



**16885 West Bernardo Drive  
San Diego, CA 92127**

## **PARKWEST COURT**

**OFFERING  
MEMORANDUM**

SPIRE

# Executive Summary



## Parkwest Court Office Building

is in the desirable Rancho Bernardo region of North San Diego. Corporate neighbors represent a diverse submarket from San Diego's core industries such as Northrop Grumman, Amazon, General Atomics, and Scripps Health.

Apple has also been expanding into Rancho Bernardo, completing a corporate purchase in 22Q3 totaling \$445 million. The acquisition is for the 7-building Rancho Vista Corporate Center on a 67.5 acre campus, and is having a positive impact in the area.

In 2008, the building was beautifully renovated with new common areas, bathrooms, showers, tile, granite, and stone. The window lines are spacious and allow for expansive mountain views. Management is on-site.

Parkwest Court has excellent freeway access at Rancho Bernardo Road and Interstate 15 as well as arterial freeway SR-56, allowing for relatively easy commutes.

The building is within walking distance to many restaurants such as Starbucks, Sushi, The Cork and Craft, and Phil's BBQ. And is next door to the brand new Sharp Rees Stealy medical building. Many other amenities are nearby in Rancho Bernardo Center, 4S Commons Town Center, 4S Ranch Village, Park Terrace, Plaza Shopping Center.

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# Property Summary



50,458 SF Multi-tenant office building



Potential to have +/- 50% of the property available for an Owner-User within the next 12 months



Situated on 3.89 acres



Parking ratio 4/1,000



Parking Spaces Available: 202



Surface and covered parking



Class B Office Building



Spacious windows with expansive mountain vistas



Internet providers: Time Warner and AT&T



Recent suite renovations



On-site management



Average floor to bottom of deck height is 13'-14'



Built in 1982



Drone view from the front of the building



Drone view from above the property



# Property Summary

## BUILDING

|               |               |
|---------------|---------------|
| Type          | 2 Star Office |
| Tenancy       | Multi         |
| RBA           | 50,458 SF     |
| Stories       | 3             |
| Typical Floor | 15,405 SF     |
| Construction  | Wood Frame    |

## LAND

|            |            |
|------------|------------|
| Land Acres | 3.89 AC    |
| Zoning     | IP-2-1     |
| Parcels    | 678-251-04 |

