

HOLLYDALE PLAZA

12132-12222 Garfield Ave
South Gate, CA



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ASSOCIATES**
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SECTION I

EXECUTIVE OVERVIEW

Property Overview

YEAR COMPLETED:	2010		
APN:	6243-013-054 & 6243-013-55		
UNIT SIZE:	± 11,029 net rentable square feet		
LOT AREA:	± 59,324 square feet (± 1.37 acres)		
CONSTRUCTION:	Reinforced Concrete		
FLOORS:	One (1) - Ground Level Only		
PARKING:	± 44 parking spaces (4.0 per 1,000 SF)		
ZONING:	C3		
TRAFFIC COUNTS:	18,325 ADT at Garfield Ave (at Roosevelt Ave) 223,000 ADT at Garfield Ave (at I-105)		
DEMOGRAPHICS	1-mile	3-miles	5-miles
POPULATION (2019):	26,977	322,605	911,354
AVG. HH INC. (2019):	\$69,504	\$67,481	\$67,222

12132-12222 Garfield Avenue is a ±11,029 SF NNN single tenant investment opportunity which comprises the ground floor of the Hollydale Plaza Apartments, a 100 unit senior apartment community. The property is 100% occupied by South Central Los Angeles Regional Center (SCLARC) with an absolute NNN lease with no landlord obligations. SCLARC is a private, non-profit, community based organization coordinating services for individuals with developmental disabilities and their families.

The vertically subdivided ground level property offers great street visibility, access, with building signage and frontage on a heavily traveled major street. Gated secured parking is available in the rear. The location is easily accessible to the 105 and 710 Freeways, within minutes of the subject property. 12132-12222 Garfield Avenue is also ideally located nearby to St. Francis Medical Center.

12132-12222 Garfield Avenue is part of the Hollydale Area Specific Plan, which aims to help preserve existing single-family neighborhoods, revitalize the area, as well as create nodes of economic activity and housing opportunities near the future two Metro Eco Rapid Line Stations planned in the area.

Executive Summary

THE PROPERTY:

Hollydale Plaza
12132-12222 Garfield Avenue
South Gate, CA 90280

PRICING	
List Price	\$5,100,000
Rentable Square Feet	11,029
Price/Rentable Square Feet	\$462.42
Current Occupancy	100%
Net Operating Income	\$256,755
Cap Rate	5.03%

LEASE SUMMARY	
Lease Type:	Absolute NNN
Tenant:	South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc.
Roof & Structure:	Tenant Responsibility
Lease Commencement:	Estimated October 1, 2019
Lease Expiration:	September 30, 2029
Rental Increases:	3% Yearly
Options to Extend:	Two (5) Year Options

ANNUALIZED OPERATING DATA		
Years	Annual NOI	Cap Rate
1	\$256,755	5.03%
2	\$264,458	5.19%
3	\$272,391	5.34%
4	\$280,563	5.50%
5	\$288,980	5.67%
6	\$297,650	5.84%
7	\$306,579	6.01%
8	\$315,776	6.19%
9	\$325,250	6.38%
10	\$335,007	6.57%

Tenant Profile



South Central Los Angeles Regional Center (SCLARC) contracts with the State Department of Developmental Services (DDS) to coordinate services for individuals with developmental disabilities and their families. SCLARC is one of 21 regional centers serving communities throughout California. They ensure that individuals who are eligible to receive services (consumers) are assisted in living the highest quality life possible in their communities.

The California Regional Center system was developed by the State Legislature to implement its policies regarding citizens diagnosed with developmental disabilities. Specifically, the passage of the Lanterman Developmental Services Act in 1966 created the Regional Center System whereby the State Department of Developmental Services (DDS) contracts with local community-based agencies, known as Regional Centers. They assist people of all ages with intellectual disabilities, cerebral palsy, autism, epilepsy and other similar disabilities. In addition, they provide intake, assessment, diagnosis and lifelong service coordination.



