



# NNN INVESTMENT OPPORTUNITY

## 1920 W. BALBOA BOULEVARD

# NEWPORT BEACH CALIFORNIA





## EXCLUSIVELY-MARKETED BY

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# INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, freestanding, two-tenant, coastal Orange County investment property located in Newport Beach, CA. The property has a rare dedicated parking field, offering space for up to 15 vehicles on the parking constrained corridor of Balboa Boulevard. 7-Eleven recently signed a new 10-year lease demonstrating their strong commitment to the site with 4 (5-year) options to extend. In addition, the lease calls for 10% rental increases in year 6 of the initial term and at the beginning of each option period. The other tenant, Balboa Fun Tours has approximately 3-years remaining on their initial term featuring rare 3% annual rental increases steadily growing NOI and hedging against inflation. Balboa Fun Tours is currently paying below market rent (\$3.82/SF/Mo), providing a future investor with potential upside through bringing current tenants to market rates upon lease expiration.

The subject property is located at the irreplaceable, signalized, hard corner intersection of W. Balboa Boulevard and 20th Street with over 21,000 vehicles passing by each day. West Balboa Boulevard is a transition street from Costa Mesa Freeway/State Highway 55 (92,000 VPD). 7-Eleven and Balboa Fun Tours have excellent visibility with large amounts of street frontage and two points of ingress/egress making it easy for customers to access the site. The site is located in the heart of the action on the Newport Peninsula within walking distance to the boardwalk, the Newport Pier, and restaurant and bars. The store is poised to capture strong demand from the daily through traffic and strong weekend crowds. The 5-mile trade is supported by a population of nearly 208,000 with an affluent average household income of \$140,000. The immediate 1-mile average household income boasts a strong \$179,000. Orange County is one of the most affluent and desirable regions in Southern CA, and is the second most densely populated county in the state of CA.



# PROPERTY PHOTOS





# OFFERING SUMMARY



## PROPERTY SPECIFICATIONS

Pricing:	\$6,567,000
Net Operating Income:	\$213,404
Cap Rate:	3.25%
Tenants:	7-Eleven (S&P: AA-) Balboa Fun Tours
Lease Type:	NNN - Tenants responsible for Taxes, Insurance & Common Area Maintenance

## OFFERING

Rentable Area:	3,951 SF
Land Area	0.28 Acres (est.)
Property Address:	1920 W. Balboa Boulevard, Newport Beach, CA 92663
Parcel Number:	047-161-38
Ownership:	Fee Simple (Land and Building)



# INVESTMENT HIGHLIGHTS

## Rare Costal Orange County Offering | High Barrier to Entry

- Highly sought after building with street fronting parking field at signalized, hard corner intersection on prime Balboa Peninsula
- Exceptionally affluent \$179,000 average household income in a 1-mile trade area
- Located in the affluent, coastal Orange County community of Newport Beach
- Orange County is one of the most affluent and desirable regions in Southern CA, and is the second most densely populated county in the state of CA
- Largely developed trade area with high barriers to entry for new development

## 7-Eleven (S&P: AA-) Corporate Lease | Two-Tenant Offering | Below Market Rents | Potential Upside

- 7-Eleven has recently executed a brand new 10-year lease term, demonstrating their continued commitment to the site
- 7-Eleven corporate guaranteed lease, one of the strongest credit tenants in the country S&P:AA- that prides themselves on never missing a rent payment
- Approximately 3-years remaining on Balboa Fun Tours lease with 3% annual increases, generating steady NOI growth and hedging against inflation
- Balboa Fun Tours is paying below market rent (\$3.82/SF/Mo) on the property, offering a potential investor upside through bringing current rent figures to market rates upon lease expiration

## Signalized, Hard Corner Intersection (21,000+ VPD) | Excellent Visability and Access

- Situated at the irreplaceable, signalized, hard corner intersection of W. Balboa Boulevard and 20th Street with over 21,000 vehicles passing by each day
- West Balboa Boulevard is a transition street from Costa Mesa Freeway/ State Highway 55 (92,000 VPD)
- Convenient location with excellent street frontage and multiple points of access

