

CHICK-FIL-A
(NNN Ground Lease)
Virginia Beach, VA



Actual Site

\$ Asking Price
\$2,912,499

% Cap Rate
4.00%

4752 Virginia Beach Blvd
Virginia Beach, VA 23462

Asset Summary

| | |
|----------------------------|--------------------------|
| Net Operating Income (NOI) | \$116,499.96 |
| Rent/Month | \$9,708.33 |
| Rentable Square Feet | 4,827+/- SF |
| Land Area | 1.2 +/- Acres |
| Tenant | Chick-fil-A |
| Guarantor | Private |
| Ownership Type | Fee Simple |
| Lease Type | NNN Ground Lease |
| Landlord Responsibilities | None |
| Lease Term Remaining | 8 Years |
| Rent Commencement | September 1, 2017 |
| Lease Expiration | August 31, 2027 |
| Increases | 10% Every 5 Years |
| Options | Eight (8), Five (5) Year |

Rent Schedule

| Term | Increases | Annual Rent | Monthly Rent |
|------------------------|-----------|--------------|--------------|
| Years 1-5 | - | \$116,499.96 | \$9,708.33 |
| Years 6-10 | 10% | \$128,150.04 | \$10,679.17 |
| Years 11-15 (Option 1) | 10% | \$140,964.96 | \$11,747.08 |
| Years 16-20 (Option 2) | 10% | \$155,061.48 | \$12,921.79 |
| Years 21-25 (Option 3) | 10% | \$170,567.64 | \$14,213.97 |
| Years 26-30 (Option 4) | 10% | \$187,624.44 | \$15,635.37 |
| Years 31-35 (Option 5) | 10% | \$206,386.92 | \$17,198.91 |
| Years 36-40 (Option 6) | 10% | \$227,025.60 | \$18,918.80 |
| Years 41-45 (Option 7) | 10% | \$249,728.16 | \$20,810.68 |
| Years 46-50 (Option 8) | 10% | \$274,700.88 | \$22,891.74 |

Investment Highlights

- Ideally located in Prime Retail corridor next to Walmart, Pembroke Mall, and Virginia Beach Town Center
- Highly desirable net lease investment tenant
- Attractive 10% rental escalations every 5 years
- Newly constructed in 2017 with drive-thru
- Located in the most populous city in Virginia
- Eight (8), five(5) year options to renew



About Chick-fil-A

Chick-fil-A is an American fast food restaurant chain headquartered in the Atlanta suburb of College Park, Georgia. The company's culture is strongly influenced by its founder's Southern Baptist beliefs. In 1946, Truett Cathy opened his first restaurant, Dwarf Grill, in Hapeville, GA. Credited with inventing Chick-fil-A's boneless breast of chicken sandwich, Mr. Cathy founded Chick-fil-A, Inc. in the early 1960s. He went on to establish restaurants in shopping malls with the opening of the first Chick-fil-A Restaurant at a mall in suburban Atlanta in 1967. Since then, Chick-fil-A has steadily grown to become the largest quick-service chicken restaurant chain in the United States. Chick-fil-A has set itself apart by pioneering innovations and delicious products—including the ever-popular Chick-fil-A® Chicken Sandwich.

Chick-fil-A system sales exceeded six billion dollars in 2015, which marked 48 consecutive years of sales growth. Chick-fil-A earned a top spot in the 2016 Customer Service Hall of Fame for the third year in a row and was the only quick service restaurant to make the Top Five of the Customer Service Hall of Fame. The company was also the only restaurant brand named to the Top 10 "Best Companies to Work For" by 24/7 Wall Street, and the only restaurant brand rated "excellent" in the 2016 Temkin Emotions Rating study.

Chick-fil-A uses a model significantly different from other restaurant franchises, notably in retaining ownership of each restaurant Chick-fil-A selects the restaurant location, builds it, and retains ownership. Whereas franchisees from competing chains pay almost two million dollars up front to open a franchise, Chick-fil-A franchisees need only a \$5,000 initial investment to become an operator.



