



Eisendrath Team
PREMIERE REAL ESTATE

EXCLUSIVE

OFFERING MEMORANDUM

The Patio Shops



**240-252 E. GRAND AVE,
ESCONDIDO, CA 92025**

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01

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Prime Value-Add Opportunity in Downtown Escondido

The Patio Shops is a fully leased 5,330 SF multi-tenant retail property located at the heart of Downtown Escondido, positioned directly within the transformative \$15 million Grand Avenue Vision Project. This thriving retail center is anchored by 12 service-oriented and boutique tenants, providing stable cash flow with significant upside potential.

With current rents averaging \$1.57/SF/month—**36.4% below the market average of \$2.47/SF/month**, The Patio Shops offers investors a clear and achievable path to increased income and property appreciation. Comparable properties within the revitalization zone are achieving rents as high as \$2.65/SF, signaling an opportunity to realign rents and capture substantial long-term gains.



INVESTMENT HIGHLIGHTS:

- **Immediate Upside Potential:** Realign rents to the market average of \$2.47/SF/month, and achieve post-revitalization rates of up to \$3.21/SF.
- **Stable Income Today:** Fully leased to a mix of 12 boutique retailers and service providers with strong customer bases.
- **Unmatched Location:** Situated within the Grand Avenue Vision Project, a revitalization effort that will transform the area into a pedestrian-friendly, high-demand retail hub.
- **Strong Growth Scenarios:** Achieving market rents and capturing revitalization-driven demand can increase NOI to over \$173K annually, driving property value to over \$3.47M.
- **Flexible Lease Terms:** Six tenants are on month-to-month leases, providing immediate opportunities for rental adjustments to align with market rates or tenant repositioning.



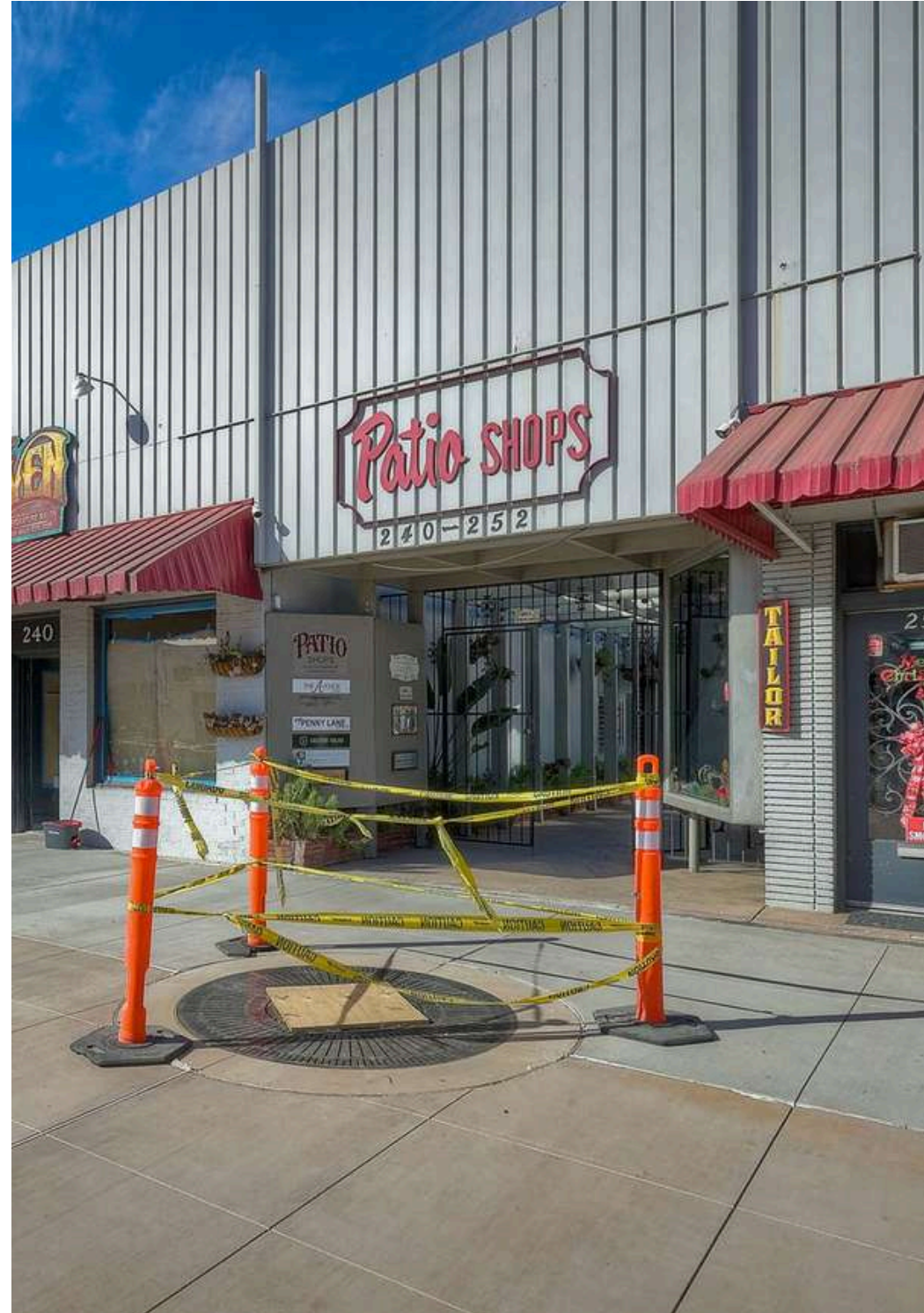
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INVESTMENT STRATEGY: SIGNIFICANT VALUE-ADD OPPORTUNITY

