

REPRESENTATIVE PHOTO

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



OFFERING MEMORANDUM

JIMMY JOHN'S

1574 N DECATUR RD | ATLANTA, GA 30307

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EXECUTIVE OVERVIEW



JIMMY JOHN'S
1574 N Decatur Rd
ATLANTA, GA 30307



1,476 SF
GLA



1968 / Renn 2018
YEAR BUILT



±20 SPACES
PARKING AVAILABLE

INVESTMENT HIGHLIGHTS

- » Brand New 20 Year Sale-leaseback – Lease Will Commence at COE
- » Completely Passive Investment – Absolute NNN Lease
- » Strong Annual Increases – 1.25%
- » Ideal 1031 Exchange Investment
- » Healthy Rent-to-Sales Ratio – One of the Top Producing Jimmy John's Operators
- » Tenant Paying Healthy Rent – Rent/SF In-Line with Market, Very Replaceable
- » Investment Priced Below Replacement Cost – Real Estate Offers Incredible Residual Value
- » High-quality brick construction building – built to withstand the test of time
- » This location is conveniently positioned to be the closest food option within the historic Emory Village Plaza to the roundabout in front of the entrance to Emory University and is only 1.5 mi. from the Centers for Disease Control and Prevention:
- » Emory University is a 15,000-student college and research center that is consistently noted as one of the top private colleges in the nation with an extremely impressive alumni list and nearly \$7B Endowment
- » The Atlanta-city section of Druid Hills, where this property is located, is one of Atlanta's most affluent neighborhoods with a mean household income in excess of \$137,500: Nearly 400,000 people live within 5-mi. of this property, and that figure is estimated to grow 6% by 2023

FINANCIAL OVERVIEW

Financial Analysis

REPRESENTATIVE PHOTO



JIMMY JOHN'S
1574 N Decatur Rd
ATLANTA, GA 30307



\$1,680,000

LIST PRICE



5.00%

CAP RATE



\$84,000

ANNUAL RENT

LEASE SUMMARY

TENANT TRADE NAME Jimmy John's

TYPE OF OWNERSHIP Fee Simple

LEASE GUARANTOR Kensington Hill Capital

LEASE TYPE NNN

ROOF AND STRUCTURE Tenant Responsible

ORIGINAL LEASE TERM 20

LEASE COMMENCEMENT Close of Escrow

RENT COMMENCEMENT Close of Escrow

LEASE EXPIRATION DATE 20 Years after Close of Escrow

TERM REMAINING 20 Years

INCREASES 1.25% Annual

OPTIONS Four (4), Five (5) Year Options

ANNUALIZED OPERATING DATA

YEAR	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP
1	\$7,000	\$84,000	\$56.91	5.00%
2	\$7,088	\$85,050	\$57.62	5.06%
3	\$7,176	\$86,113	\$58.34	5.13%
4	\$7,266	\$87,190	\$59.07	5.19%
5	\$7,357	\$88,279	\$59.81	5.25%
6	\$7,449	\$89,383	\$60.56	5.32%
7	\$7,542	\$90,500	\$61.31	5.39%
8	\$7,636	\$91,631	\$62.08	5.45%
9	\$7,731	\$92,777	\$62.86	5.52%
10	\$7,828	\$93,937	\$63.64	5.59%
11	\$7,926	\$95,111	\$64.44	5.66%
12	\$8,025	\$96,300	\$65.24	5.73%
13	\$8,125	\$97,503	\$66.06	5.80%
14	\$8,227	\$98,722	\$66.88	5.88%
15	\$8,330	\$99,956	\$67.72	5.95%
16	\$8,434	\$101,206	\$68.57	6.02%
17	\$8,539	\$102,471	\$69.42	6.10%
18	\$8,646	\$103,752	\$70.29	6.18%
19	\$8,754	\$105,049	\$71.17	6.25%
20	\$8,863	\$106,362	\$72.06	6.33%



