

**4101 NORTH 27TH AVENUE
PHOENIX, AZ 85017**

**ABSOLUTE
NNN LEASE**

**INVESTMENT-GRADE
CREDIT TENANT (S&P AA-)**

Marcus & Millichap
THE KLINK GROUP

OFFERING MEMORANDUM



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Listing Agent Contact Information

Jordan Klink

Senior Vice President of Investments
Senior Director, National Retail Group
Phone: 317-218-5316
Email: jordan.klink@marcusmillichap.com

David Klink

Associate
National Retail Group
Phone: 317-218-5324
Email: david.klink@marcusmillichap.com

Additional Klink Group Team Members

Quinn Andrews
Associate

Ryan Hyatt
Associate

Richard Niewiadomski
Financial Analyst

Jason Dean
Debt Associate

Courtney Wurzelbacher
Marketing Coordinator

Liz Popp
Operations Manager

Sidney Bills
Agent Administrator

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Broker of Record
Ryan Sarbinoff
2398 E. Camelback Rd., Ste. 300
Phoenix, AZ 85016
TEL: 602-687-6700
Lic. #: BR675146000

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INVESTMENT OVERVIEW

4101 North 27th Avenue
Phoenix, AZ 85017

\$1,769,000

\$79,619

4.50%

ADDRESS

PRICE

CURRENT NOI

CAP RATE

2,400 SF

1979

0.51 Acres

Fee-Simple
(Land & Building)

BUILDING SIZE

YEAR BUILT

LOT SIZE

OWNERSHIP INTEREST

The Klink Group, as exclusive advisor, is pleased to present the opportunity to acquire an absolute net-leased 7-Eleven in Phoenix, Arizona.

The investment provides an opportunity to acquire a best-in-class tenant in an infill location on a heavily trafficked corridor in the attractive metro of Phoenix, Arizona. The property features zero landlord responsibilities and is a perfect opportunity for a passive investor. Featuring strong real estate fundamentals there are nearly 75,000 vehicles passing by the site daily at the hard corner signalized intersection, which showcases the visibility this property receives. The property is strategically located within a commercial corridor that has a synergistic mix of both retail as well as large industrial parks surrounded by dense residential neighborhoods and apartment communities. This complimentary mix provides the subject property with a strong and diverse customer base with strong daytime and nighttime populations as evidenced by the location operating 24 hours a day.

Nearly 32,000 people live within a one-mile radius of the property and that population density allows the site to benefit from a captive consumer that is always nearby. 7-Eleven has shown strong commitment to site with early renewals which provides security to an incoming investor as there are still over 6.25 years of firm term remaining on the lease with several option periods remaining each with 10% rental bumps. The investment delivers an investment grade credit tenant located within an attractive western metro with long term lease security and complete passivity with zero landlord responsibilities.

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MARKET OVERVIEW

INVESTMENT HIGHLIGHTS

- **Dense Industrial Submarket:** Within a 3-mile radius there is approximately 26M square feet of industrial and flex space across various industrial parks; Bonzana Industrial Park, Payne Industrial District, Thunderbird Business Park, Airhaven Industrial District, Santa Fe Phoenix Industrial, Hensley Industrial Park and many more. This industrial submarket has a market vacancy of 2.5% with no new inventory currently under construction.
- **Long-Term Lease:** 7-Eleven currently has approximately 6+ years firm term lease remaining, as well as three, five-year options to renew; potentially extending the lease out until December 2042.
- **Zero Landlord Responsibilities:** 7-Eleven is responsible for all common area maintenance, insurance, real estate taxes as well as the roof and all structural components.
- **Corporate Guarantee:** The Property's lease is guaranteed by 7-Eleven, Inc. 7-Eleven is the premier name and largest chain the in the convenience-retailing industry. 2020 revenues were in excess of \$64 billion.
- **Dense Metro Demographics:** The Property experiences approximately 75,000 vehicles-per-day at the intersection of N 27th Avenue and West Indian School Road. Within a one-mile radius there are about 32,000 people with an average household income of \$46,000.
- **Retail Destination Corridor:** The Property is in close proximity to various national retailers including: Costco, Burger King, McDonald's, Advanced Auto Parts, AutoZone, Chase Bank, DD's Discounts, Krispy Kreme, Little Caesar's, Rent-A-Center, Family Dollar, and T-Mobile.





