

# 20-Year NNN Sale-Leaseback

EXCLUSIVE NET-LEASE OFFERING



## OFFERING MEMORANDUM



954 North Pleasantburg Dr, Greenville, SC 29607

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**SONIC**  
*America's  
Drive-In®*





# Investment Highlights

PRICE: \$2,095,238 | CAP: 5.25% | RENT: \$110,000



## 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 Family Dollar, CVS Pharmacy, Walgreens, Dollar General, Starbucks, Wendy's and Many More
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$86,000 for Homes within Three Miles of the Subject Property
- ✓ Large Student Presence | Over 3,800 Students Within a One Mile Radius
- ✓ Strong Demographics | Population Within a Five-Mile Radius is More Than 177,600 People | Population Within a Three-Mile Radius is More Than 71,300 People
- ✓ Strong Underlying Real Estate | Bob Jones University is Less Than One Mile Away

## 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: \$2,095,238 | CAP: 5.25% | RENT: \$110,000

## PROPERTY DESCRIPTION

Property	Sonic
Property Address	954 North Pleasantburg Dr
City, State, ZIP	Greenville, SC 29607
Estimated Building Size	1,525
Estimated Lot Size	+/- 0.67 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,095,238
CAP Rate	5.25%
Annual Rent	\$110,000

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Pleasantburg, 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	\$110,000	\$9,167	-
Year 2	\$110,000	\$9,167	-
Year 3	\$110,000	\$9,167	-
Year 4	\$110,000	\$9,167	-
Year 5	\$110,000	\$9,167	-
Year 6	\$111,650	\$9,304	1.50%
Year 7	\$113,325	\$9,444	1.50%
Year 8	\$115,025	\$9,585	1.50%
Year 9	\$116,750	\$9,729	1.50%
Year 10	\$118,501	\$9,875	1.50%
Year 11	\$120,279	\$10,023	1.50%
Year 12	\$122,083	\$10,174	1.50%
Year 13	\$123,914	\$10,326	1.50%
Year 14	\$125,773	\$10,481	1.50%
Year 15	\$127,659	\$10,638	1.50%
Year 16	\$129,574	\$10,798	1.50%
Year 17	\$131,518	\$10,960	1.50%
Year 18	\$133,491	\$11,124	1.50%
Year 19	\$135,493	\$11,291	1.50%
Year 20	\$137,526	\$11,460	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 954 North Pleasantburg Dr in Greenville, SC. The site will consist of roughly 1,525 rentable square feet of building space on estimated 0.67-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 \$110,000 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 cones, hand-made onion rings and tater tots.



