Marcus & Millichap

SHOEPALACE



895 South E Street, San Bernardino, CA 92408

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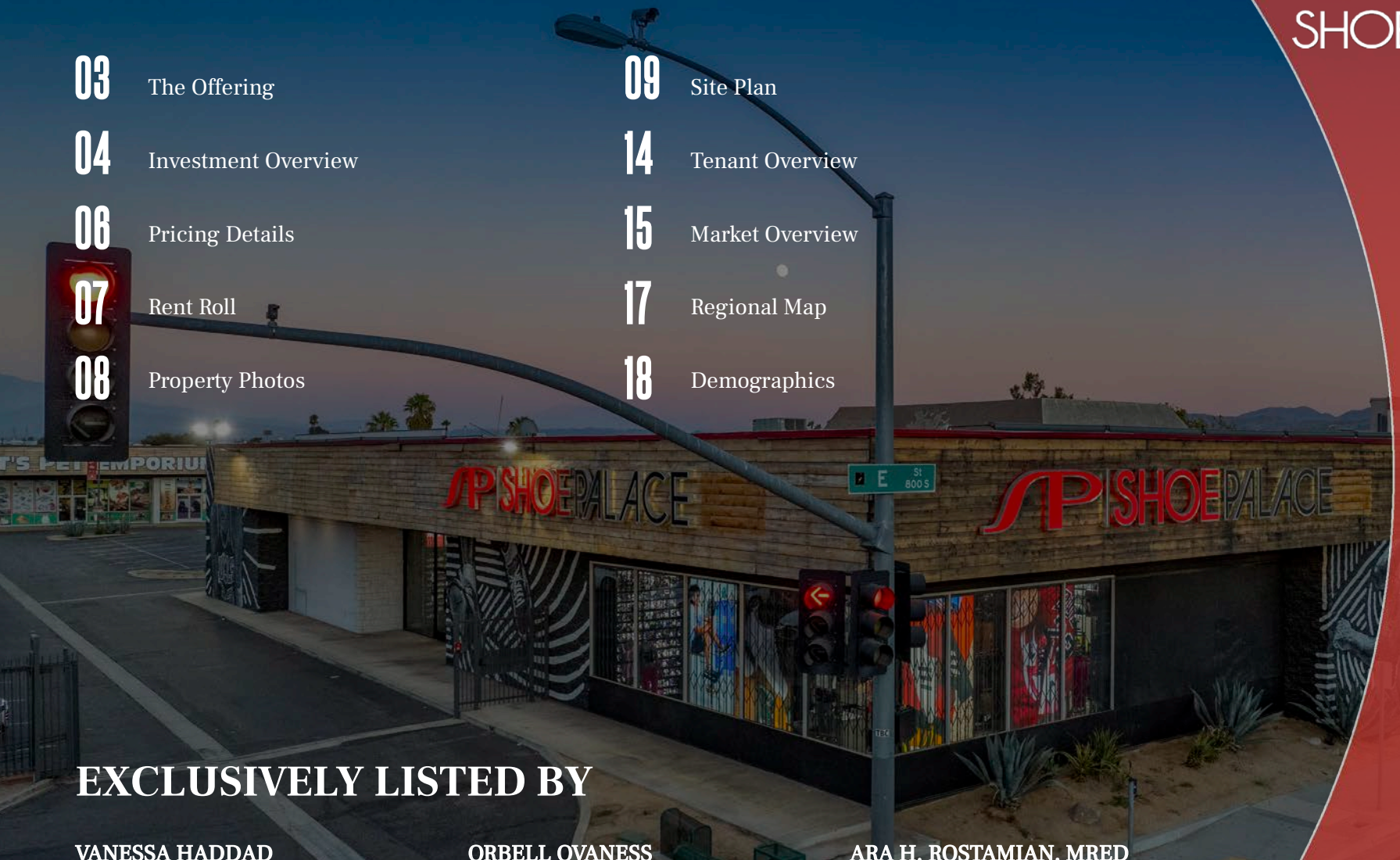
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THE OFFERING

