

OFFERING MEMORANDUM  
**COASTAL TRIPLE NET GROUND LEASE**  
LAND FOR SALE | SAN DIEGO, CA

**Auto  
Zone**

**LAUNDERLAND**  
Coin-Op Laundry

TWO BLOCKS TO THE BEACH

SUBSTANTIAL UPSIDE  
UPON LEASE EXPIRATION

CPI INCREASES EVERY 5 YEARS

EXCLUSIVELY OFFERED BY:

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**CUSHMAN &  
WAKEFIELD**



**AutoZone**

au Coin-Op Laundry

**AutoZone**  
Auto Parts  
Accessories  
Advice

1/2 OFF

22.99

WHEELS & MISCELLANEOUS

WARRANTY

WARRANTY

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**EXECUTIVE SUMMARY**

<b>GROUND LESSEE:</b>	Advantaged Asset Acquisitions I, LLC
<b>SUBTENANTS:</b>	AutoZone & Launderland
<b>LOCATION:</b>	1950 & 1960 Cable Street, San Diego, CA 92107
<b>APN:</b>	448-192-33-00
<b>BUILDING SIZE:</b>	5,755 +/- square feet
<b>LAND SIZE:</b>	0.35 acre (15,277 SF)
<b>YEAR BUILT:</b>	1984
<b>LEASE COMMENCEMENT:</b>	January 1st, 1985
<b>LEASE EXPIRATION:</b>	December 31, 2019
<b>OPTIONS:</b>	Nine (9) five (5) year options
<b>RENT INCREASES:</b>	<ul style="list-style-type: none"> <li>• CPI increase every 5 years*</li> <li>• Fair Market Rent in 21 years</li> </ul>
<b>LEASE TYPE:</b>	NNN Ground Lease

\*Buyer to verify CPI methodology as part of Due Diligence

**OFFERING TERMS**

<b>CURRENT NOI:</b>	\$63,000
<b>ESTIMATED NOI 1/1/2020:</b>	\$69,930 (\$4.58 / Land SF) (\$12.15 / Building SF)
<b>PRICE:</b>	\$1,750,000
<b>CAP:</b>	4.00%

**\* SELLER TO CREDIT DIFFERENCE BETWEEN CURRENT RENT AND 1/1/2020 RENT UNTIL NEW RENT COMMENCES**





## PROPERTY HIGHLIGHTS

Actual Property

### ABSOLUTE NNN GROUND LEASE

- Provides for a management free income stream

### EXCELLENT ACCESS AND VISIBILITY WITH PARKING

- Directly across the street from CVS, a major retail traffic generator for the trade area with very limited retail
- Property benefits from exclusive parking in front of the storefronts which is a rare amenity for retail tenants in this dense coastal trade area

### LONG-TERM LEASE & 30+ YEAR HISTORICAL OCCUPANCY

- Ground lessee just exercised the first 5 year option at fair market rent after the original 30 year primary term
- Both current sub-tenants AutoZone (and their predecessor Chief Auto), and Laundreland have occupied the property as sub-tenants since it was constructed in 1985

### SIGNIFICANTLY BELOW MARKET RENT FOR IMPROVEMENTS / ~10% PROFORMA CAP IN IMPROVEMENTS

- Ground rent is estimated to be over 60% below the proforma market rent for the improvements, offering potential up-side upon reversion of the improvements to Landlord (see lease comp map for details)

### TROPHY SAN DIEGO COASTAL LOCATION / HIGH BARRIERS TO ENTRY

- Two blocks from the beach, with a population of approximately 19,800 within 1 mile of the subject property
- Ocean Beach is a very underserved trade area with limited retail for the population and no vacant land for new retail construction



SANTA MONICA AVENUE



LAUNDERLAND  
Coin-Op Laundry

CABLE STREET





NEW CONSTRUCTION  
OCEAN BEACH  
PLAZA

UnionBank

SUBWAY

NEWPORT AVENUE  
SHOPPING DISTRICT

CVS  
pharmacy

STARBUCKS  
COFFEE

Auto  
Zone

NEWPORT AVE

SANTA MONICA AVE

CABLE ST

SARATOGA AVE



MISSION  
BEACH

MISSION  
BAY



NEW CONSTRUCTION  
OCEAN BEACH  
PLAZA

CABLE ST

SANTA MONICA AVE

NEWPORT AVENUE  
SHOPPING DISTRICT

NEWPORT AVE





**SUBTENANT:** AutoZone, Inc. (NYSE: AZO)

**S&P CREDIT RATING:** BBB      **# OF LOCATIONS (2016):** 5,814+  
**2016 REVENUE (\$BIL):** \$10.63      **# OF EMPLOYEES (2016):** 84,000+  
**2016 NET INCOME (\$BIL):** \$1.241

