

28042 AVE STANFORD, UNIT E
VALENCIA, CA 91355

STANFORD BUSINESS PLAZA



CONFIDENTIAL OFFERING MEMORANDUM

NAI Capital | **INVESTMENT**
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE | SERVICES GROUP

Confidentiality Agreement

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your own limited use in considering whether to pursue negotiations to purchase 28042 Avenue Stanford, Unit E, Valencia, California (the "Property"). The Owner has retained NAI Capital ("NAI") as the exclusive sales broker to sell the Property. No other agent or broker is authorized to offer the Property unless and until that agent or broker has executed a written agreement with NAI and that agreement has been executed by their interested purchaser.

This confidential memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by NAI. Although this confidential memorandum has been reviewed by representatives of the Owner, it does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. Neither the Owner nor NAI, nor any of their partners, officers, employees or agents have independently verified the information contained herein and they are not responsible for any errors or inaccuracies in the information. No representation or warranty, express or implied, is made as to the accuracy or completeness of this confidential memorandum or any of its contents, or any other written or oral communication transmitted to a prospective purchaser in the course of its evaluation of the proposed sale of the Property. There is no representation as to the environmental condition of the Property.

You agree that the memorandum and its contents are confidential, that you will hold and treat it in confidence and that you will not disclose this memorandum or its contents to any other firm or entity without prior written authorization. Photocopying or other duplication is prohibited. You will use this confidential memorandum only for the purpose of evaluating the possible acquisition of the Property. All prospective purchasers agree that they will conduct their own independent investigation of those matters which they deem appropriate in order to evaluate this offering.

Owner and NAI expressly reserve the right at their sole discretion to reject any or all proposals, offers, or expressions of interest in the Property and to terminate discussions with any party at any time with or without notice.

This confidential memorandum shall not be deemed a representation of the state of affairs of the Property or imply that there has been no change in the business or affairs of the Property since the date of preparation of this memorandum. The Property is submitted for sale subject to the right to make changes in any of the terms without notice.



STANFORD BUSINESS PLAZA

VALENCIA, CA 91355

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Executive Summary

INVESTMENT SUMMARY

Price: \$1,877,600

Pro Forma Cap Rate: 6.30%

Property Type: Tilt-up

Address: 28042 Avenue Stanford, Unit E., Valencia, CA

Year Built: 1990

Year Remodeled: 2007

Total Building SF: 5,720 SF

Units: 20

NAI Capital, as the exclusive advisor to the Owner, is pleased to present for review the pricing and market analysis for 28042 Avenue Stanford, Unit E, Valencia, CA 91355, a multi tenant investment, industrial-condo warehouse.

INVESTMENT HIGHLIGHTS

- Approximately 5,200 SF of Executive Offices
- Excellent Office Buildout
- Street Visibility and ample parking
- BP (business park) zoning allows for the widest range of uses in Santa Clarita and is extremely coveted by local businesses.
- Opportunity for an investor to acquire an income producing property while occupying a portion of the facility.



Property Overview

Price	\$1,877,600
Address	28042 Avenue Stanford Unit E, Valencia, CA 91355
Available SF	5,720 SF
Year Built	1990, Remodeled 2007
Percent Leased	80%
Parcel Number	2866-009-035
Zoning	BP
Parking	12 Spaces



