



\$3,643,000 | 3.50% CAP RATE

10131 N KINGS HWY  
MYRTLE BEACH, SC





## OFFERING SUMMARY

Atlantic Capital Partners has been engaged to offer an absolute NNN ground lease to Chick-fil-A in Myrtle Beach, SC. The Myrtle Beach area, also known as The Grand Strand, is one of the most popular tourist destinations in the country with over 19M annual visitors. This Chick-fil-A is also ideally located with no other Chick-fil-A location within a 10-mile drive and as an outparcel to Myrtle Beach Mall, a 575,000 SF mall featuring a top Bass Pro Shops store.

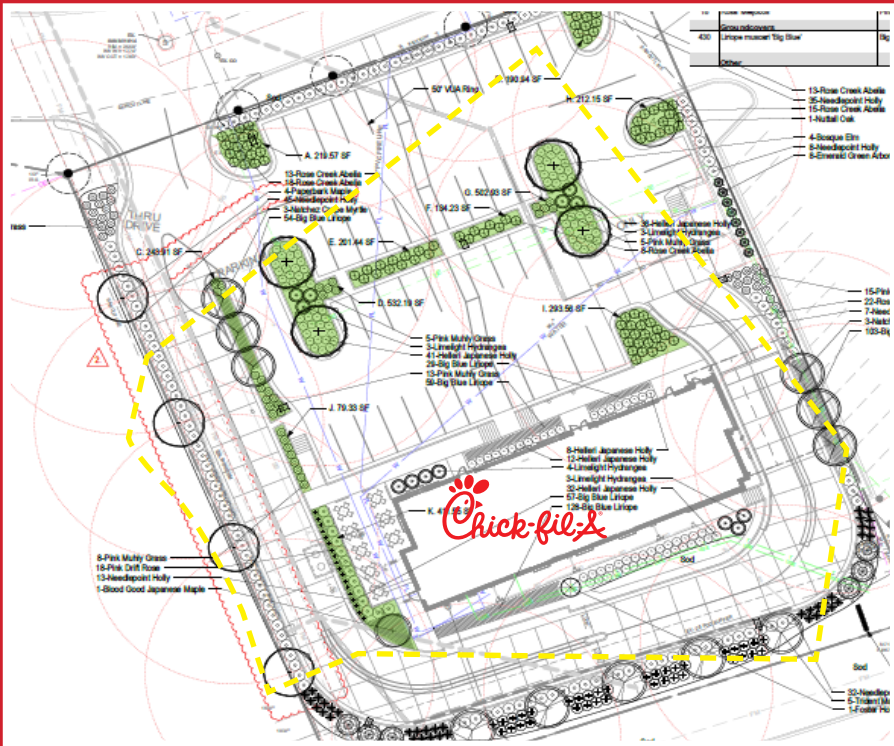
## INVESTMENT HIGHLIGHTS

- Outparcel to Myrtle Beach Mall
- Brand New Construction
- Passive Income
- 10% Rent Increases Every 5 Years
- Fills a Gap in the Market - No other CFA lies within a 10 mile drive
- Corporate Guaranty from Premier Brand
- Myrtle Beach is a Top Tourist Destination in the Country - 19M Annual Visitors
- Less than 2 miles from Barefoot Landing- 64 acre mixed use development

## EXECUTIVE SUMMARY

PROPERTY	Ground Lease to Chick-Fil-A
LOCATION	10131 N Kings Hwy Myrtle Beach, SC 29572
BUILDING SIZE (GLA)	± 5,153 SF
LAND SIZE	± 1.28 Acres
TENANT/GUARANTOR	Chick-Fil-A/Corporate
RENT TYPE	Absolute NNN Ground Lease
RENT	
COMMENCEMENT	12/15/2021 (Estimated)
CURRENT RENT	\$ 127,500.00

RENT SCHEDULE	RENT
BASE TERM (YEARS 1-5)	\$127,500
BASE TERM (YEARS 6-10)	\$140,250
BASE TERM (YEARS 11-15)	\$154,275
1ST EXTENSION TERM	\$169,703
2ND EXTENSION TERM	\$186,673
3RD EXTENSION TERM	\$205,340
4TH EXTENSION TERM	\$225,874
5TH EXTENSION TERM	\$248,461
6TH EXTENSION TERM	\$273,308
7TH EXTENSION TERM	\$300,638
8TH EXTENSION TERM	\$330,702



