

STARBUCKS COFFEE COMPANY CAFÉ & DRIVE-THRU OFFERING MEMORANDUM



NWC FIGUEROA AND CYPRESS, LOS ANGELES, CA

THE SHER GROUP



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NWC FIGUEROA AND CYPRESS
LOS ANGELES, CA

EXECUTIVE SUMMARY

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TENANT PROFILE

BROKER CONTACT

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THE SHER GROUP

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HIGHLIGHTS

- Rare 15 year primary term
- 100% NNN leased Starbucks Café and Drive-Thru
- Brand new 10-year Starbucks Corporate lease with options
- S&P Rated A-Corporate Credit
- Single tenant asset with minimal landlord obligations
- High traffic location off of the 5 and 110 freeways
- Indoor seating + patio area
- Brand new, 2018 construction
- Directly across from Florence Nightingale School

LOCATION

- 2 miles from Downtown LA
- Highest density in Southern California: Over 300,000 residents in 3 mile radius
- Prime Highland Park location
- Featured on **Food and Wine's** 2018 Hot Area list

INVESTMENT SUMMARY



PROPERTY DATA

Address:	3241 N. Figueroa Street, Los Angeles, CA
Asking Price:	\$6,330,000
Cap Rate:	3.75%
NOI:	\$237,500
Lease Type:	NNN
Roof & Structure Responsibility:	Landlord Responsible
Tenant:	Starbucks Corporation
Format:	Café and Drive-Thru
Lease Term:	15 years
Rental Increases:	10% increases every 5 years (including option period)
Options:	(4) 5-year options
Existing Financing:	None
Building Size:	1,939 sf
Lot Size:	16,224 sf
Parking Spaces:	18 stalls
Rent Commencement/ Store Opening Date:	September 6, 2018

INVESTMENT SUMMARY



<u>PRIMARY TERM</u>	<u>MONTHLY RENT</u>	<u>YEARLY RENT</u>
1-5	\$19,791.66	\$237,500.00
6-10	\$21,770.83	\$261,250.00
11-15	\$23,947.91	\$287,375.00
<u>EXTENSION OPTIONS:</u>	<u>MONTHLY RENT</u>	<u>YEARLY RENT</u>
16-20	\$26,342.70	\$316,112.50
21-25	\$28,976.97	\$347,723.75
26-30	\$31,874.67	\$382,496.12
31-35	\$35,062.14	\$420,745.73

AREA MAP



NEIGHBORHOOD

DISTANCE (MILES)

Highland Park 0.4

Downtown LA 2.4

Chinatown 2.5

Silver Lake 5.0

Koreatown 6.0

Hollywood 7.0

LANDMARK

DISTANCE (MILES)

Metro Gold Line: Lincoln/Cypress Station 0.4

LA Historic Park 1.0

Dodger Stadium 1.5

Elysian Park 1.5

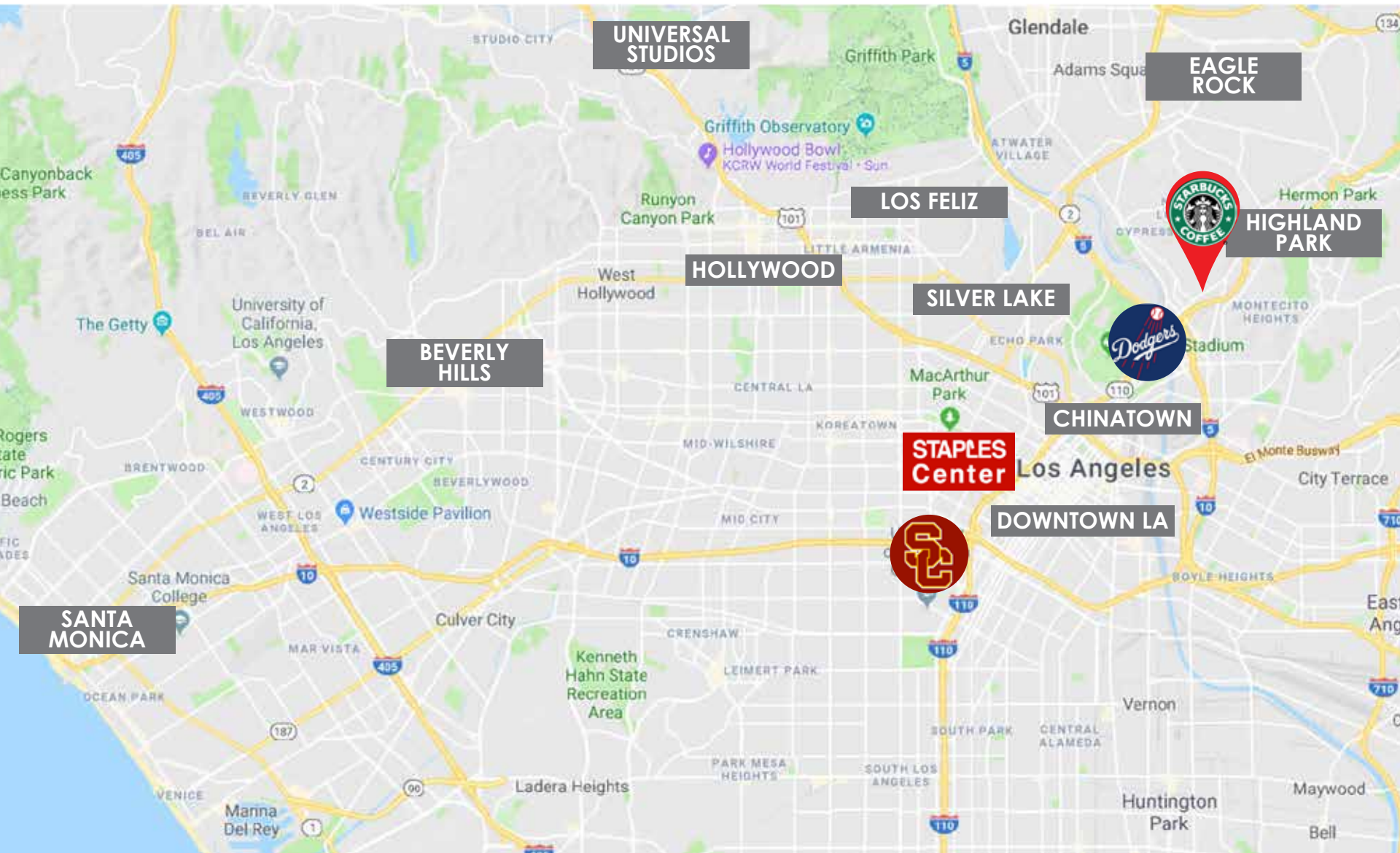
The Broad 3.0

STAPLES Center 4.5

USC 6.4



LOCATION MAP



SITE PLAN



SITE RENDERINGS



WEST ELEVATION



SOUTH ELEVATION



EAST ELEVATION

CITY OVERVIEW



CITY OF LOS ANGELES

Los Angeles, officially the City of Los Angeles and often known by its initials L.A., is the cultural, financial, and commercial center of Southern California. With a census-estimated 2015 population of 3,971,883, it is the second-most populous city in the United States (after New York City) and the most populous city in California. Located in a large coastal basin surrounded on three sides by mountains reaching up to and over 10,000 feet, Los Angeles covers an area of about 469 square miles. The city is the focal point of the larger Los Angeles metropolitan area and the Greater Los Angeles Area region, which contain 13 million and over 18 million people, respectively. Los Angeles is also the seat of Los Angeles County, the most populated county in the United States.

Nicknamed the "City of Angels," Los Angeles is known for its Mediterranean climate, ethnic diversity, and sprawling metropolis. The city is also famous as the home of Hollywood, a major center of the American entertainment industry, and one of the leaders in the world in the creation of motion pictures, recorded music, and television productions. Los Angeles also has a diverse economy in culture, media, fashion, science, sports, technology, education, medicine, and research. A global city, it has been ranked 6th in the Global Cities Index and 9th in the Global Economic Power Index. The city is home to renowned institutions covering a broad range of professional and cultural fields, and is one of the most substantial economic engines within the United States.





STARBUCKS CORPORATION

Starbucks Corporation is an American coffee company and coffeehouse chain. Starbucks was founded in Seattle, Washington in 1971. As of 2018, the company operates 28,218 locations worldwide.

Starbucks is considered the main representative of "second wave coffee," initially distinguishing itself from other coffee-serving venues in the US by taste, quality, and customer experience while popularizing darkly roasted coffee. Since the 2000s, third wave coffee makers have targeted quality-minded coffee drinkers with hand-made coffee based on lighter roasts, while Starbucks nowadays uses automated espresso machines for efficiency and safety reasons.

Starbucks locations serve hot and cold drinks, whole-bean coffee, microground instant coffee known as VIA, espresso, caffe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers; some offerings (including their annual fall launch of the Pumpkin Spice Latte) are seasonal or specific to the locality of the store. Many stores sell pre-packaged food items, hot and cold sandwiches, and drinkware including mugs and tumblers; select "Starbucks Evenings" locations offer beer, wine, and appetizers. Starbucks-brand coffee, ice cream, and bottled cold coffee drinks are also sold at grocery stores.

CONFIDENTIALITY AGREEMENT



The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Sher Group and should not be made available to any other person or entity without the written consent of The Sher Group. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Sher Group has not verified, and will not verify, any of the information contained herein, nor has The Sher Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release The Sher Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.



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