

20-Year NNN Sale-leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



5080 Butler Point Road, Jacksonville, FL 32256

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SONIC
*America's
Drive-In®*





Investment Highlights

PRICE: \$1,578,947 | CAP: 4.75% | RENT: \$75,000



About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from Quality Huts Drive-In (74-units)
- ✓ 1.50% Annual Rental Increases Starting Year Two
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

About the Location

- ✓ Dense Retail Corridor | Surrounded by Lowe's, CVS Pharmacy, Winn Dixie, Dollar General, Dave & Buster's, Chick-fil-A, McDonald's, and Many More
- ✓ Located Just Over One-Mile Away From Ascension St. Vincent's Southside Hospital | 309-Bed Facility
- ✓ Large Hospitality Presence | Nearly 20 Hotels Located Within a Mile of the Subject Property
- ✓ Conveniently Located Between Interstate 95 and Philips Highway | Average Daily Traffic Counts Exceeding More than 146,000 and 46,000
- ✓ Robust Demographics | More than 180,000 People Within a Five-Mile Radius

About the Brand

- ✓ Sonic Drive-In Opened Their First Restaurant in 1953 and Now Maintains More Than 3,600 Drive-In Restaurants
- ✓ Sonic Continues to Thrive | Maintenance of Strong Real Sales Growth, Industry-Leading Customer Frequency, and High Returns for Stockholders
- ✓ Rated Top QSR Restaurant Chain in 14 States Amidst Covid-19 Pandemic





Financial Analysis



PRICE: \$1,578,947 | CAP: 4.75% | RENT: \$75,000

PROPERTY DESCRIPTION

Property	Sonic
Property Address	5080 Butler Point Road
City, State, ZIP	Jacksonville, FL
Estimated Building Size	2,900
Estimated Lot Size	+/- 1.07 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,578,947
CAP Rate	4.75%
Annual Rent	\$75,000

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Quality Dine-In (74-Units)
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years From COE
Lease Term Remaining	20 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually Starting Year Two (2)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$75,000	\$6,250	-
Year 2	\$76,125	\$6,344	1.50%
Year 3	\$77,267	\$6,439	1.50%
Year 4	\$78,426	\$6,535	1.50%
Year 5	\$79,602	\$6,634	1.50%
Year 6	\$80,796	\$6,733	1.50%
Year 7	\$82,008	\$6,834	1.50%
Year 8	\$83,238	\$6,937	1.50%
Year 9	\$84,487	\$7,041	1.50%
Year 10	\$85,754	\$7,146	1.50%
Year 11	\$87,041	\$7,253	1.50%
Year 12	\$88,346	\$7,362	1.50%
Year 13	\$89,671	\$7,473	1.50%
Year 14	\$91,016	\$7,585	1.50%
Year 15	\$92,382	\$7,698	1.50%
Year 16	\$93,767	\$7,814	1.50%
Year 17	\$95,174	\$7,931	1.50%
Year 18	\$96,602	\$8,050	1.50%
Year 19	\$98,051	\$8,171	1.50%
Year 20	\$99,521	\$8,293	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 5080 Butler Point Road in Jacksonville, FL. The site will consist of roughly 2,900 rentable square feet of building space on estimated 1.07-acre parcel of land. The Sonic is subject to a 20-year absolute triple-net (NNN) sale-leaseback, which will commence upon close of escrow. The initial annual rent will be \$75,000 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year two (2) throughout the base term and in each of the four (4), five (5)-year renewal options.



Concept Overview



SONIC DRIVE-IN OVERVIEW

Sonic Corporation operates and finances the largest chain of drive-in restaurants in the United States. The first Sonic Drive-In restaurant was opened in 1953, and as of September 2020, there are approximately 3,600 Sonic's nationwide. The typical Sonic Drive-In has 16 to 24 parking space, each having its own payment terminal, intercom speaker system and menu board. Sonic offers a highly diverse menu. The menu is built around the finest quality items available, offering conveniently priced items as well as healthy alternatives. Signature food items include specialty drinks (such as cherry limeades and slushes), ice cream desserts, made-to-order chicken sandwiches and hamburgers, a variety of hot dogs including six-inch premium beef hot dogs and foot long quarter-pound coneys, hand-made onion rings and tater tots.



