

# INVESTMENT OFFERING

22391 EL TORO RD.  
LAKE FOREST, CA 92630





# INVESTMENT SUMMARY

OFFERING PRICE:  
**\$7,640,000**

NOI:  
**\$275,000**

NOI (YEAR 3):  
**\$302,500**

CAP RATE:  
**3.6%**

CAP RATE (YEAR 3):  
**3.96%**

RENTABLE SQ FT:  
**1,940 SF**

LOT SIZE:  
**±0.68 AC (±29,801 SF)**

TENANT NAME:  
**RALPH'S FUEL STATION**

YEAR BUILT:  
**1977**

LOCATION:  
**LAKE FOREST, CA**

## INVESTMENT HIGHLIGHTS

### STRONG INVESTMENT GRADE CORPORATE GUARANTEE – RALPHS GROCERY CO.

- Ralphs is a wholly owned subsidiary of Kroger Co. (NYSE: KR) with 2020 revenues in excess of \$132 billion, over \$486 billion in assets, S&P rated BBB, #23 on Fortune 500, as well as over 2,700 grocery locations and 1,590 fuel centers through 35 states

### LONG TERM ABS. NNN FEE SIMPLE INVESTMENT

- Long term Ralphs corporate guaranteed lease with 9 years remaining on the initial term.
- 10% rent escalations every 5 years throughout the initial term and 6 (5-year) options
- Long-term security and stability for an investor

### WITHIN CLOSE PROXIMITY TO MULTIPLE RALPHS LOCATIONS

- The property is deliberately positioned within the epicenter of 7 Ralphs locations that are all within a 10 minutes' drive-time
- Immediately serviced by 3 Ralphs locations within a 3 mile radius - Lake Forest Rd location .8 miles away, El Toro Rd location 1.85 miles away, Santa Margarita location 2.19 miles away (see pg. 7)
- Only Ralphs Fuel location with South Orange County, with nearest location over 19 miles away in Orange, CA
- Convenient accessibility to brand loyal consumers

### EASE OF MANAGEMENT / PASSIVE INCOME

- Tenant is responsible for all expenses including taxes, insurance, common area maintenance, roof and structure
- Investor has zero maintenance and expense obligations
- Ideal investment for a 1031 exchange or the passive investor

### SIGNALIZED HARD CORNER INTERSECTION / EXCELLENT VISIBILITY & ACCESS

- The asset is strategically positioned on the signalized hard corner of Trabuco Rd and El Toro Rd, which experiences well over ±58,000 vehicles per day
- Freestanding pad to Grocery Outlet anchored center, providing multiple points of access and unobstructed visibility to tenant's national branding
- Intrinsic real estate value

### ROBUST RETAIL CORRIDOR / STRONG CONSUMER DRAW

- The Property is ideally situated adjacent to many national / credit retailers including Grocery Outlet, Stater Bros, Chipotle, Starbucks, Bank of America, Del Taco, Dollar Tree and many others
- The property benefits from synergistic crossover traffic from other nationally recognized retailers within the immediate area

### HIGH BARRIERS OF ENTRY

- Property is positioned in the Master Planned community of Lake Forest, which strictly limits future commercial development and prevents future competition within the trade area
- Ensures long-term growth and success of the tenant within trade area due to supply constraints

### AFFLUENT DEMOGRAPHICS/AVERAGE ANNUAL HOUSEHOLD INCOME OF \$146,200

- The affluent trade area provides strong discretionary income to support the tenant
- Affluent areas are attractive to tenants, thereby, promoting the intrinsic value of the Property
- Over 314,900 consumers and 217,200 day-time employees within a 5-mile radius









INTERSTATE 5 FREEWAY



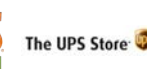
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## THE ORCHARD



## HERITAGE HILL PLAZA



## EL TORO &amp; TRABUCO



Ralphs

## SYCAMORE PLAZA



EL TORO ROAD (≈32,350 VPD)

TRABUCO ROAD (≈26,500 VPD)

N

NOT TO SCALE



# AREA OVERVIEW

## LAKE FOREST

The City of Lake Forest is located in the heart of South Orange County and the beautiful Saddleback Valley. The City's motto, "remember the past, challenge the future," is the Lake Forest way of life. The rich heritage of the past is preserved and enhanced in this contemporary city ready to meet the challenges and opportunities of the future. Lake Forest was incorporated as a city in 1991 to help ensure that it will always be an ideal place for business to prosper and people to live, work and play.

