

# SINGLE TENANT NET LEASED PROPERTY

18671 BEAR VALLEY ROAD, HESPERIA, CA 92345

## FOR SALE



**JOHN CIGLIANO**

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**HIGHLAND PARTNERS CORP.**

880 Apollo Street, Suite 329

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Broker Lic. 01904030





## CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), 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 Owner and Highland Partners Corp. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. 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.

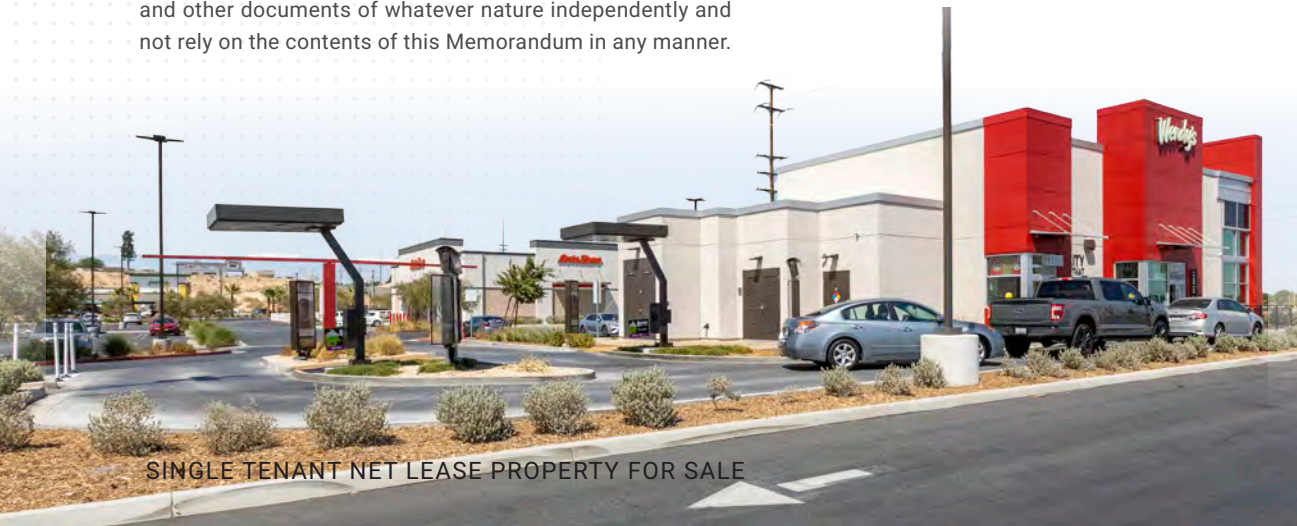
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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to Highland Partners Corp.

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18671 BEAR VALLEY RD | HESPERIA, CA

**PURCHASE PRICE**  
**\$2,500,000**

Highland Partners Corp is pleased to present the opportunity to acquire 18671 Bear Valley Rd. This freestanding building is currently 100% net leased to Wendy's located in Hesperia in San Bernardino County, California.

