

**BRENTWOOD CROSSROADS STRIP CENTER  
BRENTWOOD, CA**

**BRENTWOOD CROSSROADS**



**\$2,628,000**

- STABILIZED WITH VALUE ADD
- HIGH GROWTH EAST BAY AREA
- 100% LEASED & EASY MANAGEMENT
- EXCELLENT DEMOGRAPHICS
- CONVERT GROSS TO NNN
- ANNUAL RENT INCREASES
- 20+ YEAR THRIVING ANCHOR
- BLOCKS TO PUBLIC SCHOOLS

*Marketing by:*  
**BD Holdings, Inc**

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## **BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA**

### **CONFIDENTIALITY AND DISCLOSURE AGREEMENT**

This Offering Memorandum (“OM”) contains select information pertaining to the business and affairs of **Brentwood Crossroads Strip Center** located at **8335 Brentwood Blvd., Brentwood CA 94513** (“Property”). It has been prepared by BD Holdings, Inc. This OM may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this OM is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or BD Holdings, Inc. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this OM or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without the reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this OM for the Property, you agree:

- The OM and its contents are confidential;
- You will hold it and treat it in the strictest of confidence; and
- You will not, directly or indirectly, disclose or permit anyone to disclose this OM or its contents in any fashion or manner detrimental to the Interest of the Seller.

Owner and BD Holdings, Inc. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the “Property” and to terminate discussions with any person or entity reviewing this “OM” or make an offer to purchase the “Property” unless and until a written agreement for the purchase and sale of the “Property” has been fully executed and delivered. A Principal of BD Holdings has an ownership interest in the Property.

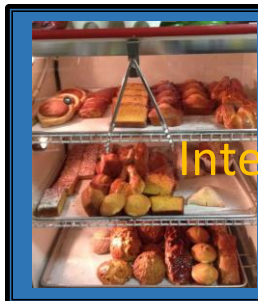
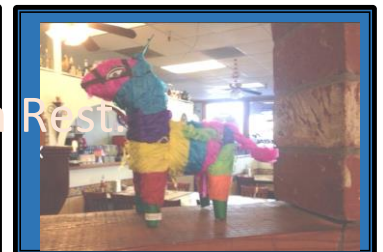
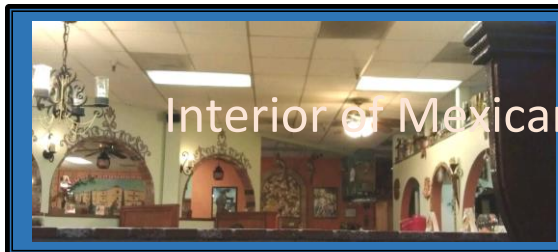
If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this OM.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or BD Holdings, Inc. or their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This OM shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs or the Property since the date this Memorandum.



## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA





## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA



## **BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA**

### **SALE SUMMARY**

<b>Sales Price:</b>	<b>\$2,628,000</b>
<b>Terms:</b>	<b>CASH, CASH to New Loan</b>
<b>Cap Rate:</b>	<b>6.50% / Sept. 2017 6.75%</b>
<b>NOI:</b>	<b>\$170,852 / Sept. \$177,294</b>
<b>Leveraged Cash on Cash</b>	<b>6.25% / Sept. 6.86%</b>
<b>Leveraged Return</b>	<b>8.71% / Sept. 9.32%</b>
<b>Price/SQFT:</b>	<b>\$227.97</b>
<b>Percent Leased:</b>	<b>100%</b>
<b>Average Rent</b>	<b>\$1.44 SF/MO. NNN/GROSS</b>
<b># of Tenants:</b>	<b>5</b>
<b>Building Sizes:</b>	<b>± 11,528 (according to Title 11,968 SF)</b>
<b>Land Area:</b>	<b>100% Fee interest in APNs # 013-240-007-8 totaling .836 Acres,</b>
<b>Year Built:</b>	<b>1988/1989</b>

**Tenant Mix**      The 11,528 sf subject property has operated continuously as a retail center since its original construction. There are a total of 5 tenants, Jalisco's Restaurant has been an anchor tenant for 20+ years, and recipient of multiple awards. Jalisco's Restaurant recently extended their lease for another 5 years. Jalisco's Market next door has become a staple tenant for the past 4+ years. The Restaurant and Market are not the same tenant. The remaining 3 tenants are a good mix of services with a Barber Shop who has been at this location 2013, a new Frame Store, and Massage Spa.



