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Office Investment Property and/or Owner/User Opportunity  
Offering Memorandum

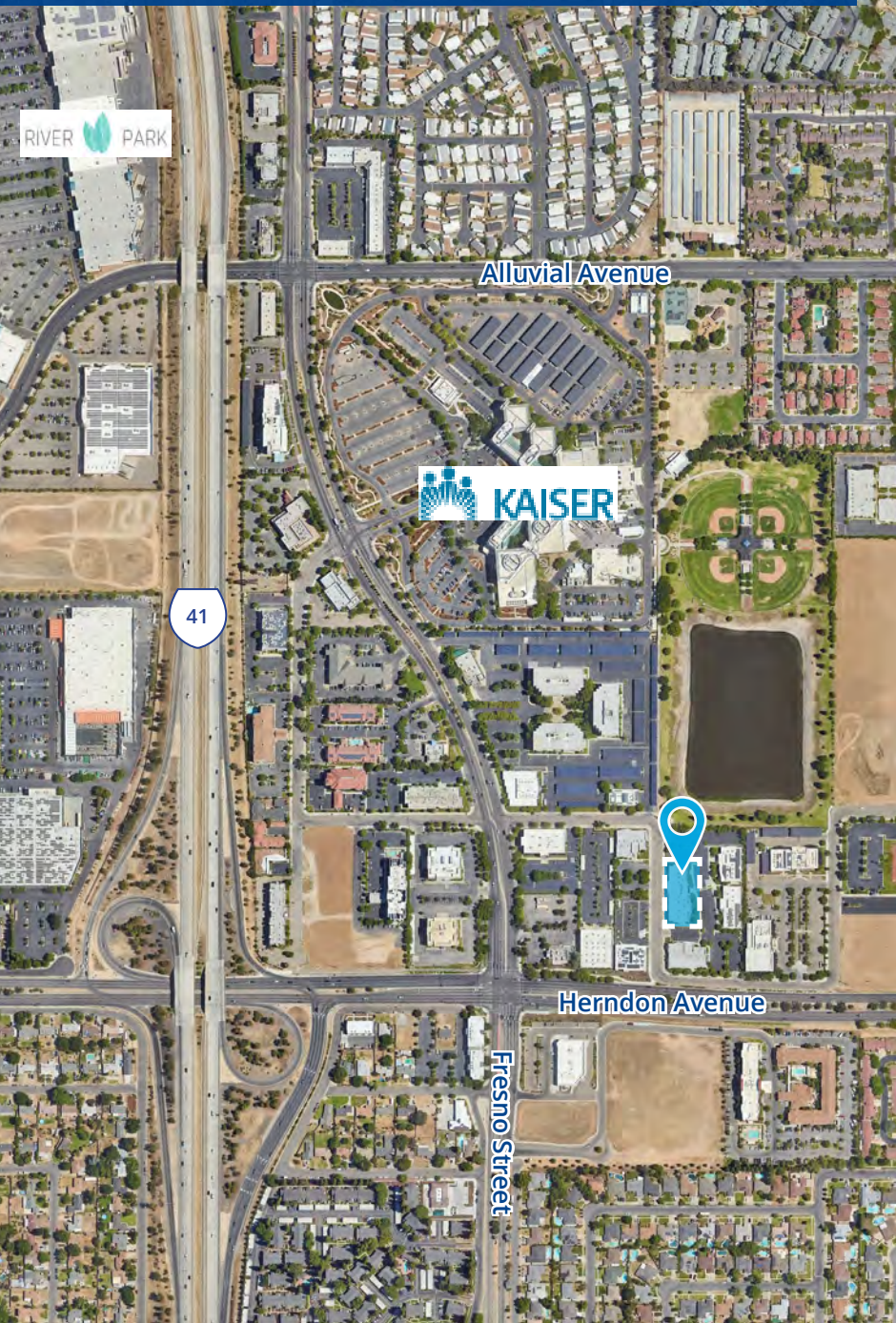
## Owner/User Opportunity

### 530 E. Herndon Avenue Fresno, California

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# Property Highlights



## Property Summary

Colliers | Fresno is proud to present this professional ±13,052 square foot office building conveniently located at 530 E. Herndon Avenue in north Fresno, California.

