

FOR SALE OR LEASE

4371 LATHAM STREET
RIVERSIDE, CALIFORNIA

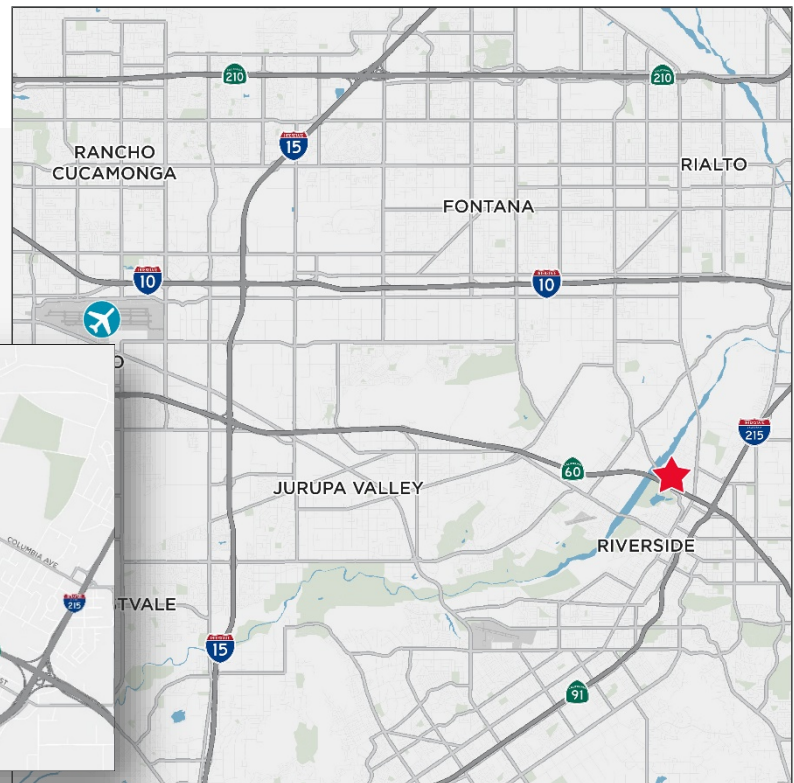


SALE PRICE: \$5,900,000

LEASE RATE: \$1.65 FSG

AVAILABILITIES

FLOOR	RSF
FIRST	21,362
SECOND	23,752



No warranty or representation, express or implied, is made as the accuracy of the information contained herein, and same is submitted subject to errors Omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.



FOR SALE OR LEASE

4371 Latham Street, Riverside, California

PROPERTY HIGHLIGHTS:

- Landscaping & painting renovations under underway
- Ideal owner/user & Investment opportunity
- 10% Down Payment SBA Financing possible
- Large efficient & open floor plates
- Prominent building-top signage available
- Located near the 60/91/215 freeway interchange
- 1 mile distance to downtown Riverside



For more information, please contact:

RYAN RUSSELL

909.942.4697

ryan.russell@cushwake.com

Lic. #01505274

SEAN KERN

909.942.4691

sean.kern@cushwake.com

Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614

nchang@naicapital.com

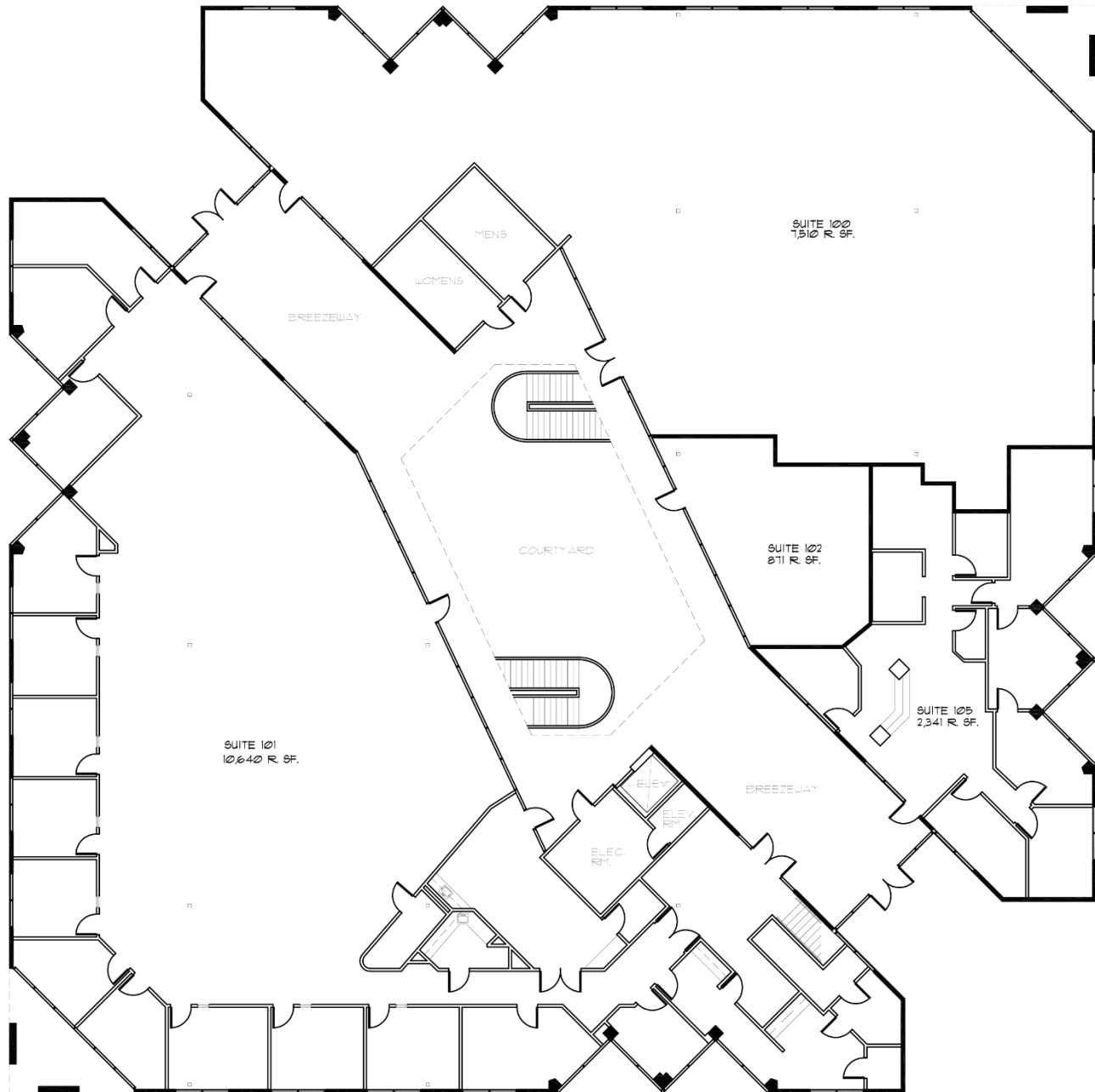
Lic. #01344844

CUSHMAN & WAKEFIELD

NAI Capital
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

No warranty or representation, express or implied, is made as the accuracy of the information contained herein, and same is submitted subject to errors Omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions imposed by our principals.

1st Floor



For more information, please contact:

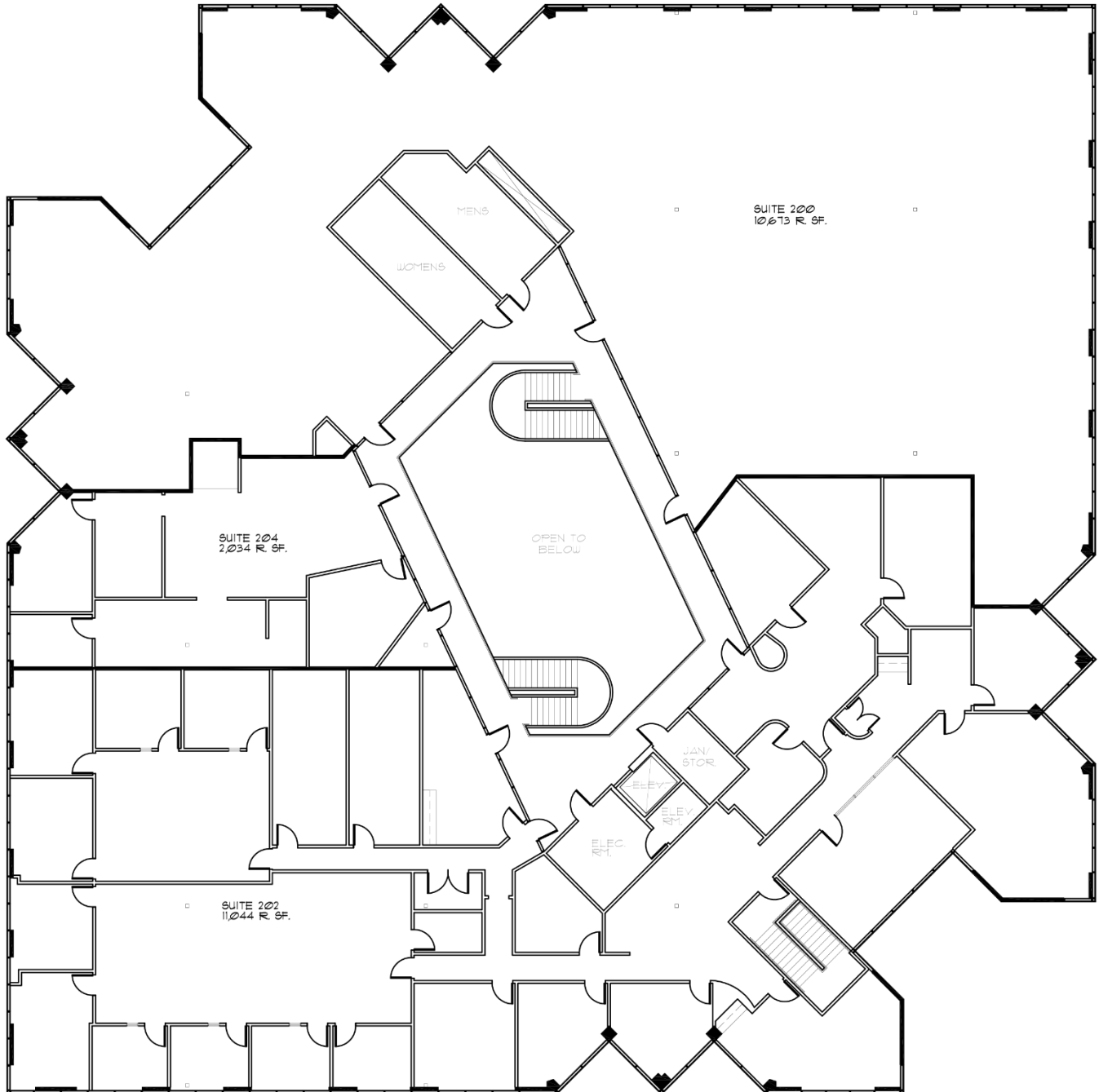
RYAN RUSSELL
909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN
909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR
909.243.7614
nchang@naicapital.com
Lic. #01344844



2nd Floor



For more information, please contact:

RYAN RUSSELL
909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN
909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR
909.243.7614
nchang@naicapital.com
Lic. #01344844



-- Investment Offering Memorandum Information To Follow --

For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN

909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
nchang@naicapital.com
Lic. #01344844



The Offering

Cushman & Wakefield in conjunction with NAI Capital is pleased to present this unique owner user or investment sale opportunity to acquire a modern generation highly functional 2-story office property in the City of Riverside, CA.

