

THE HABIT BURGER GRILL

Clemmons, NC

JAMESCAPITAL
ADVISORS



James Capital Advisors

Marketing Package

The Habit Burger Grill

2320 Lewisville Clemmons Rd, Clemmons, NC 27012

PROPERTY INFO

Tenant	The Habit Burger Grill
Street Address	2320 Lewisville Clemmons Rd
City	Clemmons
State	NC
Zip	27012
APN	5883-96-8446.000
GLA	3,033 SF
Lot Size	1.04 AC
Year Built	2019



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The Offering

FINANCIAL SUMMARY

Purchase Price	\$2,550,000
Cap Rate	5.00%
Net Operating Income	\$127,500
Price / SF	\$850
Rent / SF	\$43
Listing Agent	Richard Brehaut
Phone Number	(424) 325-2608
Email	SUBMIT OFFER

INVESTMENT HIGHLIGHTS

Brand New 2019 Construction

The subject property is currently under development with an estimated rent commencement date of June 1, 2019.

Long Term Lease with Attractive Rental Increases

The Habit Burger Grill will operate under a long term 15-year lease with 10% increases every five years and three, five-year options to renew.

Pad Site to Brand New Publix-Anchored Center

Strategically located at the entrance to an 86,000 SF Publix-anchored shopping center that was completed in 2017. This site will be The Habit Burger's first-ever single tenant restaurant in NC.



Corporate Guarantee from Publicly Traded Company

The Habit Burger Grill (NASDAQ: HABT) opened its first location in 1969. The company has since grown to over 250 restaurants in 11 states and four international locations.

Affluent Demographics in Rapidly Growing Suburb

The average household income within three miles of the subject property has surpassed \$92,000 while the population within one mile of the property has grown by 15% since 2010.

Winston-Salem, NC

Clemmons, located in Forsyth County, is a suburb of Winston-Salem. Winston-Salem is the fifth most populous city in North Carolina, and the eighty-ninth most populous city in the U.S.

The Habit Burger Grill

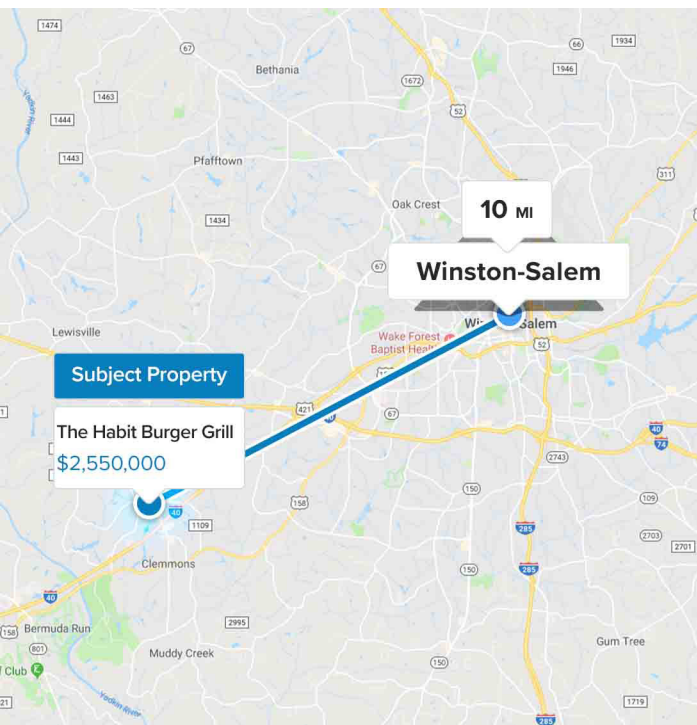
2320 Lewisville Clemmons Rd, Clemmons, NC 27012



