

**REDUCED
PRICE
FOR
IMMEDIATE
SALE**

REDLANDS

OFFICE & MEDICAL BUILDING PORTFOLIO

232, 236 & 242 CAJON STREET
REDLANDS, CA 92373





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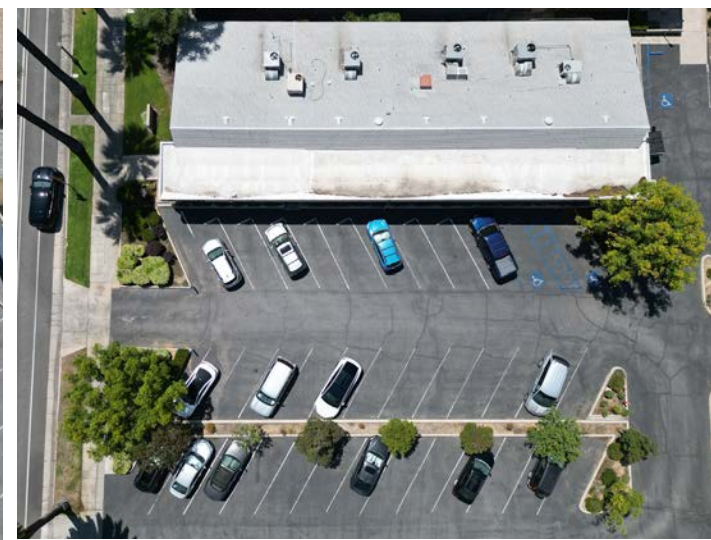
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INVESTMENT HIGHLIGHTS

232, 236 & 242 Cajon Street



- **Potential Owner-User Opportunity** - Currently 100% occupied with strong, credit cash flow with the potential opportunity to occupy up to $\pm 10,000$ square feet as an Owner/User.
- **Rare Opportunity to Own in Redlands** – Redlands has the lowest office vacancy level in the Inland Empire with a 2.3% vacancy level and this opportunity provides a rare opportunity to own professional office space in the Redlands market.
- **Downtown Redlands Location** – Located within walking distance of historic downtown Redlands with its perfect mix of small-town charm, modern convenience and a thriving restaurant scene.
- **Above Standard Parking** – On-site parking combined with a parking agreement with an adjacent property owner provide above standard parking for the property.
- **Ability to Accommodate Medical Users** – The above standard, available parking creates the opportunity to house additional medical services at the property.
- **Wholly-Owned/Multiple Parcels** – Tremendous opportunity to own and potentially occupy three (3) free-standing office buildings on separate parcels allowing for future investment flexibility in hold/sell scenarios.
- **Below Replacement Cost** – The property is offered at \$276.00 PSF which is significant discount to its land-inclusive replacement cost, particularly given its ability to serve medical-oriented users in the Redlands Market.
- **Close Proximity to Major Medical Centers** - Strategically located in close proximity to Redlands Community Hospital, VA Loma Linda Ambulatory Care Center, Inland Surgery Center, Loma Linda University Behavioral Medicine Center, Optum Medical Center, Mountain View Surgery Center to name a few.
- **A Very Strong Office Market** - A lack of new development in the region, expanding tenant demand, combined with population growth, make the Inland Empire an attractive market for office, medical and medical supporting tenants.
- **HVAC Replacement** - Over 50% of the HVAC units have been replaced (new units on 232 Cajon except pharmacy and all units on 236 Cajon) reducing long term occupancy costs.
- **Garden Style, Low-rise design** - Affords ease of maintenance, reduced operating expenses, and clearer tenant identity than mid-rise or high-rise properties.



INVESTMENT SUMMARY

ADDRESS	BUILDING	SIZE	APN
232 Cajon Street Redlands, CA 92373	Garden Style Medical Office Building	±4,151 RSF / One Floor (2nd floor unfinished basement)	0171-324-014
236 Cajon Street Redlands, CA 92373	Garden Style Professional Office Building	±4,907 RSF / One Floor 4,880 SF / Unfinished Basement	0171-324-015
242 Cajon Street Redlands, CA 92373	Garden Style Professional Office Building	±5,270 RSF / One Story	0171-324-016
Parking 223-233 4th Street Redlands, CA 92373 *Shared parking agreement *Ask Agent for details		±.12 Acre / ±5,250 SF ±.16 Acre / V6,750 SF	0171-324-08 0171-324-07

The Offering

Lee & Associates is pleased to present for sale the three (3) buildings, Redlands Office & Medical Building Portfolio. The Portfolio consists of a 100% leased, 14,328 square foot multi-tenant/medical office building and two leased, single tenant professional office buildings located in the heart of Redlands close to its historical downtown core, just west of Interstate 10. The Portfolio is located along Cajon Street with each building located on separate parcels. 236 Cajon and 242 Cajon are both leased by Optum, which has vacated the buildings but continues to pay rent through 2027. Optum has indicated interest in terminating their lease early creating an ideal opportunity for an owner-user to occupy immediately over +10,000 square feet. The subject property also allows an owner-user ample time to complete the permitting process and secure tenant improvement plan approvals while collecting rental income from Optum.

Financial Summary

DESCRIPTION:	(1) Medical Office Building (2) Professional Office Buildings
PURCHASE PRICE:	\$3,950,000
PRICE/SF:	\$276.00
OCCUPANCY:	100%
TOTAL SF:	±14,328 RSF
ACREAGE:	±.82 Acre / ±35,719 SF
ZONING:	AP/Administrative Professional Office District

INVESTMENT SUMMARY



BUILDING ADDRESS	232 Cajon Street Redlands, CA 92373
SUBMARKET:	Riverside / Redlands
PROJECT SIZE/ FLOORS:	±4,151 RSF / One Floor (Unfinished basement)
% LEASED:	100%
TENANT:	Cajon Pharmacy Michelle Wang, D.D.S Roger Brown, D.D.S Craig Chamberlin, D.D.S
LEASE EXPIRATION:	Staggered
YEAR BUILT:	1968
SITE AREA:	±.16 Acre ±6,750 SF



BUILDING ADDRESS	236 Cajon Street Redlands, CA 92373
SUBMARKET:	Riverside / Redlands
PROJECT SIZE/ FLOORS:	±4,907 RSF / One Floor ±4,880 SF / Unfinished Basement
% LEASED:	100%
TENANT:	Optum
LEASE EXPIRATION:	12/31/27
YEAR BUILT:	1967
SITE AREA:	±.18 Acre ±8,000 SF



