

# 20-Year NNN-Sale-Leaseback

EXCLUSIVE NET LEASE OFFERING



## OFFERING MEMORANDUM



4340 Lexington Road, Athens, GA 30605



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**SONIC**  
*America's  
Drive-In®*







# Investment Highlights

PRICE: \$2,663,526 | CAP: 5.35% | RENT: \$142,499



## 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, Lowe's, Truist Bank, Kroger, Chick-Fil-A, CVS, BP, Hardee's, Murphy USA and Many Others
- ✓ Freestanding Property | Benefits from Excellent Frontage along Lexington Road
- ✓ Large Student Presence | More than 38,000 Students Attend Schools In Close Proximity to the Subject Property
- ✓ Strong Demographics | Population within a Five-Mile Radius is More Than 78,000
- ✓ Conveniently Located Near Athens-Ben Epps Airport

## 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: \$2,663,526 | CAP: 5.35% | RENT: \$142,499

## PROPERTY DESCRIPTION

Property	Sonic
Property Address	4340 Lexington Road
City, State, ZIP	Athens, GA 30605
Estimated Building Size	1,798
Estimated Lot Size	+/- 1.48 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,663,526
CAP Rate	5.35%
Annual Rent	\$142,499

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	AFG SR Athens, 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	\$142,499	\$11,875	-
Year 2	\$142,499	\$11,875	-
Year 3	\$142,499	\$11,875	-
Year 4	\$142,499	\$11,875	-
Year 5	\$142,499	\$11,875	-
Year 6	\$144,636	\$12,053	1.50%
Year 7	\$146,806	\$12,234	1.50%
Year 8	\$149,008	\$12,417	1.50%
Year 9	\$151,243	\$12,604	1.50%
Year 10	\$153,512	\$12,793	1.50%
Year 11	\$155,815	\$12,985	1.50%
Year 12	\$158,152	\$13,179	1.50%
Year 13	\$160,524	\$13,377	1.50%
Year 14	\$162,932	\$13,578	1.50%
Year 15	\$165,376	\$13,781	1.50%
Year 16	\$167,857	\$13,988	1.50%
Year 17	\$170,374	\$14,198	1.50%
Year 18	\$172,930	\$14,411	1.50%
Year 19	\$175,524	\$14,627	1.50%
Year 20	\$178,157	\$14,846	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 4340 Lexington Road in Athens, GA. The site will consist of roughly 1,798 rentable square feet of building space on estimated 1.48-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 \$142,499 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

