



OPHIR MANAGEMENT SERVICES



Plaza del Centro

OFFERING MEMORANDUM

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Plaza Del Centro

501 East Palmdale Blvd., Palmdale, CA





Executive Summary - Investment Data

Plaza del Centro

533 East Palmdale Blvd Palmdale, CA 93550

Income	
Base Rents	\$598,159
CAM	\$51,478
CAM Rec 2017	\$7,000
Insurance	\$11,495
Tax	\$55,833
Late Charges	\$231
Misc.	\$11
Total Income	\$724,206
Expenses	
CAM	\$142,245
Non-CAM	\$6,814
Insurance	\$31,767
Prop Tax	\$150,632
License & Permits	\$346
State Income Tax	\$3,300
Total Expense	\$335,104
Net Operating Income	\$389,102

Price	\$6,750,000
Occupancy – Current	56%
NOI- Current	\$389,102
Cash On Cash - Current	5.56%
Occupancy Pro Forma	95%
CAP – Pro Forma	12.31%
Pro Forma NOI	\$830,726
Cash On Cash Pro Forma	25.04%
Pro Forma Cash Flow	\$591,650
Gross Leasable Area	71,312
Price/SF	\$94.65
Year Built	1988, 1989, 2000
Zoning	PD C-3
APNs	3008-026-009, 007, 013, 010, 019, 008, 006, 001
Lot Size	5.88 AC
Parking	470 spaces

Financing	Proposed Loan (Principle and Interest) 4.25% Interest 60% LTV 30 Yr AMORT Annual Payment: \$239,076 Down Payment: \$2,700,000
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Notes:

Reflects April 2018 rents and all NNN tenants paying new property tax NNN increase

Property tax reflects 1.6% of asking price & sanitation expense after rebate

*Pro Forma reflects additional 4,500 sf leased per Year beginning Year 1





Executive Summary - Investment Overview

Ophir Management Services is pleased to present for sale, Plaza del Centro. Plaza del Centro is a 71,312 square foot multi-tenant shopping center located on East Palmdale Boulevard with 2 hard corners between 5th and 6th streets. With a current occupancy of 56% and a going in 1st year Cash On Cash return of 5.56%, the new Owner has the incredible opportunity to purchase Plaza del Centro, with excellent cash flow, and tremendous upside potential. At only \$94.65 per square foot, well below replacement cost, the new Owner can fill vacancies and increase cash flow immediately and significantly.

Plaza del Centro enjoys heavy foot and vehicle traffic thanks to tenants Lucy's Laundromat, Fast Auto Loans and Opportunities for Learning. Plaza del Centro consists of eight separate parcels, providing the new Owner the opportunity to sell individual parcels over time. These parcels include free-standing pads and a drive-through building.

Plaza del Centro is the ideal multi-tenant investment. It offers cash flow upon purchase with substantial upside potential. Plaza del Centro is offered free and clear of any debt, meaning the new Owner can take advantage of today's low interest rates to increase return on investment.

