

551

N. FAIRVIEW  
STREET  
SANTA ANA, CALIFORNIA

OFFERING MEMORANDUM

CUSHMAN &  
WAKEFIELD

551

# N. FAIRVIEW STREET

SANTA ANA, CALIFORNIA

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01  
Property Summary and Overview

# Property Summary and Overview

Cushman & Wakefield of California, Inc., as exclusive advisor, is pleased to offer this Offering Memorandum opportunity to acquire the property located at **551 N Fairview St, Santa Ana, CA** (the "Property"). Situated in close proximity to main thoroughfares and within close proximity to the 22 and 5 freeway. The industrial condo totals  $\pm 4,500$  square feet and is occupied by the owner. 551 N Fairview St is an excellent opportunity for an owner-user or investor.

Orange County is one of the top investment markets in America with the county's industrial market being among the tightest in the country, with demand at an all-time high and vacancy landing at 1.5%. With  $\pm 232$ MSF and an average rental rate of \$1.45/sf/mo reflecting a 35% increase from 2021. Rent Growth is forecasted to be more than 8% within the next 2 years offering significant upside potential.

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## Property Overview



**BUILDING SIZE**  
4,500 SF



**DRIVE-IN**  
1 Door



**CLASS**  
C Warehouse



**LAND SQ FT**  
126,503 SQ FT



**CONSTRUCTION**  
Masonry



**YEAR BUILT**  
1984



**BUILDING HEIGHT**  
18'-20'



**PARKING**  
2.00/1,000 SF

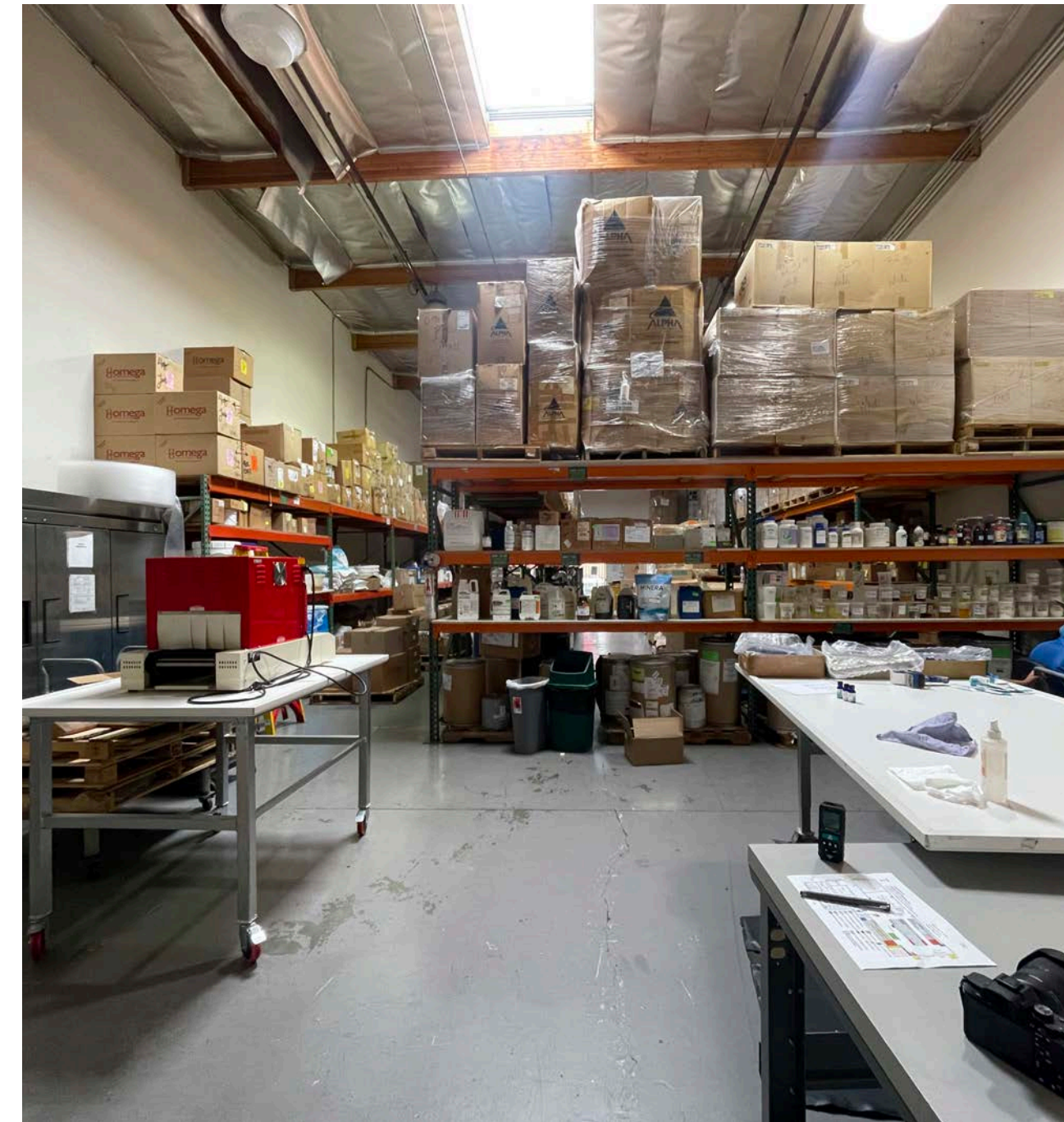
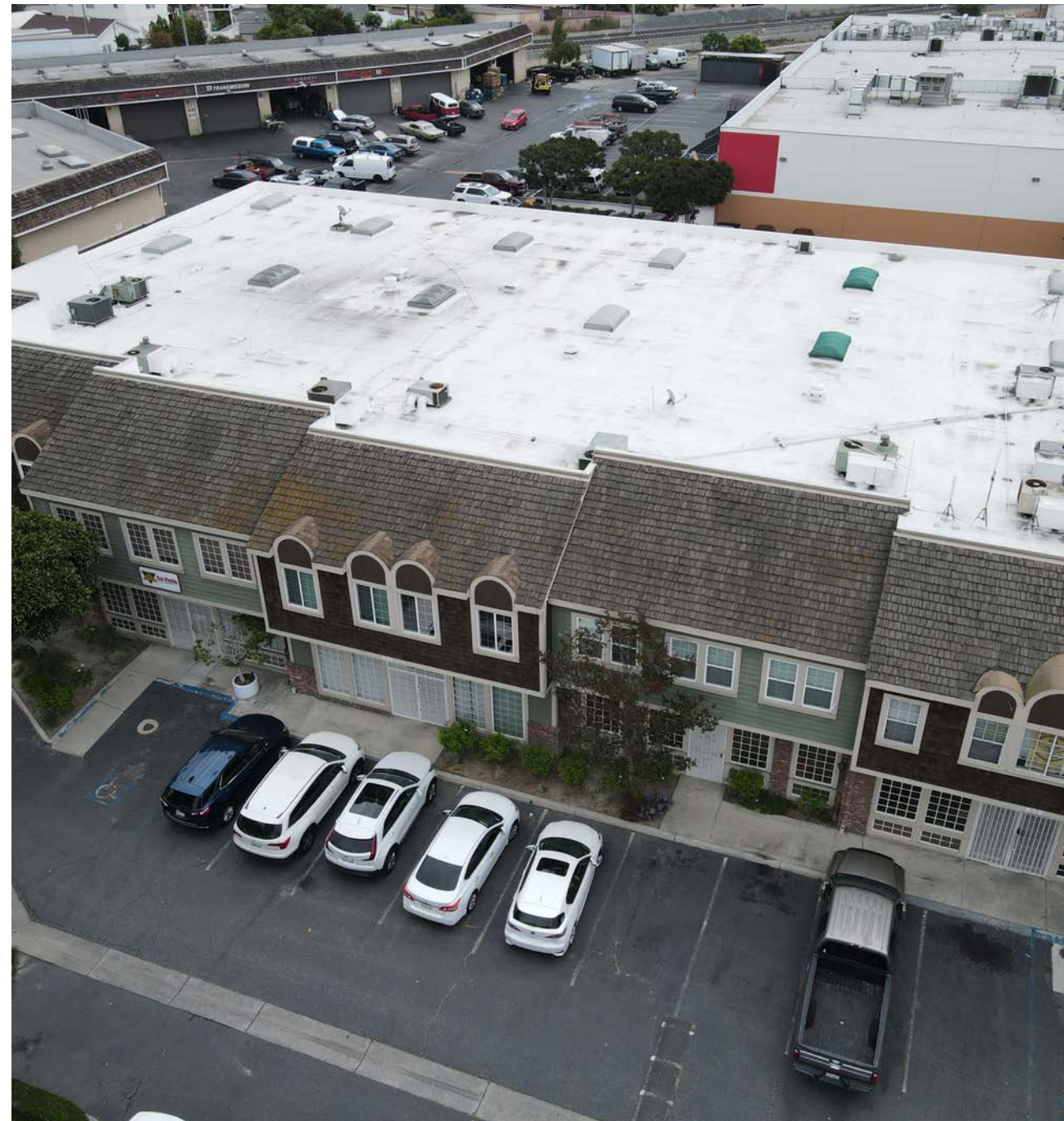
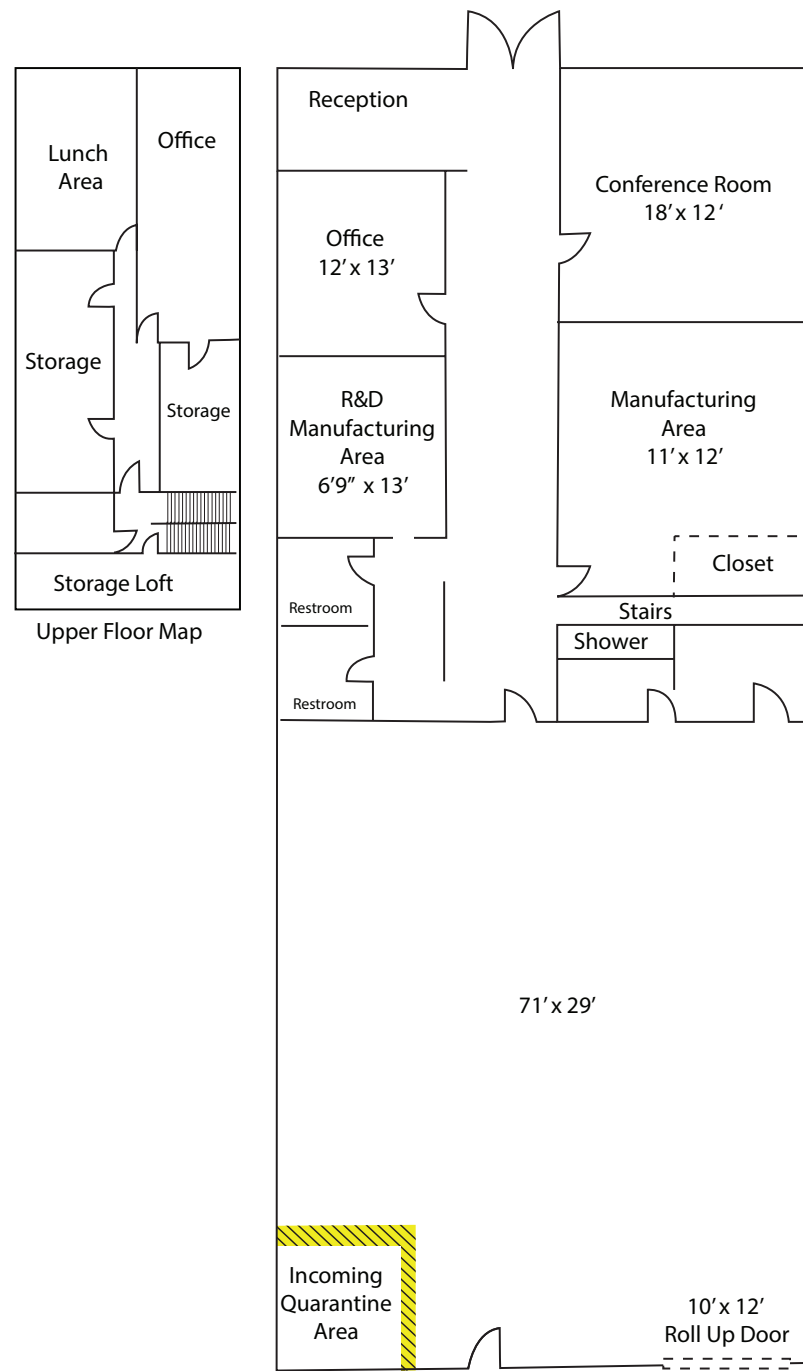
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02  
Building Overview

