

REPRESENTATIVE PHOTO



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**1135 COMMERCIAL WAY**  
**SPRING HILL, FL 33578**

**MATTHEWS™**  
REAL ESTATE INVESTMENT SERVICES





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# INVESTMENT OVERVIEW

Address	1135 Commercial Way Spring Hill, FL 33578
Price	\$1,650,485
Cap Rate	5.15%
NOI	\$85,000
Year Built	2019
GLA	±2,403 SF
Lot Size	0.80 SF (±34,651 SF)
Est. Rent Commencement Date	8/1/2019
Lease Expiration Date	20 Years from Commencement
Options	Six, 5-Year Options
Original Lease Term	20 Years
Term Remaining	±20 Years
Increases	1% Increases Annually

# ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Cap Rate
Year 1	\$7,083.33	\$85,000.00	5.15%
Year 2	\$7,154.17	\$85,850.00	5.20%
Year 3	\$7,225.71	\$86,708.50	5.25%
Year 4	\$7,297.97	\$87,575.59	5.31%
Year 5	\$7,370.95	\$88,451.34	5.36%
Year 6	\$7,444.65	\$89,335.85	5.41%
Year 7	\$7,519.10	\$90,229.21	5.47%
Year 8	\$7,594.29	\$91,131.50	5.52%
Year 9	\$7,670.23	\$92,042.82	5.58%
Year 10	\$7,746.94	\$92,963.25	5.63%
Year 11	\$7,824.41	\$93,892.88	5.69%
Year 12	\$7,902.65	\$94,831.81	5.75%
Year 13	\$7,981.68	\$95,780.13	5.80%
Year 14	\$8,061.49	\$96,737.93	5.86%
Year 15	\$8,142.11	\$97,705.31	5.92%
Year 16	\$8,223.53	\$98,682.36	5.98%
Year 17	\$8,305.77	\$99,669.18	6.04%
Year 18	\$8,388.82	\$100,665.88	6.10%
Year 19	\$8,472.71	\$101,672.54	6.16%
Year 20	\$8,557.44	\$102,689.26	6.22%
Six, 5-Year Options			



**\$1,650,485**

LIST PRICE



**5.15%**

CAP RATE



**\$85,000**

NOI

## INVESTMENT HIGHLIGHTS

### PROPERTY

- » **Brand new prototype** store scheduled to be completed in 2019.
- » **Absolute NNN ground lease** with zero landlord responsibilities.
- » **New 20-year lease** with annual rent increases

### TENANT

- » Strong projected store sales, **expected rent-to-sales below 6%**
- » One of the **largest Arby's operators** in the country
- » **The tenant has exclusivity** throughout the Tampa MSA
- » Great operator with **increasing store sales and EBITDA year over year**

### LOCATION

- » Ideal location along major thoroughfare with over **40,000 vehicles per day**
- » Great retail synergy with lots of new development and anchored by Walmart Supercenter and Publix
- » Population is booming **strong growth** in the last decade and **10% growth expected in the next 5 years**
- » **Affluent Tampa suburb** with average household **income above \$80,000 in the 5-mile radius**
- » Tampa is one of the largest metropolitan areas and there is **strong projected growth**









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## TENANT OVERVIEW

Arby's Fast Crafted restaurant services feature a unique blend of quick-serve speed combined with the quality and made-for- you care of fast casual. Arby's Restaurant Group, Inc. is the franchisor of the Arby's Brand and is headquartered in Atlanta, GA. Arby's Restaurant Group (ARG) operates the Arby's fast food chain popular for its hot roast beef sandwiches. In addition to roast beef sandwiches, its menu features chicken sandwiches, salads, and some dessert items. More than 1,100 Arby's locations are company-owned, while the rest are franchised.

### ARBY'S RECORD YEAR

Arby's had a record year in 2016 and pushed sales over \$3.6 billion according to QSR magazine. Arby's outperformed the quick service industry by 2.3 percentage points and marked 25 consecutive quarters of SSS growth. The fourth quarter of 2016, marked 11 consecutive quarters of transaction growth and 16 consecutive quarters of industry performance for the brand. Arby's plans to continue high volume sales by inking deals with new and exciting Arby's franchisees for the development of 167 new restaurants system wide.

