



Chipotle Mexican Grill - ± 10 Year Term

Introduction

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12 Miles



Construction In Progress



BANK OF AMERICA

THE OFFERING

JLL is pleased to offer for sale the fee simple interest in a corporate Chipotle (the “Property” or “Asset”) located in the Bronx, New York. Chipotle is a market leader in the fast-casual dining sector specializing in its made-to-order tacos, burritos and specialty items with nearly 2,900 restaurants and total system-wide revenue of over \$7 billion. The Property is situated in a densely populated area of the Bronx just off the Hutchinson River Parkway, one of the primary thoroughfares (88K+ VPD) in the borough, offering easy accessibility to multiple interstates, Queens, Manhattan, Brooklyn and the LaGuardia Airport. The Asset is encumbered by a modified gross lease featuring just under ten years of primary lease term remaining and attractive rental escalations. This offering presents the unique opportunity to acquire a long-term investment leased to an industry leading and Fortune 500 company in an urban core district of New York City.

DENSE SURROUNDING DEMOGRAPHIC BASE

- The Asset is located in a densely populated area of New York City with 18,000 residents within the immediate half-mile radius and 93,540 residents within a one-mile radius.
- The Bronx’s population is projected to increase by 14% between 2010 and 2040 – the highest growth rate among New York City’s five boroughs.

STRATEGIC LOCATION NEAR DEMAND DRIVERS

- The Asset is situated just off the Hutchinson River Parkway (88K+ VPD) directly along Westchester Square (20K+ VPD) and blocks away from the Westchester Sq-E Tremont Av commuter train stop, drastically increasing additional traffic into the vicinity of the asset.

MINIMAL LANDLORD RESPONSIBILITIES

- The lease features approximately 10 years of primary lease term remaining with minimal landlord responsibilities of exterior, roof, structure and partial payment of real estate tax.

FAST-CASUAL MARKET LEADING TENANCY

- Chipotle Mexican Grill was founded in 1993 and has grown to approximately 2,900 restaurants
- The company was made famous serving its burritos and tacos, made from the freshest ingredients without the artificial colors, flavors or preservatives.
- At the end of Q3 2021, Chipotle reported a quarterly total system-wide revenue increase of 21.9% year-over-year to \$2.0 billion. Tailing twelve-month total revenue at the end of Q3 2021 was \$7.194 billion.

Pricing	\$4,873,000
Cap Rate	4.75%

Investment Overview	
Address	35 Westchester Square, Bronx, NY 10461
Tenant	Chipotle Mexican Grill
Year-1 NOI	\$231,423
Rentable SF	±3,400 SF
Term Remaining	±9.75 Years
Parcel Size	.08 AC 3,400 SF
Year Built / Renovated	2003 / 2019
Lease Type	Modified Gross



Property & Lease Overview

Tenant	Chipotle Mexican Grill of Colorado
Franchise / Corporate	Corporate
Guarantor	Chipotle Mexican Grill, Inc
Address	35 Westchester Square
City / State	Bronx, NY 10461
Building Size	± 3,400
Parcel Size	3,400 SF .08 AC
Year Built / Renovated	2003 / 2019
Lease Expiration	11/30/2031
Lease Term Remaining	± 9.75 Years
Lease Structure	Modified Gross
Annual Base Rent	\$277,500
Rent PSF	\$81.62
Renewal Options	1 x 3 Years; 1 x 5 Years
Rental Increases	Varies

BEGIN	END	ANNUAL BASE RENT	MONTHLY BASE RENT	PSF	% Increase
CURRENT	11/30/2024	\$277,500	\$23,125	\$81.62	-
12/1/2024	11/30/2029	\$305,250	\$25,438	\$89.78	10.00%
12/1/2029	11/30/2031	\$319,902	\$26,659	\$94.09	4.80%
RENEWAL PERIODS					
12/1/2031	11/30/2034	\$342,935	\$28,578	\$100.86	7.20%
12/1/2034	11/30/2039	\$384,087	\$32,007	\$112.97	12.00%



