



REZA  investment group inc.
THE SOURCE FOR RETAIL INVESTMENTS™



OFFERING MEMORANDUM
SIGNAL HILL (LONG BEACH), CA

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To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

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SIGNAL HILL (LONG BEACH), CA

EXECUTIVE SUMMARY



PROPERTY OVERVIEW

The offering, a 45,111 sq. ft. single tenant NNN Best Buy, provides an investor with a net leased investment and a potential value-creation opportunity. The subject property is located in the densely populated Los Angeles/Long Beach area community of Signal Hill, CA and comprises approximately 4.13 acres of land. Positioned at the signalized intersection of Cherry Ave. and E. 28th St. and approximately ½ mile south of the Interstate 405 interchange, the property receives strong combined average daily traffic counts of approximately 44,390 vehicles.

Best-in-class electronics retailer Best Buy is an investment grade tenant with a “BBB” Standard and Poor’s Rating. Additional tenants within ¼ mile of the subject property that drive significant traffic to the trade area include Costco, Home Depot, Food 4 Less, Mother’s Market, PetSmart, and 99 Cents Only Stores.

VALUE CREATION OPPORTUNITY

The subject property offers a potential value creation opportunity, as the property is situated on a 4.13 acre lot and has an oversized parking field; with a current parking ratio of approximately 6 stalls per 1,000 sq. ft. An investor would have the opportunity to approach Best Buy to negotiate for consent to allow development of retail pad space on the property; creating an additional revenue stream for ownership.

INVESTMENT SUMMARY

PRICE:	Submit Offer
AS-IS NOI:	\$1,194,851
LOAN ASSUMPTIONS:	The Property is offered free and clear of existing financing.

INVESTMENT HIGHLIGHTS

OFFERING HIGHLIGHTS

Best-in-Class Anchor – Best Buy is the dominant retailer within the consumer electronics and appliances category, with 1,238 locations, 2018 revenues of approximately \$42.88 Billion and an investment grade “BBB” Standard and Poor’s Rating.

Captive Trade Area – The subject property is a regional hub/location for Best Buy, serving as the only location in the Long Beach metropolitan area. Best Buy recently closed a competitive location approximately five miles south of the subject property, with the nearest competitive Best Buy locations now in Lakewood (five miles northeast) and Compton (eight miles northwest).

Potential Value-Creation Opportunity – An investor would have the opportunity to approach Best Buy to negotiate for consent to allow development of retail pad space on the property; creating an additional revenue stream for ownership.

ECONOMIC HIGHLIGHTS

NNN Lease – Single tenant asset with minimal landlord responsibilities.

Corporate Lease – The subject property has a corporate lease that is guaranteed by Best Buy Co. Inc., providing security on the income stream.

Seasoned Tenancy – Best Buy has been in occupancy within the subject property since 2006; demonstrating a proven history of profitability and validating the strength of the location.

LOCATION HIGHLIGHTS

Active Retail Corridor – The Cherry Ave. corridor serves as one of the primary retail arterials within the Signal Hill submarket and features over 450,000 square feet of retail space; including national/regional tenants Costco, Home Depot, Food 4 Less, Mother’s Market, PetSmart, and 99 Cents Only Stores.

Adjacent to Automotive Dealership Hub – The property is positioned adjacent to a cluster of regional automotive dealerships including Cadillac, GMC, Dodge Chrysler Jeep, Nissan, Honda, BMW, MINI, and Mercedes Benz; driving substantial consumer traffic to the submarket.

High Traffic Thoroughfare – The subject property benefits from excellent exposure to average daily traffic counts of approximately 44,930 vehicles at the signalized intersection of Cherry Ave. and E. 28th St.

Centralized Long Beach Metro Location – The property is optimally positioned approximately ¼ mile south of Interstate 405 (Cherry Ave. interchange), which receives average daily traffic counts of approximately 299,000 vehicles.

Infill Trade Area with High Barriers to Entry – Minimal supply of developable land in the surrounding area continues to drive retail rents in the submarket.

DEMOGRAPHIC HIGHLIGHTS

Healthy Consumer Income and Spending Power – The subject property benefits from affluent income demographics, with average household incomes of approximately \$94,470 and \$75,883 within a one and three-mile radius, respectively.

