

# Arby's

EXCLUSIVE NET-LEASE OFFERING

# OFFERING MEMORANDUM



45630 N. Gratiot Avenue  
Mt. Clemens, MI 48042

# Confidentiality and Disclaimer



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Mt. Clemens, MI 48042

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# Investment Highlights

PRICE: \$1,361,800 | CAP: 6.00% | RENT: \$81,708



## About the Investment

- ✓ Absolute Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Corporate Guarantee from Arby's Restaurant Group, Inc.
- ✓ 10 Year Lease with 6.5 Years Remaining on the Base Term
- ✓ Four (4) Option Periods of Five (5) Years Each | Potential for Total Lease Term of 30 Years
- ✓ Three Percent (3.00%) Rental Increases Every Four (4) Years Throughout the Entirety of the Lease
- ✓ Strong Commitment to the Site | Tenant Has Been Operating at this Location For Over 20 Years

## About the Location

- ✓ Dense Retail Corridor | Walmart, The Home Depot, Target, BJ's, Cabela's, McDonald's, Burger King, Starbucks, and Many More
- ✓ Strong Demographics | Population Exceeds 133,000 Individuals Within a Five-Mile Radius | Projected to Continue Growing
- ✓ Positive Real Estate Fundamentals | Located Less Than Three Miles from Selfridge Air Force Base | Working Population Greater Than 6,000 Individuals
- ✓ Strong Traffic Counts | N. Gratiot Avenue, Highway 59, and Interstate 94 | 49,500, 110,000, and 131,000 Vehicles Per Day, Respectively
- ✓ Located Less Than 30 Miles From Downtown Detroit

## About the Tenant / Brand

- ✓ Arby's Has More Than 3,300 Locations Throughout the World with Over \$1.55B of Revenue
- ✓ Arby's was Founded in 1964 in Boardman, OH and is Currently Owned and Operated by Inspire Brands / Roark Capital Group
- ✓ Inspire Brands Owns over 11,100 Restaurants Including Arby's, Buffalo Wild Wings, Sonic, Jimmy John's and More



Representative Photo







# Financial Analysis

PRICE: \$1,361,800 | CAP: 6.00% | RENT: \$81,708



## PROPERTY DESCRIPTION

Property	Arby's
Property Address	45630 N. Gratiot Avenue
City, State ZIP	Mt Clemens, MI 48042
Building Size (SF)	2,381
Lot Size (Acres)	+/- 1.33
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,361,800
CAP Rate	6.00%
Annual Rent	\$81,708

## LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant / Guarantor	SYBRA, LLC / Arby's Restaurant Group, Inc.
Original Lease Term	10 Years
Lease Commencement	May 1, 2017
Lease Expiration	April 30, 2027
Lease Term Remaining	6.5 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	3.00% Every Four (4) Years
Options to Renew	Four (4), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$81,708	\$6,809	-
Year 2	\$81,708	\$6,809	-
Year 3	\$81,708	\$6,809	-
Current	\$81,708	\$6,809	-
Year 5	\$84,159	\$7,013	3.00%
Year 6	\$84,159	\$7,013	-
Year 7	\$84,159	\$7,013	-
Year 8	\$84,159	\$7,013	-
Year 9	\$86,684	\$7,224	3.00%
Year 10	\$86,684	\$7,224	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an Arby's located at 45630 North Gratiot Avenue in Mount Clemens, Michigan. The site consists of roughly 2,381 rentable square feet of building space on estimated 1.33-acre parcel of land. This Arby's is subject to a 10-year absolute triple-net (NNN) lease, which commenced May 1<sup>st</sup>, 2017. The current annual rent is \$81,708 and is scheduled to increase by three percent (3.00%) every four (4) years throughout the base term and in each of the four (4), five (5)-year renewal options.



# Concept Overview

## About Arby's



Arby's is the place for people hungering for a unique, better tasting alternative to traditional fast food. It's the favorite place for people who crave something different and better. Serving one-of-a-kind menu items, Arby's is well known for slow-roasted and freshly sliced roast beef sandwiches and famous Market Fresh sandwiches, wraps and salads, made with wholesome ingredients and served with the convenience of a drive-thru.

