



# STARBUCKS

523 S Tillotson Avenue, Muncie, IN 47304



*OFFERING MEMORANDUM*

Marcus & Millichap

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STARBUCKS  
Muncie, IN  
ACT ID Z0030411

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap

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## PROPERTY DESCRIPTION

Property	Starbucks
Property Address	523 S Tillotson Avenue
City, State, ZIP	Muncie, IN 47304
Built	2006
Building Size (SF)	1,800 SF
Lot Size (Acres)	0.49 acre(s)
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$1,715,000
Annual Rent	\$103,518
Reserves for Roof, Structure & Parking Lot	\$518
Net Operating Income	\$103,000
CAP Rate	6.01%

## LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	Starbucks Corporation
Rent Increases	10% Every 5-Years
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	March 1, 2017
Lease Expiration	February 28, 2027
Lease Term	10
Term Remaining on Lease (Years)	8.5
Renewal Options	Four 5-Year Remaining Options
Landlord Responsibility	Roof, Structure & Parking Lot
Tenant Responsibility	All Expenses Excluding Roof, Structure & Parking Lot
Right of First Refusal/Offer	None

\* Please note that the Landlord is responsible for the roof, structure, and parking maintenance. Landlord is also responsible for common area maintenance, but is fully reimbursed by Starbucks.

## INVESTMENT HIGHLIGHTS

- Starbucks Corporate Guaranty | S&P: A- | NASDAQ: SBUX
- Located Less Than 1-Mile From Ball State University (Enrollment 22,500+)
- Starbucks Recently Exercised Two 5-Year Option Periods (10-Year Lease Renewal)
- Located Less Than 1-Mile From Indiana University Health Ball Memorial Hospital
- Minimal Landlord Responsibility (NN-Lease)



## INVESTMENT OVERVIEW

The subject property is a 1,800-square foot Single-Tenant (Starbucks) situated on 0.49-acres in Muncie, Indiana. More specifically, the property is located on the northwestern signalized corner of South Tillotson Avenue and West Godman Avenue.

Muncie, Indiana is home to Ball State University. Located 0.80-miles from Ball State University, the subject property benefits the university's enrollment of over 22,500 students. Additionally, the subject property is located less than 1-mile from Indiana University Health Ball Memorial Hospital. IU Health Ball Memorial Hospital is a community hospital including 360 beds serving as a tertiary referral center and teaching hospital for east central Indiana. The hospital was recently named as one of the top 100 hospitals in the United States in the teaching hospital category.

The Starbucks lease originally commenced in 2006. Demonstrating their commitment to the location, Starbucks recently exercised two of their 5-year options at the same time. Currently there are just under 9-years remaining on the firm lease term. The lease has a landlord friendly double-net (NN) structure with the Landlord responsible for only the roof, structure and parking lot maintenance. The Landlord is also responsible for common area maintenance, but is fully reimbursed by Starbucks. The lease includes 10% rental increases every 5-years throughout the base term and option periods. There are four 5-year options to extend the lease.

RENT SCHEDULE			
YEAR	ANNUAL RENT	MONTHLY RENT	CAP RATE <sup>1</sup>
Current	\$103,518	\$8,627	5.22%
3/1/2022	\$113,868	\$9,489	5.74%
3/1/2027	\$125,262	\$10,439	6.32%
3/1/2032	\$137,772	\$11,481	6.95%
3/1/2037	\$151,542	\$12,629	7.65%
3/1/2042	\$166,698	\$13,892	8.41%

CAP RATE	6.01%
PURCHASE PRICE	\$1,715,000



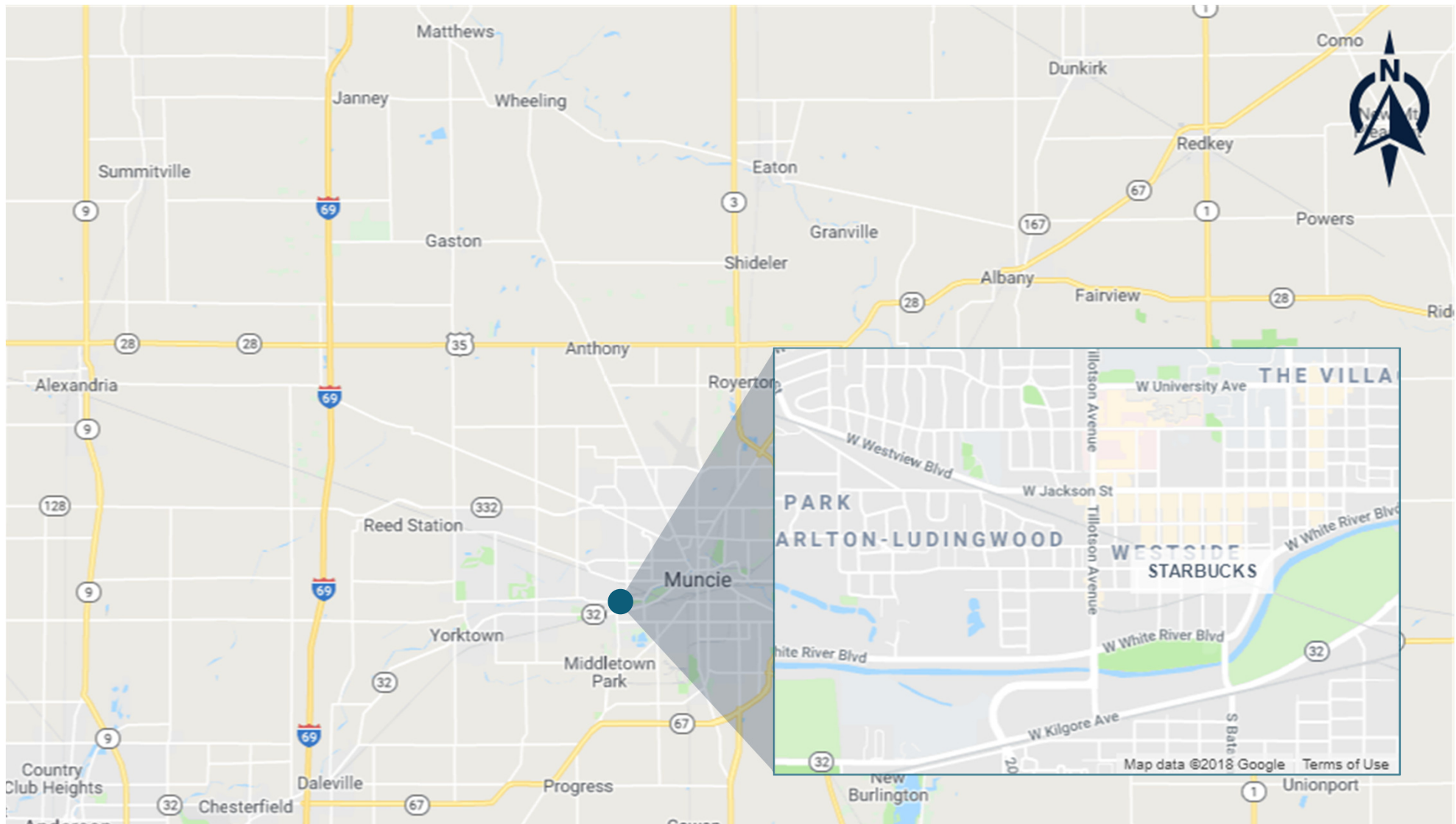


## TENANT OVERVIEW

Starbucks is an American coffee company. Starbucks operates over 28,039 locations worldwide with over 13,000 in the United States alone. Starbucks offers some of the finest coffees in the world, grown, prepared and served by the finest people. For each cup of coffee, Starbucks purchases and roasts high-quality whole bean coffees. Starbucks' coffee buyers personally travel to coffee farms in Latin America, Africa and Asia to select high quality beans. And the master roasters bring out the balance and rich flavor of the beans through the signature Starbucks Roast. Other companies under the Starbucks brand are Seattle's Best Coffee, Teavana, Tazo, Evolution Fresh, La Boulange, Ethos Water and Torrefazione Italia Coffee.

NAME	Starbucks Coffee
OWNERSHIP	Public
NYSE	SBUX
SALES VOLUME	22.39 Billion USD in 2017
S&P	A-
HEADQUARTERS	Seattle, Washington
NUMBER OF LOCATIONS	28,218+
WEBSITE	<a href="http://www.starbucks.com">www.starbucks.com</a>

523 S TILLOTSON AVENUE, MUNCIE, IN 47304













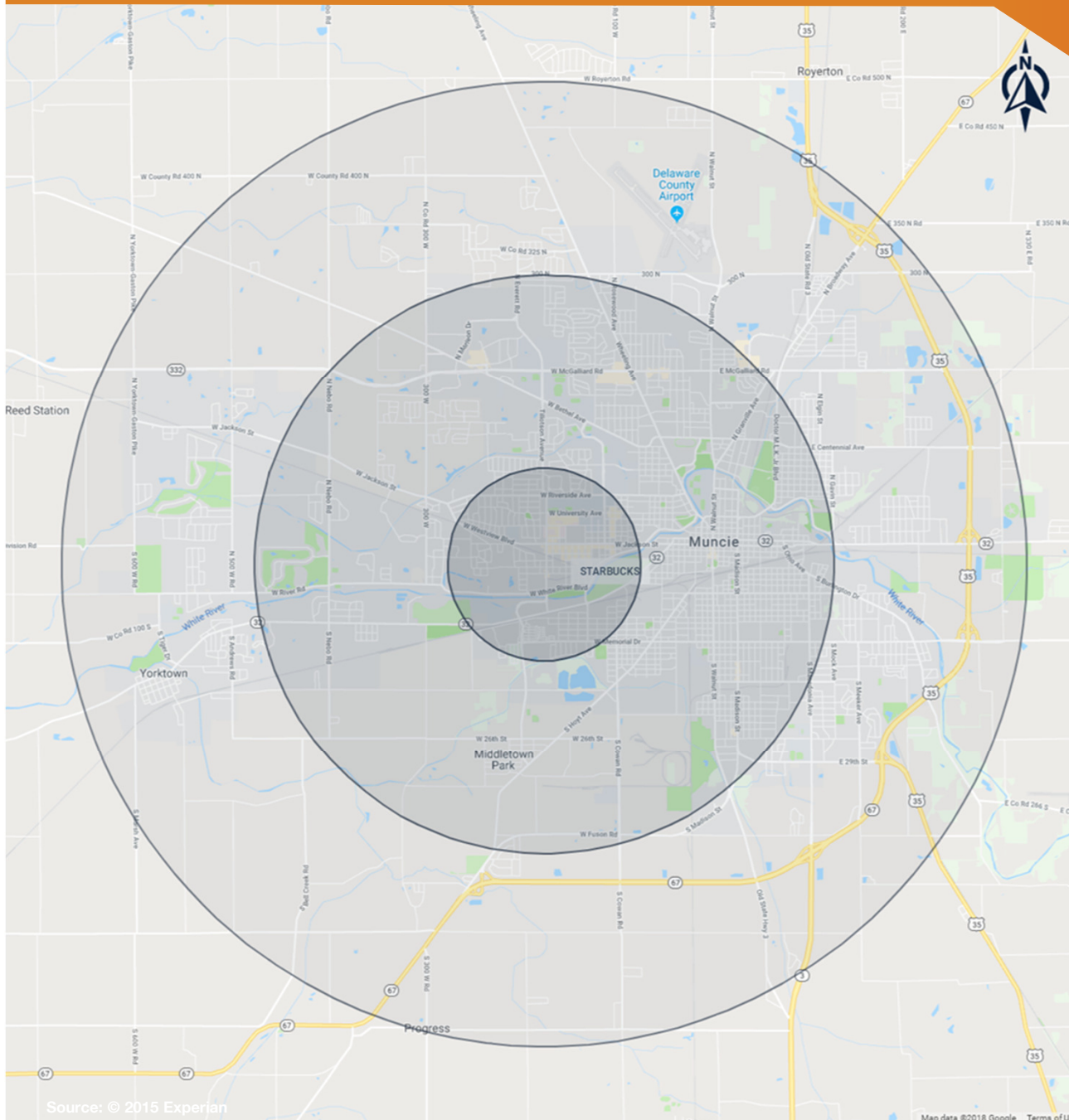
BALL STATE UNIVERSITY



BALL MEMORIAL HOSPITAL







CREATED ON AUGUST 30, 2018

	1 Miles	3 Miles	5 Miles
<b>POPULATION</b>			
2022 Projection	8,961	61,323	89,236
2017 Estimate	9,099	61,720	89,194
2010 Census	9,070	61,738	89,388
2000 Census	9,695	62,132	89,586
<b>INCOME</b>			
Average	\$48,815	\$50,113	\$53,621
Median	\$35,654	\$36,141	\$39,112
Per Capita	\$21,380	\$20,912	\$22,192
<b>HOUSEHOLDS</b>			
2022 Projection	3,859	23,747	35,265
2017 Estimate	3,905	23,727	34,959
2010 Census	3,926	24,006	35,367
2000 Census	4,124	24,894	35,869
<b>HOUSING</b>			
2017	\$87,568	\$89,537	\$90,909
<b>EMPLOYMENT</b>			
2017 Daytime Population	11,164	86,194	108,401
2017 Unemployment	6.59%	7.86%	6.99%
2017 Median Time Traveled	19	19	20
<b>RACE &amp; ETHNICITY</b>			
White	90.50%	83.63%	85.07%
Native American	0.06%	0.08%	0.06%
African American	4.17%	10.04%	9.18%
Asian/Pacific Islander	1.29%	2.07%	1.66%

Source: © 2015 Experian

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