

# OFFERING MEMORANDUM.

## Best Buy Murrieta, CA



TheMaffiaTeam



**\$9,253,000**

**6.00% CAP Rate**

- ◆ Absolute NNN Lease to Corporate Parent
  - ◆ Below Market Rental Rate
- ◆ Established Tenant Since 1996
  - ◆ Recently Exercised 1st Option
- ◆ Located in Primary Retail Corridor
- ◆ Situated within Madison Square Shopping Center
- ◆ Excellent Access & Visibility with Pylon Signage along Interstate 15 (124,000 AADT)
- ◆ National Tenant with a Net Tangible Assets of \$3.935 Billion
- ◆ Excellent Demographics within 5 Mile Radius
  - ◆ Population over 155,000
  - ◆ Average Household Income in Excess of \$95,400

**Newmark  
Cornish & Carey**  
Leased Investment Group

[www.maffiateam.com](http://www.maffiateam.com)



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Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

## Table of Contents

PROPERTY INFORMATION	1
TENANT INFORMATION	3
SITE PLAN	3
AERIALS	4
ABOUT THE AREA	8
COMPARABLES	10
DEMOGRAPHICS	11

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# Property Information

## Location

The property is located at 25080 Madison Avenue in Murrieta, California.

## Lot Size

Approximately 5.25 acres, or 228,690 square feet.

## Improvements

An approximately 46,520 square foot retail building for **Best Buy**.

## Parking

There are approximately 290 parking spaces available on site.

## Lease

Originally leased to **Best Buy Co., Inc.** for an original term of 20 years beginning in June 1996 and expiring in June 2016. The tenant has exercised its first option to extend the term to June 2021 at a current annual rent of \$555,182. There are two five-year options to renew the lease remaining. The rent increases by 5% every five years throughout the initial term and option periods as indicated. The lease is absolute net with the tenant responsible for all taxes, insurance, and maintenance.

## Net Operating Income

Year	Rent	Return	Rent/SF
1-5	\$456,750	n/a	\$9.82
6-10	\$479,588	n/a	\$10.31
11-15	\$503,567	n/a	\$10.82
16-20 Current Income	\$528,745	n/a	\$11.37
<b>21-25 (Option 1) Capitalized Income*</b>	<b>\$555,182</b>	<b>6.00%</b>	<b>\$11.93</b>
26-30 (Option 2)	\$582,941	6.30%	\$12.53
31-35 (Option 3)	\$612,088	6.62%	\$13.16

\*Note: In the event closing occurs before the rental increase in June 2016, the seller will guarantee the rent difference from close of escrow until the actual increase occurs.

**Price: \$9,253,000 (6.00% Return)**

## Financing

The property is free and clear of any permanent financing. Various financing options exist including a loan at approximately 60% loan-to-value at a fixed interest rate of 4.00% for five years with a 30 year amortization schedule.



## About the Tenant



**Best Buy Co., Inc.** (NYSE: “BBY”), is an innovative Fortune 100 growth company that continually strives to create superior customer experiences. Through more than 1,050 retail stores across the United States, including large-format and Best Buy Mobile stores, the Company connects customers with technology and entertainment products and services. Best Buy sells consumer electronics, home-office products, entertainment software, appliances, and related services. A Minneapolis-based company, its operations include: Best Buy (BestBuy.com), Geek Squad (GeekSquad.com), Magnolia Audio Video (Magnoliaav.com), and Pacific Sales Kitchen and Bath Centres (PacificSales.com). Best Buy plans to double its online retail presence in the next three to five years.

For the quarter ended January 2016, Best Buy reported revenue of \$13.62 billion with net income of approximately \$479 million and net tangible assets of approximately \$3.935 billion. Best Buy has a Standard & Poor’s rating of “BB+.”



