

# GLENDORA GATEWAY CENTER

7-ELEVEN ANCHORED CENTER  
ACROSS FROM TWO COLLEGES



841-865 W. Route 66 Boulevard, Glendora, California 91740

Multi Tenant Retail Offering

**CBRE**

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# 01 Property Summary

City Of Glendora. A deep appreciation for the community's history and tradition.

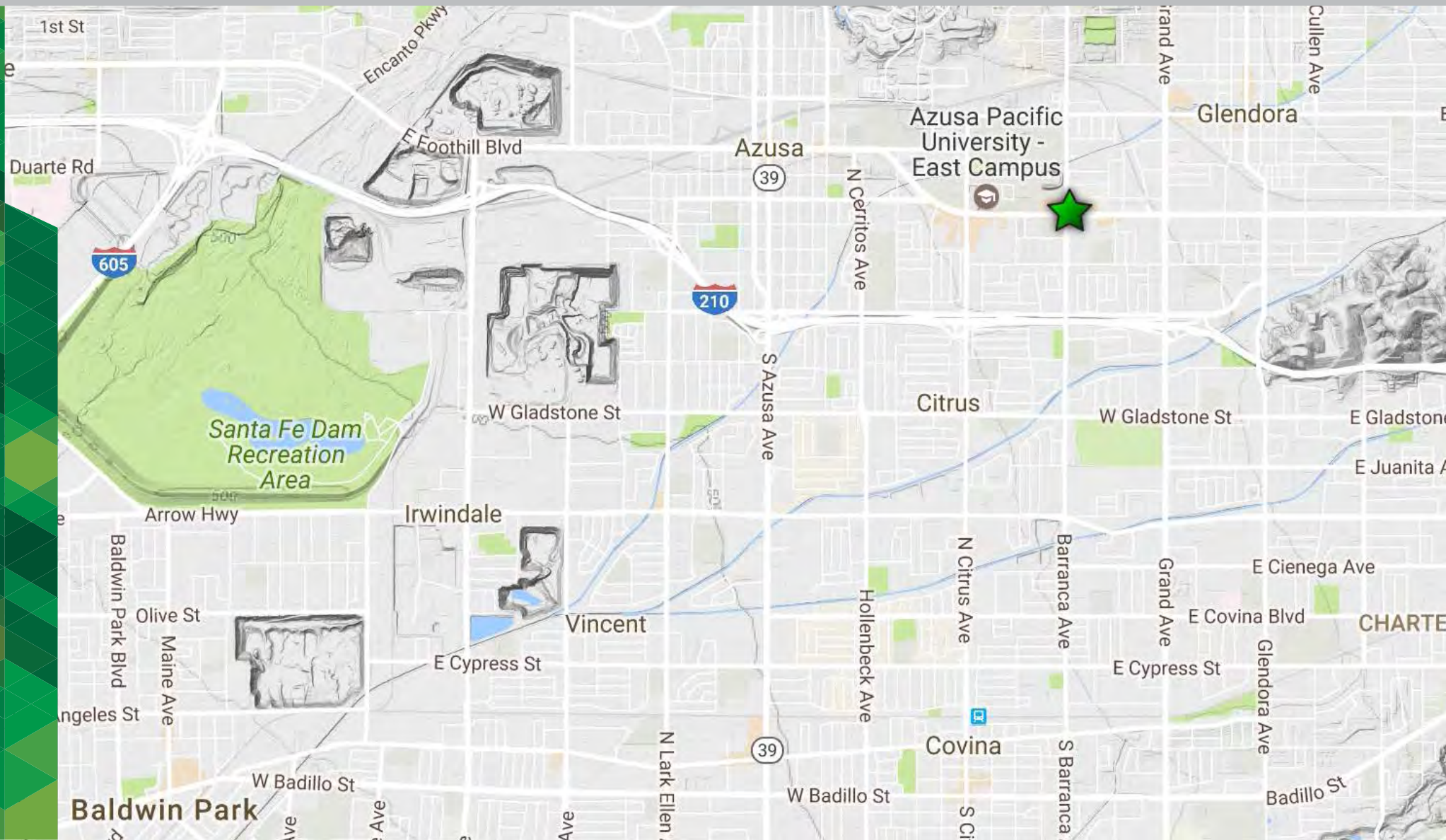
<b>PROPERTY ADDRESS:</b>	841-865 W ROUTE 66, GLENDORA, CA 91740
<b>PRICE:</b>	\$9,697,000
<b>CURRENT NOI:</b>	\$505,608
<b>CURRENT CAP RATE:</b>	5.21%
<b>BUILDING SIZE (SF)</b>	18,661 SF
<b>LAND AREA (SF)</b>	59,571 SF
<b>CURRENT OCCUPANCY</b>	100%
<b>YEAR BUILT/RENOVATED</b>	1968/2004
<b>PARKING</b>	63 Spaces
<b>ZONING</b>	C3
<b>APN</b>	8634-010-023
<b>MAJOR TENANTS</b>	7-11, Jersey Mike's Subs, Rita's Italian Ice, U.S. Army
<b>TRAFFIC COUNTS</b>	18,281 S. Barranca Ave   24,793 Route 66 43,074 Total Cars/Days at Intersection



