NEW 20-YEAR NNN ARBY'S (CORPORATE) CLARKSTON, MI | DETROIT MSA

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Rendering of Subject Property

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01-EXECUTIVE SUMMARY

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TWO NEW 20-YEAR NNN ARBY'S







OFFERING HIGHLIGHTS

Price	\$2,422,909
Cap Rate	5.50%
Year Built	2018
Building GLA	2,109 SF
Lot Size	1.17 Acres
NOI	\$133,260

TOP OAKLAND COUNTY EMPLOYERS

Beaumont Health	Henry Ford Health System
FCA US LLC	Oakland County
General Motors Co	Trinity Health
Ascension Michigan	Magna International of America
U.S. Postal Service	Comerica Bank

INVESTMENT OVERVIEW

Optimal Lease Structure & Tenant

- Brand New Arby's
- 2018 Construction with latest BTS prototype
- Corporately guaranteed lease
- 20-year base term with five (5), 5-year renewal options
- 10% rent escalation every 5 years throughout entire lease
- Triple net (NNN) lease with no landlord responsibilities

Fundamental Real Estate

- Interstate location just off I-75
- Hard corner at a signalized intersection
- ±18k VPD along Sashabaw Road
- Large parcel size of ± 1.17 acres
- Multiple points of ingress & egress

Strong Market Demographics

- Affluent & dense metro of Detroit
- Total population of ±35k (3-mi) & ±88k (5-mi)
- Population growth of 26.56% in 1-mile radius since 2000
- 6-Figure average household incomes throughout 5-mile radius o ±132k (1-mi), ±\$111k (3-mi) & ±\$105k (5-mi)

Stable Economic Drivers

- Oakland County has long term bond rating of AAA/Stable by S&P (2018)
- Detroit-Warren-Dearborn MSA supports 2 MM jobs (10% employment growth over last 5 years)
- "Large and Affluent Tax Base Undergoing Strong Economic Growth" (*Moody's Investors Service Credit Opinion,* June 26, 2018)
- Largest employers in Oakland County
 - o Health care systems
 - Beaumont Health: 18,301
 - Ascension Michigan: 5,474
 - Henry Ford Health System: 4,085
 - o Automobile manufacturers
 - FCA US LLC: 13,099
 - General Motors Co: 9,687



02-PROPERTY DETAILS Marcus Millichap

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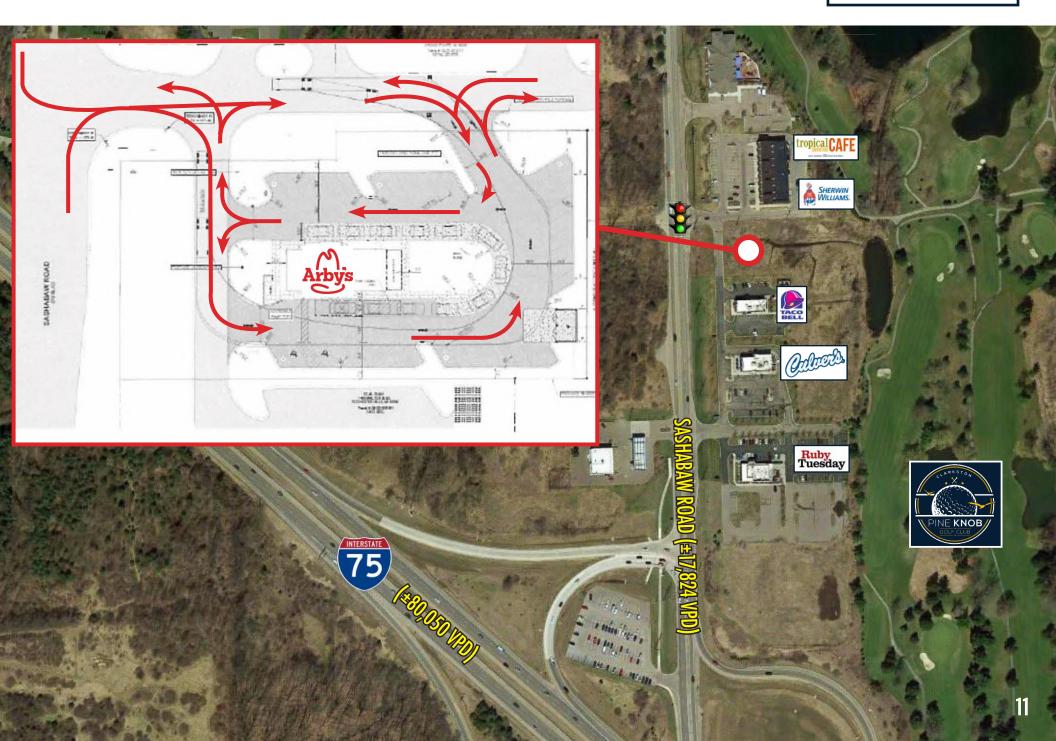
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SITE PLAN







