

**13751-13771**  
**NEWHOPE STREET**

GARDEN GROVE, CA

OFFERING MEMORANDUM



**13751-13771**  
**NEWHOPE STREET**

GARDEN GROVE, CA

For more information, please contact:

**Nathan Demosthenes**

Director

+1 949 955 7654

nathan.demosthenes@cushwake.com

Lic. #01927262

**Joseph Lising**

Managing Director

+1 949 372 4896

joseph.lising@cushwake.com

Lic. #1248258

**Offering Memorandum Disclaimer**

This Confidential Offering Memorandum ("Memorandum") is being delivered subject to the terms of the Confidentiality Agreement (the "Confidentiality Agreement") signed by you and constitutes part of the Confidential Information (as defined in the Confidentiality Agreement). It is being given to you for the sole purpose of evaluating the possible investment in 13751-13771 Newhope Street, Garden Grove, CA (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 1150 So Bristol Inc. ("Owner"), or its exclusive broker, Cushman & Wakefield. This Memorandum was prepared by Cushman & Wakefield based primarily on information supplied by Owner. It contains select information about the Property and the real estate market but does not contain all of the information necessary to evaluate the Property. The financial Projections contained herein (or in any other Confidential Information) are for general reference only. They are based on assumptions relating to the overall economy and local competition, 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 Confidential Information is believed to be reliable, neither Cushman & Wakefield nor Owner guarantees its accuracy or completeness. Because of the foregoing and since the investment in the Property is being offered on an "As Is, Where Is" basis, a prospective investor or other party authorized by the prospective investor to use such material solely to facilitate the prospective purchaser's investigation, must make its independent investigations, Projections and conclusions regarding the investment in the Property without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing period proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers and environmental experts. Neither Cushman & Wakefield nor Owner guarantees the accuracy or completeness of the information contained in this Memorandum or any other Confidential Information provided by Cushman & Wakefield and Owner. Owner expressly reserves the right, at its sole discretion, to reject any offer to invest in 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 investor unless and until a written sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived. Owner has retained Cushman & Wakefield as its exclusive broker and will be responsible for any commission due to Cushman & Wakefield in connection with a transaction relating to the Property pursuant to a separate agreement. Cushman & Wakefield is not authorized to make any representation or agreement on behalf of Owner. Each prospective investor will be responsible for any claims for commissions by any other broker in connection with an investment in the Property if such claims arise from acts of such prospective investor or its broker. This Memorandum is the property of Owner and all parties approved by Owner and may be used only by parties approved by Owner. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as permitted under the Confidentiality Agreement.

# Table of Contents

01	Executive Summary.....	04
02	Market Overview .....	10
03	Area Overview .....	18
04	Financials.....	22



**13751-13771**  
NEWHOPE STREET

GARDEN GROVE, CA

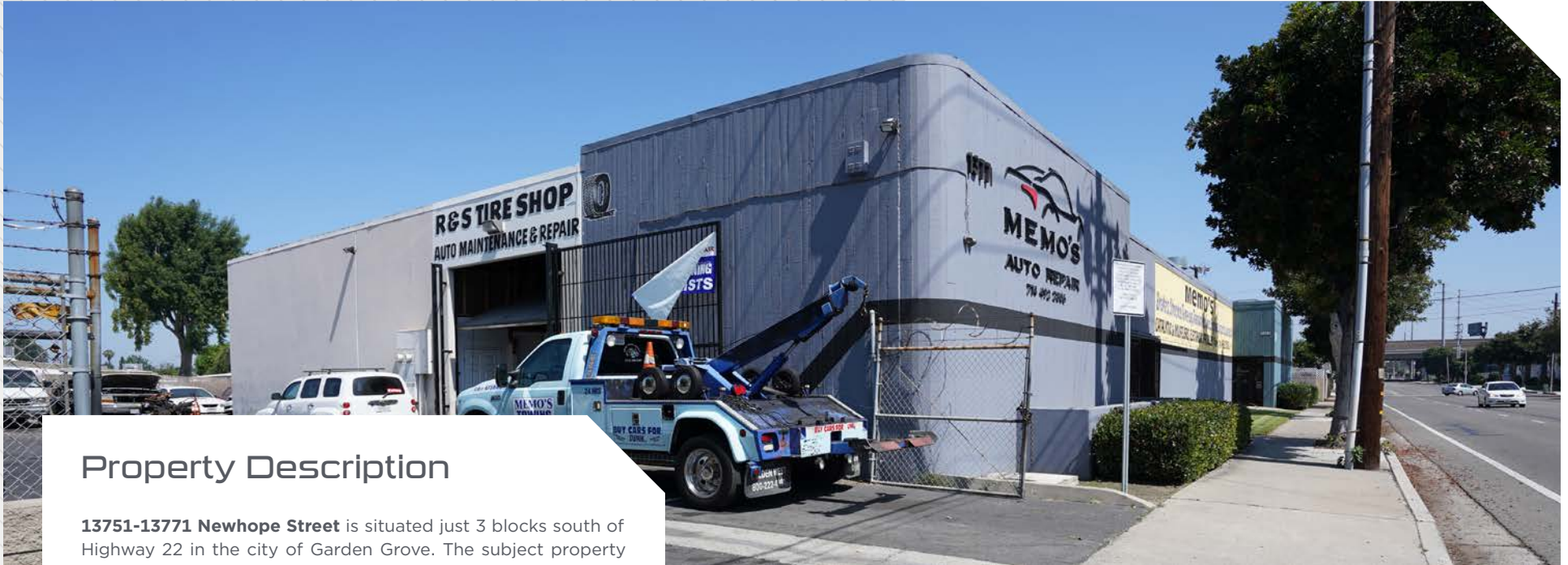


**01**

# Executive Summary



# Executive Summary



## Property Description

**13751-13771 Newhope Street** is situated just 3 blocks south of Highway 22 in the city of Garden Grove. The subject property is a freestanding concrete tilt-up Industrial building occupied by three tenants all on short term leases, ending no later than October 2019. Featuring 5 Drive-In grade level doors, 18 foot high ceilings, and an abundance of parking and yard storage. This building offers great flexibility for a wide variety of businesses and provides opportunity both to investors and owner users.

