

# SINGLE TENANT NNN INDUSTRIAL INVESTMENT OPPORTUNITY



1621 E. Orangethorpe Ave  
Fullerton, CA

**OFFERING MEMORANDUM**

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## EXCLUSIVELY OFFERED BY

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# ***Voit***

REAL ESTATE SERVICES

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This confidential Offering Memorandum (this “Memorandum”) is being delivered subject to the terms of the Confidentiality Agreement personally or electronically signed by you (the “Confidentiality Agreement”) and constitutes part of the Evaluation Material (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible acquisition of property address (the “Property”), and is not to be used for any other purpose or made available to any other party without the prior written consent of the “Owner” or Voit Real Estate Services (“Broker”).

This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other “Evaluation Material”, including any computer diskettes or files distributed to you via email from Broker accessible online through Broker’s website) are for general reference only. They are based on assumptions relating to the general economy and local market, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

While the information contained in this Memorandum and any other Evaluation Material is believed to be reliable, neither Broker nor Owner guarantees its accuracy or completeness. Because of the foregoing and since the Property will be sold on an “As-Is, Where-Is” basis, a prospective purchaser must make its own independent investigations, projections and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Evaluation Material. Although additional Evaluation Material, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing progresses, prospective purchasers should seek advice from their own attorneys, accountants, and engineering and environmental experts.

Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser unless and until a written purchase and sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner’s obligations therein have been satisfied or waived.

Owner has retained Broker as its exclusive broker and will be responsible for any commission due to Broker in connection with a sale of the Property pursuant to a separate agreement. Broker is not authorized to make any representation or agreement on behalf of Owner. Each prospective purchaser will be responsible for any claims for commissions by any other broker in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker.



# OVERVIEW



**Voit Real Estate Services** is pleased to offer for sale 1621 E. Orangethorpe Avenue in the city of Fullerton California.

This Offering consists of one single tenant industrial building that is 100% leased to a regional credit tenant, Pacific Elite Collision Repair ([www.pacificelite.com](http://www.pacificelite.com)). Pacific Elite is a chain of twenty (20) collision centers located throughout Southern California. A ten (10) year NNN lease renewal that was signed in February of 2019 provides monthly payments of \$29,000.00 (\$.775NNN PSF) with 3% annual increases. There is a Market Rate Adjustment to the rent at the end of the 5th year. The Market Rate Adjustment is scheduled for February 1, 2024.

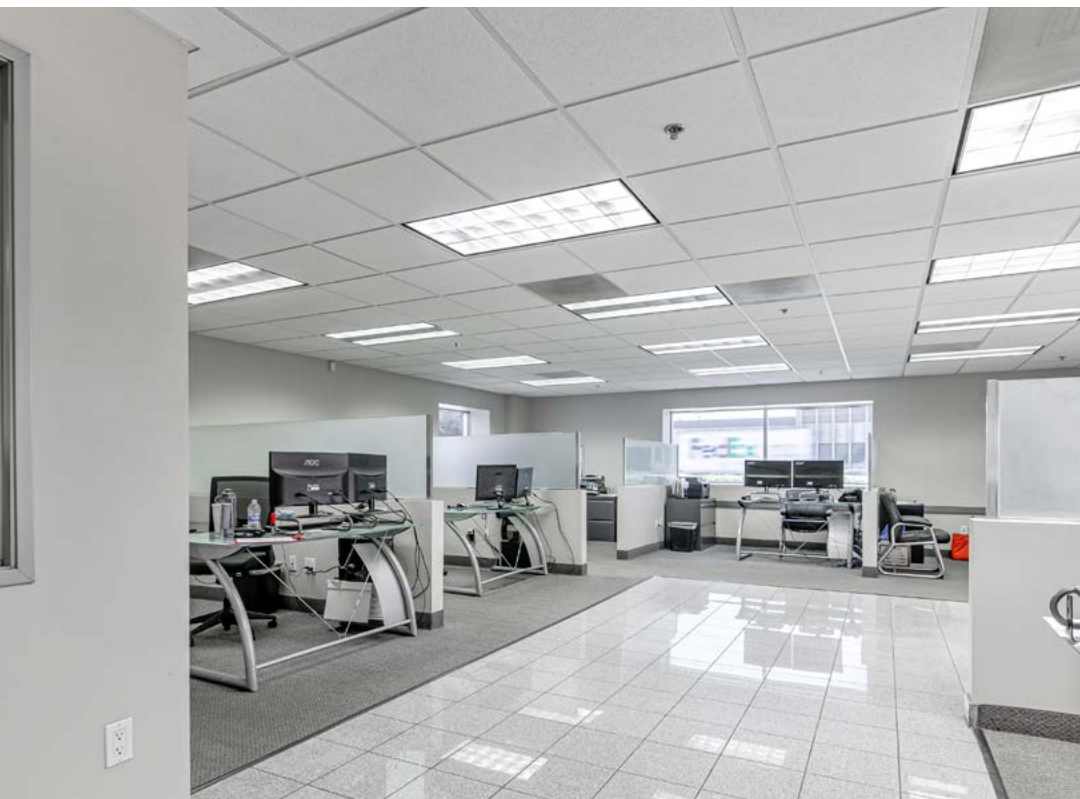
Investors can enjoy stable cash flow and add increased value by bringing the lease rate up to the current market rate in 2024 and by adding Dock High loading doors.

The building sits on 1.84 acres and has a large fenced yard. Orangethorpe is a major thorough fare through the Fullerton industrial area. The property was completely renovated in 2004 and is in excellent condition.

<b>ASKING PRICE</b>	\$8,190,000.00 (\$219.045/PSF)
<b>CAP RATE</b>	4.38% (Year 1)
<b>YEAR ONE NET INCOME</b>	\$358,440.00
<b>IRR 5-YEAR HOLD- LEVERAGED/CASH</b>	13.61% / 8.89%
<b>IRR 10-YEAR HOLD- LEVERAGED/CASH</b>	11.48% / 8.84%
<b>LEASE EXPIRATION</b>	January 31, 2029
<b>TENANT</b>	Pacific Elite Collision Repair
<b>TOTAL BUILDING SIZE</b>	37,390 Sf
<b>LAND AREA</b>	1.84 Acres
<b>OFFICE AREA</b>	5,944 SF
<b>NUMBER OF BUILDINGS</b>	One (1)
<b>OPPORTUNITY ZONE</b>	Yes

