

Offering Memorandum

601 PINE AVENUE
LONG BEACH, CALIFORNIA

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01

PROPERTY OVERVIEW



Executive Summary

PROPERTY FACTS

LOCATION: 601 Pine Avenue is located in downtown Long Beach and is part of the Business and Entertainment areas (see inset)

PROPERTY: The property consists of a multi-story building currently leased by Rite Aid and a surface parking lot located behind the building.

APN: 7273-024-018

PERMITTED USES: Commercial, Retail, Mixed-Use, Residential and Hospitality

UNIT COUNT: To be determined

UNIT DENSITY: 1 unit per 975 SF

PROPERTY SIZE: Approximately a 42,321 SF building on two parcels of land consisting of approximately 17,506 SF & 7,472 SF totaling 24,878 SF

HEIGHT RESTRICTIONS: 240 feet (500 feet with incentives) (see page 9)

TRANSIT ACCESS: Abundant access within walking distance to property (see page 7)

ZONING: Pedestrian Oriented ; Secondary Street (see page 8)

LEASE: Rite Aid Corporations leases the entire property (see page 6)

* Note: The information provided is preliminary and should be confirmed by buyer. Rubicon makes no representation as to the accuracy of the information contained in this document.

Valuation Summary

601 Pine Avenue is a unique investment opportunity for both the investor wanting a single tenant, net leased investment and developers interested in a repositioning opportunity with significant upside potential.

RITE AID LEASE SUMMARY

Rite Aid has occupied the Property for decades. Rite Aid recently emerged from bankruptcy and while in the bankruptcy process put in place a new lease amendment. The lease contained an option to renew which Rite Aid has already exercised. The current lease has the following terms:

- Lease Term:	6/1/2025-5/31/2030
- Base Rent:	\$20,475 (\$245,700 Annual)
- Lease Type:	Net
- Renewal Options:	None
- Tenant Responsibilities:	Premises interior in good order & repair, insurance (casualty for tenant's personal property, general liability, Work's Comp and Builder's Risk), utilities (electricity, water & gas) and property taxes.
- Landlord Responsibilities:	Maintain, repair and replace exterior portions of the Premises including glass, slab (excluding Tenant's finishes), roof & structural portions of the Premises, foundation, bearing walls & columns, utility lines outside the Premises up to exterior walls and exterior portions of the Premises based on Landlord failure to maintain.

Note: Rite Aid is currently in bankruptcy and marketing the premises for sublease or assignment, A lease termination is also a possibility.

INVESTOR OPPORTUNITY

The property offers a single tenant leased investment for an investor desirous of an asset with limited landlord responsibilities. Rite Aid has leased the entire property for decades and did not reject the lease during their bankruptcy process and, in fact, extended lease. Now having emerged from bankruptcy, Rite Aid is much stronger from a financial standpoint.

REDEVELOPMENT OPPORTUNITY

From a redevelopment perspective, the Property offers developers and investors the opportunity to reposition the property and add value. With the Rite Aid lease in place and no options to renew, the Property provides the unique situation of stable income while going through the entitlement process. With no options to renew the lease, there is a date certain of May 31, 2030 when the property will be vacant and available to commence construction. The properties in the immediate area are high density residential and mixed use properties which would be an ideal end result for the Property.

