

# Papa John's

*Willow Grove, Pennsylvania*



# OFFERING MEMORANDUM



Better Ingredients.  
Better Pizza.

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# Investment Highlights

1843 Easton Road, Willow Grove, PA 19090



## About the Investment

- ✓ 3 Years Remaining on a Five-Year Extension
- ✓ The Tenant has No Further Options to Renew
- ✓ Attractive Rental Escalations | 3% Annually
- ✓ 50+ Unit Operator
- ✓ Papa John's has Been in Operation at this Location for Over 20 Years

## About the Location

- ✓ Strategically Located Property | Positioned within A Dense Retail Corridor | Immediately Adjacent to Willow Grove Mall
- ✓ Willow Grove Mall | Benchmark Shopping and Entertainment Destination | Over 130 Stores and 1,203,400+ SF of Retail
- ✓ Outstanding Population Demographics | 85,934 People Within 3-Miles | 243,510 People Within 5-Miles
- ✓ Strong Average Household Income | \$104,747 Within the Surrounding 3-Mile Radius
- ✓ Multiple Points of Ingress/Egress from Both Easton Road and Davisville Road
- ✓ Surrounded by a Variety of National Tenants | Aldi, Panera Bread, Giant Grocery, Wawa, Zoe's Kitchen, Sherwin Williams, KFC, Wells Fargo, and More
- ✓ Abington Hospital – Jefferson Health | 665 Beds | 5,500+ Employees
- ✓ Abundance of New Retail Development | Zoe's Kitchen, Grub Burger Bar, Baja Fresh, and More
- ✓ Located 12 Miles North of the City of Philadelphia | Largest City in Pennsylvania and the Sixth Most Populous City in the United States

## About the Tenant/Brand

- ✓ In 2017, Papa John's ranked #1 in customer satisfaction among QSR-pizza brands American Customer Satisfaction Index (ACSI) for the 16th time in the last 18 years
- ✓ Papa John's has been voted "Best Pizza" in more than 100 U.S. markets during the last several years
- ✓ Third-largest take-out and pizza delivery restaurant chain in the United States
- ✓ Papa John's franchises over 4,700 establishments around the world, including around 3,500 in the U.S. and over 1,200 spread amongst 37 other countries and territories



**CREATE *your* OWN PIZZA**





# INVESTMENT SUMMARY



Marcus & Millichap is pleased to exclusively market for sale the subject single-tenant net-leased Papa John's located at 1843 Easton Road in Willow Grove, Pennsylvania. The property made up of a 1,379 square foot building and is situated on approximately 0.47 acres of land. This investment opportunity is subject to a double-net (NN) lease which has over three-years of term remaining. The lease commenced on November 16, 2015 and has a current rent of \$34,800. The landlord reimburses a portion of the total taxes which brings the net operating income to \$30,258. The lease is subject to increases of 3% annually.

The area surrounding the subject property boasts a variety of national tenants. National retailers in the immediate area surrounding the property include: Wawa, Giant Food Stores, Aldi, KFC, Burger King, Olive Garden, Chipotle, Panera Bread, and more. In addition to these retailers, located directly across the street from this Papa John's is the Willow Grove Park Shopping Mall, a three story shopping mall containing over 130 stores and several restaurants. In addition to the anchor stores, the Willow Grove Park Mall contains over 130 smaller stores, including Abercrombie & Fitch, Coach, a two-story H&M, J. Crew, Lucky Brand Jeans, Sephora, and Williams-Sonoma. The mall also contains a food court with eleven spaces as well as two sit-down restaurants: The Cheesecake Factory, and T.G.I. Friday's. It is the third most profitable mall in the Philadelphia area and is regarded as one of the three most successful locations for retailers entering the Philadelphia market due to its location and store selection. Additionally, located less than two miles from the Papa John's is Abington Hospital – Jefferson Health, a 665 bed hospital with over 5,500 employees and 1,100 physicians. Willow Grove has exceptional population demographics of approximately 86,000 people within a three-mile radius of the property and more than 244,600 people within a five-mile radius. The Papa John's property is located along Easton Road which achieves average daily traffic counts of 21,967 vehicles. Additionally, Easton Road intersects with York Road near the Papa John's forming the main intersection in Willow Grove, which brings an additional 30,700+ vehicles to the area every day.

