

SECURE  
NET LEASE

FILE PHOTO



# DAIRY QUEEN

**\$1,886,000 | 5.25% CAP**

4807 East 4th Plain Boulevard, Vancouver WA 98661

- ✓ **20-Year Absolute NNN Lease**
- ✓ **10% Increases Every 5 Years** During Renewal Options
- ✓ Located in High Traffic Area within **Portland-Vancouver-Hillsboro MSA**
- ✓ In 2020, Dairy Queen **Ranked 16th in Entrepreneur Magazine's Franchise 500**
- ✓ Legacy brand Dairy Queen has been **franchising for 80 years**





There are few brands as iconic as the DQ® brand. The first Dairy Queen location opened in Joliet, IL. in 1940. Since then, the innovative DQ food and treats along with the unique DQ restaurant concepts, have positioned International Dairy Queen as a leader in the QSR industry both in the U.S. as well as internationally. Today, the DQ system is a \$4.5 billion brand.



# INVESTMENT OVERVIEW

DAIRY QUEEN | VANCOUVER, WASHINGTON

## \$1,886,000 | 5.25% CAP



**\$99,000**

NOI



**±1,328 SF**

BUILDING AREA



**±0.33 ACRES**

LAND AREA



**1956 / 2013**

YR BUILT / RENOVATED



**100%**

OCCUPANCY



**ABSOLUTE NNN**

LEASE TYPE

- ✓ **20-Year Absolute NNN Lease** with additional 5 year options to renew.
- ✓ **Located in dense retail corridor (29,509 VPD)** with national credit tenants including Walmart, McDonald's, Winco Foods, Starbucks and Target and Vancouver Plaza shopping mall.
- ✓ **2 miles from Interstate 5 with direct access to Portland, Oregon.** Minutes from Interstate 205 and Royal Oaks Country Club. High density of apartment complexes and schools in immediate area.
- ✓ Dairy Queen boasts 6,800 locations worldwide and has **95% brand recognition and a brand value over \$4.5B.**
- ✓ The Portland/Vancouver region is one of the **fastest growing large metro areas in the U.S.**

## SECURE

NET LEASE

CONTACT FOR DETAILS

### MATTHEW SCOW

EXECUTIVE VICE PRESIDENT

(214) 915-8888

[mscow@securenetlease.com](mailto:mscow@securenetlease.com)

### KEVIN LITTENBERG

BROKER ASSOCIATE

(469) 638-9572

[klittenberg@securenetlease.com](mailto:klittenberg@securenetlease.com)

### BOB MOORHEAD

MANAGING PARTNER

(214) 522-7210

[bob@securenetlease.com](mailto:bob@securenetlease.com)

### RAFAEL NUÑEZ

MARKETING DIRECTOR

(214) 522-7200

[rnunez@securenetlease.com](mailto:rnunez@securenetlease.com)

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# TENANT OVERVIEW

DAIRY QUEEN | VANCOUVER, WASHINGTON



## DAIRY QUEEN (dairyqueen.com)

There are few brands as iconic as the DQ® brand. The first Dairy Queen location opened in Joliet, IL. in 1940. Since then, the innovative DQ food and treats along with the unique DQ restaurant concepts, have positioned International Dairy Queen as a leader in the quickservice restaurant industry both in the U.S. as well as internationally. Today, the DQ system is a \$4.5 billion brand.

**\$3.64B**  
REVENUE

 **6,800+**  
TOTAL LOCATIONS

**AA**  
CREDIT RATING

## GUARANTOR OVERVIEW

### NATIONAL RESTURANT GROUP, INC.

National Restaurant Group, Inc. operates 22 Dairy Queen Locations in Washington, Oregon, Colorado, Wyoming and Oklahoma. National Resturant Group has been operating and managing restaurants for over 35 years. They were founded in 1995 and their HQ is in Laguna Hills, CA . The franchisee completed a remodel at this location in 2013.

### WHY DAIRY QUEEN FRANCHISES LEAD TO RICHES

September 17, 2018 ( *The Conservative Income Investor* )

With the exception of McDonald's, Dairy Queen franchisees have quietly amassed the most substantial wealth out of any food franchise that operates at more than 1,000 locations in the United States.

