



**7-ELEVEN®**

**WaBa grill®**



INVESTMENT OFFERING

16001 & 16011 BOLSA CHICA ST.  
HUNTINGTON BEACH, CA

**FARISLEE**  
Investments

**PARTNER**  
**XTEAM**  
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16001 & 16011 BOLSA CHICA ST. HUNTINGTON BEACH, CA



Representative Photo - Not Subject Property



# TABLE OF CONTENTS

PROPERTY SPECIFICATIONS

4

AREA OVERVIEW

12

PRICING ANALYSIS

15

*Surf City usa*



## PROPERTY OVERVIEW







**\$3,300,000**

**PRICE**

**\$140,400**

**NOI**

**4.25%**

**CAP RATE**

Faris Lee Investments is pleased to present a rare opportunity to acquire 16001 & 16011 Bolsa Chica St. a dual tenant pad servicing the affluent city of Huntington Beach. Currently under construction, the property will be 100% occupied upon completion by two highly successful retailers with long term tenancy.

Huntington Beach's unique mix of a casual atmosphere and affluent demographics has made it an ideal location for retailers. Huntington Beach is known for its famous main beach, which features world renowned events such as the U.S. Open of Surfing and the AVP Pro Beach Volleyball tournaments. The property features two prominent retailers, 7-Eleven and WaBa Grill, 7-Eleven makes up 64% of the income stream and has a strong S&P credit rating of AA- and WaBa Grill operates 190+ locations in the U.S.

The property boasts a strong location in the trade area, at the busy intersection of Bolsa Chica St. (18,950 VPD) & Edinger Ave (16,820 VPD). This dynamic location allows for excellent frontage and visibility from this almost half acre corner lot. The property is ideally located approximately one mile from the affluent neighborhood of Huntington Harbour which features homes from \$1.25 - \$3.6 Million.

**SPECIFICATIONS:**

**GLA:** 3,500 Sq. Ft.

**Land Area:** 0.47 Acres

**Occupancy:** 100%



# INVESTMENT HIGHLIGHTS

## **STRONG NATIONAL TENANTS- 7-ELEVEN (S&P RATING OF "AA-") AND WABA GRILL (190+ LOCATIONS)**

- 7-Eleven is owned by Seven & I Holdings, a publicly -traded company on the Tokyo Stock Exchange with over \$51 Billion in 2017 Revenue and over \$48 Billion in 2017 Total Assets
- 7-Eleven is the world's largest convenience store chain with more than 53,500 stores in 16 countries
- WaBa Grill is a private company founded in 2006 operating more than 190 locations in the U.S.
- Provides an investor a stable income stream from two "Best in Class" retailers within their respective categories

## **64% OF INCOME STREAM DERIVED FROM 7-ELEVEN**

- Majority of income stream from the world's largest convenience store operator with an outstanding S&P rating of "AA-"
- Enables investor to obtain the most attractive financing

## **EXTREMELY AFFLUENT HUNTINGTON HARBOR TRADE AREA- \$198,422 AVERAGE ANNUAL HOUSEHOLD INCOME**

- Huntington Harbor is one of the most affluent and exclusive communities in Orange County
- Provides an ideal trade area in which to operate a retail business
- Abundant levels of discretionary income to support 7-Eleven and WaBa Grill

## **IRREPLACEABLE COASTAL ORANGE COUNTY LOCATION / TROPHY INVESTMENT AT THE SIGNALIZED HARD CORNER INTERSECTION OF EDINGER AVENUE AND BOLSA CHICA ROAD (35,770 VEHICLES PER DAY)**

- 7-Eleven and WaBa Grill benefit from the exposure and identity which is inherent at such a "main on main" location
- Ease of accessibility at the property can be accessed from both Edinger Avenue and Bolsa Chica Street which is a key attribute for the success of convenience-oriented retailers

## **TRUE PRIDE OF OWNERSHIP — BOTH THE REAL ESTATE AND QUALITY OF CONSTRUCTION MAKES 7-ELEVEN AND WABA GRILL A VERY RARE ASSET**

- The subject property's location provides ideal positioning for 7-Eleven and WaBa Grill to draw customers from the surrounding affluent neighborhoods, further establishing the dominant location the subject property has in the marketplace
- Built in 2018, the new and modern construction provides the investor with high-quality pride of ownership investment

## **IDEAL INVESTMENT FOR INVESTOR HAVING LITTLE OR NO RETAIL PROPERTY OWNERSHIP EXPERIENCE**

- The leases with 7-Eleven and WaBa Grill provide the investor a consistent income stream
- The long-term 10 year lease agreements alleviate leasing responsibilities for many years
- The newly constructed building eliminates deferred maintenance for foreseeable future

