

# Applebee's

4601 N 10th St McAllen, TX 78504

OFFERING SUMMARY	
Price	\$2,500,000
Cap Rate	7.00%
Net Operating Income	\$175,225
Year Built	1994
Gross Leasable Area	5,400 SF
Lot Size	1.17 Acres

LEASE SUMMARY	
Lease Term	10 Years
Lease Commencement	8/15/2014
Lease Expiration	8/31/2024
Remaining Term	5 Years
Lease Type	NNN
Roof & Structure	Tenant
Increases	7.5% Every 5 Years
Options	4 x 5
Options to Purchase	-

ANNUALIZED OPERA	TING DATA		
Year(s)	Commencement	Annual	Increase
1-5	8/15/2014	\$163,000	
6-10	9/1/2019	\$175,225	7.50%
Option1: 11-15	9/1/2024	\$188,367	7.50%
Option 2: 16-20	9/1/2029	\$202,494	7.50%
Option 3: 21-25	9/1/2034	\$217,681	7.50%
Option 4: 26-30	9/1/2039	\$234,008	7.50%
NET OPERATING INC	COME	\$163,000	







Applebee's is an American restaurant chain that focuses on casual dining, with mainstream American dishes such as salads, chicken, pasta, burgers, and "riblets" (which is considered Applebee's signature dish). All Applebee's restaurants feature a bar area and serve alcoholic beverages. The Applebee's chain was started by Bill and T. J. Palmer, who opened their first restaurant in Decatur, Georgia, in 1980. As of early 2019, there were 1,830 restaurants operating system-wide in the United States and 15 other countries.

TENANT SUMMARY	
Company	Applebee's
Ownership	Franchisee
Number of Locations	1,800+
Years in Business	39 Years
Headquarters	Glendale, CA
Website	applebees.com



RMH Franchise Corporation is the second-largest Applebee's franchisee. Through organic restaurant development and outside acquisitions, the Atlanta-based company has grown to operate 174 restaurants and employs in excess of 10,000 people across 15 states. RMH acquired its first Applebee's restaurant in December of 2012 and the company's most recent acquisition of 33 Applebee's was completed in August 2015. As of January 2017, RMH Franchise Corporation had current assets of \$21.6 million, revenues of \$396 million, and a net worth of \$48.1 million. RMH is a portfolio holding company of ACON Investments, a Washington, DCbased international private equity firm.

COMPANY SUMMARY	
Company	RMH Franchise Corporation
Ownership	Private
Number of Locations	140+
Years in Business	6 Years
Headquarters	Atlanta, GA
Website	rmhfranchise.com



- Absolute Net Lease No Landlord Responsibility
- Trophy Location Located on 10th St Corridor
- Successful 25-year operating history as Applebee's
- RMH Franchise Corporation is Applebee's 2nd Largest Franchisee with Over 140 Restaurants and Revenues Over \$396 Million
- Over 16 Million Travelers Visit McAllen, Texas Annually for Shopping and Dining (TexasBorderBusiness.com)
- McAllen Ranks #1 Among Texas Cities in Actual Retail Sales Per Household (Claritas)
- Close Proximity to La Plaza Mall and the Newly Built McAllen Convention Center, Located in the Heart of the Rio Grande Valley, Features 174,000 Square Feet of Meeting Space and a 60,000-Square-Foot Exhibit Hall
- Located on Main Thoroughfare Traffic Counts Along 10th St Exceed 24,000 Vehicles per Day
- Densely Populated Area More than 243,800 Residents Within a 5 Mile Radius - a 11.49% Increase Over Last Several Years & Projected to Grow by Another 6% in the Next 5 Years

