

Offering Memorandum
MADERA INDUSTRIAL WHSE

325-355 S Schnoor Avenue
Madera, CA 93637



JUSTIN SMITH
Senior Vice President
949.790.3151
jbsmith@lee-associates.com
Lic. 01504494

GRANT LABOUNTY
Vice President
949.790.3120
glabounty@lee-associates.com
Lic. 02086573

CHRIS VASSILIAN
Associate
949.790.3102
cvassilian@lee-associates.com
Lic. 02191531

CHAD BROCK
President, Managing Principal
661.205.8011
cbrock@lee-associates.com
Lic. 01454494

ERIC POWERS
Vice President
661.201.0320
epowers@lee-associates.com
Lic. 00977873

ROSS PUSKARICH
Associate
661.889.6580
rpuskarich@lee-associates.com
Lic. 02175945



TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
SITE OVERVIEW	5
Site Summary	6
Market Overview	13
FINANCIAL OVERVIEW	19
Rent Roll	18
Income Statement	22
Market Leasing Assumptions	23
Why Multi-Tenant Industrial	24

OFFERING MEMORANDUM DISCLAIMER

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the Owner, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to any interested persons. In this Memorandum, certain documents are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the material referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or Lee & Associates-Irvine nor any of their respective officers, directors, employees, affiliates or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any and all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with our without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any person reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

For more information, please contact one of the following individuals:

MARKET ADVISORS

JUSTIN SMITH, SIOR

Senior Vice President
949-790-3151
jbsmith@lee-associates.com
Lic. 01504494

GRANT LABOUNTY

Vice President
949-790-3120
glabounty@lee-associates.com
Lic. 02086573

CHRIS VASSILIAN

Associate
949-790-3102
cvassilian@lee-associates.com
Lic. 02191531

LOCAL EXPERTS

CHAD BROCK

President, Managing Principal
661.205.8011
cbrock@lee-associates.com
Lic. 01454494

ERIC POWERS

Vice President
661.201.0320
epowers@lee-associates.com
Lic. 00977873

ROSS PUSKARICH

Associate
661.889.6580
rpuskarich@lee-associates.com
Lic. 02175945

EXECUTIVE SUMMARY

Madera Industrial WHSE is a newly constructed, multi-tenant shallow-bay industrial business park totaling 144,300 square feet across four buildings, strategically located at 325–355 S. Schnoor Avenue in Madera, California. Delivered in May 2023, the project has rapidly stabilized, with 88% occupancy achieved within 18 months. The asset comprises 74 small-format warehouse units averaging 1,950 square feet, catering to a diversified mix of service-based tenants, tradespeople, distributors, and regional light industrial users. Each unit features warehouse space, a private restroom, a fenced yard, and a small office—an optimal layout for local operators and small business owners.

This offering is uniquely positioned to capture long-term value through rising rents and low tenant turnover. With renewal rates averaging 70-78% and rent increases of 3-8% on executed renewals, the asset benefits from its “sticky” tenant base—driven by irreplaceable location, tailored suite design, and high tenant cost of relocation. Lease terms average 24–36 months, creating frequent mark-to-market opportunities, while low capital expenditures and minimal operating intensity make the property especially efficient to manage. The surrounding Central Valley region continues to expand with new housing, retail, and industrial projects—further enhancing demand for flex warehouse inventory.

Located just off Highway 99 in the heart of California, Madera Industrial WHSE offers direct access to one of the most cost-effective and growth-oriented regions in the state. With infill positioning and limited new construction for small-bay product, this property delivers the rare combination of stability, yield, and long-term upside. Investors will benefit from immediate in-place income backed by a strong rent roll and the opportunity to further enhance cash flow through continued leasing and organic rent growth.

PRICING SUMMARY

The offering is being presented with guidance at **\$18,750,000**, representing a **6.47% cap rate** on a projected Year-One NOI of **\$1,273,783** (October 2025 to September 2026). This pricing equates to \$129 per square foot and delivers compelling projected returns, including a 16.71% IRR and 1.75x equity multiple over a five year hold. The offering continues to reflect a meaningful discount to replacement cost and aligns closely with recent appraisals, while providing stable cash flow, upside through embedded rent growth, and minimal capital expenditure requirements. The asset’s income is underpinned by 67 signed leases with 3% average annual rent escalations, and its shallow-bay format positions it well to outperform across real estate cycles.

PROPERTY HIGHLIGHTS



Newly Built & Stabilized:

Delivered in 2023, Madera Industrial WHSE is a fully leased, modern business park with no deferred maintenance. The 74 small-bay units are move-in ready, each with fenced yards, roll-up doors, and small offices—designed for low-friction operations and minimal landlord oversight.



Growing Cash Flow:

With projected NOI of \$1.2M and average 3% annual rent increases, the asset delivers stable income and built-in upside. Short lease terms allow for frequent mark-to-market, while recent renewals achieved 8% rent bumps—evidence of strong tenant demand.



Diversified Tenant Base:

The property serves 60+ tenants across trades, logistics, and services, averaging 1,950 SF per suite. Fragmentation limits rollover risk, while a 78% renewal rate and low tenant turnover support long-term income stability.



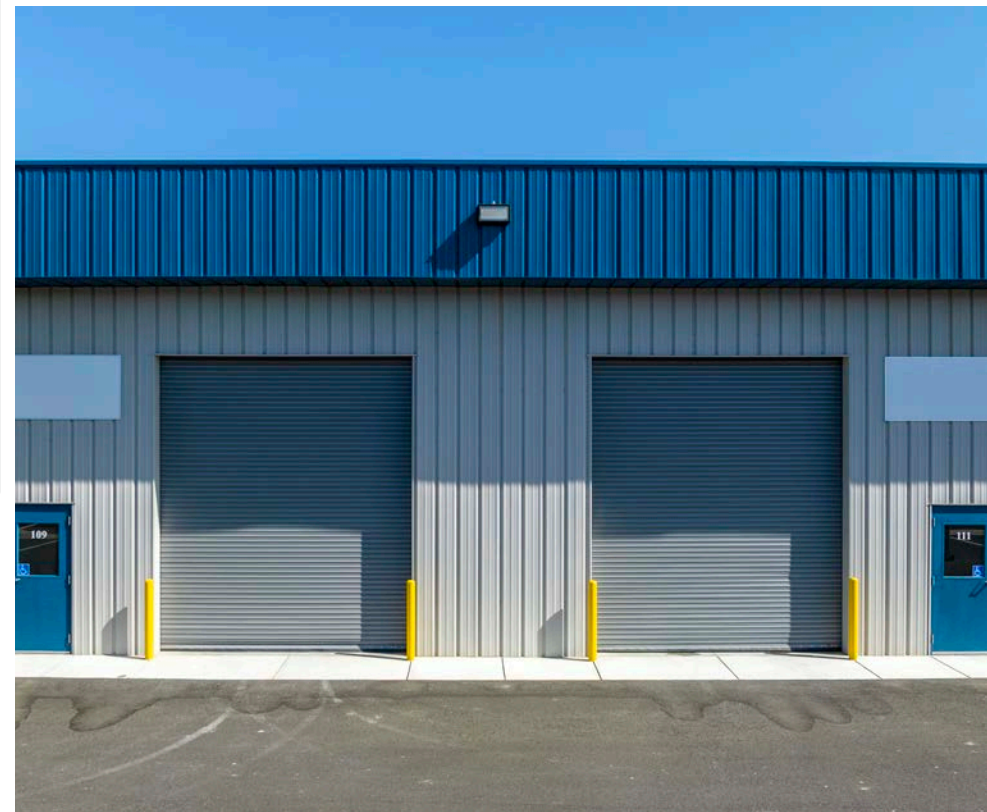
Infill Growth Location:

Situated just off Highway 99, the property is at the heart of Central California’s expanding logistics and housing corridor. With limited small-bay supply and major growth drivers nearby—like Riverstone and Tesoro Viejo—the location offers long-term relevance and rent growth potential.

