

Arby's

EXCLUSIVE NET-LEASE OFFERING

OFFERING MEMORANDUM



619 North Avenue
Battle Creek, MI 49017

Confidentiality and Disclaimer



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Battle Creek, MI 49017

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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

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Investment Highlights

PRICE: \$1,383,334 | CAP: 6.00% | RENT: \$83,000



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 | Burger King, Dollar General, Walgreens, Rite Aid, Davita Kidney Care, Fresenius Kidney Care, Save a Lot, Denny's and Many More
- ✓ Strong Demographics | Population is Approximately 75,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | North Avenue and W Emmett St | 14,300 and 14,450 Vehicles Per Day, Respectively
- ✓ Battle Creek Hospital | Within Immediate Proximity to Subject Property | 280-Bed State of the Art Medical Facility
- ✓ Strong Real Estate Fundamentals | Battle Creek | 50 Miles Southwest of Lansing | Capital City of Michigan

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





Financial Analysis

PRICE: \$1,383,334 | CAP: 6.00% | RENT: \$83,000



PROPERTY DESCRIPTION

Property	Arby's
Property Address	619 North Avenue
City, State ZIP	Battle Creek, MI 49017
Building Size (SF)	2,935
Lot Size (Acres)	+/- 0.42
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,383,334
CAP Rate	6.00%
Annual Rent	\$83,000

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	\$83,000	\$6,917	-
Year 2	\$83,000	\$6,917	-
Year 3	\$83,000	\$6,917	-
Current	\$83,000	\$6,917	-
Year 5	\$85,490	\$7,124	3.00%
Year 6	\$85,490	\$7,124	-
Year 7	\$85,490	\$7,124	-
Year 8	\$85,490	\$7,124	-
Year 9	\$88,054	\$7,338	3.00%
Year 10	\$88,054	\$7,338	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an Arby's located at 619 North Avenue in Battle Creek, Michigan. The site consists of roughly 2,935 rentable square feet of building space on estimated 0.42-acre parcel of land. This Arby's is subject to a 10-year, absolute triple-net (NNN) lease, which commenced May 1st, 2017. The current annual rent is \$83,000 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 tenant 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.

