



Pad to Walmart Supercenter

- #3 U.S. TOP SALES FAST-CASUAL RESTAURANT CHAIN
- 20-YEAR ABSOLUTE NNN LEASE
- 10% INCREASES EVERY 5 YEARS



OFFERING MEMORANDUM
PERRIS, CALIFORNIA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



OFFERING MEMORANDUM

PERRIS, CALIFORNIA

TABLE OF CONTENTS:

Offering Summary	3
Investment Highlights	4
Site Plan / Parcel Map	7
Aerial Overview	11
Regional Map	13
Tenant Profile	14
Area Overview	16
Demographics	20

EXCLUSIVELY LISTED BY:

Bill Asher

Executive Vice President
basher@hanleyinvestment.com
949.585.7684 | BRE #01318078

Jeff Lefko

Executive Vice President
jlefk@hanleyinvestment.com
949.585.7682 | BRE #01942025



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



LOCATION

Panda Express
1840 N Perris Boulevard
Perris, CA 92571



OFFERING SUMMARY

Price:	\$2,930,000
January 2022 Net Operating Income (NOI):	\$99,000
January 2022 Capitalization Rate:	3.38%
January 2027 Net Operating Income (NOI):	\$108,900
January 2027 Capitalization Rate:	3.72%
Net Rentable Area:	3,040
Year Built:	2016
Lot Size (Acres):	0.77

LEASE TERMS (1)

Lease Commencement:	12/31/2016
Lease Expiration:	12/31/2036
Lease Term:	20 Years
Lease Type:	Absolute NNN Ground Lease
Roof & Structure:	Tenant Responsibility
January 2022 Monthly Rent:	\$8,250
January 2022 Annual Rent:	\$99,000
Rental Increases:	10% Every 5 Years
Renewal Options:	Four 5-Year @ 10% Each Option

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.





- **Single-Tenant Panda Express Ground Lease:**

- Fee interest in an absolute NNN ground lease; zero landlord responsibilities
- Below market annual ground rent of \$99,000 per year
- Corporate guaranteed lease
- 20-year initial lease term with 15+ years remaining
- 10% increases every 5 years
- Four 5-year options at 10% rental increases
- New 2016 construction with drive-thru
- Panda Express is the largest Asian segmented restaurant chain in the United States with over 2,200 locations in the United States, Canada, Guam, Puerto Rico, Mexico, Korea, and the United Arab Emirates

- **Pad to a Newly Constructed Walmart Supercenter @ Perris Marketplace:**

- The 1st Walmart to ever open in Riverside County opened in the City of Perris in 1992
- Walmart strategically relocated and expanded into a new 184,000 square foot supercenter format in 2015, approximately 1-mile away from its original location, adding the sale of groceries, general merchandise, a garden center, and a full-service pharmacy



INVESTMENT HIGHLIGHTS

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

- **Excellent Regional Draw:** The subject property is ideally situated at the main signalized entrance to the only Walmart Supercenter within a 9-mile radius
- **Strong Neighboring Tenant Synergy:** Regional/national co-tenants in Perris Marketplace include Walmart Supercenter, Chipotle, Pacific Dental Services, Pieology, Popeyes, Sally Beauty, Starbucks, T-Mobile, Verizon, Waba Grill, Wendy's, and Yogurtland
- **Freeway Adjacent:** Perris Marketplace is located adjacent to Interstate 215 with 145,000 cars per day and nearly 27,000 cars per day along Nuevo Road at the freeway on/off ramps
- **Dominant Retail and Entertainment Trade Area:** The subject property is adjacent to a Food 4 Less, Rite Aid, and Regency Theatres anchored center with neighboring shopping centers in the trade area anchored by Cardenas Market, dd's Discounts, and Stater Bros
- **Walking Distance to Perris High School:** Situated at the intersection of Perris Boulevard and Nuevo Road (49,000 cars per day), Perris High School is home to 2,500 students 10 months each year



