

OFFERING MEMORANDUM

TORRANCE COMPANION ANIMAL HOSPITAL

*Veterinary Hospital Investment Opportunity
in the South Bay, Los Angeles*

Torrance Companion
ANIMAL HOSPITAL

In Partnership with



22221 S VERMONT AVE, TORRANCE CA 90502

km Kidder
Mathews

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*Exclusively
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EXECUTIVE SUMMARY

Section 01

INVESTMENT SUMMARY



\$1,996,920

LIST PRICE



\$129,800

CURRENT ANNUAL BASE RENT



NN+

LEASE TYPE



6.50%

CAP RATE



±3 YEARS

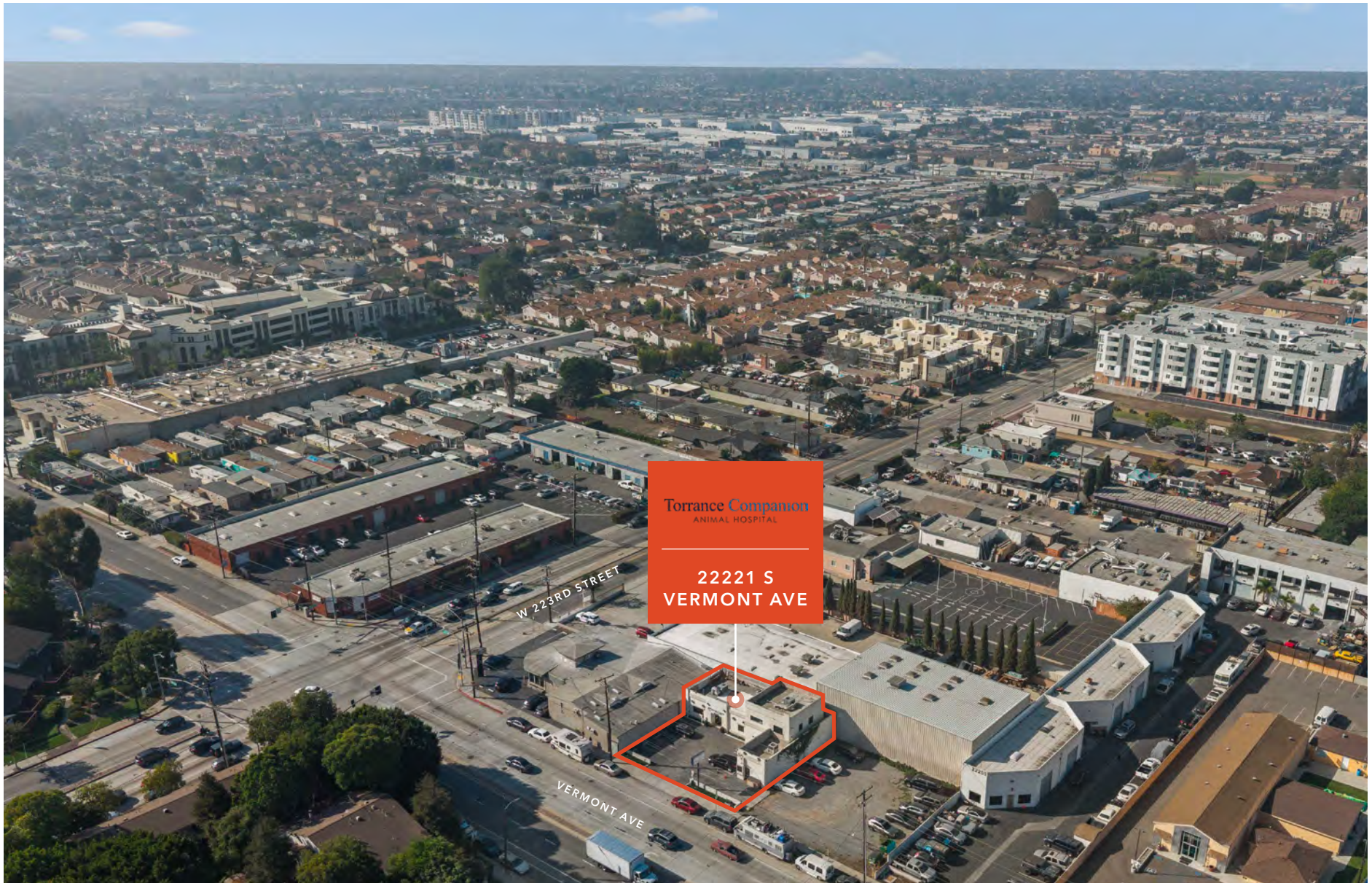
LEASE TERM REMAINING



CORPORATE

LEASE GUARANTOR - PETVET CARE CENTERS (CA) LLC





PROPERTY & LEASE HIGHLIGHTS

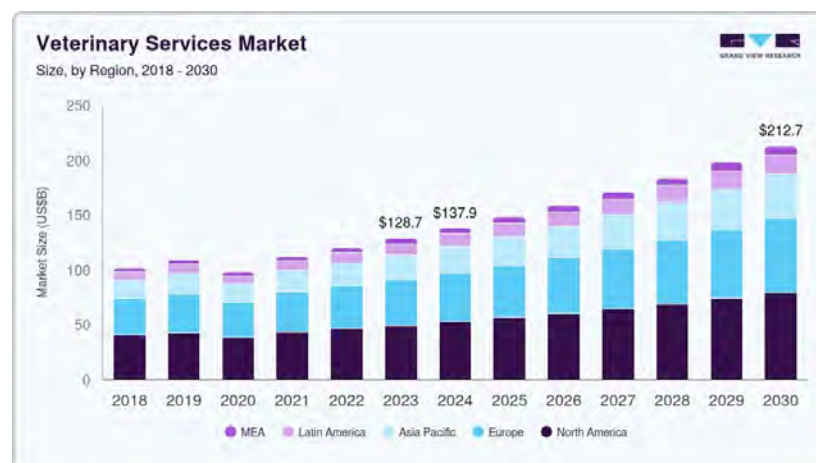
- **PETVET CARE CENTERS (CALIFORNIA) GUARANTY:** Backed by a lease guaranteed by PetVet Care Centers (California), LLC, the operating entity encompassing all of PetVet's California hospitals. PetVet is one of the nation's largest veterinary platforms, operating 450+ hospitals across 35+ states.
- **ESTABLISHED LONG-TERM LOCATION:** Torrance Companion Animal Hospital has served the South Bay community for decades. PetVet's continued investment underscores the hospital's strong local brand, long-standing client base, and strategic importance within the Los Angeles veterinary network.
- **PRIVATE EQUITY-BACKED STABILITY:** PetVet Care Centers is owned by KKR (Kohlberg Kravis Roberts), one of the world's most respected private equity firms with over \$500 billion in assets under management, providing institutional financial strength and long-term capital support.
- **2% ANNUAL RENT INCREASES:** Built-in annual rental escalations provide steady income growth and a natural hedge against inflation.
- **NNN LEASE STRUCTURE:** The lease is NNN*, offering investors a passive, management-free structure. The tenant is responsible for all operating expenses, including taxes, insurance (limited), and maintenance, resulting in predictable cash flow and minimal landlord obligations.
- **STRATEGIC CALIFORNIA GUARANTY:** The California-specific guaranty covers all PetVet-operated hospitals within the state, providing strong regional credit support and operational diversification in one of the country's most established veterinary markets.
- **HIGH BARRIERS TO RELOCATION:** Significant tenant investment—including custom exam rooms, surgical suites, and advanced diagnostic areas—creates high relocation costs and reinforces the hospital's long-term commitment to the property.



