



CORPORATE ARBY'S (RECENT EXTENSION – VERY LOW RENT/SALES)

5980 AL-157 • Cullman, AL 35058

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ARBY'S
Cullman, AL
ACT ID ZAC0230320

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EXECUTIVE SUMMARY

OFFERING SUMMARY

Property	Corporate Arby's
Property Address	5980 AL-157 Cullman, AL 35058
Price	\$2,467,196
Net Operating Income	\$114,720
Capitalization Rate – Current	4.65%
Price / SF	\$758.20
Rent / SF	\$35.26
Gross Leasable Area	3,254 SF
Year Built / Renovated	2003
Lot Size	0.70 Acres

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Type of Ownership	Fee Simple
Rent Increases	1.5% Annual Increases
Tenant	RTM Alabama, Inc.
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	April 1, 2002
Lease Expiration	March 31, 2034
Original Lease Term (Years)	20
Term Remaining on Lease (Years)	12.8
Renewal Options	Four, Five-Year Options
Right of First Refusal/Offer	Yes, 20-Day

Notes: Percentage Rent Clause: Within thirty (30) calendar days after the expiration of each Lease Year, Tenant shall pay, in one lump sum, an amount equal to (i) four percent (4%) multiplied by Tenant's Gross Sales for the Lease Year then ended, minus (ii) the Annual Rent payable for such Lease Year.

Rent will reduce from \$10,180/month to \$9,560/month starting April 1, 2022. Buyer shall receive the increased rent from COE to March 31, 2022.

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$114,720
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RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
4/1/2022-3/31/2023	\$114,720	\$9,560	\$35.26	4.65%
4/1/2023-3/31/2024	\$116,441	\$9,703	\$35.78	4.72%
4/1/2024-3/31/2025	\$118,187	\$9,849	\$36.32	4.79%
4/1/2025-3/31/2026	\$119,960	\$9,997	\$36.87	4.86%
4/1/2026-3/31/2027	\$121,760	\$10,147	\$37.42	4.94%
4/1/2027-3/31/2028	\$123,586	\$10,299	\$37.98	5.01%
4/1/2028-3/31/2029	\$125,440	\$10,453	\$38.55	5.08%
4/1/2029-3/31/2030	\$127,321	\$10,610	\$39.13	5.16%
4/1/2030-3/31/2031	\$129,231	\$10,769	\$39.71	5.24%
4/1/2031-3/31/2032	\$131,170	\$10,931	\$40.31	5.32%
4/1/2032-3/31/2033	\$133,137	\$11,095	\$40.91	5.40%
4/1/2033-3/31/2034	\$135,134	\$11,261	\$41.53	5.48%



LEASE AND TENANT HIGHLIGHTS

- Corporate Arby's with nearly 13 years of term remaining
- Arby's recently extended their lease term and added an additional 12 years
- 1.50% annual escalations
- Absolute NNN Lease that includes financial reporting and a 4% percentage rent clause
- Very low rent/sales ratio - sub 6.0% - sales increased over 10% the past 12 months
- Arby's is the 2nd largest sandwich restaurant brand in the world with over 3,500 restaurants in nine countries - \$4.3 billion in system sales
- Arby's is part of Inspire Brands (Arby's, BWW, Dunkin', Sonic, & Jimmy Johns) – 2nd largest restaurant company in the U.S. – nearly 32,000 restaurants worldwide and over \$27 billion in system sales

LOCATION HIGHLIGHTS

- Approximately a half-mile off Interstate 65 – traffic count of over 50,000 cars/day
- Across the street from a Walmart Supercenter that ranks in the 68TH percentile nationally and in Alabama in visitors (per PLACER.ai) - 1.9M +/- visitors the past 12 months
- Located in front of a 108-unit apartment complex, Holiday Inn Express, LaQuinta, Comfort Suites, and Sleep Inn
- AHI in the 1-mile radius is over \$75,000
- Cullman is part of the Birmingham-Hoover MSA and the property is located less than 50 miles north of Downtown Birmingham
- Birmingham MSA consists of roughly 1.2 million residents with an expected growth of 2.2% over the next 5 years



Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is part of the Inspire Brands family of restaurants headquartered in Atlanta, Ga. Arby's, founded in 1964, is the second-largest sandwich restaurant brand in the world with more than 3,500 restaurants in nine countries.



