

# Popeyes

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

*Representative Photo*



701 Highway 76, White House, TN 37188

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the

income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.



701 Highway 76, White House, TN 37188



# Table of Contents

Investment Highlights	4
Financial Analysis	5
Tenant Overview	6
Surrounding Area	7
Location Overview	8
Local Map	9
Regional Map	10
Demographics / Market Overview	11-12





# Investment Highlights

PRICE: \$2,391,513 | CAP: 6.00% | RENT: \$143,491

# POPEYES

LOUISIANA KITCHEN

## About the Investment

- ✓ Brand New Construction
- ✓ Brand New 20-Year Sale Leaseback to Commence at the Close of Escrow
- ✓ Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ There are Four Tenant Renewal Options of Five Years Each

## About the Location

- ✓ Dense Retail Corridor | Walmart, Walgreens, Kroger, Ace Hardware, Dunkin' Donuts, Taco Bell, Sonic Drive-In, Bojangles, DQ Grill & Chill, Hardee's Cracker Barrel Old Country Store
- ✓ Strong Academic Presence | Located Within Five Miles of Several Different Schools | Total Enrollment Exceeding 1,500 Students
- ✓ Strong Traffic Counts | TN-76 and I-65 | 17,920 and 55,867 Vehicles Per Day
- ✓ Compelling Location Fundamentals | Within 20 Miles of Nashville, Tennessee

## About the Tenant / Brand

- ✓ Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator | 165-Unit Burger King & 40-Unit Popeyes Operator
- ✓ CFH has Significant Growth Plans for this Entity Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Under this Entity Continue to Grow
- ✓ CFH is One of the Largest, Fastest Growing, and Most Profitable Franchises in the United States
- ✓ CFH has an Excellent Track Record With Proven Operational Expertise







# Financial Analysis

PRICE: \$2,391,513 | CAP: 6.00% | RENT: \$143,491

**POPEYES**

LOUISIANA KITCHEN

## PROPERTY DESCRIPTION

Property	Popeyes
Property Address	701 Highway 76
City, State, ZIP	White House, TN 37188
Year Built / Renovated	2018
Building Size	2,255
Lot Size	+/- 1.25 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,391,513
CAP Rate	6.00%
Annual Rent	\$143,491
Price / SF	\$1,061
Rent / SF	\$63.63

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5) Year Options
Rental Increases	7.5% Every 5 Years

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$143,491	\$11,958	-
Year 2	\$143,491	\$11,958	-
Year 3	\$143,491	\$11,958	-
Year 4	\$143,491	\$11,958	-
Year 5	\$143,491	\$11,958	-
Year 6	\$154,253	\$12,854	7.50%
Year 7	\$154,253	\$12,854	-
Year 8	\$154,253	\$12,854	-
Year 9	\$154,253	\$12,854	-
Year 10	\$154,253	\$12,854	-
Year 11	\$165,822	\$13,818	7.50%
Year 12	\$165,822	\$13,818	-
Year 13	\$165,822	\$13,818	-
Year 14	\$165,822	\$13,818	-
Year 15	\$165,822	\$13,818	-
Year 16	\$178,258	\$14,855	7.50%
Year 17	\$178,258	\$14,855	-
Year 18	\$178,258	\$14,855	-
Year 19	\$178,258	\$14,855	-
Year 20	\$178,258	\$14,855	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Popeyes located in White House, TN. The property consists of approximately 2,255 rentable square feet and is situated on approximately 1.25 acres of land. The property is subject to a 20-year triple-net (NNN) sale-leaseback. The lease will commence upon the close of escrow. The base annual rent will be \$143,491 and the lease calls for 7.5% rental increases every five years during the base term and continuing through the four, five-year tenant renewal options.



# Tenant Overview

## About Popeyes

Founded in 1972, Popeyes is the world's second largest quick service chicken concept as measured by total number of restaurants (only behind KFC). As of December 31, 2017, Popeyes owned or franchised a total of 2,892 restaurants. Popeyes restaurants are quick service restaurants that distinguish themselves with a unique "Louisiana" style menu featuring spicy chicken, chicken tenders, fried shrimp and other seafood, red beans and rice and other regional items. Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

### Fun Facts:

- *Global Leadership in Chicken Segment - One of the largest players with rapidly-growing market share*
- *Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972*
- *Highly-Attractive Unit Economics - >\$1.4mm ARS and strong franchisee EBITDA margins*
- *Nearly Fully-Franchised Business Model - ~98% franchised, leading to healthy margins and cash flow*
- *Significant Expansion Opportunity in the U.S. - Consistent track record of successful growth across the country*
- *International Growth Acceleration - Numerous development agreements signed in last few years*



Representative Photo

## Cambridge Franchise Holdings

Cambridge Franchise Holdings ("CFH") is a 200-Unit Operator. CFH currently operates 165 Burger King restaurants as well as 40 Popeyes locations. CFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition CFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia. Today Cambridge Franchise Holdings is among the largest, fastest growing, and most profitable Burger King franchisee in the United States.





