



McDonald's (Ground Lease | Virginia Beach-Norfolk-Newport News MSA)
211 E Little Creek Road
Norfolk, VA 23505



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**DISCLAIMER
STATEMENT:**

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum 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. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group 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.

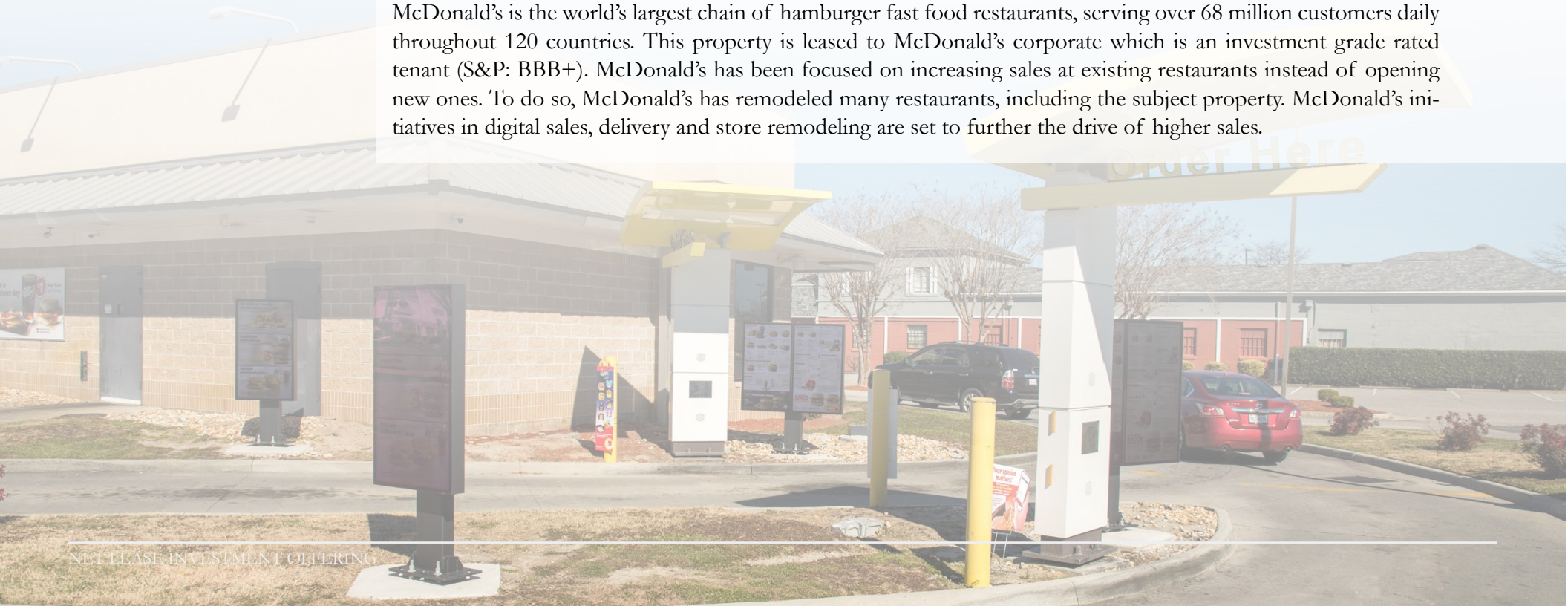


EXECUTIVE SUMMARY:

The Boulder Group is pleased to exclusively market for sale a new single tenant McDonald's ground lease located in Norfolk, Virginia. The subject property was recently completely renovated and the lease was extended demonstrating their commitment to the location. As part of the renovation, a double drive-thru was added. The absolute triple net ground lease features zero landlord responsibilities and 10% rental escalations every five years throughout the primary term and in each of the six 5-year renewal options. The long-term lease has **20+ years** remaining in the primary term.

The McDonald's property is strategically located immediately off of Interstate 64 (138,000 VPD) where it has excellent visibility and easy access. The property sits at the entrance of a future development site for an apartment developer. McDonald's has been operating at this location since 1993 where it has a long successful operating history. The McDonald's property is well located in a retail corridor with Walmart Supercenter, Harris Teeter, Walgreens, 7-Eleven, Starbucks, Kroger, Wells Fargo and Food Lion. There are 227,341 people living within five miles of the property.

