

SINGLE-TENANT NNN INVESTMENT OFFERING

NEW Marshalls

AT CENTRAL PLAZA
IN LAKE ELSINORE, CA



NATIONAL SINGLE-TENANT
NET LEASE ADVISORS



SINGLE-TENANT NNN LEASED INVESTMENT
18408 Collier Avenue, Lake Elsinore, CA 92532

Marshalls



NATIONAL NET LEASE INVESTMENT ADVISORS:

Jeff Conover

Senior Managing Director
Faris Lee Investments
jconover@farislee.com
(949) 221-1810
R.E. License No 01008195

Christopher DePierro

Managing Director
Faris Lee Investments
cdepierro@farislee.com
(949) 221-1824
R.E. License No 01158321

Scott DeYoung

Director
Faris Lee Investments
sdeyoung@farislee.com
(949) 221-1835
R.E. License No. 01889050

James E. Clarkson

Partner
Strategic Retail Advisors
(949) 640-6678 x16
R.E. License No 01240884

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PRICING

Price:	\$4,882,000
NOI:	\$268,515
Cap Rate:	5.50%
Price/SF:	\$232

INVESTMENT SUMMARY

Faris Lee Investments is pleased to present a rare opportunity to acquire a fee simple interest (land & building) in a newly constructed, NNN leased, Marshalls ("the Property"), located in the prominent and dominate trade area of Lake Elsinore, CA at the heavily traveled I-15 freeway at Central Avenue. The Property is situated on 1.96 acres of the total 7.33 acre/319,000 SF Central Plaza shopping center. Central Plaza is 100% leased to national/credit tenants, which include Ulta Beauty, Five Below, Skechers, Panera Bread and more, providing immediate cross-over traffic and tenant synergy. The Property features a new, long-term, 10 year lease that is corporately guaranteed by Marshalls providing a secure and stable investment for the investor. The Property also features rental increases at the beginning of each 4 (5 year) option period, providing an increase return on the investment and hedging against inflation. The new 2019 construction provides the buyer a pride of ownership investment with no deferred maintenance, roof warranties, and the latest brand design and store concept.

Marshalls: Publicly traded company (NYSE: TJX), S&P credit rated A+, more than 1,000 stores throughout 42 states, Puerto Rico and Canada. Marshalls is the 2nd largest off price family apparel and home fashion retailer, behind it's sister company, T.J. Maxx.

LOCATION SUMMARY

Marshalls is strategically located at the on/off ramps of the busy I-15 freeway at Central Avenue (over 116,000 vehicles per day) and at the signalized, hardcorner intersection of Collier Avenue and Central Avenue (over 56,000 vehicles per day combined) within Central Plaza. The I-15 freeway at Central Avenue location is one of the main trade corridors serving Lake Elsinore. The Subject Property is directly across the street to many national retailers including Target, Home Depot, Walgreens, McDonalds, PetCo, Aldi, Big 5, El Pollo Loco and Farmer Boys. In addition, Marshalls is across the freeway from Costco and Lowe's, which all generate massive consumer draw to the immediate trade area. The Property is also conveniently situated directly across from Lake Elsinore's Central Business Park which employees approximately 650 employees, and is within close proximity to the Lake Elsinore Outlets. Furthermore, there are more than 457,900 permanent residents with average household incomes exceeding \$85,900 within a 20 minute drive-time of the subject property and the trade area is also supported by more than 113,600 daytime employees within a 20 minute drive-time.

NEW HONDA DEALERSHIP

Ono Hawaiian BBQ



INVESTMENT HIGHLIGHTS



NATIONAL / CREDIT TENANT - MARSHALLS CORPORATE EXECUTED LEASE

Marshalls, Inc., is a chain of American and Canadian off-price department stores owned by TJX Companies. Marshalls has over 1,000 American stores throughout 42 states, Puerto Rico and 73 stores in Canada. Marshalls is the U.S.'s second largest off-price family apparel and home fashion retailer, behind its sister company, T.J. Maxx.

- **Company Type:** Subsidiary to TJX Companies, Inc.
- **Locations:** 1,000+

The TJX Companies, Inc. operates as an off-price apparel and home fashions retailer in the United States and internationally. It operates stores under the T.J. Maxx, Marshalls, HomeGoods, Winners, HomeSense, T.K. Maxx, and Sierra Trading Post names. As of February 3, 2018, the company employed more than 249,000 employees and operated a total of 4,070 stores in 9 countries. The TJX Companies, Inc. was founded in 1956 and is based in Framingham, Massachusetts.

