

A.E.S. | New 20 - Year Absolute NNN Sale-Leaseback
1250 W State Road 32,
Lebanon, IN 46052

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING **MEMORANDUM**



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A photograph of an Arby's restaurant building with a tan brick facade and a red awning. The Arby's logo is visible on the left side of the building. The image is used as a background for the document.

SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

ABOUT THE TENANT

OFFERING SUMMARY



Listing Price
\$3,716,967



Cap Rate
4.65%

FINANCIAL

Listing Price	\$3,716,967
NOI	\$172,839
Cap Rate	4.65%
Price/SF	\$1,217.08

OPERATIONAL

Rentable SF	3,054 SF
Lot Size	0.83 Acres
Year Built/Renovated	1994/2021



Arby's | 20-Year Absolute NNN Sale-Leaseback | Lebanon, IN

1250 W. State Road 32, Lebanon, IN

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the exclusive listing for the Arby's restaurant located at 1250 W State Road 32, in Lebanon, IN. The site (newly renovated in 2021), consists of 3,054 total square feet of building space and sits on 0.83 acres of land. The site will be subject to a 20-year sale-leaseback with A.E.S. Starting in year one, the base rent shall be \$172,839. The lease will call for 6.5% rental escalations each five year period during the base term and throughout the four, five-year renewal option periods (40-year total term).

The subject property benefits from being located in a strong manufacturing corridor surrounded by national and local tenants, shopping centers and hospitality accommodations. Located on a high-way exit ramp, the subject property is surrounded with the following major tenants in the immediate area; Purity Wholesale Grocers, Camping World, Weston Foods, Menards, Kauffman engineering as well as many more. This Arby's also benefits from its proximity to the Econo Lodge, Holiday Inn, Hampton Inn, CNH Industrial Indiana Depot, XPO Logistics, Aurora Parts Center and McKinley Packaging Facility.

