



Office Capital Markets Report

South Natomas

Sacramento - CA

PREPARED BY



BACON Commercial
Real Estate

Tom Bacon
Broker/Owner



OFFICE CAPITAL MARKETS REPORT - SUBMARKET

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Capital Markets Overview

South Natomas Office

Asset Value

\$849.9M

12 Mo Sales Volume

\$0

Market Cap Rate

7.4%

Mkt Sale Price/SF Chg (YOY)

1.8%

12 MO SALES VOLUME	Total	Lowest	Highest
Transactions	0	-	-
Sales Volume	\$0	-	-
Properties Sold	0	-	-
Transacted SF	-	-	-
Average SF	-	-	-

12 MO SALES PRICE	Average	Lowest	Highest	Market
Cap Rate	-	-	-	7.4%
Sale Price/SF	-	-	-	\$224
Sale Price	-	-	-	-
Sale vs Asking Price	-	-	-	-
% Leased at Sale	-	-	-	-

KEY PERFORMANCE INDICATORS



SUMMARY

Historically, office sales in South Natomas have been a rare sight. Over the past 10 years, the submarket has realized an average of 4 trades per year. But deal flow has been especially scarce since the onset of the pandemic. Over the past 12 months, 2 properties have changed hands.

The last deal of significance took place in January, a four-property, 4 Star office portfolio was purchased by Reno-based Basin Street Properties for \$58 million

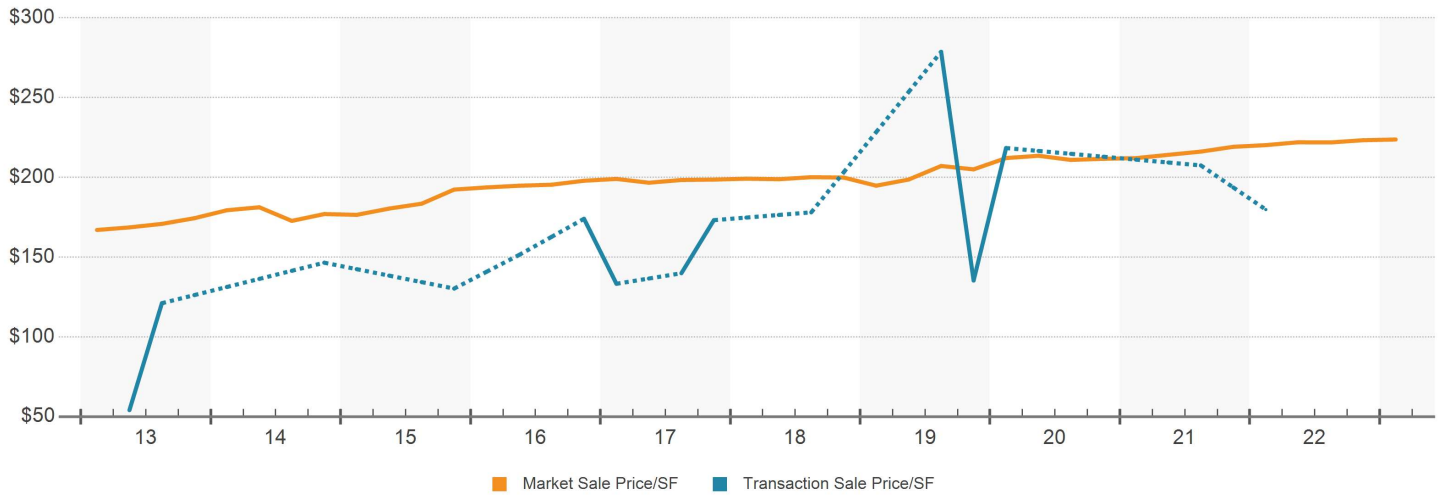
(\$180/SF). The sale totaled 323,000 SF and includes some of the nicer buildings in the submarket and was 78% leased at the time of sale with the largest tenants being WSP in 15,000 SF and Central California Appellate Program occupying 11,000 SF. Both of these organizations are located at 2150 River Plaza Drive.

Velocity in the near to medium term may decelerate further. The overall future of office inventory remains very much in question and South Natomas in particular is

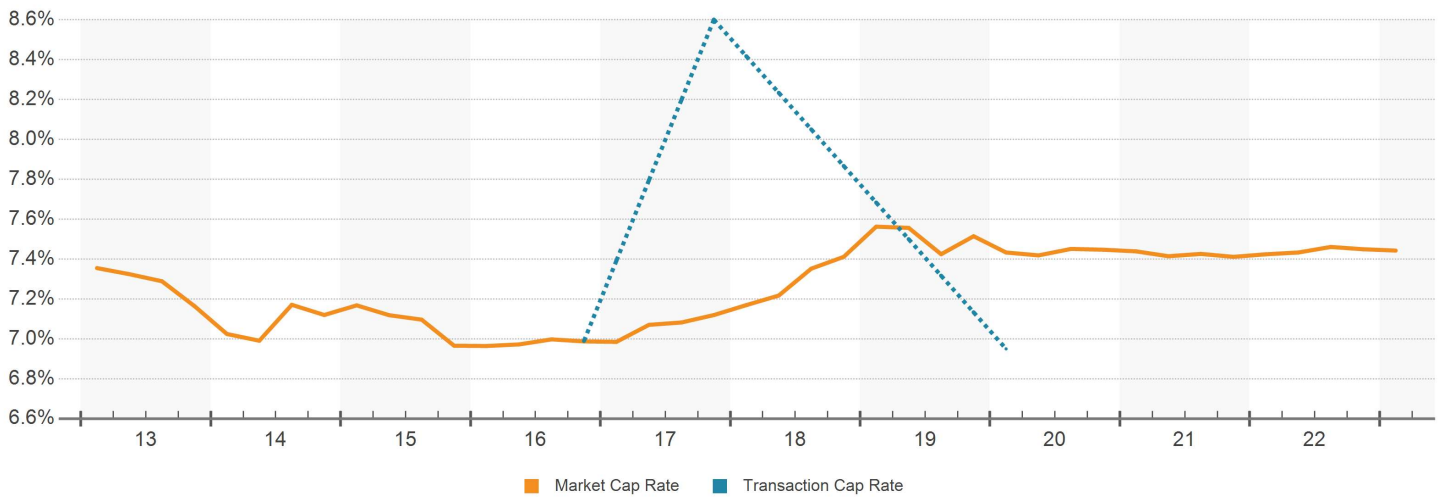
facing a glut of available space. Adding to this rising interest rates and a more difficult lending environment, it is only a matter of time before pricing begins to fall. In

the meantime, it is unlikely many properties will trade as the market remains very much in flux.

