

LONGPORT PROFESSIONAL CENTER

UNIQUE INVESTMENT OPPORTUNITY



PREPARED BY

THOMAS WALCOTT
Senior Vice President

Lic. No. 01121178

+1 916 563 3002

thomas.walcott@colliers.com

SCOTT BENNETT
Senior Vice President

Lic. No. 01351389

+1 916 563 3013

scott.bennett@colliers.com

KRIS REILLY
Senior Vice President

Lic. No. 01226908

+1 916 563 3016

kris.reilly@colliers.com



THE OFFERING

OFFERING SUMMARY

Longport Professional Center is a 5-building Office project in the desirable Elk Grove market. The project offering totals 44,375 square feet of which 20,622 square feet is currently leased. Of the remaining space, 9,030 square feet is already built out and available for immediate occupancy—and 14,723 square feet is in shell condition.

With the current rental income (and with an existing condo map already in place), the project offers a buyer stable income from existing leases plus upside from future leasing of vacant suites or sales of individual condos. Comparable sales for office condos in Elk Grove typically sell above \$225 per square foot offering a buyer significant value add opportunity.

Longport Professional Center is only 10 years old and offers a variety of potential uses including medical, office and quasi-retail with its flexible General Commercial (GC) zoning in place.



OFFERING HIGHLIGHTS

› In-Place Income with lots of upside

The current income generated from the project offers a stable return while the vacant suites provide upside in the investor's return with additional future leasing or sales of the suites.

› Priced well below Replacement Cost

Longport Professional Center offers buildings that are well constructed, finished suites in brand new condition and an ownership basis that is well below replacement cost.

› Condo Map in place

New owner has the ability to sell individual office condominiums to individual owner users at a substantially higher price per sf and further reduce owner's basis in the property. Office condos in the Elk Grove market typically trade in the range of \$225 - \$250 per square foot.

› Location

Elk Grove is an affluent community and is one of the fastest growing cities in the region over the past 15 years. Longport Professional Center offers access to the multitude of amenities the city has to offer including retail shopping, restaurants, business services, parks and bike trails.

› Exceptional Freeway Access

Longport Professional Center offers easy freeway access to Interstate 5 and close proximity to Elk Grove's two primary business corridors—Laguna Boulevard and Elk Grove Boulevard.



LONGPORT PROPERTY DETAILS

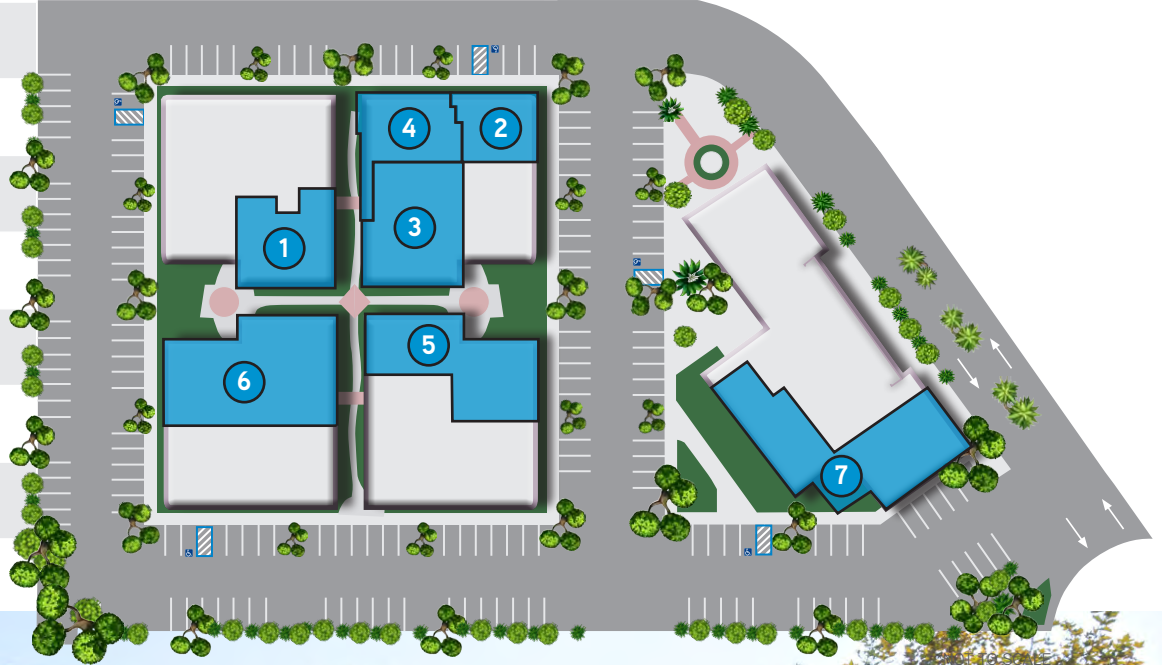
Offering Price:	\$6,700,000 (\$150 per sf)
Property Name:	Longport Professional Center
Property Type:	Multi-building professional office park
Address:	2228, 2230, 2232, 2234, 2236 Longport Court
Offering SF:	44,375 SF
Available Space:	Fully-improved and shell condition office space
Condo Map:	The Project has a condo map in place
Year Built:	2007
Construction Type:	Wood frame



