

Strip Retail  
4438-4460 W. Imperial Highway  
Hawthorne, CA 90304



Prepared for:  
Buyer

Presented by:  
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# 4438-4460 W. Imperial Highway

## Property Profile

Property Address:	4438-4460 W. Imperial Highway Hawthorne, CA 90304
Assessor Parcel #:	4044-013-009/010/011/012/013/014
Floors:	1
Year Built:	1938;1947
Building Size:	6,680
Lot Size:	19,891
Zoning:	C2
Parking:	Approx. 25 spaces

## Property Description

The subject property consists of six parcels 4438-4460 W. Imperial Highway, with a total building square footage of 6,680 sitting on a total lot size of 19,891 square feet. It is positioned on the southeast corner of Grevillea Ave. and Imperial Highway and is between the busy signalized intersection of Hawthorne Blvd. and Inglewood Ave. The current use of the property consists of four local retail tenants with the average tenancy of approximately ten years or more. The current rent is below market with an average rent of only \$0.90 per square foot. The property will appeal to an investor looking for an upside in rent or and owner/user who can come in and operate his/her own business. It will also appeal to a developer who can develop the property into a brand new retail building(s) or take advantage of the seller existing tentative tract map for a seven unit attached condominium project.

## Investment Highlights

- 6,680 SF Building/ 19,891 SF Lot: Priced at only \$40/ SF on land
- **Below market rents; last increase was approximately 5-6 years ago!**
- 5.6% Current CAP Rate/ 10.8% Proforma CAP Rate
- Good Tenant Mix
- Between Hawthorne Blvd. and Inglewood Ave.
- Corner Location
- Investor /Owner & user or development opportunity
- Directly adjacent to 105 Freeway and just East of the 405 Freeway
- C2 zoned on all six parcels
- Approximately 200 feet of frontage along Imperial Highway



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## 4438-4460 W. Imperial Highway

### City Of Hawthorne Information



The City of Hawthorne is a most accessible city. Incorporated in 1922, the City currently has a population of nearly 89,000 within a six square mile area. The City is surrounded by three major freeway systems: the San Diego (1-405), the Harbor (1-10) and the Glen M. Anderson (1-105) Freeways. In addition, located in the southwest area of the City are Metro Line stations for a light rail public transportation system (Green Line) which provides convenient transportation to Los Angeles International Airport, downtown Los Angeles and Long Beach.

The Los Angeles International Airport is four miles northwest of Hawthorne, offering scheduled passenger and cargo service to all parts of the civilized world. Furthermore, the Hawthorne Municipal Airport, with a control tower that is staffed, equipped, and operated by the Federal Aviation Administration, serves businesses and visitors to the City. The Port of Los Angeles, one of the largest man-made ports in the nation, is 15 miles to the south, making transportation of goods to millions of customers a practical alternative.

With a shared vision toward the future to create a great city and build an economy which supports the community's desire for a high quality of life, the City of Hawthorne is fortunate to have the following partners in economic development:

The **Hawthorne Redevelopment Agency**, whose mission is to revitalize commercial, industrial and residential areas of Hawthorne.

The **Economic Development Committee**, advises the City on matters affecting economic development, the creation of employment opportunities and business ventures.

The **Commercial Rehabilitation Program**, which utilizes the Community Development Block Grant (CDBG) funds, is a program that provides rehabilitation assistance to commercial businesses throughout the City's commercial target areas. Loans are available below market rate, while some loans are deferrable.

With excellent freeway visibility (I-105) via a four-way interchange at Crenshaw Boulevard and 120th Street, the Exchange's uniquely integrated campus features more than 900,000 square feet of renovated office and research and development facilities.

Directly across the street from a 135,000 square foot Lowe's Home Improvement store and garden center and Levitz, sits a new commercial strip. Anchoring the planned retail center are major vendors such as 24 Hour Fitness, a drive-through/sit down Starbucks and restaurants such as Wendy's Chile Verde and Quizno's amenities. The retail portion of the project will also include another major retailer plus several other retail services and restaurant businesses.

AT&T has already located its largest telecommunications data center in the United States in a 290,000 square foot renovated building. These uses will provide retail amenities for the balance of The Exchange's office and industrial population, as well as the surrounding community.