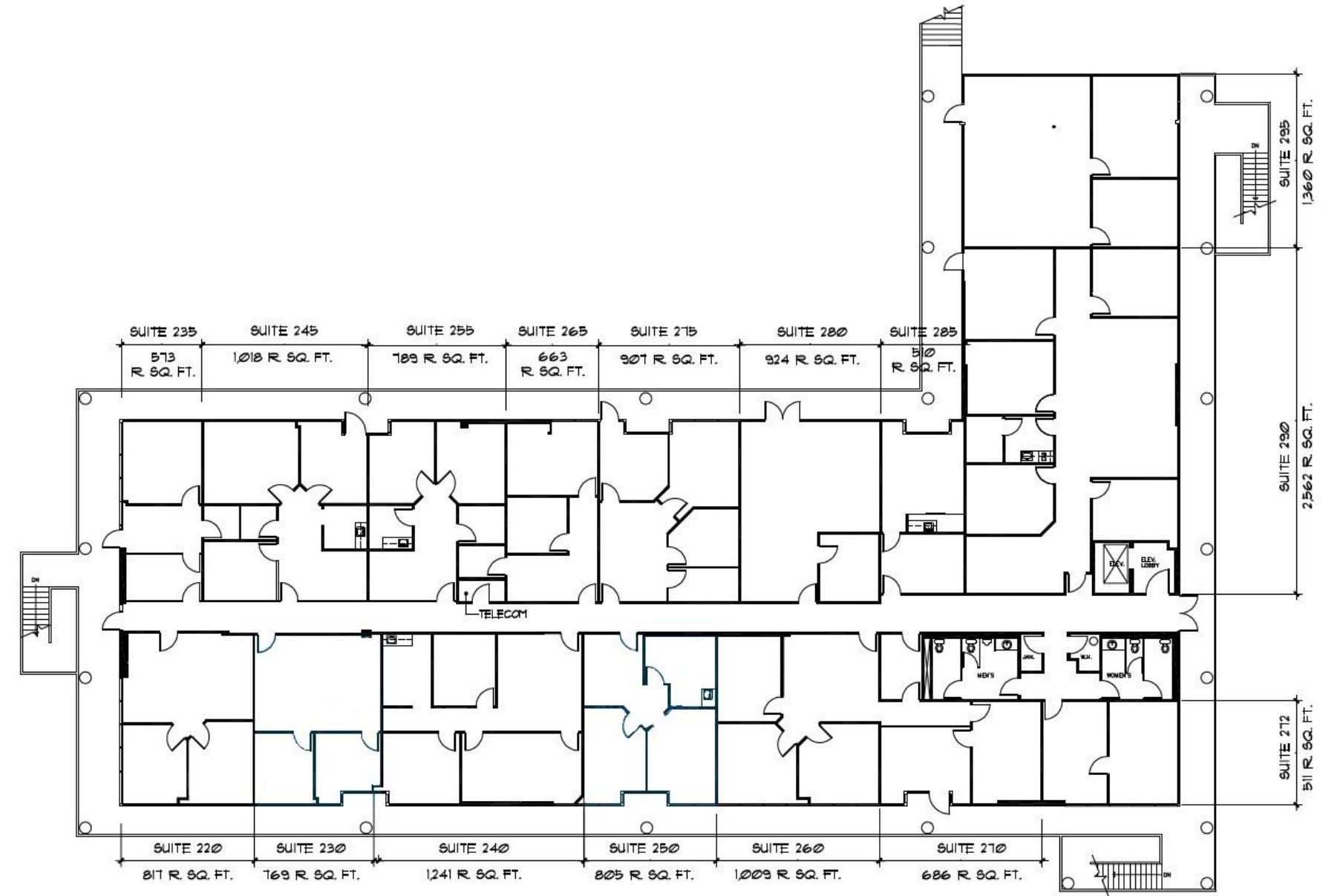


# Interior photos



# Floor Layouts

