

# Farrell's Ice Cream Parlour

BUENA PARK, CA



## OFFERING MEMORANDUM





As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity.

# Farrell's Ice Cream Parlour

BUENA PARK, CA

## TABLE OF CONTENTS

Section 1	PRICING AND FINANCIAL ANALYSIS
Section 2	PROPERTY DESCRIPTION
Section 3	SALES COMPARABLES
Section 4	DEMOGRAPHIC ANALYSIS

# Farrell's Ice Cream Parlour

BUENA PARK, CA

## PRICING AND FINANCIAL ANALYSIS

### FINANCIAL OVERVIEW

#### Location

8650 Beach Boulevard  
Buena Park, CA 90620

Price	<b>\$5,730,991</b>
Down Payment	100% / \$5,730,991
Rentable Square Feet	5,600
Price/SF	\$1,023.39
CAP Rate	<b>5.75%</b>
Year Built /Renovated	<b>1998/2014</b>
Lot Size	<b>1.21 Acres</b>
Type of Ownership	Fee Simple

#### Tenant Summary

Tenant Trade Name	Farrell Ice Cream Parlor
Ownership	Private
Tenant	Corporate Store
Lease Guarantor	<b>Corporate Guarantee</b>
Lease Type	Triple Net (NNN)
Roof and Structure	Tenant Responsible
Lease Term	15 Years
Lease Commencement Date	Close of Escrow
Rent Commencement Date	Close of Escrow
Lease Expiration Date	<b>15 Years from COE</b>
Term Remaining on Lease	15 Years
Increases	<b>2% Annually</b>
Options	Two, 5-Year Options

#### Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Year 1	\$329,532.00	\$27,461.00
Year 2	\$336,122.64	\$28,010.22
Year 3	\$342,845.09	\$28,570.42
Year 4	\$349,701.99	\$29,141.83
Year 5	\$356,696.03	\$29,724.67
Year 6	\$363,829.96	\$30,319.16
Year 7	\$371,106.55	\$30,925.55
Year 8	\$378,528.69	\$31,544.06
Year 9	\$386,099.26	\$32,174.94
Year 10	\$393,821.24	\$32,818.44
Year 11	\$401,697.67	\$33,474.81
Year 12	\$409,731.62	\$34,144.30
Year 13	\$417,926.26	\$34,827.19
Year 14	\$426,284.78	\$35,523.73
Year 15	\$434,810.48	\$36,234.21
Base Rent (\$58.85/SF)		<b>\$329,532</b>
Net Operating Income		\$329,532
Total Return		5.75% / \$329,532



## INVESTMENT SUMMARY



### Investment Summary

<b>Sale Price</b>	\$5,730,991
<b>CAP Rate</b>	5.75%
<b>Base Rent</b>	\$329,532
<b>Lease Terms</b>	15-Year Absolute "NNN"
<b>Rental Increases</b>	2% Annual Increases
<b>Renewal Options</b>	Two, 5-year Options

### Investment Highlights

- **New, 15-Year Sale-leaseback**
- **Absolute, Triple "NNN" Net Lease**
- **2% Annual Rental Increases**
- **Outstanding Store Sales!**
- **7 Continental Locations**
- **Two, 5-year Options**

### About The Investment

Investors have the unique opportunity to own 8650 Beach Boulevard in Buena Park, California - a newly renovated Farrell's Ice Cream Parlor that is part of a major system expansion. This Farrell's Ice Cream is 5,600 square feet, sitting on roughly 1.21 acres of land. Upon the close of escrow, Farrell's will enter into a new, 15-Year Triple Net Sale-leaseback with absolutely no landlord responsibilities. Rent will be subject to desirable 2% annual increases and there will be two, 5-year tenant renewal options. The lease will be subject to a ten-year Corporate Guarantee, by Parlour Enterprises, Inc.

This Buena Park location recently opened and has become a strong-performing location on a monthly basis with sales increasing since opening. Farrell's has also opened another new location in Riverside, CA August of last year, keeping with their mission to expand and grow the business. They currently operate seven locations through out California from Sacramento in the north to Mission Viejo in the south.

