SDS Automotive

ATTRACTIVE ANNUAL INCREASES

BRAND NEW 20-YEAR ABSOLUTE NNN LEASE

SACRAMENTO, CA

Marcus & Millichap
DUONG INVESTMENT GROUP

OFFERING MEMORANDUM

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Investment Highlights

Brand New 20-Year Absolute NNN Lease

Rare Annual CPI Increases with No Cap and a Minimum of 3% Throughout the Initial Term and Options Provide for an Excellent Hedge Against Inflation

Tenant has been Operating this Location for Over 20 Years

Prime Retail Location

- The Subject Property is Located On Northgate Blvd **(Traffic Counts Exceed 26,000 Cars Per Day)**
- Across from **Smart & Final Anchored Shopping Center**
- Centrally Located Near Major Retailers such as Foods Co, O'Reilly Auto Parts, Shell, ARCO, Dollar Tree, Quick Quack Car Wash, DD's Discounts, Subway, Pep Boys, KFC, McDonald's, and Many More

Proven SDS Automotive Location

- **Absolute NNN Property with Zero Landlord Responsibilities** – Ideal for Investors Not Local to the Market
- **Tenant has Just Signed New Lease Expanding into Remainder of the Building Showing a Great Commitment to their Success**
- Personal Guarantee from Tenant

Pride of Property Ownership in Sacramento, CA

- **Large Customer Base** - Dense, Infill Location with **Over 331,000 Residents** Within 5 Miles
- Affluent Area with the **Average Household Income Exceeding $88,000** Within 5 Miles
- Sacramento has Experienced a 21% Population Growth Since 2010
- Sacramento is the Third Fastest Growing Metropolitan Area in California, with a Projected Growth of 55.4% over the Next 30 years

Tenant Overview

SDS Automotive

SDS Automotive strives to provide every customer with complete satisfaction. Settling for less is not an option. They are the dealership alternative in the Sacramento area.

Their goal is to help the community experience dependable, quality, and trustworthy auto repair.

Why SDS Automotive?

- **Professional Standards**
- **Every Job is Personal**
- **Digital Workflow**
- **Exceptional Customer Service**

Website	www.smogdiagnosticsacramento.com
Lease Expires	11/30/2042
Square Feet	9,372

"Our mission is to provide the best automotive service and repair experience possible by serving our customers with unparalleled honesty, integrity and quality."

— SDS Automotive Mission Statement

Financial Analysis

Offering Summary

Property Name	SDS Automotive
Property Address	3261 Northgate Boulevard Sacramento, CA 95833
Assessor's Parcel Number	262-0015-016-0000
Year Built	1989
Gross Leasable Area (GLA)	±9,372 Square Feet
Lot Size	±0.50 Acres (±21,862 Square Feet)

Pricing

Price	$2,325,000
Cap Rate	6.50%

Annualized Operating Data

Gross Potential Rent	$151,200
Total Expenses	Absolute NNN
Net Operating Income	**$151,200**

Lease Information

Lease Commencement Date	December 1, 2002
Lease Expiration Date	November 30, 2042
Lease Remaining	±19 Years
Lease Type	Absolute NNN
Increases	CPI Min 3%
Options	Three, Five-Year
Notes	One Unit Personal Guarantee

Increase Details

Years	Increase	Annual Rent	Cap Rate
1	N/A	$151,200.00	6.50%
2	5%	$155,736.00	6.70%
3	3%	$160,408.08	6.90%
4	3%	$165,220.32	7.11%
5	3%	$170,176.93	7.32%
6	3%	$175,282.24	7.54%
7	3%	$180,540.71	7.77%
8	3%	$185,956.93	8.00%
9	3%	$191,535.64	8.24%
10	3%	$197,281.71	8.49%
11	3%	$203,200.16	8.74%
12	3%	$209,296.16	9.00%
13	3%	$215,575.05	9.27%
14	3%	$222,042.30	9.55%
15	3%	$228,703.57	9.84%
16	3%	$235,564.67	10.13%
17	3%	$242,631.61	10.44%
18	3%	$249,910.56	10.75%
19	3%	$257,407.88	11.07%

