



OFFERING MEMORANDUM

Single-Tenant Albertsons



1133 S. Mission Road
Fallbrook, California





Table of Contents

3 Executive Summary

Offering Summary
Investment Summary
Investment Highlights

7 Property Description

Physical Description
Aerial Tenant Map
Site Plan

13 Financial Overview

Rent Roll
Lease Abstract
Tenant Overview

19 Area Overview

San Diego County
Fallbrook Overview
Competitive Maps

Exclusively Listed By

El Warner

Executive Vice President
Retail Capital Markets
Lic. 01890271
Mobile +1 858 752 3078
Direct +1 949 724 5690
el.warner@colliers.com

Charley Simpson

Senior Vice President
Retail Capital Markets
Lic. 01302079
Mobile +1 949 275 8807
Direct +1 949 724 5680
charley.simpson@colliers.com

Caitlin Zirpolo

Associate Vice President
Retail Capital Markets
Lic. 01987844
Mobile +1 760 685 6873
Direct +1 949 724 5640
caitlin.zirpolo@colliers.com

Jordan Gomez

Associate Vice President
Retail Capital Markets
Lic. 02008809
Mobile +1 951 264 5994
Direct +1 949 724 5610
jordan.gomez@colliers.com

David Maloy

Associate Vice President
Retail Capital Markets
Lic. 10401244229 NY
Mobile +1 917 515 9975
Direct +1 949 724 5650
david.maloy@colliers.com





EXECUTIVE

summary

Offering Summary

Colliers' Retail Capital Markets Team is pleased to present the opportunity to acquire the grocery anchored portion of Fallbrook Towne Centre, an Albertsons and CVS anchored neighborhood shopping center located in San Diego County, California. The Fallbrook Albertsons is an exceptional opportunity to secure 20 years of stable cash flow from a strong performing 65,219 square foot Albertsons store that has been operating out of this location for over 30 years.

- ✓ New long-term 20-year lease
- ✓ Guaranteed by Albertsons Companies, Inc.
- ✓ Strong performing Albertsons store
- ✓ Over 30 years of operating history at this store
- ✓ Exceptional North San Diego County location
- ✓ Prominent retail location within the submarket
- ✓ Desirable demographic profile
- ✓ Synergistic mix of surrounding tenants

The Property is ideally situated at the lighted intersection of Mission and Ammunition Road within the growing north San Diego County city of Fallbrook, California. The property benefits from being the only major branded national grocer located within a strong retail corridor and a desirable submarket.

Investment Summary

Property Information	
Sale Price	\$24,110,000
Cap Rate	5.15%
Tenant	Albertsons Companies LLC
In-Place NOI	\$1,242,131
Current Occupancy	100%
Reimbursements	NNN
Lease Expiration	6/30/2039

Term Remaining	± 20 yrs
Options	8 x 5-Year Options
Total Rentable Square Feet	±65,219
Total Land Area	± 267,194 SF (6.13 Acres)
Parking	376
Parking Ratio	5.76:1,000



Investment Highlights



Secure and stable income stream with new long-term 20-year lease to Albertsons Companies Inc, the second-largest supermarket chain in North America.



Strong performing Albertsons store with an occupancy cost of less than 3.5%. Albertsons dominates the Fallbrook submarket accounting for over half of the estimated \$61 million in grocery store demand from the community.



Long term proven strength of location with almost 30 years of historical occupancy. Albertsons is the only true major grocery store chain located within a 10 mile radius of Fallbrook and the subject property.



Irreplaceable Southern California location in the desirable north San Diego County residential community of Fallbrook, CA.



Anchor to Fallbrook Towne Centre, which is the dominant grocery and drugstore anchored shopping center on the main retail thoroughfare in Fallbrook.



Synergistic mix of surrounding regional and national tenants including CVS, Starbucks, AutoZone, Panda Express, UPS Store, Chase Bank, Carl's Jr. and Taco Bell.