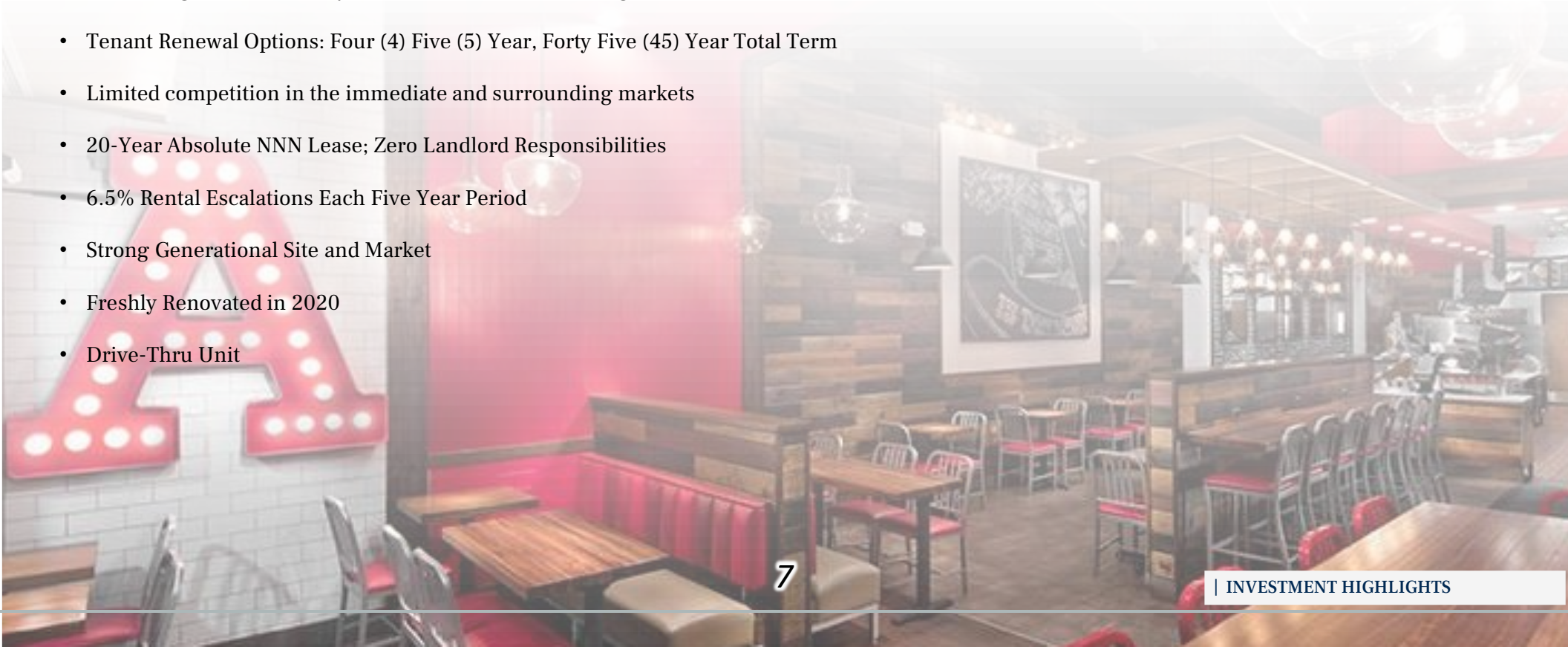


Arby's | 20-Year Absolute NNN Sale-Leaseback | Lebanon, IN

1250 W. State Road 32, Lebanon, IN

INVESTMENT HIGHLIGHTS

- AES Owner & Founder John Wade is the Chairman of The Arby's Franchise Association responsible for all marketing
- AES Restaurant Group, LLC was named the 2019 Top Franchisee of The Year within Arby's System
- Long-Term Experienced Ownership with History of Success and Future Growth Plan
- Access to Highway 32 with over 8,452+ AADT and Interstate 65 with 57,214 AADT
- Shadowing Menards, Purity Wholesale Grocers, Camping World and Weston Foods
- Tenant Renewal Options: Four (4) Five (5) Year, Forty Five (45) Year Total Term
- Limited competition in the immediate and surrounding markets
- 20-Year Absolute NNN Lease; Zero Landlord Responsibilities
- 6.5% Rental Escalations Each Five Year Period
- Strong Generational Site and Market
- Freshly Renovated in 2020
- Drive-Thru Unit



Arby's | 20-Year Absolute NNN Sale-Leaseback | Lebanon, IN

ABOUT THE BRAND

The Arby's brand purpose is "Inspiring Smiles Through Delightful Experiences." Arby's delivers on its purpose by celebrating the art of Meatcraft with a variety of high-quality proteins and innovative, crave-able sides, such as Curly Fries and Jamocha shakes. Arby's Fast crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for-you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is part of the Inspire Brands family of restaurants headquartered in Atlanta, GA. Arby's, founded in 1964, is the second-largest sandwich restaurant brand in the world with more than 3,500 restaurants in nine countries.

ABOUT THE FRANCHISEE-OPERATOR BACKGROUND

Every franchisee carries a unique story, that is certainly the case with A.E.S (Attitude Equals Success). Founded in September of 2004, one man's passion for service, dedication to quality and commitment to positivity created the path for an empire. John Wade started his career in the restaurant business at the age of 16 when he went to work at "Grandy's" restaurant in Jefferson City, Missouri. By the age of 18, he was promoted to Assistant Manager and began to realize that fast food was more than just a job, it could be a profitable career. Starting in April of 1991, John began his career with RTM Arby's at Unit 1387 in Topeka, KS. After only 18-months with RTM he was promoted to Area Supervisor of four Arby's units in Lafayette and Crawfordsville, Indiana. After opening two new units in Lebanon and Lafayette, Indiana, John was transferred to Indianapolis, Indiana where he continued his service as an Area Supervisor. May of 1996 marked the promotion up to Director of Operations over the southern-half of Indianapolis. He and his team ended their first year as the number one district in all of RTM. John was awarded the first, of his two, Director of Operations of the Year Awards. A mere two years later in May of 1998, John was promoted to Vice President of Operations for the Mid-America Region. Over the next few years his area of control expanded from the Indianapolis market to include Ft. Wayne and Evansville, Indiana in addition to Louisville and Lexington, Kentucky; earning him the promotion of Regional Vice President (May 2000). After successfully growing the Mid-America Region of RTM, John was promoted to Region President in May of 2003. Shortly after, John left RTM to become an Arby's franchisee with the purchase of six Arby's units in Lafayette, Lebanon, and Frankfort, Indiana. It was with the acquisition of those six Arby's units that AES Restaurant Group, LLC was formed. The climb to 150-units continued and has carried through to 2022. Focusing on their people and internal growth, AES drives to promote within and supports a culture of opportunity for those with an attitude for success. Learn more at: <https://aesrestaurants.com/>



