

INVESTMENT OFFERING MEMORANDUM



Himiway
19449 E. WALNUT DR S.

**A PLUS
FLOOR & MOULDING**
1165B WRIGHT WAY



SHERWIN-WILLIAMS
1165 WRIGHT WAY

E. WALNUT DR. S.

WRIGHT WAY

100% NNN LEASED MULTI-TENANT INDUSTRIAL INVESTMENT FOR SALE

19449 1165 & 1165B

E. WALNUT + WRIGHT DRIVE S. WAY

CITY OF INDUSTRY | CA



PRIME LOCATION WITH DIRECT
60 FWY FRONTAGE



SHERWIN-WILLIAMS

CREDIT TENANT:
SHERMAN-WILLIAMS

TABLE OF CONTENTS



04

INVESTMENT SUMMARY
PROJECT OFFERING
PROPERTY HIGHLIGHTS
SALE COMPS

10

DATA
RENT ROLL
ARGUS
TENANT INFO

14

PROPERTY SPECIFICS
LOCATION MAP
PROPERTY AERIALS
INTERIOR & EXTERIOR

17

ABOUT THE AREA
CORPORATE NEIGHBORS MAP
MARKET SNAPSHOT

**19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY**

CITY OF INDUSTRY | CA

DISCLAIMER

DAUM Commercial Real Estate Services (Broker) has been engaged as the exclusive agent for the sale of Property, by the owner of Property (Seller). The Property is being offered for sale in an as-is, where-is condition and Seller and Broker make no representation or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Broker or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as the accuracy or completeness of the Information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions, contained therein. Neither the Broker nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with the respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein. Seller and Broker reserve the right, as its sole and absolute discretion, to the Property from being marketed for sale at any time and for any reason. Seller expressly reserves the right, at its sole and absolute discretion, to reject any and all expressions of interest or offers regarding the

property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, with respect to sale or withdrawal from the market without notice. Broker is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by owner and any conditions to Purchaser's obligations there under have been satisfied or waived. By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Broker or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials of the Property without the prior written approval of the Seller or Broker; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Broker or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Broker.

LOCAL MARKET ADVISORS

Charles Johnson II

Executive Vice President
562.576.1424
cajohnson@daumcommercial.com
CA License #01817294

Joseph Harmon

Vice President
562.695.4512
jharmon@daumcommercial.com
CA License #02049508

CAPITAL MARKET ADVISORS

Anthony Bergeman

Executive Vice President
949.341.4511
abergeman@daumcommercial.com
CA License #01841828

Krishna Shegran

Vice President
949.341.4512
kshegran@daumcommercial.com
CA License #0203891

Michael Chase

Vice President
949.341.4513
mchase@daumcommercial.com
CA License #0207114

INVESTMENT HIGHLIGHTS

THE OFFERING

19449 E. Walnut Dr. S., & 1165 Wright Way, City of Industry is a multi-tenant industrial building that sits on a ±42,484 sq ft parcel. This property consists of 3 separate units; 19449 E. Walnut Dr. S. which is approximately 7,190 sq ft, 1165 Wright Way #A which is approximately 6,398 sq ft, and 1165 Wright Way #B, which is approximately 5,115 sq ft, totaling ±18,703 sq ft building area. This property has a total of four (4) Ground Level Doors, a Ceiling Height of 19' and 37 parking spaces altogether. This property is conveniently located in City of Industry with freeway frontage on the 60 Freeway.

CALL BROKER TO SCHEDULE TOUR

- + 100% leased NNN Industrial Building
- + Contractual annual lease bumps of 4% - 5%
- + Multi-tenant rent roll offers diversity of cash flow
- + Sherwin-Williams – National Credit
- + Desirable location with 60 Freeway frontage
- + Exceptionally strong fundamentals – 2.7% overall vacancy and no new construction in pipeline for units this size
- + Low-finish (5% to 10% office), single story industrial units each with exclusive loading
- + Prime East City of Industry location with historically low vacancy and high rent growth metrics