In 2017, Papa John's ranked #1 in customer satisfaction among QSR-pizza brands American Customer Satisfaction Index (ACSI) for the 16th time in the last 18 years, and Nation's Restaurant News selected our Buffalo Chicken Pizza a "best limited offer" based on menu innovation and consumer appeal.





# Financial Analysis

PRICE: 498,000 | CAP: 6.07% | NOI: \$30,258\*



## Property Description

Property	Papa John's
Property Address	1843 Easton Road
City, State, ZIP	Willow Grove, Pennsylvania 19090
Year Built / Renovated	1996
Building Size	1,379 SF
Lot Size	0.47 Acres
Type of Ownership	Private

## The Offering

Annual Rent	\$28,800*
CAP Rate	6.07%
Purchase Price	\$498,000
Price / SF	\$361.13
Rent / SF	\$20.88

## Lease Summary

Property Type	Net-Leased Restaurant
Tenant / Guarantor	M&M Pizza Ventures, LLC Personal Guaranty in Place
Ownership Type	Private
Original Lease Term	5 Years
Lease Commencement	November 16th, 2015
Lease Expiration	April 14th, 2021
Lease Term Remaining	3 Years
Lease Type	Double-Net (NN)
Taxes	Partially Paid By Landlord
Roof	Landlord Responsible
Rental Increases	3% Annually
Options to Renew	None

## Rent Schedule

Lease Year	Annual Rent	Monthly Rent
08/2018-08/2019	\$28,800*	\$2,400
08/2019-04/2020	\$36,000	\$3,000
04/2020-04/2021	\$37,080	\$3,090
<b>Rent</b>	\$28,800*	
<b>Taxes</b>	\$4,542	
<b>NOI</b>	\$30,258*	

\* The seller granted a one-time rent abatement for a period of 1 year, August 15th 2018 until August 14th 2019, which reduced the rent from \$34,800 - \$28,800. The seller has agreed to credit the reduced rent at closing.





# Tenant Overview



## About Papa John's

Papa John's franchises over 4,700 establishments around the world, including around 3,500 in the U.S. and over 1,200 spread amongst 37 other countries and territories. In September 2012 the 4,000th Papa John's Pizza restaurant opened, in New Hyde Park, New York. The company celebrated the event by giving away 4,000 free pizzas to customers throughout New York City.

Papa John's pizza family has grown to more than 5,000 restaurants today. They are proud of their success, but even more proud of how they achieved that success. Papa John's continues to grow by focusing on quality and taking care of their people. Being awarded Business of the Year by Business First in 2013, being the brand most associated with the NFL, and being recognized among the Best Franchise opportunities in 2013 by QSR Magazine, are great, but what really matters is being recognized by their customers for doing what they promise to do—deliver a better pizza experience.

As of December 2016 PMQ Pizza Magazine said that the company was the third-largest take-out and pizza delivery restaurant chain in the United States. Company headquarters are in Jeffersontown, Kentucky, a community within the merged government of Louisville.



## Award Winning Pizza

Papa John's has been voted "Best Pizza" in more than 100 U.S. markets during the last several years, including in Los Angeles, Washington, D.C., Atlanta, Dallas, Indianapolis, Orlando, Knoxville and Phoenix.

In 2017, Papa John's ranked #1 in customer satisfaction among QSR-pizza brands American Customer Satisfaction Index (ACSI) for the 16th time in the last 18 years, and Nation's Restaurant News selected our Buffalo Chicken Pizza a "best limited offer" based on menu innovation and consumer appeal.