SECTION 2

Property Information

AERIAL MAP

PROPERTY PHOTOS

Walmart
Kroger
FRESH FOR EVERYONE™



DOLLAR GENERAL



TRACTOR
SUPPLY CO

Culver's



CVS



Hardee's



MENARDS®



McDonald's

Denny's



BURGER
KING



Holiday Inn



TACO BELL

SUBWAY



Marcus & Millichap

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IN-32

AADT 57,214+

AADT 12,896+

ARBY'S SALE-LEASEBACK

PROPERTY PHOTOS





SECTION 3

Arby's Financial Analysis

PRICING DETAILS

ARBY'S SALE-LEASEBACK

PRICING DETAILS //

THE OFFERING	
Property	Arby's Sale-Leaseback
Property Address	1250 IN-32, Lebanon, IN 46052
Price	\$3,716,967
Capitalization Rate	4.65%
Price/SF	\$1,217.08

PROPERTY DESCRIPTION	
Year Built / Renovated	1994/2021
Gross Leasable Area	3,054 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.83 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	AES Restaurant Group, LLC. (158-Units Total)
Rent Increases	6.5% Each Five Year Period
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	20 Years After Close of Escrow
Renewable Options	Four, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$172,839
Year 1	\$172,839
Year 2	\$172,839
Year 3	\$172,839
Year 4	\$172,839
Year 5	\$172,839
Year 6	\$184,074
Year 7	\$184,074
Year 8	\$184,074
Year 9	\$184,074
Year 10	\$184,074
Year 11	\$196,039
Year 12	\$196,039
Year 13	\$196,039
Year 14	\$196,039
Year 15	\$196,039
Year 16	\$208,782
Year 17	\$208,782
Year 18	\$208,782
Year 19	\$208,782
Year 20	\$208,782



