

12205 Centralia Street \\ Lakewood, CA 90715 000



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exp
REALTY

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Hawaiian Gardens

Port of LA/Port of Long Beach

605 FWY

The Gardens Casino

Planet Fitness

Centralia St | 13,262 VPD

Norwalk Blvd / 21,047 VPD



INVESTMENT SUMMARY

INVESTMENT SUMMARY:

Price:	\$4,300,000
Price/SF (Building):	\$302
Price/SF (Lot):	\$112
Current Cap Rate:	6.40%
Year 2 Cap Rate:	7.59%
Year 3 Cap Rate:	7.98%
Year 4 Cap Rate:	8.22%
Year 5 Cap Rate:	8.48%
Pro Forma Cap Rate:	7.94%

FINANCING QUOTE - PRINCIPAL + INTEREST

Down Payment:	\$1,400,000 - 33%
Loan Amount:	\$2,900,000 - 67%
Interest Rate:	5.90%
Fixed Period:	5 Years
Interest Only Period:	None
Debt Coverage Ratio:	1.33



PROPERTY DETAILS:

Property Address:	12205 Centralia Street, Lakewood, CA 90715		
Property Type:	3-Star Retail Storefront	Roof Type:	Flat Roof
Stories:	100% Single-Story Construction	Zoning:	General Commercial (C-4)
Parcel Number:	7057-008-016	Utilities/Refuse:	Tenant Pays Individual Direct
Rentable Square Feet:	14,220 (Assessor)	Water/Sewer/Trash/Electricity:	Common Area Landlord Pays
Lot Square Feet:	38,522 (Assessor)	Shopping Center Parking:	135 Total spaces
Year Built:	1961		102 Total Open Spaces
			5 ADA Spaces
			28 Total Rear Alley Spaces

Family-owned asset and first time on the market in over 40 years! 12205 Centralia Street is a high-performing neighborhood retail strip center located in the dense, supply-constrained Lakewood/Cerritos submarket at the border of Los Angeles and Orange Counties. The **± 14,220 square foot** multi-tenant center is situated on a large **± 38,522 square foot parcel with 135 total parking spaces for the shopping center through a reciprocal parking agreement (102 Open parking spaces + 5 ADA spaces with 28 rear alley parking spaces)**, providing excellent access, convenience, and visibility for daily-needs consumers.

The asset offers investors an extremely rare **value-add retail opportunity** supported by immediate leasing upside, below-market rents, and conversion potential to NNN lease structures. The center currently includes a **prime ±2,346 SF end-cap with a month-to-month tenant**, enabling an investor to **mark to market within 60 days** while increasing occupancy and capturing a meaningful uplift in net operating income.

Current in-place rents across the property remain materially below market, creating approximately **20% upside** through renewal negotiation, new leasing, and transitioning leases to NNN. Once stabilized and at projected market rents, the asset yields a **pro forma 7.94% cap rate**, positioning it among the most attractive returns available at the neighborhood retail level in this region.

With high year-one income, robust year-two cash-on-cash returns, and baked-in leasing and rent growth potential, the Centralia property serves as a stable cash-flowing investment with meaningful value-creation opportunities rarely available in infill Southern California.

PROPERTY HIGHLIGHTS

6.40%

6.40% Cap Rate
including end cap vacancy



Over 8.5% Cash on Cash
Return in Year Two



Prime 2,346 Square Foot End
Cap Month to Month Tenancy
Opportunity to Mark to Market
Immediately

7.59%

Clear Path to 7.59% Cap
Rate Year 2
End Cap Month to Month



Value Add Opportunity
Roughly 20% Upside by bringing rents to market and converting to NNN leases

7.94%

Pro Forma 7.94% Cap Rate
at Market Rents



Traffic Counts Between
16K - 21K Vehicles Per Day



Inflation Hedge
Below Market Rents are Easily Replaceable With Increased Income Very Likely



Abundant Parking
135 Total Shopping Center
Parking Spaces



Recent Repairs Improvements

- Roof 75% new (April 2024) carries 5 year warranty
- Rear Alley Resurfaced in 2004
- LED Lights in the front of building installed in 2024



First Time On Market

First time on the market in over 40 years!