### Positives

- + Location and proximity blocks away from Highway 22 and the 55 Freeway
- + Multiple grade level doors, auto related uses permitted, strong local and regional location
- + Excellent for auto uses, manufacturing, package delivery and distribution
- + 30 parking stalls
- + Secured yard

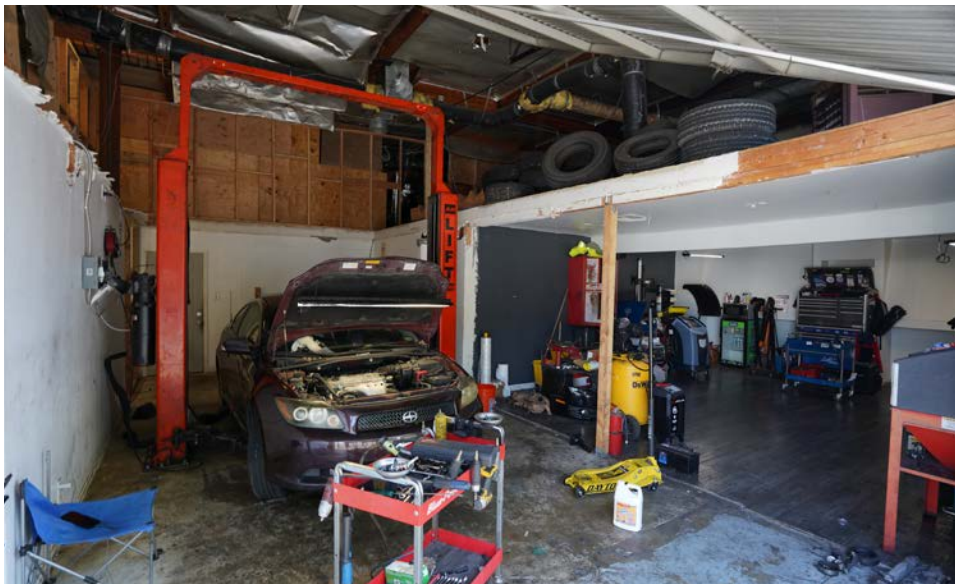
## Property Summary

<b>Address</b>	13751-13771 Newhope Street, Garden Grove
<b>Building Size</b>	12,352 Sq. Ft.
<b>Lot Size</b>	31,232 Sq. Ft.
<b>Office Space</b>	15%
<b>Warehouse</b>	85%
<b>Parking</b>	30
<b>Stories</b>	1
<b>Year Built</b>	1974
<b>Construction</b>	CTU
<b>Use</b>	Auto Uses
<b>APN #</b>	100-141-01
<b>Zoning</b>	M

