

# Arby's (10.5+ Years Remain)

25 S Franklin Rd , Indianapolis, IN 46219



An aerial photograph of a commercial area covered in snow. In the foreground, a large parking lot with several cars is visible. In the middle ground, there are several commercial buildings, including one with a prominent sign that appears to say "Wendy's". A person is walking in the snow-covered area near some trash bins. The background shows more buildings and trees under a clear sky.

## BROKER OF RECORD

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**Josh Caruana**

Regional Manager, Indianapolis, Lic. # RB14034355  
Indiana Broker Of Record

Marcus & Millichap

## OFFERING SUMMARY



Listing Price  
**\$1,599,600**



Cap Rate  
**5.9%**



Price/SF  
**\$567.23**

### FINANCIAL

Listing Price	\$1,599,600
Down Payment	100% / \$1,599,600
NOI	\$94,380
Cap Rate	5.9%
Price/SF	\$567.23
Rent/SF	\$33.47

### OPERATIONAL

Lease Type	Absolute Net
Guarantor	Franchisee (Beef Corporation of America)
Lease Expiration	11/30/2031
Rentable Square Feet	2,820 SF
Lot Size	0.87 Acres (37,897 SF)
Year Built/Renovated	1996/2001
Rent Increases	10% Every 5 Years
Renewal Options	Three, 5/yr. Options

*\*Pricing based off December 2021 rent bump.*



# ARBY'S (10.5+ YEARS REMAIN)

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## INVESTMENT OVERVIEW

Marcus & Millichap is proud to offer for sale the fee simple ownership in a franchisee guaranteed Arby's restaurant located in Indianapolis, Indiana. The tenant has been operating at this location since at least 2001 and currently has more than 10.5 years remaining on the initial lease term. Additionally, the lease calls for above market 10% rent increases every five years, with the next rent increase taking place in December 2021.

The franchisee (Heartland Beef Inc - HBI) operates 38 Arby's restaurants across 5 Midwest states (Indiana, Illinois, Iowa, Ohio & Missouri). HBI is based out of Bloomington, Indiana and has been in operation since 2000. The tenant on the lease is Beef Corporation of America.

## INVESTMENT HIGHLIGHTS

- Strong Franchisee Guaranteed Location - Heartland Beef has Been in Operation Since 2000 with 38 +/- Arby's Restaurants throughout the Midwest
- 10.5+ Years Remain on Absolute NNN Guaranteed Lease
- Tenant has Maintain Full Rent Payments throughout COVID-19 Pandemic with Zero Rent Abatements or Rent Deferrals
- 10% Rent Increases Every 5 Years
- 5-Mile Population in Excess of 190,000

## Arby's (10.5+ Years Remain) // FINANCIAL DETAILS

THE OFFERING	
Price	\$1,599,600
Capitalization Rate	5.90%
Price/SF	\$567.23

PROPERTY DESCRIPTION	
Year Built / Renovated	1996/2001
Gross Leasable Area	2,820 SF
Type of Ownership	Fee Simple
Lot Size	0.87 Acres

LEASE SUMMARY	
Tenant	Arby's
Rent Increases	10% Every 5 Years
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	12/1/2011
Lease Expiration	11/30/2031
Renewal Options	Three, 5/yr. Options
Term Remaining on Lease (Yrs)	10.8 Years
Landlord Responsibility	None
Tenant Responsibility	Absolute NNN

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$94,380	\$7,865	\$33.47	5.90%
Years 6-10	\$85,800	\$7,150	\$30.43	5.36%
<b>Years 11-15</b>	<b>\$94,380</b>	<b>\$7,865</b>	<b>\$33.47</b>	<b>5.90%</b>
Years 16-20	\$103,818	\$8,652	\$36.81	6.49%
Option 1 (21-25)	\$114,193	\$9,516	\$40.49	7.14%
Option 2 (26-30)	\$125,612	\$10,468	\$44.54	7.85%
Option 3 (31-35)	\$138,173	\$11,514	\$49.00	8.64%

*\*Pricing based off December 2021 Rent Increase.*



ADDITIONAL PHOTOS // Arby's (10.5+ Years Remain)

