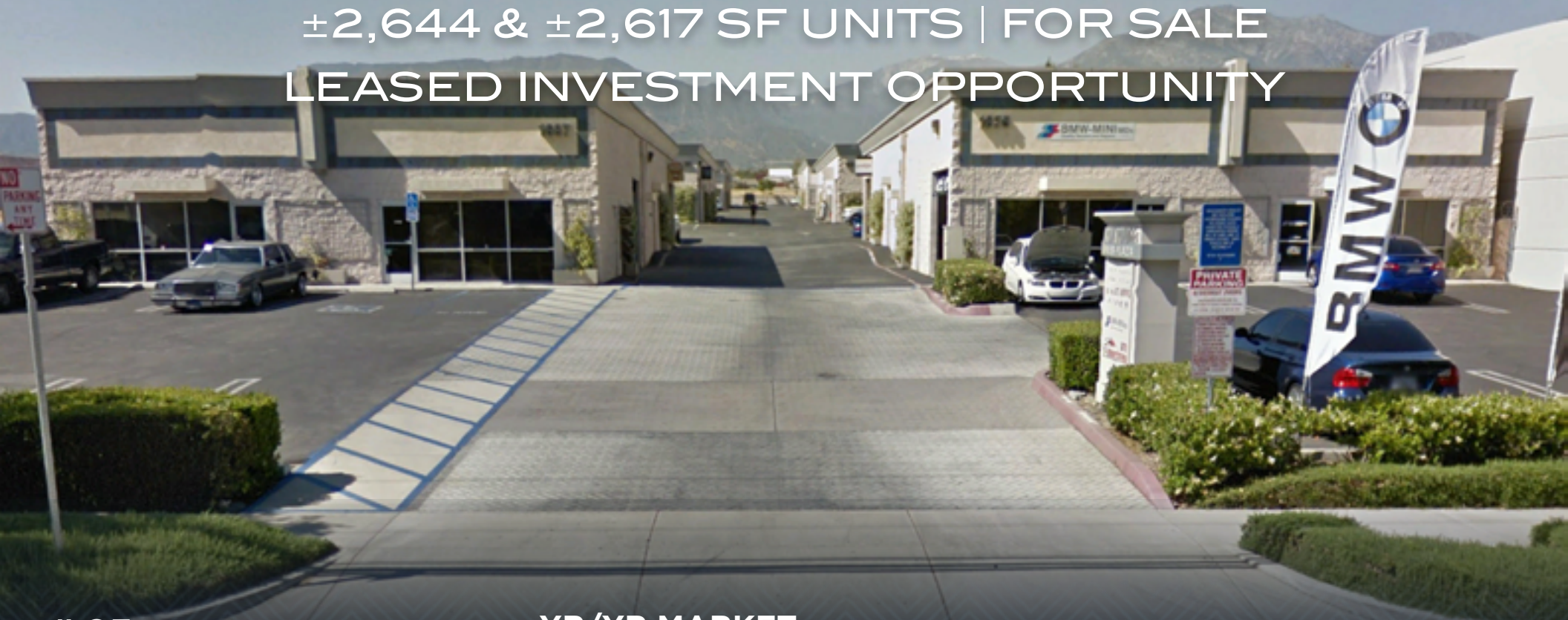


1675B & 1687B ARROW ROUTE  
UPLAND, CALIFORNIA

±2,644 & ±2,617 SF UNITS | FOR SALE  
LEASED INVESTMENT OPPORTUNITY



# OF UNITS	MARKET VACANCY	YR/YR MARKET RENT GROWTH	GROSS ANNUAL INCOME	NOI
2	2.2%	15%	\$64,529	\$47,352

Presented To You By:



**KNOWLEDGABLE**

**TRUSTED**

**RESULTS**

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# PROPERTY OVERVIEW

## THE OFFERING

Colliers International is offering a unique opportunity to purchase two high image industrial concrete block buildings totaling 5,261 square feet in the West Inland Empire (Upland, California). Both units, a 2,644 SF unit and a 2,617 SF unit, are well located in the front section of Arrow Route Business Plaza, a 12 unit multi-tenant park fronting on Arrow Route. The units unique zoning, Light Industrial, allows auto related uses on top of standard industrial uses which is unique to the area. Both tenants have term remaining on their leases with one that just extended for a new five year term and the other with approximately 15 months remaining with under market rent. In a very tight industrial market the Inland Empire West boasts a 2.2% Vacancy Rate. Year over Year market rents have increased 15% on average with 39 back to back quarters of positive net absorption demonstrating a very tight and rent growth industrial market.

