



2135 IH35 NORTH
SAN ANTONIO, TX

OFFERING
MEMORANDUM

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INVESTMENT HIGHLIGHTS

PROPERTY DETAILS

- Absolute NNN Lease – Tenant takes care of all responsibilities including property tax, insurance and property, and building maintenance in an income tax-free state
- Corporate Guaranteed lease by Sonic Restaurants as well as a guaranty from a 53-Unit Sonic operator in the San Antonio Market
- Short term lease being offered at a high cap rate giving a savvy investor a great opportunity to recognize the strength of the real estate

LOCATION

- The city of San Antonio is the second largest city in Texas and seventh largest city in the USA, with roughly 1.4 million residents spread across approximately 500 square miles
- Strategically located in the heart of San Antonio with over 370,000 people in a 5-mile radius
- Excellent location next to a gas station that is the perfect pit stop for a Highway with 159,000+ average daily traffic

TENANT

- Sonic Corporation is the nation's largest drive-in restaurant chain serving approximately 3 million customers every day
- As of August 2017, 3,557 Sonic Drive-Ins were in operation from coast to coast in 45 states
- Sonic Drive-In was ranked in the top 15-most successful QSR companies

FINANCIAL OVERVIEW



LIST PRICE

\$1,200,000



CAP RATE

7.50%



YEAR BUILT

1998



LOT SIZE

± 0.82 AC



GLA

± 1,381 SF

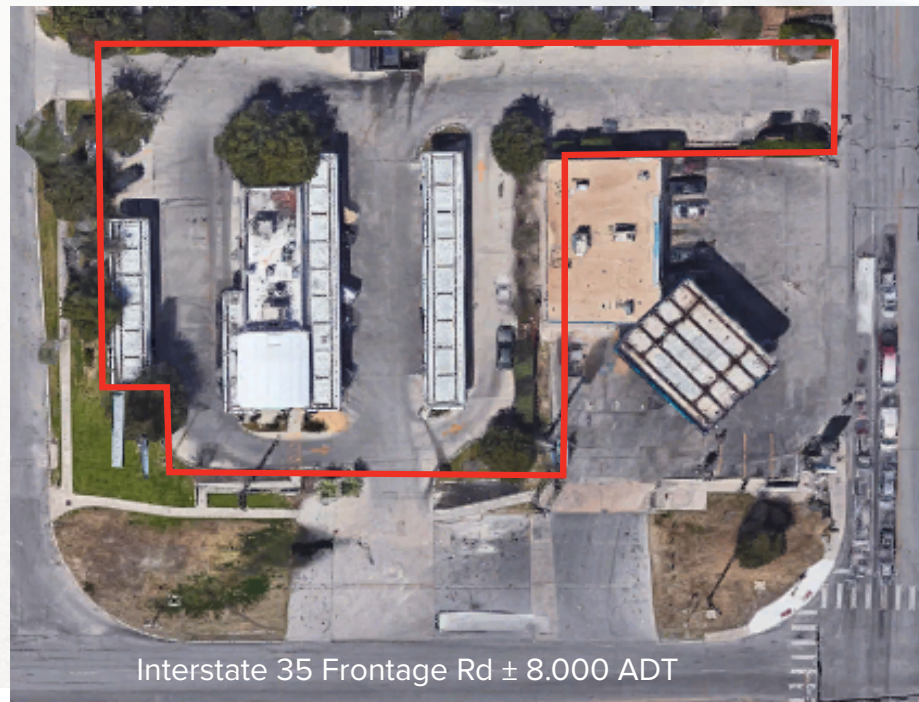


APN

01273-005-0160

TENANT SUMMARY

Tenant Trade Name	Sonic Drive-In
Type of Ownership	Fee Simple
Lease Type	NNN
Roof & Structure	Tenant Responsible
Original Lease Term	15 Years
Rent Commencement Date	5/1/2003
Lease Expiration Date	10/1/2021
Years Remaining	± 2.50 Years
Options	Two, 5-Year Options



Interstate 35 Frontage Rd ± 8.000 ADT

TENANT OVERVIEW

SONIC

For more than 60 years, SONIC, America's Drive-In has built a dominant position in the drive-in restaurant business. They did so by sticking to what made drive-ins so popular in the first place: made-to-order American classics, signature menu items, speedy service from friendly Carhops and heaping helpings of fun and personality. The company operates 3,557 restaurants in 45 US states. With a dynamic history, SONIC surges forward while specializing in fresh, made-to-order meals that you can't get anywhere else. Today, SONIC is the largest chain of drive-in restaurants in America. As a business, they continue to thrive, maintaining strong real sales growth, industry-leading customer frequency and high returns for stockholders.

