

# *Shops at Main & Maple*

SHOPS TO



**\$4,594,000 - 6.50% CAP**

NWC of Main Street & Maple Avenue | 14466 B Main Street, Hesperia, CA 92345

**PROGRESSIVE**

REAL ESTATE PARTNERS

9471 Haven Avenue Suite 110 Rancho Cucamonga, CA 91730

**Greg Bedell, CCIM**

909.230.4500 Office | 951.479.7994 Cell

Greg@ProgressiveREP.com

BRE #01942970

Progressive Real Estate Partners is pleased to present the opportunity to acquire the **Shops at Main & Maple**, a 19,732 square foot **Stater Bros anchored** retail center in the fast expanding city of Hesperia, CA. **Recently constructed in 2008**, the subject property features modern architectural design with little to no deferred maintenance. The property's **diverse tenant mix** features primarily service related users that are best positioned to compete in today's digital world. Most leases feature **3% to 4% annual increases**, offering investors a hedge against inflation. The property most recently secured a lease with **CareMore** (subsidiary of Anthem Inc.), a national healthcare delivery company serving over 100,000 patients with annual revenues exceeding \$1.2 billion.

Located along Main Street, Hesperia's primary commercial corridor and a freeway exit, the subject property is only 1.8 miles from the I-15 freeway on/off ramp featuring visibility to approximately 30,000 cars per day.

Price:	\$4,594,000
CAP Rate:	6.50%
Year Built:	2008
Occupancy:	87%*
Total GLA:	19,730 SF
Total Lot Size:	115,772 SF (2.66 AC)
Ownership:	Fee Simple
APN:	0405-271-46

\*Seller to offer rent + CAM guarantee on remaining space.

See rent roll (pg. 8) for details



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909.230.4500 Office

**INVESTMENT SUMMARY**  
SHOPS AT MAIN & MAPLE





## GROCERY ANCHORED AT MAJOR INTERSECTION

- Directly adjacent to Stater Bros, the trade area's most established and dominant grocer.
- Prime location at Main Street & Maple Avenue, **one of the trade area's leading signalized intersections** with visibility to approximately 30,000 vehicles per day.

## SOUND INVESTMENT FUNDAMENTALS

- Vast majority of leases offer **3% to 4% annual increases**, offering a substantial hedge against inflation.
- In-place rents average only \$1.37/sf— at or below market when likened to comparable retail properties in the surrounding trade area.
- Income is well spread over nine units offering decreased vacancy risk.
- **High quality 2008 construction**— little to no deferred maintenance.

## MINIMAL MANAGEMENT RESPONSIBILITY

- **86% of the current leases extend past 2020**, creating little to no immediate turnover.
- NNN leases allow for full pass through of property related expenses.

## STRONG RECENT LEASING ACTIVITY

- Recent leases completed with **Mojave River Academy** (a 13-unit charter school) and **CareMore** (a national healthcare operator with locations across 8 states).

