

Offering Memorandum

26920 Sierra Highway

Midas

Santa Clarita, CA 91321

Video



PEGASUS



La Mesa Junior High School

Cayon Country Plaza
 Ross Dress for Less
 Walgreens
 Food 4 Less
 Big 5 Sporting Goods
 Payless Shoesource
 Buffalo Wild Wings
 Jersey Mike's
 GNC Live Well
 Bank of America

El Segundo Shopping Center
 metroPCS
 Permission to speak freely™

Weyerhaeuser

Subject Property

Costco Wholesale



Deal Team

DAVID CHASIN
 Managing Director
 david@pegasusinvestments.com
 O 310.691.1350 x 101
 LIC # 01513027 (CA)

DAYLIN ACKERMAN
 Senior Associate
 dackerman@pegasusinvestments.com
 O 310.691.1350 x 114
 LIC # 02011508 (CA)

TONY VEILLER
 Associate
 tveiller@pegasusinvestments.com
 O 310.691.1350 x 113
 LIC # 01995952 (CA)



PEGASUS

Content

4
EXECUTIVE SUMMARY

10
PHYSICAL DESCRIPTION

11
TENANT OVERVIEW

12
MARKET AREA & LOCATION



EXECUTIVE SUMMARY

Offering Summary

Pegasus Investments Real Estate Advisory, Inc., as exclusive advisor to Seller, is pleased to offer the fee simple interest [land & building] in a single tenant Midas Auto Service Center in Santa Clarita (Los Angeles metro), California. The offering represents a rare opportunity to acquire a 15-year, 100% absolute triple net leased outparcel within a strong infill submarket of Los Angeles: the 2nd most populated city in the U.S. The Santa Clarita Valley has some of the highest median incomes in the state and has grown in population by an impressive 41% in the past 15 years. The property consists of a freestanding 3,875 SF building automotive service building situated on a 0.683 acre outparcel within a high performing Stater Bros grocery anchored center. The Midas is one of three outparcels within the shopping center, which also includes El Pollo Loco and McDonald's. Founded in 1956, Midas is owned by TBC Corporation (Sumitomo Corp.) and has a strong operating history at the property with a loyal customer base earned over its 20 years of tenancy (since 1997). Additionally, Midas recently extended its lease for an additional 15 years, solidifying its long-term commitment to the site.

Midas is strategically located at a signalized intersection along Via Princessa (~69,400 ADT), situated prominently at one of only two entrances to the shopping center and fronts the adjacent Costco. The area immediately surrounding the property has experienced hyper growth over the last 15 years, significantly outpacing growth in the state of California by almost three times, and is currently on course to continue this trend over the next two decades. With recent city approvals, developers are breaking ground on several new developments which will include over 23,000 new residential units. The combination of the strong regional freeway access, impressive population growth, and affluent median household incomes all contribute to create a truly exceptional net leased investment opportunity.

List Price	\$2,580,000
Cap Rate	5.00%
NOI	\$129,000





PROMINENTLY SITUATED
AT A SIGNALIZED
INTERSECTION

Investment Highlights

TROPHY SOUTHERN CALIFORNIA LOCATION WITHIN HIGH INCOME, HIGH GROWTH LOS ANGELES SUBURB

The property is prominently situated as an outparcel to a successful Stater Bros. grocery anchored neighborhood center in Santa Clarita, California: a high-income suburb of Los Angeles. The strong demographics are underscored by average house incomes of \$102,310/year (5-mile radius) and exceedingly strong population growth. With statewide population growth recorded at an impressive 14% over the past 15 years, the Santa Clarita Valley has greatly exceeded that with a 41% increase in population over the same period. In 2016, the Santa Clarita Valley boasted one of the highest annual median incomes in the state at \$95,064 with one third of all households earning more than \$125,000/year.

