



SACRAMENTO STATE REDEVELOPMENT OPPORTUNITY

**SHOVEL-READY 1.27-ACRE SITE
WITHIN A HALF-MILE OF
CAMPUS AT UNDERSUPPLIED,
URBAN UNIVERSITY WITH
OVER 31,000 STUDENTS**



SACRAMENTO STATE



10-MINUTE WALK TO CAMPUS

FOLSOM BLVD

6779 Q STREET

69TH STREET

20-MINUTE TRAIN RIDE
TO DOWNTOWN

SACRAMENTO REGIONAL
TRANSIT STOP



EXECUTIVE SUMMARY

JLL Capital Markets (“JLL”) is excited to present an exclusive residential re-development (“Subject Site”) at the doorstep of California State University, Sacramento (“Sac State”). Following approval of designs in 2018, the parcel has been approved for a 6-story, 125-unit residential development with ground-floor retail. A decade-long enrollment boom, bolstered by outsized Greater Sacramento population growth, has created an unmet demand for top-end residential product, as evidenced by market occupancy averaging 97% with nearly 8% average annual rent growth since 2014.

OFFERING SUMMARY

ADDRESS	6779 Q Street
CITY, STATE	Sacramento, CA
COUNTY	Sacramento
PARCEL	015-0010-043-0000
GROSS ACREAGE	1.27 Acres
CURRENT ZONING	Residential Mixed-Use, Transit Overlay (RMX - TO)
ASSOCIATED UNIVERSITY	California State University, Sacramento
DISTANCE TO CAMPUS	0.5 Miles



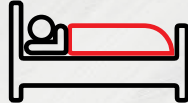
INVESTMENT HIGHLIGHTS

High-Density Project Approval with Near-Optimal Market Fundamentals



SHOVEL-READY SITE WITH HIGH-DENSITY PROPOSAL ALREADY APPROVED

September 2018 marked approval for development of this site in a 6-story, 125-unit residential community with ground-floor retail totaling 1,500 square feet. Development-friendly variances in that approval underscores Sacramento's desire for high-density development within a quarter-mile of transit.



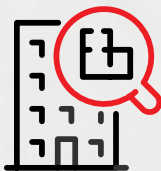
DECADE OF PERFORMANCE UNDERSCORES SAC STATE SUPPLY & DEMAND IMBALANCE

While over 4,000 students have been added to university enrollment since 2010, there exist fewer than 4,000 off-campus, purpose-built beds today. With on-campus beds totaling just over 1,000 for the upcoming academic year, unsatiated demand has led to continual years of robust market performance.



BECOMING A TRADITIONAL, "LIVE-AT" UNIVERSITY

Evidenced already by skyrocketing enrollment, the university's \$164-million investment in on-campus housing for Fall 2021 reinforces the desire for Sac State students to live nearby campus. Though once thought to be a commuter school, 1 in 20 adults in the Sacramento region being a Sac State graduate speaks to how the university has become a cornerstone of the Greater Sacramento area.



EXPANDING SACRAMENTO MULTI-FAMILY MARKET

High-barriers-to-entry in Downtown Sacramento has led to a proliferation of Class A, residential development away from city center, which has been quickly absorbed. Development of East Sacramento, towards Sac State's campus, will continue to encourage conventional renters to look to these burgeoning neighborhoods for housing, adding to an already underserved student-renter pool.

SACRAMENTO REGIONAL
TRANSIT GOLD LINE

TRADER JOE'S



Baskin *31* Robbins



ACADEMY 65



SACRAMENTO
STATE

UPPER EASTSIDE LOFTS



65TH & UNIVERSITY STOP
(20 MINUTES TO DOWNTOWN)

SUBJECT SITE



THE ELEMENT

THE CROSSINGS

LARK SACRAMENTO

PROPERTY NEARER TO CAMPUS THAN 90% OF MARKET BEDS

With U.S. Highway 50 separating 3 properties from campus, and Upper Eastside Lofts being west of the Property, only 279 off-campus beds will have greater campus access.

UNIVERSITY OVERVIEW



Booming Enrollment Has Outpaced Supply for over a Decade

As 1 in 20 of the Sacramento region adults are Sac State graduates, the previous two decades' population growth has been reflected in the enrollment of the region's favorite university, growing 15% since 2010, resetting the high-watermark for enrollment annually. Despite this demand boom, both on- and off-campus housing supply has failed to materialize, with purpose-built beds accounting for less than 15% of total enrollment. With off-campus occupancy averaging 97% since 2014, and year-over-year rent growth averaging nearly 8% in that time, the Sac State market is primed for new development proximate to campus.



