +1
Leased	100%	Broker	Kidder Mathews
Hold Period	72 Months	Sale Type	Investment
RBA	9,656 SF	Sale Cond	1031 Exchange
Year Built	2004		

TOP OWNERS

Company Name	Owned SF	Owned Props	Avg SF	12 Mo Bought	12 Mo Sold	12 Mo Net Trans
Hines	511,800	2	255,900	-	-	-
Nome Capital Partners	372,080	2	186,040	-	-	-
Panda Restaurant Group, Inc.	309,733	3	103,244	-	-	-
Chavez Management Group, Inc.	207,826	4	51,957	-	-	-
Omninet Capital	189,618	3	63,206	-	-	-
Ethan Conrad Properties	182,538	4	45,635	-	-	-
Schnitzer Properties Management, LLC	141,116	4	35,279	-	-	-
Pappas Investments	116,918	1	116,918	-	-	-
GPR Ventures	92,581	3	30,860	-	-	-
Ravel Rasmussen Properties	81,225	1	81,225	-	-	-
Sentinel Rock Realty Trust	78,400	1	78,400	-	-	-
Schwager Davis Inc	69,783	1	69,783	-	-	-
InnovAge	66,919	1	66,919	-	-	-
Cerini & Smith-29 (LLC)	62,773	1	62,773	-	-	-
Vanir Development Company	60,000	1	60,000	-	-	-
Symmetry Group	55,551	1	55,551	-	-	-
River City Petroleum, Inc.	53,200	1	53,200	-	-	-
Cdi-cdc	46,009	1	46,009	-	-	-
The Salvation Army	45,000	1	45,000	-	-	-
Peace Officers Research Association...	40,000	2	20,000	-	-	-
John Meissner	38,818	5	7,764	-	-	-
Urban Spaces LLC	32,768	2	16,384	\$3,000,000	-	\$3,000,000
Mexican Consulate	32,721	1	32,721	-	-	-
Natomas Schools Foundation	31,704	1	31,704	-	-	-
Natomas Charter School	30,000	1	30,000	-	-	-
Greater Sacramento Urban League	28,000	1	28,000	-	-	-
Ulupalakua Ranch Inc	25,218	1	25,218	-	-	-
Bruce M Thompson & Susan Hussey	25,097	1	25,097	-	-	-
Terkensha Associates	24,521	1	24,521	-	-	-
AT&T, Inc.	23,148	1	23,148	-	-	-
JOINN Biologics US Inc.	20,060	1	20,060	-	-	-
Robert Esposito	20,000	1	20,000	-	-	-
R Systems, Inc.	20,000	1	20,000	-	-	-
Moorefield Construction Inc	19,320	1	19,320	-	-	-
The Crossing Church	17,360	1	17,360	-	-	-
Amy Unger	16,200	1	16,200	-	-	-
Make-A-Wish America	15,000	1	15,000	-	-	-
Tim Meissner	14,850	1	14,850	-	-	-
Upcountry Health Properties LLC	14,358	1	14,358	-	-	-
Sacramento Area Electrical Apprentic...	14,095	1	14,095	-	-	-
Capital One Auto Dismantler Llc	12,875	2	6,438	-	-	-
Albert Yamin	12,875	2	6,438	-	-	-

TOP BUYERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
Urban Spaces LLC	\$3,000,000	1	11,846	11,846	5.6%	\$253
Khusmehr Inc	\$1,300,000	1	9,656	9,656	8.3%	\$135

TOP SELLERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
Rico Dallosta	\$3,000,000	1	11,846	11,846	5.6%	\$253
Mikhail Palatnik	\$650,000	1	4,828	4,828	4.2%	\$135
Valentin Krivitsky	\$650,000	1	4,828	4,828	4.2%	\$135

TOP BROKERS PAST 12 MONTHS

Company Name	Sales Volume	Transactions	Transacted SF	Avg SF	Cap Rate	Sale Price/SF
JLL	\$3,200,000	1	14,687	14,687	-	\$218
Newmark	\$3,000,000	1	11,846	11,846	5.6%	\$253
Parker Stevenson	\$3,000,000	1	11,846	11,846	5.6%	\$253
Hilltop Realty	\$1,300,000	1	9,656	9,656	8.3%	\$135
Kidder Mathews	\$1,300,000	1	9,656	9,656	8.3%	\$135

