



555 W MISSION AVE | ESCONDIDO, CA

SHORT-TERM | ABSOLUTE NNN



LISTED BY:

MICHAEL FEDERICO

Senior Associate

MOB: (619) 372-8969
michael.federico@matthews.com
License No. 02013223 (CA)

MATTHEW LOPICCOLO

First Vice President

MOB: (858) 336-1518
matt.lopiccolo@matthews.com
License No. 01835052 (CA)

BROKER OF RECORD

KYLE MATTHEWS
License No. 1972189 (CA)

MATTHEWS REAL ESTATE INVESTMENT SERVICES

701 Palomar Airport Rd, Suite 300
Carlsbad, CA 92011



4

INVESTMENT OVERVIEW

6

TENANT OVERVIEW

10

FINANCIAL OVERVIEW

14

AREA OVERVIEW

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



INVESTMENT OVERVIEW



INVESTMENT HIGHLIGHTS

- Rare corporate guaranteed lease
- Strong Historical Occupancy - Carl's Jr. has operated at same site for 37+ years
- 3,166 SF freestanding building with drive thru
- Easy access to Highway 78 and Interstate 15
- Short-term lease with options | Potential Value-Add through Lease Up



TENANT OVERVIEW





TENANT OVERVIEW

YEAR FOUNDED	1941
HEADQUARTERS	Carpinteria, CA
WEBSITE	www.carlsjr.com
# OF LOCATIONS	±3,664

TENANT OVERVIEW

Carl's Jr. is an American-based fast-food restaurant chain operated by CKE Restaurants Holdings, Inc., with locations primarily in the Western and The Southwestern United States. CKE has over 3,800 franchised or company-operated restaurants in 44 states and 43 foreign countries and U.S. territories, including 20 locations within San Diego County. In the spirit of the company's founder, Carl Karcher, CKE believes it can best share in its success by offering support to its neighbors through its scholarship and charitable giving programs, including the Stars for Heroes campaign which raised \$1 Million in 2011. CKE is also working toward greater sustainability with the help of companywide initiatives, including the corporate Green Team

GEOGRAPHIC OUTREACH

CKE has a total of 3,664 franchised or company-operated restaurants in 44 states and 38 foreign countries and U.S. territories.

STRATEGY

With over 3,600 total CKE franchised and company-owned restaurants, and more than 1,500 Carl's Jr. specific, CKE Restaurants Holdings, Inc. is dedicated to helping franchisees build growing restaurant operations that are sustainable for the long term. To this end, the strategy and core positioning of the Carl's Jr. banner is oriented to building top-line sales that support franchise profitability via premium product strategy, strong restaurant fundamentals, and cutting-edge advertising.





U-HAUL

Farmer Boys
BREAKFAST. BURGERS & MORE

Pep Boys

7-Eleven
O'Reilly
AUTO PARTS

BANK OF AMERICA

78

± 83,000 VPD

LOWE'S

PANDA EXPRESS
CHINESE KITCHEN

model
6

ALL STAR GLASS
REPLACE OR REPAIR AUTO GLASS

Starbucks

Jack
in the box

Carl's Jr.

N. QUINCE ST.
± 5,000 VPD

W. MISSION AVE.
± 17,000 VPD

BEN'S AUTO REPAIR

FINANCIAL OVERVIEW



TENANT SUMMARY

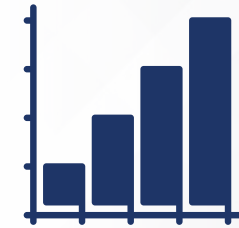
TENANT TRADE NAME	Carl's Jr.
TYPE OF OWNERSHIP	Trust
LEASE GUARANTOR	CKE Restaurants
LEASE TYPE	Absolute NNN
ROOF AND STRUCTURE	Absolute NNN
ORIGINAL LEASE TERM	20 Years
LEASE COMMENCEMENT DATE	6/1/1984
RENT COMMENCEMENT DATE	6/1/1984
LEASE EXPIRATION DATE	5/31/2024
TERM REMAINING ON LEASE	±2 Years and 4 Months
INCREASE	9% At Option Period
OPTIONS	Three, 5-Year Options
RIGHT OF REFUSAL TO PURCHASE	Lessor shall first give a written 15 day notice to Lessee of Lessor's intention to do so.