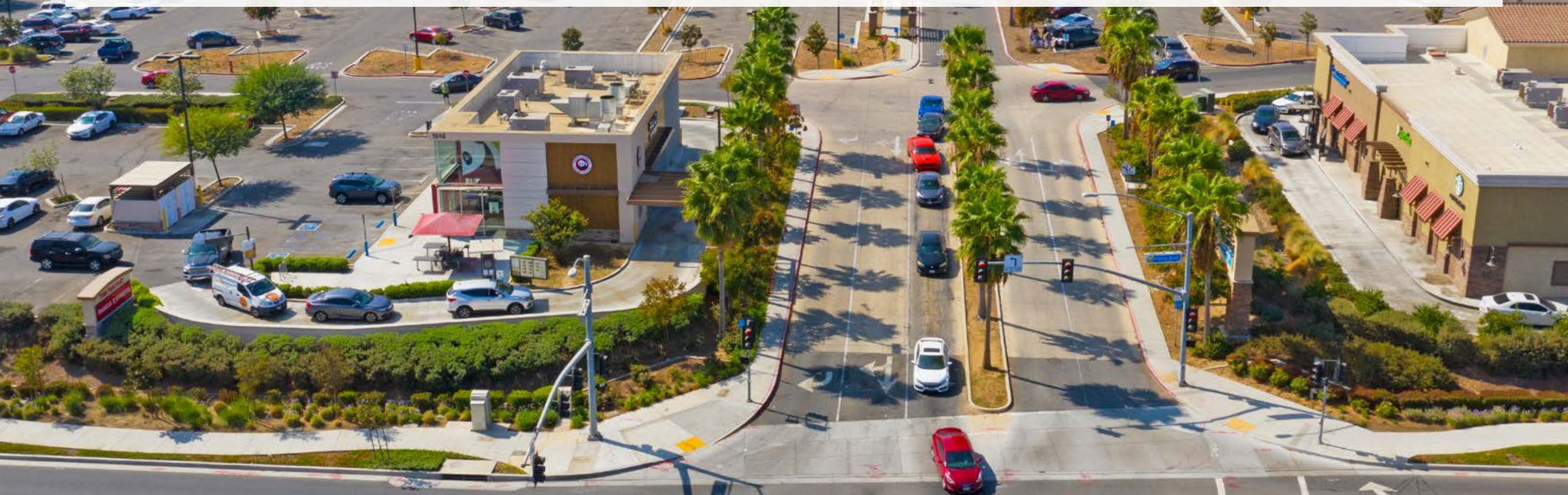
INVESTMENT HIGHLIGHTS

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

- **Ideally Located in the Heart of a Major, Rapidly Growing Distribution and Logistics Hub:** More than 46 million square feet of existing distribution centers space (and 13 million square feet planned or under construction) including national companies such as Amazon, Fallas, The Home Depot, Lowe's, O'Reilly Auto Parts, Proctor & Gamble, Sketchers, Ross Dress for Less, and Walgreens, creating significant demand for daily goods and services in the trade area
- **High Growth Trade Area / Site of Future Development:** Key developments proximate to the subject property include:
 - **Nuevo Crossings** – Future 93,750 square foot 99 Cents Only and Smart & Final anchored shopping center (Nuevo Road and Interstate 215)
 - **Perris Plaza** – 150,000+ square foot existing center with proposed expansion plans to nearly double the size to approximately 150,000 square feet
 - ◆ New tenants include Burlington, Five Below, Hibbett Sports, Planet Fitness, Ross Dress for Less, and ULTA Beauty
 - **Harvest Landing** – Proposed 341-acre master-planned community (1,860 residential units) located immediately northwest of the subject property
- **Strong Demographics:** There are nearly 117,000 residents within a 5-mile radius