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

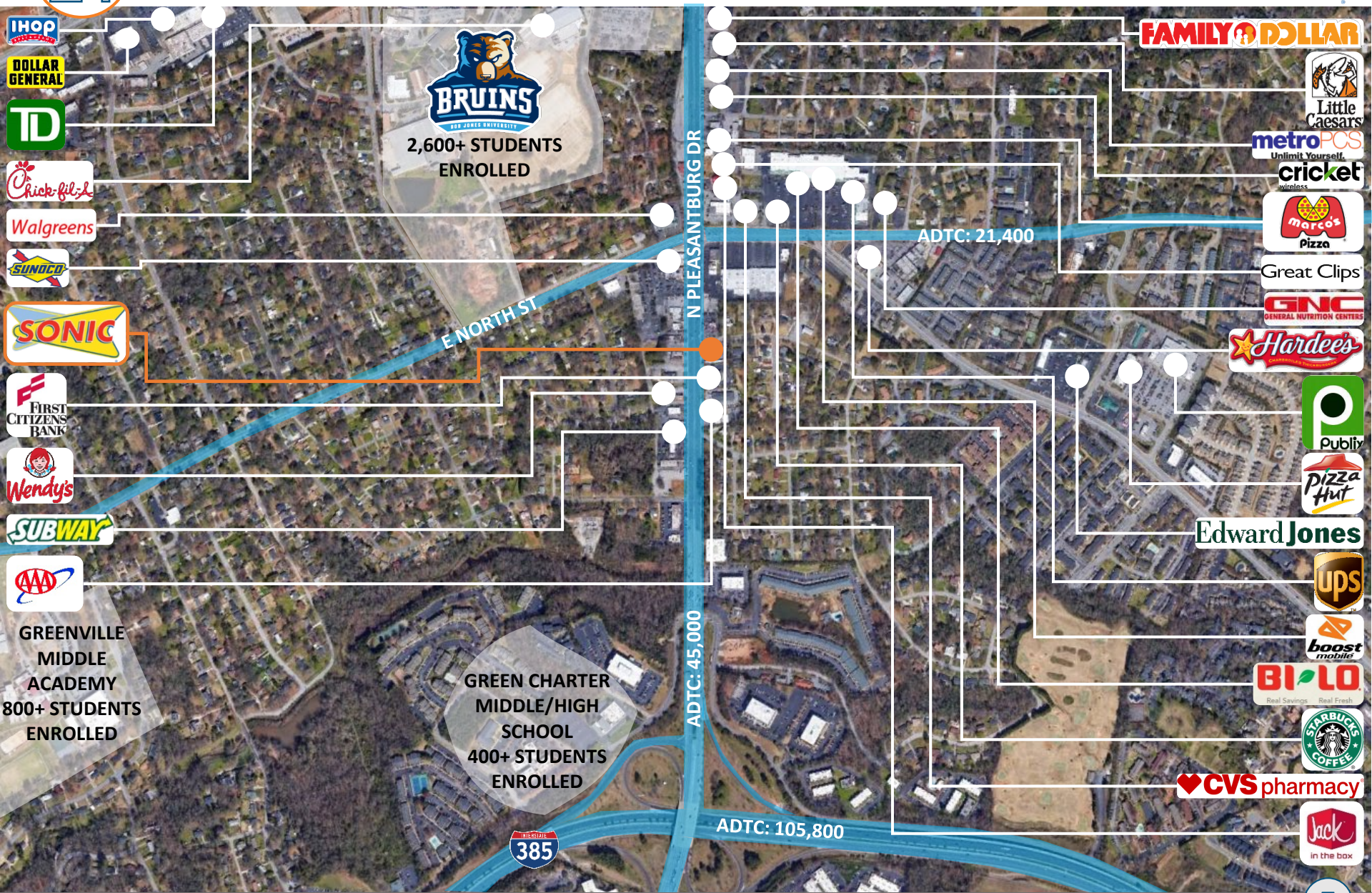


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# Surrounding Area







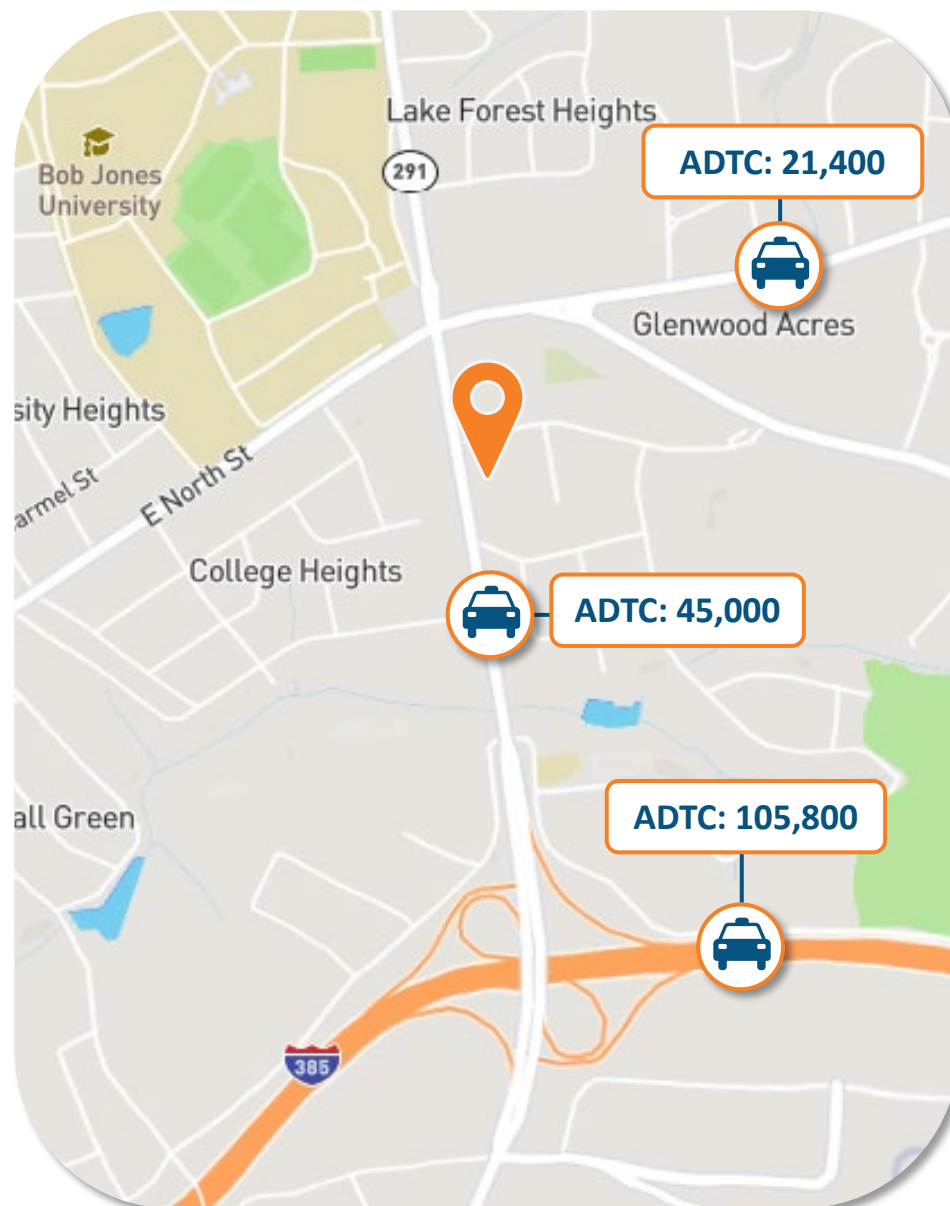
# Location Overview



This Sonic Drive-In property is located at 954 North Pleasantburg Dr in Greenville, South Carolina. Greenville is the state's sixth largest city and located roughly halfway between Atlanta, Georgia and Charlotte, North Carolina. This Sonic Drive-In property is located on N Pleasantburg Dr, which experiences an average daily traffic count of 45,000 vehicles. E North St and I-385 run perpendicular to N Pleasantburg Dr, and bring an additional 21,400 and 105,800 vehicles per day to the area. Average household income exceeds \$86,000 for homes within three miles of the subject property. There are more than 71,000 individuals residing within a three-mile radius of the subject property and more than 177,000 individuals within a five-mile radius.

The subject property benefits from its strategic location in a dense office, retail, and residential corridor. Major retail tenants in the surrounding area include Family Dollar, CVS Pharmacy, Walgreens, Dollar General, Starbucks, Wendy's and many more. This Sonic location is surrounded by several schools which have a combined total enrollment of over 3,800 students. Most notably is Bob Jones University. The University has over 2,600 students, 71% of these students live on campus. In 2021 the University was ranked 33<sup>rd</sup> in Regional Universities South by U.S. News. Nearby access to I-385 provides easy access around Greenville and a larger interstate network connecting several major 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.







