

FOR SALE

7314 Shallowford Rd
Chattanooga, TN 37412



73+ Unit Franchisee
13+ Years Plus Options
Absolute NNN

\$1,370,625



Represented by

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km Kidder
Mathews

7314 SHALLOWFORD RD
CHATTANOOGA, TN

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*Listed in association with broker of record:
Robert Riek, Esq., Riek & Wells,*



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Investment Overview

Kidder Mathews is pleased to exclusively offer a ±2,800 square foot free standing Arby's situated on a ±31,798 square foot parcel in Chattanooga Tennessee. Chattanooga is the fourth largest city in Tennessee. It was the first city in the United States to turn on a citywide fiber network that offered remarkably fast internet service. This resulted in rapid growth and development and the influx of some of the nation's most notable companies: Coca-Cola, AT&T, Cigna, Amazon.com, and the Volkswagen Group.

This Arby's offers an absolute triple net lease (with no landlord responsibilities) and is subject to a twenty (20) year lease that commenced on June 3, 2011 and expires on June 2, 2031. There are three (3), five-year renewal options and the rent increases every five years during the initial lease term and during the option periods at a fixed rate of 7.5%.

With over thirteen (13) years remaining on the initial lease term, this site benefits from an extremely strong location. The property is strategically located on a hard corner, signalized intersection and boasts traffic counts in excess of 22,500 vehicles per day.

In addition, Arby's is ideally situated within minutes to Interstate 74 and is in a major retail area that includes retailers such as: Walgreens, Office Depot, Ross, Starbucks, Toys R Us, Lowe's, Regal Cinemas, Chase, Olive Garden, Walmart, Sprint, Red Lobster, and many more.

Furthermore, the immediate area features very strong demographics. Within a five-mile radius of the site, this location enjoys a population in excess of 97,000 residents, over 39,000 households and average household income of over \$73,000 per year.



INVESTMENT SUMMARY

Price	\$1,370,625
Cap Rate	6.00%
Price/SF	\$489.50/SF
Building Size	±2,800
Land Size	±31,798
Lease Term	20 years



Executive Summary

Property Overview

PRICE	\$1,370,625
ANNUAL RENT	\$82,237.50
CAP RATE	6.00%
FRANCHISE GUARANTEE	±73 unit guarantee
LEASE TERM	20 years
LEASE COMMENCEMENT	June 3, 2011
LEASE EXPIRATION	June 2, 2031
OPTION TO RENEW	Three, 5-year options
RENT INCREASES	7.5% every 5 years
OCCUPANCY	100%
BUILDING AREA	±2,800 SF
LAND AREA	±31,798 SF
YEAR BUILT / REMODELED	1994 / 2009
TENANT	Restaurant Management, Inc (RMI)
LEASE TYPE	Absolute Triple Net (NNN)
DRIVE-THRU	Yes
FEE SIMPLE	Yes - Land & Building
ROFR	Yes

RENT SCHEDULE			
YEARS	DATES	MONTHLY RENT	ANNUAL RENT
1-5	June 2011 - June 2016	\$6,375.00	\$76,500.00
6-10*	June 2016 - June 2021	\$6,853.13	\$82,237.50
11-15	June 2021 - June 2026	\$7,367.11	\$88,405.31
16-20	June 2026 - June 2031	\$7,919.64	\$95,035.71
21-25 (Option 1)	June 2031 - June 2035	\$8,513.62	\$102,163.39
26-30 (Option 2)	June 2035 - June 2041	\$9,152.14	\$109,825.64
31-35 (Option 3)	June 2041 - June 2046	\$9,838.55	\$118,062.57

*Current Rent

ARBY'S INVESTMENT SUMMARY		
 <p>SALE PRICE \$1,370,625</p>	 <p>CAP RATE 6.00%</p>	 <p>NOI \$82,237.50</p>

Location Summary/Demographics

Arby's is ideally situated within minutes to Interstate 74 and is located in a major retail area that includes retailers such as: Walgreens, Office Depot, Ross, Starbucks, Toys R Us, Lowe's, Regal Cinemas, Chase, Olive Garden, Walmart, Sprint, Red Lobster, and many more.




Traffic counts on Shallowford Road exceed 22,500 vehicles per day and traffic counts on Interstate 74 exceed 67,500 vehicles per day.

Furthermore, the immediate area features very strong demographics. Within a five-mile radius of the site, this location enjoys a population in excess of 97,000 residents, over 39,000 households and average household income of over \$73,000 per year.

