



Representative Photo

# Investment Offering - Single Tenant

20216 N 27th Avenue | Phoenix, Arizona 85027

For more information contact:

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**CIRE** | Partners  
COMMERCIAL INVESTMENT REAL ESTATE

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# property snapshot

20216 N 27th Avenue | Phoenix, Arizona

Built in 2015

±1,750 SF located on 0.91 Acres

Single Tenant Net Leased - Retail

Fee Simple Ownership (Land & Building)

## pricing summary

Purchase Price	\$2,593,684
NOI	\$123,200*
CAP Rate	4.75%
Lease Term	±5.5 Years Remaining

\*NOI based on September 1, 2020 rent increase.

CIRE Partners is pleased to present a single-tenant net leased investment property in Phoenix, Arizona. The subject property is occupied by Starbucks and located at 20216 N 27th Avenue. The site consists of an approximately 1,750 square foot building on an approximately 0.91 acre parcel of land.

Strategically located on N 27th Avenue, which provides direct access to Arizona State Route 101 (Loop 101) and Interstate 17, the subject property benefits from prominent visibility, excellent ingress and egress, strong traffic volumes, a local trade area that provides demand and synergy, population growth, and limited quick service restaurant competition. Loop 101 encompasses much of the Phoenix MSA, connecting Phoenix to Tolleson, Glendale, Peoria, Scottsdale, Mesa, Tempe, and Chandler. In addition, the subject property is surrounded by multiple educational facilities (Barry Goldwater High School: ± 1,745 students & Deer Valley Middle School: ± 594 students), corporate office campuses (Albertsons/Safeway, Best Western, American Express, PetSmart & Honeywell), hospitals (HonorHealth Deer Valley Medical Center), and shopping centers (Deer Valley Towne Center) within a one mile radius, which provide a great driver of consumer traffic for the Starbucks business model. This Starbucks property features a drive-thru window, an interior dining room with seating, outdoor patio with seating, ample parking, and was constructed in 2015 to reflect one of the most recent Starbucks prototype stores.

This Starbucks property is store #24426-AZ of approximately 31,000 in the entire Starbucks system worldwide. Starbucks #24426-AZ has successfully operated at this same location since it was built in 2015. Although there has only been five years of operating history, the strategic location and synergy within the Deer Valley submarket equates to a highly demanded property.

# investment overview

Address	20216 N 27th Avenue   Phoenix, AZ 85027
APN	206-08-378
Building Size	±1,750 SF
Parcel Size	±0.91 Acres
Year Built	2015
Purchase Price	\$2,593,684
CAP Rate	4.75%
NOI	\$123,200*
Parking	30 Spaces (17.14 / 1,000 SF)
Amenities	Drive-Thru
Lease Type	NN (LL responsible for Roof, Structure and Parking Lot)
Lease Term	Ten (10) Years
Traffic Counts	N 27th Avenue: ±20,877 ADT Loop 101: ±127,353 ADT Interstate 17: ±139,929 ADT

Year(s)	Annual Rent	Monthly Rent	Rent / SF	CAP Rate
Current - 8/31/2020	\$112,000	\$9,333	\$5.33 / SF	4.32%
<b>9/1/2020 - 8/31/2025</b>	<b>\$123,200*</b>	<b>\$10,267</b>	<b>\$5.87 / SF</b>	<b>4.75%</b>
Option 1: 9/1/2025 - 8/31/2030	\$135,520	\$11,293	\$6.45 / SF	5.23%
Option 2: 9/1/2030 - 8/31/2035	\$149,072	\$12,423	\$7.10 / SF	5.75%
Option 3: 9/1/2035 - 8/31/2040	\$163,979	\$13,665	\$7.81 / SF	6.32%

\*NOI based on September 1, 2020 rent increase.

## investment highlights

- Approximately 5.5 years remaining on the Lease (Built in 2015).
- NN Lease with fixed 10% rent increases every 5 years.
- No Early Termination Clause.
- Trophy Asset w/ Investment Grade, Corporate Guaranty from SBUX (S&P: BBB+).
- Strategic location within the Deer Valley submarket of Phoenix, Arizona.
- Phoenix is the 5th most populous city in the United States.
- Home Sales in the Phoenix MSA have increased by 13.9% since 2019 (#4 in U.S.), and Market Rents have increased by 6.8% (#1 in U.S.).



## lease abstract

Tenant	Starbucks Corporation
Lease Commencement	September 1, 2015
Lease Expiration	August 31, 2025
Lease Term	Ten (10) Years
Renewal Options	Three (3) - 5 Year Options
Current Annual Rent	\$123,200*
Rent Increases	Fixed 10% every 5 Years
Lease Type	Double Net (NN)
Roof & Structure	Landlord Responsible
Guarantor	Corporate



location map





location aerial





# market overview

## Phoenix, AZ

With more than 1.6 million people, Phoenix is the 5th largest city in the United States and the financial, commercial, cultural, entertainment and government center of Arizona. More than 550 square miles in size, one of the city's many strengths is its 13 major employment centers, which each employ a workforce of between 400,000 to 1.1 million within a 25-minute commute. With a variety of universities and technical schools in the area, the pipeline of skilled workers continues to grow. The Phoenix Biomedical Campus in downtown Phoenix is a 30-acre urban medical and bioscience campus planned for more than 6 million square feet of biomedical related research, academic and clinical facilities.

ASU's Downtown campus, at build-out, will be home to 15,000 students and 900,000 square feet of private development. Phoenix also offers an excellent transportation system including a light rail system, easy-to-access highways and one of the 10 busiest airports in the country, Phoenix Sky Harbor International Airport. The Phoenix employment base has grown rapidly in the past 20 years and currently boasts more than 1.7 million workers made up of a healthy mix of managers, professionals and production workers. Projected employment by occupation shows continued strengthening of the area's professional and technical work force, with service employment increasing as well. A steady influx of new workers and high graduation levels from the state's largest university, Arizona State University, enrich the quality of labor.

As one might expect in the 5th largest city in America, the options for housing are as diverse as the people who live here. You'll find everything from luxury high-rise condos to modest apartments, from mature tree-lined family neighborhoods to brand-new gated communities. Because the City of Phoenix covers many square miles, it is served by 5 community colleges, 30 unique school districts with more than 325 schools, as well as 200 charter and private schools. There are also many trade, vocational and online schools covering a variety of professional fields. Phoenix is centrally located and enjoys a number of modern freeways, including Interstate 17, which moves traffic north and south, and Interstate 10, which takes commuters to and from the far western and eastern stretches of the city. Overall, Phoenix offers low-cost, quality living with a high quality of life making it the ideal location for residents.



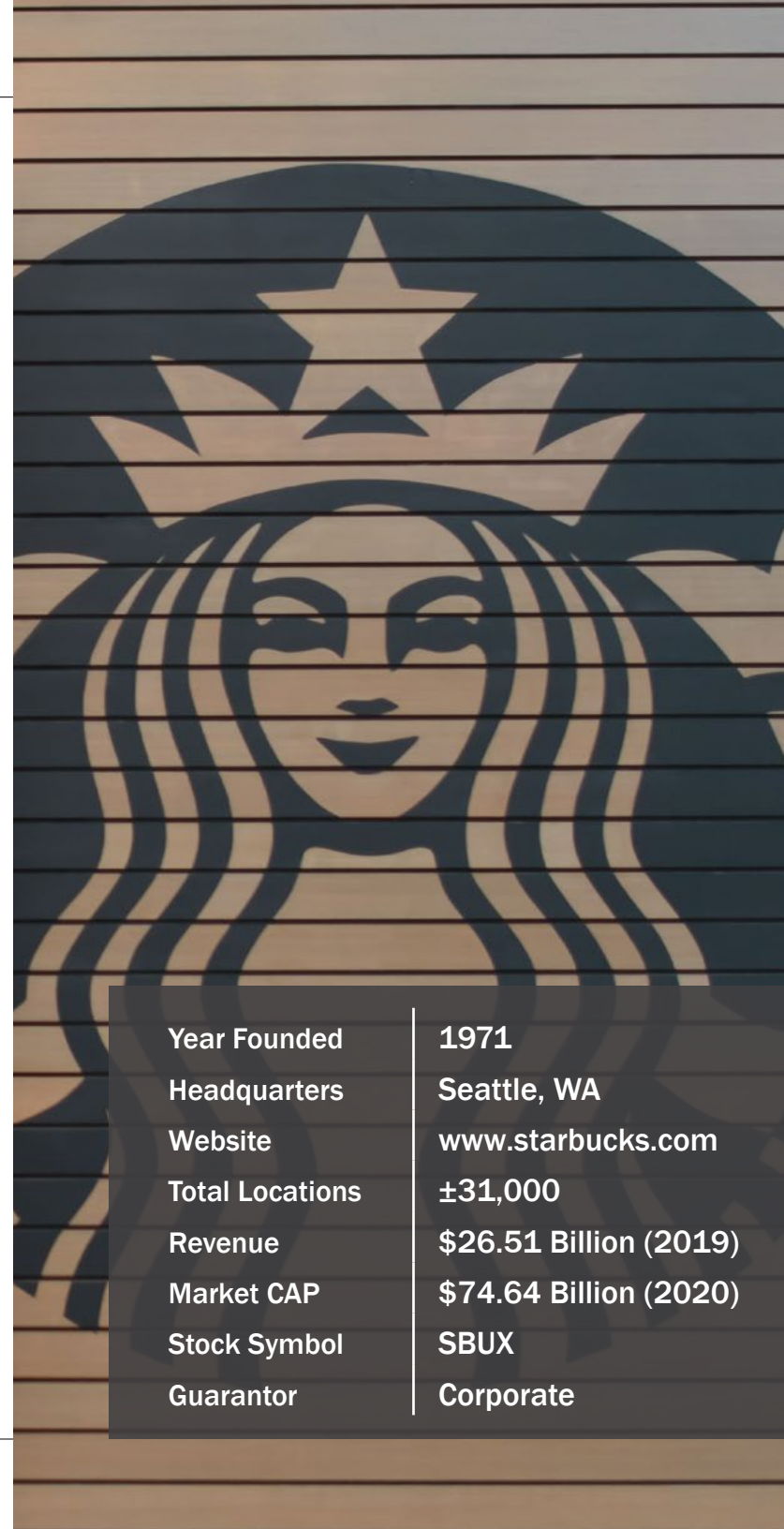
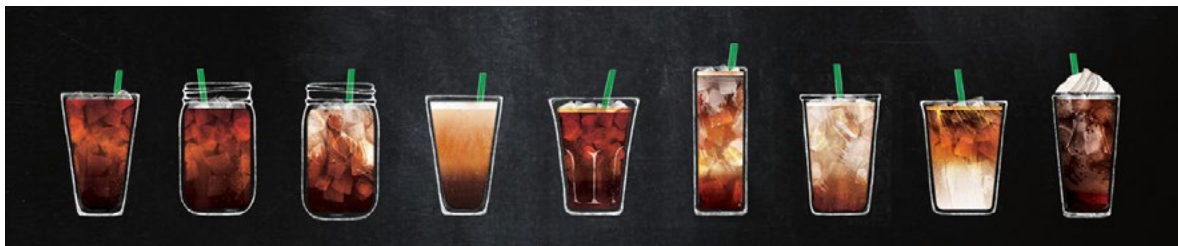
# tenant profile

To say Starbucks purchases and roasts high-quality whole bean coffees is very true. That's the essence of what they do – but it hardly tells the whole story. Every day, they go to work hoping to do two things: share great coffee with their friends and help make the world a little better. It was true when the first Starbucks opened in 1971, and it's just as true today.

Back then, the company was a single store in Seattle's historic Pike Place Market. From just a narrow storefront, Starbucks offered some of the world's finest fresh-roasted whole bean coffees. The name, inspired by Moby Dick, evoked the romance of the high seas and the seafaring tradition of the early coffee traders. In 1981, Howard Schultz (Starbucks chairman and chief executive officer) had first walked into a Starbucks store. From his first cup of Sumatra, Howard was drawn into Starbucks and joined a year later.

In 1983, Howard traveled to Italy and became captivated with Italian coffee bars and the romance of the coffee experience. He had a vision to bring the Italian coffeehouse tradition back to the United States. A place for conversation and a sense of community. A third place between work and home. He left Starbucks for a short period of time to start his own Il Giornale coffeehouses and returned in August 1987 to purchase Starbucks with the help of local investors. From the beginning, Starbucks set out to be a different kind of company. One that not only celebrated coffee and the rich tradition, but that also brought a feeling of connection.

Their mission to inspire and nurture the human spirit – one person, one cup, and one neighborhood at a time. They're not just passionate purveyors of coffee, but everything else that goes with a full and rewarding coffeehouse experience. They also offer a selection of premium teas, fine pastries and other delectable treats to please the taste buds. And the music you hear in store is chosen for its artistry and appeal. It's not unusual to see people coming to Starbucks to chat, meet up or even work. They're a neighborhood gathering place, a part of the daily routine – and they couldn't be happier about it. Get to know them and you'll see: they are so much more than what they brew. They make sure everything they do is through the lens of humanity – from their commitment to the highest quality coffee in the world, to the way they engage with their customers and communities to do business responsibly. Source: [www.starbucks.com](http://www.starbucks.com)



Year Founded	1971
Headquarters	Seattle, WA
Website	<a href="http://www.starbucks.com">www.starbucks.com</a>
Total Locations	±31,000
Revenue	\$26.51 Billion (2019)
Market CAP	\$74.64 Billion (2020)
Stock Symbol	SBUX
Guarantor	Corporate



