

Strong Site-Level Performance | 2.8M People in 5 Mile Radius – New York City | 2% Annual Bumps



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Offering Memorandum

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Thrive Petcare

## Investment Overview

LIST PRICE

**\$2,774,234**

CAP RATE

**6.75%**

NET OPERATING INCOME

**\$187,260**



|                   |                       |                       |                             |                           |                    |
|-------------------|-----------------------|-----------------------|-----------------------------|---------------------------|--------------------|
| Street            | 23-70 Steinway Street | Estimated Building SF | 3,300 SF                    | Lease Expiration          | 08/31/32           |
| City, State Zip   | Queens, NY 11105      | Estimated Lot Size    | 0.06 AC                     | Lease Term Remaining      | 6.52 Years         |
| Type of Ownership | Fee Simple            | Credit Type           | Corporate                   | Lease Type                | Double Net (NN)    |
| Property Type     | Office                | Guarantor             | Thrive Pet Health (Pathway) | Landlord Responsibilities | * Roof & Structure |
| Property Subtype  | Medical               | Original Lease Term   | 10.00 Years                 | Rental Increases          | 2.00% Annually     |
| Year Built        | 1930                  | Lease Commencement    | 09/01/22                    | Renewal Options           | 2, 5-Year Options  |

\* Roof Replaced on 2/19/2022. Roughly 17 Years Remaining on the Warranty



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## Rent Schedule

| Lease Year           | Annual Rent | Monthly Rent | Increases | Effective Cap Rate |
|----------------------|-------------|--------------|-----------|--------------------|
| Current - 8/31/2026  | \$183,589   | \$15,299     | 2.00%     | 6.62%              |
| 9/1/2026 - 8/31/2027 | \$187,260   | \$15,605     | 2.00%     | 6.75%              |
| 9/1/2027 - 8/31/2028 | \$191,005   | \$15,917     | 2.00%     | 6.89%              |
| 9/1/2028 - 8/31/2029 | \$194,825   | \$16,235     | 2.00%     | 7.02%              |
| 9/1/2029 - 8/31/2030 | \$198,722   | \$16,560     | 2.00%     | 7.16%              |
| 9/1/2030 - 8/31/2031 | \$202,696   | \$16,891     | 2.00%     | 7.31%              |
| 9/1/2031 - 8/31/2032 | \$206,750   | \$17,229     | 2.00%     | 7.45%              |



Thrive Petcare

## Investment Highlights

### Great Site Level Performance

This site boasts extremely strong site-level economics, including EBITDAR coverage and overall sales volume. Inquire with the listing agent for more information.

### Corporate Guarantee

This lease features a corporate guarantee from Thrive Pet Healthcare. Thrive Pet Healthcare is a leading owner and operator of over 340 general practice, specialty, and emergency veterinary hospitals throughout the U.S. and operates over 115 veterinary clinics, which provide convenient care to under-served pet families. The company was bought by TSG Consumer, a global leader in consumer-focused investing with over \$16 billion of assets under management.

### E-Commerce & Recession-Resistant Property

Veterinary properties are extremely sought-after investments for their resistance to downturns in the economy and e-commerce trends that affect traditional retail properties.

### Robust Industry Growth

The global veterinary care market size was estimated at USD 87.3 billion in 2023 and is projected to grow at a compounded annual growth rate of 8.0% from 2024 to 2030. The rising incidence of chronic diseases in pets and animal drives the needs for improved veterinary care, fueling market demand.

### Accessibility and Ease of Access

The subject property is located just off the Grand Central Parkway/Interstate-278, which receives over 153,000 vehicles per day. The corner of Steinway Street and Astoria Blvd N is also home to three major bus stops. Similarly, the area is serviced by the N and W train.

### New York City

Astoria is a neighborhood in the western portion of the New York City borough of Queens. New York City is the most populous city in the United States, located at the southern tip of New York. The city is the geographical and demographic center of both the Northeast megalopolis and the New York metropolitan area, the largest metropolitan area in the United States by both population and urban area.

