

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



1860 E MCKELLIPS ROAD

**MESA** ARIZONA (PHOENIX MSA)

ACTUAL SITE





EXCLUSIVELY MARKETING BY

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5

## INVESTMENT SUMMARY

Offering Summary | Investment Highlights

9

## PROPERTY OVERVIEW

Aerials | Site Plan | Location Map

16

## AREA OVERVIEW

Demographics

21

## FINANCIALS

Rent Roll | Brand Profile

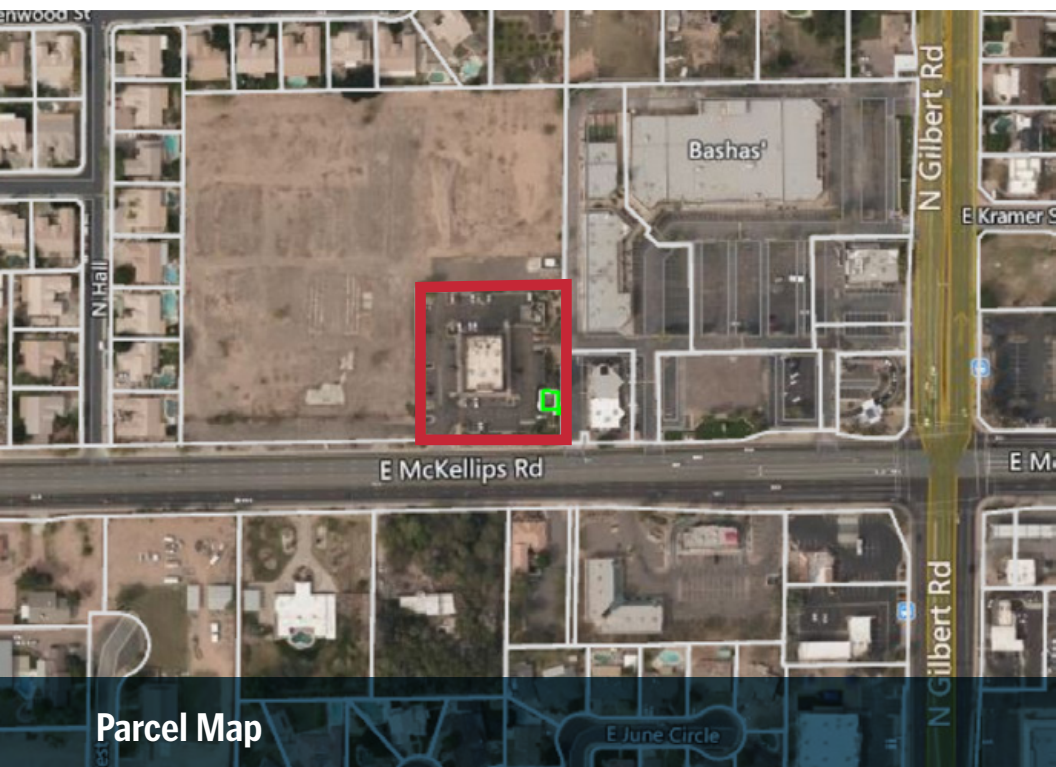




SRS is pleased to offer the opportunity to acquire the fee simple interest (land and building ownership) in an absolute NNN, freestanding, Outback Steakhouse investment property located in Mesa, AZ (Phoenix MSA). The tenant recently signed a brand new 25-year lease with 3 (5-year) option periods to extend, demonstrating a long term commitment to the site. The lease features rare 2.00% annual rental increases throughout the initial term and option periods, generating healthy NOI growth. The lease is franchisee guaranteed by Cerca Trova, an experienced Outback Steakhouse operator with over 100 Outback locations across the western United States (approx. 15% of all Outback locations in the US). The lease is absolute NNN with zero landlord responsibilities, making this an ideal, management-free investment for an out-of-state, passive investor.

The Outback Steakhouse is strategically located near the signalized intersection of N. Gilbert Road and E. McKellips Road, averaging a combined 56,900 vehicles passing by daily. The site is located less than 1-mile south of State Route 202 (136,000 VPD), a beltway looping around the Phoenix metropolitan area. E. McKellips Road serves as the primary retail thoroughfare in the immediate trade area with nearby national/credit tenants including Walmart Neighborhood Market, Anytime Fitness, Fry's Marketplace, CVS, O'Reilly Auto Parts, and more, increasing consumer draw to the subject property. The 5-mile trade area is supported by a growing population of over 254,000 residents and 88,000 employees. The 1-mile area features with an affluent average household income of \$106,288.





