



*ACTUAL SITE 1759 W AVE



HARLEY DAVIDSON

ABSOLUTE NNN LEASED OFFERING

1759 W AVE J 12 LANCASTER, CA 93534

OFFERING
MEMORANDUM

OFFERING MEMORANDUM
PRESENTED BY:

JEFF BRACCO

SENIOR VICE PRESIDENT OF
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INVESTMENT OVERVIEW



The subject offering is for the fee simple interest in a NNN leased Harley Davidson franchise. The lease provides for zero landlord obligations with an expiration of 2024. There are scheduled 1% annual rental increases. The tenant is Southern California Cycles, LLC, doing business as Antelope Valley Harley Davidson, one of the most successful full service Harley Davidson Franchisees in the country.

INVESTMENT HIGHLIGHTS

ABSOLUTE NNN LEASE

ZERO LANDLORD RESPONSIBILITIES

100% FEE SIMPLE INTEREST

SCHEDULED ANNUAL INCREASES

OPERATED BY ONE OF THE MOST SUCCESSFUL FULL SERVICE HARLEY DAVIDSON FRANCHISES IN THE COUNTRY

OFFERING SPECIFICATIONS

PRICE \$7,662,400

CAP RATE 7.50%

NET OPERATING INCOME \$574,680

SQUARE FOOTAGE 25,200

LOT SIZE 2.81 AC

FINANCIAL SUMMARY

HARLEY DAVIDSON • ABSOLUTE NNN LEASED OFFERING

1759 W AVE J 12 LANCASTER, CA 93534

\$7,662,400 • 7.50%

SUMMARY

| | |
|----------------|-----------------|
| TENANT NAME | Harley Davidson |
| SQUARE FOOTAGE | 25,200 |
| LEASE STARTS | 6/16/2004 |
| LEASE ENDS | 6/15/2024 |
| ANNUAL RENT | \$574,680 |
| OPTIONS | Two, Ten-Year |
| INCREASES | 1% Annually |

OFFERING SUMMARY

| | NET OPERATING INCOME | CAP RATE |
|-------------|----------------------|----------|
| CURRENT | \$574,680 | 7.50% |
| 6/20 - 6/21 | \$580,427 | 7.58% |
| 6/21 - 6/22 | \$586,231 | 7.65% |
| 6/22 - 6/23 | \$592,093 | 7.73% |
| 6/23 - 6/24 | \$598,013 | 7.80% |

TENANT OVERVIEW



PUBLICLY TRADED
NYSE: HOG



\$5.647B REVENUE



5,800+ EMPLOYEES

HARLEY DAVIDSON

Harley-Davidson, Inc., H-D, or Harley, is an American motorcycle manufacturer founded in 1903 in Milwaukee, Wisconsin. It was one of two major American motorcycle manufacturers to survive the Great Depression, along with Indian. The company has survived numerous ownership arrangements, subsidiary arrangements, periods of poor economic health and product quality, and intense global competition to become one of the world's largest motorcycle manufacturers and an iconic brand widely known for its loyal following. There are owner clubs and events worldwide, as well as a company-sponsored, brand-focused museum.

