

Gateway Pointe Industrial Campus

3629, 3735, 3931 & 3963 WORKMAN MILL ROAD | WHITTIER, CA

CLASS A INDUSTRIAL CAMPUS TOTALING 989,195 SF
100% LEASED TO PREMIER TENANTS | STRATEGIC LOS ANGELES LOCATION



Executive Summary



The Offering

CBRE, Inc. is exclusively offering the **Gateway Pointe Industrial Campus**, a state-of-the-art industrial campus totaling 989,195 SF in Whittier, CA in the highly desired Mid-Countries industrial market. This is a unique opportunity to acquire a 100% NNN leased campus, leased to premier tenants, Michael Kors, DHL, and JUSDA (fka qHub Logistics), with 6 years of weighted average lease term remaining and 20% below market rents. Completed in 2005-2006, Gateway Pointe is one of few Class A industrial campuses in the market.

The Property is strategically located in the Mid-Countries market, with direct access to Downtown Los Angeles and proximity to major freeways such as I-605, SR-60, I-10 and I-5. Mid Counties is one of the tightest and most active markets in the United States, with 7% average rent growth for Class A product over the last 8 years and a low vacancy rate of only 2% as of Q2 2020. The infill industrial submarket continues to attract major corporations and industrial users looking to capitalize on the area's strong labor pool, large Southern California population, creative talent and proximity to the Ports.

	BUILDING A 3963 WORKMAN MILL RD	BUILDING C 3931 WORKMAN MILL RD	BUILDING D 3735 WORKMAN MILL RD	BUILDING E 3629 WORKMAN MILL RD	TOTAL WHITTIER, CA*
SQUARE FOOTAGE	346,381	304,708	260,911	77,195	989,195
ACREAGE	14.14	14.01	11.77	5.23	45.19**
OFFICE SF / %	±13,257 SF / 4%	16,800 SF / 5.5%	5% Est.	1,869 SF / 2.4%	±5%
OCCUPANCY	100%	100%	100%	100%	100%
TENANT/EXP.	DHL e-Commerce/Jun-30 Michael Kors/Dec-20	Michael Kors/Nov-26	Michael Kors/Nov-26	JUSDA (qHub)/May-21	-
DOCK-HIGH DOORS	52	52	58	21	183
GRADE LEVEL DOORS	2	2	2	2	8
CLEAR HEIGHT	30'	30'	30'	30'	30'
YEAR BUILT	2006	2006	2005	2005	2005-2006
YEAR 1 NOI	-	-	-	-	\$8.4 M

*Unincorporated L.A. County Location (Whittier mailing address)

**Total acreage includes an additional small non-contiguous parcel

Investment Highlights

INFILL CLASS A INDUSTRIAL CAMPUS

- » Best in class industrial campus totaling 989,195 SF
- » 30' clear heights
- » 280' Shared 100% concrete, gated truck court with excellent truck turning radius
- » Fully Secured Yard / Controlled Access 24/7 (Guard station operated and paid for by Michael Kors)
- » Attractive landscaping and high-end architectural treatments
- » Leasing flexibility to accommodate various unit sizes
- » Institutionally Owned and Managed

RARE OPPORTUNITY TO ACQUIRE A CRITICAL MASS IN THE GREATER LOS ANGELES MARKET

- » Given the limited historical supply of larger investments that trade in the market, this is an excellent opportunity for investors to acquire nearly a million SF of Class A product.

