

NEW CONSTRUCTION - 10 YEAR NNN LEASES



DUNKIN' & PICCADILLY

CORDOVA, TN (MEMPHIS MSA)

OFFERING MEMORANDUM

Marcus & Millichap

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DUNKIN' & PICCADILLY

CORDOVA, TENNESSEE

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DUNKIN' DONUTS

DUNKIN' DONUTS

**PICCADILLY
TO GO**

775



OFFERING HIGHLIGHTS

DUNKIN' & PICCADILLY

775 N. Germantown Parkway, Cordova, TN 38018

OFFERING PRICE
\$2,294,000

CAP RATE
6.50%

| VITAL DATA | |
|---------------------------|-------------|
| Price | \$2,294,000 |
| Cap Price | 6.50% |
| Price/SF | \$573.50 |
| Gross Leasable Area (GLA) | 4,000 |
| Occupancy | 100% |

EXECUTIVE SUMMARY

DUNKIN' & PICCADILLY

775 N. Germantown Parkway

Cordova, TN (Memphis MSA) 38018



MAJOR TENANTS

| Tenant | GLA | Lease Exp. | Lease Type |
|------------------|----------|------------|------------|
| Dunkin' | 2,000 SF | 11/2026 | NNN |
| Piccadilly To Go | 2,000 SF | 6/2028 | NNN |



OFFERING SUMMARY

| | |
|---------------------------|-------------|
| Offering Price | \$2,294,000 |
| Cap Rate | 6.50% |
| Gross Leasable Area (GLA) | 4,000 |
| Price/SF | \$573.50 |
| Year Built | 2016 |
| Lot Size | .66 Acres |
| Occupancy | 100.00% |

VITAL DATA

| | |
|------------------------------|-----------|
| Current Net Operating Income | \$149,000 |
| Year 1 Cash-on-Cash Return | 6.50% |
| Year 6 Cash-on-Cash Return | 7.18% |

DEMOGRAPHIC SUMMARY

| | 1-Mile | 3-Miles | 5-Miles |
|----------------------------|----------|----------|-----------|
| 2017 Population | 9,297 | 63,864 | 159,659 |
| 2022 Population Projection | 9,777 | 70,386 | 173,101 |
| 2017 Households | 4,087 | 26,132 | 62,055 |
| 2022 Households Projection | 4,371 | 29,114 | 68,093 |
| Average Household Income | \$80,189 | \$91,812 | \$101,210 |
| Median Household Income | \$64,819 | \$69,504 | \$70,653 |

MAJOR AREA EMPLOYERS

| Major Employers | Employees | Industry |
|------------------------------|-----------|----------------|
| Baptists Memorial Healthcare | 4,485 | Healthcare |
| International Paper | 3,443 | Manufacturing |
| Accredo Health Incorporated | 2,868 | Healthcare |
| Efs Transportation Svcs Inc. | 2,000 | Transportation |

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present a 4,000 square foot, 100 percent occupied strip center consisting of Dunkin Donuts and Piccadilly To Go. Both leases were signed to initial 10 year terms and include a ten percent rental increase during the base term and renewal options. The Dunkin Donuts lease includes a personal guaranty with a new worth of over \$35 Million from the experienced franchisee and operator. The Piccadilly To Go lease is guaranteed by parent company Falcon holdings, LLC, a large private company and experienced operator of over 300 restaurants including Churches Chicken, Hardees, Long John Silvers and A&W restaurants.

The property is located at 775 N. Germantown Parkway in Cordova, Tennessee. Cordova is a community in Shelby County that lies east of Memphis and north of Germantown. The subject property is well -positioned, benefiting from its proximity to many major national and local retailers. Major national retailers in the area include: Walmart, Target, Kroger, LA Fitness, Walgreens, CVS Pharmacy, O'Reilly Auto Parts, AutoZone, Starbucks, McAlister's Deli, Outback Steakhouse, Panera Bread, O'Charley's, Taco Bell, IHOP, Panda Express, and McDonald's among various others. The property is located adjacent to many other new construction retail developments along North Germantown Parkway. In Cordova, retail growth exploded in the late 1990s thanks to the Wolfchase Galleria shopping mall. Today, most the growth is along the Houston Levee Rad and Macon Road as well as major retail and commercial centers on Germantown Parkway.