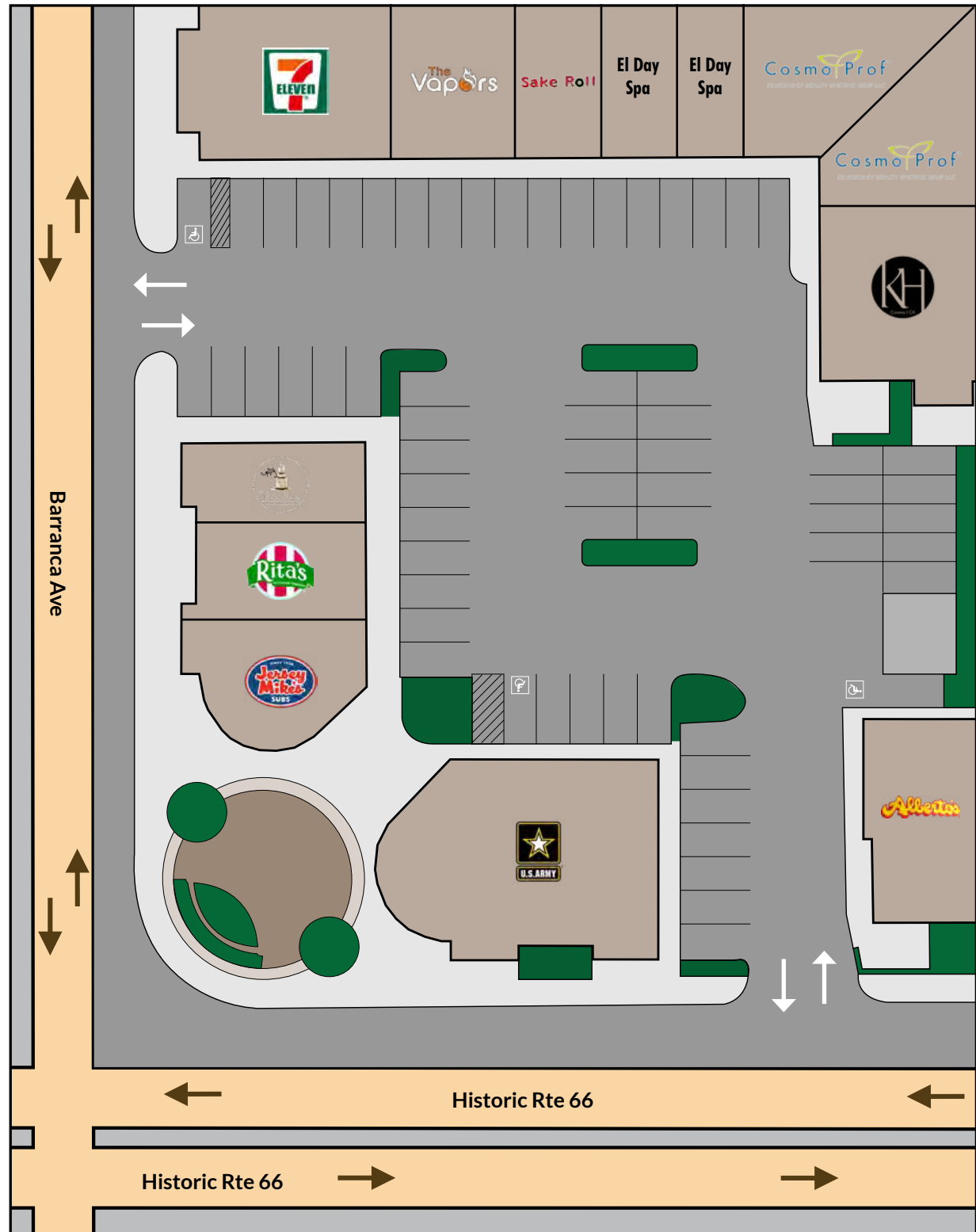
## INVESTMENT HIGHLIGHTS

- **Rare Los Angeles County Stabilized Multi-Tenant Shopping Center:** 100% Leased to Established Tenants on NNN Basis
- **One Block from Two Colleges:** Citrus College and Azusa Pacific University (combined 18k+ Faculty & Students) are Walking Distance from the Center
- **Attractive Construction & Design:** Professionally Managed/Maintained with New Tenant Improvements
- **Successful & Desirable Tenant Mix:** Excellent Yelp Ratings and Customer Reviews
- **Established Tenant Base:** Over 65% of the GLA has Occupied the Center for 5+ Years
- **Potential Upside in Rents:** 7-Eleven and other tenants operating below market rents with near term expirations
- **Strong Market Demos:** Over 287K people with average household income exceeding \$87K in 5-mile radius
- **Excellent Traffic Counts:** Over 43,000 cars/day and good ingress egress from both Route 66 and Barranca Avenue





# SITE PLAN



# Tenant Overview



**Rita's Italian Ice** was founded in May 1984 by former Philadelphia firefighter Bob Tumolo with a recipe that he purchased from an elderly neighbor that he then adjusted to enhance the flavors and include real fruit. Rita's originally advertised its product as "water ice", using the colloquial term for what is sometimes called "Italian ice" in other areas of the country. By 1987 a second store was opened, and in 1989 the family decided to franchise their business. Today, there are over 600 locations in 30 states and the District of Columbia that serve 45,000 people daily. In May 2005, the company was sold to McKnight Capital Partners, a private equity group with extensive franchise experience. McKnight Capital Partners recognized the organization's growth potential and set into place plans to take the company to the next level.

Type	Private
Industry	Dessert
Founded	May 7, 1984
Founder	Bob Tumolo
Headquarters	Treose, Pennsylvania
Number of Locations	600+
Website	www.ritasice.com



**Jersey Mike's** Like the original Mike's store in 1956, each Jersey Mike's Subs serves submarine sandwiches made to order, slicing the meats and cheeses as needed. A popular way to top off the sandwich with condiments is to order it "Mike's Way", which involves sliced onions, shredded lettuce, tomatoes, oregano, salt (spices) and "The Juice" - a mixture of red wine vinegar and olive oil. There is also a signature cherry pepper relish. Jersey Mike's also serves various breakfast sandwiches during the morning hours, including sandwiches made with pork roll, a New Jersey product.

Type	Private
Industry	Restaurants
Founded	1956
Founder	Peter Cancro
Headquarters	Manasquan, NJ
Number of Locations	1,500+
Website	www.jerseymikes.com







**Alberto's Mexican Food** was founded in 1975, and proudly continues to serve their guests quality handmade Mexican cuisine with recipes handed down for generations to Alberto's Mexican Food offer the best and most authentic Mexican cuisine. Opening its doors to the public in 1988, Arselia Dominguez had her first Alberto's Mexican Restaurant in the city of Poway, CA. Her second and third restaurants opened to the public in Escondido, CA.; one on Rose St., and the other one on Escondido Blvd.

Today Alberto's Mexican Food (AMF) has more than 75 locations throughout California and Utah and a national total of more than 90 locations. Each location offers a full menu of authentic Mexican food cuisine, including enchiladas, burritos, tacos, tortas, tostadas, and assorted combination plates.

Type	Private
Industry	Restaurants
Founded	1975
Founder	Arselia Dominguez
Number of Locations	90+
Website	www.albertosweb.com



**7-Eleven** is the world's largest convenience store chain operating, franchising and licensing more than 56,400 stores in 18 countries, of which nearly 10,500 are in North America. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999.

Founded in 1927 in Dallas, Texas, 7-Eleven pioneered the convenience store concept during its first years of operation as an ice company when its retail outlets began selling milk, bread and eggs as a convenience to guests.

The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business.

7-Eleven offers consumers a number of convenient services designed to meet the specific needs of individual neighborhoods, including automated money orders, automatic teller machines, phone cards and, where available, lottery tickets.

The company operates, franchises and licenses approximately 8,600 stores in the U.S. and Canada. Of the close to 7,800 stores the company operates and franchises in the United States, more than 6,400 are franchised.

Outside of the U.S. and Canada, there are more than 47,800 7 Eleven and other convenience stores in Japan, Taiwan, Thailand, South Korea, China, Malaysia, Mexico, Singapore, Australia, the Philippines, Indonesia, Norway, Sweden and Denmark. 7-Eleven has announced plans to open stores in the United Arab Emirates and Vietnam.

