

1015 South Rancho Ave, Colton, CA 92324 | Walmart Colton

**CUSHMAN &
WAKEFIELD**

A CUSHMAN & WAKEFIELD
NATIONAL INDUSTRIAL ADVISORY GROUP
INVESTMENT OPPORTUNITY

11+ ACRES

GUARANTEED BY WALMART, INC.

NEW 10+ YEAR LEASE

WALMART WAREHOUSE
Walmart

PLANNED
≈ 1,000,000 SF
WAREHOUSE

SUBJECT
PROPERTY



INVESTMENT GRADE LOGISTICS TRAILER FACILITY IN THE HEART OF THE INLAND EMPIRE

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INVESTMENT HIGHLIGHTS



OUTSTANDING WALMART TENANCY:

- New 10+ year lease with the world's #1 retailer, largest company by revenue, and the largest employer with 2.2 million associates
- Investment grade credit guarantee by Walmart, Inc. (S&P: "AA"), a Fortune #1 company
- Walmart currently occupies a 340,000 SF critical transloading facility less than 1 mile west of the Property on an initial 20 year lease



NEWLY CONSTRUCTED LOGISTICS TRAILER FACILITY:

- Anticipated completion & delivery in 3Q21
- 3% coverage on 11+ acres means limited future capital expenditures for a new owner
- Will be used for parking, storage, and dispatch of Walmart trucks, trailers & passenger vehicles
- Ability to develop site in the future provides a new owner long term optionality



GROUND ZERO LOGISTICS LOCATION:

- Immediate access to I-10 Freeway via Rancho Avenue on/off ramp
- Less than 3 miles from I-10/I-215 interchange, 3.5 miles from SR-91 & ±5 miles from SR-60
- ±5 miles to San Bernardino Int'l Airport, ±6 miles to San Bernardino BNSF Intermodal Yard & ±70 miles to Los Angeles & Long Beach Port Complex
- Access to more than 14 million people within 60 miles of the Property



ECOMMERCE DRIVING INDUSTRIAL GROWTH:

- Nearly \$1 in \$5 spent on retail purchases in Q1 2021 came from online orders & U.S. eCommerce sales were up 39% year over year in 1Q21.
- eCommerce tenants require 2 ½ to 3 times more space than traditional warehouse users
- Increasing supply chain inventories result in almost 60 msf of space for every 1% of growth



EXPLOSIVE INLAND EMPIRE MARKET:

- The Property is located within the Inland Empire (IE), one of the most vibrant industrial markets in the U.S. and is in the heart of the IE East (IEE) submarket.
- Fundamentals remain strong in the IE with net absorption totaling 7.1 msf in 1Q21, 23.4 msf in 2020 & 19.5 msf in 2019.
- Asking rental rates have continued to rise, now averaging \$0.75 PSF/Mo., for an annual growth rate of 7.8%.
- The IE's overall vacancy rate dropped to 3% in 1Q21, outpacing the record low in 4Q20 and down 50 basis points from 1Q20; on the heels of IEE's record breaking 2020, the IEE vacancy rate for 1Q21 dropped to 4.1%, down 140 bps from last year.

PROPERTY DESCRIPTION

LOCATION

1015 South Rancho Ave
Colton, CA 92324

Industrial Market
Inland Empire

Industrial Submarket
Inland Empire East

LOCATION

APN

0275-041-36
0163-452-01
0163-452-02
0163-452-03
0163-452-07

LOCATION

Access

There is one point of
ingress and egress
via Rancho Avenue

BUILDING SIZE

Total Building Are
±16,000 SF

Office Build-Out
±2,550 SF

Land Size
11.11 Acres (± 484,169 SF)

BUILDING DESCRIPTION

Truck maintenance facility
with a lounge and locker
rooms / showers available to
truck drivers

BUILDING FEATURES

Year Built/Renovated
2021

Loading
(2) Warehouse Doors
10' x 10' & 14' x 16'
(8) 14' x 16'
Ground Level Shop Doors