Rapidly growing and affluent population of 32,714 residents with an average household income of \$86,173 living within a three-mile radius of the Property.





PROPERTY

—description—

FALLBROOK HIGH SCHOOL

CAMP PENDLETON



1133 S. Mission Road
Fallbrook, California

AMMUNITION ROAD ($\pm 11,817$ ADT)

MISSION ROAD ($\pm 20,456$ ADT)

Physical Description

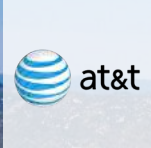
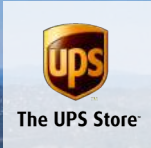
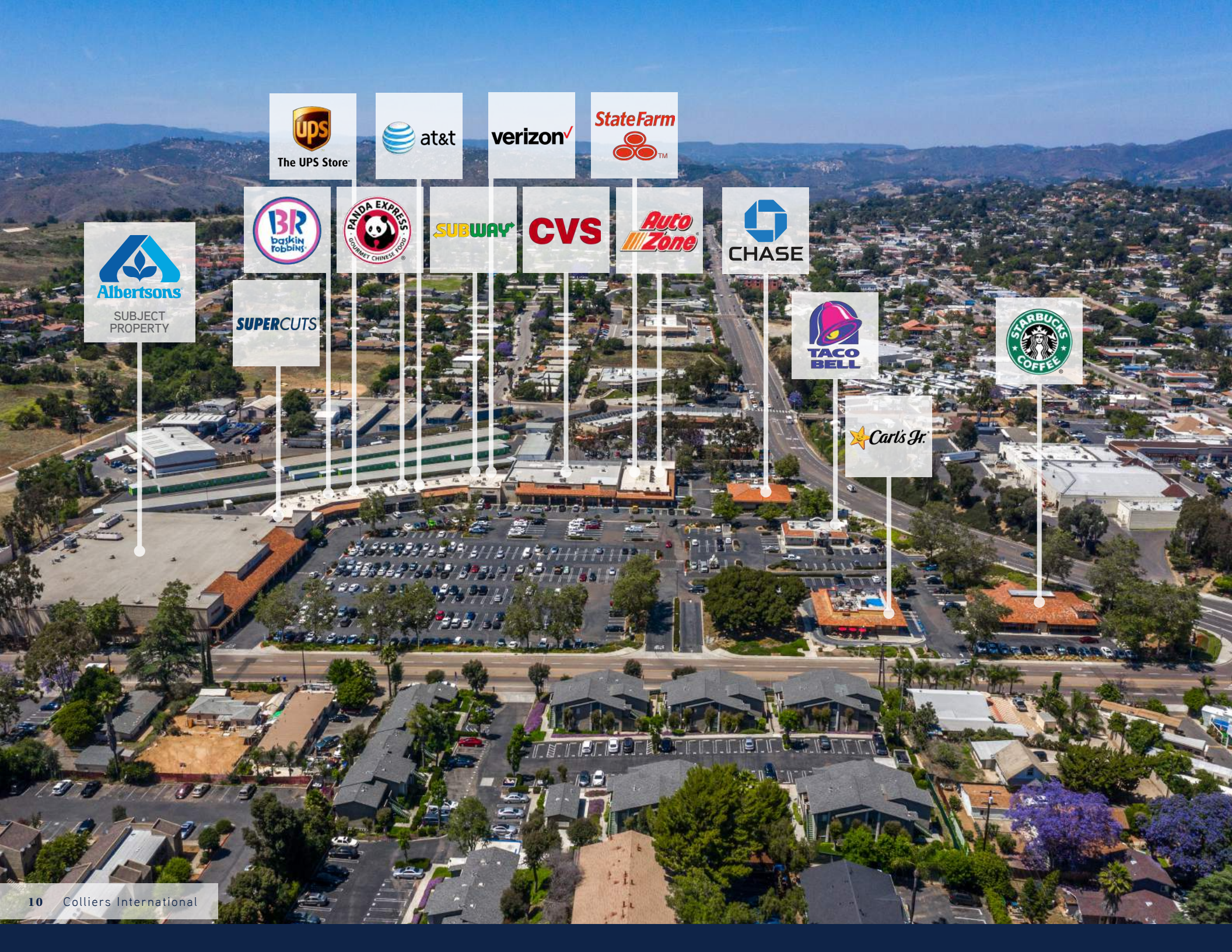
Property Name	Albertsons, Fallbrook
Address	1133 S Mission Rd, Fallbrook, CA 92028
Square Footage (GLA)	± 65,219
Land Area	± 6.13 Acres
Parking	376 spaces, 5.76 per 1,000 SF
APN(s)	104-390-01-00
Year Built / Renovated	1990/2011
Ceiling Height	33 Feet
Dimensions	±284' (width) x ±224' (depth)
Property Type	STNL
Type of Ownership	Fee Simple
Term Remaining	± 20 Years, with Eight 5-Year Options