The City of Hawthorne Commercial Rehabilitation Program has transformed over a dozen business fronts within the past 4 years and continues to rehabilitate commercial business fronts along Hawthorne Boulevard and throughout the city.

Nestled in the heart of the Los Angeles aerospace community and within two miles from the South Bay beaches, the City's comfortable, convenient location is further incentive to locate in the South Bay's "gateway" city.

Information provided by City Of Hawthorne



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Hawthorne's first known residents were Indians of the Shoshonian linguistic group, occupying the Southbay area as early as the 1500's. Spanish explorer Juan Cabrillo caught sight of the area in October 1542, and 30 years later Sir Francis Drake sailed past the nearby coast. In 1769 title to all land in California became vested in the King of Spain, and the Southbay lands were used for the grazing of cattle. In 1822 Mexico obtained title to California from Spain. One of the ranchos subsequently formed was Sausal Redondo, named after a round clump of willows in the area. Sausal Redondo consisted of approximately 22,460 acres and included the present-day cities of El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Manhattan Beach, Playa del Rey, Redondo Beach, and Torrance.

In 1837 Governor Alverado of Mexico granted title to Sausal Redondo to Don Antonio Avila. When California became a United States territory in 1848 and a state in 1850, disputes arose over the ownership of the rancho. Finally, in 1855 Avila was issued a U.S. Land patent for the rancho and thus became the first legal and recorded owner of the land of present-day Hawthorne.

In 1860 Sir Robert Burnett of Crathe's Castle, Scotland came to California and purchased Sausal Redondo from Avila's heirs. He expanded the sheep and cattle raising operations and planted thousands of eucalyptus, pepper, and fruit trees. Burnett returned to Scotland in 1873 and leased (with an option to buy) the rancho to Daniel Freeman, a Canadian. Freeman restocked the ranch with sheep and cattle and continued planting trees, adding more than 13,000. After the severe droughts of 1875 and 1876, during which he lost thousands of sheep and cattle, Freeman started dry farming and grew barley. By 1880 the area was producing a million bushels of barley a year. Freeman finally used his option to buy Sausal Redondo land and in 1885 received title from Sir Robert Burnett.

In 1887 several groups of investors, encouraged by the narrow-gauge railroad being built, organized several companies and purchased large amounts of towns. One of these was the Hawthorne Land Company. Hawthorne was founded by Benjamin I. Harding and Harry Dana Lombard, who in 1905 purchased acreage from the land company, thus creating the Hawthorne Improvement Company whose purpose was to build an 80-acre town site on the waving barley fields. The name of Hawthorne was chosen by Harding's daughter, Mrs. Laurine Harding Woolwine, who shared her birthday with author Nathaniel Hawthorne.

Hawthorne was advertised as the town between the city and the sea. Special appeals were made to those who wished to raise poultry and grow vegetables. Mr. and Mrs. W.J. Anderson were the first settlers and began building their house in November of 1906 at 515 Freeman Avenue. Their son, Glenn, later served as mayor of Hawthorne, Lieutenant Governor of California, and congressman from the California 17th District.

By 1907 Hawthorne had grown to a thriving little town of over one hundred homes. Advertisements lauded Hawthorne as ideal for Homes or Investment Situated directly on the Redondo Electric Car Line - Three Stations on Property, 30 Minutes Ride from the Heart of Los Angeles and right in line of Rapid Growth Toward the Harbor.

In its early days Hawthorne had but one grocery store, and meat was brought by wagon from Inglewood three times a week. There was a furniture factory, an overall factory, a glove factory, and an art leather firm. A small building served as both church and school. The school had 16 pupils ranging from kindergarten to 18 years of age. Mail service began in October 1908.

By 1921 the population had reached 2,000, and Hawthorne was incorporated in July 1922. The area was largely settled by emigrants from the Oklahoma and Texas dustbowl.

The city has a council form of Government. The first city council consisted of Mayor C. C. Butler and Councilmen Lorig, Mason, Haylett, and Millhouse. W.B. Shaw served as City Clerk.

