



Starbucks
1975 Whitten Road
MEMPHIS / TENNESSEE

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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A photograph of a Starbucks storefront with the company logo and name on the building.

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An aerial photograph showing a large commercial property with multiple buildings, parking lots, and surrounding infrastructure.

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A close-up photograph of a barista pouring coffee from a machine into a cup.

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A photograph of a city skyline at night, featuring illuminated buildings and a bridge over water.

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Investment Highlights

- 2019 construction and a brand new 10-year lease with one of the most recognized companies in the world in Starbucks
- High-quality construction and one of Starbucks's newest prototype builds, with drive-thru lane and outdoor patio seating
- Full 10-year initial term with no early termination clause and minimal landlord responsibilities – see broker for details
- 10% rental increases in both the initial term and options
- Located in an income tax-free state
- Starbucks is an industry-leading, investment grade credit tenant with an “A” rating by Standard & Poor's
- Starbucks has over 27,000 locations worldwide, a \$2.88 billion net worth and saw revenues of over \$24.72 billion in 2018
- Ideally positioned with great frontage and visibility to over 46,000 vehicles per day at the lighted intersection of Whitten Road and Raleigh-Lagrange Road
- No direct coffee competition in the immediate area, but good surrounding tenant synergy with national brands such as Walmart, McDonald's, Taco Bell, Hardee's and Burger King
- Starbucks is just across the street from a recently developed Walmart Supercenter and is just a few hundred yards from I-40 which sees over 120,000 vehicles per day
- Population of over 185,000 within a 5-mile radius and average household income of over \$82,000



FLETCHER CREEK DR.

WHITTEN RD.





Investment Summary

» OFFERING PRICE	\$1,930,000
» NOI	\$96,500
» CAP RATE (YEAR 1)	5.00%
» TOTAL BUILDING AREA	± 2,093 SF
» TOTAL LAND AREA	± 0.76 Acres

Annualized Operating Data

	Monthly Rent	Annual Rent	Cap Rate
Years 1-5	\$8,041.67	\$96,500	5.00%
Years 6-10	\$8,845.83	\$106,150	5.50%
Option 1	\$9,730.42	\$116,765	6.05%
Option 2	\$10,703.46	\$128,442	6.66%
Option 3	\$11,773.80	\$141,286	7.32%
Option 4	\$12,951.18	\$155,414	8.05%

Tenant Summary

Tenant Trade Name	Starbucks
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsibility
Parking Lot	LL Responsibility (Reimbursable)
Lease Start Date	August 24, 2018
Rent Commencement	June 20, 2019
Lease Expiration	June 20, 2029
Original Lease Term	10 Years
Increases	10% Every 5 Years
Options	Four (4), Five (5) Year Options



The Offering

SITE DESCRIPTION

Address	1975 Whitten Road
Number of Stories	One
Year Built	2019
GLA	± 2,093 SF
Lot Size	± 0.76 AC (± 32,974 SF)
Type of Ownership	Fee Simple
Landscaping	Professional

Tenant Overview

» Company Name	» Headquarters	» Year Founded	» Credit Rating
Starbucks	Seattle, WA	1971	S&P: A Investment Grade
» Ownership	» No. of Employees	» Industry	» Stock Symbol
Public	±300,000	Coffee Shops	NASDAQ: SBUX

Starbucks Corporation operates as a roaster, marketer, and retailer of specialty coffee worldwide. Its stores offer coffee and tea beverages, packaged roasted whole bean and ground coffees, single-serve and ready-to-drink coffee and tea products, juices, and bottled water. The company's stores also provide fresh food and snack offerings; and various food products, such as pastries, and breakfast sandwiches and lunch items, as well as serve ware, beverage making equipment, and accessories.

\$24.7 B
2018 Sales

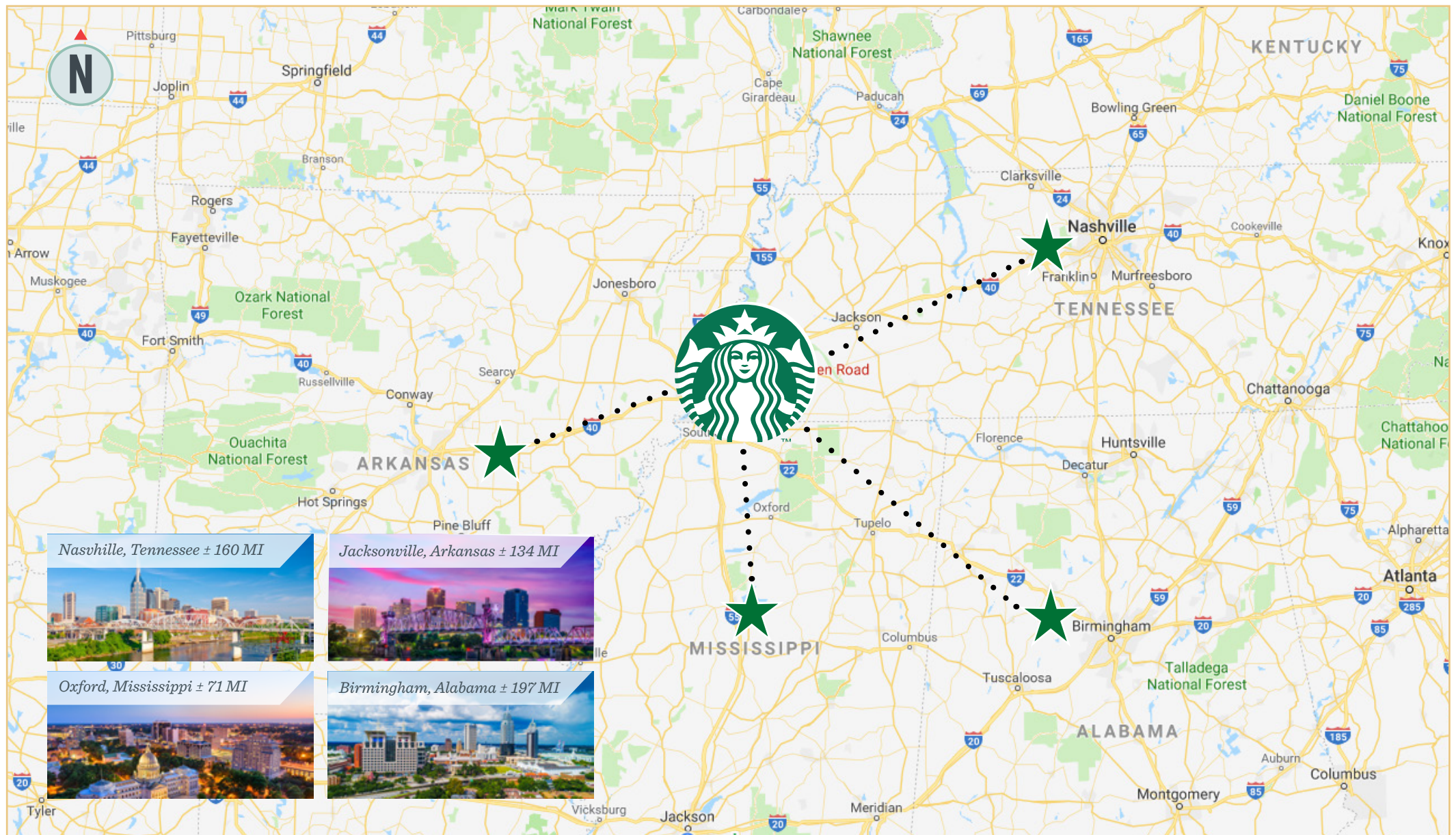
\$4.52 B
2018 Net Income

30,000 +
Locations Worldwide









Area Overview

STARBUCKS®

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2010 Census	5,939	72,396	185,460
2019 Estimate	6,116	73,951	187,804
2024 Projection	6,271	75,601	191,326

HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2010 Census	2,301	27,328	70,934
2019 Estimate	2,360	27,775	71,423
2024 Projection	2,415	28,366	72,631

INCOME	1 - MILE	3 - MILE	5 - MILE
2019 Average Household Income	\$58,507	\$68,237	\$82,234



MEMPHIS, TN

Memphis, Tennessee is the largest city on the Mississippi River. Located within Shelby County, Memphis is a vibrant and historic city. It is the second largest city within Tennessee, and brings in a large amount of tourists because of its famous and historical landmarks. Being only 3 miles from Memphis, Arkansas, it is only a hop, skip, and a jump from the Arkansas/Tennessee border.

Known as the “Birthplace of Rock and Roll,” the city holds a significant amount of history within its borders. The residents of Memphis take pride in their city, and are usually known as “Memphians.” Although this town has a variety of entertainment to offer. The sports fans of the area love to cheer on the University of Memphis Tigers. As for professional teams, many cheer on the Memphis Grizzlies. The animal lovers enjoy the Memphis Zoo. Memphis has been the zoo’s home for over 100 years and has over 3,500 animals.



MUSIC-THEMED ATTRACTIONS

- Memphis, Home of the blues and Birthplace of Rock 'n' Roll has many must-see music-themed attractions including Beale Street Historic District, Blues Music hall of Fame, Center for Southern Folklore, Graceland (home of Elvis Presley and one of the most visited homes), Gibson Guitar Factory, Memphis Music Hall of Fame, Memphis Rock 'n' Soul Museum, St. Blues Guitar Workshop, Stax Museum of American Soul Music, Sun Studio, and the W.C. Handy home and Museum.

RESTAURANTS

- With approximately 100 barbecue restaurants alone, Memphis is also home to world-famous fine dining, rich soul food, and eclectic dining.

THEATERS AND SMALL THEATERS

- Memphis offers multiple choices when it comes to live entertainment, dance classical concerts and performance art. Of special note is the Orpheum Theatre, Playhouse on the Square, Circuit Playhouse, Theatre Memphis, Hattiloo Theatre, and FedExForum.

ART MUSEUMS

- Memphis is rich with arts, sculpture and painting exhibits offering pieces from Rodin to Renoir. Memphis also offers the Dixon Gallery and Gardens, Memphis Botanic Garden, Memphis Brooks Museum of Art, Metal Museum, Belz Museum of Asian and Judaic Art, and the Cotton Museum at the Memphis Cotton Exchange.

ECONOMY

Because Memphis has been such an important city for transportation and shipping, it is attractive to businesses, especially those producing goods shipped nationwide. **Three Fortune 500 companies, FedEx, AutoZone, and International Paper Co. call Memphis home. These significant businesses have brought a large manufacturing industry.** Of the 607,900 jobs in Memphis in July 2014, 209,900 are in the Manufacturing and Transportation industries, around 34.5 percent.

Located on the Mississippi River, **Memphis is one of the largest metropolitan areas in the Southeast**, ranking 41st out of the top 75 according to a Department of Labor Release. Of the 40 metropolitan areas ahead of Memphis, only 12 are in the South. The city has historically been one of the largest shipping hubs in the Mid-South, dating back to the Civil War. As transportation methods developed, Memphis has continued to hold significance as a transportation hub. Now the city is home to the second largest cargo airport in the world, Memphis International Airport, and the world's busiest domestic airport with 3.9 million metric tonnes. Memphis International Airport and Memphis have had huge significance in the railroad industry. The city has the 3rd largest rail center in the U.S. behind Chicago and St. Louis. It is also one of only four U.S. cities with five Class 1 railroads.

Many of Memphis's residents are blue-collar, hard workers. The most common industries within this area are Transportation and Warehousing, Construction, and Manufacturing. Within those, the most common occupations are Material Moving, Construction, and Extraction. The unemployment rate has started to decrease with the overall household income increasing since early 2000.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Starbucks** located at **1975 Whitten Road, Memphis, TN 38133** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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