- Located in Opportunity Zone
- Significantly under market lease rate
- Highly desirable North Orange County submarket with convenient access to the Riverside (91), (5) and (57) Freeways
- NNN lease with no maintenance or property management requirements
- Tenant pays for earthquake insurance
- Historically strong North Orange County submarket with a low vacancy rate of 3.16%
- Stable cash flow secured by a 20 location chain of automotive collision repair facilities
- C.U.P. in place for a paint booth
- Below market rent, creating the opportunity to significantly enhance the CAP Rate upon the Market Rate Adjustment to the rent in 2024.
- Low price per square foot. Priced well below replacement cost
- Extensive capital improvements to the property by the existing tenant making lease renewal highly likely. The building has many features that are hard to find, but necessary for the success of the tenant's business, such as frontage on a major street, ground level doors, fenced yards, heavy power, gas service, airline and electrical distribution

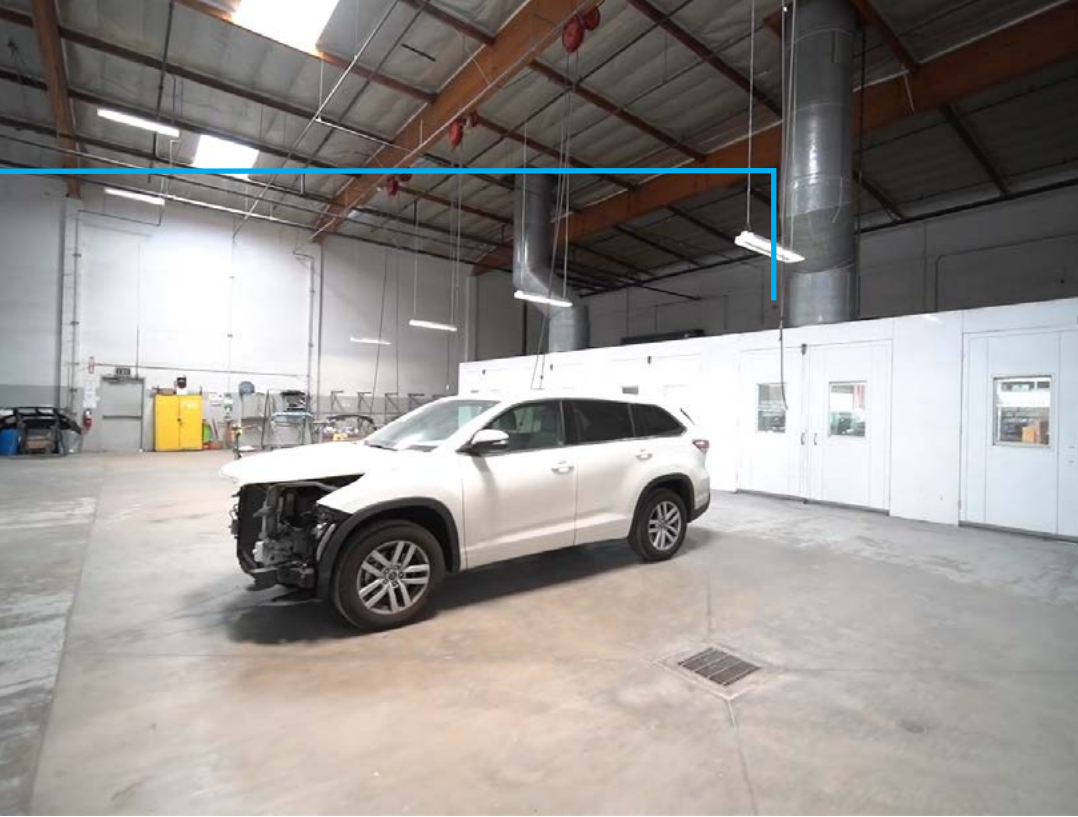
# INVESTMENT HIGHLIGHTS



- **IDEALLY LOCATED:** Located in an Opportunity Zone
- **BELOW MARKET RENT:** Opportunity to Raise Rents
- **SINGLE TENANT NET LEASE:** 9.5 Years Remaining On Lease, With 3% Annual Increases And A Market Rate Adjustment February 1, 2024.
- **STRONG TENANT:** Twenty (20) Locations In Southern California
- **POTENTIAL TO ADD VALUE:** Add Dock High Loading To The Building To Increase Property Value
- **CONDITIONAL USE PERMIT IN PLACE:** Difficult And Expensive To Obtain Conditional Use Permit From The City Of Fullerton For Paint Booth. This Creates A Barrier To Entry For Any New Competitors Wishing To Enter This Market.
- **HISTORY:** The Site Has Been Used By The Current Tenant Since 2004
- **PRIME LOCATION:** The Property Front On E. Orangetrope Avenue The Area's Major Thoroughfare. Less Than 1 Mil To The 91 Or 57 Freeway On-Ramps.