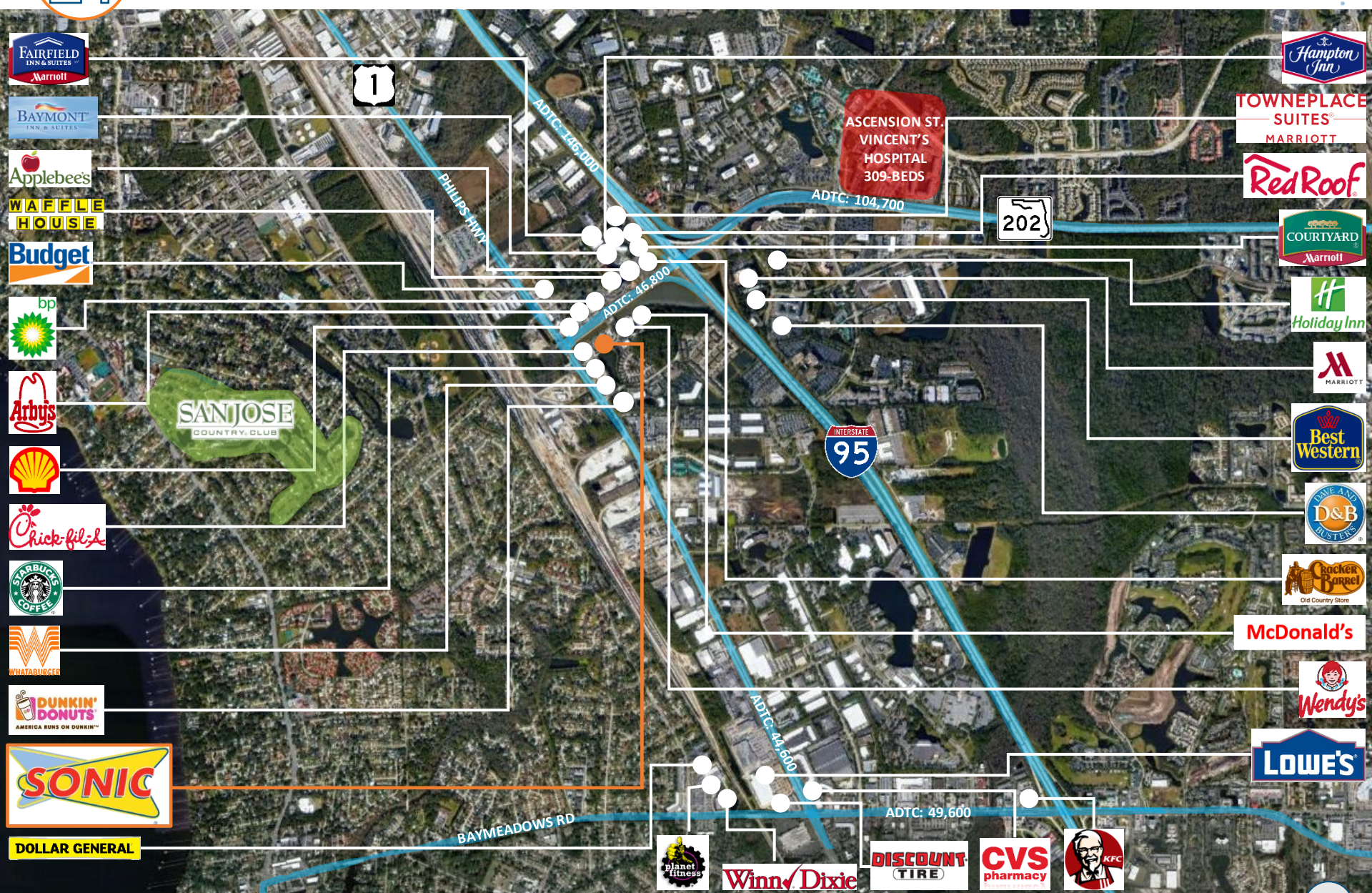
Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State