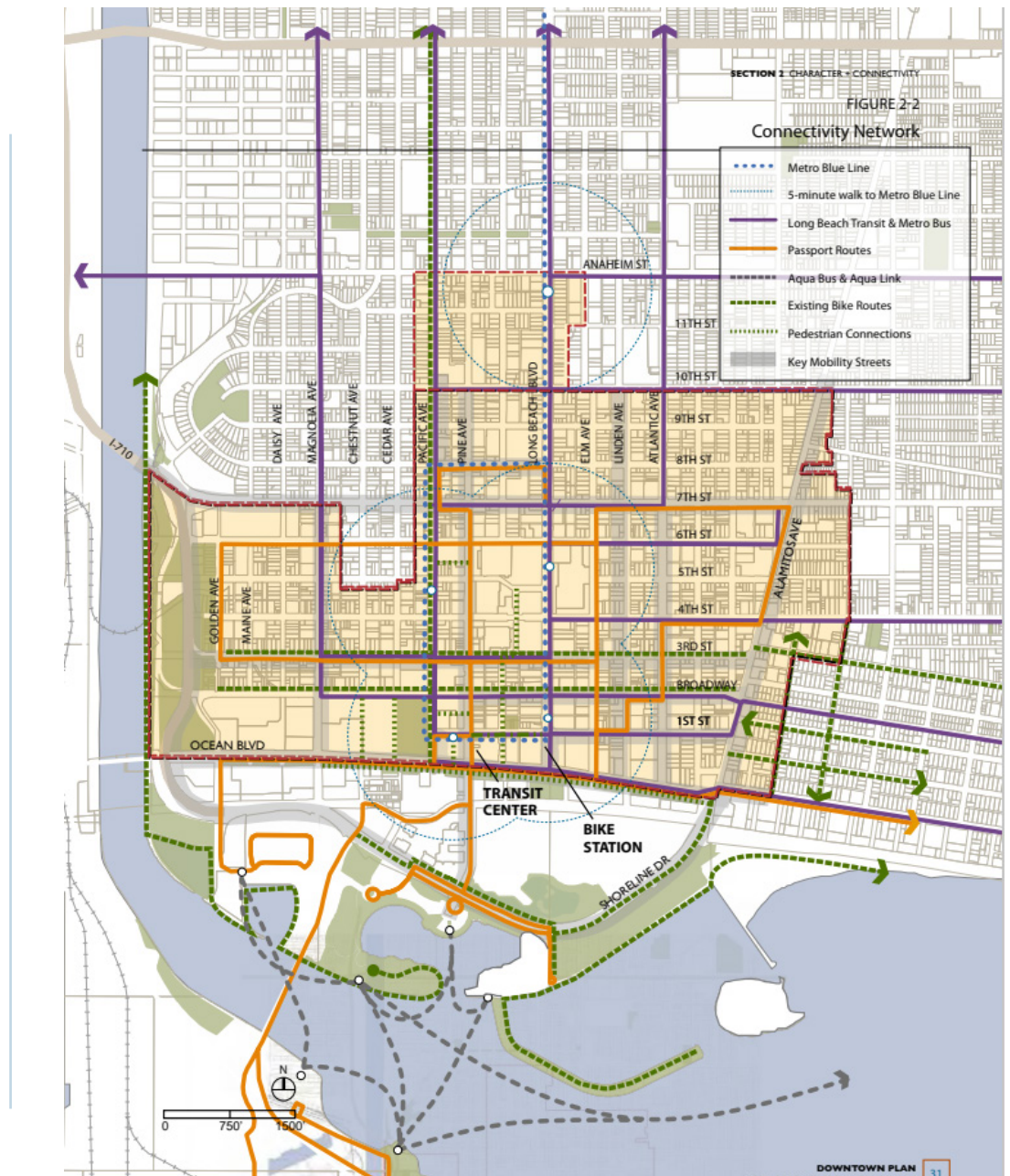
VALUATION SUMMARY

Based on the Rite Aid lease document, the following is a summary of the Valuation Summary:

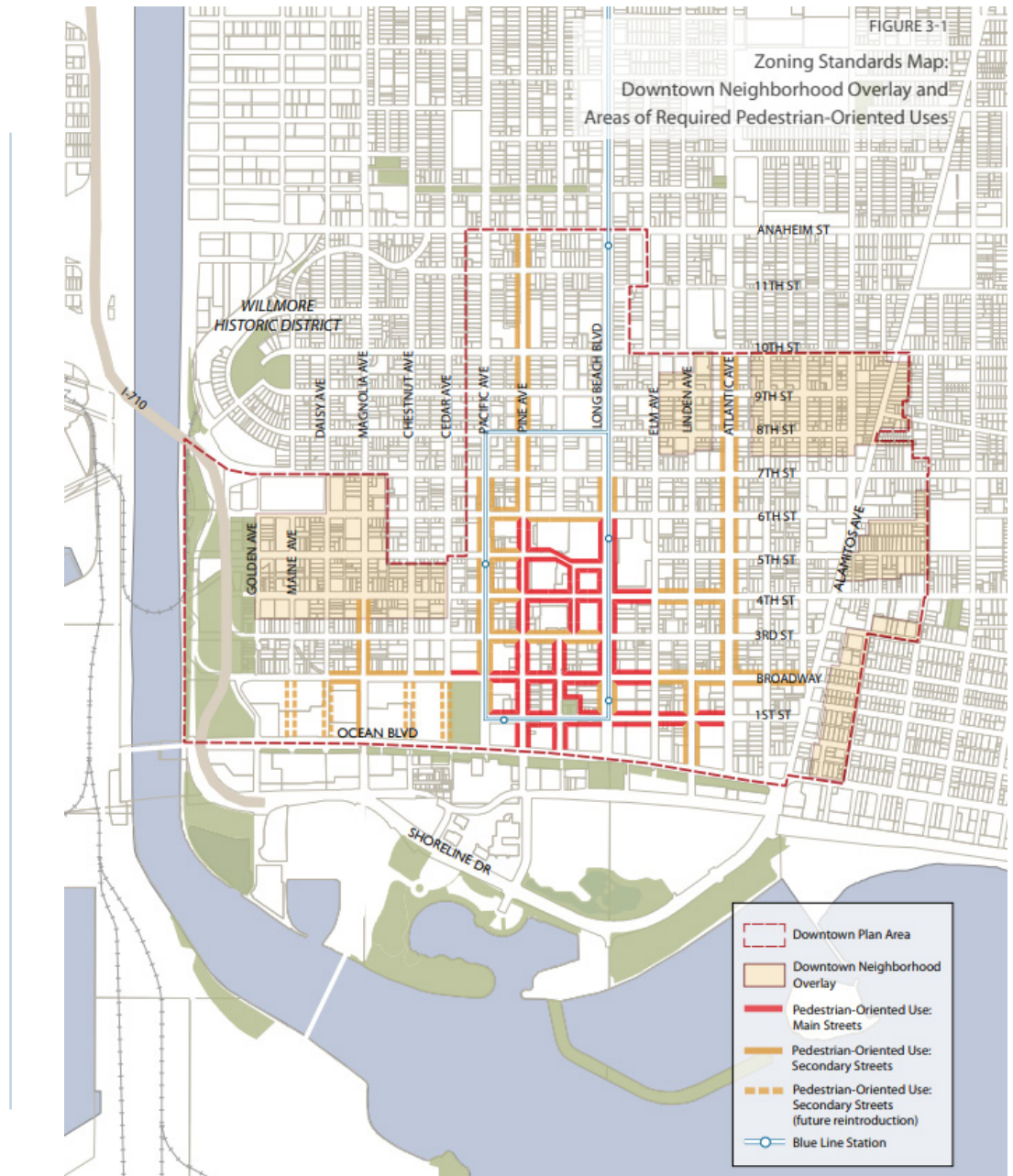
- Annual Base Rent:	\$245,700*
- Landlord Expenses:	
- Insurance:	(\$4,500)
- Maintenance:	(\$7,000)
- Business License:	(\$1,565)
- Total:	(\$13,065)
- NOI:	\$232,635
- CAP Rate:	5.80%
- Purchase Price:	\$4,010,948