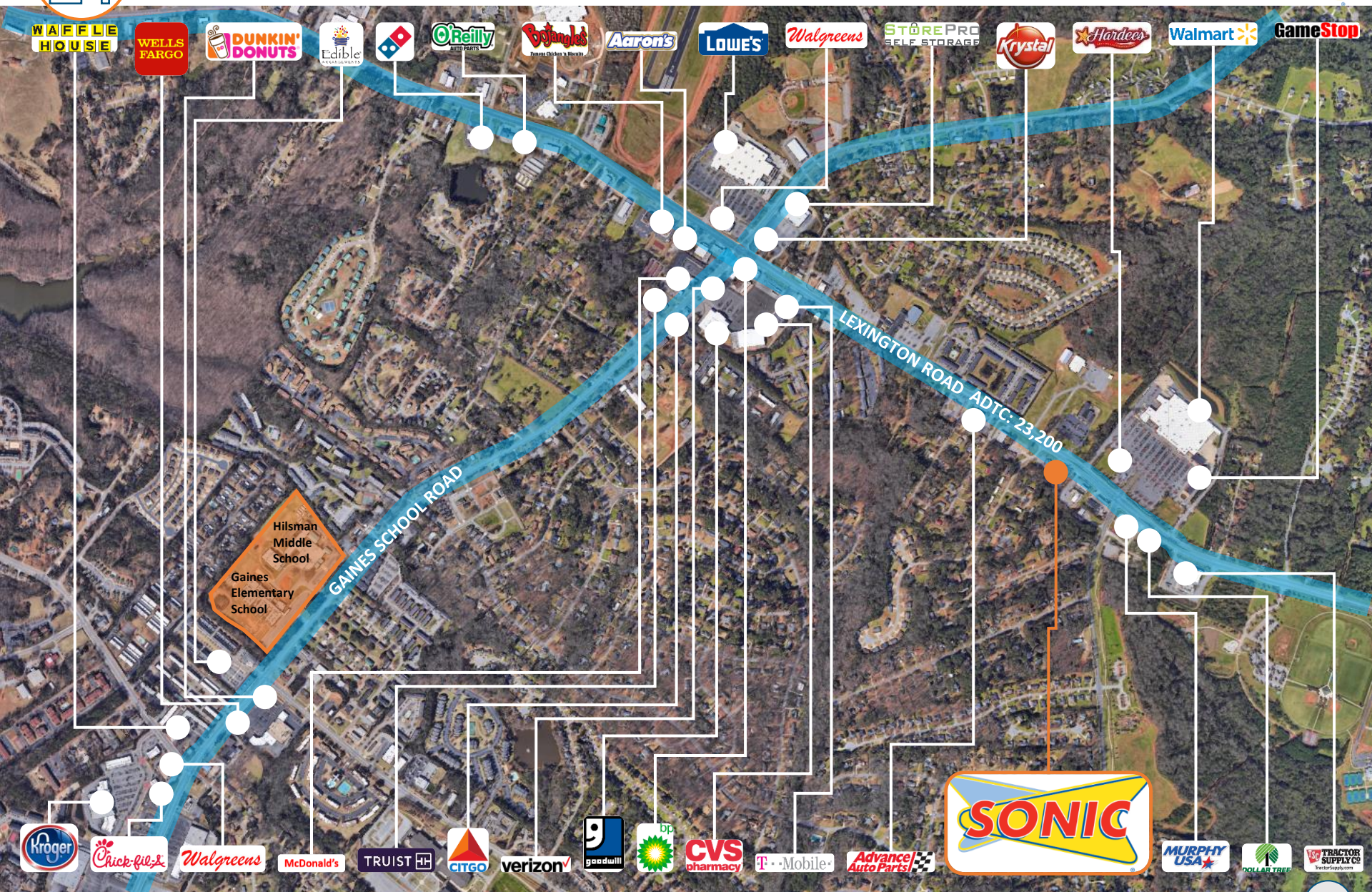


top data





# Surrounding Area







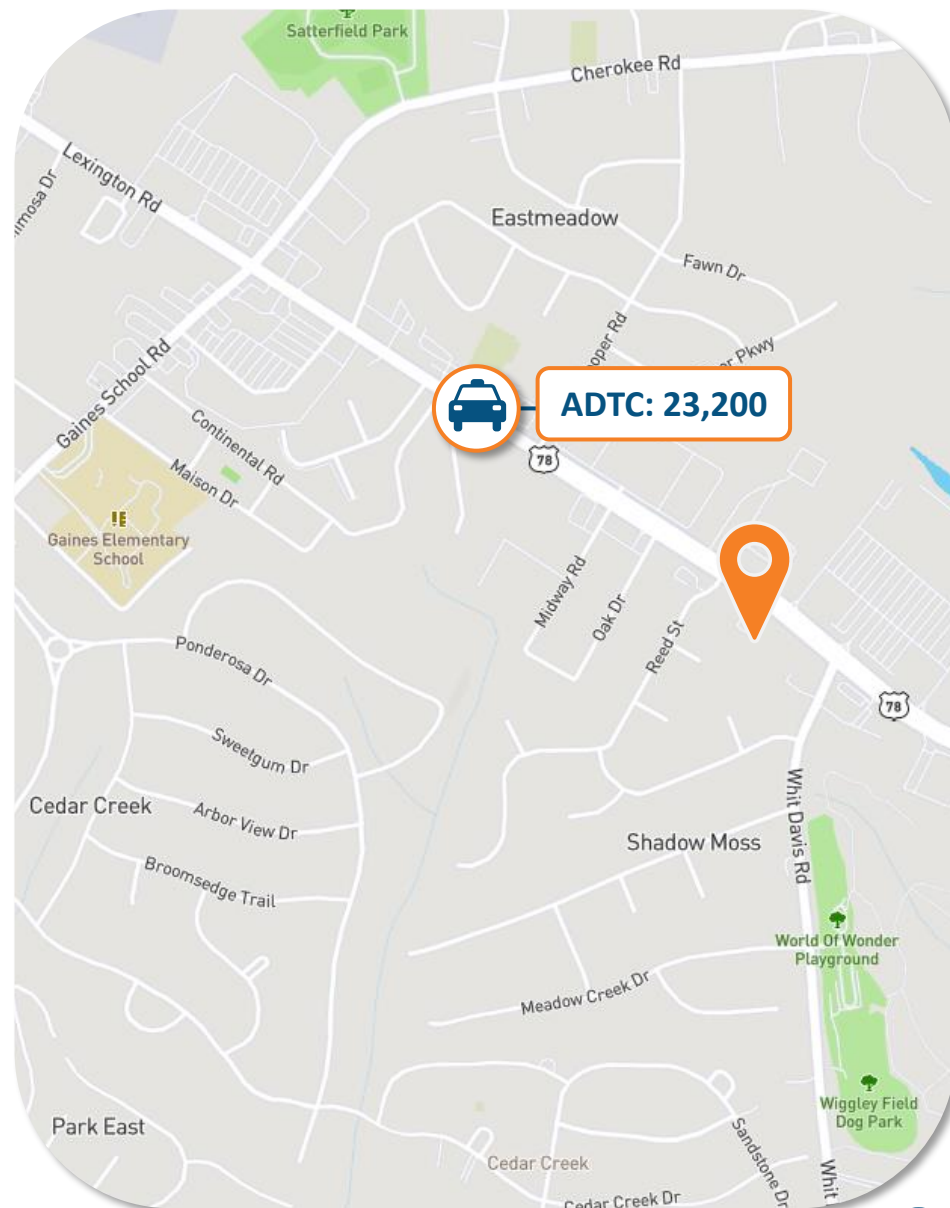
# Location Overview



This Sonic Drive-In property is located at 4340 Lexington Road in Athens, Georgia. This Sonic Drive-In property is located on Lexington Road, which experiences an average daily traffic count of 23,200 vehicles. Nearby Gaines School Road turns into Cherokee Road, which runs perpendicular to Lexington Road and brings a substantial amount of additional traffic to the area daily. There are more than 32,000 individuals residing within a three-mile radius of the subject property and more than 78,000 individuals within a five-mile radius.

The subject property benefits from its strategic location in a dense retail corridor. Major retail tenants in the surrounding area include Walmart, Dollar Tree, Lowe's, Truist Bank, Kroger, Chick-Fil-A, CVS, BP, Hardee's, Murphy USA and many others. Gaines Elementary School and Hilsman Middle School are located less than two miles from the subject property and serve over 1,100 children in the area. University of Georgia, Athens, a public college that serves over 37,000 students is located less than five miles from the subject property. Athens-Ben Epps Airport, a county-owned airport, is located less than three miles from the subject property. This Sonic is located approximately ten miles from Georgia Square Mall, which houses an excess of 60 retailers.

Athens lies about 70 miles northeast of downtown Atlanta and is a satellite city of the capital. The University of Georgia, the state's flagship public university and an R1 research institution, is in Athens and contributed to its initial growth. In 1991, after a vote the preceding year, the original City of Athens abandoned its charter to form a unified government with Clarke County, referred to jointly as Athens-Clarke County. Athens is the sixth-largest city in Georgia, and the principal city of the Athens metropolitan area according to the U.S. Census Bureau. Metropolitan Athens is a component of the larger Atlanta-Athens-Clarke County-Sandy Springs Combined Statistical Area.







