

PRICE ADJUSTMENT



Offering Memorandum - For Sale

890 S MAGNOLIA AVE., ONTARIO, CA 91762



DON HINTON
ENGEL & VÖLKERS LA CAÑADA
1030 Foothill Blvd | La Cañada | CA 91011
+1 (818) 421-9071 | DRE#00575959
don.hinton@evrealestate.com

ENGEL & VÖLKERS®

Confidentiality Agreement

ENGEL & VÖLKERS®

This Offering Memorandum contains select information pertaining to the business and affairs of 890 S Magnolia Ave., Ontario, CA 91762. This Memorandum was prepared based on information supplied by Seller and Broker. It contains selected information about the Property and the real estate market, but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other Confidential Information) are for general reference only. The projections are based on assumptions relating to the general economy and local competition, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or legal analysis of such documents.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Engel & Völkers La Cañada. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Seller, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. While the information contained in the Memorandum and any other Confidential Information is believed to be reliable, neither Broker nor Seller guarantees its accuracy or completeness. Due to the foregoing and since the Property will be sold on an "As Is, Where Is" basis, a prospective purchaser must make its own independent investigations, projections, and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Confidential Information. Although additional Confidential Information which may include engineering, environmental or other reports may be provided to qualified parties as marketing proceeds, prospective purchasers should seek advice from their own attorneys, accountants, engineers, environmental and other experts.

By acknowledging your receipt of this Offering Memorandum from Engel & Völkers La Cañada, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this

Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller, and Engel & Völkers La Cañada expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered. A prospective purchaser's sole and exclusive rights with respect to this expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Engel & Völkers La Cañada or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum. Engel & Völkers La Cañada has a policy of proactive broker cooperation with the investment brokerage community. If applicable, a cooperating broker fee of the sales price shall be paid at closing to cooperating broker that procures and represents the buyer that acquires this property.

If applicable, cooperation does not include brokers that represent themselves as Principals or broker's whose member of his immediate family is participating in the purchase of the property. No broker will be recognized on a prospect that has previously contacted or been contacted by the Seller or the Seller's representatives.

Table of Contents



3	Executive Summary
5	Maps, Aerials, Plans
7	Comparables
9	Financial Overview
12	Market Overview
16	About Us



Property Overview

Development opportunity with approved plans to build a 49 unit 5 story apartment building with 108 parking spaces. The gross building area is 101,687 SF, the net rentable area is 50,280 SF and the lot size is 69,000 SF. Unit breakdown: 12-1 Bedroom units and 37-2 bedroom units. Excellent Ontario location adjacent to a 75 unit apartment building located at 840 S Magnolia that was built in 2019 and is stabilized at rents similar to the projected rents for this project.

Price of the land per unit is \$85,714 and price of the land per SF of land is \$61 and compares favorably with RTI land sale Comps.

The completed projects stabilized value is estimated to be \$26,500,000 which is \$540,816 per unit and \$527 per SF of NRA. The asking price for the land is \$4,200,000, roughly 16% of the stabilized value, providing excellent upside to the Buyer/Developer.

The property is currently improved with a single family residence that is rented to a tenant. However, the property is being marketed as land for development of a fully entitled 49 unit apartment building which will require demolition of the existing residence. The property will be delivered vacant at the Close of Escrow with permits Ready To Issue. Buyer is responsible for demolition of the existing SFR after closing and the cost of the building permits.

Buyer to cooperate with Seller's exchange at no expense to Buyer. Please submit Letters of Interest for consideration and to initiate negotiations. Do not disturb the tenant. Drive by only until a purchase contract has been negotiated.





890 S Magnolia Ave., Ontario, CA 91762

Property Details

49-Unit Market Rate Apartment Development Opportunity

5 Story Apartment building with ground floor podium and open parking.

Construction type is R2 / VA and S2 / Type I Fire Sprinklered.

Est. Rental Rates: 1 bd from \$2,446/mo. and 2 bd from \$2,518/mo.