GROWTH

There has never been a better time to become a SONIC franchisee. Leadership from a best-in-class franchise support team, a diverse menu that maximizes all five dayparts like no other QSR in the industry and the marketing muscle of the wildly successful Two Guys national campaign has positioned Sonic as a brand with remarkable momentum. SONIC franchise owners saw average gross sales-by-store increase from \$1,072,000 in 2012 to \$1,283,000 in 2016, with 27 percent of stores exceeding \$1.5 million in gross sales in fiscal year 2016.

No. of Locations	± 3,557
No. of Employees	± 9,620
Headquartered	Oklahoma City, Oklahoma
Website	www.sonicdrivein.com
Year Founded	1953

SURROUNDING TENANTS

San Antonio College

Downtown San Antonio

AT&T Center

SONIC

Logos shown include: VALERO, SUBWAY, Firestone, GNC, Starbucks, Dunkin', Jack in the Box, Walgreens, McDonald's, Taco Bell, EconoLodge, Best Western, Chevron, Shell, Texaco, Burger King, NAPA, LifeStorage, Midas, Family Dollar, Cricket, MetroPCS, CITGO, AutoZone, O'Reilly, Dollar General, Walgreens, HEB, Jack in the Box, Little Caesars, and AT&T Center.



AREA OVERVIEW



Demographics

POPULATION	1 Mile	3 Mile	5 Mile
2023 Projection	20,162	163,457	376,343
2018 Estimate	19,427	156,039	358,022
2010 Census	18,940	148,392	337,137
Growth 2018 - 2023	3.78%	4.75%	4512%
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
2023 Projection	6,892	54,664	128,230
2018 Estimate	6,572	51,424	120,521
Growth 2018 - 2023	4.87%	6.30%	6.40%
INCOME	1 Mile	3 Mile	5 Mile
2018 Est. Average Household Income	\$44,892	\$46,204	\$47,240

SAN ANTONIO, TX

Placed perfectly in the heart of Texas Hill Country straddling South Texas and Central Texas, San Antonio is the second-most populous city in the state of Texas. A city on the rise, San Antonio is in the center of a booming corridor with many business-friendly elements. San Antonio's historically steady population growth has established a local market of 2.3 million residents, one that is projected to increase by 28% in the coming future. Moreover, there is an increasing population of young professionals flocking to central San Antonio, enticed by areas such as Pearl Brewery, Alamo Heights and downtown, which offer an urban lifestyle with endless shopping, nightlife, cultural, fine dining and employment opportunities.



SAN ANTONIO, TX

San Antonio exudes a distinct combination of metropolitan energy and small-town charm; its laid-back character brings a welcome contrast to its substantial business community. Having acquired one of the largest concentrations of military bases in the country, the city has also become known as Military City, USA. For over a hundred years, a consistent and significant military presence has shaped San Antonio's identity and brought stability to the local economy.

The region's spirit expands beyond its tourist labels, creating a community rich in Hispanic and Old West heritage. Home to two of Texas' most popular destinations, the River Walk and the Alamo, San Antonio's rich, cultural history attracts over 32 million annual visitors. The city's historic sites are intermingled with modern skyscrapers in downtown, including the Alamo and the Spanish Governor's Palace. Meanwhile, the River Walk is an oasis of cypress-lined paved paths and arch stone bridges that winds through the city center. Lined with shops and sidewalk cafes along the San Antonio River, the River Walk offers easy access to San Antonio's Main Plaza. Connecting San Antonio to its past, while paving its path to the future, the River Walk is truly the heart and soul of the city.



ECONOMIC SNAPSHOT

San Antonio has achieved staying power as one of the most attractive environments for business in the United States with its diverse and robust economy. Recognizing its many advantages, six Fortune 500 companies – Valero Energy Corp, Tesoro Corp, USAA, Clear Channel Communications, NuStar Energy and CST Brands, Inc. – have established their headquarters in San Antonio in addition to H-E-B. Meanwhile, ten miles northwest of San Antonio's downtown, the South Texas Medical Center, which is the only medical research and care provider in the South Texas region, is a conglomerate of various hospitals, clinics, and research and higher educational institutions.

The city's economy is primarily comprised of the military, healthcare, government civil service, financial services, oil and gas, and tourism sectors. Over the past two decades, San Antonio has become a significant location for American-based call centers and has added a significant manufacturing sector centered around automobiles. Future job growth projections are strong, combining with the steadily declining unemployment rate and other business elements to help cultivate a healthy business climate.

TEXAS HILL COUNTRY

Arguably the most beautiful area in Texas, the Texas Hill Country is a 25-county region of Central and South Texas that extends from San Antonio to just north of Austin. Central to Texas, the Hill Country is considered the heart and soul of the state. With over 14,000 square miles of hills, lakes, live oak trees and winding roads, this region attracts millions of people each year, be it for a weekend getaway or a vacation.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonic** located at **2135 IH35 North San Antonio, TX 78208** (“**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.

EXCLUSIVELY LISTED BY

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