OFFERING SUMMARY	
Offering Price	$2,936,000
Cap Rate	7.5%
Net Operating Income (NOI)	$218,861
Building Price Per SF	$170/PSF
Remaining Lease Term	+8 Years
OVERVIEW	
Property Address	895 South E Street, San Bernardino, CA 92408
Year Built / Renovated	1980 / 2018
Number of Buildings	2
Total Building Size	17,307 SF
Show Palace Building Size	7,475 SF
Elliott's Pet Emporium Building Size	9,832 SF
Lot Size	43,560 SF (1 Acre)
Parcel Number (APN)	0136-481-12-0000
Zoning	General Commercial
Parking Spaces	41
Ownership Interest	Fee Simple

INVESTMENT OVERVIEW

Marcus & Millichap is offering, to qualified investors, the opportunity to purchase fee simple interest in a 17,307 square foot two-building retail site building with a value-add component. The buildings are located in the heart of Southern California, in a densely populated area, right across the street from the Inland Center Mall and many surrounding major retailers.

LOW $/PSF – BELOW REPLACEMENT COST

The modern façade, 17,307- SF buildings are being offered at well-below replacement cost ($170/PSF).

LOCATED IN OPPORTUNITY ZONE - TAX INCENTIVE GROWTH

The building is located within a federally approved designated Opportunity Zone. Investments made by individuals through special funds in Opportunity Zones allow individuals to defer or eliminate federal taxes on capital gains.

RESIDENTIAL & COMMERCIAL PROXIMITY

Located right cross the street from the Inland Center, a mall in the heart of San Bernardino that draws in over 550,000 visitors annually and is the area's premier destination for shopping and dining.

EXCEPTIONAL RENT AND CASH FLOW GROWTH

The increases built into the leases (2% and 4% annual increases) provide the Landlord with exceptional growth in cash flow over the hold period.

GREAT VISIBILITY AND TRAFFIC COUNTS

Boasting over 118 feet of frontage on E Street Blvd (+27,000 CPD), the primary building benefits from visibility and the synergy provided by the surrounding retailers.

VALUE-ADD

This offering gives an investor the opportunity to increase cash flow by converting Elliott's Pet Emporium's gross lease to a NNN lease and bringing its below-market rents to fair market value.

DENSE, SOUTHERN CALIFORNIA DEMOGRAPHICS

- Over 124,000 people within a 3-mile radius and average household income exceeding $64,000.
- Over 339,000 people within a 5-mile radius and average household income exceeding $74,000.

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ELLIOTT'S PET EMPORIUM
SHOE PALACE
ELLIOTT'S PET EMPORIUM
SHOEPALACE
SHOEPALACE

PRICING DETAILS

PRICING SUMMARY

Price:	***$2,936,000***		
Down Payment:	**$1,174,400**	*40% Down Payment*	
Current Cap Rate:	7.5%	Cash-on-Cash:	7.26%
ProForma 2025 Cap Rate:	7.75%	ProForma Cash-on-Cash:	7.99%
Year Built/Renovated:	1980		
Total Building Size:	17,307		
Price Per Square Foot:	$170	Parking:	41 Stalls
Lot Size (SF):	43,560	Land Per Sq. Ft.:	$67

NEW FINANCING

LTV:	60%
Balance:	$1,761,600
Term:	5
Rate:	6.50%
Amortization:	30
Maturity Date:	Sep-2029
Yearly Payment:	$133,614

FINANCIAL SUMMARY

	Current		ProForma	
Total Rental Income (GLA):	$273,114		$281,981	
Expense Reimbursements:	$26,557		$26,557	
Total Gross Revenue:	$299,671		$308,539	
Vacancy Factor:	($8,990)	*3.0%*	($9,256)	*3.0%*
Operating Expenses:	($71,820)	*26%*	($71,820)	*25%*
Net Operating Income (NOI):	$218,861	*7.45%*	$227,462	*7.75%*
First Trust Deed/Mortgage:	$133,614		$133,614	
Pre-Tax Cash Flow:	$85,247	*7.26%*	$93,848	*7.99%*
Interest Payment:	$113,924		$112,606	
Principle Payment:	$19,690		$21,009	
Total Return:	$104,937	*8.94%*	$114,856	*9.78%*

ESTIMATED EXPENSES

Property Tax:	$36,700
Insurance:	$5,414
Landscaping:	$3,195
Repairs & Maintenance:	$15,171
Management 3%:	$8,193
Admin Fee:	$551
Reserve:	$2,596
Total Expenses:	**$71,820**
Expenses Per Sq. Ft (GLA):	**$0.35**