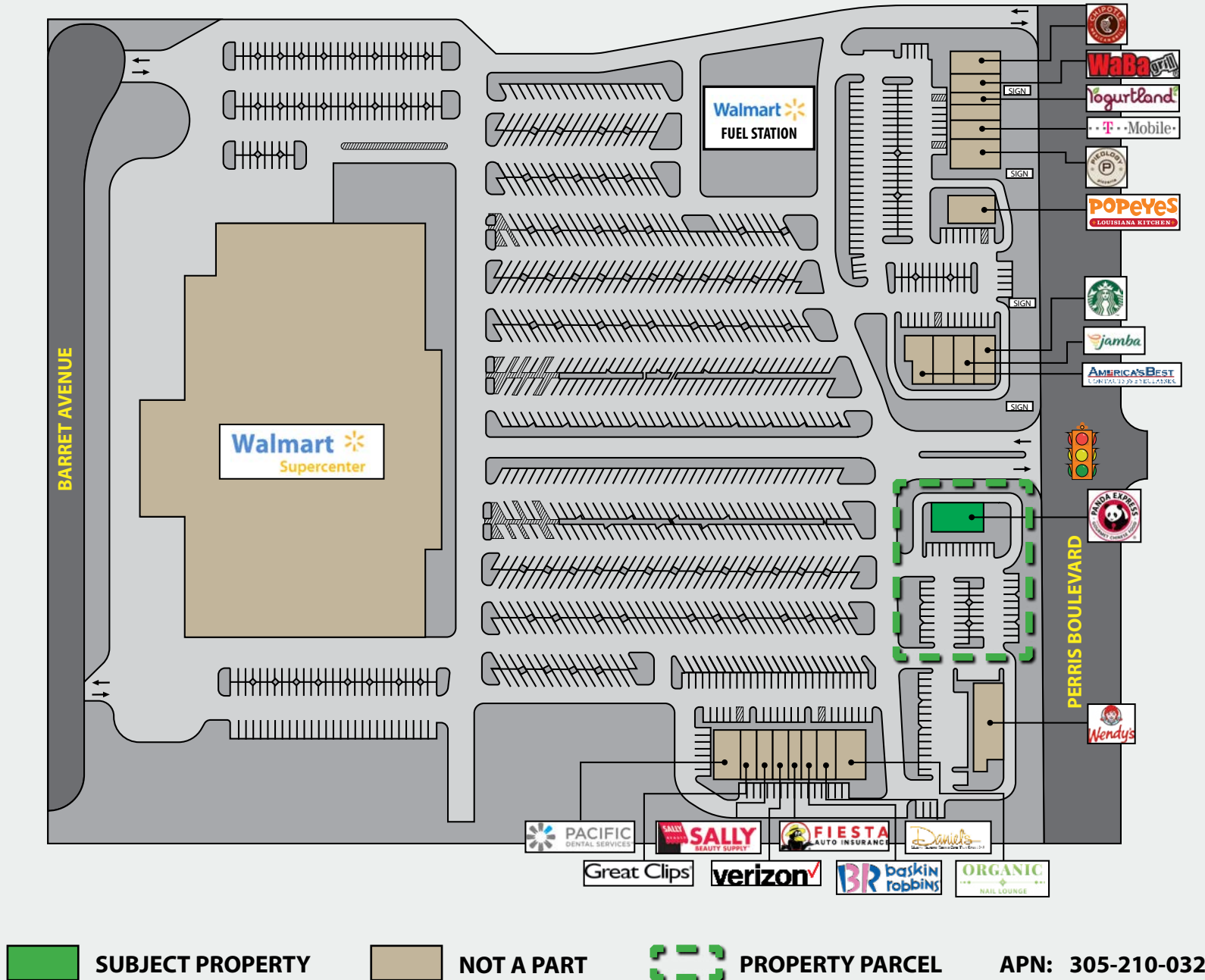


SITE PLAN / PARCEL MAP

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS





SURROUNDING TENANTS PERRIS MARKETPLACE | NAP





HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS





DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
Population:	21,999	72,765	116,766
Household Income:	\$63,455	\$65,817	\$67,659