Enrollment Exceeding
30,000 Students



21 Varsity Teams
Competing in Division I Athletics as
Members of the Big Sky Conference



4th Most Diverse
University in the Western
United States

SAC STATE SUPPLY & DEMAND

Outsized Rent Growth and High Occupancy Define Rental Market



OFF-CAMPUS OCCUPANCY EXPECTED TO AVERAGE 96% ANNUALLY FROM FALL 2020-2023



RENT GROWTH OF 4.0% ANNUALLY YEAR-OVER-YEAR EXPECTED FROM FALL 2020-2023



FALL 2019 WELCOMED LARGEST-EVER FRESHMAN CLASS

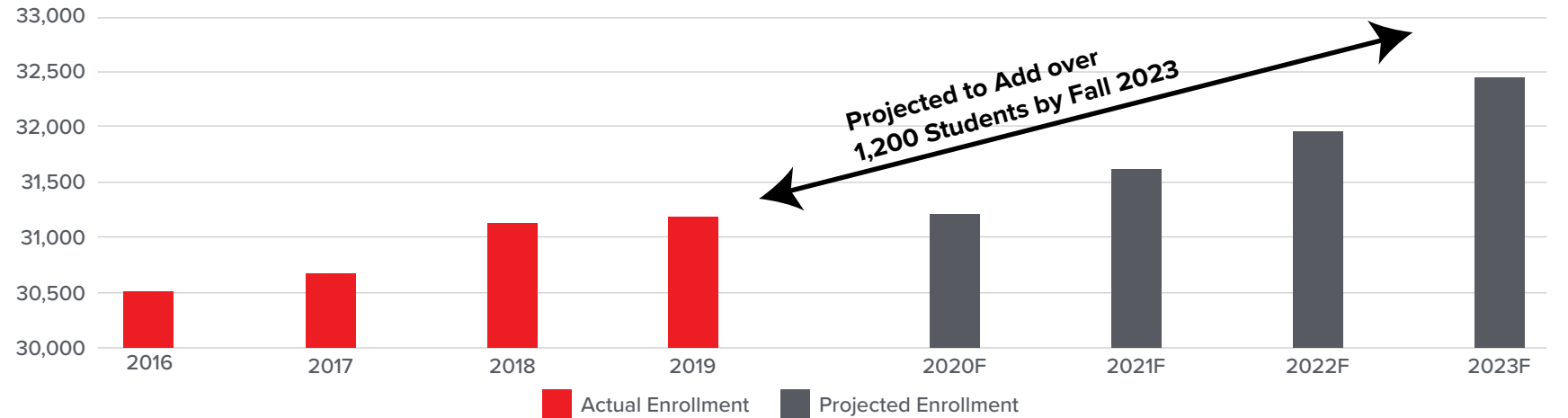


SAC STATE RECEIVED A RECORD-HIGH 44,733 APPLICATIONS FOR FALL 2019



TRANSFERS TO SAC STATE INCREASED 10% YEAR-OVER-YEAR IN FALL 2019

SACRAMENTO STATE ENROLLMENT HISTORY & PROJECTION



ON-CAMPUS HOUSING SUPPLY

ON-CAMPUS LIVING REQUIREMENT	None
ON-CAMPUS OCCUPANCY	99%
PURPOSE-BUILT ON-CAMPUS BEDS	1,036
ON-CAMPUS CAPACITY AS % OF ENROLLMENT	3%

OFF-CAMPUS HOUSING SUPPLY

2019-2020 ACADEMIC YEAR OCCUPANCY	97%
AVERAGE OCCUPANCY SINCE 2014	97%
2019-2020 ACADEMIC YEAR RENT GROWTH YEAR-OVER-YEAR	5.0%
AVERAGE YEAR-OVER-YEAR RENT GROWTH SINCE 2014	7.8%
TOTAL PURPOSE-BUILT BEDS	3,398
PURPOSE-BUILT CAPACITY AS % OF ENROLLMENT	11%

OFF-CAMPUS HISTORICAL & PROJECTED MARKET PERFORMANCE

YEAR	2014	2015	2016	2017	2018	2019	2020F	2021F
NUMBER OF OFF-CAMPUS BEDS	1,608	1,608	2,348	2,348	2,348	3,398	3,398	3,398
AVERAGE OCCUPANCY	97%	97%	97%	97%	96%	97%	97%	97%
YEAR-OVER-YEAR RENT GROWTH	6.9%	9.3%	10.5%	8.5%	3.9%	5.0%	4.2%	3.7%

SACRAMENTO MULTI-FAMILY MARKET OVERVIEW

Mismatched Supply & Demand Leads to Outstanding Performance for Class A Residential Product

As the capitol of the country's largest state with Silicon Valley only 90 minutes away, Sacramento's economy has been bolstered by education-demanding industries expanding in the region. Over 25% of non-farm jobs in Sacramento County are in the government sector, with the largest employers being in education, healthcare, technology, and financial services. Significant barriers to entry in Downtown Sacramento have resulted in rapid absorption of Class A, conventional product and expemprary fundamental performance as an influx of young, high-earning residents continue to pour into the area.






96.70%
**Sacramento
 Conventional
 Occupancy Rate
 2019**

21.60%
**Sacramento
 Population Growth
 since 2000**

37.30%
**Sacramento Median
 Income over Nationl
 Average**

6.30%
**Sacramento
 Projected Population
 Growth through
 2023**

SACRAMENTO COUNTY LARGEST PRIVATE EMPLOYERS

 UC DAVIS HEALTH	7,900+
 KAISER PERMANENTE	7,140+
 at&t	6,900+
 Sutter Health	6,800+
 intel	4,760+
WELLS FARGO	2,530+



 **SACRAMENTO STATE**


University River Village



Academy 65


Upper East Side Lofts


Q Street Commons


The Crossings


The Element


Lark Sacramento

Q STREET COMMON

Rent Comps

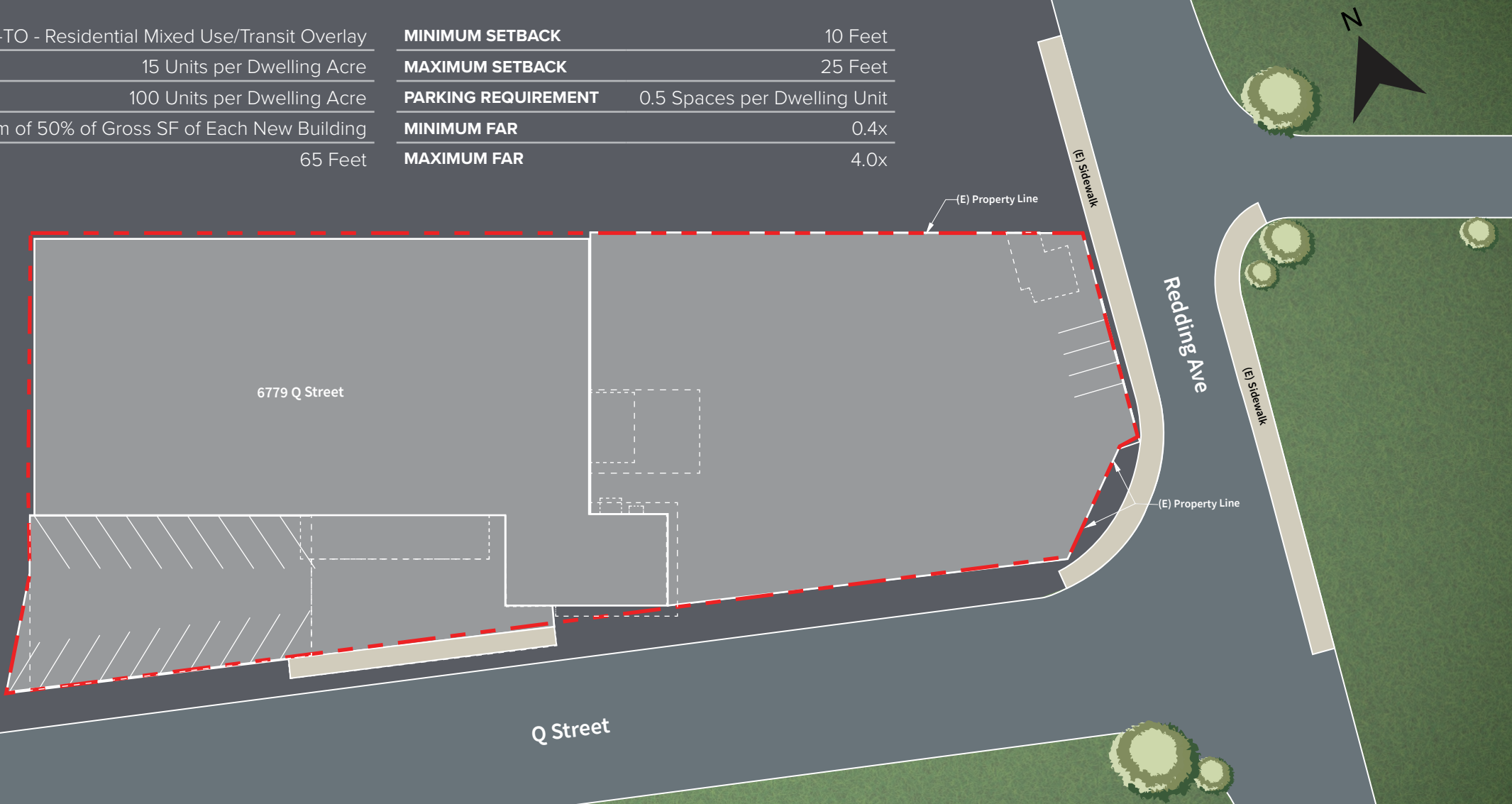
	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5
	LARK SACRAMENTO	THE CROSSINGS	ACADEMY65	THE ELEMENT	UPPER EASTSIDE LOFTS
ADDRESS	3075 Redding Ave	2920 Ramona Ave	1325 65th St	6730 4th Ave	6400 Folsom Blvd
CITY, STATE	Sacramento, CA 95817	Sacramento, CA 95817	Sacramento, CA 95819	Sacramento, CA 95817	Sacramento, CA 95819
UNIT COUNT	213 Units	225 Units	90 Units	288 Units	134 Units
BED COUNT	752 Beds	780 Beds	279 Beds	792 Beds	402 Beds
YEAR BUILT	2016	2018	2019	2004	2006
OWNER	The Scion Group	Property Income Advisors	GMH Capital Partners	NB Private Capital	Greystar
MANAGER	The Scion Group	Student Quarters	GMH Capital Partners	Redstone Residential	Greystar
STUDIO					
PARITY:		1 Bath	1 Bath		
RENT RANGE(PER BED)		\$1,560	\$1,420		
SF RANGE		487	406		
AVG. RENT PSF		\$3.20	\$3.50		
1 BEDROOM					
PARITY:			1 Bath	1 Bath	1 Bath (Double-Occupancy)
RENT RANGE(PER BED)			\$1,605	\$1,249	\$1,369
SF RANGE			463	478	748
AVG. RENT PSF			\$3.47	\$2.61	\$3.66
2 BEDROOM (SINGLE-OCCUPANCY)					
PARITY:	2 Bath	2 Bath	2 Bath	2 Bath	2 Bath
RENT RANGE(PER BED)	\$1,059	\$1,064	\$1,095	\$864	\$1,019
SF RANGE	958	898	748	768	874
AVG. RENT PSF	\$2.21	\$2.37	\$2.93	\$2.25	\$2.33
2 BEDROOM (DOUBLE-OCCUPANCY)					
PARITY:	2 Bath		2 Bath		2 Bath
RENT RANGE(PER BED)	\$792		\$705		\$729
SF RANGE	957		748		872
AVG. RENT PSF	\$3.31		\$3.77		\$3.34
3 BEDROOM					
PARITY:	3 Bath	3 Bath		3 Bath	3 Bath (Double-Occupancy)
RENT RANGE(PER BED)	\$899	\$920		\$751	\$709
SF RANGE	1,215	1,212		987	1,998
AVG. RENT PSF	\$2.22	\$2.28		\$2.28	\$2.13
4 BEDROOM (SINGLE-OCCUPANCY)					
PARITY:	4 Bath	4 Bath		4 Bath	
RENT RANGE(PER BED)	\$949	\$820		\$732	
SF RANGE	1,718	1,471		1,286	
AVG. RENT PSF	\$2.21	\$2.23		\$2.28	
4 BEDROOM (DOUBLE-OCCUPANCY)					
PARITY:			2 Bath		
RENT RANGE(PER BED)			\$900		
SF RANGE			1,215		
AVG. RENT PSF			\$5.93		

ZONING & DENSITY OVERVIEW

Immediate Access to Lightrail Allows for Additional Density

Across the street from the Property is the University & 65th stop for the Gold Line light rail connecting the Sac State area to UC-Davis & Downtown Sacramento. Sacramento County's recently amended zoning has doubled maximum density to 100 dwelling units per acre within boundaries designated as the Transit Overlay Zone. Additionally, the parcel has already been approved for a 6-story, mixed-use residential complex with ground-floor retail containing 125 residential units. This approval allows for deviations to height, front street-side setbacks, and open space, highlighting the county's flexibility in building parameters to facilitate high-density development.

ZONING	RMX-TO - Residential Mixed Use/Transit Overlay	MINIMUM SETBACK	10 Feet
MINIMUM DENSITY	15 Units per Dwelling Acre	MAXIMUM SETBACK	25 Feet
MAXIMUM DENSITY	100 Units per Dwelling Acre	PARKING REQUIREMENT	0.5 Spaces per Dwelling Unit
NONRESIDENTIAL USE	Maximum of 50% of Gross SF of Each New Building	MINIMUM FAR	0.4x
MAXIMUM HEIGHT	65 Feet	MAXIMUM FAR	4.0x





SACRAMENTO REGIONAL
TRANSIT GOLD LINE

SUBJECT SITE

50



CONTACTS:

BERCUT SMITH
Director
CA Lic. #01991580
818.939.5360
bercut.smith@am.jll.com

NOLAN MOORE
Director
CA Lic. #02078878
805.215.4593
nolan.moore@am.jll.com

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$18.0 billion, operations in over 80 countries and a global workforce of nearly 93,000 as of June 30, 2020. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.