

REDLANDS CORPORATE CENTER

INLAND EMPIRE, CALIFORNIA

» HIGH IMAGE, MULTI-TENANT
INDUSTRIAL PARK TOTALING 285,456 SF

» 10 BUILDINGS, 91% LEASED
WITH STAGGERED ROLLOVER

» HIGHLY DESIRABLE SOUTHERN CALIFORNIA
LOCATION WITH I-10 FREEWAY FRONTAGE



1110-1220 & 1280 RESEARCH DRIVE
1127-1289 BRYN MAWR AVENUE
2351 LUGONIA AVENUE, REDLANDS, CA

CBRE

A CBRE NATIONAL PARTNERS INDUSTRIAL INVESTMENT OPPORTUNITY

10
YEARS
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Partners

THE OFFERING

CBRE, Inc. is exclusively offering for sale **Redlands Corporate Center**, a high-image industrial park consisting of 10 buildings totaling ±285,456 SF located in Redlands, California. The property is 91% leased to tenants from a variety of industries with staggered rollover providing stable cash flow. The park has immediate access to the I-10 freeway via the California Street on/off ramp and excellent proximity to San Bernardino and Ontario International Airports.

The Inland Empire (IE) has experienced historic rent growth and net absorption. In 2019, the market reported the second-highest net absorption in the U.S. with 19.5 MSF. Redlands currently has a very low vacancy rate of 1.4% as of Q2 2020.

There has been virtually no new construction of small-bay product over the past 10 years due to rising land, construction and labor costs.

PROPERTY SUMMARY	
ADDRESS	1110-1220 & 1280 Research Drive, 1127-1289 Bryn Mawr Avenue, 2351 Lugonia Avenue, Redlands, CA
SQUARE FOOTAGE	±285,456 SF
ACREAGE	±19.66 AC
# OF BUILDINGS/TENANTS	10/19
OCCUPANCY	91%
YEAR BUILT	1991- 2003
CLEAR HEIGHT	18' 6" - 26' 4"
DOCK-HIGH / GRADE LEVEL DOORS	16/44
YEAR 1 NOI	\$2.0 M



PROPERTY OVERVIEW

	REDLANDS CORPORATE CENTER I						REDLANDS CORPORATE CENTER II				
Address	1110 Research Drive	1130 Research Drive & 1137 Bryn Mawr Avenue	1127 Bryn Mawr Avenue	1115 Research Drive	1125 Research Drive	1135 Research Drive	1289 Bryn Mawr Avenue	1220 Research Drive	1280 Research Drive	2351 Lugonia Avenue	TOTAL
Building SF	19,851 SF	38,514 SF	28,382 SF	31,100 SF	32,135 SF	30,771 SF	38,888 SF	18,567 SF	18,567 SF	28,681 SF	285,456 SF
Land Size	6.73 AC			6.54 AC			6.39 AC				19.66 AC
Coverage	29.6%			33.0%			37.6%				33.3%
Office SF / %	19,851 SF / 100%	22,154 SF / 58%	26,963 SF / 95%	4,665 / 15%	19,621 SF / 61%	23,038 SF / 75%	11,278 SF / 29%	11,325 SF / 61%	11,326 SF / 61%	18,644 SF / 65%	168,865 SF / 59%
Occupancy / # Tenants	100% / 2	100% / 2	100% / 1	100% / 2	100% / 2	100% / 2	69% / 1	100% / 1	71% / 2	71% / 6	91% / 19*
Clear Height	23'-8"	22' 8"	22' 6"	23' 8"	23' 8"	23' 8"	22' 7"	25' 4"	26' 4"	18' 6"	18' 6" - 26' 4"
Dock-High Doors	2	3	1	2	2	2	2	1	1	0	16
Grade Level Doors	0	8	2	5	4	5	4	2	2	12	44
Year Built	1991	1991	1991	1991	1991	1991	2003	2003	2003	2003	1991 & 2003

*Casework Inc. and Caremark are in 2 units

OFFERING HIGHLIGHTS

- » Limited multi-tenant product as land prices have doubled in the last 5 years and construction costs have increased.
- » Entitlements are increasingly difficult to obtain, which will drive replacement cost up further.
- » Over 13 years of weighted average lease term since inception at the park.
- » The buildings are offered at a discount to replacement cost (\$215 PSF).
- » Multiple exit strategies for a buyer including user sales.
- » Critical location for tenants who need to supply and service big box buildings nearby.