BUILDING ADDRESS	242 Cajon Street Redlands, CA 92373
SUBMARKET:	Riverside / Redlands
PROJECT SIZE/ FLOORS:	±5,270 RSF / One Story
% LEASED:	100%
TENANT:	Optum
LEASE EXPIRATION:	12/31/27
YEAR BUILT:	1963
SITE AREA:	±.2 Acre ±8,775 SF

SBA OWNER-USER ANALYSIS

Property SF	14,328 SF		Payment after Rents	(\$169,065)
Sales Price	\$3,950,000	\$276/SF	Annual Payments/SF	(\$16.61)
Tenant Improvement Costs			Monthly Payments/SF	(\$1.38)
Loan Fees	\$39,500			
Total Purchase Price	\$3,989,500		First Year Principal Paydown	
			Bank Loan	\$32,935
Down Payment	\$598,425	15%	SBA Loan	\$23,055
			Total 1st Year Principal Paydown	\$55,990
Total Loan Amount	\$3,391,075	85%		
			Annual Loan Payments, less Rents and Principal Paydown	(\$113,075)
Bank Loan	\$1,994,750	50%		
SBA Loan	\$1,396,325	35%	SF of Space to be Occupied by Owner/User	10,177
			Equivalent lease rate per square foot annually	\$11.10
			Equivalent lease rate per square foot monthly	\$0.93
	Monthly	Annually		
Bank Loan Payment	(\$13,469)	(\$161,624)		
SBA Loan Payment	(\$9,428)	(\$113,137)		
Total Payments	(\$22,897)	(\$274,761)		
Annual Rent from 232 Cajon Building Tenants		\$105,696		

Note: Calculation does not include any rental income from Optum leases at 236 & 242 Cajon St, which expire on 12/31/2027.

RENT ROLL

Tenant	Suite	Square Footage	Lease Start	Lease End	March 2026 Rent/SF	March 2026 Rent/Mo.	Rental Increases	Lease Type	Renewal Options
KHM Pharmaceutical	232-A	1,192	11/15/12	12/31/27	\$2.21	\$2,640	2.5% Annually (12/2026)	NNN	TBD
Dr. Wang	232-B	855	12/31/14	12/31/29	\$1.97	\$1,683	2% Annually (1/2027)	MG	TBD
Dr. Rodger-Brown DDS	232-C	920	01/01/13	12/31/32	\$2.24	\$2,064	3% Annually (1/2027)	MG	TBD
Dr. Chamberlin DDS	232-E	1,184	12/01/02	MTM	\$2.04	\$2,421	None	MG	None
EPIC/Optum - Vacant	236	4,907	12/13/18	12/31/27	\$2.34	\$11,479	2.5% Annually (1/2027)	2018 Base yr	**
EPIC/Optum - Vacant	242	5,270	12/31/18	12/31/27	\$1.95	\$10,274	2.5% Annually (1/2027)	2018 Base yr	**
TOTAL SQUARE FOOTAGE:		14,328				\$30,560		Total Monthly Rent	
TOTAL AVAILABLE:		0	0%	Vacancy		\$366,721		Total Annual Rent	
TOTAL OCCUPIED:		14,328	100%	Occupancy					



2.1 Miles to Redlands Community Hospital (229 Beds)



5.2 Miles to Loma Linda Medical Center (1,077 Beds)



CITRUS PLAZA



+106,586 CPD

ESRI CORPORATE OFFICE

ESRI CORPORATE OFFICE

PACKING HOUSE DISTRICT

REDLANDS

OFFICE & MEDICAL BUILDINGS PORTFOLIO

PROFESSIONAL OFFICE

DOWNTOWN REDLANDS

+153,113 CPD

ORANGE ST

E LUGONIA AVE

E OLIVE AVE



OPTUM MEDICAL CENTER

CAJON ST (±6,492 CPD)

W REDLANDS BLVD (±26,097 CPD)

W FERN AVE



UNIVERSITY OF REDLANDS
3,087 STUDENTS

E CYPRESS AVE

232 CAJON FLOOR PLAN

±4,151 SQUARE FEET (not including unfinished basement)



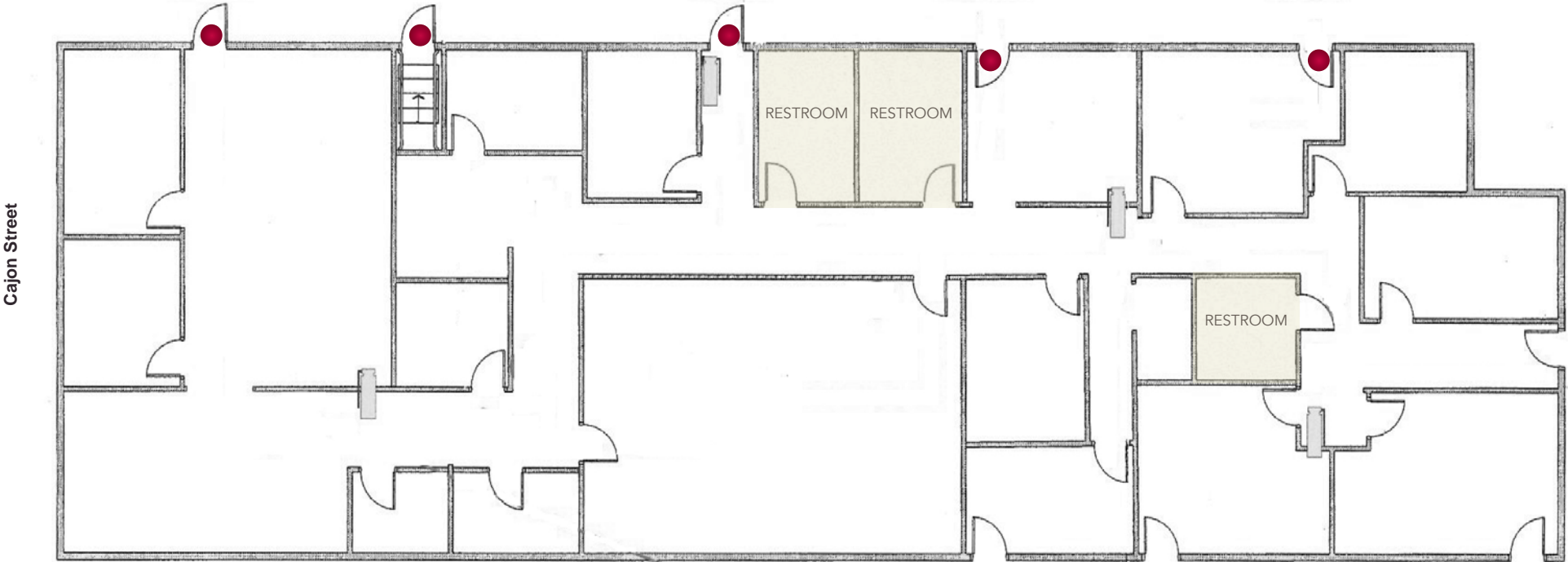
All areas and dimensions are approximate.

