

Burlington

BURLINGTON

14705 Ocean Gate Avenue, Hawthorne, CA 90250

BRAND NEW 10-YEAR NET LEASE



Representative Photo

INVESTMENT OVERVIEW


OFFERING PRICE	\$18,262,000
NOI	\$1,022,693
CAP RATE	5.60%
TERM REMAINING	±10 Years
RENT INCREASES	\$1.50/SF every 5 years
BUILDING SIZE	45,453 SF
LAND AREA	3.33 Acres
TRAFFIC COUNTS	Rosecrans Avenue & Ocean Gate Avenue: 60,200 VPD

INVESTMENT SUMMARY

The CBRE Net Lease Property Group is pleased to exclusively offer a freestanding 45,453-square-foot Burlington situated on 3.33 acres in Hawthorne, CA—a component of the Los Angeles Metropolitan Area (MSA Population: 13.3 Million). Burlington's net lease is expected to commence in March 2020 and will feature ±10 years of primary term with four 5-year renewal options. The site has excellent access from the intersection of Rosecrans Avenue and Ocean Gate Avenue (Combined Traffic Count: 60,200 VPD) and is just feet from the on-ramp to Interstate 405 (Traffic Count: 293,580 VPD). Burlington is strategically located within the Oceangate Commerce Center, which is occupied by The Home Depot, Walmart Neighborhood Market, Food 4 Less, Marshalls, Public Storage, LA Fitness, Best Buy, Ashley HomeStore, Ross Dress for Less, T.J. Maxx, and Michaels, among others. The property is also just 5 miles from the Los Angeles International Airport (LAX), which welcomed 87.5 million passengers in 2018. Burlington benefits from its position within one of Hawthorne's primary retail and commercial corridors with 13.7 MSF of retail, 21.5 MSF of office, 21.5 MSF of industrial, and 29,359 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include Bed Bath & Beyond, Costco Wholesale, Porsche, Subaru, Volkswagen, Starbucks, Chipotle, REI, Trader Joe's, Old Navy, Office Depot, BevMo!, Bristol Farms Manhattan Beach, and CVS, along with a multitude of others. The property further benefits from its dense, affluent, and infill trade area with a population of 291,848 and average household income of \$117,643 within a 3-mile radius. Los Angeles County's diverse economy, strong residential density, nearly perfect climate and high quality of life make it one of the most desirable locations for retailers in the country.

Representative Photo



Demographics	1-Mile	3-Mile	5-Mile
 Population	24,209	291,848	588,979
 AHI	\$114,380	\$117,643	\$106,080

INVESTMENT HIGHLIGHTS

Premier Tenant

Burlington, formerly known as Burlington Coat Factory, is an American national off-price department store retailer offering coats, jackets and additional clothing items at an affordable price. Having been in business for nearly 50 years, Burlington is among the most trusted names in retail, operating 675 locations across 45 states with over 40,000 employees. As of May 4, 2019, Burlington reported TTM total revenues of \$6.8 billion, TTM net income of \$409.9 million, and total assets of \$5.1 billion. The tenant under the lease is Burlington Coat Factory of Texas, Inc., a subsidiary of Burlington Coat Factory Warehouse Corporation.

Net Lease

Burlington's net lease is expected to commence in March 2020 and will feature 10 years of primary term with four 5-year renewal options.

Below Replacement Cost

This offering is an excellent opportunity to acquire a highly-desirable retail box at a price that is significantly below the replacement cost.

Excellent Access & Visibility

The site has excellent access from the intersection of Rosecrans Avenue and Ocean Gate Avenue (Combined Traffic Count: 60,200 VPD) and is just feet from the on-ramp to Interstate 405 (Traffic Count: 293,580 VPD).

Strategic Location

Burlington is strategically located within the Oceangate Commerce Center, which is occupied by The Home Depot, Walmart Neighborhood Market, Food 4 Less, Marshalls, Public Storage, LA Fitness, Best Buy, Ashley HomeStore, Ross Dress for Less, T.J. Maxx, and Michaels, among others.

Proximity to LAX

The property is also just 5 miles from the Los Angeles International Airport (LAX), which welcomed 87.5 million passengers in 2018.

Dominant Retail & Commercial Corridor

Burlington benefits from its position within one of Hawthorne's primary retail and commercial corridors with 13.7 MSF of retail, 21.5 MSF of office, 21.5 MSF of industrial, and 29,359 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include Bed Bath & Beyond, Costco Wholesale, Porsche, Subaru, Volkswagen, Starbucks, Chipotle, REI, Trader Joe's, Old Navy, Office Depot, BevMo!, Bristol Farms Manhattan Beach, and CVS, along with a multitude of others.

Affluent Trade Area

The property further benefits from its dense, affluent, and infill trade area with a population of 291,848 and average household income of \$117,643 within a 3-mile radius. Los Angeles County's diverse economy, strong residential density, nearly perfect climate and high quality of life make it one of the most desirable locations for retailers in the country.

Hawthorne Area

Hawthorne is located in Los Angeles' South Bay, placing it at the heart of one of the busiest and most prominent commercial areas in the world. This location sits in the center of the Los Angeles Port, LAX, and Downtown Los Angeles, priming the city to capitalize on the immense trade that surrounds it daily. With its close proximity to LA's major freeways, the residents of Hawthorne are well situated inside Los Angeles County having easy access to top tier companies like Dole Foods, Edison International, Molina Healthcare. The area immediately surrounding Hawthorne itself hosts the U.S. headquarters of multiple international companies like Space X, Nissin Foods, Marukai Corporation, Digital Manga, and National Store Inc. All of these job opportunities contribute to the density of the area and in turn its commercial strength. With its strong location and pro-business government, Hawthorne is poised to continue its strong commercial growth.





ROSECRANS AVENUE &
OCEAN GATE AVENUE:
60,200 VPD

ROSS
DRESS FOR LESS

T.J. MAXX

FIVE BELOW

Michaels

Food 4 Less

bruder

Ashley
HOMESTORE

LA FITNESS

BEST BUY

MARCO
FINE ARTS

OCEAN GATE AVENUE

W 147TH STREET

Burlington

LAWDALE
HIGH SCHOOL

PROPERTY DESCRIPTION



Location

14705 Ocean Gate Avenue
Hawthorne, CA 90250



Site

Standalone box within the Oceangate
Commerce Center.



Land Area

3.33 Acres
APN: 4149-001-117



Building Area

45,453 SF



Frontage & Access

Frontage along Interstate 405.
Immediate access via Ocean Gate
Avenue.



Commercial Base

13.7 MSF of retail, 21.5 MSF of office,
21.5 MSF of industrial, and 29,359
multifamily units within a 3-mile
radius.



Traffic Counts

Rosecrans Avenue &
Ocean Gate Avenue:
60,200 VPD



Year Built

1991



Zoning

Los Angeles County, CA
CR / Regional Commercial



INTERSTATE 405: 293,580 VPD



Burlington

Party City
NOBODY HAS MORE PARTY FOR LESS

ROSS
DRESS FOR LESS

T.J. maxx

SHOPPERS WORLD DR

OCEAN GATE AVENUE



ROSECRANS AVENUE &
OCEAN GATE AVENUE:
60,200 VPD

TENANT PROFILE

BURLINGTON

Headquartered in Burlington Township, New Jersey, Burlington is a leading off-price apparel and home product retailer, and a division of Burlington Coat Factory Warehouse Corporation. Originally formed and incorporated 47 years ago in 1972, Burlington has become one of the most trusted names in retail, operating 675 stores (inclusive of an internet store) in 45 states and Puerto Rico. Burlington initially started by selling coats and jackets at an affordable price, then gradually extended its selection with in-season, fashion focused merchandise, including: women's ready-to-wear apparel, accessories, footwear, menswear, youth apparel, baby, home, beauty and gifts; therefore, becoming a one-stop shopping experience.

The Company is listed on the Fortune 500 (#459) and its common stock is traded on the New York Stock Exchange under the ticker symbol "BURL." As of May 4, 2019, Burlington reported TTM total revenues of \$6.8 billion, TTM net income of \$409.9 million, and total assets of \$5.1 billion.

The tenant under the lease is Burlington Coat Factory of Texas, Inc., a subsidiary of Burlington Coat Factory Warehouse Corporation.

NUMBER OF STORES	675
HEADQUARTERS	Burlington, NJ
NUMBER OF EMPLOYEES	40,000+
TICKER	NYSE: BURL
WEBSITE	www.burlington.com



Burlington is transitioning from a former Toys R Us site.



Actual Site Photos

LEASE ABSTRACT

TENANT	Burlington Coat Factory of Texas, Inc.
LEASE TERM	±10 Years
LEASE COMMENCEMENT	March 1, 2020 (Estimate)
LEASE EXPIRATION	February 28, 2030 (Estimate)
LEASE TYPE	NN
CURRENT TERM RENT	Years 1-5: \$1,022,693 Years 6-10: \$1,090,872
RENT ESCALATIONS	\$1.50/SF increase every 5 years
REMAINING OPTIONS	Four 5-year options
OPTION RENT	Option 1: \$1,199,959 Option 2: \$1,319,955 Option 3: \$1,451,951 Option 4: \$1,597,146
TAXES	Landlord shall pay all real property taxes upon the Landlord's Parcel and upon all the improvements that become due and payable during the Term. Tenant agrees to pay Landlord as Additional Rent its pro-rata share of Taxes assessed against the Landlord's Parcel for each calendar year which occurs entirely after the Rent Commencement Date.
INSURANCE	Landlord shall maintain a policy of insurance covering the Landlord's Parcel against loss, damage or destruction caused by any peril covered by a Cause of Loss - Special Form coverage part to a policy of property insurance, including coverage for water damage, business income, extra expense, service interruption, ordinance or law, boiler and machinery, demolition costs, and terrorism. Such coverage shall be no less than the full written for replacement value of the Landlord's Parcel. Landlord shall maintain commercial general liability insurance against claims for bodily injury, personal injury, death or property damage occurring on, in or about the Shopping Center. This coverage must have a combined single limit of not less than \$5,000,000 and shall also maintain umbrella liability insurance in addition to primary coverage in an amount not less than \$15,000,000. Tenant shall pay the premiums for such policy or policies at sole cost and expense in the same manner that Tenant pays Minimum Rent as set forth under this Lease. Tenant shall maintain a commercial general liability insurance against claims for bodily injury, personal injury, death or property damage occurring on, in or about the Demised Premises or as a result of ownership of facilities located in the Demised Premises. The coverage must have limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.
REPAIRS & MAINTENANCE	Landlord shall make and pay for all maintenance and repairs, structural or otherwise, to the exterior of the Building and all repairs to the interior of the Building which are of a structural nature and which are not made necessary by any unusual use or alteration of the Demised Premises by Tenant including, without limitation, all repairs to the sprinkler or fire safety system and all maintenance repairs to the structure and roof, the roof skin, utility lines, flashings, gutters and downspouts, floor slab, exterior walls, columns, beams, foundations and footings. Tenant shall make and pay for all nonstructural repairs to the interior of the Demised Premises which are reasonably necessary to keep the same in a good state of repair as well as all maintenance, servicing and repairs to the heating, ventilating, and air-conditioning system exclusively servicing the Demised Premises.
COMMON AREA MAINTENANCE	Landlord agrees to adequately maintain or cause to be maintained all of the Common Facilities in good, safe, clean, usable, unobstructed condition, adequately lighted, free and clear of ice, snow and debris, to include the following; maintaining repairing, resurfacing and re-striping all paved surfaces, removing all snow, papers, gum, debris, graffiti, filth and refuse and thoroughly sweeping the area, maintaining all traffic directional signs, markers, and lines, operating, maintaining, repairing, and replacing artificial lighting facilities, maintaining and repairing all common area walls and fences, all storm drains, sewers and other utility lines and facilities not dedicated to the public Tenant agrees to pay to Landlord a fixed monthly charge equal to 1/12 of \$1.73 PSF of the Demised Premises per year (the "Fixed CAM Charge"). For each calendar year thereafter during the Term, Tenant's share of Operating Costs shall increase by 3% over the previous calendar year, which increases shall occur on each CAM Adjustment Date.

AREA OVERVIEW

HAWTHORNE, CA

Hawthorne is located in Los Angeles' South Bay, placing it at the heart of one of the busiest and most prominent commercial areas in the world. This location sits in the center of the Los Angeles Port, LAX, and Downtown Los Angeles, priming the city to capitalize on the immense trade that surrounds it daily. With its close proximity to LA's major freeways, the residents of Hawthorne are well situated inside Los Angeles County having easy access to top tier companies like Dole Foods, Edison International, Molina Healthcare. The area immediately surrounding Hawthorne itself hosts the U.S. headquarters of multiple international companies like Space X, Nissin Foods, Marukai Corporation, Digital Manga, and National Store Inc. All of these job opportunities contribute to the density of the area and in turn its commercial strength. With its strong location and pro-business government, Hawthorne is poised to continue its strong commercial growth.

LOS ANGELES METRO AREA

LOS ANGELES WEATHER

- 284 Days of Sun
- 72° Avg High / 56° Avg Low

HAWTHORNE HOUSING MARKET

- Median List Price: \$672,600
- Median Home Value: \$652,600
- Median Sale Price: \$648,500
- Home values grew 6.2% in the last year

LOS ANGELES METRO AREA INDUSTRY STATISTICS

INDUSTRY	EMPLOYMENT	PERCENTAGE
Manufacturing, Trade and Transportation	1,882,383	28.50%
Business and Finance	1,561,010	23.60%
Educational and Health Services	1,366,552	20.60%
Food and Entertainment	710,264	10.80%
Public Administration, Utilities, and Other	645,372	9.70%
Mining Agriculture and Construction	455,783	6.90%

LOS ANGELES METRO FACT FILE

- 18th Largest Metro in the World
- 3rd Highest Metro GDP in the World
- 87.5 Million Passengers Annually @ LAX (2018)
- 86 Min Avg Commute Time
- 36 Median Age

LOS ANGELES HEADQUARTERS





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CBRE

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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