

20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



2470 Shorter Avenue, Rome, GA 30165

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SONIC
*America's
Drive-In®*





Investment Highlights



PRICE: \$1,981,308 | CAP: 5.35% | RENT: \$106,000

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, Lowe's, Big Lots, Sam's Club, Advance Auto Parts, Family Dollar, Planet Fitness, U-Haul, Ollie's Bargain Outlet, and Many More
- ✓ Strong Traffic Counts | Average Daily Traffic Count of Over 33,300 Vehicles on Shorter Avenue, And An Average Daily Traffic Count of Over 22,200 Vehicles on Redmond Circle
- ✓ Affluent Suburban Community | Average Household Income Over \$70,000 Within Three-Mile Radius
- ✓ Strong Underlying Real Estate | Within Four Miles of Floyd Medical Center & Redmond Regional Medical Center | More than 500 Combined Staffed Beds

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: \$1,981,308 | CAP: 5.35% | RENT: \$106,000

PROPERTY DESCRIPTION

Property	Sonic
Property Address	2470 Shorter Ave
City, State, ZIP	Rome, GA 30165
Estimated Building Size	1,547
Estimated Lot Size	+/- 0.73 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,981,308
CAP Rate	5.35%
Annual Rent	\$106,000

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Rome, 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	\$106,000	\$8,833	-
Year 2	\$106,000	\$8,833	-
Year 3	\$106,000	\$8,833	-
Year 4	\$106,000	\$8,833	-
Year 5	\$106,000	\$8,833	-
Year 6	\$107,590	\$8,966	1.50%
Year 7	\$109,204	\$9,100	1.50%
Year 8	\$110,842	\$9,237	1.50%
Year 9	\$112,505	\$9,375	1.50%
Year 10	\$114,192	\$9,516	1.50%
Year 11	\$115,905	\$9,659	1.50%
Year 12	\$117,644	\$9,804	1.50%
Year 13	\$119,408	\$9,951	1.50%
Year 14	\$121,199	\$10,100	1.50%
Year 15	\$123,017	\$10,251	1.50%
Year 16	\$124,863	\$10,405	1.50%
Year 17	\$126,736	\$10,561	1.50%
Year 18	\$128,637	\$10,720	1.50%
Year 19	\$130,566	\$10,881	1.50%
Year 20	\$132,525	\$11,044	1.50%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 2470 Shorter Ave in Rome GA. The site will consist of roughly 1,547 rentable square feet of building space on estimated 0.73-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 \$106,000 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year six (6) of the base term and into 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



