Intersection

156-190 S. RANCHO SANTA FE ROAD



PRICE REDUCED

~~WAS $8.5M~~

NOW: $8.15M

SAN MARCOS SQUARE

NEIGHBORHOOD RETAIL CENTER

Stabilized North County Investment Opportunity

100% Leased Neighborhood Retail Center

04
EXECUTIVE SUMMARY

08
PROPERTY OVERVIEW

14
TENANT OVERVIEW

22
AREA OVERVIEW

30
SALE COMPARABLES

34
FINANCIALS

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Intersection

SAN MARCOS SQUARE

NEIGHBORHOOD RETAIL CENTER

156-190 S. RANCHO SANTA FE ROAD | SAN MARCOS CA 92078

APPROX. 21,352 SF RETAIL CENTER BOASTING NATIONAL TENANTS AND CHAMPIONED SMALL BUSINESSES

Executive Summary

The Offering

Intersection, as agent for the Seller, is pleased to present qualified investors with the opportunity to purchase for sale 156-190 Rancho Santa Fe Road in San Marcos CA, 92078 ("San Marcos Square" or "Property"), a retail center consisting of two multi-tenant buildings and one single tenant building, totaling 21,352 square feet. Outstanding retail location on high traffic arterial with direct freeway proximity. Exceptional ingress/egress with five access points and dedicated left turn lane. This neighborhood retail property has been redeveloped and re-leased to a carefully selected mix of national tenants and sought-after local businesses.

Property Summary

ASKING PRICE	YEAR-1 NOI	LOCATION	SIZE	BUILT	100%
$8.15 M	**$470,372**	**San Marcos, CA**	**21,352 SF**	**1975 Built** **2019 Remodel**	**Leased**





Investment Overview

5.77%	YEAR 1 PRO-FORMA
6.53%	YEAR 5 CAP RATE
4.22%	YEAR 5 EQUITY YIELD
12.58%	YEAR 5 LEVERAGED IRR
7.10%	YEAR 10 CAP RATE
4.58%	YEAR 10 EQUITY YIELD
11.15%	YEAR 10 LEVERAGED IRR



San Marcos Director of Economic Development Tess Sangster, referred the locally-praised childcare provider Sunnyside Learning Center to San Marcos Square after belieiving in both the retail center and location

Investment Highlights

100% Leased, Experiential Retail Asset

The project was redeveloped in 2019/2020 as an experiential retail cornerstone to the San Marcos community. Reimaged window lines, fascia and infrastructure upgrades created a more welcoming tenant environment. Coupled with cosmetic improvements to the building exterior and parking lot, San Marcos Square has attracted a new base of experiential retailers with a synergistic tenant mix.

US Bank 5-Year Lease Extension

US Bank executed a 5-year lease extension into 2034, increasing the project's weighted average lease term ("WALT") to 6.8 years. Additional term from a national credit tenant further stabilizes the project's revenue stream, a project which has retained a 100% collection rate trailing 6-months without any delinquencies. Building visibility from Rancho Santa Fe Rd. and traffic counts are believed to be contributing factors to the tenant's desire to remain long-term at the center.

Commuter Route Frontage

Situated on the corner of highly trafficked S. Rancho Santa Fe Road, a busy north/south arterial and Grand Avenue, an east/west arterial, both providing access to CA-78, a major east-west thoroughfare for North County San Diego. San Marcos Square enjoys more than ±450 linear feet of frontage, complimented by five points of ingress/egress.

Attractive Demographic Growth

With low unemployment (2.7%) and attractive household incomes in the 1-3-mile radius ($94K - $127K), San Marcos is a highly desirable retail submarket. Population densities are strong in those same 1-3-mile radius as well (19K – 100K), with forecast growth in all categories. These growth factors have driven re-investment in retail projects throughout the submarket.