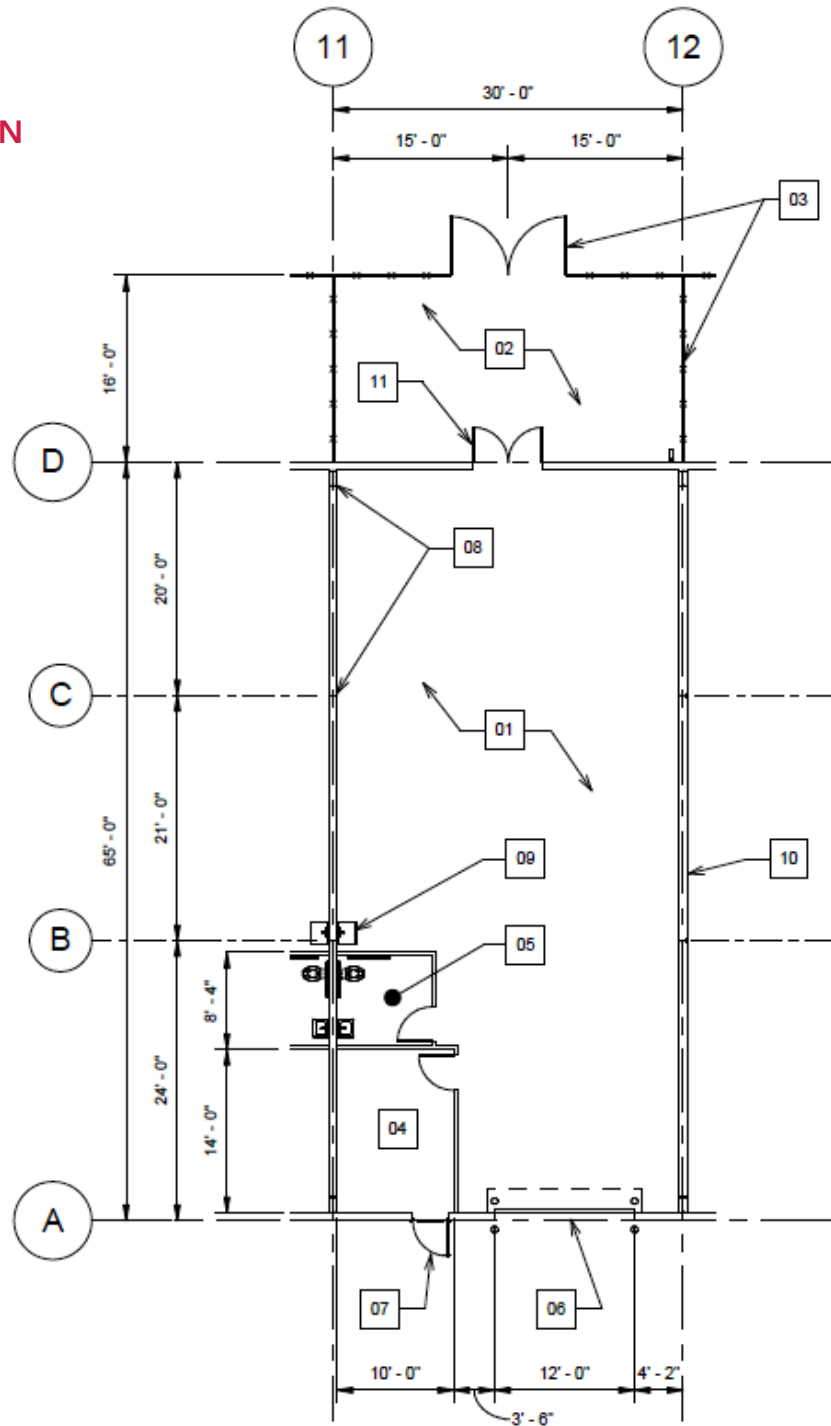
SITE OVERVIEW

SITE SUMMARY

APN	009-330-043
Location	325-355 S Schnoor Avenue, Madera, CA 93637
Zoning	Industrial
Uses	Allowable uses per city zoning code
Year Built	2023
Land	9.07 AC
RBA	144,300 SF
Office	Single office per unit
Electrical Panel	Single phase, three phase available upon request
Dock High Loading	Shared dock on east end of property
Grade Level Loading	One 14' grade level loading door per unit
Minimum Clearance	18'
Fire Sprinklers	Wet
Climate Control	Climate controlled office, evaporative cooler and heater in warehouse
Additional Considerations	The site includes perimeter fencing with electric security gate, video surveillance, and chain link fenced yards for each individual unit.
Disclaimer	All building specifications including, but not limited to, ceiling height, door dimensions, fire suppression systems, electricity, are approximations based upon historical data and field observations. Buyer is instructed to verify all specifications to their own satisfaction.



UNIT FLOOR PLAN



FLOOR PLAN KEYNOTES

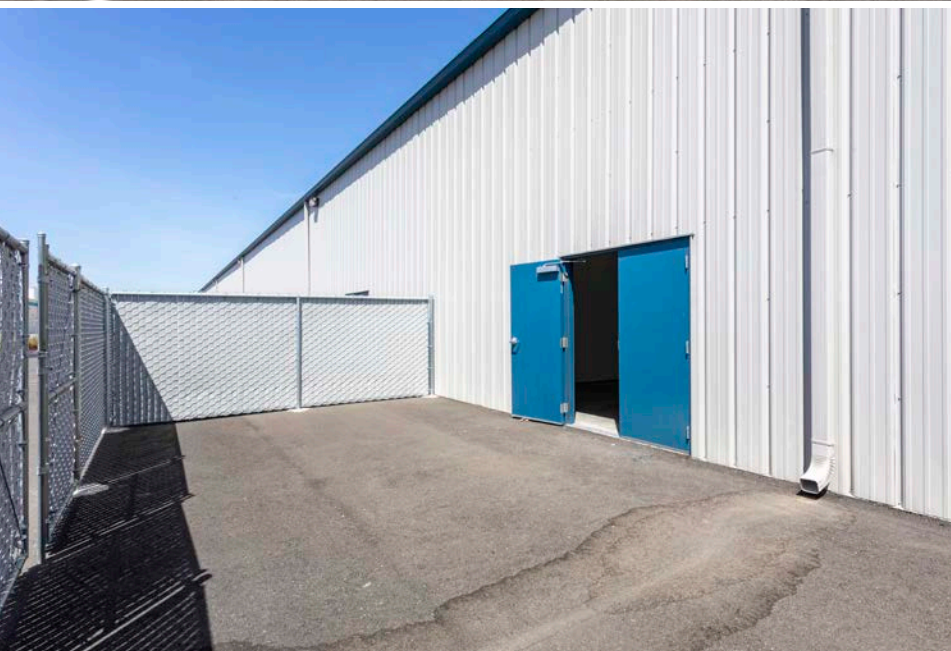
- 01** WAREHOUSE AREA W/ ROOF MOUNTED EVAP. COOLER / UNIT HEATER (CONSIDERED UNCONDITIONED SPACE DUE TO BTU'S) AND ONE (1) ROOF SKYLIGHT
- 02** EXTERIOR SECURED STORAGE AREA / YARD
- 03** CHAINLINK FENCE W/ PRIVACY SLATS (8' HEIGHT)
- 04** OFFICE AREA (CONDITIONED)
- 05** ACCESSIBLE RESTROOM (W/ EXHAUST ONLY)
- 06** 12'x14' ROLL-UP DOOR
- 07** 3'x7' DOOR WITH INTEGRAL WINDOW W/ SECURITY GLAZING (WIRE REINFORCED)
- 08** TYP. METAL BLDG. COLUMN WHERE OCCURS
- 09** ACCESSIBLE STAINLESS STEEL HANDWASH SINK
- 10** INTERIOR METAL PURL GIRTS W/ ONE (1) LAYER 5/8" DRYWALL EA. SIDE AND ACOUSTICAL INSULATION FULL HT.
- 11** 6'x7' DOUBLE LEAF DOOR