4

**19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY**

CITY OF INDUSTRY | CA



PROPERTY HIGHLIGHTS

100% LEASED

TOTALING ± 18,703 Square Feet

LOT SIZE ± 42,484 SF

DEMOGRAPHICS City of Industry

CLEAR HEIGHT 19'

FRONTAGE 60 Freeway Frontage and corner frontage (Wright Way and Walnut Dr)

GROUND LEVEL DOORS 4

PARKING 37

YARD Potential to add fenced yard and exterior dock

FINANCIALS Contractual Annual bumps at 4% and 5%

ASKING PRICE \$7,500,000










INVESTMENT HIGHLIGHTS City of Industry
Diversity of income
(3 tenants, 1 with national credit)
Inflation protection (NNN leases)

WEIGHTED AVERAGE LEASE (WALT) 3.31 Years

LEASE STRUCTURE Triple Net (NNN) - Inflation Protection
Minimal Management Responsibilities



SALE COMPS

	Address	Market	Building SF	Land SF	Sale Price	Price PSF	CAP Rate	Year Built	Date Sold	
1	411 E Greenleaf Blvd. Compton, CA 90221	Los Angeles	13,958	40,946	\$5,700,000	\$408.37	4.50%	1953	7/10/2023	
2	10428 E Rush St. South El Monte, CA 91733	Los Angeles	10,112	21,344	\$2,980,000	\$294.70	4.79%	1968	6/16/2023	
3	730 Salem St. Glendale, CA 91203	Los Angeles	6,454	6,970	\$3,000,000	\$464.83	3.46%	1939	6/22/2023	
4	6638-6644 San Fernando Rd. Glendale, CA 91201	Los Angeles	8,636	9,710	\$4,675,000	\$541.34	4.44%	1952	UNDER CONTRACT	
5	16100-16122 Orange Ave. Paramount, CA 90723	Los Angeles	20,000	43,560	\$6,000,000	\$300.00	4.00%	1968	IN ESCROW	
6	18295 Euclid St. Fountain Valley, CA 92708 *SHERWIN-WILLIAMS CORPORATE CREDIT LEASED INVESTMENT	Orange County	5,056	POL	\$2,840,000	\$561.71	4.00%	1967	3/14/2023	
7	600 W Freedom Ave. Orange, CA 92865	Orange County	7,282	19,166	\$2,395,000	\$328.89	5.00%	1986	IN ESCROW	
8	9210 Mira Este Ct. San Diego, CA 92126	San Diego	12,731	85,813	\$9,150,000	\$718.72	5.00%	1971	7/25/2023	
9	1604 La Mirada Dr. San Marcos, CA 92078	San Diego	16,584	38,768	\$4,399,840	\$265.31	4.60%	1986	9/1/2023	
Averages			11,201	33,285		\$431.54	4.42%	1966		