ABOUT KENSINGTON HILL CAPITAL

The inception of the idea for Kensington Hill Capital ("KHC") started in 2010 with an initial seed investment in JJ Ventures, a newly founded Jimmy John's franchise which opened their first location in January 2009. JJ Ventures was founded by two partners who left their investment banking and private equity careers to capitalize on a rapidly growing brand that was gaining traction and had serious ambitions for growth. By 2012, only 3 Years since opening their first location, JJ Ventures had grown to 7 locations. Then in early 2018, Kensington Hill Capital was formally conceived through acquiring a larger stake giving them majority ownership in the venture. Today KHC is the 3rd Largest Jimmy John's Franchisee with the aspirations to becoming the largest Jimmy John's operator in 2019.

KHC has operations in 4 states (Georgia, Ohio, Florida & Alabama) which consist of 46 Jimmy John's under operation and an additional 13, which are contract expected to close in Q1 2019. Once complete, Kensington Hill Partners will have 59 locations, will take the title as Jimmy John's 2nd largest franchisee, and will be within striking distance of their goal to become the largest Jimmy John's operator in the world.

ABOUT JIMMY JOHN'S

Jimmy John's was founded by Jimmy John Liautaud in 1983, selling hot dogs out of a garage in Illinois and by 1987 had grown to 3 stores. Jimmy John credits his mentor, Jamie Coulter (who would later become the CEO of Lone Star Steakhouse & Saloon) for the guidance of how to effectively run multiple units which catapulted his growth prior to beginning franchising in 1994. By 2001 Jimmy John's had over 100 Units in operation, 500 Units by 2007 and 1,000 by 2010. In 2016, Jimmy John's was acquired by Roark Capital, a private equity firm with \$12 Billion raised since inception. Today, Jimmy John's has been recognized as one of the top 10 "Great Franchise Bets" by CNN Money and has almost 3,000 locations.

ABOUT ROARK CAPITAL

Roark Capital Group is an Atlanta-based private equity firm with approximately \$12 billion in equity capital raised since inception. Roark focuses on family-owned business transfers, management/corporate buyouts, recapitalizations, going-private transactions, and corporate divestitures. Roark focuses on consumer and business service companies, with a specialization in franchised and multi-unit business models in the restaurant, retail, consumer services, and business services sectors.