The company gets 10,000–25,000 applications from potential franchise operators for 60–70 slots they open each year. Chick-fil-A gets a larger share of revenue from its franchises than other chains, but the formula works well for operators – franchisees make an average of \$190,000 per year. In 2010, Chick-fil-A took the industry lead in average sales per restaurant, making an average of \$2.7 million per restaurant in 2010. “Eat mor chikin” is the chain’s most prominent advertising slogan. In February 2014, Chick-fil-A announced plans to serve chicken raised without antibiotics in its restaurants nationwide within five years. Chick-fil-A is the first quick-service restaurant to set forth a plan and commit to serving only poultry raised without antibiotics.



Tenant Snapshot

| | | | | | | | | | |
|----------------|--------|---------|------|------|---------|---------|---------|--------------|-------------|
| # of Locations | 2,200+ | Founded | 1946 | Type | Private | Revenue | \$10Bil | Headquarters | Atlanta, GA |
|----------------|--------|---------|------|------|---------|---------|---------|--------------|-------------|

Location Overview



Distance To

Washington, DC

201 miles

Newport News

31 miles

Richmond

98 miles

Petersburg

86 miles

Norfolk

10 miles





Subject Site



Pembroke Mall



Princess Anne High School

Virginia Beach Blvd 17,300 VPD

Independence Blvd 24,498 VPD



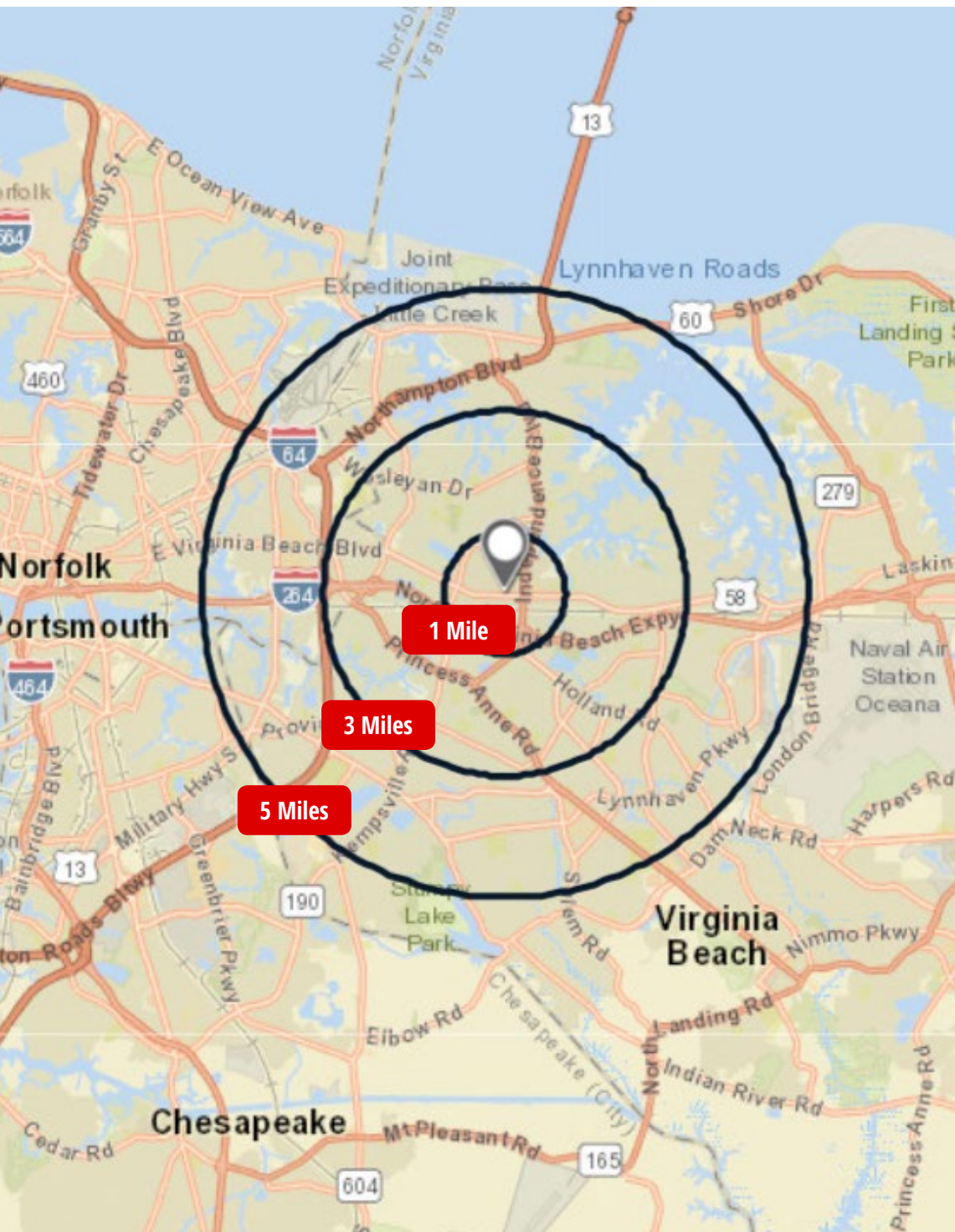
110+ Commercial Tenant
25+ Restaurants & Cafes
750+ Luxury Residential Units

