

McDONALD'S

CORPORATE ABSOLUTE NNN GROUND LEASE

14024 OSBORNE STREET, ARLETA, CA 91331



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EXECUTIVE SUMMARY

Trophy Asset - Corporate McDonald's Ground Lease



**Extremely Rare Rental Increases to Hedge Against Inflation
13% Next Increase & 20% Increase in First Option**



**Located in the San Fernando Valley Region of Los Angeles, CA | Proven
Location with the Tenant Occupying this Site Since 1962**



**Over 10 Years Remaining on Corporate-Guaranteed Absolute NNN Ground
Lease with Zero Landlord Responsibilities**

Prime Retail Location

- ▶ Located Next to the Intersection of Osborne Street & Woodman Avenue with Combined **Traffic Counts Exceeding 62,000 Cars Per Day**
- ▶ Large **±5,175 SF Building on ±0.96 Acre** Parcel
- ▶ Close Proximity to Major Retailers such as Walmart, Walmart Neighborhood Market, Target, Vallarta Supermarkets, Superior Grocers, El Super, Food 4 Less, 99 Cents Only, CVS, AutoZone, El Pollo Loco, Chase Bank, Fresenius, Wienerschnitzel, Jack in the Box, 7-Eleven, Panda Express, WWS, Subway, Mobil, Citibank, Wendy's, & more

Strong Corporate Guaranteed McDonald's

- ▶ **Strong Brand Recognition** - McDonald's is the World's Leading Global Foodservice Retailer with Over 38,000 Locations in Over 100 Countries
- ▶ **Strategic Location** - Close Proximity to Interstate 5 & 405
- ▶ **Open 24 Hours** - McDonald's Diverse Menu of Breakfast, Lunch, and Dinner Options Generates Traffic at All Times Throughout the Day
- ▶ **Double Drive-Thru to Accommodate Additional Order Volume** - Strong Insulation from E-Commerce/Internet Competition and Restaurants are Considered Essential Business

Pride of Ownership Property in Los Angeles, CA

- ▶ **Arleta is a Neighborhood in the San Fernando Valley Region of the Los Angeles, CA**
- ▶ Close Proximity of Kaiser Permanente Panorama City Medical Center
- ▶ Located between Van Nuys Airport, Hollywood Burbank Airport, & Whiteman Airport
- ▶ **Very High Population Density** of Approximately 730,000 People with an Average Household Income of \$81,800 within a 5-Mile Radius



MARKET OVERVIEW

Aerial Photo



Arleta
High School

Beachy
Avenue Elementary

← ±4 Miles Via Woodman
Avenue to 405 Freeway

Liggett Street
Elementary School



Woodman Avenue
±34,000 Cars Per Day



Demographics (5 Miles)
Population: ±730,120
Households: ±213,532
AHH Income: \$81,869



Dozens of Local
Retail Businesses

Los 7 Mares
Authentic Mexican & Seafood

Woodman
Apartment Homes

Valor Academy
Elementary School

Panorama
Baptist Church

Tacos Vallarta

El Cafetalito
Restaurant

SUBJECT
PROPERTY



Arleta
Self Storage

Cavalry
Lutheran Church



±1.5 Miles Via Osborne
Street to 5 Freeway



Osborne Street
±28,000 Cars Per Day



Kaiser Permanente
Panorama City
Medical Center

FINANCIAL ANALYSIS

Offering Summary

Property Name	McDonald's - Corporate Ground Lease
Property Address	14024 Osborne Street Arleta, CA 91331
Assessor's Parcel Number	2640-016-025
Year Built/Renovated	1962/2013
Gross Leasable Area (GLA)	±5,175 Square Feet
Lot Size	±0.96 Acres (±41,942 Square Feet)

Pricing

Price	\$6,000,000
Cap Rate	3.25%



Annualized Operating Data

Gross Potential Rent	\$195,000*
Total Expenses	Absolute NNN
Net Operating Income	\$195,000

