



MCDONALD'S

6270 Far Hills Avenue • Centerville, OH 45459

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INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,685,000
Net Operating Income	\$74,250
Capitalization Rate – Current	4.41%
Price / SF	\$309.52
Rent / SF	\$13.64
Lease Type	Ground Lease
Gross Leasable Area	5,444 SF
Year Built / Renovated	2013
Lot Size	1.03 acre(s)

FINANCING

Loan Amount	\$1,011,000
Loan Type	Financed - New Loan
Loan to Value	60.00%
Down Payment	40% / \$674,000
Interest Rate / Amortization	3.79% / 30 Years
Annual Loan Payment	\$56,461
Net Cash Flow After Debt Service	2.64% / \$17,789
Cash on Cash Return	2.64%
Total Return	5.38% / \$36,252



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
El-Bee	6,053
Newpage Group Inc	6,000
General Motors	3,000
National City Mortgage Inc	1,600
Jpmorgan Chase Bank Nat Assn	1,366
Mead Products	1,264
GE	1,249
Verso Paper Holding LLC	1,220
Afri/Prsf	1,000
Reynolds and Reynolds	1,000
Kroger	878
Monco Enterprises Inc	850

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	6,272	66,451	174,230
2010 Census Pop	6,221	66,269	173,087
2018 Estimate HH	2,701	29,739	76,391
2010 Census HH	2,704	29,910	76,532
Median HH Income	\$79,335	\$66,041	\$63,644
Per Capita Income	\$43,206	\$40,109	\$38,822
Average HH Income	\$98,998	\$89,204	\$88,235

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

The subject property is a 5,444-square foot Ground-Lease McDonald's situated on 1.03 acres in Centerville, Ohio. More specifically, the property is located on Far Hills Avenue, just off Interstate 675, which serves as an eastern bypass of Dayton, Ohio. Built in 2013, the property is occupied by an investment grade tenant (McDonald's) on a long-term Absolute Triple-Net Lease.

There are 14 years remaining on the Absolute Triple-Net Ground-Lease (absolutely no landlord responsibilities) including six five-year options to renew. Additionally, the lease calls for 10-percent rental increases every five years including the option periods (next rental increase scheduled for October 2023 equaling a 4.85 percent Cap Rate). The average cap rate through the option periods is equal to a 6.65 percent cap rate.

The corporate guaranteed lease is backed by McDonald's, an investment grade tenant with an S&P Credit Rating of BBB+. McDonald's is one of the worlds largest restaurant chains, serving approximately 68 million customers daily in 119 countries across approximately 36,899 locations. According to a BBC report published in 2012, 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 Corporation was founded in 1940 and is based in Oakbrook, Illinois.

Centerville, Ohio is an affluent suburb of Montgomery County that is included in the Dayton, Ohio Metropolitan Area. Centerville, Ohio, with a population of just under 25,000, is located approximately 10 miles south of Dayton, Ohio (population approximately 800,000). The subject property is well-located along Ohio State Route 48 (Far Hills Boulevard). Route 48 is a north-south highway in Ohio that runs from Goshen, Ohio to Dayton, Ohio. Furthermore, the property benefits from its close proximity to Interstate 675 and numerous local, regional and national retailers including numerous auto dealerships too (see included aerial photo).

INVESTMENT HIGHLIGHTS

- McDonald's Corporate Guaranty | S&P: BBB+ | NASDAQ: MCD
- Absolute Triple-Net Ground Lease (No Landlord Responsibilities)
- 14 Years Remaining on Initial Lease Term (Six 5-Year Options to Extend)
- 10% Rental Increases Every 5 Years (Next Increase 2023 = 4.85% Cap Rate)
- Average Cap Rate Over Lease Term Including Option Periods = 6.65%



McDonald's Corporation



CREDIT RATING: B1

www.fdreports.com | www.creditintell.com | March 31, 2019

General Information	
Address	110 N. Carpenter Street , Chicago, Illinois, 60607, United States
Phone	630-623-3000
Website	www.mcdonalds.com

Key Personnel	
Chief Financial Officer	Kevin Ozan
Chief Executive Officer & President	Stephen Easterbrook

Store Base	
Store Count	37,971
TTM Sales	\$20,841,900,000

Financial Markets	
Stock Ticker	MCD
Current Price	\$218.47 as of 8/16/19
52 Week High/Low	\$221.93 / \$156.56

Serving billions of hamburgers has put a shine on these arches. McDonald's has more than 38,000 restaurants serving burgers and fries in about 100 countries. (There are roughly 14,000 Golden Arches locations in the US.) The popular chain is well-known for its Big Macs, Quarter Pounders, and Chicken McNuggets. In addition to freestanding units with dine-in, take-out, and drive-through service, McDonald's also has locations inside airports, train stations, malls, and other high-traffic retail areas. More than 90% of the restaurants are run by franchisees or affiliates. More than half of revenues are generated outside the US.

