

TRIPLE NET LEASED QSR INVESTMENT OFFERING IN METRO ATLANTA

1265 Powder Springs Street, Marietta, GA 30064

0.92 Acres • 3,212 Square Feet

\$2,656,800 • 6.0% Cap Rate



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Representative Property

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Representative Property

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Representative Properties



- 20 year absolute triple net lease with 10% rent bumps every 5 years
- 4 renewal options of 5 years each with 10% rent bumps each option
- International QSR brand with over 7,000 restaurants in 25 countries
- Tenant is a 53 year veteran of the QSR industry and DQ franchising system
- Signalized corner site on a 5-lane corridor with daily traffic counts of 37,000
- Neighboring tenants include ALDI, CVS, McDonald's, Waffle House, Taco Bell, Zaxby's, O'Reilly, AutoZone, Family Dollar and U-Haul
- Population over 75,000 with average household income over \$75,500 in a 3-mile radius
- Located 3 miles from Marietta Town Square, 6 miles off I-75, and 20 miles northwest of downtown Atlanta
- Cobb County is the third most populous in the state with over 755,000 residents

INVESTMENT SUMMARY

OFFERING DETAILS

Address	1265 Powder Springs Street Marietta, GA 30064
Purchase Price	\$2,656,800 (based on estimated rent)
Going In Cap Rate	6.0% (Years 1-5)
Average Cap Rate	6.96% (Years 1-20)
Land Size	+/- 0.921 Acres or +/- 40,114 Square Feet
Building Size	+/- 3,212 Square Feet
Building Age	Completed December 2018
Frontage	+/- 200 Feet on Powder Springs Street +/- 185 Feet on Cunningham Road
Access	1 Point of Ingress/Egress on Powder Springs Street 1 Point of Ingress/Egress on Cunningham Road
Parking	39 Total Spaces with 2 Handicap Spaces
Zoning	CRC – Community Retail Commercial
Traffic Counts	+/- 37,000 AADT on Powder Springs Street

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	12,568	75,151	182,571
Households	3,617	25,851	65,700
Average HH Income	\$83,552	\$75,514	\$78,894
Median HH Income	\$56,133	\$52,113	\$55,263

LEASE DETAILS

Lease Type	Fee Simple Absolute Triple Net
Lease Term	20 Years
Commencement Date	December 26, 2018
Expiration Date	December 31, 2038
Renewal Options	4 Options 5 Years Each
Estimated Annual Base Rent	\$159,408.00 (Years 1-5) \$175,348.80 (Years 6-10) \$192,883.68 (Year 11-15) \$212,172.05 (Years 16-20)
Rent Increases	10% Every 5 Years
Percentage Rent	None
Tenant/Guarantor	Silver Lodestone, Inc./LBS Group, Inc.
Right of First Refusal	None





Mission: To create positive memories for all who touch DQ®

Vision: To be the world's favorite quick-service restaurant

Brand Story

There are few brands as iconic as the DQ® brand. The first Dairy Queen location opened in Joliet, Ill. in 1940. Since then, the innovative DQ food and treats along with the unique DQ restaurant concepts, have positioned International Dairy Queen as a leader in the quick-service restaurant industry both in the U.S. as well as internationally. Today, the DQ system is a \$4.5 billion brand.

Ownership

Dairy Queen® restaurants are franchised by American Dairy Queen Corporation, a Berkshire Hathaway company (NYSE: NRK.A and BRK.B). Restaurants in Canada are franchised through Dairy Queen Canada.

Menu

The Dairy Queen system offers a variety of treats and products including burgers, chicken strips, chicken sandwiches, artisan sandwiches and the famous DQ soft-serve that is part of a variety of unique treats only found at Dairy Queen restaurants.

Franchisees*

U.S.: Approximately 2,351 unique franchisees with 4,503 stores

Canada: Approximately 537 unique franchisees with 688 stores

International: 43 unique franchisees with 1864 stores

*Based on 2017 (Rolling 12 Months) stores that paid service fees

Headquarters

Franchisees throughout the world are supported by teams at the IDQ Franchisee Support Center in Minneapolis, Minnesota and the Franchisee Support Center in Burlington, Ontario, Canada.