Highlights

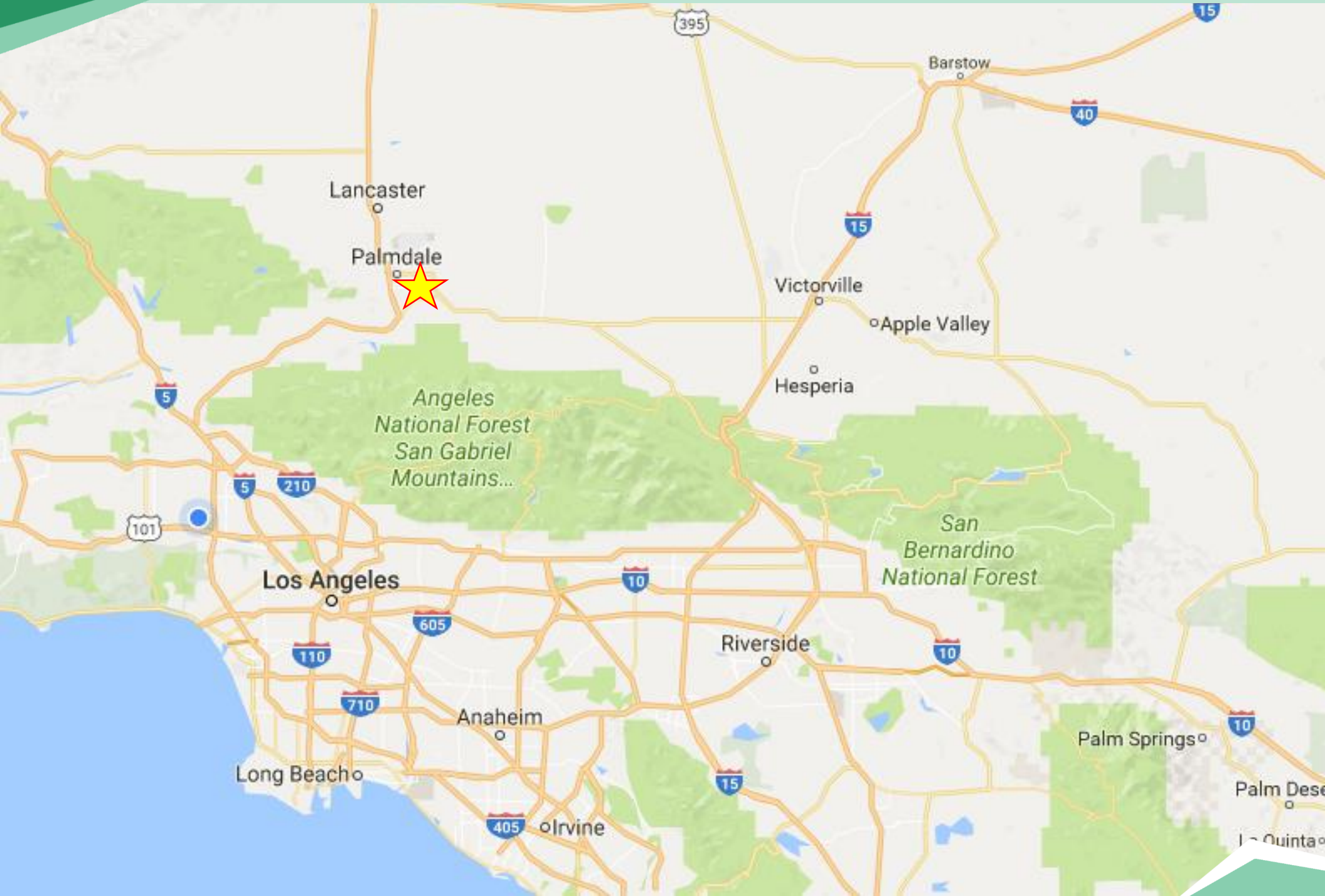
- \$94.65 per square foot, well below replacement cost
- Offered free and clear of any debt
- Tenants include Subway, Planned Parenthood, Opportunities for Learning, Primo Burgers and Fast Auto Loan
- Major commercial thoroughfare Palmdale Boulevard
- Blocks from the 14 Freeway, the major arterial freeway running north and south through the Antelope Valley
- Cash On Cash 1st Year 5.56%