PROPERTY SUMMARY

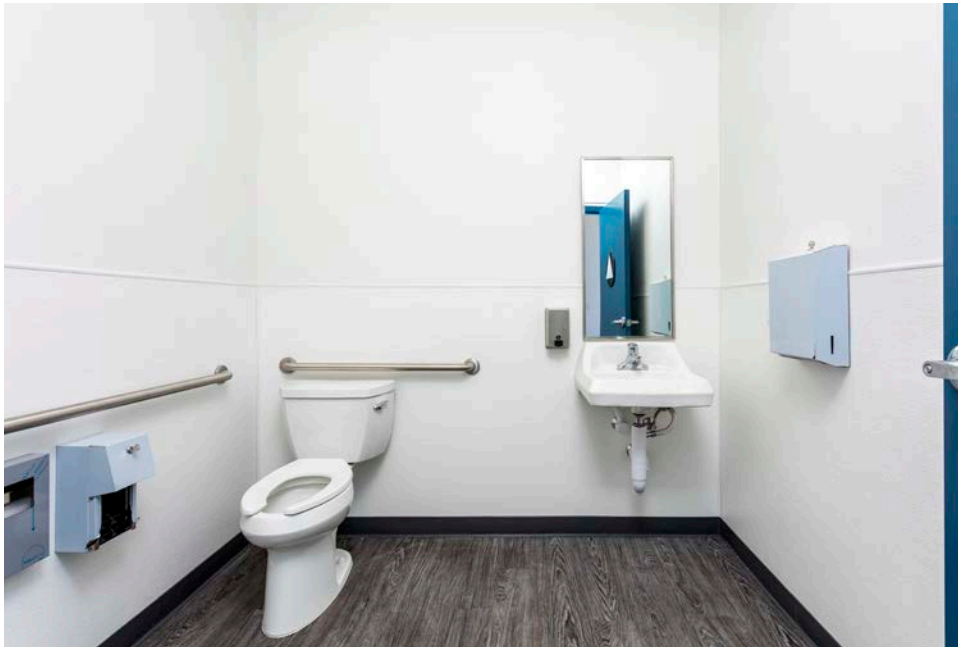
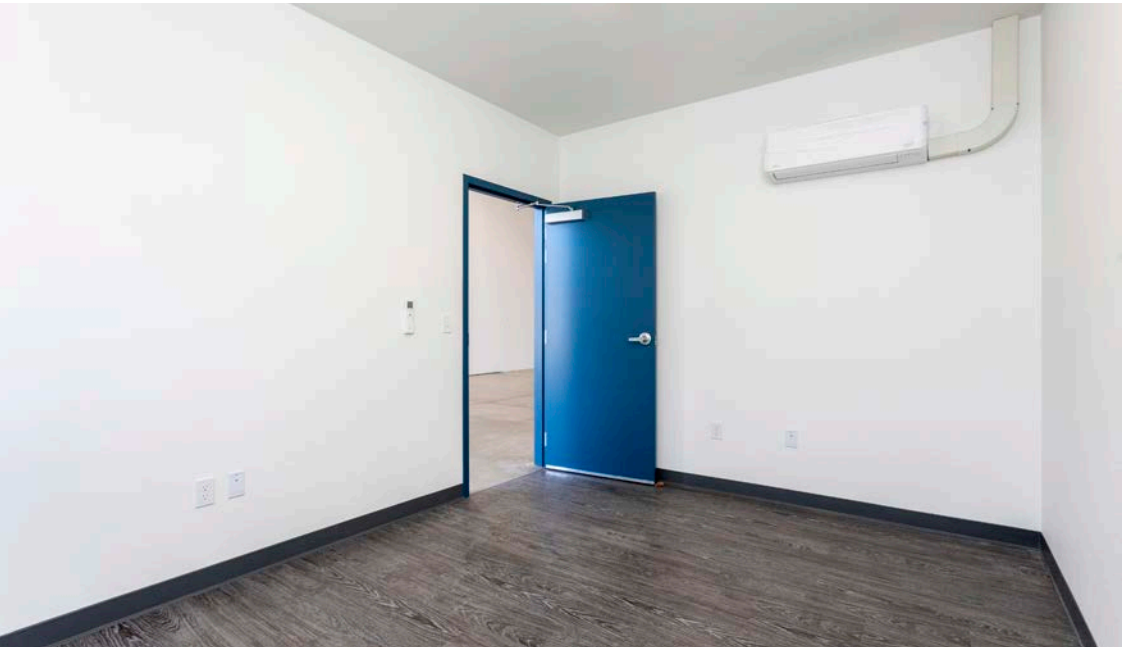
Metric	Value
Price Guidance	\$18.75M
Cap Rate (TTM or Forward)	6.47%
NOI	\$1.27M
Occupancy	89%
Average Suite Size	±1,950 SF
Built	2023
Suite Count	74 Units
Retention Rate	78%
Annual Rent Increases	Avg. 3%



EXTERIOR PROPERTY PHOTOS

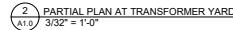


INTERIOR PROPERTY PHOTOS



1. ACCESSIBLE PATH OF TRAVEL TO ENTRANCES (MAX. SLOPE OF 5% PERMITTED IN THE DIRECTION OF TRAVEL AND MAX. 2% CROSS-SLOPE PERPENDICULAR TO THE DIRECTION OF TRAVEL).
2. SEE SHEET A.1 FOR ACCESSIBLE PARKING STALL DETAILS.
3. CLEAN AIR VEHICLE PARKING STALLS - BASED ON THE NUMBER OF PARKING STALLS PROVIDED, 18 STALLS ARE TO BE DESIGNATED FOR CLEAN AIR VEHICLES, WHEREIN AN "A" IS DENOTED AT A STALL. THE FOLLOWING TEXT IS TO BE PLACED SUCH THAT THE LOWER EDGE OF THE SECOND ROW OF TEXT IS ALIGNED WITH THE END OF THE STALL STRIPING AND IS VISIBLE BENEATH A PARKED VEHICLE:

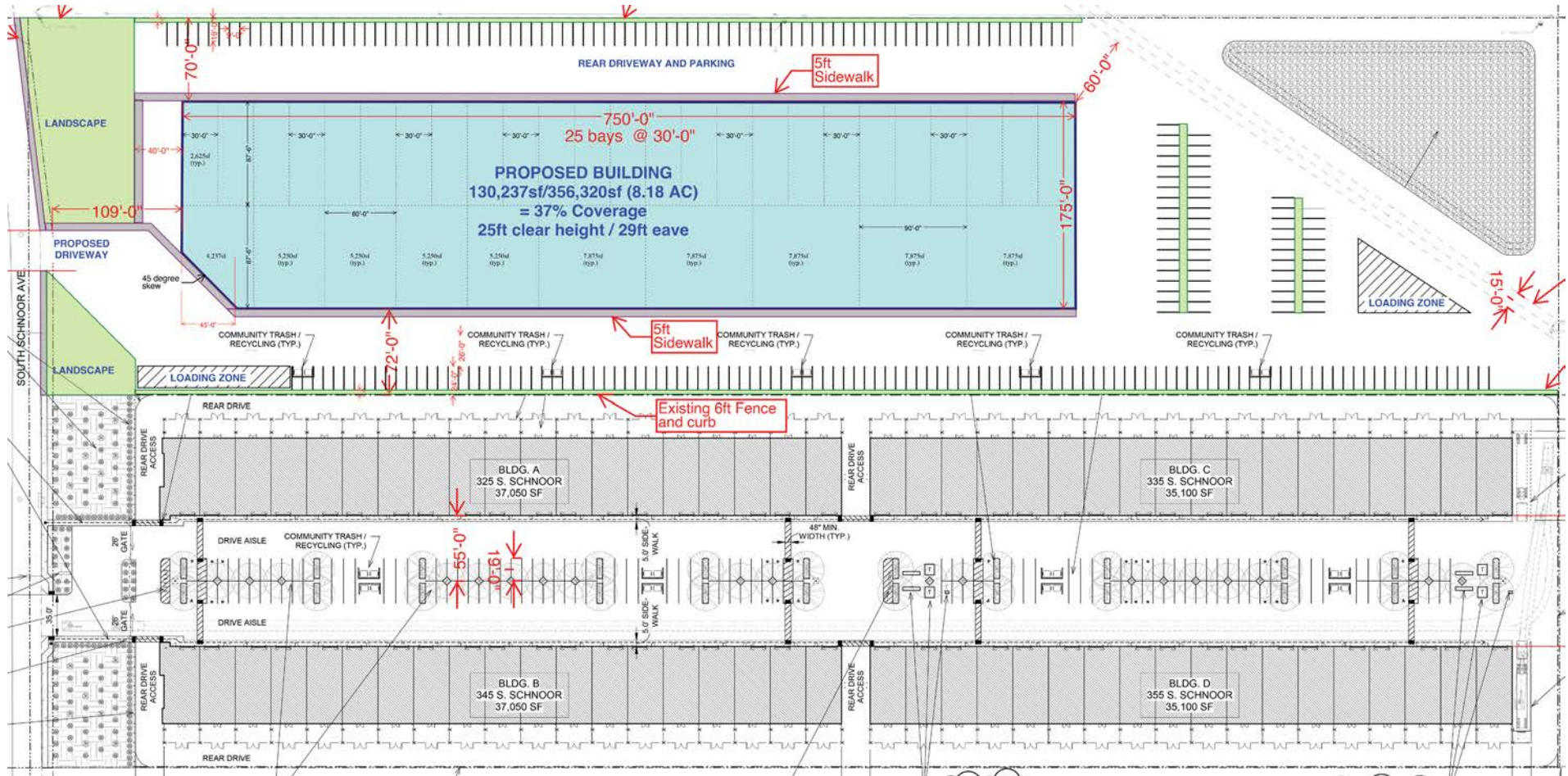
CLEAN AIR
VANPOOL/EV
4. FOR CITY OF MADRID STANDARD CMU TRASH ENCLOSURE CONSTRUCTION, SEE SHEET A.11. IN ADDITION, TRASH ENCLOSURES ARE TO HAVE CLEARANCES AND ACCESS REQUIREMENTS OF MID-VALEA DISPOSAL.



