

Arby's

236 Junction Hwy , Kerrville, TX 78028



Representative Photo



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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

OFFERING SUMMARY

		
Listing Price	Cap Rate	Price/SF
\$2,000,000	5.5%	\$1,117.32

FINANCIAL

Listing Price	\$2,000,000
Down Payment	100% / \$2,000,000
NOI	\$110,000
Cap Rate	5.5%

OPERATIONAL

Lease Type	Absolute Net
Guarantor	Franchisee Guarantee
Rentable SF	1,790 SF
Lot Size	0.52 Acres (22,651 SF)
Year Built	2021



ARBY'S

236 Junction Hwy , Kerrville, TX 78028

INVESTMENT OVERVIEW

The subject property is a brand-new, 2021 construction Arby's prototype double drive-thru location in Kerrville, Texas. The new location will come with a fresh fifteen-year lease, backed by a fast-growing central Texas Arby's franchisee, to be executed at the close of escrow. The subject property allows an investor to get in on the ground floor with a well-capitalized, successful, growing franchisee with ten units in operation that routinely perform above the national average and several additional locations already under construction.

This Arby's location is positioned on Junction Highway, a major artery through Kerrville, and is surrounded by many national tenants, including Whataburger, Popeyes and Chick-fil-A. Kerrville is one of the strongest markets for QSR locations in central Texas, with units that routinely outperform surrounding markets. Sporting a robust population of almost 25,000, Kerrville has been named one of the wealthiest small towns in America by the Wall Street Journal and is home to Schreiner University, one of the top regional liberal arts colleges in Texas.

INVESTMENT HIGHLIGHTS

Brand-New Arby's Prototype with Double Drive-Thru

New Fifteen-Year Lease Executed Upon Close of Escrow

Lease Guaranteed by Fast-Growing Central Texas Arby's Franchisee with Fantastic Footprint

