Chick-Fil-A Ground Lease @ Arizona State University

CBRE

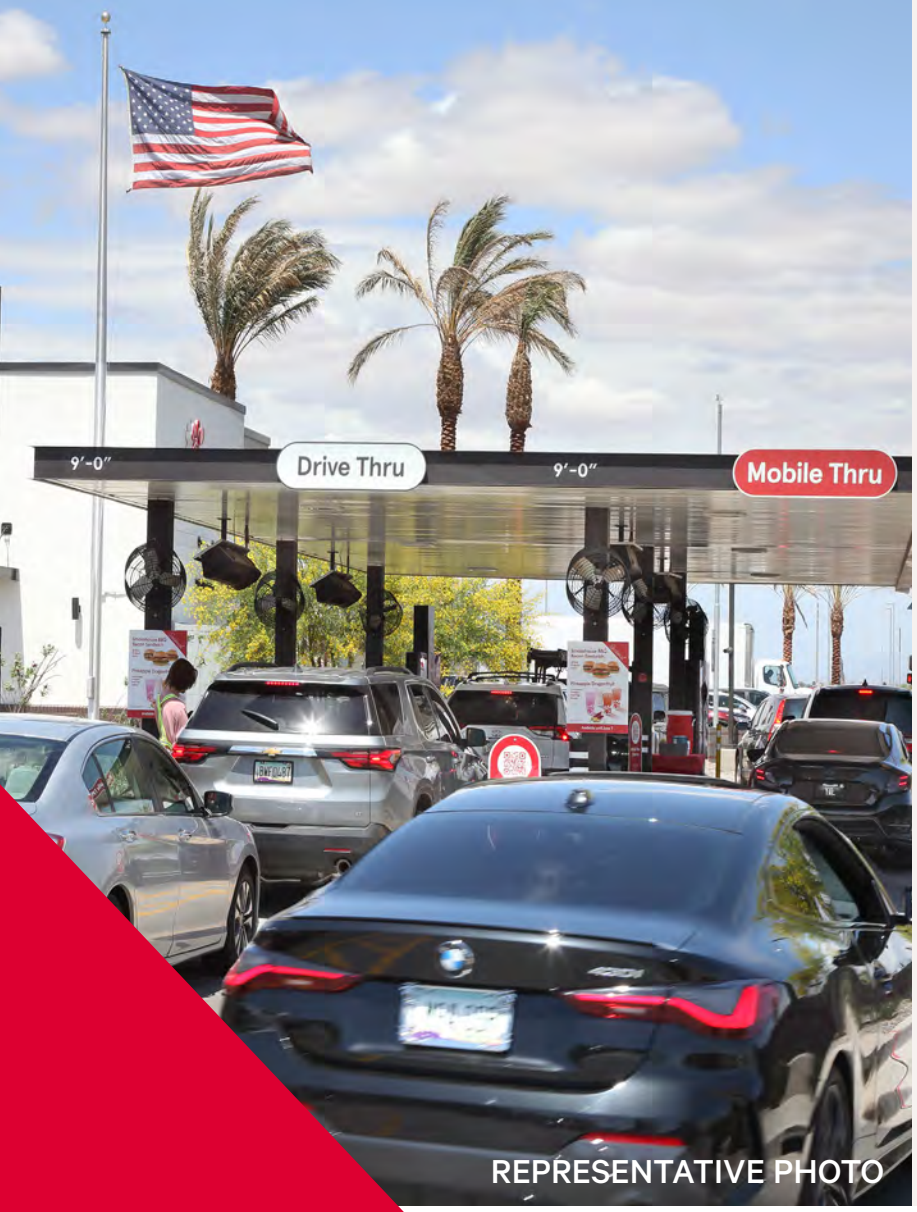
Offering Memorandum

1160 E University Dr
Tempe AZ 85288

REPRESENTATIVE PHOTO



- Trophy Infill Location at Arizona State University's Tempe Campus (±56,643 Students)
- Brand-New Corporate 15-Year Absolute Triple-Net (NNN) Ground Lease
- Major Student Housing of 20 and 24 Story Buildings Proposed Just West of Subject Property
- Brand-New Construction Featuring a Double Drive-Thru



REPRESENTATIVE PHOTO

Chick-fil-A @ ASU Tempe Campus

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Developed By:

LAUNCH
DEVELOPMENT GROUP

Investment Summary

Price

$6,250,000

Annual Rent

$250,000

Cap Rate

4.00%

Initial Term

15 Years

Lease Type

Corporate Absolute NNN Ground Lease



CBRE's Net Lease Property Group is pleased to offer a generational investment opportunity, a Chick-fil-A located in the heart of Tempe, AZ. This investment opportunity features a brand-new 15-year absolute triple-net (NNN) ground lease with 10% rental increases throughout the initial lease term and the six (6), five (5) year option periods. This location will be Chick-fil-A's new double drive-thru prototype with walkup windows, designed to handle high volumes of traffic. Chick-fil-A is the third largest fast-food operator in the world (±3,109 locations) with system wide sales of ±$22.75 billion and an impressive average unit volume of ±$7.5M.

The Property is strategically located in Tempe, Arizona, walking distance from the largest university in the country, Arizona State University (±56,643 students). There are thousands of student dorms and apartment units in the immediate area (see aerial on page 9). Novus Innovation Corridor and the South Pier developments, historic mixed-use projects, are located minutes away. These developments once complete will feature ±6.5 million square feet of class A office, ±6,500 apartments, ±1,500 hotel rooms, and ±380,000 square feet of retail. The Property has excellent visibility and frontage on University Dr (±37,777 VPD), a main thoroughfare through Arizona State University's campus.

Investment Highlights

Brand-New 2025 Construction Featuring Double Drive-Thru

- Chick-Fil-A is expected to open for business Q4 2025. Their rent will commence October 1, 2025.
- This location will feature Chick-fil-A's new double drive-thru prototype with walkup windows, designed to handle high volumes of traffic.

Premier Quick-Service Restaurant Operator, 3rd Largest in the World

- Chick-Fil-A operates ±3,109 restaurants with an average unit volume of ±$8 million. They had system wide sales of $22.75 billion in 2024, an increase of ±5.4% from 2023 (Source: Nation's Restaurant News).

Trophy-Infill Location Near Arizona State University and Downtown Tempe

- The Property is minutes away from Arizona State University's Tempe Campus (±56,643 students).
- Major student housing of 20 and 24 story buildings proposed and under development just west of the subject property, including The Leo, a 20-story development planned for 786-units, and 955 E Mixed Use, a two-tower development planned for 539-units.
- Arizona State University, in partnership with Catellus, an award-winning master developer, is building Novus Innovation Corridor. This mixed-use project, integrated with ASU's Tempe campus along Tempe Town Lake, includes the 2.1 million square-foot Marina Heights class-A office development and will feature 4,100 residences, 700 upscale hotel rooms, and 275,000 square-feet of additional retail.
- The McBride Cohen Company is developing South Pier at Tempe Town Lake, minutes away from the Property. This project will feature 2,500 class-A residential units and more than 2M square feet of class-A commercial office and retail space.
- Downtown Tempe currently has an existing conventional base of approximately 22,000 multi-family units with thousands of additional units planned or under development.

Strong Real Estate Fundamentals

- The Property has excellent visibility and frontage on University Dr (±37,777 VPD), a main thoroughfare through Arizona State University's campus.
- This location is densely populated with an estimated 3-mile population of ±142,108 and employment base ±102,209. These numbers are expected to increase exponentially with the explosive growth and development in the immediate area.

Lease Summary

TENANT'S NAME	Chick-Fil-A, Inc.	**INITIAL LEASE TERM**	15 Years
COMPANY TYPE	Private	**LEASE TERM REMAINING**	15 Years
LEASE GUARANTOR	Corporate	**RENT INCREASES**	10% Every 5 Years
NET OPERATING INCOME	$250,000	**OPTIONS TO RENEW**	Six (6), Five (5) Year
LEASE TYPE	Corporate Absolute NNN Ground Lease	**RIGHT OF FIRST REFUSAL**	7 Business Days
RENT COMMENCEMENT	Earlier of October 1, 2025 or Opening for Business		

Return Schedule - 10% Increases Every 5 Years

YEARS	MONTHLY RENT	ANNUAL NOI	CAP RATE RETURN
Years 1-5	$20,833.33	$250,000.00	4.00%
Years 6-10	$22,916.67	$275,000.00	4.40%
Years 11-15	$25,208.33	$302,500.00	4.84%
Years 16-20	$27,729.17	$332,750.00	5.32%
Years 21-25	$30,502.08	$366,025.00	5.86%
Years 26-30	$33,552.29	$402,627.50	6.44%
Years 31-35	$36,907.52	$442,890.25	7.09%
Years 36-40	$40,598.27	$487,179.28	7.79%
Years 41-45	$44,658.10	$535,897.20	8.57%

