



## Petco @ Florida & Kirby Plaza

Below-Market Rent | Passive NN Lease Structure | Southern California Location



2545 W FLORIDA AVENUE, HEMET, CA 92545

# Single-Tenant Net Leased Petco

## The Offering

Newmark, as an exclusive advisor, is pleased to present the opportunity to acquire a single-tenant, net leased Petco in Hemet, CA.

**\$2,950,000**

ASKING PRICE

**6.94%**

CAP RATE

**NN**

LEASE STRUCTURE

**0.9 Years**

LEASE TERM REMAINING

**Fee Simple**

OWNERSHIP INTEREST



## Net Lease Capital Markets

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# Investment Highlights

## **National Credit Tenant (NYSE: WOOF - S&P: B) | 1,500+ Locations Worldwide**

- Petco is publicly traded on the NYSE under the ticker symbol WOOF. Petco is rated 'B' by S&P
- The company specializes in pet food, products, and services, as well as certain types of live animals. In addition to their retail business, Petco also offers training, grooming, and veterinary services as well as adoption events
- 1,500+ locations worldwide

## **Below-Market Rent | Long Operating History, 10-Year Initial Term Commenced in 2005 | Tenant has Extended its Lease Twice | NN Lease | 1 (5-Year) Option Remaining with a 10.00% Rental Increase**

- Petco's current rental rate (\$15.16/SF/Yr) is below the market rate of ~\$18-22/SF/Yr (contact our team for details)
- Established Petco location, the tenant has been at this location since 2005
- Fee Simple (land & building ownership)
- 10-year initial term commenced in 2005; Petco has extended its lease twice
- 1 (5-Year) option remaining with 10.00% rental increase (Nov-2025)
- Passive NN Lease with minimal landlord obligations - landlord is responsible for roof, roof covering, load-bearing walls, floor slabs, foundation, plumbing system and utility lines. Landlord is also responsible for the repair/replacement of the HVAC unit(s)

## **Dominant Retail Location along Hwy 74/W Florida Ave (43,677 VPD) | Adjacent to 270K SF Hemet Valley Mall | Excellent Visibility & Access | Hemet's Primary Retail Corridor, Home to many Major National Retailers Present**

- Main-on-main retail location with excellent visibility along Hwy 74/W Florida Ave (43,677 VPD) the main East/West thoroughfare in Hemet
- Adjacent to Hemet Valley Mall, a 270K SF Community Center Mall anchored by Hobby Lobby, Sears, Claire's, and Bath & Body Works
- Highly visible and easily accessible, with one curb cut along Hwy 74/W Florida Ave and one along Kirby St (13,165 VPD)
- Additional nearby national retailers/companies include: Sprouts, ULTA, Smart & Final, Ross Dress for Less, JOANN, Marshalls, Five Blow, WSS, Old Navy, Stater Bros. Markets, Goodwill, Target, Home Depot, Lowe's, Walmart Neighborhood Market, LA Fitness, Staples, Tractor Supply Co., and WinCo Foods in addition to all the major SoCal QSR Brands

## **Located 75 Miles Southeast of Downtown Los Angeles | Diverse & Dynamic Economic Center | Strong Growing Demographics in the Immediate Trade Area | 171,906 People with an Average Household Income of \$74,186 within 5 Miles**

- 75 miles Southeast of Downtown Los Angeles
- Hemet, CA has a population of approximately 93,000 residents with a median age of 39
- Hemet, CA is situated in Riverside County, California, within the Inland Empire region of Southern California. Riverside County is home to 2.4 million people, is the 11th largest county in the US, 5th highest density county in CA, and comprised of 28 cities.
- Riverside County has a diverse and dynamic economy with significant contributions from the healthcare, education, government, and manufacturing sectors (See pg. 10 for the largest employers in Riverside, CA)
- 171,906 people with an average household income of \$74,186 within 5 miles of the subject property



# Investment Overview

## Price/Cap Rate

Price (PSF)	\$2,950,000 (\$219)
Cap Rate	6.94%
Annual Base Rent	\$204,660 (\$15.16 PSF)

## Executive Summary

Address	2545 W Florida Avenue Hemet, CA 92545
Tenant	Petco
Lease Entity	PETCO ANIMAL SUPPLIES, INC.
Use	Retail
Rentable Building Area (SF)	13,500
Acreage	1.15 Acres
Expense Structure	NN (See Lease Abstract on pg. 8)
Rent Increases	10% at the start of the option period
Rent Commencement Date	October 29, 2005
Lease Expiration Date	October 31, 2025
Initial Term	Ten (10) Years
Lease Term Remaining	0.9 Years Remaining
Ownership Interest	Fee Simple (Land & Building)





**Pep Boys**  
Auto Service & Tires

**Quest**  
Diagnostics

**Red Robin**  
GOURMET BURGERS & BEERS

**ALLEN TIRE COMPANY**

Valley Outlet  
Warrior Zone Bootcamp & Gym  
Golden Hibachi Buffet

Royal Inn & Suites Hemet

**HARBOR FREIGHT**

**citi**

**dd's DISCOUNTS**

Laundry DB Cuts  
Hemet Asian Market

**Days Inn**  
BY WINDHAM

**O'Reilly AUTO PARTS**  
PROFESSIONAL AUTO CARE

ExtraSpace Storage

Sunburst Mobile Home

**HOBBY LOBBY**

**HOT TOPIC**

**SAMURAI SUSHI**

**Day Roberts**

Bath & Body Works

**sears HOME SERVICES**

**claire's Oh Nails**

**BURGER KING**

**AutoZone**

**Shell**

**Quality INN**

**NAPA**

**Walmart**

**MIRAGE ESTATES**

**Mountain Lyon RV Resort**

Golden Coach Manor

Villa Del Sol

**The Village**  
Active Lifestyle Senior Community

**Starbucks**

**Pepperoni Express**  
THESE KITCHENS

**CHUCK E CHEESE**

**Lifestyle**  
PHYSICIAN OFFICES

**amazon Locker**

**Sanctus**

**Walgreens**

Jackson Mobile Home Park

**DOLLAR TREE**

**SPROUTS FARMERS MARKET**

**ULTA**

**Marshalls**

**PET SMART**

W Acadia Ave (11,583 VPD)

W Florida Ave (43,677 VPD)

74

**BANK OF AMERICA**

**Ono Hawaiian BBQ**  
EST. 2002

**COLD STONE CREAMERY**

Kirby St (13,165 VPD)

**CHIP OTTE RESTAURANT**

**T**

**SUBWAY**

**Smart & Final**

**The Village HealthCare Center**  
Assisted Living • Skilled Nursing • Rehab

Mary Ann Sayon AGNP-C

**Applebee's**  
GRILL + BAR

**petco**

KIRBY & FLORIDA DENTAL GROUP

Edward Jones

**USA DEL SOL**  
BY RESORT & CONDOMINIUMS

**ADDUS**  
HOMECARE

**Travelodge**

**Denny's**

**THE FLORENCE MARKET**

**studio 6**

**KFC**

**BRIGHT NOW**

**Papa John's**

**Jack In the Box**

**Arby's**

**IN-N-OUT BURGER**

**Bowlera**

**LA FOGATA**

**Panera BREAD**

**LAIFITNESS**

**POPEYES**

**BIGS**

**total**

**BIFADORA**

**Spectrum**

**JOANN**

**WSS**

**SALLY BEAUTY**

**five BELOW**

**ROSS DRESS FOR LESS**

**STATER BROS. MARKETS**

**OLD NAVY**

**LA RE HONEST**



W Acadia Ave (11,583 VPD)

W Florida Ave (43,677 VPD)



Smart & Final

Kirby St (13,165 VPD)

Royal Inn & Suites Hemet	Golden Coach Manor			
Hemet Asian Market	Villa Del Sol	DB Cuts		

Warrior Zone Bootcamp & Gym			
Jackson Mobile Home Park			
Golden Hibachi Buffet			

Sunburst Mobile Home	Oh Nails		

# The Investment





# Lease Abstract & Property Details

## Property Overview

Rentable Building Area (SF)	13,500
Acreage	1.15
Year Built/Renovated	2005
Parcel(s)	448-320-031, 448-320-033

## Rent Schedule

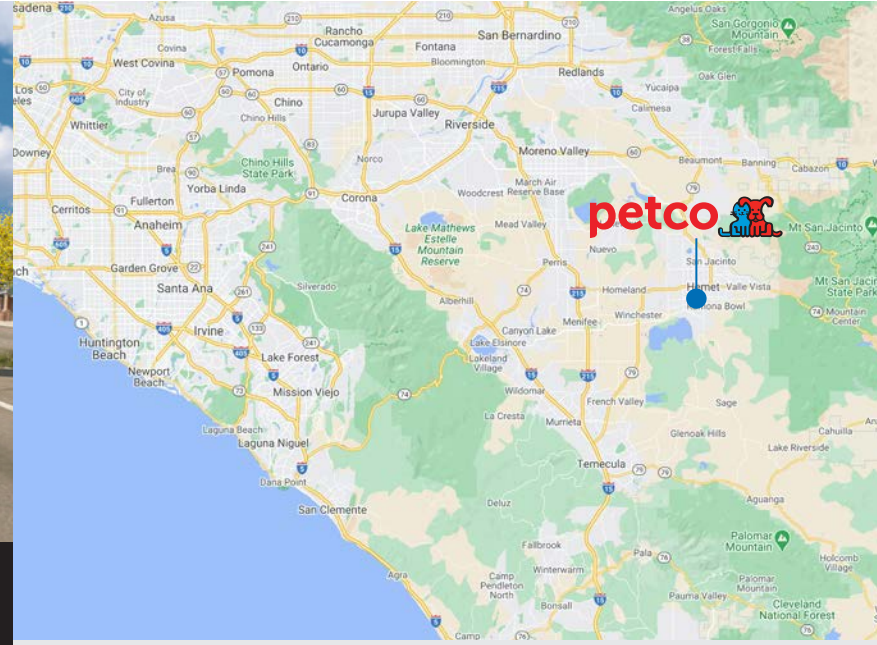
Rent Period	Annual Rent	PSF	Monthly Rent	PSF	% Increase
<b>11/1/2022 - 10/31/2025</b>	<b>\$204,660</b>	<b>\$15.16</b>	<b>\$17,055</b>	<b>\$1.26</b>	-
Option: 11/1/2025- 10/31/2030	\$225,126	\$16.68	\$18,761	\$1.39	10.00%

**Bold = Current Rent**

## Lease Abstract

Address	2545 W Florida Avenue Hemet, CA 92545
Tenant Trade Name	Petco
Lease Entity	PETCO ANIMAL SUPPLIES, INC.
Credit Rating	S&P: B
Rent Commencement Date	October 29, 2005
Lease Expiration Date	October 31, 2025
Lease Term Remaining	0.9 Years
Renewal Options Remaining	1 (5-Year)
Annual Rent (PSF)	\$204,660 (\$15.16 PSF)
Percentage Rent	None
Rent Increases	10% at the start of the option period
Lease Structure	NN
Landlord Responsibilities	Roof, roof covering, load-bearing walls, floor slabs, foundation, plumbing system and utility lines
Utilities	Tenant responsibility
Taxes	Tenant responsibility
CAM	Landlord Responsibility, Tenant pays their prorata share (100%). Increases in CAM costs are capped at (5%) of the capped CAM costs for the previous year.
HVAC	Tenant responsible for maintainance, Landlord responsible for repair/replacement
Insurance	Tenant responsibility
ROFR	None
Financial Reporting	None

# Market Overview



**Hemet, CA**  
(Located in Riverside County)

## Market Overview - Hemet, CA

### Hemet, CA

The city of Hemet, CA is located in the San Jacinto Valley, approximately 30 miles from downtown Riverside and 33 miles from San Bernardino. The city can trace its roots to the Cahuilla Indian Tribe, and later Mission San Luis Rey where the lands were used for ranching. Hemet began to formally emerge as a city when E.L. Mayberry and W. Whittier established the Lake Hemet Company and Hemet Land Company to manage the city's dam construction and ranching activities. Formally incorporated into Riverside County in 1910, the city has gone on to flourish as a retirement oriented city.

The city of Hemet features a diversified economy composed of four main industries: retail trade, health care, education services, and government. These industries provide the bulk of employment in the city of Hemet. The County of Riverside employs over 500 people in the city of Hemet alone. The Hemet Valley Medical Center is a 320-bed general hospital and major employer for the city of Hemet's majority senior population. The city is home to the Ramona Pageant, California's official outdoor play and one of the longest running outdoor plays in the United States.

Population	1 Mile	3 Mile	5 Mile
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2024	17,740	102,432	171,906
2029	18,765	108,565	181,780
Annual Growth 2024-2029	1.2%	1.2%	1.1%

Households	1 Mile	3 Mile	5 Mile
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2024 Households	7,325	35,109	55,676
2029 Household Projection	7,713	37,094	58,693
Annual Growth 2024-2029	1.1%	1.1%	1.1%
Avg Household Income	\$56,925	\$68,757	\$74,186

# Market Overview - Riverside County

## Riverside County

Riverside County is located in the southern region of California and is bordered by Orange, San Bernardino, San Diego, and Imperial Counties. Named for the city in which the county's seat resides, the region is roughly the size of the State of New Jersey in total area. It is among the fastest-growing areas of the United States.

Riverside County is one of the largest counties in the United States and makes up half of the Inland Empire region along with San Bernardino County. Riverside County is made up of 28 cities and 736,413 households with an median household income of \$70,732. The county is home to a major employment base in the Southern California region with a labor force of 1,166,600. The county is connected via the California interstate highway system with highways I-215, I-10, I-15, CA-60, and CA-91 serving as major arterial roads.



## Largest Employers

Company	Number of Employees
County of Riverside	22,000
University of California, Riverside	8,735
March Air Force Reserve	7,000
Kaiser Permanente	4,346
Riverside Unified School District	4,313
City of Riverside	2,485
Riverside Community Hospital	2,200
Riverside Community College	2,100
Alvord Unified School District	1,898
Cal Baptist University	1,442
Parkview Community Hospital	1,100
Collins Aerospace Systems	1,027
Riverside Medical Clinic	970
Stater Bros	790
K&N Engineering	700
Walmart Supercenters	688
Pepsi Bottling Company	650
Mission Inn Hotel and Spa	600
J Ginger Masonry	600



**2.4 M Population**



**#11 Largest County in the USA**



**#5 Highest Density in California**



**28 Cities**

## Major Universities

University	Number of Students
University of California Riverside	21,539
Riverside City College	21,292
Loma Linda University	16,000
San Bernardino Valley College	13,837
Moreno Valley College	10,684
Norco College	10,540
La Sierra University	2,303
California Baptist University	8,190



# Tenant Synopsis- Petco



Headquartered in San Diego, California, Petco is a leading specialty retailer of premium pet food, supplies, and services. Catering to pet owners, Petco provides a comprehensive range of products and services that reinforce the bond between owners and their pets. The company operates more than 1,500 locations across the United States, Mexico, and Puerto Rico. The company's business model revolves around providing a wide array of pet products, from food and accessories to pet grooming and veterinary services. The model aims at creating a one-stop shop experience for consumers, intending to fulfill all pet-related needs under one roof. Petco has smaller retail store locations called "Unleashed by Petco" and is involved in outside ventures such as naming rights to Petco Park baseball stadium, which is home to the San Diego Padres.



**YEAR FOUNDED**  
1965



**COMPANY TYPE**  
Public



**HEADQUARTERS**  
San Diego, CA



**WEBSITE**  
petco.com



**LOCATIONS**  
1,500+ (Worldwide)



**S&P CREDIT RATING**  
S&P: B

## TENANT SYNOPSIS

Trade Name	Petco Health and Wellness Company, Inc. (NYSE: WOOF)
Credit Rating	S&P: B / Negative
Number of Locations	1,500+
Geographic Dispersion	Worldwide (U.S., Mexico, and Puerto Rico)
Market Cap (Dec-2024)	\$1.32 Billion
Total Revenue (FY 2023)	\$6.25 Billion
Total Assets (FY 2023)	\$5.36 Billion





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