Fiscal Year Ended December 31, 2018

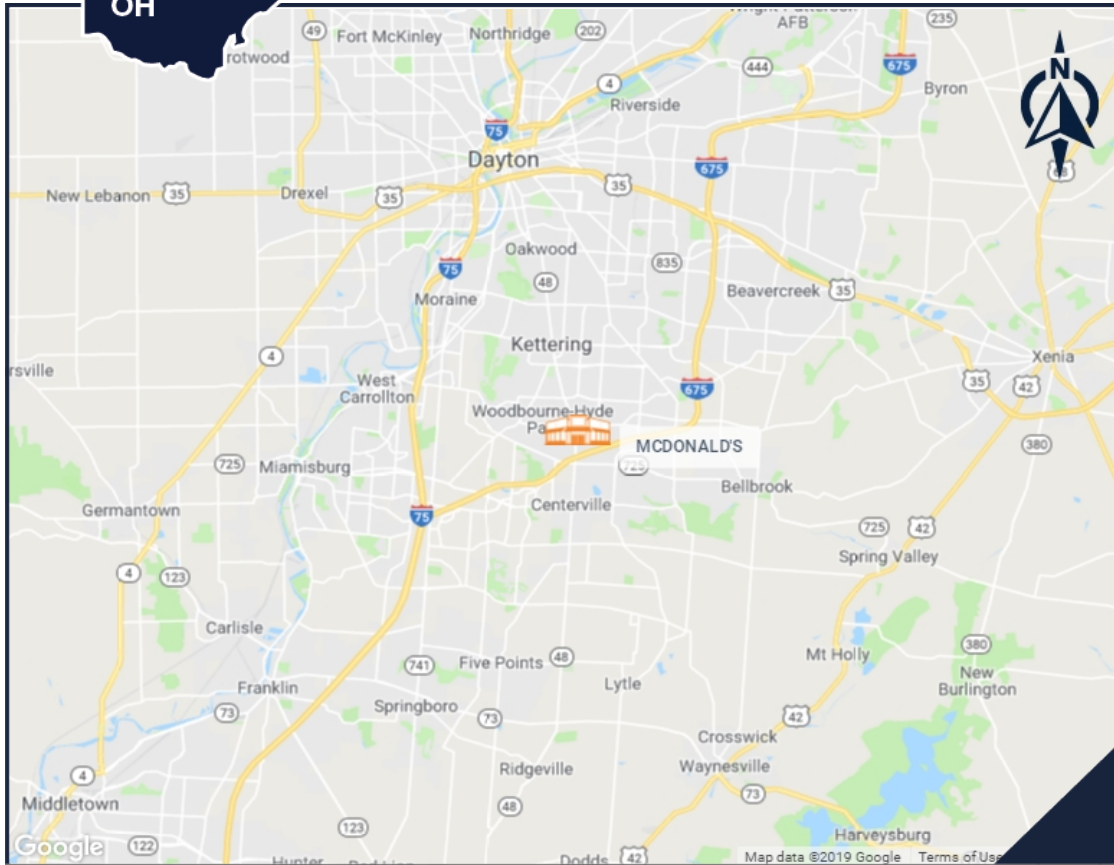
Credit Rating Chart Comparison Creditintell | F&Dreports

ⓘ Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D



6270 Far Hills Avenue, Centerville, OH 45459



CLOSE PROXIMITY TO:



Major Highway



Shopping Center



Downtown

6270 Far Hills Avenue, Centerville, OH 45459





Graceworks Senior Living

48

EPIPHANY LUTHERAN CHURCH

Villager Apartments

SUBJECT PROPERTY

McDonald's
Dayton, Ohio

MIKE'S CARWASH

48

Far Hills
Animal Clinic

FAR HILLS AVENUE

FINANCIAL ANALYSIS



PROPERTY SUMMARY

THE OFFERING	
Property	McDonald's - Ground Lease
Property Address	6270 Far Hills Avenue Centerville, Ohio 45459
Price	\$1,685,000
Capitalization Rate	4.41%
Price/SF	\$309.52

PROPERTY DESCRIPTION	
Year Built / Renovated	2013
Gross Leasable Area	5,444 SF
Zoning	N/A
Type of Ownership	Leased Fee/Ground Lease
Lot Size	1.03 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	McDonald's - Ground Lease
Rent Increases	10% Every 5-Years
Guarantor	Corporate Guarantee
Lease Type	Ground Lease
Lease Commencement	6/12/2012
Lease Expiration	10/8/2033
Lease Term	21
Term Remaining on Lease (Years)	14.1
Renewal Options	Six 5-Year Options
Landlord Responsibility	None
Tenant Responsibility	All Expenses
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$74,250

