

1061 S MELROSE

1061 S Melrose Street | Placentia, CA

Investment Memorandum



Jerry Henberger
HRE Commercial, Inc.
President
(949) 874-7126
Jerry@HRECommercial.com
Lic. 01332379

Ron Tahan
HRE Commercial, Inc.
Senior Associate
(949) 378-9173
Ron@HRECommercial.com
Lic. 01171405



1061 S Melrose

CONTENTS

01 Executive Summary
Investment Summary

02 Location
Location Summary

03 Property Description
Property Features
Aerial Map

04 Rent Comps
Rent Comparables
Rent Comparables Summary
Rent Comparables Map

05 Sale Comps
Sale Comparables
Sale Comparables Summary
Sale Comparables Charts
Sale Comparables Map

06 Rent Roll
Rent Roll
Lease Expiration
Tenant Profile

07 Financial Analysis
Income & Expense Analysis
Multi-Year Cash Flow Assumptions
Cash Flow Analysis
Financial Metrics
Disposition Sensitivity Analysis

08 Demographics
Demographics

09 Company Profile
Advisor Profile

Market Analysis by



Jerry Henberger
HRE Commercial, Inc.
President
(949) 874-7126
Jerry@HRECommercial.com
Lic: 01332379



Ron Tahan
HRE Commercial Inc.
Senior Associate
(949) 378-9173
Ron@HRECommercial.com
Lic: 01171405



www.hrecommercial.com



01

Executive Summary

Investment Summary

1061 S MELROSE

OFFERING SUMMARY

ADDRESS	1061 S Melrose Street Placentia CA 92870
COUNTY	Orange
MARKET	Orange County
NET RENTABLE AREA (SF)	16,150 SF
LAND ACRES	.79
LAND SF	34,412 SF
YEAR BUILT	1974
YEAR RENOVATED	2007
APN	344-271-24
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

PRICE	\$5,652,500
PRICE PSF	\$350.00
OCCUPANCY	100%
NOI (CURRENT)	\$360,000
NOI (Year 2)	\$370,800
CAP RATE (CURRENT)	6.37%
CAP RATE (YEAR 2)	6.56%

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2024 Population	19,350	197,767	507,030
2024 Median HH Income	\$74,980	\$96,598	\$102,666
2024 Average HH Income	\$95,489	\$127,543	\$138,289



Opportunity Zone Status

- Census Tract Number: 06059011720
Designated Opportunity Zone

This information is deemed correct and comes from reliable sources, but the buyer must verify Opportunity Zone status and benefits.

Broker is not liable for information posted.



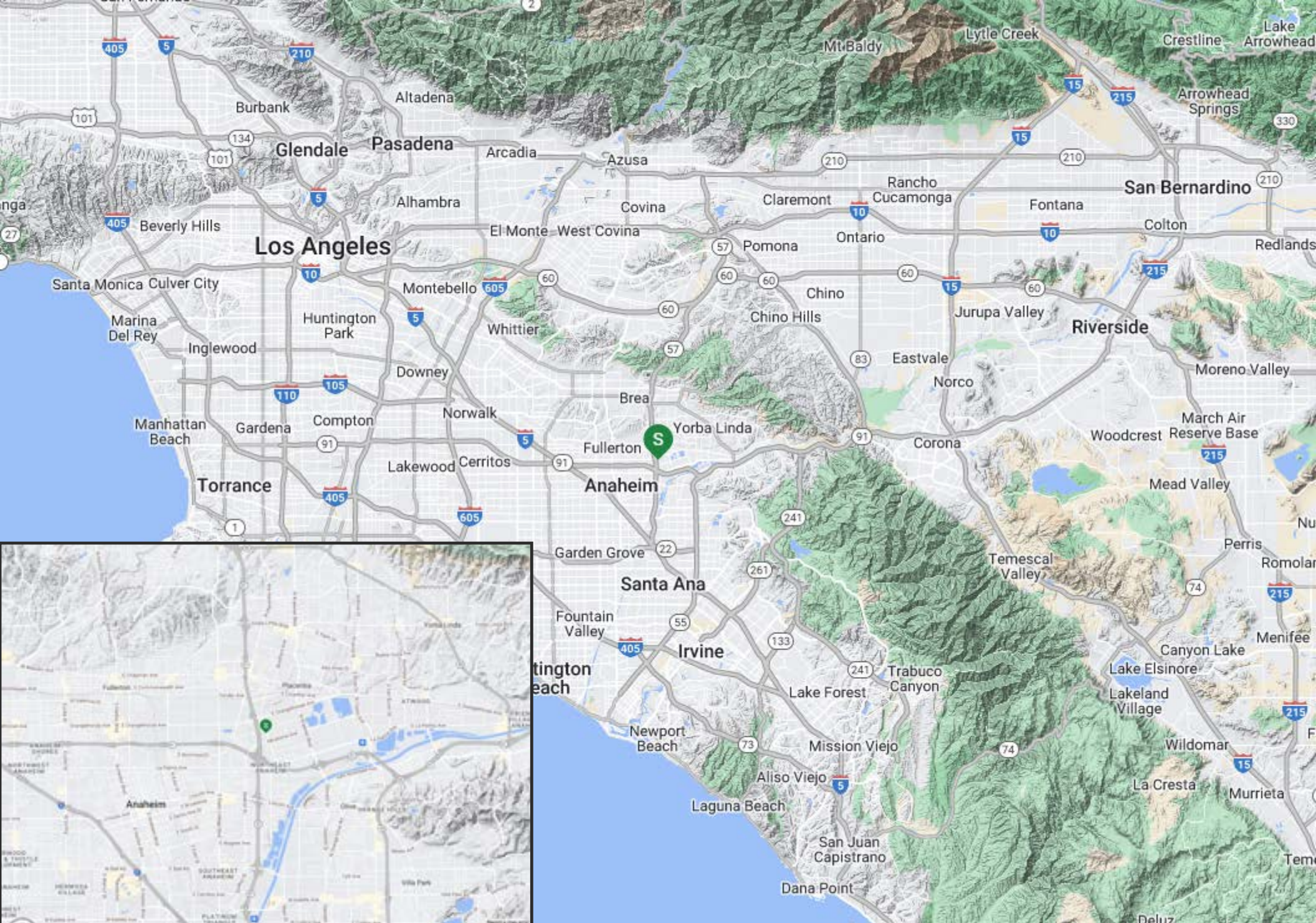


02

Location

Location Summary

1061 S MELROSE





03

Property Description

Property Features

Aerial Map

1061 S MELROSE

PROPERTY FEATURES

NUMBER OF UNITS	1
NET RENTABLE AREA (SF)	16,150
LAND SF	34,412
LAND ACRES	.79
YEAR BUILT	1974
YEAR RENOVATED	2007
# OF PARCELS	1
ZONING TYPE	M1
BUILDING CLASS	C
LOCATION CLASS	Opportunity Zone
NUMBER OF STORIES	1
NUMBER OF BUILDINGS	1
NUMBER OF PARKING SPACES	32
PARKING RATIO	2.00/1,000
CEILING HEIGHT	16
GRADE LEVEL DOORS	3
SKYLIGHTS	Yes
OFFICE SF	8200
OFFICE TO WAREHOUSE RATIO	50:50

