

OFFERING MEMORANDUM

**Bank of America**



12547 HAWTHORNE BLVD., HAWTHORNE, CA

**STNL VALUE ADD OFFERING  
WITH FMV OPTIONS**



## INVESTMENT ADVISORS:

### SHAUN RILEY

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

### JEFF CONOVER

Managing Principal  
jconover@farislee.com  
(949) 221-1810  
License No. 01008195

### SCOTT DeYOUNG

Senior Managing Director  
sdeyoung@farislee.com  
(949) 221-1835  
License No. 01889050

## REPRESENTATIVE PHOTO



18301 Von Karman Ave., Suite 800, Irvine, CA 92612  
(949) 221-1800 | farislee.com

## 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](http://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



W. EL SEGUNDO BOULEVARD (±33,368 VPD)

WASHINGTON ELEMENTARY SCHOOL



HAWTHORNE BOULEVARD (±36,237 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
<b>POPULATION</b>			
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
<b>HOUSEHOLDS</b>			
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
<b>INCOME</b>			
Household Average Income	\$71,760	\$86,043	\$104,547
<b>BUSINESS</b>			
Total Businesses	879	7,052	18,017
Total Employees	12,946	168,997	349,633

## TOP EMPLOYERS

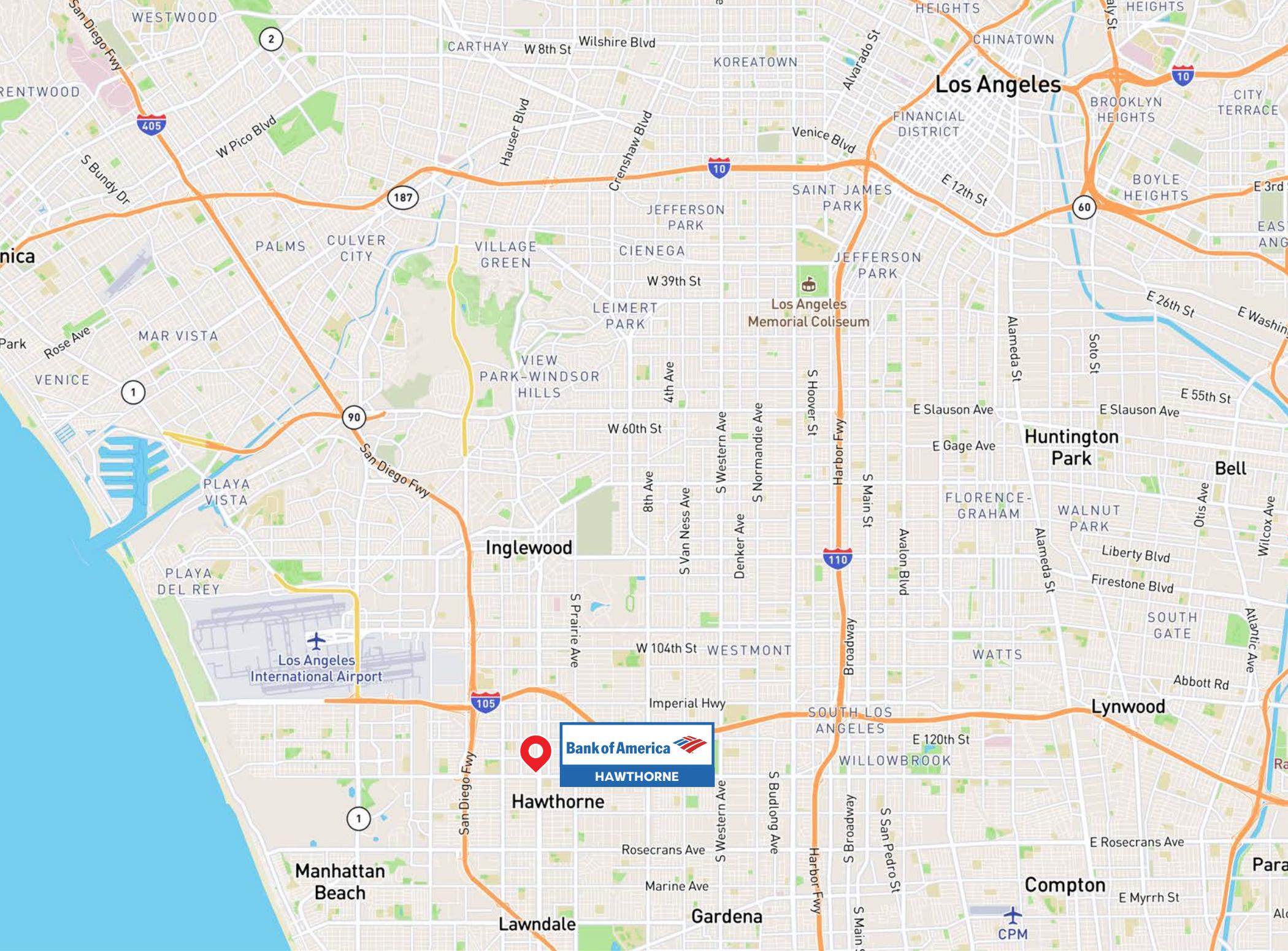


## HOUSING MARKET

**\$824,000**  
MEDIAN LIST PRICE

**\$815,000**  
MEDIAN HOME VALUE





**Bank of America**  
**HAWTHORNE**

# 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.

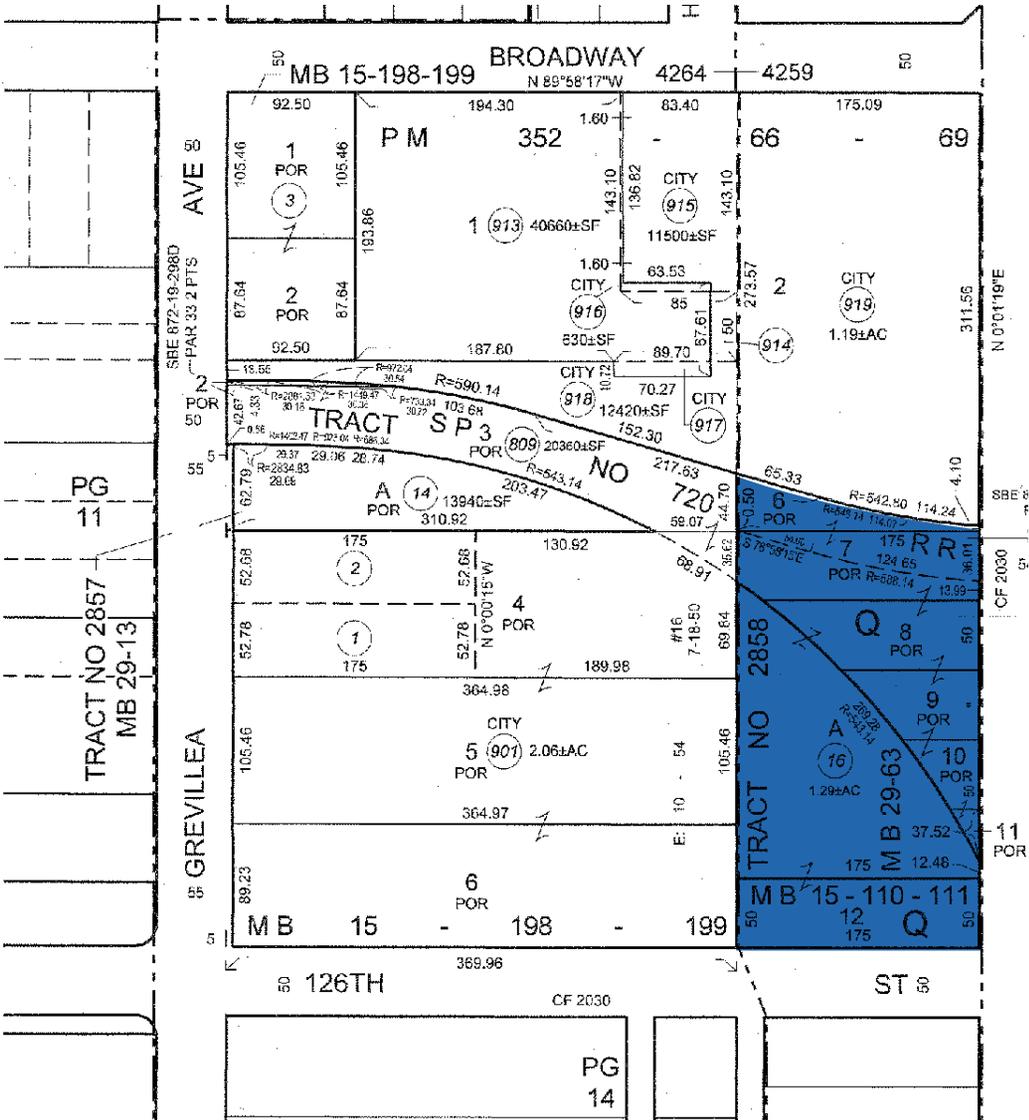
**BUILT**  
 Location was built in 1953

**PARKING**  
 74 spaces (5.73 per 1,000 SF)

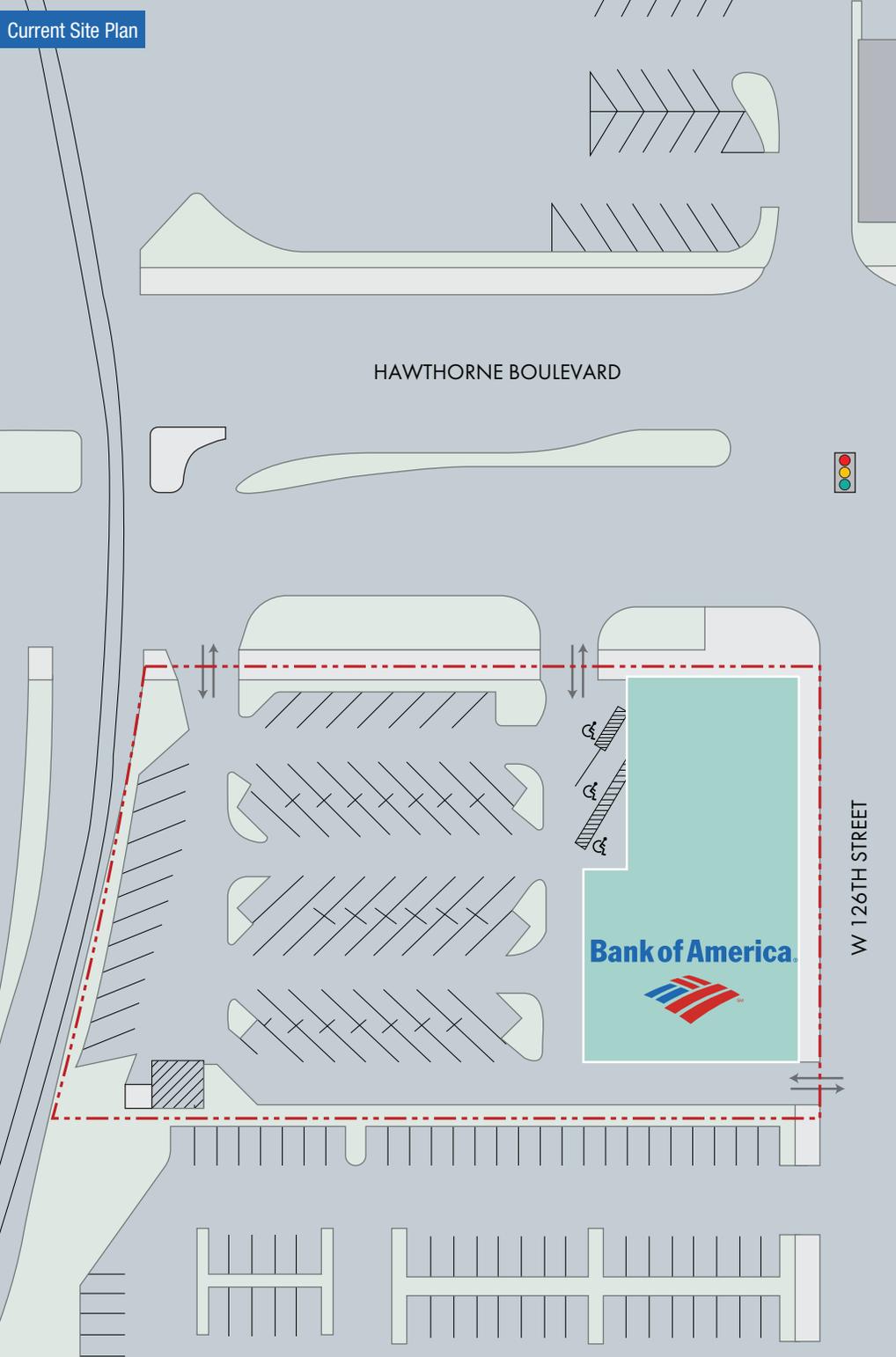
**TRAFFIC COUNTS**  
 Hawthorne Blvd. ±36,237 VPD  
 W. El Segundo Blvd. ±33,368 VPD