24,873  
PEOPLE WITHIN A 5 MILE RADIUS

\$97,699  
AVERAGE HOUSEHOLD INCOME IN A 1 MILE RADIUS

51,700  
ADT ON N KINGS HWY





## INVESTMENT HIGHLIGHTS

- **Outparcel to Myrtle Beach Mall & Across the Street from the Tanger Outlets** - Regional destination retail developments featuring over 979,000 SF of retail, helping drive significant patron volume to the property
- **Brand New Construction** - This Chick-Fil-A is currently under construction and set to be completed in December 2021
- **Passive Income**- 15 year Absolute NNN lease providing truly passive income
- **Significant Base Rent Increases** - 10% rent increases every 5 years during the initial term and at each renewal option providing a hedge against inflation
- **Fills a Gap in the Market**- No other Chick-Fil-A lies within a 10 mile drive from the subject property | Over 4,000 hotel rooms lie within a 3-mile radius of the property
- **Corporate Guaranty from Premier Brand**- Leading chicken QSR with over \$11B of annual sales and 52 years of positive growth | Chick-Fil-A has the second highest average sales per store with over \$5M/store
- **Top Tourist Destination in the Country**- The Grand Strand, which includes Myrtle Beach, hosts approximately 19 million tourists annually | Myrtle Beach ranked third on most popular tourist destinations for Americans by Trip Advisor in 2021
- **High Ranking Area**- Myrtle Beach consistently ranks as one of the top Beach Towns to live in | Ranked as the #9 best small city in America
- **Growing Area**- Myrtle Beach is one of the fastest-growing small cities in the country; already home to 25 international companies, it's in the top 10 for foreign direct investment
- **High Income Trade Area**- Average household income of over \$91,000 within a 1,3,and 5-mile radius of the property
- **Excellent Exposure on Heavily Trafficked Road**- N Kings Hwy (51,700 VPD) | US-501 (23,000 VPD)
- **Less than 2 miles from Barefoot Landing**- 64 acres, 250,000+ SF mixed use development that welcomes over 6 million visitors annually



# ABSOLUTE NNN GROUND LEASE

## CORPORATE CHICK-FIL-A

Atlantic Capital Partners has been engaged to offer a free-standing, single-tenant, absolute NNN ground lease Chick-fil-A. A top performing tenant in the country, Chick-fil-A realizes over \$5M average annual sales per location, second amongst all QSR in the country. The property sits on the heavily trafficked road of N Kings Hwy, with excellent exposure to 51,700 vehicles per day. Located in one of the most heavily visited cities in America, over 4,000 hotel rooms lie within a 3-mile radius of the property with no other Chick-fil-A location within the same radius distance. Myrtle Beach is a year round destination thanks to it's beaches, golf courses, shopping, amusement parks, and much more.

Situated on a 1.28 acre parcel, this Chick-fil-A is currently under construction and rent is set to commence in mid December 2021, allowing a potential investor to capture all of Chick-fil-A's 15-year rent. Chick-fil-A has 10% base rent increases every 5 years during the initial term and at each renewal option, allowing an investor to acquire truly passive income with a great hedge against inflation. The income from this lease is further enhanced by the guarantor of the lease, Chick-fil-A Inc.

Chick-fil-A | Myrtle Beach, SC is being offered for sale free-and-clear of existing debt for \$3,643,000, which equates to a 3.50% cap rate on the current net operating income.

- Year 1 Rent: \$127,500
- 5,153 SF Building
- December 2036 Lease Expiration
- 10% Escalations Every 5 Years
- Zero Landlord Responsibilities
- Eight (8), Five Year Options







## MYRTLE BEACH, SC

The Myrtle Beach area, popularly known as the Grand Strand, stretches from Little River to Pawleys Island, and is comprised of 14 communities along the South Carolina coast. Home to world-class golf, 60 miles of wide, sandy beaches, exciting entertainment, family attractions and Southern hospitality, the Myrtle Beach area presents the quintessential vacation experience, welcoming over 19 million visitors annually. Approximately 325,000 people reside in the Grand Strand.

