

# QuikTrip- Tempe AZ

2150 E University Dr , Tempe, AZ 85281



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The background of the slide is a photograph of a QT gas station. The station has a red and white striped canopy. To the left, there is a QT convenience store with a red awning. A white car is parked in the lot. On the right side of the image, a yellow and white utility truck is parked. The entire image is overlaid with a dark blue semi-transparent rectangle.

## BROKER OF RECORD

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success.

Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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# TABLE OF CONTENTS

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<b>SECTION 1</b> <b>Executive Summary</b>	6
<b>SECTION 2</b> <b>Property Information</b>	10
<b>SECTION 3</b> <b>Financial Analysis</b>	16
<b>SECTION 4</b> <b>Market Overview</b>	19

SECTION 1

# Executive Summary

OFFERING SUMMARY

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INVESTMENT HIGHLIGHTS

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## OFFERING SUMMARY



Listing Price  
**\$5,878,254**



Cap Rate  
**5.5%**



Price/SF  
**\$1,049.69**

### FINANCIAL

Listing Price	\$5,878,254
Down Payment	100% / \$5,878,254
NOI	\$323,304
Cap Rate	5.5%
Price/SF	\$1,049.69
Rent/SF	\$57.73

### OPERATIONAL

Lease Type	Absolute Net
Guarantor	Corporate Guarantee
Lease Expiration	07/31/2027
Gross SF	5,600 SF
Rentable SF	5,600 SF
Occupancy	100%
Lot Size	1.97 Acres (85,813 SF)
Year Built	2011





# QUIKTRIP- TEMPE AZ

## 2150 E University Dr , Tempe, AZ 85281

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### INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present QuikTrip, this absolute-net, corporate guaranteed lease is located in Tempe, Arizona. The original 15-year lease now has 6.4 years remaining; commencing on August 1, 2012. The absolute-net lease has zero landlord responsibilities. Seven successive five-year options remain. The lease also includes a corporate environmental indemnification.

The subject property is a 5,600-square foot, free-standing QuikTrip situated on a 1.97-acre lot. The property is located directly off the Highway 101, Exit Ramp 52 (University Drive), with combined traffic counts exceeding 151,200 vehicles per day. The station consists of eight gas pumps and 16 nozzles.

Enjoy a fantastic corporate tenant with over \$11 billion in sales annually and is operating 850 stores in 11 states. QuikTrip is one of the strongest operators in the convenience store and service station industry and ranked number 11 on CSPs Top 202 Convenience Stores in 2020.

### INVESTMENT HIGHLIGHTS

Corporate Guarantee

Seven, Five-Year Options Remaining

Qualifies for 100 Percent Bonus Depreciation in Year One

Tenant Sales Exceeding \$11.2 Billion Annually

5,600-Square Foot Convenience Store

1.97-Acre Lot

SECTION 2

# Property Information

PROPERTY DETAILS

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TENANT PROFILES

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REGIONAL MAP

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LOCAL MAP

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RETAILER MAP

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## QuikTrip- Tempe AZ // PROPERTY DETAILS

### PROPERTY INFORMATION

Construction Status	Existing
Market	Phoenix MSA
Cross Streets	Highway 101 and East University Drive



