

SINGLE TENANT NET LEASED PROPERTY

18683 BEAR VALLEY ROAD, HESPERIA, CA 92345

FOR SALE



JOHN CIGLIANO

Lic. 01944544

Phone: 310-308-5489

john@highlandpartnerscorp.com

HIGHLAND PARTNERS CORP.

880 Apollo Street, Suite 329

El Segundo, CA 90245

Broker Lic. 01904030



CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and Highland Partners Corp. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries

and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or Highland Partners Corp, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you --will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or Highland Partners Corp. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Highland Partners Corp.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to Highland Partners Corp.

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SINGLE TENANT NET LEASE PROPERTY FOR SALE





18683 BEAR VALLEY RD | HESPERIA, CA

Highland Partners Corp is pleased to present the opportunity to acquire 18683 Bear Valley Rd. This freestanding building is currently 100% net leased to Planet Fitness located in Hesperia in San Bernardino County, California.

INVESTMENT OVERVIEW



Asking Price:
\$5,241,667



Lease Begins:
4/1/2021



Cap Rate:
6.00%



Lease Ends:
3/31/2036



NOI:
\$314,500
(\$26,208.33/Mo.)



Rent Increases:
10% every 5 years



Term:
15 Years



Option Term:
Two (2), five-year options



Lease Type:
Absolute NNN



PROPERTY OVERVIEW



Address:
18683 Bear Valley Rd.
Hesperia, CA 92345



APN:
0399-011-56



Total Building Area:
±17,000 SF



Year Built:
2021



Total Land Area:
1.56 Acres

PURCHASE PRICE
\$5,241,667

SINGLE TENANT NET LEASE PROPERTY FOR SALE

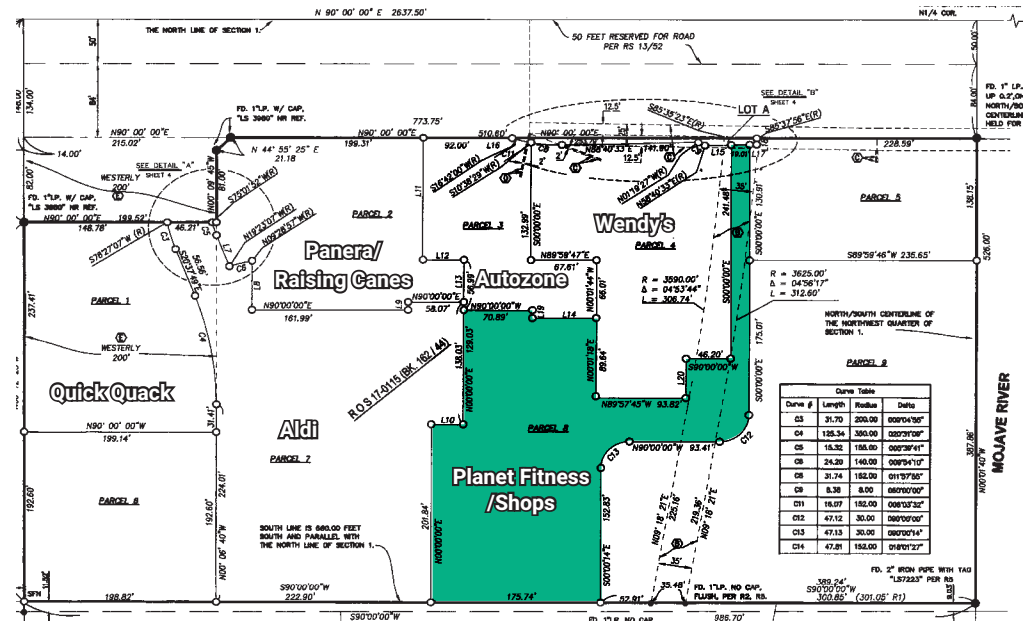


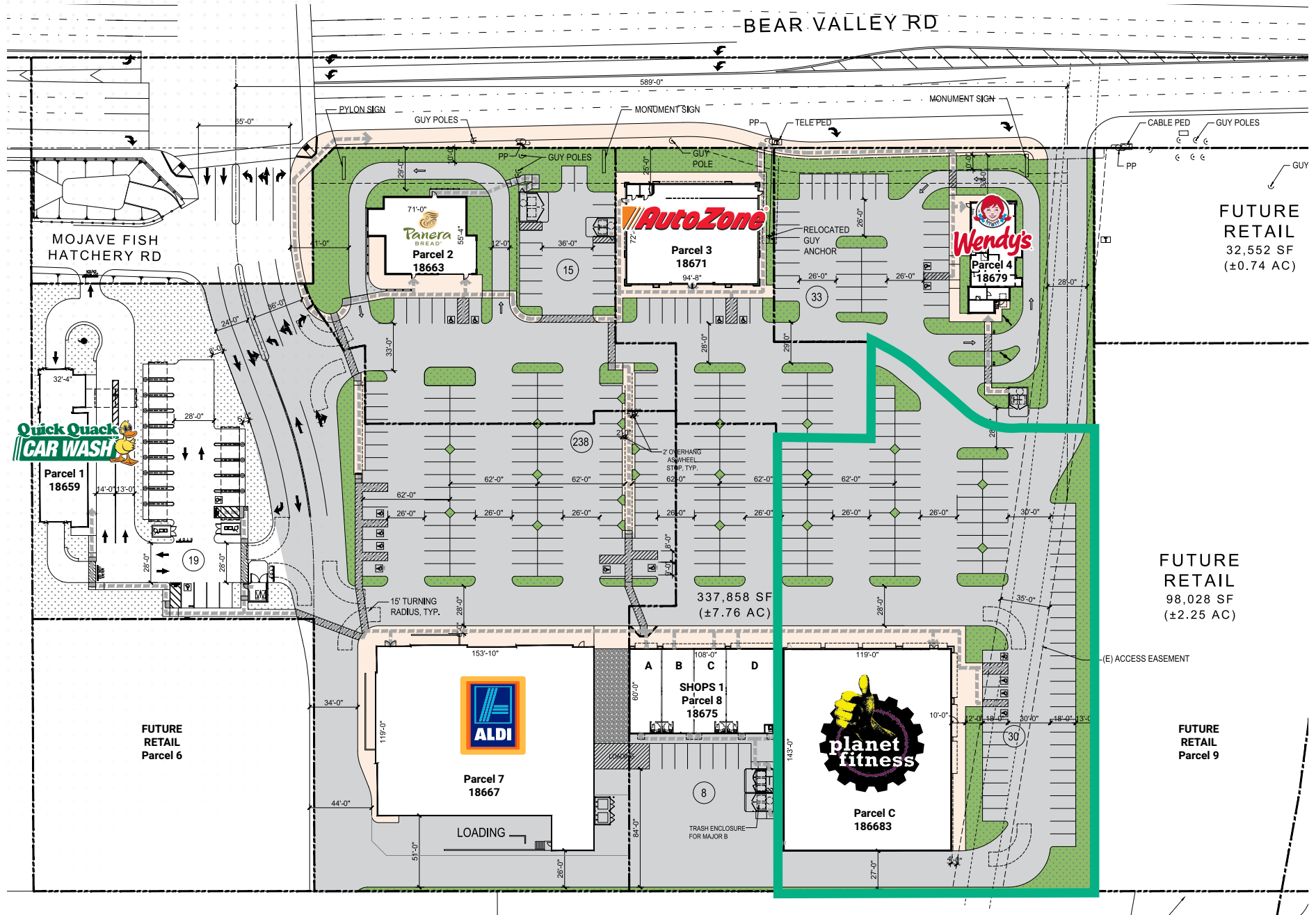
PROPERTY HIGHLIGHTS

- Brand New 15-Year Lease
- Absolute NNN
- Fee Simple Ownership
- Zero Landlord Responsibilities
- Top Performing Franchisee | 24-Hour Location
- Well-Located on Main Retail Thoroughfare
- Rapidly Growing High Desert Market
- Excellent Visibility & Access
- Long Term Security
- 10% Rental Increases
- Attractive Brand-New Construction (2021)
- Neighboring Tenants within the Shopping Center include Aldi, AutoZone, Panera Bread, Wendy's, Quick Quack Car Wash & More



PARCEL MAP







18683 BEAR VALLEY RD | HESPERIA, CA





18683 BEAR VALLEY RD | HESPERIA, CA

FINANCIAL ANALYSIS

Tenant	Planet Fitness
NOI	\$314,500
Cap Rate	6.00%
Purchase Price	\$5,241,667
Price per Square Foot	\$308.33

LEASE ABSTRACT

Tenant	Planet Fitness
Building Size	17,000 SF
Current Rent	\$314,500
Lease Term	15 Years
Lease Start	04/01/2021
Lease Expires	03/31/2036
Rent Increases	10% every 5 years
Options	Two (2) x five-years
Option Increases	10% every 5 years
Lease Structure	Absolute NNN
Ownership	Fee Simple

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EXPENSE RESPONSIBILITIES

Roof	Tenant
Structure	Tenant
HVAC	Tenant
Common Areas	Tenant
Property Tax	Tenant
Utilities	Tenant
Insurance	Tenant

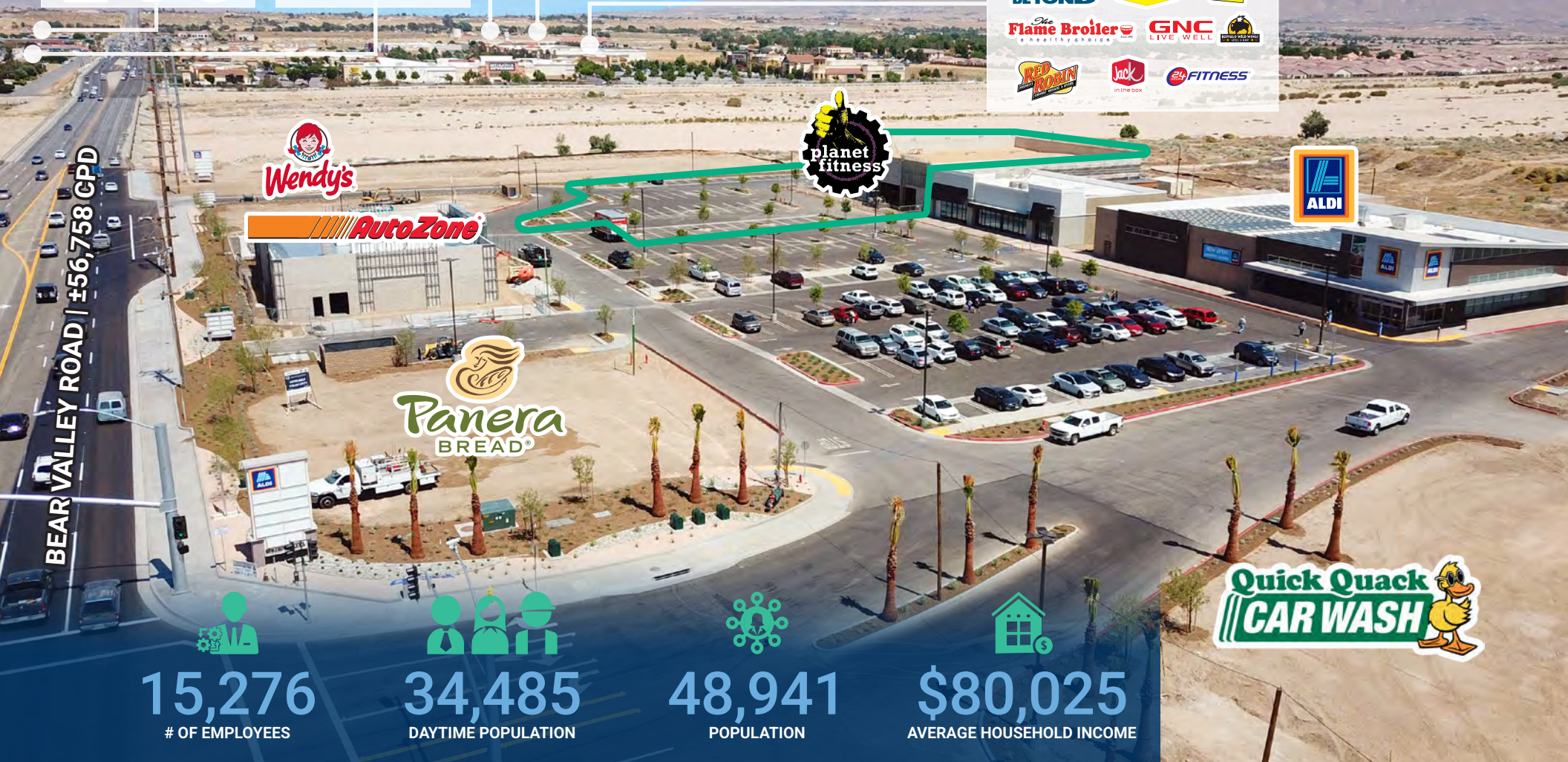
Other

*Landlord of parcel 8 "Shops" is the Declarant and CAM director of the shopping center. Each parcel owner/tenant is responsible for their pro-rata reimbursement of these costs, plus a management fee of up to 5% of the total costs. Aldi reimburses an administration fee equal to 8% of the common area costs.





18683 BEAR VALLEY RD | HESPERIA, CA



15,276
OF EMPLOYEES



34,485
DAYTIME POPULATION



48,941
POPULATION



\$80,025
AVERAGE HOUSEHOLD INCOME





18683 BEAR VALLEY RD | HESPERIA, CA

TENANT SUMMARY



Planet Fitness

www.planetfitness.com

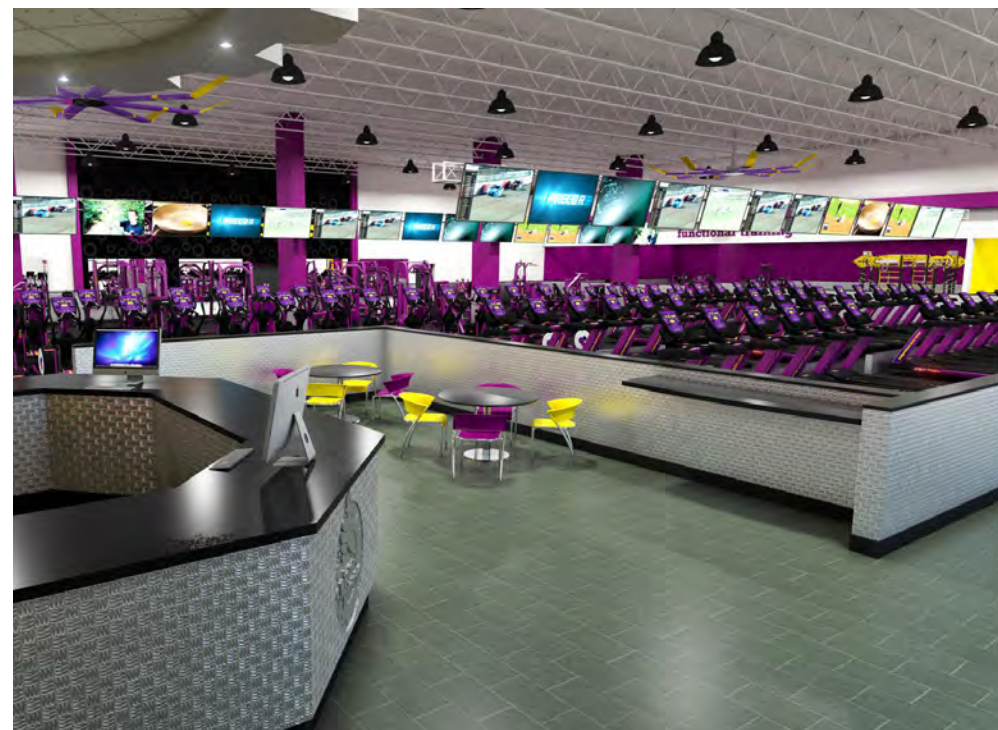
Founded: 1992

Locations: 2,039+

Headquarters: Hampton, NH

Planet Fitness is an American franchisor and operator of fitness centers based in Hampton, New Hampshire. The company reports that it has 2,039 clubs with an estimated 10 million members across 50 states making it one of the largest fitness club concepts in the country in both members and locations.

PF Baseline Fitness, LLC - Founded in 2009, PF Baseline Fitness, LLC is one of the largest Planet Fitness franchisee groups in the US and operates 53+ clubs throughout North Dakota, South Dakota, Minnesota, Iowa, Illinois, Nebraska. The Lessee, Planet MV, LLC is a subsidiary of PF Baseline Fitness, LLC and operates 4 gyms in Southern California.



RETAIL MAP



18683 BEAR VALLEY RD | HESPERIA, CA





HESPERIA MARKET OVERVIEW

Hesperia is a city in the Victor Valley area located in the eastern portion of San Bernardino County just minutes from the Cajon Pass, and a minimal commute time to the nearby Ontario, San Bernardino and Riverside areas. The Victor Valley is made up of a collection of desert cities including, Victorville, Apple Valley, and Hesperia, has a combined population of nearly 400,000. The Victor Valley Area and Hesperia have been growing rapidly in recent years and are attracting new residents and all types of development and private investments.

Hesperia's growing population has played an important role in the positive business growth seen since 2010 where Hesperia has experienced a total population growth north of 10%. Single-family residential permits issued by the city last year increased by 35%. Nearly 40 new homes have been constructed in Hesperia over the past 12 months, and a 200-unit residential development in northwest Hesperia in the early stages of construction. Hesperia very recently made a significant leap in its residential development process by giving its approval to the Tapestry Project, a master-planned community that is aimed at younger families, preservation, and environmental sustainability. Proposed 15,663 housing units and over 1.4 million square feet of commercial and retail space are planned in the community that will sit on 9,400 acres of what is currently empty land. The project will be constructed in phases over 25 years and could boost the city's population by up to 80,000. Phase I of the project is expected to go to market in 2020, which will bring 1,884 homes and 400 to 500 jobs to southeast Hesperia.

There is also a major industrial project planned for southwest Hesperia - the 3.5 million square foot Hesperia Commerce Center. The 13 parcel industrial park on 232 acres will be built near Interstate 15 just north of the Ranchero Interchange. The development consists of 34 industrial warehouse and office buildings, wholesale distribution facilities, commercial storage facilities, and an assortment of retail space.

The city is pairing all of these major projects with the appropriate development infrastructure. Hesperia completed a \$60 million Interchange Bridge at Ranchero Road in early 2015 in order to handle the increase in traffic in the area. Hesperia will also see movement in the coming months on the widening of Ranchero Road, an \$18 million project that will widen five miles of roadway from I-15 east to the Ranchero Road Undercrossing. All of these improvements will provide critical transportation improvements for the City of Hesperia and Apple Valley as it provides another east-west corridor through the city.

CITY HISTORY



Hesperia's Past

The City's history stretches far beyond its 1988 incorporation. Hesperia's past is rich with the history of the Mojave Indian Tribe, Spanish settlers and the westward travelers of the Mormon Trail.

The first major turning point in present day Hesperia occurred in 1855 when the Atchison, Topeka and Santa Fe railroad tracks were completed. This resulted in Hesperia's first industry, providing juniper wood to bakers in Los Angeles by way of train. Juniper is a very hard wood that was used as fuel for kilns up until the early 1900s, when oil became the principal fuel for bakers. The change in technology did not slow Hesperia's progress.

The 1900s were a booming time with the increased popularity of automobiles and Route 66. The City served as the last stopping point before travelers made the treacherous trip down the Cajon Pass.

Hesperia Today

Hesperia has become known, not only for affordable housing, but also for the pleasant desert climate, clean air, beautiful scenery and sunsets, and hometown essence that Hesperia has to offer.

A variety of housing opportunities are available including:

- Custom-built villas overlooking Hesperia Lakes
- Modern, amenity-rich subdivisions
- Large-lot residential zoning (enjoy a rural lifestyle with the benefits of City services)

Our wonderful City is just minutes from the Cajon Pass, providing a minimal commute time to the nearby Ontario, San Bernardino, and Riverside areas. Hesperia's growing population has prompted an increase in business growth throughout the City, including the High Desert Gateway Retail Center shops at Topaz and Topaz Marketplace.



