

# JACK IN THE BOX

564 E PALMDALE BLVD | PALMDALE, CA 93550



ABSOLUTE NNN | SINGLE TENANT  
INVESTMENT OPPORTUNITY

Subject Property

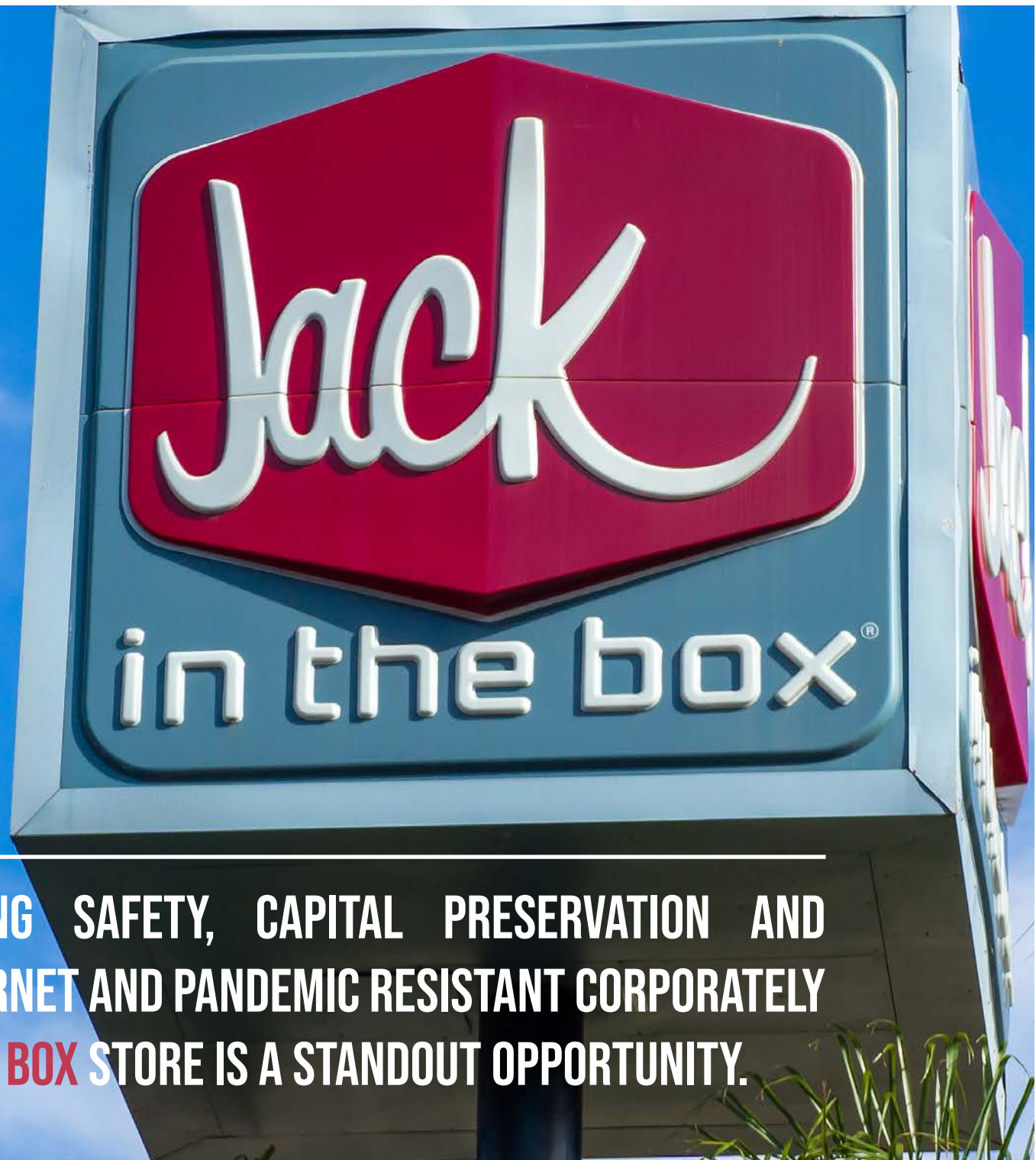
[nnninvc.com](http://nnninvc.com)





# 12.2%

RISE IN THIRD QUARTER SAME-STORE SALES



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FOR INVESTORS SEEKING SAFETY, CAPITAL PRESERVATION AND APPRECIATION, THIS INTERNET AND PANDEMIC RESISTANT CORPORATELY GUARANTEED **JACK IN THE BOX** STORE IS A STANDOUT OPPORTUNITY.

# INVESTMENT SUMMARY



AMERICANS EAT **554 MILLION** JACK  
IN THE BOX TACOS EVERY YEAR

The NNN Investment Co. is pleased to present to qualified buyers the opportunity to purchase a recently renewed corporately guaranteed Jack in the Box store in Palmdale, CA.

Located in the heart of Palmdale along Palmdale Boulevard, a major east-west thoroughfare, Jack in the Box has occupied this site for over 52 years. The Tenant recently demonstrated their commitment to the site through a 20-year lease extension, bringing the total lease term to 21.5 years.

The fast-food industry has been one of the most stable business sectors through the pandemic, as evidenced by Jack in the Box's 12.2%+ growth in same-store sales. Ideal for a 1031 investor, this passive net-leased property will provide over two decades of worry-free cash flow.



**\$2,774,784**  
PRICE

**3.80%**  
CAP RATE

**\$105,442**  
NOI\*

\*Seller to credit difference between current rent and July 2022 rent.



# PROPERTY OVERVIEW

Since 1951, Jack in the Box has been a fast food pioneer, debuting a number of industry “firsts” some of which include, drive-thru dining, breakfast sandwiches, portable salad, and self-serve kiosks.

## PROPERTY DETAILS

Tenant	Jack in the Box Properties, LLC
Address	564 E Palmdale Blvd, Palmdale, CA 93550
Building Size	2,130 SF
Land Size	22,419 SF
Lease Expiration	June 30, 2042
Lease Term	Approximately 21.5 Years
Options	4 x 5 year options
Lease Type	Absolute NNN
Rent Increases	8% every 5 years Primary Term and Options

## RENT SCHEDULE

Term	Lease Years	Date of Increase	% Increase	Annual Rent
Primary	Current	-	-	\$97,631.28
Primary	1 – 5	July 1, 2022	8%	\$105,441.78
Primary	6 - 10	July 1, 2027	8%	\$113,877.12
Primary	11 – 15	July 1, 2032	8%	\$122,987.28
Primary	16 - 20	July 1, 2037	8%	\$132,826.26



**27** NEW STORES OPENED IN 2020  
DESPITE THE PANDEMIC





# INVESTMENT HIGHLIGHTS



The below metrics highlight a portion of the benefits afforded to a prospective investor.



## NEW LONG-TERM LEASE

Jack in the Box recently renewed their lease for 20 years, providing over two decades of worry-free cash flow for a prospective investor.



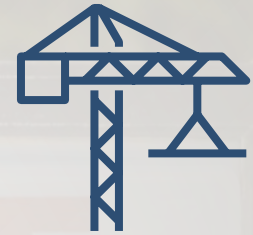
## ABSOLUTE NNN LEASE

With zero Landlord responsibilities, the Absolute NNN lease structure provides for long-term, completely passive ownership.



## SECURE SECTOR

The fast-food industry has been one of the most stable business sectors through the pandemic, as evidenced by the Tenant's 12.2%+ growth in sales.



## TENANT IMPROVEMENTS

As part of the lease extension, Jack in the Box committed significant capital to upgrade the store, providing an enhanced aesthetic for the new owner.



## TAX DEDUCTIONS

Unlike a ground lease, the fee simple land and building sale allows an investor to depreciate the asset, increasing the overall return.



## DENSE MARKET

The property is located in a dense-infill area of Palmdale, on a hard corner, at a lighted intersection, increasing the intrinsic value of the asset.

# TENANT OVERVIEW



Jack in the Box, Inc. (NASDAQ: JACK) is a restaurant company headquartered in San Diego, CA and one of the nation's largest hamburger chains.



## Jack in the Box is a Pioneer

- First major hamburger chain to develop a drive-thru
- First to introduce breakfast sandwiches in 1969
- First to introduce portable salads in 1982

**Founded in 1951, Jack in the Box was the first major hamburger chain to develop drive-thru dining.**

Jack in the Box pioneered a number of firsts in the quick-serve industry, including menu items that are now staples on most fast-food menus, like breakfast sandwiches and portable salads. Although best known for the "Jumbo Jack", the most popular menu item is the taco, which the company sells 554 million of each year.

The company has over 16,000 employees across 2,231 Jack in the Box restaurant locations in 21 states and Guam. 94% of Jack in the Box restaurants are franchise-operated, but are commonly supported or guaranteed by the corporate entity.

Jack in the Box utilizes a unique strategy to actively expand into new markets by developing stores in high

profile locations while simultaneously outsourcing the operations to franchisees. This strategy to enter new markets benefits both Jack in the Box, who seeks to increase brand exposure, along with franchise operators seeking growth. Despite the pandemic, Jack in the Box opened 27 new stores in 2020. The company could add as many as 1,100 locations in existing markets in the coming years.

Jack in the Box generated \$1.02 billion in revenue in 2020, a 7.5% increase from 2019. Same-store sales rose 4% on average in 2020, driven by a 12.2% increase in the 4th quarter.





**JACK IN THE BOX  
GENERATED \$1.02  
BILLION IN REVENUE IN  
2020, A 7.5% INCREASE  
FROM 2019**



**\$3.7B**  
**MARKET CAP**



**2,232**  
**LOCATIONS**

**22K+**  
**EMPLOYEES**

**21**  
**STATES & TERRITORIES**

**JACK IN THE BOX HIGHLIGHTS**



# AREA OVERVIEW



## AREA AT A GLANCE

Palmdale, CA, located just an hour outside of Downtown Los Angeles, is a high-desert community of over 182,000 residents.

It's the second largest city in the Antelope Valley, and the fifth largest city overall in the Mojave Desert by population. Palmdale is part of a twin city complex with neighboring Lancaster; together they are the principal cities within the Antelope Valley region and California's High Desert. The Palmdale-Lancaster area has a population of over 542,000. The landscape, climate, and opportunities are distinctly different in the valley. Clear blue skies and wide-open spaces drew early aviators to the area while in more recent years, a housing boom has attracted many growing families.

For more than 50 years, Palmdale has been on the leading edge of America's newest technologies, with major breakthroughs in aerospace, materials science, energy and the environment. Today, Palmdale is a thriving community of nearly 2,000 businesses that encompass not only world-class engineering and state-of-the-art manufacturing facilities, but remarkable new medical facilities, a strong service sector and a robust retail marketplace. America's aerospace industry has relied on

Air Force Plant 42 in Palmdale and the city's skilled workers to arrive at ingenious solutions to tough challenges. Each of the six space shuttles was built in Palmdale. It is home to Lockheed Martin's famed Skunk Works, as well as The Boeing Company, Northrop Grumman, and NASA's Armstrong Research Center. More recently, Japan's Kinkisharyo opened a plant here to assemble light rail cars, and a new power plant is in the works. With low taxes, streamlined permitting, creative incentives, modern business parks, and affordable costs, Palmdale is the ideal environment to start and grow a business. The city offers Foreign Trade Zone status; industrial development bonds; free job placement and training for employers and employees; and educational opportunities at AERO Institute which addresses the need for technically skilled workforce and STEM education at all levels. Palmdale offers a rich lifestyle, with diverse housing from starter homes to luxurious executive estates and award-winning schools.

With low taxes, streamlined permitting, creative incentives, modern business parks, and affordable costs, Palmdale is the ideal environment to start and grow a business.

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	18,488	77,606	139,091
2020 Estimate	18,361	76,701	136,634
2010 Census	17,623	73,166	129,816
INCOME	1-MILE	3-MILE	5-MILE
2020 Average Household Income	\$40,250	\$67,617	\$77,799





THE SUBJECT PROPERTY IS LOCATED IN A DENSE INFILL AREA OF PALMDALE



**136,634**  
TOTAL POPULATION



**123,976**  
DAYTIME POPULATION



**\$77,799**  
AVERAGE HOUSEHOLD INCOME



**3,302**  
BUSINESSES



**.5%**  
POPULATION GROWTH RATE



**5,242**  
HOUSEHOLDS

Demographics within a 5-mile radius of subject property.





# AREA OVERVIEW MAP

Palmdale  
Regional Airport

Walmart  
DOLLAR TREE  
planet fitness  
Sams Club  
HOBBY LOBBY  
KOHLS  
JO-ANN

Antelope Valley Mall  
sears JCPenney  
macy's Dillard's  
KIRKLAND'S CINEMARK  
OLD NAVY FOREVER 21  
FINISH LINE  
CLAIRES

TJ-MAXX PETSMART  
TRADER JOE'S PartyCity  
BED BATH & BEYOND  
IN-SHAPE  
HEALTH CLUBS

TARGET Lowe's BEST BUY  
HomeGoods BARNES & NOBLE  
Smart & Final Staples

THE HOME DEPOT  
sears  
Burlington

DESERT SANDS PARK

Gateway Center  
verizon CHASE  
VALLEARTA  
FALLAS  
SUPERMARKETS

HARBOR FREIGHT TOOLS

WILLIAM J. MCADAM PARK

WIC PROGRAM  
ANTelope

MANZANITA  
ELEMENTARY SCHOOL

DOLLAR GENERAL  
dd's DISCOUNTS  
DOLLAR TREE  
metro

Planned Parenthood  
Security National  
SUBWAY  
HOPE OF THE VALLEY  
TITLEMAX

BANK OF AMERICA

Albertsons

PALMDALE REGIONAL  
MEDICAL CENTER

Red Roof Inn  
Knights Inn

VALLEARTA  
SUPERMARKETS  
Palmdale  
School District

138

34,000 VPD

E PALMDALE BLVD

138

14

1 HOUR  
TO  
LOS ANGELES

Jack  
in the box

NAPA AUTO PARTS  
O'Reilly AUTO PARTS  
GET IN THE ZONE  
AutoZone

SUPERIOR GROCERS  
Aaron's  
99¢ ONLY STORES

Food 4 Less

PALMDALE HIGH SCHOOL

CACTUS MIDDLE SCHOOL

SMILE dental group  
full service dentistry

WATER

DRYTOWN WATER PARK





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