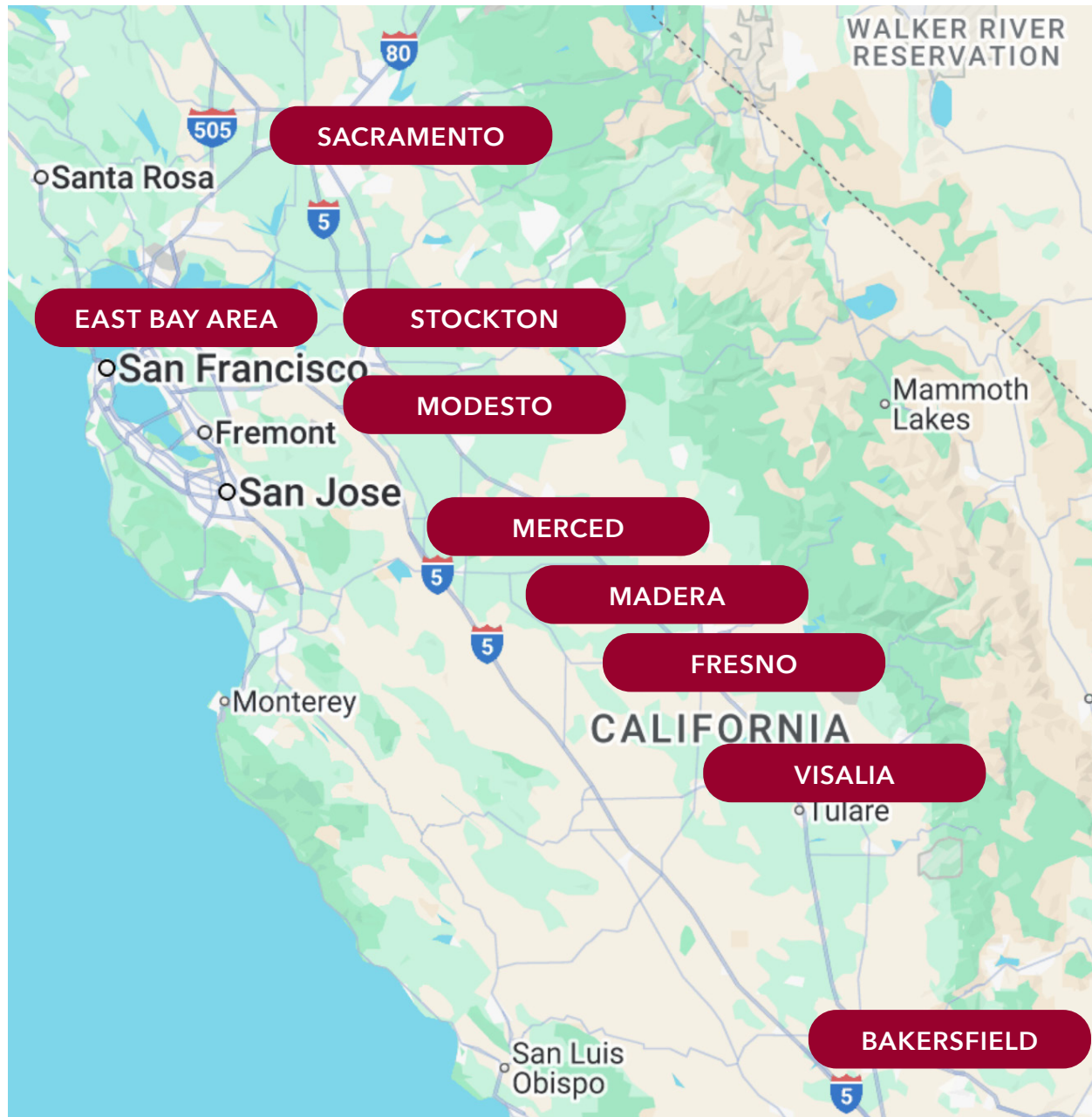
24 LOADING SPACES PROVIDED



ADDITIONAL PARCEL AVAILABLE BY SEPARATE OWNERSHIP



MARKET OVERVIEW



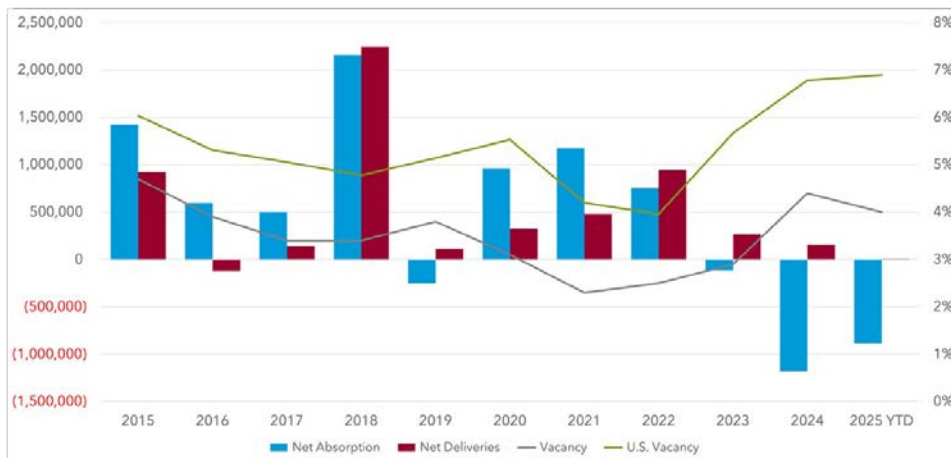
East Bay - CA USA \$73.8B Asset Value			
Inventory SF	280M	Market Asking Rent/SF	\$1.44
Under Constr SF	1.1M	Market Asking Rent Growth	-0.4%
12 Mo Net Absorp SF	(6.4M)	Market Sale Price/SF	\$263
Vacancy Rate	9.2%	12 Mo Sales Vol	\$1.4B
Sacramento - CA USA \$29.8B Asset Value			
Inventory SF	196M	Market Asking Rent/SF	\$0.97
Under Constr SF	1.3M	Market Asking Rent Growth	2.1%
12 Mo Net Absorp SF	(478K)	Market Sale Price/SF	\$151
Vacancy Rate	6.5%	12 Mo Sales Vol	\$604M
Stockton - CA USA \$20.3B Asset Value			
Inventory SF	156M	Market Asking Rent/SF	\$0.78
Under Constr SF	1.6M	Market Asking Rent Growth	-1.4%
12 Mo Net Absorp SF	(1.8M)	Market Sale Price/SF	\$128
Vacancy Rate	9.8%	12 Mo Sales Vol	\$636M
Fresno - CA USA \$7.7B Asset Value			
Inventory SF	87.6M	Market Asking Rent/SF	\$0.74
Under Constr SF	50.1K	Market Asking Rent Growth	0%
12 Mo Net Absorp SF	(588K)	Market Sale Price/SF	\$88
Vacancy Rate	4.5%	12 Mo Sales Vol	\$117M
Bakersfield - CA USA \$7.5B Asset Value			
Inventory SF	66.7M	Market Asking Rent/SF	\$0.84
Under Constr SF	1.2M	Market Asking Rent Growth	0.2%
12 Mo Net Absorp SF	(426K)	Market Sale Price/SF	\$111
Vacancy Rate	10.2%	12 Mo Sales Vol	\$85.3M
Modesto - CA USA \$5.7B Asset Value			
Inventory SF	62.4M	Market Asking Rent/SF	\$0.74
Under Constr SF	612K	Market Asking Rent Growth	0.1%
12 Mo Net Absorp SF	(1.1M)	Market Sale Price/SF	\$91
Vacancy Rate	5.8%	12 Mo Sales Vol	\$77.6M
Visalia - CA USA \$3.7B Asset Value			
Inventory SF	45.5M	Market Asking Rent/SF	\$0.73
Under Constr SF	310K	Market Asking Rent Growth	0.1%
12 Mo Net Absorp SF	(369K)	Market Sale Price/SF	\$82
Vacancy Rate	11.6%	12 Mo Sales Vol	\$60.1M
Merced - CA USA \$1.3B Asset Value			
Inventory SF	12.4M	Market Asking Rent/SF	\$0.61
Under Constr SF	19.8K	Market Asking Rent Growth	0%
12 Mo Net Absorp SF	209K	Market Sale Price/SF	\$108
Vacancy Rate	7.0%	12 Mo Sales Vol	\$16.2M
Madera - CA USA \$1.2B Asset Value			
Inventory SF	10.2M	Market Asking Rent/SF	\$0.71
Under Constr SF	56.2K	Market Asking Rent Growth	0%
12 Mo Net Absorp SF	(38.6K)	Market Sale Price/SF	\$117
Vacancy Rate	0.8%	12 Mo Sales Vol	\$18.3M

FRESNO Q1 MARKET REPORT

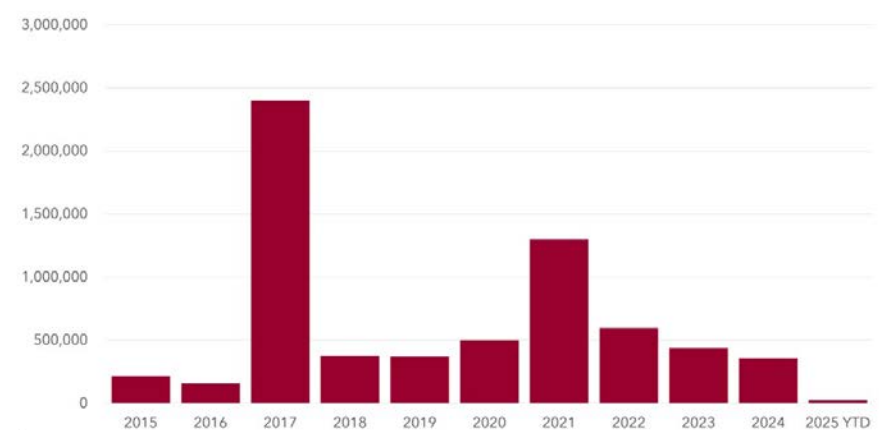
INDUSTRIAL MARKET OVERVIEW

Fresno's industrial vacancy rose to 4.1% in Q1 2025, up from 3.7% a year ago, due to -960,000 SF of net absorption as moveouts exceeded expansions. Despite this, vacancy remains below the 7.0% national average. Rents averaged \$8.80/SF, with a modest 0.3% increase over the past year. Over the last decade, industrial inventory has grown by 5.5 million SF (7%), slower than most U.S. markets. Just 25,000 SF is under construction, including a preleased 20,000-SF warehouse in Fowler. Around \$132 million in properties sold in the past year, with pricing averaging \$86/SF, well below peaks of 2022. Fresno remains a cost-effective industrial market in California.