| | |
|----------------------------|------------------------|
| WESTIN HOTELS & RESORTS | POTTERY BARN |
| BED BATH & BEYOND | The Cheesecake Factory |
| ULTA BEAUTY | Anthropologie |



Site Photos





1 Mile 3 Miles 5 Miles

Population

| | | | |
|-----------------|--------|---------|---------|
| 2018 Population | 14,065 | 129,144 | 304,121 |
| 2023 Population | 15,115 | 133,941 | 313,472 |
| 2019 Median Age | 35.9 | 37.0 | 36.5 |

Households

| | | | |
|-----------------------|-------|--------|---------|
| 2018 Total Households | 5,874 | 50,879 | 115,456 |
| 2023 Total Households | 6,335 | 52,825 | 119,033 |

Median Household Income

| | | | |
|-----------------------|----------|----------|----------|
| 2018 Median HH Income | \$55,065 | \$61,815 | \$63,294 |
| 2023 Median HH Income | \$61,982 | \$69,505 | \$71,169 |

Average Household Income

| | | | |
|------------------------|----------|----------|----------|
| 2018 Average HH Income | \$68,001 | \$78,643 | \$80,895 |
| 2023 Average HH Income | \$80,902 | \$90,853 | \$92,916 |

Virginia Beach , VA

Virginia Beach is an independent city located on the southeastern coast of the Commonwealth of Virginia in the United States. In 2018 the estimated population was 450,138. Although mostly suburban in character, it is the most populous city in Virginia and the 44th most populous city in the nation. Located on the Atlantic Ocean at the mouth of the Chesapeake Bay, Virginia Beach is included in the Hampton Roads metropolitan area. This area, known as "America's First Region", also includes the independent cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, and Suffolk, as well as other smaller cities, counties, and towns of Hampton Roads.

Virginia Beach also is the number one vacation destination in Virginia. Tourism is a \$2.45 billion industry in Virginia Beach, where they welcome nearly 10.1 million overnight visitors each year.

About Us

Calkain Companies LLC is a boutique commercial real estate investment banking firm that provides consulting and brokerage services to both private and institutional clientele with a focus on single tenant net lease investments. We pride ourselves on being an innovative leader by providing our clients a full array of commercial real estate investment brokerage and asset management solutions, including advisory, research, debt and equity placement and wealth management.

Calkain has built solid, lasting relationships that have been the cornerstone of how we do business. Calkain approaches each assignment with an eye toward each client's individual needs. Whether private or institutional investors, Calkain delivers real estate solutions that maximize value while building wealth for all of our clients.

At Calkain, our foresight and innovation are leading the net lease investment industry.

To learn more about how to build a solid foundation for your investment portfolio, visit calkain.com or call us at:

Headquarters | Washington, DC

12930 Worldgate Dr, Ste 150 | Herndon, VA
703.787.4714

Atlanta

Boston

Nashville

New York

Philadelphia



\$12 Billion
in Closed Transactions

\$400 Million
in Active Listings

Disclaimer: The information contained in this document is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Calkain and its subsidiaries, and should not be made available to any other person or entity without the written consent of Calkain. This document has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property(s). The information contained herein is not a substitute for a thorough due diligence investigation. Calkain and its subsidiaries have not made any investigation, and make no warranty or representation, with respect to the income or expenses for the subject property(s), the future projected financial performance of the property, the size and square footage of the property(s) 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(s). The information contained in this document has been obtained from sources we believe to be reliable; however neither Calkain and its subsidiaries nor the Seller have verified, and will not verify, any of the information contained herein, nor has Calkain and its subsidiaries or the Seller conducted any investigation regarding these matters and make 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.