Market Overview

Aerial Photo

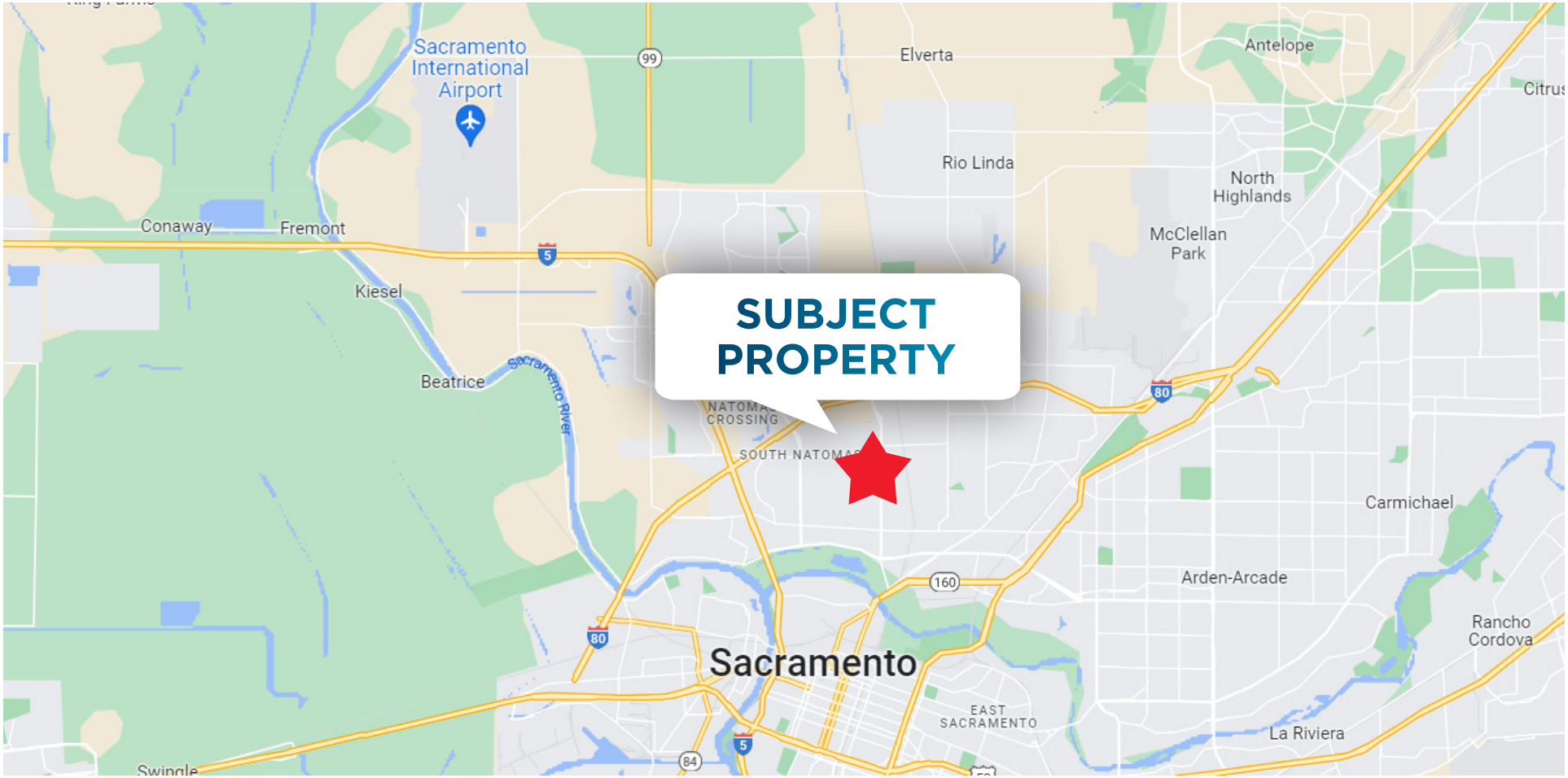
Market Overview

Aerial Photo

NOTE: PROPERTY BOUNDARY LINES ARE ESTIMATED AND MUST BE INDEPENDENTLY VERIFIED BY POTENTIAL BUYERS

Market Overview

Regional Map



±41,424
CARS PER DAY ON THE I-5 FREEWAY

±7 MILES
TO SACRAMENTO INT. AIRPORT (SMF)

±4 MILES
TO THE CALIFORNIA STATE CAPITOL

±33,601
CARS PER DAY ON THE I-80 FREEWAY

Market Overview

The City Of Sacramento, CA

Sacramento, capital of the U.S. state of California, lies at the confluence of the Sacramento River and American River. The district of Old Sacramento harkens back to the city's Gold Rush era, with wooden sidewalks and wagon rides. One of several museums in Old Sacramento, the California State Railroad Museum depicts the construction of the Transcontinental Railroad, one of the country's earliest technological feats.

Some of it's other landmarks include the California State Capitol (pictured to the right) and Guy A. West Memorial Bridge an 1,000 foot pedestrian and bicycle bridge that stretches across the American River, and connects to California State University, Sacramento.

"Hailed as one of the most ethnically diverse and livable cities in America, Sacramento got its start as a supply center for prospectors from around the globe during the 1849 Gold Rush. Since 1854, the city has served as the political nucleus of the nation's most influential state, with the sixth-largest economy in the world." (visitsacramento.com)

Downtown Sacramento

California State Capitol

Market Overview

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2027 Population	22,760	134,847	341,709
2022 Population	22,070	129,468	328,500
2010 Population	19,766	113,919	289,827
2000 Population	20,677	94,323	231,568

Households	1-Mile	3-Miles	5-Miles
2027 Households	6,642	45,554	136,450
2022 Households	6,420	43,622	130,803
2010 Households	5,709	38,114	114,708
2000 Households	6,056	32,170	95,494
2027 Owner Occupied Housing	57.8%	41.3%	40.1%
2027 Rent Occupied Housing	42.2%	58.8%	59.9%
2022 Owner Occupied Housing	57.8%	41.7%	40.2%
2022 Renter Occupied Housing	42.2%	58.3%	59.8%
2010 Owner Occupied Housing	57.5%	43.5%	41.7%
2010 Renter Occupied Housing	42.5%	56.5%	58.3%

Income	1-Mile	3-Miles	5-Miles
$ 0 - $ 14,999	12.4%	12.4%	12.3%
$ 15,000 - $24,999	9.8%	9.6%	9.0%
$ 25,000 - $34,999	9.6%	10.0%	9.0%
$ 35,000 - $49,999	13.4%	11.9%	10.8%
$ 50,000 - $74,999	18.2%	17.2%	16.3%
$ 75,000 - $99,999	14.0%	13.6%	13.2%
$100,000 - $124,999	10.1%	10.7%	10.4%
$125,000 - $149,999	4.2%	5.1%	5.9%
$150,000 - $200,000	4.5%	5.0%	6.6%
$200,000 to $249,999	1.8%	2.0%	2.8%
$250,000 +	2.0%	2.4%	3.6%
2022 Median Household Income	$56,341	$58,056	$62,612
2022 Average Household Income	$73,244	$78,457	$88,471

$88,471

2022 AVERAGE HOUSEHOLD INCOME
(5-MILE RADIUS)

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