topdax



Surrounding Area





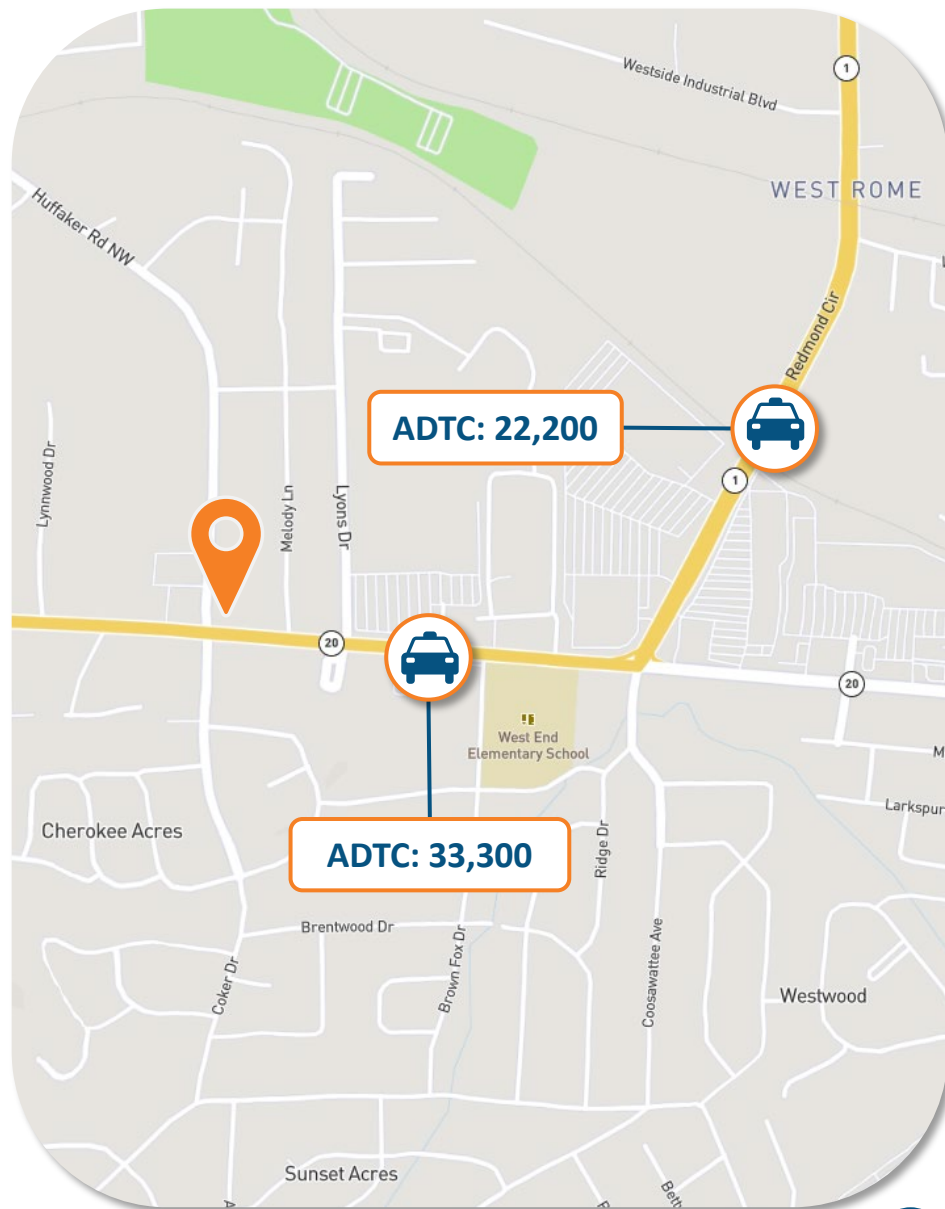
Location Overview



This Sonic Drive-In property is located at 2470 Shorter Avenue in Rome, Georgia. Shorter Avenue has an average daily traffic count of 33,300 vehicles. Additionally, the intersecting Redmond Circle has its own average daily traffic count of over 22,200 vehicles. Average household income exceeds \$70,000 for homes within three miles of the subject property. There are more than 27,000 individuals residing within a three-mile radius of the subject property and more than 43,000 individuals within a five-mile radius.

The subject property benefits from its strategic location in a dense retail corridor with a variety of national and local tenants. Some of the national tenants include Walmart, Lowe's, Big Lots, Sam's Club, Advance Auto Parts, Family Dollar, Planet Fitness, U-Haul, Ollie's Bargain Outlet, and many more. Additionally, nearby hospitality accommodations include Garden Inn & Suites and the Baymont by Wyndham. The investment property is within four miles of Redmond Regional Medical Center. This medical, surgical, and rehab hospital has a staff of over 1,200 people, and it has a bed count total of 230. The subject property is also located within four miles of Floyd Medical Center, a Level II Trauma Center with 317 beds and over 400,000 patient encounters annually. Additionally, the Sonic Drive-In is under seven miles from Georgia Northwestern Technical College, a school serving nine counties across northwestern Georgia that has an enrollment of over 13,500 students. This subject property in Rome is 70 miles from downtown Atlanta.

Rome is the largest city in and the county seat of Floyd County. It benefits from the strength of economic diversity, as its economy ranges on a variety of fields such as manufacturing, education, healthcare, technology, tourism, and others. The city is well-known in the area for its medical facilities, but it is also very prominent due to the presence of large companies in its technology industry such as Brugg Cables, Telecom, Suzuki, and Pirelli. The Kerry Group also announced the building a new food manufacturing facility in Roma for \$125 million, the largest capital investment ever made by the company. Additionally, Rome's local economy benefits greatly from sports tourism.





