
OFFERING
MEMORANDUM

HOBBY LOBBY
CRAFTS • HOME ACCENTS • SEASONAL

7.00 ACRE(S) NNN OPPORTUNITY

HOBBY LOBBY

ANTIOCH, CA

Marcus & Millichap

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5849



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section 1 Executive Summary



executive summary



demographics



investment overview



investment highlights

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EXECUTIVE SUMMARY

HOBBY LOBBY



Total Price
\$11,000,000

Down Payment	\$11,000,000
Price Per SqFt	\$139.56
Gross Leasable Area (GLA)	78,819 SF
Lot Size	7.00 Acres
Year Built	2003

CURRENT

CAP Rate	6.45%
Net Operating Income	\$709,371
Net Cash Flow After Debt Service	\$709,371
Return On Equity	6.45%

MAJOR TENANTS

TENANT	GLA	LEASE EXPIRATION	LEASE TYPE
Hobby Lobby	78,819 SF	7/31/2030	NNN

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DEMOGRAPHICS	1 Mile	3 Miles	5 Miles
2024 Estimate Population	11,177	117,095	185,707
2019 Census Population	10,273	110,501	176,660
2024 Estimate Household	3,570	35,856	58,616
2019 Census Household	3,266	33,659	55,516
Median Household Income	\$112,500	\$102,785	\$98,811
Per Capita Income	\$45,013	\$38,537	\$38,383
Average Household Income	\$141,465	\$126,350	\$121,923

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HOBBY LOBBY

5849 Lone Tree Way, Antioch, CA 94531

Marcus & Millichap is pleased to present the Hobby Lobby in Antioch, CA. The property consists of a 78,819 Sq. ft. building situated on a 7-acre lot. The improvements were constructed in 2003 of concrete block with a plate glass storefront, and extensively renovated in 2014. The 447 parking spaces on the premises provide an ample parking ratio of 5.7 spaces per 1,000 Sq. ft. of retail space.

The property has been occupied by Hobby Lobby since September of 2013, and the tenant just signed a new 10-year extension, demonstrating its strong commitment to this location. Hobby Lobby is an arts and crafts store chain with 932 locations nationwide. It is privately held, with no debt and over \$1B of current assets on its balance sheet. Revenue is rising and was approaching \$5B as of the 2018 company's income statement. Apart from the corporately guaranteed lease by a financially strong tenant, the long-term security of the investment is enhanced by the low rent compared to market that Hobby Lobby is currently paying, and the property is priced well below the replacement cost of the improvements.

Antioch is the second largest city in Contra Costa County in the Bay Area. The property is located in an area of major retail concentration and surrounded by synergistic retailers in the Slatten Ranch Power Center such as Target, Best Buy, WinCo Foods, CVS, Walgreens and Office Depot. Other big box stores in the immediate vicinity include Lowe's, Home Depot and Kohl's, all driving traffic to the area.

The Hobby Lobby in Antioch presents potential buyers with an opportunity to acquire a single tenant, net leased asset with a very strong tenant on a long term corporately guaranteed lease in a superb infill Bay Area retail location.

INVESTMENT HIGHLIGHTS

- New, 10-year extension
- Ease of Management
- Strong Tenant
- Priced Below Replacement Cost
- Superb Retail Location





Lone Tree Way



Lone Tree Way



ANTIOCH



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section 2

Financial Analysis



property details



pricing details



rent roll summary



operating statement



cash flow

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PROPERTY DETAILS // Hobby Lobby

THE OFFERING

Property	Hobby Lobby
Property Address	5849 Lone Tree Way, Antioch , CA 94531
Price	\$11,000,000
Capitalization Rate	6.45%
Price/SF	\$139.56

PROPERTY DESCRIPTION

Year Built / Renovated	2003
Gross Leasable Area	78,819 SF
Zoning	N/A
Type of Ownership	Fee Simple
Lot Size	7.00 Acres

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$709,371
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LEASE SUMMARY

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$709,371	\$59,114	\$9.00	6.45%
1/1/2021	\$669,962	\$55,830	\$8.50	6.09%
Option 1	\$729,076	\$60,756	\$9.25	6.63%
Option 2	\$748,781	\$62,398	\$9.50	6.81%