Valuation & Lease Abstract

REVENUE		IN-PLACE
Gross Annual Revenue		\$277,500
Reimbursement: RE Tax		\$4,670
Reimbursement: BID Tax*		\$2,224
EFFECTIVE GROSS REVENUE		\$284,394
<i>*BID taxes are 100% reimbursed</i>		
EXPENSES		
Current Real Estate Taxes	Provided by Owner	\$48,747
BID Taxes	Provided by Owner	\$2,224
Insurance	Provided by Owner	\$2,000
Fuel	Passed to Tenant	\$0
Water/Sewer	Passed to Tenant	\$0
Common Electric	Passed to Tenant	\$0
TOTAL EXPENSES		\$52,971
Effective Gross Revenue		\$284,394
Less Expenses		\$52,971
NET OPERATING INCOME		\$231,423

Summary Statistics	
Square Footage	3,400
Occupancy	100%
Annual Rent	\$277,500
Annual Rent PSF	\$81.62
Year-1 NOI	\$231,423
Cap Rate	4.75%
Purchase Price	\$4,873,000

Lease Abstract	
Real Estate Tax	Tenant pays 100% above the average taxes for base year
Insurance	Tenant pays direct
Utilities	Tenant pays direct
Repairs & Maintenance	Landlord: Exterior Tenant: Interior
Landlord Responsibilities	Roof and Structure + RET
Tenant Responsibilities	All non-structure parts of the Premises, Plumbing, waste, HVAC, removal of rubbish, snow and ice

Chipotle Mexican Grill

Overview

- Chipotle Mexican Grill, Inc. (NYSE: CMG) opened its first restaurant in 1993 and currently operates nearly 2,900 restaurants, with plans to open an additional 200 locations by year end 2021.
- Chipotle competes in a category of dining called “fast-casual”, the fastest growing segment of the restaurant industry, where customers expect food quality that is more in line with full-service restaurants, coupled with the speed and convenience of fast food.
- Chipotle’s menu includes their classic burritos, burrito bowls, lifestyle bowls, quesadillas, salads, tacos, guacamole and salsas, made from the freshest ingredients without the artificial colors, flavors or preservatives.
- Chipotle is ranked on the Fortune 500 and is recognized on the 2021 lists for Forbes’ America’s Best Employers and Fortune’s Most Admired Companies. Chipotle employs nearly 100,000 employees and is the only restaurant company of its size that owns and operates all its restaurants.
- In the third quarter of 2021, Chipotle opened 42 new restaurants and saw a total revenue increase of 21.9% year-over-year to \$2.0 billion. Comparable restaurant sales increased by 15.1% over that same time period. Chipotle has demonstrated the consistent and proven ability to perform at the highest level, even throughout the longevity of the pandemic by always looking for ways to increase sales and restaurant profitability.



