

2700

Sepulveda

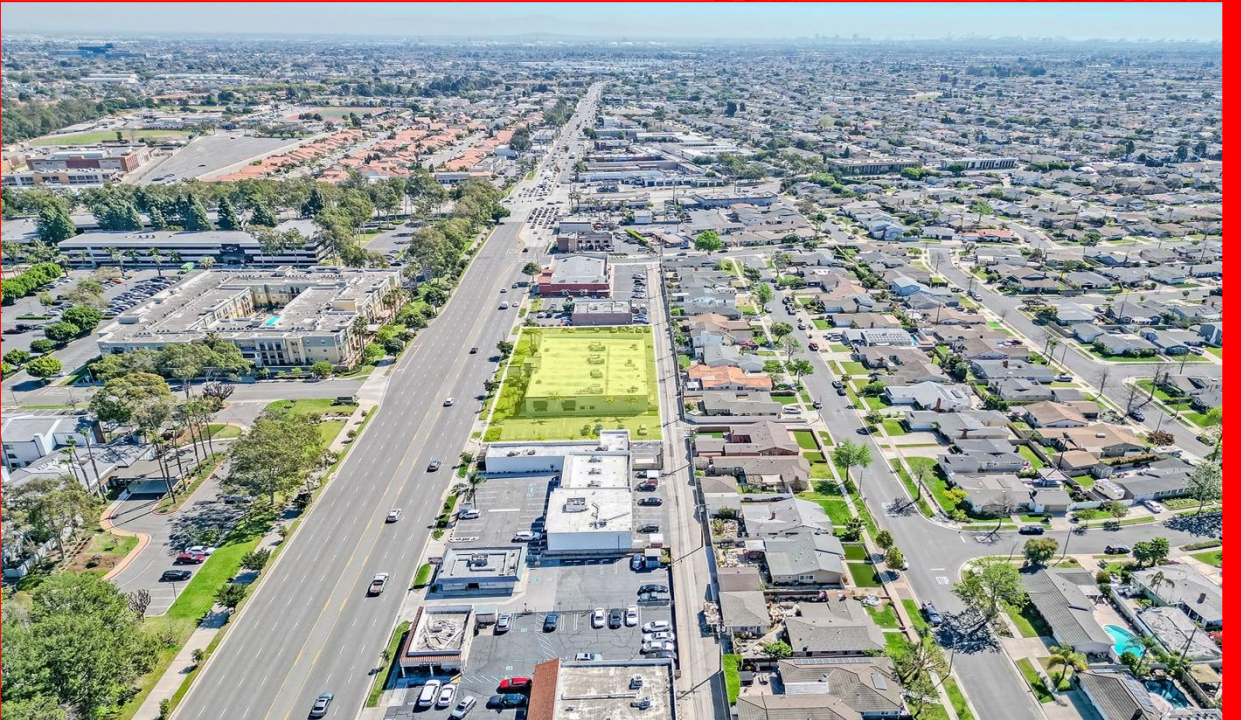
A Prime Asset in the Heart of Torrance Economic Core

ETHAN
ALLEN

Offering Memorandum



2700 Sepulveda Blvd Torrance CA 90505



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DISCLAIMER

This confidential Offering Memorandum constitutes part of the Evaluation Material. It is being given to you for the sole purpose of evaluating the possible acquisition of 2700 Sepulveda Blvd., Torrance, CA (the “Property”), and is not to be used for any other purpose or made available to any other party without the prior written consent of the “Owner” or Keller Williams South Bay (“Broker”).

This Memorandum was prepared by the Broker based on information supplied by the Owner. It contains selected information about the Property and the real estate market but does not contain all the information necessary to evaluate the acquisition of the Property. The financial projections contained herein (or in any other “Evaluation Material”, including any computer diskettes or files distributed to you via email from Broker accessible online through Broker’s website) are for general reference only. They are based on assumptions relating to the general economy and local market, among other factors. Accordingly, actual results may vary materially from such projections. Various documents have been summarized herein to facilitate your review; these summaries are not intended to be a comprehensive statement of the terms or a legal analysis of such documents.