BUILDING FEATURES

Yard Area

All concrete; fenced,
lit & striped

Auto Parking

117 Trailer Stalls &
21 Tractor Stalls

BUILDING FEATURES

Zoning

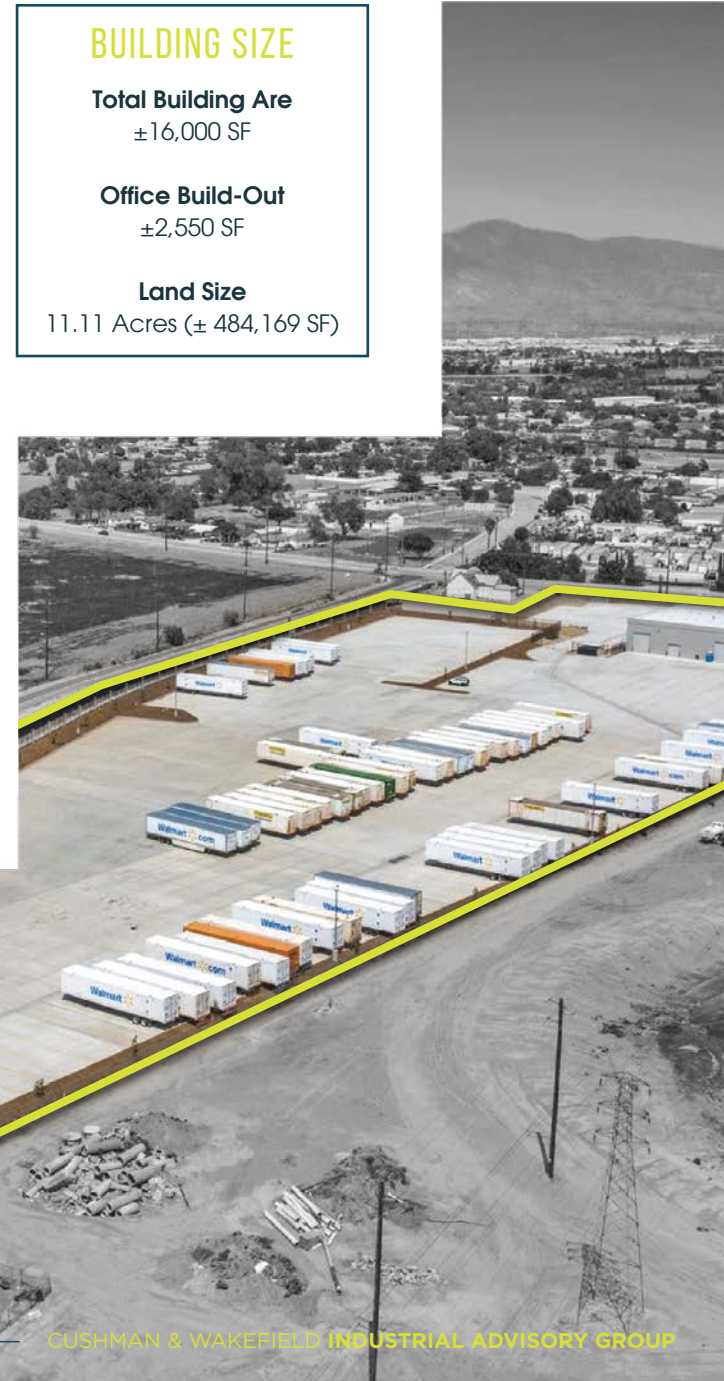
M-G
(Manufacturing - General)