## BRENTWOOD CROSSROADS STRIP CENTER

### BRENTWOOD, CA

**Surrounding Retail Tenants:** Neighboring Safeway/CVS anchored center, with Wells Fargo, Burger King and TOGO's pads. Several other Neighborhood Centers in surrounding area.

**Demographics:**

<i>Estimated 2016</i>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
<b>Population (EST 2016)</b>	<b>18,280</b>	<b>58.659</b>	<b>118.867</b>
<b>Population (2010 Census)</b>	<b>16.898</b>	<b>54.251</b>	<b>109.765</b>
<b>% Change (2010 to 2016)</b>	<b>8.18%</b>	<b>8.13%</b>	<b>8.29%</b>
<b>% Change (1990 to 2016)</b>	<b>314%</b>	<b>523%</b>	<b>373%</b>
<b>Avg. HH Income:</b>	<b>\$112,420</b>	<b>\$123,962</b>	<b>\$119,999</b>

*Source: Easy Analytic Software Inc.*

\*Subject Property city has experienced some of the highest growth for the East Bay area of 3 decades.

**Traffic Counts:** Brentwood Boulevard & Maple Street **10,265 ADT**  
*Source CALTRANS & City of Brentwood*

**Parking and Access:** Corner location, with two curb cut entrances, one on Maple Street and one on Brentwood Blvd. Parking Ratio of 4.5 per 1,000 SF in this 11,528 sf center, 51 spaces in total. Maple Street ends at the rear of the property, and during the busiest hours of the restaurant cars park on Maple Street.

**Surrounding Developments:** Brentwood Crossroads Strip Center is in the heart of the commercial center of Brentwood. The center is located on one of the main thoroughfares of this East-Bay City (Brentwood Blvd.) and is positioned within a few blocks of the City's Elementary, Middle and High School. The City has aggressive plans for economic development over the next 20 years. Highlights include the \$60 million downtown revitalization (which was recently completed) as well as the expansion of the eBART which will provide Brentwood and East County with frequent, reliable, and high quality rail service that will connect the growing region of east Contra Costa County with areas already served by BART. The Bay Area has one of the fastest growing populations in the country and with lack of housing supply in the west Bay area, Contra Costa County and Cities like Brentwood will keep seeing significant annual population increases.

## **BRENTWOOD CROSSROADS STRIP CENTER**

### **BRENTWOOD, CA**

- Leases:** Three of the five leases are NNN. NNN provisions provide for taxes, insurance, common area maintenance, and property management. Two tenants: the Barber and Frame Store, are Gross leases, and the latter is significantly below market rent. The leases have annual rental increases. Summer Massage space came available mid Jan 2017 and was leased by Feb 15, 2017.
- Property Summary:** Located on Brentwood's main thoroughfare, Brentwood Boulevard, with 10,265 cars per day, and advantageously located between three of Brentwood's schools, Brentwood Crossroads is a 100% leased Strip Center that benefits from the high income community and rapidly growing population of Brentwood, California. Anchored by Jalisco Restaurant, a tenant for over twenty years at this location, Brentwood Crossroads is a staple in the community well known for having the best Mexican Food in town. There was a previous ADA lawsuit regarding Jalisco's Market that has been settled and the work per the lawsuit will be completed prior to the close of escrow.

## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA

### FINANCIAL ANALYSIS

<b>PURCHASE PRICE:</b>	<b>\$2,628,000</b>	
<b>Capitalization Rate:</b>	<b>6.50%</b>	
<b>Approximate Rentable Square Feet:</b>	<b>11,528 SF</b>	
<b>Down Payment:</b>	<b>\$1,051,200</b>	<b>40.00%</b>
<b>Proposed Loan:</b>	<b>\$1,576,800</b>	<b>60.00%</b>

		2017 June	2017 September
<b>GROSS RENTAL INCOME:</b>			
Base Rent	100%	<b>\$199,219 (1)</b>	<b>\$205,972</b>
NNN Reimbursed Expenses:	100%	<b>\$ 60,153 (2)</b>	<b>\$ 60,438</b>
<b>Total Income:</b>		<b>\$259,372</b>	<b>\$266,410</b>
Vacancy-Base Rent	(3%)	<b>\$ 5,977 (3)</b>	<b>\$ 6,179</b>
Gross Leases Non-reimbursed	(35.3%)	<b>\$ 21,233 (2)</b>	<b>\$ 21,333</b>
Less: Reserve -	(\$ .10 /SF)	<b>\$ 1,153 (3)</b>	<b>\$ 1,153</b>
<b>Gross Operating Income:</b>		<b>\$231,013</b>	<b>\$237,745</b>
Less: NNN Expenses:	2017	<b>\$ 60,157 (4)</b>	<b>\$ 60,438</b>
<b>Net Operating Income:</b>		<b>\$170,856</b>	<b>\$177,307</b>
<hr/>			
<b>All Cash - Cash on Cash</b>		<b>\$170,856 6.50%</b>	<b>\$177,307 6.75%</b>

#### New Proposed Debt

Mortgage Payment	\$105,172 (5)	\$105,172	
Cash Flow / Cash on Cash after Debt	<b>\$65,683 6.25%</b>	<b>\$72,135</b>	<b>6.86%</b>
Principal Reduction, yr 1	<b>\$25,857</b>	<b>\$25,857</b>	
<b>Total Return with Principal Reduction</b>	<b>\$91,540 (6) 8.71%</b>	<b>\$97,992</b>	<b>9.32%</b>

Notes: (1) The 2017 base rent is based on actual annualized scheduled rent of June & September. The Seller cannot close until after mid May 2017. (2) The NNN reimbursement are based on 100% reimbursed and the gross leases are deducted as non-reimbursed (3) The property is based on actual 100% leased and a 3% vacancy allowance was deducted from the gross base rent, a space came available Jan 2017 and leased by Feb 2017, there is upside in the low rent and conversion of the two gross leases. A general capital reserves deduction of \$.10 was deducted (there has been approximately \$20,000 of on time improvements made in 2016) (4) Total Expenses are based on the NEW property taxes after the sale, current insurance, CAM, including 4% management. The management fee was adjusted for Septembers analysis (5) New loan quote with 40% down, 4.5% fixed rate for 10 years and 25 year amortization. Terms to fluctuate with market and increased loan amount (6) Total return equals cash flow plus 1<sup>st</sup> year principal reduction with proposed loan.



## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA

### EXPENSES Estimated 2017 Budget

<b>CAM Expense</b>			
<b>PROPERTY TAXES (Based on 1.25% of sales price)</b>		<b>\$32,850</b>	<b>(1)</b>
<b>INSURANCE</b>		<b>\$ 5,016</b>	<b>(2)</b>
<b>LANDSCAPE</b>	<b>\$ 1,320</b>		
<b>PEST CONTROL</b>	<b>\$ 1,800</b>		
<b>GENERAL R&amp;M</b>	<b>\$ 4,700</b>		
<b>ELECTRIC</b>	<b>\$ 1,560</b>		
<b>WATER</b>	<b>\$ 600</b>		
<b>FIRE/TELEPHONE/ALARM</b>	<b>\$ 1,936</b>		
<b>PROPERTY MANAGEMENT</b>	<b>4%</b>	<b>\$10,375</b>	<b>(3)</b>
<b>CAM</b>		<b>TOTAL</b>	<b>\$22,291</b>