### REBRANDING AND REMODELING STRATEGY

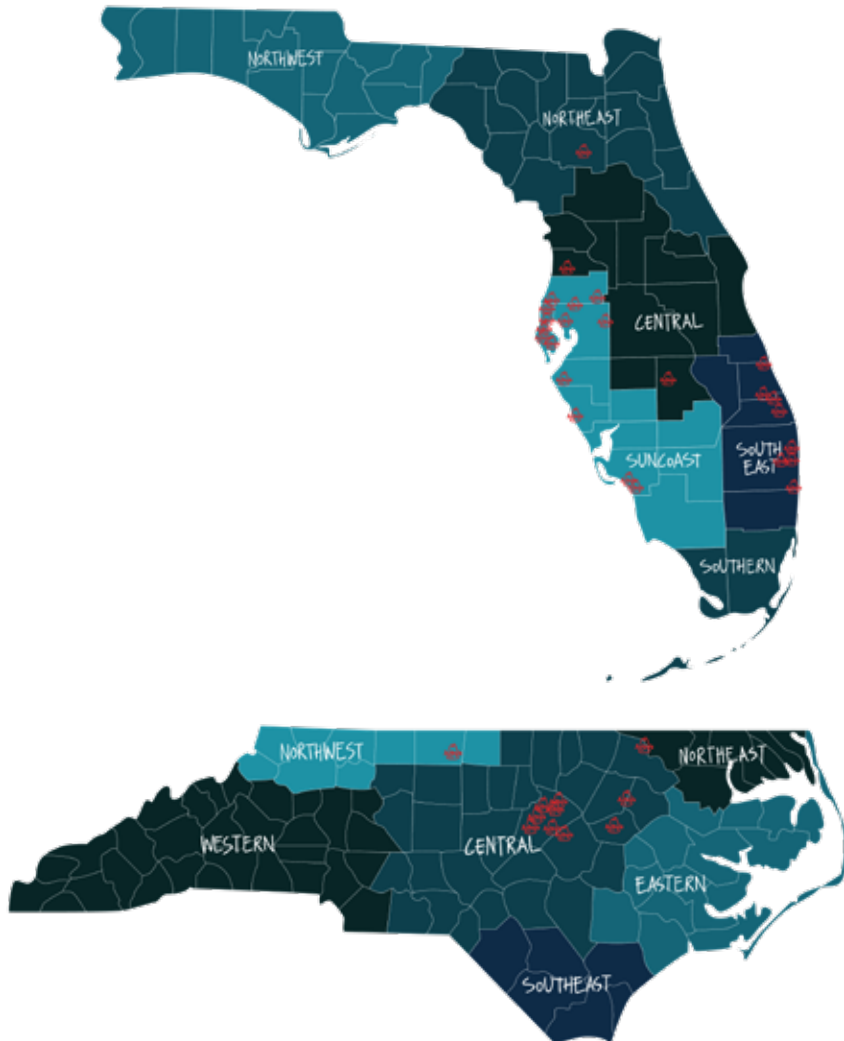
Arby's is looking to revitalize its guest experience by remodeling 229 restaurants systemwide in the Inspire design. Arby's has re-engineered its restaurants to reduce development costs, expand site selection options, and deliver an upgraded guest experience. Arby's has improved ROI by stripping out some of the costs of opening or remodeling a restaurant. The Inspire design reduces development and remodeling costs, increases restaurant efficiency, and is highly adaptable to a wide range of site opportunities.



## MOSAIC RED HAT

Mosaic Red Hat is one of the largest Arby's operators in the country, operating over 40 Arby's stores throughout the Southeast with 750 employees. Mosaic began its operations with Moe's Southwest Grill earning New Franchise Partner of the Year. More recently, they have earned High Franchisee Sales Growth in Florida for Arby's.

Over the last several years, revenue and EBITDA has seen significant increase. In addition, they continue to expand operations and open new stores. Currently, they have the exclusive territory for the 9-County Tampa MSA with exclusive rights to develop in this market. Overall, they have 18 new restaurant development agreements in North Carolina and Florida.



Currently operates 39 Arby's stores primarily in Florida and North Carolina.



Highest franchisee sales growth in Florida for Arby's



One of the 15 largest Arby's Franchisees in the country.



Mosaic Red Hat Group has territorial exclusivity in the 9-county Tampa MSA with exclusive rights to develop 13 new stores.



There are currently 18 new restaurant development agreements in North Carolina and Florida.