MECHANICAL

FIRE SPRINKLERS	Wet
ELECTRICAL / POWER	33a/120 - 208v 3p 4w

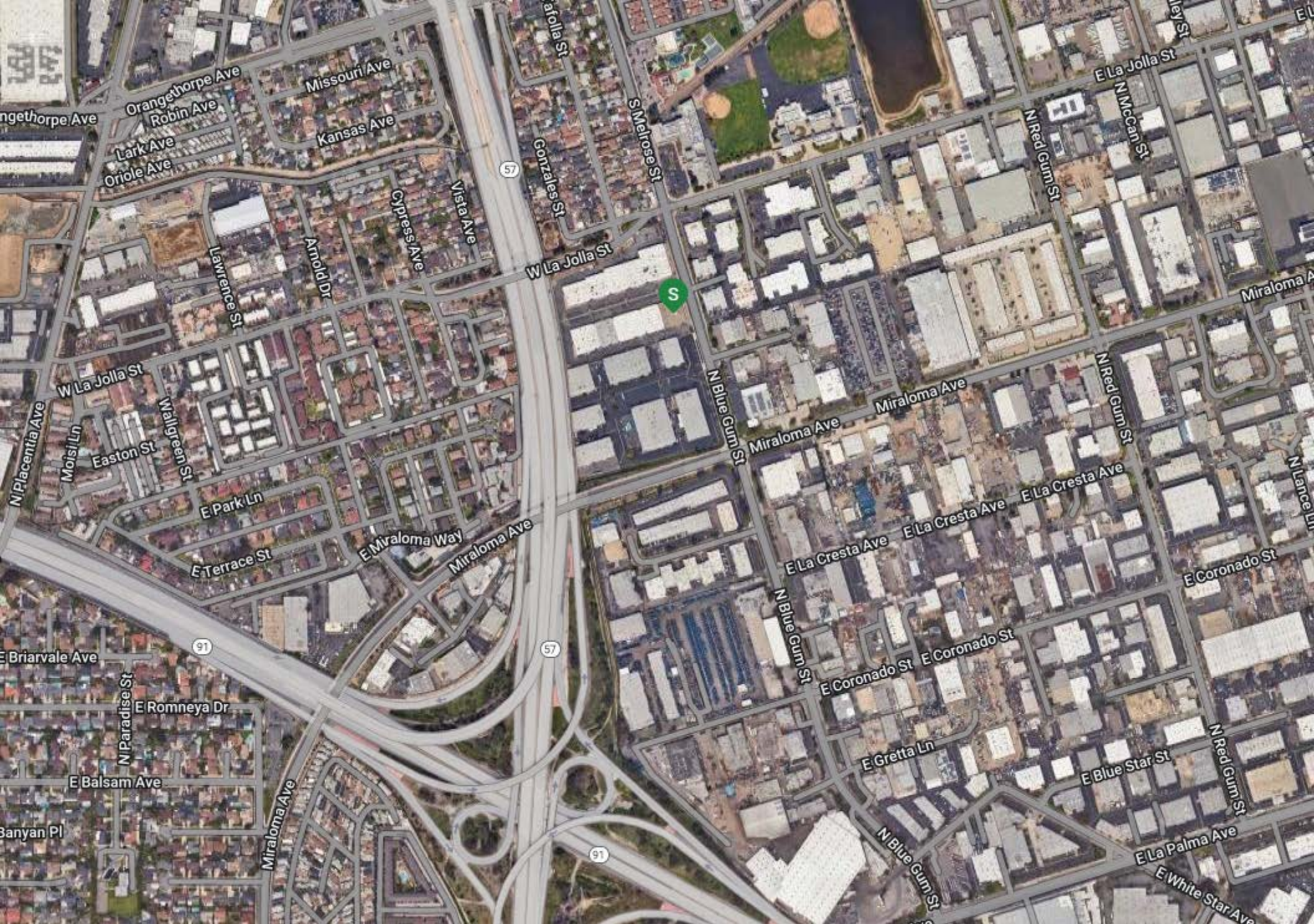
CONSTRUCTION

EXTERIOR	Masonry
PARKING SURFACE	Asphalt

TENANT INFORMATION

MAJOR TENANT/S	Moehair
LEASE TYPE	NNN
ORIGIN DATE FOR TENANT	2007







04

Rent Comps

Rent Comparables

Rent Comparables Summary

Rent Comparables Map

1061 S MELROSE

1



237 N Euclid Way

237 N Euclid Way
Anaheim, CA

BUILDING SF	8,700
LEASE TYPE	MG
RENT PSF (YR)	\$19.08
RENT PSF (MO)	\$1.59
	Renewal
DISTANCE	5.3 miles



2



1370 N Dynamics

1370 N Dynamics
Anaheim, CA

BUILDING SF	1,920
LEASE TYPE	IG
RENT PSF (YR)	\$28.80
RENT PSF (MO)	\$2.40
DISTANCE	1.4 miles



3



2891 E Via Martens

2891 E Via Martens
Anaheim, CA

BUILDING SF	12,208
LEASE TYPE	IG
RENT PSF (YR)	\$19.08
RENT PSF (MO)	\$1.59
DISTANCE	0.2 miles



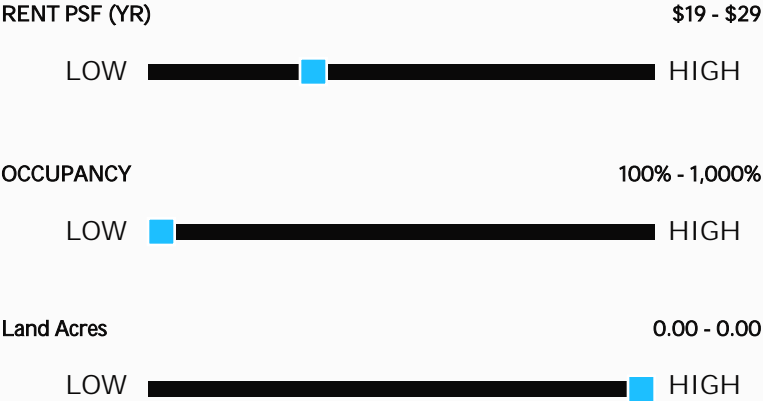
S



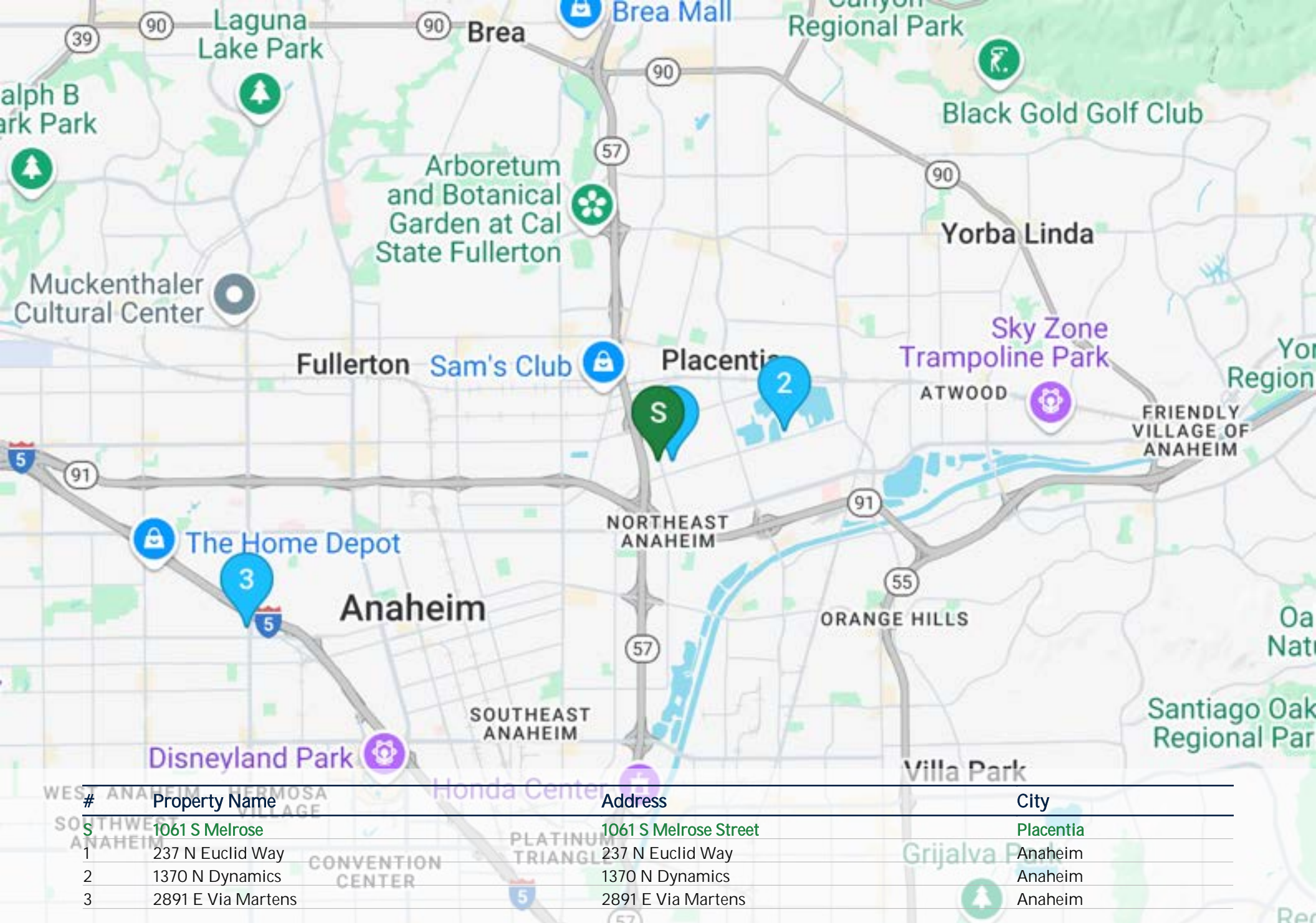
1061 S Melrose

1061 S Melrose Street
Placentia, CA 92870

BUILDING SF	16,150
LAND SF	34,412
LAND ACRES	.79
YEAR BUILT	1974
OCCUPANCY	100%
LEASE TYPE	NNN
RENT PSF (YR)	\$22.29
RENT PSF (MO)	\$1.86



	PROPERTY	BLDG SF	PSF (YR)	PSF (MO)	BUILT	Lease Type	DISTANCE (mi)
1	 <p>237 N Euclid Way 237 N Euclid Way Anaheim, CA</p>	8,700	\$19.08	\$1.59		MG	5.30
2	 <p>1370 N Dynamics 1370 N Dynamics Anaheim, CA</p>	1,920	\$28.80	\$2.40		IG	1.40
3	 <p>2891 E Via Martens 2891 E Via Martens Anaheim, CA</p>	12,208	\$19.08	\$1.59		IG	0.20
	AVERAGES	7,609	\$22.32	\$1.86			