**Asking Price - \$986,507.50**

**Cap Rate – 4.8%**



# PROPERTY OVERVIEW

1675 ARROW ROUTE, UNIT B, UPLAND, CA



## LOCATION

MARKET	Inland Empire
SUBMARKET	Inland Empire West
PARCEL NUMBER	1007-271-30-0000

## SQUARE FOOTAGE

UNIT SIZE	2,644 SF
OFFICE	240 SF

## PROPERTY FEATURES

RESTROOMS	1
YEAR BUILT	1980
CLEAR HEIGHT	14'
YARD	None
DRIVE-IN DOORS	1
AUTO PARKING	5

## CONSTRUCTION OVERVIEW

CONSTRUCTION	Concrete Block
BUILDING TYPE	Industrial Condo
ROOF	2018 Overlay
FIRE PROTECTION	None
INTERIOR LIGHTING	Flourescent
HVAC	Office
ELECTRICAL	100 Amps

1687 ARROW ROUTE, UNIT B, UPLAND, CA



## LOCATION

MARKET	Inland Empire
SUBMARKET	Inland Empire West
PARCEL NUMBER	1007-271-42-0000

## SQUARE FOOTAGE

UNIT SIZE	2,617 SF
OFFICE	228 SF

## PROPERTY FEATURES

RESTROOMS	1
YEAR BUILT	1980
CLEAR HEIGHT	14'
YARD	None
DRIVE-IN DOORS	1
AUTO PARKING	4

## CONSTRUCTION OVERVIEW

CONSTRUCTION	Concrete Block
BUILDING TYPE	Industrial Condo
ROOF	2018 Overlay
FIRE PROTECTION	None
INTERIOR LIGHTING	Flourescent
HVAC	Office
ELECTRICAL	100 Amps