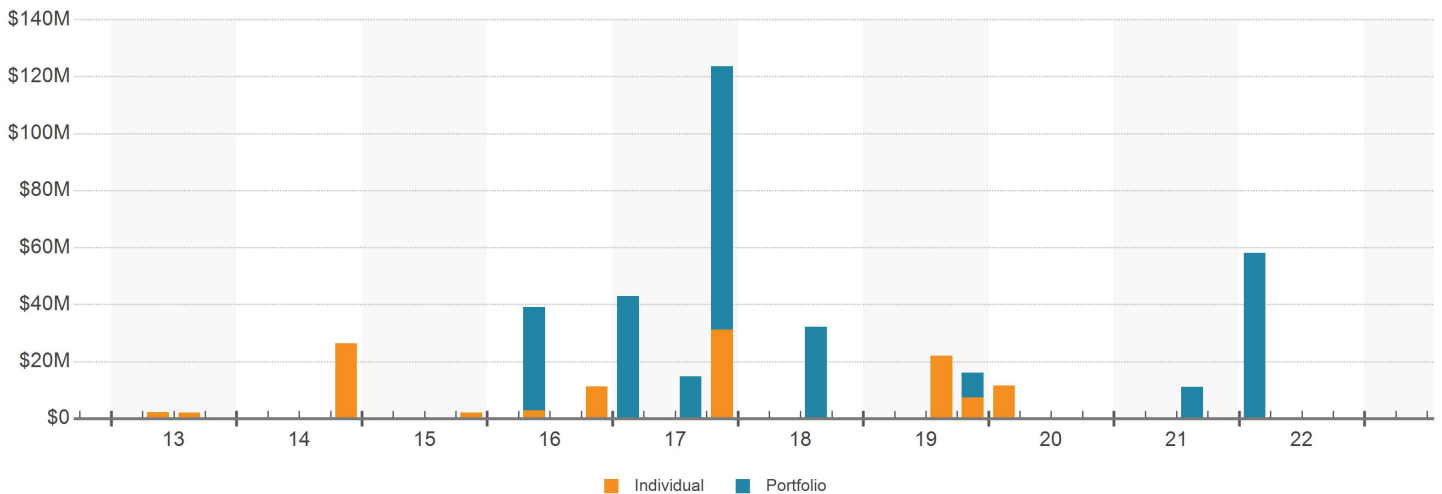
MARKET SALE PRICE & TRANSACTION SALE PRICE PER SF



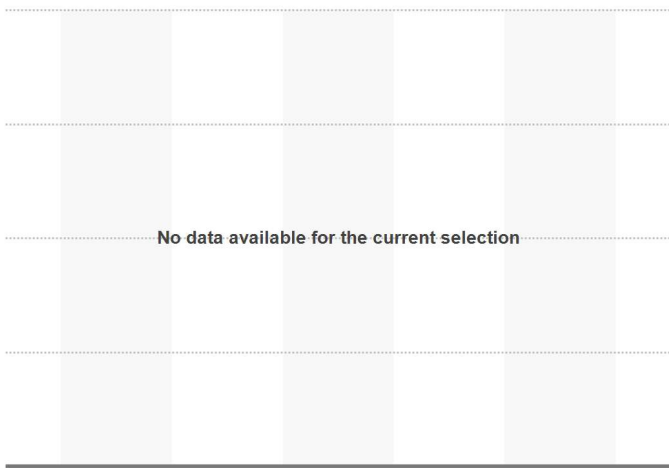
MARKET CAP RATE & TRANSACTION CAP RATE



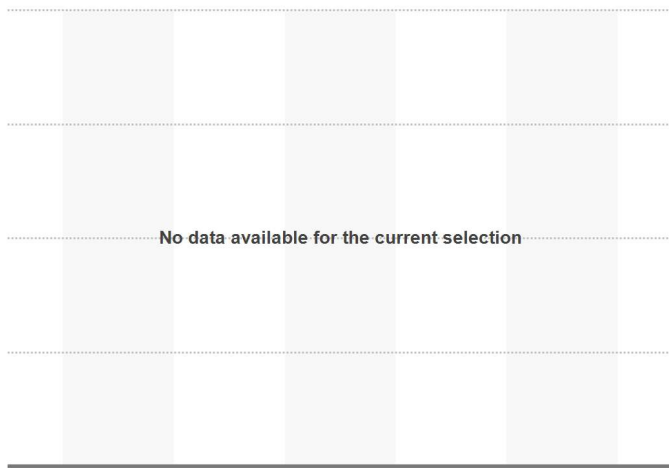
SALES VOLUME BY TRANSACTION TYPE



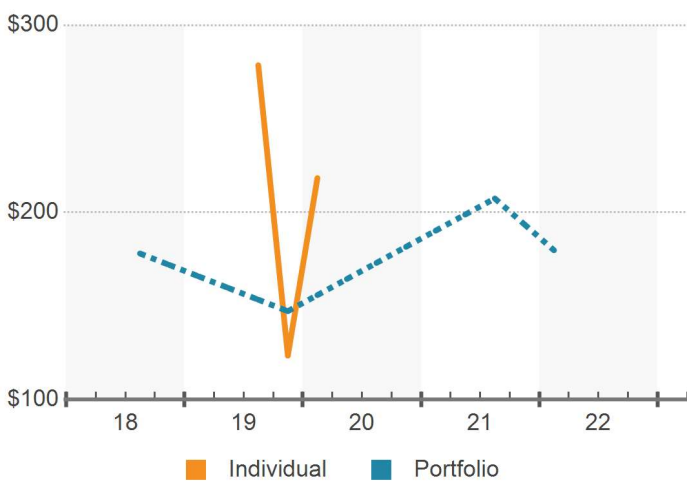
SALE PRICE PER SF DISTRIBUTION PAST 12 MONTHS



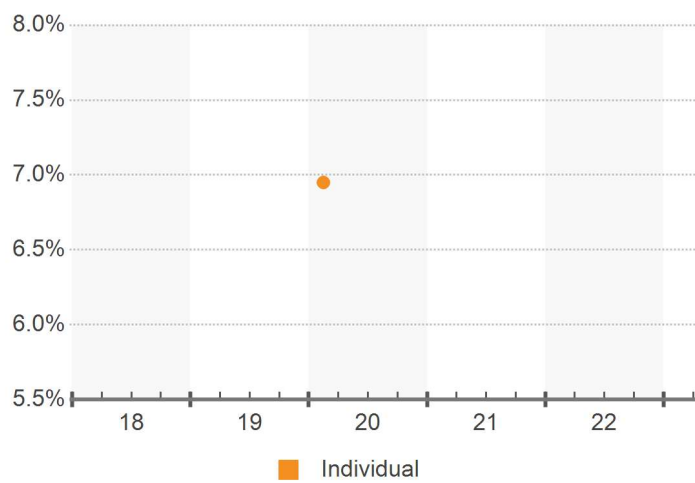
CAP RATE DISTRIBUTION PAST 12 MONTHS



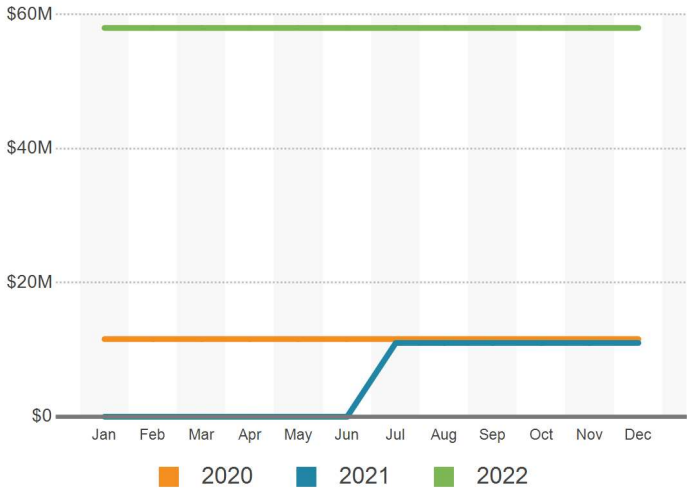
SALE PRICE PER SF BY TRANSACTION TYPE



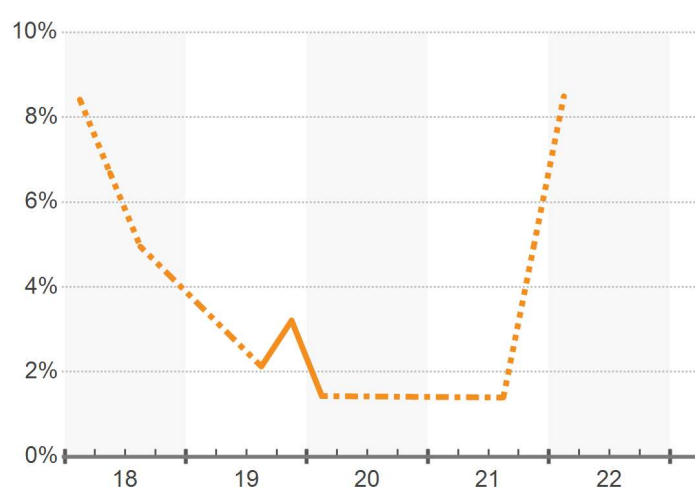