From day one, Arby's Roast Beef Restaurants offered an innovative menu, offering guests something other than hamburgers in the newly inspired quick service segment. When foodservice veterans Leroy and Forrest Raffel opened the first Arby's in Boardman, Ohio on July 23, 1964, customers enjoyed roast beef sandwiches, potato chips, and Texas sized iced teas. To name their new venture, the brothers decided on Arby's, which stands for R.B., the initials of the Raffel Brothers- although many suspect the R.B. stands for roast beef.

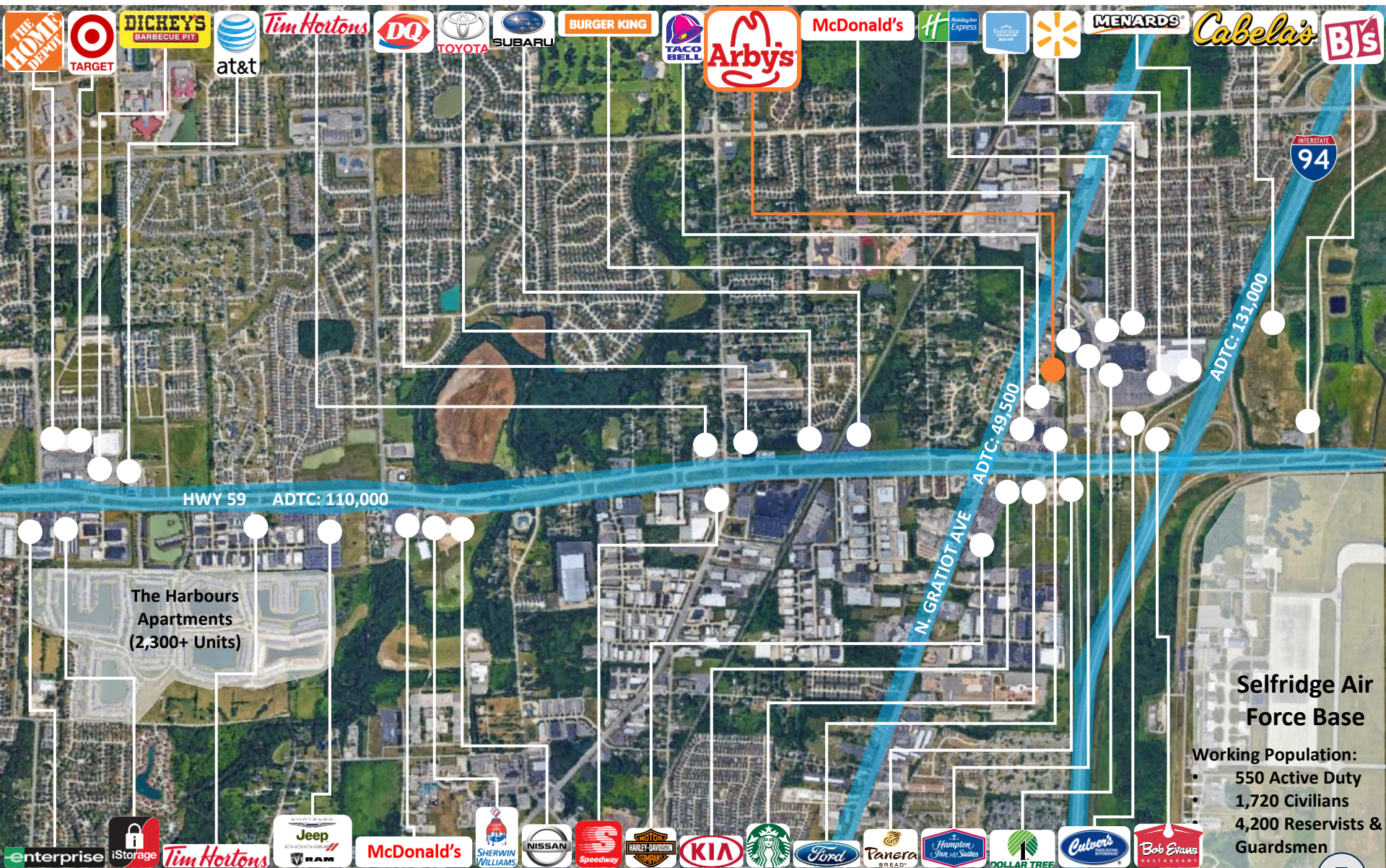
### COMPANY PROFILE

GLOBAL SYSTEM RESTAURANT COUNT	3,367
GLOBAL SYSTEM FRANCHISE-OWNED RESTAURANT COUNT	2,305
GLOBAL SYSTEM COMPANY-OWNED RESTAURANT COUNT	1,062
U.S. SYSTEM RESTAURANT COUNT	3,242
RESTAURANT LOCATIONS: U.S. STATES	48
RESTAURANT LOCATIONS: COUNTRIES	7
GLOBAL SYSTEM TEAM MEMBER COUNT	80,000
HEADQUARTERS	Atlanta, GA





**45630 N. Gratiot Avenue, Mt. Clemens, MI 48042**



## Arby's – Mt. Clemens, MI

Marcus & Millichap

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# Location Overview

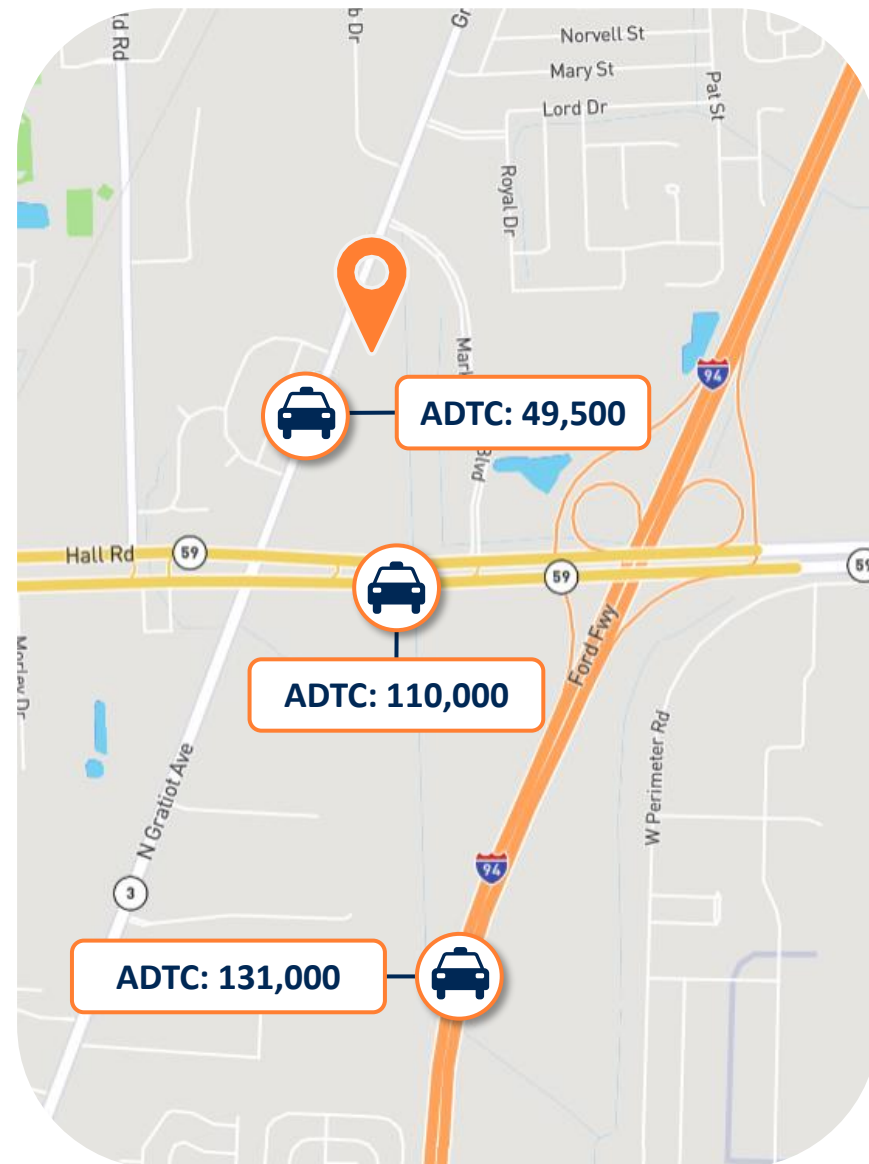
45630 N. Gratiot Avenue, Mt. Clemens, MI 48042