Current Rent Analysis

Value-Add Strategy

Property Highlights



INVESTMENT OVERVIEW

SIGNIFICANT VALUE-ADD OPPORTUNITY

The Patio Shops presents an exceptional value-add opportunity for investors seeking to unlock significant upside potential through strategic rental growth. With current rents averaging 36.4% below market rates, this fully leased property offers a clear path to increased income while benefiting from the transformative impact of the \$15 million Grand Avenue Vision Project. Positioned at the epicenter of downtown Escondido's revitalization, The Patio Shops is primed to capitalize on rising tenant demand and long-term property appreciation.



EXPERIENCE THE PATIO SHOPS!

"Get a feel for the vibrant community and unique charm of The Patio Shops with this video from 2019, showcasing its lively tenant mix and inviting atmosphere. While some tenants may have changed, the property continues to thrive as a key destination in downtown Escondido."

["CLICK HERE"](#)





INVESTMENT OVERVIEW

CURRENT RENT ANALYSIS

- Current Average Rent: \$1.57/SF/month
- Market Average Rent: \$2.47/SF/month
- Gap to Market: 36.4% below average rents

VALUE-ADD STRATEGY

1. Near-Term Rent Adjustments:
 - a. Bring rents in line with current market averages of \$2.47/SF/month.
2. Post-Revitalization Growth:
 - a. Leverage increased foot traffic and demand from the Grand Avenue Vision Project to achieve rents of \$2.84–\$3.21/SF/month, representing a 15–30% increase over the market rent average of \$2.47/SF/month.
3. Tenant Optimization:
 - a. Target premium tenants willing to pay higher rents for a revitalized, high-demand location.

INVESTMENT OVERVIEW

PROPERTY HIGHLIGHTS

PRIME LOCATION:

High visibility on Escondido's Grand Avenue, benefiting from heavy foot traffic and public parking access.

DIVERSE TENANT MIX:

Fully leased to a mix of 12 service-oriented and specialty retail tenants, many with strong reputations and loyal customers.

UPSIDE POTENTIAL:

Current rents average **\$1.57/SF**, with projected market rates of **\$2.47/SF-\$3.21/SF** based on comparables and revitalization efforts.

REVITALIZATION IMPACT:

Positioned at the heart of the **Grand Avenue Vision Project**, a \$15 million initiative to transform downtown Escondido into a vibrant, pedestrian-friendly hub.

FLEXIBLE LEASE TERMS

Six tenants are on month-to-month leases, providing immediate opportunities for rental adjustments to align with market rates or tenant repositioning.





INVESTMENT OVERVIEW

PROPERTY OVERVIEW

Property Name

The Patio Shops

Address

240-252 E. Grand Ave, Escondido, CA 92025

Building Size

5330 SF

Occupancy

Fully Leased

Lot Size

0.16 acres

Zoning

Commercial

Year Built

1952

Parking

Accessible via public lots



INVESTMENT OVERVIEW

MARKET RENTAL RATE ANALYSIS

The Patio Shops' current rent of \$1.57/SF/month is approximately 36.4% below the market average, offering significant upside potential for rental growth. The selected comparables are located directly within the revitalization zone, mirroring the potential rent growth and increased tenant demand. The Patio Shops is positioned to capture.



