



ABSOLUTE NNN LEASED-AUTO CENTER ABOUT SERVICE, INC.

854 Metcalf St • Escondido, California

AUTOMOTIVE REPAIR FACILITY

ASKING PRICE
\$1,650,000
(6.75% CAP)

Exclusively listed by:

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LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES



ABSOLUTE NNN LEASED-AUTO CENTER ABOUT SERVICE, INC.

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The Investment Offering:

This Absolute Net Leased (“NNN”) Sale - Leaseback Investment offering is a rare opportunity for an investor to acquire an automotive repair facility in North San Diego County with absolutely no landlord responsibilities during the initial lease term. The buildings on site shall be Master-Leased by About Service, Inc., a highly successful local tenant with 20 years in the community. The Five (5) year initial lease term shall commence at the close of escrow. Additionally, the lease shall increase 2.5% on each one year anniversary, providing the investor with an improving cash flow over the investment horizon and compensation for inflation. Currently, the smaller rear building is sub-leased to another local tenant (“B.A.M. Automotive” - described below); under the investment offering outlined herein, that rear building shall be included in the About Service master-lease; as a result, the income from both buildings shall be guaranteed by About Service and the Sellers throughout the initial 5 year lease term. It is important to emphasize that the property’s use “Automotive Repair”, is increasingly difficult to accommodate anywhere in San Diego County, therefore, this will provide the new owners some insulation from new entrants to the market. Competing product of this type is also difficult to build due to limited zoning designations which accommodate “Automotive Repair”, (coupled with significant municipal restraint to this sort of property use in general). All of the above factors provide barriers to entry for investors or developers trying to compete within this property use category. Also, this facility is visible from the East bound transition between the I-15 Freeway North and Hwy-78 East, proving additional exposure to potential customers. At the time of this publication, a three-story “state-of-the-art” Self-Storage facility, is in the entitlement process for the site immediately next door. This new facility should further enhance the customer base of the About Service facility. Due to the propensity for people to need automotive repairs, in good times and bad, About Service has a recession resistant business model, which enhances the probability that this tenant will be prosperous far into the future.

The Building and Site:

This concrete block structure was originally built in 1978; the larger, front structure is approx. 5,780 sq. ft. and the smaller, rear structure is comprised of approx. 3,096 sq. ft.; for a total of approx.: 8,876 sq. ft. The larger building has 6 grade level roll-up doors; the smaller rear building has 3 roll-up doors. Each building has a pedestrian door, reception/office area and two rest-rooms, providing a functional work environment for two tenants and improving the flexibility and therefore the value of this property. The .74 Acre site is completely fenced in and has 34 surface parking spaces. This equates to a parking ratio of 3.83 spaces per 1000 sq. ft. This facility has been occupied by About Service Inc., in this location, since 2001. The rear building (currently sub-leased), not only provides potential expansion space for the primary tenant but also demonstrates the buildings flexibility of use.

The Tenant:

Founded in 1996 About Service Inc., has been in business for 20 years. This repair facility is a successful and respected service provider which is accredited by the Auto Club of America “AAA” and certified as a Napa Auto Care Center. It is also one of the largest independent repair facilities (not affiliated with a dealer) in North San Diego County. Additionally, About Service has also won the prestigious annual “Service Excellence Award” from the Auto Club of America eight times! This award was only given to approximately 40 out of the 640 “AAA” listed service facilities in Southern California, making this a relatively exclusive group. About Service is the only North San Diego repair facility to have won this award eight times. The majority of About Services mechanics are “ASE Master Certified” technicians (by at least one manufacturer) and most of the Technicians have been with the business for over 10 years. This business operated profitably during the “Great Recession”, demonstrating their recession resistant qualities.

Currently rear portion of the property is sub-leased to another local tenant (“B.A.M. Automotive”); which provides auto body repair services. Under the investment offering outlined herein, that tenant’s suite (the rear building) shall fall under the umbrella of the Master-Lease by About Service. The income from that building shall be guaranteed by About Service, Inc. and the Sellers throughout the initial 5 year lease term.

