

Coastal Investment Sale

2907 STATE STREET | CARLSBAD, CALIFORNIA

Mixed-Use Retail/Office Commercial Building



Site

Carlsbad Blvd

State Street

Carlsbad Village Drive

Grand Ave

CONFIDENTIALITY AGREEMENT

2907 STATE STREET | CARLSBAD, CALIFORNIA

Retail Insite (hereinafter "RI") has been retained as the exclusive advisor and broker regarding the sale of the property at 2907 State Street, Carlsbad, California.

This Offering has been prepared by RI for use by a limited number of parties and does not purport to provide a necessarily complete summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by RI, the Owner, and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and, therefore, are subject to variation. No representation is made by RI or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, RI, Owner, and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in, or for omission from, this Investment Offering or any other written or oral communication transmitted or made available to the recipient. This Offering does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the package. Analysis and verification of the information contained in this package is solely the responsibility of the prospective purchaser. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner and RI each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing

this Offering or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner's obligations thereunder have been satisfied or waived. RI is not authorized to make any representations or agreements on behalf of Owner.

This Offering and the contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein are called the "Contents"), are of a confidential nature. By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or RI, (iv) not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner or RI, and (v) to return it to RI immediately upon request of RI or Owner.

If you have no further interest in the Property, please return this Investment Offering forthwith.

DISCLAIMER

The information above has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.

Offering Summary



2907 STATE STREET
CARLSBAD, CALIFORNIA

Price:	\$5,750,481
CAP Rate:	5.4%
NOI Projection:	\$310,526
Price psf:	\$662
Total Rentable sf:	8,683 sf
First Floor:	5,886 sf
Second Floor:	2,797 sf
Lot Size:	5,000 sf
APN:	203-293-01
Zoning:	VC- Village Center

Investment Highlights

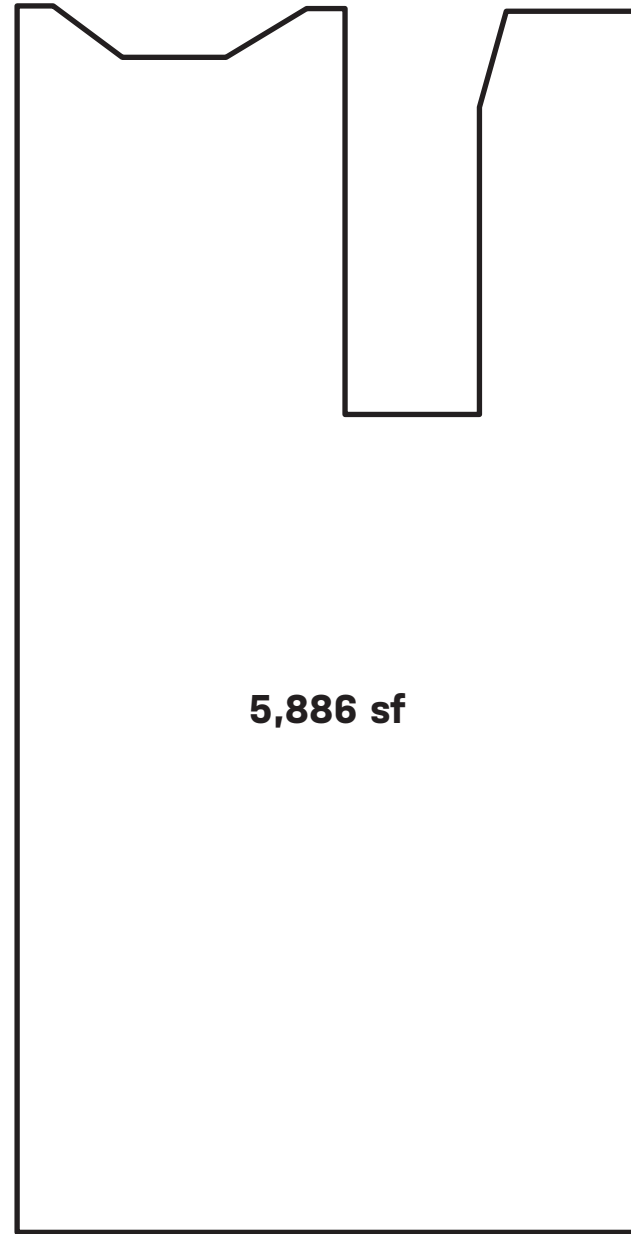
- Situated at the hard corner of one of the main intersections in Carlsbad Village
- Stable investment property in Carlsbad Village with historical low vacancy
- Carlsbad Village is currently experiencing rapid renovation and growth with an influx of development
- Provides strong access to the residential neighborhoods, restaurants, the beach, and I-5 freeway
- Carlsbad Village is home to some of the best retail/restaurant amenities
- Village Center redevelopment plan calls for Grand Ave to become more pedestrian friendly by incorporating a promenade and public plazas