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

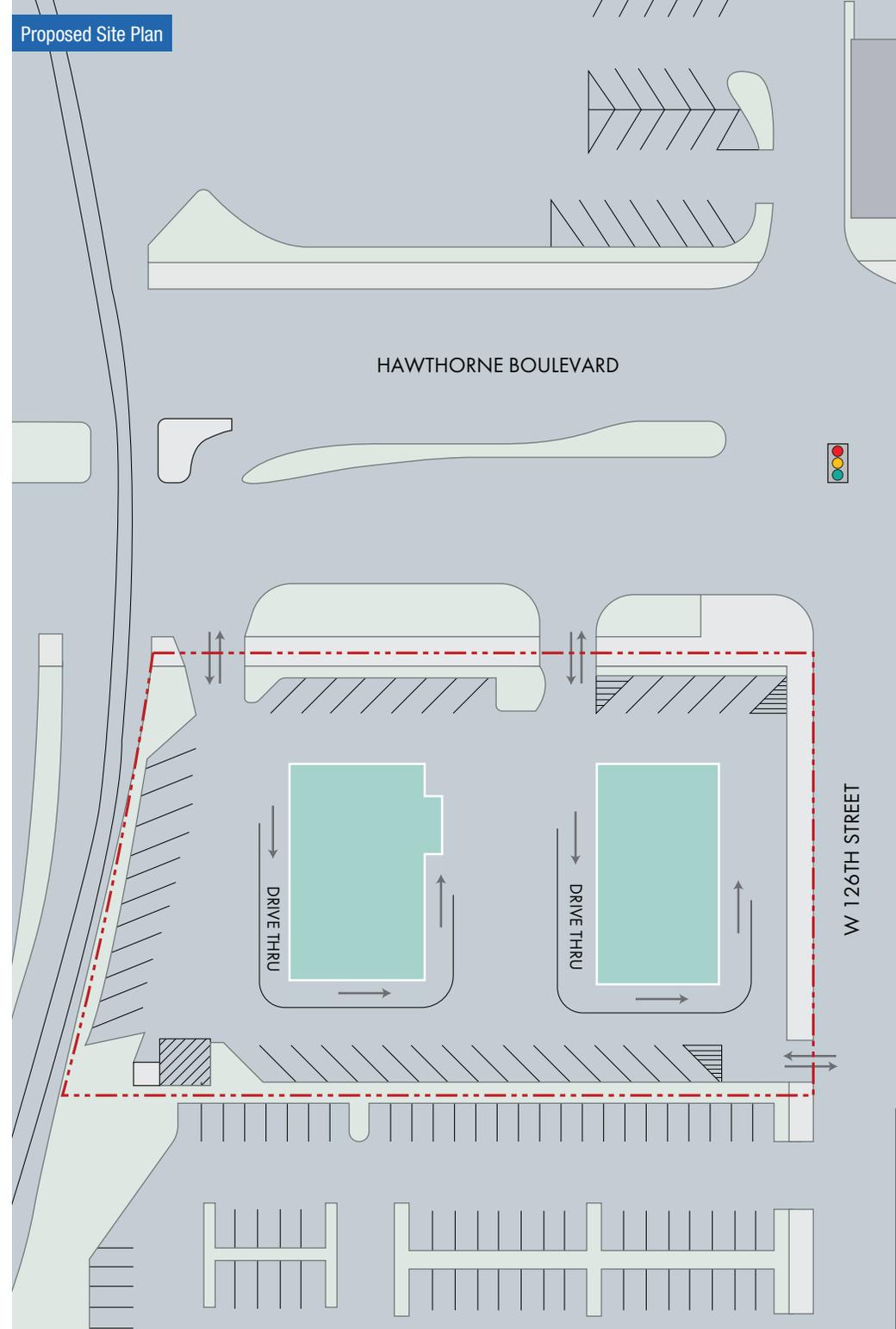
**PARCEL MAP**  
 APN: 4041-015-016



Current Site Plan



Proposed Site Plan





**LAX**

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



**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



HAWTHORNE CITY HALL

HAWTHORNE LIBRARY

HAWTHORNE FIRE DEPARTMENT

W. EL SEGUNDO BOULEVARD (±33,368 VPD)

HAWTHORNE BOULEVARD (±36,237 VPD)