## **EASE OF MANAGEMENT / NNN LEASES / SELF-CONTAINED PARCEL WITH NO RESTRICTIVE COMMON AREA AGREEMENT**

- With two national tenants in a newly-constructed building, the investor will benefit from an ease of management investment
- The NNN leases enable the investor to pass through all recurring expenses such as taxes, insurance, and maintenance, thus, helping to ensure a reliable and predictable income stream
- Ownership of a self-contained parcel cannot be overstated; this ownership allows an investor to control the entire parcel without being linked to other parcel owners through a restrictive common area agreement
- These attributes help preserve the intrinsic value of the property

## **LONG TERM 10 YEAR LEASES WITH RENTAL INCREASES**

- Provides the investor an increasing cash flow and helps to ensure value appreciate
- Generates steady NOI growth and provides a hedge against inflation

# PROPERTY SPECIFICATIONS



## Location

16001 & 16011 Bolsa Chica St., Huntington Beach, CA



## Rentable Area

3,500 SF  
Land Area: 0.47 Acres (20,605 Sq. Ft.)



## Ownership

Fee Simple (Land & Building)



## Access

There are two (2) access points, one (1) along Edinger Ave and one (1) along Bolsa Chica St.



## Parking

Approximately 32 stalls  
(9.14 stalls per 1,000 Sq. Ft.)



## Traffic Counts\*

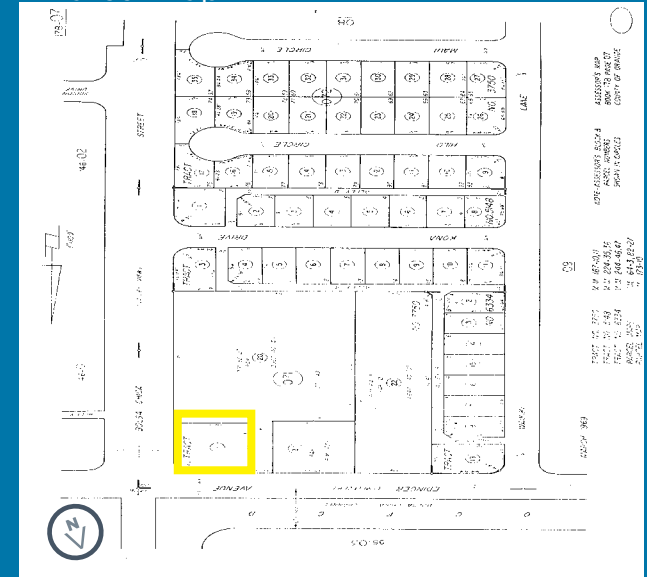
Bolsa Chica St.: 18,950 VPD  
Edinger Ave: 16,820 VPD