Franchisee Has Above-Average Store Sales Across Portfolio

Well-Situated Asset on Main Kerrville Thoroughfare

SECTION 2

Property Information

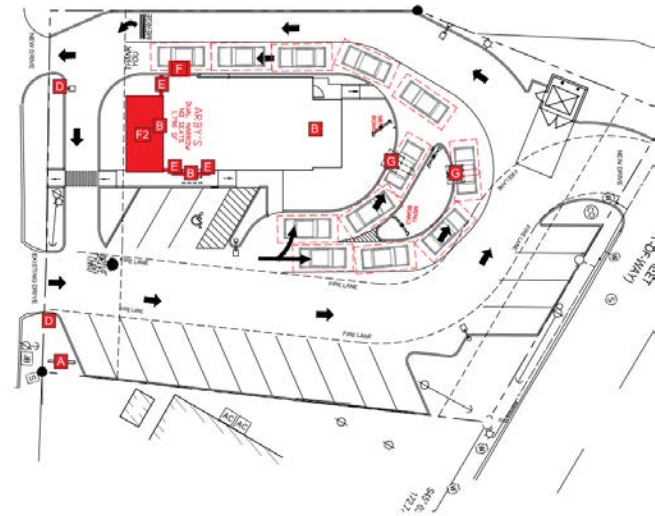
