



**LA | FITNESS**

3437 Arlington Avenue | Riverside, CA 92506

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**ALL PARCEL LINES ON AERIALS AND SITE PLAN ARE APPROXIMATELY.**



# TABLE OF CONTENTS

04

EXECUTIVE SUMMARY

09

PROPERTY DESCRIPTION

13

MARKET OVERVIEW

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# EXECUTIVE SUMMARY





# THE OFFERING

CBRE's Net Lease Property Group - Midwest is pleased to present to qualified individuals, the opportunity to acquire 100% fee interest in a freestanding LA Fitness in Riverside, California. The LA Fitness located at 3437 Arlington Avenue recently extended their lease term by a period of 3 years and consistently ranks as one of the brand's top performing locations according to foot traffic reports. This location has over 9 years of primary term remaining and three five-year options to extend.

Riverside, California, is located in the Inland Empire and is approximately 50 miles east of downtown Los Angeles. Riverside, CA is the most populous city in the Inland Empire and in Riverside County, and is the 61st most populous city in the United States. LA Fitness is strategically located and visible from Arlington Avenue. Traffic counts near the site are approximately 31,950 vehicles per day. The Property is also highly visible from Riverside Freeway (State Route 91) with over 165,000 vehicles passing near the site per day.

LA Fitness is one of the fastest-growing health club chains in the United States with over 700 locations across 27 states and Canada. The company operates under the brand names of LA Fitness, Esporta Fitness, and City Sports Club. The clubs offer a wide range of amenities, including state-of-the-art equipment and cardio area, over 20 different exercises classes, indoor heated lap pool with whirlpool spa and saunas, racquetball and basketball courts, and personal training sessions among others. LA Fitness was established in 1984 in Southern California and is a privately owned company, with major ownership interests held by private equity firms Madison Dearborn Partners and Seidler Equity Partners.



# INVESTMENT HIGHLIGHTS



## STRONG TENANCY:

LA Fitness is the #1 revenue-generating health club in the industry, with estimated annual revenues near \$2.0 billion and this LA Fitness has one of the highest memberships in California based on foot traffic reports (see below). Additionally, the diverse mix of tenants surrounding the Property creates a surge in traffic on weekdays and weekends, which greatly benefits LA Fitness.



## LONG TERM LEASE:

LA Fitness has been a tenant since 2013 and currently has over 9 years remaining at this location with three, five-year options to renew.



## STRONG FOOT TRAFFIC REPORTS:

This location is one of the strongest performing stores in the brand both pre-COVID and currently. From the pre-COVID period of March 1, 2019 to February 28, 2020, this location ranked in the 90th percentile or 58th out of 587 stores according to Placer.ai. After California opened their gyms, their performance has remained very strong, ranking in the 91st percentile of all nationwide locations in the last six months.



## RECENT EXTENSION:

LA Fitness extended their lease term by a period of three years in exchange for a few months of COVID relief due to government shutdowns in California. The extension shows their strong performance at this location and their desire to stay at this location long-term.



## UPSCALE INFILL DEMOGRAPHICS:

The five-mile trade area has an excellent, dense, and affluent demographic profile, with a population of over 275,000 residents. The current median age of the population is 32.2 years. Nearly 40% of the population is between the ages of 25 and 54, the peak earning years. Approximately 51% of the housing units are owner occupied. Furthermore, 71% of the housing units' range in value from \$300,000 to \$750,000 and 64% of the units are single family.



## EXCEPTIONAL VISIBILITY AND TRAFFIC COUNTS:

LA Fitness is strategically located and visible from Arlington Avenue. Traffic counts near the sight are approximately 31,950 vehicles per day. The Property is also highly visible from Riverside Freeway (State Route 91) with over 165,000 vehicles passing near the site per day.



## SURROUNDING TRADE AREA:

LA Fitness benefits from its proximity to Target, which is just east of the site and draws traffic to the area on weekdays and weekends. The site is just one mile southeast of Riverside Plaza, a 475,000 square foot outdoor mall. Tenants at Riverside Plaza include Regal Cinemas, Vons, Nordstrom Rack, Marshalls, Jo-Ann Fabrics, Trader Joe's and Ulta Beauty among others.