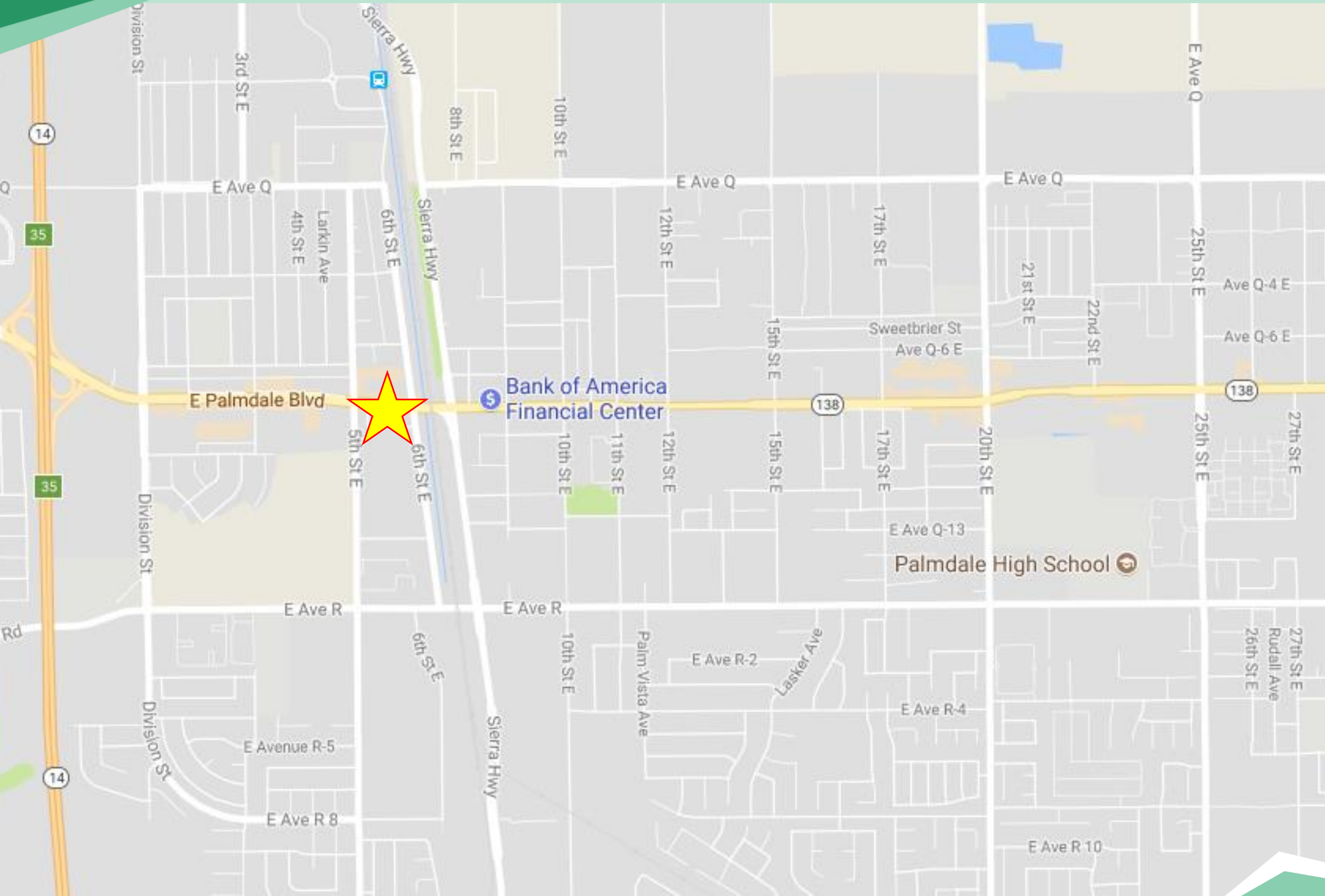


Property Description – Area Maps





Property Description – Area Maps





Property Description – Site Plan



SITE PLAN

PLAZA DEL CENTRO, PALMDALE, CA



Rent Roll April 2018									
Suite	Tenant	SF	Base Rent	Rent/SF	Lease Type	Increase	Amount	Start	Exp
509A	Subway	1,000	\$1,709.09	\$ 1.71	NNN	9/1/2018	\$1,760.27	9/1/2012	8/31/2022
509B	Fashion Kiss	2,100	\$2,436.00	\$ 1.16	NNN	EXP		6/1/2013	6/30/2018
509CD	VACANT	2,226	\$0.00	\$ -					
509E	Dental Office	1,320	\$1,746.36	\$ 1.32	NNN		EXP	4/1/2004	3/31/2018
509FG	DVCF Church	3,000	\$3,090.00	\$ 1.03	NNN	EXP	\$3,090.00	9/1/2015	8/31/2018
509I	DVCF Church	1,200	\$1,200.00	\$ 1.00	NNN		EXP	3/1/2017	8/31/2018
509J	King of Service	1,000	\$1,000.00	\$ 1.00	GROSS		FIX	12/1/2016	
509K	Jennifer Leon	1,782	\$976.30	\$ 0.55	NNN		FIX	5/1/2017	4/30/2019
521	Leslie Fingerprint	190	\$682.10	\$ 3.59	NNN	6/1/2018	\$716.21	10/1/2013	MTM
525	Fast Auto Loan	3,356	\$5,500.00	\$ 1.64	GROSS		FIX	7/1/2014	9/30/2019
533A	Planned Parenthood	5,000	\$5,304.50	\$ 1.06	NNN	6/1/2018	\$5,463.64	6/1/2010	5/31/2020
533A2	Marciela Carsons	913	\$1,077.34	\$ 1.18	NNN	1/1/2019	\$1,077.34	7/1/2013	6/30/2018
533B	VACANT	1,080	\$0.00	\$ -					
533CD	VACANT	3,600	\$0.00	\$ -					
533E	VACANT	1,200	\$0.00	\$ -					
533HJ	Opportunities 4 Learning	5,400	\$7,020.00	\$ 1.30	GROSS		FIX	5/20/2014	5/19/2019
533L	Alicia Hair & Beauty	1,080	\$907.20	\$ 0.84	NNN		FIX	6/1/2013	6/30/2018
533M	VACANT	1,020	\$0.00	\$ -					
533N	Que Rica	1,080	\$1,247.40	\$ 1.16	NNN	3/1/2019	\$1,247.40	12/1/2016	2/28/2022
533O	Perianez	1,100	\$1,517.08	\$ 1.38	NNN	1/1/2019	\$1,517.08	1/1/2016	2/28/2022
533P	VACANT	13,450	\$0.00	\$ -					
533S	VACANT	1,080	\$0.00	\$ -					
533T	Edgar de Jesus Alfaro	1,100	\$815.00	\$ 0.74	GROSS	6/1/2018	3.00%	4/1/2015	MTM
533U	VACANT	5,600	\$0.00	\$ -					
545	Primo Burgers	1,822	\$4,963.00	\$ 2.72	NNN	1/1/2019	\$4,963.00	11/1/2002	12/31/2018
557	Gem Jewelry	190	\$883.50	\$ 4.65	NNN		EXP	9/1/2013	MTM
565	Lucky SLS Laundry	3,330	\$3,663.00	\$ 1.10	GROSS	1/1/2019	\$3,736.26	1/1/2014	12/31/2032
565C	VACANT	1,511	\$0.00	\$ -					
565D	VACANT	550	\$0.00	\$ -					
565E	Santurain	1,260	\$1,336.73	\$ 1.06	NNN	4/1/2019	\$1,336.73	4/1/2016	5/31/2019
