

For Sale Industrial Opportunity

12508 CENTER STREET | SOUTH GATE, CA

OFFERING MEMORANDUM

 **Kidder
Mathews**

 **Douglas Elliman**

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01 EXECUTIVE SUMMARY

Foreword & Scope of the
Assignment

km Kidder
Mathews

 Douglas Elliman

EXECUTIVE SUMMARY

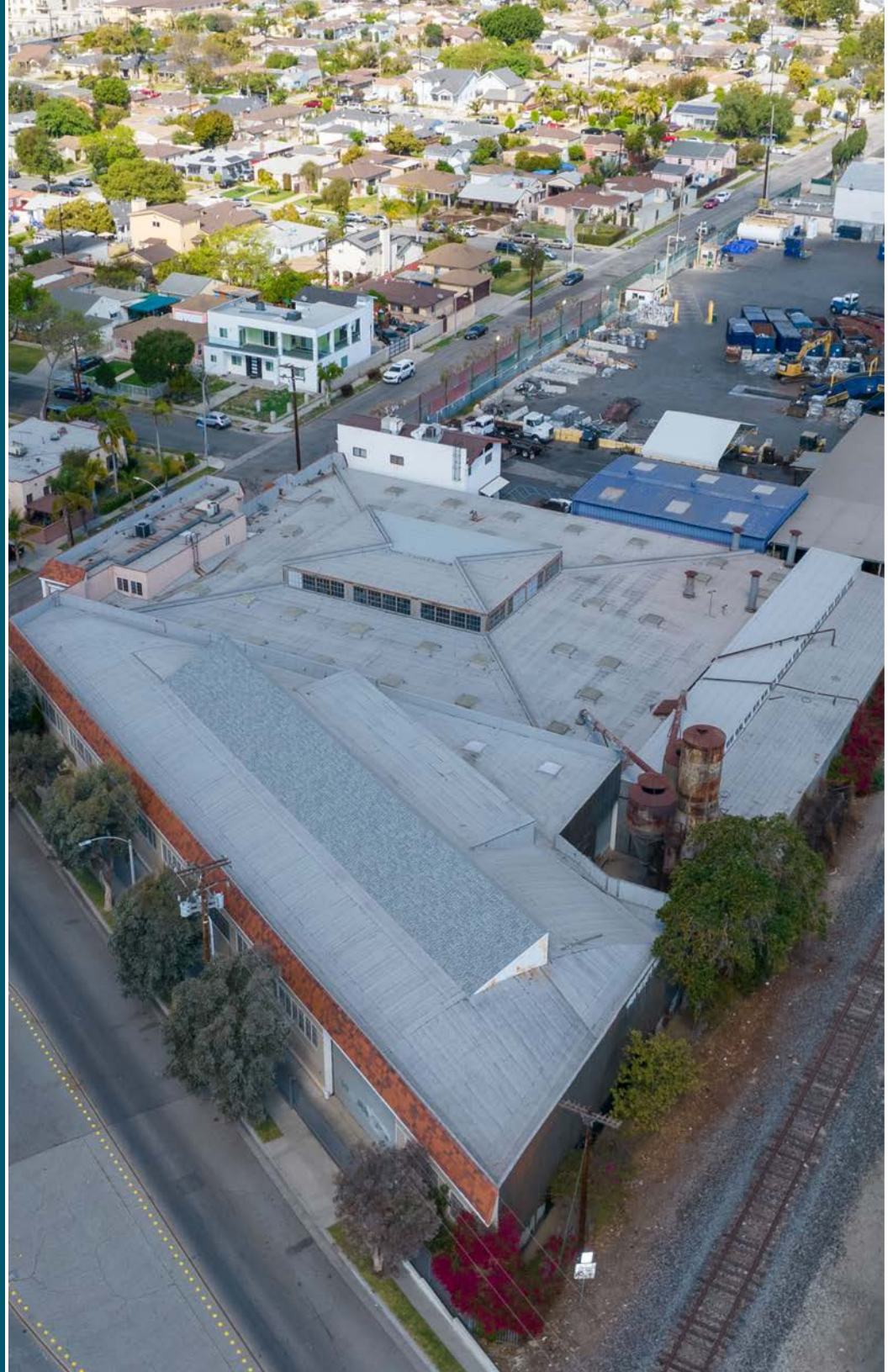
INVESTMENT SUMMARY

Kidder Mathews and Douglas Elliman Commercial are pleased to present 12508 Center St, a 33,821 square foot industrial property located in South Gate, California. The offering is perfect for an owner-user as it will be delivered completely vacant, allowing for immediate occupancy upon close of escrow. The front-loading property boasts attractive ceiling heights and is strategically positioned along the South Gate Diamond Railroad. The subject property also benefits from accessibility to the 105 and 710 freeways.

