

# FALLBROOK

## MERCANTILE CENTER

FALLBROOK (SAN DIEGO), CA



A 70,411 SF GROCERY-ANCHORED SHOPPING CENTER IN SAN DIEGO COUNTY



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\*\*The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.

**FALLBROOK TOWNE CENTRE**



**FALLBROOK PLAZA**



**FALLBROOK**  
MERCANTILE CENTER



**DEMOGRAPHICS**

POPULATION	1-mile	3-mile	5-mile
Total Population 2020	16,944	31,300	45,858
Total Population 2025 Proj.	17,397	32,439	47,655
Projected Population Growth	2.67%	3.64%	3.92%
HOUSEHOLDS			
2020 Total Households	5,133	10,267	15,517
2025 Total Households Proj	5,279	10,653	16,161
Projected Household Growth	2.84%	3.76%	4.15%
INCOME			
Average Household Income 2020	\$69,274	\$93,082	\$104,337

S. MISSION ROAD (20,456 VPD)

S. MAIN AVENUE (14,795 VPD)

W FALLBROOK STREET (13,084 VPD)



## THE OPPORTUNITY

JLL is pleased to offer qualified investors the exclusive opportunity to acquire Fallbrook Mercantile Center (the “Property”), a 70,411 SF grocery-anchored shopping center in north San Diego County. Anchored by Major Market and currently 96.8% occupied, Fallbrook Mercantile Center is the dominant shopping center in the San Diego suburb of Fallbrook.

## TENANTS INCLUDE:



## PROPERTY SUMMARY

ADDRESS	713, 825, 833, & 835-855 S. Main Avenue, Fallbrook, CA
RBA	70,411 SF
CURRENT OCCUPANCY	96.8%
YEAR BUILT	1986
ACRES	6.54 Acres
YEAR 1 NOI	\$1,710,342

## ■ INVESTMENT HIGHLIGHTS

### HIGHLY VISIBLE LOCATION WITH EXCELLENT ACCESSIBILITY

Strategically located between three (3) major arterials within Fallbrook, the site benefits from exceptional visibility from vehicles traveling Mission Road (over 20,456 cars per day), Main Avenue (over 14,795 cars per day) and Fallbrook Street (over 13,084 cars per day) for a total of over 48,000 cars passing the site daily.

### STRONG GROCERY-ANCHOR TENANT WITH 14 YEARS OF TERM REMAINING

Grocery anchored by Major Market, a high volume grocery store generating strong sales and providing a recession-resistant “daily needs” draw to the property. Major Market has operated in the Fallbrook Mercantile Center since 1989 and executed a significant renewal with term through September 2035. Additionally, the market hosts an Amazon Locker that generates additional foot-traffic to the store via on-line consumers coming to collect their packages.

### STRONG TENANT SALES GROWTH AND LEASING MOMENTUM

Fallbrook Mercantile Center has demonstrated a history of strong sales and tenant stability: 14 tenants making up 78% of the GLA have occupied the Property for 11 years or longer and Major Market, the center’s Anchor tenant, continues to show strong sales exceeding \$693 PSF in 2020.



## ■ IMMEDIATE INVESTMENT UPSIDE

A rare NNN fee simple ground lease with Burger King as well as a NNN building lease with Denny's enhances the value of Fallbrook Mercantile Center and allows for cap rate arbitrage via the spin-off of both pads (both as individual parcels).

### FALLBROOK TOWNE CENTRE



# FALLBROOK MERCANTILE CENTER





Single Tenant Fast Food Properties are one of the most sought after Net Lease buildings in the retail investment marketplace. The Burger King at Fallbrook Mercantile Center recently invested in a store remodel and exercised a renewal option through 2035 and can be sold separately. STNL fast food comparable sales to the top right:

## ■ PAD SALE COMPARABLES

### COMPARABLE SALES OF FAST FOOD RESTAURANTS

Property/Address	Sale Price	PSF	Cap Rate	Sale Date	GLA
JACK IN THE BOX 1050 W El Norte Pkwy Escondido, CA	\$2,925,000	\$1,009	4.21%	Nov-19	2,899 SF
CARLS JR. 611 Douglas Dr Oceanside, CA	\$2,725,000	\$859	4.24%	Apr-21	3,171 SF
JACK IN THE BOX 1655 Capalina Rd San Marcos, CA	\$2,022,000	\$980	4.59%	Aug-20	2,063 SF
WENDYS 2905 E. Highland Ave San Bernardino, CA	\$1,970,000	\$787	4.31%	May-20	2,502 SF
WENDYS 2201 N Bellflower Blvd Long Beach, CA	\$5,555,500	\$2,311	4.50%	Jan-20	2,404 SF



