



# ABSOLUTE NNN Investment Opportunity

3504 CENTRAL AVE.  
RIVERSIDE, CA 92506

**CBRE**



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# CBRE



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RIVERSIDE AVE







# Investment **Summary**

**3504 CENTRAL AVE.  
RIVERSIDE, CA 92506**



**Purchase Price:** \$3,523,563



**ProForma Rent:** \$212,735 (15% increase if 6/2024 option exercised)



**Building Size:** ±1,909 SF



**ProForma Cap Rate:** 6.04%  
(if 6/2024 option exercised)



**Land Area:** ±13,939 SF



**Year Built:** 2004



**Current Cap Rate:** 5.25%



**APN:** 225-250-064



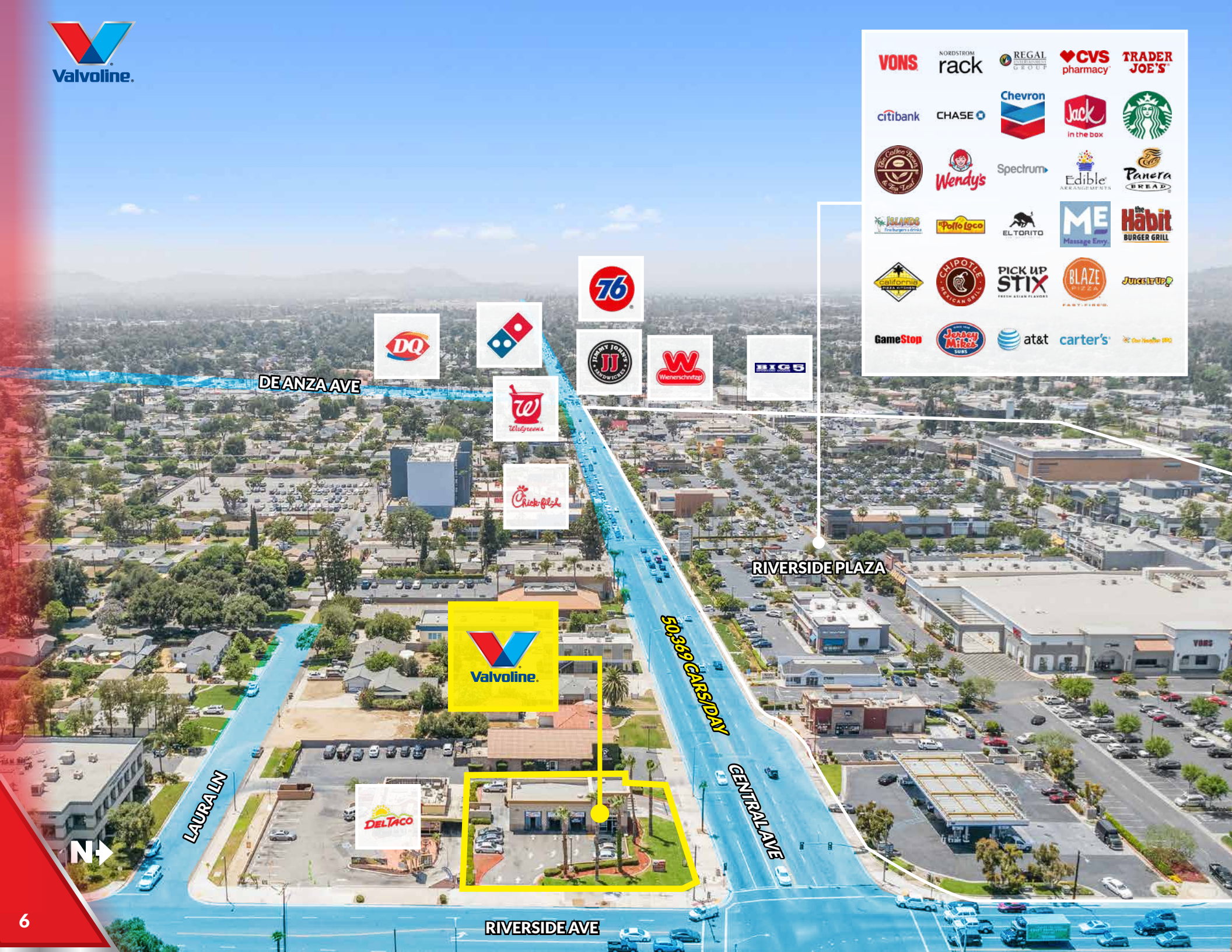
**Current NOI:** \$184,987



**Traffic Counts:** 50,369 CPD  
on Central Ave (2019)









# / Investment Highlights

**Absolute NNN Lease** – The Lease is Absolute Triple Net with No Landlord Responsibilities. Tenant Pays All Expenses Direct.

**Strong Rent Increases with Multiple Options Remaining** – The Lease Provides for 15% Rent Increases Every 5 Years and at Each Option Period (Next is Scheduled for 6/2024 = 6.04% Cap Rate). There are 2x5 Year Options and 1x4 Year Option Remaining.

