



SUN DAY CAR WASH LEASEHOLD SALE

5128 N FIGUEROA ST. HIGHLAND PARK, CA 90042

OFFERING MEMORANDUM



ALPHA
REAL ESTATE ADVISORS



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OFFERING PRICE

\$3,375,000

CAP RATE

8.00%

NET OPERATING INCOME (NOI)

\$270,000

GROSS LEASABLE AREA (GLA)

12,998 SF

LOT SIZE (AC)

0.30 AC

YEAR BUILT/RENOVATED

1974/2023

Actual Site Photo



PROPERTY HIGHLIGHTS

- ◆ **Stabilized NNN Income Stream (Ground Lease)**
Tenant Sun Day Carwash pays \$532,000/yr in absolute NNN rent with 2% annual escalations – zero landlord expense obligations. Guaranteed by Sun Day Carwash Inc. corporate guaranty.
- ◆ **Long-Term Lease with Multiple Options**
20-year initial term commencing February 2024, plus two 5-year and one ~5-year renewal options – providing approximately 35 years of total term. Options exercisable with 210-day notice; no landlord obligation to advise.
- ◆ **Irreplaceable Los Angeles Location**
Positioned on N. Figueroa Street in Highland Park – one of LA's fastest-growing urban neighborhoods. High-traffic corridor with strong daytime population and limited new car wash supply. Land appraised at \$1.95M as-if-vacant.
- ◆ **Clean Lease Structure**
Triple net structure with tenant responsible for 100% of operating costs, real property taxes, insurance, and all maintenance including structural. Landlord's sole obligation is ground rent passthrough. No landlord CapEx exposure.
- ◆ **Two Distinct Exit Strategies**
Buyers may acquire the sandwich leasehold for immediate NNN income, or pursue fee simple consolidation by acquiring the underlying ground – unlocking a materially higher exit valuation of \$8.5M–\$8.6M per independent appraisal.

LEASE STRUCTURE



PROPERTY PHOTOS - ACTUAL GROUND SNAPSHOTS



PROPERTY PHOTOS - ACTUAL AERIAL SNAPSHOTS



SURROUNDING RETAIL



SURROUNDING RETAIL



CALIFORNIA TAX ADVANTAGES

Bonus Depreciation - (100% federal)

Assumptions	
ASSET TYPE	Leasehold Improvement
OWNERSHIP	Leasehold
LAND ALLOCATION	0.00%
DEPRECIABLE BASIS	100.00%
USEFUL LIFE	1
FEDERAL TAX RATE	37.00%
YEAR 1 DEPRECIATION	\$3,480,000
POTENTIAL TAX SAVINGS	\$1,287,600

Accelerated Depreciation - 15-Year Schedule

Assumptions	
ASSET TYPE	Leasehold Improvement
OWNERSHIP	Leasehold
LAND ALLOCATION	0.00%
DEPRECIABLE BASIS	100.00%
USEFUL LIFE	15
CA STATE TAX RATE	13.30%
YEAR 1 DEPRECIATION	\$232,000
POTENTIAL TAX SAVINGS (ANNUAL)	\$30,856

Total Federal Write-Off

Assumptions	
ASSET TYPE	Leasehold Improvement
OWNERSHIP	Leasehold
DEPRECIATION METHOD	IRC §168 Bonus
LAND ALLOCATION	0.00%
DEPRECIABLE BASIS	100.00%
FEDERAL WRITE-OFF (YEAR 1)	\$3,480,000
FEDERAL TAX RATE	37.00%
POTENTIAL TAX SAVINGS	\$1,287,600

California Straight-Line - 15 Year Schedule

Assumptions	
ASSET TYPE	Leasehold Improvement
OWNERSHIP	Leasehold
DEPRECIATION METHOD	Straight-Line
LAND ALLOCATION	0.00%
DEPRECIABLE BASIS	100.00%
TOTAL CA AMORTIZATION	\$3,480,000
ANNUAL CA DEDUCTION	\$232,000
TOTAL CA WRITE-OFF (15 YRS)	\$3,480,000

ALPHA REAL ESTATE ADVISORS is not a tax advisor and does not provide tax-related advice or services. The information above is for general informational purposes only and should not be construed as professional tax advice. For personalized tax guidance, please consult a qualified tax professional.