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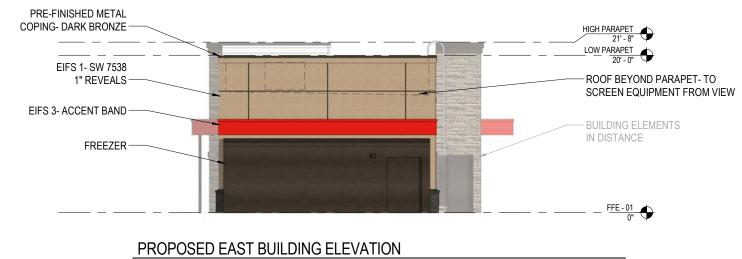
METAL COLUMNS-

DARK BRONZE

BRICK WATERTABLE

FFE - 01

ELEVATIONS







PROPOSED NORTH BUILDING ELEVATION SCALE: 1/8" = 1'-0"

03-LOCATION OVERVIEW

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LOCATION OVERVIEW

Clarkston is a city located in Oakland County, Michigan. It is completely surrounded by Independence Township and is approximately one half square mile in size. Oakland County is composed of 62 cities, townships, and villages, and is **part of the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area**. The city of Detroit is in neighboring Wayne County, south of 8 Mile Road. Oakland County is **among the ten highest income counties in the United States with populations over one million people**. It is also home to Oakland University, a large public institution that straddles the Auburn Hills and Rochester Hills border.

The county's knowledge-based economic initiative, coined "Automation Alley", has developed **one of the largest employment centers for engineering and related occupations in the United States**. General Motors, Chrysler, and Ford are major employers within southeast Michigan and have a significant presence in Oakland County. The county is Michigan's domestic and international business address. They have international diversity that few states or even some countries can match. FCA, BorgWarner (Germany), SAIC USA (China), Brose (Germany), Meritor (USA), Denso (Japan) and Valeo (France) all have their North American headquarters in Oakland County. **The county ranked 13th nationally in total exports, with their businesses producing \$14.5 billion in merchandise exports.** The area provides access to suppliers and technical talent with one of the nation's leading high-tech workforces and many research facilities.

With 29 higher education institutions, the Detroit region is home to one of the country's most skilled workforces. Year after year, the city graduates more engineers per capita than any other area in North America. From automotive to aviation to defense, they're changing the way the world moves. Their unmatched automotive research, design and advanced manufacturing resources make this region the leader in next-generation mobility and technology development. **1,300 firms from 38 countries call the Detroit region home, as it's the perfect location for access to U.S. and Canadian markets.** Home to one of the world's most valuable border crossings and Detroit Metro Airport – with nonstop flights to more than 160 destinations – Detroit is strategically located for both commercial and personal ventures.







