



OFFERING MEMORANDUM  
9240 S. EASTERN AVENUE | LAS VEGAS, NV 89123

Capital Markets  
Investment Properties | **CBRE**



S. EASTERN AVE - 99,968 VPD

HWY 215 - 133

**EXCLUSIVELY MARKETED BY:**

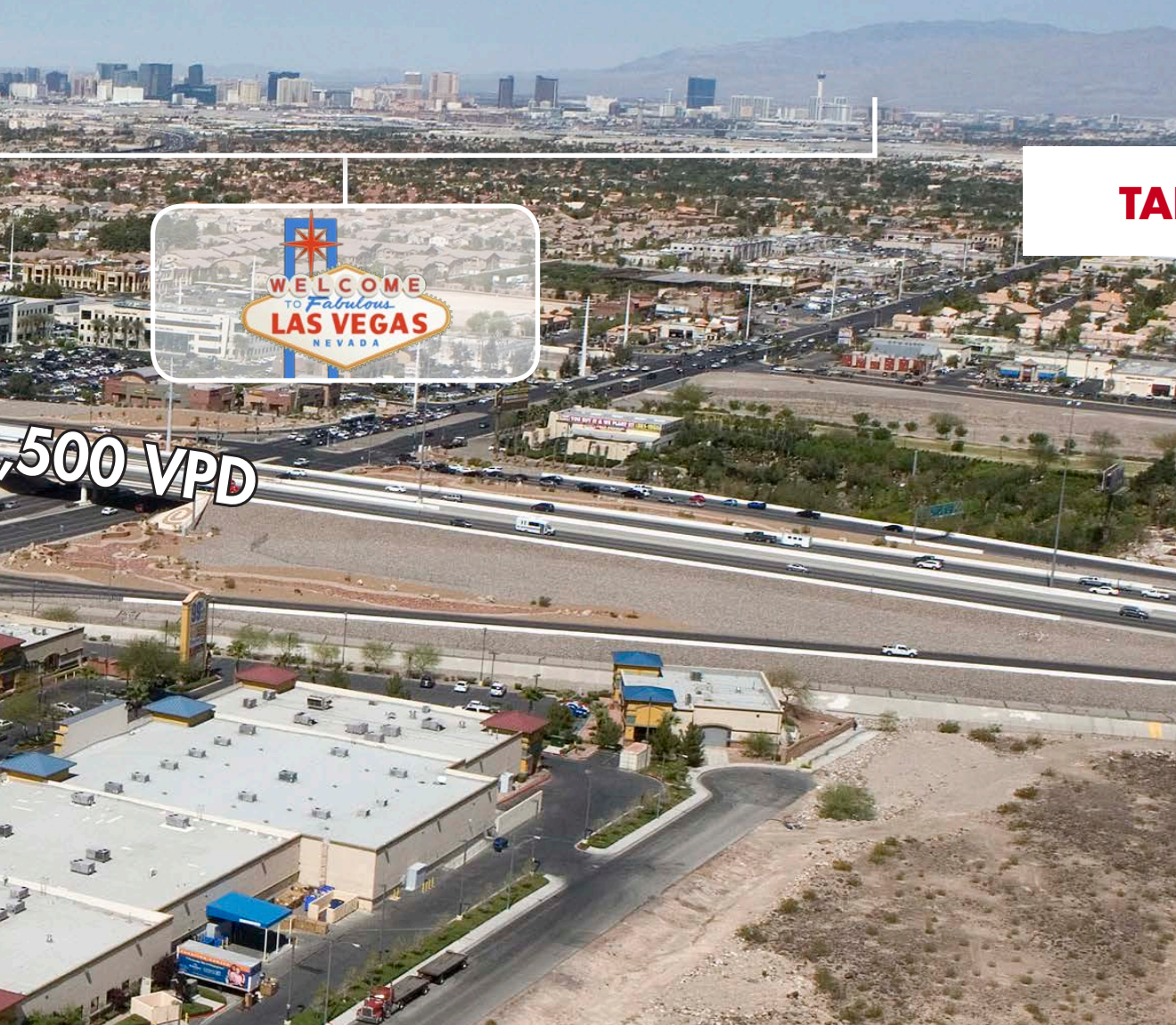
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HWY 215 - 133,500 VPD

