

# INVESTMENT OPPORTUNITY TWO-BUILDING RETAIL INVESTMENT WITH ARBY'S OPERATED QSR

3820 W. 41st Street & 3800 W. 41st Street,  
Sioux Falls, SD 57106





## ABOUT THE INVESTMENT

- **Address:**  
3800 & 3820 West 41st Street, Sioux Falls, SD 57106
- **Asking Price:**  
\$2,300,000
- **Tenants:**  
DRM, Inc., operating as Arby's, and Blazin Aces
- **Lease Type:**  
Arby's - Absolute NNN; Blazin Aces - NNN
- **Total Leased Area:**  
5,261 SF +/-
- **Building Size:**  
3,581 SF +/- (Arby's)  
1,680 SF +/- (Blazin Aces)
- **Lot Size:**  
0.76 Acres +/- (Arby's)  
0.27 SF +/- (Blazin Aces)  
1.03 Acres +/- Total
- **Zoning:**  
C-4
- **Two tenant retail investment along West 41st Street in Sioux Falls, South Dakota**
  - Property provides income from an Arby's operator and an additional retail tenant along one of Sioux Falls' most established commercial corridors.
- **Arby's operated QSR with long-term lease control**
  - Lease through 10/31/2043, with four, 5-year renewals options.
- **Drive-thru QSR retail**
  - Drive-thru configuration with restaurant use, visibility, ease of customer access, and ~10 car stacking capacity.
- **6.17% cap rate**
  - Based on current annual base rent and asking price.
- **Potential percentage rent upside**
  - Arby's lease includes percentage rent equal to 7% of Net Sales above the annual rent breakpoint.
- **Current base income of \$141,910 annually**
  - Current base rent from two leases totals \$141,910 annually, before any percentage rent or expense reimbursements.
- **Tenant reimbursement structure**
  - Leases shift many property-level costs to tenants, including taxes, utilities, insurance, maintenance, and certain repair obligations.
- **Potential 1031 exchange replacement property**
  - Manageable deal size, recognizable tenancy, and long-term Arby's lease control may appeal to investors seeking retail income.
- **Long-term 41st Street optionality**
  - Property offers in place income with long-term control of well located retail real estate in a proven corridor.

**EXECUTIVE LISTING SUMMARY**

|                                   |   |
|-----------------------------------|---|
| <b>Property Address</b>           | 3800 & 3820 West 41st Street, Sioux Falls, SD 57106   |
| <b>Offering Type</b>              | Multi-tenant retail investment  |
| <b>Tenants</b>                    | DRM, Inc., operating as Arby's, and Blazin Aces   |
| <b>Asking Price</b>               | <b>\$2,300,000</b>  |
| <b>Cap Rate</b>                   | 6.17%, based on current base rent   |
| <b>Lease Type</b>                 | Arby's - Absolute NNN; Blazin Aces - NNN  |
| <b>Arby's Building Size</b>       | 3,581 SF +/-  |
| <b>Blazin Aces Building Size</b>  | 1,680 SF +/-  |
| <b>Total Leased Area</b>          | 5,261 SF +/-  |
| <b>Arby's Remaining Term</b>      | ~17.4 years, as of late May 2026  |
| <b>Blazin Aces Remaining Term</b> | ~2.5 years, as of late May 2026   |
| <b>Arby's Options</b>             | Four, 5 year renewals options   |
| <b>Blazin Aces Options</b>        | Two, 5 year renewals options  |
| <b>Arby's ROFR</b>                | Yes, Tenant has right of first refusal to purchase the premises during the lease term or any renewal term |



**11 min**  
Avg . Dwell Time



**195.6K**  
Annual Visits



**100.8K**  
Annual Visitors

*\*in the past 12 months\**



**10 min**  
Avg . Dwell Time



**122.4K**  
Annual Visits



**31.6K**  
Annual Visitors

*\*in the past 12 months\**

### 2025 Taxes (Payable 2026)

**Parcel ID**  
#012125476005000  
#012125476014000

**Size**  
0.76 Acres  
0.27 Acres  

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1.03 Acres

\$15,370.94  
\$4,368.54  

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\$19,739.48





# 2025 AREA DEMOGRAPHICS

|                             | 1 mile         | 3 miles        | 5 miles        | MSA            |
|-----------------------------|----------------|----------------|----------------|----------------|
| Total Population            | <b>9,872</b>   | <b>95,036</b>  | <b>171,622</b> | <b>314,596</b> |
| Projected Population (2030) | <b>10,300</b>  | <b>102,173</b> | <b>186,331</b> | <b>341,444</b> |
| Daytime Population          | <b>18,614</b>  | <b>104,097</b> | <b>196,411</b> | <b>314,319</b> |
| Median Age                  | <b>40.6</b>    | <b>36.5</b>    | <b>36.7</b>    | <b>36.9</b>    |
| Area Households             | <b>5,352</b>   | <b>39,700</b>  | <b>70,701</b>  | <b>124,541</b> |
| Median Household Income     | <b>\$50.2k</b> | <b>\$76.2k</b> | <b>\$76.7k</b> | <b>\$83.1k</b> |
| Median Home Value           | <b>\$240k</b>  | <b>\$298k</b>  | <b>\$303k</b>  | <b>\$328k</b>  |

Source: Esri forecasts for 2025 and 2030. U.S. Census Bureau 2000 and 2010 decennial Census data converted by Esri into 2020 geography.

