

OFFERING MEMORANDUM



26534 9TH STREET
HIGHLAND, CA



FAMILY DOLLAR
(CORPORATE / NET LEASED)

Marcus & Millichap

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SAN BERNARDINO
MOUNTAINS

FAMILY DOLLAR
my family, my family dollar.

CALIFORNIA
330

INTERSTATE
210

CVS Smart & Final

Base Line Street

**FAMILY
DOLLAR**

9th Street

Victoria Avenue

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EXECUTIVE SUMMARY



\$2,655,000
LISTING PRICE



5.80%
CAP RATE

PROPERTY DETAILS

Property Address	26534 9th Street Highland, CA 92346
Rentable Built Area	±8,500 SF
Lot Size	±0.71 Acres
Year Built/Renovated	1966 / 2018
Rent/SF	\$18.12
Type of Ownership	Fee Simple
Zoning	Commercial
APN	1192-371-54-0000



Investment Overview

Marcus & Millichap is pleased to present an exclusive investment opportunity to acquire a net leased corporate Family Dollar nestled in the foothills of the San Bernardino Mountains. Located just one mile northeast of the San Bernardino International Airport, the site is surrounded by a tremendous density of residential population. A well-performing location for Family Dollar, the original 10-year net lease with Family Dollar, Inc. was signed in April 2018 and has five 5-year renewal options beginning in October of 2028. Each option period signifies a 10% rental increase. This lease was signed in 2018 to apparently address the growing demand for additional retail space due to the strong performance of a nearby, corporately-owned store on Base Line Street, just northeast of this location.

Situated upon ± 0.71 acres of land, this inline space located within the larger Rio Ranch shopping center and consists of $\pm 8,500$ square feet. A low market rent of \$1.51/sf NNN creates a long-term ease of occupancy for the investment grade credit tenant.

Architectural plans and environmental inspections will be included with the delivery of due diligence materials. The materials will help to facilitate a potential purchaser's expedited review of the property as they provide confidence in the building's history and do not reflect any environmental concerns.

Investment Highlights

- Strong Performing Corporate Triple Net-Leased Family Dollar
- 10% Increases in Each of Five 5-Year Options to Renew
- Extremely Dense Population Exceeding 102,337 Residents in the 3-Mile Radius With \$69,021 Average Household Income
- Excellent Demographics for Family Dollar Clientele
- Hard Signalized Intersection of 9th Street @ Victoria
- Strong Workforce Demand Drivers to Highland, CA Due to Regional Growth in Major Distribution Facilities, Airport Expansion, New San Bernardino Fire District Training Facility and More
- Robust Business Levels at Nearby Family Dollar Warranted Expansion to New Subject Site
- Extremely Low Retail Vacancy Rate of 6.1%
- Recent \$300 Million Investment by Amazon for Its New 100-Acre Amazon Air Regional Hub
- Prime Location Less Than One Mile from San Bernardino International Airport (SBD)



Tenant Profile



Dollar Tree, Inc., ranked 137 on the Fortune 500 list, is a leading operator of discount variety stores that have served North America for more than 63 years. Operating under the brands Dollar Tree and Family Dollar, we are headquartered in Chesapeake, Virginia and operate more than 16,000 stores across the 48 contiguous states and five Canadian provinces, supported by a coast-to-coast logistics network and more than 200,000 associates. We are more focused than ever on providing customers and their communities with convenience and extreme values. We are also committed to serving the best interests of our stakeholders and are enhancing shareholder value through exceptional performance, responsible business practices, and effective communication.

When it comes to delivering quality and value on family essentials in a convenient location, Family Dollar is THE place to shop. Our stores are conveniently located in neighborhoods, and often in “food deserts” where other stores choose not to locate, providing a convenient, close-to-home option where customers can shop for essentials. By locating stores in places where others won’t, Family Dollar is improving the affordability and availability of essential goods. We’re saving our customers time and money and helping them do more, even on a tight budget.

TENANT OVERVIEW

Company	Dollar Tree, Inc. (Family Dollar / Dollar Tree)
Founded	1961
Locations	>16,000 Locations Across 48 Contiguous States and 5 Canadian Provinces
Ranking	#137 on Fortune 500 List
Website	www.intecorept.com

RENT SCHEDULE

LEASE YEARS	ANNUAL	MONTHLY	BUMP
Current - September 2028	\$154,000	\$12,833	10%
1st Option: October 2028	\$169,400	\$14,117	10%
2nd Option: October 2033	\$186,340	\$15,528	10%
3rd Option: October 2038	\$204,974	\$17,081	10%
4th Option: October 2043	\$225,471	\$18,789	10%
5th Option: October 2048	\$248,018	\$20,668	10%



26534

FAMILY DOLLAR

PROPERTY DETAILS



San Bernardino
International Airport

Mattel Inc.

Weber Logistics

Downtown
San Bernardino

Leggett & Platt

Granite Centergate



CARDENAS

Lankershim
Elementary School

Victoria Avenue

FAMILY
DOLLAR

9th Street

Raintree Apartments

Victoria Avenue (5,505 VPD)

Highland
Liquor

Smoke Shop
Coin
Laundry



9th Street (12,482 VPD)

BIG BEAR

**SAN BERNARDINO
MOUNTAINS**

330

210

CVS Smart & Final

Base Line Street

**FAMILY
DOLLAR**

9th Street

Victoria Avenue





3

FINANCIAL DETAILS



SUMMARY

Price	\$2,655,000
Capitalization Rate	5.80%
Price/SF	\$312.35

PROPERTY DESCRIPTION

Year Built / Renovated	1966 / 2018
Gross Leasable Area	±8,500 SF
Type of Ownership	Fee Simple
Lot Size	±0.71 Acres

LEASE DETAILS

Tenant / Lessee	Family Dollar, Inc.
Credit Rating	BBB Stable
Rent Increases	10% Every Five Years
Lease Type	Triple Net (NNN)
Lease Commencement	4/5/2018
Lease Expiration	9/30/2028
Renewal Options	Five 5-Year Options with 10% Increases
Term Remaining on Lease (Yrs)	4 Years

