



SONIC

10414 Page Avenue | Overland, MO 63132

OFFERING MEMORANDUM

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LISTED BY:

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EXECUTIVE SUMMARY



\$ \$952,000
LIST PRICE

% 5.25%
CAP RATE

Tenant	Sonic
Street Address	10414 Page Avenue
City, State Zip Code	Overland, MO 63132
Year Built	2001
GLA	1,459 SF
Lot Size	0.55 AC
NOI	\$49,980

Lease Type	Absolute NNN
Type of Ownership	Fee Simple
Lease Commencement	8/1/20
Lease Term	20 Years
Lease Expiration	7/30/40
Term Remaining	20 Years
Increases	2.00% Annual
Options	(4) - 5 Years
RE Taxes	Tenant Responsible
Insurance	Tenant Responsible
Roof & Structure	Tenant Responsible
Lessee	Sweetwater Franchise Group +50 Units Guarantee

Period Begin	Period End	Annual Rent	Monthly Rent	Rent/SF	Cap Rate
*8/14/2021	8/13/2022	\$4,165	\$49,980	\$34.26	5.25%
8/14/2022	8/13/2023	\$4,248	\$50,980	\$34.94	5.36%
8/14/2023	8/12/2024	\$4,333	\$52,000	\$35.64	5.46%
8/13/2024	8/13/2025	\$4,420	\$53,040	\$36.35	5.57%
8/14/2025	8/13/2026	\$4,508	\$54,101	\$37.08	5.68%
8/14/2026	8/13/2027	\$4,599	\$55,183	\$37.82	5.80%
8/14/2027	8/12/2028	\$4,691	\$56,287	\$38.58	5.91%

*Cap Rate calculated off of 8/14/2021 rent figures, Seller to credit difference in rents at closing.



RARE Bite-Sized Price Point Under \$1 Million

Rare 20 Year Lease at an offering price of \$952,000, requires as little as a \$285,600 down payment with available market rate financing.

20 Year Absolute NNN Lease

Tenant is responsible for all Taxes, Insurance, CAM, repairs, & replacements such that the rent is truly "Net" to Landlord.

Experienced 50+ Unit Franchise | Strong Financials

Seasoned retail operator with a proven track record of success, fortified financials with strong business and balance sheet.

2% Annual Increases | Strong Hedge Against Inflation

The Federal Reserve has flooded the market with stimulus and expanded money supply by trillions of dollars creating substantial inflationary concerns. In addition to recently announcing policies to allow for a higher run rate of inflation targets, allowing inflation to exceed the long standing 2% target threshold.

Seasoned Location - 20 Years of Continued Operation

- Subject site has been a long-standing staple in the community, first opening in the early 2000's and continuously operating for +20 Years straight.

Proven Resiliency | Pandemic, E-Commerce, & Recession Risks

- Sonic Drive-In Restaurants have not only survived the impact of a global pandemic but thrived. System-wide same-store sales have benefited from double-digit percentage growth during the pandemic.
- Quick Service Restaurants are one of the few service based industries that are not threatened by the rise in E-Commerce.
- Quick Service Restaurants offer an affordable meal option resulting in strong historical performance in past recessions.



*Representative Photo

Strong National Brand with Significant Momentum

"Sales growth for Sonic is currently running up 30%"

Paul Brown (CEO Inspire Brands)

"SONIC Franchise Named Favorite Quarantine Fast Food – Taking the Top Spot in 15 States!" (Including Missouri)

Meghan De Maria (Senior editor at Eat This, Not That!)

"It's a design that others in the restaurant industry may look to copy as dine-in service could become a thing of the past because of the pandemic."

Paul Brown (CEO Inspire Brands)

"Restaurants are only getting smaller, and that's by design"

Julie Littman - Restaurant Dive

INSPIRE BRANDS EFFECT

In 2017, Sonic was acquired by Inspire Brands for \$2.3 Billion. Inspire Brands is a Global Multi-Brand Restaurant Conglomerate with over 11,000 restaurants across a multitude of brands such as Arby's, Buffalo Wild Wings, Jimmy John's, Sonic, and more. Since the acquisition, Inspire Brands has greatly improved the brand with initiatives such as a more efficient menu, reduced costs through purchasing at scale, and impressive same-store sales growth year over year.

Sonic Drive-In Restaurants have not only survived the impact of a global pandemic but thrived. System-wide same-store sales have benefited from double-digit percentage growth during the pandemic. So much so, that other QSR's have taken a note out of Sonic's playbook and replicated their own versions of the Sonic efficient building footprint with optimal customer serving capacity & a reduced building size.



(KFC's new Store Concept)



(Burger King's new Footprint)



Magic of Compounding Returns:

- Strong Hedge Against Inflation
- Attractive Financing available for qualified purchasers.
- Leveraged Cash on Cash return approaching an average of nearly 10% over the initial term of lease, assuming 10 Year fixed rate & similar market conditions upon refinance..

