

For Sale

- 2,400 SF NET LEASED DRIVE THRU QSR INVESTMENT
- DYNAMIC 210 FREEWAY LOCATION WITH 154,000 ADT
- NEW CONSTRUCTION



NEWMARK

FONTANA, CA



Representational Photo

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Property Overview

OFFERING

Newmark Retail Capital Markets is pleased to offer qualified investors the opportunity to acquire the fee simple interest (land & building ownership) in a net leased, drive-thru equipped, newly constructed Habit Burger investment property located in Fontana, California within Citrus Crossroads, a highly anticipated class A grocery anchored shopping center for North Fontana and the surrounding trade area. The tenant recently signed a brand new, fifteen-year lease with 2 (5-year) options to extend, demonstrating their commitment to the site. The lease features 10% rental increases ever 5 years throughout the initial term, and 15% increases at the beginning of each option period, growing NOI and hedging against inflation. The lease is NNN, making it an ideal, no-management investment opportunity for a passive investor. The Habit Burger Grill, which was recently acquired by Yum! Brands, Inc. (NYSE: YUM), is a popular burger chain with over 320 restaurants across the country as well as 13 international locations.

The Habit Burger is strategically located within the Citrus Crossroads, a new grocery anchored shopping center strategically located along the Foothill (210) Freeway corridor in the city of Fontana. The center is located at the Southeast corner of Citrus Avenue and the Foothill (210) Freeway which is surrounded by newer residential communities. The Citrus Crossroads is anchored by a top tier credit, 40,100 square foot grocery on a long-term lease and also includes prominent tenants such as Starbucks, FedEx, West Coast Dental and Carbon Health. Fontana remains one of the fastest growing residential communities in San Bernardino County. The trade area offers strong demographic characteristics with a population base of approximately 316,000 residents with average household incomes in excess of \$96,000 per year. The property also benefits from tremendous exposure to the Foothill (210) Freeway which carries 154,000 cars per day as well as Citrus Avenue, one of the regions primary north/south arterials carrying over 30,000 cars per day.



PRICE



\$3,875,000

NOI



\$155,000

GLA



2,400 SF

LAND AREA



0.32 Acres

INVESTMENT HIGHLIGHTS

Highly Coveted Drive Thru QSR Tenant

- Subsidiary of Yum! Brands, Inc., an American fast food corporation listed on the Fortune 1000
- Yum! Brands operates the brands Habit Burger Grill, KFC, Pizza Hut, and Taco Bell
- The Habit Burger has over 300 locations, with the restaurant operator entering new markets at an accelerated rate, including internationally
- Yum! Brands is located in 135 nations and territories worldwide, and operate 43,617 restaurants

New Development in Desirable Retail Location

- The Habit Burger Grill is under construction and located along the northern section of the shopping center fronting the 210 Freeway
- New 15-year lease with three (3), (5) five-year options to extend with 10% rental increases ever 5 years
- The Habit Burger Grill self-maintains their parcel allowing for no immediate landlord responsibilities

Dense and Highly Trafficked Trade Area

- Strategically located in immediate proximity to the primary residential areas
- Located at a major on/off ramp from the Foothill (210) Freeway
- Citrus Avenue is the main north/south retail corridor in the region driven by plentiful and affordable housing options



Free & Clear of Existing Debt

- Property is offered free and clear of existing debt, allowing an investor to acquire all cash or cash to new loan
- Ideal 1031 opportunity with no near-term capital requirements

PROPERTY OVERVIEW AND LEASE ABSTRACT

PROPERTY OVERVIEW

RENTABLE BUILDING AREA	2,400 SF
ACREAGE	0.32
YEAR BUILT/RENOVATED	2023
PARCEL	0240-011-38-0022
PARKING STALLS	22

LEASE ABSTRACT

ADDRESS	TBD
TENANT TRADE NAME	The Habit Burger Grill
LEASE ENTITY	ADP Singh, LLC
CREDIT RATING	Not Rated
LEASE COMMENCEMENT	September 2021
LEASE EXPIRATION	August 2036
LEASE TERM REMAINING	15 Years
ANNUAL RENT (PSF)	\$64.58
LEASE STRUCTURE	NNN Lease
LANDLORD RESPONSIBILITIES	Maintenance and operation of Common Areas (CAM) and Management of shopping center. Tenant reimburses for share of operating expenses.
UTILITIES	Tenant
TAXES	Tenant
CAM	Note – Beginning no earlier than the 6th year of Initial Term, an increase in Real Estate Taxes caused by Expected Change of Ownership Assessment shall occur only once every 5 years.
HVAC	Tenant pays pro-rata share.
INSURANCE	Note – Tenant's pro-rata share of controllable CAM shall not increase by more than more than 5% annually over preceding year.
ROFR	Tenant

