

*Under no circumstances shall
the tenant be disturbed.*

SOCIAL SECURITY ADMINISTRATION

A GSA LEASED BUILDING IN THE SAN DIEGO MSA

LA MESA, CA



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SOCIAL SECURITY ADMINISTRATION

7961 UNIVERSITY AVE, LA MESA, CA 91942

\$3,850,000

PRICE

7.20%

CAP

NOI: **\$277,368**

PRICE/SF: **\$405.26**

OCCUPANCY: **100%**

LEASABLE AREA: **9,500 SF**

LAND AREA: **.57 AC**

YEAR BUILT: **1985**

YEAR RENOVATED: **2020**

**175 MILLION WORKERS ARE COVERED UNDER
SOCIAL SECURITY**

Investment Highlights



THE OFFERING

The offering is a long-term GSA leased Social Security Office in La Mesa, CA. The Social Security Administration signed a 15-year lease through 2031, with scheduled rent increases, and has operated at this location since 2000. The United States government is a premier investment grade tenant with an AA+ credit rating. The location serves a significant number of citizens in the San Diego MSA.

The subject property is a single-story 9,500 square foot office building located nine miles east of downtown San Diego. The property is currently undergoing substantial renovations including a new roof with a 15-year warranty, a complete upgrade to the interior, new bathrooms, carpeting, paint, facade work, and more.

Situated on a desirable signalized hard corner adjacent to a Vons anchored shopping center, the property has two points of ingress and egress on the hard corner of a densely trafficked intersection, seeing over 20,000 vehicles per day.

HIGHLIGHTS

- **11-year lease thru January 31, 2031**
- **United States of America is a AA+ rated credit tenant**
- **Long term tenant: SSA has operated at this location since 2000**
- **Highly populated and higher income area, with over 479,000 residents and average household incomes of over \$80,000 per year in a 5-mile radius**
- **Over 1/6 of the population is aged 65 or older**
- **Substantial renovations of over \$800,000 in process at the property including new 15-year roof**



Income & Expense

		CURRENT
Price:		\$3,850,000
Cap Rate:		7.20%
Price Per Square Foot:		\$405.26
Down Payment	35%	\$1,347,500
Loan Amount	65%	\$2,502,500
Total Leased (SF):	100.00%	9,500
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	9,500
INCOME		P/SF
Annual Shell Rent	\$22.35	\$212,326
Operating Expense	\$6.15	\$58,420
MISC (HVAC Overtime)	\$0.29	\$2,750
Property Tax Recovery	\$2.54	\$24,160
EFFECTIVE SHELL INCOME		\$297,656
Tenant Improvement Amortization*	\$11.41	\$108,395
EFFECTIVE GROSS INCOME		\$406,051
EXPENSE		P/SF
Property Tax (1.17737% of PP)	(\$4.77)	(\$45,329)
Insurance	(\$0.22)	(\$2,048)
Cleaning	(\$1.87)	(\$17,778)
Landscaping	(\$0.35)	(\$3,300)
Repairs and Maintenance	(\$1.15)	(\$10,900)
Security & Life Safety	(\$0.03)	(\$300)
Trash Removal	(\$0.15)	(\$1,440)
Utilities - Water/Electric	(\$3.80)	(\$36,070)
Management Fee (actual)	(\$1.21)	(\$11,519)
TOTAL OPERATING EXPENSES	(\$13.55)	(\$128,684)
NET OPERATING INCOME		\$277,368

* TI Amortization terminates on 1/31/26

**Tenant to reimburse all taxes over tax base of \$21,168

PROPOSED FINANCING/CASH FLOW

		PROPOSED
Proposed Loan Amount		\$2,502,500
Loan To Value		65%
Interest Rate		4.05%
Lender Type		Credit Union
Amortization		30 Year
Term		7 Year
Net Operating Income		\$277,368
Debt Service		(\$159,340)
Pre-Tax Cash Flow		\$118,028
Debt Coverage Ratio		1.74
Cash-on-cash Return		8.76%
Principal Pay down (Year 1)		\$66,131
Total Return		\$184,159
Yield		13.67%
NPV Cash Flows of TI Allowance		
2020		\$90,329
2021		\$108,395
2022		\$108,395
2023		\$108,395
2024		\$108,395
2025		\$108,395
2026		\$9,033
Total cash flows		\$641,337
Discount Rate		5.50%
Net Present Value		\$469,429

