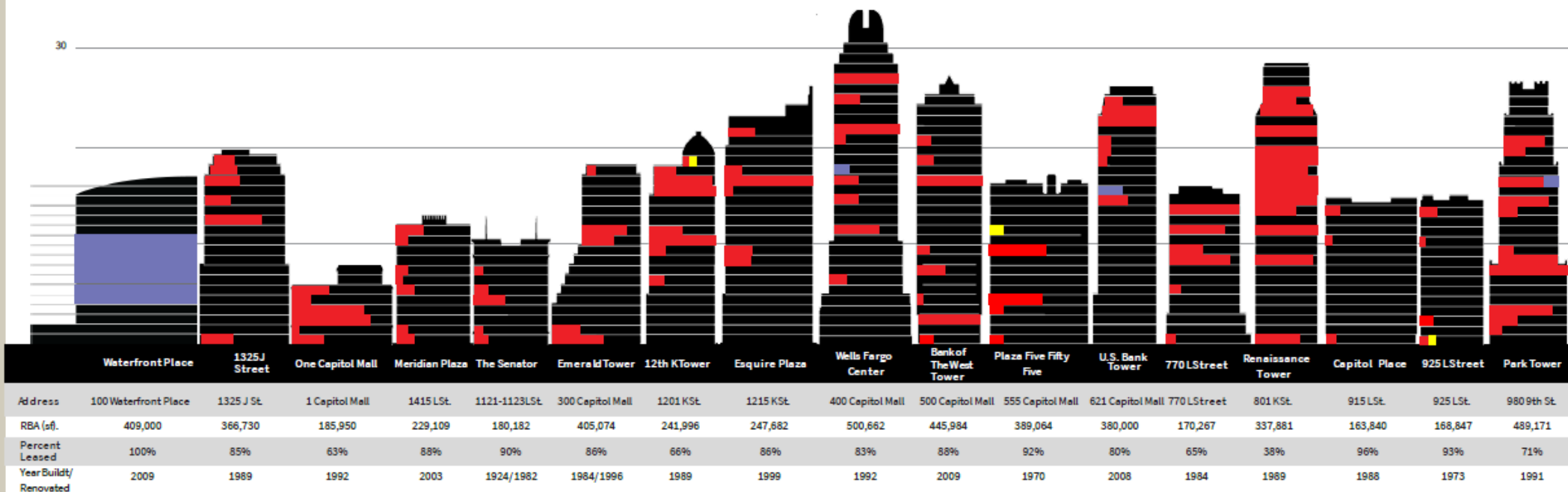


100 Waterfront Place

Leasing Strategy Update
January 2024

Waterfront Place Activity Dashboard

December 2023



Average Monthly Tenant Outreach

226

Tenant Discussions

44

Tours

15

Active Proposal Negotiations

2

Broker Event Completed

1

Q4 2023 Sacramento Office Stats

2023 Negative Absorption: - 697,709 SF

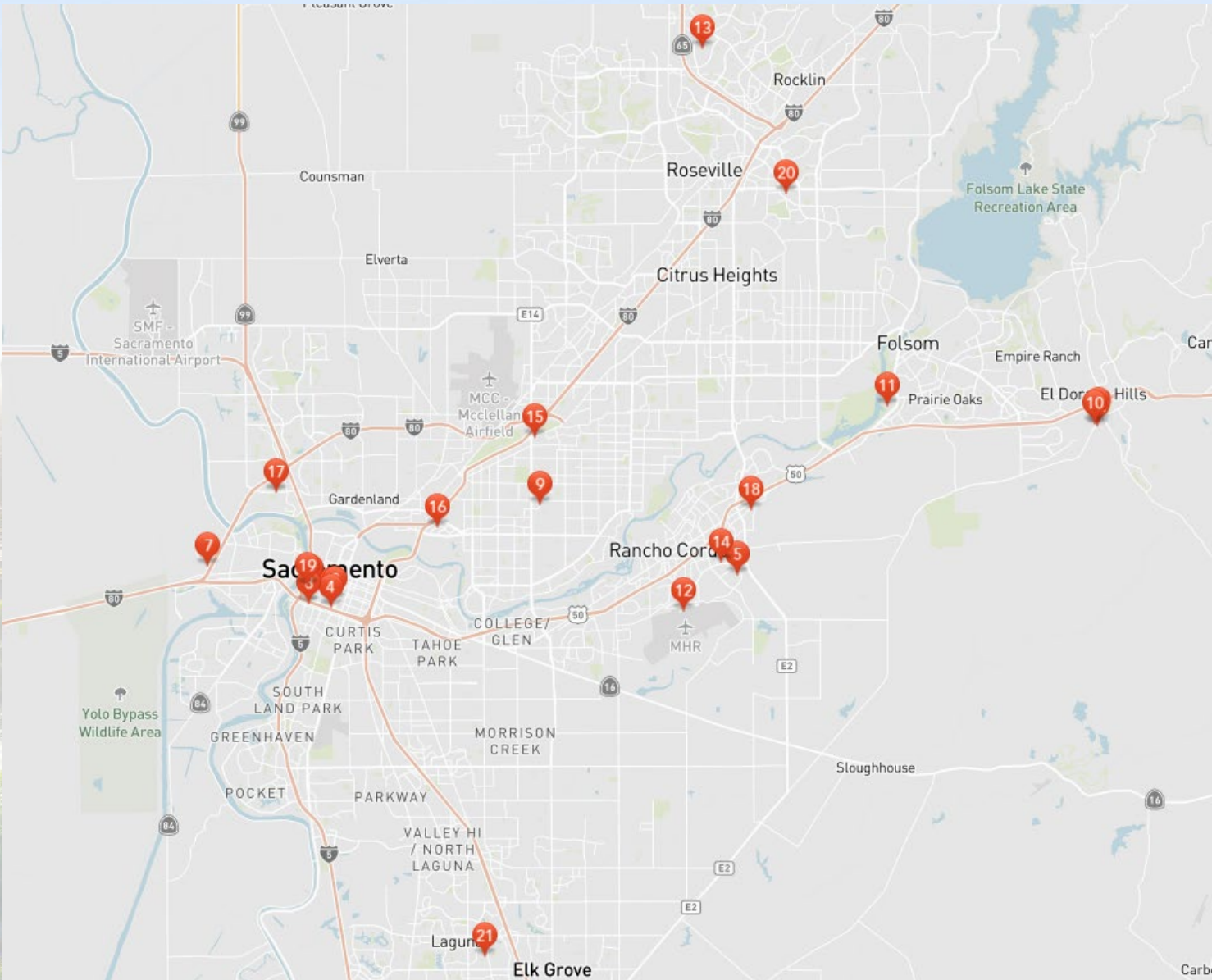
Total Market Vacancy: 20.7%

Downtown Vacancy (Class A): 20.1% Total

Downtown Vacancy (Capitol Mall): 16.5%



Largest leases in Sacramento – last 18 months



	Tenant	Submarket	Size	Type
1	Blue Shield	El Dorado Hills	124,000	SL/LB
2	Health & Human Services Agency	Downtown	120,000	New
3	Department of State Hospitals	Downtown	120,000	New
4	CA Department of Development Services	Downtown	120,000	New
5	Delta Dental	Highway 50	107,768	Renewal
6	Department of Insurance	Downtown	78,000	Renewal
7	PG&E	West Sacramento	70,085	Renewal
8	California Victim Compensation Board	Downtown	63,208	Renewal
9	Department of Child & Family Services	Suburban Submarkets	57,368	New
10	Marshall Medical Center	El Dorado Hills	49,077	New
11	Sierra Nevada Corporation	Folsom	42,687	Renewal
12	County of Sacramento	Highway 50	42,415	New
13	PG&E	Rocklin	38,590	Renewal
14	SK Hynix	Highway 50	35,950	New
15	Unitek College	Suburban Submarkets	35,185	New
16	Porter Scott Attorneys	Point West	29,872	New
17	Fortune School of Education	South Natomas	29,135	Expansion
18	Zurich	Highway 50	27,429	Renewal
19	HDR	Downtown	26,929	New
20	Sutter Health	Roseville	25,900	New
21	Regents of the Univ. of CA	Elk Grove	25,861	New
22	Patra	El Dorado Hills	25,541	New
*Public sector tenants noted in RED				

Scenario one: Full floor