Rent Roll

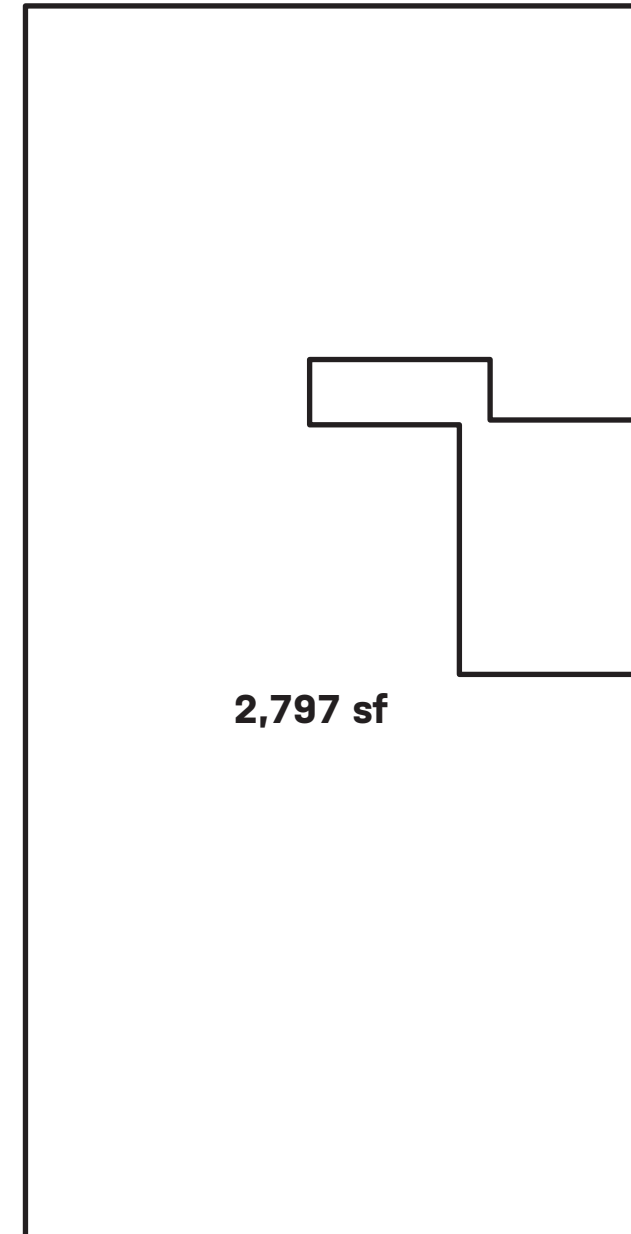
RENT ROLL (GROUND FLOOR)					
Tenant	Size	Exp. Date	\$/SF	\$/mo.	Notes
Caldo Pomodoro	1,930 SF	8/31/2021	\$3.30 (NNN)	\$6,365.00	Tenant has One (5) year option to renew
The Alley	1,930 SF	3/31/2022	\$3.81 (NNN)	\$7,342.00	Tenant has Five (3) year options to renew. Annual escalations per Carlsbad CPI; not to exceed 5% per annum
Salon (Available)	965 SF	MTM	\$3.50 (NNN)	\$3,377.00	
Tomio & Kyoko Nakanishi	965 SF	10/31/2020	\$1.55 (NNN)	\$1,545.00	3% annual rental escalations
ATM	96 SF	MTM	\$2.59	\$250.00	
TOTAL	5,886 SF		\$2.95 SF/mo	\$18,879.00	

RENT ROLL (SECOND LEVEL)					
Suite	Size	Exp. Date	\$/SF	\$/mo.	Notes
A,B,C	Black Media LLC	579 SF	MTM	\$3.11 (NNN)	\$1,800.00
D	Wright Design	193 SF	MTM	\$3.37 (NNN)	\$650.00
E	Cinderella's Closet	193 SF	MTM	\$2.33 (NNN)	\$450.00
F	Agile Craft	193 SF	MTM	\$2.98 (NNN)	\$575.00
G, H	Rate My Agent	386 SF	MTM	\$3.37 (NNN)	\$1,300.00
I	Siege Electric	193 SF	MTM	\$3.11 (NNN)	\$600.00
J	Defy Digital	193 SF	MTM	\$3.11 (NNN)	\$600.00
K	The Alley	96 SF	MTM	\$3.11 (NNN)	\$300.00
L	Chris	96 SF	8/31/2019	\$5.18 (NNN)	\$500.00
M,N O	Taylor Hamilton	482 SF	MTM	\$3.21 (NNN)	\$1,550.00
P	Vacant	193 SF			
Total	2,797 SF		\$3.26 SF/mo	\$8,325.00	

Total Annual Rent:	\$326,448.00	
Vacancy (5%):	\$16,222.00	
Total NOI:	\$310,526.00	CAP = 5.4%