Tenant Overview

Chick-Fil-A is one of the most successful and recognized quick-service restaurant brands in the United States with ±3,109 locations and system wide sales of ±$22.75 billion. Renowned for its customer service, high quality food, and operational efficiency, Chick-Fil-A has been ranked #1 in the American Customer Satisfaction Index (ASCI) for nine consecutive years and is ranked among the top fast-food chains in per-unit performance. Despite being closed on Sunday, Chick-Fil-A locations typically outperform their competitors on a per-store basis with many locations averaging over $7.5 million in annual sales.

Though privately held, Chick-Fil-A is widely considered one of the most financially sound tenants. The company has reported consistent annual growth and strong cashflow, backed by low debt levels and highly selective site selection criteria. Its brand loyalty and consumer demand are exceptional, leading to long lines and high-volume transactions.

CHICK-FIL-A.COM

SYSTEMWIDE SALES (2024):	±$22.75B
TOTAL LOCATIONS:	±3,109
TOTAL EMPLOYEES:	±140,000
AVERAGE UNIT VOLUME:	±$7.5M

Chick-fil-A®

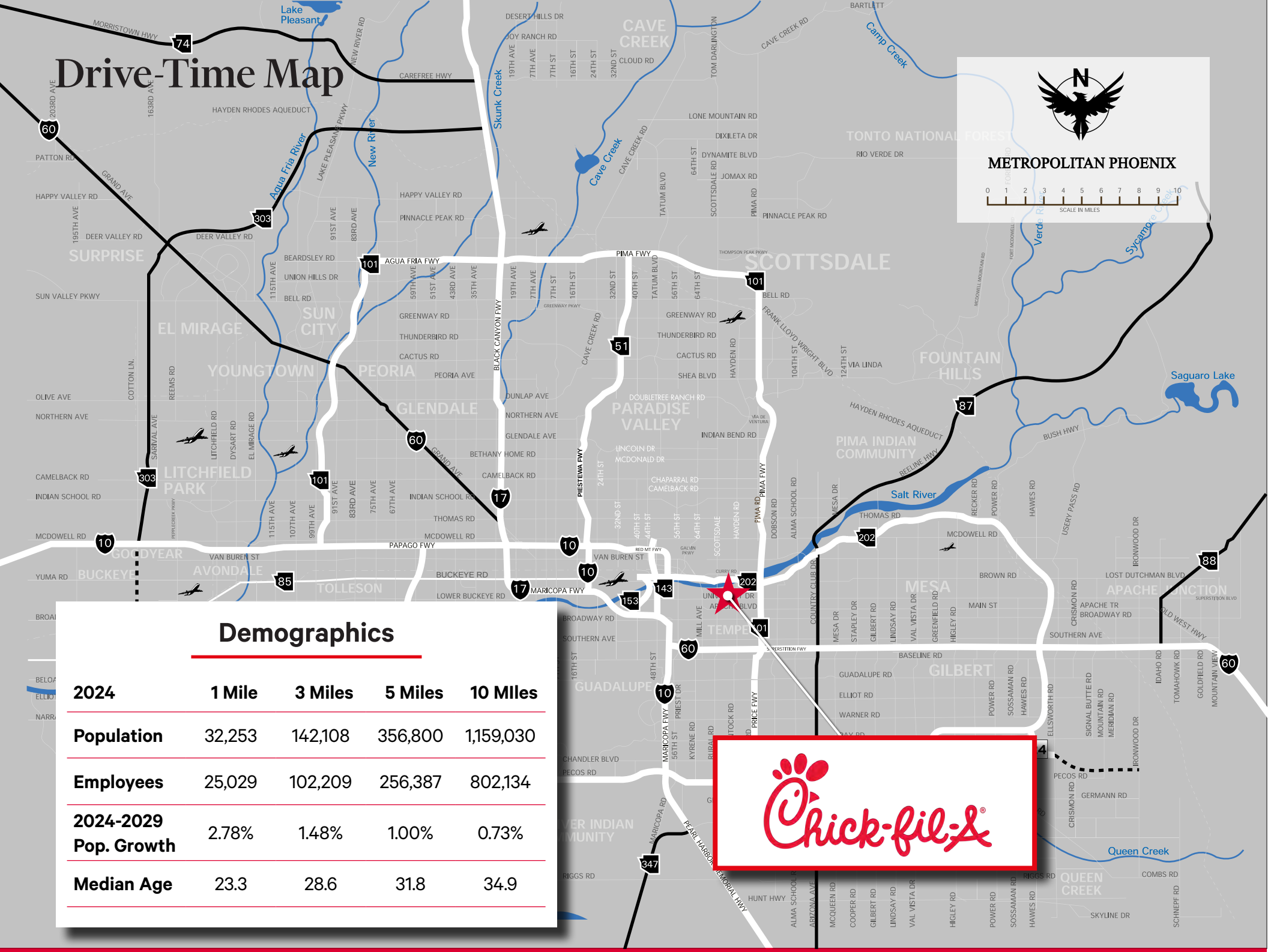


Site Plan

ADDRESS	1160 E University Dr Tempe, AZ 85288
YEAR BUILT	2025
RENTABLE SF	±2,564
PARCEL SIZE	±45,477 SF (±1.04 Acres)
PARCEL NUMBER	132-34-003V