1-MILE DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
 POPULATION	27,414	155,316	224,402
 HOUSEHOLDS	8,351	49,577	72,210
 HH INCOME	\$63,072	\$87,710	\$98,339



\$2,795,000
LIST PRICE



3.74%
CAP RATE

EXECUTIVE SUMMARY

GLA	±3,166 SF
YEAR BUILT/RENOVATED	1985/2015
LOT SIZE	±28,750 SF

ANNUALIZED OPERATING DATA

DATE	MONTHLY RENT	ANNUAL RENT	INCREASES	CAP RATE
CURRENT - 5/31/2022	\$8,708.33	\$104,500.00	-	3.74%
6/1/2022 - 5/31/2023	\$8,708.33	\$104,500.00	-	3.74%
6/1/2024 - 5/31/2024	\$8,708.33	\$104,500.00	-	3.74%
OPTION 1				
6/1/2024 - 5/31/2025	\$9,492.08	\$113,905.00	9.00%	4.08%
6/1/2025 - 5/31/2026	\$9,492.08	\$113,905.00	-	4.08%
6/1/2024 - 5/31/2027	\$9,492.08	\$113,905.00	-	4.08%
6/1/2027 - 5/31/2028	\$9,492.08	\$113,905.00	-	4.08%
6/1/2028 - 5/31/2029	\$9,492.08	\$113,905.00	-	4.08%
OPTION 2				
6/1/2027 - 5/31/2028	\$10,346.37	\$124,156.45	9.00%	4.44%
6/1/2028 - 5/31/2029	\$10,346.37	\$124,156.45	-	4.44%
6/1/2029 - 5/31/2030	\$10,346.37	\$124,156.45	-	4.44%
6/1/2030 - 5/31/2031	\$10,346.37	\$124,156.45	-	4.44%
6/1/2031 - 5/31/2032	\$10,346.37	\$124,156.45	-	4.44%
OPTION 3				
6/1/2032 - 5/31/2033	\$11,277.54	\$135,330.53	9.00%	4.84%
6/1/2033 - 5/31/2034	\$11,277.54	\$135,330.53	-	4.84%
6/1/2034 - 5/31/2035	\$11,277.54	\$135,330.53	-	4.84%
6/1/2035 - 5/31/2036	\$11,277.54	\$135,330.53	-	4.84%
6/1/2036 - 5/31/2037	\$11,277.54	\$135,330.53	-	4.84%

CARL'S JR SALES COMPS

PROPERTY NAME	PROPERTY ADDRESS	CLOSE DATE	SALE PRICE	CAP RATE	YEAR BUILT	GLA (SF)	TERM REMAINING	NOTES
Carl's Jr	611 Douglas Dr	4/8/2021	\$2,725,000	4.24%	2005	3,171	5	Tenant exercised ROFR
Carl's Jr	3205 W Hammer Ln	12/31/2020	\$1,850,000	4.39%	1999	3,050	-	-
Carl's Jr	344 W Manchester Blvd	9/7/2021	\$5,625,000	4.00%	1905	2,962	5	1031 Exchange Buyer
Carl's Jr	4880 Campus Dr	2/26/2021	\$2,874,500	3.65%	1975	4,188	15	Owner/Operator Buyer
Carl's Jr	1720 E Dyer Rd	2/26/2021	\$3,671,000	3.85%	1974	2,896	15	Owner/Operator Buyer
AVERAGE			\$3,255,361	3.98%		3,239	8	

SUBJECT PROPERTY

PROPERTY NAME	PROPERTY ADDRESS	CLOSE DATE	SALE PRICE	CAP RATE	YEAR BUILT	GLA (SF)	TERM REMAINING	NOTES
Subject Property	555 West Mission Avenue	-	\$2,795,000	3.74%	1985/2015	3,166	±2 Years 4 Months	-

