

SINGLE TENANT NNN

Investment Opportunity

HOBBY LOBBY

4.5% Assumable Loan | 91K VPD Intersection | Below Market Rents



78-850 Highway 111 | La Quinta, California

COACHELLA VALLEY

ACTUAL SITE



SRS

CAPITAL
MARKETS

EXCLUSIVELY MARKETING BY

**HOBBY
LOBBY**

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PROPERTY PHOTO





SRS Capital Markets is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an NNN leased, corporate guaranteed, Hobby Lobby investment property located in La Quinta, California. The tenant, Hobby Lobby Stores, Inc., has over 4 years remaining in their initial lease term with 4 (5-year) options to extend. The lease features an approximate 4% rental increase at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed by Hobby Lobby Stores, Inc., and is NNN with landlord responsibilities limited to roof and structure. Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world with over 900 stores in forty-six states.

Hobby Lobby is well positioned between two (2) signalized, hard corner intersections, Hwy-111 and Adams Street (57,900+ combined VPD), and Hwy-111 and Washington Street (66,400+ combined VPD). Hobby Lobby is an anchor to One Eleven La Quinta Center, a 1.1 million SF power center that also includes Stater Bros., Kohl's, and Ross Dress for Less. One Eleven La Quinta Center is one of the region's premier retail centers servicing the communities of La Quinta, Palm Desert, and Indio. One Eleven La Quinta Center is directly adjacent to retail centers The Pavilion at La Quinta (166,500 SF) and Washington Park (521,000 SF). Other nearby shopping centers include The Centre at La Quinta (450,800 SF), Jefferson Plaza (170,000 SF), and Komar Desert Center (228,000 SF). State Highway 111 is the primary retail corridor serving the trade area, with other nearby national/credit tenants including Walmart Supercenter, Costco Wholesale, Target, The Home Depot, Trader Joe's, Lowe's Home Improvement, T.J. Maxx, Best Buy, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for Hobby Lobby. Additionally, Indian Wells Tennis Garden (16,100 seats) is less than 2 miles southeast of the site, further increasing exposure to the property. Home of the BNP Paribas Open, the Indian Wells Tennis Garden contains the second largest outdoor tennis stadium in the world and attracts more than 450,000 fans on a yearly basis. Moreover, the site is within close proximity to several housing communities including Hadley Villas (80 units), Wolf Waters Place (218 units), and Aventine Apartment Homes (200 units), providing a direct consumer base from which to draw. The immediate trade area boasts some of the highest average household incomes in Southern California, with average household income within one-mile exceeding \$114,000. Additionally, there are moreover 66,000 consumers and over 24,000 daytime employees within a 3-mile radius of the subject property.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Price	\$12,390,000
Price/SF	\$223
Net Operating Income	\$712,404
Cap Rate	5.75%
Tenant	Hobby Lobby Stores, Inc. (Corporate)
Lease Type	NNN
Landlord Responsibilities	Roof & Structure

PROPERTY SPECIFICATIONS

Rentable Area	55,440 SF
Land Area	4.51 Acres
Property Address	78-850 CA-111 La Quinta, California 92253
Year Built	2014
Parcel Number	643-080-057
Ownership	Fee Simple (Land & Building Ownership)

Over 4.5 Years Remaining | Corporate Tenant |

Scheduled Rental Increases | Below Market Rent

- Lease is corporate signed by Hobby Lobby Stores, Inc.
- 4.54 years remaining in their initial lease term with 4 (5-year) options to extend
- Lease features an approximate 4% rental increase at the beginning of each option period
- Hobby Lobby is currently paying rent below market rate

Lucrative Assumable Loan Available | Interest Rate of 4.5%

- The offering features an opportunity to assume an existing loan that matures with the initial term
- 25-Year amortizing loan with 4.5% interest rate, much lower than current market interest rate

Strong Retail Intersections (138,700+ VPD) |

Excellent Visibility & Access

- Hobby Lobby is well positioned between two (2) signalized, hard corner intersections, Hwy-111 and Adams Street (over 57,900 VPD), and Hwy-111 and Washington Street (over 91,200 VPD)
- The site has excellent visibility and via significant frontage along State Highway 111 as well as access via 2 separate entrances

Strong Demographics in 3-Mile Trade Area

- Nearby housing communities include Hadley Villas (80 units), Wolf Waters Place (218 units), and Aventine Apartment Homes (200 units), providing a direct consumer base from which to draw
- More than 68,400 residents and 24,700 employees support the trade area
- Residents within 3 mile of the subject property boast an average household income of \$121,695

