



Cap Rate: 6.6% Existing (7.2% Proforma)

15-Tenant Neighborhood Opportunity | Offering Memorandum

Bear Valley Center

12300 Los Osos Valley Rd. | San Luis Obispo, CA

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Subject Property
 12300 Los Osos Valley Road

Los Osos Valley Road (± 26,171 AADT)

Investment Highlights

This is a rare and lucrative opportunity to own a thriving 24,496 square foot strip center on bustling Los Osos Valley Road in San Luis Obispo, California. The Subject Property offers a strategic mix of suite sizes ranging from ±890-2600 SF and 106 parking spaces, all strategically positioned on the key LOVR thoroughfare, one of the city's busiest and most sought-after commercial arteries. A stone's throw from the new SLO Ranch project site and within proximity to major retail giants such as Target, Costco, and Whole Foods, the center enjoys excellent freeway access and high visibility, making it an ideal investment for astute real estate entrepreneurs.

Size and Versatility: The property comprises 15 tenant suites, with 13 of them already leased, providing a diverse range of sizes from 892 to 2,640 square feet. The surrounding Commercial Service (CS) zone caters to a broad spectrum of businesses (retail, food service, office, medical, etc.) ensuring a consistent income stream.

Low Vacancy Rates: The Subject Property has historically maintained an impressively low vacancy rate, reflecting its appeal to local businesses and users.

Competitive Rental Rates: The current rental rates are highly competitive, particularly for this desirable corridor. With projected rents of \$1.50 NNN for the two available vacancies (1,200 and 892 SF), there is potential for increased revenue.

Established Tenant Mix: The property boasts a well-balanced and diverse tenant mix, contributing to its stability and potential for long-term success.

High-Traffic Location: Positioned on a main artery (one of the busiest roads in town) with heavy traffic flow (Los Osos Valley Road: ± 26,171 AADT), the property enjoys constant exposure to potential customers, enhancing the visibility and profitability of tenant businesses. The site also includes ample parking to support this activity, with a 106-space parking lot.

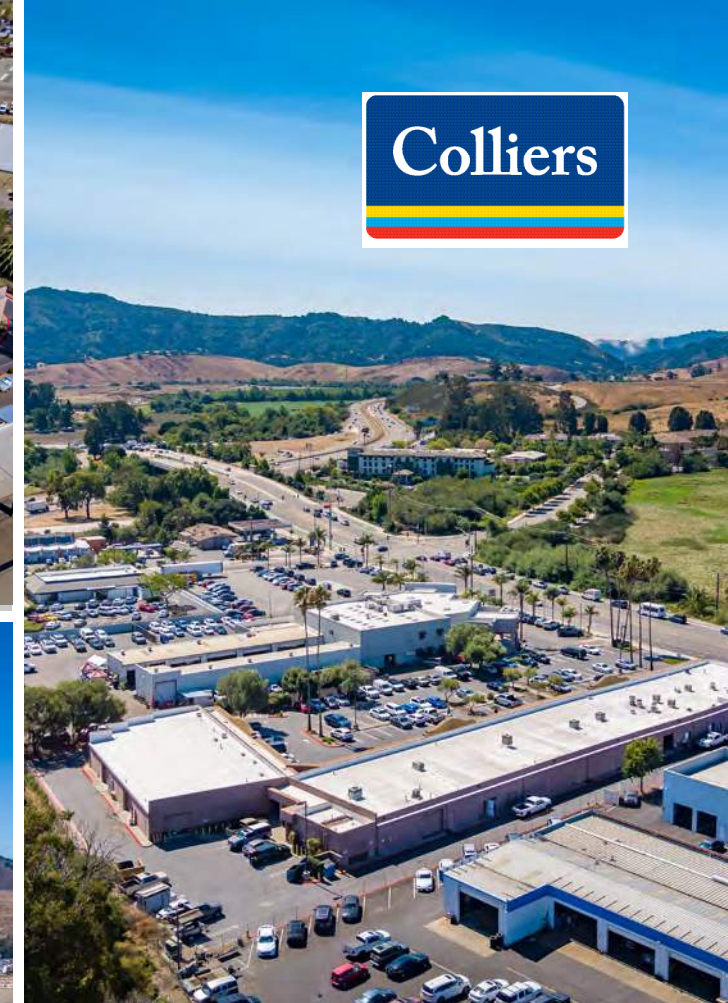
Built to Last: Constructed in 1988, this strip center has stood the test of time and remains a solid and reliable investment opportunity. Roofs were all replaced within the past 9 years.