TENANT HIGHLIGHTS

- **LEADING NATIONAL OPERATOR:** PetVet Care Centers is a national veterinary leader, known for acquiring and operating high-performing animal hospitals while maintaining local medical autonomy and legacy practice branding.
- **RECESSION-RESISTANT SECTOR:** Veterinary services are essential and non-discretionary, showing resilience through economic cycles. PetVet's hospitals deliver stable recurring revenue from wellness, diagnostics, and surgical care.
- **OPEN 6 DAYS A WEEK:** The Torrance Companion Animal Hospital operates six days per week, reflecting strong patient volume, accessibility, and commitment to client convenience.
- **COMPREHENSIVE FULL-SERVICE CAPABILITIES:** The hospital provides complete veterinary care including wellness exams, internal medicine, dental care, surgery, and in-house diagnostics for both cats and dogs, ensuring consistent client retention and diversified service revenue. (Source: torranceanimalhospital.com)
- **LONG-TERM ALIGNMENT MODEL:** PetVet's partnership model emphasizes retaining local veterinarians and staff, ensuring continuity of care and loyalty from the established client base.
- **KEY PET OWNERSHIP STATISTICS IN THE US**
 - 71% of households in the US, or 94 million, own a pet. This increase in pet ownership trend has fueled demand for veterinary services, including preventive care, diagnostics and treatments.
 - The average US dog owner spends about \$2,524 per year on recurring pet costs.
 - People spent \$136.8 billion on pets in 2022, \$147 billion in 2023, and \$150 billion in 2024.

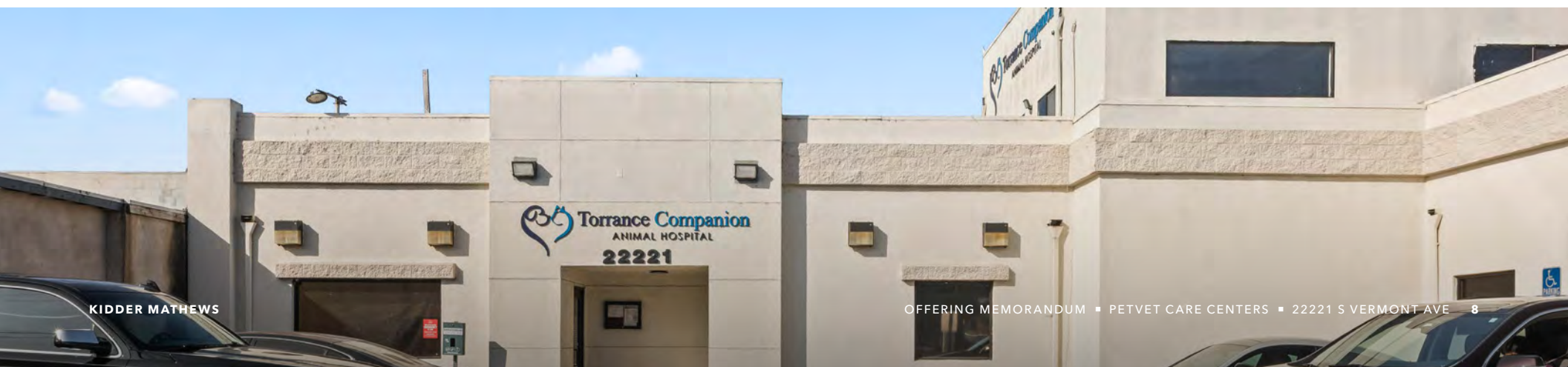
*Source: American Pet Products Association (APPA) via MarketWatch Guides, published March 26, 2025.



Source: [grandviewresearch.com/industry-analysis/veterinary-services-market](https://www.grandviewresearch.com/industry-analysis/veterinary-services-market)

LOCATION HIGHLIGHTS

- **PRIME SOUTH BAY LOCATION - TORRANCE, CA:** Located in the heart of Torrance, one of the most established and affluent communities in the Los Angeles South Bay submarket. The area benefits from dense population, strong household incomes, and proximity to major employers.
- **AFFLUENT, PET-FOCUSED DEMOGRAPHICS:** Within a 5-mile radius, the population exceeds 550,000 residents with an average household income above \$120,000, supporting ongoing demand for high-quality veterinary care.
- **HARBOR-UCLA MEDICAL CENTER \$1.17 BILLION DOLLAR REDEVELOPMENT (0.9 MILES AWAY):** The nearby Harbor-UCLA Medical Center is undergoing a \$1.17 billion, 1.3 million SF campus replacement program that includes a 545,000 SF acute-care tower (346 beds), new support facilities, and a multi-level parking structure on its 72-acre site. Implication: This large-scale healthcare investment cements Torrance's position as a premier regional medical hub, attracting healthcare professionals, high-income residents, and sustained demand for companion-animal services in the South Bay.
- **NEW 200-UNIT 'SOTO' LUXURY RESIDENTIAL DEVELOPMENT NEARBY:** Just minutes from the property, the Soto Apartments—a 200-unit luxury multifamily project by Legacy Partners and DWS Group—is under construction near Del Amo Fashion Center, with completion expected in 2027. Implication: The arrival of high-end residential housing enhances neighborhood demographics, boosts disposable income, and supports long-term demand for premium veterinary and healthcare services.
- **EXCELLENT VISIBILITY & ACCESS:** The property fronts S Vermont Avenue, a major arterial corridor with strong daily traffic and convenient access to I-405 and I-110, connecting Torrance to the broader Los Angeles metro.
- **LIMITED COMPETITION:** The South Bay market has few full-service animal hospitals relative to its population density, positioning the Torrance Companion Animal Hospital as a leading provider with strong competitive advantage.
- **DIVERSIFIED REGIONAL ECONOMY:** Torrance is anchored by major employers in healthcare, aerospace, and technology, supporting a stable, well-educated, and high-income population that underpins continued demand for professional and veterinary services.



EXECUTIVE SUMMARY









FINANCIAL OVERVIEW

Section 02

LEASE ABSTRACT

TENANT	PetVet Care Centers - Torrance Companion Animal Hospital
ADDRESS	22221 S Vermont Ave, Torrance, CA 90502
BUILDING SF	±3,187
LEASE COMMENCEMENT DATE	10/10/2018
LEASE END DATE	10/9/2028
LEASE TERM REMAINING	±3 Years Remaining
LEASE TYPE	NN+
TENANT RESPONSIBILITIES	Tenant is responsible for all taxes, insurance (limited), utilities, and interior maintenance and repairs, including HVAC service and non-structural components
LANDLORD RESPONSIBILITIES	Landlord is responsible for the roof, foundation, exterior walls, structural elements, fire and extended casualty insurance, replacement of HVAC
RENTAL INCREASES	2% Annual Increases
OPTIONS	2, 5 Year Options Remaining
GUARANTY	PetVet Care Centers (California), LLC
YEAR BUILT	2000 / Renovated 2018 (Roof, HVAC, etc)
RENTAL RATE/SF (\$)	\$40.73
MONTHLY BASE RENT (\$)	\$10,816.67

*Lease & Financial Information Disclaimer: All lease and financial details are provided for informational purposes only and are believed to be accurate, but are not guaranteed. Buyers are advised to independently verify all information through their own due diligence. The Broker and Seller / Landlord assume no liability for any errors or omissions.



PRICING

PRICE

\$1,996,920

NOI

\$129,800

CAP RATE

6.50%



TENANT OVERVIEW

Section 03

TENANT SUMMARY



PetVet Care Centers is a nationwide network of more than 450 locally operated veterinary hospitals offering general, specialty, emergency, and equine services. Established in 2012 by Gino Volpacchio, the organization was created to support affiliated veterinarians in delivering high-quality and cost-efficient care across a full range of veterinary needs.

The company's structure blends local clinical autonomy with strong centralized support in areas such as finance, HR, IT, marketing, and real estate—allowing veterinarians to stay focused on patient care. Every hospital functions as its own entity and receives individualized resources. With over 12,000 employees, including roughly 3,000 veterinarians, PetVet invests significantly in training, continuing education, leadership development, and performance-based roles like medical directors who help drive clinic growth and financial performance.

Website: petvetcarecenters.com



SOURCE: WWW.PETVETCARECENTERS.COM/SITE/HOME



LOCATION OVERVIEW

Section 04

SOUTH BAY, CA

The Greater Los Angeles Area is renowned for its vibrant cultural scene and relaxed lifestyle. The population of Los Angeles reflects the city's diverse global background, making it a truly multicultural hub.

The South Bay commercial market, which is active and varied, offers a wide range of properties. The market's anchors in Southern California are Long Beach, Torrance, and Redondo Beach, which offer a variety of retail, office, industrial, and multifamily properties. Many colleges and institutions in the region are a source of students and young adults entering the market.

The significance of the South Bay firm market is demonstrated by the low vacancy rates, which are less than 5%. There are numerous Fortune 500 firms in addition to small and medium-sized businesses. The retail sector is also booming, with vacancy rates of less than 4%. Together with manufacturing facilities, the area is home to a substantial number of warehouses and distribution centers. Compared to other market segments, retail offers a greater variety of opportunities and vacancy rates. There are some well-known national stores in the market besides a diverse range of local businesses.

The South Bay commercial market is excellent for business. The market offers various properties to suit any business's needs, and a strong economy and a diverse population support the market.

TORRANCE DEMOGRAPHICS

471K

2025 POPULATION
5-MILE RADIUS

156K

HOUSEHOLDS
5-MILE RADIUS

\$111K

AVG HH INCOME
5-MILE RADIUS

THINGS TO DO IN SOUTH BAY

TORRANCE BEACH

A beautiful, wide sandy beach that's less crowded than nearby Manhattan and Hermosa beaches, making it perfect for families and those seeking a more relaxed coastal experience. The beach offers excellent surfing conditions, particularly at the north end, and has volleyball courts, a bike path, and scenic bluffs overlooking the ocean.

PALOS VERDES PENINSULA

This stunning coastal area offers dramatic ocean bluffs, hiking trails, and some of the most breathtaking views in Southern California. The peninsula features winding roads perfect for scenic drives, tide pools, and multiple preserves for hiking with ocean vistas. The peninsula features winding roads perfect for scenic drives, tide pools, and multiple preserves for hiking with ocean vistas.

MADRONA MARSH PRESERVE

A unique 43-acre urban nature preserve featuring one of the last remaining vernal marshes in Los Angeles County. The preserve is home to over 300 species of plants and animals, including migrating birds, and offers free guided nature walks, educational programs, and a nature center with exhibits about the marsh's ecology and history.

AUTOMOBILE DRIVING MUSEUM

A unique living museum featuring over 130 vintage and classic cars, with most in running condition. Unlike typical car museums, visitors can actually take rides in many of these historic vehicles on Sundays. The collection spans from the early 1900s to the 1970s, and knowledgeable docents share fascinating stories about automotive history and the specific cars on display.

SOUTH COAST BOTANIC GARDEN

This remarkable 87-acre garden was built on a former landfill and transformed into a beautiful botanical showcase. The garden features distinct areas including rose gardens, a Mediterranean garden, a Japanese garden with koi ponds, and a children's garden.

REDONDO BEACH PIER

This iconic horseshoe-shaped pier is a quintessential Southern California destination with multiple levels of waterfront dining and entertainment. Fresh seafood restaurants line the pier, and the bustling fish market offers daily catches and prepared seafood to enjoy on outdoor patios. Visitors take harbor cruises, or simply enjoy watching sea lions lounging on the docks while taking in spectacular sunset views.





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