



THE JONNA GROUP  
MARCUS & MILLICHAP

PANERA BREAD

1469 E US Highway 223 • Adrian, MI 49221



**10% Increases Every 5 Years**

**New 15-Year Corporate-Backed Lease**



PRESENTED BY

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PANERA BREAD  
Adrian, MI  
ACT ID Z0290542

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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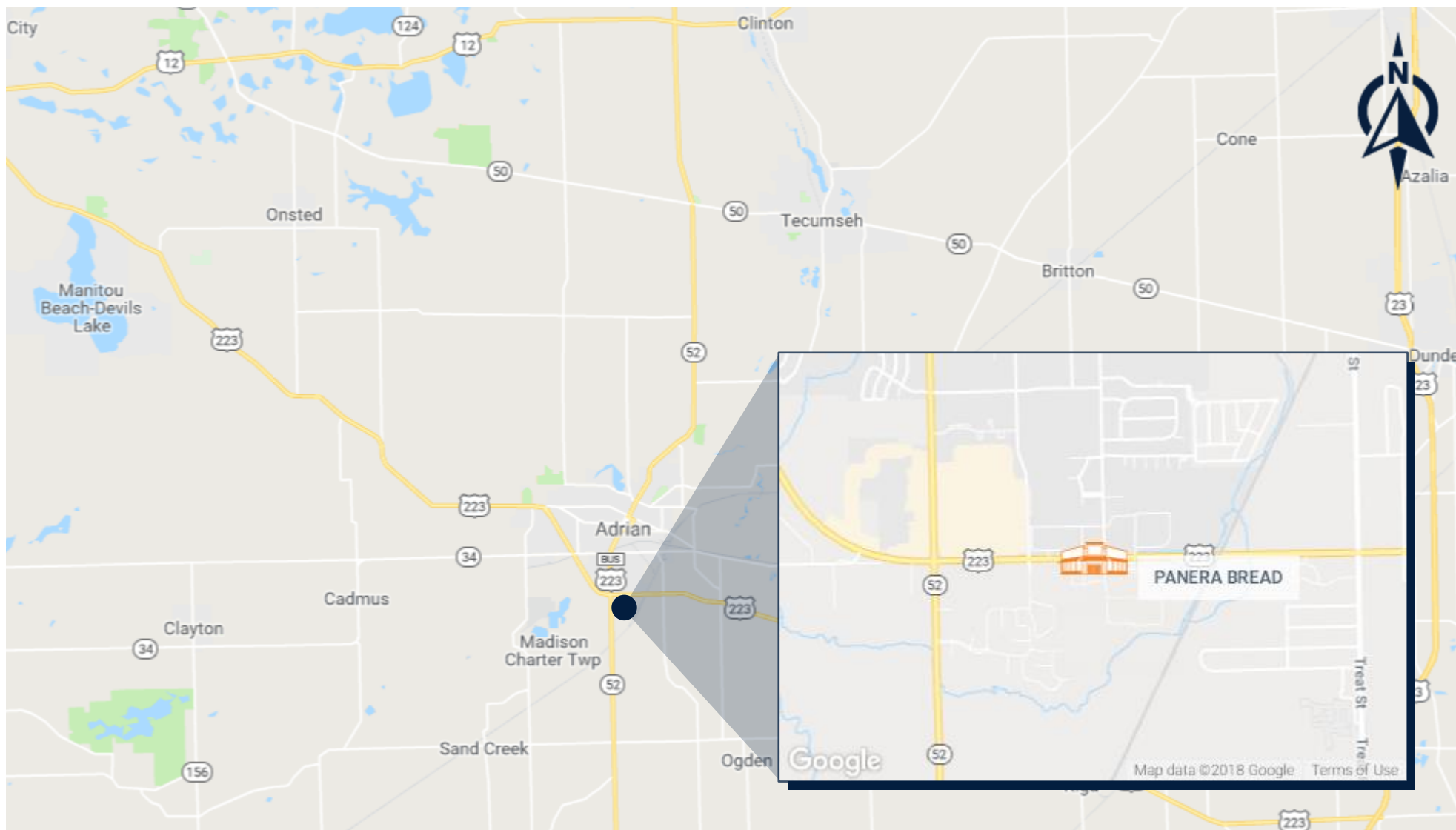
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By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