PROPERTY DESCRIPTION

# Farrell's Ice Cream Parlour

BUENA PARK, CA

## LOCATION OVERVIEW

### Property Details

8650 Beach Boulevard  
Buena Park, CA 90620

Year Built/Renovated	1998/2014
Rentable Square Feet	5,600
Lot Size	1.21 Acres



### Location Highlights

- Immediate Proximity to Knott's Berry Farm Amusement Park
- 0.2 Miles South of Buena Park Downtown Shopping Mall (140 Stores)
- 670,000 People Live Within a Five-Mile Radius of The Property
- Buena Park is Just 20 Miles South of Los Angeles

### About The Location

This Farrell's Ice Cream Parlour is located at 8650 Beach Boulevard in Buena Park, California. Buena Park is a city in northwestern Orange County, about 20 miles south of downtown Los Angeles. The city, which tags itself as Center of the Southland, is home to several tourist attractions, most notably Knott's Berry Farm.

There are approximately 276,985 people within a 3-mile radius of this property and more than 669,767 people within a 5-mile radius. The property is situated on the hard corner of Beach Boulevard and Stanton Avenue. Traffic counts on Beach Boulevard are roughly 61,000 vehicles per day, providing a consistent flow of consumers to this Farrell's location.

The property benefits from its immediate proximity to the Knott's Berry Farm Amusement Park. Knott's Berry Farm is a 160-acre theme park that experiences over 3,508,000 visitors annually and employs over 10,000 seasonal/full-time employees. The park has an assortment of roller coasters, family rides, children rides, water rides and historical rides totaling to 40 rides currently with plans to expand in the future.

Additionally, the Buena Park Downtown shopping mall is just 0.2 miles north of the property. The enclosed shopping mall boasts over 1,100,000 square feet of retail space and features over 140 specialty stores and restaurants. The mall is anchored by Bed Bath & Beyond, DSW Shoe Warehouse, Ross, Sears, and Walmart. Also within the same shopping center is the Buena Park Metroplex 18 which is a state-of-the-art theatre with 18 screens offering standard and 3D experiences.



# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION

## PROPERTY PHOTOS



# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION

## PROPERTY PHOTOS



# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION

## SURROUNDING AREA PHOTOS

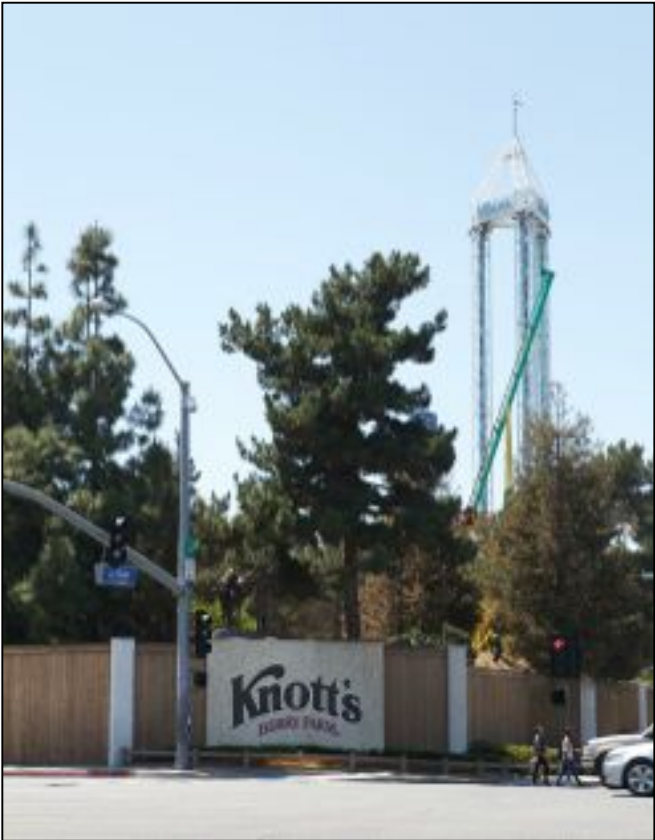


# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION

## SURROUNDING AREA PHOTOS



# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION



Local Map



Regional Map



# Farrell's Ice Cream Parlour

BUENA PARK, CA

PROPERTY DESCRIPTION



# Farrell's Ice Cream Parlour

BUENA PARK, CA

## RECENT SALES MAP

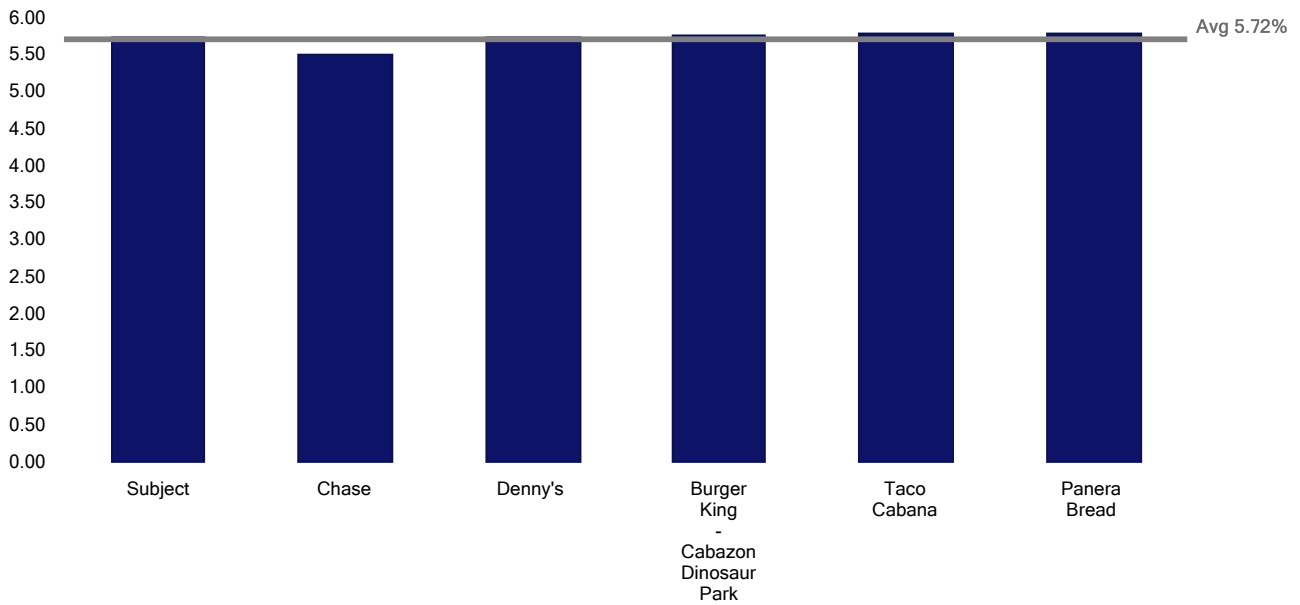


- ★ Farrell's Ice Cream Parlour
- 1) Chase
- 2) Denny's
- 3) Burger King - Cabazon Dinosaur Park
- 4) Taco Cabana
- 5) Panera Bread



## CAP RATE

Average Cap Rate



### RECENT SALES



#### Farrell's Ice Cream Parlour

8650 Beach Boulevard  
Buena Park, CA 90620

Rentable Square Feet:	5,600	Sales Price:	\$5,730,991
Year Built/Renovated:	1998/2014	Down Payment:	\$5,730,991
		CAP Rate:	5.75%
		Price/SF:	\$1,023.39

Subject Property



#### Chase

10355 Magnolia Ave  
Riverside, CA 92505

Close of Escrow:	On Market	Sales Price:	\$5,670,000
Rentable SF:	6,160	Down Payment:	100%
Year Built:	1987	CAP Rate:	5.50%
		Price/SF:	\$920.45



#### Denny's

1257 West Rancho Vista Boulevard  
Palmdale, CA 93551

Close of Escrow:	12/16/2013	Sales Price:	\$2,620,000
Rentable SF:	5,214	Down Payment:	50%
Year Built:	1999	CAP Rate:	5.73%
		Price/SF:	\$502.00

### RECENT SALES

3



#### Burger King - Cabazon Dinosaur Park

50900 Seminole Drive  
Cabazon, CA 92230

Close of Escrow:	11/27/2013	Sales Price:	\$990,000
Rentable SF:	3,521	Down Payment:	50%
Year Built:	1998	CAP Rate:	5.76%
		Price/SF:	\$281.00