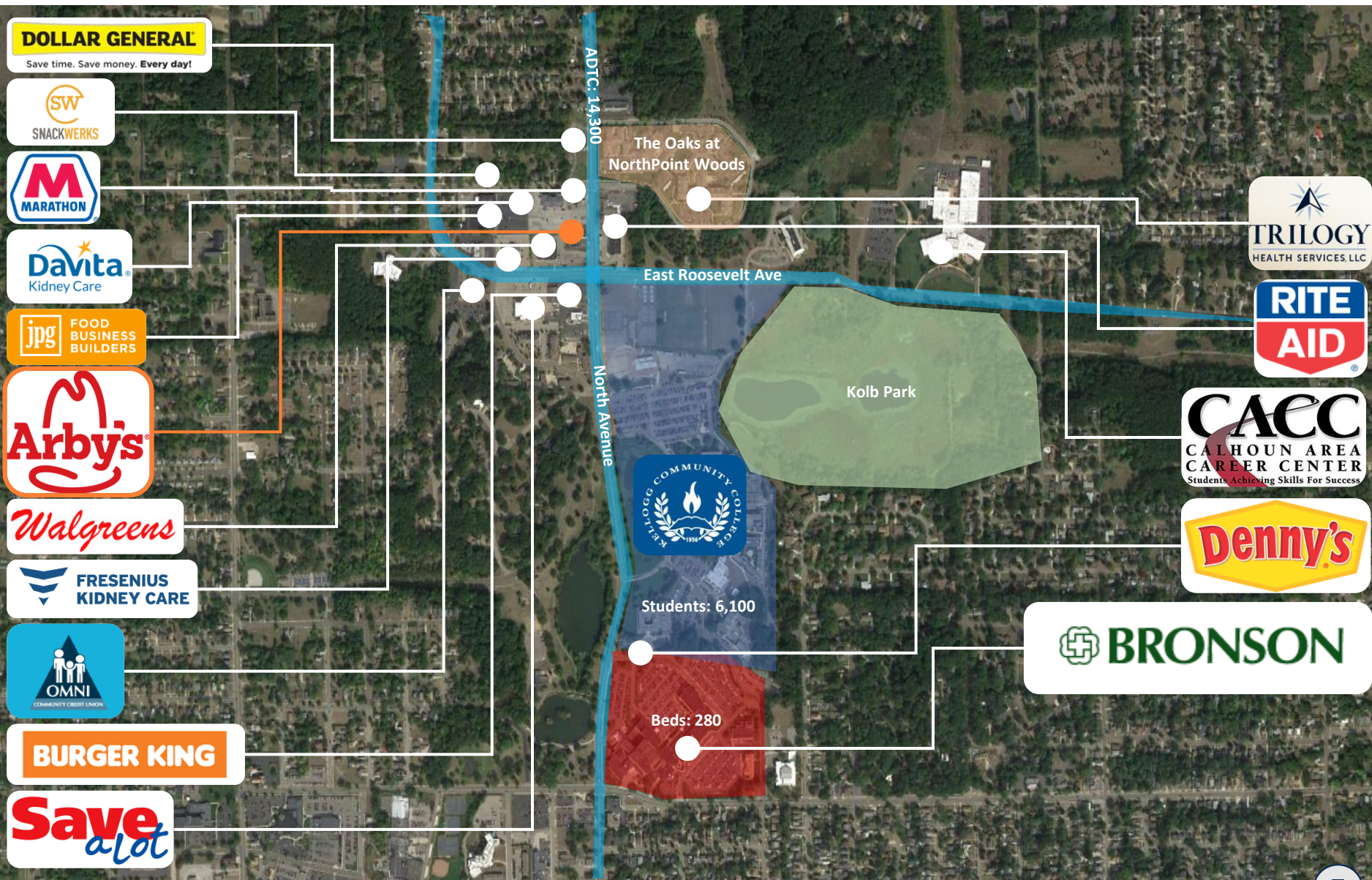
COMPANY PROFILE

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



Surrounding Area

