

# NET LEASED INVESTMENT

## Zaxby's NNN Leasehold Offering

\$1,596,000—9.1% Cap Rate

2500 Barrett Creek Blvd | Kennesaw, GA | 30066



**BULL REALTY, INC.**



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**Bull Realty, Inc.**  
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**ABOUT THE OFFERING:** Bull Realty is pleased to present this approximately 3,350 SF Zaxby's, single tenant NNN leasehold offering, situated on approximately .77 acres. This is a rare cash flow opportunity with 3% annual rent increases and with no purchaser responsibility. Fifteen years remain on the initial 20-year lease term with four 5-year renewal options. As a land lease, the entire investment is fully depreciable. There are high barriers to entry in this market as Zaxby's will not allow any more franchises in the area. Also, there is potential bank financing with 30% down.

**ABOUT THE AREA:** The Property is located in the densely populated retail district of Barrett Parkway/Town Center Mall in northern Cobb County, GA. Conveniently located just off I-575/I-75, the population is over 50,000 within three miles with an average household income of over \$90,000.

**ABOUT ZAXBY'S:** Zaxby's is a privately held casual dining family restaurant chain, started in Athens, GA in 1990. Today, they have over 500 full service locations in 11 states, including AL, GA, NC, SC and TN. The restaurants are typically outparcels to prominent anchor tenant sites or are on main arteries with good visibility and high traffic counts of a minimum 20,000 cars per day.

**Offered for sale at \$1,596,000.00**



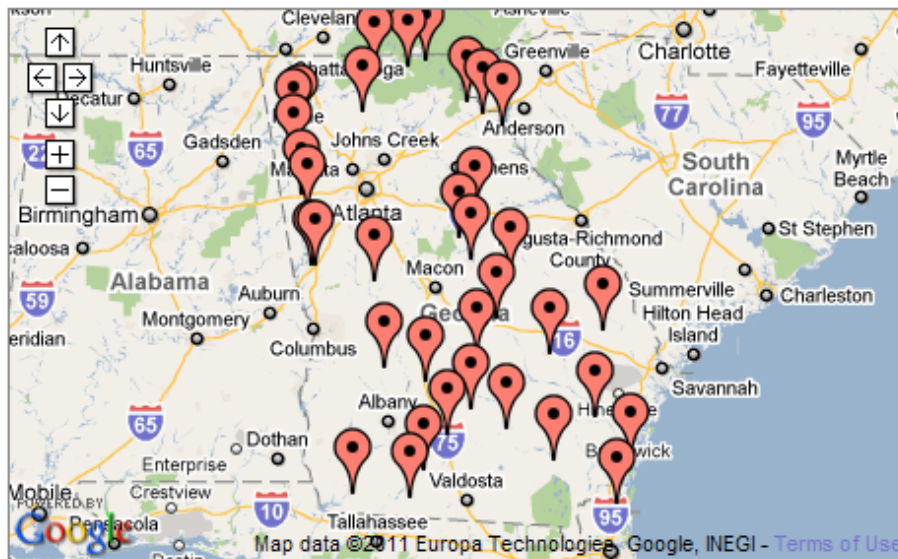
**BULL REALTY.COM**  
NATIONAL RETAIL GROUP

### Overview:

- Zaxby's single tenant leasehold location in densely populated Cobb County GA retail corridor
- Vibrant Kennesaw area near Town Center Mall and Kennesaw State University
- Area has 171,000 population and an average household income of \$71,000+ within a 5 mile radius
- Zaxby's is a successful and proven casual restaurant concept with over 500 locations in 11 states with both corporate and franchise locations ([www.zaxbys.com](http://www.zaxbys.com))
- High barriers to entry as no further Zaxby's franchise locations are allowed in in the trade area
- Lease personally guaranteed by experienced franchisee who operates three stores in metro Atlanta
- Excellent opportunity for cash flow with no Landlord responsibility
- As leasehold, Landlord can fully depreciate the opportunity
- Potential for lender financing with 30% down

### Offering:

- Initial cap rate of 9.1%, increasing to over 13.8% in the 15th year
- 15 years remaining on NNN ground lease
- Annual rate increases of 3%
- 4 five year options with the ground rent options based upon the franchisee exercising their lease options
- Price: \$1,596,000
- Cash flow for initial term of \$2,698,089



**ZAXBY'S**  
LOCATOR



**BULL REALTY.COM**

**NATIONAL RETAIL GROUP**

**Location:** 2500 Barrett Creek Blvd | Kennesaw, GA | 30066

**Lease Term:** 20 years with 15 years remaining on initial term

**Tenant Lease Expiration:** September 30, 2025

**Type:** NNN—leasehold

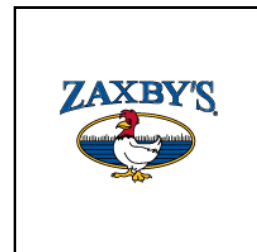
**Options:** Four 5-Year Options

**Escalations:** 3% annually

**Personal Guarantee:** Moore & Moore Investments, Inc., franchisee

**Ground Lease:** Bryant Family Investments, LLP

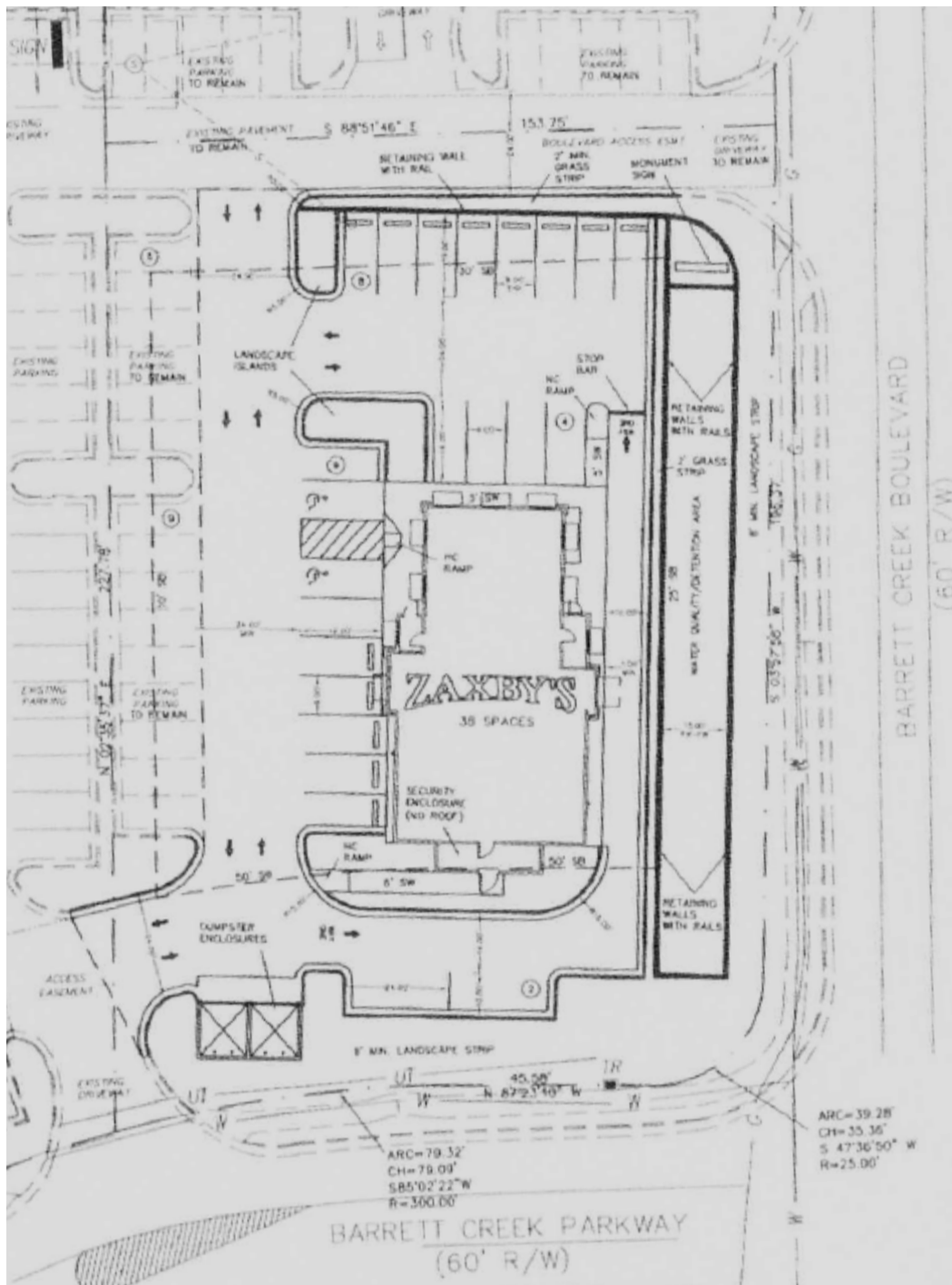
**Lease Term:** 15 Years remaining on 20 year lease

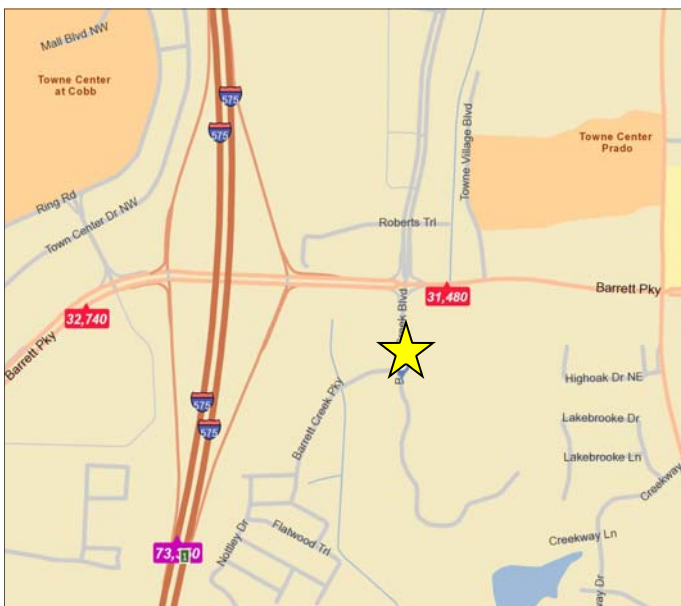
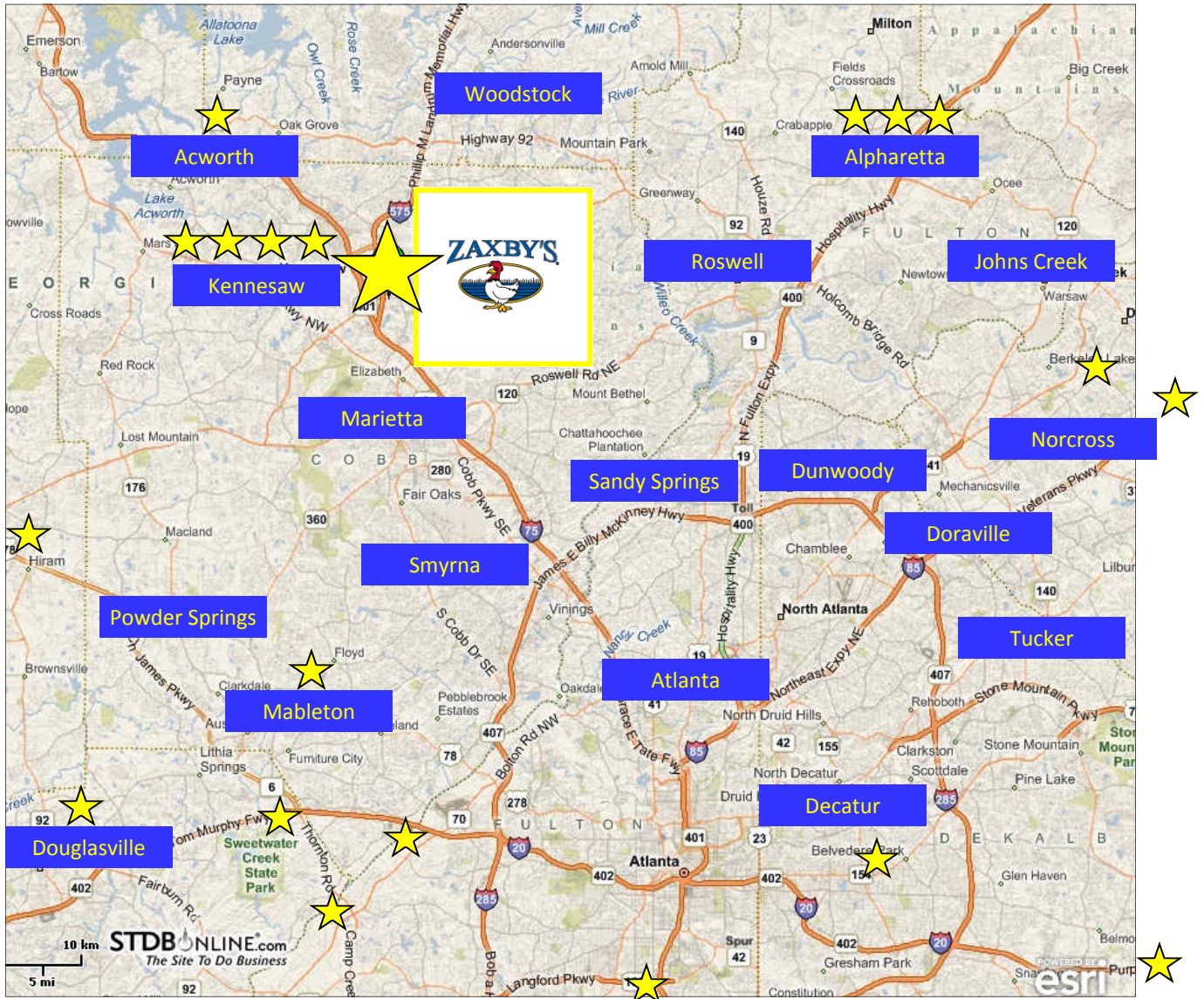


**Ground Lease Options:** Co-terminus with tenant lease and options, if exercised

Year of Lease	Zaxby's Rent Received	Ground Lease Rent Paid	NOI to Leasehold Owner	Cap Rate
6 (2011)	\$193,576.78	\$48,510.00	\$145,066.78	9.1%
7	\$197,928.78	\$48,510.00	\$149,418.78	9.4%
8	\$202,411.35	\$48,510.00	\$153,901.35	9.6%
9	\$207,028.39	\$48,510.00	\$158,518.39	9.9%
10	\$211,783.94	\$48,510.00	\$163,273.94	10.2%
11 (2016)	\$221,533.16	\$53,361.00	\$168,172.16	10.5%
12	\$226,578.32	\$53,361.00	\$173,217.32	10.9%
13	\$231,774.84	\$53,361.00	\$178,413.84	11.2%
14	\$237,127.26	\$53,361.00	\$183,766.26	11.5%
15	\$242,640.25	\$53,361.00	\$189,279.25	11.9%
16 (2021)	\$253,654.72	\$58,697.10	\$194,957.62	12.2%
17	\$259,503.45	\$58,697.10	\$200,806.35	12.6%
18	\$265,527.64	\$58,697.10	\$206,830.54	13.0%
19	\$271,732.56	\$58,697.10	\$213,035.46	13.4%
20	\$278,123.62	\$58,697.10	\$219,426.52	13.8%

**Total NOI \$2,698,089.00**





Actual Site





Zaxby's Bird's Eye Aerial

Close-up Inset Aerial of Zaxby's

## About Zaxby's and the Franchisee



**INDESCRIBABLY GOOD  
FLAVOR FOR 20 YEARS.**



### About Zaxby's....

What started as two guys and a dream back in Statesboro, Ga., in 1990 has now become a successful Southeastern restaurant chain known for its chicken fingers and Buffalo wings. Twenty years later, that one restaurant in Georgia has grown to more than 500 locations in 12 states (AL, AR, FL, GA, IN, KY, MS, NC, SC, TN, TX and VA) where 16,000 team members serve freshly prepared food to an average of 250,000 loyal Zaxby's taste fanatics each day. With its original founders still leading the charge, Zaxby's credits these brand fanatics for helping to drive impressive, steady growth.

Zaxby's unique interior design features a bright, open interior décor, complemented by vintage memorabilia and signage. One of the first fast-casuals, Zaxby's offers menu items that are prepared at order. Zaxby's most popular items are its hand-breaded chicken fingers and its jumbo Buffalo wings smothered in a choice of 10 sauces with names like Wimpy, Tongue Torch, Nuclear and Insane. The menu also offers innovative Zappetizers like Spicy Fried Mushrooms and Fried Pickles; large, freshly prepared Zalads; unique sandwiches; Party Platterz; and Milkshakes.

### About the Franchisee....

The franchisee, Moore & Moore, Inc., are experienced franchisees who own three metro Atlanta Zaxby's locations. The President previously worked for Zaxby's corporation.



Source: [www.zaxbys.com](http://www.zaxbys.com)



## Subject Property



<b>Property Address</b>	2500 Barrett Creek Blvd   Marietta, GA
<b>Asking Price</b>	\$1,596,000
<b>Asking Price per Sq Ft</b>	\$499.53
<b>Cap Rate</b>	9.1%
<b>Property Size   Year Built</b>	3,195 sq ft   2005

## Active Comparables—Other Zaxby's



<b>Property Address</b>	29053 US Hwy 98   Daphne, AL
<b>Asking Price</b>	\$2,077,750
<b>Asking Price per Sq Ft</b>	\$601.90
<b>Cap Rate</b>	8.75%
<b>Property Size   Year Built</b>	3,452 sq ft   2004



<b>Property Address</b>	6671 Tara Blvd   Jonesboro, GA
<b>Asking Price</b>	\$1,835,300
<b>Asking Price per Sq Ft</b>	\$530.59
<b>Cap Rate</b>	8.75%
<b>Property Size   Year Built</b>	3,459 sq ft   2004



<b>Property Address</b>	5420 McFarland Blvd   Northport, AL
<b>Asking Price</b>	\$1,800,000
<b>Asking Price per Sq Ft</b>	\$515.02
<b>Cap Rate</b>	7.50%
<b>Property Size   Year Built</b>	3,495 sq ft   2007



## Subject Property



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<b>Property Size   Year Built</b>	3,195 sq ft   2005

## Active Comparables—Other Ground Leases



<b>Property Address</b>	940 Waukegan Rd   Waukegan, IL
<b>Asking Price</b>	\$1,451,000
<b>Asking Price per Sq Ft</b>	\$654.78
<b>Cap Rate</b>	6.20%
<b>Property Size   Year Built</b>	2,216 sq ft   2009



<b>Property Address</b>	1188 W. Foothill Blvd   Upland, CA
<b>Asking Price</b>	\$3,240,000
<b>Asking Price per Sq Ft</b>	\$515.84
<b>Cap Rate</b>	5.50%
<b>Property Size   Year Built</b>	6,281 sq ft   2003



<b>Property Address</b>	5015 Wellington Rd   Gainesville, VA
<b>Asking Price</b>	\$2,250,000
<b>Asking Price per Sq Ft</b>	\$515.11
<b>Cap Rate</b>	6%
<b>Property Size   Year Built</b>	4,368 sq ft   2009

# Demographic Summary

Zaxbys - 2500 Barrett Creek ...  
 2500 Barrett Creek Blvd NW, Marietta, GA 30066  
 Ring: 1, 3, 5 Miles

Latitude: 34.012255  
 Longitude: -84.554559

	1 mile radius	3 miles radius	5 miles radius
<b>2010 Population</b>			
Total Population	3,910	50,107	171,284
Male Population	49.0%	50.0%	49.8%
Female Population	51.0%	50.0%	50.2%
Median Age	33.4	34.5	35.2
<b>2010 Income</b>			
Median HH Income	\$62,541	\$70,733	\$77,501
Per Capita Income	\$36,076	\$35,967	\$35,377
Average HH Income	\$80,215	\$90,603	\$94,389
<b>2010 Households</b>			
Total Households	1,660	19,531	64,259
Average Household Size	2.34	2.50	2.63
<b>2010 Housing</b>			
Owner Occupied Housing Units	40.2%	52.9%	61.9%
Renter Occupied Housing Units	44.9%	36.4%	29.0%
Vacant Housing Units	14.8%	10.7%	9.1%
<b>Population</b>			
1990 Population	1,914	28,582	106,805
2000 Population	2,691	39,638	144,606
2010 Population	3,910	50,107	171,284
2015 Population	4,228	53,841	181,056
1990-2000 Annual Rate	3.47%	3.32%	3.08%
2000-2010 Annual Rate	3.71%	2.31%	1.67%
2010-2015 Annual Rate	1.58%	1.45%	1.12%

In the identified market area, the current year population is 171,284. In 2000, the Census count in the market area was 144,606. The rate of change since 2000 was 1.67 percent annually. The five-year projection for the population in the market area is 181,056, representing a change of 1.12 percent annually from 2010 to 2015. Currently, the population is 49.8 percent male and 50.2 percent female.

<b>Households</b>			
1990 Households	747	10,769	39,756
2000 Households	1,106	15,677	54,614
2010 Households	1,660	19,531	64,259
2015 Households	1,809	21,003	67,915
1990-2000 Annual Rate	4%	3.83%	3.23%
2000-2010 Annual Rate	4.04%	2.17%	1.6%
2010-2015 Annual Rate	1.73%	1.46%	1.11%

The household count in this market area has changed from 54,614 in 2000 to 64,259 in the current year, a change of 1.6 percent annually. The five-year projection of households is 67,915, a change of 1.11 percent annually from the current year total. Average household size is currently 2.63, compared to 2.62 in the year 2000. The number of families in the current year is 43,283 in the market area.

## Housing

Currently, 61.9 percent of the 70,667 housing units in the market area are owner occupied; 29.0 percent, renter occupied; and 9.1 percent are vacant. In 2000, there were 57,007 housing units - 67.5 percent owner occupied, 28.4 percent renter occupied and 4.2 percent vacant. The rate of change in housing units since 2000 is 2.12 percent. Median home value in the market area is \$156,075, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 0.85 percent annually to \$162,797. From 2000 to the current year, median home value changed by 0.93 percent annually.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI forecasts for 2010 and 2015. ESRI converted 1990 Census data into 2000 geography.

Source: STDB



# Demographic Summary

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 2500 Barrett Creek Blvd NW, Marietta, GA 30066  
 Ring: 1, 3, 5 Miles

Latitude: 34.012255  
 Longitude: -84.554559

	1 mile radius	3 miles radius	5 miles radius
<b>Median Household Income</b>			
1990 Median HH Income	\$40,313	\$42,033	\$43,004
2000 Median HH Income	\$50,914	\$54,971	\$59,472
2010 Median HH Income	\$62,541	\$70,733	\$77,501
2015 Median HH Income	\$70,881	\$82,538	\$89,126
1990-2000 Annual Rate	2.36%	2.72%	3.3%
2000-2010 Annual Rate	2.03%	2.49%	2.62%
2010-2015 Annual Rate	2.54%	3.14%	2.83%
<b>Per Capita Income</b>			
1990 Per Capita Income	\$18,142	\$17,970	\$17,977
2000 Per Capita Income	\$27,913	\$26,956	\$26,761
2010 Per Capita Income	\$36,076	\$35,967	\$35,377
2015 Per Capita Income	\$40,975	\$41,994	\$40,460
1990-2000 Annual Rate	4.4%	4.14%	4.06%
2000-2010 Annual Rate	2.53%	2.85%	2.76%
2010-2015 Annual Rate	2.58%	3.15%	2.72%
<b>Average Household Income</b>			
1990 Average Household Income	\$43,399	\$47,295	\$48,517
2000 Average Household Income	\$63,694	\$67,467	\$70,660
2010 Average HH Income	\$80,215	\$90,603	\$94,389
2015 Average HH Income	\$90,592	\$105,587	\$107,984
1990-2000 Annual Rate	3.91%	3.62%	3.83%
2000-2010 Annual Rate	2.28%	2.92%	2.87%
2010-2015 Annual Rate	2.46%	3.11%	2.73%

#### Households by Income

Current median household income is \$77,501 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$89,126 in five years. In 2000, median household income was \$59,472, compared to \$43,004 in 1990.

Current average household income is \$94,389 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$107,984 in five years. In 2000, average household income was \$70,660, compared to \$48,517 in 1990.

Current per capita income is \$35,377 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$40,460 in five years. In 2000, the per capita income was \$26,761, compared to \$17,977 in 1990.

#### Population by Employment

Total Businesses	495	3,597	9,132
Total Employees	7,803	64,834	121,013

Currently, 90.8 percent of the civilian labor force in the identified market area is employed and 9.2 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 92.7 percent of the civilian labor force, and unemployment will be 7.3 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 73.7 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.1 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 73.7 percent in white collar jobs (compared to 61.6 percent of U.S. employment)
- 13.4 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 13.0 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 81.3 percent of the market area population drove alone to work, and 4.1 percent worked at home. The average travel time to work in 2000 was 31.7 minutes in the market area, compared to the U.S. average of 25.5 minutes.

#### Population by Education

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 8.4 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 21.1 percent were high school graduates only (29.6 percent in the U.S.)
- 6.8 percent had completed an Associate degree (7.7 percent in the U.S.)
- 28.9 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 12.9 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2010 and 2015. ESRI converted 1990 Census data into 2000 geography.

Source: STDB



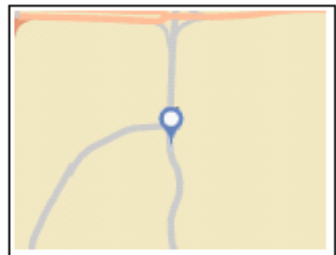
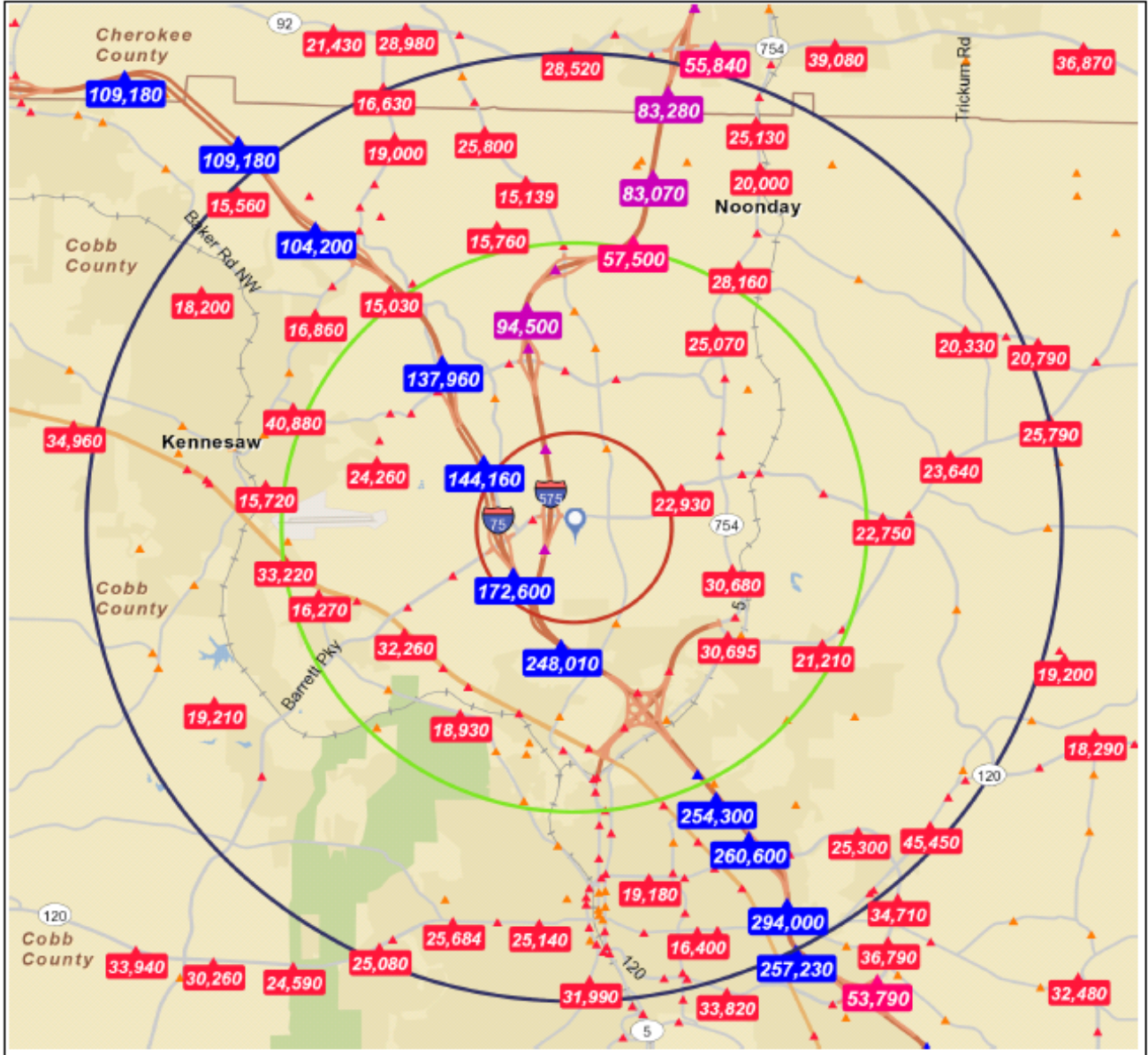
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# Traffic Counts

