



2750 W THOMAS RD | PHOENIX, AZ 85017



INTERACTIVE OFFERING MEMORANDUM



## OFFERING MEMORANDUM

# CARL'S JR

2750 W Thomas Rd | Phoenix, AZ 85017

## BROKER OF RECORD

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**±4,361 SF**  
GLA



**1984**  
Year Built



**±42,327**  
Vehicles Per Day



**Abs. NNN**  
Lease Type

## EXECUTIVE SUMMARY

Matthews Real Estate Investment Services™ is pleased to exclusively offer the opportunity to acquire the fee simple interest in a single-tenant net leased Carl's Jr located at 2750 W Thomas Road in Phoenix, AZ (the "Property"). Situated in a heavily trafficked retail corridor in the heart of the Phoenix MSA, this property offers investors a well-located drive-thru restaurant outparceled to the Phoenix Commerce Center which sees over ±42,327 vehicles per day.

Carl's Jr is operating on an Absolute NNN lease and takes care of all tax, insurance, and maintenance obligations associated with the property, leaving an investor with an asset that is fully passive.

The franchisee operator, StarCorp LLC, is headquartered in Phoenix and is one of the largest Carl's Jr/Hardee's operators in the entire CKE franchising system with over 150 units under their operation.





# 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 \$25/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 ±150 units throughout the country.

## 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.
- **Strong Real Estate Fundamentals** – The property is extremely well located for a drive-thru restaurant with strong visibility, access, and traffic counts that exceed ±42,327 vehicles per day.
- **Phoenix Commerce Center** – The property sits as the only outparcel to the Phoenix Commerce strip center which boasts strong occupancy and ensures Carl's Jr access to many potential customers.
- **Retail Synergy** – The property benefits from other national retailers in the immediate surrounding area such as QuikTrip, Jack in the Box, Napa Auto Parts, Arby's, Extra Space Self Storage, and several industrial tenants.

## 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, sale leasebacks, and new build-to-suit developments.
- **National Operator** – Carl's Jr offers landlords a national operator with a strong presence throughout the entire West Coast.



# FINANCIAL SUMMARY



**\$1,861,538**  
LIST PRICE



**6.50%**  
CAP RATE



**\$27.75**  
RENT PER SF



**\$121,000\***  
NOI

## LEASE OVERVIEW

**Tenant Trade Name** Carl's Jr

**Lease Type** Absolute NNN

**Type of Ownership** Fee Simple

**Lease Commencement** 03/04/2005

**Lease Expiration** 03/31/2030

**Original Lease Term** 20 Years

**Lease Term Remaining** ±5.5 Years

**Tenant** StarCorp, LLC

**Lease Guarantor** StarCorp, LLC (150 Units)

**Rent Increases** 10% Every 5 Years

**Options** Three, 5-Year Options

**ROFR** Yes

## ANNUALIZED OPERATING DATA - BASE TERM

	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
4/1/2020 - 3/31/2025	\$9,166.67	\$110,000.04	\$25.22	5.91%
<b>*4/1/2025 - 3/31/2030</b>	<b>\$10,083.34</b>	<b>\$121,000.04</b>	<b>\$27.75</b>	<b>6.50%</b>
First Option	\$11,091.67	\$133,100.05	\$30.52	7.15%
Second Option	\$12,200.84	\$146,410.05	\$33.57	7.87%
Third Option	\$13,420.92	\$161,051.06	\$36.93	8.65%



\*Note: Offering price is based off the next 10% rent bump commencing April, 2025. Seller to credit buyer the difference at closing.\*



# PROPERTY PHOTOS







ARIZONA STATE FAIR GROUNDS



± 185,782 VPD

N 27TH AVE ± 38,141 VPD

W THOMAS RD ± 42,327 VPD



SUBJECT  
PROPERTY





DOWNTOWN PHOENIX



SUBJECT  
PROPERTY



W GRAND AVE ± 31,873 VPD

N 27TH AVE ± 33,069 VPD

W THOMAS RD ± 42,327 VPD







## TENANT PROFILE

As a subsidiary of fast food giant CKE Restaurants, Carl's Jr. Food Systems is a leading fast food chain operator with more than 3,186 locations in some 30 states, primarily on the West Coast and Southwest.

The chain offers a variety of premium-priced Angus beef hamburgers under such names as Thickburger, Six Dollar Burger, and the Monster Thickburger. Carl's Jr 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.

HEADQUARTERS  
**FRANKLIN, TN**

NET INCOME  
**\$105M**

# OF EMPLOYEES  
**33,540**



# AREA OVERVIEW

## PHOENIX, AZ

Phoenix, Arizona, is a vibrant and rapidly growing city situated in the heart of the Sonoran Desert. Known for its scorching summers and mild winters, Phoenix is the fifth-largest city in the United States and serves as the state capital. The city's economy is diverse, with strong sectors in technology, manufacturing, and tourism.

It boasts a dynamic cultural scene, including numerous museums, theaters, and sports venues. Phoenix is also surrounded by beautiful natural landscapes, such as the nearby Camelback Mountain and the Desert Botanical Garden, offering residents and visitors ample opportunities for outdoor activities. The city is renowned for its impressive architectural designs and a growing food scene that reflects its rich cultural diversity.

Culturally, Phoenix is rich and diverse, home to a vibrant arts scene, including the Phoenix Art Museum, the Heard Museum, and various galleries and performing arts venues. The city also hosts numerous annual events and festivals that celebrate its multicultural heritage.

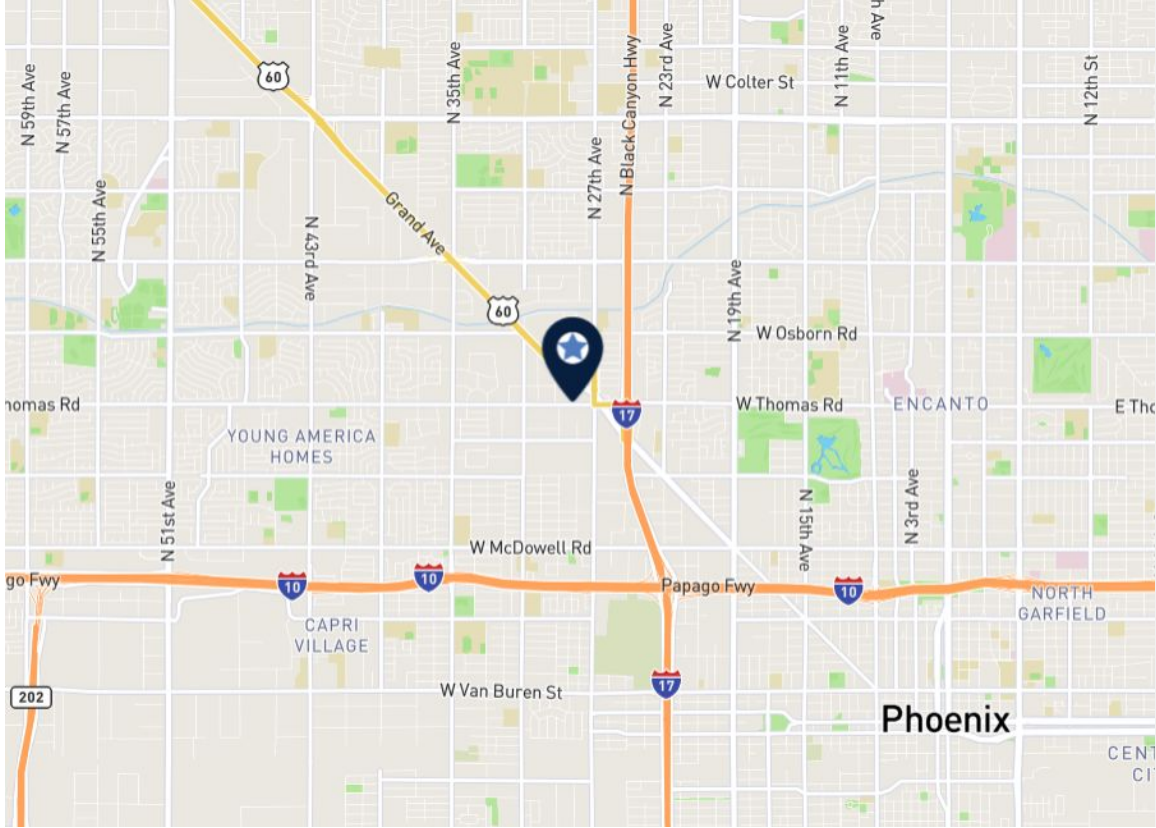
Education and innovation are key components of Phoenix's growth, with institutions like Arizona State University driving research and development. The city is also a prominent player in the healthcare industry, supported by major medical facilities and research centers.



**46.7M**  
NUMBER OF ANNUAL VISITORS



**\$500B**  
REVENUE



### DEMOGRAPHICS

POPULATION	3-MILE	5-MILE	10-MILE
Five-Year Projection	184,283	461,984	1,393,576
Current Year Estimate	182,481	452,920	1,355,038
2020 Census	182,358	441,489	1,306,395
Growth Current Year-Five-Year	0.99%	2.00%	2.84%
Growth 2020-Current Year	0.07%	2.59%	3.72%
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
Five-Year Projection	65,223	171,572	503,694
Current Year Estimate	63,255	163,808	483,373
2020 Census	57,173	147,330	448,037
Growth Current Year-Five-Year	3.11%	4.74%	4.20%
Growth 2020-Current Year	10.64%	11.18%	7.89%
INCOME	3-MILE	5-MILE	10-MILE
Average Household Income	\$85,193	\$89,128	\$104,497

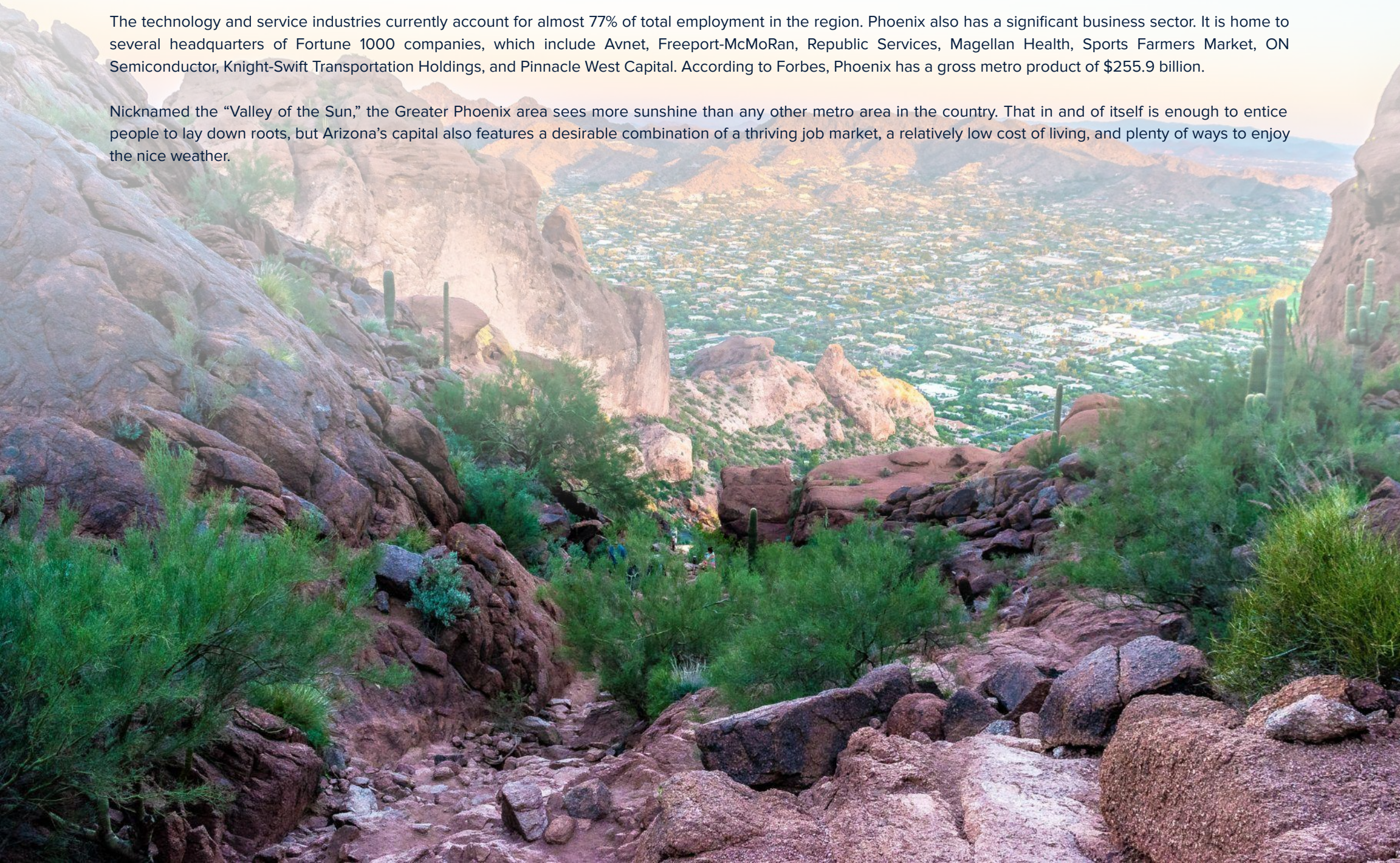


## ECONOMY

The Phoenix Metropolitan area has historically been the center of the state's economy. As with the state of Arizona, the area relied on the five C's (copper, cattle, climate, citrus, and cotton) for its economic growth and expansion. After World War II, the area entered the manufacturing industry, which spurred the growth of what would eventually be one of the largest urban areas in the nation. The economy in Phoenix is growing, as 200 new residents each day move to the state as renters search for affordability.

The technology and service industries currently account for almost 77% of total employment in the region. Phoenix also has a significant business sector. It is home to several headquarters of Fortune 1000 companies, which include Avnet, Freeport-McMoRan, Republic Services, Magellan Health, Sports Farmers Market, ON Semiconductor, Knight-Swift Transportation Holdings, and Pinnacle West Capital. According to Forbes, Phoenix has a gross metro product of \$255.9 billion.

Nicknamed the "Valley of the Sun," the Greater Phoenix area sees more sunshine than any other metro area in the country. That in and of itself is enough to entice people to lay down roots, but Arizona's capital also features a desirable combination of a thriving job market, a relatively low cost of living, and plenty of ways to enjoy the nice weather.





## SOUTH MOUNTAIN PARK AND RESERVE

At over 16,000 acres, South Mountain Park and reserve is the largest municipal park in the United States, and one of the largest urban parks in North America and the world. It has been designated as a Phoenix Point of Pride. The 30 trails across the park offer a wide variety of options for hikers and mountain bikers, from novices to the most experienced.

## PHOENIX RACEWAY

Phoenix Raceway is a 1-mile, low-banked tri-oval race track located in Avondale, Arizona, near Phoenix. The motorsport track opened in 1964 and currently hosts two NASCAR race weekends every year generating \$425 million in economic activity annually. Phoenix Raceway has also hosted the CART, IndyCar Series, USAC, and the WeatherTech SportsCar Championship. The raceway is currently owned and operated by NASCAR.

## WASTE MANAGEMENT PHOENIX OPEN

The Phoenix Open is a professional golf tournament on the PGA Tour at the Tournament Players Club (TPC) of Scottsdale, Arizona. The event's relaxed atmosphere, raucous by the standards of professional golf, has earned it the nickname "The Greatest Show on Grass" and made it one of the most popular events on the PGA Tour calendar. Waste Management estimated the total economic impact from the 2018 tournament and its fans at over \$390 million, one of the largest financial impacts of any golf event in the nation.

## CACTUS LEAGUE SPRING TRAINING

In Major League Baseball (MLB), spring training is a series of practices and exhibition games preceding the start of the regular season. Spring training has always attracted fan attention, drawing crowds who travel to the warm climate of Arizona and watch their favorite teams play. The 2018 Cactus League season generated an estimated economic impact of \$644.2 million and generated \$373 million for Arizona's GDP.

## PHOENIX ZOO

The Phoenix Zoo opened in 1962 and is the largest privately owned, non-profit zoo in the United States. Located in Phoenix, Arizona serves 1.4 million guests annually and operates on 125 acres of land in the Papago Park area of Phoenix. It has been designated as a Phoenix Point of Pride. The zoo has over 3,000 animals on display and contains 2.5 miles of walking trails.





# CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2750 W Thomas Rd, Phoenix, AZ, 85017** (“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.





**EXCLUSIVELY LISTED BY**

**BROKER OF RECORD**

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