Power

800 Amps

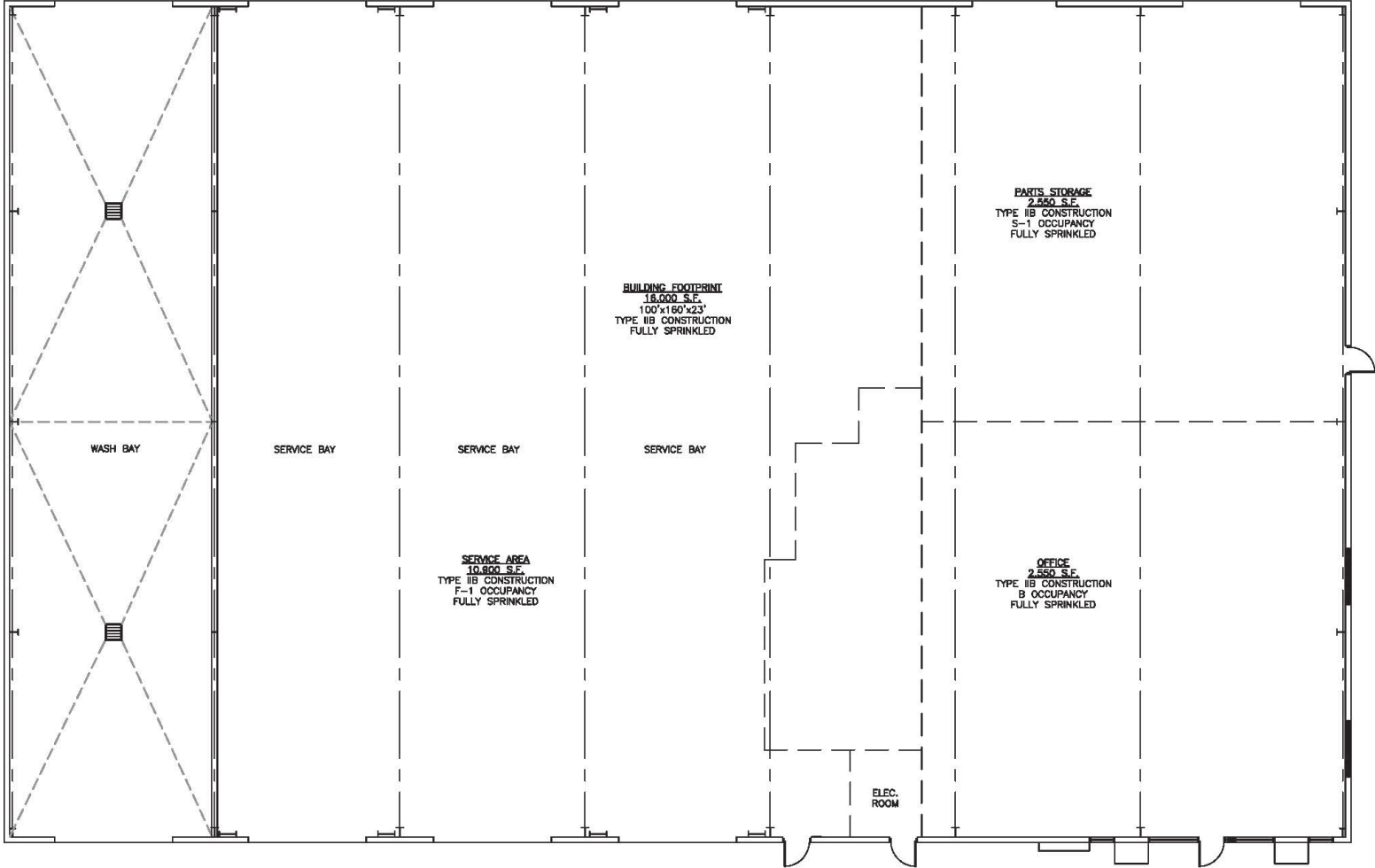
TAX RATE

1.08603%





OVERALL FLOOR PLAN

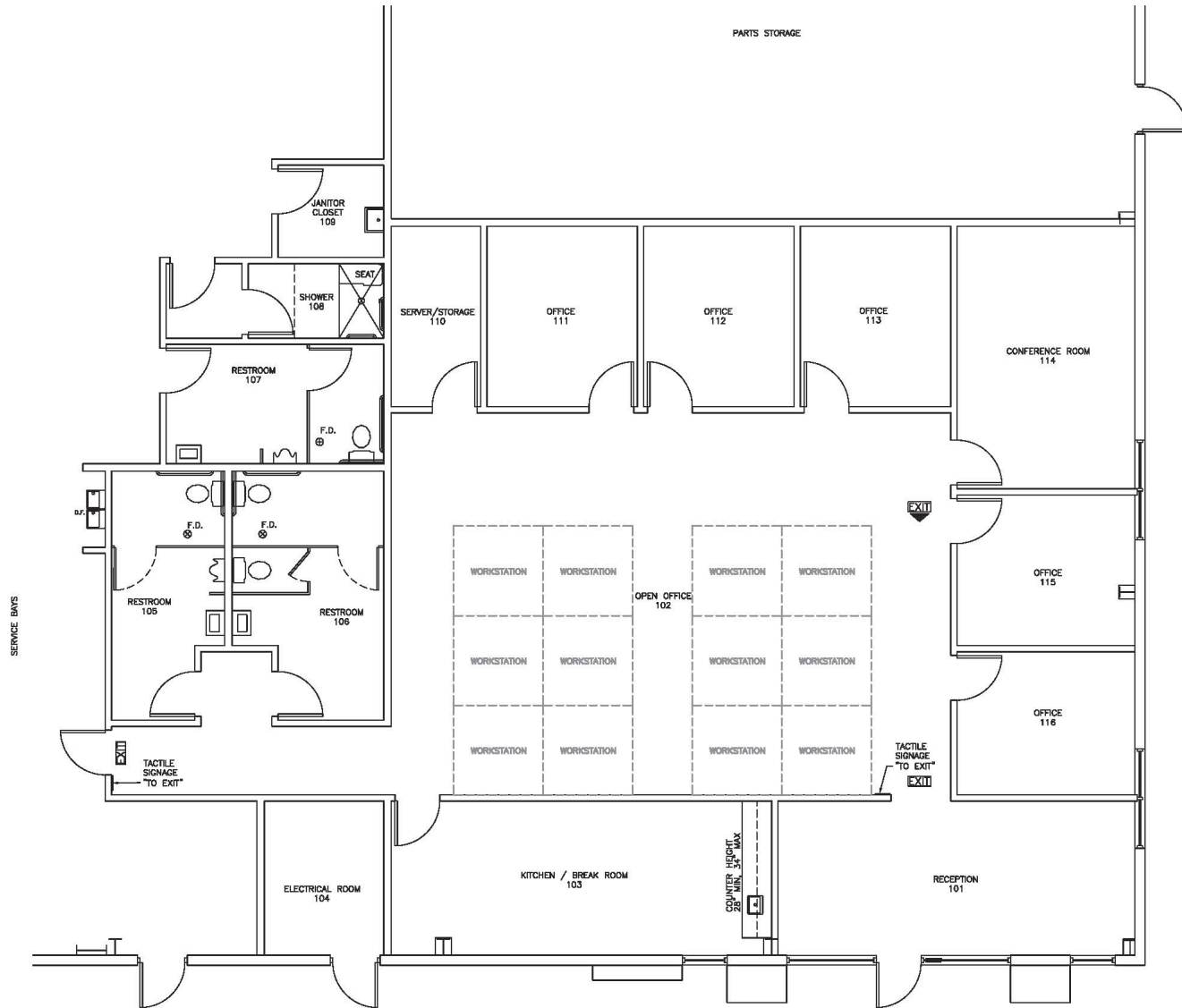


OVERALL FLOOR PLAN

SCALE: 1/8" = 1'-0"



OFFICE PLAN



OFFICE PLAN - FIRST FLOOR
 SCALE: 1/4" = 1'-0"



