

For sale

Single Tenant Harbor Freight Tools



1735 West Florida Avenue
Hemet, California 92545

Confidential offering memorandum





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Investment summary

Overview

Avison Young is pleased to present the sale of the Harbor Freight Tools located at 1735 West Florida Avenue in Hemet, California. This ±20,571 SF property is located at in a busy retail center in a large commercial corridor of Hemet. Located off of main thoroughfare West Florida Avenue (±30,520 VPD), the asset gets great street visibility and their is ample parking for customers at the center. Harbor Freight has 11 years remaining on the base term of the lease, and they have four (4), five (5) year options. This is an excellent opportunity to invest in a stable asset in the coveted California retail market.

Highlights

- ±20,571 SF property leased by National Tenant, Harbor Freight Tools
- 11 years remaining on lease term, and four (4), five (5) year options
- Recent parking lot resurfacing
- Situated off heavily trafficked West Florida Ave (Highway 79)
- Numerous nearby synergistic national retailers including Red Robin, Chili's, Sprouts Farmers Market, PetSmart, Ulta Beauty, and more

**±20,571 SF Harbor
Freight Tools with
11 years remaining
on lease!**

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Location overview

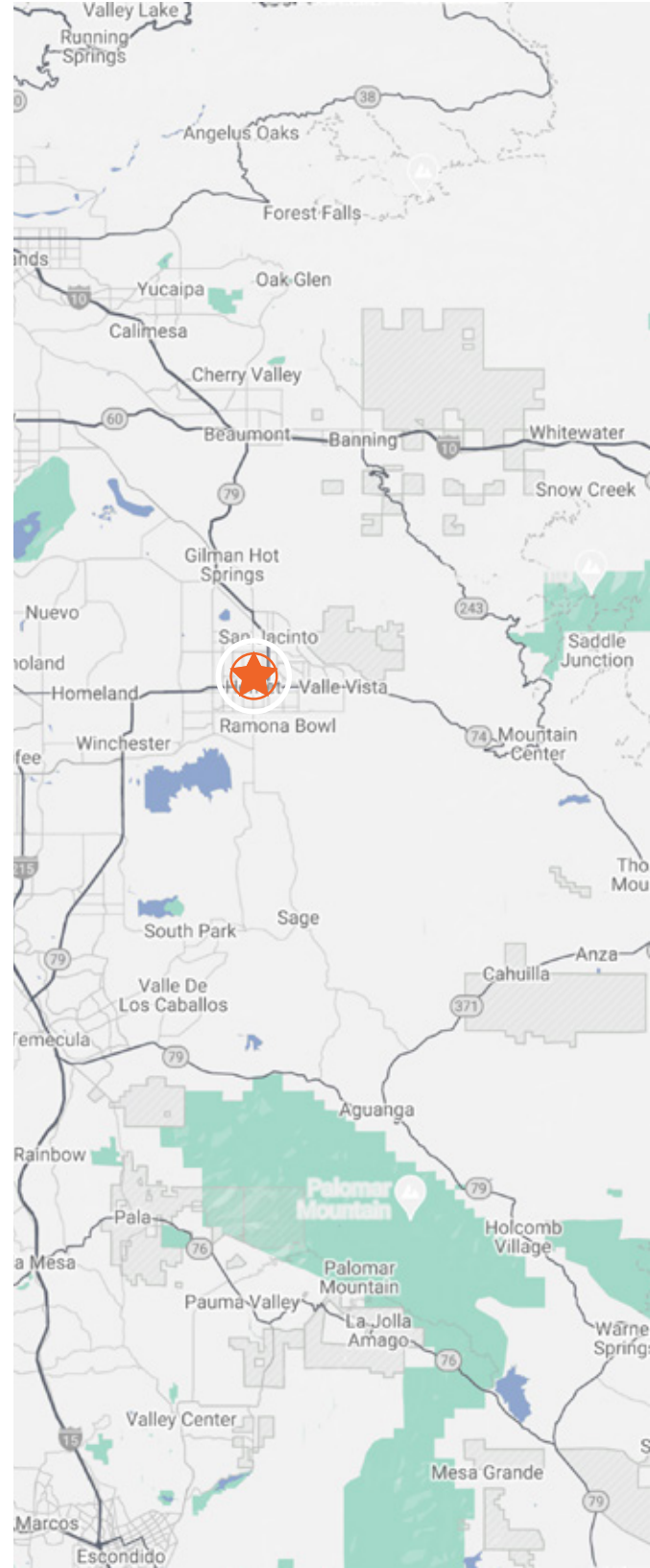
Demographics (1 mile radius)