LEASE SUMMARY

Lease Type	Triple-Net (NNN)
Type of Ownership	Fee Simple
Original Lease Term	15 Years
Commencement Date	Estimated June 1, 2019
Lease Expiration	Estimated May 31, 2034
Term Remaining	15 Years
Increases	10% Every 5 Years
Options	Three, Five-Year Options
ROFR / ROFO	N/A

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Repairs & Maintenance	Tenant Responsible
Roof & Structure*	Landlord Responsible
Lease Guarantor	Corporate
Company Name	Public
Ownership	The Habit Burger Grill
Years in Business	50
Number of Locations	250



INVESTMENT HIGHLIGHTS

Brand New Construction; Minimal Landlord Responsibilities

There will be a 15 Year Transferable Roof Warranty that covers Landlord over the primary term of the lease.

Healthy Mix of Surrounding National Retailers

Neighboring tenants include Publix, Pet Supermarket, Panera Bread, Moe's, Mediteranneo, Mattress Warehouse and Sport Clips.

Excellent Site-Level Visibility

The subject property has frontage along Lewisville Clemmons Road, which has daily traffic counts exceeding 32,000 vehicles per day.

Proximity to Major Traffic Artery

The subject property benefits from its close proximity to a point of ingress and egress to Interstate-40, which has daily traffic counts exceeding 51,000 vehicles per day.

First Single Tenant Habit Burger in North Carolina

The Habit Burger Grill has been extremely selective with its growth process in NC. The company has designated this location to be its first single tenant drive-thru location in NC.

Adjacent to Region's Largest YMCA

The subject property is adjacent to the Jerry Long Family YMCA, the largest YMCA in the region with over 13,400 members from 6,950 households.

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Lease Summary

The Habit Burger Grill

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RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
Years 1-5	Base Term	\$127,500	\$10,625.00	-	\$42.50	5.00%
Years 6-10	Base Term	\$140,250	\$11,687.50	10%	\$46.75	5.50%
Years 11-15	Base Term	\$154,290	\$12,857.50	10%	\$51.43	6.05%
Years 16-20	1st Option	\$169,710	\$14,142.50	10%	\$56.57	6.66%
Years 21-25	2nd Option	\$186,690	\$15,557.50	10%	\$62.23	7.32%
Years 26-30	3rd Option	\$205,350	\$17,112.50	10%	\$68.45	8.05%

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Rent Schedule

The Habit Burger Grill

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58,000 VPD

32,000 VPD

Wake Forest Baptist Health Urgent Care

Subject Property

The Habit Burger Grill
\$2,550,000

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Property Image

The Habit Burger Grill

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ABOUT THE BRAND

Since 1969, The Habit Burger Grill has been focused on instilling quality into everything the company does. From fresh, never frozen proprietary burgers to USDA Choice tri-tip steak and fresh, line-caught sushi-grade ahi tuna, all cooked over an open flame and made to order, the commitment to quality permeates through The Habit Burger Grill.

The Habit Burger Grill is a burger-centric fast casual restaurant that uniquely combines chargrilling over an open flame to create a delicious variety of fresh and flavorful award-winning burgers, sandwiches, salads and more. The first Habit opened in Santa Barbara, California in 1969. The Habit has since grown to over 250 restaurants in 11 states as well as four international locations. The Habit Burger Grill has always operated under the same simple philosophy: always deliver high-quality food and great service at reasonable prices. The Habit Burger Grill has earned a reputation for serving the tastiest burgers on the coast and the company is thriving as it continues to open its doors across the nation.

LOCATIONS

250

2018 SALES

\$402.15 Million

EMPLOYEES

6,000+



The Habit Burger Announces Fourth Quarter and Fiscal Year 2018 Financial Results

Irvine, CA, Feb 28, 2019 - The Habit Restaurants, Inc. (NASDAQ: HABT) ("The Habit" or the "Company"), today announced financial results for its fourth quarter and fiscal year ended December 25, 2018.

