

319

20241

# LEMON CREEK DR. & VALLEY BLVD.

WALNUT, CA 91789

## OFFERING MEMORANDUM

- ▶ Offering Price | \$6,500,000
- ▶ Industrial Service Center with Automotive Services
- ▶ Rezoned from M1 to R4
- ▶ Sale is Subject to Court Confirmation | Call Agents for Further Details



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An aerial photograph of a residential complex, overlaid with a semi-transparent blue filter. The image shows several multi-story apartment buildings, parking lots, and landscaped areas with trees. A central building is highlighted with a thin orange border. The text "SUBJECT PROPERTY" is centered over this highlighted building.

SUBJECT  
PROPERTY

# EXECUTIVE SUMMARY

319 Lemon Creek Dr & 20241 Valley Blvd. is an Industrial Service center comprising two Commercial/Light Industrial buildings in the incorporated city of Walnut. The combined subject properties total 34,915 Sq. Ft. (Rent Roll) of Rentable Building Area (RBA) and resides on a 155,672 Sq. Ft. lot.

The subject property is a destination Automotive Business Center with visible street signage. Ample parking provides easy access to this industrial center, benefiting the tenants' businesses.

This is an excellent opportunity for Investors to acquire a property to reposition with a new tenant base and increase market rents on a NNN basis.

## 319 LEMON CREEK DRIVE PROPERTY INFORMATION



ASSESSOR PARCEL NUMBER	ASSESSOR PARCEL NUMBER	BUILDING SIZE	LOT SIZE	STORIES	BUILDINGS
8722-009-039 (Bldg & Lot)	8722-009-040 (Bldg & Lot)	14,951 SF	64,440 SF	1 Story	1 Building

## 20241 VALLEY BOULEVARD PROPERTY INFORMATION



ASSESSOR PARCEL NUMBER	ASSESSOR PARCEL NUMBER	BUILDING SIZE	LOT SIZE	STORIES	BUILDINGS
8722-009-042 (Building)	4052-018-041 (Land)	19,964 SF	91,232 SF	1 Story	1 Building

## COMBINED PROPERTY INFORMATION

TOTAL BLDG SIZE	TOTAL LOT SIZE	TOTAL BUILDINGS	TENANT UNITS	PARKING SPACES	ZONING / REZONING	PROPERTY TYPE	CEILING HEIGHT	DOCKS	CONSTRUCTION	SPRINKLERS	RAIL SERVICE
34,915 SF	155,672 SF	2 Buildings	26	89 Spaces	M1 / R4	Commercial / Light Industrial	18 Ft	None	Reinforced Concrete	Wet	None

# RENT ROLL

	UNIT NO.	TENANTS	UNIT SQ. FT.	LEASE DATE START	LEASE DATE END	MONTHLY RENT	ANNUAL RENT	ANNUAL PRICE/SF BASE
319 LEMON CREEK DRIVE	1A	Car Code Auto Body	1,760	10/22/2018	10/31/2048	\$4,115.49	\$49,385.88	\$28.06
	1B	Car Code Auto Body	945	10/22/2018	10/31/2048			
	1C, 1D	VACANT	1,751			\$3,064.25	\$36,771.00	\$21.00
	1E	Auto Star	884	4/19/2018	5/31/2025	\$2,822.40	\$33,868.80	\$38.31
	1F	Auto Star	880	4/19/2018	5/31/2025			
	1G	VACANT	880			\$1,540.00	\$18,480.00	\$21.00
	1H	Car Code Auto Body	3,581	4/20/2019	4/30/2049	\$4,021.70	\$48,260.40	\$13.48
	1I - 1K	Car Code Auto Body	0	4/20/2019	4/30/2049	\$1,958.00	\$23,496.00	
	1L	VACANT	889			\$1,555.75	\$18,669.00	\$21.00
	1M	VACANT	880			\$1,540.00	\$18,480.00	\$21.00
	1N	VACANT	880			\$1,540.00	\$18,480.00	\$21.00
	1O	VACANT	880			\$1,540.00	\$18,480.00	\$21.00
	1P	Car Code Auto Body	741	10/22/2018	10/31/2048			
	20241 VALLEY BLVD	2A, 2B	Walnut Auto Care	5,025	9/1/2018	8/31/2048	\$9,371.08	\$112,452.96
2C		Mandalay Auto	1,482	4/19/2018	4/30/2022	\$5,269.42	\$63,233.04	\$42.67
2D		Mandalay Auto	1,797	4/19/2018	4/30/2022			
2E		Praise Auto Center	1,084	6/1/2013	5/31/2023	\$3,283.52	\$39,402.24	\$36.35
2F		Praise Auto Center	1,449	6/1/2013	5/31/2023			
2G		Esteem Auto Service	1,867	9/1/2016	6/30/2024	\$2,421.08	\$29,052.96	\$15.56
2H		Soriano's Auto Repair	1,657	6/1/2021	7/31/2024	\$2,560.07	\$30,720.84	\$18.54
2I		MotorsportMike, LLC	1,848	6/1/2022	6/30/2026	\$2,956.80	\$35,481.60	\$19.20
2J		VACANT	3,755			\$6,571.25	\$78,855.00	\$21.00
<b>TOTAL</b>			<b>34,915</b>			<b>\$56,131</b>	<b>\$673,572</b> Current + Proforma	