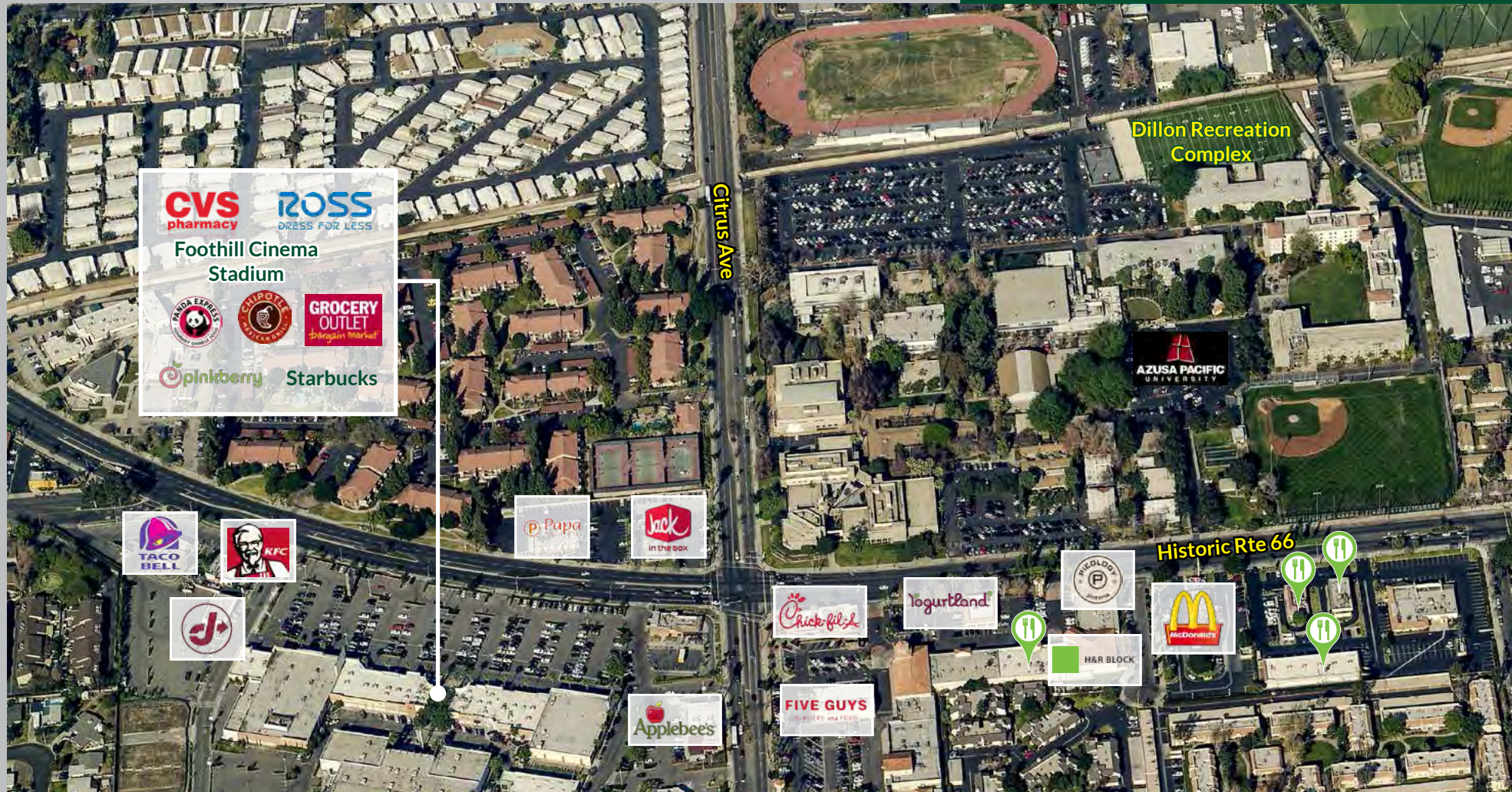
7-Eleven, Inc. is privately held and became a wholly owned subsidiary of Seven-Eleven Japan Co., Ltd. in Tokyo, Japan, and its affiliates on Nov. 9, 2005.

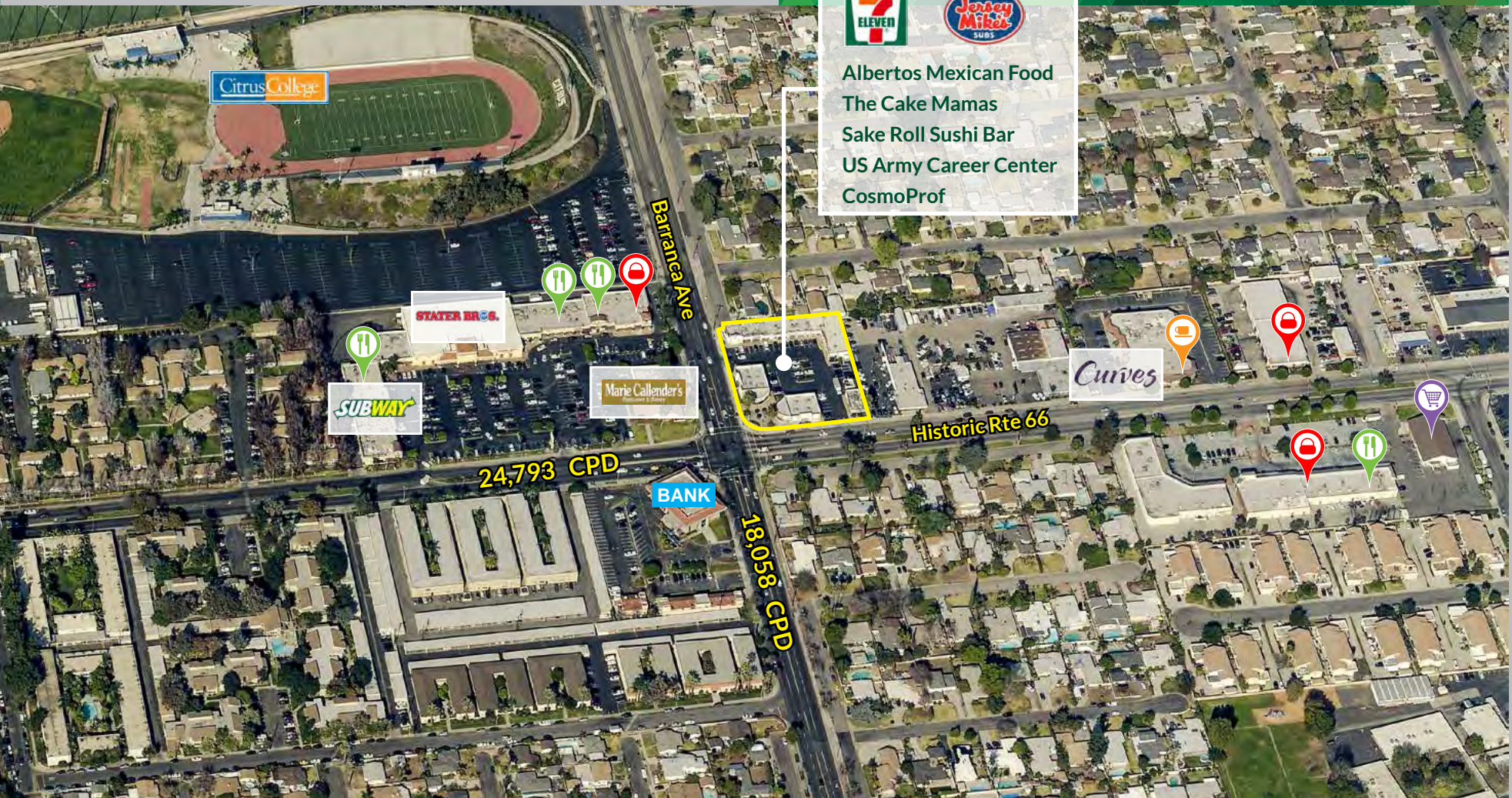
Type	Subsidiary
Industry	Retail, Convenience Store
Founded	1927
Headquarters	Dallas, TX
Number of Locations	53,000
Website	www.7-eleven.com

# 01 Area Amenities



18,000+ Students and Faculty, Combined





**7 ELEVEN** **Jersey Mike's SUBS**

Albertos Mexican Food  
The Cake Mamas  
Sake Roll Sushi Bar  
US Army Career Center  
CosmoProf