TRAFFIC COUNTS	
Shallowford Rd	22,500
Interstate 74	67,500



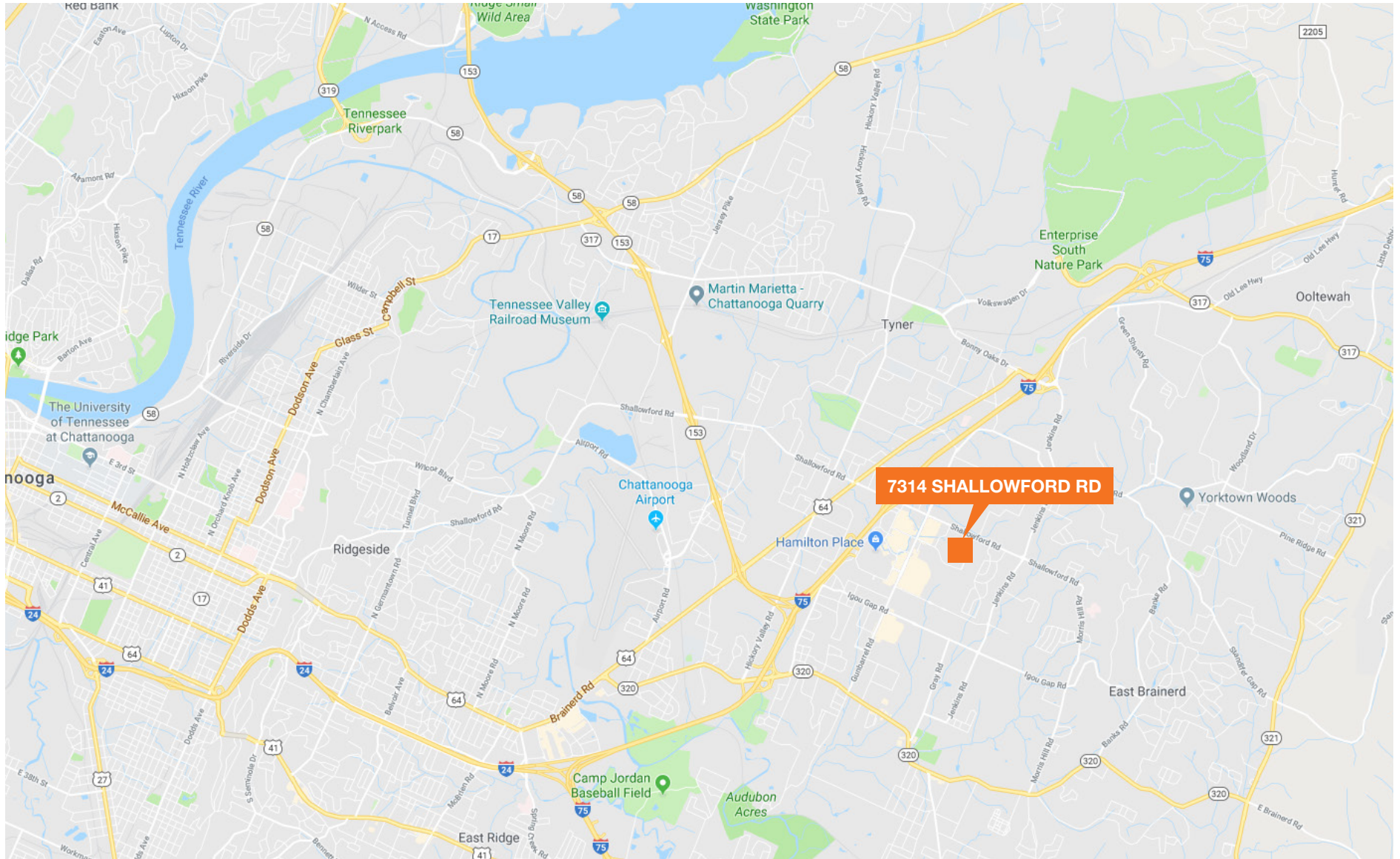
DEMOGRAPHICS AND INCOME PROFILE			
	1 MILE	3 MILES	5 MILES
Total Population			
2010	5,587	37,997	90,337
2017	6,229	40,712	97,609
2022	6,671	42,621	102,600
Total Households			
2010	2,839	16,221	37,274
2017	3,138	17,254	39,896
2022	3,351	18,029	41,795
Average Household Income			
2017	\$78,987	\$73,800	\$73,157
2022	\$91,164	\$84,096	\$82,696

