

540-546 S COAST HWY 101
ENCINITAS, CA 92024

*A True Legacy
Asset Available for the
First Time in 67 Years*



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THE OFFERING:

Legacy Asset in Downtown Core Encinitas on Historic Coast Hwy 101

Urban West Ventures, as exclusive listing broker, is pleased to present to well-qualified investors the opportunity to acquire a One-of-a-Kind Legacy Asset in Downtown Encinitas on Historic Coast Hwy 101. Formerly known as The Daley Double Saloon, 540-546 S Coast Hwy 101, Encinitas, CA 92024 (the "Property"), is a 6,188 Sq Ft retail building hosting both the Historic Encinitas Saloon and sister-bar, Shelter. The Property is now available for the first time in 67 years.

Strategically located on the Historic Coast Hwy 101 in Downtown Encinitas, and only 4 blocks to the famous Moonlight Beach, the Property is recognized as having a 'Walker's Paradise - 91' walk score. Surrounded by savory restaurants, chic shopping, hip cafes, coastal-corporate headquarters, public transit stations (train & bus), and situated ½ mile to the West of Interstate 5 (San Diego County's major N/S coastal artery connecting Los Angeles-San Diego-Mexico) the Property's location & value are both highly insulated.

The Property offers appx 6,188 Sq Ft, consisting of two (2) ground floor bar/nightlife establishments totaling appx 4,789 Sq Ft and one 2nd floor apartment of appx 1,399 Sq Ft. The entire property is occupied by one operator/tenant, Saloon Entertainment, LLC, with a successful 17-year track record dating back to 2007.

A new Owner will enjoy the baked-in stability of an absolute Net Lease through February 28, 2036 inclusive of a Personal Guarantee, annual CPI base rent increases & 11+ years of cash-flow as well as recent upgrades (2023) to the roof and windows.

We encourage all qualified investors to review this Once-In-A-Lifetime Opportunity as the next addition to their portfolio.

DISCLAIMER:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Urban West Ventures has not and will not verify any of this information, nor Urban West Ventures conducted any investigation regarding these matters. Urban West Ventures makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of real estate, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this opportunity. Urban West Ventures expressly denies any obligation to conduct a due diligence examination of this Property for Buyer. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance or value of this property. The value of the property to you depends on factors that should be evaluated by you and your tax, financial, consultants and legal advisors. Buyer and Buyer's tax, financial, legal, consultants and all advisors should conduct a careful, independent investigation of any property to determine to your satisfaction the suitability of the property for your needs.

Like all real estate, this property carries significant risks. Buyer and Buyer's consultants, legal and financial advisors must request and carefully review all legal and documents related to the property. Any info provided including fees and costs are not guaranteed and should be verified by Buyer. These figures are subject to change at any time based on market, economic, environmental or other conditions. Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any potential development or use of the property.

By accepting this Marketing Brochure you agree to release Urban West Ventures and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.

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PROPERTY OVERVIEW

Market:	North County San Diego
Submarket:	Encinitas/Cardiff
Property Type:	Retail/Bar/Nightclub
Property Name:	Historic Encinitas Saloon
APN:	258-083-04-00
Address:	540-546 S Coast Hwy 101, Encinitas, CA 92024
Zoning:	D-CM-1; Commercial Mixed – First Street Corridor Subdistrict
Building RBA:	6,188 Sq Ft
Lot Size:	4,951 Sq Ft (0.11 AC)
Floor Area Ratio:	1.25
Construction:	Wood Frame & Masonry
Year Built/Renovated:	1930/1970's/2013
Frontage:	53' on S. Coast Hwy 101
Walk Score:	Walker's Paradise (91)
Parking:	Free Public Parking – Street & Surface Lots
Building Tenancy:	Multi-Tenant (currently Single Tenant)
Sale Price:	\$6,466,549 (\$1,045/SF)



INVESTMENT OVERVIEW:

- List Price: \$6,466,549 (\$1,045/Sq Ft)
- NOI: \$294,228
- Going-In Cap Rate: 4.55%
- AVG Cap Rate: 5.21%
- Term Cap Rate: 6.15%



INVESTMENT HIGHLIGHTS:

- Ideal 1031 Replacement Property
- Well-Insulated Investment – Geographically & Demographically
- Irreplaceable Historic Coastal Asset
- Absolute Net Lease Investment
- 11+ Years Remaining on Initial Lease Term
- 17+ Years of Successful Track Record (Tenant)
- Annual CPI Base Rent Increase (April)
- Personal Guarantee
- RARE Type 48 Liquor License (The Only One Available in City of Encinitas)



MARKET FUNDAMENTALS - CARDIFF/ENCINITAS RETAIL SUBMARKET

- Inventory Sq Ft: 5,035,733 Sq Ft
- Vacancy Rate: 2.6%
- Under Construction: 0 Sq Ft
- Cap Rate: 4.9% (3-Yr Avg)

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SALE COMPS – TRANSACTED



- 1. **918 N Coast Hwy 101, Encinitas, CA**
Sale Price: 2,650,000
Close of Escrow: Sept 2023
Asset Type: Restaurant
Rentable SF: 3,123 SF
\$/SF: \$849/SF
Year Built: 1940
Walk Score: 87
Notes: Restaurant Expansion, Purchase by Tenant



- 5. **421 N Highway 101, Solana Beach, CA**
Sale Price: \$2,900,000
Close of Escrow: Nov 2023
Asset Type: Retail/Auto Repair
Rentable SF: 2,250 SF
\$/SF: \$1,288/SF
Year Built: 1944
Walk Score: 75
Notes: Leased Investment at COE, Buyer Will Occupy



- 2. **640 N Coast Hwy 101, Encinitas, CA**
Sale Price: \$4,450,000
Close of Escrow: Nov 2023
Asset Type: Retail - Liquor Store
Rentable SF: 4,049 SF
\$/SF: \$1,099/SF
Year Built:
Walk Score: 87
Notes: Long-Term Single-Tenant - Leased Investment



- 6. **507 Grand Ave, Carlsbad, CA**
Sale Price: \$3,200,000
Close of Escrow: Sept 2023
Asset Type: Retail
Rentable SF: 2,080 SF
\$/SF: \$1,538/SF
Year Built: 1948
Walk Score: 98
Notes: Buyer Will Occupy After Extensive Renovations



- 3. **1226-1230 Camino Del Mar, Del Mar, CA**
Sale Price: \$2,825,000
Close of Escrow: Oct 2022
Asset Type: Retail
Rentable SF: 2,507 SF
\$/SF: \$1,126/SF
Year Built: 1952
Walk Score: 91
Notes: TBD



- 7. **264 N Coast Hwy 101, Encinitas, CA**
Sale Price: \$2,725,000
Close of Escrow: Oct 2023
Asset Type: Retail/Office
Rentable SF: 1,530 SF
\$/SF: \$1,781/SF
Year Built: 1936
Walk Score: 83
Notes: Owner-Occupant



- 4. **2588 S Coast Hwy 101, Cardiff, CA**
Sale Price: \$8,700,000
Close of Escrow: Feb 2023
Asset Type: Retail/Restaurant
Rentable SF: 7,400 SF
\$/SF: \$1,175/SF
Year Built: 1916
Walk Score: 39
Notes: Restaurant Property Purchased by Tenant



- 8. **476 S Coast Hwy 101, Encinitas, CA**
Sale Price: \$3,900,000
Close of Escrow: June 2023
Asset Type: Retail/Restaurant
Rentable SF: 1,604 SF
\$/SF: \$2,431/SF
Year Built: 1948
Walk Score: 92
Notes: Investment Reposition