### Strong Demographics

The property boasts incredible demographics. There are over 119,000 individuals within one mile, over 970,000 within three miles, and over 2,890,000 within a five-mile radius. This is also an affluent community, as the average household income exceeds \$110,000 within a three-mile radius.

### Airport Presence

The subject property is less than two miles from LaGuardia Airport. The airport is the 19th-busiest in the United States by passenger volume. Similarly, JFK International Airport is less than 10 miles away. JFK International Airport is the busiest of the seven airports in the New York airport system, and the 6th busiest in the United States.



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## Concept Overview



### About the Tenant

Founded in 2003 and headquartered in Austin, Texas, Thrive Pet Healthcare (“Pathway”) operates veterinary hospitals through an expansive network of ecosystems across the U.S, with a differentiated offering across pet care and vet services. The Company is a leading owner and operator of ~340 general practice, specialty, and emergency veterinary hospitals throughout the U.S. and also operates ~115 veterinary clinics, which provide convenient care to under-served pet families. In addition, Thrive Pet Healthcare elevates the pet healthcare profession by providing value-added services and technology to veterinary hospitals across the industry through Veterinary Growth Partners, a Management Services Organization providing value-added business planning, coaching and procurement savings to over 5,950 affiliated and unaffiliated member hospitals, and Vetspire, a cloud-native software platform that offers the veterinary industry a pioneering hospital management software-as-a-service. Together with its talented veterinarians and staff, Thrive is dedicated to serving the diverse needs of pet families and veterinarians across the nation.

### About the Tenant

TSG is a global leader in consumer-focused investing with over \$16bn of assets under management and a 35-year track record of building iconic brands. TSG works with founders and management teams to enhance the growth and reach of leading consumer brands.

Representative past and present partner companies include Canyon Bicycles, Duckhorn, Dutch Bros, e.l.f. Cosmetics, IT Cosmetics, Joe Hudson’s Collision Centers, Mavis Tires, Planet Fitness, popchips, Power Stop, Radiance Holdings, REVOLVE, Revolut, Rough Country, Smashbox, Super Star Car Wash, Stumptown, The Wrench Group, Thrive Pet Healthcare, and Vitaminwater.



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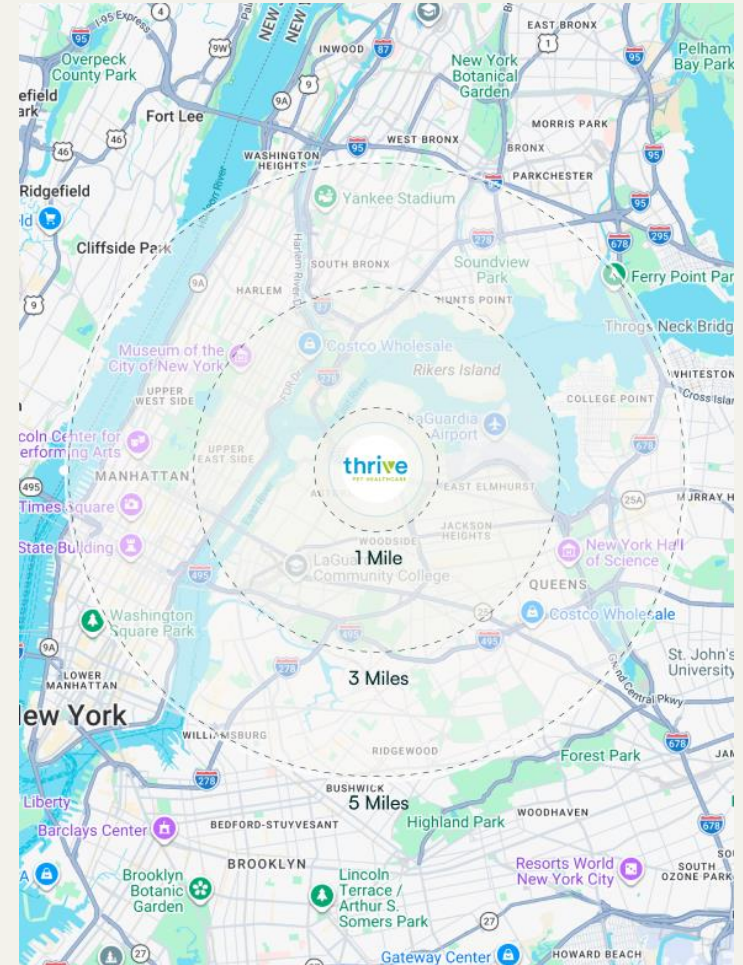
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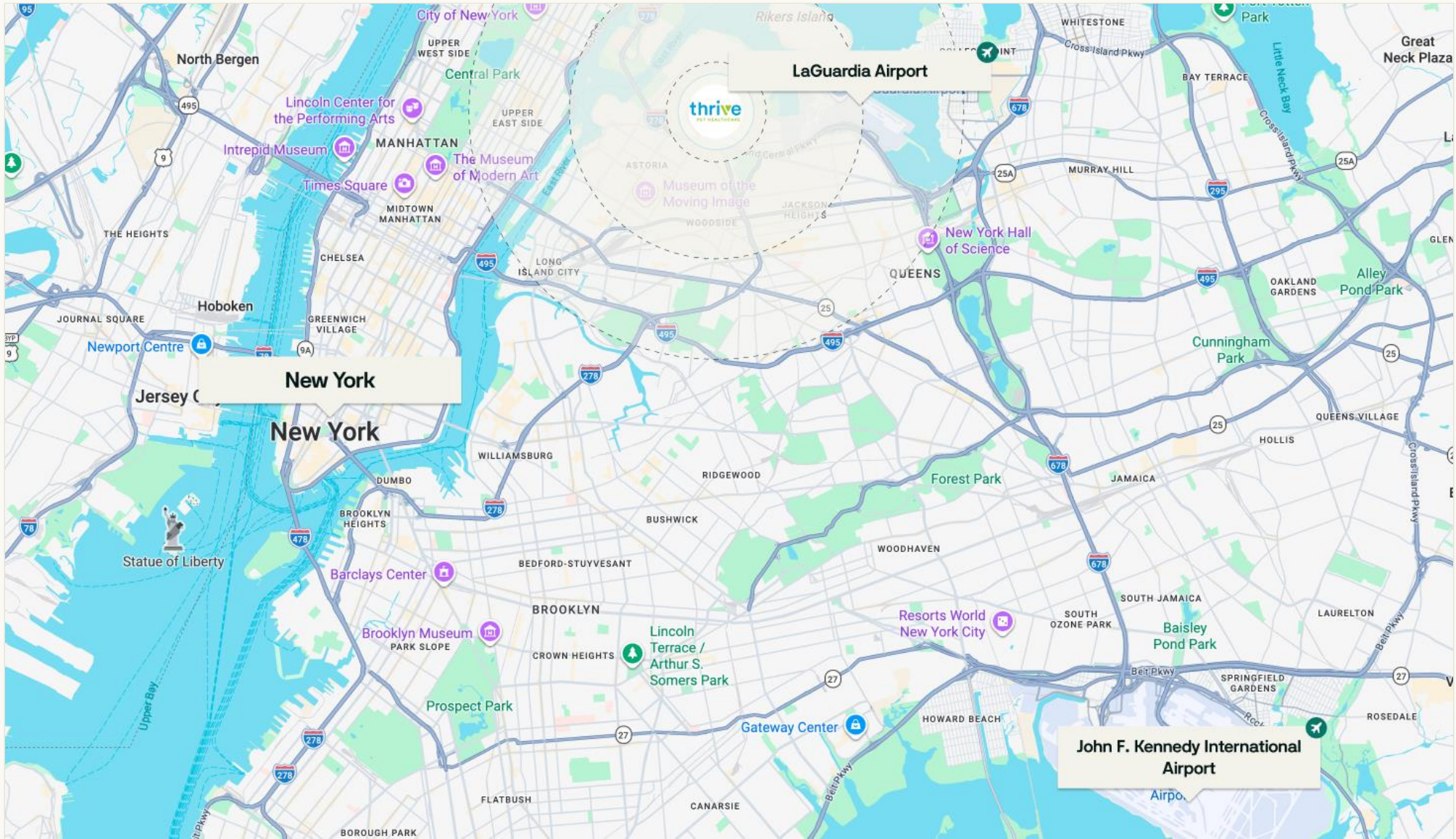
## Location Overview

The subject property is located on Steinway Street, which receives over 15,000 vehicles per day. Steinway Street is located just off from Grand Central Parkway/Interstate-278, which brings an additional 150,000 vehicles into the immediate area each day. Located in the borough of Queens, New York, this property boasts incredible demographics. There are over 119,000 individuals within a one-mile radius of the property, over 970,000 within a three-mile radius, and over 2,890,000 within a five-mile radius of the property. The surrounding area is also an affluent community, as the average household income exceeds \$110,000 within a three-mile radius.

This Thrive Pet Healthcare is ideally situated in the largest borough by land and the second largest borough by population. The property is highly accessible due to its position near airports, highways, bus stops, and subway stations. The surrounding area is serviced by the N and Q subway stations and just outside the property is the bus stop for three major bus routes. LaGuardia airport is less than two miles away while JFK International Airport is located less than ten miles away. Both these airports are in the middle of major renovation projects that are multi-billion dollars projects.

|                            | 1 Mile    | 3 Mile    | 5 Mile    |
|----------------------------|-----------|-----------|-----------|
| <b>Population Trends</b>   |           |           |           |
| 2020 Population            | 122,763   | 1,033,606 | 3,060,986 |
| 2024 Population            | 119,126   | 970,477   | 2,890,164 |
| 2029 Population Projection | 112,376   | 905,397   | 2,696,487 |
| <b>Household Trends</b>    |           |           |           |
| 2020 Households            | 55,405    | 428,212   | 1,285,993 |
| 2024 Households            | 53,053    | 401,512   | 1,208,898 |
| 2029 Household Projection  | 49,866    | 373,868   | 1,124,423 |
| Annual Growth 2020-2024    | 0.30%     | 0.90%     | 0.70%     |
| <b>Household Income</b>    |           |           |           |
| Avg Household Income       | \$108,397 | \$110,245 | \$107,193 |
| Median Household Income    | \$88,063  | \$77,774  | \$72,429  |





Thrive Petcare

## Market Overview

New York City is a vibrant epicenter of history, culture, and towering achievements. It has transcended its origins as New Amsterdam to become the unrivaled heartbeat of the United States. The five boroughs, with Manhattan as the financial epicenter, showcase a fascinating blend of architectural marvels, from the historic charm of Brooklyn's brownstones to the cosmopolitan allure of Manhattan's skyline. The Statue of Liberty, standing tall in New York Harbor, remains an enduring symbol of freedom and the city's welcoming spirit.

New York City's economic influence extends far beyond its borders, anchoring it as a global economic powerhouse. The city's financial district, epitomized by Wall Street, symbolizes the world of high finance, while Midtown Manhattan's skyscrapers house the headquarters of multinational corporations. The city's gross metropolitan product (GMP) has surged past an impressive \$1.7 trillion, solidifying its position as a cornerstone of the global economy. Many Fortune 500 corporations are headquartered in New York City, as are a large number of multinational corporations. New York City has been ranked first among cities across the globe in attracting capital, business, and tourists.

Demographically, New York City is a microcosm of the world, with a population exceeding 8.3 million residents, as of the 2020 US census. Enclaves like Flushing, Queens, host thriving communities reflecting the city's commitment to diversity and inclusivity. Educational institutions such as Columbia University and New York University contribute not only to the city's intellectual vibrancy but also attract a diverse array of talent, fostering innovation and cultural exchange.



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## Get In Touch

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