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## INVESTMENT SUMMARY

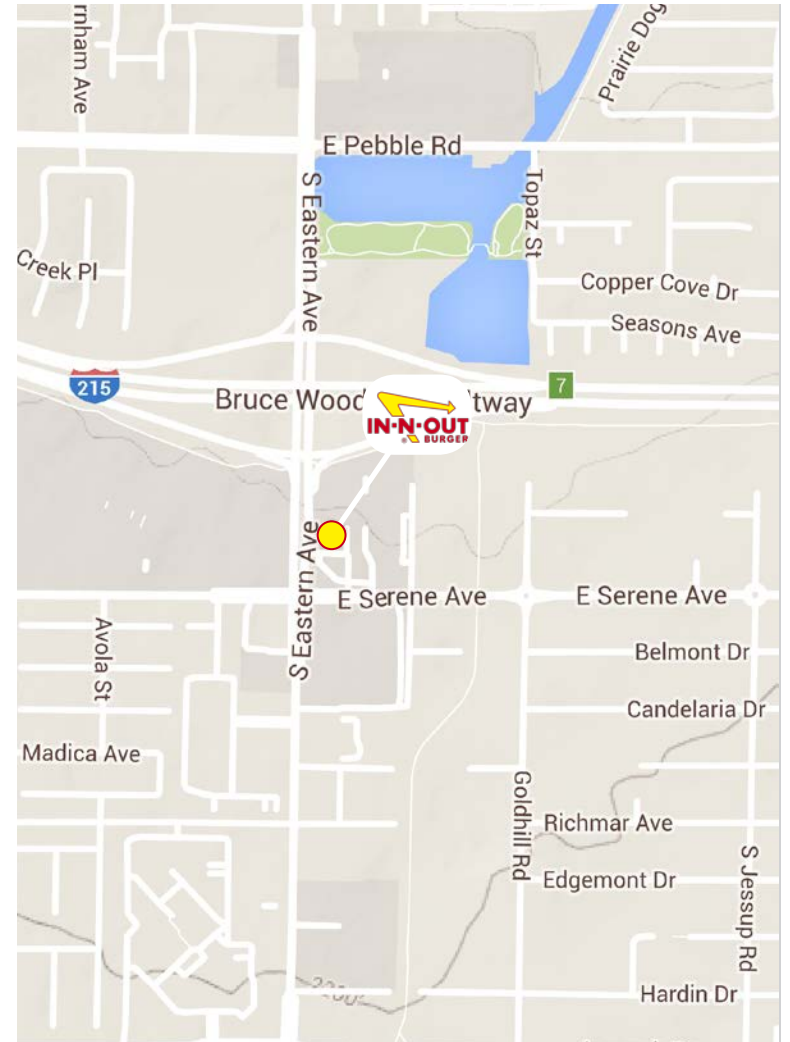
### PROPERTY SUMMARY: IN-N-OUT

ADDRESS:	9240 S. Eastern Avenue Las Vegas, NV
OFFERING PRICE	\$4,215,000
CURRENT NOI*	\$147,517*
CAP RATE	3.50%
PARKING	30 & Reciprocal
TOTAL GLA	3,500 SqFt
TOTAL LAND	0.80 AC
YEAR BUILT / RENOVATED	2002
OWNERSHIP	Fee Simple
LEASE TYPE	NNN - Ground Lease
COMMENCEMENT	6/20/2002
TERMINATION	6/19/2022
REMAINING TERM	6.22 Years
OPTIONS	3 x 5 Year Options

\*Rent as of June 2017 Increase. Seller to credit Buyer difference in rent between COE and rent increase date.