OFFERING HIGHLIGHTS

INSTITUTIONAL QUALITY INDUSTRIAL PRODUCT

- » High-image industrial park consisting of 10 buildings totaling 285,456 SF
- » Desirable features include:
 - 18'-6" - 26'-4" Clear Height
 - 16 Dock-High and 44 Grade Level Doors
 - Heavy Power
 - Ample Parking
 - Desirable Building Sizes Ranging from 18,567 to 38,888 SF
 - Direct Access and Frontage To I-10 Freeway
- » The buildings are offered at a discount to replacement cost (\$215 PSF).

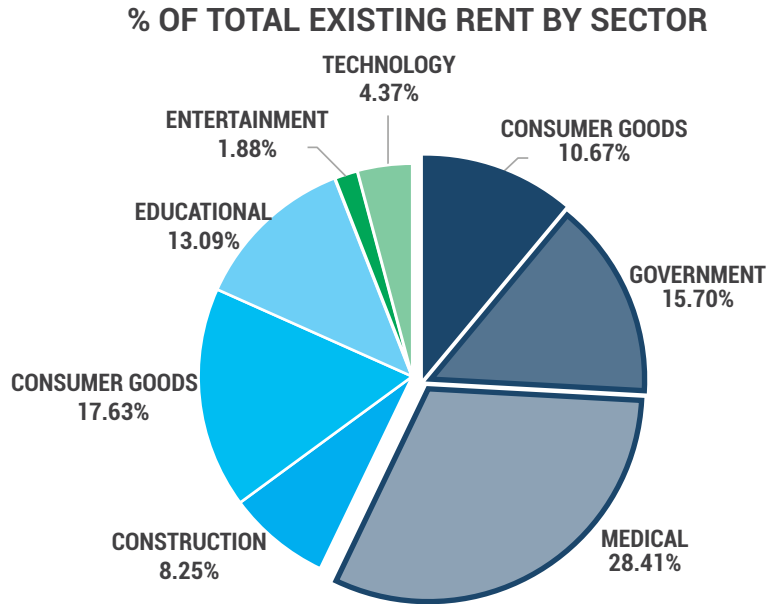
DESIRABLE SMALL BAY/MULTI-TENANT INDUSTRIAL PRODUCT

- » Multi-tenant parks attract a growing entrepreneurial tenant base.
- » Varied unit sizes ranging from 1,188–28,382 SF cater to numerous users and allow for growth within the park leading to higher tenant retention.
- » The diversified rent roll limits property owners' exposure to secular downturns in any one industry.
- » Shorter lease terms create the ability to push rental rates periodically.
- » Multiple tenants create stable occupancy and reduces cash flow volatility.
- » Lack of multi-tenant industrial parks in the market allows investors to take advantage of rent growth and lack of supply (caused by increasing land and construction costs).