This Arby's property is situated on North Gratiot Avenue, which boasts an average daily traffic count of 49,500 vehicles. North Gratiot Avenue intersects with Highway 59, which has an average daily traffic count of 110,000 vehicles. Highway 59 serves as an access road to Interstate 94, which brings an additional 131,000 vehicles into the immediate area every day. There are more than 46,000 individuals residing within a three-mile radius of the property and more than 133,000 individuals within a five-mile radius, these figure are projected to continue to grow over the next several years. The average income within a five-mile radius is greater than \$89,000.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, shopping centers, hospitality accommodations and other notable points of interest all within close proximity of this property. Major national tenants in the area include Walmart, The Home Depot, Target, BJ's, Cabela's, McDonald's, Burger King, Starbucks, and so many more. The subject investment property also benefits from being located less than four miles from Selfridge Air Force Base. The working population of the base is currently 550 on active duty, 1,720 civilian workers, and 4,200 reservists and guardsmen.

Mount Clemens is a town in and the county seat of Macomb County with a population greater than 16,000. Mount Clemens boasts one of the few genuine downtown districts in the county. The central business and retail sectors radiate from Macomb Street and North Gratiot Avenue featuring gazebos, water fountains, gardens, statuary and shrubbery. Little coffee shops, delicatessens, restaurants and pubs are abundant in the downtown district. Drifting into the residential neighborhoods that surround the downtown, one is greeted by an eclectic collection of homes. They run the gamut from historic to contemporary, including 19th century mansions, post-World War I bungalows and traditional two-story, brick A frames. More than 3,000 rental units, including apartments and flats are also available. In recent years, first time home buyers and newlyweds have been attracted to the tree-lined streets, induced by moderate housing prices, an award-winning school district, numerous recreational amenities including sparkling Lake St. Clair and easy access to major metropolitan freeways.

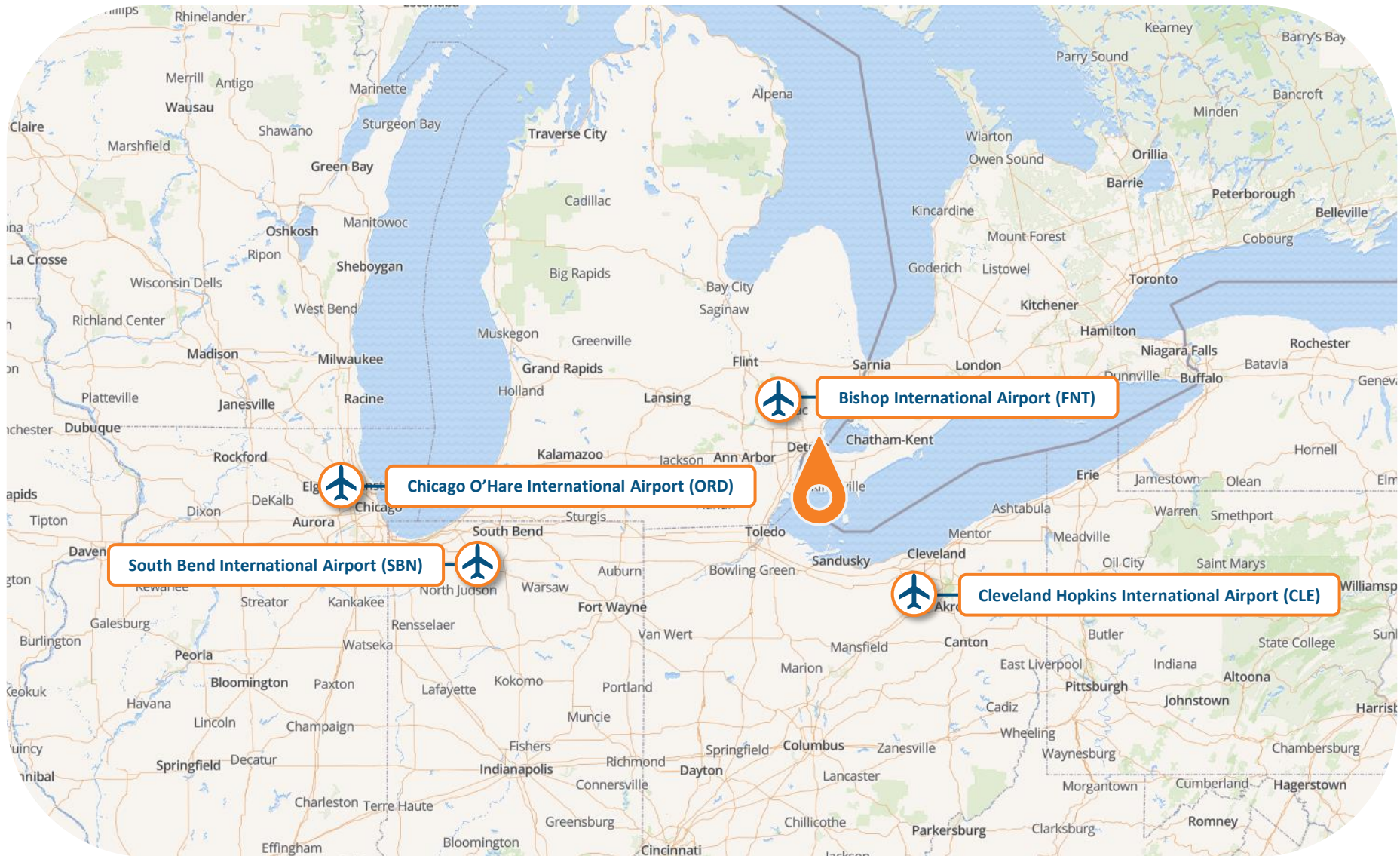






# Local Map

45630 N. Gratiot Avenue, Mt. Clemens, MI 48042

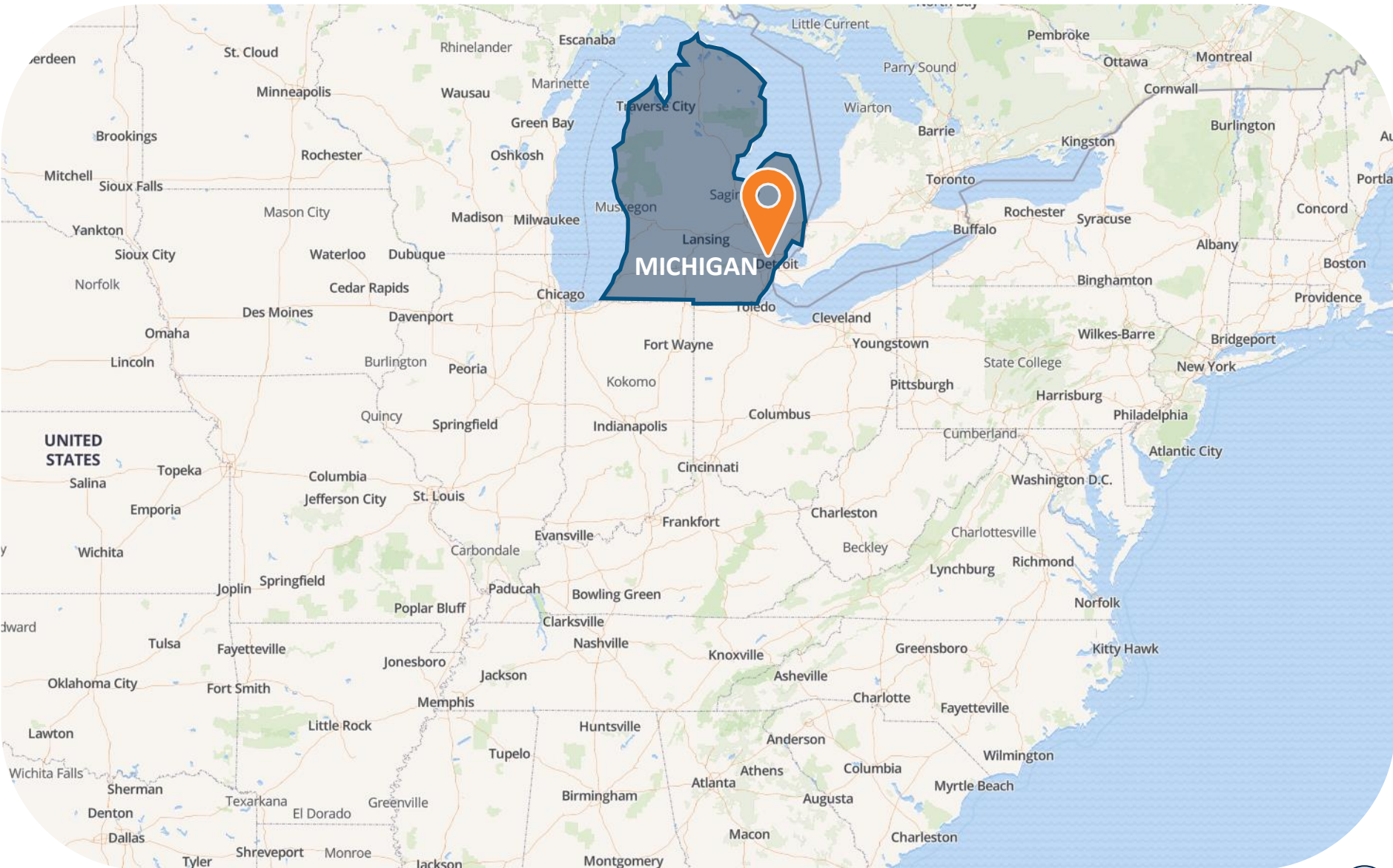






# Regional Map

45630 N. Gratiot Avenue, Mt. Clemens, MI 48042

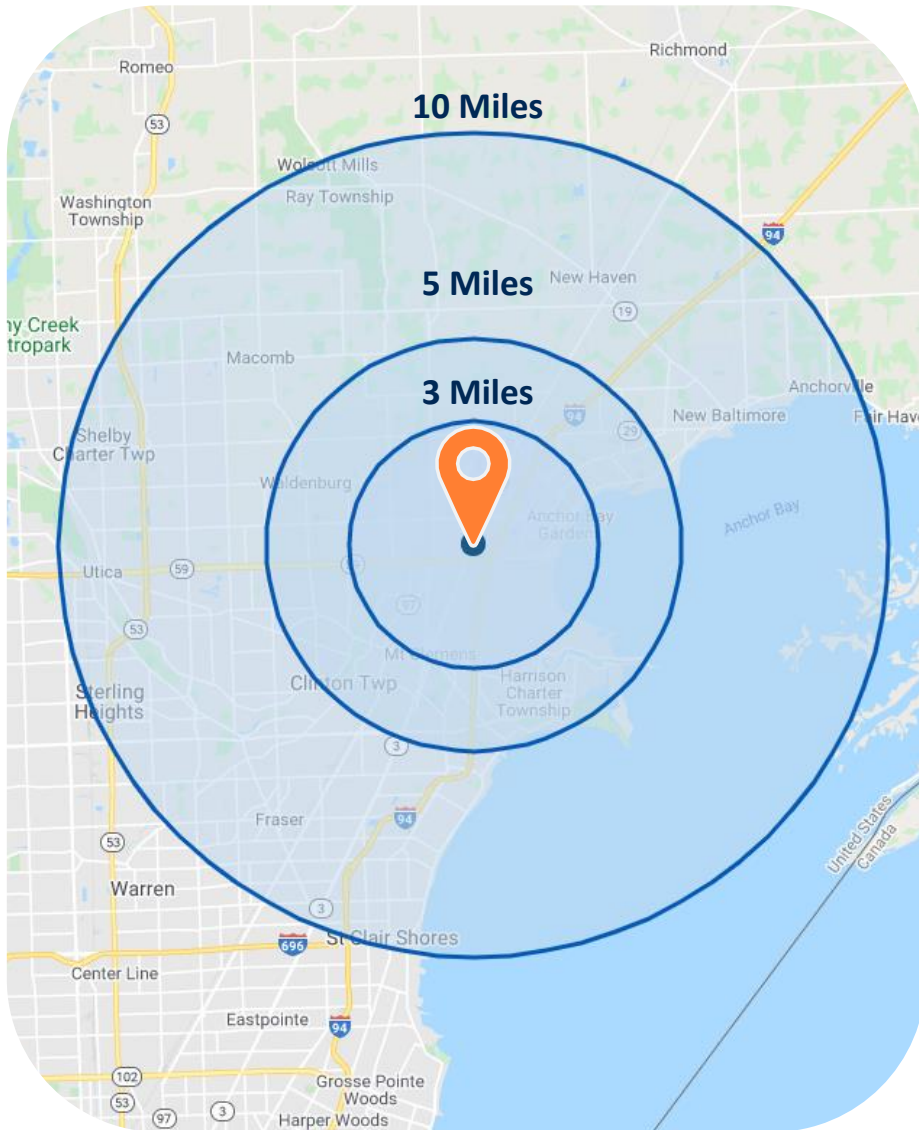






# Demographics

45630 N. Gratiot Avenue, Mt. Clemens, MI 48042



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2024 Projection	49,607	139,731	454,046
2019 Estimate	46,715	133,721	441,596
2010 Census	42,431	124,114	418,313
2000 Census	35,804	100,753	371,983
<b>INCOME</b>			
Average	\$86,552	\$89,096	\$86,945
Median	\$76,306	\$75,534	\$69,895
Per Capita	\$31,929	\$32,962	\$34,214
<b>HOUSEHOLDS</b>			
2024 Projection	18,315	51,591	178,646
2019 Estimate	17,222	49,193	173,061
2010 Census	15,653	45,616	164,016
2000 Census	12,944	37,080	144,019
<b>HOUSING</b>			
2019	\$200,043	\$210,966	\$195,349
<b>EMPLOYMENT</b>			
2019 Daytime Population	42,092	105,006	361,961
2019 Unemployment	3.57%	3.75%	3.84%
2019 Median Time Traveled	32 Mins	32 Mins	31 Mins
<b>RACE &amp; ETHNICITY</b>			
White	82.58%	81.18%	83.56%
Native American	0.04%	0.04%	0.03%
