

# Encino Investment Opportunity

17007-17015½ Ventura Boulevard, Encino, California

Offering  
Memorandum

MAJOR PRICE REDUCTION



**NAI**Capital

Commercial Real Estate Services, Worldwide.

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## Disclaimer and Confidentiality Agreement

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The enclosed materials in this Offering Memorandum are being furnished to recipient solely for the purpose of review and purchase of **17007-17015 ½ Ventura Blvd, Encino, CA 91316 ("Property")** and contains highly confidential information and shall be returned to NAI Capital or Owner promptly upon request. The recipient shall not contact tenants or employees of the Property directly or indirectly without the prior written consent of NAI Capital or Seller. Acceptance of this Offering Memorandum indicates agreement to hold it in the strictest confidence and not, under any circumstances, photocopy or disclose information contained herein, in whole or in part to any third party without the written consent of Owner or NAI Capital.

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contained herein may or may not be proven to be correct, and there can be no assurance that such estimates will be attained.

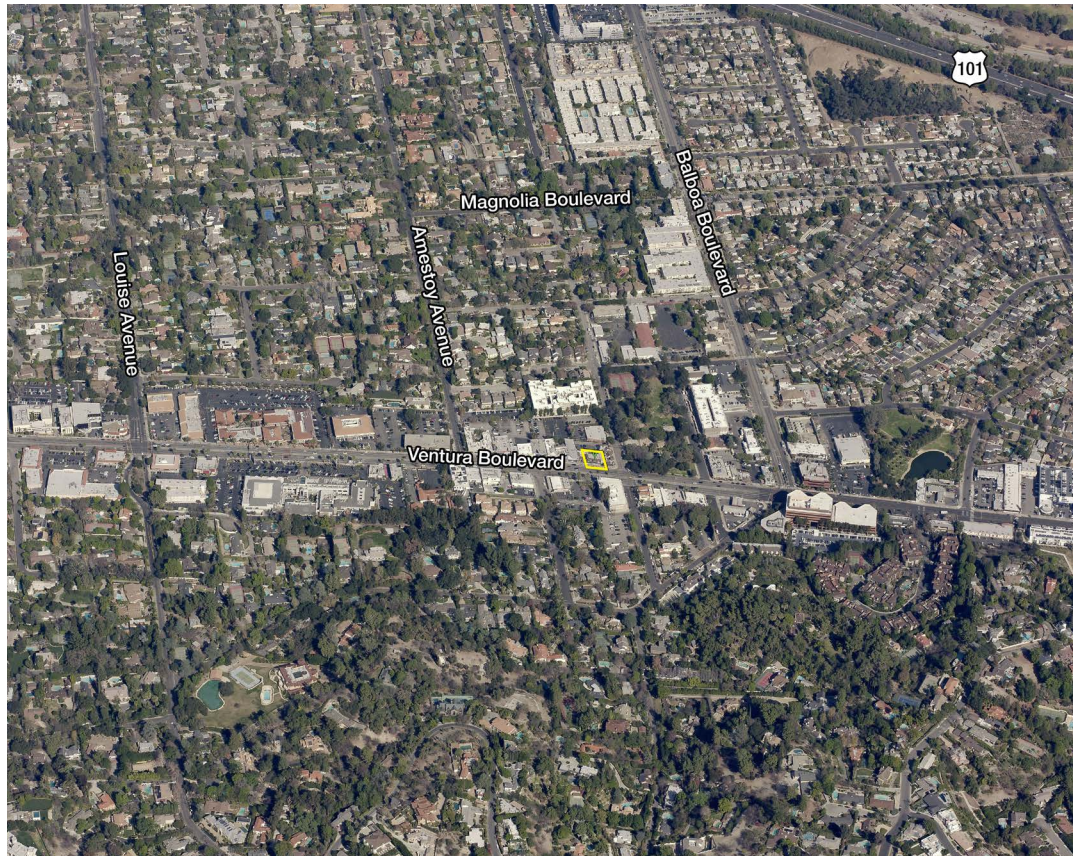
Recipients of this Offering Memorandum agree to rely on their own verification of all information received from any source, or available to recipient from any source, and to perform appropriate investigations and inspections through qualified consultants selected by recipient as part of recipient's due diligence. Recipient is also informed that the Americans with Disabilities Act is a federal law that requires many business establishments to make many properties equally accessible to persons with a variety of disabilities, sometimes requiring making modifications to real property. State and local laws also may require changes. NAI Capital is not qualified to advise as to what, if any, changes may be required, now or in the future. Recipient should consult their attorneys and qualified professionals for information regarding these matters and reviewing, investigating and analyzing the Property.

The information contained herein is subject to change without notice. This Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. The Owner reserves the right, at its sole and absolute discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to correction of errors, omissions, change of terms or price, prior sale or withdrawal from the market without notice.

To the extent Owner or any agent of Owner corresponds with any interested party, any interested party should not rely on any such correspondence or statements as binding Owner. Owner shall have no legal commitment or obligation to any interested party whatsoever until a binding written Real Estate Purchase Agreement has been fully executed, delivered, and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived.