CAP RATE BY TRANSACTION TYPE



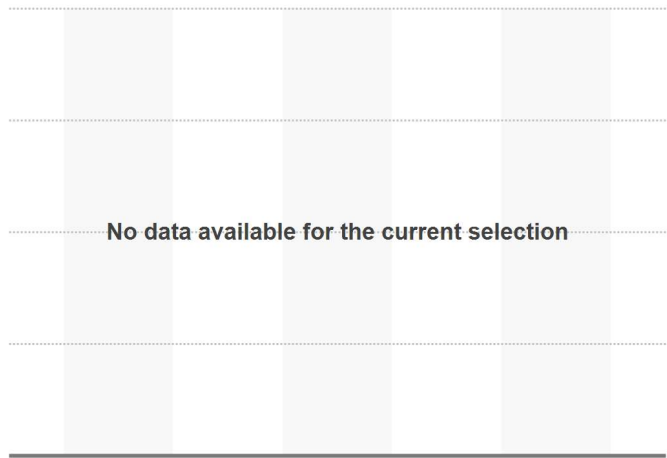
CUMULATIVE SALES VOLUME BY YEAR



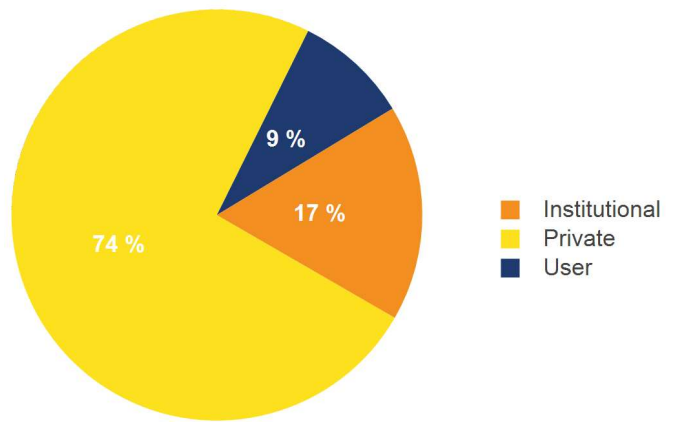
SOLD SF AS % OF TOTAL SF



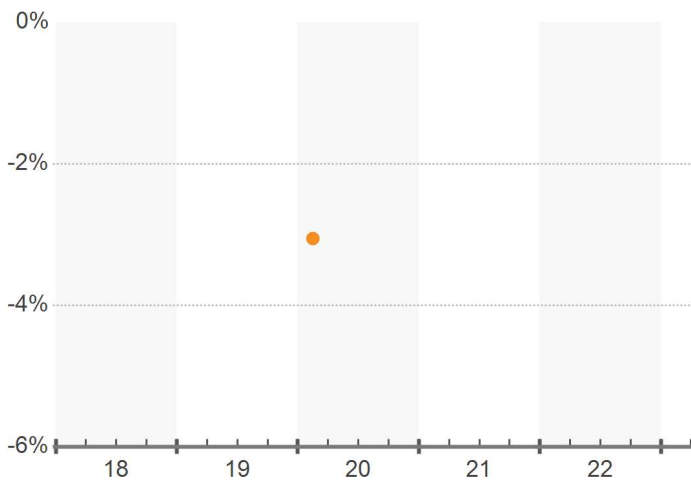
SALES VOLUME BY BUYER TYPE PAST 12 MONTHS



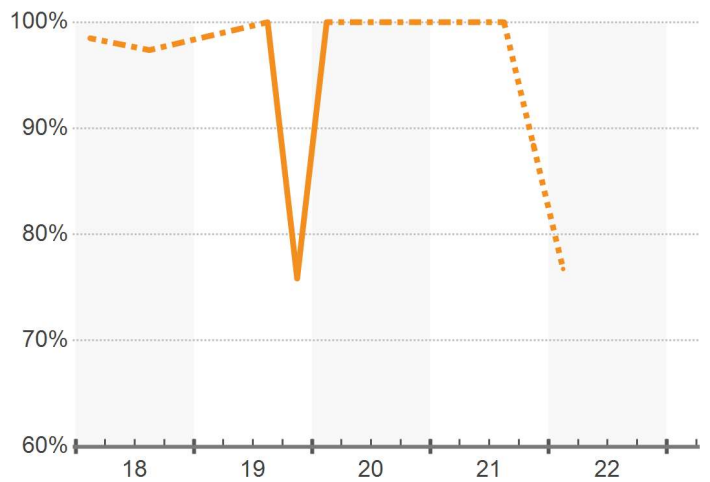
ASSET VALUE BY OWNER TYPE



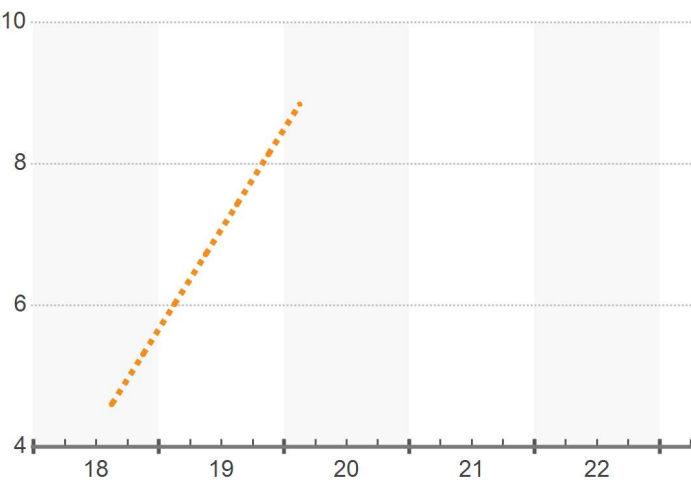
SALE TO ASKING PRICE DIFFERENTIAL



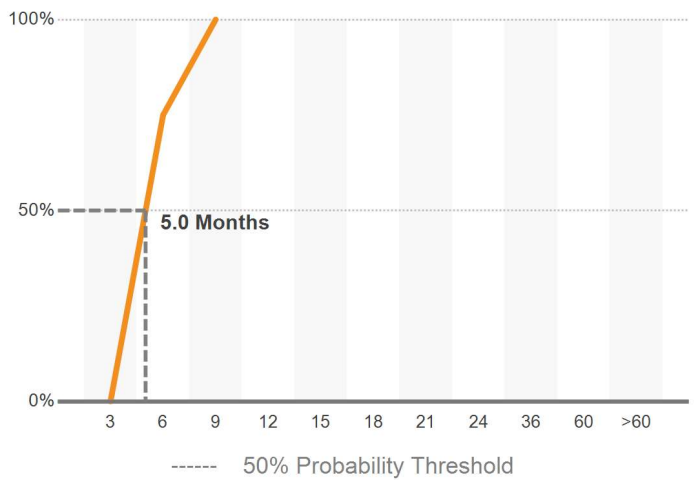
OCCUPANCY AT SALE



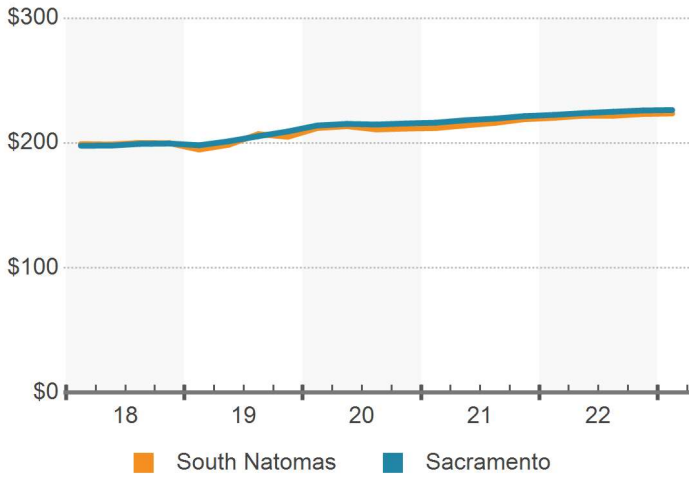
MONTHS TO SALE



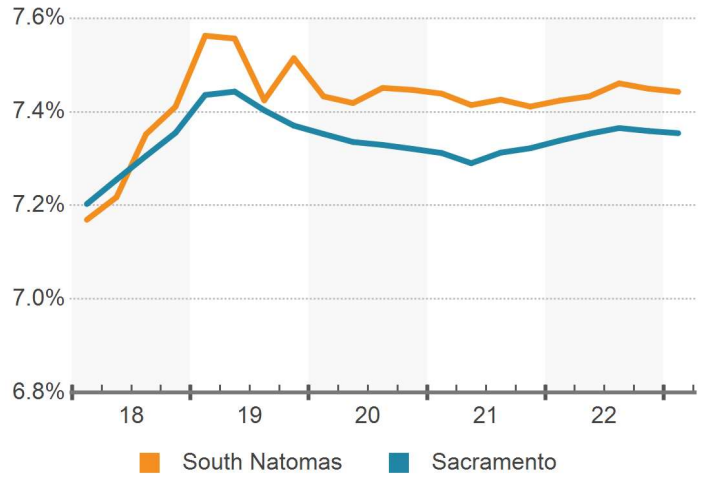