AERIAL VIEW

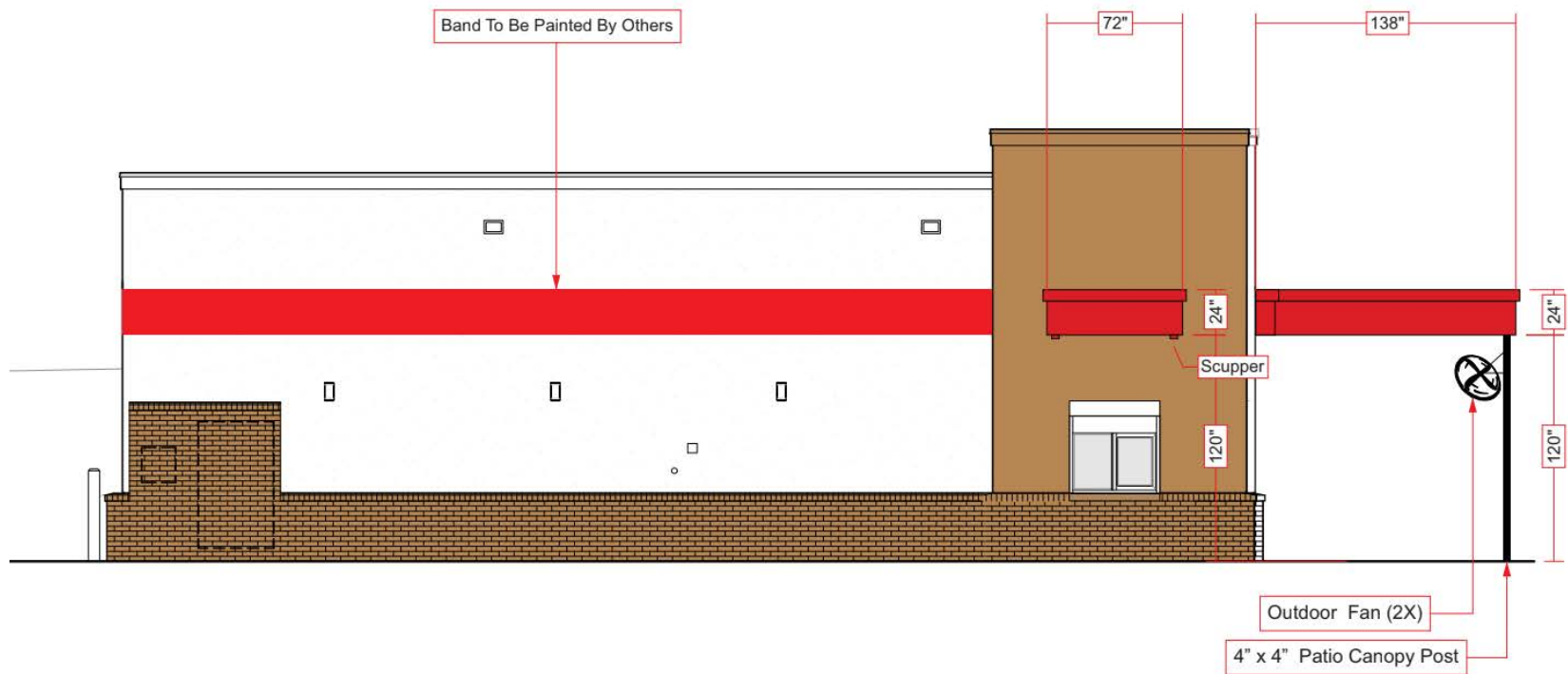
SITE PLANS

Arby's // AERIAL VIEW

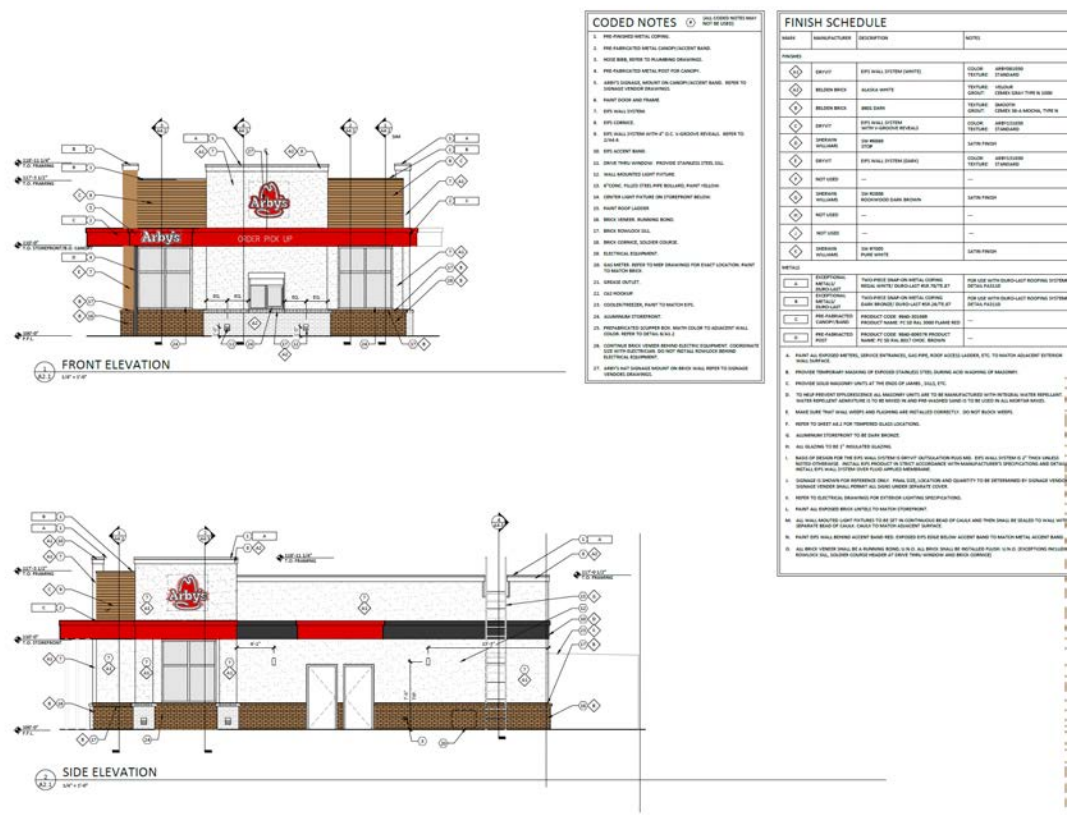
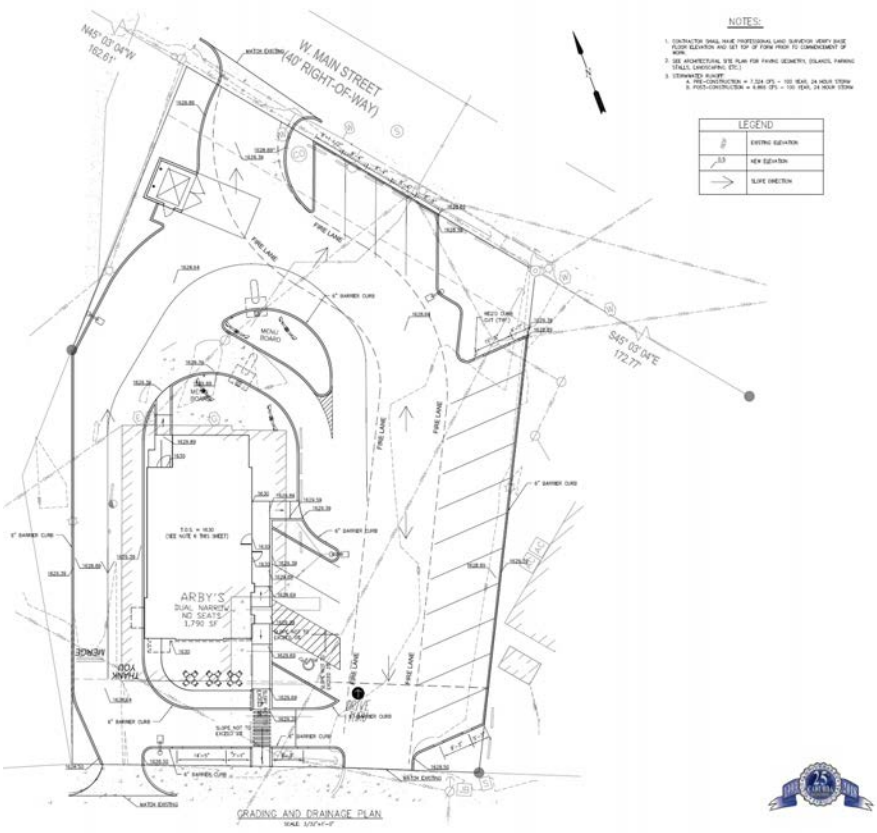


