

SINGLE TENANT NNN

Leasehold Investment Opportunity (Building Ownership)



421 E 400 S

SALT LAKE CITY UTAH

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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FINANCIALS

Rent Roll | Brand Profile

STARBUCKS



PROPERTY PHOTO





INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to present the opportunity to acquire the leasehold interest (building ownership) in a NNN leased, freestanding, drive-thru equipped, corporate guaranteed Starbucks investment property located in Salt Lake City, Utah. The tenant, Starbucks Corporation, recently signed a brand new 10 year lease with 4 (5-year) option periods to extend. The lease features a 10% rental increase in November 2024 and at the beginning of each option period, growing NOI and hedging against inflation. The leasehold on this property has approximately 63 years remaining on the ground lease with 1 (34-year) extion option and is 100% depreciable, making it a favorable investment structure. The Starbucks lease is NNN with landlord responsibilities limited to roof, structure, and foundation. The site is currently being constructed and is expected to open for business October 2019.

The Starbucks is strategically located along E 400 S / University Blvd, a major east/west retail and commuter thoroughfare servicing the city of Salt Lake City, averaging 21,400 vehicles passing by daily. The subject property also benefits from its proximity to The University of Utah with more than 32,700 enrolled students, providing a direct consumer base to draw from. Moreover, Starbucks is immediately surrounded by a number of new apartment buildings, including Block 44 (214 units), Encore (189 units), Velo on the Boulevard (99 units), and Quattro (95 units). Additionally, the asset is positioned within a strong retail corridor, with nearby national/credit tenants including Whole Foods, Trader Joe's, Smith's, and more, further increasing consumer draw to the trade area.

Located within 2 miles of the downtown district of Salt Lake City, the site benefits from a thriving population and multiple economic drivers. Starbucks is within 9 miles of the Salt Lake City International Airport, which reported more than 25,500,000 passengers in 2018. The subject 5-mile trade area is supported by an extremely dense population of more than 250,000 residents and nearly 249,000 employees with a healthy average household income of \$83,894.



PROPERTY PHOTOS





OFFERING SUMMARY



Parcel Map

Offering

PRICING	\$1,045,783
NET OPERATING INCOME	\$62,747
CAP RATE	6.00%
GUARANTY	Corporate
TENANT	Starbucks Corporation
LEASE TYPE	NNN
LANDLORD RESPONSIBILITIES	Roof, Structure, & Foundation

Property Specifications

RENTABLE AREA	1,920 SF
LAND AREA	0.19 Acres
PROPERTY ADDRESS	421 E 400 S Salt Lake City, UT 84111
YEAR BUILT	2019
PARCEL NUMBER	16-06-402-015
OWNERSHIP	Leasehold (Building Ownership)



INVESTMENT HIGHLIGHTS

63 Years Remaining Of Leasehold Ownership |

Fully Depreciable Asset | Starbucks Corporate Guaranteed Lease

- Favorable leasehold structure through 2082, with 1 (34-year) extension option available. As a leasehold investment, the subject property is 100% depreciable
- Starbucks Corporation recently signed a brand new 10-year lease term scheduled to commence October 2019
- Lease features a 10% rental increase in November 2024 and at the beginning of each of the 4 (5-year) option periods

NNN Lease | Limited Landlord Responsibilities |

Building Ownership | Brand New Construction

- Leasehold owner responsibilities limited to roof, structure, and foundation
- Starbucks fully reimburses for taxes, insurance, and CAM expenses
- Brand new construction with high quality materials, limiting future leasehold owner expenditures
- Rare, drive-thru equipped facility in the heart of Salt Lake City

High Barriers To Entry | Strong Demographics In 5-Mile Trade Area

- Extremely dense population of more than 250,000 residents and nearly 249,000 employees support the 5-mile trade area
- Residents within this trade area of subject property boast a healthy average household income of \$83,984

Dense Surrounding Residential Consumer Base | Retail

Corridor | Nearby National/Credit Tenants

- Immediately surrounded by a number of new apartment buildings, including Block 44 (214 Units), Encore (189 Units), Velo on the Boulevard (99 Units), and Quattro (95 Units)
- Nearly 99,000 households within a 5-mile radius
- Dense residential consumer base from which to draw
- Positioned within a strong retail corridor with nearby national/credit tenants including Whole Foods, Trader Joe's, Smith's, and more

