

3-Tenant Building
Anchored By:



OFFERING MEMORANDUM

FOR SALE

440 West Felicita
Escondido, CA

CBRE



OFFERING MEMORANDUM

FOR SALE

440 West Felicita, Escondido, CA

SAN DIEGO RETAIL INVESTMENT GROUP

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If after reviewing this Memorandum, you have no further interest in the acquisition of the Property, please kindly return it to CBRE, Inc.

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use and benefit in determining whether acquisition of the Property, (ii) you will hold disclose it or its contents to any third party owner of the Property ("Owner") or CBRE, memorandum in any manner detrimental to

further interest in purchasing the Property,

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INVESTMENT SUMMARY

The San Diego Investment Properties Group is pleased to offer for purchase a fee simple high profile freestanding retail building near the signalized corner of Centre City Parkway and W. Felicita Avenue in Escondido. The property is located adjacent to a drive-thru McDonalds Restaurant and Walgreens Drug Store at one of the busiest quadrants in the Escondido trade area. Surrounding tenants include Vons, Rite Aid, Trader Joe's, Jimbo's Naturally Market, CVS and the Brigantine Restaurant. The Building is 100% leased with Autozone occupying 69.4% of the building since 1996 and two (2) additional shop spaces occupied by Marcus Liquor and Felicita Spa.

OFFERING PRICE

\$2,580,000

BUILDING SIZE APPROXIMATELY

7,468 SF

YEAR BUILT APPROXIMATELY

1986

ZONING

**CG - GENERAL COMMERCIAL,
SOUTH ESCONDIDO BOULEVARD
NEIGHBORHOOD AREA A.**

LAND AREA

24,829 SF

PARKING SPACES

±36 + 1 HANDICAPPED

CAP RATE

5.1%

APN

236-223-60-00

EXISTING LOAN - AT 4.625%

**APPROX. \$785,427 TO BE
ASSUMED WITH A 2%
ASSUMPTION FEE**

INVESTMENT HIGHLIGHTS



Desirable, high traffic location situated on the intersection of Centre City Parkway and W. Felicita Avenue. The center offers convenient ingress/egress and is complemented by ample parking. In addition the center is easily accessible and less than one mile from Interstate 15.



Ease of Circulation: Convenient accessible parking field creates a meaningful amenity for the customers throughout the day.



High barriers to entry! Supply constrained, densely populated infill trade area with limited site available for future developments creating high barriers to entry on this busy quadrant.



Strong center supporting tenants: The site benefits from strong surrounding co-tenancy within the center which includes McDonalds, Walgreens and many others.



NNN Lease structure! The tenants feature NNN leases, resulting in few Landlord responsibilities – operating cost reside with the tenants not the Landlord.



PROPERTY HIGHLIGHTS:



Long term anchor tenant. AutoZone has been a tenant at this site since 1995.



Triple net (NNN) leases, the Landlord has minimal responsibilities. The building recently had a full roof replacement.



Stable cash flow, high profile strong credit anchor tenant (current Standard and Poor's rating of BBB).



Premier retail location, located on one of the busiest retail quadrants in the trade area (exceeds 50,000 cars per day at the intersection).



Excellent visibility with pole signage and easy access from both West Felicita Avenue and Centre City Parkway.

DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2017 EST. POPULATION	22,601	122,338	201,315
2022 PROJECT POPULATION	23,638	127,331	210,242
2017 EST. AVG HH INCOME	\$70,842	\$77,832	\$86,413
2017 EST. DAILY POPULATION	18,701	130,950	190,464

TRAFFIC COUNTS*

CENTRE CITY PARKWAY	31,800 VPD
W. FELICITA AVENUE	26,300 VPD

*TrafficMatrix 2016

***STRONG DAYTIME DEMOGRAPHICS
WITH A POPULATION OF OVER
201,315 WITHIN 5-MILES***



National Bank

verizon

CVS/pharmacy

JIMBO'S
...Naturally!