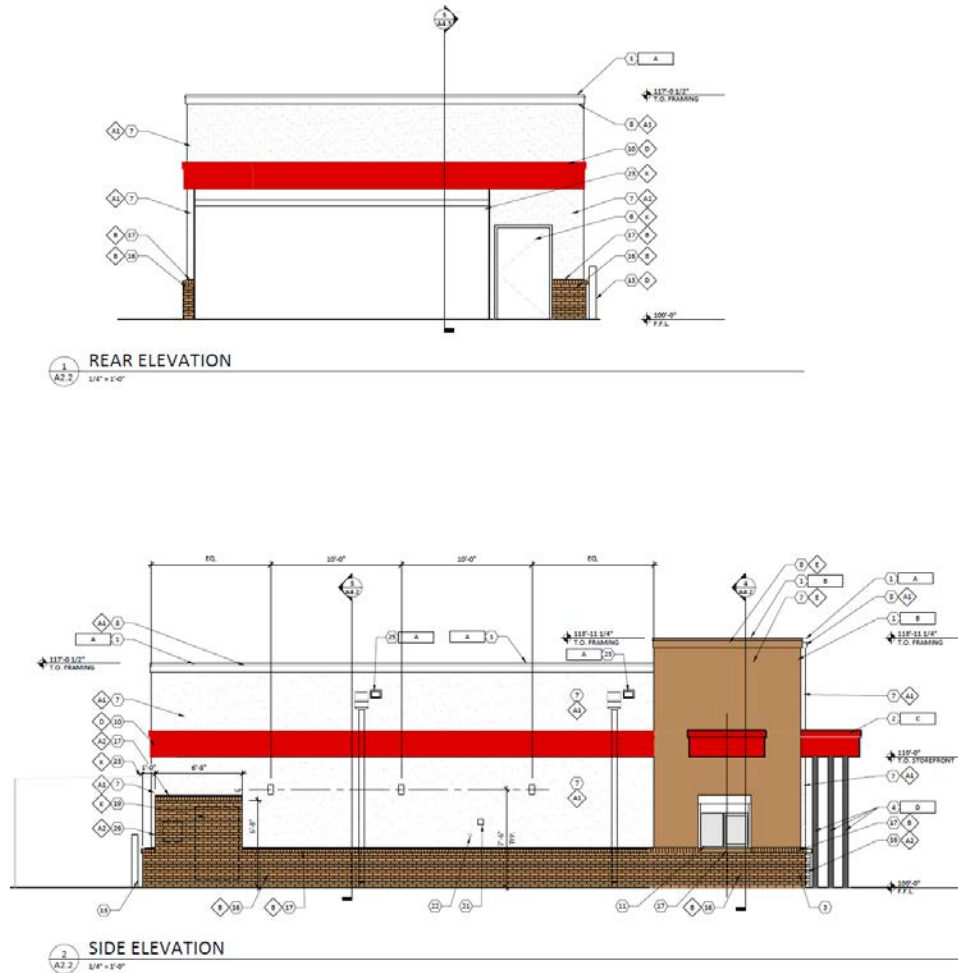
SITE PLANS // Arby's





SITE PLANS // Arby's





CODED NOTES		(ALL CODED NOTES MAY NOT BE USED)
1.	PREFINISHED METAL CORING.	
2.	PREFABRICATED METAL CANOPY/ACCENT BAND.	
3.	HOSE RIBB, REFER TO PLUMBING DRAWINGS.	
4.	PREFABRICATED METAL POST FOR CANOPY.	
5.	ARBY'S SIGNAGE, MOUNT ON CANOPY/ACCENT BAND. REFER TO SIGNAGE VENDOR DRAWINGS.	
6.	PAINT DOOR AND FRAME.	
7.	EPS WALL SYSTEM.	
8.	EPS CORNER.	
9.	EPS WALL SYSTEM WITH 4" O.C. V-GROOVE REVEAL. REFER TO J&A.	
10.	EPS ACCENT BAND.	
11.	DRIVE THRU WINDOW. PROVIDE STAINLESS STEEL SILL.	
12.	WALL MOUNTED LIGHT FIXTURE.	
13.	6" O.D. POLISHED STEEL PIPE ROLLERS, PAINT YELLOW.	
14.	CENTER LIGHT FIXTURE ON STOREFRONT REVEAL.	
15.	PAINT ROOF LADDER.	
16.	BRICK VENER, RUNNING BOND.	
17.	BRICK ROADSIDE SILL.	
18.	BRICK CORNER, SOLDIER COURSE.	
19.	ELECTRICAL EQUIPMENT.	
20.	GAS METERS. REFER TO MEP DRAWINGS FOR EXACT LOCATION. PAINT TO MATCH BRICK.	
21.	GREASE OUTLET.	
22.	GAS HOODUP.	
23.	COLOR/PATTERN, PAINT TO MATCH EPS.	
24.	ALUMINUM STOREFRONT.	
25.	PREFABRICATED CUPPER BOX, MATCH COLOR TO ADJACENT WALL. COLOR REFER TO DETAIL A/AL 2.	
26.	CONTINUE BRICK VENER BEHIND ELECTRIC EQUIPMENT. COORDINATE SIZE WITH ELECTRICAL. DO NOT INSTALL ROADSIDE BEHIND ELECTRIC EQUIPMENT.	
27.	ARBY'S SIGNAGE MOUNT ON BRICK WALL REFER TO SIGNAGE VENDOR DRAWINGS.	