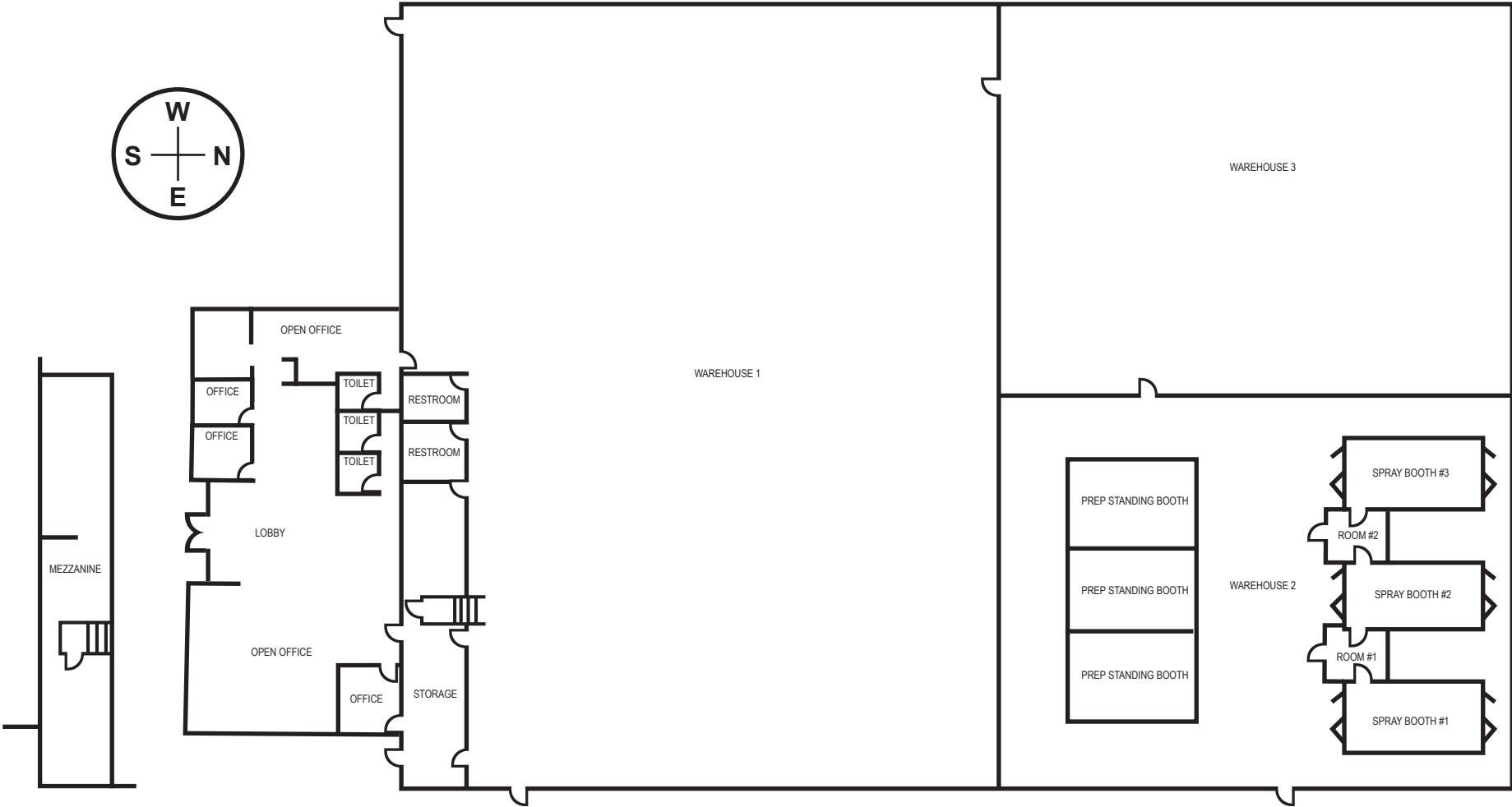
# PROPERTY DESCRIPTION



<b>TOTAL BUILDING SIZE</b>	37,390 Sf
<b>LAND AREA</b>	1.84 Acres
<b>OFFICE AREA</b>	5,944 SF (16% office)
<b>WAREHOUSE CEILING HEIGHT</b>	18' - 22'
<b>FIRE SPRINKLERS</b>	Yes - High Hazard
<b>GROUND LEVEL DOCK HIGH</b>	Six (6) Ground Level Roll Up Doors Possible
<b>ELECTRICAL SERVICE</b>	800 Amps; 277/480 Volt
<b>ZONING</b>	MG - City of Fullerton (Industrial)
<b>HVAC</b>	Roof mounted package units servicing office areas. Warehouse served by swamp coolers and AC
<b>FENCED YARD</b>	Yes; Large
<b>YEAR RENOVATED</b>	2014
<b>YEAR BUILT</b>	1966
<b>APN</b>	073-110-55
<b>CONSTRUCTION TYPE</b>	Concrete tilt-up

 [CLICK TO WATCH VIDEO](#)

# FLOOR PLAN





# FINANCIAL ANALYSIS



### SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL		VACANT SPACE LEASING		SECOND GENERATION LEASING	
<b>Analysis Period</b>		<b>Occupancy and Absorption</b>		<b>Retention Ratio</b> 75%	
Commencement Date	October 1, 2019	Percentage Vacant at 10/1/2019	0.00%		
End Date	September 30, 2029	Currently Vacant as of 10/1/2019	0 SF		
Term	10 Years			<b>Financial Terms</b>	
<b>Area Measures</b>				2018 Monthly Market Rent \$1.00 PSF	
Building Square Feet (NRSF)	37,390 SF			Rent Adjustment 3.00% Annually	
				Lease Term 10 Years	
				Expense Reimbursement Type Net [4]	
<b>Growth Rates</b>		<b>DEBT ASSUMPTIONS</b>		<b>Tenancing Costs</b>	
Real Estate Taxes	2.00%	<b>Purchase Price</b> \$8,190,000		Rent Abatements	
Market Rent Growth	3.00% [1]			New 0 Month(s)	
Operating Expenses	3.00%			Renewal 0 Month(s)	
<b>General Vacancy Rate</b> 3.00% [2]		<b>Loan Terms</b>		Tenant Improvements (\$/NRSF)	
		Initial Loan Funding (as of Mar-18) \$4,095,000		New \$1.00 PSF	
		Loan-To-Price 50.00%		Renewal \$0.00 PSF	
		Funding Date Oct-19			
		Maturity Date Sep-29			
		Loan Term 10.0 Years			
		Amortization Period 25 Years			
		Interest Rate 4.50%			
		Origination Fee on Initial Loan Funding 1.00%			
		Exit Fee on Balance at Maturity 0.00%			
<b>Residual Capitalization Rate</b> 4.50%				Commissions	
				New 6.00% [5]	
				Renewal 3.00% [5]	
				Downtime	
				New 3 Month(s)	
<b>EXPENSES</b>					
<b>Operating Expense Source</b> 2019 Budget [3]					
<b>Real Estate Taxes Reassessed</b> Yes					
Millage Rate	1.082040%				
Special Assessments	\$2,185				

**Notes:**

- [1] Market rent growth is calculated on a calendar-year basis. All in-place and market rental rates above are stated on a fiscal-year basis.
- [2] General Vacancy does not apply to the first three (3) years of the analysis.
- [3] Operating Expenses are based on the 2019 Budget.
- [4] Current and future tenants are assumed to reimburse their pro rata share of all expenses.
- [5] Leasing Commissions are calculated by applying 100% of the rates shown above for lease years 1-5, and 50% of the above rates for lease years 6 and beyond.



# CASH FLOW

1621 E Orangethorpe Avenue

10-Year Hold Period

## CASH FLOW PROJECTIONS

Fiscal Year Ending - Sep 30	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Overall Economic Occupancy [1]</b>	100.00%	100.00%	100.00%	97.00%	97.00%	97.00%	97.00%	97.00%	97.00%	89.39%	97.00%
<b>Market Rent</b>	\$1.00	\$1.03	\$1.06	\$1.09	\$1.13	\$1.16	\$1.19	\$1.23	\$1.27	\$1.30	\$1.34
<b>Weighted Average In Place Rent [2]</b>	\$1.01	\$1.04	\$1.07	\$1.07	\$1.24	\$1.35	\$1.39	\$1.43	\$1.47	\$1.39	\$1.55
<b>Total Operating Expenses PSF Per Month</b>	\$0.22	\$0.23	\$0.23	\$0.24	\$0.24	\$0.25	\$0.25	\$0.26	\$0.26	\$0.27	\$0.27