Location Description

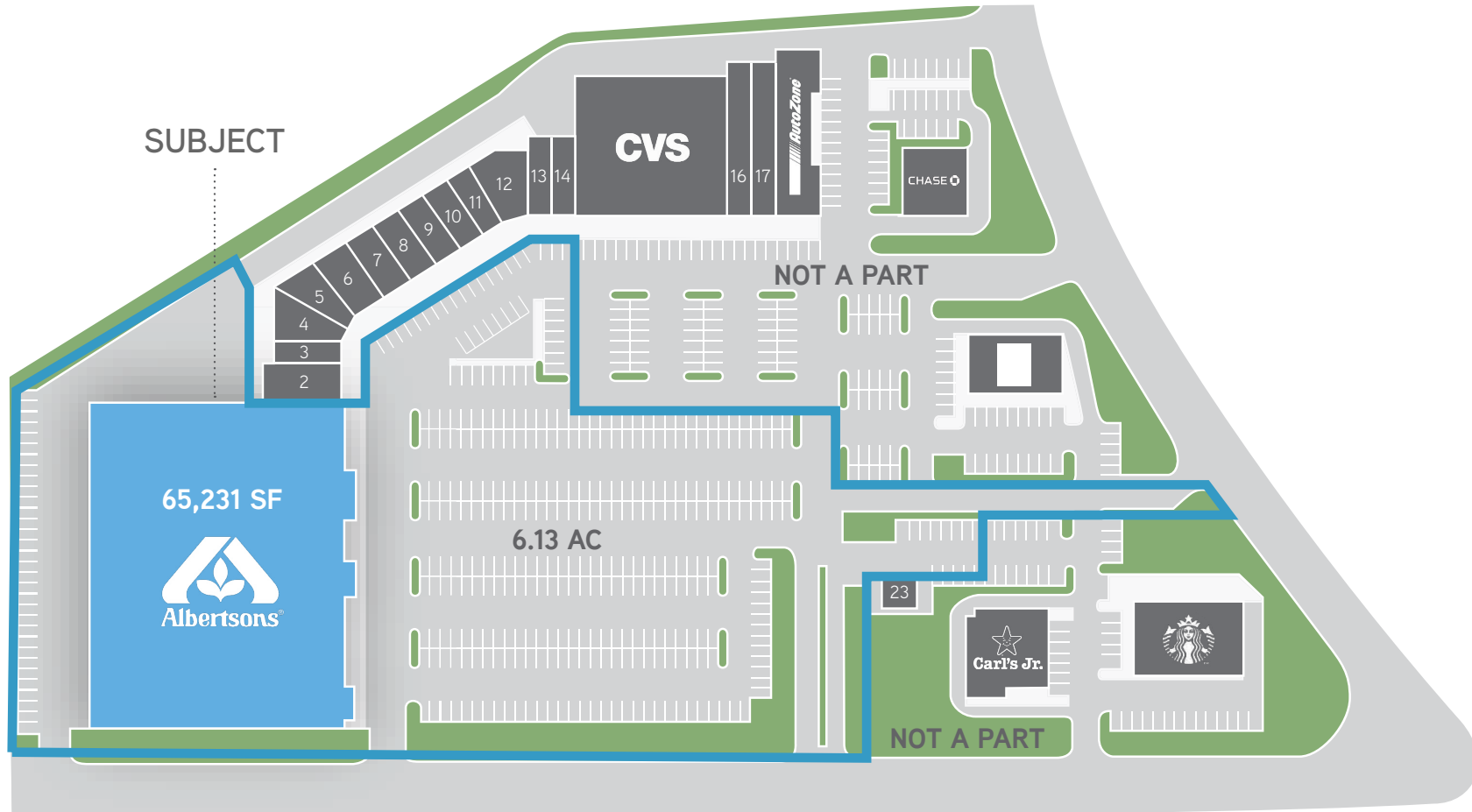
The Subject is located at the northwest corner of the intersection of Mission Road (± 20,456 ADT) and Ammunition Road (±11,817 ADT) in the city of Fallbrook, San Diego County, in the state of California.

