

LAKESIDE, CA

10149

CHANNEL ROAD



CBRE

INVESTMENT PROPERTIES — CA / AZ / NV / OR / CO

10149

CHANNEL ROAD



1
PARKWAY
PLAZA

LA MESA
±6 MIN

SAN DIEGO
DOWN TOWN
±20MIN

SAN DIEGO
INTERNATIONAL AIRPORT

GROSSMONT
COLLEGE

Gillespie
Field
iPark

CALIFORNIA
67

CALIFORNIA
125

INTERSTATE
8

1
PARKWAY PLAZA

ALDI Applebee's AVIS Budget
Ashley HomeStore AT&T Texas
Banter BoxLunch Carter's
CINNABON Burlington H&M
REGAL JCPenney EXPRESS



WOODSIDE AVE

KEARNY MESA
⌚ ±10 MIN

MIRAMAR
⌚ ±14 MIN

PACIFIC OCEAN

2

SANTEE TROLLEY SQUARE



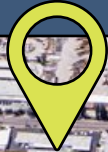
SANTEE
⌚ ±3 MIN

2

SANTEE TROLLEY SQUARE



10149
CHANNEL ROAD



CAT

INVESTMENT 06

PROPERTY 12

FINANCIALS 22





10149

CHANNEL ROAD

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Excellent Owner User
Industrial Building with
In-Place Income





10149

CHANNEL ROAD



OFFERING PRICE
\$5,990,950



BUILDING SIZE
±17,117 SF (BOMA)



AVAILABLE FOR OWNER USER
UP TO 10,376 SF OR
61% OF THE BUILDING
(No renewal options in existing leases)



WEBSITE
ipsocal.com/10149Channel

Rare Owner/User Industrial Building with In-Place Income

This partially leased building offers a new owner/user a very low occupancy cost given the in-place income, depreciation write-off, principal paydown and building appreciation. This is important for business owners who strive to not only minimize expenses but have their business occupancy contribute to their investment portfolio/retirement. For example, if a buyer wanted to occupy 10,376 SF, the occupancy cost would be approximately \$0.31/PSF or \$5,337 given the balance of in-place income and tax advantages. SEE OWN VS LEASE ANALYSIS ON P. 23.

While currently 100% leased today, the existing tenants expire soon with no renewal options which allows for a buyer to “right size” into their desired square footage.

In 2023, the property went through a major remodel including a new parking lot, new torch down roof (with partial plywood replacement), landscaping, exterior paint and signage.

Owner/user buildings with in-place income rarely come available for sale.

East County leads San Diego with the tightest vacancy rate under 1% and continues to outperform the balance of the market further supporting upside appreciation for an owner.





UNIQUE BUILDING CHARACTERISTICS INCLUDE

Large private secured yard.

▶ No mezzanine.

▶ Efficient layouts with minimal office
SEE FLOOR PLAN ON P. 18

▶ Drive around truck access.

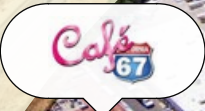
▶ 11 grade level doors.

▶ Modernized exterior look.

▶ New parking lot, landscaping and exterior wood accents and paint.



CHANNEL RD



MAPLEVIEW ST



INVESTMENT HIGHLIGHTS

Amenity-Rich Location Within East County San Diego

- ▶ **Within a 2-mile radius, there is over 2.7 million SF of retail** including national retailers such as Costco, Walmart, Target, Vons, Home Depot, Dick's Sporting Goods and many more.
- ▶ Excellent access (less than 5 miles) to Santee's largest mall Mission Gorge Square located at the dominant intersection of Mission Gorge Rd. and Cuyamaca St. **This intersection sees over 60,000 cars per day and has a 5-mile surrounding population of 279,212.**
- ▶ **Located directly off the 67-freeway providing immediate access to all of East County and San Diego's major freeways (52, 125, and 8).** This location is ideal for industrial users since these freeways provide excellent access to Downtown San Diego, the San Diego Seaport Harbor, Naval Yards, and other industrial distribution centers throughout Central, South and East County.
- ▶ The average Lakeside home value has increased over 10% the last 12 months to an **average home value of \$823,444.**



PROPERTY

Major remodel including a new parking lot, torch down roof (with partial plywood replacement) coating, landscaping, exterior paint and signage.