Lot Size: 69,000 SF

Gross Building Area: 101,687 SF

Net Building Area: 50,280 SF

Unit mix: 12 one-bedroom units | 37 two-bedroom units

108 parking spaces (53 covered | 55 open)

Elevator

Permits are anticipated to be ready to pull in June 2024

**OFFERING
PRICE**

\$4,200,000

**AVERAGE
RENT/SF**

\$2.68/SF/MO

**# OF
UNITS**

49

ENGEL & VÖLKERS®

©2023 Engel & Völkers. All rights reserved. Each brokerage independently owned and operated. All information provided is deemed reliable but is not guaranteed and should be independently verified.

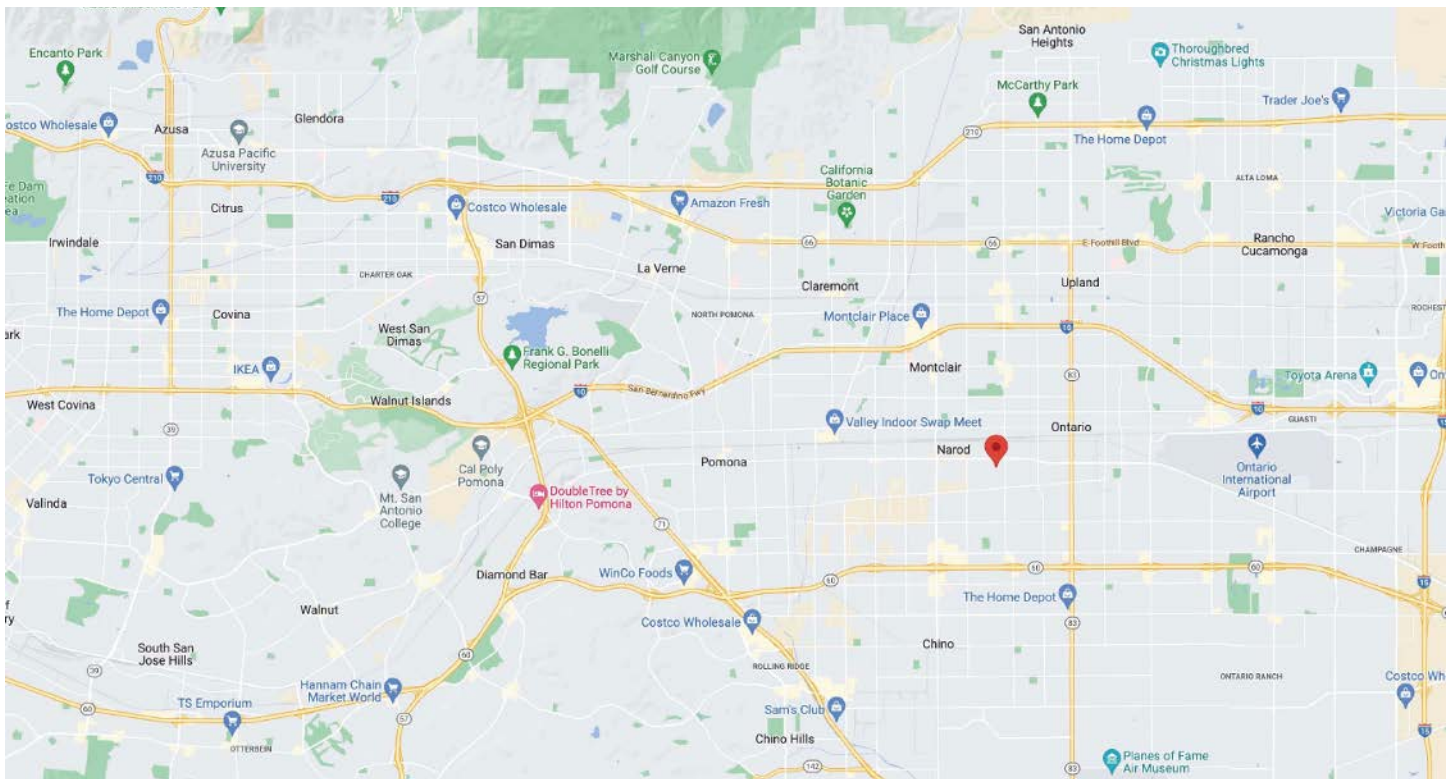
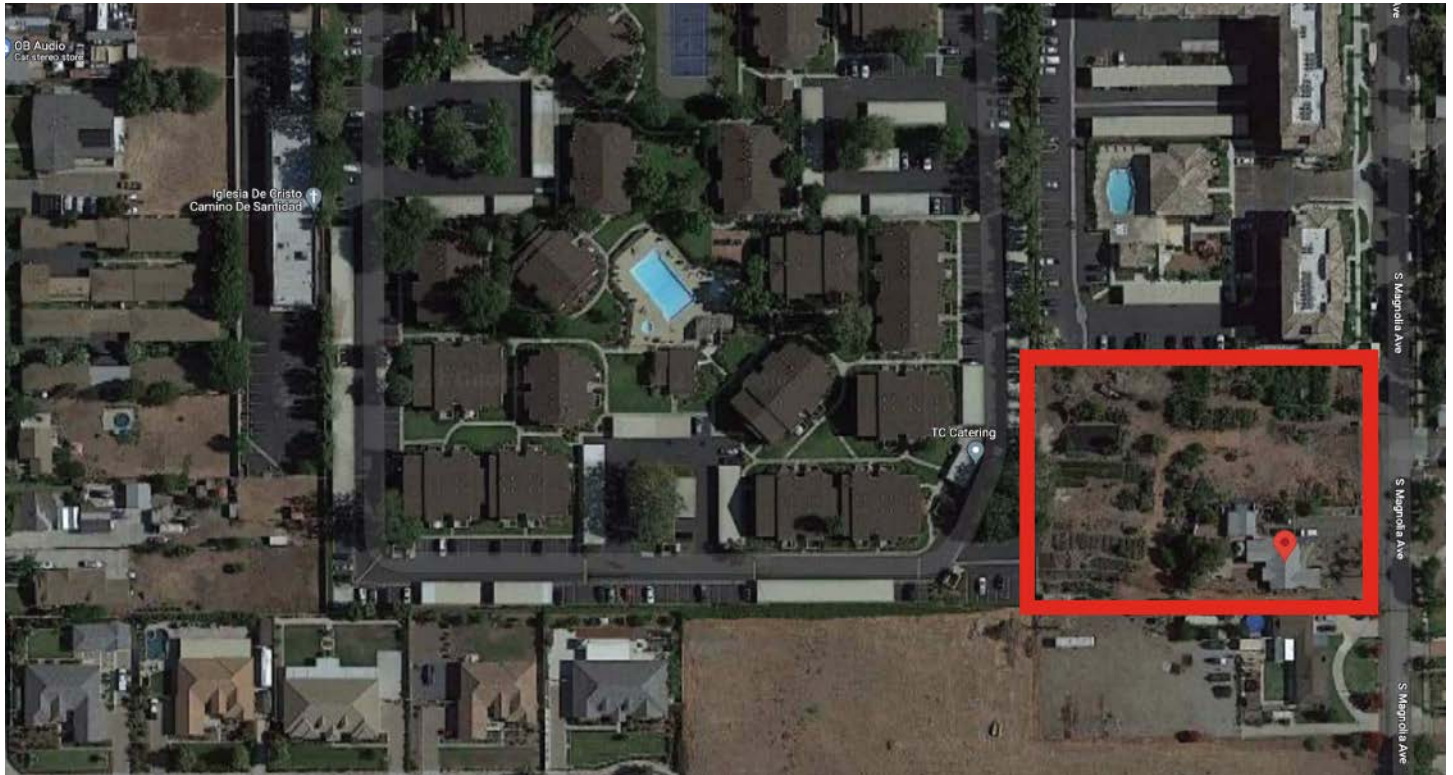