FINISH SCHEDULE			
MARK	MANUFACTURER	DESCRIPTION	NOTES
FINISHES			
A/1	DRIVIT	EPS WALL SYSTEM (WHITE)	COLOR: ARBY000000 TEXTURE: STANDARD
A/2	BELDEN BRICK	ALASKA WHITE	COLOR: VELOUR GROUT: CEMEX GRAY TYPE N 1000
A/3	BELDEN BRICK	DAIRY DASH	TEXTURE: SMOOTH GROUT: CEMEX 38-4 MOCAL TYPE II
A/4	DRIVIT	EPS WALL SYSTEM WITH V-GROOVE REVEALS	COLOR: ARBY100000 TEXTURE: STANDARD
A/5	SHERWIN WILLIAMS	SW 9000 (TOP)	SATIN FINISH
A/6	DRIVIT	EPS WALL SYSTEM (DARK)	COLOR: ARBY100000 TEXTURE: STANDARD
A/7	NOT USED	---	---
A/8	SHERWIN WILLIAMS	SW 9000 (ROCKWOOD DARK BROWN)	SATIN FINISH
A/9	NOT USED	---	---
A/10	NOT USED	---	---
A/11	SHERWIN WILLIAMS	SW 9000 (PURE WHITE)	SATIN FINISH
METALS			
A	EXCEPTIONAL METAL/DURALAST	TWO-PHASE DUAL-ON METAL CORING (RAL 9005) / DURALAST 950 70/10 ST	FOR USE WITH DUAL-ON ROOFING 5/8" DETAIL F/AL10
B	EXCEPTIONAL METAL/DURALAST	TWO-PHASE DUAL-ON METAL CORING (DARK BRONZE) / DURALAST 950 20/10 ST	FOR USE WITH DUAL-ON ROOFING 5/8" DETAIL F/AL10
C	PREFABRICATED CANOPY/BAND	PRODUCT CODE: 9940-10388 PRODUCT NAME: FC 10 RAL 3000 FLAME RED	---
D	PREFABRICATED POST	PRODUCT CODE: 9940-10378 PRODUCT NAME: FC 10 RAL 9005 CHOC. BROWN	---
<p>A. PAINT ALL EXPOSED METERS, SERVICE ENTRANCES, GAS PIPE, ROOF ACCESS LADDER, ETC. TO MATCH ADJACENT EXTERIOR WALL SURFACE.</p> <p>B. PROVIDE TEMPORARY MASKING OF EXPOSED STAINLESS STEEL DURING ACID WASHING OF MASONRY.</p> <p>C. PROVIDE SOLID MASONRY UNITS AT THE ENDS OF JAMBS, SILLS, ETC.</p> <p>D. TO HELP PREVENT EFFLORESCENCE ALL MASONRY UNITS ARE TO BE MANUFACTURED WITH INTEGRAL WATER REPELLER. WATER REPELLANT ADHESIVE IS TO BE MIXED IN AND PRE-WASHED SAND IS TO BE USED IN ALL MORTAR MIXES.</p> <p>E. MAKE SURE THAT WALL WEIRPS AND FLASHING ARE INSTALLED CORRECTLY. DO NOT BLOCK WEIRPS.</p> <p>F. REFER TO SHEET A/12 FOR TEMPERED GLASS LOCATIONS.</p> <p>G. ALUMINUM STOREFRONT TO BE DARK BRONZE.</p> <p>H. ALL GLAZING TO BE 1" INSULATED GLAZING.</p> <p>I. BASIS OF DESIGN FOR THE EPS WALL SYSTEM IS DRIVIT OUTSULATION PLUS BAND. EPS WALL SYSTEM IS 2" THICK UNLESS NOTED OTHERWISE. INSTALL EPS PRODUCT IN STRICT ACCORDANCE WITH MANUFACTURER'S SPECIFICATIONS AND USE INSTALL EPS WALL SYSTEM OVER FLUID APPLIED MEMBRANE.</p> <p>J. SIGNAGE IS SHOWN FOR REFERENCE ONLY. FINAL SIZE, LOCATION AND QUANTITY TO BE DETERMINED BY SIGNAGE VENDOR. SIGNAGE VENDOR SHALL PERMIT ALL SIGNS UNDER SEPARATE COVER.</p> <p>K. REFER TO ELECTRICAL DRAWINGS FOR EXTERIOR LIGHTING SPECIFICATIONS.</p> <p>L. PAINT ALL EXPOSED BRICK UNTIL TO MATCH STOREFRONT.</p> <p>M. ALL WALL MOUNTED LIGHT FIXTURES TO BE SET IN CONTINUOUS BEAD OF CAULK AND THEN SHALL BE SEALED TO WALL. SEPARATE BEAD OF CAULK. CAULK TO MATCH ADJACENT SURFACE.</p> <p>N. PAINT EPS WALL BEHIND ACCENT BAND RED. EXPOSED EPS FOAM BELOW ACCENT BAND TO MATCH METAL ACCENT BAR.</p> <p>O. ALL BRICK VENER SHALL BE A RUNNING BOND. U.N.O. ALL BRICK SHALL BE INSTALLED FLUSH. U.N.O. (EXCEPTIONS RNC) ROADSIDE SILL, SOLDIER COURSE HEADER AT DRIVE THRU WINDOW AND BRICK CORNICE.</p>			