# Surrounding Area

Property Address: 701 Highway 76, White House, TN 37188

# POPEYES

LOUISIANA KITCHEN





# Location Overview

Property Address: 701 Highway 76, White House, TN 37188

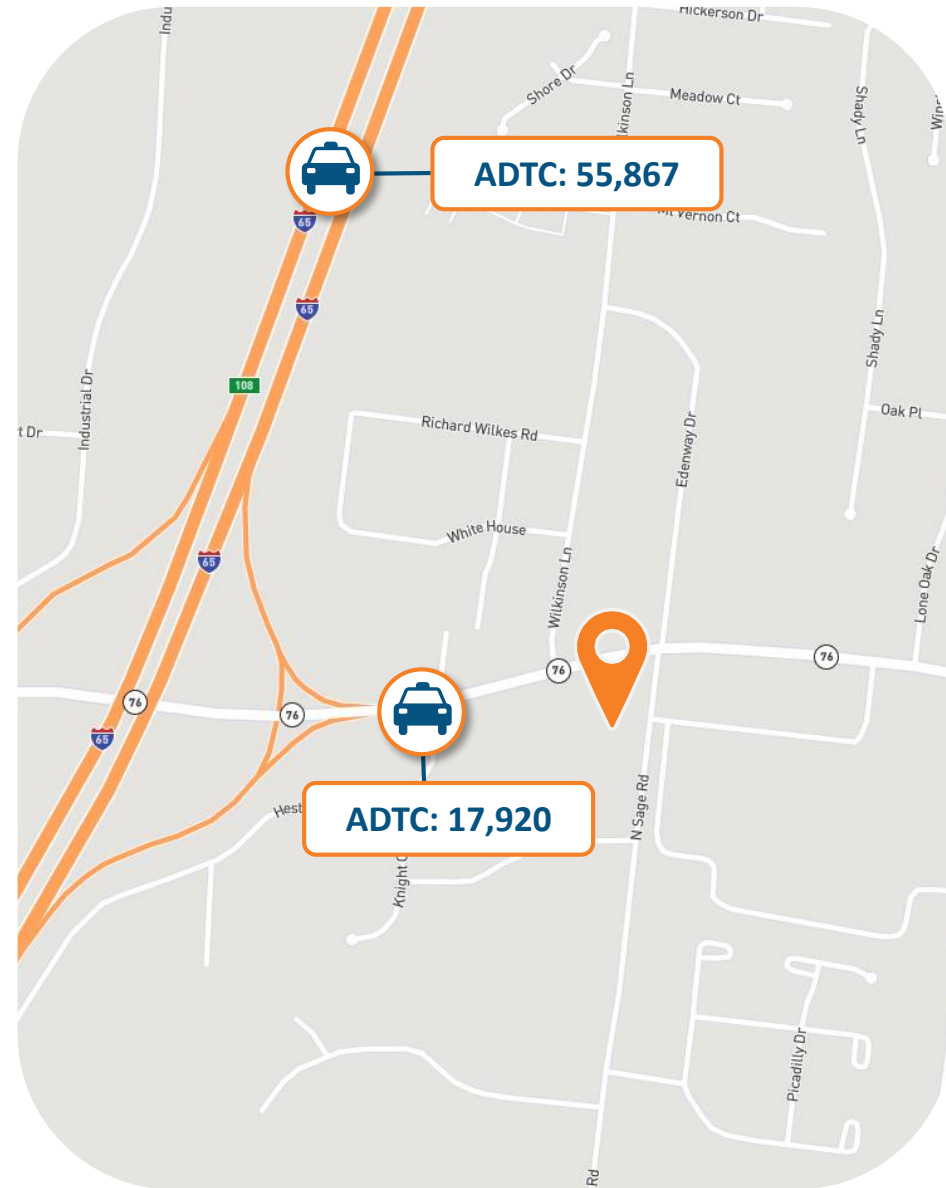
**POPEYES**

LOUISIANA KITCHEN

The subject investment property is situated at the intersection of TN-76 and North Sage Road. TN-76 boasts average daily traffic counts of approximately 17,920 vehicles. I-65 runs just west of the subject property and brings an additional 55,867 vehicles daily to the immediate area. There are more than 26,905 individuals residing within a five-mile radius of the property and more than 93,166 individuals within a ten-mile radius. The average household income within a five-mile radius of the subject property is \$72,127.

The subject property benefits from being well-positioned in a dense retail corridor benefitting from its close proximity to several national and local tenants. Major national tenants include: Walmart, Walgreens, Kroger, Ace Hardware, Dunkin' Donuts, Taco Bell, Sonic Drive-In, Bojangles, DQ Grill & Chill, Hardee's, Cracker Barrel Old Country Store, as well as many others. The subject property benefits from being surrounded by several different schools with a total enrollment exceeding 1,500 students. The subject property is located less than a half mile off the major interstate I-65. I-65 connects several major metropolitan areas and runs north-south through Nashville, Tennessee; Louisville, Kentucky; and Indianapolis, Indiana.

White House is a city in Robertson and Sumner Counties and is located less than 25 miles north of the bustling city of Nashville, TN. Nashville is the capital of the state of Tennessee and the county seat of Davidson County. The city is a center of music, healthcare, publishing, banking, and transportation industries, and it is also home to various colleges and universities. Nashville is known as the "home of country music" and has become a major music and production center. The city also hosts the CMA music festival, a four-day event featuring performances by country music stars that is accompanied with other activities for country music fans. Although Nashville is known for its music, the largest industry is health care. Nashville is home to more than 300 health care companies, including Hospital Corporation of America, the world's largest private operator of hospitals. Vanderbilt University and Medical Center is the city's largest employer with more than 23,021 total employees. There are numerous universities and colleges located in Nashville, including: Belmont University, Tennessee State University, Lipscomb University, and Nashville State Community College, which have a total enrollment of 31,524.





