

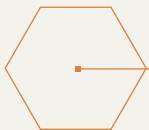


OWNER/USER OR INVESTMENT OPPORTUNITY

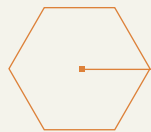
HILLTOP CENTER

14,570 SF Office/Retail

2920-2928 HILLTOP MALL RD. RICHMOND, CA



CBRE



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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

Disclaimer

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EXECUTIVE SUMMARY

CBRE Inc., as the exclusive advisor to the seller, is pleased to bring to market the opportunity to acquire Hilltop Center, located at 2920-2928 Hilltop Mall Rd, Richmond, Ca. Hilltop Center is a 14,570 sf Office/Retail complex, comprised of two buildings on two separate parcels. The property offers stable tenants, excellent visibility and signage as well as an unequaled location across from the Hilltop Mall, now known as Hilltop By The Bay, a 1.2 million square foot shopping center under redevelopment.

Hilltop Center is currently leased to two long term tenants that occupy 100% of the rear building. The front and most visible building is available and demised for multiple tenants, owner/user, or can be combined to offer one space measuring 9,590 sf.

Strong Submarket Fundamentals

Hilltop Center is one of the only available Office or Retail properties in direct proximity to the redevelopment of Hilltop By The Bay.

Outstanding Yields

The property generates strong cashflow and offers an attractive upside. At only 34% occupancy, current in place NOI is \$210,000 with long term leases from a licensed cannabis tenant.

Rental Upside

Opportunity to almost double the rental income with lease up of the currently vacant space. See projections provided on page 10.

Discount to Replacement Cost

Current cost to replace the land and existing improvements are estimated to be substantially higher, thus providing the new owner substantial rental protection.





INVESTMENT HIGHLIGHTS:

\$210,000 Current NOI with $\pm 9,590$ SF in superior, street-facing building vacant for tenant or owner/user.

Adjacent to the Re-Imagined “Hilltop By The Bay” (former Hilltop Mall)

2920-2928 Hilltop Mall Road provides owners the opportunity to take advantage of the East Bay’s largest retail/mixed-use redevelopment project prior to completion.

Properties Being Sold Together

Parcel recently split to allow ownership flexibility and exit strategies.