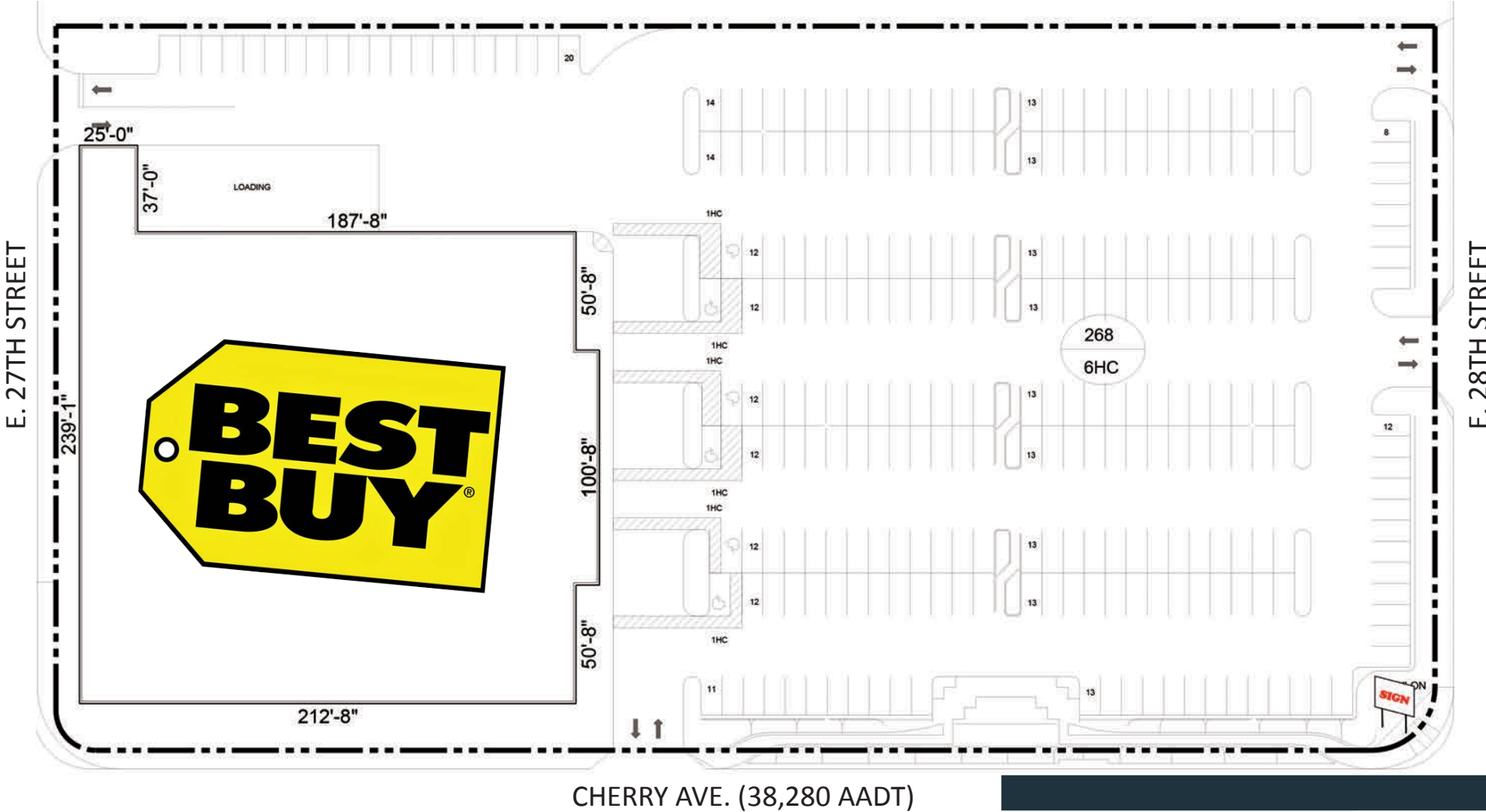
Dense Residential Submarket – The trade area is amongst the densest in the region, with approximately 317,850 residents and 558,201 residents living within a three and five-mile radius of the subject property, respectively.



SIGNAL HILL (LONG BEACH), CA

PROPERTY HIGHLIGHTS

SITE PLAN



SQUARE FEET (BUILDING)	45,111
PARKING SPACES	274
PARKING RATIO (PER 1,000 SQ. FT.)	6.074

PROPERTY DATA

LOCATION:

2701 Cherry Ave.
Cherry Ave. and E. 28th St.
Signal Hill, CA 90755

ASSESSOR’S PARCEL NUMBER:

7212-012-088

NUMBER OF BUILDINGS:

1

BUILDING AREA:

Approx. 45,111 Sq. Ft.