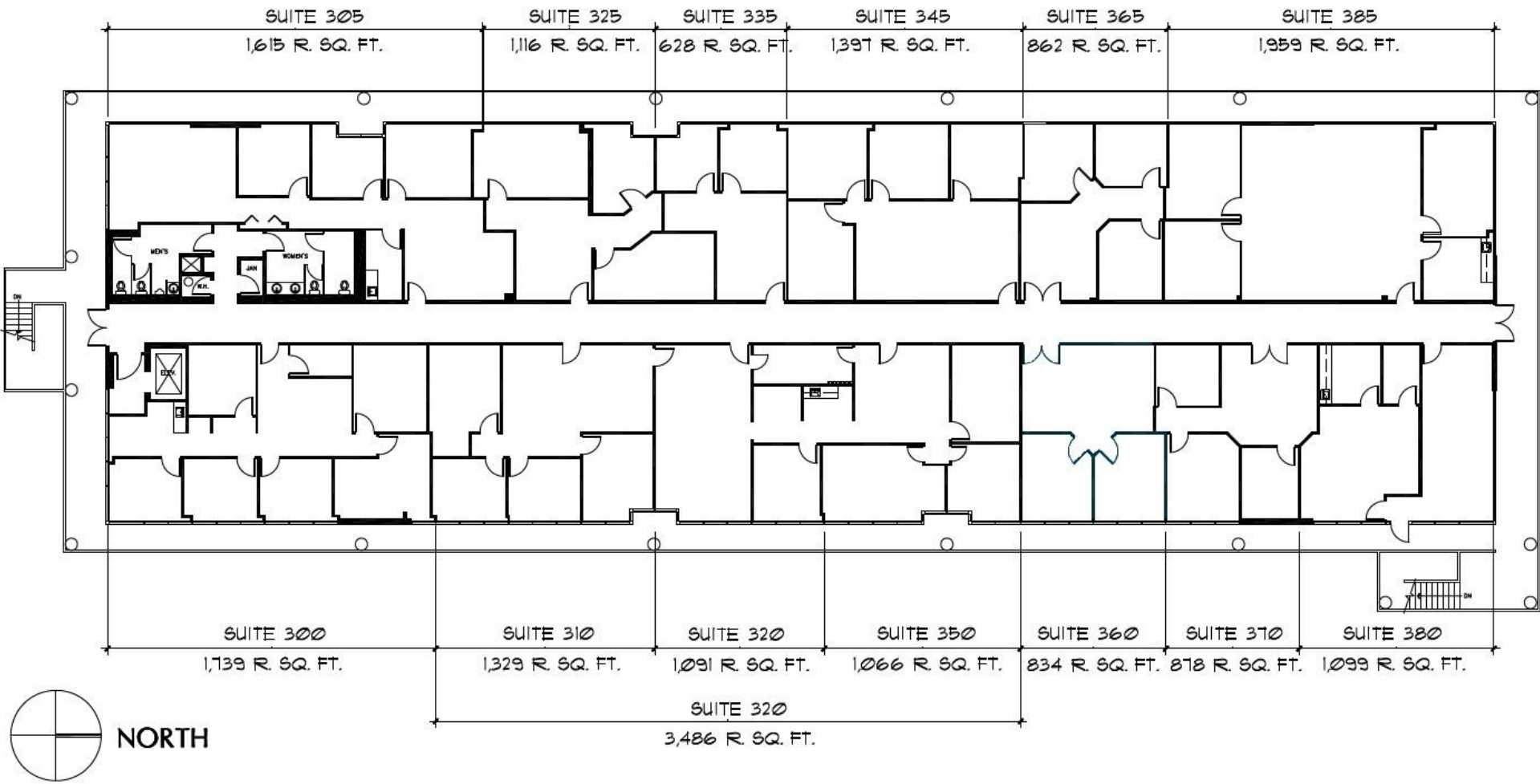
## First and Second Floor - East Side



# Floor Layouts    Second Floor - West Side



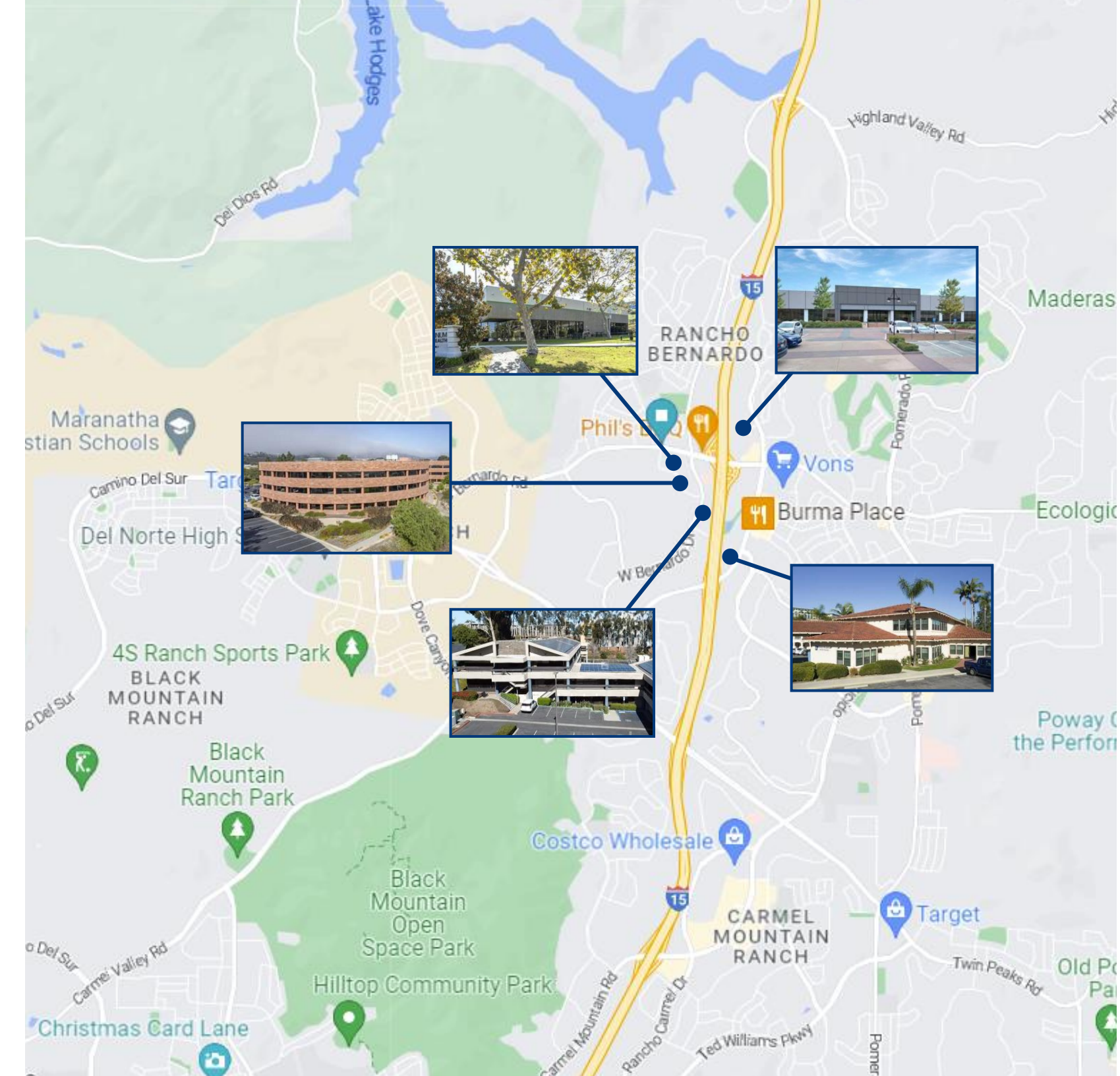
# Floor Layouts    Third Floor - West Side



