

10605

Jamacha Blvd

SPRING VALLEY, CA

OFFERING MEMORANDUM

FOR SALE | Industrial Manufacturing Facility
TWO BUILDINGS TOTALING ±99,405 SF ON 5.63 AC OF COUNTY M-58 LAND



10605

Jamacha Blvd

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OFFERING SUMMARY

Colliers International, as exclusive advisor to seller, is pleased to present the opportunity to acquire 10605 Jamacha Boulevard in Spring Valley, California (the "Property"), an industrial manufacturing facility consisting of two buildings totaling approximately 99,405 square feet situated on 5.63 acres of M-58 zoned land. The asking price for the property is \$10,250,000.

OFFERING HIGHLIGHTS

› Extremely Flexible County Zoning

Located in a market where many municipalities are implementing more restrictive zoning in the San Diego area, the site has M-58 zoning (High-Impact Industrial) which allows for a wide range of uses, including outdoor storage.

› Scalability

The two-building campus allows for a company to occupy only one of the buildings with the capability of future on-site expansion.

› Potential for Sustainable Improvements

The Property has adequate room to accommodate a solar electric system to significantly offset and reduce energy costs for the users of the buildings.

› Ideal San Diego Location

Well-located between the Mexico and the Los Angeles markets, the Property is ideally situated to capitalize on strong demographics for



PROPERTY DETAILS



› Building A

Building Description: Industrial Manufacturing/Warehouse

SF: Approximately 49,250 SF

Year Built: 1971

Land Area: 5.63 Acres

Parking Ratio: 1.26/1,000 SF (60 spaces)

Zoning: M-58

APN: 505-231-34

Power: 800 Amps | 220V

Sprinklers: Yes

Clearance: 21' - 30' clear height

Dock Loading: 3 dock-high truck positions

Grade Loading: 3 grade-level doors

Office: 2,500 SF

Floors: One (office 2-story)



› Building B

Building Description: Industrial Manufacturing

SF: Approximately 50,155 SF

Year Built: 1948, 1967, 1970

Land Area: 5.63 Acres

Parking Ratio: 1.02/1,000 SF (46 spaces)