## Year Built

Q4 2018

## Parcel Map

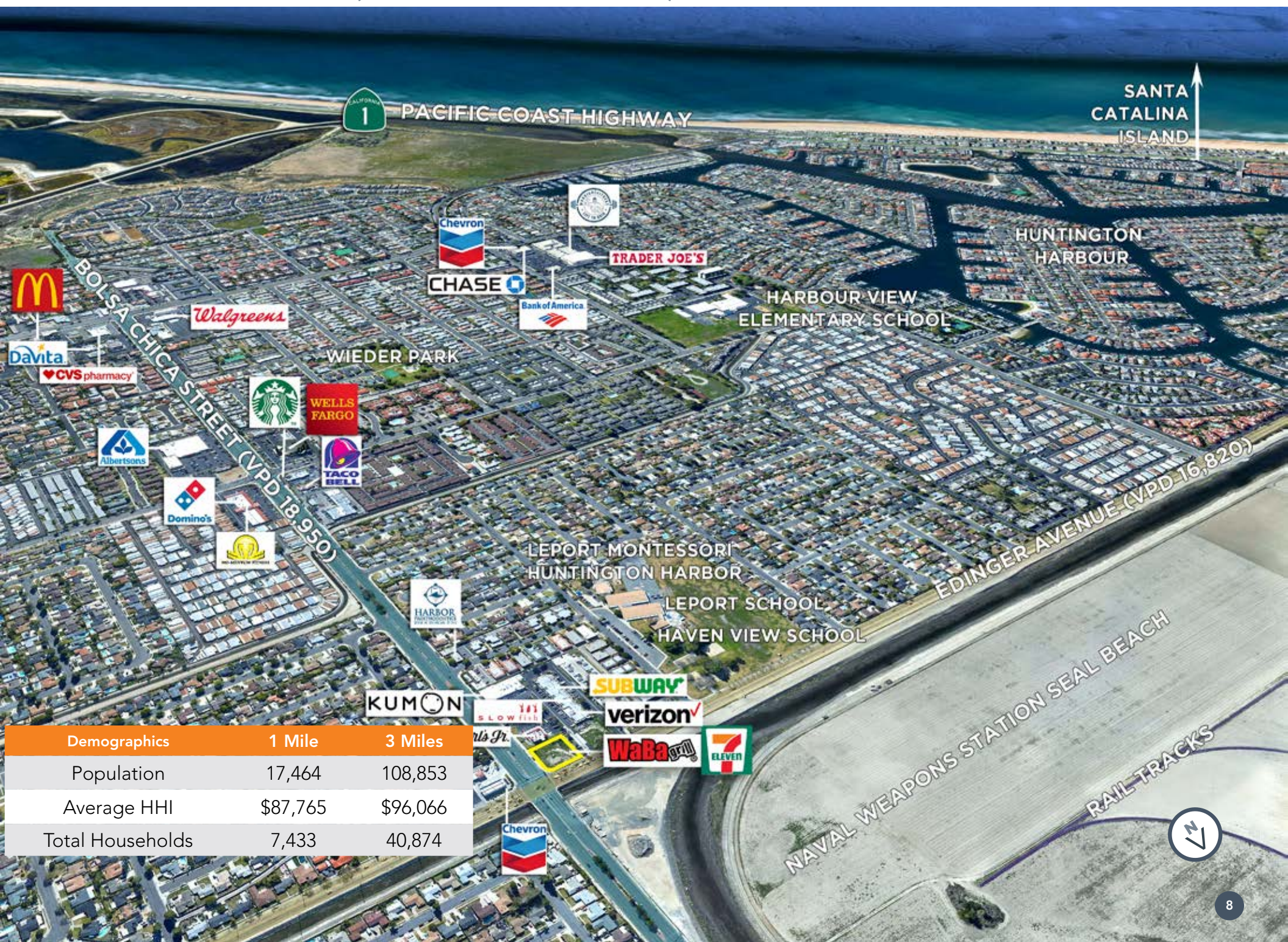


| PARCEL     | ACRES | SF     |
|------------|-------|--------|
| 178-071-01 | .47   | 20,605 |

\* CoStar 2018



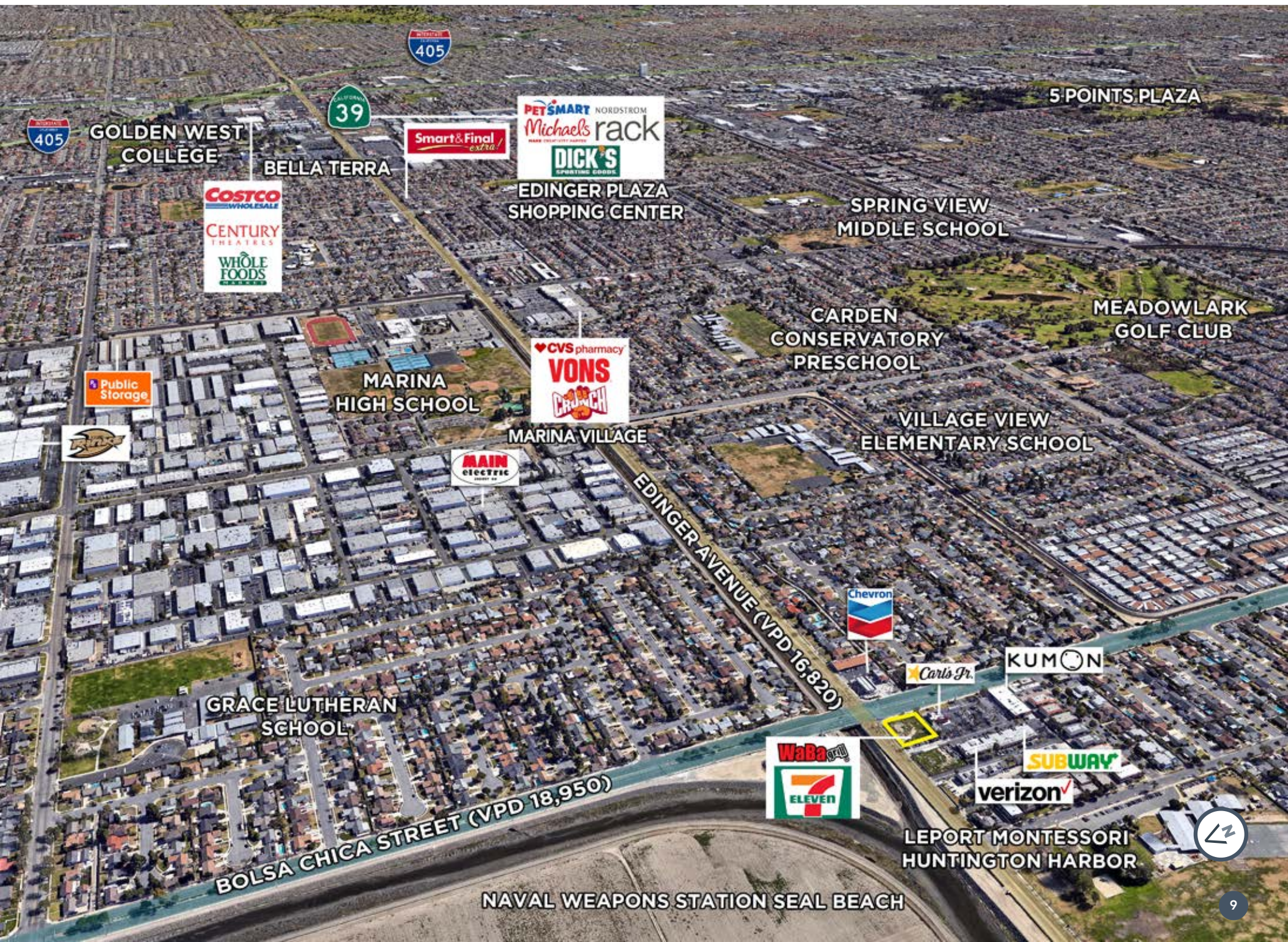
## NEARBY RETAILERS (FACING SOUTHWEST)