Since being incorporated, Lake Forest has expanded its limits to include the communities of Foothill Ranch and Portola Hills. These newer communities are master planned developments that brought homes and commercial centers to the Eastern boundary of Lake Forest throughout the 1990's.

Lake Forest is well-situated adjacent to the merger of the Interstate 5 and 405 Freeways and the Foothill and Eastern Transportation Corridors, which provide easy access to Los Angeles, San Diego, and the Inland Empire. The Orange County Airport and an Amtrak station are only minutes away.

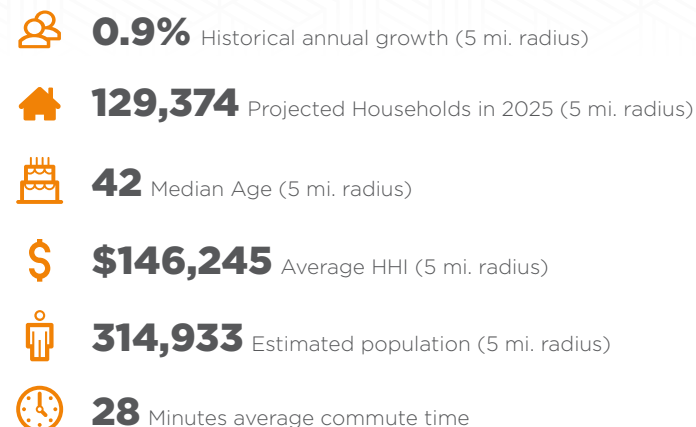
## WEATHER



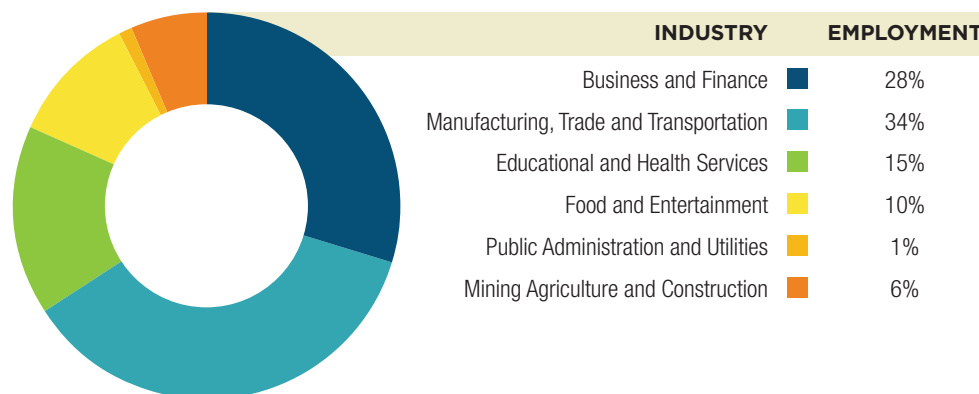
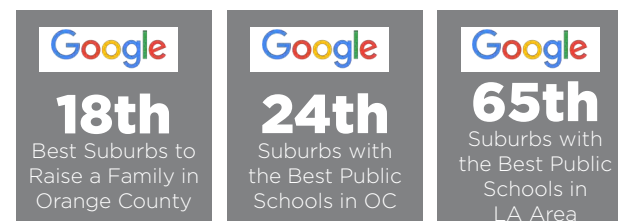
## TOP EMPLOYERS IN LAKE FOREST



