

RARE SOUTH ORANGE COUNTY SINGLE TENANT NNN

25592 El Paseo, Mission Viejo, CA 92691



Colliers
INTERNATIONAL

PROPERTY OVERVIEW

We are pleased to offer to qualified investors a rare opportunity to purchase fee simple (ownership of land and building) a single tenant investment that is fully occupied by Petco Animal Supplies, Inc. located in South Orange County, CA. Positioned near the major intersection of Oso Pkwy and Interstate 5 (one of the busiest interstates in the U.S. - 324,000 VPD), the subject property has unobstructed freeway visibility and is adjacent to major traffic generators such as Mission Viejo High School, Saddleback College, Mission Viejo Mall, Mission Viejo Country Club, and countless major retailers such as Best Buy, Bed Bath & Beyond, Michaels, buybuy BABY, Cost Plus World Market and more. Furthermore, with the subject property’s positioning between the major job node of Orange County - Irvine, CA - and the affluent residential neighborhoods of South Orange County this property is ideally positioned for long-term appreciation and low downside risk. This is a truly rare opportunity to acquire a trophy retail asset located in the affluent South Orange County city of Mission Viejo, CA.



FINANCIAL SUMMARY

\$5,550,000
LIST PRICE

\$333,840
NET OPERATING
INCOME

6.00%
CAP RATE

LEASE ABSTRACT

Tenant Trade Name	PETCO
Lease Start	March 31, 1995
Lease Expiration	November 30, 2024
Lease Term	29 Years
Term Remaining	5.5 Years
Base Rent	\$333,840
Rental Adjustments	12/1/2020: \$367,200
Option Periods	4 - 5 Year Options 10% Increases Each Option 12/1/2024: \$403,920 12/1/2029: \$444,360 12/1/2034: \$488,760 12/1/2039: \$537,600
Lease Type	NNN Lease
Roof	Tenant Responsible
Structural Integrity of the Building	Landlord Responsible
Parcel	784-661-46
Bulding Size	12,000 SF
Land Size	2.77 Acres



LOCATION HIGHLIGHTS

- **Rare South Orange County NNN Retail Asset**
- **Unobstructed Visibility from Interstate 5** - Visible to 324,000 VPD - With Monument Signage on the Freeway
- **Intersection of Oso Pkwy & I-5** - 40,800 VPD @ Oso Pkwy
- **Positioned in Between Irvine, CA** (Orange County's Major Job Node) & the Affluent South Orange County Neighborhoods
- Located Near Mission Viejo High School & Saddleback College 2,438 & 20,871 Students Respectively
- **Affluent Neighborhood** - Over \$121,000 in AHHI within a 3 Mile Radius
- **Dense Infill** - More than 158,100 Residents within a 3 Mile Radius

PROPERTY HIGHLIGHTS

- **5.5 Years Remaining on Base Term** - Occupied Since 1995
10% Rental Increase in December 2020 (6.32% Cap Rate in Year 2)
- **4, 5 Yr Options** - 10% Increases Each Option Period
- **NNN Lease** - Tenant Responsible for All Maintenance/Repair & Replacement (Excluding Structural Integrity of the Building)
- **Petco Animal Supplies, Inc.** - Parent Company CVC Partners (\$75 Billion in AUM)







ABOUT PETCO

Petco Animal Supplies, Inc., or simply Petco, is an American pet retailer in the United States, with corporate offices in San Diego and San Antonio. Petco sells pet products and services, as well as certain types of live animals. Petco sells and holds fish, reptiles, small birds, hamsters, guinea pigs, and mice for adoption. Pet services include grooming and dog training. The company also owns the naming rights to the Petco Park baseball stadium, which is home of the San Diego Padres.



