



OFFERING MEMORANDUM

PRESERVE  
WEST  
CAPITAL



Habit Burger Ground Lease  
Antioch, CA | San Francisco Bay Area

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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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## PROPERTY HIGHLIGHTS



- 15-Year Corporate Absolute Net Ground Lease to Habit Burger with 11 Years Remaining
- Fixed 10% Rental Increases Every 5 Years - Next Increase in August 2022
- Highly Functional Construction with Drive-Thru Component
- Rare Opportunity to Acquire Highly Desirable Habit Burger location in the Bay Area
- Strong Location in Growing East Bay Area Community – 158,744 Within 5-Mile Radius
- Robust Demographics in Surrounding Area– Average Household Income \$99,400
- Excellent Visibility with Prominent Pylon Signage Along CA Route 4 - 108,000 AADT
- Dense Retail Corridor with Various Anchors including Lowe's Home Improvement & Target





## PRICE

**\$4,263,000**

4.00% Return

## Location

The property is located at 2430 Mahogany Way, Antioch, California

## Lot Size

Approximately 0.98 acre or 42,558 square feet. *Only the land is for sale.*

## Improvements

An approximately 3,410 square foot quick-service restaurant building for **Habit Burger** with a drive-thru component.

*The improvements were built and are owned by the tenant. Upon expiration or termination of the lease, title to all such improvements shall become vested in landlord.*

*The improvements are not for sale.*

## Parking

There is ample parking with approximately 50 parking spaces available on site.

## Ground Lease

Leased for 15 years to **The Habit Restaurants, LLC** from a rent commencement date of July 15, 2017 through July 31, 2032 at a current annual rent of \$155,000, which shall increase to \$170,500 on August 1, 2022. There are three (3) five-year options to renew. Annual rent increases 10% in years 6 and 11 and at the start of each option period. The lease is triple net with tenant responsible for all taxes, insurance, and all maintenance.

## Net Annual Income

Years	Annual Rent	Return
1-5 (Current Rent)	\$155,000	n/a
<b>6-10 (Capitalized Rent)</b>	<b>\$170,500</b>	<b>4.00%</b>
11-15	\$187,550	4.40%
16-20 (Option 1)	\$206,305	4.84%
21-25 (Option 2)	\$226,936	5.32%
26-30 (Option 3)	\$249,629	5.86%

## Financing

This property will be delivered free and clear of permanent financing.



The Habit currently has 288 locations and is a subsidiary of Yum Brands (NYSE: YUM).

**The Habit Burger Grill** commonly known as The Habit, is one of the fastest growing fast-casual dining chains in the U.S., having grown from 26 to 288 locations over the last 9 years. The chain specializes in hamburgers, salads, sandwiches, shakes, and french fries, and was founded in Santa Barbara, CA in 1969. The Habit is known for its “charburgers,” prepared over an open flame, and fast, friendly service. Initially, the restaurant’s growth was limited to the Los Angeles area, but following its acquisition in 2007 by private equity firm KarpReilly it grew to more than 100 locations. The company now has more than 288 locations across 11 states, as well as international locations in China and the United Arab Emirates. In recent years, the company has pursued opening new locations in spaces with drive-thru components, noting that drive-thru equipped locations generate higher revenue and increased return on investment than other comparable new restaurant locations. Though the company primarily operates company-owned restaurants, the company has begun to franchise additional locations, fueling additional growth.

In March 2021, the company was acquired by Yum Brands (NYSE: YUM), which also operates the brands Pizza Hut, KFC, Taco Bell, and WingStreet.

# SITE PLAN





# AERIAL

# WEST VIEW

## SOMERSVILLE TOWNE CENTER



Turner  
Elementary



Los Medanos  
College



Pittsburgh  
High School



CENTURY PLAZA  
SHOPPING CENTER



Auto Center Dr



FREEWAY VISIBLE  
PYLON SIGN

the  
**Habit**  
BURGER GRILL



(108,000 AADT)

Somersville Rd (22,020 AADT)





AERIAL

NORTH VIEW

TARGET

COSTCO  
WHOLESALE

ROSS  
DRESS FOR LESS

PET SMART

BIG 5  
SPORTING GOODS

TOGO's  
DEAL HANDICRAFTS

West Marine  
We make boating more fun!

