CARRABBA'S ITALIAN GRILL

11590 RESEARCH BLVD AUSTIN, TX

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PROPERTY DETAILS

Address	11590 Research Blvd Austin, TX 78759
Year Built	1994
Rentable Area (SF)	6,528
Acreage	1.88

OFFERING SUMMARY

Purchase Price	\$3,137,808
Cap Rate	5.25%
NOI	\$164,735



NATIONAL CREDIT TENANT

Carrabba's Italian Grill is owned by parent company Bloomin' Brands, Inc. Bloomin' Brands has a Moody's Ba2 credit rating, earns more than \$4 billion annually, and has an earnings growth rate of 8.60% year over year, and has about 93,000 employees worldwide.



MARKET RENT & RENT INCREASES

The lease to Carrabba's has above average store performance, reflected by a strong rent/sales ratio of 7%. As a result, Carrabba's has established a strong position in the sub-market's casual dining market. The rent grows by 1% annually, growing the yield an investor would expect to receive over time.

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PASSIVE TRIPLE NET LEASE

The property operates under a triple net lease structure, with Carrabba's reimbursing the landlord all operating expenses, taxes, and insurance. This lease features zero landlord responsibilities, reflective of the most passive net lease investment type.



TENANT COMMITMENT & TERM

Carrabba's, which has been operating at this location since 1994, recently signed a new 15 year lease, demonstrating commitment by a premier casual dining operator to this location.

AFFLUENT AND GROWING TRADE AREA

Located in Austin, TX, an infill, high density location at the heart of the Austin MSA, which is easily accessible from the 183 Highway.The Research Blvd-Duval Rd intersection experiences over 160,000 vehicles per day. Austin is one of the fastest growing and most prosperous cities in the country, with nearly 100,000 residents and household incomes exceeding \$106,000 within 3 miles of the property.



LEASE ABSTRACT

Address	11590 Research Blvd, Austin, TX
Tenant	Carrabba's
Rentable Area (SF)	6,528
Rent Commencement	September 15, 2016
Current Lease Term	September 15, 2016 - September 30, 2031
Option Periods	4, 5-Year Options
Annual Rent*	\$164,735
Rent Increases	1% Annually
Lease Structure	NNN
Landlord Responsibilities	None
Utilities	Tenant Responsibility
Taxes	Tenant Responsibility
Insurance	Property and Commercial General Liability
ROFR	Thirty (30) Days

RENT SCHEDULE

Lease Year	Rent	Increase
Current*	\$164,735	1% Annually
Option 1 (5 Years)	\$183,790	1% Annually
Option 2 (5 Years)	FMV	1% Annually
Option 3 (5 Years)	1% Increase from Prior Year	1% Annually
Option 4 (5 Years)	1% Increase from Prior Year	1% Annually
*As of 10-01-20		







- 227 locations nationwide
- Revenue: \$687 million, 2017
- Stable earnings history and forecast

Carrabba's Italian Grill is an American restaurant chain specializing in Italian-American cuisine. Carrabba's has a broad menu, offering pastas, chicken, beef, seafood, salads, and wood-fired pizzas. Many of the original family-owned recipes are still in use today, and have been featured in cooking shows including PBS's Cucina Sicilia. According to the Food Network, 84% of respondents globally rate Italian cuisine as their favorite.

Carrabba's has distinguished itself from its competitors through a more family-friendly atmosphere and warm environment. This has proven to be successful, resulting in consistent sales-per-unit since 2015. Since 2015, Carrabba's has been a focus for Bloomin' Brand's international expansion efforts; in that year, the first Carrabba's international location opened in Brazil, rebranded as Abbraccio.





- S&P 600 and Russell 2000 component
- Annual Quarterly Earnings Growth: 8.60%
- Revenue: \$ 4.13 billion, TTM as of June 30th 2019
- Gross Profit: \$667.41 million, TTM as of June 30th, 2019

Bloomin' Brands operates four restaurant concepts through its 1,467 outlets in 20 countries, primarily in the US, where 83% of the venues are located. With franchises only accounting for 20% of the network, sales from company-owned locations are heavily represented in real estate trading activity. The leading chain is Outback Steakhouse, making up 42% of total sales, Carrabba's Italian Grill is second with 16% The remaining two brands, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar, make up 14% and 7% respectively, while Bloomin' Brands's international operations generate 11%.

Recently, several institutional investors and hedge funds decided to increase stakes in Bloomin' Brands, including BlackRock and Vanguard. They increased their positions by 114.88% and 4.71% respectively in the first quarter of 2019.

Bloomin' Brands was founded in Florida in August 1988 as Multi-Venture Partners, Inc. The company went public in 1991 as a 49-restaurant chain. The company launched Carrabba's Italian Grill in 1993, shortly after the companies international expansion began with the first Outback Steakhouse in Canada. Growth was strong and revenues eclipsed \$1 billion. Subsequently, in 1998 the company launched Roy's Restaurant, Fleming's Prime Steakhouse & Wine Bar, and Lee Roy Selman's. Most recently, Bloomin' Brands introduced Cheeseburger in Paradise in 2002.