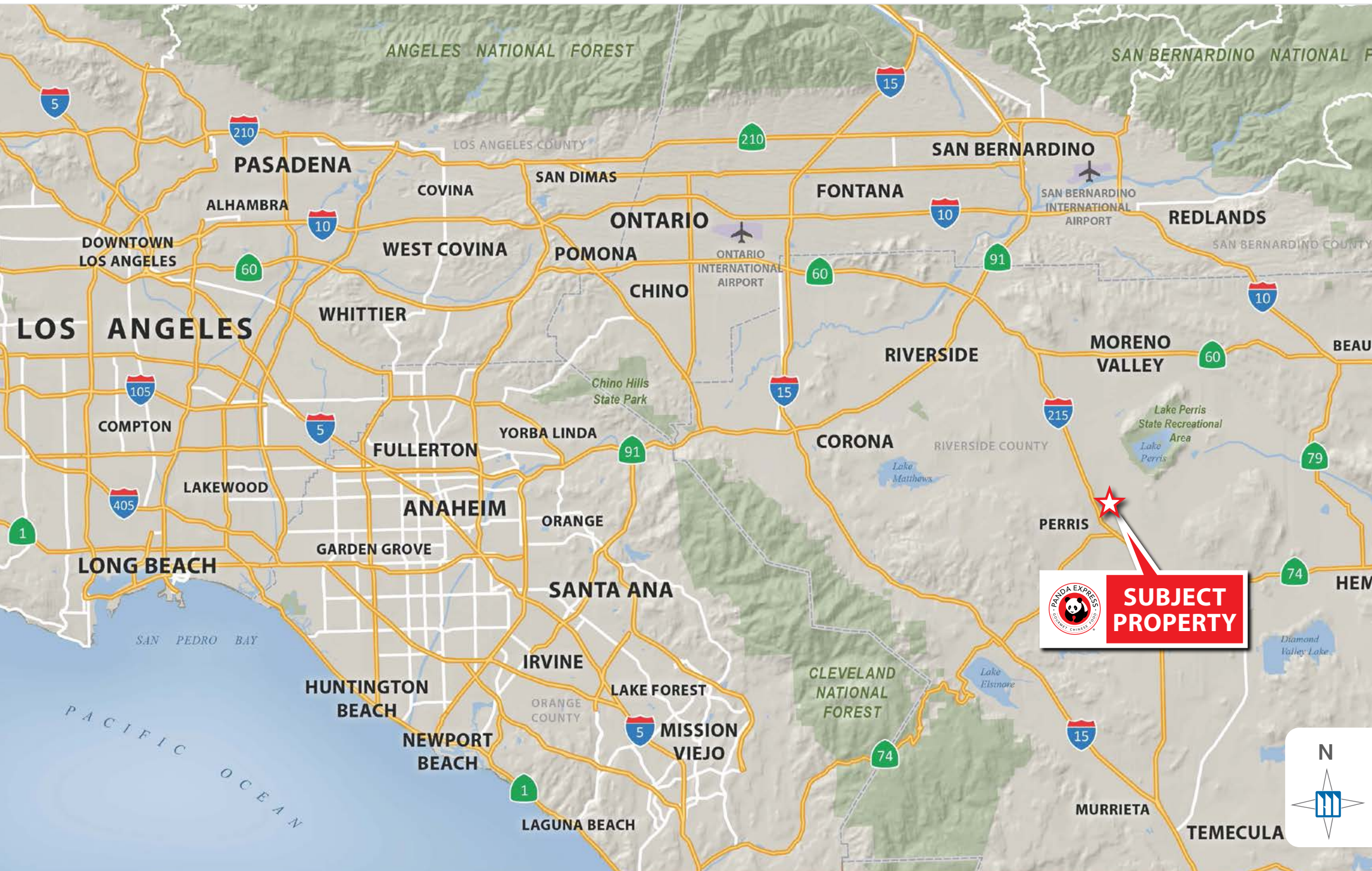


REGIONAL MAP

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

TENANT PROFILE

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



Panda Express is a fast-casual restaurant chain that serves American Chinese cuisine. It is the largest Asian segment restaurant chain in the United States, having over 2,200 restaurants, located in 50 U.S. states, the District of Columbia, Puerto Rico, Guam, Canada, Mexico, Korea, and the United Arab Emirates. For the fiscal year 2019, Panda Express stores, systemwide in the U.S., logged sales of \$3.95 billion, up 12.1% from fiscal 2018. Panda Express is the third leading fast-casual restaurant in the United States by sales.

The first Panda Express opened in 1973 in Pasadena, not as a fast-casual eatery, but rather as a more traditional sit-down restaurant under the Panda Inn banner. It wasn't until 10 years later, in 1983, that the first fast-food version of Panda opened at the Glendale Galleria. The second Panda Express opened two years later at the Westside Pavilion, and the restaurant concept has steadily expanded across the U.S. and around the world since that time.