232 CAJON PROPERTY PHOTOS



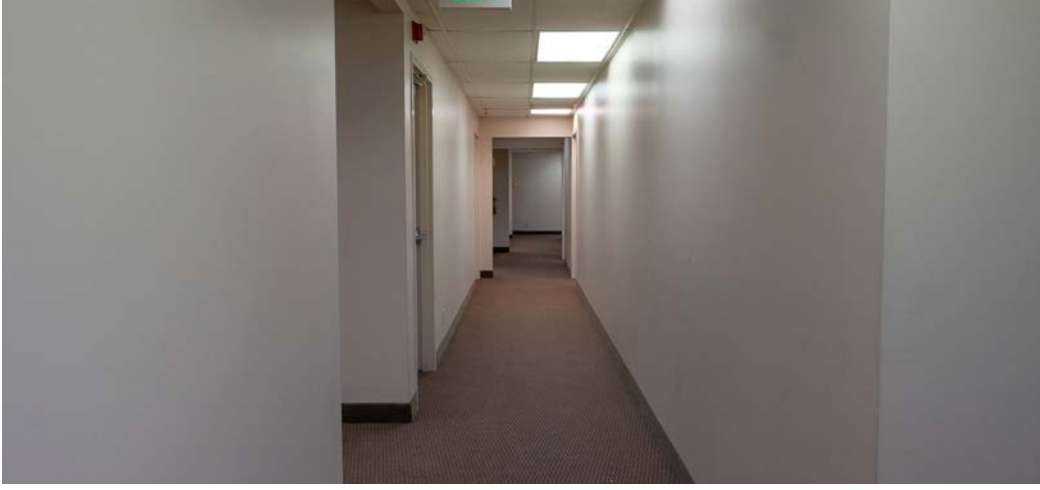
236 CAJON FLOOR PLAN

±4,907 SQUARE FEET (not including ±4,880 square feet unfinished basement)