ELEVATIONS

BUILDING FRONT



TRUCK BAYS



TENANT DESCRIPTION & LEASE SUMMARY

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TENANT OVERVIEW

WE BELIEVE WALMART IS MAKING THE NECESSARY INVESTMENTS FOR CONTINUED LONG-TERM SUCCESS AND EXPECT THE COMPANY TO CONTINUE TO GAIN MARKET SHARE. - GUGGENHEIM ANALYST ROBERT DRBUL

Walmart 

TENANT

Walmart



HEADQUARTERS

Bentonville, Arkansas



FOUNDED

1962



WEBSITE

walmart.com

Walmart is a multi-national, publicly-traded (NASDAQ: WMT) merchandiser company based in Bentonville, Arkansas. In 2021, **Walmart ranked #1 on the Fortune 500 list** of companies, ahead of Amazon and Apple. Walmart is a leader in retail business segments such as e-commerce and in-store order fulfillment. Walmart recorded **\$559 Billion in revenue in 2021** and has **2,300,000 employees worldwide**. In 2020, Walmart's U.S. **e-commerce sales were up 79%** as customers consolidated shopping trips and took advantage of the big-box giant's strong curbside pickup offering. With COVID-19 easing, Walmart has embarked on a \$14 billion capital expenditure program for 2021, roughly 40% larger than last year's budget.

- IN THE FISCAL YEAR ENDED JANUARY 31, 2021, REVENUES WERE \$559 BILLION
- THE COMPANY HAS THREE SEGMENTS:
 - WALMART STORES, WHICH ACCOUNTED FOR ABOUT 66% OF SALES
 - SAM'S CLUB, A MEMBERSHIP WAREHOUSE CHAIN, WHICH COMPRISED 11% OF REVENUE
 - INTERNATIONAL SEGMENT, WHICH GENERATED 23% OF SALES
- THE COMPANY, BASED IN BENTONVILLE, ARKANSAS, ENDED FISCAL 2021 WITH ABOUT 11,400 RETAIL UNITS IN 26 COUNTRIES
- GROCERIES ARE THE LARGEST PRODUCE CATEGORY IN THE U.S. MARKET, AT APPROXIMATELY 56% OF SALES
- HEALTH AND WELLNESS, ANOTHER STABLE CATEGORY, IS 11%. U.S. E-COMMERCE SALES GREW 79% IN FY21
- THE FISCAL YEAR ENDS ON JANUARY 31 FOR U.S. AND CANADIAN OPERATIONS. OTHER OPERATIONS GENERALLY ARE CONSOLIDATED USING A ONE-MONTH LAG ON A CALENDAR YEAR BASIS

LEASE SUMMARY

Tenant	Walmart		
Premises Address	1015 South Rancho Avenue, Colton, CA 92324		
Rentable Square Feet	Building: ±16,000 SF Land: ± 484,169 SF		
Anticipated Commencement Date	September 15, 2021 (Tenant has exercised Early Occupancy option to store trailers on site)		
Lease Expiration	12/14/2031		
Rent Schedule	Periods	Total Monthly Base Rent	Monthly Rent Per Land SF NNN
	9/15/2021 – 9/14/2022	\$111,359	\$0.23
	9/15/2022 - 9/14/2023	\$114,700	\$0.24
	9/15/2023 - 9/14/2024	\$118,141	\$0.24
	9/15/2024 - 9/14/2025	\$121,685	\$0.25
	9/15/2025 - 9/14/2026	\$125,335	\$0.26
	9/15/2026 - 9/14/2027	\$129,095	\$0.27
	9/15/2027 - 9/14/2028	\$132,968	\$0.27
	9/15/2028 - 9/14/2029	\$136,957	\$0.28
	9/15/2029 - 9/14/2030	\$141,066	\$0.29
	9/15/2030 - 9/14/2031	\$145,298	\$0.30
	9/15/2031 - 12/14/2021	\$149,657	\$0.31
Guarantor	Walmart, Inc., A Delaware Corporation		
Permitted Use	The Premises may be used for the parking, storage and dispatch of Tenant's trucks, trailers and passenger vehicles. Subject to the terms of this Lease, the Building (defined below) may be used for any lawful ancillary purposes including: (1) a garage for the maintenance and repair of Tenant's trucks and other vehicles, (2) office space, (3) restroom, shower and locker room facilities, (4) rest, recuperation and lounge areas, (5) security facilities, and (6) facilities for dropping off and picking up driver uniforms for laundry and dry cleaning purposes (provided that onsite dry cleaning shall not be permitted).		
Expense Cap	Controllable operating expenses shall not increase by more than five percent (5%) in any calendar year over the maximum amount of controllable operating expenses chargeable for the immediately preceding calendar year.		
Renewal Option	Two (2) options to extend the Term of the Lease for two (2) additional periods of five (5) years. The Monthly Base Rent shall initially be equal to ninety-seven percent (97%) of the "fair market rental rate" for the Premises as of such Adjustment Date and (b) during each extension period, the Base Monthly Rent shall increase on each anniversary of the applicable Adjustment Date by three percent (3%). The Extension Option must be exercised, if at all, by written notice delivered by Tenant to Landlord no sooner than that date which is twelve (12) months and no later than that date which is nine (9) months prior to the expiration of the then current Term of the Lease.		

