

20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



1534 Woodruff Rd, Greenville, SC 29607

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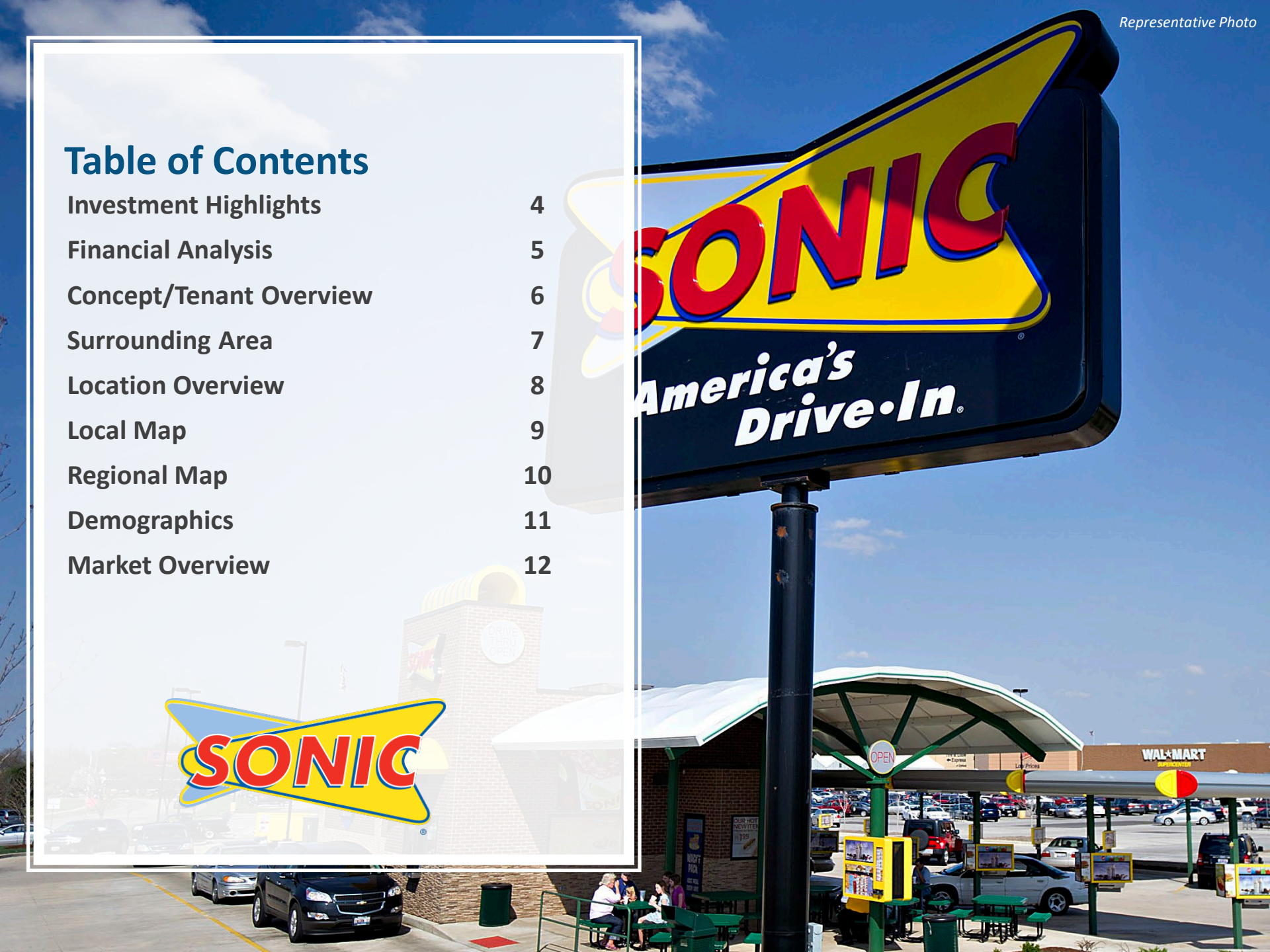