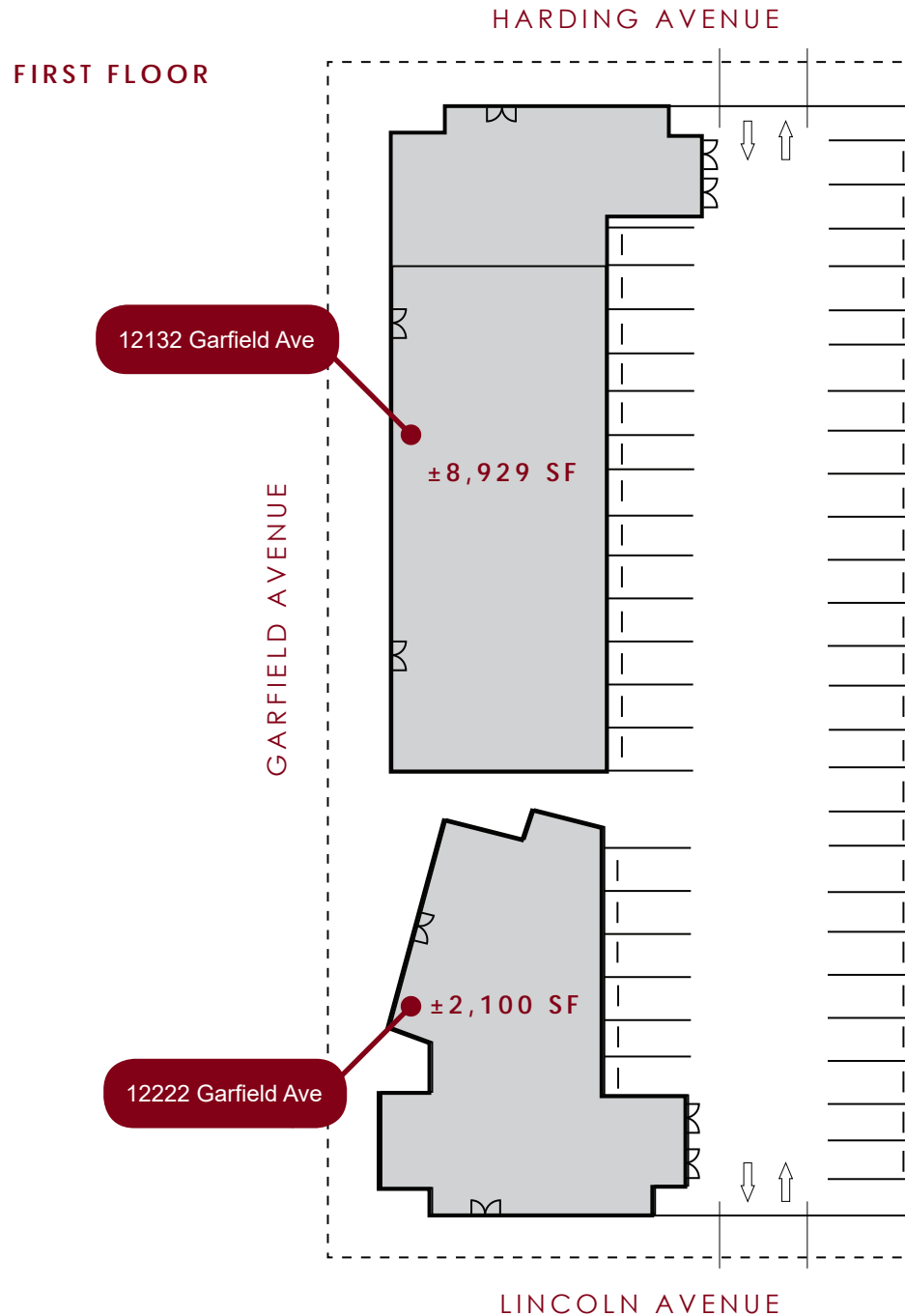
SECTION II

PROPERTY DESCRIPTION

Property Photos