AREA OVERVIEW

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	28,396	153,462	224,345
2021 Estimate	27,282	151,207	221,450
2010 Census	24,106	143,024	206,660
Growth % 2021-2026	4.08%	1.49%	1.31%
Growth % 2010-2021	13.18%	5.72%	7.16%

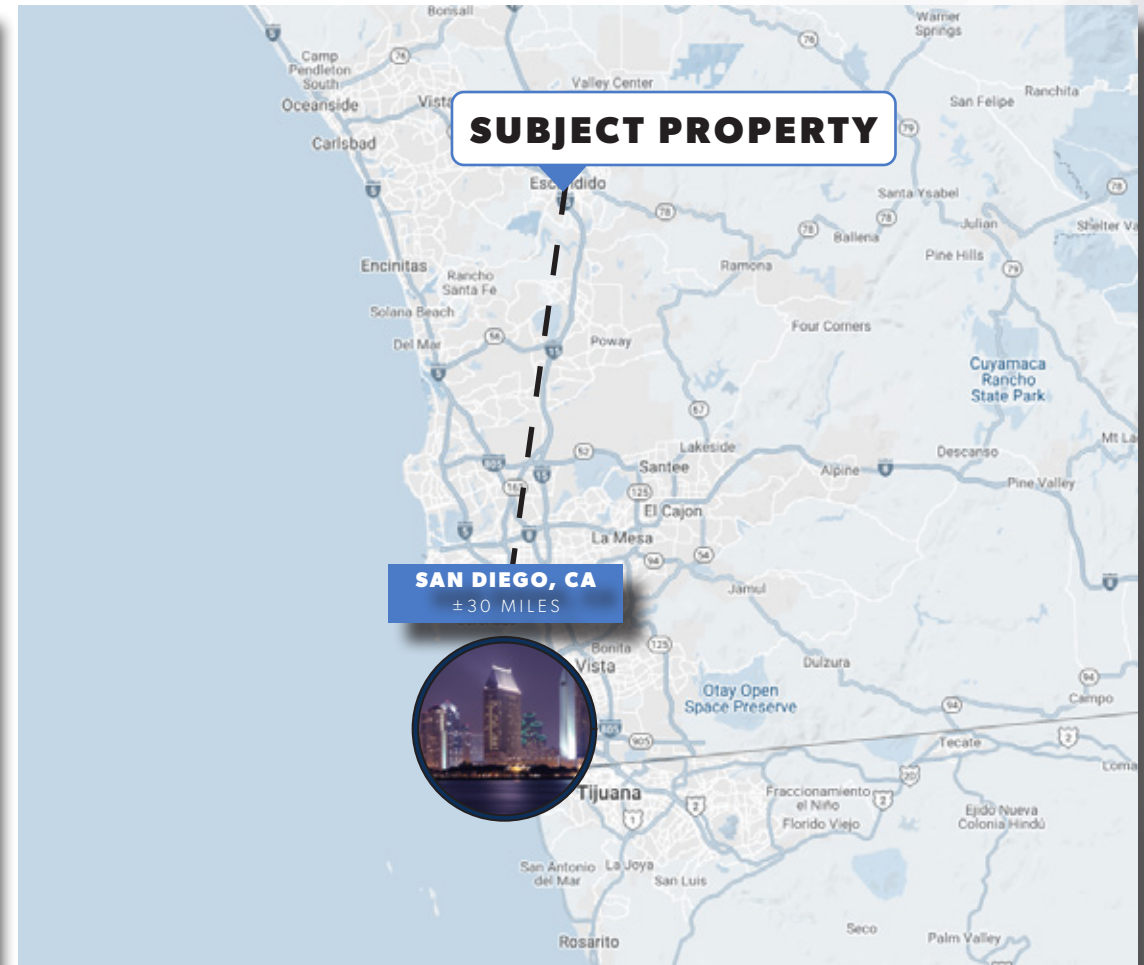
DEMOGRAPHICS	1-MILE	3-MILE	5-MILE
2026 Projection	9,093	50,590	74,653
2021 Estimate	8,452	47,858	70,695
2010 Census	7,493	43,743	60,254
Growth % 2021-2026	7.58%	5.71%	5.60%
Growth % 2010-2021	12.81%	5.92%	7.09%