McDonald's is the world's largest chain of hamburger fast food restaurants, serving over 68 million customers daily throughout 120 countries. This property is leased to McDonald's corporate which is an investment grade rated tenant (S&P: BBB+). McDonald's has been focused on increasing sales at existing restaurants instead of opening new ones. To do so, McDonald's has remodeled many restaurants, including the subject property. McDonald's initiatives in digital sales, delivery and store remodeling are set to further the drive of higher sales.



**INVESTMENT
HIGHLIGHTS:**

- Located within the Virginia Beach-Norfolk-Newport News MSA
- Long-term lease with 20 years remaining
- McDonald's has been operating at this location since 1993 where it has a long successful operating history
- The building was completely renovated in 2014 and the lease was extended, demonstrating McDonald's commitment to the location
- 10% rental escalations every five years
- Ground lease – zero landlord responsibilities
- Corporate McDonald's lease (S&P: BBB+)
- Double drive-thru
- The property sits at the entrance of a future development site for an apartment developer
- Strategically located immediately off of Interstate 64 (138,000 VPD)
- Located in a retail corridor with Walmart Supercenter, Harris Teeter, Walgreens, 7-Eleven, Starbucks, Kroger, Wells Fargo and Food Lion
- 227,341 people living within five miles of the property



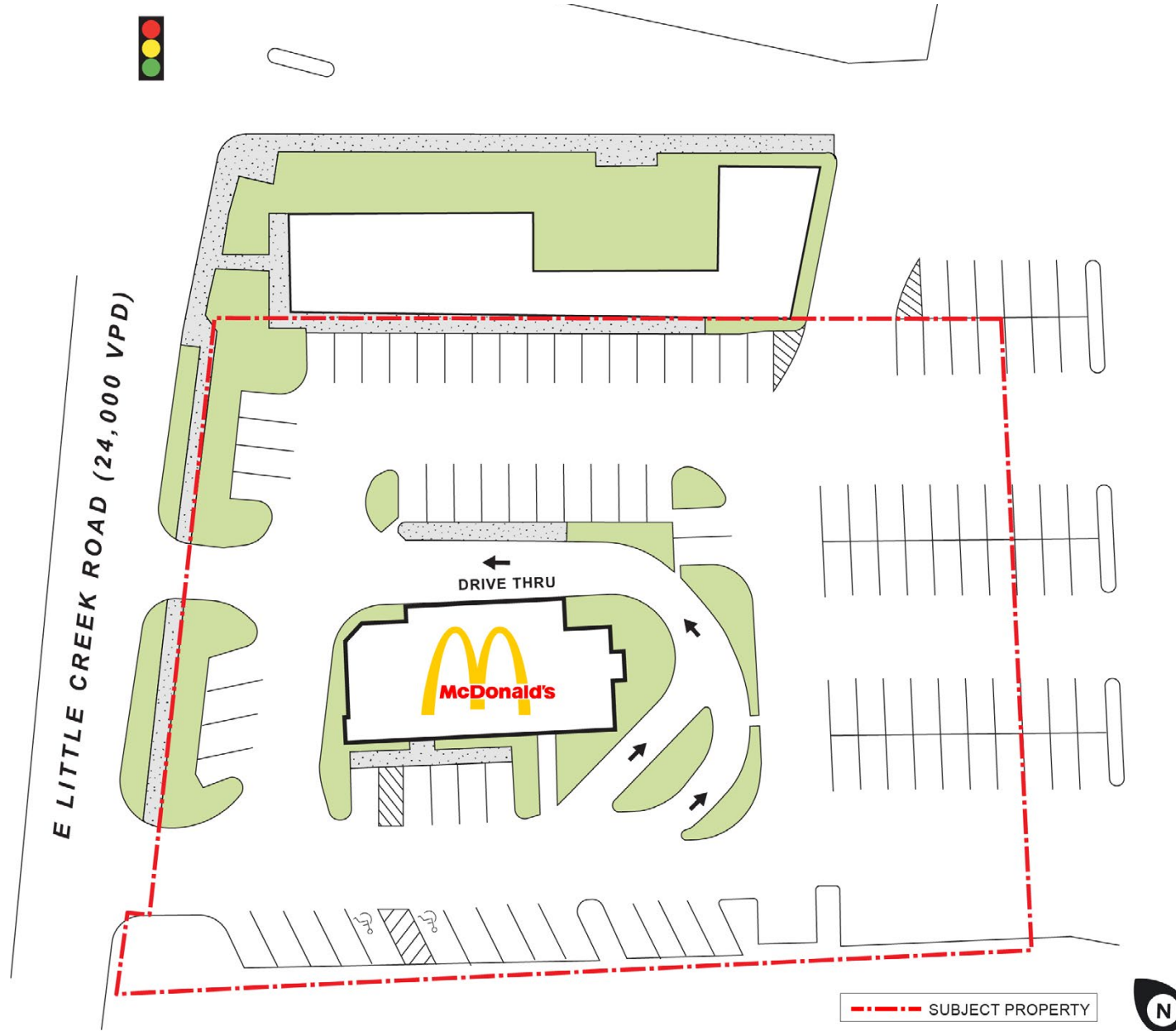
PROPERTY OVERVIEW:

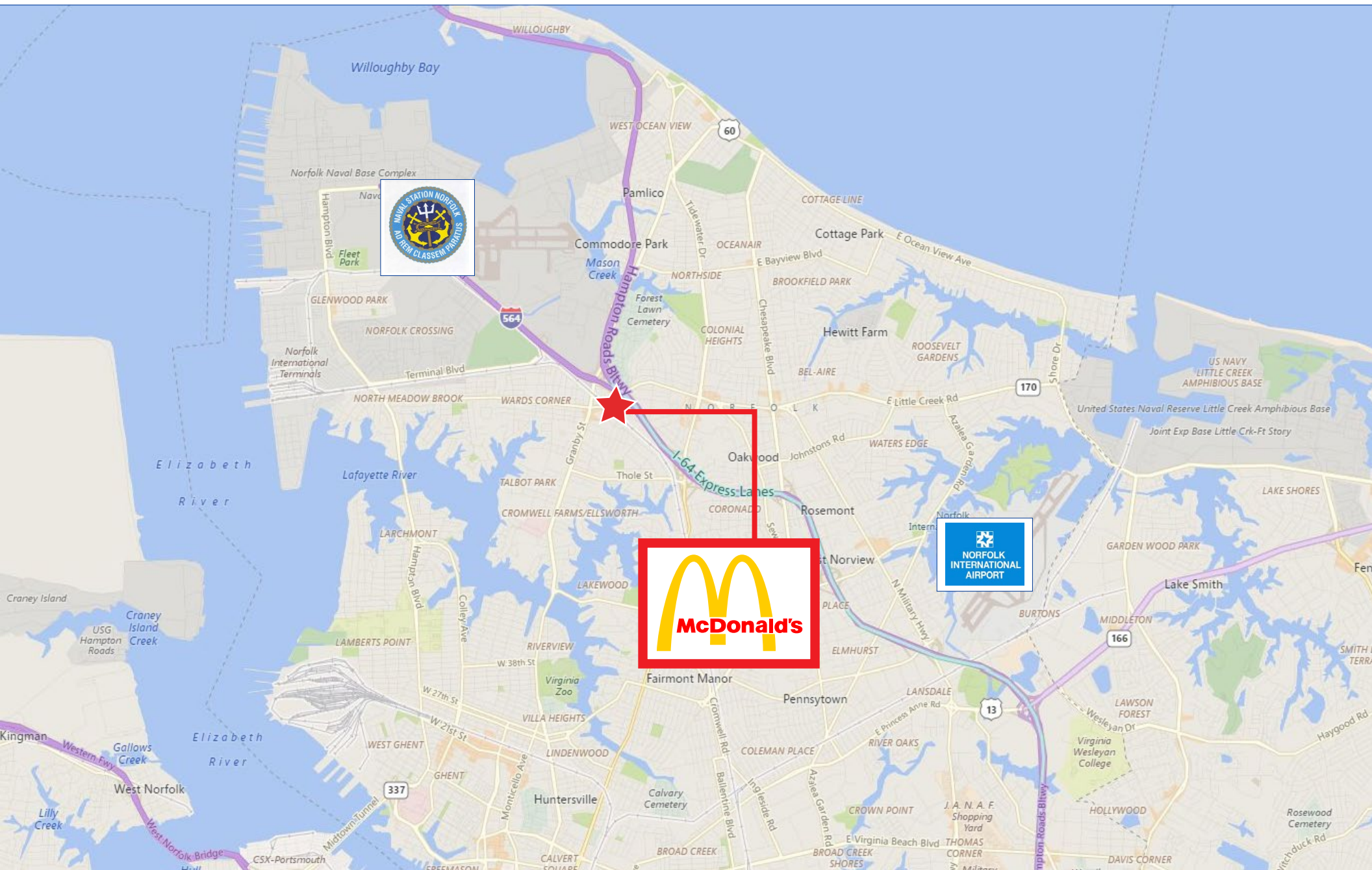
Price:	\$3,414,634	
Cap Rate:	4.10%	
Rent Schedule:	<u>NOI</u>	<u>Escalation Date</u>
	\$140,000	
	\$154,000	June 30, 2024
	\$169,400	June 30, 2029
	\$186,340	June 30, 2034
	\$204,974	June 30, 2039 (Option 1)
	\$225,471	June 30, 2044 (Option 2)
	\$248,019	June 30, 2049 (Option 3)
	\$272,820	June 30, 2054 (Option 4)
	\$300,102	June 30, 2059 (Option 5)
	\$330,113	June 30, 2064 (Option 6)
Renewal Options:	Six 5-Year	
Lease Expiration Date:	June 29, 2039	
Tenant:	McDonald's	
Standard & Poor's Rating:	BBB+	
Store Opened:	1993	
Year Renovated:	2014	
Lease Type:	Ground Lease (No Landlord Responsibilities)	
Building Size:	3,626 SF	
Land Size:	1.34 AC	