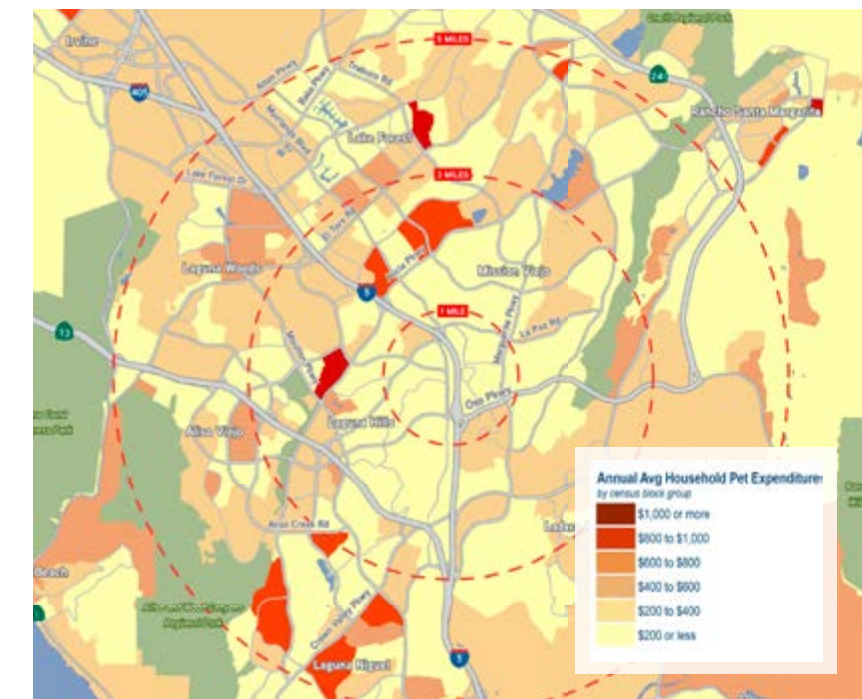
As of 2019, the company operates more than 1,500 locations across the United States and Mexico, including more than 85 Unleashed by Petco locations, which is a smaller-format neighborhood brand-launched, spa services, and an online shopping destination at petco.com.

Fast Facts

- Founded in 1965 in San Diego
- 1,500+ Petco and Unleashed by Petco stores across the U.S., Mexico and Puerto Rico
- More than 26,000 Associate Partners Nationwide
- More than 10,000 different Pet-Related Products for Dogs, Cats, Fish, Reptiles, Amphibians, Birds and Small Animals
- Complete pet care and services, including:
 - Grooming
 - Dog training
 - In-store vaccination clinics
 - Prescription services and pet supplies available through Drs. Foster & Smith



AS OF 2019, THE COMPANY OPERATES MORE THAN 1,500 LOCATIONS ACROSS THE UNITED STATES





Whether it's manicured beach towns or celebrated theme parks, all framed by oceanfront towns and luxury yachts, "The OC" stands out as one of the state's most iconic destinations.

ABOUT ORANGE COUNTY

Orange County is bordered on the north by Los Angeles County, on the northeast by San Bernardino County and Riverside County, and on the southeast by San Diego County. As of 2018, the population was 3,190,400 making it the third-most populous county in California. The county's four largest cities by population, Anaheim, Santa Ana, Irvine, and Huntington Beach, each have a population exceeding 200,000.

Orange County is a prime tourist destination with tourists pouring billions of dollars into the local economy, helping fuel job growth, development, and tax revenue. Anaheim is the main tourist hub, with the Disneyland Resort's Disneyland being the second most visited theme park in the world. Also Knotts Berry Farm which gets about 7 million visitors annually located in the city of Buena Park. The Anaheim Convention Center receives many major conventions throughout the year. Resorts within the Beach Cities receive visitors throughout the year due to their close proximity to the beach, biking paths, mountain hiking trails, golf courses, shopping and dining.

Orange County

- Located between Los Angeles and San Diego Counties
- Population 3.19 Million (2018 statistics)
- Second Largest County in California
- Sunny Weather 80% of the Year
- 42 Miles of Coastline with Sandy Beaches
- Over 30,000 acres of County parkland
- 16th largest GNP in the world
- Served by:
 - John Wayne Airport Orange County
 - Los Angeles International Airport