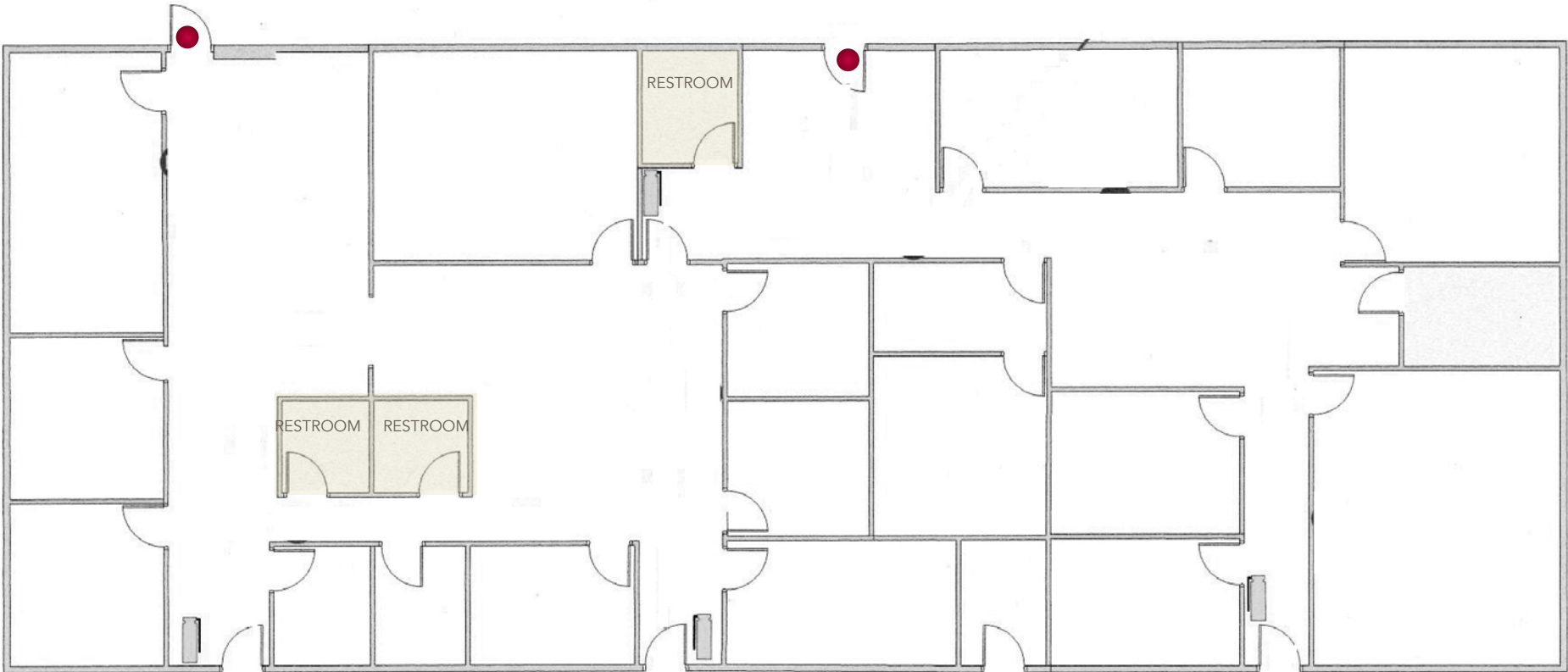
● ENTRANCE

236 CAJON PROPERTY PHOTOS



242 CAJON FLOOR PLAN

±5,270 SQUARE FEET

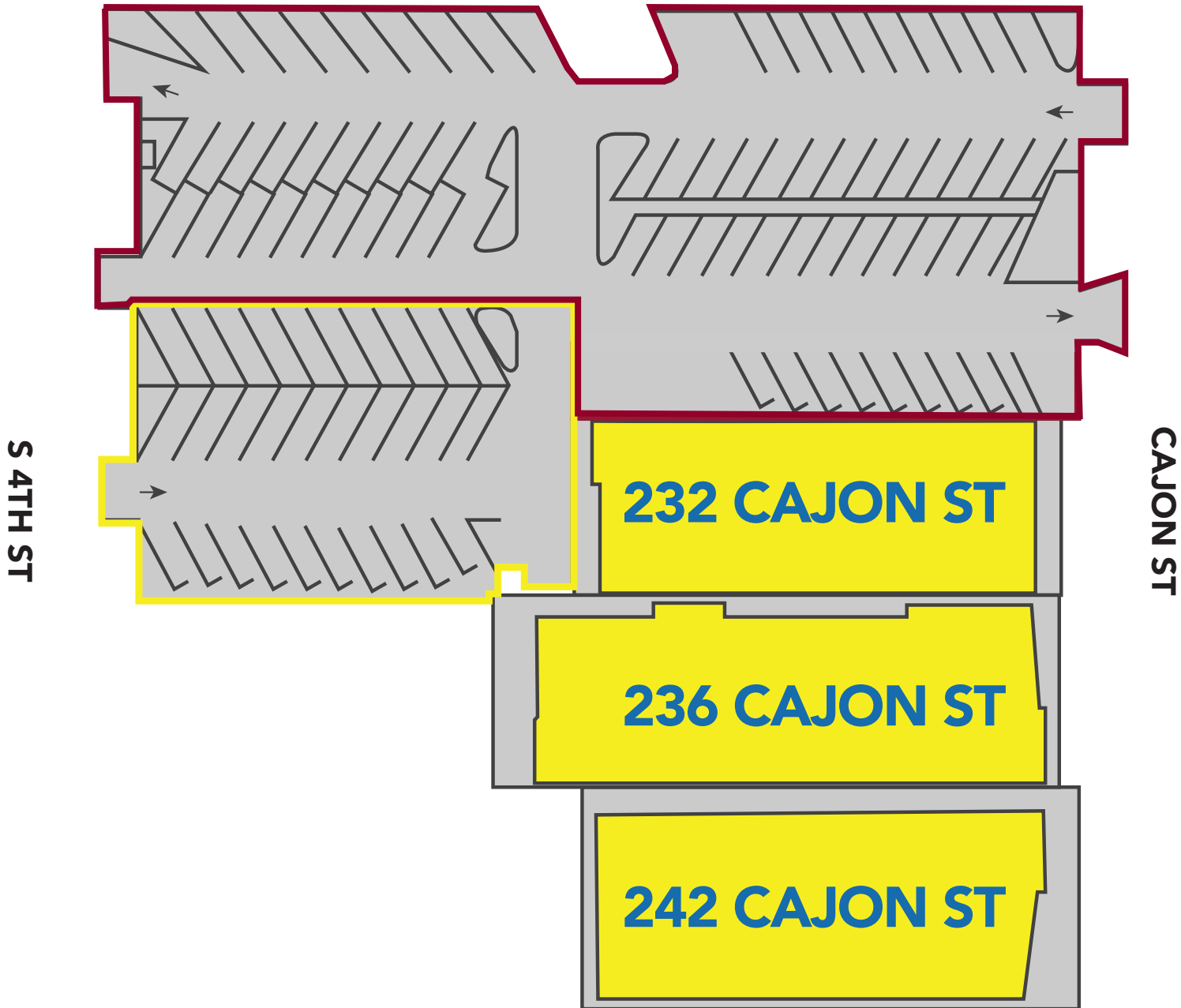


● ENTRANCE

242 CAJON PROPERTY PHOTOS



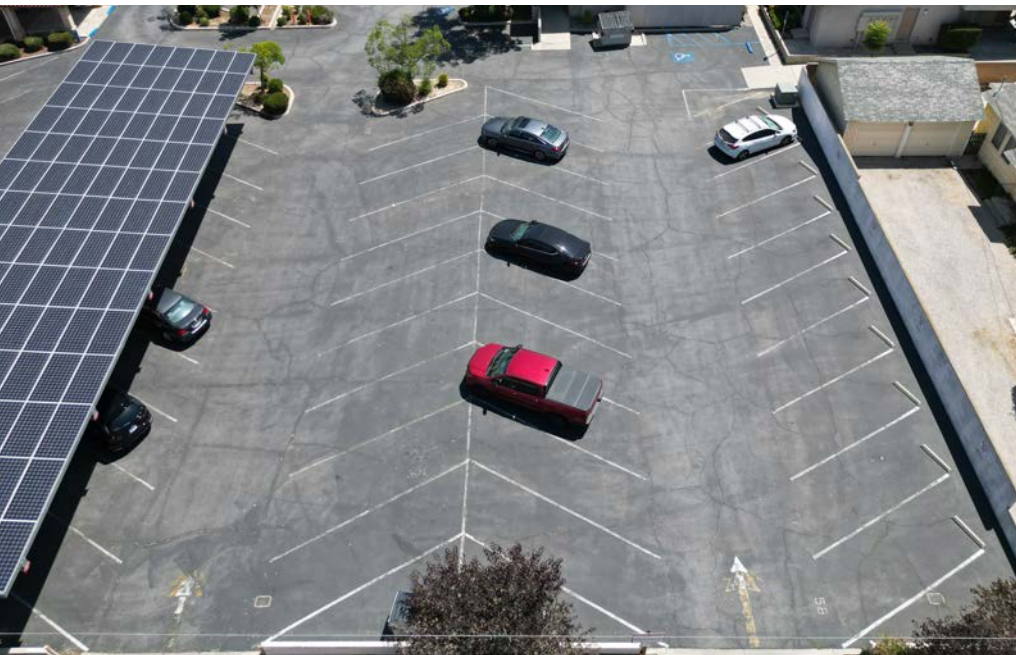
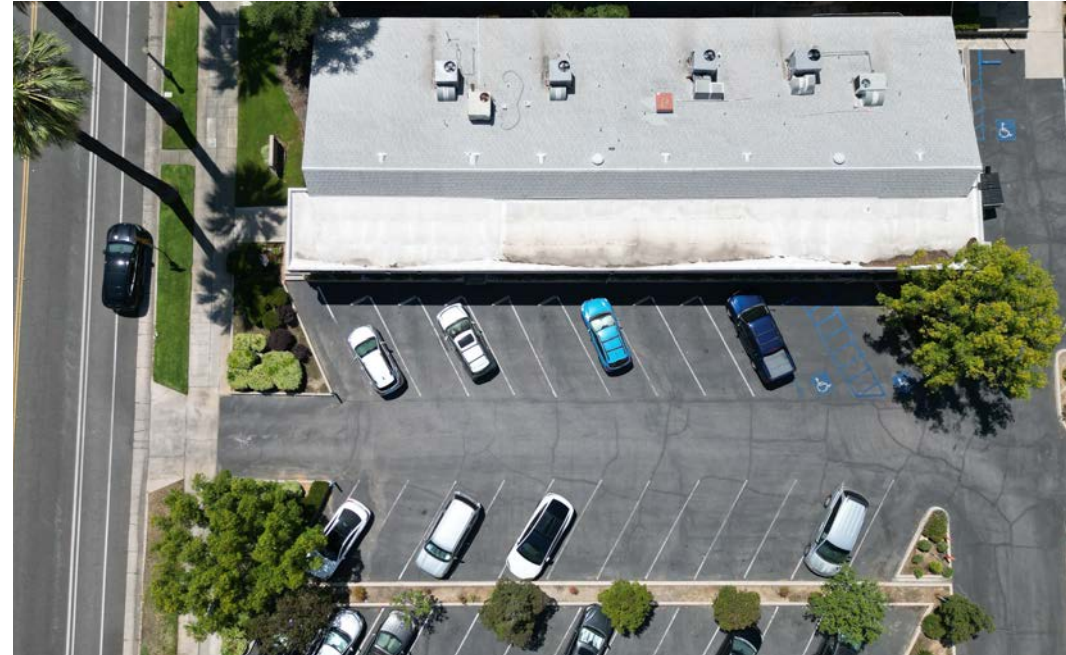
SITE PLAN



