



# BRAND NEW CONSTRUCTION STARBUCKS DRIVE-THRU | JACKSON, MS

10 Year Primary Term | Jackson Interstate Location | Attractive Escalation Structure



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## PRIMARY SALES CONTACTS

### ALEX SHARRIN

Senior Managing Director  
773 320 2558  
alex.sharrin@am.jll.com

### ALEX GEANAKOS

Director  
212 209 4506  
alex.geanakos@am.jll.com

## TRANSACTION MANAGEMENT

### MICHAEL ROBERTS

Analyst  
312 228 3757  
michael.roberts@am.jll.com

# THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer for sale the fee-simple interest in a new-construction, single-tenant Starbucks drive-thru (the “Property”) located in the Jackson, MS MSA. The built-to-suit Starbucks features a long-term net lease with 10 years in the primary term, attractive rental escalations and four, 5-year extension options. The Property is located in a dense retail corridor in Byram, MS and features visibility along I-55, a major Jackson thoroughfare that sees 52,000+ VPD. Future ownership will benefit from Starbucks’ investment-grade ‘BBB+’ credit guaranteeing the lease, with the Property fitting into their national drive-thru location expansion efforts.







# INVESTMENT HIGHLIGHTS

## **10 YEARS OF PRIMARY LEASE TERM TO BEGIN IN AUGUST**

- Subject to a NN lease structure with minimal landlord responsibilities
- Four (4) five (5) year extension options with scheduled rental increases

## **INVESTMENT GRADE TENANCY FROM STARBUCKS CORPORATION**

- Starbucks Corporation (S&P 'BBB+') is the largest coffeehouse chain in the world, with 33,800 stores in 84 countries
- Starbucks announced Q1 2021 that their U.S. Sales had made a "full recovery" from COVID-19, posting \$29 billion in FY 2021 revenue (23.5% YoY growth)

## **PANDEMIC RESISTANT DRIVE-THRU INVESTMENT OPPORTUNITY**

- The NPD group reported a 20% increase in drive-thru orders from February 2020 – February 2022 across QSR tenants
- The Property offers the opportunity to acquire quality drive-thru equipped real estate with proximity to a major Jackson thoroughfare

## **DENSE RETAIL CORRIDOR LOCATION IN JACKSON MSA**

- Siwell Road (+22,000 VPD) is home to national tenants such as Domino's, Raising Cane's, Burger King, McDonald's, Papa John's, AutoZone, and Sonic
- The Property is adjacent to I-55 (52,000+ VPD), which is a major connecting interstate between New Orleans and Jackson