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Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY					
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY SHELL RENT	ANNUAL SHELL RENT	OPERATING COSTS	AMORTIZED TENANT IMPROVEMENTS*	TOTAL INCOME	SHELL RENT/ FT
SSA	9,500	100%	2/1/2016	1/31/2031	\$17,693.87	\$212,326.44	\$58,420.00	\$104,899.00	\$375,645.44	\$22.35
		<i>Soft Term</i>	2/1/2026	1/31/2031	\$19,802.42	\$237,629.04	\$67,724.79		\$305,353.83	\$25.01
		<i>No Options after 2031</i>								
OCCUPIED	9,500	100.00%	Current		\$17,693.87	\$212,326.44	\$58,420.00	\$104,899.00	\$375,645.44	\$22.35
VACANT	0	0.00%						Total Current Rent	\$375,645.44	
CURRENT TOTALS	9,500	100.00%								

*Operating Costs grow by 3% Annually

**T.I. Amortization terminates 1/31/2026

Lease Abstract



SOCIAL SECURITY ADMINISTRATION RENT ROLL



BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
2/1/2016-1/31/2031	\$17,693.87	\$212,326.44

INCREASE

DATE RANGE	MONTHLY RENT	ANNUAL RENT
2/1/2026-1/31/2031	\$19,802.42	\$237,629.04

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISES & TERM

TENANT

United States of America Social Security Administration

LANDLORD

UIRC - GSA La Mesa CA LLC

LEASE TYPE

Gross

REMAINING LEASE TERM

11 Years

LEASE COMMENCEMENT

February 1, 2016

LEASE TERMINATION

January 31, 2031

EXPENSES

LANDLORD'S OBLIGATIONS

Keep the leased premises, property, and buildings in good repair and conditions.

TAXES

The government shall be responsible for payment of any tax increase over the base year taxes.

INSURANCE

Landlord pays.

UTILITIES

Landlord pays.

CAM

Landlord pays.

LEASE PROVISIONS

ASSIGNMENT/SUBLETTING

The government may sublet any part of the premises but shall not be relieved from any obligations under the lease by reason of any such subletting. The government may at any time assign this lease subject to prior written consent of Lessor.

EARLY TERMINATION

Tenant has the right to terminate this lease after January 31, 2026 by providing not less than 90 days prior written notice to the Lessor.

RIGHT OF REFUSAL/OFFER

None.

EXPANSION OPTION

None.