SECTION 3

Financial Analysis

FINANCIAL DETAILS

THE OFFERING	
Price	\$2,000,000
Capitalization Rate	5.50%
PROPERTY DESCRIPTION	
Year Built / Renovated	2021
Gross Leasable Area	1,790 SF
Type of Ownership	Fee Simple
Lot Size	0.52 Acres

LEASE SUMMARY	
Tenant	Arby's
Rent Increases	7.5% Every Five Years
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	06/15/2021*
Initial Lease Term	15 Years
Renewal Options	Two 5-Year Options
Landlord Responsibility	None
Tenant Responsibility	Absolute Net

*see agent

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$110,000	\$9,167	\$61.45	5.50%
Years 6-10	\$118,250	\$9,854	\$66.06	5.91%
Years 11-15	\$127,119	\$10,593	\$71.02	6.36%
Option 1	\$136,653	\$11,388	\$76.34	6.83%
Option 2	\$146,902	\$12,242	\$82.07	7.35%

SECTION 4

Market Overview

MARKET OVERVIEW

DEMOGRAPHICS

NET LEASE DISCLAIMER

DISCLAIMER

SAN ANTONIO

Home to the Alamo and famous River Walk, San Antonio metro is located in the southern portion of central Texas and straddles the Interstate 35 Corridor, one of the fastest-growing areas in the state. The metro encompasses eight counties: Bandera, Atascosa, Kendall, Comal, Bexar, Guadalupe, Medina and Wilson. Situated only 145 miles from Nuevo Laredo, Mexico, San Antonio is an easy drive on Interstate 35 from the border and serves as a major gateway between the United States and Mexico. The area is further enhanced by an extensive transportation network that provides shipping options to domestic and international markets as well as the Eagle Ford Shale formation that runs through Atascosa and Wilson counties. San Antonio is the most populous city in the metro, housing more than 1.4 million residents.

METRO HIGHLIGHTS



STRONG POPULATION GROWTH

The metro is maintaining population growth and household formation above the national level and generating the need for housing options.



ROBUST JOB CREATION

More than 120,000 jobs are expected to be created through 2025. Some positions will be related to Eagle Ford, one of the largest oil and gas developments in the world.



LOW COST OF LIVING

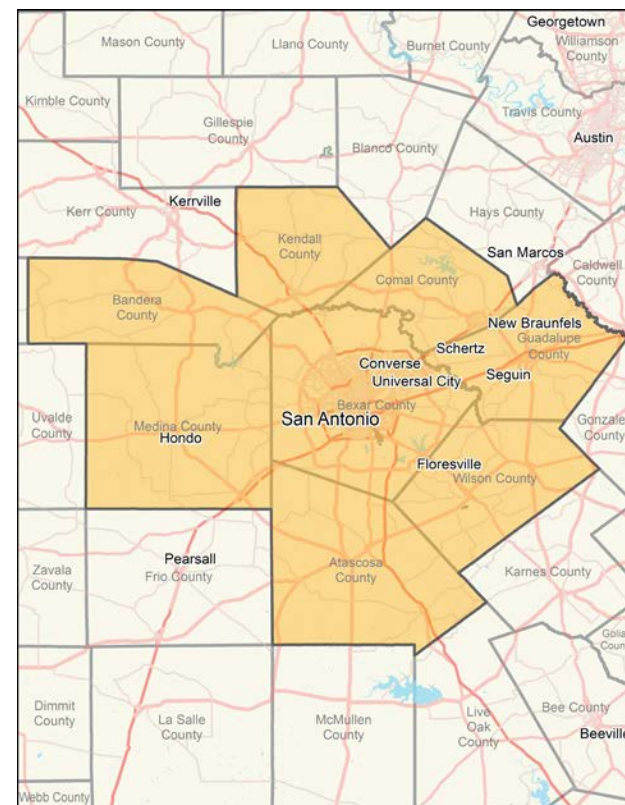
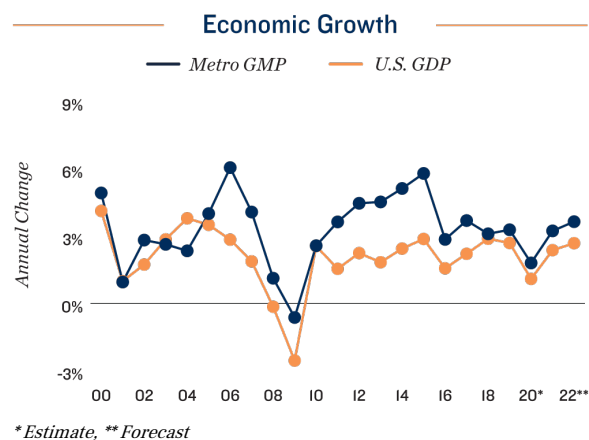
More affordable home prices compared with other nearby markets and no state personal income tax contribute to a lower the cost of living.