LAND SIZE:

Approx. 4.13 Acres

YEAR BUILT:

1994

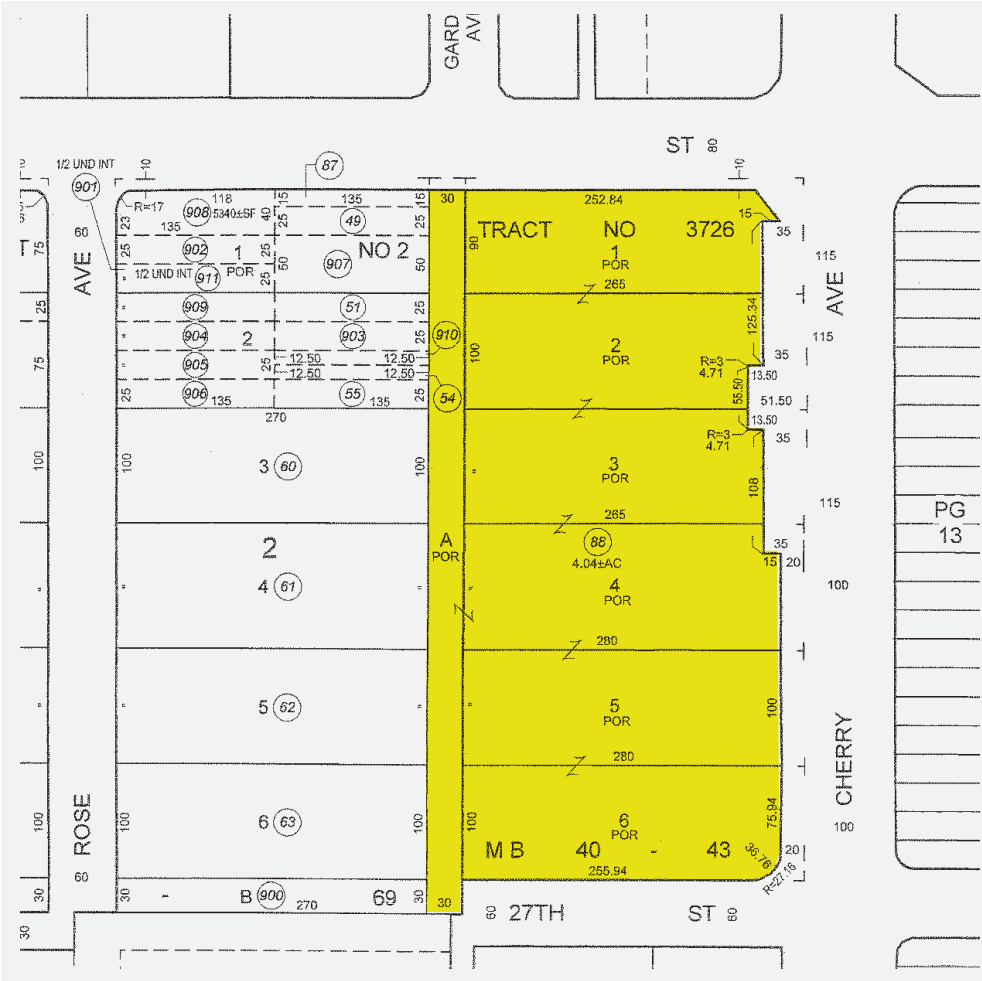
INGRESS/EGRESS:

Cherry Ave. - One Entrance
E. 28th St. - Two Entrances
E. 27th St. - One Entrance

TRAFFIC COUNTS:

38,280 AADT – Cherry Ave.
34,140 AADT – E. Willow St.
299,000 AADT – Interstate 405

PARCEL MAP



TENANT PROFILE

COMPANY OVERVIEW

Founded in 1966 in Richfield, Minnesota, Best Buy Co. Inc. operates as a retailer of technology products, services, and solutions in the United States, Canada, and Mexico. The company operates in two segments, Domestic and International. Its stores provide Computing and Mobile Phones, such as computing and peripherals, e-readers, networking products, tablets, and wearables, as well as mobile phones comprising related mobile network carrier commissions; consumer electronics, including digital imaging, health and fitness, home theater, portable audio, and smart home products; and entertainment products consisting of drones, movies, music, and toys, as well as gaming hardware and software, and virtual reality and other software products.

The company's stores also offer appliances, such as dishwashers, laundry appliances, ovens, refrigerators, blenders, coffee makers, and vacuums; and other products, such as beverages, snacks, and sundry items, as well as baby products, luggage, and sporting goods. In addition, it provides services comprising consultation, design, delivery, installation, memberships, protection plans, repair, set-up, and technical support services, as well as connected health services for aging consumers.

The company offers its products through stores and websites under the Best Buy, bestbuy.com, Best Buy Direct, Best Buy Express, Best Buy Mobile, Geek Squad, GreatCall, Magnolia, Pacific Kitchen and Home, bestbuy.ca, and bestbuy.com.mx brand names, as well as through mobile applications and call centers.