SEASONED TENANCY WITH RECENT 15-YEAR LEASE EXTENSION

Midas has operated at the subject property for over 20 years, a strong testament to the loyal customer base it has grown since 1997. As a result, Midas recently signed a new 15-year lease, demonstrating its optimistic outlook for the subject property's location and viability within the Santa Clarita market. Prior to executing the new lease, Midas granted the tenant a new franchise renewal for an additional 20 years commencing 2016/2017.

LARGE LOT SIZE IN A HIGHLY DESIRABLE LOCATION

Situated as an outparcel to a highly desirable grocery anchored neighborhood center, the property sits on a large lot (0.683 acres) with abundant parking. Located at the intersection of two highly trafficked streets, Via Princessa and Sierra Highway, Midas benefits from visibility and access to traffic counts approaching 70,000 cars per day. The parcel benefits from signalized access along Via Princessa and Sierra Highway and is located at one of only two entrances to the shopping center. Adjacent outparcels within the center include McDonald's and El Pollo Loco. Other freestanding properties within visibility of the Midas include CVS, Starbucks, Chase Bank, Carl's Jr. and Del Taco.



SUBJECT PROPERTY IS EASILY ACCESSIBLE FROM 14 FREEWAY

EXCELLENT REGIONAL FREEWAY ACCESS VIA CA-14

The property benefits from its proximity to a major freeway entrance & exit along CA-14 Freeway and sits adjacent to Costco. Costco typically positions itself in locations with excellent regional accessibility and significant housing density, which are drivers benefitting the Midas as well. The property sits elevated above grade level providing great visibility from the corner of Via Princessa and Sierra Highway. CA-14 is one of Santa Clarita's major commuter freeways providing access to the San Fernando Valley via I-5 with average daily traffic counts of over 110,000.

RAPIDLY GROWING MARKET SURROUNDED BY MAJOR NEW DEVELOPMENTS

The Santa Clarita Valley grew in population by 41% over the last 15 years, making it one of California’s fastest growing cities. Rapid growth and expansion is expected to continue as highlighted by several key development projects including Vista Canyon Town Square, Newhall Ranch and the Aliento Master Planned Community. Vista Canyon Town Square is a 185-acre transit oriented community currently underway which is planned to include 1,100 new homes, an on site transit center, and one million square feet of retail, corporate office, entertainment and hotels. Newhall Ranch recently received key approvals which will make it the largest housing development in Los Angeles County with over 21,500 units planned. The Aliento Master Planned Community is also currently underway and spans more than 900 acres that is planned to include 498 single family detached homes across a five district neighborhood. This development is occurring in very close proximity to the Midas along Via Princessa, the project’s bisecting thoroughfare.

**EXTREMELY
HIGH TRAFFIC
COUNTS
APPROACHING
70,000 ADT**



SANTA CLARITA NAMED A “TECH AREA TO WATCH”

Built in Los Angeles recently named the Santa Clarita Valley one of the top emerging tech areas to watch in 2018. Tech companies are drawn to Santa Clarita due to its strong supply of skilled labor force combined with uniquely affordable cost of living. Additionally, Santa Clarita offers a reverse commute relationship with Los Angeles, allowing employers to attract talent turned off by Los Angeles’ rush hour traffic. Santa Clarita is already host to several tech companies including Kadenze, Arvato, Nexus, and Scorpion.

GREAT REGIONAL ACCESS
ADJACENT TO COSTCO

The Aliento

900 Acres
498 Single Family Homes

Golden Oak
Community School

The Plaza at Golden Valley

TARGET KOHL'S WELLS FARGO
BED BATH & BEYOND
BevMo! STAPLES Jersey Mike's
Panera BREAD dressbarn the Habit
BURGER GRILL
Sprint T-Mobile

LA County
Fire Station 150

± 110,000 ADT



\$102,310
Average Household Income
(5-Mile Radius)

Sierra Highway ± 32,000 ADT

STATER BROS.

COSTCO
WHOLESALE

Public Storage

24 HOUR FITNESS

Jack
in the box

jiffylube

CALIFORNIA
14

Carl's Jr.