<b>Total Expense</b>	<b>\$60.157</b>
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**NNN Expense per SF: \$5.52 Annualized**  
**NNN Expense per SF: \$0.43 Monthly**

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Notes: (1) Property taxes are based on an estimated rate of 1.25% of the purchase price of \$2,628,000 (2) Insurance is based on the actual insurance cost (3) Property manager fee is based on 4% of the Gross Scheduled Income (If the Buyer needed property management, the manager would be willing to continue to manage at 4%). Additionally, in 2016 the Seller completed one-time expenses of approximately \$20,000 (Paint/ Landscape upgrades/etc.) and are not included in the expenses in 2017 Budget. The annual NNN expenses are with new property taxes are \$5.52 sf/yr. & \$.43 sf/mo.

## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA

### RENT ROLL

#	Use Tenant	Percentage of Center	Occupied SF	June Mo. Rent	Rent SF/Mo	Lease Begin	Lease End	Rent Increases	Lease Options	Lease Type
A&B	JALISCO'S REST	32.01%	3,690	\$ 6,014.70	\$ 1.63	9/9/2011	08/31/21	3% Ann	1-5 year	NNN
C	JALISCO'S MARKET	20.82%	2,400	\$ 3,240.00	\$ 1.35	08/01/12	08/01/19	Ann - Fixed	None	NNN
D	SUMMER MASSAGE	11.88%	1,369	\$ 1,985.05	\$ 1.45	02/15/17	03/15/20	3% Ann	1-3 year	NNN
E	BORN AGAIN BARBER	11.88%	1,369	\$ 2,121.80	\$ 1.55	10/20/13	01/31/19	Ann - Fixed	None	GROSS
F	WAY UP ART & FRAME	23.42%	2,700	\$ 3,240.00	\$ 1.20	06/01/16	05/31/18	Ann - Fixed	None	GROSS
		100.00%	11,528	\$ 16,601.55	\$ 1.44					