There are approximately 425 hotels and 98,600 accommodation units in the Myrtle Beach area. From elegant golf and seaside resorts to rustic cottages, bed & breakfasts, and mom & pop motels, the Myrtle Beach area offers accommodations for every taste and appeals to every type of traveler. There are also several campgrounds and mega RV park located between Myrtle Beach and the South Strand, many of which are oceanfront or just steps away from the beach. In addition, there are a number of beach homes and condos available for rent, thereby giving vacationing families a true home away from home.

Myrtle Beach is one of the premier destinations for travelers looking to have a good time. Aside from spending time at the beach, Myrtle Beach has tons of other attractions to lure visitors. In terms of shopping, Myrtle Beach has plenty to see. From Broadway at the Beach, Barefoot Landing, and Coastal Grand Mall, potential shoppers are in for a treat. Myrtle Beach is also a golfer's paradise. With over 90 courses to choose from, it's no wonder why some have called Myrtle Beach the 'Golf Capital of the World.' There are approximately 3.2 million rounds of golf played annually in the Myrtle Beach area. The Grand Strand offers a wide range of unique attractions and exciting entertainment options, from shopping, dining, water sports, and theme parks, to live entertainment theaters, nightclubs, and celebrity concerts.





CLOSEST CHICK-FIL-A LOCATIONS - FILLING A GAP					
NUMBER	ADDRESS	CITY	STATE	ZIP CODE	DISTANCE FROM SITE
1	1100 Jetport Rd	Myrtle Beach	SC	29577	14.4 miles
2	2000 Coastal Grand Circle	Myrtle Beach	SC	29577	15.3 miles
3	1940 Mister Joe White Ave	Myrtle Beach	SC	29577	10 miles
4	690 Hwy 17 N	N Myrtle Beach	SC	29582	15.5 miles



# ABOUT CHICK-FIL-A

Atlanta-based Chick-fil-A, Inc. is a family owned and privately held restaurant company founded on May 23, 1946 by S. Truett Cathy. Devoted to serving the local communities in which its franchised restaurants operate, and known for its original chicken sandwich, Chick-fil-A serves freshly prepared food in more than 2,500 restaurants in 47 states, Washington, D.C., and Canada. A leader in customer service satisfaction, Chick-fil-A was named top fast food restaurant in Newsweek’s 2019 America’s Best Customer Service report and received several honors in QSR’s 2019 Reader’s Choice Awards, including “The Most Respected Quick-Service Brand” and “Best Brand for Overall Experience”. Additionally, Glassdoor named Chick-fil-A one of the top 100 best places to work in 2020.

More information on Chick-fil-A is available at [www.chick-fil-a.com](http://www.chick-fil-a.com).



**QUICK FACTS**

<b>FOUNDED</b>	<b>1946</b>
<b>ANNUAL REVENUE</b>	<b>\$11.3 Billion</b>
<b>OWNERSHIP</b>	<b>Private</b>
<b># OF LOCATIONS</b>	<b>2,500+</b>
<b>HEADQUARTERS</b>	<b>Atlanta, GA</b>



# Chick-fil-A Lease Abstract

Lessee	Chick-Fil-A Inc.			
Demised Premises	approximately 1.28 acres located at the Myrtle Beach Mall in Horry County, South Carolina			
Lease Term	15 years			
Rent Commence-ment	12/15/2021*			
Expiration Date	12/14/2036			
Rent Schedule	Term	Rent	Monthly	\$/SF/Year
Base Term	12/15/2021-12/14/2026	\$127,500	\$10,625	\$24.74
Base Term	12/15/2026-12/14/2031	\$140,250	\$11,688	\$27.22
Base Term	12/15/2031-12/14/2036	\$154,275	\$12,856	\$29.94
1st Extension Term	12/15/2036-12/14/2041	\$169,703	\$14,142	\$32.93
2nd Extension Term	12/15/2041-12/14/2046	\$186,673	\$15,556	\$36.23
3rd Extension Term	12/15/2046-12/14/2051	\$205,340	\$17,112	\$39.85
4th Extension Term	12/15/2051-12/14/2056	\$225,874	\$18,823	\$43.83
5th Extension Term	12/15/2056-12/14/2061	\$248,461	\$20,705	\$48.22
6th Extension Term	12/15/2061-12/14/2066	\$273,308	\$22,776	\$53.04
7th Extension Term	12/15/2066-12/14/2071	\$300,638	\$25,053	\$58.34
8th Extension Term	12/15/2071-12/14/2076	\$330,702	\$27,559	\$64.18
Percentage Rent	NA			
Renewal Terms	Tenant will have the option to renew the term of this Lease for eight (8) consecutive periods of five (5) years each			