SECTION 4

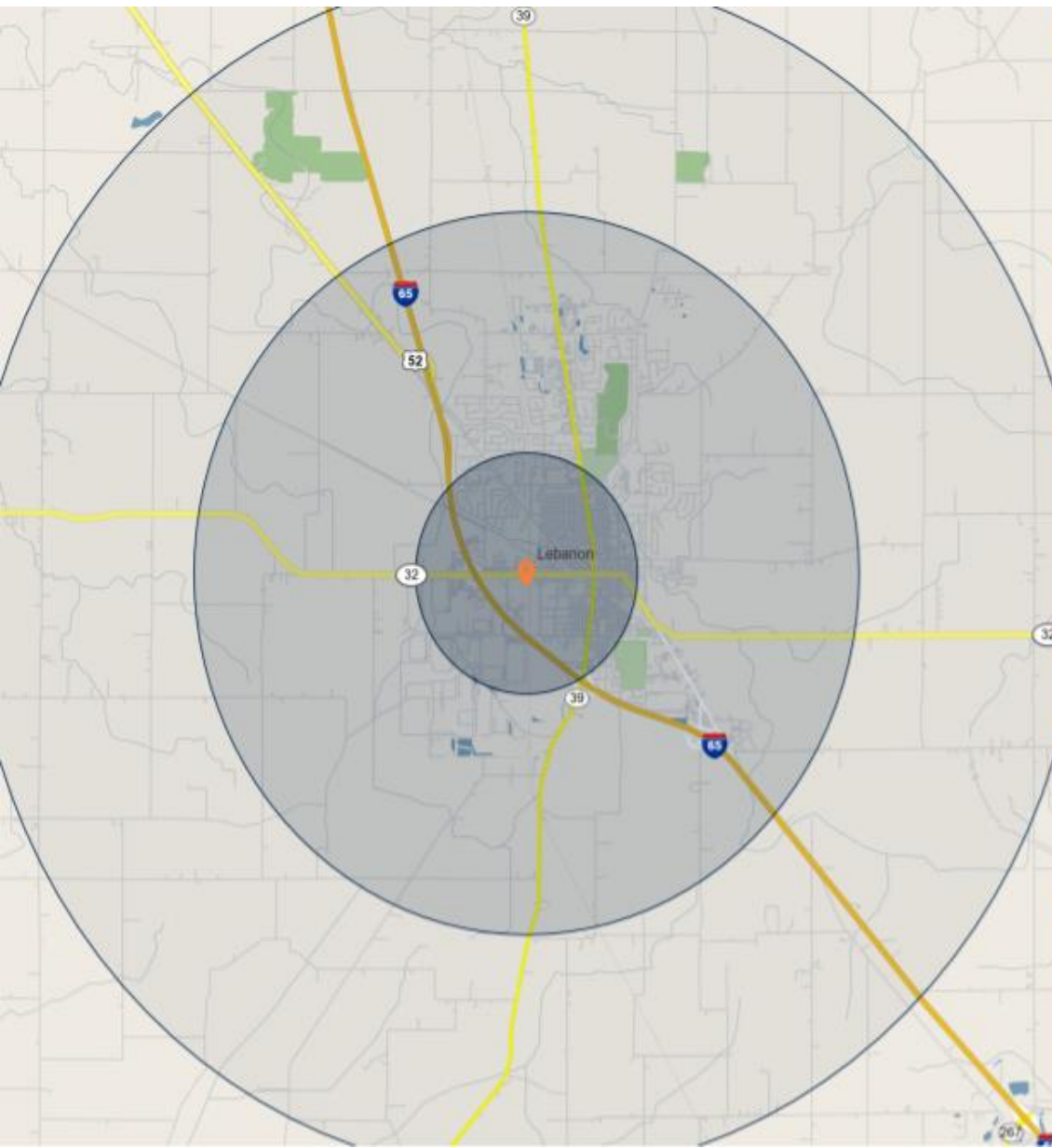
Market Overview

DEMOGRAPHICS

MARKET OVERVIEW

ARBY'S SALE-LEASEBACK

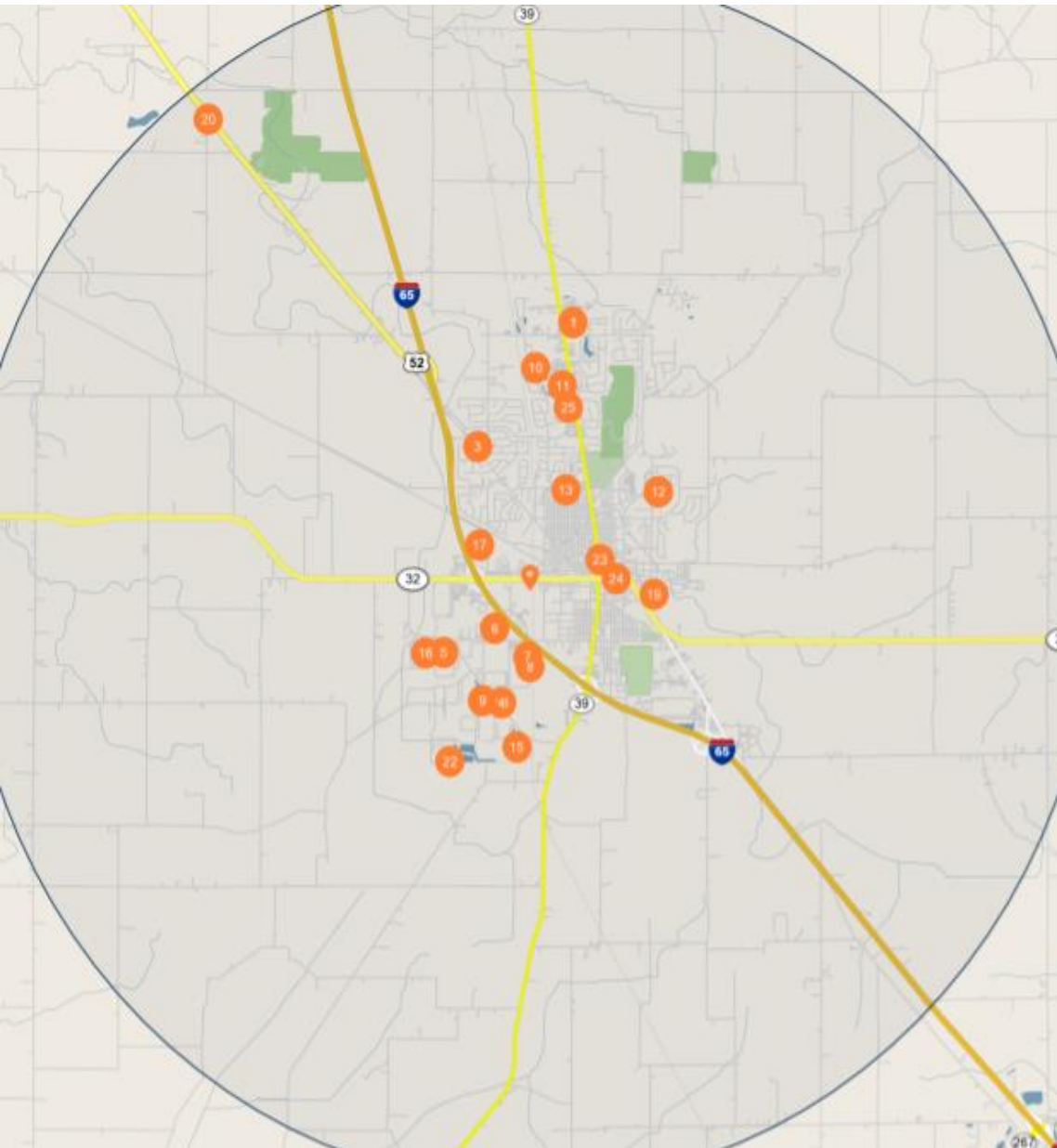
// Demographics



	1 Mile	3 Miles	5 Miles
POPULATION			
2026 Projection	7,570	19,019	20,977
2021 Estimate	7,264	18,026	19,896
2010 Census	6,901	16,731	18,490
2000 Census	7,075	15,841	17,562
HOUSEHOLD INCOME			
Average	\$67,837	\$76,019	\$78,367
Median	\$51,953	\$58,278	\$60,214
Per Capita	\$29,685	\$32,344	\$32,913
HOUSEHOLDS			
2026 Projection	3,313	8,110	8,823
2021 Estimate	3,159	7,614	8,284
2010 Census	2,908	6,832	7,438
2000 Census	2,975	6,382	6,954
HOUSING			
Median Home Value	\$102,985	\$134,415	\$139,278
EMPLOYMENT			
2021 Daytime Population	6,857	17,628	20,505
2021 Unemployment	5.30%	4.86%	4.73%
Average Time Traveled (Minutes)	23	23	24
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	36.75%	34.10%	33.77%
Some College (13-15)	20.10%	20.92%	20.76%
Associate Degree Only	7.77%	8.12%	8.29%
Bachelor's Degree Only	13.00%	16.53%	17.03%
Graduate Degree	6.36%	8.56%	8.65%

ARBY'S SALE-LEASEBACK