JOANN  
stores inc.

HARBOR FREIGHT TOOLS  
Quality Tools at Remarkably Low Prices

CHEESE STEAK

verizon

SALLY

CHRYSLER

Jeep

RAM

Days Inn  
BY WYNDHAM

AMTRAK

TOYOTA

CENTURY PLAZA  
SHOPPING CENTER

7  
ELEVEN

IN-N-OUT  
BURGER

TACO BELL

BURGER  
KING

PANDA EXPRESS  
CHINESE CHINESE FOOD

LOWE'S  
Home Improvement Warehouse

Sommerville  
Shopping Center

the  
Habit  
BURGER GRILL

Comfort  
INN

McDonald's

CALIFORNIA  
4  
(108,000 AADT)



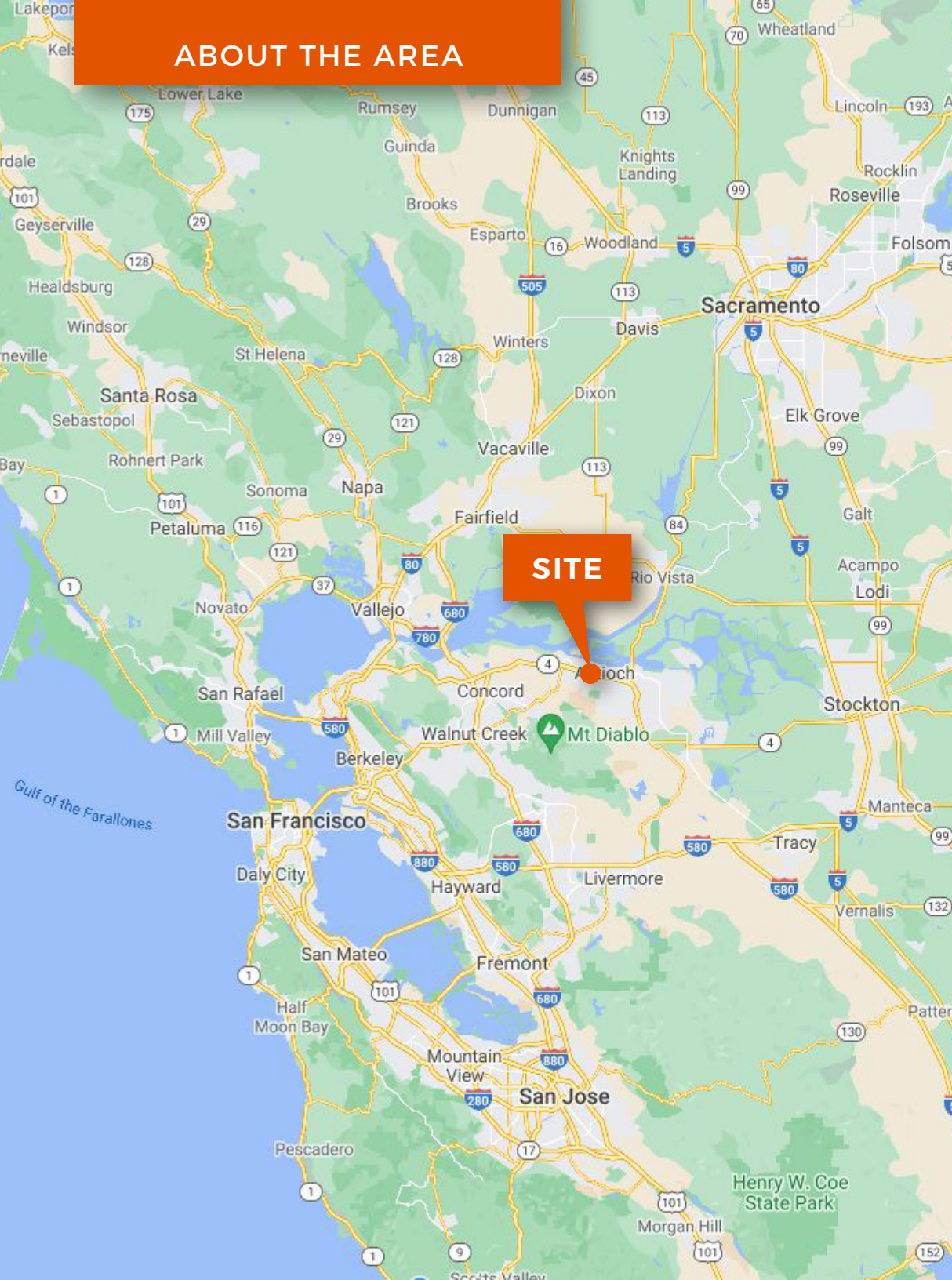
## AERIAL

## EAST VIEW





## ABOUT THE AREA



## General Overview

Antioch (population 110,542) is a city in Contra Costa County, California in the East Bay region of the affluent San Francisco Bay Area. Located on the San Joaquin-Sacramento River Delta, Antioch is a suburb of San Francisco, Oakland, and the greater Bay Area. CA State Route 4 