ADDRESS
10149 Channel Rd
Lakeside, CA 92040



CLEAR HEIGHT
16 FEET



LAND SIZE
± 43,560 SF / ± 1 acre



DRIVE INS
ELEVEN (11) 10' w x 12' h



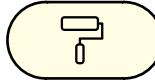
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OF BUILDINGS
ONE / 1



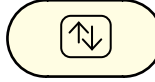
ZONING
S-88



YEAR CONSTRUCTED / RENOVATED
1978 / 2023



LAND USE
Light Industrial



STORIES
ONE / 1



BUILDING SIZE
± 17,117 SF (BOMA)



PARKING
25 surface spaces

PROPERTY DESCRIPTION

FOUNDATION	Cast-in-place concrete grade beams and reinforced column pads
STRUCTURE	Steel and masonry
ROOFING SYSTEM	Flat roof, new torch down roof in 2023 (with partial plywood replacement)
EXTERIOR IMPROVEMENTS	Painted concrete walls with metal-framed glass windows and doors. Entrance is recessed and also features suite signage and a wood-panel feature at each entrance.
INTERIOR IMPROVEMENTS	Standard improvements for commercial/light industrial uses.
ELECTRICAL/ POWER SYSTEM	Adequate power for commercial and light industrial uses.
HVAC SYSTEM	Packaged rooftop units with additional vent outtakes
LIFE SAFETY/FIRE PROTECTION	Standard, up-to-code life safety and protection. Sprinklered.
POTENTIAL UTILITIES PROVIDERS	Gas: San Diego Gas & Electric Electric: San Diego Gas & Electric Water: Lakeside Water District Waste Services: EDCO Lakeside, Republic Services Telecommunications: Cox, AT&T + various providers





