

**GROCERYOUTLET**  
*bargain market*

Valley Oaks  
Shopping Center

## FOR SALE: 6% CAP RATE

Newly constructed ±18,000 SF Grocery Outlet in Middletown, CA strategically positioned along Hwy 29, the primary thoroughfare from Napa to Clearlake.

- Anchor to 29-acre Valley Oaks Shopping Center and 84-acre residential development.
- Top-performing location with over 300k annual visits.
- Proximity to Clearlake, Cobb Mountain, historic Middletown and Mount Saint Helena.



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# EXECUTIVE SUMMARY

**GROCERYOUTLET**  
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## PROPERTY PROFILE

This newly constructed **Grocery Outlet** in Middletown, CA is the anchor for the ±29.04 acre Valley Oaks Shopping Center project. Proximity to Clearlake, Cobb Mountain, historic Middletown and Mount Saint Helena, along with local equestrian amenities, agricultural resources, large open spaces and the growing wine industry uniquely situates this opportunity.

## OFFERING SUMMARY

<b>Price:</b>	\$5,200,000
<b>Cap Rate:</b>	6.00%
<b>NOI:</b>	\$312,000
<b>Lease Term:</b>	12+ years remaining; expiration May 31, 2037
<b>Lease Options:</b>	(4) 5-year options
<b>Rental Increases:</b>	10% every 5 years
<b>Lease Type:</b>	Corporate guaranteed NNN
<b>Landlord Responsibilities:</b>	Roof and structure
<b>Price/SF:</b>	\$301.11
<b>Rent/SF (year):</b>	\$17.33



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# INVESTMENT HIGHLIGHTS

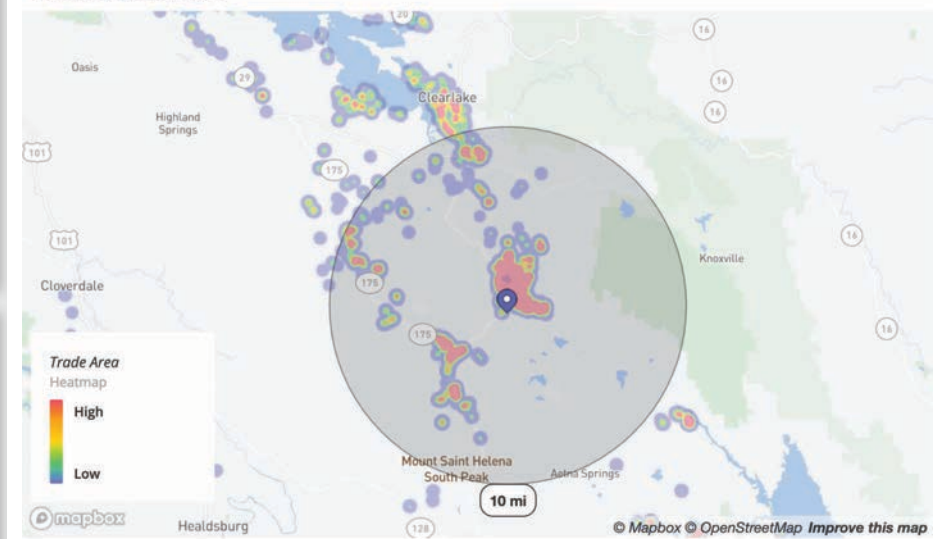
**GROCERYOUTLET**  
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- New 2022 construction showcasing their 18,000 SF concept.
- Strategically positioned along Hwy 29, the primary thoroughfare from Napa to Clearlake.
- Top-performing location with over 300k annual visits.
- Anchor to 29-acre Valley Oaks Shopping Center and 84-acre residential development.



## 10 MILE TRADE AREA



**311.3K**  
Visitors  
Over the  
Past Year



**49 of 421**  
Ranked  
Nationwide  
Grocery Outlets



**30**  
Minutes  
Average  
Dwell Time

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))

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# INCOME & EXPENSE

**GROCERY OUTLET**  
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## GROCERY OUTLET

Building Size	±18,000 SF
Lot Size	±2.56 acres

## INCOME

	PSF	TOTAL
Scheduled Rent	\$17.33	\$312,000
Effective Gross Income	\$17.33	\$312,000

## EXPENSES

		TOTAL
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Operating Expenses	NNN	\$0.00

**NET OPERATING INCOME**      **\$312,000**



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# LEASE ABSTRACT

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## EXPENSES

**Landlord's Obligations:** Landlord will keep, maintain and replace the structural systems and structural exterior portions of the Premises.