Population	1 Miles	3 Miles	5 Miles
2021 Population	32,253	201,071	523,477
2026 Population Projection	34,643	215,167	560,669
Annual Growth 2021-2026	1.5%	1.4%	1.4%



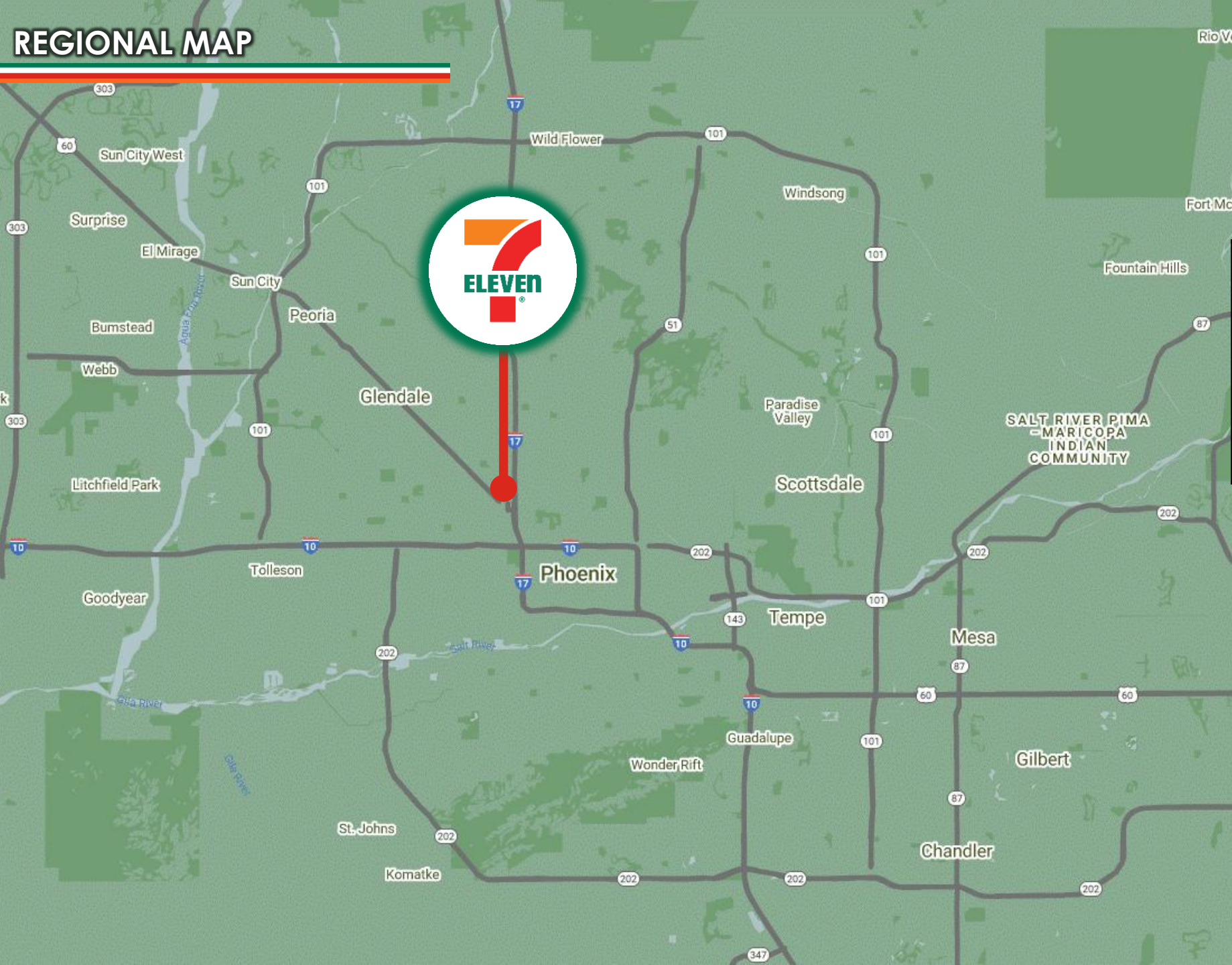
LOCATION OVERVIEW

The subject property is located at the Northeast corner of North 27th Avenue and West Indian School Road; less than 10 minutes from downtown Phoenix. This location is considered part of the "Downtown Phoenix" Neighborhood and is in close proximity to well-known suburbs of Phoenix; the cities of Glendale, Goodyear, Scottsdale, Tempe, Mesa, and Gilbert are all within a thirty minute drive of 7-Eleven. The property's location also benefits from being one block east of Interstate 17, one of the state's most heavily traveled north and south thoroughfare that experiences over 215,000 vehicles-per-day.