# Floor Plan

(Not drawn to scale)

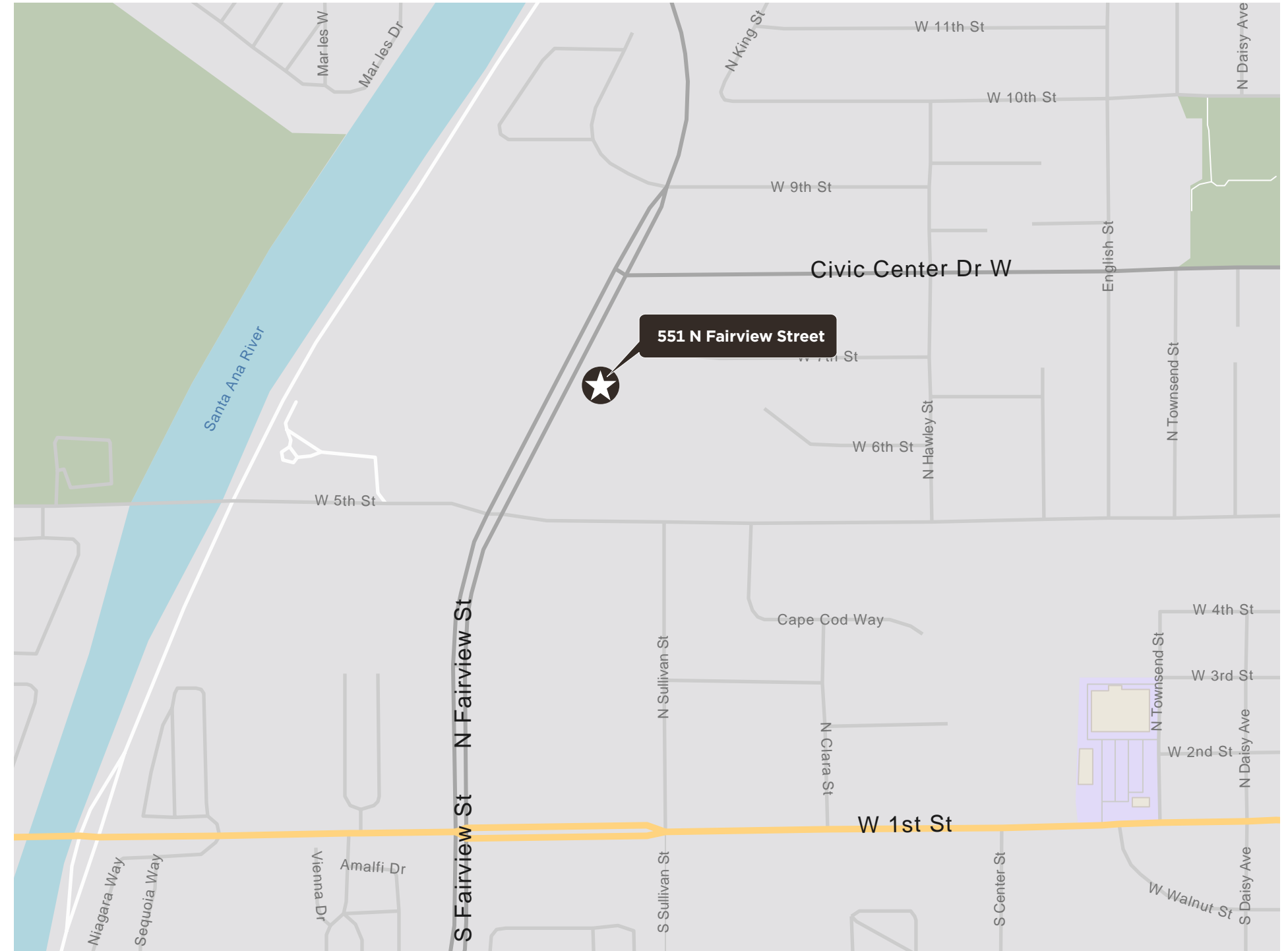


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03  
Area Overview

# Area Overview





# Orange County

Orange County (OC) is a 948-square-mile coastal community centrally located within Southern California and widely celebrated as the "California Riviera." Encompassing 34 incorporated cities, this coastline county is one of the most desirable markets in the country. Orange County offers probusiness communities, a robust and entrepreneurial regional economy, an exceptional labor pool supported by first-class universities, a broad infrastructure network and world-class amenities—all the qualities make it a highly sought after commercial location and a great place to live.

**3.2M**  
POPULATION

**1,499,122**  
COLLEGE-EDUCATED  
POPULATION

**\$133,408**  
AVERAGE HOUSEHOLD  
INCOME

**132,621**  
NUMBER OF EMPLOYERS

**6TH**  
LARGEST COUNTY  
IN U.S.A.

**38.6**  
MEDIAN AGE

**\$60,296**  
ANNUAL HOUSEHOLD  
SPENDING BUDGET

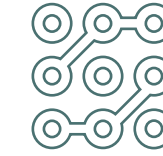
**1,485,700**  
NUMBER OF EMPLOYEES

**2ND**  
HIGHEST DENSITY  
IN CALIFORNIA

**\$926,325**  
AVERAGE PROPERTY VALUE

**\$283.5B**  
GROSS DOMESTIC PRODUCT

## Orange County's Story



**RANKED**  
**15th**  
in tech job  
growth in U.S.



ORANGE COUNTY

**6th**  
most populous  
county in the  
U.S.  
(3.2M People)



Home to 25 Accredited Universities:

1. UC, Irvine
2. Cal State Fullerton
3. Chapman University

**40.3% of all degrees are STEM-related**



Highest average SAT scores in SoCal and 2nd highest in the state



### Diverse Economic Drivers

- ▶ High Tech / Gaming
- ▶ Life Sciences