PROBABILITY OF SELLING IN MONTHS



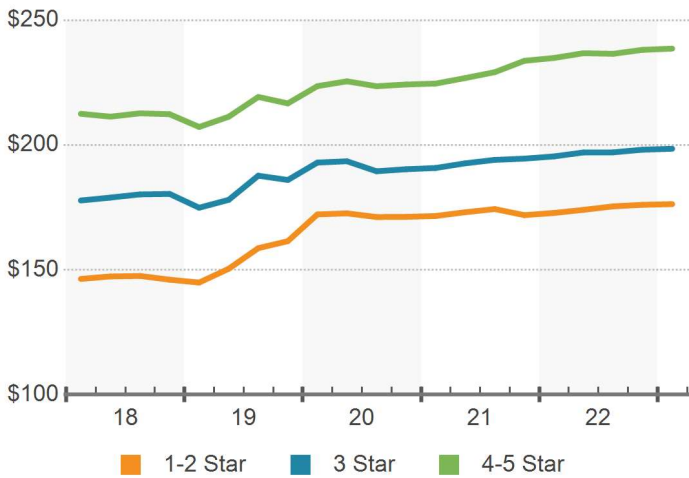
MARKET SALE PRICE PER SF



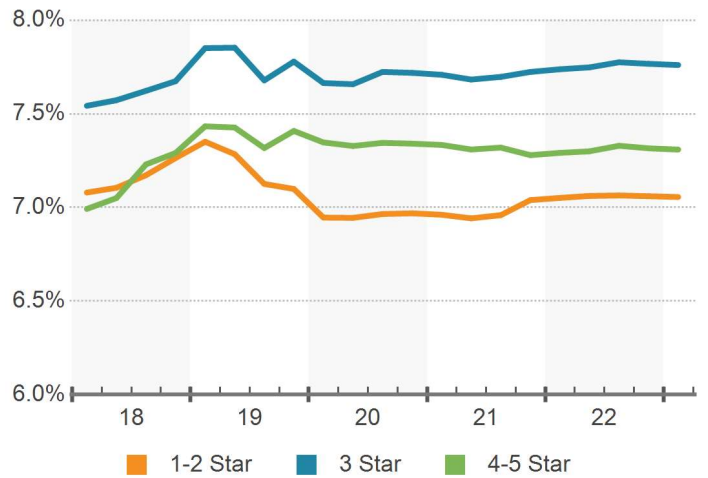
MARKET CAP RATE



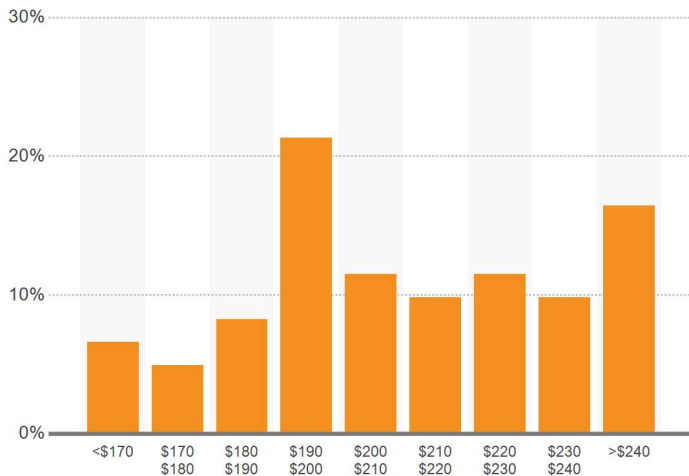
MARKET SALE PRICE PER SF BY STAR RATING



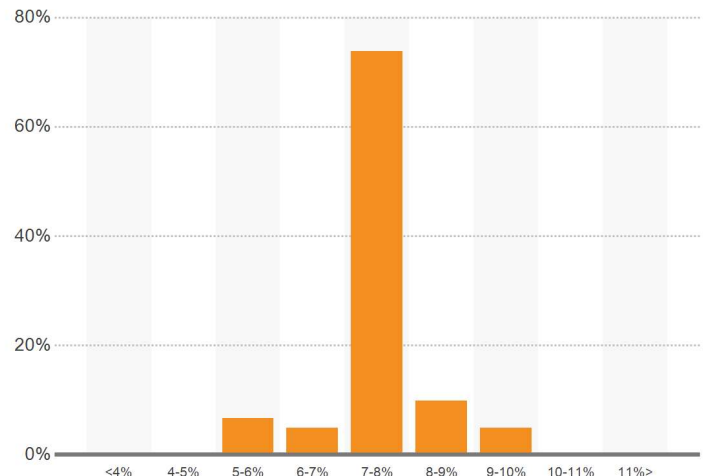
MARKET CAP RATE BY STAR RATING



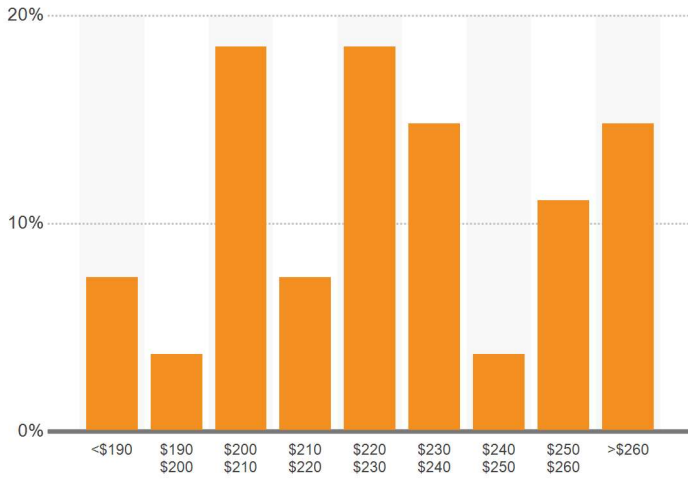
MARKET SALE PRICE PER SF DISTRIBUTION



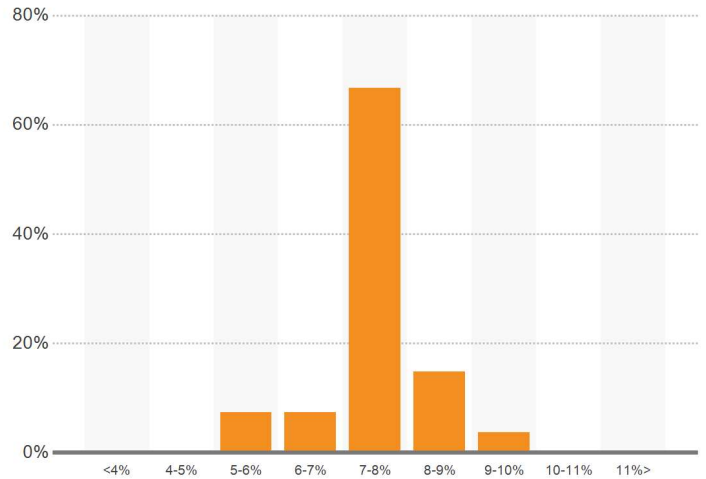
MARKET CAP RATE DISTRIBUTION



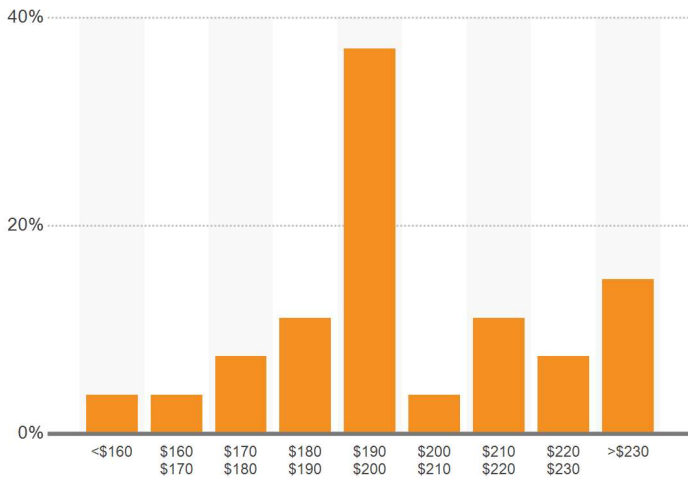
4-5 STAR MARKET SALE PRICE PER SF DISTRIBUTION