Purchase Price: \$2,700,000.00

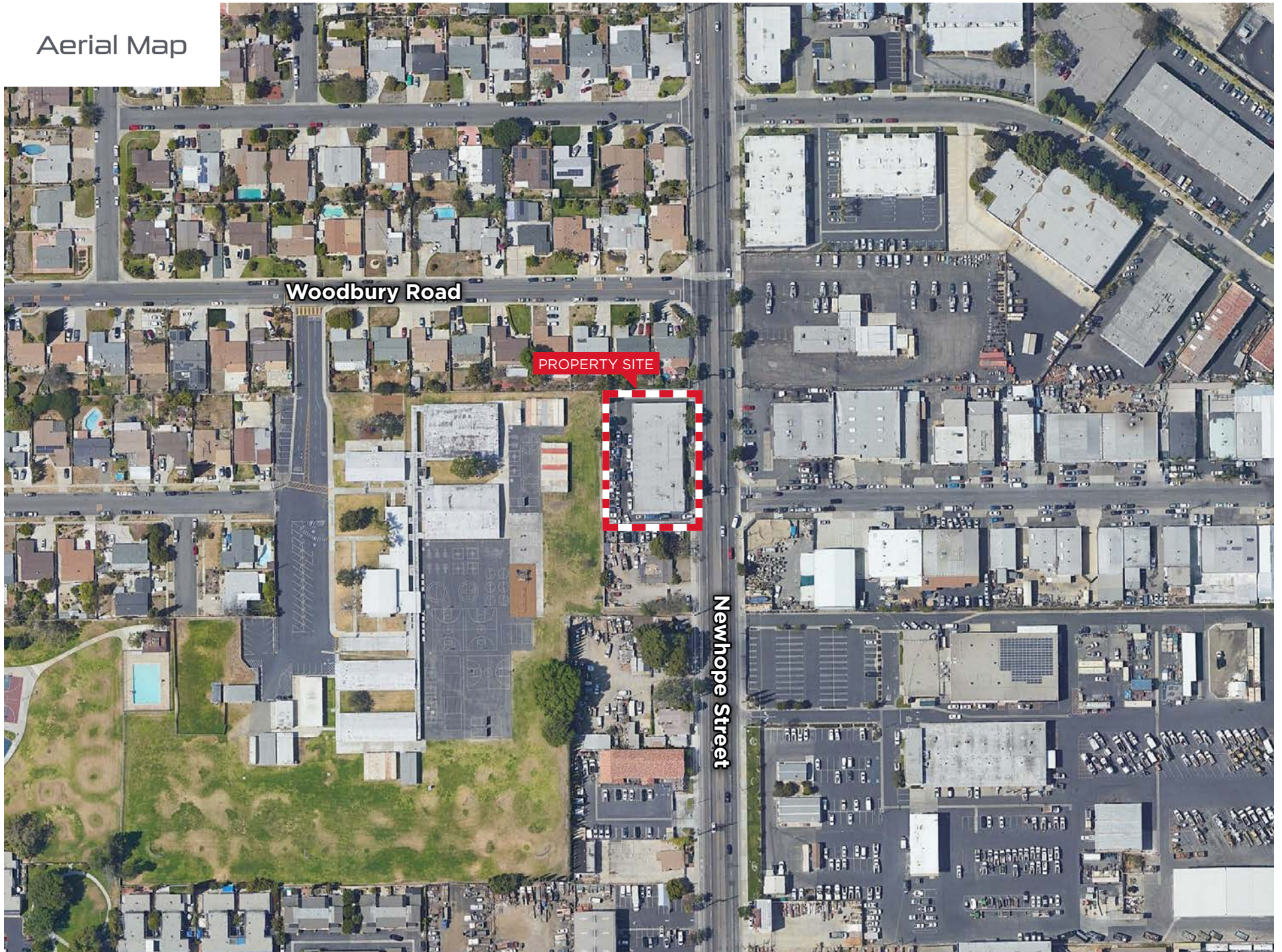


# Property Photos





Aerial Map

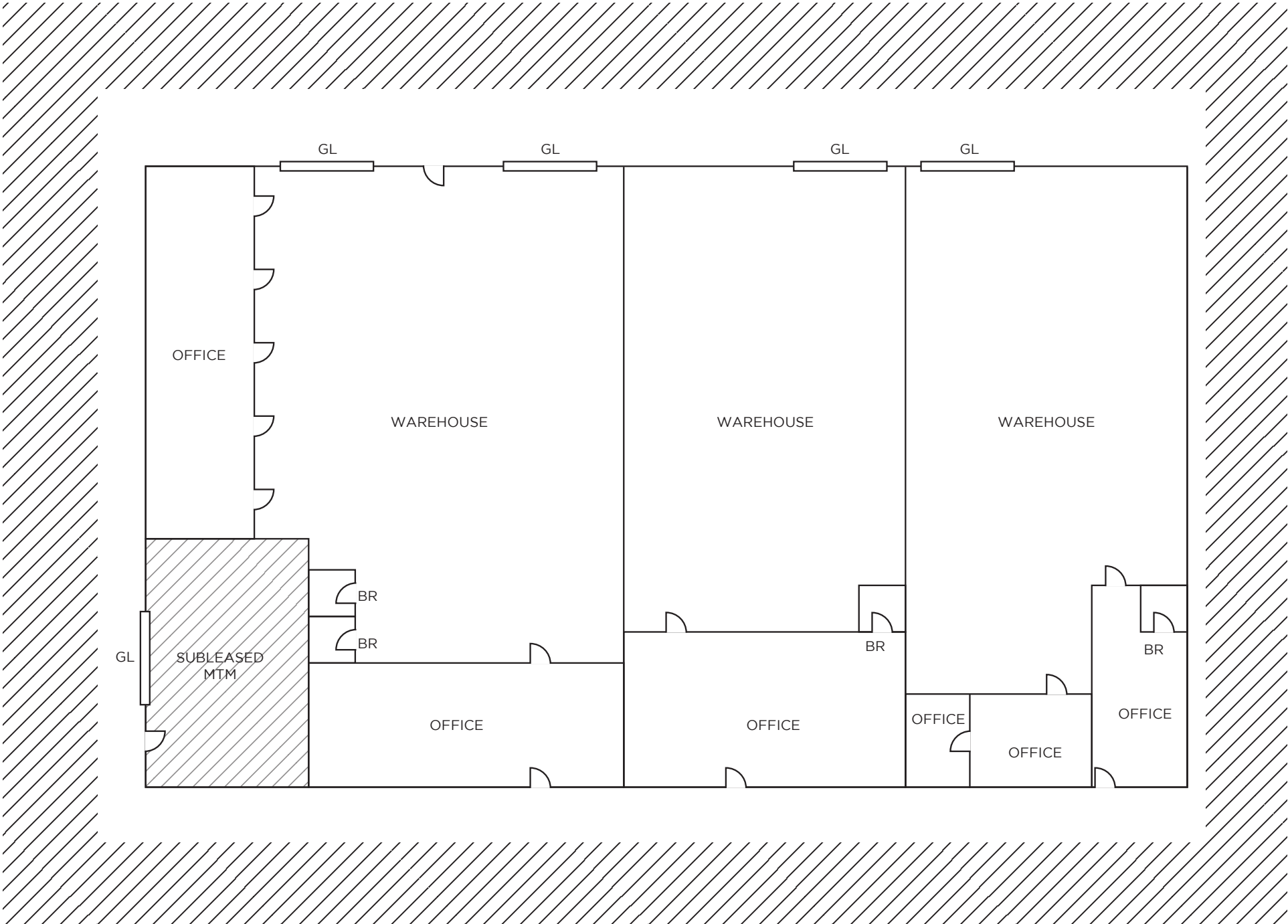








# Floor Plan





13751-13771

NEWHOPE STREET

GARDEN GROVE, CA



02

# Market Overview



# Market Overview

## Orange County, CA

The overall vacancy rate rose to 2.4% as Orange County experienced a handful of large move-outs throughout the first quarter of 2019. Coupled with the delivery of new warehouse product, overall vacancy increased 50 basis points (bps) from a year ago. This snaps the two-year streak of sub 2% vacancy in the county. Overall asking rates for warehouse product finished the quarter with an average of \$0.88 NNN per square foot per month (psf/mo) for a 3.5% annual growth. Warehouse rents have been rising steadily with an average annual increase of 7.5% over the last five years. With the number of deals declining by 35.5% from the same period a year ago, leasing activity saw an 11.3% decline, totaling just 1.6 million square feet (msf) in the first quarter.

This is way below 2018's quarterly leasing average of 2.2 msf. Renewal activity continues to dominate large transactions with renewals topping the largest transactions in the first quarter.

- + **Lease Rates** – The average asking lease rate is \$0.88 NNN with net charges averaging between \$0.18-\$0.20 PSF/Month