Highlights for the fourth quarter ended December 25, 2018 include:

- Total revenue increased 21.0% to \$102.7 million compared to \$84.8 million in the fourth quarter of 2017.
- Company-operated comparable restaurant sales increased 2.4% as compared to the fourth quarter of 2017.
- The Company opened four company-operated restaurants and three franchised/licensed restaurants and closed two franchised restaurants during the fourth quarter of 2018. As of December 25, 2018, the Company had 223 company-operated locations and 24 franchised/licensed locations (excluding eight licensed locations in Santa Barbara County, California from which the Company is not entitled to royalties) for a system-wide total of 247 locations.

The Company currently anticipates the following for its fiscal year 2019:

- Total revenue between \$458 million to \$462 million;
- Company-operated comparable restaurant sales growth of approximately 2.0% to 3.0%;
- The opening of approximately 21 to 23 company-operated restaurants and 10 to 12 franchised/licensed restaurants

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About the Brand

The Habit Burger Grill

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WINSTON-SALEM, NC

County Seat of Forsyth County

Winston-Salem is the county seat of Forsyth County, North Carolina, United States.

Fifth Most Populous City in North Carolina

Winston-Salem has an estimated population of 247,222, making it the fifth most populous city in North Carolina, and the eighty-ninth most populous city in the U.S.

Explosive Population Growth

The population within a one-mile radius of the subject property has grown by 15% since 2010, with an additional 5.3% growth projected by 2023.



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Location Overview

Piedmont Triad Research Park

The 60-acre Piedmont Triad Research Park and colossal Wake Forest Biotech Place transformation will incorporate 1.1 million square feet into medical and research space.

Ranked Second Most Livable Downtown in America

Hotels, entertainment centers, and apartments have all been rapidly constructed, helping contribute to the Wall Street Journal and New York Times rankings in 2017.

Wake Forest Innovation Quarter

Winston-Salem has become a leader in the fields of nanotech, high-tech, and bio-tech. Medical research is a rapidly growing local industry as a result of the large volume of research activity.



LOCATION OVERVIEW

Vibrant Student Population

Winston-Salem is supported by more than 50,000 college and university students from top schools, including Wake Forest University, Winston-Salem State University and Salem College.

Home to Numerous Corporate Headquarters

Winston-Salem is home to numerous corporate headquarters, including BB&T, Hanes Brand, Inc., Krispy Kreme Doughnuts, Inc., Lowes Food Stores, ISP Sports, Reynolds America and more.

“Twin City”

Winston-Salem is called the “Twin City” for its dual heritage and named the “City of Arts and Innovation” for its dedication to fine arts, theater and technological research.

