

SINGLE TENANT ABSOLUTE NNN

Sale Leaseback Investment Opportunity



24-HOUR LOCATION



435 E HOSPITALITY LANE
SAN BERNARDINO CALIFORNIA

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to present the opportunity to purchase the fee simple interest (land & building ownership) in an absolute NNN leased, franchisee guaranteed, freestanding, Planet Fitness sale leaseback investment property located in San Bernardino, CA. The tenant, Saber San Bernardino, LLC, will sign a 15-year lease at the close of escrow with 3 (5-year) options to extend, demonstrating their long-term commitment to the site. The lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for an out of state investor. This location is open 24 hours, providing ease and convenience for consumers.

Planet Fitness is positioned along Interstate 10, a major east/west commuter thoroughfare traveling throughout the United States, averaging 201,000 vehicles passing by daily. The site is located at the signalized, hard corner intersection of the I-10 Waterman Avenue off-ramp and E. Hospitality Lane (50,500 combined VPD), with excellent visibility from both cross-streets as well as the freeway. Planet Fitness occupies a 23,416 SF building within the Tri-City Corporate Centre, a premier mixed-use development encompassing more than 1.1 million square feet of retail, office, industrial, and hotel space across 153 acres. The Centre is home to 17 Class A and B office buildings, providing a direct employee consumer base to draw from. Notable national/credit tenants of the development include The Home Depot, ALDI, LA Fitness, Olive Garden, and more, increasing outside consumer draw to the immediate trade area and promoting crossover store exposure for the subject property. Other nearby retailers include Costco Wholesale, Sam's Club, and Best Buy, further increasing consumer draw. The surrounding trade area is largely saturated with industrial manufacturing and distribution facilities due to its close proximity to San Bernardino International Airport and centralized location between Los Angeles and the broader Inland Empire. Companies such as Amazon, Pepsico, Kohl's, Stater Bros., Burlington, and Trader Joe's operate large facilities within 3 miles of the subject property. The 5-mile trade area is supported by an extremely dense population of nearly 251,000 residents and more than 135,000 employees. Residents within a 3-mile radius boast a healthy average household income of \$70,000.



PROPERTY PHOTO





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$7,451,000
NET OPERATING INCOME	\$409,780
CAP RATE	5.50%
GUARANTY	Franchisee (9-Unit Entity)
TENANT	Saber San Bernardino, LLC
LEASE TERM	15 Years
LEASE TYPE	Absolute NNN (Sale Leaseback)
LANDLORD RESPONSIBILITIES	None

Property Specifications

RENTABLE AREA	23,416 SF
LAND AREA	0.62 Acres
PROPERTY ADDRESS	435 E. Hospitality Lane San Bernardino, CA 92408
YEAR BUILT / REMODELED	1998 / 2017
STORE HOURS	Open 24 Hours
PARCEL NUMBER	0281-371-79-0000
OWNERSHIP	Fee Simple (Land & Building)



PROPERTY PHOTOS





INVESTMENT HIGHLIGHTS

Brand New 15-Year Lease | Franchisee Guaranteed | 24-Hour Location | Extensive Tenant Renovations

- Saber San Bernardino, LLC will sign a brand new 15-year lease at the close of escrow (sale leaseback)
- Lease features 10% rental increases every 5 years throughout the initial term and at the beginning of each of the 3 (5-year) option periods, growing NOI and hedging against inflation
- Lease is guaranteed by Saber Fitness IE, LLC, an experienced fitness operator with 9 current locations throughout the Inland Empire
- The Saber Fitness system operates approximately 25 Planet Fitness throughout California
- This location is open 24 hours, providing ease and convenience for consumers
- Tenant recently spent more than \$1,750,000 in interior improvements, demonstrating their strong commitment to the site

Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

Signalized, Hard Corner Intersection | Along Interstate 10 | Excellent Visibility & Access

- The asset is located along Interstate 10, a primary east/west commuter thoroughfare traveling throughout the entire United States, averaging 201,000 vehicles passing by daily
- Positioned at the signalized, hard corner intersection of the I-10 Waterman Avenue off-ramp and E. Hospitality Lane, averaging 50,500 combined VPD
- Benefits from excellent visibility from both cross-streets as well as along the freeway