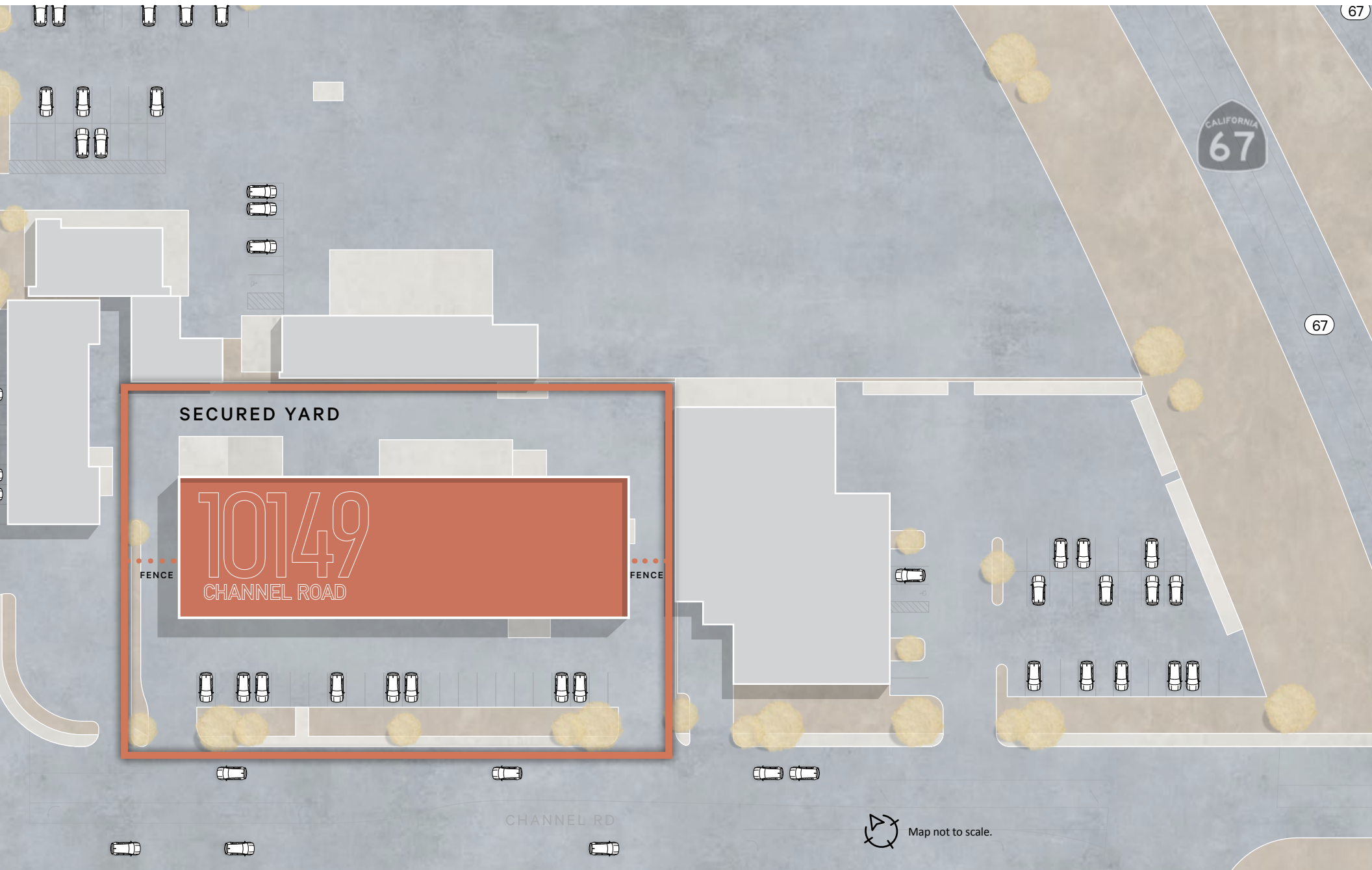
PARCEL MAP

35
20.06 AC

10149
CHANNEL ROAD

APN
394-011-13-00
ZONING
S-88
LAND USE
Light Industrial

This map is for assessment use only and does NOT represent a survey. No liability is assumed for the accuracy of the data delineated herein. Map not to scale.