# Property Photo







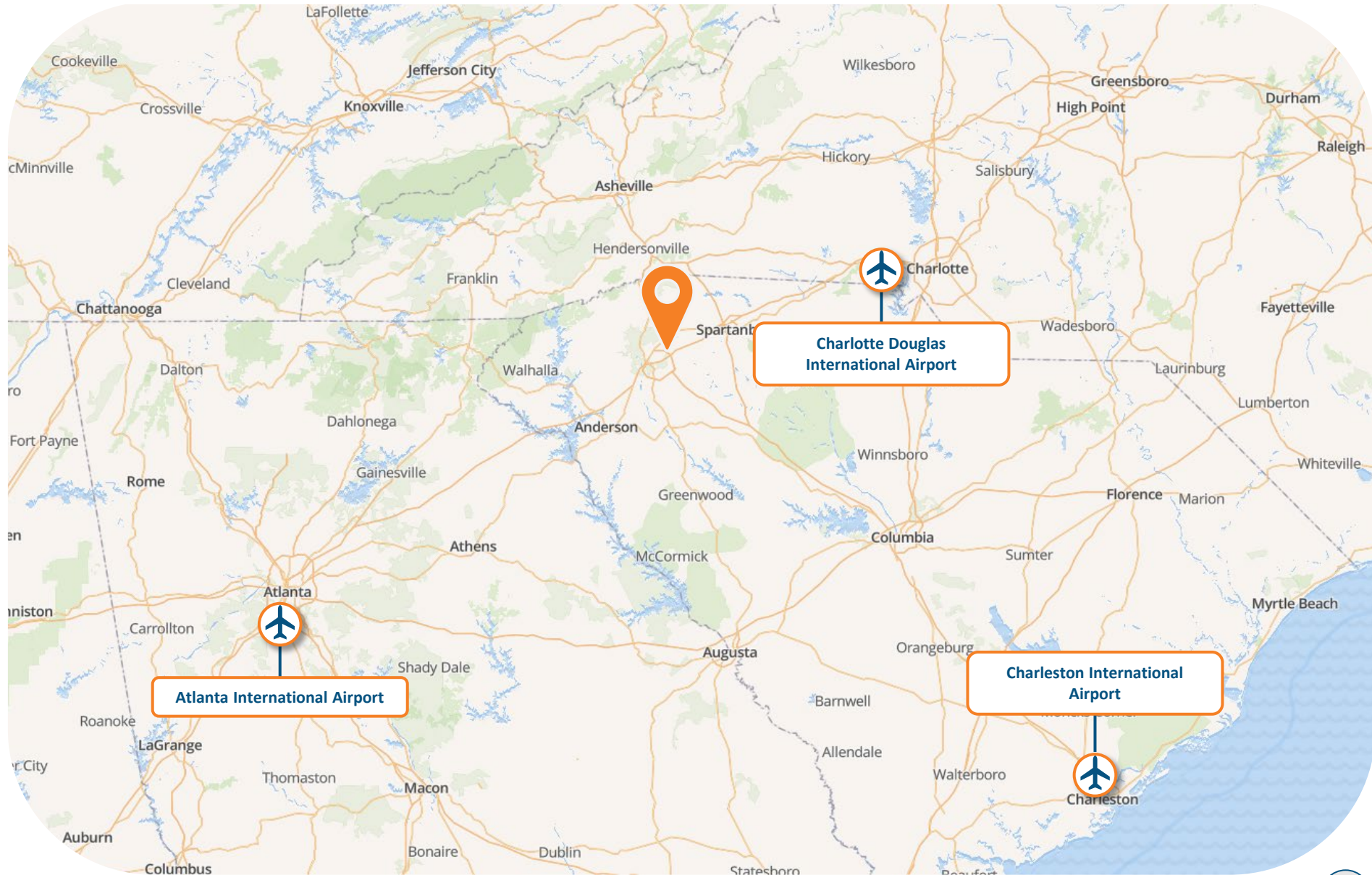
# Surrounding Area Photos





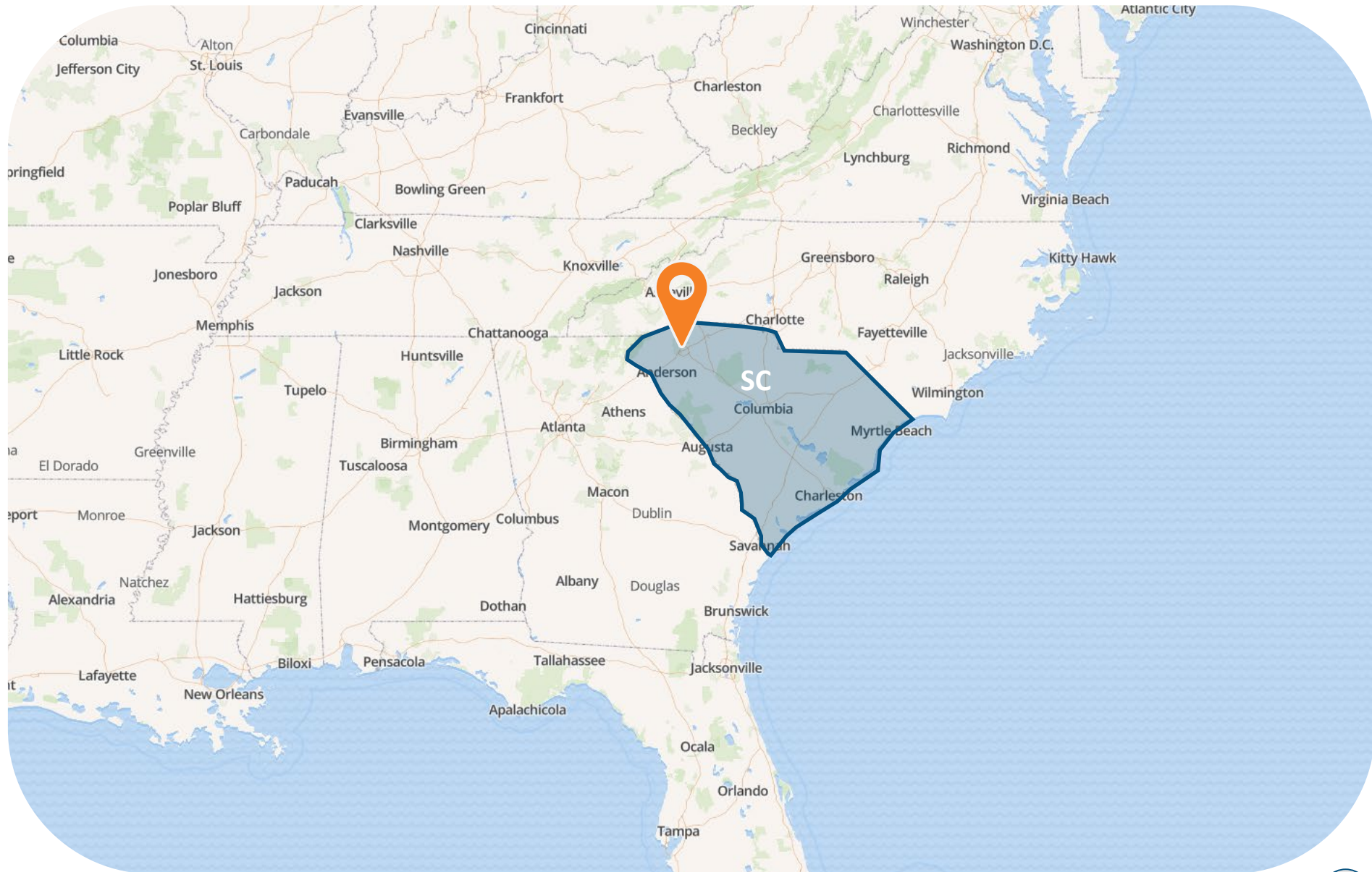


# Local Map





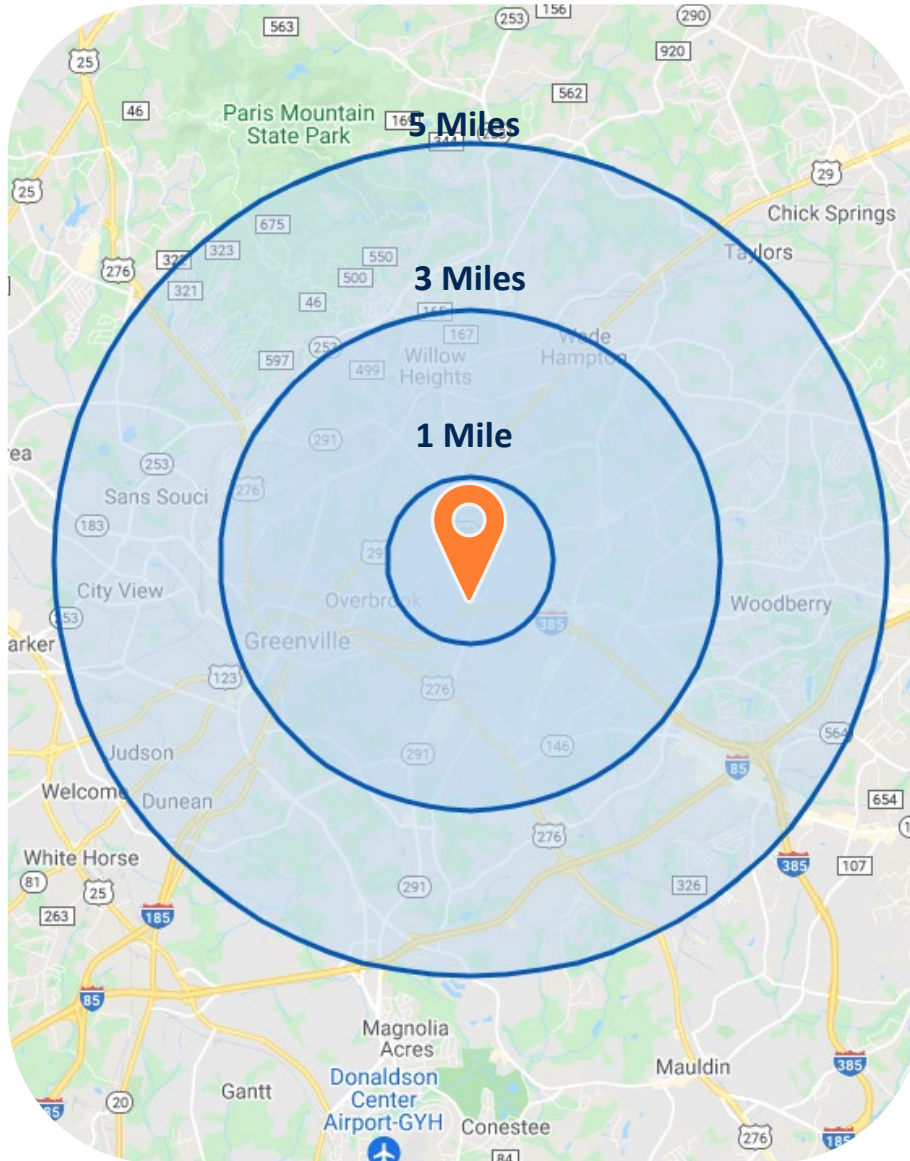
# Regional Map







# Demographics



	1 Mile	3 Miles	5 Miles
<b>POPULATION TRENDS</b>			
2010 Population	12,207	64,684	155,918
2021 Population	12,171	71,343	177,601
2026 Population Projection	12,684	75,493	188,774
Annual Growth 2010-2021	0.00%	0.90%	1.30%
Annual Growth 2021-2026	0.80%	1.20%	1.30%
<b>POPULATION BY RACE (2021)</b>			
White	9,167	52,164	127,390
Black	2,094	15,364	40,261
American Indian/Alaskan Native	107	342	1,027
Asian	481	1,991	5,111
Hawaiian & Pacific Islander	47	114	215
Two or More Races	275	1,368	3,597