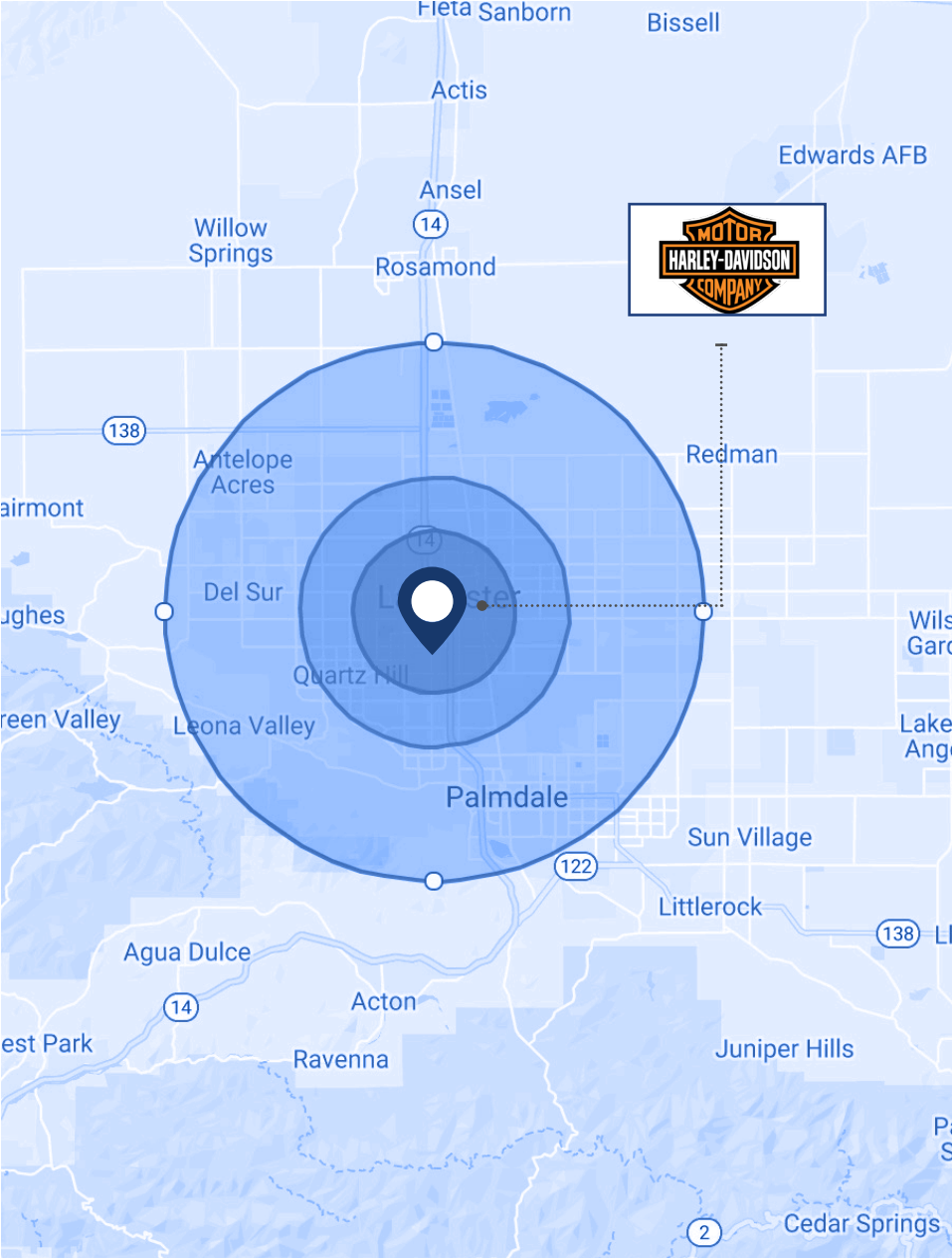
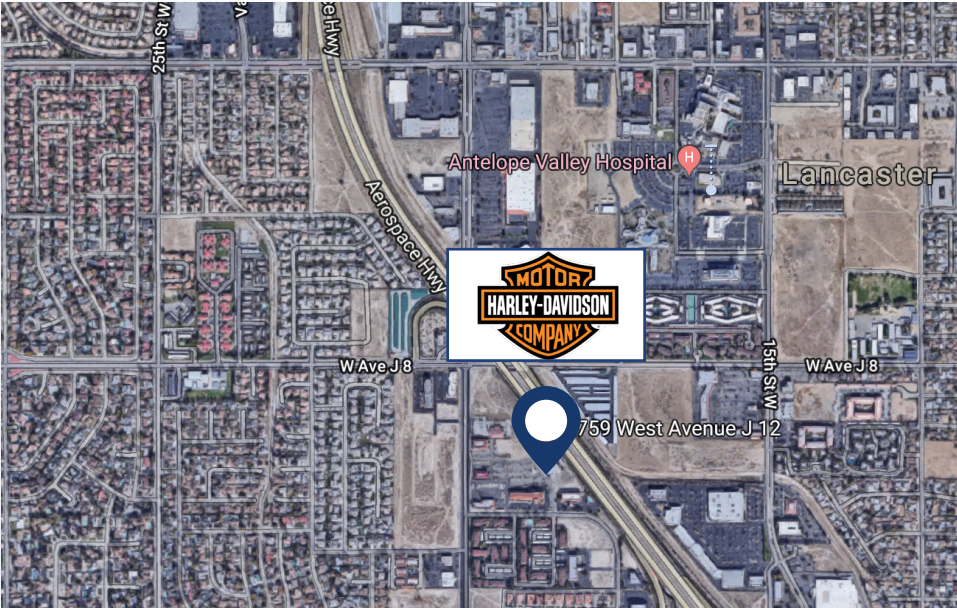
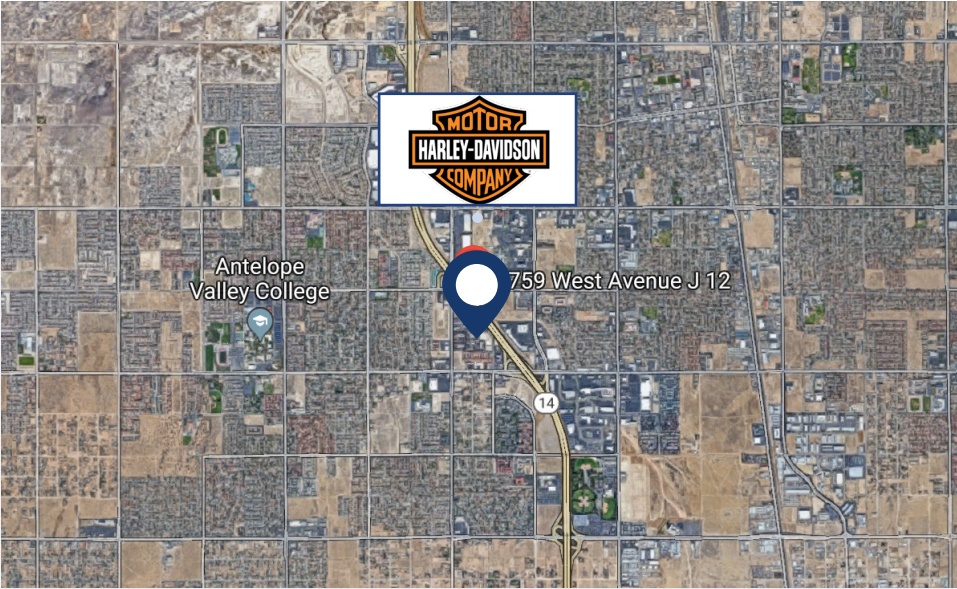
Harley-Davidson is noted for a style of customization that gave rise to the chopper motorcycle style. The company traditionally marketed heavyweight, air-cooled cruiser motorcycles with engine displacements greater than 700 cc, but it has broadened its offerings to include more contemporary VRSC (2002) and middle-weight Street (2015) platforms.