## INVESTMENT OVERVIEW

**Asking Price:**  
\$2,500,000

**Lease Begins:**  
2/17/2021

**Cap Rate:**  
4.00%

**Lease Ends:**  
2/28/2046

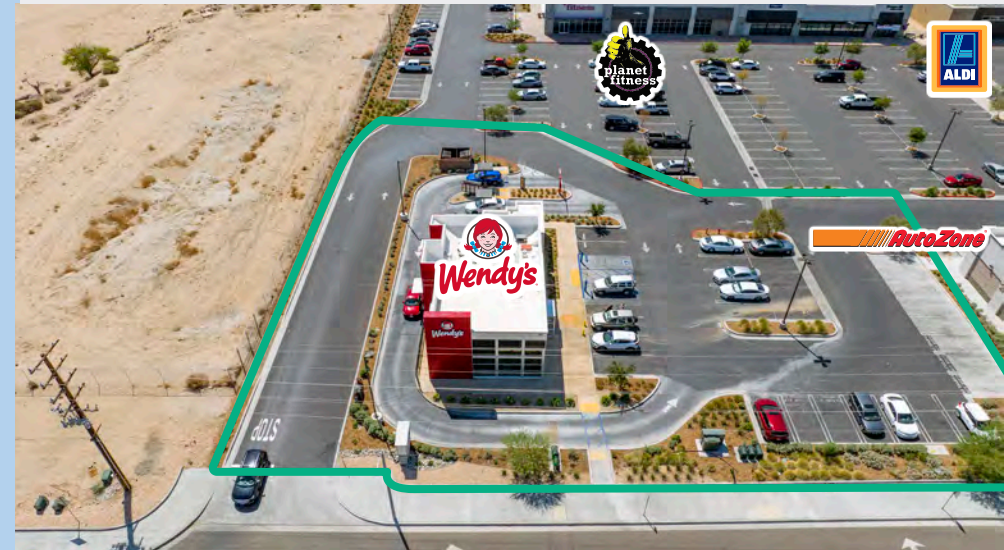
**NOI:**  
\$100,000  
(\$8,333.33/Mo.)

**Rent Increases:**  
10% every 5 years

**Term:**  
25 Years

**Option Term:**  
Four (4), five-year options

**Lease Type:**  
Absolute NNN Ground Lease



## PROPERTY OVERVIEW

**Address:**  
18671 Bear Valley Rd.  
Hesperia, CA 92345

**APN:**  
0399-011-69-0-000

**Total Building Area:**  
±3,000 SF

**Year Built:**  
2021

**Total Land Area:**  
±30,000 SF



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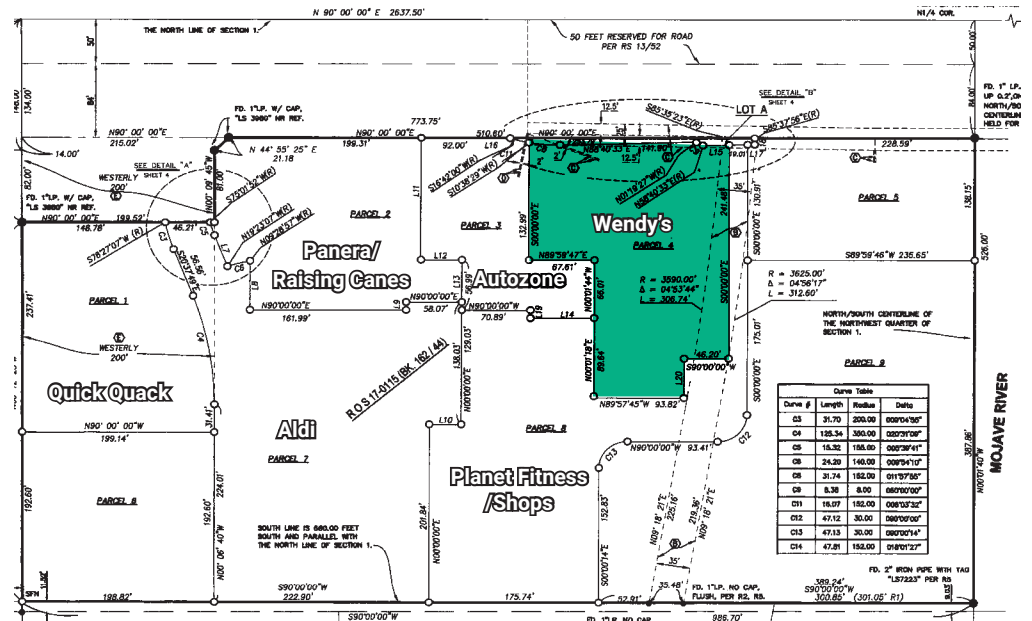