Key Comparables:

Address	Property Type	Rented Space	Current Rent (\$/SF/MO)
129 E Grand Ave	Retail	2,250 SF	\$2.65
157 E Grand Ave	Retail	1,547 SF	\$2.25
119 E Grand Ave	Retail	5,500 SF	\$2.50

Average Market Rent: \$2.47/SF/month

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FINANCIAL OVERVIEW

Operating Expenses

Rent Growth Scenarios

Financial Overview Table

Future Rent Growth

Conclusion

Rent Roll





FINANCIAL OVERVIEW

OPERATING EXPENSES

Expense Category	Estimated Annual Cost (\$)
Property Taxes	\$7,742
Insurance	\$2,600
Maintenance & Repairs	\$4,680
Management Fees	\$7,100
Utilities (common areas)	\$580
Total Estimated Expenses	\$22,702

RENT GROWTH SCENARIOS

The Patio Shops offers significant upside potential as rents realign with market rates and benefit from the transformative revitalization of Grand Avenue. The financial overview below illustrates the property's performance under three updated scenarios:

- **Market Rate (\$2.47/SF):** Reflects alignment with current market conditions based on comparable properties located directly within the revitalization zone.
- **15% Increase (\$2.84/SF):** Demonstrates moderate rent growth achievable in the near term through lease renewals or tenant turnover.
- **30% Increase (\$3.21/SF):** Projects maximum potential growth, assuming increased demand and full realization of the Grand Avenue Vision Project's impact.

Key Observations:

- **Current Rent:** \$1.57/SF/month—36.4% below the market average of \$2.47/SF/month, highlighting clear upside potential.
- **Market Alignment Potential:** Aligning with market rates would result in a 57% increase in rental income, significantly boosting NOI and property value.
- **Post-Revitalization Potential:** Rents approaching \$3.21/SF/month could elevate the property's NOI to over \$173K annually, driving a valuation of over \$3.47M at a 5% cap rate.



These scenarios are not tied to specific timeframes but are designed to show the financial impact of rent increases as conditions evolve.



FINANCIAL OVERVIEW

Financial Overview with Rent Growth Scenarios

Metric	Current (\$1.57/SF)	Market Rate (\$2.47/SF)	15% Increase (\$2.84/SF)	30% Increase (\$3.21/SF)
Annual Rent	\$100,235.64	\$157,404	\$180,015	\$202,606
Operating Expenses	\$22,702	\$22,702	\$22,702	\$22,702
NOI	\$77,533.64	\$134,702.60	\$157,313.29	\$179,923.98
Value @ 4.85% Cap	\$1,599,665	\$2,777,360	\$3,243,991	\$3,710,621

NOTE: A 4.85% CAP RATE REFLECTS:

1. Prime location in a revitalizing downtown area benefiting from the **\$15M** Grand Avenue Vision Project.
2. Stabilized income from a fully leased property with a diverse tenant mix.
3. Strong upside potential from rent growth and increased demand in a revitalized community hub.
4. Comparable assets in similar revitalizing markets achieving cap rates of 4.5%–5%.

KEY OBSERVATIONS

1. **Current Rent Rate:** At \$1.57/SF, The Patio Shops is even further below the market average of \$2.47/SF/month, demonstrating substantial upside for investors.
2. **Market Alignment Potential:** Achieving market rents would increase annual rent by nearly 57%, significantly boosting NOI and valuation.
3. **Future Growth:** Post-revitalization, rents approaching **\$3.21/SF** could yield a **property value of over \$3.7M** at a 4.85% cap rate.



FINANCIAL OVERVIEW

FUTURE RENT GROWTH AFTER REVITALIZATION

As the Grand Avenue Vision Project nears completion in Spring 2025, demand for retail spaces along Grand Avenue is expected to soar. This transformative \$15 million revitalization effort will enhance foot traffic, improve pedestrian accessibility, and attract higher-quality tenants, positioning downtown Escondido as a vibrant, high-demand community hub for retail and dining experiences.

