



# HARBOR FREIGHT TOOLS

EL CERRITO, CA (SAN FRANCISCO—OAKLAND—BERKELEY MSA)

YURAS  
AICALE  
FORSYTH  
CROWLE

Leased Investment Team

## OFFERING MEMORANDUM

**\$8,084,000 | 4.35% CAP RATE**

- » 10-Year Net Lease to Strong and Rapidly Growing Corporate Tenant
  - » Rental Increases in Option Periods
  - » Harbor Freight Tools is One of the Nation's Fastest Growing Retailers with Over 1,200 Stores Nationwide, Over 20,000 Employees, and More than 40 Million Customers
- » Located in an Affluent and Growing Bay Area Retail Corridor
  - » High-Visibility Location Along State Route 123/San Pablo Avenue (31,000 AADT)
  - » Average Annual Household Income of \$132,822 Within a Three-Mile Radius of the Location
- » Central Location Near Large El Cerrito Employers and Community Hubs
  - » Six Miles From University of California, Berkeley (45,000 Students, 23,524 Staff)
  - » Gateway to San Francisco (14.8 Million Visitors in 2021, Up 25 Percent from 2020)
- » New 2022 Remodel Featuring Latest Harbor Freight Tools Prototype

ACTUAL SITE



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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

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

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# INVESTMENT SUMMARY

<b>ADDRESS</b>	11048 San Pablo Avenue, El Cerrito, CA 94530		
<b>PRICE</b>	<b>\$8,084,000</b>		
<b>CAP RATE</b>	<b>4.35%</b>		
<b>NOI</b>	\$351,624		
<b>TERM</b>	10 years		
<b>RENT COMMENCEMENT</b>	June 18, 2022		
<b>LEASE EXPIRATION</b>	June 30, 2032		
<b>RENTAL INCREASES</b>	Approximate 10% rental increases every five (5) years		
	<b>YEAR</b>	<b>RENT</b>	<b>RETURN</b>
	1-5	\$351,624	4.35%
	6-10	\$386,869	4.79%
	11-15 (option 1)	\$425,589	5.27%
	16-20 (option 2)	\$468,115	5.79%
	21-25 (option 3)	\$514,943	6.37%
<b>YEAR REMODELED</b>	2022		
<b>BUILDING SF</b>	16,547 SF		
<b>PARCEL SIZE</b>	1.48 acres (64,469 SF)		
<b>LEASE TYPE</b>	Net lease, with tenant responsible for all taxes, insurance, and maintenance, excluding roof, structure, and parking lot		

## NEW 10-YEAR NET LEASE WITH SCHEDULED RENTAL INCREASES TO STRONG RETAIL TENANT

- » New 10-year net lease with option periods, creating a stable, long-term investment
- » Harbor Freight Tools is one of the nation's fastest growing retailers with over 1,200 stores nationwide, over 20,000 employees, and more than 40 million customers
- » Rental increases every five years, providing a hedge against inflation
- » Net lease requires minimal landlord management, ideal for an out-of-area investor
- » 2022 remodel featuring latest Harbor Freight designs and concepts - includes a new roof with 15-year warranty on labor and 20-year warranty for materials

## LOCATED IN AN AFFLUENT AND GROWING BAY AREA CORRIDOR

- » High-traffic location along State Route 123/San Pablo Avenue (31,000 AADT), significantly increasing traffic to the site
- » Proximity to major California thoroughfares, including Interstate 80 and Interstate 580 (combined 338,000 AADT)
- » Population of 312,964 within a five-mile radius of the site, providing an extremely large customer base for the property
- » Average annual household income of \$132,822 within three miles of the site
- » Projected 14 percent average annual household income increase within a one-mile radius of the site in the next five years, poising Harbor Freight and El Cerrito for significant concurrent growth

## LOCATED NEAR LARGE EL CERRITO EMPLOYERS AND COMMUNITY HUBS

- » Surrounded by a strong mix of local and national retailers, including Target, The Home Depot, Marshalls, Trader Joe's, Petco, and many more
- » Six miles from University of California, Berkeley (45,000 students, 23,524 staff)
- » 3.5 miles from San Pablo Lytton Casino (1,500+ gaming machines, 500 employees)
- » Gateway to San Francisco (14.8 million visitors in 2021, up 25% from 2020)
- » Centrally located near single family housing developments and large apartment and townhouse complexes







