



STARBUCKS

ABSOLUTE NNN GROUND LEASE



*Actual Location

16400 CRENSHAW BLVD, TORRANCE (LOS ANGELES), CA

OFFERING MEMORANDUM

CBRE HOUSTON NET LEASE PROPERTY GROUP

CBRE

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CBRE

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ADDRESS: 16400 Crenshaw Blvd,
Torrance, CA 90504

PRICE: \$5,823,529

CAP: 3.40%

ANNUAL RENT: \$198,000

SIZE: 909 SF

LAND AREA: ± 0.36 AC

YEAR BUILT: 2018

LEASE TYPE: NNN Ground Lease

RENT INCREASES: 10% every five (5) years

CBRE's Net Lease Property Group, as exclusive advisor to Ownership, is pleased to present the exceptional opportunity to acquire a Starbucks operating under an Absolute NNN Ground Lease (the "Property") strategically located in the Los Angeles MSA, the nation's 2nd most populated metro area. **Starbucks Corporation** (NASDAQ: SBUX) is the world's premier specialty coffee roaster, marketer, and retailer, operating and licensing 32,660 stores in 83 markets globally.

The 15-year Absolute NNN Ground Lease features attractive 10% rental increases every five years throughout the initial term and in the first of the four (4) five-year renewal options. With a corporate guaranteed lease potentially extending through 2053, and zero landlord responsibilities, the Property provides investors with a long-term, passive investment.



INVESTMENT HIGHLIGHTS

FIRST CLASS TENANCY WITH CORPORATE GUARANTY

Founded in 1971, Starbucks Corporation (NASDAQ: SBUX) is the world's premier specialty coffee roaster, marketer, and retailer, operating and licensing 32,660 stores in 83 markets globally. Boasting an S&P BBB+ Credit Rating, the company reported revenues in excess of \$23.5 billion for fiscal year 2020 and has a current market cap of \$137 billion.

ABSOLUTE NNN GROUND LEASE | CONTRACTUAL RENT INCREASES

The Absolute NNN Ground Lease has 11+ years of firm term remaining and features attractive 10% rental increases every five years throughout the initial term and in the first option, and then FMV not less than 110% or more than 120% increase in each of the remaining three (3) renewal options. With zero landlord responsibilities and a corporate guaranty, the Property provides investors with a low risk, passive investment.

UPCOMING RENTAL INCREASE

There is a 10% rental increase in approximately 18 months, boosting the asset's return in the near-term.

DENSELY POPULATED BY BOTH RESIDENTS & EMPLOYEES

There are approximately 707,035 residents living within a 5-mile radius of the Property, earning more than \$109,000 annually. The area's daytime population soars to more than 740,000 due to the strong workforce of nearly 350,000 employees throughout 31,556 businesses.