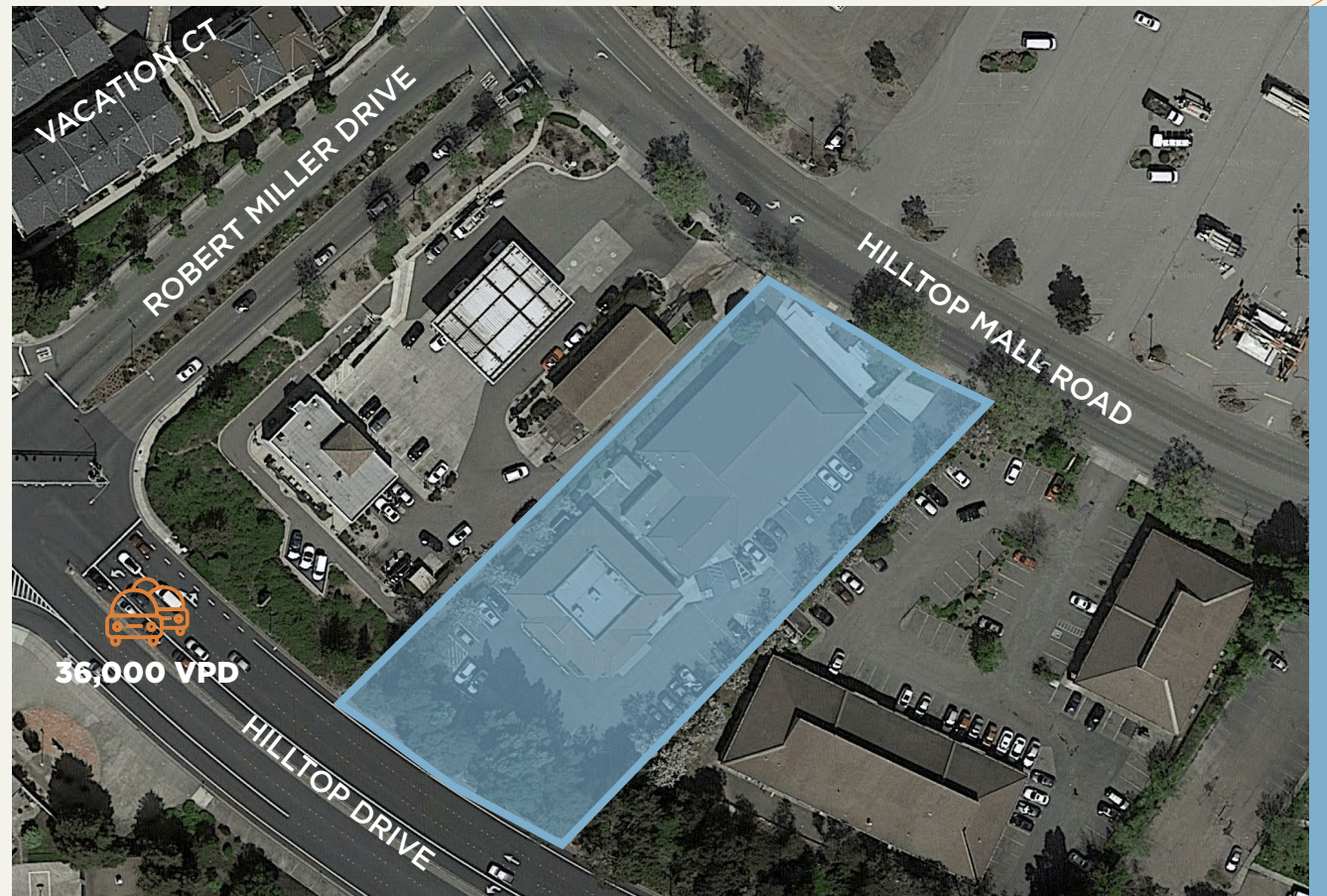
Excellent Street Frontage Across from Walmart

With premier signage opportunity.

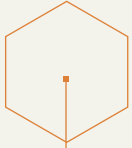




PROPERTY SUMMARY



Address:	2920-2928 Hilltop Mall Rd	Number of Buildings:	2
City:	Richmond	Floors:	1
County:	Contra Costa	Parking Ratio:	3.4/1,000
Parcel Number:	405-302-012-1 (A&B)	Current Zoning:	CM-5 Commercial Mixed-Use, Activity Center with Cannabis Approved
Net Rentable Area:	±14,570 SF	FAR	0.17
Land Acres Common Area:	1.20 / 2 Parcels		
Year Built/Renovated:	2006/2014		



Properties being sold together.
Parcel recently spilt to allow
ownership flexibility and exit strategies.