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# Investment Highlights



## Property Highlights

- Ease of management with only 4 Tenants
- Anchored by Encino Veterinary Clinic with long-term lease/options and nearly 23 years of occupancy at this location.
- Rare 100% occupied Retail/Office building on Ventura Boulevard. 60% of square footage, 3 tenants, are on month-to-month leases, allowing for repositioning and upside in rents or owner-user.
- Recently remodeled and new roof in 2015
- Located in Ventura Blvd Specific Plan, allows change of use to Medical

## Location Highlights

- Encino retail market has one of the lowest vacancy rates of greater Los Angeles area of 2.7%
- Irreplaceable location in the heart of Encino. A+ location on Ventura Blvd. and 2 blocks west of Balboa Blvd. Approximately 1.1 mi. to US 101 Fwy and 2.3 mi. to I-405 Fwy.
- Highly affluent population with Average Household Income within a 1 – mile radius of Property exceeds \$134,000.00
- Strong retail tenants in immediate vicinity of Property promotes steady day and night traffic, 40,000 cars per day.
- Adjacent Retailers are Pier 1, Smart & Final, CVS, Big 5, Coffee Bean, Starbucks, Jamba Juice, Chili's, Buca di Beppo, Jerry's Deli, Leammle Theatre and L.A. Fitness.



## Investment Summary



Offering Price	\$4,200,000 \$4,850,000
Cost/Building SF	\$569.64
NOI	\$157,239 (current)
Cap Rate Current	3.74%
Pro-Forma Cap Rate	4.65%
Occupancy	100%
Ownership Type	Fee Simple

## Property Summary

Address	17007-15½ Ventura Blvd., Encino, CA 91316
County	Los Angeles
Building Area	7,373± SF
Land Area	11,370± SF
Parking	5 Triple Stalls 6 Single Stalls 21 Total Spaces
Ownership	Fee Simple
Year Built	1948/2015 Remodel
Parcel/Zoning	2258-013-002 / C4-1VL Located in the Ventura Blvd. Specific Plan. Allows medical.
Stories	Two
Foundation	Concrete
Exterior Walls	Stucco and Wood Frame



# Rent Roll

Suite	Tenant	Sq. Ft. OCC	Start Date	End Date	Current Rent per Month	Current Rent /SF/ Mo.	Annual Rents (Actual)	Rent /SF Year	Proj. Market Rent /SF/ Mo.	Annual Rents (Proforma)	% of GLA	Escalation	Option	Comments
17009-17013	Encino Veterinary Clinic	2,573 + 400 SF detached 2,973 total	3/14/1993	4/14/2019	\$7,254	\$2.44 NNN	\$87,048	\$29.28	\$2.56 NNN	\$91,330	35.57%	CPI yearly with 5% max	2 - 5 Yr.	LL=Roof, foundation ext. wall, structural portion int. walls, T= taxes, Ins, utilities, CAMS
17007	Miracle Mile Psychic	730	Mo to Mo	Mo. to Mo.	\$1,785	\$2.44 MG	\$21,420	\$29.28	\$2.56 NNN	\$22,425	10.47%	None	None	T= Roof, Structure, HVAC, Utilities, taxes. LL= Insurance. Note: LL does not bill T for taxes
17015	USA Expedition Computer School	1,866	5/1/2014	Mo. to Mo.	\$2,960	\$1.59 MG	\$35,520	\$19.03	\$2.56 NNN	\$57,324	26.76%	None	None	T= Roof, Structure HVAC, Utilities, taxes. LL = Insurance. Note: LL does not bill T for taxes
17015 1/2	Stephen Rosado (2nd Floor office)	1,804 + detached storage	6/1/2014	Mo. to Mo.	\$3,255	\$1.80 MG	\$39,060	\$21.60	\$2.00 MG	\$43,296	25.87%	None	None	T=Roof, structure, HVAC, utilities, taxes. LL = Insurance. Note: LL does not bill T for taxes
	<b>Total</b>	<b>7,373</b>			<b>\$15,254</b>	<b>\$2.06</b>	<b>\$183,048</b>	<b>\$24.82</b>	<b>\$2.42</b>	<b>\$214,375</b>	<b>98.67%</b>			

[1] Storage SF not included in Rent/SF/Mo., % of GLA or Total SF of building.



## Estimated Expenses

### Estimated Current Expenses

Utilities	\$3,454
Property Taxes (Current)	\$21,028 [1]
Insurance	\$5,225
Waste Management	\$4,965
Repairs/Maintenance	<u>\$3,470</u>
Total Current Expenses	\$38,142

### Estimated Projected Expenses

Utilities	\$3,454
Property Taxes (New)	\$52,080 [5]
Insurance	\$5,225
Waste Management	\$4,965
Repairs/Maintenance	<u>\$3,470</u>
Total Projected Expenses	\$69,194

### Gross Scheduled Income

Annual Base Rent	\$183,048.00
NNN Reimbursements	\$12,333.00 [2]
<b>Total Gross Operating Income</b>	<b><u>\$195,381.00</u></b>
Less Expenses	\$38,142.00
<b>Net Operating Income</b>	<b>\$157,239.00</b>

### Gross Scheduled Income - Projected

Annual Base Rent	\$214,375.00 [3]
NNN Reimbursements	\$50,373.00 [4]
<b>Total Gross Operating Income</b>	<b><u>\$264,748.00</u></b>
Less Expenses	\$69,194.00
<b>Net Operating Income</b>	<b>\$195,554.00</b>

[1] Real Estate Taxes are based on the Owner's 2015 budget. It is the responsibility of the investor to reassess taxes in accordance with the anticipated purchase price.

[2] Encino Vet is on a NNN lease. Total Reimbursement revenue is from Encino Vet 35.57% of Operating Expenses.