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT/SF	CAP RATE
Current - September 2028	\$154,000	\$12,834	\$18.12	5.80%
Option 1: 10/1/28	\$169,400	\$14,117	\$19.93	6.38%
Option 2: 10/1/33	\$186,340	\$15,328	\$21.92	7.02%
Option 3: 10/1/38	\$204,974	\$17,081	\$24.11	7.72%
Option 4: 10/1/43	\$225,471	\$18,789	\$26.53	8.49%
Option 5: 10/1/48	\$248,018	\$20,668	\$29.18	9.34%





ANNUALIZED OPERATING INFORMATION

INCOME

Base Rental Income	\$154,000
Operating Expense Reimbursement	NNN (see below)
Net Operating Income	\$154,000

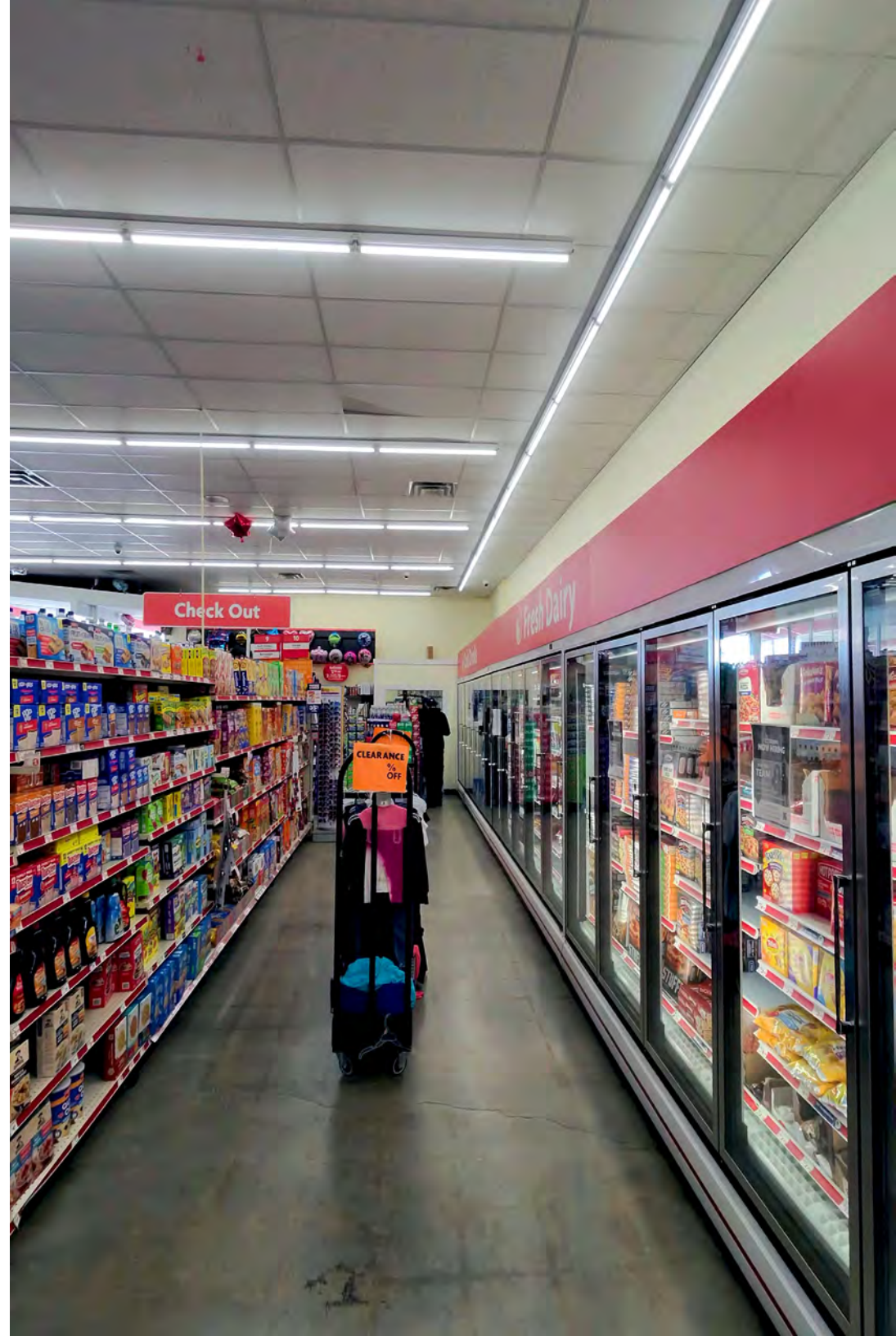
LANDLORD/TENANT OBLIGATIONS

Taxes	Tenant Reimburses Landlord
CAM	Tenant Reimburses Landlord
Insurance	Tenant Reimburses Landlord
Utilities	Tenant Pays Directly
Roof & Structure	Landlord Responsible
Parking Lot	Landlord Responsible for Replacement/ Tenant Reimburses for Re-Striping
HVAC	Tenant Responsible for Repairs & Replacement (unless needed within the last 2 years of lease)

OPERATING EXPENSE SUMMARY (CURRENT)

Property Taxes:	\$16,150
Insurance:	\$4,080
CAM:	\$9,945
CAM Summary:	Repairs & maintenance, parking lot cleaning & striping, landscaping (including water).
Additional Items:	Tenant maintains their own security and electricity for parking lot lights.

EASEMENT: Cross Access Easement is in place. Each Parcel Owner is responsible for the maintenance of their own parcel, no shared expenses. The Shopping Center signage is located on a separate parcel but usage is shared amongst the common parcel owners.