* Effective June 1, 2025

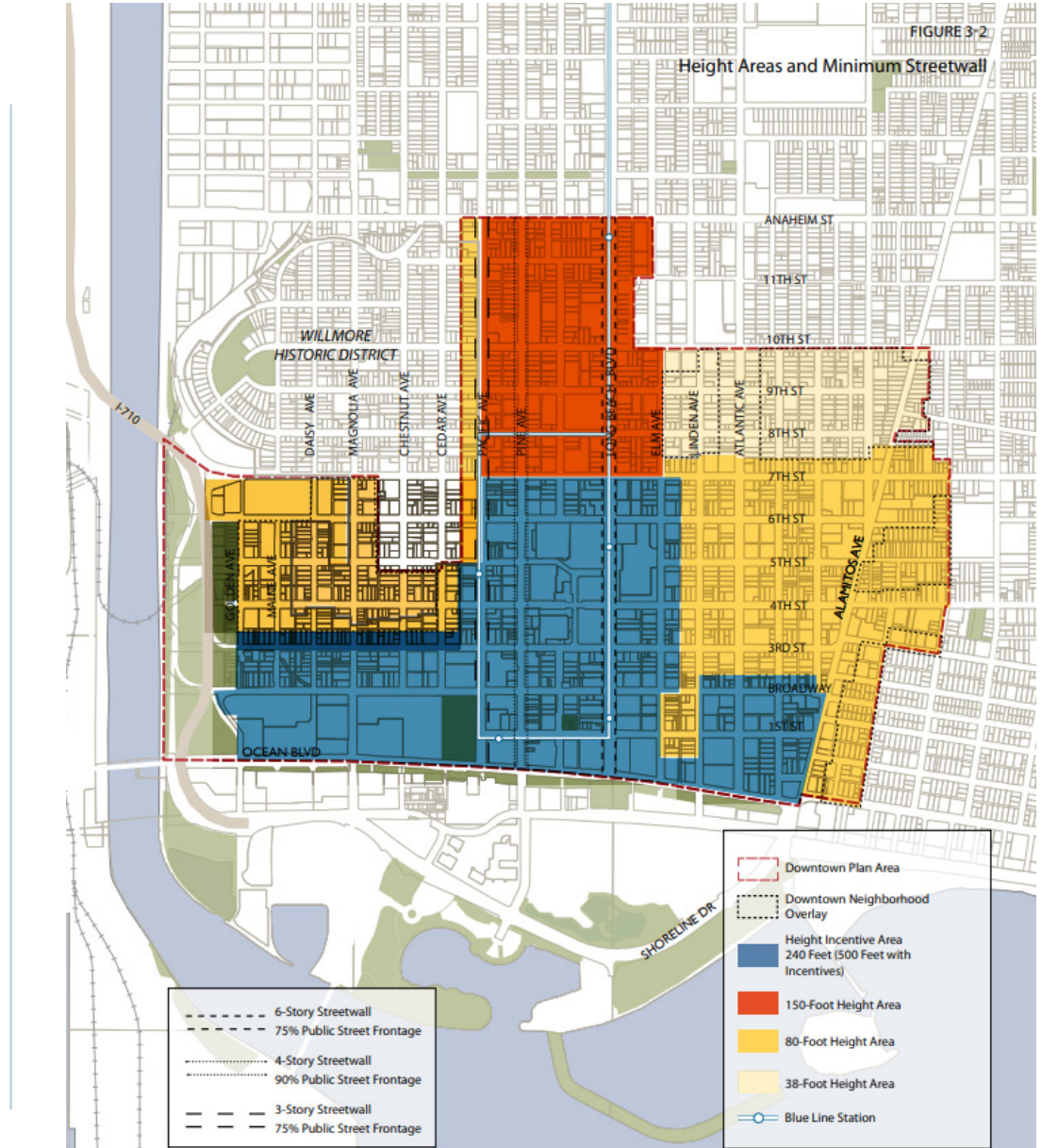
Downtown Long Beach Transit Access



Long Beach Zoning Standards Map



Downtown Long Beach Height Restrictions Map



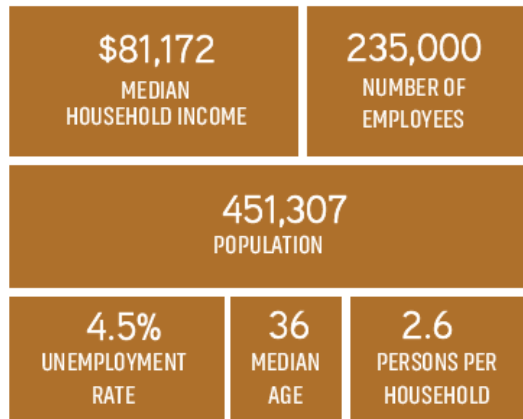
Aerial Map



Vicinity Map



Long Beach Snapshot

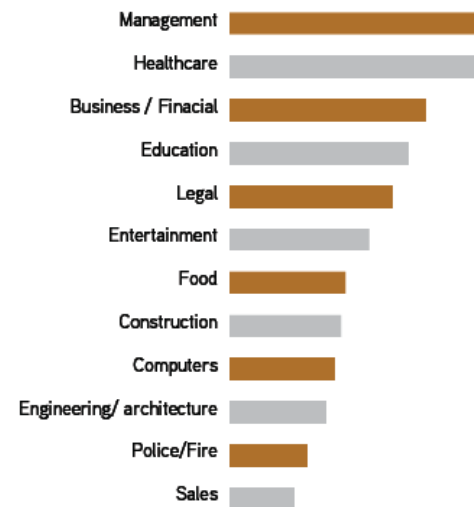


CULTURAL DIVERSITY

*As of Oct. 2023



*As of Oct. 2023



FAST FACTS



170,965
OF
HOUSEHOLDS



24
OF
ACTIVE
BUILDERS