// Demographics



Major Employers

Employees

1	Witham Memorial Hospital-WITHAM HEALTH SERVICES	500
2	Witham Mem Hosp Foundation	450
3	American Healthcorp of Indiana-Koala Center	350
4	Skjodt-Brett Contract Pkg LLC	300
5	Hachette Book Group Inc	250
6	Hendrickson International Corp-Hendrickson Trailer Suspension	250
7	Pearson Education Inc	237
8	Pearson Education Inc	230
9	Cnh Industrial America LLC	208
10	Walmart Inc-Walmart	150
11	Kroger Co-Kroger	141
12	Kindred Nursing Ctrs Ltd Partner-Kindred Trnstrl Care Rhlblton	130
13	Indiana United Methdst Chld HM-JAMES E DAVIS SCHOOL	130
14	Parkwood Health Care-Signature Health At Parkwood	125
15	Aurora Parts & Accessories LLC-Aurora Parts	125
16	Purity Wholesale Grocers Inc	120
17	Menard Inc-Menards 3283	119
18	Certainteed Corporation	100
19	Newjac Industrial LLC	100
20	Perdue Farms Inc-Perdue Farms	100
21	LP Lebanon Management LLC	99
22	Kens Foods Inc	97
23	Indiana State Department Hlth-Boone County Health Department	96
24	Lebanon Community School Corp-Lebanon Senior High School	95
25	Marsh Supermarkets Company LLC-Marsh	93