### INVESTMENT HIGHLIGHTS

- » **Rare Corporate Guaranteed Lease** - In-N-Out Burgers
- » **NNN Ground Lease** - Minimal LL Responsibilities
- » **Strong Rental Increases** - 12% Increases every five years provide a strong hedge against potential future inflation
- » **Highly Trafficked Retail Corridor Location** - Situated with excellent frontage & Visibility on S. Eastern Ave.
- » **Adjacent to Walmart Supercenter** - In-N-Out, pad to a 99 Cents Only anchored shopping center, is located adjacent to Walmart Supercenter
- » **Unprecedented Traffic Counts** - Nearly 100,000 CPD on S. Eastern Avenue alone
- » **Strong, Growing Demographics** - Population in a 5-mile radius is expected to grow at a rate of 7% over the next five years
- » **Above Average HH Income** - Average HH income in a 3-mile radius exceeds \$80,000 annually



### PRICING ANALYSIS

CURRENT NOI	LIST PRICE
PRICE	\$4,215,000
CURRENT NOI*	\$147,517
CAP RATE	3.50%

\*Rent as of June 2017 Increase. Seller to credit Buyer difference in rent between COE and rent increase date.

# LEASE SUMMARY

## LEASE ABSTRACT

<b>ADDRESS:</b>	9240 S. Eastern Avenue Las Vegas, NV
<b>TENANT</b>	In-N-Out
<b>GUARANTOR</b>	In-N-Out Burgers
<b>COMMENCEMENT DATE</b>	6/20/2002
<b>EXPIRATION DATE</b>	6/19/2022
<b>LEASE TERM REMAINING</b>	6.22 Years
<b>RENEWAL OPTIONS</b>	3 x 5 Year Options
<b>CURRENT RENT*</b>	\$147,517*
<b>LEASE STRUCTURE</b>	NNN -Ground Lease
<b>CAM</b>	Tenant - LL Recaptures
<b>PARKING LOT</b>	Tenant - LL Recaptures
<b>PROPERTY TAXES</b>	Tenant - Pays Direct
<b>UTILITIES</b>	Tenant - Pays Direct
<b>INSURANCE</b>	Tenant - Pays Direct

## RENT SCHEDULE

YEARS	NOI	INCREASES
7/2012 - 6/2017	\$131,712 per year	12.00%
7/2017 - 6/2022	\$147,517 per year	12.00%
<b>OPTION 1 (5 YEARS)</b>	\$165,220 per year	12.00%
<b>OPTION 2 (5 YEARS)</b>	\$185,046 per year	12.00%
<b>OPTION 3 (5 YEARS)</b>	\$207,251 per year	12.00%

\*Rent as of June 2017 Increase. Seller to credit Buyer difference in rent between COE and rent increase date.





9240

FRESH-BAKING  
LOTTERING  
PROHIBITED BY LAW  
MAY 1997 2007

IN-N-OUT



## TENANT OVERVIEW

### IN-N-OUT

In-N-Out Burger is a regional chain of fast food restaurants with locations primarily in the American Southwest and Pacific coast. Founded in Baldwin Park, California, in 1948 by Harry Snyder and his wife Esther Snyder, the chain is currently headquartered in Irvine, California. The restaurant was the first drive-thru hamburger stand in California, allowing drivers to place orders via a two-way speaker system.

In-N-Out Burger has slowly expanded outside Southern California into the rest of California, as well as into Arizona, Nevada, Utah, Texas and recently Oregon. The current owner is Lynsi Snyder, the only grandchild of the Snyders.

### IN-N-OUT

<b>COMPANY TYPE</b>	Private
<b>FOUNDED</b>	Baldwin Park, CA
<b>FOUNDING DATE</b>	1948
<b>HEADQUARTERS</b>	Irvine, CA
<b>LOCATIONS</b>	310
<b>REVENUES</b>	\$575 MM(2014 Estimate)
<b>WEBSITE</b>	<a href="http://www.in-n-out.com">www.in-n-out.com</a>

As the chain has expanded, it has opened several distribution centers in addition to its original Baldwin Park location. The new facilities, located in Lathrop, California; Phoenix, Arizona; Draper, Utah; and Dallas, Texas will provide for potential future expansion into other parts of the country.

In-N-Out Burger has resisted franchising its operations or going public; one reason is the prospect of quality or customer consistency being compromised by excessively rapid business growth. The company's business practices have been noted for employee-centered personnel policies. For example, In-N-Out is one of the few fast food chains in the United States to pay its employees more than state and federally mandated minimum wage guidelines – starting at US\$10.50 per hour in California, as of April 2013. The In-N-Out restaurant chain has developed a highly loyal customer base, and has been rated as one of the top fast food restaurants in several customer satisfaction surveys.

