



# FOR SALE

SINGLE TENANT NET-LEASED RESTAURANT PROPERTY



4300 EAST WATERLOO, STOCKTON, CA 95215

- RARE, SINGLE TENANT RESTAURANT PROPERTY
- TENANT HAS OCCUPIED BUILDING FOR 24 YEARS
- FANTASTIC IDENTITY & VISIBILITY ON HIGHWAY 88
- EXCELLENT LOCATION NEAR HIGHWAYS 99 AND 88
- NNN LEASE WITH NO LANDLORD RESPONSIBILITY
- MULTIPLE USES & FLEXIBLE COMMERCIAL ZONING

**OFFERED AT**

**\$1,200,000**

**7.05% CAP RATE**

**SHAWN WILLIS**

INCOME PROPERTY SERVICES A.G.

1343 Locust Street, Suite 205

Walnut Creek, CA 94596

BRE # 01095619

**925.988.0502**

**Shawn@IPSrealestate.com**



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## SINGLE TENANT NET-LEASED PROPERTY FOR SALE

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### INVESTMENT OFFERING

**PRICE** \$1,200,000  
**LEASE EXPIRATION** 12/31/2016 (3) 5-year options  
**INCREASES** 3% Fixed, Annual Increases  
Including Option Periods

**CAP RATE** 7.05%  
**TENANT** Perko's Café  
**BUILDING** 3,350 ± SQ. FEET  
**LOT** 40,075 ± SQ. FEET

### TENANT OVERVIEW

Perko's Farm Fresh is family restaurant that caters to local tastes. Trying to keep the competitive edge, they serve traditional meals as well as offering more innovative selections. They're known for using only the freshest produce and livestock from the Central Valley, and their doors are open seven days a week from 6:00 am to 9:00 pm.

In addition to Perko's Café, BRG (Brook Restaurant Group) also offers franchises for Huckleberry's and Cool Hand Luke's.



### HIGHLIGHTS

Address	4300 E. Waterloo Road, Stockton, CA 95215-2334
Building square feet	3,350 ±
Lot size	40,075 s.f. (.92 Acres ±)
Year built	1980
APN	101-180-33
Description	Single story, single-tenant restaurant building
Parking	58+ on site spaces
Roof	Flat with decorative mansard
HVAC	Multiple, roof mounted units

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### LEASE SUMMARY

<b>TENANT</b>	Ernest Federico (franchisee of Perko's Café)
<b>INITIAL OCCUPANCY</b>	1991
<b>LEASE TERM</b>	January 1, 2012 – December 31, 2016
<b>RENEWAL OPTIONS</b>	Three (3) for a period of Five (5) Years Each
<b>LEASE TYPE</b>	Absolute Triple-Net (NNN)
<b>RENT</b>	\$7,426 monthly / \$89,112 annually
<b>RENT INCREASES</b>	Fixed, 3% annual increases on anniversary date (including all option periods)
<b>EXPENSES</b>	Tenant is responsible for all expenses related to the operation of the property including property taxes, insurance, repairs, and maintenance.
<b>TENANTS RIGHT TO PURCHASE</b>	None



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### INCOME & EXPENSE ANALYSIS

RENTAL INCOME	APPROX. SQUARE FEET	CURRENT BASE RENTS	CURRENT RENT/SQ FT
<i>Perko's Café</i>	<b>3,350</b>	\$7,426	\$2.22
<b>TOTALS</b>	<b>3,350</b>	\$7,426	\$2.22
INCOME			
MONTHLY RENT		\$7,426	
ANNUAL RENT		\$89,116	
VACANCY/BAD DEBT	5.00%	(\$4,456)	
GROSS RENT		\$84,660	
NNN Recapture [1]		\$0	
<b>TOTAL INCOME</b>		<b>\$84,660</b>	
EXPENSES			
GROUND MAINTENANCE	Tenant	\$0	
INSURANCE	Tenant	\$0	
OFF-SITE MANAGEMENT	Tenant	\$0	
PROPERTY TAXES	Tenant	\$0	
LEVIES AND ASSESSMENTS	Tenant	\$0	
REPAIRS & MAINTENANCE	Tenant	\$0	
REPLACEMENTS	Tenant	\$0	
PG&E	Tenant	\$0	
WATER	Tenant	\$0	
TRASH	Tenant	\$0	
MISCELLANEOUS	Tenant	\$0	
<b>TOTAL EXPENSES</b>		<b>\$0</b>	<b>0.00</b>
<b>NET OPERATING INCOME</b>		<b>\$84,660</b>	
DEBT SERVICE		(\$52,026)	
PRE-TAX CASH FLOW		\$32,634	
PRINCIPAL PAY-DOWN		\$17,279	
<b>TOTAL PRE-TAX RETURN</b>		<b>\$49,913</b>	
CAP RATE			
CAP RATE		7.05%	
PRICE PER SQUARE FOOT		\$358.21	
CASH ON CASH		7.8%	
TOTAL PRE-TAX RETURN		11.9%	
PURCHASE PRICE		\$1,200,000	
DOWN PAYMENT		\$420,000	35%
PROPOSED NEW FIRST [2]		\$780,000	65%

