

Arby's

5050 N Cliff Avenue, Sioux Falls, SD

Absolute NNN Lease

18 Years Remaining Term

PRICE: \$1,650,000

CAP RATE: 6.01%



Scott Logan

Associate Vice President
+1 503 542 5480 Direct
+1 541 571 1287 Mobile
scott.logan@colliers.com
Licensed in Oregon

Tina Volpe

Regional Operations Manager
+1 952 897 7793 Direct
+1 651 341 7681 Mobile
tina.volpe@colliers.com
Licensed in South Dakota



Colliers



Executive Summary

PRICE	CAP RATE	LEASE TYPE
\$1,650,000	6.01%	Absolute NNN

Colliers International is proud to present the Arby's restaurant site on Cliff Avenue in Sioux Falls, South Dakota. Arby's has been at this location since its construction in 1995 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 1995. It benefits greatly from its strategic location along the on and off ramps of Interstate 90, along with its positioning within the industrial core of north Sioux Falls. The neighboring blue-collar workforce has limited options in the immediate vicinity, providing a competitive advantage for this location. There are 2.7 million square feet of industrial space within a 1-mile radius of the Arby's site, with 43,000 square feet under construction and a vacancy rate below one percent, providing a stable customer base for local retailers.



NOI	\$99,232
Lease Type	Absolute NNN
Commence	October 3, 2023
Expiration	October 31, 2043
Remaining term	18 Years
Guarantor	Franchisee: DRM, Inc.
Increases	Percentage Rent*
Option	Four, 5-Year Options
Building size	3,534 SF
Lot size	1.18 Acres
Year built	1995

*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 near Signalized Intersection
- Located in Blue-Collar Industrial Hub
- Positioned Directly at I-90 On/Off Ramps
- Percentage Rent Above Break-Point | Inflation Hedge
- Multiple Remodels

* Contact Agent for Details

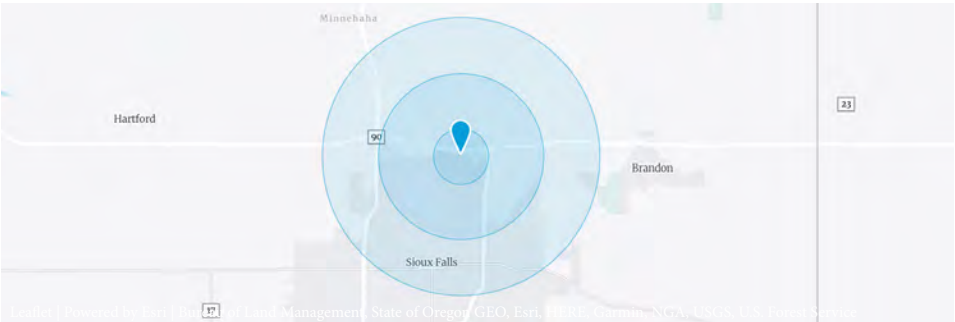


Area Demographics

Population Summary	1 Mile	3 Miles	5 Miles
2030 Projection	8,439	105,723	216,020
2025 Estimated	8,174	97,433	198,079
2000 Total Population	8,487	73,232	124,710

Household Summary	1 Mile	3 Miles	5 Miles
2030 Projection	3,557	46,071	88,697
2025 Estimated	3,424	42,366	81,052
2010 Total Households	3,102	33,759	60,506