Zaxbys - 2500 Barrett Creek ...  
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 Ring: 1, 3, 5 Miles

Latitude: 34.012255  
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- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
  - ▲ 6,001 - 15,000
  - ▲ 15,001 - 30,000
  - ▲ 30,001 - 50,000
  - ▲ 50,001 - 100,000
  - ▲ More than 100,000 per day



Source: © 2010 MPSI Systems Inc. d.b.a. DataMetrix®

Source: STDB





**Sheree Berk, CCIM**

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Sheree Berk has been in the commercial real estate business for more than twenty-five years from the financing side of the business. She has underwritten more than five hundred million dollars of commercial properties establishing strong relationships with lenders, brokers and principals throughout the Southeast. Obtaining the best financing and dealing with existing financing issues has proven to be a major benefit for her clients in this cycle.

Sheree utilizes her relationships and extensive knowledge of financing to help clients with existing financing issues and help structure the best possible transaction to maximize investment goals.

Sheree's practice focuses mainly on single tenant, net leased investment properties.

Blog: <http://focusnetleasedinvestments.blogspot.com/>



**Nancy Miller, CCIM, MBA**

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Nancy Miller joined Atlanta based Bull Realty in 2001. Nancy has held a Georgia real estate sales license for over 25 years and is licensed in several Southeastern states. She brings experience from both sides of the table as a real estate investor and broker. Nancy personally owns several investment properties, including a net leased Dollar General. Since joining Bull Realty, Nancy has brokered nearly one hundred million dollars in investment sales and leasing transactions.

Nancy's personalized approach includes identifying client goals, priorities and timeframes. She will develop a game plan designed to exceed expectations which translates into adding value and maximizing returns.

Nancy's practice focuses mainly on single tenant net leased properties investment properties.

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Bull Realty is a commercial real estate brokerage firm based in Atlanta providing marketing, acquisition, leasing and management services for lenders, investors and users of commercial real estate across the country. The firm was founded in 1998 and currently has three offices, thirty brokers and ten staff members.

- Bull Realty provides services including marketing for 74 lenders.
- *Web Trends* reports that Bull Realty.com receives over 70,000 page hits per day.
- *Google* consistently chooses BullRealty.com as the number one site for the most often used search phrase for commercial real estate in Georgia, "commercial real estate Georgia".
- Specific broker teams specialize in office, retail, industrial, apartments, land, hospitality, special asset/ foreclosure services and single tenant net leased properties.
- The firm hosts the Commercial Real Estate Show, a talk radio show which airs at 10AM EST every Saturday on air at biz1190AM and on-line at [www.CommercialRealEstateShow.com](http://www.CommercialRealEstateShow.com).