# Property Photos







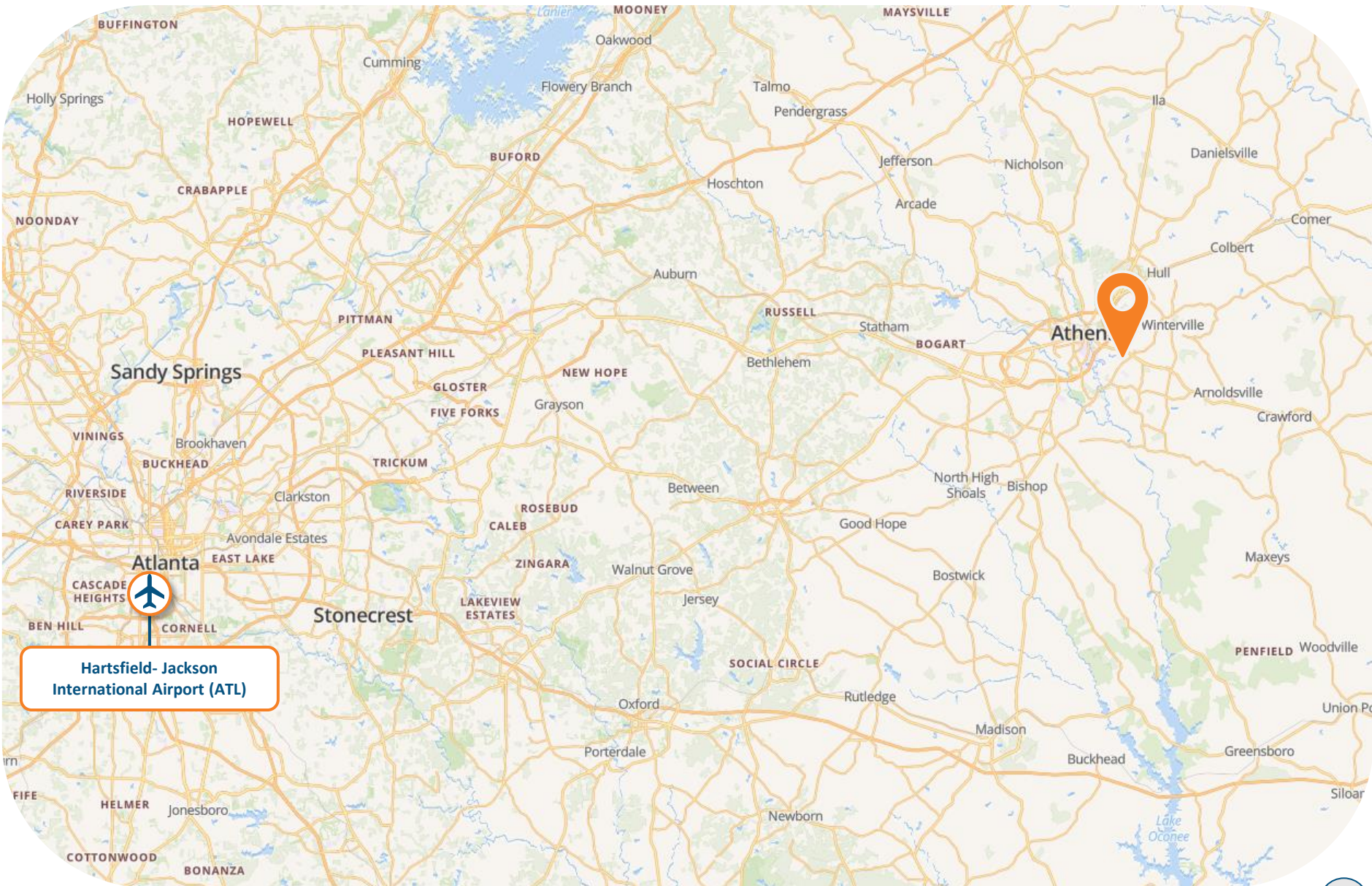
# Surrounding Area Photos







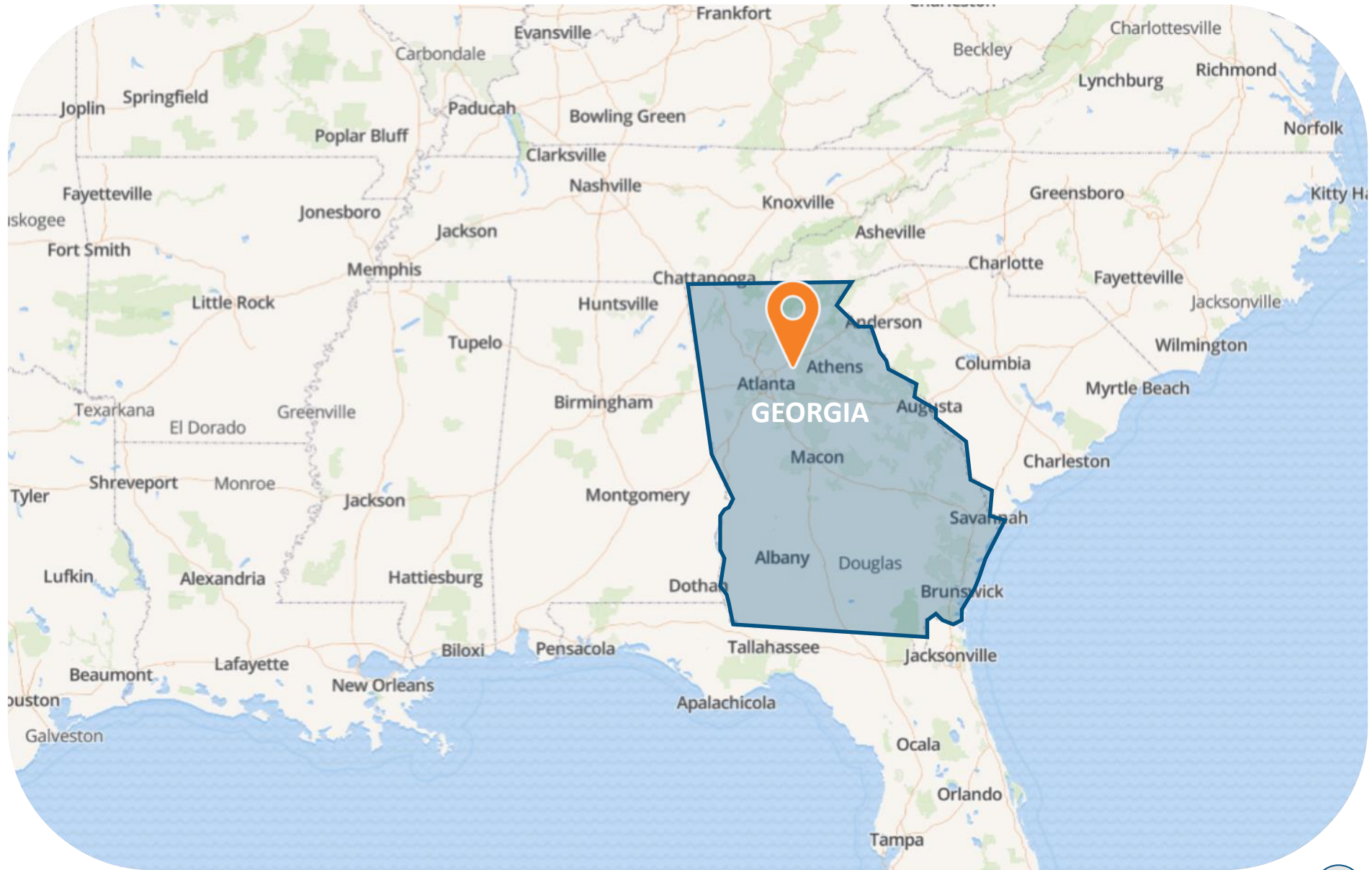
# Local Map



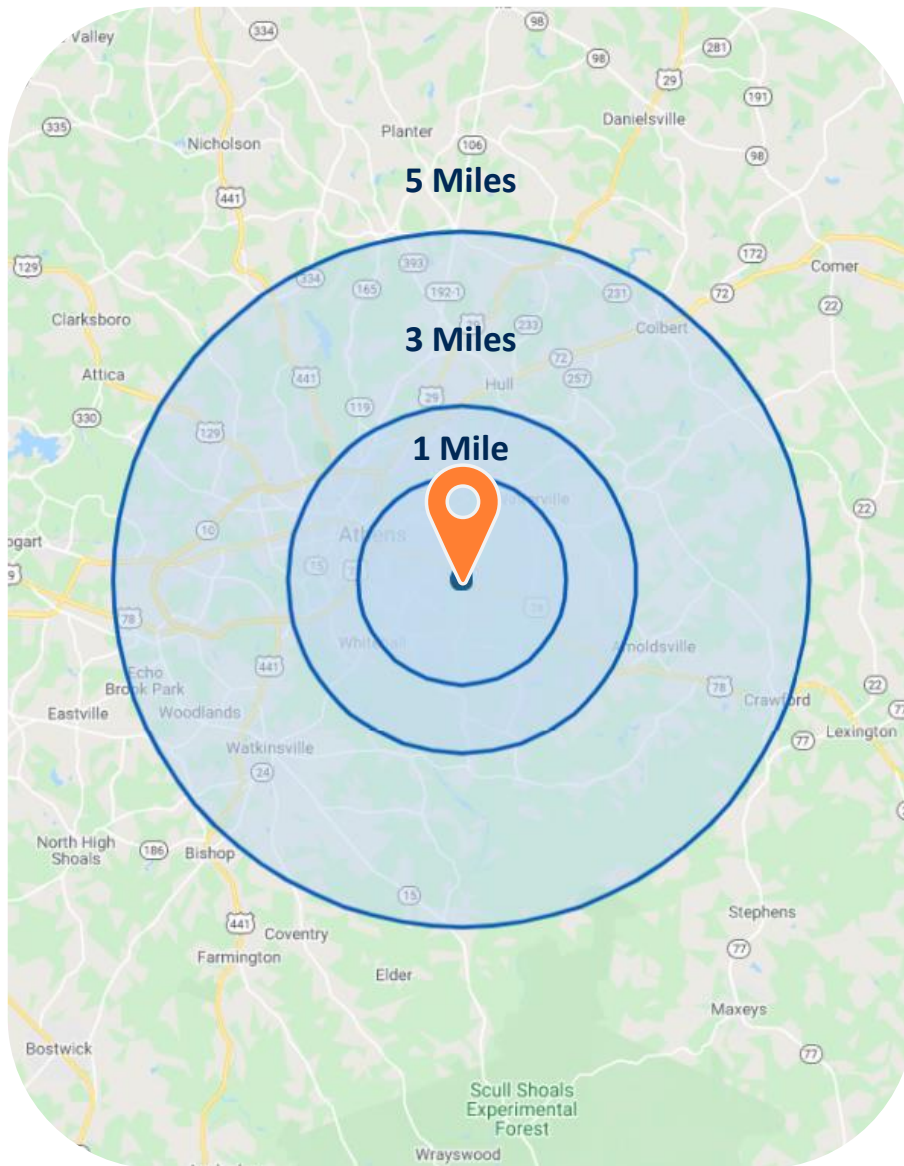




# Regional Map







	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	4,699	30,522	70,978
2021 Population	4,985	32,898	78,906
2026 Population Projection	5,130	33,955	81,672
Annual Growth 2010-2021	0.60%	0.70%	1.00%
Annual Growth 2021-2026	0.60%	0.60%	0.70%
POPULATION BY RACE (2021)			