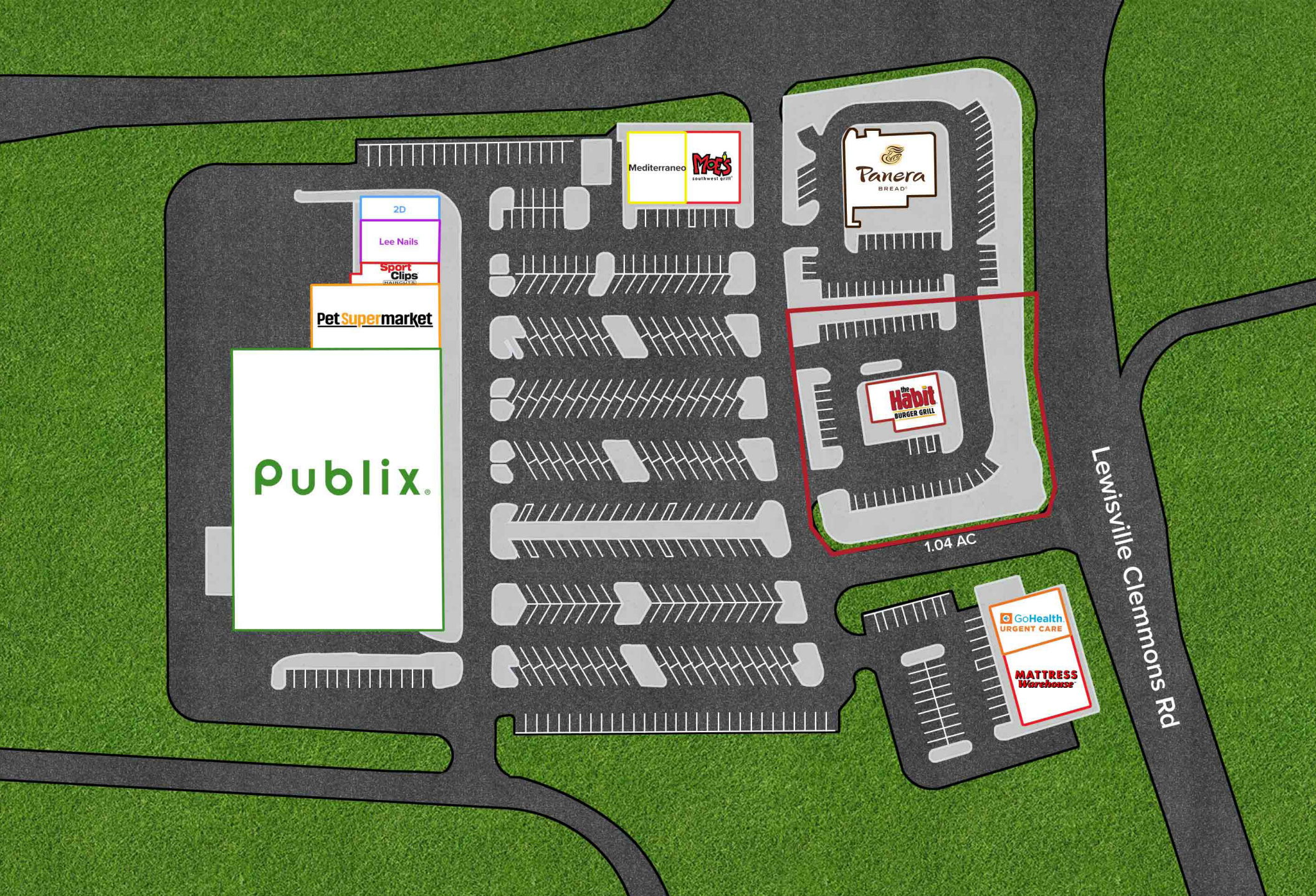
Tallest Office Building in the Region

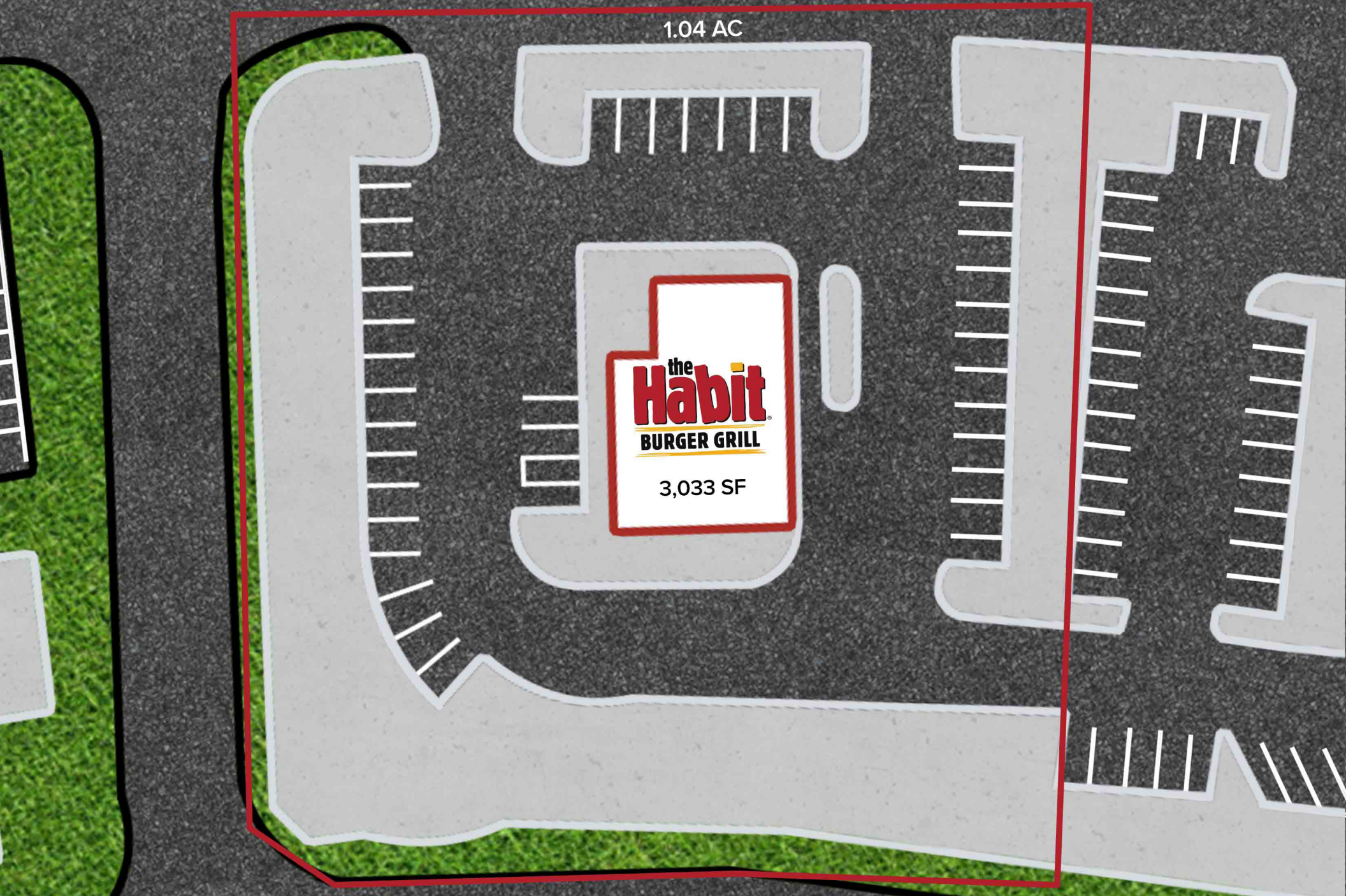
Winston-Salem is home to the tallest office building in the region, 100 