## Dense Population in Affluent 5-Mile Trade Area (\$140K+ Income)

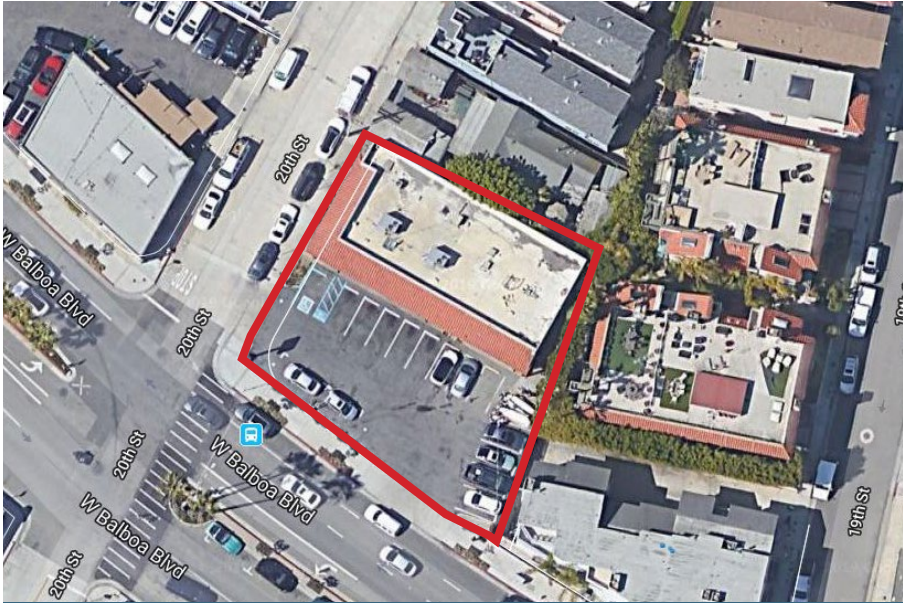
- More than 207,500 residents and nearly 115,000 employees support the trade area
- \$140,000 average household income in a 5-mile trade area
- Average home price in Newport Beach is \$2,150,000

## NNN Lease | Fee Simple Ownership (Land & Building)

- Tenant pays for Common Area Maintenance, Taxes, and Insurance
- Ideal, low-management investment for an out-of-state, passive investor



# PROPERTY OVERVIEW

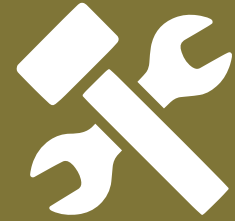


**PARCEL MAP**



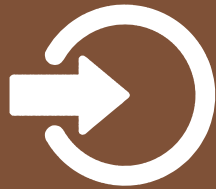
## Parcel

Parcel Number: 047-161-38  
Acres: 0.28  
Square Feet: 12,197



## Improvements

3,951 SF



## Access

West Balboa Boulevard  
1 Access Point  
  
20th Street  
1 Access Point



## Parking

There are approximately  
15 parking spaces  
on the owned parcel.  
  
The parking ratio is approximately  
3.80 stalls per 1,000 SF  
of leasable area.