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SONIC
*America's
Drive-In®*





Investment Highlights



PRICE: \$1,556,370 | CAP: 5.15% | RENT: \$80,153

About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from AFG SR OP II, LLC (18 Units)
- ✓ 1.50% Annual Rental Increases Starting Year Six (6)
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

About the Location

- ✓ Dense Retail Corridor | Surrounded By Walmart, Dollar Tree, Chick-fil-A, Aldi, Life Storage, Planet Fitness, Chase Bank, Marathon, and Many More
- ✓ Freestanding Property | Benefits from Excellent Frontage along Woodruff Road
- ✓ Affluent Population | Average Household Income of \$112,000 within a 3-Mile Radius
- ✓ Strong Demographics | Population within a 5-Mile Radius is More than 142,000
- ✓ Conveniently Located Near Interstate 85 | A Major U.S. Highway Servicing Five States in the Southeast Region
- ✓ Favorably Situated Within Greenville, the County Seat Of Greenville County | South Carolina's Sixth Most Populous Municipality

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: \$1,556,370 | CAP: 5.15% | RENT: \$80,153

PROPERTY DESCRIPTION

Property	Sonic
Property Address	1534 Woodruff Road
City, State, ZIP	Greenville, SC 29607
Estimated Building Size	1,404
Estimated Lot Size	+/- 0.76 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,556,370
CAP Rate	5.15%
Annual Rent	\$80,153

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Woodruff, LLC / AFG SR OP II, LLC (18 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 Six (6)
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$80,153	\$6,679	-
Year 2	\$80,153	\$6,679	-
Year 3	\$80,153	\$6,679	-
Year 4	\$80,153	\$6,679	-
Year 5	\$80,153	\$6,679	-
Year 6	\$81,355	\$6,780	1.50%
Year 7	\$82,576	\$6,881	1.50%
Year 8	\$83,814	\$6,985	1.50%
Year 9	\$85,071	\$7,089	1.50%
Year 10	\$86,348	\$7,196	1.50%
Year 11	\$87,643	\$7,304	1.50%
Year 12	\$88,957	\$7,413	1.50%
Year 13	\$90,292	\$7,524	1.50%
Year 14	\$91,646	\$7,637	1.50%
Year 15	\$93,021	\$7,752	1.50%
Year 16	\$94,416	\$7,868	1.50%
Year 17	\$95,832	\$7,986	1.50%
Year 18	\$97,270	\$8,106	1.50%
Year 19	\$98,729	\$8,227	1.50%
Year 20	\$100,210	\$8,351	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 1534 Woodruff Road in Greenville, SC. The site will consist of roughly 1,404 rentable square feet of building space on estimated 0.76-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 \$80,153 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year six (6) 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.

