



TWO-TENANT RETAIL STRIP

A NET LEASED OFFERING

PITTSBURG, CA



CAPITAL PACIFIC

Contact the team

ANTHONY SEILER

aseiler@capitalpacific.com

PH: 415.274.7391

CA DRE# 02082399

DAVE LUCAS

dlucas@capitalpacific.com

PH: 415.274.7390

CA DRE# 01389761



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TWO-TENANT RETAIL STRIP

361 E LELAND RD, PITTSBURG, CA 94565 

\$1,065,000
PRICE

6.70%
CAP

NOI: **\$71,357**

PRICE/SF: **\$237.46**

OCCUPANCY: **100%**

LEASE TYPE: **NNN**

LEASABLE AREA: **4,485 SF**

LAND AREA: **13,667 SF**

**BOTH TENANTS SIGNED BRAND NEW LEASES
IN 2019**

Investment Highlights



SURROUNDING RETAIL

THE OFFERING

An absolute NNN two-tenant retail strip shopping center located in Pittsburg, CA. Both tenants are on new leases beginning in 2019. The offering represents the opportunity to acquire a net leased strip building along a highly trafficked intersection in Pittsburg, with combined traffic counts of nearly 30,000 VPD. There are scheduled rent increases for Mercury Pharmacy allowing for additional long-term income and a hedge against inflation.

The subject property is a net leased 4,485 SF retail building on a 13,667 SF lot located within Centurian Plaza. It is located less than half a mile from the Pittsburg Center Bart Station, and has a bus stop, allowing for easy transit to the location. Pittsburg's primary retail arterial along Railroad Avenue, which sees over 30,000 VPD, is situated only a block away. The property is located within a designated Opportunity Zone, allowing for additional tax benefits (see page 7 for more information).

HIGHLIGHTS

- **100% occupied absolute net leased property provides minimal management responsibilities**
- **Both tenants recently signed leases in 2019**
- **Excellent signage along Harbor St and E Leland Rd**
- **Strong transit capability at less than half a mile from Pittsburg Center Bart Station**

LOCATED IN OPPORTUNITY ZONE

- **Additional tax benefits (See more info on page 7)**

Income & Expense

		CURRENT
Price:		\$1,065,000
Capitalization Rate:		6.70%
Price Per Square Foot:		\$237.46
Down Payment	30%	\$319,500
Loan Amount	70%	\$745,500
Total Leased (SF):	100.00%	4,485
Total Leased Area (SF):	100.00%	4,485
Lot Area (SF)		13,667
INCOME		P/SF
Scheduled Rent	\$16.64	\$74,640.00
Recovery	\$7.76	\$34,796.51
EFFECTIVE GROSS INCOME		\$109,437
ADJUSTED GROSS INCOME		\$109,437
EXPENSE		P/SF
Property Taxes (1.1% of PP)	(\$1.92)	(\$8,591.00)
Insurance	(\$0.63)	(\$2,812.20)
CAM Expense	(\$4.02)	(\$18,010.39)
PGE Expense	(\$0.58)	(\$2,579.84)
Water Expense	(\$0.30)	(\$1,331.64)
Security	(\$0.06)	(\$273.50)
Pest Control	(\$0.02)	(\$76.69)
Repairs Reserve (\$0.25/SF)	(\$0.25)	(\$1,121.25)
Management Fee (3% of EGI)	(\$0.73)	(\$3,283.10)
TOTAL OPERATING EXPENSES	(\$8.49)	(\$38,080)
NET OPERATING INCOME		\$71,357

PROPOSED FINANCING/CASH FLOW

		PROPOSED
Proposed Loan Amount		\$745,500
Loan To Value		70%
Interest Rate		4.15%
Amortization		30 Year
Term		10 Year
Net Operating Income		\$71,357
Debt Service		(\$43,487)
Pre-Tax Cash Flow		\$27,870
Debt Coverage Ratio		1.64
Cash-on-cash Return		8.72%
Principal Pay down (Year 1)		\$12,790
Total Return		\$40,660
Yield		12.73%

