

# 6221 WEST LANE STOCKTON, CA



## INVESTMENT SUMMARY



Jones Lang LaSalle Americas, Inc., California Real Estate License #01223413

**INVESTMENT OPPORTUNITY | 15 YEAR NNN LEASE WITH SAN JOAQUIN COUNTY | INVESTMENT GRADE TENANCY | STOCKTON, CA**

# THE OFFERING

Jones Lang LaSalle Americas, Inc. ("JLL"), is pleased to offer for sale 6221 West Lane in Stockton, CA. The 52,000 SF office asset ("Property" or "Asset") is 100% net leased to the County of San Joaquin (S&P: AA), who accounts for  $\pm 90\%$  of the base rent, and Delta RE, LLC, a premier operator of Kings Card Club. Commencing September 1, 2021, the County of San Joaquin has executed a brand new 15-year lease with  $\pm \$5M$  of tenant improvements currently underway. With immediate proximity to Interstate 5 and State Route 99, the Property is easily accessible with a highly desirable central location.

The offering not only offers investors growing, investment grade cash flow, but also boasts a strategic location within California's Central Valley Region, one of the fastest growing real estate markets on the West Coast.

## PROPERTY SUMMARY

ADDRESS	6221 West Ln, Stockton, CA 95210
YEAR BUILT / RENOVATED	1994 / 2000 / 2021
RENTABLE SQUARE FEET	52,000 SF
PARKING SPACES	350 spaces (6.7 / 1000 SF)
% LEASED	100%
TENANTS	County of San Joaquin (S&P: AA) / Delta RE, LLC
WALT	$\pm 14$ years
YEAR 1 NOI <sup>1</sup>	\$994,601

<sup>1</sup>As of 11/1/2021



6221 WEST LANE  
STOCKTON, CA

**EAST SWAIN ROAD**

# INVESTMENT HIGHLIGHTS



**PRIMARILY LEASED TO AA  
INVESTMENT GRADE TENANCY**



**COMMITTED LONG-TERM TENANCY**



**SIGNIFICANT CAPITAL  
INVESTMENT**



**PREMIER, CENTRAL VALLEY  
LOCATION**



**STRONG LOCAL REAL ESTATE  
FUNDAMENTALS**



**NET LEASE STRUCTURE**

## PRIMARILY LEASED TO AA INVESTMENT GRADE TENANCY

±90% of the base rent is attributable to the County of San Joaquin, who carries a AA rating from Standard & Poors. The lease also features 1.5% annual escalations on average, offering investors growing, investment grade cash flow that hedges against inflation. The Property will serve as a WorkNet Facility for the Employment and Economic Development Department. It will cohause several economic development functions including the State of California Employment Development Department using the space as administrative offices, job training center, and meeting rooms.

## COMMITTED LONG TERM TENANCY

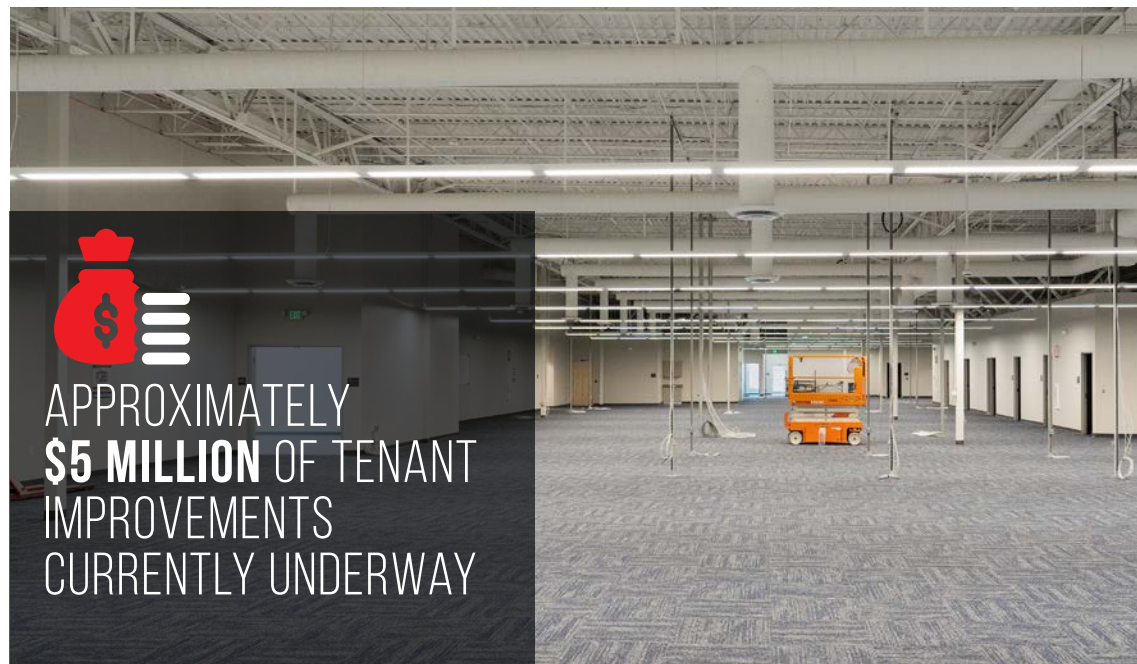
Both tenants have demonstrated a strong commitment to the site. The County of San Joaquin executed a fresh, long-term lease that will have 15 years remaining at close. Additionally, the Property is mission-critical to Delta RE's operations, who owns the Kings Cards Club property adjacent to top the Property. The Asset serves as administrative offices and training for the business.

