

CHIPOTLE DRIVE-THRU

305 W ELEVEN MILE RD, ROYAL OAK, MICHIGAN



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

305 West Eleven Mile Road, Royal Oak, MI 48067

FINANCIAL SUMMARY

Price	\$3,275,300
Cap Rate	4.25%
Building Size	+/- 2,400 SF
Net Cash Flow	4.25% \$139,200
Year Built	2021
Lot Size	0.81 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Chipotle
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Rent Commencement Date	September 1, 2021
Rent Expiration Date	August 31, 2033
Effective Lease Term Remaining	12 Years
Rental Increases	\$3 Per SF Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 – 6	\$139,200	4.25%
7 – 12	\$146,400	4.47%
Option Lease Years	Annual Rent	Cap Rate
13 – 17	\$153,600	4.69%
18 – 22	\$160,800	4.91%
23 – 27	\$168,000	5.13%
28 – 32	\$175,200	5.35%

Base Rent	\$139,200
Net Operating Income	\$139,200
Total Return	4.25% \$139,200



DOWNTOWN
DETROIT

**OAKLAND
COMMUNITY
COLLEGE**
Excellence Empowered.[®]
15,411 STUDENTS

130,693 CPD
INTERSTATE 696 FWY


DETROIT ZOO
1.5 MIL+ ANNUAL VISITORS

 **DASSAULT
SYSTEMES**

ROYAL OAK
MUSIC THEATRE

**SMART**
TRANSIT PARKING

**SMART**
ROYAL OAK TRANSIT

 **UNITED STATES
POSTAL SERVICE**

9,949 CPD
S WASHINGTON AVE

**CHIPOTLE**
MEXICAN GRILL

 **PNC BANK**

MCDONALD'S

14,586 CPD
W ELEVEN MILE ROAD





OAKLAND MALL

9,949 CPD

S WASHINGTON AVE



14,586 CPD

W ELEVEN MILE ROAD



EMAGINE
THE MAGIC OF MOVIES & MORE



SKYLOFTS MARKETPLACE



Property Description



INVESTMENT HIGHLIGHTS

- » **Operating on New Rare 12-Year Double-Net (NN) Lease with Corporate Guarantee**
- » Rent Increases Every Five Years Including Four Renewal Option Periods
- » **Brand New 2021 Prototype Design Equipped with Drive-Thru Window - "Chipotlane"**
Restaurant Concepts Generate 10% More in Sales
- » High Income and Populous Area with Average Annual Household Income over \$123,000 within 1 Mile of Subject Property and 368,054 Residents within a 5-Mile Radius
- » **Centrally Located in Heart of Downtown Royal Oak - Just One Mile From The Detroit Zoo, Michigans Largest Tourist Destination**
- » High Visibility on Signalized Hard Corner of 11 Mile & Washington Ave (22,000+ CPD)
- » **Surrounded by National Retailers - Meijer, Starbucks, Walgreens, Panda Express, Panera, T-Mobile, LA Fitness, McDonald's, Jimmy John's, TacoBell, Burger King, Verizon, CVS, Chase Bank and More**
- » Immediate Connections to Walter P. Reuther Fwy 696 (130,693 CPD) and M-1 Hwy / Woodward Ave (42,561 CPD)



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2026 Projection	18,346	149,831	366,964
2021 Estimate	18,201	149,892	368,054

Households

2026 Projection	9,192	68,146	159,665
2021 Estimate	9,078	67,779	159,228

Income

2021 Est. Average Household Income	\$123,440	\$91,316	\$81,840
2021 Est. Median Household Income	\$88,257	\$69,405	\$59,858
2021 Est. Per Capita Income	\$61,689	\$41,328	\$35,493



Tenant Overview



Newport Beach, California

Headquarters

NYSE: CMG

Stock Symbol

1993

Founded

2,700+

Locations

www.chipotle.com

Website

Chipotle Mexican Grill, Inc. (NYSE: CMG) is an American chain of fast casual restaurants in the United States, United Kingdom, Canada, Germany, and France, known for its large burritos, assembly-line production, and use of natural ingredients. Founded in 1993, Chipotle is one of the first chains of fast casual dining establishments, offering more than 65,000 combinations of burritos, soft tacos, crispy tacos, chips and salsa, beer, and margaritas.

The company has also released a mission statement called Food with Integrity, which highlights its efforts in using organic ingredients and serving more naturally

raised meat than any other restaurant chain. The company's revenue in Q3 of 2020 was \$1.6 billion, an increase of 14.1% compared to the third quarter of 2019.

