



REAL ESTATE SERVICES

Contact:

Katie Kea / Jenn Quader

[Brower, Miller & Cole](#)

(949) 955-7940

KKea@browermillercole.com

**VOIT REAL ESTATE SERVICES DIRECTS SALE OF 136,806 SQUARE-FOOT
MULTI-TENANT INDUSTRIAL/FLEX BUSINESS PARK IN INLAND EMPIRE**

RANCHO CUCAMONGA, Calif., (Sept. 9, 2016) – [Voit Real Estate Services](#) has successfully completed the sale of Arrow Business Park, a seven-building, 136,806 square-foot multi-tenant industrial/flex business park in Rancho Cucamonga.

Frank Geraci and Juan Gutierrez of Voit's Inland Empire office and Mike Bouma of Voit's Orange County office worked together to represent both the buyer, Focus Real Estate, and the seller, Essex Arrow LLC, in the transaction.

"The Inland Empire is one of the strongest industrial markets in the nation," comments Geraci. "Vacancy rates in the prime Inland Empire West submarket finished the second quarter at [3.75 percent](#), and average lease rates jumped to \$0.56 per square-foot, surpassing pre-recession peak rental rates for the first time ever. Based on these strong market fundamentals, the Arrow Business Park is extremely well-positioned to capitalize on rising rental rates and the growing demand for quality industrial space throughout the region."

The business park, which was sold for \$15.4 million, consists of 69 units ranging from 240 to 12,650 square feet in size.

Geraci explains that no new multi-tenant industrial business parks have been built in the last 15 years in the local market, adding that high land and construction costs have significantly limited the available supply of new multi-tenant industrial product in this region.

“Demand for space in existing multi-tenant parks is at an all-time high, placing upward pressure on lease rates for this product type,” Geraci adds. “In particular, demand for smaller flex units with office build-outs is on the rise as tenants continue to seek spaces that can accommodate a vast array of corporate functions. We are now at a point in the recovery cycle where multi-tenant industrial is poised for tremendous growth, and investors are taking note.”

Located in the Rancho Cucamonga submarket, which boasts a 1.76 percent industrial vacancy, the Arrow Business Park was 76 percent occupied at acquisition, presenting an initial challenge that the Voit team was able to overcome.

“Despite the property’s prime location in a highly desirable submarket, the vacancy rate raised initial concerns among some of the prospective buyers,” says Geraci. “We knew that the property presented tremendous opportunity for value creation in the hands of an experienced owner-operator. By emphasizing the strength of the market, the well-below replacement cost value, and the asset’s tremendous value-add potential, we were able to successfully secure a buyer that recognized the opportunity for value creation.”

Voit’s Inland Empire and Orange County offices worked together to achieve this success - an integration that is reflective of Voit’s new broker-owned platform in action, according to Geraci.

“Voit’s new structure gives every broker a personal stake in the company,” he explains. “The knowledge that the company’s success equates directly to each broker’s success has created a renewed energy and drive that is fueling collective work among and between our brokers. As a result, we’re able to create even better outcomes for our clients, and for ourselves.”

Geraci notes that in this case, the result was identifying a buyer that understood the property’s potential, and demonstrated surety of close.

“Focus Real Estate’s proven track record and solid financial backing enabled them to emerge as the right buyer for this asset,” he states.

Focus Real Estate acquired the property in partnership with HG Capital. Chris Bramel and Randy Bramel of Bridgeport Investments arranged the debt and assisted with the equity for the acquisition. An acquisition loan was provided by Silvergate Bank of La Jolla.

Built in 1988, the Arrow Business Park features ample parking, 16' to 24' warehouse clearance ceilings, ground level loading, and a 35 percent office build-out. Located at 9047-9087 Arrow Route in Rancho Cucamonga, California, the property offers immediate access to the I-210, I-15, and I-10 for distribution and transportation.

The property's close proximity to residential communities and extensive retail amenities such as Victoria Gardens and many local service providers make this a strong, centrally-located industrial asset that will deliver long-term value to tenants and investors, according to Geraci.

Focus Real Estate plans to upgrade the property, reposition the vacant space through a series of capital improvements, lease the vacant space, and bring rents to market upon tenant rollover in order to deliver strong risk-adjusted returns to its investors.

About Voit Real Estate Services

Voit Real Estate Services is a privately held, broker-owned Southern California commercial real estate firm that provides strategic property solutions tailored to clients' needs. Throughout its 40+ year history, the firm has developed, managed and acquired more than 64 million square feet and completed more than \$42.5 billion in brokerage transactions encompassing more than 41,000 brokerage deals. Voit's unmatched expertise in Southern California brokerage, investment advisory, financial analysis, and market research enable the firm to provide clients with forward looking strategies that create value for a wide range of assets and portfolios. Further information is available at www.voitco.com.

###