FACTORS DRIVING FUTURE RENT GROWTH

- **Enhanced Pedestrian Traffic**
 - Wider sidewalks, expanded outdoor dining, and improved streetscapes will attract more visitors to Grand Avenue, benefiting retail tenants and increasing demand for space.
- **New Luxury Housing**
 - Developments like 625 E. Grand Ave Luxury Condos, offering premium residential units, are attracting higher-income residents to the area. These residents will drive demand for high-quality retail and service-oriented businesses.
- **Market Trends in Revitalized Areas**
 - In comparable markets, revitalization projects have driven 15–30% rent growth post-completion, with premium properties often exceeding these benchmarks.



GRAND AVENUE VISION PROJECT

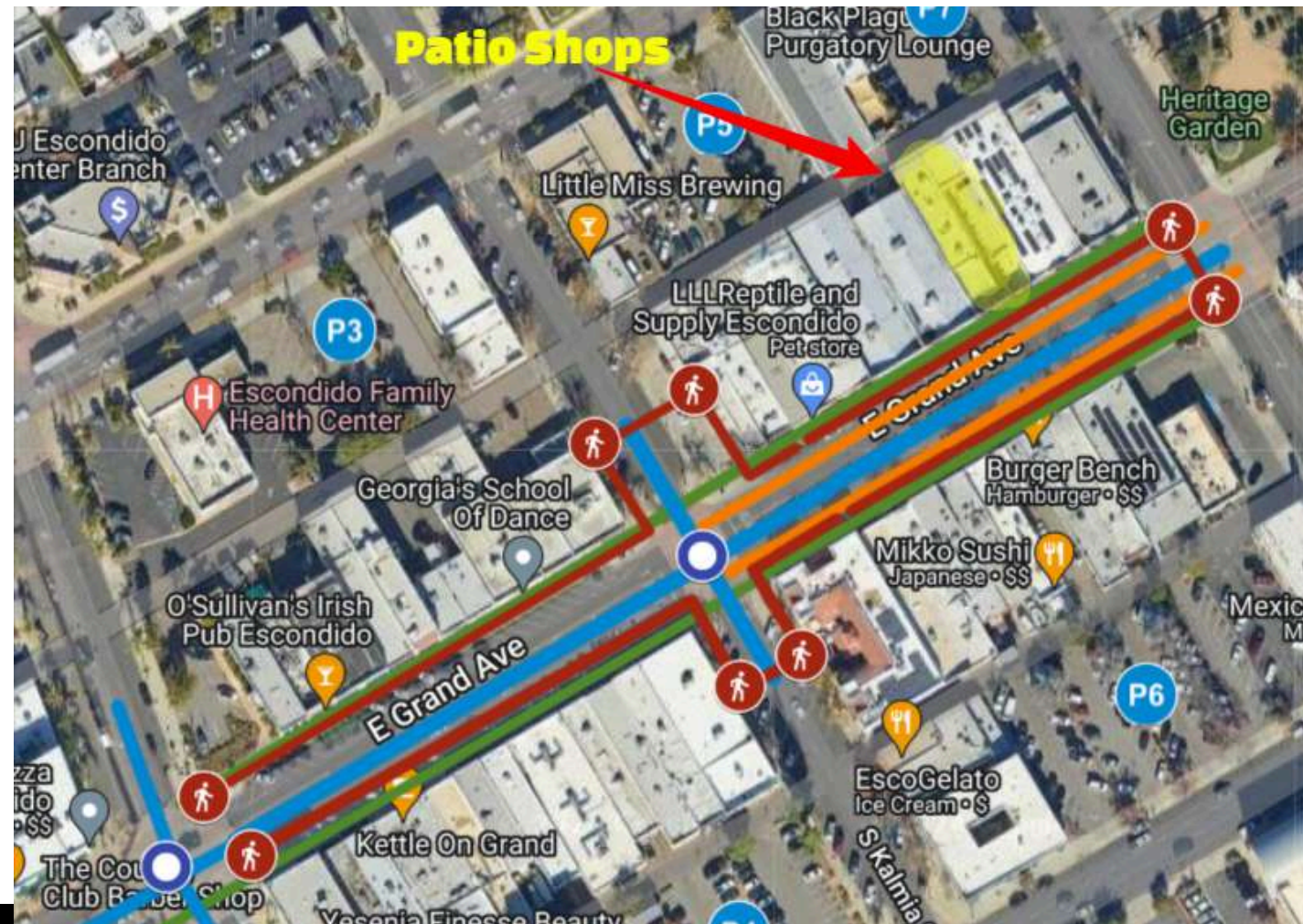
TIMELINE

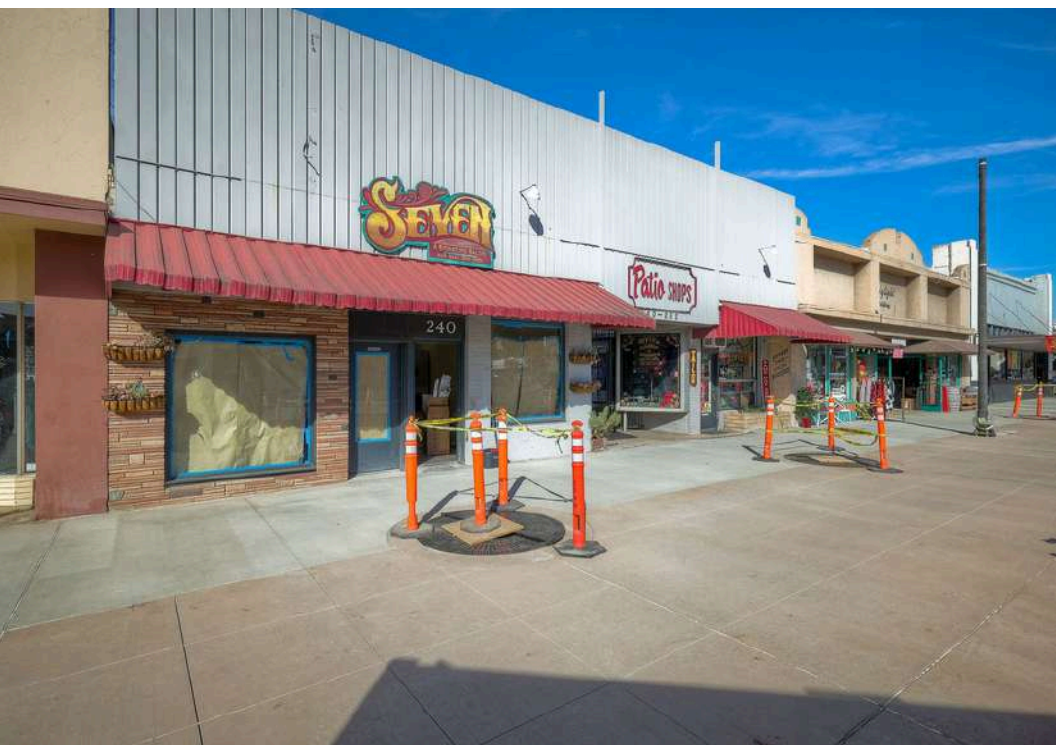
Construction Start: **September 30, 2024**

Completion: **Spring 2025**

VISUALS

[CLICK HERE: Phase II Video Clip](#)

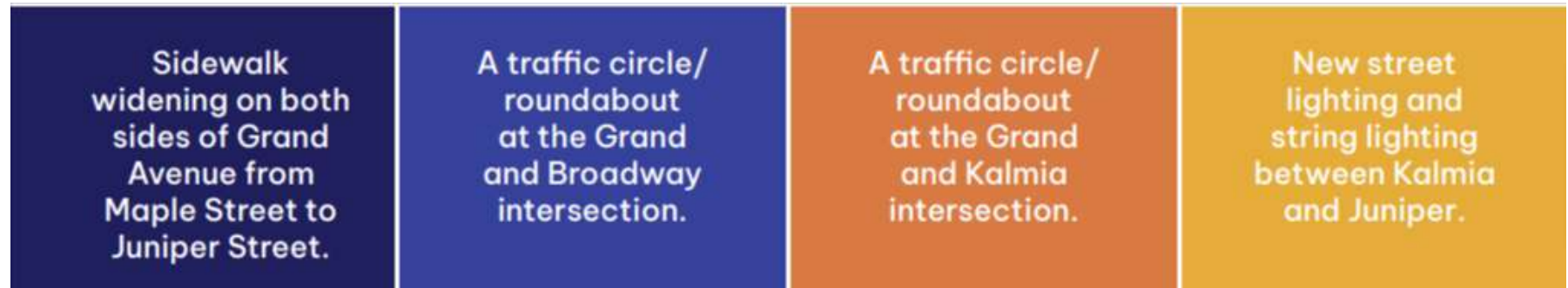




GRAND AVENUE VISION PROJECT: TRANSFORMING DOWNTOWN ESCONDIDO

The Grand Avenue Vision Project is a \$15 million revitalization initiative designed to boost the economic vitality of Downtown Escondido and create a vibrant, pedestrian-friendly community hub.

