

4-UNIT PAD AT

LANCASTER COMMERCE CENTER

OUTPARCEL TO WINCO & LOWE'S | SOUTHERN CA FREEWAY ACCESSIBLE POWER CENTER LOCATION



OFFERING MEMORANDUM

CAPITAL MARKETS | INVESTMENT PROPERTIES

CBRE

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ANCHORED BY



WinCo
FOODS



TARGET

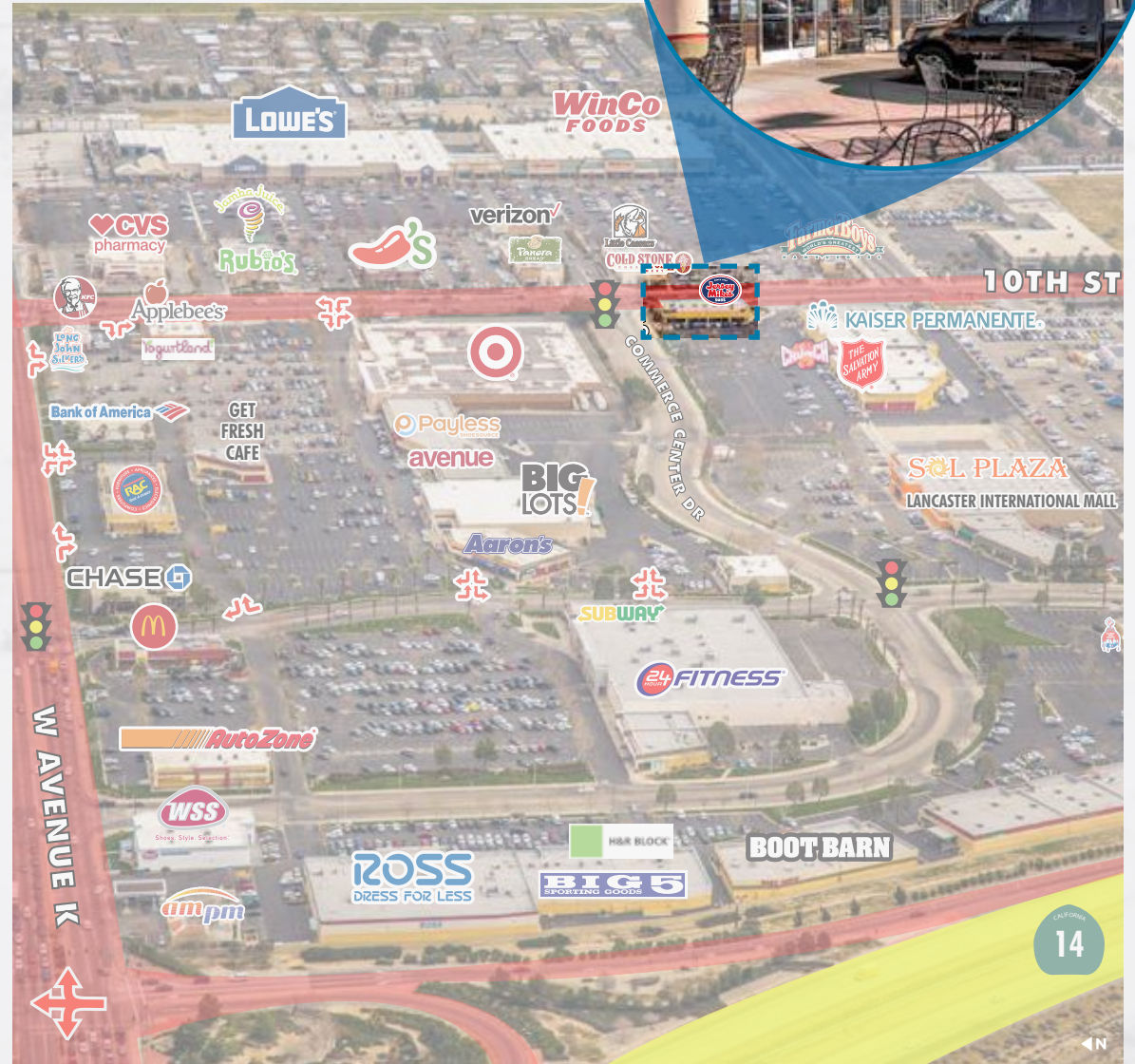
EXECUTIVE SUMMARY

INVESTMENT SUMMARY

OFFERING PRICE:	\$3,540,000
CAP RATE:	5.65%
NOI:	\$199,860 / Year
TOTAL GLA:	7,720 SF
LOT SIZE:	0.48 Acres
OWNERSHIP TYPE:	Fee Simple
PRICE PER SQ. FT.:	\$458 / PSF

PROPERTY DESCRIPTION

ADDRESS:	1006 Commerce Center Drive Lancaster, CA 93534
APN:	3125-021-059
LOT SIZE:	0.48 Acres
LAND USE:	General Commercial
YEAR BUILT:	1992
YEAR RENOVATED:	2012



INVESTMENT HIGHLIGHTS

Pride of Ownership Asset

High quality, **recently renovated**, & **meticulously maintained** center in the city's **premiere regional retail hub** - a great addition to any real estate portfolio.

Internet Resistant Tenancy, Daily Necessities Draw

The tenants, including: Jersey Mike's, Nutrition Shop, Beauty Salon and Flooring Company provide items, experiences and/or **services** not conducive to internet transactions, **providing fortification against internet competition**, and promotes consistent, daily-trip traffic to the center.

Convenient Freeway Accessibility and Visibility:

The real estate benefits from its **freeway adjacent location** off 1-14 and is easily accessible from the **main freeway offramp** with more than **64,000** cars per day on Ave K and over **26,800** cars per day on 10th Street W.

Strong Yields

Due to the **built-in increases**, the net operating income is expected to **grow over** the anticipated a hold period, providing further insurance in the retail investment.

Location, Location, Location