| Demographics     | 1 Mile   | 3 Miles  |
|------------------|----------|----------|
| Population       | 17,464   | 108,853  |
| Average HHI      | \$87,765 | \$96,066 |
| Total Households | 7,433    | 40,874   |



## NEARBY RETAILERS (FACING EAST)









## HUNTINGTON BEACH INTEL

### DISTANCE FROM HUNTINGTON BEACH:



LONG BEACH



NEWPORT BEACH



LAX



LOS ANGELES



**125,000+**

Employees in a 5 mile radius



**2.3%**

Recent Job Growth in Huntington Beach



**3.8%**

Home appreciation in the last year



**198,724**

Population of Huntington Beach



**\$119,000+**

Average Household Income in 5 Mile radius



**30 Minutes**

Average Commute Time





## AREA OVERVIEW: THE RESIDENCES PACIFIC CITY(516 UNITS)





# HUNTINGTON BEACH, CA OVERVIEW



## Fast Facts

### The City of Huntington Beach, CA

The city of Huntington Beach, CA known as Surf City is a nationally recognized tourist destination. Known for its miles of beaches, ideal weather, and vast array of entertainment options, Huntington Beach is a perfect vacation experience for both young and old. Visitors can attend nationally recognized sporting events such as the U.S. Open of Surfing and AVP Pro Beach Volleyball tournaments. Visitors will also have access to premier dining and shopping venues throughout Huntington Beach.

#### Location

- » Huntington Beach is centrally located to all major attractions in Orange County including Disney Resorts, the Orange County Performing Arts Center and Repertory Theater, and the Long Beach Aquarium of the Pacific.
- » Los Angeles is located 35 miles to the northwest and San Diego is 95 miles to the southeast.
- » Huntington Beach is located near three airports: John Wayne/Orange County (SNA), Long Beach (LGB), and Los Angeles International Airport (LAX).
- » Huntington Beach has exceptional freeway access located close to the 405 and 22 freeways.



## Economic Highlights

### Aerospace Industry

Huntington Beach contains a major installation of Boeing. On the Boeing campus a number of installations were originally constructed for the Apollo Program. Huntington Beach has over 6,000 people employed in the Aerospace industry.

#### Education

- » The Huntington Beach Union High School District has approximately 16,000 students and staff.
- » Huntington Beach High School ranks #1221 in National High school rankings and #220 within California for public schools.
- » Huntington Beach has 55,437 residents with a Bachelors Degree or higher.

#### Housing

- » The property is ideally located approximately one mile from the affluent neighborhood of Huntington Harbour, average household income \$198,422, which features homes from \$3.6 million to \$1.25 million dollars.

### Naval Weapons Station Seal Beach

- » The Naval Weapons Station Seal Beach (NWS Seal Beach) is a weapons and munitions loading, storage and maintenance facility. The base occupies 5,256 acres of which 920 acres are the Seal Beach National Wildlife Refuge.