MAPS & AERIALS

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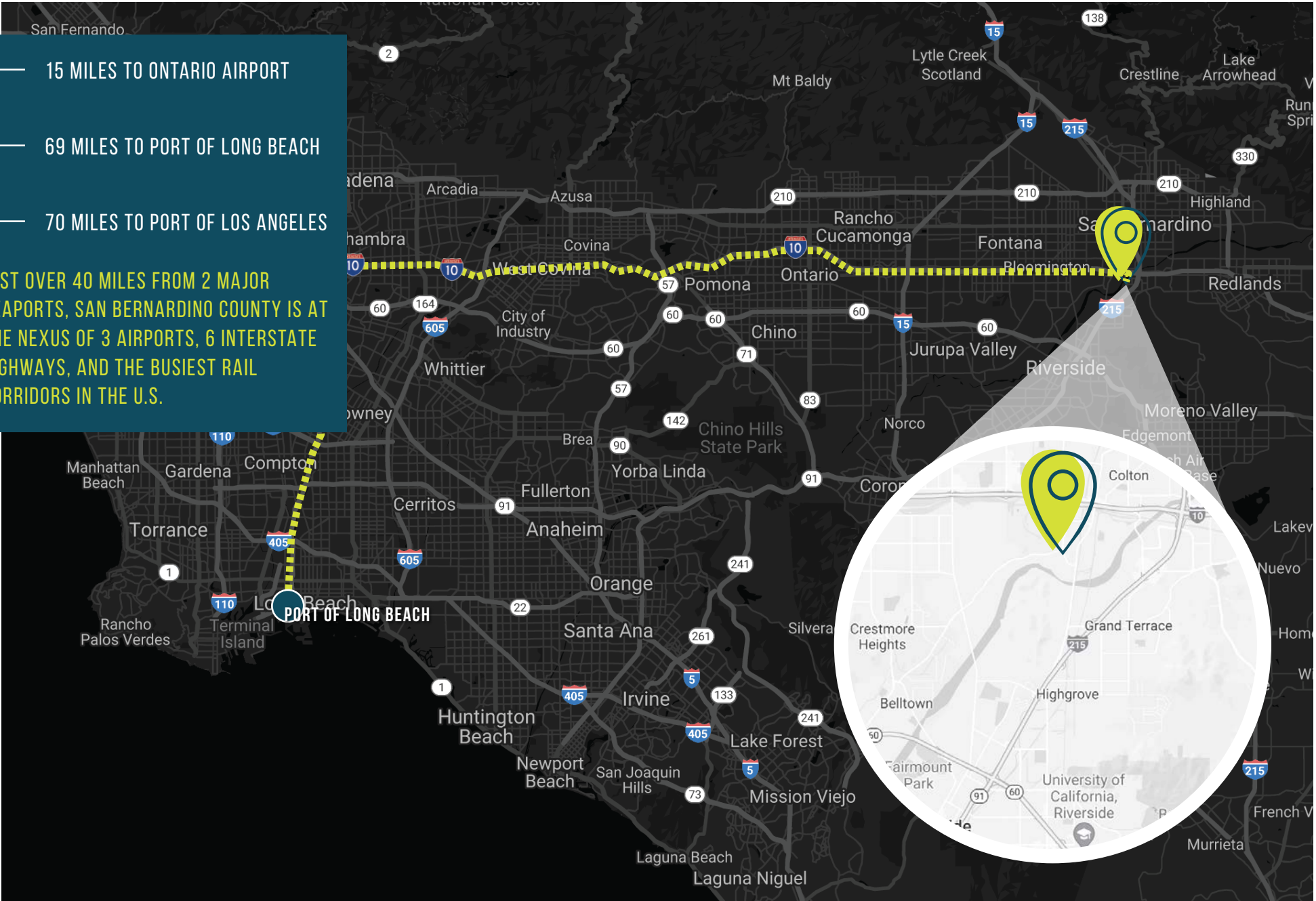
LOCATOR MAP