Additionally, there is abundant on-site plus on-street parking with excellent ingress/egress access points and is zoned O (Administrative Professional Office Uses).

- Convenient Freeway 41 access, abundant parking
- Well maintained building and complex
- Refurbished/upgraded restrooms
- Building exterior and interiors upgraded
- The building interiors have been well maintained



This desirable office investment property and/or owner/user opportunity offers convenient access to all amenities in the North Fresno markets, including:

- Surrounding retail amenities, banking, restaurants and retail services
- Easy access to Freeway 41, providing an ideal location for utmost access to all of Fresno and Clovis.

# Property Specifics

## Civic Address

530 E. Herndon Avenue  
Fresno, California

## Parcel & Lot Area

1.15 acres (50,094 SF)

## APN

303-201-34

## Building Square Feet

±13,262 Gross SF | ±13,052 RSF

## Submarket

Northeast Fresno Submarket

## Year Built

2006

## Current Zoning

Formerly Commercial Professional Office Uses (CP); Currently Professional Office Use (O)

## Asking Price

\$4,195,000

## Cap Rate

4.8% (71% Occupancy)  
6.74% (100% Occupancy)

## Net Operating Income

\$200,978.40 (71% Occupancy)  
\$282,583.00 (100% Occupancy)

## Occupancy

Currently 71% leased with one vacancy



## Key Highlights

- Single-story building in northeast Fresno
- Good North Fresno location with nearby access to Freeway 41
- Excellent access, abundant parking
- In close proximity to numerous amenities including restaurants, shopping and banking