4



#### Taco Cabana

4721 South Cooper Street  
Arlington, TX 76017

Close of Escrow:	4/7/2014	Sales Price:	\$2,200,000
Rentable SF:	3,682	Down Payment:	100%
Year Built:	2013	CAP Rate:	5.80%
		Price/SF:	\$598.00

5



#### Panera Bread

8531 State Highway 151  
San Antonio, TX 78245

Close of Escrow:	3/21/2014	Sales Price:	\$3,043,793
Rentable SF:	5,044	Down Payment:	100%
Year Built:	2011	CAP Rate:	5.80%
		Price/SF:	\$603.00

# Farrell's Ice Cream Parlour

BUENA PARK, CA

### DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	30,416	259,711	632,868
2010 Population	32,171	268,782	651,524
2013 Population	33,169	276,985	669,767
2018 Population	33,325	277,184	672,355
2000 Households	9,382	78,115	190,665
2010 Households	9,629	78,284	192,527
2013 Households	9,970	80,963	198,607
2018 Households	10,155	82,038	201,362
2013 Average Household Size	3.21	3.35	3.31
2013 Daytime Population	7,279	89,660	228,849
2000 Median Housing Value	\$0	\$210,337	\$219,091
2000 Owner Occupied Housing Units	45.23%	48.51%	54.68%
2000 Renter Occupied Housing Units	50.37%	48.82%	42.76%
2000 Vacant	2.82%	2.42%	2.18%
2013 Owner Occupied Housing Units	41.46%	48.31%	54.69%
2013 Renter Occupied Housing Units	58.54%	51.69%	45.31%
2013 Vacant	1.48%	1.59%	1.49%
2018 Owner Occupied Housing Units	41.43%	48.06%	54.47%
2018 Renter Occupied Housing Units	58.57%	51.94%	45.53%
2018 Vacant	1.32%	1.60%	1.51%
\$ 0 - \$14,999	12.7%	9.6%	8.6%
\$ 15,000 - \$24,999	11.6%	9.0%	8.8%
\$ 25,000 - \$34,999	10.8%	10.6%	9.4%
\$ 35,000 - \$49,999	13.7%	14.7%	12.9%
\$ 50,000 - \$74,999	18.1%	18.8%	18.9%
\$ 75,000 - \$99,999	12.2%	14.2%	14.3%
\$100,000 - \$124,999	8.6%	9.9%	10.9%
\$125,000 - \$149,999	5.0%	5.4%	6.3%
\$150,000 - \$199,999	4.9%	4.6%	5.6%
\$200,000 - \$249,999	0.9%	1.1%	1.7%
\$250,000 +	1.5%	2.1%	2.8%
2013 Median Household Income	\$51,441	\$57,434	\$63,379
2013 Per Capita Income	\$21,019	\$22,365	\$24,943
2013 Average Household Income	\$69,151	\$75,743	\$83,423

### SUMMARY REPORT

#### Geography: 5 Miles

#### Population

In 2013, the population in your selected geography was 669,767. The population has changed by 5.83% since 2000. It is estimated that the population in your area will be 672,355 five years from now, which represents a change of 0.38% from the current year. The current population is 49.3% male and 50.6% female. The median age of the population in your area is 35.5, compare this to the U.S. average which is 37. The population density in your area is 8,529.32 people per square mile.

#### Households

There are currently 198,607 households in your selected geography. The number of households has changed by 4.16% since 2000. It is estimated that the number of households in your area will be 201,362 five years from now, which represents a change of 1.38% from the current year. The average household size in your area is 3.31 persons.

#### Income

In 2013, the median household income for your selected geography is \$63,379, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 20.17% since 2000. It is estimated that the median household income in your area will be \$71,193 five years from now, which represents a change of 12.33% from the current year.

The current year per capita income in your area is \$24,943, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$83,423, compare this to the U.S. average which is \$75,373.

#### Race & Ethnicity

The current year racial makeup of your selected area is as follows: 45.70% White, 3.39% African American, 0.80% Native American and 27.78% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 41.96% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

#### Housing

The median housing value in your area was \$219,091 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 106,582 owner occupied housing units in your area and there were 83,351 renter occupied housing units in your area. The median rent at the time was \$785.