LEASE SUMMARY

Property Subtype	Net Leased Miscellaneous
Tenant	Hobby Lobby
Rent Increases	N/A
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	9/7/2013
Lease Expiration	7/31/2030
Lease Term	17
Term Remaining on Lease (Years)	10.2
Renewal Options	Two 5-Year Options
Landlord Responsibility	Roof & Structure
Tenant Responsibility	N/A
Right of First Refusal/Offer	No

PROPOSED FINANCING

New Acquisition Financing	\$7,150,000 (65% LTV)
Interest Rate	3.75% 10
Annual Debt Service	\$268,125
Projected Annual Cash Flow	\$441,246
Projected Cash on Cash Return	11.46%



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section 3 Market Comparables

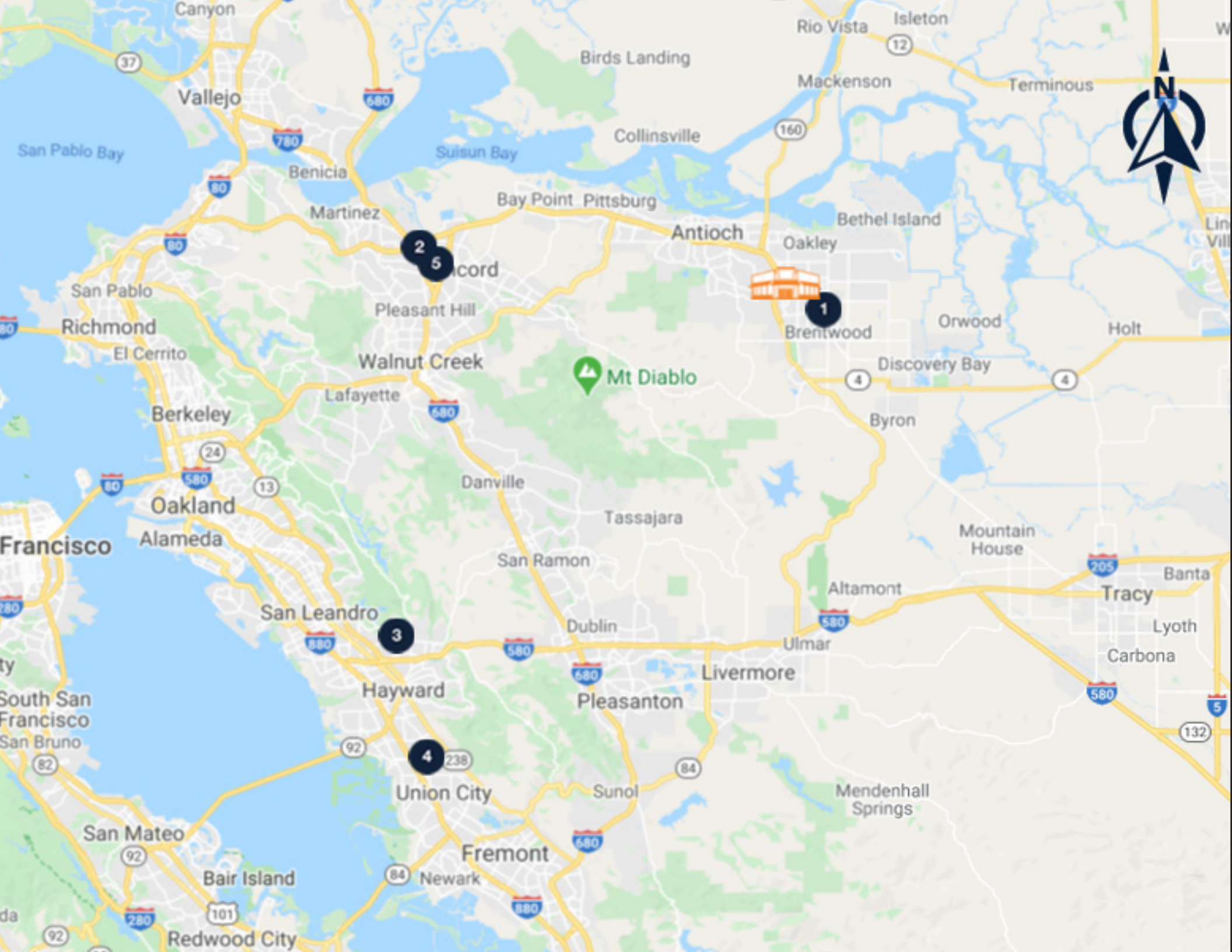


sales comparables map

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sale comparables

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EAST BAY SALES COMPARABLES // Hobby Lobby

PROPERTIES	PRICE	PRICE PER SF
1 SAFEWAY // 1125 2nd Street, Brentwood, CA, 94513	\$10,260,000	\$217.69
2 HARBOR FREIGHT // 535 Contra Costa Blvd, Pleasant Hill, CA, 94523	\$6,242,000	\$366.31
3 DAVITA DIALYSIS // 20359 Lake Chabot Road, Castro Valley, CA, 94546	\$7,000,000	\$706.14
4 CITY SPORTS CLUB // 2401 Whipple Road, Hayward, CA, 94544	\$16,000,000	\$390.24
5 GEN KOREAN BBQ // 1353 Willow Pass Road, Concord, CA, 94520	\$6,610,000	\$1,038.43

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SAFEWAY

1125 2nd Street, Brentwood, CA, 94513



Sale Price	\$10,260,000
Close Of Escrow	5/17/2019
Price per Square Foot	\$217.69
CAP Rate	5%
GLA	47,132 SF
Year Built	1990
Lease Term Remaining	20 years



HARBOR FREIGHT

535 Contra Costa Blvd, Pleasant Hill, CA, 94523



Sale Price	\$6,242,000
Close Of Escrow	6/21/2019
Price per Square Foot	\$366.31
CAP Rate	5.84%
GLA	17,040 SF
Lot Size	1.45 arce(s)
Year Built	1968
Lease Term Remaining	10 years



DAVITA DIALYSIS

20359 Lake Chabot Road, Castro Valley, CA, 94546



Sale Price	\$7,000,000
Close Of Escrow	5/9/2019
Price per Square Foot	\$706.14
CAP Rate	5.02%
GLA	9,913SF
Year Built	2018
Lease Term Remaining	15 years



CITY SPORTS CLUB