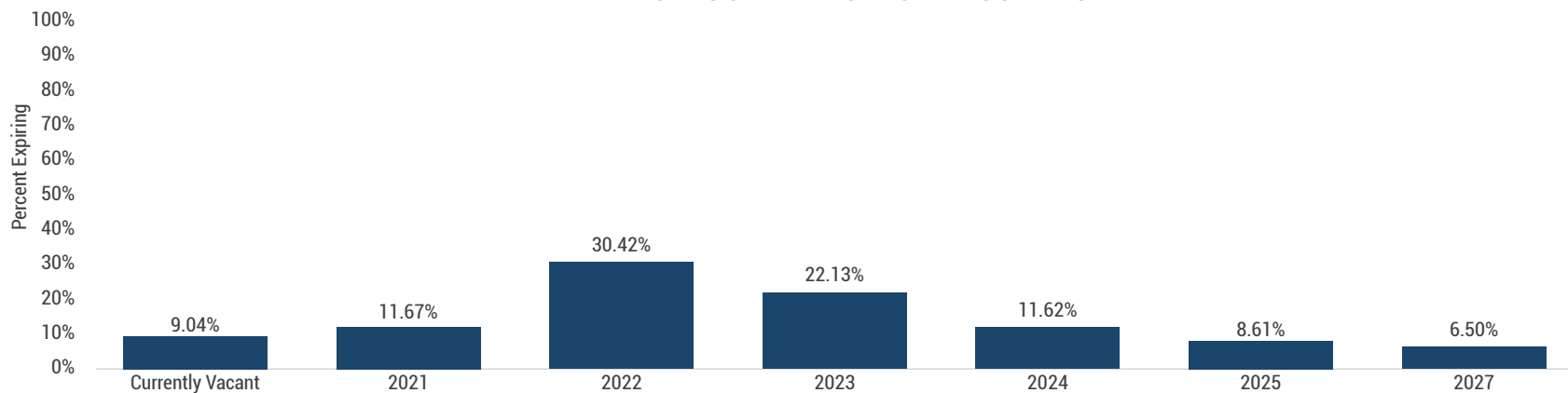
91% LEASED TO STRONG TENANTS WITH STEADY CASH FLOW

SECURE TENANT BASE



- » 91% leased to 19 unique tenants from a variety of industries, reducing investor risk and providing income security.
- » 54% of the portfolio's NOI is leased to tenants in secure industries that are generally resilient throughout economic disruptions.
- » Below market rents offering upside to NOI upon tenant rollover.
- » Staggered rollover providing steady cash flow, with the three largest tenants all expiring in separate years (Caremark- 2022, Target- 2023, Caseworx- 2024).
- » **Long standing tenants - 5 of the tenants have been in the building for over 10 years**
- » Major tenants Caremark and Target Corp. both hold strong credit ratings from S&P/Moody's, and Massachusetts Electric Co. (as a subsidiary of Kiewit Corp.) is one of the largest employee-owned firms in North America.

STAGGERED ROLLOVER SCHEDULE



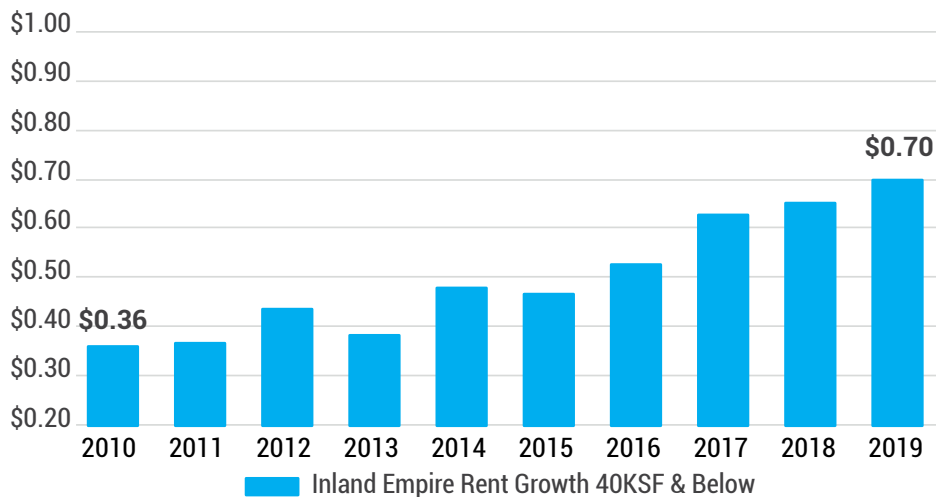
[1] The years in which no existing tenants expire are not reflected on this graph.