569	Chicken & Waffles	2,772	\$2,772.00	\$ 1.00	NNN		FIX	3/9/2016	3/31/2021
TOTAL		100%	71,312	\$49,846.60					
OCCUPIED		56%	39,995						
VACANT		44%	31,317						



Financial Overview – 2018 Projected Income & Expense

Scheddled Base Rental Revenue	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Base Rental Revenue	601,380	619,421	638,004	657,144	676,858	697,164	718,079	739,622	761,810	784,664
Gross Lease Up	81,000	86,400	91,800	97,200	102,600	108,000	26,955	0	0	0
Scheddled Base Rental Revenue	682,380	705,821	729,804	754,344	779,458	910,842	965,123	994,076	1,023,898	1,054,615
Expense Reimbursement Revenue										
Real Estate Taxes	\$55,833.00	56,391	56,955	57,525	58,100	58,681	59,268	59,861	60,459	61,064
Insurance	\$11,495.00	11,610	11,726	11,843	11,962	12,081	12,202	12,324	12,447	12,572
CAM	\$51,478.00	52,508	53,558	54,629	55,721	56,836	57,973	59,132	60,315	61,521
Expense Reimbursement Revenue	118,806	120,509	122,239	123,997	125,783	127,598	129,443	131,317	133,221	135,157
Total Effective Gross Revenue	801,186	826,330	852,043	878,341	905,242	1,038,441	1,094,565	1,125,393	1,157,120	1,189,772
Vacancy %	38.0%	31.700%	25.400%	19.100%	12.800%	6.500%	5.00%	5.000%	5.000%	5.000%
Operating Expenses										
Real Estate Taxes	154,278	155,821	157,379	158,953	160,542	162,148	163,769	165,407	167,061	168,732
Insurance -Property	31,767	32,085	32,406	32,730	33,057	33,387	33,721	34,059	34,399	34,743
CAM (incl. 3% Mgt Fee)	142,245	143,667	145,104	146,555	148,021	149,501	150,996	152,506	154,031	155,571
Total Operating Expense	328,290	331,573	334,889	338,238	341,620	345,036	348,486	351,971	355,491	359,046
Net Operating Income	472,896	494,757	517,154	540,104	563,622	693,404	746,079	773,422	801,629	830,726
Debt Service										
Principal & Interest	239,076	239,076	239,076	239,076	239,076	239,076	239,076	239,076	239,076	239,076
Pre Tax Cash Flow	233,820	255,681	278,078	301,028	324,546	454,328	507,003	534,346	562,553	591,650
Cash on Cash Return	8.66%	10.82%	11.77%	12.74%	13.74%	19.23%	21.46%	22.62%	23.81%	25.04%
Principal Reduction (est.)	68,277	71,236	74,323	77,544	80,905	84,411	88,069	91,886	95,868	100,023
Total Return	12.79%	13.84%	14.92%	16.02%	17.16%	22.80%	25.19%	26.51%	27.87%	29.28%
Includes all 2018 rent increases										