Waterfront Place – 10-year lease	
Square footage:	24,995 RSF
Term in months:	130
Year one rent:	\$2.95
Annual increases:	3.00%
Free months:	10
Parking (2/1,000):	\$65/stall
Total rent:	\$10,397,091.69
Less deal costs	
TIA @ \$100/RSF:	\$2,499,500.00
Leasing commission @ 6.5%:	\$466,615.00
Gross rent (prior to op ex) =	\$7,430,976.68
*Rent analysis does not include parking income estimates or operating expenses.	

Scenario two: Full floor

Waterfront Place – Five-year lease	
Square footage:	24,995 RSF
Term in months:	65
Year one rent:	\$2.00
Annual increases:	3.00%
Free months:	5
Parking (2/1,000):	\$65/stall
Total rent:	\$3,224,654.94
Less deal costs	
TI as-is:	\$0.00
Leasing commission @ 2.5%:	\$80,616.37
Gross rent (prior to op ex) =	\$3,114,038.57
*Rent analysis does not include parking income estimates or operating expenses.	

Scenario three: Partial floor

Waterfront Place – Seven-year Lease	
Square footage:	10,000 RSF
Term in months:	91
Year one rent:	\$2.95
Annual increases:	3.00%
Free months:	7
Parking (2/1,000):	\$65/stall
Total rent:	\$2,759,980.57
Less deal costs	
TIA @ \$50/RSF:	\$500,000.00
Leasing commission @ 6.5%:	\$144,069.73
Gross rent (prior to op ex) =	\$2,155,910.84
*Rent analysis does not include parking income estimates or operating expenses.	

Other leasing costs

Up-front and Back-end Costs to Leasing	
ADA upgrade costs:	\$3,000,000 (est.)
Multi-tenant upgrade costs:	\$4,000,000 (est.)
Common area corridor to create partial floor leased spaces on single floor:	\$2,500,000 (est.)
Cost to convert single floor back to CalSTRS standards at lease end:	\$3,000,000 (est.)
Operating expenses (based on 409,000 SF):	
Jul 2022- Jun 2023 \$19.60/SF	
Jul 2023- Jun 2024 (est) \$20.89/SF	