Site Plan



**9,500
RENTABLE SF**



**.57
ACRES**



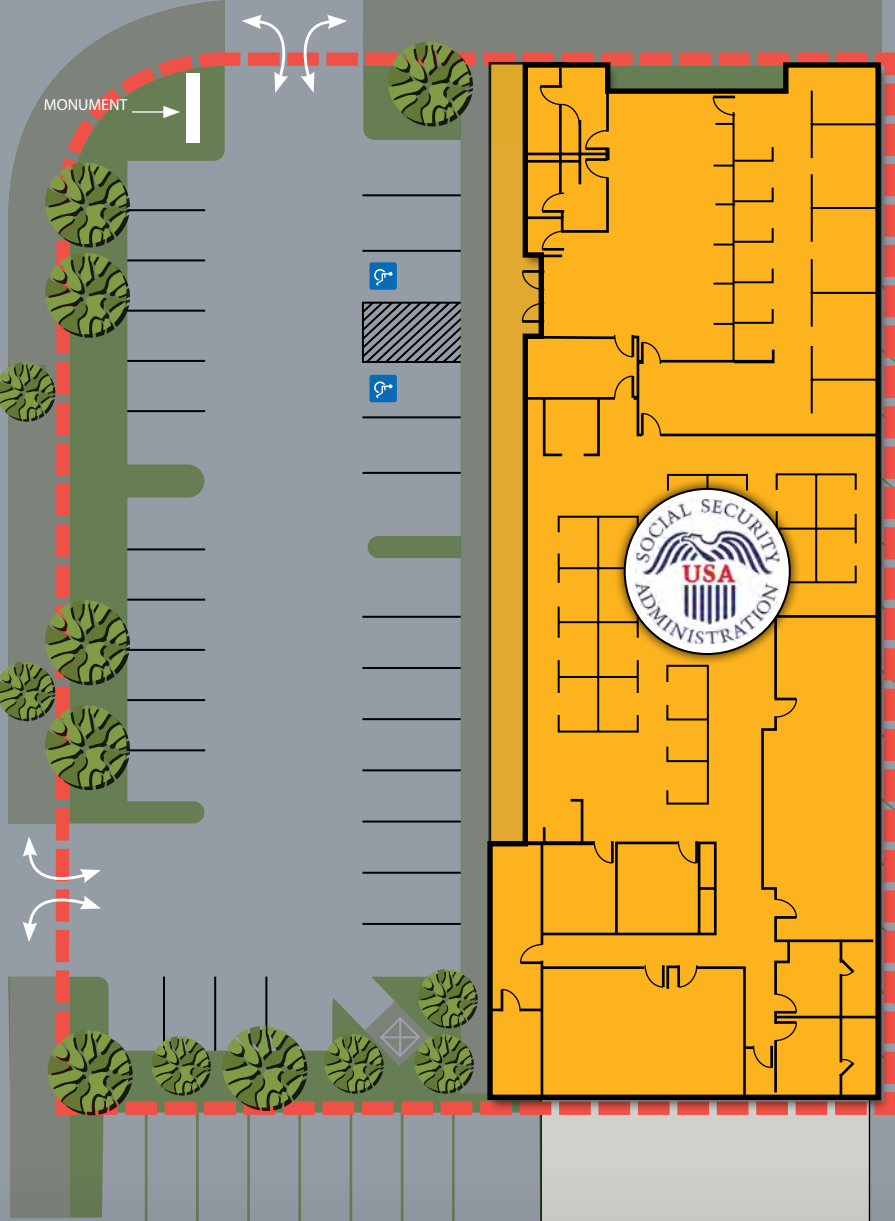
**30
SPACES**



LA MESA BOULEVARD



UNIVERSITY AVENUE



This site plan is a rendering that has been created based on sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Tenant Overview



ABOUT THE SOCIAL SECURITY ADMINISTRATION (SSA)

The Social Security Administration (SSA) is the organization that oversees and runs the Social Security program in the United States. The benefits administered include social security retirement income and disability income programs, among others. The SSA is also responsible for issuing social security numbers, administering benefits, and managing the program's finances and trust fund. Every year it issues a financial report.

Nearly nine out of ten individuals age 65 and older receive Social Security benefits. Social security is the major source of income for most of the elderly, representing about 33% of their income. Over 62 million residents collected Social Security benefits in June 2018.