SITE PLAN

Available Suites

1	2228 Longport Court	Suite 110 (Spec suite)	±2,267 SF
2	2230 Longport Court	Suite 110 (Spec suite)	±2,260 SF
3	2230 Longport Court	Suite 130 (Spec suite)	±2,859 SF
4	2230 Longport Court	Suite 140 (Spec suite)	±1,644 SF
5	2232 Longport Court	Suite 130 (Shell)	±4,609 SF
6	2234 Longport Court	Suite 110 (Shell)	±4,897 SF
7	2236 Longport Court	Suite 150 (Shell)	±5,217 SF



FINANCIAL ANALYSIS

Upside Profit Potential for Buyer

There is a significant amount of entrepreneurial profit for a Buyer in the form of future leasing or sales of individual office condominiums within the project.

Scenario 1: Future Lease Up

Existing Gross Operating Income (20,622 SF):	\$439,881
Additional GOI: 9,030 SF improved space @ \$1.85 MG	\$200,466
14,723 SF shell space @ \$1.85 MG	\$326,851
Potential GOI:	\$967,198
Vacancy (5%):	(\$48,360)
Effective GOI:	\$918,838
Less 2018 Opex Budget	(\$246,010)
Net Operating Income	\$672,827
Building Value @ 7.5% Cap Rate	\$8,971,032
Less Stabilization Costs:	
Tenant Improvements (9,030 SF built space @ \$10/SF)	(\$90,300)
Tenant Improvements (14,723 SF shell space @ \$50/SF)	(\$736,150)
Leasing Commissions (5% @ 5 year lease terms)	(\$125,000)
Carry Costs (@6% for estimated lease up time)	(\$180,525)
Total Stabilization Costs	(\$1,131,975)
Profit Potential for Scenario 1: Future Lease up	\$1,139,057



Scenario 2: Investment Sales/Sales of Individual Office Condos

Existing Gross Operating Income (20,622 SF)	\$439,881
Vacancy (5%)	(\$21,994)
Less Prorata 2018 Opex Budget	(\$114,210)
NOI (occupied space)	\$303,677
7.5% Cap Rate on Occupied Space	\$4,049,026 (\$196 PSF)
Add Owner User Sales Upside	
14,723 SF Shell Space @ \$160/SF	\$2,355,680
9,030 SF Improved Space @ \$225/SF	\$2,031,750
Total Value	\$8,436,456
Profit Potential for Scenario 2: User Sales	\$1,736,456