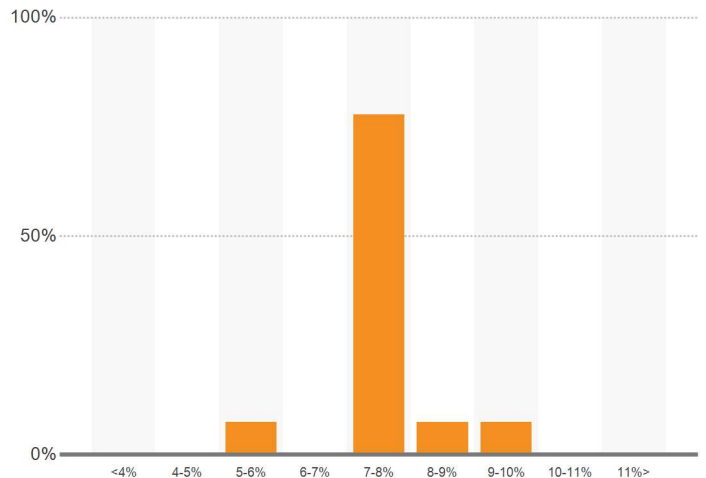
4-5 STAR MARKET CAP RATE DISTRIBUTION



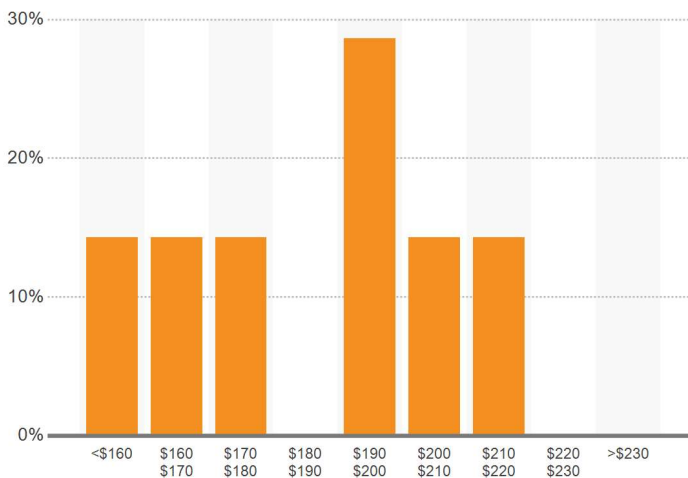
3 STAR MARKET SALE PRICE PER SF DISTRIBUTION



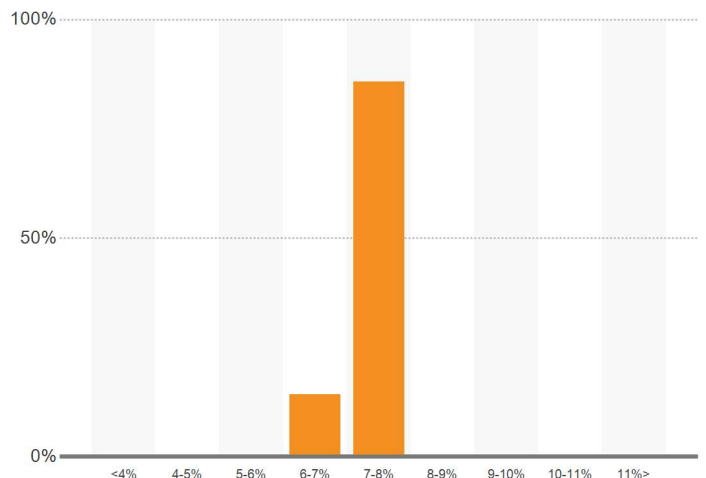
3 STAR MARKET CAP RATE DISTRIBUTION



1-2 STAR MARKET SALE PRICE PER SF DISTRIBUTION

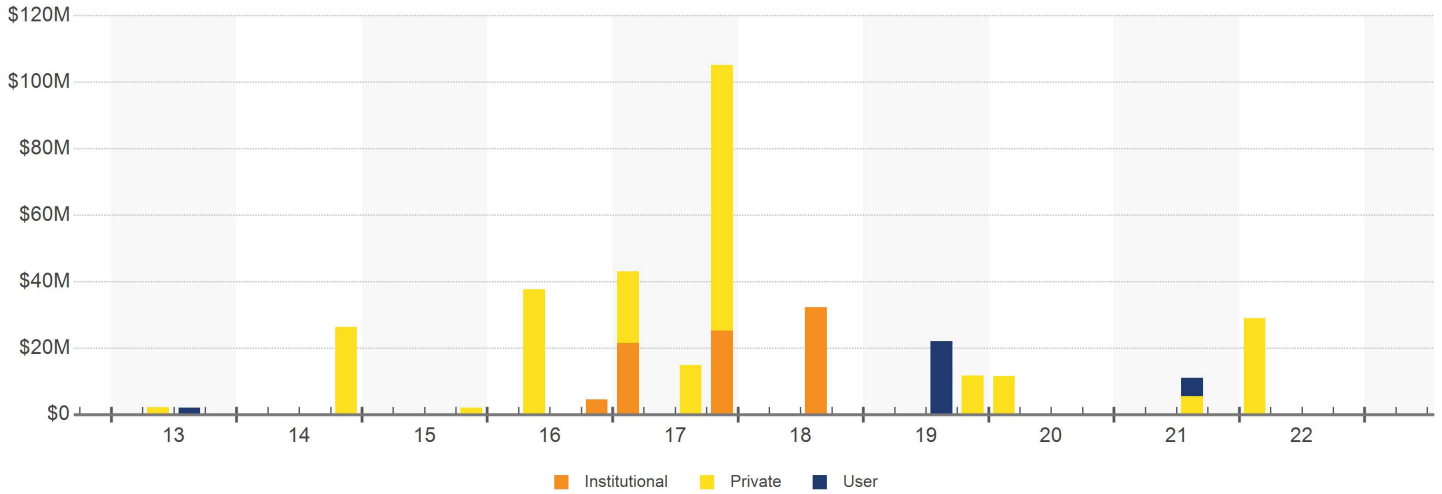


1-2 STAR MARKET CAP RATE DISTRIBUTION

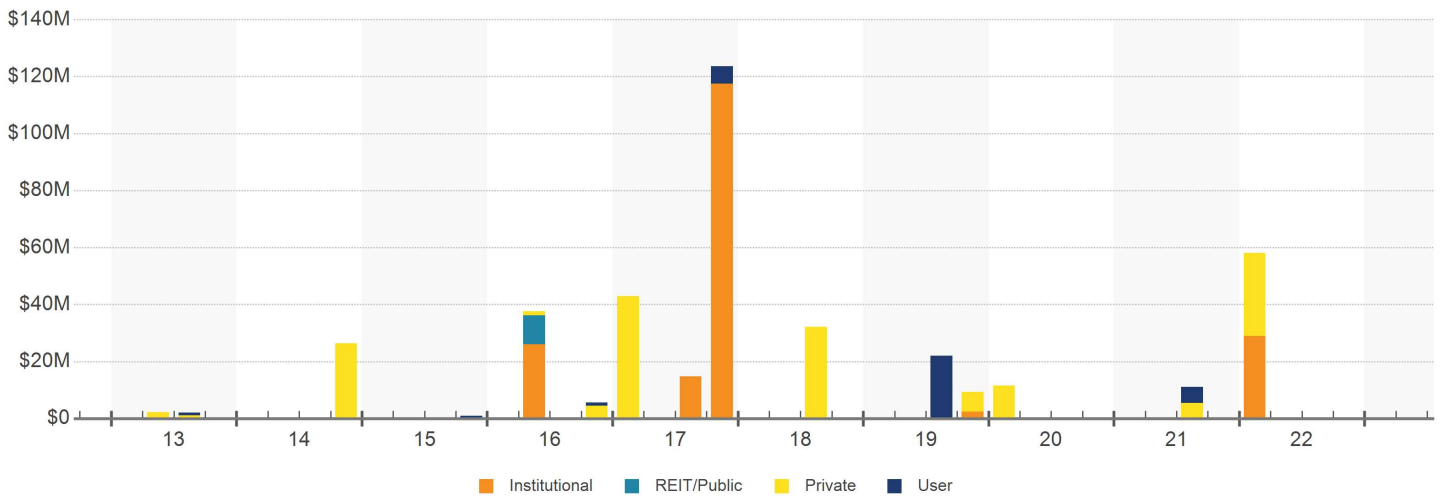


Buying & Selling By Owner Type

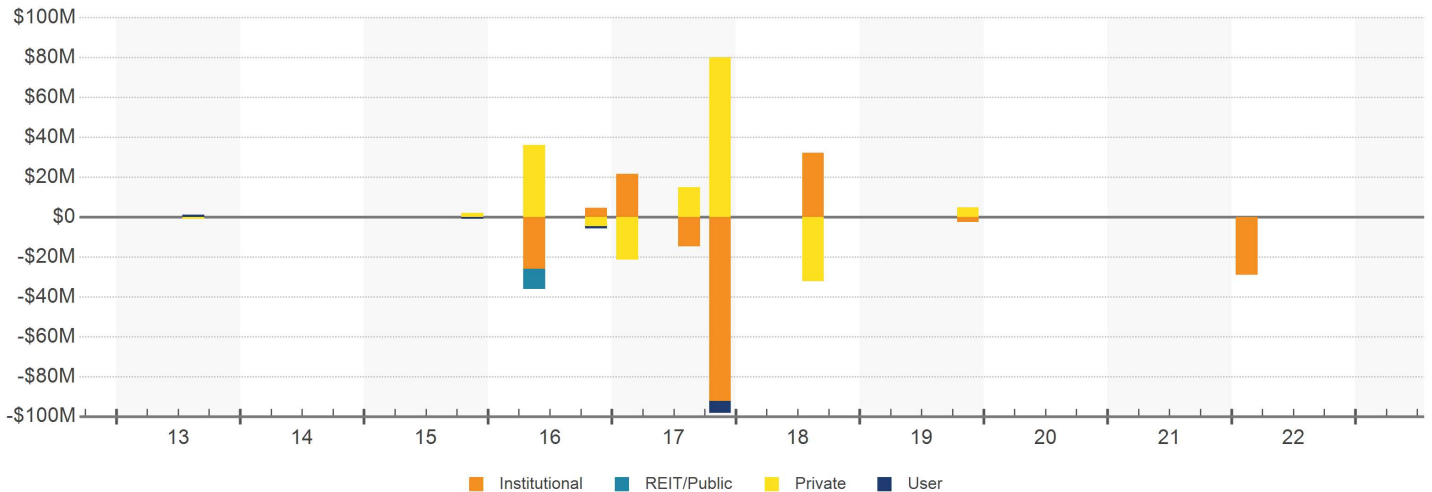
SALES VOLUME BY BUYER TYPE