# PROPERTY OVERVIEW

## 1675 ARROW ROUTE, UNIT B, UPLAND, CA

### TENANT OVERVIEW

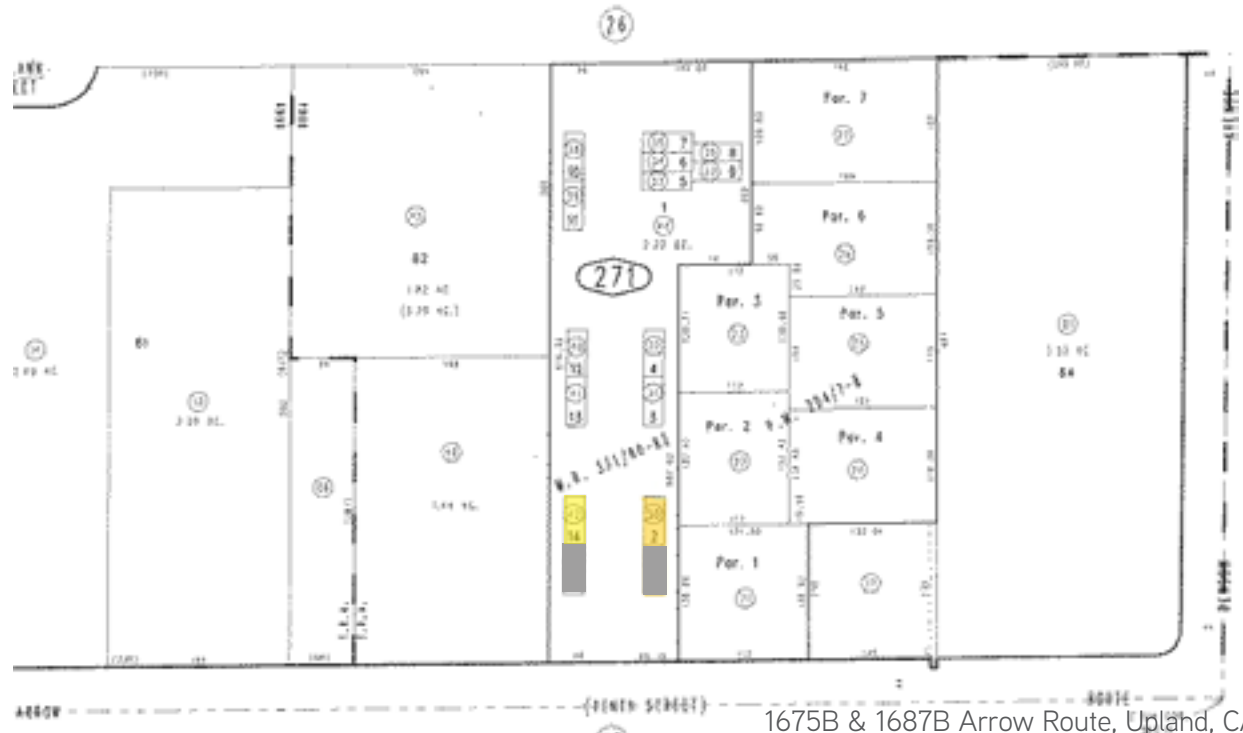
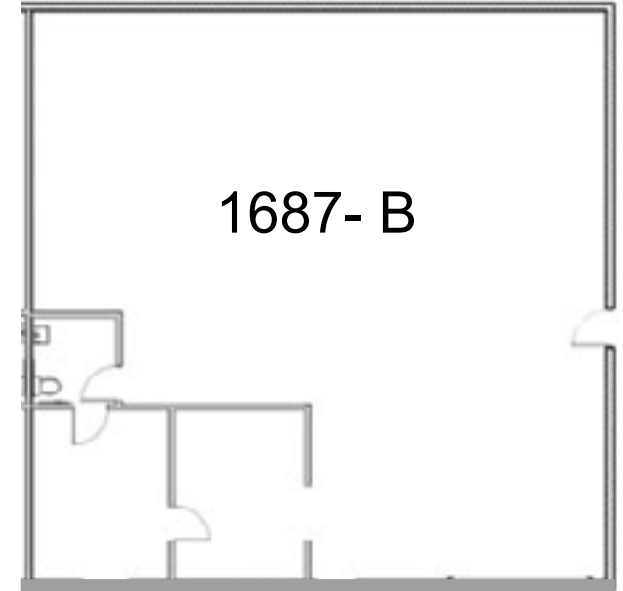
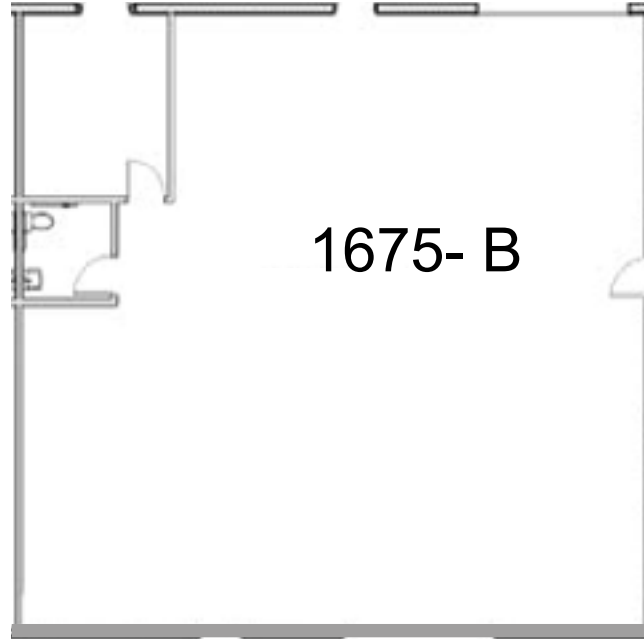
UNIT SIZE	2,644 SF
TENANT	Prolific Autosport
OCCUPANCY	100%
USE	Manufacturing, fabrication and distribution of automotive parts
LEASE DOCUMENT	AIR Standard Gross Lease
OPERATING EXPENSE PASS THROUGH	Yes
LEASE COMMENCEMENT DATE	12/1/2015
ORIGINAL LEASE TERM	60 months
LEASE EXPIRATION DATE	11/30/2020
EXTENDED LEASE COMMENCEMENT DATE	N/A
EXTENDED LEASE TERM	N/A
NEW LEASE EXPIRATION	N/A
REMAINING LEASE TERM	12 months
REMAINING LEASE BASE RENT	12/1/2019 - 11/30/2020: \$2,228.10
CURRENT BASE RENT PSF/MO.	\$0.84
MARKET BASE RENT	\$2,379.60
CURRENT ANNUAL INCREASES	Final Increase
COMMON AREA MAINTENANCE FEE/MO.	\$399.03 (Tenant Pays)
NOI	\$22,889.76
SECURITY DEPOSIT	\$2,228.10
OPTIONS TO EXTEND	None
PERSONAL GUARANTEE	Yes