The immediate area is very densely populated and features robust demographics. Within a two-mile radius there are approximately 95,000 people with an average household income of \$52,000 and this is expected to grow to 105,000 people by 2026, which is double-digit growth (10.5% growth rate). This area has also welcomed seven new and completed developments in 2020; multiple apartment complexes, single-tenant free-standing retail buildings and a student housing apartment complex for Grand Canyon University, which is a private for-profit Christian university that is less than a five minute drive from the subject property.



REGIONAL MAP



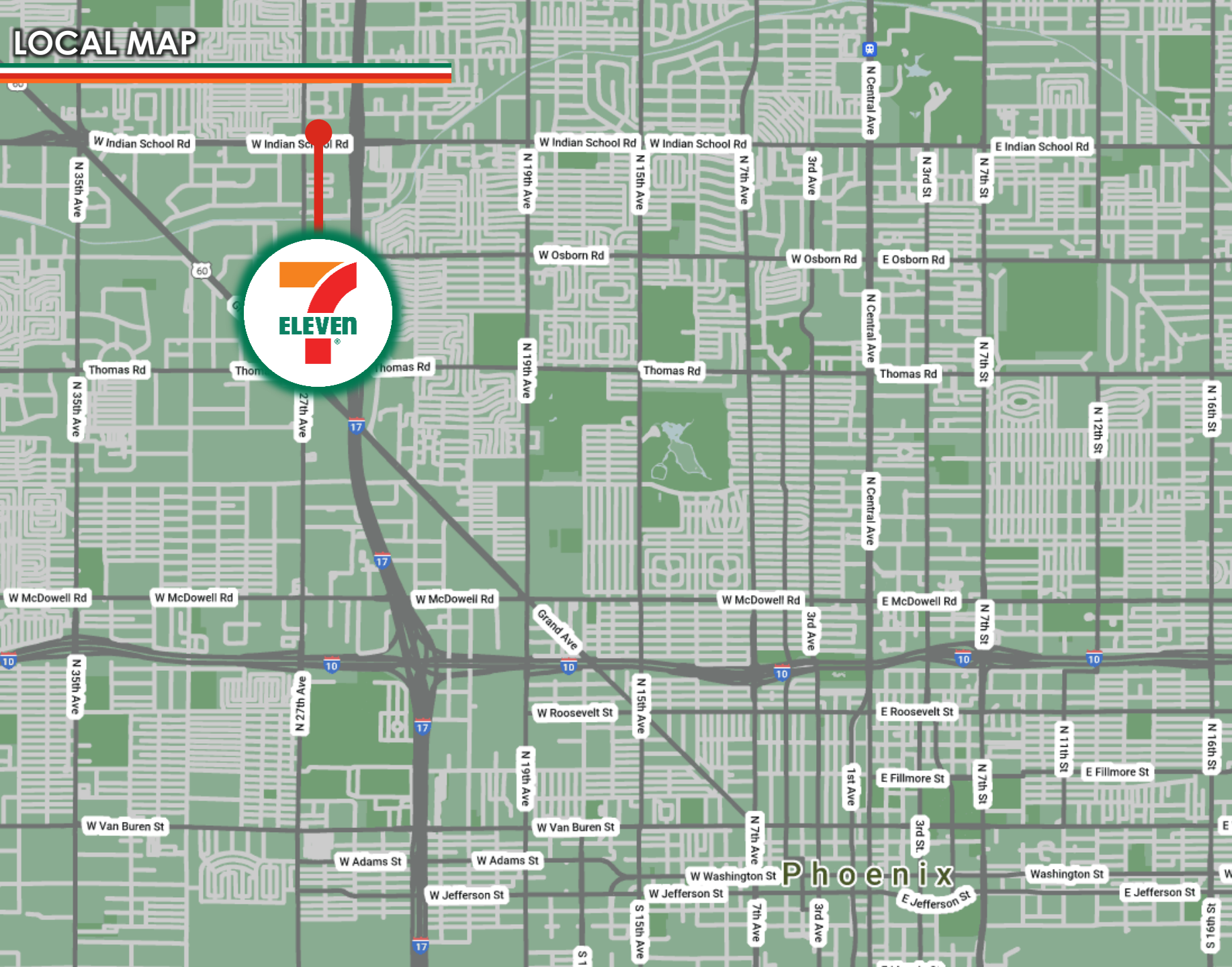
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LOCAL MAP



