

# NET LEASE INVESTMENT

## Atlanta MSA Zaxby's



8.75% Cap—NNN Investment Opportunity!  
6671 Tara Boulevard | Jonesboro, GA | 30236



**ABOUT THE OFFERING:** Bull Realty is pleased to offer this established, single tenant, NNN investment opportunity. Offered at an 8.75% cap rate, it provides a stable and passive long term investment. Built in 2005, this 3,459 sf (+/-) building on 0.94 acres (+/-) has excellent exposure and a busy drive-thru. Nine years remain on the initial term and a new 15 year lease is available at closing if desired. There are three 5 year options with 3% escalations in each renewal period. The operator is highly experienced with over 25 years in the business. The lease is guaranteed by the seller.

**ABOUT THE AREA:** Jonesboro is located in Clayton County (southern Atlanta MSA). The subject property, situated between an Office Depot and a Mattress King, is located on Tara Blvd, a popular retail corridor that enjoys a traffic count of 63,000 vehicles per day.

**ABOUT ZAXBY'S:** Zaxby's is a casual restaurant concept chain headquartered in Athens, GA with over 500 locations in 12 states. Company sales grew 2.75% in 2010 as Zaxby's celebrated its twentieth anniversary.

**Offered for sale at \$1,835,300.00**

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# Zaxby's | Investment Highlights

6671 Tara Boulevard | Jonesboro GA | 30236

Price: \$1,835,300

Rentable Square Feet: 3,459

Price/SF: \$530.59

Cap Rate:

Actual: 8.75%

Average for Remaining Initial Term: 8.9%

Average of Option Periods: 9.6%

Year Built: 2005

Lot Size: .94 acre

## Lease Highlights:

Commencement: 9/05\*

**\* New 15 year lease to be signed at closing with tenant.**

Initial Term: 15 years

Escalations: 3% every 5 years

Options: Three 5-year options

## Rent Schedule:

<u>Rent Periods</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
Years 1—5	\$13,000	\$156,000
Years 6—10	\$13,390	\$160,680
Years 11—15	\$13,792	\$165,504
Option 1	\$14,206	\$170,472
Option 2	\$14,632	\$175,584
Option 3	\$15,071	\$180,852

## Lease Responsibilities:

**Tenant:** Taxes, insurance, utilities, grounds, interior & exterior maintenance, roof, structure, landscaping and parking lot

**Landlord:** None

**Tenant:** Zaxby's Franchisee who operates two Atlanta locations (Franchisees collectively have 40+ years in restaurant and operations management with PepsiCo and Darden .

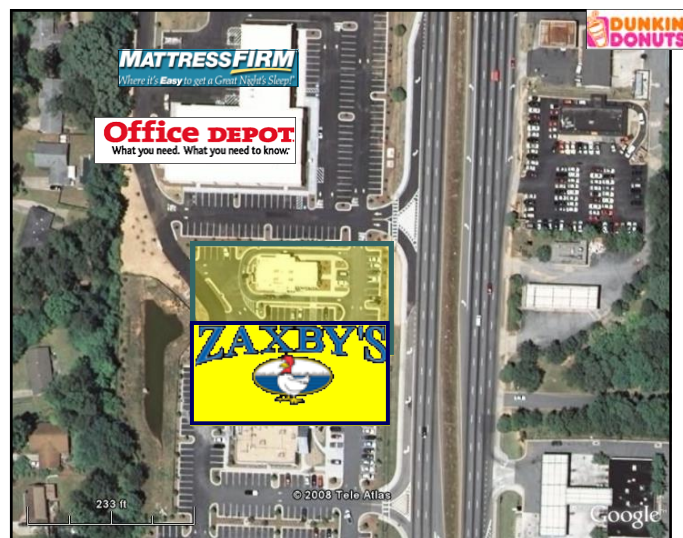
Number of Corporate and Franchise Locations: over 500 in 12 states

Headquarters: Athens, GA and established in 1990.