OPERATING INFORMATION

Year 1 Net Operating Income	\$154,000
Rent/SF	\$18.12 /SF
Gross Leasable Area	±8,500 SF

OPTIONAL PRICING INFORMATION

New Acquisition Financing	\$1,539,900
Loan to Value	58.00%
Interest Rate	7.00%
Amortization Period	30
Loan Term	5
Loan Constant	7.98%
Annual Debt Service Payment	(\$122,940)
Debt Service Coverage	1.25
Debt Yield	10.00%
Down Payment	\$1,115,100
Principal Reduction - Year 1	\$15,642
Net Cash Flow After Debt Service	\$31,060

LEASE SUMMARY

Tenant:	Family Dollar, Inc.
Rent Commencement:	04/05/2018
Lease Expiration:	09/30/2028
Options:	Five 5-Year Options
Lease Type:	Triple Net (NNN)
Base Rent:	\$18.12 /SF Annually \$1.51 /SF Monthly \$154,000 Annual Rent
Rent Increases:	10% Every Five Years @ Renewals

For additional financing information please contact:

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26534

FAMILY DOLLAR

PROPERTY OVERVIEW

Citrus Plaza Shopping Center



San Bernardino Fire District
Richard Sewell Training Facility
(Newly Constructed)

Norton
Air Force Base

Redlands Commerce Center

San Bernardino
International Airport

Amazon Air Freight
Fulfillment Center

Patriot Victoria 305,617 SF
Distribution Facility
(Newly Constructed)

Victoria Avenue (5,305 VPD)

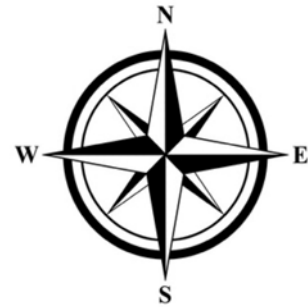
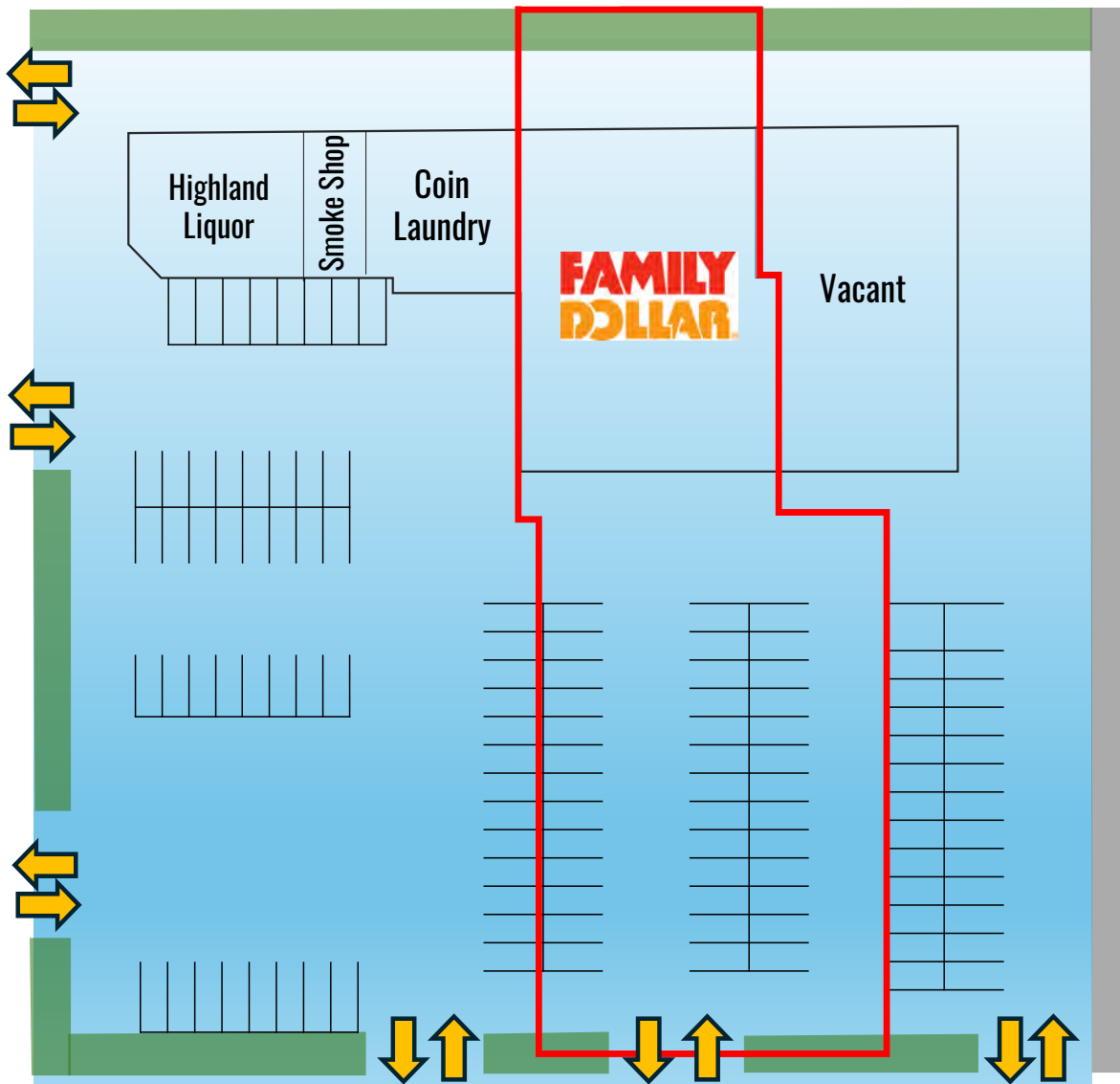
9th Street (12,482 VPD)

**FAMILY
DOLLAR**





Victoria Avenue



9th Street





MARKET OVERVIEW



Weber Logistics

Newly Constructed Patriot Victoria State-of-the-Art Distribution Facility ± 305,617 SF

San Manuel Band of Mission Indians

Amazon Air Freight Fulfillment Center

San Bernardino County Fire District Richard Sewell Training Center (Newly Constructed)

San Bernardino International Airport

Norton Air Force Base





RIVERSIDE-SAN BERNARDINO

Known as the Inland Empire, the Riverside-San Bernardino metro is a 28,000-square-mile region in Southern California, composed of San Bernardino and Riverside counties. The metro contains a population of 4.6 million. The largest city is Riverside, with more than 330,000 residents, followed by Fontana and San Bernardino, with roughly 222,000 people each. Valleys in the southwestern portion of the region that are adjacent to Los Angeles, Orange County and San Diego County are the most populous in the metro. These areas abut the San Bernardino and San Jacinto mountains, behind which lies the high-desert area of Victorville/Barstow to the north, and the low-desert Coachella Valley — home of Palm Springs — to the east.

