

27194 BASELINE STREET
HIGHLAND, CA 92346

PROGRESSIVE
REAL ESTATE PARTNERS

Highland
Civic Center
Plaza

HIGHLAND CIVIC CENTER PLAZA

For Sale at: \$1,400,000
Cap Rate: 6.7% (In-Place)
Occupancy: 81%



PRESENTED BY



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The information provided in this Offering Memorandum is confidential and can only be shared with those advisors that a buyer needs to share such information with in order to make an informed buying decision. All parties receiving this information shall not utilize this information to the detriment of the seller including, but not limited to, utilizing this information to solicit the seller's tenants for relocation to another property or contacting the tenants in any way relative to this property without the seller's prior written approval.

INVESTMENT SUMMARY | Highland Civic Center Plaza

THE OPPORTUNITY

Progressive Real Estate Partners is pleased to present the opportunity to acquire the Highland Civic Center Plaza, an 81% occupied strip center located in the city of Highland, California. The 8,121-square foot center features Little Caesars Pizza, MetroPCS, and several regional service-based tenants. The center offers a diverse and Internet-resistant stream of income. Three of the five tenants have been at the property since its construction in 2007. Investors have the opportunity to capture upside through the lease-up of the one vacant space, which would bring the projected cap rate to 7.8%.

OFFERING SUMMARY

Sale Price:	\$1,400,000
Price Per Square Foot	\$172
Cap Rate (In-Place)	6.70%
Cap Rate (Pro-forma)	7.80%
Total Land Area:	0.85 Acres
Building Size:	8,121 SF



INVESTMENT HIGHLIGHTS | Highland Civic Center Plaza



PROPERTY OVERVIEW

- Classic 6-tenant strip center anchored by Little Caesars
- Opportunity to add value by leasing one available space
- Long term tenants: Three of the five tenants have been in this shopping center since its construction in 2007
- All tenants are serviced based and cannot be displaced by the Internet
- Priced below replacement cost at only \$172/sf

LOCATION OVERVIEW

- 300 feet of frontage with excellent visibility along Baseline St.
- Located across the street from Highland City Hall
- Close proximity to national retailers Autozone, CVS, Family Dollar, Smart & Final, and others
- Less than a half mile from CA-210 freeway

[CLICK ON IMAGE TO VIEW PROPERTY OVERVIEW VIDEO](#)



RENT ROLL | Highland Civic Center Plaza

UNIT	TENANT	LEASE TYPE	SF	%	LEASE END	BASE RENT/MO	NNN/MO	TOTAL RENT/MO	BASE RENT/SF/MO	ANNUAL BASE RENT	ANNUAL TOTAL RENT (incl NNN)	Increases	Options
A&B	Available (Proforma)	NNN	1,577	19.4%		\$1,577	\$772	\$2,349	\$1.00	\$18,924	\$28,188		
C	Metro PCS	NNN	780	9.6%	6/30/2020	\$876	\$323	\$1,199	\$1.12	\$10,506	\$14,382	Annual CPI increase of Min 3%, Max 6% plus CAM	One 3-year, with same increases
D	Church	NNN	1,856	22.9%	7/31/2021	\$1,856	\$752	\$2,608	\$1.00	\$22,272	\$31,296		One 3-year, with 3% annual increases
E	Hair Oasis	Gross	780	9.6%	MTM	\$1,440		\$1,440	\$1.85	\$17,280	\$17,280		
F&G	Nails & Spa	Gross	1,542	19.0%	10/31/2020	\$3,000		\$3,000	\$1.95	\$36,000	\$36,000	CPI (Min 4%, Max 6%) or Min \$100/mo	One 5-year
H, I, and J	Little Caesars	Gross	1,586	19.5%	2/28/2022	\$3,500		\$3,500	\$2.21	\$42,000	\$42,000	Next option at \$4,400; following option at \$4,900	Two 5-year
Current		81%	6,544			\$10,672	\$1,075	\$11,747	\$1.63	\$ 128,058	\$ 140,958		
Projected		100%	8,121			\$12,249	\$1,847	\$14,096	\$1.51	\$ 146,982	\$ 169,146		

NOTES: Little Caesars: In 2016, tenant signed an amendment with the right to terminate the lease by giving 9 months' notice and by paying 12 months rent. Ask broker for details
In addition, Little Caesars' lease allows for collection of NNN reimbursements; however landlord has not been collecting them.

FINANCIAL SUMMARY | Highland Civic Center Plaza

REVENUE	Current	Proforma
Base Annual Rent:	\$128,058	\$146,982
Expense Reimbursements:	\$12,900	\$22,164
Gross Operating Income:	\$140,958	\$169,146
Less Vacancy Factor (7%)	ACTUAL	-\$11,840
Effective Operating Income	\$140,958	\$157,306

PRICING	
Purchase Price	\$1,400,000
Size (SF)	8,121
Price/Sq. Ft.	\$172.39
Cap Rate:	6.7%
Pro Forma Cap Rate:	7.8%

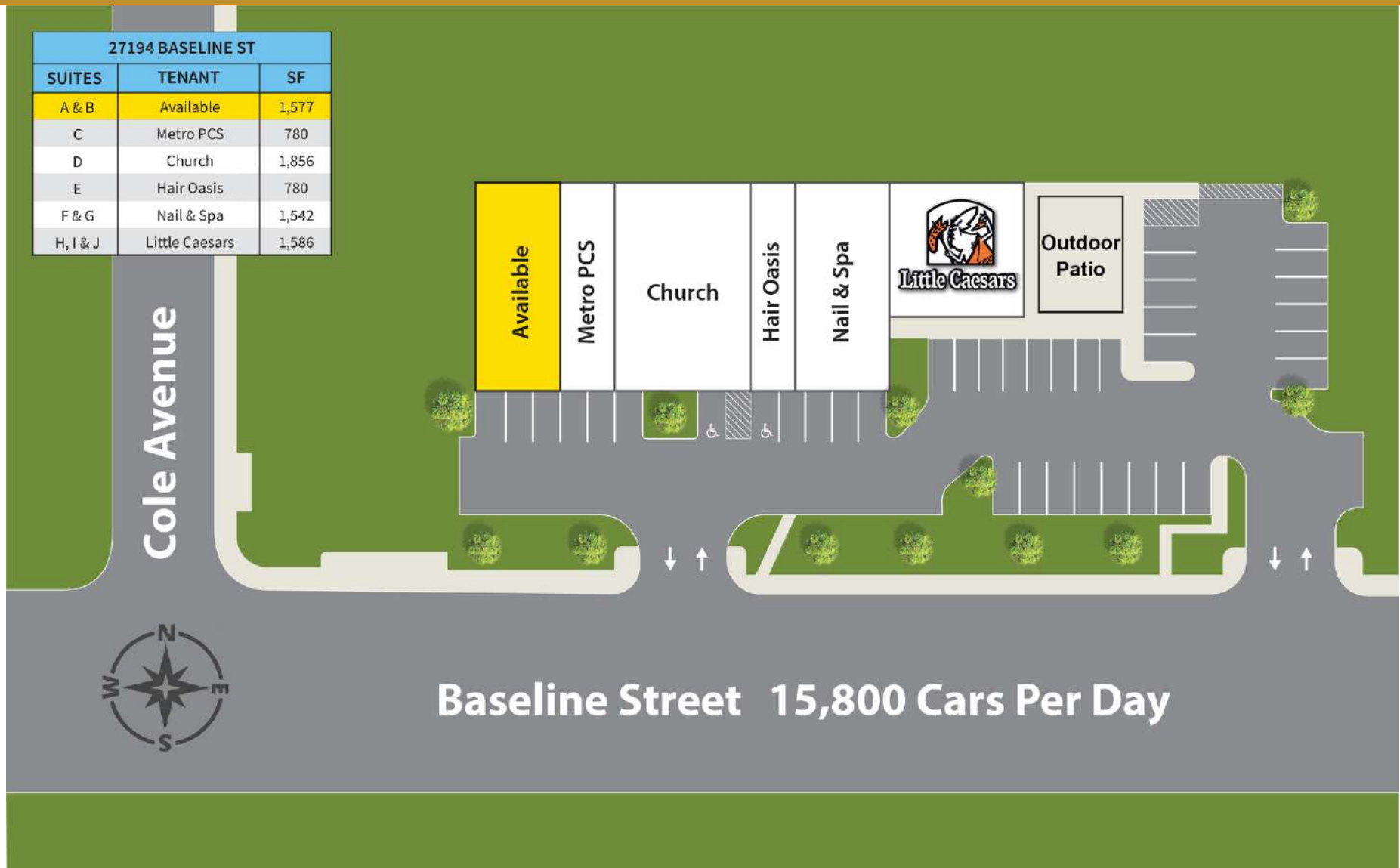
OPERATING EXPENSES	Current
Landscaping	\$5,250
Electric	\$2,500
Trash	\$5,300
Water	\$3,800
Roof	\$1,000
Other Property Maint	\$1,500
Insurance	\$2,200
Property Management	\$6,000
Property Taxes[1]	\$20,158
Expenses	\$47,708
	NNN/SF/mo: \$0.49

NET OPERATING INCOME	\$93,250	\$109,598
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FOOTNOTES

[1] Property taxes reassessed for sale at 1.0% plus special assessments of \$6,158

SITE PLAN | Highland Civic Center Plaza



TENANT DESCRIPTIONS | Highland Civic Center Plaza



Headquartered in Detroit, Michigan, Little Caesars is the largest carryout-only pizza chain and fastest growing pizza chain in America. Founded in 1959 as a single, family-owned restaurant, Little Caesars has become the third largest pizza chain in the world and today has stores in all 50 U.S. states, as well as 18 countries and territories worldwide.

Known for its HOT-N-READY pizza and famed Crazy Bread, Little Caesars has been named "Best Value in America" by Sandelman & Associates for nine years in a row. The affordability and great taste of Little Caesars pizza make it an ideal choice for the demographic area around the property.



Metro PCS is now known by the name of Metro by T-Mobile. Metro by T-Mobile is a prepaid no contract carrier that runs off the T-Mobile 4G LTE network and even offers its own branded phones from companies such as LG and Samsung. Metro has various plans starting with no data only talk/text and ending with a truly unlimited data plan. These plans can be turned into family plans with up to 5 lines and offer bundled features such as Amazon Prime subscriptions and Google One storage. Metro is proud to be the first prepaid mobile carrier to offer 5G starting in 2019.



Established in 2007, Hair Oasis is operated by an experienced owner in the hair salon industry for over 20 years. Their stylists all live in the Highland area and have over 15 years experience of styling hair. They are great for haircuts of any kind, and have lots of experience in hair coloring and highlighting. And for those who like to curl their hair, they also offer perms. Facial waxing is also available. This is a comfortable, clean, friendly shop that any age can enjoy visiting.



The Highland Lighthouse Church is a Christian based worship center which moved the Highland Civic Center Plaza in 2018. Their motto is:

Need Healing, deliverance, restoration, & strength? Seeking to receive the holy ghost? Looking for a moderate bible based holiness loving church with a well balanced structure but without the extreme religious attendance & pressure & extra long tiring sermons? Or just curious about the bible & seek the talents to share for ministry. Fee free to visit us, We Are A Church For The Community.



By: Maan M.  

My friend really wanted to try this place because of how nice the pictures on their Instagram were. Benson did my nails, and Jimmy did my friend's nails. I am coming back! Benson worked fast but efficiently. He cleaned, shaped and applied the acrylic and polish very nicely! Any wait is worth it. I found my nail tech! We have yet to see if the polish will peel off but so far so good! The manager for the day, Bee is really nice and friendly. The place is clean. Definitely coming back!

ADDITIONAL PHOTOS | Highland Civic Center Plaza



SURROUNDING AREA RETAILERS | Highland Civic Center Plaza



RETAILER MAP | Highland Civic Center Plaza



REGIONAL MAP | Highland Civic Center Plaza



LOCATION MAPS | Highland Civic Center Plaza

VISIT INTERACTIVE MAP



CITY INFORMATION | Highland Civic Center Plaza



HIGHLAND

Highland, CA is located at the foot of the San Bernardino Mountains adjacent to San Bernardino and Redlands. Highland is a residential community that serves the San Bernardino area, one of the main logistical and distribution hubs for Southern California. This community has experienced strong residential demand due to its low crime rate and emphasis on community beautification. This demand has been fueling the rising home prices in the area, which have seen over a 35% increase over the last 5 years, attracting more developers to the area as well. According to a recent Metrostudy, Highland currently has over 5,700 new homes planned for future development. One notable development is the master-planned community Harmony. This community spans 1,650 acres and will feature a mix of single-family homes and multi-family units, featuring an abundance of natural open spaces, parks and community service facilities as well.

The Highland housing boom has raised the median price of homes to about \$369,500. This is all supported by a total workforce in Highland of approximately 25,520 and a total population of 55,536 with an average household income of \$84,519. It's current major employers include Arrowhead Regional Medical Center, Kaiser Permanente, and Loma Linda University.

Overlooked by the snowcapped peaks of the San Bernardino and San Gabriel Mountains, Highland is close to an array of skiing and other mountain recreational opportunities. The community is also only 45 minutes from Palm Springs and is located close to all of the Southern California's other cultural and recreational attractions.

DEMOGRAPHIC MAP - AVERAGE HH INCOMES | Highland Civic Center Plaza



DEMOGRAPHICS MAP & REPORT | Highland Civic Center Plaza

POPULATION	1 MILE	2 MILES	3 MILES
Total Population	20,041	52,599	89,535
Median age	30.4	31.8	31.0
Median age (Male)	26.9	29.1	29.1
Median age (Female)	32.2	33.3	32.2

HOUSEHOLDS & INCOME	1 MILE	2 MILES	3 MILES
Total households	6,349	16,006	27,090
# of persons per HH	3.3	3.6	3.5
Average HH income	\$70,702	\$68,470	\$73,735
Average house value	\$253,666	\$299,686	\$315,029

* Demographic data derived from SitesUSA 2020