INDIANAPOLIS

Known for the Indianapolis 500, the Indianapolis metro houses the state capitol and is a growing tech hub. Situated in central Indiana, the market consists of 11 counties: Marion, Johnson, Hamilton, Boone, Hendricks, Morgan, Hancock, Shelby, Brown, Putnam and Madison. The metro lacks formidable development barriers, except for the several rivers and creeks that traverse the region. Marion County is home to the city of Indianapolis, which contains a population of approximately 863,200 people. Fishers and Carmel in Hamilton County are the next two largest population hubs in the metro with roughly 93,000 residents each. Most of the surrounding counties are rural, offering builders ample land for residential and commercial development. Population growth is primarily concentrated to the northern suburbs and west of the city.

METRO HIGHLIGHTS



PREMIER DISTRIBUTION HUB

Around 50 percent of the U.S. population lies within a one-day drive of Indianapolis, making it a center for the transportation of goods.



MAJOR HEALTH SCIENCES CENTER

Eli Lilly & Co., Roche Diagnostics Corp. and Covance Inc. maintain operations in the region, among other major health-related employers.



LOWER COST OF DOING BUSINESS

Indianapolis' costs are far below national averages, attracting businesses and residents to the area.



ECONOMY

- Indianapolis' economy has diversified from manufacturing into a variety of other industries, including a growing tech sector underpinned by Salesforce.com and the 16 Tech Innovation District downtown.
- The metro is one of the key health-sciences centers in the nation, anchored by several pharmaceutical and life-sciences companies, including Eli Lilly and Roche Diagnostics.
- A well-developed interstate network and accessibility to a large portion of the nation in one day by ground or air make the region a burgeoning logistics and distribution hub.
- Indianapolis hosts three Fortune 500 firms: Anthem, Eli Lilly and Simon Property Group.

MAJOR AREA EMPLOYERS
Eli Lilly & Co.
Indiana University Health
Ascension St. Vincent Hospital
Community Health Network
Cummins, Inc.
The Kroger Co.
IUPUI
FedEx
Roche Diagnostics Corp.
Rolls-Royce Corp.



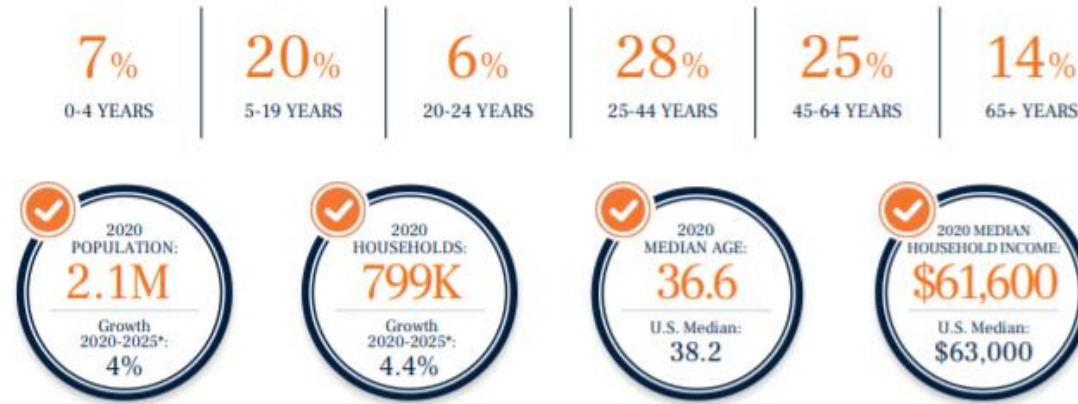
SHARE OF 2020 TOTAL EMPLOYMENT



DEMOGRAPHICS

- The metro is expected to add almost 82,000 people through 2025, which will result in the formation of nearly 35,300 households, generating demand for housing.
- A median home price below the national level has produced a homeownership rate of 65 percent, which is slightly above the national rate of 64 percent.
- Roughly 34 percent of people age 25 and older hold bachelor's degrees; among those residents, 12 percent also have earned a graduate or professional degree.