K

Mobil

McDonald's

DEL TACO

CHASE

CVS

menchie's
frozen yogurt

Shell

Starbucks
PANDA EXPRESS
CHINESE KITCHEN

O'Reilly AUTO PARTS

Pollo Loco

Sizzler

POPEYES
LOUISIANA KITCHEN

LOWE'S

Party City
PETSMART

CALIFORNIA
14

CALIFORNIA
14

Valley View
Elementary School

usbank

CALIFORNIA
14

MIDAS IS A GLOBAL COMPANY OWNED BY TBC CORPORATION

After nearly 50-years of successful operation, Midas was acquired in 2012 by the TBC Corporation (a unit of Japan's Sumitomo Corp.), one of North America's largest distributors of automotive replacement tires in the secondary market. In addition to Midas, the company's wholly owned retail brands include Big O Tires, Tire Kingdom Service Centers, National Tire & Battery. Midas is one of the world's largest providers of automotive services, offering brake, maintenance, tires, exhaust, steering and suspension services at over 2,300 locations worldwide.



Tenant Summary

Lessee Name	Jaytone, Inc.
Type of Ownership	Fee Simple
Lease Guarantor	Personal
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Term Remaining	± 15 Years
Lease Commencement Date	8/1/2017
Lease Expiration Date	7/31/2032
Increases	10% Increases Every Five (5) Years
Options	One, 5-Year Option

Annualized Operating Data

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current - Year 5	\$10,750.00	\$129,000	\$33.29	5.00%
Years 6 - 10	\$11,825.00	\$141,900	\$36.62	5.50%
Years 11 - 15	\$13,007.50	\$156,090	\$40.28	6.05%
Option 1	\$14,308.25	\$171,699	\$44.31	6.65%



PHYSICAL DESCRIPTION



GRANDFATHERED AUTOMOTIVE USE
IS VERY DIFFICULT TO REPLICATE IN
AFFLUENT COMMUNITIES

The Site



Property Name	Midas
Address	26920 Sierra Highway Santa Clarita, CA 91321
Assessor's Parcel Number (APN)	2842-026-044
Zoning	CC (Community Commercial)
Gross Leasable Area	± 3,875 SF
Lot Size	± 0.683 Acres (29,751 SF)
Year Built	1996
Number of Stories	1
Number of Buildings	1
Parking Spaces	± 35 Surface Spaces
Parking Ratio	9.03 : 1,000 SF

TENANT OVERVIEW



Midas

Private | Subsidiary of TBC Corporation
www.midas.com

# of Locations	± 2,300
Headquartered	Itasca, IL
Year Founded	1956



OVERVIEW

Midas is a chain of automotive service centers that provides retail automotive services such as exhaust, brakes, steering, air conditioning, tires, batteries, suspension and various other maintenance services that was acquired by TBC Corporation in 2012. Originally specialized in the replacement of mufflers, Midas has always been a groundbreaking auto repair outlet with a reputation for service, quality and reliability. In recent years, they have marketed themselves as Auto Service Experts, as they are capable of performing most routine and common automobile service, including brakes, fluid changes, and suspensions. As one of the world's largest providers of automotive service, Midas continues its over 60-year success story through its franchised, company-operated and licensed shops.

TBC CORPORATION (SUMITOMO CORP.)

TBC Corporation is one of the nation's largest vertically integrated marketer of tires for the automotive replacement market. The company has been operating as a unit of Sumitomo Corporation, one of Japan's major integrated trading and investment business enterprises, since 2005. Brands controlled by TBC include TBV brands, Carroll Tire Company, Midas, Big O tires, Tire Kingdom Service Centers, Merchant's Tire and Auto Service Centers, National Tire and Battery, R.O. Writer and SpeedDee Oil Change & Auto Service. Committed to being a tire company ahead of the curve, TBC Corporation has anticipated key market trends and successfully capitalized on them.

MARKET AREA & LOCATION

2ND
MOST POPULOUS
CITY IN THE U.S.