Zoning: M-58

APN: 505-231-34

Power: 800 Amps | 277-480V

Natural Gas: Yes

Clearance: 16' - 19' clear height

Dock Loading: 2 dock-high truck positions

Grade Loading: 6 grade-level truck doors

Office: 3,000 SF

Floors: One

PRIME LOCATION

130 MILES

to Los Angeles

124 MILES

to Port of Long Beach

96 MILES

to Orange County

20 MILES

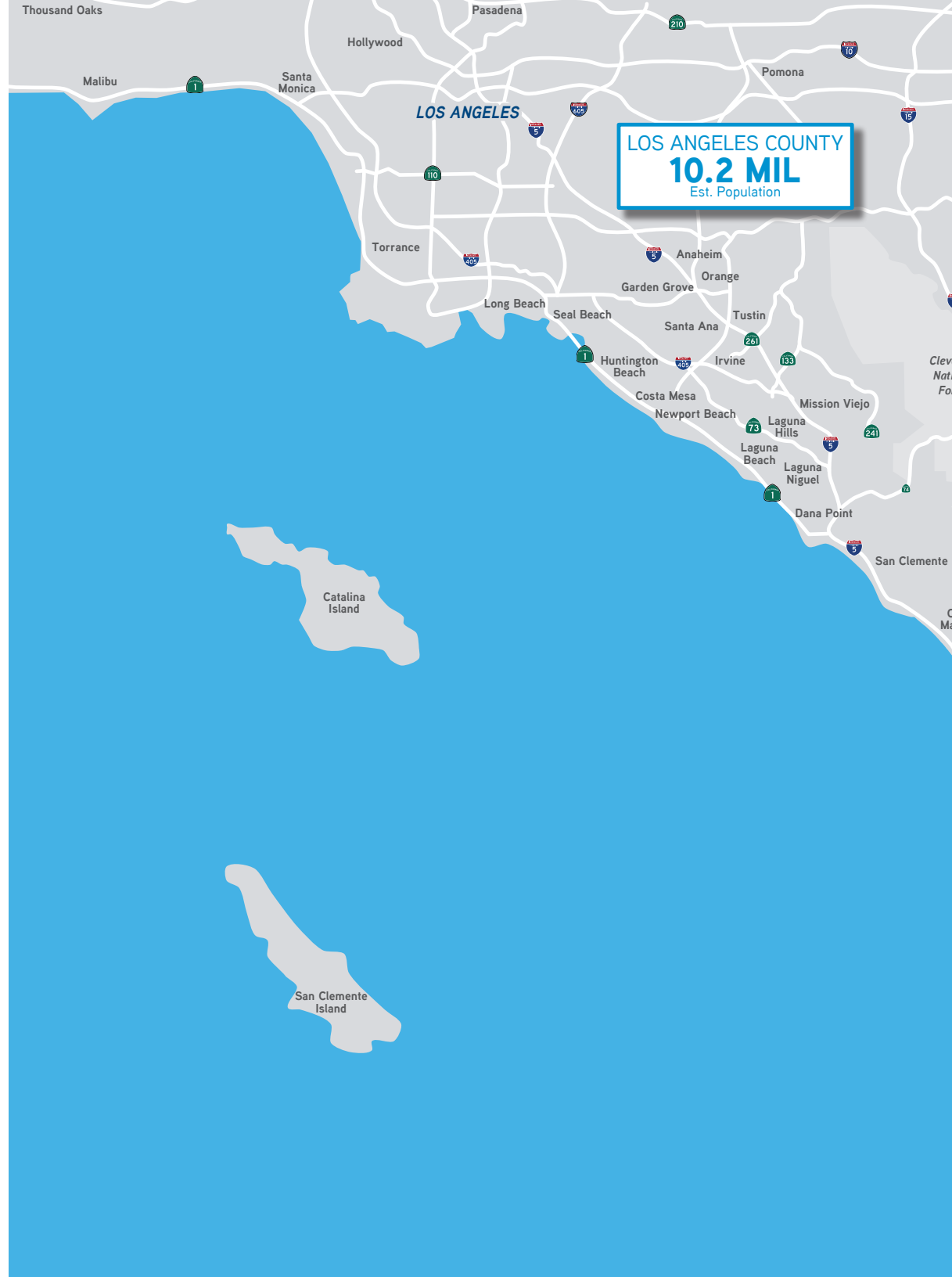
to Pacific Ocean

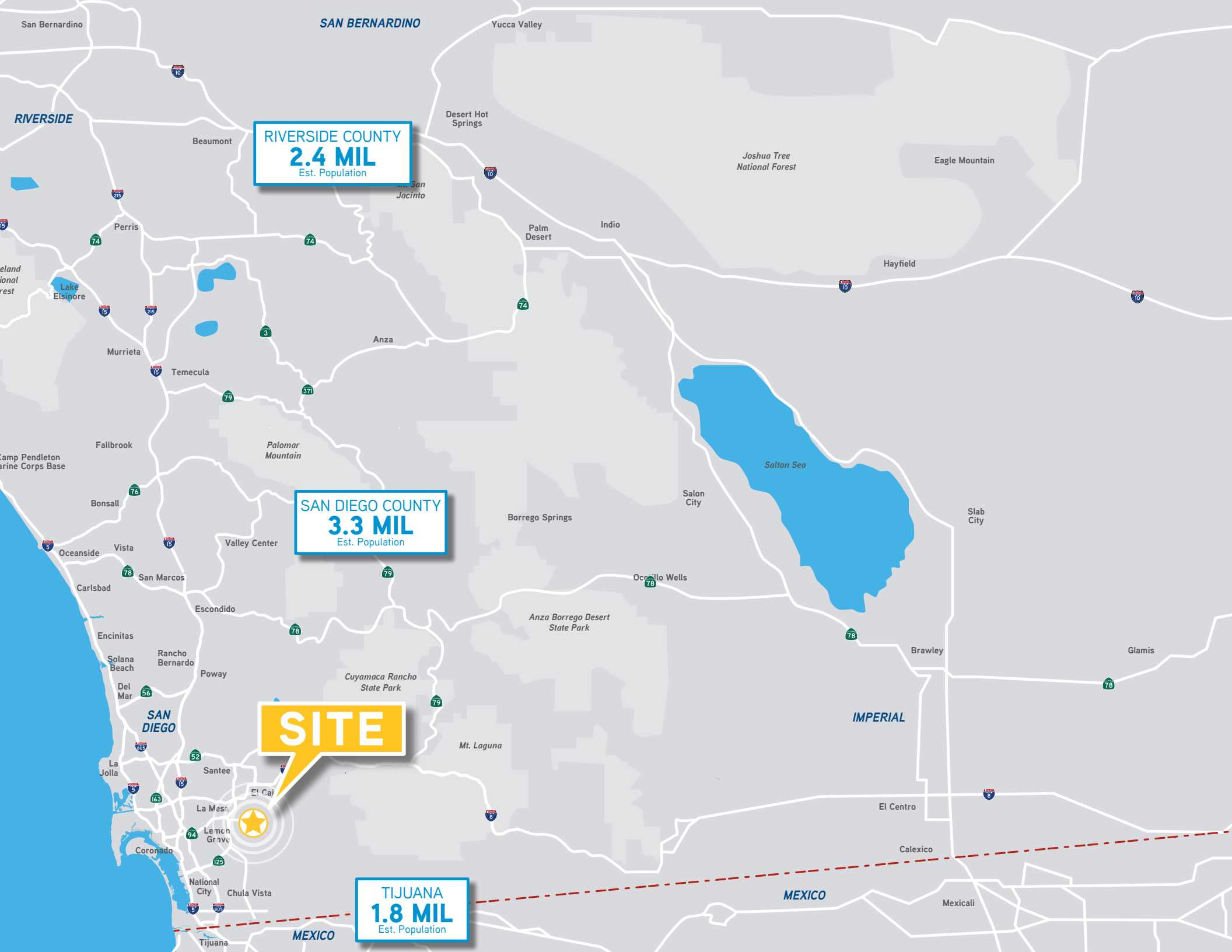
18 MILES

to Tijuana Maquiladora (Manufacturing District)

