



BERNARDO MESA TECHNOLOGY CENTER

THE OFFERING

CBRE, as exclusive advisor, is pleased to present the opportunity to acquire Bernardo Mesa Technology Center ("BMTC" or the "Property"), a warehouse/distribution building totaling 180,946 square feet. Built in 1989, the Property is 100% leased to the world's largest online retailer with 10 years of firm term remaining. BMTC is situated on three legal parcels totaling 14.8 acres with low site coverage that provides approximately 4.0 acres of excess land and the ability to develop an additional 90,000-square-foot office building on-site. The secure cash flow provided by the long-term lease with fixed annual increases guaranteed by the leading global e-commerce company combined with the prospect to develop an additional building on the Property provides investors with the opportunity to significantly increase cash-on-cash returns.

Bernardo Mesa Technology Center is offered for sale without an asking price and free and clear of debt to assume.

PROPERTY PROFILE

Building Address

16550 Via Esprillo
San Diego, CA 92127

Submarket

Rancho Bernardo

Building Size

Office (single-story): 28,900 SF
Mezzanine: (warehouse) 15,346 SF
Warehouse/Dist: 136,700 SF
Total: 180,946 SF

Occupancy

100%

Year Built / Year Renovated

1989 / 2016

Land Area

14.8 acres (three legal parcels)

Parking

3,51,000 SF (635 spaces)

Existing FAR

0.28

Architect:

FINANCIAL PROFILE

Current Rent (Net)

Building: \$1.30/Bldg. SF/Month (\$15.60/Bldg. SF/Year)
Excess Land: \$0.20/Bldg. SF/Month (\$2.40/Bldg. SF/Year)
Total: \$1.50/Bldg. SF/Month (\$18.00/Bldg./SF/Year)

Annual Rent Escalations

3.0%

Lease Expiration

July 2027

RECENT CAPITAL EXPENDITURES



Ownership and tenant have both invested significant capital in converting the facility into a critical component of the tenant's new and innovative supply chain model - over \$2.0 Million to date

EXCELLENT EXPANSION AND POTENTIAL FUTURE DEVELOPMENT OPPORTUNITIES

The Property has approximately 4.0 acres of excess land that can be used for additional development at a later date. Following are three of the many potential options:



90,000-square-foot

office building with surface parking



70,000-square-foot

industrial/R&D building with all surface parking



Complete redevelopment

with 2.0 FAR to include approximately 1.29 million square feet on entire site

The options above combined with the building's versatility provide the owner with the ultimate flexibility to increase value and enhance cash flow.

EXCEPTIONAL MARKET IDENTITY

Anchored by the defense and technology industries, Rancho Bernardo's broad tenant base provides the ideal combination of growth and stability that attracts strong institutional ownership. A densely populated, highly-educated employment base in the area, as well as immediate access to the I-15 freeway, ensure the submarket's appeal to large, medium and smaller tenants across the industry spectrum. Rancho Bernardo's corporate identity includes Sony, HP, Northrop Grumman, General Atomics, Broadcom, Cymer, and BAE Systems.





New 10-Year Firm Term

- The 10-year lease expires July 2027 with two extension options for five years each at FMR
- Tenant moved into the building in early 2017 on a short-term lease before signing the 10-year firm term lease
- Fixed 3.0% annual escalations provide increasing cash-flow with minimal outlay
- Lease guaranteed by world's largest online retailer
- Tenant is making a substantial investment in the facility
- Excellent financing options based on long-term, credit tenant lease guarantee



Contractual base rent for the 10-year lease term is more than \$37.0 million and over \$48.0 million including the project operating expenses.