North	The subject is bordered to the North by additional commercial properties and single-family residential subdivisions.
South	The subject is bordered to the South by apartment properties and single-family residential subdivisions.
East	The subject is bordered to the East by additional retail properties and apartment properties.
West	The subject is bordered to the West by apartment properties.





Site Plan



TENANT ROSTER

1 Albertsons	6 Baskin Robbins	11 Cuts 2000 Nails	16 Edward Jones	21 Starbucks
2 Sally Beauty	7 The UPS Store	12 Pediatric Partners	17 State Farm	22 Carl's Jr.
3 Supercuts	8 VACANT	13 Subway	18 AutoZone	23 SDCCU ATM
4 Burlap Rose	9 Panda Express	14 Verizon	19 Chase	
5 Mountain Mike's Pizza	10 AT&T	15 CVS	20 Taco Bell	





FINANCIAL

— overview —

Rent Roll

Tenant	Lease Start	Lease End	Square Feet	PSF Year	Contract Rental Rate		Rent Increases		Options
					Year	Month			
Albertsons	Jun-19	Jun-39	65,219	19.04	\$1,242,131	\$103,511	Yr 2-5 Yr 11 & 16 Option 1- 5 Option 6-8	1.50% 7.50% 7.50% FMV	8 x 5 yr





Albertsons Lease Abstract

Lessor	CF ALBERT PROPCO III, LLC, a Delaware limited liability company
Lessee	Albertson's LLC
Tenant Name	Albertsons
Guarantor	ALBERTSONS COMPANIES, INC., a Delaware corporation
Tenant Size (SF)	65,231
Lease Commencement Date	6/28/2019
Expiration Date	6/30/2039
Lease Term	240 months
Remaining Lease Term (Current-6/27/2039)	240 months
No. & Term of Options	8 x 5 yr
Contractual Rental Rate (Current-6/27/2020)	\$1,242,131
Rent Increase Schedule	
6/28/2020-6/27/2021	\$1,260,763
6/28/2021-6/27/2022	\$1,279,674
6/28/2022-6/27/2023	\$1,298,870
6/28/2023-6/27/2029	\$1,318,353
6/28/2029-6/27/2034	\$1,417,229
6/28/2034-6/27/2039	\$1,523,521
Option 1-5	7.50%
Option 6-8	FMV
Lesee Operating Expenses	Tenant shall maintain or cause to be maintained, at its sole cost and expense, the Common Area at all times in good and clean condition and repair
Property Tax Expense	Tenant shall be liable for and, to the extent permitted under applicable law, agrees to pay directly to the applicable collecting authority, as they accrue, all taxes
Property Insurance	Tenant shall maintain commercial general and auto liability insurance, insuring it against claims for personal injury, bodily injury or death, and property damage or destruction.
Maintenance & Repairs	Tenant's sole cost and expense, maintain the Leased Premises, structural and non-structural, interior and exterior, in good repair and condition, and will make all structural and non-structural, interior and exterior, foreseen and unforeseen and ordinary and extraordinary changes, replacements, upgrades and repairs which may be required with respect to the Leased Premises
Estoppel	Tenant must delivery to Landlord within fifteen (15) business days after receipt of written request

