

santa monica

santa monica, california

INVESTMENT OFFERING



www.rei.com

POTTERY BARN

402

santa monica boulevard



Eastdil Secured and Muselli Commercial Realtors, as exclusive advisors, are pleased to present the rare opportunity to acquire 402 Santa Monica Boulevard (the "Property"), a 50,559-square-foot landmark retail property located just steps away from the renowned Third Street Promenade in the heart of bustling downtown Santa Monica—one of the highest retail demand markets in the world. Anchored by Recreational Equipment, Inc. (REI), a national leader in the high-end outdoor recreation market, and (future) Pottery Barn, this notable landmark is positioned on one of the busiest intersections in the Los Angeles area with visibility to over 33,000 vehicles and thousands of pedestrians each day. Fully leased on a long-term basis to high quality tenants with proven customer draw, the Property provides a secure cash flow in one of Southern California's and the nation's strongest retail markets.



INVESTMENT HIGHLIGHTS

Irreplaceable Santa Monica Location: 402 Santa Monica Boulevard is a local landmark due to its prominent infill location at the intersection of 4th Street and Santa Monica Boulevard, excellent visibility, unique architecture, outstanding tenant roster, and proximity to Third Street Promenade. Pottery Barn's relocation from Third Street Promenade demonstrates the recognition from retailers that 4th Street is an extension of Third Street Promenade. The unique concentration of nationally-recognized retailers, restaurants, and entertainment venues in a pedestrian-friendly environment make Third Street Promenade and Downtown Santa Monica a "must-see" destination in Southern California for both residents and visitors alike.

High Quality Tenant Base and Stable Cash Flow: The Property is 100% leased to two nationally-recognized tenants, REI and Pottery Barn; both are regarded as leaders in their respective retail category. REI is Santa Monica's only large format high-end outdoor gear, clothing, and footwear retailer with 2007 revenue of \$1.03 billion, an 8.3% increase over 2006. Pottery Barn, owned by Williams-Sonoma, will be relocating to 402 Santa Monica from their current Third Street Promenade location. With a high quality tenant roster and no rollover until 2016 (or 2026 if options are exercised), the Property provides excellent financial stability in an unparalleled location.

Attractive Existing Debt: The Property has a \$20 million loan in place which may be assumed. The attractive financing has a fixed rate of 6.75% with interest-only payments through August 25, 2009, and a maturity date of August 25, 2013.

Strong Retail Market with High Barriers to Entry: Santa Monica is one of the most sought-after retail locations in the United States given the area's tremendous productivity and worldwide exposure. Consistently low vacancy rates drive some of the highest rental rates in the country. Santa Monica is an infill location with significant barriers to entry and challenging regulatory approvals. With virtually no remaining development parcels in Santa Monica, the Property is an irreplaceable trophy asset that will enjoy exceptional long-term growth and appreciation.

World-Class Trade Area with Extraordinary Demographics: The Property is surrounded by exceptionally affluent residential communities including Santa Monica, Malibu, Pacific Palisades, Brentwood, Beverly Hills, and Marina del Rey. The average household income for the primary trade area is an impressive \$120,000 per year, a whopping 77% higher than the national average. In addition, an incredible 36% of all households earn more than \$150,000, and the median home price is over \$1.2 million.

One-of-a-Kind Concentration of Large Format Retail in a Top-Tier, Urban Retail Destination: 402 Santa Monica represents a rare opportunity for large format retailers to capitalize on the remarkable demographics and density of Santa Monica. The Property is one of only a few large format opportunities in the entire Westside of Los Angeles, and there is no comparable presence of large format retail in any top-tier, pedestrian-oriented destination in Los Angeles, outside of Westwood Village.

PROPERTY SUMMARY

Gross Leasable Area	50,559 SF
Site Area	0.69 Acres
Year Built.....	1995
No. of Floors	2
% Leased.....	100.0%*

* Pottery Barn estimated to commence Jan 2010.

TENANT SUMMARY

Tenants	Square Feet	% of GLA	Lease Expiration	
			Initial	w/Options
REI	32,930	65%	2016	2026
Pottery Barn (future)	17,629	35%	2025	2035
TOTAL	50,559	100%		

Disclaimer: No warranty or representation, expressed or implied, is made as to the accuracy of any of the information, projections, or conclusions contained herein, and the same is submitted subject to errors, omissions, withdrawal of opportunity or other conditions, without notice.

EXCLUSIVE ADVISORS

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