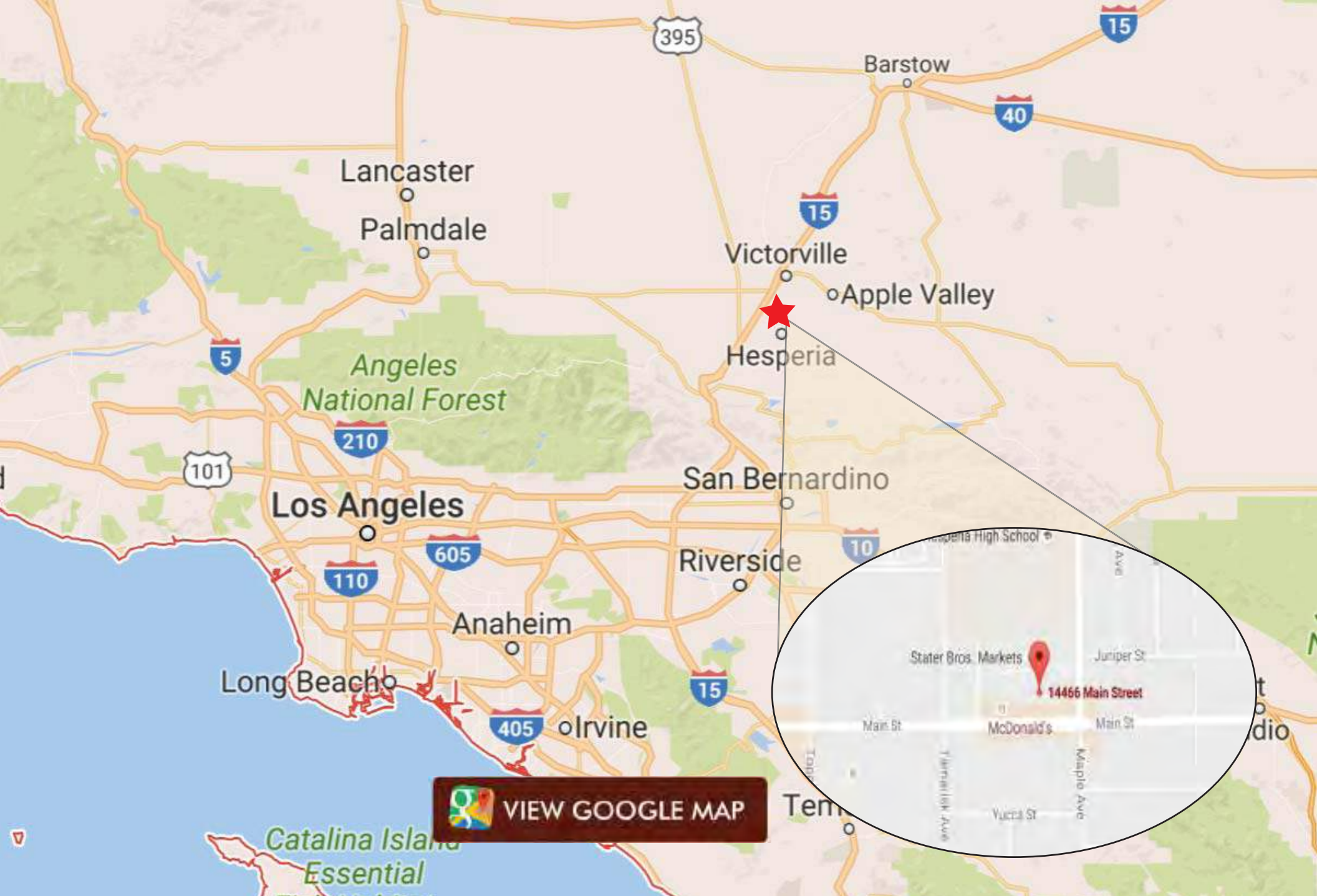


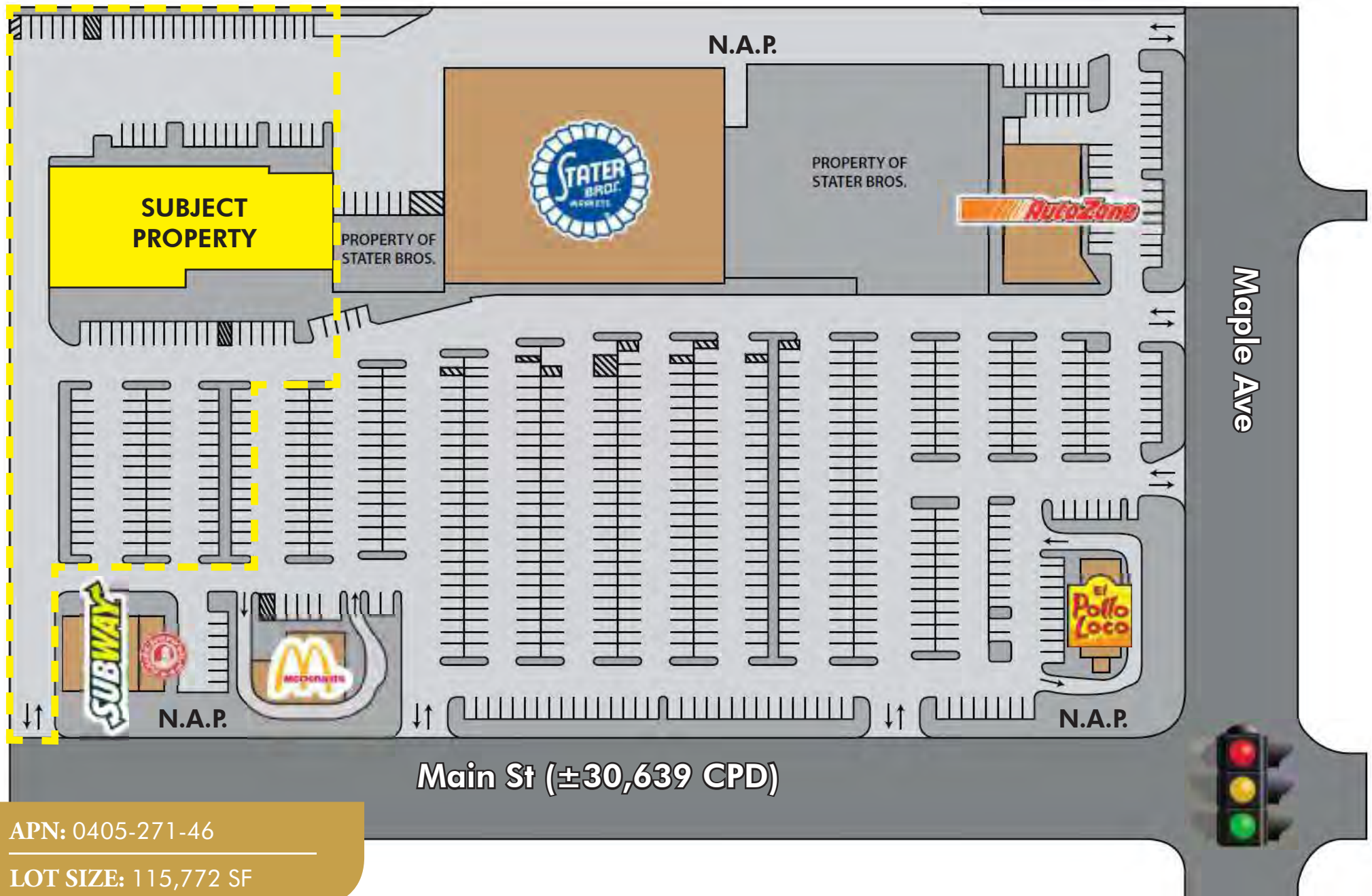


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**AERIAL MAP**  
SHOPS AT MAIN & MAPLE







APN: 0405-271-46

LOT SIZE: 115,772 SF





LOUISIANA CAJUN  
SEAFOOD HOUSE

PARADISE HOOKAH LOUNGE

ROYAL NAIL SALON

RENT GUARANTEE

MAPLE DENTAL

DRY CLEANERS

RENT GUARANTEE

SMOKE SHOP

Property of  
Stater Bros.