**OVER THE LAST 10 YEARS THERE
HAVE ONLY BEEN 7 INDUSTRIAL SALE
TRANSACTIONS THAT HAVE TRADED OVER
\$200M DOLLARS**

**AVERAGE INDUSTRIAL SALES IN LOS
ANGELES COUNTY IN 2019-2020 YTD
WERE \$13.9 MILLION**

100% LEASED TO PREMIER TENANTS WITH 20% BELOW MARKET RENTS

MICHAEL KORS

3963B, 3931, 3735 Workman Mill Rd

- » Capri Holdings Limited (NYSE: CPRI) is a global fashion luxury group consisting of three iconic brands, Michael Kors, Jimmy Choo, and Versace. The namesake company, Michael Kors, was founded in 1981.
- » Globally known brands with solid EBITDA, Revenue and Market Cap of \$2.51 Billion.
- » Gateway Pointe is Michael Kors' primary distribution facility for the U.S. and services retail stores, e-commerce site, and wholesale operations.
- » Two brand-new 5-year lease renewals:
 - » First lease starts in December of 2020, increasing the rents by 33.87% to \$0.83 monthly.
 - » Second lease starts in October of 2021, increasing the rents by 25% to \$0.84 monthly.
- » Very committed tenant with extensive material handling equipment in the 3931 Workman building and E-commerce in the 3735 Workman building.
- » Consolidated from South Bay to this location.

Substantial \$6.9 million Letter of Credit equivalent to more than 14 months of rent.

- » 3735 Workman Mill Road - \$3.2 M & 3931 Workman Mill Road- \$3.7 M.

MICHAEL KORS

DHL E-COMMERCE

3963A Workman Mill Rd

- » Deutsche Post "DHL" (OTC:DPSGY) is the world's largest logistics company in over 220 countries and territories worldwide. The company delivers over 1.5 billion parcels per year.
- » DHL relocated from the South Bay and uses this facility for E-commerce fulfillment, mail and trucking to LAX.
- » Large profitable company with 2019 Revenue of \$63.3 Billion and EBITDA of \$7.9 Billion.
- » Very strong market cap (\$47.54 Billion), investment grade credit rating of BBB+ on Standard & Poor's.



JUSDA (fka qHub Logistics)

3629 Workman Mill Rd

- » Originally founded as qHub Logistics in 2001 by Foxconn Technology Group to handle its U.S. logistics operations, supply chain management logistics system was so successful the company began to sell to customers as a new business line.
- » Renamed JUSDA Supply Chain Management Corporation in 2017.
- » JUSDA has 60 logistics centers worldwide, 100 cross-border transportation centers and 1,000+ multi-modal transportation routes.
- » Clients include major retailers such as Walmart, Costco, Best Buy, and Amazon.com etc.



EXISTING RENT VS. MARKET RENT COMPARISON

Suite	Tenant at October 1, 2020	SF	Lease Start	Lease End	Existing Rent as of Oct 1, 2020	Market Rent as of Oct 1, 2020	Percentage Above/Below Market Rent
3963A	DHL e-Commerce	240,959	Apr-20	Jun-30	\$0.89 PSF NNN	\$0.89 PSF NNN	0.00%
3963B	Michael Kors	105,422	Mar-15	Dec-20	\$0.62 PSF NNN	\$0.92 PSF NNN	-32.61%
3931	Michael Kors	304,708	Oct-17	Nov-26	\$0.67 PSF NNN	\$0.88 PSF NNN	-23.64%
3735	Michael Kors	260,911	Apr-15	Nov-26	\$0.62 PSF NNN	\$0.89 PSF NNN	-30.34%
3629	JUSDA (fka qHub Logistics)	77,195	May-16	May-21	\$0.73 PSF NNN	\$0.94 PSF NNN	-22.17%
Total Existing Square Feet		989,195			\$0.71	\$0.89	-20.53%