PROPERTY HIGHLIGHTS



19'
CLEAR
HEIGHT



4
GL DOORS



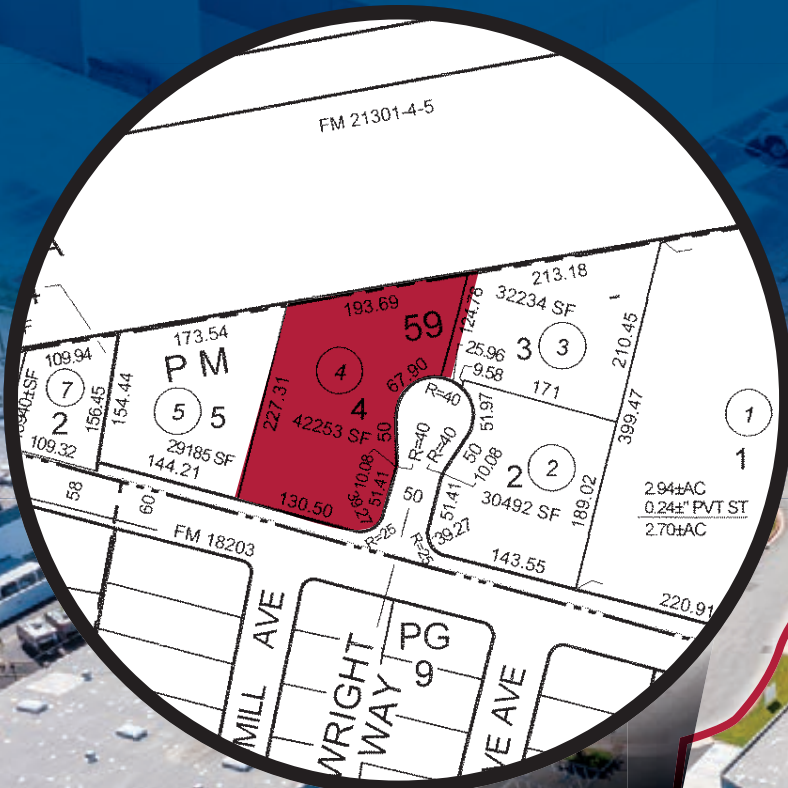
18,703 SF
BLDG. SIZE



**NEWLY
RENOVATED**



**FREEWAY
FRONTAGE**



| 1,468 CPD

7

**19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY**
CITY OF INDUSTRY | CA



| 243,856 CPD



SITEPLAN



19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY
CITY OF INDUSTRY | CA

E. WALNUT + WRIGHT DRIVE S. WAY

19449 1165 & 1165B

CITY OF INDUSTRY | CA

 243,856 CPD



OFFERING ATTRIBUTES

- Freeway Frontage and corner frontage (Wright Way and E. Walnut Drive S.)
- Annual bumps at 4% and 5%
- Potential to add fenced yard and exterior dock
- City of Industry
- Diversity of income (3 tenants, 1 with national credit)
- Inflation protection (NNN leases)

PROPERTY FACTS

BUILDING SF	18,703	PARKING	37
LAND SF	42,484	LOADING	4 GL
COVERAGE	44%	CLEAR HEIGHT	19'

 292,469 CPD

E. WALNUT DR. S

1165B WRIGHT WAY
5,115 SF

1165 WRIGHT WAY
6,398 SF

19449 E WALNUT DR
7,190 SF

 1,468 CPD

WRIGHT WAY

RENT ROLL

TENANT	Unit	SF	"Lease From"	"Leased Through"	"Monthly Rent (as of 1/1/24)"	"Rent PSF"	"Annual Rent CY 2024"	Annual Bumps	Options?	Lease Structure
Himiway E-bikes	19949 E Walnut	7,190	8/1/2023	9/30/2026	\$11,144	\$1.55	\$135,957	4.0%	NO	NNN
Sherwin-Williams	1165-A Wright Way	6,398	1985	9/30/2028	\$10,725	\$1.68	\$130,309	5.0%	NO	NNN
Michelle Ma & Wen Lu	1165-B Wright Way	5,115	4/1/2023	5/31/2026	\$8,184	\$1.60	\$101,154	4.0%	NO	NNN
Totals		18,703			\$30,053	\$1.61	\$367,420			

