

# 20-Year NNN Sale-leaseback

EXCLUSIVE NET-LEASE OFFERING



## OFFERING MEMORANDUM



1780 US-1, Vero Beach, FL 32960

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**SONIC**  
*America's  
Drive-In®*





# Investment Highlights

PRICE: \$2,200,000 | CAP: 4.25% | RENT: \$93,500



## About the Investment

- ✓ 20-Year Absolute Triple-Net (NNN) Sale-leaseback
- ✓ Franchisee Guarantee from Quality Huts Drive-In (74-units)
- ✓ 1.50% Annual Rental Increases Starting Year Two
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

## About the Location

- ✓ Dense Retail Corridor | Surrounded by TJ Maxx, Walmart, Publix, Fresh Thyme, Dollar General, Walgreens, Hampton Inn & Suites, McDonald's, and Many More
- ✓ Strong Traffic Counts | 8<sup>th</sup> Avenue, 17<sup>th</sup> Street, and Indian River Blvd | Average Daily Traffic Counts Exceed More Than 44,000, 30,300 and 30,200
- ✓ Located Approximately One and a Half Miles Away From Vero Beach Regional Airport
- ✓ Treasure Coast Plaza is Located Less Than One Mile Away | Dual-Anchor Center With 25 Local and National Tenants
- ✓ Robust Demographics | More Than 88,000 People Within a Five-Mile Radius
- ✓ Affluent Surrounding Community | Average Household Income Exceeds \$81,000 Within a Five-Mile Radius

## 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: \$2,200,000 | CAP: 4.25% | RENT: \$93,500



## PROPERTY DESCRIPTION

Property	Sonic
Property Address	1780 US-1
City, State, ZIP	Vero Beach, FL
Estimated Building Size	1,866
Estimated Lot Size	+/- 1.75 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,200,000
CAP Rate	4.25%
Annual Rent	\$93,500

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Quality Dine-In (74-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 Two (2)
Options to Renew	Four (4) Periods of Five (5) Years Each

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$93,500	\$7,791	-
Year 2	\$94,902	\$7,908	1.50%
Year 3	\$96,326	\$8,027	1.50%
Year 4	\$97,770	\$8,147	1.50%
Year 5	\$99,237	\$8,269	1.50%
Year 6	\$100,726	\$8,393	1.50%
Year 7	\$102,236	\$8,519	1.50%
Year 8	\$103,770	\$8,647	1.50%
Year 9	\$105,327	\$8,777	1.50%
Year 10	\$106,906	\$8,908	1.50%
Year 11	\$108,510	\$9,042	1.50%
Year 12	\$110,138	\$9,178	1.50%
Year 13	\$111,790	\$9,315	1.50%
Year 14	\$113,467	\$9,455	1.50%
Year 15	\$115,169	\$9,597	1.50%
Year 16	\$116,896	\$9,741	1.50%
Year 17	\$118,650	\$9,887	1.50%
Year 18	\$120,429	\$10,035	1.50%
Year 19	\$122,236	\$10,186	1.50%
Year 20	\$124,069	\$10,339	1.50%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Sonic located at 1780 US-1 in Vero Beach, FL. The site will consist of roughly 1,866 rentable square feet of building space on estimated 1.75-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 \$93,500 and is scheduled to increase by one-and-a-half percent (1.50%) annually starting year two (2) 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 cones, hand-made onion rings and tater tots.



