

OFFERING MEMORANDUM

Bank of America 

12547 HAWTHORNE BLVD., HAWTHORNE, CA

**STNL VALUE ADD OFFERING
WITH FMV OPTIONS**

 **FARISLEE**
Investments

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REPRESENTATIVE PHOTO



INVESTMENT SUMMARY

OFFERING PRICE:
\$11,125,000

EST. RENTABLE SQ FT:

12,919 SF

LOT SIZE:

1.12 AC (48,787 SF)

PARKING SPACES:

74 spaces

LOCATION:

Hawthorne, CA

YEAR BUILT:

1953

TENANT NAME:

Bank of America

WEBSITE:

www.farisleehawthorneBofA.com



INVESTMENT HIGHLIGHTS

EXTREME RARE VALUE-ADD OPPORTUNITY WITH FMV OPTIONS IN 5+ YEARS/EXISTING RENT IS \$0.51/SQ. FT./MO.

- With recent bank branch rents of new leases and renewals averaging \$5.15/sq. ft./mo. (see page 14), the potential Fair Market Value rent will enable the investor to achieve an above market return for a Bank of America
- Provides the investor with potential value appreciation and increasing cash flow

LONG-TERM 70 YEAR OPERATING HISTORY AND EXCEPTIONALLY HIGH \$282 MILLION OF BRANCH DEPOSITS AT THIS LOCATION

- Provides investor a highly-certain lease renewal in 5+ years
- Essential trade area location with significant difficulty to replicate
- Proven location having one of the highest deposits of any L.A. county bank branch

IDEAL HEDGE AGAINST INFLATION WITH A 5% RENT INCREASE WITHIN A YEAR AND 3% ANNUAL RENT INCREASES IN ALL OPTION TERMS

- Provides an excellent long-term hedge against inflation
- Enables an investor to earn a higher real rate of return than competing investments
- Helps to preserve the long-term value of the investment

BANK OF AMERICA - \$312.6 BILLION MARKET CAP | "A-" S&P RATING | \$3.1 TRILLION IN ASSETS | BEST IN CLASS INDUSTRY LEADER

- Holds more than 10% of the deposit base in the United States
- A banking behemoth providing the investor a stable and secure income stream
- Currently ranks 27th highest market capitalization of any company in the world

LARGE 1.12 ACRE PARCEL POTENTIALLY ALLOWING FOR VARIOUS USES INCLUDING DRIVE-THRU RESTAURANT AND HIGHER DENSITY RESIDENTIAL

- Site plan on page 10 shows the potential for two drive-thru concepts
- Residential developments within Los Angeles county are occurring on smaller parcels
- Enhances the intrinsic value of the underlying real estate

CITY HALL ADJACENT | CENTER OF TOWN LOCATION | PROVEN TRADE AREA

- Adjacent to city hall and 217 room, 5 story, Courtyard by Marriott hotel
- Adjacent to the center of town intersection of Hawthorne Blvd. and El Segundo Blvd.
- In close proximity to large employers including SpaceX and Tesla design center

SHORTAGE OF DEVELOPABLE LAND FOR FUTURE HOUSING NEEDS ADDS TO THE VIABILITY OF FUTURE HIGH DENSITY RESIDENTIAL USE AT THIS SITE

- The chart of page 15 shows future housing needs within the city
- Forecasting shows that city of Hawthorne will be required to add a significant amount of housing to meet laws set forth by the State of California
- The demand for higher density housing potentially adds significant value to the underlying real estate

INVESTMENT HIGHLIGHTS

LOCATED ADJACENT TO CENTER OF TOWN INTERSECTION OF HAWTHORNE BLVD. AND EL SEGUNDO BLVD. WITH A TRAFFIC COUNT IN EXCESS OF 69,000 VEHICLES PER DAY

- Provides a highly visible and strong identity location for Bank of America
- Desirable site for other retail uses with ease of access and a visible location
- Ideal location for high density residential and urban village living