- ▶ Action Sports
- ▶ Healthcare
- ▶ Tourism
- ▶ Business & Professional Services
- ▶ Green Economy
- ▶ Quick Serve Restaurants
- ▶ Automotive

SALES TAX
LA: 9.50%
SF: 8.50%
<b>OC: 7.75%</b>

**42 Miles**  
of World Renowned Beaches

Huntington Beach, Newport Beach, Crystal Cove, Laguna Beach, Dana Point and San Clemente



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04  
Market Overview

# Orange County Industrial (Q1 2022)

## Market Indicators - Q1 2022

	YoY Chg	12-Mo. Forcast
<b>1.5%</b> Vacancy	▼	▼
<b>75.1K</b> Net Absorption Sq. Ft.	▼	▲
<b>\$1.44</b> Asking Rent PSF	▲	▲

Overall, Net Asking Rent

## Economic Indicators - Q1 2022

	YoY Chg	12-Mo. Forcast
<b>1.6M</b> Orange County Employment	▲	▲
<b>4.6%</b> Orange County Unemployment Rate	▼	▼
<b>3.6%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

# Market Overview

## Economic Overview

The total nonfarm employment in Orange County (OC) grew by 92,800 or +6.1% year-over-year (YOY) between February 2021 through February 2022. The county remains below the February 2020 pre-pandemic nonfarm employment level of 1,683,400 jobs. Seventy-seven percent of the 269,400 jobs lost between February and April 2020 have been recovered. During the same time, the monthly unemployment rate decreased from 7.4% last year to 3.7% and is currently 90 basis points (bps) below the quarterly average of 4.6%. All employment sectors are expected to grow at a combined rate of 5.4% in 2022 and 2.2% in 2023, while office employment is forecasted to grow by 3.8% in 2022 and high-tech employment by 4.4%. The annual unemployment rate is forecasted to decrease from 9.4% in 2021 to 5.6% in 2022 and 4.0% in 2023.

