



ARBY'S | BELLEVUE, OHIO

Offering Memorandum



Representative Photo

Marcus & Millichap

WOLFE RETAIL GROUP
The Wolfe Pack of Marcus & Millichap

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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.

Overview

625 West Main Street, Bellevue, OH 44811

Price:	\$1,616,000
Cap Rate:	6.00%*
Rentable Square Feet:	2,791
Annual Rent:	\$96,950
Price PSF:	\$579.00
Land Area:	0.55 Acres
Year Built/Renovated:	1997/2017

Lease Summary

Tenant:	Arby's
Website:	www.Arby's.com
Lease Guarantor:	Personal & Franchise
Lease Type:	NNN
Lease Term:	20 Years
Option Periods:	3, 5-Year Options
Rent Increases:	1.5% Annually
Roof & Structure:	Tenant
Commencement:	10/18/2017
Lease Expiration:	10/31/2037

Base Term

Annual

Rent PSF

Cap Rate

11/1/2018-10/31/2019:	\$95,518	\$34.22	5.91%
11/1/2019-10/31/2020:	\$96,950	\$34.74	6.00%
11/1/2020-10/31/2021:	\$98,405	\$35.26	6.09%
11/1/2021-10/31/2022:	\$99,881	\$35.79	6.18%
11/1/2022-10/31/2023:	\$101,379	\$36.32	6.27%
11/1/2023-10/31/2024:	\$102,900	\$36.87	6.37%
11/1/2024-10/31/2025:	\$104,443	\$37.42	6.46%
11/1/2025-10/31/2026:	\$106,010	\$37.98	6.56%
11/1/2026-10/31/2027:	\$107,600	\$38.55	6.66%
11/1/2027-10/31/2028:	\$109,214	\$39.13	6.76%
11/1/2028-10/31/2029:	\$110,852	\$39.72	6.86%
11/1/2029-10/31/2030:	\$112,515	\$40.31	6.96%
11/1/2030-10/31/2031:	\$114,203	\$40.92	7.07%
11/1/2031-10/31/2032:	\$115,916	\$41.53	7.17%
11/1/2032-10/31/2033:	\$117,654	\$42.15	7.28%
11/1/2033-10/31/2034:	\$119,419	\$42.79	7.39%
11/1/2034-10/31/2035:	\$121,210	\$43.43	7.50%
11/1/2035-10/31/2036:	\$123,029	\$44.08	7.61%
11/1/2036-10/31/2037:	\$124,874	\$44.74	7.73%

*Cap rate is based on rent bump on 11/1/2019; Seller will credit any difference in rent at closing

**1.5 percent annual rent increases throughout base term and option periods

- **20-Year, Triple Net Lease**

Arby's located at 625 West Main Street has a 20-year, triple net (NNN) lease with 19 years remaining. The roof was replaced in September 2017, with a 15-year roof warranty.

- **Renewal Options and Rent Increases**

Arby's in Bellevue has three, five-year option periods with 1.5 percent rental increases annually throughout base term and option periods.

- **Surrounding Area**

The subject property is one and a half miles from Bellevue Hospital, which was named one of the Top 100 Places to Work in Healthcare by *Modern Healthcare Magazine*. The hospital employs more than 450 medical staff and has a combined 119 physicians.

- **2017 Property Remodel Costing Approximately \$550,000**

- » Demolition and Remodel of Exterior Features (new EIFs, paint, "faux wood" elements, remove previous façade, remove overhang)
- » Demolition and Remodel of Interior Dining Room, Bathrooms and Hallways (new tile, artwork, drink station, menu boards, booths, tables, painting)
- » Remove and Replace Ceiling Tile Throughout
- » Replace Storefront Glass
- » Redesigned Kitchen Layout to Meet Modern Standards
- » New Fiberglass Reinforced Plastic in Kitchen, New Counters, Sinks, Serving Stations, POS Systems, Equipment
- » Installed 2 Tankless Water Heaters
- » Installed New Roof
- » Removed and Replaced Plumbing Where Needed
- » New ADA-Compliant Restrooms
- » Clean Grease Trap Lines
- » Replaced Light Poles in Parking Lots
- » New Seal Coat of Parking Lot
- » New HVAC Units
- » New Exterior Menu Boards
- » Painted Electrical Transformer
- » New landscaping
- » New Cooler/Freezer and Refurbished Existing Cooler/Freezers

*Extensive
Building
Renovations
Made in 2017
Costing up to
\$550,000*



Arby's was founded on July 23, 1964 in Boardman, Ohio by Forrest and Leroy Raffel. The first Arby's franchise opened in 1965, and was expanding at a rate of 50 stores per year in the 1970's. In 1980, Arby's opened their 1,000th store in Loves Park, Illinois and became an international company in 1981 with their first restaurant in Japan. As of today, Arby's has more than 3,400 locations with international locations in Canada, Turkey, Qatar, and United Arab Emirates.

In 2015, Arby's grew at three times the rate of the average quick service restaurant, as reported by *Business Insider*. The parent company, Arby's Restaurant Group, Inc. owns more than 1,000 restaurants and is planning to upgrade current locations and expand to new locations. Arby's continues to be a success in the marketplace as it offers quality food with speed and convenience, demonstrated by 60 percent of Arby's sales happening through drive-thru windows.

While many quick service restaurants are struggling to appeal to younger consumers, Arby's consumers between the ages of 18 and 34 rose from 38 percent in 2012 to 54 percent in 2015. Arby's attributes this growth to their continued emphasis on quality food and their smart social media marketing. *Food & Wine Magazine* recently called Arby's "America's second largest sandwich chain."

Roark Capital Group, owner of Arby's Restaurant Group, recently announced their plans to acquire Buffalo Wild Wings for \$2.4 billion. This comes at a time where Buffalo Wild Wings has been struggling due to a sharp increase in the cost of chicken wings as well as recently losing their value proposition to families with kids. After the announcement of the acquisition, Buffalo Wild Wings shares jumped 6.4 percent to \$155.80.

D&J Giesen Inc. (DJI)

The lessee, D and J Giesen, Inc. (DJI), is a management company that owns and operates ten Arby's restaurants throughout central and northeast Ohio. An award winning franchisee since 1992 with Arby's, the franchisee also operates two Fast Freddy's Frozen Custard and Steakburgers and a Johnny Rockets restaurant in Colorado. The lease is personally guaranteed by the operator.

22nd Consecutive Quarter Arby's has Seen a Rise in Same-Store Sales

13th Straight Quarter of Outperforming the Industry as a Whole

In Less Than a Year, Brand Sentiment Has Moved Positively to +61 Percent Due to Media Placements, Targeting, and Content Pushed Out to Consumers

In 2017, Paul Brown CEO was Awarded *Restaurant Business'* Restaurant Leader of the Year

In 2017, Rob Lynch CMO was Awarded *PR Week's* Outstanding Marketer of the Year

In 2017, Arby's was Awarded *QSR Magazine's* Top 10 Best Franchise Deals

LOCAL & REGIONAL MAPS

*50 Miles
Southeast of
Toledo and 72
Miles Southwest
of Cleveland*



**Click to View in
Google Maps**

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DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	5,817	10,067	12,498
2018 Population	5,729	9,933	12,314
2023 Population	5,730	9,943	12,362
2018 Male Population	2,734	4,848	6,059
2018 Female Population	2,995	5,085	6,255
2018 Median Age	38.8	38.8	39.7

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.2%	0.3%	0.3%
Asian	0.4%	0.4%	0.4%
Black	0.5%	0.6%	0.5%
Hawaiian/Pacific Islander	0.0%	0.0%	0.0%
White	96.1%	95.9%	96.2%
Other	0.7%	0.7%	0.7%
Multi-Race	2.1%	2.1%	1.9%
Hispanic Ethnicity	3.1%	3.2%	3.1%
Not of Hispanic Ethnicity	96.9%	96.8%	96.9%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	2,348	4,018	4,909
2018 Households	2,262	3,893	4,755
2023 Households	2,286	3,937	4,822