# SNAPSHOT



Estimated Vehicles Per Day

24.055



Average Household Income

\$80,483



Projected Population Growth 2018-2023

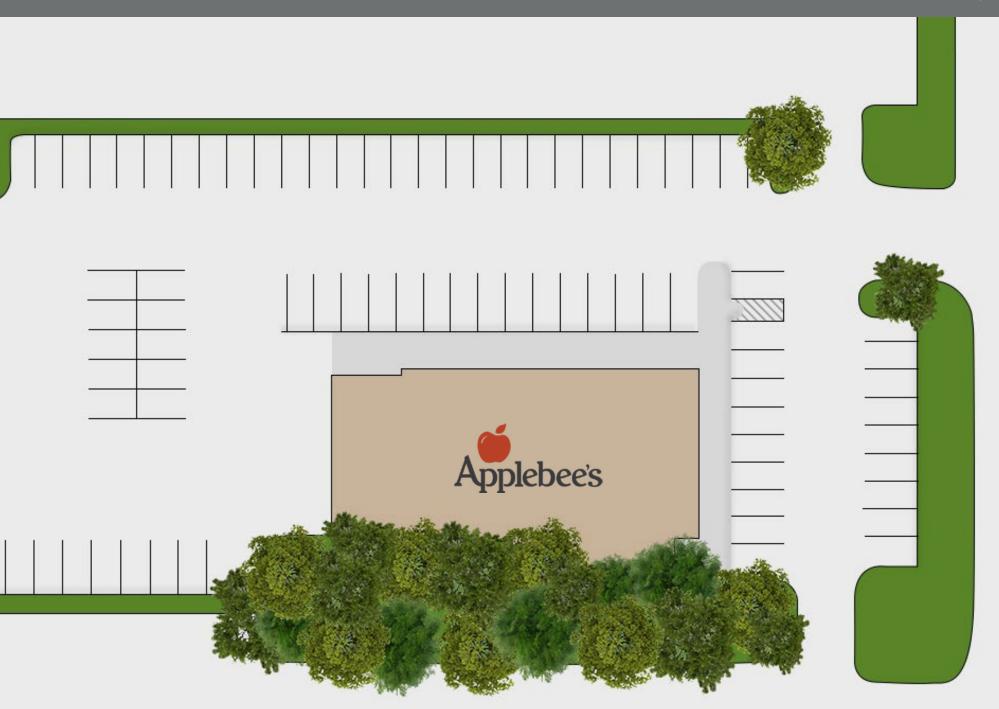
616%



Population: 5 Mile Radius

243,816

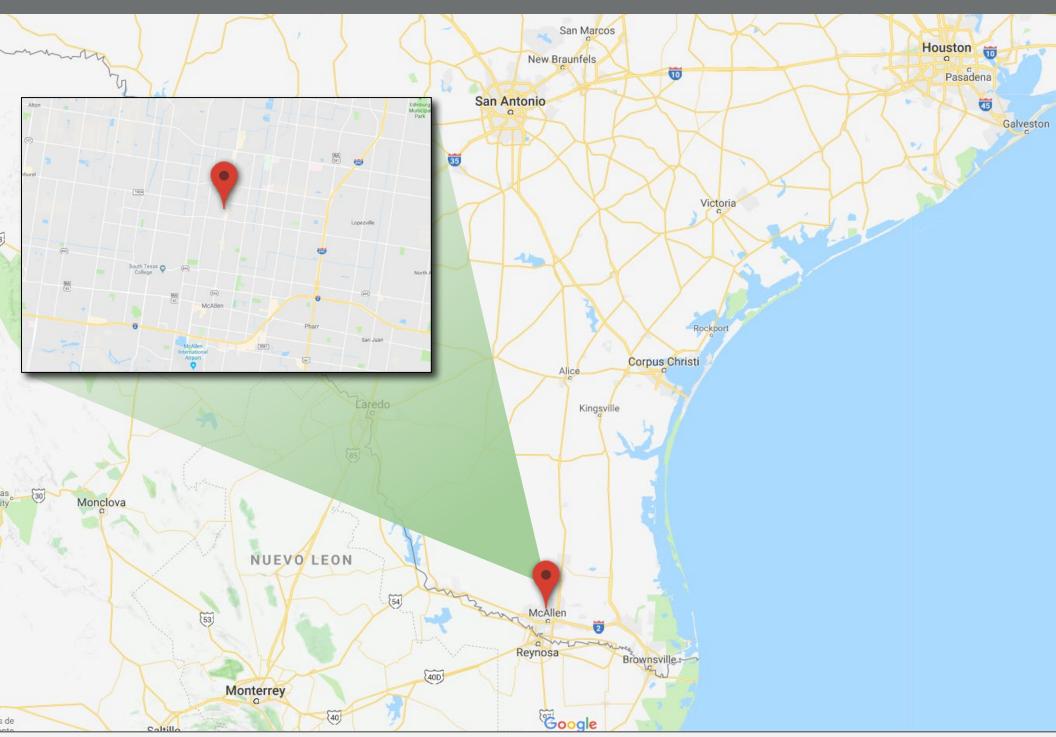




AERIAL MAP APPLEBEE'S - MCALLEN, TX



LOCAL MAP APPLEBEE'S - MCALLEN, To the second secon



MARKET OVERVIEW



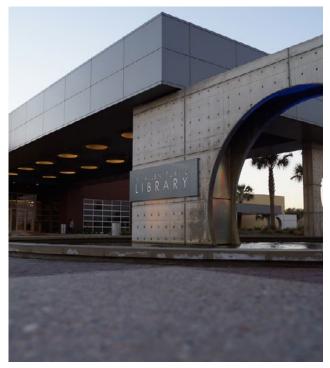
# OVERVIEW

McAllen is the 22nd-most populous city in Texas and the largest city in Hidalgo County, Texas. Located at the southern tip of Texas in the Rio Grande Valley, McAllen is on the Rio Grande, across from the Mexican city of Reynosa, and is approximately 70 miles (110 km) west of South Padre Island and the Gulf of Mexico. McAllen's population was estimated to be 142,696 according to 2017 U.S. Census Bureau Estimates. It is the fifth-most populous metropolitan area in the state of Texas, while the binational Reynosa-McAllen metropolitan area counts a population of nearly 1.52 million.

McAllen can trace its roots to the railroad industry. In 1904, the Hidalgo and San Miguel Extension of the St. Louis, Brownsville and Mexico Railway reached the Santa Anita Ranch. John McAllen and his son James donated land to the railroad to guarantee it would cross the area. From its settlement in 1904, the area around McAllen was largely rural and agricultural in character, but the latter half of the 20th century had steady growth, which the metropolitan area still experiences today.

McAllen is often referred to as the retail center of Southern Texas and Northern Mexico. In fact, the region's La Plaza Mall makes the most sales per square foot than any other shopping mall in the country. McAllen has seen year-over-year job growth of around 2.5 percent, but the area's unemployment rate is higher than the national average.

Education and health services make up two of the largest employment sectors in McAllen thanks to top employers like the McAllen Independent School District, South Texas College, the University of Texas-Rio Grande Valley, McAllen Medical Center and Rio Grande Regional Hospital. There are also opportunities in the public sector, including with the City of McAllen. Other major employers include BBVA Compass Bank, IBC Bank and GE Engines. Sites of architectural and cultural significance include the Rio Grande Speedway, the International Museum of Art and Science, Quinta Mazatlan and McAllen Botanical Gardens as well as the thriving downtown McAllen.



	1 84:1-	7 8411-	E Mile
	1 Mile	3 Mile	5 Mile
Population:			
2023 Projection	16,036	114,620	258,198
2018 Estimate	15,106	108,472	243,816