W.A.L.T Remaining: 5.98 Years

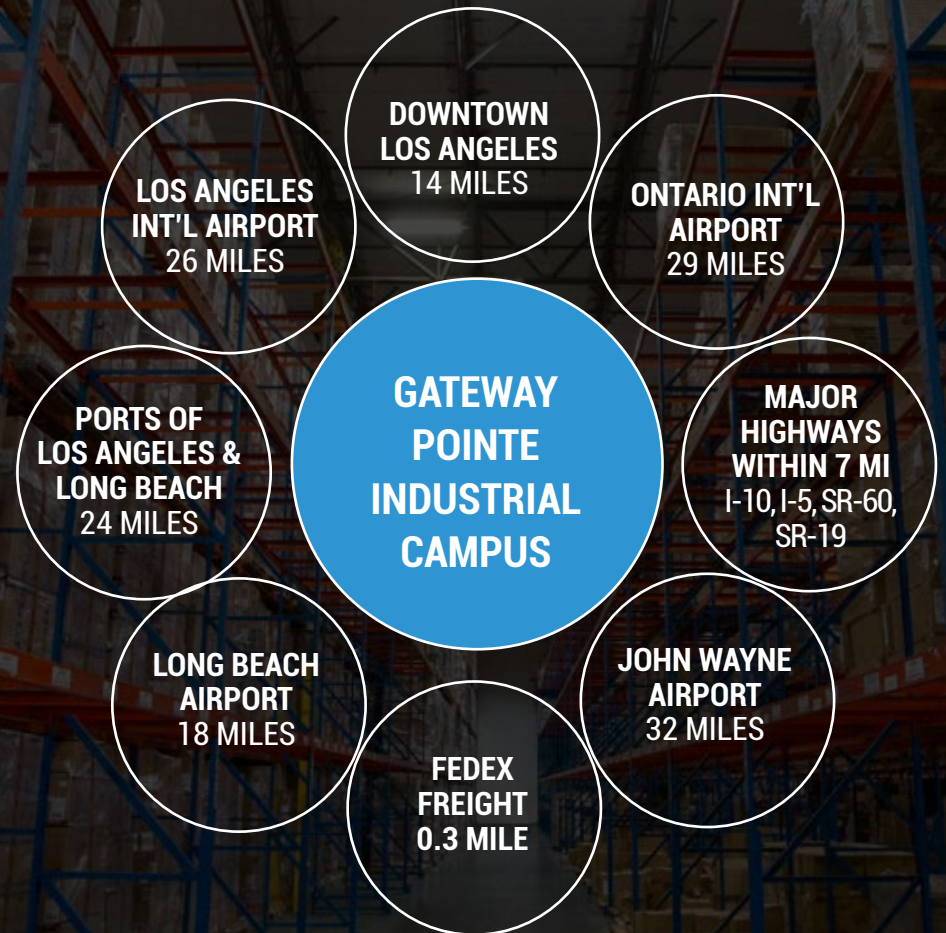
Investment Highlights

INFILL MID-COUNTIES LOCATION

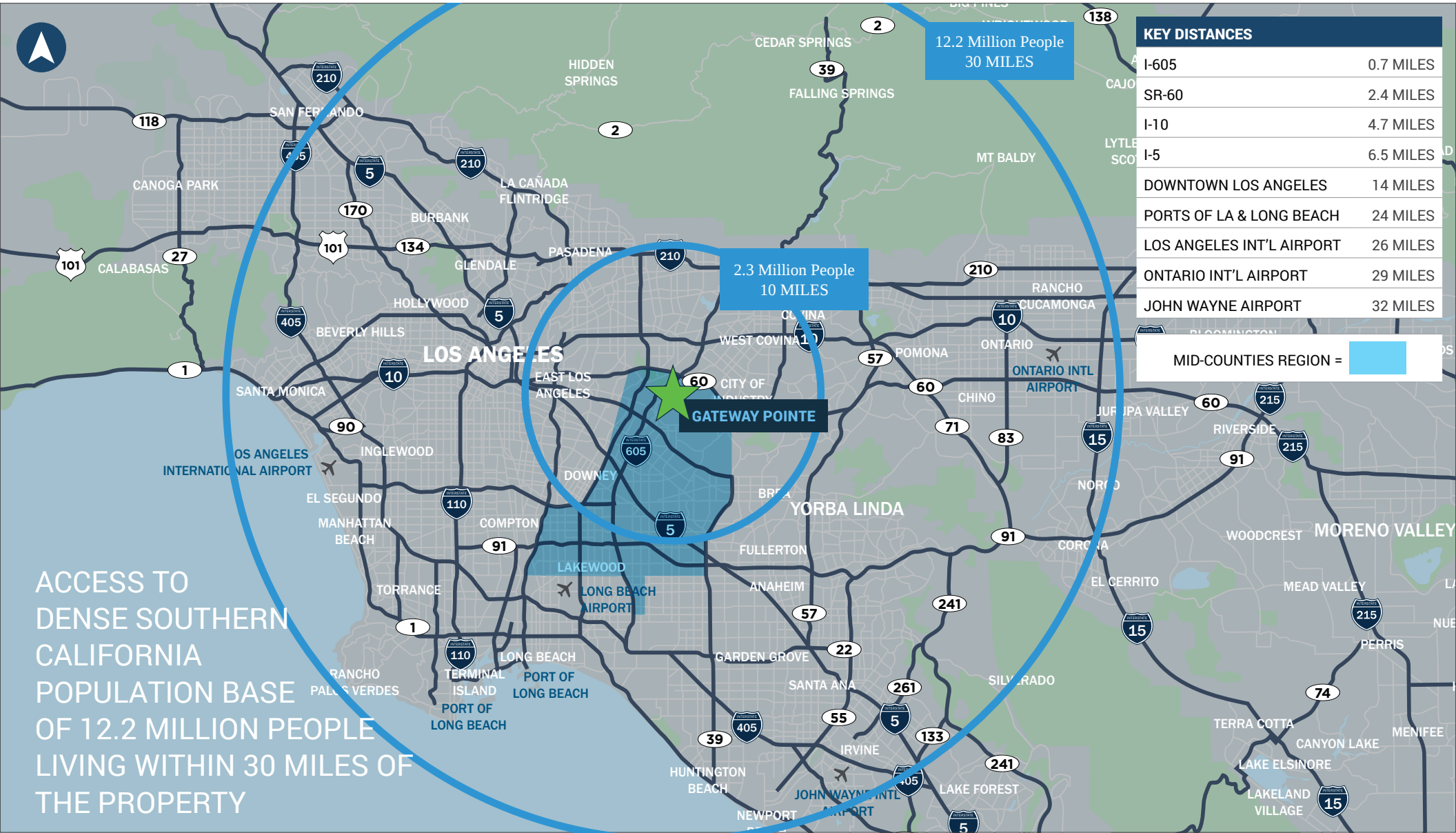


- » The Mid-Counties market is a strong and dynamic business-friendly locale and a critical location for West Coast distribution.
- » Located centrally with access to important amenities such as Orange County's John Wayne Airport, Long Beach Airport, Los Angeles International Airport, the port complex of Los Angeles/Long Beach.
- » Companies are drawn to this strategic location for its equidistant proximity to Downtown Los Angeles and Orange County, availability of talent and labor in the area, and access to high-end executive as well as workforce housing.
- » Low Property Tax Rate, Unincorporated L.A. County Location (Whittier mailing address)
- » Ideally located where the SR-60 meets the I-605 freeway, central for Mid-Counties, South Bay and East Submarket users.
- » Highly desirable location, approximately 16 miles from Intermodal Yard and efficient access to I-10 and I-5 freeways.
- » Locations near FedEx Freight (0.3 mi) and UPS (6.8 mi) hubs are most likely to attract major distribution centers to service e-commerce sales.

THE MID-COUNTIES MARKET IS RECOGNIZED AS ONE OF THE MOST CENTRAL DISTRIBUTION LOCATIONS AND ONE OF THE STRONGEST INDUSTRIAL MARKETS IN SOUTHERN CALIFORNIA.