This property is located in the center of town and extends beyond the 25-Acre, 268,414 SF Lancaster Commerce Center. It sits on the **hard corner of a signaled intersection**, adjacent to **Target [annual revenue \$75.36 billion]** and located as **an outparcel** across from **Winco [annual revenue \$4.73 billion]** and **Lowe's [annual revenue \$68.62 billion]**.

Strong Real Estate Fundamentals

The **in-place rents are low** which create a **strong intrinsic value** -the lower price point and basis in the property will **generate future rental upside**.



LOCATION HIGHLIGHTS



Excellent Major Retail Power Center

Anchored by **Anchored by Winco, Lowes and Target**, the Lancaster Commerce Center is located the center of **the city's main retail corridor** surrounded by national credit retailers including: including: Chilis, Panera Bread, Farmer Boys, Kaiser, Cold Stone, and much more!



Ease of Circulation & Flow

The pad is located in a center that is easily accessible by its signalized intersection and four ingress and egress points along **10th Street** [+26,800 CPD], and **Commerce Center Drive**. Its **multiple access points**, open site plan, and its **large accessible parking field** creates a meaningful amenity for customers and provides plenty of visibility thereby securing the property's value.



Heavily Trafficked Main Point of Destination

The real estate benefits from its **freeway adjacent location** off I-14 and is easily accessible from the main freeway offramp **with more than 64,000 CPD on Ave K and over 26,800 CPD on 10th Street W**. This pad is situated in one of the area's **busiest intersections and is a main point of destination**



Strong Demographics

The trade-area has experienced a **significant growth in population** and jobs due to the massive distribution centers for **national credit tenants** such as Rite Aid, Michaels and Sygma. With a **population of over 177,600** residents and an average household income of approximately **\$76,500 within a 5-mile radius**, the premier shopping destination benefits from the robust activity of local residents and shoppers.