BERKELEY  
(5.8 miles)

SAN FRANCISCO  
(15.3 miles)

Sam Francisco -  
Oakland Bay Bridge

Treasure  
Island

Alcatraz  
Island

SAN FRANCISCO  
BAY



80 / Dwight D.  
Eisenhower Highway  
(234,000 AADT)

580 / John T. Knox Freeway  
(104,000 AADT)

University of California, Berkeley -  
Richmond Field Station

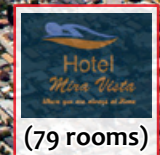


123 / San Pablo Avenue  
(31,000 AADT)



Steger  
Elementary School  
(268 students)

John F. Kennedy  
High School  
(1,601 students)



Invictus Academy  
of Richmond  
(159 students)



Fred T. Korematsu  
Middle School  
(708 students)





SAN FRANCISCO BAY

Richmond High School  
(1,567 students)

SAN PABLO BAY

| John T. Knox Freeway  
(104,000 AADT)

| San Pablo Avenue  
(31,000 AADT)

RICHMOND BART STATION

Walmart

GameStop

TARGET

John F. Kennedy High School  
(1,601 students)

ROSS

ihop

Booker T. Anderson Jr. Park

Hotel Mira Vista  
(79 rooms)

EL CERRITO DEL NORTE BART STATION

SAFEWAY

Little Caesars

UNITED STATES POSTAL SERVICE

BANK OF THE WEST

Fred T. Korematsu Middle School  
(708 students)

| Dwight D. Eisenhower Highway  
(234,000 AADT)

Wienerschnitzel

HARBOR FREIGHT TOOLS  
Quality Tools at Ridiculously Low Prices

Riverside Elementary School  
(367 students)

Madera Elementary School  
(480 students)

Berkeley Country Club





OAKLAND  
INTERNATIONAL  
AIRPORT  
(18 miles)

SAN JOSE  
(51.2 miles)

OAKLAND  
(9.9 miles)

Kaiser Permanente  
Oakland Medical Center  
(349 beds)

UCSF Benioff Children's  
Hospital - Oakland  
(191 beds)

University of  
California, Berkeley  
(45,000 students, 23,524 staff)

San Pablo Avenue  
(31,000 AADT)

Berkeley  
Yatch Club

Golden Gate Fields

SAN FRANCISCO  
BAY

Albany  
Middle School  
(849 students)

POPEYES  
+ LOUISIANA KITCHEN +

WHOLE  
FOODS  
MARKET

El Cerrito  
High School  
(1,506 students)

TRADER JOE'S

EL CERRITO PLAZA  
BART STATION

SUBWAY

Bank of America

Marshalls

Eisenhower Highway  
(234,000 AADT)

CVS  
pharmacy

W  
Wienerschnitzel

Dwight D.

John T. Knox Freeway  
(104,000 AADT)

Fred T. Korematsu  
Middle School  
(708 students)

HARBOR FREIGHT TOOLS  
Quality Tools at Ridiculously Low Prices

Little Caesars

BANK OF THE WEST

Hotel  
More Vista  
(79 rooms)

UNITED STATES  
POSTAL SERVICE

Booker T.  
Anderson  
Jr. Park

SAFEWAY

ihop

EL CERRITO DEL NORTE  
BART STATION

ROSS

Walgreens



# SITE PLAN

STATE ROUTE 123/SAN PABLO AVENUE



**HARBOR FREIGHT**  
QUALITY TOOLS LOWEST PRICES

16,547 SF

MADISON AVENUE

KEARNEY STREET



# TENANT SUMMARY



Harbor Freight Tools is a privately held discount tool and equipment retailer, headquartered in Calabasas, California, which operates a chain of retail stores, as well as a mail-order and e-commerce business. From hand tools and generators, to air and power tools, from shop equipment to automotive tools, Harbor Freight offers more than 7,000 tools and accessories at quality levels that match or exceed competing brands, but at prices that are up to 80 percent less.