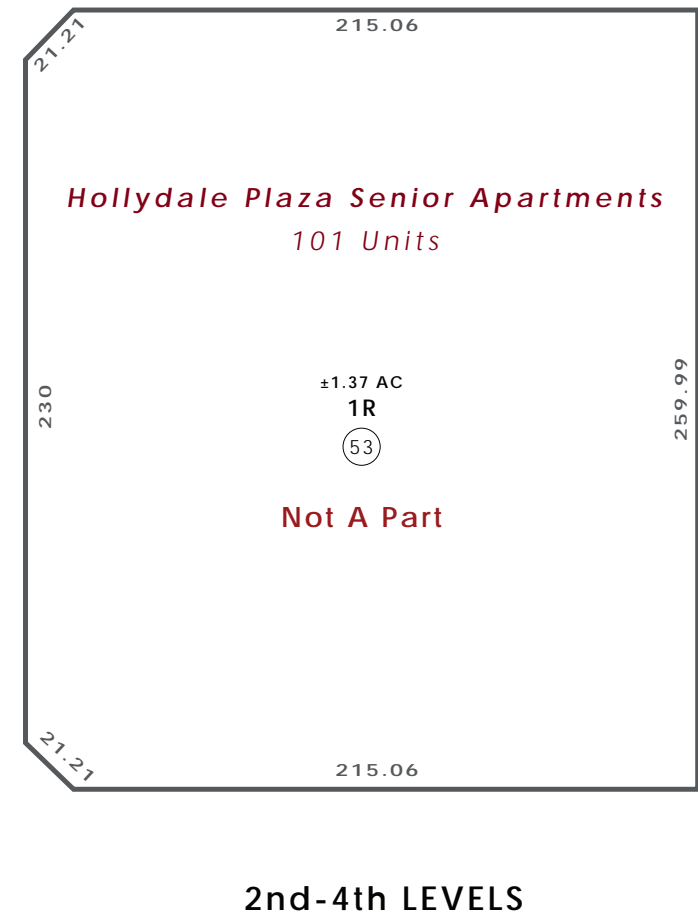
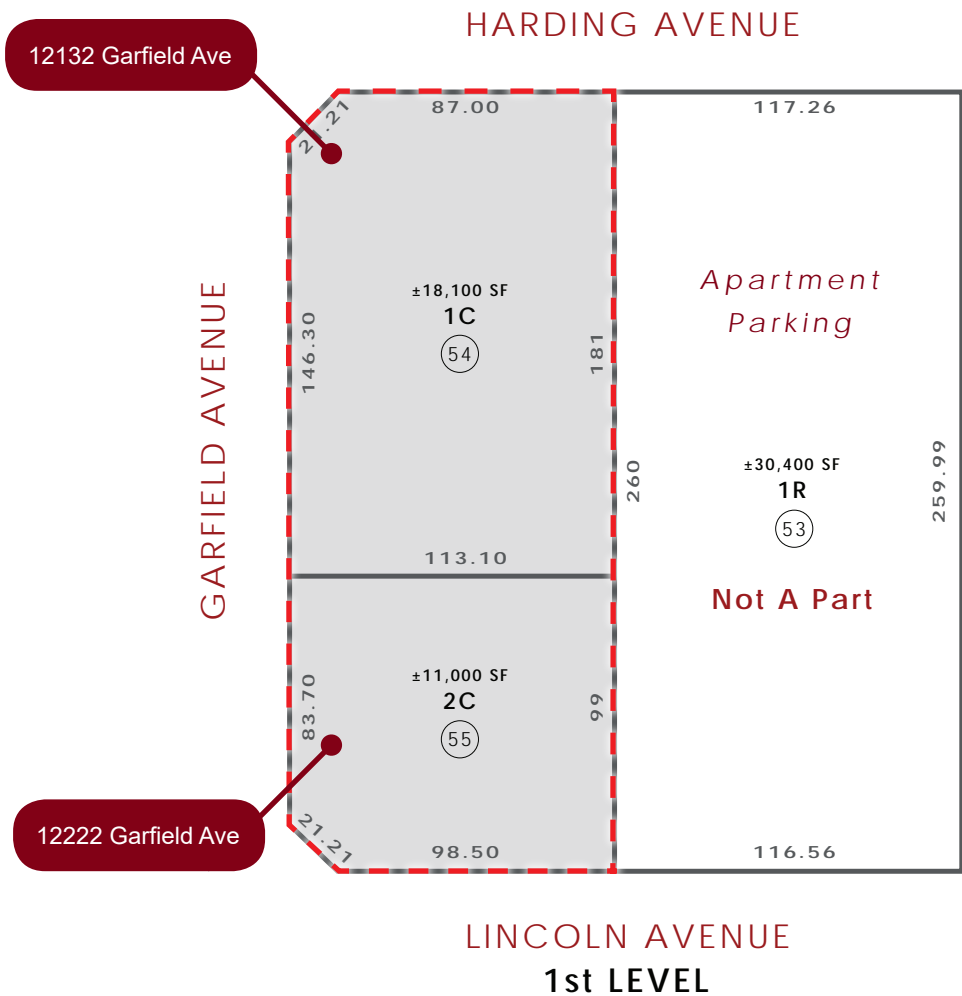


