

# 398

LANCASTER DR NE  
SALEM, OR 97301

OFFERING MEMORANDUM



Marcus & Millichap  
BRANDON MICHAELS GROUP



398  
LANCASTER DR NE  
SALEM, OR 97301

EXCLUSIVELY LISTED BY

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# EXECUTIVE SUMMARY

The Brandon Michaels Group of Marcus & Millichap, as Exclusive Advisor, is pleased to present 398 Lancaster Dr NE, a 2,409 SF single tenant absolute NNN Dairy Queen on a long-term lease situated on 0.54 acres (23,522 SF) positioned on a corner along Lancaster Dr NE less than 0.5 miles from the Willamette Town Center in heart of Salem, OR.

Dairy Queen is a fast-food and soft-serve ice cream chain headquartered in Bloomington, Minnesota. Founded in 1940 in Joliet, Illinois, the company is a subsidiary of Berkshire Hathaway. Dairy Queen operates more than 7,700 restaurants in over 20 countries, with most locations franchised. The brand is best known for its signature Blizzards, cones, and grill-and-chill menu offerings.

Dairy Queen at 398 Lancaster Dr NE is on a twenty (20) year lease expiring 3/31/2037, or approximately 11.6 years remaining. The tenant pays \$8,068.58 per month (\$3.35/SF) on an absolute NNN lease. The rent includes the current base rent of \$7,447.92/month as well as an additional \$620.66/month deferred rent obligation paid over twenty-four (24) months from 3/1/2025 through 2/28/2027. The lease includes 10% increases every 5 years with the next increase on 4/1/2027 to \$8,192.71 per month. While the term of the lease expires 3/31/2037, the tenant holds two (2) additional options to extend the term ten (10) years.

398 Lancaster Dr NE, Salem, OR 97301 is well positioned on the corner of Lancaster Dr NE and Monroe Ave. Lancaster Dr NE is a major north/south corridor with traffic counts exceeding 30,000 VPD. The site is situated beside the 5 Freeway, a major interstate freeway connecting Washington to California through Oregon with access to an offramp less than 1.5 miles away via Market St NE. Most importantly, the site is less than 0.5 miles from the Willamette Town Center, a more than 500,000 SF regional shopping center anchored by Best Buy, Burlington, HomeGoods, TJ Maxx, Regal Cinemas, Hobby Lobby, Petco, as well as a Target across the street. Dairy Queen enjoys the synergistic traffic from these influences and is more than equipped to handle the traffic with multiple points of egress and ingress as well as 32 parking spaces, a ratio of 13.28 spaces per 1,000 SF.



# PROPERTY SUMMARY

ADDRESS  
**398 Lancaster Dr NE, Salem, OR 97301**

PRICE  
**\$1,800,000**

BUILDING SIZE  
**2,409 SF**

LOT SIZE  
**23,522 SF**

PRICE/SF (BLDG)  
**\$747**

PRICE/SF (LAND)  
**\$77**

YEAR BUILT  
**1980/2017**

CURRENT CAP RATE  
**5.38%**

PROFORMA CAP RATE  
**5.46%**

TRAFFIC COUNTS  
**33,620 VPD**

PARKING  
**32 Spaces**

PARKING RATIO  
**13.28 Space(s)  
Per 1,000**

CROSS STREETS  
**Lancaster Dr NE  
& Monroe Ave NE**





**398**  
LANCASTER DR NE  
SALEM, OR 97301

**MONROE AVE**

**LANCASTER DR NE (32,620 VPD)**

**MONROE AVE**



# INVESTMENT HIGHLIGHTS

## Absolute NNN Dairy Queen with 11.6 Years Remaining

### Dairy Queen

A fast-food and soft-serve ice cream chain with more than 7,700 restaurants in over 20 countries and 4,134 locations in the US alone

### Long Term, Absolute NNN Lease

Encumbered by a twenty (20) year lease expiring 3/31/2037, or approximately 11.6 years remaining with two (2) additional options to extend for ten (10) years

### Current Income

The tenant pays \$8,068.58 per month (\$3.35/SF) which includes a current base rent of \$7,447.92/month and an additional \$620.66/month deferred rent obligation paid over twenty-four (24) months from 3/1/2025 through 2/28/2027

### Regular Rent Increases

The lease includes 10% increases every 5 years with the next increase on 4/1/2027 to \$8,192.71 per month

### Franchisee Guarantee

The property's in place tenancy pays \$45,752.25 per month (\$2.86/SF) or \$549,027 annually, a rent below market

### Prime Salem, OR Location

Salem, Oregon is a historic capital city with vineyards, rivers, forests, culture, politics, and a family-friendly community.