- **Company Type:** Public: (NYSE: TJX)
- **Locations:** 4,070
- **2018 Revenue:** \$35.86 Billion
- **S&P Ranking:** A+



NEW LONG TERM / 10 YEAR NNN LEASE

- Long term security and stability for the investor
- Multiple options to renew lease term for another 20 years
- Expenses passed through to the tenant



RENTAL INCREASES AT EACH 4 (5 YEAR) OPTION PERIOD

- Approximately 5%-8% every 5 years
- Increases return on investment
- Hedges against inflation



NEW 2019 CONSTRUCTION

- No deferred maintenance
- Roof warranties passed onto the investor
- Latest brand design & store concept



MAJOR ANCHOR TO THE NEW CENTRAL PLAZA SHOPPING CENTER

- New owner controls and owns 1.96 acres of the total 7.33 acre / 319,000 SF shopping center
- 100% leased to national/credit tenants
- Secure and stable investment
- S&P credit rated A+



I-15 FREEWAY AT CENTRAL AVENUE LOCATION

- 147,000 vehicles per day / high traffic
- Intrinsic real estate
- Across from Target, Home Depot, Costco and Lowe's Home Improvement
- Freeway on/off ramp convenience with unobstructed visibility - major monument signage



STRONG DEMOGRAPHICS (WITHIN 10-MINUTE DRIVE-TIME)

- Over 111,000 people
- Over 17,000 business employees
- Over \$81,000 AHHI

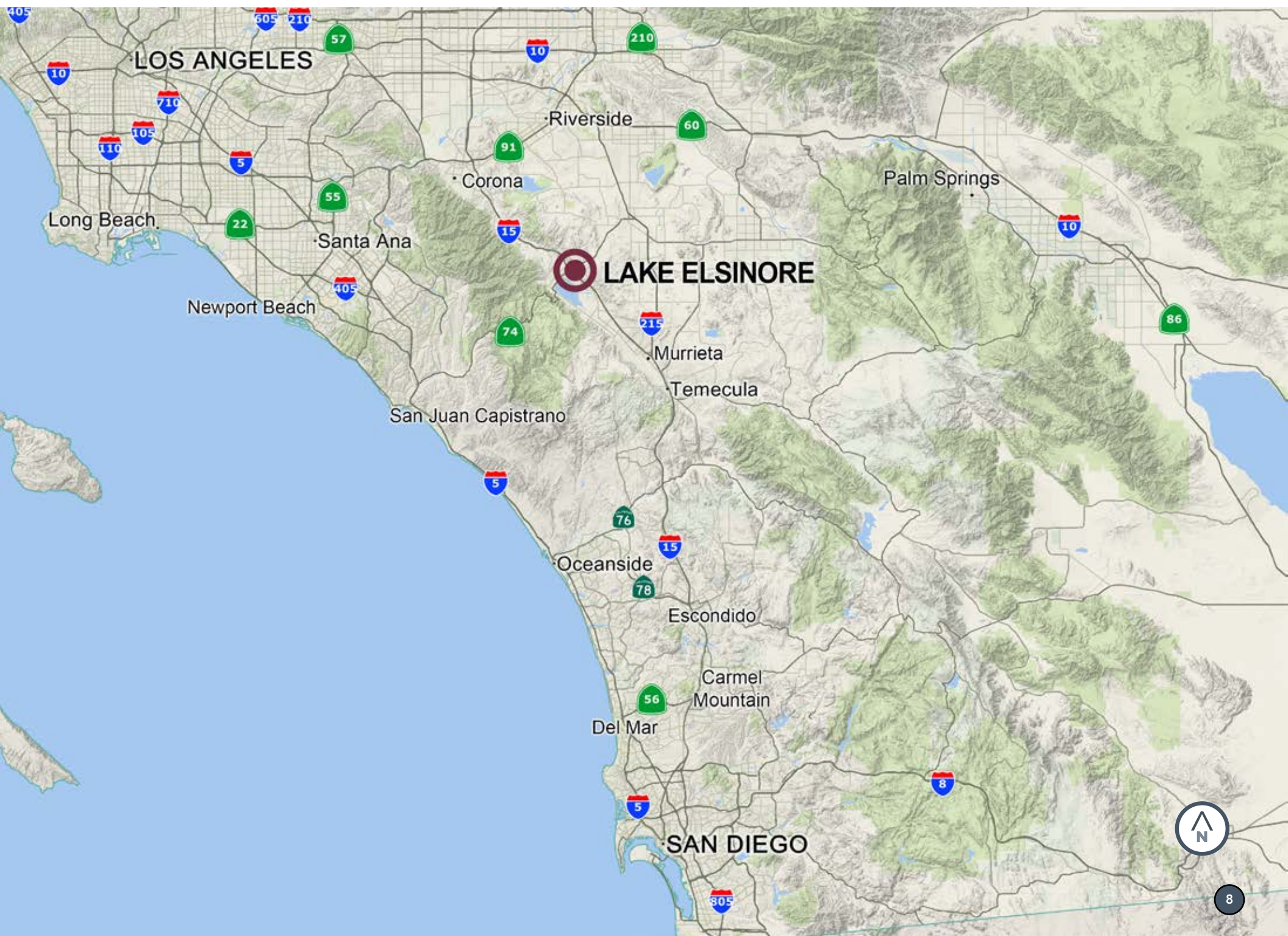


HIGH GROWTH TRADE AREA (WITHIN 10-MINUTE DRIVE-TIME) / SEE RESIDENTIAL MAP, PAGE 17

- Approximately 25,000 dwelling units at build-out
- 61.2% population growth since 2000
- 7% population growth projected for the next 5 years (2017 - 2022)
- 114,000 City of Lake Elsinore population estimate at build-out