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



PROPERTY LOCATOR MAP



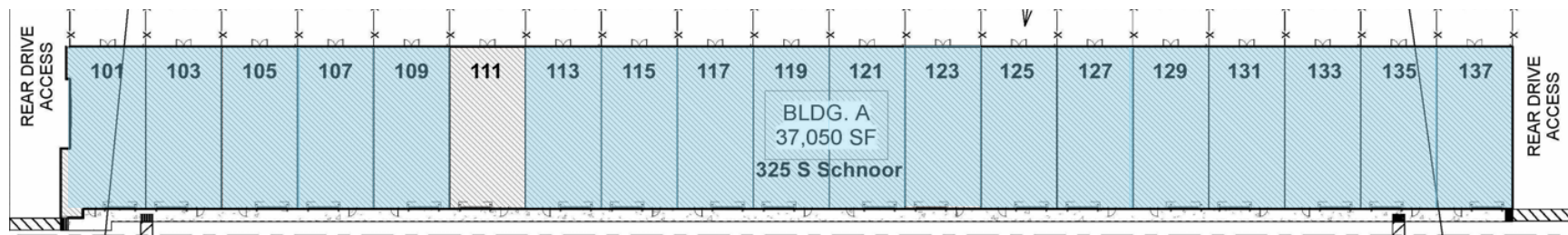
The map displays Central California with two concentric circles centered on Madera, CA. The larger circle, labeled '100 MILE RADIUS', covers a vast area including San Francisco, San Jose, Modesto, and Fresno. The smaller circle, labeled '25 MILE RADIUS', is centered on Chowchilla, CA, and includes nearby towns like Madera, Mendota, and Clovis. Major highways such as I-5, I-880, and SR-101 are clearly marked. The map uses a color-coded system to represent different land types: green for forested areas, yellow for open land, and blue for water bodies.



FINANCIAL OVERVIEW

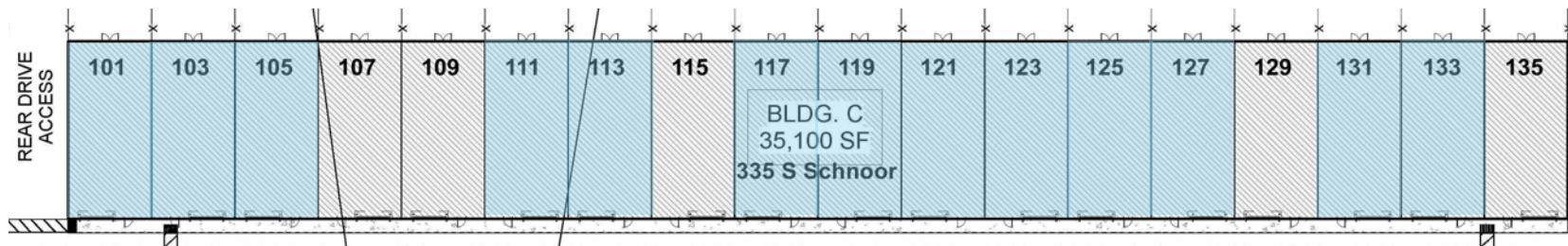
325 S SCHNOOR AVE RENT ROLL AS OF JULY 2025

Unit	Tenant	Rent	Recurring Charges	Deposit	Lease From	Lease To	Move-in
325 101	Freedom Auto Sales; Jose Calderon	1,794.00	100.00	1,700.00	05/08/2023	04/30/2027	04/30/2027
325 103	One Main Janitorial	1,848.00	100.00	1,800.00	03/01/2024	02/28/2026	02/28/2026
325 105	The Flipper Queen LLC	1,707.25	100.00	1,700.00	11/20/2023	11/30/2027	11/30/2025
325 107	CenCal Audio	1,865.75	100.00	1,800.00	06/01/2024	05/31/2026	05/31/2026
325 109	CenCal Audio	1,775.50	100.00	1,700.00	04/27/2023	05/31/2026	05/31/2026
325 111							
325 113	The Yerba Mate Co. LLC	1,707.25	290.00	1,700.00	09/01/2023	08/31/2025	08/31/2025
325 115	Foundation for California Community College	1,950.00	100.00	1,800.00	02/18/2025	02/28/2026	02/28/2026
325 117	TRT Air Conditioning and Heating	1,794.00	100.00	1,800.00	06/01/2025	05/31/2027	05/31/2027
325 119	KCCTech LLC	1,794.00	100.00	1,800.00	04/01/2025	03/31/2027	03/31/2027
325 121	Infinity Communications LLC	1,794.00	100.00	1,700.00	06/09/2023	06/30/2027	06/30/2027
325 123	Boba Brothers LLC	1,848.00	100.00	1,800.00	05/01/2024	04/30/2026	04/30/2026
325 125	Madera Unified School District	1,758.50	100.00	1,700.00	08/01/2023	07/31/2028	07/31/2028
325 127	Madera Unified School District	1,758.50	100.00	1,700.00	08/01/2023	07/31/2028	07/31/2028
325 129 & 131	Grizzly International	3,588.00	200.00	3,600.00	10/01/2024	09/30/2027	09/30/2027
325 133	2 Golden Eagles	1,707.25	100.00	1,700.00	09/19/2023	09/30/2026	09/30/2025
325 135	Management Unit				05/01/2023		
325 137	CRC Construction and Consulting, INC	1,794.00	100.00	1,800.00	06/16/2025	06/15/2027	06/15/2027
		30,484.00	1,890.00	29,800.00			



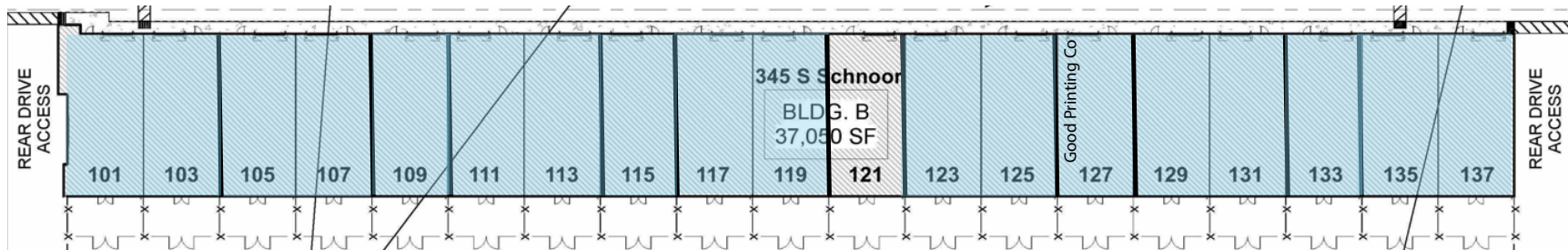
335 S SCHNOOR AVE RENT ROLL AS OF JULY 2025

Unit	Tenant	Rent	Recurring Charges	Deposit	Lease From	Lease To	Move-in
335 101	CRC Construction and Consulting, INC	1,707.25	100.00	1,700.00	01/01/2024	12/31/2025	12/31/2025
335 103	Tint Works LLC	1,707.25	100.00	1,700.00	12/01/2023	11/30/2025	11/30/2028
335 105	K&K Vending and Distributing ; Christopher Kaufmann, Michelle Kaufmann	1,794.00	100.00	3,400.00	04/12/2023	04/30/2027	04/30/2027
335 107							
335 109							
335 111	Maurizio Martines	1,794.00	100.00	1,700.00	04/14/2023	04/30/2027	04/30/2027
335 113	RVD Heating & Air And Son	1,794.00	100.00	1,700.00	07/01/2023	12/31/2025	12/31/2025
335 115							
335 117	DS Glass & Window Inc	1,794.00	100.00	1,800.00	09/01/2024	09/30/2025	09/30/2025
335 119	Cypress System	1,847.82	100.00	1,800.00	02/15/2024	02/28/2026	02/28/2026
335 121	Cypress System	1,847.82	100.00	1,800.00	02/15/2024	02/28/2026	02/28/2026
335 123	SunFlare Home Service, Inc	1,848.00	100.00	1,800.00	06/01/2024	05/31/2026	05/31/2026
335 125	SunFlare Home Service	1,707.25	100.00	1,700.00	01/01/2024	05/31/2026	05/31/2026
335 127	365 Logistics, INC	1,707.25	100.00	1,700.00	02/01/2024	12/31/2025	12/31/2025
335 129							
335 131	Atlas Almonds California	1,794.00	100.00	1,800.00	04/15/2025	05/31/2026	05/31/2026
335 133	ONLY Biotech	1,794.00	100.00	1,800.00	10/31/2024	10/31/2027	10/31/2027
335 135	Madera's Queen Honey	1,794.00	100.00	1,800.00	08/15/2025	08/31/2027	07/14/2025
		24,930.64	1,400.00	26,200.00			