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

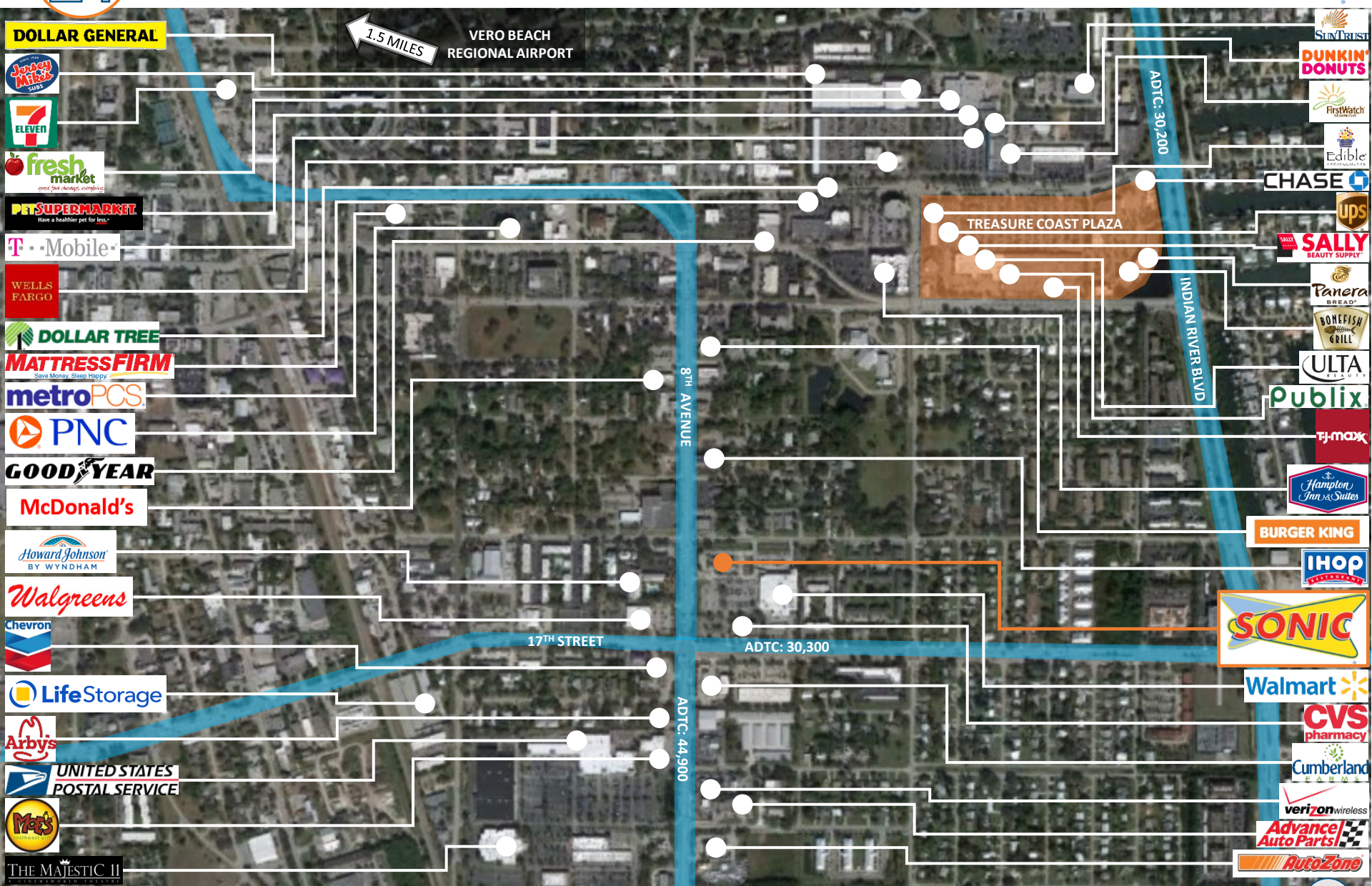


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# Surrounding Area





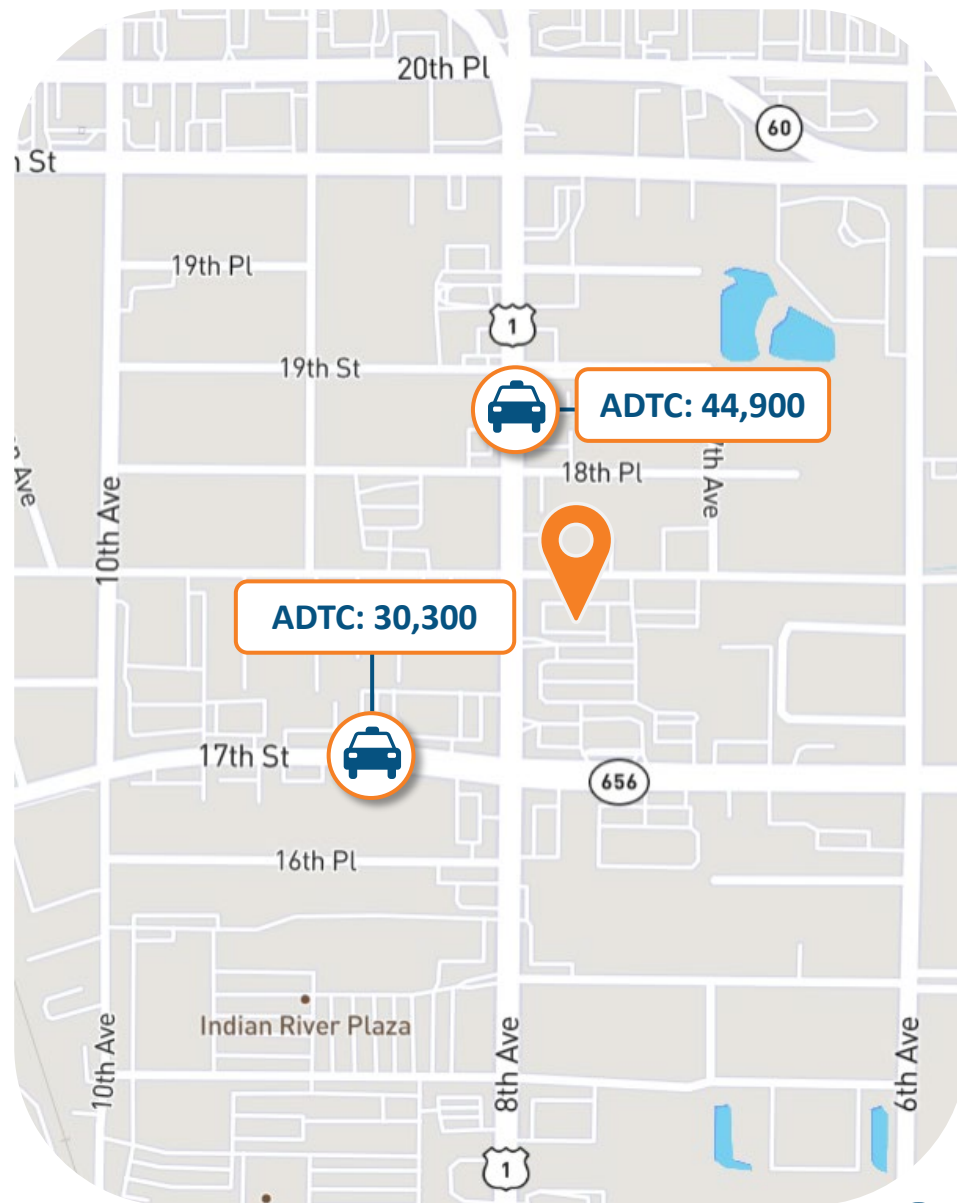
# Location Overview



This Sonic Drive-In property is located at 1780 US-1 in Vero Beach, Florida. Vero Beach is the second most populous city in Indian River County. This Sonic is located on 8<sup>th</sup> Avenue, which experiences an average daily traffic count of 44,900 vehicles. Indian River Boulevard runs parallel to 8<sup>th</sup> Street and brings in an additional 30,200 vehicles per day to the area. 17<sup>th</sup> Street intersects with both 8<sup>th</sup> Street and Indian River Boulevard and has an average daily traffic count in excess of 30,300 vehicles.