60% RENTERS
40% OWNERS



02

FINANCIAL SUMMARY

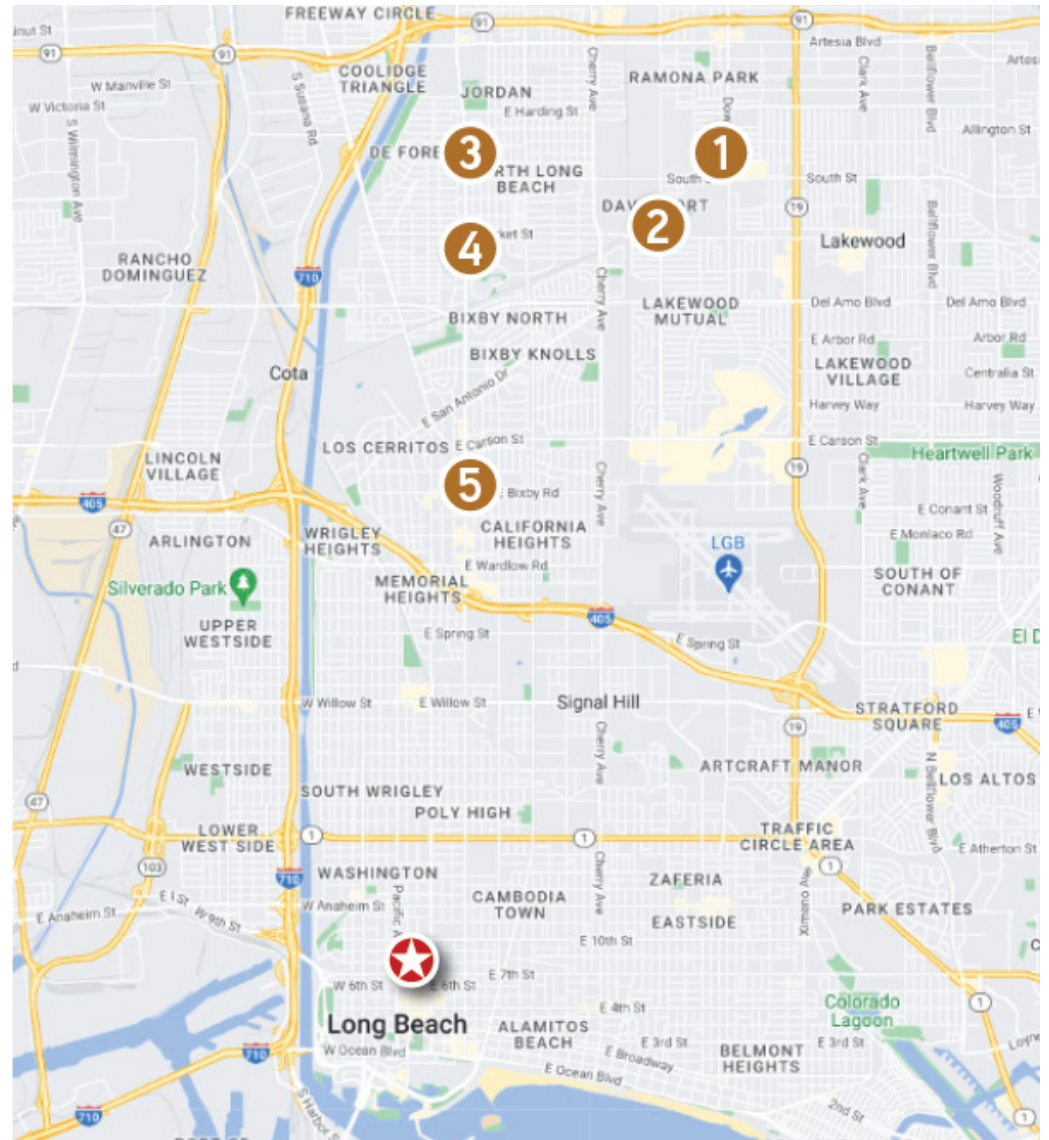
Long Beach Area Sale Comparable Analysis

OVERVIEW

Using recent sale comparable transactions of properties located in the greater Long Beach area provides a benchmark in determining the value of the property. In the case of 601 Pine Avenue, the Rite Aid lease will be the method in which the value of the property will be derived based on a CAP Rate formula.