Cordova has approximately 63,964 individuals residing within a three -mile radius of the property and more than 159,659 within a five -mile radius. The property is located on North Germantown Parkway, which has average daily traffic counts (ADTC) of 56,636 vehicles.

INVESTMENT HIGHLIGHTS

- ▶ New Construction 100% Occupied, 4,000 SF Dunkin' Donuts and Piccadilly To Go Center in Cordova, TN (Memphis MSA)
- ▶ Newer 10-Year Triple-Net Leases with Internet-Proof Service-Oriented Businesses
- ▶ Substantial NOI Growth: 10% Rent Increases for Both Tenants Take CAP Rate to 7.18% in 2023
- ▶ Strong Dunkin' Donuts Franchisee Guaranty with \$35 Million Net Worth
- ▶ Piccadilly Corporate Guaranty I Owner of 40 Piccadilly Restaurants and 250+ Other Restaurants
- ▶ Both Leases Include Two, Five-Year Options with Rental Increases
- ▶ Ease of Management: Only Two Tenants; Fully Reimbursed Operating Expenses, Management and Admin Fees

LOCATION HIGHLIGHTS

- ▶ Great Access and Visibility to North Germantown Parkway with 56,600+ Vehicles per Day
- ▶ Located Adjacent to New Construction Developments Including LA Fitness, Chipotle, Discount Tire, Aspen Dental and Hardee's
- ▶ Affluent Trade Area: Average Household Income of \$101,210 Within Five Miles
- ▶ Strong and Growing Population: Over 159,600 Residents Within Five Miles I 10.2% Projected Growth Over Next 5 Years Within 3 Miles
- ▶ Dense Retail Corridor: Nearby Retailers Include Walmart, Kroger, Target, Walgreens and CVS Pharmacy
- ▶ Tennessee is an Income Tax Free State

RETAILER AERIAL

DUNKIN' & PICCADILLY // PROPERTY ANALYSIS

8





775



LA FITNESS

flavored iced cold brew coffee variety brewed boost bean coffee break espresso

102



PICCADILLY
TO GO
NOW OPEN



TENANT SUMMARY

| TENANT | SQUARE FEET | % BLD SHARE | LEASE COMMENCE | LEASE EXPIRATION | ANNUAL RENT | ANNUAL RENT/SF | LEASE TYPE | RENEWAL OPTIONS |
|------------------|-------------|-------------|----------------|------------------|-------------|----------------|------------|-----------------|
| Dunkin' | 2,000 | 50.00% | 12/10/2016 | 11/30/2026 | \$78,000 | \$39.00 | NNN | (4) 5 Year |
| | | inc | 12/10/2021 | 11/30/2026 | \$85,800 | \$42.90 | | |
| Option 1 | | | 12/10/2026 | 11/30/2031 | \$94,380 | | | |
| Option 2 | | | 12/10/2031 | 11/30/2036 | \$103,818 | | | |
| Option 3 | | | 12/10/2036 | 11/30/2041 | \$114,200 | | | |
| Option 4 | | | 12/10/2041 | 11/30/2046 | \$125,620 | | | |
| Piccadilly To Go | 2,000 | 50.00% | 7/11/2018 | 6/30/2028 | \$71,000 | \$35.50 | NNN | (4) 5 Year |
| | | inc | 7/11/2023 | 6/30/2028 | \$79,000 | \$39.50 | | |
| Option 1 | | | 7/11/2028 | 6/30/2033 | \$76,000 | | | |
| Option 2 | | | 7/11/2033 | 6/30/2038 | \$84,000 | | | |
| Option 3 | | | 7/11/2038 | 6/30/2043 | \$92,400 | | | |
| Option 4 | | | 7/11/2043 | 6/30/2048 | \$101,640 | | | |
| Occupied Space | 4,000 | 100% | | | \$149,000 | | | |
| Vacant Space | 0 | 0% | | | \$0 | | | |
| Total | 4,000 | 100% | | | \$149,000 | | | |

LEASE RECOVERY SCHEDULE

| TENANT | PRO RATA SHARE | REAL ESTATE TAXES | INSURANCE | COMMON AREA MAINTENANCE | MANAGEMENT FEE | ADMIN FEE |
|------------------|----------------|-------------------|-----------|-------------------------|----------------|------------------------|
| Dunkin' | 50% | Pro Rata | Pro Rata | Pro Rata | 5% of CAM | 10% of CAM + RET + INS |
| Piccadilly To Go | 50% | Pro Rata | Pro Rata | Pro Rata | 5% of CAM | 10% of CAM + RET + INS |

