



Offering Flyer

1600-2060 Chicago Avenue
 & 1614-1616 Marlborough Avenue
 Riverside, California

FREEWAY INDUSTRIAL PARK





University of Riverside

Victoria Club Golf Course

UHAUL Super Center

DT Riverside Metrolink

Recycler Core, Inc.

Riverside City College

Downtown Riverside

Riverside Airport

Mission Inn Hotel & Spa

Mt. Rubidoux Park

3RD STREET

ESCONDIDO (I-215) FREEWAY (150,000 CPD)

MORENO VALLEY (60) FREEWAY

RIVERSIDE (91) FREEWAY (155,000 CPD)

ATLANTA AVENUE

CHICAGO AVENUE

MARLBOROUGH AVENUE

SOUTH
WEST
FACING
AERIAL

Executive Summary

CBRE Inc., as exclusive advisor, is pleased to present the rare value-add opportunity to acquire the Freeway Industrial Park (the "Property"). The multi-tenant "best of class" industrial project is located in the heart of the Inland Empire, one of the most highly sought after industrial markets in the United States. The Property is a $\pm 75\%$ leased, 17 building industrial project offering approximately 481,038 rentable square feet of high quality multi-tenant space. Situated on ± 26.7 acres it houses a diverse industry mix of approximately 84 tenants. The Property has significant upside potential through three avenues: lease-up of vacant space; moving current rents, which are 12% below market and 35% below peak rents, to market and finally there is the potential to sell off individual buildings to users at much higher prices to reduce basis. Located at the convergence of the SR-60, SR-91 & I-215 freeway interchange, the main draw for tenants at the Property is its' outstanding freeway access which allows for easy travel to and from Riverside County, Orange County, Los Angeles County and the balance of Southern California.

Located in the heart of the Inland Empire, which is now the fastest growing region in Southern California. Overall the Inland Empire accounted for two-thirds of all new businesses created statewide from 2012-2013 – despite housing representing only 7.4% of the total businesses in California. Job creation in the Inland Empire increased 2.7% in 2014, faster than any part of California except the Bay Area. That's more than double the rate of Los Angeles and nearly triple the pace of Orange County. It is projected that the Inland Empire will add jobs at an even faster clip – about 3.4% annually, over the next 5 years. There has been 39 consecutive months of year over year job growth.

The region also serves as a distribution hub for goods delivered to and from the ports of Los Angeles and Long Beach, which have both seen a surge in volume over the last year. Overall volume at the Port of Los Angeles has risen 7.8% in the first nine months of 2014 compared with the same period last year. The increased port volume along with trade, homebuilding, transportation, business services, public education spending and even local government are propelling the economy upward. In 2014, the Inland Empire market generated 33.4 million square feet of gross activity, one of the highest levels on record and overall industrial vacancy in the Inland Empire was 4.5% (4.2% vacancy in Riverside).

INVESTMENT SUMMARY

ADDRESS	1600-2060 CHICAGO AVENUE & 1614-1616 MARLBOROUGH AVENUE RIVERSIDE, CA
OFFERING PRICE	Best Offer
TOTAL BLDG AREA	$\pm 481,038$ RSF
TOTAL LAND AREA	± 26.7 Acres
OCCUPANCY	75%
NO.OF BLDGS	17
PARKING STALLS	± 962 Stalls



INVESTMENT HIGHLIGHTS

RARE OPPORTUNITY TO ACQUIRE A MULTI-TENANT INDUSTRIAL PARK WITH UPSIDE - The Inland Empire is one of the most highly sought after industrial markets in the United States with an overall vacancy rate of 4.5% and over 435.8 million square feet of industrial space. This Property is one of eleven competing multi-tenant industrial parks in the immediate submarket. Vacancy rates in the submarket have been declining. There is significant upside through lease-up of the vacant space. Additionally, current rents at the project are 12% below market and 35% below peak rents. There is future potential to sell off individual buildings to reduce the basis and increase cash flow.