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Arby's (10.5+ Years Remain) // ADDITIONAL PHOTOS

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## RETAILER MAP // *Arby's (10.5+ Years Remain)*





### TENANT OVERVIEW

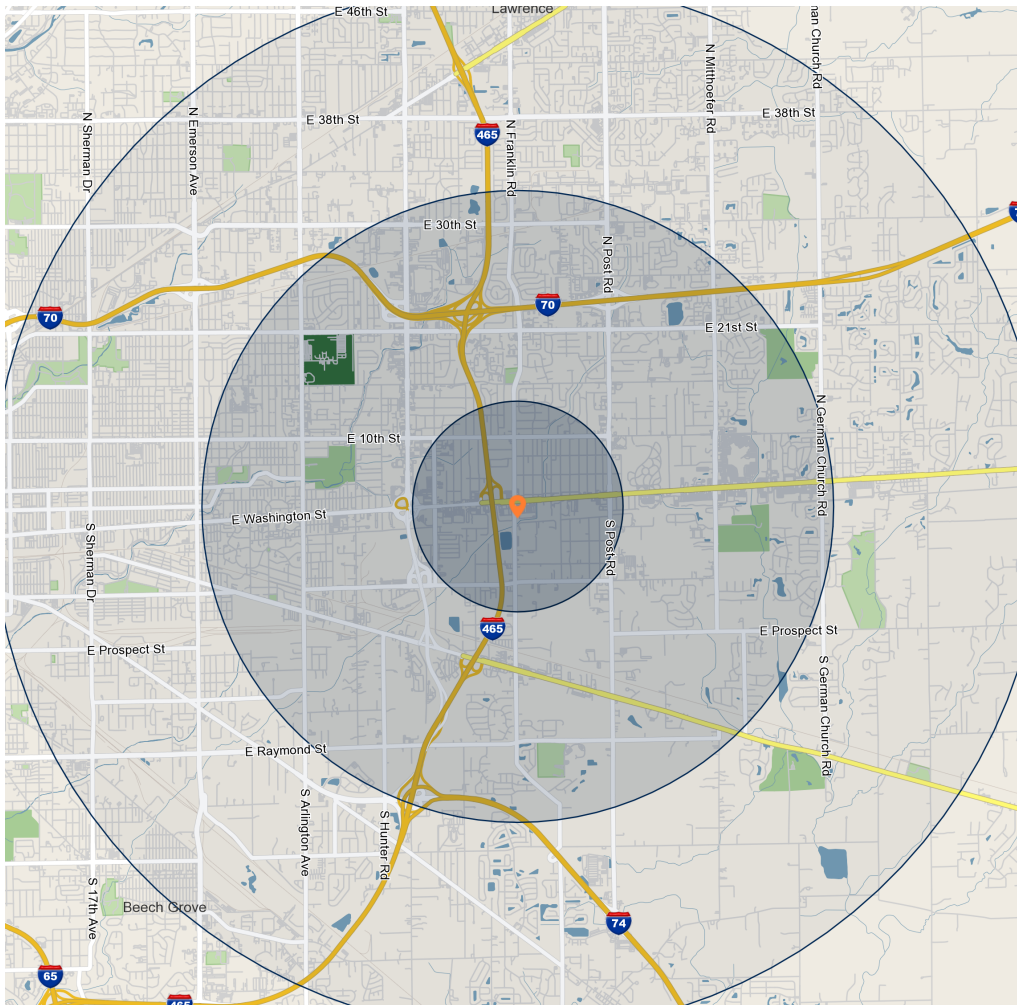
Company:	Heartland Beef Inc
Tenant:	Beef Corporation of America
Founded:	2000
Locations:	38 +/- Arby's
States:	Illinois, Indiana, Iowa, Ohio & Missouri
Headquarters:	Bloomington, Indiana



### OVERVIEW

"A top tier franchisee of Arby's, Heartland Beef Inc exists at its most basic to improve lives. HBI takes a chance on the average Joe; two-thirds of the executive team started in entry level positions in restaurants and worked their way up to their current positions. If you have passion for service and a good work ethic, you're our kind of people, and we want to work with you. We change lives by providing top-notch training programs with ample advancement opportunity, flexible scheduling and competitive pay. HBI prides itself on best-in-class construction, operations, marketing, insurance, human resources and accounting support for its family of 34 Arby's restaurants across the Midwest. We also happen to sell delicious food. Visit us at [HeartlandBeefArbys.com](http://HeartlandBeefArbys.com) to learn more, and like us on Facebook @HBIArbys." - Heartland Beef, Inc. LinkedIn