	FYE 2019 \$/SF/MO	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>REVENUES</b>												
Scheduled Base Rent												
Gross Potential Rent	\$0.79	\$354,960	\$365,609	\$376,577	\$387,874	\$467,221	\$515,093	\$530,546	\$546,462	\$562,856	\$579,742	\$595,671
Absorption & Turnover Vacancy	0.00	0	0	0	0	0	0	0	0	0	(48,785)	0
Total Scheduled Base Rent	0.79	354,960	365,609	376,577	387,874	467,221	515,093	530,546	546,462	562,856	530,957	595,671
Expense Reimbursements	0.22	99,804	101,890	104,021	106,197	108,419	110,689	113,007	115,374	117,792	110,240	122,785
<b>TOTAL GROSS REVENUE</b>	1.01	454,764	467,499	480,598	494,071	575,640	625,782	643,553	661,836	680,648	641,197	718,456
General Vacancy Loss	0.00	0	0	0	(14,822)	(17,269)	(18,773)	(19,307)	(19,855)	(20,419)	(19,236)	(21,554)
<b>EFFECTIVE GROSS REVENUE</b>	1.01	454,764	467,499	480,598	479,249	558,371	607,009	624,246	641,981	660,229	621,961	696,902
<b>OPERATING EXPENSES</b>												
Property Taxes	(0.20)	(90,804)	(92,620)	(94,473)	(96,362)	(98,289)	(100,255)	(102,260)	(104,305)	(106,391)	(108,519)	(110,690)
Insurance	(0.02)	(9,000)	(9,270)	(9,548)	(9,835)	(10,130)	(10,433)	(10,746)	(11,069)	(11,401)	(11,743)	(12,095)
<b>TOTAL OPERATING EXPENSES</b>	(0.22)	(99,804)	(101,890)	(104,021)	(106,197)	(108,419)	(110,688)	(113,006)	(115,374)	(117,792)	(120,262)	(122,785)
<b>NET OPERATING INCOME</b>	<b>\$0.79</b>	<b>\$354,960</b>	<b>\$365,609</b>	<b>\$376,577</b>	<b>\$373,052</b>	<b>\$449,952</b>	<b>\$496,321</b>	<b>\$511,240</b>	<b>\$526,607</b>	<b>\$542,437</b>	<b>\$501,699</b>	<b>\$574,117</b>
<b>CAPITAL COSTS</b>												
Tenant Improvements		0	0	0	0	0	0	0	0	0	(12,196)	0
Leasing Commissions		0	0	0	0	0	0	0	0	0	(184,113)	0
<b>TOTAL CAPITAL COSTS</b>		0	0	0	0	0	0	0	0	0	(196,309)	0
<b>OPERATING CASH FLOW</b>		<b>\$354,960</b>	<b>\$365,609</b>	<b>\$376,577</b>	<b>\$373,052</b>	<b>\$449,952</b>	<b>\$496,321</b>	<b>\$511,240</b>	<b>\$526,607</b>	<b>\$542,437</b>	<b>\$305,390</b>	<b>\$574,117</b>
<b>ACQUISITION &amp; RESIDUAL SALE</b>												
Purchase Price	(\$8,190,000)	0	0	0	0	0	0	0	0	0	0	0
Net Residual Value [4]	0	0	0	0	0	0	0	0	0	0	12,758,156	All Cash IRR
<b>CASH FLOW BEFORE DEBT</b>	<b>(\$8,190,000)</b>	<b>\$354,960</b>	<b>\$365,609</b>	<b>\$376,577</b>	<b>\$373,052</b>	<b>\$449,952</b>	<b>\$496,321</b>	<b>\$511,240</b>	<b>\$526,607</b>	<b>\$542,437</b>	<b>\$13,063,546</b>	<b>8.84%</b>
<b>MARKET LOAN [5]</b>												
Loan Funding / Payoff	4,095,000	0	0	0	0	0	0	0	0	0	(2,975,365)	
Loan Fees	(40,950)	0	0	0	0	0	0	0	0	0	0	Leveraged IRR
Annual Debt Service	0	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	(273,136)	
<b>CASH FLOW AFTER DEBT</b>	<b>(\$4,135,950)</b>	<b>\$81,824</b>	<b>\$92,473</b>	<b>\$103,441</b>	<b>\$99,916</b>	<b>\$176,816</b>	<b>\$223,185</b>	<b>\$238,104</b>	<b>\$253,471</b>	<b>\$269,301</b>	<b>\$9,815,045</b>	<b>11.48%</b>

<b>NOI Return (NOI/Total Investment)</b>	4.33%	4.46%	4.60%	4.55%	5.49%	6.06%	6.24%	6.43%	6.62%	6.13%
<b>UNLEVERAGED Cash Return (Operating CF/Total Investment)</b>	4.33%	4.46%	4.60%	4.55%	5.49%	6.06%	6.24%	6.43%	6.62%	3.73%
<b>LEVERAGED Cash Return (CFAD/Initial Equity + Costs to Stabilize)</b>	1.98%	2.24%	2.50%	2.42%	4.28%	5.40%	5.76%	6.13%	6.51%	0.74%
<b>Debt Service Coverage Ratio (NOI)</b>	1.30x	1.34x	1.38x	1.37x	1.65x	1.82x	1.87x	1.93x	1.99x	1.84x
<b>Debt Service Coverage Ratio (CF)</b>	1.30x	1.34x	1.38x	1.37x	1.65x	1.82x	1.87x	1.93x	1.99x	0.12x

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] Net Residual Value is calculated by dividing Year 11 NOI by the Residual Cap Rate of 4.50% and applying a 3.00% Cost of Sale.

[4] Market Debt based on 50% Loan-to-Value, 4.500% Interest Rate, 25-Year Amortization, and 1.00% Loan Fee.

[5] All Capitalization Rates, Equity Multiples and Cash-on-Cash returns are based on Total Investment or initial equity including costs to stabilize. Internal rate of return and in-place returns are based on Purchase Price or initial equity.