Located Along Major Thoroughfare | Near The University Of Utah & Salt Lake City International Airport

- Located along 400 S / University Boulevard (21,400 VPD), a major east/west retail and commuter thoroughfare servicing the city of Salt Lake City
- The subject property is near The University of Utah with more than 32,700 enrolled students, providing a direct consumer base to draw from
- Less than 9 miles from Salt Lake City International Airport, which reported more than 25,500,000 passengers served in 2018

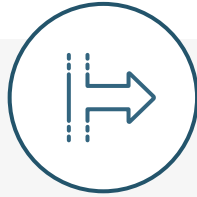


PROPERTY OVERVIEW



Location

Located in
Salt Lake County



Access

E 400 S/State Highway 186
2 Access Points



Traffic Counts

E 400 S / University Boulevard
21,400 Cars Per Day

S. State Street/ U.S. Highway 89
35,500 Cars Per Day



Improvements

There is approximately 1,920 SF
of existing building area



Parking

There are approximately
16 parking spaces on the
owned parcel.
The parking ratio is
approximately 8.33 stalls per
1,000 SF of leasable area.



Parcel

Parcel Number: 16-06-402-015
Acres: 0.19
Square Feet: 8,276 SF



Year Built

2019



Zoning

TSA-UN-C: Urban Neighborhood
Transit Station





WELLS FARGO

MONACO

TA Builder
"We Build Talent"

MID CITY SALON

Deloitte

CHASE

usbank

SWCA

JJ LAWGROUP PLLC

ZIONS BANK

MARRIOTT

Gourmandise
THE BAKERY

BOYER

UTAH FIRST

BLOCK 44
APARTMENTS
(214 UNITS)

STARBUCKS COFFEE

WEIDNER
APARTMENT HOMES

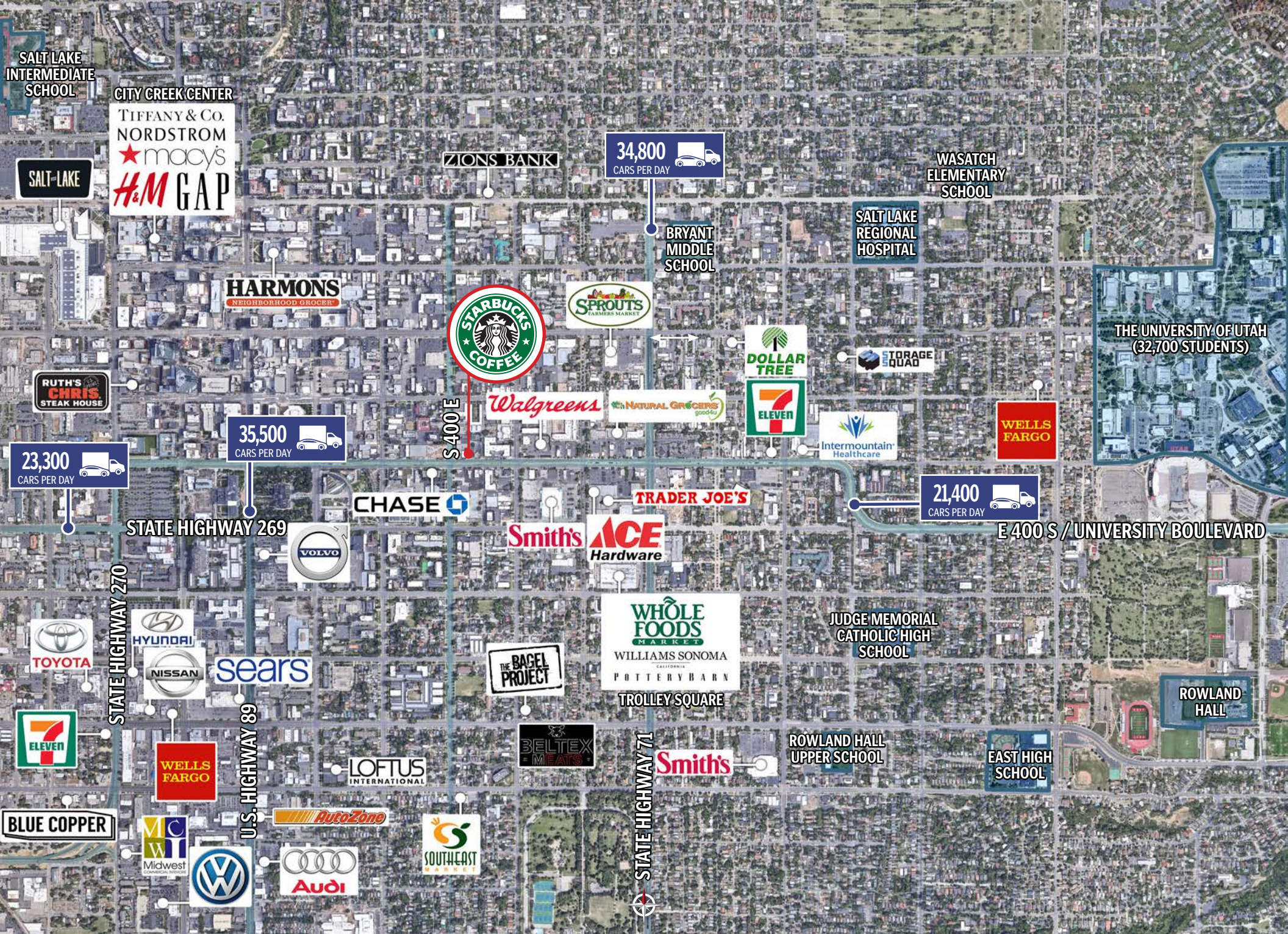
Bobo's
MEXICAN FOOD

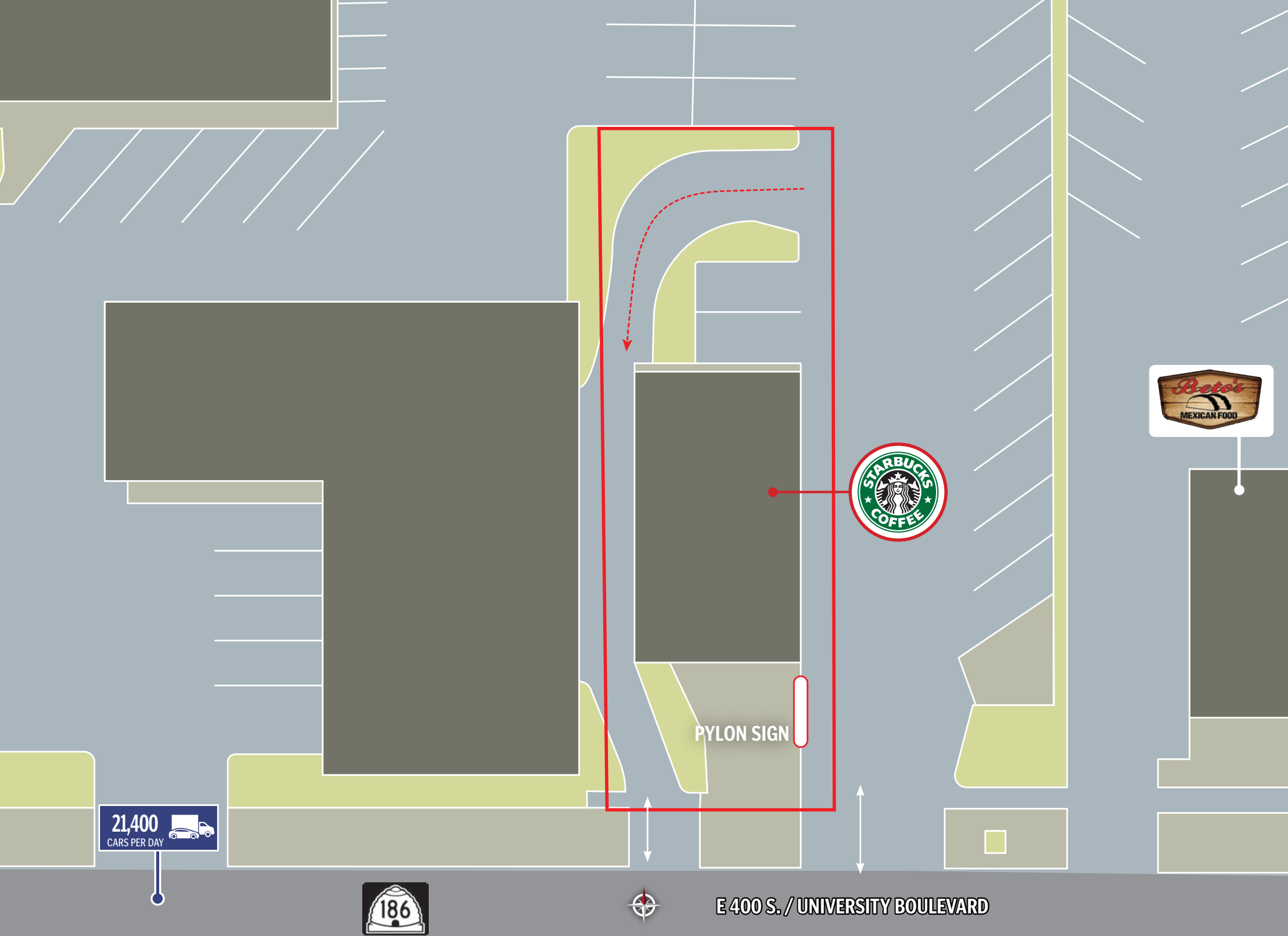
DENVER ST.

E 400 S. / UNIVERSITY BOULEVARD

21,400
CARS PER DAY

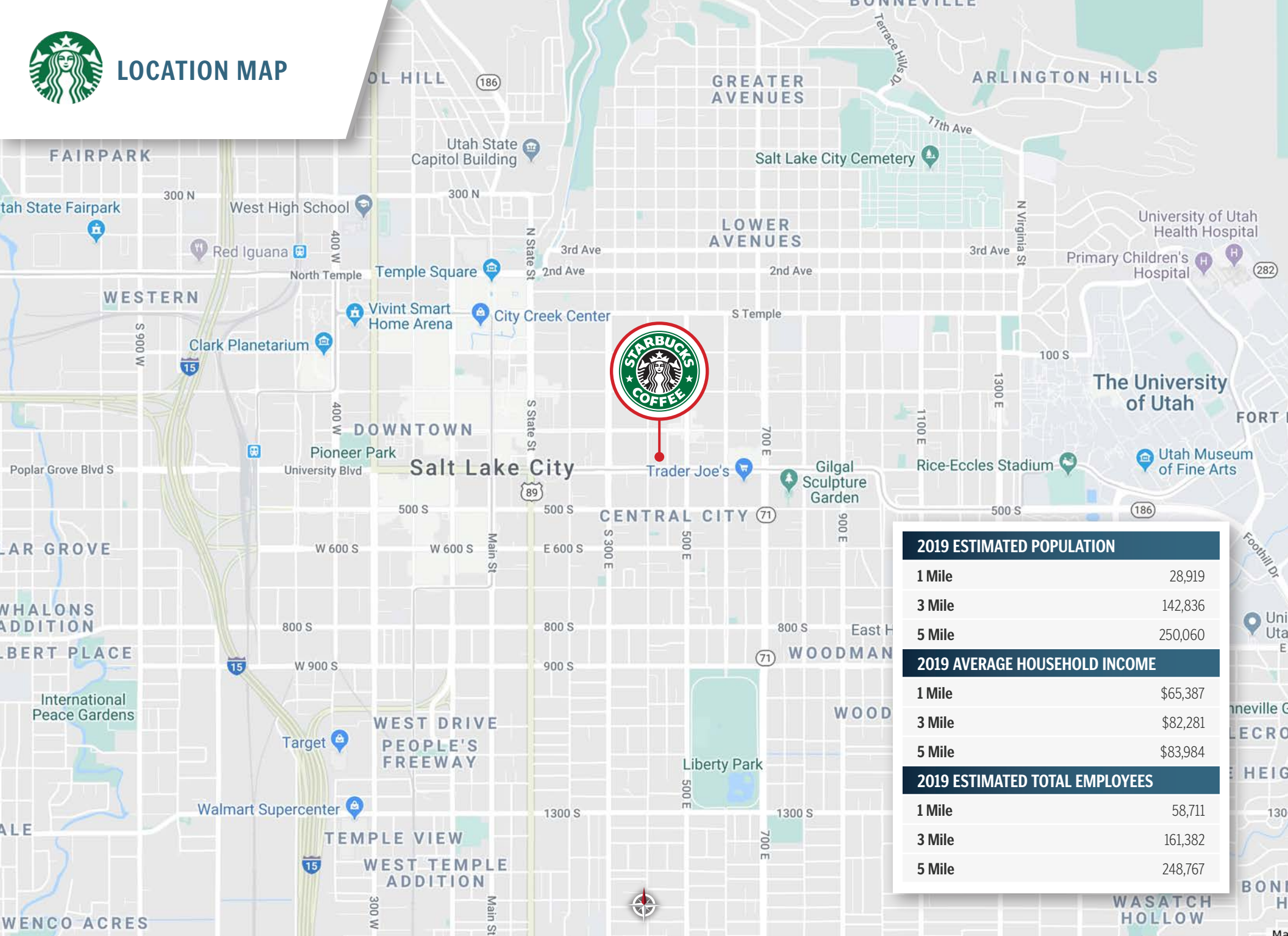








LOCATION MAP



2019 ESTIMATED POPULATION

1 Mile	28,919
3 Mile	142,836
5 Mile	250,060

2019 AVERAGE HOUSEHOLD INCOME

1 Mile	\$65,387
3 Mile	\$82,281
5 Mile	\$83,984

2019 ESTIMATED TOTAL EMPLOYEES

1 Mile	58,711
3 Mile	161,382
5 Mile	248,767



AREA OVERVIEW



Salt Lake City, Utah

Salt Lake City (often shortened to Salt Lake and abbreviated as SLC) is the capital and the most populous municipality of the U.S. state of Utah. With an estimated population of 204,066 in 2019, the city is the core of the Salt Lake City metropolitan area, which has a population of 1,153,340 (2014 estimate). Salt Lake City is further situated within a larger metropolis known as the Salt Lake City–Ogden–Provo Combined Statistical Area, a corridor of contiguous urban and suburban development stretched along a 120-mile (190 km) segment of the Wasatch Front, comprising a population of 2,423,912 (as of 2014 estimates). It is one of only two major urban areas in the Great Basin.

Salt Lake City is home to two Fortune 1000 companies, Zions Bancorporation and Questar Corporation. Other notable firms headquartered in the city include AlphaGraphics, Sinclair Oil Corporation, Smith's Food and Drug (owned by national grocer Kroger), MonaVie, Myriad Genetics, Creminelli Fine Meats and Vehix.com. Notable firms based in nearby cities within the metropolitan area include Arctic Circle Restaurants, FranklinCovey, and Overstock.com. Metropolitan Salt Lake was also once the headquarters of American Stores, the Skaggs Companies, and ZCMI, one of the first department stores; it is now owned by Macy's, Inc. Former ZCMI stores now operate under the Macy's label. High-tech firms with a large presence in the suburbs include Adobe, ColcaSac, eBay, Unisys, Siebel, Micron, L-3 Communications, Telarus, and 3M. Goldman Sachs has its second-largest presence in Salt Lake City.

Other economic activities include tourism, conventions, and major suburban call centers. Tourism has increased since the 2002 Olympic Winter Games, and many hotels and restaurants were built for the events. The convention industry has expanded since construction of the Salt Palace convention center in the late 1990s, which hosts trade shows and conventions, including the annual Outdoor Retailers meeting and the Novell BrainShare conference.

Postsecondary educational options in Salt Lake City include the University of Utah, Westminster College, Salt Lake Community College, Stevens-Henager College, Eagle Gate College, The Art Institute of Salt Lake City, Violin Making School of America (now named Peter Prier & Sons Violins), and LDS Business College. Utah State University, Neumont College of Computer Science and Brigham Young University also operate education centers in the city. There are also many trade and technical schools such as Healing Mountain Massage School and the Utah College of Massage Therapy. The University of Utah is noted for its research and medical programs. It was one of the original four universities to be connected to ARPANET, the predecessor to the Internet, in 1969, and was the site of the first artificial heart transplant in 1982.



AREA DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	28,919	142,836	250,060
2024 Projected Population	31,385	153,772	266,605
2010 Census Population	25,129	128,561	228,505
Projected Annual Growth 2019 to 2024	1.65%	1.49%	1.29%
Historical Annual Growth 2010 to 2019	1.53%	1.14%	0.98%
2019 Estimated Households	16,061	61,311	98,649
2024 Projected Households	17,543	66,266	105,398
2010 Census Households	13,790	54,748	89,858
Projected Annual Growth 2019 to 2024	1.78%	1.57%	1.33%
Historical Annual Growth 2010 to 2019	1.66%	1.23%	1.01%
2019 Estimated White	80.68%	80.51%	80.62%
2019 Estimated Black or African American	3.30%	3.38%	3.38%
2019 Estimated Asian or Pacific Islander	7.99%	6.45%	5.85%
2019 Estimated American Indian or Native Alaskan	1.85%	1.49%	1.44%
2019 Estimated Other Races	6.14%	9.93%	11.64%
2019 Estimated Hispanic	15.07%	21.48%	24.04%
2019 Estimated Average Household Income	\$65,387	\$82,281	\$83,984
2019 Estimated Median Household Income	\$43,985	\$54,825	\$56,980
2019 Estimated Per Capita Income	\$36,021	\$35,331	\$33,316
2019 Estimated Total Businesses	3,304	8,259	13,133
2019 Estimated Total Employees	58,711	161,382	248,767





RENT ROLL & PRICING

BUILDING RENT ROLL

Lease Term						Rental Rates					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Starbucks Corporation (Corporate Guaranty)	1,920	10/25/2019	10/31/2029	10/25/2019	-	\$12,500	\$6.51	\$150,000	\$78.13	NNN	4 (5-Year)
				11/1/2024	10%	\$13,750	\$7.16	\$165,000	\$85.94		10% Increase At Option Periods

GROUND RENT ROLL

Lease Term						Rental Rates					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Leasehold Owner	1,920	9/29/2017	9/30/2082	Current		\$7,271	\$3.79	\$87,253	\$45.44	-	1 (34-Year)
				Oct. 2022	17%	\$8,514	\$4.43	\$102,166	\$53.21		
				Oct. 2027	10%	\$9,365	\$4.88	\$112,382	\$58.53		
				10% Increase Every 5-Years Throughout Initial Term & Option Period Thereafter							

Note: Leasehold Owner has the Right of First Refusal to purchase the property within 30 days after receiving notice.

OPERATING CASH FLOW

IN-PLACE

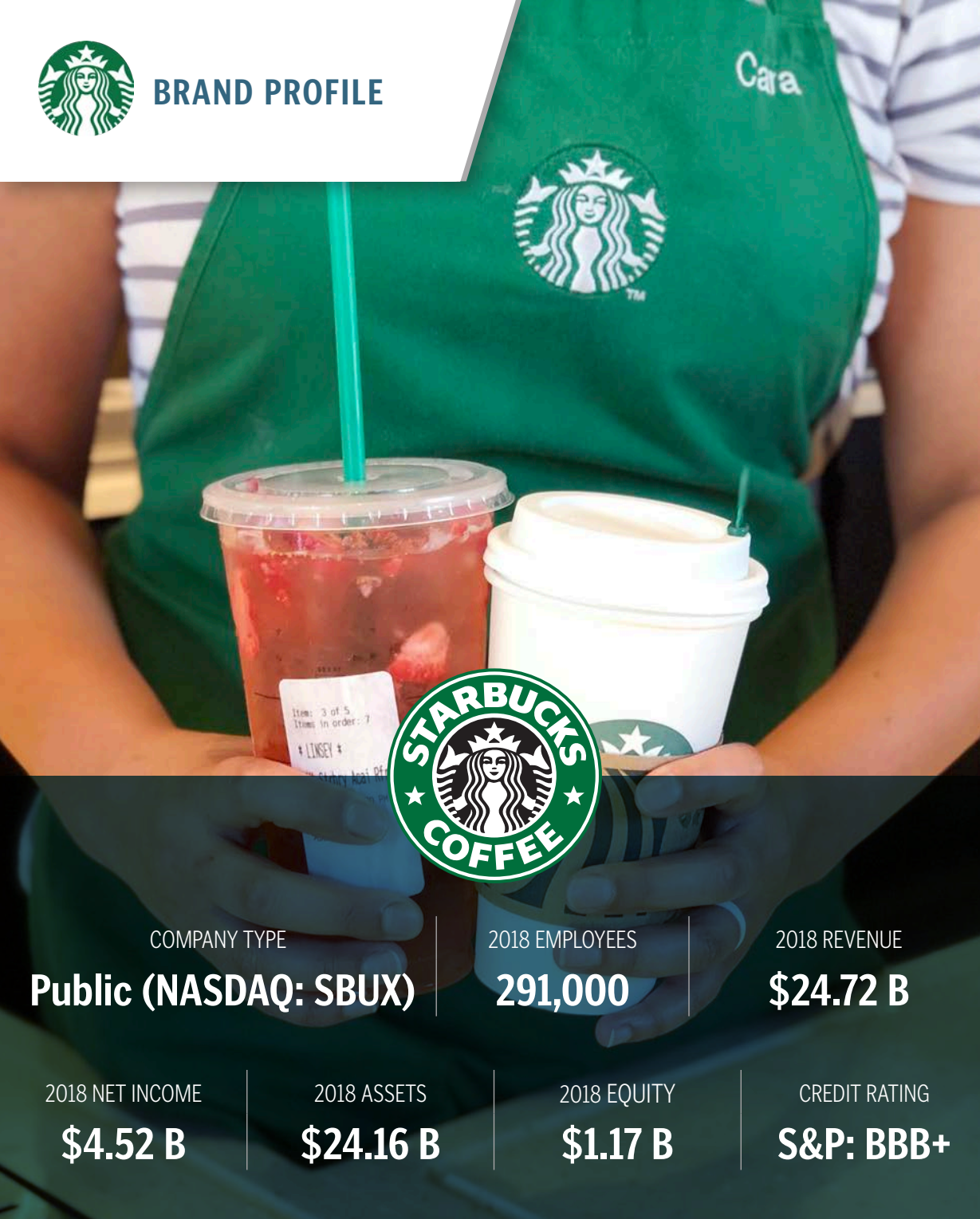
Leasehold Rental Revenue:	\$150,000
Potential Reimbursement Revenue:	NNN
Effective Gross Revenue:	\$150,000
Ground Rent Expense:	(\$87,253)
Less Expenses:	NNN
Net Operating Income:	\$62,747

PRICING SUMMARY

Price:	\$1,045,783
PSF:	\$545
Net Operating Income:	\$62,747
In-Place Cap Rate:	6.00%



BRAND PROFILE



COMPANY TYPE

Public (NASDAQ: SBUX)

2018 EMPLOYEES

291,000

2018 REVENUE

\$24.72 B

2018 NET INCOME

\$4.52 B

2018 ASSETS

\$24.16 B

2018 EQUITY

\$1.17 B

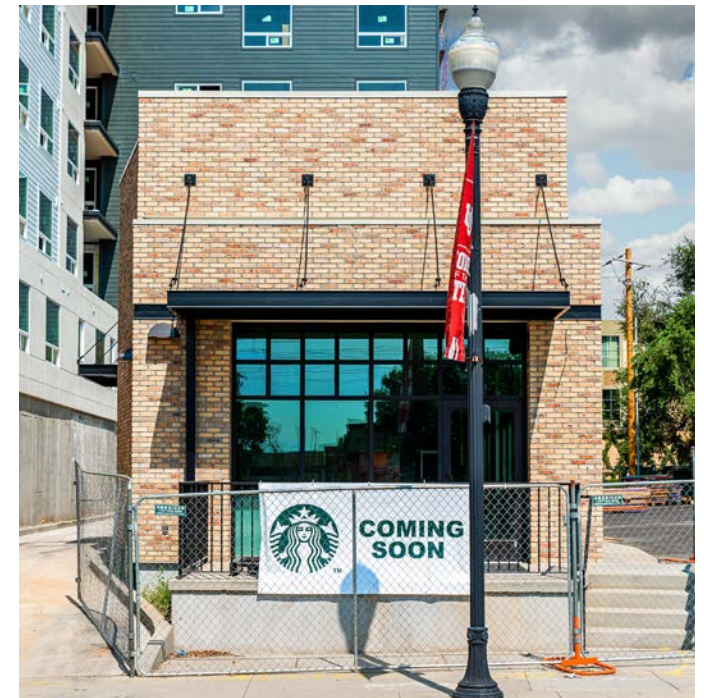
CREDIT RATING

S&P: BBB+

Starbucks

starbucks.com

Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality arabica coffee. Starbucks stores offer coffee and tea beverages, Handcrafted Beverages, Merchandise and Fresh Food. Through their unwavering commitment to excellence and guiding principles, the company bring the unique Starbucks Experience to life for every customer through every cup. Today, with more than 30,000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. Starbucks Corporation was founded in 1971 and is based in Seattle, Washington.





NATIONAL NET LEASE GROUP

SRS NATIONAL NET LEASE GROUP IS THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM OF SRS REAL ESTATE PARTNERS.

275+

RETAIL
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated to retail

1500+

RETAIL LISTINGS
in 2018

\$2.6B

TRANSACTION
VALUE
in 2018

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.

*Statistics are for 2018

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