The company's current heiress is Lynsi Snyder, daughter of Guy and only grandchild of Esther and Harry Snyder. Snyder, owns the company through a trust. She gained control of 50% of the company in 2012 when she turned 30, and will gain full control when she turns 35.

Snyder assumed the presidency in 2010, becoming the company's sixth president. However, most major decisions are made by a seven-member executive team. Snyder does not intend to franchise nor sell, and plans to pass on ownership of the company to her two children.





Walmart

ROSS  
DRESS FOR LESS

PETCO  
Where the pets go.

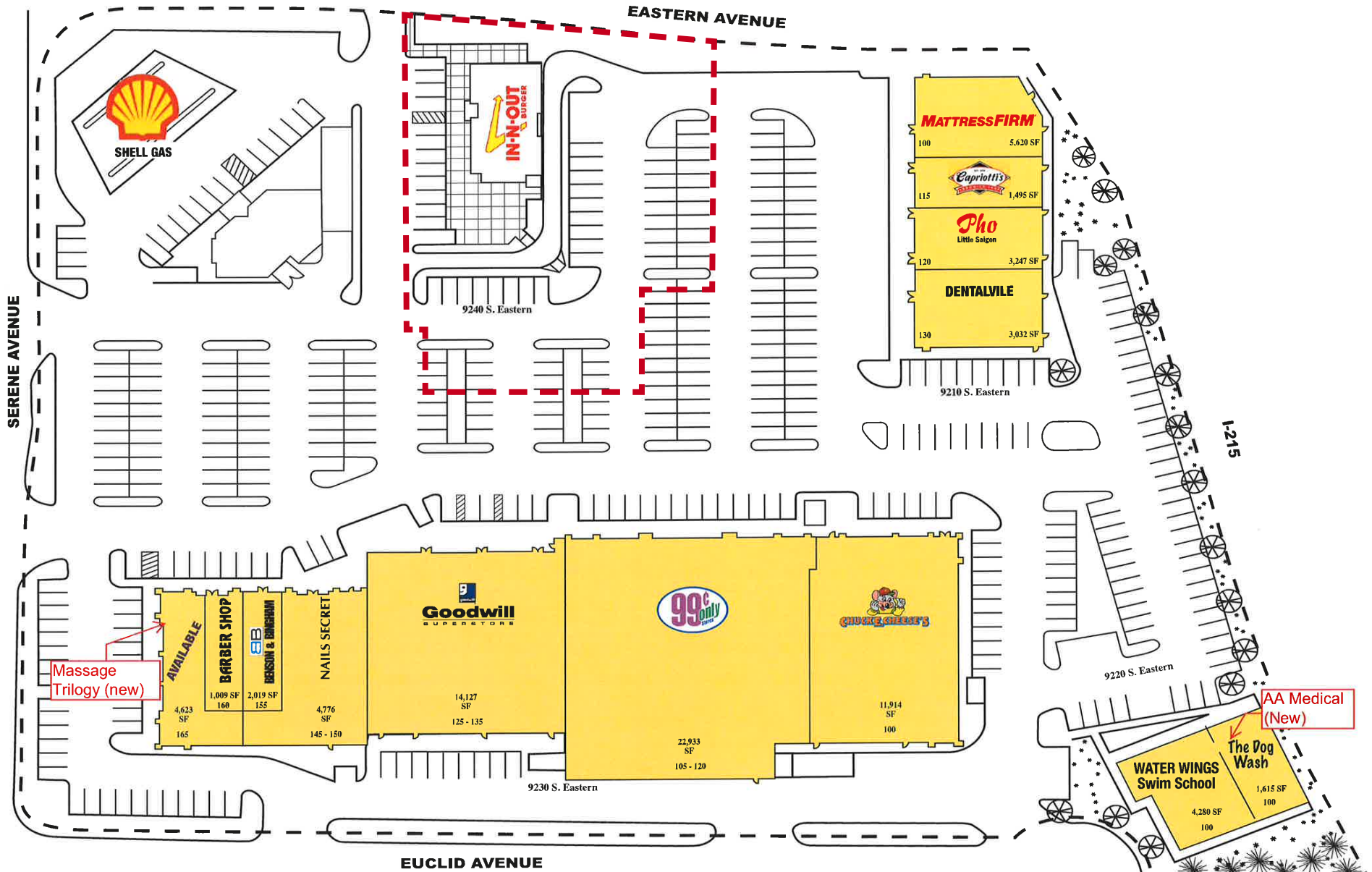
GameStop

HWY-215 - 133,500 VPD

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SITE PLAN



## AREA OVERVIEW

### LAS VEGAS, NV

Las Vegas, in Nevada's Mojave Desert, is a resort town famed for its buzzing energy, 24-hour casinos and endless entertainment options. Its focal point is the Strip, just over 4 miles long and lined with elaborate theme hotels such as the pyramid-shaped Luxor and the Venetian, complete with Grand Canal; luxury resorts including the Bellagio, set behind iconic dancing fountains; and innumerable casinos.

In 1905 the San Pedro, Los Angeles and Salt Lake railroad arrived in Las Vegas, connecting the city with the Pacific and the country's main rail networks. The future downtown was platted and auctioned by railroad company backers, and Las Vegas was incorporated in 1911.

In 1931 construction began on the massive Boulder Dam (later renamed the Hoover Dam), drawing thousands of workers to a site just east of the city. Casinos and showgirl venues opened up on Fremont Street, the town's sole paved road, to attract the project's workers. When the dam was completed in 1936, cheap hydroelectricity powered the flashing signs of Fremont's "Glitter Gulch."