Property Overview

Property Overview

PROPERTY	
ADDRESS	San Marcos Square, 156-190 S. Rancho Santa Fe Rd., San Marcos, CA 92078
RENTABLE BUILDING AREA	21,352 SF
LAND SIZE	1.81 Acres Corner Lot
BUILT / RENOVATED	Built in 1975, remodeled in 2019
ZONING	C-low to medium intensity use; General Commercial, restaurant, service, retail
PARKING	4.89/1,000 SF (93 Surface Spaces), Three ADA-Designated
INGRESS / EGRESS	5 (five) Points of entry to property, plus left turn lane
UTILITIES	
ELECTRICITY	SDG&E - Individual meters
GAS	SDG&E - Individual meters
WATER	City of San Marcos
MECHANICAL	
HVAC	Rooftop packaged HVAC units
ELECTRICAL	Main electrical service is rated at 600 amps at the 156-168 Building and also 600 amps at the 172-186 Building. The 190 Building has a 400-amp main service.
PLUMBING	Copper water supply piping
ROOFING SYSTEMS	Low-slope, built-up roofing with a granular-surfaced modified bitumen cap-sheet (190) Smooth-finish cap sheet (156-186)
FIRE PROTECTION	Central system with outside dialer at 190 building; individual suit fire extinguishers tagged and verified
SITE SYSTEMS	
PAVEMENT	Asphalt pavement at grade
SIDEWALKS & FLATWORK	Concrete flatwork primarily consists of sidewalks around all points of lot entry
LANDSCAPING	Fully refreshed in 2019 and maintained



MAIN PROPERTY	SUITE	SIZE
RANCHO LAS PALMAS	156	3,424 SF
SAN MARCOS DENTAL CENTER	162	2,200 SF
STILISIMO SALON	168	1,108 SF
SUNNYSIDE LEARNING CENTER	172-178	5,634 SF
CRISPY'S DONUTS	182	1,301 SF
SALON CENTRIC	184-186	2,211 SF
FREESTANDING		
US BANK	190	5,474 SF



Average Daily

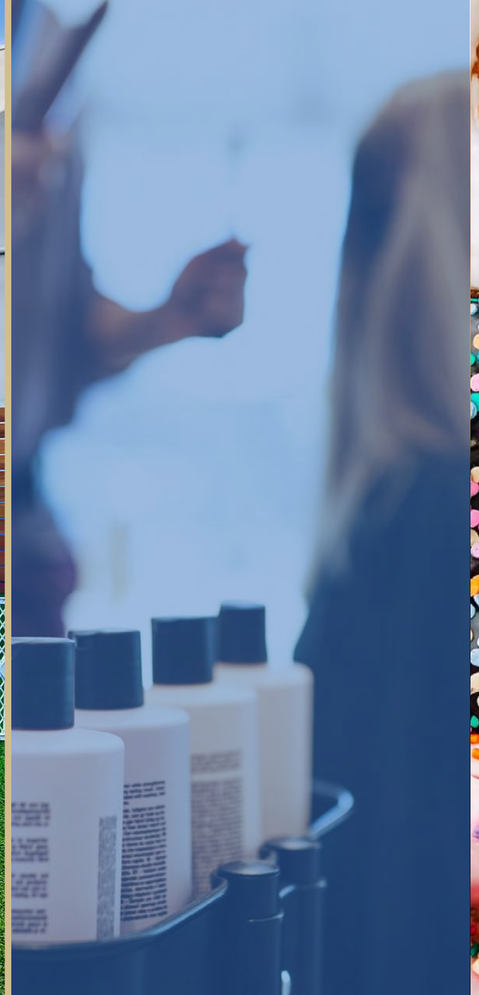
80
STUDENT DROPOFFS AND PICK-UPS

108
BANK TRANSACTIONS

14
DENTAL APPOINTMENTS

250
DOZEN DONUTS SOLD DAILY

Tenant Overview





NATIONAL TENANTS
Accredited + Corporate Backed

US Bank - A1 Credit Rating (Moody's)

SECTOR	Financial
LEASED SF	5,474 SF
LEASE EXPIRATION	3/15/2034
TERM REMAINING	10.25 Years

Occupying the freestanding building, this Minneapolis based national tenant holds an A+ Credit Rating (S&P), 3,067 branches and 4,771 ATM's, making US Bank a strong center anchor. Operating both with a walk-in branch and drive-thru service, this branch location appeals to commuters, nearby small businesses, and locals alike.

www.usbank.com

Salon Centric - P-1 Credit Rating

SECTOR	Beauty Supply
LEASED SF	2,211 SF
LEASE EXPIRATION	1/31/2025
TERM REMAINING	1.25 Years