# PROPERTY MAPS

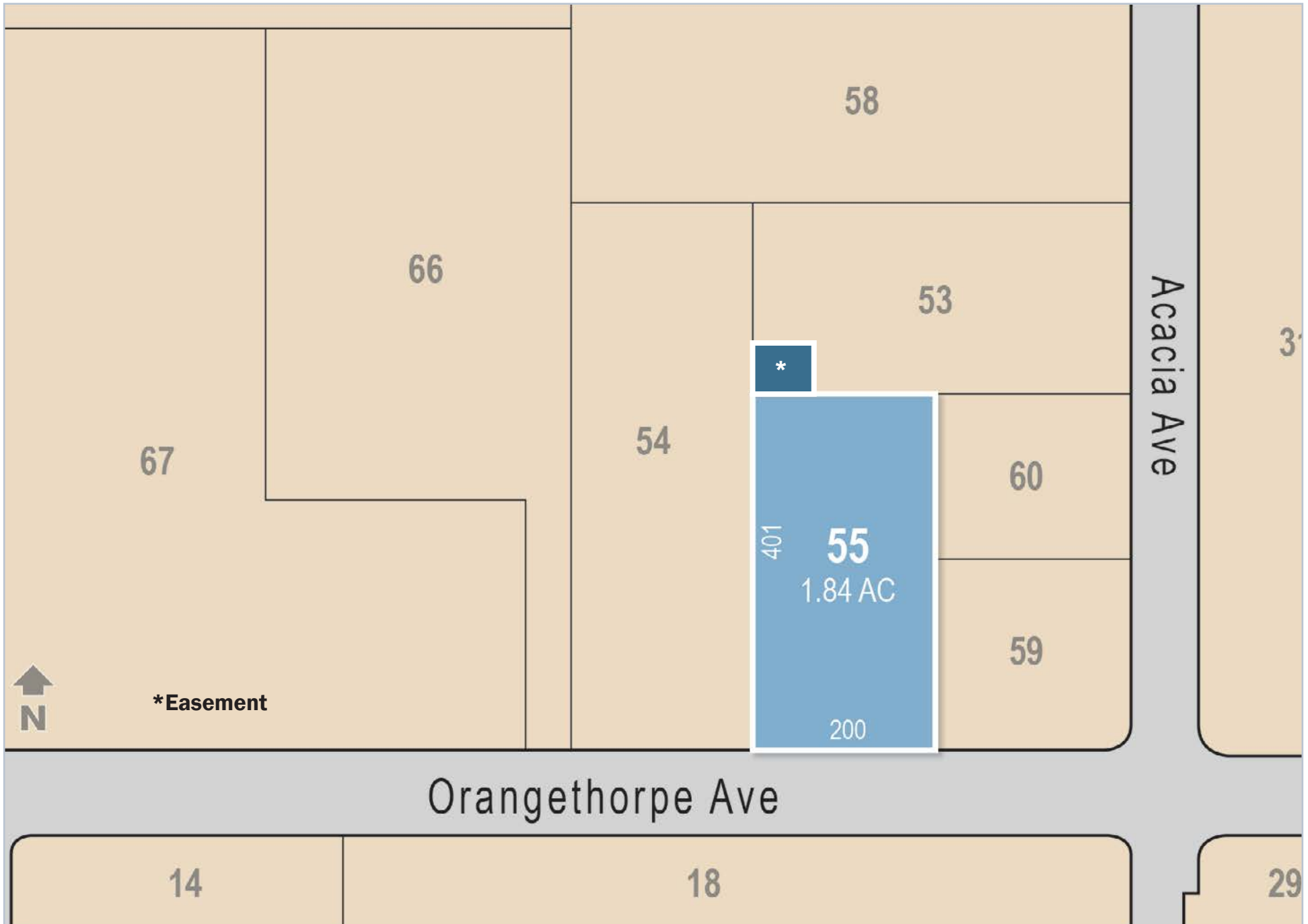




# LOCATION MAP



# PARCEL MAP

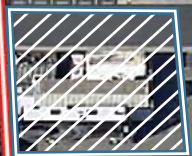




# AERIAL MAP

Orangethorpe Ave

Acacia Ave










# MARKET COMPS







# LEASE COMPS

		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lessor Space Type Options/Rent Adj
1.		<b>VOIT BREA BUSINESS PARK</b> <b>705 CHALLENGER ST</b> <b>BREA, CA</b> Mrkt: Orange County / Submrkt: North Proc. Brkr: Lee & Associates Ann. Rates: Y1-\$1.05; Y2-\$1.08; Y3-\$1.11; Y4-\$1.15; Y5-\$1.18	32,072 \$1.05 IG \$1.08 32,072	3,000 2 mos 60 mos	05/09/19 05/31/24 60 mos 06/01/19	Indust Dist C 2.0:1 2003	2 2 N 26	Y N Y 74,488	Namsung Ammerica, Inc. ALT Wheels Direct-New / 3% Annual Increases List. Brkr: Lee and Associates - Luke Hudson
Uptd: 06/18/19 #804003									
2.		<b>CANYON POINT</b> <b>3390 E MIRALOMA AVE</b> <b>ANAHEIM, CA</b> Mrkt: Orange County / Submrkt: North Proc. Brkr: Voit Real Estate Services - Adam Hill Ann. Rates: Y1-\$0.90; Y2-\$0.93; Y3-\$0.95; Y4-\$0.98 Comments: Class A industrial building, corona of Miraloma and Miller	32,554 \$0.90 N \$0.91 32,554	4,705 1 mo .30	03/21/19 07/30/22 37 mos 04/01/19	Indust Dist B 60sp/1.8:1 2010	3 1 N 30	Y N Y 81,022	PCTC Cabinetry Miraloma APG LLC Direct-New None / 3% List. Brkr: Kidder Mathews - Brandon Rohe
Source: Ellison Uptd: 06/03/19 #800719									
3.		<b>4930 E LA PALMA AVE</b> <b>ANAHEIM, CA</b> Mrkt: Orange County / Submrkt: North Proc. Brkr: Lee & Associates - Scott Seal Ann. Rates: Y1-\$1.00; Y2-\$1.03; Y3-\$1.06; Y4-\$1.09; Y5-\$1.13 Comments: Freestanding building, heavy power, immediate freeway access	37,922 \$1.00 G \$1.03 37,922	2,500 None 2 mos	12/12/18 04/30/24 60 mos 05/01/19	Indust Dist C 2.0:1 1973	0 5 N 20	Y N Y None / 3.0% Annual Increases	Foam Concepts DBW Warehouse Direct-New None / 3.0% Annual Increases List. Brkr: Voit Real Estate Services - Mitch Zehner, Seth Davenport
Source: Ellison Uptd: 06/03/19 #792796									
4.		<b>KRAEMER BUSINESS CENTER</b> <b>1060-1072 N KRAEMER PL</b> <b>ANAHEIM, CA</b> Mrkt: Orange County / Submrkt: North Ann. Rates: Y1-\$1.02; Y2-\$1.05; Y3-\$1.08	36,479 \$1.02 IG \$1.02 36,479	To Suit ** 1 mo	07/30/18 08/31/21 36 mos 09/01/18	Indust Dist C 1.6:1 1976	6 4 N 20	Y N N None / 3% Annual Increases	Sacher Family Trust Direct-New / 3% Annual Increases List. Brkr: Martin Commercial Group
Uptd: 01/10/19 #793736									
5.		<b>808 W NICOLAS AVE</b> <b>ORANGE, CA</b> Mrkt: Orange County / Submrkt: North Proc. Brkr: NKF Ann. Rates: Y1-\$0.94; Y2-\$0.97; Y3-\$1.00; Y4-\$1.03; Y5-\$1.06 Comments: The office reconstruction plan differs from the conceptual plan shown on the leasing brochure. Less office will actually be built to suit the tenant. **TI Allowance: Construction of +/-2500 SF new office area.	27,480 \$0.94 NNN \$0.98 27,480	To Suit ** 1 mo \$0.09	06/21/18 08/31/23 61 mos 08/01/18	Indust Manuf C 1.6:1 1977	2 2 N 18	Y N Y One 5 year option / 3% Annual	Source North America Corporation Thomas J. Rice Direct-New One 5 year option / 3% Annual List. Brkr: Industrial Brokers, Inc. - Greg Ozimec
Uptd: 07/30/18 #784560									