- + **Activity** – Gross sale and leasing activity through Q1 2019 has been strong totaling over 1.6 Million Square Feet
- + **Vacancy** – Orange County is among the lowest in the nation at 2.4%.

### Q1 2019 Overall Summary Stats

Inventory	279,421,926
No. Of Buildings	8,041
Direct Vacant Space	6,678,592 SF
Direct Vacancy Rate	2.3%
2018 YTD Activity	1,561,603 SF
Under Construction	572,900 SF
2018 YTD Construction Completions	232,354 SF
Weighted Average Asking Rate	\$0.88 NNN

### Orange County Industrial Market: Fast Facts



**3,591**

Number of buildings in OC that are between 10,000-20,000 Sq. Ft.



**1.0%**

Overall vacancy percentage of buildings between 10,000-20,000 Sq. Ft., represents the healthiest and lowest vacancy of any segment in OC



**308**

Number of Industrial Buildings in Garden Grove



**2.5%**

Vacancy Percentage in West Orange County



**\$0.85 NNN**

Average asking lease rate in Garden Grove



**2.4%**

Orange County unemployment rate



**4.8%**

Average cap rate in Orange County



## Sale Comparables



1



2



3



4

	2120-2130 E Winston Rd., Anaheim	10822 Forbes Ave., Garden Grove	1001-1003 E Arlee Pl., Anaheim	1552-1556 W Embassy St., Anaheim
<b>Sale Price</b>	\$3,294,500	\$ 2,218,000	\$ 2,379,375	\$ 2,975,000
<b>Sale Date</b>	6/1/2018	10/3/2018	5/14/2019	7/31/2018
<b>Bldg SF</b>	14,817	11,000	10,124	14,000
<b>Price Per SF</b>	\$ 222.35	\$ 201.64	\$ 235.02	\$ 212.5
<b>Year Built</b>	2005	1989	1961	1970



