



WHATABURGER

5427 S POWER RD | MESA, AZ 85212



REPRESENTATIVE PHOTO

INVESTMENT OPPORTUNITY

\$3,600,000 | 3.75% CAP RATE

Kyle Davis
D 480.889.2566 | M 203.419.5385
kdavis@cpiaz.com

 **COMMERCIAL PROPERTIES INC.**
Locally Owned, Globally Connected. 
TEMPE: 2323 W. University Drive, Tempe, AZ 85281 | 480.966.2301
SCOTTSDALE: 8777 N. Garney Center Dr., Suite 245, Scottsdale, AZ 85258 | www.cpiaz.com

INVESTMENT OFFERING

5427 S POWER RD PHOENIX, AZ 85212

PREPARED OCT 2021

OFFERING MEMORANDUM DISCLAIMER

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The broker has an ownership interest in this property.

INVESTMENT ADVISOR

KYLE DAVIS

D 480.889.2566

M 203.419.5385

KDAVIS@CPIAZ.COM

COMMERCIAL PROPERTIES, INC.

a CORFAC International Firm

2323 W. University Dr.

Tempe, Arizona 85281





WHATABURGER

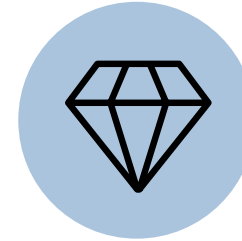
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PROJECT DESCRIPTION

The subject offering is an opportunity to acquire a 100% fee-simple interest in a long-term absolute NNN Whataburger ground lease. The asset has an attractive 15 year initial term with 10% increases every 5 years and has 3-5 year options at 10% increases for each option. Whataburger currently boasts the third highest average sales per unit amongst national QSR's at \$3,197,000/unit and has approx. 844 Units as of 2020. This asset is strategically located in the Phoenix-Mesa Gateway Airport/Gilbert Gateway border which services Gilbert, Mesa, and Queen Creek communities. This location has excellent proximity to the Phoenix-Mesa Gateway Airport, which is projected to service a +2.2M passenger volume by 2027, and ASU Polytechnic Campus; in addition to numerous national credit tenants such as Walmart, Target, Michaels, Ross and much more.



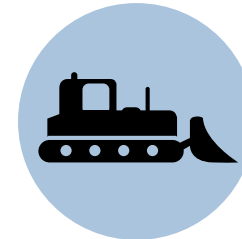
REPRESENTATIVE PHOTO



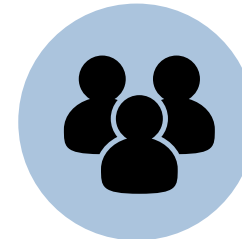
SURROUNDED BY CLASS A SHOPPING CENTERS



MORE THAN 6,000 STUDENTS AT ASU POLYTECHNIC CAMPUS - LESS THAN 1 MILE AWAY



TRADE AREA HAS 165 ACTIVE & PLANNED HOUSING DEVELOPMENTS



16,000 EMPLOYEES AT PHOENIX-MESA GATEWAY AIRPORT



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LOCATION

ADDRESS	5427 S POWER RD MESA, AZ 85212
MARKET / SUBMARKET	PHOENIX / GATEWAY AIRPORT
PARCEL NUMBER	304-37-018C
LAND SIZE	±105,003 SF
OPPORTUNITY ZONE	YES

INVESTMENT INFORMATION

SALE PRICE	\$3,600,000
CAP RATE (ACTUAL)	3.75%
CAP RATE (AVERAGE)	4.14%
NOI	\$135,000





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OFFERING SUMMARY

WHATABURGER - ABSOLUTE NNN GROUND LEASE

TENANT NAME	WHATABURGER
LOT SIZE	±2.41 ACRES
YEAR BUILT	SCHEDULED 2022
LEASE BEGINS	APRIL 5, 2021
ESTIMATED COMMENCEMENT	JUNE 6, 2022
LEASE ENDS	15 YEARS AFTER
ANNUAL RENT	\$135,000
INCREASES	10% EVERY 5 YEARS
BUYER CREDIT	\$50,387 - EXPLAINED BELOW

	<u>NET OPERATING INCOME</u>	<u>CAP</u>
YEARS 1-5	\$135,000	3.75%
YEARS 6-10	\$148,500	4.13%
YEARS 11-15	\$163,350	4.54%
YEARS 16-20	\$179,685	4.99% *OPTION 1
YEARS 21-25	\$197,636	5.49% *OPTION 2
YEARS 26-30	\$217,419	6.04% *OPTION 3

*As part of Lease Landlord is agreed to provide Tenant a rent credit for Tenant procured Survey up to \$3,000 and a rent credit for Tenant costs to remove existing improvements up to \$47,387. Seller will provide Buyer Credit of \$50,387 to cover these rent credits.

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WHATABURGER

Whataburger is an American regional fast food restaurant chain, based in San Antonio, Texas, that specializes in made-to-order hamburgers served on a toasted bun with all “the extras” to suit each customer’s taste. Newsweek ranked Whataburger #2 on its 2021 list of “America’s Best Customer Service” brands in the Fast Food category. The company’s core products include the “Whataburger”, the “Whataburger Jr.”, the “Justaburger”, the “Whatacatch” (fish sandwich), the “Whatachick’n” (chicken), and the “Whatacaco” (taco).

The company also offers a breakfast menu. Whataburger’s following has grown exponentially in its 70-year history, thanks to a number of features, including its famous burgers and growing list of menu items; its iconic orange-and-white-striped A-Frame restaurants; its Fancy Ketchup that even has its own Facebook fan page; and its on-screen presence in everything from “King of the Hill” to “Friday Night Lights.” Whataburger has 2.1 million+ Facebook followers and 1.2 million+ Twitter followers.

The company, founded by Harmon Dobson and Paul Burton, opened its first restaurant in Corpus Christi, Texas in 1950. The chain is owned and operated by the Dobson family, along with 25 franchisers. June 2019, BDT Capital Partners, made a majority investment in Whataburger. Today, there are over 840 locations in 370+ communities, across 10 states. Whataburger has 50,000 employees and more than 14 million customers. Whataburger has had sustained revenue growth over the last decade and currently brings in approximately \$2.5 billion in U.S. system-wide sales annually.



- #2 “America’s Best Customer Service” Fast Food Category - Newsweek (2021)
- #6 “QSR Top 50” QSR Magazine (2020)
- #3 “Top Regional Fast Food” USA Today’s Best Readers’ Choice Travel Awards (2019)



\$2.5 BILLION
IN ANNUAL SALES



840+ LOCATIONS
IN TEN STATES



22,500+ EMPLOYEES



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Rank	Company	Category	2020 Avg Sales/Unit Thousands	2020 Total Units
1	Chick-fil-A*	Chicken	\$ 5,013.00	2,607
2	Raising Cane's	Chicken	\$ 3,850.00	509
3	Whataburger	Burger	\$ 3,197.00	844
4	In-N-Out Burger*	Burger	\$ 3,060.00	365
5	McDonald's	Burger	\$ 2,944.00	13,682
6	Culver's	Burger	\$ 2,624.00	782
7	Five Guys	Burger	\$ 2,575.00	1,382
8	Panera Bread*	Sandwich	\$ 2,500.00	2,175
9	Krispy Kreme*	Snack	\$ 2,259.00	369
10	Chipotle	Global	\$ 2,200.00	2,750

*information from by Cire Properties

[Average Unit Volume for QSR Chains - CIRE \(cirepartners.com\)](https://www.cirepartners.com)