Hispanic Origin	1,917	7,560	18,896
<b>HOUSEHOLD TRENDS</b>			
2010 Households	4,550	28,228	65,418
2021 Households	4,557	30,869	74,383
2026 Household Projection	4,749	32,601	78,984
Growth 2010-2021	0.00%	0.50%	0.80%
Growth 2021-2026	0.80%	1.10%	1.20%
<b>AVERAGE HOUSEHOLD INCOME (2021)</b>	<b>\$68,116</b>	<b>\$86,947</b>	<b>\$86,631</b>
<b>MEDIAN HOUSEHOLD INCOME (2021)</b>	<b>\$51,968</b>	<b>\$57,934</b>	<b>\$58,959</b>
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2021)</b>			
< \$25,000	690	5,794	14,148
\$25,000 - 50,000	1,476	7,681	18,133
\$50,000 - 75,000	950	5,096	12,696
\$75,000 - 100,000	577	3,615	8,175
\$100,000 - 125,000	430	2,619	6,341
\$125,000 - 150,000	202	1,567	3,892
\$150,000 - 200,000	67	1,572	4,299
\$200,000+	166	2,926	6,700



# Market Overview



*Greenville, SC*



**Greenville** is nestled up against the foothills of the Blue Ridge Mountains in the heart of South Carolina's Upcountry, and is 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'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, Cleve 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. When the former Donaldson Air Force Base closed, the land became the South Carolina Technology and Aviation Center, and became home to a Lockheed Martin aircraft and logistics center, as well as facilities operated by 3M and Honeywell. Donaldson Center Airport now occupies the former air base as a public airport.



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