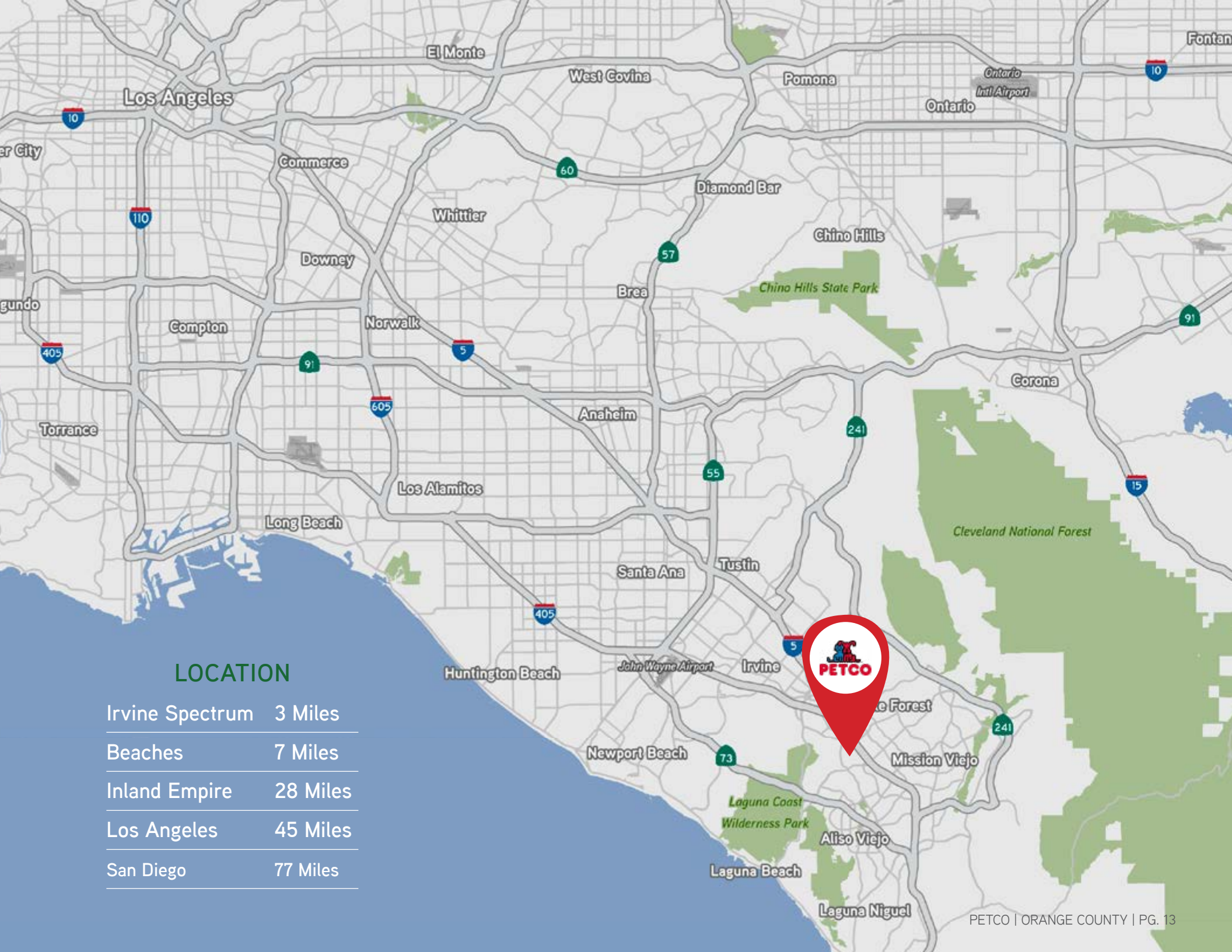
Transportation

Major Highways

Ground transportation in Orange County relies heavily on three major interstate highways: the Santa Ana Freeway (I-5), the San Diego Freeway (I-405 and I-5 south of Irvine), and the San Gabriel River Freeway (I-605), which only briefly enters Orange County territory in the northwest.



As of 2018, the population of Orange County was 3,190,400 making it the third-most populous county in California.



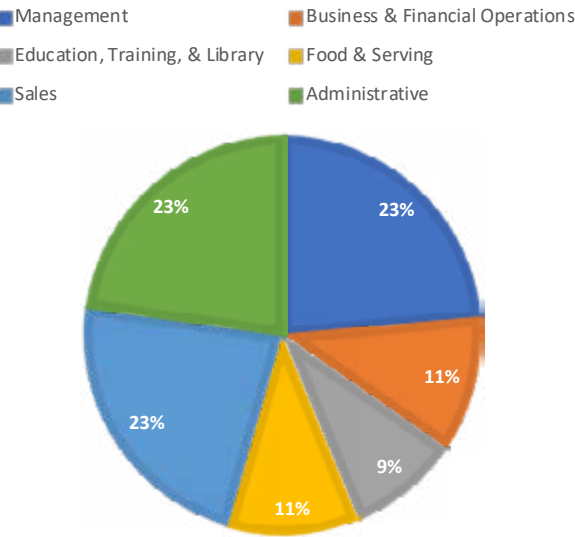


Orange County Economy

Overall, Orange County is the third-most diverse high-tech sector in the nation, behind only San Jose and San Diego. Almost 200 Fortune 500 companies have an office in one of the Irvine submarkets, and innovation firms, including Blizzard Entertainment, Broadcom, Edwards Lifesciences, and Google have significant footprints in the metro. After venture capital fell in 2017, investment rebounded in 2018, and the second quarter was the strongest on record on the back of a \$250 million investment in UST Global in Aliso Viejo from a sovereign wealth fund from Singapore.