The first census was taken in 1930 and showed 6,595 residents. In 1939 Northrop Aircraft Inc. (later Northrop Corporation and even later Northrop Grumman Corporation) moved to Hawthorne with 50 people on the payroll. Dozens of firms moved to Hawthorne to acquire Northrop subcontracts. From that time on industrial and commercial development in Hawthorne proceeded at a steady pace. Northrop and Hawthorne enjoyed a long period of prosperity and cooperation. With the growth of the aviation industry and the subsequent aerospace industry, Hawthorne became known as the Cradle of Aviation and enjoyed a boom for many years in both jobs and real estate.

The City of Hawthorne has grown from a small, largely rural community to a well-rounded mixture of business, industries and homes.

Information provided by City Of Hawthorne



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## 4438-4460 W. Imperial Highway

### Photos



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## 4438-4460 W. Imperial Highway

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### Photos



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# 4438-4460 W. Imperial Highway

## Photos

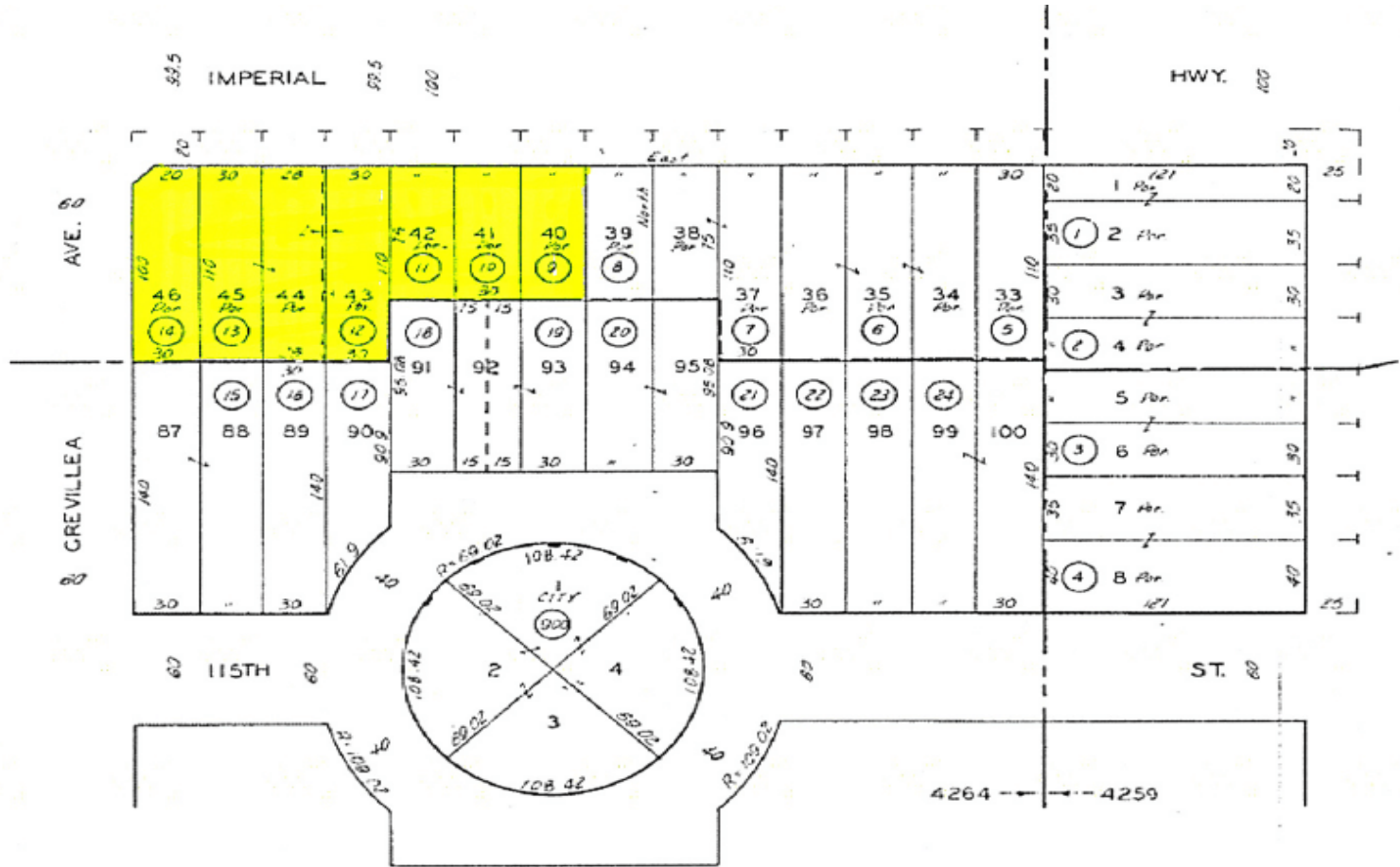


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# 4438-4460 W. Imperial Highway

## Parcel Map



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## Current Income & Expense Analysis

4438-4460 W. Imperial Highway  
Inglewood, CA 90304

<u>1</u>	<u>n/a</u>	<u>6,680</u>	<u>19,891</u>	<u>1938;1947</u>	<u>C2</u>
Floors	Construction	Gross Sq. Ft.	Lot Size	Year Built	Zoning

### CURRENT ANNUALIZED OPERATING INCOME

Income from Leased Space	\$	<u>5,175</u>
Income from Tenant Reimbursements	\$	<u>0</u>
Other Income	\$	<u>0</u>
Total Monthly Income	\$	<u>5,175</u>

**SCHEDULED GROSS INCOME** \$ 62,100

Vacancy Rate 0% \$ 0

**GROSS OPERATING INCOME** \$ 62,100

### CURRENT ANNUALIZED OPERATING EXPENSES

<b>Expenses</b>		
Property Taxes	\$	<u>8,750</u>
Insurance	\$	<u>3,635</u>
Utilities (Tenant Pays direct)	\$	<u>0</u>