S	 <p>1061 S Melrose 1061 S Melrose Street Placentia, CA 92870</p>	16,150	\$22.29	\$1.86	1974	NNN	



1061 S MELROSE

05

Sale Comps

Sale Comparables
Sale Comparables Summary
Sale Comparables Charts
Sale Comparables Map

1



1418 N Hundley St

1418 N Hundley St
Anaheim, CA

BUILDING SF	8,094
YEAR BUILT	1978
SALE PRICE	\$3,390,500
PRICE PSF	\$418.89
CLOSING DATE	7/17/2024
DISTANCE	1.1 miles



2



1911 E Ball Rd

1911 E Ball Rd
Anaheim, CA

BUILDING SF	12,000
YEAR BUILT	1972
SALE PRICE	\$4,727,000
PRICE PSF	\$393.92
CLOSING DATE	7/31/2024
DISTANCE	3.5 miles



3



1683 Sierra Madre
16823 Sierra Madre Cir
Anaheim, CA

BUILDING SF	17,888
YEAR BUILT	1983
SALE PRICE	\$6,620,000
PRICE PSF	\$370.08
CAP RATE	4.70%
CLOSING DATE	7/31/2024
DISTANCE	2.8 miles



4



1683 Sierra Madre Circle
1683 Sierra Madre Circle
Anaheim , CA

BUILDING SF	14,895
YEAR BUILT	1983
SALE PRICE	\$5,362,500
PRICE PSF	\$360.02
CLOSING DATE	8/14/2024
DISTANCE	2.9 miles



5



621-631 S East St

621-631 S East St
Anaheim, CA

BUILDING SF	16,948
YEAR BUILT	1960
SALE PRICE	\$4,050,000
PRICE PSF	\$238.97
CAP RATE	5.50%
CLOSING DATE	8/16/2024
DISTANCE	3.1 miles



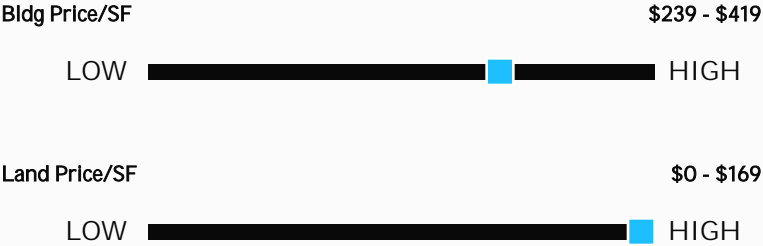
6



2990 E Blue Star St

2990E Blue Star St
Anaheim, CA 92806

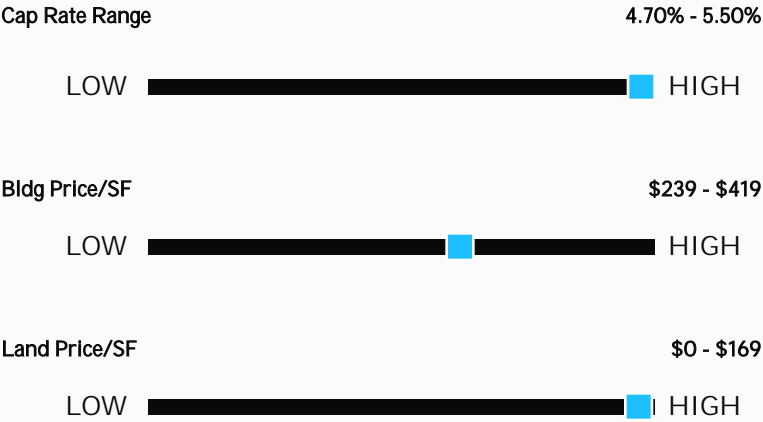
BUILDING SF	13,153
LAND SF	28,314
LAND ACRES	.65
YEAR BUILT	1978
SALE PRICE	\$4,791,500
PRICE PSF	\$364.29
CLOSING DATE	10/10/2024
DISTANCE	1.1 miles