Newport
Beach, CA



2,888+
Locations



95K+ Employees



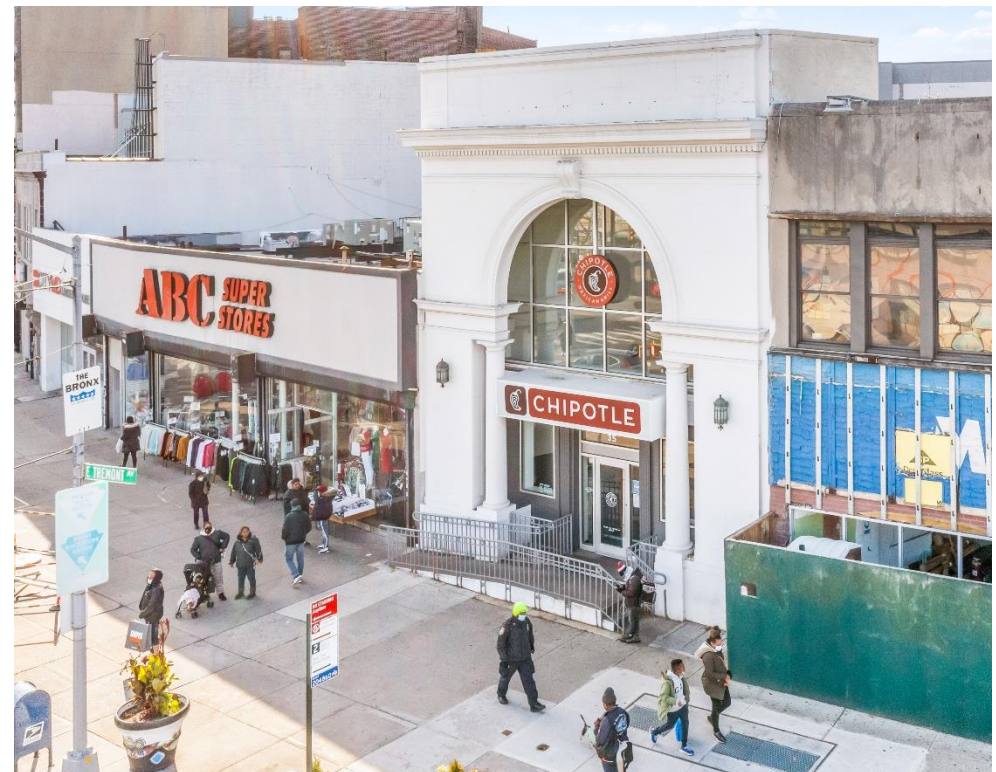
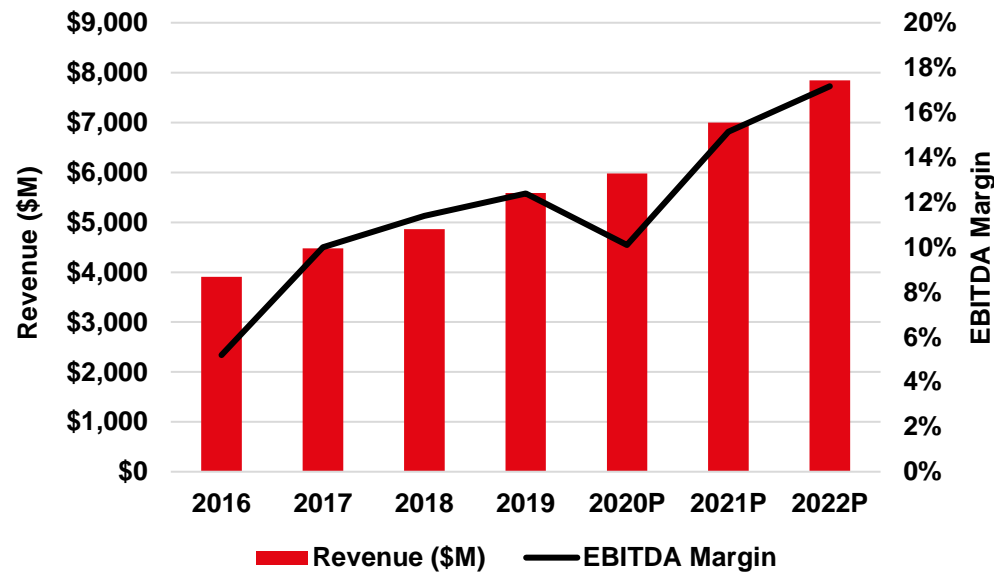
Trailing 12-Month
Total Revenue (Q3-
2021) \$7.194 Billion