top data



Surrounding Area





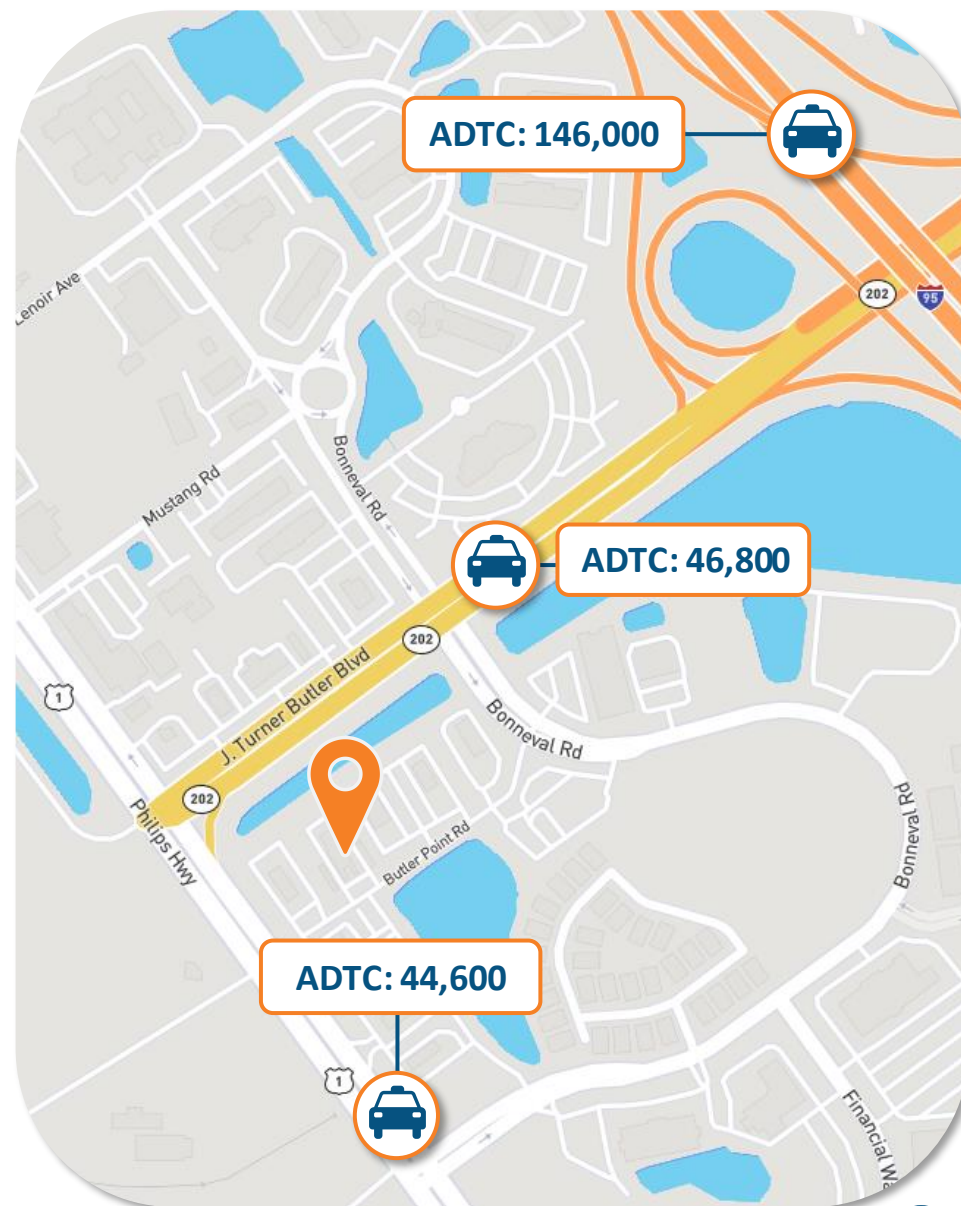
Location Overview



This Sonic Drive-In property is located at 5080 Butler Point Road in Jacksonville, Florida. Jacksonville is the state's largest city and the seat to Duval County. Butler Point Road is located just off of Interstate 95, which experiences an average daily traffic count of 146,000 vehicles. Additionally, Philips Highway runs parallel to the property and brings in 44,600 vehicles per day to the area. J Turner Butler Boulevard connects this Sonic Drive-In to the two highways and has an average daily traffic count of 46,800 vehicles.

The subject property benefits from its strategic location in a dense hospitality, residential and commercial corridor. Major retail tenants include Lowe's, CVS Pharmacy, Winn Dixie, Dollar General, Dave & Buster's, Chick-fil-A, McDonald's, and many more. This Sonic Drive-In is also located near over a dozen hotels including the Marriott Jacksonville, Hampton Inn Jacksonville, Fairfield Inn, and Courtyard Inn. Within direct proximity of the subject property is San Jose Country Club, which is home to 900+ members. Just over one mile east of the subject property is Ascension St. Vincent's Southside, a 309-bed hospital offering an emergency room as well as mammography and other specialty care. This Sonic Drive-In location is also surrounded by several business parks, office buildings and apartment complexes.

Jacksonville is a seaport city, the most populous city in the state of Florida, and the most populous city in the southeastern United States. A major military and civilian deep-water port, the city's riverine location supports two United States Navy bases and the Port of Jacksonville, Florida's third-largest seaport. The Port of Jacksonville is a leading port in the United States for automobile imports, as well as the leading transportation and distribution hub in the state. Jacksonville serves as headquarters for various banking, insurance, healthcare, and logistics companies. The city is home to many prominent corporations, including the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, and Southeastern Grocers. Three colleges and universities lie within the city's limits: the University of North Florida, Jacksonville University, and Florida State College at Jacksonville.