Owner User operators can take advantage of the unique opportunity to acquire the property at below replacement cost and occupy the entirety, or portion of the property for its own business use as the existing Tenant's are currently on MTM leases. If desired, additional income can be generated from leasing vacant suites to generate income and offset debt.

Additionally, value-add investors can work proactively to stabilize the property at market rental rates and generate significant over market Net Operating Income and cash-on-cash returns creating immediate equity and appreciation gains.

Investment Highlights

Purchase Price:	\$5,900,000
Purchase Price PSF:	\$130.78 PSF
Capital Improvements:	\$2,000,000
Capital Improvements PSF:	\$44.33 PSF
Total Equity:	\$7,900,000
Total Equity PSF:	\$175.11 PSF
Potential Gross Income:	\$1,028,576
Stabilized Net Operating Income:	\$757,610
Rate of Return:	9.6%
5 Year Annual IRR:	17% (Unlevered) / (26% Levered)

For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN

909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
nchang@naicapital.com
Lic. #01344844



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

	<u>Riverside Submarket</u>	<u>Greater IE Office market</u>	<u>National</u>
Market Rent PSF (FSG)*	\$1.82	\$1.79	\$2.76
Vacancy Rate*	7.2%	7.2%	9.6%
Average Market Sale Price PSF*	\$210 PSF	\$198 PSF	\$313 PSF
12 Mo. Net Absorption*	39.8K SF	585K SF	64.1M SF
Existing Inventory SF*	14.0M SF	74.8M SF	7.9B SF
# of Existing Buildings*	1,100	6,424	334,000
Under Construction SF*	516K SF	674K SF	147M SF
	Encompasses all building classes (Class A , B, & C Properties)		



For more information, please contact:

RYAN RUSSELL

909.942.4697
 ryan.russell@cushwake.com
 Lic. #01505274

SEAN KERN

909.942.4691
 sean.kern@cushwake.com
 Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
 nchang@naicapital.com
 Lic. #01344844



Riverside Office Submarket

The Riverside Submarket continues to exhibit improved fundamentals with slightly more development than most other Inland Empire submarkets. Vacancies have compressed to 7.2% from a cyclical high of 16.9% in 09Q3—when a large wave of office development finished delivering. In comparison, deliveries this cycle have been intermittent, and most are classified as medical buildings, serving local families and an aging population.

Rents have grown above the metro-wide rate after posting a healthy 2.8% growth rate over the past four quarters.

Riverside's economy consists of many local businesses, and demand is dominated by lawyers, medical service providers, and government agencies—tenants who need offices close to the communities they serve. Downtown Riverside experienced a revitalization nearly a decade ago, and additional housing is now being planned to provide a more balanced atmosphere to live, work, and play. Meanwhile, offices along the numerous freeways (SR-91, SR-60, I-215, I-10, and I-15) draw on workers from bedroom communities throughout the Inland Empire.

Greater Inland Empire Office Market

Vacancy rates have persistently improved since reaching a peak of 16% at the height of the recession, and Medical buildings have been in high demand and developers have recently started placing them throughout the metro. There is currently 600,000 SF of offices under construction. The market attracts households from more expensive coastal Southern California, including an aging population that will continue to help drive demand for health care services.

Sales activity has also been robust, particularly for traditional office space (non-medical). Investors have been able to find attractive deals in the East San Bernardino and Airport Area Submarkets, where cap rates average around 6.9% compared to 5.5% in the L.A. metro. Notably, housing development has been more rampant in these submarkets relative to the rest of the Inland Empire, giving tenants in these buildings the luxury of attracting workers that want to live near their place of work.