INCOME	1-MILE	3-MILE	5-MILE
AVG HH Income	\$63,466	\$88,799	\$100,824

ESCONDIDO, CALIFORNIA

Settled in a long valley in the coastal mountains of Southern California, Escondido provides a thriving urban environment in the midst of gentle rolling hills and avocado and citrus groves. Escondido lies about 18 miles inland, 100 miles south of Los Angeles, and 30 miles northeast of San Diego. Inland North San Diego County, of which Escondido is at the core, is emerging as a regional economic leader in the forefront of job development and new industries. The City of Escondido is a vibrant and diverse community of more than 144,831 people. The City's economic base is made up largely of successful small businesses, many of which are family-owned.

The centerpiece of the City's redevelopment efforts is the California Center for the Arts, Escondido which attracts more than 270,000 visitors from San Diego and surrounding regions each year and provides a significant boost to an already healthy economy. The Center is conveniently located in a charming downtown area, adjacent to historic Grape Day Park. Escondido is a wonderful place to visit, live, work, play, or do business, and provides a business-friendly environment.



SAN DIEGO, CA

With its great weather, miles of sandy beaches, and major attractions, San Diego is known worldwide as one of the best tourist destinations and a great place for residents to relax year-round. California's second-largest city and the United States' eighth largest, San Diego boasts a citywide population of 1.41 million residents and more than 3.34 million residents countywide. Within its borders of 4,200 sq. miles, San Diego County encompasses 18 incorporated cities and numerous other charming neighborhoods and communities, including downtown's historic Gaslamp Quarter, Little Italy, Coronado, La Jolla, Del Mar, and Carlsbad, just to name a few.

#3 IN BEST CITIES FOR RECREATION

(WALLETHUB, 2021)

#4 IN THE 15 MOST SUSTAINABLE CITIES IN THE U.S.

(ROCKET HOMES, 2021)

#9 IN MOST PET-FRIENDLY CITIES

(WALLETHUB, 2021)





ECONOMY

With its warm, year-round climate, 70 miles of sun-soaked coastline, and world-famous attractions, San Diego is a top tourist destination. But this Southern California metropolis with a laidback vibe is also home to cutting-edge businesses in life sciences, genomics, biotechnology, telecommunications, Smart City technology, software, electronics, and other major innovative industries. Additionally, San Diego is one of the most pet-friendly cities in the country.

The vitality of San Diego's economy is reliant upon the strength of the region's four economic drivers - innovation, military, tourism, and local. San Diego is one of the top 10 visitor and meeting destinations in the U.S., with a growing sector focused on arts and culture. More than 35 million people visit San Diego each year. Many of San Diego's business leaders first visited the region as a tourist or convention delegates. Tourism, a key driver behind the region's local economy, accounted for 13 percent of the region's total jobs. Overall, San Diego has a gross metro product of \$264 billion.

BALBOA PARK

Encompassing more than 1,200 lush acres, Balboa Park is one of the most popular destinations in San Diego and is the nation's largest urban cultural park. Located just minutes away from downtown, Balboa Park is home to 17 major museums, several performing arts venues, stunning gardens, and many cultural and recreational attractions, such as San Diego Zoo. With all its attractions, Balboa Park welcomes more than 12 million visitors per year.

SAN DIEGO ZOO

San Diego Zoo is home to more than 4,000 fascinating animals, such as koalas, tortoises, leopards, peacocks, and many more. Discover the wonders of wildlife at this family-friendly attraction within Balboa Park. San Diego Zoo welcomes over 4 million visitors each year.

SEAWORLD SAN DIEGO

Located in Mission Bay Park, SeaWorld San Diego showcases world-class animals shows, presentations, and exhibits. Encompassing more than 100 acres, SeaWorld is home to incredible animals exhibits including orcas, belugas, otters, walruses, sharks, sea turtles, bat rays, sea lions, pilot whales, penguins, dolphins, flamingos, eels, tropical birds, and many more. Overall, SeaWorld San Diego sees over 4 million visitors a year.