# Rent Roll

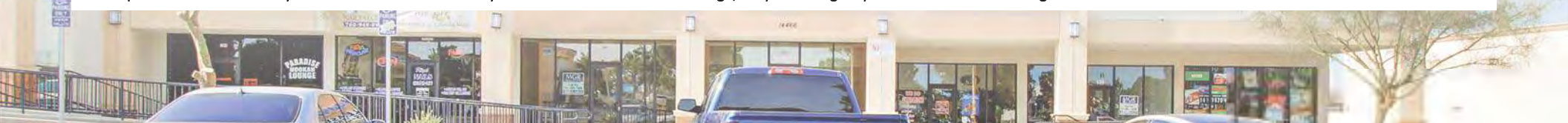
Shops at Main & Maple

**Effective:** January 1, 2017

Tenant Information				Lease Term		Rent Summary		Miscellaneous	
Tenant	Suite	Lease Type	SF	Begin	End	Rent (Monthly)	Rent/SF (Monthly)	Increases	Options
Mojave River Academy	100 101	NNN	5,214	Jan-2016	Jun-2020	\$6,713	\$1.29	3% Annually	One 5-Year @ FMV (no less than base rent)
Caremore	102	NNN	2,607	Oct-2016	Sep-2021	\$3,389	\$1.30	3% Annually	One 5-Year @ FMV
Louisiana Cajun Seafood House	103	NNN	2,607	Jan-2014	May-2019	\$2,718	\$1.04	3% Annually	One 5-Year @ FMV (no less than base rent)
Paradise Hookah	104	NNN	1,468	Dec-2012	Dec-2021	\$1,652	\$1.13	3% Annually	One 3-Year @ FMV (no less than base rent)
Royal Nail Salon	105	NNN	1,468	Dec-2008	Jul-2021	\$1,686	\$1.15	Aug 2019: \$1,737 Aug 2020: \$1,789	No Options
AVAILABLE*	106	NNN	1,468	-	-	\$2,202	\$1.50	-	-
Maple Dental	107	NNN	1,468	May-2014	Apr-2024	\$2,144	\$1.46	4% Annually	One 5-Year w/ 4% Annual Inc.
Super Cleaners #3 (Dry Cleaning)**	108	NNN	1,144	Jan-2009	Mar-2021	\$1,450	\$1.27	3% Annually	No Options
AVAILABLE*	109	NNN	1,144	-	-	\$2,002	\$1.75	-	-
Smoker's Paradise (Smoke Shop)	110	NNN	1,144	Dec-2011	Dec-2021	\$2,116	\$1.85	2.5% Annually	No Options
TOTAL SIZE:			19,732	TOTAL MONTHLY RENT:		\$26,072			
TOTAL AVAILABLE:			13%	TOTAL ANNUAL RENT:		\$312,866			
TOTAL OCCUPIED:			87%						

\*Seller to guarantee rent + CAM for 12 months.

\*\*Super Cleaners #3 recently renewed for an additional 5 years. To the best of our knowledge, they are an agency that conducts its cleaning off-site.



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**RENT ROLL**  
SHOPS AT MAIN & MAPLE



# Operating Cash Flow

## REVENUE

	CURRENT
Base Annual Rent <sup>[1]</sup>	\$312,866
Expense Reimbursements	\$94,193
Effective Gross Income	\$407,059
[LESS] Vacancy Factor (3.5%)	(\$14,247)
Gross Operating Income	\$392,812

## OPERATING EXPENSES<sup>[2]</sup>

Property Taxes <sup>[3]</sup>	\$47,145
Insurance	\$4,800
Utilities	\$10,680
Trash Disposal	\$9,756
Management Fee (3%)	\$12,212
Stater Bros. CAM	\$9,600
Total Expenses	\$94,193

NNN/SF: \$0.40

## NET OPERATING INCOME:

**\$298,619**

<sup>[1]</sup>Seller to guarantee rent + CAM for Units 106 & 109.

<sup>[2]</sup>Current expenses based upon 2015 actual expenses

<sup>[3]</sup>Property taxes reassessed for sale at 1.0262%.





# Financial Summary

Purchase Price \$4,594,000

CAP Rate 6.50%

Price/SF \$233

## Proposed Financing

LTV 65%

Down Payment \$1,607,950

Interest Rate 4.15%

Amortization 30

After Debt CF \$124,427

Leveraged Return **7.74%**

Principal Paydown \$51,232

Total Return **10.92%**







**Caremore**, a subsidiary of Anthem Inc., is an integrated health plan and care delivery system. The company was founded in 1993 by Sheldon Zinberg as a small, Southern California regional medical group. Today, **CareMore serves 100,000 patients across 8 states** with annual revenues of \$1.2 billion.

