

DENNY'S

1758 WEST HUNT HIGHWAY, SAN TAN VALLEY, ARIZONA



OFFERING MEMORANDUM

Marcus & Millichap



Phoenix-Mesa
Gateway
Airport

202

ASU Arizona State University
POLYTECHNIC CAMPUS
4,380 STUDENTS

SANTAN VILLAGE

Walmart Supercenter, Costco Wholesale, Harkins Theatres, WinCo Foods, DSW, Bed Bath & Beyond, Old Navy, Best Buy, Barnes & Noble, Apple, Dick's Sporting Goods, Dillard's, Macy's, Disney Store, Ulta Beauty, Marshalls, Total Wine & More, Forever 21, Skechers Living Spaces

petco, Walmart Supercenter, Staples, Aaron's, Dunkin' Donuts, Denny's, AutoZone, Saja, CVS pharmacy, Harbor Freight Tools, BR baskin robbins, Kneaders Bakery & Cafe, Jack in the box, Wendy's, Taco Bell, goodwill

QUEEN CREEK MARKETPLACE

Harkins Theatres, PetSmart, Bed Bath & Beyond, PEI WEI, Super Target, Cafe Rio, Kohl's, Chick-fil-A, Sprouts Farmers Market, Tilly's, IHOP, Orzo's, M MountainSide Fitness, TJ-maxx, Kirkland's, Starbucks, Del Taco, Maurices, Barro's Pizza, Mod, Five Guys, Olive Garden, Village Inn, Famous Footwear, Ulta Beauty, Joann, Jersey Mike's, Ross Stores, Inc., Buffalo Wild Wings, Cane's, BevMo!, In-N-Out Burger, Red Robin, HomeGoods, Dollar Tree

Banner Ironwood Medical Center

Denny's

fray's, Jack in the box, McDonald's, goodwill

Walmart Supercenter, Discount Tire, Native Grill & Wings, Firehouse Subs, Dunkin' Donuts, Freddy's, Jimmy John's, Starbucks, Wells Fargo, Burger King, Taco Bell

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Executive Summary

FINANCIAL SUMMARY

Price	\$3,001,000
Down Payment	100% \$3,001,000
Cap Rate	5.75%
Building SF	4,430 SF
Net Cash Flow	5.75% \$172,592.80
Year Built	2011
Land/Lot Size	.89 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	SAS Restaurant Ventures, Inc.
Guarantor	Personal
Roof & Structure	Tenant Responsible
Lease Commencement Date	June 1, 2013
Lease Expiration Date	May 31, 2033
Lease Term Remaining	14 Years
Rental Increases	See Chart
Renewal Options	4, 5 Year Options

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Current - 5/31/2023	\$172,592.80	5.75%
6/1/2023 - 5/31/2028	\$189,870.00	6.33%
6/1/2028 - 5/31/2033	\$208,830.00	6.96%
Options	Annual Rent	Cap Rate
Option 1	\$186,902.00	6.23%
Option 2	\$205,592.00	6.85%
Option 3	\$226,151.00	7.54%
Option 4	\$248,766.00	8.29%

Base Rent	\$172,592.80
Net Operating Income	\$172,592.80
Total Return	5.75% \$172,592.80







 **SKYLINE RANCH
ELEMENTARY SCHOOL**

23,200 CPD
N GARY RD

Freddy's
STEAKBURGERS®

native
grill wings

QT
QuikTrip

Denny's

FUTURE DEVELOPMENT

LAND OWNED BY:


 **SKYLINE**
DENTAL GROUP AND ORTHODONTICS

 **San Tan Valley Kids'**
DENTISTRY & ORTHODONTICS

**FIREHOUSE
SUBS**

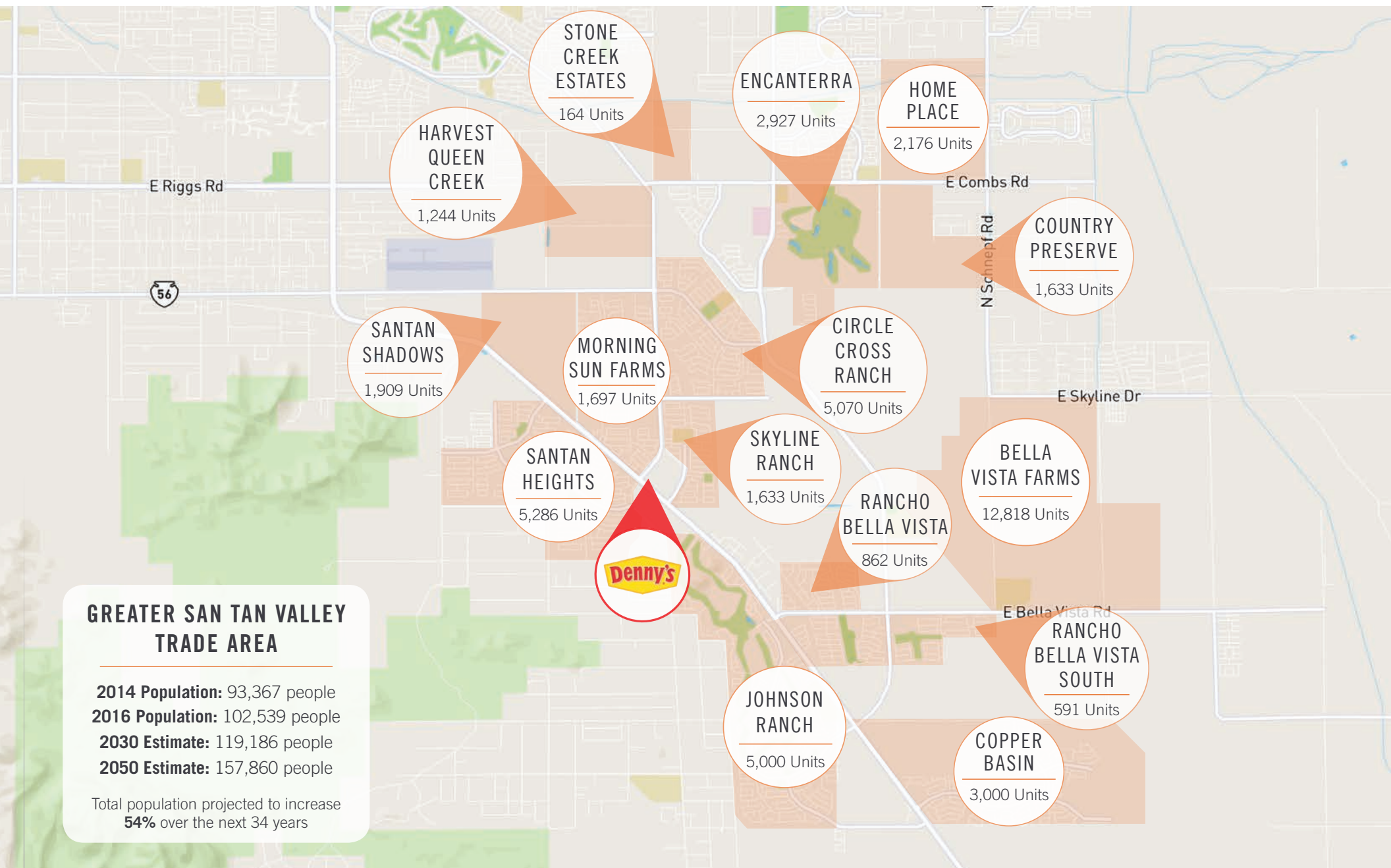
29,000 CPD
W HUNT HWY

**WELLS
FARGO**




**JIMMY
JOHN'S**

Nearby Housing Developments



Property Description



INVESTMENT HIGHLIGHTS

- » **14 Years Remaining on Absolute Triple-Net (NNN) Lease**
- » Full Term Personal Guarantee - 31 Unit Franchisee Operating in CA, AZ, ID, OR, UT
- » **98,846 Residents in Rapidly Growing Trade Area** - Phoenix MSA
- » Households Projected to Increase 40%+ in Immediate Area by 2023
- » **Located Across from Top Producing Walmart Supercenter Shopping Center**
- » High Visibility at the Intersection of Gary Rd and W Hunt Highway (52,200+ Cars/Day)
- » Surrounded by New Developments - San Tan Shadows Master-Planned Community, Ware Farms Residential Community, and Bella Vista Farms Residential Community
- » **Excellent Location in San Tan Heights Master-Planned Community (3,700+ Residents)**
- » Situated within Skyline Ranch Marketplace - One of the Primary Retail Centers Serving the San Tan Heights Community
- » **Easy Freeway Commute to Downtown Phoenix**
- » Average Household Income Exceeds \$79K in 5-Mile Radius



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2023 Projection	16,078	64,588	133,039
2018 Estimate	11,548	47,275	98,846
Growth 2018 – 2023	39.23%	36.62%	34.59%

Households

2023 Projection	4,906	20,742	40,926
2018 Estimate	3,492	15,036	30,014
Growth 2018 – 2023	40.48%	37.95%	36.36%

Income

2018 Est. Average Household Income	\$74,944	\$75,964	\$79,508
2018 Est. Median Household Income	\$64,769	\$64,264	\$65,778
2018 Est. Per Capita Income	\$22,664	\$24,161	\$24,142





Tenant Overview



Spartanburg, South Carolina

Headquarters

NASDAQ: DENN

Stock Symbol

1,700+

Locations

dennys.com

Website

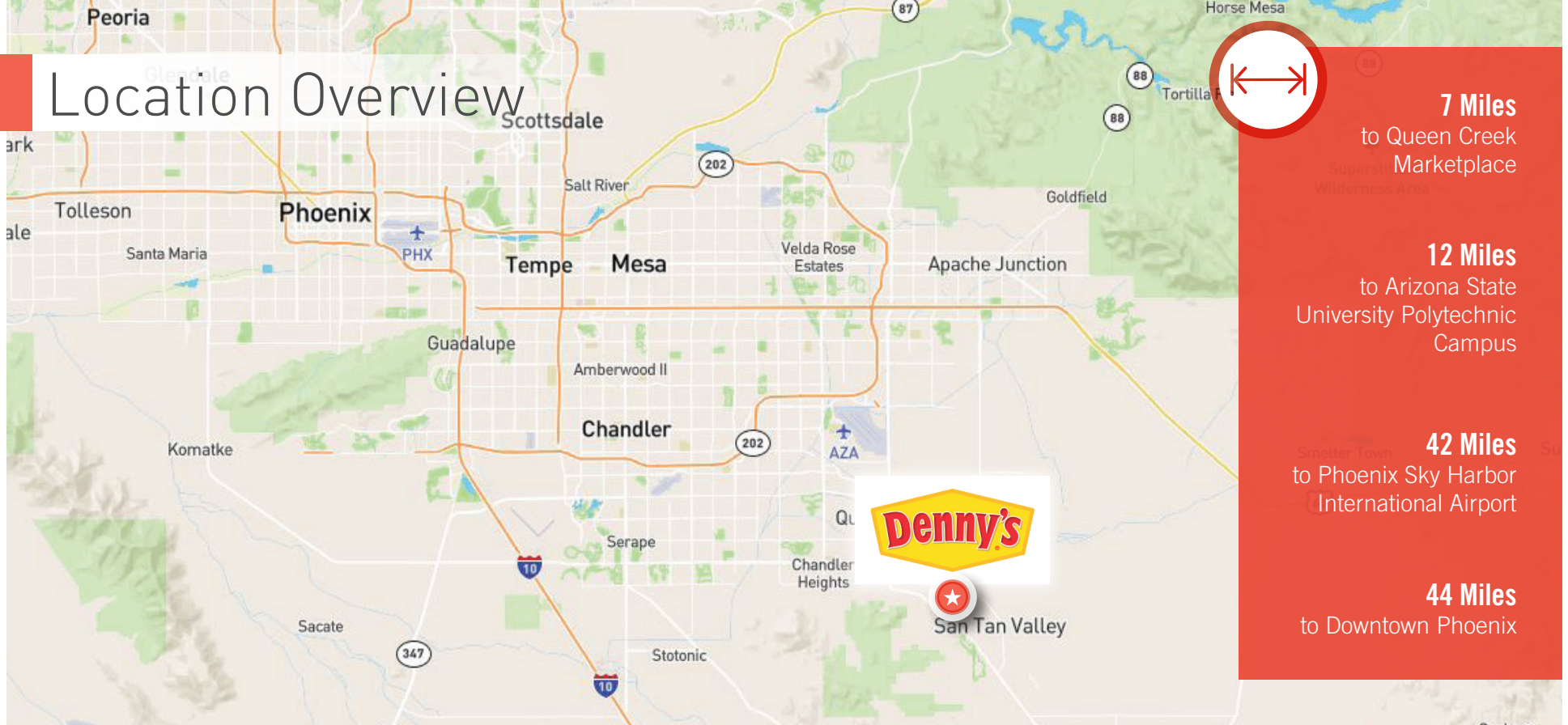
Denny's is a full-service fast-casual family restaurant chain, with over 1,700 restaurants to date. It is known for always being open - serving breakfast, lunch, dinner, and dessert around the clock. The first Denny's was opened in 1953 by Harold Butler in Lakewood, California, under the name Danny's Donuts. In 1959, the then 20-restaurant chain, changed its name to Denny's.

Nearly 90% of all Denny's restaurants are franchised or licensed, while 10% are company-owned. The Company's 2018 sales were \$630 million, a 19% increase from 2017. The year 2012 was monumental for Denny's as they opened 40 new

restaurants, refinanced their credit facility, and completed the Franchise Growth Initiative (FGI) re-franchising initiative. Additionally, in 2012 they reached their seventh consecutive quarter of positive system-wide same-store sales.

As of June 2019, Denny's had 1,702 franchised, licensed, and company restaurants around the world including 137 restaurants in Canada, Puerto Rico, Mexico, New Zealand, etc. As of March 2018, Denny's has partnered with Amazon to expand its digital ordering network, Denny's on Demand.

Location Overview



San Tan Valley is located in the Phoenix metropolitan area's southeastern suburbs. The city derives its name from the nearby San Tan Mountains. The area consists largely of master planned communities, such as Johnson Ranch, Ironwood Crossing, Pecan Creek, Morning Sun Farms, Sun Tan Heights, Skyline Ranch, Copper Basin and Circle Cross Ranch.

The subject property is situated in Skyline Ranch Marketplace at the southeast corner of Hunt Highway and Gary Road in San Tan Valley, near Queen Creek. The retail center is located on approximately 4.57 acres and is currently 100% leased to a diverse tenant roster that includes Native Grill & Wings, Denny's, Pacific Dental, Dunkin Donuts, Jimmy John's, and more.

The Phoenix metro consists of Maricopa and Pinal counties, and includes more

than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, hightech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.

[exclusively listed by]

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