### Proximate to Major Employers

The subject property is proximate to major employers like Amazon & Home Depot distribution Centers, Garmin, and Salem Health.

### Diverse Demographic

Salem, Oregon is a diverse, family-friendly capital city with growing population, education, healthcare, and affordable living.





MONROE AVE

MONROE AVE

LANCASTER DR NE (32,620 VPD)





## INVESTMENT HIGHLIGHTS

### Strategic Retail Location with Strong Underlying Asset Fundamentals

#### Soft Corner Location

Ideally positioned at the corner of Lancaster Dr NE and Monroe Ave NE

#### Highly Trafficked Corridor

Lancaster Dr NE is a major north/south corridor with traffic counts exceeding 30,000 VPD

#### Ample Surface Parking

Equipped with 32 parking spaces, a parking ratio of 13.28 spaces per 1,000

#### SF Ease of Ingress & Egress

Multiple points of ingress and egress along both Lancaster Dr NE and Monroe Ave NE

#### Excellent Frontage

Because of its corner location the site enjoys strong visibility with approximately 150 feet of frontage along Lancaster Dr NE and 155 feet along Monroe Ave NE





398

LANCASTER DR NE  
SALEM, OR 97301

Public  
Storage



MONROE AVE

LANCASTER DR NE (32,620 VPD)



# INVESTMENT HIGHLIGHTS

## Prime Salem Location with Regional Connectivity and Strong Retail Adjacencies

### Proximity to Willamette Town Center

Less than 1 mile from Willamette Town Center, a regional mall anchored by national retailers, restaurants, and entertainment venues

### Access to Major Employers & Institutions

Within minutes of the Oregon State Capitol, Salem Health, and Willamette University, all of which anchor the region's employment base and support consistent daytime traffic

### Regional Connectivity

Immediate access to Interstate 5 connects Salem to Portland (47 miles north) and Eugene (64 miles south), while Amtrak and Cherriots bus service provide robust transit options

### Established Trade Area

Surrounded by dense residential neighborhoods and complementary retail, dining, and service businesses that draw from Salem's growing population base





# FINANCIALS

## TENANT INFORMATION

TENANT	SF	%	LEASE START	LEASE EXPIRATION	RENT*	RENT/SF	INCREASES	OPTIONS	TIME AT CENTER	TERM REMAINING	APRIL 2027 RENT	RENT/SF	LEASE TYPE
Dairy Queen	2,409	100.0%	4/1/2017	3/31/2037	\$8,068.58	\$3.35	10% Every 5 Yrs, 4/1/2027	2 x 10yr	8.5 Year(s)	11.5 Year(s)	\$8,192.71	\$3.40	Absolute NNN
	2,409	100%			\$8,068.58	\$3.35			8.5 Year(s)	11.5 Year(s)	\$8,192.71	\$3.40	

\*Rent includes the current base rent of \$7,447.92/month as well as an additional \$620.66/month deferred rent obligation paid over twenty-four (24) months from 3/1/2025 through 2/28/2027. The current base rent will increase to \$8,192.71/month beginning 4/1/2027.

OPERATING DATA	CURRENT		PRO-FORMA
Scheduled Lease Income:	\$96,823		\$98,313
CAM Reimbursement:	NNN		NNN
Additional Income:	\$0		\$0
Effective Gross Income:	\$96,823		\$98,313
Vacancy:	\$0	0%	\$0
Expenses:	NNN		NNN
Net Operating Income:	\$96,823		\$98,313





TENANT SUMMARY

Dairy Queen is a fast-food and soft-serve ice cream chain headquartered in Bloomington, Minnesota. Founded in 1940 in Joliet, Illinois, the company is a subsidiary of Berkshire Hathaway. Dairy Queen operates more than 7,000 restaurants in over 20 countries, with most locations franchised. The brand is best known for its signature Blizzards, cones, and grill-and-chill menu offerings.