Site Plan



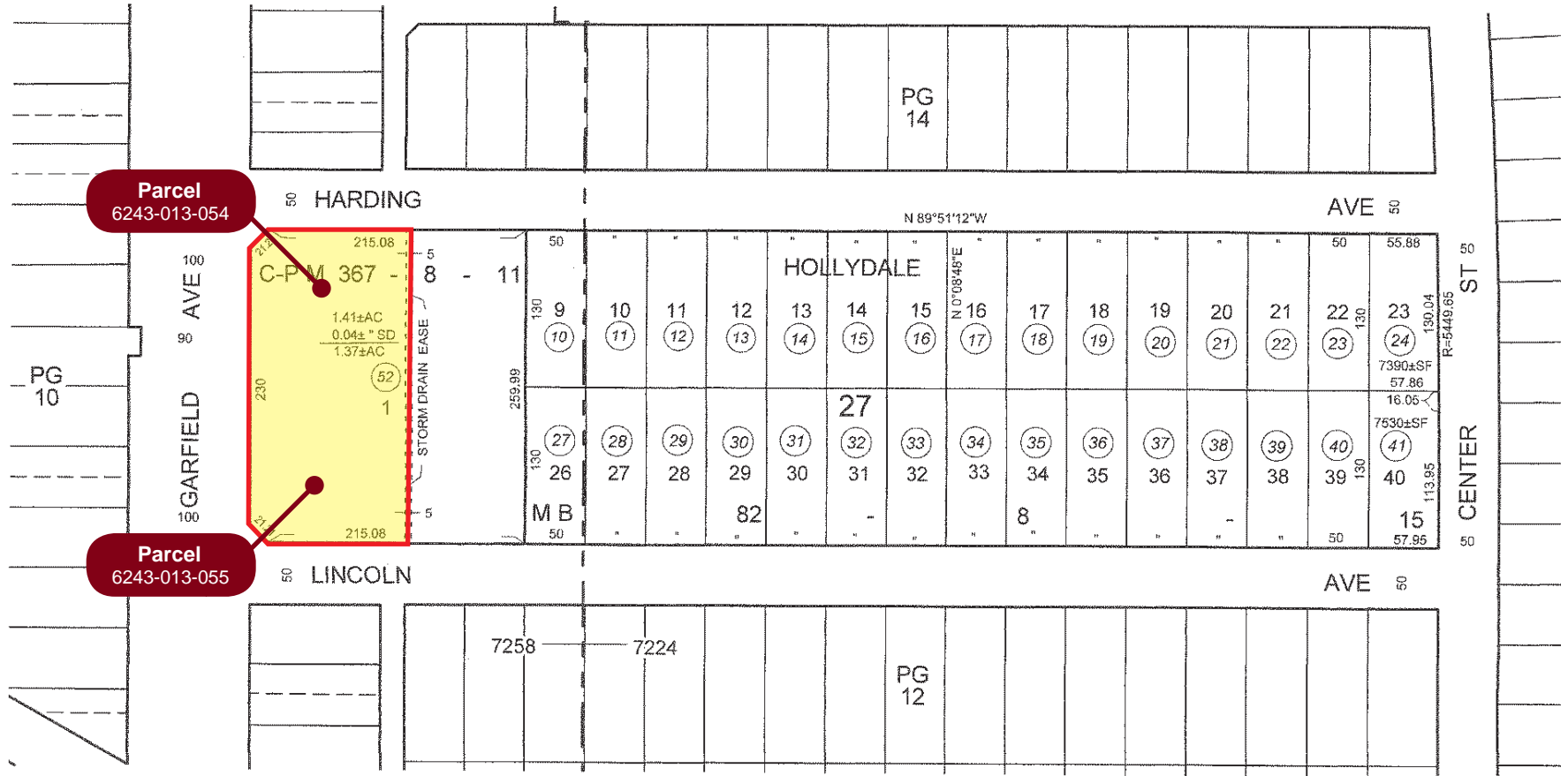
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Floor Plan