Future Residential Development Potential

Located in Multifamily Overlay Zone (MU)



Substantial Parking, Street Frontage & Ample Signage

Framework

The subject property is located in the City of Lakewood's **General Commercial (C-4)** zoning district and is eligible for residential development under the City's **Mixed-Use Overlay (MU)**. The MU overlay was adopted to promote housing along established commercial corridors and expand infill residential capacity.

Permitted Residential Development

Residential uses are expressly permitted on qualifying commercial land, including:

- Stand-alone residential projects
- Mixed-use projects with ground-floor commercial and residential above
- No rezoning required, provided the project complies with objective MU standards

Density & Development Capacity

The MU overlay does not impose a fixed units-per-acre limit. Achievable yield is driven by project design and objective standards, including:

- Maximum building height and number of stories
- Site layout, lot coverage, and circulation
- Parking requirements (and any approved reductions)
- Required open space and unit mix

Height, Massing & Setbacks

Maximum Height	Up to 4 stories or 65 feet (C-4 with MU)
Front Setback	10 feet along arterial streets
Side/Rear Setback	None unless abutting single-family zoning; then 30 feet along shared property line

Parking Requirements

Baseline MU residential parking ratios generally include:

- 2.0 spaces per unit (studios and 1- & 2-bedroom units)
- 2.5 spaces per unit (3-bedroom units)
- 10% guest parking

Parking ratios may be reduced through a Conditional Use Permit (CUP) and/or modified by applicable California State housing laws (including the State Density Bonus Law and other parking-relief statutes), subject to project eligibility.

Entitlement & Investment Significance

Projects that comply with objective MU standards may be eligible for ministerial or streamlined review, helping reduce entitlement risk and improve execution certainty for residential or mixed-use redevelopment.

Note: Summary provided for marketing purposes only; buyer to verify all zoning, overlay eligibility, and development standards with the City of Lakewood.12205



RENT ROLL OOO

RENT ROLL/TENANT ROSTER:

ADDRESS	USE/TENANT	SQFT (APPROX.)	% OF TOTAL	RENT/MTH	RENT/SF	CAM	CAM/SF	LEASE START	LEASE END	NEXT INCREASE	NOTES
12205	MTM - Mike's Appliances	2,346	16.5%	\$3,800.00	\$1.62	\$0.00	\$0.00	8/23/25	MTM	-	Can be terminated w/ 60 day notice
12207, 12209,12211	Grocery Store & quick service food	3,555	25.0%	\$6,840.00	\$1.92	\$902.53	\$0.25	1/1/17	12/31/26	-	Tenant Pays Water & Trash
12213 - 12215	Religious gathering center	1,778	12.5%	\$3,420.00	\$1.92	\$481.27	\$0.27	5/1/17	4/30/27	-	\$3,420 rent effective 5/1/2026
12215A -12225	Food Service including restaurant/banquet facilities	6,541	46.0%	\$13,659.00	\$2.09	\$1,662.99	\$0.25	9/1/22	8/31/27	\$14,069.00/ Mth	One Sixty Month Option
TOTALS:		14,220	100%	\$27,719.00	\$1.95	\$3,046.79	\$0.26				
						x 12	x 12				
GROSS ANNUAL RENTAL INCOME:				\$332,628.00		\$36,561.46					

TENANT/LANDLORD MAINTENANCE RESPONSIBILITIES:

ADDRESS	ROOF/STRUCTURE/COMMON	MAINTENANCE
12205	Landlord	Tenant
12207, 12209,12211	Landlord	Tenant
12213 - 12215	Landlord	Tenant
12215A -12225	Landlord	Tenant

*Landlord Responsible For -Structural and Exterior: The Landlord maintains the roof, foundation, and exterior walls. Common Areas: The Landlord is responsible for maintaining the common areas and parking areas. General Legal Alterations: The Landlord is responsible for alterations required by law that are not a result of the Tenant's specific use.

*Tenant Responsible For - Tenant is responsible for maintaining the Premises, including heating/air conditioning (HVAC), electrical, plumbing, and water systems, and keeping glass/windows/doors in safe, operable condition

OPERATING EXPENSES

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PRO FORMA OPERATING EXPENSES & TAX REIMBURSEMENTS						TENANT SHARE				
ADDRESS	NOTES	BASE YEAR	TAX BASE	NEW TAXES	TAXES	INSURANCE	CAM	CAM/YEAR	CAM/MTH	\$\$/SF
12205	Vacant - Assumes NNN Lease	N/A	\$57,582.01	\$57,391.61	\$9,469.61	\$1,681.68	\$4,333.98	\$15,485.28	\$1,290.44	\$0.55
12207, 12209, 12211	25% of increase over 2016-2017 property taxes	2016-17	\$14,070.00	\$57,391.61	\$10,830.40	-	-	\$10,830.40	\$902.53	\$0.25
12213 - 12215	" Monthly parking lot cleaning fees of \$30 + 12.5% of increase over 2016- 2017 property taxes "	2016-17	\$14,070.00	\$57,391.61	\$5,415.20	-	-	\$5,775.20	\$481.27	\$0.27
12215A -12225	Monthly cleaning fees of \$180 less \$30 credit for water usage (net of \$150) + 46% of property tax increase over 21-22	2021-22	\$16,618.00	\$57,391.61	\$18,755.86	-	-	\$19,955.86	\$1,662.99	\$0.25
TOTALS:									\$4,337.23	\$0.31
									x 12	
REIMBURSABLE EXPENSES:									\$52,046.74	\$3.66

INCOME SUMMARY

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INCOME SUMMARY:			2026			2027			2028		
ADDRESS	EST. SF	CURRENT	RENT/SF	TYPE	YEAR 2	RENT/SF	TYPE	YEAR 3	RENT/SF	TYPE	
12205	2,346	\$3,800	\$1.62	Gross	\$4,693	\$2.00	NNN	\$4,833	\$2.06	NNN	
12207, 12209, 12211	3,555	\$6,840	\$1.92	Gross	\$7,110	\$2.00	NNN	\$7,323	\$2.06	NNN	
12213 - 12215	1,778	\$3,420	\$1.92	Gross	\$3,420	\$1.92	GROSS	\$3,555	\$2.00	NNN	
12215A -12225	6,541	\$13,659	\$2.09	Gross	\$14,491	\$2.22	GROSS	\$14,926	\$2.28	GROSS	
TOTALS:	14,220	\$27,719	\$1.89		\$29,714	\$2.03		\$30,638	\$2.10		
CAM Reimbursements:		\$3,047	\$.26 PSF		\$5,541	\$.39 PSF		\$6,221	\$.44 PSF		
TOTAL MONTHLY INCOME:		\$30,766				\$35,255				\$36,858	
GROSS ANNUAL INCOME:		\$369,189				\$423,055				\$442,299	
INCOME SUMMARY (cont):			2029			2030			PRO-FORMA		
ADDRESS	EST. SF	YEAR 4	RENT/SF	TYPE	YEAR 5	RENT/SF	TYPE	MARKET	RENT/SF	TYPE	
12205	2,346	\$4,978	\$2.12	NNN	\$5,128	\$2.19	NNN	\$4,693	\$2.00	NNN	
12207, 12209, 12211	3,555	\$7,543	\$2.12	NNN	\$7,769	\$2.19	NNN	\$7,110	\$2.00	NNN	
12213 - 12215	1,778	\$3,662	\$2.06	NNN	\$3,771	\$2.12	NNN	\$3,555	\$2.00	NNN	
12215A -12225	6,541	\$15,373	\$2.35	GROSS	\$15,835	\$2.42	GROSS	\$13,082	\$2.00	NNN	
TOTALS:	14,220	\$31,556	\$2.16		\$32,504	\$2.23		\$28,440	\$2.00		
CAM Reimbursements:		\$6,381	\$.45 PSF		\$6,545	\$.46 PSF		\$8,299	\$.58 PSF		
TOTAL MONTHLY INCOME:		\$37,937				\$39,049				\$36,739	
GROSS ANNUAL INCOME:		\$455,244				\$468,586				\$440,865	