## DEMOGRAPHICS // *Arby's (10.5+ Years Remain)*



POPULATION	1 Mile	3 Miles	5 Miles
2025 Projection	5,889	59,016	192,270
2020 Estimate	5,910	59,510	192,980
2010 Census	5,660	57,416	184,716
2000 Census	6,244	54,913	182,284
HOUSEHOLD INCOME			
Average	\$56,456	\$60,682	\$54,121
Median	\$47,452	\$46,528	\$41,116
Per Capita	\$23,066	\$24,587	\$20,988
HOUSEHOLDS			
2025 Projection	2,405	23,868	74,639
2020 Estimate	2,407	23,951	74,532
2010 Census	2,322	23,240	71,713
2000 Census	2,637	23,051	72,091
HOUSING			
Median Home Value	\$109,615	\$123,086	\$107,151
EMPLOYMENT			
2020 Daytime Population	8,019	72,629	171,827
2020 Unemployment	3.31%	3.38%	4.34%
Average Time Traveled (Minutes)	24	25	26
RACE & ETHNICITY			
White	82.40%	61.65%	49.81%
Native American	0.01%	0.04%	0.05%
African American	8.22%	27.31%	38.21%
Asian/Pacific Islander	1.24%	1.93%	1.35%

## INDIANAPOLIS

Known for the Indianapolis 500, the Indianapolis metro houses the state capitol and is a growing tech hub. Situated in central Indiana, the market consists of 11 counties: Marion, Johnson, Hamilton, Boone, Hendricks, Morgan, Hancock, Shelby, Brown, Putnam and Madison. The metro lacks formidable development barriers, except for the several rivers and creeks that traverse the region. Marion County is home to the city of Indianapolis, which contains a population of approximately 863,200 people. Fishers and Carmel in Hamilton County are the next two largest population hubs in the metro with roughly 93,000 residents each. Most of the surrounding counties are rural, offering builders ample land for residential and commercial development. Population growth is primarily concentrated to the northern suburbs and west of the city.

### METRO HIGHLIGHTS



#### PREMIER DISTRIBUTION HUB

Around 50 percent of the U.S. population lies within a one-day drive of Indianapolis, making it a center for the transportation of goods.