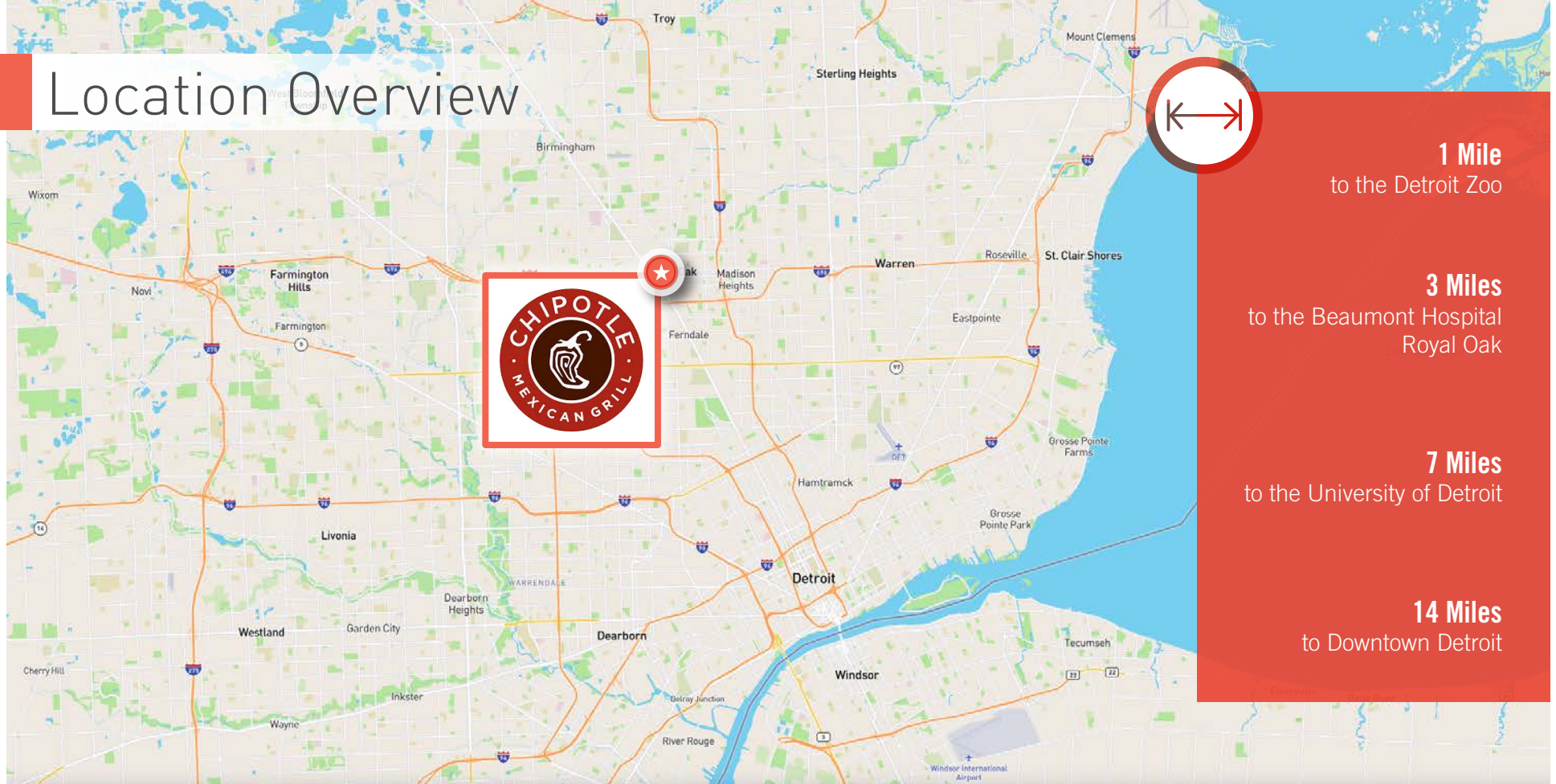
"CHIPOTLANE" DRIVE-THRU STORES

In 2020, Chipotle introduced a new prototype store with a drive-thru. These Chipotlane stores generate 10% more in sales than stores without a drive-thru. Online and mobile orders for Chipotle increased 177% year-over-year, accounting for nearly 50% of total sales.

Property Photos



Location Overview



The city of Royal Oak, located in Michigan's Oakland County, is a suburb of Detroit and a bustling community with the motto "Life Now Playing." According to the 2010 census, the city had a population of 57,236. It is the 8th-largest municipality in Oakland County and the 27th-largest municipality in Michigan by population. Just 3 miles north of Detroit, Royal Oak is home to approximately 50 city parks comprising 310 acres; a tasteful and eclectic collection of eateries; movies and live theater; the 125-acre Detroit Zoo; and the cutting edge, award-winning William Beaumont Hospital.

Royal Oak developed initially as a suburb after Detroit boomed as a major

industrial city. Continuously growing and developing, Downtown Royal Oak today is an entertainment and nightlife destination with new businesses, shopping, and restaurants along with housing constructions always in the works.

Major employers in Royal Oak include William Beaumont Hospital with 7,147 employees, The City of Royal Oak with 465 employees, Royal Oak Public Schools with 482 employees, Oakland Community College with 448 employees, Consumers Energy with 351 employees, Flex-N-Gate with 350 employees, the Detroit Zoo with 301 employees, Holiday Market with 300 employees, and HHI-Form Tech with 290 employees.

[exclusively listed by]

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