■ % of Building Expiring

STRONG INLAND EMPIRE MARKET DYNAMICS

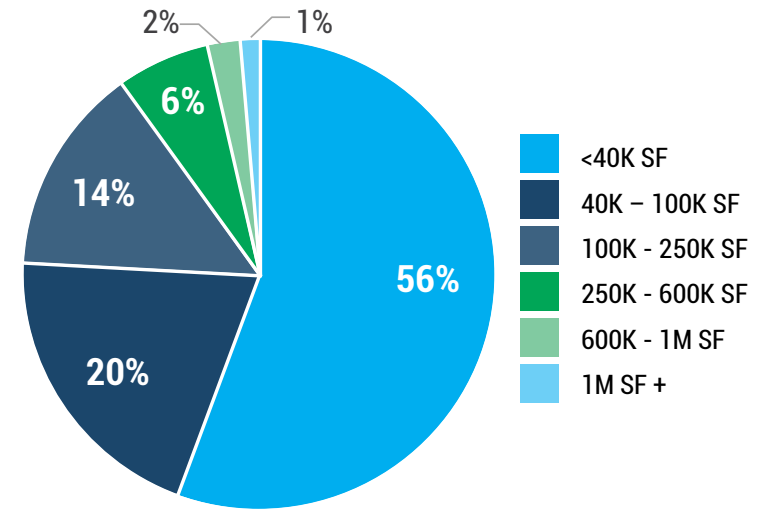
- » The Inland Empire generated 21.7 MSF of net absorption in 2019, ranking it first in the nation for annual net absorption. The Inland Empire East accounted for 15.4 MSF or 79.0% of total Inland Empire net absorption.
- » This strong momentum has continued with 9.6 MSF of net absorption in the first half of 2020.
- » Gross activity for the first half of the year totaled 20.2 MSF with the Inland Empire East contributing nearly 12 MSF.
- » As a result of this activity, the vacancy rate for the Inland Empire is very low at 3.3%.
- » The vacancy rate for Redlands is even lower at only 1.4%, the second lowest vacancy rate of all of the Inland Empire East submarkets.

RENTS IN THE 40K SF AND BELOW RANGE HAVE INCREASED 9% ANNUALLY OVER THE LAST 10 YEARS!



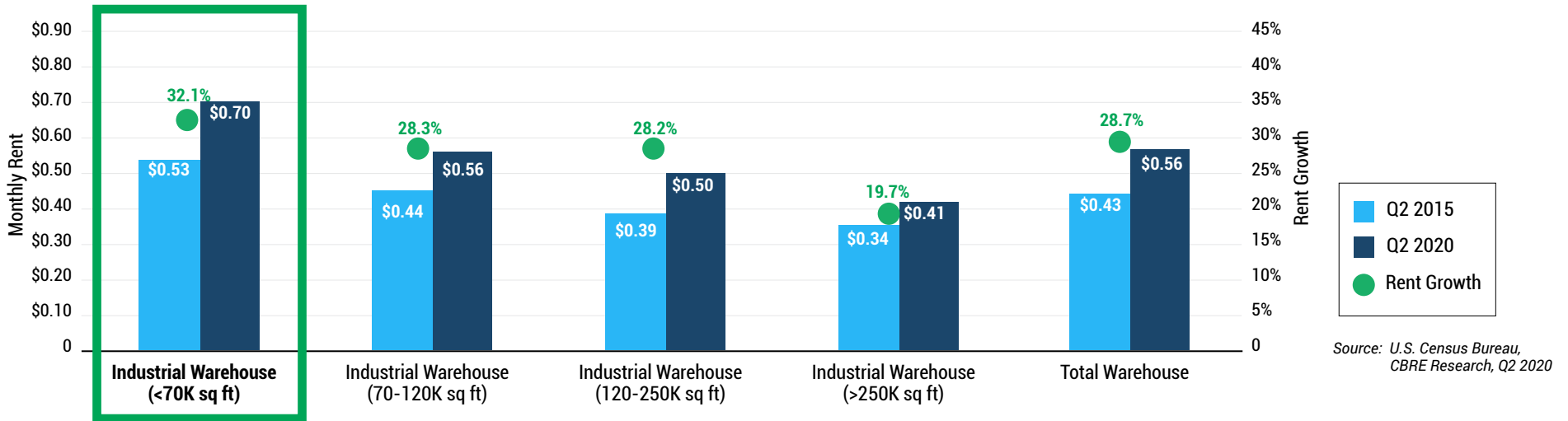
Source: CBRE Research

STRONG VELOCITY FOR TRANSACTIONS UNDER 40K SF 56% OF ALL IE TRANSACTIONS IN THE LAST 24 MONTHS WERE IN THE 40K SF AND BELOW RANGE



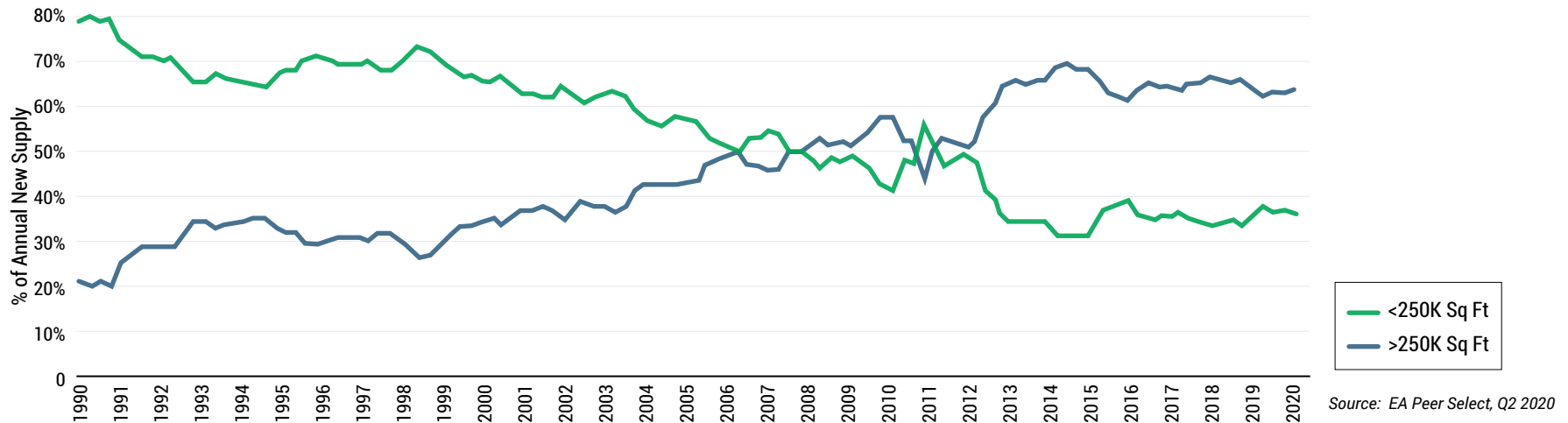
SMALL BAY OUTPACING BIG BOX INDUSTRIAL

RENTS FOR SMALL BAY HAVE GROWN, OUTPERFORMING BIG BOX.
THIS SMALL BAY OFFERING WILL BE ABLE TO TAKE ADVANTAGE OF STRONG RENT GROWTH.

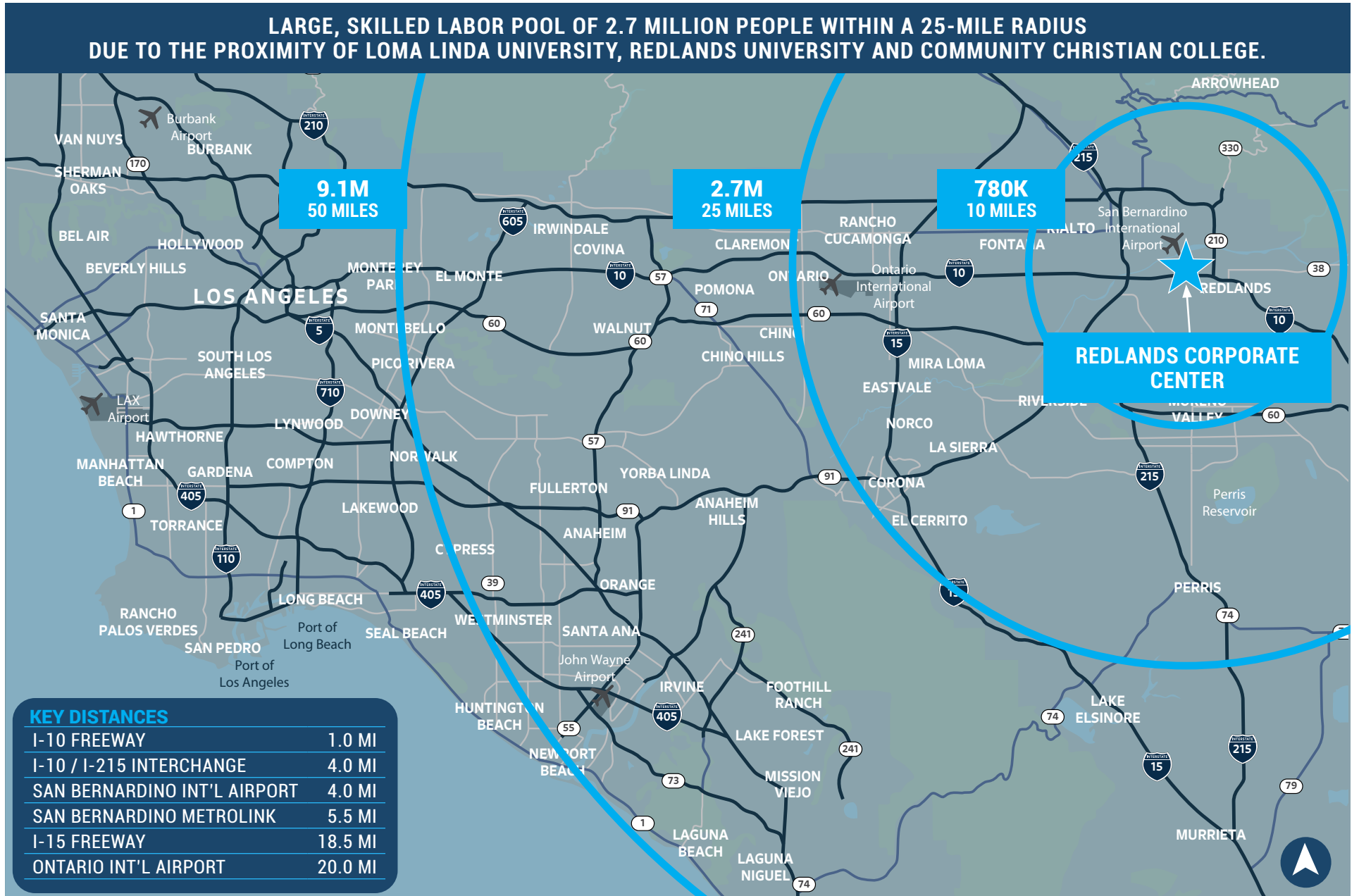


HISTORIC TREND OF DWINDLING SUPPLY IN SMALL BAY SPACE

UNDER SUPPLIED PRODUCT TYPE WITH HIGH BARRIERS TO ENTRY & LIMITED DEVELOPMENT PIPELINE

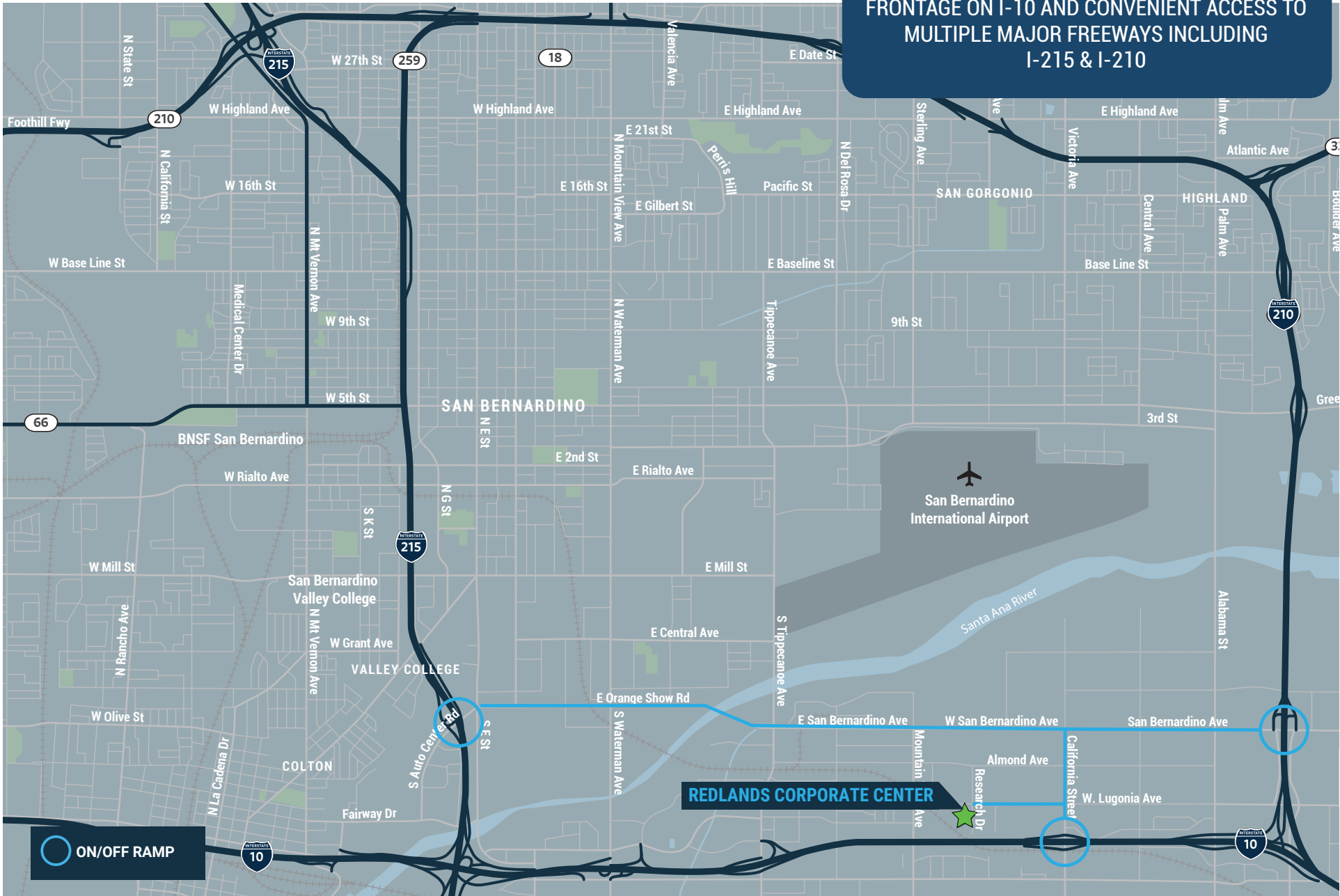


REGIONAL MAP



LOCAL MAP

STRATEGIC INLAND EMPIRE LOCATION WITH PRIME FRONTAGE ON I-10 AND CONVENIENT ACCESS TO MULTIPLE MAJOR FREEWAYS INCLUDING I-215 & I-210



TENANTS IN THE MARKET



SITE PLAN



REDLANDS CORPORATE CENTER

INLAND EMPIRE, CALIFORNIA

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