Management & Administration Expenses	\$	<u>3,105</u>
Repairs & Maintenance & Reserves	\$	<u>1,800</u>
<b>Total Expenses</b>	15.0%	\$ <u>17,290</u>
Per Foot		\$ <u>2.59</u>

**NET OPERATING INCOME** \$ 44,810



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## Current Pricing Analysis and Opinion of Value

4438-4460 W. Imperial Highway  
Inglewood, CA 90304

<u>1</u> Floors	<u>n/a</u> Construction	<u>6,680</u> Gross Sq. Ft.	<u>19,891</u> Lot Size	<u>1938;1947</u> Year Built	<u>C2</u> Zoning
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### CURRENT PRICING

<b>PRICE</b>	<b>\$ 799,000</b>
Down Payment	100% <b>\$ 799,000</b>

### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

### CURRENT SCHEDULED INCOME

<b>SCHEDULED GROSS INCOME</b>	<b>\$ 62,100</b>
Less Vacancy	0.0% \$ -
Gross Operating Income	\$ 62,100
Less Operating Expenses	\$ 17,290
<b>NET OPERATING INCOME</b>	<b>\$ 44,810</b>
Less Debt Service	\$ -
<b>PRE-TAX CASH FLOW</b>	<b>\$ 44,810</b>
Return %	5.6%
Capitalization Rate	5.6%
Price per Square Foot	\$ 119.61
Land price per Square Foot	\$40.17



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## Current Pricing Analysis and Opinion of Value

4438-4460 W. Imperial Highway  
Inglewood, CA 90304

<u>I</u>	<u>n/a</u>	<u>6,680</u>	<u>19,891</u>	<u>1938;1947</u>	<u>C2</u>
Floors	Construction	Gross Sq. Ft.	Lot Size	Year Built	Zoning

### PRICING

	Current	Proforma
<b>PRICE</b>	<b>\$ 799,000</b>	<b>\$ 799,000</b>
Down Payment	100% \$ 799,000	\$ 799,000

### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

### SCHEDULED INCOME

	Current	Proforma
<b>SCHEDULED GROSS INCOME</b>	<b>\$ 62,100</b>	<b>\$ 106,200</b>
Less Vacancy	0.0% \$ -	2% \$ 2,124
Gross Operating Income	\$ 62,100	\$ 104,076
Less Operating Expenses	28% \$ 17,290	19.7% \$ 17,290
<b>NET OPERATING INCOME</b>	<b>\$ 44,810</b>	<b>\$ 86,786</b>
Less Debt Service		
<b>PRE-TAX CASH FLOW</b>	<b>\$ 44,810</b>	<b>\$ 86,786</b>
Return %	5.6%	10.8%
Capitalization Rate	5.6%	10.8%
Price per Square Foot	\$ 119.61	\$ 119.61
Land per Square Foot	\$ 40.17	\$ 40.17