SALES VOLUME BY SELLER TYPE

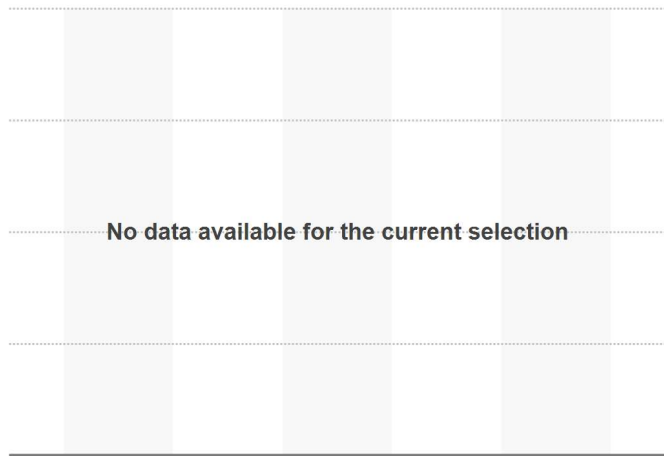


NET BUYING & SELLING BY OWNER TYPE

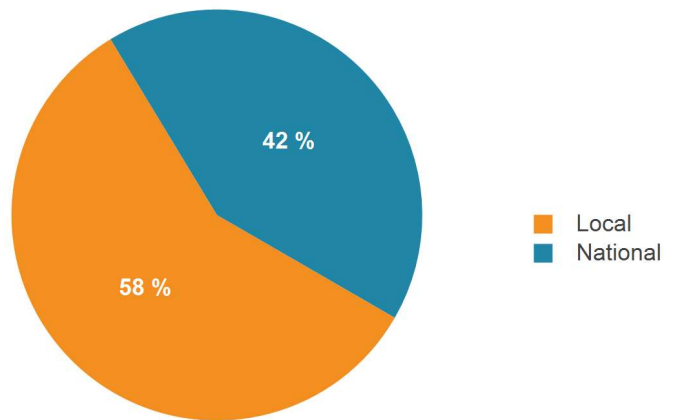


Investment Trends By Buyer & Seller Origin

SALES VOLUME BY BUYER ORIGIN PAST 12 MONTHS



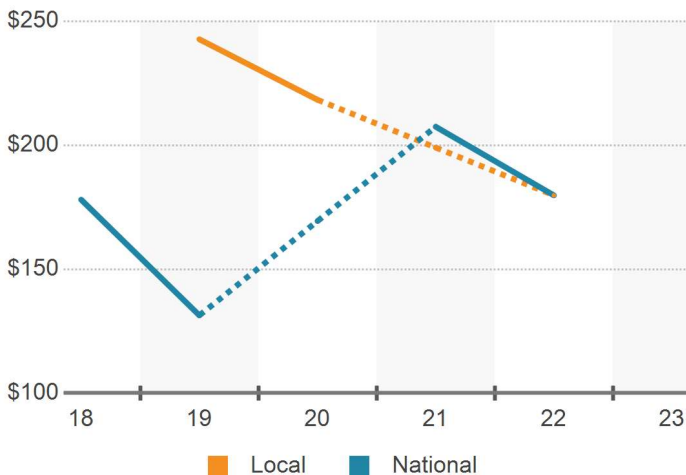
ASSET VALUE BY OWNER ORIGIN



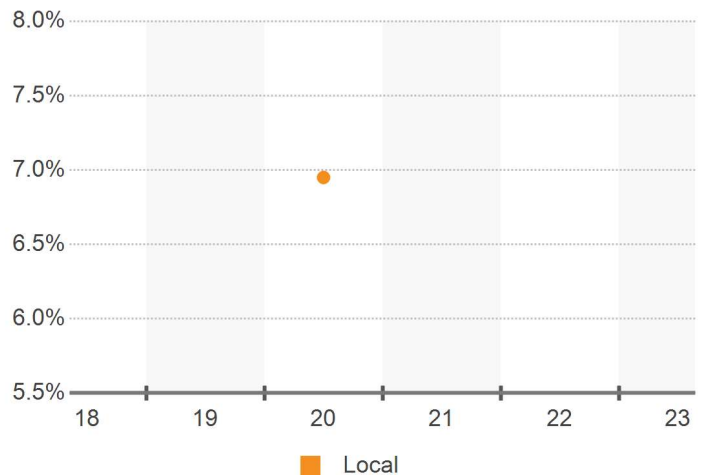
SALES VOLUME BY OWNER ORIGIN

Year	Total			Local			National			Foreign		
	Sales Volume	Bought	Sold	Net Trans	Bought	Sold	Net Trans	Bought	Sold	Net Trans		
YTD	-	-	-	-	-	-	-	-	-	-		
2022	\$58M	\$29M	-	\$29M	\$29M	\$58M	-\$29M	-	-	-		
2021	\$11M	-	\$11M	-\$11M	\$11M	-	\$11M	-	-	-		
2020	\$11.6M	\$11.6M	\$11.6M	\$0	-	-	-	-	-	-		
2019	\$38.1M	\$26.4M	\$22M	\$4.4M	\$11.7M	\$16.1M	-\$4.4M	-	-	-		
2018	\$32.2M	\$0	\$32.2M	-\$32.2M	\$32.2M	\$0	\$32.2M	-	-	-		
2017	\$181.4M	\$61.5M	\$6M	\$55.5M	\$119.9M	\$150.1M	-\$30.3M	-	\$25.3M	-\$25.3M		
2016	\$50.3M	\$40.2M	\$2.6M	\$37.6M	\$10.2M	\$47.8M	-\$37.6M	-	-	-		
2015	\$2M	\$2M	\$2M	\$0	-	-	-	-	-	-		
2014	\$26.3M	\$2.3M	-	\$2.3M	\$21.7M	\$13.9M	\$7.8M	\$2.3M	\$12.5M	-\$10.1M		
2013	\$4.2M	\$4.2M	\$4.2M	\$0	-	-	-	-	-	-		