1061 S Melrose
1061 S Melrose Street
Placentia, CA 92870

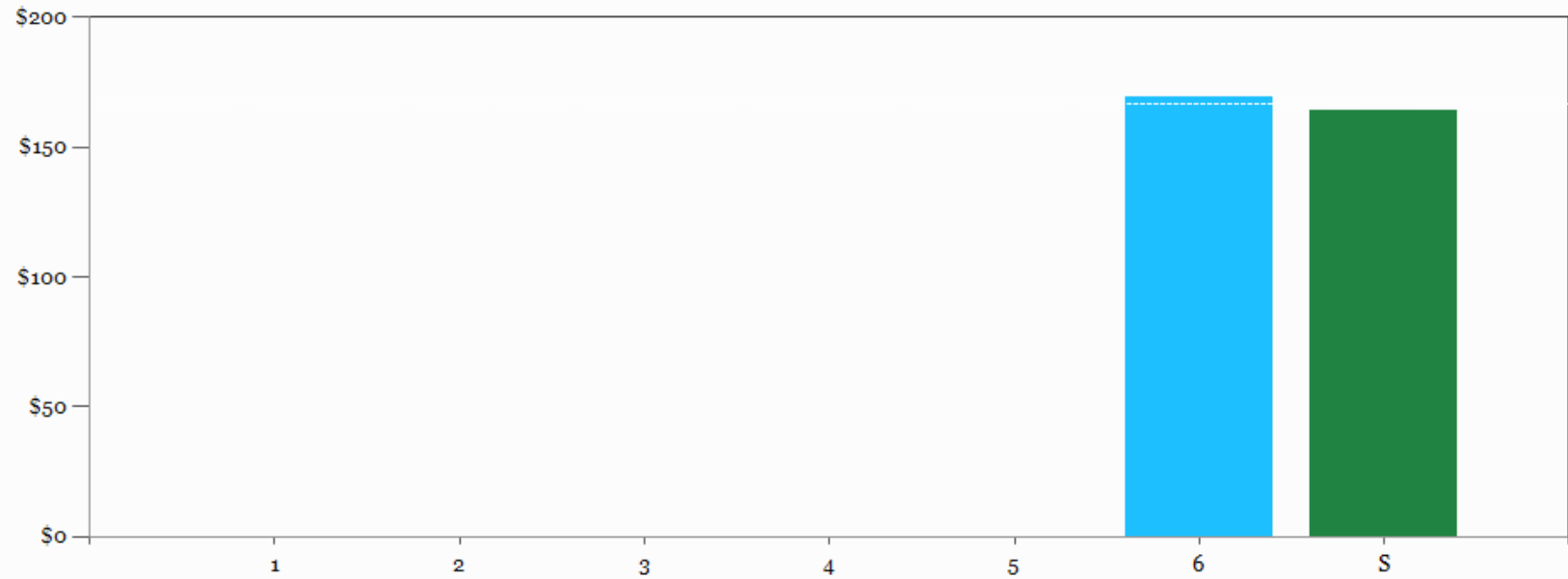
BUILDING SF	16,150
LAND SF	34,412
LAND ACRES	.79
YEAR BUILT	1974
ASKING PRICE	\$5,652,500
PRICE PSF	\$350.00
CAP RATE	6.37%
OCCUPANCY	100%
LEASE TYPE	NNN



	PROPERTY	BLDG SF	SALE PRICE	PSF	CAP RATE	BUILT	CLOSE DATE	DISTANCE (mi)
1	 1418 N Hundley St 1418 N Hundley St Anaheim, CA	8,094	\$3,390,500	\$418.89		1978	7/17/2024	1.10
2	 1911 E Ball Rd 1911 E Ball Rd Anaheim, CA	12,000	\$4,727,000	\$393.92		1972	7/31/2024	3.50
3	 1683 Sierra Madre 16823 Sierra Madre Cir Anaheim, CA	17,888	\$6,620,000	\$370.08	4.70%	1983	7/31/2024	2.80
4	 1683 Sierra Madre Circle 1683 Sierra Madre Circle Anaheim , CA	14,895	\$5,362,500	\$360.02		1983	8/14/2024	2.90
5	 621-631 S East St 621-631 S East St Anaheim, CA	16,948	\$4,050,000	\$238.97	5.50%	1960	8/16/2024	3.10
6	 2990 E Blue Star St 2990E Blue Star St Anaheim, CA 92806	13,153	\$4,791,500	\$364.29		1978	10/10/2024	1.10
	AVERAGES	13,830	\$4,823,583	\$357.69	5.10%			
S	 1061 S Melrose 1061 S Melrose Street Placentia, CA 92870	16,150	\$5,652,500	\$350.00	6.37%	1974		