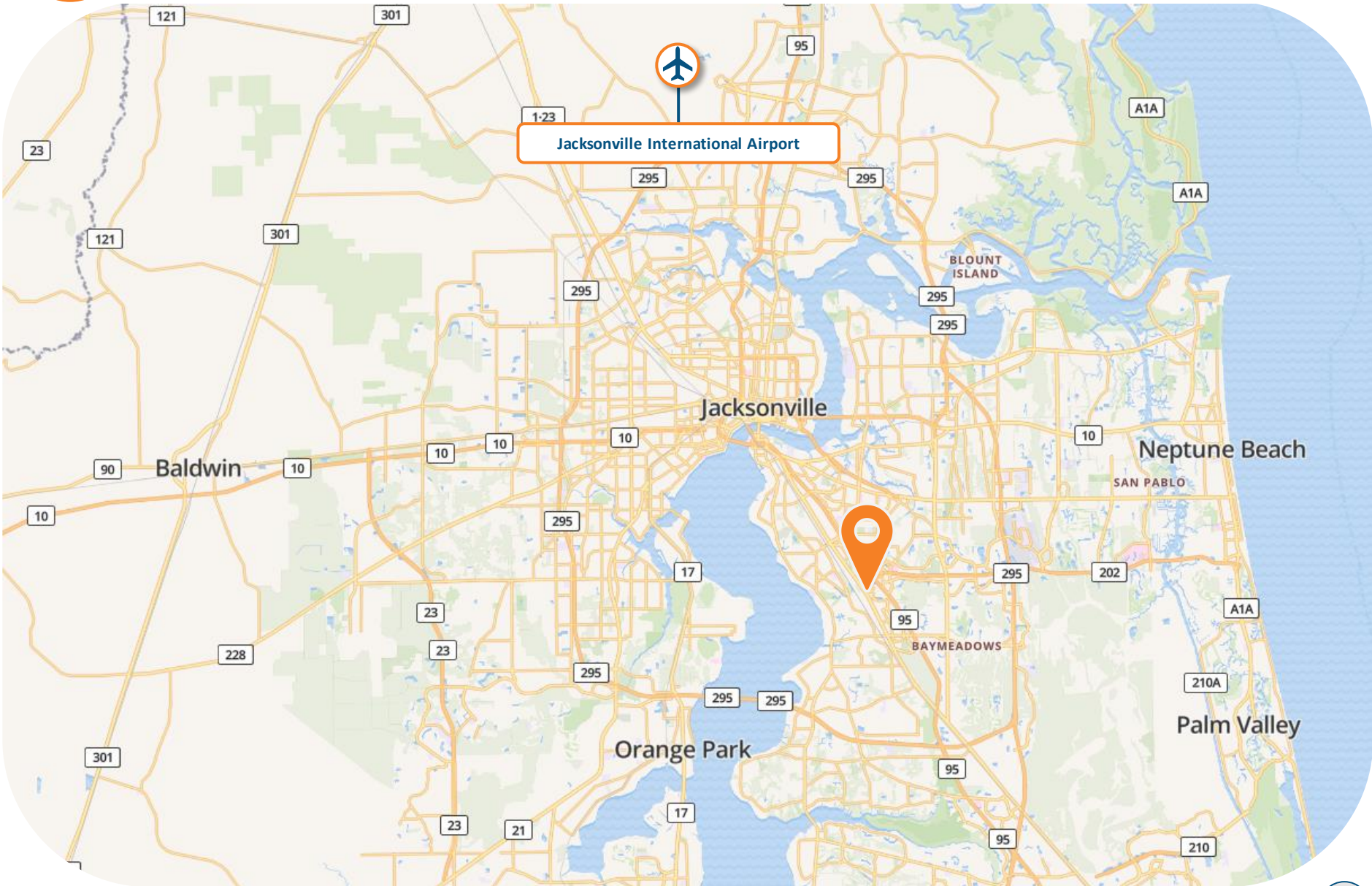


Property Photo



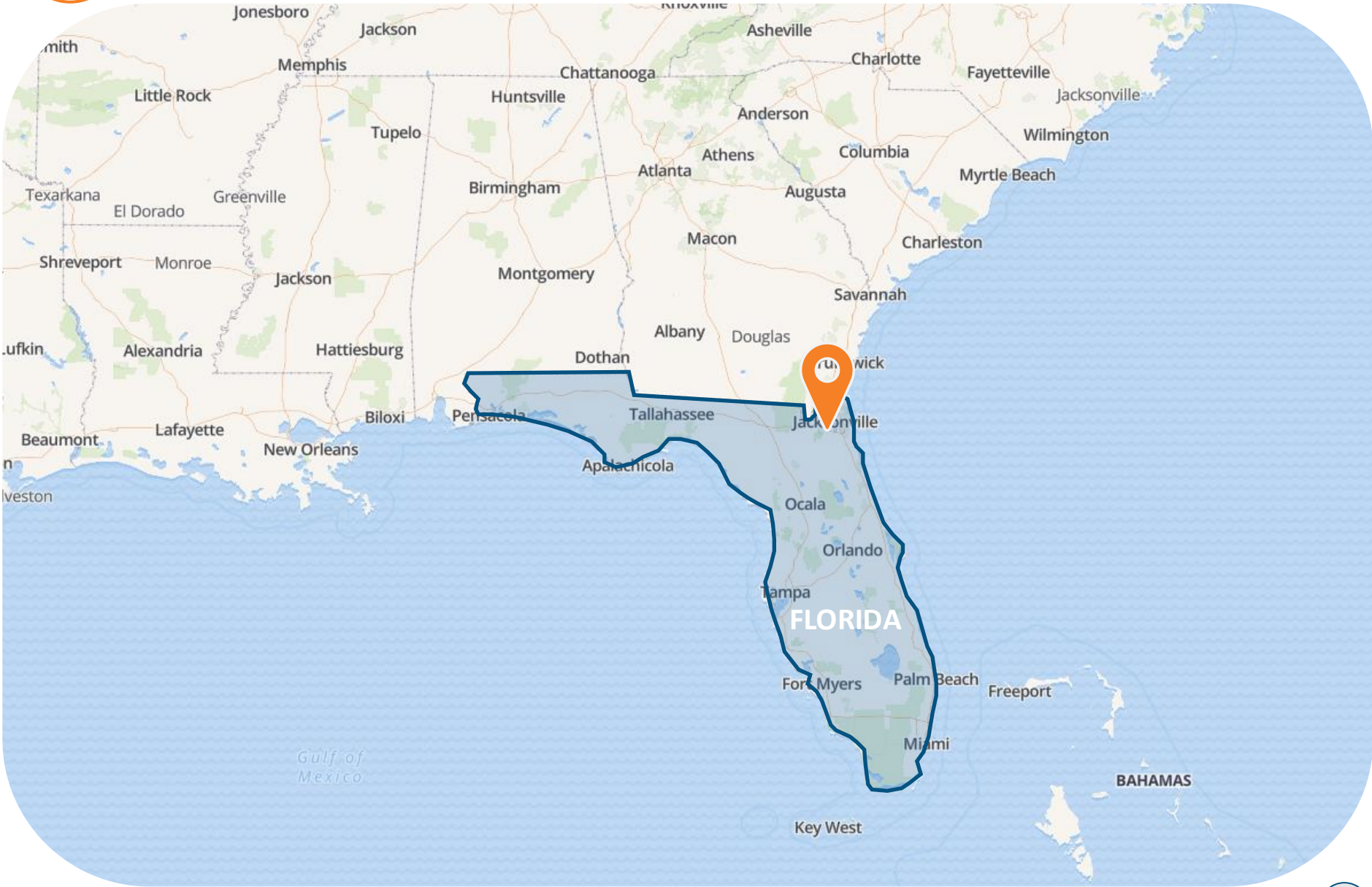


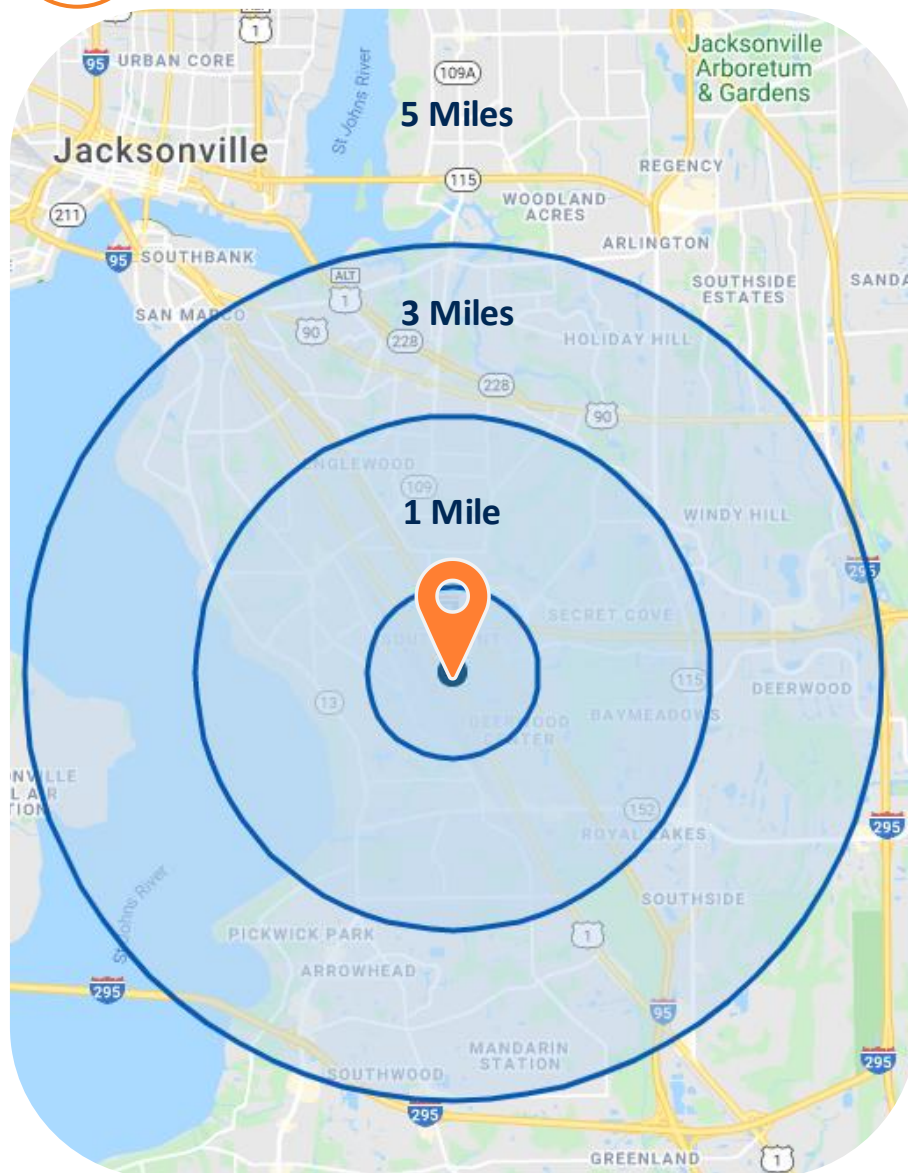
Local Map





Regional Map





	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	6,475	66,919	162,207
2020 Population	7,371	76,765	181,485
2026 Population Projection	7,739	80,687	190,057
Growth 2010 - 2021	1.30%	1.30%	1.10%
Growth 2021 - 2026	1.00%	1.00%	0.90%
POPULATION BY RACE (2021)			
White	4,869	54,300	129,421
Black	1,778	14,169	32,249
American Indian/Alaskan Native	49	415	863
Asian	391	5,326	13,016
Hawaiian & Pacific Islander	5	75	175
Two or More Races	278	2,480	5,761
Hispanic Origin	1,391	11,533	26,869
HOUSEHOLD TRENDS			
2010 Households	2,817	29,691	70,948
2020 Households	3,266	34,607	79,752
2026 Household Projection	3,439	36,463	83,594
Growth 2010 - 2021	1.10%	1.20%	1.00%
Growth 2020 - 2026	1.10%	1.10%	1.00%
AVERAGE HOUSEHOLD INCOME (2021)	\$59,335	\$71,430	\$77,448
MEDIAN HOUSEHOLD INCOME (2021)	\$44,838	\$54,225	\$57,747
HOUSEHOLDS BY HOUSEHOLD INCOME (2021)			
<\$25,000	738	6,620	14,184
\$25,000 - \$50,000	1,043	9,412	20,250
\$50,000 - \$75,000	647	6,708	15,692
\$75,000 - \$100,000	342	4,656	10,576
\$100,000 - \$125,000	259	3,045	7,283
\$125,000 - \$150,000	56	1,449	3,622
\$150,000 - \$200,000	122	1,353	3,899
\$200,000+	59	1,364	4,244



Market Overview



Jacksonville, FL



Jacksonville has a young population and a strong, diversified economy. As of 2021, Jacksonville has an estimated population of 929,647, ranking it as the thirteenth largest city in the United States. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The metro is home to three Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base Kings Bay form the third largest military presence in the United States.

Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, TIAA Bank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurants along the St. Johns River. For those visiting Jacksonville, the Jacksonville International Airport is one option of arrival. The airport had an annual passenger traffic that exceeded 3,960,498 passengers in 2020.

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