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$214.48	147	7.4%
2026	-	-	-	-	-	-	\$211.09	144	7.4%
2025	-	-	-	-	-	-	\$208.35	142	7.4%
2024	-	-	-	-	-	-	\$205.49	140	7.4%
2023	-	-	-	-	-	-	\$203.22	139	7.4%
YTD	1	\$3.2M	0.4%	\$3,200,000	\$217.88	-	\$204.05	140	7.3%
2022	4	\$6.3M	0.9%	\$1,574,594	\$183.21	7.0%	\$203.69	139	7.3%
2021	11	\$114.8M	20.5%	\$10,438,544	\$146.10	-	\$198.73	136	7.3%
2020	6	\$22.9M	3.5%	\$3,812,667	\$168.42	6.6%	\$192.90	132	7.3%
2019	16	\$21.8M	8.2%	\$2,179,717	\$115.50	-	\$188.30	129	7.4%
2018	4	\$13.4M	3.4%	\$3,358,680	\$123.06	-	\$176.46	121	7.4%
2017	8	\$58.1M	8.7%	\$9,690,417	\$215.28	6.6%	\$174.02	119	7.2%
2016	14	\$30.2M	11.1%	\$2,517,594	\$101.09	5.3%	\$169.37	116	7.2%
2015	8	\$23.2M	9.4%	\$2,906,219	\$77.82	6.0%	\$164.79	113	7.1%
2014	7	\$9.1M	2.0%	\$1,300,454	\$139.92	-	\$153.18	105	7.3%
2013	4	\$2.8M	1.2%	\$921,333	\$83.88	-	\$149.55	102	7.3%
2012	11	\$4.7M	8.2%	\$1,172,542	\$96.24	-	\$143.57	98	7.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$248.92	137	7.4%
2026	-	-	-	-	-	-	\$245.20	135	7.4%
2025	-	-	-	-	-	-	\$242.21	133	7.4%
2024	-	-	-	-	-	-	\$239.05	132	7.4%
2023	-	-	-	-	-	-	\$236.49	130	7.4%
YTD	-	-	-	-	-	-	\$237.65	131	7.3%
2022	-	-	-	-	-	-	\$237.18	131	7.3%
2021	2	\$57.5M	31.5%	\$28,750,000	\$154.54	-	\$233.45	129	7.3%
2020	-	-	-	-	-	-	\$227.07	125	7.3%
2019	-	-	-	-	-	-	\$220.52	121	7.3%
2018	-	-	-	-	-	-	\$213.29	117	7.3%
2017	2	\$47.5M	35.4%	\$23,750,000	\$200.18	-	\$211.60	117	7.1%
2016	-	-	-	-	-	-	\$208.55	115	6.9%
2015	-	-	-	-	-	-	\$206.04	113	6.8%
2014	-	-	-	-	-	-	\$191.24	105	7.0%
2013	-	-	-	-	-	-	\$187.56	103	7.0%
2012	-	-	-	-	-	-	\$180.94	100	7.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$207.76	153	7.2%
2026	-	-	-	-	-	-	\$204.37	151	7.2%
2025	-	-	-	-	-	-	\$201.61	149	7.2%
2024	-	-	-	-	-	-	\$198.74	146	7.2%
2023	-	-	-	-	-	-	\$196.49	145	7.2%
YTD	1	\$3.2M	0.7%	\$3,200,000	\$217.88	-	\$197.24	145	7.1%
2022	2	\$4.3M	1.1%	\$2,150,000	\$199.98	7.0%	\$196.91	145	7.1%
2021	9	\$57.3M	21.0%	\$6,369,332	\$138.52	-	\$191.14	141	7.1%
2020	6	\$22.9M	6.9%	\$3,812,667	\$168.42	6.6%	\$184.98	136	7.2%
2019	12	\$16.5M	6.3%	\$2,358,429	\$151.56	-	\$180.91	133	7.3%
2018	4	\$13.4M	5.8%	\$3,358,680	\$123.06	-	\$167.12	123	7.4%
2017	6	\$10.6M	2.3%	\$2,660,625	\$324.48	6.6%	\$163.07	120	7.2%
2016	9	\$9.6M	4.8%	\$1,201,494	\$117.19	5.3%	\$157.50	116	7.2%
2015	6	\$17.4M	11.8%	\$2,903,213	\$80.08	6.0%	\$151.50	112	7.2%
2014	7	\$9.1M	3.5%	\$1,300,454	\$139.92	-	\$140.96	104	7.3%
2013	4	\$2.8M	2.1%	\$921,333	\$83.88	-	\$136.80	101	7.4%
2012	8	\$3.5M	5.4%	\$1,171,723	\$112.05	-	\$130.69	96	7.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$174.84	150	7.7%
2026	-	-	-	-	-	-	\$172	148	7.7%
2025	-	-	-	-	-	-	\$169.74	146	7.7%
2024	-	-	-	-	-	-	\$167.43	144	7.8%
2023	-	-	-	-	-	-	\$165.62	142	7.8%
YTD	-	-	-	-	-	-	\$166.11	143	7.7%
2022	2	\$2M	1.9%	\$999,188	\$155.21	-	\$165.82	142	7.7%
2021	-	-	-	-	-	-	\$161.15	138	7.7%
2020	-	-	-	-	-	-	\$157.20	135	7.7%
2019	4	\$5.3M	21.4%	\$1,762,723	\$66.27	-	\$154.44	133	7.7%
2018	-	-	-	-	-	-	\$140.32	121	7.9%
2017	-	-	-	-	-	-	\$141.34	121	7.6%
2016	5	\$20.6M	39.1%	\$5,149,796	\$95	-	\$136.65	117	7.6%
2015	2	\$5.8M	11.8%	\$2,915,238	\$71.78	-	\$132.64	114	7.5%
2014	-	-	-	-	-	-	\$123.38	106	7.7%
2013	-	-	-	-	-	-	\$121.38	104	7.7%
2012	3	\$1.2M	23.8%	\$1,175,000	\$67.68	-	\$116.90	100	7.9%

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