Chipotle Mexican Grill

A LEADING AND DIFFERENTIATING BUSINESS MODEL

- Chipotle believes the consistent digital sales, the strong recovery of in-restaurant sales, as well as the positive guest reception to new menu offerings contributed to the massive revenue growth in the third quarter. Digital sales were \$840.4 million for Q3-2021, representing 42.8% of total system-wide sales. When customers order online, that order is fulfilled and contributes to the gross sales of the location that the order is fulfilled by.
- Chipotle is committed to making its food more accessible to its customers, while building a brand that is leading the restaurant industry in digital, technology and sustainable business practices. In June 2021, Chipotle differentiated itself from its competitors and upgraded their “Chipotle Rewards” program and app by introducing a new redemption feature called the “Rewards Exchange”. The Rewards Exchange now offers Chipotle’s most loyal customers the ability to redeem reward points for free guacamole, free burritos, apparel, charitable gifts, and limited offerings only available through the Chipotle app.

CHIPOTLE REVENUE & EBITDA MARGIN



Bronx Market Overview

Location Highlights

- ✓ The Asset is located in a high performing retail trade area with 35 million square feet of retail in the submarket and a 4% vacancy rate. The Property sits amongst a blue-collar working community with average household income of approximately \$70,000 and a variety of high creditworthy and nationally recognized brands such as Honda, Key Food Supermarkets, Pep Boys, Wendy's, McDonald's, LA Fitness, AutoZone Auto Parts, Chase Bank, Walgreens and H&R Block all within the immediate area.
- ✓ The immediate trade area is served by an extensive public transportation network with numerous easily accessible options including the subway, bus, rail, highway and bridges to get throughout the boroughs.
- ✓ The Bronx borough utilizes twelve subway lines and numerous rail stations, with the closest being the Westchester Sq-E Tremont Av location just one block to the southeast. The Bronx is also well connected to Manhattan via the Alexander Hamilton, Washington, and Henry Hudson Bridges, and to Queens via the Whitestone and Throgs Neck Bridge.
- ✓ The Asset gains additional foot traffic due to an extremely dense surrounding demographic base of nearly 325,000 residents within a two-mile radius.
- ✓ Additional traffic is brought to the area due to a location just blocks away from the Hutchinson River Parkway, which experiences traffic counts of 88,000 vehicles per day and serves as a connection point to Interstates 278, 95, 695, 678 as well as Queens, Manhattan, Brooklyn and the LAGuardia Airport.



325,000 residents within two-mile radius



\$2 billion in major residential and commercial developments in the pipeline + NYC is investing \$194 into the submarket



Yankee Stadium – Located in the Bronx

Local Demographic Snapshot			
	.5-Mile	1-Mile	2-Miles
2021 Population	18,000	93,540	324,670
# of Households	6,080	36,500	120,430
Avg. HH Income	\$66,420	\$73,040	\$69,200
Median HH Income	\$50,890	\$57,300	\$52,300

Bronx Market Overview

Bronx Highlights

- The Bronx is the third most populous county in the United States, and since 2010 has been the fastest growing county in all of New York State. According the latest U.S. Census Data, the estimated population of the Bronx is 1.4 million.
- Healthcare and retail trade are the largest employers in the Bronx, and these sectors continue to see significant jobs gains. Due to its lower rents, growing population, unmatched access to public transportation, great labor pool, and vibrant community, the Bronx has become a viable option for businesses looking to relocate their headquarters into the Bronx.
- Over the past few years, the Bronx has experienced extreme revitalization efforts from local and city municipalities, spurring economic development in the area.
- The Bronx is also home to a wide variety of tourist and entertainment attractions with millions of visitors and residents flocking to the area each year to see the New York Yankees, Bronx Zoo, Van Cortlandt Park, Bronx Botanical Gardens, Bronx's Little Italy and Pelham Bay Park.