### CLARK COUNTY

Clark County, the most populous of Nevada's 17 counties, is home to more than two million residents, about 73% of the state's population. The estimated average household income is approximately \$62,201. The city of Las Vegas sits at the heart of Clark County and is internationally renowned as the world capital of entertainment. Las Vegas' gaming, dining, shopping and business conventions are major attractions for national and international visitors. Las Vegas has approximately 149,086 hotel rooms. Over 41.1 million people visited Las Vegas in 2014.





## THE STRIP AND GAMING

Since 2009, tourism has shown strong growth. In 2014, Las Vegas saw a record 41.1 million visitors and gaming revenue on the Strip reached approximately \$6.4 billion. Las Vegas is the top U.S. convention and trade show destination, hosting over 20,000 conventions each year and bringing in about 5.1 million convention attendees.

In November 2014 Las Vegas' average hotel occupancy rate was 83.7%, compared to the national average of approximately 60%. The average daily room rate in Las Vegas is \$113.51.

## REVITALIZATION OF DOWNTOWN

A major revitalization of downtown Las Vegas is underway. Below are a few of the projects that have recently been completed:

- In October of 2013 Zappos.com began moving into the renovated ±295,000 square foot former City of Las Vegas City Hall building. When fully relocated, Zappos.com will have about 2,000 employees.
- The Smith Center for the Performing Arts is a \$485 million new facility that is now home to the Las Vegas Philharmonic and Nevada Ballet Theater and features Broadway caliber entertainment.
- The Lou Ruvo Cleveland Clinic Center for Brain Health has been in operation downtown since the summer of 2009. The highly specialized clinic's mission is to advance the research, early detection and treatment of neurocognitive disorders that result from diseases such as Alzheimer's, Huntington's and Parkinson's. The clinic has now served over 12,000 patients and their families.
- The World Market Center contains over five million square feet of world-class furniture showrooms and is located downtown.