\$854,001

AVG. HOME VALUE



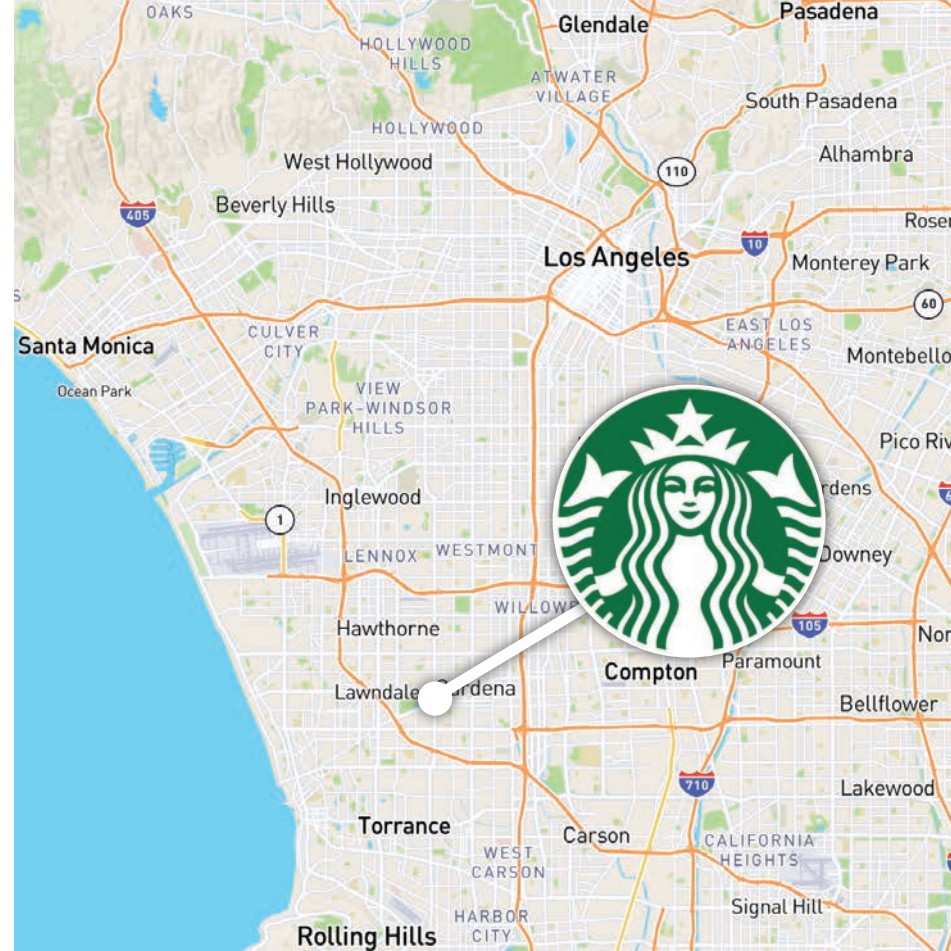
740,321

DAYTIME POPULATION



31,556

BUSINESSES



IDEAL 1031 EXCHANGE PROPERTY

RECENT CONSTRUCTION

Recently completed in 2018, the Property provides investors with the opportunity to acquire a Class A asset with a premier tenant and low capital expenditures moving forward.

STRATEGIC LOCATION ADJACENT TO EL CAMINO COLLEGE

The Property is located adjacent to El Camino College, which sits on an expansive 126-acre campus in the heart of Torrance, California. The college **enrolls about 33,000 students** each semester and boasts a curriculum of about 200 degree and certificate programs taught by exceptional **faculty and staff of more than 1,440**.



 **EL CAMINO COLLEGE**
126-ACRE CAMPUS
33,000 STUDENTS



CRENSHAW BLVD - 24,650 VPD

W REDONDO BEACH BLVD

PUPUSATOWN **EYE CONNECT, Optician**
Chicken Chick **RAMONA'S**
Jin Kook **coverLA INSURANCE SERVICES** **75 YEARS**

CURRY CAR LEASING

W 164TH ST - 3,400 VPD



HIGH BARRIERS TO ENTRY

The Property is located about 12 miles South of Downtown Los Angeles, and just 7 miles from LAX, which ranks the 5th busiest airport in the world and the 2nd busiest in the United States. The area's dense demographics, market performance and robust job gains are all factors that have made the LA metro one of the most desired markets for investors and tenants alike. Insatiable demand and limited inventory have made it difficult to obtain existing improvements or developable land, as rents soar and vacancy remains extremely low.



ALONDRA COMMUNITY REGIONAL PARK
The 53-acre park is largest park closest to the ocean and the beach cities of Manhattan Beach, Hermosa Beach, and Redondo Beach.

ANDERSON ELEMENTARY
WILL ROGERS MIDDLE SCHOOL

LEUZINGER HIGH SCHOOL

HAWTHORNE MUNICIPAL AIRPORT (HRR)

MARK TWAIN ELEMENTARY

EL CAMINO COLLEGE
33,000 STUDENTS | 126 AC

CARR ELEMENTARY



TENANT PROFILE

Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating and licensing 32,660 stores in 83 markets. Founded in 1971, Starbucks Corporation’s common stock trades on the NASDAQ Global Select Market (“NASDAQ”) under the symbol “SBUX.” The company provides various coffee and tea products, and licenses its trademarks through other channels, such as licensed stores, grocery, and national foodservice accounts. In addition to Starbucks, its brand portfolio includes Teavana, Seattle’s Best Coffee, Evolution Fresh, Ethos, Starbucks Reserve and Princi.

As of September 27, 2020 the company reported total net revenues of \$23.5 billion and total assets amounting to \$29.4 billion. Starbucks has fared well during the Covid-19 pandemic, with consolidated revenues declining only 11% compared to 2019.