While the information contained in this Memorandum and any other Evaluation Material is believed to be reliable, neither Broker nor Owner guarantees its accuracy or completeness. Because of the foregoing and since the Property will be sold on an “As-Is, Where-Is” basis, a prospective purchaser must make its own independent investigations, projections and conclusions regarding the acquisition of the Property without reliance on this Memorandum or any other Evaluation Material. Although additional Evaluation Material, which may include engineering, environmental or other reports, may be provided to qualified parties as the marketing progresses, prospective purchasers should seek advice from their own attorneys, accountants, and engineering and environmental experts.

Owner expressly reserves the right, at its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time with or without written notice. Owner shall have no legal commitment or obligations to any prospective purchaser unless and until a written purchase and sale agreement has been fully executed, delivered and approved by Owner and any conditions to Owner’s obligations therein have been satisfied or waived. Owner has retained Broker as its exclusive broker and will be responsible for any commission due to Broker in connection with a sale of the Property pursuant to a separate agreement. Broker is not authorized to make any representation or agreement on behalf of Owner. This Memorandum is the property of the Owner and Broker and may be used only by parties approved by the Owner and Broker. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone.

Table of Contents

Disclaimer

Executive Summary

Property Overview

Information

Details

Lease Abstract

Area Overview

City of Torrance

Executive Summary

Keller Williams South Bay is pleased to present the opportunity to acquire 2700 Sepulveda Blvd., Torrance, CA—an approximately 18,000 SF freestanding commercial building situated on ±42,253 SF of TOCC-GEN zoned land. The property is fully occupied by a single tenant, Ethan Allen, offering stable tenancy.

Strategically located in the economic core of Torrance, the asset benefits from exceptional visibility, strong retail presence, and proximity to a dense mix of residential communities and established amenities, making it a highly attractive investment opportunity.

Ethan Allen

Ethan Allen Interiors Inc. is an American manufacturer and retailer of home furnishings, incorporated in Delaware with executive offices in Denbury, Connecticut. As of June 30, 2023, the company reported net annual sales of \$791.4 million.

As of June 30, 2023, Ethan Allen operates 139 retail design centers, with 135 located in the United States and four in Canada. Additional design centers are operated by independent licensees located in the U.S., Asia (including the Middle East), and Europe.

The company manufactures approximately 75% of its products in North America across 11 facilities in the U.S.,

The company was founded as a housewares manufacturer in 1932 by Theodore Baumritter and his brother-in-law Nathan S. Ancell.