\* All Tenants on NNN Leases

\* Color Code (Light Orange) = Vacant Units with Pro Forma Rents

\* Tenants Subject to Rental Increases

\* 25,000 Tenant-Occupied Square Feet

\* 9,915 Vacant Square Feet

\* Pro Forma Rents Based on the Current Asking Rents of \$1.75 NNN

\* Not reflected on Rent Roll is Unit K, which is vacant but doesn't have any Sq. Ft. associated with unit.

# INVESTMENT SUMMARY

CURRENT RENTS (WITH VACANCIES)	
Actual Rental Income (includes vacancies)	\$465,355
NNN Reimbursements	\$167,679
<b>Current Gross Income</b>	<b>\$633,034</b>
No Vacancy Percentage "as is"	
<b>GROSS INCOME</b>	<b>\$633,034</b>

ACTUAL OPERATING EXPENSES / 2022	
Real Estate Taxes (1.14735%)	\$74,578
Insurance	\$10,270
Fire Monitoring/Repairs	\$12,152
Repairs & Maintenance	\$16,589
Sweeping & Janitorial	\$30,536
Parking Lot Lighting	\$1,706
Landscaping	\$7,832
Electricity	\$5,777
Water	\$9,649
Refuse	\$20,558
Management Fee	\$47,733
CAM Recapture	
<b>TOTAL EXPENSES</b>	<b>\$237,380</b>
<b>Net Operating Income</b>	<b>\$395,654</b>
<b>Value @ 6.1% Cap Rate</b>	<b>\$6,500,000</b>
<b>Value/PSF</b>	<b>\$186</b>

PRO FORMA (CURRENT + MARKET RENTS)	
Base Rental Income	\$673,572
Less Vacancy (@ 7%)	(\$47,150)
<b>Potential Gross Income</b>	<b>\$626,422</b>
NNN Reimbursements	\$280,626
<b>GROSS INCOME</b>	<b>\$907,048</b>

OPERATING EXPENSES	
Real Estate Taxes (1.14735%)	\$117,824
Insurance	\$10,270
Fire Monitoring/Repairs	\$12,152
Repairs & Maintenance	\$16,589
Sweeping & Janitorial	\$30,536
Parking Lot Lighting	\$1,706
Landscaping	\$7,832
Electricity	\$5,777
Water	\$9,649
Refuse	\$20,558
Management Fee	\$47,733
CAM Recapture	
<b>TOTAL EXPENSES</b>	<b>\$280,626</b>
<b>Net Operating Income</b>	<b>\$626,422</b>
<b>Value @ 6.1% Cap Rate</b>	<b>\$10,269,213</b>
<b>Value/PSF</b>	<b>\$294</b>

# LOCATION HIGHLIGHTS

## WALNUT, CA

Walnut is a city in the eastern part of Los Angeles County. At the 2010 census, the city had a population of 29,172, and in 2019 the population was estimated at 29,685.

Walnut is located on the southern slopes of the San Jose Hills, with West Covina to the northwest, Covina to the north, San Dimas to the northeast, Pomona to the east, Diamond Bar, Rowland Heights, and the City of Industry to the south, and La Puente to the west. Several small creeks (i.e. Snow Creek, Lemon Creek) run mostly to the south toward the valley of San Jose Creek, which runs west to the San Gabriel River.

The city covers nearly 9 square miles and is home to hundreds of businesses. According to the 2010 United States Census, Walnut has a median household income at one of the top-earning percentiles in the country at \$101,250.

