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**MCA REALTY ACQUIRES TWO RARE MULTI-TENANT
INDUSTRIAL ASSETS ENCOMPASSING MORE THAN HALF A MILLION
SQUARE FEET IN THE INLAND EMPIRE**

Inland Empire, Calif., (September 16, 2015) – [MCA Realty](#), a full service real estate investment and management company, has acquired two multi-tenant industrial assets totaling more than half a million square feet in the Inland Empire for a combined total of \$36.8 million.

“The industrial market in the Inland Empire is performing tremendously well, with extremely low vacancy rates driving up both demand and rental rates for properties throughout the area,” says Tyler Mattox, a Principal at MCA Realty. “This makes the timing of these acquisitions extremely favorable. We intend to exploit the potential in these assets, and expect them to deliver long-term, stabilized cash flow.”

Mattox notes that each of these acquisitions is consistent with MCA Realty's strategy to acquire well-located multi-tenant industrial assets with strong value-add characteristics.

"By implementing strategic asset management, we will be able to capitalize on the positive market fundamentals of the growing Inland Empire region," explains Mattox.

Mattox adds that MCA Realty has recently launched a property management arm, MCA Property Management, Inc., which will manage each of these new acquisitions, as well as local assets in the investment firm's existing portfolio.

MCA Realty's two recent acquisitions include:

Rare, 127-Unit Industrial Complex in Riverside, Calif. Acquired for \$30.5 Million

MCA Realty and joint venture partner Saunders Property Company (SPC) have acquired a multi-tenant industrial complex totaling 481,038 square feet in Riverside, California for a total consideration of \$30.5 million. MCA and SPC have partnered successfully on several previous acquisitions, and have a long operating history amongst the respective principals. SPC owns over 60 assets in excess of 4 million square feet throughout the United States. The property was acquired from AEW Capital Management, L.P., which sold the property on behalf of one of its separate account clients.

"The sheer size of this complex makes this acquisition somewhat unique in this asset class," notes Mattox, who explains that the property consists of 17 buildings and 127 units situated alongside Chicago Avenue in the growing Hunter Industrial Park neighborhood.

“Quality multi-tenant industrial buildings of this size, caliber, and location are extremely difficult to find,” continues Mattox. “The asset’s location at the convergence of three major freeways in the area, and the strength of this growing submarket makes this an ideal asset to attract new incubator industrial tenants and maximize property value over time. The incubator multi-tenant product has lagged traditional industrial product in this recovery, and we feel that the combination of renewed tenant demand, no current or planned new construction, and a recent trend upward in rents will provide attractive yields going forward.”

At the time of the acquisition, the industrial buildings were 76% occupied, and MCA Realty will market the vacant space for lease. MCA Realty also plans to implement an extensive renovation of the vacant suites in order to make them more marketable.

“Our planned property upgrades will boost the property’s value, helping to increase rents and occupancy,” says Mattox. “Further, we plan to increase the ratio of industrial to office space in the complex by converting some of the existing office suites back into industrial space. Currently there are a handful of vacant office units on Chicago Avenue that we will convert into industrial units in order to accommodate the strong demand for small industrial space in this market.”

Mattox also notes that re-tenanting costs for the small, incubator industrial spaces are significantly lower than other product types, which will reduce turnover costs and increase net operating income for the property.

MCA Realty’s new property management arm, MCA Property Management, Inc., will be headquartered in this industrial complex.

The property is located at 1600-2060 Chicago Avenue and 1614-1616 Marlborough Avenue in Riverside, California.

Gary Stache, Anthony DeLorenzo, Michael Kendall, and Darla Longo of CBRE assisted MCA Realty in this transaction. Amos Smith of Walker & Dunlop arranged the acquisition financing for MCA Realty with MidCap Financial.

91,326 Square-Foot Industrial Building Acquired in Tight Temecula Market

MCA Realty also acquired a 91,326 square-foot, two-tenant industrial building in Temecula, California for a total of \$68.87 per square-foot. The property, which was acquired from a local San Diego family, was 47% occupied during the acquisition, however MCA Realty secured a lease during escrow that brought the property to 100% occupancy at close of escrow.

“The Temecula industrial market is extremely tight, with sub 3% vacancy, making space between 20,000 to 80,000 square feet very difficult for tenants to find,” says Mattox. “The exceptionally strong demand for industrial product in the area made acquiring this asset the right decision for MCA Realty.”

Just under half of the building is currently occupied by Quiet Cool, an HVAC manufacturing company. During escrow, MCA Realty secured a lease with Deco Breeze, a global product manufacturer, which is now leasing the remainder of the building.

“By securing a new lease for the property prior to the close of escrow, we were able to increase net operating income immediately,” says Mattox. “This provides tremendous value to the property and, while we were confident in our prospects for

leasing the building, identifying and securing the tenant during escrow helped the terms of our debt, and reduced the risk to our investment partners.”

MCA Realty plans to implement a series of capital upgrades to the property, including both exterior upgrades and interior tenant improvements.

“The capital upgrades will provide an aesthetic benefit to the property, while allowing us to position the asset for maximum rent growth in the future,” explains Mattox.

The building is located at 43350 Business Park Drive in Temecula, California.

Scott Stewart of CBRE and Gordon Mize of Lee & Associates assisted MCA Realty in this transaction. Steve Hollister of NorthMarq arranged acquisition financing for MCA Realty with Copper Point Mutual Insurance Company.

About MCA Realty

[MCA Realty](#) is a full service real estate investment and management company specializing in office and industrial properties throughout the Western U.S. The goal of the company is to identify commercial real estate investment opportunities and execute value creation strategies that maximize returns to its investors.

MCA Realty's principals, Tyler Mattox, Jared Gordon, and Peter Cheng, have successfully navigated a full spectrum of market conditions, and pride themselves on building and maintaining strong relationships with industry partners. More information is available at www.mca-realty.com.

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