Anchor to One Eleven La Quinta Center | Retail Corridor |

Strong National/Credit Tenants

- Anchor to One Eleven La Quinta Center, a 1.1 million SF power center that also includes Stater Bros., Kohl's, and Ross Dress for Less
- One Eleven La Quinta Center is one of the region's premier retail centers servicing the communities of La Quinta, Palm Desert, and Indio
- Directly adjacent to retail centers The Pavilion at La Quinta (166,500 SF) and Washington Park (521,000 SF)
- Other nearby shopping centers include The Centre at La Quinta (450,800 SF), Jefferson Plaza (170,000 SF), and Komar Desert Center (228,000 SF)
- Nearby national/credit tenants include Walmart Supercenter, Costco Wholesale, Target, The Home Depot, Trader Joe's, Lowe's Home Improvement, T.J. Maxx, Best Buy, and more

Indian Wells Tennis Garden (16,100+ Seats) | BNP Paribas Open

- Indian Wells Tennis Garden (16,100 seats) is less than 2 miles southeast of the site, further increasing exposure to the property
- Home of the BNP Paribas Open, the Indian Wells Tennis Garden contains the second largest outdoor tennis stadium in the world and attracts more than 450,000 fans on a yearly basis

Numerous County Clubs Within Immediate Area |

Significant Disposable Income

- Communities include Rancho La Quinta Golf Club (AHHI of \$141,000), The Citrus Club at La Quinta Resort (\$186,000 AHHI), La Quinta Country Club (\$162,000) and more
- Provides consumer base with significant disposable income
- Numerous premier golf courses increase draw to the trade area

PROPERTY OVERVIEW

LOCATION



La Quinta, California
Riverside County
Riverside-San Bernardino-Ontario MSA
(Coachella Valley)

ACCESS



State Highway 111: 2 Access Points

TRAFFIC COUNTS



State Highway 111 & Adam St.: 57,900 VPD
State Highway 111 & Washington St: 91,200 VPD

IMPROVEMENTS



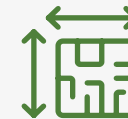
There is approximately 55,440 SF of existing building area

PARKING



There are approximately 227 parking spaces on the owned parcel.
The parking ratio is approximately 4.09 stalls per 1,000 SF of leasable area.

