

FIVE GUYS CENTER

KOKOMO, INDIANA



Marcus & Millichap

FIVEGUYSCENTER

TABLE OF CONTENTS

01

FINANCIAL OVERVIEW

PAGES 03-08

02

INVESTMENT OVERVIEW

PAGES 09-15

03

MARKET OVERVIEW

PAGES 16-19

FIVE GUYS CENTER | KOKOMO, IN
1600 E BOULEVARD

01

FINANCIAL
OVERVIEW

 ADDRESS:
1600 E Boulevard, Kokomo, Indiana 46902

Pricing

Price: \$1,400,000

Cap Rate: 8.24%

Gross Leasable Area: 6,120

Price Per Square Foot: \$228.76

Year Built/Renovated: 2012

Lot Size: 1.70 +/- Acres

Investment Highlights

- Bite Size Three Tenant Center | 1.7 Acres Located on East Blvd & S Reed Rd | Combined Traffic Count of 35,892
- Located as Outparcels to Kokomo Town Center Mall & Across from GM (2.6M Square Feet) and Chrysler Transmission Plants
- Strong Regional Franchisee Guarantees – Five Guys Tenant Operates 47 Subways and 5 Five Guys
- 100% Occupied | All Triple Net Leases | Zero Deferred Maintenance
- Located in Main Retail Corridor | JC Penney, Buffalo Wild Wings, Panera, AMC Showplace, McAllister's, ULTA, Kohl's, TJ Maxx



PRICE
\$1,400,000



CAP RATE
8.24%



NOI
\$115,343



SQ FOOTAGE
6,120



LEASE TYPES
All NNN



ACREAGE
1.70 Acres

Demographics

	1-Mile	3-Mile	5-Mile
Population	5,901	44,381	66,828
Average HH Income	\$49,386	\$53,607	\$59,400

SUMMARY	
Price:	\$1,400,000
Down Payment (30%):	\$420,000
Current CAP:	8.24%
Cash on Cash:	10.80%
Square Feet	6,120
Cost per Square Feet:	\$228.76
Year Built/Renovated:	2012

CURRENT OPERATING DATA		
Scheduled Gross Income:	\$87,210	
CTI Reimbursement:	\$45,445	
TI Income:	\$34,833	
Total Income:	\$167,487	
Vacancy Factor:	\$-	
Effective Gross Income:	\$167,487	
Less Expenses:	\$52,144	
Net Operating Income:	\$115,343	8.24%
Capital Reserves:	\$1,224	(\$.20)
Loan Payments:	\$68,748	
Pre Tax Cash Flow:	\$45,371	10.80%
Plus Principal Reduction:	\$20,207	
Total Return Before Taxes:	\$65,578	15.61%

PROPOSED NEW FINANCING		
First Loan Amount:	\$980,000	
Terms:	5.00%	Interest
	25 Year	Amortization
	5 Year	Term
Monthly Payment:	\$5,728.98	
Annual Payment:	\$68,747.79	

EXPENSES		
CAM:	\$1.76	\$10,793
Real Estate Taxes:	\$5.37	\$32,876
Insurance:	\$0.29	\$1,776
Management Fee:	4.00%	\$6,699
TOTAL EXPENSES:		\$52,144
Per Rentable Square Foot	\$8.52	