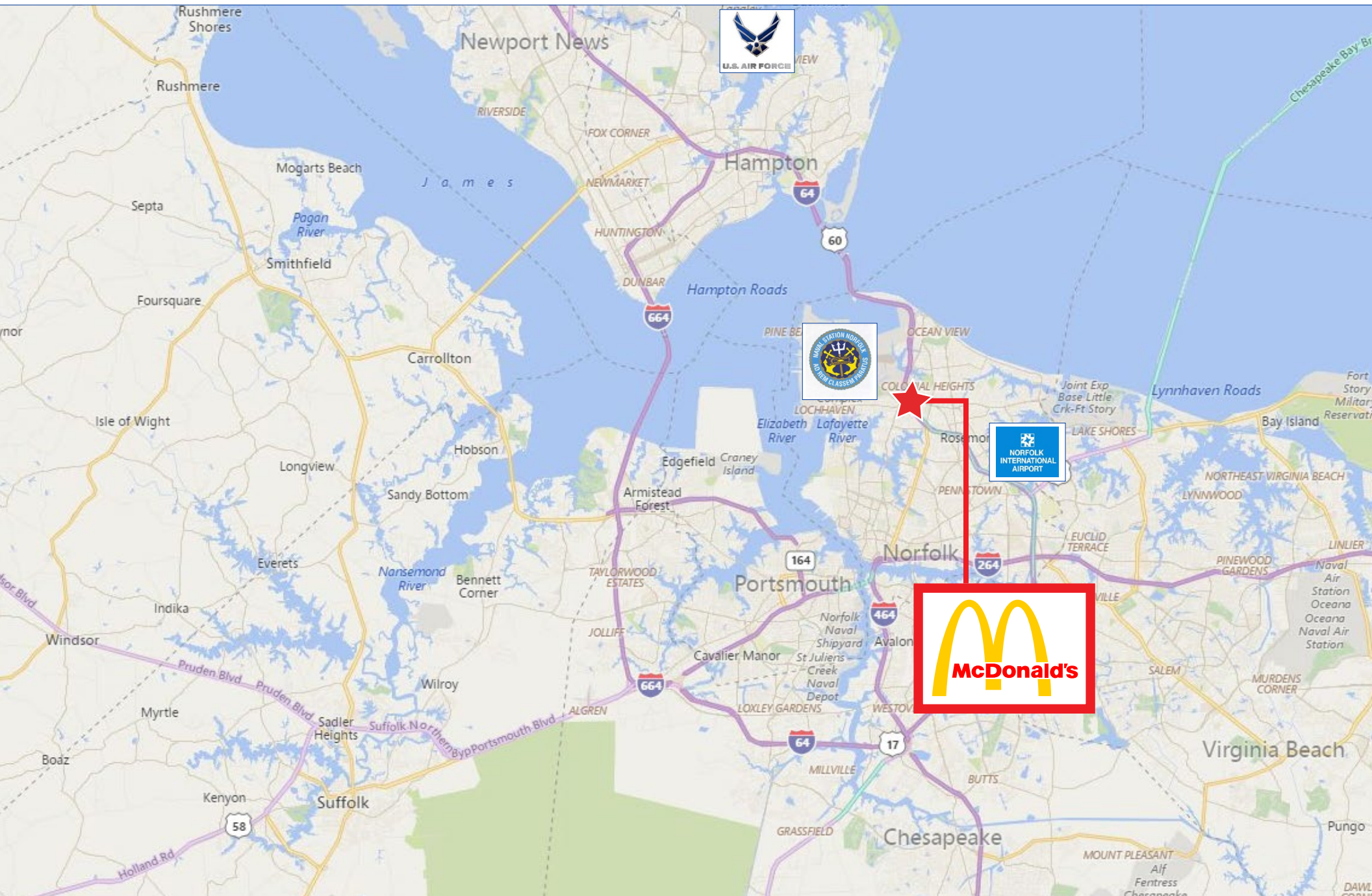












**DEMOGRAPHIC
REPORT:**

Population	1-Mile	3-Mile	5-Mile
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Total Population 12,595 121,631 227,341