Pricing - About Service Inc., Sale/Leaseback - 854 Metcalf, Escondido CA

Rent Roll (monthly)		Mo. CAM Charges PSF: \$0.0			Annual Expenses				
Ste	TENANT NAME	Sq. Ft.	***Rent	Mo.Rt. PSF	CAM's		(Annual)	Per Ft. (Annually)	%*
	**About Service (Yr.1) Lease Escalates 2.5% annually	8,876	\$ 9,400	\$1.06		TAXES	Tenant Pays/Reimburses		
					\$ -	Roof &/or HVAC Maint	Tenant Pays/Reimburses		
					\$ -	Cap Reserve	\$ 1,500	0.169	1.33%
						Management	No Landlord Responsibilities		
	Total Sq. Ft.	8,876	9,400	GOI(Mo)	\$ -	Total EXPENSES	\$ 1,500	\$ 0.169	1.33%
	Total Vacant Sq. Ft.	-	***Rental rate for future 12 mos.			* Percentage of Gross Operating Income			
	Total Occupied Sq. Ft.	8,876						Exp. Per Ft.	% of GOI
Annual Income		Sales Analysis							
Scheduled Op. Inc.(SGI)	\$ 112,800				List Price	\$ 1,650,000		Loan Info. (Assumptions)	
Vacancy Res.	\$ -	0.00%			Capitalization Rate	6.75%		Loan Balance	1,155,000 70.0%
Gross Op. Inc. (GOI)	\$ 112,800	0.00%			Cash Flow After Pmt.	8.30%		Down Payment	495,000 30.0%
NNN Reimbursements	\$ -				Price Per Sq. Ft.	\$ 185.89		Amortized (years)	30 Yrs.
Total Annual Income	\$ 112,800							Interest Rate	4.50% APR
Annual Expenses	\$ (1,500)							Payment	\$ (5,852.22) Mo.
Net Operating Income (NOI)	\$ 111,300							Debt Coverage Ratio	1.585

** The analysis herein assumes the tenant leases the facility back for 5 years with 2.5% annual escalation in the rental amount in order to compensate the new investor/owner for inflation. About Service sub-leases a portion of the building to another tenant but shall guarantee the above rent for the entire building during the initial lease term.

This document is strictly a working document not to be construed or relied upon as factual; it is designed to illustrate estimates of investment income. It is recommended that your financial analyst/consultant/accountant proof facts, numbers, calculations and assumptions. Lee & Associates is not liable for incorrect facts, numbers, calculations and assumptions. This document is hypothetical and designed to be used for discussion purposes only.



854 Metcalf St - Escondido, CA 92025

PRICING: Summary & Lease Form

854 METCALF, ESCONDIDO, CA 92025

Price:	\$1,650,000
Cap Rate:	6.75%
Total Square Feet	8,876 SF
Building Price Per Square Foot:	\$185.89
Average Rent Per Square Foot:	\$1.06 NNN
NOI (As of Lease Commencement):	\$111,300
Rental Escalations:	2.5% per annum Fixed
Percentage Leased:	100%
Lease Expiration:	5 Years following Close of Escrow
Lease Term:	5 Years
Options:	One (1) - 5 year option
Lease Type:	Master Lease of Facility Absolute Net ("NNN")



LEASE FORM

Seller has agreed to execute an "AIR" Commercial Real Estate Association Single Tenant Net Lease, modified to reflect that all expenses and maintenance will be the responsibility of the tenant. Buyer and Seller to review and approve the final form of the Lease. Seller and/or About Service Inc. shall retain the right to sub-lease the premises under the sole and absolute discretion so long as the Sellers personally guaranty the initial 5 year Master Lease of the premises.