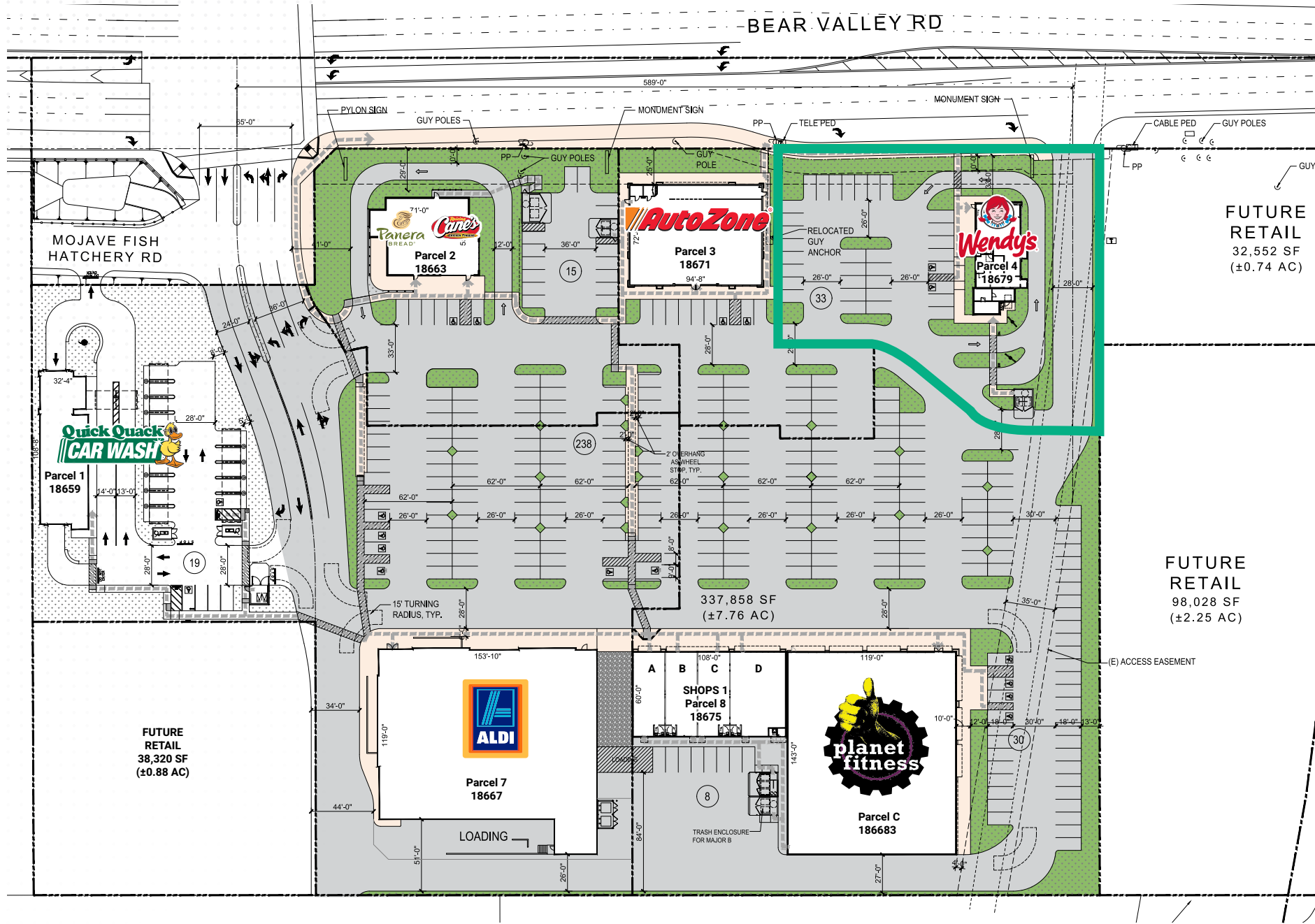
## PROPERTY HIGHLIGHTS

- Brand New Long-Term 25 Year Absolute NNN Ground Lease in place
- Strong 10% Rental Increases Every 5 Years
- Located Along Main Retail Thoroughfare with Excellent Traffic Counts of over 60,000 VPD
- Long Term Security, with Attractive Brand-New Construction (2021)
- Neighboring Tenants within the Shopping Center include Aldi, AutoZone, Planet Fitness, Panera Bread, Quick Quack & More