DEMOGRAPHIC & INCOME - 5 MILE RADIUS		
 POPULATION 97,609	 HOUSEHOLDS 39,896	 AVG HH INCOME \$73,157

Amenities Aerial



Location Map



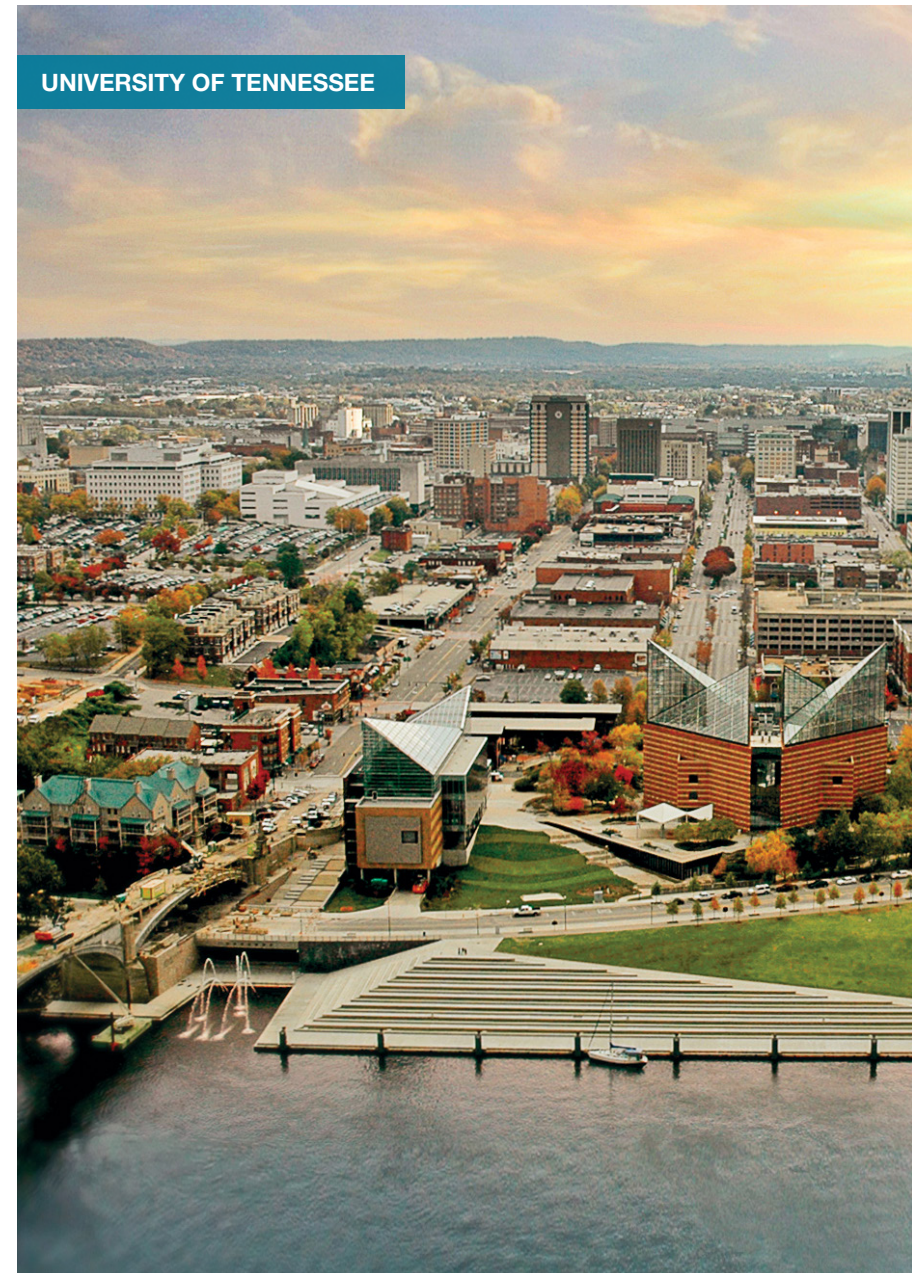
Chattanooga Overview

POPULATION

Chattanooga is the fourth-largest city in Tennessee and is the seat of government of Hamilton County. Located in southeastern Tennessee on the Tennessee River, it is served by multiple railroads and Interstate highways, making the city a popular transit hub. As of 2016, Chattanooga had a total population of approximately 177,500 residents. The city has been named by Lonely Planet for “10 U.S. destinations you need to see in 2018”, as well as named by New York Times as one of the “Top 45 Places to go” in the world.

ECONOMY

Chattanooga’s economy includes a diversified and growing mix of manufacturing and service industries. When Chattanooga became the first city in the United States to turn on a citywide fiber network that offered remarkably fast internet service, one-gigabit-per-second fiber internet service to all residents and businesses at 200 times the speed of the national average, multinational businesses moved in and prompted rapid growth and development. Notable companies include Coca-Cola with the world’s first Coca-Cola bottling plant, AT&T, Cigna, Amazon.com, as well as Volkswagen Group of America that inaugurated its Chattanooga Assembly Plants as the North American manufacturing headquarters.