The subject property benefits from its strategic location in a dense retail corridor. Major retail tenants include TJ Maxx, Walmart, Publix, Fresh Thyme, Dollar General, Walgreens, Hampton Inn & Suites, McDonald's, and many more. This Sonic Drive-In is also located less than one mile away from Treasure Coast Plaza. This shopping center boasts two anchor tenants and 25 local and national retailers. Approximately one and a half miles away from the subject property is Vero Beach Regional Airport which serves all facets of general aviation, including intercontinental business jets and most air carrier aircraft.

Vero Beach is a small Florida city, with Atlantic-facing beaches on a barrier island across the Indian River Lagoon. South Beach Park, one of three public beaches near the city, offers wide sands and volleyball courts. Downtown's South Beach Park chronicles the local citrus industry, which to this day remains one of the largest industries in the area. On the outskirts of Vero Beach, McKee Botanical Garden has tropical plants and water lily-filled streams. To the north, Pelican Island National Wildlife Refuge shelters brown pelicans. Vero Beach also offers a fine selection of shops which include oceanside, historic downtown and several large shopping malls. Also in Vero Beach are museums, art galleries and many parks, some of which offer access to an enticing network of rivers and inlets. Vero Beach is home to general aviation manufacturer Piper Aircraft, which is the largest private employer in Indian River County. As of July 2015, Piper employed approximately 750 people. Aside from Piper, the bulk of commercial activity in Vero Beach centers around tourism, the citrus industry and service activities.