5



6



7

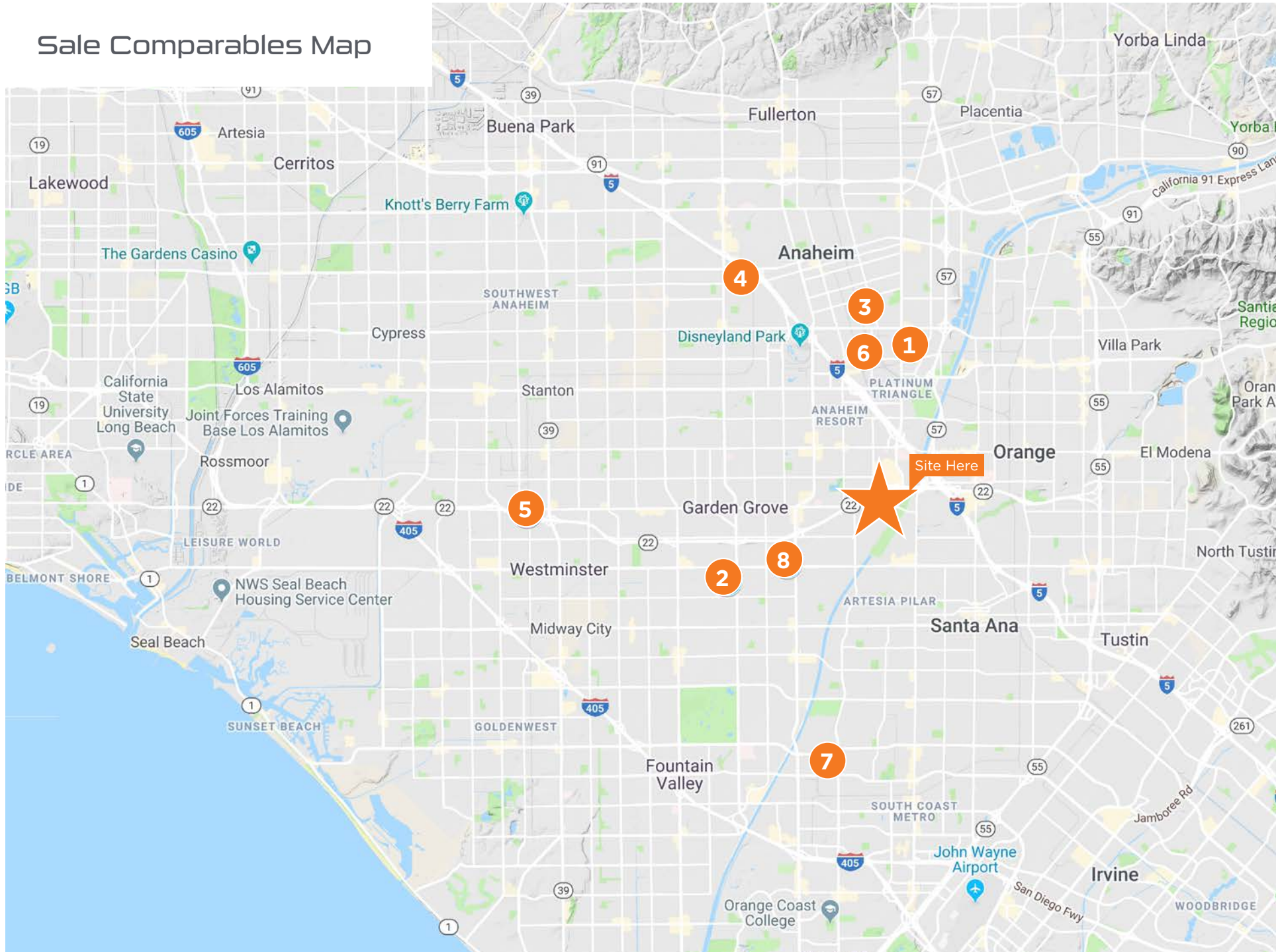


8

	7498 Garden Grove Blvd., Westminster	1424 S Allec St., Anaheim	3101-3103 W Central Ave., Santa Ana	13921-13941 Seaboard Cir., Garden Grove
<b>Sale Price</b>	\$ 2,600,000	\$ 2,580,000	\$ 2,500,000	\$2,450,000
<b>Sale Date</b>	8/15/2018	10/24/2018	12/20/2018	5/15/2019
<b>Bldg SF</b>	11,404	11,826	11,180	12,980
<b>Price Per SF</b>	\$ 227.99	\$ 218.16	\$ 223.61	\$ 188.75
<b>Year Built</b>	1965	1980	1976	1977