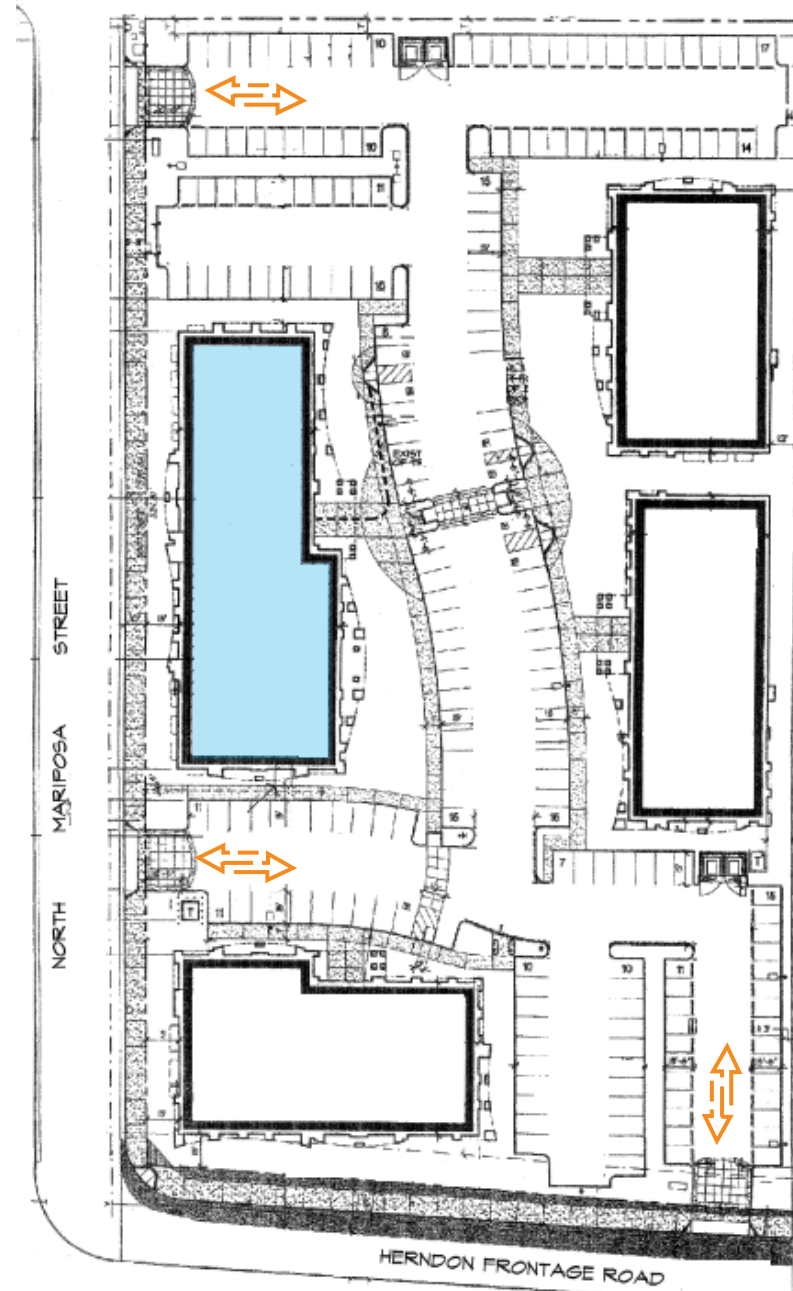
# Site Plan

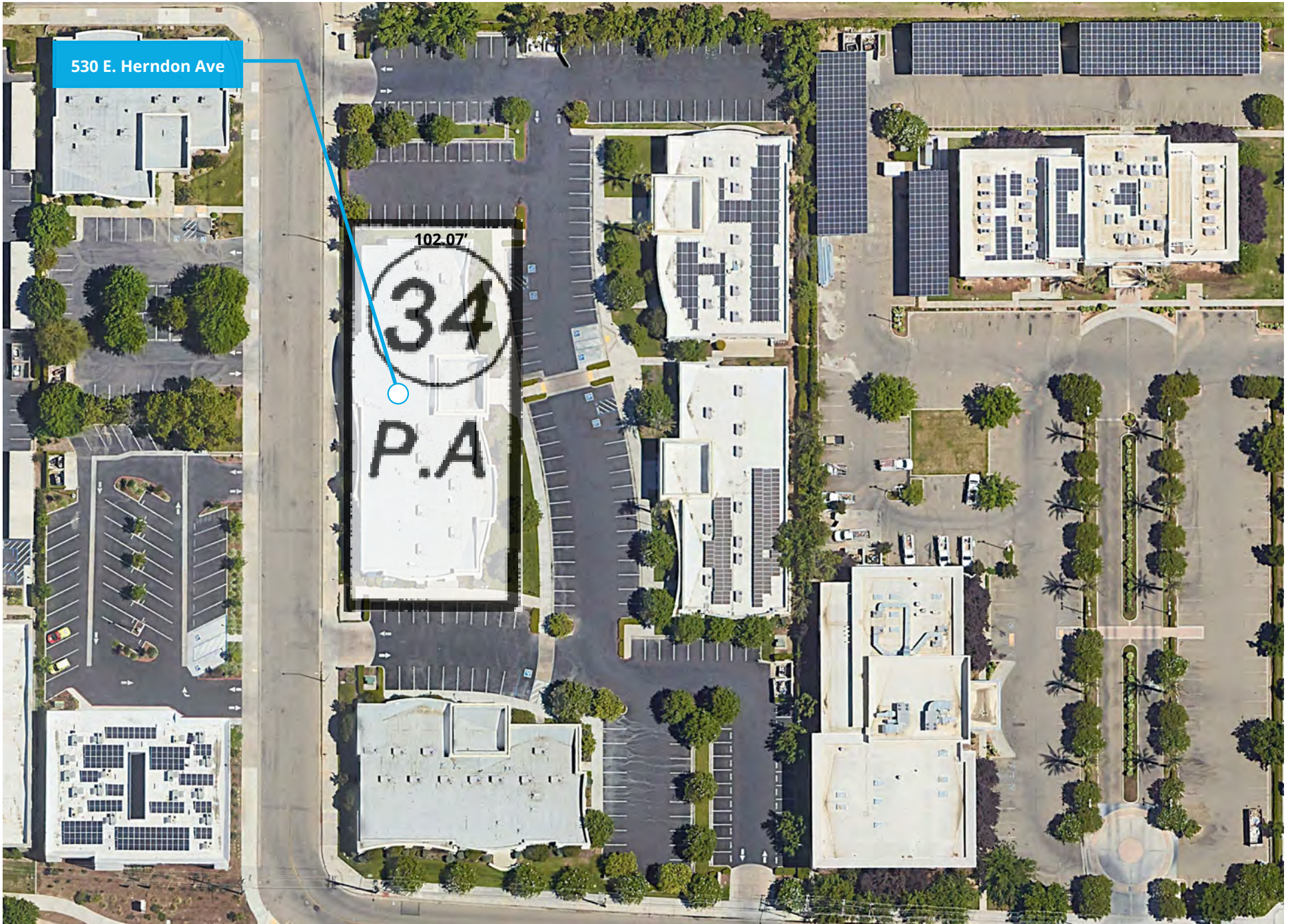
## 530 E. Herndon Avenue

- Abundant parking
- Excellent Access
- Adjacent to Freeway 41/Herndon Avenue interchange

Total Square Feet

±13,052 SF





# Pricing & Financial Summary

<b>Property</b>	Single Story Office Building
<b>Property Address</b>	530 E. Herndon Avenue
<b>Property Size</b>	± 13,052 RSF
<b>Offering Price</b>	\$4,195,000
<b>Price Per RBA Square Foot</b>	\$321 PSF
<b>Projected Proforma NOI</b>	\$282,583
<b>Construction Year</b>	2006
<b>Lot Size</b>	±1.15 Acres
<b>No. of Parking Spaces</b>	199 within the entire complex

## Annual Operating Expenses Paid by Building Tenants (2023)

<b>Property Taxes</b>	\$35,615.00
<b>Insurance</b>	\$5,825.00
<b>Building Maintenance &amp; Repair</b> (Security & Safety, Roof, HVAC, Lighting, Plumbing)	\$3,600.00
<b>Owner Association Dues</b> (Covers S & S, PIS, CAm, Parking Lot Sweeping, Common Area Maintenance)	\$29,562.00
<b>Janitorial</b>	\$3,000.00
<b>Utilities (Water/Sewer/Trash Removal)</b>	\$780.00
<b>Pest Control</b>	\$900.00
<b>Business License Tax/Fire Alarm Monitor/Phone</b>	\$1,350.00
<b>Property Management</b>	\$11,850.00
<b>Projected Annual Operating Expenses</b>	\$92,482.00

## Proforma Analysis

100% Occupied

<b>Annual Gross Income</b>	\$282,583.00*
<b>Total Building Expenses</b>	By Tenants
<b>Net Operating Income</b>	\$282,583.00
<b>Offering Price</b>	<b>\$4,195,000</b>
