SHOETERIA | NNN LEASE

Marcus & Millichap
DUONG INVESTMENT GROUP

1942 W. REDONDO BEACH BOULEVARD, GARDENA, CA 90247

INVESTMENT OVERVIEW

Investment Highlights

- **Hard Signalized Corner on Redondo Beach Boulevard, a Primary South Bay Arterial Carrying ±31,500 Vehicles Per Day**
- **Corporate-Guaranteed NNN Lease Backed by Work World, a Private Equity-Sponsored 38-Location Workwear Platform, With Minimal Landlord Obligations Limited to Roof and Structure**
- **Fixed Rent Escalations Averaging 3.4%–3.7% Annually, Roughly Double the 2% Standard Across Competing Net Lease Product**
- **Property has Undergone a Complete Renovation, Including New Roof, New HVACs, Full Remodel Inside and Out, as well as Signage**

An Irreplaceable South Bay Corner

- Hard Signalized Corner With Dual Street Frontage and Full Building Visibility From Both Directions, the Positioning Institutional and Private Buyers Consistently Underwrite Most Aggressively
- **±31,600 Vehicles Per Day** Along Redondo Beach Boulevard, One of the South Bay's Principal East-West Arterials Linking the I-110 and I-405 Freeways
- **±5,200 Square Feet on a ±9,272 Square Foot** Hard-Corner Parcel, a Site Configuration That Could Not Be Assembled or Entitled in This Corridor Today
- Dual-Street Ingress and Egress With Dedicated On-Site Parking and Building Signage Visible From Both Frontages
- Immediately Surrounded by National and Regional Retail Including Target, CVS, Raising Canes, Ralphs, US Bank - Delivering Cross-Shopping Traffic Without the Co-Tenancy or Rollover Exposure That Comes With Owning Inside a Multi-Tenant Center

Trade & Area Basics

- The South Bay's Aerospace, Manufacturing, Logistics, and Port-Adjacent Employment Base Is the Direct End Customer for Work Boots and Job-Site Apparel, Tying Store Performance to Industrial Employment Rather Than Discretionary Retail Cycles
- Positioned Between the I-110 and I-405 Freeways Within One of the Densest Combined Residential and Employment Corridors in Los Angeles County
- 727,770+ Residents, $112,490+ Average Household Income and 764,740+ Daytime Population Inside the Five-Mile Trade Area
- Shoeteria's In-Store Boot Fitting, B2B Industrial Accounts, and Mobile Boot Truck Program Are Service-Based and Locally Dispatched, Insulating the Use From E-Commerce Displacement

INVESTMENT OVERVIEW

Tenant Spotlight

Shoeteria

Shoeteria is the largest specialty supplier of work boots and work gear in Southern California, operating within the essential workwear and safety footwear retail sector. With seven retail locations and a fleet of mobile Shoe Mobile trucks throughout the greater Los Angeles and Inland Empire regions, Shoeteria serves a consistent base of union workers, tradespeople, and industrial employers.

The company's focus on necessity-based products, including safety-toe footwear, work apparel, high-visibility gear, and personal protective equipment, positions Shoeteria within a demand-driven retail segment tied to employment and workplace compliance requirements.

Founded in 1949 as a single retail store in Norwalk, California, Shoeteria has operated continuously for over 75 years. In 2025, the company was acquired by Work World, the largest specialty workwear retailer in the Western United States. Shoeteria continues to operate under its own brand name as a subsidiary.

Founded	**1949**
# of Locations	**7**
Headquarters	**Commerce, CA**
Parent Company	**Work Word (38 Locations)**

Company Growth

Shoeteria operates seven retail locations across Southern California: Anaheim, Commerce, Garden Grove, Gardena, La Puente, Norwalk, and Riverside. A mobile truck service extends the company's reach by bringing the store directly to jobsites and employers.

Through its acquisition by Work World, Shoeteria now operates as part of a broader retail platform with over 38 locations across California, Nevada, and Washington. Work World is backed by Gart Capital Partners, a Denver-based private equity firm. Shoeteria also maintains a dedicated e-commerce platform and an Industrial Accounts program providing businesses with voucher programs, safety footwear programs, and head-to-toe outfitting services.

Website	**shoeteria.com**

Why Choose Shoeteria?

For commercial real estate investors, Shoeteria represents a long-established, necessity-based specialty retailer with over 75 years of continuous operations in Southern California. The company's focus on work boots, safety footwear, and workwear positions it within a resilient retail segment driven by employment activity and workplace safety compliance rather than discretionary spending. Backed by Work World's scale and distribution platform, Shoeteria maintains a competitive position as Southern California's largest specialty workwear supplier with consistent operations, an active commercial accounts program, and a loyal customer base across the trades and industrial workforce.

Representative Photo

Representative Photo

INVESTMENT OVERVIEW

Aerial Photo

INVESTMENT OVERVIEW

Close-Up Aerial Photo

FINANCIAL ANALYSIS

Offering Summary

Property Name	Shoeteria
Property Address	1942 W Redondo Beach Blvd Gardena, CA 90247
Assessor's Parcel Number	4066-007-016
Year Built	1966
Gross Leasable Area (GLA)	±5,200 Square Feet
Lot Size	±0.21 AC (±9,272 Square Feet)

Pricing

Price	$2,269,000
Cap Rate	5.50%
Price/SF	$436.35

Annualized Operating Data

Net Operating Income	**$124,800**

Lease Information

Lease Commencement Date	08/01/2025
Lease Expiration Date	07/31/2032
Total Lease Term	±7 Years
Lease Term Remaining	±6 Years
Increases	Year 2 Flat; ~3.4-3.7% Annual Steps Thereafter
Options	Two, Five-Year @ 3.5% Annual for First Option, Then FMV
Lease Type	NNN
Lease Type Details	Landlord Responsible For Roof & Structure

FINANCIAL ANALYSIS

Most net lease properties raise the rent 10% once every five years. This one raises it about 3.5% a year after the current one. Pick any year below: the rent collected up to that point, plus what the property is worth at that point, is what the investment has returned. Both sides use the same 5.50% cap rate you are buying at, so the only thing that differs is how fast the rent grew.

Rent Collected and Property Value, 2026 Through 2042

	THIS PROPERTY — UP 3.5% EVERY YEAR			TYPICAL NET LEASE — UP 10% EVERY 5 YEARS			DIFFERENCE
VALUE AS OF July of that year	RENT COLLECTED Cumulative	PROPERTY VALUE Rent ÷ 5.50% Cap	TOTAL TO YOU Rent + Value	RENT COLLECTED Cumulative	PROPERTY VALUE Rent ÷ 5.50% Cap	TOTAL TO YOU Rent + Value	YOU ARE AHEAD BY Total vs. Total
Today Aug 2026 — at purchase	—	$2,269,000	$2,269,000	—	$2,269,000	$2,269,000	—
2031 Five years in	$669,236	$2,603,730	$3,272,965	$624,000	$2,269,000	$2,893,000	$379,965
2032 Lease term ends	$817,459	$2,694,860	$3,512,319	$761,280	$2,495,900	$3,257,180	$255,139
2033 First option begins	$970,870	$2,789,180	$3,760,050	$898,560	$2,495,900	$3,394,460	$365,590
2037 Second option begins	$1,640,121	$3,200,649	$4,840,769	$1,461,408	$2,745,490	$4,206,898	$633,871
2042 Both options complete	$2,617,185	$3,801,366	$6,418,551	$2,231,549	$3,020,039	$5,251,588	$1,166,963
Ahead by 2045 | Extra rent collected plus higher property value							$1,166,963

Same price, same starting rent, same 19 years. One returns $6,418,551, the other $5,251,588. Nothing about the buildings differs — only how often the rent goes up.

This is a model, not a prediction. The figures above show what the difference between these two rent structures would look like if the property sold at a 5.50% cap rate in the year shown. They are not a forecast that it will sell at that price, at that cap rate, or in that year; cap rates move with interest rates, market conditions, tenant credit, and remaining lease term, and an actual sale could price higher or lower than any figure here. The purpose is to isolate one variable, how fast the rent grows, and show what that variable alone is worth over time. • Basis. "Rent collected" is net rent received from August 2026 through the July of the year shown. "Property value" is that year's annual net rent divided by a 5.50% cap rate, the same rate implied by the $2,269,000 asking price and $124,800 of current annual net rent, applied identically to both properties in every year. "Total to you" adds the two, before financing, closing costs, and reserves. Lease years run August through July; 2032 ends the current lease term and 2042 ends both five-year renewal options. The current lease year is flat, with steps of roughly 3.4% to 3.7% thereafter; this analysis models 3.5% as the midpoint of that range, so individual years will differ slightly from the lease. The "typical net lease" is a common market structure shown for comparison, not a specific property, and the second renewal option resets to market rent rather than 3.5%, so those years are an estimate. Buyers should review the actual lease and run their own numbers.

MARKET OVERVIEW

Gardena / Los Angeles-Long Beach-Anaheim MSA

The Los Angeles-Long Beach-Anaheim MSA provides a large and diversified consumer and employment base supported by healthcare, government, professional services, entertainment, manufacturing, international trade, and logistics. Los Angeles County's 2026 economic outlook remains mixed but resilient, with healthcare and public-sector employment providing offsets to softer conditions in several goods-producing and trade-related sectors.

Los Angeles retail fundamentals remain relatively stable. Vacancy remained in the mid-5% range in early 2026, while tenant demand supported positive quarterly absorption. A contracting development pipeline and limited new deliveries continue to constrain additions to retail inventory, particularly within established infill areas.

Gardena benefits from its central South Bay position near Interstate 110, Interstate 405, State Route 91, Los Angeles International Airport, and the San Pedro Bay port complex. The area also has convenient access to the expanding Inglewood sports and entertainment district, including Intuit Dome, SoFi Stadium, Kia Forum, and YouTube Theater.

Gardena's dense urban footprint further supports the retail environment, with more than 10,400 residents per square mile. The city generated approximately $1.2 billion in retail sales in 2022, or more than $20,000 per capita, reinforcing its established consumer and commercial base.

The Subject Property is positioned along West Redondo Beach Boulevard within a dense infill trade area. The surrounding 5-mile area includes approximately 727,774 residents, an average household income of approximately $112,490, and a daytime population of approximately 746,740. Its location opposite a Target- and Raising Cane's-anchored retail center adds an established retail draw within the immediate corridor.

Demographics

Income & Economics	1-Mile	3-Mile	5-Mile
Average Household Income	$106,957	$104,065	$112,490
Average Household Retail Expenditure	$83,584	$82,279	$84,232
2025 Daytime Population	27,675	239,820	746,740
Population			
2030 Population	33,469	232,647	733,706
2025 Population	33,252	230,897	727,774
2020 Population	34,448	239,386	757,738
Households			
2030 Households	13,033	85,521	253,541
2025 Households	12,895	82,523	250,531
2010 Households	12,650	80,708	245,029

Nearby Attractions **Proximity to Subject Property

El Camino College | Hustler Casino | Interstate 110 | Los Angeles Airport | Manhattan Beach

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Exclusively Listed By

RON DUONG
Senior Managing Director Investments
(949) 350-5431 call/text
ron.duong@marcusmillichap.com
Lic. CA 01438643

Broker Of Record

TONY SOLOMON
License: CA 01238010
23975 Park Sorrento, Suite 400
Calabasas, CA 91302

19800 MacArthur Boulevard, Suite 150, Irvine, CA 92612 / www.marcusmillichap.com