 AutoZone is the nation's leading retailer and a leading distributor of automotive replacement parts and accessories with more than 5,297 stores in the U.S., Puerto Rico, and Mexico. Each store carries an extensive line for cars, sport utility vehicles, vans and light trucks, including new and re-manufactured hard parts, maintenance items and accessories. For more than 30 years,

AutoZone has been committed to providing the best parts, prices and customer service in the automotive aftermarket industry. They have a rich culture and history of doing the Extra Mile for their customers and community. Since opening its first store in Forrest City, AK, on July 4, 1979, the company has joined the New York Stock Exchange and earned a spot in the Fortune 500.

The company places stores in regions that have large number of vehicles seven years old and older because of these cars' need for repairs and maintenance. While the company seeks to open stores in high-traffic areas, AutoZone is largely a destination retailer - a retailer that generates its own traffic instead of relying on other nearby stores' traffic base. Stores typically range from 6,500 to 8,000 square feet.

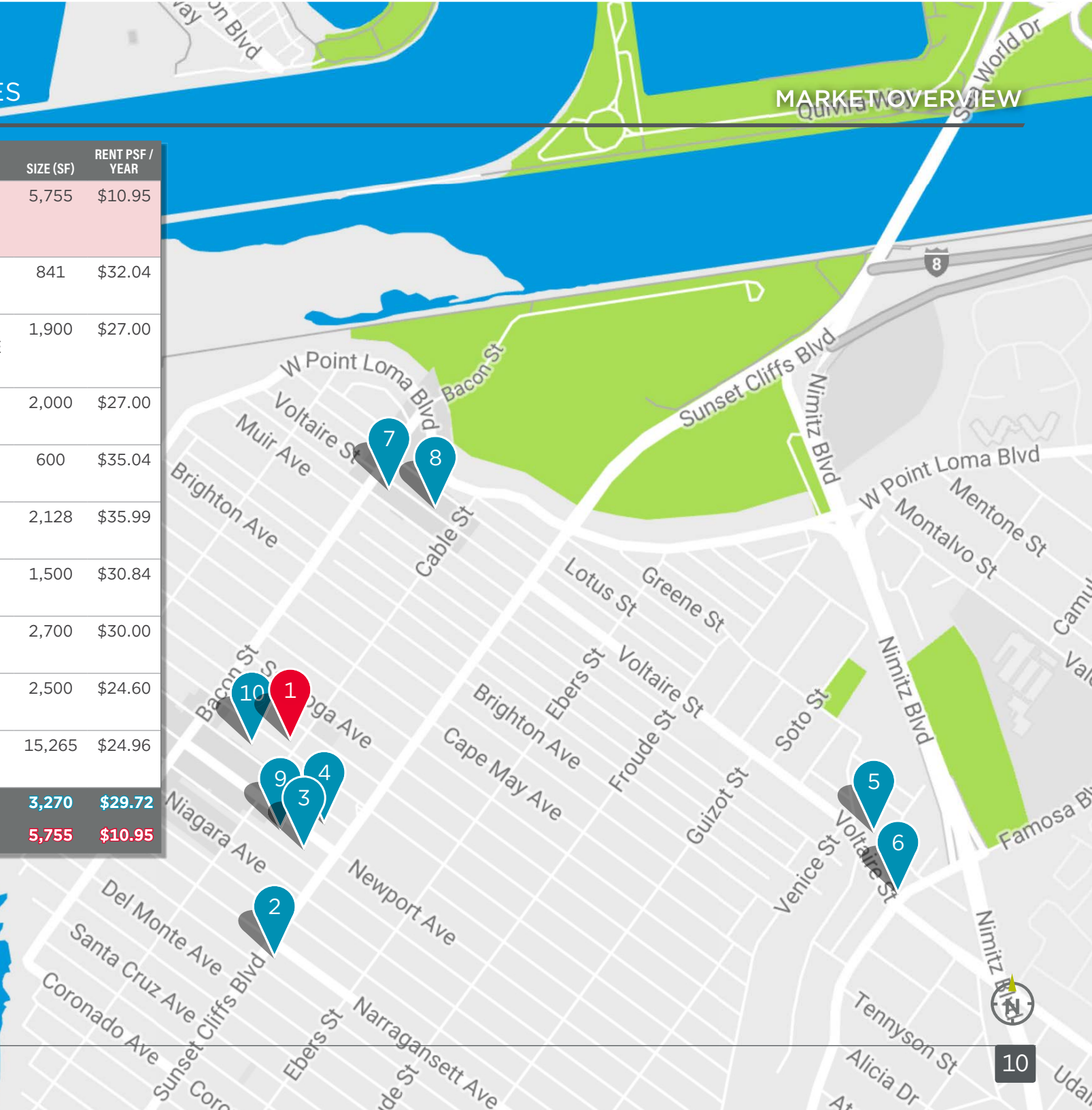
Website: [www.autozone.com](http://www.autozone.com)