REAR BUILDING 100% OCCUPIED

Richmond Investment Partners–Office ±1,580 SF \$3,900.00/NNN

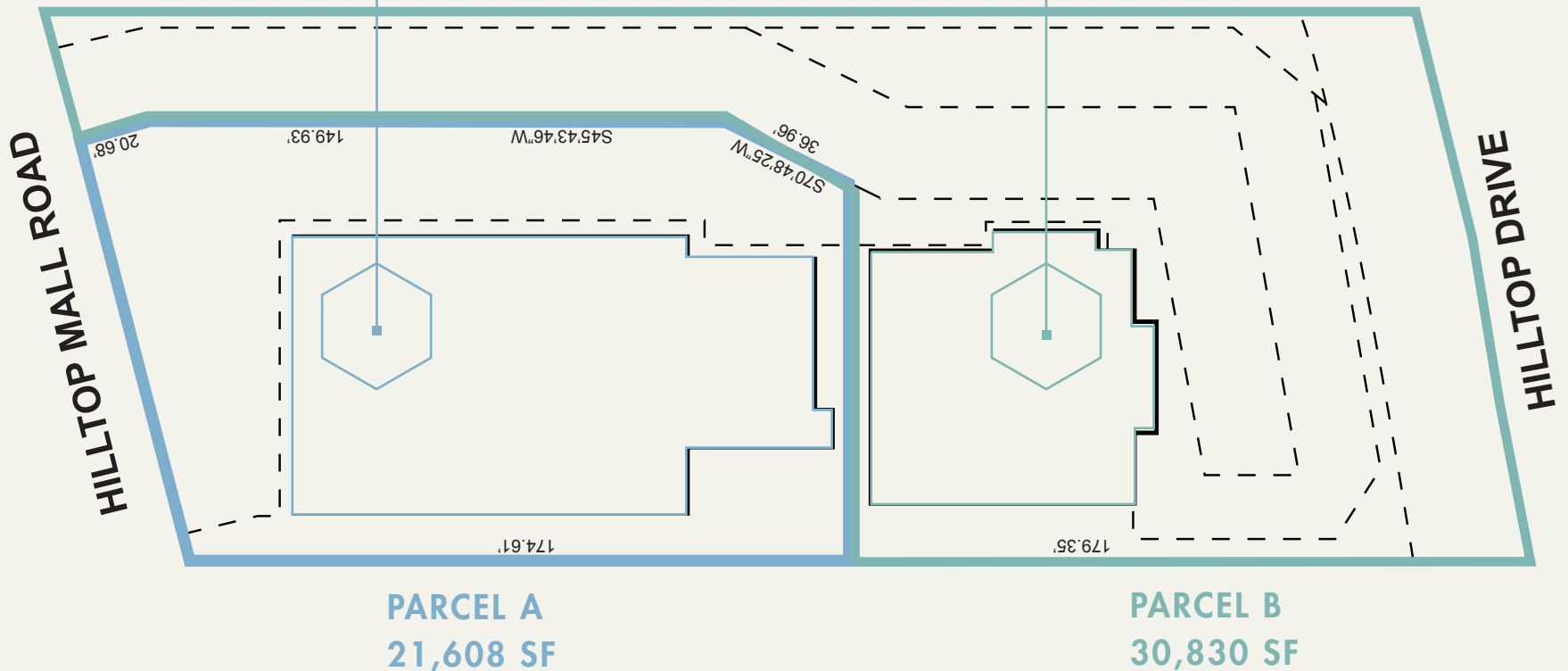
10% bumps every 5 years | 10 year term | 2/2016 | 2–5 year options at 10% increase

Hilltop Community Partners, LLC – Medical/Retail ±3,400 SF \$13,600.00/NNN

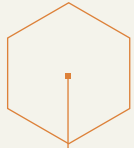
10% bumps every 5 years | 10 year term | 2/2016 | 2–5 year options at 10% increase

FRONT BUILDING: VACANT

±9,590 SF







Located adjacent to the highly anticipated redevelopment of Hilltop By The Bay (formerly Hilltop Mall), 2920-2928 Hilltop Mall Rd ensures the ownership of high tenant demand, increasing rents and getting into the market at the beginning stages of the transformation.



Hilltop By The Bay is quickly evolving to emerge as a super-regional walkable, mixed-use village that will bring this trade area a new, vibrant and flourishing community destination with shopping, dining, entertainment, office, as well as a hotel and 3,500+ residential units (planned).

PRIME EAST BAY LOCATION

Prominently located in a prime traffic corridor off Interstate 80 in Richmond, CA, just 20 miles northeast of San Francisco, Hilltop By The Bay is easily accessible via major roadways and public transportation. In addition, a 28-minute ferry service now connects the center to Downtown San Francisco, promising to further drive demand for office, retail and residential growth as well as greatly increase opportunities for consumer footsteps.



LBG Real Estate Companies (LBG) acquired Hilltop Mall, now known as Hilltop By The Bay, in July of 2017 and is proudly transforming the asset to become a contemporary live, dine and shop destination for the East Bay region.

Inspired by the property's second-to-none location on a 77-acre site, advantageously positioned and entitled to serve a dynamically growing region, reimagination efforts include a unique and culturally-curated remerchandising strategy; major interior and exterior renovation work; new and dynamic wayfinding; and the updating of community gathering spaces. LBG's investments in the project will result in the revitalization of The Shops at Hilltop, a core component of the Hilltop By The Bay masterplan.