FOUNDED:	1966
TRADED AS:	NYSE: BBY
MARKET CAPITALIZATION:	\$19.43 BILLION
2018 REVENUE:	\$42.879 BILLION
STANDARD AND POORS RATING:	BBB
NUMBER OF EMPLOYEES:	125,000
NUMBER OF LOCATIONS:	1,238
WEBSITE:	www.bestbuy.com





SIGNAL HILL (LONG BEACH), CA

AREA OVERVIEW

AERIAL



DOWNTOWN
LONG BEACH

PORT OF LONG BEACH

LONG BEACH

SIGNAL HILL

TOWN CENTER EAST

COSTCO WHOLESALE

PETSMART

HOME



Food4Less

99c
only
STORES



E. WILLOW ST (34,140 AADT)

CHERRY AVE (38,280 AADT)

E. 28TH ST.

AERIAL



AERIAL



LAKEWOOD

LONG BEACH AIRPORT
APPROX. 3.8 MILLION
ANNUAL PASSENGERS

LONG BEACH
MERCEDES BENZ

GLENN THOMAS
DODGE CHRYSLER
JEEP

BOULEVARD
CADILLAC BUICK
GMC

LONG BEACH
NISSAN

LONG BEACH
BMW

LONG BEACH
HONDA



(299,000 AADT)

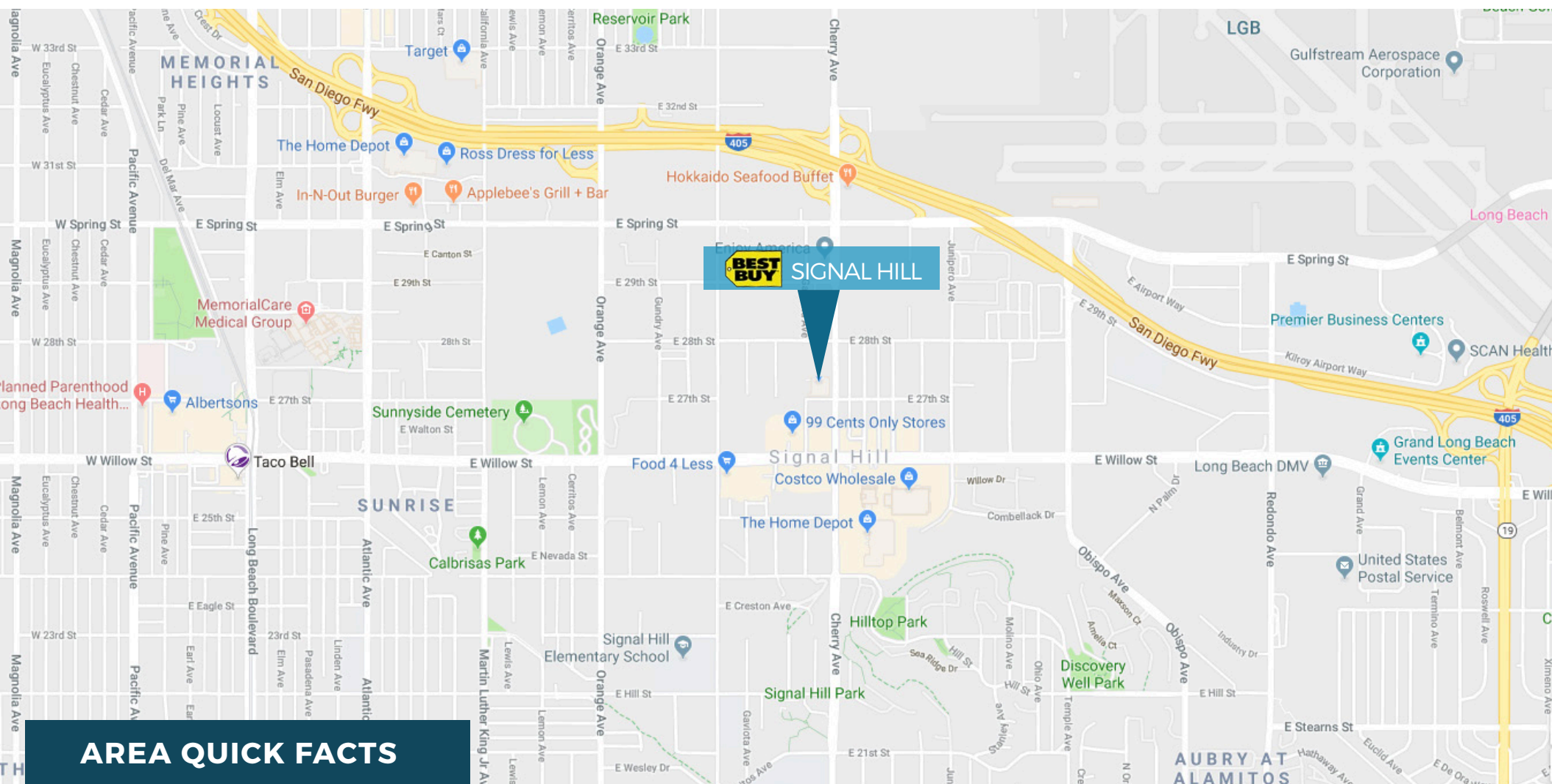
G. SPRING ST.