## KEY LAS VEGAS ECONOMIC TRENDS\*

STATISTIC	2011	2012	2013	2014	Aug 2015 TTM
Visitor Volume	28,928,708	39,727,022	39,668,221	41,126,512	41,680,377
Gaming Revenue	\$9,222,906,000	\$9,399,846,000	\$9,676,459,000	\$9,553,920,000	\$9,543,561,000
Room Occupancy	83.8%	84.4%	84.3%	86.8%	86.7%
Average Daily Room Rates	\$105.11	\$108.08	\$110.72	\$116.73	\$117.00
Conventions Held	19,029	21,615	22,027	22,103	21,386
Convention Delegates	4,865,272	4,944,014	5,107,416	5,169,054	5,298,978
Total En/Deplaned Passengers	41,480,222	41,667,596	41,857,059	42,869,517	44,269,227
Room Inventory	150,161	150,481	150,593	150,544	149,086



\*Las Vegas convention and visitors authority

## ECONOMIC DIVERSIFICATION

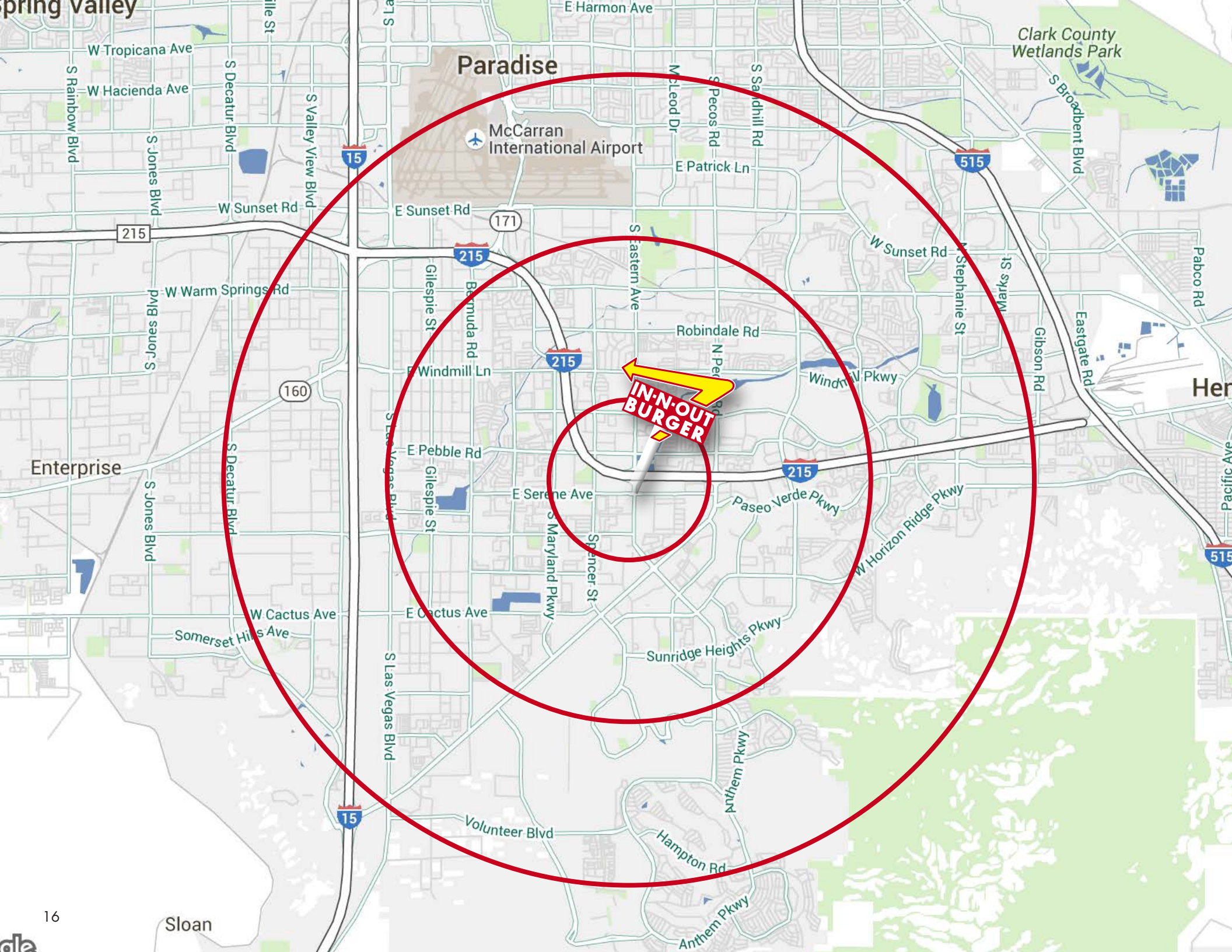
In 2012, North Las Vegas became home to the first Veterans Affairs (VA) hospital to be built in the United States in 20 years. The \$600 million facility will serve approximately 60,000 veterans and has created about 2,000 local jobs in construction and medicine.