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RENT ROLL

RENT ROLL - CURRENT

Tenant	%	Sq. Ft.	Monthly Rent	Annual Rent	Rent PSF/Mo	Rent PSF/Yr	Type	Start	End	Options	Increases
Shoe Palace	43%	7,475	$14,187	$170,249	$1.90	$22.78	NN	1/1/2018	1/31/2033	2 x 5 Yr.	4% Annually
Elliot's Pet Emporium	57%	9,832	$8,572	$102,865	$0.87	$10.46	Gross	2/1/2019	1/31/2026	2 x 5 Yr.	2% Annually
Total / Average	**100%**	**17,307**	**$22,760**	**$273,114**	**$1.38**	**$16.62**					

RENT ROLL - PROFORMA

Tenant	%	Sq. Ft.	Monthly Rent	Annual Rent	Rent PSF/Mo	Rent PSF/Yr	Type	Start	End	Options	Increases
Shoe Palace	43%	7,475	$14,755	$177,059	$1.97	$23.69	NN	1/1/2018	1/31/2033	2 x 5 Yr.	4% Annually
Elliot's Pet Emporium	57%	9,832	$8,744	$104,922	$0.89	$10.67	Gross	2/1/2019	1/31/2026	2 x 5 Yr.	2% Annually
Total / Average	**100%**	**17,307**	**$23,498**	**$281,981**	**$1.43**	**$17.18**					

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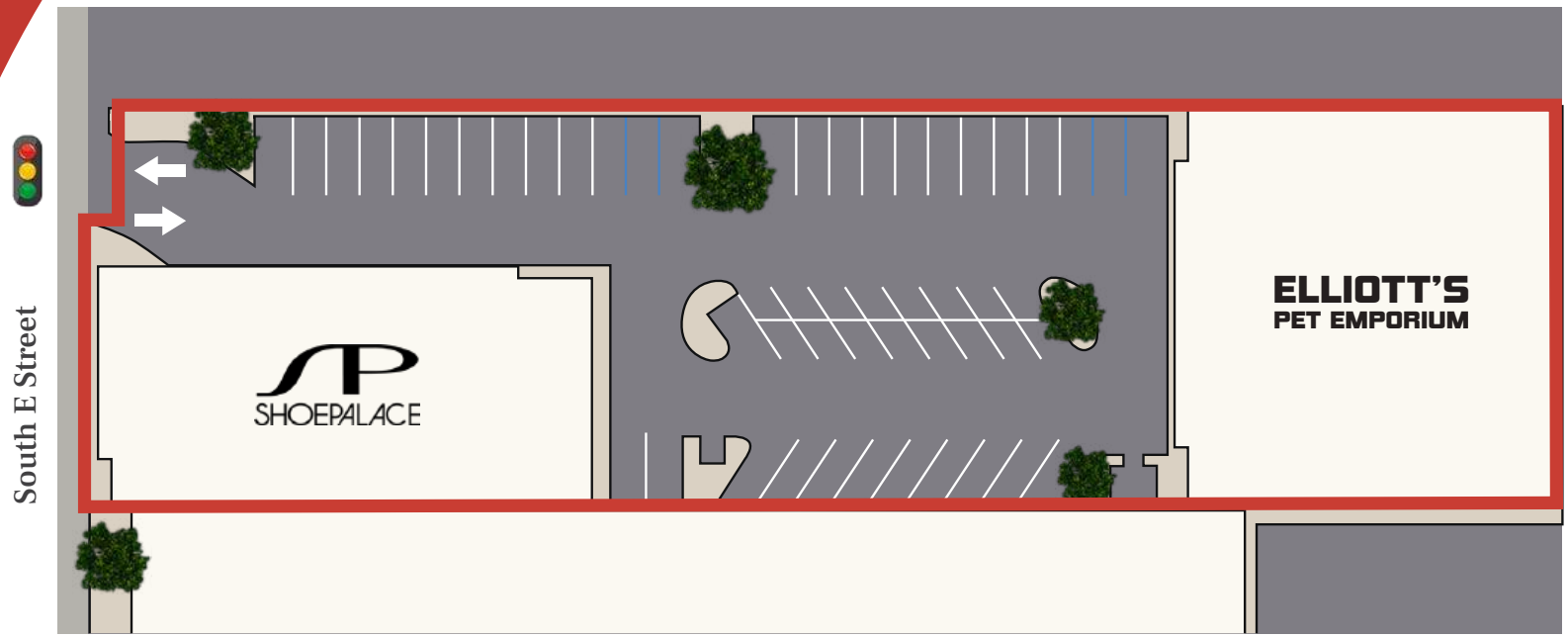
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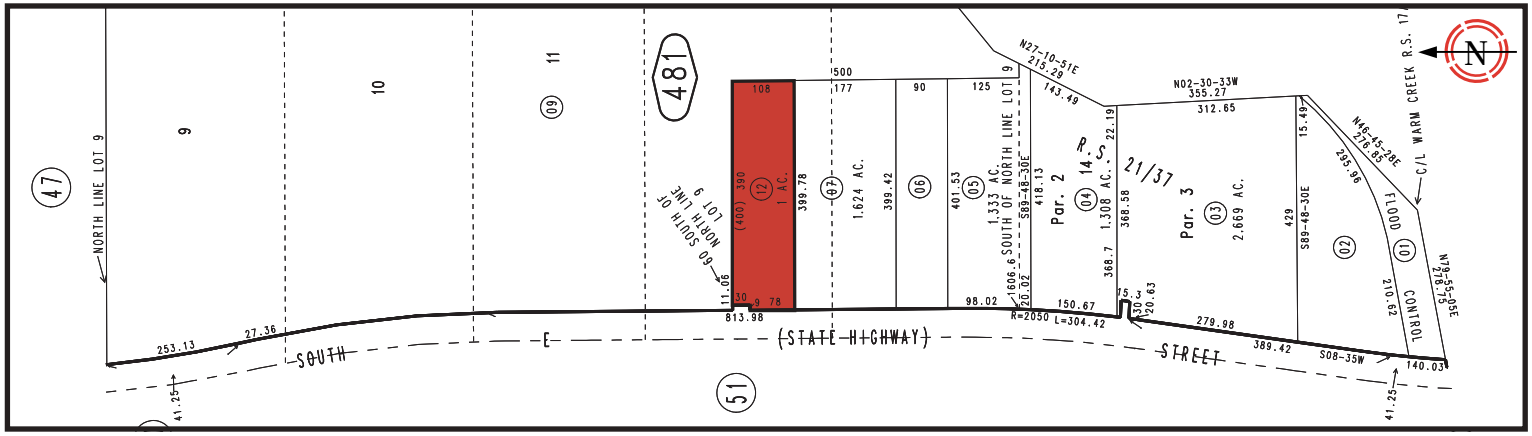