It has been intriguing to study how much Warren Buffett chose to emulate Ray Kroc's early years at McDonald's in drafting the incentive systems that exist at Dairy Queen. Instead of opting to build wealth at the expense of franchisees, Buffett chose to build wealth by giving his franchisees a chance to reap

*In short, the Dairy Queen franchisee has a strong incentive to work hard because he can get a lot for himself and his family if he sticks with it, due to the low franchise royalty fees, the low initial start-up franchise fee, and the profit mechanism of the Blizzard.*

significant gains for themselves. In other words, instead of trying to extract as much as he could from a fixed pie, Buffett chose to create incentives that encourages Dairy Queen franchisees to expand the size of the pie as much as possible.

Entering 2018, the average franchise with 1,000 locations required liquid capital of \$814,000 prior to becoming eligible for investment. Dairy Queen's liquid cash requirement is roughly half of that—you only need to have \$400,000 in cash on hand to be eligible for your own DQ franchise.

The average net worth requirement for a food franchise in the United States is \$1.17 million. Here, again, Dairy Queen offers more favorable entry-level terms, opening the door to those who have a net worth of \$750,000.

### DAIRY QUEEN INVESTS IN ITS OWN GROWTH

Jessie Szalay, June , 2019 ( *QSR* )

As a legacy brand, Dairy Queen has made its share of strong moves over eight decades, from doubling down on savory items like GrillBurgers and 5 Buck Lunch to rolling out its own R&D center with the DQ Bakes Institute.

"Dairy Queen has a very aggressive program relative to what others are doing," says Daniel Boutarel of the New England Consulting Group. "There are always advantages to offering franchisees what they want, so it's good to have multiple incentives. Though if you have too many, it can get confusing."

Dairy Queen announced four new incentives for prospective and existing franchisees, including timeline incentives, multiunit opening incentives, year-on-year incentives, and repurposing incentives. *While brands often offer one or two incentives at a time, Dairy Queen's decision to present four simultaneously turned heads*

The financial rewards associated with these programs can reach up to \$30,000 for new operators who open a DQ Grill & Chill within 32 weeks of signing their franchise agreement (it's \$15,000 for those who open within 40 weeks). New or existing franchisees who open multiple DQ Grill & Chills within the same calendar year receive \$10,000 per opening; that same amount is awarded to operators who open units over consecutive years. Franchisees who develop and open a DQ Grill & Chill in a closed quick-service facility will receive \$10,000. The initiatives stack.

"They're putting their money where their mouth is, and it's obviously very much in line with their goal and aligning their goals to their franchisees' goals," Boutarel says.



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# LEASE OVERVIEW

DAIRY QUEEN | VANCOUVER, WASHINGTON

INITIAL LEASE TERM	20 Years, Plus (4), 5-Year Options to Renew
RENT COMMENCEMENT	August 2014
LEASE EXPIRATION	July 2034
LEASE TYPE	Net Lease
RENT INCREASES	10% Every 5 Years, In Primary Term & Options
ANNUAL RENT YRS 1-5	\$90,000.00
ANNUAL RENT YRS 6-10	\$99,000.00
ANNUAL RENT YRS 11-15	\$108,900.00
ANNUAL RENT YRS 16-20	\$119,790.00
OPTION 1	\$131,769.00
OPTION 2	\$144,945.90
OPTION 3	\$159,440.49
OPTION 4	\$175,384.54

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FILE PHOTO



SUBJECT PROPERTY





SKINNER MONTESSORI SCHOOL  
(53 STUDENTS)

HARRY S TRUMAN  
ELEMENTARY SCHOOL  
(561 STUDENTS)

macy's  
LOFT  
MAC  
OLD NAVY  
JCPenney  
maurices  
claire's  
Famous Footwear  
Christopher & Banks