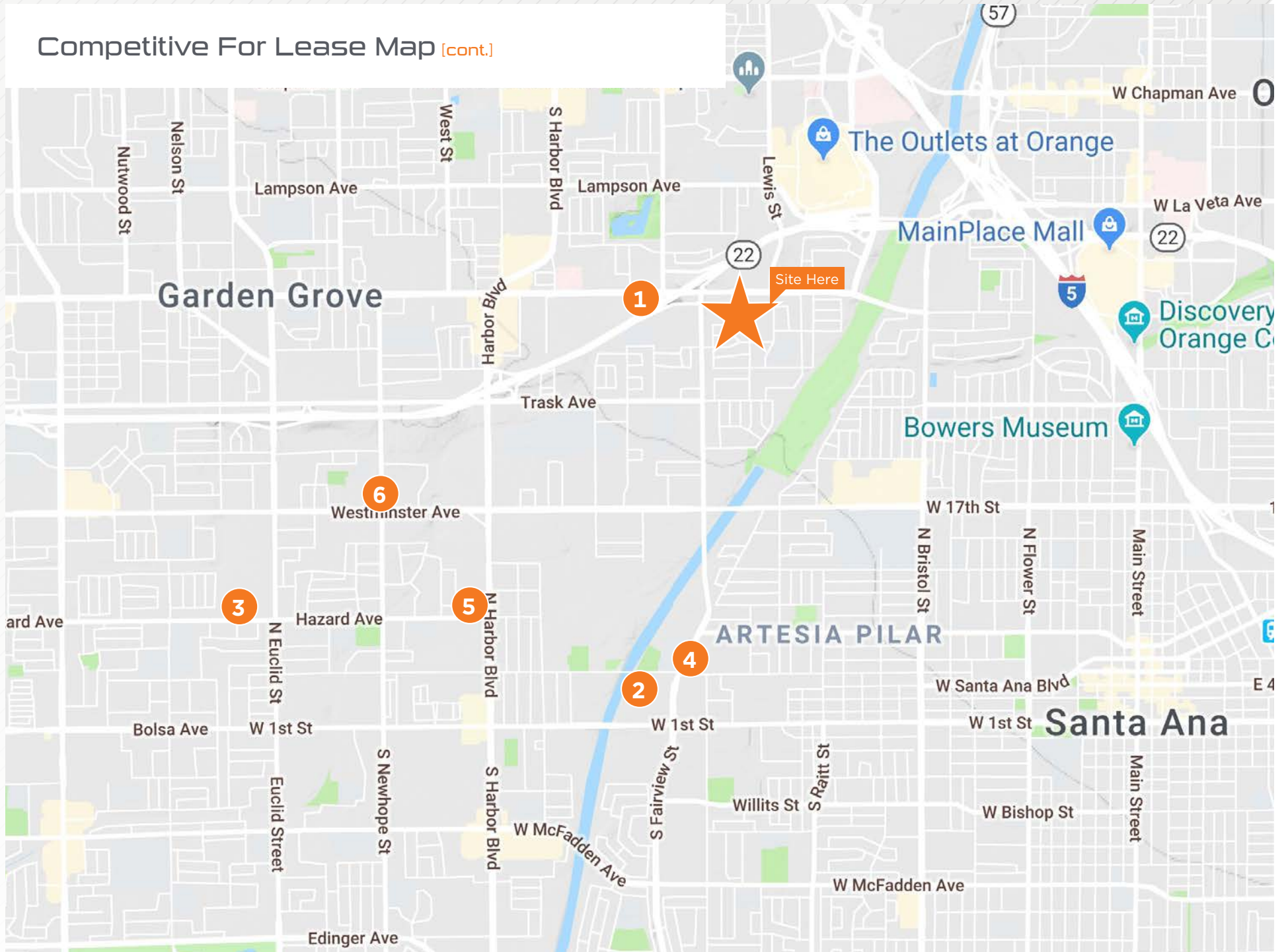


# Sale Comparables Map










# Competitive For Lease Map [cont.]








## Lease Comparables (cont.)

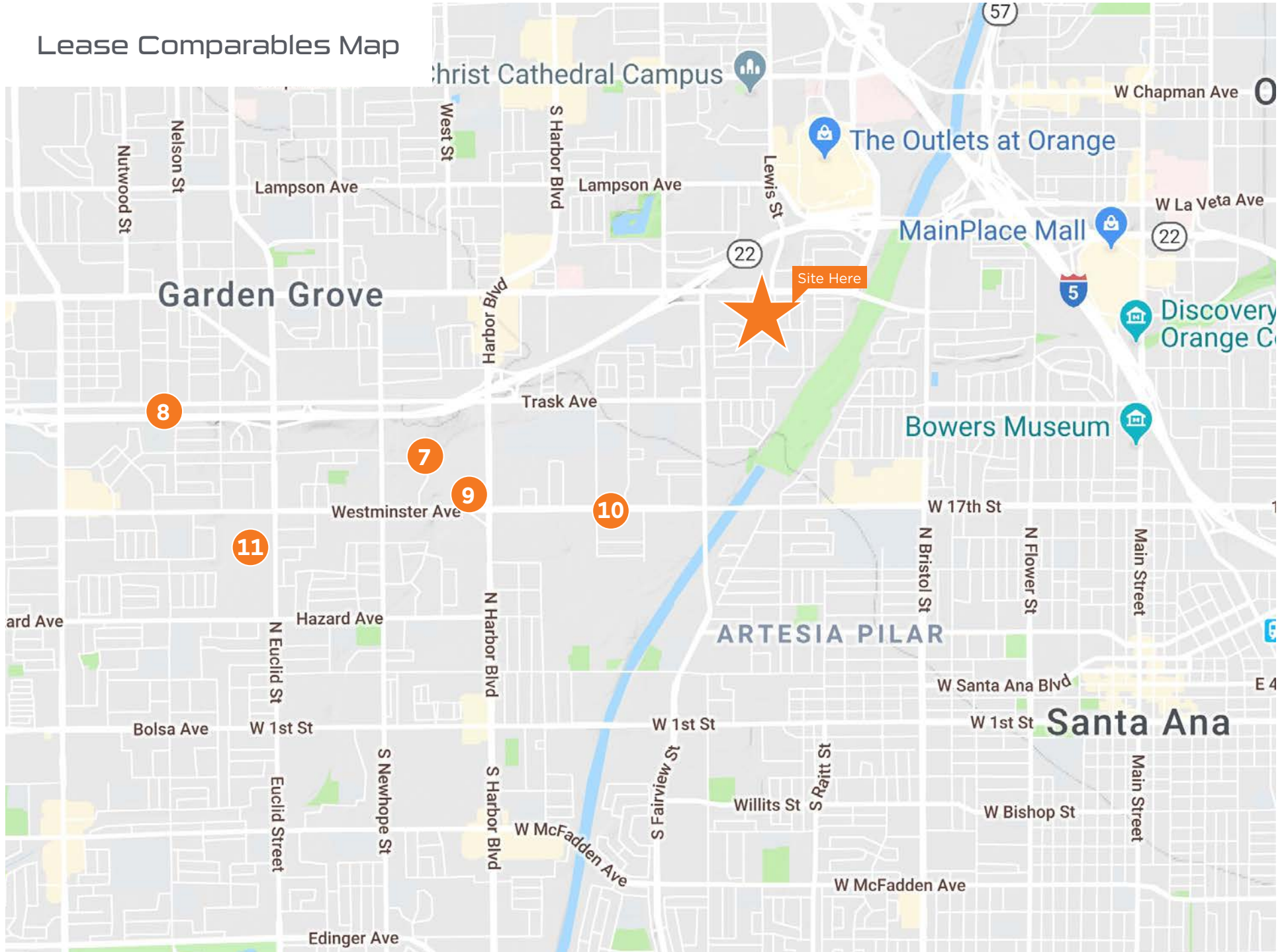
	Property Address	Rent/Sq. Ft./Yr	Rent Type	Total New Space (Sq. Ft.)	Total Vacant Available
1	 <p><b>12862 Garden Grove Blvd.,</b> Garden Grove</p>	\$16.80-17.64/SF	IG	8965	8965
2	 <p><b>2808 W. 5th St.,</b> Santa Ana</p>	\$11.04-17.76/SF	IG	6750	6750
3	 <p><b>10802 Capital Ave.,</b> Garden Grove</p>	\$14.40/SF	IG	8989	18,000
4	 <p><b>547 N Fairview St.,</b> Santa Ana</p>	\$11.40/SF	IG	4410	4410
5	 <p><b>1000 N Harbor Blvd.,</b> Santa Ana</p>	\$17.64/SF	IG	1974	1974
6	 <p><b>13871 Newhope St.,</b> Garden Grove</p>	\$11.40-12.00/SF	IG	13224	13224