# 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	<b>\$79,331</b>	\$6.14	NNN	12/21/2012	<b>12/20/2027</b>	<b>3 (5-Year)</b> 95% of FMV at each option with 3% annual increases

## FINANCIAL INFORMATION

<b>Price:</b>	<b>\$11,125,000</b>
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	<b>Chick-fil-A</b> 6801 S La Cienega Blvd Los Angeles, CA 90045	6,588	20	Ground Lease	\$5.69	\$450,000
	Year Signed: 2019					
2	<b>Raising Cane's</b> 1300 E Valley Blvd Alhambra, CA 91801	3,957	15	Ground Lease	\$6.53	\$310,000
	Year Signed: 2021					
3	<b>In N Out Burger</b> 11802 Whittier Blvd Whittier, CA 90601	3,878	20	Ground Lease	\$6.12	\$285,000
	Year Signed: 2020					
4	<b>Raising Cane's</b> 11814 Whittier Blvd Whittier, CA 90601	3,486	15	Ground Lease	\$6.81	\$285,000
	Year Signed: 2020					
	<b>Averages:</b>	4,477 SF	17.5 Years		\$6.29	\$332,500
	<b>Subject</b>	<b>12,919 SF</b>	<b>5 Years</b>		<b>\$0.51</b>	<b>\$75,553</b>

## EXECUTED BANK BRANCH LEASE COMPARABLES

	Address	SF Leased	Start Date	Term (Yr.)	Lease Type	Rent PSF (Mo.)	Rent PSF (Yr.)
1	<b>Chase</b> 20710 Avalon Blvd Carson, CA 90746	4,078	Oct-21	5	NNN	\$4.18	\$50.21
	Note: Recent 5 Year Renewal						
2	<b>Chase</b> 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	<b>Chase</b> 675 E Artesia Blvd Long Beach, CA 90805	2,780	Mar-20	10	NNN	\$5.40	\$64.75
	Note: Recently Signed Lease						
4	<b>US Bank</b> 31990 Temecula Pkwy Temecula, CA 92592	6,100	May-22	5	NNN	\$5.67	\$68.00
	Note: Recent 5 Year Renewal						
	<b>Averages:</b>	4,765 SF		10.0 Years		\$5.15 PSF	\$61.86 PSF
	<b>Subject</b>	<b>12,919 SF</b>		<b>5 years</b>		<b>\$0.51</b>	<b>\$5.85</b>

## 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
<b>Total</b>				<b>1,734</b>

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

# Bank of America



**Bank of America** // [www.bankofamerica.com](http://www.bankofamerica.com)

Bank of America Corporation, through its subsidiaries, provides banking and financial products and services for individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments worldwide. Its Consumer Banking segment offers traditional and money market savings accounts, certificates of deposit and IRAs, noninterest- and interest-bearing checking accounts, and investment accounts and products; and credit and debit cards, residential mortgages, and home equity loans, as well as direct and indirect loans, such as automotive, recreational vehicle, and consumer personal loans. The company's Global Wealth & Investment Management segment offers investment management, brokerage, banking, and trust and retirement products and services; and wealth management solutions, as well as customized solutions, including specialty asset management services. Its Global Banking segment provides lending products and services, including commercial loans, leases, commitment facilities, trade finance, and commercial real estate and asset-based lending; treasury solutions, such as treasury management, foreign exchange, and short-term investing options and merchant services; working capital management solutions; and debt and equity underwriting and distribution, and merger-related and other advisory services. The company's Global Markets segment offers market-making, financing, securities clearing, settlement, and custody services, as well as risk management products using interest rate, equity, credit, currency and commodity derivatives, foreign exchange, fixed-income, and mortgage-related products. It serves approximately 66 million consumers and its digital banking platform has approximately 40 million active users. The company was founded in 1784 and is headquartered in Charlotte, North Carolina.

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

## INVESTMENT ADVISORS:

### SHAUN RILEY

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

### JEFF CONOVER

Managing Principal  
jconover@farislee.com  
(949) 221-1810  
License No. 01008195

### SCOTT DeYOUNG

Senior Managing Director  
sdeyoung@farislee.com  
(949) 221-1835  
License No. 01889050

# Bank of America



REPRESENTATIVE PHOTO

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of this property. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

No representation or warranty, expressed or implied, is made by the Seller, FLI, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property site or used in the construction or maintenance of the building at the Property site.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or FLI or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



18301 Von Karman Ave., Suite 800, Irvine, CA 92612  
(949) 221-1800 | farislee.com