DEMOGRAPHICS (2020 ESTIMATES)

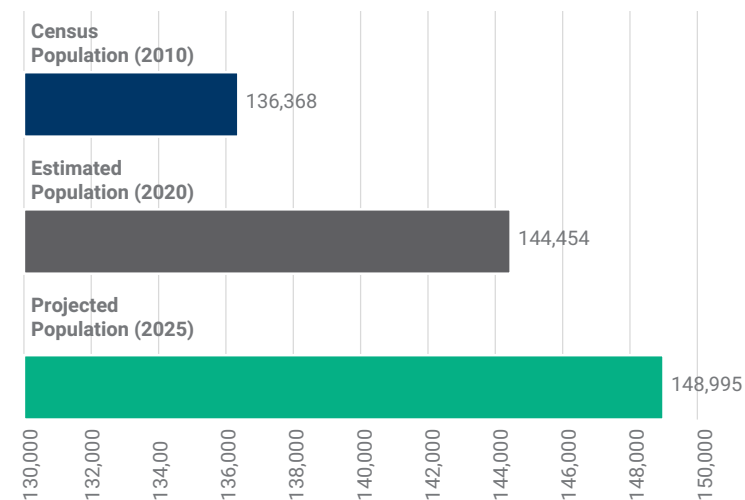
	1 Mile	3 Miles	5 Miles
POPULATION			
Estimated Population (2020)	5,104	48,941	144,454
Projected Population (2025)	5,271	50,477	148,995
Census Population (2010)	4,778	45,908	136,368
Census Population (2000)	3,263	32,003	103,819
Projected Annual Growth (2020-2025)	167	0.70% 1,536	0.60% 4,542
Historical Annual Growth (2010-2020)	326	0.70% 3,034	0.70% 8,086
Historical Annual Growth (2000-2010)	1,515	4.60% 13,905	4.30% 32,549
Estimated Population Density (2020)	1,625	psm 1,732	psm 1,840
Trade Area Size	3.1	sq mi 28.3	sq mi 78.5

HOUSEHOLDS			
Estimated Households (2020)	1,982	17,612	48,675
Projected Households (2025)	2,017	17,929	49,564
Census Households (2010)	1,813	15,920	44,514
Census Households (2000)	1,202	11,307	35,404
Projected Annual Growth (2020-2025)	35	0.30% 317	0.40% 890
Historical Annual Change (2000-2020)	780	3.20% 6,305	2.80% 13,271

AVERAGE HOUSEHOLD INCOME			
Estimated Average Household Income (2020)	\$75,745	\$80,025	\$73,003
Projected Average Household Income (2025)	\$87,255	\$91,702	\$84,529
Census Average Household Income (2010)	\$58,099	\$62,240	\$56,417
Census Average Household Income (2000)	\$53,704	\$56,351	\$47,601
Projected Annual Change (2020-2025)	\$11,510	3.00% \$11,677	2.90% \$11,526
Historical Annual Change (2000-2020)	\$22,041	2.10% \$23,674	2.10% \$25,403

MEDIAN HOUSEHOLD INCOME			
Estimated Median Household Income (2020)	\$63,368	\$69,049	\$57,264
Projected Median Household Income (2025)	\$74,672	\$80,641	\$66,727
Census Median Household Income (2010)	\$52,146	\$53,774	\$47,115
Census Median Household Income (2000)	\$46,519	\$46,997	\$38,913
Projected Annual Change (2020-2025)	\$11,304	3.60% \$11,592	3.40% \$9,463
Historical Annual Change (2000-2020)	\$16,849	1.80% \$22,052	2.30% \$18,351

POPULATION (WITHIN 5 MILE RADIUS)



INCOME (WITHIN 5 MILE RADIUS)



EMPLOYMENT (WITHIN 5 MILE RADIUS)



Demographic Source: Applied Geographic Solutions 4/2020, TIGER Geography



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