

# 917 STATE STREET

**FOR SALE** | Single-Tenant NNN-Leased Property in Downtown Santa Barbara | **8,680 SF**



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Impeccably maintained NNN Leased trophy property occupied by Tilly's in Santa Barbara's downtown core. Tilly's, the preeminent casual clothing retailer focused on the growing teen and young adult market, has occupied the property for over 14 years and has over 6 years remaining in its current term. The building has 55 feet of frontage, high ceilings, newer roof and HVAC, and is located within close proximity to Apple, Marshall's, Sephora, Amazon, Vuori, Vans, Urban Outfitters and many other significant retailers and restaurants.

*Seller financing not available.*

**Price:** \$5,630,000 (\$649 psf)

**NOI:** \$300,923 currently and increasing to \$326,963 on 5/1/25\*

**Building Size:** 8,680 SF

**Parcel Size:** Approx. 9,125 SF

**APN:** 039-321-39

**Year Built:** 1999

**Occupancy:** 100% leased to Tilly's with 14-year history at property

**Lease Type:** Absolute NNN

**Frontage:** Approx. 55'

**Foot Traffic:** Approx. 12,000 pedestrians daily

**Ceilings:** 9' - 27'

**Roof:** Replaced in 2018

**HVAC:** Throughout; replaced in 2018

**Parking:** Five public lots within one block

*\*NOI includes tenant's CAPEX reimbursement*



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## INVESTMENT HIGHLIGHTS



### TROPHY INVESTMENT PROPERTY CENTRAL TO DOWNTOWN

917 State Street is half a block from the busiest intersection in downtown Santa Barbara (Carrillo and State), and half a block from Paseo Nuevo Mall, which is currently being considered by the City for a 450-unit residential development. Central to a downtown core brimming with world-renowned shopping, dining and arts, the 900 block is a highly visible natural focal point.

### A TOURIST DESTINATION

With 7.2 million annual visitors, the Santa Barbara area is a haven for tourists from around the world. A mediterranean climate, beautiful mountain range, and of course multiple sandy beaches are among the natural offerings of the area, while the city's rich heritage and countless shops and restaurants serve as cultural draws.

### LONG-TERM LEASE TO A SOLID TENANT

The subject property is 100% NNN-leased to Tillys, publicly-traded under the ticker symbol TLYS, through June 30, 2030. The apparel and lifestyle company has a 14-year history at the property. Santa Barbara's retail market is marked by perennially low vacancy and little to no development

### HIGH BARRIERS TO ENTRY

Due to geographic constraints and a stringent government approval process, development in the market is very limited. Combined with high construction costs, newly built retail space will likely be kept at a minimum for the foreseeable future, making established properties like 917 State a relatively secure investment.

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## LEASE SUMMARY

<b>Tenant:</b>	World of Jeans & Tops corporation
<b>Landlord Responsibilities:</b>	None. Tenant handles all responsibilities or reimburses Landlord for all operating expenses.
<b>Initial Lease Term:</b>	10 Years. Tenant exercised its two 5-year options in 2019, evidence of its commitment to the site
<b>Remaining Term:</b>	Approx. 6 years
<b>Lease Commencement:</b>	April 19, 2010
<b>Lease Expiration Date:</b>	June 30, 2030
<b>Lease Type:</b>	NNN
<b>Current Rent</b>	Approx. \$286,440 (\$2.75 NNN psf) as of May 1, 2024
<b>Current Capital Expenditure Reimbursement:</b>	\$1,206.94 per month
<b>Current NOI:</b>	\$300,923.28 as of May 1, 2024
<b>Next Rent Increase:</b>	\$312,480 (\$3.00 NNN psf) as of May 1, 2025
<b>May 1, 2025 NOI:</b>	\$326,963.28 as of May 1, 2025
<b>Options to Extend:</b>	None



**TILLYS**  
CLOTHING • SHOES • ACCESSORIES

Tillys is a leading, destination specialty retailer of casual apparel, footwear, accessories and hardgoods for young men, young women, boys and girls with an extensive selection of iconic global, emerging, and proprietary brands rooted in an active, outdoor and social lifestyle. Tillys is headquartered in Irvine, California and currently operates 248 total stores across 33 states, as well as its website.

### Company Overview

**Industry:** Apparel  
**Ticker:** TLYS (part of the Russell 2000)  
**Market Cap:** \$175M  
**Founded:** 1982  
**Headquarters:** Irvine, CA

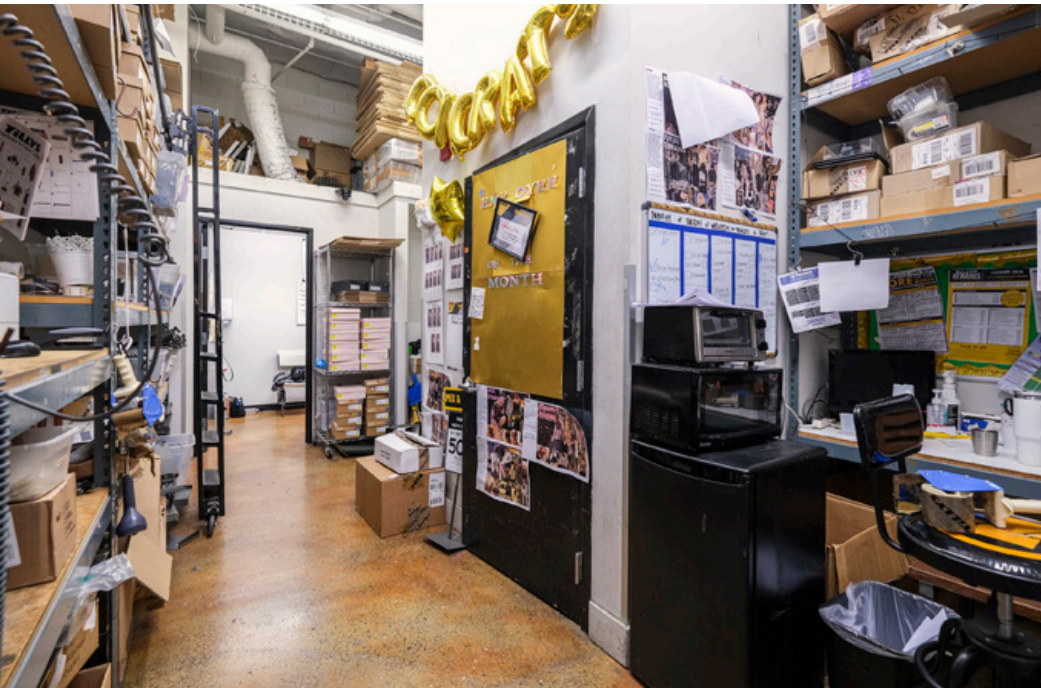
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## NEARBY DEVELOPMENT



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## AREA INFORMATION



### SANTA BARBARA

The city is 90 miles north of Los Angeles and is served by Santa Barbara Airport and Amtrak. Tucked between the Santa Ynez Mountains and the Pacific Ocean, Santa Barbara enjoys a mild, Mediterranean climate averaging 300 sunny days a year.

5.5 million  
visitors per year

92,034  
current residents

\$115,737  
Avg. household income



### STATE STREET & DOWNTOWN

At the heart of Santa Barbara lies State Street, dense with countless options for food and drink, shopping, and entertainment. Stretching the entire length of downtown and eventually turning into Stearns Wharf, State Street serves as the retail hub and most sought-after tourist attraction in the city. Near the subject property, food & drink hotspots continue to thrive, pulling in locals and tourists alike.

### 917 STATE STREET

#### Foot Traffic

12,000  
pedestrians  
per day

#### Auto Traffic

11,854  
cars per day  
(Carrillo & State)

#### Demographics

2023 - source: esri

	1 Mile	3 Mile	5 Mile
<b>Residential Population</b>	30,876	89,878	111,220
<b>Number of Households</b>	12,201	35,479	43,769
<b>Avg. Household Income</b>	\$123,108	\$153,787	\$159,514
<b>Avg. Disposable Income</b>	\$84,168	\$104,076	\$107,159

Median Home Value \$1,732,920

source: Zillow

### THE 'RETAIL BULLSEYE'

With State Street as its central artery, downtown Santa Barbara is the geographic, cultural and business center for the greater South Coast metro area and its 210,000 residents. With several open-air malls and countless entertainment options for visitors, the State Street corridor is the location of choice for national tenants, including soft goods, food use, telecom, and banking.

The downtown area is a busy commercial hub far more cosmopolitan than Santa Barbara's population count would suggest. Business, shopping, arts, dining and leisure all intersect downtown, with sandy beaches at its doorstep and a backdrop of rugged coastal mountains.



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# CONFIDENTIALITY AGREEMENT

917 STATE ST  
SANTA BARBARA, CA

The Seller, through Hayes Commercial Group ("Sales Agent"), has available for study certain information ("Evaluation Materials") regarding 917 State St in Santa Barbara, CA (the "Property"). We are prepared to furnish the Evaluation Materials to you in connection with discussions concerning your possible investment in the Property only on the condition that you agree to treat the Evaluation Materials confidentially and agree specifically as follows:

1. The Evaluation Materials furnished to you will not be used for any purpose other than to evaluate a possible investment in the Property by you as a Principal or broker;
2. You will not make any of the Evaluation Materials available, or disclose or distribute, either orally or in writing, any of the contents of the Evaluation Materials, to any person other than your counsel, analyst(s), equity partner(s), broker(s), or potential lender(s) (hereinafter "Excluded Persons");
3. You will not disclose to any person, other than Excluded Persons, either the fact that discussions or negotiations are taking place concerning a possible investment in the Property by you or any of the terms, conditions or other facts with respect to any such possible investment, including the status thereof;
4. You agree that you will not contact the tenant or property management staff of the Property in connection with your review of the Evaluation Materials. Any and all questions related to the Evaluation Materials must be directed solely to Caitlin Hensel and Kristopher Roth at Hayes Commercial Group;
5. You acknowledge that neither the Seller, nor Hayes Commercial Group, nor any affiliate of either of such persons, nor any partner, director, officer, employee, agent of or consultant to any such persons (collectively, "Seller/Agent") has made any representation or warranty as to the completeness or accuracy of the Evaluation Materials, and any representation or warranty in connection therewith is hereby expressly excluded. The Evaluation Materials provided to you are subject to change of price or terms, withdrawal from market without notice, and prior sale. You agree that the Seller/Agent shall have no liability to you resulting from the delivery to, or use by, you of the Evaluation Materials or otherwise with respect thereto, and you

agree to defend, indemnify and hold the Seller/Agent harmless from and against all loss, damage or expense sustained or incurred by Seller/Agent by reason of any unauthorized distribution or disclosure of the Evaluation Materials by you or by any Excluded Person;

6. We may elect at any time to terminate access to the Evaluation Materials, and you agree that you will, following any request by us or if you do not wish to invest in the Property, promptly redeliver to us all written Evaluation Materials and any other written material (and agree to delete any analyses contained in a database or spreadsheet type format) containing information in the Evaluation Materials and will not retain copies of such written material;
7. You acknowledge that, other than your own broker, you have not dealt with any broker other than Hayes Commercial Group concerning the investment in the Property; and
8. You acknowledge that when you make available the Evaluation Materials to any Excluded Person, you will inform such Excluded Persons of the confidential nature of the Evaluation Materials and the existence and terms of this Agreement.

Please acknowledge your agreement to and acceptance of the foregoing by signing where indicated below and returning one (1) executed copy of the to our attention.

ACCEPTED AND AGREED effective as of \_\_\_\_\_, 2024

PRINCIPAL

By: \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Tel: \_\_\_\_\_

Email: \_\_\_\_\_

BROKER

By: \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Tel: \_\_\_\_\_

Email: \_\_\_\_\_

Mailing address: Hayes Commercial Group, 222 E Carrillo St, Suite 101, Santa Barbara, CA 93101. Fax: 805-456-0805

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