\$6,000,000

OFFERING PRICE

KIDDER MATHEWS / DOUGLAS ELLIMAN BROKER OPINION OF VALUE





02 PROPERTY OVERVIEW

[Property Details](#)

[Parcel Map](#)

[Regional Map](#)

[Amenities Map](#)

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PROPERTY OVERVIEW

PROPERTY DETAILS

ADDRESS	12508 Center Street South Gate, CA 90280
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OFFERING PRICE	\$6,000,000
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BUILDING SIZE	33,821 SF
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BUILDING PSF	\$177.40
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LOT SIZE	41,240 SF / .95 AC
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LOT PSF	\$145.49
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YEAR BUILT	1926
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PARCEL NO.	6243-025-017
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ZONING	SGM3YY
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CONSTRUCTION TYPE	Masonry
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LEASE TYPE	Owner Occupied
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PARKING	Street
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FAR	0.92
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TENANCY	Single or Multi-Tenant
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TRAFFIC COUNT	±21,473 CPD
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FOUNDATION	Concrete Slab
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ROOF	Roll Composition
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ELECTRICAL	2,000 AMP
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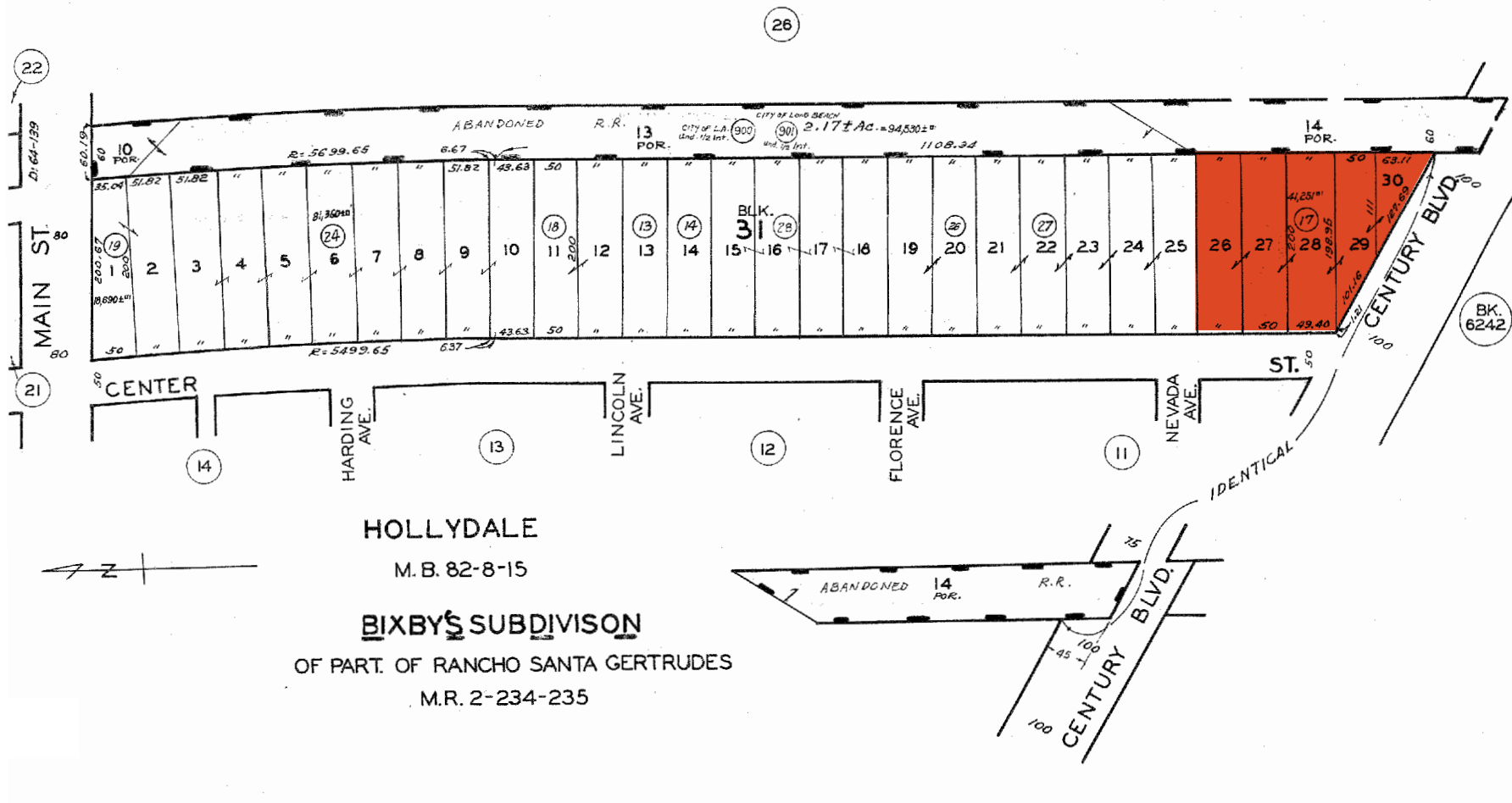
CEILING HEIGHT	Varies - 12-24 ft
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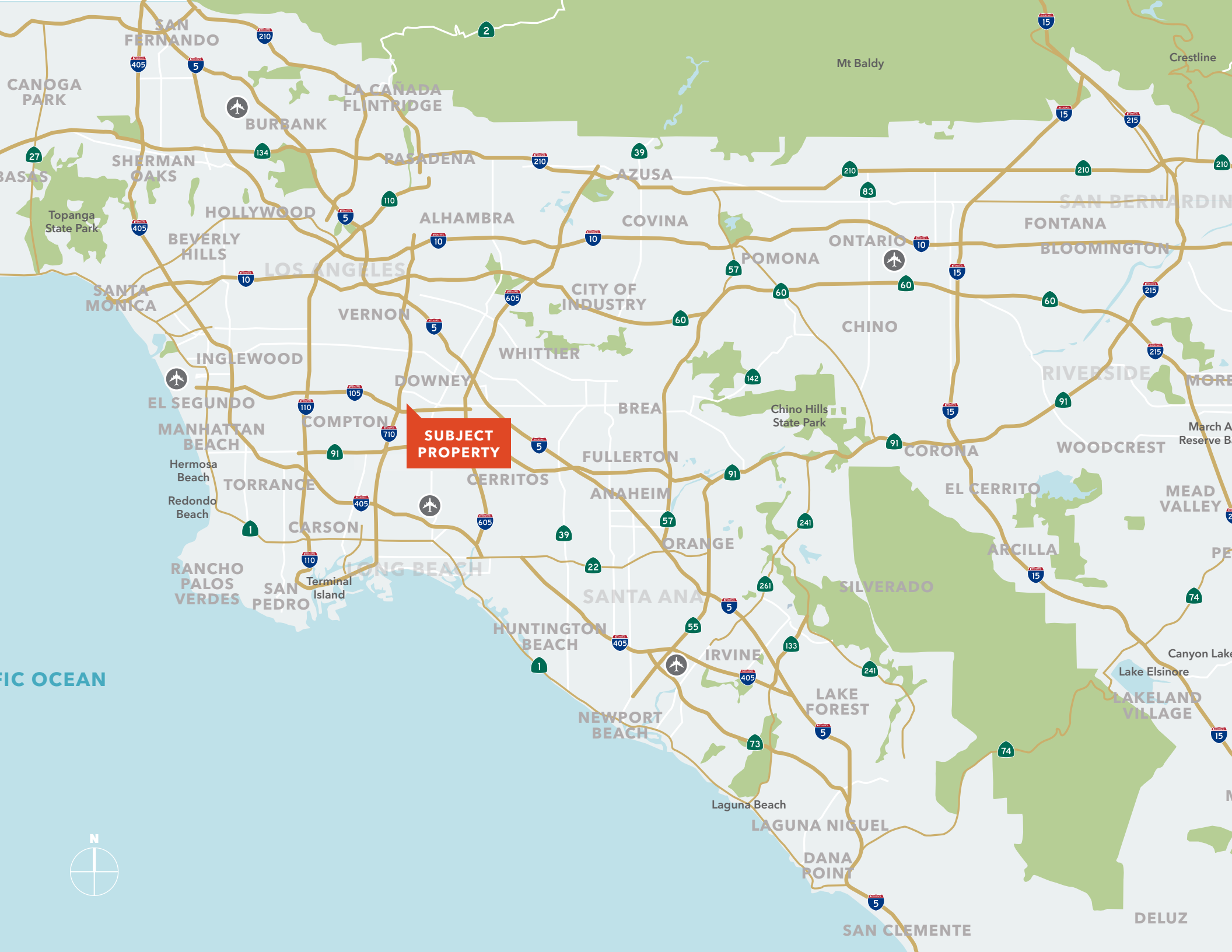
FRONTAGE	149 ft on Center St
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LOT DIMENSIONS	149' x 229' x 263' x 200'
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FWY ACCESS	I-105 & I-710
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PARCEL MAP