DEMOGRAPHICS

POPULATION	1 - MILE	3 - MILE	5 - MILE	POPULATION PROFILE	1 - MILE	3 - MILE	5 - MILE
2022 Projection	1,929	36,178	92,131	20 to 34 Years	13.6%	16.1%	16.3%
2017 Estimate	1,868	34,523	89,082	35 to 59 Years	38.6%	37.2%	37.5%
Growth 2017 - 2022	3.24%	4.79%	3.42%	60 to 74 Years	16.2%	15.5%	15.5%
2000 Census	1,476	31,122	83,030	Age 75+	4.6%	4.8%	4.9%
2010 Census	1,738	32,931	85,731	2017 Median Age	43.3	41.8	41.7
Growth 2000 - 2010	17.77%	5.81%	3.25%	2017 Population 25 + by Education Level	1,260	23,314	60,914
HOUSEHOLDS				Elementary (0-8)	1.04%	1.56%	1.44%
2022 Projections	750	13,550	34,982	Some High School (9-11)	3.06%	4.00%	4.68%
2017 Estimate	717	12,899	33,645	High School Graduate (12)	16.29%	21.24%	23.18%
Growth 2017 - 2022	4.62%	5.04%	3.97%	Some College (13-15)	22.52%	24.11%	24.34%
2000 Census	522	11,266	30,473	Associates Degree Only	8.53%	9.52%	9.49%
2010 Census	659	12,246	32,219	Bachelors Degree Only	31.53%	25.11%	23.38%
Growth 2000 - 2010	26.24%	8.70%	5.73%	Graduate Degree	16.77%	14.13%	13.07%

2017A EST. HOUSEHOLDS BY INCOME

\$200,000 or More	12.94%	9.05%	7.67%
\$150,000 - \$199,999	14.73%	10.47%	9.75%
\$100,000 - \$149,999	27.88%	21.92%	21.05%
\$75,000 - \$99,999	11.42%	14.90%	16.22%
\$50,000 - \$74,999	14.91%	17.80%	17.43%
\$35,000 - \$49,999	7.00%	10.04%	10.64%
\$25,000 - \$34,999	3.39%	5.02%	5.74%
\$15,000 - \$24,999	4.01%	5.38%	5.73%
\$10,000 - \$14,999	1.72%	2.54%	2.53%
Under \$9,999	1.99%	2.88%	3.23%
Average Household Income	\$133,837	\$110,965	\$105,263

04-FINANCIAL ANALYSIS

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LEASE ABSTRACT

TENANT: RTM Operating Company, LLC d/b/a Arby's

LEASE GUARANTOR: Corporate (Arby's Restaurant Group)

BUILDING SIZE: ±2,109 Square Feet

LEASE COMMENCEMENT:

Est. December 31, 2018

BASE TERM:

20 Years

BASE RENT (ANNUALLY):

Years 1-5: \$133,260.00 Years 6-10: \$146,586.00 Years 11-15: \$161,244.60 Years 16-20: \$177,369.06

OPTIONS:

Five (5), 5 year options

OPTION RENT:

Years 21-25 (Option 1): \$195,105.97 Years 26-30 (Option 2): \$214,616.56 Years 31-35 (Option 3): \$236,078.22 Years 36-40 (Option 4): \$259,686.04 Years 41-45 (Option 5): \$285,654.64

RENT ESCALATIONS:

10% Every 5 Years

TAXES, UTILITIES AND OTHER CHARGES:

Tenant agrees to pay, at Tenant's sole expense and for its own account, on or before the due date.

NET LEASE:

Tenant acknowledges and agrees that, from and after the Rent Commencement Date, it is intended that this Lease is, except as otherwise expressly stated herein, a completely "net lease" to Landlord, and that Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises. From and after the Rent Commencement Date, Tenant shall pay all charges, impositions, costs and expense of every nature and kind relating to the Premises, Personalty and Improvements except as herein expressly provided to the contrary.

RIGHT OF FIRST REFUSAL:

Yes - 35 days upon executed letter of intent or purchase and sale contract

REPAIR OF BUILDING & PREMISES:

Solely Tenant's responsibility which shall include roof, HVAC, lighting, parking lot, etc.

INSURANCE:

Tenant, at Tenant's expense, at all times during the Term of this Lease from and after the Possession Date, will procure, maintain and keep in force commercial general liability insurance, employer's liability insurance and property insurance.