Famous Quotes about Compound Interest:

- "My wealth has come from a combination of living in America, some lucky genes, and compound interest." – *Warren Buffett.*
- "Compound interest is the eighth wonder of the world. He who understands it, earns it... He who doesn't... pays it." - *Albert Einstein*



Loan Assumptions	
LTV	70%
Loan Amount	\$666,400
Interest Rate	3.50%
Amortization	30 Years
Debt Service	\$35,909

Lease Year:	Unlevered Cash Flow	Unlevered Cash on Cash	70% LTV Loan Debt Service	Levered Cash Flow	Levered Cash on Cash
1	\$49,000	5.15%	-\$35,909	\$13,091	4.58%
2	\$49,980	5.25%	-\$35,909	\$13,374	4.68%
3	\$50,980	5.36%	-\$35,909	\$14,373	5.03%
4	\$51,999	5.46%	-\$35,909	\$15,393	5.39%
5	\$53,039	5.57%	-\$35,909	\$16,433	5.75%
6	\$54,100	5.68%	-\$35,909	\$17,493	6.13%
7	\$55,182	5.80%	-\$35,909	\$18,575	6.50%
8	\$56,286	5.91%	-\$35,909	\$19,679	6.89%
9	\$57,411	6.03%	-\$35,909	\$20,805	7.28%
10	\$58,560	6.15%	-\$35,909	\$21,953	7.69%
11	\$59,731	6.27%	-\$27,723	\$31,470	11.02%
12	\$60,925	6.40%	-\$27,723	\$32,665	11.44%
13	\$62,144	6.53%	-\$27,723	\$33,883	11.86%
14	\$63,387	6.66%	-\$27,723	\$35,126	12.30%
15	\$64,654	6.79%	-\$27,723	\$36,394	12.74%
16	\$65,948	6.93%	-\$27,723	\$37,687	13.20%
17	\$67,266	7.07%	-\$27,723	\$39,006	13.66%
18	\$68,612	7.21%	-\$27,723	\$40,351	14.13%
19	\$69,984	7.35%	-\$27,723	\$41,723	14.61%
20	\$71,384	7.50%	-\$27,723	\$43,123	15.10%
Averages	\$59,529	6.25%	-\$31,816	\$27,130	9.50%