FINANCIAL PROFORMA

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	Year 1 Dec-2024	Year 2 Dec-2025	Year 3 Dec-2026	Year 4 Dec-2027	Year 5 Dec-2028	Year 6 Dec-2029	Year 7 Dec-2030	Year 8 Dec-2031	Year 9 Dec-2032	Year 10 Dec-2033	Year 11 Dec-2034	Total
Rental Revenue												
Potential Base Rent	367,420	383,420	406,676	434,683	451,810	465,747	484,377	503,752	523,902	544,859	566,653	5,133,300
Scheduled Base Rent	367,420	383,420	406,676	434,683	451,810	465,747	484,377	503,752	523,902	544,859	566,653	5,133,300
Total Rental Revenue	367,420	383,420	406,676	434,683	451,810	465,747	484,377	503,752	523,902	544,859	566,653	5,133,300
Other Tenant Revenue												
Total Expense Recoveries	110,574	113,041	115,564	118,146	120,787	123,490	126,256	129,085	131,980	134,943	165,477	1,389,344
Total Other Tenant Revenue	110,574	113,041	115,564	118,146	120,787	123,490	126,256	129,085	131,980	134,943	165,477	1,389,344
Total Tenant Revenue	477,994	496,460	522,241	552,829	572,597	589,238	610,633	632,837	655,883	679,802	732,130	6,522,644
Potential Gross Revenue	477,994	496,460	522,241	552,829	572,597	589,238	610,633	632,837	655,883	679,802	732,130	6,522,644
Effective Gross Revenue	477,994	496,460	522,241	552,829	572,597	589,238	610,633	632,837	655,883	679,802	732,130	6,522,644
Operating Expenses												
Property Taxes	85,079	86,780	88,516	90,286	92,092	93,934	95,813	97,729	99,684	101,677	131,213	1,062,803
CAM Expenses	16,518	17,014	17,524	18,050	18,591	19,149	19,723	20,315	20,925	21,552	22,199	211,559
Insurance	8,977	9,247	9,524	9,810	10,104	10,407	10,720	11,041	11,372	11,714	12,065	114,981
Total Operating Expenses	110,574	113,041	115,564	118,146	120,787	123,490	126,256	129,085	131,980	134,943	165,477	1,389,344
Net Operating Income	367,420	383,420	406,676	434,683	451,810	465,747	484,377	503,752	523,902	544,859	566,653	5,133,300
Leasing Costs												
Tenant Improvements	0	0	9,138	0	5,041	0	0	10,594	0	5,844	0	30,616
Leasing Commissions	0	0	42,387	0	23,837	0	0	51,570	0	29,002	0	146,796
Total Leasing Costs	0	0	51,525	0	28,878	0	0	62,163	0	34,845	0	177,412
Total Leasing & Capital Costs	0	0	51,525	0	28,878	0	0	62,163	0	34,845	0	177,412
Cash Flow Before Debt Service	367,420	383,420	355,152	434,683	422,932	465,747	484,377	441,589	523,902	510,013	566,653	4,955,889
Cash Flow Available for Distribution	367,420	383,420	355,152	434,683	422,932	465,747	484,377	441,589	523,902	510,013	566,653	4,955,889
Cap Rate (NOI/Purchase Price)	4.90%	5.11%	5.42%	5.80%	6.02%	6.21%	6.46%	6.72%	6.99%	7.26%	7.56%	
Purchase Price	\$7,500,000											
Sale												
Exit Cap Rate											5.00%	
Sale Proceeds										\$ 11,333,060		
Net Cash Flow	(\$7,500,000)	\$367,420	\$383,420	\$355,152	\$434,683	\$422,932	\$465,747	\$484,377	\$441,589	\$523,902	\$11,843,073	
IRR	9.0%											

Note: Free rent for Himi-Way in August 2024 not included in the above. Seller will credit buyer for this amount.

PROFORMA ASSUMPTIONS

PROPERTY INFORMATION	
Property Type	Industrial
Building Area	18,703
Address	19449 E Walnut Dr
	1165 Wright Way
City, State	City of Industry / CA
Zip / Postal Code	91789
Country	United States

PURCHASE PRICE / ACQUISITION	
Acquisition / Valuation Date	1/1/2024
Purchase Price	\$7,500,000
Purchase Price / Building Area	\$401.01

PROPERTY ASSUMPTIONS (YEAR 1)	
Market Inflation (Year 2)	4.00%
Expense Inflation (Year 2)	3.00%
Property Tax Inflation (Year 2)	2.00%

WALT (AS OF PV/IRR DATE)	
WALT	3 Years 4 Months

MARKET LEASING ASSUMPTIONS	
Renewal Probability	80.00%
Months Vacant	2
MLA Lease Rate	\$1.75/SF NNN
Lease Term	5 Years
Market Inflation	4.00%
Tenant Improvements (New)	\$1.50/SF
Tenant Improvements (Renewal)	\$0.50/SF
Leasing Commission (New)	6.00%
Leasing Commission (Renewal)	2.00%

TENANT PROFILES

19449 1165 & 1165B
**E. WALNUT + WRIGHT
DRIVE S. WAY**
CITY OF INDUSTRY | CA



ABOUT SHERWIN-WILLIAMS

**ADDRESS:
1165-A WRIGHT WAY**

The SHERWIN-WILLIAMS COMPANY was founded by Henry Sherwin and Edward Williams in 1866. Today, the company is a global leader in the development, manufacture and sale of coatings and related products with more than 33,000 employees and business in 109 countries.