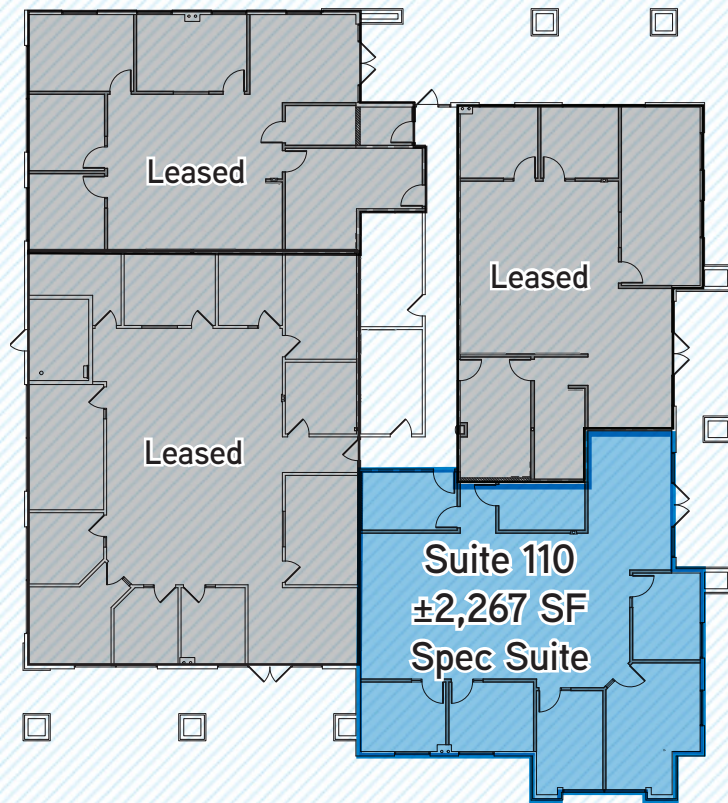
2018 Pro-Forma Expense Budget

Repairs & Maintenance	\$91,909
Management Fees	\$16,796
Utilities	\$33,068
Insurance	\$3,651
Property Taxes	\$100,586
Total Operating Expenses	\$246,010

