

# VON KARMAN INDUSTRIAL

## Disclaimer

This Confidential Offering Memorandum (this “Memorandum” is being delivered subject to the terms of the Confidentiality Agreement signed by you (the “Confidentiality Agreement”) and constitutes part of the evaluation material. It is being given to you for the sole purpose of evaluating the possible acquisition of 16902 and 16912 Von Karman Avenue, Irvine California (“Property”), and is not to be used for any other purpose or made available to any other party without the prior written consent of the Owner or Lee & Associates, Inc. - Irvine Commercial Real Estate Services (“Broker”).

This Memorandum was prepared by the Broker based on information supplied by the Owner and the Broker. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other evaluation material) are for general reference only. They are based on assumptions relating to the general 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.

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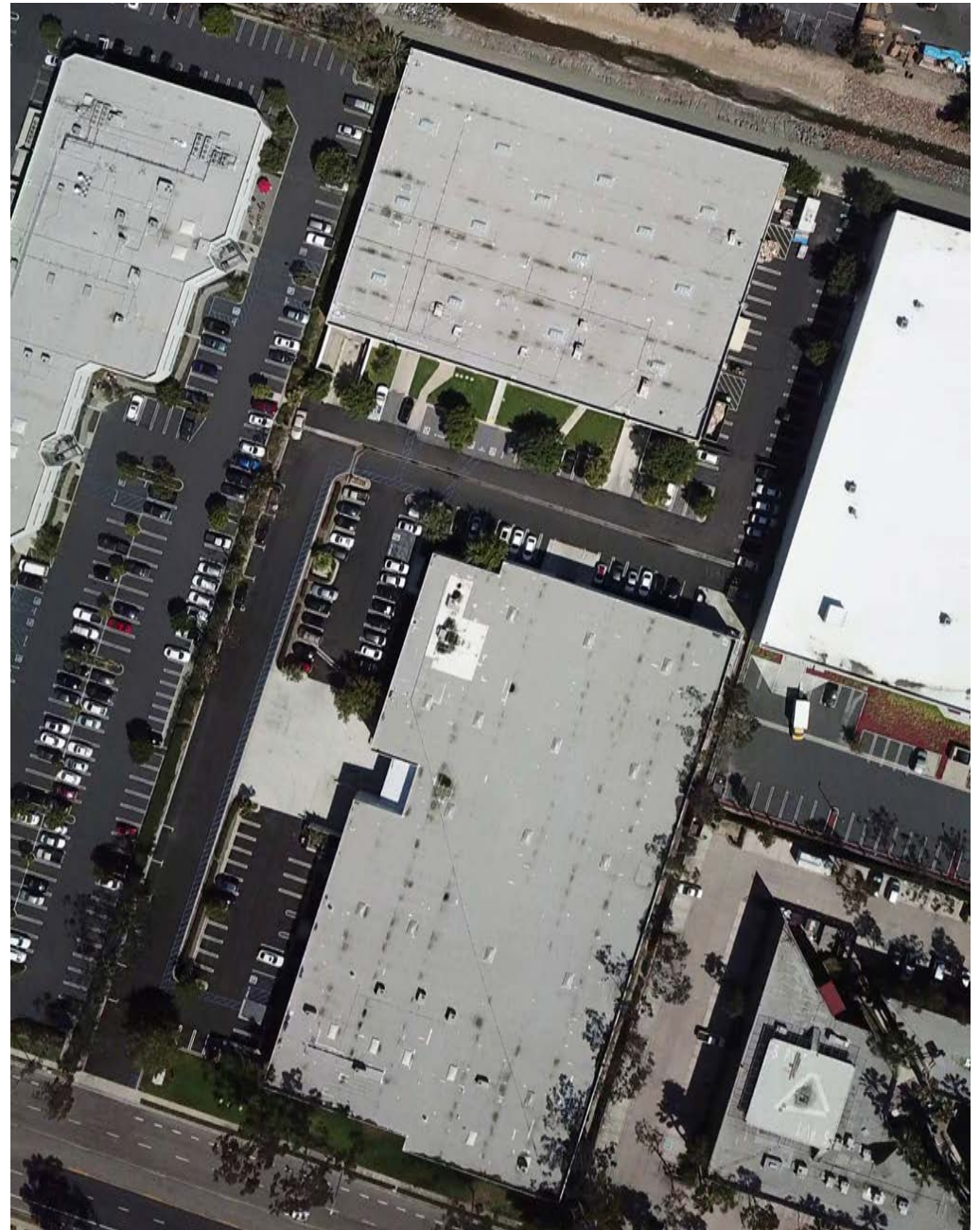
## EXECUTIVE SUMMARY

Address	16902 & 16912 Von Karman Avenue, Irvine, CA 92606
Offering Price	Best Offer
In-Place NOI (10/1/18 - 9/30/19)	\$1,304,170
Lease Type	NNN
Current Occupancy	MULTI-Tenant - 100% Leased
Number of Buildings	Two (2)
Net Rentable Building Area	±104,677 SF
Total Land Area	±4.62 acres



## THE OFFERING

The Capital Markets Group of Lee & Associates, Inc. – Irvine is pleased to present the opportunity to acquire 2 industrial buildings 100% leased totaling  $\pm 104,677$  square feet. Located at 16902 and 16912 Von Karman Avenue, Irvine California. The property is situated on  $\pm 4.62$  acres in the highly desirable Irvine Business Complex (IBC). The property benefits from an abundance of prestigious highly renowned amenities nearby including The District at Tustin Legacy, South Coast Plaza, Fashion Island and John Wayne International Airport. The site also offers exceptional regional access with proximity to three of Southern California's most important arterials, the Santa Ana (I-5), Newport Beach (SR-55) and San Diego (I-405) Freeways.





## INVESTMENT HIGHLIGHTS

- **Great Location** - The IBC Industrial Market is positioned for continued tight supply and rent growth. The IBC Market has gone through tremendous change and much of the industrial supply has been torn down making way for residential development. The existing industrial base is benefiting from this tighter market and rent growth has significantly outpaced inflation over the recent years.
- **Short Term Leases allow for significant rent growth:** The relatively short term leases (2-4 years) will allow an investor to capitalize on rent growth in a very tight market. In addition, 20% of the RSF is significantly below market allowing the investor to capture that upside at lease expiration.
- **VK Industrial is an appealing asset class with a low cost of rollover:** In addition, as a result of the low office % in most of the property, investors generally have lower costs to re-tenant allowing them to increase their return on equity.
- **Overall strong fundamentals for industrial in Irvine and Orange County:** In 2018, the vacancy rate in Irvine is at 1.8% and it stands around 2.6% in Orange County while rents have been growing by 5-10% per year in any sub-markets.
- **Thriving Local Area:** The Property is centrally located within minutes of the Tustin Legacy Development, the Irvine Business Complex, and world-renowned shopping destinations such as South Coast Plaza, The District, and The Market Place. The new Tustin Legacy development encompasses some of the country's most sought after dining establishments, boutique shops, and a one-million square foot retail center. Upcoming additions to this center include over 3,000 residential units, the Flight creative office complex, parks, and sports fields.
- **Discount to Replacement Cost:** The property will sell at a significant discount to replacement cost of over \$325 PSF.





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IRVINE, CALIFORNIA

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