PROPERTY OVERVIEW

Property Information

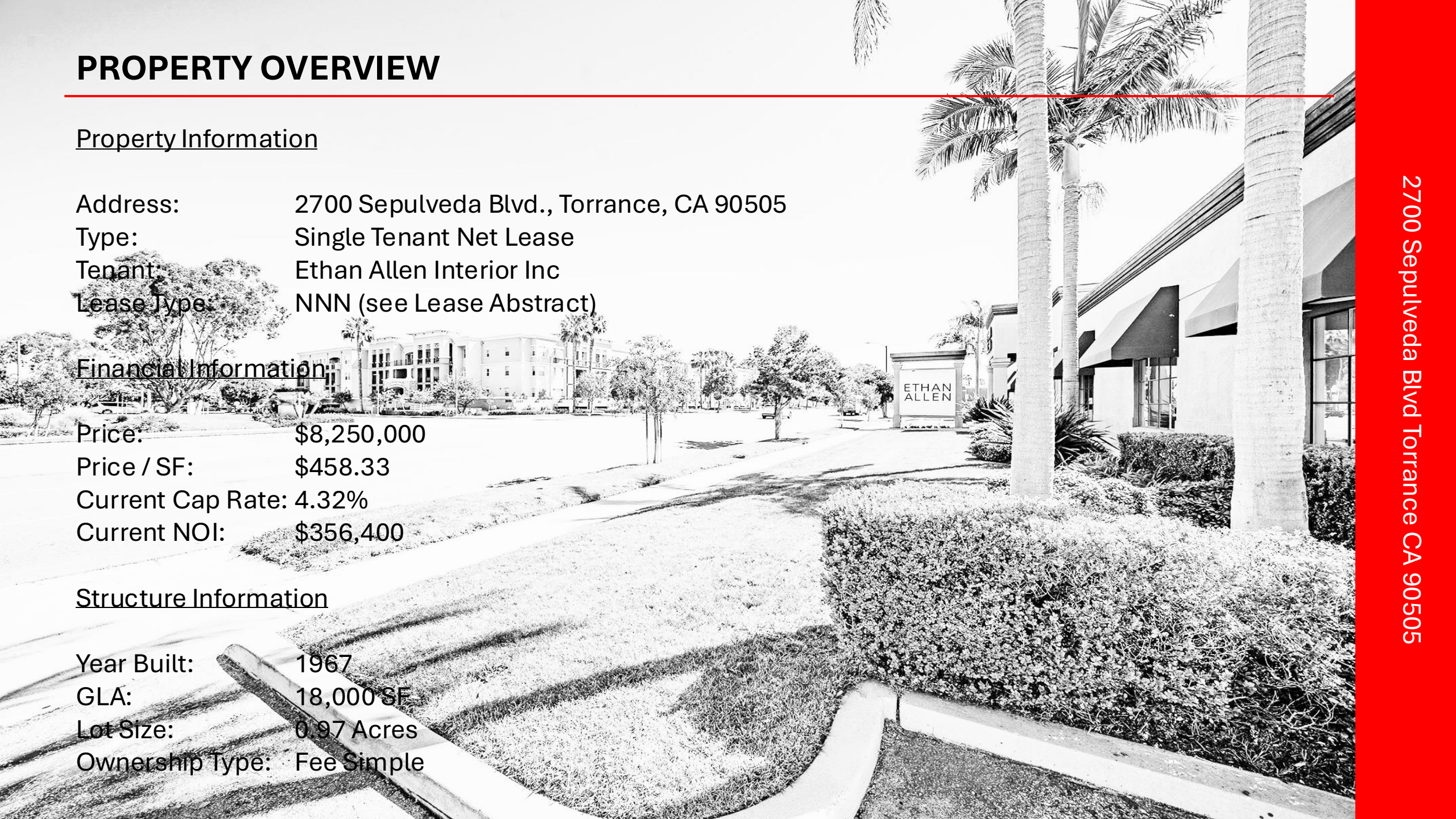
Address: 2700 Sepulveda Blvd., Torrance, CA 90505
Type: Single Tenant Net Lease
Tenant: Ethan Allen Interior Inc
Lease Type: NNN (see Lease Abstract)

Financial Information

Price: \$8,250,000
Price / SF: \$458.33
Current Cap Rate: 4.32%
Current NOI: \$356,400

Structure Information

Year Built: 1967
GLA: 18,000 SF
Lot Size: 0.97 Acres
Ownership Type: Fee Simple



Property Details

Pricing Overview

Price	\$8,250,000
CAP Rate	4.32%
Price / SF	\$458.33
Rental Increase	10% every 5 years
Lease Commencement	Jan. 1, 2020
Lease Expiration	Jan. 1, 2030
Lease Type	NNN

Offering Overview

APN	7379-001-037
Lot Size	42,336 SF
Parking Spaces	42
Parking Ratio	2.33 / 1,000 SF
Zoning	TOCC-GEN
Construction	Masonry
Traffic Count	85,000 VPD

Rent Summary

YEAR	ANNUAL RENT	MONTHLY RENT	ANNUAL RENT / SF	MONTHLY RENT / SF	CAP RATE
2025-2029	\$356,400	\$29,700	\$19.80	\$1.65	4.32%
2030-2034 (1 st Option)	\$392,040	\$32,670	\$21.78	\$1.82	4.75%
2035-2039 (2 nd Option)	\$431,244	\$35,937	\$23.96	\$2.00	5.23%