Ticker

Private (Subsidiary of Berkshire Hathaway)

Headquarters

Bloomington, Minnesota

Locations

7,700+ (4,134 US)

Employees

3,894

[www.dairyqueen.com](http://www.dairyqueen.com)



LEASE SUMMARY



TENANT & LEASE SUMMARY	
Tenant:	Dairy Queen
Lease Start:	4/1/2017
Lease Expiration:	3/31/2037
Term Remaining:	11.5 Year(s)
Increases:	10% Every 5 Yrs, 4/1/2027
Options:	2 x 10yr
Lease Type:	Absolute NNN
Ownership:	Fee Simple
Operator:	Lancaster Group, LLC (Multi-Unit Operator)
Guarantee:	Franchisee, SPE





# SALEM, OREGON

Salem, Oregon, the state capital and third-largest city in the state, is located in the heart of the fertile Willamette Valley about an hour’s drive south of Portland. Known for its historic downtown, government institutions, and agricultural heritage, Salem serves as both a political and economic hub for the region. Its central location provides access to statewide commerce while maintaining a balance of urban amenities and small-city character. The city benefits from major employers in government, healthcare, higher education, and food processing, with leading institutions such as Salem Health, Willamette University, and the State of Oregon anchoring the local economy.

Cultural and recreational draws include Riverfront City Park along the Willamette River, which features a carousel, amphitheater, and seasonal festivals, as well as Bush’s Pasture Park, a 90-acre green space with walking trails and historic gardens. The Oregon State Capitol building, topped with its iconic “Oregon Pioneer” statue, is one of Salem’s best-known landmarks, while the Willamette Heritage Center and Hallie Ford Museum of Art highlight the city’s history and arts scene. Just outside the city, residents and visitors enjoy access to award-winning wineries, the Silver Falls State Park waterfall trail, and scenic drives through the valley.

Salem is well connected to regional transit and infrastructure. Interstate 5 runs directly through the city, offering north–south connectivity between Portland and Eugene, while Highways 22

and 99E provide east–west access. Public transit is provided by Cherriots, which operates local and regional bus service, and Amtrak’s Salem station offers rail connections throughout the Pacific Northwest. The city also benefits from its proximity to the Salem Municipal Airport and Portland International Airport, roughly 60 miles to the north.

Retail and dining are anchored by centers such as the Willamette Town Center and Keizer Station, which feature national retailers, restaurants, and entertainment venues. Downtown Salem continues to thrive with a mix of independent shops, cafés, breweries, and farm-to-table restaurants that reflect the area’s agricultural richness.



