

Offering
Memorandum

Single Tenant NNN

BED BATH & BEYOND

14351 Hindry Ave.
Hawthorne, CA

COST PLUS
WORLD MARKET

COSTCO
WHOLESALE

 **CHIPOTLE**
MEXICAN GRILL



 **NKF**
CAPITAL MARKETS



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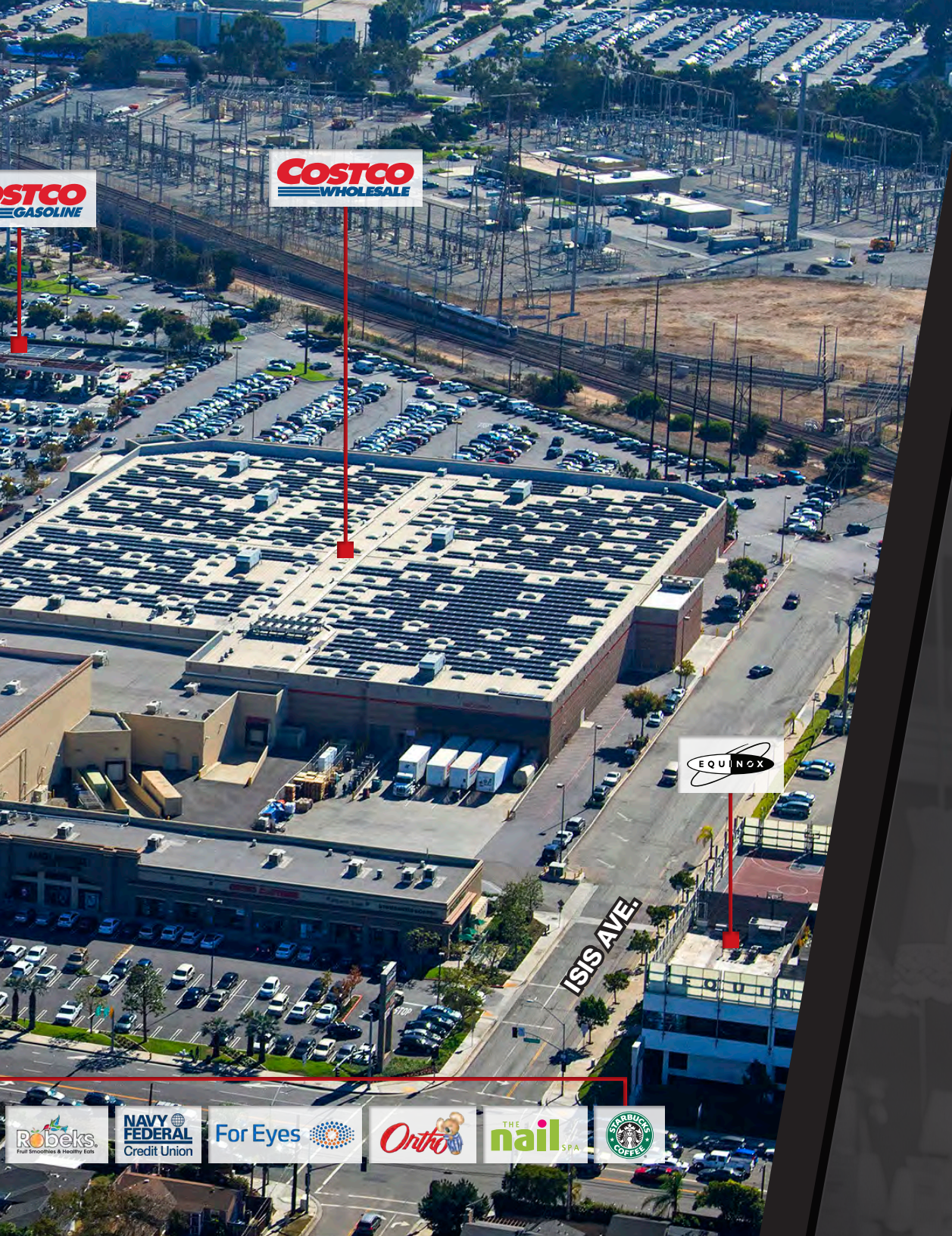
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INVESTMENT