## 03 Financial Analysis





## 02 Financial Analysis

## EXECUTIVE SUMMARY

### PROPERTY DESCRIPTION

Property Type	Retail	Size of Improvements	18,661 SF
Property Owner	Fairview Investment, LLC	Currently Vacant as of 5/1/17	0 SF
Property Address	865 W. Route 66 Glendora, CA	Current Occupancy as of 5/1/17	100.00%
		Projected Occupancy as of 8/1/17	100.00%

### ACQUISITION AND RESIDUAL SUMMARY

**Purchase Price as of August 1, 2017**      **\$520 PSF**      **\$9,697,000**

	Year 1	Year 2	Year 3
Capitalization Rate	5.09%	5.05%	5.54%
Cash Return	5.05%	4.60%	5.26%
Leveraged Cash Return	5.80%	4.68%	3.98%

	3-Year	5-Year	7-Year
Average Capitalization Rate	5.23%	5.48%	5.73%
Average Cash Return	4.97%	5.24%	5.46%
Average Leveraged Cash Return	4.82%	4.86%	5.12%

Net Residual Value as of July 31, 2027	\$12,885,000
Net Residual Per Square Foot	\$690
Residual Capitalization Rate	5.50%
Residual Cost of Sale	2.00%

**ALL CASH IRR**

**7.97%**

### LEVERAGE SUMMARY

	MARKET LOAN
Initial Loan Funding (as of Aug-17)	\$5,818,080
Loan-To-Value Ratio (Initial Funding)	60.00%
Funding Date	Aug-17
Maturity Date	Jul-27
Remaining Loan Term During Analysis	10.0 Years
Amortization Period	30 Years
Initial Interest Only Period (If Any)	24 Months
Interest Rate	4.50%
Loan Constant	6.08%
Origination Fee on Initial Loan Funding	1.00%
Initial Debt Yield	8.49%
Debt Service Coverage Ratio (NOI)	1.40x
Debt Service Coverage Ratio (CF)	1.39x

Purchase Price as of August 1, 2017	\$9,696,800
Total Initial Loan Principal	(5,818,080)
Total Initial Loan Fees	58,181
Holdbacks and Escrows	0
Initial Equity	<u>\$3,936,901</u>

**LEVERAGED IRR**

**11.53%**

[1] Leveraged analysis is based on financing that a particular investor may or may not be able to obtain.

## 02 Financial Analysis

## SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL		VACANT SPACE LEASING		SECOND GENERATION LEASING	
<b>Analysis Period</b>		<b>Occupancy and Absorption</b>		<b>Retention Ratio</b>	
Commencement Date	August 1, 2017	Projected Vacant at 8/1/17	0 SF		70%
End Date	July 31, 2027	Currently Vacant as of 5/1/17	0 SF	<b>Financial Terms</b>	
Term	10 Years	Percentage Vacant at 5/1/17	0.00%	2017 Monthly Market Rent	See Rent Roll
<b>Area Measures</b>		Absorption Period	-	Rent Adjustment	2.00% Annually
Building Square Feet (NRSF)	18,661 SF	Absorption Period Start Date	-	Lease Term	5 Years
<b>Growth Rates</b>		First Absorption Occurs On	-	Expense Reimbursement Type	NNN
Consumer Price Index (CPI)	3.00%	Last Absorption Occurs On	-	<b>Tenancing Costs</b>	
Other Income Growth Rate	3.00%	<b>Financial Terms</b>		Rent Abatements	
Operating Expenses	3.00%	2017 Monthly Market Rent	-	New	2 Month(s)
Real Estate Taxes	2.00%	Rent Adjustment	-	Renewal	0 Month(s)
Market Rent Growth		Lease Term	-	Weighted Average	0.60 Month(s)
CY 2018	- 3.00%	Expense Reimbursement Type	-	Tenant Improvements (\$/NRSF)	
CY 2019	- 3.00%	Rent Abatements	-	New	\$10.00 PSF
CY 2020	- 3.00%	Tenant Improvements (\$/NRSF)	-	Renewal	\$0.00 PSF
CY 2021	- 3.00%	Commissions	-	Weighted Average	\$3.00 PSF
CY 2022	- 3.00%	<b>EXPENSES</b>		Leasing Commissions	
CY 2023	- 3.00%	<b>Operating Expense Source</b>	CY 2017 Forecast	New	5.00%
CY 2024	- 3.00%	<b>Management Fee (% of EGR)</b>	3.50%	Renewal	0.00%
CY 2025	- 3.00%	<b>Real Estate Taxes Reassessed</b>	Yes [3]	Weighted Average	1.50%
CY 2026	- 3.00%	Millage Rate	1.095721%	Downtime	
CY 2027+	- 3.00%	Special Assessments	\$5,636	New	6 Month(s)
<b>General Vacancy Loss</b>	3.00% [1]			Weighted Average	2 Month(s)
<b>Capital Reserves (CY 2017 Value)</b>	\$0.20 PSF [2]				

### Notes:

All market rates are stated on calendar-year basis.

[1] General Vacancy Loss factor includes losses attributable to projected lease-up, rollover downtime, and fixturing downtime.

The following tenants are excluded from this loss factor for current lease terms only: 7-Eleven & U.S. Army.

[2] Capital Reserves do not inflate during the analysis.

[3] Real Estate Taxes have been reassessed at the estimated purchase price based on a millage rate of 1.095721% plus special assessments of \$5,636.