Marcus & Millichap



1469 E US Highway 223, Adrian, MI 49221





Average Household Income Over  
\$53,000 Within Five Miles



## EXECUTIVE SUMMARY

## OFFERING SUMMARY

Price	\$2,699,500
Net Operating Income	\$150,000
Capitalization Rate – Current	5.56%
Price / SF	\$767.98
Rent / SF	\$42.67
Lease Type	NN
Gross Leasable Area	3,515 SF
Year Built / Renovated	2017
Lot Size	1.18 acre(s)

## FINANCING

Down Payment	All Cash
Net Cash Flow	5.56% / \$150,000
Cash on Cash Return	5.56%

## MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Brazeway Inc	977
Bixby Medical Center	710
Good Neighbor Pharmacy	654
Gus Hrrson Correctional Fclty	600
Southeastern Mich Rur Elc Coop	411
Adrian Steel Company	375
Adrian Dominican Sisters	300
Inteva Adrian	300
Lowe's	300
Meijer 045	300
Plastic Ominium Auto Inergy	242
Parr Hwy Correctional Fclty	230

## DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	4,353	27,920	36,540
2010 Census Pop	4,382	28,095	36,816
2017 Estimate HH	1,726	9,305	12,544
2010 Census HH	1,778	9,640	12,971
Median HH Income	\$33,890	\$38,243	\$41,474
Per Capita Income	\$17,133	\$18,864	\$20,257
Average HH Income	\$43,000	\$49,636	\$53,579

\* # of Employees based on 5 mile radius



## INVESTMENT OVERVIEW

The Jonna Group of Marcus & Millichap is pleased to present the exclusive listing for a new freestanding Panera Bread prototype located in Adrian, Michigan. Panera Bread recently inked a brand new 15-year lease that includes (3) 5-year options. This ideal Panera Bread lease offers 10% rent increases in both the base and option periods. The investment is backed by a corporate guarantee from Panera Bread, a leading fast casual restaurant retailer with over 2,100 locations.

The subject property is located in the main retail hub of Adrian, off the busy intersection of US-223 and Division Street. US-223 sees a traffic count of over 22,000 vehicles traveling per day. The subject property is located in a dense retail trade zone that includes Lowe's, Walmart Supercenter, Meijer, Hobby Lobby, Aldi, Dollar Tree, Starbucks, Aspen Dental, Planet Fitness, Marshalls, Discount Tire, Buffalo Wild Wings, Kohl's, Verizon and many more.

Adrian is the county seat of Lenawee County in South Michigan, sitting approximately 30 miles southwest of Ann Arbor, MI and 30 miles northwest of Toledo, OH. The city is home to three colleges: Adrian College, Jackson College and Siena Heights University, as well as being home to the historic Crosswell Opera House. Adrian's elite schools and opera house bring a great deal of traffic and culture to the city. The city offers easy connections to Toledo Express Airport, Detroit Metro Airport, Willow Run Airport and just two miles from downtown is the Lenawee County Airport, with runway and service to handle large business jets. The city is a vibrant community with a unique wealth of historic features and big city amenities.

## INVESTMENT HIGHLIGHTS

- New Prototype Construction w/Drive Thru | 15-Year Corporate Backed Lease
- 10% Rent Bumps in Base and Option Periods
- Strong Visibility on US-223 | Traffic Count Exceeds 22,000 Vehicles Per Day
- Located in Dense Retail Corridor | Adjacent to Walmart Supercenter
- Adrian is a Historic College Town | Home to Three College Campuses
- Lease Backed by Strong Guarantor | Minimal to Zero Landlord Responsibilities
- Retailers in the Immediate Vicinity Include: Lowe's, Walmart Supercenter, Meijer, Hobby Lobby, Aldi, Dollar Tree, Starbucks, Aspen Dental, Planet Fitness, Marshalls, Discount Tire, Buffalo Wild Wings, Kohl's, Verizon and many more.