SALEM’S RIVERFRONT PARK



SALEM HEALTH



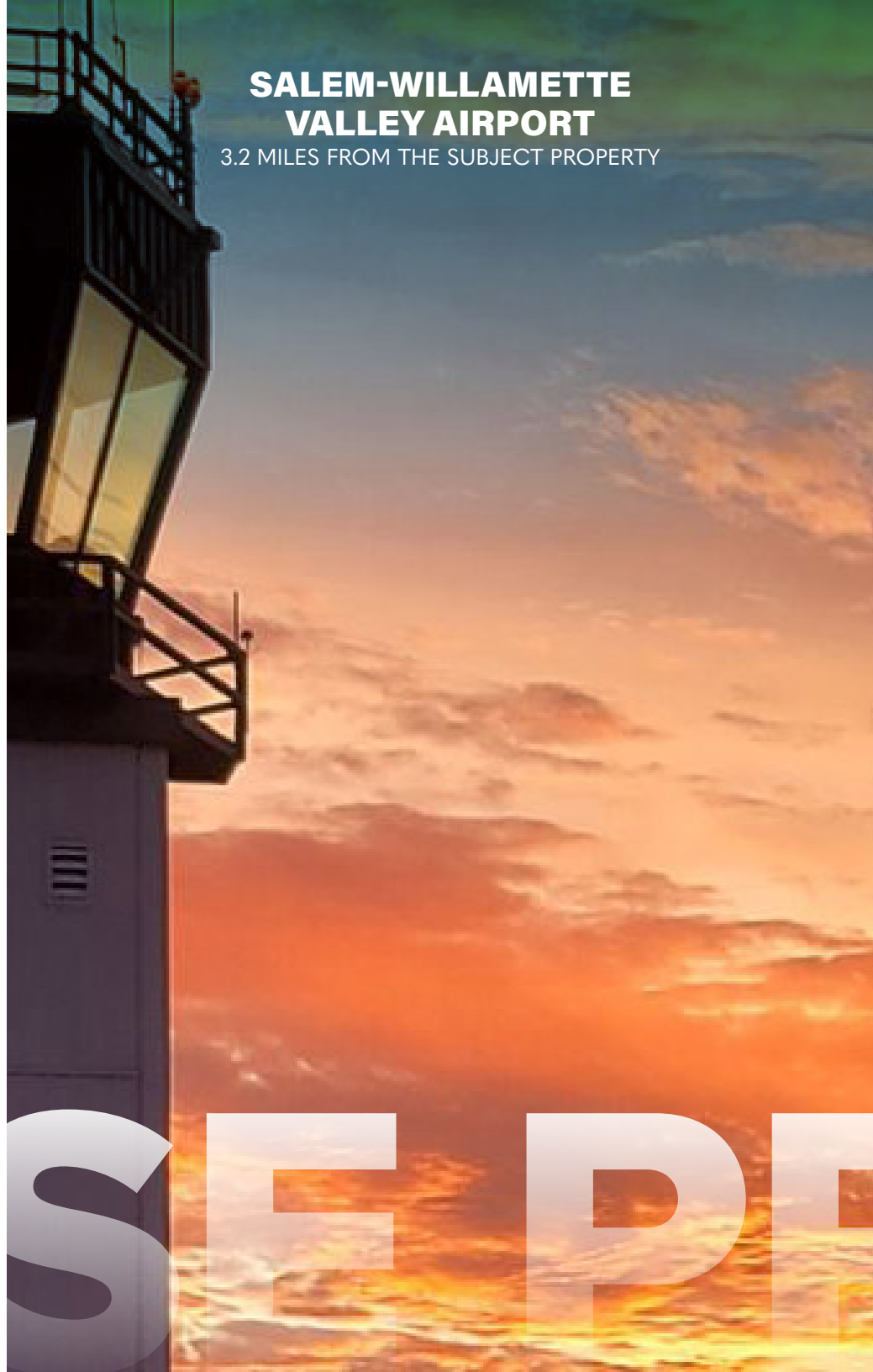
BUSH’S PASTURE PARK



**OREGON STATE CAPITOL**  
2.9 MILES FROM THE SUBJECT PROPERTY



**SALEM-WILLAMETTE  
VALLEY AIRPORT**  
3.2 MILES FROM THE SUBJECT PROPERTY



**PORTLAND, OR**  
46.2 MILES FROM THE SUBJECT PROPERTY



**PORTLAND  
INTERNATIONAL AIRPORT**  
59.1 MILES FROM THE SUBJECT PROPERTY



CLOSE PROXIMITY



# DEMOGRAPHICS

## POPULATION



211,200

Total Population  
within a 5-mile radius



36.7

Median Age  
within a 5-mile radius



49.6%

Male



50.4%

Female

## EDUCATION

3 mile 2023 % of Population



2.2%

Some High School



34.4%

Some College



9.7%

Bachelor's Degree



23.3%

Graduate Degree

## Demographics

	1 Mile	3 Mile	5 Mile
Population	16,900	98,700	211,200
Households	570	34,400	75,700
Average Household Size	2.8	2.7	2.6
Median Age	36.8	35.5	36.7
Owner Occupied Households	2,900	16,600	41,000
Renter Occupied Households	2,900	18,200	36,300
Average Household Income	\$64,100	\$67,300	\$78,000
Median Household Income	\$50,200	\$53,600	\$60,700
Businesses	800	7,600	12,000



\$78,000

Average HH income  
within a 5-mile radius



\$160 Million

Annual Consumer Spending  
within a 1-mile radius



41,000

Owner Occupied Housing  
within a 5-mile radius



75,700

Households  
within a 5-mile radius



12,000

Businesses  
within a 5-mile radius



36,300

Renter Occupied Housing  
within 5-mile radius





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GROUP

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