## Traffic Counts

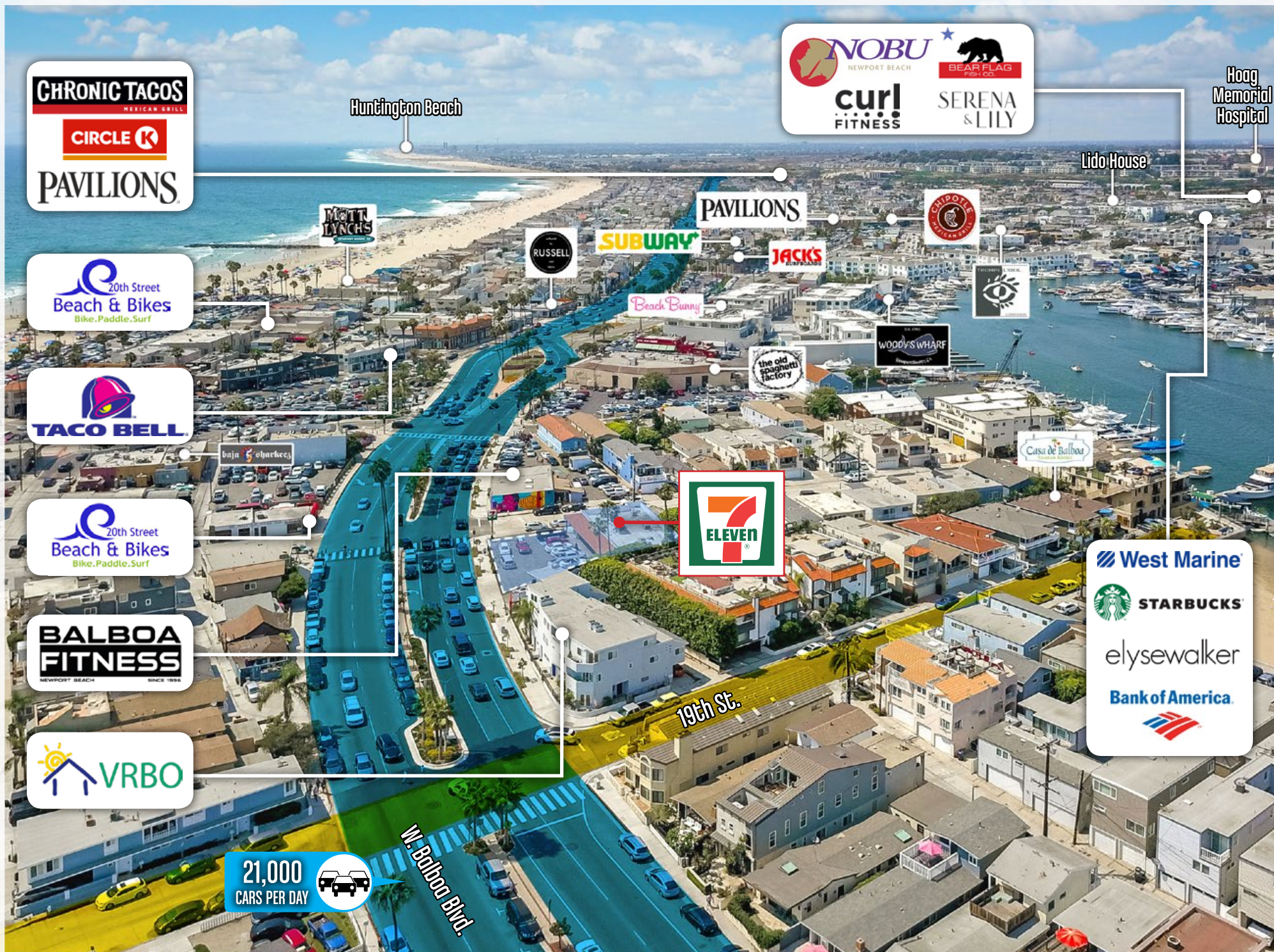
West Balboa Boulevard  
21,000 Cars Per Day  
  
Pacific Coast Highway/  
State Highway 1  
50,000 Cars Per Day



## Zoning

Commercial





CHRONIC TACOS



PAVILIONS

Huntington Beach



SUBWAY

PAVILIONS

JACKS

Beach Bunny



Casa de Balboa

Lido House

Hoag Memorial Hospital



20th Street Beach & Bikes  
Bike, Paddle, Surf



20th Street Beach & Bikes  
Bike, Paddle, Surf

BALBOA FITNESS  
NEWPORT BEACH SINCE 1986



21,000  
CARS PER DAY



M. Balboa Blvd.

19th St.