# Rent Roll

Suite	Tenant Name	Square Feet	% of Property	Lease Term		Rental Rates					Recovery Type	Market Assumption / Market Rent
				Begin	End	Begin	Monthly	PSF	Annually	PSF		
841	Alberto's Mexican Food	1,300	6.97%	Feb-2007	Apr-2020	Current	\$4,218	\$3.24	\$50,614	\$38.93	NNN	Market
						Apr-2018	\$4,344	\$3.34	\$52,130	\$40.10		\$3.50 NNN
						Apr-2019	\$4,475	\$3.44	\$53,703	\$41.31		
						Apr-2020	\$4,609	\$3.55	\$55,302	\$42.54		
849	CosmoProf (Beauty Supply)	2,430	13.02%	Feb-2007	Nov-2017	Current	\$4,658	\$1.92	\$55,890	\$23.00	NNN	Option \$2.00 NNN
	<b>Notes:</b> Tenant has a 5% cap on CAM (excl Tax & Ins) - (Not Modeled). Tenant has exercised one (1) 5-year option to renew starting 12/17 @ \$4,657.50 / Mo. Tenant has one (1) additional 5-year option to renew starting 12/22 @ \$5,356.13 / Mo (Not Modeled).											
849	CosmoProf (Beauty Supply)	2,430	13.02%	Dec-2017	Nov-2022	FUTURE	\$4,658	\$1.92	\$55,890	\$23.00	NNN	Market \$2.00 NNN
	<b>Notes:</b> Option Modeled. Tenant has a 5% cap on CAM (excl Tax & Ins) - (Not Modeled). Tenant has one (1) additional 5-year option to renew starting 12/22 @ \$5,356.13 / Mo (Not Modeled).											
861	7-Eleven	2,576	13.80%	Sep-1998	Aug-2018	Current	\$5,680	\$2.20	\$68,160	\$26.46	NNN	Market \$3.00 NNN
865-C	The Cake Mamas	800	4.29%	Oct-2010	Jul-2018	Current	\$2,000	\$2.50	\$24,000	\$30.00	NNN	Market \$2.75 NNN
	<b>Notes:</b> Existing lease expires 9/17. Lease extension terms are currently under negotiation. Analysis assumes lease extended until 7/18.											
865-A	Jersey Mike's Subs	1,575	8.44%	Sep-2011	Oct-2021	Current	\$3,913	\$2.48	\$46,951	\$29.81	NNN	Market
						Nov-2018	\$3,991	\$2.53	\$47,896	\$30.41		\$2.75 NNN
						Nov-2019	\$4,070	\$2.58	\$48,841	\$31.01		
						Nov-2020	\$4,151	\$2.64	\$49,817	\$31.63		
	<b>Notes:</b> Tenant has two (2) 5-year options to renew with 6 months notice (Not Modeled).											
863	U.S. Army	3,500	18.76%	Dec-2011	Nov-2021	Current	\$12,950	\$3.70	\$155,400	\$44.40	None	Market \$3.00 NNN
	<b>Notes:</b> Assumed tenant pays no reimbursements through term.											
857	The Vapors	1,200	6.43%	Aug-2013	Jul-2018	Current	\$2,400	\$2.00	\$28,800	\$24.00	NNN	Market \$2.25 NNN
	<b>Notes:</b> Assumed tenant is month to month and in-place at the same terms through year 1.											
865-B	Rita's Ice. Custard. Happiness	1,200	6.43%	May-2015	Apr-2020	Current	\$2,546	\$2.12	\$30,554	\$25.46	NNN	Market
						May-2018	\$2,623	\$2.19	\$31,476	\$26.23		\$2.50 NNN
						May-2019	\$2,701	\$2.25	\$32,412	\$27.01		
	<b>Notes:</b> Tenant has a 5% cap on CAM (excl Tax, Landscaping & Ins) - (Not Modeled). Tenant has three (3) 5-year options to renew (Not Modeled).											
843	Kut Haus Salon	2,000	10.72%	Feb-2016	Jan-2019	Current	\$3,000	\$1.50	\$36,000	\$18.00	NNN	Market
						Feb-2018	\$3,200	\$1.60	\$38,400	\$19.20		\$2.00 NNN
	<b>Notes:</b> Tenant has two (2) 3-year options to renew lease (Not Modeled).											
855	Sake Roll	640	3.43%	Mar-2016	Feb-2019	Current	\$1,798	\$2.81	\$21,576	\$33.71	NNN	Market
						Mar-2018	\$1,852	\$2.89	\$22,221	\$34.72		\$3.00 NNN
	<b>Notes:</b> Tenant has one (1) 3-year option to renew lease (Not Modeled).											
851-3	E L Day Spa-Glendora	1,440	7.72%	Feb-2017	Jan-2018	Current	\$2,035	\$1.41	\$24,422	\$16.96	NNN	Option \$1.50 NNN
	<b>Notes:</b> Tenant has two (2) 2-year options to renew lease. - Rent starts at \$2,096 /mo. on 2/18 and grows at 3% annually throughout renewals (First Option Modeled).											
851-3	E L Day Spa-Glendora	1,440	7.72%	Feb-2018	Jan-2020	FUTURE	\$2,096	\$1.46	\$25,155	\$17.47	NNN	Market
						Feb-2019	\$2,159	\$1.50	\$25,906	\$17.99		\$1.50 NNN
	<b>Notes:</b> First option modeled. Tenant has one (1) 2-year option to renew lease. - Rent continues to grow at 3% annually throughout renewals (Not Modeled).											
<b>TOTALS / AVERAGES</b>		<b>18,661</b>					<b>\$45,197</b>	<b>\$2.42</b>	<b>\$542,367</b>	<b>\$29.06</b>		
OCUPIED SqFt		18,661										100.0%
VACANT SqFt		0										0.0%
TOTAL SqFt		18,661										100.0%

WEIGHTED-AVERAGE LEASE TERM REMAINING: 2.09 Years

## 02 Financial Analysis

## IN-PLACE AND PROJECTED NOI SUMMARY

	<u>In-Place NOI Aug-17, Annualized</u>	<u>\$ PSF</u>	<u>Pro Forma NOI Aug-17 to Jul-18</u>	<u>\$ PSF</u>
<b>Size of Improvements</b>		18,661 SF		18,661 SF
<b>REVENUES</b>				
Scheduled Base Rent				
Gross Potential Rent	\$542,376	\$29.06	\$544,938	\$29.20
Absorption & Turnover Vacancy	0	0.00	0	0.00
Base Rent Abatements	0	0.00	0	0.00
Total Scheduled Base Rent	<u>542,376</u>	<u>29.06</u>	<u>544,938</u>	<u>29.20</u>
Expense Reimbursements	158,700	8.50	160,338	8.59
<b>TOTAL GROSS REVENUE</b>	701,076 [1]	37.57	705,276	37.79
General Vacancy Loss	<u>0</u>	<u>0.00</u>	<u>(13,635)</u>	<u>(0.73)</u>
<b>EFFECTIVE GROSS REVENUE</b>	701,076	37.57	691,641	37.06
<b>OPERATING EXPENSES</b>				
Administrative	(11,244)	(0.60)	(11,445)	(0.61)
Cleaning	(720)	(0.04)	(736)	(0.04)
Landscaping	(3,972)	(0.21)	(4,038)	(0.22)
Maintenance & Repair	(4,272)	(0.23)	(4,341)	(0.23)
Parking Lot Repair	(1,284)	(0.07)	(1,311)	(0.07)
Roof Repair	(360)	(0.02)	(367)	(0.02)
Security Patrol	(9,384)	(0.50)	(9,547)	(0.51)
Utilities	(22,104)	(1.18)	(22,485)	(1.20)
Management Fee	(24,060)	(1.29)	(24,207)	(1.30)
Insurance	(6,180)	(0.33)	(6,283)	(0.34)
Real Estate Taxes	(111,888)	(6.00)	(113,126)	(6.06)
<b>TOTAL OPERATING EXPENSES</b>	<u>(195,468) [2]</u>	<u>(10.47)</u>	<u>(197,886)</u>	<u>(10.60)</u>
<b>NET OPERATING INCOME</b>	<u><b>\$505,608</b></u>	<u><b>\$27.09</b></u>	<u><b>\$493,755</b></u>	<u><b>\$26.46</b></u>
Capitalization Rate	<u>5.21%</u>		<u>5.09%</u>	
<b>PURCHASE PRICE AS OF AUGUST 1, 2017</b>	<u><b>\$9,696,800</b></u>	<u><b>\$519.63</b></u>	<u><b>\$9,696,800</b></u>	<u><b>\$519.63</b></u>
<b>In-Place Occupancy (At Start of Analysis With No Vacant Lease-Up)</b>		<b>100.00%</b>		<b>100.00%</b>
<b>Average Occupancy (Includes Vacant Lease-Up and Rollover)</b>		-		<b>100.00%</b>

### Notes:

- [1] In-Place Net Operating Income is calculated using contractual rents and expense reimbursements as of August 2017, Annualized (with no General Vacancy Loss). In-Place NOI does not include vacant lease-up revenue, downtime due to near-term expirations, or future rent increases for existing tenants.
- [2] Real Estate Taxes are reassessed based on the sales price.