**Parcel Map**

## Offering

<b>PRICING</b>	\$4,748,000
<b>NET OPERATING INCOME</b>	\$261,120
<b>CAP RATE</b>	5.50%
<b>GUARANTY</b>	Franchisee - Cerca Trova
<b>TENANT</b>	Outback Steakhouse
<b>LEASE TYPE</b>	Absolute NNN
<b>LANDLORD RESPONSIBILITIES</b>	None

## Property Specifications

<b>RENTABLE AREA</b>	6,163 SF
<b>LAND AREA</b>	1.45 Acres
<b>PROPERTY ADDRESS</b>	1860 E. McKellips Road Mesa, AZ 85203
<b>YEAR BUILT</b>	2003
<b>PARCEL NUMBER</b>	136-06-012-E
<b>OWNERSHIP</b>	Fee Simple (Land & Building)

### **New 25-Year Lease | Rare Annual Increases | Options to Extend | Franchisee Guaranteed by Cerca Trova**

- Outback Steakhouse recently signed a brand new 25-year lease with 3 (5-year) option period to extend, demonstrating long term commitment to this site
- Rare 2.00% annual rental increases throughout the initial term and option periods, generating healthy NOI growth
- Franchisee guaranteed by Cerca Trova, an experienced Outback Steakhouse Franchisee operator
- Cerca Trova operates over 100 Outback locations across the western region (approx. 15% of all Outback locations in the US)

### **Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities**

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

### **Near Highly Trafficked Intersection | State Route 202 (136,000 VPD) | Excellent Visibility & Access**

- The Outback Steakhouse is strategically located near the signalized intersection of N. Gilbert Road and E. McKellips Road, averaging a combined 56,900 vehicles passing by daily
- Less than 1-mile south of State Route 202 (136,000 VPD), a beltway looping around the Phoenix metropolitan area

### **Primary Retail Thoroughfare | Near National/Credit Tenants**

- E. McKellips Road serves as the primary retail thoroughfare in the immediate trade area with nearby national/credit tenants including Walmart Neighborhood Market, Anytime Fitness, Fry's Marketplace, CVS, O'Reilly Auto Parts, and more
- Increases consumer draw to the subject property

### **Strong Residential Customer Base**

Strong customer base to draw from within a 5-mile radius:

- High Household Density (91,000+ homes)
- 255,000+ Residents - 1.33% Historical Annual Growth
- 89,000+ Daytime Employees

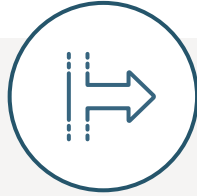
### **Affluent Demographics In 1-Mile Trade Area**

- \$106,307 average household income within the 1-mile trade area
- 72.10% of housing units area owner occupied



### Location

Located in  
Maricopa County



### Access

E. McKellips Road  
2 Access Points



### Traffic Counts

E. McKellips Road  
31,500 Cars Per Day

N. Gilbert Road  
25,400 Cars Per Day



### Improvements

There is approximately 6,163 SF  
of existing building area



### Parking

There are approximately  
100 parking spaces  
on the owned parcel.  
The parking ratio is  
approximately 16.23 stalls per  
1,000 SF of leasable area.