60,000+ | EMPLOYEES

1,230

FIELD OFFICES

ANNUAL BUDGET

\$1.06 T

\$906.4 B

NET COST OF SOCIAL SECURITY WITH 21% OF FEDERAL GOVERNMENT EXPENDITURES



Retail Aerial

20,300
VPD

9,137
VPD

VONS



SportClips
HAIRCUTS

Round Table
The Last Harvest Pizza

State Farm

POSTAL ANNEX +
JOLT'N JOE'S
HEAR USA
DIAMOND NAILS
TAE KWON DO
MENCHIE'S
CRAZY FRED'S
ALBERT'S
MYZTIC ISLE

**SAN DIEGO
CULINARY
INSTITUTE**

**CALIFORNIA
COAST
UNION**

**AUTHENTIC
DENTAL
DESIGNS**

**LA MESA
VISION
CARE
CENTER**

**CHINA
SUPER
BUFFET**



**HILLSDALE
HABILITATION
CENTER**

**USA
GASOLINE**

LA MESA BLVD

metroPCS
ROSARITOS #3
KITCHEN'S PLUS
THAI CUISINE
PARIS NAILS
SCISTORS

**TAMARIND
THAI**

**DELUXE
MEDICAL
SUPPLY**



UNIVERSITY AVE

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Demographics

POPULATION

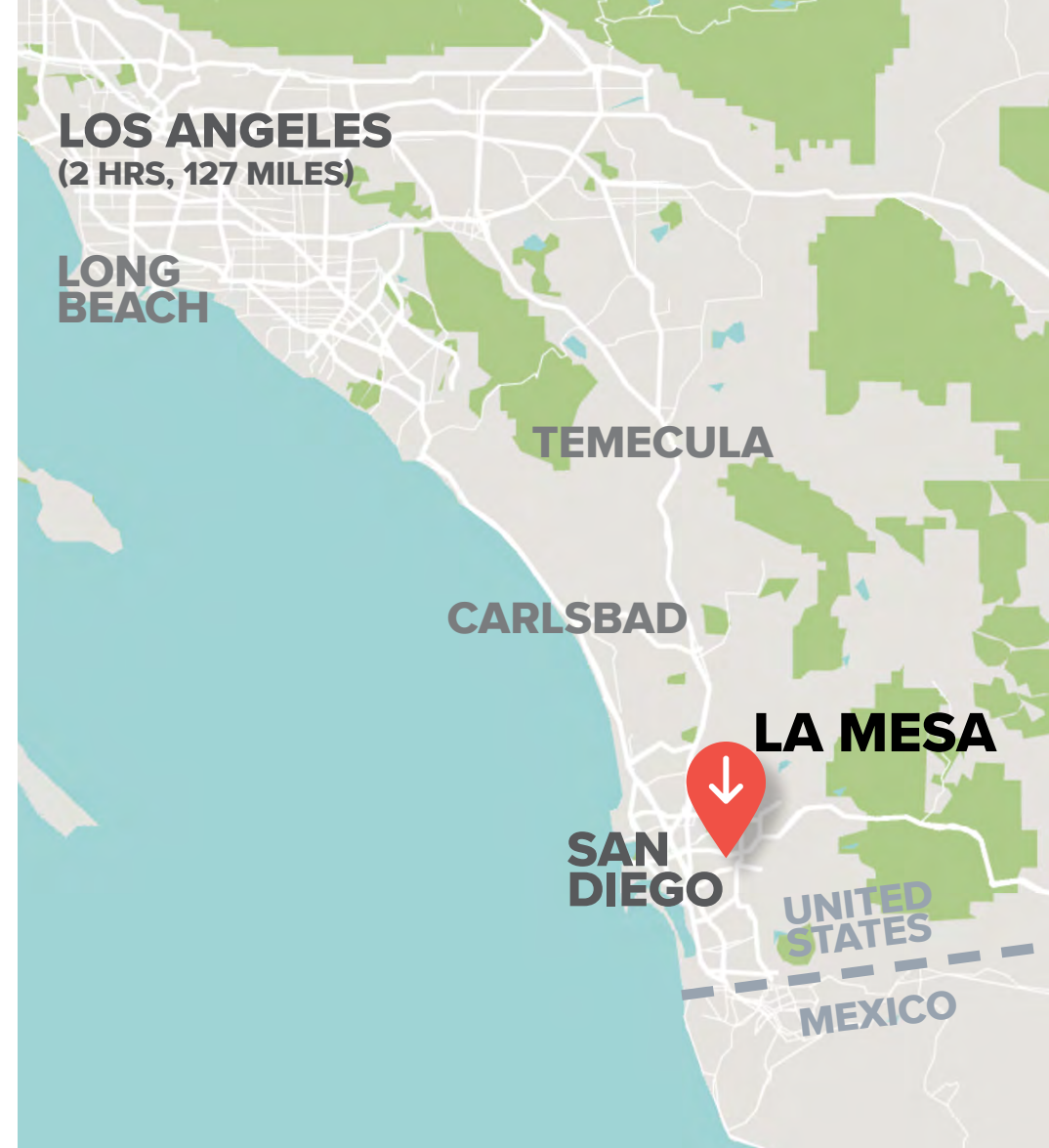
	1-MILE	3-MILES	5-MILES
2010	24,984	168,429	460,883
2019	26,783	183,410	479,152
2024	27,656	189,854	492,237

2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$76,983	\$80,613	\$80,064
Median	\$59,198	\$63,686	\$61,481

LARGEST EMPLOYERS IN SAN DIEGO COUNTY

EMPLOYER	# OF EMPLOYEES
State of California	43,300
University of California, San Diego	28,672
Federal Government	24,200
U.S. Department of Defense	21,500
County of San Diego	18,000



LOS ANGELES
(2 HRS, 127 MILES)

LONG BEACH

TEMECULA

CARLSBAD

LA MESA

SAN DIEGO

UNITED STATES
MEXICO

THE AVERAGE HOUSEHOLD INCOME WITHIN A 3-MILE RADIUS IS OVER \$80K

LA MESA, CALIFORNIA



LA MESA is centrally located in the rolling hills of San Diego County, La Mesa is known as the Jewel of the Hills. The city is about 9 square miles and is located 9 miles to the east of Downtown San Diego. The city had an estimated population of about 59,556 in 2018.

The City of La Mesa is thriving with new developments, businesses, retail experiences, parks, restaurants, and more. The City recently completed a \$7 million dollar investment in the Downtown Village and is preparing to make a \$5 million dollar investment to revitalize University Avenue – a major corridor in the City.

SAN DIEGO COUNTY is the 2nd most populated county in California, under Los Angeles, which has over four times as many residents. San Diego County grew approximately 1 percent in a recent year, gaining over 100,000 new residents.

One of the largest economic forces in the State of California, San Diego County contains military interests, economic force, theme parks, amusements, miles of beaches, casinos, golf, and the border to Mexico. There are over 15 reservations in San Diego County, around 15 state beaches and parks, half a dozen mountain ranges, three border crossings to Mexico, close to 100 golf courses, four major theme parks, and more.



San Diego Military Bases



SAN DIEGO IS HOME TO THE NATION'S LARGEST CONCENTRATION OF MILITARY PERSONNEL

SAN DIEGO is home to more than 15,000 active duty service members transition out of active duty service in San Diego each year. There are more veterans in San Diego than there are active duty personnel. More than 240,000 veterans reside in San Diego.

There are more than **100,000 active duty service members** in San Diego. These active duty service members are split roughly evenly between the Navy and the Marine Corps. The largest installations are:

- Marine Corps Air Station Miramar
- Marine Corps Base and Marine Corps Air Station Camp Pendleton
- Naval Base Point Loma
- Naval Base Coronado
- Naval Base San Diego

San Diego is home to **60% of the ships in the fleet of the U.S. Navy, and 1/3 of the active duty force of the U.S. Marine Corps.**





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