SECURED YARD

10149
CHANNEL ROAD

FENCE

FENCE

CHANNEL RD

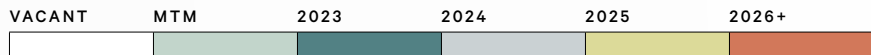
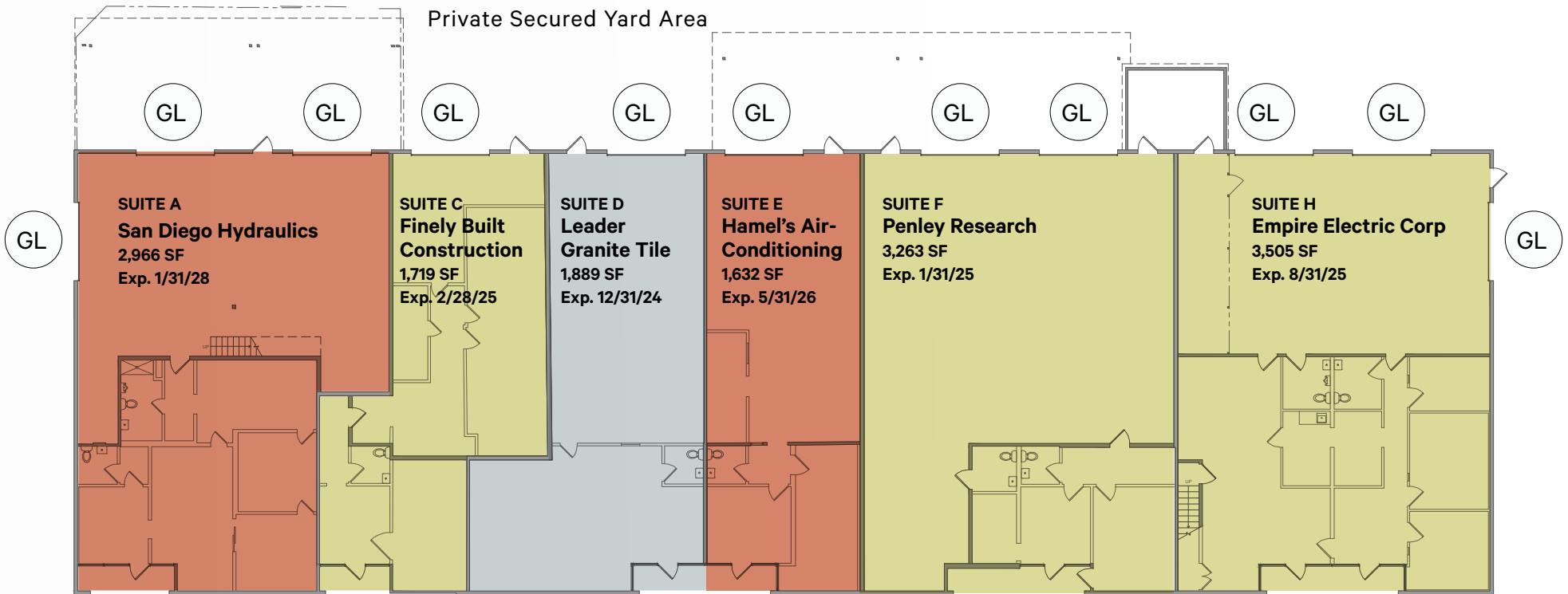
Map not to scale.



67

67

FLOOR PLAN



GL GRADE LEVEL DOOR

No Renewal Option Exists With Any of The Tenants



SAN DIEGO
HYDRAULICS

C GRANITE
COUNTERTOPS



SAN DIEGO HYDRAULICS
EST. 1971

WE MAKE HOSES
WHILE YOU WAIT
PARTS & SUPPLIES

HOSE SOURCE
AGRICULTURAL & INDUSTRIAL

INDUSTRIAL HOSE

REPAIR & SUPPLY

HYDRAULIC HOSE

NOOD WAIT
HYDRAULIC & INDUSTRIAL

Parts Store Of

MAINTENANCE

SUPPLY

KURIYAMA





FINANCIALS



Leave Vs Own

Unit Size	17,117 SF	Base Purchase Price	\$5,990,950
Address	10149 Channel Road Lakeside, CA 92040	Base Price Per Square Foot	\$350.00

Total Investment	\$5,990,950
Total Investment Per Square Foot	\$350.00

GLOBAL ASSUMPTIONS

Analysis Period	10 Years	Combined Federal and State Tax Rate [1]	45.38%
Operating Expense Growth Rate	3.00%	Effective Blended Capital Gains Rate [2]	37.12%

LEASE ALTERNATIVE	OWN ALTERNATIVE
-------------------	-----------------

Lease Assumptions		Loan Assumptions (SBA Financing)	
Size of Leased Premises	11,105 SF	Loan Amount	90.00% LTV \$5,391,855
Monthly NNN Rent	\$1.55 PSF	Interest Rate	6.50%
Annual Rent Increases	3.00%	Amortization Period	25 Years
Monthly NNN Charges	\$0.42 PSF	Loan Fees/Costs	1.00% \$53,919
Equity Available for Investment	\$653,014	Total Equity Investment (Down Pymt & Fees)	\$653,014
After-Tax Equity Investment Rate	3.00%	Monthly Operating Expenses	\$0.64 PSF
		Annual Growth / Appreciation of Property	2.00%
		Third Party Tenant Revenue	
		Size of 3rd Party Tenant	6,012 SF
		3rd Party Monthly NNN Rent	\$1.09
		Annual Rent Increases	3.00%
		Lease Expires	Tenants expire on 1/31/28 & 5/31/26
		Analysis assumes Tenants continue in place at same increases and with no Tenant Improvement or Leasing Commissions.	
		Depreciable Basis (Non Land Portion)	70% \$4,193,665
		Average Depreciation Years [3]	22 Years