OUTLET &
VALUE RETAIL



DINING



ENTERTAINMENT



OFFICE USE



HOTEL



3,500+
RESIDENTIAL UNITS

HILLTOP BY THE BAY IS ZONED FOR UP TO 16.7 MILLION SQUARE FEET OF OCCUPIED BUILDING AREA

CASH FLOW PROJECTIONS

	SF	2019	2020	2021 [1]	2022	2023	2024	2025
Physical Occupancy		34.18%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<i>Existing Tenants</i>								
A100 (\$2.47 PSF NNN)	1,580	\$46,800	\$46,800	\$51,090	\$51,090	\$51,090	\$51,090	\$51,090
A101 (\$4.00 PSF NNN)	3,400	\$163,200	\$163,200	\$168,460	\$168,460	\$168,460	\$168,460	\$168,460
In Place Rent	4,980	\$210,000	\$210,000	\$219,550	\$219,550	\$219,550	\$219,550	\$219,550
<i>Vacant Space [2]</i>								
B101	1,500	\$0.00	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239
B102	1,500	\$0.00	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239
B103	6,590	\$0.00	\$122,179	\$125,844	\$129,619	\$133,508	\$137,513	\$141,638
Proforma Rent	9,590	\$0.00	\$177,799	\$183,133	\$188,627	\$194,285	\$200,114	\$206,117
Calendar 2019								
REVENUES	\$/SF/YR							
Scheduled Base Rent								
Gross Potential Rent	14.41	210,000	387,799	402,683	408,177	413,835	419,664	425,667
Total Scheduled Base Rent	14.41	210,000	387,799	402,683	408,177	413,835	419,664	425,667
Expense Recoveries [3]	3.29	48,000	45,937	46,566	47,205	47,854	48,512	49,181
TOTAL GROSS REVENUE	17.71	258,000	433,736	449,249	455,382	461,689	468,176	474,848
General Vacancy Loss [4]	0.00	0.00	(19,390)	(20,134)	(20,409)	(20,692)	(20,983)	(21,283)
EFFECTIVE GROSS REVENUE	17.71	258,000	414,346	429,115	434,973	440,997	447,193	453,565
OPERATING EXPENSES								
CAM	(0.53)	(7,740)	(7,895)	(8,053)	(8,214)	(8,378)	(8,546)	(8,716)
Insurance	(0.61)	(8,890)	(9,068)	(9,249)	(9,434)	(9,623)	(9,815)	(10,012)
Real Estate Taxes	(1.97)	(28,688)	(28,975)	(29,265)	(29,557)	(29,853)	(30,151)	(30,453)
TOTAL OPERATING EXPENSES	(3.11)	(45,318)	(45,937)	(46,566)	(47,205)	(47,854)	(48,512)	(49,181)
NET OPERATING INCOME	14.60	212,682	368,409	382,548	387,768	393,144	398,681	404,384