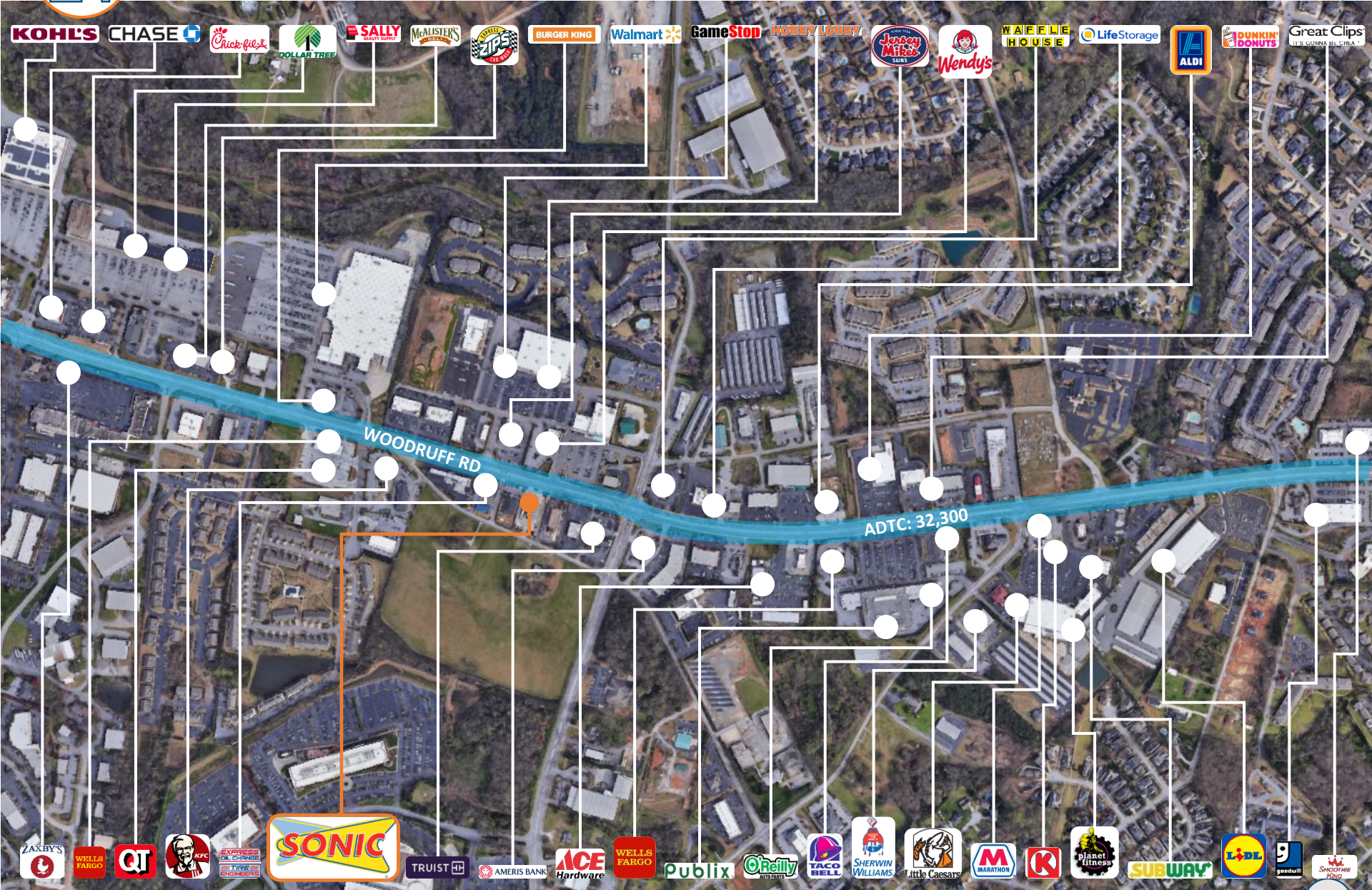


Highly Popular Amidst Covid-19 Pandemic Map of Top QSR Chain in Each State





Surrounding Area





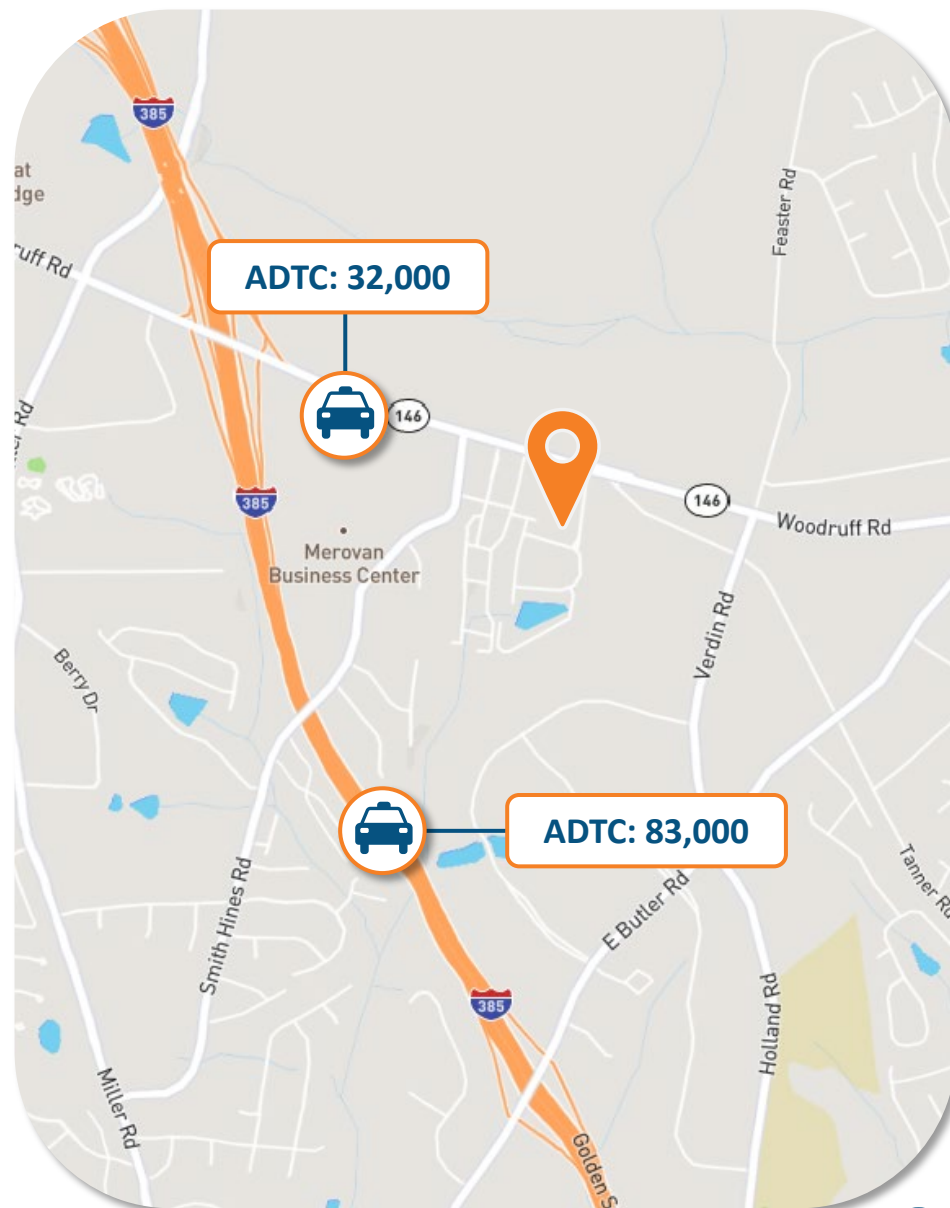
Location Overview



This Sonic Drive-In property is located at 1534 Woodruff Road in Greenville, South Carolina. Greenville is the county seat of Greenville County and is located approximately halfway between Atlanta, GA and Charlotte, NC. Woodruff Road experiences an average daily traffic count exceeding 32,000 vehicles. Golden Strip Freeway intersects with Woodruff Road and brings an additional 83,000 vehicles per day to the area.

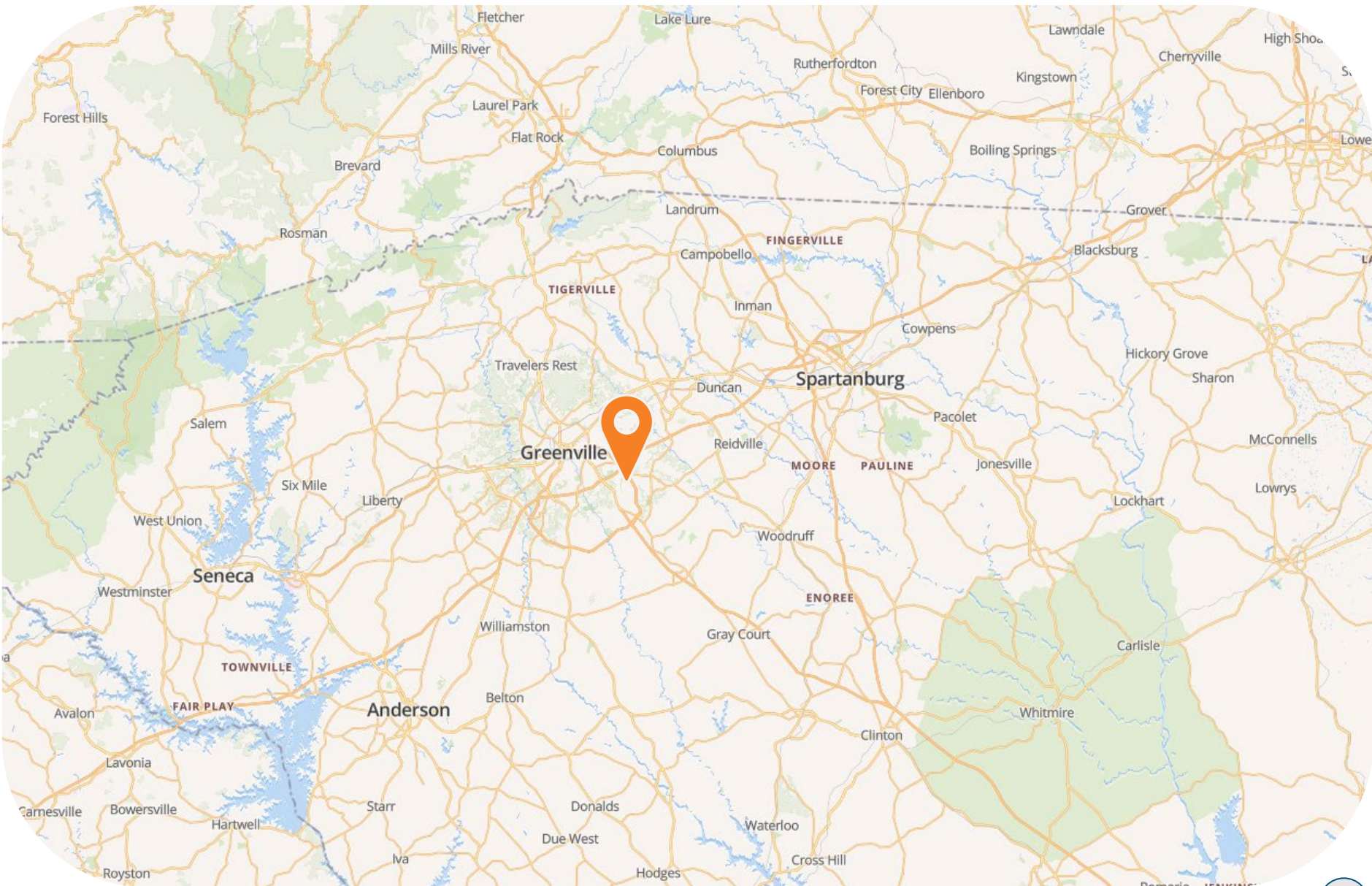
The subject property benefits from its strategic location in a dense retail corridor. Sonic is conveniently located near several major retail tenants in the surrounding area include Walmart, Dollar Tree, Chick-fil-A, Aldi, Life Storage, Planet Fitness, Chase Bank, Marathon and many others. Greenville-Spartanburg International Airport, which services over 2 million passengers annually, is less than 10 miles from the subject property. Interstate 85, which runs from Petersburg, VA to Montgomery, AL, is less than three miles from the subject property. University of South Carolina Upstate, which ranks as the Number 1 Top Public University in the South, is located just over 20 miles from the subject property. This Sonic location is less than 30 miles from Spartanburg which is one of South Carolina's most populous cities.

Greenville is a city in and the seat of Greenville County, South Carolina. Upstate South Carolina's largest municipality and is a great place to start or expand a business. Greenville is located approximately halfway between Atlanta and Charlotte, North Carolina, along Interstate 85, and its metropolitan area also includes Interstates 185 and 385. Greenville was the fourth fastest-growing city in the United States between 2015 and 2016, according to the U.S. Census Bureau. Nestled up against the foothills of the Blue Ridge Mountains in the heart of South Carolina's Upcountry, you'll find Greenville situated just about halfway between Charlotte, North Carolina and Atlanta, Georgia. Greenville's friendly, thriving downtown pulses with things to do year-round. From one-of-a-kind shops, boutiques and art galleries to museums, tours and outdoor activities, Greenville is a welcoming retreat for visitors of every age and explorers of every type. Greenville is the cultural and entertainment center for the upstate, including an award-winning downtown, a major performing arts center, a 17,000-seat arena, a 340,000-square-foot convention and exhibition center, nationally recognized museum collections, and 39 parks, playgrounds and recreation centers.



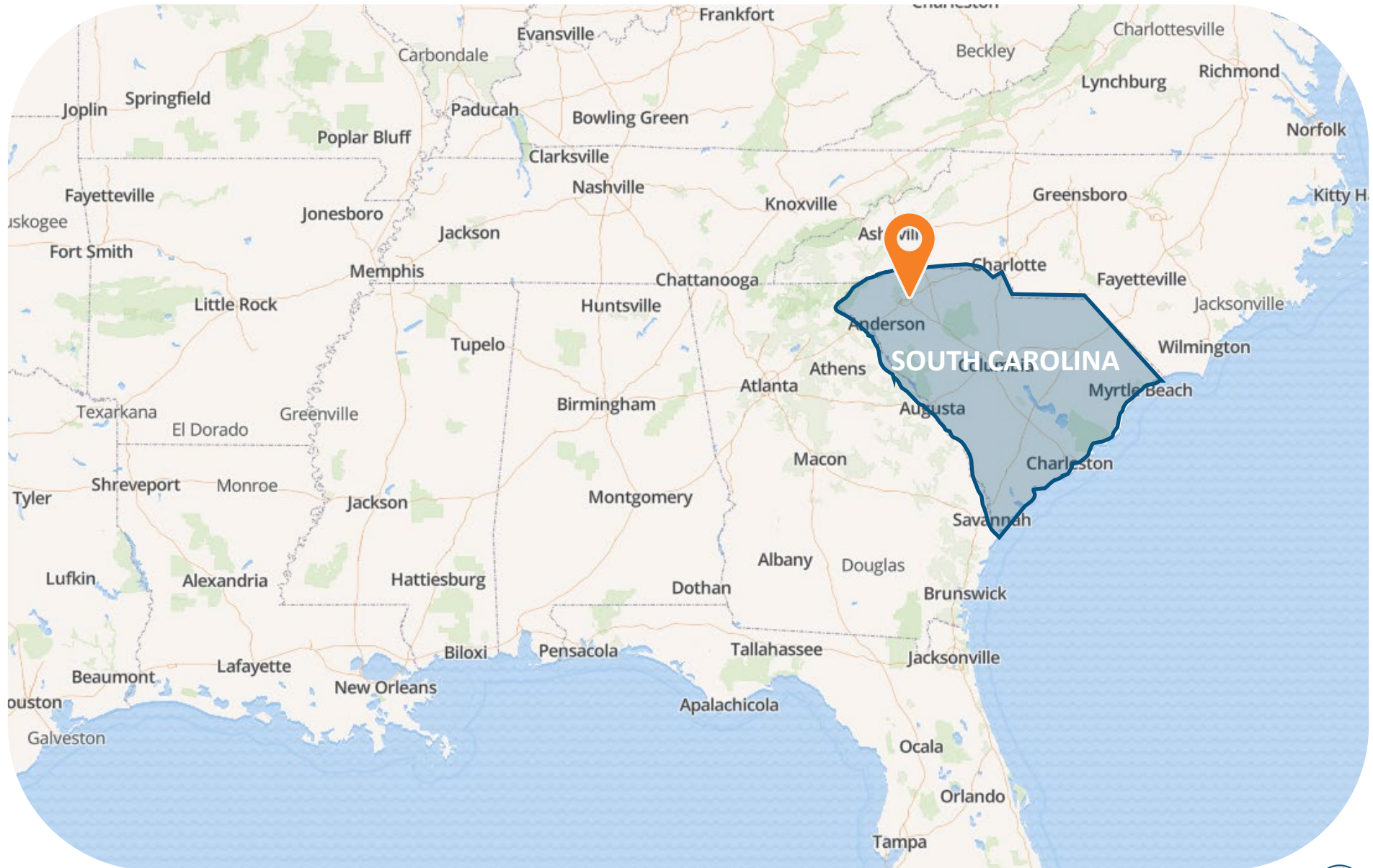


Local Map



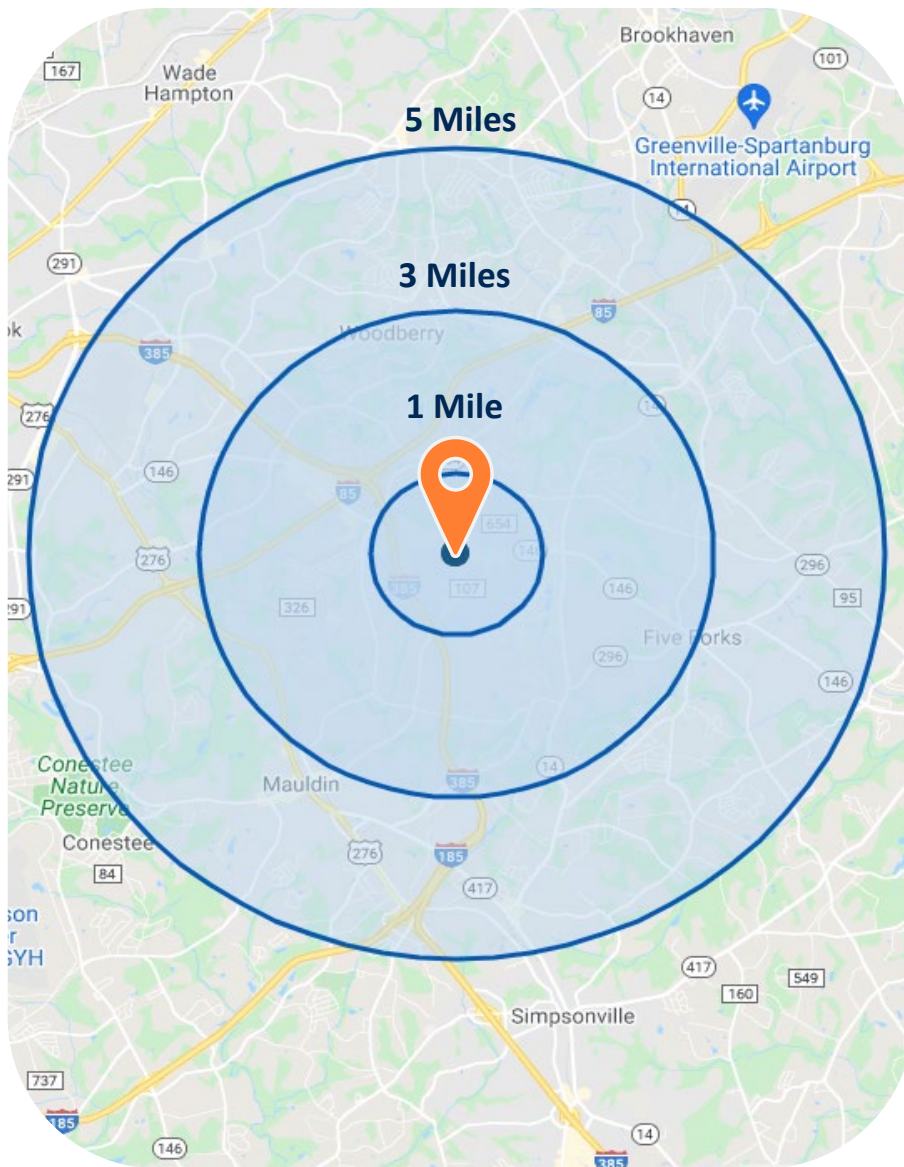


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	4,641	43,703	118,378
2021 Population	5,467	52,515	142,682
2026 Population Projection	5,838	56,217	152,863
Annual Growth 2010-2021	1.60%	1.80%	1.90%
Annual Growth 2021-2026	1.40%	1.40%	1.40%

POPULATION BY RACE (2021)

	1 Mile	3 Miles	5 Miles
White	3,947	41,203	111,989
Black	908	6,492	19,560
American Indian/Alaskan Native	18	176	451
Asian	434	3,543	7,836
Hawaiian & Pacific Islander	4	28	90
Two or More Races	156	1,073	2,757
Hispanic Origin	396	3,332	10,150

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	2,001	17,869	48,167
2021 Households	2,382	21,876	57,952
2026 Household Projection	2,545	23,455	62,022
Growth 2010-2021	1.50%	2.00%	1.70%
Growth 2021-2026	1.40%	1.40%	1.40%

AVERAGE HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$103,287	\$112,648	\$107,999

MEDIAN HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$77,316	\$85,548	\$81,967

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	1 Mile	3 Miles	5 Miles
< \$25,000	289	2,229	5,877
\$25,000 - 50,000	433	3,603	10,709
\$50,000 - 75,000	437	3,741	10,198
\$75,000 - 100,000	340	3,234	7,862
\$100,000 - 125,000	237	2,279	6,351
\$125,000 - 150,000	211	1,679	4,435
\$150,000 - 200,000	159	2,162	5,647
\$200,000+	275	2,948	6,871



Market Overview



Greenville, SC



Greenville is a city in and the seat of Greenville County, South Carolina. Upstate South Carolina's largest municipality and is a great place to start or expand a business. Greenville is located approximately halfway between Atlanta and Charlotte, North Carolina, along Interstate 85, and its metropolitan area also includes Interstates 185 and 385. Greenville was the fourth fastest-growing city in the United States between 2015 and 2016, according to the U.S. Census Bureau. Nestled up against the foothills of the Blue Ridge Mountains in the heart of South Carolina's Upcountry, you'll find Greenville situated just about halfway between Charlotte, North Carolina and Atlanta, Georgia. Greenville's friendly, thriving downtown pulses with things to do year-round. From one-of-a-kind shops, boutiques and art galleries to museums, tours and outdoor activities, Greenville is a welcoming retreat for visitors of every age and explorers of every type. Greenville is the cultural and entertainment center for the upstate, including an award-winning downtown, a major performing arts center, a 17,000-seat arena, a 340,000-square-foot convention and exhibition center, nationally recognized museum collections, and 39 parks, playgrounds and recreation centers. Greenville's economy was formerly based largely on textile manufacturing, and the city was long known as "The Textile Capital of the World". In the last few decades, favorable wages and tax benefits have lured foreign companies to invest heavily in the area. The city is the North American headquarters for Michelin, AVX Corporation, NCEES, Ameco, Southern Tide, Confluence Outdoor, Concentrix, JTEKT, Cleva North America, Hubbell Lighting subsidiary of Hubbell Incorporated, Greenville News, Greenville Health System, and Scansource. In 2003, the International Center for Automotive Research was created, establishing CUICAR as the new model for automotive research. The Center for Emerging Technologies in mobility and energy was opened in 2011, hosting a number of companies in leading edge R&D and the headquarters for Sage Automotive.

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