Property Photos



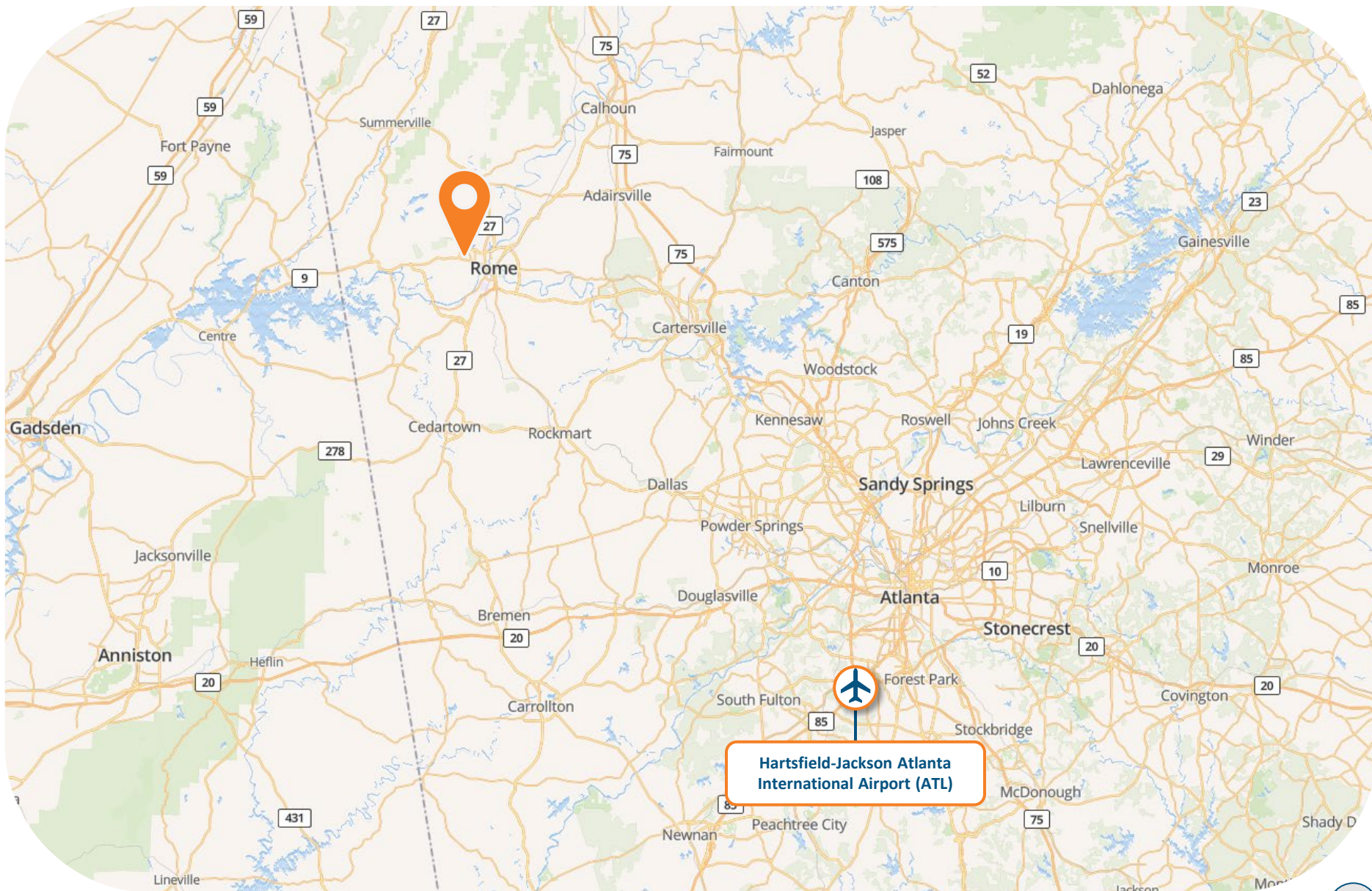


Surrounding Area Photos



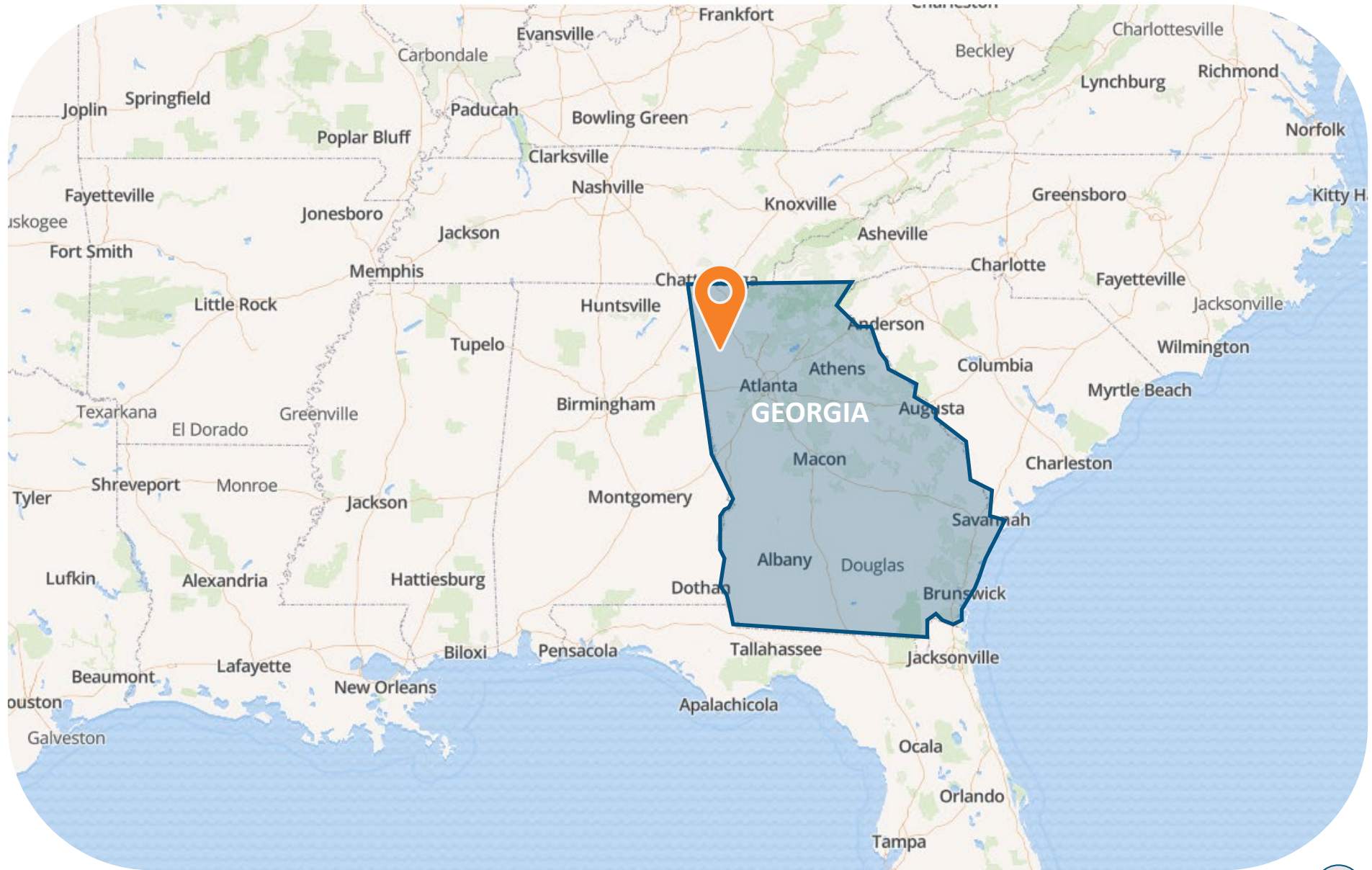


Local Map



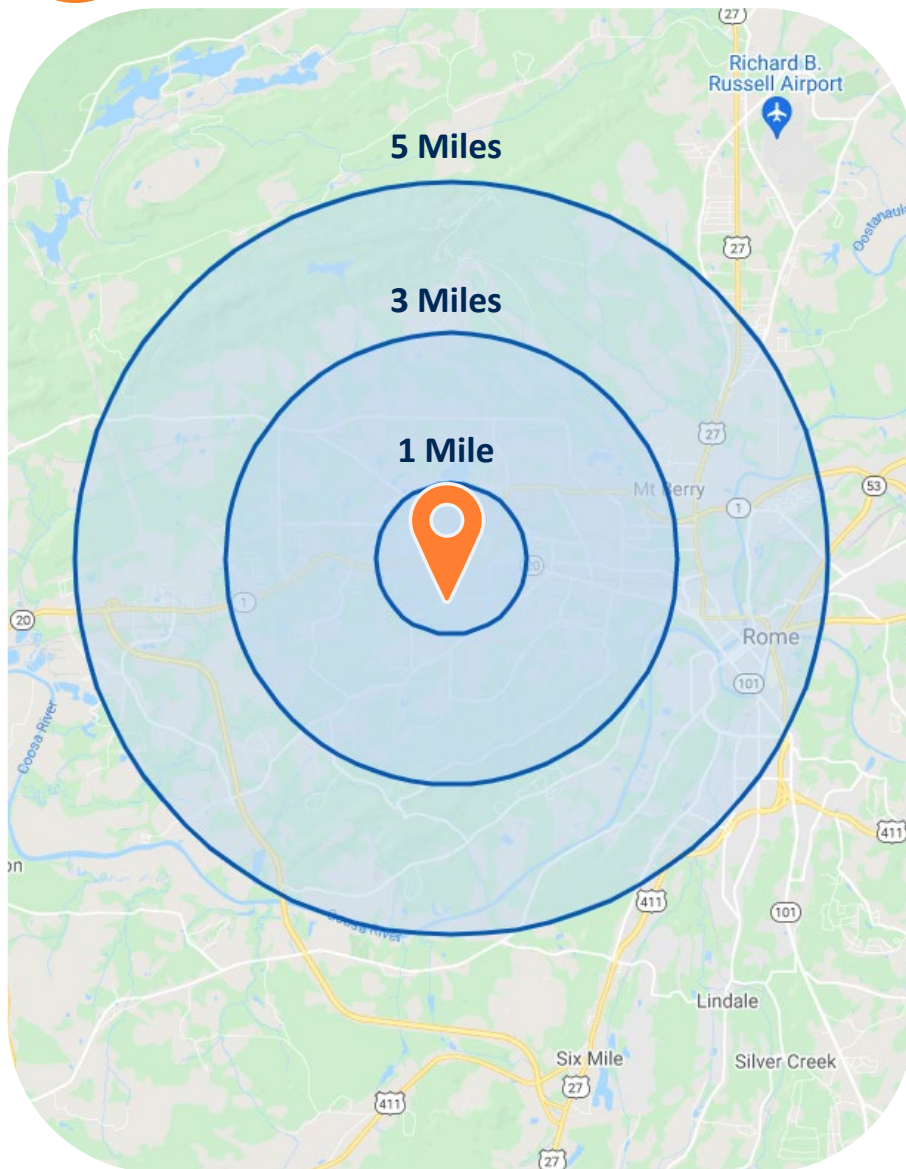


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	5,920	27,289	42,219
2021 Population	5,998	27,878	43,843
2026 Population Projection	6,140	28,581	45,081
Annual Growth 2010-2021	0.10%	0.20%	0.40%
Annual Growth 2021-2026	0.50%	0.50%	0.60%

POPULATION BY RACE (2021)

	1 Mile	3 Miles	5 Miles
White	4,852	21,695	31,836
Black	758	4,134	9,249
American Indian/Alaskan Native	54	471	587
Asian	157	740	870
Hawaiian & Pacific Islander	5	100	230
Two or More Races	172	739	1,071
Hispanic Origin	1,477	7,109	9,187

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	2,219	9,362	15,175
2021 Households	2,241	9,593	15,803
2026 Household Projection	2,293	9,842	16,260
Growth 2010-2021	0.00%	0.10%	0.10%
Growth 2021-2026	0.50%	0.50%	0.60%

AVERAGE HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$66,323	\$70,219	\$65,707

MEDIAN HOUSEHOLD INCOME (2021)

1 Mile	3 Miles	5 Miles
\$47,425	\$52,935	\$46,236

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

	1 Mile	3 Miles	5 Miles
< \$25,000	552	2,085	4,267