## PARCEL MAP







18671 BEAR VALLEY RD | HESPERIA, CA



SINGLE TENANT NET LEASE PROPERTY FOR SALE



## FINANCIAL ANALYSIS

Tenant	Wendy's
NOI	\$100,000
Cap Rate	4.00%
Purchase Price	\$2,500,000
Price per Square Foot	\$83.33

## LEASE ABSTRACT

Tenant	Wendy's
Building Size	3,000 SF
Lease Term	25 Years
Lease Start	2/17/2021
Lease Expires	2/28/2046
Rent Increases	10% every 5 years
Options	Five (5) x five-years
Option Increases	10% every 5 years
Lease Structure	Absolute NNN
Ownership	Ground Lease

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## EXPENSE RESPONSIBILITIES

Roof	Tenant
Structure	Tenant
HVAC	Tenant
Common Areas	Tenant
Property Tax	Tenant
Utilities	Tenant
Insurance	Tenant
Other	*Landlord of parcel 8 "Shops" is the Declarant and CAM director of the shopping center. Each parcel owner/tenant is responsible for their pro-rata reimbursement of these costs, plus a management fee of up to 5% of the total costs. Aldi reimburses an administration fee equal to 8% of the common area costs.





18671 BEAR VALLEY RD | HESPERIA, CA



BEAR VALLEY ROAD | #56,758 CPD



15,276  
# OF EMPLOYEES



34,485  
DAYTIME POPULATION



48,941  
POPULATION



\$80,025  
AVERAGE HOUSEHOLD INCOME

SINGLE TENANT NET LEASE PROPERTY FOR SALE





## TENANT SUMMARY



### PUBLIC COMPANY PROFILE

Tenant	Wendy's
Industry	Food Service – QSR
No. of Locations	6,500+
Stock Ticker	NASDAQ: WEN
Total Revenue*	\$1.9 Billion
Total Net Income*	\$200 Million
Total Net Worth	\$5 Billion
Headquarters	Dublin, OH
Website	www.wendys.com

The Cotti Foods story began in 1967 with the purchase of a Taco Bell by Peter Capriotti Senior. A family business from the start, the store count grew organically through the years, with Peter Sr.'s son later purchasing a Taco Bell restaurant of his own in 1982. The two joined forces in 1996, with a total of 5 Taco Bell locations, creating Cotti Foods Corporation in the process. Since that time, through a combination of continued organic growth and strategic acquisitions, Cotti Foods has built a substantial portfolio of successful restaurants under some of the most popular brands in the world, including 86 Taco Bell locations, 111 Wendy's locations, and 5 Pieology locations. Through that growth, the company still maintains its family-owned roots having added the third generation to the company. Cotti Foods is ranked 33rd on the 2021 Franchise Times list of the top 200 US restaurant operators, and currently outperforms its peers in both sales and growth.

**Wendy's (NASDAQ: WEN)** is an American international fast food chain restaurant founded by Dave Thomas in 1969, in Columbus, Ohio. It is the world's third-largest quick-service restaurant company in the hamburger sandwich segment, operating more than 6,500 locations in North America. Of these, 6,170, or 95%, of the locations are operated by franchisees. The franchisees are comprised of over 375 operators with an average of 15 restaurants per franchisee.

\*Fiscal year ending 12/31/2021 | Source: According to public filings



# RETAIL MAP



18671 BEAR VALLEY RD | HESPERIA, CA



- ALDI
- Auto Zone
- planet fitness
- Wendy's
- Tanera Bread
- Outlets Outlet CAR WASH

- Chevron
- THE HOME DEPOT
- PAPA JOHN'S
- Wendy's
- McDonald's
- Starbucks
- Yogurtland

- WELLS FARGO
- Walgreens
- STATER BROS.
- LOWE'S
- DEL TACO
- El Pollo Loco
- SONIC
- SUBWAY
- BR
- Carl's Jr.