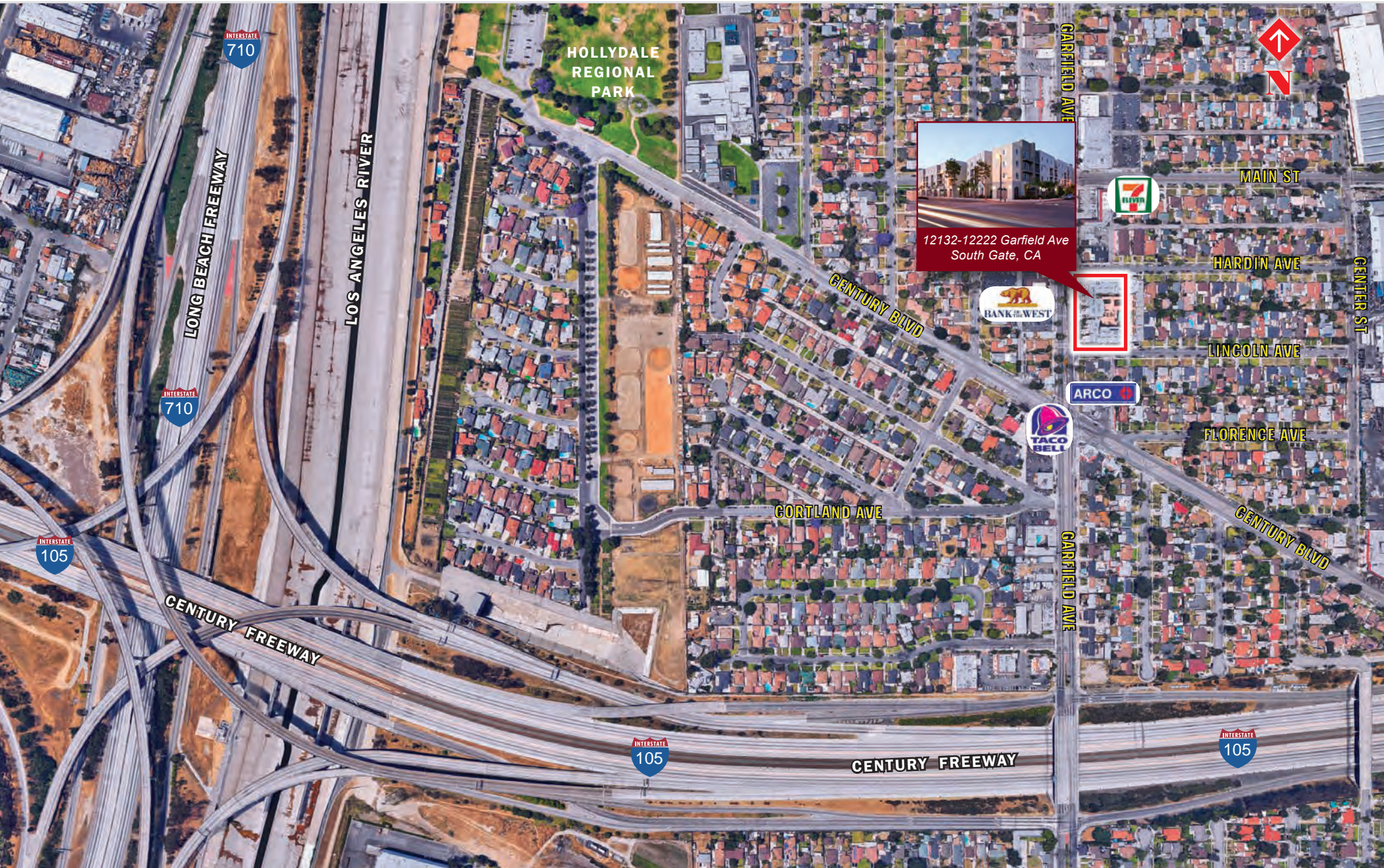


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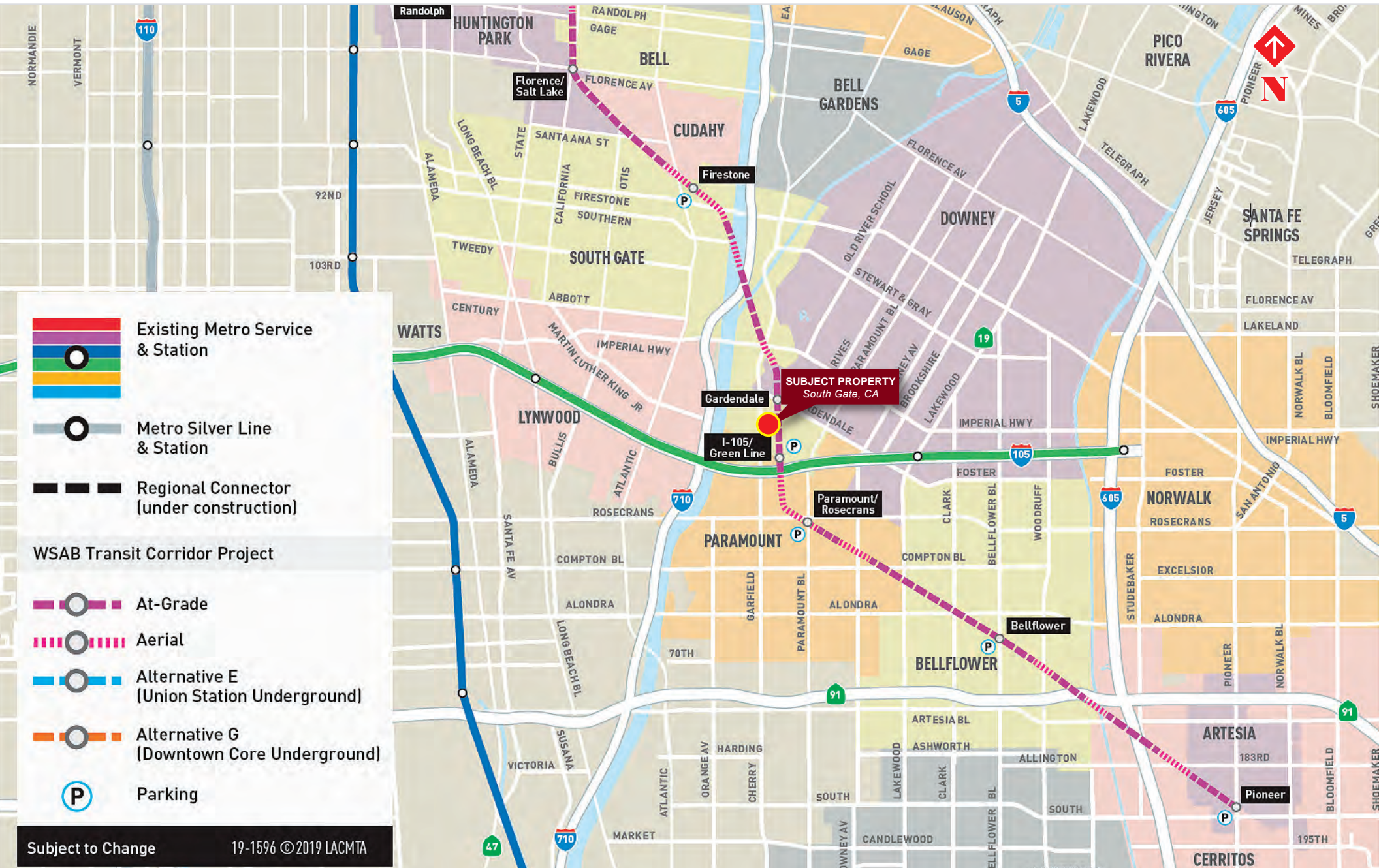
Plat Map