## MAJOR EMPLOYERS

| Company                        | Employment |
|--------------------------------|------------|
| Boeing                         | 5,581      |
| Quicksilver                    | 1,228      |
| Cambro Manufacturing           | 951        |
| Ensign United States Drilling  | 925        |
| Hyatt Regency Huntington Beach | 641        |
| C & D Aerospace                | 555        |
| Huntington Beach Hospital      | 527        |
| Walters Wholesale Electronics  | 480        |
| Wal- Mart                      | 462        |
| Rainbow Disposal               | 408        |



Quicksilver Headquarters



# DEMOGRAPHICS



## Population

| Huntington Beach, CA                               | 1 Mile    | 3 Mile    | 5 Mile    |
|--|-----------|-----------|-----------|
| 2018 Estimated Population                          | 17,464    | 108,853   | 354,791   |
| 2023 Projected Population                          | 17,929    | 111,532   | 364,706   |
| 2010 Census Population                             | 16,861    | 102,152   | 341,178   |
| 2000 Census Population                             | 16,100    | 103,572   | 337,599   |
| Projected Annual Growth 2018 to 2023               | 0.5%      | 0.5%      | 0.6%      |
| Historical Annual Growth 2000 to 2018              | 0.5%      | 0.3%      | 0.3%      |
| 2018 Median Age                                    | 40.7      | 41.3      | 42.1      |
| 2018 Estimated Households                          | 7,433     | 40,874    | 128,021   |
| 2023 Projected Households                          | 7,842     | 43,003    | 135,346   |
| 2010 Census Households                             | 7,119     | 38,031    | 122,103   |
| 2000 Census Households                             | 6,998     | 38,550    | 121,784   |
| Projected Annual Growth 2018 to 2023               | 1.1%      | 1.0%      | 1.1%      |
| Historical Annual Growth 2000 to 2018              | 0.3%      | 0.3%      | 0.3%      |
| 2018 Estimated White                               | 76.4%     | 66.6%     | 57.5%     |
| 2018 Estimated Black or African American           | 1.1%      | 1.7%      | 1.4%      |
| 2018 Estimated Asian or Pacific Islander           | 11.3%     | 18.8%     | 28.2%     |
| 2018 Estimated American Indian or Native Alaskan   | 0.5%      | 0.5%      | 0.5%      |
| 2018 Estimated Other Races                         | 10.7%     | 12.4%     | 12.4%     |
| 2018 Estimated Hispanic                            | 17.9%     | 21.3%     | 20.7%     |
| 2018 Estimated Average Household Income            | \$107,199 | \$124,553 | \$119,342 |
| 2018 Estimated Median Household Income             | \$87,765  | \$96,066  | \$89,450  |
| 2018 Estimated Per Capita Income                   | \$45,641  | \$46,807  | \$43,120  |
| 2018 Estimated Total Businesses                    | 980       | 4,935     | 14,537    |
| 2018 Estimated Total Employees                     | 9,514     | 49,139    | 125,427   |
| 2018 Estimated Employee Population per Business    | 9.7       | 10.0      | 8.6       |
| 2018 Estimated Residential Population per Business | 17.8      | 22.1      | 24.4      |