Maps and Aerials

890 S MAGNOLIA AVE., ONTARIO, CA 91762

ENGEL & VÖLKERS[®]

890 S Magnolia Ave., Ontario, CA 91762



ENGEL & VÖLKERS®



Comparables


890 S MAGNOLIA AVE., ONTARIO, CA 91762

ENGEL & VÖLKERS®


©2023 Engel & Völkers. All rights reserved. Each brokerage independently owned and operated. All information provided is deemed reliable but is not guaranteed and should be independently verified.

RENT COMPARABLE PROPERTIES


- 1




3303 Archibald Ave
Ontario, CA 91761
Unit Type: 1 Bed
Rent: \$2,301
SF: 675
Rent/SF: \$3.41
- 2




3303 Archibald Ave
Ontario, CA 91761
Unit Type: 2 Bed
Rent: \$2,745
SF: 1,080
Rent/SF: \$2.54
- 3




2615 Date Palm Paseos
Ontario, CA 91764
Unit Type: 1 Bed
Rent: \$2,329
SF: 691
Rent/SF: \$3.37
- 4



2615 Date Palm Paseos
Ontario, CA 91764
Unit Type: 2 Bed
Rent: \$2,696
SF: 971
Rent/SF: \$2.78
- 5




840 S Magnolia Blvd.
Ontario, CA 91762
Unit Type: 1 Bed
Rent: \$2,100
SF: 676
Rent/SF: \$3.11
- 6




840 S Magnolia Blvd.
Ontario, CA 91762
Unit Type: 2 Bed
Rent: \$2,420
SF: 991
Rent/SF: \$2.44

SALE COMPARABLE RTI PROPERTIES


- 1




549 W Holt Blvd
Ontario, CA 91762
Price: \$6,800,000
Lot SF: 35,085
of Units: 63
Price/SF Lot: \$194
Price/Unit: \$107,937
Status: Active
- 2




1001 E Holt Blvd
Ontario, CA 91761
Price: \$3,890,000
Lot SF: 51,294
of Units: 50
Price/SF Lot: \$76
Price/Unit: \$77,800
Status: Active
- 3



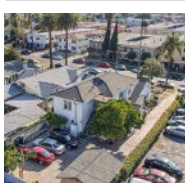
216-220 E Broadway
San Gabriel, CA 91776
Price: \$3,299,000
Lot SF: 20,000
of Units: 10
Price/SF Lot: \$165
Price/Unit: \$329,900
Status: Active
- 4



1719 E 4th St
Ontario, CA 91764
Price: \$3,100,000
Lot SF: 60,894
of Units: 36
Price/SF Lot: \$51
Price/Unit: \$86,111
Status: Sold
- 5



612 N Normandie Ave
Los Angeles, CA 90004
Price: \$4,487,000
Lot SF: 7,505
of Units: 12
Price/SF Lot: \$198
Price/Unit: \$123,917
Status: Sold
- 6



648 N Ardmore Ave
Los Angeles, CA 90004
Price: \$1,100,000
Lot SF: 7,501
of Units: 9
Price/SF Lot: \$92
Price/Unit: \$122,222
Status: Sold



Financial Overview

890 S MAGNOLIA AVE., ONTARIO, CA 91762

ENGEL & VÖLKERS®

©2023 Engel & Völkers. All rights reserved. Each brokerage independently owned and operated. All information provided is deemed reliable but is not guaranteed and should be independently verified.



PROJECTED RENT ROLL

Unit Types	Bed/Bath	Unit SF	Rent/SF	Unit Rent	# of Units	Total SF	Total Rent
Apartment	1 Bed/1 Bath	789	\$3.00	\$2,367	3	2,367	\$7,101
Apartment	1 Bed/ 1.5 Bath	834	\$3.00	\$2,502	9	7,506	\$22,518
Apartment	2 Bed/2 Bath	1,007	\$2.60	\$2,618	6	6,042	\$15,709
Apartment	2 Bed/2 Bath	1,062	\$2.60	\$2,761	18	19,116	\$49,702
Apartment	2 Bed/2 Bath	1,173	\$2.60	\$3,050	13	15,249	\$39,647
TOTAL/AVERAGE:			\$2.68	\$2,749	49	50,280	\$134,677

PRO FORMA OPERATING STATEMENT

Gross Annual Income		\$1,616,126
Vacancy	4%	\$64,645
Effective Gross Revenue		\$1,551,481
Management	5%	\$77,574
Real Estate Taxes	1.2%	\$318,000
Operating Expenses	\$2,000/Unit	\$98,000
Total Expenses		\$493,574
Net Operating Income		\$1,057,907

ESTIMATED COMPLETED VALUE

CAP Rate:	4%
Rounded Value:	\$26,500,000
Value/SF of NRA	\$527
Value/Unit	\$540,816



Market Overview

890 S MAGNOLIA AVE., ONTARIO, CA 91762

ENGEL & VÖLKERS[®]



City Overview

Ontario is a vibrant city located in Southern California, USA. Nestled in the heart of the Inland Empire region, Ontario offers a mix of urban amenities and natural beauty. Known for its strategic location, it serves as a major transportation hub with the Ontario International Airport connecting the city to various domestic and international destinations. Visitors to Ontario can explore a range of attractions, including the Ontario Mills shopping center, which boasts numerous shops and entertainment options. The city also hosts cultural events and festivals throughout the year, celebrating its diverse community. With a rich history, diverse population, and a convenient location within the greater Los Angeles metropolitan area, Ontario, CA, has much to offer both residents and visitors alike.

