

40 Units | SACRAMENTO CA | 1730 Jerron Place

Investment
Opportunity

JERRON PLACE APTS



SALE PRICE \$3,200,000
CAP RATE 6.72%

Highlights:

- All 2 bedroom units
- Large 940 SF units
- Washer / dryer in all units
- Located on two separate parcels
- 10 year ownership
- Below market rents
- Gated community
- Value add potential
- 100% occupied

Exclusive Agents:

GARY GALLELLI, E.V.P.

Director Investment Sales
DRE LIC 01099383
gary.gallelli@colliers.com

ROD BALLINGER

Senior Sales Associate
DRE LIC 01279441
rodney.ballinger@colliers.com

COLLIERS INTERNATIONAL
1400 Rocky Ridge Drive, Suite 150
Roseville, CA 95661
T (916) 784 7550 | F (916) 784 2098
www.colliersroseville.com

Gallelli
INVESTMENT TEAM



INVESTMENT HIGHLIGHTS

Favorable Unit Mix Jerron Place features 40, 2 bedroom units that are 940 square feet. These units are very desirable and easy to rent. Tenants that are looking to share a unit with a roommate find these units very ideal and affordable. There has been an influx of demand for 2 bedroom units as tenants living alone have found roommates and moved into 2 bedroom units to cut the cost of living in these challenging economic times.

Location Jerron Place is located just off the Alta Arden Expressway near major retailers and employers. Jerron Place is less than ¼ mile from Target and 1 mile from Arden Fair Mall, one of the major shopping destinations in Sacramento, which includes such retailers as Nordstrom, Macy's, and Cheesecake Factory. Jerron Place is also less than ½ mile from one of Sacramento's largest employers Kaiser Permanente and regional park, Howe Park. Other nearby points of interest include CSU Sacramento, which is 3.5 miles away. The centralized location of Jerron Place is extremely appealing to residents and future renters. The Arden submarket is also the 3rd largest office submarket in the Sacramento region

Value Add Opportunity/Exit Strategy Jerron Place was built in 1985. The units are in good condition and the current owners spent a substantial amount of investment dollars repairing the exterior portions of the property. Many of the decks have been rebuilt and other minor rehabs have occurred. The potential to renovate interiors will allow for increased income. Secondly, the property is located in the Sacramento County where converting to condos has been less tedious. Even though the housing market is not conducive to condo conversions right now, the opportunity to convert years later may be appealing because of the unit mix, amenities and size of Jerron Place.

Below Market Rents / Washer Dryers In All Units Jerron Place has rents that are roughly 5% below market average, compared to competing properties in the area with similar amenities. Jerron Place has many of the amenities that are typically found at larger complexes and has some of the largest 2 bedroom units offered in the area. Jerron Place has washer/

dryers in all the units and when factoring this into the fact that most competing properties do not have washer/dryers in the units, rents are approximately 10% below market. Most smaller complexes do not have the amenities of Jerron Place and therefore Jerron Place is not capitalizing on the fact that most renters will pay extra for these amenities, especially the washer/dryer.

Rent Growth Sacramento has not seen significant rent growth in nearly a decade. It would not be unreasonable to see double digit rent growth in 2012 or 2013 when the economy is expected to stabilize. In its most recent quarterly survey Pacific Staffing reported that 60% of employers in the Sacramento region plans to hire in the 2nd Quarter of 2010.

PROPERTY PROFILE

SUGGESTED PRICE.....	\$3,200,000
UNITS.....	40
PRICE / UNIT.....	\$80,000
PSF.....	\$85.11
LAND AREA (ACRES).....	2.09
YEAR BUILT.....	1985
GATED COMMUNITY.....	Yes

UNIT MIX AND AVERAGE ASKING RENTS AS OF 04/2010

Type	Units	Sq Ft	Area	Monthly Rent	Rent/SqFt	Sched Income
2Bed/1Bath	1	940	940	\$795.00	\$0.85	\$796
2Bed/2Bath	39	940	36,660	\$825.00	\$0.88	\$32,175
Total/Average	40	940	37,600	\$824.28	\$0.88	\$32,971



This document has been prepared by Colliers International for advertising and general information only. Colliers International does not guarantee, warrant or represent that the information contained in this document is correct. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from.