

Chick-fil-A[®] ABSOLUTE NET GROUND LEASE FOR SALE

5409 INDIAN RIVER ROAD, VIRGINIA BEACH, VIRGINIA 23464

CONFIDENTIAL OFFERING MEMORANDUM



SALES PRICE: \$2.4M
4.15% CAP RATE



THALHIMER

CONFIDENTIALITY + CONDITIONS

This Offering was prepared by Cushman & Wakefield | Thalhimer and has been reviewed by the Owner. It contains select information pertaining to the Project and does not purport to be all-inclusive or to contain all of the information which a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors beyond control and, therefore, are subject to material change or variation. An opportunity to inspect the Project will be made available to qualified prospective purchasers.

In this Offering, certain documents, including the leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Project by Cushman & Wakefield | Thalhimer or Owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Project described herein.

Owner and Cushman & Wakefield | Thalhimer expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Project and/or to terminate discussions with any party at any time with or without notice. Owner shall have no legal commitment or obligation to any purchaser reviewing this Offering or making an offer to purchase the Project unless a written agreement for the purchase of the Project has been fully executed, delivered, and approved by Owner and any conditions to Owner's obligations thereunder have been satisfied or waived. Cushman & Wakefield | Thalhimer is not authorized to make any representations or agreements on behalf of Owner.

This Offering is the property of Cushman & Wakefield | Thalhimer and may be used only by parties approved by Cushman & Wakefield | Thalhimer. The Project is privately offered and, by accepting this Offering, the party in possession hereof agrees (i) to return it to Cushman & Wakefield | Thalhimer immediately upon request of Cushman & Wakefield | Thalhimer or Owner and (ii) that this Offering and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Cushman & Wakefield | Thalhimer and Owner.

The terms and conditions set forth above apply to this Offering in its entirety.

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EXECUTIVE SUMMARY

Cushman & Wakefield | Thalhimer is pleased to exclusively offer for sale 5409 Indian River Road (the “Property”), a 1998-built Chick-fil-A in the third (3rd) renewal option period with four (4) remaining five (5) year option terms remaining with 10% rent increases in each option term.

The property is located near the intersection of Indian River Road and Kempsville Road directly across from KempsRiver Crossing shopping center offering vehicle traffic counts of more than 66,000 vehicles per day.

The combination of purchasing a Chick-fil-A ground lease below replacement cost with below market rents, zero landlord obligations, rental increases and desirable location make this an ideal NNN leased investment opportunity.

2025 DEMOGRAPHICS

	1 MILES	3 MILES	5 MILES
Total Population	13,115	121,834	305,478
Average HHI	\$125,355	\$114,810	\$104,553
Average Home Value	\$407,043	\$424,453	\$424,810
Median Age	39.6	39.0	37.5
% With Bachelor Degree	27.1%	24.9%	23.5%

ADDRESS

5409 Indian River Rd, Virginia Beach

GPIN

14652846420000

TOTAL SQUARE FEET

4,817 SF

SITE SIZE

± 1.39 Acres

YEAR BUILT

1998

ZONING | OPPORTUNITY ZONE

B-2 | No

NUMBER OF TENANTS

Single Tenant

VISIBILITY | FRONTAGE

Excellent | 163' on Indian River Rd (1 curb cut)

CURRENT LEASE PERIOD

Tenant is in the 3rd of 7 Option Periods

ASKING PRICE

\$2.4 Million

ASKING CAP RATE

4.15%

CURRENT ANNUAL GROUND RENT (NOI)

\$99,449.04

CURRENT ANNUAL RENT

\$20.65 PSF | \$71,546.07 PER ACRE

CURRENT LEASE EXPIRATION

10/31/2028

RENEWAL OPTIONS

Four (4) remaining Five (5) year renewal options by providing notice at least 120 days prior to the expiration date of the preceding term

ANNUAL GROUND RENT (NOI)