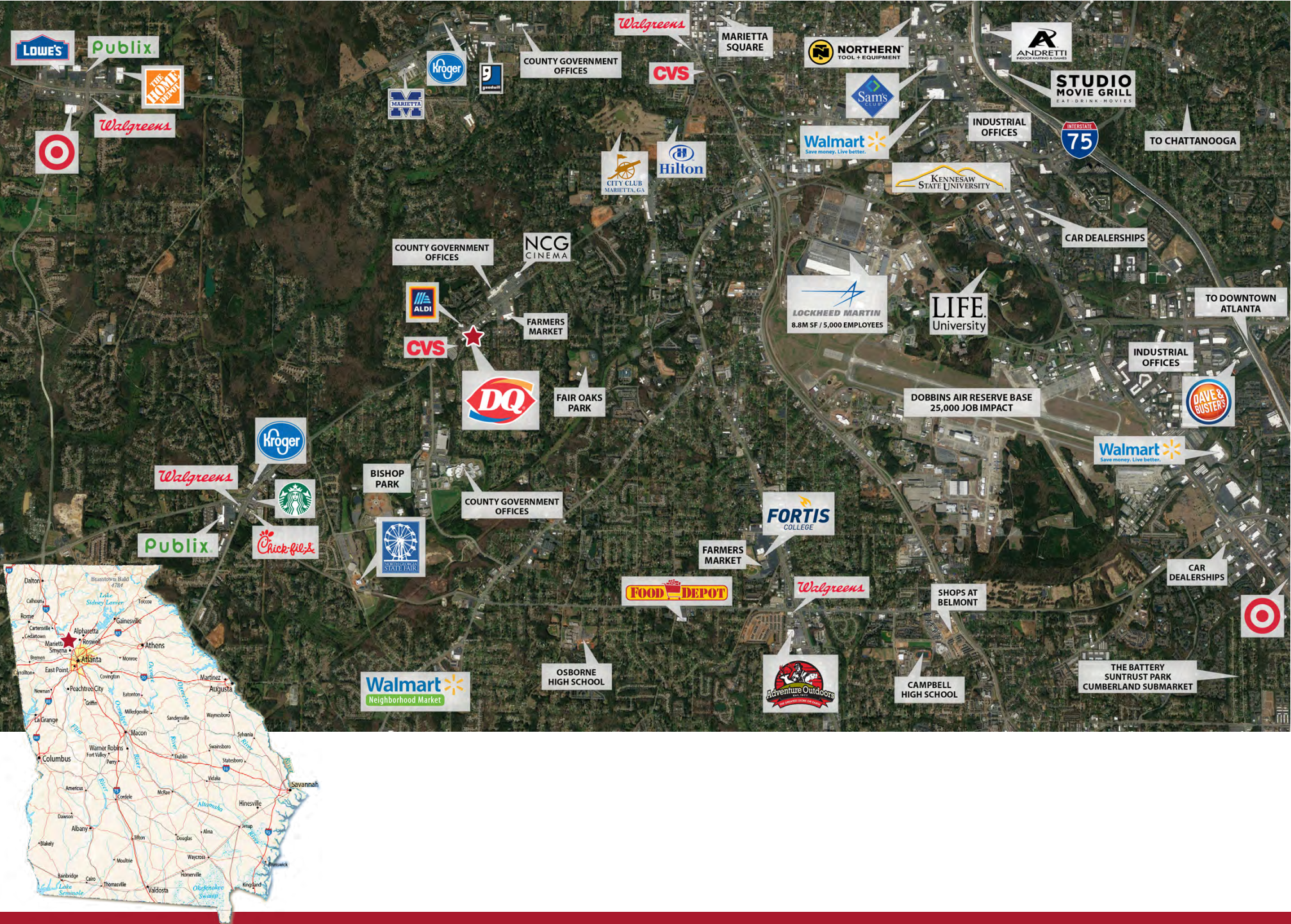
Powder Springs Location

The Powder Springs Street location is operated by **Silver Lodestone, Inc.** (SLS). The owner of SLS is industry veteran and longtime DQ franchisee B.A. "Bogey" Stoner. Bogey has been operating DQ restaurants for 53 years and currently has four (4) locations in the northwest Atlanta market with a fifth one in the planning stages. SLS is based in Marietta GA and its main office is less than two miles from the Powder Springs Street location. Contact broker for additional franchisee information.

SITE PLAN



LOCATION MAP & AERIAL



What was once a stopping-off point for roaming hunters is now home to about 755,000 people, two thriving school systems and a rapidly growing economy.