Harley-Davidson manufactures its motorcycles at factories in York, Pennsylvania; Milwaukee, Wisconsin; Kansas City, Missouri (closing); Manaus, Brazil; and Bawal, India. Construction of a new plant in Thailand began in late 2018. The company markets its products worldwide, and also licenses and markets merchandise under the Harley-Davidson brand, among them apparel, home decor and ornaments, accessories, toys, scale figures of its motorcycles, and video games based on its motorcycle line and the community.

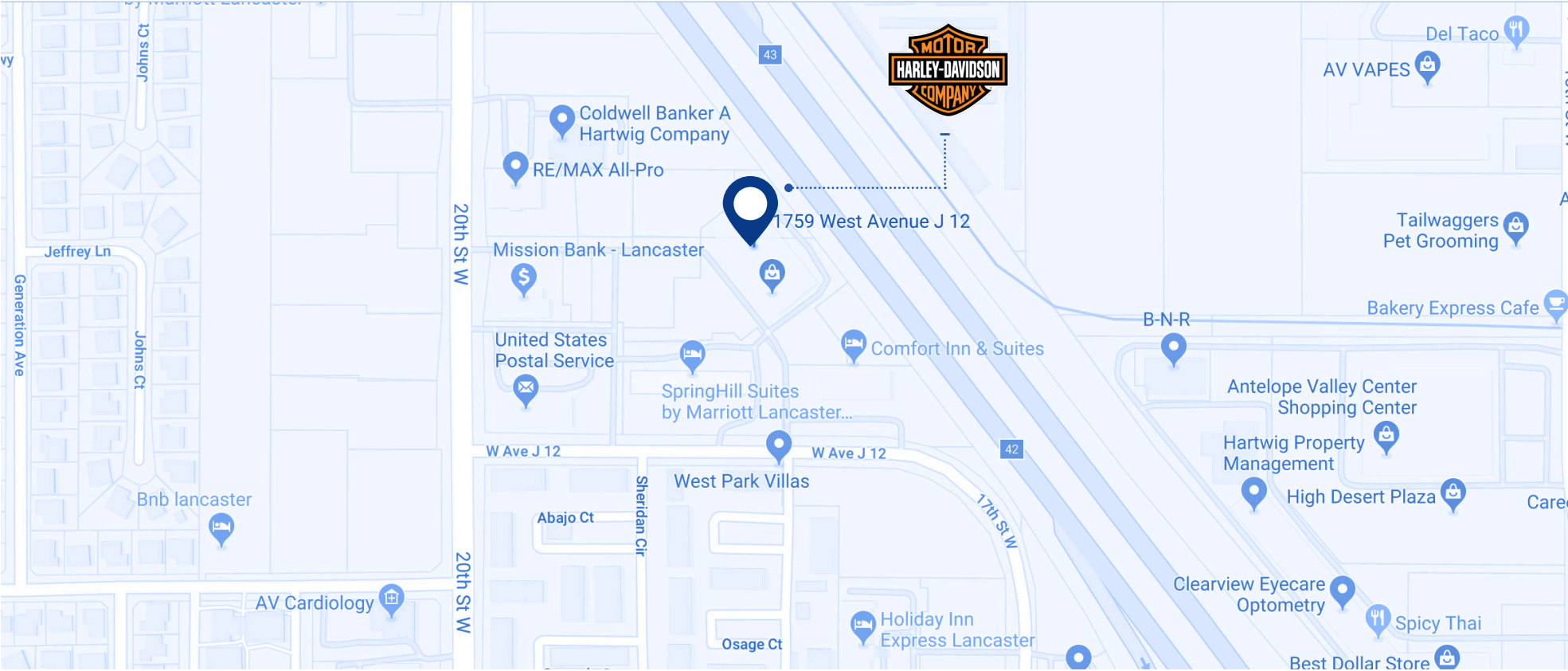
LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



| | 3 MILES | 5 MILES | 10 MILES |
|--------------------------|----------|----------|----------|
| TOTAL POPULATION | 99,746 | 177,930 | 307,687 |
| TOTAL HOUSEHOLDS | 33,203 | 54,303 | 93,087 |
| AVERAGE HOUSEHOLD INCOME | \$62,474 | \$69,231 | \$69,464 |
| AVERAGE AGE | 35.50 | 35.70 | 35.30 |

AREA OVERVIEW

| DEMOGRAPHICS | 3 MILES | 5 MILES | 10 MILES |
|---------------------------|-----------|-----------|-----------|
| TOTAL POPULATION | 99,746 | 177,930 | 307,687 |
| TOTAL HOUSEHOLDS | 33,203 | 54,303 | 93,087 |
| PERSONS PER HOUSEHOLD | 2.90 | 3.00 | 3.20 |
| AVERAGE HOUSEHOLD INCOME | \$62,474 | \$69,231 | \$69,464 |
| AVERAGE HOUSE VALUE | \$230,638 | \$242,661 | \$249,557 |
| AVERAGE AGE | 35.50 | 35.70 | 35.30 |
| WHITE | 66,625 | 121,693 | 218,289 |
| BLACK | 20,787 | 35,203 | 54,192 |
| AM. INDIAN & ALASKAN | 1,902 | 3,193 | 5,365 |
| ASIAN | 5,865 | 10,028 | 16,811 |
| HAWAIIAN & PACIFIC ISLAND | 365 | 636 | 1,098 |
| OTHER | 4,202 | 7,175 | 11,933 |

LANCASTER, CALIFORNIA

Lancaster is a charter city in northern Los Angeles County, in the Antelope Valley of the western Mojave Desert in Southern California. As of the 2010 census it had a population of 156,633, and in 2018 the population was estimated at 159,053, making Lancaster the 33rd largest city in California. Lancaster is part of a twin city complex with its southern neighbor Palmdale, and together they are the principal cities within the Antelope Valley region.

Lancaster is located approximately 70 miles north of downtown Los Angeles, and is near the Kern County line. It is separated from the Los Angeles Basin by the San Gabriel Mountains to the south, and from Bakersfield and the San Joaquin Valley by the Tehachapi Mountains to the north. The population of Lancaster has grown from 37,000 at the time of its incorporation in 1977 to over 159,000 as of 2018.



LANCASTER, CALIFORNIA



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