STRATEGIC INLAND EMPIRE FREEWAY LOCATION - The Property is ideally located at the convergence of the I-215, SR-60 and SR-91 freeway interchange, which has been the main factor in helping to draw and maintain tenants. Located at the virtual epicenter of the Inland Empire, the Property is part of the prestigious Hunter Industrial Park, the largest master planned park in the area. Riverside recently ranked 8th on Forbes 2014 list of America's Coolest Cities based on a large young adult population, entertainment options, recreation access and cultural diversity. The City of Riverside also has its own pro-business utility company, Riverside Public Utility (RPU), which offers lower power costs on a predictable, long-term basis to companies in industrial parks in Riverside.

STRONG INDUSTRIAL MARKET DYNAMICS - The Inland Empire experienced significant growth in 2013 and 2014. Trade volumes at the Ports of Los Angeles and Long Beach experienced an increase in loaded inbound containers. The steady demand is demonstrated by the low vacancy of 4.5% in the fourth quarter of 2014 for the entire market and 4.2% in Riverside. The Inland Empire ended 2014 with increased gross activity as it wrapped up the year with 33.4 million square feet, up 4.4 million square feet when compared to 2013. Net absorption for the fourth quarter totaled 2.5 million square feet, bringing the 2014 total to 16.1 million square feet, an increase of 8% over 2013.

CBRE Econometric Advisors projects industrial rent growth to remain very positive with rent growth of 10.3% in 2016, 7.1% in 2017 and 3.6% in 2018. Since rents in units under 30,000 SF have just begun to grow and are earlier in the growth cycle than big box, we believe rent growth in this segment will exceed the Econometric Advisors forecast above. As a result the Inland Empire will remain a solid target for investors with a long-term hold strategy.



INVESTMENT HIGHLIGHTS (CONT.)

HOUSING DEMAND AND POPULATION GROWTH DRIVES INCUBATOR MARKET - The light industrial incubator market is tied to housing and population growth. Demand for housing which is a key driver for multi-tenant industrial parks is strong; house prices are up by almost 50% since the late-2011 low. Homebuilding is expanding, but not fast enough to keep up with demand. Household balance sheets are in very good shape and wages are rising. As the economy and housing market continue to improve the small tenant market is gaining momentum.

