



Actual Site



THE
MANSOUR
GROUP
at Marcus & Millichap

OFFERING MEMORANDUM

Caliber Collision Center Recent Renovation | 15 Year Absolute Net Lease

195 Arovista Circle, Brea (Los Angeles MSA), CA 92821

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The Offering

CALIBER COLLISION

The subject property is a 13,904-square foot Caliber Collision comprised of 11,404-square feet of warehouse and 2,500-square feet of office located in Brea (Los Angeles MSA), California. The property was fully renovated in 2014 and has had further minor improvements done in 2016. Caliber Collision signed a 15 year absolute net (zero landlord responsibility) lease featuring ten percent (10%) rent increases every 5 years throughout the initial lease term and two 5-year option periods. The property consists of dual gated driveways for truck access, upgraded wrought iron fence, paved parking lot, drought resistant landscaping, a 2004 TPO Roof, and more. Caliber Collision is one of the nation's largest collision repair companies with more than 460 Gold Class Professional certified collision repair centers across eighteen states.

Overview

Price	\$5,692,345
Gross Leasable Area	13,904 SF*
Lot Size	0.76 Acres +/-
Year Built / Renovations	1982 / 2014 & 2016
Net Operating Income	\$313,079*
CAP Rate	5.50%

*Comprised of 11,404 SF Warehouse and 2,500 SF Office.

*Rent subject to change based on final construction costs. Price will be adjusted to reflect a 5.50% cap rate on final rent.

Lease Summary

Tenant Trade Name	Caliber Collision
Initial Lease Term	15 Years
Lease Type	Absolute Net
Roof & Structure Responsibility	Tenant Responsible
Rent Commencement Date	April 3, 2017
Expiration Date	March 31, 2032
Renewal Options	Two 5-Year
Increases	10% Every 5 Years
ROFR	With 20 days Written Notice

Annualized Operating Data

Lease Term	
Years 1 - 5	\$313,079
Years 6 - 10	(10% Increase) \$344,387
Years 11 - 15	(10% Increase) \$378,826
Options 1 & 2 (5 Years Each)	10% Increase in Each Option
Base Rent (\$22.52/SF)	\$313,079

Tenant Summary

Tenant	Caliber Bodyworks, Inc.
Ownership	Private
Lease Guarantor	CH Hold Corp
Number of Locations	460+
Headquarters	Lewisville, TX
Website	www.calibercollision.com

Caliber Collision.

Caliber Collision Centers is the largest collision repair company in America with 460 I-CAR Gold Class Professional certified collision repair centers across 18 states. Caliber is consistently ranked among the highest in customer satisfaction in the industry & backs all repair work with a written, lifetime warranty available at any of its 460+ repair centers. The company repairs more than 450,000 vehicles annually. Caliber Collision has undergone rapid recent growth through aggressively acquiring various local autobody repair shops. Caliber Collision has developed strategic partnerships with 57 car dealerships throughout the U.S. in addition to 34 insurance carriers which include AAA, GEICO, Farmers, Liberty Mutual, Allstate, and USAA.

OMERS Private Equity / OMERS.

OMERS Private Equity ("OPE") is the private equity investment arm of the OMERS Worldwide group of companies. OPE manages the private equity activities of the OMERS pension plan and has over CAD \$6.5 billion of investments under management globally. OMERS is one of Canada's largest pension funds with over CAD \$77 billion in net assets. It provides first-class pension administration and innovative products and services to almost 461,000 members.

Investment Highlights

- **15-Year Corporate Backed Absolute Net Lease Featuring 10% Rental Increases Every 5 Years Throughout Initial Term and Options** - Site Features Dual Gated Driveways for Truck Access, Upgraded Wrought Iron Fence, Paved Parking Lot, Drought Resistant Landscaping, 2004 TPO Roof, and More - One of the Nation's Top Collision Repair Companies with More than 460+ Locations Throughout 18 States
- **Features Easy Access Just Off the Heavily Trafficked W Imperial Hwy (43,756+ VPD)** - One of Brea's Main Traffic Thoroughfares - Excellent Signage Enhances this Exposure
- **Excellent Centralized Location - the Site is Strategically Located within a Strong Industrial Corridor - the site is in Close Proximity to the Albertsons Distribution Center** and is Surrounded on All Sides by Warehouses, Offices, Manufacturing, and Distributing Locations, and More - Site is 27 Miles from Downtown Los Angeles
- **Site is Less than 3 Miles from Brea Mall, a 1,486,934 SF Upscale Simon Multi-Level Enclosed Shopping Center Anchored by Nordstrom, Macy's, JCPenney, and Sears** - the Mall Features Over 175+ Specialty Shops Including Apple, ALDO, Banana Republic, Bath & Body Works, H&M and More - Near Numerous National Major Retailers Including Rite Aid, HomeGoods, Walmart, Best Buy, and More
- **Numerous Schools within a 5-Mile Radius with Strong Student Populations** Including California State University Fullerton (38,948+ Students), Fullerton College (24,300+ Students), Sonora High School (1,944+ Students), and More
- **Site is Surrounded by Dense Residential Neighborhoods, Apartment Complexes, and Near Numerous Amenities** Including Golf Courses, Parks, Hospital, and More
- **Densely Populated Affluent Area** - Features Over 404,663 People Residing within a 5-mile Radius and an Average Household Income in Excess of \$99,516 within a 3-Mile Radius - Population has Increased 11.68% Since 2000