619 North Avenue, Battle Creek, MI 49017





Location Overview

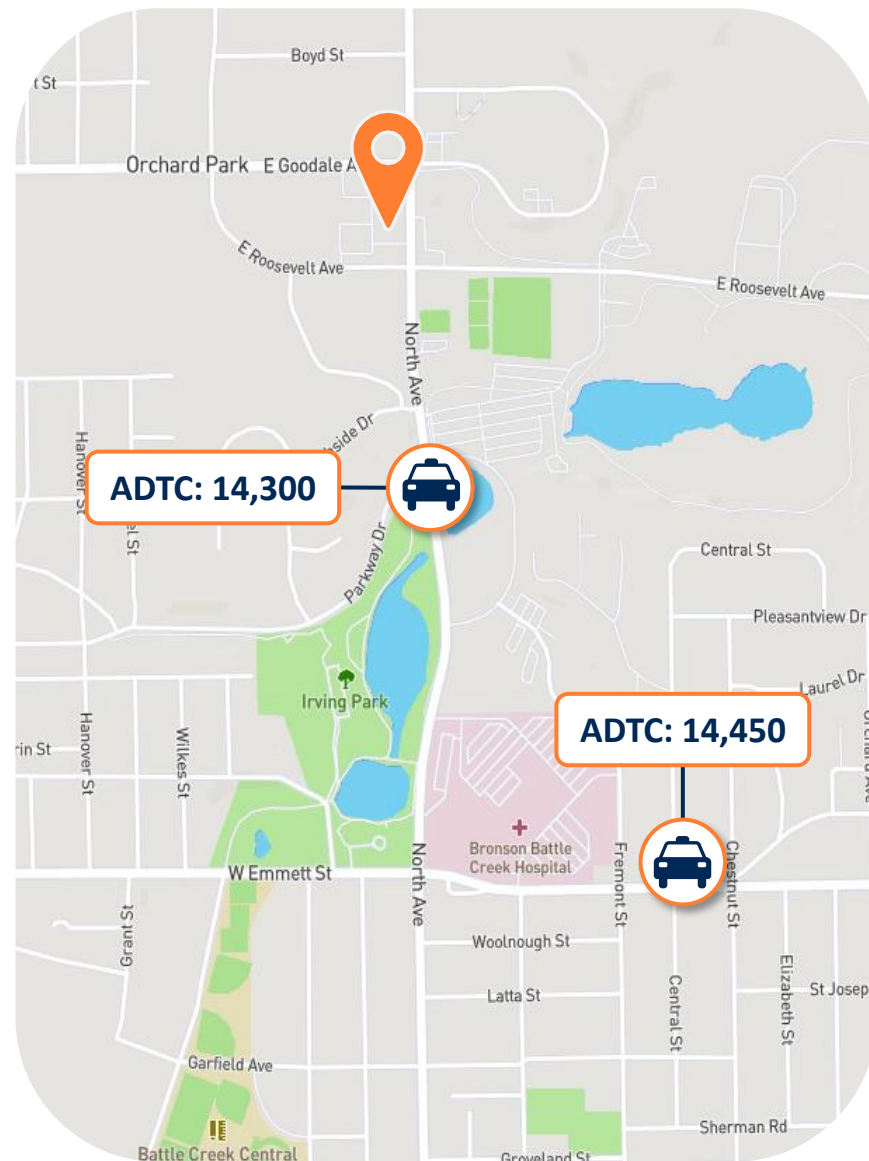
619 North Avenue, Battle Creek, MI 49017