Walnut is close to The City of Industry which is one of a handful of L.A. County municipalities that primarily consist of industrial properties. The city has nearly 500 acres designated as a Foreign Trade Zone and links directly to the ports via a 41-mile rail bypass. It also has excellent freeway access.



# ZONING

## Zoning

The subject site was originally designated as a Light Manufacturing Zone (M1 Zoning) and sits in the southwest corner of an M1 zoned portion of the city. It is currently developed for M1 zoning allowable uses. However, the site was recently re-zoned as a Medium-High Residential Zone (R4 Zoning) in March of 2020. The subject site is considered “legal non-conforming”. The site may continue to be used for M1 allowable uses utilizing the existing structures. Future development would prohibit M1 uses and would allow R4 uses only

## Property Summary

The property consists of two Commercial/Light Industrial buildings in the incorporated city of Walnut, California on four lots with the following associated addresses and APNs:

SITE ADDRESS	APN	GROSS LOT SF	USEABLE AREA
319 Lemon Creek Drive	8722-009-039	51,215	42,102
319 Lemon Creek Drive	8722-009-040	13,225	10,872
20241 Valley Boulevard	8722-009-041	30,322	21,553
20241 Valley Boulevard	8722-009-042	60,910	43,295
<b>TOTAL</b>		<b>155,672</b>	<b>117,822</b>

The western edge of the property is inclusive of easements for a public Equestrian Trail as well as Lemon Creek. The resulting useable area totals approximately 117,882 square feet. Total lot area, easement locations, and the useable area is an estimate only and should be confirmed by a licensed surveyor. FEMA Flood Hazard Maps indicate that the properties are within an Area of Minimal Flood Hazard – Zone X. Flood Zone designation should be confirmed by a licensed civil engineer. The city of Walnut includes information regarding flood zone safety requirements in their General Plan Addendum which includes a map illustration showing the site is within Zone X and does not require additional development standards and safety regulations.