YEAR 1 NOI SUMMARY

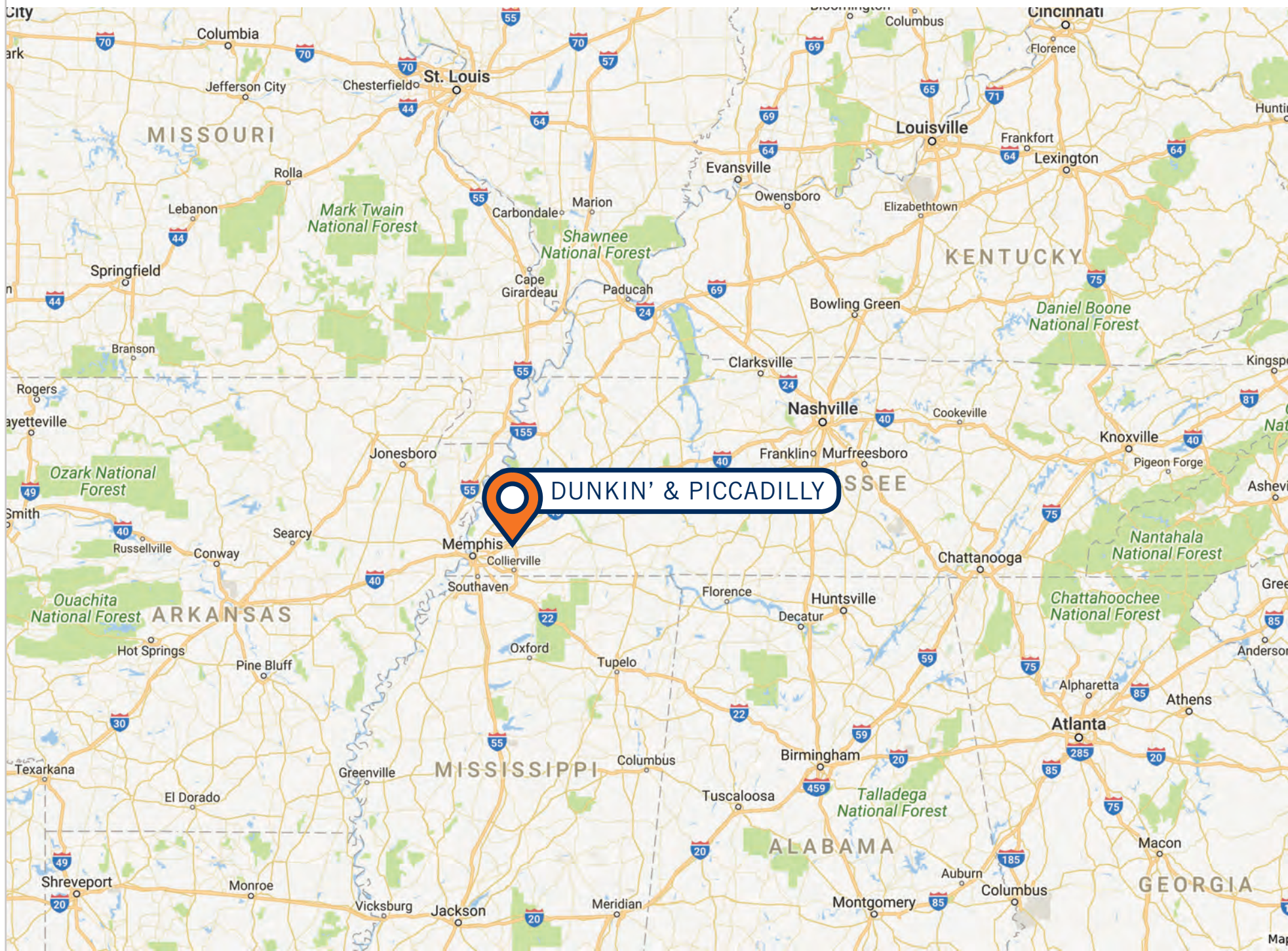
| INCOME (PROJECTED 2018) | CURRENT |
|---|------------------|
| Scheduled Base Rental Income | \$149,000 |
| Expense Reimbursement Income | |
| Real Estate Taxes | \$24,394 |
| Insurance | \$2,462 |
| CAM | \$11,257 |
| Management Fee | \$563 |
| Administrative Fee | \$3,811 |
| Total Reimbursement Income | \$42,487 |
| Potential Gross Revenue | \$191,487 |
| General Vacancy | \$0 |
| Effective Gross Revenue | \$191,487 |
| | |
| OPERATING EXPENSES (PROJECTED 2018) | CURRENT |
| Real Estate Taxes | \$24,394 |
| Insurance | \$2,462 |
| CAM | \$11,257 |
| Management Fee (5% of CAM) | \$563 |
| Administrative Expense (10% of CAM + RET + INS) | \$3,811 |
| Total Expenses | \$42,487 |
| Net Operating Income | \$149,000 |