Location Overview

Located just off the heavily trafficked West Imperial Highway (43,756+ vehicles per day) at the hard corner of Arovista Circle and Mariner Street, the site features easy access with excellent signage that enhances its exposure. The site is strategically located within a strong industrial corridor with warehouses, offices, manufacturing and distributing facilities all around. The site is in close proximity to the Albertson's distribution center. The site is less than 27 miles from downtown, Los Angeles. The site is less than three miles from Brea Mall, a 1,486,934-square upscale Simon multi-level shopping mall anchored by Nordstrom, Macy's, JCPenney, and Sears. The mall features over 175+ specialty shops including Apple, ALDO, Coach, Brookstone, Cheesecake Factory, Victoria's Secret, Banana Republic, Bath & Body Works, H&M, and more. The mall has just recently went through a multi-million dollar property renovation and is one of the main shopping destinations / traffic drawing locations in the city. The site is near numerous schools with strong student populations including California State University Fullerton (38,948+ students), Fullerton College (24,300+ students), Sonora High School (1,944+ students), and more. The site is surrounded by dense residential neighborhoods, apartment complexes, and near numerous amenities including golf courses, hospitals, schools, shopping malls, and more. The site is within a densely populated affluent area with over 404,663 people residing within a five-mile radius and an average household income of nearly \$100,000 within a three-mile radius. The population has increased 11.68% since 2000.

Brea is a city in Orange County, California. Orange County is the third-most populous county in California, the sixth most populated in the United States, and is included in the Los Angeles-Long Beach-Anaheim, CA Metropolitan Statistical Area. Nestled in the foothills on a plateau at the northern tip of Orange County, Brea was known as a place where tar seeped from the hills. The city began as a center of crude oil production, was later propelled by citrus production, and is now an important retail center because of the large Brea Mall and the recently redeveloped Brea Downtown. Brea is also known for its extensive public art program which began in 1975 and continues today with over 140 artworks in the collection placed and located throughout the city. Brea's public art program has been used as a model and inspiration for many public art programs across the United States.

THE INSIDE STORY: THE OMERS/CALIBER COLLISION DEAL

BIG BUYOUT FUNDS ARE MORE INTERESTED THAN EVER IN THE SECTOR. THE RACE TO CONSOLIDATE THE US MARKET IS ON. CAN ONE OF CANADA'S BIGGEST PENSION FUNDS WIN WITH CALIBER?

BY JEFF SANFORD

Toronto, Ontario -- June 23, 2015 -- Big-time financiers on both Bay and Wall Street are showing huge interest in the collision repair industry. The number of deals done over the last couple of years is ballooning. While consolidation has long been a major force in Canada, a battle to be the first to consolidate the comparatively massive US collision repair industry seems to be looming—can the Canadian pension fund at the centre of it all win the day?

The most recent deal action: In early June of this year infamous Wall Street "activist" investor Carl Icahn bought a stake in Quebec-based Uni-Select. The company is selling its US operations (Uni-Select USA and Beck/Arnley Worldparts) to Icahn Enterprises for \$340 million.

Another recent deal sees Warren Buffett's Berkshire Hathaway buying an 8.7 percent stake in Axalta Coating Systems from Carlyle Group. Also, in July of last year major buy-out fund Blackstone bought a controlling stake in Service King Collision Repair Centers.

It is this last deal that is most interesting.

The strategy on the part of Blackstone is said to be a consolidation play around the fragmented collision repair business in the US. Consolidation is much more advanced in Canada than in the US, with network, franchise and MSO locations accounting for approximately 70 percent of the dollar volume. The situation in the US is very different. While consolidation certainly has occurred in the US, the pace of this consolidation and the extent to which it has taken place are much lower than in Canada.

In short, the collision repair industry in the US is still highly fragmented. There are many different owners and lots of "Mom and Pop" shops in the industry. And that means there is room for a buyout fund to come in and reap the rewards that would come with introducing new efficiencies and economies of scale.