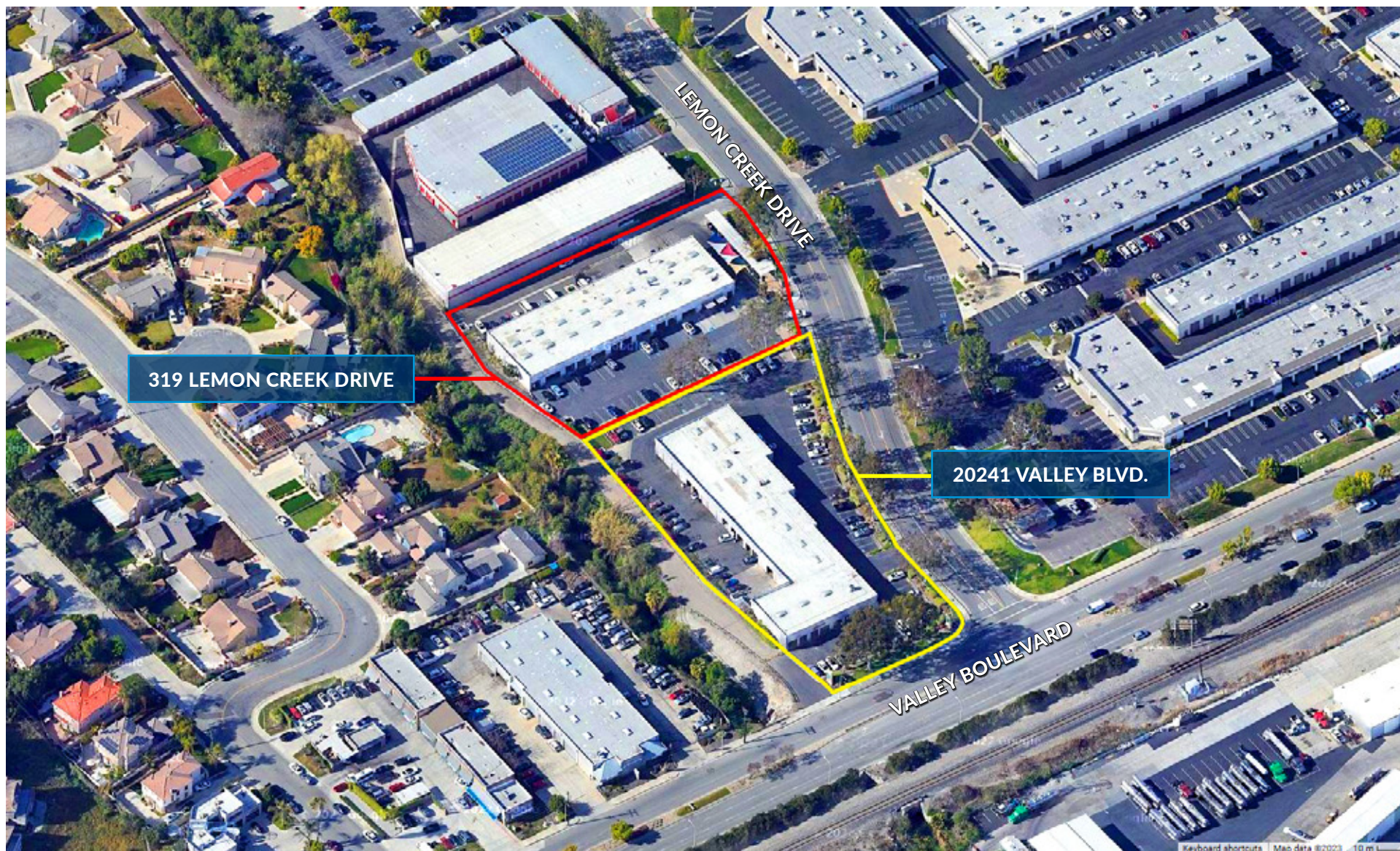
# 319 LEMON CREEK DRIVE EXTERIOR PHOTO GALLERY



# 20241 VALLEY BOULEVARD EXTERIOR PHOTO GALLERY



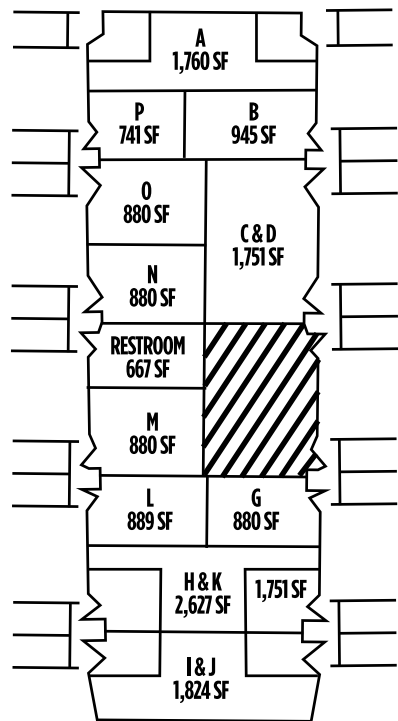
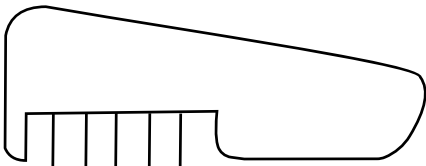
# AERIAL PHOTO



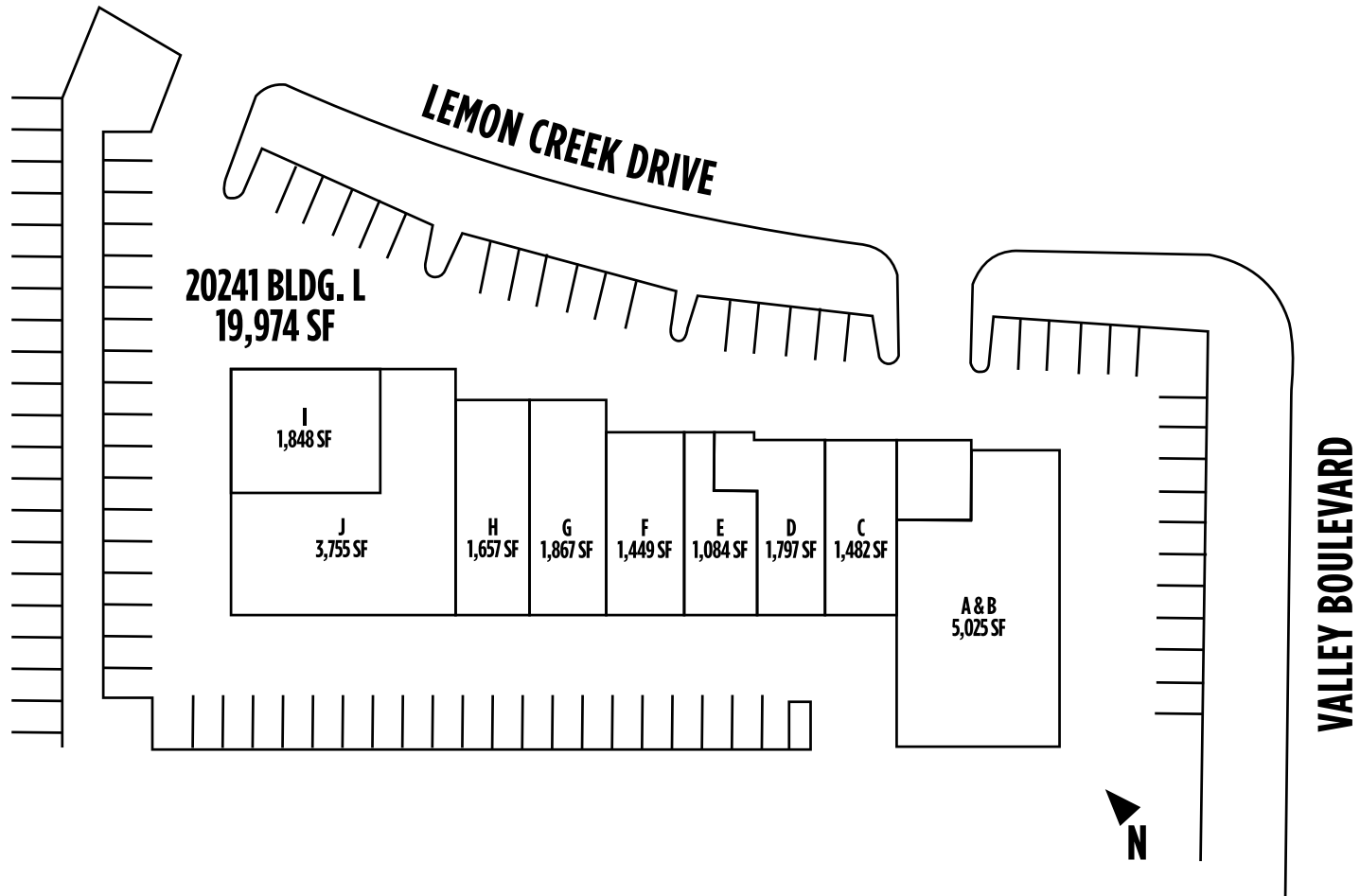
319 LEMON CREEK DRIVE

20241 VALLEY BLVD.

# TENANT DIAGRAM



**319 BLDG. M**  
**15,612 SF**



# TENANT PROFILES



## PRAISE AUTO CENTER

20241 Valley Blvd., Suite F

(909) 869-7900

<https://yelp.com/biz/praise-auto-center-walnut>



## MANDALAY AUTO CENTER

20241 Valley Blvd., Suite A

(909) 598-3997

<https://yelp.com/biz/mandalay-auto-center-walnut>



## MOTORSPORT MIKE

20241 Valley Blvd., Suite I

(909) 573-1183

<https://yelp.com/biz/motorsportmike-walnut>

# TENANT PROFILES



## CARCODE

Auto Mechanic - 20241 Valley Blvd., Ste. A

Auto Spa - 319 Lemon Creek Dr., Suite A | Auto Body - Suite H

(909) 595-6677

<https://carcode.us>

*Carcode is the premier Auto Repair, Auto Body, and Auto Spa center in Walnut, California. We provide personalized car care, repairs, maintenance, car wash, bodywork, tuning, and performance tuning for all of your automotive needs.*



## AUTO STAR SERVICE CENTER

319 Lemon Creek Dr., Suite F

(909) 594-8307

<https://autostarservicecenter.com>

*Provides auto repair services to the Walnut, CA, area. Established in 2000, servicing Brakes, Oil Changes, Transmissions, Auto Services*