FIRST FLOOR



SECOND FLOOR

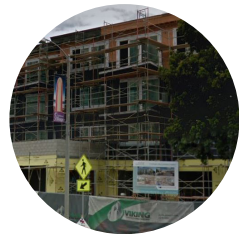
Carlsbad Village



Recent Sale Comps



425-457 Carlsbad Village Drive (Retail)
Sold: 1/24/19
\$3,700,000
\$/sf: \$552.24
Bldg: 6,700 sf



725 Grand Ave, Carlsbad (Mixed-Use Development)
Sold: 8/21/17
\$3,400,000
\$/sf: \$510.82
Lot Size: 14,210 sf



3145 Carlsbad Blvd (existing Multi-Family, 14 units)
Sold: 6/12/17
\$/sf: \$500.21
Land: 12,000 sf



3045 Roosevelt St, Carlsbad (Retail)
Sold: 3/6/17
\$/sf: \$612.75
Bldg: 3,429 sf

Recent Lease Comps

Retail/Restaurant



3136 Carlsbad Blvd (Restaurant)
795 sf
\$6.29 psf gross
(2019)



2833 State St (Shorehouse Kitchen)
1,800 sf
\$4.85 psf NNN
(2017)



2937 Carlsbad Blvd (Knockout Pizzeria)
1,220 sf
\$4.84 psf NNN
(2017)

Office



2753 Jefferson St
987 sf
\$2.75 NNN, with 3% increases
(2018)



325 Carlsbad Village
2,354 sf
\$2.33 sf MG
(2019)

Carlsbad, California

Carlsbad is a seaside resort city stretched along 7 miles of the Pacific Coastline in North San Diego County. The locals refer to the city as "The Village by the Sea", Carlsbad's Mediterranean climate attracts visitors year-round to its quaint hotels and five-star luxury resorts.

Carlsbad Neighborhoods are divided into four district quadrants, for city planning and growth management purposes.

Northwest quadrant includes the downtown "Village" and "Old Carlsbad."

Northeast quadrant is made up of mostly single-family homes set on larger lots, known as Chestnut Hills.

Southeast quadrant is home to the Omni La Costa Resort and Spa. This area features newer master-planned communities set among rolling hillsides, golf courses, and open space.

The last quadrant is the Southwest which extends along the Pacific Ocean to the south of the center of Carlsbad.

McClellan-Palomar Airport (CRQ), located 2 miles east of LEGOLAND and near Oceanside Harbor serves as the gateway to and from San Diego's North County. CRQ is the fourth busiest single runway in the United States, with an estimated 96,000 passengers yearly. The airport contributes \$108 million a year to the local economy.

There are 25 notable corporate headquarters in Carlsbad, including Callaway Golf Company, Life Technologies, Via Sat, Inc. and Gemological Institute of America (GIA).

Carlsbad is a small town with all the conveniences of a large city with streets lined with antique stores, boutique shops and outdoor cafes. Annually, more than 100,000 people attend one of the largest one-day festivals in the nation, Carlsbad Village Street Faire.

Carlsbad Company Stores – is an upscale outlet shopping center boasting with 90 stores, including

Banana Republic, Barneys New York, Crate and Barrel, Michael Kors, Cole Haan.

Bressi Ranch Village Center – is a unique blend of shops, services, restaurants and everyday convenient stores. Bressi Village is home to Trader Joe's and Stater Bros, along with a list of eateries including, Board & Brew, Fish District Eatery, Kasi and Luna Grill. The service stores include a pharmacy in Starter Bros., Gateway Dental and Carlsbad Optometry, plus Verizon Wireless, Chase Bank, The Bar Method, Postal Annex, Premiere Cleaners and multiple hair and nail shops.

The Shoppes at Carlsbad formally known as **Westfield Plaza Camino Real** – is undergoing a 2 phased renovation that will turn the Plaza into an upscale, outdoor retail center by the end of 2014. The mall will feature more than 140 specialty stores, a "Dinning Terrace" food court, and 3 freestanding restaurants. A new 24 Hour Fitness will be one of the new anchor locations. 24 Hour Fitness has dedicated 40,000 sf as a Super-Sport club featuring a roof-top basketball court, state-of-the-art training area, lap pool, and exterior aquatic area. The other anchors include a new Regal 12 screen Megaplex Cinema, JCPenny, Macy's, Macy's Home, and Sears.

Top Tourist Attractions

- Gemological Institute of America (GIA)
- LEGOLAND California Resort
- Oceanside Pier
- Batiquitos Lagoon

Demographics:



Estimated Population:

3,000,000
San Diego

114,379
City of Carlsbad



Average Household Income:

\$146,414



Estimated Annual Visitors:

2,000,000



Median Price of Available Homes:

\$761,344



Average Age:

41.6

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2907 STATE STREET | CARLSBAD, CALIFORNIA

Don Moser

858.523.2087

dmoser@retailinsite.net

Connor Stevens

858.369.6458

cstevens@retailinsite.net