LEGEND

-  YELLOW HIGHLIGHT DENOTES APN'S INCLUDED IN THE SALE
-  RED HIGHLIGHT DENOTES CHURCH OWNED PARKING WITH 15 YEAR LEASE TO 2033

PARKING LOT



PARKING USE

PARKING USE

The 232, 236 and 242 Cajon buildings have a reciprocal parking agreement with The First Baptist Church of Redlands. The agreement is in place until August 31, 2033. The site plan below denotes the Church lot (highlighted in red) and the Cajon building lot (highlighted in yellow).

The Cajon buildings have access to its own lot (highlighted in yellow) and 60 spaces in the Church lot (highlighted in red and noted with a black dot), Monday through Friday from 7:30am to 5:30 pm.

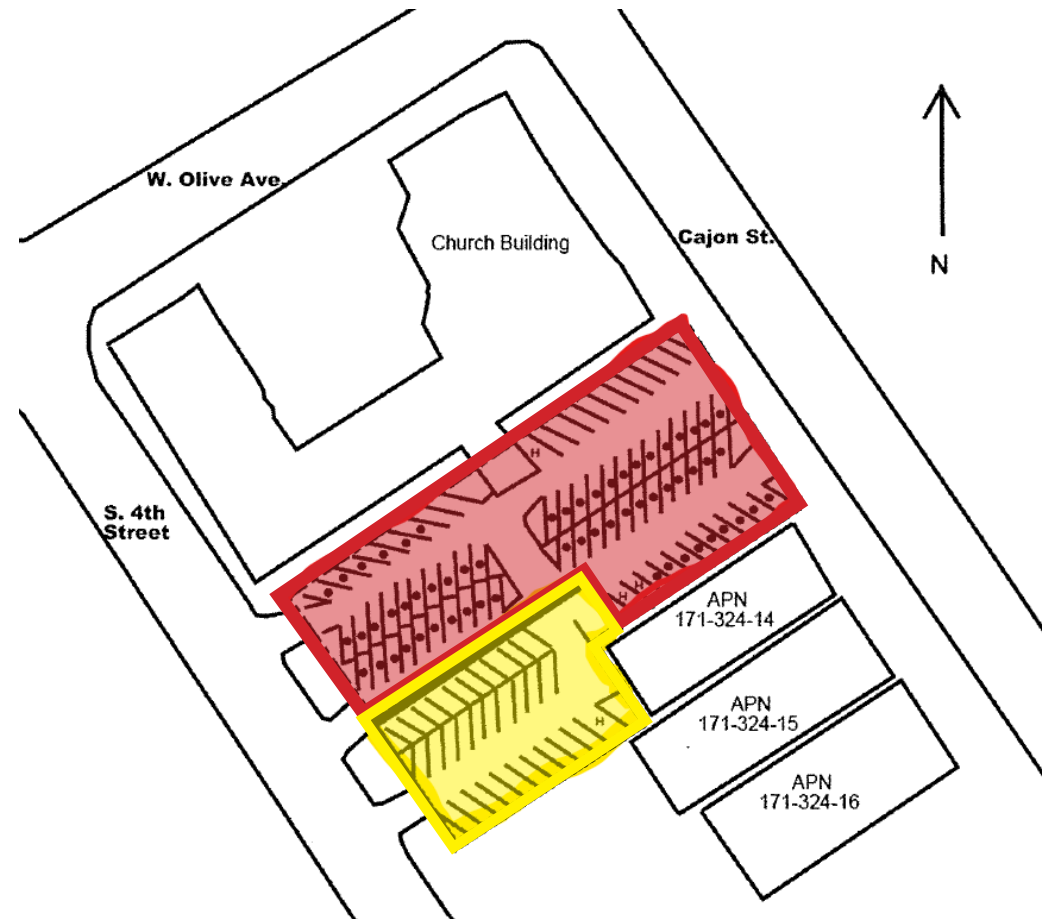
The Church has unlimited use of the Cajon buildings owned lot (in yellow) on Saturday and Sundays and weekday evenings after 5:30 when extra parking is needed.

CONSIDERATION

The Cajon Buildings pay \$2,348.24 per month to the Church for parking rent. The monthly parking rent will increase to \$2,700.48 on September 1, 2028 for the remainder of the term.