Regional Map



Investment Highlights

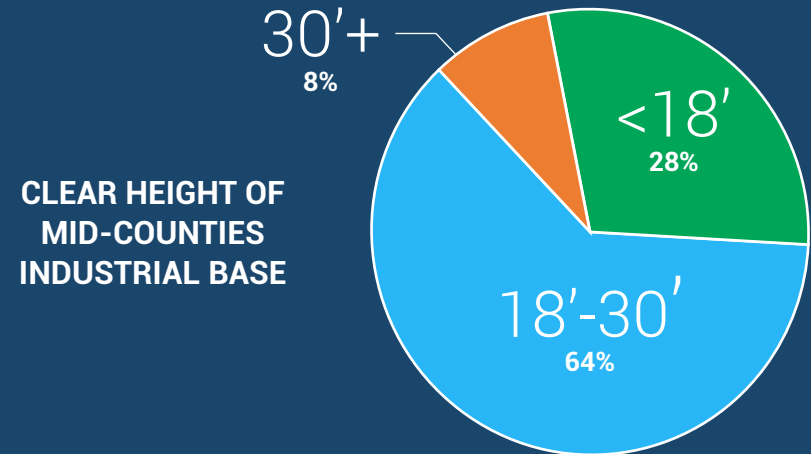
STRONG MID-COUNTIES MARKET DYNAMICS

- » Located between Los Angeles and Orange County, with a base of 112 million square feet, the Mid-Counties industrial market is one of the most active and tightest markets in the United States.
- » Leasing activity remains strong for buildings 100,000 SF+ in the Mid-Counties. There were 13 lease transactions totaling 3.7 MSF in 2019, and 5 transactions totaling 1.0 MSF in the first half of 2020.
- » 2018 year-end gross activity totaled 6.6 MSF, with 2019 totals of 3.9 MSF. The first half of 2020 saw 2.3 MSF of gross absorption, and as a result, the vacancy rate as of the end of the 2nd quarter remained low at just 2.4% overall for the region.
- » Larger industrial properties in the Mid-Counties area, like Gateway Pointe have consistent demand, as demonstrated by the 2.1% vacancy rate for buildings 250,000+ SF.
- » Available space for users looking for larger, Class A buildings continues to be limited, resulting in steady rent growth, with an 8% increase in average direct lease rates for Class A properties year-over-year.

GREATER LOS ANGELES IS ONE OF THE TIGHTEST MARKETS IN THE U.S. WITH STRONG USER DEMAND DRIVEN BY THE CENTRAL LOCATION AND LARGE POPULATION

- » POSITIONED FOR STRONG GROWTH AS USERS CONTINUE TO FLOCK TO THIS HIGHLY DESIRABLE INDUSTRIAL MARKET WITH THE UNRESTRAINED RISE IN DEMAND FROM E-COMMERCE, THIRD-PARTY LOGISTICS AND MANUFACTURING USERS
- » 2019 GROSS ACTIVITY TOTALED 30.55 MSF, WITH 15.7 MSF IN H1 2020.