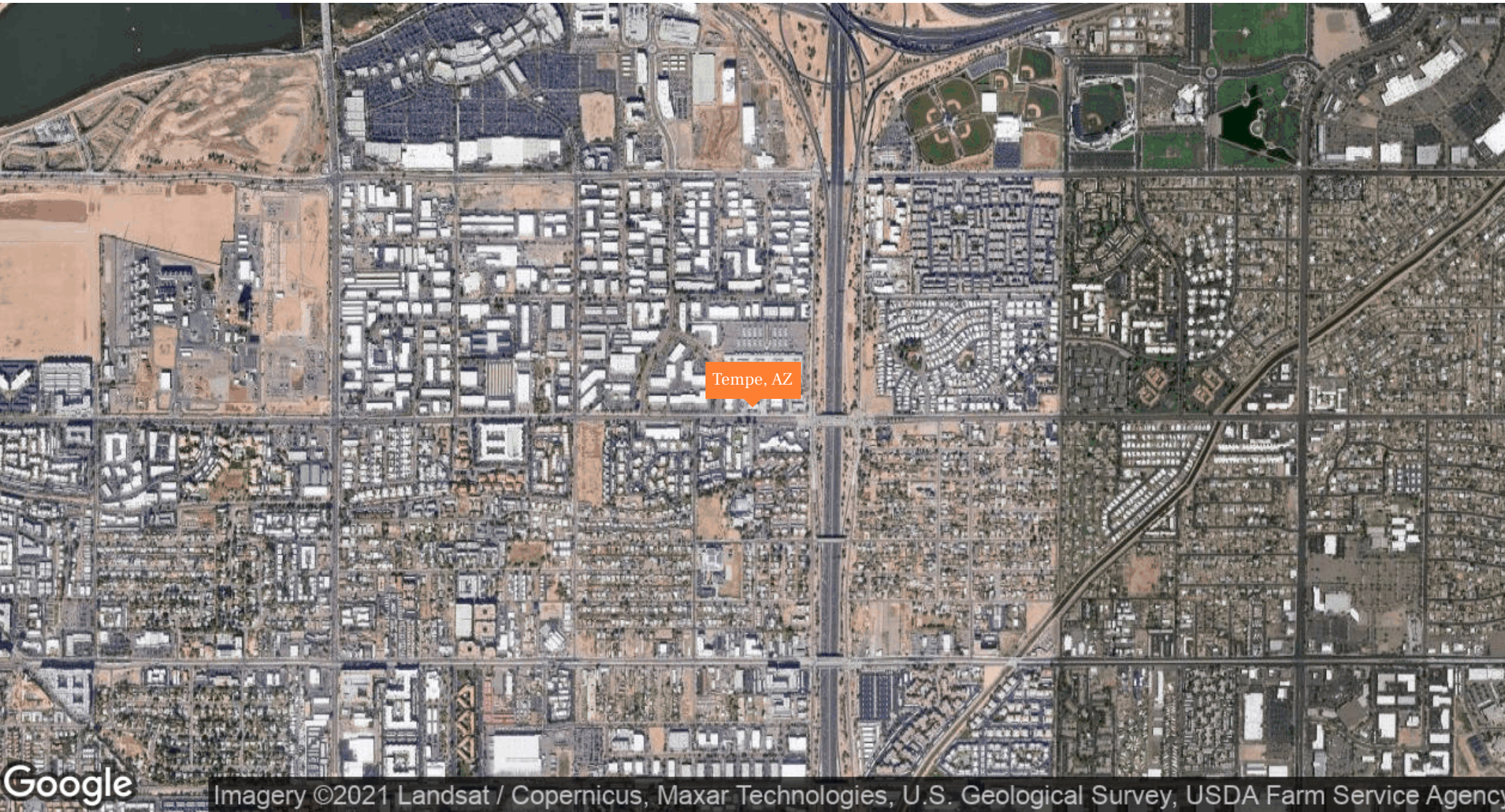


### TENANT OVERVIEW

Company:	QuikTrip
Founded:	1958
Locations:	850 +
Total Revenue:	\$11.2 Billion
Headquarters:	Tulsa OK
Website:	<a href="https://www.quiktrip.com/">https://www.quiktrip.com/</a>

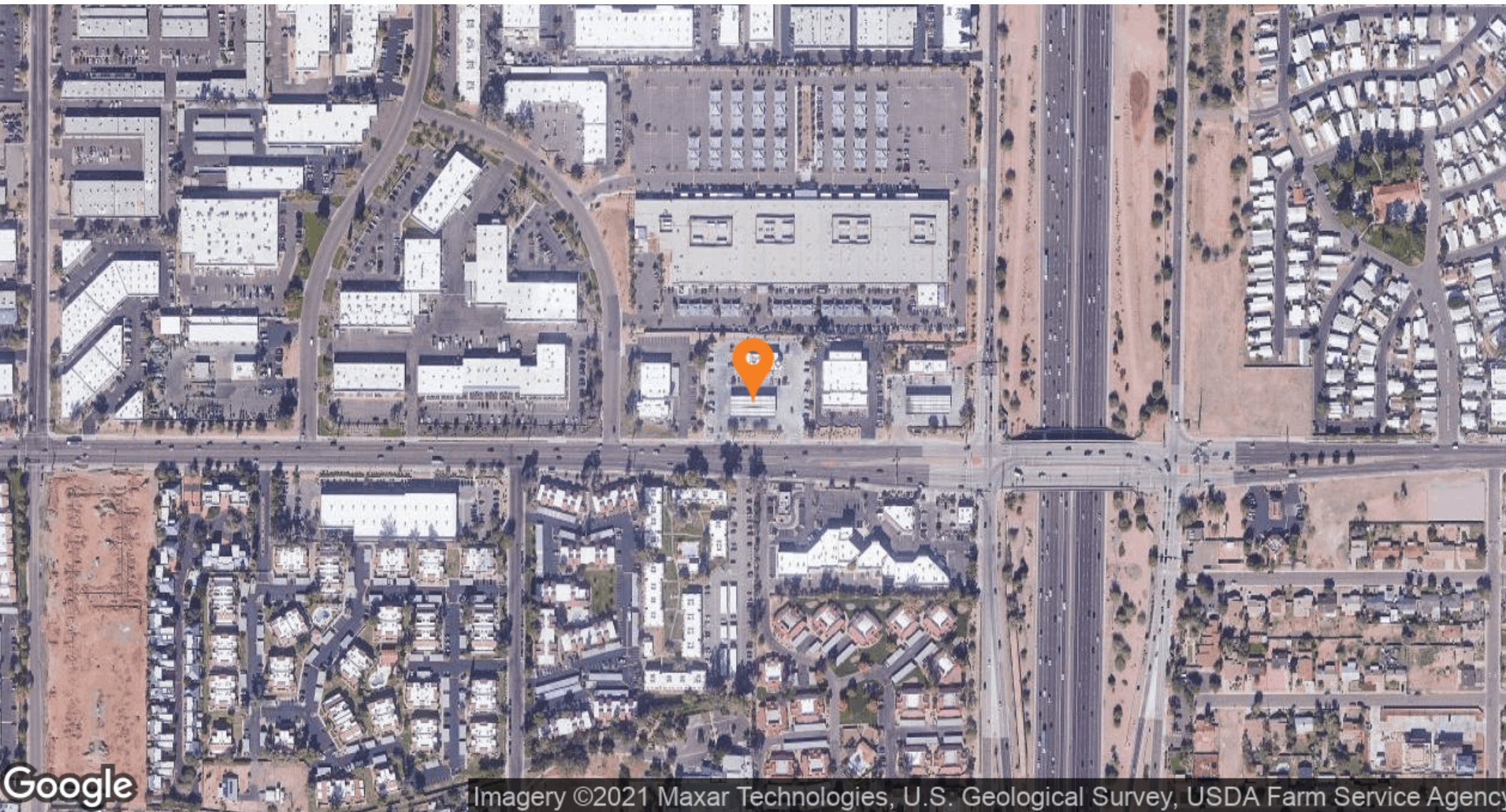
QuikTrip Corporation is a privately held company headquartered in Tulsa, Oklahoma. Founded in 1958, QuikTrip has grown to a more than \$11 billion company with 800 plus stores in 11 states. Those revenues place QuikTrip high on the Forbes listing of largest privately held companies. QuikTrip's strategy is to be the dominant convenience/gasoline retailer in each market and to reach that level not through sheer numbers of stores, but through key, high-volume locations.







## LOCAL MAP // QuikTrip- Tempe AZ





## QuikTrip- Tempe AZ // RETAILER MAP



Map data ©2021 Google Imagery ©2021, Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency



SECTION 3

# Financial Analysis

FINANCIAL DETAILS

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## QuikTrip- Tempe AZ // FINANCIAL DETAILS

THE OFFERING	
Price	\$5,878,254
Capitalization Rate	5.50%
Price/SF	\$1,049.69

PROPERTY DESCRIPTION	
Year Built / Renovated	2011
Gross Leasable Area	5,600 SF
Type of Ownership	Fee Simple
Lot Size	1.97 Acres

LEASE SUMMARY	
Tenant	QuikTrip
Rent Increases	Basis Point Increases per Option
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	8/1/2012
Lease Expiration	07/31/2027
Renewal Options	Seven, Five-Year Options
Term Remaining on Lease (Yrs)	6 Years
Landlord Responsibility	None
Tenant Responsibility	All Expenses Including UST's