North Main Street, formerly the Wachovia Building and now known locally as the Wells Fargo Center.

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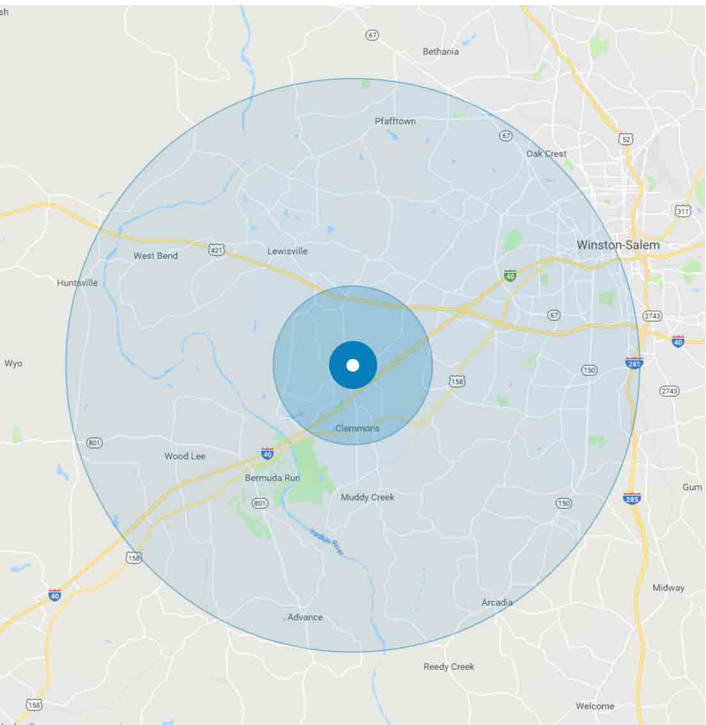


DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2023 Projection	5,608	32,212	79,458
2018 Estimate	5,326	30,902	76,145
2010 Census	4,635	28,641	69,539
Growth 2018 - 2023	5.29%	4.24%	4.35%
Growth 2010 - 2018	14.91%	7.89%	9.50%

Explosive Population Growth

The population within a one-mile radius of the subject property has grown by 15% since 2010, with an additional 5.3% growth projected by 2023.



HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2023 Projection	2,249	12,990	33,720
2018 Estimate	2,134	12,457	32,318
2010 Census	1,848	11,526	29,564
Growth 2018 - 2023	5.39%	4.28%	4.34%
Growth 2010 - 2018	15.48%	8.08%	9.32%

HOUSEHOLDS			
Avg. HH Income	\$80,244	\$92,078	\$88,413
Med. HH Income	\$66,285	\$71,268	\$64,137

DISCLAIMER

The information contained in this Marketing Brochure has been obtained from sources believed to be reliable. However, James Capital Advisors, Inc. & Brian Brockman (“Broker”) has not, and will not, verify any of this information, nor has Broker conducted, nor will it conduct, any investigation regarding these matters. Broker makes no representations, guarantees or warranties of any nature about the accuracy or completeness of any information provided. The information provided in this brochure is in no way a substitute for a thorough due diligence investigation by Buyer. Broker has made no investigation of, and has made no representations, guarantees, or warranties of any nature, with regard to income and expenses for this property nor the future financial performance of the property. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties as to the size and square footage of the property, the presence of any contaminating substances at the property, the physical condition of the property or compliance with any State, Local or Federal regulations. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties of any nature, with regard to the financial condition or future financial condition of any tenants, nor any future plans or intentions of tenants with regard to the continued occupancy of the property. All parties are aware that Broker has no affirmative obligation to conduct a due diligence examination of the property for any Buyer. Any and all projections 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 the property to any Buyer depends on numerous factors that must be evaluated by Buyer and Buyer’s legal, tax, construction and financial advisors. Buyer and Buyer’s advisors should conduct a thorough, independent investigation of the property to determine its suitability for Buyer’s intended usage. This investment, as with all real estate investments, carries a substantial risk. As such, Buyer and Buyer’s legal and financial advisors are strongly advised to request and review all legal and financial documentations related to the property and tenants.

A tenant’s past performance is not a guarantee of future performance. The lease rate stated for some properties may be based on a tenant’s projected sales with little or no record of actual performance or comparable rents for the area in question. Returns are in no way guaranteed. Tenants may fail to pay the rent or property taxes or any other tenant obligations under the terms of the lease. Regardless of tenant’s history of performance, and/or any lease guarantors and/or guarantees, Buyer is responsible for conducting Buyer’s own investigation of all matters related to any and all tenants and lease agreements. Broker is not, in any way, responsible for the performance of any tenant or for any breach or default by any tenant of any terms of any lease agreement related to the property. Further, Buyer is responsible for conducting Buyer’s own independent investigation of all matters related to the value of the property, including, but not limited to, the value of any long term leases. Buyer must carefully evaluate the possibility of tenants vacating the property or breaching their leases and the likelihood and financial impact of being required to find a replacement tenant if the current tenant should default and/or abandon the property. Buyer must also evaluate Buyer’s legal ability to make alternate use of the property in the event of a tenant abandonment of the property.

