

CATALINA ISLAND

SAN PEDRO

PALOS VERDES

TORRANCE

REDONDO BEACH



PACIFIC COAST HIGHWAY



KING HARBOR PLAZA

REDONDO BEACH, CALIFORNIA

OFFERING MEMORANDUM



Hanley Investment Group
Real Estate Advisors

ALBERTSONS KING HARBOR PLAZA

REDONDO BEACH, CALIFORNIA

OFFERING MEMORANDUM

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SECTION I - OFFERING SUMMARY

LOCATION

Albertsons King Harbor Plaza
705-715 North Pacific Coast Highway
Redondo Beach, CA 90277

OFFERING SUMMARY

Price:	\$4,100,000
Capitalization Rate:	6.50%
Net Rentable Area (NRA): (1)	13,097
Price per Square Foot (NRA):	\$313
Year Built:	1954; R-2012
Lot Size (Acres):	0.21

FINANCING SUMMARY

All Cash or Cash to New Financing
(Contact Listing Broker for Further Details)

(1) Includes 5,437 square feet of mezzanine space.



- **Anchored by Albertsons:** Albertsons King Harbor Plaza is a grocery anchored retail center that benefits from the traffic generated by Albertsons (not a part of the offering). Albertson's demonstrated their long term commitment to this location in 2011 by remodeling the interior and exterior of their store as well as expanding the store size. Other national tenants that are located within the center, but are not a part of the offering include, Petco, Carl's Jr., H&R Block, Little Caesar's and Postal Annex.
- **Long Term Historical Occupancy:** Tenants representing 57% of the square footage have successfully operated at the subject property for at least 9 years. Since 2008, 5 of the 6 tenants have either renewed their lease or executed new leases, which demonstrates the strength of the center and reaffirms the rents reflect the current market. An investor also enjoys the benefit of the fact that none of the leases are scheduled to rollover within the next 12 months.
- **2012 Renovation:** The subject property was recently remodeled in January 2012.
- **Minimal Vacancy in Nearby Grocery Anchored Centers:** The Whole Foods and Rite Aid anchored center located just south of the subject property along Pacific Coast Highway is currently 97% occupied with asking rent of \$3.50 per square foot. Albertsons King Harbor Plaza is currently 100% occupied with actual rents averaging \$1.67 per square foot (including mezzanine); \$2.85 per square foot (excluding mezzanine).
- **Irreplaceable Redondo Beach Location:** Albertsons King Harbor Plaza is located at a signalized intersection along Pacific Coast Highway in Redondo Beach, with traffic counts in excess of 65,000 cars per day. Albertsons King Harbor Plaza is easily accessible with six points of ingress/egress.
- **Dense In-Fill Location; Strong Demographics:** There are over 390,000 residents within a five-mile radius and an average household income of approximately \$120,000 within a one-mile radius of the subject property.