Tenant Overview



Albertsons

www.albertsons.com

Albertsons Companies is a leading food and drug retailer in the United States. As of February 23, 2019, the Company operated 2,269 retail stores with 1,739 pharmacies, 397 associated fuel centers, 23 dedicated distribution centers, six Plated fulfillment centers and 20 manufacturing facilities. The Company's stores predominantly operate under the banners Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Market Street, Pavilions, Star Market, Carrs and Haggen, as well as meal kit company Plated.

Sales and other revenue increased 1.0% to \$60.5 billion during the 52 weeks ended February 23, 2019 ("fiscal 2018") compared to \$59.9 billion during the 52 weeks ended February 24, 2018 ("fiscal 2017"). The increase in sales was primarily driven by the Company's 1.0% increase in identical sales and higher fuel sales. Gross profit margin increased to 27.9% during fiscal 2018 compared to 27.3% during fiscal 2017. Excluding the impact of fuel, gross profit margin increased 70 basis points. The increase in gross profit margin excluding the impact of fuel was primarily driven by improved shrink expense, lower advertising costs and improved product mix including increased Own Brands penetration.

- Identical sales increased 1.1% during the fourth quarter and increased 1.0% for the full year
- Adjusted EBITDA of \$727 million in the fourth quarter and \$2.74 billion during the full year representing over 14% growth in fiscal 2018
- eCommerce sales growth of 52% and 83% during the fourth quarter and full year, respectively
- Continued strong Own Brands sales penetration of 25.2% in the fourth quarter

Ownership	Albertsons Company, Inc.
Revenue	\$60.5 Billion
Headquartered	Boise, Idaho

Albertsons®







AREA

— overview —

San Diego County, CA Overview

Located in the southwestern corner of the state of California. With a population of 3,371,481, San Diego County is the second-most populous county in California and the fifth-most populous in the United States. Most of the county has a mild Mediterranean climate to semiarid climate, though there are mountains that receive frost and snow in the wintertime.

Tourism plays a large part in the economics of the San Diego metropolitan area. Tourists are drawn to the region for a well- rounded experience, everything from shopping to surfing as well as its mild climate. Its numerous tourist destinations include Horton Plaza, Westfield UTC, Seaport Village, Westfield Mission Valley and Fashion Valley Mall for shopping, SeaWorld San Diego and LEGOLAND California amusement parks.

Major Employers

Employer	# of Employees
United States Navy	29,948
University of California, San Diego	28,459
Sharp HealthCare	16,896
Qualcomm	13,725
San Diego Unified School District	13,446
City of San Diego	10,968
Dexcom	10,968
Kaiser Permanente	7,549

Demographics | San Diego County

Population	
2019 Estimate	3,371,481
2024 Projection	3,522,777
Growth 2019-2024	4.49%
Growth 2010-2019	8.92%
Households	
2019 Estimate	1,180,609
2024 Projection	1,233,395
Growth 2019-2024	4.47%
Growth 2010-2019	8.63%
Household Income	
Average Household Income	\$109,456
Median Housing Value	\$601,213

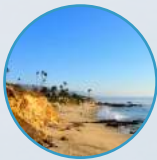
Distance To



±16 MILES
DOWNTOWN SAN DIEGO



±45 MILES
CARLSBAD COASTLINE



±82 MILES
SOUTH ORANGE COUNTY

Camp Pendleton

Located just a few blocks from the Fallbrook Albertsons property lies the Marine Corps base Camp Pendleton, the Corps' largest West Coast expeditionary training facility. Encompassing more than 125,000 acres of Southern California, Camp Pendleton is one of the Department of Defense's busiest installations and offers a broad spectrum of training facilities for many active and reserve Marine, Army, and Navy units, as well as national, state and local agencies.