About 1,000 high-tech businesses, including scores of computer, software, biotechnology, and medical-device companies, are located around the Irvine Spectrum business center at the junction of the San Diego and Santa Ana Freeways.

The success and growth of the Irvine Spectrum has led to the development of the University Research Park, on the northwest corner of UC Irvine, lauded nationwide as a major research institution, which will accommodate another 100 high-tech companies. Total high-technology employment in the County of Orange tops 76000 jobs, more than regions such as Raleigh-Durham, Seattle, Austin, and San Diego.



Orange County's Top 25 Employers		
1	Walt Disney Co.	29,000
2	University of California, Irvine	23,605
3	St. Joseph Health	11,925
4	Allied Universal	8,229
5	Kaiser Permanente	7,694
6	The Boeing Company	6,103
7	Wal-Mart Stores Inc.	6,000
8	California State University, Fullerton	5,781
9	Bank of America Corp.	5,500
10	Target Corp.	5,400
11	Hoag Memorial Hospital Presbyterian	5,240
12	Memorial Care Health System	5,200
13	Wells Fargo & Co.	5,190
14	Tenet Healthcare Corp.	4,346
15	The Irvine Company	4,200
16	Home Depot Inc	4,084
17	Albertsons	4,017
18	Cedar Fair LP	4,000
19	UnitedHealth Group Inc.	3,900
20	Edwards Life Sciences	3,823
21	Kroger Co.	3,709
22	Costco Wholesale Corp.	3,614
23	Automobile Club of Southern California	3,600
24	CVS Health	3,600
25	AT&T Inc.	3,500



CITY OF MISSION VIEJO

Located in South Orange County in the Saddleback Valley, Mission Viejo’s population is over 96,100. Named in the top 10 safest cities in CA in 2018 by SafeWise, this mainly residential community features a large number of single family homes, a community college, a man-made recreational lake, regional hospital and a popular mall in addition to other shopping and entertainment areas. Mission Viejo is considered one of the largest master-planned communities ever built under a single project in the United States and is rivaled only by Highlands Ranch, Colorado in its size.



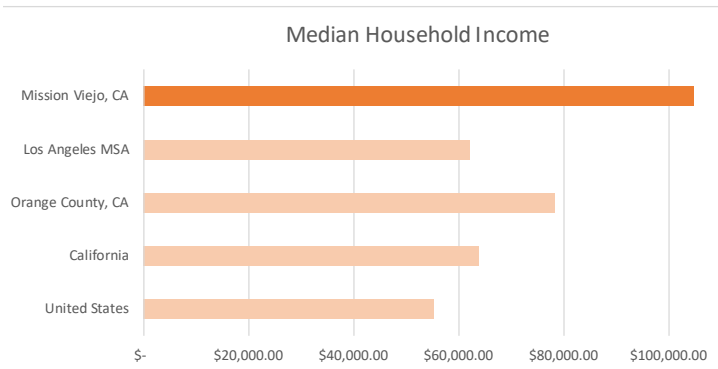
96,178
POPULATION



44.2
MEDIAN AGE



\$608,100
MEDIAN
PROPERTY VALUE



Households in Mission Viejo have a median annual income of \$104,886, which is more than the median annual income in the U.S.



Mission Viejo Shopping

Mission Viejo Freeway Center

Right off the I-5 with Petco, Bed Bath & Beyond, Michaels, Best Buy, buybuy BABY, and more.

The Shops at Mission Viejo

Among the 150 stores and restaurants at The Shops at Mission Viejo, this indoor mall features Nordstrom, H&M, Macy’s, Apple, Microsoft, Sephora, P.F. Chang’s China Bistro and The Cheesecake Factory.

Laguna Hills Mall - Laguna Hills

Easy to get to, easy to shop. Nordstrom Rack, Marshalls, Trader Joe’s and more.

Colleges in Mission Viejo

Saddleback College

Saddleback College has the most comprehensive and diverse Academic Programs available in Orange County. They have a wide variety of Advanced Technology and Applied Science Programs including Aviation, Marine Science, Computer Science, Fashion Design and more. Also offering Community Education programs.