African American	10.62%	12.41%	10.35%
Asian/Pacific Islander	2.41%	2.54%	2.72%



# Market Overview

45630 N. Gratiot Avenue, Mt. Clemens, MI



*Detroit, MI*

**Detroit** has a population greater than 670,000, making it the 24th-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after Chicago. Detroit is a major port on the Detroit River, one of the four major straits that connect the Great Lakes system to the Saint Lawrence Seaway. The Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the third-largest economic region in the Midwest, behind Chicago and Minneapolis, and the 14th-largest in the United States. Detroit and its neighboring Canadian city Windsor are connected through a tunnel and the Ambassador Bridge, the busiest international crossing in North America. Detroit and the surrounding region constitute a major center of commerce, most notably as home to America's big three automobile companies: General Motors, Ford, and Chrysler. Detroit's most heavily represented sectors are manufacturing, finance, technology, and health care. Detroit is home to several institutions of higher learning including Wayne State University, which has over 27,000 students enrolled. In 2014 JPMorgan Chase announced that it was injecting \$100 million into Detroit's economy over the next five years, providing development funding for a variety of projects designed to increase employment. The New York Times listed Detroit as the 9th-best destination in its list of 52 Places to Go in 2017, while travel guide publisher Lonely Planet named Detroit the second-best city in the world to visit in 2018.





**Glen Kunofsky**

[Glen.Kunofsky@marcusmillichap.com](mailto:Glen.Kunofsky@marcusmillichap.com)

212.430.5115 | NY: 10301203289

**Matthew Anuskiewicz**

[Matthew.Anuskiewicz@marcusmillichap.com](mailto:Matthew.Anuskiewicz@marcusmillichap.com)

212.430.5129 | NY: 10401285141

**Michael Liu**

[Michael.Liu@marcusmillichap.com](mailto:Michael.Liu@marcusmillichap.com)

212.430.5221 | NY: 10401291257

# Marcus & Millichap

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MI Broker of Record  
Steve Chaben  
Marcus & Millichap  
2 Towne Square, Suite 450  
Southfield, MI 48076  
Tel: (248) 415-2600  
Fax: (248) 415-2610  
License: 3502387903