<b>Price Per RBA Square Foot</b>	<b>\$321 PSF</b>
<b>CAP Rate</b>	<b>6.74%</b>

\*Suite 102 annual rent at \$1.80 PSF, NNN included (\$81,604.80)



## Tenant Roster

Tenant	Suite	SF	Annual Rent
California's Valued Trust	101	3,560	\$76,896.00
Vacant	102	3,778	\$0.00
VST Engineering, Inc.	103	775	\$17,400.00
Fred J. Krueger, MD	104	1,937	\$41,839.20
Aces Medical Group	105	3,002	\$64,843.20
<b>Total Annual Rent</b>			<b>\$200,978.40</b>

# Market Knowledge

Offering Memorandum  
530 E. Herndon Avenue





# Fresno Office Submarket Snapshot Table (April 2024)

Market	Asset Value	Vacancy %	Net Absorpt.	Under Const.	Inventory	Market Rent	12 Mo. Sales Vol.
North Fresno Submarket	\$498M	7.7%	(26.6K)	10K	2.8M	\$22.40	\$7.5M
Southeast Fresno Submarket	\$206M	48.7%	(5.2K)	0	1.1M	\$21.24	\$675K
Palm Bluffs Submarket	\$442M	7.0%	4.4K	0	2.1M	\$25.41	\$2.3M
Airport Submarket	\$272M	4.9%	92.2K	17.4K	2M	\$18.79	\$13.3M
Woodward Submarket	\$939M	6.2%	50.9K	0	4.2M	\$27.16	\$20.7M
Shaw Submarket	\$661M	8.2%	41.4K	0	4.5M	\$20.87	\$6.5M
Downtown Fresno Submarket	\$1.1B	6.3%	417	0	6.3M	\$23.30	\$6.8M
E Outlying Fresno County	\$194M	1.1%	49.8K	43K	1M	\$22.72	\$2.6M
Clovis Submarket	\$289M	1.3%	50.8K	40.1K	1.6M	\$22.97	\$7.2M
Midtown Submarket	\$255M	6.5%	(41.6K)	0	2.2M	\$17.97	\$2.7M
W Outlying Fresno County	\$53.7M	3.0%	12.2K	0	427K	\$20.09	\$0
Fowler/Selma Submarket	\$48.1M	1.8%	(1.5K)	0	339K	\$20.39	\$0
West Fresno	\$33M	0%	0	0	276K	\$20.10	\$4.7M