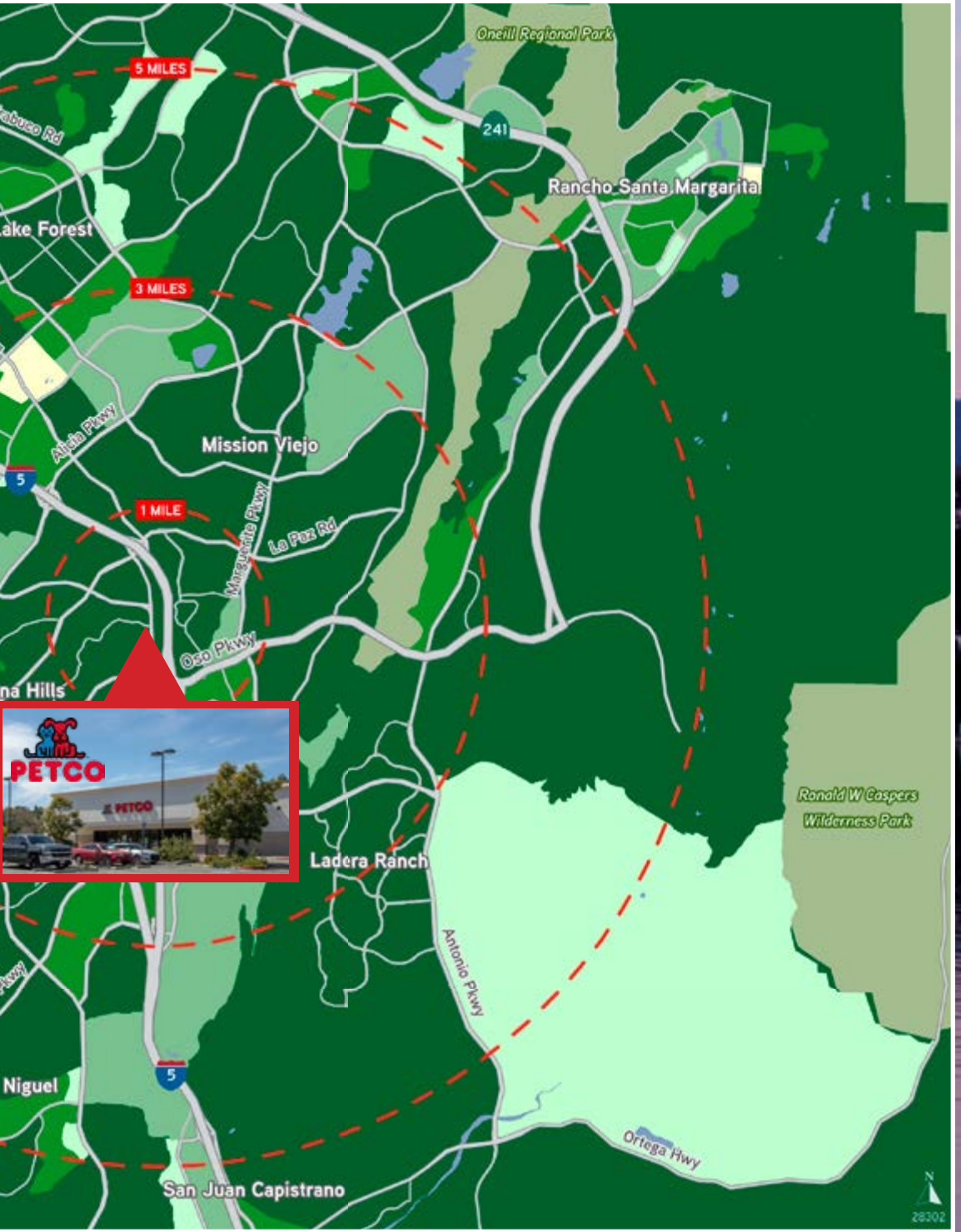
DEMOGRAPHICS MISSION VIEJO

POPULATION	1-MILE	3-MILE	5-MILE
Estimated Population (2018)	11,970	158,197	353,121
Projected Population (2023)	12,290	162,540	362,946
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Estimated Households (2018)	3,980	57,334	128,572
Projected Households (2023)	4,085	58,847	131,971



DEMOGRAPHICS MISSION VIEJO

INCOME 2018	1-MILE	3-MILE	5-MILE
Avg. Household Income	\$147,046	\$121,038	\$127,882
Median Household Income	\$124,842	\$96,038	\$102,423
BUSINESS FACTS 2018	1-MILE	3-MILE	5-MILE
Total # of Businesses	1,018	9,160	18,379
Total # of Employees	7,820	74,872	160,228



This Offering Memorandum contains select information pertaining to the business and affairs of Petco - Mission Viejo, CA. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of Petco - Mission Viejo, CA or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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