

Arby's | 306 E State St, Herkimer, NY 13350



Offering Memorandum — Malchus Real Estate

\$1,956,166

Purchase Price

6.00%

Cap Rate

12 Years~

Lease Term Remaining

\$117,370

NOI / Annual Rent



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Investment Highlights

Strategic Positioning

E State Street (NY Route 5S) in Herkimer, NY — a key commercial corridor with strong road visibility and direct access.

20K+ VPD Traffic Count

Over 20,000 vehicles per day on E State Street (NY Route 5S) — ideal QSR drive-thru visibility and access.

Herkimer County Seat

Herkimer is the county seat and a regional service hub, drawing traffic from the surrounding Mohawk Valley trade area.

True Absolute NNN Lease

20-year lease expiring 1/31/2038 with approximately 12 years remaining, plus four 5-year renewal options. Tenant responsible for all maintenance, taxes, insurance, and utilities.

Corporate Guarantee

Operated by Arbys Corporate and Guaranteed by RTM Operating Company, LLC (Arby's Corporate Gurantee).

Built-In Rent Growth

10% rent bumps every 5 years across the base term and option periods.

Established Drive-Thru Site

2,415 SF freestanding drive-thru on 0.60 acres. Built 1990, renovated 2015.

Inspire Brands IPO Filing

Parent of Arby's filed for an IPO in May 2026.

Regional Accessibility

Close to Interstate 90, with access to a 10-mile trade area of 40,000+ residents.

Stable Consumer Base

Supported by healthcare, education, manufacturing, and government jobs; average household incomes exceed \$81,000 within 10 miles.

Lease Abstract

Tenant	Arby's
Guaranty	RTM Operating Company LLC (Arby's Corporate)
Lease Type	Absolute NNN - Zero Landlord Responsibilities
Ownership Type	Fee Simple
Building Size	2,415 SF on 0.60 AC
Year Built	1990 — Renovated 2015
Original Lease Term	20 Years
Lease Expiration	January 31, 2038
Approximate Lease Term Remaining	~11.5 Years
Option Periods	4 × 5-Year Options
NOI / Annual Base Rent	\$117,370*
Rent Increases	10% every 5 years
Landlord Responsibilities	None
CAM / Taxes / Insurance / Utilities	Tenant pays direct

Rent Schedule

~10% increases every 5 years.

Term	Years	Dates	Annual Rent	Monthly	Increase
Current Term	6–10	2/1/2023–1/31/2028	\$106,337	\$8,861	-
Base Term	11–15	2/1/2028–1/31/2033	\$117,370*	\$9,781	10%
Base Term	16–20	2/1/2033–1/31/2038	\$129,107	\$10,759	10%
Option 1	21–25	2/1/2038–1/31/2043	\$142,018	\$11,835	10%
Option 2	26–30	2/1/2043–1/31/2048	\$156,219	\$13,018	10%
Option 3	31–35	2/1/2048–1/31/2053	\$171,841	\$14,320	10%
Option 4	36–40	2/1/2053–1/31/2058	\$189,025	\$15,752	10%
Option 5	41–45	2/1/2058–1/31/2063	\$207,928	\$17,327	10%

 *Based on upcoming increased NOI of \$117,370. Seller to credit the difference at closing.



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