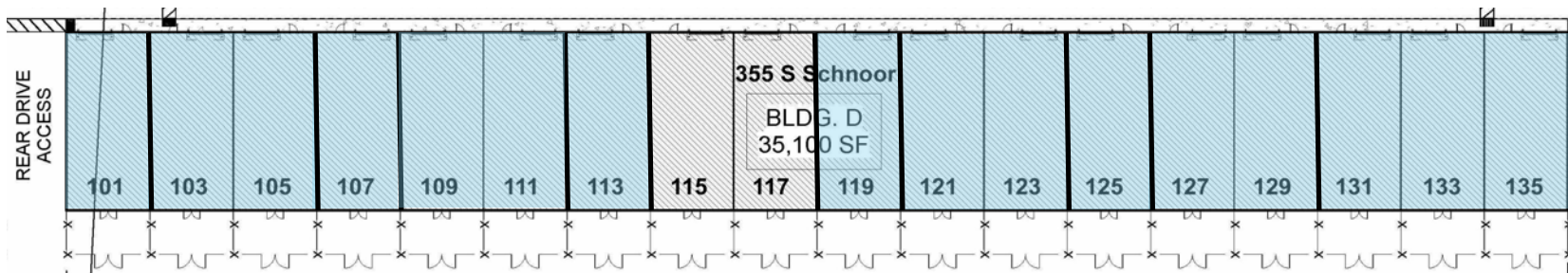
345 S SCHNOOR AVE RENT ROLL AS OF JULY 2025

Unit	Tenant	Rent	Recurring Charges	Deposit	Lease From	Lease To	Move-in
345 101	JC Signs	1,794.00	100.00	1,800.00	03/01/2025	02/28/2027	02/28/2027
345 103	A Tow Truck LLC/ Hollister Towing ,INC	1,794.00	100.00	1,800.00	03/01/2025	02/28/2027	02/28/2027
345 105 & 107	Race Telecommunications	3,588.00	200.00	3,600.00	04/01/2025	03/31/2035	03/31/2035
345 109	Cruz Customz	1,865.76	100.00	1,800.00	07/10/2024	06/30/2026	06/30/2026
345 111 & 113	Plainstar Supply, INC	3,696.00	200.00	3,600.00	05/15/2024	05/31/2026	05/31/2026
345 115	WestCoast Trading and Logistics	1,852.50	100.00	1,800.00	11/01/2024	10/31/2026	11/30/2026
345 117 & 119	The Water Connection, Inc	3,588.00	200.00	3,400.00	05/01/2023	04/30/2027	04/30/2027
345 121							
345 123 & 125	Madera Unified School District	3,695.64	200.00	3,600.00	05/01/2024	07/31/2028	07/31/2028
345 127	Good Printing Co.	1,794.00	100.00	3,400.00	04/19/2023	04/30/2027	04/30/2027
345 129 & 131	Sutter Buttes Rubber Company	3,414.50	200.00	3,400.00	11/01/2023	10/31/2026	10/31/2025
345 133 & 135 & 137	Z Boys Customs	5,382.00	440.00	1,200.00	03/01/2025	02/28/2030	02/28/2030
		32,464.40	1,940.00	29,400.00			



355 S SCHNOOR AVE RENT ROLL AS OF JULY 2025

Unit	Tenant	Rent	Recurring Charges	Deposit	Lease From	Lease To	Move-in
355 101	Aftermath Services LLC	1,758.50	100.00	1,700.00	04/17/2023	04/16/2026	04/16/2026
355 103 & 105	Arista Networks ,INC.	3,516.88	200.00	3,400.00	06/01/2023	08/31/2026	12/31/2025
355 107	Meridian Growers Processing, INC	1,657.50	0.00	1,700.00	10/05/2023	10/31/2025	10/31/2025
355 109 & 111	Meridian Growers Processing, INC	3,315.00	0.00	3,400.00	10/05/2023	10/31/2025	10/31/2025
355 113	South Bay Naturals	1,707.25	100.00	1,700.00	10/01/2023	09/30/2026	10/01/2023
355 115 & 117							
355 119	Gummy Bear Distribution Corporation	1,707.25	100.00	1,700.00	09/07/2023	09/30/2025	09/30/2025
355 121 & 123	DS Glass & Window Inc	3,415.00	200.00	3,400.00	06/29/2023	09/30/2026	06/29/2023
355 125	DS Glass & Window Inc	1,707.25	100.00	1,700.00	10/06/2023	09/30/2025	09/30/2025
355 127 & 129	Super Store, LLC	3,588.00	200.00	3,400.00	04/12/2023	04/30/2027	04/30/2027
355 131, 133, & 135	Quady South Winery	5,382.00	300.00	5,100.00	04/12/2023	04/30/2027	04/30/2027
		27,754.63	1,300.00	27,200.00			