ASSIGNMENT & SUBLETTING:

Tenant shall have the right to assign and/or sublet all or any part of the Premises to an affiliate of Tenant or Arby's Restaurant Group. No assignment shall release Tenant or Guarantor of its liability and obligations arising hereunder after the date of such assignment unless Tenant provides Landlord with reasonable and sufficient financial statements and evidence to establish that the proposed assignee of this Lease has a tangible net worth (excluding any value attributable to goodwill and/or intellectual property) equal to or greater than \$25,000,000, which such net worth must be determined in accordance with generally accepted accounting principles at the time of such assignment.

ESTOPPEL: Within ten (10) business days



		RBY'S
TENAN	T TRADE NAME	Arby's
OWNER	SHIP	Roark Capital Group
TENAN		RTM Operating Company, LLC
LEASE	GUARANTOR	Arby's Restaurant Group, Inc.
HEADQ	UARTERS	Atlanta, GA
3,30 Locatio		Single

TENANT SUMMARY

Arby's is an American quick-service fast-food sandwich restaurant chain with more than 3,300 restaurants system-wide. In October 2017, Food & Wine called Arby's "America's second largest sandwich chain (after Subway)".

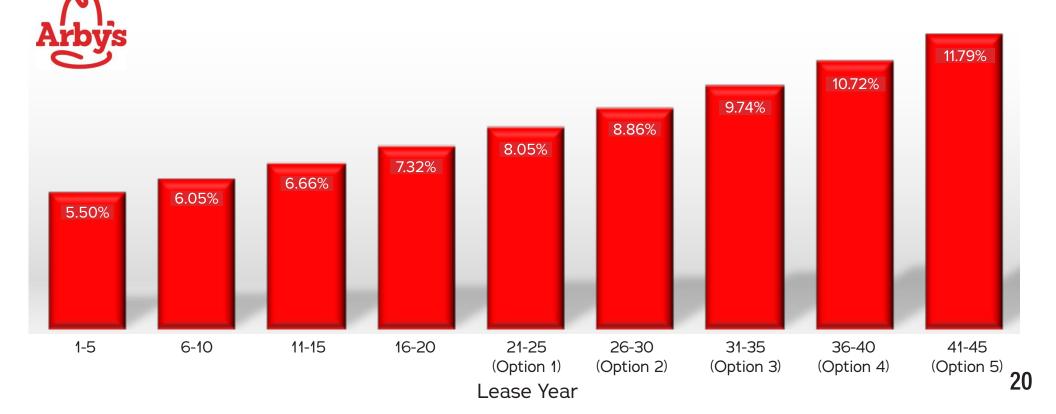
Arby's is owned by Inspire Brands, the renamed Arby's Restaurant Group, Inc. (ARG). ARG was renamed as the company took over ownership of Buffalo Wild Wings on February 5, 2018. Roark Capital Group acquired Arby's Restaurant Group in July 2011 and owns 81.5% of the company, with The Wendy's Company owning the other 18.5%. The Wendy's Company sold off their reduced stake in the former Arby's Restaurant Group, Inc. (renamed Inspire Brands), which was announced on August 16th 2018, for 450 million dollars, a 38 percent premium.

In addition to its classic Roast Beef and Beef 'n Cheddar sandwiches, Arby's products also include deli-style Market Fresh line of sandwiches, Curly Fries and Jamocha Shakes. Its headquarters are in Sandy Springs, Georgia, a suburb of Atlanta which uses Atlanta mailing addresses. There are international locations in four countries outside the United States: Canada, Turkey, Qatar, United Arab Emirates.

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FINANCIAL SUMMARY

THE OFFERING		LEASE SUMMARY	
Price:	\$2,422,909	Property Subtype:	Net Leased Restaurant
	6970 Sashabaw Road,	Tenant:	RTM Operating Company, LLC d/b/a Arby's
Property Address:	Clarkston, MI 48348	Rent Increases:	10% Every in 5 Years
	,	Guarantor:	Corporate
Cap Rate:	5.50%	Lease Type:	NNN
Gross Leasable Area (GLA):	2,109 SF	Lease Commencement:	Est. 12/31/2018
Lot Size:	1.17 Acres	Lease Term:	20 Years
Year Built:	2018	Renewal Options:	Five (5), 5-Year
Type of Ownership:	Fee Simple	Landlord Responsibility:	None
		Right of First Refusal	Yes



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Representative Photo