West Marine



elysewalker

Bank of America







FASHION ISLAND  
★ macy's  
bloomingdales  
Neiman Marcus  
NORDSTROM  
WHOLE FOODS  
MARKET

LIGHTHOUSE  
RAYVIEW CAFE

Bay Shores  
PENINSULA  
HOTEL

Casa de Balboa  
Vacation Rentals

BALBOA  
FITNESS  
NEWPORT BEACH  
SINCE 1959

HYATT  
REGENCY

Balboa  
Fun Zone

Balboa  
Pier

7  
ELEVEN

VRBO  
Part of the HomeAway Family

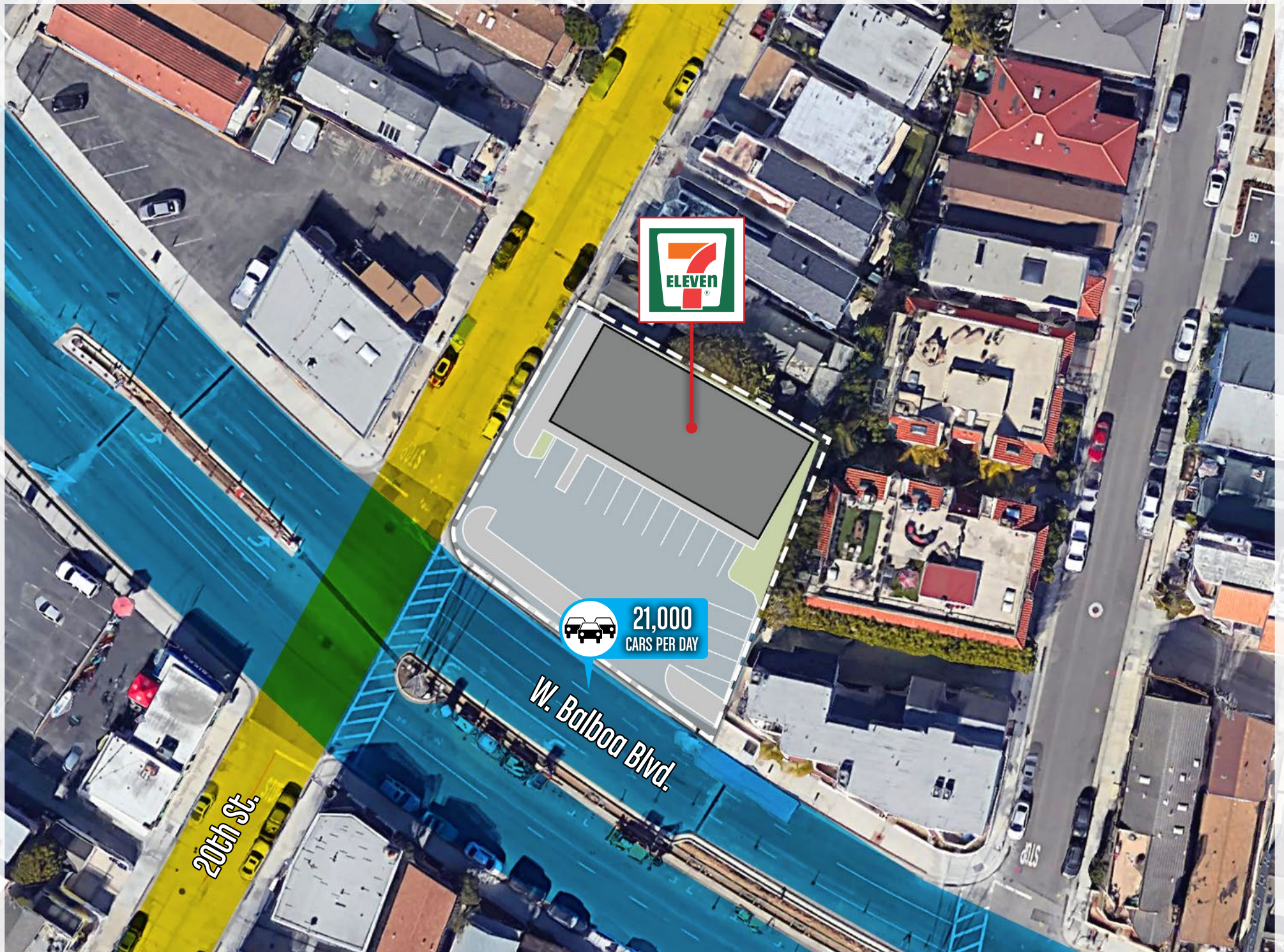
21,000  
CARS PER DAY



W. Balboa Blvd.

20th St.