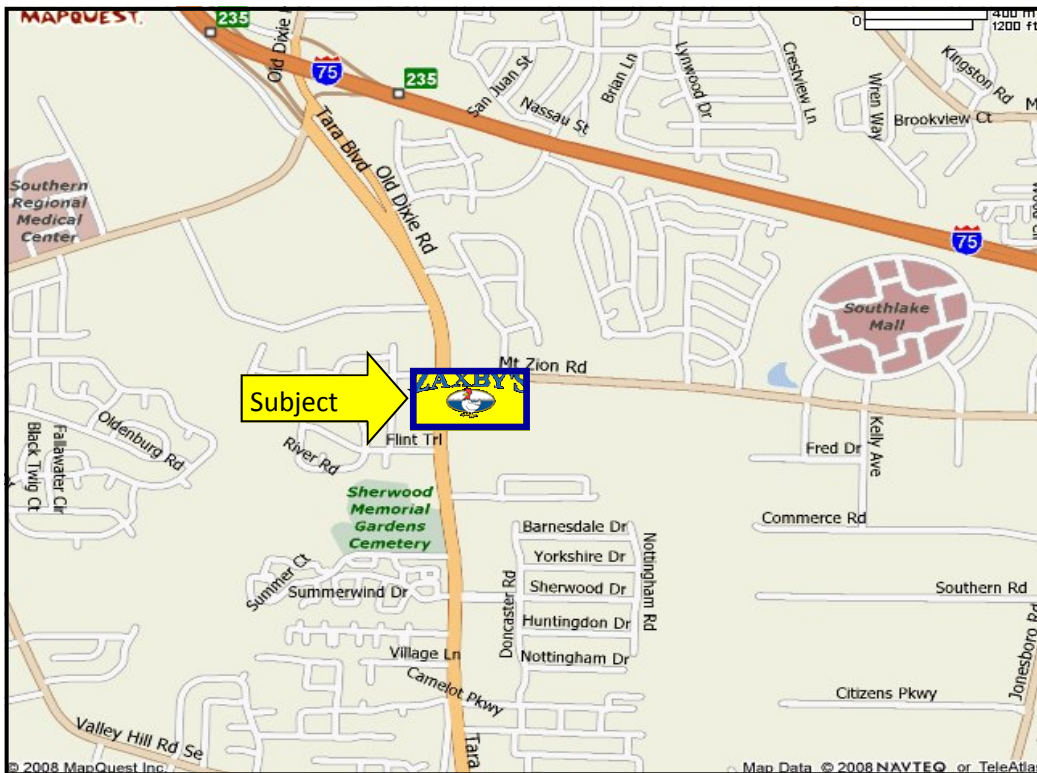
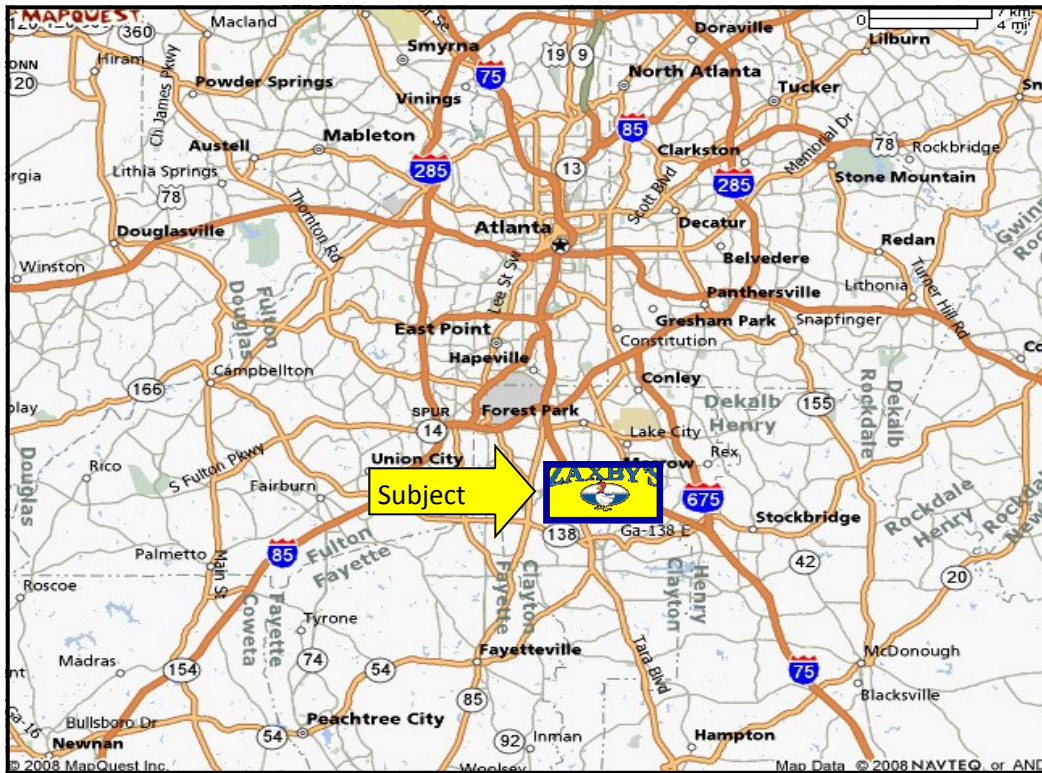
Website: [www.zaxbys.com](http://www.zaxbys.com)











## OUR MISSION STATEMENT

Like our formula for success, our mission statement is simple: Consistently Create Encore Experiences That Enrich Lives One Person At A Time.

Everything we do—beginning with only the freshest ingredients, hand-breading each of our chicken fingers, cutting vegetables for salads and sides each morning, offering a variety of menu items and a range of flavorful sauces—is designed to go a step beyond most restaurants.

Everything we do—meals prepared at order, served with a smile, in a fun, upscale environment—is designed to reward customers for choosing Zaxby's.

Everything we do is designed to create an Encore Experience—to satisfy our guests in a way that brings them back again and again.

## THE HISTORY OF ZAXBY'S

Zaxby's—How a great idea was hatched.

Step into the way-back machine and set the dials to 1990. Step into a world where Seinfeld isn't a hit, Starbucks aren't on every corner, and Michael Jackson is the world's most eligible bachelor. But something is missing. There is no Zaxby's.

That's because childhood pals, Zach McLeory and Tony Townley hadn't invented it yet. They were still hanging out playing basketball at Zach's. They didn't know much about the restaurant business, but knew this much—the chicken that they found in Statesboro, GA was okay, but not really fresh or zesty. So they dreamed up Zaxby's—right there—on the basketball court! The rest, as they say, is chicken history!

Though Zaxby's remains a privately held company, today Zaxby's has over 500 full service locations in 11 states and plans to double its locations by 2010, primarily through franchise growth. Of those locations, 92 are owned by corporate and the rest are franchises. Zaxby's format is to provide free standing buildings with in-store seating and drive-thru windows. Typical restaurant sizes are 3300-3800 sf on sites of .8 to 1.25 acres. The restaurants serve from 50-90 customers inside and have 45-70 parking spaces. Zaxby's tend to be located as outparcels to prominent anchor tenant sites with good visibility and traffic counts of a minimum of 20,000 cars per day. The typical Zaxby's customer will be from 22 - 45 years old and will have a minimum household income of \$42,000. Started in the Georgia, Zaxby's greatest concentration of locations is in AL, GA, NC, SC and TN.







The two owners of this Zaxby's franchise, Glenn Sherman and Dennis Boyd have combined experience in owning, managing and overseeing fast food and casual restaurant brands for nearly 40 years. Glenn, after working for PepsiCo for 10 years decided to go to law school. After doing so, at age 35, he started a successful commercial real estate practice in metro Atlanta and continued to explore his passion for the restaurant industry. He met his future partner, Dennis, during his prior days at PepsiCo. Dennis left PepsiCo a few years after Glenn and joined Darden Corporation with the Olive Garden brand and spent several years with them in restaurant operations management.

In 2004, Glenn and Dennis joined forces again and set out to identify a strong brand that they felt would be successful, consistent and have good long-term franchisor support. They selected Zaxby's. The next step was to identify potential sites that would not only attract a loyal customer base, but would also be exceptional real estate investments - having good visibility, strong traffic counts and demographics consistent with the brand. As they say, the rest is history! Glenn and Dennis are partners in two metro Atlanta Zaxby franchise locations. Both sites are doing extremely well. Dennis is the Operations Manager and oversees both locations. Glenn sticks primarily to the practice of law and will occasionally be seen eating Zaxby's chicken salad or a zappetizer!



**Subject Property**



Location: 6671 Tara Blvd., Jonesboro, GA 30236  
 Year Built: 2005  
 Sq. Ft.: 3459  
**Price per SF \$530.59**  
**Total Price: \$1,835,300**



Location: 2230 Salem Rd., Conyers, GA 30013  
 Sales Date: 08/31/2010  
 Year Built: 1988  
 Sq. Ft.: 2,547  
**Price per SF \$764.54**



Location: 1700 Marietta Hwy, Canton, GA 30114  
 Sales Date: 11/02/2010  
 Year Built: 1987  
 Sq. Ft.: 2972  
**Price per SF \$572.01**



Location: 2686 Hamilton Mill Rd., Buford, GA 30519  
 Sales Date: 8/31/2010  
 Year Built: 2008  
 Sq. Ft.: 2800  
**Price per SF \$568.92**



Location: 1635 Pleasant Hill Rd., Duluth, GA 30096  
 Sales Date: 7/21/2010  
 Year Built: 1994  
 Sq. Ft.: 2583  
**Price per SF \$532.33**