CONFIDENTIALITY

This Marketing Brochure and the information contained within, is propriety and strictly confidential. It is intended to be used only by the party receiving it from Broker. It should not be made available to any other person or entity without the express written consent of Broker.

RELEASE

This Marketing Brochure has been prepared to provide basic, unverified information for prospective purchasers. By accepting this Marketing Brochure, the recipient agrees to release and hold harmless Broker. from any claim, demand, liability or loss arising out, or relating in any way, to the information contained in this Marketing Brochure and from Buyer’s investigation of the property.

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Broker is not affiliated with, endorsed by or sponsored in any way by any tenant or lessee identified in this Marketing Brochure. The presence of any entity’s logo or name is not intended in any way to indicate affiliation, sponsorship or endorsement by said entity of Broker.

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Disclaimer

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CONTACT INFORMATION

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Brian Brockman

Bang Realty - North Carolina, Inc.

NC RE Lic. 298998

SUBMIT OFFER



James Capital Advisors

Contact Information

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WORKING WITH
REAL ESTATE AGENTS

When buying or selling real estate, you may find it helpful to have a real estate agent assist you.

Real estate agents can provide many useful services and work with you in different ways. In some real estate

transactions, the agents work for the seller. In others, the seller and buyer may each have agents. And some-

times the same agents work for both the buyer and the seller. It is important for you to know whether an agent

is representing you as **your** agent or simply assisting you while acting as an agent of the other party.

This brochure addresses the various types of agency relationships that may be available to you.

It should help you decide which relationship you want to have with a real estate agent. It will also give you

useful information about the various services real estate agents can provide buyers and sellers, and it will help explain how real estate agents are paid.



SELLERS

Seller's Agent

If you are selling real estate, you may want to “list” your property for sale with a real estate firm. If so, you will sign a “listing agreement” authorizing the firm and its agents to represent you in your dealings with buyers as your *seller's agent*. You may also be asked to allow agents from other firms to help find a buyer for your property.

Be sure to read and understand the listing agreement before you sign it. Your agent must give you a copy of the listing agreement after you sign it.

Duties to Seller: The listing firm and its agents must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents without your permission so long as they represent you. But **until you sign the listing agreement, you should avoid telling the listing agent anything you would *not* want a buyer to know.**

Services and Compensation: To help you sell your property, the listing firm and its agents will offer to perform a number of services for you. These may include • helping you price your property • advertising and marketing your property • giving you all required property disclosure forms for you to complete • negotiating for you the best possible price and terms • reviewing all written offers with you and • otherwise promoting your interests.

For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the sales commission or fee and whether you will allow the firm to share its commission with agents representing the buyer.

Dual Agent

You may even permit the listing firm and its agents to represent you **and** a buyer at the same time. This “dual agency relationship” is most likely to happen if an agent with your listing firm is working as a *buyer's agent* with someone who wants to purchase your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to amend your listing agreement to permit the agent to act as agent for both you and the buyer.

It may be difficult for a *dual agent* to advance the interests of both the buyer and seller. Nevertheless, a *dual agent* must treat buyers and sellers fairly and equally. Although the *dual agent* owes them the same duties, buyers and sellers can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called “designated agency” where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each “designated agent” to more fully represent each party.

If you choose the “dual agency” option, remember that since a dual agent’s loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the *dual agent* and • what the agent will be doing for you in the transaction.

BUYERS

When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to

represent only you (as a **buyer’s agent**). You may be willing for them to represent both you and the seller at the same time (as a **dual agent**). Or you may agree to let them represent only the seller (**seller’s agent** or **subagent**). Some agents will offer you a choice of these services. Others may not.