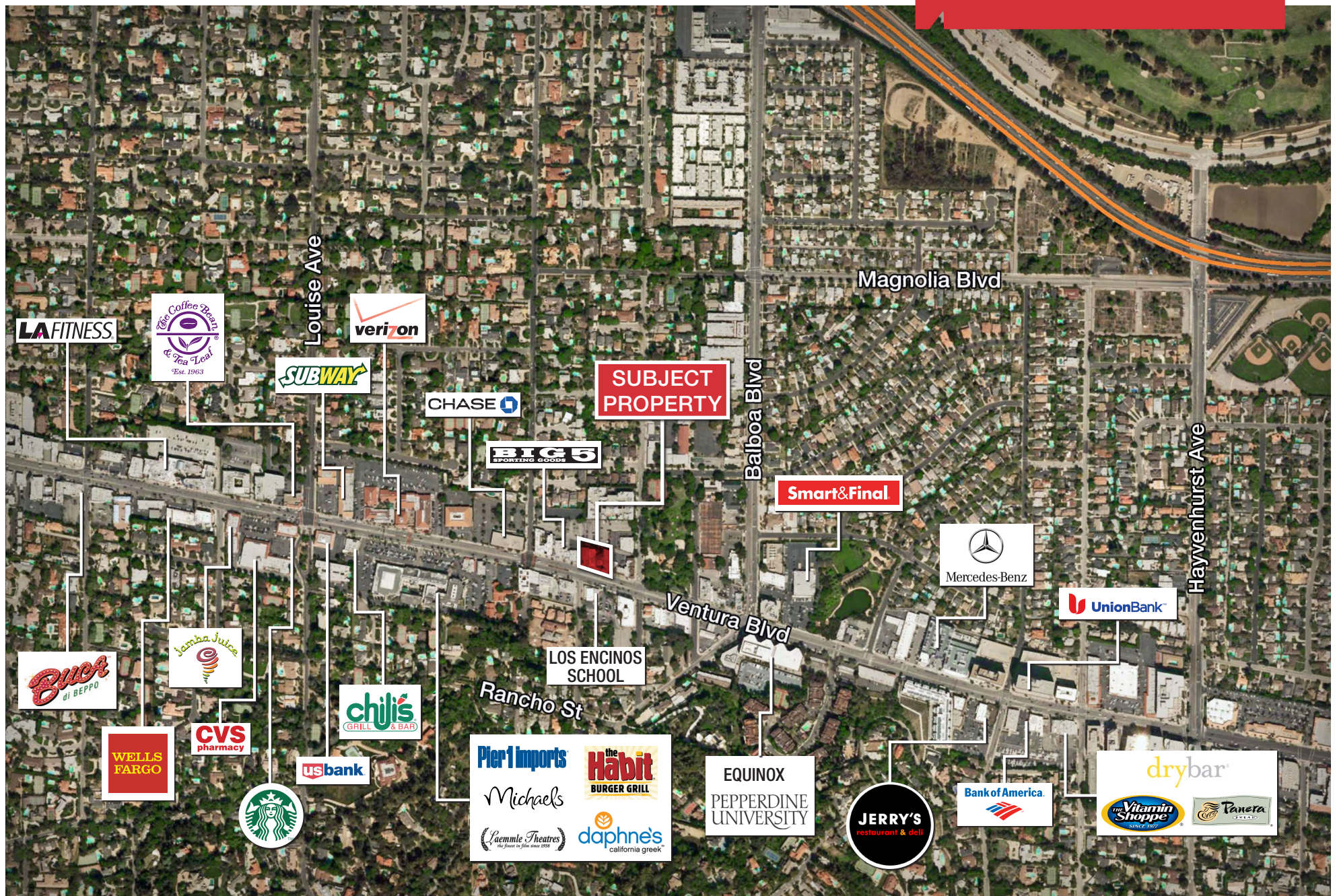
[3] Projected Market Rents in rent roll are based on assumptions relating to economy, competition & market conditions beyond the control of Owner & NAI Capital.

[4] NNN Reimbursements assume 17007 & 17015 Ventura Blvd. tenants pay prorated share of NNNs.

[5] Property taxes based on 1.24% of \$4,200,000 sales price.



## Area Retailers





## Area Retailers





## Property Summary

### Location

17007-15 ½ Ventura Blvd., Encino is surrounded by the affluent residential communities of Encino, Woodland Hills, Sherman Oaks, Bel Air and Calabasas.

### Parcel

One parcel (APN: 2258-013-002) of 11,370± SF land (plat map)

### Zoning

C-41VL, Commercial Zone and within Ventura – Cahuenga Boulevard Corridor Specific Plan

### Parking

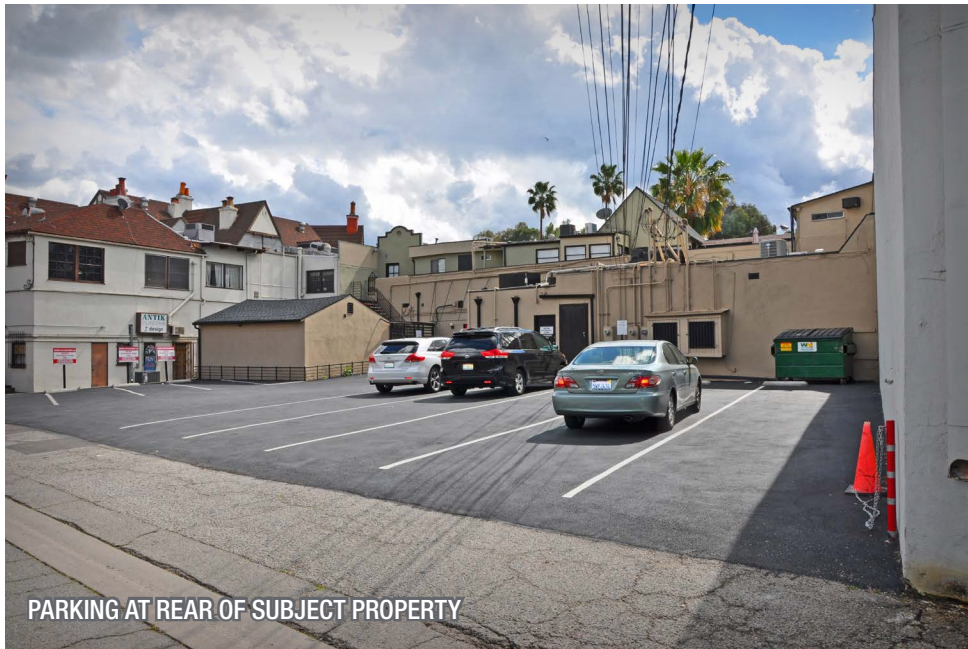
Five triple stalls	15
Six single spaces	<u>6</u>
Total Spaces	21