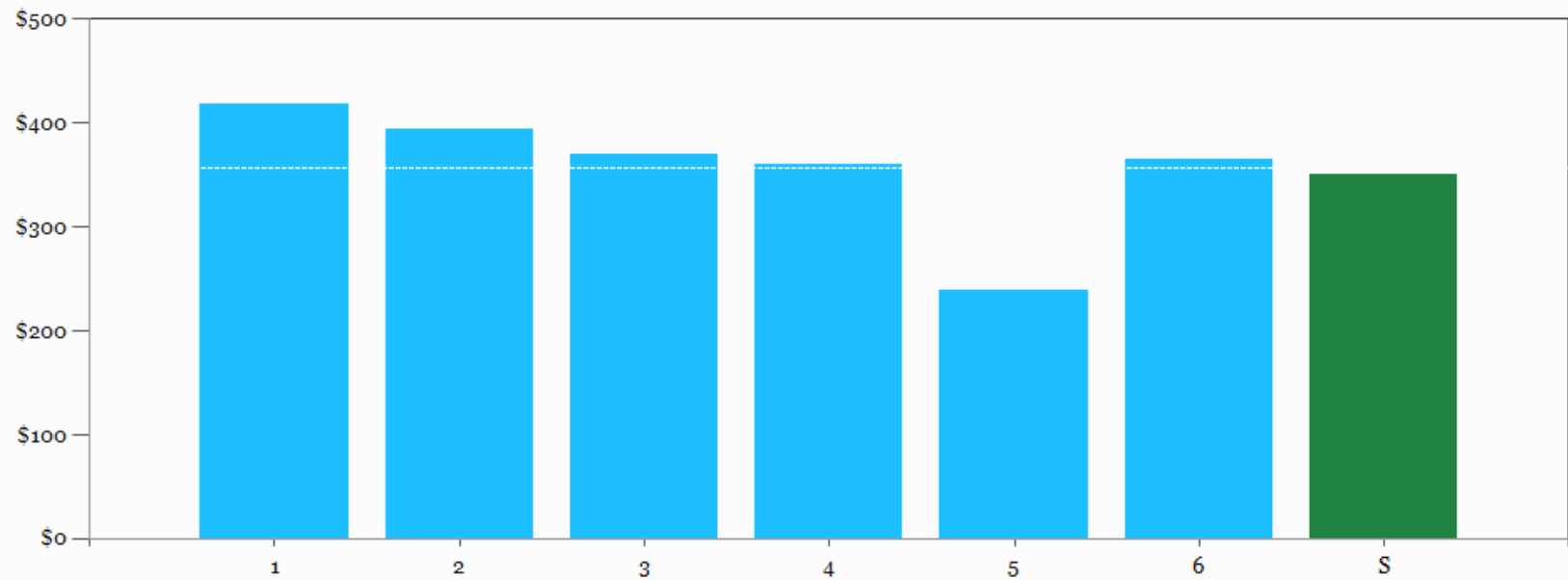
Land PSF

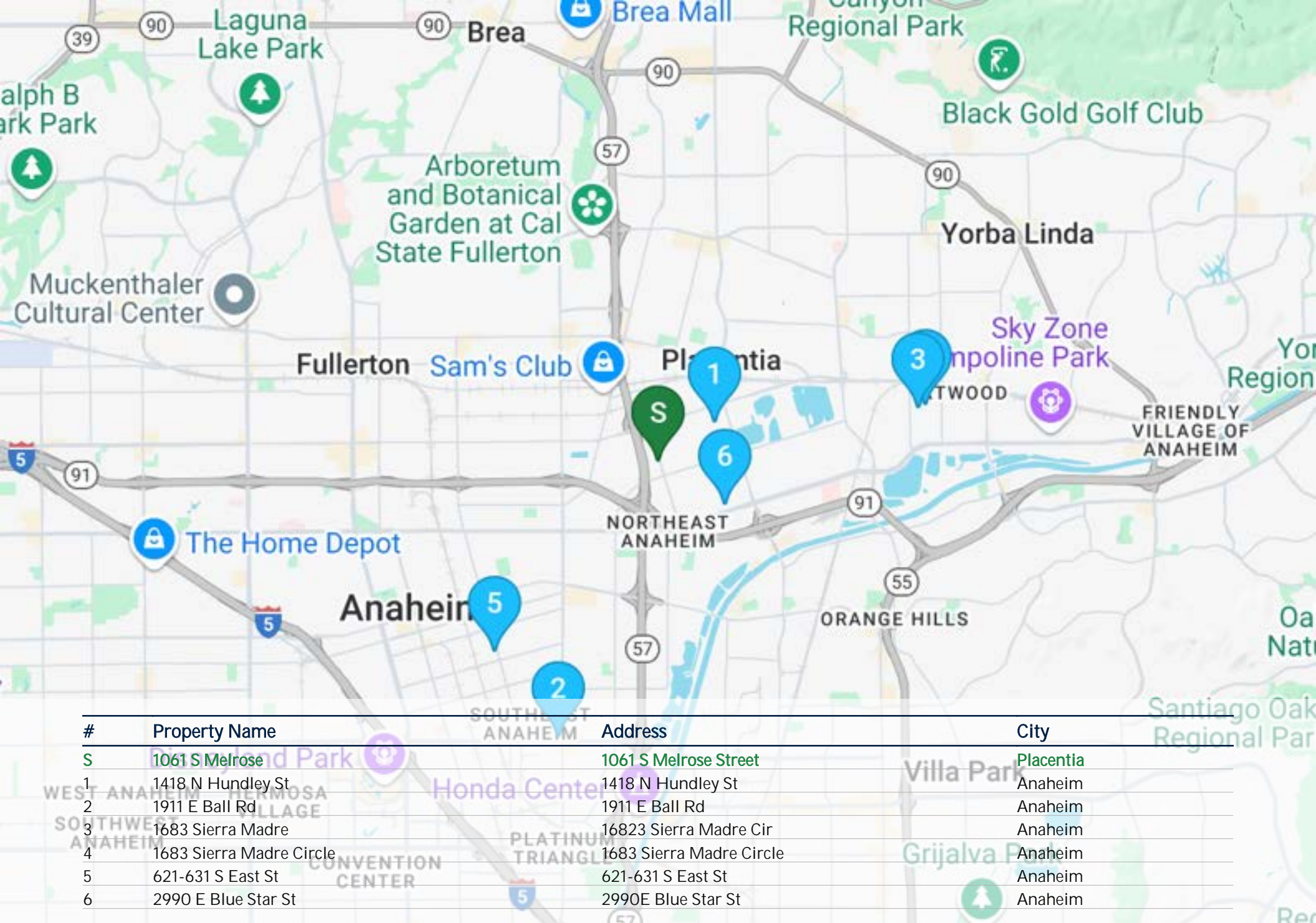
Average: \$166.74



Price/SF

Average: \$356.59







06

Rent Roll

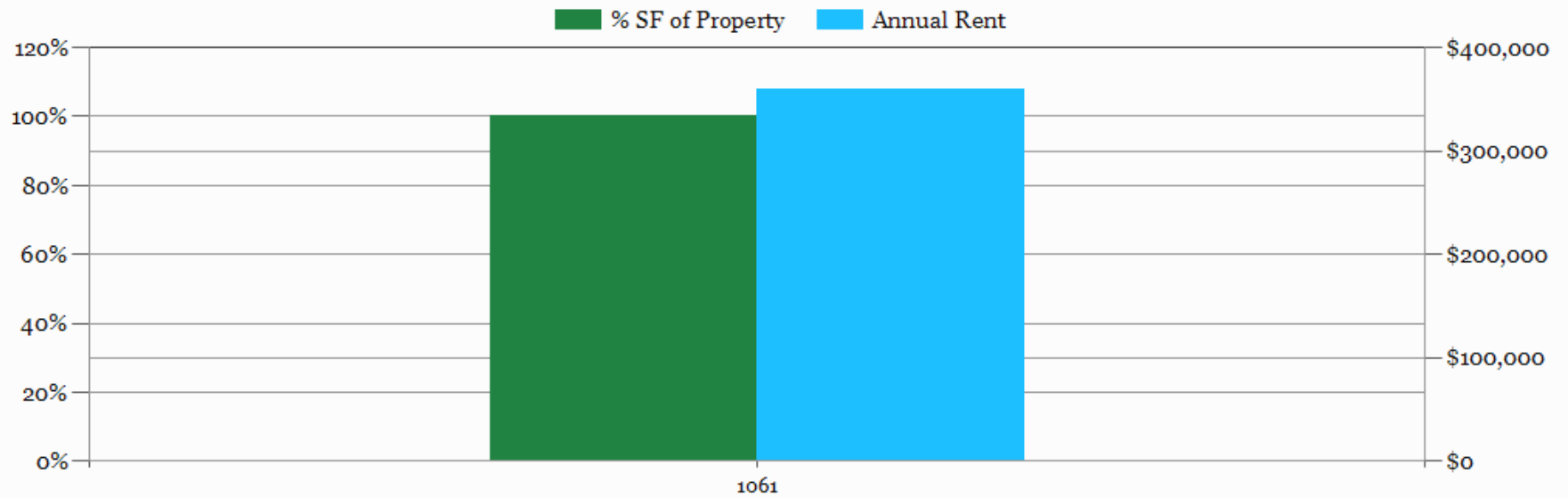
Rent Roll
Lease Expiration
Tenant Profile

1061 S MELROSE

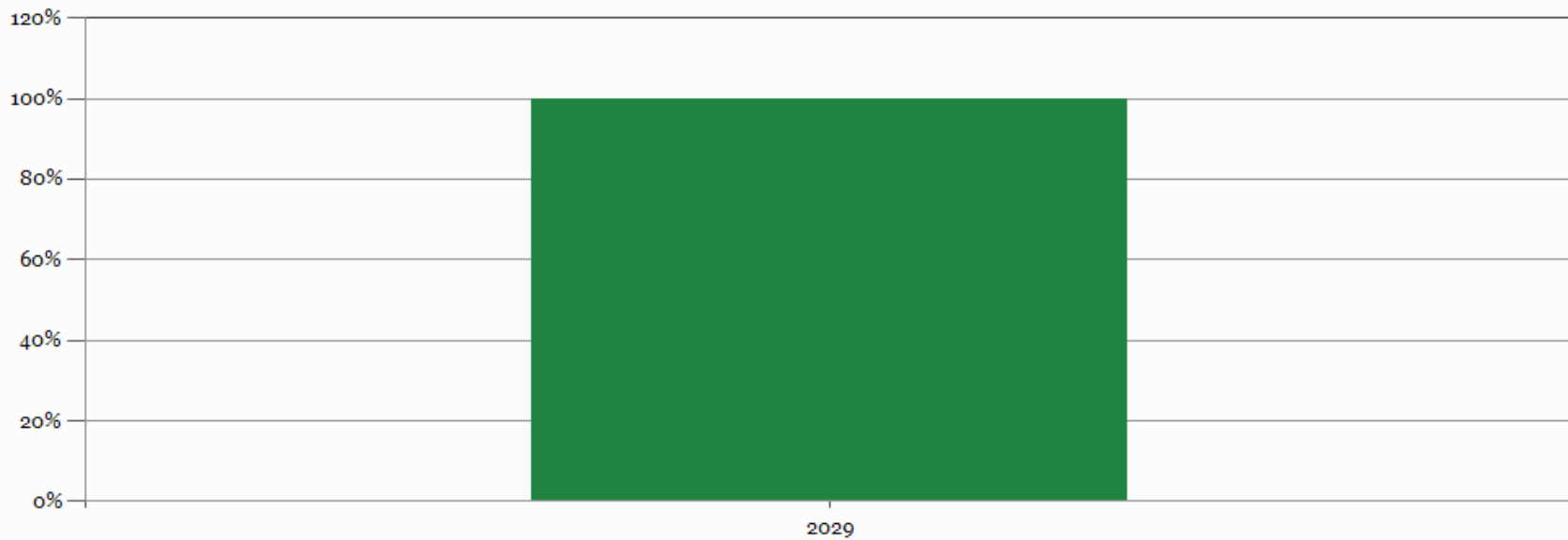
Suite	Tenant Name	Square Feet	% of NRA	Lease Term		Begin Date	Rental Rates					Lease Type	Options/Notes
				Lease Start	Lease End		Monthly	PSF	Annual	PSF	CAM Revenue Annual		
1061	Mohair USA	16,150	100.00%	12/01/24	12/01/29	CURRENT	\$30,012	\$1.86	\$360,145	\$22.30		NNN	
						12/01/2025	\$30,912	\$1.91	\$370,949	\$22.92			
Totals:		16,150					\$30,012		\$360,145				



Tenant SF Analysis



Lease Expiration Summary





Company

Trade Name	Mohair USA
Headquartered	Placentia
# of Locations	1
Website	https://moehair.com/pages/about-us

Description

Moehair is a revolutionary haircare brand that focuses on creating haircare products with the finest ingredients.