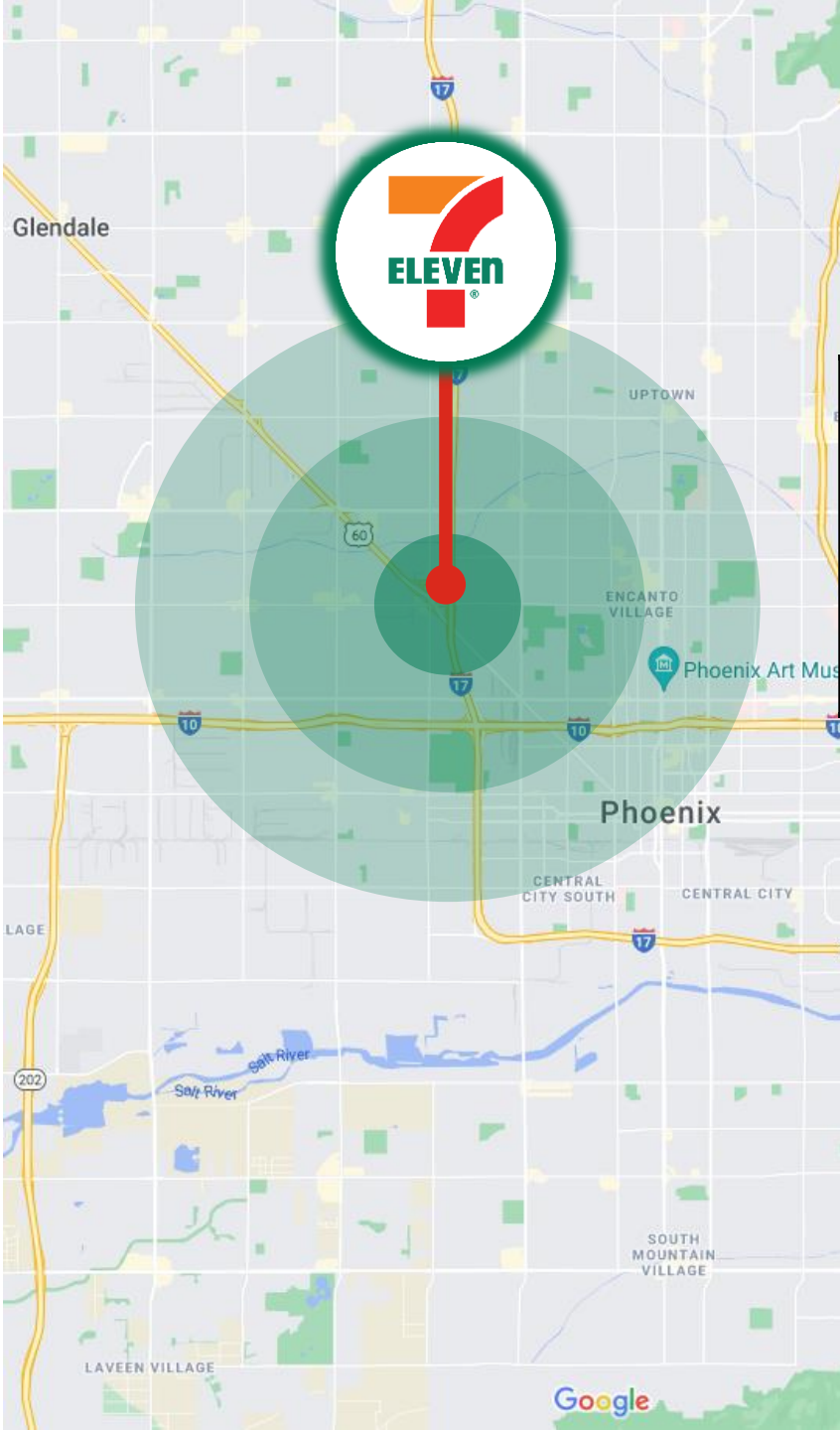
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DEMOGRAPHICS