## Households



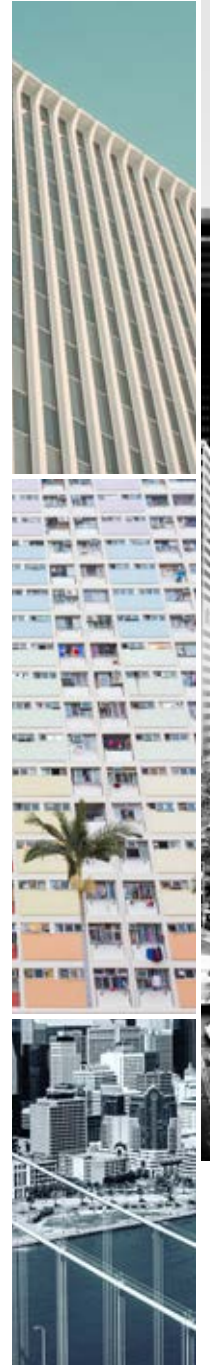
## Ethnicity



## Income



## Business





## PRICING ANALYSIS



Representative Photos - Not Subject Property



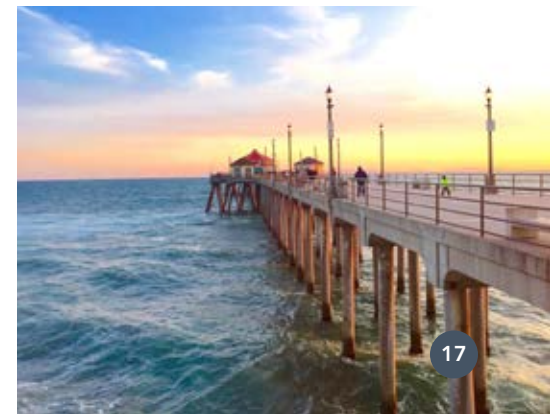
SITE PLAN





# RENT ROLL

| Suite #  | Tenant     | Size (SF) | % of Total (SF) | Rent Increase Schedule | Rent Increase | Monthly Rent       | Rental Rates     |                      |                    | % of Total (Rent) | Recovery Type | Lease Start      | Lease Expiration  | Lease Options   |
|--|------------|-----------|-----------------|------------------------|---------------|--------------------|------------------|----------------------|--------------------|-------------------|---------------|------------------|-------------------|---|
|  |            |           |                 |                        |               |                    | Monthly \$/SF    | Annual Rent          | Annual \$/SF       |                   |               |                  |                   |   |
| 1  | 7-Eleven   | 2,300     | 66%             | Current Yr 6           | 7%            | \$7,500<br>\$8,025 | \$3.26<br>\$3.49 | \$90,000<br>\$96,300 | \$39.13<br>\$41.87 | 64%               | NNN           | 12/1/2018<br>est | 11/30/2028<br>est | 4 (5-Year)<br>Opt 1 - Yr 11-15: \$8,586/mo<br>Opt 2 - Yr 16-20: \$9,187/mo<br>Opt 3 - Yr 21-25: \$9,830/mo<br>Opt 4 - Yr 26-30: \$10,519/mo |
| 16001 & 16011 Bolsa Chica St. Huntington Beach, CA |            |           |                 |                        |               |                    |                  |                      |                    |                   |               |                  |                   |   |
| 2  | WaBa Grill | 1,200     | 34%             | Current Yr 6           | 13%           | \$4,200<br>\$4,740 | \$3.50<br>\$3.95 | \$50,400<br>\$56,880 | \$42.00<br>\$47.40 | 36%               | NNN           | 12/1/2018<br>est | 11/30/2028<br>est | 2 (5-Year)<br>Option 1 - \$5,268/mo<br>Option 2 - \$5,900/mo  |
|  |            |           |                 |                        |               |                    |                  |                      |                    |                   |               |                  |                   |   |
| Total Occupied                                     |            | 3,500     | 100%            | Total Occupied         |               | \$11,700           | \$3.34           | \$140,400            | \$40.11            | 100%              |               |                  |                   |   |
| Total Vacant                                       |            | 0         | 0%              | Total Vacant           |               | \$0                |                  | \$0                  |                    | 0%                |               |                  |                   |   |
| Total / Wtd. Avg:                                  |            | 3,500     | 100%            | Total / Wtd. Avg:      |               | \$11,700           | \$3.34           | \$140,400            | \$40.11            | 100%              |               |                  |                   |   |





## TRANSACTION SUMMARY

### Financial Information

**Price:** \$3,300,000

**Price/SF:** \$943

### Property Specifications

**Rentable Area:** 3,500 SF

**Year Built:** 2018

**Address:** 16001 & 16011 Bolsa Chica Street  
Huntington Beach, CA

**Tenants:** 7-Eleven and WaBa Grill

The suites have been delivered to the tenants to conduct their interior improvements and opening for business is expected by March 1st.

### Operating Information

|                             | <u>In-Place</u>  | <u>Yr 6</u>      |
|-----------------------------|------------------|------------------|
| Gross Potential Rent        | \$140,400        | \$153,180        |
| Plus Recapture              | NNN              | NNN              |
| Tot. Gross Potential Income | \$140,400        | \$153,180        |
| Less Expenses               | (NNN)            | (NNN)            |
| <b>Net Operating Income</b> | <b>\$140,400</b> | <b>\$153,180</b> |
| <b>Cap Rate:</b>            | <b>4.25%</b>     | <b>4.64%</b>     |

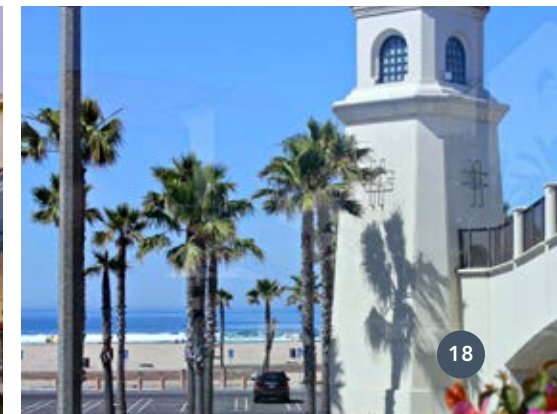
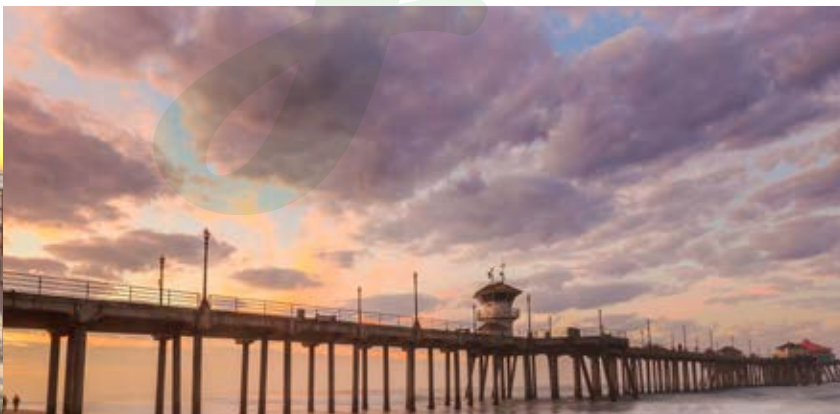
Please Contact Jay Quinn for current financing quote