The company was founded in 2012 by a duo of hairstylists to elevate salon experiences through curated salon-grade products.

The brand started its humble beginnings with the launch of hair colors, followed by numerous other hair-care products.

Over the years, the product line has diversified into multiple categories, such as shampoos, conditioners, serums, and smoothing treatments.



07

Financial Analysis

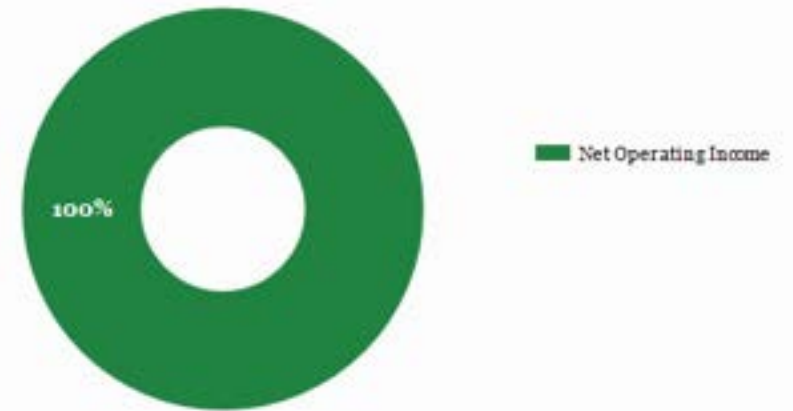
- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics
- Disposition Sensitivity Analysis

1061 S MELROSE

REVENUE ALLOCATION

CURRENT

INCOME	CURRENT	YEAR 2
Gross Scheduled Rent	\$360,000	\$370,800
Effective Gross Income	\$360,000	\$370,800
Net Operating Income	\$360,000	\$370,800



DISTRIBUTION OF EXPENSES

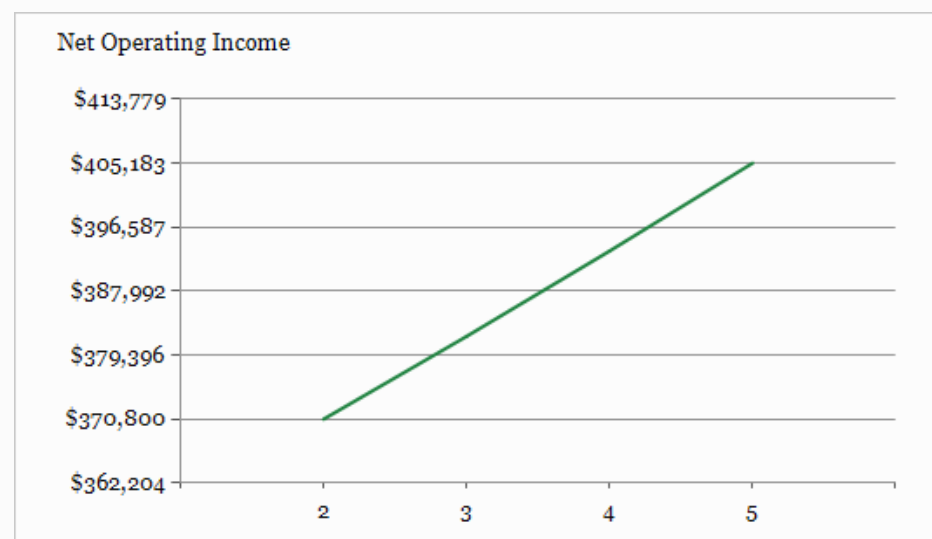
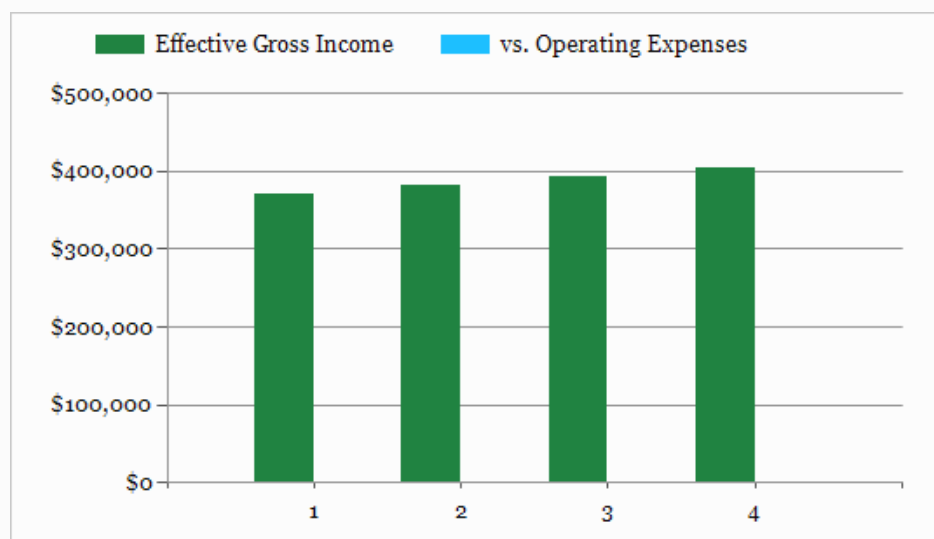
CURRENT

GLOBAL	
Price	\$5,652,500
Analysis Period	5 year(s)
Consumer Price Index	0.20%
Exit Cap Rate	6.00%

