



1440 W SOUTHERN AVE | MESA, AZ 85202

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BROKER OF RECORD

SIMON ASSAF

License No. CO701910000 (AZ)





EXECUTIVE SUMMARY

Matthews Real Estate Investment Services™ is pleased to exclusively offer the opportunity to acquire the fee simple interest in single-tenant net leased Carl's Jr located at 1440 West Southern Avenue in Mesa, AZ (the "Property"). Situated in a heavily trafficked retail corridor in the heart of the Mesa/Phoenix MSA, this Property offers investors a well-located drive-thru restaurant outparceled to the Fiesta Plaza which sees over 37,000 vehicles per day.

INVESTMENT HIGHLIGHTS

LEASE HIGHLIGHTS

- » **Absolute Triple Net Lease** – Tenant is responsible for the direct payment of all taxes, insurance, and common area maintenance associated with the property, providing the landlord with an absolute form of passive income.
- » **Healthy Market Rent** – At \$30/SF, the tenant's rent and occupancy costs are in line with market.
- » **Strong Guarantee** – The lease is guaranteed by StarCorp, LLC, the third largest Hardee's/Carl's Jr franchisee in the nation operating 3,800+ units throughout the country.

TENANT HIGHLIGHTS

- » **Large Franchisee** – StarCorp, LLC is one of the largest operators in the entire CKE system.
- » **Portfolio Expansion** – StarCorp, LLC has been the most active franchisee in the CKE system via rapid portfolio expansion through acquisitions of existing operators and new built-to-suit developments.
- » **National Operator** – Carl's Jr offers landlords a national operator with a strong presence throughout the entire West Coast.

LOCATION HIGHLIGHTS

- » **Phoenix MSA** – Phoenix is one of the largest and most attractive real estate markets in the United States, currently experiencing rapid growth and population increases.
- » **Fiesta Mall Redevelopment** – Located directly across the street from the Property, the Fiesta Mall, a ±1M SF shopping mall, is currently being purchased and will be undergoing major renovation that will boost the area's traffic counts and consumer traffic.
- » **Mesa Community College** – Located a quarter mile down the road from the Property, Mesa Community College currently enrolls more than 12,000 students and is consistently ranked as one of the top community colleges in the state of Arizona.
- » **Retail Synergy** – The Property benefits from other national retailers in the immediate surrounding area such as McDonald's, Raising Cane's, and Olive Garden.



Hubbard Engineering



WELLS FARGO



FIESTA MALL
DEVELOPMENT



SUBJECT PROPERTY

SOUTHERN AVE ± 37,000 VPD





Banner Health
615 Beds

McDonald's **Starbucks** **FIREHOUSE SUBS**
FOUNDED BY FIREMEN
Little Caesars **CIRCLE K**

CVS pharmacy
Jersey Mike's **Jack in the box**

JIMMY JOHN'S
SINCE 1983
COURTESY SANDWICHES

Twin Palms Apartments
Westmount at Urban Trail

MESA COMMUNITY COLLEGE
± 1.1 MILES AWAY

BMO **Harris Bank**

McDonald's

TARGET
CVS pharmacy

SOUTHERN AVE ± 37,000 VPD

LONGMORE ± 25,000 VPD

SUBJECT PROPERTY

Philly Steak & Wings

VALUATION OVERVIEW



\$1,779,310
LIST PRICE



\$129,000
NOI



7.25%
CAP RATE



\$30.77
RENT/SF

SITE DESCRIPTION

Address 1440 W Southern Ave, Mesa, AZ 85202

Tenant Trade Name Carl's Jr

Lot Size (AC) ±0.48 AC

GLA (SF) ±4,193 SF

Year Built/Renovated 1985/2019

Type of Ownership Fee Simple

FINANCING INQUIRIES

For financing options reach out to:

Price Butcher
+1 (615) 216-6223
price.butcher@matthews.com

ANNUALIZED OPERATING DATA

BASE TERM	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
1/1/2020 - 5/31/2024	\$10,750.00	\$129,000.00	\$30.77	7.25%

1st 5-Year Option	\$11,556.25	\$138,675.00	\$33.07	7.79%
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2nd 5-Year Option	\$12,422.97	\$149,075.63	\$35.55	8.38%
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3rd 5-Year Option	\$13,354.69	\$160,256.30	\$38.22	9.01%
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4th 5-Year Option	\$14,356.29	\$172,275.52	\$41.09	9.68%
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TENANT PROFILE



HEADQUARTERS

Franklin, TN

YEAR FOUNDED

1966

WEBSITE

ckr.com

LOCATIONS

3,800+

CKE Restaurants Holdings, Inc. ("CKE") is the privately held parent company of Carl's Jr.® and Hardee's® headquartered in Franklin, TN. Our restaurants can be enjoyed in 44 US territories as well as internationally in 43 foreign countries including Australia, India, China, Chile, Cambodia and Kenya. The Carl's Jr./Hardee's system is now 94 percent franchised, with international restaurants representing 21% of our locations. As a subsidiary of fast food giant CKE Restaurants, Hardee's Food Systems is a leading fast food chain operator with more than 1,900 locations in some 30 states, primarily in the Midwest and Southeast. The chain offers a variety of premium-priced Angus beef hamburgers under such names as Thickburger, Six Dollar Burger, and the Monster Thickburger. Hardee's also serves up chicken sandwiches, salads, fries, and beverages, as well as dessert items. About 475 of the restaurants are operated by the company, while the rest are franchised.



AREA MAP



PHOENIX, AZ
±16 MILES



SCOTTSDALE, AZ
±11 MILES



GILBERT, AZ
±7 MILES

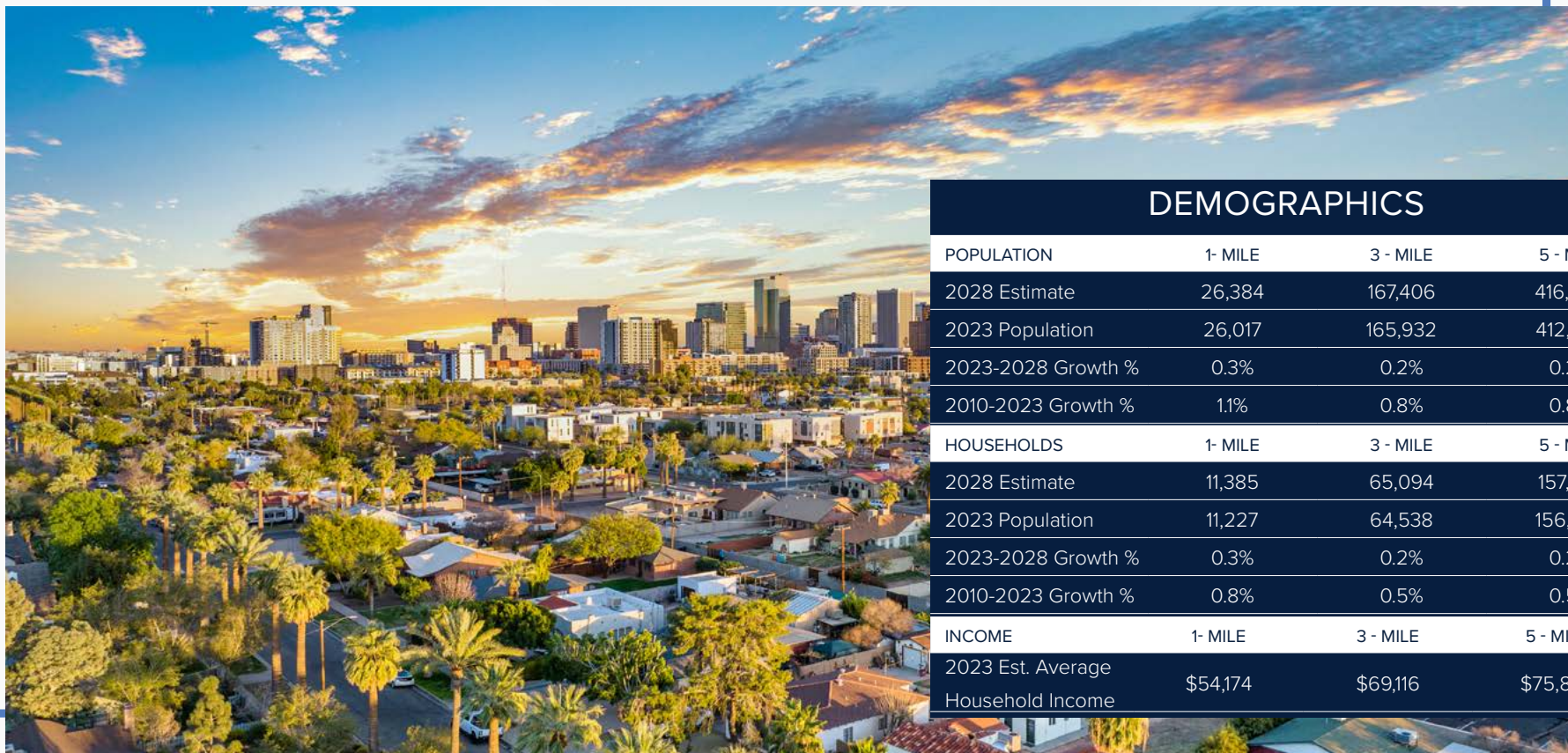


CHANDLER, AZ
±7 MILES

SUBJECT PROPERTY



AREA OVERVIEW



DEMOGRAPHICS

POPULATION	1- MILE	3 - MILE	5 - MILE
2028 Estimate	26,384	167,406	416,200
2023 Population	26,017	165,932	412,428
2023-2028 Growth %	0.3%	0.2%	0.2%
2010-2023 Growth %	1.1%	0.8%	0.8%
HOUSEHOLDS	1- MILE	3 - MILE	5 - MILE
2028 Estimate	11,385	65,094	157,847
2023 Population	11,227	64,538	156,362
2023-2028 Growth %	0.3%	0.2%	0.2%
2010-2023 Growth %	0.8%	0.5%	0.5%
INCOME	1- MILE	3 - MILE	5 - MILE
2023 Est. Average Household Income	\$54,174	\$69,116	\$75,879

MESA, AZ

Mesa is a city in Maricopa County, AZ. It is a suburb located about 20 miles east of Phoenix in the East Valley section of the Phoenix Metropolitan Area, bordered by Tempe on the west, the Salt River Pima-Maricopa Indian Community on the north, Chandler and Gilbert on the south along with Queen Creek, and Apache Junction on the east.

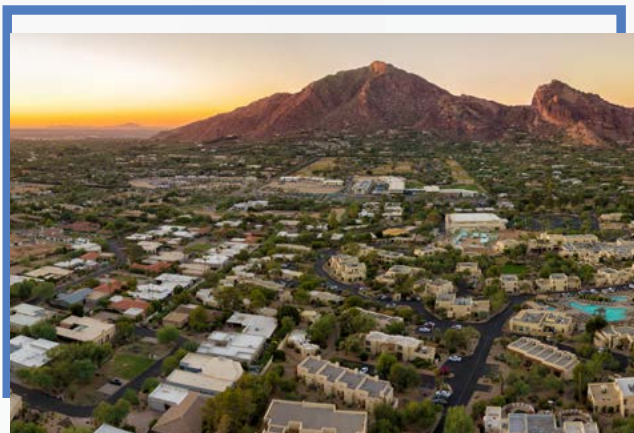
With a population of almost 500,000 residents, Mesa is the third-largest city in Arizona after Phoenix and Tucson and is the nation's largest suburban city by population, beating Miami, Minneapolis, Atlanta, and St. Louis. Mesa is home to numerous higher education facilities including the Polytechnic campus of Arizona State University and the largest community college in Arizona, Mesa Community College. It is also home to the largest relief airport in the Phoenix area, Phoenix-Mesa Gateway Airport, which is located in the southeastern corner of the city. With a booming local economy, a variety of attractions, and an extensive transportation system, businesses and families are moving to Mesa for its high quality of life.

ECONOMY

As a fast-growing suburb of the Phoenix Metro Area, Mesa's key economic industries include healthcare, education, aerospace and defense, technology, and tourism.

Mesa's healthcare facilities boast around 2,000 beds combined which includes several Banner Health hospitals, Cardon Children's Medical Center, Mountain Vista Medical Center, and many more. The healthcare and bioscience employment growth rate in the Phoenix-Mesa metro over the past 10 years is 45%, compared to 18% nationally.