LOCATION IS SUPPORTED BY RARE COMBINATION OF DENSE IN-FILL POPULATION AND STRONG HOUSEHOLD INCOME

- Dense in-fill location featuring a population base in excess of 280,000 and 707,000 people with a 3 and 5 mile radius respectively
- Trade area residents with strong discretionary income with average annual household incomes in excess of \$86,000 and \$104,000 within a 3 and 5 mile radius respectively

ABSOLUTE NNN LEASE | MANAGEMENT-FREE CREDIT INVESTMENT

- The Absolute NNN lease structure provides a management-free investment
- Investor is protected from any recurring or unforeseen expenses as Bank of America is responsible for all property expenses including roof and structure maintenance and replacement







NOT TO SCALE

HAWTHORNE MUNICIPAL
AIRPORT



HAWTHORNE
MEMORIAL PARK



WASHINGTON
ELEMENTARY SCHOOL



HAWTHORNE BOULEVARD (±36,237 VPD)

W. EL SEGUNDO BOULEVARD (±33,368 VPD)



HAWTHORNE
CITY HALL

HAWTHORNE
LIBRARY

HAWTHORNE
FIRE DEPARTMENT

AREA OVERVIEW

Hawthorne, CA

Hawthorne is ideally located near Los Angeles International Airport. It's also connected by rail to the Port of Los Angeles and downtown Los Angeles and surrounded by the 405, 110 and 105 freeways and 3 Metro Green Line Stations. It could be called the "Hub of the South Bay." By virtue of its strategic location, Hawthorne offers quick and easy access to all that Southern California offers: culture, sports, entertainment, mountains and beaches. Temperatures in the area are always among the most pleasant in the Los Angeles area. The City possesses a shared vision towards the future to create a great city and build an economy which supports the community's desire for a high quality of life.



12547 HAWTHORNE BLVD. HAWTHORNE, CA	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	58,720	280,312	707,543
Population 5 Years Forecast	59,910	283,591	716,295
Population 10 Years Forecast	61,172	288,385	728,632
Average Age	36	37	38
HOUSEHOLDS			
2021 Estimated Households	19,012	89,134	242,196
Households 5 Years Forecast	19,408	90,235	245,188
Households 10 Years Forecast	19,820	91,790	249,412
INCOME			
Household Average Income	\$71,760	\$86,043	\$104,547
BUSINESS			
Total Businesses	879	7,052	18,017
Total Employees	12,946	168,997	349,633