\$ 4.32%
Cap Rate



Land
42,336 SF



\$356,400
NOI



475,000
5 miles radius



1/4 Households
over \$200K buying power

Lease Abstract

Tenant: Ethan Allen Interior Inc
Lease Type: NNN

Lease

Commencement: Original lease signed in 1967 – 10-Year extension / January 2020.
Lease Expiration: January 1, 2030
Rent Increase: 10% Every 5 years
Options: Two 5-year options with 10% increases

Early Termination: Tenant has the one time right to terminate at the expiration of the 90th month of the lease Term if sales in Year 7 (Months 73-84) are less than 4.8 Million. Said right to terminate must be exercised within 120 days prior to the 90th month of the lease. If tenant fails to timely deliver the termination notice, then the termination right shall automatically expire.

Maintenance: Tenant, at Tenant's sole cost and expense, shall maintain the Building and the Property in good condition, and shall make and pay for all repairs necessary to keep the Building and Property in such condition including, but not limited to, utility facilities and systems exclusively serving the Building, the parking lot (slurry coating, re-sealing and/or re-striping, as needed, but not less than once every three (3) years), plumbing and electrical systems located within and exclusively serving the Building, floor coverings, interior walls and ceilings, life safety systems, non-structural components of the roof (unless such roof repairs are covered by the roof warranty), HVAC System (as defined below), painting (for both the Building and the cinder block wall located on the Premises), landscaping, gutters and downspouts, and drainage retention areas. At all times during the Lease Term, Tenant, at Tenant's sole cost and expense, shall contract with a service company approved by Landlord for the regular (but not less frequently than semi-annually) inspection, maintenance and repair of the heating, ventilating and air conditioning equipment serving the Building (the "HVAC System"), the roof, and the parking lot.

Lease Abstract & Capital Improvements

- Landlord Responsibilities:** Except as otherwise required by, Landlord shall, at its own cost and expense, maintain in good condition and repair and replace the structural elements of the Building and shall replace all building systems as such time as reasonably required and provided such systems are regularly inspected, maintained and repaired by Tenant. "Structural elements" shall mean the exterior and structural roof, including waterproof, weathertight membrane, exterior walls (except show window glass), structural supports, and the foundation of the Building. Landlord shall be responsible for replacement of HVAC units that cannot adequately be serviced to provide satisfactory thermal control and for replacement of building envelope systems.
- Sales Reporting:** Tenant shall provide Landlord with statements of Net Delivered Sales on a semi-annual basis showing monthly Net Delivered Sales. Such statements shall be provided by Tenant to Landlord within thirty (30) days after the end of each six (6) month period during the Lease term.
- Roof / Parking Lot:** In 2018 a complete tear off old roof and a new roof was installed and includes a 20-year material warranty and an 8 Year workmanship warranty. The roof was installed with a 60 MIL membrane as opposed to 36 MIL. The parking lot was completely overhauled in 2018 with all needed patchwork and then paved with 1.5 inches of new asphalt over Petromat fiber. The job also included the restriping of all parking stalls, repainting of handicap stalls and the installation of a new handicap ramp.



City of Torrance

Torrance is a coastal city in the South Bay region of Los Angeles County, California. It is immediately bordered by Lomita to the east, Gardena and Lawndale to the north, Redondo Beach and the Pacific Ocean to the west, and Rolling Hills and Palos Verdes Estates to the south. Torrance consistently ranks among the safest cities in Los Angeles County.

Spanning over 2.5 million square feet of shopping space, the Del Amo Fashion Center has been a major consumer draw in Torrance for nearly 50 years and is one of the five largest malls in the United States. In addition, the city's highly trafficked arterial thoroughfares have attracted globally recognized luxury brands.

Due to the easy access to port facilities and the Los Angeles International Airport (LAX) a broad spectrum of industries are based in Torrance. Honda Motor Company, Exxon Mobil, Torrance Medical Center, Honda R&D Americas, Honeywell Aerospace, Robinson Helicopter Company, and King's Hawaiian bakery are among the top employers in the city.

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Offering Memorandum



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REALTY

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