This Arby's property is situated on North Avenue, which boasts an average daily traffic count of 14,300 vehicles. W Emmett Street intersects with North Avenue, which brings an additional 14,450 vehicles into the immediate area on average daily. This site is centrally located in a densely populated residential area. There are more than 43,600 individuals residing within a three-mile radius of the property and more than 73,700 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, shopping centers and other notable points of interest all within close proximity of this property. Major national tenants in the area include: Burger King, Dollar General, Walgreens, Rite Aid, Davita Kidney Care, Fresenius Kidney Care, Save a Lot, Denny's, as well as many others. This Arby's also benefits from its close proximity to several notable points of interest. Most notable is the Kellogg Community College, which is home to just over 6,100 students, offering 35 associate degree programs, 28 certificate programs and six professional certifications across a wide variety of disciplines. Just under a mile from the subject property, and adjacent to the community college is the Bronson Battle Creek Hospital, a state-of-the-art full service general hospital and medical care facility, servicing over 280 beds.

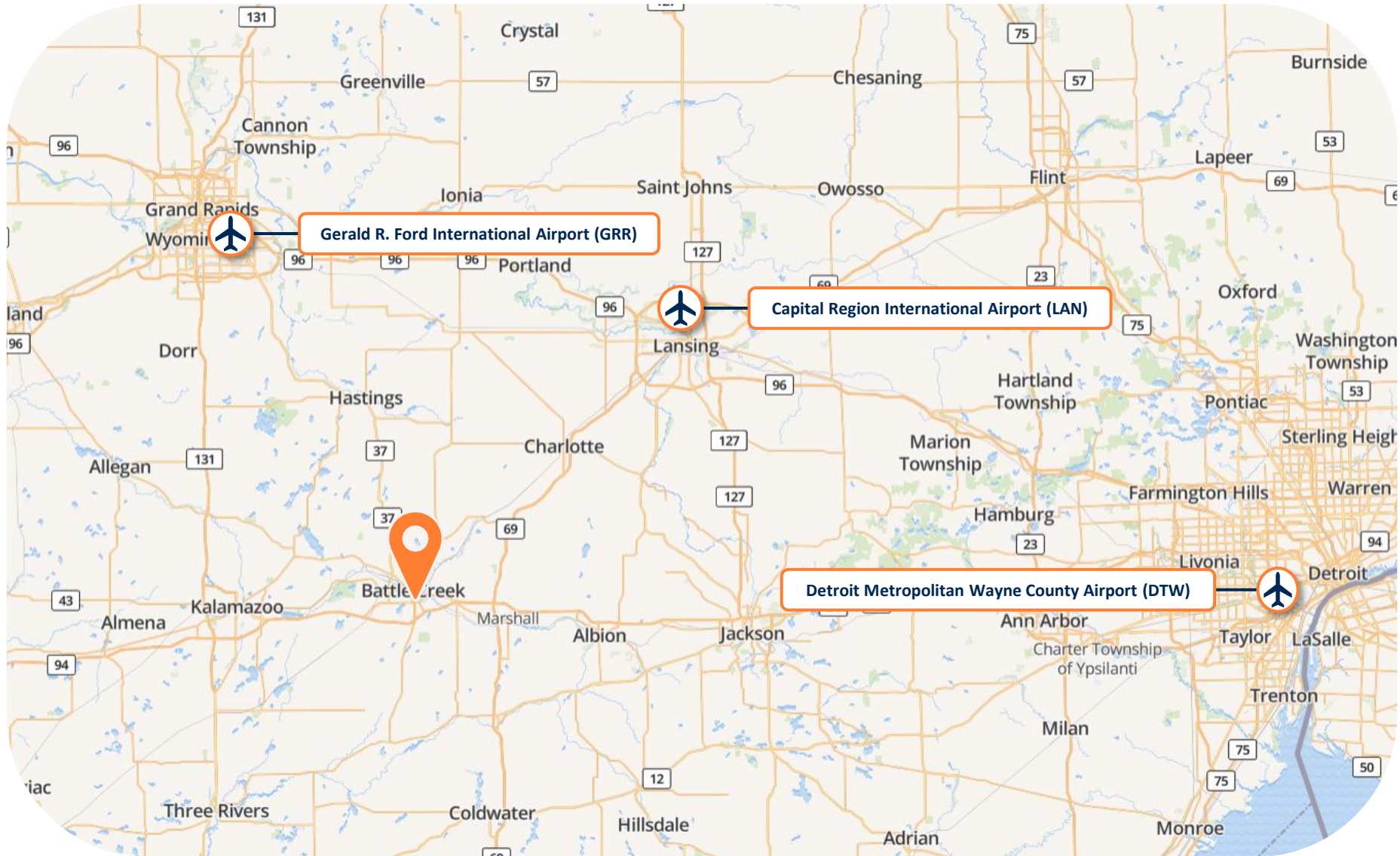
Battle Creek is located roughly 50 miles southwest of Lansing, Michigan. Lansing is the capital of Michigan. It was named the new state capital in 1847, ten years after Michigan became a state. Lansing is the fifth largest city in Michigan. The Lansing metropolitan Area, colloquially referred to as "Mid-Michigan," is an important center for educational, cultural, governmental, commercial, and industrial functions. The city is home to two medical schools, one veterinary school, two nursing schools, two law schools, a Big Ten Conference university (Michigan State), the Michigan State Capital, the state Supreme Court, the Court of Appeals, a federal court, the Library of Michigan and Historical Center, and the headquarters of four national Insurance companies. The recent decline of the auto industry in the region has increased the region's awareness of the importance of a strategy to foster the high-technology sector. Lansing has a number of technology companies, especially in the fields of information technology and biotechnology. The Lansing JazzFest and the Old Town BluesFest host leading musicians, and are two of the largest music festivals held each year in the state.