Owned by L'Oreal and headquartered in Florida, this Prime-1 accredited (P-1, Moody's) Salon Centric is the premier distributor of quality salon professional products to licensed professionals and members. The global beauty industry's annual revenue has increased by 4.6% YOY and is projected to double sales increase by 2025.

www.saloncentric.com

Tenant Overview

Crispy's Donuts

SECTOR	Fast-Casual
LEASED SF	1,301 SF
LEASE EXPIRATION	1/31/2026
TERM REMAINING	2.25 Years

For 12 years Crispy's Donuts have been a beloved staple, a family-owned business serving a variety of crafted donuts and pastries. Crispy's averages 4.8 stars on yelp and will sell out before 10am most days. Customers line up prior to the business opening to secure fresh donuts before they run out.

www.facebook.com/crispysdonuts

Sunnyside Learning Center

SECTOR	Early Education
LEASED SF	5,634 SF
LEASE EXPIRATION	10/31/2030
TERM REMAINING	6.75 Years

Dedicated learning center committed to Early Childhood Education. With collaborative learning to help children realize their full potential and developmental goals. After great success, Sunnyside currently is operating at full capacity and has a waitlist for future students and interested parents.

www.sunnysidelearningcenter.com

San Marcos Dental Center

SECTOR	Health-Dentistry
LEASED SF	2,200 SF
LEASE EXPIRATION	12/31/2028
TERM REMAINING	5 Years

Dr. Gregory Hurt and the San Marcos Dental Center have been providing quality dental and health services for San Diego and the general Southern California region for the last 30 years. They have developed a large base of satisfied and dedicated clients who have consistently rebooked Dr. Hurt's care.

www.sanmarcosdentalcenter.com

Rancho Las Palmas Mexican Grill

SECTOR	Food & Beverage
LEASED SF	3,424 SF
LEASE EXPIRATION	12/31/2032
TERM REMAINING	9 Years

A local favorite offering authentic coastal Mexican cuisine, Rancho Las Palmas has relocated to San Marcos Square after an 11-year run in Escondido. Their penchant for Mexican seafood dishes and traditional favorites is well known. Casual dining with take-out menu, their concept is complementary to the San Marcos community with lunch and evening dining.

Stilisimo Salon

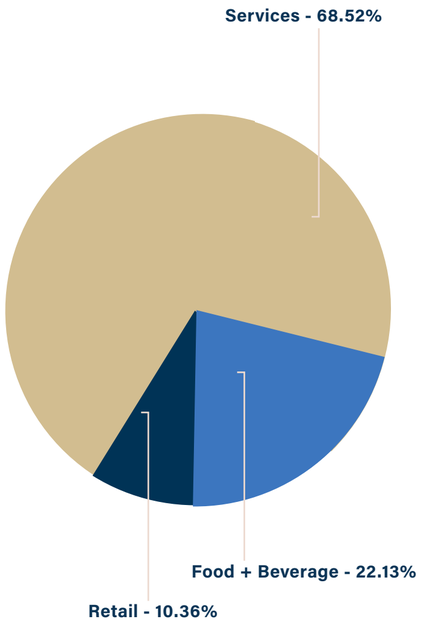
SECTOR	Beauty
LEASED SF	1,108 SF
LEASE EXPIRATION	3/31/2028
TERM REMAINING	4.25 Years

Locally owned family business with over 20 years experience between Escondido and San Marcos. Stilisimo is a one stop destination for all things hair, offering beauty and barbering services including cutting, coloring, styling, and shaving. Available to serve clients by appointment or walk-in, Stilisimo is ready to keep their friends and neighbors looking fresh.