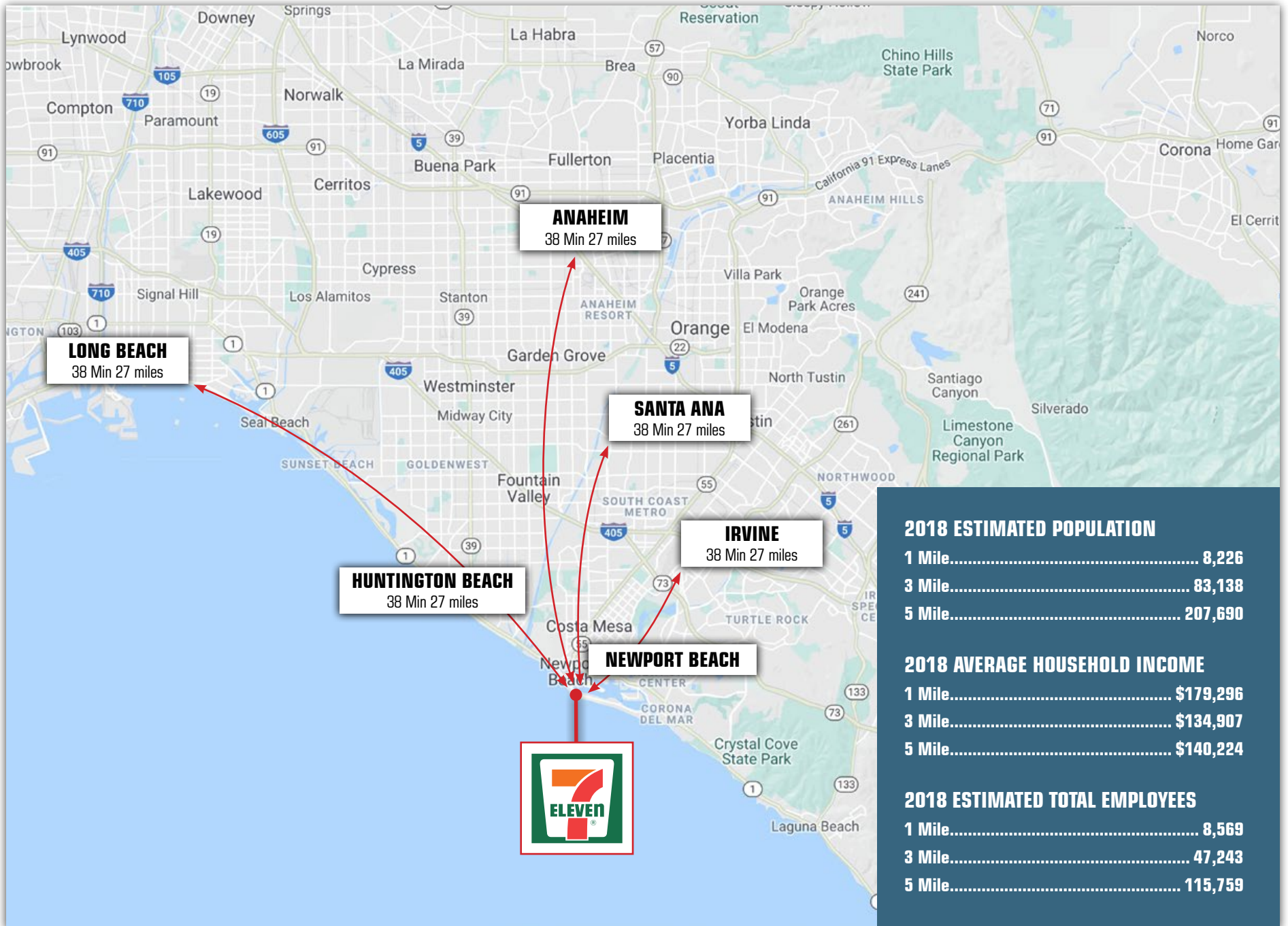








# LOCATION MAP



## 2018 ESTIMATED POPULATION

1 Mile.....	8,226
3 Mile.....	83,138
5 Mile.....	207,690

## 2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$179,296
3 Mile.....	\$134,907
5 Mile.....	\$140,224

## 2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	8,569
3 Mile.....	47,243
5 Mile.....	115,759





# AREA OVERVIEW

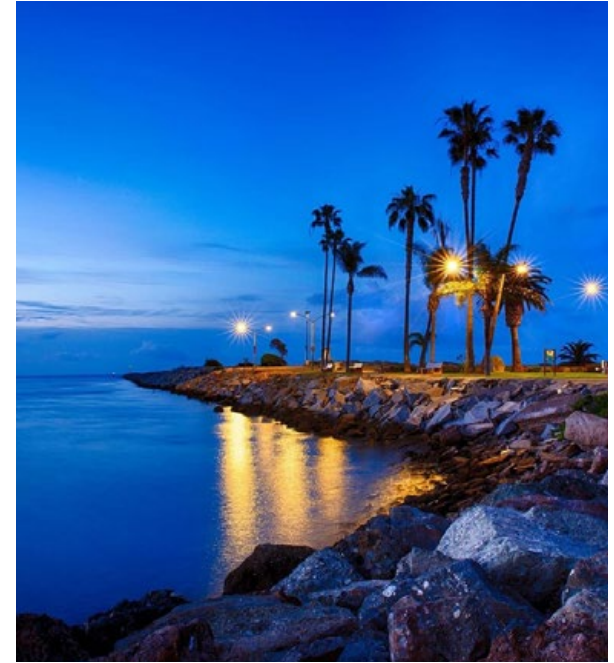
## NEWPORT BEACH, CALIFORNIA

The City of Newport Beach is located in the coastal center of Orange County, with Los Angeles County to the north and San Diego County to the south. The City of Newport Beach had a population of 90,832 as of July 1, 2017, but during the summer months, the population grows to more than 100,000 with 20,000 to 100,000 tourists daily. According to the United States Census Bureau, the city has a total area of 53.0 square miles. The City of Newport Beach was incorporated September 1, 1906.

Newport Beach is known for its fine residential areas, modern shopping facilities, strong business community and quality school system. It surrounds Newport Bay where approximately 4,300 boats of all types are docked within the 21-square-mile harbor area. The bay area and the City's eight miles of ocean beach offer outstanding fishing, swimming, surfing, and aquatic sports activities.

Housing prices in Newport Beach ranked eighth highest in the United States in a 2009 survey. Newport Beach is home to one Fortune 500 company, insurer Pacific Life. Other companies based in Newport Beach include Acacia Research, Conexant, Galardi Group (Wienerschnitzel, The Original Hamburger Stand, and Tastee-Freez) Jazz Semiconductor, and PIMCO. Fletcher Jones Motor Cars in Newport Beach is the largest Mercedes-Benz dealership in the world. At one time Edwards Theatres had its headquarters in Newport Beach. Before its dissolution Air California was headquartered in Newport Beach. The city's largest law firm is Stradling Yocca Carlson & Rauth, with approximately 75 attorneys at its Fashion Island location.