METRO HIGHLIGHTS



STRATEGIC LOCATION

Interstate access and proximity to LAX and Ontario International airports, as well as ports in Long Beach and Los Angeles, contribute to the metro's vast transportation network.



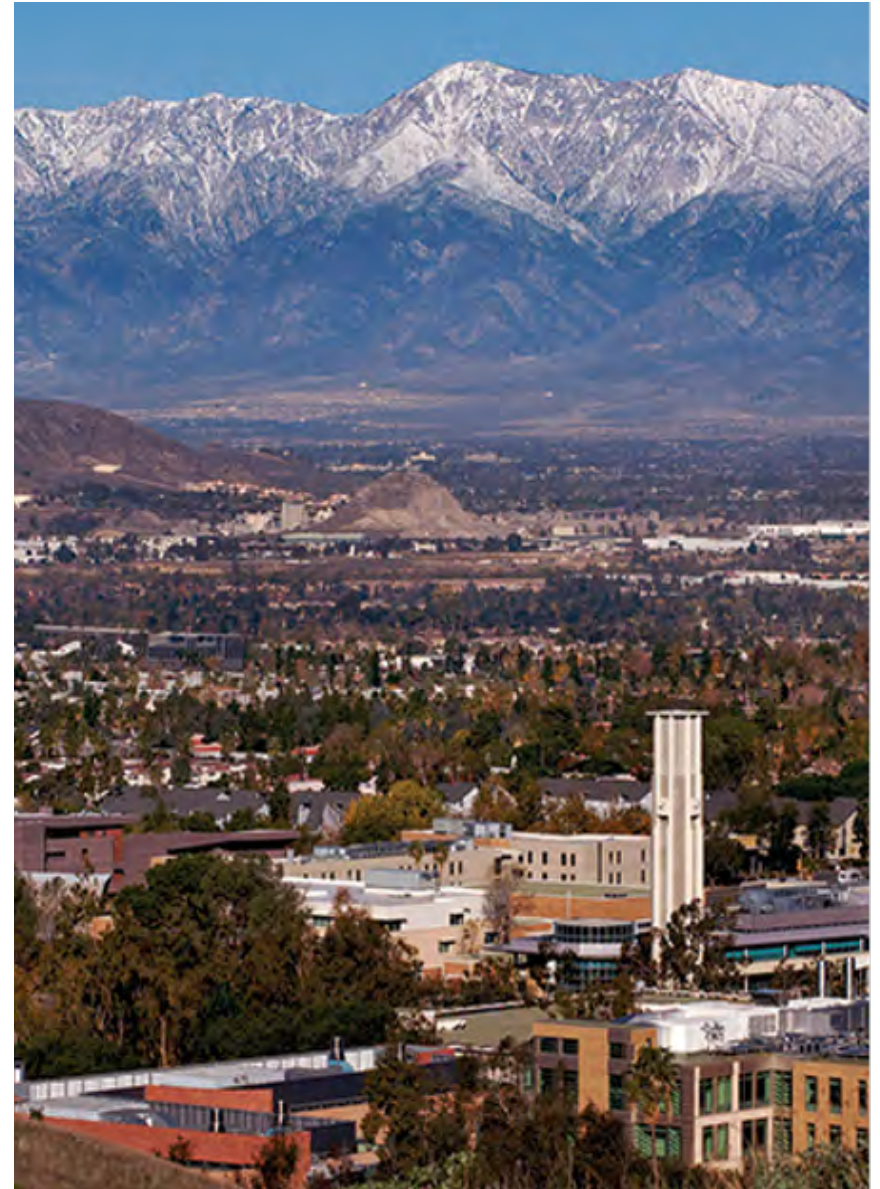
DOMINANT INDUSTRIAL MARKET

The metro is one of the nation's leading industrial markets in terms of annual property sales, construction activity and net absorption.



STRONG DEMOGRAPHIC TRENDS

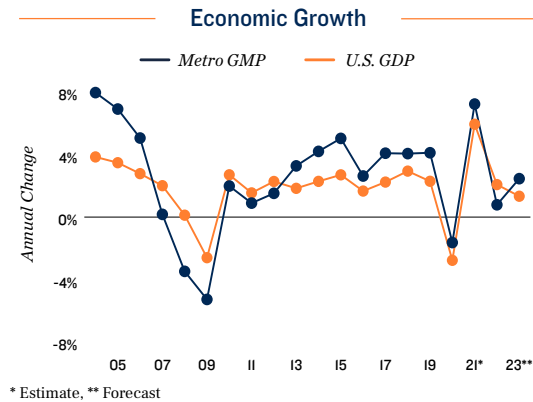
Job growth, colleges and regionally affordable housing options draw thousands of new residents to the Inland Empire each year.



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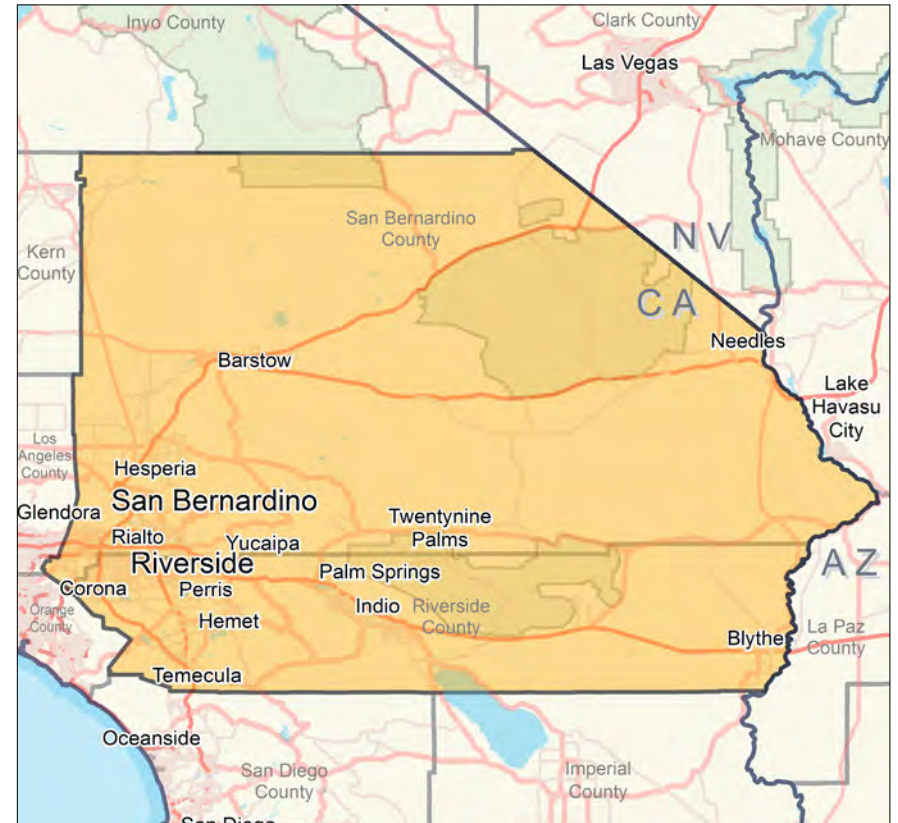
ECONOMY

- Intermodal infrastructure supports the warehousing and distribution industry. Ontario International and the Southern California Logistics Airport in Victorville represent local cargo airports, with Union Pacific and BNSF operating rail facilities.
- The metro's standing as a logistics hub requires many Fortune 500 companies to have massive distribution centers in the area, such as Amazon and Deckers.
- Relatively affordable housing, compared with nearby counties, supports population growth. These gains heighten the need for housing, goods and services.

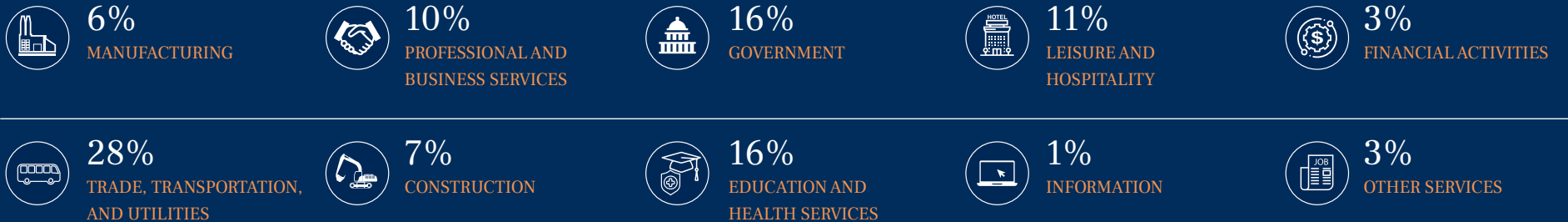


MAJOR AREA EMPLOYERS

- Kaiser Permanente
- Riverside Community
- AT&T
- Loma Linda University Medical Center
- Flexsteel Industries
- Walmart
- University of California, Riverside
- Amazon
- Inland Cold Storage
- Toro



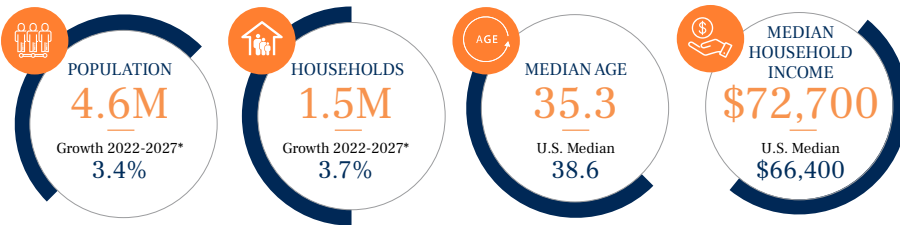
SHARE OF 2022 TOTAL EMPLOYMENT





DEMOGRAPHICS

- The metro is expected to add nearly 160,000 people through 2027, and during this time, more than 53,000 households will be formed, generating demand for newly-built single-family homes and rentals.
- The homeownership rate of 63 percent exceeds other large metros in the state.
- The median home price of roughly \$560,000 is more affordable than other Southern California markets.



2023 POPULATION BY AGE



QUALITY OF LIFE

Regionally affordable housing continues to draw residents from other Southern California markets to the Inland Empire. The median home price in Riverside-San Bernardino is lower than in Los Angeles, Orange and San Diego counties. The Inland Empire provides cultural opportunities, including the Riverside Metropolitan Museum and the Ontario Museum of History & Art. The Riverside County Philharmonic performs classical music concerts throughout the area. The region features an impressive offering of higher education institutions, including nine community colleges, California State University, San Bernardino, the University of Redlands and the University of California, Riverside.

SPORTS

- Hockey | [AHL](#) | ONTARIO REIGN
- Baseball | [MILB](#) | INLAND EMPIRE 66ERS
- Basketball | [NBA-G](#) | ONTARIO CLIPPERS
- Baseball | [MILB](#) | LAKE ELSINORE STORM
- Soccer | [MASL](#) | EMPIRE STRYKERS
- Hockey | [AHL](#) | COACHELLA VALLEY FIREBIRDS

EDUCATION

- RIVERSIDE CITY COLLEGE
- UNIVERSITY OF CALIFORNIA, RIVERSIDE
- CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO

ARTS & ENTERTAINMENT

- MISSION INN HOTEL & SPA
- ONTARIO MUSEUM OF HISTORY AND ART
- COACHELLA
- RIVERSIDE COUNTY PHILHARMONIC
- RIVERSIDE METROPOLITAN MUSEUM

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



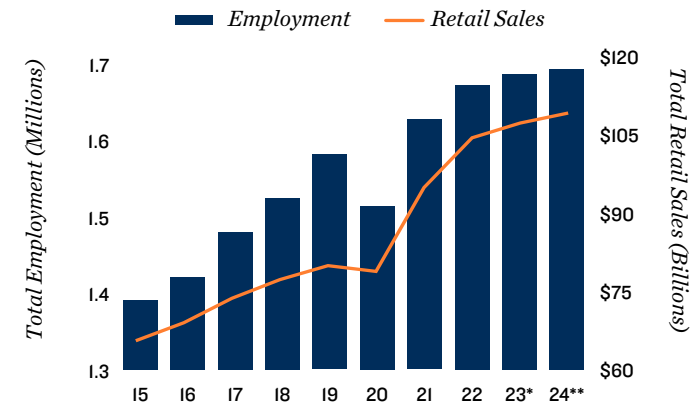
RIVERSIDE-SAN BERNARDINO

Inland Empire on Solid Ground Despite Emerging Slowdown, Set to Lead State in Rent Growth Again

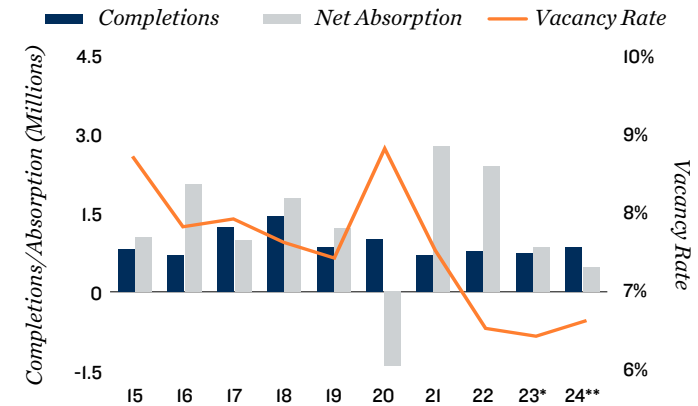
Historically tight vacancy buoyed by metro’s western front. Net absorption metrowide exceeded new supply by 3.8 million square feet over the past three years, momentum that placed local vacancy at a 16-year low entering 2024. The Inland Empire West submarket — encompassing the Ontario Airport area, Chino-Chino Hills and Upland-Montclair — is helping drive this progress. Here, vacancy fell below the 5.0 percent mark for the first time since early 2008, aided by a sharp drop in available multi-tenant space last year. New shopping center moves planned for the area in 2024 include an ALDI in Fontana, Daiso in Chino and a cluster of 2,000- to 5,000-square-foot signings across Rancho Cucamonga, Ontario and Chino Hills. Despite this local strength, however, nearly twice as much new retail space is delivering in the Inland Empire East submarket this year — where vacancy is over 200 basis points higher. This contributes to the first metro-level rate increase since 2020. Still, mild construction in cities bordering Los Angeles and Orange counties amid strong demand helps the metro lead California’s major markets in rent growth for a second straight year.

Buyers look to areas with diversified foot traffic. The top spots for deal flow entering this year are the Ontario Airport area and the Coachella Valley — locations on opposite sides of the metro with similar drivers. These spots take in consumer spending from both nearby residential populations and travel-related foot traffic, offering a relative buffer during challenging times. Near the airport, single-tenant buyers often target fast food establishments, while in Coachella Valley cities like Palm Desert, La Quinta and Indio, investors show a preference for auto part shops and quick service restaurants. In both areas, sub-30,000-square-foot strip centers dominate the multi-tenant landscape.

Economic Trends



Supply and Demand



* Estimate; ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

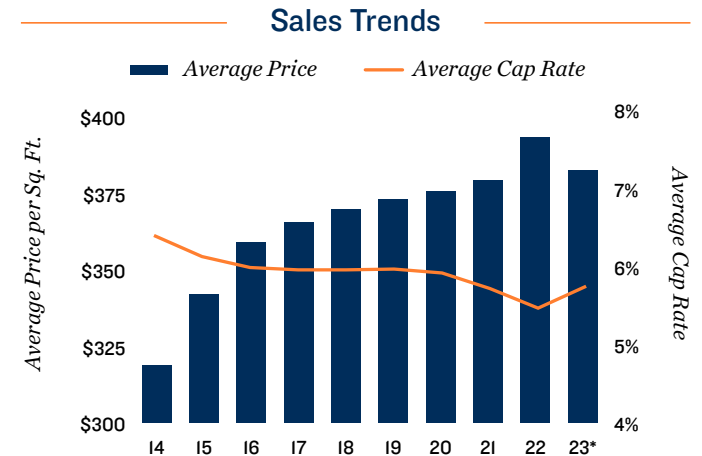
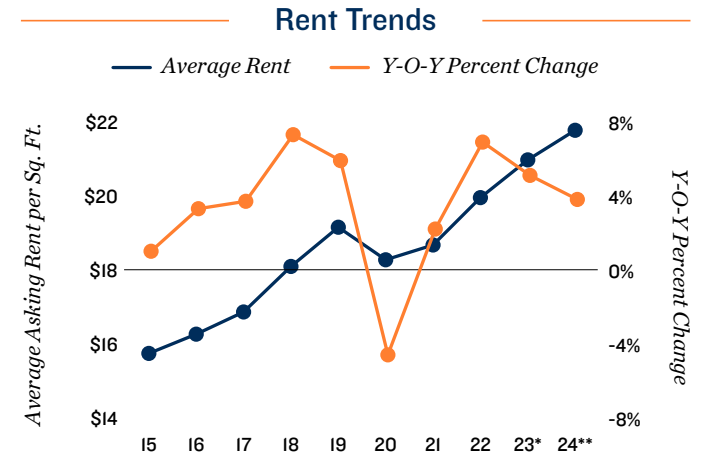


2024 MARKET FORECAST

- +0.4% ▲
EMPLOYMENT: Weighed down by an expected net loss of traditional office-using roles, total employment growth will amount to a modest 6,000 positions in 2024, the smallest gain in California.
- 850,000 ▲

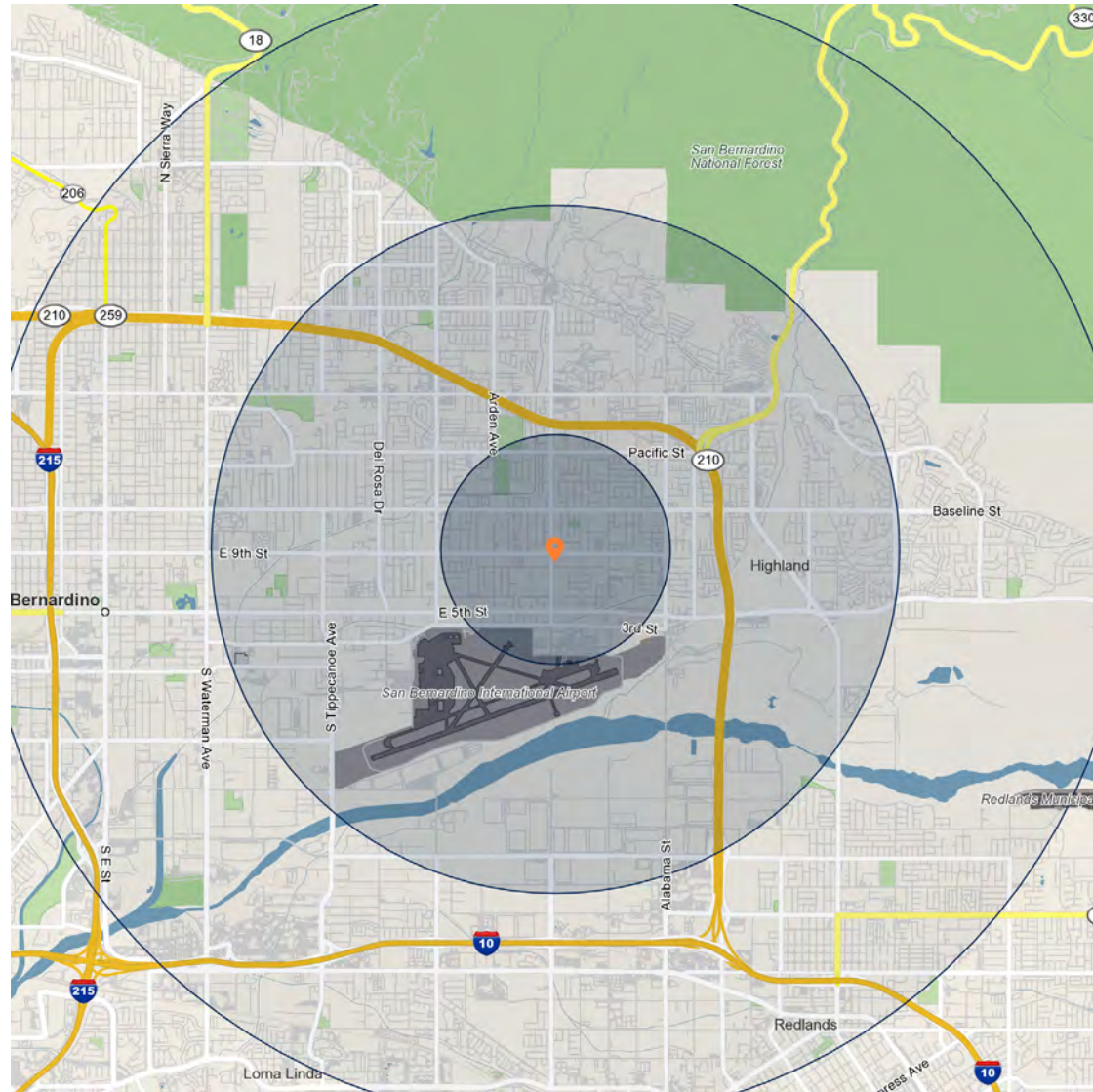
sq. ft.
 CONSTRUCTION: Supply additions hit a four-year high as metro stock expands by 0.5 percent. Cities including Winchester, Murrieta and Jurupa Valley are gaining a substantial share of the new space.
- +20 bps ▲
VACANCY: Metro vacancy inches up to 6.6 percent, still more than 150 basis points below the historic mean. As has long been the case, however, that rate ranks the market among the highest in the U.S.
- +3.8% ▲
RENT: Both the multi- and single-tenant segments help lift the overall average asking rate to \$21.75 per square foot. The discount relative to Los Angeles and Orange County still exceeds 35 percent.

INVESTMENT: *Inland Empire East, particularly Temecula-Murrieta, is witnessing relatively stronger office leasing of late. The potential for improved weekday foot traffic here could attract retail investors to the area.*

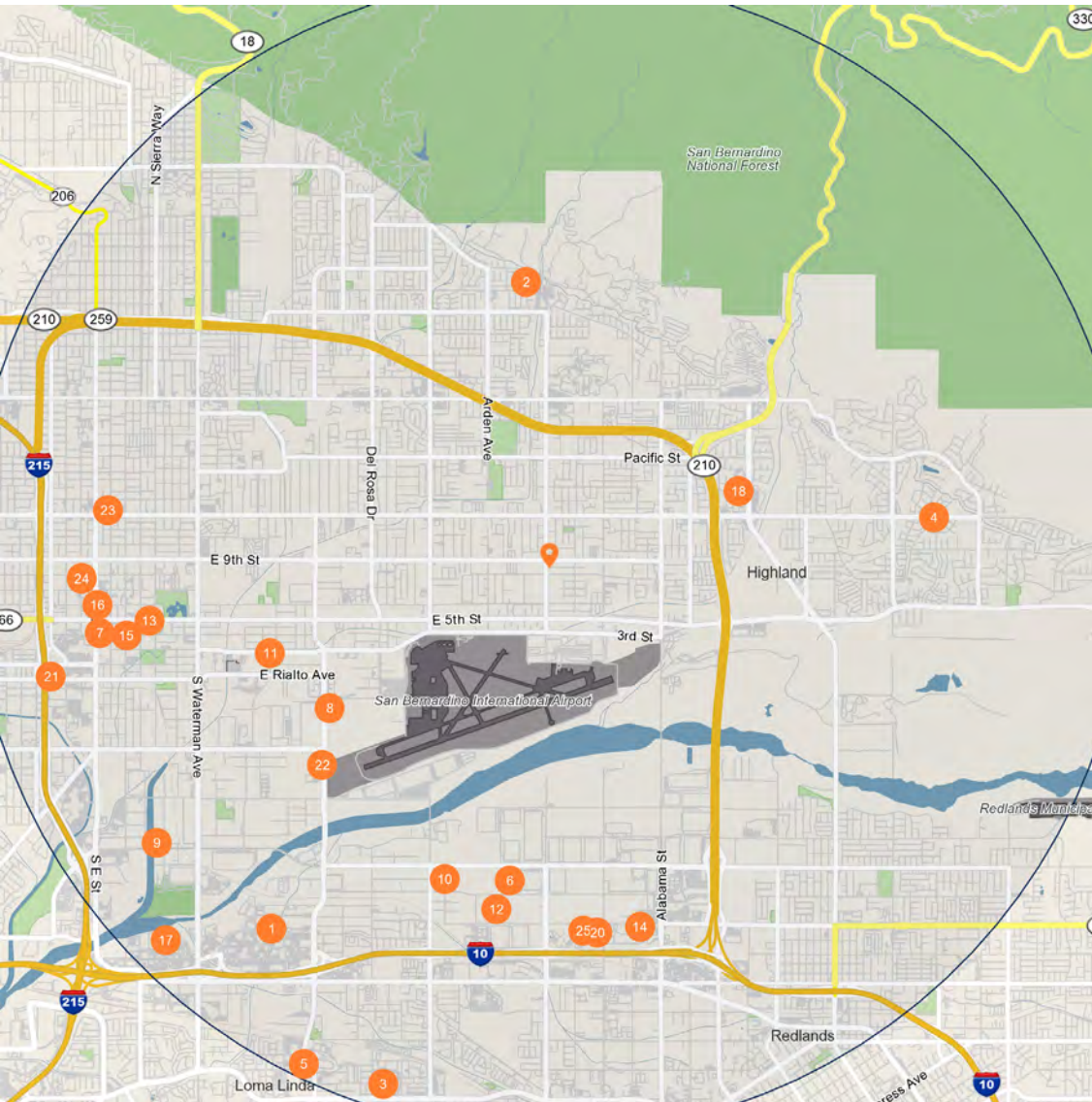


* Estimate; ** Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

FAMILY DOLLAR®



	1 Mile	3 Miles	5 Miles
POPULATION			
2027 Projection	21,455	103,586	249,174
2022 Estimate	21,068	102,337	245,886
2010 Census	19,976	97,716	233,864
2000 Census	18,088	88,536	207,045
HOUSEHOLD INCOME			
Average	\$57,187	\$69,021	\$74,481
Median	\$42,714	\$51,673	\$53,961
Per Capita	\$15,946	\$20,158	\$23,276
HOUSEHOLDS			
2027 Projection	5,927	29,403	76,032
2022 Estimate	5,842	29,105	75,002
2010 Census	5,531	27,662	70,584
2000 Census	5,428	26,866	66,439
HOUSING			
Median Home Value	\$206,933	\$270,592	\$294,651
EMPLOYMENT			
2022 Daytime Population	11,973	91,616	259,882
2022 Unemployment	9.27%	7.26%	6.18%
Average Time Traveled (Minutes)	29	29	28
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	30.91%	30.23%	27.68%
Some College (13-15)	20.38%	22.08%	20.83%
Associate Degree Only	6.52%	6.58%	7.12%
Bachelor's Degree Only	5.17%	8.30%	11.63%
Graduate Degree	1.90%	3.99%	6.88%



Major Employers

Employees

1	Barrett Business Services Inc	4,608
2	San Manuel Indian Bingo Casino	2,950
3	Veterans Health Administration-Loma Linda Healthcare Sys 605	1,800
4	State Hospitals Cal Dept-Patton State Hospital	1,800
5	Loma Linda University	1,339
6	Ifit Inc	1,333
7	California Department Trnsp-Caltrans District 8	1,080
8	Stater Bros Markets	900
9	Job Options Incorporated	820
10	Ashley Furniture Inds LLC-Ashley Furniture	734
11	County of San Bernardino-Public Works	700
12	Ashley Furniture Inds LLC-Ashley Furniture	648
13	San Bnrndino Cnty Fire Prtctio	559
14	Intentional Un Oper Engineers-Local 12	524
15	San Bernardino County	500
16	San Bernardino County Schl Dst	500
17	Think Together	482
18	San Mnuel Band Mission Indians	473
19	San Bernardino County Schl Dst	396
20	Mountain West Financial Inc-Mortgage Works Financial	391
21	Inland Empire Health Plan	385
22	US Dept Agriculture Forest Svc-Federal Intrgncy Cmmnctons Ctr	360
23	San Bernardino California City	352
24	San Bnrndino Cy Unfied Schl Ds	350
25	Southern California Gas Co-Regional Office	345



FAMILY DOLLAR®

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