OFFERING MEMORANDUM

MATTHEWS™
REAL ESTATE INVESTMENT SERVICES

# State Street Theater

**2808-22 STATE ST | CARLSBAD, CA 92008**

**SELLER FINANCING AVAILABLE**

# Exclusively Listed By:

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CARLSBAD
THEATRE

FOR LEASE
858-314-3116 ext 107
FOR LEASE

Subject Property

# Property Details

**$4,250,000**
List Price

**$481/ SF**
Price PSF

## Seller Financing Available

| | |
|---|---|
| **Name** | State Street Theater |
| **Address** | 2808-2822 State Street |
| **City** | Carlsbad |
| **State** | CA |
| **APN** | 203-181-05-00 |
| **Land Area** | ±0.15 AC |
| **Gross Leasable Area** | ±8,843 SF |

# Property Overview

## VC (Village Center) Zoning Permitted Uses:

- Owner-User Opportunity (Theatre / Venue)
- Mixed Use
  - 28-35 Units / Acre (4-5 Units)
  - Bottom floor residential not permitted in VC Zone
- Restaurant
- Retail
- C-Store
- Hotel
- Athletic/Health Club

## High Foot Traffic, High Consumer Spend Street

**±3M in foot traffic Last 12 Months YTD**
(per AlphaMap)

**Daily Foot Traffic Ranging from 3K-14K over the last 12 Months YTD**
(per AlphaMap)

**± $12M in Annual Consumer Spend Along State Street**
(per AlphaMap)

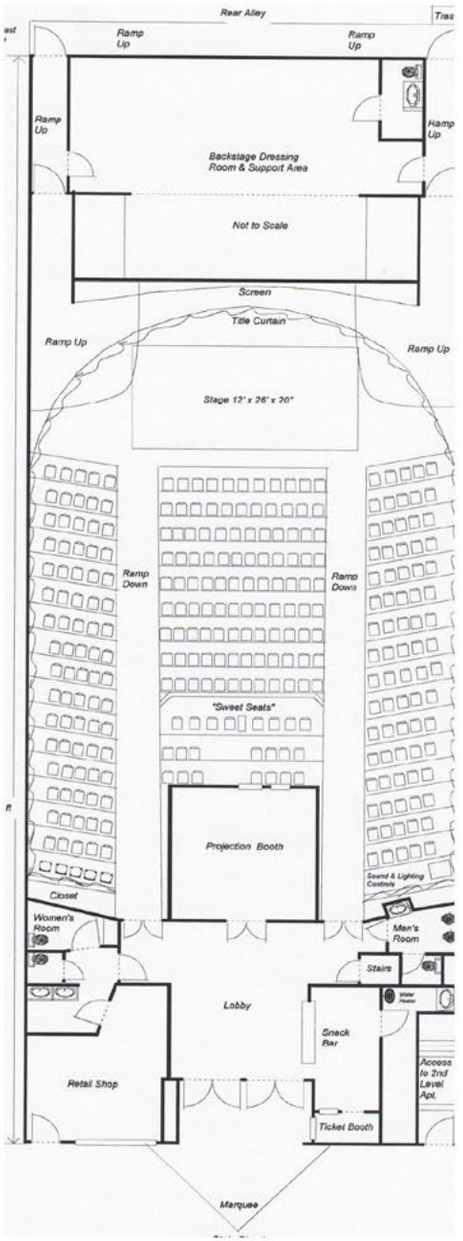
# Popular Street with High Foot Traffic

**Carlsbad Village Theatre**
**2822 State St.**
**Carlsbad, CA 92008**

**Gross Building Area Summary**
**1st & 2nd Floor**
**(Not-To-Scale)**

| | |
|---|---|
| Lobby, Concession & Rest Rooms | 1,150 sf. |
| (T) Tenant - Beauty Salon | 250 sf. |
| Projection Booth | 296 sf. |
| Auditorium | 2,679 sf. |
| Stage & Screen Performance Area | 900 sf. |
| Backstage Area | 1,263 sf. |
| Basement Area | 367 sf. |
| 1st Floor Sub Total | 6,905 sf. |
| | |
| (T) Tenant - 2nd Floor Apt. | 1,000 sf. |
| Mezzanine Work Area | 600 sf. |
| Top of Projection Booth | 90 sf. |
| Backstage Lofts | 248 sf. |
| 2nd Floor Sub Total | 1,938 sf. |
| | |
| 1st & 2nd Floor – Gross Building Area | 8,843 sf. |