854 Metcalf St - Escondido, CA 92025

INCOME & EXPENSES / BUILDING & SITE INFORMATION

Rent Escalations	Scheduled Gross Income (2.5% Annual Escalations)	Landlord Expenses	Capital Reserve (1.33% SGI)	Net Operating Income (NOI)	CAP Rate (Over Time)
Year 1	\$112,800.00	None	\$1,500.24	\$111,299.76	6.75%
Year 2	\$115,620.00	None	\$1,537.75	\$114,082.25	6.91%
Year 3	\$118,510.50	None	\$1,576.19	\$116,934.31	7.09%
Year 4	\$121,473.26	None	\$1,615.59	\$119,857.67	7.26%
Year 5	\$124,510.09	None	\$1,655.98	\$122,854.11	7.45%

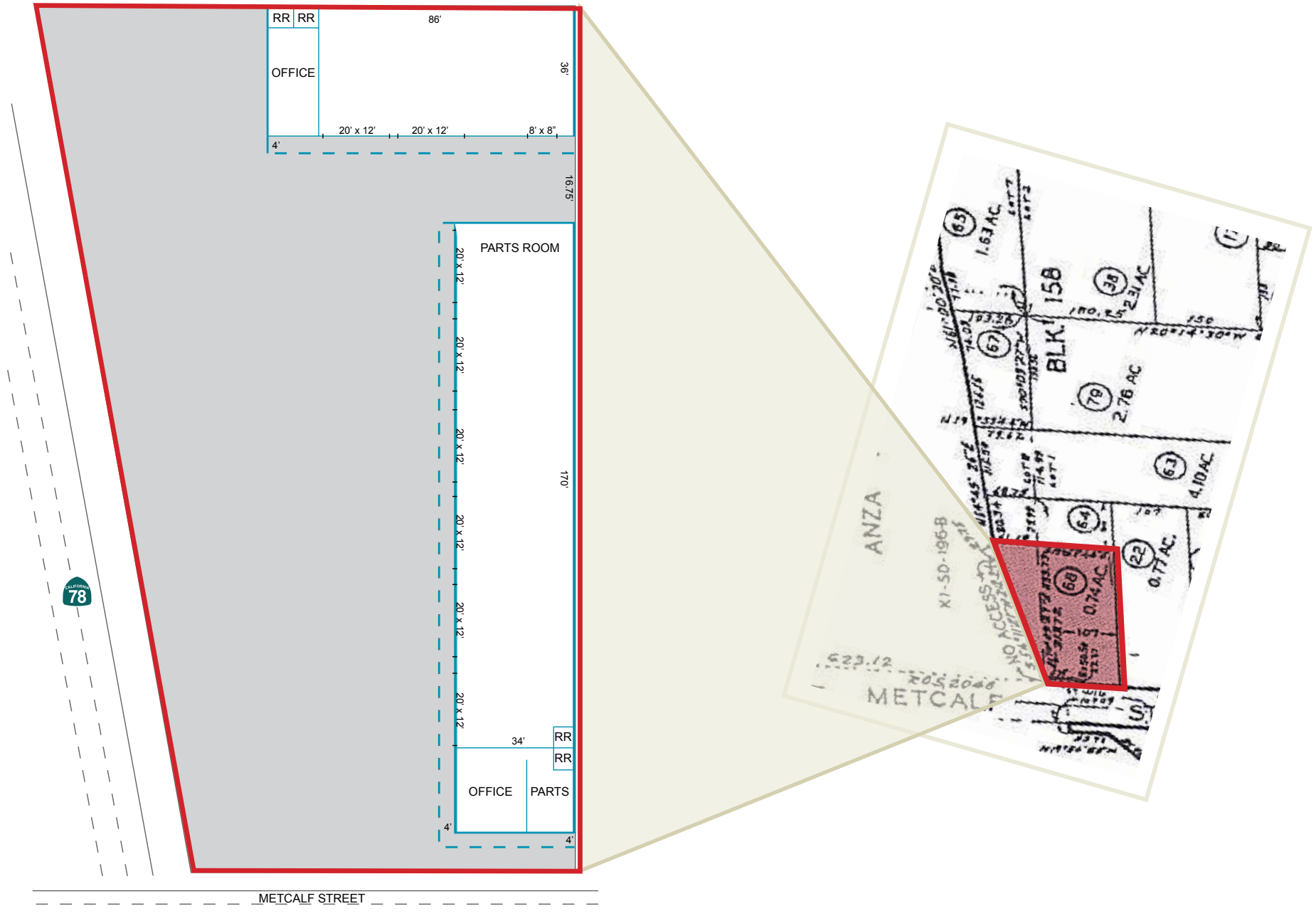