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$74,250	\$6,188	\$13.64	4.41%
10/9/2023	\$81,675	\$6,806	\$15.00	4.85%
10/9/2028	\$89,843	\$7,487	\$16.50	5.33%
Option 1	\$98,827	\$8,236	\$18.15	5.87%
Option 2	\$108,709	\$9,059	\$19.97	6.45%
Option 3	\$119,580	\$9,965	\$21.97	7.10%
Option 4	\$131,538	\$10,962	\$24.16	7.81%
Option 5	\$144,692	\$12,058	\$26.58	8.59%
Option 6	\$159,161	\$13,263	\$29.24	9.45%

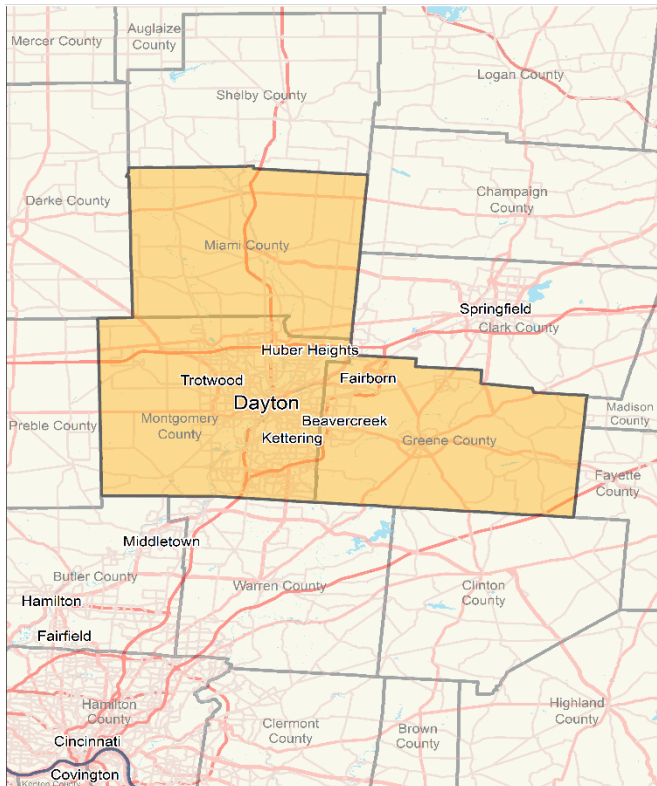


MARKET OVERVIEW



DAYTON OVERVIEW

The Dayton metro area is often referred to as the birthplace of aviation as it was the home of the Wright brothers and where they researched and experimented with flight. Composed of Greene, Montgomery and Miami counties, it is the fourth largest metropolitan area in Ohio. Defense and aerospace industries comprise a large section of the region's economy. Additionally, healthcare accounts for a sizable portion of the area's employment; several key institutes and centers are located here.



METRO HIGHLIGHTS



TECHNOLOGY HUB

Dayton is known for its high concentration of aerospace and aviation technology. In 2009, it was designated as Ohio's aerospace innovation hub.



HEALTHCARE SERVICES

Metro hospitals consistently earn top national rankings and recognition as well as many of HealthGrades' top ratings.



HIGHER EDUCATION

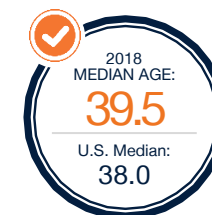
The University of Dayton and Wright State University are two major higher-education institutions impacting the local economy.