Corporate Relocations to the Bronx



MAXIMUS®



DJ Doran
Jones

jet

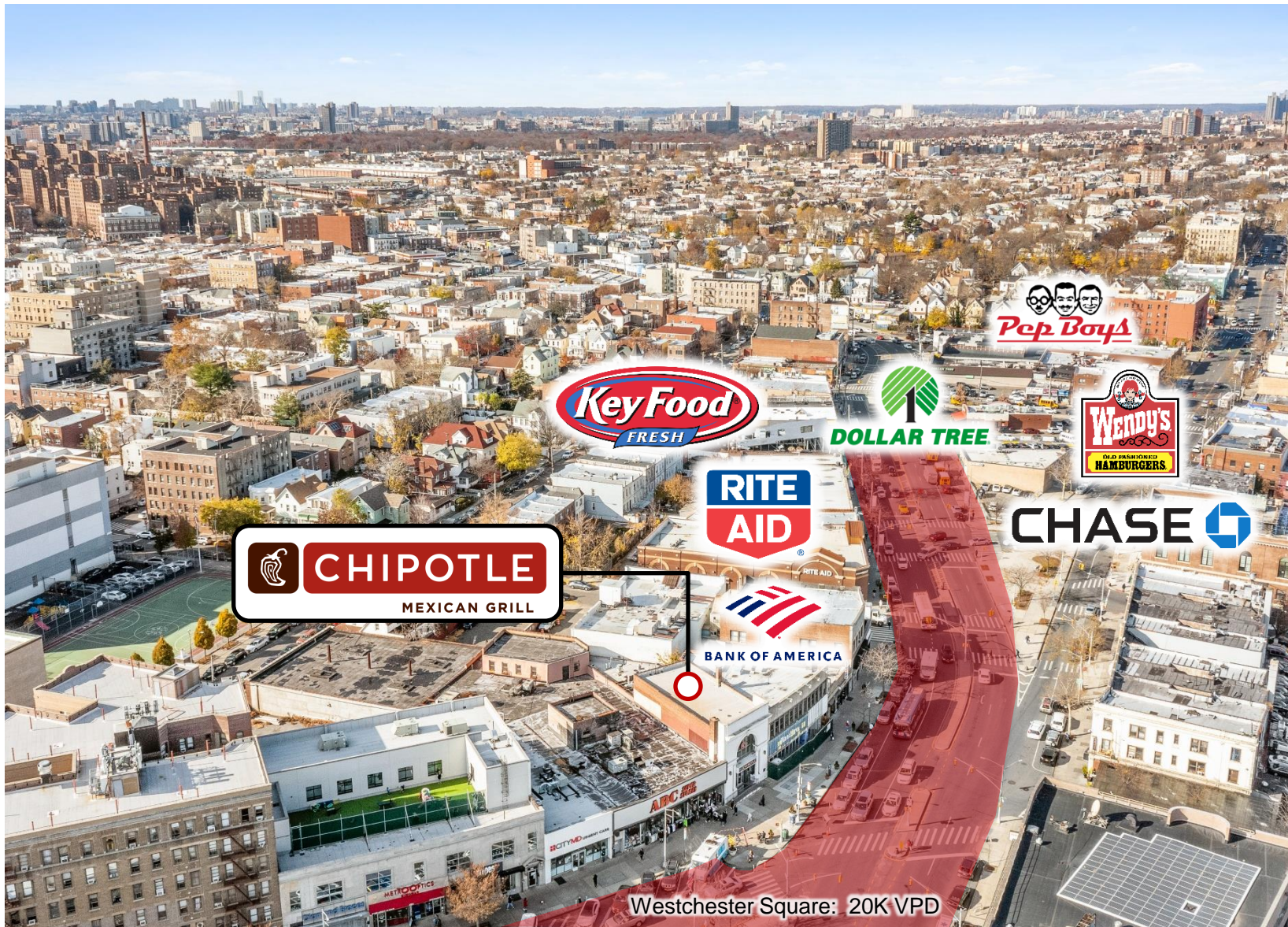
Numerous high-profile relocations to the Bronx resulted in 580,000 private and public employees, representing a 150% increase since 2011.



Facing Southwest



Facing Northwest



Facing Southeast



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