Tenant Analysis



RETAIL	SIZE	% OF PROPERTY
SALON CENTRIC	2,211 SF	10.36%
FOOD & BEVERAGE		
CRISPY'S DONUTS	1,301 SF	6.09 %
RANCHO LAS PALMAS	3,424 SF	16.04%
SERVICES		
US BANK	5,474 SF	25.64%
SUNNYSIDE LEARNING CENTER	5,634 SF	26.39%
STILISIMO	1,108 SF	5.19%
SAN MARCOS DENTAL CENTER	2,200 SF	10.30%

Area Overview



Area Overview: San Marcos

Community Profile

The city of San Marcos is a community within San Diego County that has over 96,000 residents. It's located to the Northeast of San Diego with a short commute to Downtown and La Jolla, and just a bit further to Los Angeles and Temecula. Despite convenient access to major cities, San Marcos has an identity of it's own. With award winning school districts and the sought after California State University, San Marcos has been rated in the top '20 places to Live and Work' by bestplaces.net for the last 5 years.

Strong Demographics

With low unemployment (2.7%) and attractive household incomes in the 1–3-mile radius ($94K - $127K), San Marcos is a highly desirable retail submarket. Population densities are strong in those same 1–3-mile radius as well (19K – 100K), with forecast growth in all categories. These growth factors have driven re-investment in retail projects throughout the submarket.

Today the city is home to more than 4,300 business establishments —up 20% from 2010. With government, financial and higher education occupations making up the top job sectors for residents, more and more HQ's are settling into San Marcos and supplying high-paying jobs for locals.

EMPLOYER	# OF EMPLOYEES
SAN MARCOS UNIFIED SCHOOL DISTRICT	2,407
CALIFORNIA STATE UNIVERSITY	2,194
PALOMAR COLLEGE	1,642
HUNTER INDUSTRIES	954
TRUECARE	762
UNITED PARCEL SERVICE	501
KAISER PERMANENTE	403
COSTCO	350
WALMART	350
LUSARDI CONSTRUCTION COMPANY	250

San Marcos by the Numbers

99,128
SAN MARCOS POPULATION

39.9%
COLLEGE-EDUCATED POPULATION

$84K
MEDIAN HOUSEHOLD INCOME

$646K
MEDIAN PROPERTY VALUE

San Marcos Demographics Relative to San Marcos Square

POPULATION	1-MILE	3-MILE	5-MILE
2027 PROJECTED POPULATION	18,901	100,211	222,306
2022 POPULATION	18,571	99,782	220,105
2022-2027 PROJECTED GROWTH	1.78%	1.43%	1.0%
2010-2022 GROWTH	1.4%	1.2%	1.0%
HOUSEHOLD			
2022 AVG. HOUSEHOLD INCOME	$94,577	$127,327	$137,834
2022 MED. HOUSEHOLD INCOME	$67,150	$98,042	$107,510
2022 MED. HOME VALUE	$510,638	$646,136	$683,622
BUSINESSES			
TOTAL BUSINESSES	1,244	5,709	11,915
TOTAL EMPLOYEES	9,704	51,460	108,622