\*Estimated Rent Commencement Date

Permitted Use	The Demised Premises may be used for any lawful retail purpose, including a restaurant.
Expansion Options	Subject to Landlord's prior approval rights as set forth in this Section 8, Tenant may at any time construct, remove, replace and alter the buildings and other improvements on the Land as Tenant, in its commercially reasonable discretion, determines are desirable for conducting its business.
Termination Options	N/A
Real Estate Taxes	Tenant will pay all taxes that become due and payable after the Rent Commencement Date through the term of this Lease with respect to the Land and the buildings and the personal property owned by the Tenant, including any special or general assessments
Repairs & Maintenance	Tenant will, at all times and at its own cost and expense, maintain, repair and replace all buildings and improvements on the Demised Premises, including any parking areas, landscaping and drive aisles located on the Demised Premises.  Landlord will not be required to furnish any services or facilities or to make any improvements, repairs, or alterations in or to the Land or improvements on the Land during the term of the lease.
Utilities	Tenant will pay all charges for sewer, water, gas, electricity, and other services furnished to the Demised Premises during the term of this Lease
Insurance	Tenant will obtain and keep in force commercial general liability insurance covering the Demised Premises with limits of at least Three Million Dollars (\$3,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate for bodily injury and property damage.  Tenant will keep Tenant's buildings and improvements on the Land insured against loss or damage by fire and customary extended coverage on a replacement cost basis.
Estoppel Certificate	Within thirty (30) days after written request of the other
Holding Over	150% of base rent
Documents Provided	"20 07 23 MB CFA_Ground Lease-Fully Executed"





DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2026 POPULATION PROJECTION	2,200	9,986	24,873
2021 POPULATION	1,951	8,884	21,976
2010 POPULATION	1,387	6,784	15,885
ANNUAL GROWTH RATE 2020-2025	2.43%	2.37%	2.51%
ANNUAL GROWTH RATE 2010-2020	3.08%	2.43%	2.93%

POPULATION BY RACE	1 MILE	3 MILES	5 MILES
WHITE	84.01%	85.37%	81.14%
BLACK	6.87%	5.81%	10.09%
HISPANIC	8.00%	7.23%	7.75%
AMERICAN INDIAN/ALASKAN	0.31%	0.38%	0.45%
NATIVE			
ASIAN	2.15%	1.80%	1.75%
PACIFIC ISLANDER	0.10%	0.14%	0.11%
OTHER	4.20%	4.12%	3.93%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	722	3,312	7,518
2020 HOUSEHOLDS	1,009	4,360	10,450
2025 HOUSEHOLD PROJECTION	1,139	4,911	11,860
ANNUAL GROWTH 2020-2025	2.45%	2.41%	2.56%
OWNER OCCUPIED	759	3,223	6,900
RENTER OCCUPIED	250	1,137	3,550

2020 HOUSEHOLDS BY HOUSEHOLD INC:			
AVG HOUSEHOLD INCOME	\$95,230	\$97,699	\$91,158
MEDIAN HOUSEHOLD INCOME	\$69,014	\$63,305	\$59,644
< \$25,000	126	663	1,530
\$25,000 - 50,000	251	1,050	2,658
\$50,000 - 75,000	156	750	2,132
\$75,000 - 100,000	164	559	1,210
\$100,000 - 150,000	167	643	1,418
\$150,000 - 200,000	61	262	619
\$200,000 +	84	432	883





\$3,643,000 | 3.50% CAP RATE

CHICK-FIL-A  
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## PRIMARY DEAL CONTACTS

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