# LEASE COMPARABLES

MARKET OVERVIEW

	PROPERTY	SIZE (SF)	RENT PSF / YEAR
<b>1</b>	AUTOZONE & LAURNDERLAND SUBJECT PROPERTY 1950 & 1960 Cable Street	5,755	\$10.95
<b>2</b>	BONE APPETIT PET SUPPLY 1785 Sunset Cliffs Blvd	841	\$32.04
<b>3</b>	CULTURE BREWING, VINTAGE REVIVALS & OCEAN ACCUPUNCTURE 4845-4847 Newport Ave	1,900	\$27.00
<b>4</b>	BELCHING BEAVER BREWERY 4836 Newport Ave	2,000	\$27.00
<b>5</b>	PEACE PIES RAW VEGAN CAFÉ 4230 Voltaire St	600	\$35.04
<b>6</b>	COFFEE BEAN & TEA LEAF 4195 Voltaire St	2,128	\$35.99
<b>7</b>	THE PRIVATE GYM 4895 Voltaire St	1,500	\$30.84
<b>8</b>	MEALS FOR SEALS 4934 Voltaire St	2,700	\$30.00
<b>9</b>	CHAPTER ONE 4857-4861 Newport Ave	2,500	\$24.60
<b>10</b>	CVS PHARMACY 4949 Santa Monica Ave	15,265	\$24.96
<b>Average</b>		<b>3,270</b>	<b>\$29.72</b>
<b>Subject Property</b>		<b>5,755</b>	<b>\$10.95</b>