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$323,304	\$26,942	\$57.73	5.50%
Option 1 Yrs 16-20	\$334,080	\$27,840	\$59.66	5.68%
Option 2 Yrs 21-25	\$344,856	\$28,738	\$61.58	5.87%
Option 3 Yrs 26-30	\$355,632	\$29,636	\$63.51	6.05%
Option 4 Yrs 31-35	\$366,408	\$30,534	\$65.43	6.23%
Option 5 Yrs 36-40	\$377,184	\$31,432	\$67.35	6.42%
Option 6 Yrs 41-45	\$387,960	\$32,330	\$69.28	6.60%
Option 7 Yrs 46-50	\$398,736	\$33,228	\$71.20	6.78%

## FINANCIAL DETAILS // QuikTrip- Tempe AZ

CAP RATE	PRICE	PRICE/SF	INITIAL CASH-ON-CASH
5.70%	\$5,671,999	\$1,012.86	5.70%
5.60%	\$5,773,285	\$1,030.94	5.60%
5.50%	\$5,878,254	\$1,049.69	5.50%
5.40%	\$5,987,111	\$1,069.13	5.40%
5.30%	\$6,100,075	\$1,089.30	5.30%

OPERATING INFORMATION			
Year One Net-Operating Income			\$323,304
Rent/SF			\$57.73 /SF
Gross Leasable Area			5,600 SF

LEASE SUMMARY	
Tenant:	QuikTrip
Guarantor:	Corporate Guarantee
Credit Rating:	0
Rent Commencement:	8/1/2012
Lease Expiration:	7/31/2027
Options:	Seven, Five-Year Options with 25 Basis Point Increases per Option
Lease Type:	Absolute Net
Base Rent:	\$57.73 /SF \$466.67 /SF/Month \$323,304 Annual Rent
Rent Increases:	25 Basis Point Increases

SECTION 4

# Market Overview

MARKET OVERVIEW

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DEMOGRAPHICS

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### PHOENIX

The Phoenix metro is often referred to as the Valley of the Sun and consists of Maricopa and Pinal counties. The region is hemmed in by mountains to the north and east. American Indian reservations to the east and south limit development in those directions, leaving the southeastern corridor and western half of the metro as the primary growth areas. The most populous city is Phoenix, which encompasses about 520 square miles, is the capital of Arizona and boasts a population of nearly 1.6 million. Interstate 10 is a major trucking route directly connecting the region to Southern California, which is supporting a growing distribution industry. Various rail and air lines connect the metro to cities around the world.

#### METRO HIGHLIGHTS



##### EMPLOYMENT GROWTH

Job gains will increase faster than the national rate during the next five years, drawing new residents to the metro.



##### HIGH-TECH MANUFACTURING BASE

Intel Corp., General Dynamics, Honeywell and others have large Phoenix operations, attracting additional companies serving these corporations.



##### ACTIVE TOURISM INDUSTRY

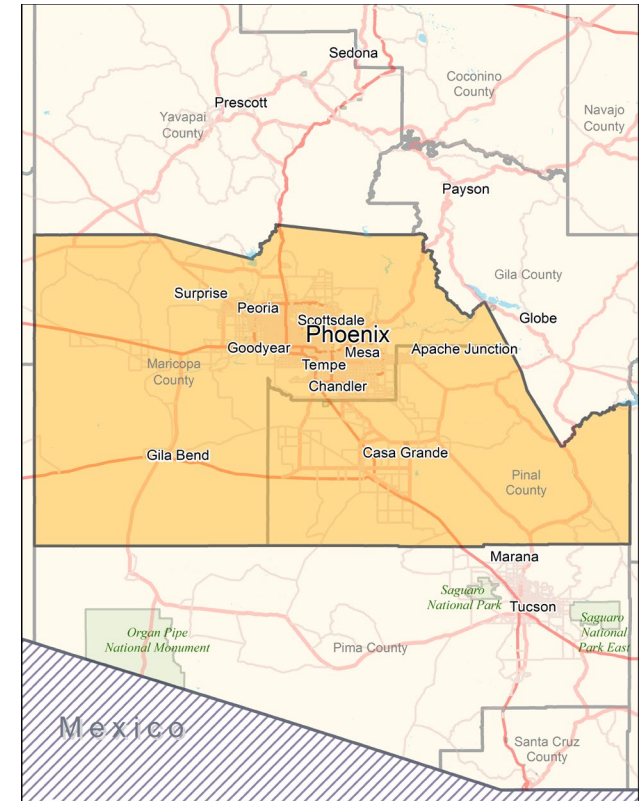
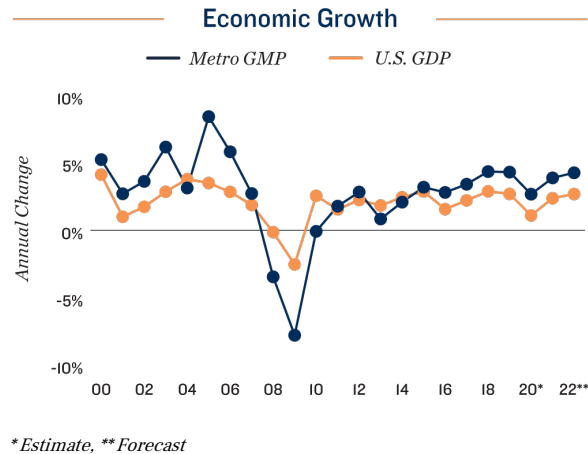
Warm winters and amenities including golf courses and resorts draw vacationers.