Recent sale comparable transactions include:

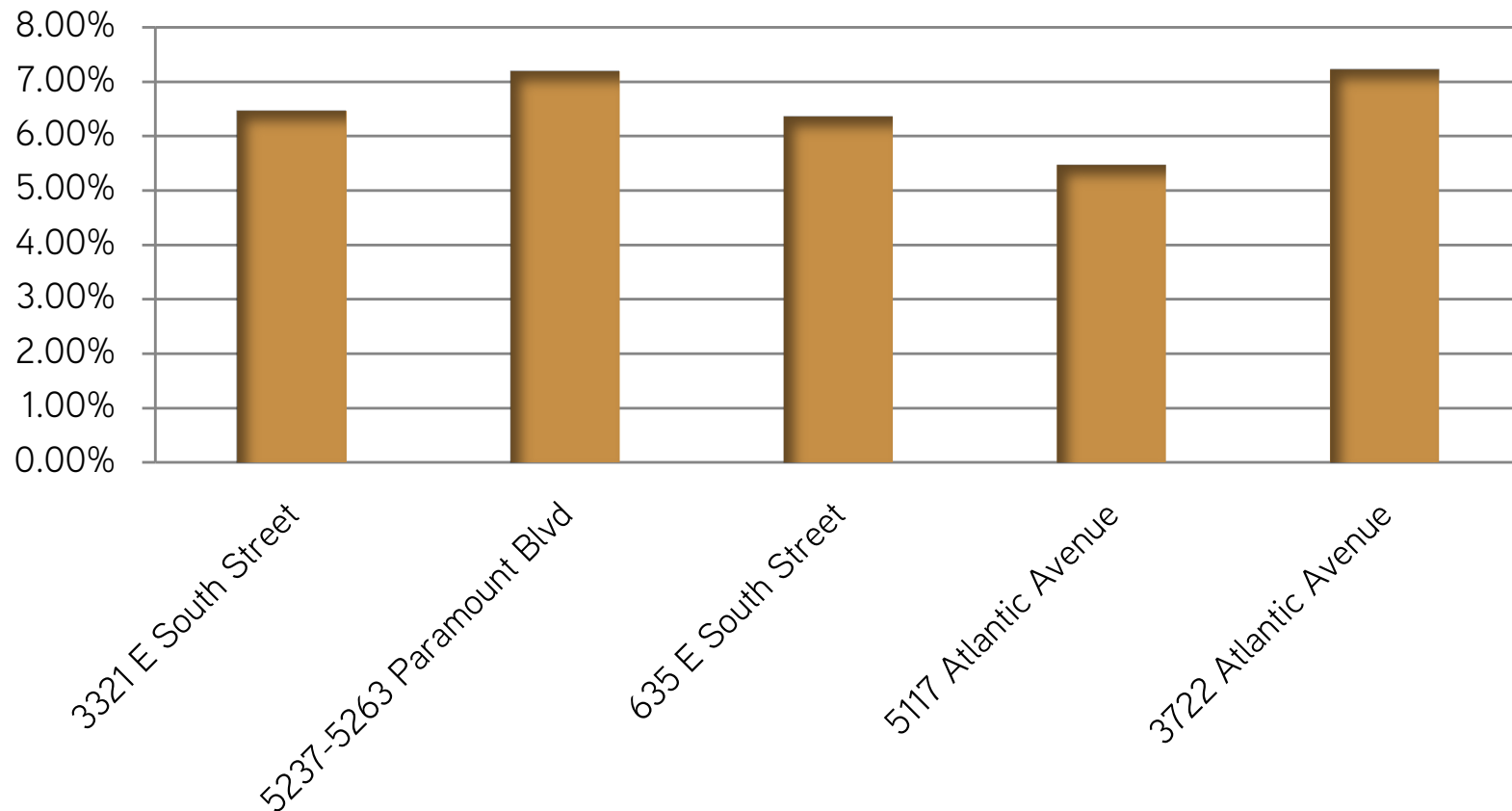
- 01 3321 E South Street | Long Beach, CA - 6.46% | \$199/PSF
- 02 5237-5263 Paramount Boulevard | Lakewood, CA - 7.19% | \$194/PSF
- 03 635 E South Street | Long Beach, CA - 6.36% | \$563/PSF
- 04 5117 Atlantic Avenue | Long Beach, CA - 5.47% | \$287/PSF
- 05 3722 Atlantic Avenue | Long Beach, CA - 7.22% | \$394/PSF