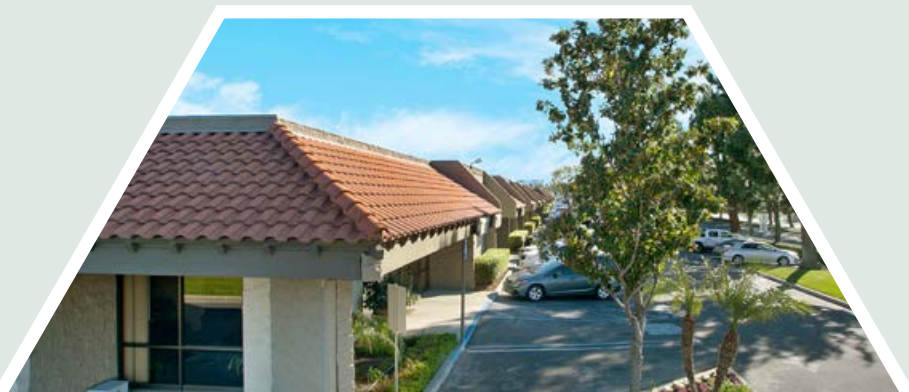
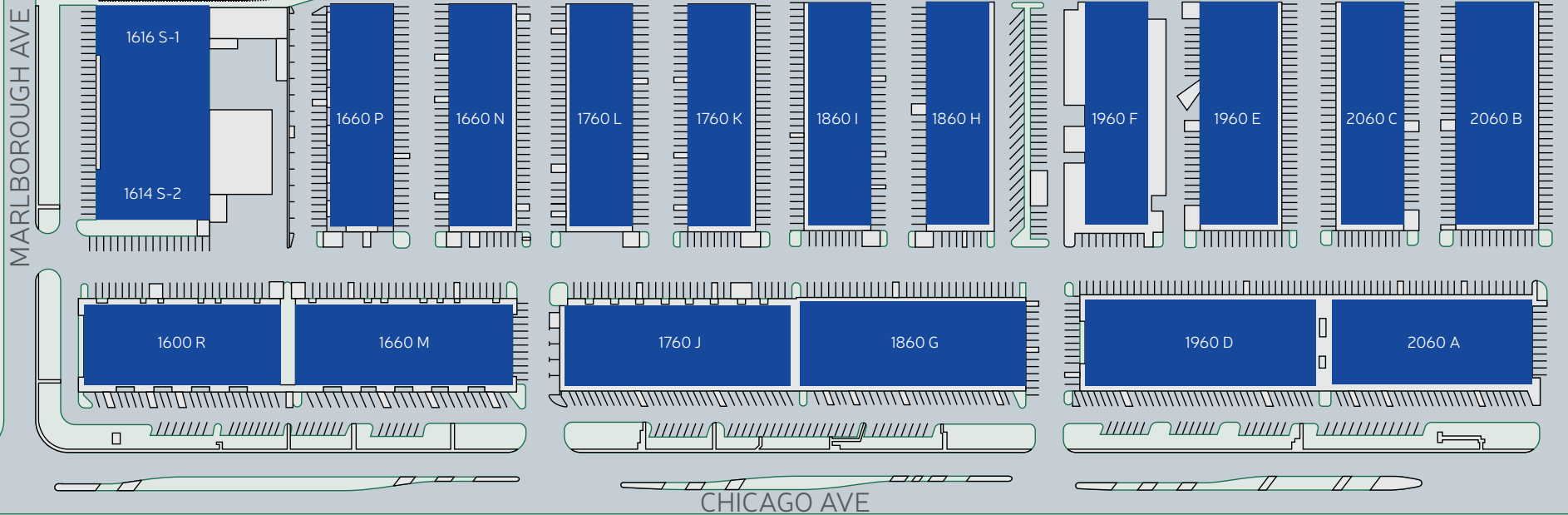
In the Inland Empire, total residential permits for 2013 and 2014 were 9,348 and 9,366 respectively. Economy.com projects new residential permits to rise to 17,629 in 2015, an increase of 88%. And in 2016, this is projected to grow to 24,603, a 39% increase. Continued growth in new home construction will directly benefit business parks as sub-contractors, suppliers and consultants expand.

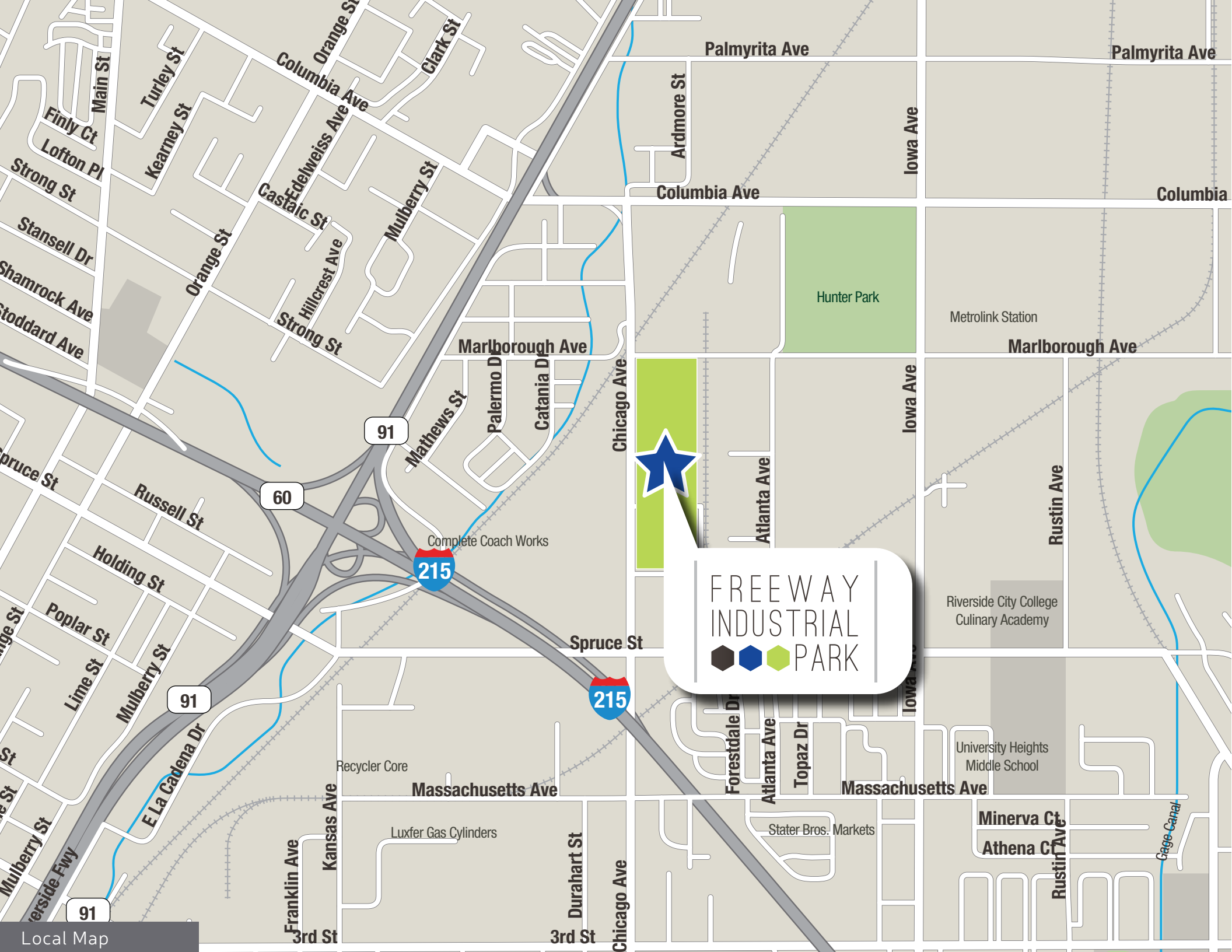
The Inland Empire is expected to once again lead California in population growth. While representing only 11.9% of the state's population currently, the Inland Empire is forecasted to capture 21.9% of new population growth from 2013 – 2040. The more than 2 million new residents expected in the Inland Empire over this time period is more than the growth in Los Angeles, Orange and San Diego counties combined.

WHY INVESTORS PREFER MULTI-TENANT INDUSTRIAL PARKS - Multi-tenant industrial properties are one of the most desired property types with very few properties coming on the market. These properties offer exceptional long-term stable cash flow with limited risk and minimal re-tenanting cost. A benefit of owning multi-tenant parks is that during economic downturns, multi-tenant parks are less affected than larger industrial buildings. The Property has 17 buildings comprised of 127 separately metered units, with the largest tenant accounting for only 4.88% of the total area, limiting major rollover exposure. In addition, due to limited office build-out of approximately 27% and the smaller size units, there will be minimal tenant improvement build-out costs to re-tenant any spaces that become vacant.

PROPERTY SCALE OFFERS UNIQUE BENEFITS - The ability for an investor to acquire almost 500,000 square feet in one park offers instant scale and market presence which is highly unusual, particularly in the multi-tenant category. This gives an investor the ability to accommodate growing and contracting tenants, allowing for long-term and deep relationships with tenants. This also allows for economies of scale with property management and operations.

SITE PLAN





FREEWAY
INDUSTRIAL
PARK



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