# Property Comparisons

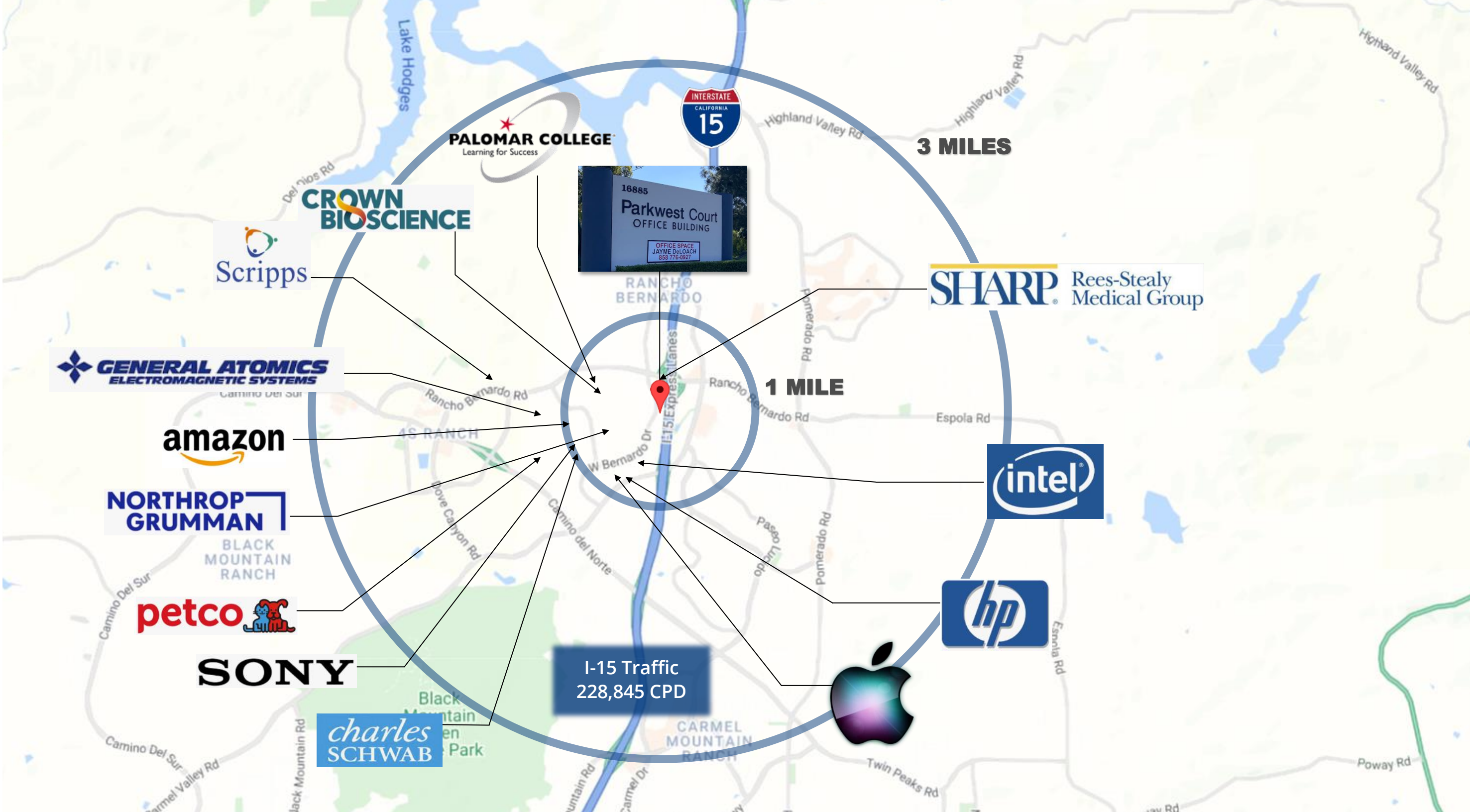


|                |  |  |  |  |  |
|----------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                | <b>16885 W Bernardo Ct<br/>San Diego, CA 92127</b>                                | <b>11440 W Bernardo Ct<br/>San Diego, CA 92127</b>                                 | <b>16456 Bernardo Ctr Dr<br/>San Diego, CA 92128</b>                                | <b>17190 Bernardo Ctr Dr<br/>San Diego, CA 92128</b>                                | <b>16981 Via Tazon<br/>San Diego, CA 92127</b>                                      |
| Sale Date      |                                                                                   | 4/1/2021                                                                           | 9/30/2021                                                                           | 12/29/2021                                                                          | 2/17/2021                                                                           |
| Sale Price     |                                                                                   | \$33,000,000                                                                       | \$4,090,000                                                                         | \$15,190,000                                                                        | \$13,674,109                                                                        |
| Price/SF       |                                                                                   | \$335.88                                                                           | \$356.36                                                                            | \$227.50                                                                            | \$394.51                                                                            |
| Unit SF        | 50,458 SF                                                                         | 98,249 SF                                                                          | 11,477 SF                                                                           | 66,769 SF                                                                           | 34,661 SF                                                                           |
| Type           | Class B Office                                                                    | Class A Office                                                                     | Class B Office                                                                      | Class B Medical                                                                     | Class C Office                                                                      |
| Year Built     | 1982                                                                              | 1989                                                                               | 1984                                                                                | 1974                                                                                | 1984                                                                                |
| Land Size      | 3.89 Acres                                                                        | 6.99 Acres                                                                         | 4.82 Acres                                                                          | 1.47 Acres                                                                          | 2.61 Acres                                                                          |
| Zoning         | RS-1-14                                                                           | MIP                                                                                | CC-2-3                                                                              | CO                                                                                  | MIP                                                                                 |
| Parking Ratio  | 4/1,000                                                                           | 4.58/1,000                                                                         | 10/1,000                                                                            | 4/1,000                                                                             | 3.46/1,000                                                                          |
| Parking Spaces | 202<br>Surface and Covered                                                        | 450                                                                                | 121                                                                                 | 245                                                                                 | 120                                                                                 |