# CASH FLOW PROJECTIONS

Fiscal Year Ending - July 31	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Physical Occupancy	100.00%	93.56%	96.48%	100.00%	95.47%	97.83%	93.56%	97.60%	98.88%	95.47%	97.83%
Overall Economic Occupancy [1]	98.07%	93.24%	96.43%	97.58%	94.70%	96.61%	93.50%	96.83%	96.42%	94.69%	96.61%
Weighted Average Market Rent	\$2.61	\$2.69	\$2.77	\$2.86	\$2.94	\$3.03	\$3.12	\$3.22	\$3.31	\$3.41	\$3.51
Weighted Average In Place Rent [2]	\$2.43	\$2.58	\$2.70	\$2.80	\$2.77	\$2.92	\$2.98	\$3.14	\$3.19	\$3.23	\$3.40
Total Operating Expenses PSF Per Year	\$10.60	\$10.82	\$11.13	\$11.43	\$11.66	\$12.01	\$12.24	\$12.60	\$12.90	\$13.15	\$13.51

	[3] FY 2018 \$/SF/MO											
<b>REVENUES</b>												
Scheduled Base Rent												
Gross Potential Rent	\$2.43	\$544,938	\$590,450	\$610,834	\$627,588	\$636,122	\$654,904	\$682,106	\$701,972	\$721,761	\$741,979	\$763,358
Absorption & Turnover Vacancy	0.00	0	(38,575)	(21,221)	0	(33,740)	(11,437)	(44,719)	(15,036)	(9,564)	(39,864)	(13,455)
Base Rent Abatements	0.00	0	(11,573)	(6,366)	0	(10,316)	(3,482)	(13,582)	(1,642)	(5,738)	(11,960)	(4,036)
Total Scheduled Base Rent	2.43	544,938	540,302	583,247	627,588	592,066	639,985	623,805	685,294	706,459	690,155	745,867
Expense Reimbursements	0.72	160,338	151,700	161,497	172,621	194,888	218,556	214,534	229,053	238,251	234,881	246,179
<b>TOTAL GROSS REVENUE</b>	<b>3.15</b>	<b>705,276</b>	<b>692,002</b>	<b>744,744</b>	<b>800,209</b>	<b>786,954</b>	<b>858,541</b>	<b>838,339</b>	<b>914,347</b>	<b>944,710</b>	<b>925,036</b>	<b>992,046</b>
General Vacancy Loss	(0.06)	(13,635)	0	0	(19,344)	0	(14,662)	0	(12,845)	(19,064)	0	(16,710)
<b>EFFECTIVE GROSS REVENUE</b>	<b>3.09</b>	<b>691,641</b>	<b>692,002</b>	<b>744,744</b>	<b>780,865</b>	<b>786,954</b>	<b>843,879</b>	<b>838,339</b>	<b>901,502</b>	<b>925,646</b>	<b>925,036</b>	<b>975,336</b>
<b>OPERATING EXPENSES</b>												
Administrative	(0.05)	(11,445)	(11,788)	(12,142)	(12,506)	(12,881)	(13,268)	(13,666)	(14,076)	(14,498)	(14,933)	(15,381)
Cleaning	(0.00)	(736)	(758)	(780)	(804)	(828)	(853)	(878)	(905)	(932)	(960)	(989)
Landscaping	(0.02)	(4,038)	(4,160)	(4,284)	(4,413)	(4,545)	(4,682)	(4,822)	(4,967)	(5,116)	(5,269)	(5,427)
Maintenance & Repair	(0.02)	(4,341)	(4,471)	(4,605)	(4,743)	(4,885)	(5,032)	(5,183)	(5,338)	(5,499)	(5,664)	(5,833)
Parking Lot Repair	(0.01)	(1,311)	(1,350)	(1,390)	(1,432)	(1,475)	(1,519)	(1,565)	(1,612)	(1,660)	(1,710)	(1,761)
Roof Repair	(0.00)	(367)	(378)	(390)	(401)	(413)	(426)	(439)	(452)	(465)	(479)	(494)
Security Patrol	(0.04)	(9,547)	(9,834)	(10,129)	(10,432)	(10,745)	(11,068)	(11,400)	(11,742)	(12,094)	(12,457)	(12,831)
Utilities	(0.10)	(22,485)	(23,159)	(23,854)	(24,570)	(25,307)	(26,066)	(26,848)	(27,653)	(28,483)	(29,337)	(30,218)
Management Fee	(0.11)	(24,207)	(24,220)	(24,066)	(27,330)	(29,543)	(29,536)	(29,342)	(31,553)	(32,398)	(32,376)	(34,137)
Insurance	(0.03)	(6,283)	(6,472)	(6,666)	(6,866)	(7,072)	(7,284)	(7,502)	(7,727)	(7,959)	(8,198)	(8,444)
Real Estate Taxes	(0.51)	(113,126)	(115,275)	(117,468)	(119,705)	(121,986)	(124,313)	(126,687)	(129,108)	(131,577)	(134,096)	(136,665)
<b>TOTAL OPERATING EXPENSES</b>	<b>(0.88)</b>	<b>(197,886)</b>	<b>(201,865)</b>	<b>(207,774)</b>	<b>(213,202)</b>	<b>(217,680)</b>	<b>(224,047)</b>	<b>(228,332)</b>	<b>(235,133)</b>	<b>(240,681)</b>	<b>(245,479)</b>	<b>(252,180)</b>
<b>NET OPERATING INCOME</b>	<b>2.20</b>	<b>493,755</b>	<b>490,137</b>	<b>536,970</b>	<b>567,663</b>	<b>569,274</b>	<b>619,832</b>	<b>610,007</b>	<b>666,369</b>	<b>684,965</b>	<b>679,557</b>	<b>723,156</b>
<b>CAPITAL COSTS</b>												
Tenant Improvements	0.00	0	(22,542)	(12,917)	0	(17,650)	(8,705)	(26,409)	(5,472)	(9,500)	(20,461)	(10,091)
Leasing Commissions	0.00	0	(17,894)	(9,844)	0	(15,951)	(5,384)	(21,001)	(2,538)	(8,873)	(18,491)	(6,241)
Capital Reserves	(0.02)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)	(3,732)
<b>TOTAL CAPITAL COSTS</b>	<b>(0.02)</b>	<b>(3,732)</b>	<b>(44,168)</b>	<b>(26,493)</b>	<b>(3,732)</b>	<b>(37,333)</b>	<b>(17,821)</b>	<b>(51,142)</b>	<b>(11,742)</b>	<b>(22,105)</b>	<b>(42,684)</b>	<b>(20,064)</b>
<b>OPERATING CASH FLOW</b>	<b>\$2.19</b>	<b>\$490,023</b>	<b>\$445,969</b>	<b>\$510,477</b>	<b>\$563,931</b>	<b>\$531,941</b>	<b>\$602,011</b>	<b>\$558,865</b>	<b>\$654,627</b>	<b>\$662,860</b>	<b>\$636,873</b>	<b>\$703,092</b>
<b>ACQUISITION &amp; RESIDUAL SALE</b>												
Acquisition Cost	(\$9,696,800)	0	0	0	0	0	0	0	0	0	0	
Net Residual Value [4]	0	0	0	0	0	0	0	0	0	0	12,885,325	<b>All Cash IRR</b>
<b>CASH FLOW BEFORE DEBT</b>	<b>(\$9,696,800)</b>	<b>\$490,023</b>	<b>\$445,969</b>	<b>\$510,477</b>	<b>\$563,931</b>	<b>\$531,941</b>	<b>\$602,011</b>	<b>\$558,865</b>	<b>\$654,627</b>	<b>\$662,860</b>	<b>\$13,522,198</b>	<b>7.97%</b>
<b>MARKET LOAN [5]</b>												
Loan Funding / Payoff	5,818,080	0	0	0	0	0	0	0	0	0	(4,934,724)	
Loan Fees	(58,181)	0	0	0	0	0	0	0	0	0	0	<b>Leveraged IRR</b>
Annual Debt Service	0	(261,814)	(261,814)	(353,752)	(353,752)	(353,752)	(353,752)	(353,752)	(353,752)	(353,752)	(353,752)	
<b>CASH FLOW AFTER DEBT</b>	<b>(\$3,936,901)</b>	<b>\$228,209</b>	<b>\$184,155</b>	<b>\$156,725</b>	<b>\$210,179</b>	<b>\$178,189</b>	<b>\$248,259</b>	<b>\$205,113</b>	<b>\$300,875</b>	<b>\$309,108</b>	<b>\$8,233,722</b>	<b>11.53%</b>