## ESTEEM AUTO SERVICE

20241 Valley Blvd., Suite G

(909) 612-7900

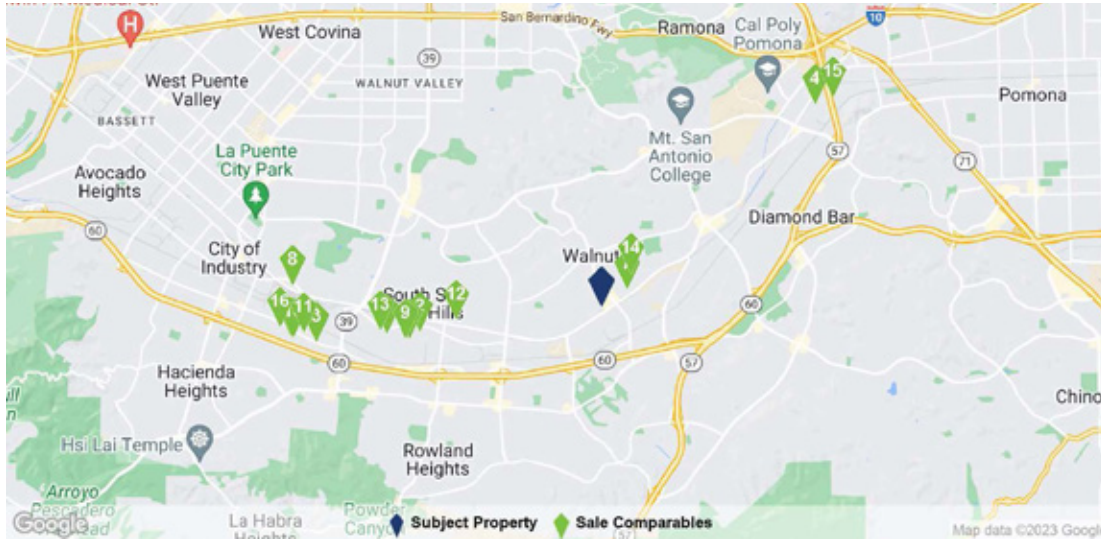
<https://esteemautoservice.com>

*Esteem Auto Service is the best place to bring your European car for maintenance and service. We provide highly skilled work at prices below dealer rates. We are qualified to perform any work required, whether you drive an Audi, a Mercedes, the smallest Mini Cooper, the largest Lexus sedan, or a twin turbo BMW supercar.*

An aerial photograph of a city, likely Phoenix, Arizona, featuring a prominent pyramid-shaped overlay in the center. The city is densely packed with residential and commercial buildings, interspersed with trees. In the background, there are rolling hills under a clear sky. The entire image is overlaid with a semi-transparent blue filter. The text "SOLD & LEASE COMPARABLES" is centered within the pyramid overlay, flanked by two thin horizontal lines.

SOLD & LEASE  
COMPARABLES

# SOLD COMPARABLES



SALES COMPS	AVG PRICE PER SF	AVG VACANCY AT SALE
<b>16</b>	<b>\$252</b>	<b>13.1%</b>

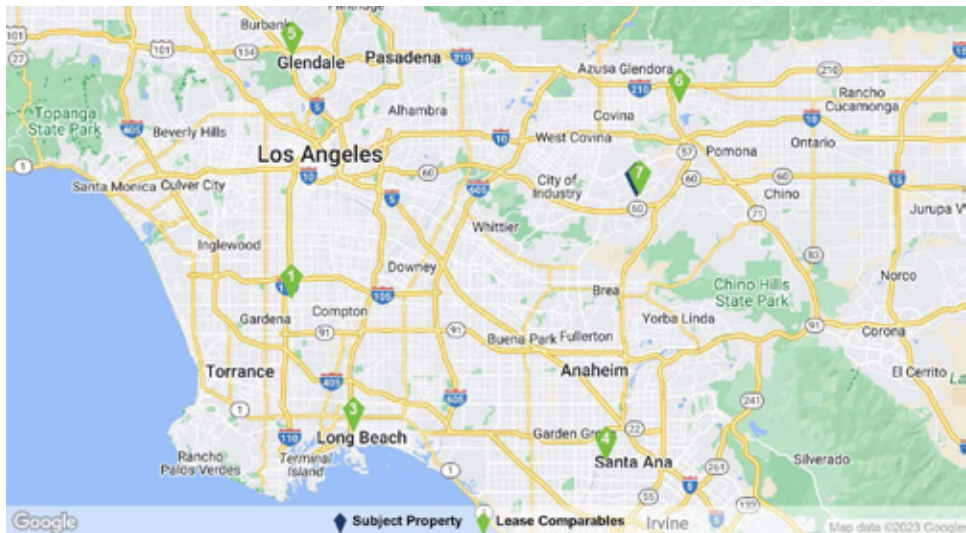
SALE ATTRIBUTES	LOW	AVERAGE	MEDIAN	HIGH
Sale Price	\$1,200,000	\$4,882,388	\$4,030,000	\$11,176,500
Price/SF	\$119	\$252	\$236	\$374
Months Since Sale	4.4	15.6	16.2	23.7

BLDG ATTRIBUTES	LOW	AVERAGE	MEDIAN	HIGH
Building SF	10,012	19,402	16,780	33,447
Ceiling Height	14'	19'9"	18'	26'
Docks	0	1	1	2
Vacancy Rate at Sale	0%	13.1%	0%	100%
Year Built	1964	1984	1980	2008

	PROPERTY ADDRESS	YEAR BUILT	BUILDING SF	VACANCY	SALE DATE	SALE PRICE	PRICE PER SF
1	929-937 Radecki Ct	1999	10,257	0%	10/24/2022	\$3,690,000	\$360
2	18030 Cortney Ct	1987	28,433	0%	8/23/2022	\$8,600,000	\$302
3	17000 E Gale Ave	2008	29,888	0%	8/15/2022	\$11,176,500	\$374
4	115 Explor St	1980	14,596	0%	6/28/2022	\$3,431,000	\$235
5	16725 E Johnson Dr	1980	10,103	0%	5/3/2022	\$1,725,000	\$171
6	17939 E Rowland St	1968	20,000	0%	1/3/2022	\$4,000,000	\$200
7	20601 Valley Blvd	1980	13,510	0%	12/30/2021	\$3,751,500	\$278
8	16483 Old Valley Blvd	2001	18,359	0%	12/15/2021	\$5,544,500	\$302
9	17909 Rowland St	1964	10,080	0%	9/15/2021	\$1,200,000	\$119
10	16735 E Johnson Dr	1978	14,000	0%	8/26/2021	\$4,060,000	\$290
11	16839 E Gale Ave	1986	33,447	0%	8/4/2021	\$7,900,000	\$236
12	18435 E Valley Blvd	1976	15,200	0%	4/27/2021	\$3,000,000	\$197
13	908 Canada Ct	1997	32,750	0%	4/2/2021	\$7,960,000	\$243
14	120 Commerce Way	1988	19,183	0%	4/1/2021	\$4,250,000	\$222
15	2851 Pomona Blvd	1979	10,012	100%	3/25/2021	\$2,129,700	\$213
16	1250 S Johnson Dr	1977	30,607	100%	3/18/2021	\$5,700,000	\$186



# LEASE COMPARABLES



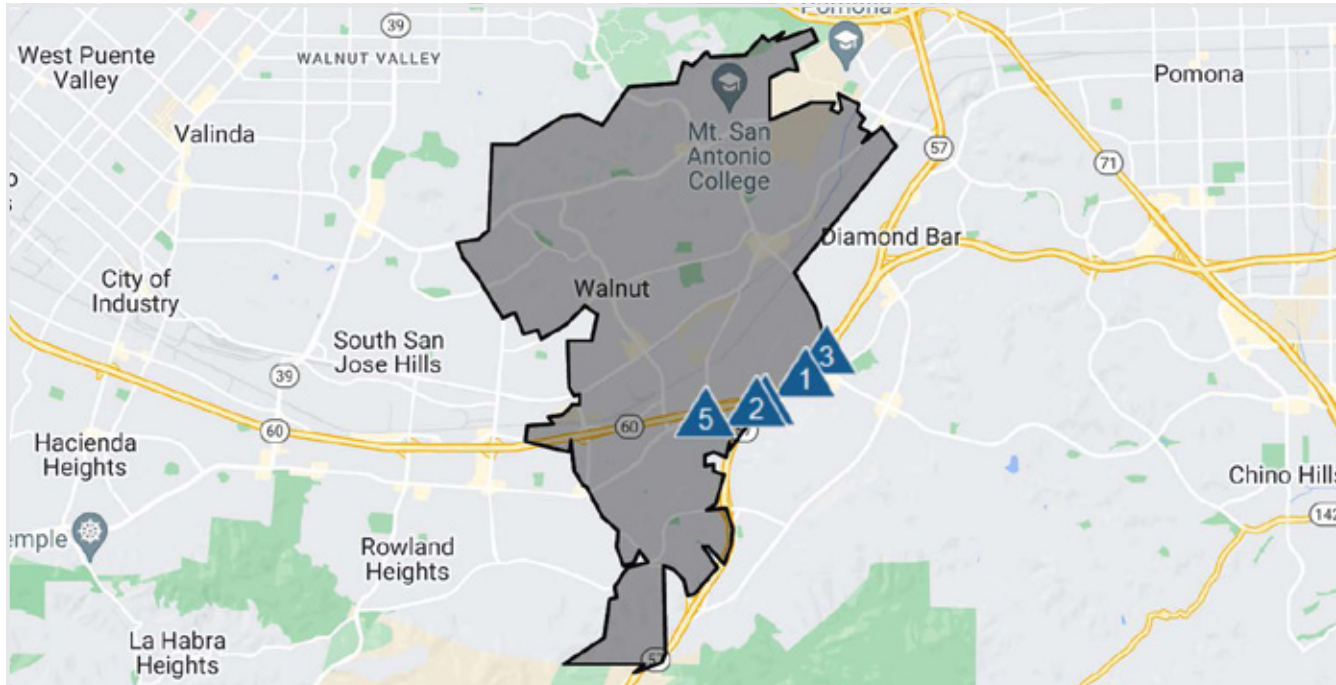
DEALS	ASKING RENT PER SF	STARTING RENT PER SF	AVG MONTHS ON MARKET
<b>12</b>	<b>\$1.60</b>	<b>\$1.10</b>	<b>3</b>