TOP EMPLOYERS

SPACEX

TESLA

Triumph Group
Integrated Systems

9to5[®]
seating

COSTCO
WHOLESALE

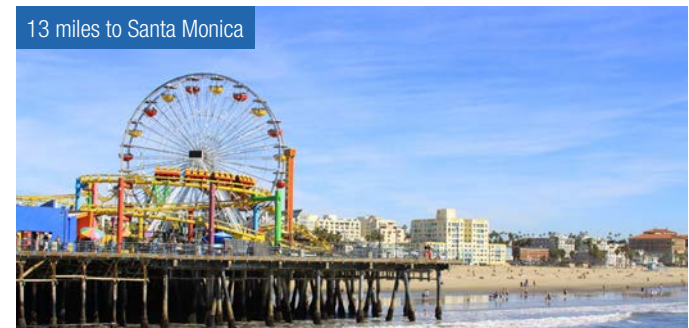


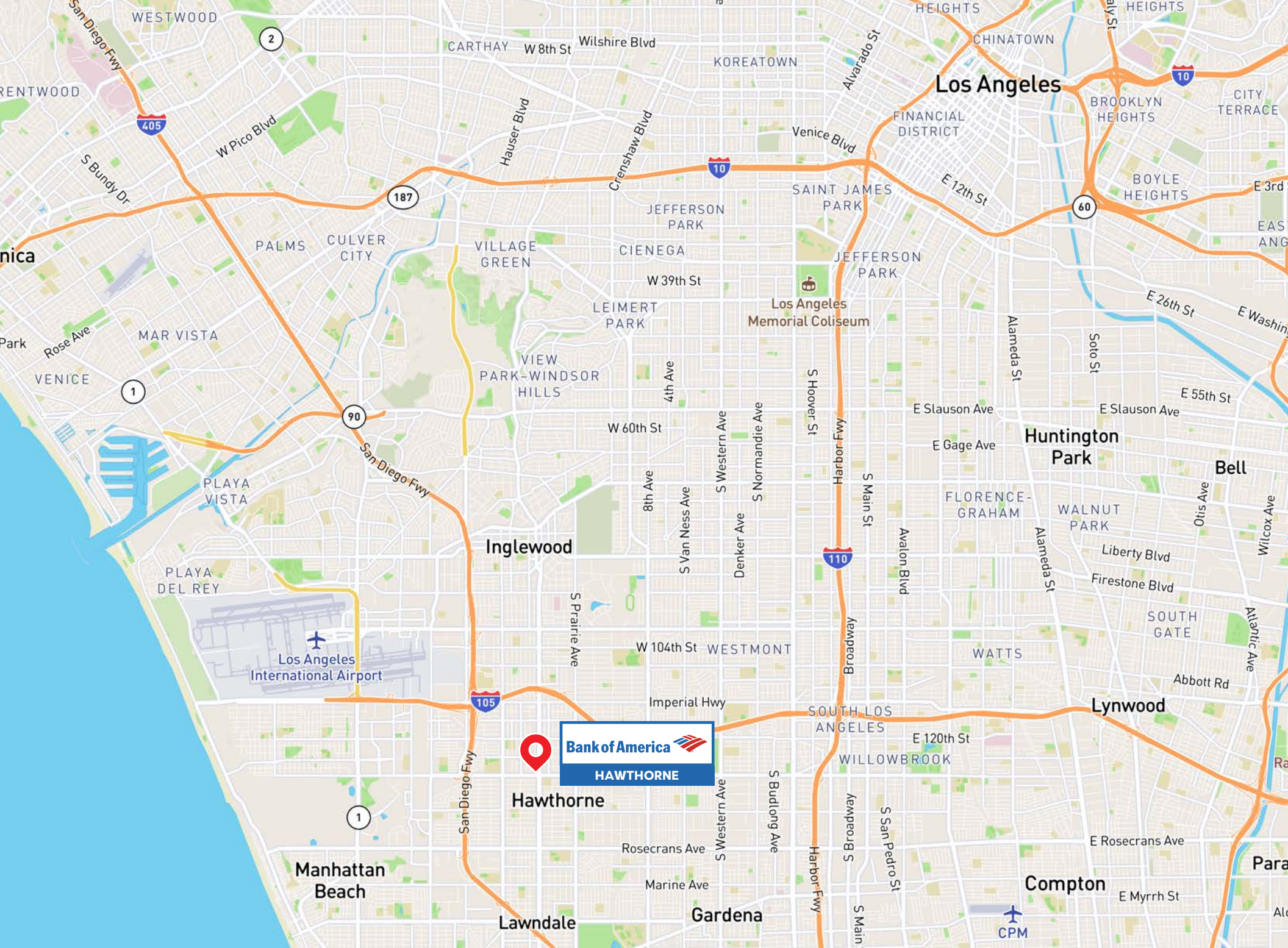
Hawthorne
School District

HOUSING MARKET

\$824,000
MEDIAN LIST PRICE

\$815,000
MEDIAN HOME VALUE





PROPERTY SPECIFICATIONS



LOCATION

12547 Hawthorne Blvd.
Hawthorne, CA 90250



RENTABLE AREA

12,919 SF



LAND AREA

1.12 AC (48,787 SF)



OWNERSHIP

Fee Simple (Land & Building)



ACCESS

There are 3 access points.
2 via Hawthorne Blvd. and
1 via W. 126th St.