CALIFORNIA TAX ADVANTAGES

DEPRECIATION & WRITE-OFF SUMMARY

15-year amortization schedule · IRC §168 leasehold improvement property

Federal write-off

\$3.48M

Immediate 100% deduction

Annual CA state write-off

\$232K

Per year · 15-year schedule

Total CA amortization

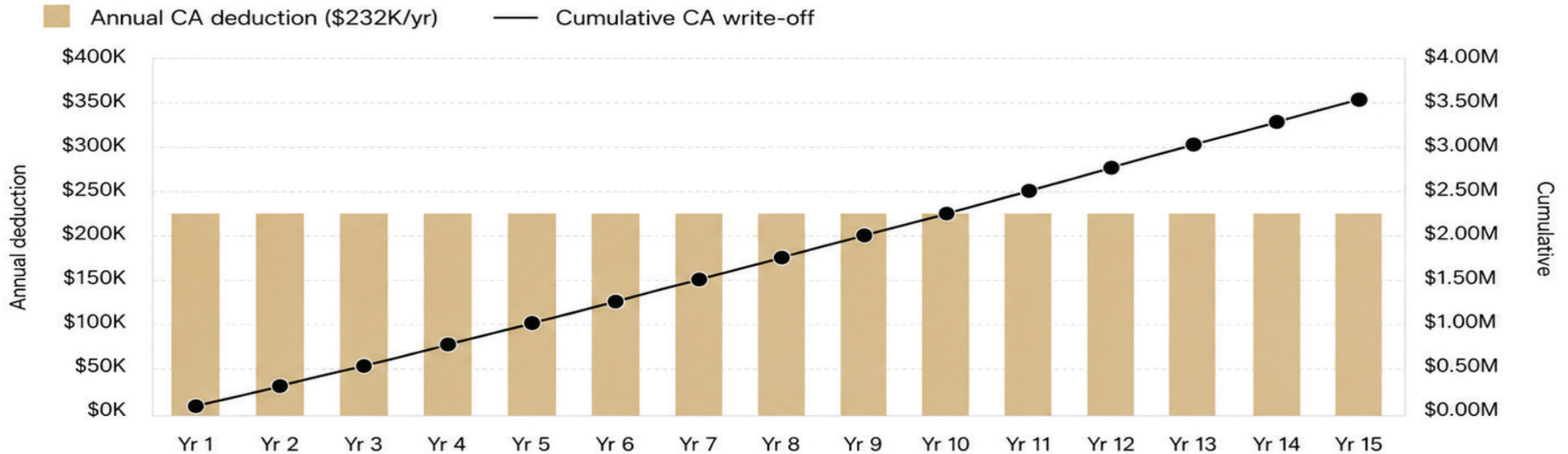
\$3.48M

Over 15 years · full basis

Amortization period

15 yrs

California straight-line



FEDERAL BASIS

IRC §168 bonus depreciation — 100% in year 1

CALIFORNIA BASIS

Straight-line over 15 years · \$232,000 annually

NOTE

Consult a tax advisor for entity-specific projections

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HIGHLAND PARK, CA MARKET PROFILE

Highland Park is one of Los Angeles’ most dynamic and rapidly evolving neighborhoods, located in Northeast Los Angeles between Pasadena, Glendale, and Downtown LA. Known for its blend of historic character and modern revitalization, the area has experienced significant growth driven by young professionals, creatives, and high-income households seeking urban lifestyle amenities with neighborhood charm.

Over the past decade, Highland Park has transformed into a premier retail and dining corridor, anchored by strong local businesses, national retailers, and experiential concepts. York Boulevard and Figueroa Street serve as the primary commercial spines, drawing consistent foot traffic and creating a highly active street environment.

The neighborhood continues to benefit from sustained population growth, rising home values, and increasing consumer spending, supported by its proximity to major employment hubs including Downtown Los Angeles, Pasadena, and Glendale. Highland Park’s strong demographics and dense infill nature provide a stable foundation for long-term retail demand.

DEMOGRAPHIC SUMMARY

POPULATION & HOUSEHOLDS	2 MILE	5 MILES	10 MILES
2025 Population	118,428	736,775	2,720,171
2025 Households	41,329	274,531	976,996
INCOME	1 MILE	3 MILES	5 MILES
Avg Household Income	\$127,073	\$115,844	\$107,177
Median Household Income	\$96,742	\$86,454	\$76,513
CONSUMER SPENDING	1 MILE	3 MILES	5 MILES
Transportation & Maintenance	\$369M	\$2.2B	\$7.6B
Total Specified Consumer Spending	\$1.4B	\$9.0B	\$30.6B



URBAN INFILL RETAIL & GENTRIFICATION TRENDS

Highland Park has emerged as one of Los Angeles’ most sought-after retail destinations, fueled by rapid gentrification and an influx of higher-income residents. The area has seen a surge in boutique retail, chef-driven restaurants, coffee concepts, and lifestyle brands, creating a vibrant and walkable commercial environment.

This evolution has significantly increased consumer spending power and positioned the submarket as a destination for both locals and visitors. Retailers benefit from strong daytime and evening traffic, driven by a mix of residents, remote workers, and tourism from nearby neighborhoods.

HIGH-TRAFFIC CORRIDOR & DENSE COMMUTER BASE

The subject property is located along North Figueroa Street, one of the primary north-south corridors in Northeast Los Angeles, providing exceptional visibility and consistent daily traffic.