SALE PRICE PER SF BY BUYER ORIGIN



CAP RATE BY BUYER ORIGIN



Submarket Sales Trends

South 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

TOP OWNERS

Company Name	Owned SF	Owned Props	Avg SF	12 Mo Bought	12 Mo Sold	12 Mo Net Trans
Basin Street Properties	412,376	5	82,475	-	-	-
Bannon Investors Ltd, LLC	411,977	2	205,989	-	-	-
Lowe	322,612	4	80,653	-	-	-
Lassner Law Firm	307,332	5	61,466	-	-	-
The Evergreen Company	295,894	2	147,947	-	-	-
Dan Caputo Company	263,014	4	65,754	-	-	-
MKD Investments, LP	205,614	2	102,807	-	-	-
State Compensation Insurance Fund	198,836	2	99,418	-	-	-
Seagate Properties	180,861	3	60,287	-	-	-
Sutter Health	159,650	2	79,825	-	-	-
Citadel Equities Group	117,379	1	117,379	-	-	-
Mourier Land Investment Corporation	92,677	1	92,677	-	-	-
W.A. & Dorothy Sutter, Trs.	91,834	1	91,834	-	-	-
Metcalf Family Living Trust	81,391	1	81,391	-	-	-
Great Mountain Properties, LLC	79,972	1	79,972	-	-	-
Mapleton Investments	76,680	1	76,680	-	-	-
B & Z Properties, Inc.	68,654	1	68,654	-	-	-
Pbs Kvie	65,000	1	65,000	-	-	-
Joseph Peters	60,000	1	60,000	-	-	-
GPR Ventures	59,711	1	59,711	-	-	-
Gateway Oaks Center LLC	54,851	1	54,851	-	-	-
Panda Restaurant Group, Inc.	53,019	1	53,019	-	-	-
Pacific Service Credit Union	50,000	1	50,000	-	-	-
River City Bank	49,400	1	49,400	-	-	-
Steven Schroeder	40,196	1	40,196	-	-	-
Tower Investments, Inc	33,905	1	33,905	-	-	-
California Fire Fighter Joint Apprentic...	33,340	2	16,670	-	-	-
ISInc	25,689	1	25,689	-	-	-
Sierra Health Foundation	22,250	1	22,250	-	-	-
Ccpoa Benefit Trust Fund	20,000	1	20,000	-	-	-
Jerry Fat	17,338	1	17,338	-	-	-
Farmers' Rice Co-Op	17,094	1	17,094	-	-	-
Lenahan Lee Slater & Pierce LLP	15,637	1	15,637	-	-	-
Superior Farms	15,486	1	15,486	-	-	-
Bradford & Barthel LLP	12,442	1	12,442	-	-	-
California Farm Bureau Federation	10,070	1	10,070	-	-	-
Fat Family of Restaurants	6,000	1	6,000	-	-	-

No known top buyers in the past 12 months

No known top sellers in the past 12 months

No known top brokers in the past 12 months

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	-	-	-	-	-	-	\$236.27	141	7.5%
2026	-	-	-	-	-	-	\$232.13	138	7.5%
2025	-	-	-	-	-	-	\$228.81	136	7.5%
2024	-	-	-	-	-	-	\$225.47	134	7.5%
2023	-	-	-	-	-	-	\$222.81	133	7.5%
YTD	-	-	-	-	-	-	\$223.68	133	7.4%
2022	4	\$58M	8.5%	\$14,500,000	\$179.78	-	\$223.24	133	7.4%
2021	1	\$11M	1.4%	\$10,998,500	\$207.44	-	\$219.10	130	7.4%
2020	1	\$11.6M	1.4%	\$11,575,000	\$218.32	7.0%	\$211.59	126	7.4%
2019	3	\$38.1M	5.3%	\$12,704,500	\$192.47	-	\$204.97	122	7.5%
2018	8	\$32.2M	13.4%	\$10,733,333	\$178.04	-	\$199.84	119	7.4%
2017	13	\$181.4M	31.3%	\$13,952,689	\$158.79	8.6%	\$198.55	118	7.1%
2016	7	\$50.3M	8.8%	\$7,192,347	\$155.90	7.0%	\$197.84	118	7.0%
2015	1	\$2M	0.4%	\$2,017,500	\$130.28	-	\$192.30	114	7.0%
2014	2	\$26.3M	4.9%	\$13,150,000	\$146.49	-	\$176.96	105	7.1%
2013	2	\$4.2M	1.6%	\$2,122,745	\$74.11	-	\$174.36	104	7.2%
2012	1	\$1.5M	0.4%	\$1,507,420	\$113	-	\$167.42	100	7.3%

(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	-	-	-	-	-	-	\$252.21	141	7.4%
2026	-	-	-	-	-	-	\$247.69	138	7.4%
2025	-	-	-	-	-	-	\$244.10	136	7.4%
2024	-	-	-	-	-	-	\$240.49	134	7.4%
2023	-	-	-	-	-	-	\$237.62	132	7.4%
YTD	-	-	-	-	-	-	\$238.62	133	7.3%
2022	4	\$58M	13.1%	\$14,500,000	\$179.78	-	\$238.15	133	7.3%
2021	-	-	-	-	-	-	\$233.74	130	7.3%
2020	-	-	-	-	-	-	\$224.25	125	7.3%
2019	-	-	-	-	-	-	\$216.68	121	7.4%
2018	8	\$32.2M	20.6%	\$10,733,333	\$178.04	-	\$212.34	118	7.3%
2017	11	\$166.9M	44.2%	\$15,169,027	\$158.89	-	\$211.75	118	6.9%
2016	4	\$35M	9.7%	\$8,750,000	\$152	7.0%	\$212.02	118	6.8%
2015	-	-	-	-	-	-	\$207.18	115	6.8%
2014	-	-	-	-	-	-	\$189.75	106	6.9%
2013	-	-	-	-	-	-	\$187.50	104	6.9%
2012	-	-	-	-	-	-	\$180.20	100	7.1%

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Sale Trends

South Natomas Office

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	-	-	-	-	-	-	\$209.59	140	7.8%
2026	-	-	-	-	-	-	\$206.03	138	7.8%
2025	-	-	-	-	-	-	\$203.14	136	7.8%
2024	-	-	-	-	-	-	\$200.21	134	7.8%
2023	-	-	-	-	-	-	\$197.92	132	7.8%
YTD	-	-	-	-	-	-	\$198.50	133	7.8%
2022	-	-	-	-	-	-	\$198.12	132	7.8%
2021	1	\$11M	4.4%	\$10,998,500	\$207.44	-	\$194.54	130	7.7%
2020	1	\$11.6M	4.4%	\$11,575,000	\$218.32	7.0%	\$190.29	127	7.7%
2019	3	\$38.1M	16.5%	\$12,704,500	\$192.47	-	\$185.99	124	7.8%
2018	-	-	-	-	-	-	\$180.41	121	7.7%
2017	2	\$14.5M	8.1%	\$7,262,834	\$157.67	8.6%	\$177.61	119	7.5%
2016	3	\$15.3M	8.1%	\$5,115,475	\$165.57	-	\$175.62	117	7.4%
2015	1	\$2M	1.4%	\$2,017,500	\$130.28	-	\$169.15	113	7.4%
2014	2	\$26.3M	15.7%	\$13,150,000	\$146.49	-	\$157.58	105	7.5%
2013	1	\$2.1M	1.5%	\$2,070,490	\$121.12	-	\$155.17	104	7.5%
2012	1	\$1.5M	1.2%	\$1,507,420	\$113	-	\$148.72	99	7.7%

(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	-	-	-	-	-	-	\$184.52	147	7.1%
2026	-	-	-	-	-	-	\$181.84	145	7.1%
2025	-	-	-	-	-	-	\$179.69	143	7.1%
2024	-	-	-	-	-	-	\$177.41	142	7.1%
2023	-	-	-	-	-	-	\$175.52	140	7.1%
YTD	-	-	-	-	-	-	\$176.31	141	7.1%
2022	-	-	-	-	-	-	\$176.03	141	7.1%
2021	-	-	-	-	-	-	\$171.90	137	7.0%
2020	-	-	-	-	-	-	\$171.22	137	7.0%
2019	-	-	-	-	-	-	\$161.48	129	7.1%
2018	-	-	-	-	-	-	\$146.03	117	7.3%
2017	-	-	-	-	-	-	\$145.62	116	7.0%
2016	-	-	-	-	-	-	\$138.29	110	7.1%
2015	-	-	-	-	-	-	\$128.59	103	7.2%
2014	-	-	-	-	-	-	\$117.63	94	7.5%
2013	1	\$2.2M	29.3%	\$2,175,000	\$54.11	-	\$107.13	86	8.0%
2012	-	-	-	-	-	-	\$102.28	82	8.3%

(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.