# Lease Comparables

	Property Address	Rent/Sq. Ft./Yr	Rent Type	Total New Space (Sq. Ft.)	Total Vacant Available
7	 <p><b>11676 Salinaz Ave</b> Garden Grove</p>	\$10.44/SF	IG	3,164	3,164
8	 <p><b>10462 Trask Ave</b> Garden Grove</p>	\$15.00/SF	IG	2,044	2,044
9	 <p><b>11901 Westminster Ave</b> Garden Grove</p>	\$14.40/SF	IG	1,320	1,320
10	 <p><b>12610 Westminster Ave</b> Garden Grove</p>	\$16.20/SF	IG	15,026	15,026
11	 <p><b>10871 Forbes Ave</b> Garden Grove</p>	\$8.12-9.92/SF (Est.)	IG	42,000	42,000

# Lease Comparables Map





13751-13771

NEWHOPE STREET

GARDEN GROVE, CA



03

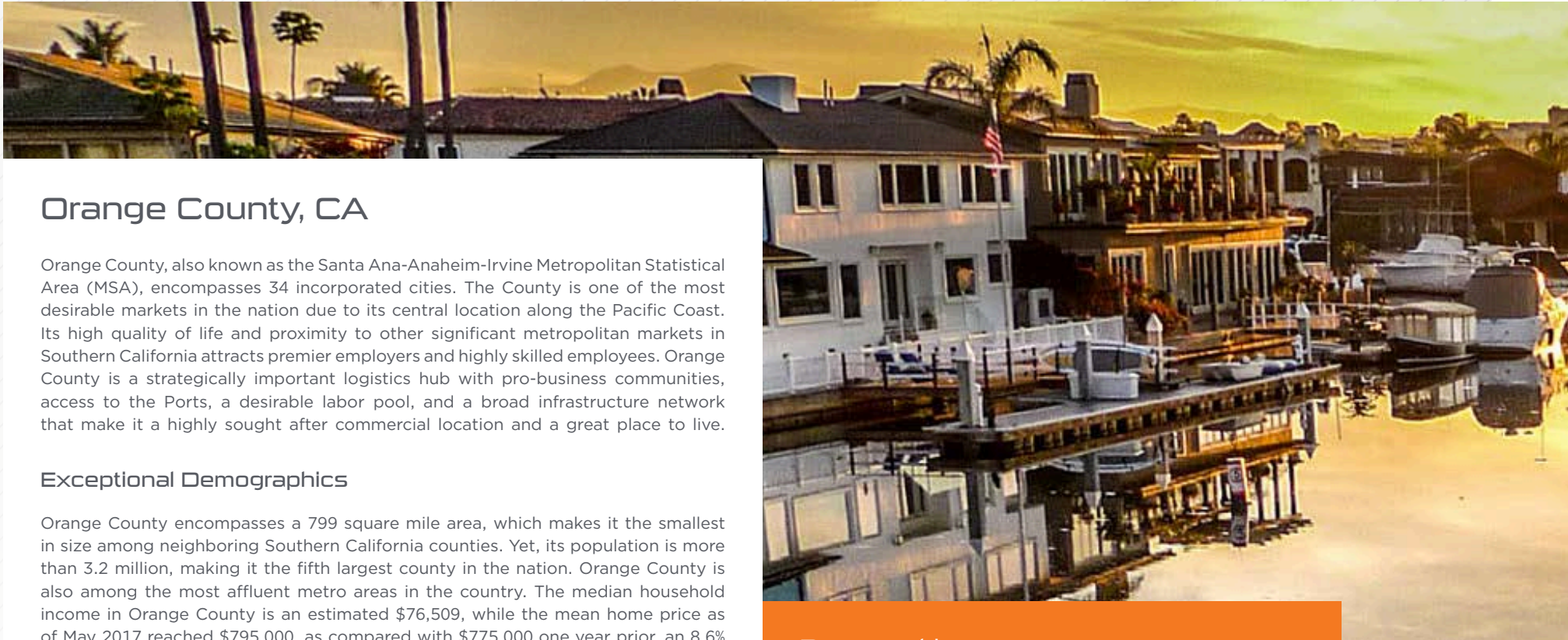
# Area Overview



# Area Overview







# Orange County, CA

Orange County, also known as the Santa Ana-Anaheim-Irvine Metropolitan Statistical Area (MSA), encompasses 34 incorporated cities. The County is one of the most desirable markets in the nation due to its central location along the Pacific Coast. Its high quality of life and proximity to other significant metropolitan markets in Southern California attracts premier employers and highly skilled employees. Orange County is a strategically important logistics hub with pro-business communities, access to the Ports, a desirable labor pool, and a broad infrastructure network that make it a highly sought after commercial location and a great place to live.

## Exceptional Demographics

Orange County encompasses a 799 square mile area, which makes it the smallest in size among neighboring Southern California counties. Yet, its population is more than 3.2 million, making it the fifth largest county in the nation. Orange County is also among the most affluent metro areas in the country. The median household income in Orange County is an estimated \$76,509, while the mean home price as of May 2017 reached \$795,000, as compared with \$775,000 one year prior, an 8.6% increase. In 2016, Orange County's Gross County Product was \$221.4 billion. When compared to the top 100 U.S. metropolitan areas, Orange County's population is significantly younger, more affluent, and better educated. An estimated 37.7% of Orange County's population holds a bachelor's or graduate degree.