**Tenant's Obligations:** Tenant responsible for maintaining and repairing the interior non-structural portions and components of the Premises.

**Taxes:** Tenant pays pro-rata share of property taxes.

**Insurance:** Tenant pays pro-rata share of insurance.

**Utilities:** Tenant shall pay directly to the provider for all utility charges in Premises.

**CAM:** Tenant pays pro-rata share of common area expenses.

## ADDITIONAL LEASE TERMS

**Assignment / Subletting:** Requires Landlord's written consent not to be unreasonably withheld.

**Exclusive Use:** Tenant has the exclusive right to sell grocery items, beer, and wine in the Shopping Center.

**Estoppels:** Landlord and Tenant to deliver estoppel certificate within 20 days of written request by either party.



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# TENANT OVERVIEW

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## A HIGH-PERFORMING, VALUE-DRIVEN RETAIL BRAND

**Grocery Outlet** is a reputable and rapidly expanding discount grocery chain with a strong track record of success in the retail industry. The brand has been in operation for over 70 years, boasting more than 421 stores across the United States. With a focus on providing exceptional value and a unique shopping experience, Grocery Outlet has established itself as a leader in the discount grocery space.



Representational Photo  
Not Actual Store



Representational Photo  
Not Actual Store

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# KEY BRAND STRENGTHS

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**EXCEPTIONAL VALUE PROPOSITION:** Grocery Outlet's core mission is to offer a wide variety of quality, name-brand products at deeply discounted prices. This allows customers to save up to 40-70% off conventional retail prices, making it an attractive shopping destination for budget-conscious consumers in today's competitive market.

**FLEXIBLE AND EFFICIENT SUPPLY CHAIN:** The company's opportunistic buying model enables it to source excess inventory and overstocks from a vast network of suppliers. This allows Grocery Outlet to consistently stock its shelves with a diverse range of products while maintaining lower operational costs and passing the savings onto consumers.

**INDEPENDENT OPERATOR MODEL:** Grocery Outlet's unique business model empowers independent operators to run their stores, fostering a strong entrepreneurial spirit and local community engagement. This approach helps to create a personalized shopping experience that sets the brand apart from conventional grocery chains.

**STRONG FINANCIAL PERFORMANCE:** The brand has demonstrated impressive growth and profitability, with consistent increases in store count, sales, and market share. Grocery Outlet's successful expansion strategy has led to a robust, nationwide presence, positioning the company for continued success in the retail landscape.

**COMMITMENT TO SUSTAINABILITY AND COMMUNITY:** Grocery Outlet is dedicated to reducing food waste and supporting local communities through various initiatives, including food donations, partnerships with local non-profits, and environmental stewardship. This commitment to corporate responsibility enhances the brand's reputation and strengthens its connection with consumers.



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# REGIONAL DEMOGRAPHICS

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DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
<b>POPULATION</b>			
2024 Estimated Population	6,015	7,592	13,456
2029 Projected Population	5,863	7,427	13,188
2020 Census Population	6,437	8,029	13,576
2010 Census Population	5,800	7,532	13,747
2024 Median Age	42.8	43.2	44.1
<b>HOUSEHOLDS</b>			
2024 Estimated Households	2,310	2,942	5,315
2029 Projected Households	2,197	2,816	5,111
2020 Census Households	2,446	3,080	5,378
2010 Census Households	2,226	2,910	5,570
<b>INCOME</b>			
2024 Estimated Average Household Income	\$118,352	\$136,285	\$124,180
2024 Estimated Median Household Income	\$86,264	\$93,728	\$81,047
2024 Estimated Per Capita Income	\$45,448	\$52,850	\$49,100
<b>BUSINESS</b>			
2024 Estimated Total Businesses	97	162	250
2024 Estimated Total Employees	455	1,018	1,906