Aerial View



Metro Map



Subject to Change 19-1596 ©2019 LACMTA

SECTION III

FINANCIAL ANALYSIS

Income & Expense

PRICING			
PRICE		\$5,100,000	
Rentable Square Feet		11,029	
Price/Rentable Square Feet		\$462.42	
Current Occupancy		100%	
INCOME & EXPENSE		Current	
INCOME			
Base Rent		\$256,755	
CAM Recovery		82,564	
Effective Gross Revenue		\$339,319	
EXPENSE			PSF
RE Taxes + Assessments	1.21614%	\$71,764	6.51
Insurance		4,800	0.44
CAM Administration & Mgmt.		6,000	0.54
Reserves		2,200	0.20
Total Expenses		\$82,564	7.49
TOTALS			
	Net Operating Income	\$256,755	
	Debt Service	\$(145,793)	
	Cap Rate	5.03%	

Rent Roll

Suite	Tenant Name	Rentable Sq. Ft.	%	Start	Expire	Rent Increase (Date)	Base Rent/Mo	Rent SF/Mo	Total Rent/Yr	Rent SF/Annual	Lease Type	Annual CAM
12132-12222	South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc.	11,029	100%	10/01/19	09/30/29	Current	\$21,396.26	\$1.94	\$256,755.12	\$23.28	NNN	\$82,564
						Months 13-24	\$22,038.15	\$2.00	\$264,457.80	\$23.98		
						Months 22-36	\$22,699.29	\$2.06	\$272,391.48	\$24.70		
						Months 37-48	\$23,380.27	\$2.12	\$280,563.24	\$25.44		
						Months 49-60	\$24,081.68	\$2.18	\$288,980.16	\$26.20		
						Months 61-72	\$24,804.13	\$2.25	\$297,649.56	\$26.99		
						Months 73-84	\$25,548.25	\$2.32	\$306,579.00	\$27.80		
						Months 85-96	\$26,314.70	\$2.39	\$315,776.40	\$28.63		
						Months 97-108	\$27,104.14	\$2.46	\$325,249.68	\$29.49		
						Months 109-120	\$27,917.27	\$2.53	\$335,007.24	\$30.38		
TOTAL		11,029	100%				\$21,396.26		\$256,755.12			\$82,564
OCCUPIED AREA		11,029	100%				\$21,396.26		\$256,755.12			\$82,564
VACANT AREA		0	0%				\$0		\$0			\$0

OPTIONS: Two (2) additional sixty (60) month periods.

Lease Abstract

Lessee/Tenant: South Central Los Angeles Regional Center for Developmentally Disabled Persons, Inc.

Address: 12132-12222 Garfield Ave., South Gate, CA 90280

Rentable SF: 11,029 SF

Lease Start Date: Estimated October 1, 2019

Expiration Date: 10 years after lease start date

Lease Term: 10 Years

Use: General office use including providing services to Lessee's clients.

Termination Provision: If a Hazardous Substance Condition occurs during the term of this lease, unless Lessee is legally responsible, Lessor may, at Lessor's option, either (i.) investigate and remediate such Hazardous Substance Condition at Lessor's expense in which lease shall continue in full force and effect, or (ii.) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, Lessor shall give written notice to Lessee within 30 days of intent to terminate this lease as of 60 days from the date of such notice. Within 30 days thereafter Lessee may give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation exceeds the amount equal to 12 times the then monthly base rent or \$100,000 whichever is greater.

Early Termination Option: Lessee shall have the right and option to terminate the lease at the end of the 84th month (7th year) of the Original Term of the lease. Lessee must notify Lessor in writing of Lessee's exercise of such option by not later than the end of the 60th month (5th year) of the Original Term of the lease.