775

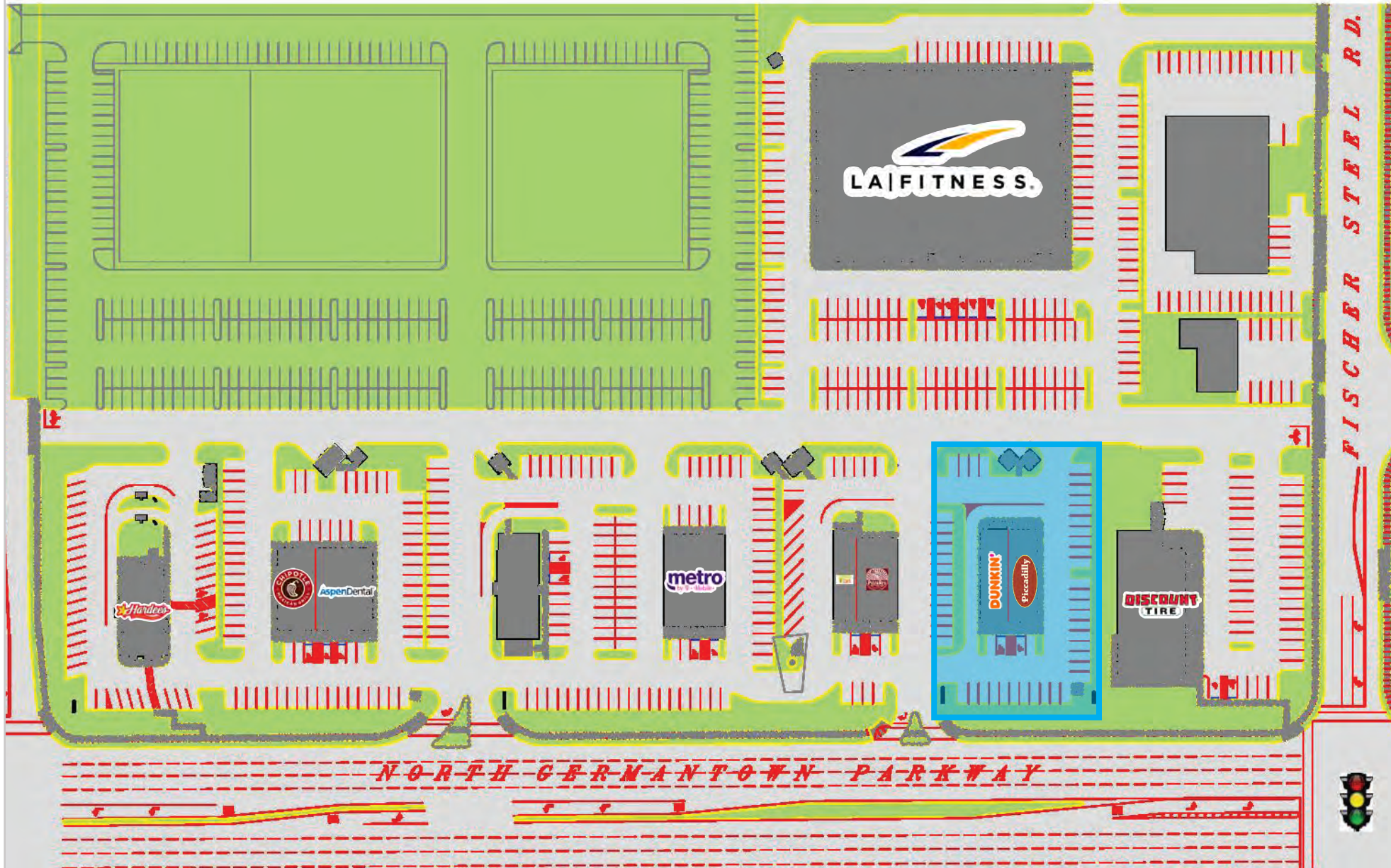


REGIONAL MAP



SITE PLAN

DUNKIN' & PICCADILLY // PROPERTY ANALYSIS



RETAILER AERIAL



RETAILER AERIAL



TENANT & LEASE SUMMARIES

Dunkin'