Suite	Tenant	Sq. Ft.	% of GLA	Lease Start	Lease End	Monthly Rent	Annual Rent	Rent PSF	New Rent Date	New Rent PSF	Annual TI Income	Annual CTI Reimb.	Lease Types	Options
1	Five Guys	2,500	40.85%	8/15/2013	8/14/2023	\$2,968.75	\$35,625.00	\$14.25			\$20,899.56	\$18,564.12	NNN	(3) 5-yr
								Option I	8/15/2023	\$15.68				
								Option II	8/15/2028	\$17.24				
								Option III	8/15/2033	\$18.97				
2	Charley's Philly Steaks	1,700	27.78%	9/1/2013	8/31/2023	\$2,018.75	\$24,225.00	\$14.25			\$6,966.48	\$12,623.60	NNN	(3) 5-yr
								Option I	9/1/2023	\$15.68				
								Option II	9/1/2028	\$17.24				
								Option III	9/1/2033	\$18.97				
3	Orange Leaf Yogurt	1,920	31.37%	3/1/2013	2/28/2023	\$2,280.00	\$27,360.00	\$14.25			\$6,966.48	\$14,257.25	NNN	(3) 5-yr
								Option I	3/1/2023	\$15.68				
								Option II	3/1/2028	\$17.24				
								Option III	3/1/2033	\$18.97				
Current Totals		6,120	100%			\$7,268	\$87,210	\$14.25			\$34,833	\$45,445		
Occupied		6,120	100%			\$7,268	\$87,210	\$14.25			\$34,833	\$45,445		
Vacant														

FIVE GUYS®

BURGERS and FRIES

Five Guys is an American fast casual restaurant chain focused on hamburgers, hot dogs and French fries. The chain is headquartered in Lorton, Virginia and was originally founded in 1986 in Arlington County, Virginia. The company has expanded to more than 1,500 locations since its origination 33 years ago and was ranked the fastest growing fast food chain in the United States from 2010-2011, which a 32.8% sales increase that year.

Headquarters:	Lorton, Virginia
No of Locations:	1,500
Symbol:	Private
Website:	www.fiveguys.com
Square Footage:	2,500
Lease Start:	August 15, 2013
Lease Expiration:	August 14, 2023



Charleys Philly Steaks is an American restaurant chain of Philly cheesesteak stores headquartered in Columbus, Ohio. Formerly known as Charley's Steakery and Charley's Grilled Subs, the franchise was established in 1986 on campus of The Ohio State University in Columbus, Ohio and is still headquartered there. There are 600 locations in 46 states and Puerto Rico, as well as in 16 other countries.

Headquarters:	Columbus, Ohio
No. of Locations:	600
Symbol:	Private
Website:	www.charleys.com
Square Footage:	1,700
Lease Start:	September 1, 2013
Lease Expiration:	August 31, 2023



Orange Leaf Frozen Yogurt, or simply Orange Leaf, is an Oklahoma City-based chain of self-serve frozen yogurt franchises founded in 2008. The company has spread to more than 300 locations in the United States and has also expanded internationally into Australia and China as well. The stores are self-serve, and offer sugar-free, gluten-free, non-dairy, and vegan alternatives.

Headquarters:	Oklahoma City, Oklahoma
No. of Locations	300+
Symbol:	Private
Website:	www.orangeleafyogurt.com
Square Footage:	1,920
Lease Start:	March 1, 2013
Lease Expiration:	February 28, 2023

FIVE GUYS CENTER | KOKOMO, IN
1600 E BOULEVARD

02

INVESTMENT
OVERVIEW

INVESTMENT HIGHLIGHTS

- Three Tenant Center | Located on East Blvd & S Reed Rd | Combined Traffic Count of 35,892 per Day
- Located as Outparcels to Kokomo Town Center Mall & Across from GM (2.6M Square Feet) and Chrysler Transmission Plants
- Strong Regional Franchisee Guarantees – Five Guys Tenant Operates 47 Subways and 5 Five Guys
- 100% Occupied | All Triple Net Leases with 10% Rental Increases in the Options
- Located in Main Retail Corridor | JC Penney, Buffalo Wild Wings, Panera, AMC Showplace, McAlister's, ULTA, Kohl's, TJ Maxx
- Zero Deferred Maintenance | CAM Allows for Exterior Maintenance
- Bite Sized, Stabilized Retail Center | Five Mile Daytime Population Exceeds 76,135

Marcus & Millichap is proud to exclusively present for sale the fee simple interest in the Five Guys Center located at 1600 East Blvd in Kokomo, Indiana.

