

# ABSTRAKT - 10 YR ABS NNN SALE-LEASEBACK - 3% ANNUAL INCREASES

LIFE SCIENCE CANNABIS LAB & OFFICE CORPORATE HEADQUARTERS

RECENT \$970K TENANT INVESTMENT INTO THE INTERIOR AND HVAC SYSTEM IN ADDITION TO \$400K+ OF SPECIALTY EQUIPMENT - HIGHLY DESIRABLE BUILDOUT

3.83X NET INCOME COVERAGE RATIO ON YEAR 1 RENT PER ACTUAL 2024 FINANCIALS - 6.23X NET INCOME COVERAGE RATIO ON PROFORMA 2025 FINANCIALS

2149 EAST 5TH STREET, TEMPE, AZ 85288



OFFERING MEMORANDUM

Marcus & Millichap



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# Executive Summary

2149 East 5th Street, Tempe, AZ 85288

## FINANCIAL SUMMARY

<b>Price</b>	<b>\$3,272,000</b>
Cap Rate	9.0%
Building Size	±7,750 SF
Net Cash Flow	9.0% \$294,500
Year Built	1981
Lot Size	±0.52 Acres

## LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Abstrakt
Guarantor	2 Personal Guarantees (~\$20M Net Worth)
Roof and Structure	Tenant Responsible
Lease Commencement Date	Upon Close of Escrow
Lease Expiration Date	10 Years from Close of Escrow
Lease Term	10 Years
Rental Increases	3% Annually
Renewal Options	3, 5 Year Options

## ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Year 1	\$294,500.00	9.00%
Year 2	\$303,335.00	9.27%
Year 3	\$312,435.05	9.55%
Year 4	\$321,808.10	9.84%
Year 5	\$331,462.34	10.13%
Year 6	\$341,406.21	10.43%
Year 7	\$351,648.40	10.75%
Year 8	\$362,197.85	11.07%
Year 9	\$373,063.79	11.40%
Year 10	\$384,255.70	11.74%

<b>Base Rent</b>	<b>\$294,500</b>
<b>Net Operating Income</b>	<b>\$294,500</b>
<b>Total Return</b>	<b>9.0% \$294,500</b>



**ASU** Arizona State University

54,800 STUDENTS

**TARGET** **Harkins**  
**THEATRES**  
**LOLLIPOP** **DAVE & BUSTERS** **OLD NAVY**  
**BEST BUY** **Total Wine**  
**BARNES & NOBLE**  
**TEMPE MARKETPLACE**

**OSCAR**  
CORPORATE OFFICE

**SMITH INNOVATION HUB**  
302 Acres with Mostly Light  
Industrial and Office Uses



N

245,700 CPD  
LOOP 202 FWY

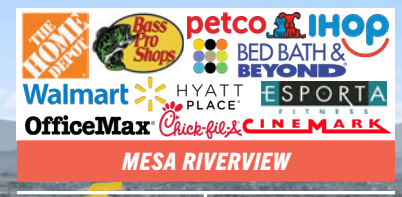
SMITH INNOVATION HUB  
302 Acres with Mostly Light  
Industrial and Office Uses



THE RETREAT  
AT RIO SALADO  
±276 Units

128,330 CPD  
LOOP 101 FWY

VILLAGIO  
AT TEMPE  
±472 Units



oscar  
CORPORATE OFFICE

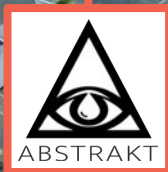




**RI02100**  
60-Acre Mixed-Use Development:  
5 Office Buildings, 2 Hotels,  
Restaurant Space, and a 350-Unit  
Apartment Complex

**245,700 CPD**  
LOOP 202 FWY

**SMITH INNOVATION HUB**  
302 Acres with Mostly Light  
Industrial and Office Uses



**oscar**  
CORPORATE OFFICE



# Property Description



## INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Absolute Triple-Net (NNN) Lease**
- » Three Percent Annual Rental Increases with Multiple Renewal Options
- » **Tenant Invested Over \$970,000 into the Interior and HVAC System in Addition to Over \$400,000 of Specialty Equipment - Highly Desirable Buildout**
- » Dense Tempe Trade Area with 368,375 Residents within a Five-Mile Radius
- » **Adjacent to Arizona State University (Nearly 55,000 Students), Facilitating Access to a Skilled Workforce and Research Collaboration Opportunities**
- » Situated within the Smith Innovation Hub - 302 Acres with Mostly Light Industrial and Office Uses
- » **Across from RIO2100, a 60-Acre Mixed-Use Development**
- » Easy Freeway Access, Located Next to the Loop 101 and Loop 202 Freeway Interchange
- » **Abstrakt is a Leading Force in Arizona's Cannabis Industry - its Products Can Be Found in Over 74 Stores Throughout the State**



## DEMOGRAPHICS

1-mile

3-miles

5-miles

### Population

2029 Projection	17,273	153,427	378,512
2024 Estimate	16,813	149,794	368,375
Growth 2024 - 2029	2.73%	2.43%	2.75%

### Households

2029 Projection	7,934	64,488	160,096
2024 Estimate	7,721	62,567	154,858
Growth 2024 - 2029	2.75%	3.07%	3.38%

### Income

2024 Est. Average Household Income	\$69,324	\$81,568	\$87,627
2024 Est. Median Household Income	\$57,685	\$67,339	\$72,525

# Tenant Overview



ABSTRAKT



**90+**

Locations



**TEMPE, AZ**

Headquarters



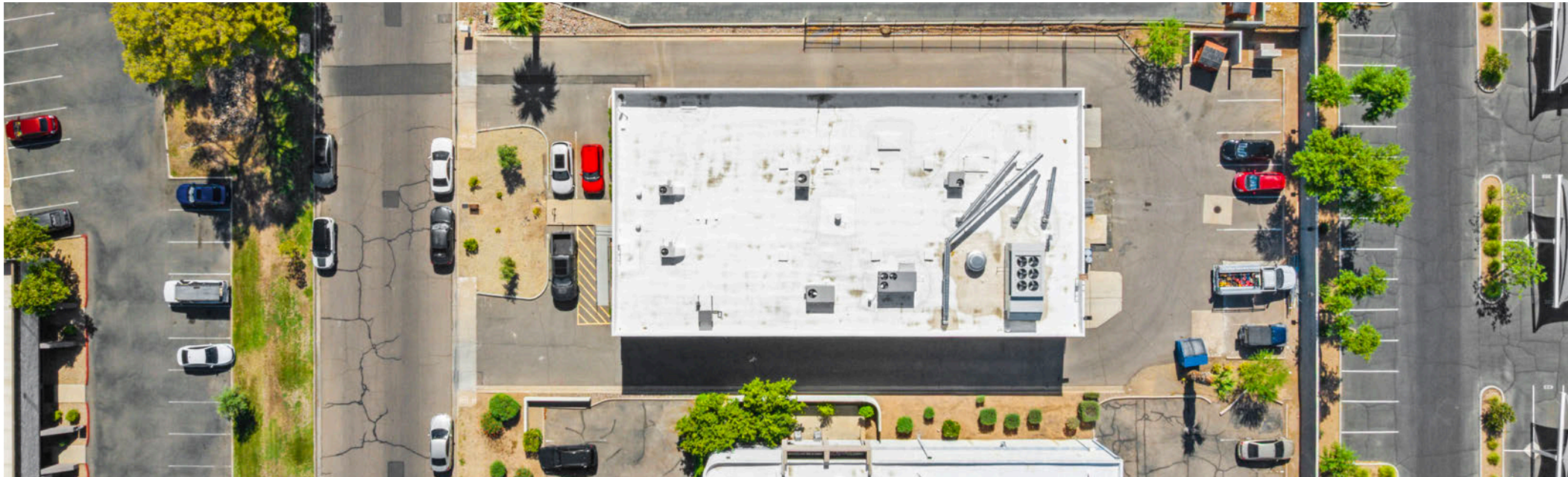
**WWW.GETABSTRAKT.COM**

Website

Abstrakt has emerged as a leading force in Arizona's cannabis industry, distinguished by its innovative flavor profiles and widespread market reach, with a presence in over 30 submarkets statewide. Known for producing premium, small-batch cannabis distillates, Abstrakt has set itself apart through its commitment to solvent-free extraction methods and consistently fresh product delivery. Abstrakt's mission is to be the premier cannabis vape company through unrelenting commitment to product quality, the community, and product innovation.

Abstrakt's products can be found in over 90 dispensaries throughout Arizona. It is the Top 3 Vape Company in the state by volume and revenue and is the Top 10 overall cannabis brand in Arizona. The company is owned by long-term shareholders who are experts in the cannabis industry. Gross sales for 2024 totaled \$9.7 million; gross sales have increased by 288% since 2022.

# Property Photos



# Interior Photos



# Location Overview



Located just 10 minutes east of downtown Phoenix, Tempe exudes its own personality and the youthful spirit of a college town. Home to Arizona State University, the largest public university in the United States, Tempe has a vibrant downtown that's active day and night. Visitors will find locally-owned eateries and microbreweries, annual festivals, arts and cultural events. There are plenty of opportunities to enjoy the over 300 days of sunshine a year, including biking, hiking, or paddle boarding.

While enjoying dynamic growth, the city has maintained its unique personality and style through a careful and masterful blending of the new with the old. Respecting its heritage and energetically planning for the future, Tempe is a wonderful mix of history and modern urban amenities. Tempe has a distinct identity as an emerging destination city, replete with all the offerings of a city rich

in economics, technology, culture, tourism and educational resources. Tempe offers a blend of quality new developments, revitalization and redevelopment, prestigious institutions such as Arizona State University, and celebrated traditions. Tempe brings it all together – bright Arizona sun, rewarding places to work, diverse cultures, a myriad of recreational opportunities, the best in entertainment and an unparalleled Southwestern lifestyle.

Tempe maintains one of the most thriving economic environments in the country, home to top research firms, Fortune 500 companies, and start-ups. The city's largest employers include Arizona State University, State Farm, Salt River Project, Honeywell, Medtronic, and Insight Direct. Tempe has the most educated and technically-skilled workforce in Arizona. It is a young and diverse community, with a median age of 28.1.

# [ exclusively listed by ]

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