Sherwin-Williams products are marketed under such well-known brands as Sherwin-Williams®, Sayerlack®, Minwax® and Thompson's® WaterSeal®. We go to market through 3,954 company-operated paint stores and branches around the world, as well as leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers, and industrial distributors. With annual sales of \$9.5 billion, we are the largest coatings manufacturer in the United States and third largest worldwide.



<https://corporate.sherwin-williams.com/our-company.html>



ABOUT HIMIWAY

**ADDRESS:
19449 E. WALNUT DRIVE S.**

Himiway was born to scale the summits where others fear to tread, so we can see further and go farther.

Despite more than 70% of riders are pursuing e-bikes that can go farther, most of the e-bikes on the market can only reach 30-40 miles.

Since the establishment in 2017, based on the feedback of over 50,000 users, Himiway has been continuously improving the range of e-bikes. On average, the range of Himiway e-bikes can reach 43% higher than other e-bikes on the market, up to 60-80 miles on a single charge.

Himiway is a global brand, with branches and customers in North America, and Europe. In the next phase, we aim to serve over 1 million cyclists in 30+ countries around the world.



<https://himiwaybike.com/pages/about-us>



A PLUS FLOOR & MOULDING

ABOUT A PLUS FLOOR & MOULDING

**ADDRESS:
1165-B WRIGHT WAY**

A Plus Floor & Moulding is the premier supplier of gorgeous engineered wood, laminate, vinyl, composite, and solid wood flooring options. They are also a high-end provider of Mouldings, baseboards, door casings, custom blinds and shutters in a variety of design, color, and style options.



<https://www.aplusfloormouldingusa.com/>

**WELL ESTABLISHED STOREFRONT OCCUPIED UNIT
SINCE 1985 DUE TO IRREPLACEABLE 60 FREEWAY
FRONTAGE AND SIGNAGE**

**19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY**

CITY OF INDUSTRY | CA

12



19449 1165 & 1165B

E. WALNUT+WRIGHT DRIVE S. WAY

CITY OF INDUSTRY | CA



Himiway



DAUM

LOCATION HIGHLIGHTS



PUBLIC TRANSPORTATION
 Commuter Rail
 Industry Commuter Rail (Riverside Line)
 7 min | 2.3 mi



AIRPORT
 Ontario International Airport
 26 min | 19.4 mi

John Wayne Airport
 33 min | 25.8 mi

Long Beach Airport
 41 min | 31.2 mi



Zip	91748
Submarket	City of Industry
Submarket Cluster	San Gabriel Valley
Location Type	Suburban
Market	Los Angeles (CA)
County	Los Angeles
State	California
CBSA	Los Angeles- Long Beach-Glendale, CADMA Palm Springs, CA
Country	United States