BUILT

Location was built in 1953



PARKING

74 spaces (5.73 per 1,000 SF)



TRAFFIC COUNTS

Hawthorne Blvd. ±36,237 VPD
W. El Segundo Blvd. ±33,368 VPD



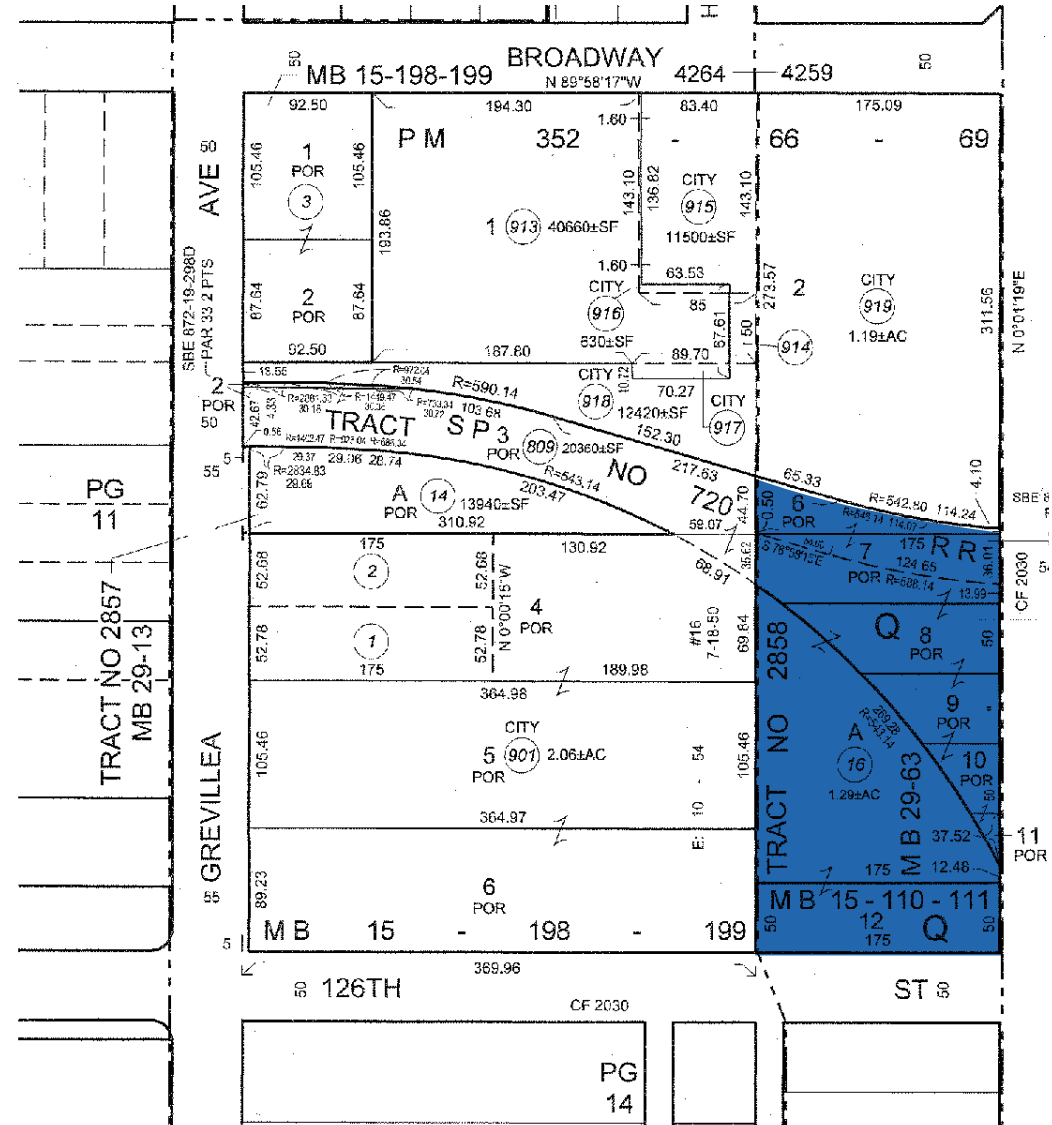
ZONING

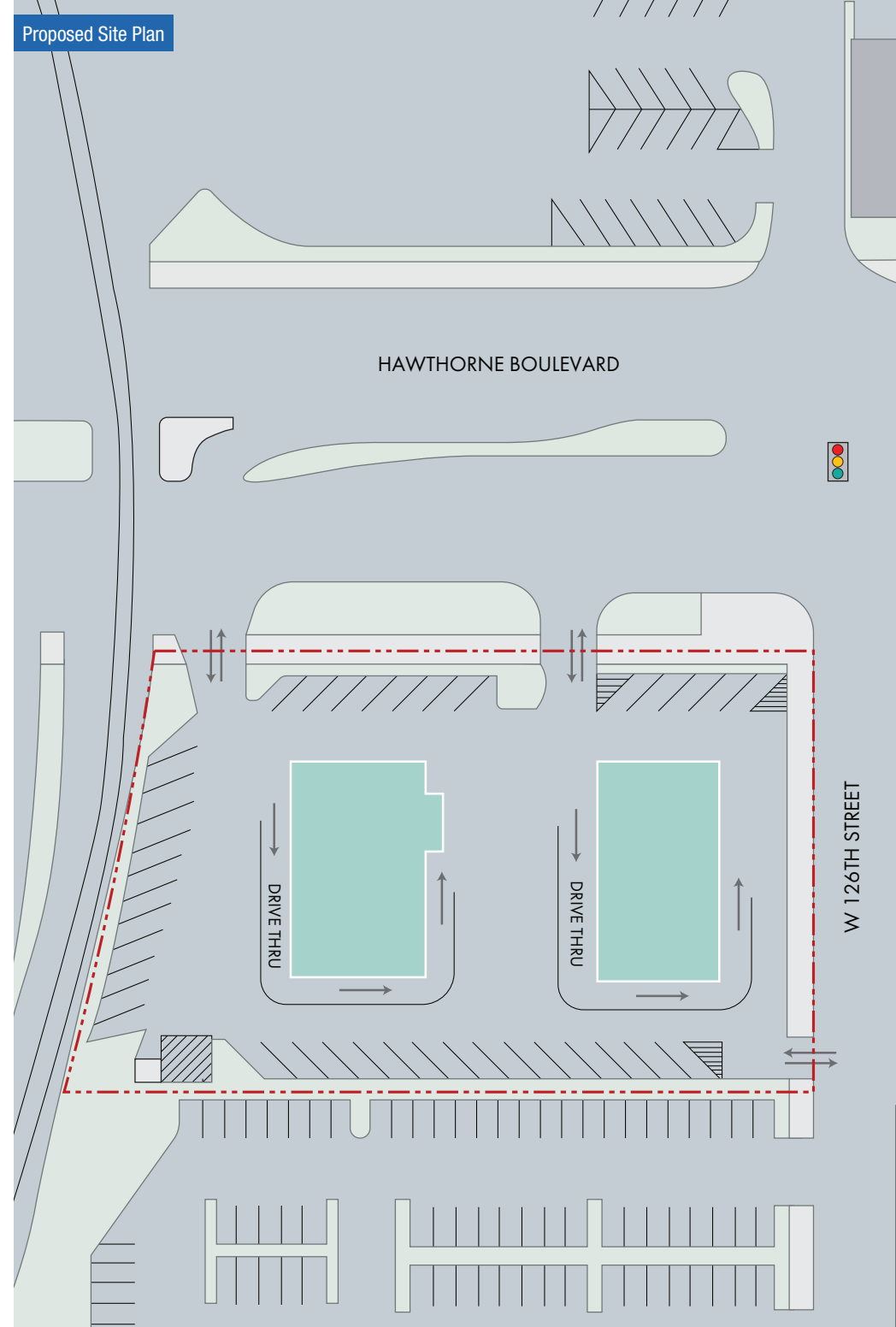