More than 38,000 military family members occupy base housing complexes, but with a daytime population of over 70,000 military and civilian personnel, the Marines, Sailors, and their families rely on the surrounding community of Fallbrook for retail goods and services as well as housing that are not made available on base.

Economic Impact

Defense spending represents the region's most important and largest economic catalyst. One-fifth of San Diego County's economy relies on this sector.

An estimated total of \$23.3 billion in direct spending related to defense has been sent to San Diego County during fiscal year 2018, an amount equal to over \$7,000 for each of the County's residents. The military sector has generated more than 300,000 of the region's total jobs in 2018, representing one out of five jobs existing in the County. In fiscal 2018, the 53 U.S. Navy ships ported in San Diego will see direct spending of about \$2.0 billion that will equate to a total economic impact of \$6.0 billion in gross regional product.



10 MILES

Albertsons in Fallbrook is the only true major grocery store chain located within a ± 10 mile radius of the subject property.



1133 S. Mission Road
Fallbrook, California

FALLBROOK

CAMP PENDLETON NORTH

BONSALL

VALLEY CENTER

HIDDEN MEADOWS

VISTA

INSIDE

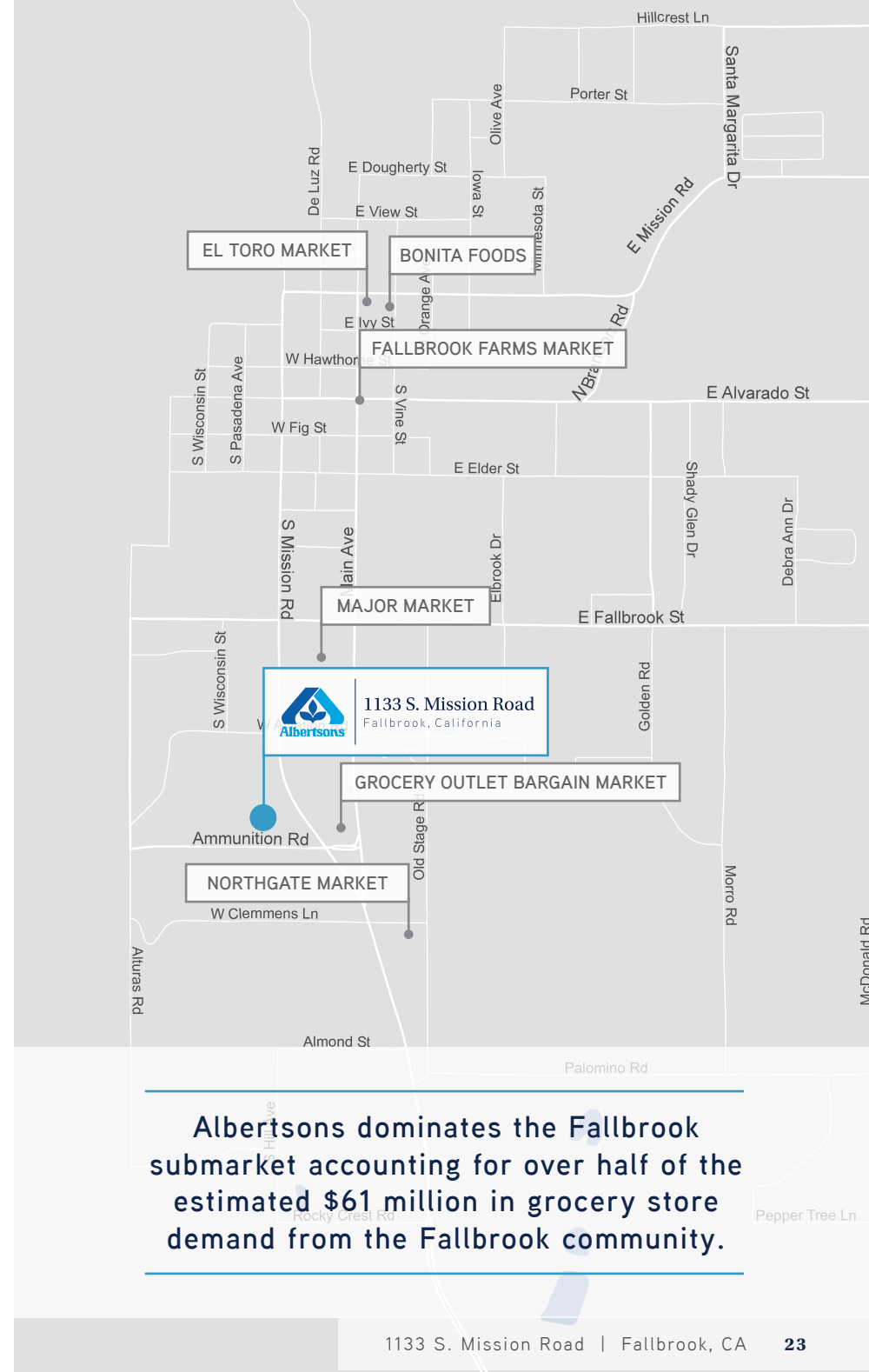
CAMP PENDLETON SOUTH

Fallbrook, CA Overview

Sitting immediately east of the U.S. Marine Corps' Camp Pendleton, Fallbrook lies about 56 miles north of downtown San Diego. Often referred to as "The Friendly Village," Fallbrook is a middle-class community of approximately 17.5-square-miles with a population of about 30,500. Fallbrook's downtown is 5.5 miles west of Interstate 15 or 6 miles north of State Route 76. The most common industries in Fallbrook are construction, manufacturing, retail trade and agriculture. Known for its avocado groves, the town holds The Avocado Festival in the downtown strip annually which frequently draws large crowds.