White	2,753	20,654	52,609
Black	1,867	9,944	20,301
American Indian/Alaskan Native	23	88	177
Asian	207	1,411	3,949
Hawaiian & Pacific Islander	5	50	72
Two or More Races	131	751	1,798
Hispanic Origin	341	2,449	4,797
HOUSEHOLD TRENDS			
2010 Households	1,960	12,742	26,921
2021 Households	2,065	13,705	29,893
2026 Household Projection	2,127	14,166	31,069
Annual Growth 2010-2021	0.00%	0.30%	0.50%
Annual Growth 2021-2026	0.60%	0.70%	0.80%
AVERAGE HOUSEHOLD INCOME (2021)	\$65,193	\$61,629	\$57,654
MEDIAN HOUSEHOLD INCOME (2021)	\$45,745	\$42,273	\$34,624
HOUSEHOLDS BY HOUSEHOLD INCOME (2021)			
< \$25,000	622	4,317	11,762
\$25,000 - 50,000	451	3,359	7,128
\$50,000 - 75,000	360	2,364	4,060
\$75,000 - 100,000	262	1,420	2,312
\$100,000 - 125,000	55	737	1,261
\$125,000 - 150,000	108	475	1,017
\$150,000 - 200,000	156	554	1,138
\$200,000+	52	479	1,217





# 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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