LOS ANGELES, CALIFORNIA

As California's liveliest and largest metropolis and the entertainment capital of America, Los Angeles has long been known as a city of dreams. The City of Angels is the second largest city in the United States and has been designated an Alpha world city. Located on Southern California's Pacific coast, it is the main hub of the Southern California region with legendary Hollywood northwest of downtown, the San Fernando Valley to the east, and the inviting beaches of Santa Monica and Malibu to the west.

The economy of the city of Los Angeles is highly diversified, with strong sectors in services, wholesale and retail trade, manufacturing, government, financial service industries, transportation, utilities, and construction. The entertainment and tourism industries also contribute significantly to the economy. The trade volume of its busy port is the highest in the nation and one of the highest in the world.

47.3M
ANNUAL
VISITORS

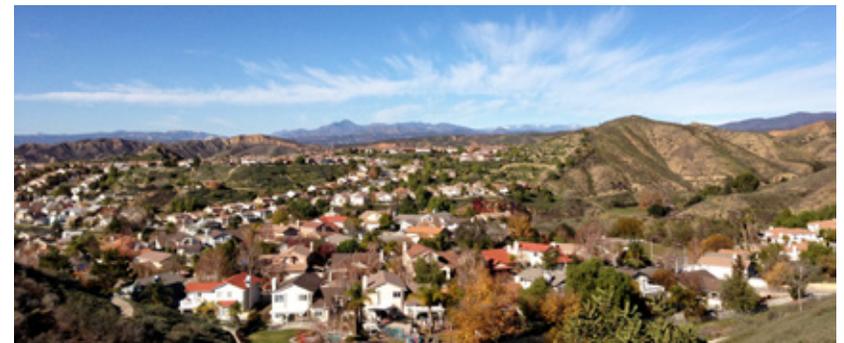
41% POPULATION GROWTH SINCE 2000



SANTA CLARITA, CALIFORNIA

Just a 30-minute drive northwest from downtown Los Angeles, Santa Clarita is the fourth largest city in Los Angeles County and occupies most of the Santa Clarita Valley. The city is bounded on the west by the Golden State Freeway, Interstate 5; on the east by the Antelope Valley Freeway, State Route 14; and on the south by the Newhall Pass. Throughout the last decade, Santa Clarita has seen a notable population growth and is anticipated to continue growing for the foreseeable future. The epitome of a boomtown, the city has annexed a number of unincorporated areas, contributing to the large population increase.

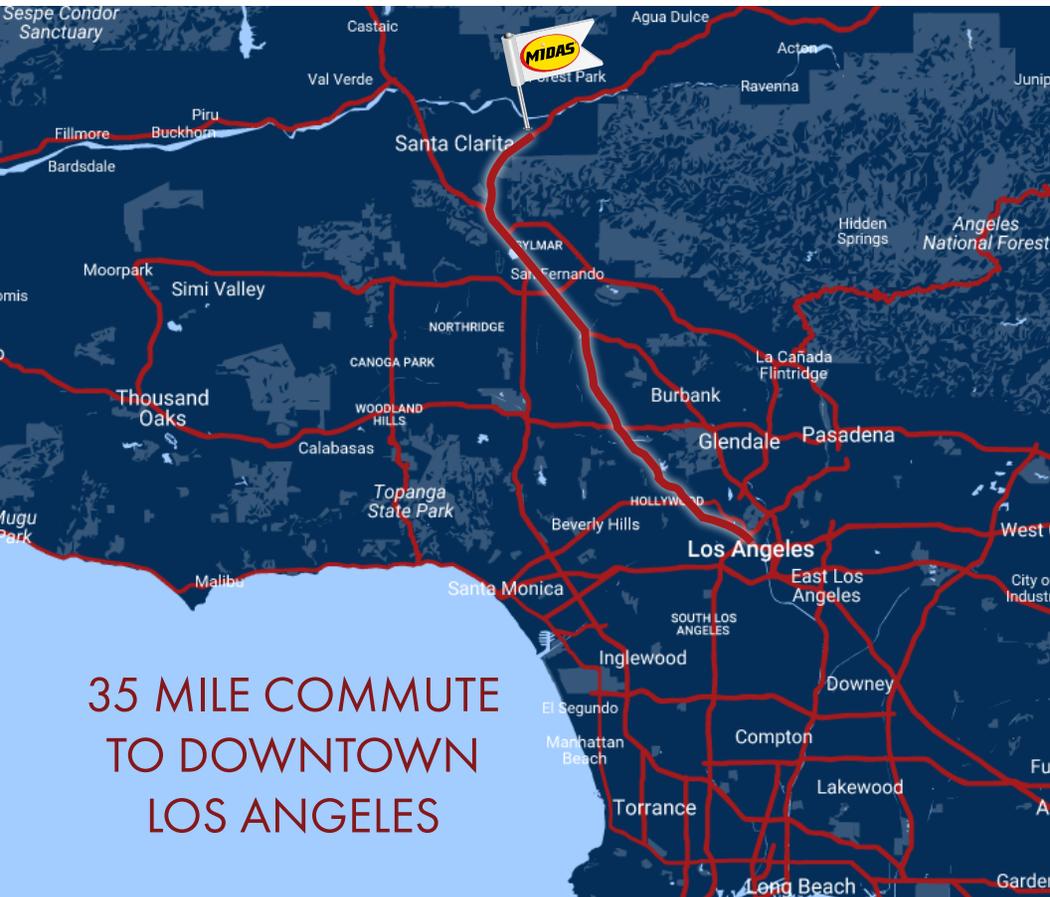
Santa Clarita offers the ultimate Southern California lifestyle, seamlessly blending the best of California in a convenient location. It is a unique combination of upscale sophistication and small town charm. There are infinite opportunities to locally enjoy the abundant California sunshine at the community's many parks, trails and nearby lakes and at the Six Flags Magic Mountain and Hurricane Harbor amusement parks. Other popular outdoor recreational activities include biking, running, hiking and swimming. The city itself offers year-round events for everyone including several summer concert series, seasonal festivals, cultural and sporting events.



LOCAL ECONOMY

Whether it's designing new technologies of tomorrow, producing number one rated television dramas, developing life-changing products, or creating world-class experiences, Santa Clarita is the ideal place to work that allows business leaders to focus on what they do best. More than 6,000 businesses are based in the suburb. That's because Santa Clarita offers a high quality of life, a variety of tax and incentive programs for companies of all sizes, and close proximity to most Southern California business centers. Santa Clarita Valley boasts some very large employers in the medical device, aerospace and manufacturing sectors making it a good location for business.

ONE OF THE MOST BUSINESS FRIENDLY CITIES IN LA COUNTY



PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2022 Projection	21,985	79,220	163,152
2017 Estimate	21,098	76,295	157,577
Growth 2017 - 2022	4.20%	3.83%	3.54%
Growth 2010 - 2017	12.2%	9.87%	8.06%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2022 Projection	7,787	25,984	52,551
2017 Estimate	7,496	25,044	50,770
Growth 2017 - 2022	3.88%	3.75%	3.51%
Growth 2010 - 2017	10.2%	9.33%	7.76%

INCOME	1-MILE	3-MILE	5-MILE
2017 Est. Average Household Income	\$76,987	\$91,231	\$102,310

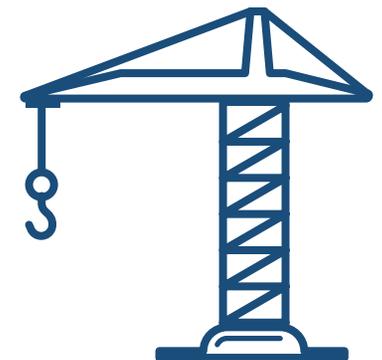
KEY DEVELOPMENTS

Newhall Ranch
21,500 Residential Units

Vista Canyon Square
1,100 Residential Units

Aliento Community
498 Residential Units

Vista Del Canyon
362 Residential Units



Midas

26920 Sierra Highway | Santa Clarita, CA



PEGASUS

DEAL TEAM

DAVID CHASIN

Managing Director

david@pegasusinvestments.com

O 310.691.1350 x 101

LIC # 01513027 (CA)

DAYLIN ACKERMAN

Senior Associate

dackerman@pegasusinvestments.com

O 310.691.1350 x 114

LIC # 02011508 (CA)

TONY VEILLER

Associate

tveiller@pegasusinvestments.com

O 310.691.1350 x 113

LIC # 01995952 (CA)

CONFIDENTIALITY & DISCLAIMER STATEMENT

The information contained in this Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pegasus Investments and should not be made available to any other person or entity without the written consent of Pegasus Investments. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. Pegasus Investments has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition of the business prospects of any tenants, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Pegasus Investments has not verified, and will not verify, any of the information contained herein, nor has Pegasus Investments conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Some or all of the photographs contained within may have been altered from their original format. All potential buyers must take appropriate measures to verify all of the information set forth herein.

ABOUT PEGASUS INVESTMENTS

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.



PEGASUS

PEGASUS INVESTMENTS
1901 Avenue of the Stars, Suite 630
Los Angeles, CA 90067

www.pegasusinvestments.com
310.691.1350

PEGASUS INVESTMENTS REAL ESTATE ADVISORY

LIC # 01961545

DAVID CHASIN

Managing Director

david@pegasusinvestments.com
O 310.691.1350 x 101
LIC # 01513027 (CA)

KEN CHASIN

Founder

ken@pegasusinvestments.com
O 310.691.1350 x 100
LIC # 00776468 (CA)

TREVOR NELSON

Managing Director

tnelson@pegasusinvestments.com
O 310.691.1350 x 104
LIC # 01495150 (CA)

BRAD KRITZER

Executive Vice President

bkritzer@pegasusinvestments.com
O 310.691.1350 x 106
LIC # 01918111 (CA)

KEVIN SHELburn

Senior Vice President

kshelburn@pegasusinvestments.com
O 310.691.1350 x 105
LIC # 01861409 (CA)

DAYLIN ACKERMAN

Senior Associate

dackerman@pegasusinvestments.com
O 310.691.1350 x 114
LIC # 02011508 (CA)

KATHERINE WEAVER

Senior Associate

kweaver@pegasusinvestments.com
O 310.691.1350 x 115
LIC # 02004937 (CA)

TONY VEILLER

Associate

tveiller@pegasusinvestments.com
O 310.691.1350 x 113
LIC # 01995952 (CA)

MICHAEL SPECTOR

Director of Sales & Operations

mspector@pegasusinvestments.com
O 310.691.1350 x 109
LIC # 01969966 (CA)

TALIA TONTI

Office Manager

ttonti@pegasusinvestments.com
O 310.691.1350 x 108

ANDI BUSTAMANTE

Marketing Associate

abustamante@pegasusinvestments.com
O 310.691.1350 x 116

PEGASUS ASSET MANAGEMENT

LIC # 01961545

SETH BELL

Vice President

sbell@pegasusinvestments.com
O 310.691.1350 x 1002

JUSTIN HERMAN

Asset Manager

jherman@pegasusinvestments.com
O 310.691.1350 x 1003

JONATHAN KHOURY

Portfolio Accountant

jkhoury@pegasusinvestments.com
O 310.691.1350 x 1004
LIC # 01957203 (CA)

GREG ASTOR

Asset Manager

gastor@pegasusinvestments.com
O 310.691.1350 x 1005
LIC # 02021777 (CA)

PEGASUS CAPITAL MARKETS

LIC # 01950432

CHAD BUELOW

Managing Director

cbuelow@pegasusinvestments.com
O 310.691.1350 x 111
LIC # 01854509 (CA)

TYLER JOHNSON

Vice President

tjohnson@pegasusinvestments.com
O 310.691.1350 x 112
LIC # 01947197 (CA)

JACK YODER

Analyst

jyoder@pegasuscre.com
O 310.691.1350 x 117