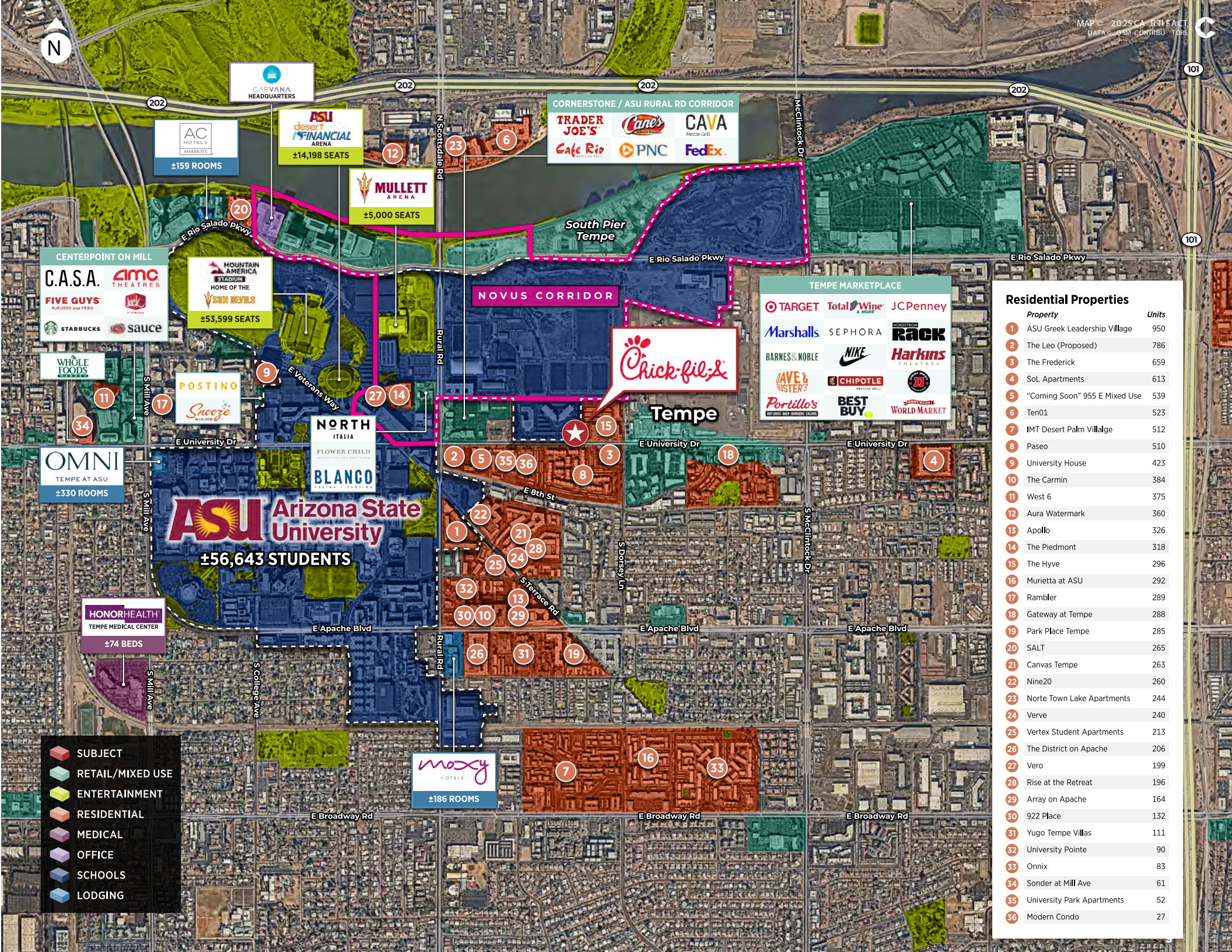


Drive-Time Map



Demographics

2024	1 Mile	3 Miles	5 Miles	10 Mlles
Population	32,253	142,108	356,800	1,159,030
Employees	25,029	102,209	256,387	802,134
2024-2029 Pop. Growth	2.78%	1.48%	1.00%	0.73%
Median Age	23.3	28.6	31.8	34.9



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Residential Properties

	Property	Units
1	ASU Greek Leadership Village	950
2	The Leo (Proposed)	786
3	The Frederick	659
4	SoL Apartments	613
5	"Coming Soon" 955 E Mixed Use	539
6	Ten01	523
7	IMT Desert Palm Villalge	512
8	Paseo	510
9	University House	423
10	The Carmin	384
11	West 6	375
12	Aura Watermark	360
13	Apollo	326
14	The Piedmont	318
15	The Hyve	296
16	Murietta at ASU	292
17	Rambler	289
18	Gateway at Tempe	288
19	Park Place Tempe	285
20	SALT	265
21	Canvas Tempe	263
22	Nine20	260
23	Norte Town Lake Apartments	244
24	Verve	240
25	Vertex Student Apartments	213
26	The District on Apache	206
27	Vero	199
28	Rise at the Retreat	196
29	Array on Apache	164
30	922 Place	132
31	Yugo Tempe Villas	111
32	University Pointe	90
33	Onnix	83
34	Sonder at Mill Ave	61
35	University Park Apartments	52
36	Modern Condo	27


Downtown Phoenix
Arizona State University Basketball Stadium
±14,198 Seats
Cornerstone
TRADER JOE'S
Cane's
CAVA
Cafe Rio MEXICAN GRILL
PNC
FedEx
Arizona State University Hockey Arena
±5,000 Seats
Marina Heights
±2M SF of Office, Arizona's largest office complex