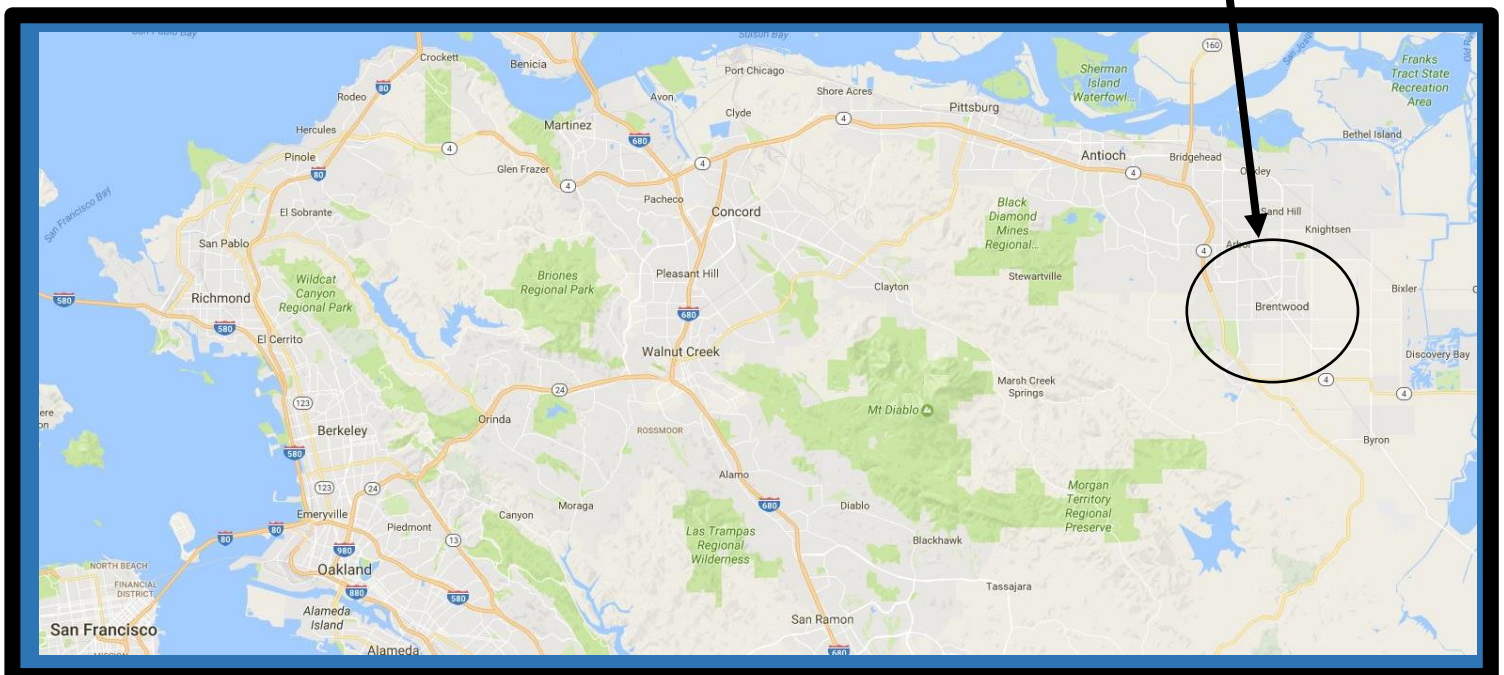
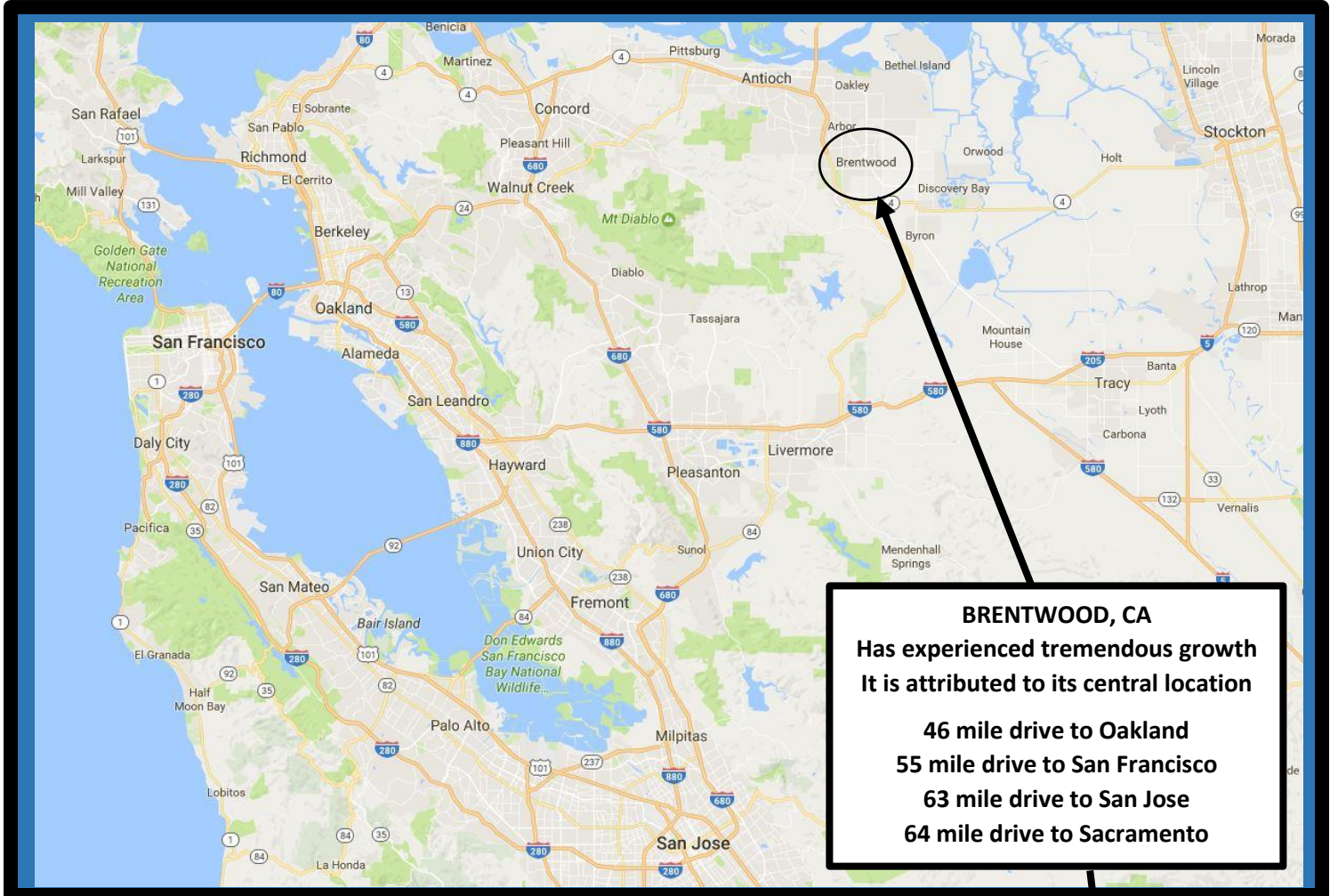
#### *June, 2017 to May, 2018 Scheduled Rent Increases by Tenant and Month*