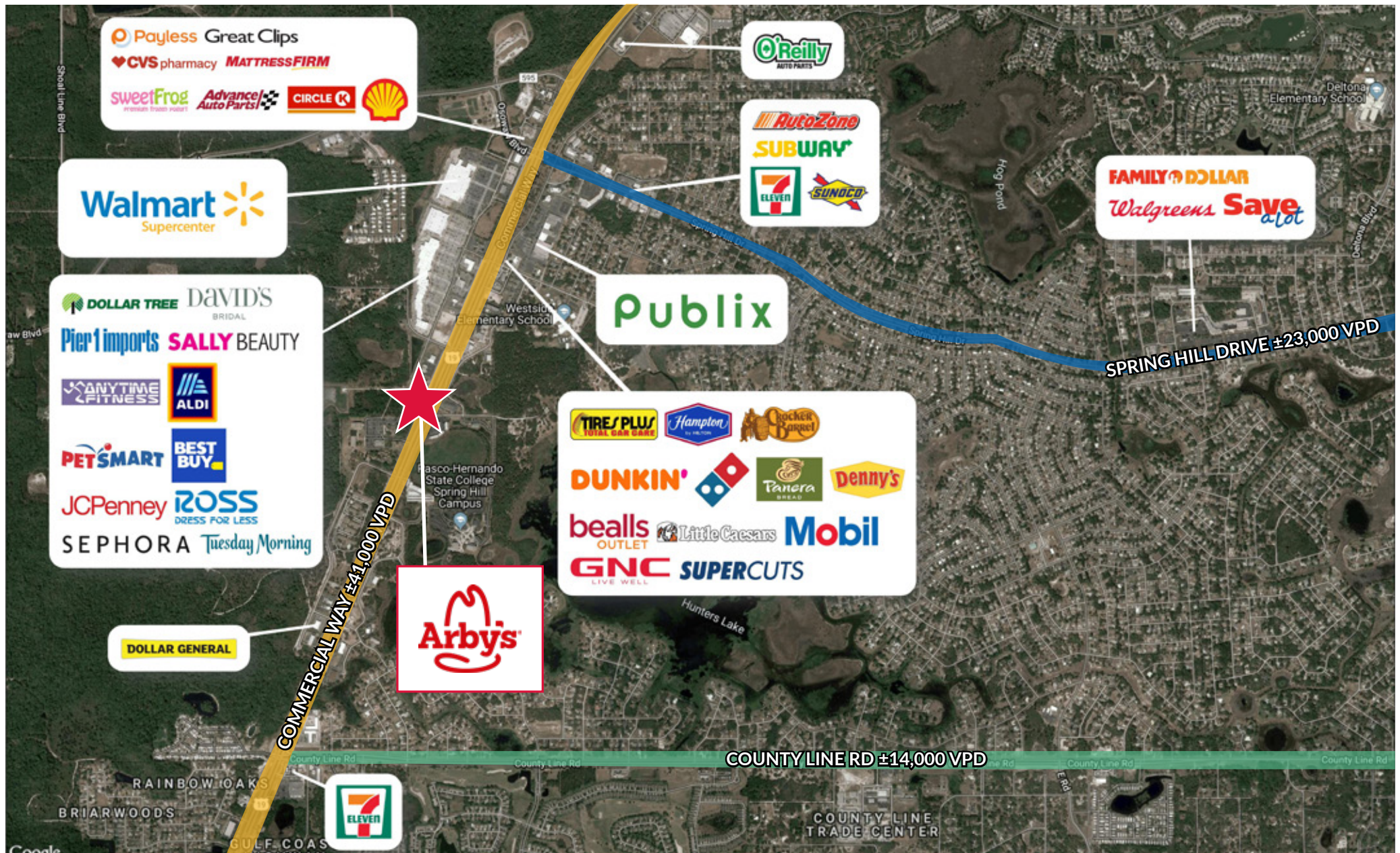


Strong same store sales growth and EBITDA growth

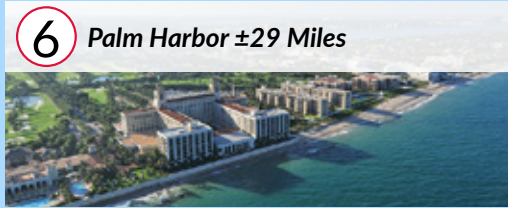


±750 employees











# AREA OVERVIEW

## SPRING HILL, FLORIDA

Spring Hill is the Northern Gateway to Tampa and belong to Florida's Nature Coast Region. As part of the Tampa-Clearwater-St. Petersburg MSA, Spring Hill is a great connecting point to the surrounding big-city thrills as well as local offerings.

Spring Hill is within reach of Natural Splendors like Weeki Wachee Preserve, a 6,000-acre protected wildlife area great for bird watching, hiking, and more. Less than 10 minutes away is Pine Island, the largest island on the west coast of Florida with a secluded "country waterfront" atmosphere. Residents can also take a short day trip to see the Florida Aquarium in Tampa Bay, Walt Disney World in Orlando, or the Salvador Dali Museum in St. Petersburg.

There are three accredited hospitals in the area, Bayfront Health Spring Hill Hospital, Oak Hill Hospital and the newest, Bayfront Health Brooksville Hospital. With a large senior citizen population, Spring Hill contains many nursing homes and rehabilitation facilities including Spring Hill Health and Rehab, Evergreen Woods Assisted Living Facility and Health South Rehab (an affiliate of Oak Hill Hospital). Bayfront Health Spring Hill and Oak Hill Hospital offer obstetrical services.

## DEVELOPMENT

Hernando County Planners have planned for a new development that could include as many as 3,000 homes. Plans include a town center with business and mixed-use structures, multi-story condominiums and apartments, along with bike trails and a transit Hub. This development would be at the square formed by Mariner Boulevard, Spring Hill Drive, Deltona Boulevard, and Northcliffe Boulevard.



## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2019 ESTIMATE	4,968	62,001	172,605
2024 PROJECTION	5,469	68,269	188,805
GROWTH 2019-2024	10.09%	10.11%	9.39%
GROWTH 2010-2019	35.89%	31.92%	25.82%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2019 ESTIMATE	1,922	22,859	63,074
2024 PROJECTION	2,110	25,015	68,575
GROWTH 2019-2024	9.78%	9.43%	8.72%
GROWTH 2010-2019	35.16%	29.37%	23.72%

INCOME	1-MILE	3-MILE	5-MILE
AVERAGE HOUSEHOLD INCOME	\$85,080	\$78,923	\$81,714
MEDIAN HOUSEHOLD INCOME	\$70,927	\$64,476	\$66,484



## TAMPA, FLORIDA

The City of Tampa is the largest city in Hillsborough County, is the county seat and is the third most populous city in Florida. It is located on the west coast of Florida, approximately 200 miles northwest of Miami, 180 southwest of Jacksonville, and 20 miles northeast of St. Petersburg. The population of the city represents approximately one-third of the total population of Hillsborough County. Tampa's economy is founded on a diverse base that includes tourism, agriculture, construction, finance, healthcare, government, technology, and the port of Tampa.

Tampa is part of the metropolitan area most commonly referred to as the "Tampa Bay Area". Tampa is part of the Tampa-St. Petersburg-Clearwater, Florida Metropolitan Statistical Area. The four-county area is composed of roughly 2.9 million residents, making it the second largest metropolitan statistical area in the state, and the fourth largest in the Southeastern United States, behind Miami, Washington, D.C., and Atlanta. The Greater Tampa Bay area has over 4 million residents and generally includes the Tampa and Sarasota metro areas.



## DISTANCE TO

In the next **FIVE YEARS**, Hillsborough County's population is projected to grow **SIGNIFICANTLY FASTER** than the state of Florida

By **2022**, Hillsborough County's population will be nearly **1.5 MILLION**





## EDUCATION

The Tampa MSA is a magnet for young, educated people. Hillsborough County's millennial population is growing 13 percent faster than the nation as a whole, according to U.S. Census data. Three public universities located within a short drive of Tampa Bay – University of South Florida, University of Central Florida, and University of Florida – are home to more than **150,000 STUDENTS**, over 60 percent of whom will stay in Florida upon graduation. Tampa Bay has more than 80 colleges, universities, and technical schools producing thousands of graduates for area employers each year. Approximately **92,000 VETERANS** are in the active labor force as well, offering employers an invaluable source of uniquely trained personnel.

The University of South Florida Muma College of Business boasts one of the nation's best accounting schools, a top-ranked entrepreneurship center, a nationally-ranked MBA program, and a world-class research faculty. **MORE THAN 2,200 STUDENTS ARE ENROLLED** in the Sykes College of Business at the University of Tampa, recognized by The Princeton Review as one of the top 300 business schools in the world for nine consecutive years. University of Tampa's Sykes College of Business has also been ranked the **7TH BEST FOR VALUE FOR THE PRICE**, beating out University of Notre Dame, Harvard University, and Duke University. Additionally, Hillsborough County Public Schools and Hillsborough Community College provide a variety of training programs for area employers, developing customized curriculum to meet specific business needs.







## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Arby's** located at **1135 Commercial Way Spring Hill, FL 33578** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.





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