## LAKE FOREST AREA FACT FILE



## IN THE NEWS



# AREA OVERVIEW

## HOUSING MARKET

**\$750,000**  
MEDIAN LIST PRICE

**\$824,484**  
MEDIAN HOME VALUE

**\$660,000**  
MEDIAN SALE PRICE

## TALENT TALKS

Percentage of persons with bachelor's degree or higher

**80%**

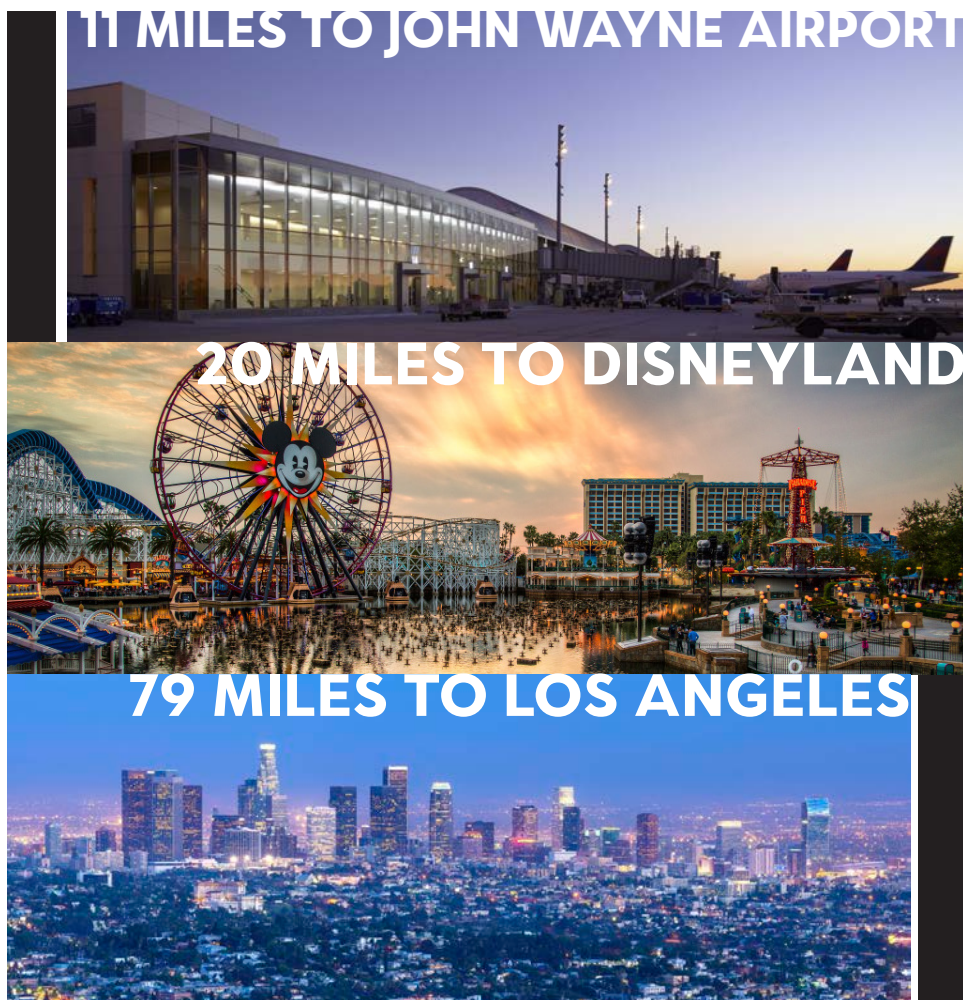
some college

**50%**

bachelor degree

**19%**

graduate degree



**22391 EL TORO RD.  
LAKE FOREST, CA 92630**

**1 MILE**

**3 MILES**

**5 MILES**

### POPULATION

2020 Estimated Population	25,879	139,757	314,933
2025 Projected Population	25,793	140,085	315,298
2010 Census Population	24,918	131,539	275,228
2000 Census Population	24,977	133,616	268,497
Projected Annual Growth 2020 to 2025	-	-	-
Historical Annual Growth 2000 to 2020	0.2%	0.2%	0.9%
2020 Median Age	38.5	43.1	41.6

### HOUSEHOLDS

2020 Estimated Households	9,061	53,328	123,636
2025 Projected Households	9,420	55,911	129,374
2010 Census Households	8,468	48,529	102,651
2000 Census Households	8,550	49,232	99,654
Projected Annual Growth 2020 to 2025	0.8%	1.0%	0.9%
Historical Annual Growth 2000 to 2020	0.3%	0.4%	1.2%

### INCOME

2020 Est. Average Household Income	\$131,285	\$133,307	\$146,245
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### ETHNICITY