Property Specs:	
Property Address	12300 Los Osos Valley Rd. San Luis Obispo, CA
GLA	± 24,496 SF
Land Area	± 2.2 AC 96,703 SF
APN	053-151-019
Year Built	1988
Zoning	Commercial Service
Total Units	15 Units (13 Leased)
Vacancy	91% Leased
Parking	106 Spaces
Available Suites	12318 LOVR (1,200 SF) 12340 LOVR (892 SF)
Asking Price	\$5,975,000
Cap Rate	6.6% Existing 7.2% Proforma

Property Photos

Clockwise from top:

- Overhead image of Subject Property, showcasing neighboring Honda Dealership and high-visibility storefronts in L-shaped center.
- Rear view of Subject Property, showcasing employee and delivery access as well as close proximity to Highway 101 via Los Osos Valley Road off/onramp.
- Parking lot view of property, showcasing well-maintained common areas and plentiful parking.
- View of Subject Property on Los Osos Valley Road and close proximity to Froom Ranch and Irish Hills retail centers. Esteemed tenants such as Whole Foods, Target, Costco, Home Depot, and more are all located a stone's throw from the Subject Property.



Property Aerial



Home Depot

Costco

Petsmart | Homegoods | Old Navy

Dick's Sporting Goods

Target

SLO Subaru

TJ Maxx

Whole Foods

Sunset Honda

Los Osos Valley Road (± 26,171 AADT)

SLO Toyota

Subject Property

Property Aerial



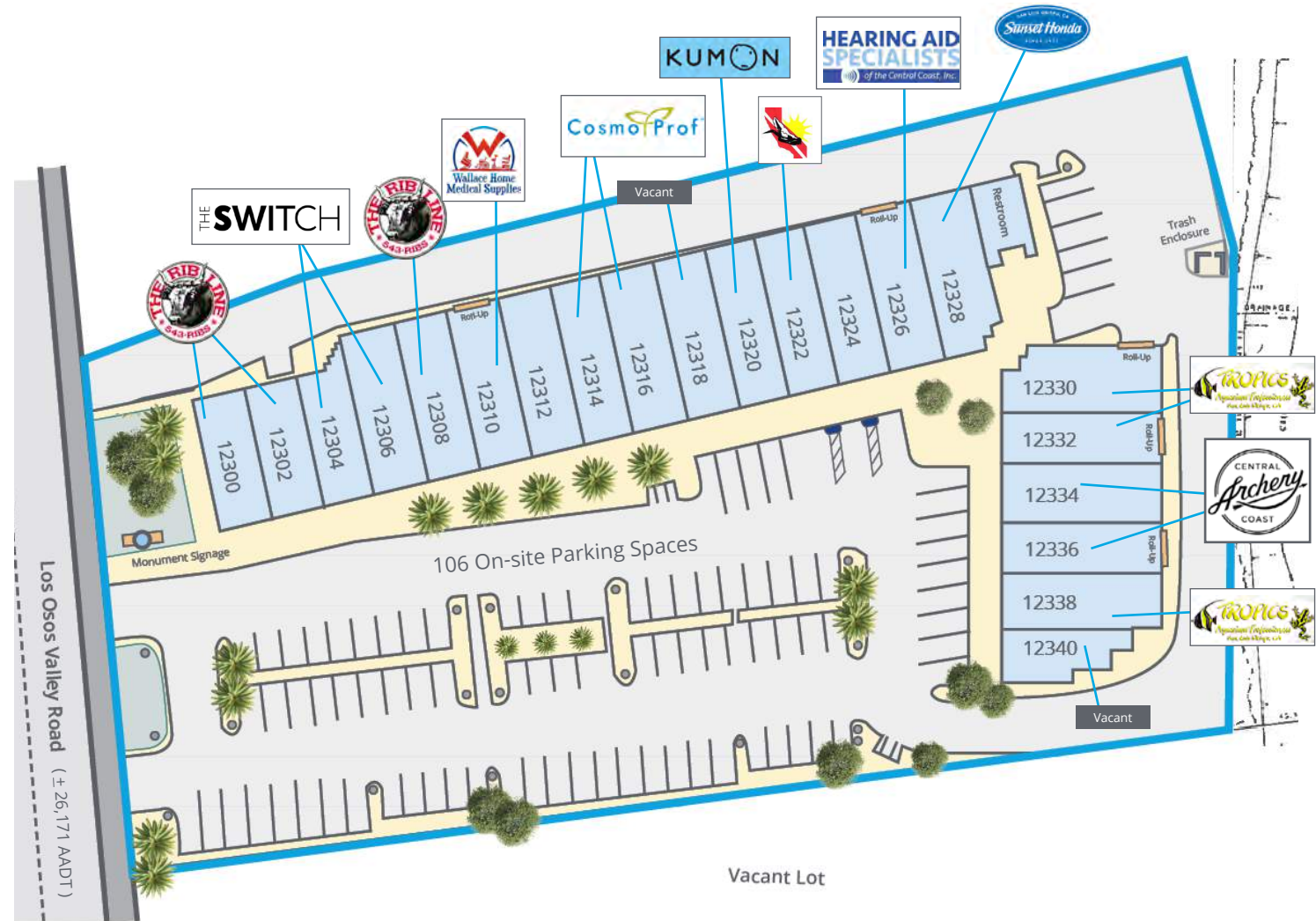
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Site Plan

Tenant Roster:

12300	Ribline	2,002 SF
12304	The Switch	2,255 SF
12306		
12308	Ribline	1,200 SF
12310	Wallace Medical	2,640 SF
12314	Cosmoprof (Sally Beauty)	2160 SF
12318	Vacant*	1,200 SF
12320	Kumon	1,200 SF
12322	Depth Perception	1,200 SF
12324	Moon Spa	1,200 SF
12326	Hearing Aid Specialists	1,200 SF
12328	Sunset Honda	1,332
12330	Tropics	2,400
12334	Central Coast Archery	2,400
12336		
12338	Tropics Storage	1,215 SF
12340	Vacant	892 SF



Rent Roll



Presentation Rent Roll & Current Term Tenant Summary As of September-23 for 24,496 Square Feet																
Tenant	Address	SF	Prorata	Term	Comm.	Expiration	Monthly Base Rent	Amort. Rent	Monthly NNN's	Total NNN	Rent PSF	NNN	Next Rent Adjustment	Security	Options	
Ribline	12300	2,002	8.17%	1 yr	5/1/23	4/30/24	\$ 3,283.00		\$1,121	\$4,404.00	\$ 1.64	\$0.56	N/A	\$3,283.00	1 x 3 yr-5/1/24	
The Switch	12304 12306	2,255	9.21%	6 yrs	5/1/21	4/30/27	\$ 3,853.00		\$1,289	\$5,142.00	\$ 1.71	\$0.56	5/1/24- CPI	\$3,495.25	2 x 3 yr 5/1/27	
Ribline	12308	1,200	4.90%	6 yrs	12/1/11	4/30/27	\$ 2,063.00		\$698	\$2,761.00	\$ 1.72	\$0.56	Fixed 5%	\$1,140.00	N/A	
Wallace Medical	12310	2,640	10.78%	MTM	4/1/23	N/A	\$ 3,880.00		\$1,505	\$5,385.00	\$ 1.47	\$0.56	N/A	\$5,385.00	N/A	
Cosmoprof (Sally Beauty)	12314	2160	8.82%	5 yrs	1/15/96	1/31/29	\$ 3,223.80		\$1,236	\$4,459.80	\$ 1.49	\$0.56	Fixed	\$3,600.00	N/A	
Vacant	12318	1,200	4.90%								\$1.60 NNN Asking Rent					
Kumon	12320	1,200	4.90%	1 yr	11/1/09	3/31/24	\$ 1,680.00		\$684	\$2,364.00	\$ 1.40	\$0.56	N/A	\$1,260.00	N/A	
Depth Perception	12322	1,200	4.90%	2 yrs	12/1/06		\$ 1,620.00		\$684	\$2,304.00	\$ 1.35	\$0.56	CPI	\$1,080.00	N/A	
Moon Spa	12324	1,200	4.90%	3 yrs	5/1/11	4/30/26	\$ 1,894.00		\$698	\$2,592.00	\$ 1.58	\$0.56	Fixed	\$3,200.00	N/A	
Hearing Aid Specialists	12326	1,200	4.90%	5 yrs	2/1/17	1/31/28	\$ 1,835.00		\$698	\$2,533.00	\$ 1.53	\$0.56	2/1/24- CPI 2% Min 5% Max	\$5,000.00	1 x 3 yr -1/31/28	
Sunset Honda	12328	1,332	5.44%	3 Yrs	10/1/23	9/30/26	\$1,998.00		\$746	2,744.00	\$ 1.50	\$0.56	Fixed	\$2,000.00	N/A	
Tropics	12330	2,400	9.80%	5 yrs	12/1/18		\$ 3,120.00		\$1,352	\$4,673.95	\$ 1.30	\$0.56	Fixed	\$3,696.00	N/A	
Central Coast Archery	12334 12336	2,400	9.80%	3 yrs	9/1/14	8/31/28	\$ 3,137.00		\$1,352	4,489.00	\$ 1.31	\$0.56	Fixed	\$2,640.00	N/A	
Tropics Storage	12338	1,215	4.96%	1 yr	7/1/2021	6/30/2024	\$ 1,215.00		\$687	1,902.00	\$ 1.00	\$0.56	N/A	\$1,000.00	1 x 1 yr -7/1/24	
Vacant	12340	892	3.64%								\$1.60 NNN Asking Rent					
Totals	24,496		100.0%				\$32,801.80		\$12,750							
Proforma Monthly Base Rent with Vacancies Filled:							\$35,939.00									

Financial Summary

Property	Bear Valley Center (APN 053-151-019)
Property Address	12300 Los Osos Valley Rd. San Luis Obispo, CA
Property Size	± 24,496 SF
Offering Price	\$5,975,000
Price Per Square Foot	+ \$243.92
Total Units	15 Units (13 Leased)
Vacancy	91% Leased
Current Monthly Rental Income	\$32,801.80 NNN
Proforma Monthly Rental Income	\$35,939.00 NNN
Construction Year	1988

Leveraging Vacancies: Proforma Rental Income

Current Vacancies and Annual Income

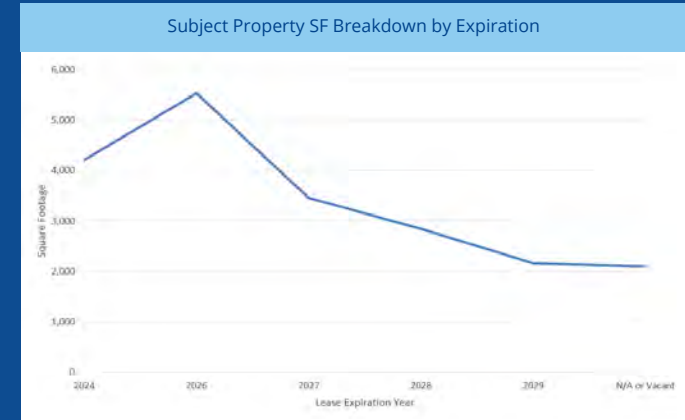
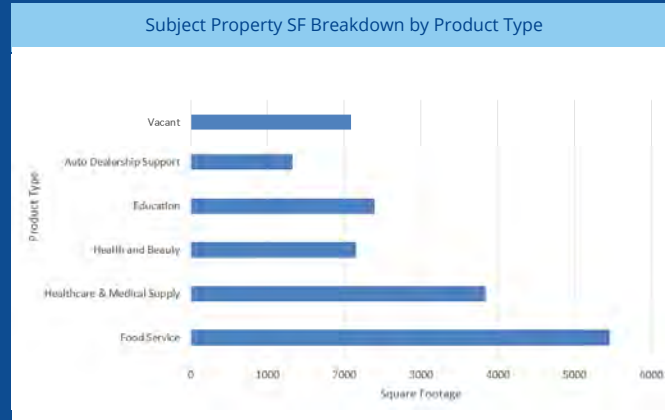
<i>12318 LOVR (1,200 SF) @ \$1.50 NNN PSF</i>	\$21,600.00
<i>12340 LOVR (892 SF) @ \$1.50 NNN PSF</i>	\$16,056.00
Total Rental Income from Leveraging Vacancies	\$37,656.00
<i>Plus Current Annual Rental Income</i>	\$393,612.00
Proforma Net Operating Income (NOI)	\$431,277.00

Net Operating Income (NOI) and Cap Rates

Existing Net Operating Income (NOI)	\$393,612.00 (6.59% Cap Rate)
Proforma Net Operating Income (NOI)	\$431,277.00 (7.21% Cap Rate)



Tenant Roster and Highlights



Major Tenant Ribline



Address: 12300 & 12308 Los Osos Valley Rd.
Prorata Share: 8.17% & 10.78% Respectively

Chef Brian Appiano, a Bay Area native, found his culinary passion while in college, using it to win hearts and become a renowned chef on the Central Coast. He and his family own 2 Rib Line restaurants, Sunsets at Pismo, and The Switch in SLO. Their reputation for great food, enhanced by winning competitions and TV appearances, continues to grow. Brian offers exceptional catering services, emphasizing customer service and crafting unique dishes from scratch. The family's love for the Central Coast is evident in their community involvement, making Rib Line a beloved local dining destination with a focus on BBQ tri-tip excellence.

Major Tenant The Switch



Address: 12304 & 12306 Los Osos Valley Rd.
Prorata Share: 9.21%

The Switch in San Luis Obispo offers a unique beer and wine bar experience with a rotating pop-up kitchen, showcasing the Central Coast's culinary talents. Their menu evolves regularly, featuring 4-6 course meals paired with beer or wine tastings. The venue is available for private events, catering, and welcomes guest chefs to share their creations. They host diverse events like Paint & Sip and Taco Tuesday Throwdown, fostering community engagement and are open to collaboration for memorable experiences. The Switch is a dynamic destination for food enthusiasts seeking creative and evolving flavors.

Major Tenant Wallace Home Medical Supply



Address: 12308 Los Osos Valley Rd.
Prorata Share: 4.9%

Wallace Home Medical Supplies, established in 2004, prioritizes exceptional customer service and comprehensive medical products. With two locations in Paso Robles and SLO, they offer a 1900 square foot showroom for patient convenience. Their mission combines old-fashioned service with the latest technology, ensuring patients are educated and comfortable with their medical equipment.

Tenant Roster and Highlights

CosmoProf (Sally Beauty)



Address: 12314 Los Osos Valley Rd.
Prorata Share: 8.82%
SALLY BEAUTY HOLDINGS, INC. (SBH)
\$8.31 +0.04 (+0.54%)

Sally Beauty Holdings, Inc. is a international retailer and distributor of beauty supplies with over \$3.9 billion in annual revenue. It operates through Sally Beauty Supply and Beauty Systems Group (BSG), boasting over 5,000 stores across multiple countries. Sally Beauty Supply offers beauty products for consumers and professionals, with over 3,700 stores. Meanwhile, Beauty Systems Group (Cosmoprof), comprises over 1,300 stores and 820 sales consultants, exclusively serving professional stylists and salons. This well-established company is a leader in the professional beauty supply industry.

Depth Perception



Address: 12322 Los Osos Valley Rd.
Prorata Share: 4.9%

Since 1987, Depth Perceptions Diving Services has been a vital part of the Central Coast's diving community. Offering commercial diving, equipment sales, certification classes, and diving travel, they are your trusted underwater guides.

Kumon



Address: 12320 Los Osos Valley Rd.
Prorata Share: 4.9%

Kumon, founded in 1958, aims to cultivate both academic excellence and independent learning skills in students worldwide. Its method, now available in over 50 countries, tailors study levels for each student and offers a vast range of learning materials. Beyond academic growth, Kumon fosters self-confidence, concentration, and problem-solving abilities. This approach resonates with students of all ages, from infants to senior citizens, contributing to lifelong education.

Tropics Aquarium Professionals



Address: 12330 & 12338 Los Osos Valley Rd.
Prorata Share: 9.8% & 4.96% Respectively

Tropics Aquarium Professionals, with locations in Atascadero and San Luis Obispo, is the premier destination for aquarium and reptile enthusiasts. They offer a wide range of products, including saltwater fish, live coral, aquarium supplies, and reptile-related items. With a team boasting over 35 years of hobby experience, Tropics is dedicated to providing excellent service and custom solutions for hobbyists.

Hearing Aid Specialists



Address: 12326 Los Osos Valley Rd.
Prorata Share: 4.9%

Hearing Aid Specialists of the Central Coast, with offices in Atascadero and San Luis Obispo, offers exceptional patient-centered care. Run by a dedicated husband-and-wife team with 20 years of experience, they provide personalized solutions, emphasizing the importance of hearing health for overall well-being.

Central Coast Archery



Address: 12334 & 12336 Los Osos Valley Rd.
Prorata Share: 9.8%

Central Coast Archery, located in San Luis Obispo, is a premier archery pro shop that provides a wide range of bows, equipment, and accessories for archery enthusiasts of all levels. With over 20 years of experience, their knowledgeable staff is dedicated to assisting customers. They also offer a 20-yard indoor range, making it an ideal place for archers to practice, take classes, and participate in leagues or events. It's a fun and affordable activity suitable for individuals, friends, and families, with various offerings throughout the year.

Colliers





Local Economy

Demographic Summary

San Luis Obispo County is located between the state's two major population centers along California's Central Coast. The metro overall is highly educated, with 35% of residents having a bachelor's degree or higher. Cost of living is lower than the Bay Area and Southern California.

Pandemic Recovery

The labor market thrived over the past decade, but the pandemic impacted many local businesses. Unemployment spiked to 13.5% at the onset of the pandemic; however, local recovery has been consistent and the unemployment rate has slowly improved to 3.8%. In Oxford Economics' baseline scenario,

national job levels won't return to 20Q1 levels until late 2022, though San Luis Obispo is already well-approaching its recent 2.8% low.

Major Industries

The metro is now one of the largest producers of wine in California, behind only Sonoma and Napa counties. The local wine industry promotes tourism by operating dozens of wine tasting shops but also tours of vineyards and wine-processing facilities. Revenue from tourism had grown into the third-largest contributor to the San Luis Obispo general fund budget prior to the pandemic. The historic Madonna Inn is among the most high profile on the Central Coast with 110 guestrooms in a boutique-style establishment.

NAICS by Industry

Industry	Current Jobs	Current Growth	10 Year Historical	5 Year Forecast
Manufacturing	8.1K	7.95	2.71%	1.28%
Trade, Transport and Utilities	20K	2.86%	0.13%	0.83%
Retail Trade	13K	1.03%	-0.04%	0.89%
Financial Activities	3.7K	0.44%	-0.22%	-0.05%
Government	22K	4.35%	1.14%	1.93%
Resources, Mining and Construction	8.6K	3.66%	4.84%	0.69%
Education and Health Services	17K	3.76%	2.09%	2.05%
Professional and Business Services	11K	6.91%	3.35%	1.53%
Information	1.2K	10.04%	0.63%	1.62%
Leisure and Hospitality	17K	11.19%	1.18%	4.37
Other Services	3.9K	17.36%	1.91%	1.74%
TOTAL EMPLOYMENT	113K	5.76%	1.61%	1.90%

San Luis Obispo Retail Submarket

- Vacancy in the San Luis Obispo retail market is 3.0% and has decreased 0.8% over the past 12 months. During this period, 210,000 SF has been absorbed, and 90,000 SF has delivered.
- Total availability, which includes sublease space, is 3.8% of all inventory.
- Rents are around \$28.00/SF, which is a 4.8% increase from where they were a year ago.
- In the past 3 years, rents have increased a cumulative 13.5%.
- About 190,000 SF is under construction, representing a 1.2% expansion of inventory.
- In the past 12 months, 51 sales have taken place.
- Sales have averaged \$370/SF, and the estimated value for the market as a whole is \$304/SF.
- Over the past three years, there have been 219 sales, which have traded for approximately \$320 million.
- During this time, the market cap rate for San Luis Obispo has remained at 6.0%.
- Although both employment and population have grown in the past year, employment growth has outpaced population growth.
- The number of jobs has increased 3.0% in the past year, while the population has grown by 0.3%.



Availability	
Market Rent/SF	\$27.63
Vacancy Rate	3.0%
Vacant SF	461K
Availability Rate	3.8%
Available SF Direct	590K
Available SF Sublet	71.1K
Available SF Total	590K
Months on Market	14.9

Demand	
12 Mo Net Absorption SF	212K
12 Mo Leased SF	231K
6 Mo Leasing Probability	35.4%

Inventory	
Existing Buildings	1,888
Inventory SF	15.5M
Under Construction SF	191K
12 Mo Delivered SF	89.6K

Sales History	
12 Mo Transactions	56
Market Sale Price per SF	\$304
Average Market Sale Price	\$2.5M
12 Mo Sales Volume	\$120M
Market Cap Rate	6.0%

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