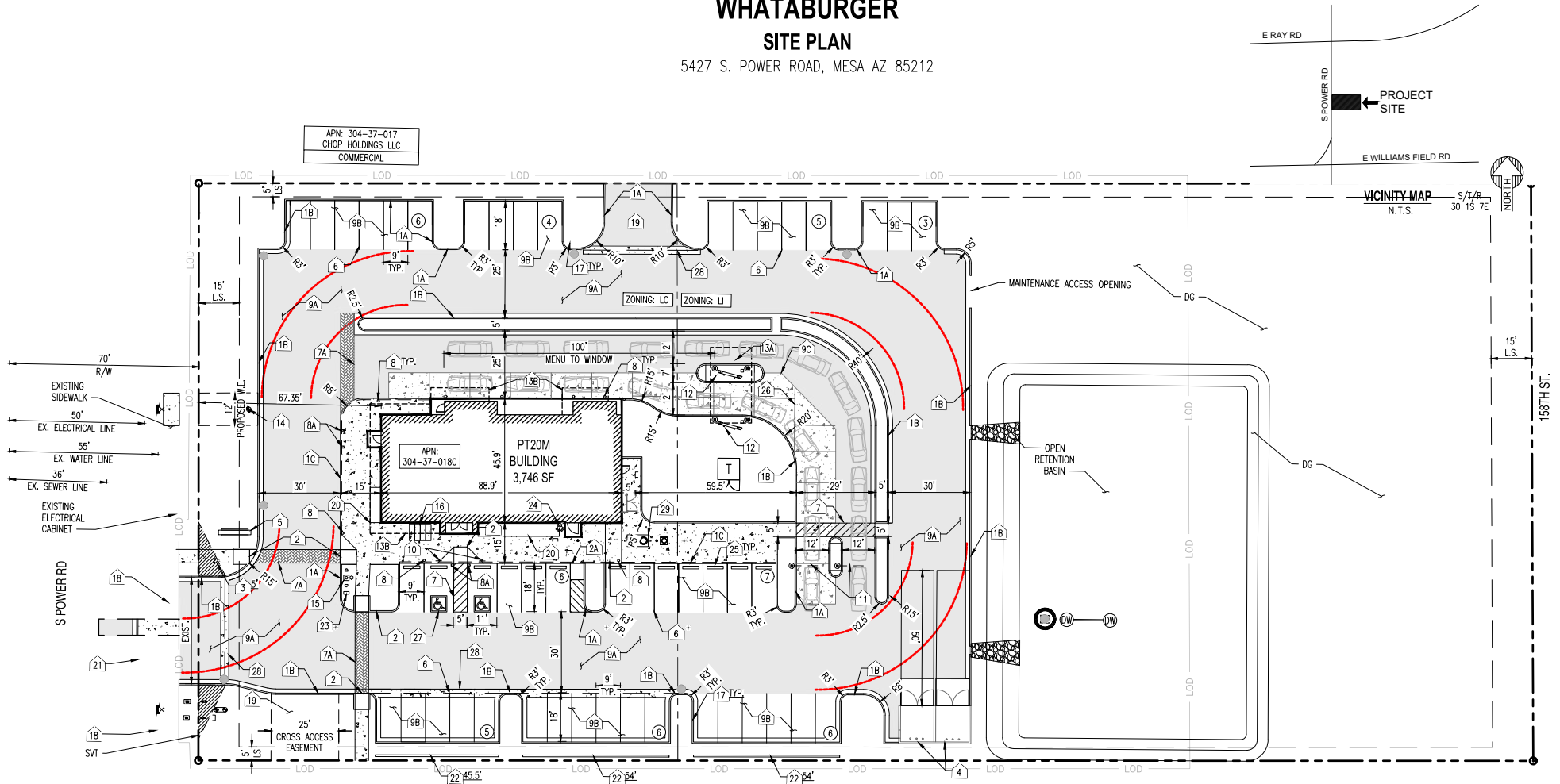


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WHATABURGER SITE PLAN

5427 S. POWER ROAD, MESA AZ 85212





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NEW INDUSTRIAL DEVELOPMENTS

AIRGATE 1	143,000 SF
GATEWAY COMMERCE CENTER	147,000 SF
LANDING	525,000 SF
THE CONFLUENCE @ MESA GATEWAY	515,000 SF
GATEWAY EXECUTIVE CENTER	185,000 SF
SKYBRIDGE	1,000,000 SF
PECOS 10	115,000 SF

AIRPORT AREA MAJOR EMPLOYERS

APPLE GLOBAL COMMAND CENTER
ASU POLYTECHNIC
ZF TRW VEHICLE SAFETY SYSTEMS
ABLE AEROSPACE SERVICES, A TEXTRON CO.
FUJIFILM
CMC STEEL
CHANDLER GILBERT COMMUNITY COLLEGE

HOUSING DEVELOPMENTS

EASTMARK	3,500 HOMES ZONED FOR 15,000 HOMES
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MESA EDUCATION FACILITIES

ASU POLYTECH CAMPUS	9,752 STUDENTS
EAST VALLEY INSTITUTE OF TECHNOLOGY	573 STUDENTS
CHANDLER GILBERT COMMUNITY COLLEGE	19,000 STUDENTS





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City Of Mesa Overview

Business Environment

Mesa: A Smart Location for Intelligent Companies

With a population of over 500,000, Mesa, Arizona is the 35th largest city in the United States and second largest in the Phoenix-Mesa metro area and is larger than Miami, Minneapolis, Atlanta and St. Louis. Mesa encompasses 138 square miles inside a 21-city region that has a population of 4.7 million people, and is projected to grow to 6 million by 2030.

Mesa Offers

- A diverse and sustainable economy that features a balance of base industries that create high quality jobs.
- An educated workforce.
- A partnership of government and industry that considers next generation technologies and products as economic opportunities.
- Business people who see Mesa as their home and the world as their marketplace.

Highways And Ground Freight

Mesa is a city on the move with an abundance of freeways, highways and state routes strategically located along commerce corridors and current and future population centers. The 101 runs along Mesa's west border and the Loop 202 circles the interior of Mesa. US 60 and SR 87 intersect in Mesa and minutes away are Interstates 10, 17 and 8, plus state routes 51, 74, 85 and 88 linking Mesa to other Arizona markets, California and Mexico.



500,000

half a million people live in Mesa, Arizona.



35th

largest city in the U.S. Larger than Miami, Minneapolis, & Atlanta.



2nd

largest city in Phoenix-Mesa metro. 3rd largest in Arizona.



1.4m

workforce population within a 30-minute drive.



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Gilbert at a Glance

Located in the southeast valley of the Phoenix metropolitan area, Gilbert is actively growing and diversifying its economic base citing global-minded innovation and entrepreneurship as keys to productivity. Endowed with supportive infrastructure, ample land and recognition as the center of a new mega-region called the "Sun Corridor," Gilbert is committed to realizing sustainable, world-class business environments that are unique to the community.

The community's dense volume of educated residents boasts one of the highest concentrations of graduate and professional degrees among competing western U.S. cities, with 43.7% of residents holding a bachelor's degree or higher, outpacing the national median by 33.4%. In addition, the median income of Gilbert's residents is one of the highest within Arizona at \$87,566.

Gilbert's current population of 232,176, a 2.36% growth over the previous year. With attractive demographics, award-winning amenities, strategically identified business incentives and high-profile developments, Gilbert offers immediate, attainable economic opportunity for industry leading companies. *Source: thehill.com*

Gilbert, Arizona has been named the Best City for Business in Arizona by the Arizona Chamber of Commerce and Industry. The inaugural award was given to Gilbert for its commitment to supporting the role businesses play in driving economic development, reducing regulatory burdens on business, and working with the business community to improve the local quality of life.

Source: AZ Chamber of Commerce 2019



POPULATION
232,176



HOUSEHOLDS
75,509



HH INCOME
\$87,566



DEGREES
43.7%



EMPLOYMENT
113,713



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