Chattanooga Overview Cont.



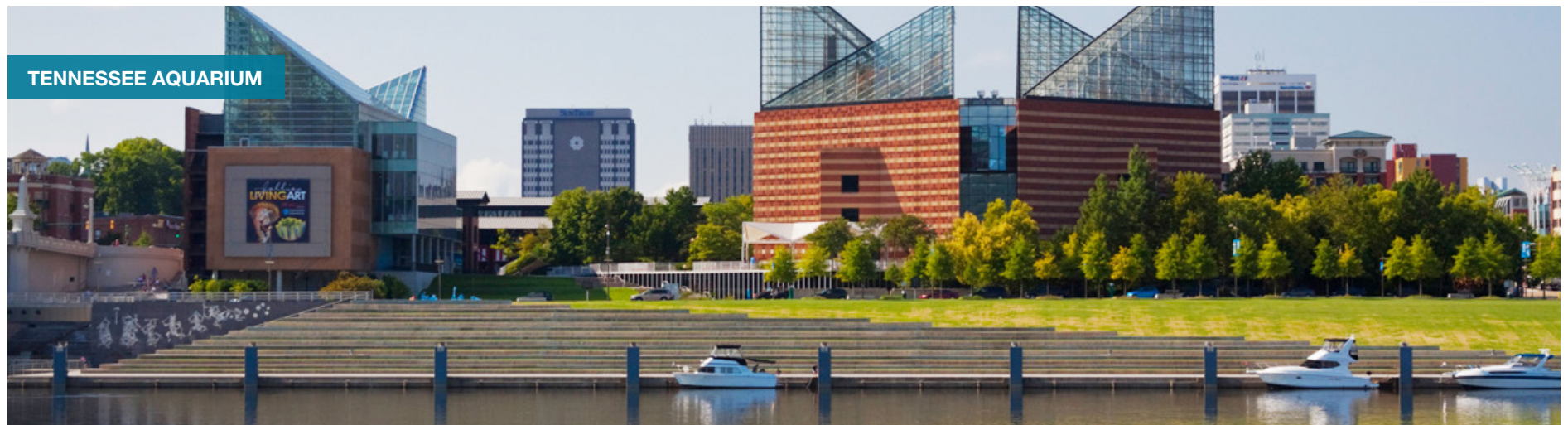
SPORTS

Chattanooga has a large, growing, and diversified sports scene for a city of its size, including college sports, minor league baseball, semi-professional teams, professional cycling exemplified by the Volkswagen USA Cycling Professional Road & Time Trial National Championships, the Ironman Triathlon, and a large nationally renowned regatta the first weekend of November.

TOURISM & RECREATION

Chattanooga offers visitors and residents alike with a plethora of options for entertainment and culture. The city touts many attractions, including the Tennessee Aquarium, caverns, and new waterfront attractions along and across the Tennessee River. In the downtown area is the Chattanooga Choo Choo Hotel, housed in the renovated Terminal Station. Parks and natural scenic areas provide other attractions, including reservoirs, gardens, hiking trails and arboretums. Chattanooga is also the center of much bluegrass music and hosts the well-known Riverbend Festival held in June, among many other concerts. Chattanooga boasts an extensive greenway system which includes more than 15 miles of constructed river walks that begin downtown and meander through the historic art district and several parks. The city supports a downtown shuttle fleet of zero-emission electric buses for commuters and visitors to ride free of charge.