Las Vegas is expected to continue to grow as a retirement destination. In addition to the new VA hospital, Las Vegas continues to boast low housing prices and a relatively low cost of living, which are attractive features to retirees.

Las Vegas' McCarran International Airport is moving forward with a \$3.1 billion capital improvement program, which culminated in the opening of a new Terminal 3. Terminal 3 brought 14 gates and two million square feet in additional terminal space to the nation's 7th busiest airport. Due to Las Vegas' desirability as a destination, over 85% of McCarran's traffic is origin and destination, which is amongst the highest percentages of any United States airport.

Over the past several years Las Vegas has seen an emergence in the tech sector. Tony Hsieh, the CEO of Zappos.com, wants to create a tech hub in Downtown, and in addition to moving their corporate headquarters to the former city hall, he has created a \$50 million venture fund for tech startup companies in Las Vegas. Last year, Take Two Interactive, one of the world's largest video game developers, relocated their quality assurance testing studio to downtown Las Vegas from Northridge, California; and will add about 150 tech jobs. Switch Data Centers just completed the second phase of the Super NAP colocation data center bringing the current size of the project to about 600,000 square feet. They anticipate growing the project to about 2.2 million square feet.





# Paradise

McCarran International Airport

Clark County Wetlands Park

**IN-N-OUT  
BURGER**

Enterprise

Her

Sloan



SURROUNDING **DEMOGRAPHICS****DEMOGRAPHICS**

	ONE-MILE RADIUS	THREE-MILE RADIUS	FIVE-MILE RADIUS	
POPULATION	2016 ESTIMATED POPULATION	16,289	170,666	297,769
	2021 PROJECTED POPULATION	17,295	182,525	319,075
	2010 CENSUS POPULATION	15,181	156,206	271,783
	2000 CENSUS POPULATION	11,532	101,106	169,021
	GROWTH 2010-2016	7.29%	9.26%	9.56%
	GROWTH 2016-2021	6.18%	6.95%	7.16%
	2016 ESTIMATED MEDIAN AGE	39.31	39.15	39.60
	2016 ESTIMATED AVERAGE AGE	39.40	39.56	39.90
HOUSEHOLDS	2016 ESTIMATED HOUSEHOLDS	6,384	66,193	116,309
	2021 PROJECTED HOUSEHOLDS	6,773	70,643	124,253
	2010 CENSUS HOUSEHOLDS	5,975	61,319	107,757
	2000 CENSUS HOUSEHOLDS	4,328	38,353	65,855
	GROWTH 2010-2016	6.86%	7.95%	7.94%
	GROWTH 2016-2021	6.09%	6.72%	6.83%
	2016 EST. AVERAGE HOUSEHOLD SIZE	2.56	2.55	2.55
INCOME	2016 EST. MEDIAN HOUSEHOLD INCOME	\$64,639	\$63,949	\$61,548
	2021 PRJ. MEDIAN HOUSEHOLD INCOME	\$65,019	\$64,990	\$62,535
	2000 CEN. MEDIAN HOUSEHOLD INCOME	\$67,054	\$61,404	\$58,026
	2016 EST. AVERAGE HOUSEHOLD INCOME	\$77,475	\$80,081	\$78,759
	2016 ESTIMATED PER CAPITA INCOME	\$30,367	\$31,060	\$30,763
RACE & ORIGIN	WHITE POPULATION	67.24%	67.86%	67.12%
	AFRICAN AMERICAN POPULATION	7.07%	6.65%	6.98%
	ASIAN POPULATION	11.29%	11.50%	11.70%
	OTHER RACE POPULATION	6.63%	17.29%	17.92%
	TWO OR MORE RACES POPULATION	6.40%	58.82%	57.96%



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**CBRE**