Established in 1832, Cobb County takes its name from Thomas W. Cobb, a U.S. senator, state legislator and superior court judge.

It now includes six cities, Acworth, Austell, Kennesaw, Powder Springs, Smyrna and Marietta, which is the county seat. Cobb also includes several other communities that have not incorporated into cities, such as Mableton, Vinings, Cumberland and East Cobb.

The construction of the Western and Atlantic Railroad in 1832 saw more and more people come to the area. Thirty years later, that rail line also saw the celebrated Great Locomotive Chase, where a band of Union spies commandeered a locomotive in Big Shanty, today called Kennesaw, in an attempt to sabotage the line. They led Confederate troops on a chase all the way to Chattanooga before being captured.

After the war, the county's economic fortunes changed when Bell Aircraft announced it was opening a factory in 1942. By 1945, over 28,000 workers were employed at the Bell Bomber plant pitching in for the war effort.

In 1951, ownership of the plant moved to the Lockheed Corporation, which is still a major force in Cobb's economy.

The military also remains a major presence in the county in the form of Dobbins Air Reserve Base. Constructed in 1941 as Rickenbacker Field, it is now the largest multi-service reserve training base in the world with more than 10,000 guardsmen and reservists from the Air Force, Army, Navy and Marines.

Today, Cobb County has become a thoroughly modern part of metropolitan Atlanta, the home of Home Depot, Lockheed and the Atlanta Braves. People here are on average wealthier and better educated than in the rest of the state or country. Cobb's two public school districts are Cobb County Schools, which educates nearly 113,000

students, and Marietta City Schools, a smaller district within Marietta city limits.

The county is also home to the state's third largest university, Kennesaw State University, as well as a multitude of private and charter schools.

Recently, Cobb has become a sports destination as well, hosting soccer team Atlanta United FC's headquarters and the Braves' Suntrust Park, which still has its new-stadium smell after opening in 2017. In addition to hosting its own college games, KSU's Fifth Third Bank Stadium is also home to Major League Lacrosse's Atlanta Blaze.

The county is governed by a five-member Board of Commissioners, consisting of a chairman and four district commissioners, while the cities are each governed by a major-city council system.

COBB COUNTY FACT BOX

Established	1832
Population	755,754 (est 2017)
Land Area	339.6 square miles
Cities	Acworth, Austell, Kennesaw, Marietta, Powder Springs, Smyrna
Bachelor's Degree or Higher	44.1%
Median Household Income	\$55,263 (2018 5-mile radius)
Mean Travel Time to Work	30.7 minutes

MARKET PROFILE

COBB COUNTY'S TOP 10 EMPLOYERS

	COBB COUNTY SCHOOLS 18,031*		LOCKHEED MARTIN AERONAUTICS 4,900
	THE HOME DEPOT 12,000		PUBLIX SUPERMARKETS 3,619
	WELLSTAR HEALTH SYSTEM 11,596		SIX FLAGS OVER GEORGIA 3,100*
	KENNESAW STATE UNIVERSITY 5,980		BRAND ENERGY & INFRASTRUCTURE HOLDINGS, INC. 2,803
	COBB COUNTY GOVERNMENT 5,378		THE KROGER COMPANY 2,523

*Employee count includes full-time, part-time and temporary



Executive Summary

DQ Grill & Chill
 1265 Powder Springs St SE, Marietta, Georgia, 30064
 Rings: 1, 3, 5 mile radii

Prepared by Esri
 Latitude: 33.92167
 Longitude: -84.57762

	1 mile	3 miles	5 miles
Population			
2000 Population	11,451	68,830	161,367
2010 Population	11,515	69,644	165,918
2018 Population	12,568	75,151	182,571
2023 Population	13,208	79,533	193,858
2000-2010 Annual Rate	0.06%	0.12%	0.28%
2010-2018 Annual Rate	1.07%	0.93%	1.17%
2018-2023 Annual Rate	1.00%	1.14%	1.21%
2018 Male Population	55.4%	50.5%	49.5%
2018 Female Population	44.6%	49.5%	50.5%
2018 Median Age	33.4	34.2	34.9

In the identified area, the current year population is 182,571. In 2010, the Census count in the area was 165,918. The rate of change since 2010 was 1.17% annually. The five-year projection for the population in the area is 193,858 representing a change of 1.21% annually from 2018 to 2023. Currently, the population is 49.5% male and 50.5% female.

