El Dorado Self-Storage

Bailard Real Estate Fund

ACQUISITION DATE
August 29, 2025

LOCATION
El Dorado Hills, CA
(Sacramento MSA)

PROPERTY TYPE
Self-Storage

YEAR BUILT
To-be-built (2027)

SIZE
227,327 square feet (SF)

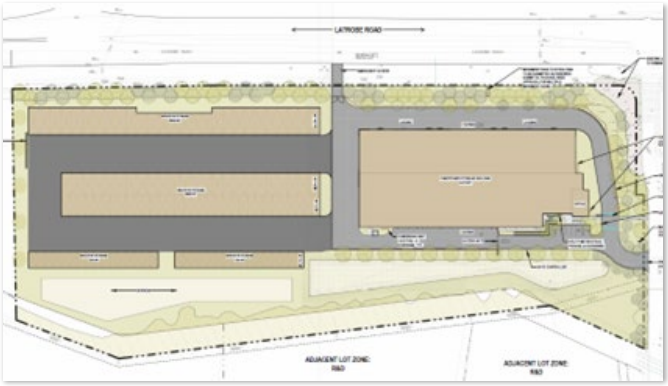
PARKING
1,148 climate-controlled
136 Boat and RV

OCCUPANCY
N/A

PURCHASE COSTS
Closing Land Cost:
$3.4 million ($16/RSF)

Total Development Cost:
$38.9 million ($171/RSF)







THE PROPERTY

El Dorado Self-Storage ("Project" or "Development") is a 227,327 SF to-be-built self-storage facility located in El Dorado Hills (Sacramento MSA), California. The Project consists of a single three-story, climate-controlled facility with 1,148 total units (138,277 SF) on the south side of the site, and four single-story buildings on the north-side of the site to accommodate 136 boat and RV storage units (89,050 SF). The total cost for the project at completion is budgeted to be $38,904,280 ($171 per SF).

The Project is located on a highly visible, corner parcel within El Dorado Hills, a wealthy suburb east of Sacramento at the foothills of the Sierra Nevada mountains. The Project borders multiple master planned communities that, upon completion, could bring upwards of 30,000 new residents to the area with a mix of single-family homes, apartments, and senior living facilities.

Bailard

El Dorado Self-Storage
Sacramento, CA

THE OPPORTUNITY

Invest in a ground-up, self-storage development in El Dorado Hills – El Dorado Self-Storage is located in a rapidly growing submarket, adjacent to the Folsom Ranch, Carson Creek, and Marble Valley Masterplan communities. The increasing population density and proximity to recreation areas drive demand for new self-storage facilities.

Limited saturation by public REITs – The Project will take advantage of the lack of institutional-quality product and the limited presence of public REITs (e.g., Public Storage, Extra Space, CubeSmart) to deliver modern, climate-controlled storage alongside high-demand boat and RV storage. With limited supply and a dearth of climate-controlled and boat/RV storage, the Project should command pricing power.

Attractive Return-on-Cost – As underwritten, the Project produces an un-trended 7.7% return on cost, which compares favorably to development yields in other property types. The all-in basis of $171/SF and the diversified mix of storage units, should provide excellent downside protection.

New experienced partner in growing sector – The Fund will partner with S3 Partners ("S3"), a self-storage and toy-storage (car, boat, RV) specialist with over 25 years of industry experience. Building a new relationship with a group that has a broad depth of knowledge on the space with the potential for future opportunities is an expected benefit for the Fund.

IDENTIFIED RISKS

New asset class – This will be Bailard's first entry into the self-storage sector. To help mitigate risks associated with developing and operating a new property type, the Fund will rely on the years of experience that its partner, S3, brings. As is typical in the space, a third-party management company (i.e., Public Storage or Extra Space) will handle on-site management and leasing. The Fund and the Project will benefit from the operational knowledge and marketing reach of these providers.

New construction – Investing in ground-up construction carries risks such as budget overruns, delays, and leasing uncertainty. S3's main principal has completed more than 150 ground-up storage projects in over 20 states as both developer and previous roles running a design-build firm focused on the asset class. This background provides exceptional oversight to ensure the timeliness and quality of construction. To help manage any cost exposure, a Guaranteed Maximum Price ("GMP") construction contract is being finalized and a pre-development cost overrun guaranty with S3 has been executed. The short, 16-month development timeline helps ameliorate issues of more complex projects.

Business park association – The business park that the Project sits in has strict design guidelines that must be addressed to implement the boat and RV storage component. The climate-controlled portion of the Project has been approved by the business park, and the partnership is currently in the design review process for boat and RV storage. S3 has worked closely with the business park for over 12 months, and has built a strong relationship with the board and architect, limiting the potential for unexpected/negative feedback.

THE INVESTMENT

The total cost for the Project is budgeted at $38,904,280 ($171/SF). The Partnership has a term sheet in place with Andover Properties for a non-recourse construction loan at SOFR+500 basis points, but is also exploring additional options.

The Property will be developed in a joint venture with S3 Partners, a Denver-based developer focused exclusively on the development and third-party project management of self-storage and toy-storage (boat, RV, car) facilities. The Fund will own a 90% interest in the venture, with S3 owning the remaining 10%.

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Published October 2025