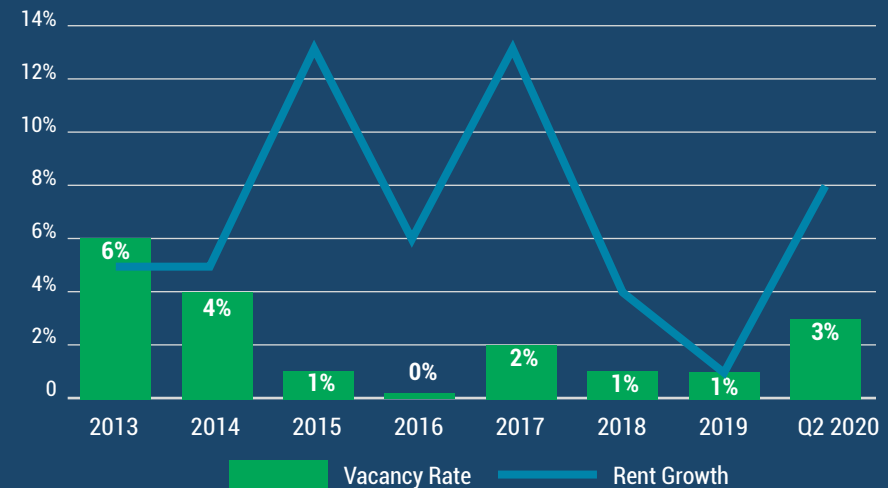
ONLY 8% OF PRODUCT IN MID-COUNTIES HAS CLEAR HEIGHTS 30' AND HIGHER



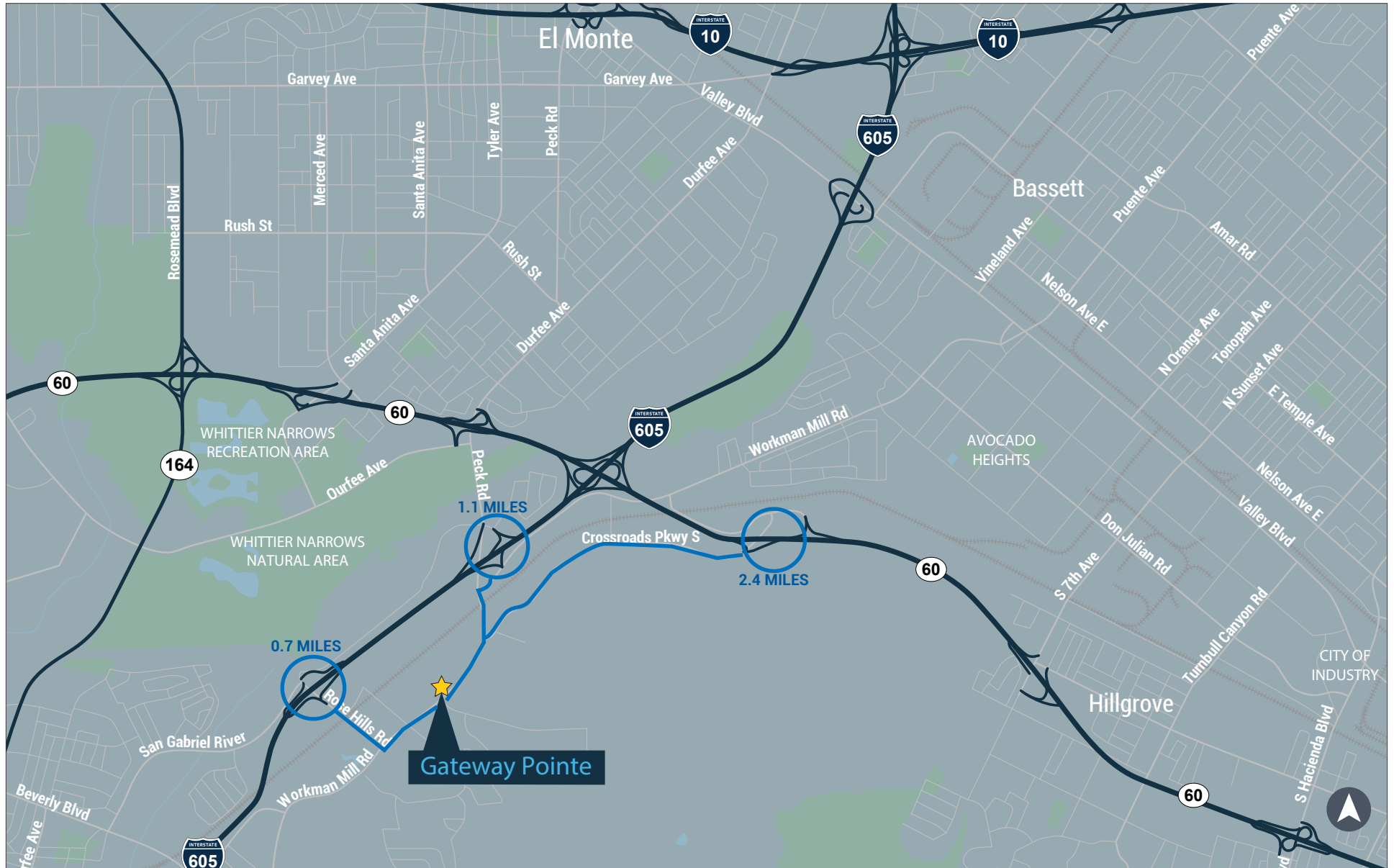
Source: CBRE Research Q2 2020

CLASS A VACANCY AND RENT GROWTH