# PROPERTY OVERVIEW

**2,010 SF**  
GLA

**\$127,500**  
Year 1 NOI

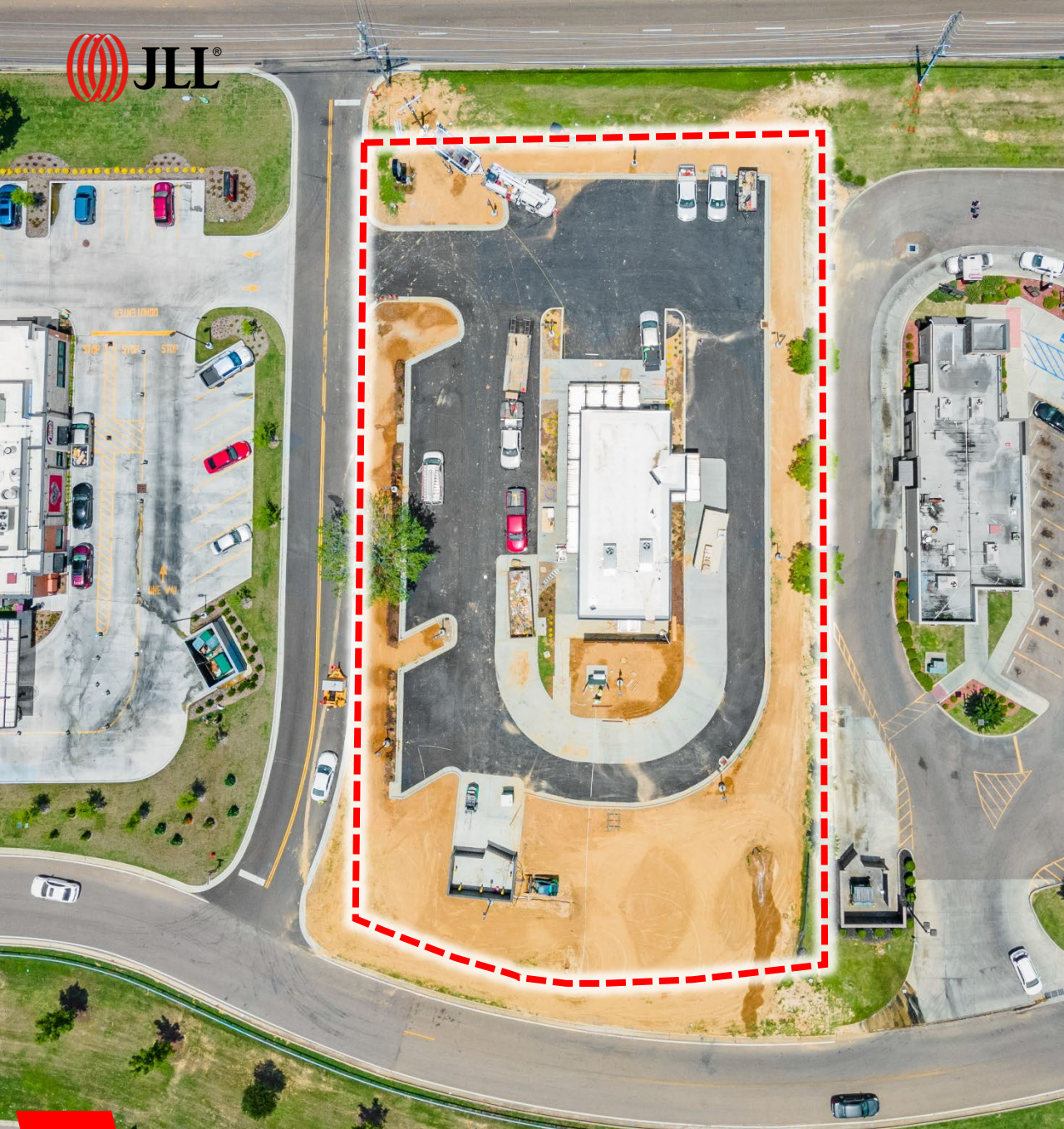
**10 Years**  
Primary Term

**2022**  
Year Built

**\$2,475,700**  
Price

**5.15%**  
Cap Rate





## Property & Lease Overview

Tenant	Starbucks Corporation (NASDAQ: SBUX)
Address	<a href="#">103 One Love Street Byram, MS 39272</a>
Building Size	2,010 SF
Land Size	43,761 SF (1.00 AC)
Year Built	2022
Rent Commencement	August, 2022
Lease Term Remaining	10 Years <sup>(1)</sup>
Lease Expiration	August 31 <sup>st</sup> , 2032
Lease Structure	NN
Landlord Responsibilities	Roof, structure, and parking lot
Year 1 NOI   PSF	\$127,500   \$63.43
Renewal Options	4 x 5 Year Renewal Options
Increases	Primary Term: 10% Every 5 Years Options: 8% Every 5 Years
Next Rental Increase	August 2027

*(1) Commencing on the 1<sup>st</sup> day of the 1<sup>st</sup> month after Tenant opens for business*



Jackson Area Federal Credit Union  
 O'Reilly AUTO PARTS  
 KFC  
 AutoZone  
 DOLLAR TREE  
 AT&T

Baskin Robbins  
 MEA Primary Care Plus  
 OneMain Financial  
 PLATINUM JEWELERS  
 KEYWAY  
 Trustmark  
 REGIONS  
 BYRAM SELF STORAGE  
 POLK'S DRUGS  
 planet fitness