Security Deposit: \$33,431.77

Current Base Rent: \$21,396.26/mo

Rent Payment Date: First (1st) of every month

Monthly CAM Charge: \$5,514.50

Rent Escalations: Months 13 - 24: \$22,038.15/month
Months 25 - 36: \$22,699.29/month
Months 37 - 48: \$23,380.27/month
Months 49 - 60: \$24,081.68/month
Months 61 - 72: \$24,804.13/month
Months 73 - 84: \$25,548.25/month
Months 85 - 96: \$26,314.70/month
Months 97 - 108: \$27,104.14/month
Months 109 - 120: \$27,917.27/month

Lease Abstract

- Expense Stops (Prop 13):** None.
- Options:** 2 options of additional 60 months periods commencing when the prior term expires
- Repair & Maintenance:** Lessee (as part of CAMs)
- Property Insurance:** Lessee (as part of CAMs)
- Property Taxes:** Lessee (as part of CAMs)
- Landscaping:** Not defined in lease.
- Utilities:** Lessee pays all utilities with any taxes thereon
- Parking:** All gated parking; Lessee responsible for all costs
- Assignment & Subletting:** Must inform Lessor in writing. No assignment or subletting shall: (i.) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this lease, (ii.) release Lessee of any obligations hereunder, or (iii.) alter the primary liability of Lessee for payment of Rent or for the performance of any other obligations to be performed by Lessee.
- Estoppel Certificates:** Shall execute and deliver estoppels to the other party within 10 days after written notice from the other party.
- Tenant Insurance:** Single limit coverage not less than \$1,000,000 per occurrence with an annual aggregate not less than \$2,000,000.