### Street Frontage

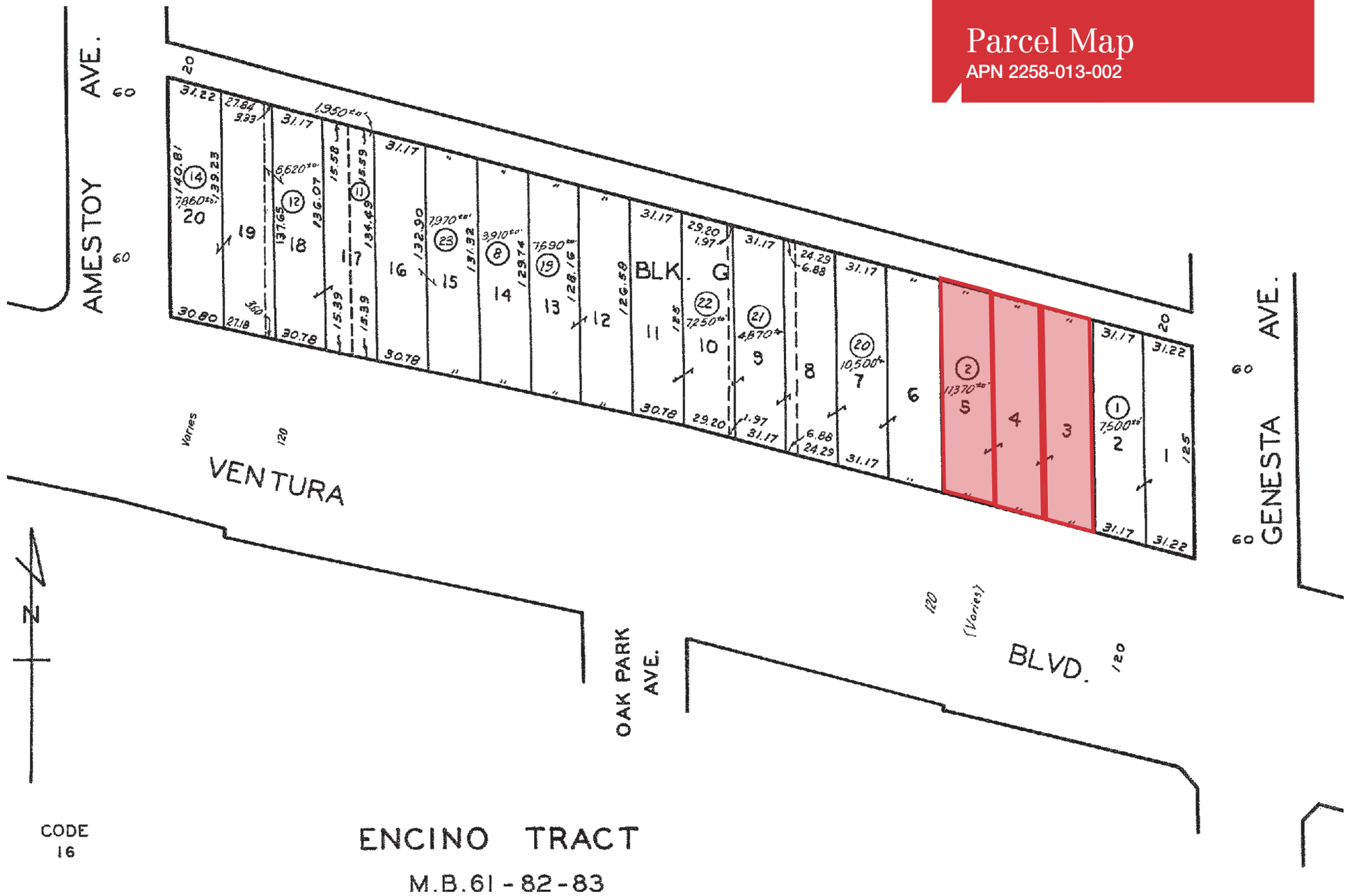
The site has approximately 93.51 feet of frontage along Ventura Blvd.

### Access

The subject site is accessible via a 20' wide alley at the rear of the site.











## Encino

Encino is an extremely affluent Southern California city with very high disposable income. Primarily a residential community with a large mixture of sizeable private homes where the average household income exceeds \$134,000 within a one (1) mile radius. Encino is located just 13.6 miles north of the Century City financial district, 13 miles northwest of Downtown Los Angeles and 21 miles north of Los Angeles International Airport (LAX).

Encino is bounded by the communities of Sherman Oaks, Studio City, Toluca Lake and Van Nuys on the east, Canoga Park, Winnetka, Woodland Hills and

West Hills to the west, Brentwood and Pacific Palisades on the south, and Reseda, West Van Nuys to the north.

Encino was named for its abundance of large spreading oak trees, “Los Encinos”. Encino is a hilly neighborhood in Los Angeles in the western San Fernando Valley and on the northern slope of the Santa Monica Mountains and was established in 1845 as Rancho Encino.

Encino’s boundaries are Victory Blvd. on the North, Mullholland Dr. on the South, Lindley Ave. on the West and the San Diego Freeway on the East.

