

5166 Vineland Avenue

Prime NoHo Arts District

Offering Memorandum



 Douglas Elliman
Commercial

 Kidder
Mathews

Exclusively Listed By:

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The Offering

Douglas Elliman Commercial and Kidder Mathews are pleased to present the exclusive listing of 5166 Vineland Avenue. The Offering is for 100% fee simple ownership in a freestanding retail building located within a Ralphs-anchored shopping center. The building is currently operating as Carl's Jr. fast food restaurant and current ownership intends to execute a sale leaseback on a twenty-year lease term, upon the close of escrow. The terms of the leaseback are negotiable; however, for additional details please review the information provided on Page 7 and/or contact the listing agents.

The business has run successfully under a strong Carl's Jr. franchisee that operates 61 locations throughout California. Nestled in the heart of the North Hollywood Arts District, this Carl's Jr. location controls a powerful corner compared to its direct competitors. Strategically located on the southeast corner of the signalized intersection of Vineland Avenue and Magnolia Boulevard. With unobstructed visibility, the establishment benefits significantly from the ease of access to the traffic flow from these two prominent thoroughfares.

With the Ralphs as the main anchor to the shopping center, the Subject Property operates alongside other well-known national tenants including: GNC, Yogurtland, AutoZone, Flame Broiler, and Subway.



Investment Highlights

- Single-Tenant Net Lease Investment Asset in the Heart of the North Hollywood Arts District
- Carl's Jr. fast food establishment
- Sale Leaseback with 20 Years on the Initial Lease (lease terms are negotiable)
- Absolute NNN property with no management responsibilities
- Franchisee Guarantee, backed by a strong operator with more than 10 locations throughout Southern California
- Highly Sought-After Pocket in the San Fernando Valley
- Unparalleled Corner Lot at the Intersection of Vineland Avenue and Magnolia Boulevard
- Positioned within a large shopping center that is anchored by a Ralphs grocery store



Pricing Details

\$8,000,000

Offering Price

Financial Summary

Cap Rate	3.50%
Net Operating Income	\$280,000
Gross Building Area	± 3,344 SF
Building PSF	\$2,392.34
Lot Size	± 25,243 SF
Land PSF	\$316.92





Lease Abstract

Tenant (DBA)	Carl's Jr.	Gross Building Area	± 3,344 SF
Operator Location History	30+ Years	Monthly Base Rent	\$6.98/SF \$23,333.33
Guarantee	Franchisee	Annual Base Rent	\$83.73/SF \$280,000.00
No. of Operator Locations	61 Locations in CA	CAM Structure	Absolute NNN
Commencement Date	Close of Escrow	Rent Increases	10% Increase Every 5 Years
Expiration Date	20 Years from Lease Execution	Options to Extend	(4) 5-Year Options
Initial Lease Term	20 Years		



Tenant Profile



Carl's Jr.

Company Type	Private
No. of Employees	20,200
No. of Locations	+3,800
Annual Sales Parent	\$39 Billion
Headquarters	Franklin, TN

About the Company

Carl's Jr. is a quick service restaurant chain that is owned and operated by CKE Restaurant Holdings, Inc. Carl's Jr. delivers innovative menu items and implements a dual brand strategy, pairing some of its 300 locations with a Green Burrito Outlet. Carl's Jr. leases tend to be long term and require no landlord responsibilities from the owner.

Carl's Jr. is the 5th largest fast-food chain in size when combined with its sister chain, Hardee's, and generates approximately \$3.9 billion in system revenues. Located primarily on the West Coast and the Southwest, Carl's Jr. has been able to build its reputation with a contained audience and build brand recognition with consumers in those areas.

Following its founding as a modest BBQ joint in Anaheim, CA, Carl's Jr. began to transform into one of the largest fast food conglomerates in the country. They are most known for their Thickburger line but have expanded into hand breaded chicken tenders and in 2019 they began selling Beyond Meat patties, a vegetarian options for plant-based burgers.

Carl's Jr. has a total of 3,800 restaurants that operate in 44 states and 43 foreign countries. Falling under the CKE umbrella, Carl's Jr. is a sister company with fellow burger restaurant Hardee's, effectively splitting the country in half geographically.

North Hollywood

Demographics	1 Mile	3 Miles	5 Miles
Population (2022)	44,932	243,157	585,463
Population (2027 Projected)	45,194	241,161	579,479
Households (2022)	20,174	100,011	235,995
Households (2027 Projected)	20,273	99,093	233,347
Median Age	38.9	40.4	40.4
Average Household Income	\$84,737	\$106,100	\$104,763
Median Household Income	\$63,063	\$77,361	\$74,022
Median Home Value	\$798,692	\$857,153	\$841,892

Source: CoStar Group Inc.

North Hollywood is a community within the city of Los Angeles that is generally situated in the southeast portion of the San Fernando Valley. It is bounded by the city of Burbank to the east, the Los Angeles city districts of Sun Valley to the north, Van Nuys to the west, and Studio City to the south. Much of the district is older, relatively modest quality apartments, and middle to lower middle class single family residential development.

The area has a high historic concentration of movie and TV production. Warner Brothers, CBS, Universal Studios, NBC, and Disney are all located either in Burbank just east of North Hollywood or in Universal City and Studio City just to the south. All are major integrated production studios, located in the area for many decades.

Regional access in North Hollywood is provided by several freeways; the Ventura (U.S. Highway 101) Freeway to the south; the Golden State (Interstate 5) Freeway to the east; and the Hollywood (State Route 170) Freeway crossing diagonally through the district. Major north/south streets include Laurel Canyon Boulevard, Tujunga Avenue, Lankershim Boulevard, and Vineland Avenue; major east/west streets include Magnolia Boulevard, Chandler Boulevard, Burbank Boulevard, and Sherman Way. North Hollywood is the northern most MetroRail station, located at Lankershim and Chandler Boulevard. The Metro Rail subway terminates here, extending south, under Lankershim Boulevard to Universal City, then southeast into Hollywood and to Downtown Los Angeles. The site contains the portal or entry to the subway, 600+ surface parking spaces, and a number of bus lanes.

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