Papa John's commitment to quality has never wavered—nor has the recipe for success—Better Ingredients + Better People = Better Pizza.







# Aerial View







# Surrounding Area

Property Address: 1843 Easton Road, Willow Grove, Pennsylvania







# Location Overview

Property Address: 1843 Easton Road, Willow Grove, Pennsylvania

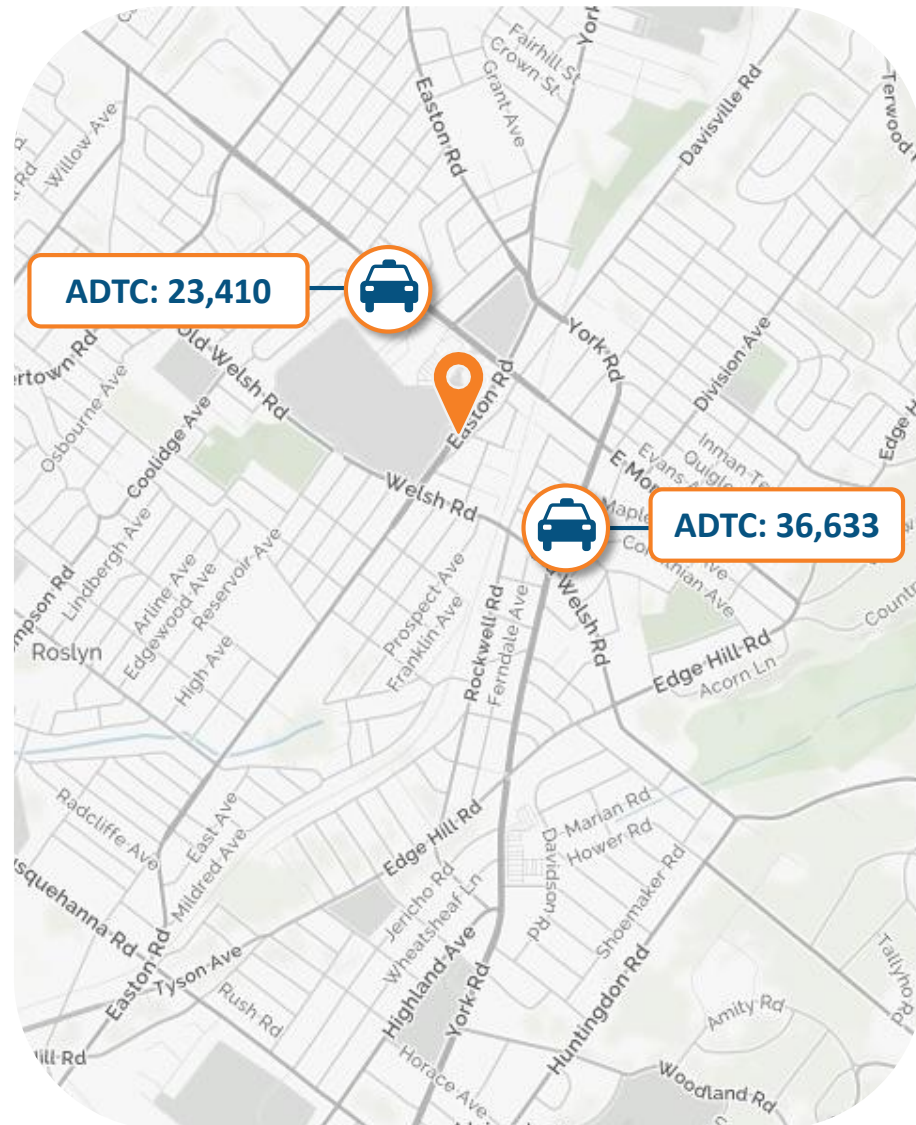


This Papa John's property is located at 1843 Easton Road, Willow Grove, Pennsylvania 19090. Willow Grove is located in Montgomery County, Pennsylvania and is located just 12 miles north of the City of Philadelphia.

The area surrounding the subject property boasts a variety of national tenants. National retailers in the immediate area surrounding the property include: Wawa, Giant Food Stores, Aldi, KFC, Burger King, Olive Garden, Chipotle, Panera Bread, and more. In addition to these retailers, located directly across the street from this Papa John's is the Willow Grove Park Shopping Mall. This 1.2 Million square foot, three story shopping mall contains over 130 stores and several restaurants. In addition to the anchor stores, the Willow Grove Park Mall contains over 130 smaller stores, including Abercrombie & Fitch, Coach, a two-story H&M, J.Crew, Lucky Brand Jeans, Sephora, and Williams-Sonoma. The mall also contains a food court with eleven spaces as well as two sit-down restaurants: The Cheesecake Factory, and T.G.I. Friday's. It is the third most profitable mall in the Philadelphia area and is regarded as one of the three most successful locations for retailers entering the Philadelphia market due to its location and store selection. Additionally, located less than two miles from the Papa John's is Abington Hospital – Jefferson Health, a 665 bed hospital with over 5,500 employees and 1,100 physicians.

Willow Grove has exceptional population demographics of approximately 86,000 people within a three-mile radius of the property and more than 244,600 people within a five-mile radius. The Papa John's property is located along Easton Road which achieves average daily traffic counts of 21,967 vehicles. Additionally, Easton Road intersects with York Road near the Papa John's forming the main intersection in Willow Grove, which brings an additional 30,700+ vehicles to the area every day.

Downtown Willow Grove is a place that has evolved many times over the last three centuries, from a colonial farmstead to a small rural community to a world-renowned entertainment destination to a regional suburban shopping center. Willow Grove is located just 12 miles North of Philadelphia, the largest city in the Commonwealth of Pennsylvania and sixth most populous city in the United States. Philadelphia's history attracts many tourists, visited by over 39 million people in each year, it generates roughly \$10 billion in economic impact.







# Market Overview



**Willow Grove** is a place that has evolved many times over the last three centuries, from a colonial farmstead to a small rural community to a world-renowned entertainment destination to a regional suburban shopping center. Willow Grove was once known for Willow Grove Park, an amusement park that was open from 1896 to 1976, and is now the site of Willow Grove Park Mall. Willow Grove is considered an edge city of Philadelphia with large amounts of retail and office space. Willow Grove is located just 12 miles North of Philadelphia, the largest city in the Commonwealth of Pennsylvania and sixth most populous city in the United States. Philadelphia's history attracts many tourists, visited by over 39 million people in each year, it generates roughly \$10 billion in economic impact.

## Major Employers

Employer	Estimated # of Employees
Grundy Worldwide Inc	5,200
Abington Memorial Hospital	3,905
Healthcare Services Group Inc	3,786
Naval Air Station Jrb	3,000
Holy Redeemer Hosp & Med Ctr	2,500
Strategic Solutions Division	2,100
GMAC	1,915
Health Services of Fox Chase C	1,800
Nectar Acquisition Corporation	1,301
Sarahcare Home Health Agency	1,300
Quest Diagnostics	1,250





# Property Photos







# Surrounding Area Photos







# Surrounding Area Photos

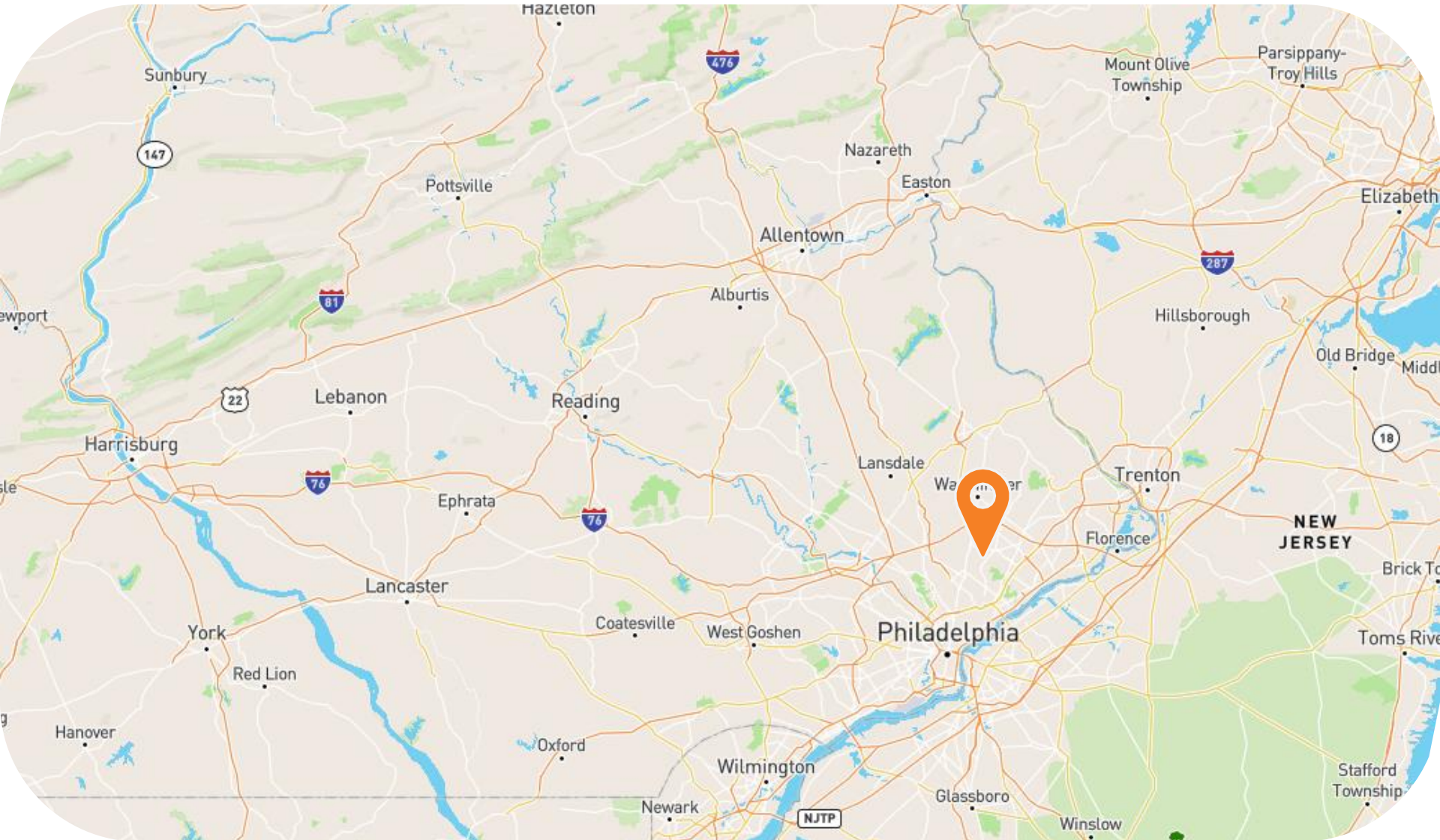






# Local Map

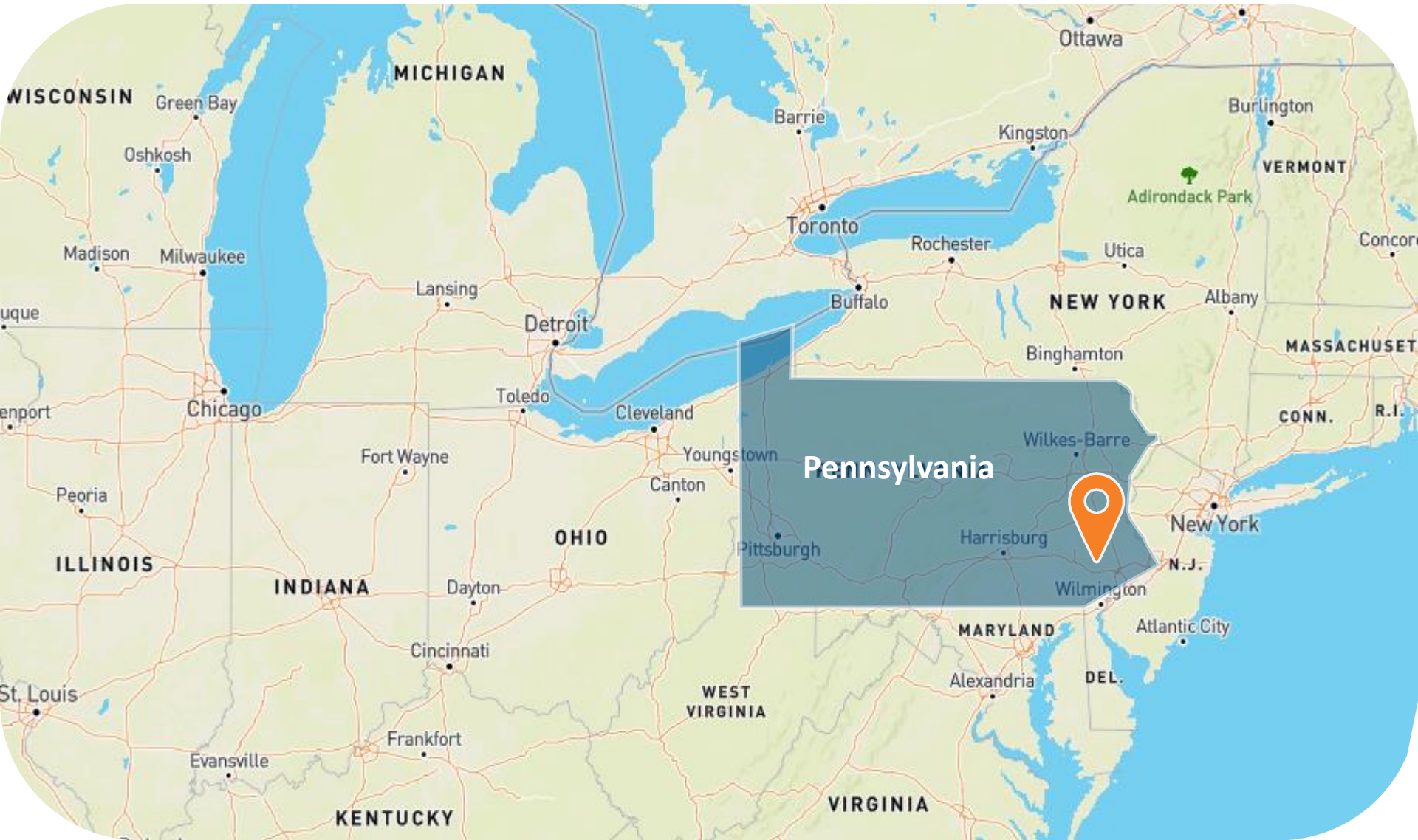
Property Address: 1843 Easton Road, Willow Grove, Pennsylvania





# Regional Map

Property Address: 1843 Easton Road, Willow Grove, Pennsylvania

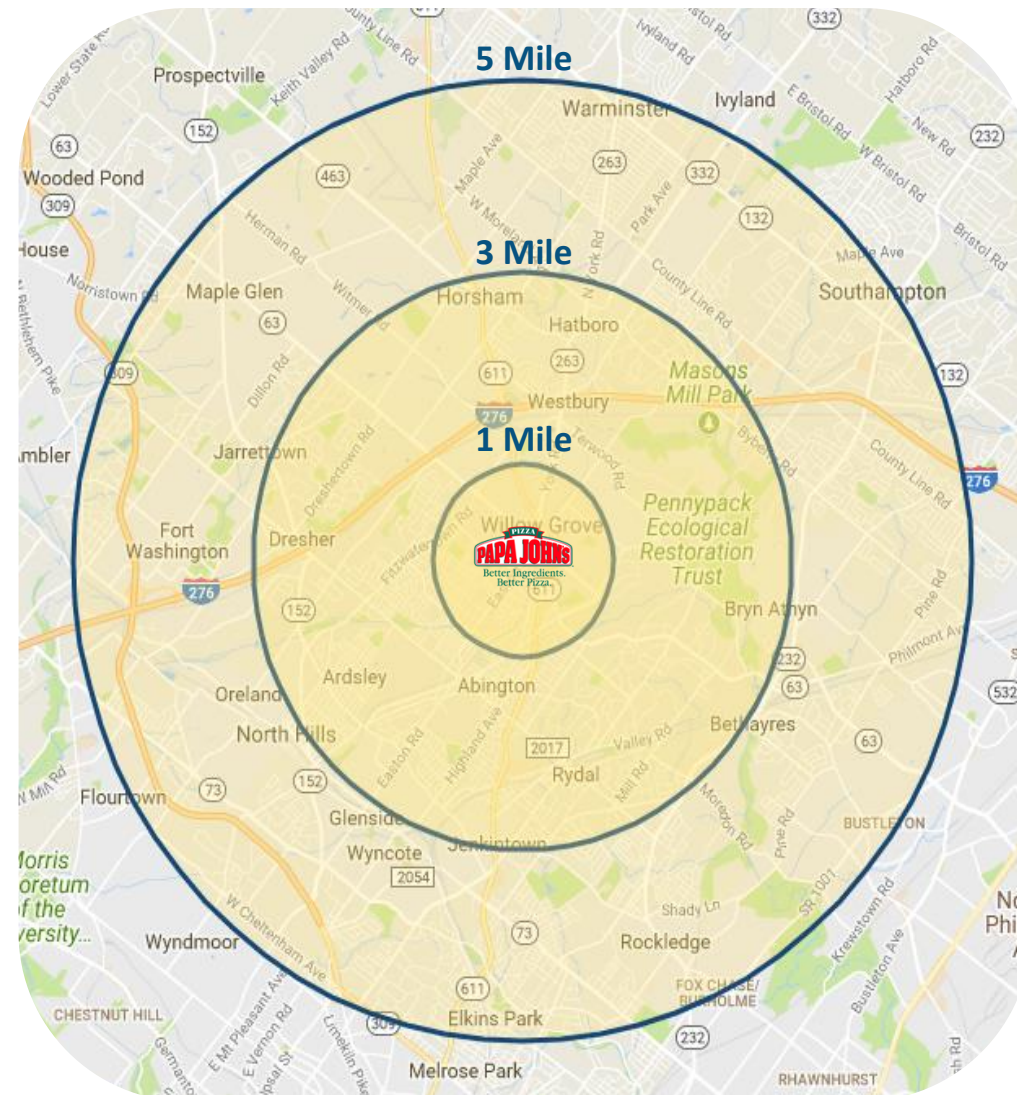






# Demographics

Property Address: 1843 Easton Road, Willow Grove, Pennsylvania



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2018 Estimate	17,645	85,934	243,510
2010 Census	17,285	83,862	237,856
<b>INCOME</b>			
Average	\$88,938	\$104,747	\$104,622
Median	\$70,931	\$77,606	\$76,658
Per Capita	\$33,590	\$41,587	\$41,274
<b>HOUSEHOLDS</b>			
2022 Projection	6,654	34,207	96,830
2018 Estimate	6,652	33,996	95,501
2010 Census	6,509	33,098	93,259
<b>HOUSING</b>			
2018	\$241,115	\$276,661	\$292,156
<b>EMPLOYMENT</b>			
2018 Daytime Population	15,164	100,458	264,710
2018 Unemployment	5.13%	4.62%	5.27%
2018 Median Time Traveled	29	29	30



# Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