**Jay Quinn**

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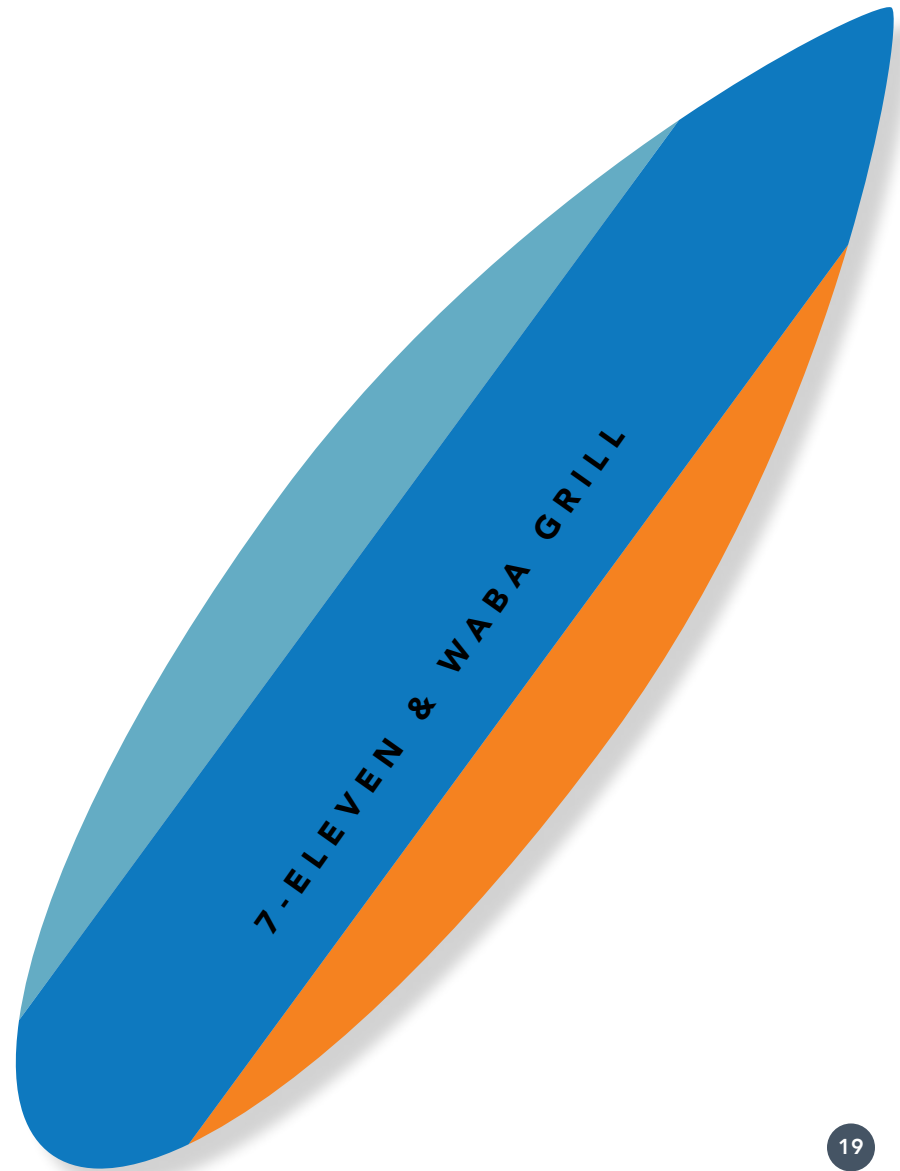




