



## **Single Tenant NNN Starbucks with Drive-Thru**

**1555 S San Jacinto Ave, San Jacinto CA 92583**

**Offering Memorandum**



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### PRESENTED BY

Jennie Ching, CCIM (DRE# 02018566)

(310) 779-5376 [jennie.ching@kw.com](mailto:jennie.ching@kw.com)



**KW Executive 388 E. Valley Blvd #106 Alhambra, CA 91801**



# Executive Summary



KW Commercial is pleased to present the opportunity to acquire the fee simple interest in an NNN leased, corporate signed, investment grade (S&P: BBB+) Starbucks property located in San Jacinto, Southern California, 84 miles from Los Angeles.

## Investment Highlights:

- A 2018 built, +/- 1,850 SF freestanding building on a +/- 0.51 AC lot
- Single Tenant Triplet Net Starbucks with Drive-thru (average Starbucks store sales are approx. 50% greater in locations that have a drive-thru)
- Limited landlord responsibilities: roof and structure only
- 4.5-year remaining in initial term + three 5-year options. 10% rent escalation every 5 years
- Location is near daytime workforce, Mt. San Jacinto College, and Soboba Casino & Resort
- High traffic location. Situated at San Jacinto Avenue (I-79) and Esplanade Avenue. Signalized Intersection, pad to the Stater Bros., which has operated at the site for over 25 years. **San Jacinto's major commercial and retail corridor.** Nearby national retailers include Walmart, Walgreen's, Burger King, Chase Bank, Regal Theaters, Aldi, Del Taco, Auto Zone, Habit, El Pollo Loco, Wendy's, and many more.
- Population growth area and strong demographics. Annual population growth rate is greater than CA & USA.



# Property & Lease Summary



<b>Property Address</b>	<b>1555 S San Jacinto Ave, San Jacinto, CA 92583 (APN: 439-112-018)</b>
Tenant / Lease Type	Starbucks / NNN
Rent Commencement / Expiration	June 7, 2018 / June 30, 2028
Current NOI	\$117,800
Rent Escalation	10% every 5 years
Options	Three 5-year options @ 10% rent escalation
Year Built	2018
Gross Leasable Area / Lot Size	1,850 SF / 0.51 AC
Ownership	Fee Simple (land + building ownership)
Landlord Responsibilities	Limited Landlord Responsibilities of roof and Structure Only

\* Buyer & Buyer agent to verify information during Due Diligence Period



# Offering Summary



**Price** **\$2,490,000**

**Investment Type** **NNN**

**Current Cap Rate** **4.73%**

Term	Commencement	Annual Rent	Monthly Rent	Increase	Cap Rate
Years 1-5	June 7, 2018	\$107,000	\$8,917		
<b>Years 6-10</b>	<b>July 1, 2023</b>	<b>\$117,800</b>	<b>\$9,817</b>	<b>10%</b>	<b>4.73%</b>
Option 1	July 1, 2028	\$129,470	\$10,789	10%	5.20%
Option 2	July 1, 2033	\$142,417	\$11,868	10%	5.72%
Option 3	July 1, 2038	\$156,659	\$13,055	10%	6.29%
<b>Total</b>		<b>\$2,677,730</b>			



# Aerial View



Esplanade Ave

San Jacinto Ave





# Local Map

Mt. San Jacinto College (1,600 employees, 15,000 students)



Traffic Count:  
17,916

San Jacinto Center



Stater Bros. Center



Traffic Count:  
19,219

E Esplanade Ave

Traffic Count:  
19,403



Mount San Jacinto Plaza



Valley Medical Center

Traffic Count:  
17,935

S San Jacinto Ave

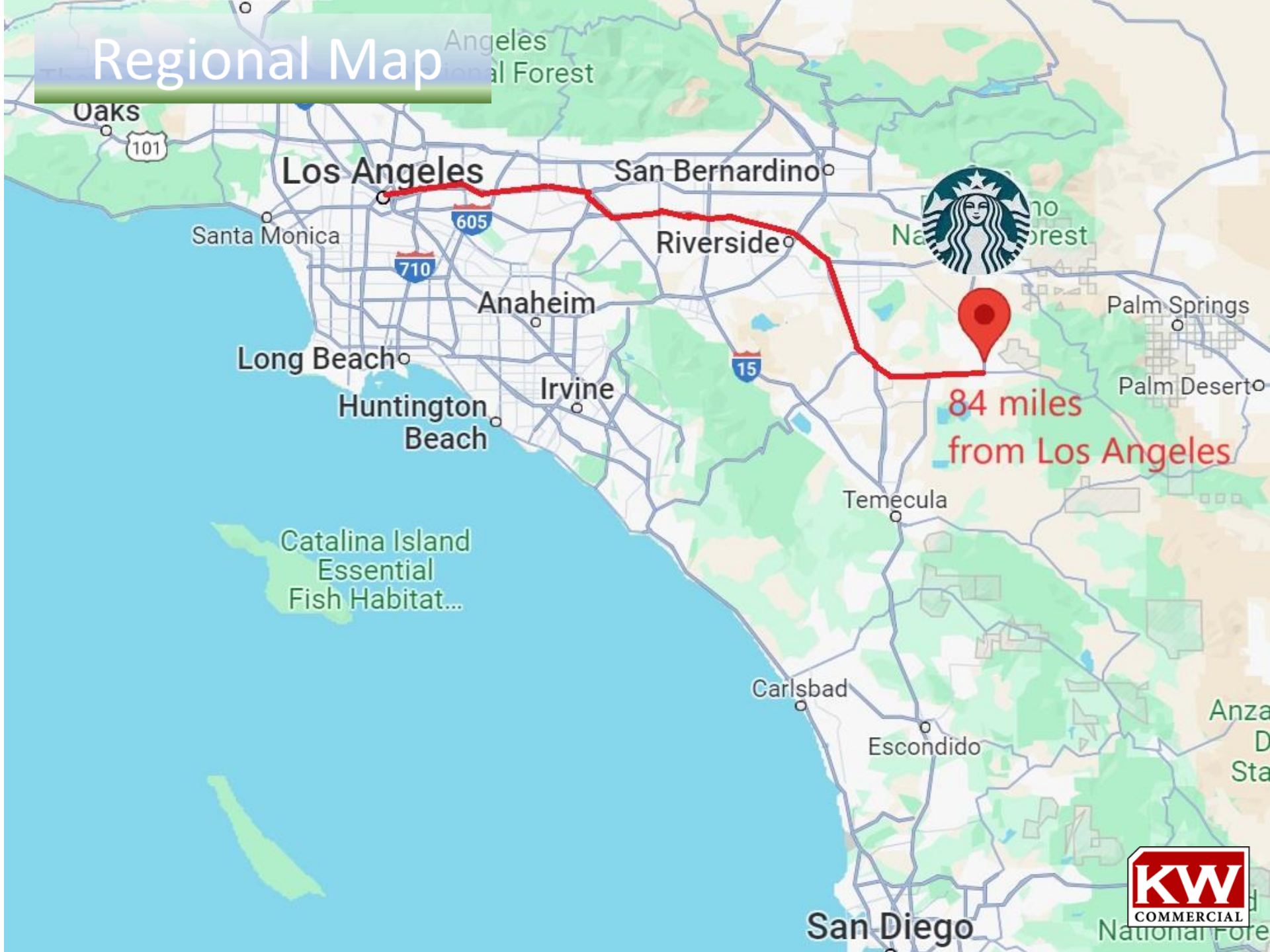
San Jacinto Unified School District (1,600 employees)



Google



# Regional Map







# Tenant Profile

- **Starbucks Corporation** was founded in 1971 and is based in Seattle, Washington. It is the world's largest coffeehouse chain.
- As of 2023, the company had 36,000+ stores in 84 markets, 15,873 of which were located in the United States
- The company is ranked 120th on the Fortune 500 and 303rd on the Forbes Global 2000, as of 2022.
- At its investor day September 2023, Starbucks projected earnings per share growth of 15% to 20% annually over the next three years and annual same-store sales growth of 7% to 9%.

## [Starbucks.com](https://www.starbucks.com)

<b>Company Type:</b>	Public
<b>Traded As:</b>	NASDAQ: SBUX
<b>Revenue:</b>	\$32.25 Billion (2022)
<b>Operating Income:</b>	\$4.62 Billion (2022)
<b>Net Income:</b>	\$3.28 Billion (2022)
<b>Total Assets:</b>	\$27.98 Billion (2022)
<b>Total Equity:</b>	\$8.70 Billion (2022)
<b>Credit Rating:</b>	S&P: BBB+

Source: <https://en.wikipedia.org/wiki/Starbucks>





# Tenant News



## Starbucks Reports Q1 Fiscal 2024 Results

Starbucks Corporation (Nasdaq: SBUX) today reported financial results for its 13-week fiscal first quarter ended December 31, 2023.

[More](#)



## Tata Starbucks to Accelerate Growth to 1,000 Stores, Double Employment in India by 2028

The strategy focuses on skilling local partners for jobs, opening new stores that serve customers with an elevated experience, and promoting Indian-origin coffee.

[More](#)



## What's next? Starbucks unveils long-term growth strategy for a limitless future

Nov 02, 2023

[More](#)



# San Jacinto Overview

**San Jacinto** is part of the Inland Empire, and a growing city in Riverside County, California . It is approximately 84 miles from Los Angeles. It is currently growing at a rate of **2.23%** annually and its population has increased by **6.83%** since the most recent census, which outpaced the state average significantly.

San Jacinto is also home to Mt. San Jacinto College and Soboba Casino Resort

## Economy

Key industries of local economy include retail trade, education & health services, transportation & warehousing, construction, leisure & hospitality, and other services.

**Top employers** include Mt. San Jacinto College, San Jacinto School District, Skyline Homes, Stater Bros, City of San Jacinto, and Soboba Casino Resort





# Inland Empire Economic Summary



- The Inland Empire is projected to grow twice as fast as rest of Southern California in next 25 years. Region expected to **grow by more than 20% by 2048** because of its potential for more housing and job creation compared to other parts of the region.
- The Inland Empire leads all Southern California markets in post-pandemic job growth and has outpaced the national average significantly, with a **7.6% gain**, based on an increase of approximately 116,000 workers.
- Employment in transportation and warehousing registers nearly **30% above** pre-pandemic levels at over 200,000 workers. **Inland Empires' job growth forecast outperforms the national average.**
- Due to the market's affordable and abundant land near Southern California's twin ports, most national retailers have established warehouse and distribution centers in the area, and third-party logistics providers expanded alongside them as e-commerce adoption accelerated. **The twin ports process roughly a third of all U.S. imports, much of which is transported further inland via rail and highway. Amazon's** operations in the market have expanded to approximately 30 industrial buildings across the Inland Empire today and becoming the market's largest public company, employing roughly 30,000 local workers.
- Now boasting 4.7 million residents, **the Inland Empire ranks as the 11th-most populated market in the nation.**



# Demographics



## POPULATION 2023 2028

1 mile	14,998	15,281
3 miles	116,534	118,504
5 miles	173,774	176,854

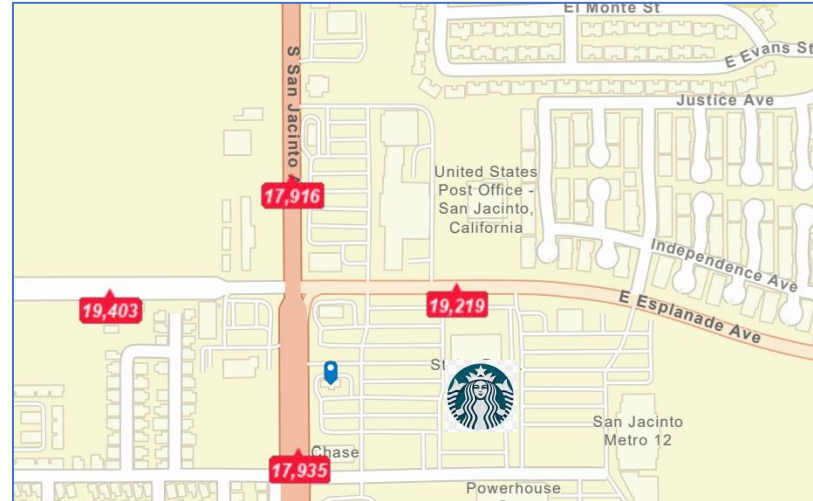
## HOUSEHOLD 2023 2028

1 mile	4,399	4,472
3 miles	37,990	38,587
5 miles	57,121	58,023

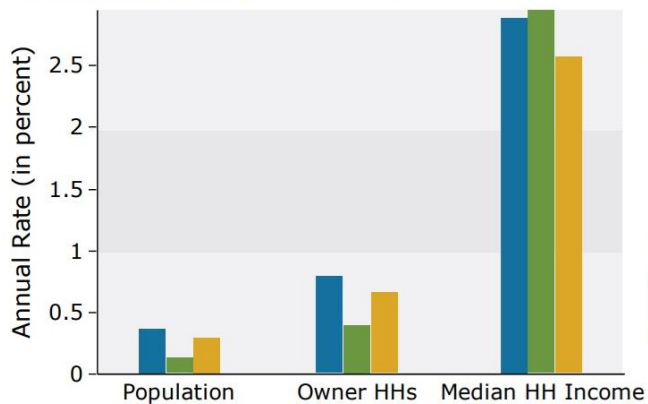
## AVG HH INCOME 2023 2028

1 mile	\$64,561	\$74,185
3 miles	\$72,679	\$84,635
5 miles	\$77,224	\$90,256

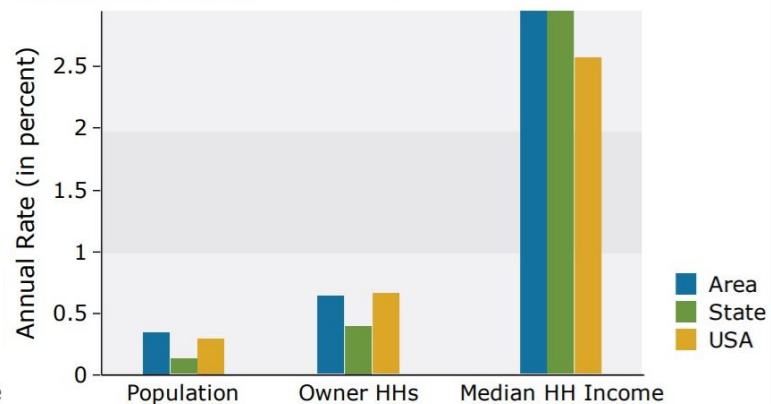
## TRAFFIC COUNTS (CPD)



Trends 2023-2028 Ring: 1 mile radius



Trends 2023-2028 Ring: 5 mile radius



\*Source: Esri







Jennie Ching, CCIM  
Director  
(310) 779-5376  
[Jennie.ching@kw.com](mailto:Jennie.ching@kw.com)  
DRE# 02018566

KW Commercial 388 East Valley Blvd., Ste.106 Alhambra, CA 91801