WALNUT AVE.

E. WILLOW ST. (34,140 AADT)

CHERRY AVE. (38,280 AADT)

LOCATION MAP



AREA QUICK FACTS



4.5%
UNEMPLOYMENT
(CITY OF LONG BEACH)



\$94,470
AVG HH INCOME
(1-MILE)



470,130
POPULATION
(3-MILE)

AREA OVERVIEW – LONG BEACH

LONG BEACH

A vibrant urban center with miles of beautiful beaches, Long Beach has all the amenities of a major metropolis interwoven with a tapestry of diverse and unique neighborhoods. Strategically located between Orange County and Los Angeles, Long Beach is a growing commercial, cultural and tourism center. With a population nearing half-a-million people, it is California’s fifth largest city. Downtown Long Beach has become one of Southern California’s prime real estate markets, with over 5,000 residential units planned or under construction.

LOCATION

Its strategic location has made Long Beach the ideal place for business in Southern California. Criss-crossed by four freeways and an airport, Long Beach is just a 30 minute commute from all major Southern California destinations. Long Beach is the nation’s primary gateway for international trade. The combined ports of Long Beach and Los Angeles are the 5th busiest in the world. Over forty percent of goods entering the United States do so via the ports.

AMENITIES

The City has 6.5 miles of beaches covering 541 acres, 468 acres of navigable waterways, two city-owned and operated marinas, 35 miles of bike paths, 88 parks covering 2,235 acres, and the busiest municipal golf course system in the nation with five golf courses. Long Beach is home to some of the finest venue’s for live entertainment in all of Southern California, including the International City Theatre, Musical Theatre West, the Long Beach Performing Arts Center, the Carpenter Center at CSULB and the award-winning Long Beach Playhouse. Several museums provide a rich and diverse reservoir of visual arts. Long Beach is home to the Toyota Grand Prix of Long Beach, the premier open-wheel motor sports race on the West Coast.

The City’s sailing heritage is celebrated during the annual summer long Sea Festival with the sailing’s world famous Trans Pacific race from Long Beach to Hawaii, the Mayor’s Cup Race with all women crews, and the dramatic Dragon Boat Festival.

TOURISM

Drawing over 5.5 million visitors annually, the City of Long Beach is a city to be explored. From the iconic and majestic Queen Mary to the nighttime excitement of Pine Avenue, the East Village Arts District, Shoreline Village, Belmont Shore, the Aquarium of the Pacific, and the Pike at Rainbow Harbor, Long Beach is a perfect coastal getaway.



LARGEST EMPLOYERS

Company	Employees
LBUSD	12,143
LB Memorial	5,146
City of Long Beach	5,074
Boeing	3,556
CSULB	2,881
VA LB	2,480
LBCC	2,456
St. Mary’s	1,420
CSULB Foundation	1,420
Molina Healthcare	1,184
Toyota	732
USPS	708

Source: City of Long Beach, Financial Management Business Services Bureau

EMPLOYMENT BY INDUSTRY



Source:
<http://www.cla.csulb.edu/departments/economics/gateway-cities/gateway-cities-census-data/city-of-long-beach/>
<https://www.scag.ca.gov/Documents/LongBeach.pdf>
<https://datausa.io/profile/geo/long-beach-ca/>

DEMOGRAPHICS



POPULATION

The city of Long Beach has a population of over 470,000 residents with median age of 34. The city is over 51 square miles and has a population density of over 9,343 people per square mile. The subject property is positioned in a trade area that is amongst the densest in the greater Los Angeles MSA, with approximately 317,850 residents and average household incomes of approximately \$75,883 within a three-mile radius



PORT OF LONG BEACH

The Port of Long Beach is one of the world's busiest seaports and second-busiest port in the U.S. Port-related employment accounts for approximately 30,000 jobs in Long Beach and 316,000 jobs in the five-county Southern California region. Overall, the port supports over 1.4 million jobs nationally and generates billions of dollars in economic activity each year. The port's loaded containers account for approximately 1/4 of all containers moving through all ports in the West Coast.



STRONG LOCAL ECONOMY

Long Beach is a main player in the Southern California economy. The manufacturing sector remains an extremely important economic cluster, providing over 20,000 jobs. Commerce and industry have also thrived in the city with skilled, well-educated employees who are now the driving force behind technology centers, aerospace, trade, sophisticated logistics, transportation, engineering, telecommunications, and health care, and peripherals.