ROSS  
DRESS FOR LESS

Olive Garden  
PLATO'S  
TJ-MAXX

STAYBRIDGE  
SUITE  
U-HAUL  
Verified Storage

BED BATH & BEYOND  
Walmart  
Enterprise  
GNC  
xfinity  
HARBOR FREIGHT TOOLS  
DOLLAR TREE  
BARNES & NOBLE  
PETSMART  
Burlington  
TARGET  
Jack  
IHOP

500  
± 49,217 VPD

GARDENVIEW ESTATES  
APARTMENTS  
(184 UNITS)

ELEANOR ROOSEVELT  
ELEMENTARY  
(633 STUDENTS)  
VANCOUVER SCHOOL DISTRICT  
(23,671 STUDENTS)

4TH PLAIN BOULEVARD  
± 9,835 VPD

PETER S OGDEN  
ELEMENTARY SCHOOL  
(545 STUDENTS)

FORT VANCOUVER  
HIGH SCHOOL  
(1,534 STUDENTS)

**DQ SUBJECT PROPERTY**  
4807 E 4TH PLAIN BLVD.



# SITE OVERVIEW

DAIRY QUEEN | VANCOUVER,  
WASHINGTON



**1956 / 2013**

YR BUILT / RENOVATED



**±1,328 SF**

BUILDING AREA



**±0.33 ACRES**

LAND AREA

## NEIGHBORING RETAILERS

AutoZone Auto Parts

United States Postal  
Service

Rent-A-Center

Dollar Tree

Chevron

Bed Bath & Beyond

7-Eleven

PetSmart

Grocery Outlet

Barnes & Noble

O'Reilly Auto Parts

Ross Dress for Less

U-Haul

Taco Bell

Walgreens

Macy's

Target

JCPenney

Burlington

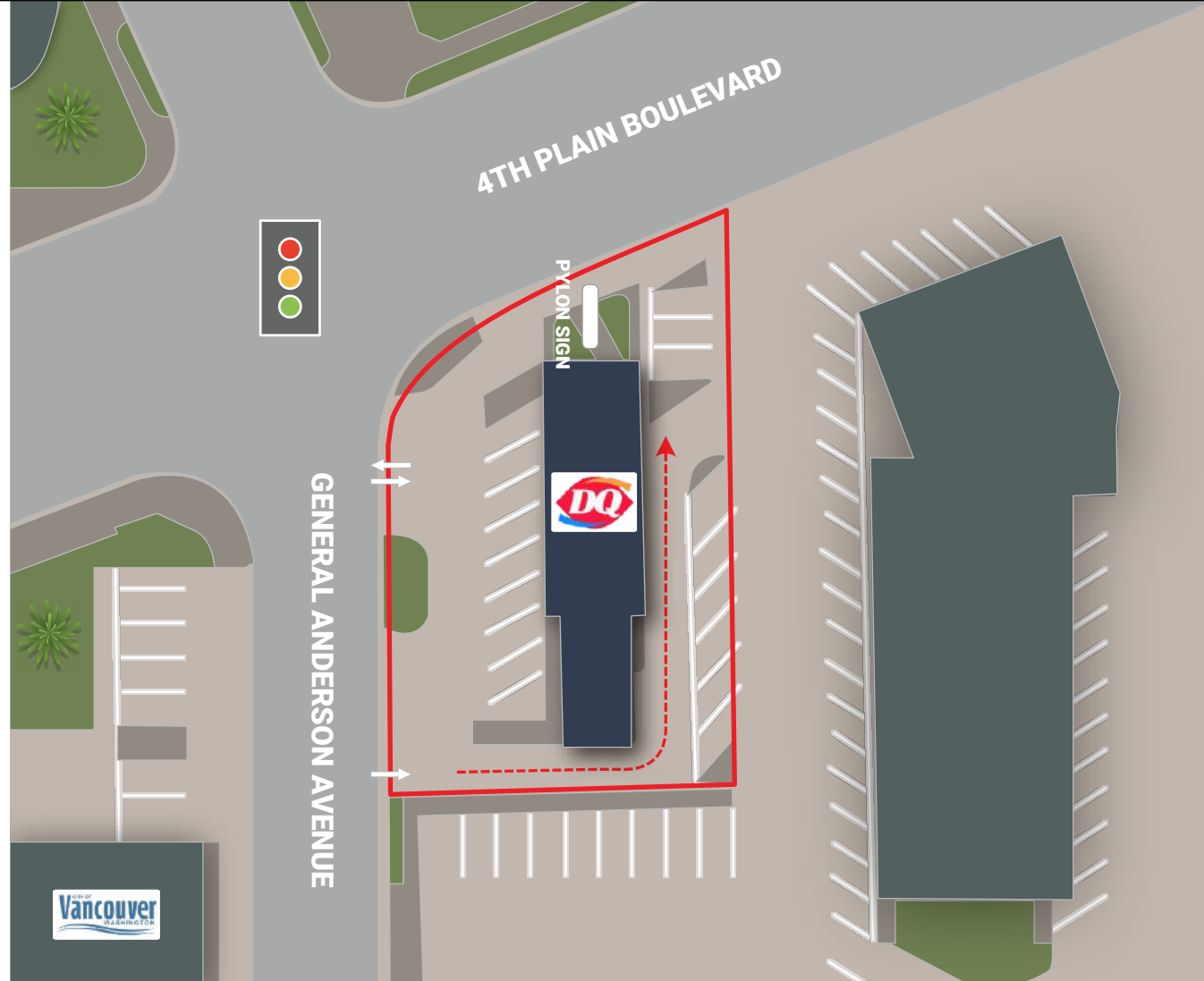
Famous Footwear

Harbor Freight Tools

Journeys

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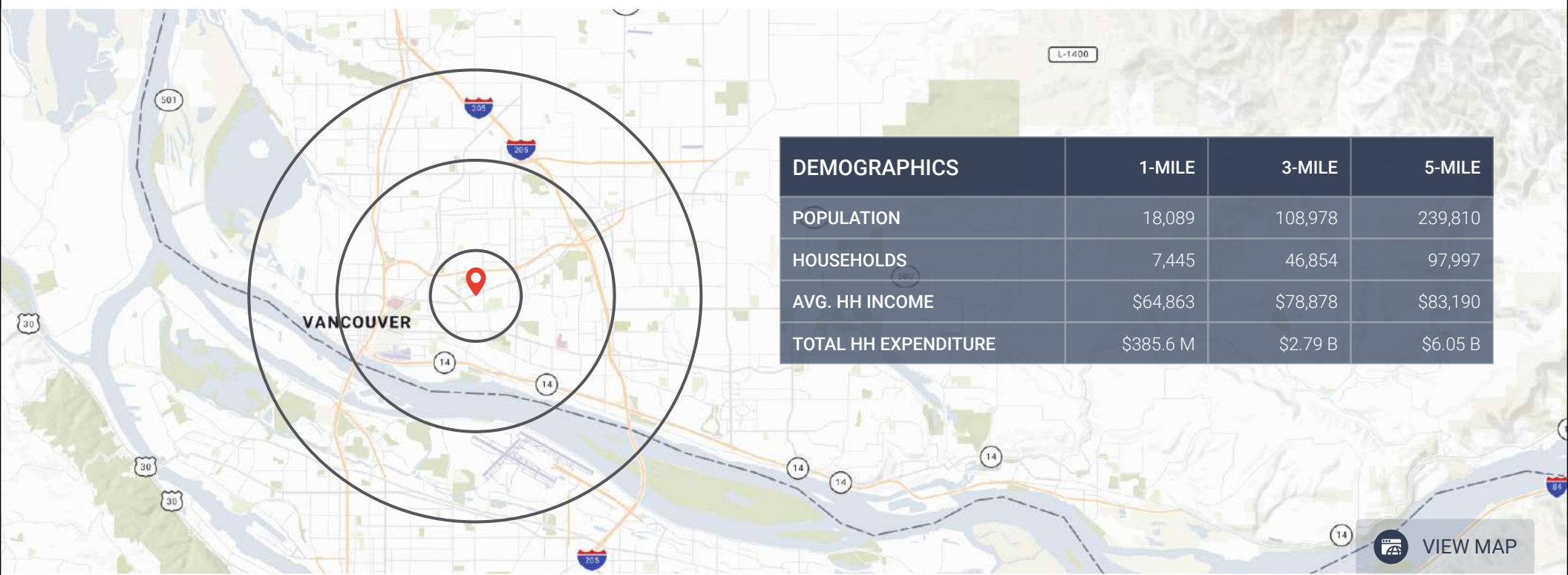
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# LOCATION OVERVIEW