# Site Plan



SIGN

LOS ALAMOS ROAD

Smart&Final

STAPLES



46,520 SF



SIGN

MADISON AVENUE



# Aerial | East View

## MURRIETA TOWN CENTER



## MADISON SPRINGS PLAZA



University of Phoenix  
Murrieta Learning Center

Rancho Springs  
Medical Center

Murrieta Hot Springs Rd

Walmart

Smart & Final

STAPLES

BEST BUY

15 / (124,000 AADT)

Madison Ave (24,100 AADT)

Los Alamos Rd

## MURRIETA SPECTRUM





# Aerial | Northwest View

VILLAGE WALK PLAZA

**PETCO** **BevMo!**  
Where the pets go. & the drinks go.  
**SPORTS AUTHORITY** **BED BATH & BEYOND**  
**BABIES R US** **Office DEPOT**  
**Guitar Center** **Famous Footwear** **SALLY BEAUTY**  
**DAVID'S BRIDAL** **verizon**

MADISON CENTER

**Lowe's**  
Home Improvement Warehouse  
**KOHL'S**

**LA FITNESS** **O'Reilly**  
**7 ELEVEN** **Shell** **BURGER KING** **Comfort INN**

CALIFORNIA OAKS CENTER

**Barons market** **Walgreens**  
**DOLLAR TREE**  
**Tuesday Morning** **CHASE**  
**McDonald's** **menchie's** **Louis Cardinals pizzalpizza!**

**Target** **Albertsons** **READING CINEMAS**  
**AutoZone**  
**Payless** **Starbucks**  
**Hallmark** **K** **CHIPOTLE** **Jamba Juice**

MURRIETA SPECTRUM

**SLEEP TRAIN**  
**ASHLEY FURNITURE HomeStore** **Starbucks** **at&t**  
**savers**

**Chick-fil-z**

**Applebee's**

**Jack**  
in the box

**TACO BELL**

Mulligan Family Fun Center

INTERSTATE 15 / (124,000 AADT)

**Smart & Final**  
**STAPLES**

Murrieta Mesa High School

Los Alamos Rd (11,300 AADT)

**BEST BUY**

MADISON SPRINGS PLAZA

**THE HOME DEPOT** **BIG LOTS!** **99c only**  
**BIG 5 SPORTING GOODS** **PET SMART** **IHOP**  
**CARDENAS** **MATTRESS MADE MEXICO**  
**POPEYES** **McDonald's** **Wienerschnitzel** **PIZZA HUT**

Madison Ave (24,100 AADT)



# Aerial | Southeast View



MADISON SPRINGS PLAZA



Walmart

TEMECULA



MURRIETA SPECTRUM



Madison Ave (24,100 AADT)

Los Alamos Rd (11,300 AADT)

BEST BUY

STAPLES

Smart & Final

15



# Aerial | Distant View

CALIFORNIA OAKS CENTER

Barons  
market

Walgreens

DOLLAR TREE

Tuesday Morning  
SEEK THE UNIQUE

CHASE

McDonald's

menchie's  
frozen yogurt

Little Caesars  
pizzapizza

LA FITNESS

O'Reilly

7  
ELEVEN

Shell

BURGER  
KING

Comfort  
INN

Shivela  
Middle School

Target

Albertsons

READING  
CENTRAL

TARGET

AutoZone

Payless

Carls Jr.

Hallmark

K

CHIPPERS

Jamba Juice

CVS  
pharmacy

CHUCK E. CHEESE'S

STATER BROS.

Jack  
in the box

Pizza  
Hut

UPS

UNITED STATES  
POSTAL SERVICE

the  
Y

Starbucks

TACO  
BELL

COTYAS

MURRIETA TOWN CENTER

RITE  
AID

Ralphs

ROSS  
DRESS FOR LESS

Toys R Us

Burlington

DOLLAR TREE

Great Clips

Sizzler

DELTA CO

VILLAGE WALK PLAZA

ARCO

Chevron

Jack  
in the box

TACO  
BELL

Murrieta Mesa  
High School

Smart & Final

STAPLES

Los Alamos Rd

BEST  
BUY

MADISON SPRINGS PLAZA

THE  
HOME  
DEPOT

BIG  
LOTS!