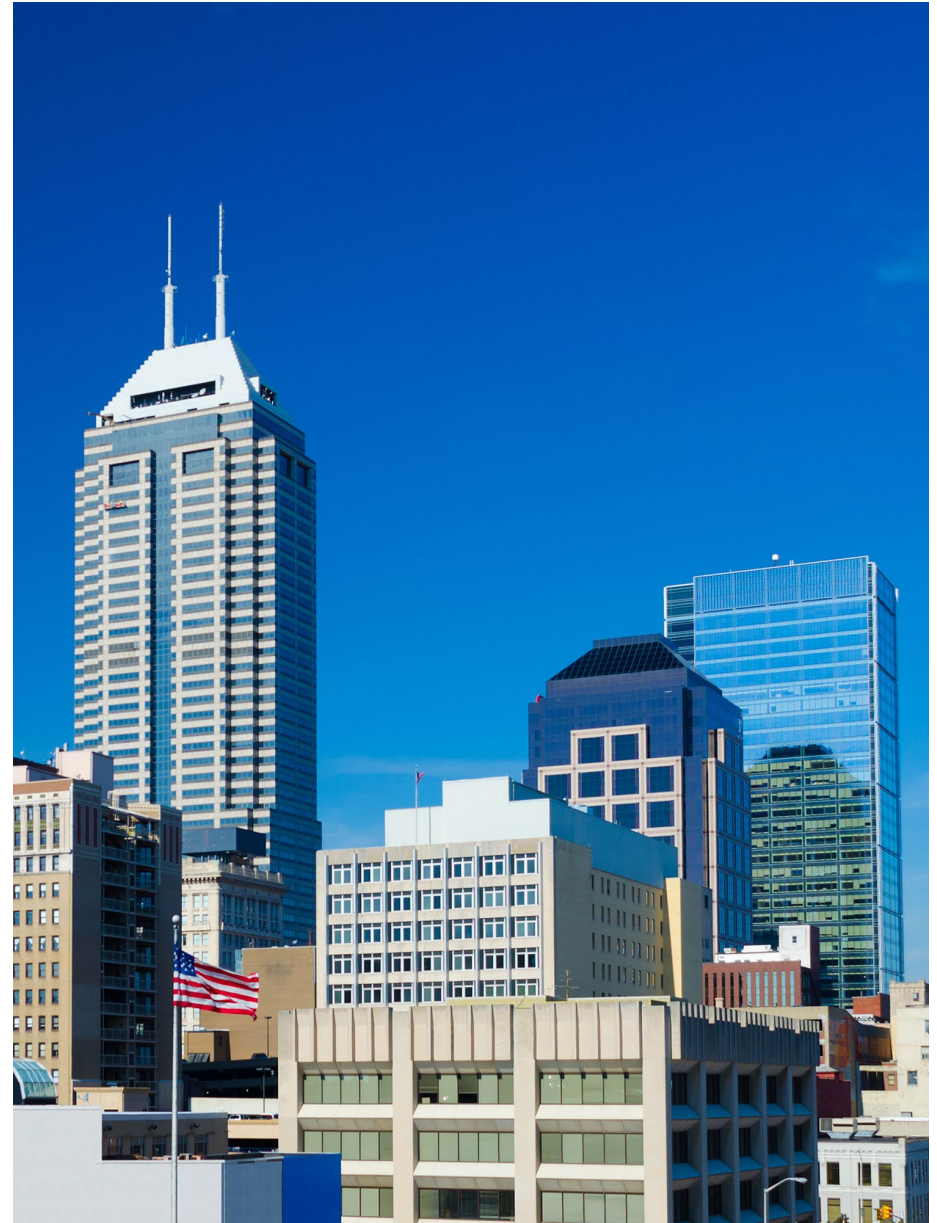
#### MAJOR HEALTH SCIENCES CENTER

Eli Lilly & Co., Roche Diagnostics Corp. and Covance Inc. maintain operations in the region, among other major health-related employers.



#### LOWER COST OF DOING BUSINESS

Indianapolis' costs are far below national averages, attracting businesses and residents to the area.

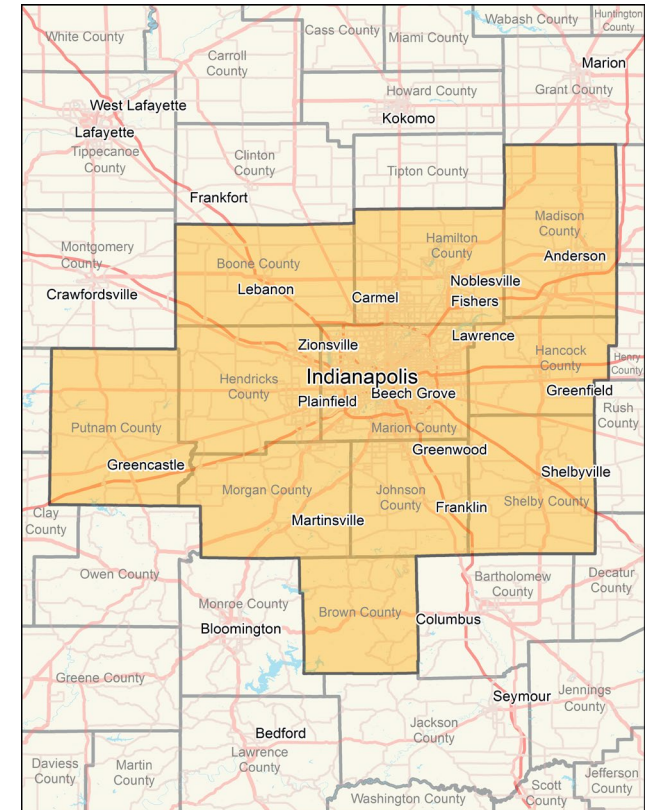
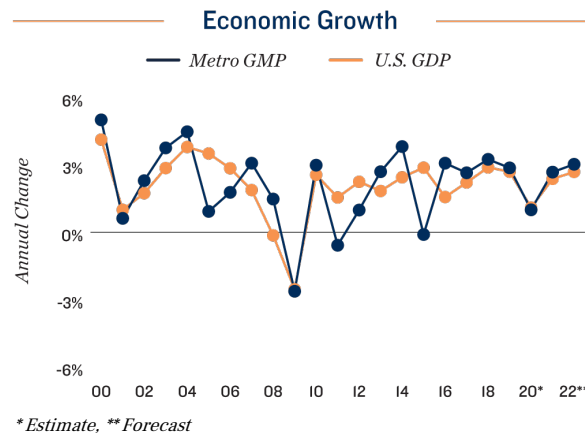