*Assumes 10 Year fixed rate, assumptions & similar market conditions upon



Oklahoma City, OK
HEADQUARTERS



±3,500
LOCATIONS



±9600
EMPLOYEES



4.687 B
REVENUE (2020)

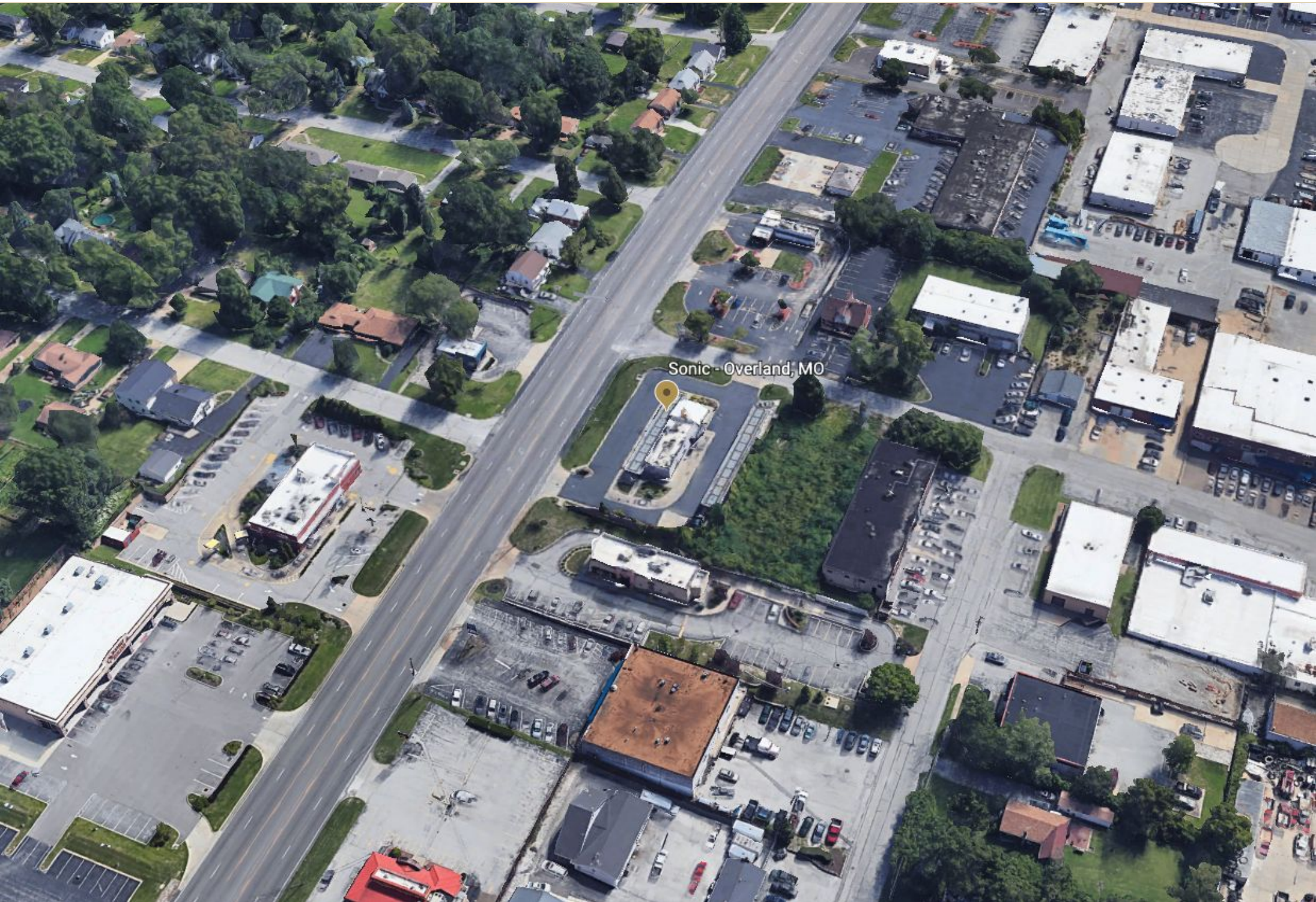
SONIC is an experience shared by generations. Customers hit the red order button and magical things happen. Families celebrate birthdays at SONIC. First dates are held at SONIC. Memories are made at SONIC. SONIC is the largest chain of drive-in franchises in America, offering menu heaven to young and old customers alike — whether they want a juicy burger, a milkshake made with real ice cream or a refreshing cherry limeade. No QSR can match the diversity of SONIC's menu, which maximizes all five dayparts. SONIC's Two Guys campaign launched in 2003 and has become one of the most popular QSR advertising campaigns in history. Our brand recognition is unprecedented; even in towns where the closest SONIC might be hundreds of miles away, SONIC is a familiar concept. In order to help make SONIC easier to open in new markets, SONIC drive-in franchises recently launched several new restaurant models, including indoor dining, c-store, counter service, travel plaza and more. As a result, SONIC has expanded far beyond our traditional footprint in the Midwest, as far north as Alaska and as far south as Miami, Florida, and we have given entrepreneurs in all markets the opportunity to bring SONIC to any market coast to coast.

Sonic IN THE NEWS:

- [SONIC Franchise Named Favorite Quarantine Fast Food – Taking the Top Spot in 15 States!](#)
- [TOP 500 SONIC DRIVE-IN](#)
- [Sonic sales are going bonkers during COVID-19 — here's the major reason why](#)
- [The future of fast-food will include robots: former Sonic CEO](#)
- [Burger chain Sonic to be acquired by Arby's parent company in \\$2.3 billion deal](#)

SURROUNDING RETAIL AREA







Overland, MO

Overland is a city in St. Louis County, Missouri, which is bordered by the city of St. Louis. Almost one-fourth of the state workforce is employed in St. Louis County, which is home to the eighth-strongest market for technology hiring, and the world's largest concentration of plant science Ph.D.'s. Some of the county's largest employers are Boeing, Washington University in St. Louis, and SSM Healthcare. In addition to its prominence as a biotech and business hub, St. Louis' rivers and city port play a large role in moving goods throughout the country. More than in any other city in America, there are 79 distinct, government-designated neighborhoods in St. Louis. Downtown is the city's business and financial hub, but it also offers several noteworthy attractions, including the iconic St. Louis Gateway Arch.

Radius:	1-Mile	3-Mile	5-Mile
2025 Projection	9,475	88,196	212,489
2020 Estimate	9,655	89,202	212,570
2010 Census	9,658	89,108	211,900
Households	1-Mile	3-Mile	5-Mile
2025 Projection	4,048	38,275	91,019
2020 Estimate	4,148	38,913	91,130
2010 Census	4153	38906	90850
Incomes	1-Mile	3-Mile	5-Mile
2020 Average Income	\$57,943	\$79,806	\$93,826
2020 Median Income	\$49,361	\$55,768	\$63,925

DISCLAIMERS AND AGREEMENT

Alpha Real Estate Advisors LLC (“AREA”) has been retained as the exclusive listing broker to arrange the sale of the property identified hereinabove (the “Property”).