connects Antioch to Oakland, San Francisco, and the Bay Area road network via Interstate 80 to the west and links the city to Stockton, Interstate 5, and Sacramento in the East.

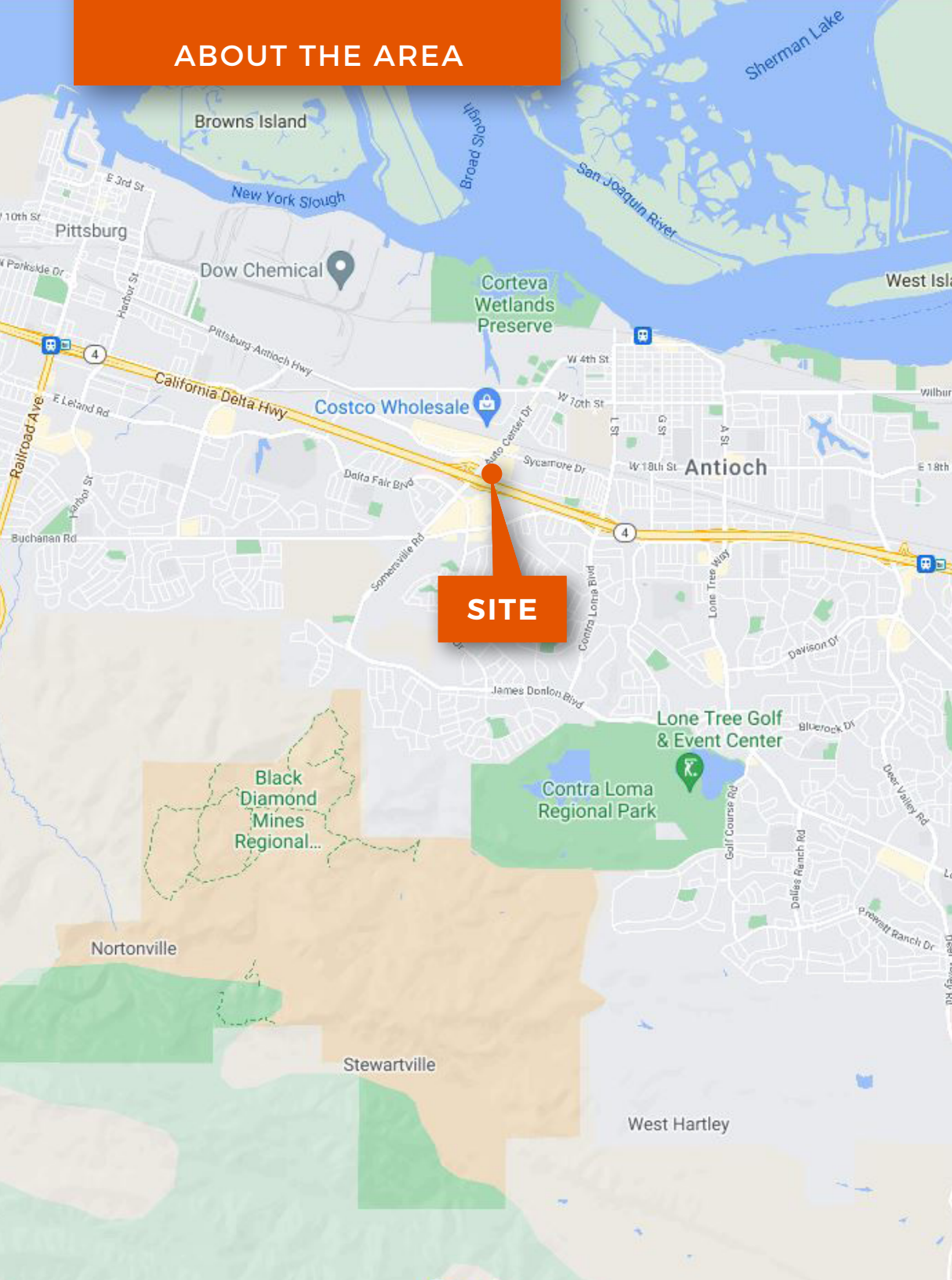
Over the last 30 years, as growth in the Bay Area has skyrocketed, Antioch has experienced significant growth as a more affordable East Bay “bedroom community” to become the heart of east Contra Costa County. Located less than a forty-minute drive from Oakland and an hour’s drive from San Francisco, Antioch is one of few remaining Bay Area communities with affordable housing, and this growth has spurred increased development and employment activity in the city. The pace of development in Antioch has driven increased activity for financial and insurance institutions, contractors, schools, hospitals, and local businesses.