Dunkin' Brands Group, Inc., together with its subsidiaries, develops, franchises, and licenses quick service restaurants worldwide. The

company operates through five segments: Dunkin' U.S., Dunkin' International, Baskin-Robbins International, Baskin-Robbins U.S., and U.S. Advertising Funds. Its restaurants serve hot and cold coffee, baked goods, and hard serve ice cream. The company also offers packaged coffee, Dunkin' K-Cup pods, and ready-to-drink bottled iced coffee in retail outlets. As of December 29, 2018, it had 12,871 Dunkin' Donuts points of distribution and 8,041 Baskin-Robbins points of distribution. The company franchises its restaurants under the Dunkin' Donuts and Baskin-Robbins brands. Dunkin' Brands Group, Inc. is headquartered in Canton, Massachusetts.

| | |
|---------------------------|--|
| Rent Commencement | 12/10/2016 |
| Lease Expiration | 11/30/2026 |
| Gross Leasable Area | 2,000 SF |
| Option Term | (4) 5 Year |
| Pro Rata Share of Project | 50.00% |
| Headquartered | Canton, MA |
| No. of Locations | 12,800+ |
| Website | www.dunkindonuts.com |

Piccadilly



Piccadilly Cafeteria first opened in 1932 in Baton Rouge, Louisiana. Twelve years later, a budding restaurateur by the name of T. H. Hamilton took the reins with hopes of growing the business. Today, they have 40 restaurants and over 80 food service

locations all across the southeast. Since day one, their goal has been to serve up homestyle comfort to every person who walks through our door. With guest favorites like Fried Chicken, Carrot Soufflé and our famous desserts, there's always something for everyone at Piccadilly.

| | |
|---------------------------|--|
| Rent Commencement | 7/11/2018 |
| Lease Expiration | 6/30/2028 |
| Gross Leasable Area | 2,000 |
| Option Term | (4) 5 Year |
| Pro Rata Share of Project | 50.00% |
| Headquartered | Baton Rouge, LA |
| No. of Locations | 40 |
| Website | www.piccadilly.com |



775



DEMOGRAPHICS HIGHLIGHTS



159,659

POPULATION WITHIN 5 MILES



\$101,210

AVERAGE HOUSEHOLD INCOME
IN 5-MILE RADIUS



3.8%

POPULATION GROWTH SINCE 2010
IN 5-MILE RADIUS



10.2%

PROJECTED POPULATION GROWTH
OVER NEXT 5 YEARS IN A 3-MILE RADIUS

| UNIT TYPE | 1 MILE | 3 MILES | 5 MILES |
|-----------------------------------|--------|---------|---------|
| 2017 Estimate | | | |
| Total Population | 9,297 | 63,864 | 159,659 |
| 2022 Projection | | | |
| Total Population | 9,777 | 70,386 | 173,101 |
| 2010 Census | | | |
| Total Population | 9,036 | 61,703 | 153,819 |
| Projected Growth 2017-2022 | | | |
| Total Population | 5.2% | 10.2% | 8.4% |
| Growth 2010-2017 | | | |
| Total Population | 2.9% | 3.5% | 3.8% |