With 1,200+ stores and over 40 million satisfied customers, Harbor Freight Tools continues to grow, but they're still family owned and for over four decades their mission has remained the same: deliver an incredible assortment of great quality tools at the lowest prices.

For more information, please visit [www.harborfreight.com](http://www.harborfreight.com)

<b>LOCATIONS</b>	<b>1,200+</b>	<b>HEADQUARTERS</b>	<b>Calabasas, CA</b>
<b>REVENUE</b>	<b>\$5B</b>	<b>OWNERSHIP</b>	<b>Private</b>

# LEASE ABSTRACT

<b>TENANT</b>	Harbor Freight Tools USA, Inc.		
<b>ADDRESS</b>	<a href="#">11048 San Pablo Avenue, El Cerrito, CA 94530</a>		
<b>RENT COMMENCEMENT</b>	June 18, 2022		
<b>LEASE EXPIRATION</b>	June 30, 2032		
<b>RENEWAL OPTIONS</b>	Three (3) options of five (5) years each		
<b>RENTAL INCREASES</b>	<b>YEAR</b> 1-5 6-10 11-15 (option 1) 16-20 (option 2) 21-25 (option 3)	<b>RENT</b> \$351,624 \$386,869 \$425,589 \$468,115 \$514,943	<b>RETURN</b> 4.35% 4.79% 5.27% 5.79% 6.37%
<b>REAL ESTATE TAXES</b>	Tenant is responsible for all real estate taxes.		
<b>INSURANCE</b>	Tenant is responsible for all insurance costs.		
<b>REPAIR &amp; MAINTENANCE</b>	Tenant shall be responsible, at its sole expense, for repair and maintenance of the non-structural interior portions of the Premises.		
<b>MAINTENANCE BY LANDLORD</b>	Landlord shall, at its sole expense, repair, replace and maintain, in good working order and proper and safe operating condition, the Building structural elements, concrete slab, exterior and load-bearing walls, roofs, roof coverings, foundations, utility pipes and conduits (e.g., plumbing, electrical, sanitary, storm sewer, etc.) located in or below the floor slab of the Building or below the finished grade of the Premises.		
<b>RIGHT OF FIRST REFUSAL</b>	None		



# PROPERTY OVERVIEW

## LOCATION

This Harbor Freight Tools is conveniently located along State Route 123/San Pablo Avenue (31,000 AADT), attracting significant traffic to the site. The property also maintains proximity to major California thoroughfares, including Interstate 80 and Interstate 580 (combined 338,000 AADT). 312,964 residents live within a five-mile radius of the location, providing a large customer base for the business. The property is located in an affluent area as well, with an average annual household income of \$132,822 within three miles of the site. With a projected 14 percent average annual household income increase within a one-mile radius of the site in the next five years, Harbor Freight Tools and El Cerrito are poised for significant concurrent growth.

Visibility to the property is increased by the site's centralized location near large El Cerrito employers and community hubs. The location is surrounded by many major national retailers, including Target, The Home Depot, Marshalls, Trader Joe's, Petco, and many others. This Harbor Freight Tools resides six miles from University of California, Berkeley, which has an enrollment of 45,000 students and 23,524 staff. The site also benefits from its setting 3.5 miles from San Pablo Lytton Casino, which features 1,500+ gaming machines and 500 employees. The property is centrally located near single family housing developments and large apartment complexes, and serves as a common gateway to San Francisco (14.8 million visitors in 2021, up 25 percent from 2020).

## ACCESS

Access from State Route 123/San Pablo Avenue

## TRAFFIC COUNTS

State Route 123/San Pablo Avenue:	31,000 AADT
Interstate 80:	234,000 AADT
Interstate 580:	104,000 AADT

## PARKING

69 parking stalls, including three (3) handicap stalls

## YEAR REMODELED

2022

## NEAREST AIRPORT

Oakland International Airport (OAK | 18 miles)