In February 2018, Inspire Brands is founded following Arby's acquisition of Buffalo Wild Wings and Rusty Taco, launching the company's vision of bringing together a portfolio of distinct, highly-valued brands.

In December 2018, Inspire acquires SONIC Drive-In, the largest national drive-in chain in the United States.

FACTS

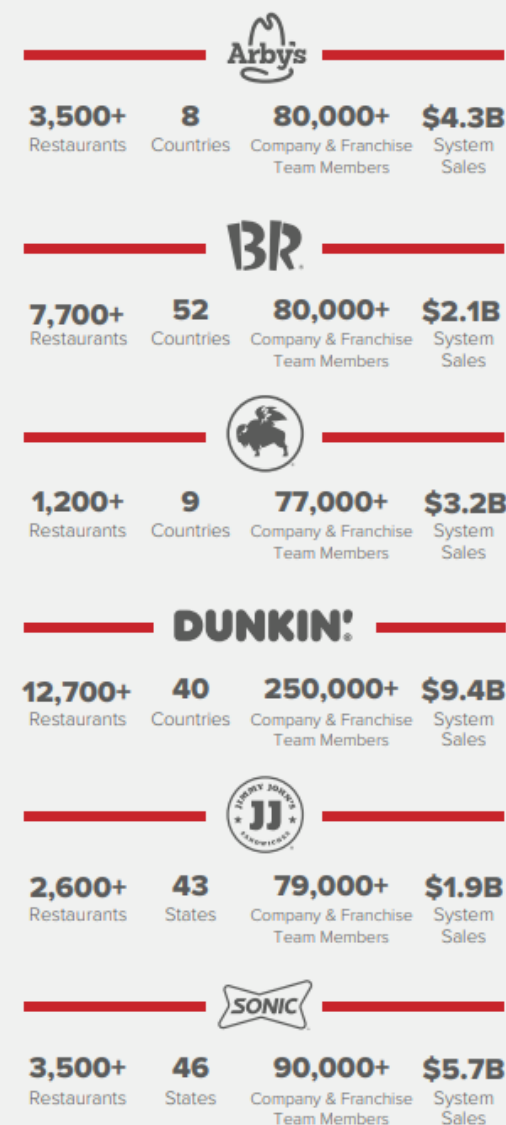


In October 2019, Inspire acquires Jimmy John's, the #1 owned delivery sandwich brand in the United States.