## Demographics

	1 Mile	3 Miles	5 Miles
Population			
2014	11,684	139,354	432,256
2019 Projected	12,048	142,838	443,289
Median Age			
2014	46.30	39.90	37.40
2019 Projected	46.50	40.30	37.80
Households			
2014	4,994	55,685	156,217
2019 Projected	5,143	57,143	160,190
Average Household Income			
2014	\$134,033	\$95,805	\$86,243
2019 Projected	\$163,777	\$113,634	\$101,773





Encino Park ½ Block from Subject Property

## Education

Public schools in Encino are operated by the Los Angeles Unified School District (LAUSD) and include four elementary schools, three middle schools, and two high schools – Birmingham Community Charter High School and Reseda High School. Private schools include Westmark School, Los Encinos School, Our Lady of Grace Pre-School, Saint Cyril School and Crespi Carmelite High School.

Philipps Graduate Institute and a satellite campus of Pepperdine University are in Encino, and the Encino – Tarzana branch of the Los Angeles Public Library serves Encino on Ventura Blvd.

## Recreation

While Encino is not a tourist destination, it offers multiple amenities to its residents and those in the surrounding area. The city is home to three 18 hole Municipal golf courses, Woodley Lakes Golf Course, Encino Golf Course and Balboa Golf Course.

The Sepulveda Basin Wildlife Reserve is a haven for wildlife and humans alike, a welcome oasis within an urban setting of Van Nuys and Encino. The U.S. Army Corps of Engineers channelized the Los Angeles River and built the Sepulveda Dam to capture and hold floodwaters for later gradual release down the river. Except for infrequent flood episodes, this otherwise dry-land flood control basin leased to the City of Los Angeles Department of Recreation & Parks plays host to diverse uses including athletic fields, agriculture, golf courses, a fishing lake, park lands, a sewage treatment facility and a growing wildlife reserve.

The Balboa Sports Complex run by the Department of Recreation & Parks has a gym capacity of 400, lighted baseball diamond, basketball courts, football field, handball courts, tennis courts, volleyball courts, children's play area, unlighted soccer field, indoor gym and community room.

Los Encinos State Historic Park at the corner of Balboa and Ventura Blvd. was the hub of Rancho El Encino and includes the original 9 room de la Ossa Adobe, the 2 story limestone Garnier building, a blacksmith shop, a natural spring and a pond.





## Transportation

Encino is served by two major interstate freeways. The US 101 Freeway approximately 1.1 miles north of the subject Property and the 1-405 Freeway approximately 2.3 miles east of the subject Property. The Metropolitan Transit Authority has several bus lines serving the Encino area.

Encino is located 11.2 miles from the Burbank-Glendale-Pasadena Airport (Bob Hope Airport) in Burbank, and 21 miles from Los Angeles International Airport.