Median Age

The median age in this area is 33.4, compared to U.S. median age of 38.3.

Race and Ethnicity

2018 White Alone	39.3%	47.5%	48.2%
2018 Black Alone	46.5%	32.0%	33.6%
2018 American Indian/Alaska Native Alone	0.3%	0.5%	0.4%
2018 Asian Alone	2.3%	3.1%	3.4%
2018 Pacific Islander Alone	0.1%	0.1%	0.0%
2018 Other Race	8.0%	13.1%	10.6%
2018 Two or More Races	3.6%	3.8%	3.7%
2018 Hispanic Origin (Any Race)	19.6%	29.4%	23.8%

Persons of Hispanic origin represent 23.8% of the population in the identified area compared to 18.3% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 77.9 in the identified area, compared to 64.3 for the U.S. as a whole.

Households

2000 Households	3,485	24,364	58,118
2010 Households	3,303	24,211	60,031
2018 Total Households	3,617	25,851	65,700
2023 Total Households	3,836	27,330	69,693
2000-2010 Annual Rate	-0.53%	-0.06%	0.32%
2010-2018 Annual Rate	1.11%	0.80%	1.10%
2018-2023 Annual Rate	1.18%	1.12%	1.19%
2018 Average Household Size	2.78	2.79	2.70

The household count in this area has changed from 60,031 in 2010 to 65,700 in the current year, a change of 1.10% annually. The five-year projection of households is 69,693, a change of 1.19% annually from the current year total. Average household size is currently 2.70, compared to 2.68 in the year 2010. The number of families in the current year is 42,174 in the specified area.



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	1 mile	3 miles	5 miles
Median Household Income			
2018 Median Household Income	\$56,133	\$52,113	\$55,263
2023 Median Household Income	\$60,507	\$56,403	\$59,704
2018-2023 Annual Rate	1.51%	1.59%	1.56%
Average Household Income			
2018 Average Household Income	\$83,552	\$75,514	\$78,894
2023 Average Household Income	\$94,982	\$84,580	\$88,623
2018-2023 Annual Rate	2.60%	2.29%	2.35%
Per Capita Income			
2018 Per Capita Income	\$27,836	\$26,690	\$29,302
2023 Per Capita Income	\$31,214	\$29,722	\$32,770
2018-2023 Annual Rate	2.32%	2.18%	2.26%

Households by Income

Current median household income is \$55,263 in the area, compared to \$58,100 for all U.S. households. Median household income is projected to be \$59,704 in five years, compared to \$65,727 for all U.S. households

Current average household income is \$78,894 in this area, compared to \$83,694 for all U.S. households. Average household income is projected to be \$88,623 in five years, compared to \$96,109 for all U.S. households

Current per capita income is \$29,302 in the area, compared to the U.S. per capita income of \$31,950. The per capita income is projected to be \$32,770 in five years, compared to \$36,530 for all U.S. households

Housing			
2000 Total Housing Units	3,594	25,525	60,892
2000 Owner Occupied Housing Units	2,128	14,294	33,889
2000 Renter Occupied Housing Units	1,357	10,070	24,228
2000 Vacant Housing Units	109	1,161	2,775
2010 Total Housing Units	3,700	28,194	69,099
2010 Owner Occupied Housing Units	1,866	13,715	35,021
2010 Renter Occupied Housing Units	1,437	10,496	25,010
2010 Vacant Housing Units	397	3,983	9,068
2018 Total Housing Units	3,979	29,485	73,700
2018 Owner Occupied Housing Units	1,792	13,910	36,052
2018 Renter Occupied Housing Units	1,825	11,941	29,648
2018 Vacant Housing Units	362	3,634	8,000
2023 Total Housing Units	4,223	31,206	78,041
2023 Owner Occupied Housing Units	1,971	15,298	39,524
2023 Renter Occupied Housing Units	1,865	12,032	30,169
2023 Vacant Housing Units	387	3,876	8,348

Currently, 48.9% of the 73,700 housing units in the area are owner occupied; 40.2%, renter occupied; and 10.9% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.2% are vacant. In 2010, there were 69,099 housing units in the area - 50.7% owner occupied, 36.2% renter occupied, and 13.1% vacant. The annual rate of change in housing units since 2010 is 2.91%. Median home value in the area is \$197,344, compared to a median home value of \$218,492 for the U.S. In five years, median value is projected to change by 2.76% annually to \$226,135.

CONTACT INFORMATION

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