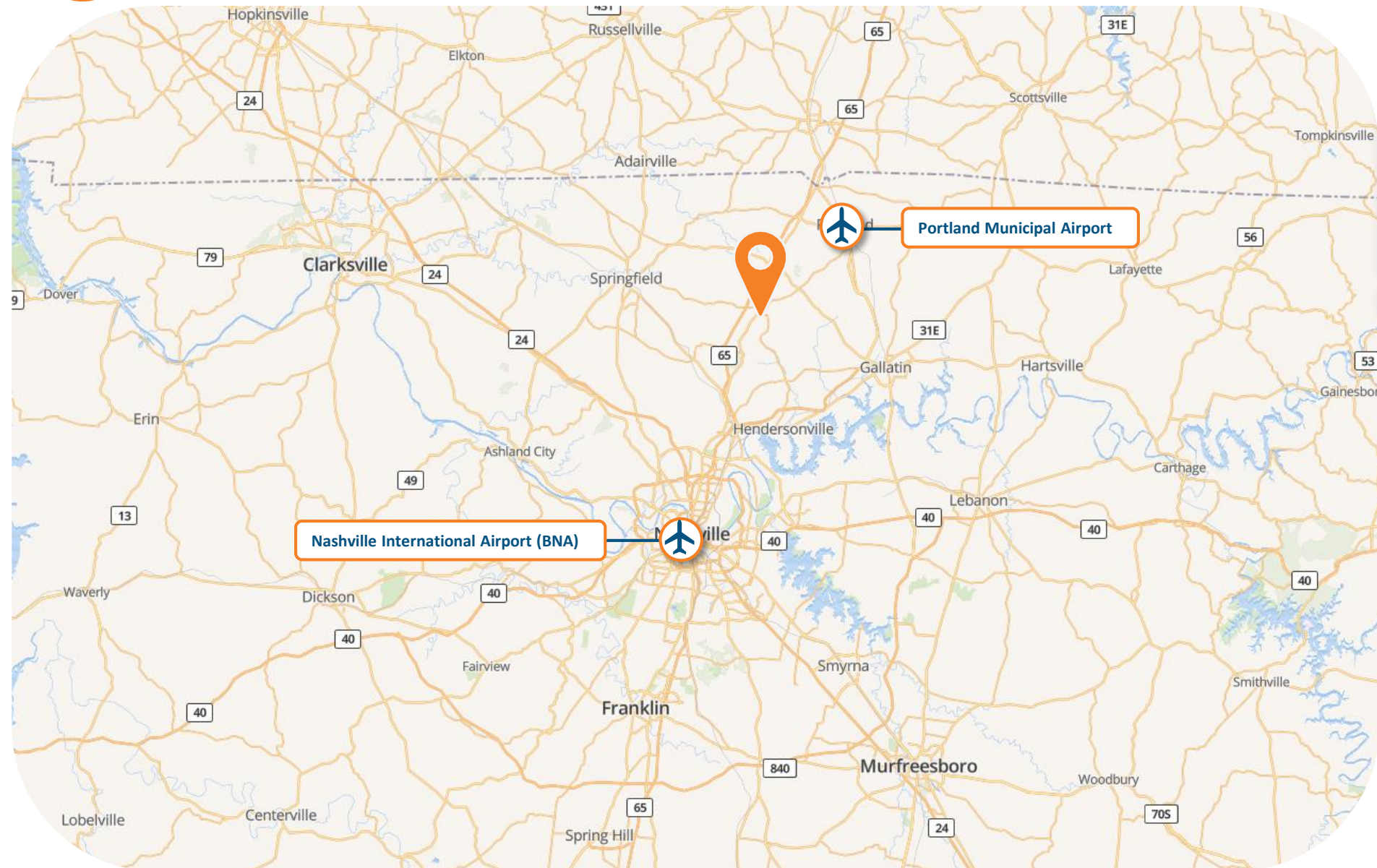


# Local Map

Property Address: 701 Highway 76, White House, TN 37188

**POPEYES**

LOUISIANA KITCHEN



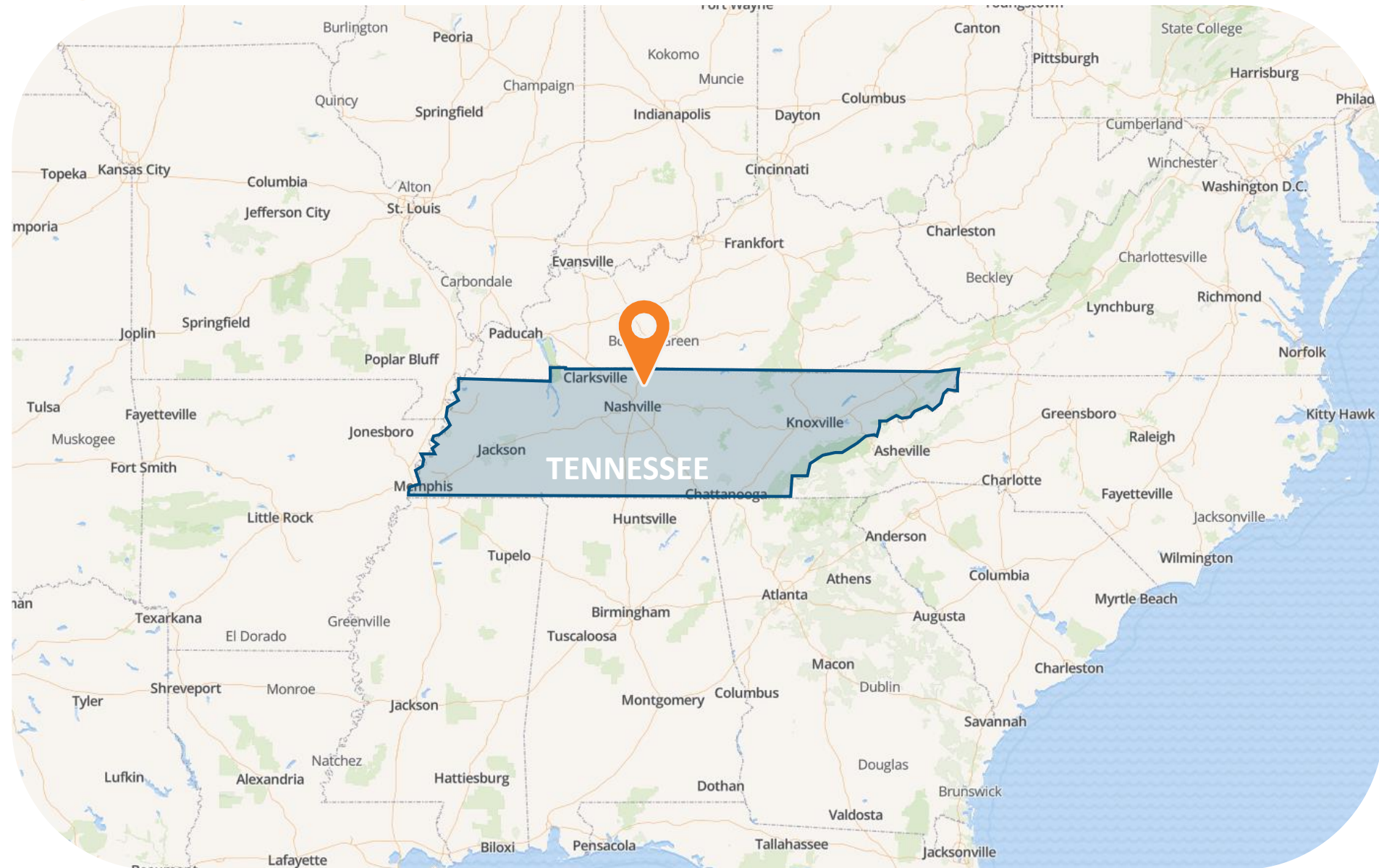


# Regional Map

Property Address: 701 Highway 76, White House, TN 37188

# POPEYES

LOUISIANA KITCHEN