## 1687 ARROW ROUTE, UNIT B, UPLAND, CA

### TENANT OVERVIEW

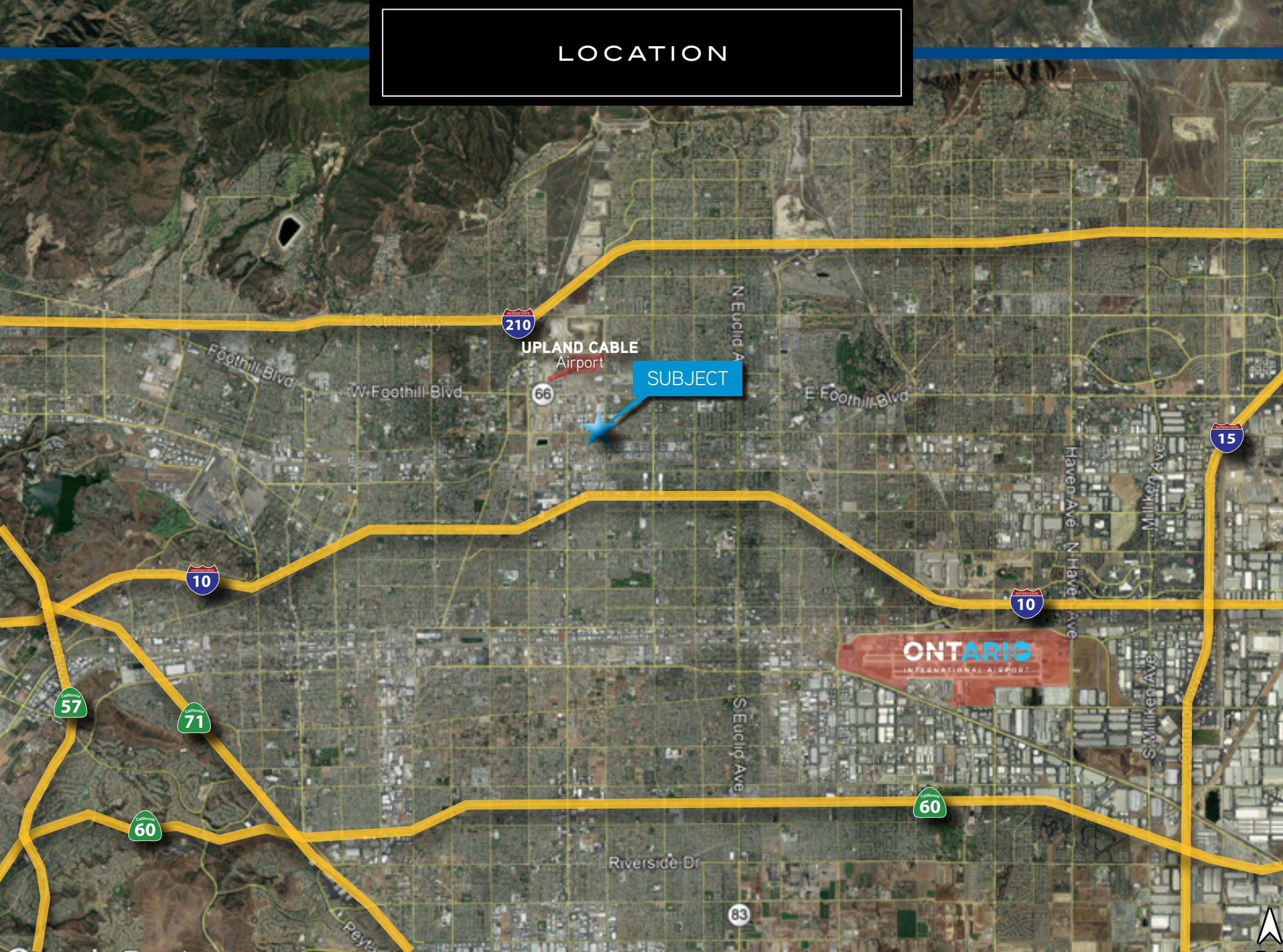
UNIT SIZE	2,617 SF
TENANT	Arthur Banks
OCCUPANCY	100%
USE	Automotive repair and related office uses
LEASE DOCUMENT	AIR Standard Gross Lease
OPERATING EXPENSE PASS THROUGH	Yes
LEASE COMMENCEMENT DATE	4/9/2016
ORIGINAL LEASE TERM	36 months
LEASE EXPIRATION DATE	4/10/2019
EXTENDED LEASE COMMENCEMENT DATE	4/11/2019
EXTENDED LEASE TERM	60 months
NEW LEASE EXPIRATION	4/10/2024
REMAINING LEASE TERM	56 months
REMAINING LEASE BASE RENT	4/11/2019 - 4/10/2020: \$2,355.30 4/11/2020 - 4/10/2021: \$2,426.00 4/11/2021 - 4/10/2022: \$2,498.70 4/11/2022 - 4/10/2023: \$2,573.70 4/11/2023 - 4/10/2024: \$2,650.90
CURRENT BASE RENT PSF/MO.	\$0.90
MARKET BASE RENT	\$2,355.30
CURRENT ANNUAL INCREASES	3%
COMMON AREA MAINTENANCE FEE/MO.	\$395.00 (Tenant Pays)
NOI	\$24,462.60
SECURITY DEPOSIT	\$11,000.00
OPTIONS TO EXTEND	None
PERSONAL GUARANTEE	Yes