The company has developed a care model designed to target high-risk, chronically ill patients through focused care coordination, patient education, and proactive disease management. This model has resulted in costs 18% below industry average, while tangibly increasing quality: hospital admissions are 42% below national average, average length of stay is 32% below traditional Medicare FFS, and diabetic amputation rates are 67% below traditional FFS. These results have led some health policy experts to point to CareMore as one of the most innovative models to reform healthcare. **WEBSITE: [www.caremore.com](http://www.caremore.com)**



**Mojave River Academy** provides individualized instruction for students along with tutoring for advanced subjects. Students progress at their own pace guided by teachers in a one-on-one environment. Students also are offered the freedom to accelerate their educational program.

In addition to accepting students from its relationships with schools in the surrounding areas, Mojave River Academy also accepts students currently being home-schooled, providing a standards-based curriculum that meets all of the California State academic requirements.

**Mojave River Academy currently operates 15 facilities across Southern CA**, including locations in: Adelanto, Bakersfield, Barstow, Beaumont, Colton, Fontana, Hesperia, Ontario, Oro Grande, Palm Springs, Phelan, Riverside, Tehachapi, Victorville and West Victorville. **WEBSITE: [www.mojaveriver.net](http://www.mojaveriver.net)**





With over 10,000 check-ins on its Facebook page, **Louisiana Cajun Seafood House** boasts a nearly perfect 4.6/5.0 rating amongst its 3,900 Facebook followers.

The restaurant's high quality build-out features several flat screen televisions offering local sports fans and families a fun, safe environment to enjoy dinner. This is Louisiana Cajun Seafood's 2nd High Desert location, their first being in Victorville.

[www.facebook.com/LouisianaCajunSeafoodHouse/](http://www.facebook.com/LouisianaCajunSeafoodHouse/)



Previously HiTek Nail & Spa, a tenant since the property's development in 2008, this business was recently acquired by the multi-unit High Desert nail salon chain **Royal Nails Studio**.

While this location is just getting itself up and running, their more established Victorville locations boasts a nearly perfect 4.5/5.0 stars amongst 89 reviews on the popular rating website Yelp.

<https://www.yelp.com/biz/royal-nails-and-spa-victorville>



One of only a few Hookah lounges in the Hesperia area, **Paradise Hookah Lounge** claims to be the only lounge in the High Desert to serve over 80 flavors of premium hookah, making them the premier destination for those seeking a high quality experience.

The lounge boasts a 4.8/5.0 rating on its Facebook page.

<https://www.facebook.com/Paradise-Hookah-Lounge-157196684380495/>

# MAPLE DENTAL

Led by Drs. Mayur Mehta and Nhien Luu, **Maple Dental** offers a variety of dental services to the Hesperia community, including: Cosmetic Dentistry, Teeth Whitening Products & Services, Endodontists, Prosthodontists & Denture, Periodontists, Pediatric Dentistry, Oral & Maxillofacial Surgery.

<http://www.yellowpages.com/hesperia-ca/mip/maple-dental-21656464>

## Super CLEANERS #3

A tenant since the property's original development in late 2008/early 2009, **Super Cleaners #3** is a multi-unit dry cleaning and laundry chain that recently renewed for an additional 5 years. Super Cleaners specializes in servicing the High Desert and currently operates other locations in Victorville and Adelanto.

To the best of our understanding, Super Cleaners #3 is an agency and conducts its cleaning off-site.

## SMOKER'S PARADISE

A tenant of the properties for nearly 5 years, **Smoker's Paradise** is a local smoke shop serving the Hesperia community. They offer a variety of merchandise encompassing traditional smoke shop products and goods.





## HESPERIA

is located in Southern California's Inland Empire, and is considered a retail goldmine with 17 miles of I-15 frontage and traffic counts totaling over 202,000 cars per day. Hesperia is conveniently located just minutes from the Cajon Pass, providing a minimal commute time to the major job centers to the south including Ontario, San Bernardino and Riverside. Over 50 percent of

Hesperia's working population commutes south on the 15 Freeway to their place of employment.