**SUBJECT
PROPERTY**



AMENITIES MAP



DOWNEY

DOWNEY COURTHOUSE

APOLLO PARK

DOWNEY LANDING

Walmart
Save money. Live better.

BEST BUY

Michaels
Where Creativity Happens

Staples

PETSMART

DSW
DESIGNER SHOE WAREHOUSE

KAISER PERMANENTE

ST MATTHIAS ACADEMY

HOLLYDALE REGIONAL PARK

ARCO

SUBJECT PROPERTY

SUPER A LOOKS
See Everything

Chick-fil-e

710

LOS ANGELES RIVER

GARFIELD AVE

TACO BELL

105

ROOSEVELT ELEMENTARY SCHOOL

Wendy's

Walgreens

ROOSEVELT HIGH SCHOOL

Starbucks

76

PARAMOUNT DRIVE-IN THEATRES

Walmart
Save money. Live better.

Combs Jr.

TACO BELL

ROSECRANS AVE

PARAMOUNT HIGH SCHOOL

PARAMOUNT SWAP MEET

PARAMOUNT



03 FINANCIAL ANALYSIS

User Occupancy Costs

Lease vs. Own
Occupancy Costs

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USER OCCUPANCY COSTS

Summary	Terms
Offering Price	\$6,000,000
Down Payment (25%)	\$1,500,000
Gross Square Feet	33,821 SF
Price Per SF On Building	\$177.40
Lot Size SF	41,240 SF
Price Per SF On Land	\$145.49
Debt Service PSF	\$0.61
Operating Expense PSF	\$0.43
Occupancy Cost PSF	\$1.04

LOAN ASSUMPTIONS - 75% FINANCING

Summary	Terms
Conventional Loan	\$4,500,000
Interest Rate	3.75%
Amortization	25 Years

ESTIMATED ANNUALIZED | USER OCCUPANCY COSTS

Description	Estimated	PSF
Operating Expenses		
Taxes (1.25%)	\$75,000	\$2.21
Insurance	\$15,219	\$0.45
Utilities	\$50,731	\$1.50
Repairs & Maintenance	\$25,365	\$0.75
Capital Reserves/Mic.	\$8,455	\$0.25
Total Operating Expenses	\$174,771	\$5.16
Debt Service	–	–
Total Occupancy Costs	–	–
Monthly Occupancy Costs (before tax advantages of ownership)		–

DISCLAIMER: THIS SAMPLE ANALYSIS IS BASED ON A SERIES OF ASSUMPTIONS, INCLUDING LOAN INTEREST RATES AND ANNUAL APPRECIATION RATES, AND IS MEANT ONLY TO BE ILLUSTRATIVE IN NATURE. THE ANALYSIS IS NOT A GUARANTEE OF ANY ACTUAL RESULTS OF ANY LOAN OR PURCHASE TRANSACTION OR OWNERSHIP OF ANY REAL PROPERTY, ALL OF WHICH ARE SUBJECT TO RISKS, UNCERTAINTIES AND ASSUMPTIONS THAT ARE DIFFICULT TO PREDICT AND BEYOND OUR CONTROL. NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, ARE MADE AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND SAME IS SUBMITTED SUBJECT TO THE POSSIBILITY OF ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER CONDITIONS, WITHDRAWAL WITHOUT NOTICE, PRIOR SALE, LEASE OR FINANCING. WE INCLUDE PROJECTIONS, OPINIONS, ASSUMPTIONS OR ESTIMATES FOR EXAMPLE ONLY, AND THEY MAY NOT REPRESENT FUTURE PERFORMANCE OF THE PROPERTY. YOU AND YOUR FINANCIAL AND LEGAL ADVISORS SHOULD CONDUCT YOUR OWN EVALUATION OF THE PROPERTY AND TRANSACTION ECONOMICS.