Provided by CoStar and sanmarcos.net



Location Highlights

Six Reasons to Invest in San Marcos



STRONG LOCAL ECONOMY



EXCELLENT TRANSPORTATION



QUALITY PARKS AND RECREATION



EXCEPTIONAL EDUCATION HUB



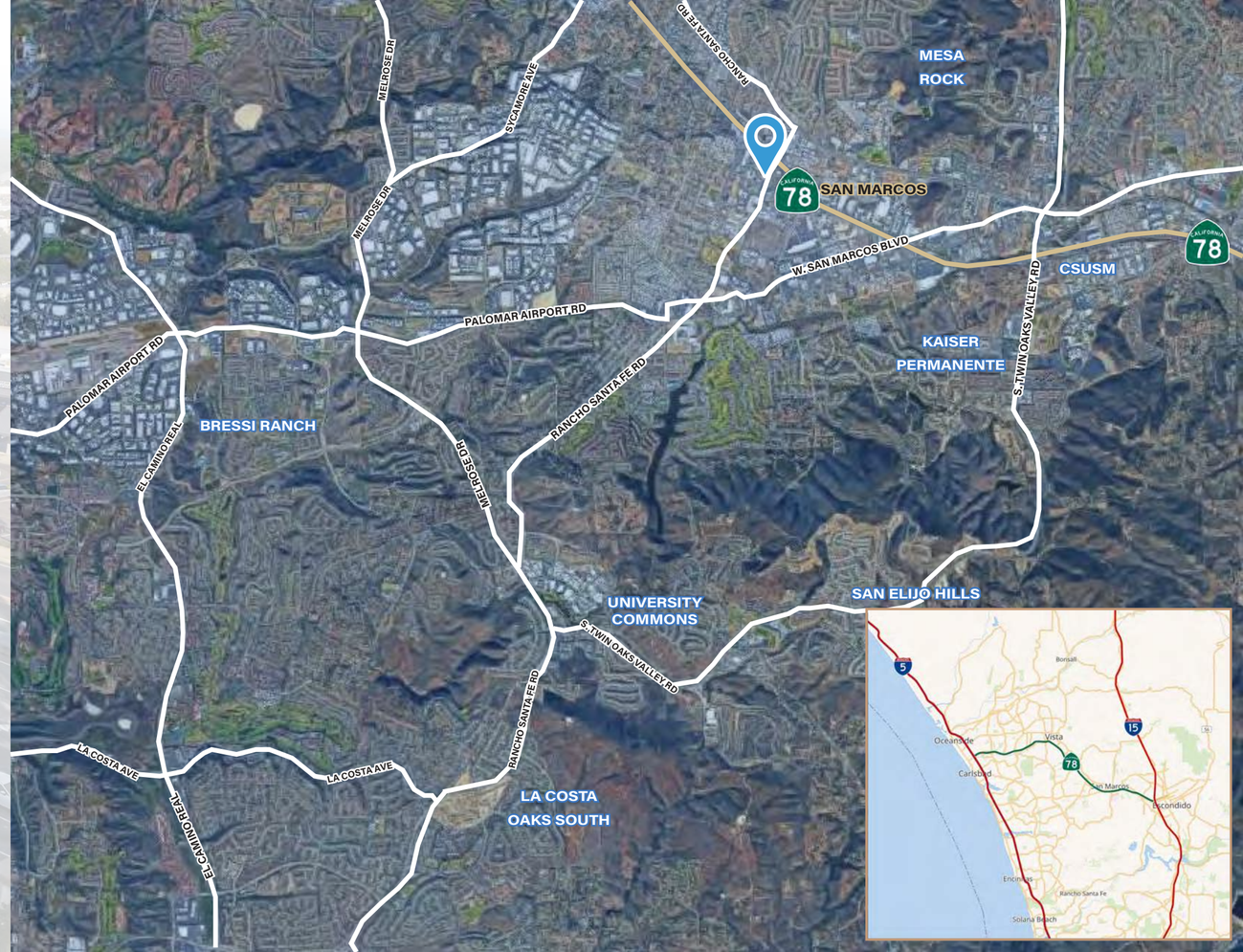
SUPER PRIME MEDICAL CARE



AWARD WINNING HOUSING MARKET

Drive Time To

10min.	**15min.**	**20min.**	**22min.**	**40min.**	**45min.**
VISTA	ESCONDIDO	OCEANSIDE	CARLSBAD	LA JOLLA	DOWNTOWN







Retail Market Overview

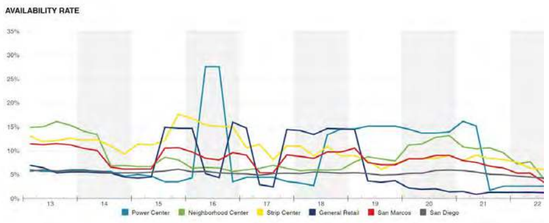
San Marcos Submarket

Highly desirable suburban retail market amidst the Highway 78 freeway corridor in North County San Diego. 163 retail centers totaling 2.4 million square feet, with a full spectrum of power centers, neighborhood centers and strip centers.

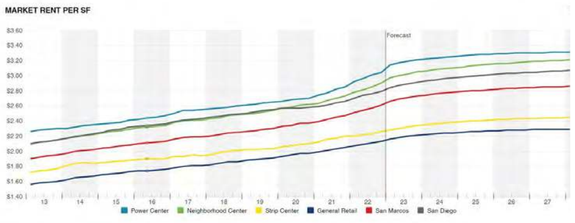
Retail activity in San Marcos has been remarkably resilient over the past three years, pre and post pandemic. Driven by a strong demographic base and major north county transportation corridors, all retail product types have experienced consistent absorption and growth; despite market shifts to experiential retail and changing tenant footprints. Renovation and gentrification trends for retail centers in this submarket reflect increasing consumer demand along with high barriers to entry for new retail product. Vacancy is currently 4.1% with further tightening expected. Submarket rent growth has been in the 3% to 5% range over the past five years. Long-term forecasts suggest 5% annual rent growth.