Hesperia has experienced substantial population growth over the past few decades. The City's population grew to 90,173 people in 2010 which represents a 44.1% increase from 2000. This growth of Hesperia as well as the entire High Desert spawned retail growth as well.

The I-15 at Main Street trade area has a population of approximately 163,000 residents with average incomes of \$64,323 and over \$1.24 billion in trade potential. Most recently, a 180,000 SF power center anchored by Target, Marshalls and Ross; and a 195,000 SF Super Walmart anchored community center have been added to Hesperia's growing list of retailers and dominant shopping centers.

During the past few years, over 700,000 SF of retail and restaurants have made Hesperia their home including national and regional tenants such as: Golden Corral, Courtyard by Marriott, Beef O' Brady's, Orchard Supply Hardware, Marshalls, Pier 1 Imports, The Habit, Pieology, Firehouse Subs, Starbucks, Wingstop, Panda Express, Fitness 19, Dollar General, Vallarta Supermarkets, the Flame Broiler, Aaron's, Family Dollar, and O'Reily's Auto Parts.

Hesperia is a pro-business community eager to welcome prospective retailers, new business owners and developers and is poised to continue to experience substantial growth based upon its environment and commerce.

## THE INLAND EMPIRE

is comprised of San Bernardino & Riverside Counties and is currently home to about 4.5M people with growth expected to exceed 5M people within the next 5 years.

The Inland Empire has the 24th largest economy in the United States with \$134B of economic activity. Job growth is currently in excess of 3% per year making the region 2nd in job growth only to the Silicon Valley region of California. Distributing & warehousing are major components of the Inland Empire's growth as the Inland Empire is one of the largest industrial markets in the country with over 500M square feet of industrial buildings. The region has added over 50M square feet on industrial buildings over the past 3 years and is on pace to add an additional 20M in 2016. The Inland Empire comprises 80% of the industrial growth in Southern California and is the leading industrial development market in the country.

Employment continues to increase with the unemployment rate now below 6.5%. Leading the job growth is logistics, professional employment, health care, education and leisure & hospitality. The Inland Empire has averaged 50,000 new jobs in each of the past 3 years and now employs over 1.35M people. The result of this job & income growth is record taxable sales.

The region is also home to many top colleges and universities including The Claremont Colleges, University of California – Riverside, Cal Poly Pomona, University of Redlands, University of La Verne, California Baptist University, La Sierra University, Cal State San Bernardino, and numerous community colleges.

Home prices are a major competitive advantage of the region with the median home price at approximately \$285,000 compared to Los Angeles County at \$575,000 and Orange County at \$655,000. Even the cost of housing in the high income areas of the Inland Empire are moderate in comparison with median home prices as follows: Chino Hills (\$587,000), Claremont (\$628,000), Redlands (\$351,300), Temecula (\$398,200) and Corona (\$439,000).





	5 minutes	10 minutes	15 minutes
<b>Population</b>			
2000 Population	11,466	41,847	128,226
2010 Population	18,225	63,668	191,868
<b>2016 Population</b>	<b>18,718</b>	<b>65,816</b>	<b>200,198</b>
2021 Population	19,299	67,749	207,479
2000-2010 Annual Rate	4.74%	4.29%	4.11%
2010-2016 Annual Rate	0.43%	0.53%	0.68%
2016-2021 Annual Rate	0.61%	0.58%	0.72%
2016 Male Population	49.4%	49.5%	49.2%
2016 Female Population	50.6%	50.5%	50.8%
2016 Median Age	29.9	30.0	30.7

In the identified area, the current year population is 200,198. In 2010, the Census count in the area was 191,868. The rate of change since 2010 was 0.68% annually. The five-year projection for the population in the area is 207,479 representing a change of 0.72% annually from 2016 to 2021. Currently, the population is 49.2% male and 50.8% female.

#### Median Age

The median age in this area is 29.9, compared to U.S. median age of 38.0.