- usbank
- target
- 99¢ ONLY
- Staples
- Pizza Hut
- PANDA EXPRESS
- Starbucks
- Applebee's
- DICKEY'S BARBECUE PIT

- BEST BUY
- GNC
- 24 FITNESS
- BED BATH & BEYOND
- FLAME BROILER
- Jack In the box
- Red Robin
- HUNTSVILLE WILD WINGS
- Denny's

- Bank of America
- Burlington
- RITE AID
- KIRKLAND'S
- WinCo FOODS
- PETSMART
- BIG 5 SPORTING GOODS
- FAMOUS footwear
- Jersey Mike's
- CHIPOTE MEXICAN GRILL



## HESPERIA MARKET OVERVIEW

Hesperia is a city in the Victor Valley area located in the eastern portion of San Bernardino County just minutes from the Cajon Pass, and a minimal commute time to the nearby Ontario, San Bernardino and Riverside areas. The Victor Valley is made up of a collection of desert cities including, Victorville, Apple Valley, and Hesperia, has a combined population of nearly 400,000. The Victor Valley Area and Hesperia have been growing rapidly in recent years and are attracting new residents and all types of development and private investments.

Hesperia's growing population has played an important role in the positive business growth seen since 2010 where Hesperia has experienced a total population growth north of 10%. Single-family residential permits issued by the city last year increased by 35%. Nearly 40 new homes have been constructed in Hesperia over the past 12 months, and a 200-unit residential development in northwest Hesperia IS in the early stages of construction. Hesperia very recently made a significant leap in its residential development process by giving its approval to the Tapestry Project, a master-planned community that is aimed at younger families, preservation, and environmental sustainability. Proposed 15,663 housing units and over 1.4 million square feet of commercial and retail space are planned in the community that will sit on 9,400 acres of what is currently empty land. The project will be constructed in phases over 25 years and could boost the city's population by up to 80,000.

There is also a major industrial project planned for southwest Hesperia - the 3.5 million square foot Hesperia Commerce Center. The 13 parcel industrial park on 232 acres will be built near Interstate 15 just north of the Rancho Interchange. The development consists of 34 industrial warehouse and office buildings, wholesale distribution facilities, commercial storage facilities, and an assortment of retail space.

The city is pairing all of these major projects with the appropriate development infrastructure. Hesperia completed a \$60 million Interchange Bridge at Rancho Road in early 2015 in order to handle the increase in traffic in the area. Hesperia will also see movement in the coming months on the widening of Rancho Road, an \$18 million project that will widen five miles of roadway from I-15 east to the Rancho Road Undercrossing. All of these improvements will provide critical transportation improvements for the City of Hesperia and Apple Valley as it provides another east-west corridor through the city.

## CITY HISTORY



### Hesperia's Past

The City's history stretches far beyond its 1988 incorporation. Hesperia's past is rich with the history of the Mojave Indian Tribe, Spanish settlers and the westward travelers of the Mormon Trail.

The first major turning point in present day Hesperia occurred in 1855 when the Atchison, Topeka and Santa Fe railroad tracks were completed. This resulted in Hesperia's first industry, providing juniper wood to bakers in Los Angeles by way of train. Juniper is a very hard wood that was used as fuel for kilns up until the early 1900s, when oil became the principal fuel for bakers. The change in technology did not slow Hesperia's progress.

The 1900s were a booming time with the increased popularity of automobiles and Route 66. The City served as the last stopping point before travelers made the treacherous trip down the Cajon Pass.

### Hesperia Today

Hesperia has become known, not only for affordable housing, but also for the pleasant desert climate, clean air, beautiful scenery and sunsets, and hometown essence that Hesperia has to offer.

A variety of housing opportunities are available including:

- Custom-built villas overlooking Hesperia Lakes
- Modern, amenity-rich subdivisions
- Large-lot residential zoning (enjoy a rural lifestyle with the benefits of City services)

Our wonderful City is just minutes from the Cajon Pass, providing a minimal commute time to the nearby Ontario, San Bernardino, and Riverside areas. Hesperia's growing population has prompted an increase in business growth throughout the City, including the High Desert Gateway Retail Center shops at Topaz and Topaz Marketplace.