TRAVEL AND TOURISM

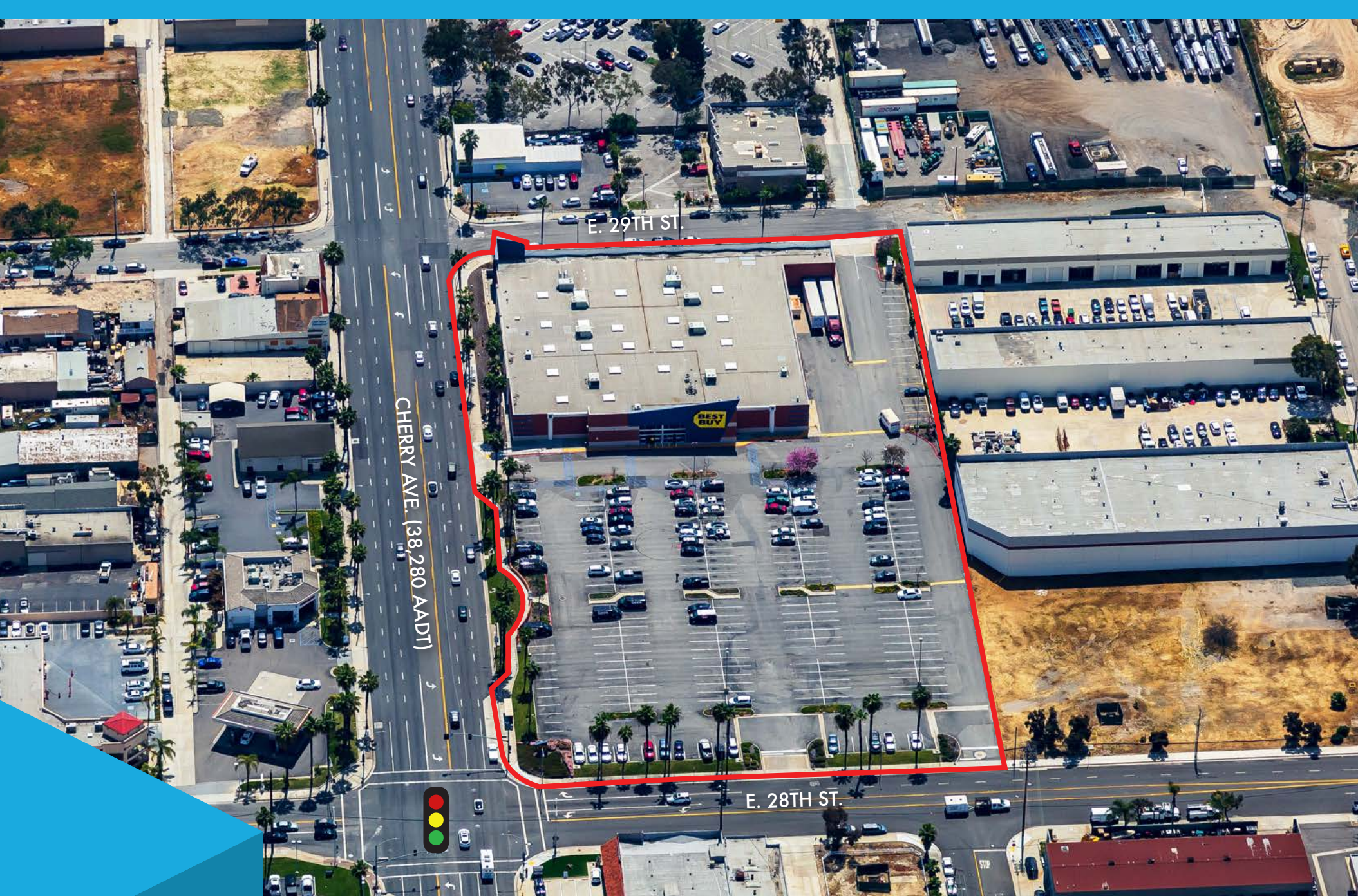
Approximately 6 million visitors travel to Long Beach each year, making tourism one of the city's most important industries, generating an estimated \$300 million in revenue for local businesses. Long Beach has emerged as a first-class visitor and convention destination with a newly-expanded Convention and Entertainment Center, upgraded multi-purpose Arena, top quality accommodations, award-winning restaurants, unique shopping districts and retail shops.



LOCAL HOMEOWNERSHIP

The median property value in City of Long Beach is \$583,000. Long Beach home values have gone up 7.1% over the past year where the median list price per square foot in Long Beach is \$444, which is higher than the Los Angeles-Long Beach-Anaheim Metro average of \$420.