## Robust Economy

One of California's leading economic engines, Orange County accounts for approximately 10% of the state's economy. Generating nearly \$225 billion, Orange County ranks as one of the largest economies in the world. The area boasts a diverse employment base with no single industry accounting for more than one-third of the county's economic output or labor market. Orange County serves as headquarters to more than a dozen of the nation's Fortune 1,000 corporations, five of which are among the Fortune 500: Ingram Micro, Broadcom, First American Financial Corporation, Western Digital, and Pacific Life. The County also boasts a shrinking unemployment rate, which averaged 3.2% as of July 2018, as compared to 3.9% one year prior and 4.2% for the state.

Demographics	
<b>2017 Estimated Population</b>	3,206,282
<b>2022 Projected Population</b>	3,278,920
<b>2010 Census Population</b>	3,010,233
<b>Growth 2000-2010</b>	5.8%
<b>Growth 2017-2022</b>	2.3%
<b>2017 Estimated Average Age</b>	37.7
<b>2017 Estimated Households</b>	1,097,321
<b>2022 Projected Households</b>	1,132,704
<b>2010 Census Households</b>	1,048,909





## Excellent Transportation Infrastructure

Orange County is well-served by all major methods of transportation. The American Public Transportation Association named the Orange County Transportation Authority (OCTA) as the top transportation system in America due to its fast-growing bus system, improved Metrolink commuter trains, and significant enhancements to the freeway system.

**Freeways** - Orange County's businesses and commuters are well-served by an extensive freeway system. The major interstates are the Santa Ana Freeway (I-5) and San Diego Freeway (I-405) which merge together in the Irvine Spectrum, and, which connect through the CA-55 Freeway and the CA-22 Freeway with on and off ramps located within close proximity to the Property, offering easy access.

**Bus Networks** - OCTA's bus system handles an estimated 47 million boardings each year through its 77 lines and 6,542 stops. "Bus Rapid Transit" lines link all five of Orange County's major transportation centers, which are the Fullerton Transportation Center, the ARTIC, the Depot at Santa Ana, John Wayne Airport and the Irvine Transportation Center.

**Rail Network** - Several rail lines service Orange County. Amtrak's Pacific Surfliner provides transportation to Los Angeles, Santa Barbara, and San Diego counties. Metrolink is a 500-mile rail system that carries more than 22,000 passengers daily on seven commuter lines serving six counties, connecting commuters traveling between Orange County, Los Angeles, San Diego and the Inland Empire. The Property is served by an active rail line.

**Airports** - Long Beach Airport, a regional, commercial airport, is located approximately 10 miles northwest of the Property. Located approximately 17 miles southeast of the Property, John Wayne Airport provides direct service to 25 destinations nationwide on 11 commercial and 3 commuter carriers. John Wayne Airport serves more than 10 million passengers and more than 81,000 commercial flights annually. Additionally, the airport is utilized by both FedEx and UPS cargo planes.



13751-13771

NEWHOPE STREET

GARDEN GROVE, CA



04

# Financial

# Tenant Info

## STEVEN NGO

- + Sq. Ft. not exact = approx 1/3 of the building at this time
- + Tenant Pays all Utilities
- + Tenant is on a month to month tenancy
- + Tenant pays \$2,000.00 per month
- + No increase at this time

## GUILLERMO "MEMO" CASTANADA DBA MEMO'S AUTO REPAIR

- + Sq. Ft. not exact , shares 2/3 of the building w/ another tenant "Alex", but they both have their own business
- + Tenant pays all Utilities
- + Tenants lease started on November 1, 2016 / tenants lease ends on October 31, 2019
- + Tenant pays \$3,600.00 per month, started on November 1, 2018
- + No future increases at this time

## JESUS "ALEX" PLASCENCIA

- + Sq. Ft. not exact , shares 2/3 of the building W/ Memo. But they have their own business.
- + Tenant pays all Utilities
- + Lease term started on November 1, 2018 / ends on October 31, 2019
- + Tenant pays \$2,500.00 per month
- + No future increases at this time

# Financial

## CURRENT INCOME

<b>Current Total Income Monthly</b>	\$8,100.00
<b>Current Total Income Yearly</b>	\$97,200.00
<b>Utilities Tenants Pay</b>	\$0.00 to owner
<b>Property Tax</b>	\$13,188.00
<b>Yearly Maintainance</b>	\$6,000.00
<b>Net Income</b>	\$78,012.00

## PROFORMA

<b>Monthly \$1.00-\$1.10 Per Sq. Ft.</b>	\$13,750.00
<b>Gross Yearly Income</b>	\$165,000.00
<b>Utilities</b>	\$0.00 to owner
<b>Property Tax</b>	\$30,780.00
<b>Year Maintainance</b>	\$9,900.00
<b>Net Yearly Income</b>	\$126,600.00
<b>Price Per Sq. Ft.</b>	\$218.00
<b>Purchase Price</b>	\$2,700,000.00



**13751-13771**  
**NEWHOPE STREET**

GARDEN GROVE, CA

For more information, please contact:

**Nathan Demosthenes**

Director  
+1 949 955 7654  
nathan.demosthenes@cushwake.com  
Lic. #01927262

**Joseph Lising**

Managing Director  
+1 949 372 4896  
joseph.lising@cushwake.com  
Lic. #1248258



**Cushman & Wakefield - Irvine**

18111 Von Karman Ave., Suite 1000 / Irvine, CA 92612 / [cushmanwakefield.com](http://cushmanwakefield.com)

©2019 Cushman & Wakefield. All rights reserved. The information contained in this communication is strictly confidential. This information has been obtained from sources believed to be reliable but has not been verified. No warranty or representation, express or implied, is made as to the condition of the property (or properties) referenced herein or as to the accuracy or completeness 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 the property owner(s). Any projections, opinions or estimates are subject to uncertainty and do not signify current or future property performance.