#### Race and Ethnicity

2016 White Alone	51.8%	53.3%	53.4%
2016 Black Alone	6.1%	6.6%	9.9%
2016 American Indian/Alaska Native Alone	1.4%	1.3%	1.2%
2016 Asian Alone	3.4%	2.8%	3.3%
2016 Pacific Islander Alone	0.2%	0.3%	0.4%
2016 Other Race	31.6%	30.3%	25.8%
2016 Two or More Races	5.5%	5.4%	6.0%
2016 Hispanic Origin (Any Race)	59.1%	57.7%	52.5%

Persons of Hispanic origin represent 52.5% of the population in the identified area compared to 17.9% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 85.2 in the identified area, compared to 63.5 for the U.S. as a whole.

#### Households

2000 Households	3,585	13,321	41,528
2010 Households	5,123	18,348	56,876
2016 Total Households	5,141	18,551	58,172
2021 Total Households	5,253	18,923	59,753
2000-2010 Annual Rate	3.63%	3.25%	3.20%
2010-2016 Annual Rate	0.06%	0.18%	0.36%
2016-2021 Annual Rate	0.43%	0.40%	0.54%
2016 Average Household Size	3.64	3.55	3.43



	5 minutes	10 minutes	15 minutes
<b>Median Household Income</b>			
2016 Median Household Income	\$48,388	\$46,810	\$50,751
2021 Median Household Income	\$49,510	\$47,462	\$51,532
2016-2021 Annual Rate	0.46%	0.28%	0.31%
<b>Average Household Income</b>			
2016 Average Household Income	\$60,178	\$60,051	\$63,271
2021 Average Household Income	\$65,196	\$64,921	\$68,512
2016-2021 Annual Rate	1.61%	1.57%	1.60%
<b>Per Capita Income</b>			
2016 Per Capita Income	\$16,513	\$16,912	\$18,505
2021 Per Capita Income	\$17,736	\$18,111	\$19,846
2016-2021 Annual Rate	1.44%	1.38%	1.41%
<b>Households by Income</b>			
Current median household income is \$50,751 in the area, compared to \$54,149 for all U.S. households. Median household income is projected to be \$51,532 in five years, compared to \$59,476 for all U.S. households			
Current average household income is \$63,271 in this area, compared to \$77,008 for all U.S. households. Average household income is projected to be \$68,512 in five years, compared to \$84,021 for all U.S. households			
Current per capita income is \$18,505 in the area, compared to the U.S. per capita income of \$29,472. The per capita income is projected to be \$19,846 in five years, compared to \$32,025 for all U.S. households			
<b>Housing</b>			
2000 Total Housing Units	3,845	14,335	44,534
2000 Owner Occupied Housing Units	2,592	9,091	28,947
2000 Renter Occupied Housing Units	992	4,230	12,580
2000 Vacant Housing Units	261	1,014	3,007
2010 Total Housing Units	5,681	20,295	63,174
2010 Owner Occupied Housing Units	3,368	11,667	36,963
2010 Renter Occupied Housing Units	1,755	6,681	19,913
2010 Vacant Housing Units	558	1,947	6,298
2016 Total Housing Units	5,791	20,775	64,633
2016 Owner Occupied Housing Units	3,246	11,410	36,533
2016 Renter Occupied Housing Units	1,894	7,141	21,639
2016 Vacant Housing Units	650	2,224	6,461
2021 Total Housing Units	5,994	21,301	66,152
2021 Owner Occupied Housing Units	3,286	11,570	37,192
2021 Renter Occupied Housing Units	1,968	7,353	22,560
2021 Vacant Housing Units	741	2,378	6,399



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Co-operating brokers should contact us directly for fee information.

### Greg Bedell, CCIM

909.230.4500 office

951.479.7994 cell

Greg@ProgressiveRep.com

BRE#01942970

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9471 Haven Ave Suite 110 | Rancho Cucamonga, CA 91730 | [www.ProgressiveRep.com](http://www.ProgressiveRep.com)