The Five Guys Center is comprised of 6,120 square feet and sits on a 1.7 acre parcel that serves as an outparcel to the Kokomo Town Center Mall. The center is 100% occupied by three regional tenants, of which all hold triple net leases in which the tenant reimburses for its pro rata share of taxes, insurance, and common area maintenance which allows some exterior maintenance.

The subject property is strategically located on East Blvd and S Reed Road where the combined traffic count exceeds 35,000 cars per day. It also benefits from the foot traffic from the GM Automotive Plant and the Chrysler Transmission Plant across the street, two of the main employers in Kokomo. Five Guys anchors the property, comprised of 41% of the square footage. Each tenant pays a base rent of \$14.25 per square foot triple net which is in line with the market.

The Five Guys center benefits from its centralized location, across from Boulevard Crossing power center anchored by Kohl's, TJ Maxx, ULTA, Party City and McAlister's Deli. S. Reed Road (US 931) is a main north to south thoroughfare of Kokomo running parallel to US 31. The property offers four points of ingress and egress.

Kokomo is the county seat of Howard County, and located less than 60 miles from downtown Indianapolis, IN. This property is located where the five mile daytime population exceeds 76,135 residents.









This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Services, Inc. © 2015 Marcus & Millichap ACT ID Z0260598



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Services, Inc. © 2015 Marcus & Millichap ACT ID Z0260598

FIVE GUYS CENTER | KOKOMO, IN
1600 E BOULEVARD

03

MARKET
OVERVIEW



Kokomo is a city in and the county seat of Howard County, Indiana. Kokomo is Indiana's 13th largest city and is the principal city of the Kokomo, Indiana Metropolitan Statistical Area, a six county area with a population over 228,330 people. Kokomo first experienced substantial growth during the Civil War era, due to its connection with Indianapolis and other Eastern cities by railroad. In the mid 1880's, the discovery of large natural gas reserves produced another boom of substantial growth in Kokomo. A Significant number of technical and engineering innovations were developed in Kokomo, particularly in automobile production, resulting in Kokomo being known as the "City of Firsts". A substantial portion of Kokomo's employment still depends on the automobile industry.

In May 2011, Forbes magazine listed Kokomo as one of the "Best Cities for Jobs", describing Kokomo's success over the previous years as "inspirational" and attributing the turnaround to a "revival in manufacturing". In June 2011, Conexus released a report touting Kokomo's "rapid bounce" after the recession, and predicted a rise in income of more than 2%, further illustrating Kokomo's growth and future sustainability.

There are several major employers within the Kokomo economy, led by the Kokomo Transmission Plant (2,163 employees), Kokomo Casting Plant (933 employees), Indiana Transmission Plan I & II (2,097 employees), Delphi Corporation, GM Components Holdings LLC, Haynes International, Coca-Cola bottling plant and many more.

Population

In 2018, the population in your selected geography is 66,828. The population has changed by -1.37% since 2000. It is estimated that the population in your area will be 66,685.00 five years from now, which represents a change of -0.21% from the current year. The current population is 48.19% male and 51.81% female. The median age of the population in your area is 40.53, compare this to the US average which is 37.95. The population density in your area is 849.52 people per square mile.

Households

There are currently 28,171 households in your selected geography. The number of households has changed by -1.50% since 2000. It is estimated that the number of households in your area will be 28,319 five years from now, which represents a change of 0.53% from the current year. The average household size in your area is 2.34 persons.

Income

In 2018, the median household income for your selected geography is \$43,671, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 6.12% since 2000. It is estimated that the median household income in your area will be \$50,262 five years from now, which represents a change of 15.09% from the current year.

The current year per capita income in your area is \$25,243, compare this to the US average, which is \$32,356. The current year average household income in your area is \$59,400, compare this to the US average which is \$84,609.

Race and Ethnicity

The current year racial makeup of your selected area is as follows: 84.72% White, 8.92% Black, 0.02% Native American and 1.32% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 3.73% of the current year population in your selected area. Compare this to the US average of 18.01%.