<b>NOI Return</b>	5.09%	5.05%	5.54%	5.85%	5.87%	6.39%	6.29%	6.87%	7.06%	7.01%
<b>UNLEVERAGED Cash Return</b>	5.05%	4.60%	5.26%	5.82%	5.49%	6.21%	5.76%	6.75%	6.84%	6.57%
<b>LEVERAGED Cash Return</b>	5.80%	4.68%	3.98%	5.34%	4.53%	6.31%	5.21%	7.64%	7.85%	7.19%
<b>Debt Service Coverage Ratio (NOI)</b>	1.89x	1.87x	1.52x	1.60x	1.61x	1.75x	1.72x	1.88x	1.94x	1.92x
<b>Debt Service Coverage Ratio (CF)</b>	1.87x	1.70x	1.44x	1.59x	1.50x	1.70x	1.58x	1.85x	1.87x	1.80x
<b>Rolling - All Cash IRR</b>	N/M	4.18%	6.32%	6.21%	7.60%	7.04%	7.92%	7.96%	7.65%	7.97%
<b>Rolling - Leveraged IRR</b>	N/M	2.90%	8.40%	8.23%	11.33%	10.07%	11.77%	11.73%	11.05%	11.53%

[1] This figure takes into account vacancy/credit loss, absorption vacancy, turnover vacancy, and base rent abatements.

[2] This figure does not include any amount related to expense reimbursements. Only Scheduled Base Rent and Fixed/CPI Increases are included in this calculation, which is based on the weighted-average physical occupancy during each fiscal year.

[3] Based on 18,661 square feet.

[4] Net Residual Value is calculated by dividing Year 11 NOI by the Residual Cap Rate of 5.50% and applying a 2.00% Cost of Sale.

[5] Market Debt based on 60% Loan-to-Value, 4.50% Interest Rate, with 24 Months of Interest Only then 30-Year Amortization, and 1.00% Loan Fee.

## 03 Area Overview



**Glendora** is a city in the San Gabriel Valley in Los Angeles County, California, 23 miles (37 km) east of downtown Los Angeles. As of the 2010 census, the population of Glendora was 50,073.

Known as the “Pride of the Foothills”, Glendora is an affluent city with a diverse housing stock and a consistently high-ranking school district. Its quaint downtown area, better known as Glendora Village, is consistently voted as one of the best downtowns in the San Gabriel Valley.[7][8] There are dozens of restaurants, cafes, shops and boutiques along the main street, Glendora Boulevard, and the Village is a source of pride to the friendly locals. Glendora celebrated its centennial as an incorporated city in 2011.

Neighborhoods and residences in Glendora reflect the city’s history and range from Queen Annes, to Folk Victorians, early 20th-century bungalows, to ranch style homes, to mid-rise Multi-family residential complexes, to modern mansions. Glendora’s most expensive neighborhoods contain many very large, secluded, estate homes with sweeping views across the San Gabriel Valley to Downtown Los Angeles. These neighborhoods include: Morgan Ranch, Gordon Highlands, Bluebird Hill, Silent Ranch, Oak Tree Rancho, Hidden Springs, Oakhart Estates, and Easley Canyon Estates. Glendora is also home to the exclusive Glendora Country Club, which includes a Robert Trent Jones Sr. 18-hole golf course that has been played by many professional golfers.

Glendora lies within the San Gabriel Valley, and it is bordered by Azusa to the west, San Dimas to the east and south, Covina to the south, and the San Gabriel Mountains range to the north. The area code is area code 626 with a small portion of southeast Glendora sharing area code 909 with the eastern Los Angeles County cities, such as Claremont, and western San Bernardino County.

## MARKET CONDITIONS\*

Vacancy Rates	Current	YOY
Current Building	0.0%	↔ 0.0%
Submarket 2-4 Star	4.9%	↓ 0.2%
Market Overall	4.2%	↑ 0.1%

NNN Asking Rents Per SF	Current	YOY
Market Overall	\$30.90	↑ 7.2%



\* City Glendora Leasing Statistic according to Costar Analytics.

## 03 Area Overview



**Citrus College** is a public, two-year community college accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges. Citrus College offers university-level courses for the first two years of the baccalaureate (four-year) degree. The college assists students in transferring to a four-year college or university upon successful completion of the transfer program. Citrus College was founded in 1915 and has a long history of success with international students.

Nestled in the foothills of Southern California's beautiful San Gabriel Mountains, Citrus College is located in Glendora, about 28 miles from downtown Los Angeles and about ten miles from Pasadena. Glendora is a small community within a larger metropolitan area, typical of many American towns. Stately trees, shops and restaurants grace the business area, making it a pleasant place to stroll with friends. The small-town atmosphere encourages people to look after one another, and college statistics show that the campus is very safe and secure.

The safety factor in Glendora is certainly an important consideration for the parents of students who will be living far from home and family. You can be assured that the crime rate in Glendora is extremely low. The college campus has excellent security, and incidents of crime are almost non-existent.

There are several four-year universities situated within close proximity of Citrus College. Among those are Azusa Pacific University, a private college located next door to Citrus; California Polytechnic University, a fifteen-minute drive from Glendora; the Claremont Colleges, a 20-minute drive; Cal State Los Angeles and Cal State Fullerton, both approximately 25 miles from Glendora. These are but a few of the fine universities situated near this area.





**Azusa Pacific University** is located in the San Gabriel Valley community of Azusa, 26 miles northeast of Los Angeles. Situated on 52 acres, East Campus is home to the College of Liberal Arts and Sciences and the schools of Business and Management and Music, and houses administrative facilities, classrooms, residence halls, a library, student center, and gymnasium. The 53-acre West Campus is home to Azusa Pacific Seminary, the schools of Nursing, Behavioral and Applied Sciences, Education, Theology, and Visual and Performing Arts, two libraries, the Richard and Vivian Felix Event Center, the John and Marilyn Duke Academic Complex, the Barbara and Jack Lee Place of Prayer, and numerous classrooms and offices. The 72,000-square-foot, \$54-million Segerstrom Science Center is also on West Campus, serving multiple disciplines and the community at large.