RENT SCHEDULE

RENT PERIOD	ANNUAL RENT	PSF	MONTHLY RENT	PSF	% INCREASE
YEARS 1 – 5	\$155,000.00	\$64.58	\$12,916.67	\$5.38	-
YEARS 6 – 10	\$170,500.00	\$71.04	\$14,208.33	\$5.92	10%
YEARS 11 - 15	\$187,550.00	\$78.15	\$15,629.17	\$6.51	10%
OPTION 1 YEARS 16 – 20	\$206,305.00	\$85.96	\$17,192.08	\$7.16	10%
OPTION 2 YEARS 21 - 25	\$226,935.50	\$94.56	\$18,911.29	\$7.88	10%

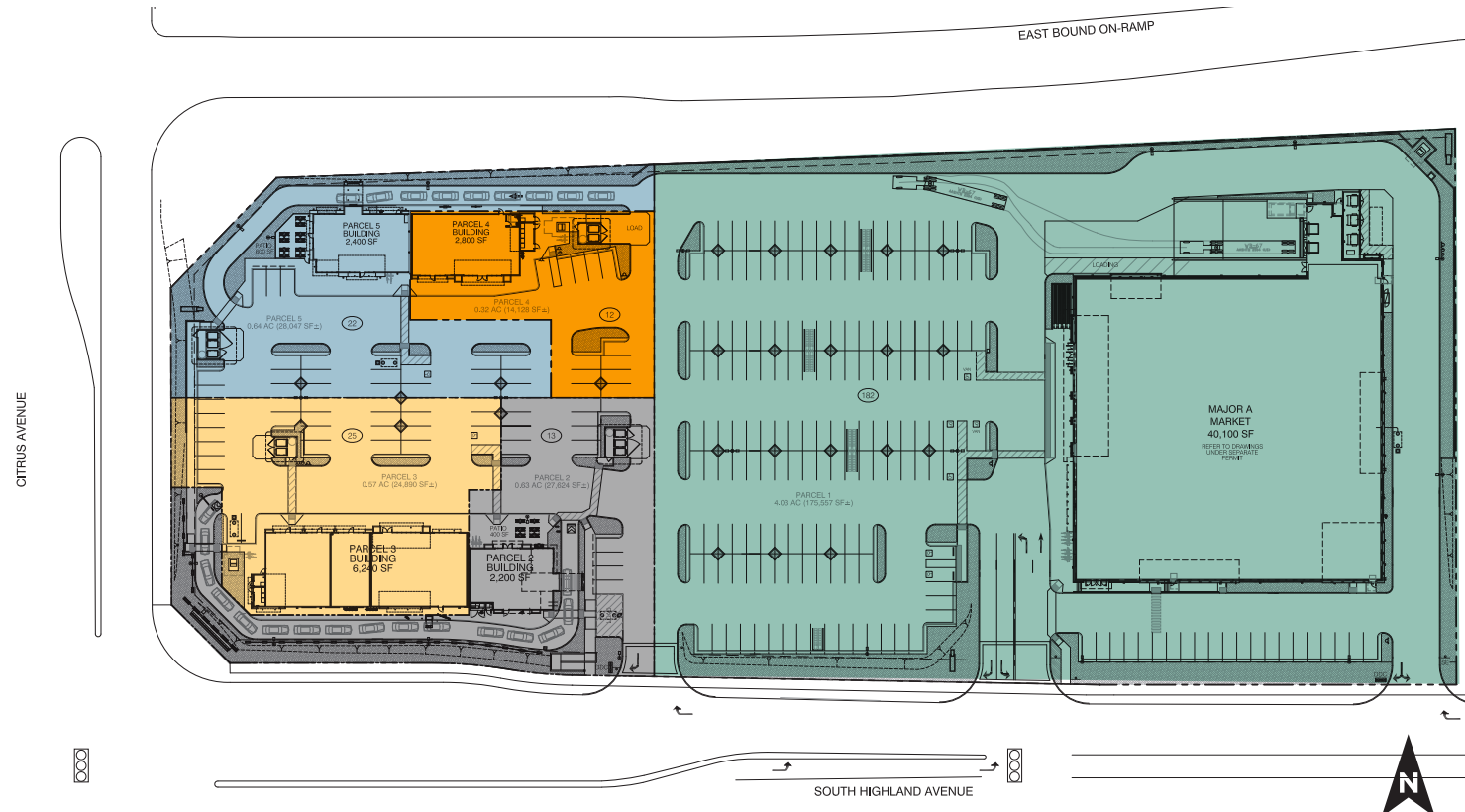




SITE PLAN



PARCEL MAP




Grocer

Asking Price: \$22,645,000
Cap Rate: 4.25%

The Habit Burger Grill

Asking Price: \$3,875,000
Cap Rate: 4.00%

 Carbon Health

Asking Price: \$3,605,000
Cap Rate: 4.50%

Starbucks

Asking Price: \$4,245,000
Cap Rate: 4.00%

West Coast Dental, FedEx & Marco's Pizza

Asking Price: \$6,055,500
Cap Rate: 4.75%



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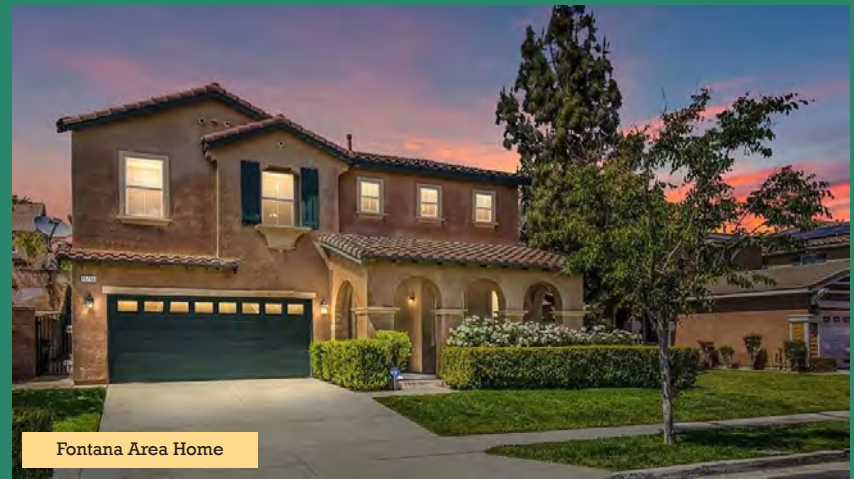
Area
Overview



Center Stage Theater



Fontana Area Home



Fontana Area Home



Summit Heights



Palm Court Shopping Center



Summit Heights Gateway



FONTANA OVERVIEW

Fontana is a city in San Bernardino County, California. The United States Census Bureau estimated that Fontana's 2020 population was 212,373, making it the second-most populous city in San Bernardino County and the 21st largest in the state. The city is home to several truck dealerships, and other industrial equipment sales centers, and, like its neighbors Ontario and Rancho Cucamonga, many product distribution centers for such companies as Toyota, Target, Sears, Mercedes-Benz, Southern California Edison, Home Shopping Network, and Avery Dennison. The city is also home to numerous small manufacturers of building materials and other locally used products, and many small auto dealerships.