Buyer's Agent

Duties to Buyer: If the real estate firm and its agents represent you, they must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your *buyer's agent*, they may not give any confidential information about you to sellers or their agents without your permission so long as they represent you. But **until you make this agreement with your buyer’s agent, you should avoid telling the agent anything you would *not* want a seller to know.**

Unwritten Agreements: To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent and assist you for a time

Continued on the back

FOR BUYER/SELLER

Brian Brockman	298998
Agent Name	License Number
Bang Realty - North Carolina, Inc.	
Firm Name	
Date	

WORKING WITH
REAL ESTATE AGENTS

Agents are required to review this with you and must retain this acknowledgment for their files.

This is not a contract

By signing, I acknowledge that the agent named below furnished a copy of this brochure and reviewed it with me.

Buyer or Seller Name (Print or Type)

Buyer or Seller Signature

Buyer or Seller Name (Print or Type)

Buyer or Seller Signature

Date
Bang Realty - North Carolina, Inc.

Firm Name	
Brian Brockman	298998
Agent Name	License Number

Disclosure of Seller Subagency
(Complete, if applicable)
☐ *When showing you property and assisting you in the purchase of a property, the above agent and firm will represent the SELLER. For more information, see “Seller’s Agent Working with a Buyer” in the brochure.*

Buyer’s Initials Acknowledging Disclosure: _____

as a *buyer's agent* without a written agreement. But if you decide to make an offer to purchase a particular property, the agent must obtain a written agency agreement before writing the offer. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential.

Be sure to read and understand any agency agreement before you sign it. Once you sign it, the agent must give you a copy of it.

Services and Compensation: Whether you have a written or unwritten agreement, a *buyer's agent* will perform a number of services for you. These may include helping you • find a suitable property • arrange financing • learn more about the property and • otherwise promote your best interests. If you have a **written** agency agreement, the agent can also help you prepare and submit a written offer to the seller.

A *buyer's agent* can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your *buyer's agent* is spelled out in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

Dual Agent

You may permit an agent or firm to represent you **and** the seller at the same time. This “dual agency relationship” is most likely to happen if you become interested in a property listed with your *buyer's agent* or the agent's firm. If this occurs and you have not already agreed to a dual agency relationship in your (written or oral) buyer agency agreement, your *buyer's agent* will ask you to amend the buyer agency agreement or sign a separate agreement or document permitting him or her to act as agent for both you and the seller. It may be difficult for a *dual agent* to advance the interests of both the buyer and seller. Nevertheless, a *dual agent* must treat buyers and sellers fairly and equally.

Although the *dual agent* owes them the same duties, buyers and sellers can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called “designated dual agency” where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each “designated agent” to more fully represent each party.

If you choose the “dual agency” option, remember that since a *dual agent's* loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the *dual agent* and • what the agent will be doing for you in the transaction. This can best be accomplished by putting the agreement in writing at the earliest possible time.



Seller's Agent Working With a Buyer

If the real estate agent or firm that you contact does not offer *buyer agency* or you do not want them to act as your *buyer agent*, you can still work with the firm and its agents. However, they will be acting as the *seller's agent* (or “subagent”). The agent can still help you find and purchase property and provide many of the same services as a *buyer's agent*. The agent must be fair with you and provide you with any “material facts” (such as a leaky roof) about properties.

But remember, the agent represents the seller—not you—and therefore must try to obtain for the seller the best possible price and terms for the seller's property.

Furthermore, a *seller's agent* is required to give the seller any information about you (even personal, financial or confidential information) that would help the seller in the sale of his or her property. Agents must tell you *in writing* if they are *sellers' agents* before you say anything that can help the seller. But **until you are sure that an agent is not a seller's agent, you should avoid saying anything you do not want a seller to know.**

Sellers' agents are compensated by the sellers.

Brian Brockman

Disclosure of Seller Subagency

(Complete, if applicable)

☐ When showing you property and assisting you in the purchase of a property, the above agent and firm will represent the **SELLER**. For more information, see “Seller's Agent Working with a Buyer” in the brochure. Agent's Initials Acknowledging Disclosure:

(Note: This brochure is for informational purposes only and does not constitute a contract for service.)

The North Carolina Real Estate Commission
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