**Long Term Tenant** – Tenant Has Occupied its Respective Space for 17+ Years.

**Hard Signalized Corner and Freeway Adjacent Location** – The Property is Located on the Hard Corner of Central Avenue and Riverside Avenue, which Reports High Traffic Counts of 50,369 CPD (2019) at the intersection. Additionally, it is One Block from the 91 Freeway, which Features Over 165,000 CPD (2019).

**Immediately Adjacent to Riverside Plaza** – The Site is Immediately Across from Riverside Plaza which Features Vons, Restaurants, Banks and Several Other National Credit Tenants.

**Dense Southern California Demographics** – Valvoline is Ideally Situated in the Heart of a Dense, Infill Trade Area Featuring Over 14,697 Residents with Household Incomes Exceeding \$81,072 within a 1-Mile Radius and Over 118,259 Residents with Household Incomes Exceeding \$86,550 within a 3-Mile Radius.





# Financial Analysis

## TERMS

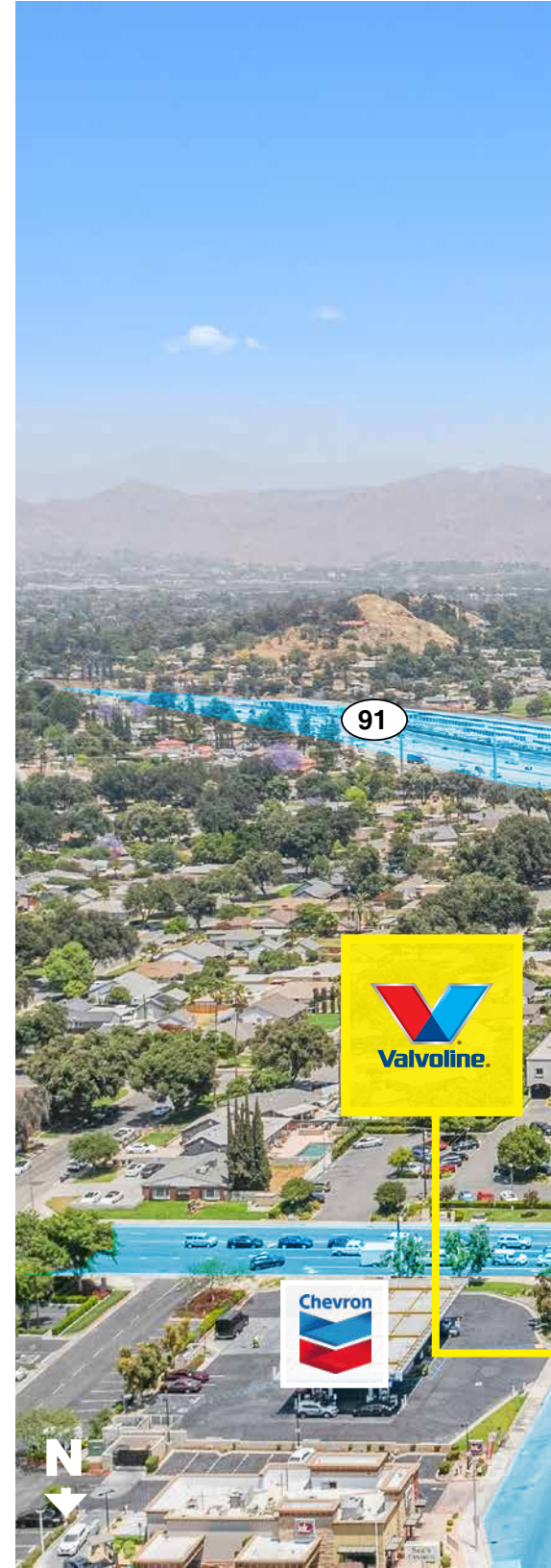
**Commencement:** June 1, 2004  
**Termination:** May 31, 2024  
**Lease Term:** 20 years  
**Term Remaining:** ±3 Years  
**Options:** 2x5 & 1x4 year options

## RENT

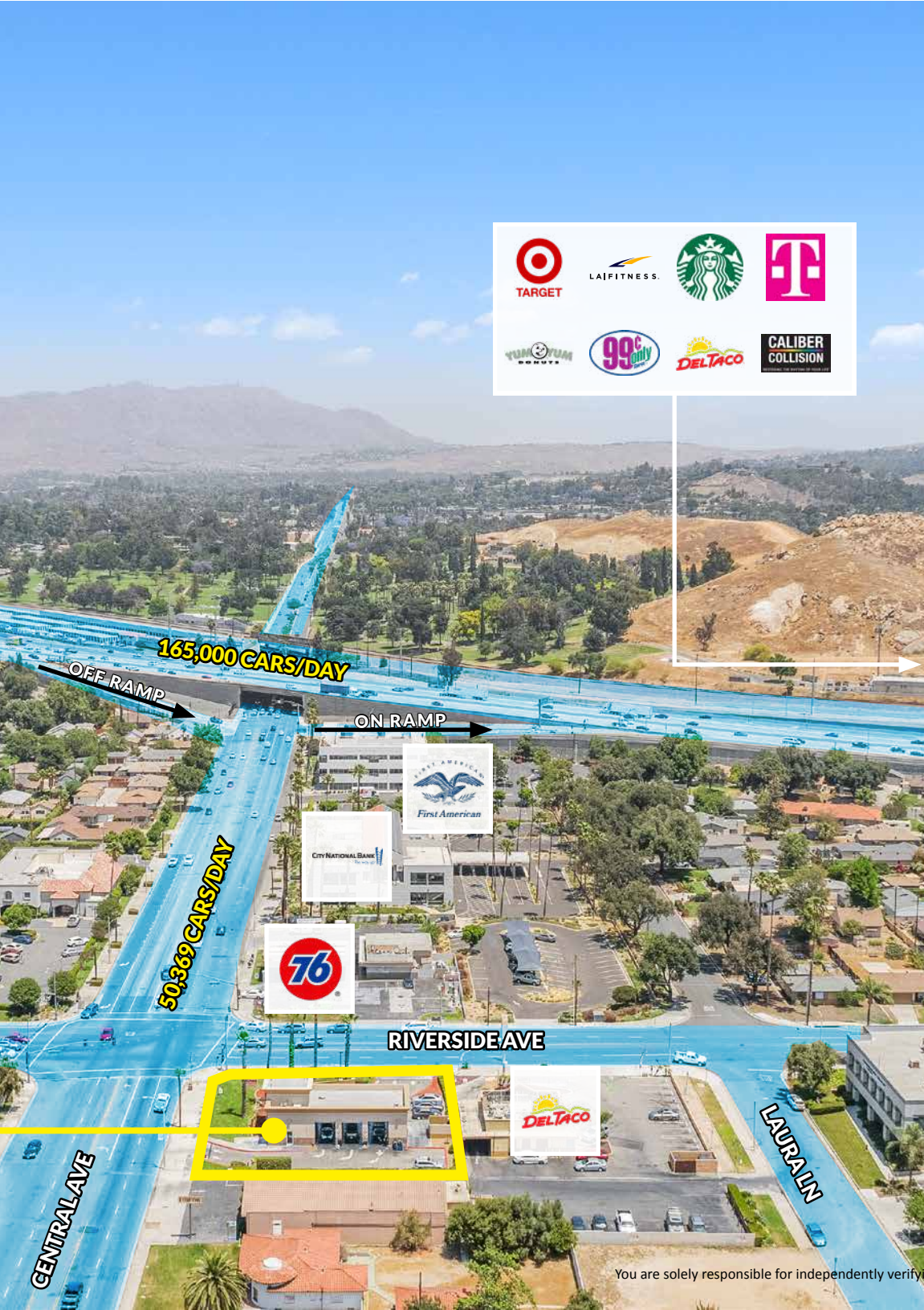
**Current Rent:** \$184,987/year  
\$15,416/month  
**Rent Increases:** 15% Increases Every Five (5) Years

## RENT SCHEDULE

	Year	Month	% Increase
<b>Years 1-5:</b>	\$121,632	\$10,136	
<b>Years 6-10:</b>	\$139,877	\$11,656	15.00%
<b>Years 11-15:</b>	\$160,858	\$13,405	15.00%
<b>Years 16-20:</b>	\$184,987	\$15,416	15.00%
<b>Option 1 (5 Years):</b>	\$212,735	\$17,728	15.00%
<b>Option 2 (5 Years):</b>	\$244,645	\$20,387	15.00%
<b>Option 3 (4 Years):</b>	\$281,342	\$23,445	15.00%







## EXPENSES

Lease Structure:	Absolute NNN - No Landlord Responsibility + All Paid Direct
Roof:	Tenant
Structure:	Tenant
HVAC:	Tenant
CAM:	Tenant
Parking:	Tenant
Property Taxes:	Tenant
Utilities:	Tenant
Insurance:	Tenant

## LEASE INFO

Ownership:	Fee Simple
Tenant:	Valvoline
Guarantor:	Franchisee (Henley Pacific, LA, LLC)
ROFR:	Tenant has a ROFR

## PROPERTY

GLA:	1,909 SF
Lot Size:	13,939 SF
APN:	225-250-064
Parking:	8 Spaces
Year Built:	2004



# Tenant Overview

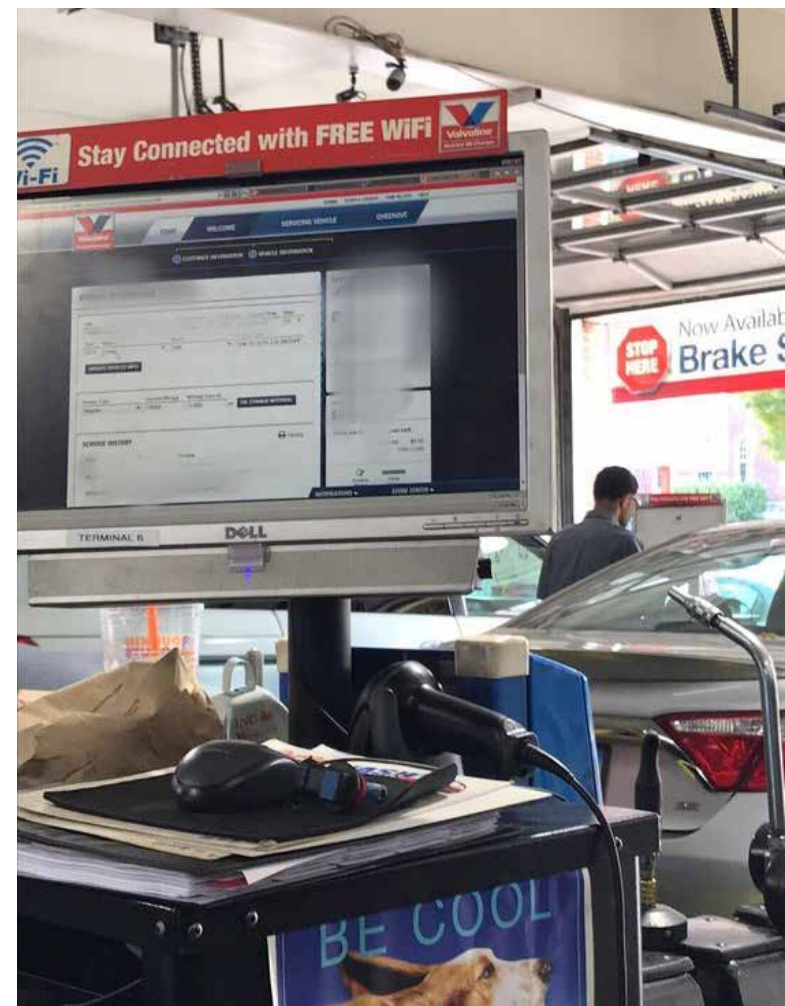


**Valvoline®**

Valvoline Inc. (NYSE: VVV) is a leading worldwide marketer and supplier of premium branded lubricants and automotive services, with its reach in more than 140 countries. The company was established in 1866 and its heritage spans more than 150 years. During that time, it has developed extreme brand recognition across multiple product and service channels. Valvoline ranks as the #3 passenger car motor oil brand in the DIY market by volume. It operates and franchises approximately 1,400 quick-lube locations, and it is the No. 2 chain by number of stores in the United States under the Valvoline Instant Oil Change brand and the No. 3 chain by number of stores in Canada under the Valvoline Great Canadian Oil Change brand.

## CORPORATE OVERVIEW

TYPE:	Public (NYSE: VVV)
INDUSTRY:	Automotive
YEAR FOUNDED:	1866
HEADQUARTERS:	Lexington, KY
EMPLOYEES:	6,100+
LOCATIONS:	1,400+
REVENUE:	\$2.3 Billion
WEBSITE:	<a href="http://www.valvoline.com">www.valvoline.com</a>





# HENLEY ENTERPRISES

Henley Pacific LA is an operating unit of Boston-based Henley Enterprises, the largest Valvoline Instant Oil Change (VIOC) franchise nationwide with more than 100 stores in California and 100-plus more in 11 Eastern states.

In 2012, Henley expanded into California with the acquisition of 72 EZ Lube locations. In 2018, the franchisee then acquired 31 Synfast Oil Change quick-lube locations in southern California and converted them to the Valvoline brand.



## CORPORATE OVERVIEW

TYPE:	Private
INDUSTRY:	Automotive
YEAR FOUNDED:	1987
HEADQUARTERS:	Newton Highlands, MA
EMPLOYEES:	2,175+
LOCATIONS:	213+
WEBSITE:	<a href="http://www.vioc.com">www.vioc.com</a>



The city of Riverside is the population and employment center of Riverside County, and contains a significant concentration of the region's government, industrial, and financial service related employment. Overall, the city of Riverside is expected to retain its position as the major population center in Riverside County for the foreseeable future, due in large part to the well-established transportation infrastructure, diversity of employment opportunities, and relatively affordable cost of housing in Riverside as compared to similar sized cities in Los Angeles and/or Orange Counties.



## Area Overview

The city of Riverside is located in the eastern portion of Riverside County. The outlook is favorable for Riverside-San Bernardino-Ontario. Its internal dynamism and close linkages to the improving Southern California economy create strong upside potential. Business and professional services hold promise as firms in coastal locations look to take advantage of Riverside's lower cost

of doing of business, though construction, trade and logistics are where the metro area will excel during the next leg of the recovery. (conclusion: Moody's). The city of Riverside (incorporated in 1883) is located in the northwestern portion of Riverside County. Riverside is the largest city between Los Angeles and Phoenix. Communities surrounding Riverside include Rubidoux and

Mira Loma to the northwest; Pedley and La Sierra to the west and southwest, Arlington and Woodcrest to the south, and Highgrove, Canyon Crest Heights and unincorporated Riverside County and Moreno Valley to the east. The city is approximately 55 miles east of Los Angeles and 13 miles south of the city of San Bernardino.





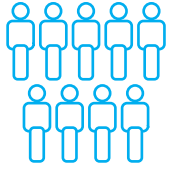
## Access

The city of Riverside has above average regional freeway access. The Riverside Freeway (State Route 91) bisects the city in a northeast/southwest direction. This freeway extends between the South Bay area of Los Angeles County through the eastern portion of the city of Riverside. In the northeast section of the city, the Riverside Freeway intersects with the Pomona Freeway (State Route 60). North of this freeway, the Riverside Freeway becomes the Escondido Freeway (Interstate 215). This freeway continues north, intersecting with the San Bernardino Freeway (Interstate 10), the primary east/west freeway in Southern California, before continuing north and intersecting with the Devore Freeway (Interstate 15) which is a northeast/southwest freeway ultimately reaching to Las Vegas. East of the Riverside and Pomona Freeway intersection, the Pomona Freeway continues west as the Moreno Valley Freeway (Interstate 215/State Route 60) and intersects with the San Bernardino Freeway near the city of Beaumont in central Riverside County.

Primary passenger and airfreight service is accommodated by the Ontario International Airport, located approximately 15 miles northwest of the city. Within the city limits, the Riverside Municipal Airport is a private plane facility that is not served by any major airlines. There is also Metrolink commuter rail service throughout the city. There is a proposed Perris Valley Line that extends the existing MetroLink 91 service from the Downtown Riverside station for 24 miles along the existing San Jacinto Branch Line terminating in Perris.

The Riverside Transit Agency provides local bus service within the city. Intercity/regional bus service is provided by the RTA/Omni Inland Empire Connection. Greyhound also provides interregional and interstate bus service.





## POPULATION

	1 Mile	3 Miles	5 Miles
2020 Population - Current Year Estimate	14,697	118,259	278,751
2025 Population - Five Year Projection	15,119	123,077	289,825
2010 Population - Census	14,117	112,852	265,590
2000 Population - Census	13,690	105,132	233,375
2010-2020 Annual Population Growth Rate	0.39%	0.46%	0.47%
2020-2025 Annual Population Growth Rate	0.57%	0.80%	0.78%



## HOUSEHOLD INCOME

	1 Mile	3 Miles	5 Miles
2020 Average Household Income	\$81,072	\$86,550	\$84,430
2025 Average Household Income	\$88,558	\$93,945	\$92,694
2020 Median Household Income	\$63,905	\$61,966	\$61,618
2025 Median Household Income	\$68,846	\$65,994	\$66,110
2020 Per Capita Income	\$28,658	\$27,438	\$25,493
2025 Per Capita Income	\$31,118	\$29,579	\$27,829







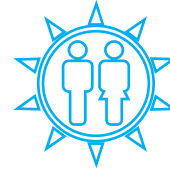
## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2020 Households - Current Year Estimate	5,222	37,622	83,894
2025 Households - Five Year Projection	5,342	38,914	86,799
2010 Households - Census	5,030	36,031	80,213
2000 Households - Census	5,019	35,085	74,712
2010-2020 Annual Household Growth Rate	0.37%	0.42%	0.44%
2020-2025 Annual Household Growth Rate	0.46%	0.68%	0.68%
2020 Average Household Size	2.76	3.05	3.20



## PLACE OF WORK

	1 Mile	3 Miles	5 Miles
2020 Businesses	1,695	5,005	10,864
2020 Employees	12,645	47,541	104,565



## DAYTIME POPULATION

	1 Mile	3 Miles	5 Miles
2020 Daytime Population	20,197	121,544	282,234
Daytime Workers	11,502	50,093	113,527
Daytime Residents	8,695	71,451	168,707







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