LOCATION MAP



AERIAL VIEW



Outlets at
Lake Elsinore

Temescal Canyon
High School



26,000 VPD

Lake Elsinore
Square



CENTRAL AVENUE

31,000 VPD

Marshalls



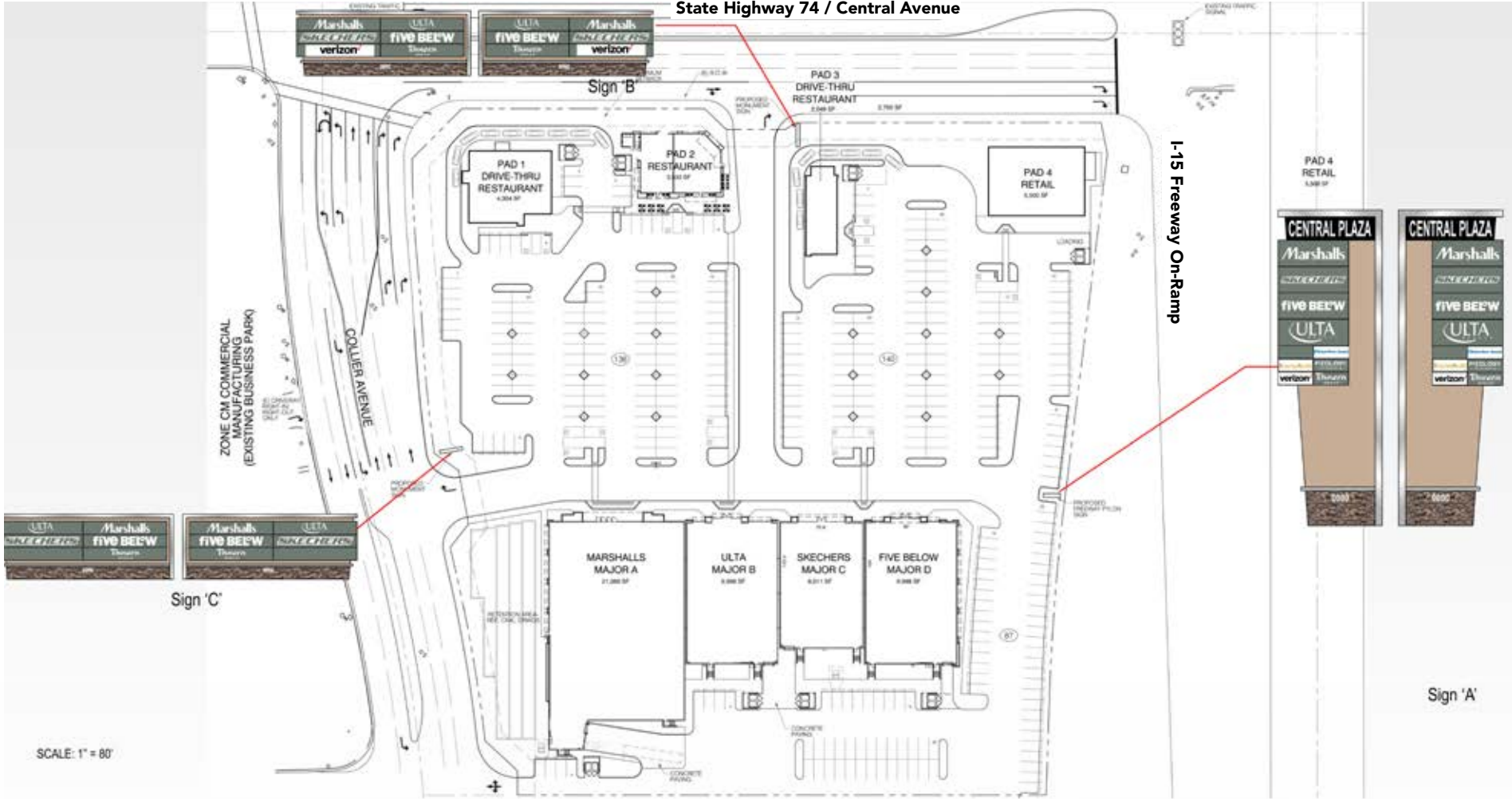
116,000 VPD



Lake Elsinore
Marketplace



SIGNAGE ELEVATIONS



PROPERTY OVERVIEW

PROPERTY SPECIFICATIONS

Rentable Area: 21,060 SF
SF Land Area: 85,545 SF / 1.96 Acres
Year Built: 2019
Ownership: Fee Simple (Land & Building)
Address: 18408 Collier Avenue, Lake Elsinore, CA 92532
Access: There are three (3) points of ingress and egress two (2) along Collier Avenue and one (1) along Central Avenue.
Improvements: There is approximately 21,060 SF of new building area.