DAIRY QUEEN | VANCOUVER, WASHINGTON



## ECONOMIC DRIVER'S (# of Employees)

- |  |   |                                      |
|--|---|--------------------------------------|
| Bbs I, LLC (5,000)                           | Shin-Etsu Handotai America, Inc. (710)          | Veterans Health Administration (520) |
| Peacehealth Southwest Medical Center (2,400) | City of Vancouver (608)                         | County of Clark (500)                |
| Southwest Washington Health Center (1,300)   | Frito-Lay North America, Inc. (600)             | Business and Support Services (453)  |
| City of Vancouver (1,200)                    | Clearwater Paper Corporation (600)              | Empres Wyoming Healthcare, LLC (440) |
| Clark College (725)                          | Suddath Relocation Systems of Oregon, LLC (539) | United States Postal Service (400)   |



# LOCATION OVERVIEW

DAIRY QUEEN | VANCOUVER, WASHINGTON



## VANCOUVER WASHINGTON



**183,012**  
POPULATION



**\$55,593**  
MEDIAN HOUSEHOLD INCOME

**Vancouver**, Washington's fourth largest city, is situated just across the Columbia River from Portland, Oregon and is Portland's largest suburb. The revitalized city, with its eclectic blend of new construction and historic architecture, offers all the

Due to its proximity to the bustling Portland market, *Vancouver is one of the most desirable markets in the entire country for job growth, desirability of living and strong economic factors.*

amenities of a large metropolitan city but with the charm and hospitality of a small urban town. The downtown area is bustling with quaint eateries, art galleries and a wide variety of retail shopping from charming boutiques to antiques. The area also offers numerous year-around attractions and events to keep visitors entertained and continually busy. With Mount St. Helens to the north, the Pacific Ocean to the West, and the Cascade Mountains to the east, the area offers an abundance of natural beauty and recreational opportunities. Explorers-at-heart

will want to trace Lewis and Clark's footsteps through this area which Capital Meriwether Lewis himself thought was "the most desirable location for a settlement west of the Rocky Mountains." Whether you enjoy hiking, fishing, mountain biking, windsurfing or just walking, Vancouver Washington has adventure to satisfy everyone. Due to its proximity to the bustling Portland market, Vancouver is one of the most desirable markets in the entire country for job growth, desirability of living and strong economic factors. The city is home to over 19,500 students from Washington State University, Clark College and Gateway Seminary. The housing in Vancouver is relatively affordable when compared to housing in nearby Portland and other major Pacific Northwest cities, such as Seattle and Vancouver, B.C. Additionally, Washington residents take advantage of no personal state income tax.

**20,000**

INTEL IS THE  
LARGEST  
EMPLOYER IN THE  
METRO AREA WITH  
MORE THAN 20,000  
EMPLOYEES.

**#1**

WASHINGTON WAS  
RANKED THE #1  
STATE IN THE  
COUNTRY BY U.S.  
NEWS AND WORLD  
REPORT IN 2019.



### OREGON INSIGHT: CLARK COUNTY'S ECONOMY HAS BEEN ROARING

January 26, 2020 (Oregonlive)

Clark County's economy has grown tremendously in the years since the Great Recession, with sales activity handily outpacing Washington's statewide growth amid construction of new housing and offices.

Sales grew at an annual rate of 8.8% from 2010 through 2018, according to data from the Washington State Department of Revenue. The numbers encompass not just retail sales at malls and big box stores but also construction and manufacturing activity.

Long in Portland's shadow, *Vancouver has enjoyed some distinct successes over the past several years*. Bailey said corporate offices have been among Clark County's fastest-growing employment sectors.

That makes the data an excellent barometer of overall economic activity – a data point unavailable for Oregon because the state doesn't have a sales tax and therefore can't track retail activity.