\$25,000 - 50,000	620	2,508	4,046
\$50,000 - 75,000	408	1,814	2,814
\$75,000 - 100,000	172	1,106	1,605
\$100,000 - 125,000	294	980	1,302
\$125,000 - 150,000	45	370	545
\$150,000 - 200,000	63	341	635
\$200,000+	86	390	590



Market Overview



Atlanta, GA

Atlanta has a metropolitan area that encompasses 29 counties in northwestern Georgia. With few natural barriers to limit development, tremendous population growth over the past decade expanded the metro's borders and the region now has a population of roughly 5.7 million people. Over the next five years the region is expected to add nearly 500,000 residents. Meanwhile, new redevelopment projects in the downtown and midtown sections of Atlanta present a vast array of housing, entertainment and retail opportunities that are enticing residents back into the city and providing options for people moving to the metro. Encompassing \$304 billion, the Atlanta metropolitan area is the eighth largest economy in this country and 17th-largest in the world. Over 75 percent of Fortune 1000 companies conduct business in Atlanta. Many corporations are drawn to Atlanta on account of the city's educated workforce. As of 2010 43 percent of adults in the city have college degrees, compared to 27 percent in the nation as a whole. Atlanta is home to the headquarters of many different corporations such as The Coca-Cola Company, The Home Depot, Delta Air Lines, AT&T Mobility, Chick-fil-A, UPS, and Newell Rubbermaid among others. Atlanta has a dynamic, distinctly Southern culture. This is due to a large population of migrants from other parts of the U.S., in addition to many recent immigrants to the U.S. who have made the metropolitan area their home, establishing Atlanta as the cultural and economic hub of an increasingly multi-cultural metropolitan area. Thus, although traditional Southern culture is part of Atlanta's cultural fabric, it is mostly the backdrop to one of the nation's most cosmopolitan cities. This unique cultural combination reveals itself in the arts district of Midtown, the quirky neighborhoods on the city's eastside, and the multi-ethnic enclaves found along Buford Highway. Atlanta is home to four professional sports teams: the Atlanta Braves (MLB), the Atlanta Hawks (NBA), the Atlanta Falcons (NFL), and Atlanta United FC (MLS).

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