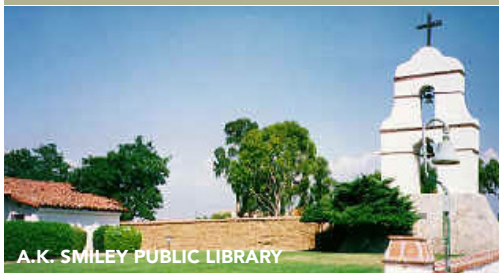
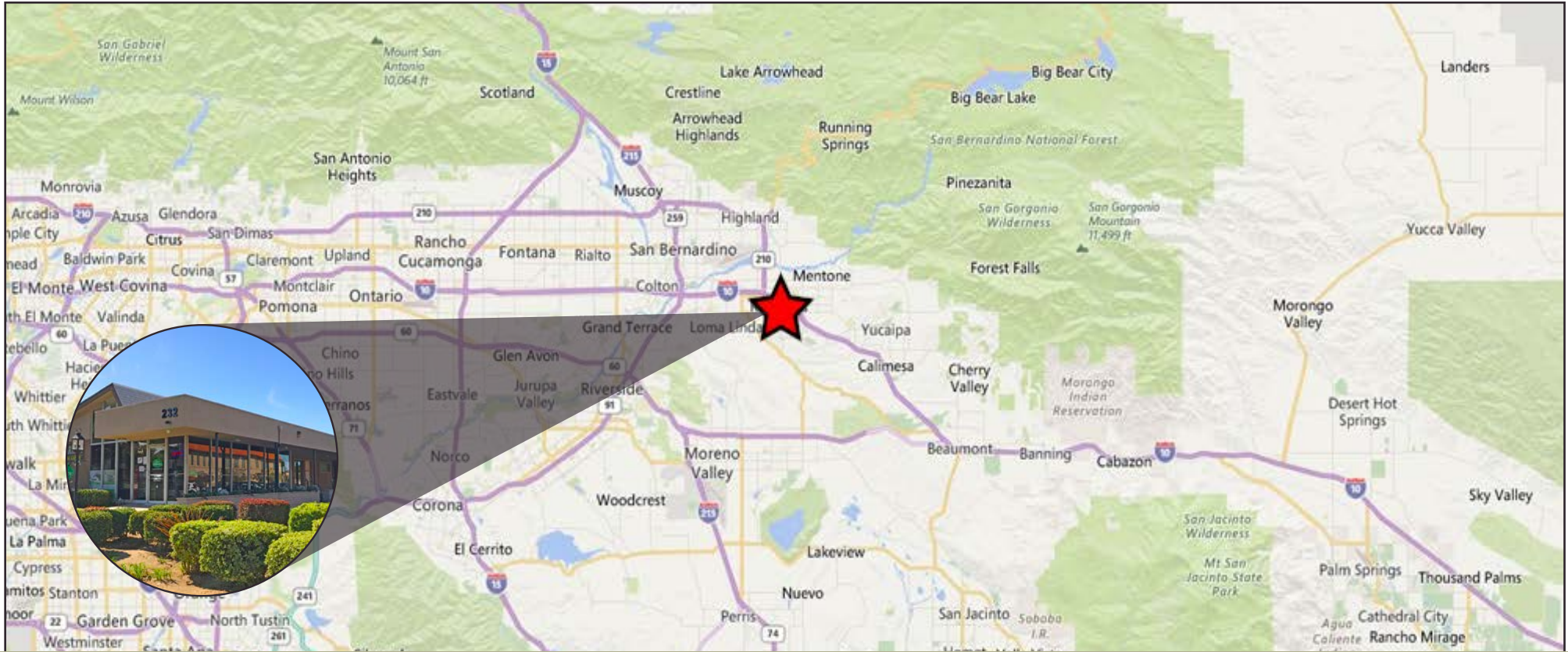
MAINTENANCE

The owner of the Cajon buildings shall repair, resurface, seal and restripe the Church lot and the Cajon building lot every 3 to 5 years. The Cajon buildings can deduct the parking lot costs for the Church portion of the Maintenance from future rental payments.



LOCATION OVERVIEW

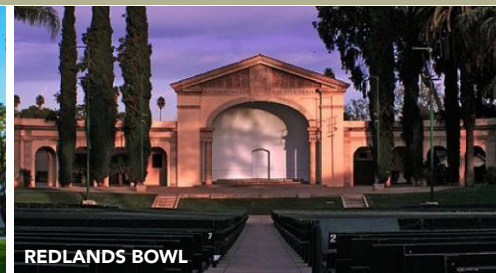
Redlands is a city in southern California, near San Bernardino. It's known for its elaborate late-1800s buildings, such as the A.K. Smiley Public Library and the Morey Mansion. Kimberly Crest House & Gardens is a sprawling estate, with a Victorian mansion and Renaissance-styled gardens. Concerts are held at the Redlands Bowl, a 1920s amphitheater. San Bernardino County Museum offers hands-on natural history exhibits. Redlands, though emerging as a regional leader, boasts small-town charm, a commitment to education at all levels, a community of service to others, environmental preservation and sustainability, historic preservation, and a passion for the arts. At the turn of the 20th century, Redlands was the "Palm Springs" of the next century, with roses and palm trees being planted along many city thoroughfares.