2010 Census	13,322	98,710	218,694
Growth 2018-2023	6.16%	5.67%	5.90%
Growth 2010-2018	13.39%	9.89%	11.49%
2018 Population Hispanic Origin	11,623	93,028	214,712
2018 Population by Race:			
White	14,095	101,916	231,519
Black	254	1,604	2,966
Am. Indian & Alaskan	98	651	1,478
Asian	503	3,455	6,229
Hawaiian & Pacific Island	5	68	139
Other	151	778	1,484
U.S. Armed Forces:	0	28	96
Households:			
2023 Projection	6,019	36,621	79,623
2018 Estimate	5,692	34,757	75,401
2010 Census	5,139	32,156	68,734
Growth 2018 - 2023	5.74%	5.36%	5.60%
Growth 2010 - 2018	10.76%	8.09%	9.70%
Owner Occupied	2,979	20,706	47,330
Renter Occupied	2,713	14,051	28,071
2018 Avg Household Income (National Avg - \$75,558)	\$80,483	\$69,254	\$67,251
2018 Med Household Income (National Avg - \$53,889)	\$54,150	\$50,145	\$47,836
2018 Households by Household Inc:			
<\$25,000	1,419	10,019	22,121
\$25,000 - \$50,000	1,237	7,316	16,979
\$50,000 - \$75,000	919	6,442	13,010
\$75,000 - \$100,000	615	3,376	7,023
\$100,000 - \$125,000	389	2,765	6,024
\$125,000 - \$150,000	249	1,582	3,734
\$150,000 - \$200,000	478	1,719	3,632
\$200,000+	387	1,538	2,877
Demographic data © CoStar 2017		,	,-



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This offering memorandum has been prepared to provide summary, unverified financial and physical 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. STRIVE 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, PCBs or asbestos, the compliance with local, 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 offering memorandum has been obtained from sources we believe to be reliable; however, STRIVE has not verified, and will not verify, any of the information contained herein, nor has STRIVE 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. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT STRIVE AGENT FOR MORE DETAILS.

## **Net Lease Disclaimer**

#### STRIVE hereby advises all prospective purchasers of Net Leased property as follows:

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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 STRIVE 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.



# **Information About Brokerage Services**



Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

#### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

#### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- · Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

#### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and
- buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

#### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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