2401 Whipple Road, Hayward, CA, 94544



Sale Price	\$16,000,000
Close Of Escrow	2/26/2020
Price per Square Foot	\$390.24
CAP Rate	6.62%
GLA	41,000 SF
Year Built	2013



GEN KOREAN BBQ

1353 Willow Pass Road, Concord, CA, 94520



Sale Price	\$6,610,000
Close Of Escrow	5/10/2019
Price per Square Foot	\$1,083.43
CAP Rate	5.65%
GLA	6,101 SF
Lot Size	0.98 Arce(s)
Year Built	1977
Lease Term Remaining	14 years



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section 4 Market Overview



location overview



market research



demographics

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POPULATION

In 2019, the population in your selected geography is 10,291. The population has changed by 141.35% since 2000. It is estimated that the population in your area will be 11,191.00 five years from now, which represents a change of 8.75% from the current year. The current population is 48.28% male and 51.72% female. The median age of the population in your area is 35.31, compare this to the US average which is 38.08. The population density in your area is 3,272.26 people per square mile.



HOUSEHOLDS

There are currently 3,267 households in your selected geography. The number of households has changed by 142.54% since 2000. It is estimated that the number of households in your area will be 3,570 five years from now, which represents a change of 9.27% from the current year. The average household size in your area is 3.29 persons.



INCOME

In 2019, the median household income for your selected geography is \$112,577, compare this to the US average which is currently \$60,811. The median household income for your area has changed by 49.51% since 2000. It is estimated that the median household income in your area will be \$124,749 five years from now, which represents a change of 10.81% from the current year.

The current year per capita income in your area is \$44,990, compare this to the US average, which is \$33,623. The current year average household income in your area is \$141,603, compare this to the US average which is \$87,636.



RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 50.78% White, 12.21% Black, 0.36% Native American and 16.57% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 26.57% of the current year population in your selected area. Compare this to the US average of 18.17%.



HOUSING

The median housing value in your area was \$429,233 in 2019, compare this to the US average of \$212,058. In 2000, there were 1,223 owner occupied housing units in your area and there were 124 renter occupied housing units in your area. The median rent at the time was \$932.



EMPLOYMENT

In 2019, there are 2,872 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 63.05% of employees are employed in white-collar occupations in this geography, and 37.11% are employed in blue-collar occupations. In 2019, unemployment in this area is 3.35%. In 2000, the average time traveled to work was 49.00 minutes.

POPULATION	1 Mile	3 Miles	5 Miles
2024 Projection			
Total Population	11,177	117,095	185,707
2019 Estimate			
Total Population	10,273	110,501	176,660
2010 Census			
Total Population	8,695	97,347	157,707
2000 Census			
Total Population	4,255	64,554	109,275
Daytime Population			
2019 Estimate	8,793	74,342	124,722
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2024 Projections			
Total Households	3,570	35,856	58,616
2019 Estimate			
Total Households	3,266	33,659	55,516
Average (Mean) Household Size	9.32%	6.53%	5.59%
2010 Census			
Total Households	2,735	29,318	48,980
2000 Census			
Total Households	1,344	19,633	34,378
Growth 2000-2010	103.43%	49.33%	42.48%
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2019 Estimate	3,317	34,103	56,279
Owner Occupied	2,387	24,415	39,888
Renter Occupied	879	9,244	15,627
Vacant	51	444	763
Persons In Units			
2019 Estimate Total Occupied Units	3,266	33,659	55,516
1 Person Units	13.66%	15.40%	16.71%
2 Person Units	25.58%	24.87%	26.44%
3 Person Units	18.19%	18.14%	17.54%
4 Person Units	20.48%	20.31%	19.28%
5 Person Units	12.50%	11.73%	10.99%
6+ Person Units	9.58%	9.55%	9.04%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2019 Estimate			
\$200,000 or More	14.02%	10.87%	10.15%
\$150,000 - \$199,000	16.46%	14.07%	13.41%
\$100,000 - \$149,000	27.56%	26.80%	25.78%
\$75,000 - \$99,999	12.75%	13.30%	13.01%
\$50,000 - \$74,999	11.14%	13.01%	13.59%
\$35,000 - \$49,999	8.04%	8.12%	8.32%
\$25,000 - \$34,999	3.25%	4.47%	5.07%
\$15,000 - \$24,999	2.97%	4.53%	5.19%
Under \$15,000	3.81%	4.83%	5.47%
Average Household Income	\$141,465	\$126,350	\$121,923
Median Household Income	\$112,500	\$102,785	\$98,811
Per Capita Income	\$45,013	\$38,537	\$38,383
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2016 Estimate Total Population	10,273	110,501	176,660
Under 20	32.6%	30.5%	29.4%
20 to 34 Years	17%	19.5%	19.2%
35 to 39 Years	7.2%	6.8%	6.6%
40 to 49 Years	15.9%	15.2%	14.8%
50 to 64 Years	12.6%	13.4%	13.6%
Age 65+	4.3%	4.8%	5.0%
Median Age	34.76	36.8	36.16
Population 25+ by Education Level			
2016 Estimate Population Age 25+	6,248	68,920	112,405
Elementary (0-8)	1.87%	3.39%	3.61%
Some High School (9-11)	4.40%	5.31%	5.48%
High School Graduate (12)	22.63%	23.72%	24.33%
Some College (13-15)	29.44%	30.44%	30.02%
Associate Degree Only	12.36%	11.16%	10.80%
Bachelors Degree Only	20.56%	18.09%	17.76%
Graduate Degree	7.52%	6.34%	6.48%
Population by Gender			
2016 Estimate Total Population	10,273	110,501	176,660
Male Population	48.29%	48.90%	48.91%
Female Population	51.71%	51.10%	51.09%



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