9.7%

PROJECTED HOUSEHOLD GROWTH
OVER NEXT 5 YEARS IN A 5-MILE RADIUS

| HOUSEHOLDS | 1 MILE | 3 MILES | 5 MILES |
|-------------------------|--------|---------|---------|
| 2017 Estimate | | | |
| Total Households | 4,087 | 26,132 | 62,055 |
| 2022 Projection | | | |
| Total Households | 4,371 | 29,114 | 68,093 |
| 2010 Census | | | |
| Total Households | 4,016 | 25,464 | 60,129 |
| Growth 2017-2022 | | | |
| Total Households | 6.9% | 11.4% | 9.7% |
| Growth 2010-2017 | | | |
| Total Households | 1.8% | 2.6% | 3.2% |
| Owner Occupied | | | |
| Total Households | 1,992 | 15,667 | 39,772 |
| Renter Occupied | | | |
| Total Households | 2,095 | 10,464 | 22,283 |

| HOUSEHOLDS BY INCOME | 1 MILE | 3 MILES | 5 MILES |
|---------------------------------|----------|----------|-----------|
| 2017 Estimate | | | |
| \$150,000 or More | 8.6% | 12.2% | 15.3% |
| \$125,000 - \$149,999 | 5.6% | 5.9% | 6.0% |
| \$100,000 - \$124,999 | 12.3% | 11.4% | 11.1% |
| \$75,000 - \$99,999 | 15.8% | 16.3% | 14.6% |
| \$50,000 - \$74,999 | 21.4% | 20.8% | 19.2% |
| \$35,000 - \$49,999 | 14.0% | 13.0% | 12.2% |
| \$25,000 - \$34,999 | 9.8% | 8.4% | 8.6% |
| Under - \$25,000 | 6.9% | 7.0% | 7.1% |
| Average Household Income | \$80,189 | \$91,812 | \$101,210 |
| Median Household Income | \$64,819 | \$69,504 | \$70,653 |

| HOUSEHOLDS BY INCOME | 1 MILE | 3 MILES | 5 MILES |
|--------------------------------|--------|---------|---------|
| Population By Age | | | |
| 2017 Estimate Total Population | 9,297 | 63,864 | 159,659 |
| Age 5 - 14 | 10.9% | 12.4% | 12.6% |
| Age 15 - 19 | 4.6% | 5.3% | 5.9% |
| Age 20 - 24 | 7.5% | 6.4% | 6.4% |
| Age 25 - 34 | 20.3% | 17.2% | 15.6% |
| Age 35 - 44 | 13.4% | 13.9% | 13.5% |
| Age 45 - 54 | 12.3% | 12.8% | 13.1% |
| Age 55 - 64 | 11.7% | 12.5% | 12.9% |
| Age 65 - 74 | 7.4% | 7.5% | 8.1% |
| Age 75 - 84 | 3.4% | 3.3% | 3.6% |
| Age 85 + | 2.1% | 1.8% | 1.6% |
| Median Age | 35.2 | 36.1 | 37.1 |

| | | | |
|--|-------|--------|---------|
| Population 25+ by Education Level | | | |
| Total Population Age 25+ | 6,555 | 43,999 | 109,392 |
| Grade K - 8 | 1.7% | 1.4% | 1.6% |
| Grade 9 - 12 | 2.7% | 2.6% | 3.8% |
| High School Graduate | 19.7% | 18.0% | 19.5% |
| Associates Degree | 6.1% | 7.6% | 6.5% |
| Bachelor's Degree | 29.7% | 29.0% | 27.5% |
| Graduate Degree | 12.8% | 15.0% | 16.4% |
| Some College, No Degree | 27.1% | 26.1% | 24.3% |

MARKET OVERVIEW

MEMPHIS OVERVIEW

Often considered the home of the blues as well as the birthplace of rock 'n' roll, Memphis has music in its soul. The metro spans 3,000 square miles over nine counties in the states of Tennessee, Mississippi and Arkansas. The Tennessee counties include Shelby, Fayette and Tipton. Crittenden County is in Arkansas, and Tate, DeSoto, Tunica, Benton and Marshall counties are in Mississippi. The Mississippi River runs through the metro, forming the border between Tennessee and Arkansas. Other rivers flowing through the region define areas available for development. The market contains nearly 1.4 million residents and more than 953,600 reside in Shelby County. Memphis is the area's most populous city with nearly 661,000 citizens.

METRO HIGHLIGHTS



GROWING ECONOMY

A large distribution presence, favorable business climate and diversification into other industries are helping to grow the metro's economy.



SKILLED WORKERS

Memphis has a large, highly skilled logistics labor pool that helps draw companies.



AFFORDABLE COST OF LIVING

The median home price in Memphis is well below the national median.