# PROPERTY OVERVIEW



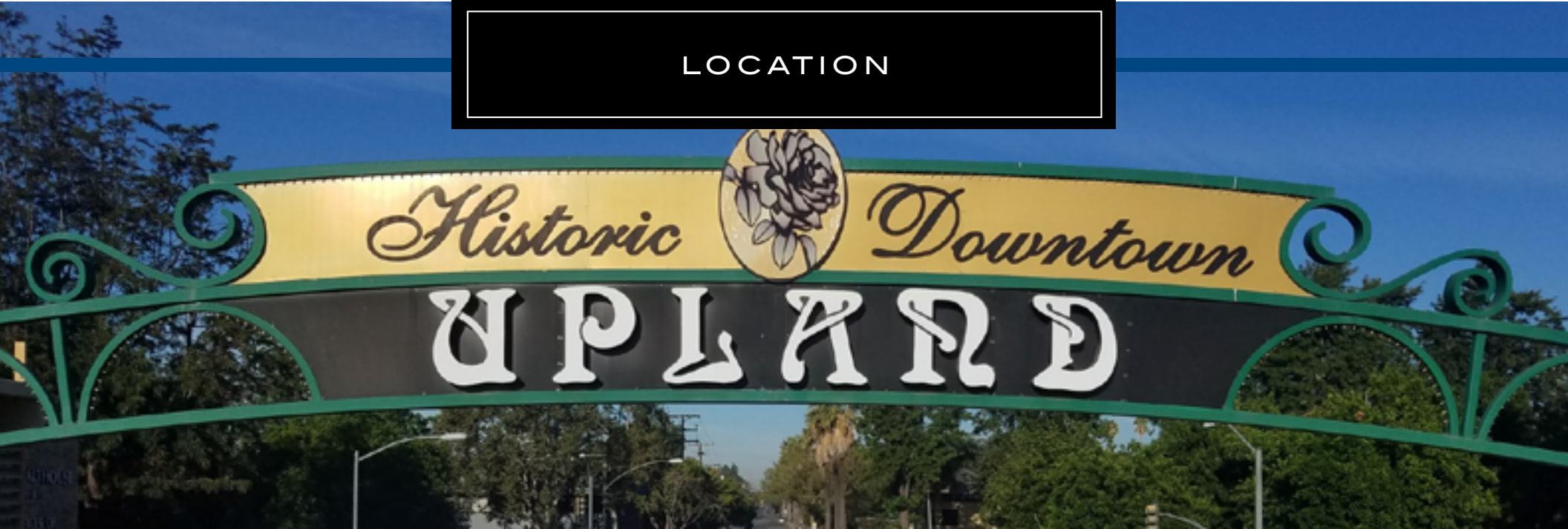


# LOCATION





## LOCATION



### CITY OF UPLAND

The City of Upland is located at the base of the San Gabriel Mountains. Upland retains the charm of its past in places such as Historic Downtown Upland. It is a quiet, leisurely place to shop in antique stores, custom shops, and restaurants. Incorporated in San Bernardino County in 1906, the city of Upland was once the pride of the citrus industry. Today we maintain and enjoy a strong sense of community supported by various successful businesses from retail to professional, medical, and educational establishments.

Upland's emergence as one of Southern California's most attractive residential communities came with the population boom that followed World War II. The warm and contagious spirit of its residents, the beauty of its landscape, the majesty of its mountainous skyline, the clemency of its weather, and the proximity to the Southland's many recreation and cultural attractions combined to convince newcomers that Upland was truly "The City of Gracious Living" as envisioned by those who settled here over a century ago.

Historic Downtown Upland offers the feel of a small town, old time community. Some of our buildings were constructed as early as the late 1800s. Today our downtown merchants consist of over 200 businesses working together to promote and enhance this historic district with a diversity of merchandise and services. We invite you to have a meal in one of our many fine restaurants, visit our shops and our farmers market, and enjoy our parades and fairs or a leisurely walk with something new and interesting on every block.

## LOCATION

# 39

CONSECUTIVE QUARTERS  
OF POSITIVE ABSORPTION

# 2.2 %

VACANCY RATE  
INLAND EMPIRE WEST

# 15%

ASKING RENT INCREASE  
YOY IN THE INLAND EMPIRE

### Inland Empire Industrial Market

Encompassing San Bernardino and Riverside Counties, the Inland Empire boasts approximately 514 million square feet of industrial space, totaling about 29% of the metropolitan Los Angeles industrial market. Known for being the preferred location for larger industrial users in Southern California, the Inland Empire offers a plethora of logistic advantages and allows for convenient access to national and global distribution routes.

One of the Inland Empire's strongest attributes is its close proximity to the two largest seaports in North America, the Port of Los Angeles and the Port of Long Beach. The region also lies in the middle of Southern California's significant highway infrastructure, including more than 900 miles of interstate highways. The area offers access to six combined interstate and state highways, including I-10, I-15, I-210, I-215, U.S. 60 and S.R. 91, allowing for direct transportation across the eastern and northern United States. The Inland Empire is conveniently located east of L.A.'s higher auto traffic volume, providing some reduction of travel time to all points north and east.

#### Market Indicators | Relative to Prior Period

	Q2 2019	Forecast
Vacancy	↓	→
Net Absorption	↑	↑
Construction	↑	↓
Rental Rate	↑	↑

#### Summary Statistics | Inland Empire, Q2 2019

Vacancy Rate	3.4%
Change from Q1 '19 (Basis Points)	-30 BPS
Net Absorption	4,804,500 SF
Construction Completions	3,260,400 SF
Under Construction	25,541,100 SF