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## Proforma Income & Expense Analysis

4438-4460 W. Imperial Highway  
Inglewood, CA 90304

I	n/a	6,680	19,891	1938;1947	C2
Floors	Construction	Gross Sq. Ft.	Lot Size	Year Built	Zoning

### PROFORMA ANNUALIZED OPERATING INCOME

Income from Leased Space	\$	<u>7,410</u>
Potential Income on Vacant Space		<u>0</u>
Income from Tenant Reimbursements	\$	<u>1,440</u>
Other Income	\$	<u>0</u>
Total Income	\$	<u>8,850</u>
<b>Annualized Gross Income</b>	\$	<u>106,200</u>

### PROFORMA ANNUALIZED OPERATING EXPENSES

<b>SCHEDULED GROSS INCOME</b>	\$	<u>106,200</u>
Vacancy Rate	2%	\$ <u>2,124</u>
<b>GROSS OPERATING INCOME</b>	\$	<u>104,076</u>
<b>Expenses</b>		
Property Taxes	\$	<u>8,750</u>
Insurance	\$	<u>3,635</u>
Utilities (Tenant Pays)	\$	<u>0</u>
Management Fees	\$	<u>3,105</u>
Repairs & Maintenance & Reserves	\$	<u>1,800</u>
<b>Total Expenses</b>	16.3%	\$ <u>17,290</u>
	Per Square Foot	\$ <u>2.58</u>

**PROFORMA NET OPERATING INCOME** \$ 86,786



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## Proforma Pricing Analysis and Opinion of Value

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Inglewood, CA 90304

<u>1</u> Floors	<u>n/a</u> Construction	<u>6,680</u> Gross Sq. Ft.	<u>19,891</u> Lot Size	<u>1938;1947</u> Year Built	<u>C2</u> Zoning
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### PROFORMA PRICING

<b>PRICE</b>		<b>\$ 799,000</b>
Down Payment	100%	<b>\$ 799,000</b>

### PROPOSED FINANCING

All cash or buyer to obtain a new loan at prevailing market rate and terms.

### PROFORMA SCHEDULED INCOME

<b>SCHEDULED GROSS INCOME</b>		<b>\$ 106,200</b>
Less Vacancy	2.0%	\$ 2,124
Gross Operating Income		\$ 104,076
Less Operating Expenses	16.3%	\$ 17,290
<b>NET OPERATING INCOME</b>		<b>\$ 86,786</b>
Less Debt Service		\$ -
<b>PRE-TAX CASH FLOW</b>		<b>\$ 86,786</b>
Return %		10.8%
Capitalization Rate		10.8%
Price per Square Foot		\$ 119.61
Land per Square Foot		\$40.17



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## 4438-4460 W. Imperial Highway

### Rent Roll

Suite	Tenant Name	GLA Occupied	Lease Expire	Monthly Rent	Rent/SF	Proforma Monthly Rent	Proforma Rent/SF	Escalation Annuity	Options	Proforma Lease Type
1	J&N Garden*	1,800	Month to Month	\$2,000.00	\$1.11	\$2,250.00	\$1.25			NNN
2	Bowsery Pet Grooming	2,070	Month to Month	\$700.00	\$0.34	\$2,070.00	\$1.00			NNN
3	Atotonilicos Restaurant	2,250	Month to Month	\$1,675.00	\$0.74	\$2,250.00	\$1.00			NNN
4	Imperial Signs	560	Month to Month	\$800.00	\$1.43	\$840.00	\$1.50			NNN
					Average:					
	<b>Total Square Feet</b>	<b>6,680</b>		<b>\$5,175.00</b>	\$0.90	<b>\$7,410.00</b>	\$1.06			

Note: Landlord currently pays for property taxes and insurance, tenants pay for all other expenses.

\* Corner Location Space



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