## DISTANCE FROM GROCERY OUTLET | MIDDLETOWN, CA

Sacramento, CA.....	±113 miles
Redding, CA.....	±157 miles
San Francisco, CA.....	±98 miles

Source: Applied Geographic Solutions 05/2024, TIGER Geography - RS1

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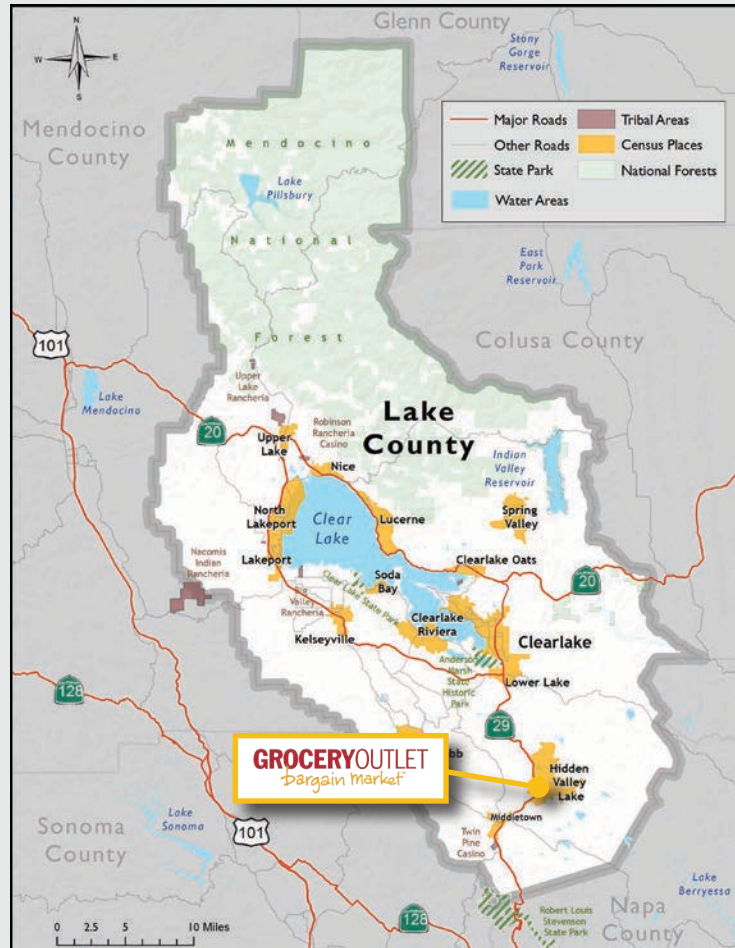




# LOCAL OVERVIEW

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## LAKE COUNTY

Hidden Valley Lake is located in Northern California, in the southern part of Lake County. Nestled in the beautiful hills of historic Coyote Valley, it is 22 miles north of Calistoga, between Lower Lake and Middletown. Residents enjoy the enviable small town quality of life, yet are about two hours from either Sacramento or San Francisco.

- Valley Oaks is a planned development with  $\pm 380$  single-family dwelling units on approximately 84 acres adjacent to the subject property.
- A  $\pm 16,000$ -acre ultra-luxury resort in Guenoc Valley off Highway 29 near Middletown was recently approved.
- The Hidden Valley Lake Homeowners Association won approval of the  $\pm 12,483$  square foot Hartmann Complex adjacent to the Greenview restaurant and golf pro shop.
- A 70-room Comfort Inn & Suites hotel is being built at 1842 Todd Road in Lakeport with a target opening date of June 2023.
- An 80-room La Quinta Inns & Suites location is being planned in Clearlake.
- Lake county is home to over 30 wineries and 9,000 acres of vineyards.
- There are over 1,700 slot machines, poker rooms, bingo halls and dozens of table games throughout Lake County's casino facilities.

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# RESIDENTIAL AREA

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## VALLEY OAKS RESIDENTIAL DEVELOPMENT

The residential component of Valley Oaks features  $\pm 380$  single-family dwelling units on  $\pm 84$  acres of land with approximately 53 senior living/multi-family residential units, a residential care facility and 55 medium-density residential units with each of these project components clustered on smaller parcels.

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# ABOUT CAPITAL RIVERS

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