



# COMMERCE CENTER

27464 COMMERCE CENTER DRIVE, TEMECULA, CA

## THE OFFERING

Lee & Associates Commercial Real Estate Services is pleased to present for sale Commerce Center, a 39,234 square foot multi-tenant flex, retail/office building located in Temecula, California. Commerce Center offers an investor a highly desired value-add component at less than 67% of replacement cost, 78% of the square feet occupied and with below market rents on  $\pm 2.31$  acres. Commerce Center enjoys close proximity to Winchester Road, Jefferson Avenue, Old Town Temecula and convenient access to Interstate 15 and is part of the Uptown Center District which is within the City of Temecula's master planned commercial, residential and office overlay. With a diverse mix of tenants, Commerce Center creates an opportunity for an investor to acquire a steady, recession resistant income stream with considerable upside.

## FINANCIAL SUMMARY

|                     |   |
|---------------------|---|
| Property Address    | 27464 Commerce Center Drive<br>Temecula, CA |
| Price               | \$6,200,000 (\$158.03 PSF)                  |
| Year 1 NOI          | \$361,870                                   |
| Cap Rate            | 5.88%                                       |
| Total Building Size | $\pm 39,234$ SF                             |
| Total Land Size     | $\pm 100,623$ SF / $\pm 2.31$ Acres         |
| Occupancy           | 82%   |

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## INVESTMENT HIGHLIGHTS

- ▶ **Southern California Multi-Tenant Flex, Retail Office Investment:** Long term stable cash flow and annual increases.
- ▶ **Value Add Investment with 82% of the GLA Leased and Below Market Rents:** Strong deterrent against a downturn through non-commodity and diversified tenant uses and with recent common area enhancements and the remaining vacancies being move-in ready, the property offers the luxury of a passive investment while providing risk diversification with multiple tenants.
- ▶ **Well-diversified rent roll with no major rollover in any one year.** The future expirations are consistent and predictable limiting exposure of major vacancies. Additionally, there is a high retention probability due to in-place rents well below market.
- ▶ **Dense and Affluent Inland Empire Demographics:** More than 64,467 people within a 3-mile radius, with an Average Household Income of \$129,036 more than 171,676 people within a 5-mile radius. More than 17.4 million SF of industrial and office buildings and 115,795 employees within a 5-mile radius of the property.
- ▶ **Fully Built Out, Existing Executive Suite Expansion:** Second floor office space offers Computer LAN wiring, direct GTE wiring, In-suite janitorial, lunch room, and conference rooms.
- ▶ **Future Vision:** As part of the Uptown Temecula Specific Plan, the City of Temecula is offering property owners incentives to assist in the creation a vibrant, pedestrian friendly, urban area.
- ▶ **Strong Market Fundamentals:** Southwest Riverside (Temecula, Murrieta, Wildomar, Canyon Lakes, Lake Elsinore, Menifee) yields one of the lowest vacancy rates in the Inland Empire, driven by strong tenant demand and limited supply.
- ▶ **Temecula Valley has a population growth rate that is twice as large as that for the entire Southern California Region (1.69% compared to 0.78%).**
- ▶ **Strong Housing Growth:** There are 30 new residential communities planned for 5,629 homes upon full build out within the Temecula area
- ▶ **Dominant Trade Area:** Centrally located with great visibility and frontage along Commerce Center Drive and Interstate 15, near the confluence of the I-15 and I-215 freeways and just 1 hour east of the port of Los Angeles (world's busiest port) and 1 hour north of the U.S./ Mexico border (world's busiest border crossing) between Riverside, Orange and San Diego Counties.
- ▶ **Highly Favorable Market Trends:** Riverside County is the 4th Largest and the 10th largest Real GDP of any county in California - \$82 Billion with a 4.2 Percent growth rate from the preceding year. (US Bureau of Economic Analysis)
- ▶ **Minimal TI Packages!** Property was leased-up with little tenant improvements allowances and suites are fully built out. This speaks to the strength of the leasing market and probability of renewal.
- ▶ **Below Replacement Cost:** At list pricing, the property will trade at more than a 55% discount to its land-inclusive replacement cost of over \$300 PSF!