OPERATING DATA

INCOME & EXPENSES

Actual Base Rent:	\$218,149.92
Tenant Reimbursements (1):	\$88,204
Gross Rent:	\$306,353.92
Vacancy (5%):	\$15,317.70
Adjusted Gross Rents:	\$291,036.22
Expenses:	\$91,174

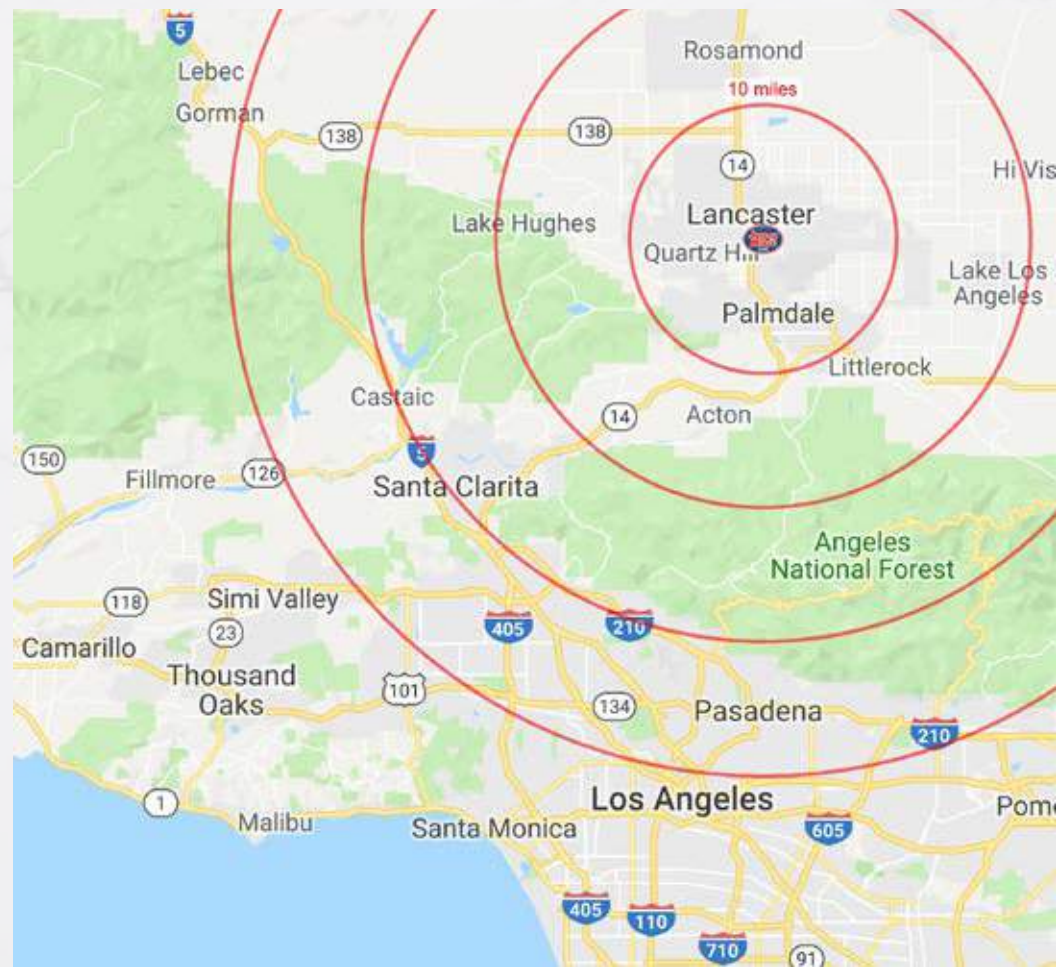
NOI: \$199,862.22

(1) Assumes 1% slippage

EXPENSES

Taxes:	\$56,100
Insurance:	\$1,544
Building/ Maintenance:	\$7,411
Association:	\$11,966
Management: (4%)	\$14,153

TOTAL: INCOME \$91,174



SUBJECT PROPERTY

+26,800 CPD 10TH ST W

KAISER PERMANENTE

+64,000 CPD

W AVENUE K

LOWE'S

WinCo FOODS

verizon

CVS pharmacy

Rubio's

Panera BREAD

COLD STONE CREAMERY

FarmerBoys WORLD'S GREATEST HAMBURGERS

KFC

Applebee's

Jersey Mike's SUBS

LONG JOHN SILVERS

Yogurtland

Target

Bank of America

GET FRESH CAFE

Payless avenue

BIG LOTS!