[1] NNN with no landlord responsibility

[2] 1.3 Debt coverage ratio, 4.5% interest rate, 25 year amortization, 65% maximum LTV

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### RENT COMPARABLES & PHOTOS



<b>SUBJECT PROPERTY</b> <b>Perko's Café</b> 4300 E Waterloo Road Stockton, California	\$7,426 3,350 square feet \$2.22/sf/month NNN
<b>Former Krispy Kreme</b> 7860 West Lane Stockton	2,330 s.f. \$3.00/s.f. NNN (on market)
<b>College Square</b> 1243 W. March Lane Stockton	1,539 s.f. \$2.50/s.f. NNN (on market)
<b>Eastland Plaza</b> 678 N. Wilson Way Stockton	1,200 s.f. \$2.00/s.f. NNN (on market)
<b>Arby's</b> 745 W. Clover Road Tracy	2,111 s.f. \$2.39/s.f. NNN (completed lease)
<b>Taco Bell</b> 6425 W. Banner Lane Lodi	2,800 s.f. \$3.00/s.f. NNN (completed lease)
<b>Taco Bell</b> 16905 S. Harlan Road Lathrop	2,448 s.f. \$2.66/s.f. NNN (completed lease)



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### RENT COMPARABLES MAP





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### SALES COMPARABLES

ADDRESS	SALE PRICE	SQUARE FEET	PRICE/SQ FOOT	CAP RATE	SOLD	BUILT	COMMENTS
6425 W Banner Ave Lodi	\$1,325,000	2,800	\$473.21	7.25%	12/31 2014	1995	20 year franchise tenant (Taco Bell) with 3 years remaining and multiple options near intersection of I-5 and Highway 12.
2052 W Orangeburg Ave Modesto	\$1,565,000	3,968	\$394.41	6.10%	10/1 2014	1967	Single tenant (Denny's), leased from March 23, 1967 to February 28, 2017. 34,412 s.f. lot size.
16905 E. Harlan Rd Lathrop	\$1,350,000	2,448	\$551.47	5.49%	5/14 2014	1990	Single tenant (Taco Bell), close to Highway 99. Pylon sign and franchisee in place since 1990.
4327 E Waterloo Rd Stockton	\$720,000	2,618	\$275.02	N/A	9/17 2013	N/A	Single tenant (Taco Bell), close to Highway 99 and frontage along frontage along Highway 88. 26,136 s.f. lot size.
745 W Clover Rd Tracy	\$855,000	2,111	\$405.02	6.73%	5/10 2013	N/A	Single tenant (Arby's), located off I-205 in Tracy. 29,888 s.f. lot size. Long term, guaranteed lease in place.
AVERAGES	\$1,163,000	2,789	\$419.83	6.39%			
4300 E. Waterloo Rd Stockton	\$1,200,000	3,350	\$358.21	7.05%	New	1980	Single tenant Perko's Café with outstanding frontage along Highway 88. Excellent location near Highways 99 and 88. Same franchisee in place for 24 years. NNN lease with no landlord responsibility.

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**SALES COMPARABLES PHOTOS**



**SUBJECT PROPERTY**  
**Perko's Café**  
4300 E Waterloo Road  
Stockton



6425 W Banner Avenue  
Lodi



2052 W Orangeburg Avenue  
Modesto



16905 E. Harlan Road  
Lathrop



4327 E Waterloo Road  
Stockton



745 W Clover Road  
Tracy





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### SALES COMPARABLES





The map displays the San Francisco Bay Area and the Central Valley of California. Major cities shown include San Francisco, Berkeley, Richmond, Vallejo, San Rafael, Concord, Antioch, Stockton, and Modesto. A blue callout box points to a location in Stockton, CA, with the text "SUBJECT PROPERTY PERKO'S CAFÉ STOCKTON, CA". The Perko's Café logo is also visible in the upper right corner of the map.

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### LOCATION OVERVIEW



SUBJECT PROPERTY  
PERKO'S CAFÉ  
STOCKTON, CA



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**PARCEL MAP**