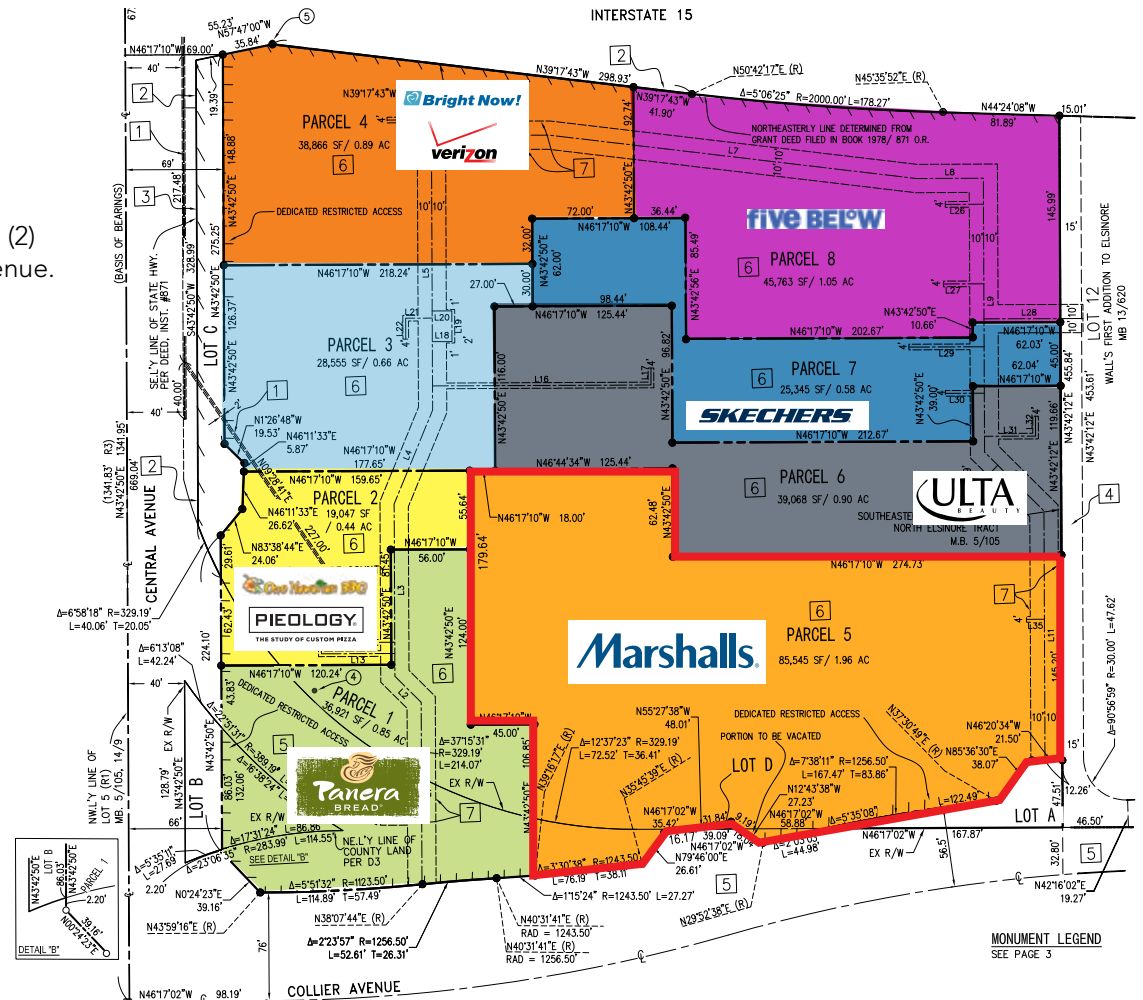
TRAFFIC COUNTS (COSTAR)

Vehicles Per Day

Central Avenue: 31,500
 Collier Avenue: 25,000
 Temecula Valley Freeway / Interstate 15: 116,000

NEW PARCEL INFORMATION

Parcel	Acreage	Square Feet	Tenant
Parcel 1	0.85	36,921	Marshalls
Parcel 2	0.44	19,047	
Parcel 3	0.66	28,555	
Parcel 4	0.89	38,866	
Parcel 5	1.96	85,545	
Parcel 6	0.90	39,068	
Parcel 7	0.58	25,345	
Parcel 8	1.05	45,763	
Total:	7.33	319,110	1.96 Acres



