

# Arby's

3509 S Minnesota Avenue, Sioux Falls, SD

Absolute NNN Lease  
18 Years Remaining Term

PRICE: \$1,675,000

CAP RATE: 6.01%



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# Executive Summary

PRICE	CAP RATE	LEASE TYPE
\$1,675,000	6.01%	Absolute NNN

Colliers International is proud to present the Arby's restaurant site on Minnesota Avenue in Sioux Falls, South Dakota. Arby's has been at this location since its construction in 2011 and currently operates under a 20-year lease with approximately 18 years remaining term. This is an absolute net-leased property (Absolute NNN) with no landlord responsibilities for property taxes, utilities, maintenance or roof/structure. Rental income is set at a base amount, with percentage rent being applied above a specified gross sales figure as an efficient hedge against inflation. The franchisee on-site is DRM, Inc., one of the largest Arby's operators in the country with over 110 locations nationwide.

Arby's has a long and successful track record at this site since 2011. It benefits greatly from its strategic location along the on and off ramps of Interstate 229, along with its positioning on Minnesota Avenue which has the highest traffic counts among North/South Avenues in south Sioux Falls. The immediate area is home to numerous national retailers including Costco, Hy-Vee Grocery, Hardee's, McDonalds, At Home Furniture, Planet Fitness, and more.



NOI	\$100,652
Lease Type	Absolute NNN
Commence	October 3, 2023
Expiration	October 31, 2043
Remaining term	18 Years
Guarantor	Franchisee: DRM, Inc.
Increases	Percentage Rent*
Options	Four, 5-Year Options
Building size	3,444 SF
Lot size	0.90 Acres
Year built	2011

\*Percentage Rent Applies Above a Break-Point. Contact Agent for Details.



# Executive Summary

## PROPERTY HIGHLIGHTS

- Income Tax-Free State
- Excellent Rent/Sales Ratio\*
- Absolute NNN Lease | Zero Landlord Responsibility
- Long Remaining Term | 18 Years
- Strong Franchisee | Over 110 Units Under Management
- Highly Visible Site on a Primary Retail Thoroughfare
- Positioned Directly at I-229 On/Off Ramps
- Percentage Rent Above Break-Point | Inflation Hedge
- Annual Visits in the Top 30% Nation Wide for Arby's Locations (Placer.ai data)
- High Traffic Corridor | 29,000+ Vehicles per Day
- Within a Half-Mile of Many National Brands Including Costco, Hy-Vee Grocery, and McDonalds

\* Contact Agent for Details





# Area Demographics

Population Summary	1 Mile	3 Miles	5 Miles
2030 Projection	8,400	105,300	216,302
2025 Estimated	8,130	97,027	198,319
2000 Total Population	8,515	72,951	124,710

Household Summary	1 Mile	3 Miles	5 Miles
2030 Projection	3,537	45,887	88,796
2025 Estimated	3,403	42,189	81,131
2010 Total Households	3,084	33,585	60,550

2025 Household Income	1 Mile	3 Miles	5 Miles
\$200,000+	14.0%	12.3%	11.1%
\$150,000 - \$199,999	7.7%	8.3%	9.0%
\$100,000 - \$149,999	19.8%	16.5%	18.4%
\$75,000 - \$99,999	9.5%	12.0%	12.5%
\$50,000 - \$74,999	17.0%	19.0%	19.3%
\$35,000 - \$49,999	10.8%	10.9%	10.2%
\$25,000 - \$34,999	11.3%	8.5%	7.7%
\$15,000 - \$24,999	4.0%	6.2%	5.7%
Less than \$15,000	5.9%	6.5%	6.1%
Average Household Income	\$120,322	\$111,847	\$110,401
Median Household Income	\$77,221	\$73,427	\$76,657
Per Capita Income	\$50,713	\$48,847	\$45,339