## Rents Continue to Rise

The countywide average asking rent for all product types combined was \$1.44 per square foot (psf) per month on a triple net basis, up \$0.05 (+3.6%) from the previous quarter and \$0.28 (+24.1%) from a year ago. The average asking rent for W/D space increased by 38.1% YOY to \$1.45 psf, and the average rent for R&D space increased by 8.8% YOY to \$1.49 psf. The average rent for manufacturing space increased by 14.2% to \$1.29 psf YOY.

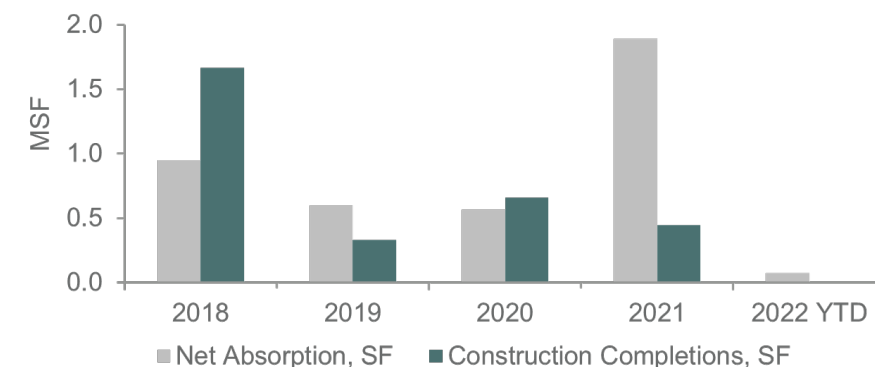
## The Future of Inventory

While no new supply was delivered in Q1 2022, 2.7 msf of the 3.4 msf currently under construction is slated to deliver throughout 2022. This would be the largest amount of new industrial space brought to the market since 2001. The majority or 79% of inventory is being built as speculative (SPEC), with the remaining 17% as build-to-suit. The 1.5-msf SPEC Goodman Logistics Center in Fullerton is projected to be completed next quarter, and as of Q1 2022 none of the space has been pre-leased.

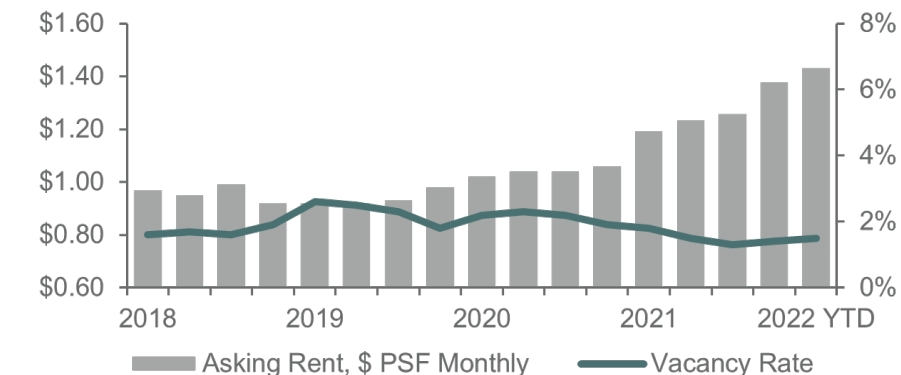
With industrial rents increasing seemingly every week, Goodman is most likely waiting until the last minute to sign the highest possible lease rate. This trend of holding off on pre-leasing is seen throughout the market as only the development of 5301 Bolsa Avenue in Huntington Beach has been pre-leased among all SPEC projects currently under construction.

Cambro Manufacturing signed that 433,865-sf lease in Q3 2021 at a rate far below where the market currently is, serving as a reminder to developers that it could be advantageous to hold off on signing tenants until the last possible minute. Sares Regis, the developer of Huntington Gateway Phase II where Cambro signed, for their part has not signed any new tenants to their four remaining properties in the project.

## Space Demand / Deliveries



## Overall Vacancy & Asking Rent



## Orange County

Orange County (OC) is the third largest industrial market in California and is one of the top 30 largest industrial markets in the United States, totaling ±232 million square feet. An infill market with strong demographics and a resilient economy, OC has some of the best industrial fundamentals in the nation.

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