Radius	1 Mile	3 Mile	5 Mile
Population:			
2024 Projection	14,489	321,577	563,389
2019 Estimate	14,366	317,850	558,201
2010 Census	14,172	308,049	548,281
Growth 2019-2024	0.86%	1.17%	0.93%
Growth 2010-2019	1.37%	3.18%	1.81%
2019 Population Hispanic Origin	5,328	137,225	228,952
2019 Population by Race:			
White	7,836	199,354	365,245
Black	1,964	43,764	71,821
Am. Indian & Alaskan	225	4,946	7,997
Asian	3,565	53,727	84,060
Hawaiian & Pacific Island	215	3,424	7,131
Other	561	12,636	21,946
U.S. Armed Forces:	0	212	384
Households:			
2024 Projection	4,887	115,065	197,566
2019 Estimate	4,838	113,716	195,786
2010 Census	4,733	110,205	192,662
Growth 2019 - 2024	1.01%	1.19%	0.91%
Growth 2010 - 2019	2.22%	3.19%	1.62%
Owner Occupied	2,304	39,512	87,463
Renter Occupied	2,534	74,203	108,323
2019 Avg Household Income	\$94,470	\$75,883	\$84,441
2019 Med Household Income	\$69,393	\$55,679	\$63,506
2019 Households by Household Inc:			
<\$25,000	820	27,121	40,206
\$25,000 - \$50,000	984	24,616	39,337
\$50,000 - \$75,000	837	19,839	32,146
\$75,000 - \$100,000	643	14,607	26,568
\$100,000 - \$125,000	441	9,263	18,721
\$125,000 - \$150,000	265	5,845	12,162
\$150,000 - \$200,000	371	6,462	13,825
\$200,000+	477	5,963	12,819