Azusa Pacific University, one of the largest Christian universities in the nation today, began on March 3, 1899, when a group of men and women passionate about creating a place for Christian education gathered to form the Training School for Christian Workers. It became the first Bible college on the West Coast geared toward preparing men and women for ministry and service. Meeting in a modest home in Whittier, California, and led by President Mary A. Hill, the school grew to an enrollment of 12 in its first term.

The early years of growth saw the school relocate and change leadership several times. Then, following mergers with three Southern California colleges, the university relocated in 1946 to the city of Azusa, where it resides today.





## 04 Demographics

### CITY OF GLENDORA MARKET OVERVIEW



\$ INCOME

**\$87,355**

AVERAGE HOUSEHOLD INCOME

**\$24,712**

PER CAPITA INCOME

### POPULATION



287,821

5 MILE POPULATION



EDUCATION

**8.8%**

MASTER'S/PROFESSIONAL/DOCTORATE

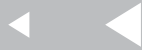
**17.7%**

BACHELOR'S

**73.5%**

OTHER





HOME OWNERSHIP

**66.5%**

OWNER-OCCUPIED UNITS



EMPLOYMENT

**114,867**

EMPLOYEES

**10,571**

BUSINESSES

**5.9%**

RESIDENTIAL UNEMPLOYMENT RATE



# 04 Demographics



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2016 Population - Current Year Estimate	22,163	157,987	287,821
2021 Population - Five Year Projection	22,920	163,839	297,926
2010 Population - Census	21,584	151,282	276,885
2000 Population - Census	21,213	147,818	271,924
2010-2016 Annual Population Growth Rate	0.42%	0.70%	0.62%
2016-2021 Annual Population Growth Rate	0.67%	0.73%	0.69%



	1 Mile	3 Miles	5 Miles
<b>HOUSEHOLDS</b>			
2016 Households - Current Year Estimate	6,168	47,324	88,395
2021 Households - Five Year Projection	6,385	48,873	91,113
2010 Households - Census	6,040	45,724	85,811
2000 Households - Census	6,246	45,397	84,778
2010-2016 Annual Household Growth Rate	0.34%	0.55%	0.48%
2016-2021 Annual Household Growth Rate	0.69%	0.65%	0.61%
2016 Average Household Size	3.16	3.25	3.20



	1 Mile	3 Miles	5 Miles
<b>HOUSEHOLD INCOME</b>			
2016 Average Household Income	\$79,267	\$82,260	\$87,355
2021 Average Household Income	\$87,880	\$90,146	\$95,749
2016 Median Household Income	\$61,077	\$64,264	\$67,866
2021 Median Household Income	\$70,125	\$73,991	\$77,752
2016 Per Capita Income	\$24,712	\$25,301	\$27,316
2021 Per Capita Income	\$27,157	\$27,528	\$29,747





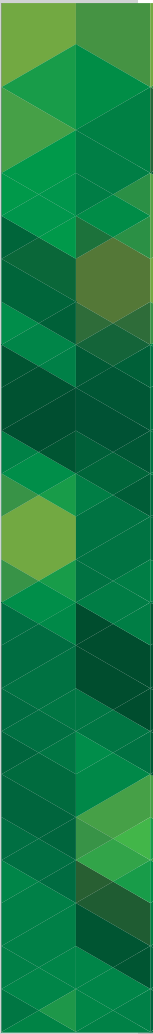
### EDUCATION

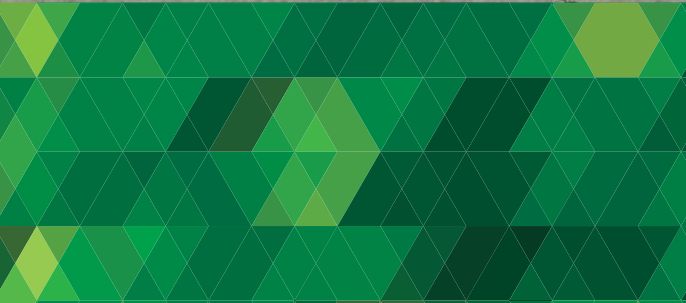
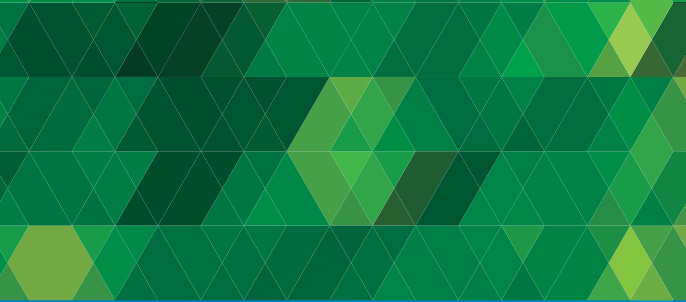
	1 Mile		3 Miles		5 Miles	
2016 Population 25 and Over	13,272		101,752		190,143	
Less than 9th Grade	998	7.5%	9,411	9.2%	15,664	8.2%
9-12th Grade - No Diploma	969	7.3%	7,811	7.7%	13,969	7.3%
High School Diploma	3,452	26.0%	24,348	23.9%	43,496	22.9%
GED or Alternative Credential	187	1.4%	2,260	2.2%	3,775	2.0%
Some College - No Degree	3,400	25.6%	24,279	23.9%	45,334	23.8%
Associate`s Degree	1,204	9.1%	9,256	9.1%	17,532	9.2%
Bachelor`s Degree	2,142	16.1%	16,593	16.3%	33,648	17.7%
Graduate or Professional Degree	920	6.9%	7,794	7.7%	16,725	8.8%



### AGE

	1 Mile		3 Miles		5 Miles	
Age 0-4	1,241	5.6%	9,893	6.3%	17,019	5.9%
Age 5-9	1,240	5.6%	10,021	6.3%	17,435	6.1%
Age 10-14	1,282	5.8%	10,731	6.8%	19,198	6.7%
Age 15-19	2,430	11.0%	12,333	7.8%	21,428	7.4%
Age 20-24	2,697	12.2%	13,259	8.4%	22,600	7.9%
Age 25-29	1,614	7.3%	12,370	7.8%	21,567	7.5%
Age 30-34	1,364	6.2%	11,111	7.0%	19,604	6.8%
Age 35-39	1,262	5.7%	9,894	6.3%	17,869	6.2%
Age 40-44	1,253	5.7%	10,034	6.4%	18,126	6.3%
Age 45-49	1,313	5.9%	10,381	6.6%	18,823	6.5%
Age 50-54	1,359	6.1%	10,737	6.8%	19,846	6.9%
Age 55-59	1,292	5.8%	9,938	6.3%	18,949	6.6%
Age 60-64	1,120	5.1%	8,201	5.2%	16,108	5.6%
Age 65-69	898	4.1%	6,428	4.1%	12,878	4.5%
Age 70-74	640	2.9%	4,647	2.9%	9,476	3.3%
Age 75-79	460	2.1%	3,319	2.1%	6,803	2.4%
Age 80-84	350	1.6%	2,364	1.5%	4,857	1.7%
Age 85 and Older	346	1.6%	2,328	1.5%	5,234	1.8%





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GATEWAY  
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