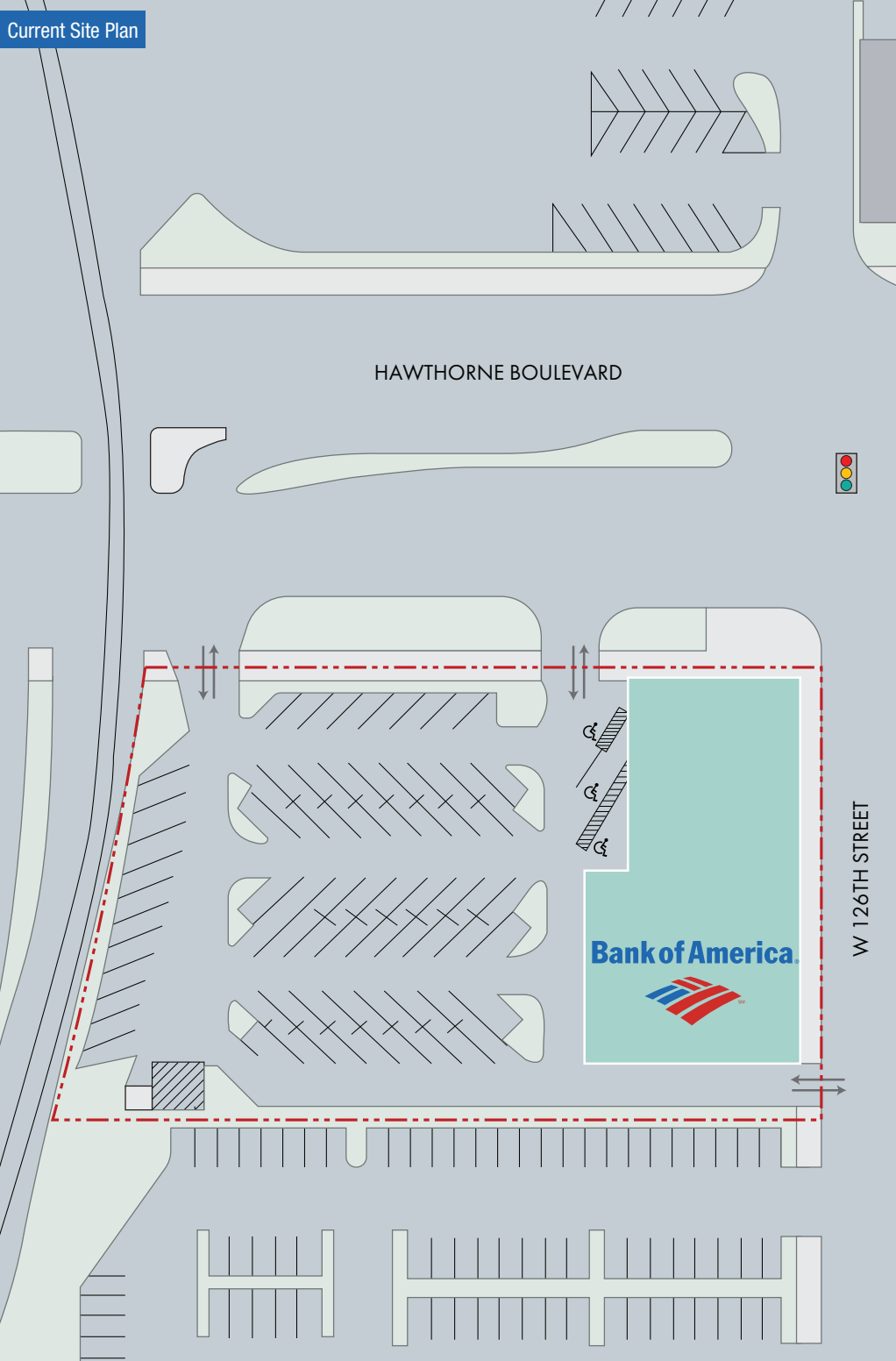
Per the city of Hawthorne the location
is zoned as C3 (General Commercial)