SECTION IV

SALES COMPARABLES

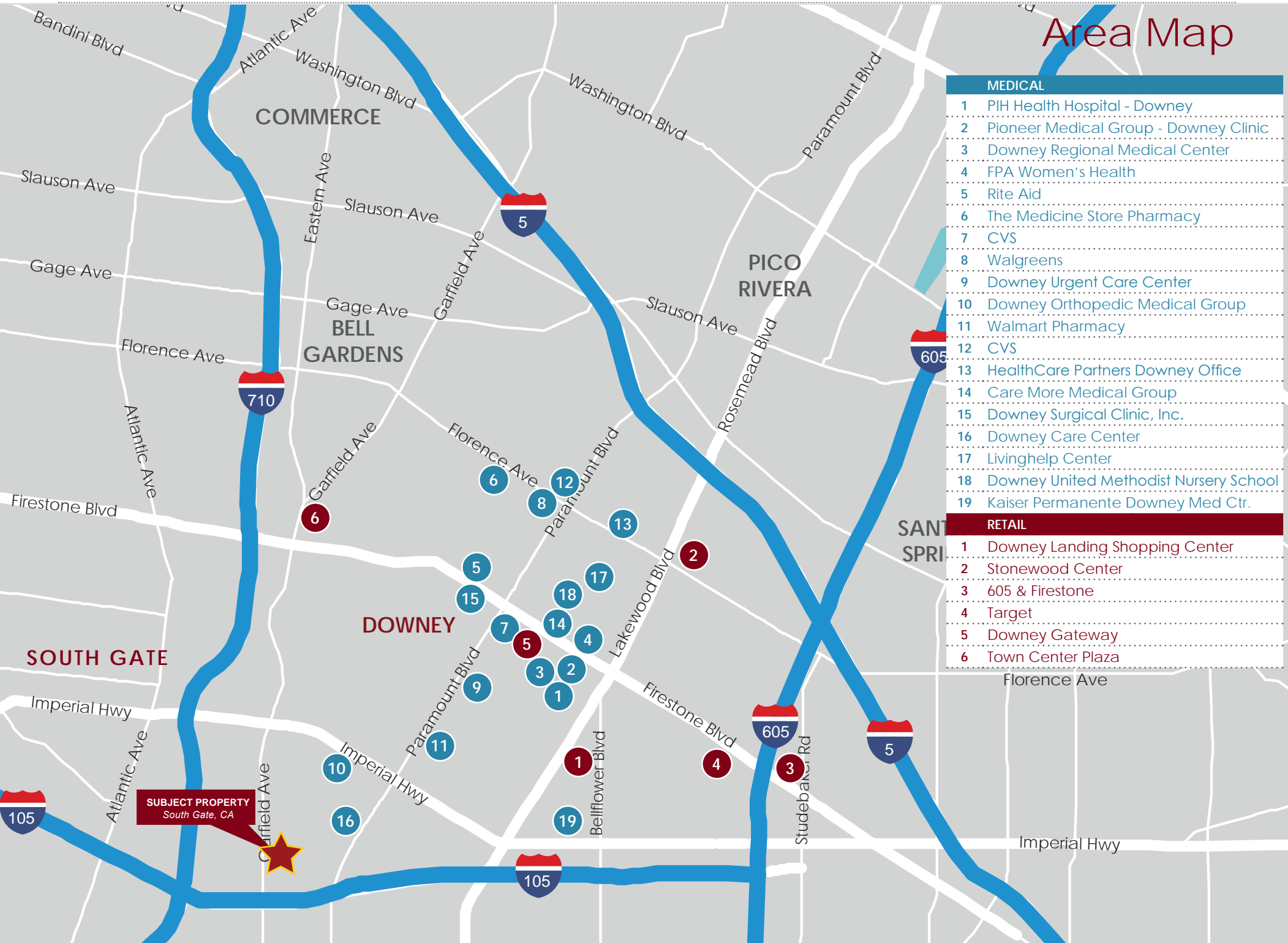
Sales Comparables

	Property Name / Location	Price	SF	PSF	Year Built	CAP	COE	Tenants/Comments
	Sub 12132-12222 Garfield Ave South Gate, CA 90280	\$5,100,000	11,029	\$462.42	2010	5.03%	N/A	SCLARC/Ground floor level of a 4-story mixed use development
	1 Bldg. 22-Douglas Park Phase I 3929-3949 Conant St Long Beach, CA 90808	\$3,650,500	11,857	\$307.88	2009	5.0%	11/06/18	Science Care/Class B Office Building
	2 1361 E Florence Ave Los Angeles, CA 90001	\$3,197,330	5,870	\$544.69	2004	5.6%	02/28/18	Kids Dental Kare/Class C Office Building
	3 DaVita Dialysis Clinic 9041-9045 Imperial Hwy Downey, CA 90242	\$10,560,500	11,797	\$895.19	2018	5.2%	11/13/18	DaVita/Class B Office Building
	4 14337 Imperial Hwy La Mirada, CA 90638	\$7,808,000	9,950	\$784.72	2017	N/A	01/23/18	DaVita/Class B Office Building
	5 6251-6261 Stanton Ave Buena Park, CA 90621	\$2,350,000	3,227	\$728.23	2008	5.4%	05/24/18	DaVita, Gift Counseling, Lydia Chun Psychologist/Class C Office Building
	6 Terminal at Douglas Park 3738 Bayer Ave, Unit 203 Long Beach, CA 90808	\$822,000	2,529	\$325.03	2017	N/A	01/29/18	The Core Group/Class B Loft/Creative Space Condo
	7 133 The Promenade N Unit 106 Long Beach, CA 90802	\$775,000	2,271	\$341.26	2006	N/A	08/29/18	Managed Healthcare Unlimited/Storefront Retail/Office Condo
Average		\$4,166,190	6,786	\$561.00				

SECTION V

AREA DESCRIPTION

Area Map



MEDICAL

- 1 PIH Health Hospital - Downey
- 2 Pioneer Medical Group - Downey Clinic
- 3 Downey Regional Medical Center
- 4 FPA Women's Health
- 5 Rite Aid
- 6 The Medicine Store Pharmacy
- 7 CVS
- 8 Walgreens
- 9 Downey Urgent Care Center
- 10 Downey Orthopedic Medical Group
- 11 Walmart Pharmacy
- 12 CVS
- 13 HealthCare Partners Downey Office
- 14 Care More Medical Group
- 15 Downey Surgical Clinic, Inc.
- 16 Downey Care Center
- 17 Livinghelp Center
- 18 Downey United Methodist Nursery School
- 19 Kaiser Permanente Downey Med Ctr.

RETAIL

- 1 Downey Landing Shopping Center
- 2 Stonewood Center
- 3 605 & Firestone
- 4 Target
- 5 Downey Gateway
- 6 Town Center Plaza

Location Overview

The **City of South Gate** is the 17th largest city in Los Angeles County, California. South Gate is part of the Gateway Cities region of southeastern Los Angeles County. 12132-12222 Garfield Avenue is located in the Hollydale zone of South Gate, one of the four largest concentration of commercial activity in South Gate, on Garfield Avenue from I-105 to Imperial Hwy. 12132-12222 Garfield Avenue is also located within the Hollydale Specific Plan Area. South Gate is serviced by Interstate 710 and Imperial (105) Highway. South Gate is served by Metro Local and Metro Rapid buses. The City of South Gate operates the Get Around Town Express (GATE) to provide local service. The City is also served by three community colleges (Compton, Cerritos and East Los Angeles - main campus and South Gate satellite) and three California State Universities (Dominguez Hills, Long Beach and Los Angeles). South Gate is known for its outstanding city services, remarkable parks and recreation facilities, and family-friendly environment. South Gate is 20 miles north of the Ports of Los Angeles and Long Beach, 7 miles south of downtown Los Angeles, and 13 miles east of the Los Angeles International Airport, making it an ideal location for residents in the Los Angeles County area, and a main thoroughfare for regional, national, and global transportation and trade for businesses.



Location Highlights

- Located Within Hollydale Specific Plan Area
- Located Within Hollydale Zone
- Heavy Commercial Activity Along Garfield Avenue
- Dense Residential Population
- Excellent Freeway Access
- Seven Miles South Of Downtown Los Angeles
- Convenient to Restaurants and Shopping

+900,000



Population
Within 5-Miles

\$67,222



Average Household
Income Within 5-Miles

105 Fwy & 710 Fwy



Excellent
Fwy Access

South Gate



Excellent
Location



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