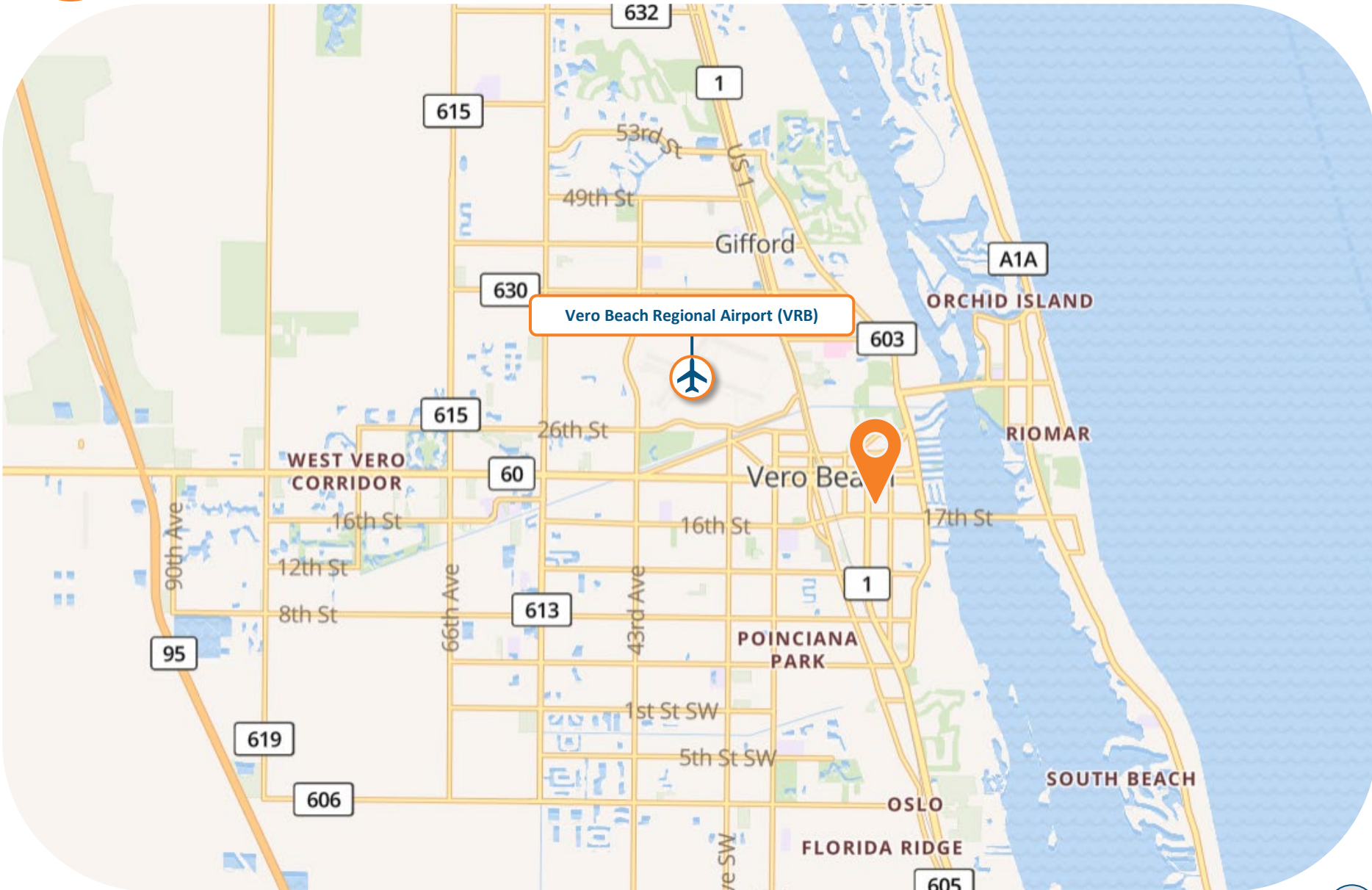
# Property Photo







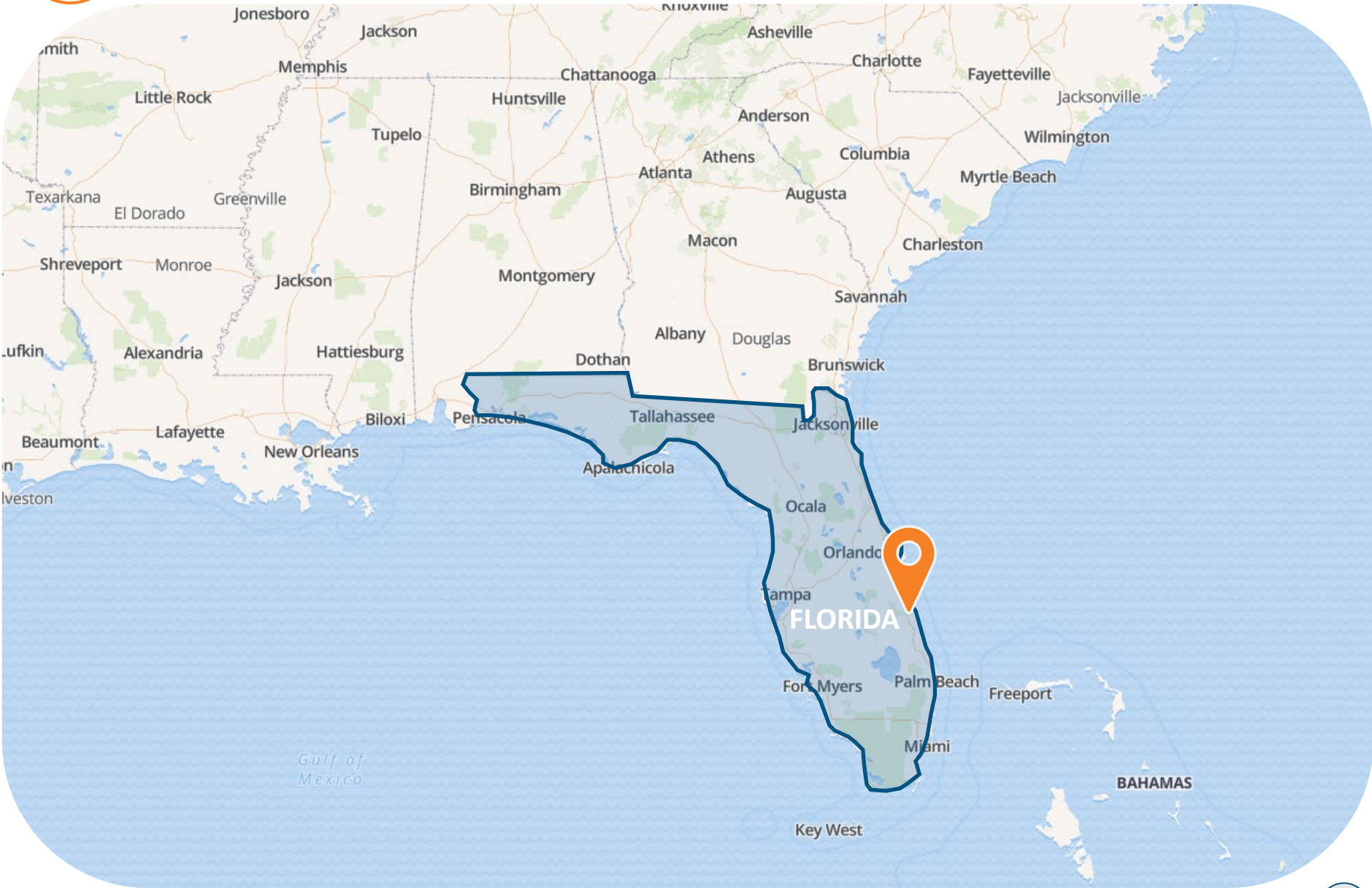
# Local Map





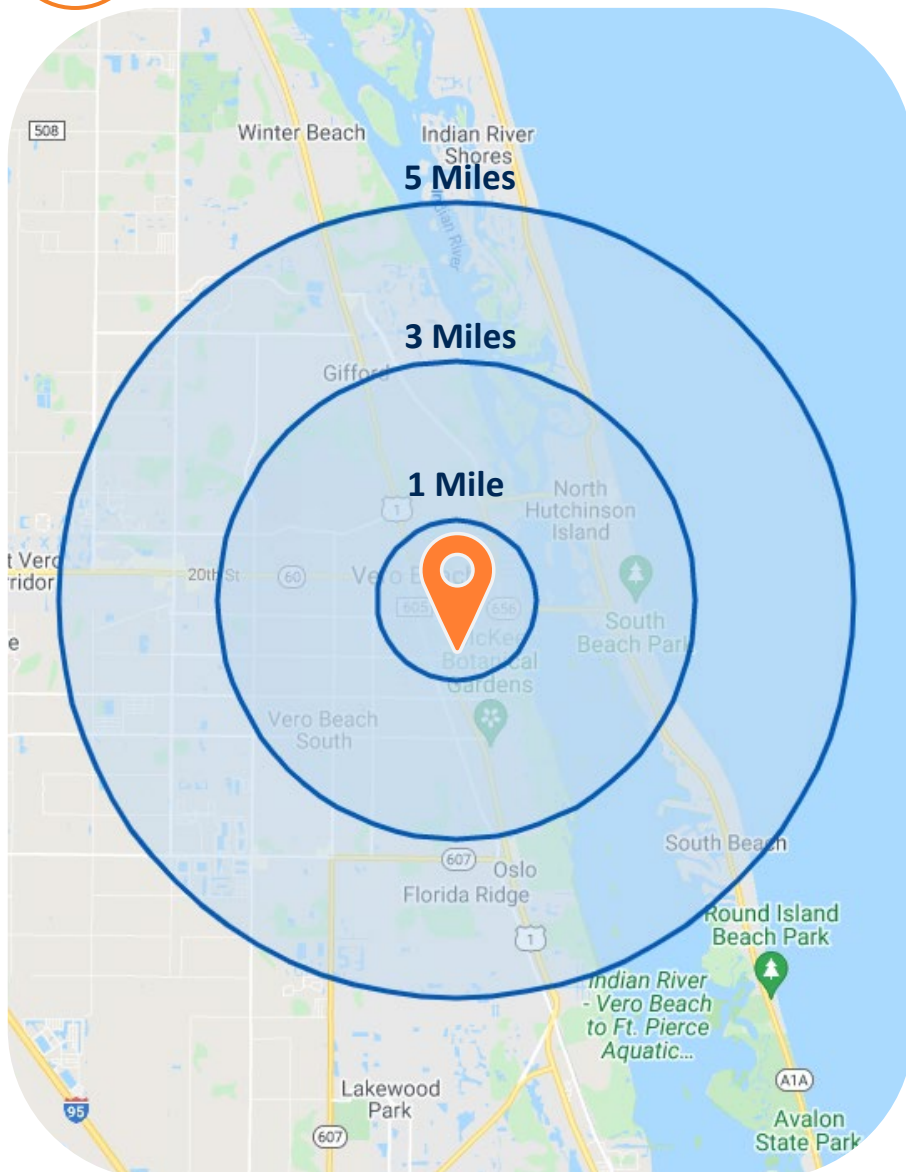


# Regional Map





# Demographics



	1 Mile	3 Miles	5 Miles
<b>POPULATION TRENDS</b>			
2010 Population	7,200	39,300	76,517
2021 Population	8,090	44,604	88,259
2026 Population Projection	8,673	47,872	94,934
Annual Growth 2010-2021	1.10%	1.20%	1.40%
Annual Growth 2021-2026	1.40%	1.50%	1.50%
<b>POPULATION BY RACE (2021)</b>			
White	6,820	39,037	73,807
Black	859	3,742	10,868
American Indian/Alaskan Native	55	235	416
Asian	166	833	1,689
Hawaiian & Pacific Islander	10	30	44
Two or More Races	181	727	1,437
Hispanic Origin	1,282	5,128	9,589
<b>HOUSEHOLD TRENDS</b>			
2010 Households	3,801	18,460	34,082
2021 Households	4,188	20,646	38,784
2026 Household Projection	4,451	21,988	41,406
Growth 2010-2021	0.60%	0.60%	0.70%
Growth 2021-2026	1.30%	1.30%	1.40%
<b>AVERAGE HOUSEHOLD INCOME (2021)</b>	\$51,801	\$76,340	\$81,838
<b>MEDIAN HOUSEHOLD INCOME (2021)</b>	\$33,549	\$51,593	\$59,274