5 YEAR CASH FLOW & PRO FORMA

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INCOME SUMMARY:			YEAR 2	YEAR 3	YEAR 4	YEAR 5	PRO FORMA
GROSS MONTHLY RENTAL INCOME:		\$27,719	\$29,714	\$30,638	\$31,556	\$32,504	\$28,440
ANNUALIZED		X 12	X 12	X 12	X 12	X 12	X 12
GROSS SCHEDULED INCOME:		\$332,628	\$356,563	\$367,652	\$378,672	\$390,042	\$341,280
ESTIMATED EXPENSES	Current	Pro Forma					
NEW PROPERTY TAXES:	1.14%	See Note	\$(48,830)	\$(49,806)	\$(50,802)	\$(51,818)	\$(52,855)
PROPERTY TAX ASSESSMENTS:	Actual	103.00%	\$8,562	\$(8,819)	\$(9,083)	\$(9,356)	\$(9,637)
PROFESSIONAL MANAGEMENT:	4.0%	4.0%	\$(13,305)	\$(14,263)	\$(14,706)	\$(15,147)	\$(15,602)
INSURANCE:	Quote	103.00%	\$(10,192)	\$(10,498)	\$(10,813)	\$(11,137)	\$(11,471)
UTILITIES:	YTD Average	103.00%	\$2,436	\$(2,509)	\$(2,585)	\$(2,662)	\$(2,742)
REPAIRS & MAINTENANCE:	3 Year Avg	103.0%	\$3,902	\$(4,019)	\$(4,140)	\$(4,264)	\$(4,392)
COMMON AREA EASEMENT & PARKING LOT:	YTD Average	103.00%	\$(6,623)	\$(6,822)	\$(7,027)	\$(7,237)	\$(7,454)
LESS TOTAL EXPENSES:			\$(93,850)	28%	\$(96,736)	27%	\$(99,155)
NET INCOME:			\$238,778		\$259,828		\$268,497
CAM Reimbursements:			\$36,561		\$66,491		\$74,647
NET OPERATING INCOME:			\$275,339		\$326,319		\$343,144
LESS NEW DEBT SERVICE:			\$(206,412)		\$(206,412)		\$(206,412)
CASH FLOW:			\$68,928		\$119,907		\$136,732
CASH ON CASH RETURN:			4.92%		8.56%		9.77%
PLUS PRINCIPAL REDUCTION			\$36,282		\$38,482		\$40,815
TOTAL RETURN:			\$105,210		\$158,389		\$177,547
TOTAL RATE OF RETURN:			7.52%		11.31%		12.68%
							13.61%
							14.57%
							12.91%

*Note - Property Tax Rate x 2.0% YOY Increase to Assessed Value

*Note - Common Area Easement & Parking Lot Expenses - comprised of shared gardending, parking lot maintenance, trash & management expenses

*Note - Year 2-5 Reimbursements assume transitioning Gross Leases to NNN leases as each term expires