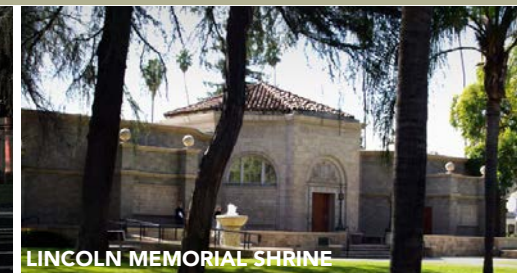
A.K. SMILEY PUBLIC LIBRARY



KIMBERLY CREST HOUSE & GARDENS



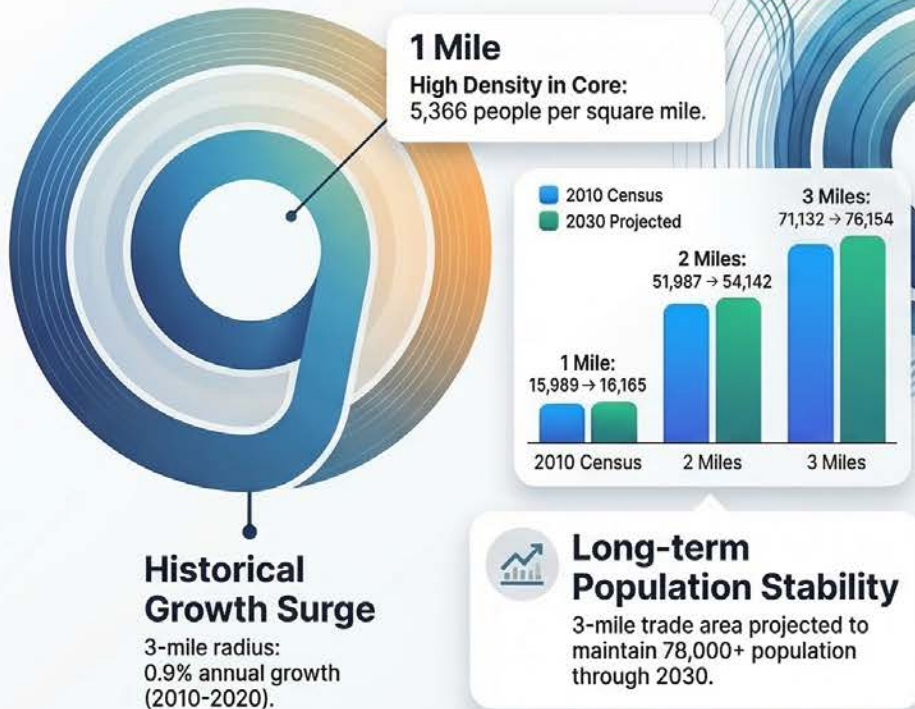
REDLANDS BOWL



LINCOLN MEMORIAL SHRINE

Demographic Insight: 242 Cajon St, Redlands, CA

Population Trends (2010–2030)



Household Income & Wealth Distribution



SAN BERNARDINO COUNTY FACTS

As of 2025, San Bernardino County's population was 2,230,000. 11,642 projected growth between 2025 and 2030.

San Bernardino is the 5th-most populous county in California and the 12th-most populous in the United States.

San Bernardino County is among the fastest growing areas in the United States.

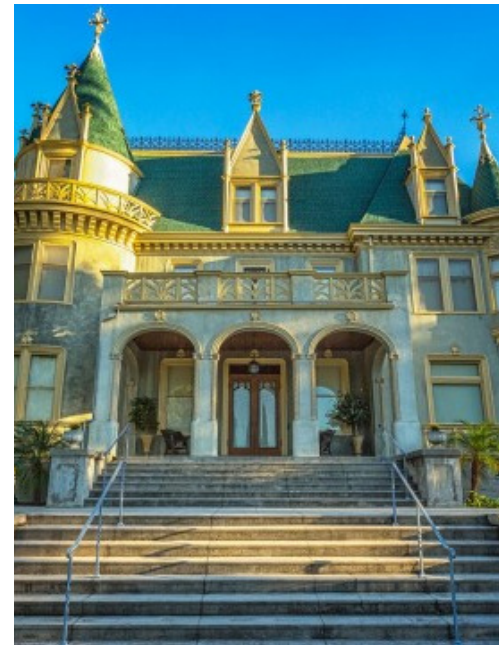
San Bernardino is the largest county in the United States.

San Bernardino County Demographics

2025 Estimated Population	2,230,000
2030 Projected Population	2,240,000
2020 Census Population	2,180,000
2010 Census Population	2,040,000
Projected Annual Growth (2025-2030)	11,391 0.1%
Historical Annual Growth (2020-2025)	39,688 0.4%
2025 Projected Households (2030)	710,713
2020 Census Households	667,836
2010 Census Households	611,623
Projected Annual Growth 2025-2030	22,437 0.7%
Estimated Average Household Income (2025)	\$116,410
Estimated Median Household Income (2025)	\$88,786

Inland Empire Top Employers

Rank	Employer	# of Employees
1	County of Riverside	23,772
2	Amazon	14,317
3	University of California, Riverside	8,593
4	State of California (various agencies)	8,398
5	Walmart	6,465
6	Moreno Valley Unified School District	6,020
7	Kaiser Permanente Riverside Medical Center	5,817
8	Riverside Unified School District	5,431
9	Mt. San Jacinto Community College	4,638
10	Eisenhower Medical Center	4,001
11	Desert Regional Medical Center	2,200
12	Hemet Valley Medical Center	1,963



INLAND EMPIRE OFFICE MARKET

Q4 2025 AT A GLANCE

Strengthening Fundamentals and Rising Demand Set the Stage for Inland Empire Office Growth in 2026



4Q 2025* BY THE NUMBERS

Net Absorption

221,057 Total Square Feet
(190,023 Square Feet of Class A)
(79,946 Square Feet of Class B)
(-48,912 Square Feet of Class C)

Vacancy Rate - Inland Empire

7.03% (Down From 8.18% in YE 2024)

New Office Construction

±24,000 SF Under Construction

Asking Rent/Square Foot FSG

Class A \$2.00 - \$3.50
Class B \$1.50 - \$2.75
Class C \$1.25 - \$2.50

Total Base

22,512,176 Square Feet

Total Vacant

1,581,788 Square Feet

Total Number of Buildings With Blocks of Available Space Over 20,000 SF

14 Properties

Total Number of Buildings With Blocks of Available Space Over 30,000 SF

6 Properties

The Inland Empire office market concluded 2025 with improvements in occupancy and absorption compared to the previous year, demonstrating resilience despite broader economic shifts. While other Southern California markets faced challenges with remote work trends, the Inland Empire benefited from a unique reliance on small businesses, healthcare providers, and government entities, which maintained high occupancy levels.

Compared to year-end 2024, fundamentals improved across most key indicators, including vacancy, net absorption, and tenant demand—particularly in higher-quality assets.

Leasing Activity

Leasing fundamentals strengthened notably in 2025 compared to 2024. The Inland Empire recorded positive net absorption across the total office market, contrasting with more subdued or uneven demand patterns the prior year.

- Class A offices led the recovery, particularly in Ontario and San Bernardino, as tenants prioritized newer buildings, improved parking ratios, and upgraded HVAC systems to support hybrid work environments.
- Class B properties experienced modest gains, with net absorption of nearly 80,000 SF, though vacancy remained elevated relative to Class A, indicating ongoing pressure on older assets without capital reinvestment
- Class C properties underperformed, posting negative net absorption of approximately (48,912) SF, reflecting tenant consolidation, downsizing, and obsolescence risk

Tenant demand in 2025 was largely driven by medical, professional services, public-sector users, and regionally based firms, rather than large corporate expansions. Deal sizes remained moderate, with an emphasis on flexibility and shorter lease terms.

The number of large blocks of contiguous space over 20,000 square feet increased from twelve to fourteen (14) and blocks over 30,000 square feet also increased from four to six (6) properties.