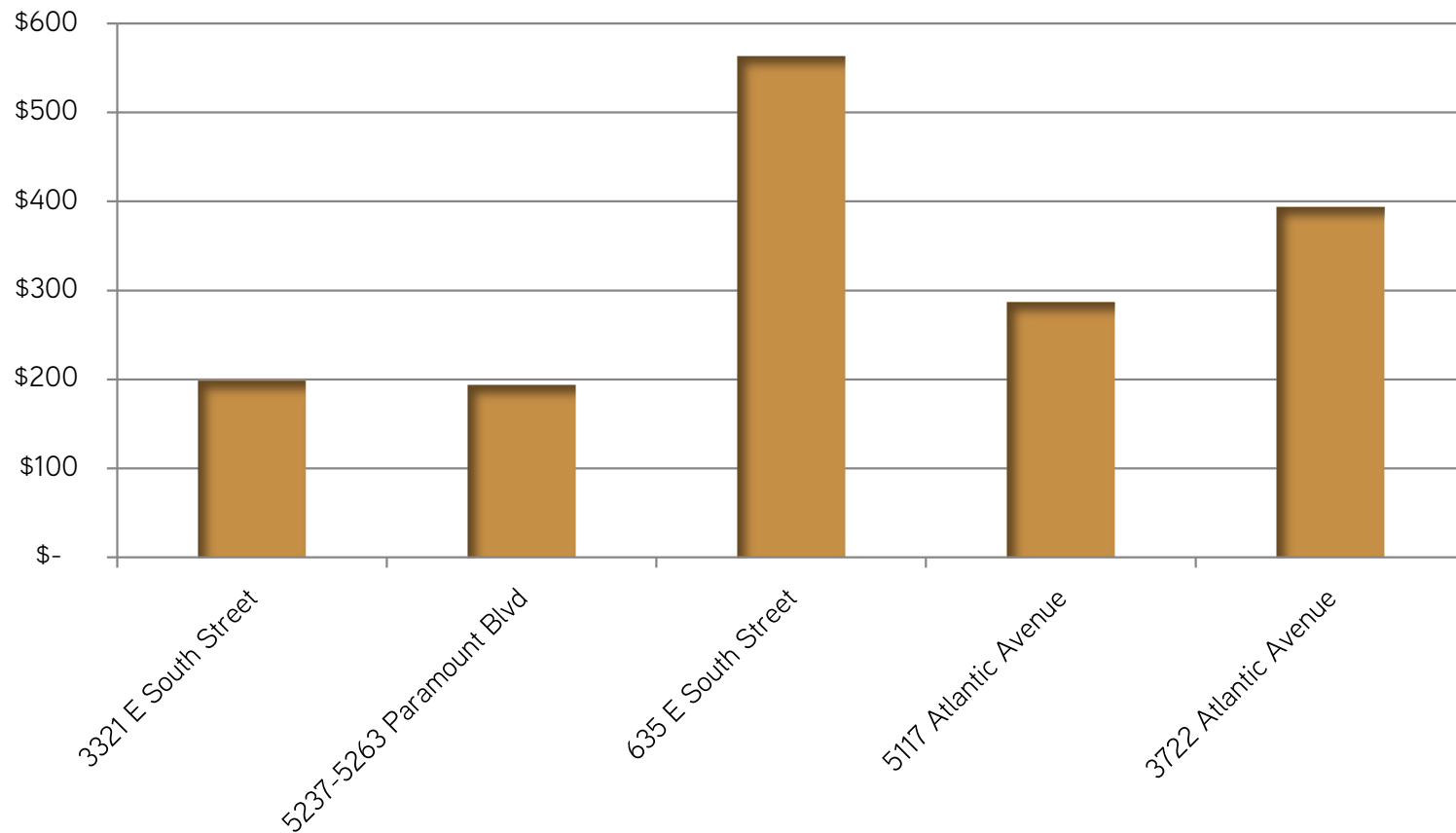
Recent Sale Comparables

	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	
						
ADDRESS	3321 E South Street	5237-5263 Paramount Boulevard	635 E South Street	5117 Atlantic Avenue	3722 Atlantic Avenue	AVERAGES
CITY	Long Beach	Lakewood	Long Beach	Long Beach	Long Beach	
PRICE	\$5,300,000	\$4,250,000	\$1,800,000	\$6,620,000	\$1,828,250	\$3,959,650
PRICE PER SF	\$199	\$194	\$563	\$287	\$394	\$327
SQUARE FOOTAGE	26,586	21,882	3,200	21,779	4,640	15,617
CAP RATE	6.46%	7.19%	6.36%	5.47%	7.22%	6.54%
YEAR BUILT	1965	1966	1948	1955	1948	
SALE DATE	1/8/2024	9/26/2023	10/3/2023	1/19/2023	12/29/2023	

Sale Comparables - CAP Rates



Sale Comparables - Per Square Foot



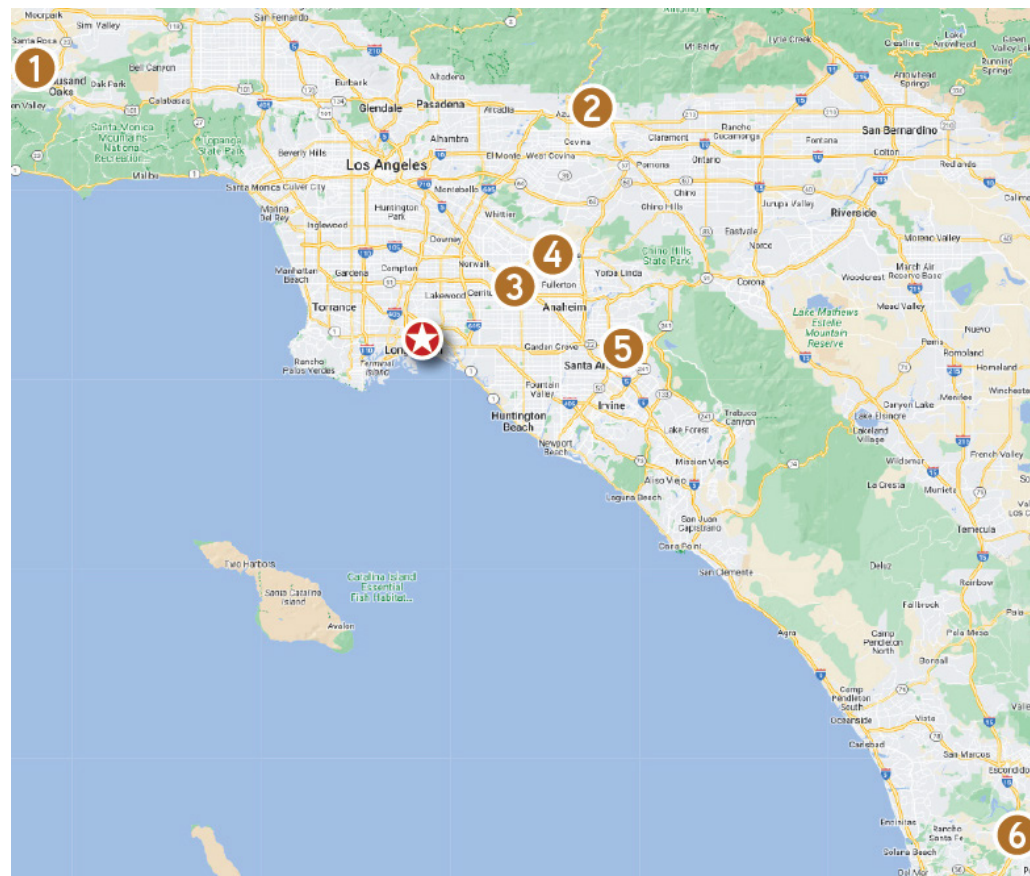
Drug Store Sale Comparable Analysis

OVERVIEW



Although across a broader geography, sales comparables of drug store leased properties provides a benchmark in determining the value of the property. In the case of 601 Pine Avenue, the Rite Aid lease will be the method in which the value of the property will be derived based on CAP Rate.

Recent sale comparables transactions include:

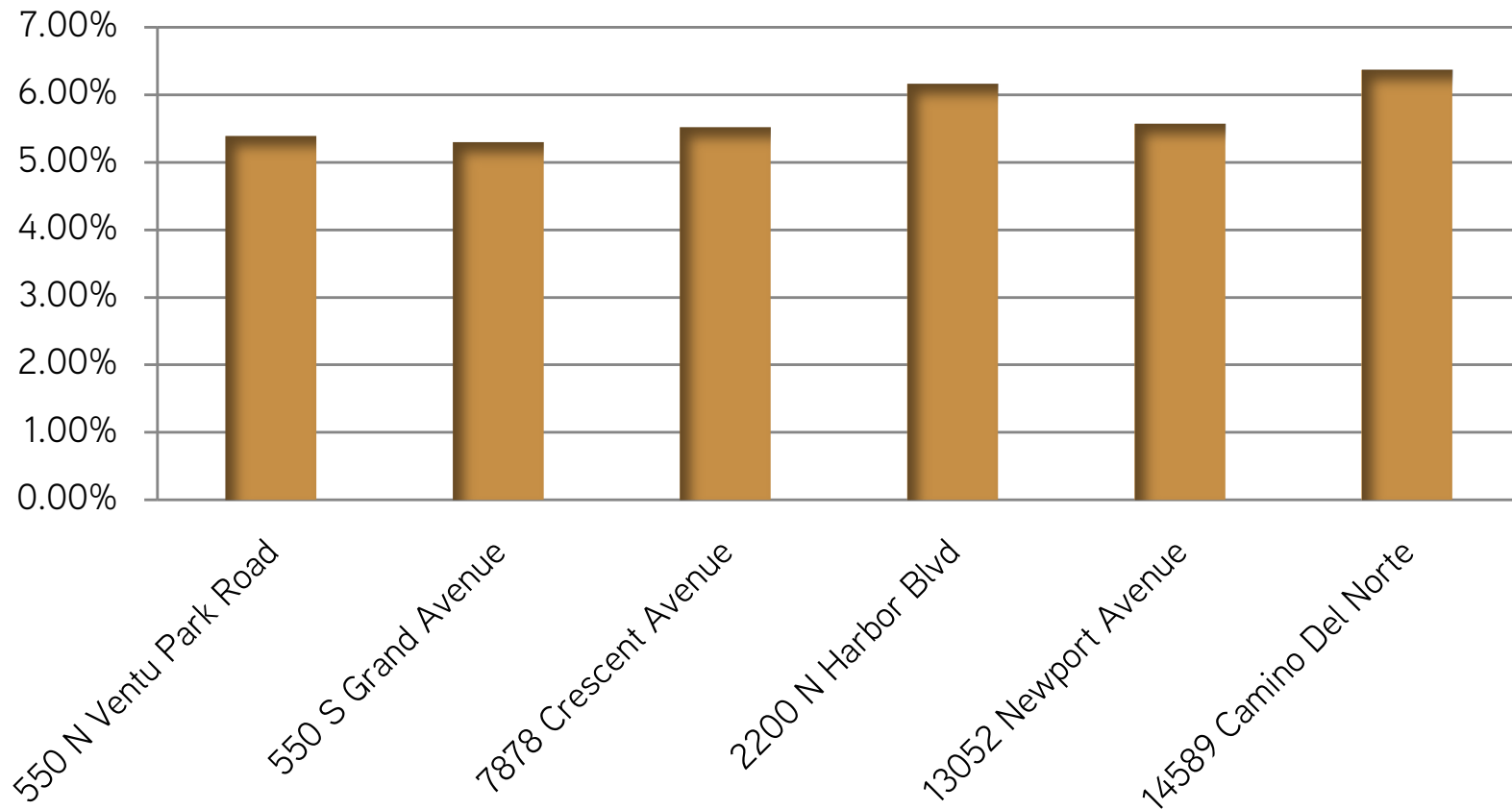
- 01 550 N Ventu Park Road | Newbury, CA - 5.39% CAP Rate
- 02 550 S Grand Avenue | Glendora, CA - 5.30% CAP Rate
- 03 7878 Crescent Avenue | Buena Park, CA - 5.52% CAP Rate
- 04 2200 N Harbor Boulevard | Fullerton, CA - 6.16% CAP Rate
- 05 13052 Newport Avenue | Tustin, CA - 5.57% CAP Rate
- 06 14589 Camino Del Norte | San Diego, CA - 6.37% CAP Rate



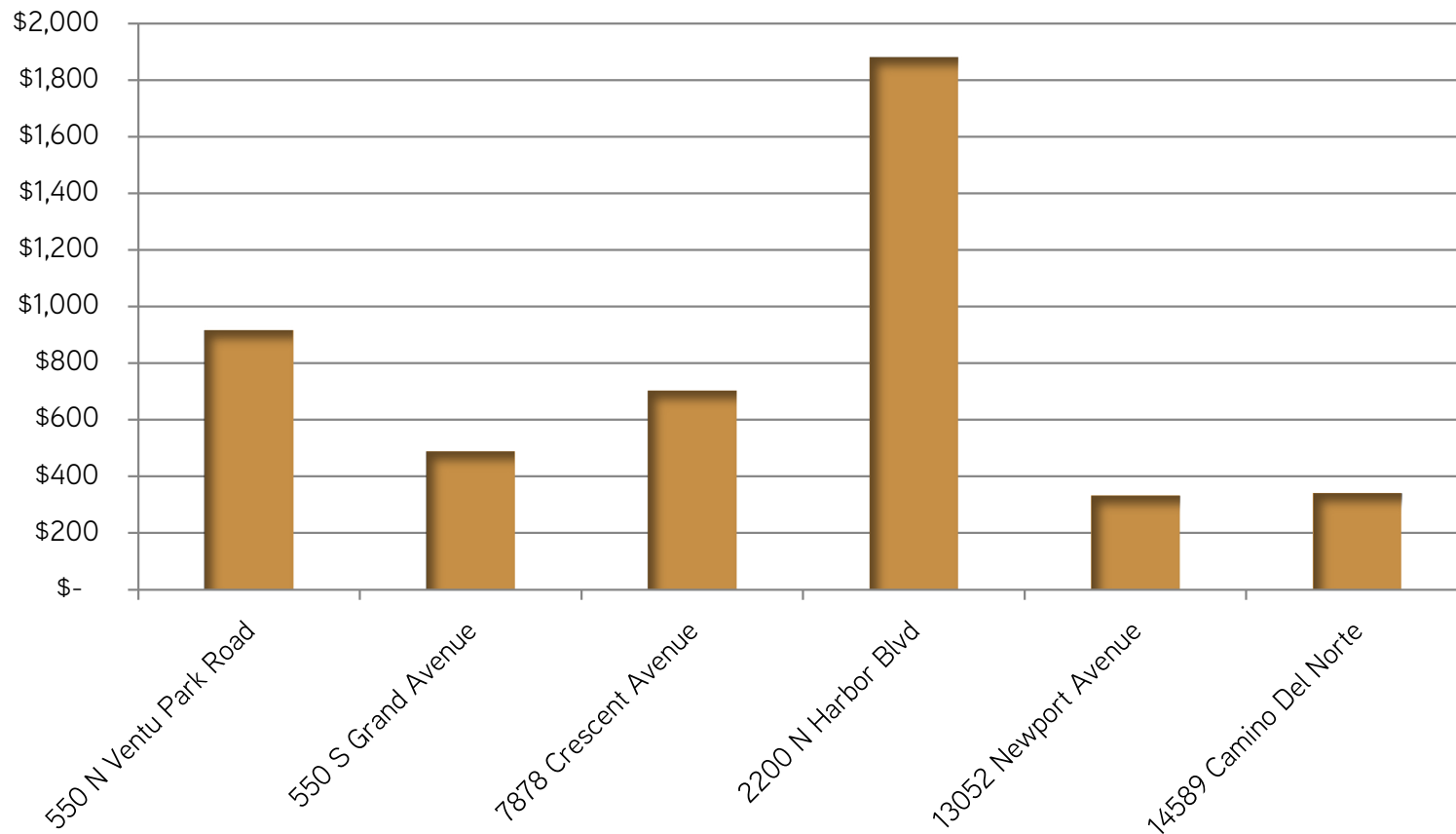
Recent Sale Comparables

	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	
							
ADDRESS	550 N Ventu Park Road	550 S Grand Avenue	7878 Crescent Avenue	2200 N Harbor Boulevard	13052 Newport Avenue	14589 Camino Del Norte	AVERAGES
CITY	Newbury Park	Glendora	Buena Park	Fullerton	Tustin	San Diego	
PRICE	\$12,280,000	\$7,042,000	\$9,600,000	\$9,600,000	\$4,000,000	\$5,798,529	\$8,053,421
PRICE PER SF	\$917	\$489	\$703	\$1,881	\$333	\$342	\$777
SQUARE FOOTAGE	13,386	14,392	13,650	5,104	12,000	16,972	10,353
CAP RATE	5.39%	5.30%	5.52%	6.16%	5.57%	6.37%	5.72%
YEAR BUILT	2009	2002	2004	2006	1959	2000	
SALE DATE	5/30/2024	6/1/2023	8/19/2022	4/28/2023	7/28/2023	5/12/2023	

Sale Comparables - CAP Rates



Sale Comparables - Per Square Foot





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