40 MILES

20 MILES

10 MILES

**E. WALNUT + WRIGHT
 DRIVE S. WAY**
 CITY OF INDUSTRY | CA

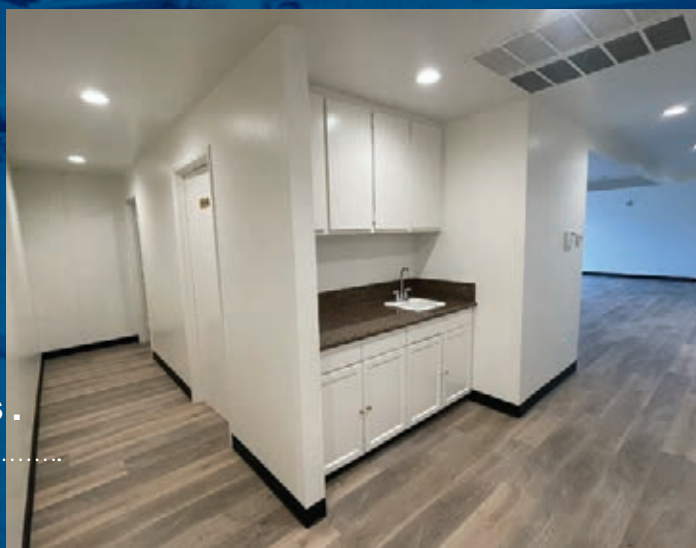


**19449 E. WALNUT DR. S.
 & 1165 WRIGHT WAY**

CITY OF INDUSTRY | CA

14

PROPERTY PHOTOS



15

19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY
CITY OF INDUSTRY | CA

DAUM
COMMERCIAL REAL ESTATE SERVICES



MARKET ACTIVITY

<p>Direct Vacancy 2.2%</p>	<p>Net Absorption 62,918 SF</p>
<p>Overall Vacancy 2.7%</p>	<p>Gross Absorption 2,434,144 SF</p>
<p>Under Construction 4,968,500 SF</p>	<p>Rental Rates (NNN) \$1.58</p>
<p>Median Sale \$/SF \$307.77</p>	<p>Deal Volume \$325.9M</p>

KEY TAKE AWAYS

MARKET

- **Vacancy Rate:** Direct declined by 40 bps. Large increase in sublet space pushed overall lower by 1 bps from Q1 to a rate of 2.7% in Q2.
- **Asking Rents:** Increased by 0.6% or \$0.01 PSF from Q1 to a record high of \$1.58 PSF NNN in Q2.
- **Industrial Supply:** 47K SF was delivered in Q1. Construction activity expanded to 4.97M SF.
- **Sale:** Volume in Q2 increased by 202.5% totaling \$325.9M. The median price PSF in Q2 was up to \$307.77 PSF.

ECONOMIC OUTLOOK

- **Interest Rates:** At the June meeting, the FOMC decided to pause hiking interest rates at the current target range of 5.00% - 5.25%. This pause comes after ten consecutive hikes making the current rate hike cycle the fastest in history. Members of the FOMC remain hawkish and anticipate at least two more hikes to occur in 2023. Rates are likely to remain higher for longer.
- **Inflation:** Continues to decline, but remains well above the Fed's 2% target rate.
- **Supply Chain:** The cost from China/East Asia to North America West Coast increased 18.5% over Q2, ending at \$1,192 per container. (Freightos)