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ELLIOTT'S PET EMPORIUM
NATURALS
PRO PAC

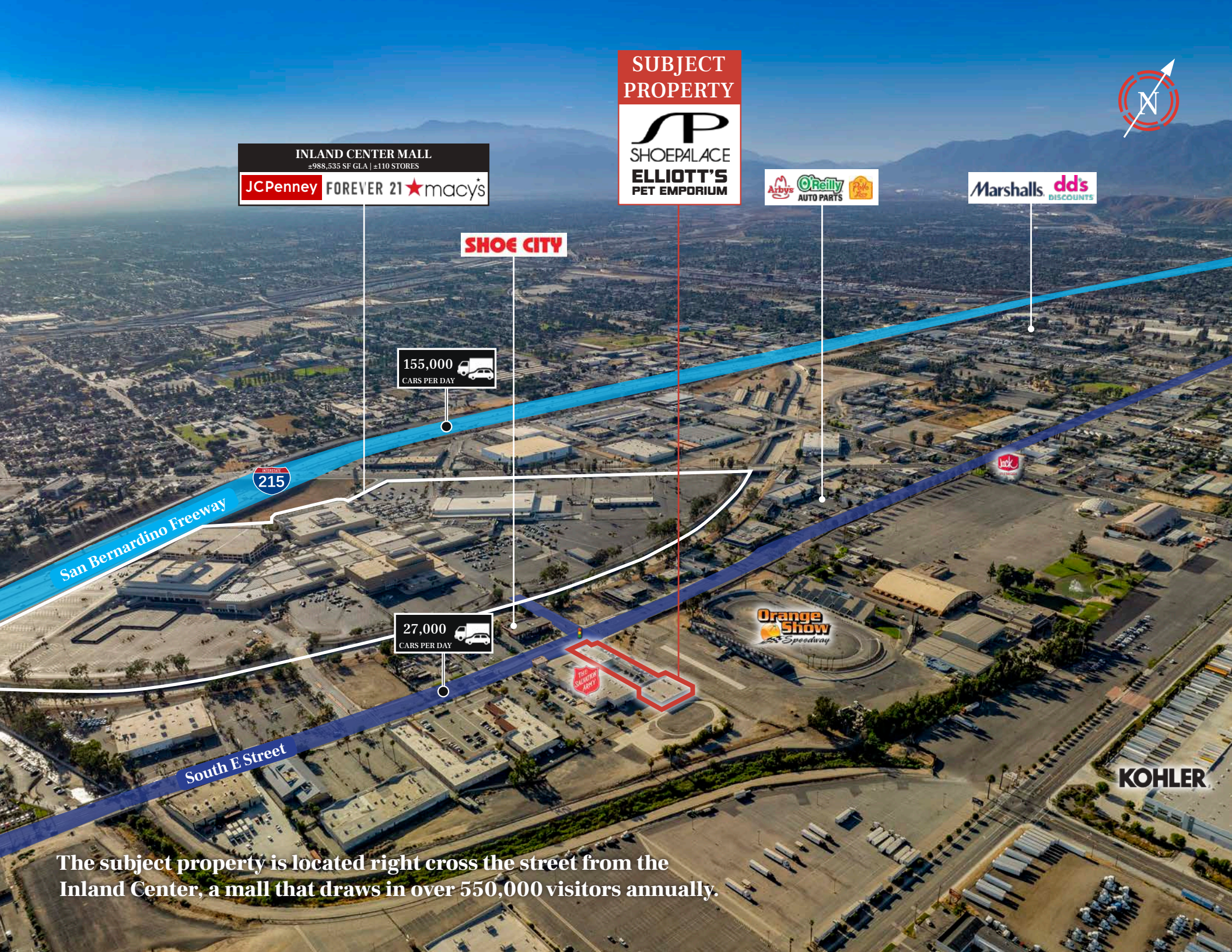
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SITE PLAN