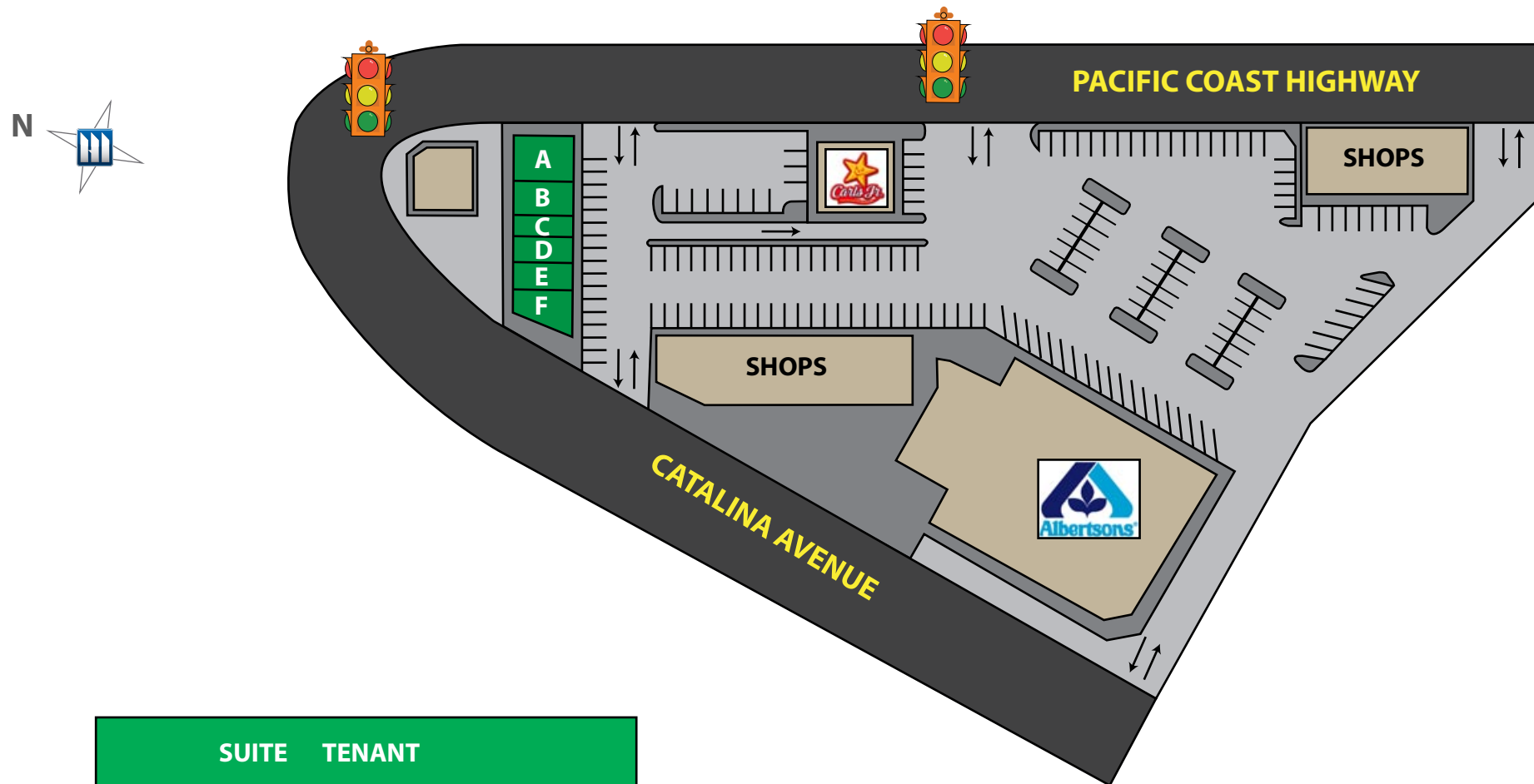
TENANT	SUITE	SQUARE FOOTAGE FIRST FLOOR	SQUARE FOOTAGE MEZZANINE	SQUARE FOOTAGE TOTAL	MOST RECENT LEASE EXTENSION	LEASE START	LEASE EXPIRATION	RENT/ SQ. FT. FIRST FLOOR	RENT/ SQ. FT. TOTAL	MONTHLY RENT	INCREASES	LEASE TYPE	OPTIONS
Style Rage	705	2,000	2,000	4,000	2011	06/01/11	05/31/14	\$2.47	\$1.24	\$4,944.00	6/13 - \$5,092	NNN	One 2-year & One 5-year @ Fair Market Value
New Tokyo Restaurant	707	1,300	650	1,950	2008	07/01/03	06/30/13	\$3.25	\$2.16	\$4,221.48	None	NNN	None
Happy Veggie Restaurant	709	650	650	1,300	2006	05/01/06	04/31/16	\$3.21	\$1.60	\$2,085.00	2% Annually (July 2013)	NNN	Two 5-year @ 5% Over Previous Rent, then 2% Annually
Hair & Nails	711	1,000	500	1,500	2012	11/01/03	10/31/15	\$2.91	\$1.94	\$2,907.00	2% Annually (November 2013)	NNN	None
United Studios Karate	713	1,000	1,000	2,000	2012	02/01/01	02/29/22	\$2.95	\$1.47	\$2,946.93	2% Annually (March 2013)	NNN	One 5-year @ Fair Market Value
Sea Breeze Liquor & Wine	715	1,710	637	2,347	2008	12/10/03	05/31/13	\$2.76	\$2.01	\$4,725.47	None	NNN	Two 5-year @ 2% Annually
FIRST FLOOR SQUARE FOOTAGE:		7,660								\$21,830			Total Monthly Rent
MEZZANINE SQUARE FOOTAGE:		5,437								\$261,959			Total Annual Rent
TOTAL SQUARE FOOTAGE:		13,097											