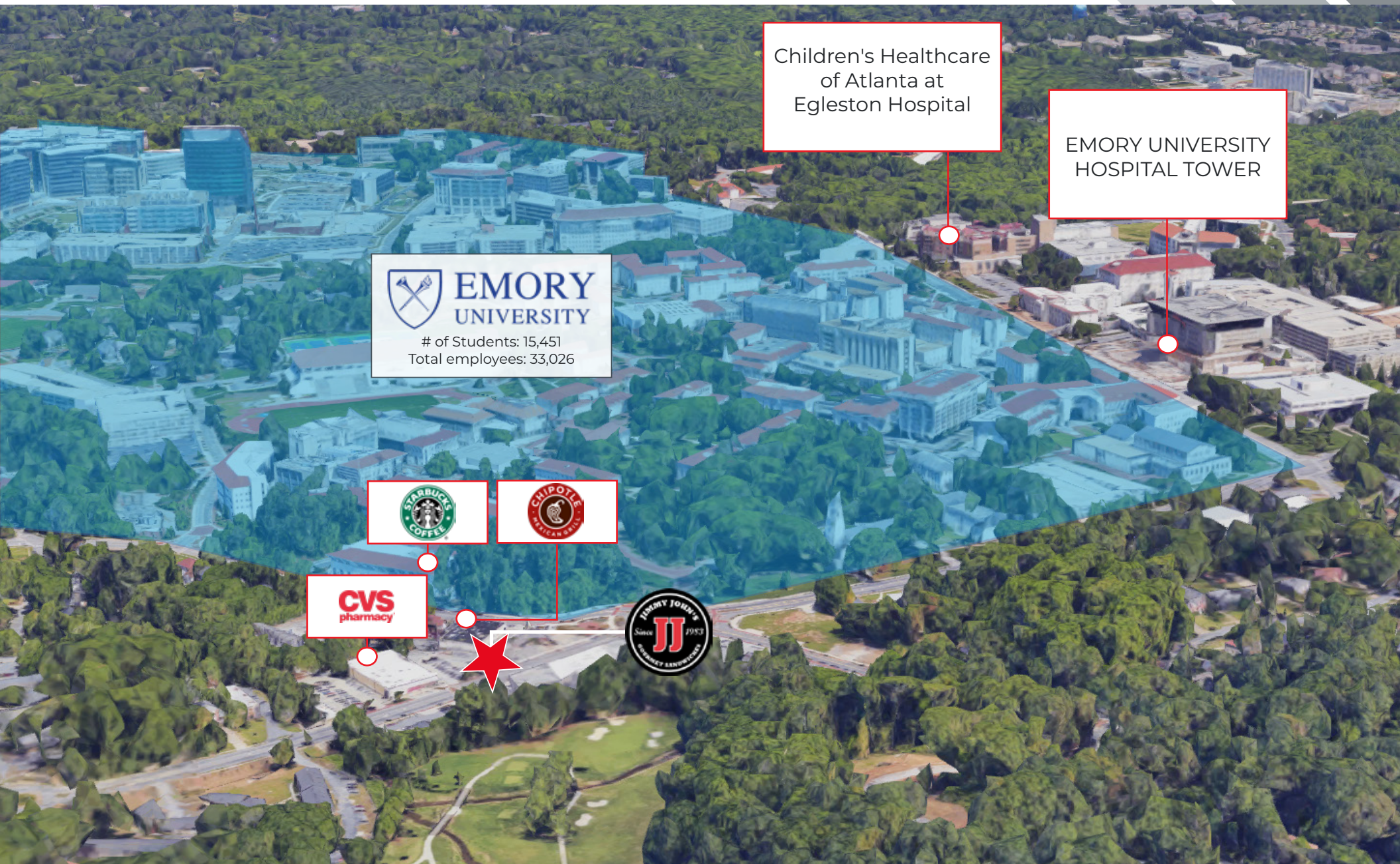
Since inception, affiliates of Roark have acquired 66 franchise/multi-unit brands which generate approximately \$37 billion in system revenues from 36,000 locations located in 50 states and 81 countries.

Roark Capital's portfolio of companies spans multiple industries including food and restaurants, specialty retail, health and wellness, retail healthcare, business services, and education. Their largest sector, food and restaurants, encompasses 25 investments in brands such as: Arby's, Buffalo Wild Wings, Sonic, Carl's Jr., Hardee's, Corner Bakery, Jamba Juice, Moe's, and more. Other notable brands outside the food sector include: Meineke, Take-5 Oil Change, MAACO, Drybar, Orange Theory Fitness, Massage Envy and more.

+2,800
TOTAL LOCATIONS



SURROUNDING AREA



AREA OVERVIEW



ATLANTA, GA



Distance to:

Hartsfield-Jackson Atlanta International Airport - 15.5 Miles



Distance to:

Downtown Atlanta - 5.4 Miles



Distance to:

Mercedes-Benz Stadium - 6.6 Miles



Distance to:

Georgia Aquarium - 5.7 Miles

EMORY UNIVERSITY

Emory University, located just steps from the subject property, is one of the world's leading research universities. It is a top-ranked private institution recognized for its outstanding liberal arts colleges, graduate and professional schools, and of the world's leading healthcare systems. Emory also ranks as the second-largest employer in the metro Atlanta area. The total number of employees for both Emory University and Emory Healthcare is around 33,026.