# NORTH AERIAL

RIVERSIDE PLAZA  
REGAL CINEMAS VONS Marshalls  
Soma rack ULTA CVS  
JO-ANN TRADER JOE'S carter's

LA FITNESS

attic  
self storage

TARGET

DEL TACO

LA CARNICERIA  
AL-KARAM

99¢  
only  
STORES

FIT LAB  
JAZZERCISE

STARBUCKS

ARLINGTON AVE  
31,950 VPD

RIVERSIDE FWY  
165,000 VPD

MOD PLANTOS



# FINANCIAL OVERVIEW

Offering Price	\$18,175,800
Cap Rate	6.15%
Annual Rent	\$1,117,811.88
Building Size	49,661 Square Feet
Land Area	± 3.705 Acres / 161,411 Square Feet
Tenant	LA Fitness
Lease Entity	Fitness International, LLC
Lease Commencement	April 1, 2013

Lease Expiration	March 31, 2031
Lease Term Remaining	9 Years, 1 Month
Renewal Options	Three, 5-Year Options
Landlord Responsibilities	Landlord is responsible for roof and structure only.

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.





# PROPERTY DESCRIPTION





# TENANT PROFILE



LA Fitness is one of the fastest-growing health club chains in the United States with over 700 locations across 27 states and Canada. The company operates under the brand names of LA Fitness, Esporta Fitness, and City Sports Club. The clubs offer a wide range of amenities, including state-of-the-art equipment and cardio area, over 20 different exercises classes, indoor heated lap pool with whirlpool spa and saunas, racquetball and basketball courts, and personal training sessions among others. LA Fitness was established in 1984 in Southern California and is a privately owned company, with major ownership interests held by private equity firms Madison Dearborn Partners and Seidler Equity Partners.





# PROPERTY DESCRIPTION

## SITE DESCRIPTION

Property Name: LA Fitness

Location: 3437 Arlington Avenue  
Riverside, CA 92506 (Riverside County)

Site Size: ± 3.705 Acres/161,411 Square Feet

Building Size: ± 49,661 Square Feet

Year Built: 2010

PIN: 225-350-075

Shape: Irregular

Parking: 253 spaces including 7 handicap spaces  
(5.1 per 1,000 SF of GLA)

Access: The Property is accessible via Arlington Avenue and the surrounding retail.

Flood Hazard: According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 06065C0710G dated August 28, 2008. Zone X, an area that is determined to be outside the 100-and 500-year floodplains.

Zoning: The property is zoned CG (Commercial General Zone District).

Traffic Counts: Arlington Avenue – 31,950 VPD  
State Route 91 (Riverside Fwy) – 165,000 VPD



# SITE PLAN



Square Footage  
49,661 SF

Lot Size  
± 3.705 Acres

Parking Spaces  
253 spaces (Includes 7 Handicap)



# MARKET OVERVIEW



# MARKET OVERVIEW

LA Fitness is located in Riverside, California, approximately 3 miles south of its downtown and 50 miles east of downtown Los Angeles. LA Fitness is strategically located and visible from Arlington Avenue. Traffic counts near the sight are approximately 31,950 vehicles per day. The Property is also highly visible from Riverside Freeway (State Route 91) with over 165,000 vehicles passing near the site per day. The asset's location is ideal at these major arteries and provides residents of neighboring communities with convenient access to the site. LA Fitness benefits from its proximity to Target, which is just east of the site and draws traffic to the area on weekdays and weekends. The site is just one mile southeast of Riverside Plaza, a 475,000 square foot outdoor mall. Tenants at Riverside Plaza include Regal Cinemas, Vons, Nordstrom Rack, Marshalls, Jo-Ann Fabrics, Trader Joe's and Ulta Beauty among others.

## TRADE AREA CHARACTERISTICS

LA Fitness draws the majority of its customer base from a five-mile radius trade area based on population concentration and the location of competing properties.

- The five-mile trade area has a currently population of 275,186 residents and 83,279 households.
- The current median age of the population is 32.2 years. Nearly 40% of the population is between the ages of 25 and 54, the peak earning years.
- The area's average and median household incomes are \$89,802 and \$70,047, respectively. 34% of the households have annual incomes between \$75,000 and \$150,000 and nearly 14% of the households have annual incomes above \$150,000.
- Approximately 51% of the housing units are owner occupied. Furthermore, 71% of the housing units' range in value from \$300,000 to \$750,000 and 64% of the units are single family.

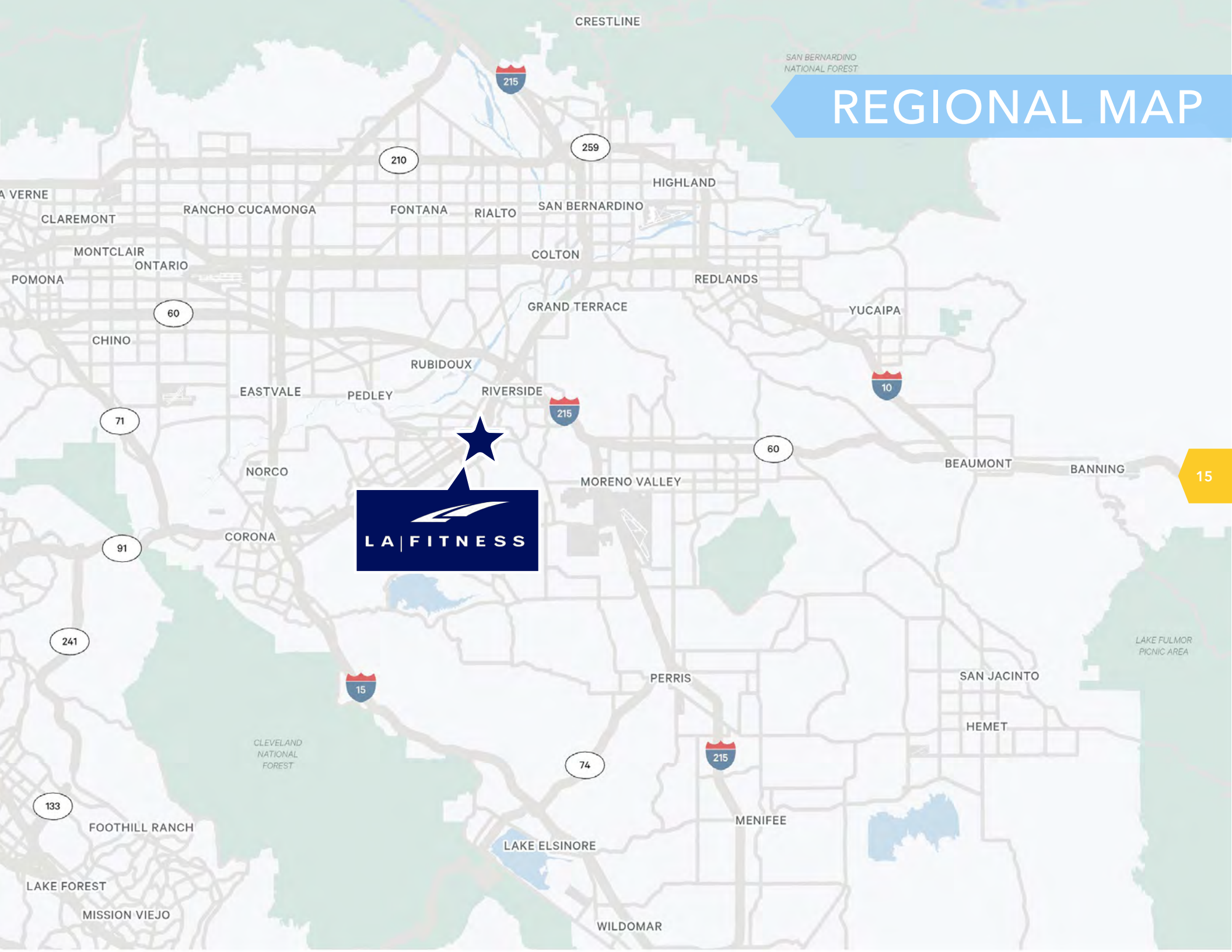
## RIVERSIDE, CALIFORNIA

LA Fitness is located within Riverside, which is the largest city in the County with more than 320,000 residents. The area is known for its citrus industry and an entire empire was built around the navel orange. Riverside has 24 nationally registered historic sites, more than 100 city landmarks and is known as the city of arts and innovation. Riverside is located within the Inland Empire MSA (Riverside-San Bernardino-Ontario), which includes the cities in western Riverside County and southwestern San Bernardino County. Located in Southern California east of Los Angeles County, the MSA is the 13th largest MSA in the United States and the 3rd largest in the state of California. As of 2021, the population was 4.6 million people. At the end of the 19th century, the area was a major center of agriculture which includes citrus, dairy and winemaking. Since the 1970s, the area has been one of the fastest-growing population centers in the United States and has seen an increase in residential, commercial and industrial development. It is anticipated that the population will reach 7 million in the next thirty years. The area is served by the Ontario International airport which is the fastest growing airport in the United States and the #1 airport for outgoing cargo. The Inland Empire is home to more than 25 colleges and universities and the second largest high school district in the state.



SAN BERNARDINO  
NATIONAL FOREST

# REGIONAL MAP



# POPULATION DENSITY



## 2021 POPULATION

1 MILES | 13,334  
3 MILES | 114,840  
5 MILES | 275,186

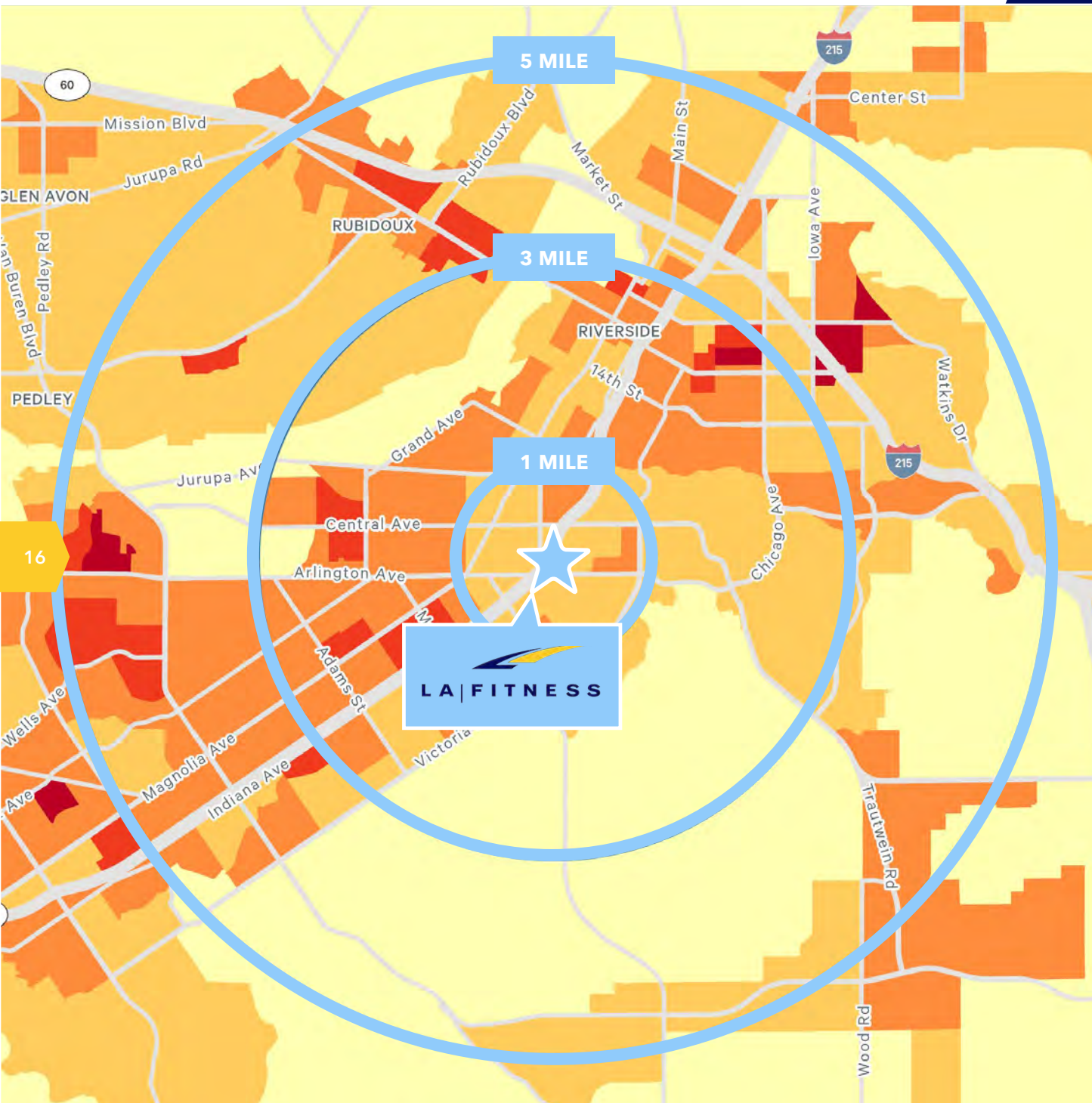


## 2026 POPULATION

1 MILES | 13,875  
3 MILES | 119,458  
5 MILES | 285,382

## POPULATION PER SQUARE MILE - 2021

- Over 15,000
- 10,000 to 15,000
- 5,000 to 10,000
- 1,500 to 5,000
- Less than 1,500





# AVERAGE INCOME



## 2021 AHHI

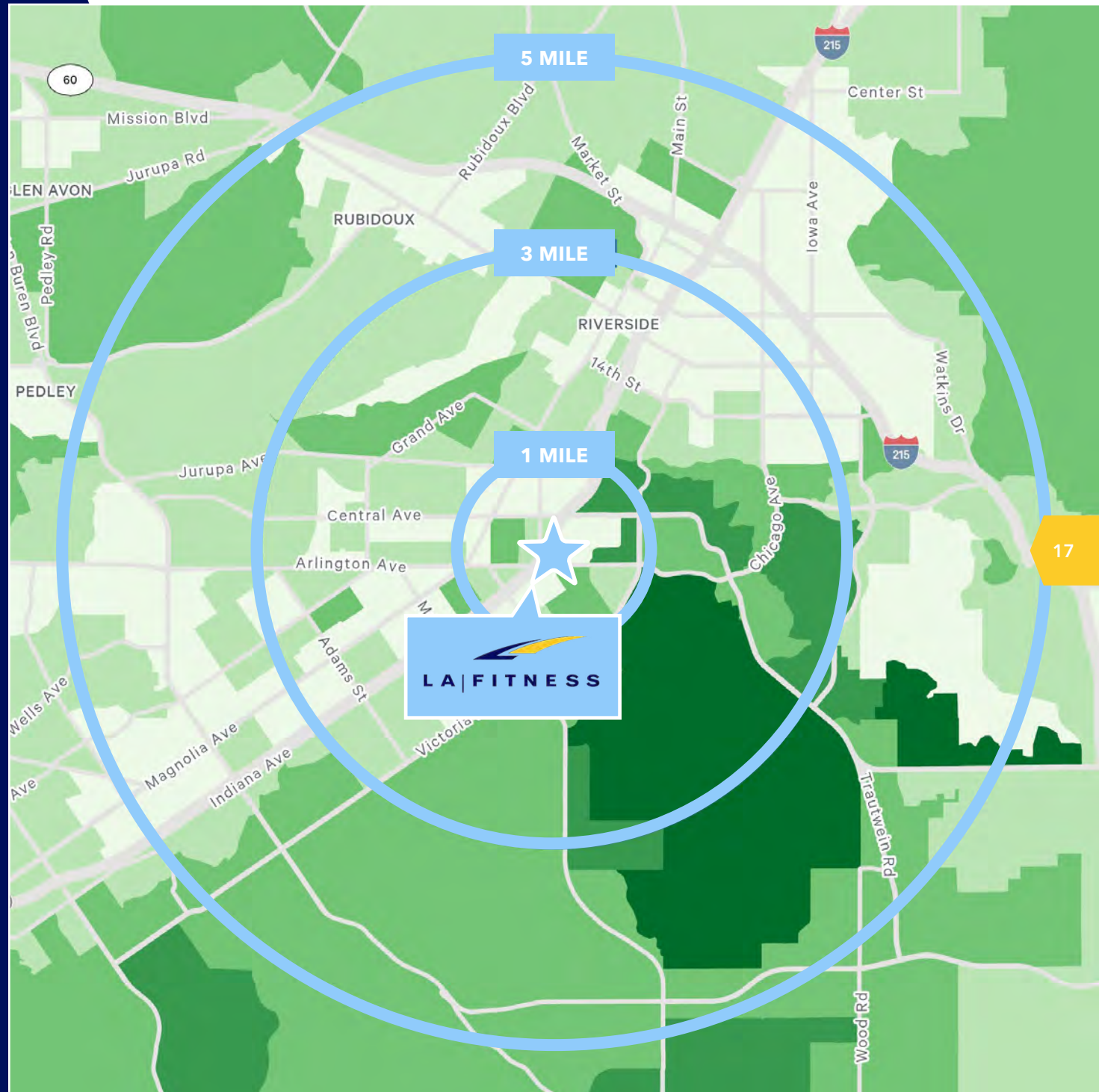
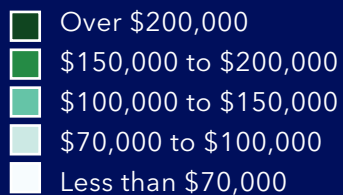
1 MILES | \$96,335  
3 MILES | \$93,687  
5 MILES | \$89,802



## 2026 AHHI

1 MILES | \$106,743  
3 MILES | \$103,407  
5 MILES | \$99,911

## AVERAGE HOUSEHOLD INCOME - 2021



# POPULATION GROWTH



## 2021 HOUSEHOLDS

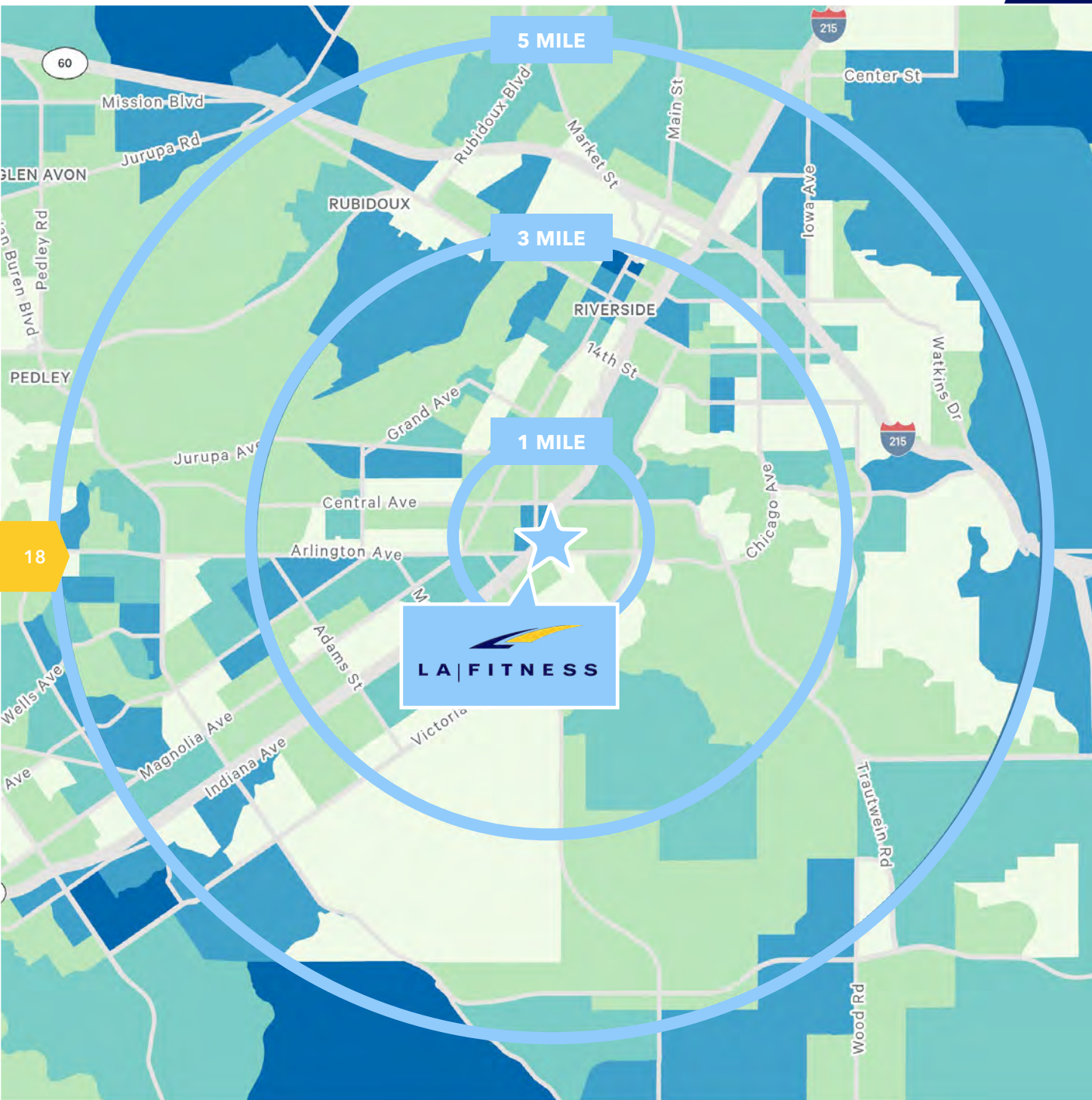
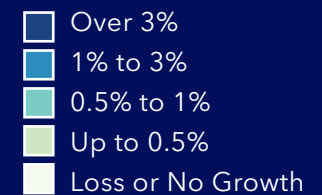
1 MILE | 4,454  
3 MILES | 36,988  
5 MILES | 83,279



## 2026 HOUSEHOLDS

1 MILE | 4,617  
3 MILES | 38,307  
5 MILES | 85,985

## POPULATION GROWTH 2010 - 2021





# LA | FITNESS







3437 Arlington Avenue | Riverside, CA 92506



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