PROFORMA INCOME STATEMENT

Account Name	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Total
Operating Income & Expense													
Income													
RENTS													
Rent Income	118,742.86	124,267.73	131,617.25	130,049.50	130,197.50	132,494.03	132,927.33	133,815.37	128,822.81	134,664.28	134,924.01	134,438.57	1,566,961.23
Parking Lot Income	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	2,280.00
Total RENTS	118,932.86	124,457.73	131,807.25	130,239.50	130,387.50	132,684.03	133,117.33	134,005.37	129,012.81	134,854.28	135,114.01	134,628.57	1,569,241.23
FEES													
CAM Fee	6,550.00	6,850.00	7,250.00	7,150.00	7,150.00	7,250.00	7,250.00	7,300.00	7,000.00	7,350.00	7,350.00	7,350.00	85,800.00
Initial Occupancy Fee	200.00	300.00	400.00	0.00	0.00	100.00	100.00	0.00	0.00	200.00	0.00	0.00	1,300.00
Total FEES	6,750.00	7,150.00	7,650.00	7,150.00	7,150.00	7,350.00	7,350.00	7,300.00	7,000.00	7,550.00	7,350.00	7,350.00	87,100.00
Total Operating Income	125,682.86	131,607.73	139,457.25	137,389.50	137,537.50	140,034.03	140,467.33	141,305.37	136,012.81	142,404.28	142,464.01	141,978.57	1,656,341.23
Expense													
Property Expenses													
Dayport	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	1,985.00	23,820.00
HVAC	420.00	0.00	0.00	0.00	0.00	0.00	52.00	0.00	0.00	0.00	0.00	0.00	472.00
Janitorial Expense	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	540.00
Landscaping	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Locksmith	100.00	150.00	200.00	0.00	0.00	50.00	50.00	0.00	0.00	100.00	0.00	0.00	650.00
Pest Control	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	500.00	500.00	500.00	250.00	3,750.00
Repairs and Maintenance - OI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tenant Specific Expenses													0.00
Fire Life Safety	114.95	114.95	114.95	114.95	114.95	114.95	114.95	114.95	114.95	114.95	114.95	114.95	1,379.40
Total Property Expenses	3,914.95	3,544.95	3,594.95	3,394.95	3,394.95	3,444.95	3,496.95	3,394.95	3,644.95	3,744.95	3,644.95	3,394.95	42,611.40
UTILITIES													
Electricity - Common Area	1,900.00	2,000.00	2,200.00	2,300.00	2,200.00	2,000.00	1,900.00	1,700.00	1,600.00	1,500.00	1,700.00	1,800.00	22,800.00
Electricity - Vacant	144.00	96.00	0.00	24.00	24.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	288.00
Sewer	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Trash Removal	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	33,600.00
Water	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
Phone/Internet - Property	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	112.35	1,348.20
Total UTILITIES	5,506.35	5,558.35	5,662.35	5,786.35	5,686.35	5,462.35	5,362.35	5,162.35	5,062.35	4,962.35	5,162.35	5,262.35	64,636.20
MANAGEMENT FEES													
Property Management Fees	3,562.29	3,728.03	3,948.52	3,901.49	3,905.93	3,974.82	3,987.82	4,014.46	3,864.68	4,039.93	4,047.72	4,033.16	47,008.84
Total MANAGEMENT FEES	3,562.29	3,728.03	3,948.52	3,901.49	3,905.93	3,974.82	3,987.82	4,014.46	3,864.68	4,039.93	4,047.72	4,033.16	47,008.84
TAXES													
Property Tax Reserve	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	190,000.00
Total TAXES	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	15,833.33	190,000.00
RESERVES													
Property Insurance Reserve	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	35,004.00
Total RESERVES	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	2,917.00	35,004.00
OTHER													
Marketing/Signage	1,099.00	1,099.00	1,099.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,297.00
Total OTHER	1,099.00	1,099.00	1,099.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,297.00
Total Operating Expense	32,832.92	32,680.67	33,055.15	31,833.12	31,737.56	31,632.45	31,597.45	31,322.09	31,322.32	31,497.56	31,605.35	31,440.79	382,557.44
NOI - Net Operating Income	92,849.94	98,927.06	106,402.10	105,556.38	105,799.94	108,401.58	108,869.88	109,983.28	104,690.49	110,906.71	110,858.66	110,537.78	1,273,783.79

MARKET LEASING ASSUMPTIONS

Base Rent	\$0.92- \$0.95 /SF/month Gross (market rate as of Q2 2025 for small-bay in Madera/Fresno)
Annual Rent Escalation	3.0% fixed annual increases
Lease Term	2-3 years average
Lease Type	Industrial Gross (Tenant pays electric) plus Common Area Maintenance expenses.
Downtime	1-3 months between leases (typical for 1,950 SF units)
Renewal Probability	70-79%
Renewal Rent Bump	8% over expiring rent (based on current renewal history)
Renewal	2-3 years
Renewal TI/Free Rent	3-8%

WHY MULTI TENANT INDUSTRIAL

DELIVERS CONSISTENT, RISK-ADJUSTED RETURNS

DEMAND DRIVERS

MASSIVE TENANT BASE

More than 50% of U.S. industrial tenants lease under 10,000 SF, yet this segment is vastly underrepresented in the development pipeline. That means strong, sustained demand across a wide spectrum of users.

LOCAL BUSINESS GROWTH

Small businesses in trades, services, construction, and e-commerce continue to grow as population expands and urban centers spread. These users rely on proximity and functionality over branding or amenities.

MISSION-CRITICAL USE

Small-bay tenants use their space as their operational hub—it's not optional, it's essential. From fabrication to fulfillment, these buildings are where business happens.

STICKY TENANTS

Relocation is expensive and disruptive, especially for labor-heavy, equipment-based operators. This stickiness helps drive high retention rates of 70–90%.

DIVERSIFIED DEMAND

HVAC, electricians, auto repair, cabinet makers, food distributors—these buildings serve a wide range of industries that function independently of each other, reducing exposure to any single sector.

SUPPLY CONSTRAINTS

IRREPLACEABLE INFILL LOCATIONS

These properties are often located near dense populations and established neighborhoods. That proximity is key to their utility—and almost impossible to replicate.

ZONING & ENTITLEMENT BARRIERS

Permitting new small-bay product is costly and time-consuming due to parking ratios, circulation requirements, and municipal pushback—especially in infill zones.

WHY MULTI TENANT INDUSTRIAL

DELIVERS CONSISTENT, RISK-ADJUSTED RETURNS

LOW PIPELINE

Less than 2% of new industrial construction is in the small-bay format. Developers gravitate toward big-box because it's simpler to entitle and scale.

OBSOLETE COMPETITORS

Most existing small-bay inventory was built 30+ years ago, with low clear heights, insufficient power, and dated systems—leaving modern tenants underserved.

LAND SCARCITY

Suitable land parcels are either too small, irregular, or priced for residential use. That leaves shallow-bay development largely off the table in many regions.

STRONG FINANCIAL PROFILE

FREQUENT MARK-TO-MARKET

With average lease terms of 2–3 years, landlords can adjust rents quickly to match current market conditions and inflation.

BUILT-IN INFLATION HEDGE

Annual rent bumps and short leases allow owners to stay ahead of inflation. Rent growth keeps pace with rising operating costs.

DIVERSIFIED RENT ROLL

With dozens of tenants per property, there's no single point of failure. A single vacancy barely moves the needle on income.

STABLE NOI

Lease expirations are staggered, insulating cash flow even when the broader market softens. Rent collections remain consistent even in downturns.

ATTRACTIVE YIELD

Cap rates for small-bay assets often range 50–100 basis points above institutional big-box deals, making them ideal for yield-focused investors.

WHY MULTI TENANT INDUSTRIAL

DELIVERS CONSISTENT, RISK-ADJUSTED RETURNS

OPERATIONAL ADVANTAGES

LOW CAPEX BURDEN

Turnover costs are minimal—usually just basic cleaning and cosmetic refresh. Tenants often maintain their own space and utilities.

NNN STRUCTURES

Most leases are NNN or modified gross, with tenants paying taxes, insurance, and maintenance. This reduces landlord operating responsibilities.

MINIMAL TI EXPOSURE

Unlike office or retail, there's no need for custom buildouts. Most tenants operate with basic warehouse and yard functionality.

EASE OF MANAGEMENT

Properties can often be managed with limited staff or a third-party partner. Operational simplicity keeps overhead low.

HIGH RE-LEASING VELOCITY

Smaller suites are easier to backfill and turn quickly. There's always a pool of growing businesses looking for 1,500–5,000 SF.

OPTIONALITY ON EXIT

These assets can be sold individually, as a portfolio, or even converted to industrial condos. That flexibility expands your buyer pool at exit.



For more information, please contact one of the following individuals:

MARKET ADVISORS

JUSTIN SMITH

Senior Vice President
949.790.3151
jbsmith@lee-associates.com
Lic. 01504494

GRANT LABOUNTY

Vice President
949.790.3120
glabounty@lee-associates.com
Lic. 02086573

CHRIS VASSILIAN

Associate
949.790.3102
cvassilian@lee-associates.com
Lic. 02191531

LOCAL EXPERTS

CHAD BROCK

President, Managing Principal
661.205.8011
cbrock@lee-associates.com
Lic. 01454494

ERIC POWERS

Vice President
661.201.0320
epowers@lee-associates.com
Lic. 00977873

ROSS PUSKARICH

Associate
661.889.6580
rpuskarich@lee-associates.com
Lic. 02175945