PARCEL



Parcel Number: 643-080-057
Acres: 4.51
Square Feet: 196,455 SF

CONSTRUCTION



Year Built: 2014

ZONING



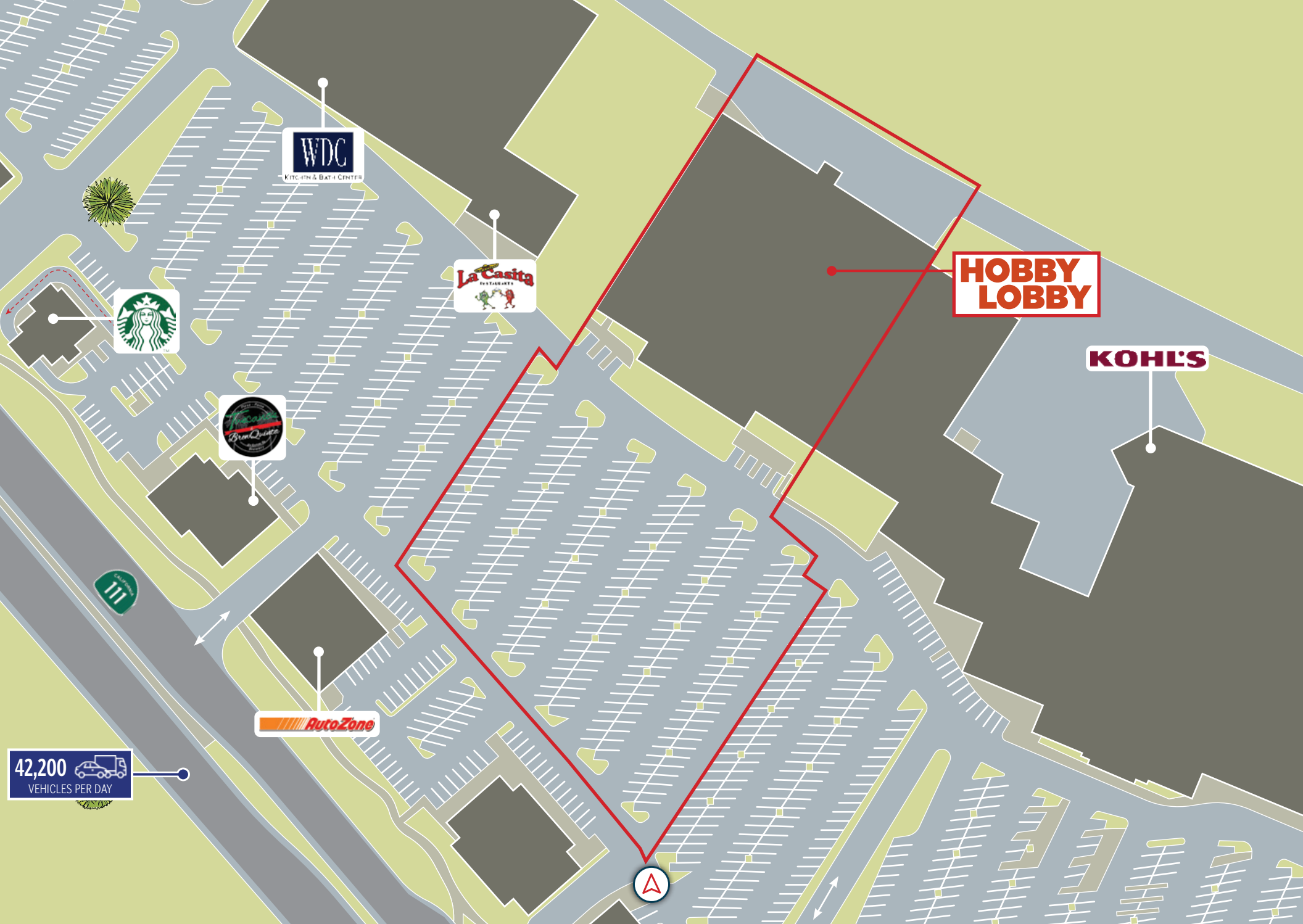
CR: Regional Commercial



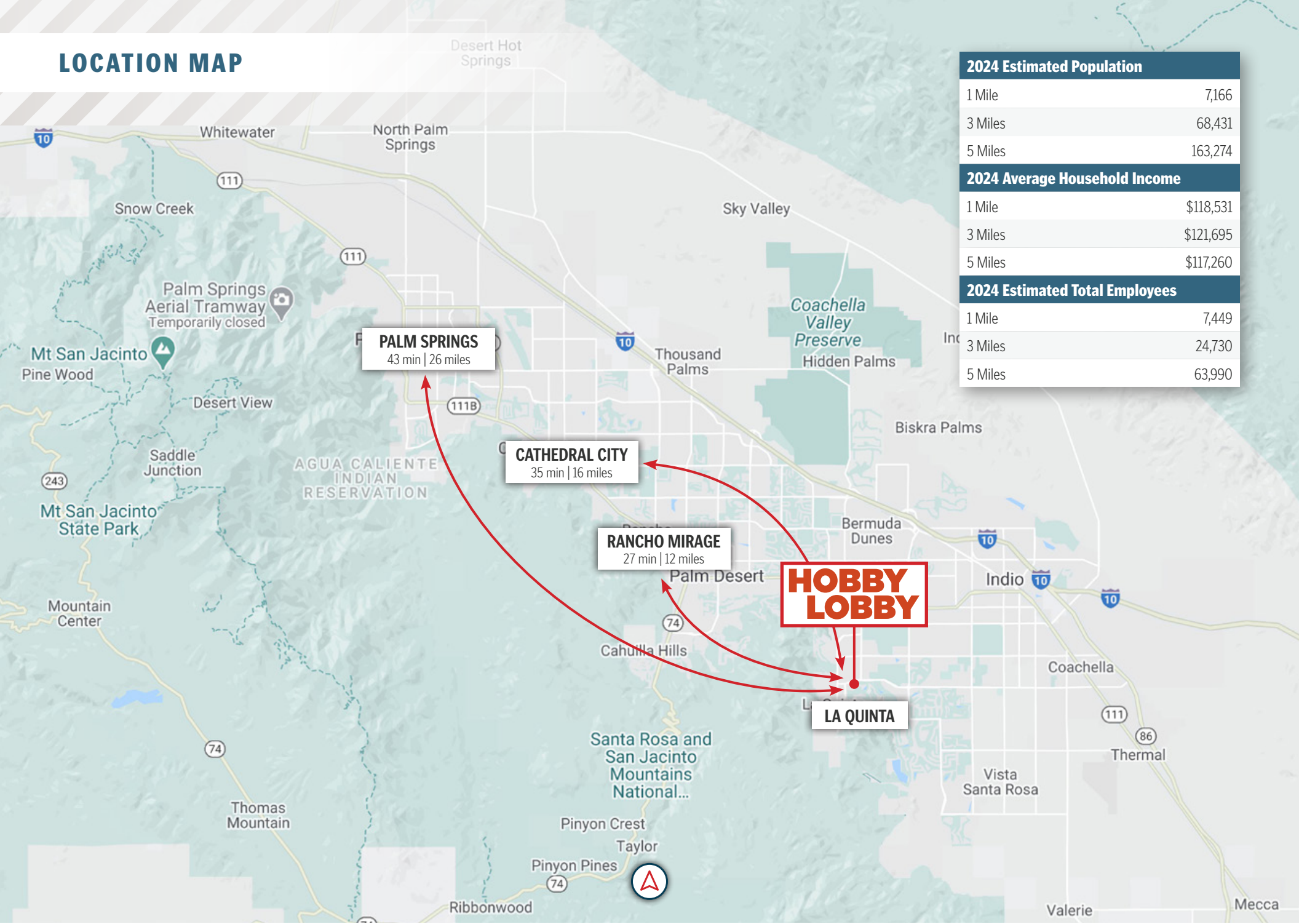








LOCATION MAP



2024 Estimated Population	
1 Mile	7,166
3 Miles	68,431
5 Miles	163,274
2024 Average Household Income	
1 Mile	\$118,531
3 Miles	\$121,695
5 Miles	\$117,260
2024 Estimated Total Employees	
1 Mile	7,449
3 Miles	24,730
5 Miles	63,990



LA QUINTA, CALIFORNIA

La Quinta, California, in Riverside County, is 38 miles E of Hemet, California (center to center) and 65 miles E of Riverside, California. The resort town is situated at the base of the scenic Santa Rosa Mountains on the desert floor of the Coachella Valley. La Quinta is a popular destination for golfers. The area is near the San Andreas Fault. The city is home to a large number of senior citizens who enjoy golfing, tennis and the climate. La Quinta has a notable number of prosperous citizens. The City of La Quinta had a population of 39,277 as of July 1, 2024.

La Quinta, California, boasts a thriving and diverse economy, driven primarily by its tourism and hospitality sector, retail industry, and strong education system. The city's world-class golf courses, luxury resorts, and cultural events attract visitors year-round, while major retailers and local businesses provide employment opportunities and contribute to economic growth. Tourism is a major factor for the economy, especially