**EXHIBIT "A"**
**Memorandum 50 GBA Summary**
**Page 1 of 2**




**Carlsbad Village Theatre**
**2822 State St.**
**Carlsbad, CA 92008**

**Gross Building Area Summary**
**2ND Floor Only**
**(Not-To-Scale)**

| | |
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| (T) Tenant - 2nd Floor Apt. | 1,000 sf. |
| Mezzanine Work Area | 600 sf. |
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EXHIBIT "A"
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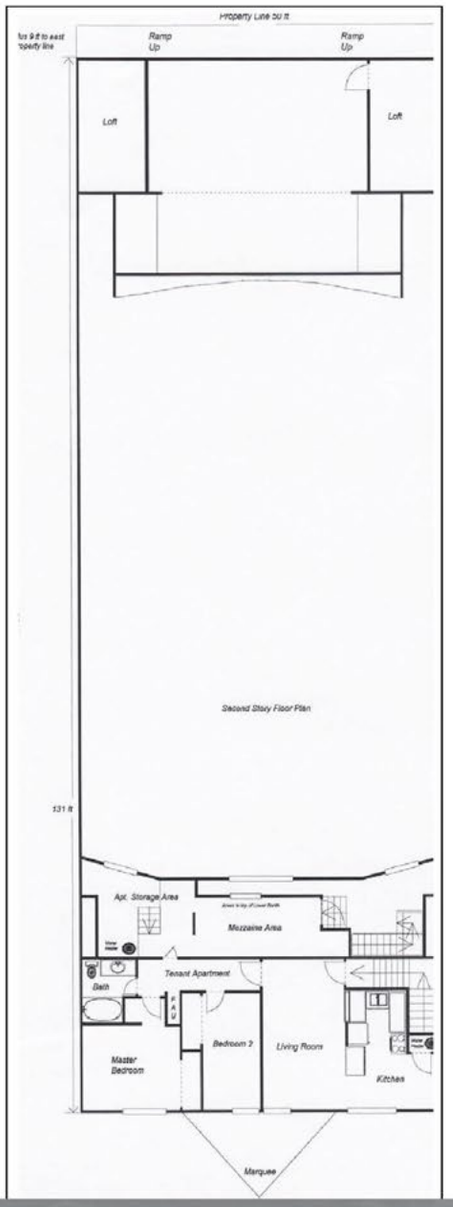
Page 2 of 2

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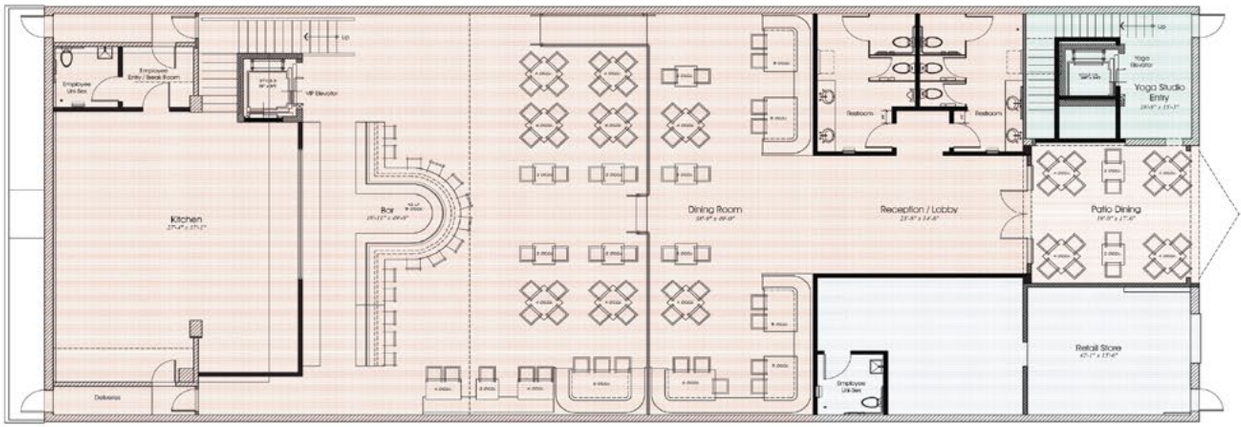
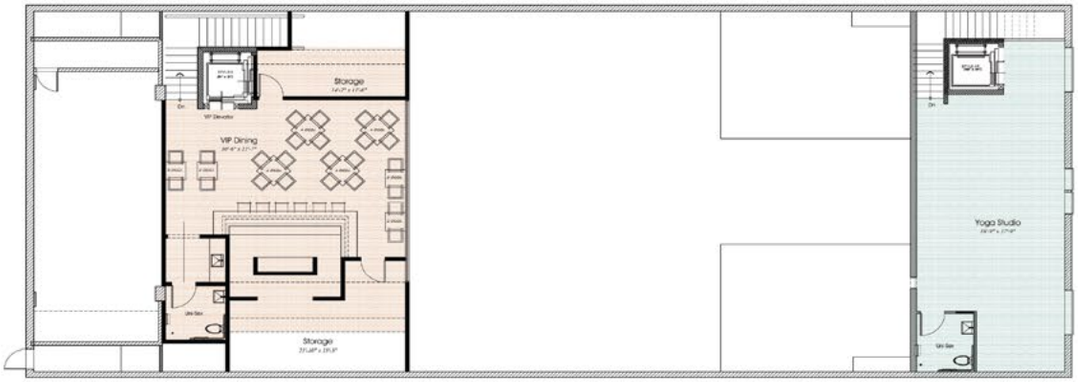