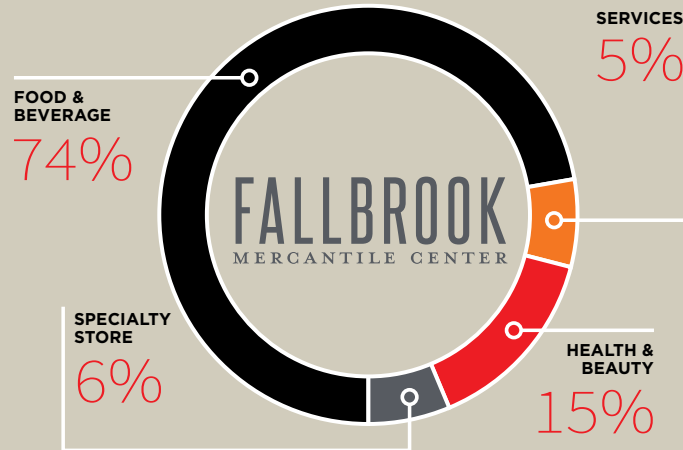
The market for single-tenant sit-down restaurant properties is extremely favorable. The Denny's at Fallbrook Mercantile Center is paying a below-market rent through 2028. STNL sit down restaurant comparable sales are listed to the bottom right:

### COMPARABLE SALES OF SIT-DOWN FAMILY RESTAURANTS

Property/Address	Sale Price	PSF	Cap Rate	Sale Date	GLA
I-HOP 1340 E Valley Pkwy Escondido, CA	\$2,100,000	\$476	4.38%	Feb-20	4,410 SF
CRACKER BARREL 11612 Amargoa Rd Victorville, CA	\$5,250,000	\$576	4.47%	Jul-21	9,113 SF
CHILIS BAR & GRILL 29233 Central Ave Lake Elsinore, CA	\$2,608,000	\$414	5.00%	Dec-20	6,300 SF
BUFFALO WILD WINGS 3160 Chino Ave Chino Hills, CA	\$5,500,000	\$996	4.89%	Apr-20	5,522 SF
OLIVE GARDEN 1301 Renaissance Pkwy Rialto, CA	\$2,100,000	\$273	4.50%	Dec-19	7,700 SF
CRACKER BARREL 1080 Renaissance Pkwy Rialto, CA	\$4,842,500	\$528	4.74%	Aug-19	9,170 SF

## RECESSION RESISTANT TENANT ROSTER

The Property benefits from a stable tenant base with strong renewal and extension history. 82% of the GLA has recently signed new leases or extensions and have been at the property for an average of 22 years, as summarized below:



- Burger King (2,417 SF) - Extended lease for 15 years
- Cricket Wireless (975 SF) - Extended lease for 5 years
- H&R Block (1,300 SF) - Extended lease for 3 years
- United Studios of Self Defense (975 SF) - Extended lease for 1.25 years
- Postal Annex (1,077 SF) - Extended lease for 5 years
- Sherwin-Williams (3,106 SF) - Extended lease for 5 years
- Major Market Grocery (33,650 SF) - Extended lease for 5 years
- Anytime Fitness (5,624 SF) - Extended lease for 6 years
- Pho House and Grill (1,665 SF) - Signed new 7-year lease
- Donut Pantry (975 SF) - Extended lease for 5 years
- Yumi Sushi Restaurant (1,300 SF) - Signed new 5-year lease
- Agua Crystal Water (1,260 SF) - Extended lease for 5 years
- Bella Dental Care (1,589 SF) - Extended lease for 5 years
- Pizza Hut/WingStreet (900 SF) - Signed new 5-year lease
- S&T Nails (900 SF) - Extended lease for 5 years





CAMP  
PENDLETON

FALLBROOK CAMP  
PENDLETON GATE

**FALLBROOK TOWNE  
CENTRE**

**FALLBROOK PLAZA**

**FALLBROOK**  
MERCANTILE CENTER

**Major  
Market**

S. MISSION ROAD (20,456 VPD)

**ANYTIME  
FITNESS**

**SHERWIN  
WILLIAMS**

W FALLBROOK STREET (13,084 VPD)

**Denny's**

**H&R  
BLOCK**

**Jersey  
Mike's  
SUBS**

**BURGER  
KING**

S. MAIN AVENUE (14,795 VPD)



# FALLBROOK

## MERCANTILE CENTER



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