In addition to high-quality K-12 schools, Mesa also has several large college campuses throughout the city including the [*Arizona State University Polytechnic Campus, Benedictine University, and Mesa Community College*](#), which have a combined student population of over 30,000 students.



Due to the 35-square-mile aerotropolis surrounding the Phoenix-Mesa Gateway Airport and the aerospace and defense manufacturing businesses surrounding Falcon Field Airport, Mesa has been [*ranked No.7 in Aerospace Manufacturing Attractiveness by PwC in 2020*](#). Companies such as Boeing, Textron, Northrop Grumman, and MD Helicopters have major operations in the city.

Several high-technology companies have operations in Mesa including [*CMC Steel, Iveda Solutions, Auer Precision, MD Helicopters, Ulthera, Edupoint, Orbital ATK, Esurance, and Apple*](#). It also boasts 5 areas of opportunity which include [*LaunchPoint, Arizona Laboratories for Security and Defense Research, Elliot Road Technology Corridor, Pecos Road Employment Opportunity Zone, and Falcon Tech Center*](#). These areas are ready to welcome tech companies looking to take advantage of the low operating costs and friendly business environment in Mesa.

From performing arts, to spring training games and other outdoor recreational experiences, Mesa is filled with tourist attractions. Mesa can accommodate lots of tourists as it boasts 65 hotels with more than 5,400 rooms throughout the city. In 2019, there were [*1.21 million overnight visitors*](#) in Mesa. Tourists that visited the city in 2019 collectively spent \$486.2 million.

ATTRACTIONS

MESA ARTS CENTER

Positioned at the heart of Downtown Mesa, Mesa Arts Center is the city's hot spot for art exhibitions and live performances. The arts center encompasses 4 theaters, 5 art galleries in the MCA Museum, and 14 art studios, making it Arizona's largest multidisciplinary arts center.

USERY MOUNTAIN REGIONAL PARK

Located on the northeastern side of the city, the Utery Mountain Regional Park is comprised of 73 individual campsites. Each campground is equipped with a large parking area that can accommodate large RVs, water and electrical hookups, picnic tables, barbecue grills, and restrooms with showers. The park is a popular spot for outdoor enthusiasts to participate in outdoor activities such as camping, hiking, mountain biking, and many more.

HOHOKAM STADIUM AND SLOAN PARK

Mesa boasts two spring training ballparks within the city: Hohokam Stadium and Sloan Park. Situated north of Downtown Mesa, Hohokam Stadium is the spring training ballpark of the Oakland Athletics. It has a seating capacity of around 10,500 fans. Situated east of the Loop 101 freeway, Sloan Park is the spring training ballpark of the Chicago Cubs. The 140-acre park is comprised of a 15,000-capacity ballpark, 7 practice fields, a city park, and a state-of-the-art workout facility and office space.

ASIAN DISTRICT

Dobson Road is home to Mesa's Asian District. Stretching from Main Street to Southern Avenue, the Asian District in Mesa is the Southwest's most vibrant center for Asian commerce, culture, and community. More than 70 Asian restaurants, 6 grocery stores, 19 services, and 8 retail businesses occupy the two-mile stretch on Dobson Road. Some popular businesses in the Asian District include Mekong Supermarket, Asiana Market, H Mart, Tasty Pot, Unphogettable, The Stone Tofu House, and many more.

ASIAN DISTRICT GROWTH

The Asian District in Mesa continues to thrive and official banners and signage will be coming to the valley soon. According to the ABC 15, the Asian District's sales tax revenue has risen 50% over the last three years. In January 2022, city leaders granted a two-year contract to buy and install street lights in the area. Mesa celebrated its first Asian Festival in February 2022.



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1440 W Southern Ave, Mesa, AZ 85202** (“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. Neither 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.

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 entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services™, the property, or the seller by such entity.

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 Owner 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 of this Offering Memorandum.

Net Lease Disclaimer - There are many different types of leases, including gross, net, single net (“N”), double net (“NN”), and triple net (“NNN”) leases. The distinctions between different types of leases or within the same type of leases, such as “Bondable NNN,” “Absolute NNN,” “True NNN,” or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant’s respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers’ particular needs.



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