Major growth has resulted in over \$1 billion in transportation improvements to the area. The Highway 4 Widening Project was completed in 2016 with lanes added in both directions. Additionally, a ten mile extension to BART (Bay Area Rapid Transit) is underway to connect further east to Pittsburg and Antioch.

Other recent development activity in Antioch includes the Almondridge East and Park Ridge developments, currently under construction, which comprise a planned 606 single family dwellings over 192 acres in Antioch. Additional planned developments include Delta Courtyard Apartments, a 126-unit multifamily development, more than 1000 single family residential dwellings, Hillcrest Summit, a 36,000+ square foot office and retail development, and Delta Fair Village, a 13.5 acre mixed-use retail and condo development.



## ABOUT THE AREA



## Site Information

Strategically located in a strong retail location, the subject property benefits from excellent visibility with prominent pylon signage along California State Route 4 (108,000 AADT), a major arterial linking Antioch to the rest of the San Francisco Bay Area. Located across the street from a high-performing Lowe's Home Improvement, the property benefits from a central location within a retail hub. Other shopping centers immediately neighboring the property include the Century Plaza Shopping Center, major tenants of which include Burlington Coat Factory, Target, and Toys "R" Us, the Somersville Towne Center, featuring Macy's, Sears, Smart & Final, and a 24 Hour Fitness location, and Delta Fair Shopping Center, with tenants including Big Lots, Bank of America, and 99 Cents Only. Additionally, the subject property is less than half a mile from Kaiser's Delta Fair medical center in Antioch. The property is less than two miles from Antioch High School, Antioch Middle School, Fremont Elementary School, and Kimball Elementary School. The subject property also benefits from strong demographics, with a population of 157,687 within a five mile radius. Average household income is \$79,893 and rising, and the average home value within a five mile radius of the site is \$289,803.





# 2430 Mahogany Way | Antioch, CA 94509



TOTAL POPULATION  
**158,744**



AVG. HOME VALUE  
**\$473,446**



AVG. HOUSEHOLD INCOME  
**\$99,400**

## Population Summary

	1 Mile	3 Miles	5 Miles
2010 Total Population	17,428	78,591	148,928
2020 Total Population	18,089	83,017	158,744
2025 Total Population	18,443	85,038	163,354
2020-2025 Annual Rate	0.39%	0.48%	0.57%

## Average Household Income

2020	\$63,884	\$84,629	\$99,400
2025	\$70,306	\$95,220	\$113,382

## Average Home Value

2020	\$374,520	\$440,277	\$473,446
2025	\$512,167	\$560,621	\$600,319

## Major Employers - Antioch, CA

Kaiser Permanente  
Antioch Unified School District  
Sutter Delta Medical Center  
Contra Costa County Social Services  
Wal-Mart  
Target  
Costco  
City of Antioch  
Antioch Auto Center  
Safeway





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