## DEMOGRAPHICS (2020 ESTIMATES)

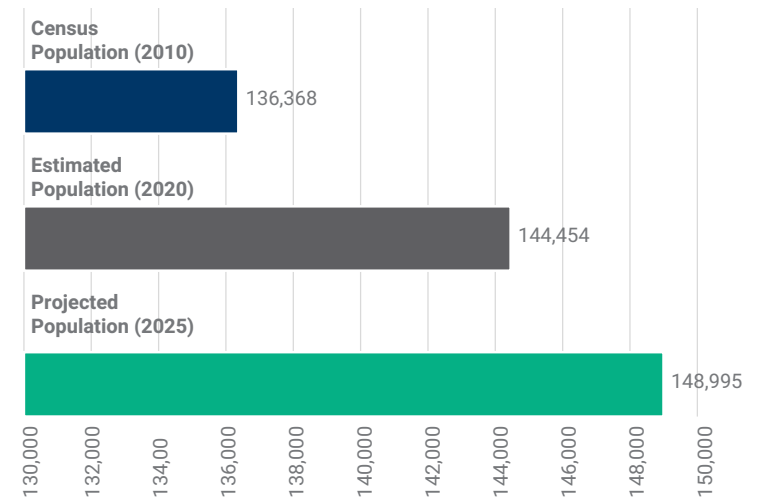
	1 Mile	3 Miles	5 Miles			
<b>POPULATION</b>						
Estimated Population (2020)	5,104	48,941	144,454			
Projected Population (2025)	5,271	50,477	148,995			
Census Population (2010)	4,778	45,908	136,368			
Census Population (2000)	3,263	32,003	103,819			
Projected Annual Growth (2020-2025)	167	0.70%	1,536	0.60%	4,542	0.60%
Historical Annual Growth (2010-2020)	326	0.70%	3,034	0.70%	8,086	0.60%
Historical Annual Growth (2000-2010)	1,515	4.60%	13,905	4.30%	32,549	3.10%
Estimated Population Density (2020)	1,625	psm	1,732	psm	1,840	psm
Trade Area Size	3.1	sq mi	28.3	sq mi	78.5	sq mi

<b>HOUSEHOLDS</b>						
Estimated Households (2020)	1,982	17,612	48,675			
Projected Households (2025)	2,017	17,929	49,564			
Census Households (2010)	1,813	15,920	44,514			
Census Households (2000)	1,202	11,307	35,404			
Projected Annual Growth (2020-2025)	35	0.30%	317	0.40%	890	0.40%
Historical Annual Change (2000-2020)	780	3.20%	6,305	2.80%	13,271	1.90%

<b>AVERAGE HOUSEHOLD INCOME</b>						
Estimated Average Household Income (2020)	\$75,745	\$80,025	\$73,003			
Projected Average Household Income (2025)	\$87,255	\$91,702	\$84,529			
Census Average Household Income (2010)	\$58,099	\$62,240	\$56,417			
Census Average Household Income (2000)	\$53,704	\$56,351	\$47,601			
Projected Annual Change (2020-2025)	\$11,510	3.00%	\$11,677	2.90%	\$11,526	3.20%
Historical Annual Change (2000-2020)	\$22,041	2.10%	\$23,674	2.10%	\$25,403	2.70%

<b>MEDIAN HOUSEHOLD INCOME</b>						
Estimated Median Household Income (2020)	\$63,368	\$69,049	\$57,264			
Projected Median Household Income (2025)	\$74,672	\$80,641	\$66,727			
Census Median Household Income (2010)	\$52,146	\$53,774	\$47,115			
Census Median Household Income (2000)	\$46,519	\$46,997	\$38,913			
Projected Annual Change (2020-2025)	\$11,304	3.60%	\$11,592	3.40%	\$9,463	3.30%
Historical Annual Change (2000-2020)	\$16,849	1.80%	\$22,052	2.30%	\$18,351	2.40%

## POPULATION (WITHIN 5 MILE RADIUS)



## INCOME (WITHIN 5 MILE RADIUS)



## EMPLOYMENT (WITHIN 5 MILE RADIUS)



Demographic Source: Applied Geographic Solutions 4/2020, TIGER Geography



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