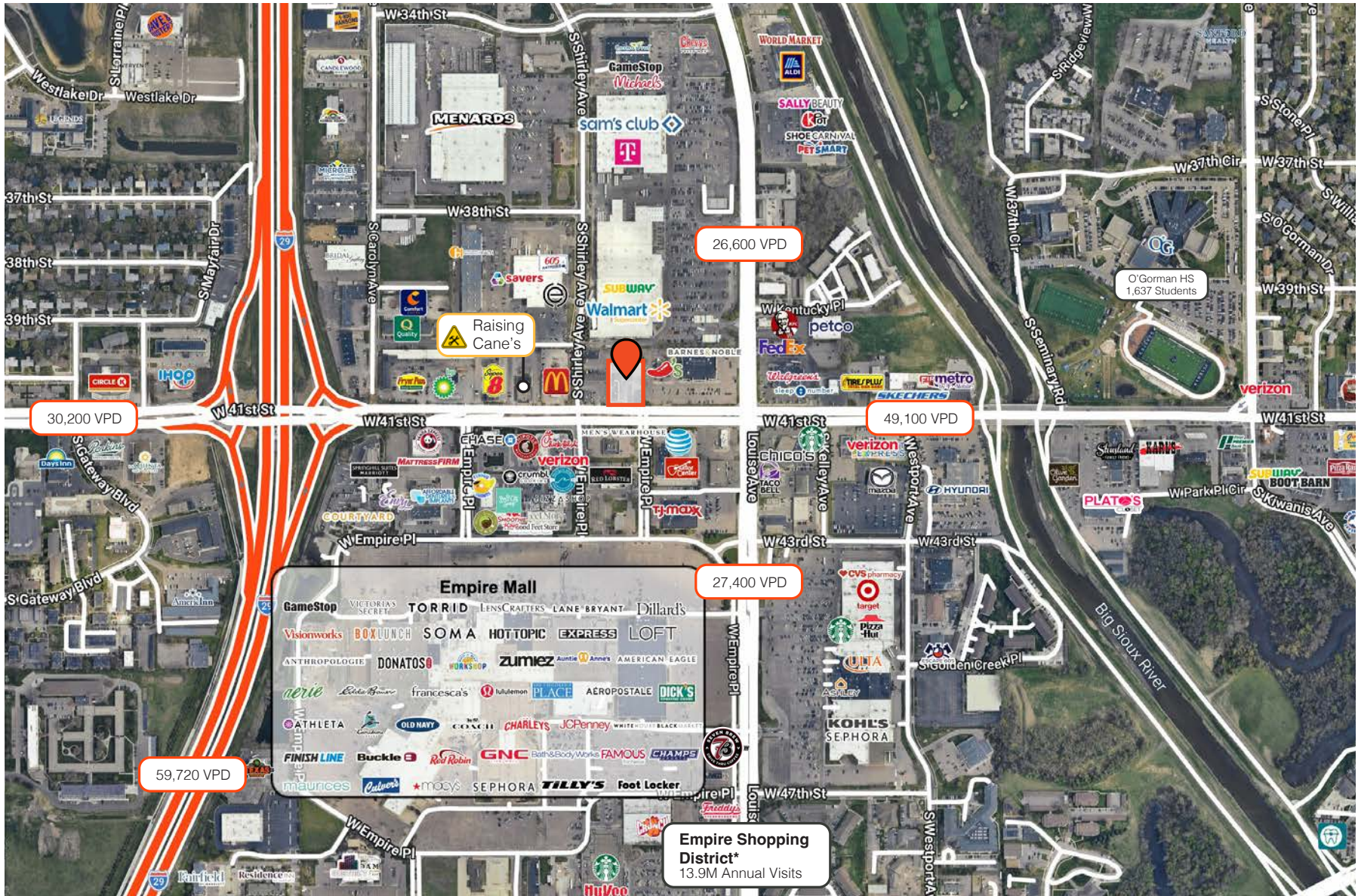
# THE EMPIRE SHOPPING DISTRICT

The subject property benefits from a premier position directly adjacent to South Dakota's top shopping destination. The Empire Shopping District, made up of The Empire Mall, Empire Place, and Empire East, is a fully stabilized retail corridor that draws shoppers from Sioux Falls and across the broader region, including northwest Iowa and southwest Minnesota. Major anchors and traffic drivers such as Target, Kohl's, Sephora, Ulta Beauty, Chick-fil-A, TJ Maxx, and other national retailers keep activity consistently strong. Recent additions including Crunch Fitness and 7 Brew continue to strengthen the tenant mix, while Raising Cane's, currently under construction just west of the site, marks a major new entry to the Sioux Falls market and further reinforces the district's position as the state's premier retail destination.



