

CASE STUDY #2

INDUSTRIAL PROPERTY HELD AND SOLD (1031 EXCHANGE)

Property: Toyota Building

Address: 12907 Imperial Highway
Santa Fe Springs, CA

Square Feet: 101,080 SF

Location: Located in Santa Fe Springs, the largest submarket within the "Mid Counties" area bordering Los Angeles and Orange Counties. Considered one of the top industrial sub-markets in Southern California, distribution, data center and flex tenants.

Key Team Members

Ryan Martin & Anthony Brent
HFF (Investment Sales Team)



The property was acquired on 6/1/98 as a direct acquisition from the developer, Proficiency Capital. The building was new construction upon acquisition. The purchase price of \$6,494,000 (+/- \$62/SF) represented a 7.5% going-in capitalization rate which at the time was considered aggressive. The building had a 10 year lease in place with Toyota Lift of Los Angeles fully guaranteed by Toyota.

Key Asset Management Accomplishments

- The tremendous growth potential in Santa Fe Springs made this a key acquisition for the portfolio. The property was located across from a refinery that was going to be redeveloped into what is now the Golden Springs Development. The building featured 30' clear heights, ESFR sprinklers and a concrete truck court right in the path of development.
- In 2008 the property was refinanced returning 125% of the acquisition equity and locking interest rates that are still considered competitive in today's rate environment.
- The property has never had a day of vacancy.
- Have continually increased rental income over the hold period.
- Property location became "Main and Main" in one of the top submarkets in Southern California

RETURN PARAMETERS

Sales Price	\$12,180,000
Cap Rate	4.7%
Sales Date	01/15/15
Realized IRR	15.73%
Equity Multiple	4.72x