Rare Inland Empire Retail Opportunity | High Barriers To Entry

- Generational opportunity to own commercial real estate in the Inland Empire
- Dense, infill trade area with high barriers for new development

Tri-City Corporate Centre | Nearby National/Credit Tenants | Dense Industrial/Office Corridor

- Occupies 23,416 SF of retail space within the Tri-City Corporate Centre
- Premier mixed-use development spanning more than 1.1 million square feet of retail, office, industrial, and hotel space across 153 acres
- 17 Class A and B office buildings
- Direct employee consumer base from which to draw
- Notable nearby national/credit retailers include Costco, Sam's Club, The Home Depot, ALDI, LA Fitness, and more
- Strong tenant synergy promotes crossover store exposure to the subject property and increases consumer draw to the immediate trade area

Centralized SoCal Location | Inland Empire Growth | Strong 5-Mile Demographics | Healthy 3-Mile Incomes

- A number of established companies have capitalized on San Bernardino's centralized location between the Los Angeles MSA and the broader Inland Empire
- Amazon, Pepsico, Kohl's, Stater Bros., Burlington, and Trader Joe's all operate industrial distribution and warehouse facilities within 3 miles of the subject property
- The Inland Empire has seen extensive growth in recent years with an approximate 10% increase in population since 2010
- Projected for an additional 5% growth in population through 2024
- Nearly 251,000 residents and 135,000 employees support the trade area
- Residents within 3 miles boast a healthy average household income of \$70,000

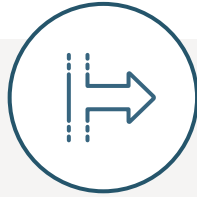


PROPERTY OVERVIEW



Location

Located in
San Bernardino CA
Inland Empire



Access

E. Hospitality Lane
1 Access Point



Traffic Counts

E. Hospitality Lane
19,200 Cars Per Day

Interstate 10
201,000 Cars Per Day



Improvements

There is approximately 23,416 SF
of existing building area



Parking

There is reciprocal parking
throughout the center. The
parking lot is managed and
maintained by a third party.



Parcel

Parcel Number:
0281-371-79-0000
Acres: 0.62
Square Feet: 27,000 SF



Year Built

1998

Year Renovated

2017



Zoning

CR-3: Commercial
Regional - Tri-City/Club













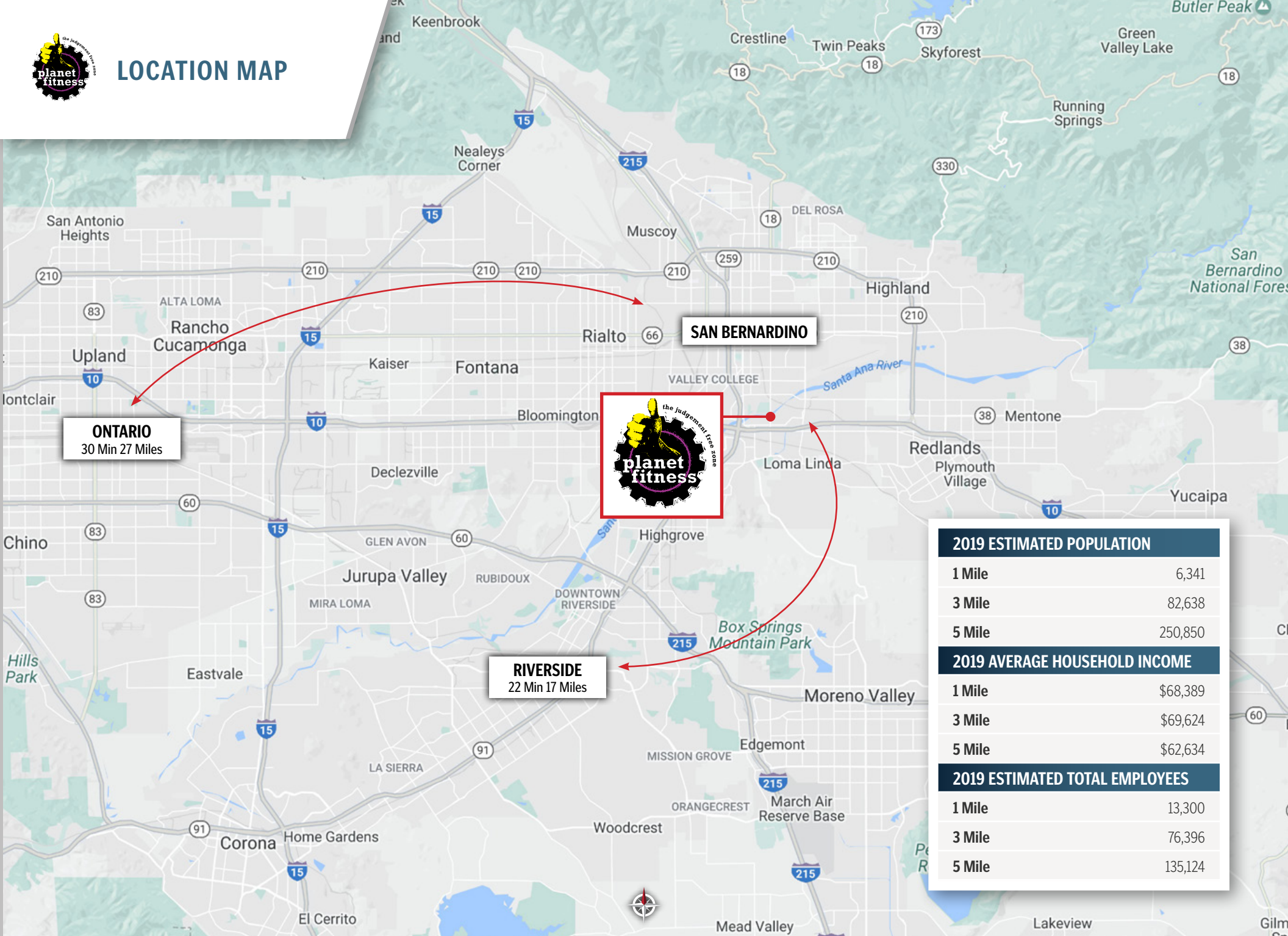


PROPERTY PHOTO





LOCATION MAP



ONTARIO
30 Min 27 Miles

SAN BERNARDINO

RIVERSIDE
22 Min 17 Miles

2019 ESTIMATED POPULATION

1 Mile	6,341
3 Mile	82,638
5 Mile	250,850

2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$68,389
3 Mile	\$69,624
5 Mile	\$62,634

2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	13,300
3 Mile	76,396
5 Mile	135,124



AREA OVERVIEW



San Bernardino, California

San Bernardino is a city located in the Riverside-San Bernardino metropolitan area (sometimes called the “Inland Empire”). It serves as the county seat of San Bernardino County, California, United States. As one of the Inland Empire’s anchor cities, San Bernardino spans 81 square miles on the floor of the San Bernardino Valley, and has an estimated population 216,995 as of July 1, 2017. San Bernardino is the 17th-largest city in California, and the 100th-largest city in the United States. San Bernardino is home to numerous diplomatic missions for the Inland Empire, being one of four cities in California with numerous consulates (the other three being Los Angeles, San Diego and San Francisco). The governments of Guatemala and Mexico have established their consulates in the downtown area of the city.

Government, retail, and service industries dominate the economy of the city of San Bernardino. From 1998 to 2004, San Bernardino’s economy grew by 26,217 jobs, a 37% increase, to 97,139. Government was both the largest and the fastest-growing employment sector, reaching close to 20,000 jobs in 2004. Other significant sectors were retail (16,000 jobs) and education (13,200 jobs). The city’s location close to the Cajon and San Geronimo passes, and at the junctions of the I-10, I-215, and SR-210 freeways, positions it as an intermodal logistics hub. The city hosts the Burlington Northern and Santa Fe Railway’s intermodal freight transport yard, the Yellow Freight Systems’ cross-docking trucking center, and Pacific Motor Trucking. Large warehouses for Kohl’s, Mattel, Pep Boys, and Stater Bros. have been developed near the San Bernardino International Airport.

According to the city’s 2010 Comprehensive Annual Financial Report, the top employers in the city are: California State University, San Bernardino, Caltrans District, City of San Bernardino, Community Hospital of San Bernardino, San Bernardino City Unified School District, San Bernardino County Sheriff’s Department, San Bernardino County Superintendent of Schools, San Manuel Band of Mission Indians, Stater Bros. Markets and St. Bernardine Medical Center.

San Bernardino offers several parks and other recreation facilities. Perris Hill Park is the largest with: Roosevelt Bowl, Fiscalini Field, several tennis courts, a Y.M.C.A., a senior center, a shooting range, hiking trails, and a pool. Other notable parks include: the Glen Helen Regional Park, operated by the County of San Bernardino, is located in the northernmost part of the city. Blair Park is another mid-sized park near the University District, it is home to a well-known skate park and various hiking trails on Shandin Hills, also known as Little Mountain. San Bernardino is primarily served by the San Bernardino City Unified School District, the eighth largest district in the state, although it is also served by Rim of the World (far north, mountains), Redlands (far south east) and Rialto (far west) Unified School Districts.



AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	6,341	82,638	250,850
2024 Projected Population	6,467	85,046	257,946
2010 Census Population	6,121	78,356	235,844
Projected Annual Growth 2019 to 2024	0.39%	0.58%	0.56%
Historical Annual Growth 2010 to 2019	0.39%	0.51%	0.67%
2019 Estimated Households	2,174	25,903	72,563
2024 Projected Households	2,209	26,659	74,462
2010 Census Households	2,118	24,669	68,871
Projected Annual Growth 2019 to 2024	0.32%	0.58%	0.52%
Historical Annual Growth 2010 to 2019	0.28%	0.44%	0.57%
2019 Estimated White	31.96%	38.98%	42.86%
2019 Estimated Black or African American	11.2%	9.88%	9.94%
2019 Estimated Asian or Pacific Islander	25.83%	15.39%	8.36%
2019 Estimated American Indian or Native Alaskan	0.91%	1%	1.16%
2019 Estimated Other Races	18.1%	26.13%	31.07%
2019 Estimated Hispanic	40.83%	54.54%	64.84%
2019 Estimated Average Household Income	\$68,389	\$69,624	\$62,634
2019 Estimated Median Household Income	\$50,719	\$49,258	\$44,337
2019 Estimated Per Capita Income	\$24,109	\$21,792	\$18,203
2019 Estimated Total Businesses	1,038	4,403	8,968
2019 Estimated Total Employees	13,300	76,396	135,124





RENT ROLL

TENANT NAME	SQUARE FEET	Lease Term				Rental Rates					OPTIONS
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	
Saber San Bernardino LLC	23,416	COE	15 Years	Year 1	-	\$34,148	\$1.46	\$409,780	\$17.50	Absolute NNN	3 (5-Year)
(Franchisee Guaranteed)				Year 6	10%	\$37,563	\$1.60	\$450,758	\$19.25		10% Incr. at Beg. of Each Option
				Year 11	10%	\$41,319	\$1.76	\$495,834	\$21.18		

FINANCIAL INFORMATION

Price	\$7,451,000
Net Operating Income	\$409,780
Cap Rate	5.50%
Lease Type	Absolute NNN

PROPERTY SPECIFICATIONS

Year Built / Renovated	1998 / 2017
Rentable Area	23,416 SF
Land Area	0.62 Acres
Address	435 E. Hospitality Lane San Bernardino, CA 92408



For financing options and loan quotes:

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



BRAND PROFILE

Planet Fitness planetfitness.com

Founded in 1992 in Dover, NH, Planet Fitness is one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations. As of September 30, 2019, Planet Fitness had more than 14.1 million members and 1,899 stores in 50 states, the District of Columbia, Puerto Rico, Canada, the Dominican Republic, Panama, and Mexico. The Company's mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment.



COMPANY TYPE

Public (NYSE: PLNT)

2018 EMPLOYEES

1,302

2018 REVENUE

\$572.90 M

2018 NET INCOME

\$88.02 M

2018 MARKET CAP

\$6.88 B

CREDIT RATING

S&P: BBB-



NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

**RETAIL
PROFESSIONALS**

25+

OFFICES

#1

**LARGEST REAL ESTATE
SERVICES FIRM**
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

**TRANSACTION
VALUE**
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2018