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# NEIGHBORHOOD MAP



\*Empire Shopping District includes The Empire Mall, Empire Place, & Empire East



# QSR **TENANT** OVERVIEW: DRM, INC.

RESTAURANTS  
**117**

YEAR FOUNDED  
**1977**

STATES  
**7**

DRM, Inc. serves as the tenant for the subject property and the Arby's operator behind the location. DRM is a family-owned and operated franchisee headquartered in Omaha, Nebraska. Today, the company owns and operates 117 Arby's restaurants across 7 Midwest states and is recognized as the second-largest Arby's franchisee nationwide.

Over several decades, DRM has grown through a disciplined operating strategy rooted in market knowledge, brand consistency, and continued reinvestment in its restaurant portfolio. Led by brothers Matt and Marc Johnson, the company has maintained a strong presence across the Midwest while continuing to invest in its locations through remodels, technology, equipment upgrades, and other brand-aligned improvements.

DRM's growth strategy focuses on strengthening its presence within existing markets, improving operational efficiency, and supporting long-term store performance. This approach has helped the company maintain its market position while aligning with Arby's evolving brand standards and customer expectations.

The company has also been recognized by Arby's corporate with multiple franchise awards.

## Franchisee Awards



President's Award  
(Franchisee of the Year)



President's Award  
(Franchisee of the Year)



Serve, Refresh, Delight  
(Superior Performance)



Golden A  
(Top Performer)



Silver A  
(Guest Satisfaction)



Inspiring Smiles  
(Franchisee of the Year)



# QSR OPERATOR OVERVIEW: ARBY'S

HQ  
**ATLANTA, GA**

YEAR FOUNDED  
**1964**

LOCATIONS  
**3,980**

Arby's stands as a distinguished player in the American fast-food landscape, recognized as the nation's leading quick-service restaurant brands specializing in slow-roasted beef and a diverse selection of premium meats. Headquartered in Atlanta, Georgia, Arby's has grown to more than 3,900 locations across the United States and international markets.

Central to Arby's business strategy is its commitment to differentiation within a burger-dominated fast-food segment. The brand has built its identity around premium protein-focused menu offerings, like its signature roast beef sandwiches, Market Fresh selections, curly fries, and other recognizable menu items that have helped define the Arby's experience.

In a competitive quick-serve restaurant market, Arby's has built a loyal following through bold menu innovation, strong brand reputation, and a clear identity. Its long-standing reputation, established franchise platform, and national presence have allowed the brand to maintain a durable position within the fast-food industry. Arby's continues to service as a familiar and trusted dining option.



# BLAZIN ACES OVERVIEW

PRIMARY MARKET  
**SIOUX FALLS, SD**

YEAR FOUNDED  
**2024**

LOCATIONS  
**4**

Blazin Aces Smoke & Vape is a locally operated smoke and vape retailer with multiple locations across the Sioux Falls MSA. The company offers a broad selection of vape, smoke, CBD, THC, kratom, glass, cigar, and accessory products, positioning itself around product variety, competitive pricing, and customer-focused service. Its West 41st Street location provides a presence within one of Sioux Falls' most established retail corridors, supporting strong customer access and visibility.





# MARKET PROFILE OVERVIEW

Sioux Falls, South Dakota's largest city, is one of the fastest growing areas in the nation with population growth rate nearly four times the national average. It serves as the largest retail hub between Denver and the Twin Cities and offers residents & visitors an ample selection of commodities and services. Being located in the heart of the Midwest, Sioux Falls draws shoppers from a four-state area. Employment across the state is projected to increase by 7.7% by 2032, further solidifying its reputation as an economic leader.

Sioux Falls has low business costs with a high quality of life. There's no state, corporate or personal income tax, no inheritance tax and no limits to what your business can achieve.

| POPULATION PROJECTION |             |         |
|-----------------------|-------------|---------|
| Year                  | Sioux Falls | MSA     |
| 2025                  | 224,676*    | 314,596 |
| 2030                  | 235,786     | 341,319 |

\*Source: The City of Sioux Falls

## FAST FACTS



#1 City for Small Businesses  
*(B2B Review 2025)*



#2 Best Tax Climate in the U.S.  
*(Tax Foundation 2024)*



#6 Best City for Young Couples  
*(StorageCafe 2026)*



Top 25 Safest Cities in America  
*(WalletHub 2025)*



#1 Corporate Site Selection Per Capita (Tier 2 Metros)  
*(Site Selection 2025)*

**2.3%**

Sioux Falls MSA Unemployment Rate  
*(December 2025)*



No Corporate Income Tax



#7 Best Run Cities in America  
*(WalletHub 2025)*

## TOP EMPLOYERS

**SANFORD**  
HEALTH  
10,929

**Avera**  
8,200

**SIoux FALLS**  
SCHOOL DISTRICT  
3,627

**Smithfield**  
3,239

**HyVee**  
EMPLOYEE OWNED  
2,390

**amazon**  
1,600

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