Summary

Offering Summary

Asking Price	\$13,860,000
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Cap Rate	6.75%
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NOI	\$935,550
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Lease Expiration	January 31, 2030
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Options	One (1) Five (5) Year
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Option Rent	\$1,029,105
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Offered GLA ^[1]	± 40,500 SF
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Offered Land Area	± 1.48 Acres
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Total Parking	415 spaces
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APN	4149-013-073
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Address	14351 Hindry Avenue Hawthorne, CA 90250
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^[1] Building square footage per the lease is 40,821 plus 1,100 SF of mezzanine. Per the lease, rent and % rent is based on 40,500 SF

Newmark Knight Frank and Highland Partners are pleased to present the opportunity to acquire a single tenant NNN Bed Bath & Beyond in Hawthorne Gateway Center, one of the most prominent promotional shopping centers servicing the South Bay region of Los Angeles County. The offering consists of an approximately 40,500 square feet on a 1.48 acre land parcel. Bed Bath & Beyond has occupied this location since 2001, recently renewed until 2030, and has historically operated a very good store. They are required to report sales annually and often hit their sales breakpoint (inquire with broker for sales).

The center enjoys a tremendous regional location at the southwest corner of the San Diego (405) Freeway and Rosecrans Avenue in the City of Hawthorne. The project is situated along the famed Rosecrans corridor which runs from the San Diego (405) Freeway west to the beach communities of Manhattan Beach and El Segundo. Rosecrans Avenue is the primary retail and commuter corridor servicing this submarket.

Bed Bath & Beyond is located in immediate proximity to the affluent communities of Manhattan Beach, Hermosa Beach, Redondo Beach, and El Segundo. The outstanding demographics and regional location account for the tremendous sales performance of the retailers in the center. There are over 287,000 residents with average household incomes in excess of \$108,000 per year within three (3) miles of the center. Average home values in the immediate area exceed \$1 million and \$2 million in the case of Manhattan Beach.

Investment Highlights

Exceptional South Bay Location

- Located within Hawthorne Gateway Shopping Center, the dominant regional center anchored by a very high volume Costco
- Bed Bath & Beyond services the affluent communities of Manhattan Beach, Hermosa Beach, Redondo Beach, and El Segundo
- Regionally accessible via the San Diego (405) Freeway via the Rosecrans Avenue on/off ramps that feed directly into Hawthorne Gateway
- Excellent Ingress and egress with four major access points to the project
- Expanded trade area via Rosecrans Avenue, the major east/west arterial, connecting the cities of Gardena, Hawthorne, and Lawndale to the beach cities

Excellent Co-tenancy with Strong Sales

- Costco operates an extremely high volume store where annual volumes are said to exceed \$350,000,000
- Bed Bath & Beyond has operated a very high volume store here since 2001 and has often been in percentage rent
- Strong daytime traffic driven by the highly successful restaurant co-tenants such as Chipotle, Jersey Mikes, Starbucks, McDonalds, San Sei, and Robeks – all reporting very high volume store sales

Outstanding Demographics

- This Bed Bath & Beyond location services the affluent beach communities of Manhattan Beach, Hermosa Beach, Redondo Beach, and El Segundo
- Manhattan Beach boasts median home prices of \$2,400,000 with average household incomes exceeding \$230,000
- Population base of over 287,000 residents with average household incomes in excess of \$108,000 per year within three (3) miles of the center
- Dense daytime population with over 263,000 employees working within five (5) miles radius – notable corporate employers include Raytheon, Northrop Grumman, UBER, Porsche, and Chevron







BED BATH & BEYOND





PROPERTY

Overview

Property Overview

Address	14351 Hindry Avenue Hawthorne, CA 90250
Offered GLA	± 40,500 SF
Offered Land Area	± 1.48 Acres
Parking	415 spaces
APN	4149-013-073
Zoning	HAM1