Month Year	Jasico's Restaurant	Jasoco's Market	Summer Massage	Barber	Art & Frame Store	Total/Mo Total/Yr	Cap Rate By Month
June 1, 2017	\$ 6,014.70	\$ 3,240.00	\$ 1,985.05	\$ 2,121.80	\$ 3,240.00	\$ 16,601.55	6.50%
July 1, 2017	\$ 6,014.70	\$ 3,240.00	\$ 1,985.05	\$ 2,121.80	\$ 3,240.00	\$ 16,601.55	6.50%
August 1, 2017	\$ 6,014.70	\$ 3,240.00	\$ 1,985.05	\$ 2,121.80	\$ 3,240.00	\$ 16,601.55	6.50%
September 1, 2017	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,121.80	\$ 3,240.00	\$ 17,164.35	6.75%
October 1, 2017	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,185.00	\$ 3,240.00	\$ 17,227.55	6.75%
November 1, 2017	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,185.00	\$ 3,240.00	\$ 17,227.55	6.75%
December 1, 2017	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,185.00	\$ 3,240.00	\$ 17,227.55	6.75%
January 1, 2018	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,185.00	\$ 3,240.00	\$ 17,227.55	6.75%
February 1, 2018	\$ 6,457.50	\$ 3,360.00	\$ 1,985.05	\$ 2,185.00	\$ 3,240.00	\$ 17,227.55	6.75%
March 1, 2018	\$ 6,457.50	\$ 3,360.00	\$ 2,044.60	\$ 2,185.00	\$ 3,240.00	\$ 17,287.10	6.77%
April 1, 2018	\$ 6,457.50	\$ 3,360.00	\$ 2,044.60	\$ 2,185.00	\$ 3,240.00	\$ 17,287.10	6.77%
May 1, 2018	\$ 6,457.50	\$ 3,360.00	\$ 2,044.60	\$ 2,185.00	\$ 3,240.00	\$ 17,287.10	6.77%
<b>Total</b>	<b>\$ 76,161.60</b>	<b>\$ 39,960.00</b>	<b>\$ 23,999.25</b>	<b>\$ 25,967.20</b>	<b>\$ 38,880.00</b>	<b>\$ 204,968.05</b>	<b>6.69%</b>

Notes: The rent increases are scheduled per the tenant leases; Jalisco's rent increases approximately 6.8% in 2017 and averages approximately 3% annually for the remaining lease term. Summer Massage & Spa is a new lease as of Feb 2017, this space was vacated in Jan 2017 and was leased within a few weeks. The monthly rent total annualized is the annual base rent used for the CAP rate analysis for each month. \* CAP RATE BY MONTH are based on the same formula use on the Financial Analyses page with the following calculation or adjustments: Total base rent annualized per month, 100% NNN Reimbursements deducting Gross leases, using the same vacancy and reserve ratios, and management budgeted approximately 4% of the increased gross revenue.



# BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA BAY AREA MAP





**BRENTWOOD CROSSROADS STRIP CENTER**  
**BRENTWOOD, CA**  
**AERIAL MAP**



<u>Estimated 2016</u>	<u>1 Mile</u>	<u>3 Mile</u>	<u>5 Mile</u>
Population (EST 2016)	18,280	58,659	118,867
Avg. HH Income:	\$112,420	\$123,962	\$119,999

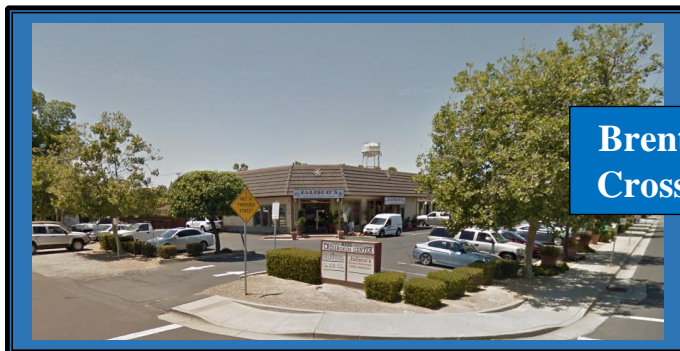




# BRENTWOOD CROSSROADS STRIP CENTER

## BRENTWOOD, CA

### MAP

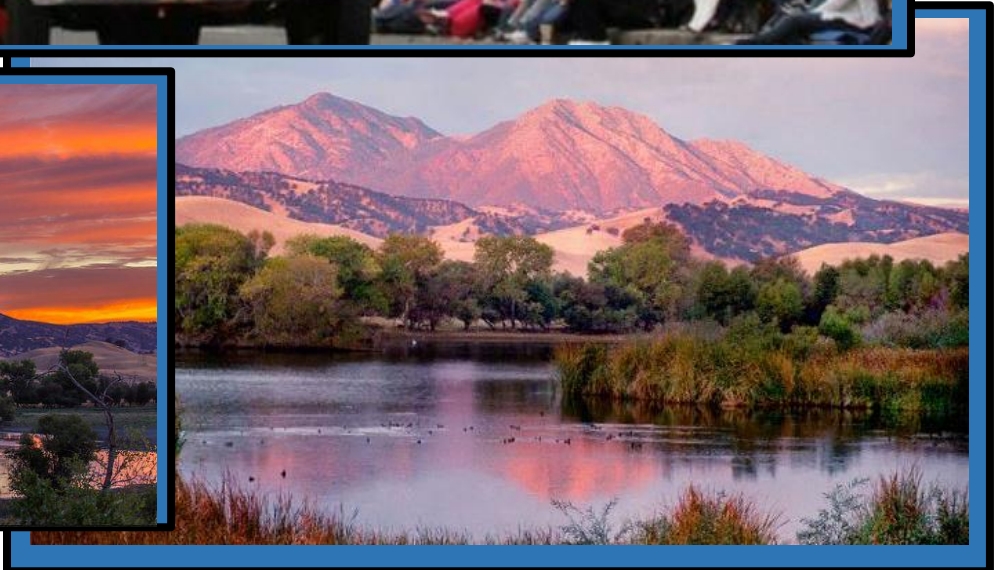
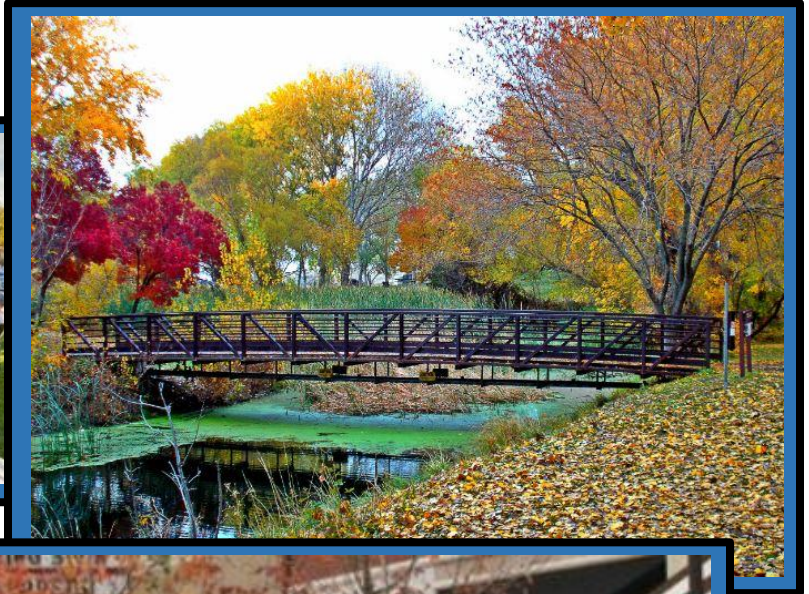