For more information, please contact:

RYAN RUSSELL

909.942.4697

ryan.russell@cushwake.com

Lic. #01505274

SEAN KERN

909.942.4691

sean.kern@cushwake.com

Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614

nchang@naicapital.com

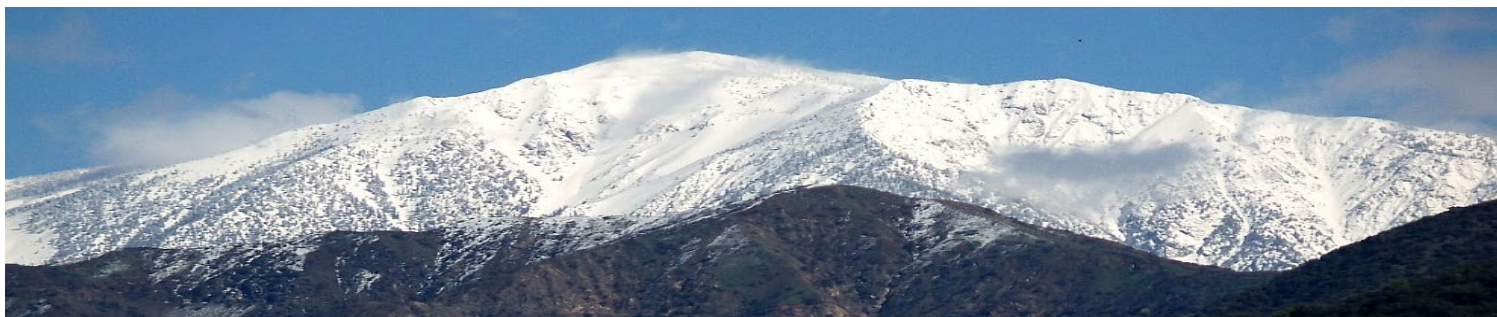
Lic. #01344844



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

4371 Latham Street, Riverside, CA. Schedule Of Prospective Cash Flow In Inflated Dollars for the Fiscal Year Beginning 7/1/2019

For the Years Ending	Year 1 Jun-2020	Year 2 Jun-2021	Year 3 Jun-2022	Year 4 Jun-2023	Year 5 Jun-2024	Year 6 Jun-2025	Year 7 Jun-2026	Year 8 Jun-2027	Year 9 Jun-2028	Year 10 Jun-2029
Potential Gross Revenue										
Base Rental Revenue	\$1,028,576	\$1,059,434	\$1,091,217	\$1,123,953	\$1,157,672	\$1,192,402	\$1,228,174	\$1,265,019	\$1,302,970	\$1,342,059
Absorption & Turnover Vacancy										
Base Rent Abatements	(514,288)									
Scheduled Base Rental Revenue	514,288	1,059,434	1,091,217	1,123,953	1,157,672	1,192,402	1,228,174	1,265,019	1,302,970	1,342,059
Total Reimbursement Revenue	2,912	8,794	14,793	20,911	27,155	33,519	40,015	46,638	53,394	60,283
Total Potential Gross Revenue	517,200	1,068,228	1,106,010	1,144,864	1,184,827	1,225,921	1,268,189	1,311,657	1,356,364	1,402,342
Collection Loss	(5,172)	(10,682)	(11,060)	(11,449)	(11,848)	(12,259)	(12,682)	(13,117)	(13,564)	(14,023)
Effective Gross Revenue	512,028	1,057,546	1,094,950	1,133,415	1,172,979	1,213,662	1,255,507	1,298,540	1,342,800	1,388,319
Operating Expenses										
Property Taxes	72,000	73,440	74,909	76,407	77,935	79,494	81,084	82,705	84,359	86,047
Property Insurance	11,444	11,673	11,906	12,144	12,387	12,635	12,888	13,146	13,408	13,677
Property Management	32,000	32,640	33,293	33,959	34,638	35,331	36,037	36,758	37,493	38,243
Electricity	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899
Janitorial	31,000	31,620	32,252	32,897	33,555	34,227	34,911	35,609	36,321	37,048
Elevator Service	3,680	3,754	3,829	3,905	3,983	4,063	4,144	4,227	4,312	4,398
HVAC Service	7,150	7,293	7,439	7,588	7,739	7,894	8,052	8,213	8,377	8,545
Landscaping & Pkg Lot	13,600	13,872	14,149	14,432	14,721	15,015	15,316	15,622	15,935	16,253
Exterminator	1,665	1,698	1,732	1,767	1,802	1,838	1,875	1,913	1,951	1,990
Plumbing	2,333	2,380	2,427	2,476	2,525	2,576	2,627	2,680	2,733	2,788
Roof Maintenance	3,194	3,258	3,323	3,389	3,457	3,526	3,597	3,669	3,742	3,817
Building Security	2,179	2,223	2,267	2,312	2,359	2,406	2,454	2,503	2,553	2,604
General R&M Reserve	7,500	7,650	7,803	7,959	8,118	8,281	8,446	8,615	8,787	8,963
Trash	4,309	4,395	4,483	4,573	4,664	4,757	4,853	4,950	5,049	5,150
Total Operating Expenses	294,054	299,936	305,933	312,051	318,291	324,659	331,153	337,776	344,529	351,422
Net Operating Income	217,974	757,610	789,017	821,364	854,688	889,003	924,354	960,764	998,271	1,036,897