## ECONOMY

- Phoenix claims multiple Fortune 500 headquarters, including Avnet, Freeport-McMoRan, Republic Services, Insight Enterprises and Magellan Health.
- The construction, high-tech manufacturing, healthcare and tourism industries dominate the Phoenix economy.
- Healthcare is a critical industry, with around 20 hospitals and the UA medical school located in the metro. Also, the Mayo Clinic has added multiple facilities located throughout the Valley.

MAJOR AREA EMPLOYERS
Banner Health
Honeywell
Amazon
Fry's Food Store
Dignity Health
Chase Bank
U Haul
Phoenix Children's Hospital
Bank of America
American Express



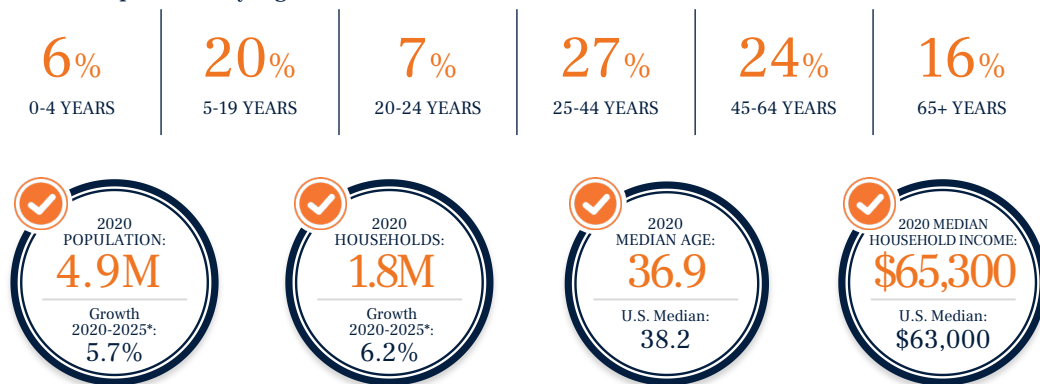
## SHARE OF 2020 TOTAL EMPLOYMENT



### DEMOGRAPHICS

- The metro is expected to add almost 280,700 people over the next five years, resulting in the formation of more than 112,300 households.
- A median home price of nearly \$360,000 allows 63 percent of households to own a home, which is slightly below the national homeownership rate.
- Roughly 30 percent of people age 25 and older hold bachelor's degrees and 11 percent also obtained a graduate or professional degree.

#### 2020 Population by Age



### QUALITY OF LIFE

Phoenix offers a lower cost of living than other metros its size, a warm climate and a variety of recreational and cultural options. In addition to outdoor activities, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts. Phoenix is home to the world-famous Heard Museum and Frank Lloyd Wright's Taliesin West. Music venues include Phoenix Symphony Hall and the Orpheum Theatre. Higher-education institutions include Arizona State University, Grand Canyon University and community colleges.