Total Households 5,735 47,525 80,945

Income	1-Mile	3-Mile	5-Mile
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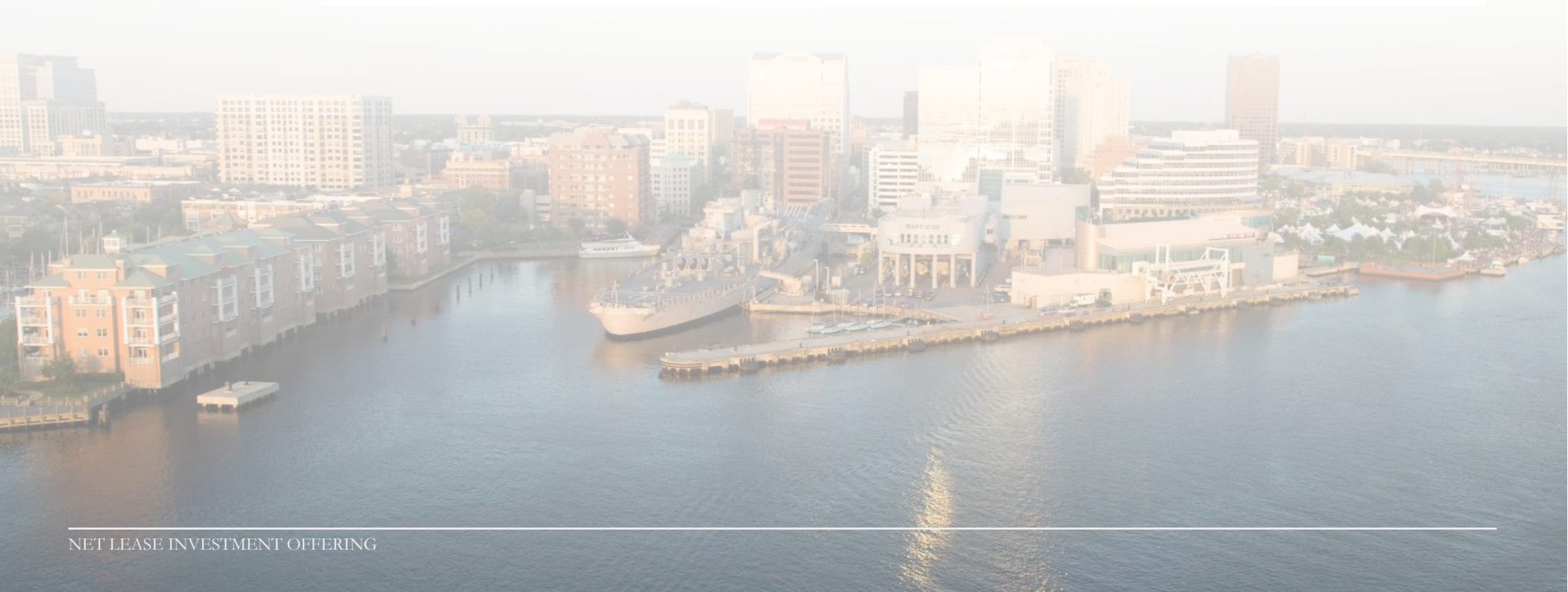
Average Household Income \$54,583 \$63,961 \$65,458