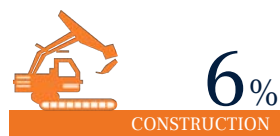
ECONOMY

- The economy is anchored by the industries of healthcare, tourism and national defense.
- The Eagle Ford Shale deposit has contributed to the diversification of jobs into the energy sector. Valero's corporate headquarters are here, as well as firms including NuStar Energy, NOV, Baker-Hughes and Marathon Petroleum Corp.
- Lackland Air Force Base, Randolph Air Force Base, Fort Sam Houston and Camp Bullis are among the many military installations located in the metro.
- An important component of the healthcare industry is South Texas Medical Center, a conglomerate of hospitals, clinics and research and higher-education facilities.

MAJOR AREA EMPLOYERS	
USAA	
AT&T	
Wells Fargo	
Baptist Health System	
Rackspace	
Methodist Healthcare System	
JPMorgan Chase	
Frost Bank	
Toyota Motor Manufacturing Texas	
H-E-B	



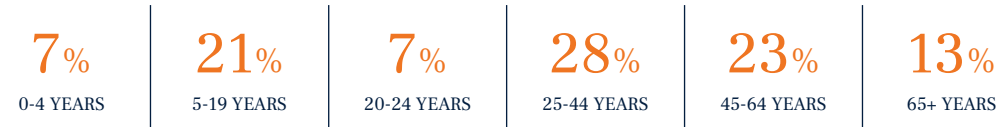
SHARE OF 2020 TOTAL EMPLOYMENT



DEMOGRAPHICS

- The metro is expected to add more than 136,000 people through 2025, resulting in the formation of roughly 56,000 households.
- A relatively youthful population contributes to a homeownership rate of 63 percent, which compares with the national rate of 64 percent.
- Roughly 27 percent of residents age 25 and older hold a bachelor's degree; of those residents, 10 percent also have earned a graduate or professional degree.

2020 Population by Age



QUALITY OF LIFE

Culture and history abound in such places as La Villita, the Spanish Governor's Palace, San Fernando Cathedral, Jose Antonio Navarro State Historical Park and the Alamo. Tradition blends with more modern attractions, such as the River Walk, a 2.5-mile stretch of parks, cafes, nightclubs and hotels. Upscale apartments built along the walk have brought more residents into the city. The metro is also home to numerous sporting events and teams, including the NBA's San Antonio Spurs, San Antonio FC Soccer and AA baseball's Missions. Also, the University of Texas San Antonio Roadrunners play NCAA Division 1 football. Art enthusiasts can visit many museums and cultural centers in San Antonio.