PARCEL MAP

APN: 4041-015-016







OPENED: OCTOBER 1, 1928
EMPLOYEES: 133,900
2021 PASSENGERS: 48,007,284
AIRCRAFT OPERATIONS: 506,769
ECONOMIC IMPACT: \$60 B

SOURCE: [HTTPS://EN.WIKIPEDIA.ORG/WIKI/LOS_ANGELES_INTERNATIONAL_AIRPORT](https://en.wikipedia.org/wiki/Los_Angeles_International_Airport)

INTERSTATE 405 FREEWAY

INTERSTATE 105 FREEWAY



HAWTHORNE CITY HALL

HAWTHORNE LIBRARY

HAWTHORNE FIRE DEPARTMENT

W. EL SEGUNDO BOULEVARD ($\pm 33,368$ VPD)

HAWTHORNE BOULEVARD ($\pm 36,237$ VPD)



SoFi Stadium

OPENED: SEPTEMBER 8, 2020
CAPACITY: 100,240
ACREAGE: 298
CONSTRUCTION COST: \$5-6 BILLION

SOURCE: [HTTPS://EN.WIKIPEDIA.ORG/WIKI/SOFI_STADIUM](https://en.wikipedia.org/wiki/SoFi_Stadium)



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				
Bank of America	12,919	Dec-2022	5%	\$6,611	\$0.51	\$79,331	\$6.14	NNN	12/21/2012	12/20/2027	3 (5-Year) 95% of FMV at each option with 3% annual increases

FINANCIAL INFORMATION

Price:	\$11,125,000
Rentable Area	12,919 SF

OPERATING EXPENSES (PAID BY TENANT)

CAM	NNN
Insurance	NNN
Property Taxes	NNN
Roof & Structure	NNN

LEASE TYPE:

Absolute NNN
Tenant is responsible for taxes, insurance, CAM, roof, and structure. Landlord has zero responsibilities.

EXTREME VALUE ADD AT MARKET RENT (SEE BANK BRANCH LEASE COMPARABLES ON PAGE 14)		
Monthly Rent PSF	Annual Rent	Cap Rate
\$3.50	\$542,598	4.88%
\$3.75	\$581,355	5.23%
\$4.00	\$620,112	5.57%
\$4.50	\$697,626	6.27%
\$4.75	\$736,383	6.62%
\$5.00	\$775,140	6.97%
\$6.25	\$968,925	8.71%
\$6.50	\$1,007,682	9.06%
\$6.75	\$1,046,439	9.41%

BRANCH DEPOSITS: \$282M

EXECUTED QSR DRIVE-THRU LEASE COMPARABLES

	Address	SF Leased	Term (Yr.)	Lease Type	Rent PSF (Mo.)	Annual Rent
1	Chick-fil-A 6801 S La Cienega Blvd Los Angeles, CA 90045	6,588	20	Ground Lease	\$5.69	\$450,000
	Year Signed: 2019					
2	Raising Cane's 1300 E Valley Blvd Alhambra, CA 91801	3,957	15	Ground Lease	\$6.53	\$310,000
	Year Signed: 2021					
3	In N Out Burger 11802 Whittier Blvd Whittier, CA 90601	3,878	20	Ground Lease	\$6.12	\$285,000
	Year Signed: 2020					
4	Raising Cane's 11814 Whittier Blvd Whittier, CA 90601	3,486	15	Ground Lease	\$6.81	\$285,000
	Year Signed: 2020					
Averages:		4,477 SF	17.5 Years		\$6.29	\$332,500
Subject		12,919 SF	5 Years		\$0.51	\$75,553