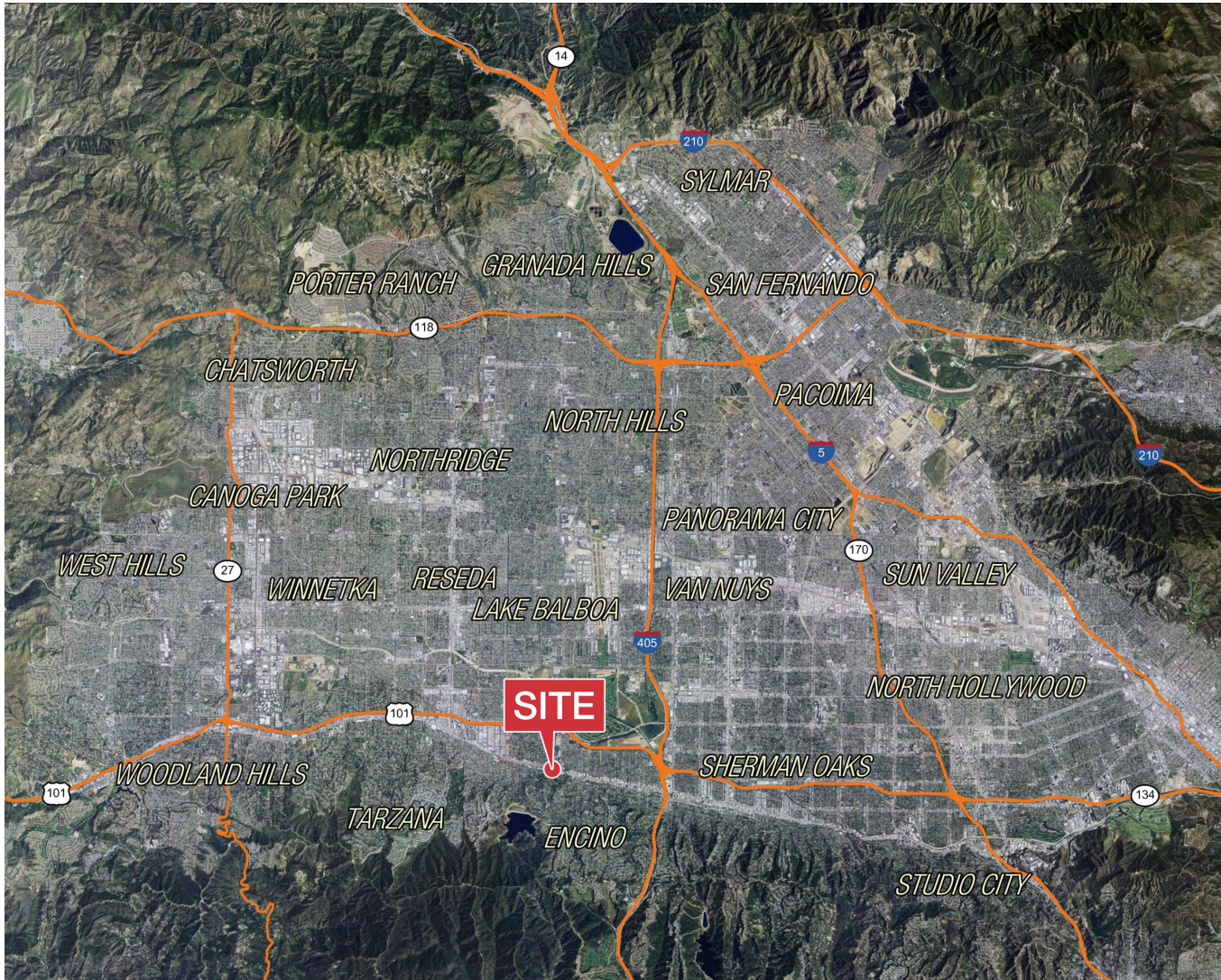


## Area Overview

With an area of 4,083 square miles of land area, Los Angeles County is located in the southwestern portion of the State of California, and comprises the commercial center of the Southern California region. The county lies along approximately 76 miles of Pacific Ocean coastline on the west and extends for nearly 70 miles from west to east. Surrounding counties include Ventura County to the northwest, Kern County to the north, San Bernardino County to the east and Orange County to the south. The County also includes the islands of Santa Catalina and San Clemente. Los Angeles County has 88 incorporated cities. Los Angeles County has the largest population of any county in the nation with an annual budget of more than \$24.2 billion and a population of nearly 10.16 million residents. Approximately 26.13 percent of California residents reside in Los Angeles County.

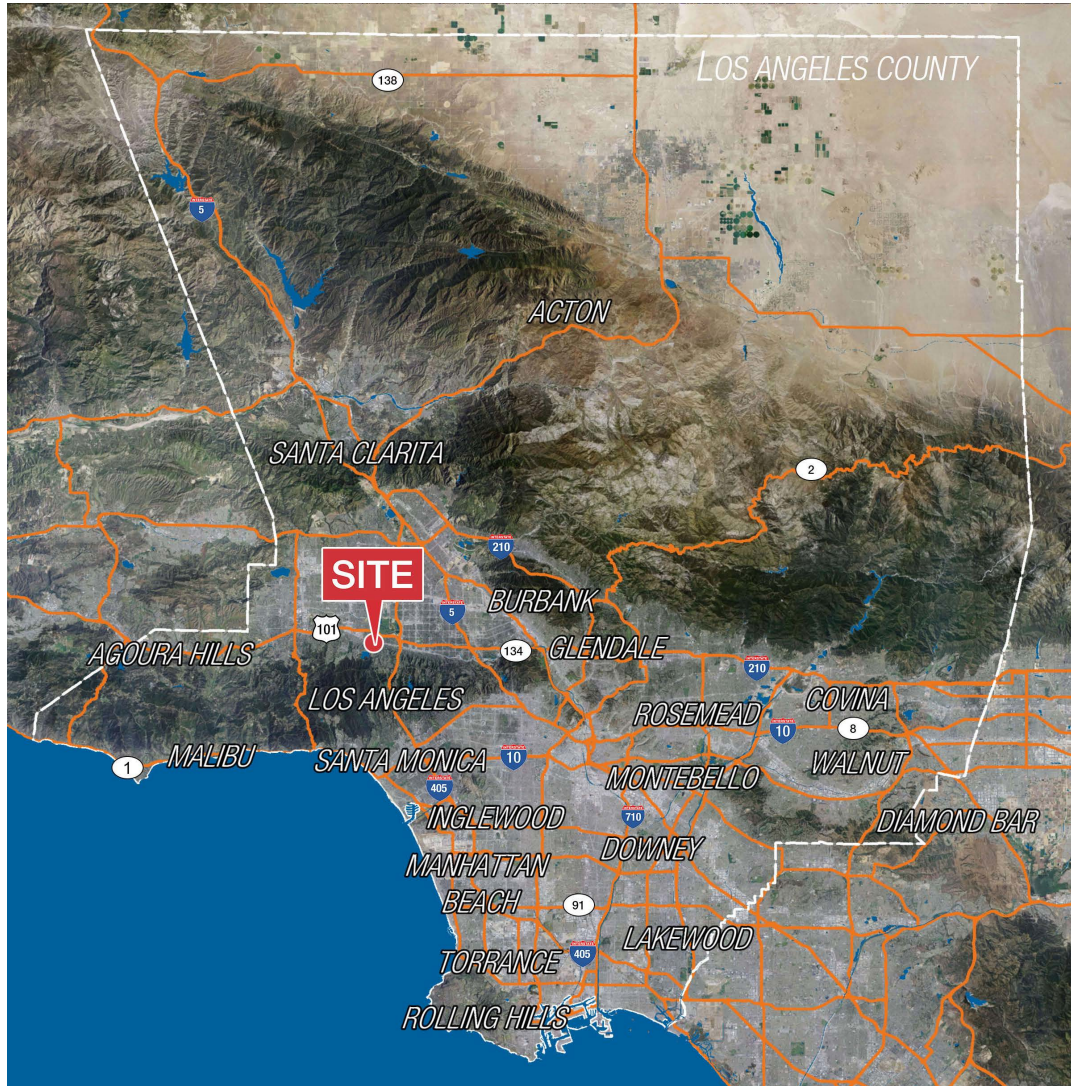
Los Angeles County leads the Nation as the #1 International Trade Capital, the #1 Entertainment Capital, and the #1 Manufacturing Capital in the United States. Perched on the edge of the Pacific Rim, its system of harbors, airports and transcontinental railroads and freeways will make it possible for the county to capitalize on the near doubling of trade with Pacific Rim countries that is anticipated to occur over the next 15-20 years.

Los Angeles County also has the Nation's #1 & #2 ranked seaports.



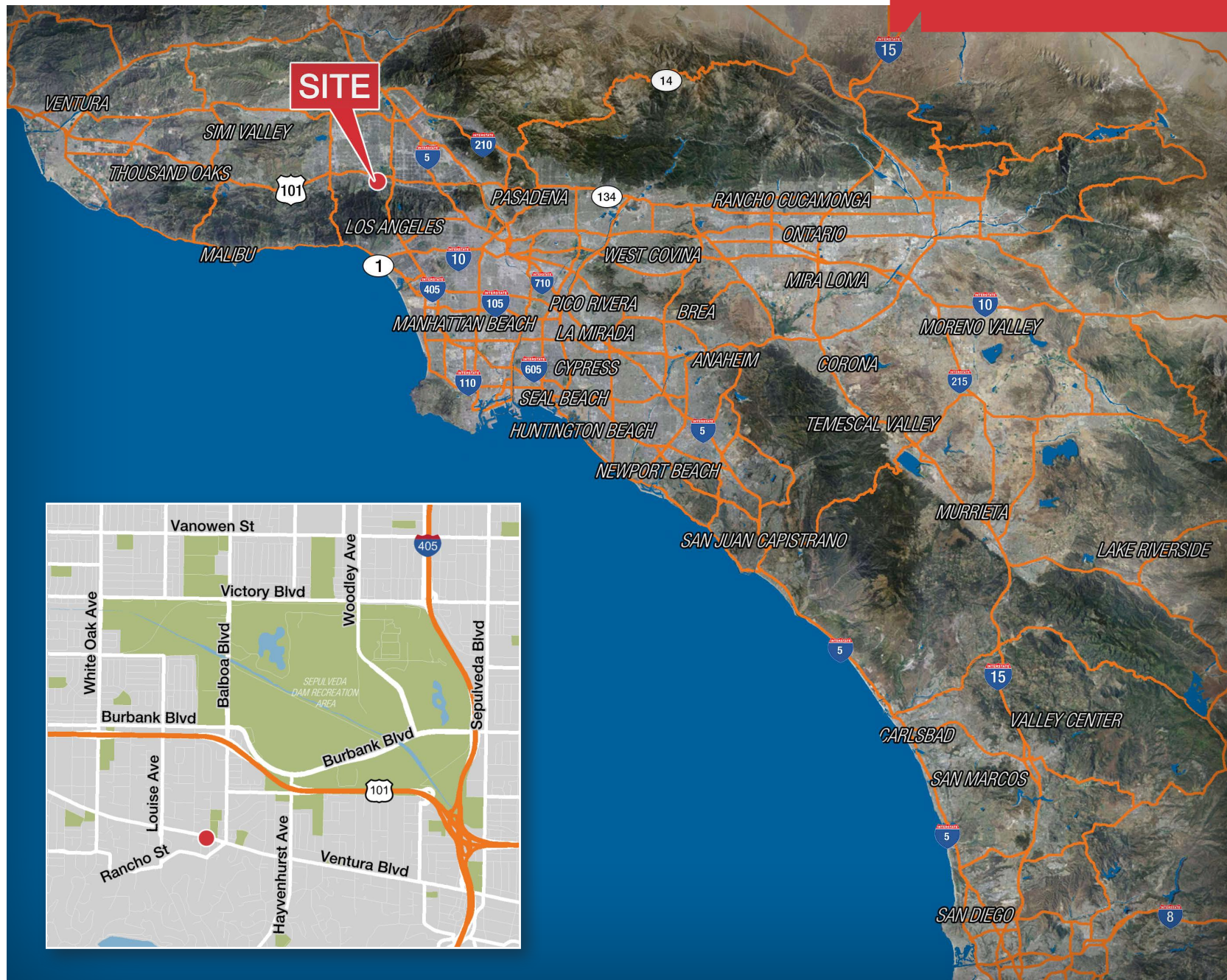


# Los Angeles County



- As of 2015 Los Angeles County's population is 10.13 million people, since 2014 it has experienced a population growth of 0.81%
- The median home value in L.A. County is \$529,400 a 7.1% increase over the past year
- In 2015, 45.5 million overnight & day visitors came to the county, a 6.8% increase over 2014, and spent \$19.6 billion in 2014, a 6.8% increase over 2013
- Los Angeles County is the largest manufacturing center in the U.S., with 365,500 jobs in these activities in 2014 (LADEC Forecast February 2014-15).
- The total value of two-way international trade passing through the Los Angeles Customs District (LACD) for 2015 was \$393.4 billion(LAEDC Economic Forecast 2016-17).
- Los Angeles International Airport (LAX) is the seventh busiest airport in the world, accommodating 74.93 million arriving & departing passengers in 2015. In 2015 LAX ranked number 7 among the airports of the world in passenger traffic handled.
- Los Angeles County's Gross Domestic Product in 2014 was \$664 billion, exceeded by only 19 nations. In addition, on the basis of population of 10.13 million, Los Angeles County would be the 9th largest state in the United States.
- There are 254 institutions of higher education in the five-county area. This count includes three U.C. system campuses, seven campuses of the State College and University system, and such private institutions as Caltech, Occidental College, and the University of Southern California. There are also the community colleges, culinary art schools, specialized institutions such as the Art Center College of Design, Otis Art Center, and the California Institute of the Arts.
- In 2015 Los Angeles County had a seasonally adjusted civilian labor force of 5,017,000 people. ([www.ca.gov](http://www.ca.gov)).







