

McDonald's

7051 South Boulevard, Charlotte, NC 28217

Marcus & Millichap
Real Estate Investment Services

OFFERING MEMORANDUM



Representative Photo

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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EXECUTIVE SUMMARY

MCDONALD'S (A Relocation Store)

7051 South Blvd.
Charlotte, NC 28217

**THE OFFERING**

Price	\$2,750,000
Cap Rate	4.18%
Total GLA	4,446 SF
Lot Size	1.18 Acres
Year Built	2015
Lease Type	NNN Ground Lease
Lease Term	20 Years
Rent Commencement	Mid-October 2015
Lease Expiration	October 2035
Term Remaining	20 Years
Increases	10% In Base & 8% Option Terms
Options	Eight; Five-Year Terms
Debt	Free & Clear

ANNUALIZED OPERATING DATA

Base Rent	\$115,000
<u>RENT INCREASES</u>	
Years 1-10	\$115,000
Years 11-20	\$126,500
Option 1 (Years 21-25)	\$136,620
Option 2 (Years 26-30)	\$147,549
Option 3 (Years 31-35)	\$159,353
Option 4 (Years 36-40)	\$172,101
Option 5 (Years 41-45)	\$185,870
Option 6 (Years 46-50)	\$200,739
Option 7 (Years 51-55)	\$216,798
Option 8 (Years 56-60)	\$234,142

INVESTMENT OVERVIEW

On behalf of ownership, Marcus & Millichap is pleased to exclusively offer for sale this ground leased McDonald's in the Charlotte Suburb of Star Mount, North Carolina. McDonald's operated on the opposing corner of this intersection since 1991; over 20 years. Most recently, the tenant elected to relocate and enter into a new lease at a much stronger corner just yards away. The relocation is a clear indication of the tenant's long-term commitment to this market. The new site will feature the tenant's newest prototype with a double-drive through as well as superior access as it's now on the side of the street most convenient to commuters driving into work. The new site also benefits from excellent visibility to the more than 50,000 cars that pass this intersection daily and a right in/out access point off of South Boulevard, which the tenant lacked in its previous location due to the light rail tracks. Investors should note that the commuter light rail station is ¼ mile south of this site; a major source of customer traffic for McDonald's.



Representative Photo

INVESTMENT HIGHLIGHTS

- New 20 Year Lease with Desirable 10% Rental Increases
- "A" Credit Rating by Standard & Poor's
- Rare Relocation Store of Older, Existing Location
- High Traffic Location; 50,000 VPD and Proximity to Commuter Rail Station
- Available Free and Clear of Debt

LEASE ABSTRACT

Tenant Trade Name	McDonald's USA, LLC
Guarantor	McDonald's Corp.
Lease Type	NNN Ground Lease
Rent Commencement Date	Mid-October 2015
Expiration Date of Base Term	October 2035
Assignment and Subletting	Tenant may, without the consent of Landlord, sublease the Premises or assign this Lease or its rights under this Lease, provided that the Tenant shall notify Landlord in writing of any such sublease or assignment to any entity that is not a parent, subsidiary, affiliated entity, licensee, licensor, or franchisee of Tenant within 30 days of the effective date thereof. Tenant will remain liable to pay all rent required under this Lease and to perform all terms, covenants and conditions under this Lease.
Right of First Refusal to Purchase	Should Landlord, during the Term, receive an offer to purchase the Premises or any part of the Premises, and Landlord desires to accept such offer; or should Landlord make an offer to sell the Premises or any part of the Premises or transfer the beneficial interest in any land trust in which the Premises or any part of the Premises are held, Landlord will give 30 days' notice of such offer.