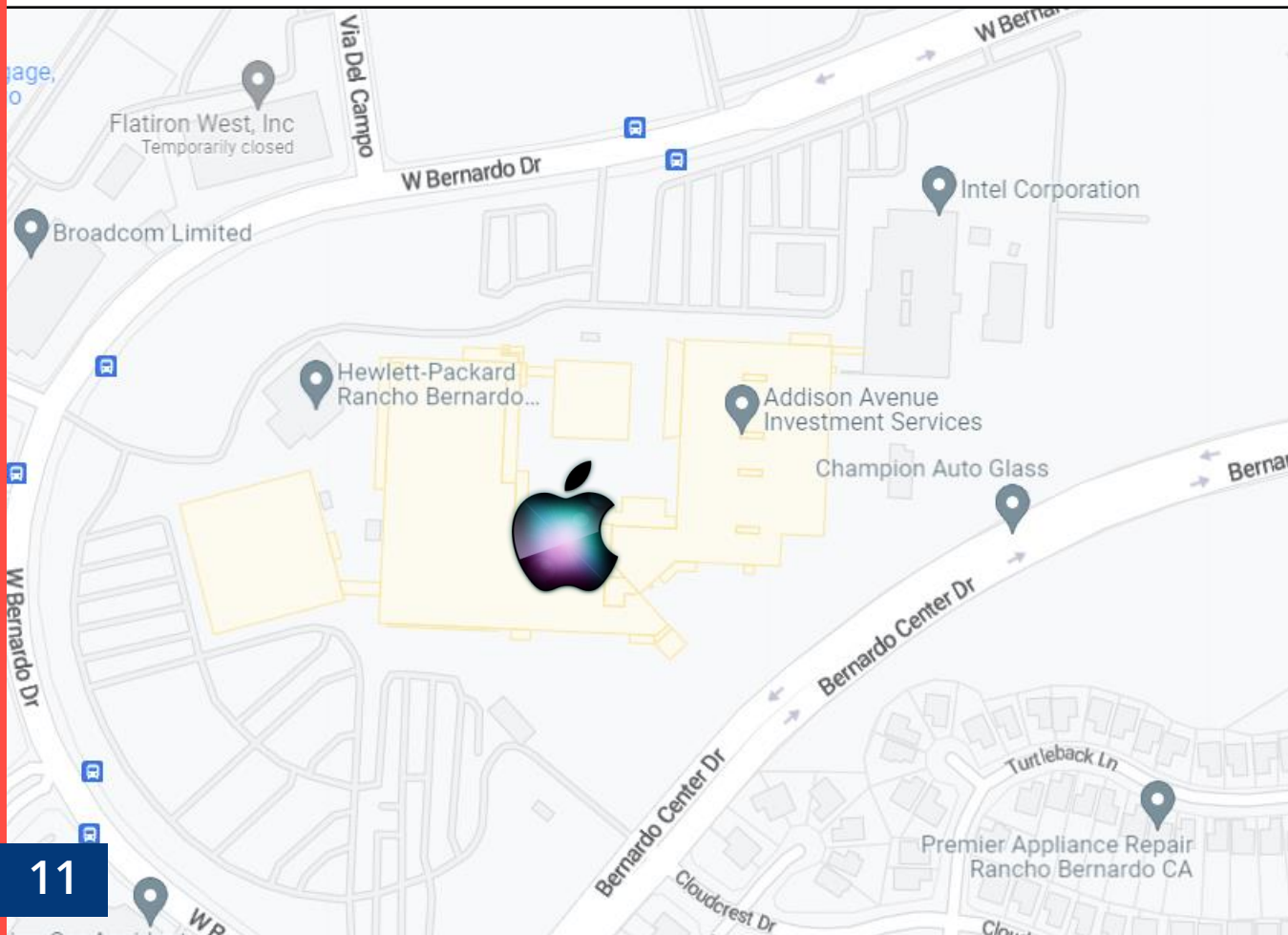
# Corporate Neighbors & Demographics

|                   | 1-mile    | 3-mile    |
|-------------------|-----------|-----------|
| Population        | 12,468    | 84,478    |
| Households        | 5,191     | 31,703    |
| Median Age        | 45.40     | 42.80     |
| Median HH Income  | \$103,424 | \$122,763 |
| Daytime Employees | 15,102    | 40,227    |





## Apple acquires \$445 million commercial property in Rancho Bernardo in 22Q3



Apple has acquired the 67.5-acre, 7-building, Rancho Vista Corporate Center in Rancho Bernardo, north San Diego. The purchase is part of Apple's continued plan to expand hardware and software engineering in the San Diego area. The property is located at 16399 West Bernardo Drive and ready to use as an industrial and flex campus.

The San Diego Union-Tribune reports this is Apple's first commercial property purchase in the region. Apple has been building up its employment plans, and now aims to have 5,000 workers locally by 2026. Apple's jobs website includes new openings across software, data science and other non-hardware positions.

In 2020, the previous owner, Swift Real Estate, completed an \$80 million campus-wide renovation project, which transformed the site into a Class A office and R&D building, according to their website. The renovations added a number of amenities, including a cafe, fitness center, collaboration spaces and more.

"We've been part of the community in San Diego for more than two decades," an Apple spokesperson told the San Diego Union-Tribune, "and are thrilled to continue investing here as we expand our world-class teams."



# Rancho Bernardo Sub Market

Since 2020, most would agree that Apple has driven leasing activity in Rancho Bernardo. The world's largest tech firm has signed at least five new leases in the San Diego area totaling nearly 600,000 SF. And during 22Q2 and 22Q3, Apple signed two new leases totaling almost 150,000 SF as they committed to 53,000 square feet in Rancho Bernardo's, Rancho Vista Corporate Center as well as 95,000 SF for the full building at The Point, San Diego.

Rancho Bernardo is a steady growth market, averaging less than 10 office trades annually over the past five years. Larger buildings sell well, with most sales in the \$400/SF range. However, Apples' recent 22Q3 acquisition was significantly more. Foreign investors are also in the Rancho Bernardo submarket.

Office rents in Rancho Bernardo are approximately \$39.00/SF gross, which is similar to the San Diego average. Rents in the submarket grew by 1.5% year over year as of 2023Q1, and though a positive trend, the 2.6% annualized average over the past three years reflects the potential for better growth.

Rancho Bernardo has the potential to emerge as a destination for life sciences firms given its proximity to neighboring Del Mar Heights/Carmel Valley and Sorrento Mesa. Rancho Bernardo could provide a more cost-friendly option to those tenants getting priced out of neighboring submarkets as their terms are ending. This is similar to the Sorrento Mesa submarket as Qualcomm dominated and the market became hotter.