Population	1 Miles	3 Miles	5 Miles
2010 Population	26,836	172,137	444,292
2021 Population	32,253	201,071	523,477
2026 Population Projection	34,643	215,167	560,669
Annual Growth 2021-2026	1.5%	1.4%	1.4%
Median Age	29.6	32.6	33.2

Households	1 Miles	3 Miles	5 Miles
2010 Households	7,779	56,317	150,765
2021 Households	9,341	66,509	180,819
2026 Household Projection	10,030	71,252	194,104
Owner Occupied Households	3,327	31,595	85,320
Renter Occupied Households	6,703	39,657	108,783
Avg Household Size	3.4	3	2.8
Total Specified Consumer Spending (\$)	\$224.3M	\$1.8B	\$4.9B

Income	1 Miles	3 Miles	5 Miles
Avg Household Income	\$46,092	\$61,167	\$64,860
Median Household Income	\$36,059	\$44,259	\$45,920
< \$25,000	3,189	19,264	49,922
\$25,000 - 50,000	2,870	18,206	47,989
\$50,000 - 75,000	1,631	11,828	32,363
\$75,000 - 100,000	913	6,538	18,246
\$100,000 - 125,000	357	3,883	11,009
\$125,000 - 150,000	150	2,470	7,485
\$150,000 - 200,000	220	2,152	6,566



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OFFERING SUMMARY

Address 4101 N 27th Ave
Phoenix, AZ 85017

Price \$1,769,000

Cap Rate 4.50%

Annual Rent \$79,619

Building Size 2,400 SF

Year Built 1979

Lot Size 0.51 Acres

Lease Summary

Tenant	7-Eleven, Inc.
Guarantee	Corporate
Lease Type	Absolute Triple-Net
Lease Commencement date	December 01, 2009
Lease Expiration Date	November 30, 2027
Lease Term Remaining	6.25 Years
Renewal Options	3, 5-Year Options
Increases	10% at each Option
Roof & Structure	Tenant Responsibility
ROFR	Yes

Rent Schedule

	Annual Rent	Cap Rate
December 01, 2021 – November 30, 2027	\$79,619	4.50%
Renewal Option Periods		
December 01, 2027 – November 30, 2032	\$87,582	4.95%
December 01, 2032 – November 30, 2037	\$96,340	5.45%
December 01, 2037 – November 30, 2042	\$105,974	6.00%

Note: Current price and cap rate is based off December 01, 2021 rental increase. Seller will credit Buyer rent difference at closing between Closing Date and Rental Increase Date.



7-Eleven, Inc. is the premier name and largest chain in the convenience-retailing industry. Based in Irving, Texas, 7-Eleven operates, franchises and/or licenses more than 70,000 stores in 17 countries, including 11,800 in North America. Known for its iconic brands such as Slurpee®, Big Bite® and Big Gulp®, 7-Eleven has expanded into high-quality sandwiches, salads, side dishes, cut fruit and protein boxes, as well as pizza, chicken wings and mini beef tacos. 7-Eleven offers customers industry-leading private brand products under the 7-Select™ brand including healthy options, decadent treats and everyday favorites, at an outstanding value. Customers can earn and redeem points on various items in stores nationwide through its 7Rewards® loyalty program, place an order in the 7NOW® delivery app in 28 participating markets, or rely on 7-Eleven for bill payment services, self-service lockers and other convenient services.