## SIGNIFICANT CAPITAL INVESTMENT

The County of San Joaquin is utilizing all \$5 million (\$113 PSF) of the TI allowance provided in the lease, which is being amortized back into the base rent. The newly delivered space will feature a fully brand-new, upgraded buildout for the tenant. Between current ownership's investment and tenant improvements, the building will have approximately \$7 million (\$135 PSF) of investment year-to-date.



**±90%** OF BASE RENT IS  
ATTRIBUTABLE TO THE COUNTY  
OF SAN JOAQUIN WHO CARRIES A  
AA RATING FROM S&P



APPROXIMATELY  
**\$5 MILLION** OF TENANT  
IMPROVEMENTS  
CURRENTLY UNDERWAY



## PREMIER, CENTRAL VALLEY LOCATION

Central California is one of the fastest growing real estate markets on the West Coast, with costs often a fraction of surrounding major markets. With its proximity to the Bay Area and Sacramento, the region provides easy access to well-connected transportation infrastructure, making it a desirable location for businesses. As such, the market has experienced steadily increasing employment, facilitated by a “Valley to Valley” connection cultivating a resilient set of industries and human capital.

## STRONG LOCAL REAL ESTATE FUNDAMENTALS

Driven by limited supply and strong demand, the Stockton office remains tight with vacancies declining  $\pm 200$  bps over the last five years to the current rate of 5.9%. Over the same five year period, the market has seen compound annual rent growth of 4.3%. With continued demand and only 24,600 SF of product under construction, the market is poised to continue seeing strong rent growth. Additionally, the market provides stability with a strong anchor of government and healthcare focused tenants.

## NET LEASE STRUCTURE

The in-place leases feature a net lease pass-through structure. Tenant will be responsible for reimbursing the landlord for all expenses related to the building’s operation, except for replacement of the structure. This offers investors a relatively passive investment with limited responsibilities.

# 6221 WEST LANE STOCKTON, CA



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## INVESTMENT SALES ADVISORY

**ADAM LASOFF** Managing Director

+1 415 395 7283 // [adam.lasoff@am.jll.com](mailto:adam.lasoff@am.jll.com) // CA DRE# 01891096

Jones Lang LaSalle Brokerage, Inc. California Real Estate License #01856260

## JLL | LOCAL MARKET EXPERT

**JOHN FONDALE** Senior Vice President

+1 209 390 1694 // [john.fondale@am.jll.com](mailto:john.fondale@am.jll.com) // CA DRE# 01017415

**JAKE WAGNER** Director

+1 415 228 3068 // [jake.wagner@am.jll.com](mailto:jake.wagner@am.jll.com) // CA DRE# 01947316

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## JLL CAPITAL MARKETS | FINANCE

**TAYLOR GIMIAN** Associate

+1 415 276 6933 // [taylor.gimian@am.jll.com](mailto:taylor.gimian@am.jll.com) // CA DRE# 02020484



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