Market Data as reported by: CoStar



# Fresno Office Market Summary

## Fresno Office Investment Sales Summary

Sales volume has slowed every quarter since 2022, a trend that continues through 2023. Over the past 12 months, totals reached \$75.6 million, well below the five-year average \$115 million. This figure is primarily the result of a large number of smaller sales, as only three properties have exceeded \$5 million in total consideration.

That said, medical buildings and user sales are selling at a premium relative to investment deals. The largest transaction was to a 4 Star, 39,000-SF medical building at 7055 N. Fresno sold in June for \$13.9 million (\$360/SF) to locally based Fresno Supreme. The property was 100% leased at the time of sale to several medical users, the largest of which was Central California Endoscopy Center. This marks the largest office sale recorded in the Fresno market for the year.

## Fresno Office Market Summary

Fresno is the Central Valley's largest office market with more than double the inventory of Bakersfield. The location is well served for government locations to service areas from Stockton to Bakersfield as both the state and federal governments are some of the largest occupiers in the market. But there are a number of large private sector occupiers in the area. Specifically, AT&T, and Aetna Life Insurance both occupy 100,000 SF or more.

With that said, demand from out of market

tenants is relatively rare and the vacancy rate of 7.7% has fallen slightly over the past year.

Rents are still rising, albeit slowly, up 2.8% over the last year. Rents have been stable throughout many of the Central Valley office markets whose lack of large, private sector occupiers has helped shield the market from the effects of the pandemic thus far.

The healthcare industry has been a primary source for employment growth and driving demand for the sale of leased medical office investments. High-value trades are rare in

the metro, but sales volume has started to fall, with fewer small properties trading over the year. Overall, Fresno fundamentals are running steady. The vacancy rate has been stable. Net absorption is still positive, but not moving significantly. Sales are holding, and rent growth is flat. Lack of new development over the past cycle has helped to keep the market healthy and well positioned throughout the ongoing crisis.

## North Fresno Submarket

The North Fresno Office Submarket has a vacancy rate of 7.7, which is 0.9% lower than it was in the past year.

There was 27,000 SF of negative absorption and no net deliveries. Rents increased by 2.0% over the past 12 months.

Vacancy is 12.7% in 4 & 5 Star buildings, and there has been 1,500 SF of negative absorption in this asset class over the past year. In 3 Star buildings, 7.7% of space is vacant, and 3,800 SF has been absorbed over the past year. Around 7.6% of 1 & 2 Star space is vacant, and there has been 29,000 SF of negative absorption over the past year

## Quick Stats

Market	Market
Market Rent/SF	\$22.59
Vacancy Rate	7.7%
Vacant SF	2.2M
Availability Rate	8.4%
Available SF	2.4M
Existing Buildings	2,311
Inventory SF	28.9M
Average Building SF	12.5K
Under Constr. SF	111K
12 Mo Delivered SF	48.3K
12 Mo Transactions	56
Market Sale Price/SF	\$172
Avg. Mkt. Sale Price	\$2.2M
Mo Sales Volume	\$74.9M
Market Cap Rate	9.7%

## Vacancy/Net Absorption



Of the 11 sales in the past year, none were of 4 & 5 Star buildings, 4 were of 3 Star buildings, and 7 were of 1 & 2 Star buildings.

Current vacancy is higher than its trailing three-year average of 7.6%. However, this figure is lower than the 7.9% trailing three-year average of the Fresno market as a whole. The submarket is the same size as it was three years ago as nothing has been built or demolished in this period. Rents have increased by 10.5% over the past three years, higher than the Fresno market average of 9.7%.