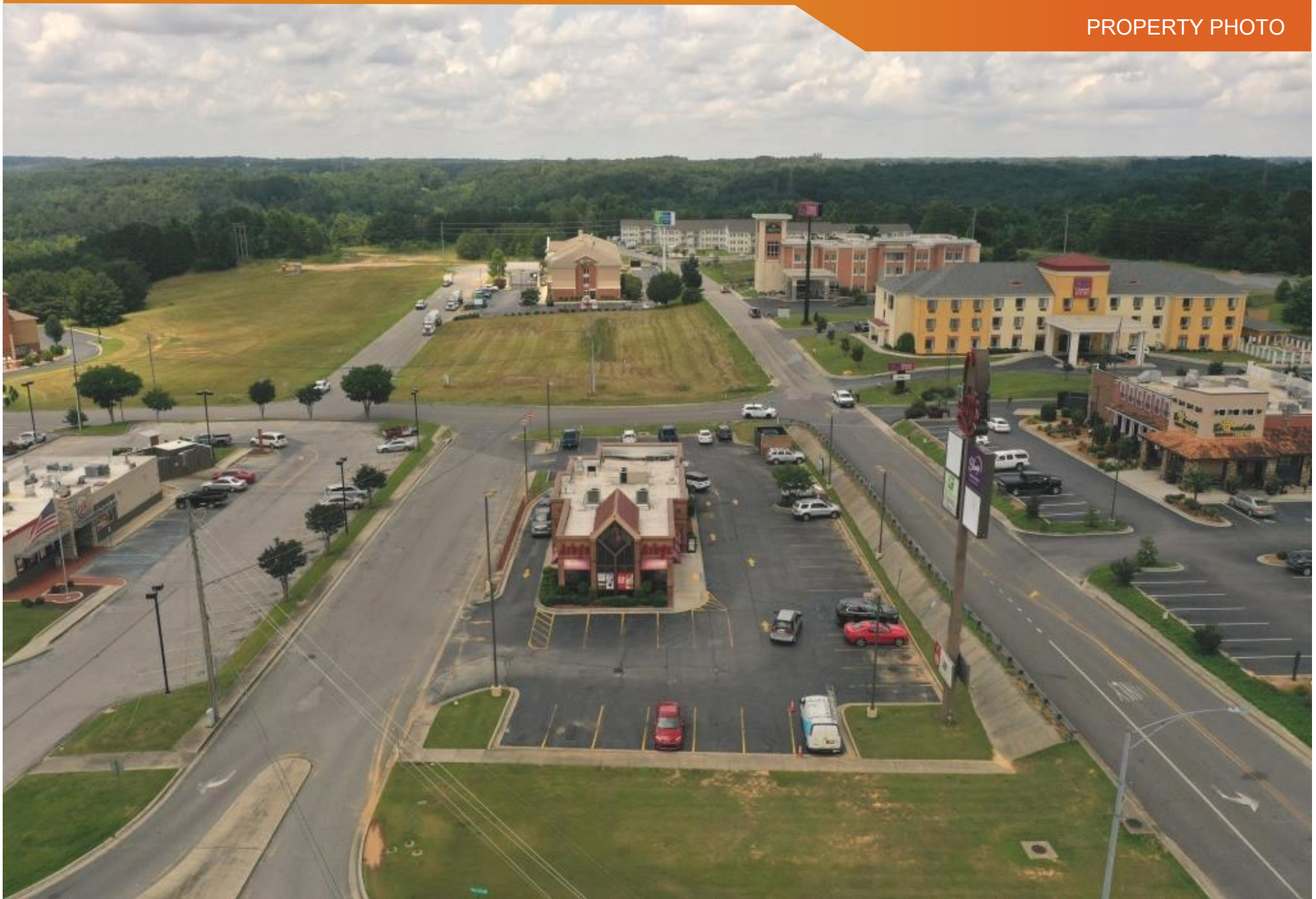
In January 2020, the Inspire portfolio encompasses more than 11,000 restaurants and \$14+ billion in annual sales.

In December 2020, Inspire welcomes Dunkin' and Baskin-Robbins to its family of brands, becoming the 2nd largest restaurant company in the U.S.

TENANT PROFILE



Unit Count, Country/State Count, and Team Member Count as of Q3 2020
System Sales as of FY2019

