

# SOCIAL SECURITY ADMINISTRATION

56492 TWENTY-NINE PALMS HIGHWAY | YUCCA VALLEY, CA 92284

## OFFERING MEMORANDUM





Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney’s fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney’s fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker’s fees or finder’s fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller’s obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.



## SOCIAL SECURITY ADMINISTRATION

56492 TWENTY-NINE PALMS HIGHWAY  
YUCCA VALLEY, CA 92284

### EXCLUSIVE MARKETING ADVISORS

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**Colliers**  
INTERNATIONAL

EXECUTIVE SUMMARY

SOCIAL SECURITY ADMINISTRATION

PRICE	\$1,575,000
Down Payment	\$393,750
Down Payment %	25%
Price Per Square Foot (Building)	\$294.94
Rentable Built Area (RBA)	5,340 SF
Lot Size	0.54 Acres
Year Built	2003
Number of Suites	1
Occupancy	100%

RETURNS	CURRENT	8/21/2022
CAP Rate	6.67%	6.92%
Cash-on-Cash	6.67%	7.68%
Debt Coverage Ratio	1.33	1.38

FINANCING	1ST LOAN
Loan Amount	\$1,181,250
Loan Type	New
Interest Type	4.50%
Amortization	25 Years
Year Due	2029

NOTES TO OPERATING DATA

- Rent Increases to \$110,805 in 2027
- Tax base is \$16,785.05

INCOME	CURRENT	8/21/2022
Scheduled Base Rental Income	\$102,795	\$106,747
Other Income	\$75,566	\$75,566
Potential Gross Revenue	\$178,361	\$182,313
Effective Gross Revenue	\$178,361	\$182,313
Less: Operating Expenses	41.1% (\$73,290)	40.2% (\$73,290)
Net Operating Income	\$105,071	\$109,023
Cash Flow	\$105,071	\$109,023
Debt Service	(\$78,789)	(\$78,789)
Net Cash Flow After Debt Service	6.67% \$26,282	7.68% \$30,233
Principal Reduction	\$26,168	\$27,371
Total Return	13.32% \$52,450	14.63% \$57,604

OPERATING EXPENSES	CURRENT	8/21/2022
CAM	\$46,810	\$46,810
Insurance	\$2,552	\$2,552
Real Estate Taxes	\$19,928	\$19,928
Management Fee	\$4,000	\$4,000
Total Expenses	\$73,290	\$73,290
Expenses/Suite	\$73,290	\$73,290
Expenses/Square Foot	\$13.72	\$13.72

INCOME	CURRENT	PER SF	8/21/2022	PER SF	NOTES
Scheduled Base Rental Income	\$102,795	\$19.25	\$106,747	\$19.99	
Expense Reimbursement Income					
Total Reimbursement Income	\$0		\$0		
Tenant Improvement Rent	\$27,761	\$5.20	\$27,761	\$5.20	
Opex Cost/HVAC OT/Tax Reimbursement	\$47,805	\$8.95	\$47,805	\$8.95	
Effective Gross Revenue	\$178,361	\$33.40	\$182,313	\$34.14	

OPERATING EXPENSES	CURRENT	PER SF	8/21/2022	PER SF	NOTES
Fire Alarm Monitoring	\$2,225	\$0.42	\$2,225	\$0.42	
HVAC Repairs & Maintenance	\$3,500	\$0.66	\$3,500	\$0.66	
Janitorial	\$15,100	\$2.83	\$15,100	\$2.83	
Landscaping	\$2,340	\$0.44	\$2,340	\$0.44	
Pest Control	\$745	\$0.14	\$745	\$0.14	
Repairs & Maintenance	\$6,725	\$1.26	\$6,725	\$1.26	
Trash & Recycle	\$1,975	\$0.37	\$1,975	\$0.37	
Utilities	\$12,500	\$2.34	\$12,500	\$2.34	
Janitorial Supplies	\$1,700	\$0.32	\$1,700	\$0.32	
Insurance	\$2,552	\$0.48	\$2,552	\$0.48	
Real Estate Taxes	\$19,928	\$3.73	\$19,928	\$3.73	
Management Fee	\$4,0002.2%	\$0.75	\$4,0002.2%	\$0.75	
Total Expenses	\$73,290	\$13.72	\$73,290	\$13.72	
Expenses as % of EGR	41.1%		41.1%		
Net Operating Income	\$105,071	\$19.68	\$105,071	\$19.68	

LEASE SUMMARY

TENANT	SUITE	SQUARE FEET	% BLDG SHARE	LEASE COMMENCEMENT	LEASE EXPIRATION	ANNUAL RENT PSF	TOTAL RENT PER MONTH	TOTAL RENT PER YEAR	8/21/2022 RENT PER YEAR	CHANGES ON	RENT INCREASES	LEASE TYPE
SOCIAL SECURITY ADMINISTRATION	100	5,340	100%	8/21/2017	8/20/2032	\$19.25	\$8,566	\$102,795	\$106,747	8/2022	\$106,747	MODIFIED GROSS

NOTES TO LEASE SUMMARY

- Lease is 10 years firm, 15 years total term. Firm Term expires 8/20/2027, and lease may be terminated with 60 days notice.
- Lease includes base base rent esclations every five years: (8/21/2017 - 8/20/2022) \$102,795 (8/21/2022 - 8/20/2027) \$106,747 (8/21/2027 - 8/20/2032) \$110,805



INVESTMENT OVERVIEW

SOCIAL SECURITY ADMINISTRATION

Colliers International is pleased to present to the investment community, 56492 Twenty-Nine Palms Highway in Yucca Valley, California. This single-tenant government office building features 5,340 square feet, which was developed in 2003 as a build-to-suit for the Social Security Administration. As part of the 2017 renewal, the GSA invested over \$279,000 which included new furniture, a remodeled lobby with added windows to improve workflow in this busy facility, and updated security features. The landlord also invested in a 512 square foot addition, new roof, carpet, hard surface floors, new exterior drainage, and sprinkler system. Additionally, the landlord installed a remote-control thermostat which features online access to control the six-unit HVAC systems.

The property is encumbered by a 15-year gross lease, which is backed by the US Government, AA+ S&P rated, and currently has over eight (8) years remaining on the firm term and over thirteen (13) years remaining on the term. This investment is ideal for an investor who is seeking a stable cash flow from one of the highest credit tenants available. The property is cash flowing \$105,071 annual through August 2022. In August 2022, the cash flow will increase to \$109,023, and in August 2027 the cash flow will increase to \$113,081, through the remaining term of August 20, 2032. With attractive financing, an investor could achieve an 13.32% total return with an approximate 25% percent down payment.

The SSA is an independent agency of the United States Federal Government that administers Social Security, a social insurance program consisting of retirement disability, and survivors benefits. The agency includes ten regional offices, eight processing centers, and approximately 1,300 field offices, and 37 Teleservice Centers. As of 2007, about 62,000 people were employed by the SSA. Social Security is the largest social welfare program in the United States. The SSA has been named the sixth best places to work in the federal government.

INVESTMENT HIGHLIGHTS

- United States Government Lease - US Social Security Administration, AA+ Rating S&P
- Build-to-Suit Facility for the Social Security Administration in 2003
- In 2017, the GSA invested over \$279,000 in Tenant Improvement
- Rent Escalations in 8/2022 and 8/2027
- Busy Facility with Newly Added Customer Service Windows
- Long-Term Lease Expiring August 20, 2032
- Attractive 13.32% Levered Return

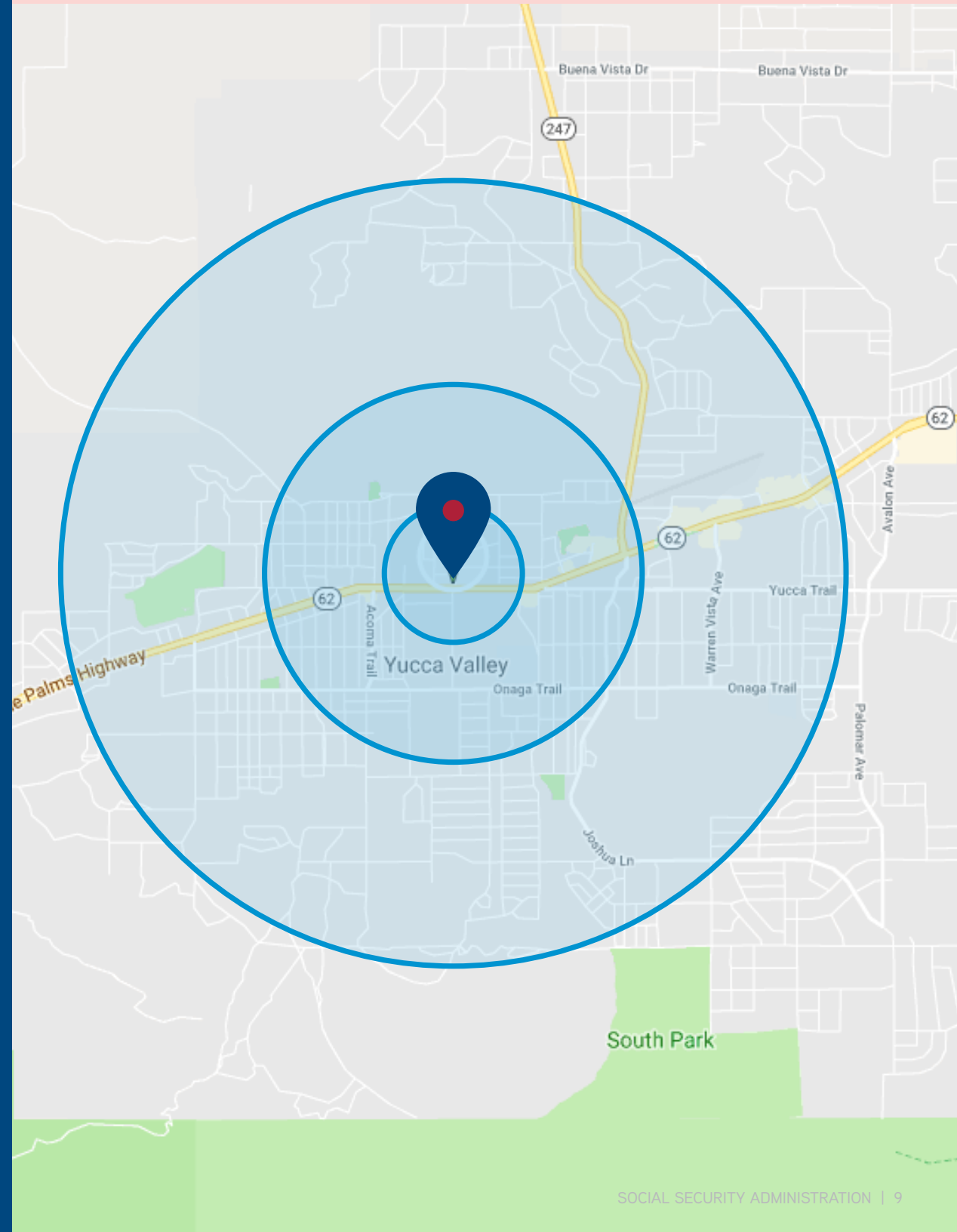




56492 TWENTY-NINE PALMS HIGHWAY  
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## DEMOGRAPHICS

	1 MILES	3 MILES	5 MILES
POPULATION			
2024 Projection	5,845	19,837	25,167
2019 Estimate	5,576	19,185	24,393
2010 Census	5,002	17,905	22,912
2000 Census	4,421	14,711	18,673
INCOME			
2019 Average Household	\$50,695	\$62,424	\$63,986
2019 Median Household	\$37,362	\$46,263	\$47,488
2019 Per Capita	\$21,566	\$25,191	\$25,614
HOUSEHOLDS			
2024 Projection	2,533	7,987	10,035
2019 Estimate	2,421	7,731	9,736
2010 Census	2,178	7,221	9,151
2000 Census	1,989	6,131	7,662
HOME VALUE			
2019 Median Home Value	\$128,740	\$214,574	\$223,765
EMPLOYMENT			
2019 Government (SIC91-97) Businesses	14	17	25
2019 Government (SIC91-97) Employees	197	240	282
2019 Total Daytime Population	7,164	19,236	24,167
2019 UNEMPLOYMENT RATE			
	9.6%	9.8%	9.6%
RACE & ETHNICITY			
2019 White Population (%)	75.81%	79.21%	79.84%
2019 Hispanic Population (%)	27.51%	23.62%	23.08%
2019 Black/African American Population (%)	3.78%	3.46%	3.44%
2019 Asian Population (%)	2.76%	3.00%	2.81%







# DEMOGRAPHICS

YUCCA VALLEY OVERVIEW (1 MILE RADIUS)



## POPULATION

In 2018, the population in your selected geography is 5,160. The population has changed by 25.67% since 2000. It is estimated that the population in your area will be 5,591.00 five years from now, which represents a change of 8.35% from the current year. The current population is 47.63% male and 52.37% female. The median age of the population in your area is 40.63, compare this to the US average which is 37.83. The population density in your area is 1,642.12 people per square mile.



## HOUSEHOLDS

There are currently 2,224 households in your selected geography. The number of households has changed by 20.74% since 2000. It is estimated that the number of households in your area will be 2,432 five years from now, which represents a change of 9.35% from the current year. The average household size in your area is 2.33 persons.



## INCOME

Current median household income is \$47,488 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$55,451 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$63,986 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$76,772 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$25,614 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$30,698 in five years, compared to \$36,530 for all U.S. households



## RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 79.12% White, 3.29% Black, 0.30% Native American and 2.30% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 25.28% of the current year population in your selected area. Compare this to the US average of 17.88%.



## HOUSING

The median housing value in your area was \$113,509 in 2018, compare this to the US average of \$193,953. In 2000, there were 1,166 owner occupied housing units in your area and there were 676 renter occupied housing units in your area. The median rent at the time was \$395.



## EMPLOYMENT

In 2018, there are 2,204 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 51.44% of employees are employed in white-collar occupations in this geography, and 49.10% are employed in blue-collar occupations. In 2018, unemployment in this area is 7.91%. In 2000, the average time traveled to work was 25.00 minutes.







# RIVERSIDE-SAN BERNARDINO

## OVERVIEW

The Riverside-San Bernardino metro, also referred to as the Inland Empire, is a 28,000-square-mile region in Southern California composed of San Bernardino and Riverside counties. The metro contains a population approaching 4.6 million. The largest city is Riverside with more than 327,000 residents, followed by San Bernardino with nearly 221,000 people. Valleys in the southwestern portion of the region, adjacent to Los Angeles, Orange County and San Diego County, are the most populous in the metro. These areas about the San Bernardino and San Jacinto mountains, behind which lies the high desert area of Victorville/Barstow to the north and the lowdesert Coachella, home of Palm Springs, to the east.



### STRONG DEMOGRAPHIC TRENDS

Jobs, colleges, new-home construction and more affordable housing options will draw 350,000 new residents to the Inland Empire in the next five years.



### DOMINANT INDUSTRIAL MARKET

The metro is one of the nation's leading industrial markets in terms of sales, construction and absorption.

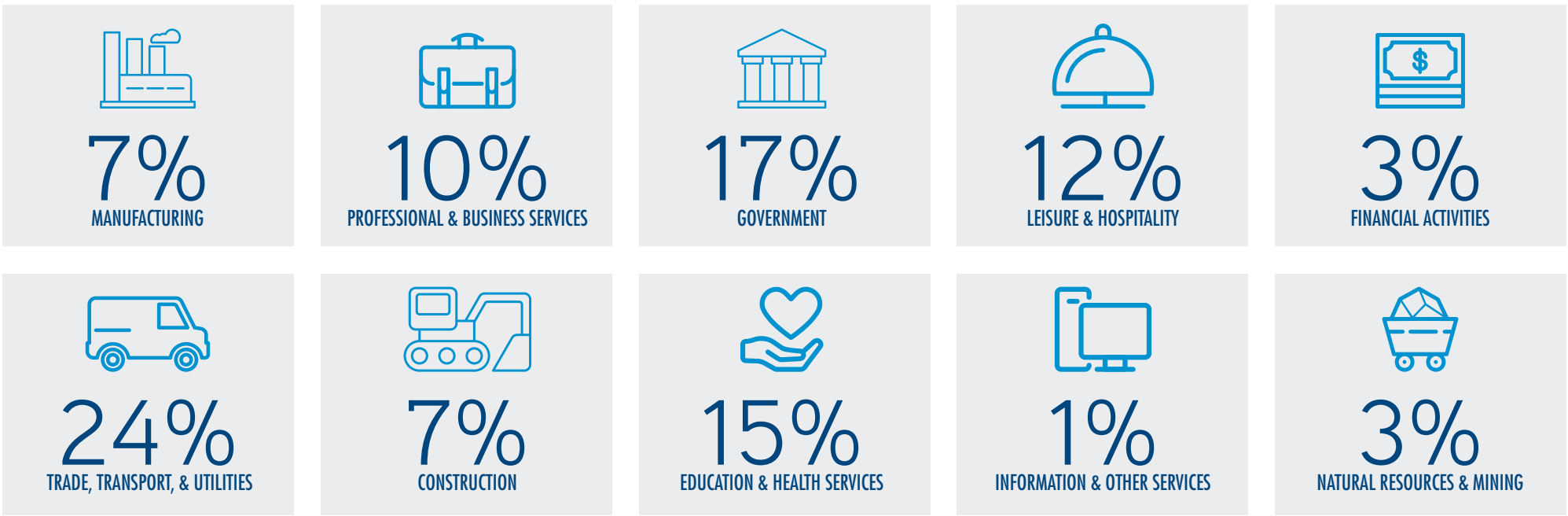


### STRATEGIC LOCATION

Near LAX and Ontario International airports and ports in Long Beach and Los Angeles, Riverside-San Bernardino has vast air, rail and interstate transit network.

# RIVERSIDE-SAN BERNARDINO

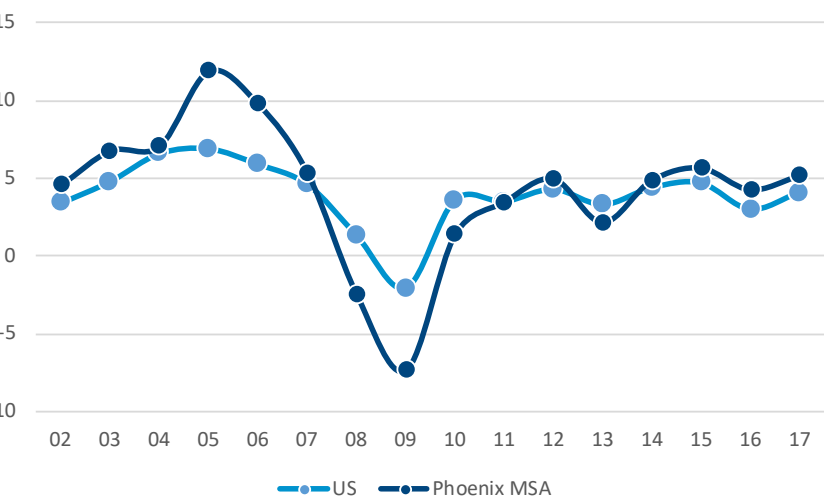
## ECONOMY



### MAJOR AREA EMPLOYERS

San Bernardino County
Riverside County
Stater Bros.
Loma Linda University Medical Center
Kaiser Permanente
Walmart
University of California, Riverside
Fort Irwin
Ontario International Airport
March Air Reserve Base

### ECONOMIC GROWTH







## OFFERING MEMORANDUM

### EXCLUSIVE MARKETING ADVISORS

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# Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

11-2-2015



## TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

## A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

## A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

## TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Steve Everbach	367974	steve.everbach@colliers.com	214-217-1254
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Geoff Ficke	593051	geoff.ficke@colliers.com	972-759-7814
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date