BUILDING & SITE INFORMATION

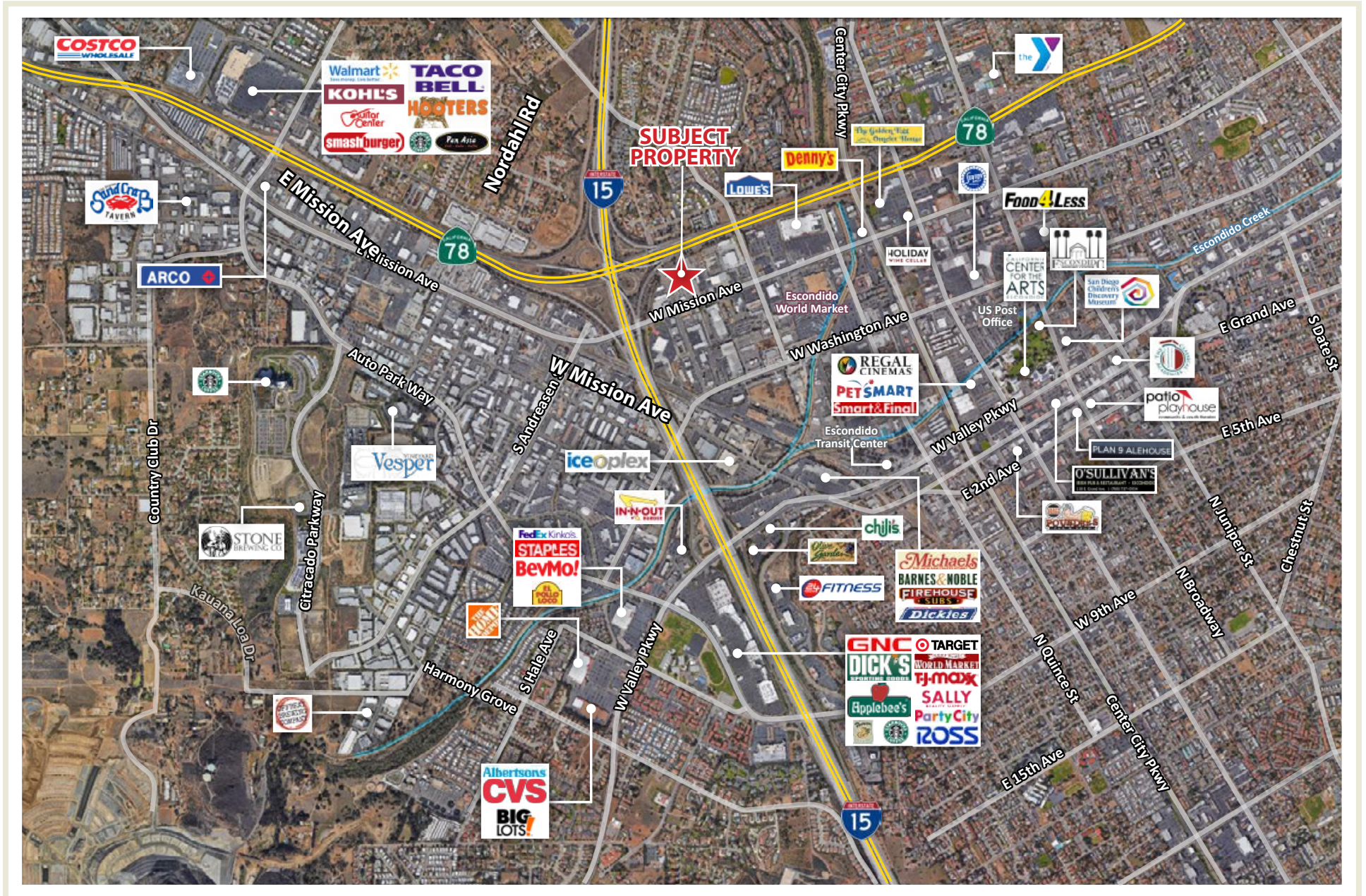
Location:	854 Metcalf, Escondido, CA 92025
Assessor's Parcel Numbers:	228-220-68-00
Number of Structures:	Two (2)
Main Building Area:	8,876 SF (Approximately)
Front Building:	5,780 SF (Approximately)
Rear Building:	3,096 SF (Approximately)
Land Size:	0.74 Acres (Approximately)
Year Built:	1979
Parking:	34 Surface Spaces
Ingress/Egress:	Metcalf Street
Doors:	Nine (9) Grade Level Service Doors Two (2) Pedestrian Doors
Restrooms:	Four (4) Restrooms (2 in each office area)
Office/Reception Area	Two (2)