## PROPERTY SUMMARY

THE OFFERING	
Property	Panera Bread
Property Address	1469 East US-223 Adrian, Michigan 49221
Price	\$2,699,500
Capitalization Rate	5.56%
Price/SF	\$767.99

PROPERTY DESCRIPTION	
Year Built / Renovated	2012/2017
Gross Leasable Area	3,515 SF
Zoning	C-2
Type of Ownership	Fee Simple
Lot Size	1.18 Acres

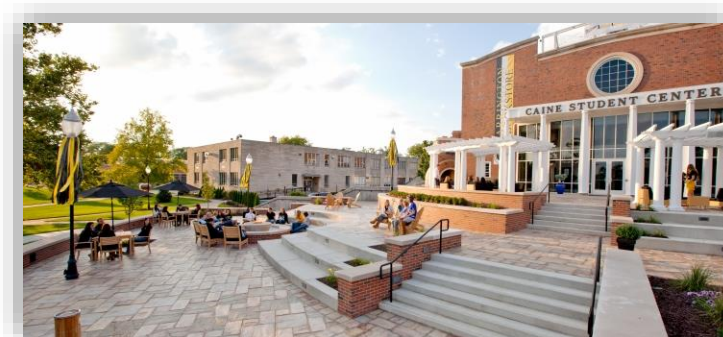
LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Panera Bread
Rent Increases	Ten Percent In Base and Option Periods
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	1/1/2017
Lease Expiration	12/31/2032
Lease Term	16
Term Remaining on Lease (Years)	14.5
Renewal Options	Three Five-Year Options
Landlord Responsibility	Roof and Structure
Tenant Responsibility	NN
Right of First Refusal/Offer	No

## ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$150,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$150,000	\$12,500	\$42.67	5.56%
Years 6-10	\$165,000	\$13,750	\$46.94	6.11%
Years 11-15	\$181,500	\$15,125	\$51.64	6.72%
Option 1	\$199,650	\$16,638	\$56.80	7.40%
Option 2	\$219,615	\$18,301	\$62.48	8.14%
Option 3	\$241,577	\$20,131	\$68.73	8.95%





A private, co-educational college of liberal arts and sciences related to the United Methodist Church, Adrian College is a traditional four-year residential institution offering a focused undergraduate education with an advanced 4+1 Master's program. The College offers 40 majors and pre-professional programs, 32 athletic teams and eight institutes dedicated to a diverse and personalized approach to education. Adrian College features state-of-the-art facilities, small class sizes and an innovative approach to the academic and personal growth of its students.

In recent years, the College has experienced momentous growth garnering national recognition. U.S. News & World Report has recognized Adrian College as the '#1 Up and Coming Baccalaureate School in the Midwest,' as well as ranked Adrian College as 'Regional Top Baccalaureate College in the Midwest' and a 'Least Debt Load College.' Most recently, the College received accolades as a 'Best Value School.' Adrian College is located in Southeast Michigan, about 45 minutes from Ann Arbor and Toledo.



# SIENA HEIGHTS UNIVERSITY

The mission of Siena Heights University, a Catholic University founded and sponsored by the Adrian Dominican Sisters, is to assist people to become more competent, purposeful, and ethical through a teaching and learning environment which respects the dignity of all.

Siena Heights established three colleges to deliver its academic programs: The College of Arts and Sciences (Undergraduate), The College for Professional Studies (Degree Completion Centers), and The Graduate College. Today Siena Heights continues its long tradition of integrating liberal arts and career education as one of the top Catholic colleges in Michigan.