## MARKET OVERVIEW // *Arby's (10.5+ Years Remain)*

### ECONOMY

- Indianapolis' economy has diversified from manufacturing into a variety of other industries, including a growing tech sector underpinned by Salesforce.com and the 16 Tech Innovation District downtown.
- The metro is one of the key health-sciences centers in the nation, anchored by several pharmaceutical and life-sciences companies, including Eli Lilly and Roche Diagnostics.
- A well-developed interstate network and accessibility to a large portion of the nation in one day by ground or air make the region a burgeoning logistics and distribution hub.
- Indianapolis hosts three Fortune 500 firms: Anthem, Eli Lilly and Simon Property Group.

MAJOR AREA EMPLOYERS
Eli Lilly & Co.
Indiana University Health
Ascension St. Vincent Hospital
Community Health Network
Cummins, Inc.
The Kroger Co.
IUPUI
FedEx
Roche Diagnostics Corp.
Rolls-Royce Corp.



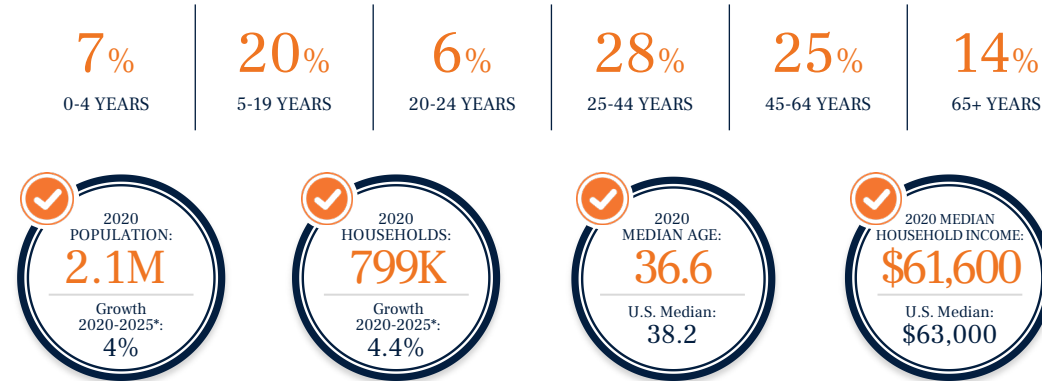
### SHARE OF 2020 TOTAL EMPLOYMENT



## DEMOGRAPHICS

- The metro is expected to add almost 82,000 people through 2025, which will result in the formation of nearly 35,300 households, generating demand for housing.
- A median home price below the national level has produced a homeownership rate of 65 percent, which is slightly above the national rate of 64 percent.
- Roughly 34 percent of people age 25 and older hold bachelor's degrees; among those residents, 12 percent also have earned a graduate or professional degree.

### 2020 Population by Age



## QUALITY OF LIFE

Indianapolis offers residents many big-city amenities in an affordable, small-town atmosphere. The city is home to several high-profile auto races, including the Indianapolis 500 and Brickyard 400. Races are hosted at the Indianapolis Motor Speedway and the Lucas Oil Raceway at Indianapolis. The metro has two major league sports teams: the Indianapolis Colts (NFL) and the Indiana Pacers (NBA). The area also has a vibrant cultural and arts scene, with more than 200 art galleries and dealers, the Indianapolis Symphony Orchestra and a variety of museums, including the Eiteljorg Museum of American Indians and Western Art. Additionally, the Children's Museum of Indianapolis is one of the largest children's museums in the world.