15 MILES TO ONTARIO AIRPORT

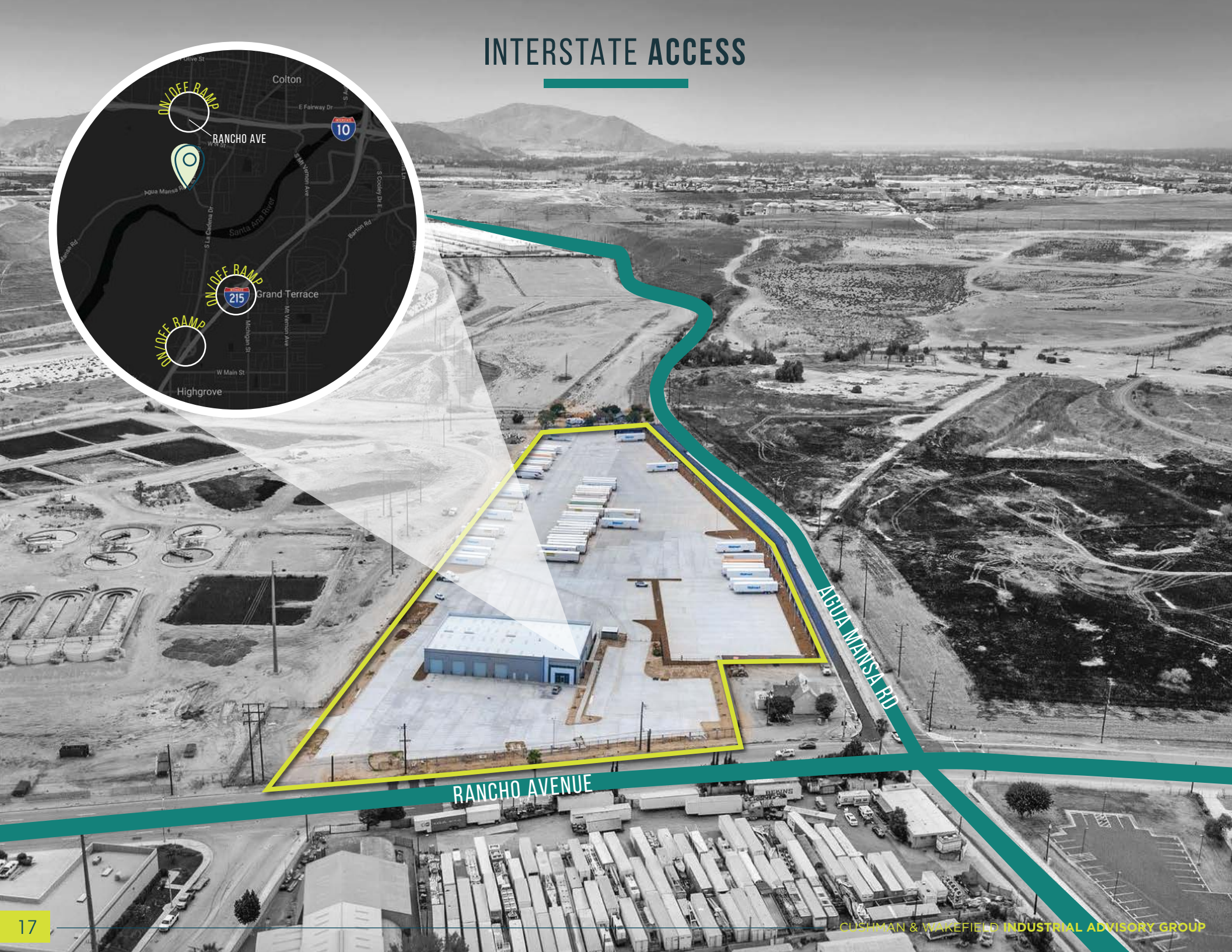
69 MILES TO PORT OF LONG BEACH

70 MILES TO PORT OF LOS ANGELES

JUST OVER 40 MILES FROM 2 MAJOR SEAPORTS, SAN BERNARDINO COUNTY IS AT THE NEXUS OF 3 AIRPORTS, 6 INTERSTATE HIGHWAYS, AND THE BUSIEST RAIL CORRIDORS IN THE U.S.



INTERSTATE ACCESS



FINANCIAL ANALYSIS

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PRIMARY CASH FLOW ASSUMPTIONS

ANALYSIS START DATE	11/1/21
OCCUPANCY AT START	100%
GENERAL VACANCY	0%
INFLATION – MARKET RENT	Y2: 7%; Y3: 6%; Y4: 5%; Thereafter: 3%
INFLATION – EXPENSES	3.0% (Real Estate Taxes are 2%)
LEASE TERM	120 Months
MARKET RENTS	\$0.25 / Land SF / Month NNN
ANNUAL RENT INCREASES	3.0%
RENT ABATEMENT	1 Month (New); 0 Months (Renewal)
REIMBURSEMENTS	NNN
MANAGEMENT FEE	1.50% of EGR
RETENTION RATIO	75%
DOWNTIME ON ROLLOVER	6 Months
TENANT IMPROVEMENTS	\$1.00 PSF (New); \$0.50 PSF (Renewal)
LEASING COMMISSIONS	6.0% (New); 3.0% (Renewal)
CAPITAL RESERVE	\$0.05 / SF / Year