12 MILES

to Downtown San Diego





RIVERSIDE COUNTY
2.4 MIL
Est. Population

SAN DIEGO COUNTY
3.3 MIL
Est. Population

SITE

TIJUANA
1.8 MIL
Est. Population

San Bernardino

SAN BERNARDINO

Yucca Valley

RIVERSIDE

Beaumont

RIVERSIDE COUNTY

2.4 MIL

Est. Population

Desert Hot Springs

10

Joshua Tree National Forest

Eagle Mountain

San Jacinto

74

Indio

74

Hayfield

10

10

eland
ional
rest

Lake Elsinore

74

74

3

Anza

371

Murrieta

15

Temecula

79

371

Fallbrook

Palomar Mountain

Bonsall

76

SAN DIEGO COUNTY

3.3 MIL

Est. Population

Borrego Springs

Salon City

Slab City

5

Oceanside

15

Vista

Valley Center

79

Anza Borrego Desert State Park

Oceanside Wells

78

78

Carlsbad

78

San Marcos

Escondido

78

Glamis

Encinitas

Solana Beach

Rancho Bernardo

Poway

Cuyamaca Rancho State Park

79

IMPERIAL

Mt. Laguna

Brawley

Glamis

SITE

SAN DIEGO

IMPERIAL

La Jolla

Santee

52

El Cajon

8

El Centro

8

La Mesa

Lemon Grove

94

Chula Vista

MEXICO

Mexicali

Coronado

National City

Chula Vista

5

163

163

MEXICO

TIJUANA

1.8 MIL

Est. Population

Tijuana

MEXICO

MARKET OVERVIEW



4 MIN
to Route 94



AUSTIN DR

SWEETWATER SPRINGS BLVD

JAMACHA BLVD

7 MIN
to Route 125





SALE COMPARABLES

	Property Address	Buyer	Seller	Size	Sale Price	Price/SF	Sale Date
	960 Sherman Street San Diego, CA 92110	LBA Realty	Sears Holding Corporation	184,000 SF	\$23,800,000	\$129	7/21/2017
	Comments: Class C industrial building built in 1971 with 18' - 21' warehouse clear height.						
	8616 Cuyamaca Street Santee, CA 92071	Plumbers & Pipefitters Laborer Hall	James J. Adamo, Jr.	44,000 SF	\$6,100,000	\$139	6/19/2017
	Comments: Class C industrial property in good condition with 1 acre of excess land.						
	287 Vernon Way El Cajon, CA 92020	Mark & Michelle Keller	Equitable Group, Inc.	16,000 SF	\$2,350,000	\$147	6/9/2017
	Comments: Smaller class C building built in 1990 with outside storage yard.						
	3800-3804 Main Street Chula Vista, CA 91911	J.J.B. Land Company	Sub-Zero, Inc.	91,205 SF	\$10,122,182	\$111	4/3/2017
	Comments: Hilltop Business Center is a 3 building multi-tenant project with several tenants.						

	Property Address	Buyer	Seller	Size	Sale Price	Price/SF	Sale Date
	2400 & 2402 Main Street Chula Vista, CA 91911	Exeter Property Group	Alpine Creek Center	162,660 SF	\$16,973,000	\$104	1/30/2017
	Comments: Class B industrial project built in 1971 with below-market parking at 0.65/1,000.						
	1601 Precison Park Lane San Diego, CA 92173	Centro de Salud	David Haddad	61,502 SF	\$8,150,000	\$133	10/27/2017
	Comments: Built in 1980 and renovated in 1987.						
	2055 Dublin Drive San Diego, CA 92154	Stag Industrial, Inc.	Environmental Development, Ltd.	205,800 SF	\$19,300,000	\$94	5/31/17
	Comments: Class B warehouse, 6.3% cap.						
	2393 Newton Avenue San Diego, CA 92113	Benjamin Younesi	Positive Investments, Inc.	40,873 SF	\$5,850,000	\$143	1/20/17
	Comments: Two building multi-tenant project with four tenants.						

SAN DIEGO INDUSTRIAL MARKET

Behind the Numbers

- > Combined industrial/R&D vacancy (4.2%) continues its downward trend to historically low levels.
- > 2018 is poised to be the strongest year for new construction in 19 years
- > Average asking rental stood at a triple-net rate of \$1.00/SF/month which was unchanged from the prior quarter. Newly constructed buildings coming online in 2018 will push rates up after being flat for several quarters.

Trend Forecast & Outlook

The San Diego County vacancy rate has been in the 4% range for the last three years. Demand is likely to continue to be steady in currently existing product. Depending how strong demand will be for new construction hitting the market, vacancy should fall within a range of 3.9% to 5.1% countywide by the end of 2018.

Average asking rental rates will likely increase in 2018 as brand new, high-quality projects come online. These new projects will set the high point for rents and dominate the already tight market where available, leasable space in pre-existing projects continues to be limited.