# Demographics

Property Address: 701 Highway 76, White House, TN 37188

**POPEYES**

LOUISIANA KITCHEN

3 Miles 5 Miles 10 Miles

## POPULATION

2022 Projection	15,855	26,905	93,166
2017 Estimate	14,622	24,852	84,471
2010 Census	13,294	23,049	77,289
2000 Census	10,094	18,184	61,087

## INCOME

Average	\$73,480	\$72,127	\$79,645
Median	\$67,815	\$65,520	\$66,131
Per Capita	\$25,929	\$25,847	\$28,975

## HOUSEHOLDS

2022 Projection	5,662	9,766	34,301
2017 Estimate	5,160	8,906	30,722
2010 Census	4,685	8,250	28,085
2000 Census	3,502	6,387	21,898

## HOUSING

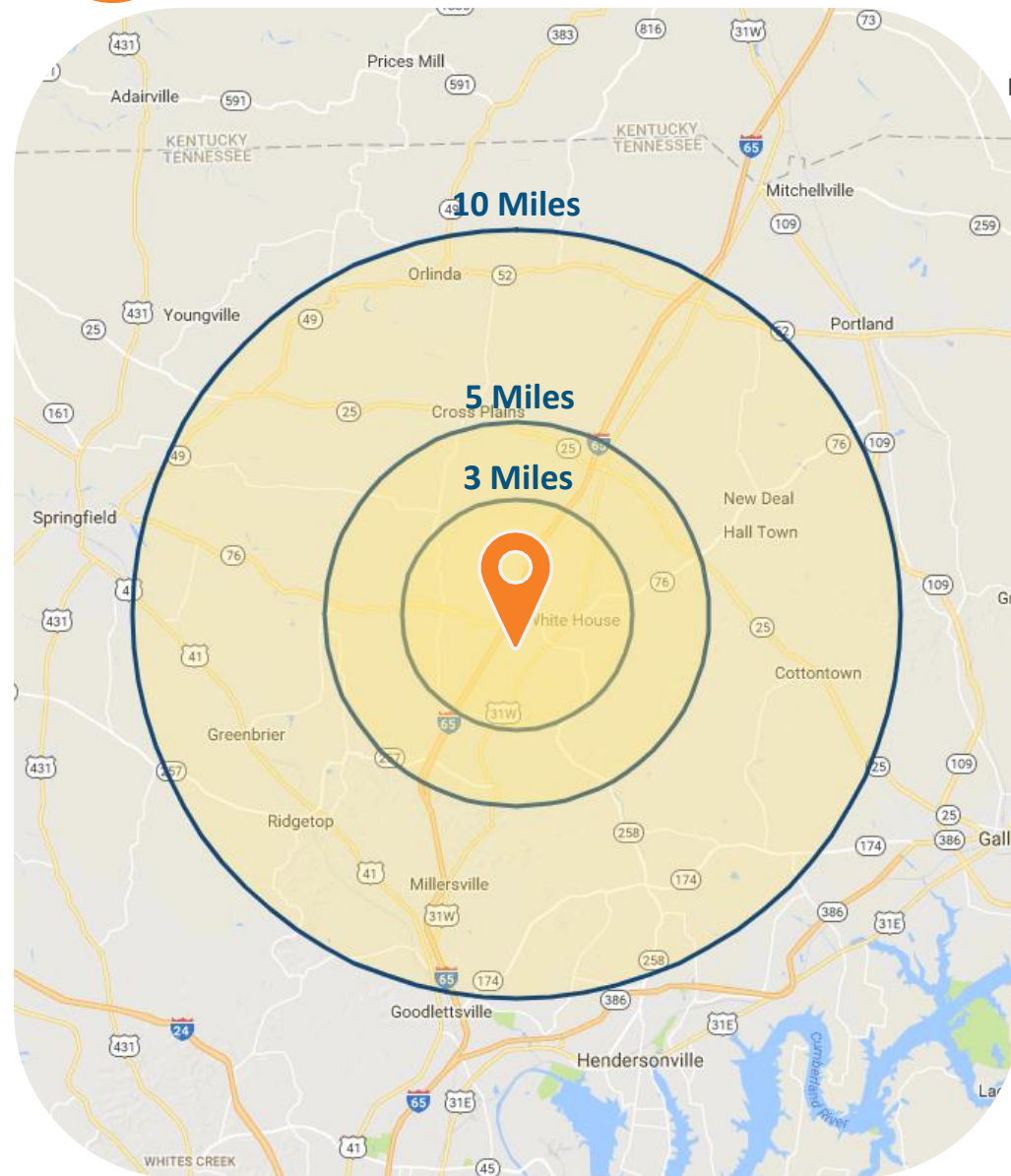
2017	\$188,642	\$189,862	\$202,468
------	-----------	-----------	-----------