COMPANY	Starbucks Corporation
STOCK SYMBOL	(NASDAQ: SBUX)
# OF EMPLOYEES	349,000+
MARKET CAP	\$136.57 Billion
REVENUE (CY 2020)	\$23.52 Billion
FOUNDED	1971
HEADQUARTERED	Seattle, WA
WEBSITE	www.starbucks.com



LEASE ABSTRACT

TENANT:	Starbucks Corporation
SQUARE FEET:	909
LAND SIZE:	±0.36 AC
LEASE TYPE:	NNN Ground Lease
LL RESPONSIBILITIES:	None
TERM REMAINING:	11+ Years
COMMENCEMENT:	August 2018
EXPIRATION:	September 2033
NOI:	\$198,000
ESCALATIONS:	10% increases every (5) years during the primary term, as well as in first option
RENEWAL OPTIONS:	Three (3) 5-year options and one (1) option of four (4) years and six (6) months

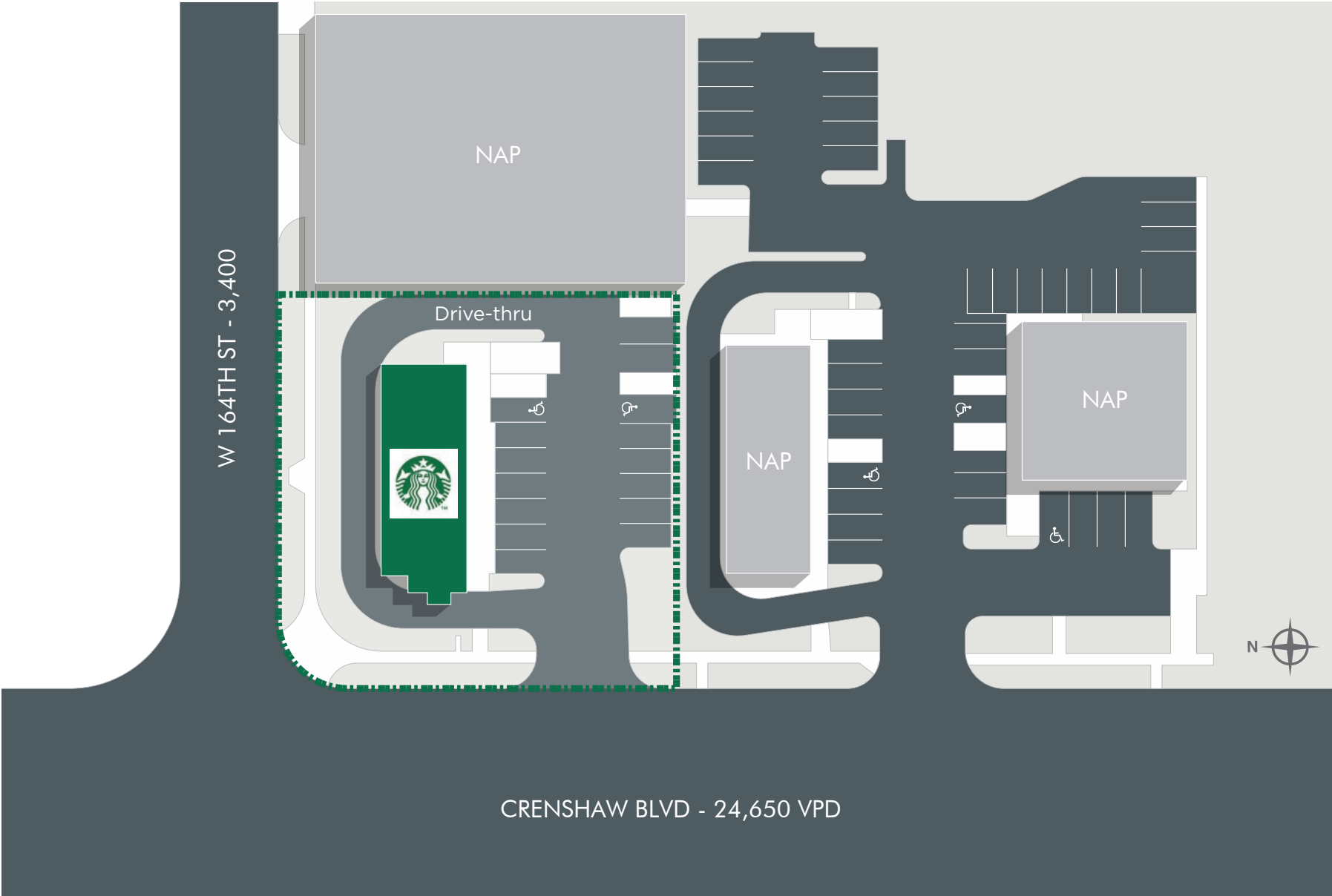


RENT SCHEDULE

YEARS 1-5	\$198,000
YEARS 6-10	\$217,800
YEARS 11-15	\$239,580
RENEWAL OPTIONS	
YEARS 16-20	\$263,538
YEARS 21-25	FMV (110% to 120% rent increase)
YEARS 26-30	FMV (110% to 120% rent increase)
YEARS 31-35	FMV (110% to 120% rent increase)