# INLAND EMPIRE MARKET INFORMATION

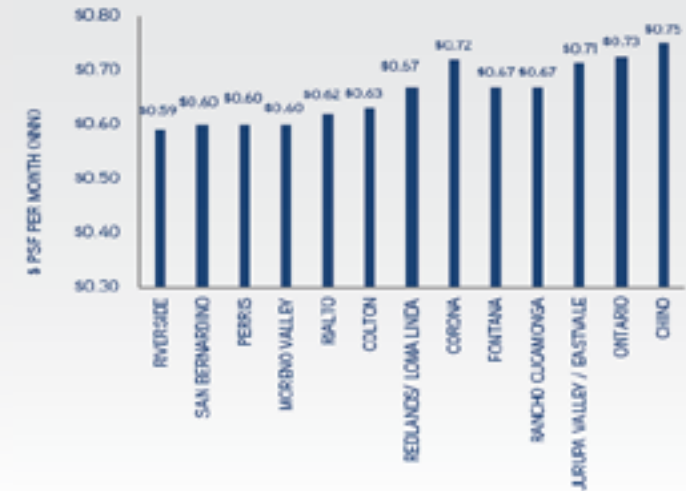
## VACANCY RATES REMAIN NEAR RECORD LOWS

- > The vacancy rate fell 30 basis points to 3.4% as industrial demand outpaced new construction completions for the quarter.
- > Available industrial space remains tightest for buildings 10,000 to 20,000 square feet (0.7%) and highest for buildings 100,000 to 250,000 square feet (6.3%). The availability rate has continued to tighten and now stands at 4.6% for the market as a whole.
- > FORECAST : Vacancy remains tight across all size ranges and is expected to remain low for the foreseeable future, despite ongoing construction activity.

## RENTAL GROWTH CONTINUES

- > Average asking rates rose \$0.03 to end at \$0.68 PSF NNN, the current high-water mark for rental rates in this region. Low vacancy rates and increased industrial demand has put continued upward pressure on rates with no relief in sight for tenants.
- > Industrial demand continues to be drawn from fast growing e-commerce tenants. Landlords for these larger companies are seeing increased need for tenant improvements, as well as longer free rent periods to make the necessary improvements. In exchange, they are getting longer lease terms at higher rates to compensate.
- > Forecast : Rents have been continually trending upward due to a vibrant economy creating heavy demand for industrial space along with extremely tight supply of product to lease. This is due to rising market conditions for new buildings with state-of-the-art features, which is reflected in the rental rate. These newer buildings allow tenants to be more efficient by lowering operating costs and increasing the velocity at which goods can be sorted and shipped.

Avg. Asking Lease Rates | Inland Empire | Q2 '19



Historical Sales & Leasing Activity | Inland Empire | Q2 '15 - '19



## 39TH CONSECUTIVE QTRS OF POSITIVE NET ABSORPTION

- Industrial net absorption registered 4,804,500 square feet for the quarter, the 39th consecutive quarter of growing industrial demand.
- Sales and leasing activity totaled 10,749,300 square feet this quarter. This includes 23 sales (579,600 square feet) and 74 leases (10,169,700 square feet).
- FORECAST** : The pace of new construction has been met with strong tenant demand and net absorption has closely mirrored gains in new supply. As newer buildings are brought to the market and leased, we expect consistent positive net absorption to be present over the next 18 months.

## CONSTRUCTION ACTIVITY TAPERING OFF

- Construction completions totaled only 3,260,400 square feet this quarter, which is below the five-year quarterly average of 5.4 million square feet.
- Ongoing construction activity totals 25,541,100 square feet. Roughly 64% of this activity (16,264,700 square feet) is for the largest buildings, those over 500,000 square feet. The last few quarters have seen an uptick in construction activity for small-and-mid-sized buildings.

- FORECAST** : As asking rates continue to increase, land prices also continue to rise. Developers who have purchased land over the past five years are at a significant advantage over those seeking to enter the market now due to a lower land cost basis.

## CAP RATES COMPRESSING AND PRICES INCREASING

- Investment sale prices increased over the quarter. Rents continued to rise faster than sales price. Cap rates for quality industrial properties remain in the 4.0% to 4.5% range.
- FORECAST** : Investors remain attracted to the industrial sector due to continued shifts in consumer behavior and a growing economy. Next quarter Blackstone will pay a record \$18.7 billion for the industrial assets of GLP. This is a move to capture prime E-commerce assets and place a strong bet on the future growth of online shopping.

Historical Net Absorption & Construction Completions  
Inland Empire | Q2 '15-'19