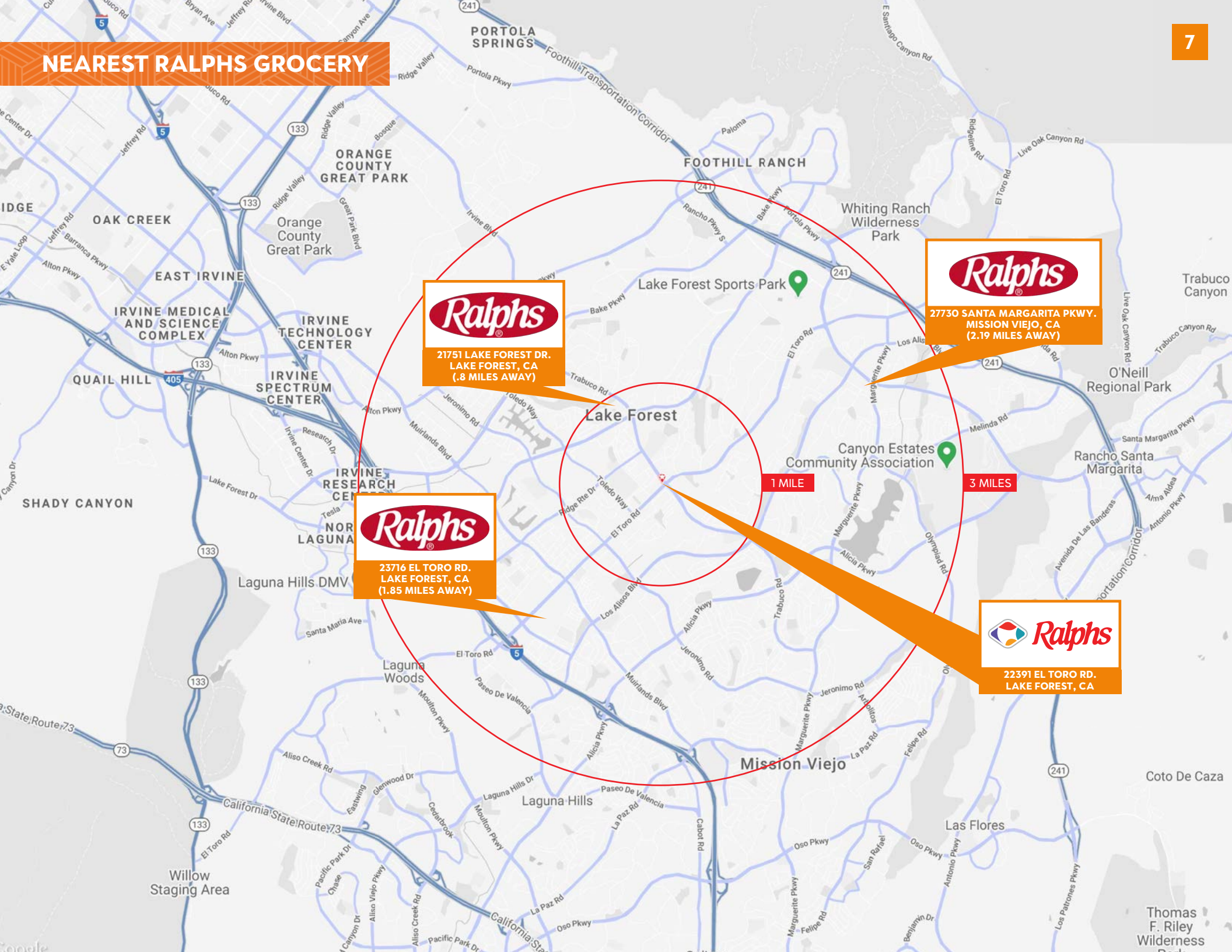
2020 Est. White	66.7%	70.4%	69.7%
2020 Est. Black or African American	2.0%	2.2%	2.6%
2020 Est. Asian or Pacific Islander	14.9%	14.0%	15.7%
2020 Est. American Indian or Native Alaskan	0.6%	0.5%	0.4%
2020 Est. Other Races	15.8%	13.0%	11.6%
2020 Est. Hispanic	27.7%	24.0%	21.3%

### BUSINESS

2020 Est. Total Businesses	883	9,771	18,957
2020 Est. Total Employees	5,358	103,599	217,262



NEAREST RALPHS GROCERY



# PROPERTY SPECIFICATIONS



## ADDRESS

22391 El Toro Rd.  
Lake Forest, CA 92630



## LAND AREA

.68 Acres (29,801 SF)



## RENTABLE AREA

1,940 SF



## OWNERSHIP

Fee Simple (Building & Land)