## LEASE ABSTRACT

| 7-Eleven Lease Summary          |  |             |
|---------------------------------|--|-------------|
| Tenant Name:                    | 7-Eleven, Inc.   |             |
| Rentable Square Feet:           | 2,300  |             |
| Lease Execution Date:           | 11/25/2013   |             |
| Lease Start Date:               | The earlier of: (i) 120 days after both (a) Landlord has delivered the Premises to Tenant as required and (b) Landlord has received written notice from Tenant's authorized representative of Tenant's satisfaction or waiver of all conditions precedent set forth in the Lease or (ii) the date Tenant opens for business. |             |
| Lease Expiration Date:          | 11/30/2028 est.  |             |
| Lease Type:                     | NNN  |             |
| Lease Term:                     | 10 years   |             |
| Rent:                           | Years 1-5  | \$7,500/mo. |
|                                 | Years 6-10   | \$8,025/mo. |
| Lease Options:                  | 4 (5-Year) Options   |             |
| Management Fee:                 | None   |             |
| Property Taxes, Insurance, CAM: | Tenant Responsible   |             |
| Utilities:                      | Tenant Responsible   |             |
| Roof & Structure:               | Landlord Responsible   |             |
| HVAC:                           | Tenant Responsible   |             |
| Parking Lot Maintenance:        | Tenant Responsible   |             |

| Lease Option 1 |             |              |
|----------------|-------------|--------------|
| Option Rent:   |             |              |
| Option 1       | Years 11-15 | \$8,587/mo.  |
| Option 2       | Years 16-20 | \$9,188/mo.  |
| Option 3       | Years 21-25 | \$9,831/mo.  |
| Option 4       | Years 26-30 | \$10,519/mo. |





| Waba Grill Lease Summary        |  |
|---------------------------------|--|
| Tenant Name:                    | Sea Bay, Inc (WaBa Grill franchisee)   |
| Rentable Square Feet:           | 1,200  |
| Lease Execution Date:           | 8/28/2018  |
| Lease Start Date:               | Lessor will coordinate with Lessee's construction team to allow work to commence prior to completion of Lessor's construction. |
| Lease Expiration Date:          | 11/30/2028 est.  |
| Lease Type:                     | NNN  |
| Lease Term:                     | 10 Years   |
| Rent:                           | Years 1-5 \$4,200/mo.<br>Years 6-10 \$4,740/mo.  |
| Lease Options:                  | 2 (5-Year) Options   |
| Management Fee:                 | 10% of Common Area Costs   |
| Property Taxes, Insurance, CAM: | Tenant Responsible   |
| Utilities:                      | Tenant Responsible   |
| Roof & Structure:               | Landlord Responsible   |
| HVAC:                           | Tenant Responsible   |
| Parking Lot Maintenance:        | Tenant Responsible   |

| Lease Option 1 |          |                         |
|----------------|----------|-------------------------|
| Option Rent:   |          |                         |
|                | Option 1 | Years 11-15 \$5,268/mo. |
|                | Option 2 | Years 16-20 \$5,900/mo. |
|                |          |                         |
|                |          |                         |





**7/11**

7-Eleven is the world's largest convenience store chain with more than 53,500 stores in 16 countries, of which close to 10,400 are in North America. It is owned by the Japanese retail conglomerate Seven & I Holdings, which is the holding company for Seven-Eleven Japan, Ito-Yokado, Denny's restaurants, and several other businesses.

**Company Type:** Subsidiary



## SEVEN & I HOLDINGS

Seven & I Holdings is a Japanese diversified retail group headquartered in Nibancho, Chiyoda, Tokyo, Japan. Seven & I was founded in 1920 as Ito-Yokado, and is now the fifth largest retailer in the world, with 54,000 stores in approximately 100 countries.

|                                      |  |
|--------------------------------------|--|
| <b>Company Type:</b>                 | Public (TYO: 3382)                               |
| <b>2018 Employees:</b>               | 55,011+  |
| <b>2017 Revenue from Operations:</b> | \$51.64 Billion                                  |
| <b>2017 Net Sales:</b>               | \$41.12 Billion                                  |
| <b>2017 Total Assets:</b>            | \$48.75 Billion                                  |
| <b>S&amp;P Rating:</b>               | AA-  |
| <b>Website:</b>                      | <a href="http://www.7andi.com">www.7andi.com</a> |



## WABA GRILL

WaBa Grill was established in 2006, and is a fast-food restaurant that serves healthy entrees at "on the go" speed. WaBa grill serves entrees that are cooked fresh to order, low-fat, high in protein, and made with fresh ingredients. The restaurant chain has immensely expanded and currently has more than 130 locations. WaBa Grill also provides franchise business opportunity services to operate its business. The restaurant chain is based in City of Industry, CA.

|                      |  |
|----------------------|--|
| <b>Company Type:</b> | Private  |
| <b>Locations:</b>    | 190+   |
| <b>Website:</b>      | <a href="http://www.wabagrill.com">www.wabagrill.com</a> |
| <b>Tenant:</b>       | Sea Bay, Inc.; Franchisee (Operates 10 Locations)        |



HUNTINGTON BEACH, CA



## HUNTINGTON BEACH, CA- 7-ELEVEN & WABA GRILL

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