ECONOMY

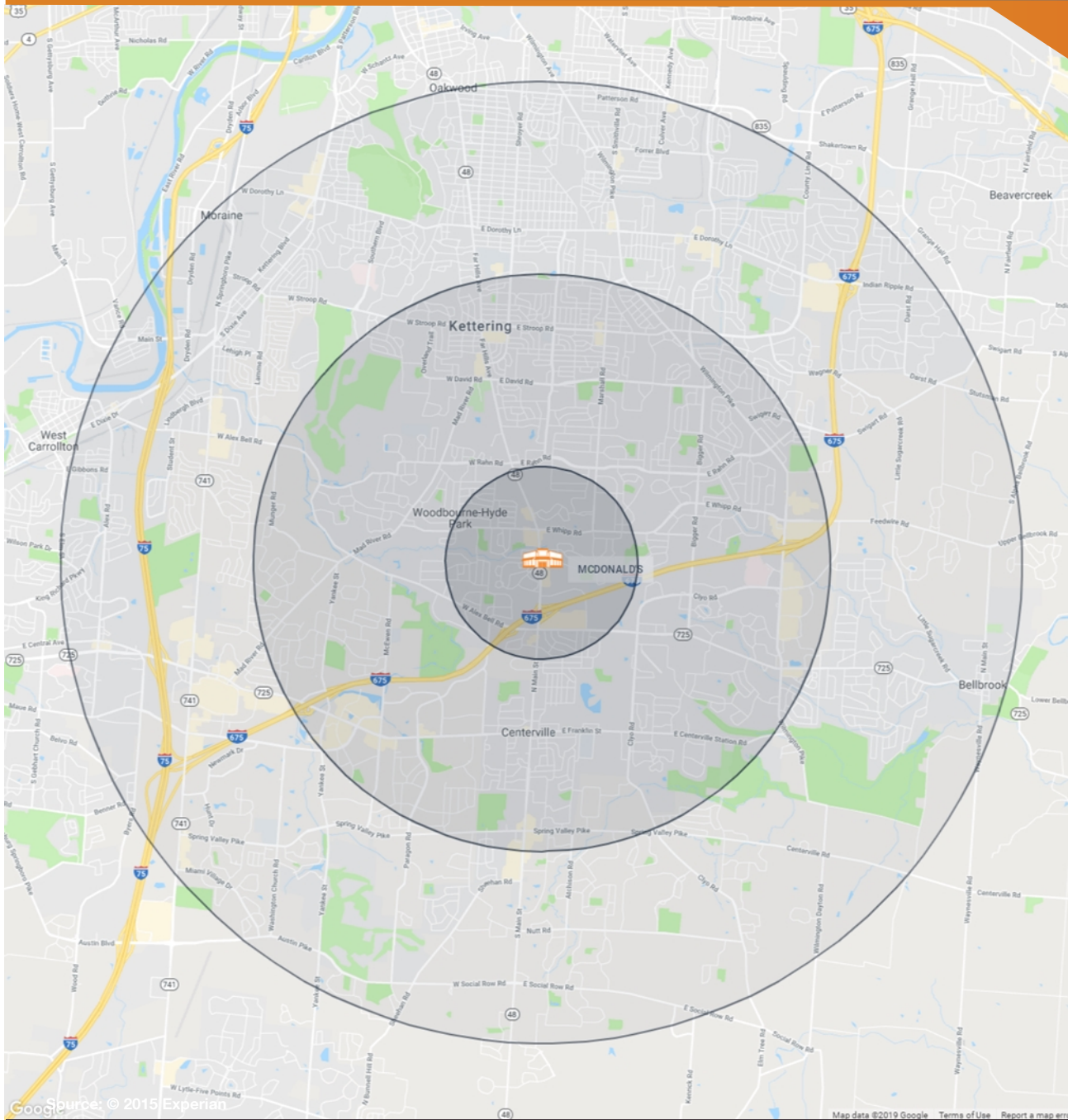
- Hospitals in the Greater Dayton area have an estimated combined employment of nearly 32,000 and a yearly economic impact of \$6.8 billion.
- Wright-Patterson U.S. Air Force Base is just east of Dayton. The base employs 27,500 military, civilian and contract employees and has a \$4.3 billion annual economic impact.
- Dayton's logistics sector is growing and is expected to add 2,200 jobs by 2023.
- Tech Town, a 40-acre district developed in downtown Dayton, was created as a tool to support the attraction and growth of high-technology business and promote technology commercialization.

DEMOGRAPHICS



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



CREATED ON AUGUST 16, 2019

	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	6,487	67,055	178,893
2018 Estimate	6,272	66,451	174,230
2010 Census	6,221	66,269	173,087
2000 Census	6,482	67,144	167,730
INCOME			
Average	\$98,998	\$89,204	\$88,235
Median	\$79,335	\$66,041	\$63,644
Per Capita	\$43,206	\$40,109	\$38,822
HOUSEHOLDS			
2023 Projection	2,847	30,266	78,970
2018 Estimate	2,701	29,739	76,391
2010 Census	2,704	29,910	76,532
2000 Census	2,690	29,303	71,946
HOUSING			
2018	\$181,258	\$172,450	\$165,467
EMPLOYMENT			
2018 Daytime Population	6,365	71,939	174,199
2018 Unemployment	3.25%	3.35%	3.24%
2018 Median Time Traveled	21	22	22
RACE & ETHNICITY			
White	92.60%	88.95%	87.67%
Native American	0.03%	0.04%	0.03%
African American	2.07%	4.60%	5.10%
Asian/Pacific Islander	2.99%	3.19%	3.79%

Source: © 2015 Experian

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PRESENTED BY

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