OPTION 4: \$109,393.92

OPTION 5: \$120,333.24

OPTION 6: \$132,366.60

OPTION 7: \$145,603.32



SITE PLAN



Corporation © 2025 Maxar © CNES (2025) Distribution Airbus DS



INVESTMENT HIGHLIGHTS



TENANT FACTS	BELOW MARKET RENT	NNN LEASED INVESTMENT	HIGHLY TRAFFICKED LOCATION	RENTAL INCREASES	PROXIMITY TO DEMAND DRIVERS
Third (3rd) renewal option period with four (4) remaining five (5) year option terms with 10% rent increases in each option term Ideal NNN leased investment opportunity—Chik-fil-A ground lease below replacement cost with below market rents, zero landlord obligations, rental increases, and desirable location	Long-term high-performing location for Chick-fil-A Original Ground Lease was signed in 1998 Opportunity for an investor to purchase best in class STNL deal at below replacement cost with below market rents	Absolute Net Ground Lease	Direct access to/from Interstate 64 Located near the busy intersection of Indian River Road and Kempsville Road directly across from KempsRiver Crossing shopping center offering exposure to over 66,000 vehicles per day.	10% rental increases in each of the Four (4) remaining Five (5) year renewal option terms	Strong retail market, high occupancy rates, accessibility to major highways (I-264/I-64), proximity to parks and potential new developments (like nearby military/tech growth) Central corridor connecting residential areas to business hubs, attracting both commercial and residential interest



TENANT OVERVIEW

	2,900 SF 1.39 ACRES
	CURRENT OPTION TERM EXPIRATION DATE IS 10/31/2028

Chick-fil-A, Inc. is an American fast food restaurant chain and the largest chain specializing in chicken sandwiches. Headquartered in College Park, Georgia, Chick-fil-A operates restaurants across 48 states, as well as in the District of Columbia and Puerto Rico as well as Canada and the United Kingdom and as of this year is opening stores in Singapore.

Currently operating out of 3,354 locations offering breakfast, lunch and dinner, and also provides catering services. Chick-fil-A has nearly 36,000 employees and a revenue of \$22.7 billion dollars. (2024)

- **2024 Systemwide Sales \$22.7 Billion**
up from \$21.6 Billion in 2023
- **Total Revenue: \$9.06 Billion**
up from \$7.88 Billion in 2023
- **Only 3,109 US Restaurants**
vs. McDonald's 13,559 and Starbucks 16,935
- **Chick-fil-A is now one of the only three US chains with systemwide sales north of \$20 Billion**
trailing only McDonald's (\$53.46B) and Starbucks (\$30.4B)
- **Chick-fil-A assets command premium pricing: predictable, high-volume performance**

LEASE SUMMARY



Tenant	Chick-fil-A, Inc.
DBA	Chick-fil-A
Guarantor	Chick-fil-A, Inc.
Lease Type	Ground Lease
Repairs & Maintenance	Tenant Responsible
CAM	Tenant Responsible
Insurance	Tenant Responsible
Property Taxes	Tenant Responsible
Utilities	Tenant Responsible
Pro Rata Share	100.00%

Lease Document Execution Date

Original Ground Lease	1/14/1998
First Amendment to Ground Lease	5/14/1998
Tenant Exercised 1st Renewal Option	1/29/2013
Second Amendment to Ground Lease & Tenant Exercised 2nd Renewal Option	10/10/2014
First Amendment to Short Form Lease Executed	10/10/2014
First Amendment to Short Form Lease Recorded	12/5/2014
Tenant Exercised 3rd Renewal Option	6/5/2023

LEASE OPTIONS SCHEDULE

Option Term	Commence-ment	Expiration Date	Monthly Rent	Annual Rent
Current Option Term Expiration Date 10/31/2028	11/1/2023	10/31/2028	\$8,287.42	\$99,449.04
4	11/1/2028	10/31/2033	\$9,116.16	\$109,393.92
5	11/1/2033	10/31/2038	\$10,027.77	\$120,333.24
6	11/1/2038	10/31/2043	\$11,030.55	\$132,366.60
7	11/1/2043	10/31/2048	\$12,133.61	\$145,603.32



LOCATION OVERVIEW



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VIRGINIA BEACH, VIRGINIA

The Virginia Beach submarket is located within Hampton Roads, Virginia. Hampton Roads comprises of Virginia Beach, Norfolk, Newport News, Portsmouth, Chesapeake, and VA-NC, metropolitan areas has a population of 1,799,674, making it the 37th largest metropolitan area in the United States. The Combined Statistical Area includes four additional counties in North Carolina, pushing the regional population to nearly 1.9 million residents. Hampton Roads is known for its large military presence, harbor, shipyards and miles of waterfront properties and beaches all of which contribute to the diversity and stability of the region's economy.

