

2010 E VALLEY PARKWAY ESCONDIDO, CALIFORNIA

FOR SALE - ABSOLUTE NNN LEASE WITH 10+ LEASE YEARS REMAINING



BRAND-NEW VA HOSPITAL SERVING DENSE RESIDENTIAL

THE OFFERING

Retail Insite is pleased to present to investors an opportunity to acquire a freestanding retail/medical building leased on an Absolute NNN basis to Sterling Medical Associates, Inc. (Sterling), a successful healthcare services provider that was awarded the governmental contract to build and operate a VA Hospital on site. Signing a brand new 11 year lease, Sterling has expended substantial capital into the project, transforming the building into a first-class medical hospital. In addition to the Base Term, Sterling has two (2) 11-year Options to Renew.

As an Absolute NNN Lease, this investment affords an investor zero Landlord Responsibilities while providing ease of ownership and stable cash flow. Showcasing the tenant's desire for this location, they've agreed to annual increases of three percent (3%), enabling compounding rental growth and yield throughout ownership of the asset.

Located at 2010 E Valley Parkway along the main commercial arterial in Escondido, California, the site boasts excellent visibility along the corridor and full ingress and egress to the signalized intersection. Situated amongst dense residential neighborhoods and daily needs retail projects, the VA Hospital is well-positioned to service the greater Escondido community. As a submarket in North San Diego County, Escondido boasts the 4th largest population at 155,000 residents and is located within close proximity to both Interstate 15 and Highway 78.





Pricing Details

List Price	\$9,850,000
CAP Rate	4.75%
NOI	\$468,414
Taxes	NNN
Insurance	NNN
CAM	NNN
Building SF	20,100 SF
Parcel Size	60,984 SF 1.40 acres

Lease Abstract

Tenant	Sterling Medical Associates, Inc.
Lease Start	July 26, 2025
Lease Expiration	July 31, 2036
Additional Income	\$18,000
Base Rent	\$459,606
Rental Adjustments	3% Annually
Option Periods	Two 11-year Options
Lease Type	Absolute NNN Lease
Roof & Structure	Tenant Responsible

INVESTMENT HIGHLIGHTS

- Single Tenant Absolute NNN Lease: VA Hospital backed by strong Healthcare Operator
- Favorable Lease Terms: 11 year lease with Three Percent (3%) Annual Increases and Built-in Management Fee
- Zero Landlord Responsibilities: Tenant responsible for all aspects of the project
- Inflation and Recession Resistant Use: Medical Office
- Strong Site Fundamentals: Freestanding building, ample parking, prominent signage, signalized intersection
- Well-Situated in Trade Area: Close proximity to Walmart, Home Depot, ROSS, Ralphs, VONS, Vallarta, Grocery Outlet, and more
- Demographics: Dense Residential, 4th largest population in San Diego County

TRADE AERIAL ESCONDIDO, CA

Nearby medical centers,
urgent care, and hospitals:



Valley Parkway
Health Center



2010
E. VALLEY PARKWAY,
ESCONDIDO, CA


FINANCIAL ANALYSIS											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Start Date	Jul-25	Jul-26	Jul-27	Jul-28	Jul-29	Jul-30	Jul-31	Jul-32	Jul-33	Jul-34	Jul-35
GROSS REVENUE											
Base Rent		\$459,606.60	\$473,394.80	\$487,596.64	\$502,224.54	\$517,291.28	\$532,810.02	\$548,794.32	\$565,258.15	\$582,215.89	\$599,682.37
Vacancy Factor		\$(9,192.13)	\$(9,467.90)	\$(9,751.93)	\$(10,044.49)	\$(10,345.83)	\$(10,656.20)	\$(10,975.89)	\$(11,305.16)	\$(11,644.32)	\$(11,993.65)
Management Fee*		\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00
Expense Recovery		\$129,136.37	\$114,583.10	\$116,874.76	\$119,212.25	\$121,596.50	\$124,028.43	\$126,509.00	\$129,039.18	\$131,619.96	\$134,252.36
Effective Gross Revenue		\$597,550.84	\$596,510.00	\$612,719.47	\$629,392.30	\$646,541.95	\$664,182.25	\$682,327.43	\$700,992.16	\$720,191.53	\$739,941.08
OPERATING EXPENSES											
CAM**		\$16,800.00									
Property Taxes		\$100,286.37	\$102,292.10	\$104,337.94	\$106,424.70	\$108,553.19	\$110,724.26	\$112,938.74	\$115,197.52	\$117,501.47	\$119,851.50
Insurance		\$12,050.00	\$12,291.00	\$12,536.82	\$12,787.56	\$13,043.31	\$13,304.17	\$13,570.26	\$13,841.66	\$14,118.50	\$14,400.87
Total Operating Expenses		\$129,136.37	\$114,583.10	\$116,874.76	\$119,212.25	\$121,596.50	\$124,028.43	\$126,509.00	\$129,039.18	\$131,619.96	\$134,252.36
NET OPERATING INCOME		\$468,414.47	\$481,926.90	\$495,844.71	\$510,180.05	\$524,945.45	\$540,153.82	\$555,818.43	\$571,952.98	\$588,571.57	\$605,688.72
CAP RATE		4.75%	4.89%	5.03%	5.17%	5.32%	5.48%	5.64%	5.80%	5.97%	6.14%
*Tenant pays Management Fee of \$1500 per month as additional income											
**Owner pays into CC&R CAM pool, but CAM pool is set to expire at end of 2025											

TENANT OVERVIEW

Sterling Medical Associates, Inc is a healthcare services and staffing provider headquartered out of Cincinnati, Ohio. They offer a wide array of healthcare staffing and consulting services, as well as governmental contracting via GSA, HHS, DoD, Veterans Affairs, and others.