# Local Overview

Offering Memorandum  
530 E. Herndon Avenue





# Local Economy

Like virtually all of the Central Valley, agriculture drives the local economy. Fresno County's agricultural industry contributes around \$8.1 billion annually to the California economy and supports roughly 20% of all local jobs; the metro is one of the top-producing agricultural regions in the nation.

Fresno County is experiencing robust growth from the billions of investments dollars brought by the nation's first high-speed rail project to the revitalization of downtown Fresno's Fulton District. The County's cost-competitive real estate and diverse population makes it the perfect location for any retail brand to grow.

Trade, transportation, and utilities and private education and health services registered employment gains, 400 jobs each, in the last year. Since the end of the pandemic, Leisure and hospitality jobs have expanded employment wby 2,400 jobs compared to last December. Employment in leisure and hospitality continues to grow since falling 25% below the Feb. 2020 peak.

A boost for the local economy appears to be on the horizon for the health services industry, with Kaiser Permanente building a new four-story, 146,000 square foot medical office building in North Fresno. Opening in 2025, the complex will offer 138 high-tech exam rooms and will be served by 116 providers, opening the door to new

employment opportunity.

Also adding to the economy, Costco Wholesale corporation has proposed a new facility in Fresno totaling 241,000 square feet, making it the largest Costco in the world.

Compared to its Central Valley counterparts, Fresno has the lead when it comes to downtown revitalization. A \$16 million federal grant to reconstruct the withering Fulton Mall Corridor jump-started development downtown. Once known as downtown's Main Street, two-way traffic roadways and bike paths have replaced the pedestrian mall while preserving many historical features. The project has improved downtown's accessibility, aesthetics, and commercial viability for current and prospective businesses. Chukchansi Park, home to the Fresno Grizzlies minor league baseball team, is located steps away from Fulton Mall. Part of the revitalization has been the addition of more than 600 apartments with the goal to grow the neighborhood from 3,000 to 10,000 residents. Over the next three years the city is set to receive over \$43 million in state grants to build downtown infrastructure for housing.

## NAICS by Industry

Industry	Current Jobs	Current Growth	5 Year Forecast
<b>Manufacturing</b>	27K	-0.04%	-0.05%
<b>Trade, Transport and Utilities</b>	77K	-0.04%	1.1%
<b>Retail Trade</b>	40K	1.80%	0.10%
<b>Financial Activities</b>	14K	1.50%	0.08%
<b>Government</b>	78K	3.40%	0.91%
<b>Resources, Mining and Construction</b>	23K	1.30%	0.40%
<b>Education and Health Services</b>	83K	.70%	2.1%
<b>Professional and Business Services</b>	36K	1.10%	5.2%
<b>Information</b>	3K	3.00%	0.08%
<b>Leisure and Hospitality</b>	39K	5.40%	4.00%
<b>Other Services</b>	13K	3.00%	0.43%
<b>TOTAL EMPLOYMENT</b>	433K		

# Local Business & Retail



- Total Wine
- DSW
- Ulta
- Nordstrom Rack
- Kirkland's
- HomeGoods
- Barnes & Noble
- Pismo's
- Lazy Dog
- Crumb Cookies



- Macy's
- REI
- PF Chang's
- Target
- Best Buy
- Dick's
- Petsmart
- Ashley Furn.
- Old Navy
- Michaels
- Starbucks
- Regal Cinema
- Yard House
- H & M
- Panera Bread
- Carl's Jr.
- Rubio's
- Cost Plus
- The Loft
- Me & Ed's
- Five Guys



- Lowe's
- Sam's Club
- Red Robin
- Gamestop
- BevMo
- Panda Express
- Famous Dave's
- Work World
- Nick the Greek
- Rogers Jewelry
- Supercuts
- Chicken Shack
- Verizon
- Curry House



Alluvial Ave



Subject Property

Costco  
Home Depot

Herndon Ave

Blackstone Ave

Fresno St

First St



# Confidentiality & Disclaimer Agreement



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530 E. Herndon Avenue | Fresno, CA

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Owner/User Opportunity | Office Investment Property  
Offering Memorandum

# Owner User Opportunity

## 530 E. Herndon Avenue Fresno, California



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