Local Map

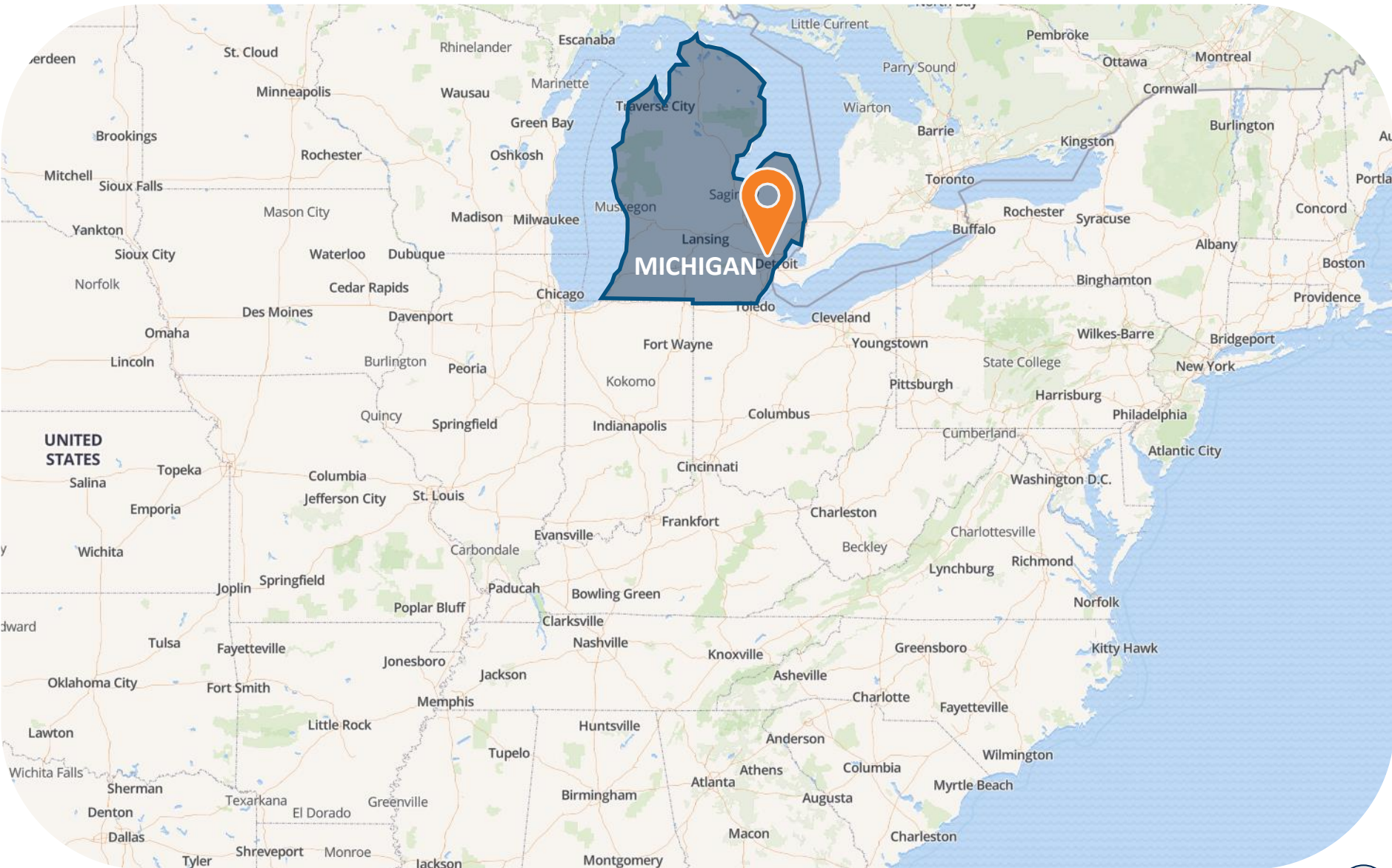
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Regional Map

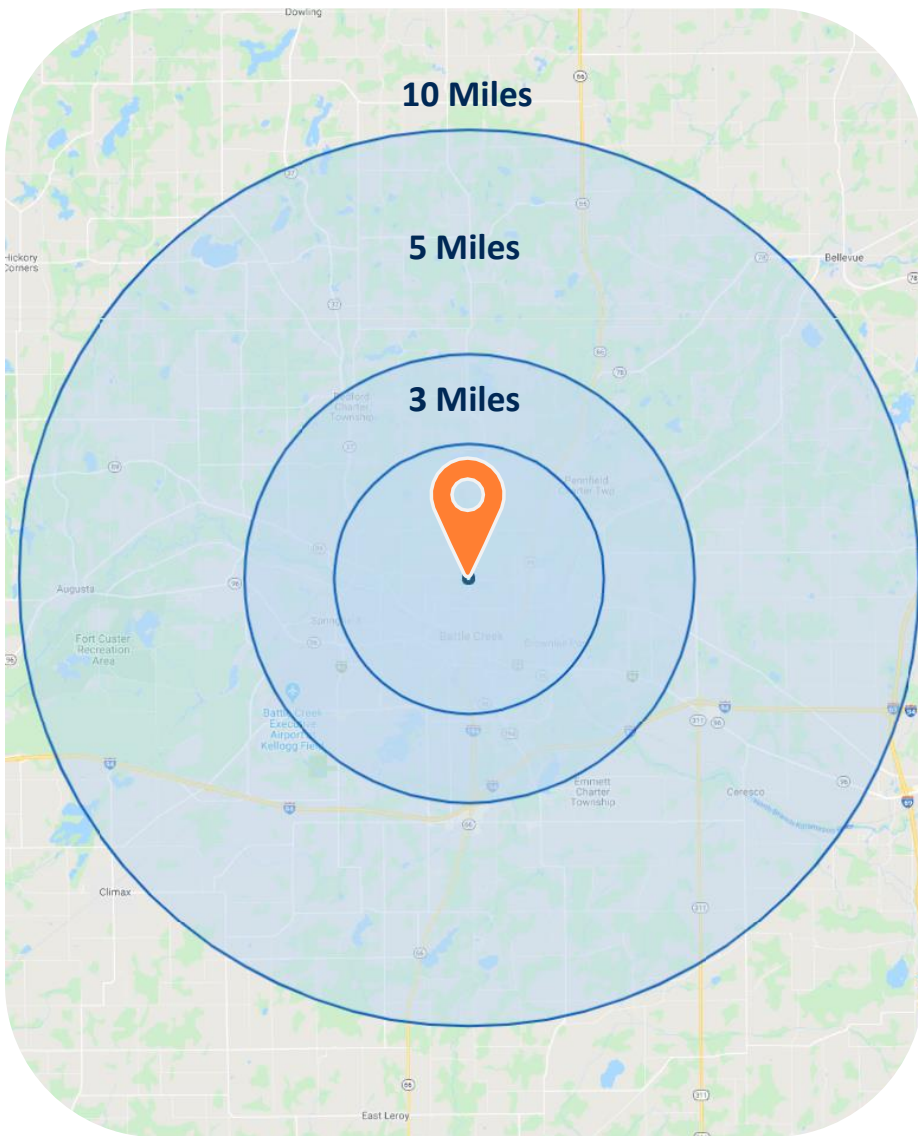
45630 N. Gratiot Avenue, Mt. Clemens, MI 48042