SOL PLAZA LANCASTER INTERNATIONAL MALL

ANTELOPE VALLEY LINCOLN

CHASE

McDonald's

Aaron's

SUBWAY

24 HOUR FITNESS

SHERWIN-WILLIAMS

FURNITURE PLUS

AutoZone

WSS Shoes. Style. Selection.

H&R BLOCK

BOOT BARN

AAA MOTORIST CLUB SOUTHERN CALIFORNIA

ampm

ROSS DRESS FOR LESS

BIG 5 SPORTING GOODS

CALIFORNIA 14

RENT ROLL

Unit	Tenant Name	SF	Term	Rent/SF	CAM	Monthly	Annual	Annual Increases	Lease Start - End	Options
1006-A	Jersey Mike's	1,486	10 Years	\$2.58	NNN	\$4,021.24	\$ 48,254.88	2%	09/27/2015- 09/27/2024	Two 5-Year Options at 3% annual increases
1006 B	The Edge	1,374	5 Years	\$2.70	NNN	\$3,538.05	\$42,456.60	3%	02/22/2018- 02/22/2023	One 5-Year Option at 3% annual increases
1006 C&D	Absolute Best Flooring	1,860	5 Years	\$2.38	NNN	\$4,439.87	\$53,278.44	3%	08/17/2017- 08/17/2022	One 5-Year Option at 3% annual increases
1006 E	Madonna Beauty Lounge	3,000	5 Years	\$2.00	NNN	\$6,180.00	\$74,160.00	3%	04/16/2017- 04/16/2022	One 5-Year Option at 3% annual increases

Note: Tenants pay a 15% admin fee over and above their base rent and NNN charges



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SALE COMPARABLES

Property	Sale Price	\$ / SF	Cap Rate	SF	AC	Sale Date	Year Built
Starbucks with Drive Thru, Subway, Supercuts, Cricket, La Michoacana: 805 E Avenue K Lancaster, CA 93535 (Anchored by Vallarta Supermarket)	\$4,250,000	\$563.74	5.26%	7,539 SF	0.85 AC	01/09/18	2004
Applebee's, Pacific Dental, Yogurtland Pad (Anchored by Target & Big Lots)	\$5,120,000	\$493.50	5.6%	10,375 SF	1 AC	03/27/19	1986, Reno. 2012
Subject Property: Jersey Mikes, Nutrition Shop, Flooring, and Beauty Salon (Anchored by Winco and Lowes)	\$3,540,000	\$458	5.65%	7,720 SF	0.48 AC	-	1992; Reno. 2012



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LOCATION OVERVIEW

LANCASTER

Lancaster is the 9th fastest growing city in the United States and the 5th largest city in Los Angeles County

Lancaster is a charter city in northern Los Angeles County, in the Antelope Valley of the western Mojave Desert in Southern California. Located 70 miles north of downtown Los Angeles, Lancaster is part of a twin-city complex with its southern neighbor Palmdale and together they are the principal cities within the Antelope Valley region and the Inland Empire's High Desert. As of 2013, Lancaster was the 31st largest city in California with a population of approximately 168,000 residents.

The city's origins are intrinsically linked with the development of the Southern Pacific Railroad in the late 19th century. By 1876 Southern Pacific completed their work setting down tracks between San Francisco and Los Angeles through the Antelope Valley. Lancaster itself started as just a small waystation for locomotives, but by the 1890s had grown into a bustling settlement.

Lancaster has a long and proud history of aviation thanks to the proximity of Edwards Airforce Base. The base has hosted a limited number of Space Shuttle landings and was the site of Chuck Yeager's breaking of the sound barrier in 1947. Now, Lancaster is home to several aviation companies and defense contractors including Northrop Grumman, Lockheed Martin, Boeing, and BAE.

LANCASTER	LA COUNTY
\$340,000	\$679,200

LOS ANGELES COUNTY

The County of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, and a paradise of idyllic weather. From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles County is the place to be. It is the only city in North America to have hosted the Summer Olympics twice. Downtown L.A. is the largest government center outside of Washington, D.C. Los Angeles County has the only remaining wooden lighthouse in the state (located in San Pedro's Fermin Park) and the largest historical theater district on the National Register of Historic Places (located Downtown on Broadway).