Panda Express is the sole owner of Hibachi-San, a Japanese grill concept that was first introduced in Los Angeles in 1992. Since that time, Hibachi-San has grown to 17 restaurants with a diverse set of locations across the country. Panda also has an ownership interest in Pieology (along with several other, less well-known brands) an innovative pizza chain with 125 locations around the U.S.

TOP HONORS

- **#17 "Top 500"** - Restaurant Business (2020)
- **#3 "U.S. Top Sales Fast-Casual Restaurant Chains"** - Statista (2019)

Company Type: Private
Locations: 2,200
Website: www.pandaexpress.com





Walmart

(Not A Part)

Walmart Stores, Inc. is the world's most highly valued retailer, with a market capitalization exceeding \$260 billion. The company's operations are divided into three divisions: Walmart U.S. (62% of annual sales, 79% of annual profits), Sam's Club (12%, 7.6%), and Walmart International (26%, 22%). Over 265 million people walk into Walmart's approximately 11,500 stores each week, resulting in annual sales of more than \$524 billion. Roughly \$190 billion of those sales occurred within supermarket-related categories, making the Walmart U.S. division the largest supermarket operator in the United States, commanding over 30% of this \$500 billion industry. Other major product categories within the Walmart division include general merchandise (\$109 billion in annual sales) and health and wellness (\$37 billion in annual sales). Sam's Club is the second largest warehouse club in the U.S., with sales of \$58.7 billion in the fiscal year 2020. Over 65% of Sam's Club sales were generated from the food, beverage, health, and wellness categories.

Walmart has recently made several high-profile capital investments. In late 2015, the company committed \$2 billion to expand its omnichannel and e-commerce component, including opening more distribution centers to service these efforts. Walmart also added nearly \$2.5 billion in expenses to add associates and improve its work-force development. The retailer is already the world's 3rd largest employer with 2.2 million associates worldwide, trailing only the U.S. Department of Defense and the People's Liberation Army in China, in total number of employees.

TOP HONORS

- **#1 "Top 50 Global Retailers"** - National Retail Federation (2020)
- **#1 "Top 100 Retailers"** - Retail Info Systems (2020)
- **#19 "Global 2000"** - Forbes (2020)

Company Type: Public (NYSE: WMT; S&P: AA)
Locations: 11,500
Website: www.walmart.com

Nation's Restaurant News



Panda Express seeks 30,000 new hires, launches direct delivery

By Nancy Luna | June 15, 2020

Panda Express wants to hire 30,000 people nationwide as it prepares to reopen dining rooms for carryout starting June 16.

The company also announced Monday the launch of direct delivery, a program the chain planned to launch 12 months from now but accelerated amid the pandemic. While the brand said it is cutting out the middle man for consumers, it is still working with a third-party delivery company to perform the last-mile meal delivery. A company representative told Nation's Restaurant News delivery orders can be made directly through the chain's branded channels (website or app) but DoorDash fulfills the delivery.

Direct delivery is available at 1,700 locations.

 [CLICK FOR ARTICLE](#)

THE PRESS-ENTERPRISE



Inland economy still a driving force for the state, UCR report says

By Jack Katzanek | January 2, 2020

Ten months of strong economic growth has given the Inland Empire some California clout, a recent report from UC Riverside said.

Over the course of 2019 and part of 2018, the Inland region has seen better growth in key sectors — including jobs and the overall expansion of the workforce — than any other Southern California metropolitan area. The two-county region also is outpacing the state and the nation.

The area has also seen significant growth in consumer spending and in wages.

The report by UC Riverside's School of Business Center for Economic Forecasting and Development said that, although some of job numbers are weaker than in past years, they do not suggest a slowing economy.

 [CLICK FOR ARTICLE](#)

Perris, California

- Located in Riverside County, 18 miles south of Riverside, 55 miles southeast of Downtown Los Angeles, and 75 miles northeast of downtown San Diego
- 79,291 total residents; 1,289 active businesses; 25,000+ employees
- In the heart of a highly strategic location in Southern California which has attracted strong demand from major business-interests for industrial and logistical space
- 3 districts and 22 schools carrying over 1,500 staff and faculty members, and nearly 19,000 students