ANNUALIZED OPERATING DATA


	<u>November 2012</u>		
Scheduled Gross Income (SGI):	\$261,959		
Expense Reimbursement:	\$73,759		
Admin Fees:	\$4,517		
Gross Operating Income:	\$340,235		
Total Operating Expenses:	(\$73,759)		
Net Operating Income (NOI):	\$266,476	6.50%	Capitalization Rate


OPERATING EXPENSES

	<u>Amount</u>	<u>\$/Square Foot</u>	
Taxes (1.1%):	\$45,100	\$3.44	
Insurance:	\$7,345	\$0.56	
CAM:	\$10,836	\$0.83	
Management (4% of SGI):	\$10,478	\$0.80	
Total Expenses:	\$73,759	\$5.63	Annually Per SF
		\$0.47	Monthly Per SF



SUITE	TENANT
A	705 Style Rage
B	707 New Tokyo Restaurant
C	709 Happy Veggie Restaurant
D	711 Hair & Nails
E	713 United Studios Karate
F	715 Sea Breeze Liquor & Wine

 **SUBJECT PROPERTY**

 **NOT A PART**

AERIAL OVERVIEW

SANTA MONICA
MARINA DEL REY

HOLLYWOOD

DOWNTOWN
LOS ANGELES



MANHATTAN
BEACH



APPROXIMATELY 390,000 PEOPLE
WITHIN A 5-MILE RADIUS

HERMOSA
BEACH

ANITA STREET/190TH STREET



SUBJECT
PROPERTY



KING HARBOR
YATCH CLUB

HARBOR DRIVE

PACIFIC COAST HIGHWAY



CATALINA AVENUE
BERYL STREET





SAN PEDRO

PALOS VERDES

CATALINA ISLAND

TORRANCE

**ANNUAL HOUSEHOLD INCOME
IN EXCESS OF \$119,000 IN A 1-MILE RADIUS**

**REDONDO
BEACH**



PROSPECT AVENUE

**REDONDO UNION
HIGH SCHOOL**

DIAMOND STREET

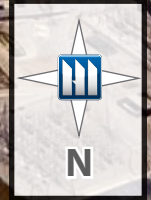
BERYL STREET

PACIFIC COAST HIGHWAY

CATALINA AVENUE

KING HARBOR

**SUBJECT
PROPERTY**





BERYL STREET

CATALINA AVENUE

PACIFIC COAST HIGHWAY



SUBJECT PROPERTY



APPROXIMATELY 65,000 CARS PER DAY
ALONG PACIFIC COAST HIGHWAY







SECTION II - INVESTMENT OVERVIEW

- 65,000 Cars Per Day Along Pacific Coast Highway.
- Affluent Surrounding Area featuring an Average Household Income of \$119,000 in a 1-Mile Radius.
- Dense Infill location; Population of over 391,155 Residents within a 5-Mile Radius of the Subject Property.
- Excellent Identity and Visibility along Pacific Coast Highway; one of the Major thoroughfares in Redondo Beach.
- King Harbor is located just steps from the Hermosa Beach Strand and is the largest privately owned marina from Marina Del Rey to Newport Beach.

