

Natomas office tower is 90 percent full after new lease

Ben van der Meer

Staff Writer *Sacramento Business Journal*

The Office of Statewide Health Planning and Development will decamp from downtown Sacramento to South Natomas next spring, in an office lease of over 100,000 square feet.

California's Department of General Services confirmed the lease, for 124,341 square feet in the Gateway 2020 building at 2020 W. El Camino Ave.



The Gateway 2020 building will achieve 90 percent occupancy with a new lease to a state...more

That lease for a 320,000-square-foot building that opened in 2009 makes the building the fullest it's ever been, at 90 percent.

"We have activity on all the remaining space," said Tom Aguer, managing director at Avison Young, which represents the building's ownership. "We're seeing some activity everywhere all of a sudden."

OSHPD, as it's known, is currently on 400 R St. in downtown Sacramento. The office had to start looking for a new home when building owner California Public Employees' Retirement System informed all current tenants it wouldn't be renewing any leases beyond the end of 2019, according to DGS spokesman Brian Ferguson. At that point, CalPERS will need the building for its own growth, Ferguson said.

OSHPD signed a 12-year lease at Gateway 2020.

After opening in 2009, the 12-story building did not sign its first tenant until early 2013, when the California Department of Housing and Community Development signed a lease for about 101,000 square feet.

Aguer said he feels better about the building's future. "If the economy stays good, nothing's been built in eight years," he said. Although Sacramento's office market has lagged the Bay Area's, momentum has picked up recently, he said, with prospective tenants including firms looking for a cheaper alternative to that market.