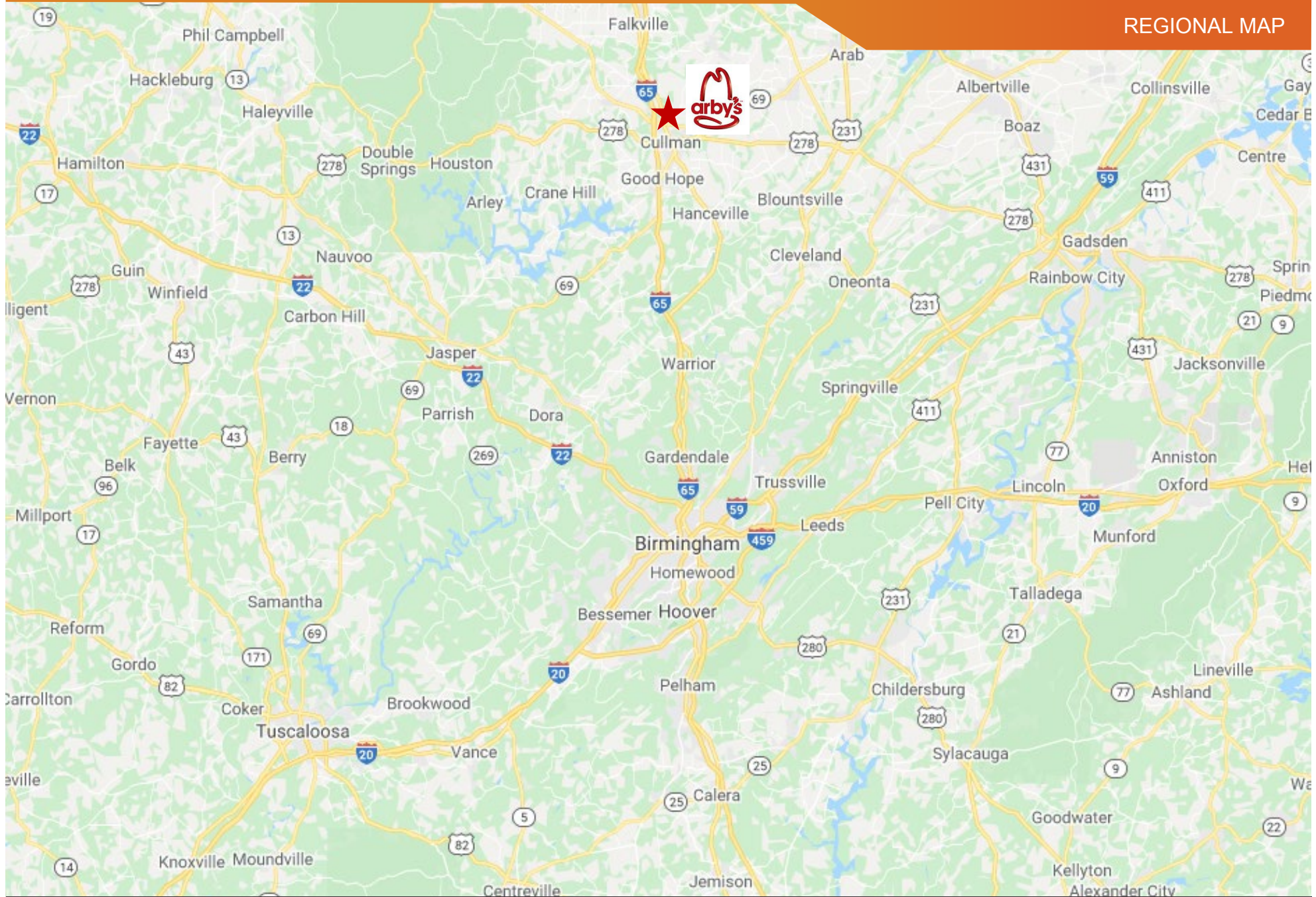












BIRMINGHAM-HOOVER OVERVIEW

The Birmingham-Hoover metro contains a population of roughly 1.2 million residents in north central Alabama. The metro is composed of Jefferson, Bibb, Shelby, Blount, Chilton, Walker and St. Clair counties. The most populous city is Birmingham, with more than 213,100 people, followed by Hoover and Vestavia Hills with 87,200 and 35,100 residents, respectively. Population growth is expanding outward from the city along the interstate system into next-ring cities such as Alabaster.



METRO HIGHLIGHTS



ECONOMIC GROWTH

The metro's economy is expected to grow 3.5 percent in 2021, a rate slightly lower than that of the nation.



AUTOMOBILE MANUFACTURING AND DISTRIBUTION CENTER

Mercedes-Benz, Honda and Hyundai have production plants in the metro. Mazda Toyota Manufacturing will open a similar facility in Huntsville this year.



DIVERSE EMPLOYMENT BASE

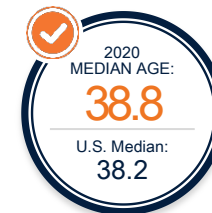
A shift is occurring from a manufacturing-dominant economy to include biotechnologies and finance.



ECONOMY

- Birmingham-Hoover's manufacturing and steel industries have helped the local economy record significant gains in recent years. The opening of Mazda Toyota Manufacturing's production plant this year will aid the local job recovery as the facility will employ up to 4,000 workers.
- Healthcare industries have become more prominent. The University of Alabama at Birmingham is a leader in biotechnology and medical research.
- The financial sector is expanding. Major banks, insurance companies and other financial institutions such as BBVA Compass are represented in the area.