during the winter. Hotels, resorts, casinos, golf courses, retail and landscaping are primary employers. Moreover, many residents work for the tourist industries in hotels, resorts, golf courses, and nearby Vegas-style casinos. La Quinta has sought to bring in high-paying professional businesses to the city and has benefited from neighboring cities' growth (Indio, Palm Desert and Palm Springs).



The La Quinta Resort and Club is regarded as an historic resort and includes 42 swimming pools, a large number of tennis courts and is very popular for golfing. The Silver Rock Golf Resort is a quality venue. The prominent PGA West Course is nearby. The Mountain View Country Club, Indian Springs Golf & Country Club, Palm Royale Country Club and the Trilogy Golf Club at La Quinta are popular with golfing enthusiasts. There are several casinos in the area. Palm Springs is about 30 minutes away and offers excellent recreational activities and entertainment. The city includes numerous parks for outdoor activities. The Joshua Tree State Park is popular with tourists. Tram rides up Mt. San Jacinto offer scenic views. Bicycle riding along the Bear Creek Trail and hiking in the San Jacinto and Santa Rosa scenic mountains are popular activities for outdoor enthusiasts. The well-known Salton Sea is nearby. La Quinta is home to the Bear Creek Fred Wolff Nature Preserve. The notable Anza-Borrego Desert State Park is close by. The Oasis Water Park located in Palm Springs is popular with families.

AREA DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
Population			
2024 Estimated Population	7,166	68,431	163,274
2029 Projected Population	7,406	69,755	166,847
2010 Census Population	6,203	63,461	151,238
Projected Annual Growth 2024 to 2029	0.66%	0.38%	0.43%
Historical Annual Growth 2010 to 2020	0.96%	0.62%	0.56%
Households & Growth			
2024 Estimated Households	2,699	26,129	61,727
2029 Projected Households	2,791	26,822	63,612
2010 Census Households	2,363	24,053	55,147
Projected Annual Growth 2024 to 2029	0.67%	0.52%	0.60%
Historical Annual Growth 2010 to 2020	1.24%	0.73%	0.88%
Race & Ethnicity			
2024 Estimated White	77.34%	81.18%	82.07%
2024 Estimated Black or African American	1.73%	2.09%	2.12%
2024 Estimated Asian or Pacific Islander	7.52%	4.33%	3.45%
2024 Estimated American Indian or Native Alaskan	0.82%	1.10%	1.28%
2024 Estimated Other Races	22.45%	27.26%	29.09%
2024 Estimated Hispanic	41.12%	50.19%	54.33%
Income			
2024 Estimated Average Household Income	\$118,531	\$121,695	\$117,260
2024 Estimated Median Household Income	\$77,875	\$79,959	\$77,033
2024 Estimated Per Capita Income	\$45,486	\$46,780	\$44,284
Businesses & Employees			
2024 Estimated Total Businesses	564	2,452	6,529
2024 Estimated Total Employees	7,449	24,730	63,990



LEASE TERM						RENTAL RATES					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Hobby Lobby Stores, Inc.	55,440	Aug 2014	Dec 2029	Current	-	\$59,367	\$1.07	\$712,404	\$12.85	NNN	4 (5-Year)

(Corporate Guaranty)

Opt. 1: \$740,124/Yr
Opt. 2: \$767,844/Yr
Opt. 3: \$795,564/Yr
Opt. 4: \$823,284/Yr

¹Tenant has a 3% cap on Capped CAM Expenses (excluding utilities, real estate taxes, and insurance), calculated on a cumulative basis.

The CAM cap is not being hit, 2022 Capped CAM Actual was \$37,398, far below 2022 Capped CAM cap of \$62,699

²Tenant pays its pro rata share of CAM in a center. Tenant's pro rata share shall not exceed 30% during lease term.

³Developer will perform the Common Area Work.

PRICING SUMMARY

Asking Price	\$12,390,000
PSF	\$223
Net Operating Income	\$712,404
In-Place Cap Rate	5.75%

OPERATING CASH FLOW

IN-PLACE

Potential Rental Revenue	\$712,404
Potential Reimbursement Revenue	NNN
Effective Gross Revenue	\$712,404
Less Expenses	(NNN)
Net Operating Income	\$712,404
Less Loan Payment	(\$480,239)
Cash Flow	\$232,165

ASSUMABLE LOAN

Original Loan Amount	\$7,200,000
Outstanding Loan Balance (Feb-2025)	\$5,231,410
Total Loan Payment (Annual)	(\$480,239)
Interest Payment (Feb-2025 Annualized)	(\$235,413) 49%
Principal Payment (Feb-2025 Annualized)	(\$244,826) 51%
Interest Rate	4.50%
Amortization	25 Years
Term	15 Years
First Payment Date	2/1/2015
Loan Maturity Date	12/31/2029
Balloon Payment	\$3,861,497

FOR FINANCING OPTIONS AND LOAN QUOTES:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com



HOBBY LOBBY

hobbylobby.com

Company Type: Private

Locations: 1,000+

In 1970, David and Barbara Green took out a \$600 loan to begin making miniature picture frames out of their home. Two years later, the fledgling enterprise opened a 300-square-foot store in Oklahoma City, and Hobby Lobby was born. Today, with more than 1,000 stores, Hobby Lobby is the largest privately owned arts-and-crafts retailer in the world with over 46,000 employees and operating in forty-eight states. Hobby Lobby offers over 80,000 items featuring home decor, seasonal decor, tableware, floral, art supplies, craft supplies, yarn, fabric, jewelry making, hobbies and much more. Corporate headquarters include over 12 million-square-feet of manufacturing, distribution, and an office complex in Oklahoma City.

Source: hobbylobby.com, newsroom.hobbylobby.com



THE EXCLUSIVE NATIONAL NET LEASE TEAM of SRS Real Estate Partners

300+

TEAM
MEMBERS

25+

OFFICES

5B+

RETAIL
TRANSACTIONS

company-wide
in 2024

600+

CAPITAL MARKETS
PROPERTIES

SOLD
in 2024

\$2.5B+

CAPITAL MARKETS
TRANSACTION

VALUE
in 2024

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