The corridor connects directly to Downtown Los Angeles and Pasadena, supporting strong commuter flow and accessibility. The surrounding area is densely populated with limited new retail supply, creating sustained demand for well-located commercial assets. The combination of vehicular traffic, pedestrian activity, and public transit access makes this location highly desirable for service-oriented and experiential retail uses.



DISCLAIMERS & AGREEMENT

Alpha Real Estate Advisors LLC ("AREA") has been retained as the exclusive listing broker to arrange the sale or lease of the property identified herein above (the "Property").

Purpose and Intent. This Offering Memorandum ("Memorandum") has been prepared by the undersigned real estate professional, is provided in the normal course of his/her business, and is intended to express only his/her recommended listing, selling, or purchase price or a rental or lease consideration for the Property. This Memorandum does not constitute an offer to sell, lease, or a solicitation of an offer to buy or rent, the Property, and has not been made for the purpose of submission as evidence of value to a court or administrative body. The disclosures herein are intended to supersede all prior written and oral communications and understandings regarding the Memorandum. You are advised to carefully read this Memorandum and review it with your legal and tax advisors.

Information Provided As An Opinion: The information in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. This Memorandum does not contain all the information that you may need or desire to evaluate the Property. All information in this Memorandum and any other written or oral communication transmitted to you in the course of your evaluation of the Property is presented "as is" without representation or warranty, express or implied, of any kind by AREA, Owner/Seller, or either's respective subsidiaries, agents, affiliates, members, officers, and/or employees. AREA assumes no responsibility for this Memorandum, and hereby disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this Memorandum. This Memorandum is subject to prior placement, errors, omissions, changes, or withdrawal without notice and does not constitute a recommendation, suitability determination, or endorsement as to the Property's value by AREA or Owner/Seller. This Memorandum contains certain documents, which are described in summary form and do not purport to be complete or accurate descriptions of, nor do they constitute a legal analysis of, the full documents involved. All such summaries are qualified in their entirety by reference to such documents. All references to acreage(s), square footage(s), and other measurements are approximations. Neither AREA nor Owner/ Seller undertakes any responsibility or compulsion to update any of the information discussed herein. Any information and expressions of opinion herein contained are subject to change without notice. Neither the delivery of this Memorandum nor the purchase or lease of the Property shall, under any circumstance(s), create an implication that there has been no change in the affairs of the Property since the date this Memorandum was created or provided to you.

By accepting this Memorandum, you agree that in determining the advisability of purchasing or leasing the Property, you shall not rely on this Memorandum or upon any other materials or information provided AREA or its brokers, but rather that you shall rely solely upon your own examination (including engineering and environmental inspections) and investigation of the Property at your own cost prior to purchasing or leasing the Property. An opportunity to inspect the Property will be made available to you upon written request. You acknowledge AREA is not acting as an attorney, tax advisor, surveyor, appraiser, structural engineer, and that you should consult such professionals.

This Memorandum is not to be used in connection with an offer to sell, lease, or the solicitation of an offer to buy or lease in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make sure offer or solicitation. ALL INFORMATION CONTAINED HEREIN IS A STATEMENT OF OPINION. ANY RELIANCE ON THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

Forward-Looking Statements and Financial Projections. All statements herein, other than statements of historical fact, are statements that could be deemed "forward-looking" statements with respect to the anticipated future performance of the Property, including any financial projections, statements regarding future economic conditions or performance, and statements of belief and of assumptions underlying any of the foregoing. These projections and statements are provided for general reference purposes only and may involve known and unknown risks and various assumptions subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of AREA and/or Owner/ Seller, and which therefore are subject to material change and/or variation. Accordingly, there can be no assurance that such projections or forward-looking statements will be realized.

Potential purchasers or tenants of the Property are cautioned that the actual results, performance, and/or achievements may vary materially from anticipated results, performance, and/or achievements. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections of forward-looking statements based thereon. **YOU MAY NOT RELY UPON THE FINANCIAL PROJECTIONS, AS THEY ARE ILLUSTRATIVE ONLY.**

Owner's/Seller's Reserved Rights. Owner/Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest and/or to terminate discussions with any party at any time with or without notice and for any reason. Owner/Seller shall have no legal commitment or obligation to any recipient of this Memorandum unless a written agreement for the purchase of the Property has been executed, delivered, and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or affirmatively waived. The Owner/Seller reserves the right to move forward with an acceptable offer on the Property prior to the call for offers deadline.

Confidentiality: The Property is privately offered, and your receipt of this Memorandum serves to evidence your agreement that: (i) this Memorandum is subject to the Confidentiality and Non-Circumvention Agreement you previously executed with AREA, (ii) this Memorandum is furnished to you for the sole purpose of evaluating your interest in the Property, (iii) you will return the Memorandum if requested to do so by AREA, (iv) you will not use any part of this Memorandum in a manner detrimental to Owner/Seller or AREA, and (v) you will not reproduce or disclose any portion of this Memorandum to anyone without the prior written authorization of AREA. These terms and conditions apply to this Memorandum and all documents and other information provided in connection herewith.