Demographics

Population	1 Mile	3 Miles	5 Miles
2019 Estimate	15,000	32,067	46,326
2024 Projection	15,518	33,445	48,392
Growth 2019-2024	3.45%	4.30%	4.46%
Growth 2010-2019	5.0%	6.93%	7.58%
Households	1 Mile	3 Miles	5 Miles
2019 Estimate	4,518	10,524	15,580
2024 Projection	4,681	10,984	16,310
Growth 2019-2024	3.61%	4.37%	4.68%
Growth 2010-2019	5.39%	7.06%	7.89%
Household Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$61,896	\$86,173	\$96,305
Median Housing Value	\$435,325	\$566,162	\$623,060



El Warner

Executive Vice President
Retail Capital Markets
Lic. 01890271
Mobile +1 858 752 3078
Direct +1 949 724 5690
el.warner@colliers.com

Charley Simpson

Senior Vice President
Retail Capital Markets
Lic. 01302079
Mobile +1 949 275 8807
Direct +1 949 724 5680
charley.simpson@colliers.com

Caitlin Zirpolo

Associate Vice President
Retail Capital Markets
Lic. 01987844
Mobile +1 760 685 6873
Direct +1 949 724 5640
caitlin.zirpolo@colliers.com

Jordan Gomez

Associate Vice President
Retail Capital Markets
Lic. 02008809
Mobile +1 951 264 5994
Direct +1 949 724 5610
jordan.gomez@colliers.com

David Maloy

Associate Vice President
Retail Capital Markets
Lic. 10401244229 NY
Mobile +1 917 515 9975
Direct +1 949 724 5650
david.maloy@colliers.com

Colliers International
3 Park Plaza | Suite 1200
Irvine, CA 92614 | United States
colliers.com/greaterlosangeles



This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers International and/or its licensor(s). ©2019. All rights reserved.