854 Metcalf St - Escondido, CA 92025

SITE PLAN

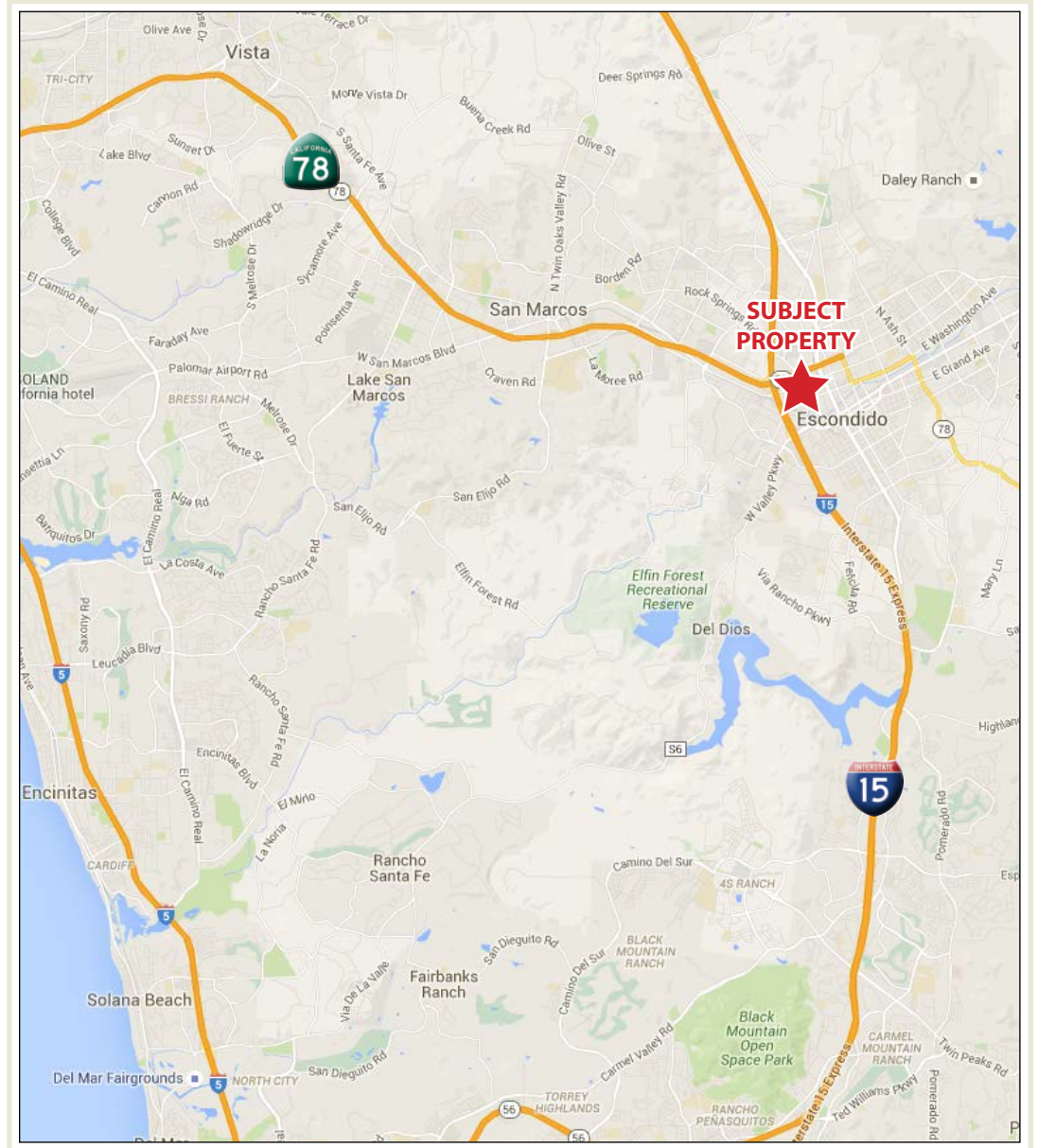
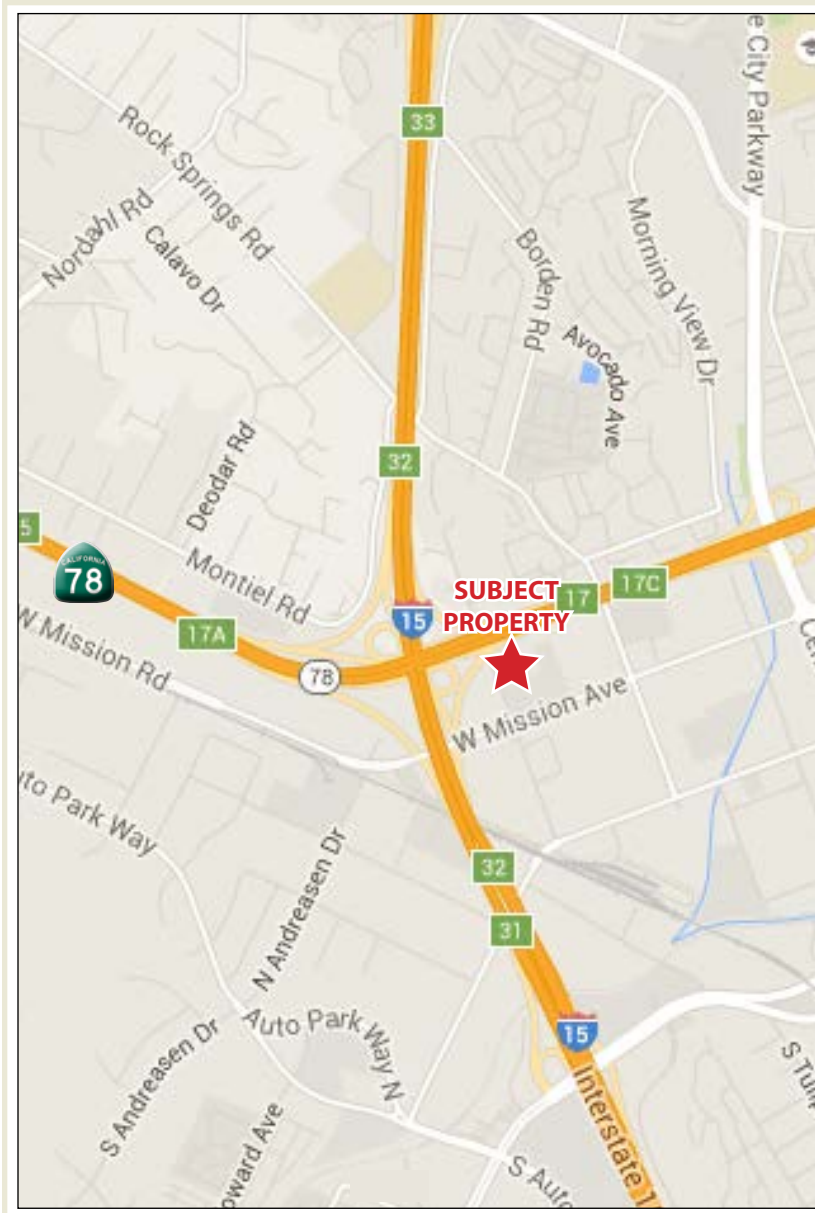