LEASE			OWN		
Monthly Year 1	Per SF	Monthly	Monthly Year 1	Per SF	Monthly
1st Year Monthly Rent	(\$1.55)	(\$17,213)	1st Year Loan Payments	(\$2.13)	(\$36,406)
1st Year Monthly NNN Charges	(\$0.42)	(\$4,611)	1st Year Operating Expenses	(\$0.64)	(\$10,955)
Tax Savings on Rent Expense	\$0.70	\$7,811	Tax Savings on Operating Expenses	\$0.29	\$4,971
Tax Savings on NNN Charges	\$0.19	\$2,092	Revenue from 3rd Party Tenant	\$0.61	\$10,422
After-Tax Investment Income	\$0.15	\$1,633	Tax Savings from 3rd Party Tenant	(\$0.28)	(\$4,729)
			Tax Savings on Interest Expense	\$0.77	\$13,154
			Tax Savings on Depreciation	\$0.51	\$8,671
			Building Appreciation	\$0.58	\$9,985
Monthly Year 1 After-Tax Costs	(\$0.93)	(\$10,288)	Monthly Year 1 After-Tax Costs	(\$0.29)	(\$4,887)

Savings as Owner in Monthly After-Tax Costs Year 1 **\$5,401**

10-Year Total		10-Year Total	
	Total		Total
Total Rent (Effective \$1.78 Over 10 Yrs)	(\$2,367,899)	Total Loan Payments	(\$4,422,661)
Total NNN Charges (Effective \$0.48 Over 10 Yrs)	(\$634,311)	Total Operating Expenses	(\$1,507,025)
Tax Savings on Rent Expenses	\$1,074,529	Tax Savings on Operating Expenses	\$683,873
Tax Savings on NNN Charges	\$287,844	Revenue from 3rd Party Tenant	\$1,433,730
After-Tax Investment Income	\$224,582	Tax Savings from 3rd Party Tenant	(\$650,612)
		Tax Savings on Interest Expense	\$1,456,714
		Tax Savings on Depreciation	\$859,614
		Building Appreciation	\$1,311,985
		Principal Paydown	\$1,212,555
		Capital Gains Tax	(\$1,190,082)
Total After-Tax Cash Flow	(\$1,415,255)	Total After-Tax Cash Flow	(\$811,911)

Savings as Owner in Total After-Tax Cash Flows **\$603,344**

WHY LEASE WHEN IT'S CHEAPER TO OWN?



Ownership Occupancy Costs
\$0.31 psf

[1] Tax Rate calculated using 37.00% Federal and 13.30% State Ordinary Income Tax Rate.

[2] Rate includes cost segregated depreciation. Assumes 67.00% of asset treated as real property, capital gains on appreciation at 20.00%, depreciation recapture at 25.00%, and a blended ordinary income tax rate based on the federal and respective state tax rates.

[3] Depreciation assumes Cost Segregation Study with break down of Improvements into 4 different asset classes with mid-year convention: 18.00% for a 5 Yr asset, 2.00% for a 7 Yr asset, 13.00% for a 15 Yr asset, 67.00% for a 39 Yr asset resulting in roughly 22 years of depreciation during hold period.