DEMOGRAPHICS



* Forecast

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

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	1,372	11,869	25,897
■ 2020 Estimate			
Total Population	1,351	11,644	25,394
■ 2010 Census			
Total Population	1,305	11,237	24,329
■ 2000 Census			
Total Population	1,213	10,547	23,147
■ Current Daytime Population			
2020 Estimate	1,674	17,704	33,961
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	569	5,047	10,910
■ 2020 Estimate			
Total Households	558	4,937	10,624
Average (Mean) Household Size	2.30	2.29	2.33
■ 2010 Census			
Total Households	530	4,666	9,966
■ 2000 Census			
Total Households	496	4,598	9,646
■ Occupied Units			
2025 Projection	569	5,047	10,910
2020 Estimate	600	5,402	11,574
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	10.61%	6.12%	7.12%
\$100,000 - \$149,000	10.10%	8.89%	10.38%
\$75,000 - \$99,999	17.72%	11.92%	12.16%
\$50,000 - \$74,999	14.07%	16.91%	18.88%
\$35,000 - \$49,999	16.64%	15.12%	14.33%
Under \$35,000	30.86%	41.04%	37.16%
Average Household Income	\$75,041	\$61,026	\$65,720
Median Household Income	\$53,602	\$42,611	\$47,897
Per Capita Income	\$31,141	\$26,131	\$27,755

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$71,911	\$62,566	\$66,834
■ Consumer Expenditure Top 10 Categories			
Housing	\$18,793	\$16,067	\$17,200
Transportation	\$12,450	\$10,890	\$11,692
Shelter	\$10,208	\$8,543	\$9,212
Food	\$7,932	\$6,992	\$7,376
Personal Insurance and Pensions	\$6,013	\$5,076	\$5,534
Health Care	\$5,440	\$4,646	\$4,910
Utilities	\$4,048	\$3,670	\$3,840
Entertainment	\$3,276	\$2,720	\$2,907
Household Furnishings and Equipment	\$2,109	\$1,831	\$1,958
Cash Contributions	\$1,852	\$1,493	\$1,611
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	1,351	11,644	25,394
Under 20	23.26%	24.10%	24.01%
20 to 34 Years	20.45%	20.69%	19.78%
35 to 39 Years	5.81%	6.05%	6.05%
40 to 49 Years	10.85%	11.18%	11.85%
50 to 64 Years	18.08%	18.26%	18.96%
Age 65+	21.55%	19.70%	19.34%
Median Age	40.42	39.28	40.13
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	956	8,149	17,881
Elementary (0-8)	4.94%	4.66%	4.47%
Some High School (9-11)	8.96%	11.08%	11.18%
High School Graduate (12)	28.99%	30.80%	31.14%
Some College (13-15)	24.02%	24.38%	22.71%
Associate Degree Only	12.30%	10.74%	10.82%
Bachelors Degree Only	12.10%	9.74%	10.96%
Graduate Degree	7.48%	7.45%	7.53%

Source: © 2020 Experian



Population

In 2020, the population in your selected geography is 1,351. The population has changed by 11.38% since 2000. It is estimated that the population in your area will be 1,372.00 five years from now, which represents a change of 1.55% from the current year. The current population is 49.29% male and 50.71% female. The median age of the population in your area is 40.42, compare this to the US average which is 38.21. The population density in your area is 429.89 people per square mile.



Households

There are currently 558 households in your selected geography. The number of households has changed by 12.50% since 2000. It is estimated that the number of households in your area will be 569 five years from now, which represents a change of 1.97% from the current year. The average household size in your area is 2.30 persons.



Income

In 2020, the median household income for your selected geography is \$53,602, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 51.79% since 2000. It is estimated that the median household income in your area will be \$68,596 five years from now, which represents a change of 27.97% from the current year.

The current year per capita income in your area is \$31,141, compare this to the US average, which is \$34,935. The current year average household income in your area is \$75,041, compare this to the US average which is \$90,941.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 91.70% White, 0.38% Black, 0.00% Native American and 2.24% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 7.87% of the current year population in your selected area. Compare this to the US average of 18.38%.



Housing

The median housing value in your area was \$154,798 in 2020, compare this to the US average of \$221,068. In 2000, there were 367 owner occupied housing units in your area and there were 129 renter occupied housing units in your area. The median rent at the time was \$303.



Employment

In 2020, there are 1,186 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 58.66% of employees are employed in white-collar occupations in this geography, and 39.75% are employed in blue-collar occupations. In 2020, unemployment in this area is 2.85%. In 2000, the average time traveled to work was 23.00 minutes.

Marcus & Millichap

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