SIGNAL HILL (LONG BEACH), CA

LEASE COMPARABLES

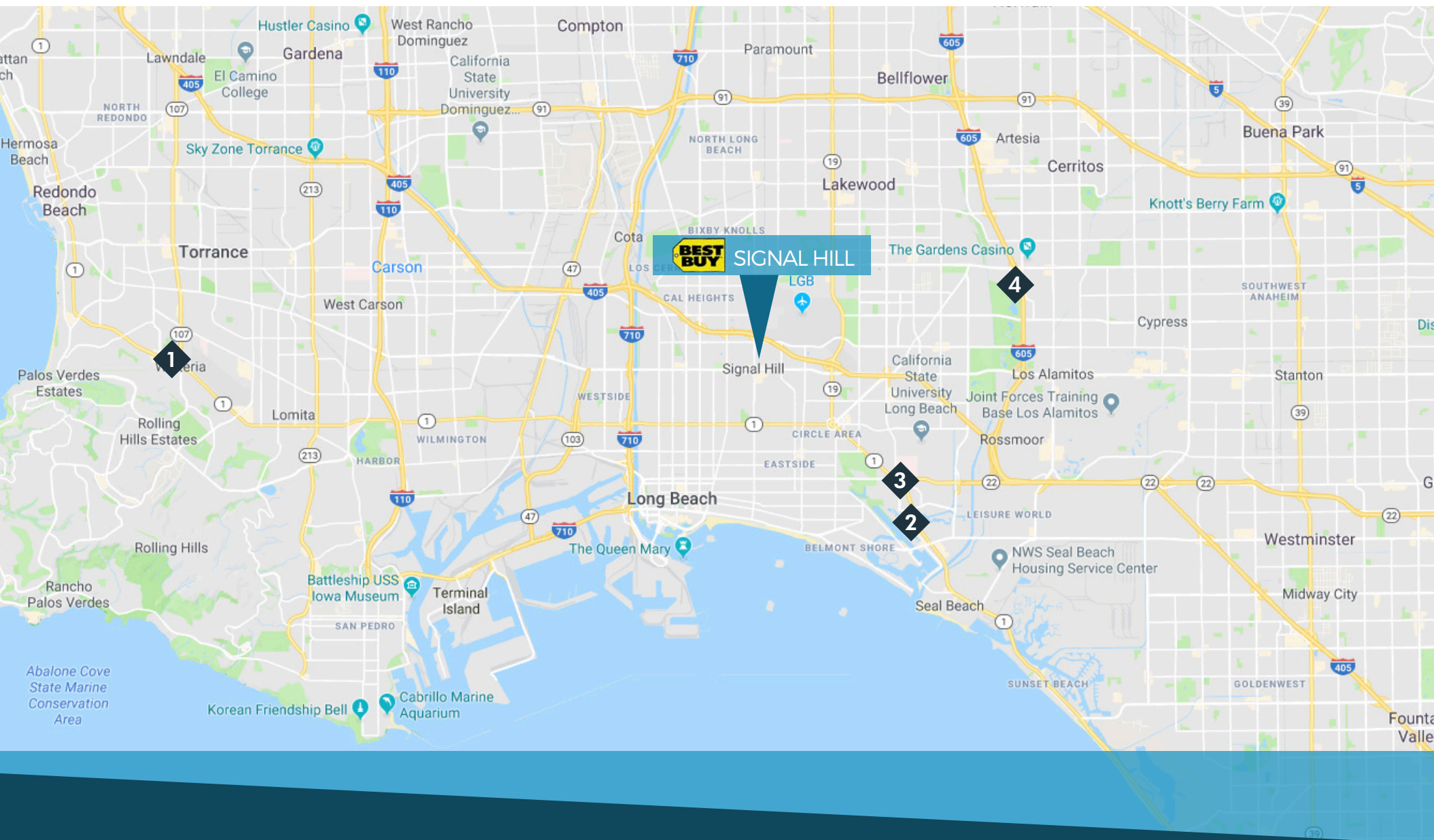
LEASE COMPARABLES



**PROPERTY NAME
AND LOCATION**

	1	2	3	4
	Best Buy 3675 Pacific Coast Hwy. Pacific Coast Hwy. and Hawthorne Blvd. Torrance, CA	Nordstrom Rack at Marina Pacifica Shopping Center 6274 E. Pacific Coast Hwy. Pacific Coast Hwy. and 2nd St. Long Beach, CA	Target at Bixby Village Plaza 5760 E. 7th St. E. 7th St. and N. Bellflower Blvd. Long Beach, CA	Bob's Discount Furniture at Long Beach Town Center 7440 Carson Blvd. Carson Blvd. and I-605 Long Beach, CA
YEAR BUILT	1973 *1994 remodel	1976 *1996 remodel	1974	1998
TOTAL SQ. FT.	67,078	24,080	35,000	43,000
LEASE TYPE	NNN	NNN	NNN	NNN
ASKING/AVERAGE RENTS/SF	\$26.00	\$32.52	\$36.00	\$21.50
START DATE	2015* *RENEWAL	2015	2016	2016
TERM	12 YEARS	10 YEARS	15 YEARS	10 YEARS







SIGNAL HILL (LONG BEACH), CA

LEASE SYNOPSIS

LEASE SYNOPSIS

TENANT

Best Buy Stores, L.P., a Virginia limited partnership

GUARANTOR

Best Buy Co., Inc., a Minnesosta corporation

DATE OF LEASE

February 27, 2006

RENT COMMENCEMENT

July 31, 2006

LEASE EXPIRATION

January 31, 2022

OPTIONS TO RENEW

2-5 Year Opitons

BASE ANNUAL RENT

\$1,194,850.55 (\$26.49 PSF/YEAR) - Current through 1/31/22
\$1,314,335.60 (\$29.14 PSF/YEAR) - Option 1
\$1,445,769.16 (\$32.05 PSF/YEAR) - Option 2

PERCENTAGE RENT

None

LANDLORD’S INSURANCE

Tenant shall provide and keep in force during the term commercial general liability insurance with a combined single limit of at least \$5,000,000 for injury or death to one or more than one person arising from any one occurance and in the amount of \$1,000,000 with respect to property damages. Tenant shall insure and keep its personal property and the entire Demised Premises insured against damage by fire and the other casualties and risks covered by “All Risk” insurance. Tenant’s insurance policy shall also contain the following endersements “Difference of Condition”, and “Demolition Cost Which May Be Necessary To Comply With Building Laws”. Tenant shall also carry rental value insurance in the amount of 12 months Minimum Rent and estimated Tax Contributions; and insurance against such other hazards and in such amounts as may be customarily carried by tenants, owners and operators of similar properties as Landlord may reasonably require for its protection from time to time. To the extent allowed by law, Tenant may self insure with respect to any of the fire and property insurance Tenant is required to carry under the Lease, provided Tenant and Guarantor have a combined tangible net worth in excess of \$200,000,000.

PROPERTY TAXES

Tenant to pay Landlord all taxes, assessments, special taxes and all other govenmental charges as-sessed, levied or imposed against the Demised Premises, the Building or Land.

REPAIR & MAINTENANCE-LANDLORD

Landlord shall replace the roof of the Demised Premises, if so required, during the Term. Landlord’s obligation to replace the roof shall arise only after Tenant advises Landlord in wriitng that such replace-ment is required, together with supporting documentation. Tenant shall be obligated to pay Landlord for the costs incurred by Landlord in replacing the roof in equal monthly installments amortized on a straight-line basis over a period of 7 years.

REPAIR & MAINTENANCE-TENANT

Tenant shall make all repairs to the Demised Premises and the Common Area necessary or desirable to keep the Demised Premises and the Common Area in good order and repair and in a safe, dry and ten-antable condition, ordinary wear and tear excepted. Tenant shall keep the Parking Area properly paved and in good order and repair throughout the Term.

UTILITIES:

Tenant is responsible for all utilities relating to the Demised Premises.



CONTACT US



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