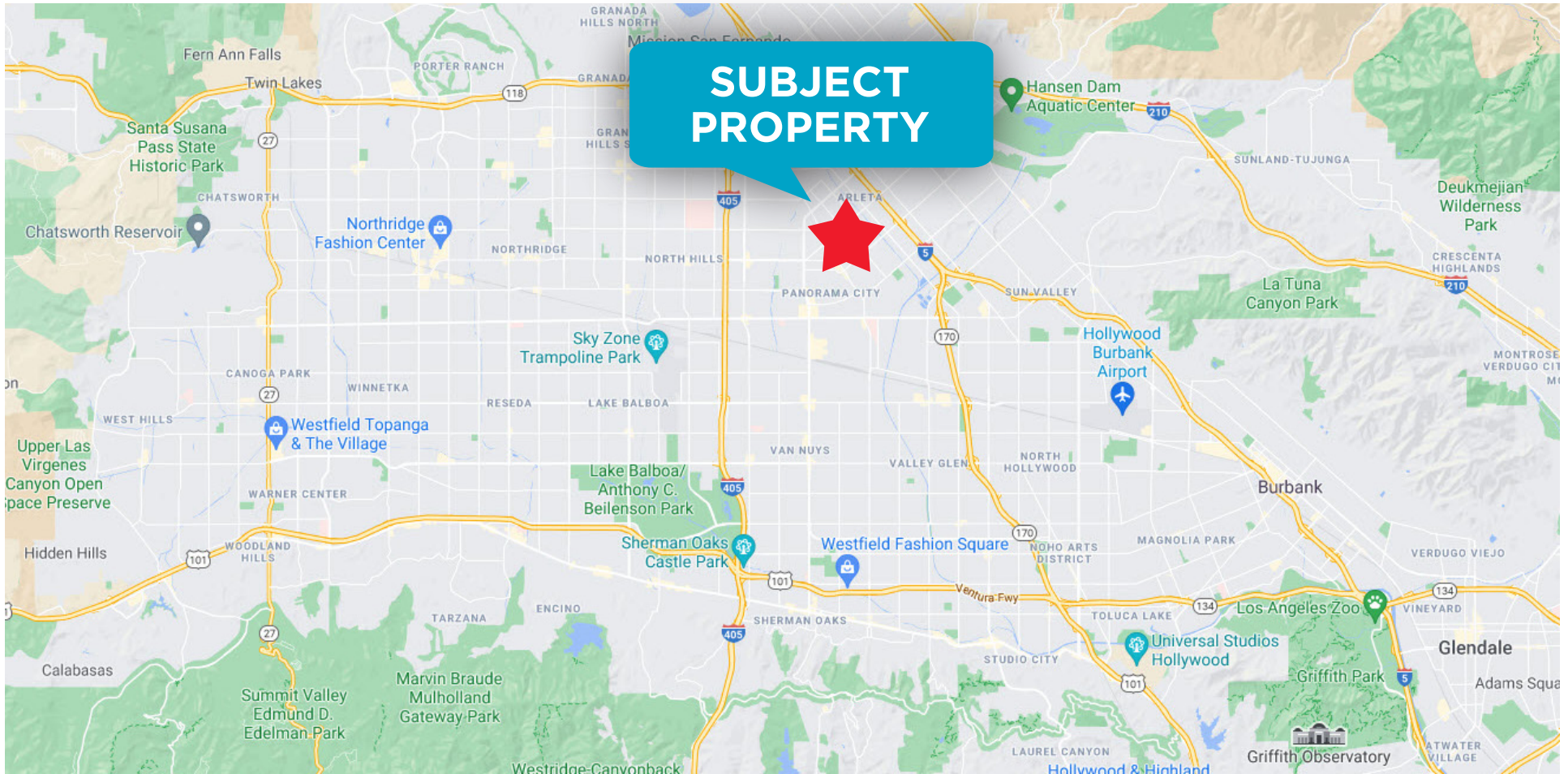
Lease Information

Initial Lease Term	±20.5 Years (Current Lease) Original Occupancy: 1962
Lease Commencement Date	November 1, 2011
Lease Expiration Date	June 14, 2032
Lease Remaining	±10.75 Years
Lease Type	Absolute NNN Ground Lease
Increases	06/2022: Current Rent Annual Rent: \$195,000 (3.25% Cap) 13% Increase - 06/2027 (Base Term): Annual Rent: \$220,020 (3.67% Cap) 20% Increase - 06/2032 (Option 1): Annual Rent: \$264,000 (4.40% Cap) 15% Increase - 06/2037 (Option 2): Annual Rent: \$303,600 (5.06% Cap) 15% Increase - 06/2042 (Option 3): Annual Rent: \$349,140 (5.82% Cap) 15% Increase - 06/2047 (Option 4): Annual Rent: \$400,680 (6.68% Cap)
Options	Four, Five-Year 06/2032 (Option 1): 20% Increase Options 2-4: 15% Increase
Guarantee	Corporate
Right of First Refusal	Yes - 30 Days

*NOTE: Rent is based off of upcoming increase on June 15, 2022. Seller shall credit the difference in rent to Buyer at close of escrow.