## YEAR BUILT

1977



## TRAFFIC COUNTS

Trabuco Rd.      ±26,500 VPD  
El Toro Rd.      ±32,350 VPD



## PARCEL MAP

APN: 614-231-44



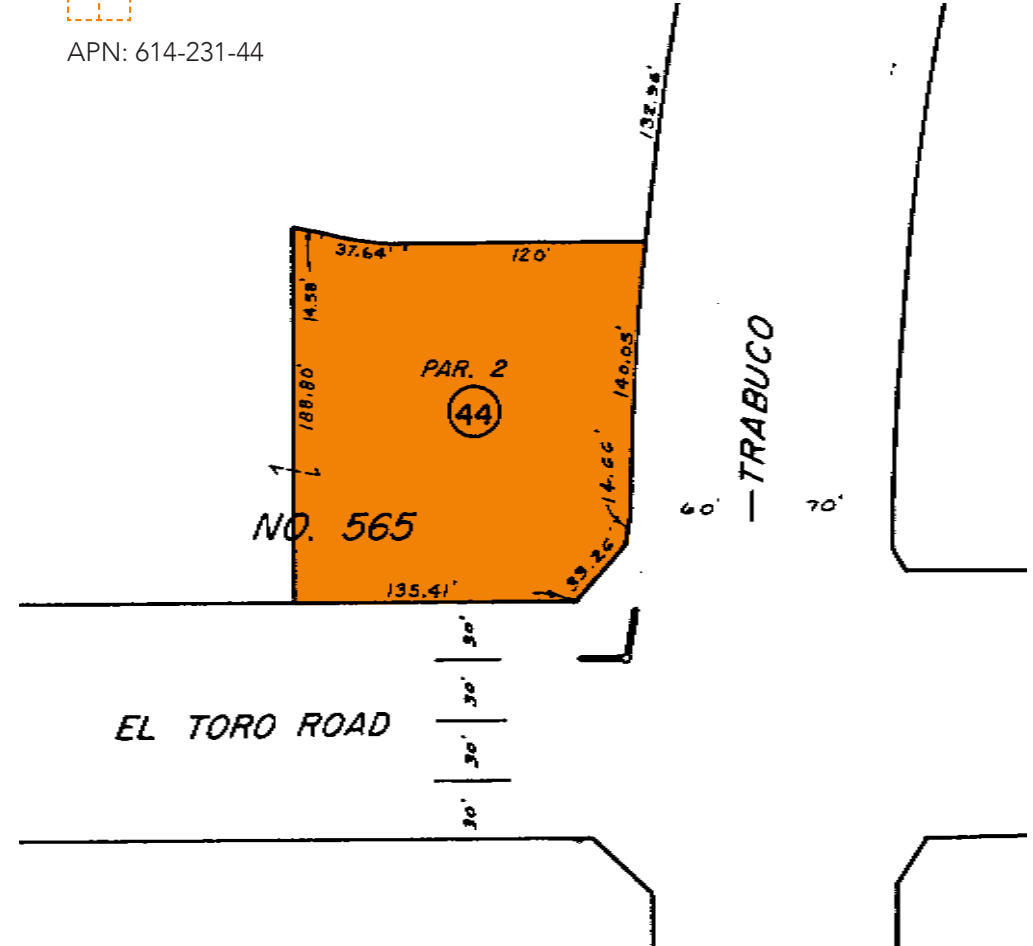
## ZONING

Per the city of Lake Forest, the subject site is currently zoned as CC - Community Commercial