7% AVERAGE ANNUAL RENT GROWTH FOR CLASS A PRODUCT IN MID-COUNTIES OVER THE LAST 8 YEARS



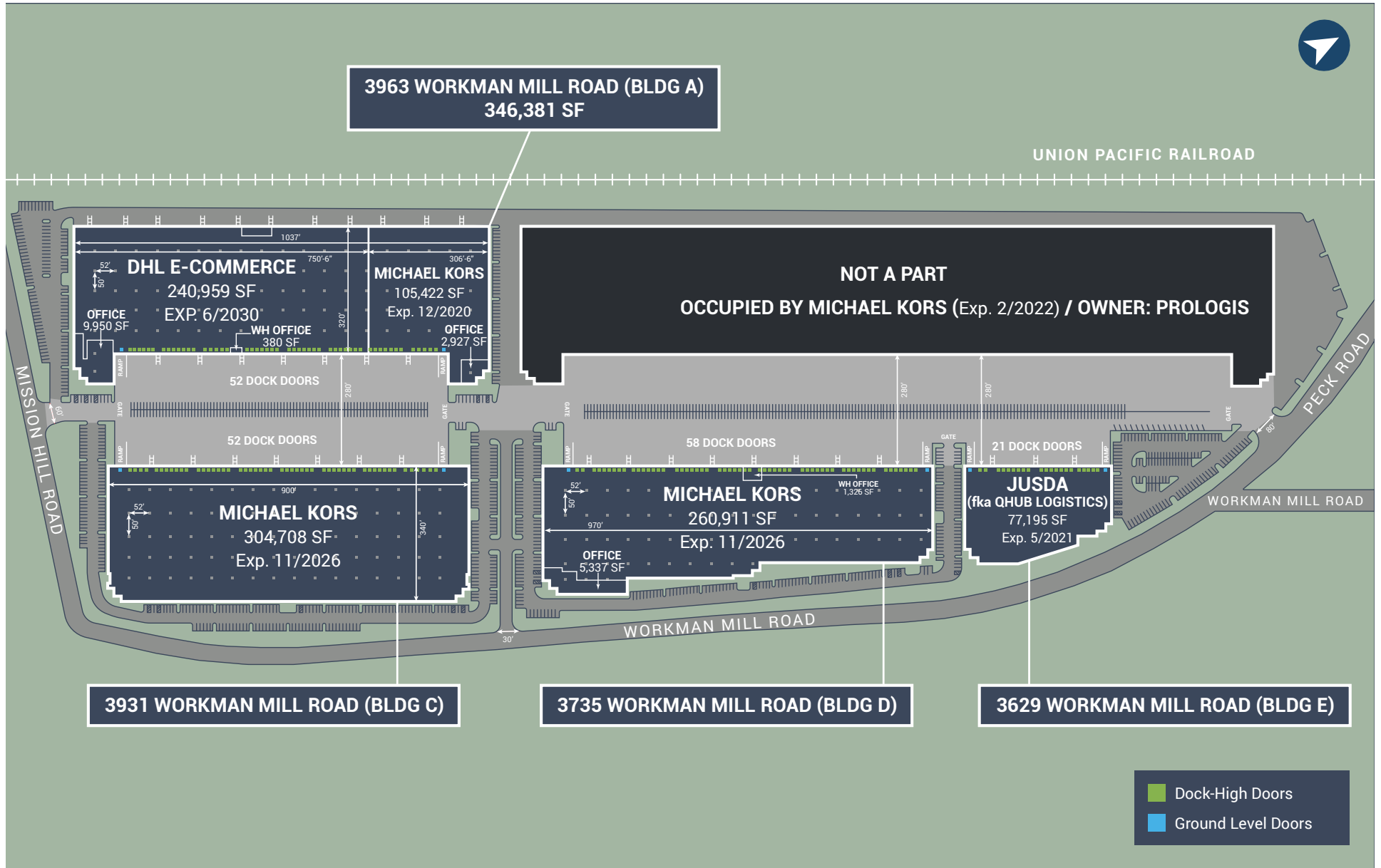
Local Map



Aerial & Surrounding Tenants



Site Plan



Gateway Pointe Industrial Campus

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