

Arden-Arcade retail building sold for \$5.4 million



The building in the Mueller Corner shopping center

MARCUS & MILLICHAP

On the prospect of guaranteed income for the next two years, a retail building in Arden-Arcade has sold for \$5.4 million.

A redeveloped retail building in Arden-Arcade has changed hands for \$5.4 million, but getting to that point wasn't easy, said the broker on the deal.

The 18,510-square-foot building at 2654 Marconi Ave. has five of eight suites occupied in the Mueller Corner shopping center, said **Ed Nelson**, vice president of investments with **Marcus & Millichap's** Sacramento office.

"Where I really felt I hit a home run was selling this on guaranteed rent," Nelson said. For the next two years, the owner will have guaranteed rental income from the seller as if the entire property was full. That makes the cap rate higher than it otherwise would be, given the vacancies and the relatively modest incomes in the surrounding neighborhood, he said.

Nelson said the building is part of a **redevelopment and upgrade** by previous owner Potter-Taylor & Co. for the entire center. A nearby CVS pharmacy building is also under contract to sell, while a refurbished McDonald's in Mueller Corner recently sold.

In addition to the guaranteed rent, Nelson said, he also sold the buyer on 54,000 cars passing through the intersection of Marconi and Fulton Avenue daily. And the property might benefit from retail tenants looking for an alternative to busier corridors — and higher rents — closer to downtown Sacramento, he said.

Current tenants include Domino's Pizza, Pacific Dental and Sacramento Auto Insurance.

An investor from Southern California who's recently picked up other Sacramento-area retail properties was the buyer, Nelson said.

Ben van der Meer covers real estate, development, construction, water issues and the business of sports.

http://www.bizjournals.com/sacramento/news/2016/10/21/arden-arcade-retail-building-sold-for-5-4-million.html?ana=e_mc_prem