Centre City Parkway (31,800 cars per day)

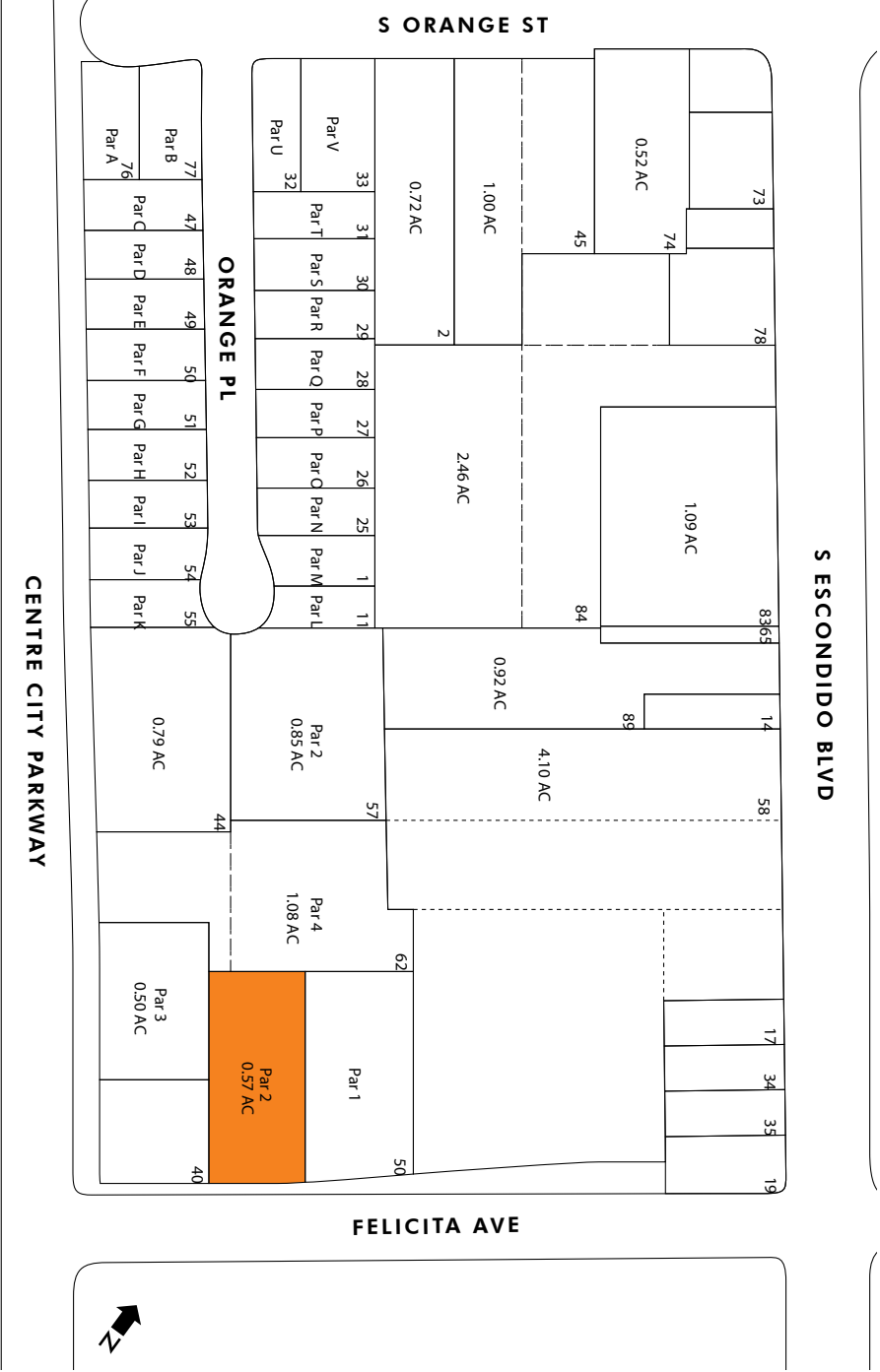
Walgreens

AutoZone



PROPERTY DESCRIPTION

PARCEL MAP & SITE PLAN



Leslie's
Pool
Shop

◀ Jimbo's...
Naturally!

◀ **CVS**
pharmacy



CENTRE CITY PARKWAY - 31,800 VPD



440



W. FELICITA AVENUE - 26,300 VPD

FELICITA PLAZA

Vons
Fuel
Station



◀ **verizon**✓

◀ National
Bank



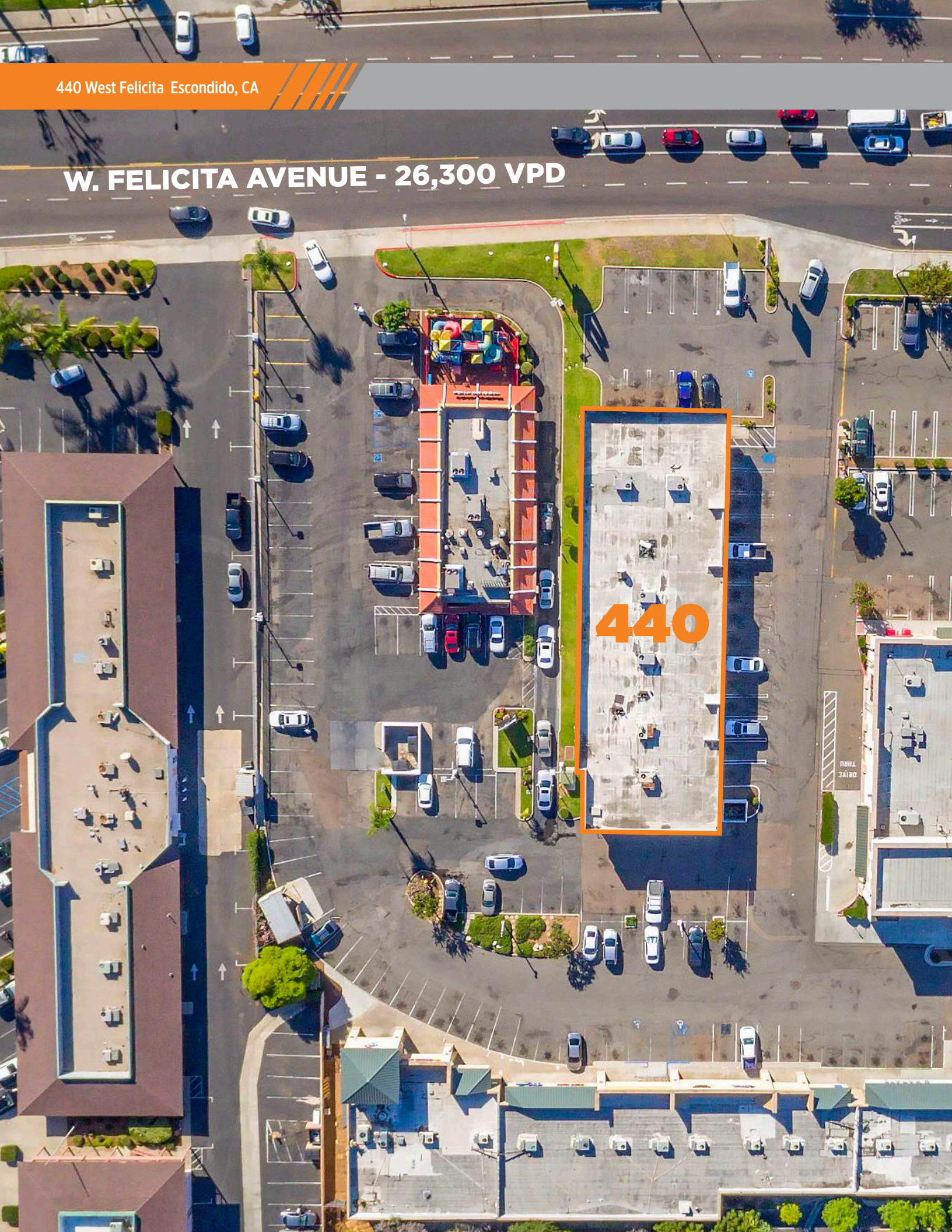
Starbucks

◀ **TRADER JOE'S**

440 West Felicita Escondido, CA

W. FELICITA AVENUE - 26,300 VPD

440





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REGIONAL MAP

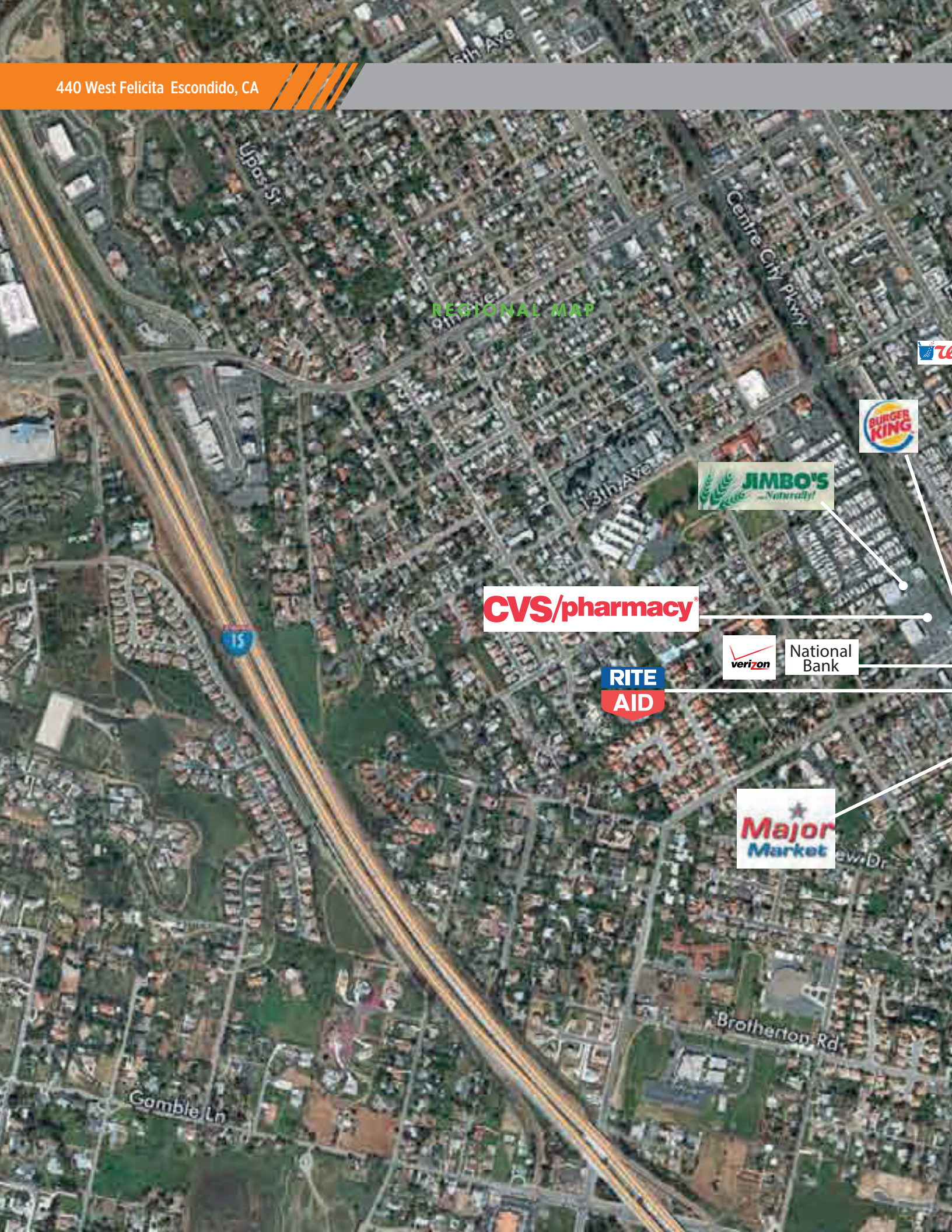
CVS/pharmacy®

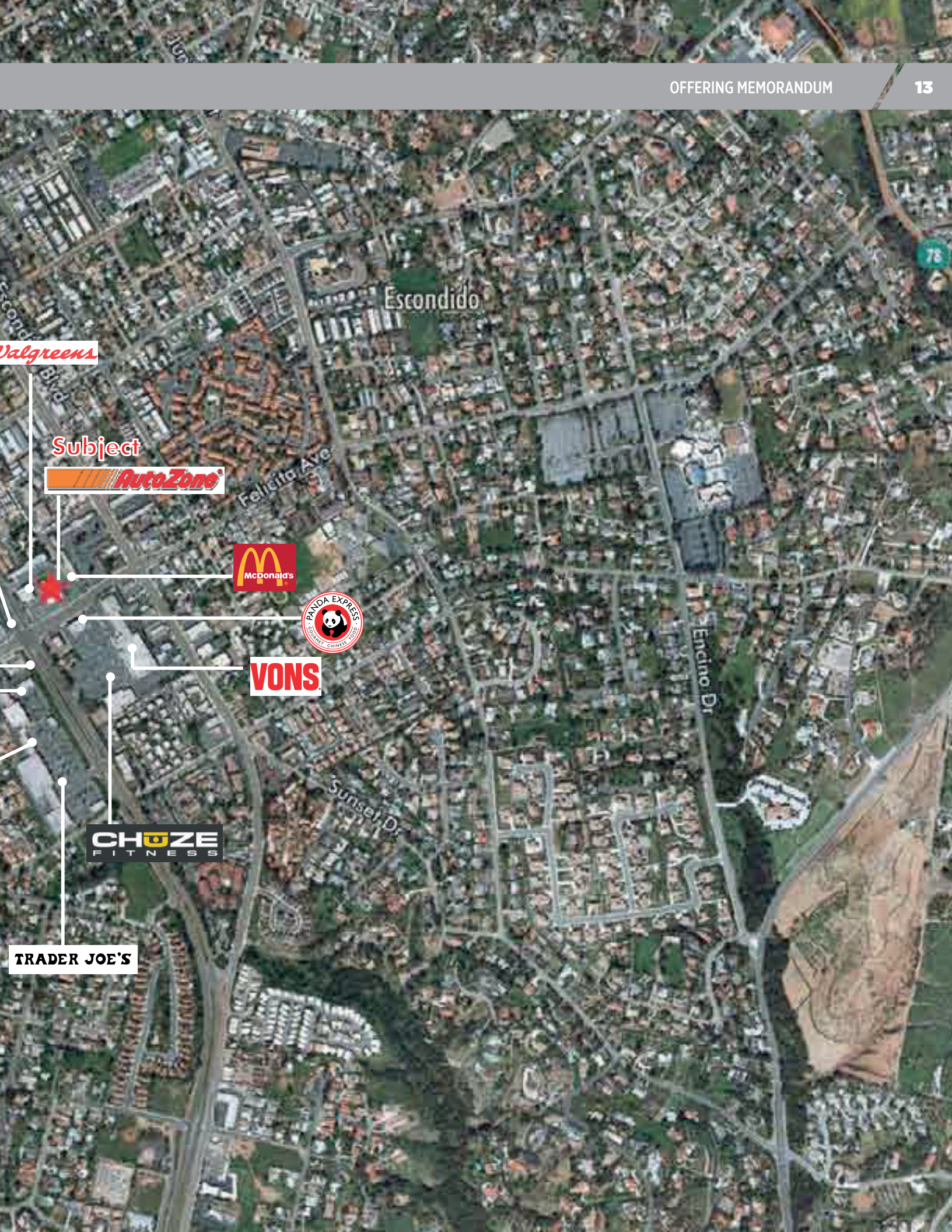
RITE
AID



National
Bank

Major
Market





Walgreens

Subject

AutoZone



VONS

CHÖZE
FITNESS

TRADER JOE'S



TENANT PROFILE

AUTO ZONE

The first AutoZone was opened in 1979 by Joseph R. Hyde III, under the name Auto Shack. In 1987, the company was re-named AutoZone and in 1991 became a publicly held company. AutoZone made the Fortune 500 list for the first time in 1999 and have improved their ranking annually. AutoZone currently has over 5,814 stores in the United States, Mexico, Brazil, and Puerto Rico. AutoZone stores sell hard parts (engines, batteries, bulbs), maintenance items (oil, antifreeze), and accessories (car stereos, floor mats) under brand names as well as under private labels, including Duralast and Valucraft. AutoZone still keeps its core values of sharing employee expertise and keeping on the cutting edge of technology to best serve their customers.



\$10.89B
SALES



5,814
LOCATIONS



Public
COMPANY
TYPE



NYSE
TRADING
SYMBOL



AREA OVERVIEW

ESCONDIDO, CALIFORNIA

The City of Escondido is nestled in a long valley in the coastal mountains of Southern California, and lies about 18 miles inland, 100 miles south of Los Angeles, and 30 miles northeast of San Diego. As the heart of San Diego North, it is one of the few remaining communities where people of all income levels can enjoy the Southern California lifestyle.

Surrounded by avocado and citrus groves, Escondido is a diverse, vibrant city and is one of the largest in San Diego County. Established in 1888, the city's rich past brings charm and stability to this growing community, which is home to upwards of 151,613 residents. Those who visit and live in Escondido can enjoy two lakes, several parks, a sports center, golf courses, restaurants, wineries, shopping centers, the nearby San Diego Wild Animal Park and comprehensive healthcare, including the renowned Palomar Hospital.



FINANCIAL OVERVIEW

SUMMARY OF FINANCIAL ASSUMPTIONS

RENTAL INCOME | APRIL 2019

SPACE	TENANT	CURRENT SF	PRO RATA	LEASE TERM			MONTHLY RENTAL RATES	PSF	RECOVERY TYPE	OPTIONS
				START	END					
101	AutoZone	5,182	69.39%	12/22/95	05/31/21		\$7,175.00	\$1.38	NNN	Three 5- year options remaining Fourth Option - 06/01/21 @ \$7,892.00 NNN Fifth Option - 06/01/26 @ \$8,879.00 NNN Sixth Option - 06/01/31 @ \$9,988.000 NNN
105	Marcus Liquor	1,200	16.07%	04/01/11	03/31/22		\$2,617.81	\$2.18	NNN	Tenant has no options to extend
The monthly lease rate to be adjusted annually by fixed 3%										