LEASE VS. OWN - OCCUPANCY COSTS

LEASE SCENARIO	Per SF	Amount
Lease Assumptions		
Rent/Mo		\$67,642
Rent per SF	Full-Service Gross	\$2.00
Start-up Costs		
Prepaid rent and security deposit		\$135,284
Lessee TI costs, net of lessor TI allowance **		\$0
Total startup costs		\$135,284
Gross Monthly Costs:		
Rent payment	\$2.00	\$67,642
Lease operating costs **	\$0.10	\$3,382
Gross monthly cash cost	\$2.10	\$71,024
Lease Benefits/Mo		
Depreciation tax benefit at 35% tax rate	\$0	\$0
Avg. monthly principal paydown / equity build	\$0	\$0
Tax benefit on rent deduction at 35% tax rate	\$0.70	\$23,675
Tax benefit on operating costs at 35% tax rate	\$0.04	\$1,184
Lease-out income (net of tax at 35% rate)	\$0.00	\$0
Net cost after lease benefits	\$1.37	\$46,166
Est. appreciation benefit/Mo	\$0.00	\$0
Net cost after lease benefits	\$1.37	\$46,166
Projected rent cost in Year 10		
Net rent cost (after tax benefits at 35% rate)	\$1.78	\$60,236
Assumed annual rent escalation	2.5%	

THIS ANALYSIS DOES NOT INCLUDE SUPPLEMENTAL INCOME STREAM FROM POTENTIAL TENANTS - LOWERING OCCUPANCY COSTS SIGNIFICANTLY.

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BUY SCENARIO	Per SF	Amount
Purchase Assumptions		
Purchase price	\$177	\$6,000,000
Improvements - additional	\$0	\$0
Total	\$177	\$6,000,000
Start-up Costs		
Borrower cash down payment (20%) *		\$1,500,000
Estimated fees on 1st mortgage **		\$22,500
Est. appraisal, enviromental, other fees **		\$5,000
Total startup costs		\$1,527,500
Gross Monthly Costs		
Mortgage payment *	-	-
Ownership operating costs **	-	-
Gross monthly cash cost	-	-
Ownership Benefits - excl. appreciatio/Mo		
Depreciation tax benefit at 35% tax rate	\$0.11	\$3,590
Avg. monthly principal paydown / equity build	\$0.42	\$14,222
Tax benefit on interest deduction at 35% tax rate	\$0.08	\$2,566
Tax benefit on operating costs at 35% tax rate	\$0.15	\$5,066
Lease-out income (net of tax at 35% rate)	\$0.00	\$0
Interest on startup cost difference (net of 35% tax)	-\$0.07	-\$2,262
Total	\$0.69	\$23,182
Net Cost after ownership benefits excl. appreciation	\$0.36	\$12,052
Est. appreciation benefit, per month	\$0.30	\$10,000
Net Cost after ownership benefits incl. appreciation	\$0.06	\$2,052



05 MARKET OVERVIEW

South Gate, CA
Demographics

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Mathews

 Douglas Elliman

MARKET OVERVIEW

SOUTH GATE, CA

Located in the heart of the Los Angeles Metropolitan Area, the City of South Gate is a busy, urban community consisting of residential, commercial, and industrial development spread over 7.4 square miles. South Gate is known for its outstanding city services, remarkable parks and recreation facilities, and family-friendly environment.



LOCATION & COMMUTE

Close proximity to Los Angeles International Airport, as well as connections via the 105, 710, and 110 Freeways, give South Gate a central location.



RECREATION & ATTRACTIONS

South Gate operates 9 parks that total nearly 170 acres. The city's largest park, South Gate Park, houses the main recreational facilities and community programs for residents and the public.



SMALL BUSINESS FRIENDLY

South Gate is an accessible and small-business friendly city, with focused opportunities promoting local and regional economic growth.



PHOTO BY CITYOFSOUTHGATE.ORG



PHOTO BY JASON MADRIGAL

DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
POPULATION			
2021 Population	28,869	318,680	907,863
2026 Projected	29,224	319,522	908,505
2021 - 2026 Annual Change	0.24%	0.05%	0.01%
Median Age	31.5	31.0	31.3
HOUSEHOLDS			
2021 Households	7,251	81,554	235,653
2026 Average Household Size	3.98	3.89	3.83
HOUSING			
2021 Housing Units	7,686	86,532	249,865
Owner Occupied Units	49.7%	43.8%	43.3%
Renter Occupied Units	44.7%	50.4%	51.1%
INCOME			
2021 Average Household Income	\$64,440	\$61,664	\$68,766
2026 Average Household Income	\$74,987	\$70,457	\$97,488



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