THE WATERMARK TEMPE
±44K SF of Retail
±265K SF Office Space
±360 Apartments
PHX
PHOENIX SKY HARBOR INTERNATIONAL AIRPORT
±49M Passangers Annually
±454,665 Flights Annually
±$44.3B Economic Impact
ASU
Main Tempe Campus
±56,643 Students
Arizona State University Football Stadium
±53,599 Seats
NORTH BLANCO ITALIA
FLOWER CHILD
Fox Restaurant Concepts
LOOP 202
±195,054 VPD
vero
±199 Units
Main Entrance to ASU, Rob and Melani Walton Center of Planetary Health
NOVUS APARTMENTS
±333 Units
THE PIEDMONT
±318 Units
NOVUS Innovation Corridor Development
Chick-fil-A
UNIVERSITY DR (±37,777 VPD)
PROPOSED
The Leo
±786 Units
955 E Mixed Use
±539 Units
THE HYVE APARTMENTS
±296 Units
PASEO ON UNIVERSITY
±510 Units
THE FREDRICK TEMPE
±659 Units


Arizona State's Main Student Housing Corridor
APOLLO 1100 E APACHE BLVD.
±326 Units
±943 Beds
VERTEX STUDENT APARTMENTS
±213 Units
±600 Beds
RAMBLER
±289 Units
±829 Beds
THE CARMIN APARTMENT HOMES
±384 Units
±833 Beds
verve APARTMENTS
±240 Units
±769 Beds
CANVAS
±263 Units
±826 Beds
NINE20 TEMPE
±260 Units
±775 Beds
ASU Greek Leadership Village
±27 Chapter Houses
±950 Beds
ASU
Main Tempe Campus
±56,643 Students
University VALLEY APARTMENTS
±153 Units
PASEO ON UNIVERSITY
±510 Units
955 E Mixed Use
±539 Multifamily Units
PROPOSED
The Leo
±786 Units
UNIVERSITY DR (±37,777 VPD)
Arizona State Office Building
THE HYVE APARTMENTS
±296 Units

Novus Innovation Corridor

Novus Innovation Corridor is a transformative 355-acre mixed-use development strategically positioned along Tempe Town Lake and adjacent to Arizona State University's main campus in Tempe. This ambitious project is a public-private partnership between ASU and Catellus Development Corporation, aiming to create a vibrant urban environment that integrates education, innovation, and sustainable living. Upon completion, Novus will encompass over 10 million square feet of mixed-use space that will include 6.5 million square feet of commercial office space, 4,100 multifamily units, 1,000 hotel rooms, 275,00 square feet of retail, extensive public outdoor spaces and state-of-the-art athletic facilities.

The development is projected to generate over $1 billion in economic output and create approximately 40,000 new jobs by 2035, significantly contributing to the region's growth and vitality. The corridor is designed with a focus on sustainability, incorporating smart city technologies, energy-efficient buildings, and sustainable transportation options to create a forward-thinking urban ecosystem.





South Pier Development

South Pier at Tempe Town Lake is a $1.8 billion resort-inspired, mixed-use neighborhood featuring a thriving entertainment destination with unparalleled waterfront connectivity, views, and recreational amenities, all located along the beautiful Tempe Town Lake waterfront. South Pier envisions seven phases for a total project that delivers 2,500 residential units, more than 2,000,000 square feet of commercial office and retail space, along with robust public recreational amenities – including a 95-meter over-water observation wheel & public pier. Situated in the hear of the vibrant and growing Greater Phoenix Metropolitan Area, South Pier is situated on 27 waterfront acres, making it one of the most desirable unique real estate offerings in the entire Southwestern United States.

Play On The Water

World-class public art and entertainment spaces across 21,000 square feet of waterfront parks and gardens.

Shop On The Water

190,000 square feet of the best retail shopping in the Valley along half a mile of Tempe Town Lake waterfront.

Live On The Water

2,300 apartments and 160 condos providing mountain views, a walkable urban design and beautiful lakeside living.

Stay On The Water

Two full-service luxury and business hotels with more than 500 hotel rooms & meeting spaces.

Dine On The Water

A waterside restaurant plaza offering the finest patio dining in the region.

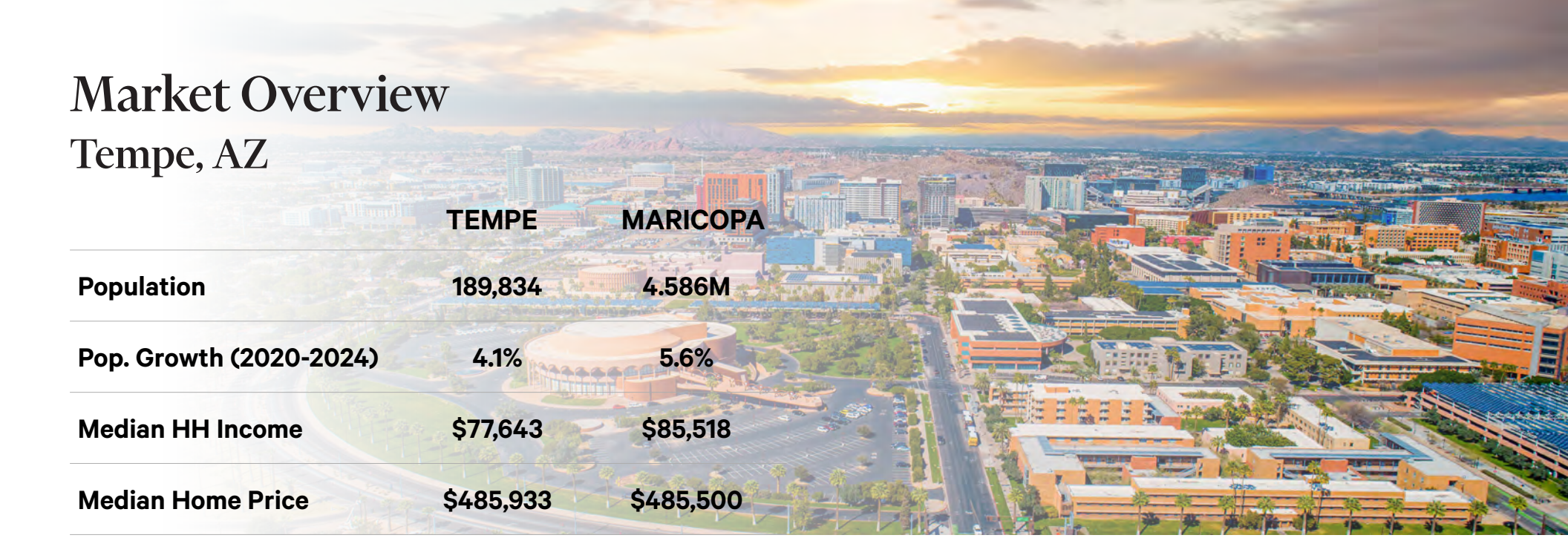
Work On The Water

600,000 square feet of Class A commercial office space.



Market Overview

Tempe, AZ



	TEMPE	MARICOPA
Population	189,834	4.586M
Pop. Growth (2020-2024)	4.1%	5.6%
Median HH Income	$77,643	$85,518
Median Home Price	$485,933	$485,500

ABOUT TEMPE

Tempe, Arizona, is a dynamic and rapidly growing submarket within the Greater Phoenix Metropolitan Area. Known for its vibrant urban core, strong demographic trends, and business-friendly environment, Tempe is a magnet for residents, businesses, and investors alike.

Tempe is home to Arizona State University, one of the largest public university in the country, with an enrollment exceeding 140,000 students across all campuses. The university fuels the local economy with a yound, educated population and serves as a catalyst for innovation, research, and workforce development.

ECONOMY AND EMPLOYMENT

Beyond academia, Tempe has emerged as a regional hub for technology, finance, and healthcare - attracting corporate headquarters, regional offices, and startup activity. Major employers in the area include State Farm, Wells Fargo, Honeywell, Insight Enterprises, and GoDaddy. The city's central location provides immediate access to key freeways (Loop 101, Loop 202, and the I-10), Phoenix Sky Harbor International Airport (just minutes away), and surrounding East Valley Cities.

Tempe's combination of urban energy, top-tier education, and access to talent has made it a top destination for real estate investment, particularly for retail, multi-family, and office.

Market Overview
Phoenix, AZ

The Phoenix metropolitan area is a vibrant community and economic hub, attracting new residents and businesses alike. Today, the region is home to ±5 million residents and continues to grow. The Phoenix MSA is the second fastest growing metro in the nation and ranks 10th in total population. The metro remains attractive not only because of its competitive advantage regarding cost, but also because of an overall value proposition, which includes its talent pool, quality of life and infrastructure. Efforts to diversify the Phoenix economy, market its strengths, and make the region a friendlier place to do business have paid dividends. Today, the Phoenix metro area is increasingly known for its relatively low taxes and business-friendly regulatory climate. This combination, backed by numerous public private partnerships between government, industry and leading educational institutions, supports a dynamic entrepreneurial community. Furthermore, the Valley has become a preferred location for finance, technology and advanced manufacturing. Companies also benefit from the metro's inherent advantages; for example, its strategic location provides access to major markets within one day's drive. The Phoenix metro serves as an optimal location due to its proximity to major markets which attracts firms that export abroad to the Valley. Companies that distribute throughout the western and southwestern U.S. and Mexico benefit from the area's location and infrastructure that connects Arizona to ±40 million people throughout markets in California, Colorado, Nevada, New Mexico, Texas and Utah, which are within a one-day truck haul.

Business Activity

With a competitive advantage regarding cost, talent and quality of life, Phoenix is uniquely attractive to businesses. These factors, in addition to the metro's business-friendly regulatory environment and proximity to major markets, continue to help fuel growth. In recent years, a significant number of financial, technology and manufacturing companies have located and expanded operations in greater Phoenix. The metro's growing prominence as a financial hub is fueled by companies such as USAA, State Farm, Charles Schwab, Freedom Financial and Northern Trust—all of which have expanded operations within the last few years. As a result, hiring rates for finance and insurance jobs in Phoenix have been among the highest in the country. The financial activities sector accounts for 9.0% of total employment in Phoenix and is a growing sector that supports more than 220,000 jobs. Still, industries such as trade, transportation and utilities; professional and business services; and educational and health services make up the largest share of the metro's labor economy.



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REPRESENTATIVE PHOTO

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