# LEASE COMPS

		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lesser Space Type Options/Rent Adj
6.		26,094 \$0.98 NNN \$1.02 26,094	5,094 \$1.96/SF 1 mo \$0.13	05/09/18 06/30/23 60 mos 06/01/18	Indust Manuf C 6.3:1	3 800 N 1962	0 N N 17	Y N N 17	Orange County Winwater Works Co. 1617 E Ball Road LLC Direct-New / 3% Annual Increases
									Proc. Brkr: Lee & Associates - Scott Seal, Erik Thompson Ann. Rates: Y1-\$0.98; Y2-\$1.01; Y3-\$1.04; Y4-\$1.07; Y5-\$1.10 List. Brkr: Voit Real Estae Services/Lee - Mife Hefner, Don Kazanjian
Uptd: 05/11/18 #782569									
7.		32,384 \$1.31 G \$1.37 32,384	3,429 ** 1 mo	04/01/18 03/31/23 60 mos 04/01/18	Indust Manuf C 3.0:1	0 2,000 N 1967	0 7 N 14	Y N Y 130,680	United Site Services of California Mission Linen Supply, Inc. Direct-New / 3% Annual Increases
									Proc. Brkr: Lee & Associates Ann. Rates: Y1-\$1.31; Y2-\$1.35; Y3-\$1.39; Y4-\$1.43; Y5-\$1.47 Comments: **TI's: Paint and carpet; repair dry wall and ceiling tiles; resurface blacktop. List. Brkr: Colliers International
Uptd: 04/06/18 #780673									

## Summary Totals

	Minimum	Maximum	Average
Space Leased:	26,094 sf	37,922 sf	32,141 sf
Rent/SqFt:	\$0.90	\$1.31	\$1.03
Eff Rent/SqFt:	\$0.91	\$1.37	\$1.06
Lease Term:	36 mos	61 mos	53.4 mos
Months on Market:	0 mos	0 mos	0 mos

Number of Transactions: 7

Total SF leased: 224,985

## Net Lease Summary

	Minimum	Maximum	Average
Space Leased:	26,094 sf	32,554 sf	28,709 sf
Rent/SqFt:	\$0.90	\$0.98	\$0.94
Eff Rent/SqFt:	\$0.91	\$1.02	\$0.97
Lease Term:	37 mos	61 mos	52.7 mos
Months on Market:	0 mos	0 mos	0 mos

Number of Transactions: 3

Total SF leased: 86,128

## Gross Lease Summary






	Minimum	Maximum	Average
Space Leased:	32,072 sf	37,922 sf	34,714 sf
Rent/SqFt:	\$1.00	\$1.31	\$1.10
Eff Rent/SqFt:	\$1.02	\$1.37	\$1.13
Lease Term:	36 mos	60 mos	54 mos
Months on Market:	0 mos	0 mos	0 mos

Number of Transactions: 4






Total SF leased: 138,857



# SALE COMPS




		Bldg. SqFt Office SqFt Land Size	Sale Price Sale \$/SF Trans. Type	Trans. Date On Market Cap Rate	Prop. Type Subtype Bldg. Class	Yr Built Mul-Tnt Amps	DH GL Clr	Sprk RR Yard	Buyer Seller Buyer Previous Location	
1.		<b>1441 S SUNKIST ST</b> <b>ANAHEIM, CA</b> Mrkt: Orange County / Submrkt: North	46,257 To Suit 169,884	\$13,000,000 \$281.04 Investment	05/10/19	Indust Manuf C	1977 Y	0 5 22	Yes No Yes	Ramar Land Corporation PSIP WR Sunkist, LLC  Prkg: 2.54:1 APN: 083-210-25
		Proc. Brkr: Burr & Temkin South, Inc.				List. Brkr: CBRE				
Updated: 5/23/2019 #200392										
2.		<b>1927 N GLASSELL ST</b> <b>ORANGE, CA</b> Mrkt: Orange County / Submrkt: North	25,200 To Suit 74,052	\$6,030,000 \$239.29 User	02/19/19	Indust R&D/Flex B	1970	0 2 16	Yes No Yes	Meyer Properties LLC AVC Properties LLC Orange Prkg: 3.0:1 APN: 374-441-02
		Proc. Brkr: VRES - Seth Davenport, Mitch Zehner Comments: Freestanding building, major street frontage, fenced yard				List. Brkr: CBRE - Gary Stache, Doug Mack				
Updated: 3/5/2019 #200049										
3.		<b>CANYON POINT</b> <b>3390 E MIRALOMA AVE</b> <b>ANAHEIM, CA</b> Mrkt: Orange County / Submrkt: North	32,554 4,705 81,022	\$6,982,000 \$214.47 Investment	01/24/19	Indust Dist A	2010 N	3 1 30	Yes No No	Alere Steven Cappos  Prkg: 2.0:1
		Comments: -Canyon Point Freestanding Building -Excellent Freeway Access -Anaheim Public Utility								
Updated: 2/12/2019 #200023										
4.		<b>671 N POPLAR ST</b> <b>ORANGE, CA</b> Mrkt: Orange / Submrkt: North	29,800 3,000 17,424	\$5,600,000 \$187.92 User	12/01/18	Indust Light B	1978 N	2 1 19	Yes No Yes	US Nitto Foursquare Intl Chruch  Prkg: 2.0:1
Updated: 1/9/2019 #197264										
5.		<b>BECKMAN BUSINESS CENTER</b> <b>110 E LAMBERT RD</b> <b>FULLERTON, CA</b> Mrkt: Orange County / Submrkt: North	45,761 4,559 104,544	\$11,074,162 \$242.00 Investment	09/26/18	Indust B	2018 N 2000	4 1 30	Yes No No	BP Lambert LLC PSIP WR Fullerton, LLC Newport Beach Prkg: 1.31:1
		Proc. Brkr: Larem - Jasaitis Comments: Part of Beckman Business Center, a brand new development located in the city of Fullerton, Buyer is investor				List. Brkr: Voit Real Estate Services - Davenport/ Zehner, Hefner				
Updated: 9/26/2018 #196309										