CASH FLOW ANALYSIS

10-year holding period beginning 11/1/21	1	2	3	4	5	6	7	8	9	10	11
Fiscal Year (11/1 - 10/31)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Market Rent Per SF/Mo.	\$0.25	\$0.27	\$0.28	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.36	\$0.37
Scheduled Base Rent Per SF/Mo.	\$0.23	\$0.24	\$0.24	\$0.25	\$0.26	\$0.27	\$0.28	\$0.28	\$0.29	\$0.30	\$0.36
Total Operating Expenses Per SF/Mo.	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04	\$0.04
Average Occupancy	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
GROSS REVENUE											
Base Rental Revenue	1,341,429	1,381,672	1,423,122	1,465,816	1,509,790	1,555,084	1,601,736	1,649,788	1,699,282	1,750,261	2,087,334
Absorption & Turnover Vacancy	0	0	0	0	0	0	0	0	0	0	0
Expense Recoveries	166,611	170,639	174,769	179,003	183,343	187,793	192,355	197,033	201,830	206,748	216,124
Gross Rental Income	1,508,040	1,552,311	1,597,891	1,644,819	1,693,133	1,742,877	1,794,091	1,846,821	1,901,112	1,957,009	2,303,458
General Vacancy	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	1,508,040	1,552,311	1,597,891	1,644,819	1,693,133	1,742,877	1,794,091	1,846,821	1,901,112	1,957,009	2,303,458
OPERATING EXPENSES											
	PSF										
Insurance	(0.10)	(48,417)	(49,869)	(51,365)	(52,906)	(54,494)	(56,128)	(57,812)	(59,547)	(61,333)	(63,173)
Management Fee	(0.05)	(22,621)	(23,285)	(23,968)	(24,672)	(25,397)	(26,143)	(26,911)	(27,702)	(28,517)	(29,355)
Real Estate Taxes	(0.20)	(95,574)	(97,485)	(99,435)	(101,424)	(103,452)	(105,521)	(107,632)	(109,784)	(111,980)	(114,220)
Total Operating Expenses	(0.34)	(166,612)	(170,639)	(174,768)	(179,002)	(183,343)	(187,792)	(192,355)	(197,033)	(201,830)	(206,748)
	<i>Per SF/Month</i>	(0.03)									
NET OPERATING INCOME	\$1,341,428	\$1,381,672	\$1,423,123	\$1,465,817	\$1,509,790	\$1,555,085	\$1,601,736	\$1,649,788	\$1,699,282	\$1,750,261	\$2,087,334
CAPITAL EXPENDITURES											
Tenant Improvements	0	0	0	0	0	0	0	0	0	0	0
Leasing Commissions	0	0	0	0	0	0	0	0	0	0	0
Capital Reserve	(24,208)	(24,935)	(25,683)	(26,453)	(27,247)	(28,064)	(28,906)	(29,773)	(30,667)	(31,587)	
Total Capital Expenditures	(24,208)	(24,935)	(25,683)	(26,453)	(27,247)	(28,064)	(28,906)	(29,773)	(30,667)	(31,587)	
NET CASH FLOW	\$1,317,220	\$1,356,737	\$1,397,440	\$1,439,364	\$1,482,543	\$1,527,021	\$1,572,830	\$1,620,015	\$1,668,615	\$1,718,674	

LOCATION OVERVIEW

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AREA OVERVIEW

ONE OF THE MOST
ROBUST MARKETS
IN US

NUMEROUS
LOGISTICS
ADVANTAGES

THE INLAND EMPIRE, an area of Southern California comprising of the most densely populated portions of San Bernardino and Riverside Counties, is one of the largest and most dynamic industrial markets in the country. Over the last decade the Inland Empire ("IE") has been regarded as one of the most robust markets in the United States in several categories including population growth, job creation, construction and industrial building absorption.

Geographically, the area is strategically located in close proximity to the other major growth centers in the region including Los Angeles, Orange and San Diego Counties. As a result, the Inland Empire is a natural corridor for support services to all of these markets, as well as the Western and entire United States. The area's ready access to all categories of housing and employment, abundance of relatively low cost land, a temperate climate and its excellent infrastructure have all contributed to the IE's rapid industrial development.

Part of the region's success has always been attributed to its many logistics advantages including a robust freeway system. The main freeways serving the IE are I-10, I-15, I-215 and SR-60 which connect the IE to all of Southern California and the nation. This transportation advantage will continue to draw tenants to the Inland Empire as local and national users seek to expand and or consolidate.

Another major advantage in the Inland Empire is the Ontario International Airport. Ranked among the busiest airports in the world, the airport is currently served by 12 passenger airlines and 13 major airfreight carriers with 220 daily flights. Ontario International Airport is the center of a developing freight movement system that includes the airport, two railroads, four major freeways, and a network of freight forwarders. These freight carriers include UPS, Federal Express, Ameriflight, Kalitta Air, Miami Air, Sierra Pacific Airlines, among others.

POPULATION AT A GLANCE



270,966

5-Mile
Population



\$54,312

5-Mile Median
Household Income



73,980

5-Mile
Households

DEMOGRAPHICS

2020 SUMMARY	1 MILE	3 MILE	5 MILE
Population	3,697	94,968	270,966
Households	943	27,204	73,980
Families	764	21,192	56,240
Average Household Size	3.92	3.47	3.60
Owner Occupied Housing Units	426	14,511	37,363
Renter Occupied Housing Units	517	12,693	36,617
Median Age	28.6	30.7	30.2
Median Household Income	\$43,428	\$53,732	\$51,287
Average Household Income	\$55,006	\$68,648	\$66,614

2025 SUMMARY	1 MILE	3 MILE	5 MILE
Population	3,762	97,410	277,286
Households	955	27,814	75,474
Families	774	21,662	57,364
Average Household Size	3.94	3.49	3.61
Owner Occupied Housing Units	438	15,012	38,580
Renter Occupied Housing Units	517	12,801	36,893
Median Age	29.3	32.1	31.6
Median Household Income	\$48,839	\$57,241	\$54,312
Average Household Income	\$60,015	\$76,031	\$73,289