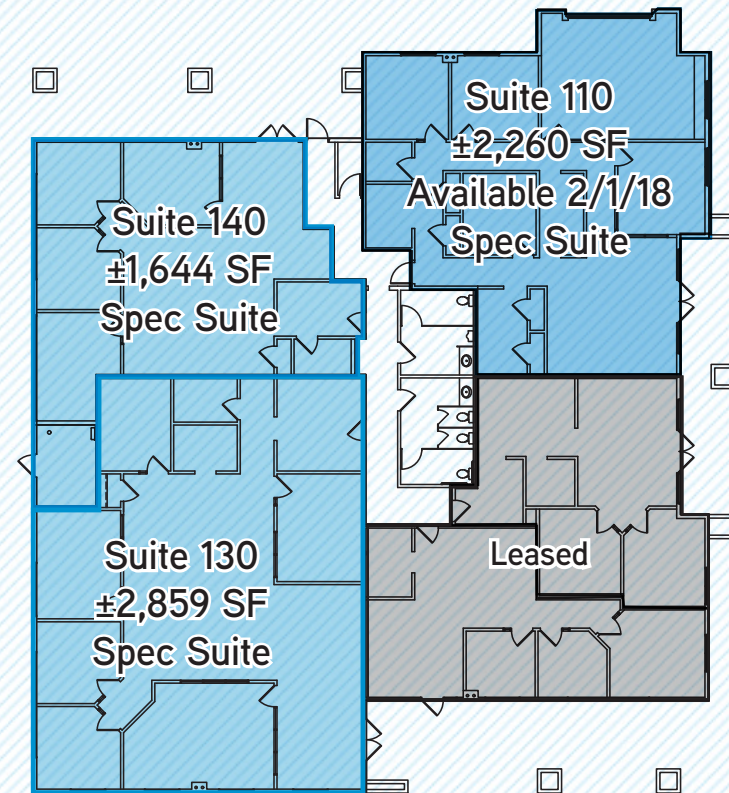


FLOOR PLANS

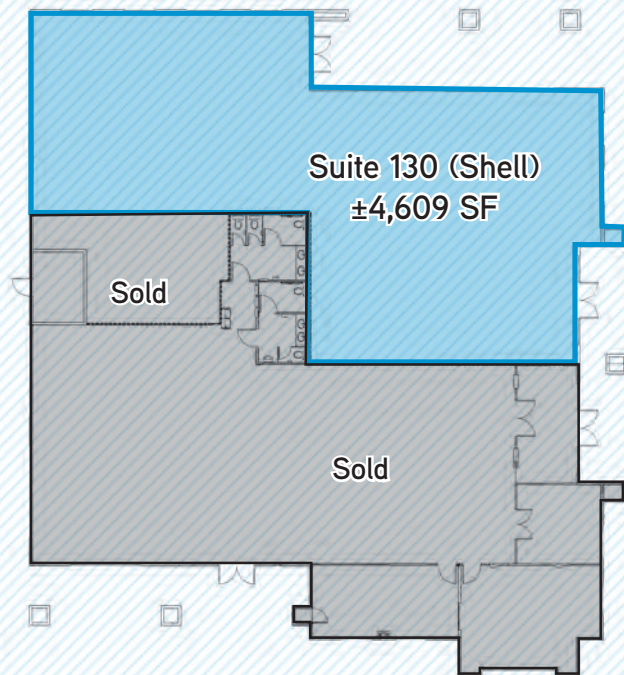
2228 Longport Court



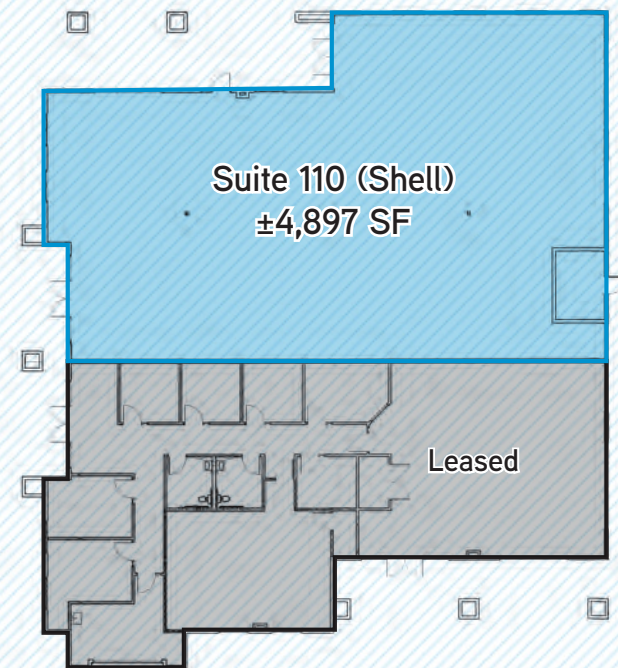
2230 Longport Court



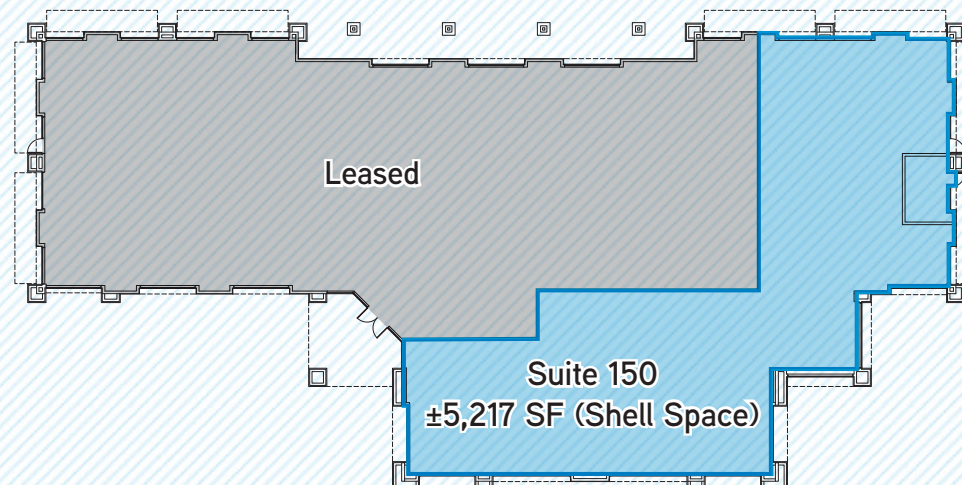
2232 Longport Court



2234 Longport Court



2236 Longport Court



LONGPORT Elk Grove Market

Elk Grove is one of the region's fastest growing cities. Incorporating in 2000, the population has rapidly expanded from 81,000 residents to over 170,000 residents today.

Elk Grove is an affluent community and enjoys excellent demographics with annual household income over \$100,000.

Rental rates in Elk Grove are some of the highest in the region- while the vacancy rate is one of the lowest in the region. These factors provide the buyer of Longport Professional Center with an asset that boasts an excellent location and sound real estate fundamentals.

Residents
2017
 170,000

Annual HH Income
2017
 \$100K



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SITE

±31,824 ADT LAGUNA BLVD

HARBOR POINT DR

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THOMAS WALCOTT
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COLLIERS INTERNATIONAL
301 University Avenue, Ste 100
Sacramento, CA 95825
+1 916 929 5999
www.colliers.com/sacramento