Notes on Current Revenue and Expenses

Base Rents Reflect April 2018 and all NNN Tenants Paying Property Tax Increase

Management Fee @ 3%

Property Tax Reflects 1.6% of Asking Price & Sanitation Expense after rebate

Other expenses includes security alarm, postage, bank charges, dues & fees, licenses & permits, and other taxes

Excludes capital expenses and one time/discretionary expenses like architectural services, legal services and accounting services

Assumptions on Pro Forma

Base Rent Annual Increase	3%
Property Tax Annual Increase	1%
Insurance Annual Increase	1%
CAM Annual Increase	2%
Pro Forma Lease Up Reflected is 4,500 Square Feet Per Year Beginning at \$1.50 psf increasing at .10 psf each year	



Subway is a privately held restaurant franchise and is one of the fastest growing franchises in the world. With approximately 45,000 stores in over 100 countries, it is the largest single-brand restaurant chain in existence. Subway was founded in 1965 with its first store opening in Fresno, California.



Planned Parenthood Federation of America is a nonprofit organization that provides reproductive health care in the United States and around the world. Founded in 1916, Planned Parenthood now consists of 159 medical and non-medical affiliates, operating over 650 health clinics..



Opportunities for Learning is a free, public charter school serving grades 7 through 12 who are either falling behind or looking to get ahead. It was established in 1999 and has helped over 140,000 students equip themselves with the knowledge to pursue their dreams. Opportunities for Learning utilizes a blended educational model, allowing students, teachers and families the freedom to design a learning plan for each student based on his or her needs. OFL also offers a variety of other programs, including summer school, on-site tutors, day-trips, and online classes.





Palmdale is a city in the Antelope Valley of northern Los Angeles County. The San Gabriel Mountains separate Palmdale from the city of Los Angeles, and California State Route 14 is the main artery between Los Angeles and Palmdale.

Palmdale is located in the High Desert, where summers are dry and winters are cool and windy. With over 300 days of sunshine per year, Palmdale offers the typical Southern California climate and affordable living within close proximity to Los Angeles proper.

The most important industry for Palmdale is the aerospace industry. Referred to as the “aerospace capital of the United States,” Palmdale is the site of research, development, assembly, flight testing and servicing/modification for the Space Shuttle and other US Air Force and NASA projects. Recently, the tax benefits of the Antelope Valley Enterprise Zone have attracted other businesses as well.

Palmdale Boulevard Demographic Information (2014):

	1 Mile	3 Mile	5 Mile
Population	14,573	88,915	137,302
Households	4,248	24,981	38,248
Average Household Income	\$48,366	\$56,137	\$65,457



Antelope Valley

Major Employers

Lockheed Martin
Northrup Grumman Corporation
Boeing Company
Kroger Company
Cedars-Sinai Medical Center
Providence Health & Services
Target
Bank of America Corporation
Walmart



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