COLTON, CA

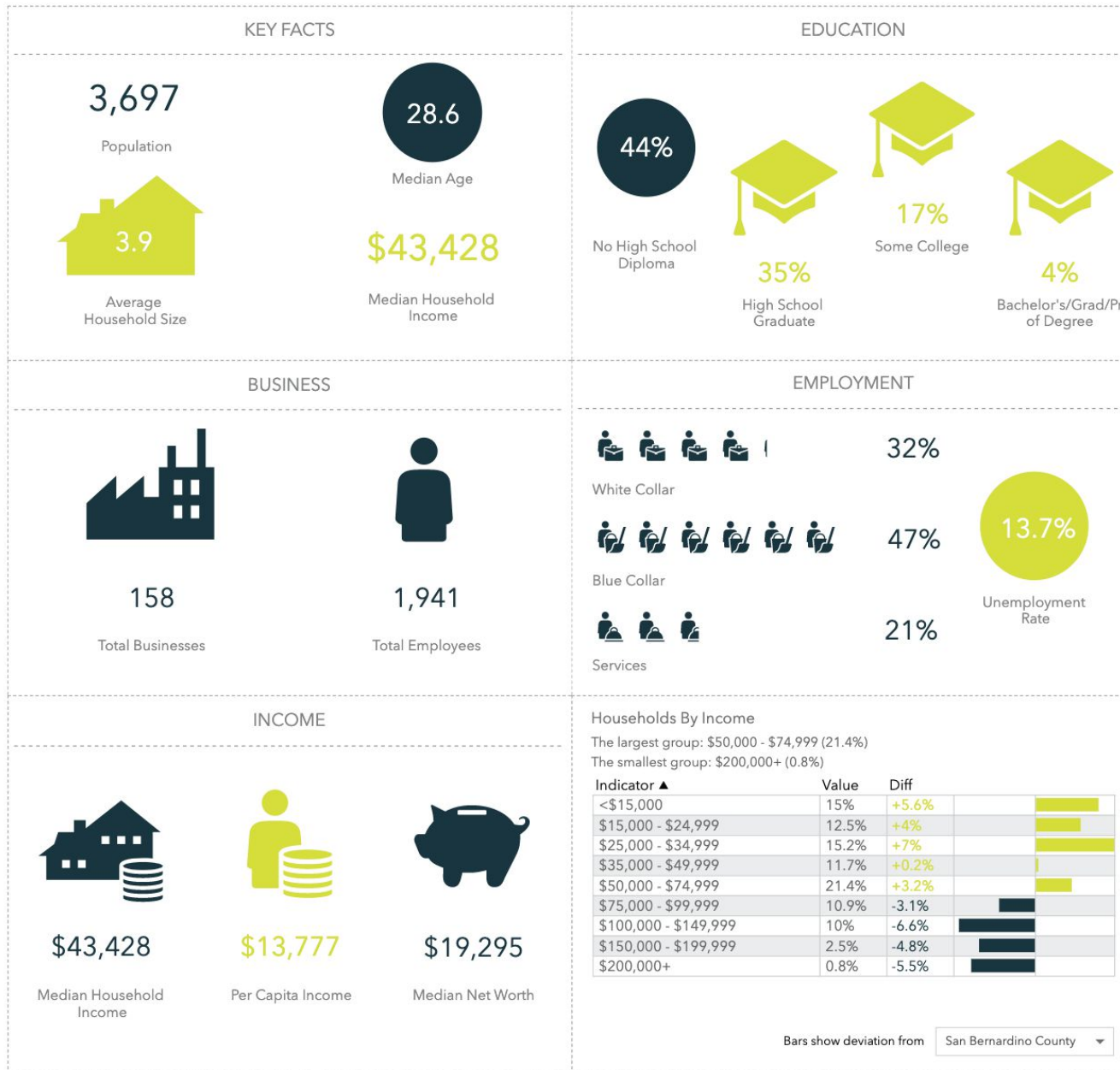
The City of Colton is proud of its growing role as a center for new business and residential and employment opportunities in the County of San Bernardino. A comprehensive transportation network, available underdeveloped land, a skilled, ready-to-work labor pool, and a viable partnership between business, city, and county government contributes vitality to an already established commerce. The city is focused on the high quality of living, education, job creation, community health, public safety, housing, retail, recreation, arts and culture, and infrastructure for development that is sustainable over time. Colton will be a destination for visitors and a home for anyone seeking a sense of community and a high quality of life.

SAN BERNARDINO

The City of San Bernardino is an ideal place for business. A low-cost of doing business couple with access to a talented workforce, an extensive transportation infrastructure, and many new quality commercial developments are just a few of the reasons why many companies choose San Bernardino. Its nearly 215,000 residents make it the second largest municipality in the Inland Empire and the 17th largest in California.

JUST OVER 40 MILES FROM 2 MAJOR SEAPORTS, SAN BERNARDINO COUNTY IS AT THE NEXUS OF 3 AIRPORTS, 6 INTERSTATE HIGHWAYS, AND THE BUSIEST RAIL CORRIDORS IN THE U.S.

1 MILE DEMOGRAPHICS



This infographic contains data provided by Esri, Esri and Infogroup. The vintage of the data is 2020, 2025.

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