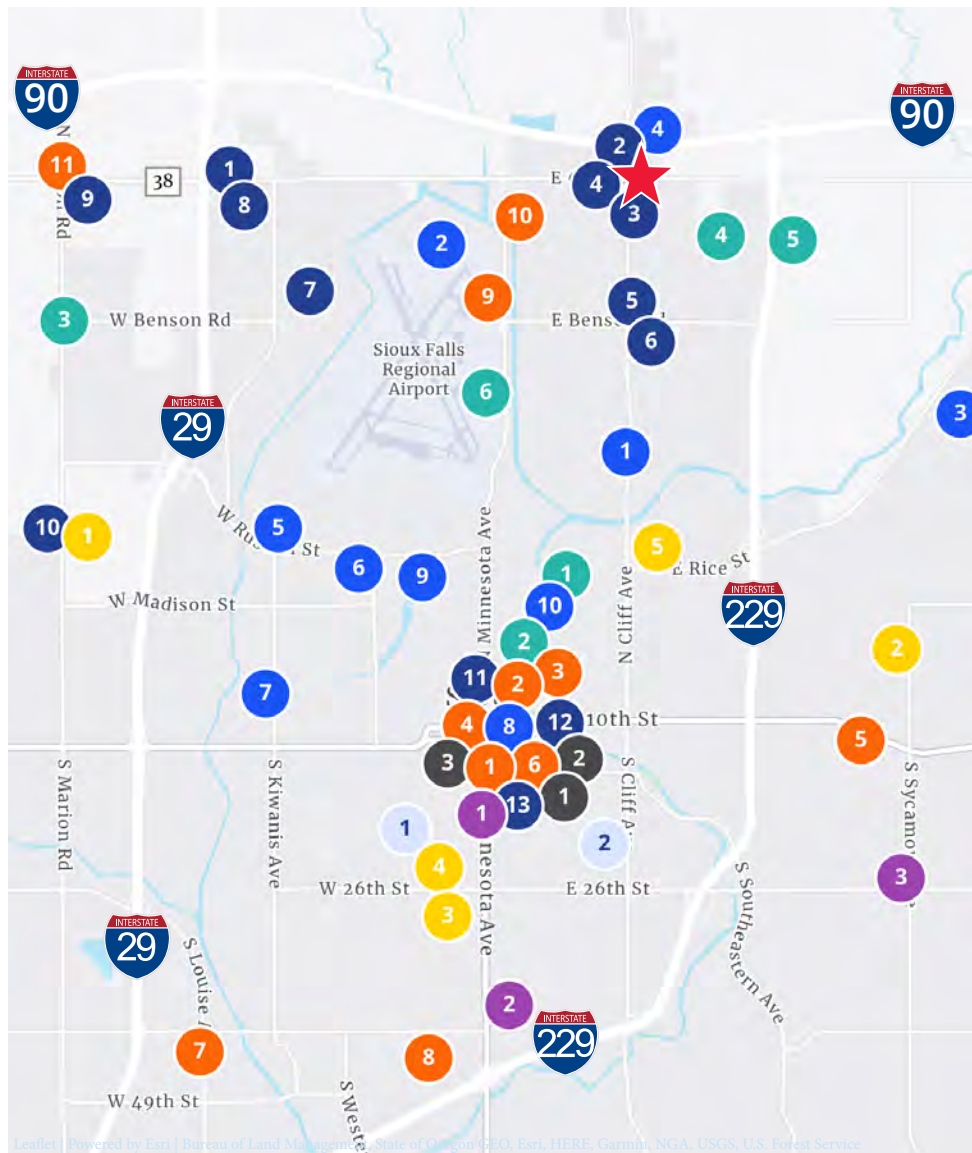
2025 Household Income	1 Mile	3 Miles	5 Miles
\$200,000+	14.0%	12.3%	11.1%
\$150,000 - \$199,999	7.7%	8.3%	9.0%
\$100,000 - \$149,999	19.7%	16.5%	18.4%
\$75,000 - \$99,999	9.5%	12.0%	12.5%
\$50,000 - \$74,999	16.9%	19.0%	19.3%
\$35,000 - \$49,999	11.0%	10.9%	10.2%
\$25,000 - \$34,999	11.4%	8.5%	7.7%
\$15,000 - \$24,999	4.0%	6.2%	5.7%
Less than \$15,000	5.8%	6.5%	6.1%
Average Household Income	\$120,386	\$111,848	\$110,396
Median Household Income	\$77,096	\$73,506	\$76,649
Per Capita Income	\$36,406	\$30,207	\$36,356



2025 Population by Age	1 Mile	3 Miles	5 Miles
2025 Estimated Population	8,174	97,433	198,079
Under 10 Years	11.1%	9.4%	13.2%
10 to 19 Years	11.2%	10.1%	11.9%
20 to 24 Years	4.2%	6.8%	6.8%
25 to 34 Years	11.0%	16.5%	16.0%
35 to 44 Years	10.8%	14.5%	15.3%
45 to 54 Years	9.0%	11.4%	10.8%
55 to 64 Years	13.0%	12.3%	10.6%
65 to 74 Years	17.6%	11.8%	9.3%
75 Years or Over	12.2%	7.2%	6.1%
Median Age	46.7	39.5	36.4

2025 Population 25+ Education Level	1 Mile	3 Miles	5 Miles
Total	1,248	6,420	47,750
Less than 9th Grade	1.0%	2.7%	3.4%
9th - 12th Grade, No Diploma	9.7%	9.5%	5.2%
High School Graduate	21.1%	28.7%	25.0%
GED/Alternative Credential	11.1%	12.2%	6.0%
Some College, No Degree	29.7%	22.0%	20.7%
Associate Degree	7.4%	8.0%	10.9%
Bachelor's Degree	13.3%	13.1%	20.9%
Graduate/Professional Degree	6.8%	3.8%	7.9%

Amenity Map



Food & Drinks

- 1 Denny's
- 2 Burger King
- 3 Subway
- 4 McDonald's
- 5 Marlin's
- 6 Hacienda Jalisco
- 7 Blue Rock Bar & Grill
- 8 Cinnabon
- 9 Jimmy John's
- 10 Dairy Queen
- 11 Phillips Avenue Diner
- 12 Minervas Restaurant & Bar
- 13 JL Beers

Coffee

- 1 Josiah's Coffeehouse & Cafe
- 2 The Breaks Coffee Roasting Co.
- 3 Coffea Roasterie Downtown

Grocery

- 1 Sioux Falls Food Co-op
- 2 HyVee
- 3 HyVee

Point of Interest

- 1 The Pioneer Memorial
- 2 SD National Guard
- 3 Great Bear Ski Valley
- 4 Sioux Falls KOA Journey
- 5 Elmwood Golf Course
- 6 Denny Sanford PREMIER Center
- 7 Thunder Road
- 8 Washington Pavilion
- 9 Falls Park
- 10 Veterans Memorial Park

Industrial, Biotech & Military

- 1 Smithfield Foods
- 2 Raven Industries
- 3 Foundation Industrial Park
- 4 POET Biotech
- 3 Sioux Falls SDARNG Armory
- 4 Sioux Falls Regional Airport (FSD)

Medical

- 1 Sanford USD Medical Center
- 2 Avera McKennan Hospital

Education

- 1 Jefferson High School
- 2 Washington High School
- 3 Augustana University
- 4 University of Sioux Falls
- 5 Laura B. Anderson Elementary

Retail

- 1 First PREMIER Bank
- 2 Wells Fargo
- 3 U.S. Bank
- 4 YMCA
- 5 Planet Fitness
- 6 Downtown Retail Core*
- 7 The Empire Mall
- 8 Costco Wholesale
- 9 FedEx
- 10 USPS
- 11 Walmart

*Downtown Retail Core includes: Great Outdoor Store, Heritage Boutique, Home Porch / Gift Baskets by Design, JH & Sons Clothier, Laurie-belles, Lewis Drug, Marie & Marie Bridal, MatchBox Candle Co., MINT + BASIL, MK Threads Boutique, Optics, Pasque Boutique, Plum's Cooking Company, Rehfelds Modern, Say Anything Jewelry, Simply Perfect, Sticks and Steel, Studio 20/20, Terra Shepherd Boutique & Apothecary, The Spice & Tea Exchange, Thomas James & Bechtold Jewelry, Zandbroz Variety, CH Patisserie, Minervas Restaurant & Bar, Crawford's Bar & Grill, and WoodGrain Brewing Company

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.

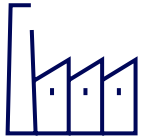
Strategically positioned at the junction of I-90 (east-west) and I-29 (north-south) with quick access via Sioux Falls Regional Airport (FSD), the city serves a multi-state trade area that feeds retail, dining, and entertainment businesses. A diverse, fast-growing population, strong household incomes, 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

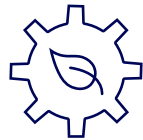


1.7%
unemployment rate

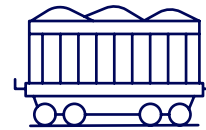
TOP 5 INDUSTRIES



**Healthcare, Biomedical
& Life Sciences**



**Manufacturing &
Food Processing**



**Distribution
& Logistics**



**Financial
Services**



**Retail, Trade &
Wholesale**

TOP NOTABLE EMPLOYERS





5050 N Cliff Avenue

Sioux Falls, SD 57104

Scott Logan

Associate Vice President
+1 503 542 5480 direct
+1 541 571 1287 mobile
scott.logan@colliers.com

Tina Volpe

Regional Operations Manager
+1 952 897 7793 Direct
+1 651 341 7681 Mobile
tina.volpe@colliers.com
Licensed in South Dakota



Colliers

This document has been prepared by Colliers for advertising and general information only. Colliers makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers and/or its licensor(s). ©2025. All rights reserved.

Accelerating success.