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SALE COMPS – ON-MARKET



1. 1234 Camino Del Mar, Del Mar, CA
List Price: To be confirmed
Asset Type: Retail/Office
Rentable SF: 2,622 SF
\$/SF: To be confirmed
Year Built: 1968
Walk Score: 91
Notes: Fully Leased Investment



4. 810 N Coast Hwy 101, Encinitas, CA
List Price: \$3,900,000
Asset Type: Retail
Rentable SF: 3,518 SF
\$/SF: \$1,109/SF
Year Built: 1937
Walk Score: 88
Notes: Fully Leased Restaurant Property



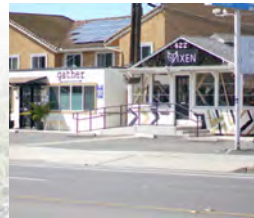
2. 2183-2191 San Elijo Avenue, Cardiff, CA
List Price: \$8,250,000
Asset Type: Retail/Office
Rentable SF: 7,059 SF
\$/SF: \$1,169 SF
Year Built: 1911
Walk Score: 83
Notes: Leased Investment with High Vacancy



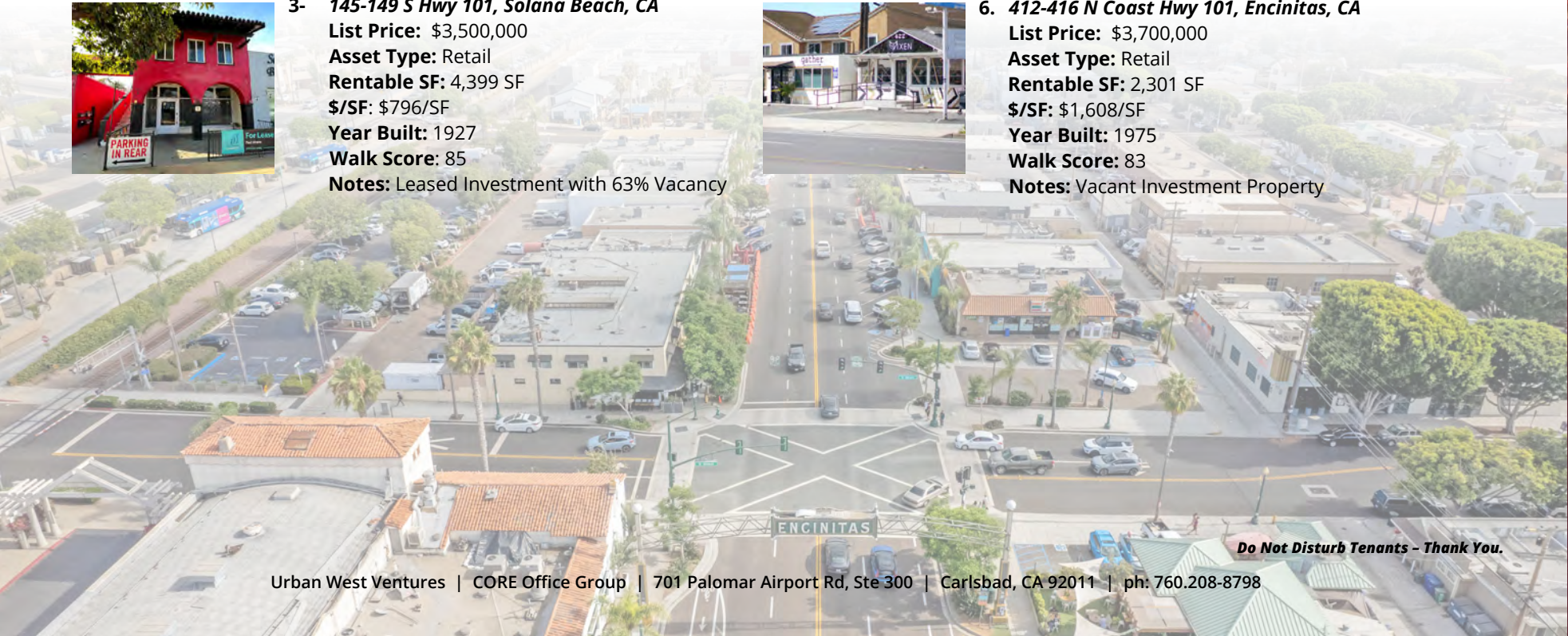
5. 1532-1536 N Coast Hwy 101, Encinitas, CA
List Price: \$6,295,000
Asset Type: Office
Rentable SF: 4,597 SF
\$/SF: \$1,369/SF
Year Built: 2022
Walk Score: 72
Notes: Vacant/Owner-User Office Condo Opportunities



3. 145-149 S Hwy 101, Solana Beach, CA
List Price: \$3,500,000
Asset Type: Retail
Rentable SF: 4,399 SF
\$/SF: \$796/SF
Year Built: 1927
Walk Score: 85
Notes: Leased Investment with 63% Vacancy



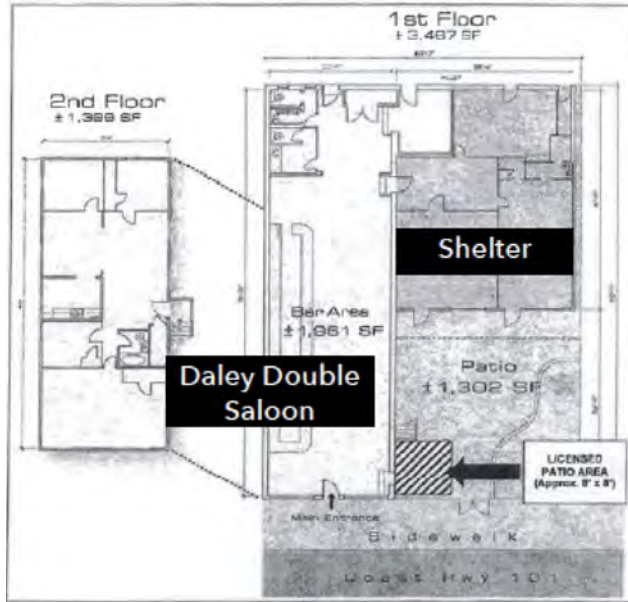
6. 412-416 N Coast Hwy 101, Encinitas, CA
List Price: \$3,700,000
Asset Type: Retail
Rentable SF: 2,301 SF
\$/SF: \$1,608/SF
Year Built: 1975
Walk Score: 83
Notes: Vacant Investment Property



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TENANT BIO - SALOON ENTERTAINMENT, LLC:

Saloon Entertainment, LLC occupies the entire property and has a long-term lease in place, with initial term expiring 2036. As an owner/operator Saloon Entertainment, LLC offers two of the most iconic downtown Encinitas nightlife locations, offsetting one-another's demographics due to varying interior ambience and price set. THE HISTORIC SALOON (Daley Double Saloon) has been in Encinitas since 1934. Nothing fancy here, except for the sound system. Ice cold beer, cocktails and the oldest bar around. SHELTER is an Open-Air Experience with a full-service cocktail lounge and bar in the heart of Downtown Encinitas. SHELTER features a unique and eclectic style with a retractable ceiling that allows the air to flow freely and the moon and stars to illuminate the ultra-comfortable elevated and comfy booths.



LEASE ABSTRACT:

Total SF Occupied:	6,188 RSF
SF Occupied:	The Saloon - 1,961 SF Shelter – 2,828 SF 2nd Floor Apartment – 1,399 SF
Lease Commencement:	10/03/2007
Lease Expiration:	2/28/2036
Original Lease Term:	29 Years & 5 Months
Option Period:	N/A
Lease Type:	Absolute Net
Landlord Responsibilities:	None
Annual Gross Base Rent:	\$294,237 / \$47.55/SF
- Annual Base Rent (2024):	\$275,018.04 / \$44.44/SF
- Annual CapEx Reimbursement:	\$19,218.96 / \$3.10/SF
Monthly Gross Base Rent:	\$24,519.75 / \$3.96/SF
- Monthly Base Rent (2024):	\$22,918.17 / \$3.70/SF
- Monthly CapEx Reimbursement:	\$1,601.58 / \$0.26/SF
Annual Base Rent Increase:	Consumer Price Index (CPI)
Base Rent Increase Date:	April 1st (Annually)
Guarantor:	Personal Guaranty
Type 48 Liquor License:	2:00am Close/ Food Unnecessary

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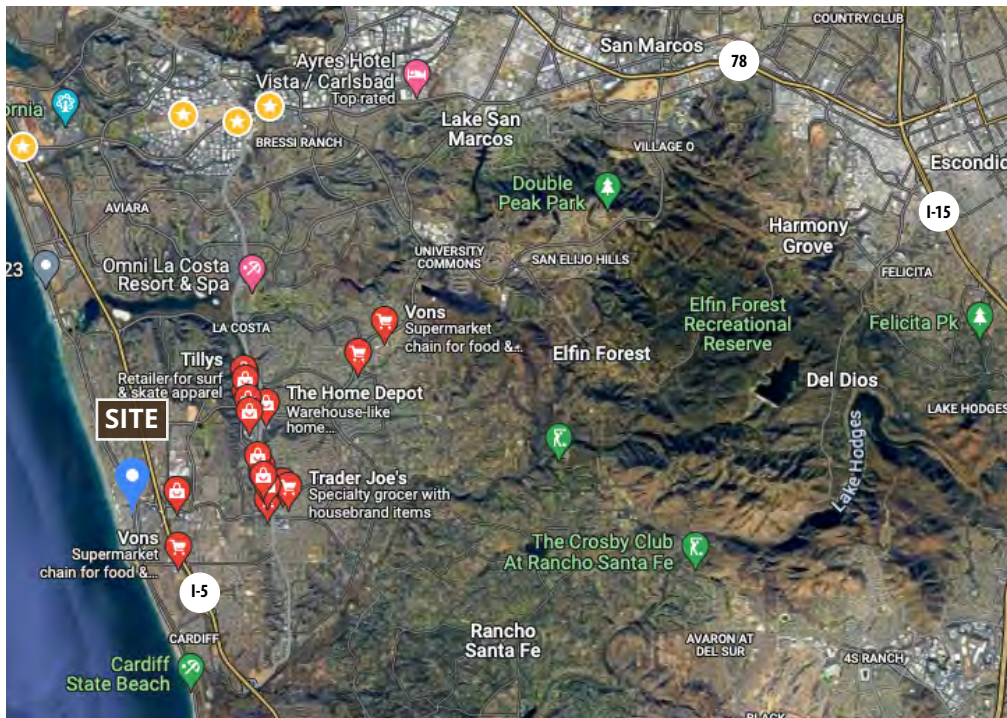
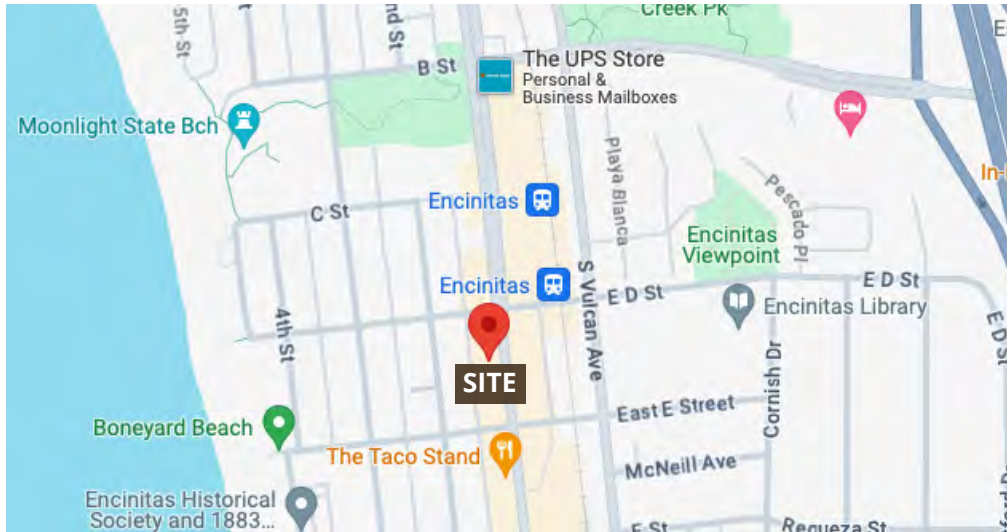
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LOCATION OVERVIEW



TRAVEL TIMES



Walk & Bike Proximity

- ½ Block Caddy-Corner to Historic La Paloma Theatre
- 1 Block to COASTER Station
- 1 Block to NCTD Bus Station
- 2 Blocks to Encinitas City Hall
- 3 Blocks to Intersection of Encinitas Blvd/Hwy 101
- 4 Blocks to D Street Beach Access
- 4 Blocks to Cottonwood Creek Public Park
- 5 Blocks to Moonlight Beach Access
- 8 Blocks to Coastal Rail Trail (0.7 miles)
- 8 Blocks to World Famous Swami's Beach/Surfing (0.7 miles)

Drive Time Proximity (Encinitas)

- Madalena Ecke Family YMCA – 1 mile / 6 minutes
- Scripps Memorial Hospital – 1.3 miles / 5 minutes
- San Diego Botanic Garden – 2.1 miles / 7 minutes
- Encinitas Ranch Golf Course – 2.9 miles / 9 minutes
- Alila Marea Beach Resort – 2.9 miles / 9 minutes

Drive Time Proximity (Major Vehicular Arteries & Highways)

- Interstate 5 Access – 0.6 miles / 4 minutes
- Palomar Airport Rd – 6.2 miles / 11 minutes
- CA-78 Access – 10.4 miles / 14 minutes
- CA-56 Access – 9.5 miles / 13 minutes
- I-5/I-805 Split – 11.2 miles / 14 minutes
- I-15 Access – 19.8 miles / 26 minutes

Drive Time Proximity (Surrounding Areas)

- Leucadia – 1.4 miles / 5 minutes
- Cardiff – 2.2 miles / 7 minutes
- Solana Beach – 4.3 miles / 13 minutes
- Del Mar – 6.3 miles / 14 minutes
- Rancho Santa Fe – 6.8 miles / 18 minutes
- Torrey Pines – 9.5 miles / 18 minutes
- Carlsbad – 10 miles / 18 minutes
- Oceanside – 13.2 miles / 19 minutes
- Camp Pendleton – 13.9 miles / 20 minutes

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ENCINITAS – UNMATCHED QUALITY OF LIFE

Encinitas is a city in Northern San Diego County, California, located along six miles of the Pacific coastline and is ranked as one of the best places to live in California. The town of Old Encinitas was formed in 1881 by Jabez Pticher, however, the city wasn't incorporated until 1986, by combining the communities of New Encinitas, Old Encinitas, Cardiff-by-the-Sea, Olivenhain, and Leucadia. The name Encinitas is Spanish for "little oaks", which reflects the abundance of oak trees in the area.

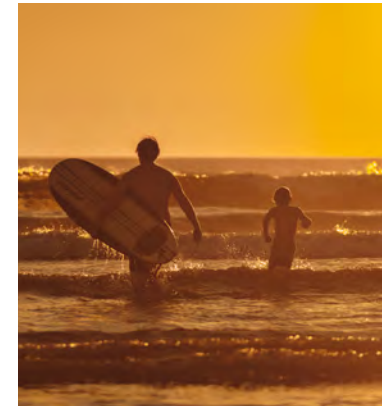
Encinitas has a rich history of cultural and agricultural pursuits. The area was colonized by the Spanish in 1789, and the ranch, known as Rancho Encinitas, became a hub for farming, cattle ranching, and orchards. Today, Encinitas has one of the best farmers' markets in Southern California.

Encinitas is home to some of the most beautiful beaches in California and is known for its excellent surfing conditions. Each year, surfers from all over gather in Encinitas to compete in local surfing tournaments. The San Elijo Lagoon Reserve boasts the largest coastal wetland in San Diego County and is home to nearly 300 different bird species throughout the year. San Diego Botanical Gardens, complete with an Amazon Rainforest, showcases the largest display of bamboo in the world, while the gardens of the Self Realization Center offer spectacular views of the Pacific Ocean in a serene garden-like setting.

Encinitas is a suburb of San Diego with a population of appx 61,942 & a dense suburban feel. The city also has highly ranked public schools (#14 of 822), and in 2022, 64.7% of the city's population had a bachelor's degree or higher. With a median home value of \$1,354,600, Encinitas scored A/A+ regarding Public Schools, Good For Families, Outdoor Activities, Nightlife, Weather & Health/Fitness and B/B+ regarding Jobs, Crime/Safety, Diversity and Commute.

Golf enthusiasts can enjoy a round of golf at the Encinitas Ranch Golf Course, a championship 18 hole, par 72 course with panoramic ocean views. This public facility has five tees and facilitates golfers at all skill-levels.

Encinitas offers a unique blend of old-world charm and sophistication, and new-world culture. The century-old Downtown 101 coastal shopping district features historic architecture, quaint shops, sidewalk cafes, specialty retail stores and upscale restaurants.



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DEMOGRAPHICS

Population			
	1 mile	3 mile	5 mile
2010 Population	9,590	58,464	127,445
2023 Population	10,031	58,703	127,992
2028 Population Projection	10,062	58,421	127,383
Annual Growth 2010-2023	0.4%	0%	0%
Annual Growth 2023-2028	0.1%	-0.1%	-0.1%
Median Age	43.7	44.4	45.2
Bachelor's Degree or Higher	61%	60%	62%
U.S. Armed Forces	78	258	463

Households			
	1 mile	3 mile	5 mile
2010 Households	3,937	23,505	50,343
2023 Households	4,110	23,523	50,559
2028 Household Projection	4,117	23,386	50,295
Annual Growth 2010-2023	0.3%	0.1%	0.1%
Annual Growth 2023-2028	0%	-0.1%	-0.1%
Owner Occupied Households	2,087	14,373	33,350
Renter Occupied Households	2,030	9,013	16,945
Avg. Household Size	2.3	2.4	2.5
Avg. Household Vehicles	2	2	2
Total Specified Consumer Spending (\$)	\$174.2M	\$1.1B	\$2.3B

Housing			
	1 mile	3 mile	5 mile
Median Home Value	\$1,117,414	\$1,086,256	\$1,080,682
Median Year Built	1975	1978	1982

Income			
	1 mile	3 mile	5 mile
Avg. Household Income	\$156,109	\$162,555	\$167,833
Median Household Income	\$130,264	\$136,095	\$141,434
<\$25,000	281	1,904	3,763
\$25,000 - 50,000	478	2,161	4,471
\$50,000 - 75,000	444	2,220	4,572
\$75,000 - 100,000	334	2,065	4,462
\$100,000 - 125,000	428	2,567	5,278
\$125,000 - 150,000	425	1,905	4,159
\$150,000 - \$200,000	565	3,464	7,131
\$200,000+	1,154	7,239	16,724

Consumer Spending Details			
2023			
Radius 1 Mile			
Expand All	Total Spending	Avg Household	Per Capita
Apparel	\$8,157,223	\$1,985	\$813
Entertainment, Hobbies & P...	\$25,876,045	\$6,296	\$2,580
Food & Alcohol	\$44,989,413	\$10,946	\$4,485
Household	\$30,631,706	\$7,453	\$3,054
Transportation & Maintenance	\$41,703,266	\$10,147	\$4,157
Health Care	\$8,146,761	\$1,982	\$812
Education & Daycare	\$14,742,848	\$3,587	\$1,470
Total Specified Consumer S...	\$174,247,262	\$42,396	\$17,371

Radius 3 Mile			
Expand All	Total Spending	Avg Household	Per Capita
Apparel	\$48,392,340	\$2,057	\$824
Entertainment, Hobbies & P...	\$157,008,304	\$6,675	\$2,675
Food & Alcohol	\$265,362,169	\$11,281	\$4,520
Household	\$190,409,281	\$8,095	\$3,244
Transportation & Maintenance	\$255,143,515	\$10,847	\$4,346
Health Care	\$50,082,725	\$2,129	\$853
Education & Daycare	\$89,915,458	\$3,822	\$1,532
Total Specified Consumer S...	\$1,056,313,792	\$44,906	\$17,994

Radius 5 Mile			
Expand All	Total Spending	Avg Household	Per Capita
Apparel	\$106,358,262	\$2,104	\$831
Entertainment, Hobbies & P...	\$346,033,224	\$6,844	\$2,704
Food & Alcohol	\$580,673,439	\$11,485	\$4,537
Household	\$424,727,175	\$8,401	\$3,318
Transportation & Maintenance	\$555,160,919	\$10,980	\$4,337
Health Care	\$111,144,202	\$2,198	\$868
Education & Daycare	\$201,243,414	\$3,980	\$1,572
Total Specified Consumer S...	\$2,325,340,636	\$45,993	\$18,168

Traffic				
Collection	Cross St	Traffic Volume	Count Year	Dist from Property
1st St	E D st N	17,007	2016	0.02 mi
1st St	W D St N	19,241	2022	0.02 mi
W D St	Alley E	4,122	2022	0.05 mi
E D St	S Vulcan Ave E	3,151	2022	0.05 mi
E D St	1st St W	3,436	2016	0.05 mi
W E St	Alley E	4,141	2022	0.06 mi
E E St	S Vulcan Ave E	7,301	2022	0.06 mi
S Vulcan Ave	E D St N	9,666	2022	0.09 mi
1st St	C St N	16,704	2022	0.10 mi
E E St	S Vulcan Ave W	1,273	2022	0.15 mi

11-YEAR CASH FLOW PROJECTIONS WITH DEBT

Projections Based on the Following Scenario	
6,466,549	Purchase Price
3,466,549	Down Payment
3,000,000	Debt
6.00%	Interest Rate (simple)
Interest-Only	Payments
Pre-Payment	OK - No Penalty

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	4/25-3/26	4/26-3/27	4/27-3/28	4/28-3/29	4/29-3/30	4/30-3/31	4/31-3/32	4/32-3/33	4/33-3/34	4/34-3/35	4/35-3/36
Base Rent	275,018	283,269	291,767	300,520	309,535	318,821	328,386	338,237	348,385	358,836	369,601
CapEx Reimb	22,919	22,919	22,919	22,919	22,919	22,919	22,919	22,919	22,919	22,919	22,919
Net Operating Income	297,937	306,188	314,686	323,439	332,454	341,740	351,305	361,156	371,304	381,755	392,520
Debt Service	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Debt Coverage Ratio	1.66	1.70	1.75	1.80	1.85	1.90	1.95	2.01	2.06	2.12	2.18
Cash Flow After Debt Service	117,937	126,188	134,686	143,439	152,454	161,740	171,305	181,156	191,304	201,755	212,520
Capitalization Rate	4.61%	4.73%	4.87%	5.00%	5.14%	5.28%	5.43%	5.58%	5.74%	5.90%	6.07%
Levered Yield	3.40%	3.64%	3.89%	4.14%	4.40%	4.67%	4.94%	5.23%	5.52%	5.82%	6.13%

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