Total sales in Clark County grew strongly in the early part of the last decade as the county bounded back from the Great Recession. But growth actually picked up several years later, in 2015, with double-digit percentage growth continuing through 2018.

Overall it was a very strong decade economically for Washington, with sales growing at an average rate of 6.0% statewide. Still, Clark County was among the fastest growing counties.



CLICK HERE TO READ MORE

### 2019 TOP 100 BEST PLACES TO LIVE

Ron Rambo, (Livability)

Often overshadowed by the nearby (and much, much spendier) city of Portland, OR, Vancouver is finally drawing much-deserved attention with its burgeoning art scene, outdoor recreation and superior health care options.

If exploring wilderness trails, wineries and an endless number of new eateries sounds like the perfect way to spend your downtime, then this Pacific Northwest locale should be on your radar. It comes with the same big-city perks offered by its neighbor to the south, without the insane traffic or elevated

*Vancouver made this year's Top 100 Best Places to Live list thanks to its affordability, engaging amenities and the community's dedication to health.*

cost of living.

Local Obsession: Lots of beer and lots of wine. Downtown Vancouver has a multitude of new sipping and suds spots opening along its waterfront. It's where everyone wants to be.

Climate Described in 6 Words Or Less: The grass never gets thirsty.

Top Industries and Employers: Vancouver's top industries are healthcare and manufacturing. The top employers are PeaceHealth and Vancouver public schools.

Local Dream Job: A gallery owner or curator in downtown Vancouver's bustling arts scene.

Quintessential Meal: Beer and a slice of artisan pizza from Vancouver Pizza Company



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# PORTLAND-VANCOUVER-HILLSBORO MSA

DAIRY QUEEN | VANCOUVER, WASHINGTON

## METRO STATISTICS

TOTAL POPULATION	2.48M
GDP	\$164 B
NATIONAL ECONOMY RANKING	23
FORTUNE 500 COMPANIES	2

**DQ** **SUBJECT PROPERTY**  
4807 E 4TH PLAIN BLVD.

### Vancouver PEARSON FIELD AIRPORT

- ✓ 144 Flights/Day
- ✓ Covers an Area of 140 Acres

### moda MODA CENTER ARENA

- ✓ 19,393 Seating Capacity
- ✓ It is Home to the Portland Winterhawks of the Western Hockey League

### PORTLAND INTERNATIONAL AIRPORT

- ✓ 653 Flights/Day
- ✓ It is a Hub for Alaska Airlines and Horizon Air.

### OMSI OREGON MUSEUM OF SCIENCE AND INDUSTRY

- ✓ It's Annual Attendance in 2002 was 778,457
- ✓ OMSI has 5 Different Specialized Exhibit Halls, a Planetarium, and a Submarine Exhibit.

### TROUTDALE AIRPORT

- ✓ 288 Flights/Day
- ✓ It is also a Popular Base for Scenic Aerial Tours of the Columbia River Gorge

### HILLSBORO AIRPORT

- ✓ 30 Flights/Day
- ✓ 2nd Busiest Airport in Oregon

### PROVIDENCE PARK STADIUM

- ✓ 25,218 Seating Capacity
- ✓ It is Home of the Portland Timbers

### Hillsboro HILLSBORO STADIUM

- ✓ 10,000 Seating Capacity
- ✓ It hosts Home Football Games for Portland State University and Century High School

### Explore WASHINGTON PARK

- ✓ It is Filled with Gardens, Museums, a Zoo and a Forest
- ✓ It is a Community Hub that Contains some of Portland's Most Popular Attractions.

### Portland State UNIVERSITY

- ✓ 26,379 Students
- ✓ Ranked #293-#381 in National Universities



# SECURE

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NET LEASE

*WE LOOK FORWARD TO HEARING FROM YOU*

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**DALLAS OFFICE**

10000 N. Central Expressway  
Suite #200  
Dallas, TX 75231  
(214) 522-7200

**LOS ANGELES OFFICE**

123 Nevada Street  
El Segundo, CA 90245  
(424) 220-6430

[securenetlease.com](https://securenetlease.com)