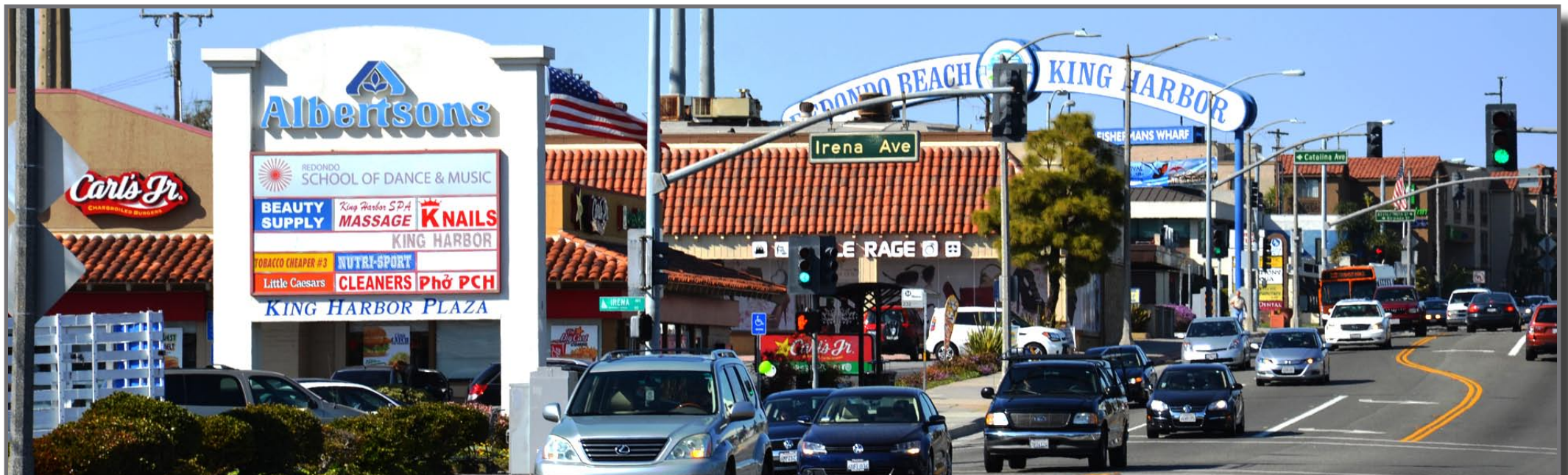
2011 DEMOGRAPHICS