\*Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT



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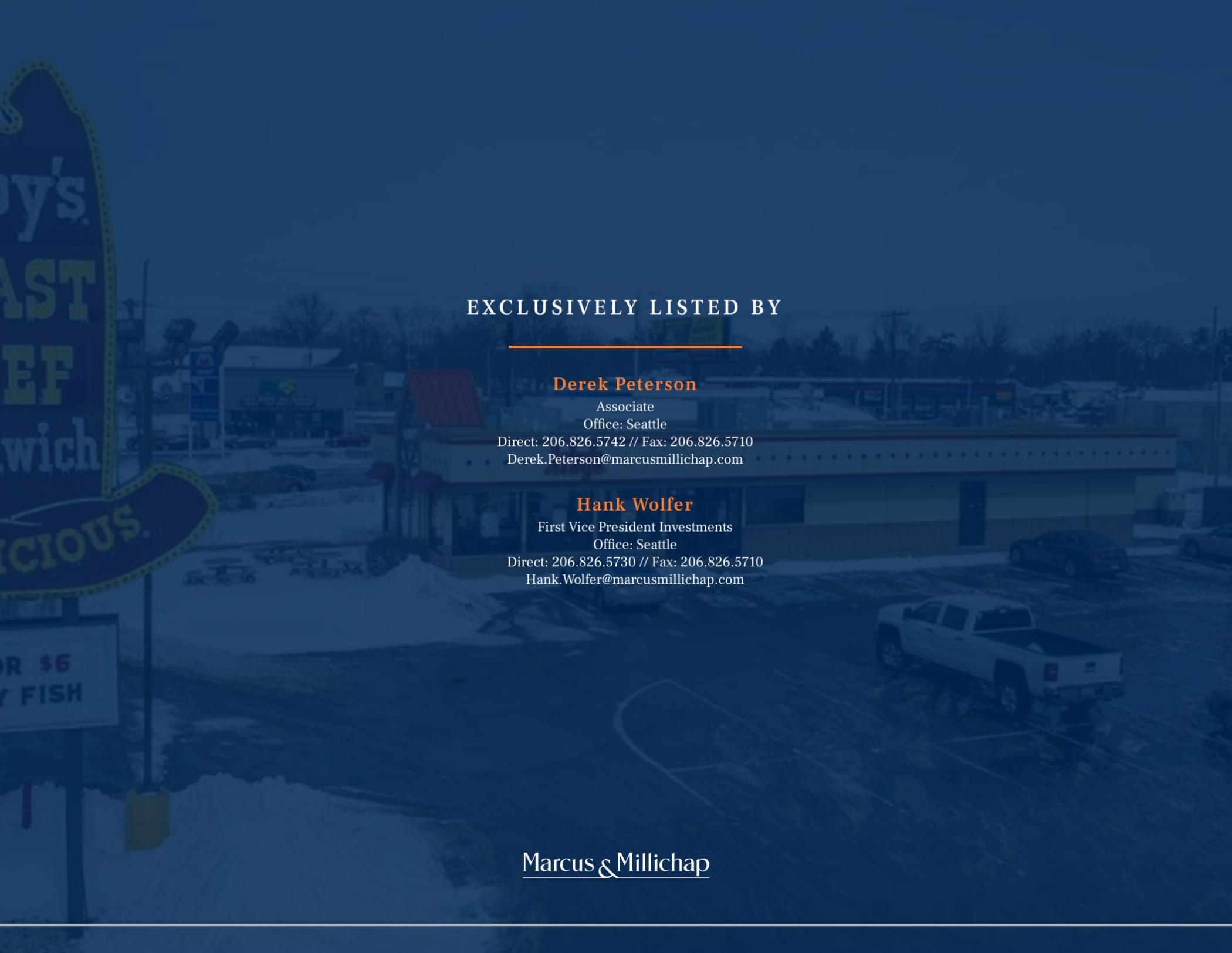
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