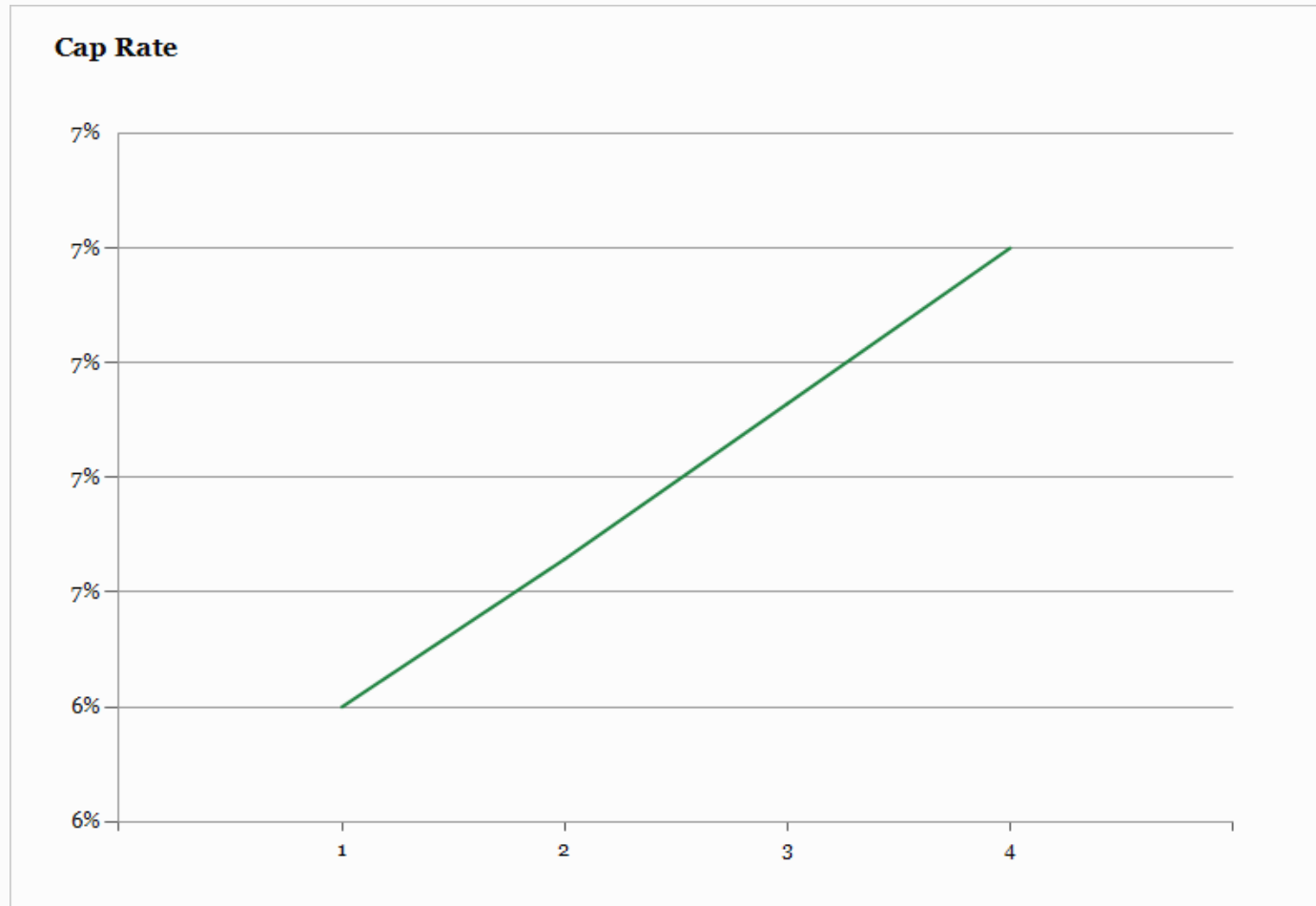


INCOME - Growth Rates	Year 3	Year 4	Year 5
Gross Scheduled Rent	3.00%	3.00%	3.00%

Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5
Gross Revenue					
Gross Scheduled Rent	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183
Effective Gross Income	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183
Operating Expenses					
Net Operating Income	\$360,000	\$370,800	\$381,924	\$393,382	\$405,183



Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5
CAP Rate	6.37%	6.56%	6.76%	6.96%	7.17%
Price / SF	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
Price / Unit	\$5,652,500	\$5,652,500	\$5,652,500	\$5,652,500	\$5,652,500
Income / SF	\$22.29	\$22.95	\$23.64	\$24.35	\$25.08



5 YEAR SENSITIVITY ANALYSIS

EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE PSF	UNLEVERED IRR
5.00%	\$8,103,663	\$502	13.36%
5.25%	\$7,717,775	\$478	12.42%
5.50%	\$7,366,967	\$456	11.54%
5.75%	\$7,046,664	\$436	10.71%
6.00%	\$6,753,053	\$418	9.92%
6.25%	\$6,482,931	\$401	9.17%
6.50%	\$6,233,587	\$386	8.47%
6.75%	\$6,002,714	\$372	7.79%
7.00%	\$5,788,331	\$358	7.15%



08

Demographics

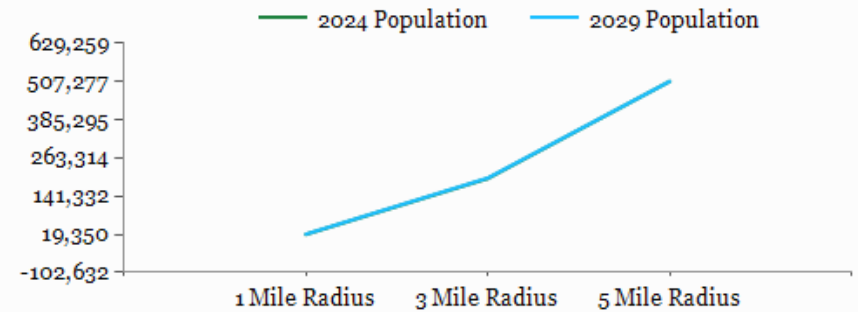
Demographics

1061 S MELROSE

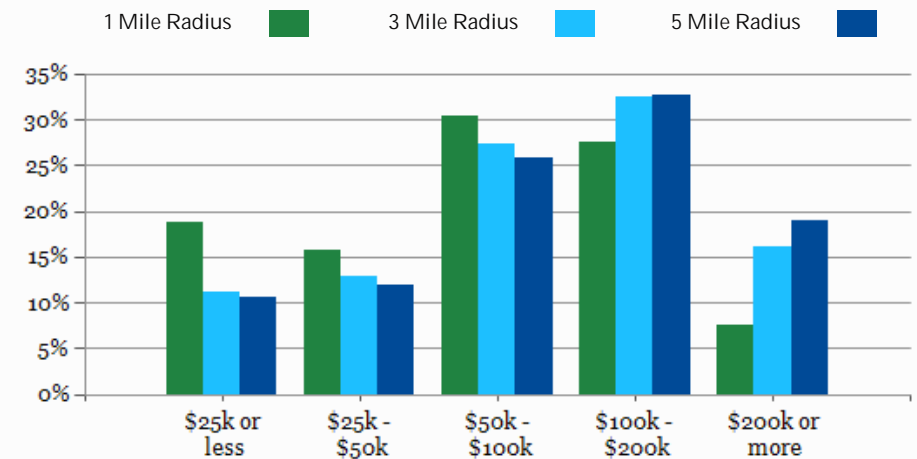
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	19,956	181,811	462,664
2010 Population	19,689	189,641	482,696
2024 Population	19,350	197,767	507,030
2029 Population	19,940	199,203	507,277
2024-2029: Population: Growth Rate	3.00%	0.70%	0.05%

2024 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	537	4,291	10,156
\$15,000-\$24,999	533	2,790	7,238
\$25,000-\$34,999	336	3,164	7,680
\$35,000-\$49,999	559	4,955	12,094
\$50,000-\$74,999	880	9,263	22,625
\$75,000-\$99,999	845	8,125	20,064
\$100,000-\$149,999	1,000	12,460	32,985
\$150,000-\$199,999	565	8,164	21,022
\$200,000 or greater	434	10,204	31,180
Median HH Income	\$74,980	\$96,598	\$102,666
Average HH Income	\$95,489	\$127,543	\$138,289

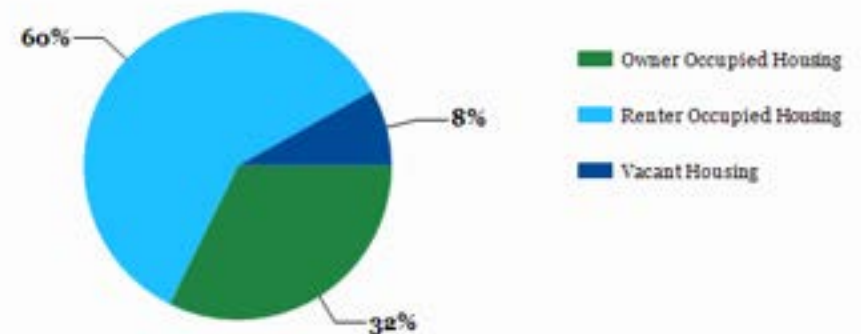
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	5,463	57,878	147,218
2010 Total Households	5,305	58,191	149,477
2024 Total Households	5,690	63,416	165,052
2029 Total Households	6,143	65,897	170,000
2024 Average Household Size	3.38	3.06	3.01
2024-2029: Households: Growth Rate	7.70%	3.85%	2.95%