**SUBJECT  
PROPERTY**

S Siwell Road: 22,000 VPD





Interstate-55: 52,000 VPD

Exxon

5-minute  
express  
CARWASH

Walmart  
Supercenter  
SUBWAY

Chick-fil-A  
Newk's  
EATERY

BURGER  
KING

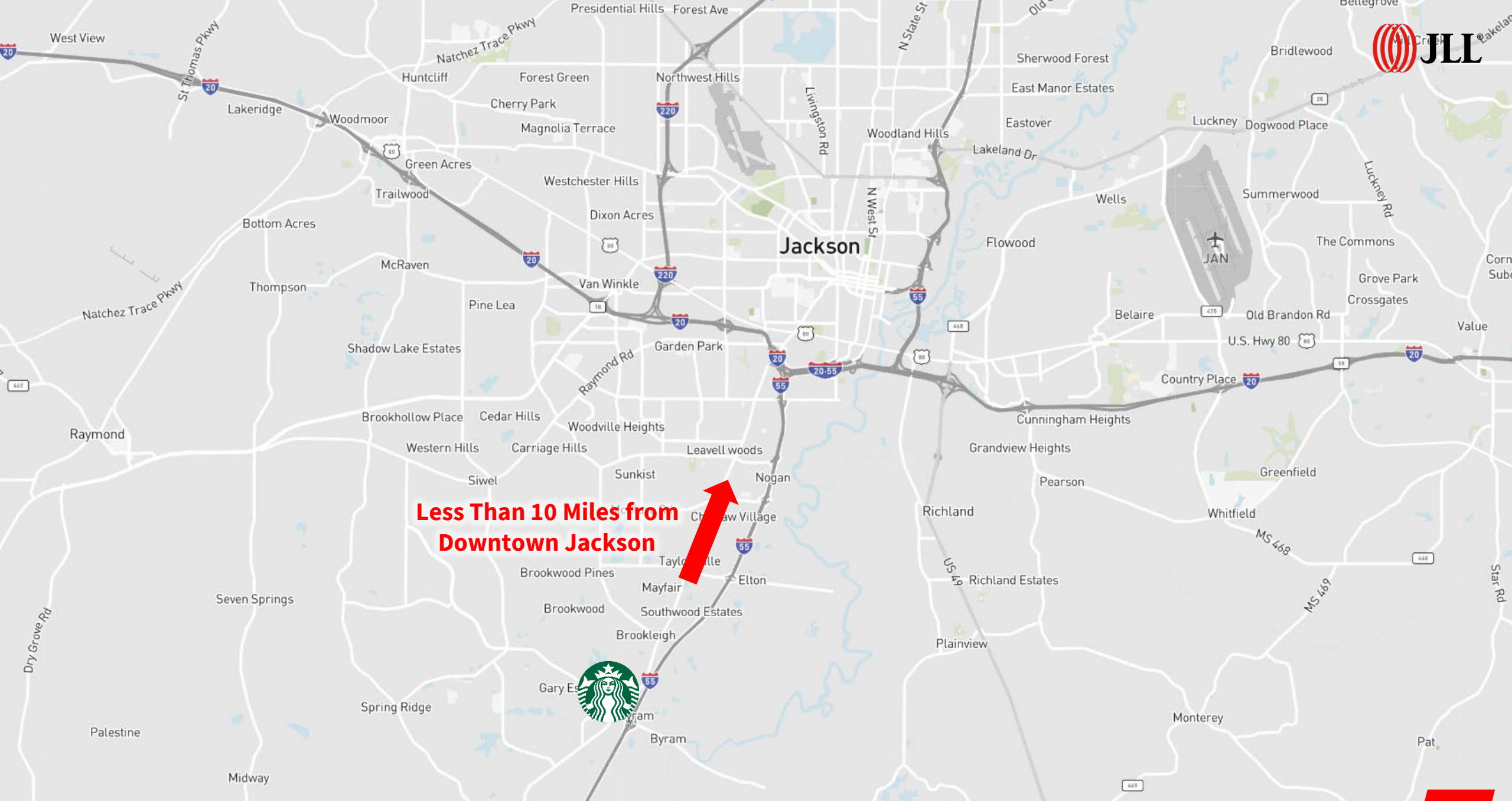
STEAK  
ESCAPE  
SANDWICH GRILL.

World Finance

SUBJECT  
PROPERTY

S Siwell Road: 22,000 VPD





**Less Than 10 Miles from  
Downtown Jackson**





# TENANT OVERVIEW

## COMPANY OVERVIEW

As the preeminent coffee company and coffeehouse chain, Starbucks (NASDAQ: SBUX) operates over 33,800 locations in more than 84 countries and serves nearly five billion cups of coffee annually. Furthermore, the Company is the largest coffee provider in the world and benefits from its strong brand loyalty.

Starbucks has performed very well in recent years, exhibiting steady revenue growth. The company was highly resilient in the face of the COVID-19 and quarterly revenues are already exceeding pre-pandemic levels. The company continues opening new locations at a rapid rate, while existing stores have also experienced growth — Starbucks posted average annual comparable store sales growth of more than 4% since 2015.