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2021)</b>			
< \$25,000	1,557	4,873	8,361
\$25,000 - 50,000	1,268	5,242	8,849
\$50,000 - 75,000	559	3,331	6,113
\$75,000 - 100,000	318	2,570	5,275
\$100,000 - 125,000	196	1,290	3,048
\$125,000 - 150,000	101	1,018	2,295
\$150,000 - 200,000	77	940	2,073
\$200,000+	114	1,384	2,771





# Market Overview



*Vero Beach, FL*

**Vero Beach** is a city in and the seat of Indian River County, Florida, United States. Vero Beach is the second most populous city in Indian River County. Abundant in beaches and wildlife, Vero Beach is located on Florida's Treasure Coast. It is thirty-four miles south of Melbourne.

Vero Beach is home to general aviation manufacturer Piper Aircraft, which is the largest private employer in Indian River County. As of July 2015, Piper employed approximately 750 people. Aside from Piper, the bulk of commercial activity in Vero Beach centers around tourism, the citrus industry and service activities.

There are two shopping malls: the Indian River Mall, and the Vero Beach Outlets just west of I-95 on State Road 60. There are small specialty shops along Ocean Drive on the barrier island. There are also a set of shops directly inland in what is called "Miracle Mile." The Historic Downtown is a newly revitalized area of shopping, dining, antique stores, and art galleries.

The beaches in Vero Beach are part of Florida's Treasure Coast. Vero's three main public beaches are South Beach, accessible at the eastern end of Florida State Road 656 at the eastern end of 17th Street; Humiston Park, in Vero's Central Beach Business District on Ocean Drive and Jaycee Park which is adjacent to Conn Beach. There are 26 miles (42 km) of oceanfront shore in Indian River County. Vero Beach also has other free public access trails and walkways with beach access, such as Riomar Beach, Sea Cove, Sea Grape Trail, Sexton Plaza, and Turtle Trail.

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Marcus & Millichap

**EXCLUSIVE NET LEASE OFFERING**

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