Savings as Owner in Monthly After-Tax Costs Year 1
\$5,401

Savings as Owner in Total After-Tax Cash Flows
\$603,344




RENT ROLL

TENANT NAME	UNIT	SF FT*	MONTHLY RENT	MISC CHARGES	TOTAL MONTHLY RENT	SECURITY DEPOSIT	LEASE END
San Diego Hydraulics	A	2,966	\$4,164	\$1,762	\$5,926	\$4,684	1/31/28
Finely Built Construction	C	1,719	\$2,593	\$757	\$3,350	\$6,482	2/28/25
Leader Granite Tile	D	1,889	\$2,800	\$807	\$3,607	\$1,000	12/31/24
Hamel's Air Conditioning	E	1,632	\$2,410	\$697	\$3,107	\$2,506	5/31/26
Penley Research	F	3,263	\$4,705	\$1,470	\$6,175	\$3,289	1/31/25
Empire Electric Corp	H	3,505	\$4,368	\$1,077	\$5,445	\$4,117	8/31/25
TOTAL		14,974	\$21,040	\$6,572	\$27,613	\$22,079	




*Owner has not increased the square footages on the leases to the new BOMA measurement.

Financial Information Disclaimer: You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

East County Sale Comparables

1	8227-8229 Commercial St	SOLD
	<p>La Mesa, CA 91942</p> <p>Sale Date Nov 1, 2022 Sale Price \$2,365,000 Price/SF \$494.46 Parcels 494-010-15 Comp ID 6206347 Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 1 Star Industrial Service RBA 4,783 SF Land Acres 0.19 AC Land SF 8,243 SF Zoning M</p> 
2	3545 Harris St	SOLD
	<p>Lemon Grove, CA 91945</p> <p>Sale Date Jan 12, 2023 Sale Price \$375,726 Price/SF \$469.65 Parcels 479-052-18 Comp ID 6282987 Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 2 Star Industrial Service Year Built 1932 RBA 800 SF Land Acres 0.26 AC Land SF 11,435 SF Zoning HC Sale Condition Sale Leaseback</p> 
3	3553 Harris St	SOLD
	<p>Lemon Grove, CA 91945</p> <p>Sale Date Jan 12, 2023 Sale Price \$924,274 Price/SF \$469.65 Parcels 479-052-17 Comp ID 6282987 Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 2 Star Industrial Service Year Built 1944 RBA 1,968 SF Land Acres 0.23 AC Land SF 9,914 SF Zoning HC Sale Condition Sale Leaseback</p> 

East County Sale Comparables

4	1506 Pioneer Way	SOLD
<p>El Cajon, CA 92020</p> <p>Sale Date Oct 31, 2023</p> <p>Sale Price \$1,160,000</p> <p>Price/SF \$389.26</p> <p>Parcels 483-021-09</p> <p>Comp ID 6557403</p> <p>Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 1 Star Industrial Warehouse</p> <p>Year Built 1998</p> <p>RBA 2,980 SF</p> <p>Land Acres 0.48 AC</p> <p>Land SF 20,851 SF</p> <p>Zoning M</p>	
5	1330 Magnolia Ave	SOLD
<p>El Cajon, CA 92020</p> <p>Sale Date Feb 1, 2024</p> <p>Sale Price \$1,404,825</p> <p>Price/SF \$363.09</p> <p>Parcels 483-022-36</p> <p>Comp ID 6649837</p> <p>Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 1 Star Industrial Service</p> <p>Year Built 1970</p> <p>RBA 3,742 SF</p> <p>Land Acres 2.50 AC</p> <p>Land SF 108,900 SF</p> <p>Zoning M-54</p>	
6	8383 Center Dr	SOLD
<p>La Mesa, CA 91942</p> <p>Sale Date Jun 6, 2024</p> <p>Sale Price \$1,790,000</p> <p>Price/SF \$373.31</p> <p>Parcels 490-622-20</p> <p>Comp ID 6755748</p> <p>Comp Status Research Complete</p>	<p>San Diego</p> <p>Type 1 Star Industrial Manufacturing</p> <p>Year Built 1973</p> <p>RBA 4,795 SF</p> <p>Land Acres 1.00 AC</p> <p>Land SF 43,560 SF</p> <p>Zoning C</p>	

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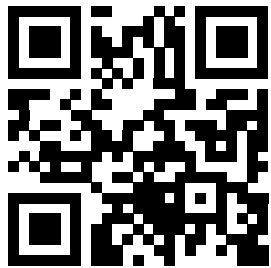
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10149

CHANNEL ROAD



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