\$64

Parent Company Annual
Revenue in Billions (2020)

\$2.1

Parent Company
Net Income in Billions (2020)

AA-

Standard & Poor's Credit Rating

#178

Fortune 500 Global Ranking #178

TENANT OVERVIEW

7-Eleven is the World's Largest and most Recognizable Convenience Retailer. It is the Go-To Store for Food, Snacks, Beverages, Gas and more.

Tenant/Guarantor on Lease

7-Eleven, Inc.

Number of Locations

70,000+

Date Founded

1927

US Headquarters

Texas



PHOENIX, AZ

Phoenix is the capital and most populous city in Arizona, with 1,680,992 people. It is also the fifth-most populous city in the United States and the largest state capital by population, and the only state capital with a population of more than one million residents. Phoenix is the anchor of the Phoenix metropolitan area, also known as the Valley of the Sun, which in turn is part of the Salt River Valley. The metropolitan area is the 11th largest by population in the United States, with approximately 4.73 million people. Phoenix is the seat of Maricopa County and the largest city in the state at 517.9 square miles, more than twice the size of Tucson and one of the largest cities in the United States. Phoenix was settled in 1867 as an agricultural community near the confluence of the Salt and Gila Rivers and was incorporated as a city in 1881. It became the capital of Arizona Territory in 1889. It is in the northeastern reaches of the Sonoran Desert and has a hot desert climate. Despite this, its canal system led to a thriving farming community with the original settler's crops remaining important parts of the Phoenix economy for decades, such as alfalfa, cotton, citrus, and hay. Cotton, cattle, citrus, climate, and copper were known locally as the "Five C's" anchoring Phoenix's economy. These remained the driving forces of the city until after World War II, when high-tech companies began to move into the valley and air conditioning made Phoenix's hot summers more bearable. The city averaged a four percent annual population growth rate over a 40-year period from the mid-1960s to the mid-2000s. Phoenix is the cultural center of the state of Arizona.



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CLIMATE

Phoenix has a hot desert climate, typical of the Sonoran Desert and is the largest city of America in this climatic zone. Phoenix has long, extremely hot summers and short, mild winters. The city is within one of the world's sunniest regions, with its sunshine duration comparable to the Sahara region. With 3,872 hours of bright sunshine annually, Phoenix receives the most sunshine of any major city on Earth. Average high temperatures in summer are the hottest of any major city in the United States. On average, there are 107 days annually with a high of at least 100 °F (38 °C) including most days from late May through early October. Highs top 110 °F (43 °C) an average of 18 days during the year. On June 26, 1990, the temperature reached an all-time recorded high of 122 °F (50 °C).

GEOGRAPHY

Phoenix is in the southwestern United States, in the south-central portion of Arizona; about halfway between Tucson to the southeast and Flagstaff to the north. The metropolitan area is known as the "Valley of the Sun" due to its location in the Salt River Valley. It lies at a mean elevation of 1,086 feet (331 m), in the northern reaches of the Sonoran Desert. Other than the mountains in and around the city, Phoenix's topography is generally flat, which allows the city's main streets to run on a precise grid with wide, open-spaced roadways. Scattered, low mountain ranges surround the valley. The city's outskirts have large fields of irrigated cropland and Native American reservation lands. The Salt River runs westward through Phoenix, but the riverbed is often dry or contains little water due to large irrigation diversions. South Mountain separates the community of Ahwatukee from the rest of the city.



Greater Phoenix: Where companies come to scale Greater Phoenix is fast-paced, dynamic, and possesses an unapologetic willingness to get things done making it one of the top cities to do business. The region has a pioneering spirit and welcoming attitude toward people and business. When you expand or relocate your business to Greater Phoenix, you join a community rich with opportunity, innovation and economic vibrancy.

INFRASTRUCTURE: Modern and dependable infrastructure offers easy and reliable access to the market—and to your consumers. More than 35 million consumers can be reached within a single day truck haul, and Phoenix Sky Harbor International Airport reaches about 129 domestic and international locations.

- Arizona offers a minimalist regulatory approach, no corporate franchise tax and is constitutionally recognized as a right-to-work state.
- Pro-business climate from aggressive tax credits and incentives to programs designed to increase capital.
- Programs include the Quality Jobs Tax Credit, Qualified Facilities Refundable Tax Credit and the Renewable Energy Tax Investment, among others.

