

YUCCA VALLEY SQUARE

57980 Twentynine Palms Hwy | Yucca Valley, CA

OFFERING MEMORANDUM



YUCCA VALLEY SQUARE

Yucca Valley Square

CONTENTS

01 Executive Summary		05 Demographics	
Investment Summary	4	Demographics	24
Location Summary	6	Demographic Charts	25
02 Property Description			
Property Features	8		
Property Images	9		
03 Rent Roll			
Rent Roll	11		
Lease Expiration	13		
Tenant Profile	14		
04 Financial Analysis			
Income & Expense Analysis	17		
Multiyear Cash Flow Assumptions	18		
Vacant Space/Second Gen Leasing	19		
Cash Flow Analysis	20		
Disposition Sensitivity Analysis	22		

Exclusively Marketed by:

Frank Soboleske

Lic: 01974925
(562) 533-1315
Franksoboleske@gmail.com

Al Arana

Sr. Vice President
Lic: 00710950
(323) 697-6032
AlArana1956@hotmail.com

YUCCA VALLEY SQUARE

01	Executive Summary
	Investment Summary
	Location Summary

OFFERING SUMMARY

ADDRESS	57980 Twentynine Palms Hwy Yucca Valley CA 92284
COUNTY	San Bernardino
BUILDING SF	105,565 SF
GLA (SF)	104,442
LAND SF	545,806 SF
YEAR BUILT	1992
APN	0601-402-08, 0601-402-09
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

OFFERING PRICE	\$9,000,000
PRICE PSF	\$86.17
NOI (CURRENT)	\$429,209
CAP RATE (CURRENT)	4.77 %
CAP RATE (PRO FORMA)	6.62 %

DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2017 Population	3,042	18,774	28,889
2017 Median HH Income	\$42,836	\$47,039	\$45,875
2017 Average HH Income	\$53,573	\$60,959	\$61,461



Investment Summary

- Yucca Valley Square is anchored by 99c Store, a premiere deep-discount retailer that occupies approximately 17.23% of the center with 50+ years of options. The investment consists of a single-story, multi-tenant shopping center approximately 105,565 SF situated on 7.29 AC of land with 350 parking spaces (3.35 parking spaces per 1,000 SF). The center boasts long term national tenants, Hibbet Sports (NASDAQ: A+; NYSE: HIBB), 99 Cent Store, Tractor Supply Co (NASDAQ: A+; NYSE: TSCO) and Harbor Freight Tools. The center is currently 65% occupied with corporate NNN leases at an average rental rate of \$0.652 per square foot.

The center is a dominant local shopping destination which benefits from synergy afforded by strong national retailers serving the direct needs of the immediate area. Ideal for investors seeking limited Landlord responsibilities.

Immediate upside potential through future lease-up of a 30% vacancy projected to increase cash flows by \$234,000 per annum. Out-parcel retail pads can be developed along 29 Palms Hwy to increase additional income.

- Immediate upside potential through future lease-up of a 30% vacancy projected to increase cash flows by \$234,000 per annum.
- 50+ years of options with an 2065 expiration of initial leases.

Yucca Valley, California

- Yucca Valley is an incorporated town in San Bernardino County, California, United States. Bordered in the west by the San Bernardino Mountains and in the south by the Joshua Tree National Park, the town of Yucca Valley is located in the Mojave Desert at roughly 3,300 feet (1,000 m) above sea level.

Municipal

- Yucca Valley contracts its police and public safety services from the San Bernardino County Sheriff's Department. Fire suppression and ambulance services are provided by the San Bernardino County Fire Department and Cal Fire.

Transportation & Airport

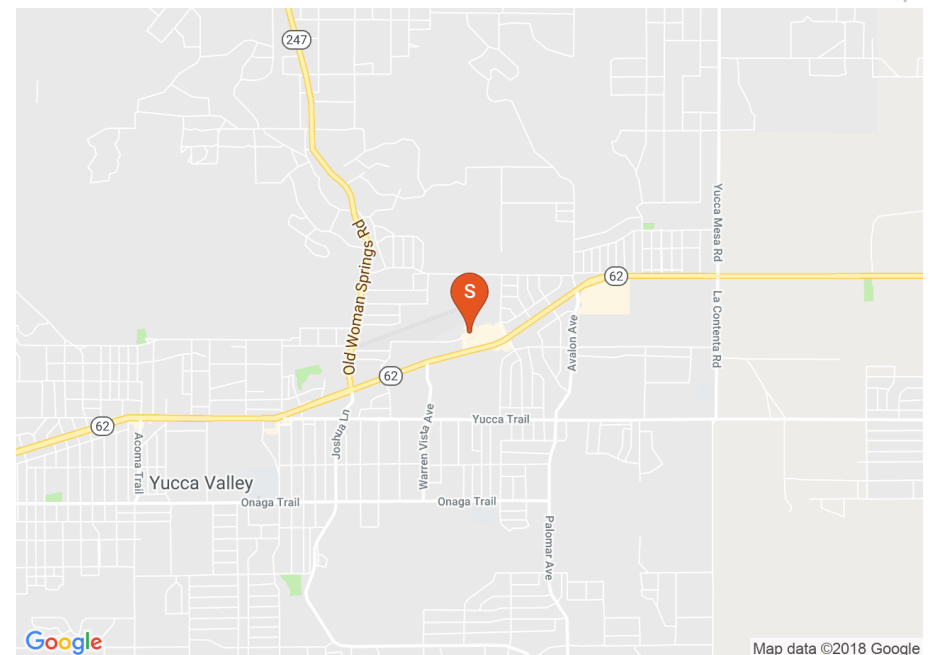
- Yucca Valley has two major means of highway access; California State Route 62 (Twentynine Palms Highway) runs east-west and is the main thoroughfare through town and terminates at the south end at Interstate 10 and Parker Dam on the Arizona border at the east end.

State Route 247 (Old Woman Springs Road) begins in Yucca Valley and extends north through Barstow and terminates at Interstate 15. The Morongo Basin Transit Authority serves the area with scheduled bus service around town and the lower desert. The service connects passengers to the Palm Springs International Airport direct bus lines to Los Angeles. The area is served locally by the Yucca Valley Airport.

Regional Map



Locator Map



YUCCA VALLEY SQUARE

02	Property Description
	Property Features
	Aerial Map
	Parcel Map
	Additional Maps
	Pictures with Captions

PROPERTY FEATURES

NUMBER OF TENANTS	6
BUILDING SF	105,565
GLA (SF)	104,442
LAND SF	545,806
LAND ACRES	12.53
YEAR BUILT	1992
# OF PARCELS	2
ZONING TYPE	CC-GC
NUMBER OF STORIES	1
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	350
PARKING RATIO	3.35/1
STREET FRONTAGE	641
TRAFFIC COUNTS	7,105

CONSTRUCTION

FOUNDATION	Masonry
------------	---------

TENANT INFORMATION

MAJOR TENANT/S	99c Store, Harbor Freight, Hibbet Sports, Tractor Supply
SHADOW ANCHOR	JC Penny, Jack in the box,
LEASE TYPE	NNN





03

Rent Roll

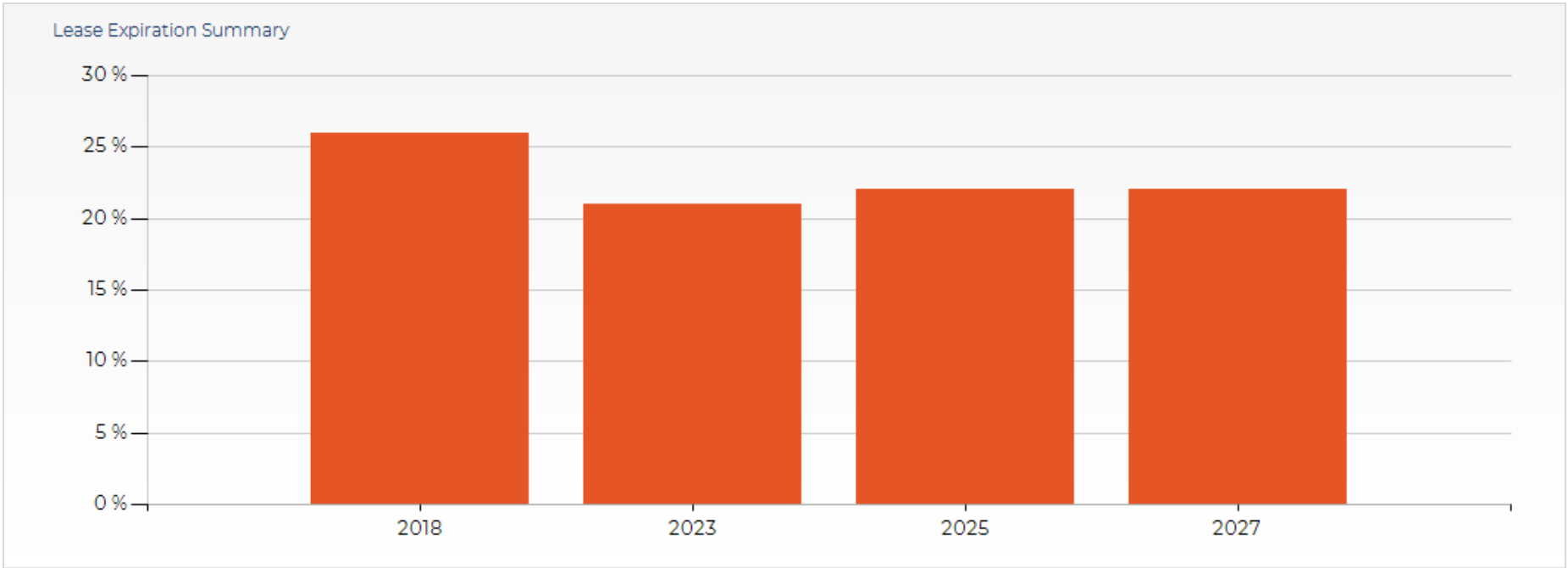
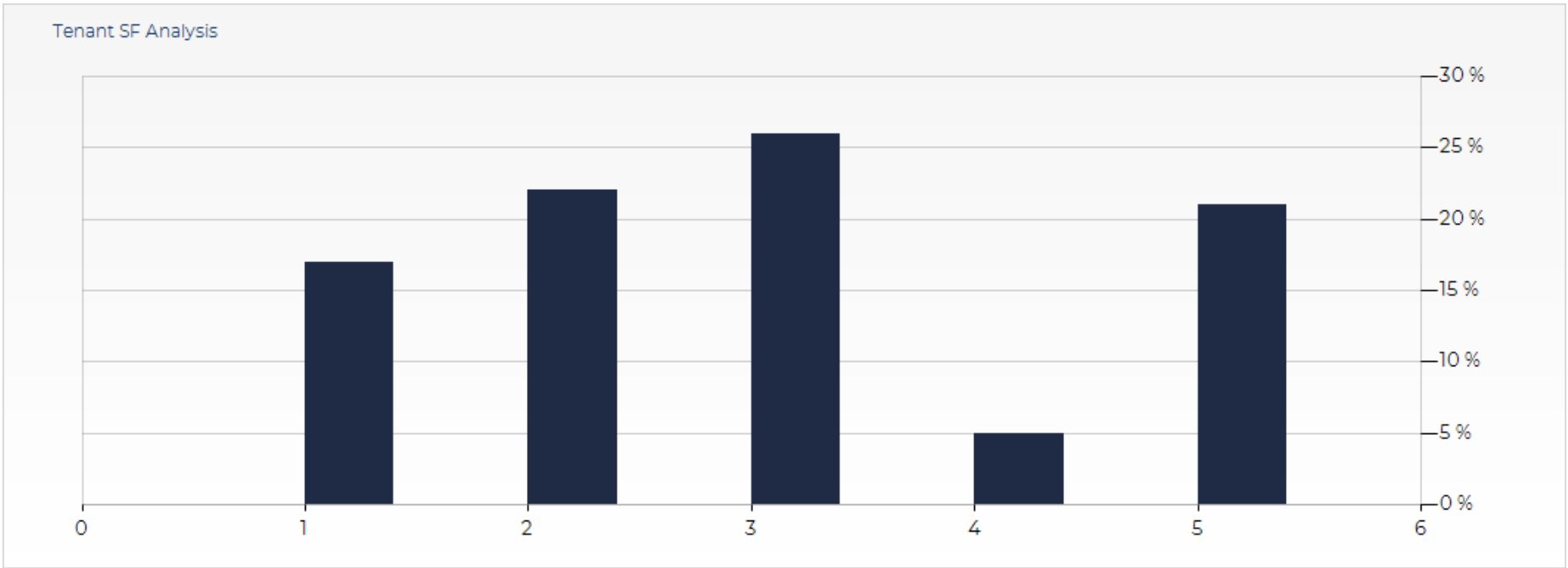
Rent Roll Details

Lease Expiration Summary

Tenant Profile

Suite	Tenant Name	Square Feet	% of GLA	Lease Term		Begin Date	Rental Rates				Lease Type	Options/Notes
				Lease Start	Lease End		Monthly	PSF	Annual	PSF		
	99 Cent Only Store	18,000	17.23%	01/31/17	01/31/27	CURRENT	\$15,735	\$0.87	\$188,820	\$10.49	NNN	Additional Five (5) Five (5) year options *Occupy's 17% of GLA.
						01/01/2018	\$16,207	\$0.90	\$194,485	\$10.80		
						01/01/2019	\$16,693	\$0.93	\$200,319	\$11.16		
						01/01/2020	\$17,194	\$0.96	\$206,329	\$11.52		
						01/01/2021	\$17,710	\$0.98	\$212,519	\$11.76		
						01/01/2022	\$18,241	\$1.01	\$218,894	\$12.12		
						01/01/2023	\$18,788	\$1.04	\$225,461	\$12.48		
						01/01/2024	\$19,352	\$1.08	\$232,225	\$12.96		
						01/01/2025	\$19,933	\$1.11	\$239,192	\$13.32		
						01/01/2026	\$20,531	\$1.14	\$246,367	\$13.68		
						01/01/2027	\$21,147	\$1.17	\$253,758	\$14.04		
	HARBOR FREIGHT TOOL	22,962	21.99%	11/20/15	11/20/25	CURRENT	\$9,931	\$0.43	\$119,173	\$5.19	NNN	Additional Five (5) Five (5) year options
						11/20/2016	\$10,229	\$0.45	\$122,748	\$5.40		
						11/20/2017	\$10,536	\$0.46	\$126,430	\$5.52		
						11/20/2018	\$10,852	\$0.47	\$130,223	\$5.64		
						11/20/2019	\$11,178	\$0.49	\$134,130	\$5.88		
						11/20/2020	\$11,513	\$0.50	\$138,154	\$6.00		
						11/20/2021	\$11,858	\$0.52	\$142,299	\$6.24		
						11/20/2022	\$12,214	\$0.53	\$146,567	\$6.36		
						11/20/2023	\$12,580	\$0.55	\$150,965	\$6.60		
						11/20/2024	\$12,958	\$0.56	\$155,493	\$6.72		
						11/20/2025	\$13,347	\$0.58	\$160,158	\$6.96		
	TRACTOR SUPPLY	27,603	26.43%	10/10/13	10/10/18	CURRENT	\$14,469	\$0.52	\$173,623	\$6.29	NNN	Additional Two (2) Five (5) year options
						10/10/2014	\$14,903	\$0.54	\$178,832	\$6.48		
						10/10/2015	\$15,350	\$0.56	\$184,197	\$6.72		
						10/10/2016	\$15,810	\$0.57	\$189,722	\$6.84		
						10/10/2017	\$16,285	\$0.59	\$195,414	\$7.08		
						10/10/2018	\$16,773	\$0.61	\$201,276	\$7.32		
	Hibbet Sports	5,000	4.79%	03/02/17	03/02/27	CURRENT	\$5,600	\$1.12	\$67,200	\$13.44	NNN	Additional Two (2) Five (5) year options
						03/02/2018	\$5,768	\$1.15	\$69,216	\$13.80		
						03/02/2019	\$5,941	\$1.19	\$71,292	\$14.28		
						03/02/2020	\$6,119	\$1.22	\$73,431	\$14.64		
						03/02/2021	\$6,303	\$1.26	\$75,634	\$15.12		

Suite	Tenant Name	Square Feet	% of GLA	Lease Term		Begin Date	Rental Rates				Lease Type	Options/Notes
				Lease Start	Lease End		Monthly	PSF	Annual	PSF		
						03/02/2022	\$6,492	\$1.30	\$77,903	\$15.60		
						03/02/2023	\$6,687	\$1.34	\$80,240	\$16.08		
						03/02/2024	\$6,887	\$1.38	\$82,648	\$16.56		
						03/02/2025	\$7,094	\$1.42	\$85,127	\$17.04		
						03/02/2026	\$7,307	\$1.46	\$87,681	\$17.52		
						03/02/2027	\$7,526	\$1.51	\$90,311	\$18.12		
	VACANT	22,000	21.06%	11/11/18	11/01/23	CURRENT	\$7,187	\$0.33	\$86,240	\$3.92	NNN	*Based on future rents: Lease up @ \$0.30 per foot NNN.
						11/01/2019	\$7,402	\$0.34	\$88,827	\$4.08		
						11/01/2020	\$7,624	\$0.35	\$91,492	\$4.20		
						11/01/2021	\$7,853	\$0.36	\$94,237	\$4.32		
						11/01/2022	\$8,089	\$0.37	\$97,064	\$4.44		
						11/01/2023	\$8,331	\$0.38	\$99,976	\$4.56		
Totals		95,565					\$52,921		\$635,056			





Company

Trade Name	99 Cent Store
Website	99only.com
# of Locations	394

Description

99 Cents Only Stores is an American price-point retailer chain based in Commerce, California. Previously, the store offered all products at 99¢ or less.

HIBBETT

S P O R T S

Company

Trade Name	Hibbet Sports
Website	hibbett.com
# of Locations	1,082

Description

Hibbett Sports, Inc. is a publicly traded holding company for Hibbett Sporting Goods, a full line sporting goods retailer headquartered in Birmingham, Alabama. As of September, 2015, the company operated 1,025 retail stores in 32 states



Company

Trade Name	Harbor Freight
Website	HarborFreight.com
# of Locations	800

Description

Harbor Freight Tools is a privately held discount tool and equipment retailer, headquartered in Calabasas, California, which operates a chain of retail stores as well as a mail-order and eCommerce business.



Company

Trade Name	Tractor Supply Company
Website	TractorSupply.com
# of Locations	1,700

Description

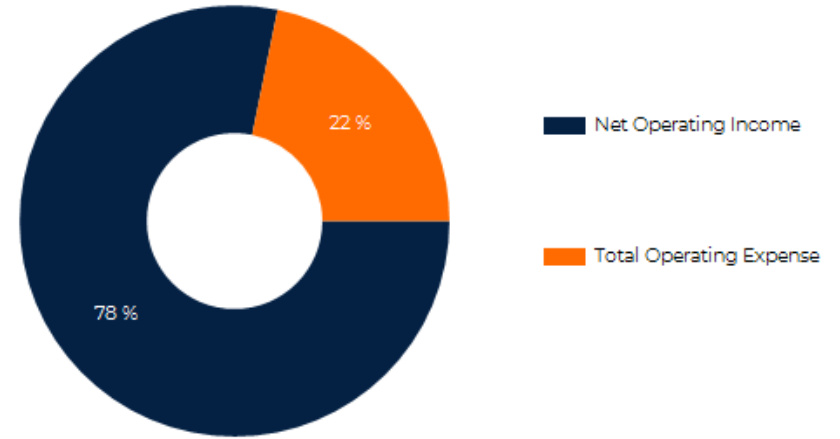
Tractor Supply Company is an American retail chain of stores that offers products for home improvement, agriculture, lawn and garden maintenance, and livestock, equine and pet care. It is a leading U.S. retailer in its market. Tractor Supply Co currently operates in 49 States.

04 Financial Analysis

- Income & Expense
- Multiyear Cash Flow Assumptions
- 2nd Gen Leasing
- Multiyear Cash Flow Projections
- Disposition Sensitivity Analysis

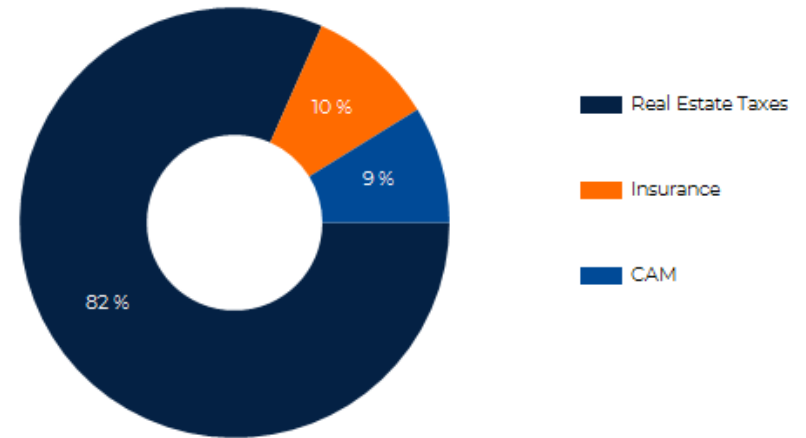
INCOME	CURRENT	PRO FORMA
Gross Potential Rent	\$463,648	\$629,969
Scheduled Expense Reimbursements	\$85,184	\$85,184
Effective Gross Income	\$548,832	\$715,153
Less: Expenses	\$119,623	\$119,623
Net Operating Income	\$429,209	\$595,530

REVENUE ALLOCATION
CURRENT



EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$97,676	\$97,676
Insurance	\$11,418	\$11,418
CAM	\$10,529	\$10,529
Total Operating Expense	\$119,623	\$119,623
Expense / SF	\$1.14	\$1.14
% of EGI	21.80 %	16.73 %

DISTRIBUTION OF EXPENSES
CURRENT



GLOBAL

Offering Price	\$9,000,000
Analysis Period	10 year(s)
Consumer Price Index	3.00 %
Millage Rate (not a growth rate)	1.61000 %
Exit Cap Rate	5.00 %

INCOME

Gross Potential Rent	3.00 %
----------------------	--------

EXPENSES

Real Estate Taxes	0.92 %
-------------------	--------

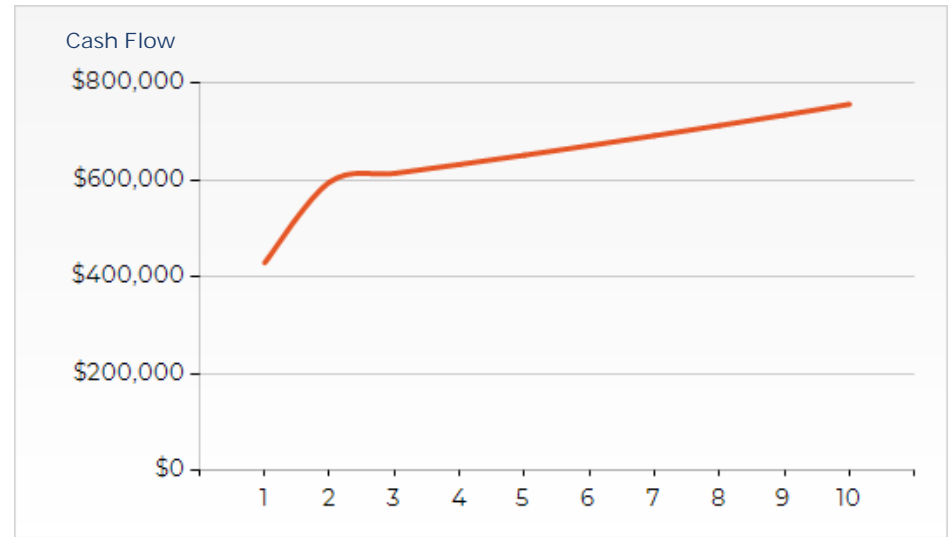
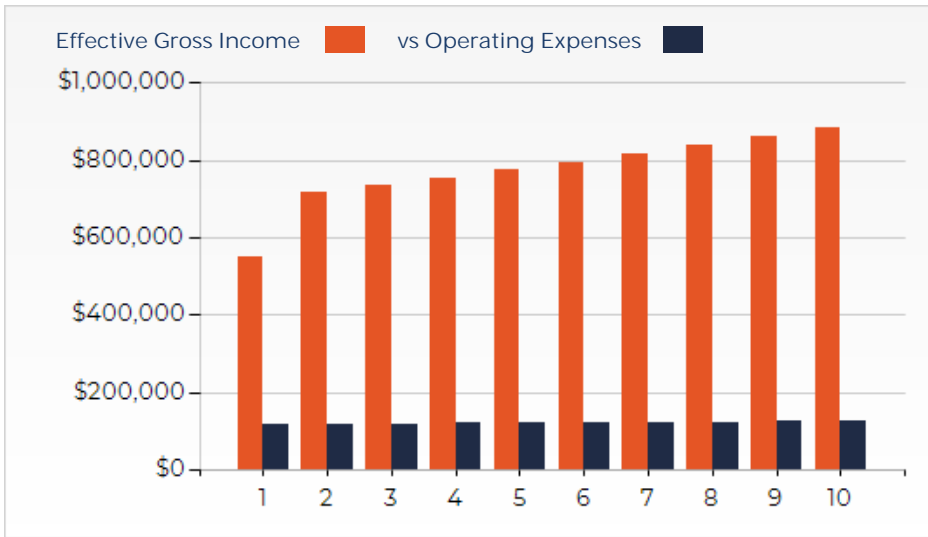


SECOND GENERATION LEASING

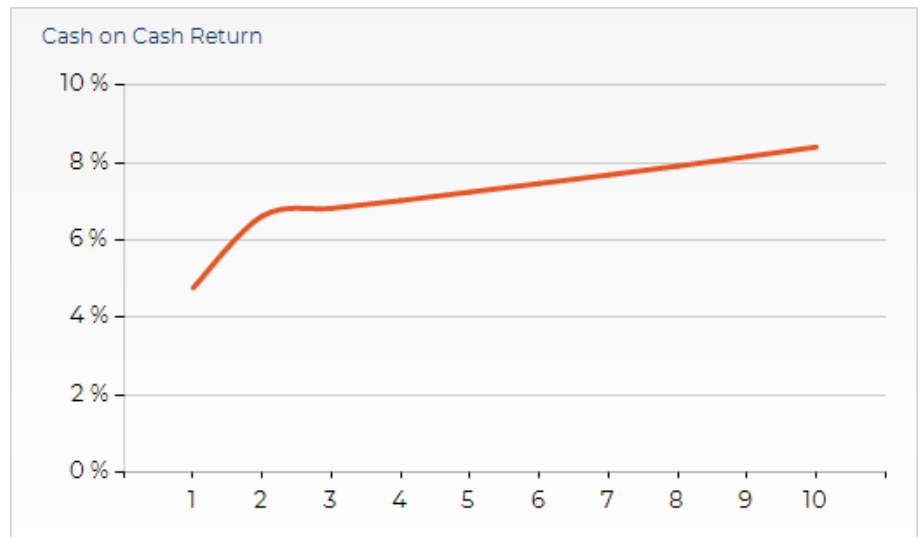
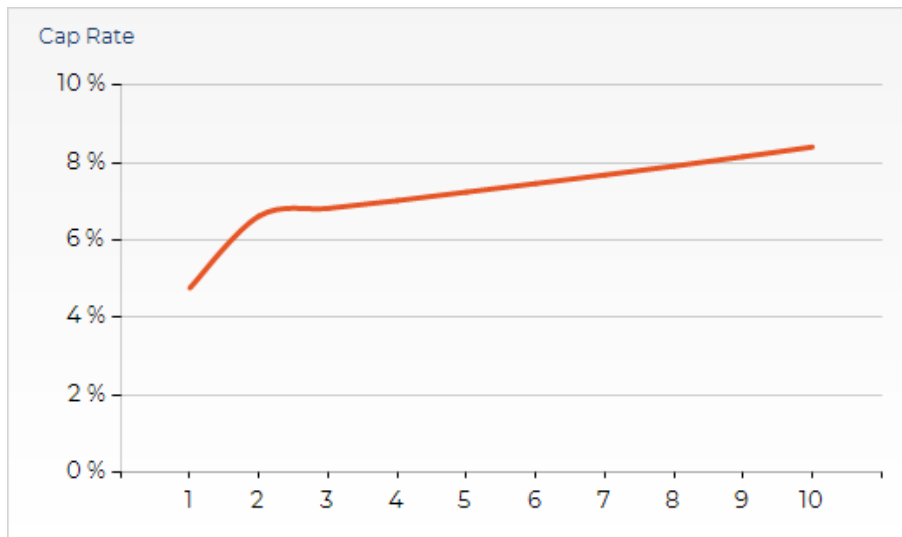
TENANT	SUITE	RSF	LEASE TERM (years)	ANNUAL RENTAL INCREASES	CURRENT RENTAL RATE PSF/ANNUAL	RETENTION RATIO	TENANT IMPROVEMENTS PSF (NEW)
99 Cent Only Store		18,000	10	3.00%	\$10.49		
HARBOR FREIGHT TOOL		22,962	10	3.00%	\$5.19		
TRACTOR SUPPLY		27,603	5	3.00%	\$6.29		
Hibbet Sports		5,000	10	3.00%	\$13.44		
VACANT		22,000	5	3.00%	\$3.92		

CASH FLOW

Calendar Year	CURRENT	Pro Forma Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Potential Revenue										
Gross Rental Income	\$463,648	\$629,969	\$648,868	\$668,334	\$688,384	\$709,036	\$730,307	\$752,216	\$774,782	\$798,026
Scheduled Expense Reimbursements	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184	\$85,184
Gross Potential Income	\$548,832	\$715,153	\$734,052	\$753,518	\$773,568	\$794,220	\$815,491	\$837,400	\$859,966	\$883,210
Effective Gross Income	\$548,832	\$715,153	\$734,052	\$753,518	\$773,568	\$794,220	\$815,491	\$837,400	\$859,966	\$883,210
Operating Expenses										
Real Estate Taxes	\$97,676	\$97,676	\$98,575	\$99,482	\$100,397	\$101,320	\$102,253	\$103,193	\$104,143	\$105,101
Insurance	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418	\$11,418
CAM	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529	\$10,529
Total Operating Expense	\$119,623	\$119,623	\$120,522	\$121,429	\$122,344	\$123,267	\$124,200	\$125,140	\$126,090	\$127,048
Net Operating Income	\$429,209	\$595,530	\$613,530	\$632,090	\$651,224	\$670,952	\$691,291	\$712,260	\$733,877	\$756,162



Calendar Year	CURRENT	Pro Forma Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Financial Metrics										
Cash on Cash Return b/t	4.77 %	6.62 %	6.82 %	7.02 %	7.24 %	7.46 %	7.68 %	7.91 %	8.15 %	8.40 %
CAP Rate	4.77 %	6.62 %	6.82 %	7.02 %	7.24 %	7.46 %	7.68 %	7.91 %	8.15 %	8.40 %
Operating Expense Ratio	21.79 %	16.72 %	16.41 %	16.11 %	15.81 %	15.52 %	15.23 %	14.94 %	14.66 %	14.38 %
Gross Multiplier (GRM)	16.40	12.58	12.26	11.94	11.63	11.33	11.04	10.75	10.47	10.19
Breakeven Ratio	21.80 %	16.73 %	16.42 %	16.11 %	15.82 %	15.52 %	15.23 %	14.94 %	14.66 %	14.38 %
Price / SF	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17	\$86.17
Income / SF	\$5.25	\$6.84	\$7.02	\$7.21	\$7.40	\$7.60	\$7.80	\$8.01	\$8.23	\$8.45
Expense / SF	\$1.14	\$1.14	\$1.15	\$1.16	\$1.17	\$1.18	\$1.18	\$1.19	\$1.20	\$1.21



5 YEAR SENSITIVITY ANALYSIS				
EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
4.00%	\$16,280,610	\$154	\$16,280,610	17.69%
4.25%	\$15,322,927	\$145	\$15,322,927	16.45%
4.50%	\$14,471,653	\$137	\$14,471,653	15.30%
4.75%	\$13,709,987	\$130	\$13,709,987	14.23%
5.00%	\$13,024,488	\$123	\$13,024,488	13.23%
5.25%	\$12,404,274	\$118	\$12,404,274	12.29%
5.50%	\$11,840,444	\$112	\$11,840,444	11.40%
5.75%	\$11,325,642	\$107	\$11,325,642	10.57%
6.00%	\$10,853,740	\$103	\$10,853,740	9.78%

10 YEAR SENSITIVITY ANALYSIS				
EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
4.00%	\$18,904,053	\$179	\$18,904,053	12.89%
4.25%	\$17,792,050	\$169	\$17,792,050	12.37%
4.50%	\$16,803,603	\$159	\$16,803,603	11.88%
4.75%	\$15,919,203	\$151	\$15,919,203	11.43%
5.00%	\$15,123,243	\$143	\$15,123,243	11.00%
5.25%	\$14,403,088	\$136	\$14,403,088	10.60%
5.50%	\$13,748,402	\$130	\$13,748,402	10.23%
5.75%	\$13,150,646	\$125	\$13,150,646	9.87%
6.00%	\$12,602,702	\$119	\$12,602,702	9.54%

05

Demographics

Demographic Details

Demographic Charts

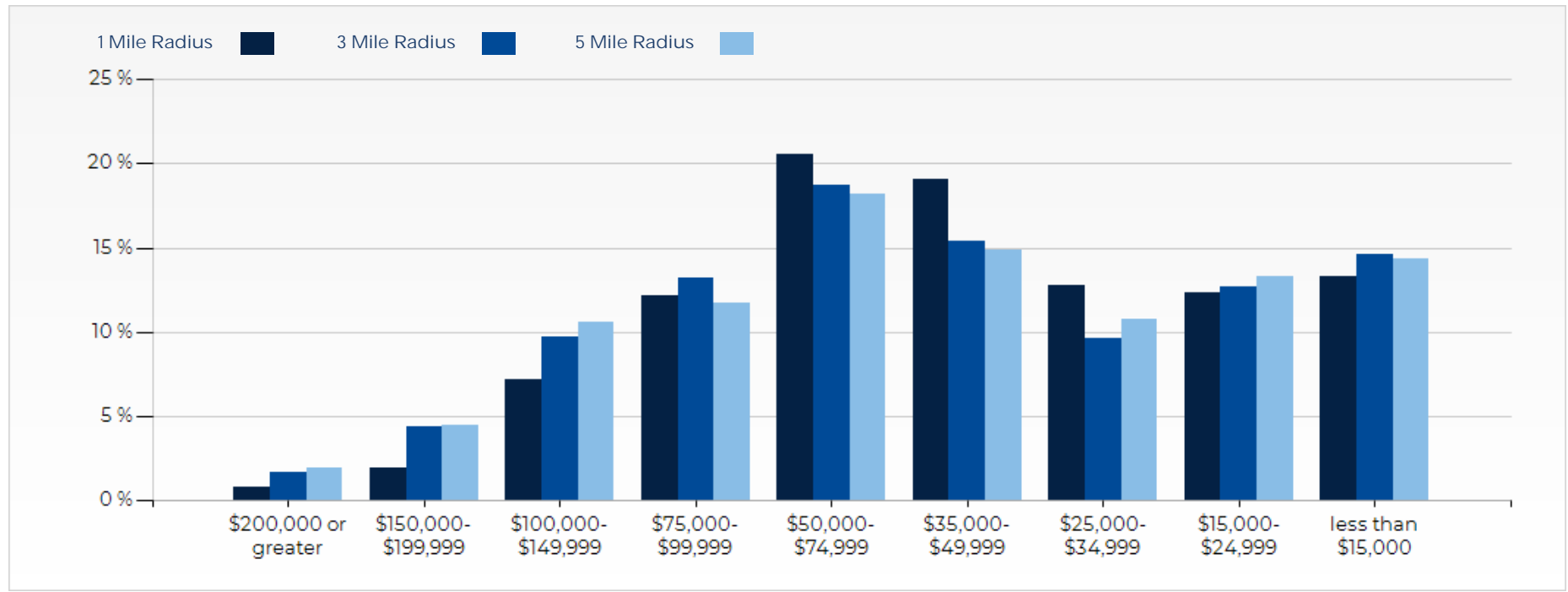
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	2,321	14,223	22,568
2010 Population	2,898	17,586	27,606
2017 Population	3,042	18,774	28,889
2022 Population	3,155	19,643	29,936
2017 African American	128	688	953
2017 American Indian	35	219	353
2017 Asian	88	535	736
2017 Hispanic	768	4,368	6,493
2017 White	2,398	14,946	23,264
2017 Other Race	239	1,390	2,044
2017 Multiracial	143	946	1,469
2017-2022: Population: Growth Rate	3.65 %	4.55 %	3.55 %

2017 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	153	1,085	1,647
\$15,000-\$24,999	142	938	1,532
\$25,000-\$34,999	147	715	1,236
\$35,000-\$49,999	220	1,142	1,714
\$50,000-\$74,999	237	1,389	2,091
\$75,000-\$99,999	140	980	1,346
\$100,000-\$149,999	83	720	1,214
\$150,000-\$199,999	22	325	517
\$200,000 or greater	9	119	218
Median HH Income	\$42,836	\$47,039	\$45,875
Average HH Income	\$53,573	\$60,959	\$61,461

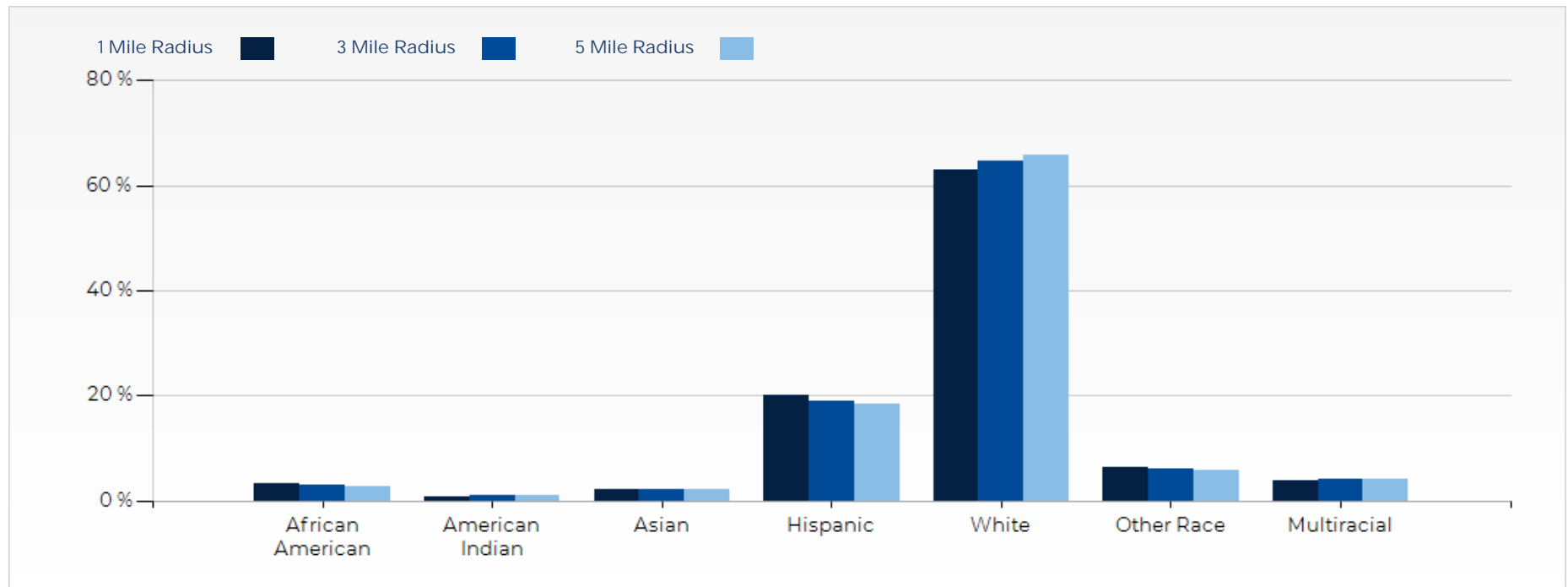
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	1,027	6,592	10,654
2010 Total Households	1,102	6,956	11,028
2017 Total Households	1,152	7,415	11,514
2022 Total Households	1,192	7,743	11,908
2017 Average Household Size	2.63	2.51	2.48
2000 Owner Occupied Housing	545	3,996	6,402
2000 Renter Occupied Housing	365	1,779	2,825
2017 Owner Occupied Housing	579	4,360	6,939
2017 Renter Occupied Housing	574	3,055	4,575
2017 Vacant Housing	107	779	1,537
2017 Total Housing	1,259	8,194	13,051
2022 Owner Occupied Housing	647	4,819	7,607
2022 Renter Occupied Housing	544	2,924	4,301
2022 Vacant Housing	85	706	1,490
2022 Total Housing	1,277	8,449	13,398
2017-2022: Households: Growth Rate	3.40 %	4.35 %	3.40 %



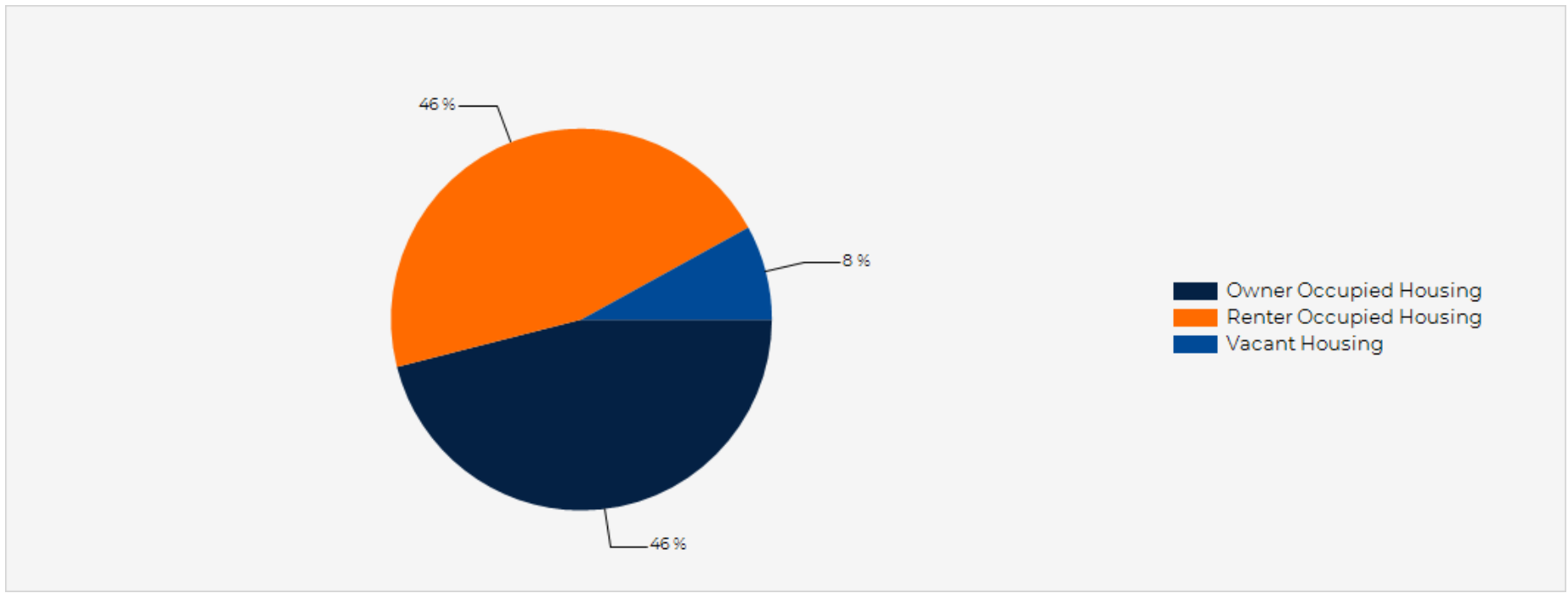
2017 Household Income



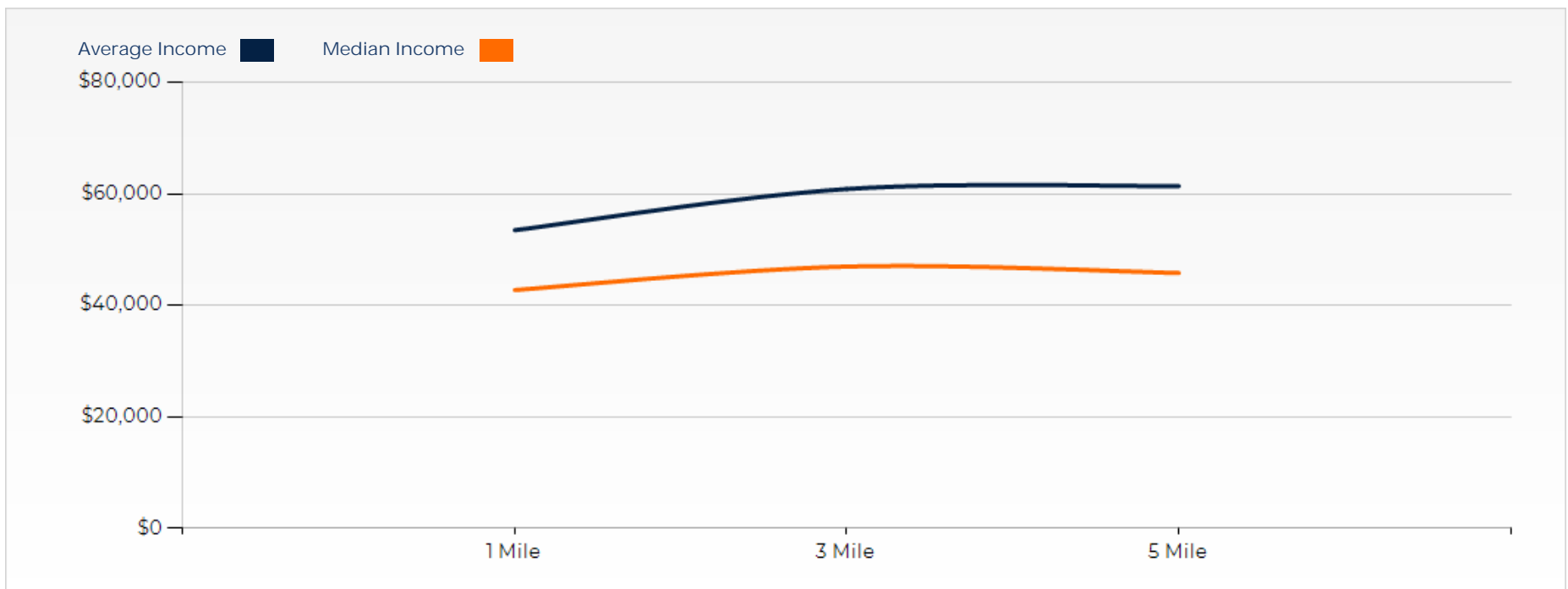
2017 Population by Race



2017 Household Occupancy - 1 Mile Radius



2017 Household Income Average and Median



Yucca Valley Square

CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from VP Commercial and it should not be made available to any other person or entity without the written consent of VP Commercial.

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to VP Commercial. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. VP Commercial has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, VP Commercial has not verified, and will not verify, any of the information contained herein, nor has VP Commercial conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Exclusively Marketed by:

Frank Soboleske

Lic: 01974925
(562) 533-1315
Franksoboleske@gmail.com

Al Arana

Sr. Vice President
Lic: 00710950
(323) 697-6032
AlArana1956@hotmail.com