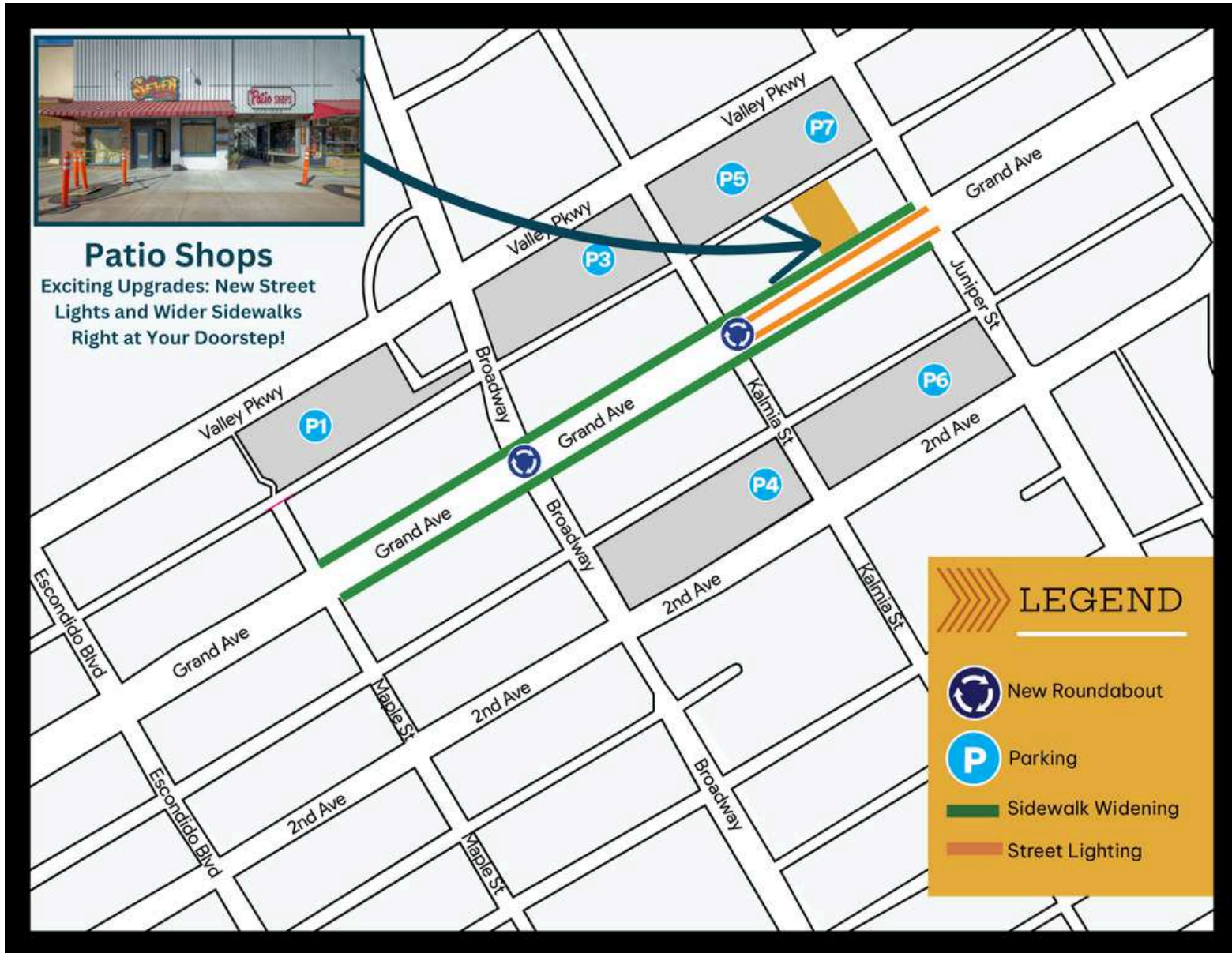
KEY FEATURES OF THE PROJECT



- **Enhanced Streetscapes:** Widened sidewalks, new string lighting, and updated landscaping to draw visitors and improve pedestrian experiences.
- **Improved Traffic Flow:** Roundabouts at Grand and Broadway and Grand and Kalmia intersections will reduce traffic congestion and calm vehicle speeds.
- **Outdoor Dining Paradise & Accessibility:** The Grand Avenue Vision Project is making outdoor dining a permanent feature! With expanded space for al fresco seating, restaurants can create a vibrant and inviting atmosphere. Enhanced pedestrian access will further boost the appeal of local shops and eateries, making the area more lively and accessible for everyone.
- **Additional Parking:** Diagonal parking and expanded spaces will improve convenience for visitors and tenants.