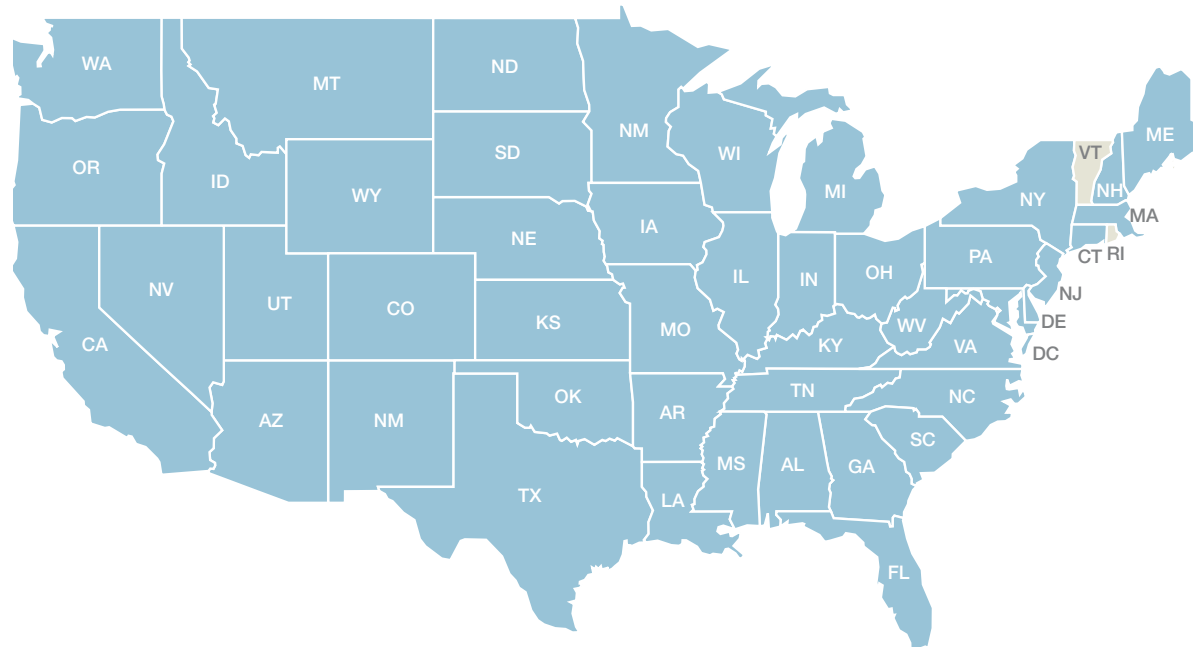
(Source: Wikipedia)



Corporate Profile

Arby's, founded in 1964, is the second-largest quick-service fast-food sandwich restaurant chain, with more than 3,400 restaurants in seven countries worldwide. Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with quality and made-for-you care of fast casual. Inspire Brands, the renamed Arby's Restaurant Group, Inc., is the franchisor of the Arby's Brand and is headquartered in Atlanta, GA. Inspire Brands operates the Arby's fast food chain popular for its hot roast beef sandwiches. In addition to roast beef sandwiches, its menu features chicken sandwiches, salads and some desert items. More than 1,100 Arby's locations are company-owned while the rest are franchised. In addition to the 3,400+ Arby's locations, Inspire Brands took over ownership of Buffalo Wild Wings in February 2018. The fast-casual dining chain is best known for Buffalo-style chicken wings with more than 1,200 restaurants across all 50 states and the District of Columbia.

Arby's operates in forty-eight (48) states except Rhode Island and Vermont:



Tenant Profile

Restaurant Management Inc. (RMI) is the second largest Arby's franchisee. RMI began business in 1965 with one restaurant in Cleveland, Ohio. In 1966 the Cleveland restaurant was sold and the company moved its operations to Cincinnati, Ohio. RMI currently operates ±73 Arby's restaurants in Ohio, Kentucky, Tennessee, Indiana, North Carolina, Alabama and Georgia. They are concentrated primarily in the Greater Cincinnati and Greater Chattanooga areas.

Kidder Mathews Overview

COMMERCIAL BROKERAGE

Staff/Professionals 700+

Annual transaction total \$7B

Annual sales 18.6M SF

Annual leases 30.9M SF

PROPERTY MANAGEMENT

Portfolio 49.5M SF

VALUATION ADVISORY

Appraisals annually 1,500+

SERVICES

- Commercial Brokerage
- Property Management
- Valuation Advisory
- Consulting
- Project & Construction Management
- Development Management
- Sustainability Practices

Kidder Mathews is the largest independent commercial real estate firm on the West Coast, with more than 700 real estate professionals and staff in 21 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt & equity finance services for all property types.

WASHINGTON

Brokers..... 119
 # Property Managers..... 22
 # Appraisers..... 24

OREGON

Brokers..... 34
 # Property Managers..... 6
 # Appraisers..... 2

CALIFORNIA

Brokers..... 158
 # Property Managers..... 19
 # Appraisers..... 11

NEVADA

Brokers..... 10
 # Property Managers..... 1

ARIZONA

Brokers..... 12
 # Property Managers..... 1
 # Appraisers..... 1



AWARD WINNING SERVICES
2001-2016

PSBJ Largest Commercial Real Estate Firm

17 times

San Diego Business Journal Largest CRE Firms

2 time

A Largest CRE Firm in San Francisco

12 times

Bay Area News Group Top Places to Work

5 times

A Largest CRE Firm in Silicon Valley

10 times

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