Established in 2006, they’ve been awarded hundreds of contracts valued in excess of \$1.1 Billion. At the subject site, they were awarded the contract for a VA Hospital.



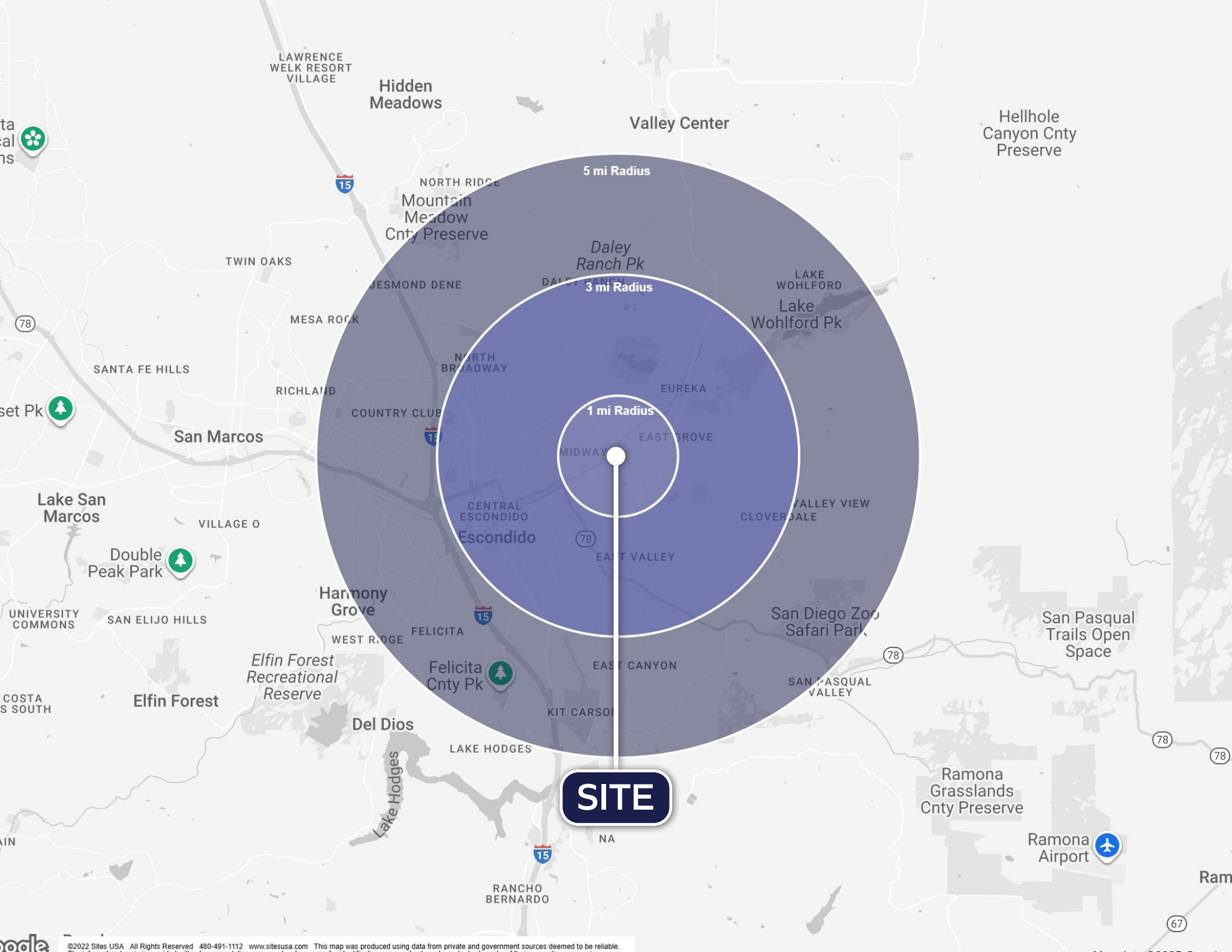


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LOCATION OVERVIEW

Escondido is a city in northern San Diego County, just east of the 78 Corridor comprising neighboring cities of San Marcos, Vista, and Oceanside. As an established city, Escondido has benefited from stable growth in both residential and commercial product over the years. Boasting a general population of 155,000 residents, Escondido is the fourth-most populous city in San Diego County, which comprises multiple cities and 3.3 Million residents. As a Southern California city, Escondido benefits from year-round temperate weather and sits just 12 miles from the Pacific Ocean coastline and 25 miles north of downtown San Diego.





DEMOGRAPHICS OVERVIEW

	5 MINUTES	10 MINUTES	15 MINUTES
Total Population	33,695	119,089	175,901
Total Businesses	626	3,784	6,852
Total Employees	4,932	27,763	55,029
Average Household Income	\$99,196	\$113,245	\$128,988
Median Household Income	\$82,488	\$91,639	\$103,292
Total Households	10,320	37,286	57,624
Median Age	33.8	34.8	37.2

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2010 E VALLEY PARKWAY

ESCONDIDO, CALIFORNIA

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