Four Tenant
Retail Strip Center

US Taekwondo
Academy

Purest
Academy For Kids

Arco/AM-PM

LOCATION OVERVIEW

Core Southern California
Infill Location

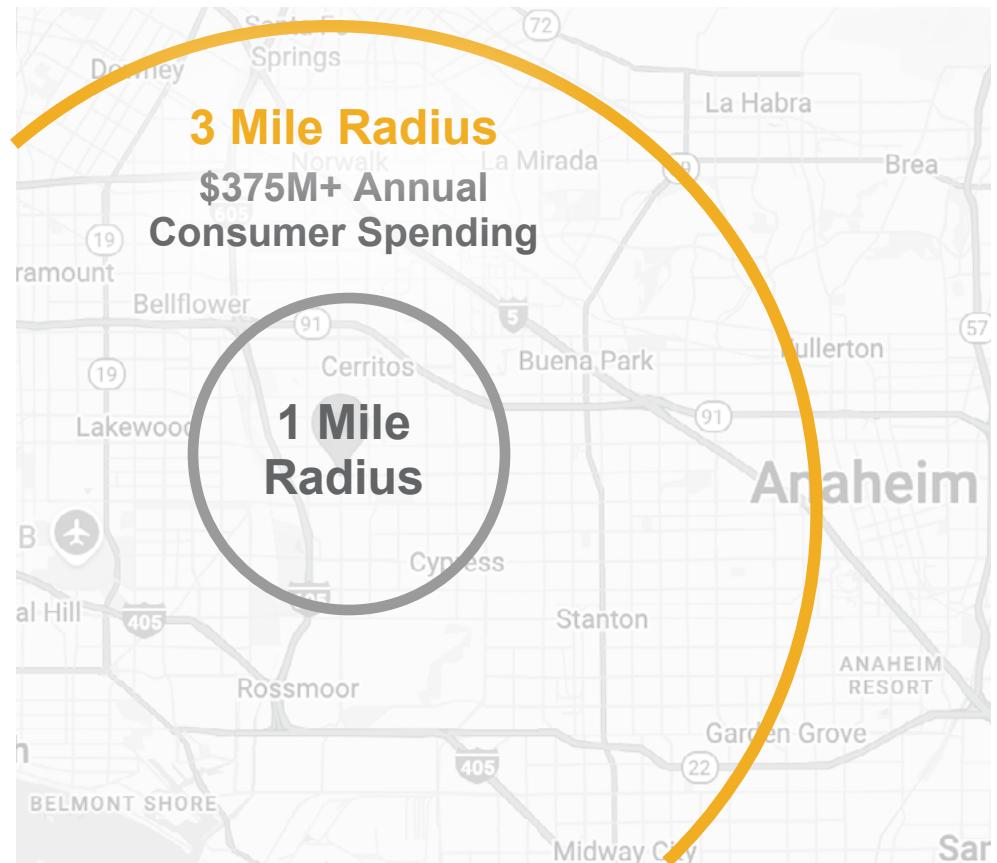


Average Household Income more
than \$94K within a 1 mile radius



Dense population of more than
216,000+ people living within a 3
mile radius

\$2.95B+ Annual Consumer Spending



SUMMARY OF RECIPROCAL EASEMENT & OPERATING AGREEMENT (1959)

This property is governed by a perpetual Reciprocal Easement Agreement designed to operate the shopping center as a unified, "community" retail environment. These rights and obligations "run with the land," meaning they automatically benefit and bind all future owners.

1. Mutual Access and "Community Parking" Rights

Unified Parking: Owners, tenants, and customers have a non-exclusive right to use all designated parking areas within the center for automobiles and light vehicles.

Cross-Access Ingress/Egress: The agreement guarantees permanent rights of way through all established entrances and exits to and from adjoining public streets.

Pedestrian Connectivity: A specific easement exists for pedestrian traffic over all sidewalks, walkways, and malls within the center.

Service & Delivery Access: Reciprocal access is provided over designated service alleys (ranging from 25 to 40 feet wide) to support deliveries and service operations.

2. Maintenance Structure & Cost Sharing

Third-Party Maintenance: Per the agreement, the neighboring property owner is responsible for the physical upkeep of the shared parking and service areas.

Scope of Work: Maintenance includes surface repairs, daily debris removal, weekly sweeping/washing, lighting repair, and landscaping

Proportionate Reimbursement: This parcel's owner is not responsible for performing the work but instead reimburses the maintaining party for a proportionate share of actual costs based on the square footage of the areas owned. Shared Liability Insurance: The maintaining party carries public liability insurance that names this property owner as an insured "as their interest may appear".

3. Utility & Infrastructure Rights

Utility Easements: The agreement provides a perpetual easement across the parking and service areas for installing, maintaining, and repairing public utility lines.

Restoration Requirements: Any party utilizing utility easements is required to restore the surface of the parking or service area at their own expense.

4. Operational Protections

Anti-Obstruction Clause: To ensure a "community" feel, no party may erect buildings, fences, or other structures that would impede the free flow of traffic in the common areas.

Employee Parking Guidelines: The agreement specifies that the parking areas owned by one party should not be used for employee parking by the other party's tenants, ensuring the best spaces remain available for customers.



15 Rear Alley Spaces

13 Rear Alley Spaces

102 Open + 5 ADA Spaces

Artesia High School
1,400+ students enrolled

Centralia St / 13,262 VPD

Norwalk Blvd / 21,047 VPD

Four Tenant
Retail Strip Center

SUBJECT PROPERTY

plant fitness



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