**Brentwood Crossroads**



## BRENTWOOD CROSSROADS STRIP CENTER BRENTWOOD, CA

*Brentwood Life Style*





## BRENTWOOD CROSSROADS STRIP CENTER

### BRENTWOOD, CA

### BRENTWOOD, CALIFORNIA



Brentwood is one of the fastest-growing cities in the nine-county Bay Area – and offers a strategic location that connects: the SF Bay Area, Central Valley, Tri-Valley, and Sacramento Delta. With the widening of Highway 4 and BART extension, Brentwood easily accesses the East Bay, yet it offers the affordable real estate and workforce of the Central Valley. Brentwood’s population (56,493 residents) includes a highly skilled workforce and robust community of entrepreneurs. Yet

Brentwood has maintained a small town, family-friendly culture. It is set apart in a relaxed, scenic location famous for its family-owned farms, vineyards, creekside trails, and views of Mount Diablo. Brentwood also offers: award-winning public schools, golf course communities and executive housing, high-end retail, many options for outdoor recreation, and a wide variety of attractive neighborhoods.

Brentwood is proud of its fiscally conservative, business-friendly government – and the City has aggressive plans for economic development over the next 20 years. Highlights include the \$60 million downtown revitalization, retail developments such as “the Streets of Brentwood,” and office/industrial developments like Sunset Industrial Complex. One of the many exciting developments in Brentwood is the Trilogy at the Vineyards, which includes an 1,100-unit master planned community at the foot of Shadow Ridge Golf Course.

<i>Estimated 2016</i>	<b>1 mile Radius</b>	<b>3 mile Radius</b>	<b>5 mile Radius</b>
<b>2016 Population</b>	<b>18,280</b>	<b>58,659</b>	<b>118,867</b>
<b>2021 Projected Population</b>	<b>19,034</b>	<b>61,084</b>	<b>123,764</b>
<b>Average Household Income</b>	<b>\$112,420</b>	<b>\$123,962</b>	<b>\$119,999</b>

*\*Numbers based off of 8335 Brentwood Blvd. (Subject Site) as the center*

Brentwood has some of the best amenities in the region, including award-winning public schools, golf course communities and executive housing, high-end retail, outdoor recreation, and a wide variety of housing options located along beautiful streets and neighborhoods. In 2015, Brentwood was named a “Playful City USA” for the 5th consecutive year, in recognition of its outstanding parks and youth programs. The City features a year-round schedule of charming family events, from the Arts, Wine & Jazz Festival to Hometown Halloween to the Holiday Parade. Brentwood is famous for its family-owned farms – and the local peaches, cherries, figs, corn, and other specialty crops are highly sought after by some of the leading chefs in Northern California. Each year, around 150,000 visitors come from San Francisco, San Jose, and throughout Northern California to pick fresh fruit and sample Brentwood’s foody-farm culture. In addition, Brentwood is gaining stature as a wine-growing region, and has up-and coming wineries located just minutes from Downtown.