Emory University is also one of the region's leading economic drivers. Its economic impact totals around \$5.6 billion per year, with the Emory University totaling around \$2.1 billion and Emory Healthcare estimated at \$3.5 billion.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2010 Census	4,836	54,262	160,118
2019 Estimate	5,204	60,542	176,293
2024 Projection	5,439	64,074	185,799
Growth 2019-2024	4.52%	5.83%	5.39%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2010 Census	2,052	22,589	61,996
2019 Estimate	2,273	25,359	68,802
2024 Projection	2,403	26,891	72,734
Growth 2019-2024	5.72%	6.04%	5.71%
INCOME	1-MILE	3-MILE	5-MILE
2019 Average Household Income	\$96,218	\$91,521	\$92,932

ATLANTA FAST FACTS

Metro Atlanta is recognized as an international gateway and the economic engine of the Southeast. As the largest economy of all metros in the region, metro Atlanta offers diverse businesses and services.

HOME TO 26 OF AMERICA'S LARGEST CORPORATIONS (FORTUNE 1000) AND 220 OF THE NATION'S FASTEST-GROWING PRIVATE COMPANIES (INC. 5000), metro Atlanta is a premier location for headquarters. Metro Atlanta is also a leading headquarters location for food franchises, business services and nonprofits.

Metro Atlanta is a thriving ecosystem for entrepreneurs and new businesses. **In 2017, ATLANTA WAS NAMED A RUNNER-UP TO THE TOP 20 TECH STARTUP ECOSYSTEMS GLOBALLY AND ONE OF THE TOP 10 CITIES FOR CORPORATE INNOVATION.** There is an abundance of creative energy, talent and entrepreneurial spirit in metro Atlanta. Many companies choose metro Atlanta to locate their innovation centers.

A business-friendly environment and low cost of doing business are key elements for growth and opportunity in the metro Atlanta region. Site Selection named Georgia the **#1 STATE FOR BUSINESS CLIMATE** in 2013, 2014, 2015 and 2016. Area Development ranked Georgia the **#1 STATE FOR DOING BUSINESS** in 2014, 2015 and 2016. KPMG indexed Atlanta with the **LOWEST RELATIVE COST OF DOING BUSINESS** of the nation's ten largest metro areas in 2016.