Lease Rates & Construction No speculative office construction was delivered in 2025 outside of a limited 24,000 SF Class B project, keeping supply growth constrained.

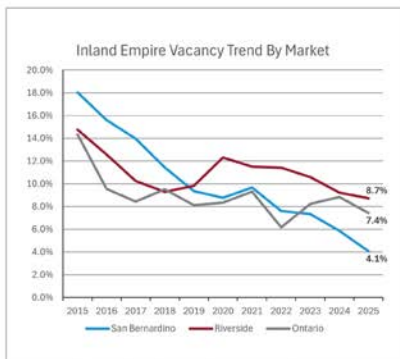
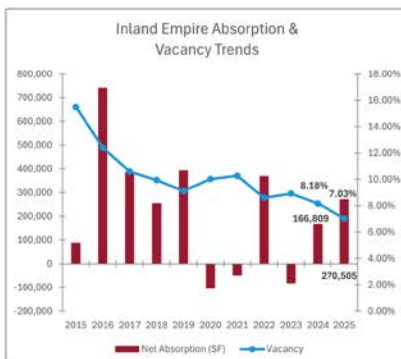
Sales Activity Higher interest rates, tighter lending standards, and uncertainty around longterm office utilization continued to suppress transaction volume. When trades occurred, they were largely owner-user driven or value-oriented acquisitions, particularly targeting well-located

Class B assets with repositioning potential.

Notable Transactions:

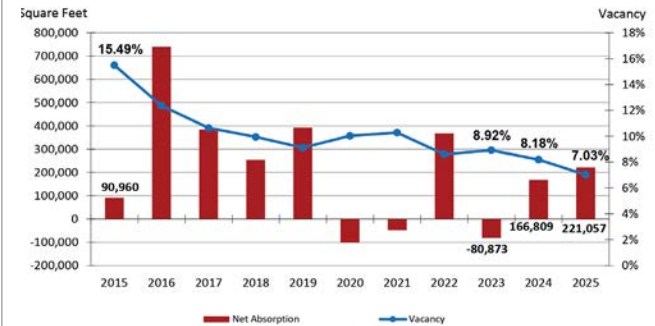
- **1450 Iowa Ave. & 1500 Iowa Ave, Riverside:** 55,250+SF & 50,000+, Class B buildings sold to a school district for \$12.3M & \$12.2M
- **265 E. 4th St., San Bernardino:** A 50,000+SF Class B building, sold to an investor for \$12.95M.
- **8163 Rochester Ave., San Bernardino:** A 39,600+SF Class B building sold to a government user for \$12.0M.

Market Outlook The outlook for the Inland Empire office market in 2026 is one of steady stabilization and organic growth. Vacancy is projected to trend modestly lower, particularly in Class A assets, as limited new supply and steady absorption persist. Class B and C properties will face bifurcation, with well capitalized owners able to retain tenants, while functionally obsolete buildings encounter higher vacancy and potential conversion pressure. Sales activity may improve in late 2026, contingent on interest rate reductions and improved capital market liquidity. Publicsector leasing, healthcare expansion, and regional professional services should remain the primary demand drivers.

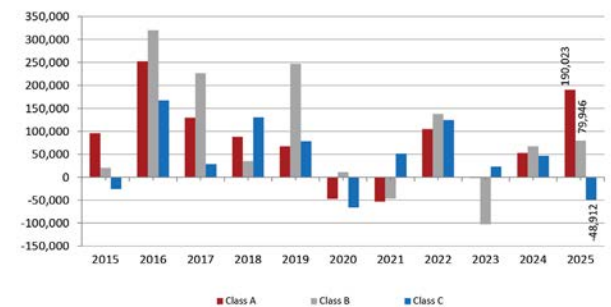


Inland Empire Region Summary

Inland Empire Absorption & Vacancy Rates



Inland Empire Absorption Trend, By Product Type



SALES COMPARABLES



- 399 E 21st St, Redlands, CA 92404
- ±13,194 SF
- Sold: 5/23/2025
- \$4,100,000
- \$310.75 PSF



- 406 E Vanderbilt Way San Bernardino, CA 92408
- ±10,147 SF
- Sold: 5/12/2025
- \$2,800,000
- \$275.94 PSF



- 440 Cajon St, Redlands, CA 92373
- ±2,906 SF
- Sold: 11/13/2024
- \$940,000
- \$323.47 PSF



- 1879-1885 W Redlands Blvd, Redlands, CA 92373
- ±2,823 SF
- Sold: 3/28/2025
- \$950,000
- \$336.52 PSF



- 1845 W Redlands Blvd, Redlands, CA 92373
- ±2,746 SF
- Sold: 8/29/2025
- \$1,075,000
- \$391.48 PSF



- 701 Texas St, Redlands, CA 92374
- ±2,679 SF
- Sold: 9/10/2025
- \$765,000
- \$285.55 PSF

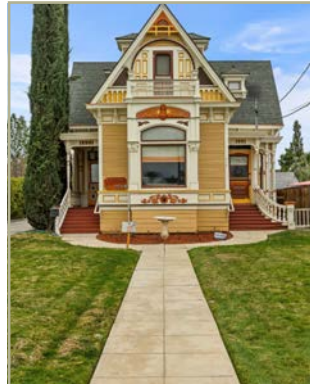
SALES COMPARABLES



- 1396 Waterman Ave, San Bernardino, CA 92404
- ±2,657 SF
- Sold: 7/2/2024
- \$836,533
- \$314.84 PSF
- Part of a 3-Property Sale



- 1364 N Waterman Ave, Redlands, CA 92404
- ±2,384 SF
- Sold: 7/2/2024
- \$751,898
- \$315.39 PSF
- Part of a 3-Property Sale



- 214 E Olive Ave, Redlands, CA 92373
- ±2,274 SF
- Sold: 8/18/2023
- \$880,000
- \$386.98 PSF



- 627 Brookside Ave, Redlands, CA 92373
- ±2,200 SF
- Sold: 6/6/2024
- \$1,260,000
- \$572.73 PSF



- 339 Cajon St, Redlands, CA 92373
- ±2,175 SF
- Sold: 10/19/2023
- \$935,000
- \$429.89 PSF



- 519 Cajon St, Redlands, CA 92373
- ±2,168 SF
- Sold: 10/20/2023
- \$800,000
- \$369.00 PSF



COMMERCIAL REAL ESTATE SERVICES

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