6671 Tara Blvd, Jonesboro, G...

Latitude: 33.571743

Longitude: -84.372604

Ring: 1, 3, 5 Miles

	1 mile radius	3 miles radius	5 miles radius
<b>2010 Population</b>			
Total Population	14,438	81,121	203,026
Male Population	50.3%	48.9%	48.5%
Female Population	49.7%	51.1%	51.5%
Median Age	28.4	29.5	30.2
<b>2010 Income</b>			
Median HH Income	\$44,498	\$47,694	\$51,205
Per Capita Income	\$16,589	\$18,606	\$19,996
Average HH Income	\$50,098	\$53,668	\$57,708
<b>2010 Households</b>			
Total Households	4,649	28,040	69,819
Average Household Size	3.06	2.86	2.88
<b>2010 Housing</b>			
Owner Occupied Housing Units	27.0%	37.9%	44.7%
Renter Occupied Housing Units	54.5%	47.2%	41.9%
Vacant Housing Units	18.6%	14.9%	13.4%
<b>Population</b>			
1990 Population	10,782	60,952	145,331
2000 Population	12,898	71,484	179,497
2010 Population	14,438	81,121	203,026
2015 Population	14,966	84,789	212,740
1990-2000 Annual Rate	1.81%	1.61%	2.13%
2000-2010 Annual Rate	1.11%	1.24%	1.21%
2010-2015 Annual Rate	0.72%	0.89%	0.94%

In the identified market area, the current year population is 203,026. In 2000, the Census count in the market area was 179,497. The rate of change since 2000 was 1.21 percent annually. The five-year projection for the population in the market area is 212,740, representing a change of 0.94 percent annually from 2010 to 2015. Currently, the population is 48.5 percent male and 51.5 percent female.

**Households**

1990 Households	3,996	22,764	53,084
2000 Households	4,328	25,216	63,098
2010 Households	4,649	28,040	69,819
2015 Households	4,781	29,221	72,828
1990-2000 Annual Rate	0.8%	1.03%	1.74%
2000-2010 Annual Rate	0.7%	1.04%	0.99%
2010-2015 Annual Rate	0.56%	0.83%	0.85%

The household count in this market area has changed from 63,098 in 2000 to 69,819 in the current year, a change of 0.99 percent annually. The five-year projection of households is 72,828, a change of 0.85 percent annually from the current year total. Average household size is currently 2.88, compared to 2.82 in the year 2000. The number of families in the current year is 47,293 in the market area.

**Housing**

Currently, 44.7 percent of the 80,615 housing units in the market area are owner occupied; 41.9 percent, renter occupied; and 13.4 percent are vacant. In 2000, there were 66,492 housing units - 51.9 percent owner occupied, 43.0 percent renter occupied and 5.1 percent vacant. The rate of change in housing units since 2000 is 1.9 percent. Median home value in the market area is \$101,379, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 1.68 percent annually to \$110,177. From 2000 to the current year, median home value changed by 1.45 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.







**Nancy Miller**  
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Nancy Miller joined Bull Realty in 2001 and specializes in investment sales – primarily grocery anchored and net leased retail and self storage properties. 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. Since joining Bull Realty, Nancy has brokered nearly \$100M in investment sales and leasing transactions. Presently, Nancy represents a number of net leased developers and is able to provide buyers with new construction, long term net leased properties. She also actively works with self storage operators who are looking to expand or sell portions of their portfolio throughout the US.

Her professionalism, coupled with her enthusiasm, marketing and real estate experience, provide a platform for successful outcomes and long term relationships. Her personalized approach includes identifying buyer and seller goals, priorities and timeframes. Next, she develops a game plan targeted to exceed expectations which translates into adding value and maximizing returns. Further, she is able to use the extensive marketing capabilities of Bull Realty to match qualified buyers and sellers rapidly along with effectively identifying lending sources as needed. Nancy works extensively with a diverse and multi-cultural base of buyers and sellers who are located throughout the globe.

Prior to joining Bull Realty, Nancy held senior management and leadership positions with AT&T, BellSouth and Norrell Corporation. Most recently, she had her own sales consulting and coaching firm, Business Performance Group. Nancy holds a BA in Sociology from Tulane University and an MBA from Emory University's Gouiezeta Business School.

Real estate affiliations and continuing education are a priority for Nancy. She earned the prestigious CCIM designation in 2008 and is a Life Member of the Atlanta Commercial Board of Realtors, a member of International Council of Shopping Centers (ICSC), and the Georgia Self Storage Association (GSSA). She also serves on the Board of The Rainbow Center, an Atlanta based non-profit organization affiliated with Jewish Family and Career Services, and chairs the Real Estate Committee of her synagogue, Congregation Bet Haverim.

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Bull Realty is a commercial real estate brokerage firm providing marketing and acquisition services across the country for institutional and private equity investors, lenders, institutions and users of commercial real estate. The firm is well known for their successful marketing platform and industry leading use of technology.

- Specific broker teams specialize in retail, office, industrial, apartments, land, medical, hospitality, and special asset services.
- Bull Realty provides marketing and other services for 74 lenders and servicers.
- *Google* chooses BullRealty.com as the number one website for the most often used search phrase for "Commercial Real Estate Georgia".
- Bull Realty marketing services includes videos of appropriate 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).