Accessibility to

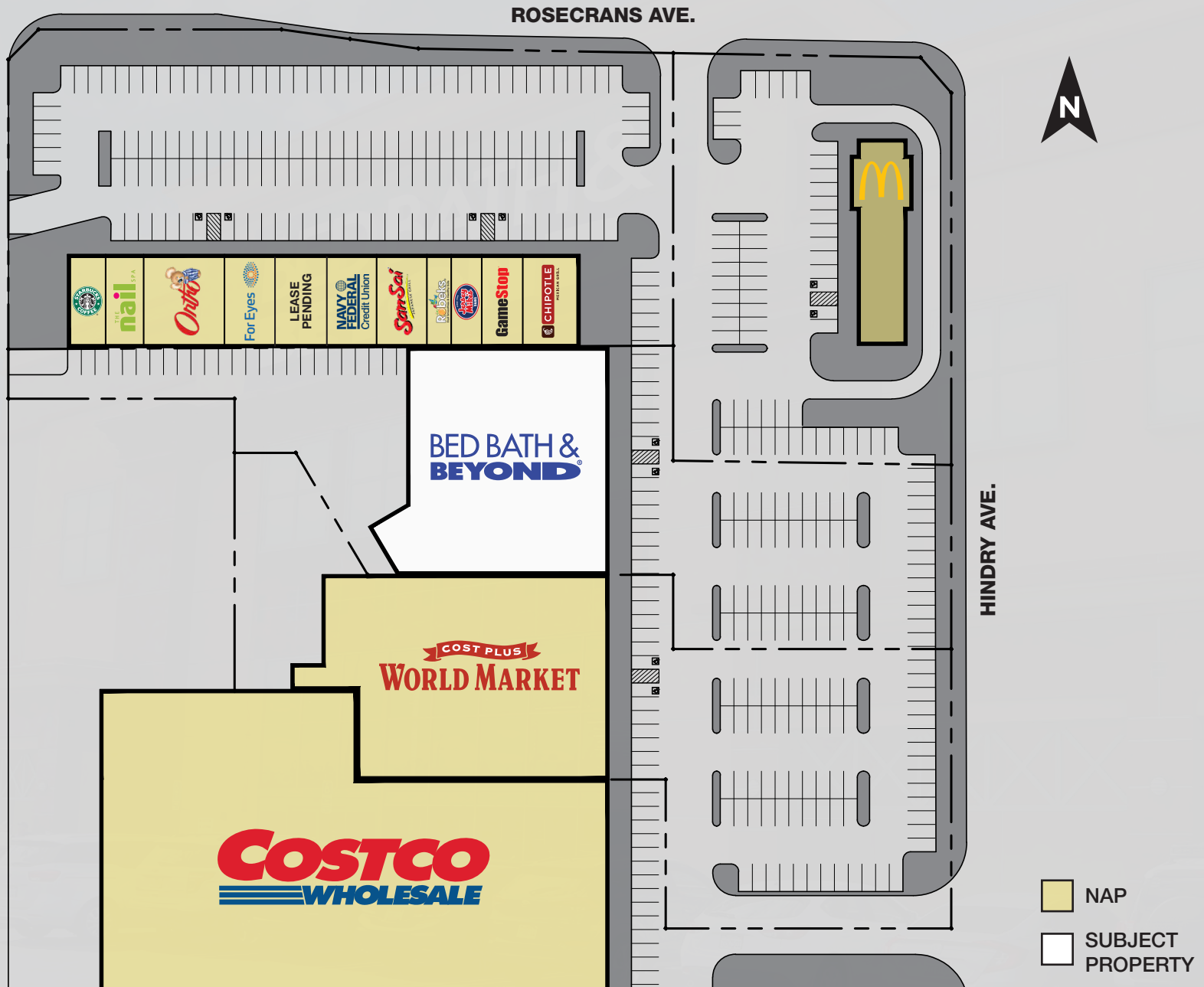


Freeway

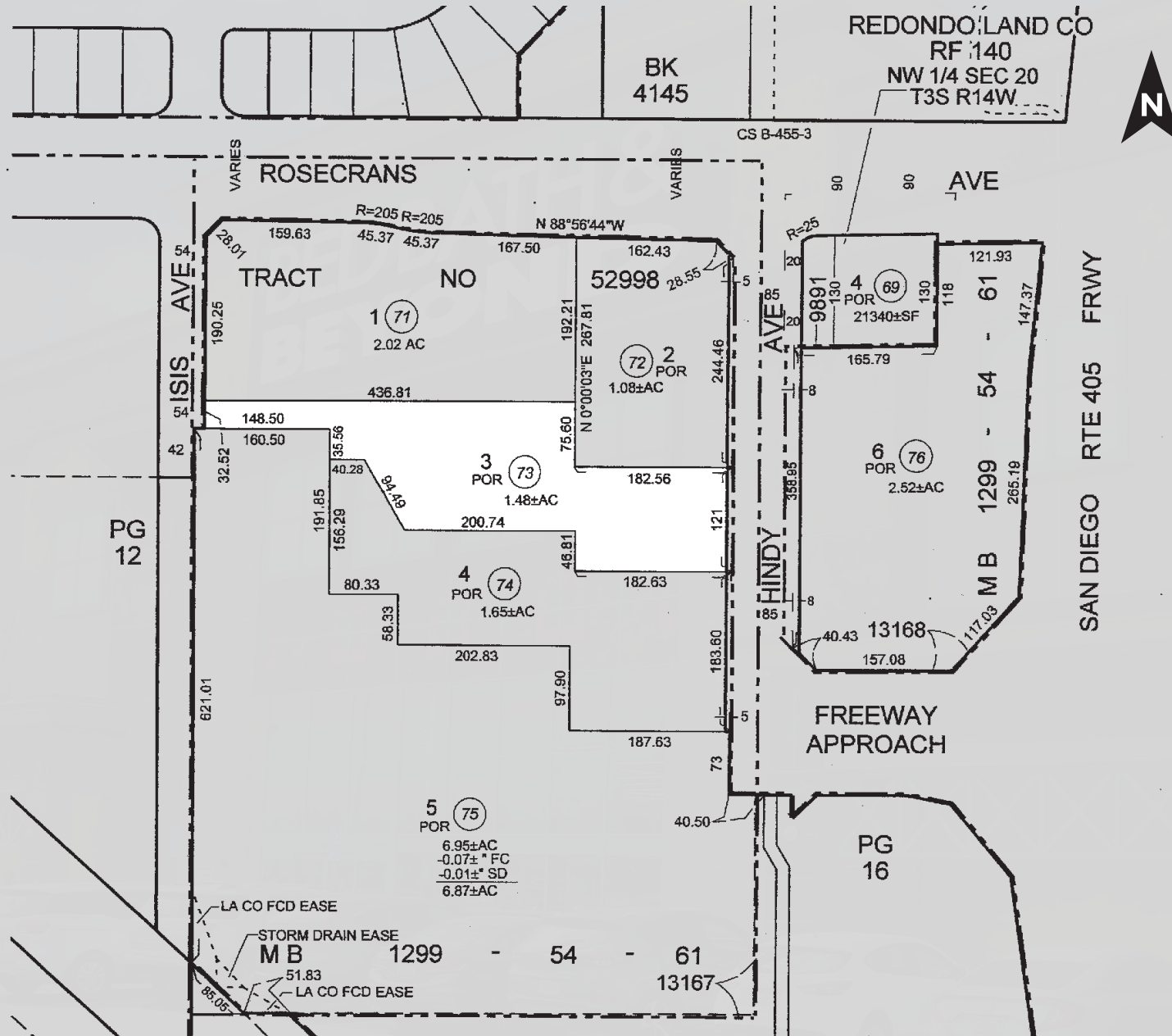




Site Map



Parcel Map





BED BATH
BEYOND



AREA

Overview

Area Overview

Bed Bath & Beyond is located in the South Bay region of Los Angeles, one of the more prominent areas of Southern California. Geographically, the South Bay stretches along the southern shore of Santa Monica Bay and includes fifteen communities south of Interstate 105 and Long Beach. The South Bay is one of the most culturally, economically, and ethnically diverse areas of the United States. El Segundo, Hermosa Beach, Redondo Beach, and Torrance have a mixture of upper middle class residents. Manhattan Beach and the Palos Verdes Peninsula are two of the wealthiest communities in the United States, with some of the most expensive real estate where average home prices exceed \$2,000,000 and ocean front properties are known to exceed \$20,000,000.

Aerospace

The South Bay is the traditional home of Southern California's aerospace industry. It represents a major economic force, employing thousands in high-skill, high-wage engineering