**MARKET
OVERVIEW:****Virginia Beach-Norfolk-Newport News MSA**

The U.S. Census Bureau defines the “Virginia Beach–Norfolk–Newport News, VA–NC MSA” as 16 county-level jurisdictions—five counties and nine independent cities in Virginia, and two counties in North Carolina. Hampton Roads is most often the name used for the metropolitan area. According to the 2010 Census, its population is 1,676,822.

Hampton Roads is known for its large military presence, ice-free harbor, shipyards, coal piers, and miles of waterfront property and beaches, all of which contribute to the diversity and stability of the region’s economy. The body of water known as Hampton Roads is one of the world’s largest natural harbors (more accurately a roadstead or “roads”). It incorporates the mouths of the Elizabeth River, Nansemond River, and James River with several smaller rivers and empties into the Chesapeake Bay near its mouth leading to the Atlantic Ocean. The area is home to hundreds of historical sites and attractions. The harbor was the key to Hampton Roads’ growth, both on land and in water-related activities and events. While the harbor and its tributaries were (and still are) important transportation conduits, at the same time they presented obstacles to land-based commerce and travel.



TENANT OVERVIEW:

McDonald's

McDonald's Corporation is the world's largest chain of hamburger fast food restaurants, serving over 69 million customers daily throughout 100 countries. McDonald's primarily sells hamburgers, cheeseburgers, chicken, french fries, breakfast items, soft drinks, shakes and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, wraps, smoothies and fruit. McDonald's restaurants offer customers counter service as well as drive-thru service. McDonald's owns approximately 18% of their restaurants, while the remainder of the stores are run by franchisee members or joint venture.

McDonald's present corporation dates its founding to the opening of a franchised restaurant by businessman Ray Kroc in Des Plaines, Illinois on April 15, 1955, the ninth McDonald's restaurant overall. Kroc purchased the McDonald brothers' equity in the company and led its worldwide expansion. McDonald's a publically traded company on the New York Stock Exchange using symbol "MCD". McDonald's is an investment grade rated company with a Standard & Poor's rating of "BBB+". McDonald's moved their global headquarters to Chicago, Illinois in 2017 from Oak Brook, Illinois where they have had their offices since 1971.

Website:	www.mcdonalds.com
Founded:	1955
Number of Locations:	37,241
Number of Employees:	235,000
Standard & Poor's Rating:	BBB+
Stock Symbol:	MCD (NYSE)
Headquarters:	Chicago, Illinois





Randy Blankstein
President
847.562.0003
randy@bouldergruop.com

Jimmy Goodman
Partner
847.562.8500
jimmy@bouldergruop.com

3520 Lake Avenue, Suite 203
Wilmette, IL 60091

www.bouldergruop.com

THE
Boulder 
GROUP