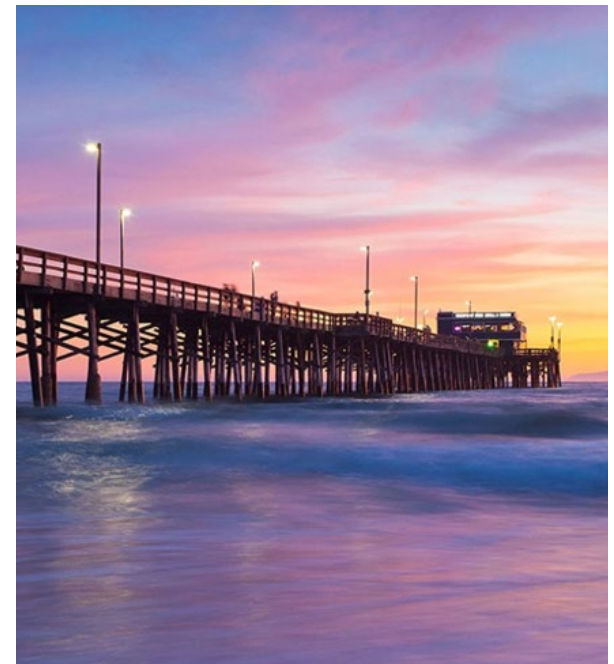
Orange County is home to several world-class attractions that are located outside the city borders of Newport Beach but still within easy commuting distance. These include Disneyland and Disney's California Adventure Park (Anaheim), Knott's Berry Farm & Knott's Soak City (Buena Park), the International Surfing Museum (Huntington Beach), the Orange County Zoo (Orange), the Wild Rivers Waterpark (Irvine), and the Marconi Automotive Museum (Tustin). Orange County is also home to several pro sports teams. Baseball fans can watch Major League action when the Los Angeles Angels of Anaheim play their home games. Hockey fans can take the short trip to Anaheim to see the NHL's Mighty Ducks. Surfers will recognize nearby Huntington Beach as home to the Surfing Hall of Fame.





# AREA DEMOGRAPHICS

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2018 Estimated Population	8,226	83,138	207,690
2023 Projected Population	8,461	86,765	215,466
2010 Census Population	7,873	76,910	194,629
Projected Annual Growth 2018 to 2023	0.56%	0.86%	0.74%
Historical Annual Growth 2010 to 2018	0.53%	0.95%	0.79%
2018 Estimated Households	3,872	34,208	82,717
2023 Projected Households	3,951	35,401	85,214
2010 Census Households	3,775	32,265	78,806
Projected Annual Growth 2018 to 2023	0.40%	0.69%	0.60%
Historical Annual Growth 2010 to 2018	0.31%	0.71%	0.59%
2018 Estimated White	91.58%	88.29%	83.83%
2018 Estimated Black or African American	0.69%	1.05%	1.16%
2018 Estimated Asian or Pacific Islander	4.08%	4.52%	7.77%
2018 Estimated American Indian or Native Alaskan	0.41%	0.49%	0.47%
2018 Estimated Other Races	1.93%	12.57%	9.90%
2018 Estimated Hispanic	8.45%	28.71%	24.07%
2018 Estimated Average Household Income	\$179,296	\$134,907	\$140,224
2018 Estimated Median Household Income	\$116,937	\$86,311	\$92,786
2018 Estimated Per Capita Income	\$83,144	\$56,286	\$56,564
2018 Estimated Total Businesses	1,139	5,885	12,090
2018 Estimated Total Employees	8,569	47,243	115,759