# SALE COMPS

		Bldg. SqFt Office SqFt Land Size	Sale Price Sale \$/SF Trans. Type	Trans. Date On Market Cap Rate	Prop. Type Subtype Bldg. Class	Yr Built Mul-Tnt Amps	DH GL Clr	Sprk RR Yard	Buyer Seller Buyer Previous Location
6.		<b>BECKMAN BUSINESS CENTER</b> 41,891 <b>150 E LAMBERT RD</b> 4,559 <b>FULLERTON, CA</b> 97,574	\$10,053,840 \$240.00 Investment	09/26/18	Indust B	2018 N 2000	4 1 30	Yes No No	BP Lambert LLC PSIP WR Fullerton, LLC Newport Beach Prkg: 1.38:1
		Mrkt: Orange County / Submrkt: North							Proc. Brkr: Larem - Jasaitis List. Brkr: Voit Real Estate Services - Davenport/ Zehner, Hefner Comments: Part of Beckman Business Center, a brand new development located in the city of Fullerton, Buyer is investor
									Updated: 9/26/2018 #196310
7.		<b>7550 STAGE RD</b> 23,874 <b>BUENA PARK, CA</b> 2,500 66,211	\$5,133,000 \$215.00 User	07/30/18	Indust Dist C	1955 Y 400	14 1 22	Yes No Yes	Atlas Construction Supply Mitchell Family Trust Prkg: .7:1 APN: 06629507
		Mrkt: Orange County / Submrkt: North							Comments: Divisible Freestanding Building
									Updated: 8/31/2018 #196007
8.		<b>BAYWOOD BUSINESS CENTER</b> 56,095 <b>210 W BAYWOOD AVE</b> 22,500 <b>ORANGE, CA</b> 104,980	\$10,770,000 \$192.00 Investment	06/29/18	Indust Manuf C	1989 N 1200	8 2 25	Yes No Yes	Duke Realty Burke Realty Prkg: 2.17:1 APN: 374-453-19
		Mrkt: Orange County / Submrkt: North							Proc. Brkr: CBRE List. Brkr: CBRE
									Updated: 10/16/2018 #196474
9.		<b>ANAHEIM CANYON BUSINESS CENT</b> 45,250 <b>5500 E LA PALMA AVE</b> 5,075 <b>ANAHEIM, CA</b> 119,354	\$9,095,250 \$201.00 User	05/24/18	Indust Light B	1971 N 2000	0 7 18	Yes No Yes	Power Plus Steven R & Kathy Yetzke Prkg: 2.01:1 APN: 34645105
		Mrkt: Orange County / Submrkt: North							Proc. Brkr: Daum List. Brkr: PK Management
									Updated: 5/30/2018 #194920
10.		<b>22951 LA PALMA AVE</b> 29,942 <b>YORBA LINDA, CA</b> 6,260 58,806	\$5,845,926 \$195.24 Investment	05/21/18 4.99	Indust R&D/Flex B	1996 N 1000	0 2 30	Yes No No	Federico Cabo Zettler Prkg: 1.5:1
		Mrkt: Orange County / Submrkt: North							Proc. Brkr: Kidder Mathews - Thomas Holland List. Brkr: Voit Real Estate Services - Seth Davenport, Mitch Zehner Comments: High-image corporate headquarters, freestanding building, NNN Leased Investment
									Updated: 5/30/2018 #194891



# SALE COMPS

		Bldg. SqFt Office SqFt Land Size	Sale Price Sale \$/SF Trans. Type	Trans. Date On Market Cap Rate	Prop. Type Subtype Bldg. Class	Yr Built Mul-Tnt Amps	DH GL Clr	Sprk RR Yard	Buyer Seller Buyer Previous Location
11.		<b>PLACENTIA CORPORATE CENTER</b> 600-660 S PLACENTIA AVE PLACENTIA, CA Mrkt: Orange County / Submrkt: North	31,369 To Suit 66,647	\$8,500,000 \$270.97 Investment	05/04/18 6.2	Indust R&D/Flex B	1987 Y B	0 Yes 3 No 18 No	Inland Harbor.Com LLC Guthrie Development Company Prkg: 4.0:1
									Proc. Brkr: Lee & Associates List. Brkr: Newmark Knight Frank Comments: Two Building: 721-781 Kimberly Ave. - 10,348 SF; 600-660 S Placentia: 21,021 SF.
Updated: 6/27/2018 #195262									
12.		<b>1290 N KNOLLWOOD CIR</b> ANAHEIM, CA Mrkt: Orange County / Submrkt: North	22,860 2,000 60,548	\$4,680,000 \$204.72 Investment	04/24/18	Indust Manuf B	1976 N 600	3 Yes 4 No 20 Yes	Los Altos V LP McLellan Estate Co. Prkg: 2.0:1 APN: 070-791-12
									Proc. Brkr: DAUM List. Brkr: CBRE
Updated: 5/5/2018 #194595									
13.		<b>785 CHALLENGER ST.</b> BREA, CA Mrkt: Orange County / Submrkt: North	33,375 4,052 67,518	\$6,650,000 \$199.25 User	02/23/18	Indust Manuf B	2003 2 400	2 Yes 2 No 24 No	785 Challenger, LLC MPS Acacia Prkg: 2.0:1
Updated: 3/28/2018 #194069									

## Summary Totals

	Minimum	Maximum	Average
<b>Space Sold:</b>	22,860 sf	56,095 sf	35,710 sf
<b>Sale Price:</b>	\$4,680,000	\$13,000,000	\$7,954,937
<b>Sale Pr/SF:</b>	\$187.92	\$281.04	\$221.76
<b>Cap Rate:</b>	.0%	6.2%	.86%
<b>Months on Market:</b>	0 mos	0 mos	0 mos

Number of Transactions: 13

Total SF Sold: 464,228

The calculated totals shown above are based on all records in this report; variances in sale prices, space sold and cap rates, as well as records with missing details in space sold, sale prices or cap rates will skew these totals.

# MARKET OVERVIEW





# ORANGE COUNTY INDUSTRIAL MARKET

Investors continue to target Orange County, and market cap rates have settled near 5.5%: less, on average, than returns in the office sector and a bit higher than for apartments. With so little sizable inventory, most industrial transactions are for properties below 50,000 SF that trade for prices well above the national average.