For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN

909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
nchang@naicapital.com
Lic. #01344844



Prospective Property Resale Proforma

For the Years Ending	Year 1 Jun-2020	Year 2 Jun-2021	Year 3 Jun-2022	Year 4 Jun-2023	Year 5 Jun-2024	Year 6 Jun-2025	Year 7 Jun-2026	Year 8 Jun-2027	Year 9 Jun-2028	Year 10 Jun-2029
Resale Amount										
Gross Proceeds from Sale	\$11,655,538	\$12,138,723	\$12,636,369	\$13,149,046	\$13,676,969	\$14,220,831	\$14,780,985	\$15,358,015	\$15,952,262	\$16,564,431
Commissions & Adjustments	(349,666)	(364,162)	(379,091)	(394,471)	(410,309)	(426,625)	(443,430)	(460,740)	(478,568)	(496,933)
Net Proceeds From Sale	11,305,872	11,774,561	12,257,278	12,754,575	13,266,660	13,794,206	14,337,555	14,897,275	15,473,694	16,067,498
Outstanding Debt Retirement										
Total Principal Balances	(4,006,624)	(3,876,937)	(3,740,612)	(3,597,316)	(3,446,686)	(3,288,350)	(3,121,913)	(2,946,963)	(2,763,060)	(2,569,749)
Net Resale Proceeds After Debt	\$7,299,248	\$7,897,624	\$8,516,666	\$9,157,259	\$9,819,974	\$10,505,856	\$11,215,642	\$11,950,312	\$12,710,634	\$13,497,749
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Unleveraged Annual IRR	50.69%	26.71%	20.92%	18.33%	16.87%	15.93%	15.27%	14.78%	14.41%	14.11%
Leveraged Annual IRR	157.46%	52.87%	36.24%	29.64%	26.08%	23.84%	22.28%	21.13%	20.25%	19.54%

Additional Notes:

Debt financing assumptions in this model assumes a fully amortized loan over 20 years @ 5% interest rate fixed thru the term.

The initial principal loan amount is 70% LTV based on a purchase price of \$5,900,000.

The Gross Proceeds from Sale is calculated based on a 6.50% CAP rate of the previous years NOI (See Cash flow Proforma).



For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN

909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR







909.243.7614
nchang@naicapital.com
Lic. #01344844



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

LEASE COMPARABLES

4371 Latham Street, Riverside, California

<u>The Property</u>	<u>Leased SF</u>	<u>Base Rent</u>	<u>Start Date</u>	<u>Tenant</u>
<u>Address</u>	<u>Building SF</u>	<u>Effective Rent</u>	<u>Term</u>	<u>Landlord</u>
	<u>Year Built</u>	<u>TI Allowance</u>	<u>Free Rent</u>	<u>Escalations</u>
 The Towers At Riverwalk 4204 Riverwalk Parkway Riverside, CA	24,980 96,914 2008	\$2.65 FSG \$2.81 FSG No	5/1/2019 60 Months No	Keenan & Associates SchoolsFirst Federal Credit Union 3%
 Chicago Gateway Bldg B 1955 Chicago Ave, Ste 100 Riverside, CA	5,528 35,371 2006	\$2.10 FSG \$2.23 FSG No	5/1/2018 120 Months No	CA Integrated Waste Northstar Commercial Partners 3%
 Riverside Gateway 3550 Vine Street, Suite 110 Riverside, CA	6,509 46,000 2003	\$2.23 FSG \$2.44 FSG No	3/1/2018 84 Months No	Roorda, Piquet & Bessee, Inc. Dornan Investment Group 3%
 Tri City Corporate Center 862 E. Hospitality Lane Suite 250 San Bernardino, CA	26,929 104,501 2006	\$2.05 FSG \$2.06 FSG No	10/1/2018 64 Months 4 Months	San Manuel Kingsbarn Realty Capital 3%
 One Lakeshore Centre II 3450 Centrelake Drive Ste 100-275 Ontario, CA	27,049 27,049 1990	\$2.25 FSG \$2.18 FSG \$18.00 PSF	10/1/2019 62 Months 2 Months	The Lane Construction Company MGR Services, Inc. 3%
 Brier Corporate Center 804 Brier Drive San Bernardino, CA	25,514 25,514 2000	\$1.70 MG \$1.95 MG Confidential	9/1/2019 120 Months No	Summit Career College Granum Partners 3%

For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN








909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
nchang@naicapital.com
Lic. #01344844



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

<u>The Property</u>	<u>Building SF</u>	<u>Sale Price</u>	<u>Close Date</u>	<u>Year Built</u>	<u>Buyer</u>
	<u>Land Area</u>	<u>Sale Price PSF</u>	<u>CAP Rate</u>	<u>Parking</u>	<u>Seller</u>
 <p>Center Tower Riverside 3880 Lemon Street Riverside, CA</p>	73,645 1.15 Acres	\$20,530,500 \$278.78 PSF	11/8/2018 6.00%	1987 3.37/1000	DeAnza Land Corp. CIP Real Estate
 <p>Riverside Gateway (Portfolio Sale) 3480-3550 Vine Street Riverside, CA</p>	90,154 4.96 Acres	\$17,069,502 \$189.50 PSF	10/24/2018 7.34%	2005 4.56/1000	Dornan Investment Group Everwest Real Estate Investors
 <p>University Research Park 1201 Research Park Drive Riverside, CA</p>	20,875 2.05 Acres	\$4,975,000 \$238.32 PSF	4/26/2019 6.40%	2003 5/1000	Rumary Company Guthrie Construction
 <p>Market Street Corp. Center 2280-2300 Market Street Riverside, CA</p>	127,267 5.88 Acres	\$25,134,368 197.50 PSF	10/24/2018 7.34%	2006 4/1000	Dornan Investment Group Everwest Real Estate Investors
 <p>Ferrari Corporate Center 4150 Concourses Street Ontario, CA</p>	44,086 2.9 Acres	\$9,000,000 \$204.15 PSF	1/2/2019 8.00%	2004 4/1000	Haven Building, Inc. Project Transition USA
 <p>RockJersey Professional Center 8855 Haven Avenue, Bldg 3 Ontario, CA</p>	25,631 3 Acres	\$6,850,000 \$267.25 PSF	1/19/2018 Not Reported	2008 4/1000	Haven Building, Inc. Bowman
 <p>Fairway Business Centre 11175 Azusa Court Rancho Cucamonga, CA</p>	54,000 3.48 Acres	\$6,000,000 \$222.22 PSF	5/2/2019 Not Reported	2004 5/1000	I-15 Auto Center Dr, LLC Milliken & Greystone Prop, LLC

For more information, please contact:

RYAN RUSSELL

909.942.4697
ryan.russell@cushwake.com
Lic. #01505274

SEAN KERN

909.942.4691
sean.kern@cushwake.com
Lic. #01377294

NICHOLAS CHANG, SIOR

909.243.7614
nchang@naicapital.com
Lic. #01344844



COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE