



# HABIT BURGER & MOD PIZZA

TROPHY LEASEHOLD ASSET IN THE HEART OF SILICON VALLEY

CAMPBELL, CA



CAPITAL PACIFIC





**FIVE GUYS**  
BURGER GRILL

**MOD PIZZA**  
SUPER FAST

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**TWO NATIONALLY BRANDED CORPORATE  
TENANTS SITUATED IN CORE RETAIL TRADE AREA**





## HABIT BURGER & MOD PIZZA

2000 S BASCOM AVENUE, CAMPBELL, CA 95008

**\$3,208,000**  
PRICE

**6.50%**  
CAP

LEASABLE SF  
**5,172 SF**

LOT SIZE  
**0.89 AC**

PRICE PSF  
**\$620.26**

NOI  
**\$208,548**

YEAR BUILT  
**2016**

OCCUPANCY  
**100%**

- **New construction long-term leases with scheduled rent increases every 5 years, including options**
- **Both tenant leases are absolute NNN, providing minimal landlord maintenance responsibilities and 100% pass-through of expenses\***
- **Located in the highly trafficked primary retail arterial of Campbell, across the street from the Pruneyard Retail Center**
- **Leasehold interest cash-flow growth out-paces ground lease allowing for long-term income growth**
- **Dense and affluent area of Silicon Valley, with over 580,000 residents in a 5-mile radius**

*\*Does not include ground lease*

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# Investment Highlights

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**THE OFFERING** is a recently constructed two-tenant retail strip center leasehold interest in the heart of Silicon Valley. The two nationally branded corporate tenants, The Habit Burger Grill and MOD Pizza, are on long-term leases, with increases and options to extend. Occupancy of the parcel is subject to an underlying ground lease at a below market rate, with a right of first offer to purchase the land, should the ground owner elect to sell. The rent paid by the tenants is replaceable in today's market, and out-paces the ground lease in terms of rental growth, providing income upside as well as significant depreciation potential.

**THE SUBJECT PROPERTY** is located across the street from the Pruneyard, a renowned shopping, dining, and entertainment center attracting people from all over Silicon Valley. Premium, high-cost materials were used in the ground-up construction of the building, which was completed in 2016. The property is located in an affluent, highly trafficked area of Silicon Valley, with over 580,000 residents and an average household income of \$126,724 within a 5-mile radius.

**SILICON VALLEY**, accounting for 10.4% of California's total GDP and 9.5% of the state's workforce, is a thriving region whose economy is driven by a plethora of Fortune 500 companies and world-class tech and business talent. In Silicon Valley, unemployment is well below the national average and commercial vacancy rates are among the nation's lowest.

## Contact the team

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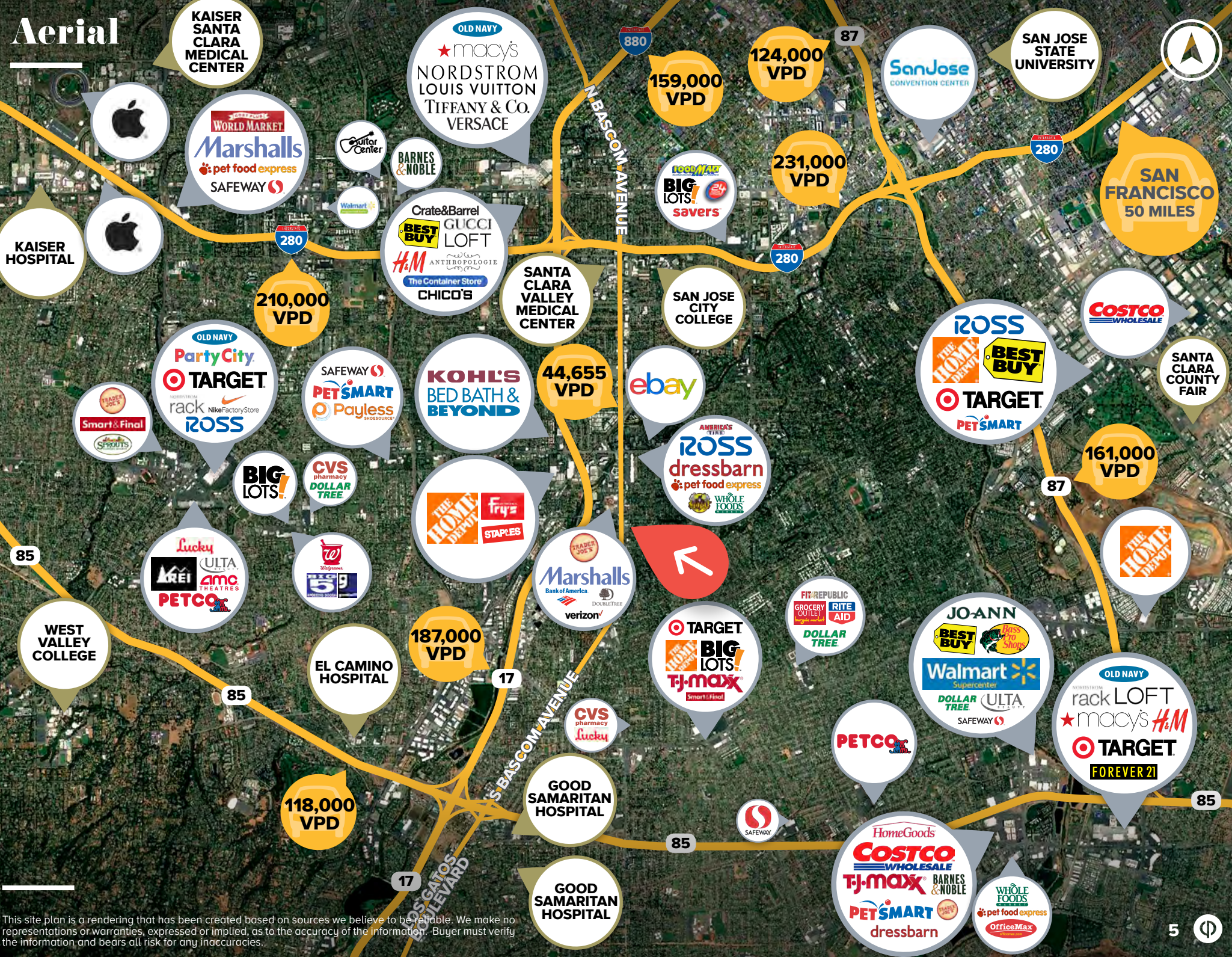


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# Aerial



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# Major Silicon Valley Retail Aerial



**THE PRUNEYARD**  
Sports Basement  
verizon  
**Marshall's**  
Bank of America  
TRADER JOE'S  
BUD'S  
TOGO'S  
FAT KID'S PIZZA  
DOUBLE TREE  
MENDOCINO FARMS sandwich market

**44,655 VPD**

**E CAMPBELL AVENUE**

**27,000 VPD**

The UPS Store  
CHIPOTLE  
Jack in the box  
SHERWIN WILLIAMS  
T-Mobile

ebay

AMERICA'S TIRE  
**ROSS dressbarn**  
pet food express  
WHOLE FOODS MARKET

pet food express

W  
Wienerschnitzel

Spitz Coffee



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# About The Region

## SAN FRANCISCO BAY AREA

San Francisco is the fourth most populous city in California, and the fourteenth most populous city in the United States. San Francisco has a diverse service economy, with employment spread across a wide range of professional services, including financial services, tourism, and technology. The Bay Area has more Fortune 500 companies (36 with combined sales of \$1.3 trillion) than any other U.S. region except New York City.

## FORTUNE 500 COMPANIES

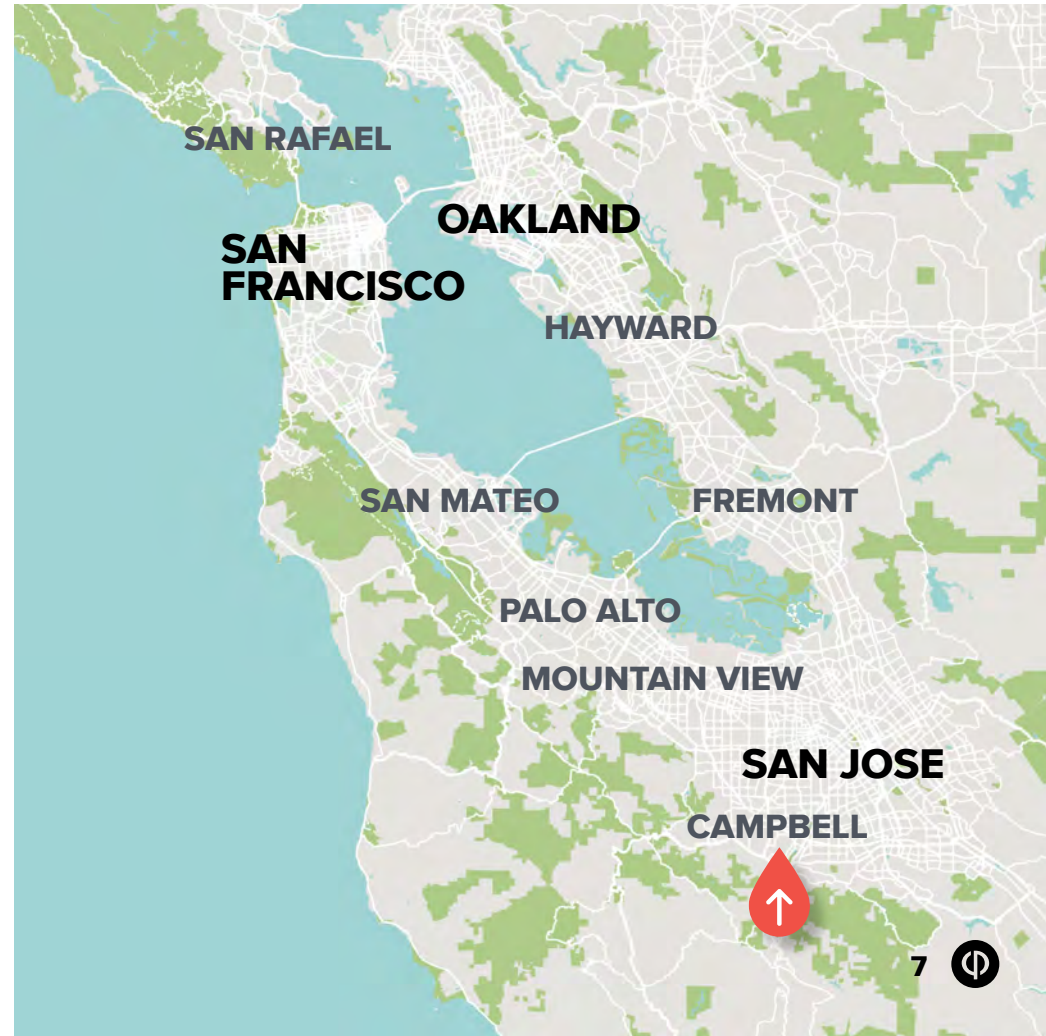
**#3** APPLE // **#27** ALPHABET (GOOGLE) // **#47** INTEL // **#59** HEWLETT PACKARD ENTERPRISE // **#60** CISCO SYSTEMS // **#81** ORACLE // **#98** FACEBOOK // **#187** VISA // **#198** SYNnex // **#264** PAYPAL // **#265** APPLIED MATERIALS // **#310** EBAY // **#314** NETFLIX // **#383** TESLA // **#387** NVIDIA // **#405** FRANKLIN RESOURCES // **#414** SANMINA // **#440** LAM RESEARCH // **#443** ADOBE SYSTEMS // **#465** SYMANTEC // **#468** NETAPP // **#493** ROBERT HALF // **#498** YAHOO

## PRIVATE COMPANIES VALUED AT \$1 BILLION+

UBER // AIRBNB // PALANTIR TECHNOLOGIES // PINTEREST // DROPBOX // STRIPE // LYFT // SOFI // CREDIT KARMA // INSTACART // DOCUSIGN // ZENEFITS // QUORA // REDDIT // COINBASE // RAZER // 23ANDME // THUMBSTACK // CLOVER HEALTH // RUBRIK // CARBON 3D // ADAPTIVE BIOTECHNOLOGIES // ZOOM TECHNOLOGIES // GLASSDOOR // EVENTBRIGHT

## NEARBY CITIES

CITY	POPULATION	MEDIAN INCOME
Mountain View	77,600	\$109k+
Los Altos	30,100	\$188k+
Palo Alto	66,650	\$137k+
San Jose	1.03 million	\$101k+
Sunnyvale	152,700	\$103k+
Cupertino	60,300	\$148k+
Santa Clara	122,700	\$102k+
San Francisco	813,500	\$103k+

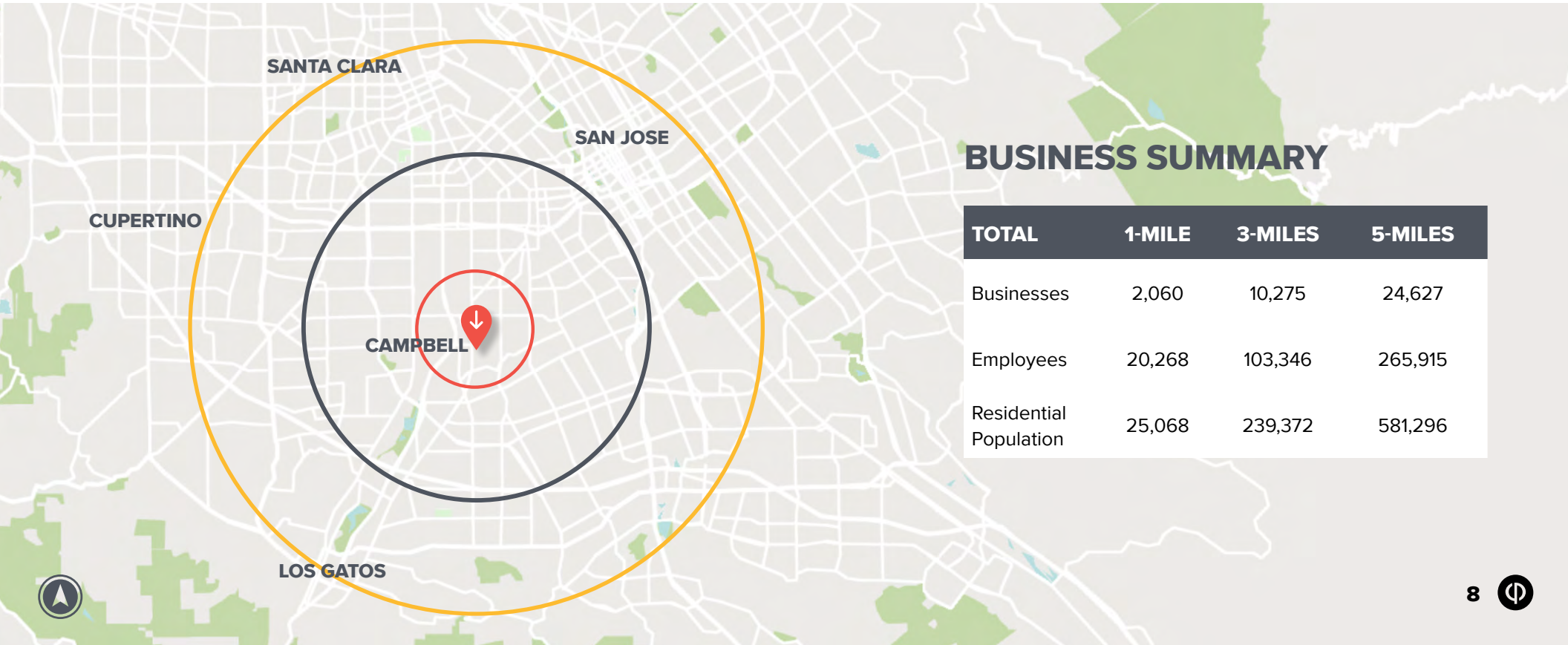


# Submarket Overview

## RETAILERS IN CLOSE PROXIMITY INCLUDE:

- America's Tire
- Bed Bath & Beyond
- Chipotle
- Denny's
- dressbarn
- Fry's Electronics
- Home Depot
- Hooters
- Jack in the Box
- Kohl's
- Lunardi's Markets
- Marshalls
- Mr. Pickle's
- O'Reilly Auto Parts
- Ross Dress for Less
- Sherwin-Williams
- Staples
- Starbucks
- Trader Joe's
- Walgreens
- Whole Foods Market

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## BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	2,060	10,275	24,627
Employees	20,268	103,346	265,915
Residential Population	25,068	239,372	581,296



# Income & Expense

		<b>CURRENT</b>
<b>Price:</b>		<b>\$3,208,000</b>
<b>Capitalization Rate:</b>		<b>6.50%</b>
<b>Price Per Square Foot:</b>		<b>\$620.26</b>
Down Payment	30%	\$962,400
Loan Amount	70%	\$2,245,600
Total Leased (SF):	100.00%	5,172
Total Vacant (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	5,172
<b>INCOME</b>		<b>P/SF</b>
Scheduled Rent	\$56.64	\$292,923
Property Tax Recovery	\$6.32	\$32,664
Insurance Recovery	\$0.39	\$1,999
CAM Recovery	\$10.45	\$54,047
Management Fee Recovery	\$1.05	\$5,405
<b>EFFECTIVE GROSS INCOME</b>		<b>\$387,039</b>
<b>EXPENSE</b>		<b>P/SF</b>
Property Taxes	(\$6.32)	(\$32,664.05)
Insurance	(\$0.39)	(\$1,999.13)
CAM Expense	(\$10.45)	(\$54,047.47)
Ground Lease - Not Reimbursable	(\$16.31)	(\$84,375.00)
Management Fee (10% of CAM)	(\$1.05)	(\$5,404.75)
<b>TOTAL OPERATING EXPENSES</b>	<b>(\$34.51)</b>	<b>(\$178,490)</b>
<b>NET OPERATING INCOME</b>		<b>\$208,548</b>

## PROPOSED FINANCING/CASH FLOW

		<b>CURRENT</b>
<b>Proposed Loan Amount</b>		<b>\$2,245,600</b>
<b>Loan To Value</b>		<b>70%</b>
<b>Interest Rate</b>		<b>5.10%</b>
Amortization		30 Year
Term		15 Year
Net Operating Income		\$208,548
Debt Service		(\$146,310)
Pre-Tax Cash Flow		\$62,239
Debt Coverage Ratio		1.43
Cash-on-cash Return		6.47%
Principal Pay down (Year 1)		\$32,538
Total Return		\$94,776
Yield		9.85%



# Rent Roll

			LEASE TERMS		RENT SUMMARY		
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY RENT	ANNUAL RENT	RENT/FT
The Habit Restaurants LLC	2,650	51.24%	01/20/16	01/19/26	\$11,262.50	\$135,150.00	\$51.00
		Increase	01/20/21	01/19/26	\$12,388.75	\$148,665.00	\$56.10
		Option 1	01/20/26	01/19/31	\$13,627.62	\$163,531.44	\$61.71
		Option 2	01/20/31	01/19/36	\$14,990.16	\$179,881.92	\$67.88
MOD Super Fast Pizza, LLC	2,522	48.76%	03/26/16	03/25/26	\$10,928.67	\$131,144.04	\$52.00
		Increase	03/26/21	03/25/26	\$12,021.53	\$144,258.36	\$57.20
		Option 1	03/26/26	03/25/31	\$13,223.68	\$158,684.16	\$62.92
		Option 2	03/26/31	03/25/36	\$14,546.05	\$174,552.60	\$69.21
<b>OCCUPIED</b>	<b>5,172</b>	<b>100.00%</b>			<b>\$24,410.28</b>	<b>\$292,923.36</b>	<b>\$56.64</b>
<b>VACANT</b>	<b>0</b>	<b>0.00%</b>					
<b>CURRENT TOTALS</b>	<b>5,172</b>	<b>100.00%</b>					

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# Lease Abstract - Ground Lease

## PREMISE & TERM

<b>RENT COMMENCEMENT</b>	May 28, 2014
<b>TERM</b>	20 years
<b>OPTIONS</b>	Three 10-year options

## RENT

### BASE RENT

<b>DATE RANGE</b>	<b>MONTHLY RENT</b>	<b>ANNUAL RENT</b>
Years 1-5	\$6,250	\$75,000
Years 6-10	\$7,031	\$84,375
Years 11-15	\$7,910	\$94,922
Years 16-20	\$8,899	\$106,787

### OPTION RENTS

<b>DATE RANGE</b>	<b>MONTHLY RENT</b>	<b>ANNUAL RENT</b>
Years 21-25	\$10,011	\$120,136
Years 26-30	\$11,263	\$135,153
Years 31-35	\$12,671	\$152,047
Years 36-40	\$14,254	\$171,052
Years 41-45	\$16,036	\$192,434
Years 46-50	\$18,041	\$216,488

**THE SUBJECT PROPERTY** is a leasehold interest, including improvements and right to occupy the parcel only. The underlying land (the “Ground Lease”) is owned by a separate party (the “Ground Lessor”). Rent is paid to the Ground Lessor by the holder of the leasehold interest (Purchaser). The schedule of these rent payments can be seen detailed on this page.

**THE GROUND LEASE** commenced on May 28, 2014, and is set to expire 20 years thereafter, on May 31, 2034. There are three 10-year options to extend at the sole discretion of the Ground Lessee (Purchaser). The Ground Lessee pays its pro-rata share of the common area expense, and an 81.5% share of property taxes assessed against the Parcel. Upon expiration of the Ground Lease, the ownership of the leasehold interest shall revert to the Ground Lessor.

**RIGHT OF FIRST OFFER** - Ground Lessee (Purchaser) shall have the right of first offer to purchase the land. If the Ground Lessor markets the land for sale, they must notify Lessee, who will then have ten (10) days following written notice to submit an offer.



# Lease Abstract - Habit Burger

## PREMISE & TERM

<b>TENANT</b>	The Habit Restaurants, LLC
<b>BUILDING SF</b>	2,650 SF
<b>LEASE TYPE</b>	NNN
<b>TERM</b>	10 Years
<b>RENT COMMENCEMENT</b>	1/20/2016
<b>EXPIRATION</b>	1/19/2026
<b>OPTIONS</b>	Two 5-year Options

## RENT

### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
1/20/2016 to 1/19/2021	\$11,263	\$135,150
1/20/2021 to 1/19/2026	\$12,389	\$148,665

### OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 1/20/2026 to 1/19/2031	\$13,628	\$163,531
#2. 1/20/2031 to 1/19/2036	\$14,990	\$179,882

## EXPENSES

**TENANT'S OBLIGATIONS** - Tenant, at its sole expense, shall keep premises in good order and repair, install and maintain fire protection, maintain interior of building

**LANDLORD'S OBLIGATIONS** - Landlord shall repair and maintain roof and structure at subject to reimbursement by tenant

**TAXES** - Tenant pays pro rata share of property taxes

**INSURANCE** - Tenant pays pro-rata share of insurance

**UTILITIES** - Tenant directly contracts third party providers and pays all utilities

**CAM** - Tenant pays pro rata share of operating expenses, management fee will not exceed 10% of total Operating Expenses (Include tax and insurance)

**ASSIGNMENT/SUBLETTING** - Requires written consent of landlord

**EARLY TERMINATION** - None

**RIGHT OF FIRST REFUSAL** - None

**RIGHT OF FIRST OFFER** - None

**ESTOPPELS** - Tenant shall deliver estoppel certificates within 10 days written request from landlord.

## LEASE PROVISIONS



# Lease Abstract - MOD Pizza

## PREMISE & TERM

<b>TENANT</b>	MOD Super Fast Pizza (California), LLC
<b>BUILDING SF</b>	2,522 SF
<b>LEASE TYPE</b>	NNN
<b>TERM</b>	10 Years
<b>RENT COMMENCEMENT</b>	3/26/2016
<b>EXPIRATION</b>	3/25/2026
<b>OPTIONS</b>	Two 5-year Options

## RENT

### BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
3/26/2016 to 3/25/2021	\$10,929	\$131,144
3/26/2021 to 3/25/2026	\$12,022	\$144,258

### OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 3/26/2026 to 3/25/2031	\$13,224	\$158,684
#2. 3/26/2031 to 3/25/2036	\$14,546	\$174,553

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## EXPENSES

**TENANT'S OBLIGATIONS** - Tenant, at its sole expense, shall keep premises in good order and repair, install and maintain fire protection, maintain interior of building

**LANDLORD'S OBLIGATIONS** - Landlord shall repair and maintain roof and structure at subject to reimbursement by tenant

**TAXES** - Tenant pays all property taxes

**INSURANCE** - Tenant pays pro-rata share of insurance

**UTILITIES** - Tenant directly contracts third party providers and pays all utilities

**CAM** - Tenant pays pro rata share of operating expenses, not to increase in excess of 5% from the prior year

## LEASE PROVISIONS

**ASSIGNMENT/SUBLETTING** - Requires written consent of landlord

**EARLY TERMINATION** - None

**RIGHT OF FIRST REFUSAL** - None

**RIGHT OF FIRST OFFER** - None

**ESTOPPELS** - Tenant shall deliver estoppel certificates within 20 days written request from landlord.



# Site Plan



5,172  
RENTABLE SF



0.89  
ACRES



75 SPACES  
14.5 SPACES  
PER 1,000 SF



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## ABOUT HABIT BURGER

The Habit Burger Grill is a burger-centric, fast casual restaurant concept that specializes in preparing fresh, made-to-order chargrilled burgers and sandwiches featuring USDA choice tri-tip steak, grilled chicken and sushi-grade albacore tuna cooked over an open flame. Since opening the first location in 1969, Habit has grown to over 190 restaurants in 10 states throughout California, Arizona, Utah, New Jersey, Florida, Idaho, Virginia, Nevada, Washington and Maryland as well as two international locations. The company had a total revenue of approximately \$331.7 million fiscal year 2017, an increase from \$283.8 million in fiscal year 2016.

331 M<sup>+</sup>

TOTAL REVENUE IN  
FISCAL YEAR 2017

## ABOUT MOD PIZZA

MOD Pizza is a chain of fast casual pizza restaurants based in the U.S. The chain offers individual, artisan style pizzas as well as 10 classic pizzas. Customers have the option to build their own pizza or salad for the same price regardless of the number of toppings. MOD currently operates over 400 locations in 28 states and the United Kingdom and is growing rapidly. In 2015, MOD Pizza raised \$40 million in new funding for a total of \$70 million in investment capital to fund an aggressive national growth strategy. MOD's growth is also accelerated by the addition of several franchise partnerships. The "purpose-led fast casual concept" reported that system-wide sales grew 81% to \$275 million in 2017 and shows no signs of slowing.


28 U.S. STATES  
AND IN THE UK

400<sup>+</sup>




# Demographics

## POPULATION

	1-MILE	3-MILES	5-MILES
2010	23,596	223,228	538,501
2018	25,068	239,372	581,296
2023	26,238	250,287	608,540

## 2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$121,742	\$128,745	\$132,845
Median	\$86,718	\$94,211	\$95,004

## SANTA CLARA COUNTY TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Apple	25,000
Alphabet/Google	20,000
County of Santa Clara	18,244
Stanford University	16,919
Cisco Systems	15,700



**THE AVERAGE HOUSEHOLD  
INCOME WITHIN A 5-MILE RADIUS  
IS OVER \$132K**



# CAMPBELL, CALIFORNIA



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**SILICON VALLEY** is located on the southern and western edges of the San Francisco Bay. It encompasses four counties, Santa Clara County (all cities), San Mateo County (all cities), Alameda County (Fremont, Newark, and Union City), and Santa Cruz County (Scotts Valley). The region covers 1,854 square miles, and has an estimated population of 3.05 million. The largest city within Silicon Valley is San Jose, with a population of 1.02 million.

Silicon Valley is a major center and global leader in the tech, biotech, internet, and ecommerce sectors. California's economy is the largest within the United States and 5th largest globally, with a gross domestic product of \$2.5 trillion. Silicon Valley alone contributes 10.4% of California's total GDP.

**CAMPBELL** is an affluent city located in Silicon Valley, southwest of San Jose. The city is served by several major roads including Highway 17 and Highway 85, and has three VTA light rail stations. Campbell's historic downtown, filled with gourmet restaurants, bars, cafes, and shops, along with its weekly farmer's market attract visitors from all over the Bay Area.

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## 3.05 MILLION



**SILICON VALLEY  
POPULATION  
(ESTIMATED)**

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# Silicon Valley Economy

Silicon Valley is a major center and global leader in the tech, biotech, internet, and ecommerce sectors. Home to numerous tech giants and startups, Silicon Valley.