**69**  
PARKING  
STALLS



**2022**  
YEAR REMODELED



**NEAREST  
AIRPORT**  
OAKLAND  
INTERNATIONAL  
AIRPORT



# AREA OVERVIEW

El Cerrito (Spanish for “The Little Hill”) is a city in Contra Costa County, California. It forms part of the San Francisco Bay Area. El Cerrito is located along Interstate 80 and nearby Interstate 580. El Cerrito is bordered by Albany and Kensington to the south, the Richmond annex to the west, East Richmond Heights to the north, and Wildcat Canyon Regional Park to the east. San Pablo Avenue stretches the length of El Cerrito and is the primary commercial and retail corridor of the city. El Cerrito is home to El Cerrito Plaza, a large, regional mall, served by public transit at the adjacent El Cerrito Plaza station. The shopping center is further surrounded by other commercial and retail businesses along San Pablo Avenue and Fairmount Avenue, including the Cerrito Theater, a restored two-screen movie theater known for offering beer, wine, and a full dining menu.

Contra Costa County is included in the San Francisco–Oakland–Berkeley, CA Metropolitan Statistical Area. The San Francisco Bay Area, often referred to as simply the Bay Area, is a populous region surrounding the San Francisco, San Pablo, and Suisun Bay estuaries in Northern California. Home to approximately 7.75 million people, Northern California's nine-county Bay Area contains many cities, towns, airports, and associated regional, state, and national parks, connected by a complex multimodal transportation network. The larger federal classification, the combined statistical area of the region, which includes 14 counties, is the 2nd-largest in California (after the Greater Los Angeles area), the fifth-largest in the United States, and the 41st-largest urban area in the world with 9.67 million people.

- » El Cerrito is located on the eastern shore of San Francisco Bay in the extreme south-west corner of Contra Costa County. The hilly areas of El Cerrito provide views of its neighboring city, and of the Golden Gate Bridge.
- » Several major corporations are headquartered in the Bay Area. Among the Fortune 500 companies located in the region include technology companies Google, Facebook, Apple Inc., Hewlett Packard, Intel, Adobe Inc., Applied Materials, eBay, Cisco Systems, Symantec, Oracle, Netflix, and Sony Interactive Entertainment.
- » The Bay Area is home to six professional major league sports franchises: The San Francisco 49ers of the National Football League (NFL) in American football, the San Francisco Giants and Oakland Athletics of Major League Baseball (MLB), the Golden State Warriors of the National Basketball Association (NBA), the San Jose Sharks of the National Hockey League (NHL), and the San Jose Earthquakes of Major League Soccer (MLS).