**Marcus & Millichap closes  
more transactions than any  
other brokerage firm.**



Created on July 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	4,454	28,057	36,987
■ 2017 Estimate			
Total Population	4,353	27,920	36,540
■ 2010 Census			
Total Population	4,382	28,095	36,816
■ 2000 Census			
Total Population	4,127	28,096	36,575
■ Current Daytime Population			
2017 Estimate	6,294	33,242	39,296
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	1,776	9,468	12,871
■ 2017 Estimate			
Total Households	1,726	9,305	12,544
Average (Mean) Household Size	2.59	2.49	2.52
■ 2010 Census			
Total Households	1,778	9,640	12,971
■ 2000 Census			
Total Households	1,654	9,560	12,602
■ Occupied Units			
2022 Projection	1,776	9,468	12,871
2017 Estimate	1,888	10,658	14,218
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	1.61%	2.54%	3.17%
\$100,000 - \$149,000	4.15%	7.13%	8.11%
\$75,000 - \$99,999	7.43%	8.83%	10.29%
\$50,000 - \$74,999	19.26%	18.68%	19.94%
\$35,000 - \$49,999	15.87%	16.89%	16.53%
Under \$35,000	51.68%	45.95%	41.97%
Average Household Income	\$43,000	\$49,636	\$53,579
Median Household Income	\$33,890	\$38,243	\$41,474
Per Capita Income	\$17,133	\$18,864	\$20,257

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$47,526	\$52,777	\$56,389
■ Consumer Expenditure Top 10 Categories			
Housing	\$12,115	\$13,360	\$14,134
Transportation	\$9,583	\$10,908	\$11,695
Shelter	\$6,848	\$7,495	\$7,909
Food	\$5,187	\$5,730	\$6,115
Personal Insurance and Pensions	\$3,048	\$3,740	\$4,194
Health Care	\$2,967	\$3,312	\$3,575
Utilities	\$2,725	\$3,015	\$3,201
Entertainment	\$2,231	\$2,491	\$2,680
Household Furnishings and Equipment	\$1,195	\$1,356	\$1,440
Apparel	\$1,108	\$1,262	\$1,362
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	4,353	27,920	36,540
Under 20	28.27%	25.10%	24.60%
20 to 34 Years	20.88%	23.92%	22.11%
35 to 39 Years	5.97%	6.39%	6.20%
40 to 49 Years	11.55%	12.14%	12.21%
50 to 64 Years	17.88%	17.65%	18.96%
Age 65+	15.42%	14.81%	15.92%
Median Age	35.66	35.74	37.62
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	2,817	18,194	24,357
Elementary (0-8)	3.02%	3.84%	3.56%
Some High School (9-11)	11.09%	9.66%	8.53%
High School Graduate (12)	44.38%	39.42%	38.65%
Some College (13-15)	20.15%	22.06%	22.67%
Associate Degree Only	6.09%	5.63%	6.41%
Bachelors Degree Only	8.07%	10.08%	10.82%
Graduate Degree	3.42%	6.99%	7.18%

Source: © 2017 Experian



### Population

In 2017, the population in your selected geography is 36,540. The population has changed by -0.10% since 2000. It is estimated that the population in your area will be 36,987.00 five years from now, which represents a change of 1.22% from the current year. The current population is 51.61% male and 48.39% female. The median age of the population in your area is 37.62, compare this to the US average which is 37.83. The population density in your area is 464.35 people per square mile.



### Households

There are currently 12,544 households in your selected geography. The number of households has changed by -0.46% since 2000. It is estimated that the number of households in your area will be 12,871 five years from now, which represents a change of 2.61% from the current year. The average household size in your area is 2.52 persons.



### Income

In 2017, the median household income for your selected geography is \$41,474, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 2.07% since 2000. It is estimated that the median household income in your area will be \$46,780 five years from now, which represents a change of 12.79% from the current year.

The current year per capita income in your area is \$20,257, compare this to the US average, which is \$30,982. The current year average household income in your area is \$53,579, compare this to the US average which is \$81,217.

Source: © 2017 Experian



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 84.44% White, 6.54% Black, 0.01% Native American and 0.73% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 14.32% of the current year population in your selected area. Compare this to the US average of 17.88%.



### Housing

The median housing value in your area was \$110,268 in 2017, compare this to the US average of \$193,953. In 2000, there were 8,599 owner occupied housing units in your area and there were 4,003 renter occupied housing units in your area. The median rent at the time was \$453.



### Employment

In 2017, there are 16,931 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 50.54% of employees are employed in white-collar occupations in this geography, and 49.45% are employed in blue-collar occupations. In 2017, unemployment in this area is 5.32%. In 2000, the average time traveled to work was 21.00 minutes.



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