ECONOMIC OUTLOOK

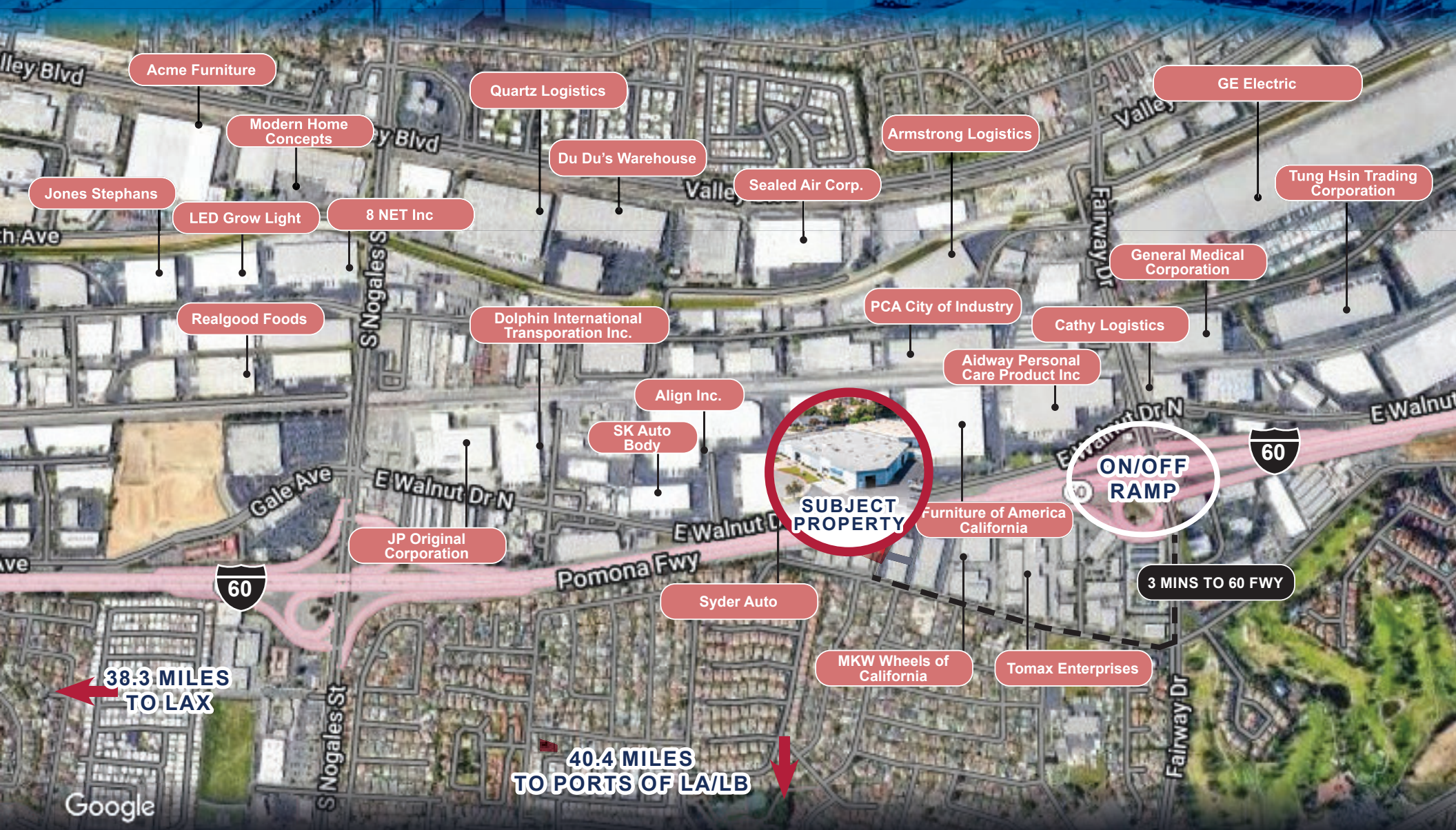
<p>U.S. Employment 3.6%</p>	<p>U6 Rate 6.9%</p>
<p>Interest Rate 6.7% <small>(30 year fixed)</small></p>	<p>Changing GDP 2.0%</p>
<p>Port Traffic Y/Y Δ 30.8%</p>	<p>NYSE Performance 8.2%</p>
<p>Inflation Change 4.1%</p>	<p>10 Yr. - 2 Yr. Spread -106 BPS</p>

EXPERIENCE IN A CHANGING MARKET

@DAUMCOMMERCIAL



CORPORATE NEIGHBORS MAP



18

19449 E. WALNUT DR. S.
& 1165 WRIGHT WAY
CITY OF INDUSTRY | CA

100% NNN LEASED MULTI-TENANT INDUSTRIAL INVESTMENT FOR SALE

19449 1165 & 1165B

E. WALNUT + WRIGHT DRIVE S. WAY

CITY OF INDUSTRY | CA

LOCAL MARKET ADVISORS

Charles Johnson II 

Executive Vice President

562.576.1424

cjohnson@daumcommercial.com

CA License #01817294

Joseph Harmon

Vice President

562.695.4512

jharmon@daumcommercial.com

CA License #02049508

CAPITAL MARKET ADVISORS

Anthony Bergeman 

Executive Vice President

949.341.4511

abergeman@daumcommercial.com

CA License #01841828

Krishna Shegran

Vice President

949.341.4512

kshegran@daumcommercial.com

CA License #0203891

Michael Chase

Vice President

949.341.4513

mchase@daumcommercial.com

CA License #0207114


COMMERCIAL REAL ESTATE SERVICES

Although all information is furnished regarding for sale, rental or financing from sources deemed reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, changes of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. D/AQ Corp. # 01129558