N
KOHL'S
DISTRIBUTION CENTER
STATER BROS. markets
DISTRIBUTION CENTER
Advance Auto Parts
MATTEL
Burlington
WAREHOUSE
SUBJECT PROPERTY
SHOEPALACE
ELLIOTT'S
PET EMPORIUM
KOHL'S
COMMERCE CENTER
FedEx
SHIP CENTER
TRI-CITY CENTER
THE HOME DEPOT
PETSMART
OUTBACK
Olive Garden
TACO BELL
LA-Z-BOY
ALDI
FRIDAYS
Hilton Garden Inn
amazon
KOHLER
Orange Show
Speedway
THE SALVATION ARMY
THRIFT STORE
27,000
CARS PER DAY
South E Street
North Mall Way
SHOE CITY
INLAND CENTER MALL
±988,535 SF GLA | ±110 STORES



The subject property is located right cross the street from the Inland Center, a mall that draws in over 550,000 visitors annually.


Marshalls
dd's DISCOUNTS
MCDONALD'S
ROSS DRESS FOR LESS
FOOD 4 LESS
SUPERIOR GROCERS
HARBOR FREIGHT TOOLS
Quality Tools at Ridiculously Low Prices
AUTO ZONE
Carl's Jr.
METROLINK
INLAND EMPIRE ORANGE COUNTY LINE
URBITA ELEMENTARY SCHOOL
403 STUDENTS
RICHARDSON PREP HI MIDDLE SCHOOL
602 STUDENTS
MCDONALD'S
El Super
SAN BERNARDINO VALLEY COLLEGE
17,044 STUDENTS
INLAND CENTER MALL
±988,535 SF GLA | ±110 STORES
JCPenney
FOREVER 21
macy's
ALICE BIRNEY ELEMENTARY SCHOOL
406 STUDENTS
DOLLAR TREE
ABRAHAM LINCOLN ELEMENTARY SCHOOL
500 STUDENTS
MCDONALD'S
ASHLEY
CORPORATE OFFICE AND DISTRIBUTION BUILDING
ROSS DRESS FOR LESS
Walmart
SALLY BEAUTY
GameStop
Carl's Jr.
ups
Wendy's
Pollo Loco
Denny's
CAMPING WORLD RV SALES
ASHLEY
STATER BROS. markets
CHASE
SUBWAY
COOLEY RANCH ELEMENTARY SCHOOL
498 STUDENTS
ANDERSON ELEMENTARY SCHOOL
483 STUDENTS
MATTEL
STATER BROS. markets
DISTRIBUTION CENTER
H. FRANK DOMINGUEZ ELEMENTARY SCHOOL
381 STUDENTS
KOHL'S
DISTRIBUTION CENTER
Advance Auto Parts
SBD
International Airport
Arby's
O'Reilly AUTO PARTS
Burlington
WAREHOUSE
KOHLER
KOHL'S
COMMERCE CENTER
KOMAR
DISTRIBUTION SERVICES
FedEx
SHIP CENTER
SUBJECT PROPERTY
SHOEPALACE
ELLIOTT'S
PET EMPORIUM
Orange Show Speedway
The Salvation Army
SHOE CITY
27,000
CARS PER DAY
TOYOTA
COSMO PROF
KIA
Hertz
amazon
TRI-CITY CENTER
THE HOME DEPOT
PETSMART
OUTBACK
LA-Z-BOY
ALDI
HOME CHEF
SWING
OUTDOOR SUPPLY
SUBWAY
jamba
TARGET
BIG LOTS!
Hilton Garden Inn
FRIDAYS
Olive Garden
TACO BELL
RED LOBSTER
WINGATE
DOUBLETREE
IHOP
Super 8
VICTORIA ELEMENTARY SCHOOL
580 STUDENTS
COSTCO WHOLESALE
NISSAN
SUBARU
155,000
CARS PER DAY
North Mall Way
South E Street
Redlands Freeway
INTERSTATE 215
INTERSTATE 10
INTERSTATE 10
230,000
CARS PER DAY
sam's club
DOLLAR TREE
TOWNEPLACE SUITES
Holiday Inn Express
CANDLEWOOD SUITES
MAZDA
HYUNDAI
HONDA
HARLEY-DAVIDSON
Walmart
MCDONALD'S
CHASE
STATER BROS. markets
LOMA LINDA UNIVERSITY
4,247 STUDENTS
RITE AID



SHOEPALACE

TENANT OVERVIEW

COMPANY OVERVIEW	
Headquarters	Morgan Hill, California
Founded	1993
Website	www.shoepalace.com
Type	Private
Employees	1001-5000
Number of Locations	160+ Across USA
Estimated Annual Revenue	$473.2 Million

SHOE PALACE

Shoe Palace Corporation is a wholly-owned subsidiary of JD Sports, a multi-national sportswear and footwear retailer based in Manchester, England, with worldwide sales in 2023 of $13.1 Billion (US).

Shoe Palace is one of the most-trusted athletic footwear and apparel retail chains in the United States. What began as a small, family business has now grown into an extremely-popular chain of stores and an online retail site — shoepalace.com.

Shoe Palace was built on a strong belief that amazing buyer service, above all else, is the most-important reason why any business flourishes. The product focus of Shoe Palace primarily lies in athletic footwear and sports apparel. They cater to a wide range of customers including athletes, shoe collectors, and casual shoppers. The business developed by focusing on providing high-quality customer service and carrying elite brands like Nike, Adidas, and Jordan.

In 2020, British sportswear retailer JD Sports purchased Shoe Palace for $325 million in cash to expand its presence on the U.S. West Coast.

Shoe Palace's growth can be attributed to its award-winning service, understanding of customer needs, commitment to carrying high-quality products, and maintaining strong relationships with top brands in the industry. Their ability to adapt to market trends and consistently provide the latest styles has also played a significant role in their economic success.

Today, Shoe Palace has over 200 locations across the United States, is endorsed by several celebrities, and has licensed collaborations with various brands ranging from MTV to WWE.

MARKET OVERVIEW

San Bernardino, CA

San Bernardino is a city located in the Inland Empire and that serves as the county seat of San Bernardino County, California, United States. As one of the Inland Empire's anchor cities, San Bernardino spans 81 square miles on the floor of the San Bernardino Valley and as of 2019 has a population of 215,784. San Bernardino is the 17th-largest city in California and the 103rd-largest city in the United States.

Government, retail, and service industries dominate the economy of the city of San Bernardino. From 1998 to 2020, San Bernardino's economy grew by 26,217 jobs, a 37% increase, to 97,139. Government was both the largest and the fastest-growing employment sector, reaching close to 20,000 jobs in 2020. Other significant sectors were retail (16,000 jobs) and education (13,200 jobs).