MARKET OVERVIEW



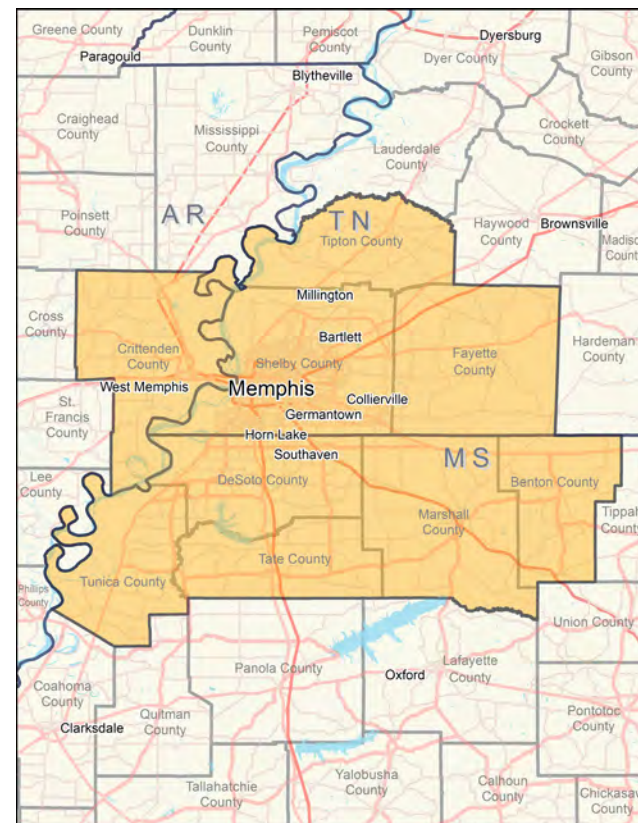
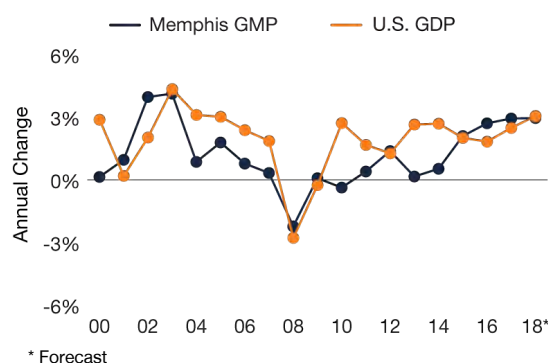
ECONOMY

- The metro's centralized location and favorable business climate, including a low tax structure and right to work status, lure companies to the region. Three Fortune 500 companies are located in Memphis: FedEx, AutoZone and International Paper.
- Distribution and logistics comprise a significant portion economic activity due to the metro's location and intermodal capabilities. The metro houses headquarters and a hub for FedEx. UPS and USPS also have major operations here and 400 trucking firms operate locally.
- Other industries include manufacturing, music, film and tourism.

MAJOR AREA EMPLOYERS

| |
|---------------------------------------|
| FedEx Corp. |
| St. Jude Children's Research Hospital |
| Methodist Le Bonheur Healthcare |
| Baptist Memorial Health Care Corp. |
| Walmart |
| Park Place Entertainment |
| Naval Support Activity Mid-South |
| First Horizon National Corp. |
| The Kroger Co. |
| International Paper |

Economic Growth



SHARE OF 2017 TOTAL EMPLOYMENT



MARKET OVERVIEW



DEMOGRAPHICS

- The metro is expected to add nearly 66,000 people over the next five years, resulting in the formation of approximately 30,700 households.
- A median home price of nearly \$170,000 is well below the U.S. median and has afforded 61 percent of households to own their home.
- Roughly 26 percent of people age 25 and older hold bachelor's degrees; among those residents, 9 percent also have earned a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

The "Blues City" region offers an attractive quality of life for residents and visitors. Parks abound in the area. Local sports are represented by the NBA's Memphis Grizzlies, and the Memphis Redbirds and the Mississippi RiverKings are the metro's minor league baseball and hockey teams. The Liberty Bowl Memorial Stadium hosts the Liberty Bowl and University of Memphis football. Additionally, numerous casinos in Tunica County, Mississippi, offer gaming. Music plays an important role in the history of Memphis. Today, one can relive history by touring Graceland, the former home of Elvis Presley, or by visiting Sun Records or the former Stax Records, which is now the Stax Museum.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



ARTS & ENTERTAINMENT





DUNKIN' & PICCADILLY

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