Investment Trends Chart Inland Empire  
Q2 '15-'19





## TOTAL INDUSTRIAL MARKET RENT TRENDS

### UPLAND

**4.4M**

MARKET BASE

**2.4%**

OVERALL VACANCY

**3.2%**

AVAILABILITY RATE

**7.8K**

NET ABSORPTION

**\$0.95**

ASKING RENT

### INLAND EMPIRE

**531M**

MARKET BASE

**3.4%**

OVERALL VACANCY

**4.6%**

AVAILABILITY RATE

**4.8M**

NET ABSORPTION

**\$0.68**

ASKING RENT

### INLAND EMPIRE WEST

**300M**

MARKET BASE

**2.2%**

OVERALL VACANCY

**3.4%**

AVAILABILITY RATE

**747K**

NET ABSORPTION

**\$0.70**

ASKING RENT

### INLAND EMPIRE EAST

**231M**

MARKET BASE

**4.9%**

OVERALL VACANCY

**6.2%**

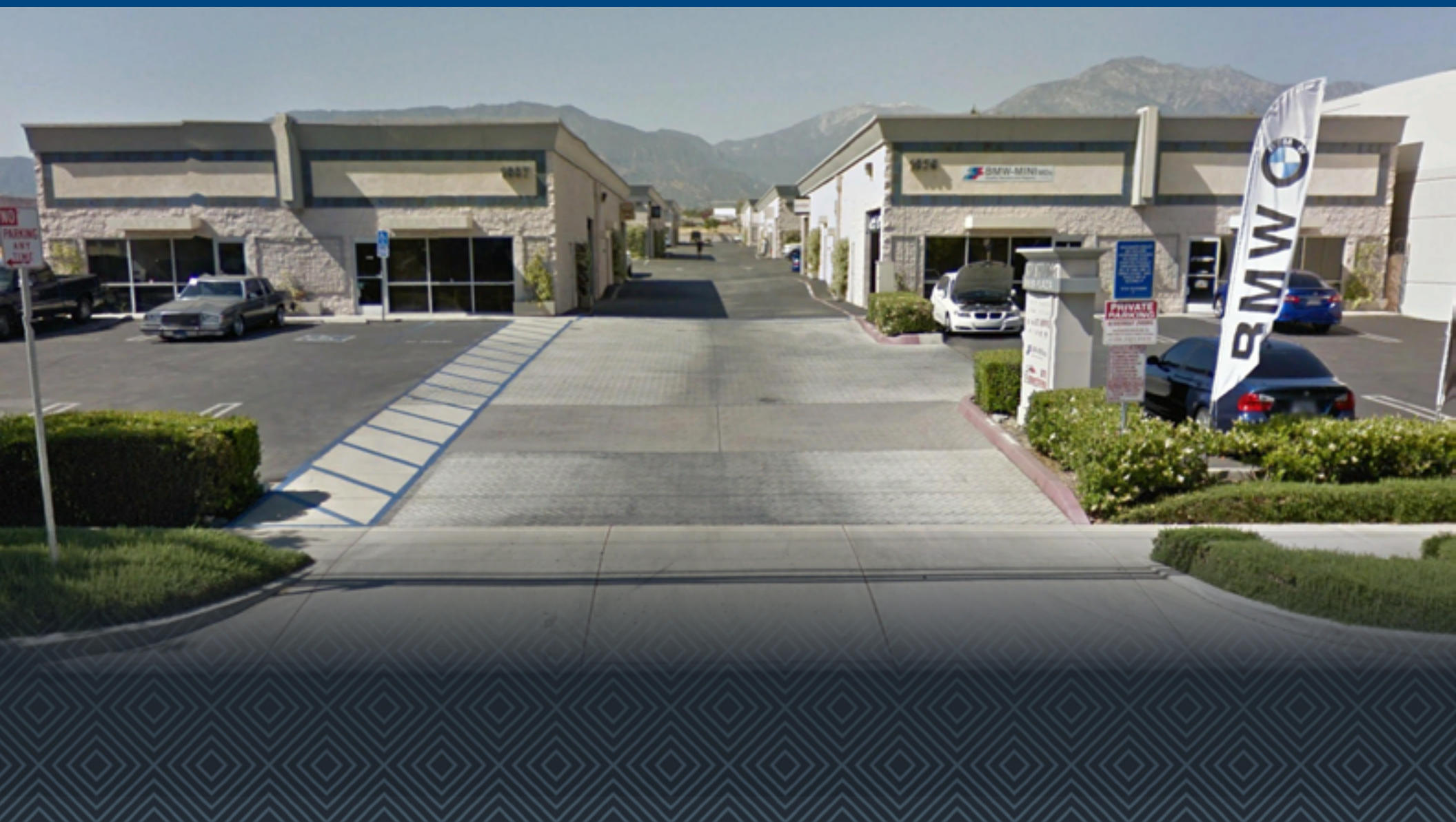
AVAILABILITY RATE

**4M**

NET ABSORPTION

**\$0.65**

ASKING RENT



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