## LARGEST EMPLOYERS IN CONTRA COSTA COUNTY, CA # OF EMPLOYEES

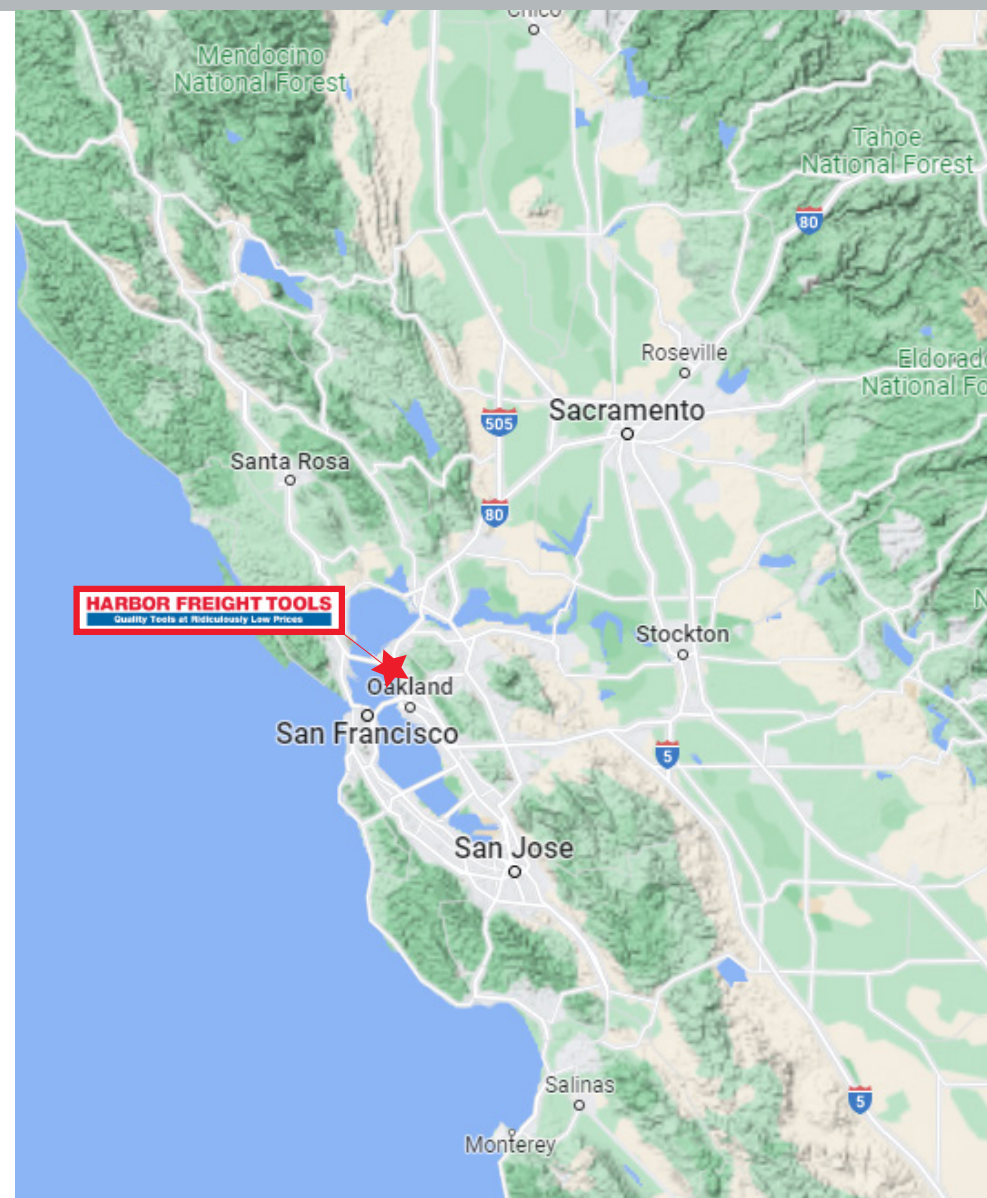
CHEVRON CORPORATION	10,000+
ST. MARY'S COLLEGE	1,000 – 4,999
BIO-RAD LABORATORIES, INC.	1,000 – 4,999
JOB CONNECTIONS	1,000 – 4,999
JOHN MUIR MEDICAL CENTER	1,000 – 4,999
KAISER PERMANENTE	1,000 – 4,999
LA RAZA MARKET	1,000 – 4,999
MARTINEZ MEDICAL OFFICES	1,000 – 4,999
USS-POSCO INDUSTRIES	1,000 – 4,999
TARGET CORPORATION	1,000 – 4,999





# DEMOGRAPHIC PROFILE

2021 SUMMARY	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>22,786</b>	<b>132,796</b>	<b>312,964</b>
Households	9,464	50,710	117,591
Families	5,698	32,543	66,476
Average Household Size	2.40	2.60	2.55
Owner Occupied Housing Units	4,865	28,968	57,013
Renter Occupied Housing Units	4,599	21,742	60,578
Median Age	42.0	40.2	35.8
<b>Average Household Income</b>	<b>\$113,898</b>	<b>\$132,822</b>	<b>\$119,691</b>
2026 ESTIMATE	1 Mile	3 Miles	5 Miles
<b>Population</b>	<b>23,562</b>	<b>135,751</b>	<b>321,178</b>
Households	9,797	51,760	120,637
Families	5,889	33,214	68,132
Average Household Size	2.40	2.60	2.55
Owner Occupied Housing Units	4,994	29,619	58,311
Renter Occupied Housing Units	4,804	22,140	62,326
Median Age	42.4	40.7	36.5
<b>Average Household Income</b>	<b>\$129,880</b>	<b>\$149,673</b>	<b>\$136,471</b>



**AVERAGE HOUSEHOLD INCOME OF \$132,822**  
WITHIN THREE MILES



**POPULATION OF 312,964**  
WITHIN FIVE MILES



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