### Parcel

Parcel Number: 136-06-012-E  
Acres: 1.45  
Square Feet: 63,075 SF



### Year Built

2003

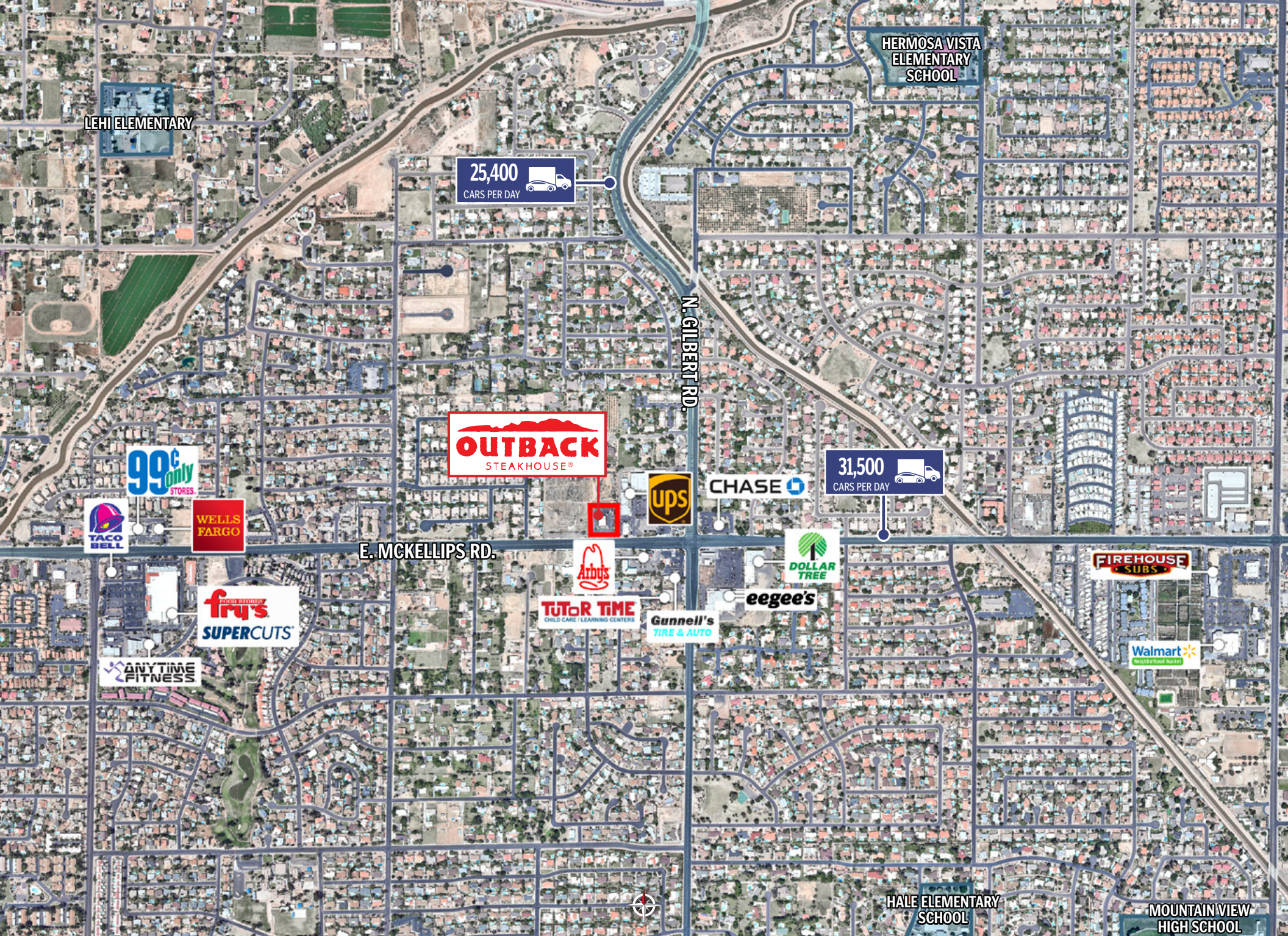


### Zoning

Limited Commercial







LEHI ELEMENTARY

HERMOSA VISTA  
ELEMENTARY  
SCHOOL

25,400  
CARS PER DAY

N. GILBERT RD.

**OUTBACK**  
STEAKHOUSE®

31,500  
CARS PER DAY

E. MCKELLIPS RD.

TACO  
BELL

99c  
only  
STORES

WELLS  
FARGO

ups

CHASE

DOLLAR  
TREE

FIREHOUSE  
SUBS

fray's  
SUPERCUTS

Arby's

TUTOR TIME  
CHILD CARE / LEARNING CENTERS

Gunnell's  
TIRE & AUTO

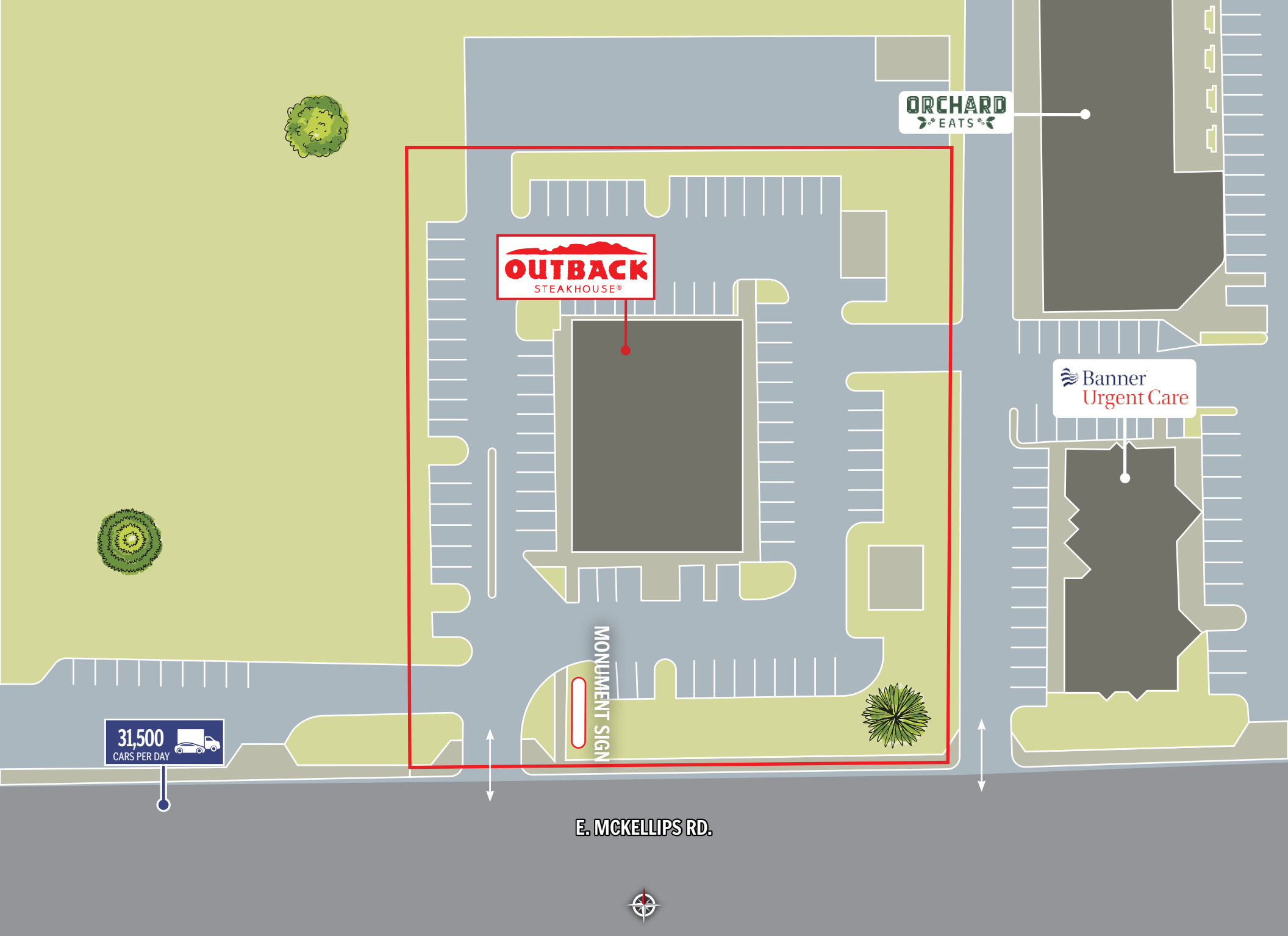
eegee's

Walmart  
Neighborhood Market

ANYTIME  
FITNESS

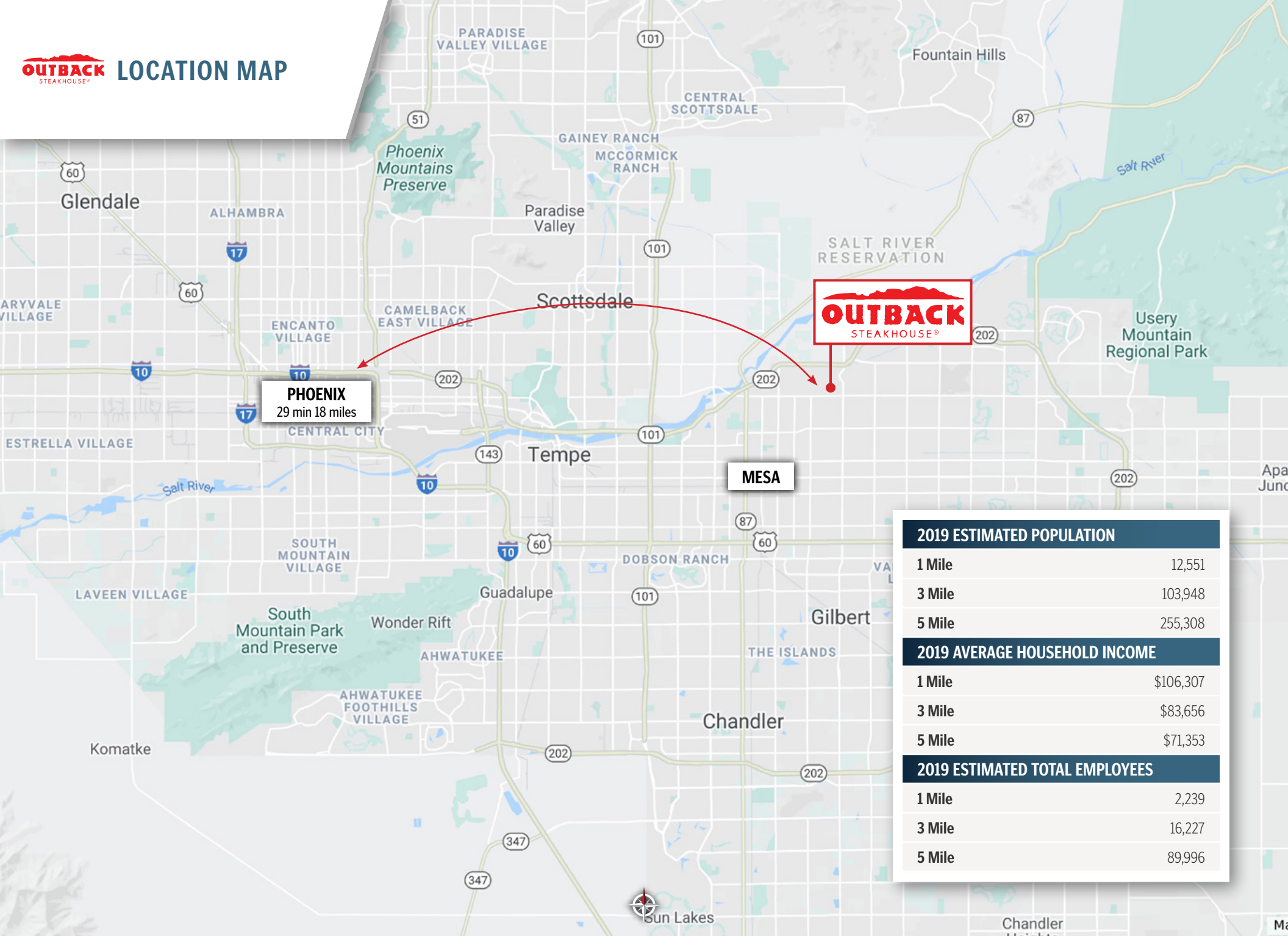
HALE ELEMENTARY  
SCHOOL

MOUNTAIN VIEW  
HIGH SCHOOL





# OUTBACK STEAKHOUSE® LOCATION MAP



2019 ESTIMATED POPULATION	
1 Mile	12,551
3 Mile	103,948
5 Mile	255,308
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$106,307
3 Mile	\$83,656
5 Mile	\$71,353
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	2,239
3 Mile	16,227
5 Mile	89,996

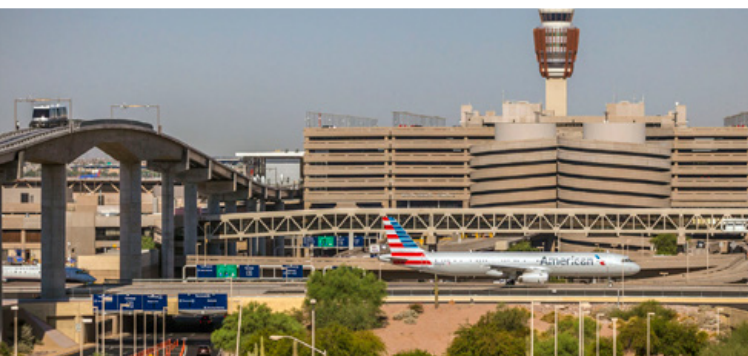


## Mesa, Arizona

Mesa is a city in Maricopa County, in the U.S. state of Arizona, and located just 15 miles east of Phoenix. Mesa covers 132 square miles, is the third largest city in Arizona and the 38th largest city in the nation. The City provides the advantages of a thriving metropolis while maintaining the feel of a suburban environment. Mesa is the central city of the East Valley section of the Phoenix Metropolitan Area. It is bordered by Tempe on the west, the Salt River Pima-Maricopa Indian Community on the north, Chandler and Gilbert on the south, and Apache Junction on the east. The city was founded in 1878 and incorporated July 15, 1883 with an approximate population of 493,089 as of July 1, 2017.

Mesa has a diverse economy, with key areas of strength being healthcare, education, aerospace/aviation, tourism and technology (HEAT). Regional employment centers include Downtown Mesa, Falcon Field, Fiesta District, Superstition Freeway Corridor, Mesa Riverview, and the Mesa Gateway area. The Mesa Gateway area is host to Phoenix-Mesa Gateway Airport, the Elliot Road Technology Corridor, the Gateway Industrial Sector, and Arizona State University's Polytechnic Campus. Major players in Mesa include Able Engineering, Apple, Banner Health Systems, Boeing, Bridgestone, Cessna, CMC Steel, Empire Southwest, Esurance, FUJIFILM, Matheson Tri-Gas, MD Helicopters, Mitsubishi, Nammo Talley, The Timken Company and TRW. With dynamic recreational, educational and business opportunities, Mesa enjoys the best in a variety of amenities including parks within easy walking distance from home, a variety of sports facilities that cater to athletes young and old, highly rated golf courses for every skill level, a diversity of special events and community festivals, and Mesa's ever-popular Chicago Cubs and Oakland A's Spring Training baseball.

Mesa's large performance venues include the national award-winning Mesa Arts Center, the Mesa Amphitheater, and Mesa Community College's Performing Arts Center. Located in the heart of Downtown Mesa, the Mesa Convention Center is a full-service facility equipped to handle any conference, event or occasion. Museums of note include the i.d.e.a. Children's Museum, the Mesa Historical Museum, the Arizona Museum of Natural History, and the Commemorative Air Force Museum. The Mesa Grande Ruins and the Park of the Canals are unique archaeological sites also located in Mesa. Mesa has three public libraries, four recreation centers, eight specialty sports complexes, nine aquatics facilities, 20 tennis courts, 57 parks, 71 multi-purpose athletic fields, as well as myriad other sports, recreation and arts programs throughout the City. Mesa also is home to the Symphony of the Southwest, Millennial Choirs and Orchestras, the Southwest Shakespeare Company, and many other theater and performing arts groups.



## Phoenix, Arizona

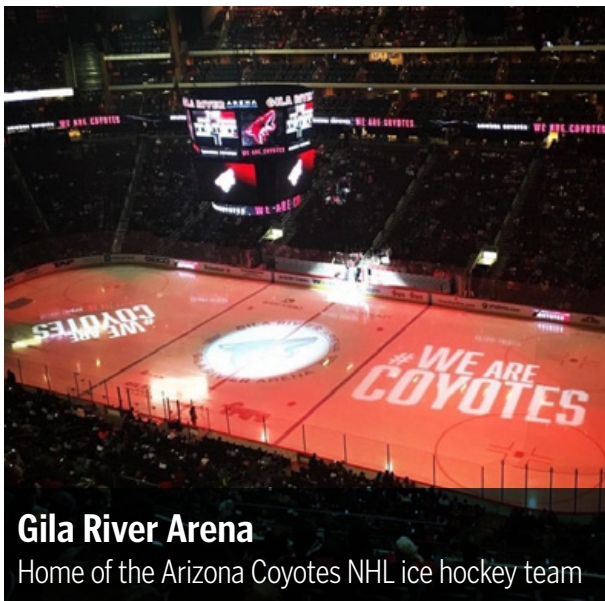
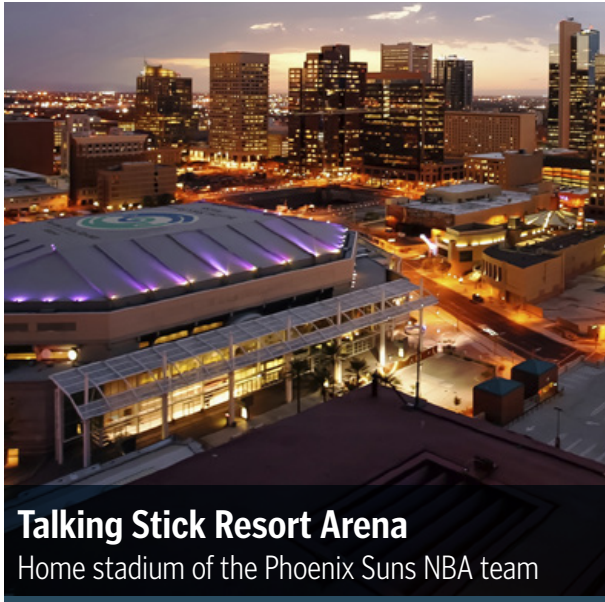
Phoenix, the capital of Arizona and seat of Maricopa County, is the largest city in the state. It is located in the center of Arizona, on the Salt River. The city of Phoenix had a 2018 estimated population of 1,616,300 people while Maricopa County accounts for approximately 4,240,000 people, containing over 60% of the state's population. The city takes up more than 500 square miles, geographically exceeding Los Angeles.

Phoenix is home to Arizona State University and numerous high-tech and telecommunications companies that have recently relocated to the area. Due to the warm climate in winter, Phoenix also benefits greatly from seasonal tourism and recreation, especially in the golfing industry. The military has a significant presence in Phoenix with Luke Air Force Base located in the western suburbs. Foreign governments have established 30 consular offices and eleven active foreign chambers of commerce and trade associations in the city as well. Located in Downtown Phoenix, Scottsdale and other surrounding areas are a large array of cultural activities.

Phoenix is currently home to four Fortune 500 companies: electronics corporation Avnet, mining company Freeport-McMoRan, retailer PetSmart, and waste hauler Republic Services. Honeywell's Aerospace division is headquartered in Phoenix, and the valley hosts many of their avionics and mechanical facilities. Intel has one of their largest sites in the area, employing about 12,000 employees, the second largest Intel location in the country. The city is also home to: the headquarters of U-HAUL International; Best Western; and Apollo Group, parent of the University of Phoenix.

Phoenix is served by Phoenix Sky Harbor International Airport (IATA: PHX, ICAO: KPHX), one of the ten busiest airports in the United States, serving over 110,000 people on over 1000 flights per day. The airport is centrally located in the metro area near several major freeway interchanges east of downtown Phoenix.

Maricopa County is a county located in the south-central part of the U.S. state of Arizona. As of July 1, 2017, its population was 4,307,033, making it the most populous county in the state, and the fourth-most populous in the United States. It is more populous than 23 states. The county seat is Phoenix, the state capital and sixth-most populous city in the country. Maricopa County is the central county of the Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area.



**\$18.5B**

Real Value of Exports  
(2015)

**12TH**

Most Populus  
MSA in America

**158,775**

Advanced Industry Jobs  
(2015)

**2.248M**

Workforce  
(2016)


**\$211.14B**

Regional  
GDP

  
**150,364**  
TOTAL BUSINESSES


**76%**  
OF THE STATES  
ECONOMY

**3<sup>RD</sup>**   
LARGEST LABOR POOL  
IN THE WEST


  
**\$210,786**  
Median Home Value


  
**\$8,275**  
Average Spent on  
Mortgage & Basics

  
**\$794**  
Median Contract  
Rent

  
**\$2,001**  
Apparel &  
Services

  
**\$3,104**  
Eating Out

  
**\$176**  
Computers &  
Hardware

  
**\$4,907**  
Groceries

  
**\$5,069**  
Health Care

## MAJOR EMPLOYERS

COMPANY	EMPLOYEES	INDUSTRY
State of Arizona	49,800	Government
Wal-mart	30,634	Retail
Banner Health	24,825	Health
City of Phoenix	15,100	Government
Wells Fargo	13,308	Finance
Bank of America	13,300	Finance
Maricopa County	12,792	Government
Arizona Sate	11,185	Education
Apollo Education	11,000	Education
JPMorgan	10,600	Finance

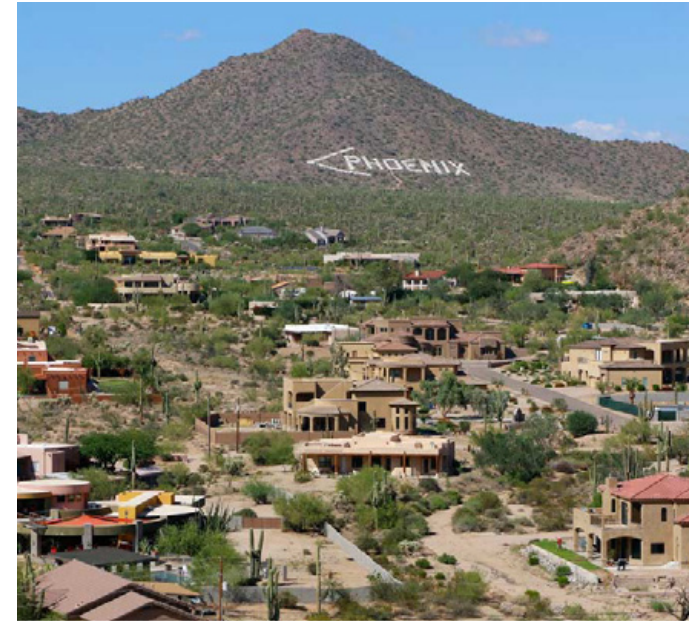


Projected employment growth  
over the next decade is 15.5%  
compared to the national  
projected growth of 9.42%



The population of Greater Phoenix is  
4.4 million and is expected  
to grow to nearly 6.4 million  
in the next 20 years

	1 MILE	3 MILES	5 MILES
2019 Estimated Population	12,551	103,948	255,308
2024 Projected Population	13,037	110,823	272,298
2010 Census Population	11,933	91,618	226,606
Projected Annual Growth 2019 to 2024	0.76%	1.29%	1.30%
Historical Annual Growth 2010 to 2019	0.53%	1.41%	1.33%
2019 Estimated Households	4,227	36,296	91,317
2024 Projected Households	4,380	38,573	97,159
2010 Census Households	4,029	32,230	81,578
Projected Annual Growth 2019 to 2024	0.71%	1.22%	1.25%
Historical Annual Growth 2010 to 2019	0.53%	1.33%	1.26%
2019 Estimated White	90.56%	84.84%	82.86%
2019 Estimated Black or African American	1.88%	3.66%	3.78%
2019 Estimated Asian or Pacific Islander	2.60%	1.75%	1.50%
2019 Estimated American Indian or Native Alaskan	1.59%	3.54%	4.22%
2019 Estimated Other Races	4.09%	13.41%	16.53%
2019 Estimated Hispanic	12.08%	30.48%	36.66%
2019 Estimated Average Household Income	\$106,307	\$83,656	\$71,353
2019 Estimated Median Household Income	\$82,671	\$56,647	\$51,152
2019 Estimated Per Capita Income	\$36,046	\$29,087	\$25,554
2019 Estimated Total Businesses	282	1,953	6,628
2019 Estimated Total Employees	2,239	16,227	89,996



Lease Term						Rental Rates					
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	PSF	Annually	PSF	Recovery Type	Options
Outback Steakhouse	6,163	Sept. 2019	Sept. 2044	Current	-	\$21,760	\$3.53	\$261,120	\$42.37	Absolute NNN	3 (5-Year)
(Franchisee Guaranty)				Sept. 2021	2.00%	\$22,195	\$3.60	\$266,342	\$43.22	2.00% Annual Rental Increases Throughout Option Periods	
2.00% Annual Rental Increases Thereafter											

#### FINANCIAL INFORMATION

Price	\$4,748,000
Net Operating Income	\$261,120
Cap Rate	5.50%
Lease Type	Absolute NNN

#### PROPERTY SPECIFICATIONS

Year Built	2003
Rentable Area	6,163 SF
Land Area	1.45 Acres
Address	1860 E. McKellips Road Mesa, AZ 85203



**For financing options and loan quotes:**

Please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com).

## Outback Steakhouse outback.com

Outback Steakhouse® starts fresh every day to create the flavors that our customers crave. Best known for grilled steaks, chicken and seafood, Outback also offers a wide variety of crisp salads and freshly made soups and sides. New creations and grilled classics are made from scratch daily using only the highest quality ingredients sourced from around the world.



COMPANY TYPE	Parent	2018 EMPLOYEES	2018 REVENUE
<b>Subsidiary</b>	<b>Bloomin' Brands</b>	<b>93,000</b>	<b>\$4.13 B</b>
2018 NET INCOME	2018 ASSETS	2018 EQUITY	CREDIT RATING
<b>\$107.10 M</b>	<b>\$2.46 B</b>	<b>45.73 M</b>	<b>S&amp;P: BB</b>



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

ACTUAL SITE

**SRSRE.COM**