MARKET OVERVIEW

Regional Map



±62,000

CARS PER DAY ON OSBORNE
STREET & WOODMAN AVENUE



±7.5 MILES

TO HOLLYWOOD
BURBANK AIRPORT (BUR)



±1.5/±3.5 MILES

DISTANCE TO THE
5 FREEWAY/405 FREEWAY



±20 MILES

VIA THE 5 FREEWAY/101 FREEWAY
TO DOWNTOWN LOS ANGELES

MARKET OVERVIEW

The San Fernando Valley - Los Angeles, CA

The San Fernando Valley, known locally as The Valley, is an urbanized valley in Los Angeles County, California.

Located just north of the Los Angeles Basin, the valley contains a large portion of the City of Los Angeles, as well as unincorporated areas and the incorporated cities of Burbank and San Fernando.

The Valley is well known for its iconic film studios such as Warner Bros. Studio and Walt Disney Studios. In addition, it is home to the Universal Studios Hollywood theme park.

The San Fernando Valley is about 260 square miles bound by the Santa Susana Mountains to the northwest, the Simi Hills to the west, the Santa Monica Mountains and Chalk Hills to the south, the Verdugo Mountains to the east, and the San Gabriel Mountains to the northeast. The northern Sierra Pelona Mountains, northwestern Topatopa Mountains, southern Santa Ana Mountains, and Downtown Los Angeles skyscrapers can be seen from higher neighborhoods, passes, and parks in the San Fernando Valley.

As home to the world's major movie studios, the San Fernando Valley is where celebrities live, work and play. The San Fernando Valley has it all. It's made up of gorgeous suburbs and mini-malls. Major network and movie studios call it home. Then there are the tremendous opportunities for dining and entertainment. The Valley has anything you need or want: great food, great fun, and definitely great shopping.

Major Attractions - San Fernando Valley

- ▶ **Art & Culture** - The Valley is home to the NoHo Arts District with more than 20 theaters that feature a wide variety of performances from classics to improv. Art galleries are abound on Lankershim Boulevard and live music make the area and artist's paradise.
- ▶ **Outdoor Activities** - Residents and visitors can head to Ahmanson Ranch, a 2,983-acre wildlife refuge and natural park just north of Calabasas. The park features an oak forest, wetlands, rolling hills, pastures, and much more.
- ▶ **Universal Studios Hollywood** - Fun for the whole family, Universal Studios features all of the attraction of a major theme park while also offering guests the opportunity to go behind the scenes of the movie-making industry on the world famous Studio Tour.
- ▶ **Dining** - The cuisine in the Valley mirrors its diversity - from "Sushi Row" on Ventura Boulevard to Hard Rock Cafe Hollywood to a local In N Out Burger, the Valley has it all!
- ▶ **Shopping** - For a traditional mall experience, residents can visit Westfield Fashion Square in Sherman Oaks (anchored by Bloomingdales and includes 140+ retail stores). Westfield Topanga in Canoga Park is another option, which boasts 300+ stores and the largest Nordstrom in the Los Angeles area.



MARKET OVERVIEW

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2025 Population	52,536	343,009	745,553
2020 Population	51,731	336,206	730,120
2015 Population	50,510	325,131	704,590
2010 Population	46,708	309,900	681,754

Households	1-Mile	3-Miles	5-Miles
2025 Households	13,151	91,518	218,667
2020 Households	12,918	89,367	213,532
2015 Households	12,473	85,335	203,630
2010 Households	11,987	82,595	198,689
2025 Owner Occupied Housing	48.0%	43.1%	44.1%
2025 Renter Occupied Housing	52.0%	56.9%	55.9%
2020 Owner Occupied Housing	48.2%	43.3%	44.3%
2020 Renter Occupied Housing	51.8%	56.7%	55.8%
2010 Owner Occupied Housing	50.7%	45.2%	46.2%
2010 Renter Occupied Housing	49.3%	54.8%	53.8%

Income	1-Mile	3-Miles	5-Miles
\$ 0 - \$ 14,999	11.1%	11.5%	11.0%
\$ 15,000 - \$24,999	9.7%	11.3%	10.2%
\$ 25,000 - \$34,999	10.2%	10.4%	9.5%
\$ 35,000 - \$49,999	13.2%	14.0%	13.2%
\$ 50,000 - \$74,999	17.3%	17.4%	17.2%
\$ 75,000 - \$99,999	15.2%	13.2%	13.1%
\$100,000 - \$124,999	9.7%	8.8%	9.3%
\$125,000 - \$149,999	5.3%	5.0%	5.5%
\$150,000 - \$200,000	5.4%	5.2%	6.2%
\$200,000 to \$249,999	1.1%	1.3%	1.9%
\$250,000 +	1.9%	1.9%	3.0%
2020 Median Household Income	\$58,303	\$53,868	\$59,017
2020 Average Household Income	\$74,713	\$72,914	\$81,869



\$81,869

2020 AVERAGE HOUSEHOLD
INCOME - 5 MILE RADIUS



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