EXECUTED BANK BRANCH LEASE COMPARABLES

	Address	SF Leased	Start Date	Term (Yr.)	Lease Type	Rent PSF (Mo.)	Rent PSF (Yr.)
1	Chase 20710 Avalon Blvd Carson, CA 90746	4,078	Oct-21	5	NNN	\$4.18	\$50.21
	Note: Recent 5 Year Renewal						
2	Chase 29941 Hawthorne Blvd Rancho Palos Verdes, CA 90275	6,100	Jun-13	20	NNN	\$5.37	\$64.47
	Note: High Profile South Bay Location						
3	Chase 675 E Artesia Blvd Long Beach, CA 90805	2,780	Mar-20	10	NNN	\$5.40	\$64.75
	Note: Recently Signed Lease						
4	US Bank 31990 Temecula Pkwy Temecula, CA 92592	6,100	May-22	5	NNN	\$5.67	\$68.00
	Note: Recent 5 Year Renewal						
Averages:		4,765 SF		10.0 Years		\$5.15 PSF	\$61.86 PSF
Subject		12,919 SF		5 years		\$0.51	\$5.85

HOUSING NEEDS

INCOME GROUP	% OF MEDIAN HHI	INCOME RANGE (4 PERSON HH)		ESTIMATED HOUSING NEEDS (HOUSING UNITS)
		min.	max.	
Very-low income	<50% of AMI		<56.3	445
Low income	50-80% of AMI	\$56,301	\$90,100	204
Moderate income	80-120% of AMI	\$90,101	\$92,750	249
Above-moderate income	>120% of AMI	\$92,751+		836
Total				1,734

Source: 2021-2029 Hawthorne Housing Element

The referenced graph shows findings of the 2021-2029 City of Hawthorne Housing Element Update. Each city conducts a Housing Element Update every 8 years to assess future housing needs in an effort to comply with housing requirements set forth by State of CA housing law. As with most cities in metro Los Angeles area, Hawthorne will need to add more housing units in the future with little or no land to develop. This need has caused further gentrification of the metro Los Angeles landscape as existing non-residential buildings on small parcels are sold for extremely high price per sq. ft. to developers proposing a highest and best use of higher density residential dwellings (see Metro Los Angeles Land Sold Comparables).

METRO LOS ANGELES LAND SOLD COMPARABLES

	Address	SF	Price	Price/SF	Proposed Use
1	621 S. Catalina St. Los Angeles, CA 90005	24,450	\$14,250,000	\$583	Residential
	Sale Date: November 2021				
2	1753 Blake Ave. Los Angeles, CA 90031	69,474	\$32,000,000	\$461	Residential
	Sale Date: October 2021				
3	1124 W. Adams Blvd. Los Angeles, CA 90007	69,260	\$18,750,000	\$271	Residential
	Sale Date: July 2021				
4	4242 Crenshaw Blvd. Los Angeles, CA 90008	36,699	\$11,000,000	\$300	Residential
	Sale Date: July 2021				
5	1546 Argyle Ave. Los Angeles, CA 90028	48,461	\$35,700,000	\$737	Residential
	Sale Date: December 2020				
	Averages:	49,669	\$22,340,000	\$470	
	Subject	48,787	\$11,125,000	\$228	



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Company Type:	Public (NYSE: BAC)
Locations:	4,200 (plus 16,000 ATMs)
2021 Revenue:	\$89.1 Billion
2021 Net Income:	\$30.5 Billion
2021 Assets:	\$3.1 Trillion
2021 Equity:	\$270.0 Billion
2021 Market Cap:	\$312.6 Billion
S&P Rated:	A-

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Bank of America



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