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854 Metcalf St - Escondido, CA 92025

LOCATION MAP



854 Metcalf St - Escondido, CA 92025

MARKET OVERVIEW

DEMOGRAPHICS

EXECUTIVE SUMMARY	1 MILE	3 MILES	5 MILES
Total Population:	6,992	128,096	230,183
Average HH Income:	\$65,545	\$66,278	\$73,455
Median HH Income:	\$56,628	\$56,578	\$63,388



Tourism: Escondido is a city located in San Diego County’s North County region, 30 miles northeast of Downtown San Diego, and 20 minutes from the coast. Escondido is the heart of northern San Diego County. Rich in history and culture, home to major attractions, beautiful wineries, craft breweries, unique arts and theatre, delicious culinary experiences and a historic downtown

Population: As of the 2015 census, Escondido had a total population of 147,294. The population density is 3,435.1 people per square mile. In the city the population is spread out with 22.6% under the age of 15, 29.6% from 15 to 34, 36.1% from 35 to 64, 11.7% who are 65 years of age or older.

TOP EMPLOYERS - Escondido	NUMBER OF EMPLOYEES
Palomar Medical Center	3,045
Escondido Union School District	1,900
City of Escondido	1,101
Welk Group, Inc.	1,000
San Diego Safari Park	967
Escondido Union High School District	851
Vons Grocery Stores	364
Palomar Community College District	322
Home Depot	300

History: The location of Escondido was first identified and discovered by Juan Bautista de Anza, a Spanish explorer, in 1776. Later, the area became part of the Rancho Rincon del Diablo (the devil’s corner) land grant bestowed to Juan Bautista Alvarado in 1843 by Mexican Governor Manuel Micheltooren. In 1886, the Escondido Land and Town Company acquired the land grant, laid out the town site, and divided the valley into small farms suitable for grapes or citrus. Established in 1888, it is one of the oldest cities in San Diego County.



DISCLAIMER

Lee & Associates (“Broker”) has been retained as the exclusive broker to About Service, Inc. (“the Seller”) regarding the sale of 854 Metcalf St., Escondido, California (“the Property”). This marketing brochure contains certain information pertaining to the subject Property and does not warrant to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Seller and Broker. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. Any and all references to square footages and other measurements are strictly approximations. Additional information and an opportunity to inspect the Property will be made available to qualified prospective purchasers. Neither the Seller nor Broker, officers, affiliates or representatives make any representation of warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents. The Seller reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Seller shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Seller and any conditions to the Seller’s obligations therein have been satisfied or waived. By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without prior written authorization of the Seller or Brokers. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Seller or Brokers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. The Seller reserves the right to sell or withdraw the Property at any time without prior notice. All investors should base their offers and pricing on the “as-is,” “where-is” condition of the Property. Each prospective purchaser is to rely upon its own investigation, evaluation, and conclusions as to the condition of the Property. In order to expedite underwriting and upon request, the prospective investors will be given access to certain due diligence information and any information provided by Seller to Broker.