HIGHER EDUCATION



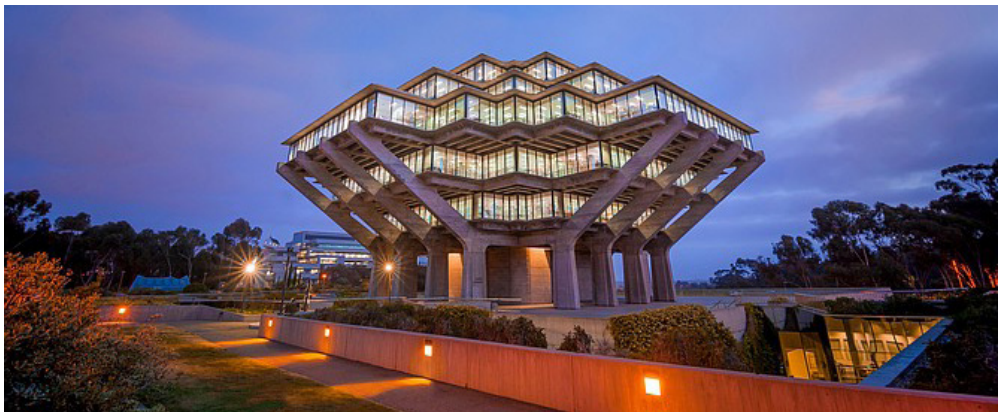
UNIVERSITY OF SAN DIEGO

The University of San Diego is set at the edge of an international gateway on a campus that's consistently ranked among the nation's most beautiful. A University of San Diego education is founded on the pursuit of academic excellence. Students choose from undergraduate and graduate degree programs from our seven schools and college. Undergraduate students choose from studies such as the arts, business, engineering, the natural sciences and the study of the liberal arts. Graduate students focus on business, law, peace studies, nursing, marine science, theatre, education and leadership. USD has a long-standing commitment to engaging undergraduates from all disciplines in research and scholarly activities. Our students can study abroad all over the world; in fact, more than two thirds of undergraduates participate in opportunities to enhance their studies with unforgettable international experiences.



SAN DIEGO STATE UNIVERSITY

As the oldest higher education institution in San Diego, San Diego State University is a leading research university that offers more than 95 majors for undergraduates, with its most popular majors being business administration, psychology, mechanical engineering, and economics. SDSU has over 300 student organizations, 47 fraternities and sororities, 19 NCAA Division I teams, and many activities that provide students a high quality of life during their time at SDSU. SDSU contributes an estimated \$2.4 billion annually to the San Diego City economy through approximately 35,000 students, about 9,000 university and auxiliary employees, and nearly 240,000 local alumni. SDSU also spends about \$134 million annually on research.



UC SAN DIEGO

At the University of California San Diego, they prefer the path less traveled. And it has led them to remarkable new ways of seeing and making a difference in the world. Recognized as one of the top 15 research universities worldwide, the culture of collaboration sparks discoveries that advance society and drive economic impact. Everything they do is dedicated to ensuring students have the opportunity to become changemakers, equipped with the multidisciplinary tools needed to accelerate answers to our world's most pressing issues. The UC San Diego Tritons are the athletic teams that represent the University of California, San Diego. UC San Diego has 23 varsity sports teams and offers student participation in a wide range of sports.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Carl's Jr** located at **555 W Mission Ave, Escondido, CA 92025** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

OFFERING MEMORANDUM



555 W MISSION AVE | ESCONDIDO, CA 92025

LISTED BY:

MICHAEL FEDERICO

Senior Associate

MOB: (619) 372-8969
michael.federico@matthews.com
License No. 02013223 (CA)

MATTHEW LOPICCOLO

First Vice President

MOB: (858) 336-1518
matt.lopiccolo@matthews.com
License No. 01835052 (CA)

BROKER OF RECORD

KYLE MATTHEWS
License No. 1972189 (CA)

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES