

# SPROUTS

(BRAND NEW PROTOTYPE STORE)

Marcus & Millichap  
DUONG INVESTMENT GROUP



1040 CHEN PARKWAY, MCDONOUGH, GA 30253

OFFERING MEMORANDUM

# SPROUTS

(BRAND NEW PROTOTYPE STORE)



## Exclusively Listed By

### **CRAIG ELSTER**

Senior Director Investments  
(949) 514-5762 call/text  
craig.elster@marcusmillichap.com  
License: CA 01958307

### **RON DUONG**

Senior Managing Director Investments  
(949) 350-5431 call/text  
ron.duong@marcusmillichap.com  
License: CA 01438643

---

## Broker Of Record

### **JOHN LEONARD**

1100 Abernathy Road NE, Building 500, Suite 600  
Atlanta, GA 30328  
Phone: (678) 808-2700  
License: 252904

# INVESTMENT OVERVIEW

## Investment Highlights



**Brand New 15-Year Corporate Guaranteed Sprouts Farmers Market**



**#1 Visited Sprouts in the Entire State of Georgia According to Placer.ai  
(Please Contact Agent for More Details)**



**Trophy Net Leased Asset with Leading Organic Grocer in the Atlanta MSA**

## Prime Retail Location

- ▶ Located Near Interstate 75 with Traffic Counts Exceeding 167,000 Cars Per Day | I-75 is a Major Highway that Connects Miami to Detroit
- ▶ Newly Constructed Prototype Store with a 20-Year Roof Warranty
- ▶ Multiple Residential Developments Next Door Including The Levi Luxury Apartments (±660 Brand New Apartments/Townhomes) and 66 Single Family Houses
- ▶ The Subject Property is Part of a Brand-New Master Planned Development with a Number of Premium Retailers Including Whataburger, Chick-fil-A, Starbucks, Bank of the Ozarks, First Watch, Bubba's 33, Valvoline, Costco, Chipotle, Hacienda Bar & Grill, Lush Nail Bar, and Many More

## Corporate Sprouts Farmers Market

- ▶ NNN Property with Minimal Landlord Responsibilities – Ideal for Investors Not Local to the Market
- ▶ Sprouts Generated \$7.72 Billion in Revenue in 2024 – a 13% Increase Over 2023 and Comparable Store Sales Growth of 7.6% | Sprouts Plans to Open 35 New Stores in 2025
- ▶ Publicly Traded Company (NASDAQ: SFM) with Over 440 Locations and 35,000 Employees
- ▶ Fixed Rental Increases Provide Consistent Rental Growth and a Hedge Against Inflation

## Pride of Ownership Property in McDonough, GA

- ▶ Dense, Infill Location with Over 102,000 Residents Within 5 Miles | Affluent Area with the Average Household Income Exceeding \$94,000 Within 5 Miles
- ▶ The Surrounding Area Benefits From a Very Low Unemployment Level of 2.62%
- ▶ Access to Major Interstate Corridor with Easy Access to Downtown Atlanta Makes the Local Market an Industrial & Distribution Hub with ±8.8M Square Feet of Industrial Properties



# INVESTMENT OVERVIEW

## Tenant Spotlight

### Sprouts Farmers Market

Sprouts Farmers Market is a leading specialty grocer with over 440 locations across 24 states.

Renowned for its commitment to fresh, natural, and organic products, Sprouts offers a unique shopping experience that blends the charm of a neighborhood farmers market with the convenience of a full-service grocery store.

The company's open-layout stores place fresh produce at the center, reflecting its origins and dedication to healthy living.



Website	<a href="http://www.sprouts.com">www.sprouts.com</a>
# of Locations	±440 Locations Across 24 States
Symbol	NASDAQ: SFM
Market Cap	\$15.7 Billion (as of July 2025)
2024 Revenue	\$7.72 Billion
5-Year Performance	550% Increase Since July 2020



Subject Property Interior



“The new Sprout’s Farmer Market is just what we needed...the Rotisserie Chicken, Macaroni & Cheese, and potato salad are the best around. I look forward to going back again and again each week.” -Elton A., Yelper



Subject Property Interior

## Notable Highlights

- ▶ **Aggressive Expansion:** Sprouts plans to open at least 35 new stores in 2025, building upon the 33 locations added in 2024. With over 120 stores approved and more than 85 leases signed, the company is poised for continued growth, particularly in the Midwest and Northeast regions.
- ▶ **Strong Financial Performance:** In 2024, Sprouts reported a 13% increase in net sales, totaling \$7.7 billion, and a 7.6% rise in comparable store sales. The company anticipates net sales growth of 10.5% to 12.5% in 2025.
- ▶ **Private Label Growth:** Sprouts’ private label products now account for 24% of total sales, up from 16%, reflecting the company’s focus on offering unique, health-oriented items that differentiate it from competitors.
- ▶ **Enhanced Customer Engagement:** The upcoming nationwide rollout of Sprouts’ first loyalty program in the second half of 2025 aims to deepen customer relationships through personalized offers and rewards.
- ▶ **E-Commerce Expansion:** Sprouts has experienced a 28% year-over-year increase in e-commerce sales, which now represent 15% of total sales, highlighting the company’s adaptability to changing consumer shopping behaviors.

# INVESTMENT OVERVIEW

## Aerial Photo



# INVESTMENT OVERVIEW

Close-Up Aerial Photo - Facing Southeast



INTERSTATE 75  
±167,000 VPD

Brand New Residential Developments  
±660 New Apartments/Townhomes  
and ±66 Single Family Residences

New Construction Shopping Strip  
(New Retail Tenants Coming Soon)

New Construction Shopping Strip  
Incoming Tenants:  
MATTRESS Warehouse LENS CRAFTERS

SUBJECT PROPERTY

Bubba's 33  
(Coming Soon)

FIRST WATCH  
(Coming Soon)

JIM 'N NICK'S  
COMMUNITY BAR-B-Q  
(Coming Soon)

COSTCO WHOLESALE  
Fuel

Valvoline  
Instant Oil Change

LUSH  
NAIL BAR

LaCienega  
Cia. de Paes

FIVE GUYS  
BURGERS and FRIES

CHIPOTLE  
MEXICAN BOWL

Chick-fil-A

Bank OZK Starbucks WHATABURGER

# FINANCIAL ANALYSIS

## Offering Summary

Property Name	Sprouts Farmers Market
Property Address	1040 Chen Parkway McDonough, GA 30253
Year Built	2024
Gross Leasable Area (GLA)	±23,256 Square Feet
Lot Size	TBD

## Pricing

Price	\$9,400,000
Cap Rate	6.19%

## Annualized Operating Data

Gross Potential Rent	\$581,400
Expense Reimbursements	NNN
<b>Net Operating Income</b>	<b>\$581,400</b>

## Lease Information

Lease Commencement Date	October 15, 2024
Lease Expiration Date	October 14, 2039
Total Lease Term	±15 Years
Lease Term Remaining	±14 Years
Increases	\$1/SF Every Five Years
Options	Three, Five-Year
Lease Type	NNN
Lease Type Details	Landlord responsible for roof & structure.

# MARKET OVERVIEW

## Surrounding Area Photos





# MARKET OVERVIEW

## The City Of McDonough, GA



McDonough, the county seat of Henry County, is experiencing significant growth. As of July 2024, the city's population reached 32,803, reflecting a 12.8% increase since 2020. Projections estimate the population will surpass 35,900 by 2025. The median household income stands at over \$90,000, indicating strong consumer purchasing power.

The area's infrastructure is undergoing substantial enhancements to support this growth. Notably, the \$54 million Western Parallel Connector, a four-lane roadway linking Hudson Bridge, Jodeco, and Jonesboro Roads, is under construction, with completion expected by late 2026. Additionally, the McDonough Parkway Extension is set to improve connectivity between Highways 42 and 155, further facilitating traffic flow and access to commercial hubs.

Retail development in McDonough is robust and the subject property is strategically positioned within the expansive 158-acre Bridges at Jodeco development.

This mixed-use project, anchored by a recently opened Costco, features a robust lineup of national retailers and dining establishments, including Sprouts, Chick-fil-A, Starbucks, Chipotle, Bahama Breeze, and First Watch. The development is complemented by upscale residential communities, with townhomes priced near \$500,000 and over 500 new apartment units either completed or under construction.

Henry County's economic development is equally noteworthy. Since 2019, the county has secured over \$2 billion in investments and more than 8,000 new jobs, transitioning from a distribution hub to a center for manufacturing and innovation. The presence of companies like Nexus Circular, which announced 194 new jobs in McDonough in 2024, underscores the area's economic vitality.

## Notable Nearby Infrastructure

HARTSFIELD-JACKSON AIRPORT (ATL)



DOWNTOWN ATLANTA, GA



INTERSTATE 75



PIEDMONT HENRY HOSPITAL



NEW DEVELOPMENTS



## Demographics

### Income & Economics

	1-Mile	3-Mile	5-Mile
Average Household Income	\$74,987	\$89,173	\$94,652
Median Home Value	\$258,513	\$223,741	\$251,826
2024 Daytime Population	2,090	34,985	80,364

### Population

2029 Population	2,731	40,181	105,245
2024 Population	2,656	38,789	102,328
2010 Population	2,566	35,064	91,625

### Households

2029 Households	1,004	15,215	38,836
2024 Households	966	14,612	37,620
2010 Households	897	13,012	33,077

# SPROUTS

(BRAND NEW PROTOTYPE STORE)

Exclusively Listed By

**CRAIG ELSTER**

Senior Director Investments  
(949) 514-5762 call/text  
craig.elster@marcusmillichap.com  
Lic. CA 01958307

**RON DUONG**

Senior Managing Director Investments  
(949) 350-5431 call/text  
ron.duong@marcusmillichap.com  
Lic. CA 01438643

Broker Of Record

**JOHN LEONARD**

1100 Abernathy Road NE, Building 500, Suite 600  
Atlanta, GA 30328  
Phone: (678) 808-2700  
License: 252904

**Marcus & Millichap**  
DUONG INVESTMENT GROUP

19800 MacArthur Boulevard, Suite 150, Irvine, CA 92612 / [www.marcusmillichap.com](http://www.marcusmillichap.com)

©2025 Marcus & Millichap Real Estate Investment Services of Atlanta, Inc. ("Marcus & Millichap"). All rights reserved. The material in this presentation has been prepared solely for information purposes, and is strictly confidential. Any disclosure, use, copying or circulation of this presentation (or the information contained within it) is strictly prohibited, unless you have obtained Marcus & Millichap's prior written consent. The views expressed in this presentation are the views of the author and do not necessarily reflect the views of Marcus & Millichap. Neither this presentation nor any part of it shall form the basis of, or be relied upon in connection with any offer, or act as an inducement to enter into any contract or commitment whatsoever. NO REPRESENTATION OR WARRANTY IS GIVEN, EXPRESS OR IMPLIED, AS TO THE ACCURACY OF THE INFORMATION CONTAINED WITHIN THIS PRESENTATION, AND MARCUS & MILLICHAP IS UNDER NO OBLIGATION TO SUBSEQUENTLY CORRECT IT IN THE EVENT OF ERRORS.