Rent Roll

TENANT OVERVIEW			LEASE TERMS		RENT SUMMARY		
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY RENT	ANNUAL RENT	RENT/FT
Mercury Pharmacy	1,950	43.48%	02/01/19	01/31/24	\$2,820.00	\$33,840.00	\$17.35
		Increase	02/01/20	01/31/21	\$2,905.00	\$34,860.00	\$17.88
		Increase	02/01/21	01/31/22	\$2,992.00	\$35,904.00	\$18.41
		Increase	02/01/22	01/31/23	\$3,082.00	\$36,984.00	\$18.97
		Increase	02/01/23	01/31/24	\$3,174.00	\$38,088.00	\$19.53
Luce Tu Silueta	2,535	56.52%	07/01/19	06/30/21	\$3,400.00	\$40,800.00	\$16.09
		Increase	07/01/20	06/30/21	\$3,570.00	\$42,840.00	\$16.90
OCCUPIED	4,485	100.00%			\$6,220.00	\$74,640.00	\$16.64
VACANT	0	0.00%					
CURRENT TOTALS	4,485	100.00%					



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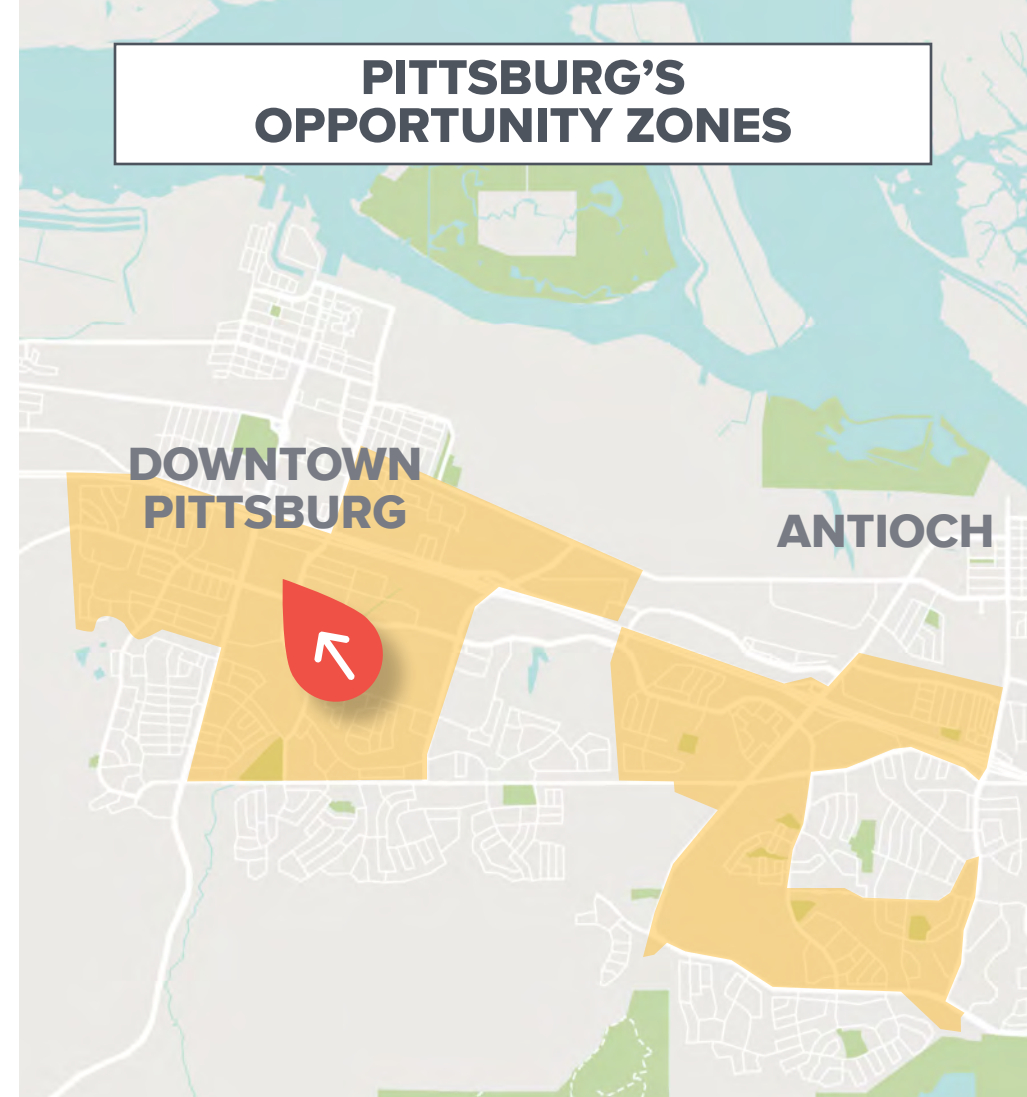
Opportunity Zones