AREA OVERVIEW



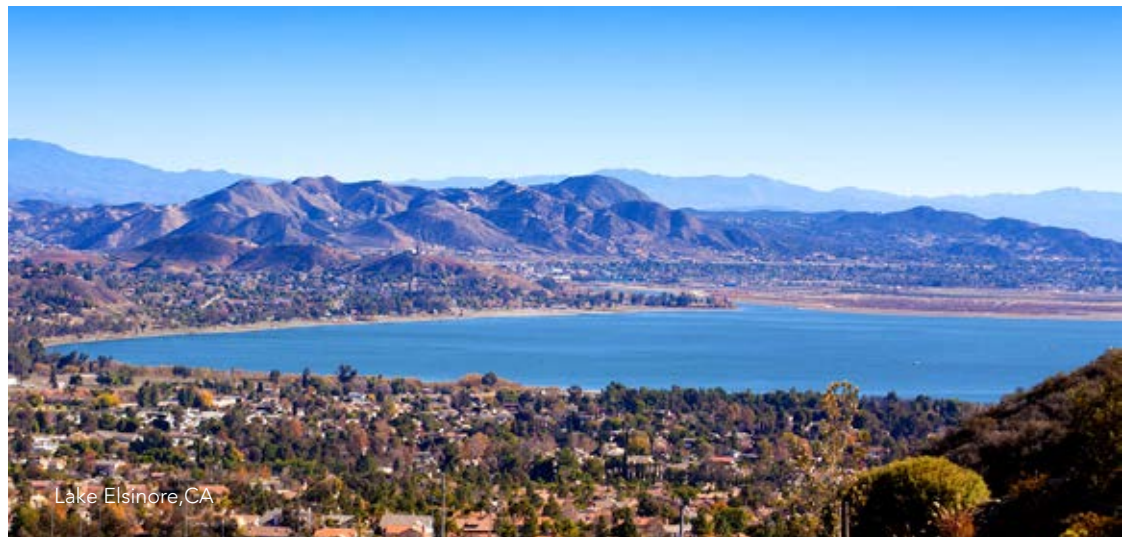
LAKE ELSINORE AREA PHOTOS



Lake Elsinore Storm



Lake Elsinore Home



Lake Elsinore, CA



Fast Facts

The City of Lake Elsinore

Established in 1888, the City of Lake Elsinore is the second oldest city in Riverside County with a lengthy 125 year history. The city surrounds Lake Elsinore, which is the largest freshwater lake in Southern California. Originally the city was a resort town in the late 19th century and 20th century attracting Hollywood stars such as Bella Lagosi, as well as being well known for hosting the training for Olympic teams and high speed boat races. Today, The City of Lake Elsinore is well known for the Lake Elsinore Outlets which is comprised of over 100 stores offering top-of-the-line merchandise for destination shoppers. Additionally, the city is still recognized for its recreational opportunities. The City surrounds Lake Elsinore and is surrounded by the Ortega Mountains and the Cleveland National Forest, which attracts many enthusiasts of boating, water skiing, hiking, biking, mountain biking and much more.

Transportation

The only highway located in Lake Elsinore is Ortega Highway, which is the main access running through the mountains to the beach cities located in Orange County. Lake Elsinore is next to Interstate 15, which is a major north-south transportation corridor connecting Riverside, San Bernardino and San Diego County. Additionally, the city is 37 miles from Ontario International Airport and 50 miles from McClellan-Palomar Airport.



Top Schools

Lake Elsinore enjoys access to several highly-ranked colleges and universities

University of California - Riverside

Founded in 1954, University of California, Riverside has grown to have 22,000 students and 900 faculty. The university boasts generating \$2.71 billion annually in U.S. economic activity

California Baptist University

California Baptist University was founded in 1950, and has grown to accommodate more than 6,600 students. It is a private institution and is a campus size of 160 acres.

Concordia University

Concordia is a private Christian school founded in 1972. It has a total of 1,939 undergraduate students

California State University - San Marcos

California State University - San Marcos was founded 27 years ago and has grown to enroll more than 17,000 students



Economic Development

Economic Growth in Lake Elsinore

In recent years, The City of Lake Elsinore has seen a great deal of economic growth. The city's submarket area, which includes Wildomar, Menifee and Perris has seen improved vacancy ratings over that past few years from 6.9% in 2012 to 2.5% in early 2017. Coinciding with this improvement in vacancy ratings, overall rents in the area have increase by an estimated 19% since 2012. Considering this, it is believed that the Lake Elsinore area between 2016 to 2021 can support the development of 300 new apartment rental units per year on average.

Lake Elsinore's demand for new homes in the local market area has also seen major growth. It is projected that the demand for new homes in the area will average 700 homes per year between 2017 through 2022, which equates to the roughly 4,200 new homes over a 6 year development period. This trend is consistent with previous housing market statistics in West Riverside County, which saw an increase from 3,286 home in 2014 to 4,812 homes in 2016. In Lake Elsinore the need for housing has reflected in the increase in home prices. In the past few years, Lake Elsinore's submarket has seen an increase of 6.6% in home values each year, with West Riverside County's home prices increasing by 6%.