Los Angeles County is on the leading edge of several growth industries. L.A. County, with more than 87,000 jobs in the fashion industry, has surpassed New York's fashion district workforce. The L.A. five-county area also has more than 700,000 people at work in health services/biomedical activities and 190,000 people in aerospace/technology. Here are some more facts and figures about Los Angeles: the city, the county and the region.

Los Angeles spans a widely diverse geographic area. Primarily a desert basin, the area is surrounded by the San Gabriel Mountain range and divided by the Santa Monica Mountains. Los Angeles County has 75 miles of coastline and altitudes ranging from 9 feet below sea level at Wilmington to 10,080 feet above sea level atop Mt. San Antonio. Area Rivers include the Los Angeles, Rio Hondo, San Gabriel, and Santa Clara rivers.

Leisure and hospitality is a leading industry in Los Angeles, employing 510,500 in 2015. In 2016, the leisure and hospitality sector added 21,400 jobs in Los Angeles County, representing a 4.4% year-over-year increase in employment. In addition to its signature industries - entertainment, tourism, and fashion-its enormous and diversified economy is home to the largest port complex in the Western Hemisphere and the largest number of manufacturing jobs of any county in the country. Other major industries include health care, education, and knowledge creating and business services.

VISITATION & TOURISM



TOP ATTRACTIONS

- Hollywood Sign
- Griffith Observatory
- Getty Center
- Walt Disney Concert Hall
- Hollywood Walk of Fame
- TCL Chinese Theatre
- Universal Studios Hollywood

DEMOGRAPHICS

LANCASTER COMMERCE CENTER			
	1 Mile	3 Miles	5 Miles
Population			
2019 Population - Current Year Estimate	15,021	102,378	177,596
2023 Population - Five Year Projection	15,405	105,191	182,778
2010 Population - Census	14,236	96,880	166,203
2000 Population - Census	13,279	84,937	129,747
2010-2018 Annual Population Growth Rate	0.65%	0.67%	0.81%
2019-2023 Annual Population Growth Rate	0.51%	0.54%	0.58%
Race and Ethnicity			
2019 Population	15,021	102,378	177,596
White	7,274	50,388	88,582
Black or African American	3,283	20,826	33,278
Asian	663	4,676	8,573
American Indian or Alaska Native	169	1,081	1,737
Pacific Islander	24	226	437
Other Race	2,670	18,908	34,528
Two or More Races	939	6,274	10,461
Hispanic	5,494	39,930	70,906
White Non-Hispanic	5,061	33,643	59,120
Education			
2019 Population 25 and Over	9,264	63,613	111,289
High School Diploma	2,459	16,788	28,068
Some College - No Degree	2,750	17,442	30,656
Bachelor`s Degree	1,046	6,540	12,415
Graduate or Professional Degree	472	3,999	7,179
Households			
2019 Households - Current Year Estimate	5,923	32,836	53,431
2023 Households - Five Year Projection	6,045	33,513	54,591
2010-2018 Annual Household Growth Rate	0.49%	0.44%	0.55%
2019-2023 Annual Household Growth Rate	0.41%	0.41%	0.43%
2019 Average Household Size	2.49	3.08	3.20
Household Income			
2019 Average Household Income	\$56,599	\$70,424	\$76,449
2023 Average Household Income	\$68,974	\$83,915	\$91,222
2019 Median Household Income	\$39,353	\$51,289	\$55,600
2023 Median Household Income	\$46,943	\$58,485	\$64,950
2019 Per Capita Income	\$22,369	\$23,201	\$23,462
2023 Per Capita Income	\$26,936	\$27,354	\$27,701
Housing Value			
2019 Average Value of Owner Occ. Housing Units	\$358,197	\$333,469	\$347,226
Employment Status			
2019 Civilian Population 16+ in Labor Force	6,564	41,297	71,979
2019 Unemployed Population 16+	262	2,324	3,944

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