## ACCESS

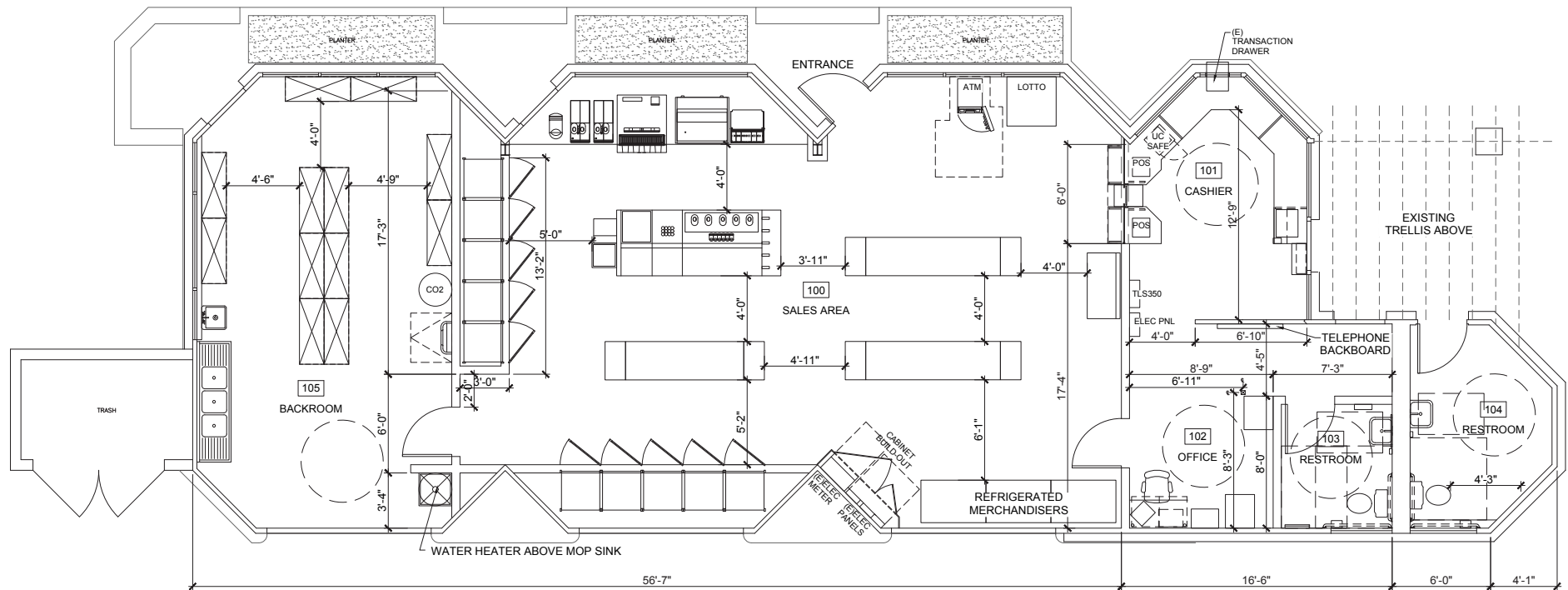
There are two (2) access points. One (1) along Trabuco Rd., and one (1) via El Toro Rd.





# COMING CONVENIENCE STORE BUILDOUT

(PAID FOR BY RALPHS)





# TENANT PROFILE



## Ralphs

[www.ralphs.com](http://www.ralphs.com)

Ralphs is an American supermarket chain in Southern California. The largest subsidiary of Cincinnati-based Kroger, it is the oldest such chain west of the Mississippi River. Kroger also operates stores under the Food 4 Less and Foods Co. names in California. Kroger is the United States' largest supermarket by revenue (\$132.5 billion for fiscal year 2020), and the second-largest general retailer (behind Walmart). Kroger is also the fifth-largest retailer in the world and the fourth largest American-owned private employer in the United States. Kroger is ranked #23 on the Fortune 500 rankings of the largest United States corporations by total revenue.

Today, Ralphs competes with Albertsons (including Vons) and Stater Bros. Its slogan is "Fresh Food, Low Prices." Ralphs is the current market share leader in Southern California.

Company Type	<b>Kroger Subsidiary (NYSE:KR)</b>
Locations	<b>2,757</b>
Employees	<b>453,000</b>
2021 Revenue	<b>132.5 Billion</b>
Fortune 500	<b>#23</b>
S&P Rated	<b>BBB</b>
Headquarters	<b>Cincinnati, OH</b>







**EL TORO HIGH SCHOOL**  
2,352 STUDENTS ENROLLED  
IN THE 2018-19 YEAR

**EL TORO & TRABUCO**


**SYCAMORE PLAZA**


TRABUCO ROAD (±26,500 VPD)

EL TORO ROAD (±32,350 VPD)



NOT TO SCALE







# RENT ROLL

TENANT NAME	SF	DATE	INCREASE	MONTHLY RENTAL RATES		ANNUAL RENTAL RATES		RECOVERY TYPE	LEASE START	LEASE EXPIRATION	LEASE OPTIONS
				RENT	PSF	RENT	PSF				
Ralph's	1,940	Current		\$22,917	\$11.81	\$275,000	\$141.75	NNN	11/1/2019	10/31/2030	6 (5-Year)
Grocery		Nov-2024	10%	\$25,208	\$12.99	\$302,500	\$155.93	NNN			Option 1: 10% increase
Company		Nov-2029	10%	\$27,729	\$14.29	\$332,750	\$171.52	NNN			Option 2: 10% increase
											Option 3: @ FMV
											Option 4: 10% increase
											Option 5: 10% increase
											Option 6: 10% increase









## SHAUN RILEY

Senior Managing Director  
sriley@farislee.com  
(949) 221-1807  
License No. 01165160

## NICK MILLER

Director  
nmiller@farislee.com  
(949) 221-1827  
License No. 02059453



18301 Von Karman Ave., Suite 800, Irvine, CA 92612 • P (949) 221-1800 • [farislee.com](http://farislee.com)



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