positions and generating enormous amounts of tax revenue. Northrop Grumman has a major facility in El Segundo where the F/A-18 Hornet fuselage is manufactured, as well as the headquarters of the Space Technology division in Redondo Beach and a facility at the Hawthorne Municipal Airport. Boeing and Lockheed Martin also maintain extensive production facilities throughout the South Bay, and Raytheon's Space and Airborne Systems business unit is based in El Segundo. The Los Angeles Air Force Base, in El Segundo, is the locus of much of this aerospace research activity, as it is the primary development facility for military satellites and other space programs. DirecTV, a former subsidiary of Hughes Aircraft, is also headquartered in El Segundo for this reason. SpaceX also headquartered in the South Bay, is located in Hawthorne.



The Point



Plaza El Segundo



Manhattan Village

Location Map and Demographics



*Within
3
Miles*



66,765
Families



42,698
Home Owners



36
Median Age



\$108,906
*Average Household
Income*



115,786
*Daytime
Population*

*Average
Household
Income*

Within 5 Miles
\$97,681

Within 3 Miles
\$108,906



Population

Within 5 Miles
586,012

Within 3 Miles
287,052



PACIFIC OCEAN

LAX

Manhattan Beach

POPULATION: 35,741
HOUSEHOLD INCOME: \$233,316
MEDIAN HOME PRICE: \$2,400,000

El Segundo

POPULATION: 16,929
HOUSEHOLD INCOME: \$120,471
MEDIAN HOME PRICE: \$1,086,400

Hollyhelen

POPULATION: 2,814
HOUSEHOLD INCOME: \$111,757
MEDIAN HOME PRICE: \$950,000

SUBJECT
PROPERTY

Redondo Beach

POPULATION: 75,896
HOUSEHOLD INCOME: \$134,928
MEDIAN HOME PRICE: \$1,022,200

Hawthorne

POPULATION: 122,555
HOUSEHOLD INCOME: \$47,703
MEDIAN HOME PRICE: \$495,291

* Data sourced from neighborhood scout.com and datausa.io







FINANCIAL

Summary

Listing Terms - Rent Roll

Listing Terms

Asking Price	\$13,860,000
Cap Rate	6.75%
NOI	\$935,550
Lease Expiration	January 31, 2030
Options	One (1) Five (5) Year
Option Rent	\$1,029,105

Proposed Loan Summary

Purchase Price	6.75% Cap	\$13,860,000
Total Debt	65%	\$9,009,000
Required Equity	35%	\$4,851,000
Interest Rate		4.50%
Monthly Debt Service		\$45,647
Annual Debt Service ^[1]		\$547,767
NOI		\$935,550
Annual Cash Flow		\$387,783
Cash on Cash Return		7.99%