## EMPLOYMENT

2017 Daytime Population	12,292	19,000	62,134
2017 Unemployment	3.41%	3.40%	3.59%
2017 Median Time Traveled	33 Mins	33 Mins	31 Mins

## RACE & ETHNICITY

White	94.66%	94.90%	91.18%
Native American	0.09%	0.07%	0.08%
African American	1.72%	1.73%	4.02%
Asian/Pacific Islander	0.95%	0.73%	1.50%





# Market Overview

City: White House | County: Robertson and Sumner | State: Tennessee



**White House** is a city located just 22 miles outside of Nashville, Tennessee. Nashville is the largest metropolitan area in the state of Tennessee and also it's capital. The city is a center for music, healthcare, publishing, banking and transportation industries, and home to numerous colleges and universities. It is known as the center of the country music industry, earning it the nickname "Music City, U.S.A." As the "home of country music", Nashville has become a major music recording and production center. The Big Four record labels, as well as numerous independent labels, have offices in Nashville, mostly in the Music Row area. Nashville has been the headquarters of guitar company Gibson since 1984. Since the 1960s, Nashville has been the second-largest music production center (after New York) in the U.S.

The Nashville metro, with a population of nearly 2 million, spans 14 counties: Davidson, Smith, Macon, Williamson, Cheatham, Sumner, Dickson, Robertson, Cannon, Rutherford, Hickman, Trousdale, Maury and Wilson. Davidson is the most populous county with 686,200 people and is home to Nashville, the capital city, which has 658,400 residents. The metro is located in the north-central portion of the state of Tennessee in what is known as the Central Basin. The Cumberland River, which snakes through the region, adds to the local economic base and enhances Nashville's quality of life. The metro has a strong multimodal infrastructure network linking the metro to markets around the world.

## Major Employers

Employer	Estimated # of Employees
Tyson	603
Maple Leaf Foods USA Inc	450
Kroger	428
Kmart	295
I B P	250
Dorman Products Inc	222
Sears	200
Target	200
Tate Ornamental Inc	172
Werthan Packaging Inc	170
Beech Sr High School	150





Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING

Jody McKibben  
Title: Regional Manager  
Marcus & Millichap REIS Seattle  
6 Cadillac Dr Ste 100  
Nashville, TN 37027  
Tel: 615-997-2860  
Fax: 615-997-2910  
License: 307629



701 Highway 76, White House, TN 37188