ECONOMY

- Logistics and distribution operations dominate the employer landscape, with nearly 25% working in such industries
- High-growth location situated within one of the fastest-growing regions in the country
 - 10% growth rate from 2010 to 2015
- Top employers include Ross Stores, Perris Elementary School District, Lowe's CA Regional Distribution Center, and NFI Industries
- \$21.8 million in sales tax revenues for the fiscal year 2018-2019; 4% increase from the prior year
 - Local retail sales grew by 14%
 - \$5.9 billion in secured property tax for the fiscal year 2018-2019; 11% increase from the prior year
- Home Depot & Wayfair expanded their existing operations to include additional warehouses

- **March Air Reserve Base** - Home to Air Force Reserve Command's 4th Air Force Headquarters and host to 452nd Air Mobility Wing, the largest air mobility wing of the 4th Air Force
 - One of the five largest employers in the region, with nearly 10,000 civilian and non-civilian employees
 - **The March Field Airfest** - A biennial air show and one of the largest events in the Inland Empire; 150,000 annual attendees

DEVELOPMENTS

- \$30 million, 5-year capital improvement program for transportation, parks, community facilities, and other projects
- 8,396 units of approved residential development
- **Perris Market Place** - 520,000 square foot retail shopping center; approved and in planning
- **Lewis Retail Center** - 643,000 square foot retail shopping center; under construction
- 13.7 million of industrial square feet under review, approved, or under construction

City of Perris Highlights

79,291

TOTAL
POPULATION



10% POPULATION GROWTH
FROM 2010-2015



13.7 MILLION SQ.FT.
INDUSTRIAL PLANNED



CITY HALL



PERRIS AUTO SPEEDWAY



MARCH AIR RESERVE BASE



Riverside County

- 2.49 million population; California's 4th largest county by population and the Nation's 11th largest county by population
- Approximately 1.5 million new residents are projected to move to Riverside in the next 45 years (California Department of Finance's projection, December 2014)
 - The largest projected amount of growth by population over any other county in California
- Covers nearly 7,300 square miles and includes five distinct regions: Northwest, Southwest, Hemet-San Jacinto Valley, the San Geronio Pass Area, and Eastern, including the incorporated cities and unincorporated areas within each region

ECONOMY

- The largest industries are retail trade, health care, social assistance, and construction
 - While agriculture has been the traditional foundation of the economy, a transition is well underway toward a more urban way of life with a multi-faceted economy
- Top employers include the County of Riverside (21,672), Amazon (10,500), University of California, Riverside (9,770), March Air Reserve Base (9,600), Stater Bros (8,304), and Kaiser Permanente Riverside Medical Center (5,700)
- \$592 million value of the agricultural crops in the eastern region in 2017
- 2.7 million people projected to reside here by the year 2025
- **UC Riverside** - One of 10 general campuses of the University of California system; 21,000 students
 - \$730+ million has been invested in new construction projects since 1999 to accommodate a rapidly-growing enrollment
 - #85 "Top National Universities" - U.S. News & World Report Best Colleges (2019)
 - UCR's sports teams are known as the Highlanders and play in the Big West Conference of the National Collegiate Athletic Association (NCAA) Division I
 - \$1 billion annual economic impact to the state of California
- **Kaiser Permanente** - Over 46,000 outpatient visits, 3,400 inpatient surgeries, and 10,300 outpatient surgeries annually
- **Galleria at Tyler** - Two-level, enclosed super-regional center anchored by Forever 21, JCPenney, and Macy's
 - Opened in 1970 and was expanded in 1991; comprising 1.2 million square feet of retail space
 - Dining and entertainment hub for the County, including AMC Theatres, Amaya Japanese Restaurant, The Cheesecake Factory, Famous Dave's, P.F. Chang's China Bistro, Red Robin, T.G.I. Friday's, and Yard House



2.49M

**TOTAL
POPULATION**

#4

**LARGEST COUNTY
IN THE STATE**



**HOME TO 10 AMAZON
E-COMMERCE CENTERS**



DOWNTOWN RIVERSIDE



MISSION INN HOTEL



UNIVERSITY OF CALIFORNIA, RIVERSIDE



Riverside County

- Predicted to become the 3rd most populated county in the state at 3.7 million, following behind San Diego County at 4.1 million and Los Angeles County at 11.5 million
- Houses the 12th largest city in California with a total population of approximately 327,500
- The largest number of businesses and total jobs in the Inland Empire