Demographics

619 North Avenue, Battle Creek, MI 49017



	3 Miles	5 Miles	10 Miles
POPULATION			
2024 Projection	42,940	72,793	98,879
2019 Estimate	43,577	73,693	100,053
2010 Census	43,950	74,163	100,464
2000 Census	47,137	76,948	101,255
INCOME			
Average	\$48,229	\$58,049	\$64,151
Median	\$37,037	\$44,586	\$50,215
Per Capita	\$19,279	\$23,334	\$25,882
HOUSEHOLDS			
2024 Projection	16,788	28,879	39,584
2019 Estimate	17,018	29,162	39,913
2010 Census	17,367	29,646	40,467
2000 Census	18,838	30,747	40,319
HOUSING			
2019	\$79,187	\$100,086	\$116,812
EMPLOYMENT			
2019 Daytime Population	47,033	83,310	104,810
2019 Unemployment	5.31%	4.49%	4.17%
2019 Median Time Traveled	20 Mins	20 Mins	21 Mins
RACE & ETHNICITY			
White	66.86%	73.83%	77.77%
Native American	0.02%	0.03%	0.03%
African American	21.84%	15.03%	12.02%
Asian/Pacific Islander	1.39%	3.19%	3.31%



Market Overview

619 North Avenue, Battle Creek, MI 49017



Lansing, Michigan



Lansing

Lansing is the capital of the U.S. state of Michigan. Lansing is located mostly in Ingham county, although portions of the city extend west into Eaton County and north into Clinton County.

The Lansing metropolitan area's major industries are government, education, insurance, healthcare and automobile manufacturing. Being the state capital, many state government workers reside in the area. Michigan State University, Thomas M. Cooley Law School and Lansing Community College are significant employers in the region as well. General Motors has officers and a hi-tech manufacturing facility in Lansing and several manufacturing facilities immediately outside the city, as well, in nearby Lansing and Delta townships. Lansing area is headquarters to four major national insurance companies: Auto-Owners Insurance Company, Jackson National Life, the Accident Fund, and Michigan Millers Insurance Company. Other insurers based in Lansing include Farm Bureau Insurance of Michigan. The Lansing area has two major malls: Lansing Mall and Meridian Mall. Other major retail centers include Eastwood Towne Center and Frandor Shopping Center.

Michigan State University, a member of the Big Ten Conference, is known as "the pioneer land grant college", located in neighboring East Lansing. MSU has the largest land campus in the United States and is home to several nationally and internationally recognized academic and research-oriented programs. Michigan State offers over 200 programs of study and is home to fourteen different degree-granting schools and colleges including two medical schools, a veterinary school, a law school, and numerous PhD programs. It is the only university in the nation with three medical schools.

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