DEMOGRAPHICS

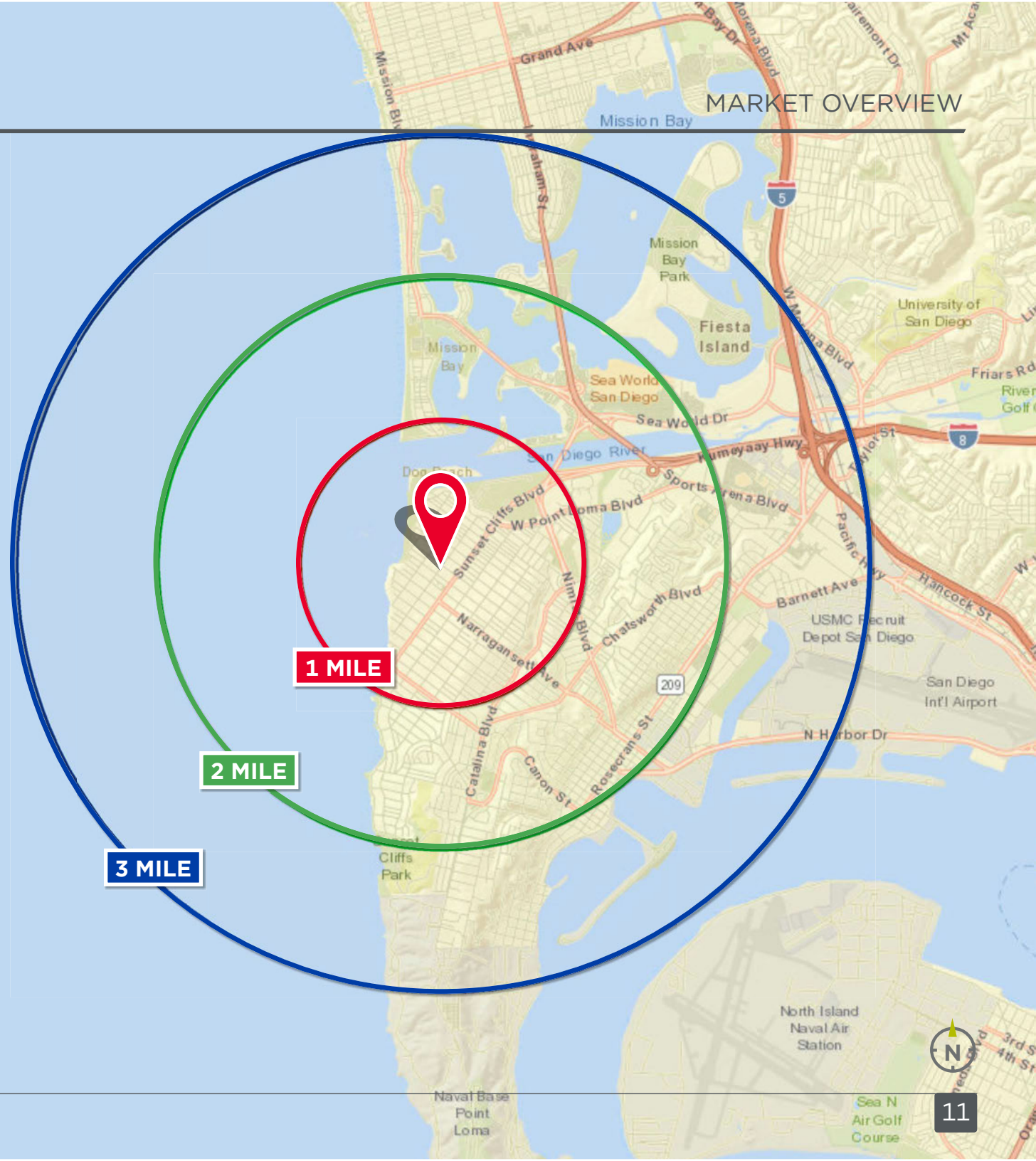
Pacific Ocean

POPULATION GROWTH

	1 MILE	2 MILE	3 MILE
2018	20,120	52,028	68,159
2023	20,623	53,557	70,144

AVERAGE HH INCOME

	1 MILE	2 MILE	3 MILE
2018	\$89,327	\$99,889	\$102,916
2023	\$107,706	\$118,788	\$122,642



**SAN DIEGO** As the second most populous city in California, and the eighth largest in the country, San Diego is a major economic engine and world-renowned hub of research and entrepreneurial activity. The region's diverse mix of industries, its superb climate, large and diverse labor force, and exceptional quality of life have fueled substantial commercial and residential development and robust employment growth that have consistently outpaced most other major U.S. metropolitan markets.

San Diego offers: one of the most competitive sales tax rates in California (8.00%); a business tax rate lower than any of the 20 largest U.S. cities; the lowest transient occupancy (hotel and motel) tax in the country; the lowest bonded indebtedness rate; the lowest real estate transfer tax in California; no city income taxes; and, no utility taxes on its citizens. San Diego's economy is very diverse with the largest sectors being agriculture, biotechnology/biosciences, computer sciences, education, healthcare, defense, financial and business services, ship construction and repair, software development, telecommunications, and tourism.

The county is currently home to 3.2 million people, the second most populous county in California. The median age of San Diego County is a relatively young 35 years, with over 50% of its population less than age 35 and only 11% age 65 or over.

Over 34% of San Diego's workforce over the age of 25 holds a bachelor's degree or higher and the average household income is a notable \$84,359 per year. According to Forbes magazine, San Diego ranks as the fifth wealthiest city in the United States. The University of California San Diego, University of San Diego, San Diego State University and other local universities are well-respected throughout the country and the world.

San Diego has a large civilian labor force of approximately 1.56 million workers. Leading employment sectors in the region (by number of employees) include: Government (223,100); Trade, Transportation & Utilities (207,300); Professional & Business Services (204,000); and, Leisure & Hospitality (131,900). The region's 8.8% unemployment rate (May 2012) continues to outperform the state of California (10.4%).

- <https://www.sandiego.gov/>
- <https://www.sandiego.org/>
- <http://www.sandiego.com/>
- <http://sdchamber.org/>
- <http://www.sandiegocounty.gov/>
- <https://visitsandiego.com/>
- [https://en.wikipedia.org/wiki/San\\_Diego](https://en.wikipedia.org/wiki/San_Diego)

*Downtown Seattle, Washington*

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*Actual Property*

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