LEASE ATTRIBUTES	DEALS	LOW	AVERAGE	MEDIAN	HIGH
Asking Rent Per SF	11	\$0.90	\$1.60	\$1.15	\$2.42
Starting Rent Per SF	4	\$1.05	\$1.10	\$1.13	\$1.15
Asking Rent Discount	4	0.0%	3.0%	0.0%	4.3%
Months on Market	12	1	3	2	9
Deal Size	12	1,000	6,508	2,652	23,872
Lease Deal in Months	8	7.0	32.0	24.0	60.0
Floor Number	12	1	1	1	1

## LEASE COMP DETAILS

PROPERTY ADDRESS		LEASE				RENTS	
		SF LEASED	FLOOR	SIGN DATE	TYPE	RENT	RENT TYPE
1	223 W. 138th Street	23,872	1st	10/27/2022	New	\$2.00	Asking
2	20241 E. Valley Blvd.	1,848	1st	5/10/2022	New	\$1.60/nnn	Asking
2	20241 E. Valley Blvd.	3,755	1st	8/30/2021	New	-	-
3	601-621 Golden Avenue	18,708	1st	8/11/2021	New	\$0.90/ig	Asking
4	2222-2308 W. 2nd Street	1,100	1st	1/24/2021	New	\$1.05/mg	Starting
4	2222-2308 W. 2nd Street	1,000	1st	9/17/2020	New	\$1.15/mg	Starting
4	2222-2308 W. 2nd Street	1,000	1st	6/29/2020	New	\$1.15/mg	Starting
5	5301 Exchange Street	14,250	1st	6/15/2020	New	\$2.42/nnn	Asking
6	464 S. Cataract Avenue	3,456	1st	6/1/2020	New	\$1.10	Asking
6	464 S. Cataract Avenue	1,536	1st	6/1/2020	New	\$0.95	Asking
4	2222-2308 W. 2nd Street	1,100	1st	4/28/2020	New	\$1.05/mg	Asking
7	20425-20427 Valley Blvd.	6,480	1st	4/22/2020	New	\$1.10/ig	Starting

# TRAFFIC COUNT



Daily Traffic Counts:

- ▲ Up 6,000 / Day
- ▲ 6,001 - 15,000
- ▲ 15,001 - 30,000
- ▲ 30,001 - 50,000
- ▲ 50,001 - 100,000
- ▲ Over 100,000 / Day

**1**  
**373,009**

2022 Est Daily Traffic Counts

Street: Pomona Fwy  
Cross: Orange Fwy  
Cross Dir: SW  
Dist: 0.28 miles

**2**  
**348,000**

2018 Est Daily Traffic Counts

Street: 60  
Cross: Orange Fwy  
Cross Dir: E  
Dist: 0.1 miles

**3**  
**346,709**

2022 Est Daily Traffic Counts

Street: 60  
Cross: Grand Ave  
Cross Dir: NE  
Dist: -

**4**  
**330,439**

2022 Est Daily Traffic Counts

Street: 60  
Cross: Pomona Fwy  
Cross Dir: S  
Dist: 0.01 miles

**5**  
**330,439**

2022 Est Daily Traffic Counts

Street: 60  
Cross: Gona Ct  
Cross Dir: S  
Dist: 0.06 miles

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## EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. KW Commercial makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. KW Commercial does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by KW Commercial in compliance with all applicable fair housing and equal opportunity laws. We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.

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