#### Employment

In 2013, there are 228,849 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 62.2% of employees are employed in white-collar occupations in this geography, and 37.7% are employed in blue-collar occupations. In 2013, unemployment in this area is 4.84%. In 2000, the median time traveled to work was 25.5 minutes.

## POPULATION DENSITY



Demographic data © 2010 by Experian/Applied Geographic Solutions.

### Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

## EMPLOYMENT DENSITY



Demographic data © 2010 by Experian/Applied Geographic Solutions.

### Employment Density

Theme	Low	High
Low	less than	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.



## AVERAGE HOUSEHOLD INCOME



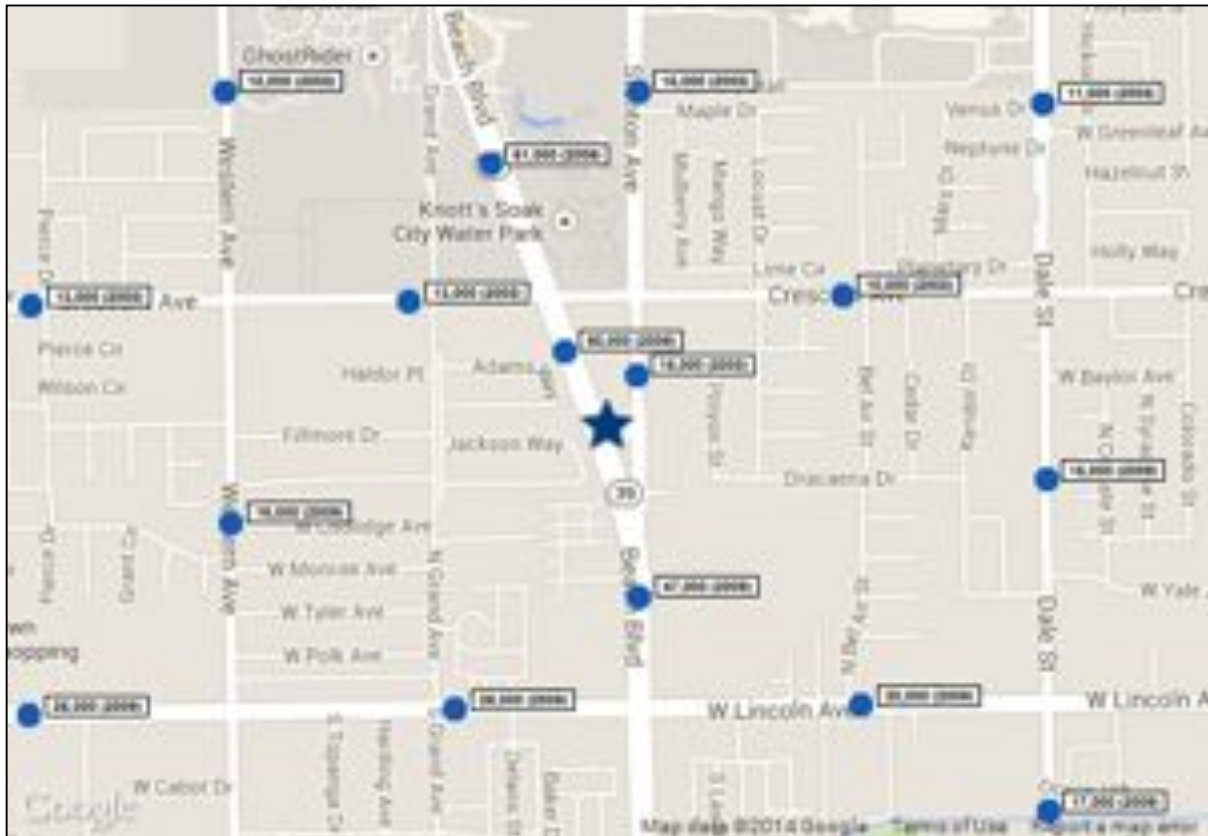
Demographic data © 2010 by Experian/Applied Geographic Solutions.

### Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

### TRAFFIC COUNTS



Traffic Count data © 2010 by TrafficMetrix. All rights reserved.

Two-way, average daily traffic volumes.



# Farrell's Ice Cream Parlour

BUENA PARK, CA

OFFERING MEMORANDUM