* Forecast

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

SPORTS



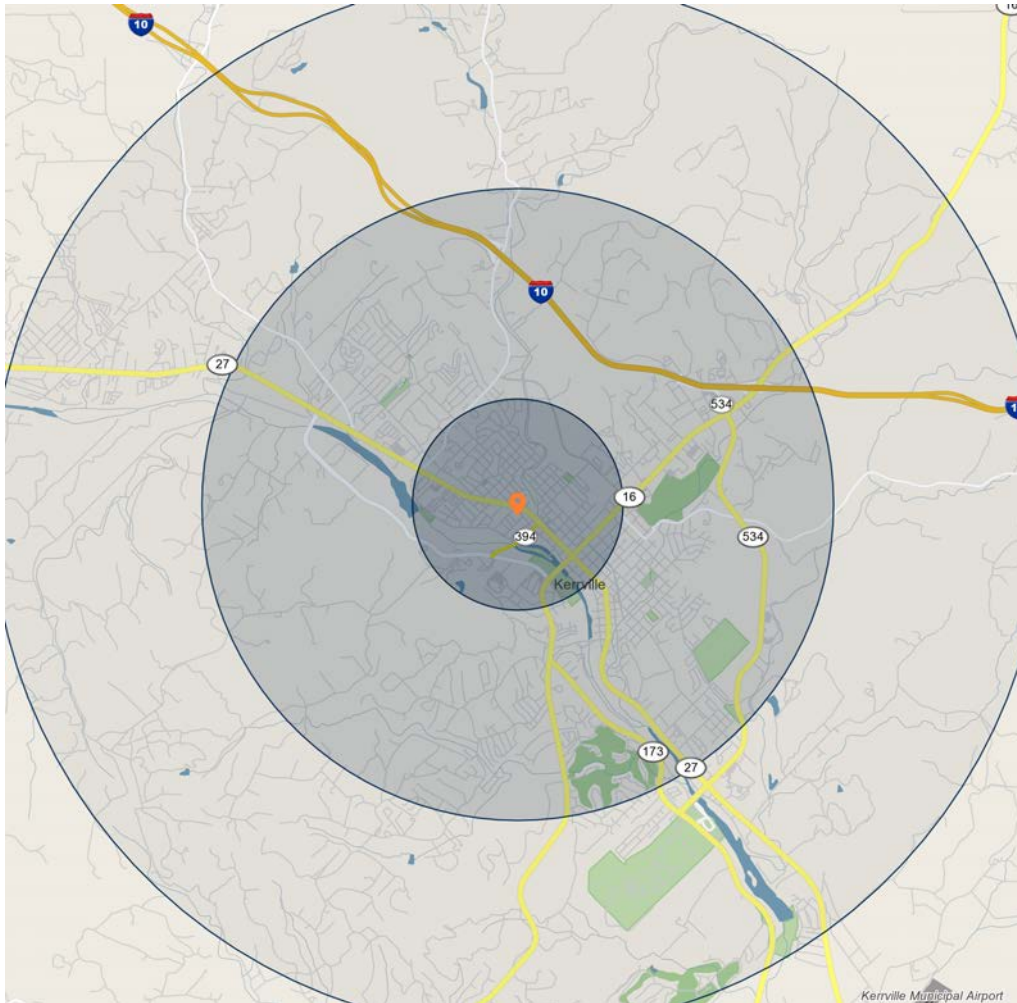
EDUCATION



ARTS & ENTERTAINMENT



DEMOGRAPHICS // Arby's



POPULATION

	1 Mile	3 Miles	5 Miles
2025 Projection	6,367	25,270	35,512
2020 Estimate	6,290	24,769	34,724
2010 Census	6,026	23,424	32,690
2000 Census	6,018	21,755	29,163

HOUSEHOLD INCOME

Average	\$62,403	\$71,558	\$75,738
Median	\$45,613	\$50,909	\$52,867
Per Capita	\$28,151	\$30,994	\$32,293

HOUSEHOLDS

2025 Projection	2,881	10,796	15,013
2020 Estimate	2,820	10,484	14,536
2010 Census	2,686	9,871	13,640
2000 Census	2,644	9,195	12,088

HOUSING

Median Home Value	\$171,058	\$185,869	\$195,283
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EMPLOYMENT

2020 Daytime Population	7,710	28,215	36,500
2020 Unemployment	3.74%	3.19%	3.33%
Average Time Traveled (Minutes)	17	18	19

RACE & ETHNICITY

White	81.78%	84.38%	85.25%
Native American	0.03%	0.09%	0.10%
African American	4.67%	2.98%	2.47%
Asian/Pacific Islander	1.15%	1.20%	1.16%

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A photograph of an Arby's restaurant at dusk. The building has a modern design with large windows and a prominent red and white Arby's logo on the upper left. The entrance is brightly lit, and the interior is visible through the glass doors. In front of the building, there is an outdoor seating area with several picnic tables and red umbrellas. A sign in the foreground reads "Arby's Enter". The sky is a deep blue with a crescent moon visible in the upper right corner.

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Douglas Diffie

Vice President Investments

Office: Austin

Direct: 512.338.7872

Doug.Diffie@marcusmillichap.com

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