BUSINESS: Phoenix has “removed the red tape”; lowered taxes, and offer competitive incentive programs that improve a business’s bottom line; to make doing business here easier than ever.

- Arizona offers a minimalist regulatory approach, no corporate franchise tax and is constitutionally recognized as a right-to-work state.
- Pro-business climate from aggressive tax credits and incentives to programs designed to increase capital.
- Programs include the Quality Jobs Tax Credit, Qualified Facilities Refundable Tax Credit and the Renewable Energy Tax Investment, among others.

Greater Phoenix Area is the Sixth Youngest Metro in the U.S.

More than 40 universities and other institutions prepare the market’s workforce across a variety of industries

Greater Phoenix has a population of 4.95 million and is expected to grow to 5.64 million by 2029

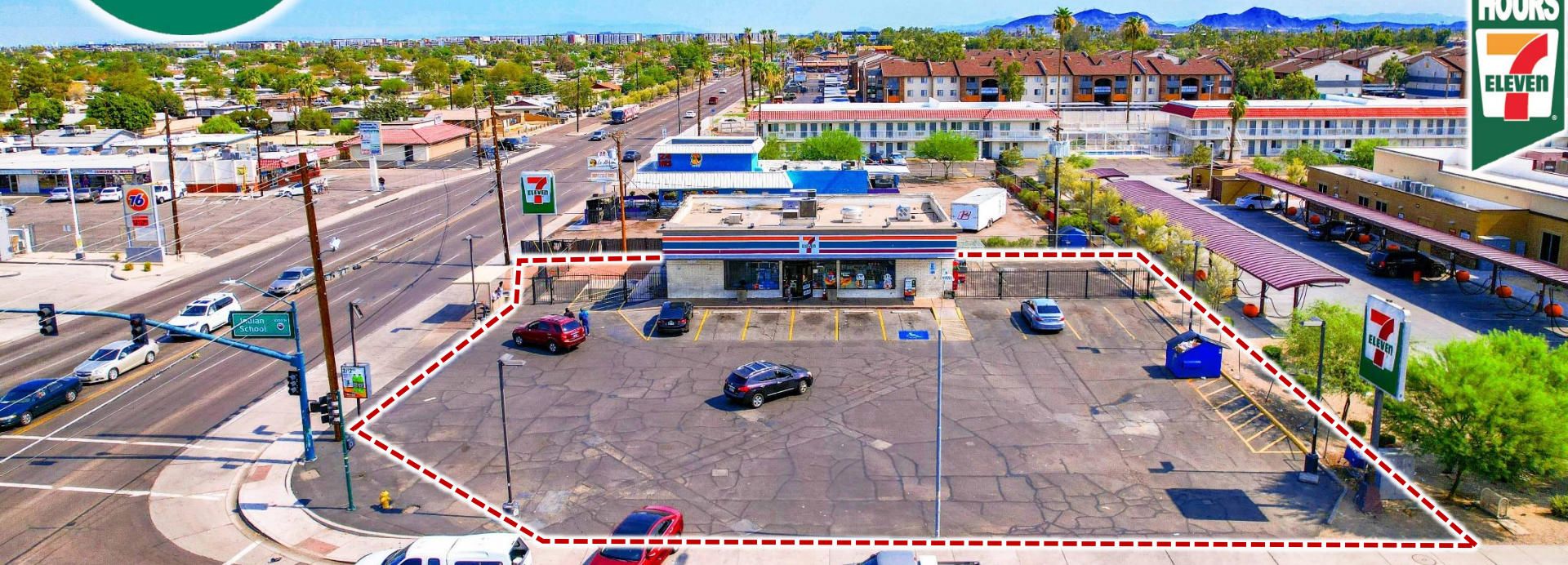
Greater Phoenix offers the diverse amenities of a major metropolitan region, without the high cost of living

Greater Phoenix features nationally ranked schools and globally renowned universities

Greater Phoenix represents 72.5% of the state’s economy

Greater Phoenix operating costs average up to 36% less than in California

With an average temperature of 72 degrees, more than 300 days of sunshine



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