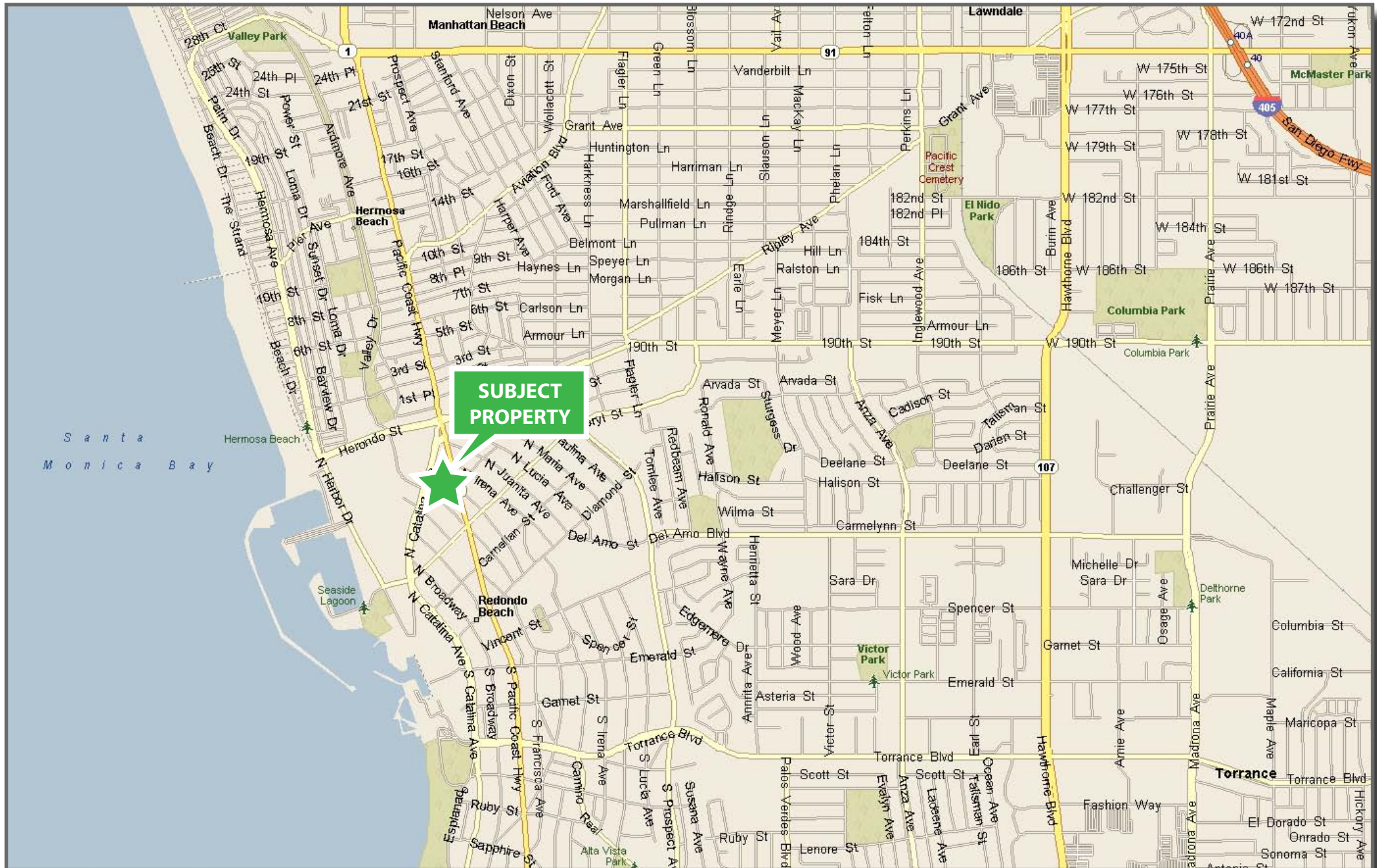
Population:

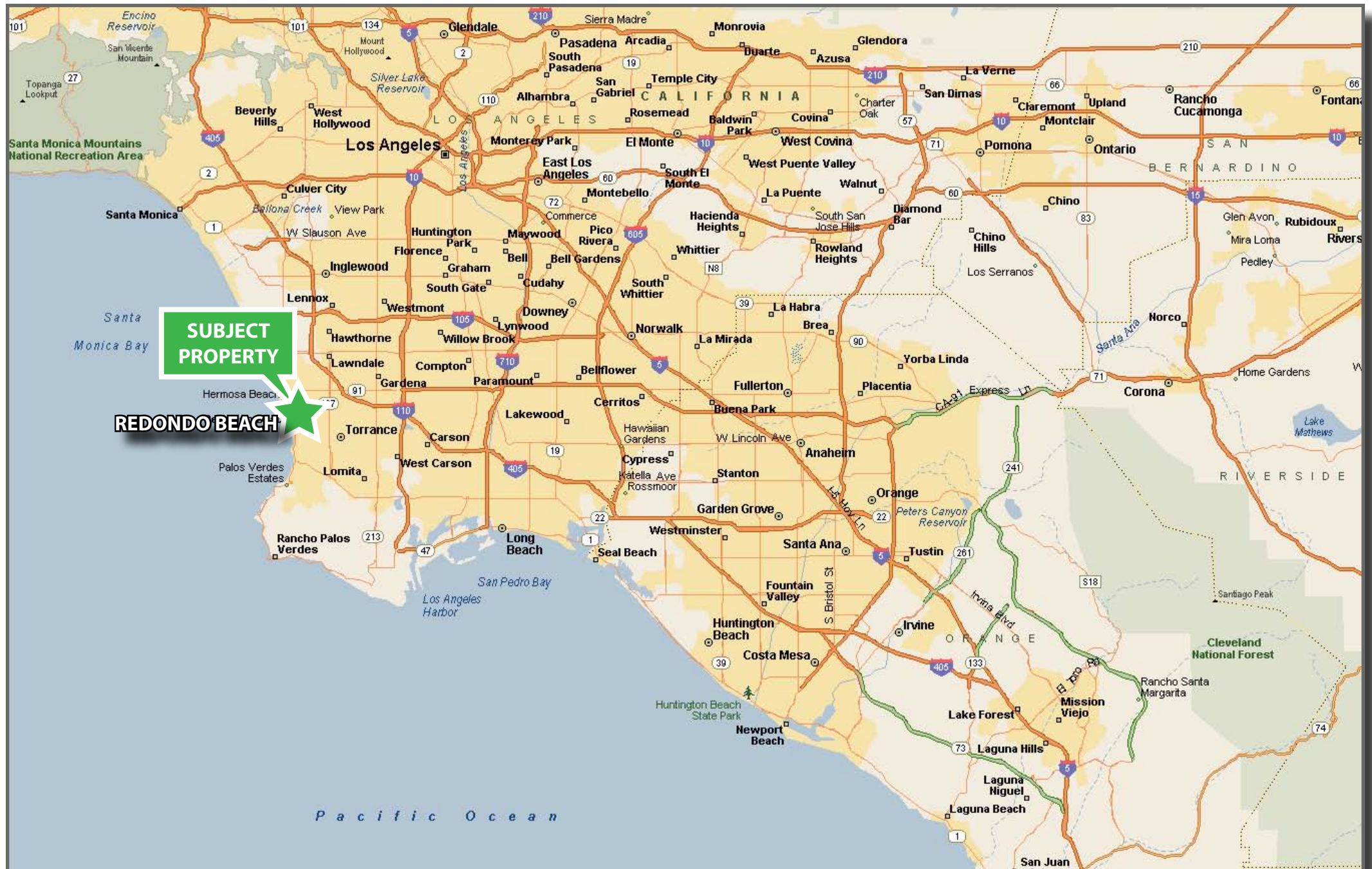
One Mile Radius	28,466
Three Mile Radius	175,937
Five Mile Radius	391,155