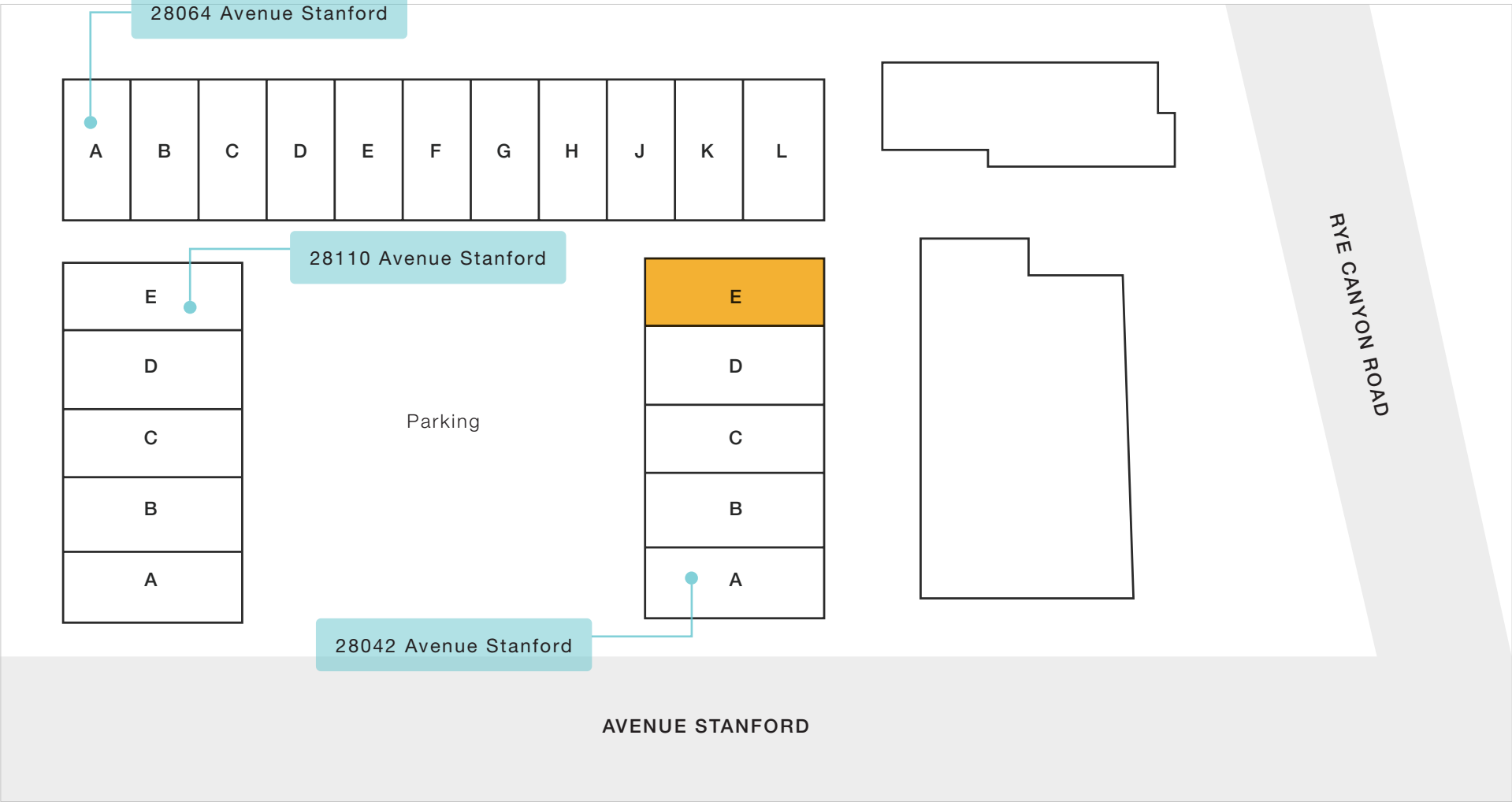
Amenities Map



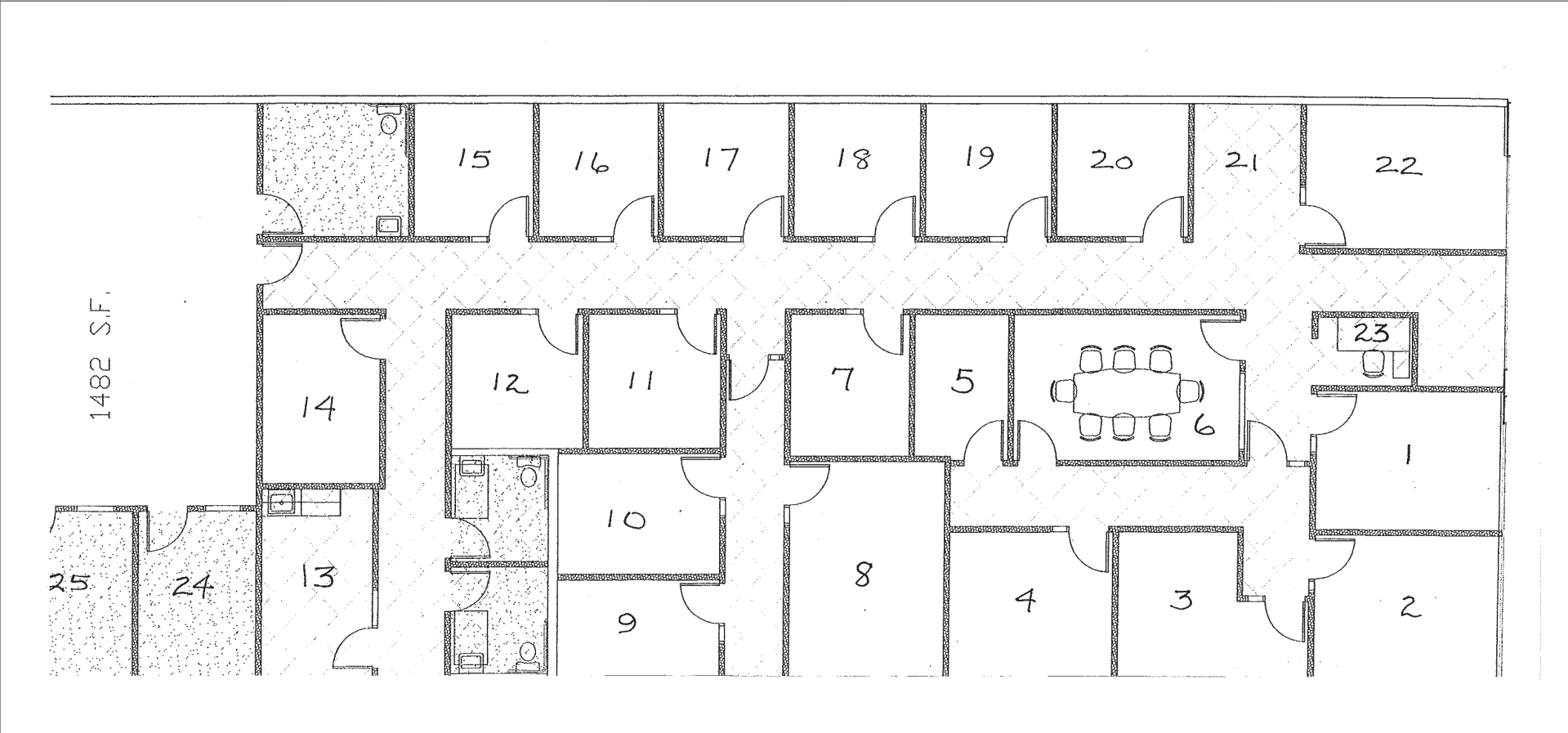
Property Aerial



Site Plan



Floor Plan



Interior Photos



Market Overview

VALENCIA

Los Angeles County, CA

Valencia is a neighborhood in the City of Santa Clarita within the Santa Clarita Valley region on northern Los Angeles County. The community lies just north of the San Fernando Valley approximately 38 miles northwest of Downtown Los Angeles. Santa Clarita spans 64.4 square miles of the 200+ square miles in the Santa Clarita Valley and is Los Angeles County's third largest City. Santa Clarita sits south of the Sierra Pelona mountain range, north of the Santa Susana and San Gabriel mountain ranges, and borders Highway 14 on the east and Interstate 5 to the west.

Santa Clarita's population consists of nearly 219K residents that form over 75K affluent households with an average household income of \$124K per year. Valencia represents a master-planned community of residential villages with nearby amenities, making the neighborhood a popular choice for raising a family.

The Los Angeles Economic Development Corporation named Santa Clarita the Most Business Friendly City in Los Angeles County due to no business license fees, utilities or payroll taxes among other benefits and incentives along with free recruitment services. The central location with proximity to the Burbank Airport and freight rail as well as the designation as a Foreign Trade Zone make the area ideal for industrial sector businesses. Local educational institutions such as College of the Canyons, The Master's University and California Institute of the Arts (CalArts) provide a steady stream of talent.