Asset pricing reflects these retail dynamics. Strip center values on a square foot basis have risen to the high $300's for fully leased centers on major arterials. Asset growth forecasts reflect market rent growth as well.

Availability Rate



Market Rent Per Square Foot



Sale Comparables

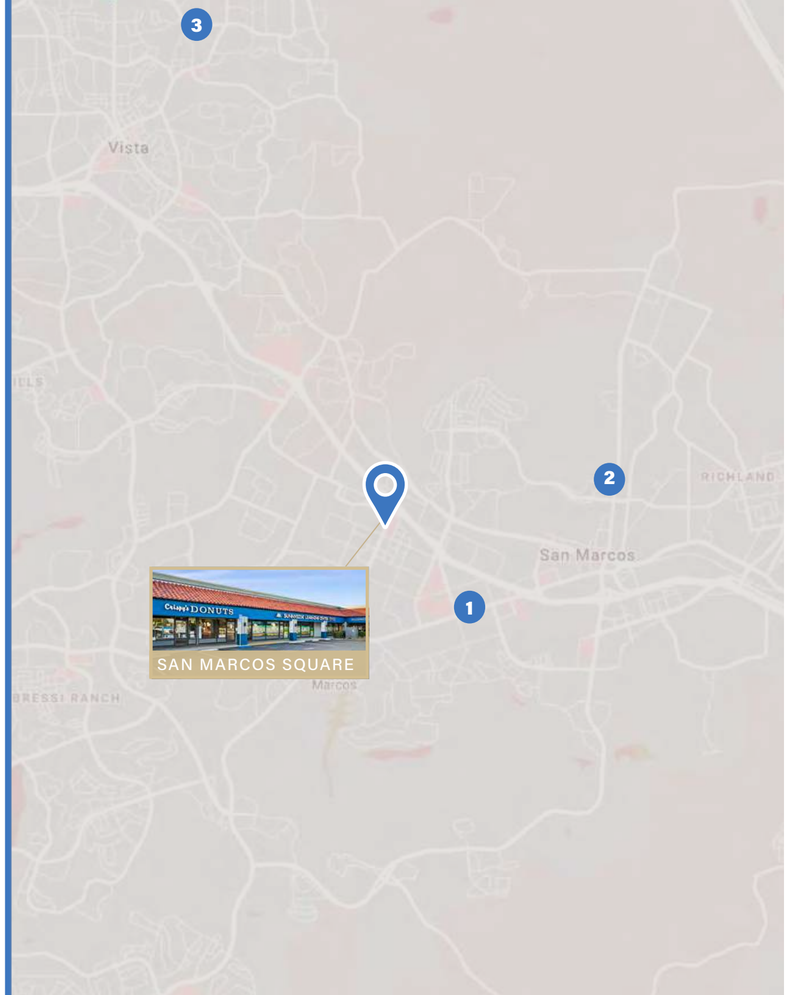
Sale Comps











PROPERTY NAME	SUB-MARKET	SALE DATE	BUYER	SELLER	BUILT	SALE PRICE	PRICE PSF	SIZE	% LEASED
1 Galleria Vera Cruz	San Marcos	Mar. 2022	Triple Wins, LLC	Galleria Vera Crus, LP	1986	$9.45 M	$332	28,451 SF	95%
2 Twin Oaks Town Center	San Marcos	Jul. 2022	Milwaukee Kiffmann, LLC	ODA, LLC	2007	$8.20 M	$383	21,390 SF	100%
3 Santa Fe Crossroads	Vista	Feb. 2021	THI Enterprises Inc.	DTR Vista LLC.	1986	$7.65 M	$388	19,730 SF	100%
4 Mesa College Square Shopping Center	Linda Vista	Sep. 2022	CEG Capital Partners	MC Square, LLC	1980	$10.50 M	$413	25,409 SF	80%

Financials



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