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Income	\$56,852	\$56,271	\$57,452
2018 Avg Household Income	\$63,463	\$62,186	\$63,609
2023 Avg Household Income	\$72,385	\$70,854	\$72,471
2010 Med. Household Income	\$47,169	\$47,146	\$48,851
2018 Med. Household Income	\$52,848	\$52,190	\$53,621
2023 Med. Household Income	\$61,010	\$60,316	\$61,945
2010 Per Capita Income	\$23,106	\$22,612	\$22,733
2018 Per Capita Income	\$25,219	\$24,526	\$24,731
2023 Per Capita Income	\$29,044	\$28,212	\$28,436



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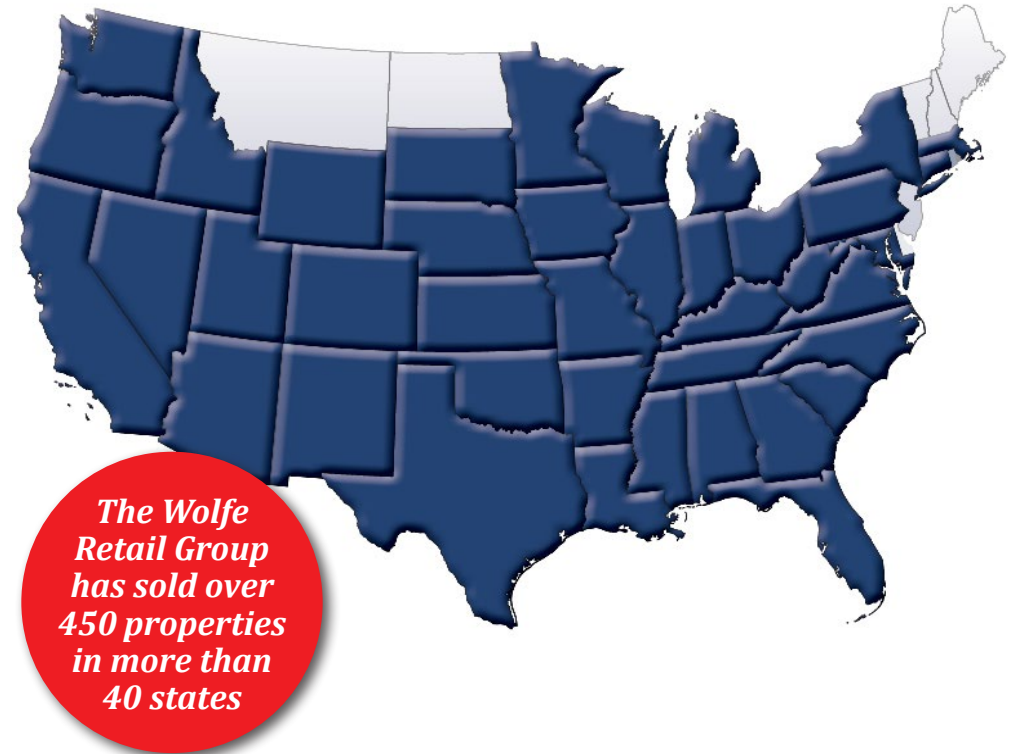
WOLFE RETAIL GROUP

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The Wolfe Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling over 450 separate commercial properties with a market value exceeding \$1.25 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe Retail Group or to view all of our available listings, visit www.WolfeRetailGroup.com



About Marcus & Millichap

With over 1,800 investment professionals located throughout the United States and Canada, Marcus & Millichap (NYSE: MMI) is a leading specialist in commercial real estate investment sales, financing, research and advisory services. The firm closed nearly 9,000 transactions in 2017 with a value of approx \$42.2 billion.

Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.



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