SITE PLAN



DEMOGRAPHIC PROFILE

POPULATION	1-MILE	3-MILE	5-MILE
2021 Population - Current Year Estimate	27,669	253,539	707,035
2021 Daytime Population	24,066	267,879	740,321
2026 Population - Five Year Projection	27,551	254,448	711,233

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2021 Households - Current Year Estimate	9,941	86,061	235,593
2026 Households - Five Year Projection	9,861	86,095	236,036

HOUSEHOLD INCOME	1-MILE	3-MILE	5-MILE
2021 Average Household Income	\$104,848	\$95,791	\$109,432
2026 Average Household Income	\$119,462	\$109,977	\$124,710

HOME VALUE	1-MILE	3-MILE	5-MILE
2021 Average Home Value	\$702,686	\$738,745	\$854,001

PLACE OF WORK	1-MILE	3-MILE	5-MILE
2021 Businesses	781	11,525	31,556
2021 Employees	4,610	128,556	349,625

CONSUMER EXPENDITURES	1-MILE	3-MILE	5-MILE
Estimated Total Annual Budget	\$869,929,121	\$6,999,686,445	\$21,803,922,210
Estimated Total Food/Drink Away from Home	\$42,091,020	\$349,685,332	\$1,082,612,532



LOS ANGELES METRO

LOS ANGELES MARKET OVERVIEW

Located along the southern coast of California, the city of Los Angeles is 468 square miles, while the county of Los Angeles encompasses 87 other incorporated cities. The city of Los Angeles is “the heart” of Southern California. It’s where every form of transportation comes together and is home to the nation’s largest port and sixth largest airport. Los Angeles is also home to thousands of business resources with millions of customers within reach.

Los Angeles is the largest manufacturing center in the U.S., and the most populous county in the U.S. **The Los Angeles MSA is defined by two things: sprawl and density.** While there is a defined CBD in Downtown Los Angeles, there are multiple commercial and financial centers throughout the Greater Los Angeles metropolitan area.

ECONOMY

The Los Angeles-Long Beach-Anaheim MSA boasts one of the most dynamic economies in the world. A variety of industries drive the economy of the LA metro area, including high-tech and green tech, aerospace and advanced transportation, manufacturing and international trade, and the world's leading creative economy. GDP of Los Angeles County is nearly \$711 billion – about the same as Saudi Arabia – and accounts for nearly 4% of the total U.S. gross domestic product.

The Port of Los Angeles and Port of Long Beach together comprise the fifth-busiest port in the world, and they are the center of imports and exports for trade on the west Pacific Coast as well as being one of the most significant ports of the western hemisphere. The Port of Long Beach is the second-busiest container port in the United States. It adjoins the separate Port of Los Angeles. Acting as a major gateway for U.S.-Asian trade, the port occupies 3,200 acres of land with 25 miles of waterfront in the city of Long Beach, California.



THE PORT OF LOS ANGELES & PORT OF LONG BEACH TOGETHER COMPRISE THE FIFTH-BUSIEST PORT IN THE WORLD

THE ENTERTAINMENT CAPITAL OF THE WORLD

Los Angeles is also considered the “Entertainment Capital of the World” and is home to many traditional entertainment studios and music recording studios. In recent years the growth of digital media, game design, and virtual reality have begun redefining the region's entertainment and digital media industry cluster. Some of the new, recognizable names in entertainment media include Amazon Studios, YouTube Studios, Hulu and Netflix, as well as the traditional, long-established media companies: Walt Disney, 20th Century Fox, Paramount Pictures, DreamWorks Animation, Sony, NBC Universal, Warner Bros Pictures, Lionsgate, A24 and more.



EDUCATION

There are 25 universities located in Los Angeles, which offer 518 study programs.

The University of Southern California (USC) is a leading private research university located in Los Angeles - a global center for arts, technology and international business. The University is the largest private sector employer in the city of Los Angeles, responsible for \$8 billion annually in economic activity in the region. USC enrolls 46,000 students annually and is located just 20 minutes from the subject property.

The University of California, Los Angeles (UCLA) is a truly international university that offers a world of opportunity. Consistently ranked among the world's top-tier universities and powered by extensive resources and a renowned reputation, UCLA is the most applied-to university in the nation, and enrolls nearly 45,000 students annually.

DISCLOSURE AND AGREEMENT

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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