This transformation positions properties like The Patio Shops to benefit directly from increased foot traffic, elevated tenant demand, and long-term appreciation as Downtown Escondido becomes a thriving destination for residents and visitors alike.

GRAND AVENUE VISION PROJECT: PARKING & UPGRADE MAP



FINANCIAL OVERVIEW

CONCLUSION: WHY INVEST IN THE PATIO SHOPS?

- **Stable Income Today:** 100% leased to a diverse tenant mix with loyal customer bases.
- **Immediate Upside Potential:** Current rents are 36.4% below market, offering clear and achievable growth.
- **Strategic Location:** Positioned at the heart of the Grand Avenue Vision Project, benefiting from increased demand and premium tenant interest.
- **Long-Term Appreciation:** Post-revitalization rents of \$3.21/SF could push NOI above \$179K annually, driving property value to over \$3.7M.

This is more than just a property—it's a chance to own a key piece of Escondido's transformation. With substantial upside potential, stable income, and long-term value appreciation, The Patio Shops is perfectly positioned to capitalize on the revitalization of Grand Avenue. Don't miss this rare opportunity—**contact us today to learn more or schedule a private tour!**



04 RENT ROLL

Suite #	Tenant Name	Business Type	Square Footage	Monthly Rent (\$)	Lease Expiration
240-242	Seven A Signature Salon & Nail Bar	Hair & Nail Salon	1,000 SF	\$2,000	Nov 30, 2027
244	The Avenue Hair Salon	Hair Salon	500 SF	\$882	Nov 30, 2027
246	My Penny Lane Nail Salon	Nail Salon	500 SF	\$882	Sept 30, 2027
248	Saltern Salon & The Skin Care Lab	Hair Salon & Facial Spa	500 SF	\$882	Sept 30, 2027
250A	Cherie Burez	Likely Personal Services (Unknown)	350 SF	\$575	May 31, 2028
250B	Stacey Manalpig	Likely Personal Services (Unknown)	335 SF	\$636.72	Month-to-Month

RENT ROLL

Suite #	Tenant Name	Business Type	Square Footage	Monthly Rent (\$)	Lease Expiration
250C	Good Skin Society - Facial Spa	Facial Spa	155 SF	\$397.50	June 30, 2026
250D	Eric Milner	Inknown	\$268	Month-to-Month
250E	Dione Batiste (Imagine Hair Studio)	Hair Salon	258 SF	\$405	Month-to-Month
250F	Erin Allesandro		332 SF	\$607.75	Month-to-Month
250G	Alternative Pain Relief Center & Love Holistic	Medical Massage & Holistic Therapies	147 SF	\$243	Month-to-Month
252	Rivers Tailor Shop	Tailor Shop	385 SF	\$575	Month-to-Month



TOTALS

Total Square Footage	5330 SF
Total Monthly Rent	\$8,352.97
Total Annual Rent	\$100,235.64
Monthly Rent Rate	\$1.57/SF/month.



NOTABLES:

- Bathrooms are not included in each tenants SF in the rent roll above.
- 5% rent increase each year.

05

LUXURY LIVING BOOM

The surge of luxury residential developments in the area, including 625 E. Grand Ave Luxury Condos, is transforming the neighborhood into a prime destination for affluent residents. With hundreds of new high-end living units completed and many more on the way, this influx of higher-income individuals brings unparalleled potential for retail and service-oriented businesses.

- **Increased Customer Base:** Hundreds of new residents nearby create a steady stream of potential customers.
- **Higher Spending Power:** Luxury condos attract affluent residents who prioritize quality dining, retail, and services.
- **Boosted Foot Traffic:** Proximity to major developments ensures consistent pedestrian activity.
- **Enhanced Area Appeal:** The revitalization and growth of the neighborhood elevate its desirability and long-term potential.
- **Strong Market Growth:** Continued residential expansion signals a thriving, upward-trending market.