TENANT INFORMATION

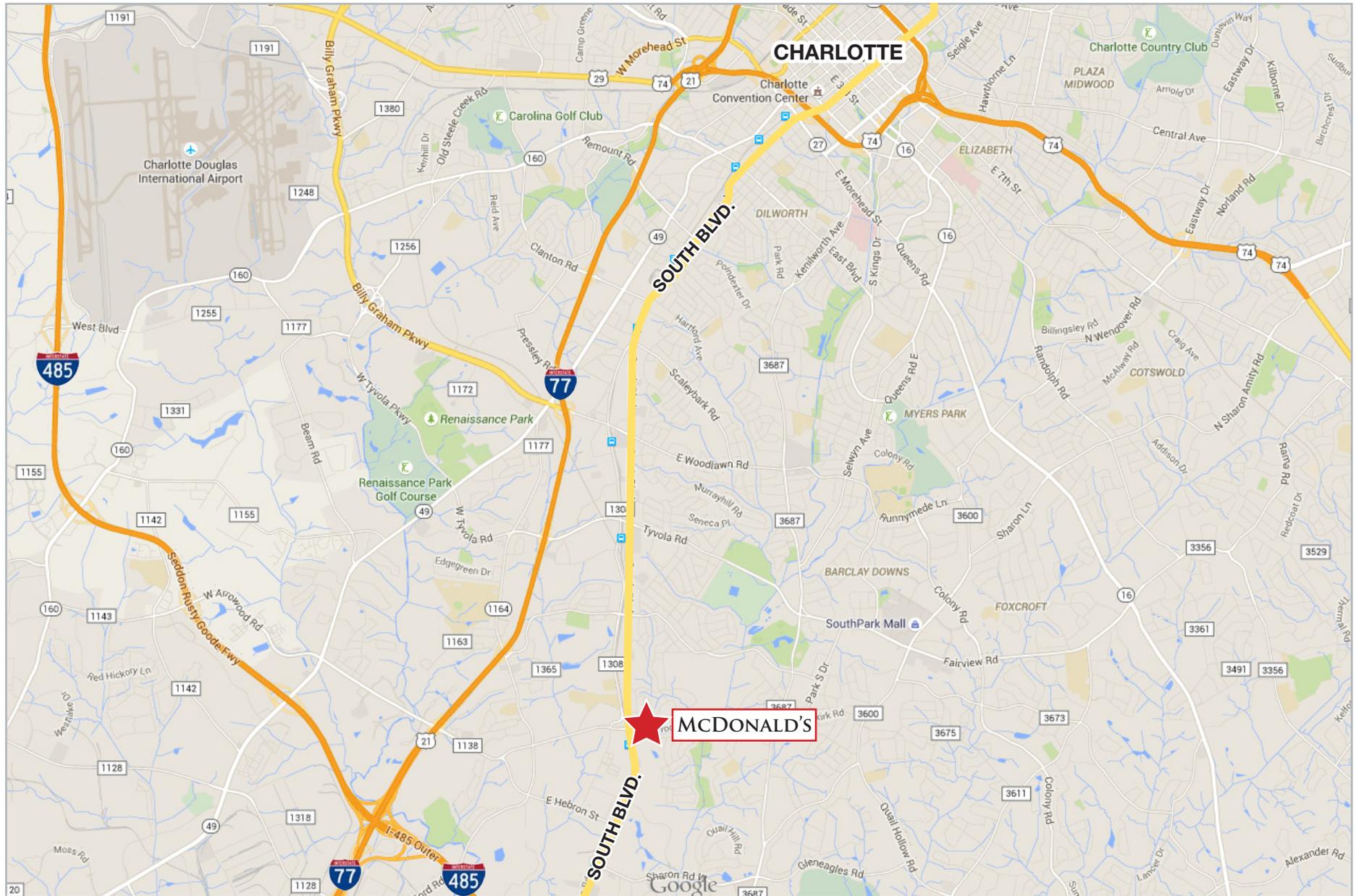
MCDONALD'S	
Tenant Trade Name	McDonald's
Ownership	Public
Tenant	Franchise
Lease Guarantor	Corporate Guarantee
Credit Rating	A
Rating Agency	Standard & Poor's
Stock Symbol	MCD
Company Revenues	\$28 Billion
No. Of Locations	36,000 +/-
Headquartered	Oak Brook, IL
Web Site	www.mcdonalds.com

The McDonald's Corporation is the world's largest chain of hamburger fast food restaurants, serving around 68 million customers daily in 119 countries across 35,000 outlets. Headquartered in the United States, the company began in 1940 as a barbecue restaurant operated by Richard and Maurice McDonald. In 1948, they reorganized their business as a hamburger stand using production line principles. Businessman Ray Kroc joined the company as a franchise agent in 1955. He subsequently purchased the chain from the McDonald brothers and oversaw its worldwide growth.

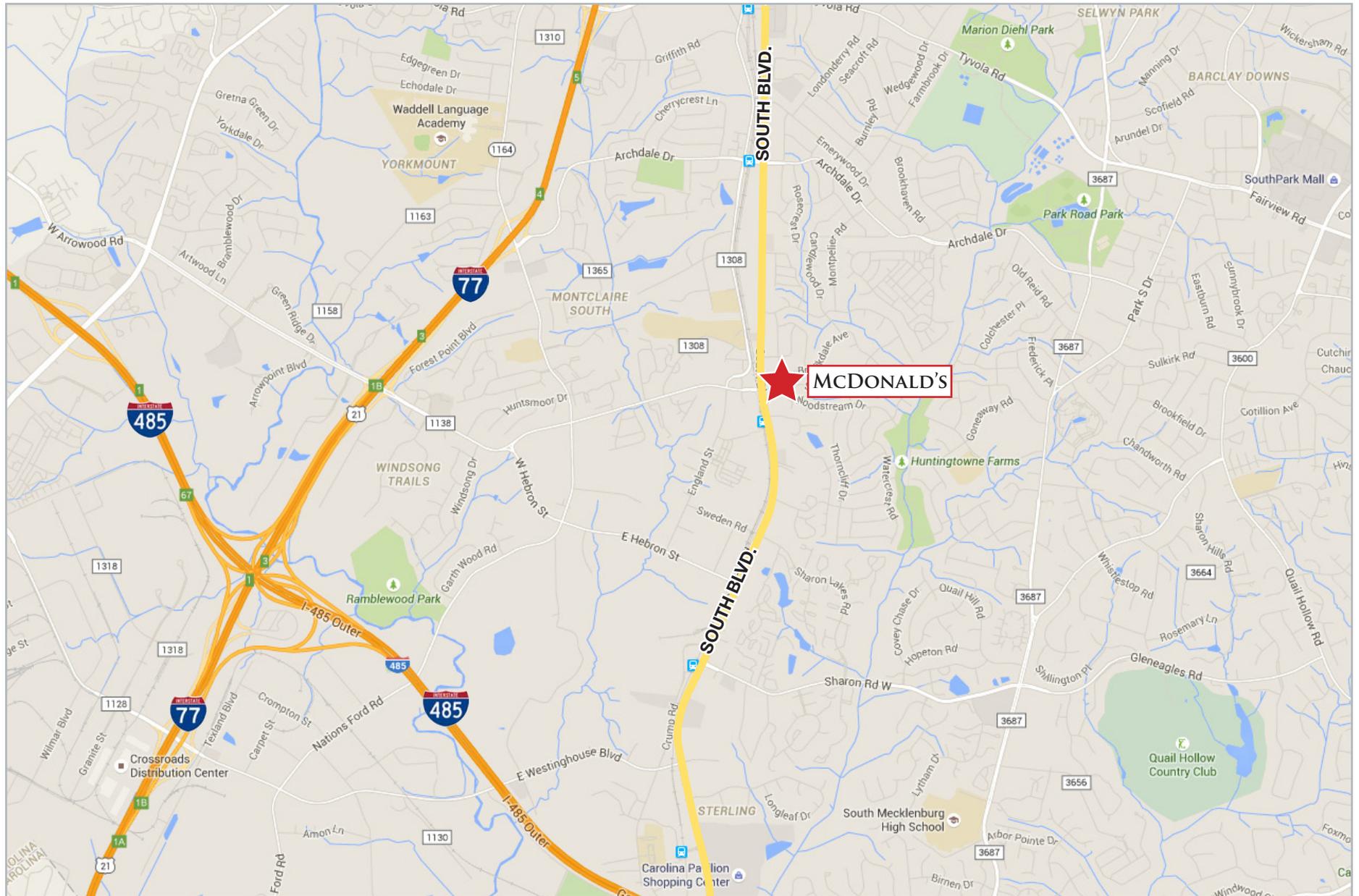
A McDonald's restaurant is operated by either a franchisee, an affiliate, or the corporation itself. The McDonald's Corporation revenues come from the rent, royalties, and fees paid by the franchisees, as well as sales in company-operated restaurants. In 2012, the company had annual revenues of \$27.5 billion and profits of \$5.5 billion. According to a 2012 BBC report, McDonald's is the world's second largest private employer—behind Walmart—with 1.9 million employees, 1.5 million of whom work for franchises.

McDonald's primarily sells hamburgers, cheeseburgers, chicken, french fries, breakfast items, soft drinks, milkshakes, and desserts. In response to changing consumer tastes, the company has expanded its menu to include salads, fish, wraps, smoothies, fruit, and seasoned fries.

REGIONAL MAP



LOCAL MAP





Waddell Language Academy

Operation Christmas Child Processing Center

Nations Ford Elem. School

Forest Corporate Park

Central Piedmont Community College

Archdale Marketplace
Planet Fitness
FOOD LION
FAMILY DOLLAR

South Square Marketplace
DOLLAR GENERAL



SOUTH BLVD.

24,000 VPD

Current McDonald's

McDonald's

20,419 VPD

ARWOOD RD.

Southwood Village
COMPARE
FAMILY DOLLAR
CVS pharmacy

South Square Marketplace
COMPARE
FOODS



Snyder's Lance



Victory Christian Center

OLD PINEVILLE RD.

Current
McDonald's

Firestone

ARROWOOD RD.

20,419 VPD



SOUTH BLVD.



McDonald's

QT
QuikTrip

MATTRESS Warehouse

24,000 VPD

South Square Marketplace
COMPARE GOODS

Arrowood Station

O'Reilly
AUTO PARTS

Bojangles

DEMOGRAPHIC SUMMARY

POPULATION	1-MILE	3-MILES	5-MILES
2000 Population	8,983	64,030	149,780
2010 Population	11,760	71,952	166,879
2014 Population	13,140	78,210	180,687
2019 Population	14,012	81,677	189,608

HOUSEHOLDS	1-MILE	3-MILES	5-MILES
2000 Households	3,457	27,910	64,453
2010 Households	4,143	31,069	72,017
2014 Households	4,621	33,775	78,006
2019 Households	4,930	35,196	82,102
2014 Average Household Size	2.78	2.29	2.29
2014 Daytime Population	3,487	58,198	145,309
2000 Owner Occupied Housing Units	40.01%	50.46%	55.41%
2000 Renter Occupied Housing Units	54.36%	43.14%	38.46%
2000 Vacant	5.62%	6.40%	6.13%
2014 Owner Occupied Housing Units	35.73%	48.93%	54.17%
2014 Renter Occupied Housing Units	64.27%	51.07%	45.83%
2014 Vacant	11.22%	5.48%	5.01%
2019 Owner Occupied Housing Units	36.52%	49.38%	54.14%
2019 Renter Occupied Housing Units	63.48%	50.62%	45.86%
2019 Vacant	11.88%	5.43%	5.07%

INCOME	1-MILE	3-MILES	5-MILES
\$ 0 - \$14,999	12.4%	10.5%	9.6%
\$ 15,000 - \$24,999	17.7%	12.2%	10.9%
\$ 25,000 - \$34,999	16.5%	13.2%	10.9%
\$ 35,000 - \$49,999	18.6%	17.4%	16.1%
\$ 50,000 - \$74,999	15.9%	17.4%	17.1%
\$ 75,000 - \$99,999	9.2%	9.7%	10.0%
\$100,000 - \$124,999	3.9%	7.1%	7.6%
\$125,000 - \$149,999	2.4%	3.7%	4.7%
\$150,000 - \$199,999	1.7%	3.3%	4.2%
\$200,000 - \$249,999	0.6%	1.9%	3.0%
\$250,000 +	1.2%	3.6%	6.0%
2014 Median Household Income	\$37,863	\$46,733	\$52,882
2014 Per Capita Income	\$18,601	\$32,878	\$40,394
2014 Average Household Income	\$52,866	\$75,821	\$93,228

DEMOGRAPHIC SUMMARY

Geography: 5 Miles

Population

In 2014, the population is 180,687. The population has changed by 20.63% since 2000. It is estimated that the population will be 189,607 five years from now, which represents a change of 4.93% from the current year. The current population is 47.94% male and 52.05% female. The median age of the population is 35.2, compared to the Entire US average, which is 37.3. The population density is 2,299.69 people per square mile.

Households

There are currently 78,006 households in your selected geography. The number of households has changed by 21.02% since 2000. It is estimated that the number of households will be 82,101 five years from now, which represents a change of 5.25% from the current year. The average household size is 2.29 persons.

Income

In 2014, the median household income is \$52,881, compared to the Entire US average, which is currently \$51,972. The median household income has changed by 0.36% since 2000. It is estimated that the median household income will be \$61,145 five years from now, which represents a change of 15.62% from the current year.

The current year per capita income is \$40,393, compared to the Entire US average, which is \$28,599. The current year average household income is \$93,228, compared to the Entire US average, which is \$74,533.

Race and Ethnicity

The current year racial makeup is as follows: 65.36% White, 19.91% Black, 0.07% Native American and 4.12% Asian/Pacific Islander. Compare these to Entire US averages, which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 15.49% of the current year population. Compare this to the Entire US average of 17.13%.