Quick City Facts

- Population: 185,010
- Elevation: 925 feet
- Area: 50 sq miles
- Location: 35 miles East of Los Angeles
- Zip Codes: 91743, 91761, 91762, 91764
- City Motto: Southern California's Next Urban Center



Transportation

Ontario, California is a prominent transportation hub renowned for its strategic location and well-developed infrastructure. It boasts an extensive highway network, including I-10, I-15, and SR-60, facilitating regional and national connectivity. Home to Ontario International Airport (ONT), the city offers convenient domestic and international air travel. With proximity to Union Pacific and BNSF Railway, Ontario supports efficient freight transport and logistics. Public transportation via Omnitrans and Metrolink connects

residents and visitors to neighboring areas. The city's strategic placement fuels goods movement, housing logistics and distribution centers, while a well-maintained local network promotes alternative transportation. Future development initiatives aim to meet growing demands, potentially including highway expansions, improved public transit, and congestion reduction measures. Overall, Ontario serves as a critical nexus for both passenger and cargo movement in the Southern California region.



Area Attraction

One of Ontario, California's top attractions is the Ontario Mills Mall, a large shopping and entertainment complex offering diverse experiences. With over 200 stores, it's a premier Southern California outlet mall where shoppers can find discounted items from various categories. The mall also features numerous dining options, making it a great spot for a meal or snack while shopping. Entertainment offerings include a movie theater with IMAX screens, an arcade, and

family-friendly attractions. The Rainforest Cafe, with its immersive jungle-themed atmosphere, is a unique dining highlight. Throughout the year, special events and sales add to the mall's appeal, and its convenient location near major highways and the airport ensures accessibility for both locals and tourists. Ontario Mills Mall is a versatile destination catering to shopping, entertainment, and dining needs, making it a favored attraction for individuals and families.



Engel & Völkers offers one of the strongest global referral networks in the industry, with over 11,000 real estate professionals in more than 30 countries, actually working collaboratively to help our clients find their dream home. Drawing on a rich European heritage, the Engel & Völkers brand and iconic signature shops are recognized, respected, and renowned the world over for delivering exceptional listings and bespoke client experiences. With each shop led by experts in their local market, Engel & Völkers delivers specialized, boutique customer care and attention—on a global scale. Whether buying or selling a home, Engel & Völkers ensures an experience of the highest caliber and competence, exclusive expertise, and passion for all that we do, from Miami to Majorca, Boston to Belize, and everywhere in between.



The yachting industry is utterly unique; it revolves around pure luxury and the feelings that come from creating incredible once in a lifetime moments with those closest to you. That's why it needs to be done right, in partnership with true yachting professionals with access to an unrivaled network of partners in real estate and private aviation. Use the power of the Engel & Völkers brand to your advantage when you are buying or selling a luxury yacht in the America: there is no other brokerage company who can offer more exposure or who access to as large a network of potential clients as Engel & Völkers Yachting.



The developments that Engel & Völkers represents around the world vary greatly in scale and scope. Our experience includes residential towers, new home communities, the redesign or re-launch of existing buildings, mixed use lifestyle developments and resort residences. Global recognition and respect for our brand, coupled with the quality of our marketing strategy and the reach of our programs, gives the projects that we represent a distinct advantage. So does the level of local knowledge and international insights that our Development Services teams offer. Through every phase in the process, we provide the level of service that our brand is known for, optimizing the experience for builders, developers and buyers.

ENGEL & VÖLKERS®

©2023 Engel & Völkers. All rights reserved. Each brokerage independently owned and operated. All information provided is deemed reliable but is not guaranteed and should be independently verified.