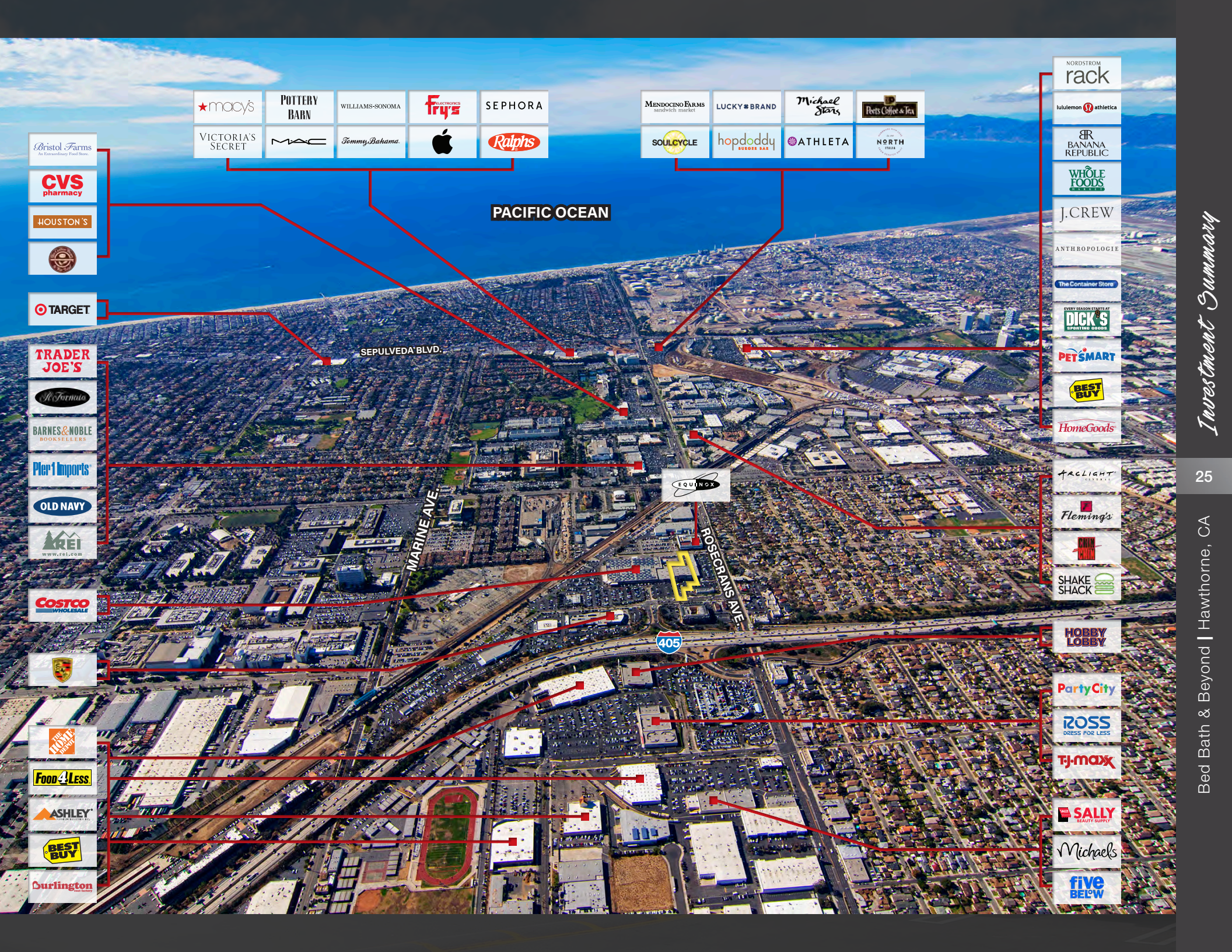
^[1] Based on a 30 year amortization schedule

TENANT NAME	LEASE START	LEASE END	SF ^[1]	DATE	\$/SF	CURRENT RENT/YR	RECOVERY METHOD	OPTIONS
Bed Bath & Beyond	12/31/2001	1/31/2030	40,500	Current	\$23.16	\$935,550	NNN + 10% Admin	One (1) Five (5) Year
				Option 1	\$1,029,105			
TOTAL			40,500		\$23.16	\$935,550		