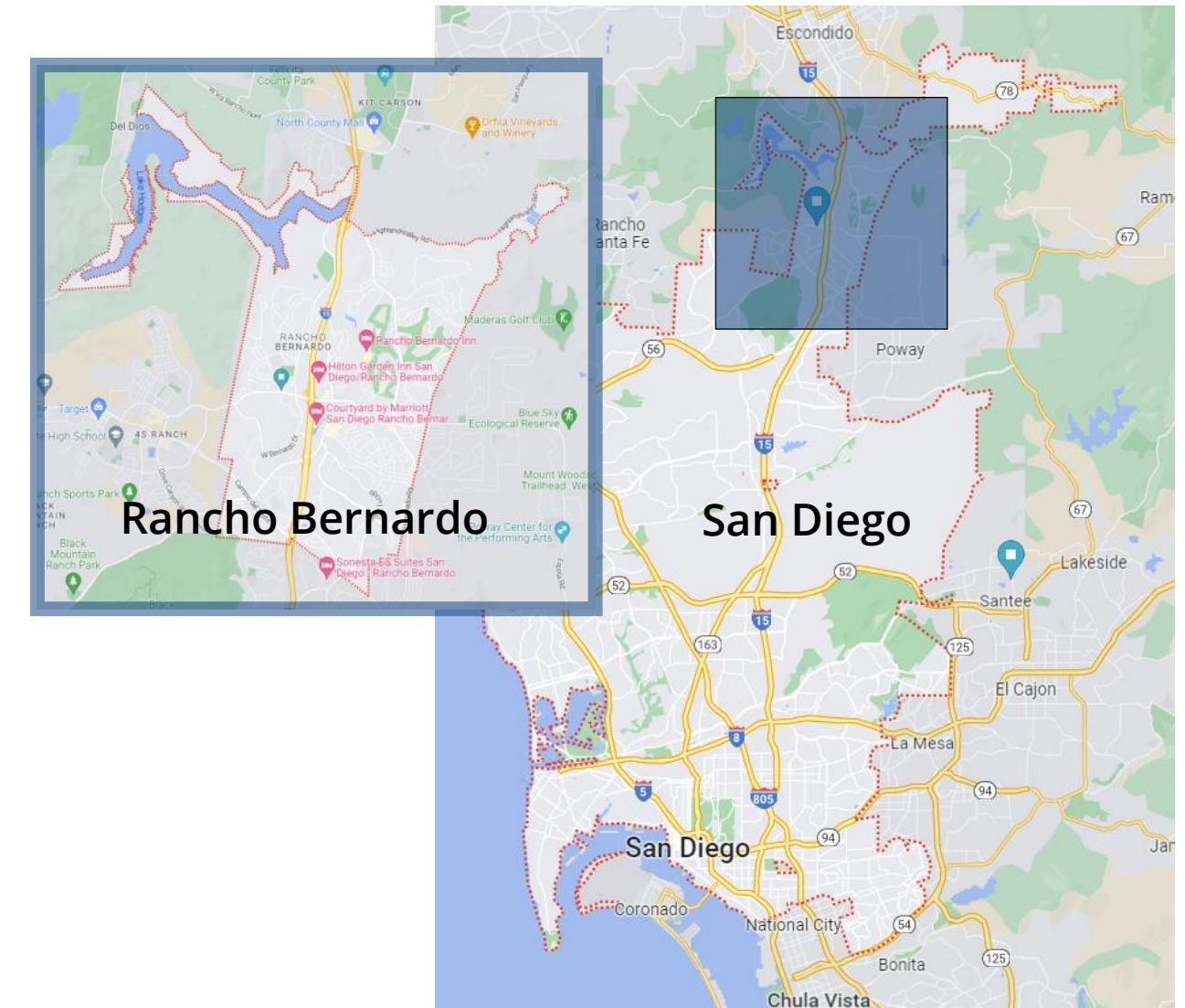


Significant recent transactions include:

- Innovatus Capital Partners and Lincoln Property Co. partnered in 2022 to purchase The Pinnacle located at 10920 Via Frontera for \$48.8 million, or about \$443/SF.
- The Sharp-Rees Stealy build-to-suit that was completed in 2017 was the last notable project completion in Rancho Bernardo. Several proposals are in progress, and one of them broke ground in 2022.
- Drawbridge Realty is building a \$30 million, about \$370/SF, 80,000-SF office building located at Via Del Campo, scheduled to be completed in 2023.
- MediaTek, a Taiwanese firm that had occupied space in Sorrento Mesa, leased nearly 65,000 SF at Kilroy Sabre Springs at the start of 2023, representing a substantial expansion from less than 20,000 SF in Sorrento Mesa.
- Peraton, a national security and technology firm, leased almost 50,000 SF at the Innovation Corporate Center during 22Q3 in one of the submarket's newer buildings, built in 2005.