\*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

### SPORTS



### EDUCATION

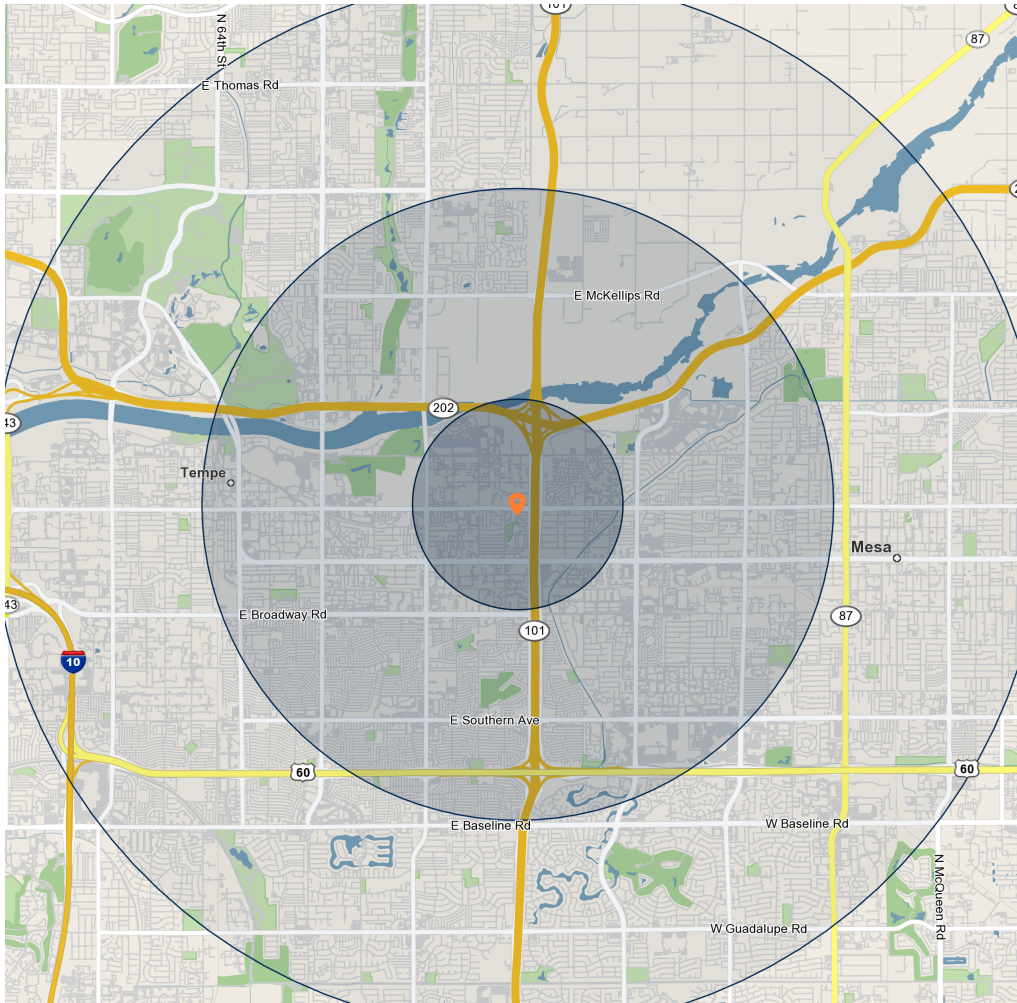


### ARTS & ENTERTAINMENT





## QuikTrip- Tempe AZ // DEMOGRAPHICS



### POPULATION

	1 Mile	3 Miles	5 Miles
2025 Projection	20,337	151,240	372,586
2020 Estimate	20,014	146,316	362,618
2010 Census	17,750	128,374	323,986
2000 Census	15,163	128,552	334,270

### HOUSEHOLD INCOME

Average	\$50,751	\$60,732	\$66,958
Median	\$37,459	\$43,391	\$50,339
Per Capita	\$23,850	\$25,619	\$27,887

### HOUSEHOLDS

2025 Projection	9,692	61,295	153,325
2020 Estimate	9,380	58,761	147,889
2010 Census	8,233	51,136	130,550
2000 Census	6,357	51,444	132,171

### HOUSING

Median Home Value	\$142,716	\$200,019	\$230,746
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### EMPLOYMENT

2020 Daytime Population	22,282	234,028	578,628
2020 Unemployment	5.63%	5.36%	4.55%
Average Time Traveled (Minutes)	25	23	24

### RACE & ETHNICITY

White	59.74%	64.34%	65.81%
Native American	0.38%	0.55%	0.54%
African American	7.65%	6.50%	5.97%
Asian/Pacific Islander	5.05%	5.70%	4.12%



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