HAMPTON ROADS, VIRGINIA

The industries and people of Hampton Roads are well served by its highway network. First among them is Interstate 64, which links the area with Richmond and the Midwest as well as with Interstate 95, the East Coast's primary corridor. The Hampton Roads Beltway is a loop of I-64 and I-664 that links the Virginia Peninsula north of the harbor with South Hampton Roads through two bridge-tunnels. A third bridge-tunnel, the 17-mile Chesapeake Bay Bridge-Tunnel, links Hampton Roads to Virginia's Eastern Shore for quick access to the Northeast Corridor. On the rails, Amtrak provides passenger service to stations in Norfolk and Newport News. Norfolk Southern (headquartered in Norfolk) and CSX long-haul freight rail lines are complemented by short-haul lines to serve area ports and industrial facilities.

Two passenger airports serve Hampton Roads - Norfolk International Airport (ORF) and Newport News/Williamsburg Airport (PHF). Norfolk International is just a 25-minute drive from the Property. Nine major airlines offer over 100 flights per day through these airports, serving over four million passengers per year.

HAMPTON ROADS MAJOR EMPLOYERS



Home to Naval Station Norfolk, the world's largest naval installation. Norfolk owns a storied past and a vibrant local trending arts scene. Whether you're exploring walkable downtown Norfolk's eclectic food scene and high-end shopping or taking advantage of cultural events and destinations like the Chrysler Museum of Art and Norfolk Botanical Gardens, you get the sense of a city that's constantly evolving.

THE 3 PILLARS OF THE HAMPTON ROADS ECONOMY

The region's strategic location on the East Coast has fostered a maritime economy centered around the defense, shipping, and tourism industries. The Department of Defense direct spending in Hampton Roads contributes to an estimated 40% of Hampton Roads' GDP by means of a large federal military presence, more than 80,000 active-duty service members stationed in Hampton Roads along with roughly 60,700 federal civilian workers. Defense spending increased in 2024 and is expected to grow through 2026. Increasing activity in the Port of Virginia has also helped to sustain nearly 10% of the entire state of Virginia's workforce that have port-related jobs, while the more than 2,500 miles of shoreline and historical sites provide the backbone to a burgeoning tourism industry.

DEFENSE

The Hampton Roads MSA is home to the largest active-duty military population in the U.S., as well as nine major military installations representing every branch of the U.S. Armed Forces. In addition, the only permanent NATO Headquarters located outside of Europe is situated in the MSA, as are the world's largest naval base, the Navy's East Coast Master Jet Base, the major operating base for the U.S. expeditionary forces, headquarters for the U.S. Air Force Air Combat Command, major commands for both the Coast Guard and the Marine Corps, and the U.S. Navy's headquarters for computer network command and control.

SHIPPING

The Port of Virginia is the fastest growing port in the country boasting the largest natural deep-water harbor on Earth. Every major shipping line in the world calls on the Port of Virginia, providing direct access to over 80 ports worldwide. 9.4% of the state's entire resident workforce is employed in port-related jobs. The port maintains a competitive advantage due to 55' deep channels allowing two-way traffic, no air height restrictions and a year-round ice-free harbor. Featuring some of the most technologically advanced container cranes on the continent, the Port continuously breaks TEU volume records nearly every month and is showing no signs of slowing down.

TOURISM

Virginia Beach is the largest city in Hampton Roads. Although it is mainly known for its boardwalk and oceanfront, the city offers much more than just the beach, including the Sportsplex, parks, museums, a variety of restaurants and shops, and a live music venue. Many people are also drawn to the city for the military and the Oceana Naval Air Station. Virginia Beach is an excellent mix between city life, because there is always something to do, and the suburbs, because it's an ideal location to raise a family.



DEFENSE



SHIPPING



TOURISM



FOR MORE INFORMATION

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