## Los Angeles County Top Employers

Rank	Employer	No. of Employees
1	Kroger co.	140,000
2	County of Los Angeles	109,500
3	Los Angeles Unified School District	104,900
4	City of Los Angeles	56,200
5	Federal Government	48,100
6	Kaiser Permanente	34,100
7	State of California (non-education)	30,500
8	University of California, Los Angeles	28,400
9	Northrop Grumman Corp	19,100
10	Boeing Co.	14,400

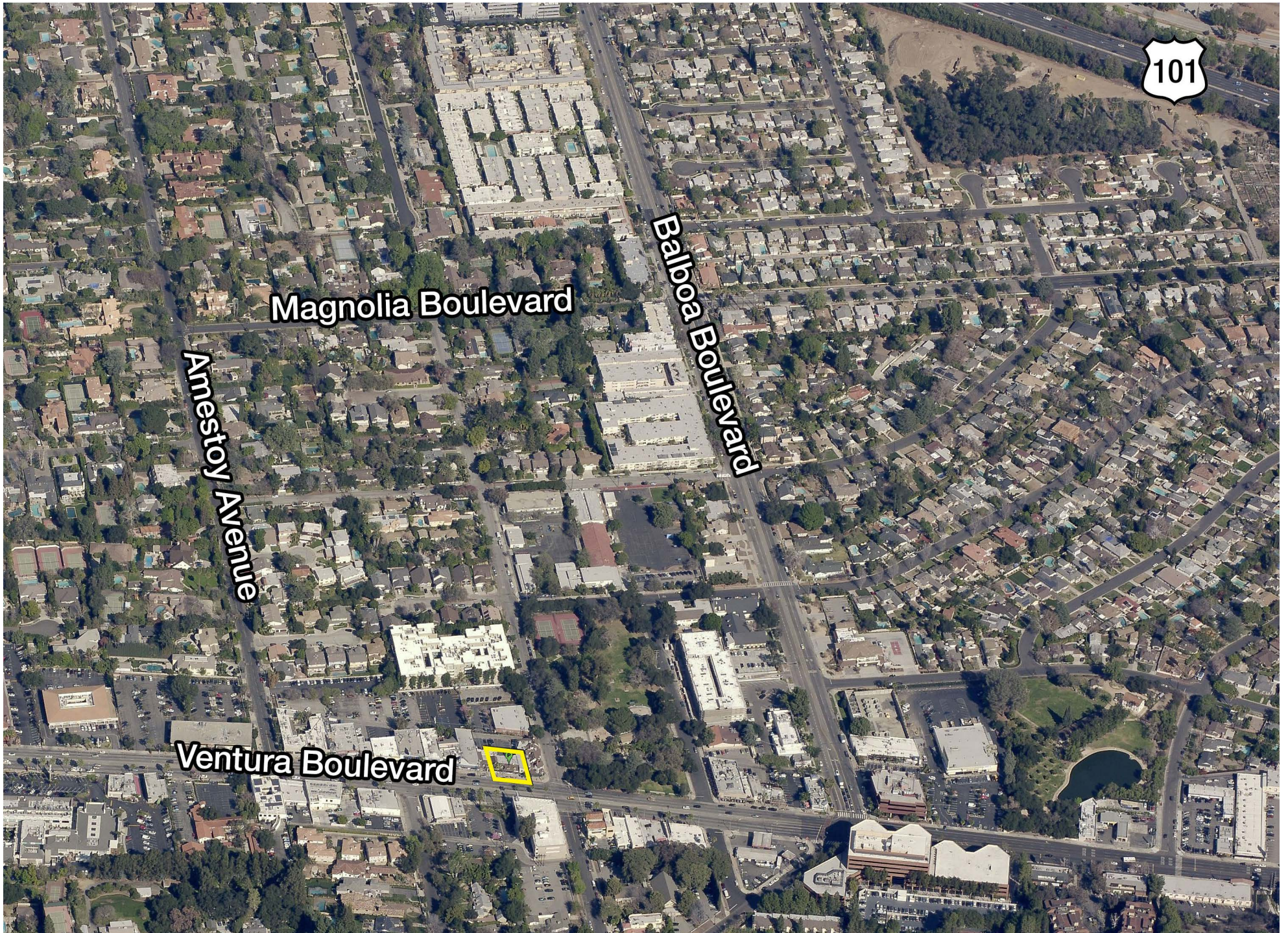


## Sales Comparables

### Encino Retail

LOCATION BUSINESS PARK	BLDG. AREA SF	SALE DATE	YEAR BUILT	SALE PRICE	CAP RATE	BLDG. SALE PRICE PSF	OCCUPANCY AT SALE	LAND AREA SF
15927 Ventura Blvd., Encino, CA 91436 Single Tenant Islands Restaurant	7,487	Jan. 2012	1954	\$5,300,000		\$707.89	100%	32,200
17523 Ventura Blvd., Encino, CA 91316 Owner User	2,058	July 2013	1955	\$1,100,000		\$535.50	0%	6,251
17640 Burbank Blvd., Encino, CA 91316 Single Tenant Trader Joe's	8,200	Sept. 2015	1975	\$7,000,000 NNN Lease to 2026	4.45%	\$853.66	100%	28,749
15626 Ventura Blvd., Encino, CA 91436 Single Tenant Corner Bakery	2,663	June 2014	1979	\$2,510,000	3.80%	\$942.55	100%	14,945
19255 Ventura Blvd. Tarzana, CA 91356 Single Tenant Citibank	10,467	Nov. 2015	1983	\$6,350,000	4.41%	\$606.67	100%	23,853
<b>Subject Property</b>	<b>7,373</b>		<b>1948</b>	<b>\$4,200,000</b>	<b>3.74% Current 4.65% Projected</b>	<b>\$569.64</b>	<b>100%</b>	<b>11,370</b>







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