Demographically, household median annual incomes are above \$100,000, and about 25% residents hold graduate or STEM degrees, according to census data. It is also a diversified submarket that includes most of San Diego's core industries such as Northrop Grumman, Amazon, General Atomics, and Scripps Health.

Rancho Bernardo's central location and accessibility along arterial freeways, SR-56 and Interstate 15, provide relatively easy commutes for residents from across San Diego into the submarket's numerous office campuses. Its proximity to neighboring employment markets in the UC San Diego area (University Town Center and Torrey Pines) and Del Mar Heights/Carmel Valley make the Rancho Bernardo submarket an attractive alternative for tenants. Those are among the attributes that have made this one of the primary landing spots for Apple in San Diego.



# EXPLORE *Rancho Bernardo*



## Del Dios Gorge

is downstream from Lake Hodges, with many hiking and biking trails. It is also a section of the Coast to Crest Trail with both natural beauty and historical significance.

Rancho Bernardo is the northernmost residential community within the City of San Diego. Rancho Bernardo is centered on Interstate 15 just south of Hodges Reservoir and the San Pasqual Valley, encompassing approximately 6,511 acres.



## Wineries & Vineyards

provide many opportunities for wine-tasting, dining and entertainment.

## Potato Chip Rock

is nearby on the summit of Mount Woodson.



## Restaurant ambience in Rancho Bernardo



## Rancho Bernardo Community Park and Recreation Center

is located on 40 acres and consists of an indoor gymnasium, play areas for young and old, eight ball fields, two outdoor basketball courts, six tennis courts, lawn bowling, and the Ed Brown Senior Center.

## San Diego Zoo Safari Park

is one of the largest tourist attractions in San Diego County. The park houses wild and endangered animals from Africa, Asia, Europe, North and South America, and Australia. Including the largest collection of hoofed mammals in the world.



## Biking Trails

are popular all around Rancho Bernardo. There are many trails at all skill levels.



# Local Amenities - within 3 miles

## 4S Commons Town Center

- ♦ Panera Bread
- ♦ Del Norte Animal Hospital
- ♦ Mathnasium
- ♦ Jimbos
- ♦ Ralphs
- ♦ Bed Bath & Beyond
- ♦ The UPS Store
- ♦ Bank of America
- ♦ Well Fargo
- ♦ Wendy's
- ♦ Chipotle
- ♦ Daphne's
- ♦ Jamba Juice
- ♦ PeiWei
- ♦ World Market
- ♦ PetCo
- ♦ Ace Hardware



## 4S Ranch Village

- ♦ 4 Paws Animal Hospital
- ♦ Bold Smiles
- ♦ Carl's Jr.
- ♦ Carmel Plaza Cleaners
- ♦ Donut Touch
- ♦ Eyelux Optometry
- ♦ Flippin' Pizza
- ♦ Greenspot Salad Co
- ♦ Los Primos Mexican Food
- ♦ Shell
- ♦ Starbucks
- ♦ Subway
- ♦ Sushi on the Rock
- ♦ T-Mobile
- ♦ Yogurt Lounge



## Mercado Rancho Bernardo

- ♦ Mission Federal Credit Union
- ♦ Fed Ex Print and Ship Center
- ♦ Navy Federal Credit Union
- ♦ Pizza Hut
- ♦ Pho Ca Dao & Grill
- ♦ Golden Spoon
- ♦ Barons



## Rancho Bernardo Food Center

- ♦ Carl's Jr.
- ♦ 7-Eleven
- ♦ Citibank
- ♦ Postal Annex
- ♦ Chuze Fitness
- ♦ Subway
- ♦ Vons
- ♦ Starbucks
- ♦ Panda Express
- ♦ Peet's Coffee
- ♦ Jack in the Box



## The Plaza Shopping Center

- ♦ CVS
- ♦ Round Table Pizza
- ♦ Subway
- ♦ Baja Fresh
- ♦ Massage Envy Spa
- ♦ Bank of America
- ♦ IHOP





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