Employment

In 2014, there are 145,308 employees', this is also known as the daytime population. The 2000 Census revealed that 73.43% of employees are employed in white-collar occupations, and 26.44% are employed in blue-collar occupations. In 2014, unemployment in this area is 8.39%. In 2000, the average time traveled to work was 22.9 minutes.

Demographic data © 2010 by Experian/Applied Geographic Solutions.

CHARLOTTE, NC

DEMOGRAPHICS

With a total of 2.4 million residents, the population in the metro will expand at an annual rate of 1.6 percent, or 204,700 residents, through 2019. The metro has a median age of 36.6, slightly younger than the national median of 37.4 years. The age difference is due in part to a greater proportion of children under the age of 20. The number of children up to four years of age are expected to increase significantly in the coming five years.

Educational attainment in Charlotte exceeds the national average; approximately 30 percent of residents age 25 and older have completed a bachelor's degree compared with 29 percent for the U.S. In addition, more than 9 percent of this age group have earned a graduate degree.

With the recovery of Charlotte's financial sector, the median household income is now \$54,600, slightly above the national median. Levels of income are rapidly growing and the median is expected to break above \$60,000 per year in 2018.

Rising incomes that outpace home prices have afforded 67 percent of households to own homes. The median home price in Charlotte is roughly \$192,000, more than \$15,000 less than the national median. This level of affordability, combined with the region's income growth, is likely to have a positive impact on homeownership rates in the years to come.



AIRPORT

- Charlotte Douglas International
- Six regional airports

MAJOR ROADWAYS

- Interstates 77, 85, 277, 485
- U.S. routes 4, 21, 29, 74

RAIL

- Freight - CSX
- Passenger - Amtrak

CHARLOTTE IS

- 95 miles from Columbia
- 170 miles from Raleigh
- 245 miles from Atlanta
- 385 miles from Washington, D.C.

CHARLOTTE, NC

ECONOMY

The Charlotte metro is one of the largest banking and finance hubs in the nation outside of New York. Though the finance sector is a large driver of the economy, manufacturing, healthcare and energy industries also play a vital role in the overall metro economy. The low cost of doing business attracts companies. Seven Fortune 500 companies have established headquarters in the region: Bank of America, Lowe's, Nucor, Duke Energy, Family Dollar, Sonic Automotive and Domtar.

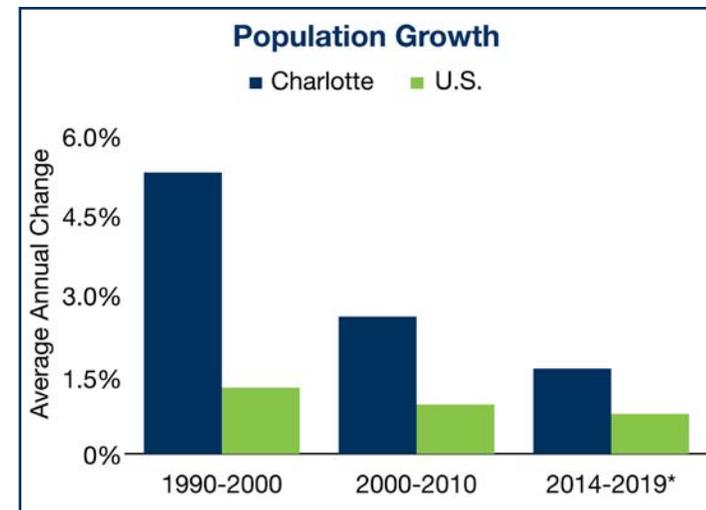
The strong labor force has helped diversify the local economy, with multinational business and numerous small startups. As new companies move to the area in the coming years, the gross metro product will rise.

Over the last several years, more than 7,000 new businesses contributed to the hiring of more than 57,000 employees. These companies occupy 94 million total square feet of floor space and represent \$9.2 billion in economic activity created during that time. Additionally, angel investors and venture capital make funding available for further expansion and innovation in the region, and this year, Google Fiber will be available in Charlotte.

Universities provide employment and attract top companies to the area. The number of institutions of higher learning collectively support the growth of the local economy by providing a source of workers for employers and also attract visitors attending university-related events.

MAJOR EMPLOYERS

Carolinus HealthCare System
Wells Fargo
Bank of America
Charlotte-Mecklenburg Schools
Novant Health
Wal-Mart
Duke Energy Corp.
Lowe's



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