# STARBUCKS





# TENANT OVERVIEW

## RETAIL EXPANSION STRATEGY

Starbucks announced that the company plans to accelerate its expansion of convenience-led store formats, consisting of drive-thru and mobile order pickup locations. This strategy aims to satisfy the evolving customer preference toward convenience and online ordering. These convenience-led store formats also satisfy the immediate need for safer pickup options during the COVID pandemic. Even prior to the pandemic, to-go options accounted for 80% of all orders. Starbucks also has more than 19 million online rewards members, and online orders account for 17% of all sales.

*\$6.2B*

2021 EBITDA

*21.4%*

Y-o-Y EBITDA Growth

### Starbucks Company Overview

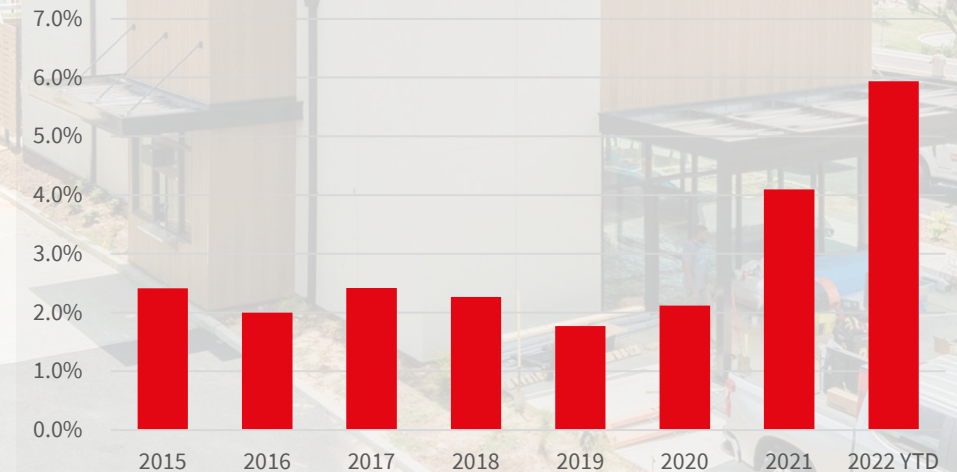
<b>Company:</b>	Starbucks Corporation
<b>Year Founded:</b>	1971
<b>Headquarters:</b>	Seattle, Washington
<b>Ownership Type:</b>	Public (NASDAQ: SBUX)
<b>Sector:</b>	Restaurants
<b>Locations:</b>	33,800+
<b>Number of Employees:</b>	383,000
<b>Credit Rating (S&amp;P):</b>	'BBB+'
<b>Market Capitalization (6/22)</b>	\$82.9 Billion
<b>Annual Revenue (TTM 4/22):</b>	\$31.3 Billion
<b>Gross Profit (TTM 4/22):</b>	\$8.7 Billion (28.9% Margin)



# MARKET OVERVIEW

The Jackson Retail Market is rebounding from the COVID-19 pandemic, with a healthy vacancy rate of 5.5% and 41,300 SF of space currently under construction. Rents have been growing steadily as well, with Q1 2022 retail rents up 5.1% from the previous year. Similarly, investment in the metro has also risen, with \$109 million worth of assets sold in the past 12 months (almost doubling the \$66 million 5-year average). The Property is located in the Outlying Hinds Retail Submarket, where a 12-month net absorption of 38,800 SF has compressed vacancies to just under 1.5%. Healthy submarket fundamentals have led to the strongest rate of annual rent growth in 5 years, as demand for retail space in Byram remains strong.

**Jackson Retail Market – Annual Rent Growth**





# LOCATION OVERVIEW

Jackson is the capital of Mississippi and home to the state's government, which employs over 25% of Jackson's 600,000 residents. Another major employment sector in the Jackson economy is the auto industry, which is anchored by the Nissan Motor Company's manufacturing facility just north of the CBD. The factory employs 4,000 Jackson residents and produces 410,000 vehicles a year, bolstering an economy that is supported by 40,000 students who attend college in the Jackson area. This young, educated labor pool combined with Jackson's inexpensive cost of doing business (ranked 7<sup>th</sup> by CNBC in 2021), is what makes the metro area one of the most prominent hubs in the South for culture, government, and commerce.





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