Vacancy

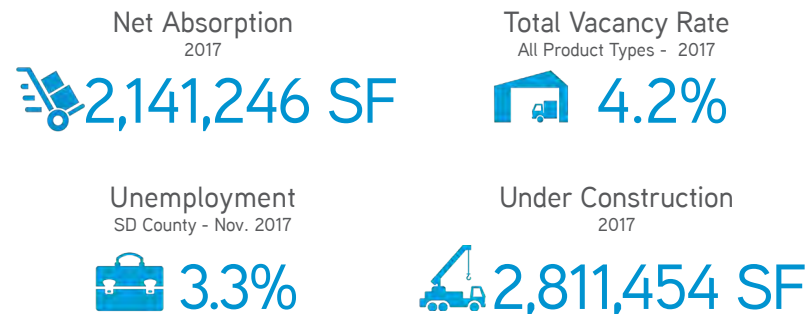
Countywide combined industrial/R&D vacancy dipped to 4.2% – a 31 basis point (bps) decrease from the prior quarter. Campus Point/Eastgate (15.5%) was the only submarket to end the year with double-digit vacancy rate. However, this primarily life-science based submarket had both the second highest level of net absorption for the year and improvement in vacancy – a 593 basis point (bps) drop – from a year ago.

At year-end, all submarkets maintained vacancy rates under 8% for their industrial, non-R&D, inventories. Total vacancy of 3.0% for industrial space decreased 42 bps compared to the prior quarter. Countywide R&D vacancy decreased by 3 bps to 7.3%.

SAN DIEGO COUNTY SUMMARY

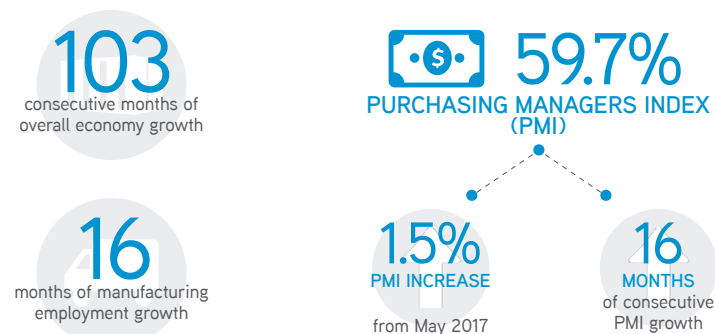
All Markets - 2017

	Q4 2017	Q4 2016	Change
Overall Vacancy (incl. sublease)	4.22%	4.84%	↓
Net Absorption SF	592,245	379,502	↑
Under Construction SF	2,811,454	1,360,194	↑
Average Asking Rent (NNN)	\$1.00	\$1.03	↓



NATIONAL INDUSTRIAL INDICATORS

Source: December 2017 Manufacturing ISM® Report On Business®



Net Absorption

Combined industrial/R&D net absorption in San Diego County totaled 592,245 SF during Q4 2017. Industrial buildings (manufacturing, warehouse, distribution and multi-tenant/incubator uses) and R&D buildings (flex, wet lab and R&D uses) posted positive net absorption in of 571,717 SF and 20,528 SF, respectively.

Demand was positive in five of the county's 21 submarkets in Q4 2017. South Bay posted the greatest net absorption (+207,665 SF) for the quarter. South Bay's demand was driven in part by several tenants occupying space in Chula Vista including kSARIA (49,600 SF) at 491 C Street; Tecnico Corporation (25,469 SF) and Curbell Plastics (25,600 SF) at 1670 Brandywine Avenue; and MTE Corporation (23,765 SF) at 730 Design Court.

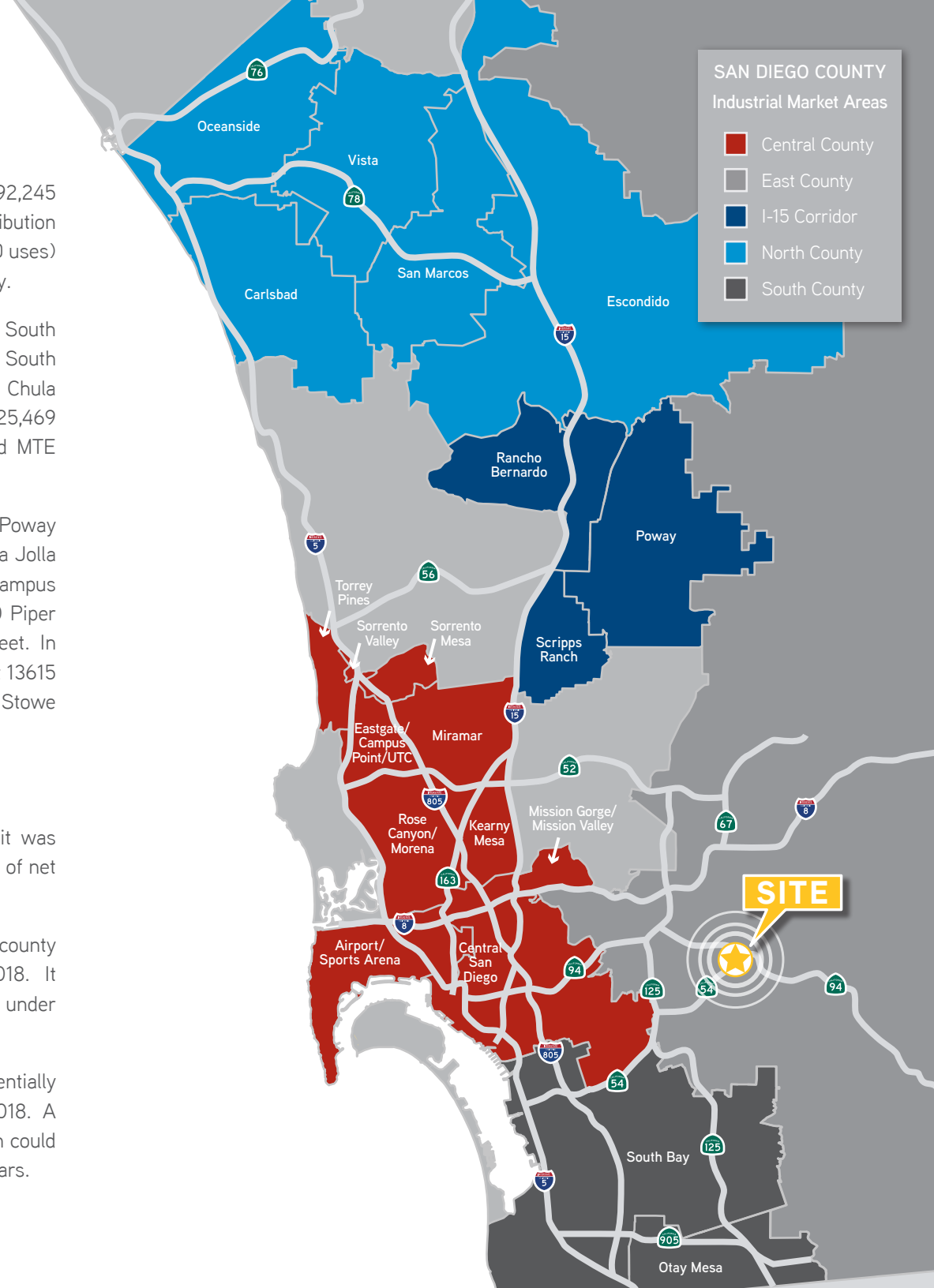
Campus Point/Eastgate (+129,119 SF), Otay Mesa (+62,921 SF) and Poway (+62,060 SF) rounded out the top submarkets in Q4 based on demand. La Jolla Pharmaceutical occupied 83,008 SF at 4550 Towne Centre Court in Campus Point/Eastgate. In Otay Mesa, Atlas Freight (99,840 SF) occupied 2020 Piper Ranch Road and Mainfreight (24,050 SF) occupied 2600 Melksee Street. In Poway, owner/user O'Brien's Boulangerie bought the 17,656 SF building at 13615 Stowe Drive and DirectMed Parts & Services (33,652 SF) occupied 12525 Stowe Drive.

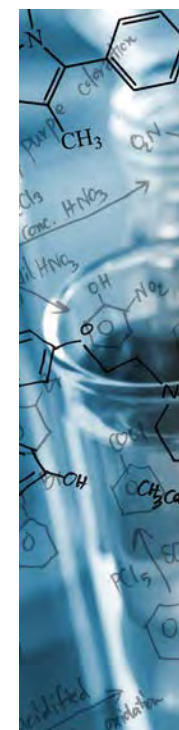
New Supply

850,935 SF of new construction was completed in 2017 but none of it was completed in Q4. Demand within the newly built space led to 730,269 SF of net absorption – or 86% of total completed for the year.

There was more than 2.81 million SF under construction throughout the county at the end of 2017; all but 130,000 SF is expected to be completed in 2018. It has been more than eleven years since this amount of space has been under development at any one time.

The amount of proposed (future) development stood at 4.74 million SF. Potentially 2.76 million SF of this total could break ground and be completed during 2018. A combination of some proposed space and all the space under construction could conceivably make 2018 the most active year for new construction in 18 years.





SAN DIEGO COUNTY

San Diego County is the south-westernmost county in California. It occupies 4,526 square miles with approximately 70 miles of coastline. Spaniards settled the San Diego County area in 1769 through the founding of Mission San Diego de Alcalá (in Old Town San Diego) and Mission San Luis Rey de Francia in 1798 (in Oceanside).

San Diego experienced a population boom during World War II as the U.S. Pacific Fleet was relocated here from Pearl Harbor. San Diego became a key base of operations for the Marine Corp and the Navy. Bombers were manufactured here by Convair during the war. Since the end of the war, throughout the cold war, and until present day, San Diego has remained the base of operations of numerous defense contractors that fuel one of the largest industrial sectors of the local economy. Some of the largest defense employers include General Dynamics/NASSCO, Northrop Grumman, and SPAWAR.

At the end of the cold war in the early 1990s, San Diego saw a significant reduction in the defense industry. This included the BRAC closure of the Naval Training Center (NTC) in Point Loma and the General Dynamics facility west of SR-163 in Kearny Mesa. Both locations have since been redeveloped into successful mixed-use projects. The retraining and utilization of these high-skilled and high-tech former defense workers during this period created a substantial workforce for companies in the communications, software, computer and electronic manufacturing industries. The defense manufacturing sector still remains a large proportion of the San Diego workforce, but the employment base has become more diversified.

San Diego County has the second largest biotechnology sector in the country. Over 12.1 million square feet of wet lab space is concentrated primarily in Torrey Pines, Sorrento Mesa, Sorrento Valley, UTC, Carlsbad and Oceanside. This sector benefits with its close-ties with UCSD, The Scripps Research Institute (TSRI), The Salk Institute, and The Burnham Institute.

San Diego has some of the finest climate in the country with moderate temperatures in the mid-70s year-round. The temperate weather coupled with incredible destination locations such as the San Diego Zoo and Zoo Safari Park, SeaWorld, Legoland, beautiful public beaches, and world class championship golf courses make San Diego a top tourist location.

Transportation in San Diego County is concentrated around a highly accessible highway network including four interstate highways and numerous state highways. Interstates 5, 15, and 805 provide access to cities and communities in the north, central, and southern parts of the county while Interstate 8 connects central San Diego with the eastern most cities and communities in the county. San Diego International Airport/Lindbergh Field is the primary airport serving business, tourist, and freight traffic. Additionally, Amtrak rail service connects San Diego with Los Angeles and coastal cities as far north as San Luis Obispo. Finally, light-rail services such as the Coaster (coastal cities), the Sprinter (north county cities), and the San Diego Trolley (Central San Diego and South Bay) provide daily mass transit options to workers, shoppers, and tourists.

DEMOGRAPHICS

San Diego is the second most populous county in California and ranks fifth in the nation with 3.29 million residents as of 2016. By 2020, the population is expected to grow by 4.5% to nearly 3.44 million residents. The population growth rate was 10.0% from 2000 to 20.

The median age of San Diego County residents is 35.5. Over the next 35 years, the median age is slowly expected to increase to 38.9 by 2050. Minors under 18 years old account for 21.9% of the population while seniors 65 and older account for 13.1%.

ECONOMICS

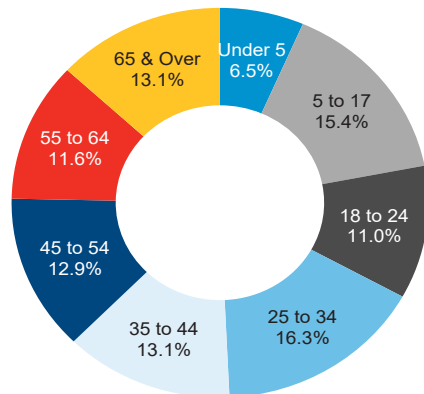
The San Diego County unemployment rate decreased by 0.3% in February 2017 to stand at 4.2%. This is also 0.7% lower than it was a year-ago. The state rate decreased to 4.2% (-0.3%) and the national rate decreased to 4.1%, down 0.4%.

The San Diego-Carlsbad-San Marcos Metropolitan Statistical Area (MSA) encompasses the entire county of San Diego with its cities and unincorporated areas. The total civilian labor force stands at 1.58 million people. Of that, 1.44 million people are employed in nonfarm industries.

The various national, state, and local government agencies are the largest employers in the county. For example, the University of California and the United States Navy each employ over 30,000 people each. However, San Diego has several prominent companies that employ thousands of employees each. The biggest companies tend to be hospitals, communications, and defense companies.

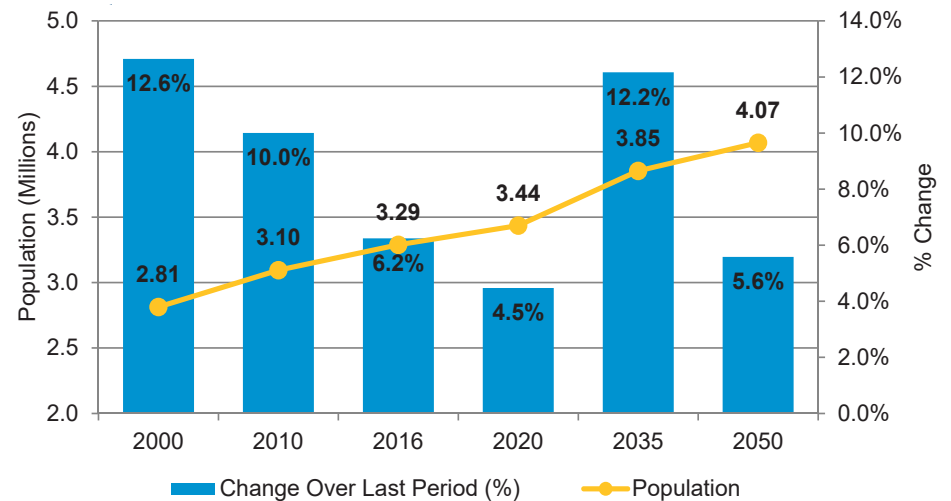
Population by Age

Source: SANDAG (3/2017)



San Diego County Population Trends

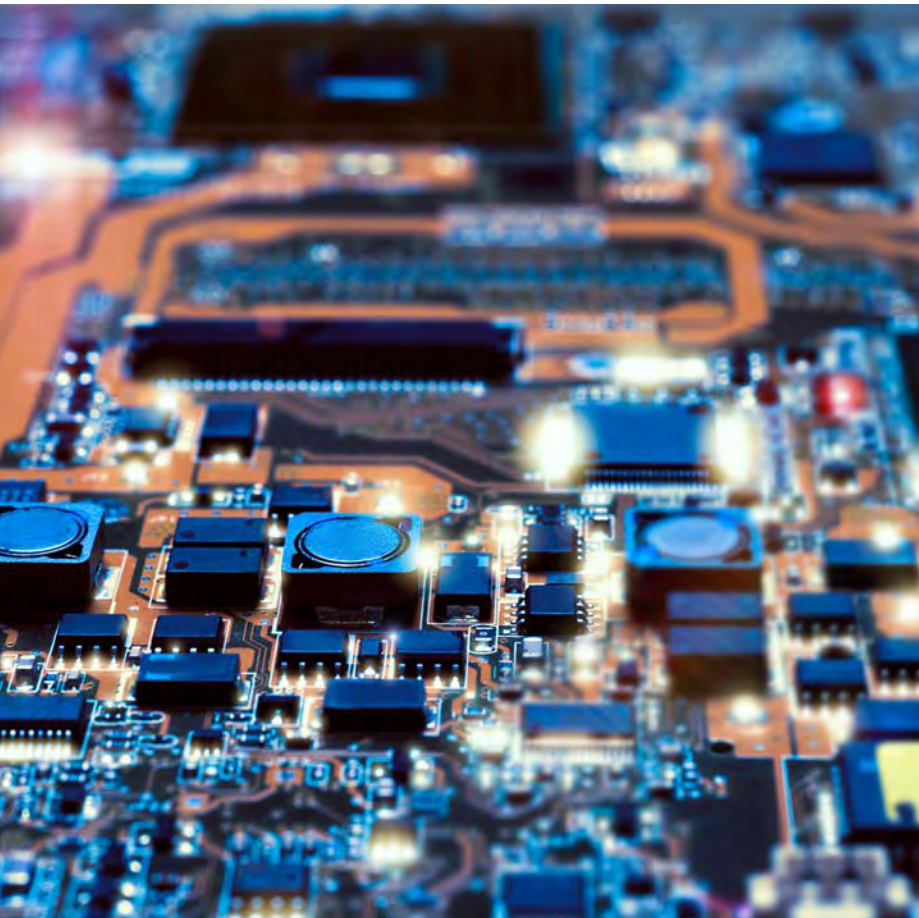
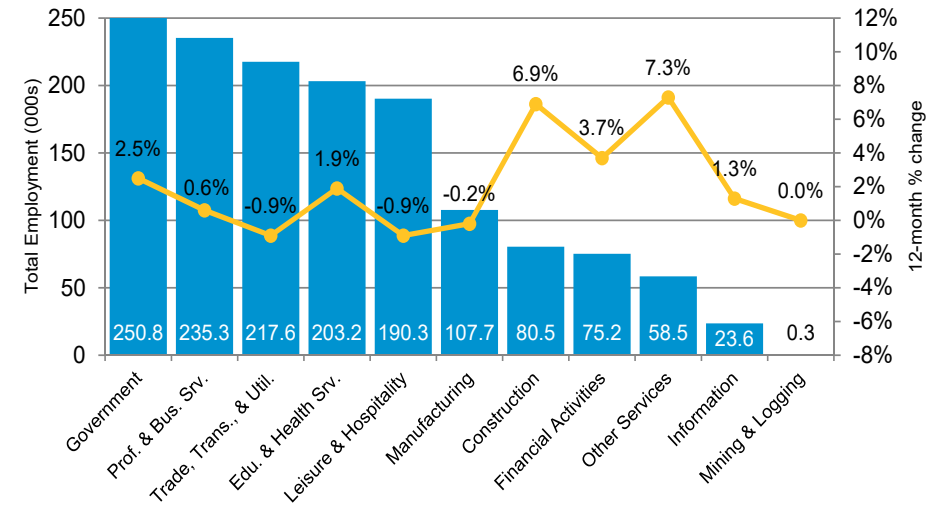
Source: SANDAG (3/20167)





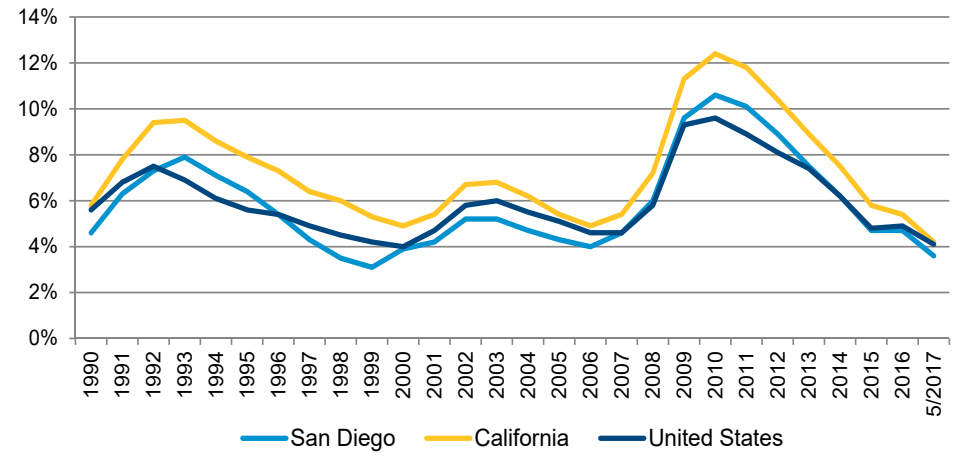
San Diego County Employment Total Nonfarm