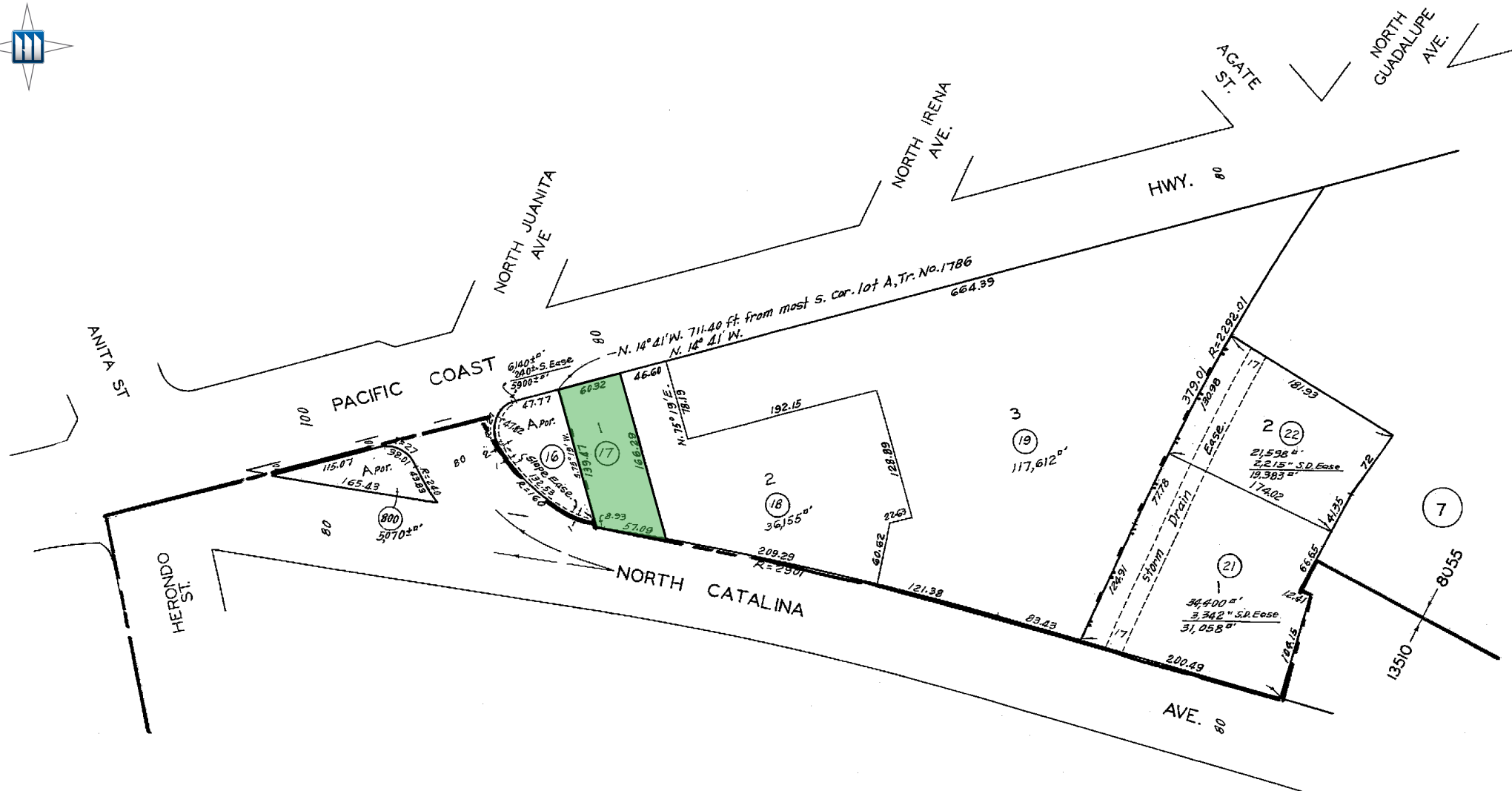
Household Income:


One Mile Radius	\$119,032
Three Mile Radius	\$111,733
Five Mile Radius	\$98,802









 **SUBJECT PROPERTY**
APN: 7503-001-017



REDONDO BEACH

Redondo Beach is one of the three Beach Cities located in Los Angeles County, California, United States. The population is 66,748 . The city is located in the South Bay region of the greater Los Angeles area.

Redondo Beach is a full-service city with its own police, fire and public works departments, two public libraries, a performing arts center, fifteen parks, thirteen parkettes, a large recreational and commercial harbor including King Harbor, a 1,500-slip private craft port; the Redondo Beach Pier and Seaside Lagoon; and a bathing and surfing beach.

Located in the choice coastal edge of Los Angeles County, just twenty miles from downtown Los Angeles and seven miles south of Los Angeles International Airport, Redondo Beach has been a preferred resort destination for more than a century and one of the most desirable areas to live in the country. Median home price is approximately \$612,000.

The City's Harbor Enterprise occupies over 150 acres of land and water area and offers many types of recreation for the out-of-town tourist and the nearby resident. King Harbor is located just steps from the Hermosa Beach Strand and is the largest privately owned marina from Marina Del Rey to Newport Beach. The harbor also houses the King Harbor Yacht Club, which have 10 official fleets and several unofficial fleets composed of various boats.





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