Volume in 2018 was up compared to 2017, showing continued enthusiasm for the metro. The sale of the Beckman Coulter Campus to Hines in Brea for \$115 million in June helped pad the first half numbers. Several other facilities sold for north of \$40 million in 2018, including 901 E South St. in Anaheim. The 300,000-plus-SF industrial facility on 15 acres sold for \$48 million in July, after trading in 2017 for \$38 million. TRI Pointe Homes purchased it from Shopoff Group to build more than 200 detached homes. A balance of five acres from the original purchase in 2017 entitled for 300 apartments was not included in the deal.

The largest deal in 2018 was the sale-leaseback of a multi-state Albertson's distribution center portfolio in December. In Orange County, the 1.2-million-SF facility at 200 N Puente St. in Brea sold for \$201 million (\$162/SF).



## VACANCY RATE

**3.9%**

## AVG PRICE/PSF

**\$211**

## AVAILABILITY RATE

**5.4%**

## AVG CAP RATE

**4.9%**

The trend to convert industrial space to residential space was also seen in the sales of 2152 Alton Pkwy. and 2182 Alton Pkwy. in November. The former sold for \$28.6 million, and the latter sold for a little less than \$19.1 million; however, new owners KB Home and Alliance Residential plan to build 93 townhomes and 264 apartment units on the 5.3-acre lot. This project has already been approved and was the last residential project to pass under the 2018 cap for the City of Irvine. Irvine also saw at least three other industrial assets trade in 2018 with future plans of redevelopment already in the works.

While employment growth continues to trend below the national average, at 1.1% annual job growth, it has maintained pace over the past few months. Unemployment has continued to compress and as of May, sat at 2.4%, down 20 basis points from April. This is well below both the national average, 3.4% and the state average of 3.5%.

May saw overall nonfarm employment grow by 18,600 jobs in the past year. This growth has been fueled by professional and business services sector, which added 7,800 jobs, split almost evenly between administrative and support jobs as well as professional, scientific, and technical services. The leisure and hospitality sector saw the largest month-over-month growth with an addition of 2,600 jobs.

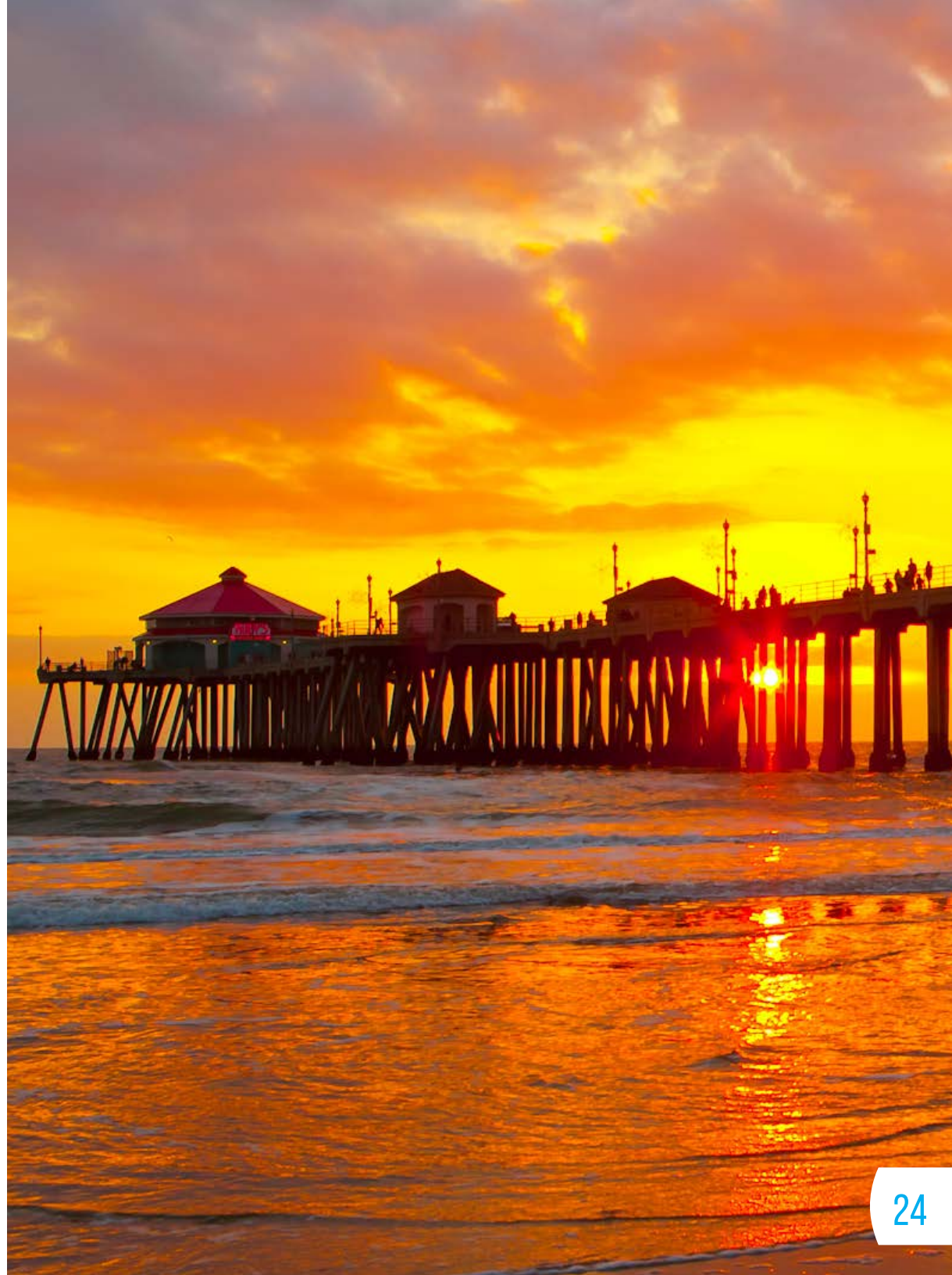
Overall, Orange County is the third-most diverse high-tech sector in the nation, behind only San Jose and San Diego. Almost 200 Fortune 500 companies have an office in one of the Irvine submarkets, and innovation firms, including Blizzard Entertainment, Broadcom, Edwards Lifesciences, and Google have significant footprints in the metro. After venture capital fell precipitously in 2017, investment rebounded in 2018, and the second quarter was the strongest on record on the back of a \$250 million investment in UST Global in Aliso Viejo from a sovereign wealth fund from Singapore.

**UNDER CONSTRUCTION**

**811,943 SF**

**12 MONTH DELIVERED**

**0 SF**





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