21,086 Population	8,980 Households	5,511 Daytime employment
\$53,363 Average household income	58% Owner occupied	766 Businesses

About Hemet, California

Hemet is a city in the San Jacinto Valley in Riverside County, California. It covers a total area of 29.3 square miles (76 km²), about half of the valley, which it shares with the neighboring city of San Jacinto. The population was 89,833 at the 2020 census. The city is known for being the home of The Ramona Pageant, California's official outdoor play, set in the Spanish colonial era. Started in 1923, the play is one of the longest-running outdoor plays in the United States. Hemet has been named a Tree City USA for 20 years by the Arbor Day Foundation for its dedication to the local forest. The city is home to the Hemet Valley Medical Center, a 320-bed general hospital. According to the California Economic Development Department, in 2005 the economy of Hemet was based on four main industries: retail trade, health care, educational services, and government. These industries provide 4,734, 4,441, and 3,946 jobs respectively. Other major industries in the city include leisure and hospitality, financial services, professional and business services, construction, and manufacturing.

https://en.wikipedia.org/wiki/Hemet,_California



Strategically positioned in a dense retail corridor of Hemet with dozens of neighboring National Credit Tenants.





Offering summary

\$2,243,000

Offering price

\$151,400

NOI

6.75%

Cap rate

10/31/2035

Lease expiration

11 years

Lease term remaining

1970 / 2023

Year built Renovated

NNN

Lease type

±20,571

Building area (SF)

±1.16

Land area (AC)

4

Options remaining

5 years

Option period

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Tenant profile

Harbor Freight is an American Tool Store with more than 1500 locations nationwide. Over 75 million customers have shopped at Harbor Freight for quality tools at an affordable value, including automotive, air and power tools, storage, outdoor power equipment, generators, welding supplies, shop equipment, hand tools, and much more. Headquartered in Calabasas, California, Harbor Freight is an \$8 billion national tool retailer with over 26,000 employees.

In 1977, Eric Smidt and his father, Allan Smidt, started Harbor Freight and Salvage in a small building in North Hollywood, California. The company began as a mail order tool business that dealt with liquidated and returned merchandise. As the business grew, its name was changed to Harbor Freight Tools.

Lease Year	Annual Rent	Monthly Rent
<i>Initial Term</i>		
Year 1-6	\$151,400	\$12,617
Year 7-12	\$166,540	\$13,878
<i>Options</i>		
First Option	\$183,194	\$15,266
Second Option	\$201,513	\$16,793
Third Option	\$221,664	\$18,476
Fourth Option	\$243,831	\$20,319

Lease abstract

Address	1735 West Florida Avenue Hemet, California 92545
Parcel Size	±20,571 SF
Lease Commencement	June 26, 2023
Lease Expiration	October 31, 2035
Net Operating Income	\$151,400
Rent Increases	10.0% every 6 years
Next Increase	November 1, 2029
Options to Extend	Fixed, four 5 year options
Option Rental Increase	See schedule to left
Tenant Pays	Taxes, Insurance, Maintenance, & Utilities
Lease Type	NNN
Guarantor	Harbor Freight Tools USA, Inc.
First Right of Refusal	None
Landlord Expense	Roof, Wall, & Structure
Percentage Rent	None

HARBOR FREIGHT



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Contacts and confidentiality

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