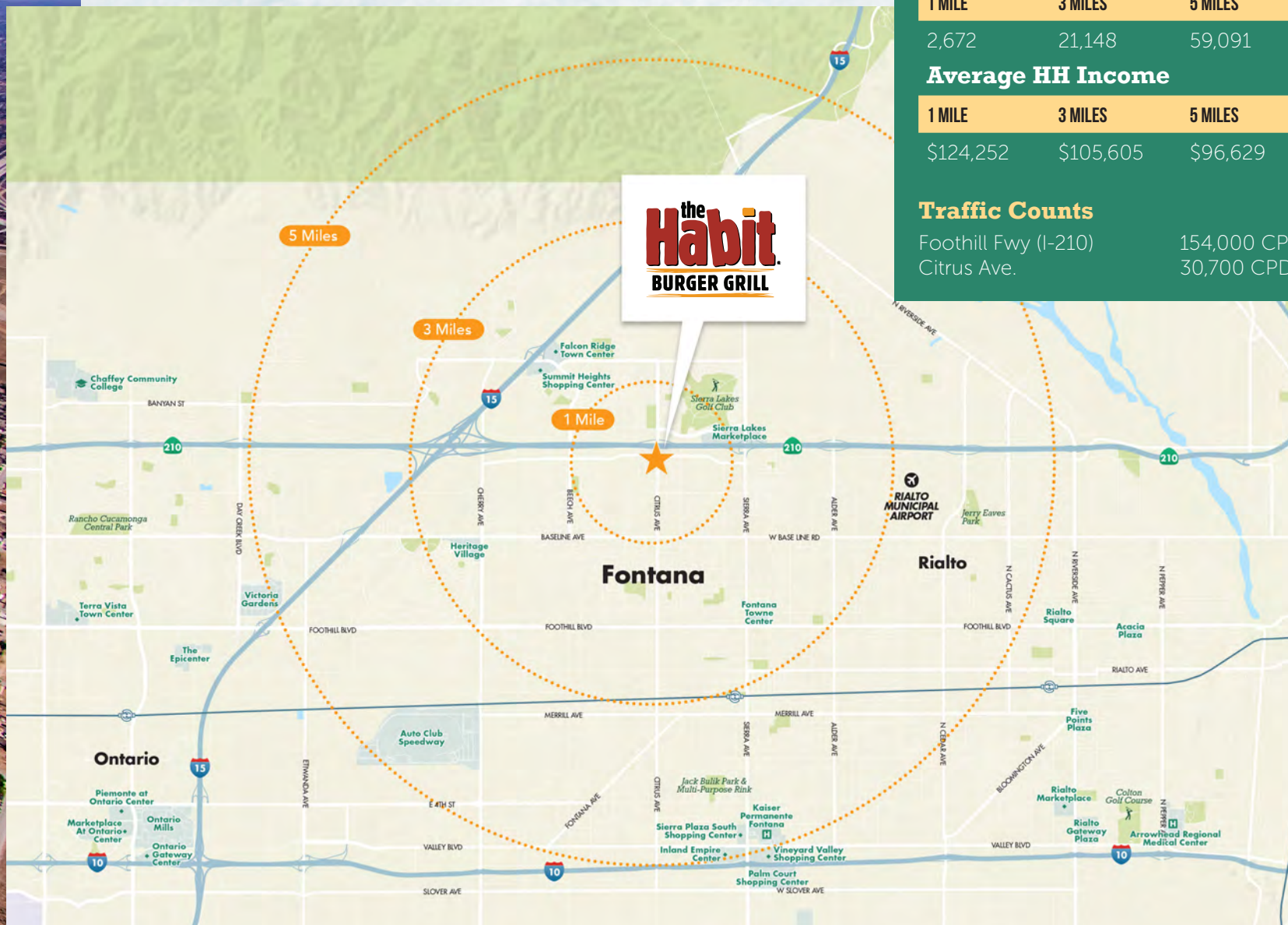
The city has numerous local shopping centers, such as the Summit Heights Gateway/Falcon Ridge Town Center at the north end of the city, and Palm Court in the southern section. The city also features commercial strip zoning along several of its major avenues and boulevards, such as the "Miracle Mile" straddling State Route 210 between Citrus and Sierra Avenues. The official Fontana Auto Center is part of that zone, with two major dealerships already in place.

It is home to a renovated historic theater, a municipal park, and the Auto Club Speedway, which is on the site of the old Kaiser Steel Mill just outside the city. Fontana also hosts the Fontana Days Half Marathon and 5K run. This race is the fastest half-marathon course in the world.