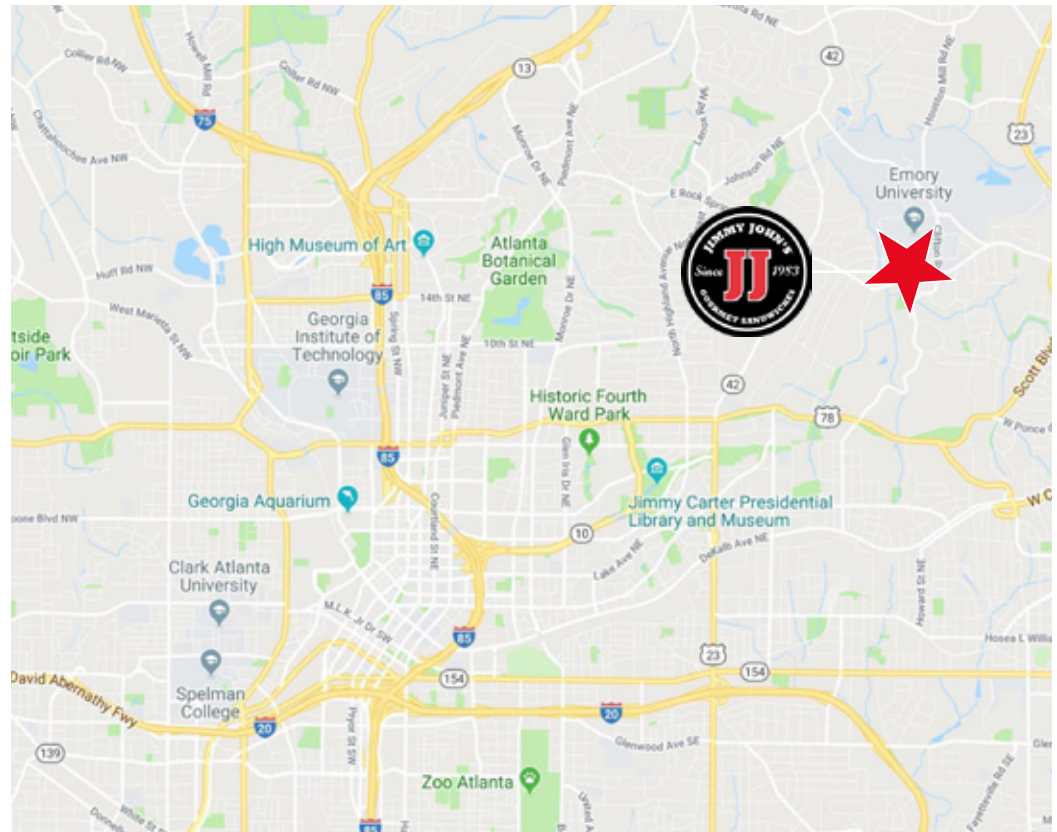
TARGETED INDUSTRIES

TECHNOLOGY

- » World-class technology community – from startups to FORTUNE 500 companies
- » Headquarters of technology leaders including NCR, Global Payments, First Data, SecureWorks, among others
- » Home to the Advanced Technology Development Center
- » (ATDC) – one of 12 business incubators changing the world, according to Forbes
- » Strengths in FinTech, cyber security, IoT/mobile, health IT, digital media and supply chain

SUPPLY CHAIN & ADVANCED MANUFACTURING

- » Global logistics hub for the Southeast with extensive intermodal network of air, road, rail and port
- » 5th in the nation for metro area transportation and logistics employment
- » 6th largest U.S. industrial real estate market
- » Strengths in supply chain management software, distribution services, food processing, aerospace and automotive



ATLANTA MSA

Atlanta is the capital of and the most populous city in the U.S. state of Georgia, the cultural and economic center of the Atlanta metropolitan area, and the ninth largest metropolitan area in the United States.

Atlanta is an “alpha-” or “world city”, exerting a significant impact upon commerce, finance, research, technology, education, media, art, and entertainment. It ranks 36th among world cities and 8th in the nation with a gross domestic product of \$270 billion. Atlanta’s economy is considered diverse, with dominant sectors including logistics, professional and business services, media operations, and information technology.

Encompassing \$304 billion, the Atlanta metropolitan area is the eighth-largest economy in the country and 17th-largest in the world. Corporate operations comprise a large portion of Atlanta’s economy, with the city serving as the regional, national, or global headquarters for many corporations. Atlanta contains the country’s third largest concentration of Fortune 500 companies, and the city is the global headquarters of corporations such as The Coca-Cola Company, The Home Depot, Delta Air Lines, AT&T Mobility, Chick-fil-A, UPS, and Newell-Rubbermaid.

Atlanta is home to professional franchises for three major team sports: the Atlanta Braves of Major League Baseball, the Atlanta Hawks of the National Basketball Association, and the Atlanta Falcons of the National Football League. Due to the more than 30 colleges and universities located in the city, Atlanta is considered a center for higher education.

ECONOMY

Atlanta’s economy is considered diverse, with dominant sectors including logistics, professional and business services, media operations, and information technology. Corporate operations comprise a large portion of Atlanta’s economy, with the city serving as the regional, national, or global headquarters for many corporations.

Over 75 percent of Fortune 1000 companies conduct business operations in the Atlanta metropolitan area, and the region hosts offices of about 1,250 multinational corporations. Many corporations are drawn to Atlanta on account of the city’s educated workforce; as of 2010, nearly 43% of adults in the city of Atlanta have college degrees, compared to 27% in the nation as a whole.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Jimmy John's** located in **1574 N Decatur Rd | Atlanta, GA 30307** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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