Santa Clarita offers a thriving economy with more than 9K businesses, including 35 company headquarter businesses, operating in the City. Fast-growing industries range from tech to medical, education, retail trade, aerospace and film/TV/streaming production. Employment breaks down to 65% white collar positions and 35% blue collar. Professional and related services represent about 25% of the workforce while 22% are in sales and office positions with 19% in management, business and financial operations.

Santa Clarita

POPULATION
218,800



MEDIAN HOUSEHOLD INCOME
\$94,613



NUMBER OF EMPLOYEES
78,026



MEDIAN PROPERTY VALUE
\$569,393



MEDIAN AGE
36.4



TOTAL BUSINESSES
9,410



LA County

POPULATION
10.2M

MEDIAN HOUSEHOLD INCOME
\$69,507

NUMBER OF EMPLOYEES
4.3M

MEDIAN PROPERTY VALUE
\$581,650

MEDIAN AGE
36.3

TOTAL BUSINESSES
505,036

Sale Comparables



28064 Ave Stanford – Unit E
 Valencia, CA

Deal Type:	Investment or Owner/ User
Cap Rate:	6.18%
SF:	5,720
Sale Price:	\$1,887,600 (\$330 /sf)
Sale Date:	On market
Year Built:	1990



28462-28466 Constellation Road
 Valencia, CA

Deal Type:	Investment
Cap Rate:	N/A
SF:	3,584 SF
Sale Price:	\$845,000 (\$235.77/sf)
Sale Date:	July 15, 2020
Year Built:	2006



28064 Ave Stanford – Unit A
 Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	5,800
Sale Price:	\$1.57M (\$271.41 /sf)
Sale Date:	Under Contract
Year Built:	1990



28348 Constellation Road
 Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	5,519
Sale Price:	\$1.54M (\$279 /sf)
Sale Date:	April 30, 2020
Year Built:	2007



28506 Constellation Road
 Valencia, CA

Deal Type:	Investment
Cap Rate:	5%
SF:	4,595
Sale Price:	\$1.3M (\$281.83 /sf)
Year Built:	2006
Sale Date:	July 29, 2020



27825 Freemont Court
 Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	3,360
Sale Price:	\$885,000 (\$263.39 /sf)
Sale Date:	April 27, 2020
Year Built:	1985

Sale Comparables



28294-28310 Constellation Road
Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	5,831
Sale Price:	\$1.6M (\$275 /sf)
Sale Date:	Aug 8, 2019
Year Built:	2004



28035-28045 Smyth Drive
Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	3,888
Sale Price:	\$1.01M (\$258.59 /sf)
Sale Date:	April 11, 2019
Year Built:	2001



28542-28546 Constellation Road
Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	5,743
Sale Price:	\$1.4M (\$244.04 /sf)
Sale Date:	June 26, 2019
Year Built:	2006



25840 Springbrook Ave
Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	2,440
Sale Price:	\$825.99K (\$344.16 /sf)
Sale Date:	April 1, 2019
Year Built:	1977



27903-27907 Smyth Drive
Valencia, CA

Deal Type:	Owner/User
Cap Rate:	N/A
SF:	3,308
Sale Price:	\$944,000 (\$285.37 /sf)
Sale Date:	May 2, 2019
Year Built:	2002

Santa Clarita Valley Development Projects



IAC Commerce Center

- GLA: 1.3M SF
- 9 buildings ranging in size between 90,000 SF and 500,000 SF; Buildings are divisible from 50,000 SF
- 70 Acres
- Phase I: (398,220 SF); 3 buildings i.e. 93,600 SF, 116,740 SF and 187,880 SF
- Grading/Infrastructure: commenced
- Vertical Construction Commencement: 3Q 2016
- Building Occupancy: Q2 2017
- Type Development: Speculative, Build-to-Suit and Land Sales

Developer: International Airport Centers



Gateway V

- GLA: 625,000 SF
- Acres: 38
- Phase I: (254,722 SF); 3 buildings, speculative development i.e. 60,923 SF, 88,752 SF and 105,047 SF
- Phase II: (254,000 SF): Land Acquisition and Build-to-Suit
- Grading/Infrastructure: Compete
- Vertical Construction Commencement: May 2016
- Building Occupancy: 1/2017
- Type Development: Speculative
- Available Land: 4 parcels i.e. 0.32 acres to 2.3 acres; \$17.50 SF to \$26.00 SF

Developer: Sheridan/Ebbert/AEW



Mann Biomedical Park

- Acquired by a joint venture between Intertex Companies and funds managed by Oaktree Capital Management, L.P.
- Includes 159 acres and currently encompasses 17 buildings and 612,075 SF; the park is entitled for an additional 900,000 SF which can accommodate office/flex, industrial/flex and medical
- Amenities: Fitness Center, Walking Trails, Security, On-Site Management, Volleyball/Basketball Courts, Easy Access to I-5
- The park is home to a wide variety of tenants with a concentration of medical device and biotechnology firms including Boston Scientific, Quallion, Bioness, Alfred Mann Foundation, Setpoint Medical etc.

Developer: Valencia Biomedical Park, LLC



Vista Canyon

- includes 1,100 residential units, 650,000 SF of office, 165,000 SF of commercial/retail development, 200 hotel rooms, Metrolink station, bus transit facility and a water reclamation plant
- Phase I: includes 480 residential units, 60,000 SF office/retail
- Acres: 185
- Ground Breaking Commenced: Q3 2015
- Building Occupancy: Q3 2017
- Speculative Development, Build-to-Suit (For Sale and Lease); Land Sales and Joint Venture opportunities
- Status - Apartments: 480 units; close escrow Q3 2016 Residential: 322 lots; close escrow Q4 2016

Developer: International Airport Centers

Financial Analysis

Proforma Income and Expense Summary

		Current Annual Total
Scheduled Gross Income:		\$176,316
Less Vacancy Reserves	2%	\$(3,526.32)
Gross Operating Income:		\$172,789.68
Less Expenses	30.6%	\$(53,964.48)
Net Operating Income:		\$118,825.20
Less Debt Service:		\$(72,399.93)
Estimated Pre-Tax Cash Flow:		\$46,425

Estimated Annual Expenses

Property Taxes	\$23,595
Insurance	\$2,800
Maintenance, repairs, groundskeeping	\$15,360
Management & Advertising (5%)	\$-
Replacement Reserve (\$0.20psf/yr)	\$1,470
Water	1,300
Trash Service	-
Brokerage Fee 3% 5 year term	8,639
LLC	800
Total Expenses	\$53,964

Value Indicators

Year Built	1986
# of Units	13
Bldg. Sq.Ft.	5,720
Lot Size	88,688
Price/Sq.Ft.	\$330.00
Rent/Sq.Ft. (Average)	\$2.569
Expense Ratio	30.6%
Expense/Sq.Ft.	\$0.79
Debt Coverage Ratio	\$1.641
CAP Rate	6.30%
Pre-Tax Cash Flow	\$46,425
Cash-on-Cash Return	7.44%

Financial Analysis

Current Income and Expense Summary

	Current Annual Total
Scheduled Gross Income:	\$135,516
Less Vacancy Reserves 2%	\$(2,710.32)
Gross Operating Income:	\$132,805.68
Less Expenses 33.4%	\$(45,325.00)
Net Operating Income:	\$87,480.68
Less Debt Service:	\$(72,399.93)
Estimated Pre-Tax Cash Flow:	\$15,081

Estimated Annual Expenses

Property Taxes	\$23,595
Insurance	\$2,800
Maintenance, repairs, groundskeeping	\$15,360
Management & Advertising (5%)	\$-
Replacement Reserve (\$0.20psf/yr)	\$1,470
Water	1,300
Trash Service	-
Brokerage Fee 3% 5 year term	-
LLC	800
Total Expenses	\$45,325

Value Indicators

Year Built	1986
# of Units	13
Bldg. Sq.Ft.	5,720
Lot Size	88,688
Price/Sq.Ft.	\$330.00
Rent/Sq.Ft. (Average)	\$1.974
Expense Ratio	33.4%
Expense/Sq.Ft.	\$0.66
Debt Coverage Ratio	\$1.208
CAP Rate	4.63%
Pre-Tax Cash Flow	\$15,081
Cash-on-Cash Return	2.42%

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