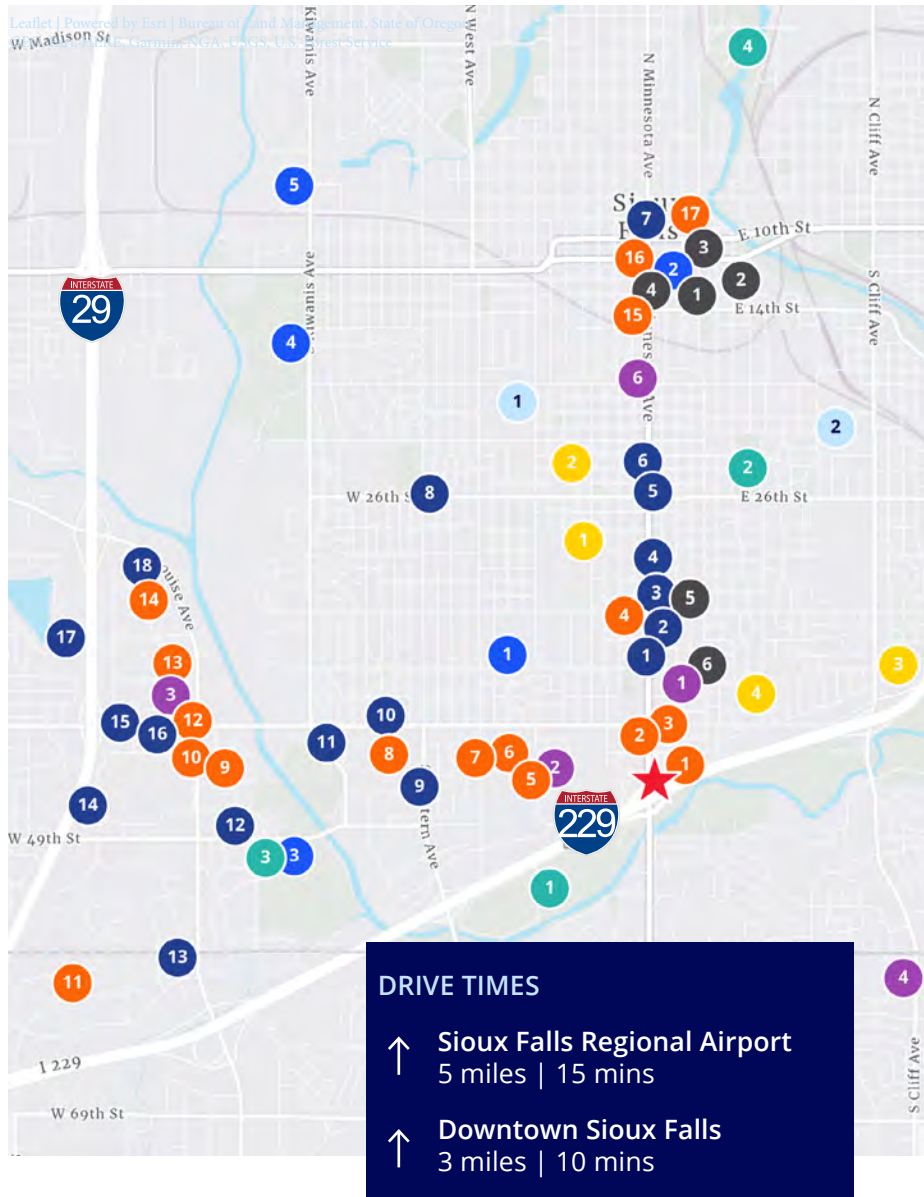


2025 Population by Age	1 Mile	3 Miles	5 Miles
2025 Estimated Population	8,130	97,027	198,319
Under 10 Years	11.7%	12.2%	13.5%
10 to 19 Years	11.0%	12.0%	13.0%
20 to 24 Years	8.4%	6.8%	6.5%
25 to 34 Years	14.3%	14.4%	14.6%
35 to 44 Years	13.9%	13.9%	14.5%
45 to 54 Years	10.2%	11.0%	11.3%
55 to 64 Years	10.9%	10.6%	10.4%
65 to 74 Years	10.9%	10.3%	9.3%
75 Years or Over	8.6%	8.7%	7.0%
Median Age	38.1	38.1	36.7

2025 Population 25+ Education Level	1 Mile	3 Miles	5 Miles
Total	5,598	66,892	132,970
Less than 9th Grade	0.6%	1.5%	2.1%
9th - 12th Grade, No Diploma	1.7%	2.4%	3.3%
High School Graduate	17.9%	18.5%	19.9%
GED/Alternative Credential	2.5%	3.3%	3.5%
Some College, No Degree	21.7%	18.2%	18.9%
Associate Degree	13.0%	10.7%	11.6%
Bachelor's Degree	25.9%	29.1%	27.6%
Graduate/Professional Degree	16.7%	16.3%	13.0%



# Amenity Map



## Food & Drinks

- 1 Culver's
- 2 Bagel Boy
- 3 Ramen Fuji
- 4 Dairy Queen
- 5 Pizza Cheeks
- 6 Slim Chickens
- 7 Five Guy
- 8 Grille 26
- 9 Backyard BBQ
- 10 Inca
- 11 Fuji Sushi & Hibachi Grill
- 12 The Smoked Culture
- 13 Noodles and Company
- 14 Texas Roadhouse
- 15 Chipotle Mexican Grill
- 16 Chick-fil-A
- 17 Dave & Buster's
- 18 Cracker Barrel

## Coffee

- 1 Josiah's Coffeehouse & Cafe
- 2 The Breaks Coffee Roasting Co.
- 3 Coffee Roasterie
- 4 Starbucks
- 5 Caribou Coffee
- 6 Starbucks

## Grocery

- 1 HyVee
- 2 Costco Wholesale
- 3 Walmart Supercenter
- 4 HyVee
- 5 HyVee

## Point of Interest

- 1 Kirkeby-Over Stadium
- 2 Washington Pavilion
- 3 Butterfly House & Aquarium
- 4 Great Plains Zoo
- 5 Thunder Road

## Parks

- 1 Yankton Trail Park
- 2 McKennan Park
- 3 Sertoma Park
- 4 Falls Park

## Medical

- 1 Sanford USD Medical Center
- 2 Avera McKennan Hospital

## Education

- 1 Augustana University
- 2 University of Sioux Falls
- 3 Lincoln High School
- 4 Robert Frost Elementary