99c  
only

BIG 5

PET SMART

CARDENAS

MATTRESS  
WAREHOUSE

POPEYES

McDonald's

W

PIZZA HUT

Rancho Springs  
Medical Center

Murrieta  
Senior Center

Chick-fil-A

Applebee's

MADISON CENTER

Lowe's

KOHL'S

Murrieta  
Elementary

MURRIETA SPECTRUM

SLEEP TRAIN

ASHLEY  
HOMESTORE

savers

at&t

Arby's

WELLS  
FARGO

SUBWAY

JOJO'S  
MISIA

COLD STONE

Denny's

Walmart

Murrieta Hot Springs Rd

Sam's  
CLUB

Walgreens

24  
FITNESS

HARBOR FREIGHT TOOLS

DICK'S  
SPORTING GOODS

Bank of America

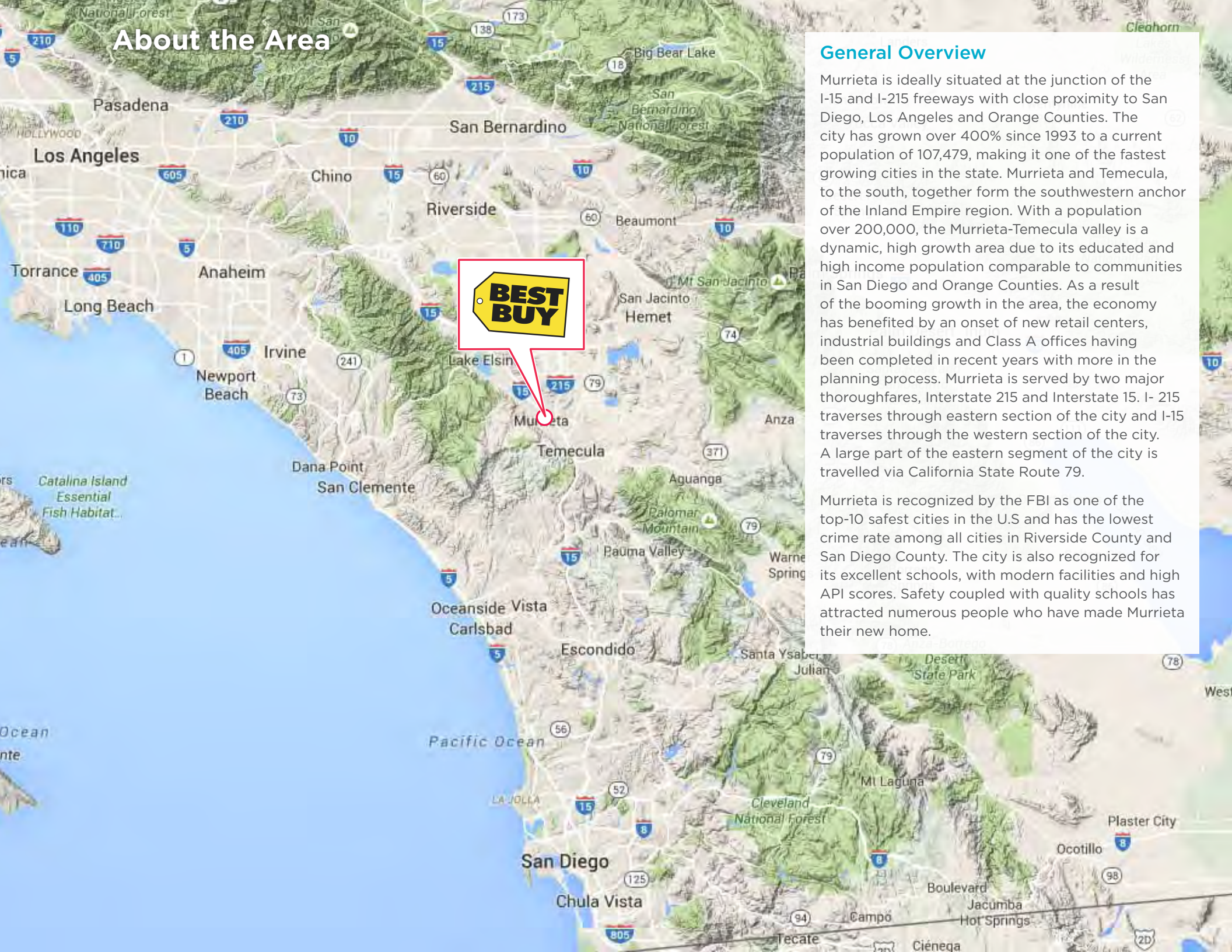
Shell

Wendy's

Habit  
Burger Grill



## About the Area



### General Overview

Murrieta is ideally situated at the junction of the I-15 and I-215 freeways with close proximity to San Diego, Los Angeles and Orange Counties. The city has grown over 400% since 1993 to a current population of 107,479, making it one of the fastest growing cities in the state. Murrieta and Temecula, to the south, together form the southwestern anchor of the Inland Empire region. With a population over 200,000, the Murrieta-Temecula valley is a dynamic, high growth area due to its educated and high income population comparable to communities in San Diego and Orange Counties. As a result of the booming growth in the area, the economy has benefited by an onset of new retail centers, industrial buildings and Class A offices having been completed in recent years with more in the planning process. Murrieta is served by two major thoroughfares, Interstate 215 and Interstate 15. I-215 traverses through eastern section of the city and I-15 traverses through the western section of the city. A large part of the eastern segment of the city is travelled via California State Route 79.

Murrieta is recognized by the FBI as one of the top-10 safest cities in the U.S and has the lowest crime rate among all cities in Riverside County and San Diego County. The city is also recognized for its excellent schools, with modern facilities and high API scores. Safety coupled with quality schools has attracted numerous people who have made Murrieta their new home.



## Riverside



The subject property is located along Madison Avenue (24,100 AADT) in the heart of Murrieta. The property sits between Murrieta Hot Springs Road (42,600 AADT) to the south and Los Alamos Road (11,300 AADT) to the north. Madison Avenue is considered to be the primary retail corridor of Murrieta, as it features some of the most prominent shopping centers and retailers. This particular Best Buy is situated within the Madison Square Shopping Center which features national credit big box retailers such as Smart & Final and Staples. The shopping center benefits from excellent visibility and access, with both southbound and northbound travelers from Interstate 15 (124,000 AADT) being able to access the site via the Murrieta Hot Springs Road exit. Best Buy also has its own dedicated pylon signage on the side of Interstate 15, further enhancing visibility and consumer draw to the area.

The immediate area features some of the most dominant grocery and home improvement anchored retail centers in the city of Murrieta. Adjacent to the south of Madison Square is Murrieta Springs Plaza which is co-anchored by The Home Depot and Cardenas Market. The center also includes the likes of Big 5 Sporting Goods, Big Lots!, 99 Cents Stores Only, PetSmart, Panda Express, McDonald's, and IHOP, amongst others. South of Madison Square, across Murrieta Hot Springs Road, are Walmart and the neighborhood retail center, Madison Marketplace.

As a testament of the area's strength, the site is further fueled by the robust demographics within a five mile radius. There is a population of over 155,000 with average household income in excess of \$94,400 and a median home value of \$348,540.



# Lease Rate Comparables in Riverside County



Property	City	Annual Rent/SF
Aldi	Palm Desert	\$27.00
Planet Fitness	Lake Elsinore	\$21.60
Tractor Supply Company	Lake Elsinore	\$21.00
Tractor Supply Company	Hemet	\$20.11
Revivals	Palm Desert	\$18.48
Marshalls	Murrieta	\$18.00
40473 Murrieta Hot Springs Road	Murrieta	\$18.00
Guitar Center	Riverside	\$18.00
Tractor Supply Company	Murrieta	\$15.43
Da Best Adobo	Murrieta	\$15.00
Party City	Palm Springs	\$15.00
Aldi	Palm Springs	\$15.00
<b>Best Buy</b>	<b>Murrieta</b>	<b>\$11.93</b>



# Demographics



25080 Madison Ave, Murrieta, CA 92562

	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2010 Total Population	7,016	82,831	148,679
2015 Total Population	7,639	85,402	155,043
2020 Total Population	8,106	89,353	163,313
2015-2020 Annual Rate	1.19%	0.91%	1.04%
<b>Average Household Income</b>			
2015	\$74,443	\$91,950	\$94,408
2020	\$84,342	\$105,164	\$108,341
<b>Median Home Value</b>			
2015	\$295,031	\$343,842	\$348,540
2020	\$332,679	\$355,685	\$365,103

Largest Employers in Murrieta, CA	# of Employees
Murrieta Valley Unified School District	1919
Southwest Healthcare Systems	800
County of Riverside	662
Loma Linda University Medical Center- Murrieta	650
Target(s)	500
City of Murrieta	390
Walmart	340
Home Depot	295
Oak Grove Institute	280
Sam's Club	220





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