TAX BENEFITS OF OPPORTUNITY ZONES

1. Temporary deferral of capital gains that are reinvested in qualified OZ property: Taxpayers can defer capital gains tax due upon sale or disposition of a (presumably non-OZ) asset if the capital gain portion of that asset is reinvested within 180 days in a QOF.⁹ Under current law, the deferral of gain is available on qualified investments up until the earlier of: (a) the date on which the investment in the QOF is sold or exchanged, or (b) December 31, 2026.¹⁰
2. Step-up in basis for investments held in QOFs: If the investment in the QOF is held by the taxpayer for at least five years, the basis on the original gain is increased by 10% of the original gain. If the OZ asset or investment is held by the taxpayer for at least seven years, the basis on the original gain is increased by an additional 5% of the original gain.
3. Exclusion of capital gains tax on qualified OZ investment returns held for at least 10 years: The basis of investments maintained (a) for at least 10 years and (b) until at least December 31, 2026, will be eligible to be marked up to the fair market value of such investment on the date the investment is sold. Effectively, this amounts to an exclusion of capital gains tax on any gains earned from the investment in the QOF (over 10 years) when the investment is sold or disposed.

Source: Tax incentives for Opportunity Zones: in Brief; Updated June 28, 2019
Congressional Research Service Report
Prepared for Members and Committees of Congress

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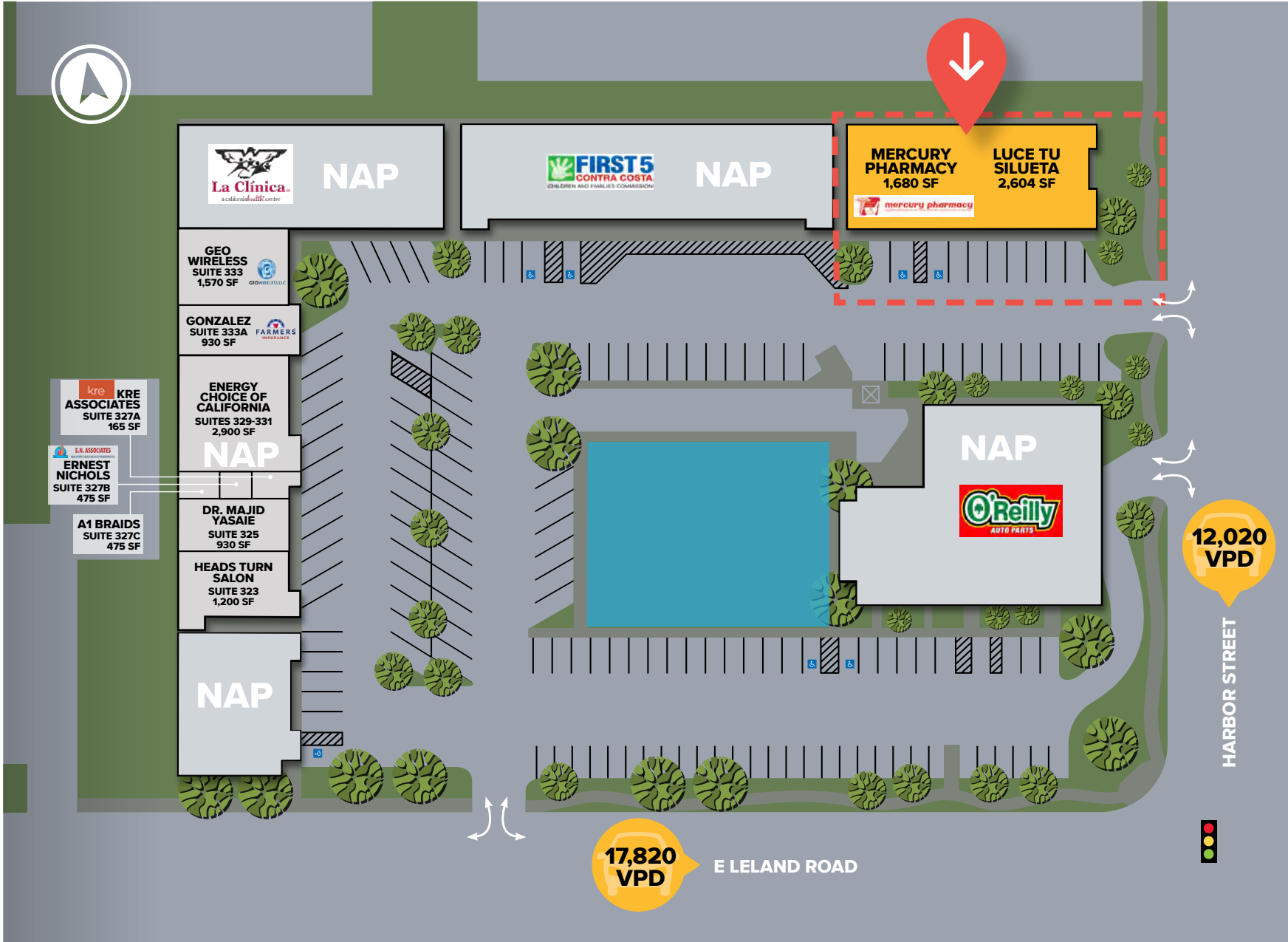


Site Plan



sf
4,485
RENTABLE SF

sf
13,667
LAND AREA
SF





MERCURY PHARMACY

Mercury Pharmacy is an independent pharmacy where patients and partners are more than a prescription. The company provides essential pharmacy services that benefit individual patients, health providers, and even medical practitioners. It also offers a range of services from prescription refills and generics to OTC drugs and door-to-door delivery. In addition to these, Mercury Pharmacy also offers free customized packaging, also known as Bubble Packs, of a client's therapies to simplify how and when to take medication. The company operates 2 other locations in Vallejo and Fairfield.

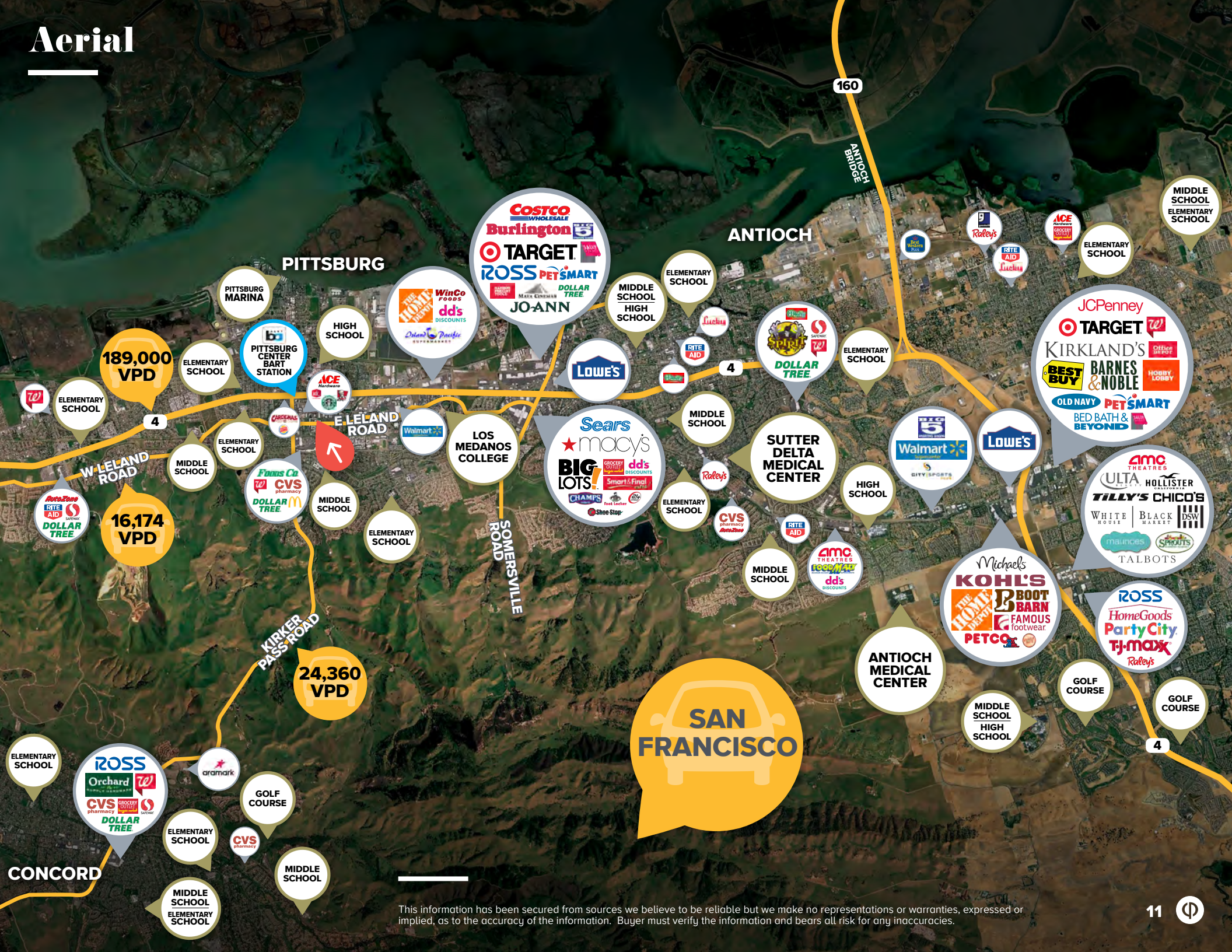
LUCE TU SILUETA

Club Luce Tu Silueta's mission is to help all people that want to be healthy, to create an active society with exercise and to live well! The dance and exercise studio provides a range of classes for members and visitors of the local community to take part of and meet others. One of the more popular classes is taught by Rubi Bazan Medel and is a Zumba dance fitness class for all levels at a medium intensity, and the class uses latin rhythms.

Subject Property



Aerial



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Demographics



POPULATION

	1-MILE	3-MILES	5-MILES
2010	20,492	67,546	132,403
2019	22,503	73,944	145,870
2024	23,602	77,428	152,796



2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$68,725	\$80,188	\$86,288
Median	\$52,841	\$62,647	\$63,308

TOP EMPLOYERS IN CONTRA COSTA COUNTY

EMPLOYER

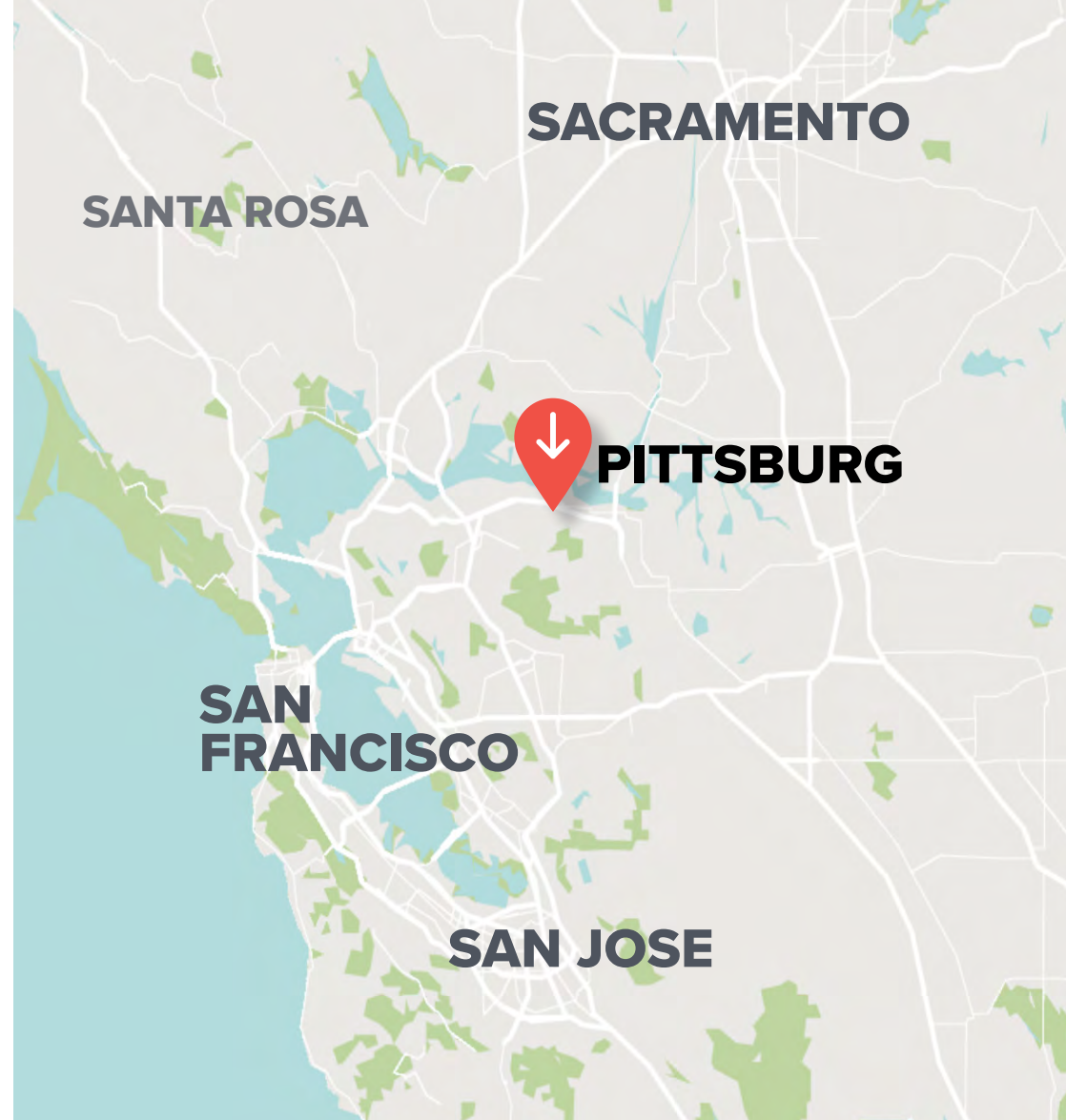
Kaiser Permanente

John Muir Medical Center

San Ramon Regional Medical Center

Chevron Oil

Sutter Delta Medical Center



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$86K**

PITTSBURG, CALIFORNIA



SAN FRANCISCO

PITTSBURG is positioned in Northern California's beautiful East Bay Area. Its enviable location places it within a close distance of several big-market cities including San Francisco, Oakland, San Jose, and Sacramento, a vast transportation network of roadways, rail lines and airports.

The long-awaited East Contra Costa County eBART project was completed in May of 2018. The new 10-mile BART extension accommodates riders traveling between the existing Pittsburg-Bay Point BART Station and the City of Antioch with two new stations set up along the California State Route 4 median linking Pittsburg and Bay Point to Antioch. This new service will provide congestion relief on State Route 4, as BART ridership is expected to jump to 10,000 riders a day by 2030.

ABOUT THE COUNTY

CONTRA COSTA COUNTY is located on the eastern edge of the San Francisco Bay and home to more than one million residents.

Comprised of 19 cities and numerous unincorporated communities, it is the ninth most populous county in the state. The population of Contra Costa County is projected to grow at an annual average rate of 1.1 percent from 2017 to 2022. Employment growth is projected as well.

1,150,215



**CONTRA COSTA
COUNTY POPULATION**
(ESTIMATED)

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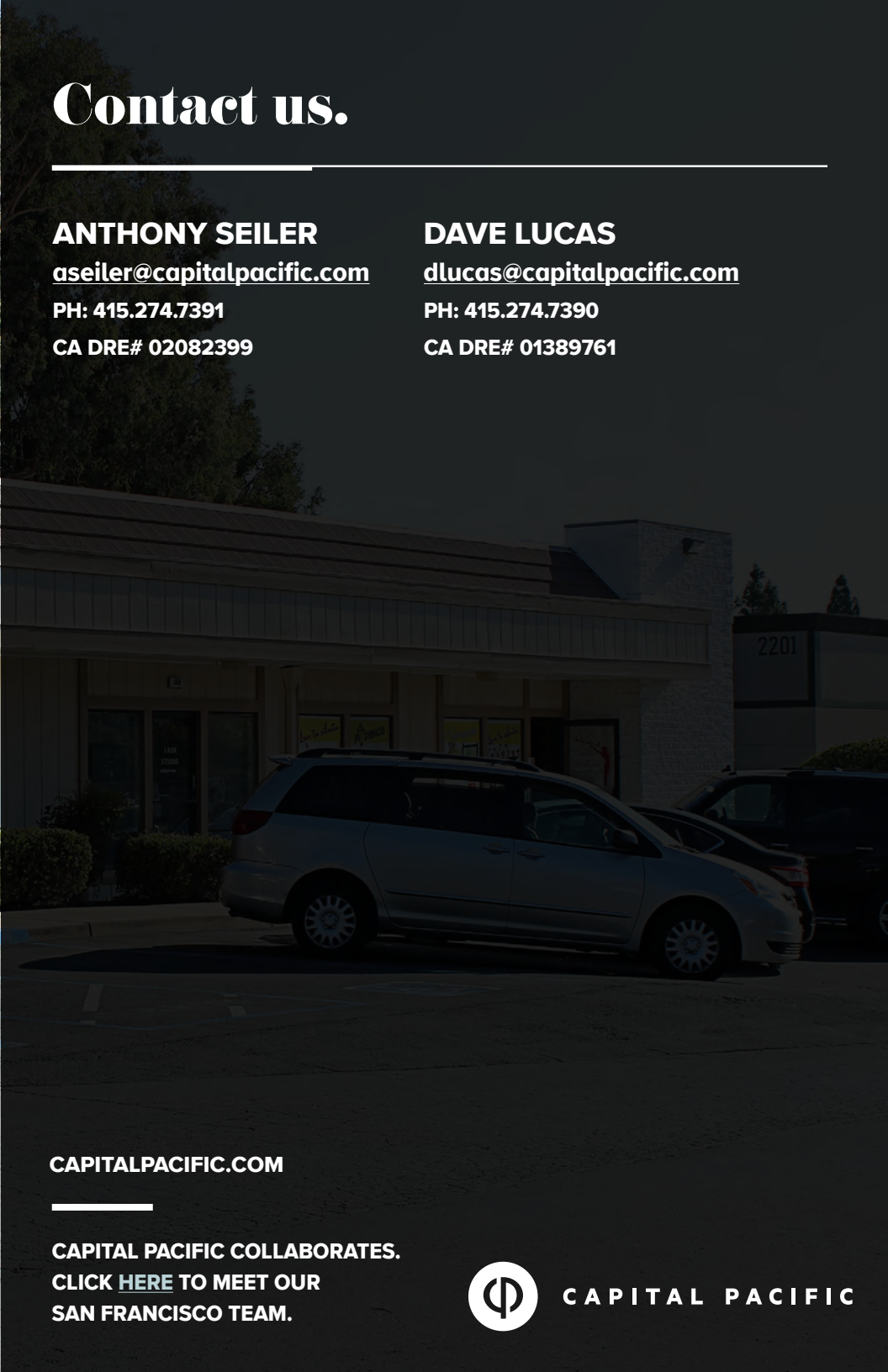




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CA DRE# 01389761



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