# RENT ROLL

Tenant Name	Size	Pro	Rent	Rent	Rent	Rent	Pro	Rental Increases						Lease	Lease	Lease Options
		Rata					Increase	Rent	Rent	Rent	Rent	Start	End			
		(SF)					Date	Inc.	Monthly	\$/SF/Mo	Annual	\$/SF/Yr	Date	Date		
7-Eleven, Inc. (Corporate)	2,722	69%	\$13,083	\$4.81	\$157,000	\$57.68	74%	Mar-24	10%	\$14,392	\$5.29	\$172,700	\$63.45	Mar-19	Mar-29	4 (5-Year) 10% Incr. at Beg. of Each Option
Newport Fun Tours	1,229	31%	\$4,700	\$3.82	\$56,404	\$45.89	26%	Dec-19 Dec-20	3% 3%	\$4,841 \$4,987	\$3.94 \$4.06	\$58,096 \$59,839	\$47.27 \$48.69	Dec-11	Nov-21	1 (5-Year) FMV
Total Occupied	3,951	100%	\$17,784	\$4.50	\$213,404	\$54.01	100%									
Total Vacant	0	0%	\$0		\$0		0%									
Total / Wtd. Avg:	3,951	100%	\$17,784	\$4.50	\$213,404	\$54.01	100%									



## FINANCIAL INFORMATION

Price:	\$6,566,000
Net Operating Income:	\$213,404
Cap Rate:	3.25%
Guaranty:	Corporate

## PROPERTY SPECIFICATIONS

Year Built:	Renovated 2018
Rentable Area:	3,951 SF
Land Area:	0.28 Acres (est.)
Address:	1920 W. Balboa Boulevard, Newport Beach, CA 92663



# BRAND PROFILE



## 7-ELEVEN

7-Eleven, Inc. is the premier name and largest chain in the convenience-retailing industry. Based in Irving, Texas, 7-Eleven operates, franchises and/or licenses more than 65,000 stores in 18 countries, including 11,600 in North America.. Known for its iconic brands such as Slurpee, Big Bite and Big Gulp, 7-Eleven has expanded into high-quality salads, side dishes, cut fruit and protein boxes, as well as pizza, chicken wings, cheeseburgers and hot chicken sandwiches. 7-Eleven offers customers industry-leading private-brand products under the 7-Select brand including healthy options, decadent treats and everyday favorites, at an outstanding value. Customers also count on 7-Eleven for bill payments, self-service lockers and other convenient services. 7-Eleven, Inc. operates as a subsidiary of Seven & i Holdings Co., Ltd, which is based out of Japan and reports revenue figures in Yen.

Company Type: Subsidiary

Parent: Seven & I Holdings Co.

2018 Employees: 56,606

2018 Revenue: ¥6.04 Trillion Yen

2018 Net Income: ¥181.15 Billion Yen

2018 Assets: ¥5.49 Trillion Yen

2018 Equity: ¥2.43 Trillion Yen

Credit Rating: S&P: AA-

Credit Rating: Moody's: A1

## NEWPORT/BALBOA FUN TOURS

Newport Fun Tours is the premier Southern California destination for all of their land and sea activities, tours and adventures. With two convenient locations they carry all of the equipment one could possibly need to enjoy a fantastic day out in Newport Beach. They have an exciting sightseeing adventure around the Newport Peninsula or a tranquil cruise throughout the world famous Newport Harbor.

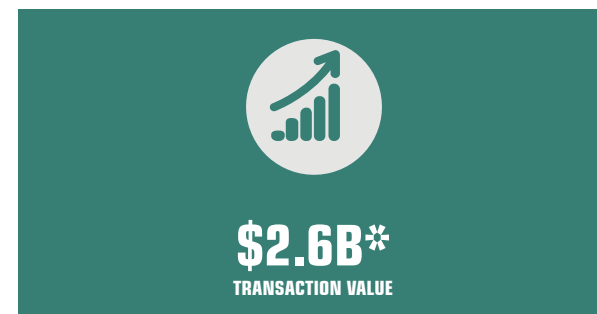
Company Type: Private

Locations: 1

Website: [www.newportfuntours.com](http://www.newportfuntours.com)







This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive sub-market conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

\*STATISTICS ARE FOR 2017