[1] 10% rent increase commences 2/1/21

[2] Assumes \$1.50 PSF NNN in 2019 with 3% rent increases

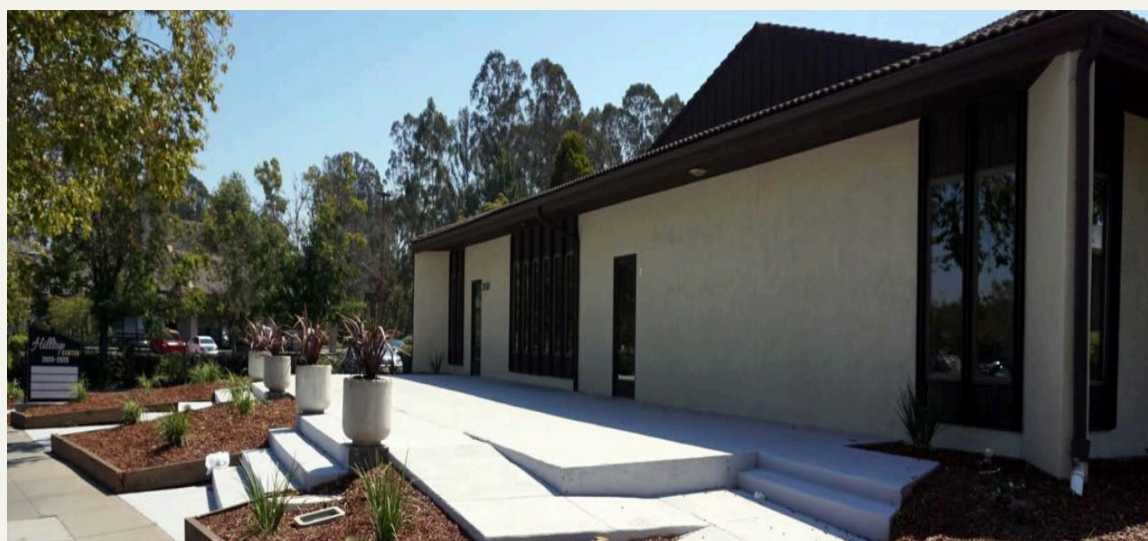
[3] Existing tenants pay \$4,000/month

[4] Assumes 5% loss on Total Scheduled Base Rent

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

NET OPERATING INCOME

	Month Ending 1/31/19	Month Ending 2/28/19	Month Ending 3/31/19	Month Ending 4/30/19	Month Ending 5/31/19	Month Ending 6/30/19	Month Ending 7/31/19	Month Ending 8/31/19	Month Ending 9/30/19	Month Ending 10/31/19	Month Ending 11/30/19	Month Ending 12/31/19	Totals
Rental Revenue													
Base Rent Income	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	17,500.00	210,000.00
CAM Reimbursement	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
Other Tenant Reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Rental Revenue	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	258,000.00
Total Revenue	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	21,500.00	258,000.00
Operating Expenses													
Utilities													
Electricity & Gas	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	310.00	3,720.00
Water & Sewer	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	1,320.00
Total Utilities	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	420.00	5,040.00
Insurance													
General Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Insurance Expense	-	-	-	-	-	8,890.00	-	-	-	-	-	-	8,890.00
Total Insurance	-	-	-	-	-	8,890.00	-	-	-	-	-	-	8,890.00
Property Taxes													
Real Estate Taxes		14,272.57	-	-	-	-	-	-	14,415.30				28,687.87
Total Property Taxes		14,272.57	-	-	-	-	-	-	14,415.30				28,687.87
Property Improvements													
Plumbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Property Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Property Expense													
Landscape Maintenance	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	2,700.00
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Property Expense	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	2,700.00
Other Operating Expense													
Property Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	645.00	14,917.57	645.00	645.00	645.00	9,535.00	645.00	645.00	645.00	15,060.30	645.00	645.00	45,317.87
Net Operating Income	20,855.00	6,582.43	20,855.00	20,855.00	20,855.00	11,965.00	20,855.00	20,855.00	20,855.00	6,439.70	20,855.00	20,855.00	212,682.13



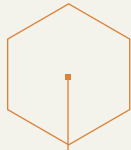
RENT ROLL

SUITE	TENANT	SQUARE FEET	% OF PROPERTY	LEASE TERM		RENTAL RATES				
				BEGIN	END	BEGIN	MONTHLY	PSF	ANNUALLY	PSF
A100	Tenant A	1,580	10.84%	Feb-2016	Feb-2026	Current	\$3,900	\$2.47	\$46,800	\$29.62
						Feb 2021	\$4,290	\$2.72	\$51,480	\$32.58
A101	Tenant B	3,400	23.34%	Feb-2016	Feb-2026	Current	\$13,600	\$4.00	\$163,200	\$48.00
						Feb-2021	\$14,960	\$4.40	\$179,520	\$52.80
B101	VACANT	1,500	10.30%	Jun-2019	May-2024	Jun-2019	\$2,250	\$1.50	\$27,000	\$18.00
						Jun-2020	\$2,318	\$1.55	\$27,810	\$18.54
						Jun-2021	\$2,387	\$1.59	\$28,644	\$19.10
						Jun-2022	\$2,459	\$1.64	\$29,504	\$19.67
						Jun-2023	\$2,532	\$1.69	\$30,389	\$20.26
B102	VACANT	1,500	10.30%	Jun-2019	Jun-2024	Jul-2019	\$2,250	\$1.50	\$27,000	\$18.00
						Jul-2020	\$2,318	\$1.55	\$27,810	\$18.54
						Jul-2021	\$2,387	\$1.59	\$28,644	\$19.10
						Jul-2022	\$2,459	\$1.64	\$29,504	\$19.67
						Jul-2023	\$2,532	\$1.69	\$30,389	\$20.26
B103	VACANT	6,590	45.23%	Aug-2019	Jul-2024	Aug-2019	\$9,885	\$1.50	\$118,620	\$18.00
						Aug-2020	\$10,182	\$1.55	\$122,179	\$18.54
						Aug-2021	\$10,487	\$1.59	\$125,844	\$19.10
						Aug-2022	\$10,802	\$1.64	\$129,619	\$19.67
						Aug-2023	\$11,126	\$1.69	\$133,508	\$20.26
							\$17,500	\$3.51	\$210,000	\$42.17

TOTALS / AVERAGES	14,570	
OCCUPIED SqFt	4,980	34.2%
VACANT SqFt	9,590	65.8%
TOTAL SqFt	14,570	100.0%

WEIGHTED-AVERAGE LEASE TERM REMAINING:	6.83 Years
WEIGHTED-AVERAGE LEASE TERM LAPSED:	3.17 Years
WEIGHTED-AVERAGE LEASE TERM FROM INCEPTION:	10.00 Years

[1] The calculation of total "Percentage Above/(Below) Market Rent" only includes existing tenants as noted in this schedule.



DEMOGRAPHIC BRIEF / 2920*2928 HILLTOP MALL RD

POPULATION	1 MILE	3 MILES	5 MILES
2018 Population – Current Year Estimate	22,261	136,205	234,701
2023 Population – Five Year Projection	23,341	141,916	245,222
2010 Population – Census	20,691	128,261	219,807
2000 Population – Census	18,066	123,494	211,380
2010–2018 Annual Population Growth Rate	0.89%	0.73%	0.80%
2018–2023 Annual Population Growth Rate	0.95%	0.82%	0.88%

HOUSEHOLDS

2018 Households - Current Year Estimate	7,859	44,644	80,212
2023 Households - Five Year Projection	8,210	46,328	83,453
2010 Households - Census	7,357	42,463	75,879
2000 Households - Census	6,335	41,008	72,709
2010-2018 Annual Household Growth Rate	0.80%	0.61%	0.68%
2018-2023 Annual Household Growth Rate	0.88%	0.74%	0.80%
2018 Average Household Size	2.79	3.01	2.90

HOUSEHOLD INCOME

2018 Average Household Income	\$79,658	\$83,889	\$93,153
2023 Average Household Income	\$95,225	\$100,503	\$110,626
2018 Median Household Income	\$58,891	\$62,397	\$67,152
2023 Median Household Income	\$68,624	\$74,728	\$78,876
2018 Per Capita Income	\$27,837	\$28,029	\$32,271
2023 Per Capita Income	\$32,909	\$33,325	\$38,066

HOUSING UNITS

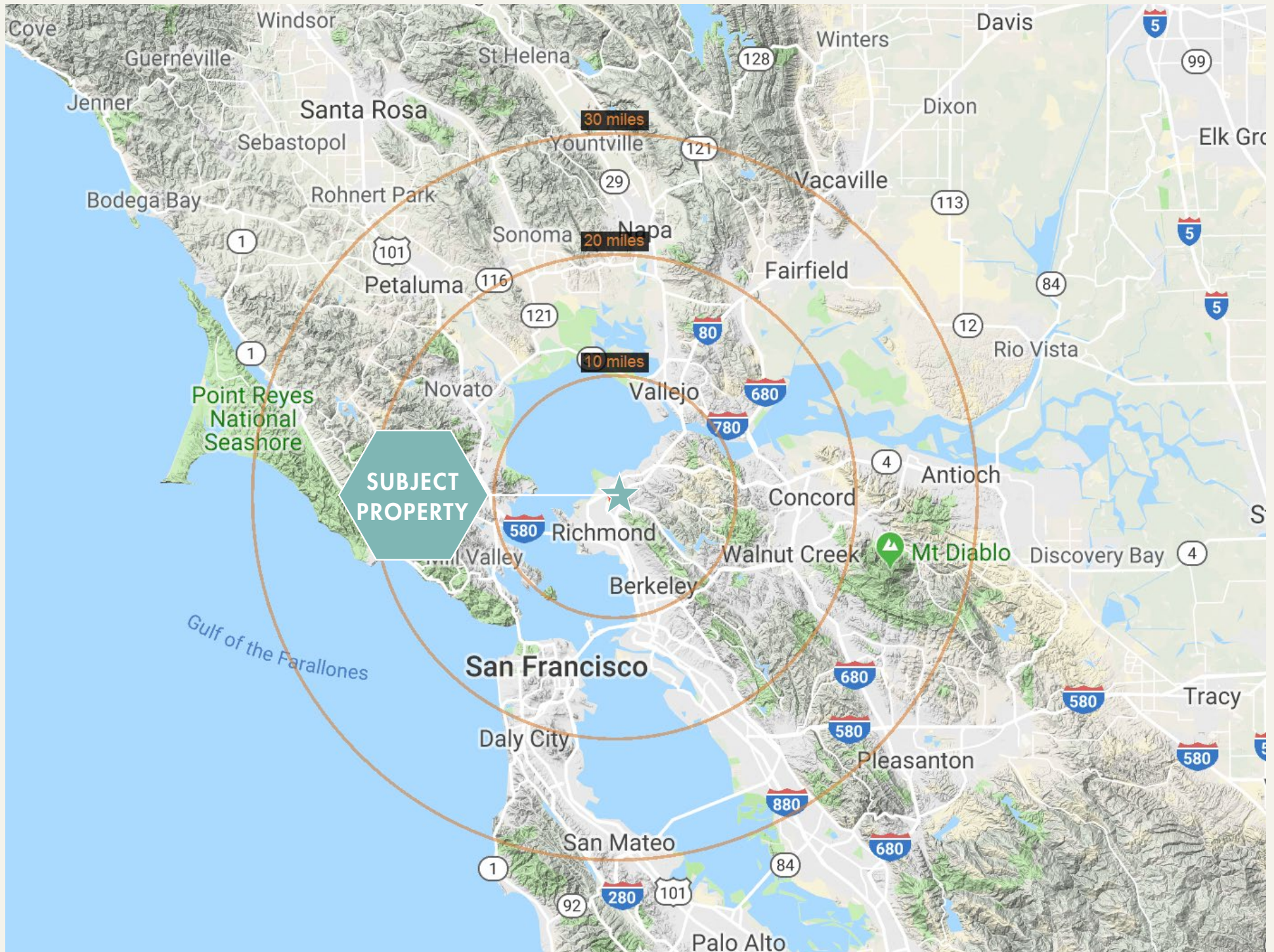
2018 Housing Units	8,338	47,663	85,169
2018 Vacant Housing Units	479 5.7%	3,019 6.3%	4,957 5.8%
2018 Occupied Housing Units	7,858 94.2%	44,643 93.7%	80,212 94.2%
2018 Owner Occupied Housing Units	3,652 43.8%	24,589 51.6%	45,662 53.6%
2018 Renter Occupied Housing Units	4,206 50.4%	20,054 42.1%	34,550 40.6%

EDUCATION

2018 Population 25 and Over	14,864	91,002	159,481
HS and Associates Degrees	8,607 57.9%	48,910 53.7%	81,105 50.9%
Bachelor's Degree or Higher	3,534 23.8%	21,546 23.7%	48,032 30.1%

PLACE OF WORK

Businesses	507	2,994	5,336
2018 Employees	6,008	30,003	57,981





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