## Retail

- 1 CrossFit
- 2 Staples
- 3 Nyberg's ACE
- 4 U.S. Bank
- 5 Costco Wholesale
- 6 Office Depot
- 7 Planet Fitness
- 8 Western Mall
- 9 Target
- 10 The Empire Mall
- 11 Sky Zone Trampoline Park
- 12 Walmart Supercenter
- 13 Sam's Club
- 14 The Home Depot
- 15 First PREMIER Bank
- 16 YMCA
- 17 Wells Fargo Main
- 18 Planet Fitness



# Tenant Profile



6

GLOBAL MARKETS



3,400+

LOCATIONS



+10,000

EMPLOYEES



\$4.5B

SYSTEM SALES

## DRM, Inc.



119

RESTAURANTS



7

STATES



1977

FOUNDED IN



6-TIME

ARBY'S AWARD  
WINNER

## Arby's / DRM, Inc.

### 2nd Largest Arby's Franchisee | 119 Locations Across 7 States

**Arby's**, founded in 1964, is a leading quick-service restaurant brand with more than 3,400 locations across the United States and Canada. The company is best known for its made-to-order sandwiches, roast-beef classics, curly fries, and signature shakes, all centered around quick service and drive-thru convenience. Arby's continues to distinguish itself through its "We Have The Meats®" brand platform, a customer-centric service model, and operational efficiency.

Headquartered in Atlanta, Georgia, Arby's operates primarily through franchised locations, supported by select company-owned stores. The brand is part of Inspire Brands, a multi-concept restaurant group that also includes Buffalo Wild Wings, Sonic Drive-In, Jimmy John's, Dunkin', and Baskin-Robbins. Arby's consistently ranks among the top U.S. QSR concepts by unit count and sales, generating billions in annual system wide revenue and maintaining a strong presence across suburban, urban, and highway trade areas.

**DRM, Inc.**, founded in 1977, is a family-owned and operated franchisee and the second-largest Arby's operator nationwide. Led by brothers Matt and Marc Johnson, DRM has grown to own and operate 119 Arby's restaurants across seven Midwestern states, with its corporate headquarters based in Omaha, Nebraska.

DRM is recognized for its strong leadership culture, long-term investment strategy, and commitment to maintaining Arby's brand standards through continual reinvestment in remodels, technology, and equipment upgrades. The company has been honored with multiple Arby's corporate awards, including the President's Award (Franchisee of the Year) and the Inspiring Smiles Franchisee of the Year Award.

Focused on sustainable growth, DRM continues to expand its Midwest footprint in key markets such as Lincoln, Des Moines, Rockford, Appleton, Green Bay, Madison, and La Crosse. Its consistent performance, operational experience, and multi-decade partnership with the Arby's brand make DRM, Inc. one of the system's most respected and reliable franchise operators.

### RECOGNIZED FOR EXCELLENCE IN FRANCHISE LEADERSHIP

DRM, Inc. Awards Include:

President's Award (Franchise of the Year) X 2 | Serve, Refresh, Delight Award  
Golden A Award | Silver A Award | Inspiring Smiles Franchisee of the Year



# Sioux Falls, South Dakota

Located in the heart of the Upper Midwest, Sioux Falls is a vibrant regional hub known for its natural beauty, welcoming neighborhoods, and thriving downtown. The city's namesake Falls Park anchors the riverfront with scenic overlooks, trails, and historic mill ruins, while nearby SculptureWalk, the Washington Pavilion arts and science center, and a growing collection of local restaurants and breweries give downtown year-round energy. Family-friendly attractions like the Butterfly House & Aquarium and abundant parks weave through the Big Sioux River greenway, creating an easy blend of outdoor recreation and urban convenience.

Strategically positioned at the junction of I-90 (east-west) and I-29 (north-south) with quick access via Sioux Falls Regional Airport (FSD), the city serves a multi-state trade area that feeds retail, dining, and entertainment businesses. A diverse, fast-growing population, strong household incomes, and major employment anchors in healthcare, education, and advanced services support steady foot traffic and daytime demand. With its mix of accessibility, economic stability, and a welcoming small-city feel, Sioux Falls continues to attract visitors, new residents, and investment—making it a compelling destination for retailers and a convenient home base for the broader region.



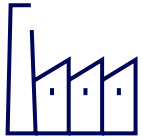






# Employment in Sioux Falls

## BUSINESSES & EMPLOYMENT



**8,796**  
total businesses



**110,496**  
total employees



**64%**  
white collar jobs



**13%**  
service jobs



**23%**  
blue collar jobs

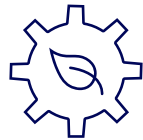


**1.7%**  
unemployment rate

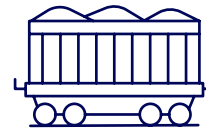
## TOP 5 INDUSTRIES



**Healthcare, Biomedical  
& Life Sciences**



**Manufacturing &  
Food Processing**



**Distribution  
& Logistics**



**Financial  
Services**



**Retail, Trade &  
Wholesale**

## TOP NOTABLE EMPLOYERS







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