Source: Bureau of Labor Statistics (7/2017)



Annual Unemployment Rate Not Seasonally Adjusted - May 2017

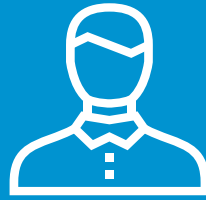
Source: Bureau of Labor and Statistics and California EDD (7/2017)



SAN DIEGO COUNTY: BY THE NUMBERS



2017 Median Income
\$79,300



Median Age
35.5



Employment Rate
96.4%



Population
±3.3 Million

SAN DIEGO COUNTY LARGEST EMPLOYERS

Largest Non-Government Employers in San Diego County 1,500+ Employees

#	Employer	Employees
1	University of California, San Diego	30,671
2	Sharp HealthCare	17,809
3	Scripps Health	14,863
4	Qualcomm	12,186
5	City of San Diego	11,347
6	Kaiser Foundation Hospital	8,406
7	UC San Diego Health	7,438
8	San Diego Community College District	5,902
9	General Atomics	5,480
10	Rady's Children Hospital	5,129
11	YMCA of San Diego County	5,102
12	San Diego State University	5,037
13	Sempra Energy/SDG&E	5,025
14	Palomar Health	4,467
15	Northrop Grumman Corp.	4,388
16	SeaWorld San Diego	4,190
17	General Dynamics NASSCO	3,576
18	University of San Diego	3,483
19	BD (Becton, Dickinson and Company)	3,330
20	Solar Turbines Inc.	3,129
21	Veterans Affairs San Diego Healthcare System	3,121
22	Barona Resort & Casino	3,150
23	Grossmont-Cuyamaca Community College District	2,600
24	Tri-City Medical Center	2,189
25	Sycuan Casino	2,153

Source: San Diego Business Journal 2016 Book of Lists



WHY SAN DIEGO?

The cornerstone to everything San Diego is its Mediterranean climate. The City was voted as one of the ten best climates by Farmer's Almanac and selected as one of the two best summer climates in America by The Weather Channel. San Diego's climate allows for residents to enjoy year-round outdoor recreation and provides over 70 miles of coastline for sunbathing and surfing. Home to world-class resorts, golf courses and sporting activities, enthusiasts have the luxury of year-round activity.



The San Diego region provides numerous cultural, visual, and performing arts organizations that entertain and educate San Diego residents and visitors. Performing arts are hosted at premier venues such as the San Diego Civic Center, La Jolla Playhouse, San Diego Repertory/Lyceum Theatre, North County Performing Arts Center, Old Globe Theatre and other venues. San Diego is dedicated to the arts, science and history with world-class museums located within Balboa Park. With a vibrant history dating back to the 17th century, the city has evolved into a productive set of residents, venues and businesses that takes pride in being the birthplace of California.



San Diego is home to the MLB San Diego Padres, the San Diego Sockers and host to a variety of world class sporting events such as the 2008 U.S. Open Golf Championship at Torrey Pines Golf Course. With an array of facilities to accommodate events ranging from rugby to soccer to the NFL Super Bowl championships residents have year-round professional events to enjoy.

TOP INDUSTRIES



Cleantech

San Diego is the most concentrated major metropolitan region for cleantech employment in the US.



Information & Communication Technology

San Diego ICT companies have a growing global footprint and touch nearly all aspects of San Diego's robust economy.



Aerospace

Home to some of the world's largest aerospace, aircraft, and research and development companies, San Diego is a North American aerospace hub.



Defense

San Diego is home to the largest concentration of military in the world and the largest federal military workforce in the United States.



Healthcare

Academic medical centers and clinically-focused hospitals provide high-quality primary care and specialties that have achieved national stature.



Maritime

With 70 miles of coastline, a strong Navy presence and innovative technology firms, San Diego has emerged as a hub for maritime technology.



Conventions & Tourism

A central economic driver, San Diego's convention and tourism industry is one of the region's three core traded economies and employs more than 170,000 people.



Life Sciences

A major driver of the innovative local economy, the region has more than 1,100 life sciences companies and more than 80 research institutes.



Cybersecurity

San Diego's entrepreneurial talent and proximity to customers have enabled its cybersecurity companies to become leaders in the industry.



Research Institutions

The San Diego region is recognized globally as a center of scientific breakthroughs and discoveries.



Key Universities

San Diego's higher education institutions conduct ground-breaking research, train the region's workforce, and provide an infrastructure that enables the region to compete for investment and jobs globally.



Sports & Active Lifestyle

With miles of coastline, near-perfect weather, and R&D expertise, San Diego provides an optimal environment for not only participating in an active lifestyle, but also developing equipment for it.



Manufacturing

With a highly-skilled workforce, robust training programs, and proximity to Mexico, San Diego is a hub for advanced manufacturing companies.



Technology

Recognized as one of the leading high-tech hubs in the U.S., San Diego's innovation economy is anchored by established companies such as Intel, Sony and Hewlett Packard.

Source: San Diego Regional Economic Development Corporation

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