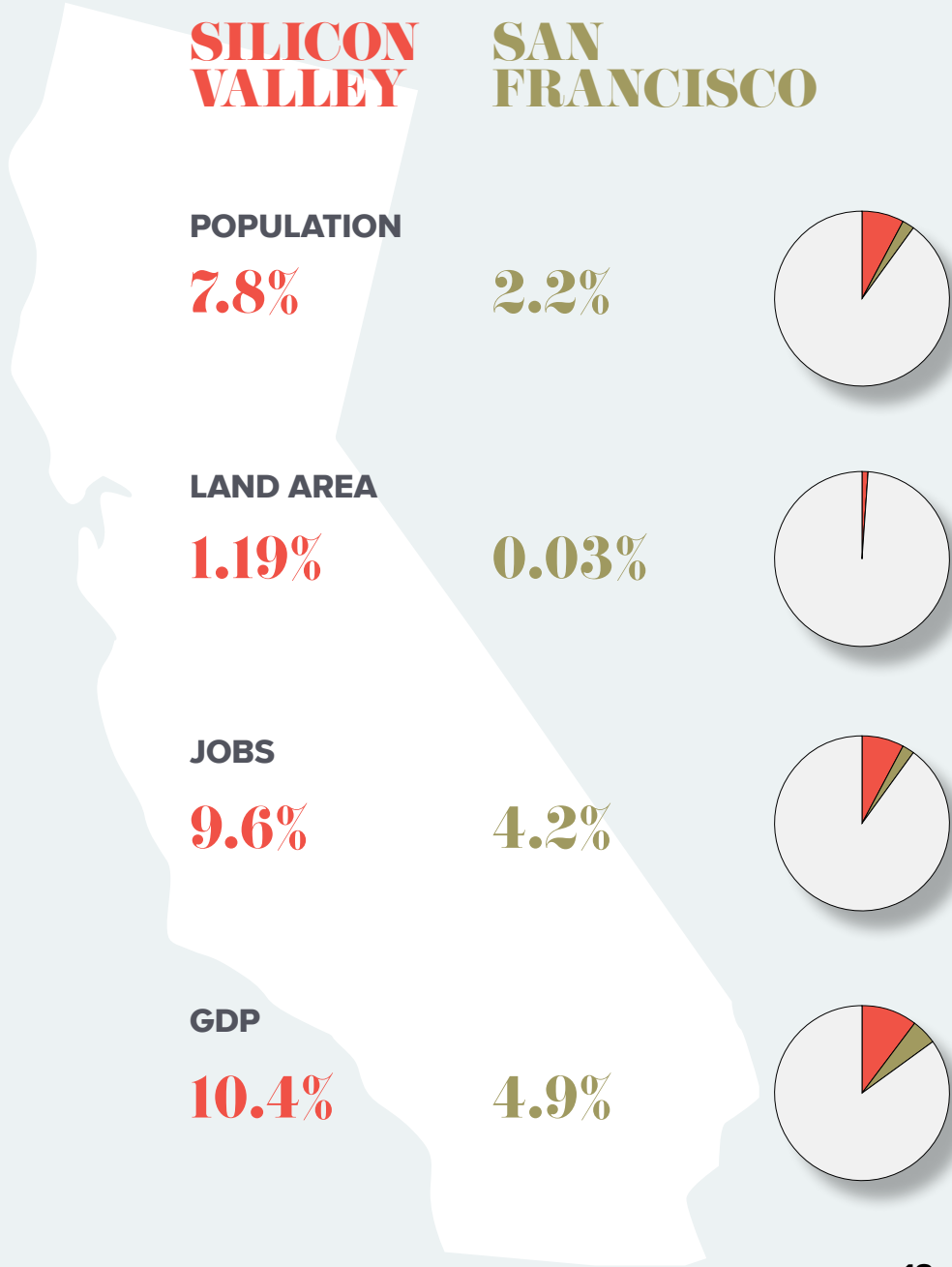
California's economy is the largest within the United States and 5th largest globally, with a **gross domestic product of \$2.7 trillion**. Silicon Valley alone contributes 10.4% of California's total GDP.

Silicon Valley created **297,000 new jobs since 2010**, with over 47,000 new jobs in 2017. The tech sector in Silicon Valley saw significant year-over-year job growth with 3.3%, while San Francisco saw 6.3% growth. Silicon Valley's unemployment rate was 2.5% at the end of 2018, compared to 4.2% in California, and 3.9% in the U.S. overall.

Silicon Valley continues to be a **high-income region**, with average annual earnings reaching their highest level to date at \$130,879 per household.

For more information, [\*\*CLICK HERE\*\*](#).

## The Region's share of California's Economic Drivers



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# We'd love to hear from you.

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TOGETHER | OUTPERFORMING





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