First Floor

| RESTAURANT TENANT SPACE | | RETAIL TENANT SPACE | |
|---|---|---|---|
| FIRST FLOOR | 5,187 SQ. FT. | FIRST FLOOR | 752 SQ. FT. |
| SECOND FLOOR | 1,112 SQ. FT. | **BUSINESS TENANT SPACE** | |
| TOTAL LIVING | 6,299 SQ. FT. | FIRST FLOOR | 334 SQ. FT. |
| OUTDOOR DINING | 322 SQ. FT. | SECOND FLOOR | 818 SQ. FT. |
| | | TOTAL LIVING | 1,152 SQ. FT. |




Second Floor

# Design Concept

| RESTAURANT TENANT SPACE | | RETAIL TENANT SPACE | |
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# Area Overview

## CARLSBAD, CA

Home to more than 115,000 residents, Carlsbad is a beautiful coastal city in northern San Diego County. Situated between Oceanside and Encinitas, Carlsbad is a popular destination among tourists due to its breathtaking beaches and exciting attractions such as the Flower Fields, Legoland California, and Sea Life Aquarium. With Interstate 5 running through the western part of the city, Carlsbad is just 87 miles away from Los Angeles and 35 miles away from Downtown San Diego. With a gross regional product of $16.6 billion, Carlsbad is the second-largest economy in San Diego County. Its key industries include life sciences, information technology, video game development, manufacturing, robotics, medical devices, real estate, hospitality, and tourism. Carlsbad is known as Titanium Valley due to its golf manufacturing industry. Callaway Golf Company, TaylorMade-Adidas Golf Company, Cobra Golf, and Odyssey Golf are all headquartered in Carlsbad.

CARLSBAD, CA
AREA WITHIN 3-MILES (2023)

**43%**

**BACHELOR'S DEGREE OR HIGHER**

**68,928**

**TOTAL POPULATION**

**$117,647**

**AVG HH INCOME**

**$88,311**

**MED HH INCOME**

**28,435**

**HOUSEHOLDS**

**41**

**MEDIAN AGE**

**$868,880**

**AVG HOME VALUE**

## ATTRACTIONS

Carlsbad, CA, is a charming coastal city with a variety of attractions that cater to different interests. Here are some highlights:

**LEGOLAND CALIFORNIA RESORT** is a premier family destination in Carlsbad, offering a blend of fun and creativity with its expansive theme park. The resort is only ±4 miles away from the subject property and features a variety of interactive rides and attractions built from millions of Lego bricks, catering to children of all ages. Highlights include themed areas such as Miniland USA, where iconic landmarks are recreated in miniature, and the engaging Water Park with its splash zones and slides. Additionally, the SEA LIFE Aquarium provides an educational experience with its marine exhibits. With its engaging entertainment and attractions, Legoland California Resort offers a memorable experience for families looking to spend a day of adventure and creativity.

**CARLSBAD STATE BEACH** is a pristine stretch of coastline that embodies the quintessential Southern California beach experience ±0.5 miles away from the property. Known for its golden sands and clear, inviting waters, it's a popular spot for surfing, sunbathing, and picnicking. The beach's scenic beauty makes it perfect for a leisurely stroll or a relaxing day by the ocean. With ample space for beach activities and stunning sunset views, Carlsbad State Beach is a go-to destination for both locals and visitors seeking a quintessential beach day.