DEMOGRAPHICS



Population

1 MILE	3 MILES	5 MILES
18,062	127,724	316,396

Employees

1 MILE	3 MILES	5 MILES
2,672	21,148	59,091

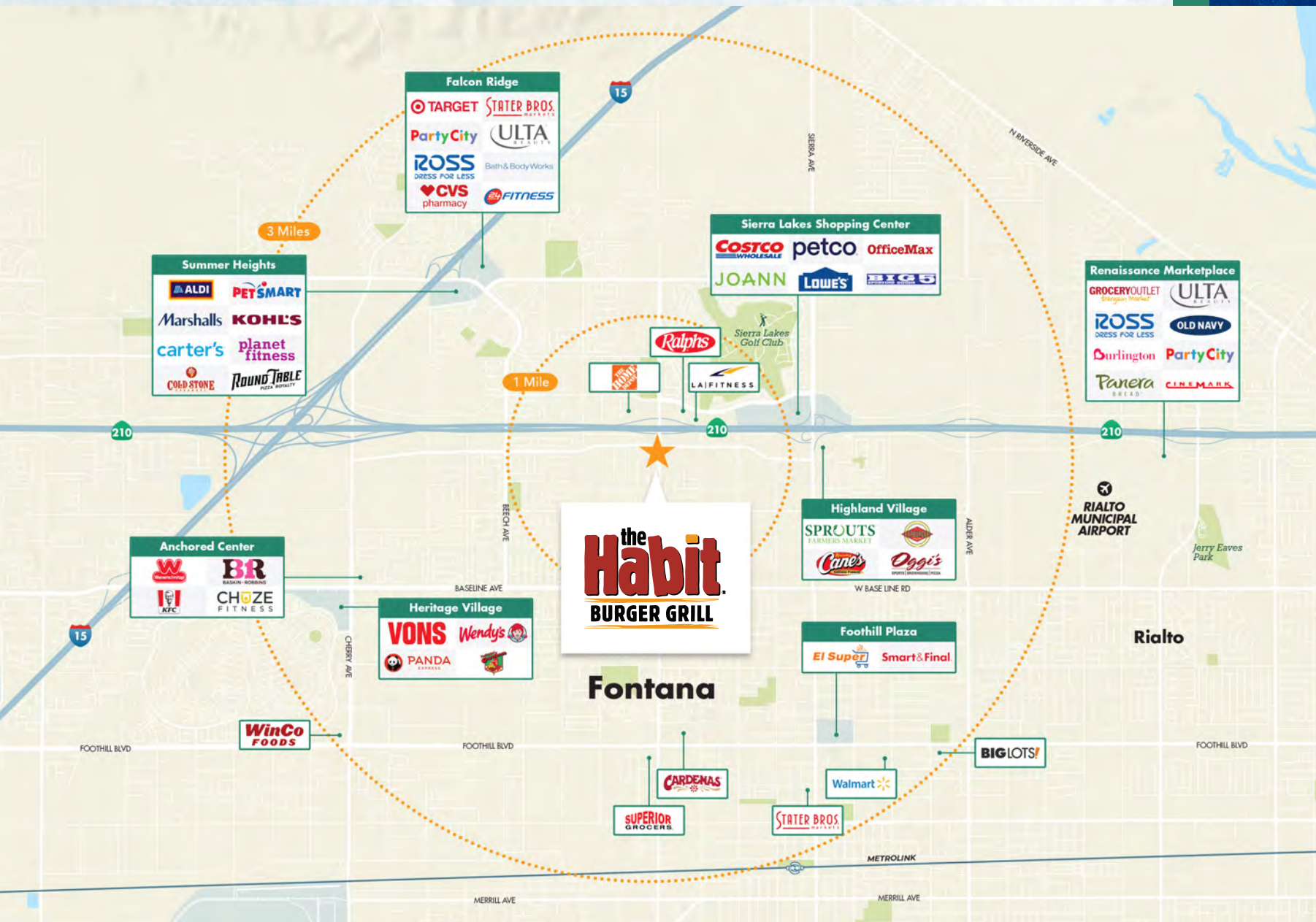
Average HH Income

1 MILE	3 MILES	5 MILES
\$124,252	\$105,605	\$96,629

Traffic Counts

Foothill Fwy (I-210)	154,000 CPD
Citrus Ave.	30,700 CPD

AMENITIES







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Tenant Summary



habitburger.com	
Company Type	Subsidiary
Locations	345+
Parent	Yum! Brands, Inc.
2021 Employees	36,000
2021 Revenue	\$6.58 Billion
2021 Net Income	\$1.58 Billion
2021 Assets	\$5.97 Billion

The Habit Burger Grill is a burger-centric, fast casual restaurant concept that specializes in preparing fresh, made-to-order chargrilled burgers and sandwiches featuring USDA choice tri-tip steak, grilled chicken and sushi-grade albacore tuna cooked over an open flame. In addition, it features fresh made-to-order salads and an appealing selection of sides, shakes and malts. The Habit Burger Grill was named the “best tasting burger in America” in July 2014 in a comprehensive survey conducted by one of America’s leading consumer magazines.

In March 2020, Yum! Brands, the parent company of KFC, Pizza Hut, Taco Bell and Wingstreet, acquired The Habit Burger Grill. The Habit Burger Grill has since grown to over 320 restaurants in 14 states as well as 13 international locations.

Today, The Habit Burger Grill continues to flourish. In Q1 of 2022, The Habit Burger Grill experienced 17% growth in year-over-year sales, as well as a 13% increase in its total units, and ranked #6 on Entrepreneur Magazine’s “Best of: Hamburgers” rankings. Furthermore, The Habit Burger Grill recently signed an agreement to develop 12 new locations in San Bernardino county. The Habit Burger Grill continues to build on its devoted customer base in its home state of California and around the world.





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