Here in Canada the pension fund for Ontario municipal employees, the Ontario Municipal Employees Retirement Systems (OMERS), has an eye on this opportunity. Recently its private equity division bought up a controlling stake in Caliber Collision Centers, an American MSO that controls about 300 collision repair facilities in California, Arizona, Nevada, Colorado, Texas and Oklahoma.

An active consolidator, Caliber openly solicits collision repair centre owners to sell their businesses to the growing chain. OMERS, through its subsidiary, OMERS Private Equity (OPE), will be part of the action.

It was Onex that first acquired Caliber in 2008. At the time Onex paid \$170 million for the Texas-based chain. Two years ago Onex sold that stake to OPE for a 7.5 times return on investment. So Schwarz did very well. Now it's up to OMERS Private Equity to take the company to the next level.

Collision Repair magazine recently interviewed the Managing Director of OMERS Private Equity, Tim Patterson, who explained the interest of the pension fund in Caliber.

According to Patterson, "Caliber fits this mandate very well." Like the Blackstone/Service King deal, the plan now is to "roll-up" the highly fragmented US collision repair industry. The strategy makes sense. According to Patterson, the things OPE likes about the US collision repair sector: It is a large, stable and highly fragmented market.

"Overall, it's approximately \$30 billion per annum. The top four Multi-Site Operators (MSOs) own less than 10 percent of the sector's revenue, and less than 5 percent of the shops. That's an attractive dynamic for industry consolidation," he says. "The other dynamic currently being played out within the industry is that the larger players like Caliber are taking market share away from the mom and pop shops, because Caliber can offer a lower overall cost to the insurance carriers, more consistent and higher quality repairs and higher customer satisfaction. It's a win-win-win scenario for the insurance carriers, the customers and for the larger MSOs like Caliber."

Taking a stake in Caliber is the best way to work the consolidation strategy. "We think they have the best management team in the industry. They have cultivated an amazing culture that has made Caliber the employer of choice," says Patterson. "The company is also the acquirer of choice. Within the industry, the shops that are looking to be acquired are aware of this management team and culture, and want to be acquired by Caliber."

The investment is already playing out ahead of schedule. "We have doubled the size of the business in the last 19 months or so. That's pretty impressive growth. We see continued growth at the same pace over the next two to three years at least," he says. "In private equity the goal is sustained growth. We added 77 new sites in 2014, and 58 new sites in the first five and half months of this year alone. And we expect to continue growing at this pace for the next few years at a minimum," he says.

In 2012 and 2013 OMERS Private Equity delivered 23.6 percent and 19.2 percent returns consecutively. This is compared to a 0.5 percent and 7.5 percent return on standard stock and bond portfolios for the same period. Considering the potential for growth at Caliber the out-size returns in the portfolio can be expected to continue.

[LINK TO ARTICLE](#)









Aerial Video



[Click to Play Video in Browser](#)

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2000 Population	14,107	120,251	362,328
2016 Population	14,873	133,637	404,663
2021 Population	15,343	138,811	420,635

Households	1-Mile	3-Miles	5-Miles
2000 Households	5,067	41,876	119,592
2016 Households	5,369	46,118	131,842
2021 Households	5,529	47,902	137,053
2016 Daytime Population	25,713	78,943	185,183

Income	1-Mile	3-Miles	5-Miles
2016 Median Household Income	\$70,758	\$76,721	\$71,571
2016 Average Household Income	\$87,763	\$99,516	\$94,514



Population

In 2016, the population in your selected geography is 404,663. The population has changed by 11.68% since 2000. It is estimated that the population in your area will be 420,635 five years from now, which represents a change of 3.95% from the current year. The current population is 49.09% male and 50.90% female. The median age of the population in your area is 37.0, compare this to the Entire US average which is 37.3. The population density in your area is 4,971.93 people per square mile.

Households

There are currently 131,842 households in your selected geography. The number of households has changed by 10.24% since 2000. It is estimated that the number of households in your area will be 137,053 five years from now, which represents a change of 3.95% from the current year. The average household size in your area is 2.98 persons.

Income

In 2016, the median household income for your selected geography is \$71,571. The median household income for your area has changed by 17.46% since 2000. The current year average household income in your area is \$94,514, compare this to the Entire US average which is \$74,533.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 53.12% White, 1.88% Black, 0.17% Native American and 23.62% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander. People of Hispanic origin are counted independently of race. People of Hispanic origin make up 38.63% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Housing

In 2000, there were 74,191 owner occupied housing units in your area and there were 45,400 renter occupied housing units in your area. The median rent at the time was \$770.

Employment

In 2016, there are 185,183 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 66.59% of employees are employed in white-collar occupations in this geography, and 33.41% are employed in blue-collar occupations. In 2000, the average time traveled to work was 30.5 minutes.

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