SAN BERNARDINO COUNTY

San Bernardino County has a skilled workforce of almost 900,000 people, and has access to over 21 millions strong regional consumer population. The County's infrastructure and transportation assets provide unrivaled access to lucrative consumer and business markets. The region is the nation's leading logistics, warehouse, and distribution market for a multitude of Fortune 500 firms thanks to a location of approximately 40 miles from the seaports of Los Angeles/Long Beach. The County also benefits from three large airports with spare capacity and available space nearby (ONT, SBD, and VCV). LA/Ontario International Airport (ONT) is a medium•hub, full-seNice airport with commercial passenger service to major U.S. cities. ONT is also a major cargo airport and serves as the UPS West Coast air hub. The busiest rail corridors in the U.S. run through the County. Union Pacific and BNSF rail lines connect the ports of Los Angeles/ Long Beach with designation east of the Rockies providing even more reason that the County is a great location for U.S. regional distribution centers.

The County of San Bernardino embarked on a bold mission to develop a Countywide vision. For the first time in its history, all of the County's 24 cities and towns and County leadership worked together to create a vision for the future. This outreach included more than 25 groups of business leaders at specific subject area meetings ranging from the environment to home building, from transportation to education and from water to heath care. The vision matters to the businesses that are here and those that consider this region for future investment.

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SUBJECT PROPERTY
ELLIOTT'S PET EMPORIUM
Orange Show Speedway
THE SALVATION ARMY
SHOEPALACE

REGIONAL MAP

5-MILE RADIUS DEMOGRAPHICS

319,216
2023 Total Population

70,016
2023 Average Household Income

65,847
2023 Total Average Household Retail Expenditure

LOS ANGELES,CA
60 Minutes - 58 Miles

LONG BEACH,CA
90 Minutes - 71 Miles

IRVINE,CA
49 Minutes - 47 Miles

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ELLIOTT'S
PET EMPORIUM



DEMOGRAPHICS

SHOEPALACE

POPULATION	3 Miles	5 Miles
2028 Projection		
Total Population	127,229	326,942
2023 Estimate		
Total Population	123,841	319,216
2020 Census		
Total Population	125,137	329,717
Daytime Population		
2023 Estimate	150,016	328,175

HOUSEHOLDS	3 Miles	5 Miles
2028 Projection		
Total Households	38,125	98,927
2023 Estimate		
Total Households	37,018	96,242
Average (Mean) Household Size	3.3	3.3
Occupied Units		
2028 Projection	39,430	102,415
2023 Estimate	38,614	100,337

HOUSEHOLDS BY INCOME	3 Miles	5 Miles
2023 Estimate		
$150,000 or More	4.5%	7.0%
$100,000-$149,999	10.6%	12.8%
$75,000-$99,999	13.5%	14.8%
$50,000-$74,999	17.4%	18.8%
$35,000-$49,999	14.8%	13.8%
Under $35,000	39.1%	32.8%
Average Household Income	$60,080	$70,016
Median Household Income	$44,623	$53,914
Per Capita Income	$18,268	$21,370

HOUSEHOLDS BY EXPENDITURE	3 Miles	5 Miles
Total Average Household Retail Expenditure	$59,875	$65,847
Consumer Expenditure Top 10 Categories		
Housing	$22,246	$24,374
Transportation	$11,085	$11,935
Food	$7,924	$8,565
Personal Insurance and Pensions	$6,247	$7,133
Healthcare	$4,121	$4,572
Entertainment	$2,165	$2,441
Apparel	$1,527	$1,642
Cash Contributions	$1,430	$1,688
Gifts	$1,136	$1,233
Education	$845	$979

POPULATION PROFILE	3 Miles	5 Miles
Population By Age		
2023 Estimate Total Population	123,841	319,216
Under 20	33.2%	32.3%
20 to 34 Years	24.7%	24.2%
35 to 39 Years	7.4%	7.1%
40 to 49 Years	12.0%	11.9%
50 to 64 Years	13.8%	14.7%
Age 65+	9.0%	9.8%
Median Age	30.4	31.0
Population 25+ by Education Level		
2023 Estimate Population Age 25+	73,469	192,477
Elementary (0-8)	16.4%	13.9%
Some High School (9-11)	18.0%	16.4%
High School Graduate (12)	30.3%	29.6%
Some College (13-15)	17.8%	19.3%
Associate Degree Only	5.9%	6.4%
Bachelor's Degree Only	7.8%	9.0%
Graduate Degree	3.7%	5.3%

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