2020 Population by Age



QUALITY OF LIFE

Indianapolis offers residents many big-city amenities in an affordable, small-town atmosphere. The city is home to several high-profile auto races, including the Indianapolis 500 and Brickyard 400. Races are hosted at the Indianapolis Motor Speedway and the Lucas Oil Raceway at Indianapolis. The metro has two major league sports teams: the Indianapolis Colts (NFL) and the Indiana Pacers (NBA). The area also has a vibrant cultural and arts scene, with more than 200 art galleries and dealers, the Indianapolis Symphony Orchestra and a variety of museums, including the Eiteljorg Museum of American Indians and Western Art. Additionally, the Children's Museum of Indianapolis is one of the largest children's museums in the world.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



ARBY'S SALE-LEASEBACK

// Market Overview

ABOUT LEBANON

Officially established on April 30th of 1830, Lebanon was founded by two young, prominent, Indianapolis men, General James Perry Drake and Colonel George L. Kinnard. Their military titles were derived from their service in the Indiana Militia. Both men, in addition to being progressive community builders were shrewd developers and speculators. Drake and Kinnard learned early of the planned organization of Boone County and purchased three tracts of land near the geographic center of the new county. The two men knew that this location would be the most likely site for the new county seat and, therefore, would develop as a town. According to the Federal Land office records in Crawfordsville, on March 1, 1830, Drake and Kinnard applied for deeds to the land.



Lebanon, Indiana is known for a sense of community. Lebanon has wonderful sense of family and is famous for its small-town charm. People really care for each other. Whether its getting neighbors the services they need, celebrating during one of the city's quality of life building events, Lebanon is meant to feel like home.

Major employers in Lebanon include Lebanon Community School Corporation; the U.S. headquarters of German power tools company Festool and of Canadian specialty foods manufacturer Skodt-Barrett; manufacturing plants for Hendrickson International, DS Smith, Kuraray, Kauffman engineering, Maplehurst Bakeries, and D-A lubricant Company; distribution centers for CHN Parts & Services along with the healthcare campuses operated by Witham Health Services.

A photograph of an Arby's restaurant building with a tan brick facade and a red awning. The building is partially obscured by a semi-transparent white overlay. The sky is blue with light clouds. In the foreground, there is a concrete sidewalk, a grassy area, and a yellow parking sign with a wheelchair symbol.

SECTION 5

About The Team

ANDREW JAWORSKI

TAREK CHBEIR

About The Team



Andrew Jaworski

Senior Associate

Hailing from New York State, Andrew Jaworski remains one of the most aggressive brokers in the Orlando Office, focusing strictly on retail and net-leased properties. The majority of his time is dedicated towards assisting franchisees and corporations creatively structure sale-leaseback transactions as a means of helping them expand their footprint. Andrew began his career with Marcus & Millichap as an intern during his final year at Rollins College while pursuing his Master's in Healthcare Administration.

Throughout this time, Andrew began studying the net-leased marketplace and growth trends throughout the South-Eastern United States, specifically quick-service restaurants (QSR's), pharmacies, automotive retail, and banks. Upon graduation, he expanded his research to other major counties throughout Florida. He has since expanded his reach, spanning back to his roots in New York where he travels frequently, building relationships with NNN buyers, sellers, and developers.



Tarek Chbeir

Associate

Tarek Chbeir is a Single and Multi-tenant Retail Investment specialist in the firm's Orlando office. Focusing strictly on Single and Multi-tenant retail properties, Tarek exclusively represents property owners throughout the Florida region, providing clients with professional, responsive, and attentive advisory services through active research, investment sales, and updates through Marcus and Millichap Capital corporation.

Tarek has years of experience in the real estate industry, and prides himself in providing each and every client with a consistent quality service through Marcus and Millichap. Surpassing expectations and achieving the desired result is our primary motivation.

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



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