Purpose and Intent. This Offering Memorandum (“Memorandum”) has been prepared by the undersigned real estate professional, is provided in the normal course of his/her business, and is intended to express only his/her recommended listing, selling, or purchase price or a rental or lease consideration for the Property. This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, the Property, and has not been made for the purpose of submission as evidence of value to a court or administrative body. The disclosures herein are intended to supersede all prior written and oral communications and understandings regarding the Memorandum. You are advised to carefully read this Memorandum and review it with your legal and tax advisors.

Information Provided As An Opinion: The information in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. This Memorandum does not contain all the information that you may need or desire to evaluate the Property. All information in this Memorandum and any other written or oral communication transmitted to you in the course of your evaluation of the Property is presented “as is” without representation or warranty, express or implied, of any kind by AREA, Owner/Seller, or either’s respective subsidiaries, agents, affiliates, members, officers, and/or employees. AREA assumes no responsibility for this Memorandum, and hereby disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this Memorandum. This Memorandum is subject to prior placement, errors, omissions, changes, or withdrawal without notice and does not constitute a recommendation, suitability determination, or endorsement as to the Property’s value by AREA or Owner/Seller. This Memorandum contains certain documents, which are described in summary form and do not purport to be complete or accurate descriptions of, nor do they constitute a legal analysis of, the full documents involved. All such summaries are qualified in their entirety by reference to such documents. All references to acreage(s), square footage(s), and other measurements are approximations. Neither AREA nor Owner/Seller undertakes any responsibility or compulsion to update any of the information discussed herein. Any information and expressions of opinion herein contained are subject to change without notice. Neither the delivery of this Memorandum nor the purchase of the Property shall, under any circumstance(s), create an implication that there has been no change in the affairs of the Property since the date this Memorandum was created or provided to you.

By accepting this Memorandum, you agree that in determining the advisability of purchasing the Property, you shall not rely on this Memorandum or upon any other materials or information provided AREA or its brokers, but rather that you shall rely solely upon your own examination (including engineering and environmental inspections) and investigation of the Property at your own cost prior to purchasing the Property. An opportunity to inspect the Property will be made available to you upon written request. You acknowledge AREA is not acting as an attorney, tax advisor, surveyor, appraiser, structural engineer, and that you should consult such professionals.

This Memorandum is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make sure offer or solicitation. ALL INFORMATION CONTAINED HEREIN IS A STATEMENT OF OPINION. ANY RELIANCE ON THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

Forward-Looking Statements and Financial Projections. All statements herein, other than statements of historical fact, are statements that could be deemed “forward-looking” statements with respect to the anticipated future performance of the Property, including any financial projections, statements regarding future economic conditions or performance, and statements of belief and of assumptions underlying any of the foregoing. These projections and statements are provided for general reference purposes only and may involve known and unknown risks and various assumptions subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of AREA and/or Owner/Seller, and which therefore are subject to material change and/or variation. Accordingly, there can be no assurance that such projections or forward-looking statements will be realized. Potential purchasers of the Property are cautioned that the actual results, performance, and/or achievements may vary materially from anticipated results, performance, and/or achievements. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections of forward-looking statements based thereon. YOU MAY NOT RELY UPON THE FINANCIAL PROJECTIONS, AS THEY ARE ILLUSTRATIVE ONLY.

COVID-19 Pandemic. The World Health Organization has characterized the outbreak of COVID-19 that is currently affecting many parts of the world, including the United States and MO, as a pandemic (the “Pandemic”). The Pandemic has negatively affected travel, commerce, and financial markets globally. While the potential future impact of the Pandemic cannot be quantified at this time, it is expected that the continued outbreak of COVID-19 could have an adverse impact on property values, including the value of the Property.

Owner’s/Seller’s Reserved Rights. Owner/Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest and/or to terminate discussions with any party at any time with or without notice and for any reason. Owner/Seller shall have no legal commitment or obligation to any recipient of this Memorandum unless a written agreement for the purchase of the Property has been executed, delivered, and approved by the Owner/Seller and any conditions to the purchaser’s obligations therein have been satisfied or affirmatively waived. The Owner/Seller reserves the right to move forward with an acceptable offer on the Property prior to the call for offers deadline.

Confidentiality: The Property is privately offered, and your receipt of this Memorandum serves to evidence your agreement that: (i) this Memorandum is subject to the Confidentiality and Non-Circumvention Agreement you previously executed with AREA, (ii) this Memorandum is furnished to you for the sole purpose of evaluating your interest in the Property, (iii) you will return the Memorandum if requested to do so by AREA, (iv) you will not use any part of this Memorandum in a manner detrimental to Owner/Seller or AREA, and (v) you will not reproduce or disclose any portion of this Memorandum to anyone without the prior written authorization of AREA. These terms and conditions apply to this Memorandum and all documents and other information provided in connection herewith.

LISTED BY:

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