With the increase in demand for rental units and homes, retail sales are expected to see expansion in the area. Sales are projected to increase with rise of housing and increase in population. Currently, Lake Elsinore is home to more than 66,000 residents. By 2022, it is believed that there will be approximately 71,000 residents.



Riverside County

About Riverside County

Riverside County is the fourth largest county in the state of California by population with over 2.3 million residents, stretching nearly 200 miles across and comprising over 7,200 square miles of fertile river valleys, low deserts, mountains, foothills and rolling plains. Each year, millions visit the county to attend the Riverside County Fair and National Date Festival, the Balloon and Wine Festival, the Palm Springs International Film Festival, the Coachella and Stagecoach mega-concerts, the Paribas Open at the Indian Wells Tennis Center and the Humana Challenge, the golf tournament formerly known as the Bob Hope Classic.

LAKE ELSINORE, CA FAST FACTS



61.2%

POPULATION GROWTH SINCE 2000



39.7%

PREDICTED JOB GROWTH OVER THE NEXT 10 YEARS



3.40%

RECENT JOB GROWTH IN LAKE ELSINORE



5.0%

HOME APPRECIATION IN THE LAST YEAR



457,000+

ESTIMATED POPULATION IN 20 MINUTES DRIVE-TIME



\$85,000+

AVERAGE HOUSEHOLD INCOME IN 20 MINUTES DRIVE-TIME

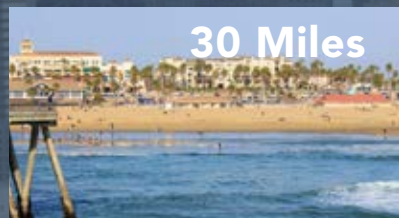


25 Minutes

AVERAGE COMMUTE TIME



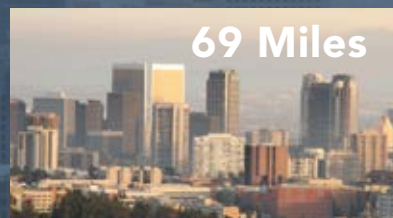
DISTANCE FROM LAKE ELSINORE:



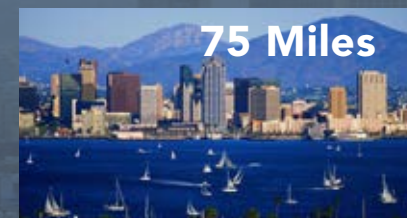
**ORANGE COUNTY
(BEACH CITIES)**



RIVERSIDE



LOS ANGELES



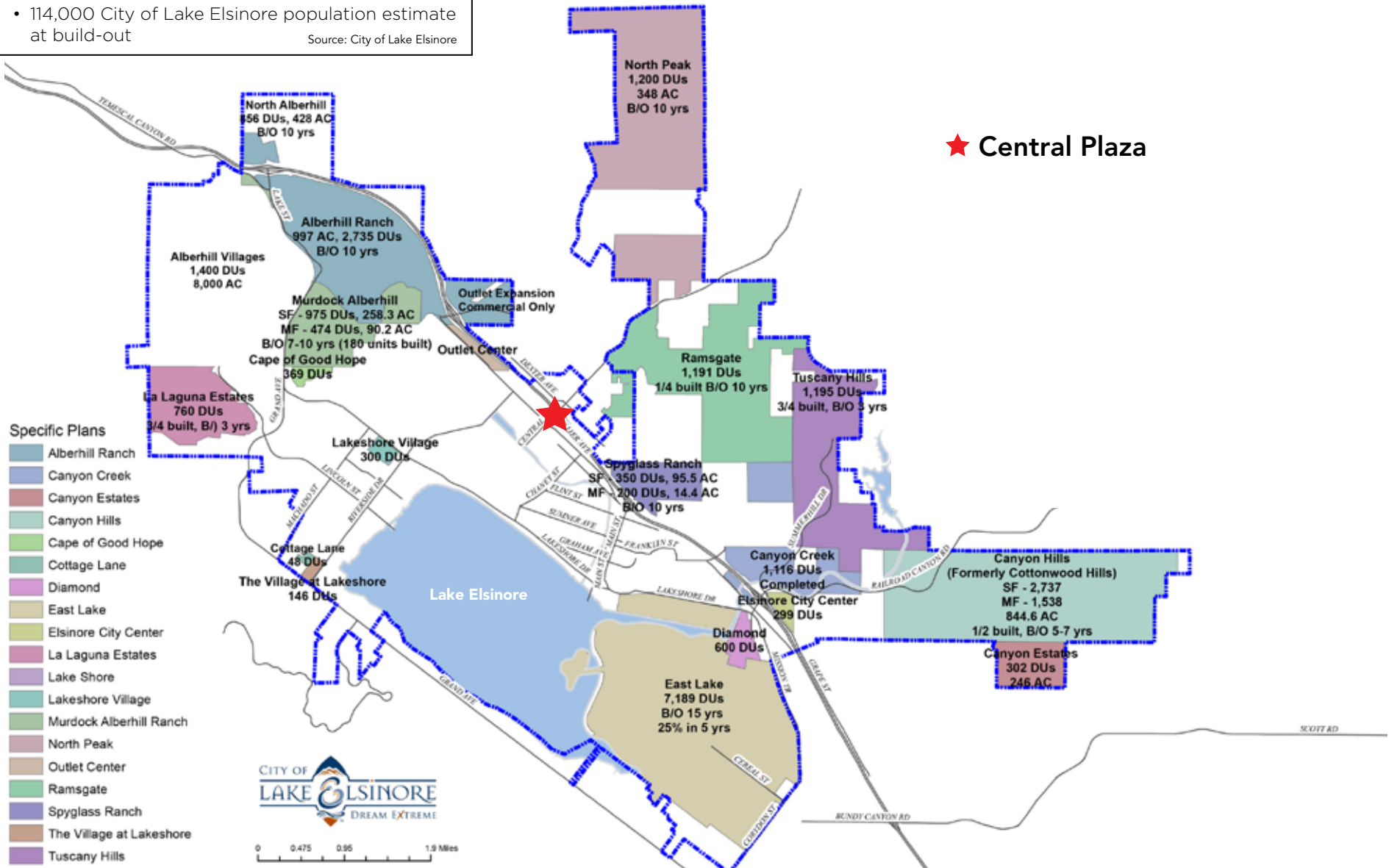
SAN DIEGO

LAKE ELSINORE RESIDENTIAL PROJECTS MAP

KEY HIGHLIGHTS

- Approximately 25,000 dwelling units at build-out
- 114,000 City of Lake Elsinore population estimate at build-out

Source: City of Lake Elsinore



LAKE ELSINORE DRIVE-TIME DEMOGRAPHICS



Population

Lake Elsinore, CA (rol3.sitesusa.com)	10 Minutes	15 Minutes	20 Minutes
2018 Estimated Population	111,480	247,871	462,039
2023 Projected Population	119,849	266,356	496,013
2010 Census Population	96,987	213,206	404,503
2000 Census Population	66,844	135,469	247,161
Projected Annual Growth 2018 to 2023	1.5%	1.5%	1.5%
Historical Annual Growth 2000 to 2018	3.7%	4.6%	4.8%
2018 Median Age	33.6	34.6	35.2
2018 Estimated Households	33,146	75,356	142,880
2023 Projected Households	34,544	78,503	148,804
2010 Census Households	28,705	64,447	124,476
2000 Census Households	20,884	42,781	80,484
Projected Annual Growth 2018 to 2023	0.8%	0.8%	0.8%
Historical Annual Growth 2000 to 2018	3.3%	4.2%	4.3%
2018 Estimated White	60.1%	61.6%	60.6%
2018 Estimated Black or African American	5.6%	6.3%	6.9%
2018 Estimated Asian or Pacific Islander	5.9%	6.4%	7.4%
2018 Estimated American Indian or Native Alaskan	1.0%	0.9%	0.9%
2018 Estimated Other Races	27.4%	24.7%	24.3%
2018 Estimated Hispanic	48.3%	44.9%	44.1%
2018 Estimated Average Household Income	\$81,913	\$87,008	\$87,697
2018 Estimated Total Businesses	2,541	5,102	12,404
2018 Estimated Total Employees	17,921	38,282	113,615



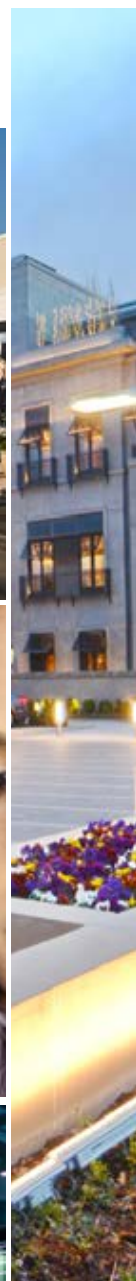
Households



Ethnicity



Business



PRICING ANALYSIS



SITE PLAN



RENT ROLL & TENANT SYNOPSIS

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Rental Increases						CAM Recovery Type	Lease Start	Lease Expires	Lease Options
						Increase Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF				
Marshalls (Corporate Lease)	21,060	\$22,376	\$1.06	\$268,515	\$12.75			At Option Period				NNN	3/1/2019	2/28/2029	4 (5-Year) Opt 1: \$289,575/Year Opt 2: \$305,370/Year Opt 3: \$321,165/Year Opt 4: \$336,960/Year

Marshalls



MARSHALLS / TJX COMPANIES

Marshalls, Inc., is a chain of American and Canadian off-price department stores owned by TJX Companies. Marshalls has over 1,000 American stores, including larger stores named throughout 42 states, Puerto Rico and 73 stores in Canada. Marshalls is the U.S.'s second largest off-price family apparel and home fashion retailer, behind its sister company, T.J. Maxx.

Company Type: Subsidiary
of Locations: 1,000+ stores in 42 states
Website: www.marshallsonline.com

THE TJX COMPANIES, INC.

The TJX Companies, Inc. operates as an off-price apparel and home fashions retailer in the United States and internationally. It operates stores under the T.J. Maxx, Marshalls, HomeGoods, Winners, HomeSense, T.K. Maxx, and Sierra Trading Post names. As of February 3, 2018, the company employed more than 249,000 employees and operated a total of 4,070 stores in 9 countries, including the United States, Canada, the United Kingdom, Ireland, Germany, Poland, Austria, the Netherlands, and Australia. The TJX Companies, Inc. was founded in 1956 and is based in Framingham, Massachusetts.

Company Type:	Public: (NYSE: TJX)	2018 Assets:	\$14.05 Billion
2018 Net Income:	\$2.60 Billion	S&P Ranking:	A+
2018 Equity:	\$5.14 Billion	Website:	www.tjx.com
2018 Revenue:	\$35.86 Billion		

TRANSACTION SUMMARY

Financial Information

Price: \$4,882,000

Price/SF: \$232

Lease Type: NNN

Tenant is responsible for taxes, insurance and CAM.

Landlord responsible for roof and structure.

Property Specifications

Rentable Area: 21,060 SF

Land Area: 1.96 Acres

Year Built: 2019

Address: 18408 Collier Avenue
Lake Elsinore, CA

Ownership: Fee Simple (Land & Building)

Tenant: Marshalls

Operating Information

	<u>In-Place</u>
Gross Potential Rent	\$268,515
Plus Recapture	NNN
Effective Gross Income	\$268,515
Less Expenses	(NNN)
Net Operating Income	\$268,515

Cap Rate: 5.50%

LEASE SUMMARY

Marshalls®

Tenant Trade Name:	Marshalls
Lease Execution Date:	5/19/16
Rent:	\$22,376.25/mo.
Lease Term:	10 Years
Lease Start Date (Est.):	3/1/19
Lease Expiration Date (Est.):	2/28/29
Lease Options:	4 (5-Years) Option 1: \$24,131.25/mo. Option 2: \$25,447.50/mo. Option 3: \$26,763.75/mo. Option 4: \$28,080.00/mo.
Lease Type:	NNN
Rent & CAM Commencement:	9 Months following Lease Start Date
Taxes, Insurance, CAM:	Tenant Reimburses
CAM Cap / Year 1:	\$2.80 PSF with 3% annual increases
Non-Structural & Interior:	Tenant Responsibility
Roof and Structure:	Landlord Responsibility
Management/Admin Fees:	\$1,200/yr.
Gross Sales Kick-out: (Lease Amendment 1)	Less than \$7.6M from year 4 to year 5 (average store sales are \$8.5M)
Co-Tenancy:	If Five Below, ULTA or Sketchers are dark with no replacement within a 60 day period; tenant to pay 2% gross sales with right to terminate if event continues for 365 days





Faris-Lee
INVESTMENTS

Farislee.com

Jeff Conover

Senior Managing Director
RE License #01008195

Main: 949.221.1800
Direct: 949.221.1810

jconover@farislee.com

18301 Von Karman Avenue, Suite 800
Irvine, CA 92612



Faris-Lee
INVESTMENTS

Farislee.com

Christopher DePierro

Managing Director
RE License #01158321

Main: 949.221.1800
Direct: 949.221.1824

cdepierro@farislee.com

18301 Von Karman Avenue, Suite 800
Irvine, CA 92612



Faris-Lee
INVESTMENTS

Farislee.com

Scott DeYoung

Director
RE License #01889050

Main: 949.221.1800
Direct: 949.221.1835

sdeyoung@farislee.com

18301 Von Karman Avenue, Suite 800
Irvine, CA 92612



JAMES E. CLARKSON
PARTNER

3990 WESTERLY PLACE, SUITE 230, NEWPORT BEACH, CA 92660
949.640.6678 EXT: 16 • 949.748.8088 FAX
JIM@STRATEGICRETAILADVISOR.COM
WWW.STRATEGICRETAILADVISOR.COM
CA LIC: 01240884

PARTNER **XTEAM**
RETAIL ADVISORS

PARTNER **XTEAM**
RETAIL ADVISORS

 **FARISLEE**
Investments
NATIONAL SINGLE-TENANT
NET LEASE GROUP

18301 Von Karman Ave., Suite 800 | Irvine, CA 92612 P (949) 221-1800 | F (949) 221-1830 | farislee.com