^[1] Building square footage per the lease is 40,821 plus 1,100 SF of mezzanine. Per the lease, rent and % rent is based on 40,500 SF



All information furnished regarding property for sale, rental or financing is from sources deemed reliable. Seller and broker make no representation as to the accuracy thereof and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, or financing, or withdrawal without notice.



macy's	POTTERY BARN	WILLIAMS-SONOMA	Fry's	SEPHORA
VICTORIA'S SECRET	MAC	Tommy Bahama	Apple	Ralphs

MENDOCINO FARMS	LUCKY # BRAND	Michael Stars	Pete's Coffee & Tea
SOULCYCLE	hopdoddy	ATHLETA	NORTH

NORDSTROM	rack
lululemon	athletica
BANANA REPUBLIC	
WHOLE FOODS	
J.CREW	
ANTHROPOLOGIE	
The Container Store	
DICK'S SPORTING GOODS	
PETSMART	
BEST BUY	
HomeGoods	
ARLIGHT	
Fleming's	
SHAKE SHACK	
HOBBY LOBBY	
Party City	
ROSS	DRESS FOR LESS
TJ-maxx	
SALLY BEAUTY SUPPLY	
Michaels	
five BELOW	

Bristol Farms
CVS pharmacy
HOUSTON'S

TARGET

TRADER JOE'S
McFormica
BARNES & NOBLE BOOKSELLERS
Pier 1 Imports
OLD NAVY
REI

COSTCO WHOLESALE

--

THE HOME DEPOT
Food 4 Less
ASHLEY
BEST BUY
Curlington

PACIFIC OCEAN

SEPULVEDA BLVD.

MARINE AVE.

EQUINOX

ROSECRANS AVE.

405

Disclaimer

Newmark Knight Frank and Highland Partners, exclusive marketing representatives of the Seller, are solely authorized to present this property investment offering (the "Offering"). This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of (the "Property").

Prior to submitting an offer to purchase the Property, interested parties should perform and rely upon their own investigations, analyses, estimates and projections and otherwise satisfy any concerns regarding material aspects of the proposed transaction including, but not limited to, legal, municipal, environmental, operational, seismic, financial and physical issues, and all other matters affecting or pertaining to the Property. The Seller will be offering the Property including all appurtenances and tenant improvements, solely on an "As-Is, With-All-Faults" basis, without any representations or warranties. No person is authorized to make any representations or warranties on behalf of the Seller regarding the Property. Any and all information regarding the Property provided to any interested party by the Seller or Newmark Knight Frank and Highland Partners, including all information contained in the Offering, is provided without any representation or assurance, express or implied, regarding the accuracy, completeness or current status of applicability of such information. Each interested party is expected to undertake such reviews and investigations and make such inquiries as such party may believe to be necessary, appropriate or advisable for the purpose of forming a decision to make an offer to acquire the Property.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with an entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

The material contained herein is confidential and is presented strictly as information for the exclusive use of the prospective purchaser. Receipt and review of this Offering by the prospective purchaser constitutes an agreement not to divulge, share or distribute the information to any other party, except the prospective purchaser's legal counsel and financial advisors, without the prior specific written authorization of the Seller or Newmark Knight Frank and Highland Partners. Each prospective purchaser shall also agree to and comply with the provisions of the confidentiality agreement executed by such prospective purchaser prior to receipt of this Offering. This Offering is submitted subject to errors, changes, omissions, changes in price, market and other conditions. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that prospective purchasers may desire. It should be noted that any and all market analyses, estimates and projections contained in this Offering are provided for general reference purposes only and are based on assumptions related to the general economy, competition, real estate market trends, and other factors beyond the control of the Seller or Newmark Knight Frank and Highland Partners.

Such analyses, estimates and projections are therefore subject to material variation, and may not be consistent with the views or assumptions held by other professionals.

PHOTOCOPYING OR OTHER DUPLICATION OF THIS OFFERING IS NOT AUTHORIZED.

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