**THE FLOWER FIELDS** in Carlsbad present a breathtaking display of color and natural beauty each spring. From March through May, the fields come alive with vibrant ranunculus flowers, creating a stunning panorama of blooms. Visitors can wander through the expansive fields, enjoy guided tours, and take part in various activities and events. The Flower Fields are not only a feast for the eyes but also provide a delightful experience for nature lovers and photographers alike, celebrating the region's floral splendor in a spectacular, seasonal showcase. These fields are ±4 miles away from the subject property.

COSTAR MARKET OVERVIEW

# CARLSBAD RETAIL SUBMARKET

## SAN DIEGO - CA USA

The beach and numerous outdoor amenities in Carlsbad, including Legoland, attract retailers, residents and tourists. According to the U.S. Census, Carlsbad has a large concentration of households with STEM degrees, and the median household income is above $100,000, providing higher potential purchasing power for area households.

Carlsbad Village is filled with boutique retailers, restaurants, bars, and coffee shops clustered along State Street on the western side of Interstate 5. The walkable village provides constant foot traffic for retailers just a few blocks from the beach. Two arterial freeways and a Coaster station support the city, providing easy access from San Diego, Orange County, and southwest Riverside population nodes.

The multi-tenant availability rate has been trending downward below 6% to its lowest position in more than five years as of the third quarter, while the single-tenant availability rate has stabilized near 1% and is trending at its lowest level in seven years. That has come as leasing activity has been relatively consistent during the past several quarters, although it has been below the normal pre-pandemic quarterly demand. However, according to local market participants, most of the best spaces have been leased, which has stifled significant leasing opportunities and has not been due to waning demand. Tenants have few end-cap or pad options to choose from in Carlsbad

Market participants anticipate that the retail environment will remain strong in the coming quarters. Rent growth is expected to outpace the long-term average during that time.

| AVAILABILITY | SUBMARKET | MARKET |
|---|---|---|
| Market Asking Rent/SF | $48.27 ↑ | $36.28 |
| Vacancy Rate | 5.2% ↑ | 4.3% |
| Vacant SF | 312K | 6M |
| Availability Rate | 3.9% | 4.6% |
| Available SF Direct | 219K ↑ | 6.2M |
| Available SF Sublet | 17K ↑ | 305K |
| Available SF Total | 231K ↑ | 6.5M |
| Months on Market | 12.3 | 10.4 |

| INVENTORY | SUBMARKET | MARKET |
|---|---|---|
| Existing Buildings | 376 | 13,834 |
| Inventory SF | 6M | 140 |
| Average Building SF | 15.9K | 10.1K |
| Under Construction SF | 0 | 557K |
| 12 Mo Delivered SF | 65.4K | 177K |

| SALES | SUBMARKET | MARKET |
|---|---|---|
| 12 Mo Transactions | 17 ↑ | 309 ↓ |
| Market Sale Price/SF | $455 ↑ | $413 ↓ |
| Average Market Sale Price | $7.2M | $4.2M |
| 12 Mo Sales Volume | $94.8M | $1B |
| Market Cap Rate | 5.4% ↑ | 5.5% ↓ |

## SAN DIEGO COUNTY

San Diego County is a county in the southwestern corner of the state of California. As of 2022, the population of the county is 3.27 million residents, making it California's second-most populous county and the fifth-most populous in the United States. Its county seat is San Diego, the eighth-most populous city in the United States. It is the southwestern most county in the 48 contiguous United States and is a border county. With more than 70 miles of coastline, state-of-the-art hotel and convention spaces, and an array of entertainment options throughout the region, San Diego is positioned as one of the top visitor and convention destinations in the world. San Diego hosts nearly 35.1 million visitors each year and is a top U.S. travel destination. San Diego visitors spend nearly $11.6 billion annually. The industry generates $848 million annually in state and local transient occupancy, sales, and property taxes. San Diego's world-class waterfront and award-winning international airport make it accessible from destinations across the globe. Critical to the region, San Diego's tourism economy is one of San Diego's three core traded economies, along with the region's innovation and military economies. Tourism employs more than 199,800 people in a variety of positions including lodging, food service, attractions, and transportation. There are also 16 naval and military installations of the U.S. Navy, U.S. Marine Corps, and the U.S. Coast Guard in San Diego County. These include the Naval Base San Diego, Marine Corps Base Camp Pendleton, Marine Corps Air Station Miramar, and Naval Air Station North Island.

# Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 2808-22 State Street**, Carlsbad, CA 92008** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services™ is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

# State Street Theater

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