106	Felicita Spa	1,086	14.54%	07/01/14	06/30/20	07/01/18 07/01/19	\$1,905.70 \$1,981.93	\$1.75 \$1.83	NNN	None
TOTAL		7,468					\$11,698.51			

INCOME & EXPENSE

Scheduled Gross Income	\$140,382.12
Scheduled Expense Recapture	\$44,808
Gross Operating Income	\$185,190.12
Vacancy Factor 5%	(\$9,259.50)
Effective Gross Revenue	\$175,930.62
OPERATING EXPENSES, ESTIMATE 2017	
Trash	\$3,744
Repair	\$1,758
Landscaping	\$3,372
Property Taxes	\$20,335
Insurance	\$1,723
Water & Sewer	\$3,745
SDG&E - House Meter	\$849
Property Management	\$9,043
Total Expenses	\$44,569
Net Operating Income	\$131,361.61

EXISTING LOAN SUMMARY AS OF OCTOBER 2018

Lender	Stancorp Mortgage Investors
Original Loan Balance	\$1,100,000
Current Loan Balance	\$785,427
Monthly Payment	\$6,528
Interest Rate	4.625%
Loan Term	25 Years, (Approx. 14 years remaining)
Amortization	25 Years
Prepayment Fee	Greater of 1% or yield maintenance
Loan Assumption Fee	2% Transfer Fee





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