Employment

In 2018, there are 33,723 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 46.60% of employees are employed in white-collar occupations in this geography, and 53.35% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.96%. In 2000, the average time traveled to work was 21.00 minutes.

POPULATION	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
Total Population	5,901	44,381	66,828
■ 2010 Census			
Total Population	5,878	43,946	65,589
■ 2000 Census			
Total Population	6,404	46,463	67,753
■ Current Daytime Population			
2018 Estimate	13,741	58,680	76,135
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	2,723	18,703	28,319
■ 2018 Estimate			
Total Households	2,750	18,779	28,171
Average (Mean) Household Size	2.15	2.33	2.34
■ 2010 Census			
Total Households	2,767	18,750	27,856
■ 2000 Census			
Total Households	3,007	19,873	28,601
■ Occupied Units			
2023 Projection	2,723	18,703	28,319
2018 Estimate	3,191	21,897	32,325
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	2.93%	3.05%	4.19%
\$100,000 - \$149,000	6.63%	9.31%	10.91%
\$75,000 - \$99,999	10.92%	10.82%	11.76%
\$50,000 - \$74,999	15.33%	16.84%	17.68%
\$35,000 - \$49,999	15.24%	14.71%	13.62%
Under \$35,000	48.95%	45.29%	41.84%
Average Household Income	\$49,386	\$53,607	\$59,400
Median Household Income	\$35,898	\$39,369	\$43,671
Per Capita Income	\$23,065	\$22,832	\$25,243

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$49,382	\$53,201	\$57,088
■ Consumer Expenditure Top 10 Categories			
Housing	\$13,069	\$13,894	\$14,767
Transportation	\$8,673	\$9,374	\$10,060
Shelter	\$7,470	\$7,923	\$8,396
Food	\$5,129	\$5,566	\$5,945
Personal Insurance and Pensions	\$4,071	\$4,601	\$5,116
Health Care	\$3,825	\$4,062	\$4,449
Utilities	\$3,081	\$3,248	\$3,422
Entertainment	\$2,000	\$2,221	\$2,424
Cash Contributions	\$1,334	\$1,424	\$1,595
Household Furnishings and Equipment	\$1,194	\$1,302	\$1,422
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	5,901	44,381	66,828
Under 20	24.36%	25.72%	24.88%
20 to 34 Years	20.26%	20.39%	18.80%
35 to 39 Years	5.99%	5.97%	5.71%
40 to 49 Years	11.23%	11.55%	11.60%
50 to 64 Years	19.39%	19.34%	20.23%
Age 65+	18.78%	17.05%	18.78%
Median Age	39.48	38.23	40.53
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	4,089	30,074	46,077
Elementary (0-8)	4.09%	3.44%	3.32%
Some High School (9-11)	9.64%	8.82%	8.47%
High School Graduate (12)	45.55%	37.34%	37.14%
Some College (13-15)	21.72%	24.70%	23.56%
Associate Degree Only	6.76%	7.59%	7.69%
Bachelors Degree Only	6.85%	11.43%	12.53%
Graduate Degree	5.09%	6.35%	7.02%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Services, Inc. © 2015 Marcus & Millichap ACT ID 20260461

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

FIVE GUYS CENTER | KOKOMO, IN

Proposal Presented By:

Nathan Whalen

First Vice President Investments
Indianapolis Office
(317) 218-5329

Nathan.Whalen@marcusmillichap.com

Jeremie Johnson

First Vice President Investments
Indianapolis Office
(317) 218-5342

Jeremie.Johnson@marcusmillichap.com

Madison Shurtz

Senior Associate
Indianapolis Office
(317) 218-5325

Madison.Shurtz@marcusmillichap.com

Adam O'Sullivan | Tim Christensen | Cody Gatewood | Blake Palma | Mitchell Wasmund

EXCLUSIVE OFFERING

PRESENTED BY:

Marcus & Millichap

OFFICES
NATIONWIDE

www.marcusmillichap.com