- Prominent retailers include ALDO, Brighton Collectibles, Francesca's, Gymboree, H&M, LOFT, M.A.C. Cosmetics, Teavana, Pandora, Sephora, Victoria's Secret, and White House Black Market

INLAND EMPIRE

- 4 million people; \$40 billion annual economy
- GDP significantly outperforms the nation, with business activity growing by 2.3% in the region's business activity in the third quarter of 2019 compared to 1.9% growth for the U.S.
- 18.1% projected growth in nonfarm wage and salary employment from 2014 to 2024
 - 233,000 jobs increasing employment to over 1.5 million by 2024; a rate of job growth higher than the state of California as a whole

LOGISTICS INDUSTRY

- The logistics industry has nearly doubled in size over the past decade

- One of the most important players in the industry due to its abundance of space, proximity to ports, as well as access to one of the nation's biggest consumer markets
 - \$260+ billion worth of cargo passes through the Port of Los Angeles each year; nearly 80% of those goods pass through the Inland Empire, either on trucks or on trains
- Wholesale trade, transportation, and warehousing are the region's biggest job creators because most e-commerce centers in Southern California are built in the region
 - 10,600 jobs added in 2017 (9.6% year-over-year increase)
 - The sector continues to expand with Amazon recently opening 2 fulfillment centers in Riverside and Eastvale
 - ◆ Amazon has 16,000 employees and 10 e-commerce centers in the Inland Empire
- More than a fifth of the nation's largest lease deals in 2019 involved San Bernardino and Riverside county properties
 - Inland Empire logistics operators signed 21 leases for 17.5 million square feet
 - One of 2019's biggest new tenants is Nordstrom, which leased a 1 million square foot warehouse in Riverside's Hunter Park area



660K

**EMPLOYEES
IN THE COUNTY**



**5TH FOR POPULATION
GROWTH IN THE NATION**

\$40B

**INLAND EMPIRE
ANNUAL ECONOMY**



GALLERIA AT TYLER



KAISER PERMANENTE - RIVERSIDE



RIVERSIDE COMMUNITY HOSPITAL



	<u>1-Mile</u>	<u>3-Mile</u>	<u>5-Mile</u>
Population			
2024 Projection	22,457	77,136	123,978
2019 Estimate	21,999	72,765	116,766
2010 Census	20,689	65,010	104,029
2000 Census	16,099	38,159	59,255
Growth 2000-2010	28.51%	70.37%	75.56%
Growth 2010-2019	6.33%	11.93%	12.24%
Growth 2019-2024	2.08%	6.01%	6.18%
Households			
2024 Projection	5,186	18,262	29,474
2019 Estimate	5,096	17,274	27,846
2010 Census	4,779	15,389	24,742
2000 Census	4,147	10,199	15,994
Growth 2000-2010	15.24%	50.89%	54.70%
Growth 2010-2019	6.63%	12.25%	12.55%
Growth 2019-2024	1.77%	5.72%	5.85%
2019 Est. Population by Single-Classification Race			
White Alone	7,845	28,036	46,426
Black or African American Alone	2,613	8,419	13,031
American Indian and Alaska Native Alone	231	684	1,051
Asian Alone	504	2,590	4,063
Native Hawaiian and Other Pacific Islander Alone	108	298	420
Some Other Race Alone	9,515	28,728	45,492
Two or More Races	1,113	3,582	5,586
2019 Est. Population by Ethnicity (Hispanic or Latino)			
Hispanic or Latino	17,476	55,623	87,249
Not Hispanic or Latino	4,523	17,142	29,517
2019 Est. Average Household Income	\$63,455	\$65,817	\$67,659

CONFIDENTIALITY AGREEMENT

PANDA EXPRESS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

The information contained herein does not purport to provide a complete or fully 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 financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

EXCLUSIVELY LISTED BY:

Bill Asher

Executive Vice President
basher@hanleyinvestment.com
949.585.7684 | BRE #01318078

Jeff Lefko

Executive Vice President
jlefk@hanleyinvestment.com
949.585.7682 | BRE #01942025



\$6.6 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



COSTAR POWER BROKER
top sales brokers & firm in OC



NATIONWIDE REACH
retail & investors across the U.S.