2024 Household Income



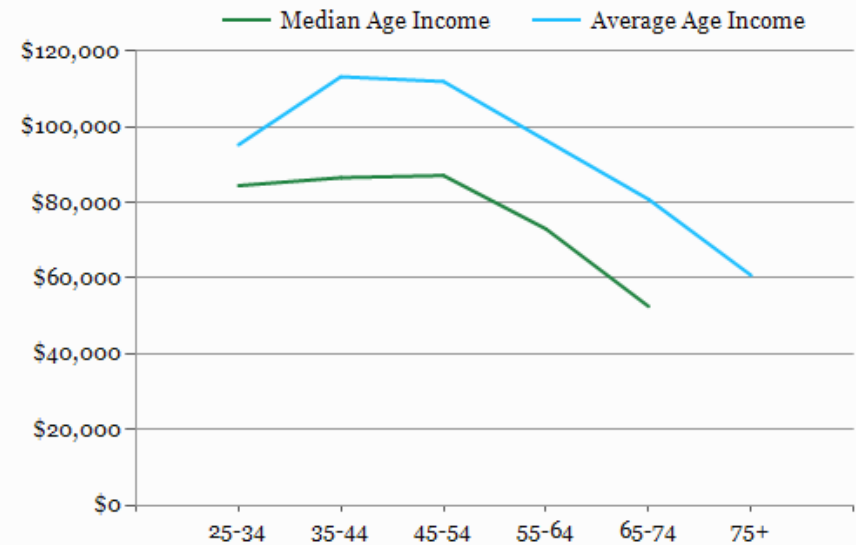
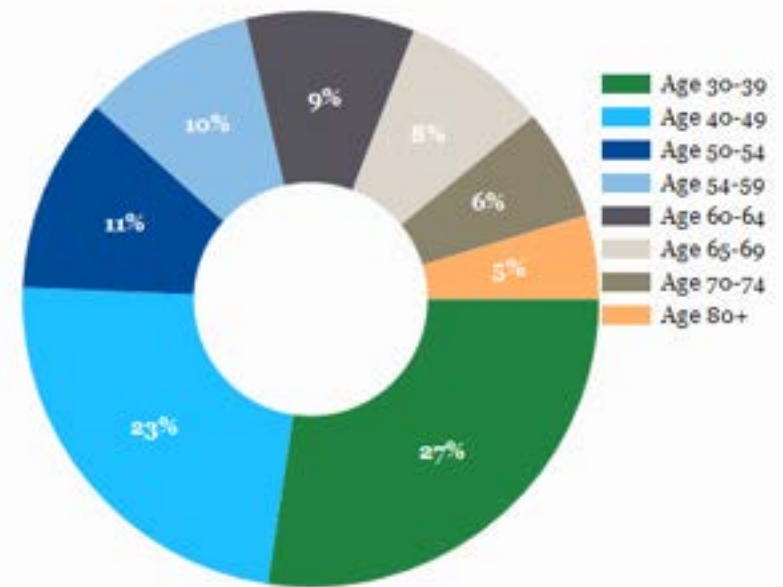
2024 Own vs. Rent - 1 Mile Radius



Source: esri

2024 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2024 Population Age 30-34	1,542	16,596	39,797
2024 Population Age 35-39	1,356	14,290	35,827
2024 Population Age 40-44	1,344	13,887	35,313
2024 Population Age 45-49	1,117	12,018	31,280
2024 Population Age 50-54	1,162	12,545	32,734
2024 Population Age 55-59	1,029	11,150	29,604
2024 Population Age 60-64	1,002	10,520	28,125
2024 Population Age 65-69	867	8,691	23,512
2024 Population Age 70-74	661	6,481	17,762
2024 Population Age 75-79	499	4,951	13,853
2024 Population Age 80-84	300	3,119	9,073
2024 Population Age 85+	268	3,333	10,017
2024 Population Age 18+	14,854	157,296	403,503
2024 Median Age	35	36	37
2029 Median Age	37	37	38

2024 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$84,453	\$89,390	\$96,752
Average Household Income 25-34	\$95,271	\$112,509	\$121,196
Median Household Income 35-44	\$86,541	\$112,979	\$116,817
Average Household Income 35-44	\$113,244	\$144,416	\$152,980
Median Household Income 45-54	\$87,115	\$121,445	\$129,629
Average Household Income 45-54	\$111,955	\$155,635	\$168,837
Median Household Income 55-64	\$72,997	\$109,510	\$118,338
Average Household Income 55-64	\$96,405	\$145,220	\$159,758
Median Household Income 65-74	\$52,541	\$84,312	\$89,332
Average Household Income 65-74	\$80,854	\$113,552	\$124,655
Average Household Income 75+	\$60,745	\$83,028	\$90,572





09

Company Profile

Advisor Profile

1061 S MELROSE



Jerry Henberger
President

"Jerry Henberger: The Business Innovator Changing the Game in Commercial Real Estate"

Through innovative use of proprietary technology and years of experience in the real estate industry, HRE Commercial, Inc leverages the latest market data, and trends, that create new opportunities. They use this information to help you make informed decisions and maximize your returns.

Whether you are looking to buy, sell, or lease commercial property, HRE Commercial, Inc's agents have a deep understanding of the real estate market and can provide valuable insights and guidance to help you make informed decisions.

At HRE Commercial, Inc they understand that every client has unique needs and preferences. That's why they take the time to listen to your needs, understand your goals, and tailor their services to meet your specific requirements. Their personalized approach ensures that you receive the highest level of service and attention, no matter how large or small your project may be.

With their extensive network of industry contacts and years of experience, Jerry and his team can help you navigate the complexities of commercial real estate transactions. They will work closely with you every step of the way, providing guidance, support, and expert advice to help you achieve your objectives.

It's through this expertise in commercial real estate, Jerry and his team are known for their integrity, honesty, and professionalism. They treat every client with the utmost respect and care, and they will go above and beyond to ensure your satisfaction. With Jerry's extensive experience, expertise, and commitment to giving back to the community, you can trust that HRECommercial is dedicated to providing exceptional service and delivering excellent results.

Don't settle for just any real estate agency – choose HRE Commercial, Inc and experience the difference that comes with working with a team of true professionals. Contact them today to get started.



Ron Tahan
Senior Associate

CA License # 01171405

Manufacturing, Logistics, Medical Office, and Technology Specialist

Ron's attention to detail, implementation, customer service, and negotiations all result in his clients achieving the best possible outcome. His background includes over 5 years experience as a paralegal for personal injury attorneys. He also worked with sophisticated engineering teams at fortune 500 companies in aerospace, hardware & software, media, legal, and healthcare industries to assist them in achieving their technical and financial goals.

He transitioned to becoming a real estate agent in 1993 and cultivated a skill set for transaction management. Ron has combined his outstanding customer relations and caring professionalism to help ensure his clients achieve their financial goals. His applied real estate expertise to his commercial development company assists his clients in rehabilitation and new construction. He prioritizes obtaining the highest possible returns on investments for his investors. His past combined experiences and skills are a great asset to anyone interested in achieving their financial goals.

Ron enjoys socializing, traveling, exotic cars, boating, working out, outdoor activities, fine dining, and most importantly spending quality time with his wife.

1061 S Melrose

CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from HRE Commercial, Inc. and it should not be made available to any other person or entity without the written consent of HRE Commercial, Inc..

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to HRE Commercial, Inc.. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. HRE Commercial, Inc. has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, HRE Commercial, Inc. has not verified, and will not verify, any of the information contained herein, nor has HRE Commercial, Inc. conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Market Analysis by



Jerry Henberger
HRE Commercial, Inc.
President
(949) 874-7126
Jerry@HRECommercial.com
Lic: 01332379



Ron Tahan
HRE Commercial Inc.
Senior Associate
(949) 378-9173
Ron@HRECommercial.com
Lic: 01171405



www.hrecommercial.com