#1 CASUAL RESTAURANT DINING BRAND OF THE YEAR













AUSTIN-ROUND ROCK MSA

Greater Austin has a diverse economy, with education and government activity being the primary sectors of employment. The five-county MSA had a gross domestic product of \$146.8 billion in 2018 (FRED), making it the 35th largest metropolitan economy in the U.S. The MSA's favorable labor market conditions have attracted many prominent companies and have pushed unemployment down to a historic low of 3.2%. The MSA's strong employment growth has encouraged significant immigration into the region since the 1990's. The MSA has historically been centered around the city of Austin and the University of Texas at Austin. Tech firms have also emerged in recent years as growth-drivers, particularly the semiconductor and software sectors. Austin is home to over 80 biotech and pharmaceutical firms. The MSA has evolved significantly from being the capital of Texas and home of University of Texas at Austin. The Austin-Round Rock MSA is home to 3 Fortune 500 company headquarters and features prominent regional offices for Apple, Google, and IBM. Dell is headquartered in the MSA as well, in Round Rock,

The MSA is anchored by the city of Austin, which has relied upon its status as the capitol of Texas to draw top employers and workers into the region.







AUSTIN, TEXAS

Austin has received many accolades recently and is considered a highly desirable city to live in. They include:

#1 in U.S. News & World Report: Best Place to Live 2017, 2018

#1 in Forbes: Cities of the Future 2016

#1 in Forbes: Next Biggest Boom Town in the U.S. 2017

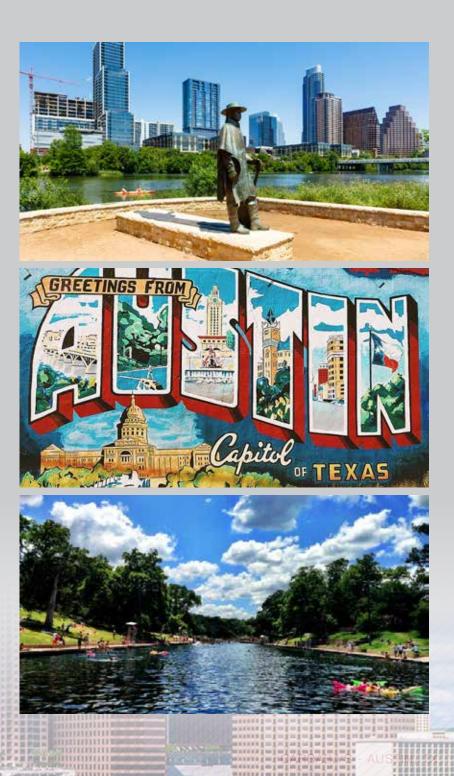
#2 in Forbes: Best Cities and Neighborhoods for Millenials

#6 by WalletHub, Best Place to Live in the Country 2017

The metropolitan area is centered on the City of Austin—the 4th largest city in Texas and the 11th largest in the United States with a population of about 1 million people. Austin's largest suburbs are Round Rock, Cedar Park, Georgetown, San Marcos and Pflugerville. Austin is currently in an expansion, reflected by a rise in rents, drop in vacancy, and strong fundamentals. A strong labor force is maintaining that expansion. Almost 90 percent of Austinites over the age of 25 have high school diplomas, while 69 percent have an associate degree or some college experience. The educated, well-off demographic base is ideal for traditional dining establishments.

Austin is also very famous and a popular tourism destination. Austin is known as the "Live Music Capital of the World", with nearly 200 venues in Austin featuring live music. Live music contributes almost \$3 billion to Austin's tourism sector, and supports almost 6,000 jobs.

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DEMOGRAPHICS

- Population growth almost 11% within 1 mile range
- High average household income of \$108,316
- Newer housing and attractive retail customer base

• A strong employer concentration and high wages have led to nearly double-digit population growth annually since 2015.

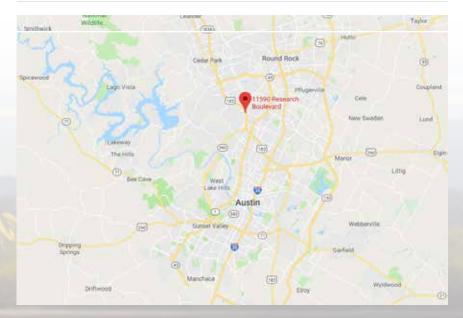
• Within a 1 mile range of the subject property, health care & social assistance is the primary employment sector. The higher wages associated with this industry make the immediate market area attractive for a retail dining establishment.

• Prominent highways nearby including Research Blvd are major arteries into the metropolitan area, with a total population of almost 800,000 people.

• The population of Austin is highly concentrated, with almost 38% of Austin's population within 5 miles of the subject property's primary access points.

• Demographically, the city of Austin skews towards highly educated and well-off professionals. Almost 90 percent of Austinites over the age of 25 have high school diplomas, while 69 percent have an associate degree or some college experience.

POPULATION			
	1 MILE	3 MILE	5 MILE
2019 Total Population	16,820	94,723	259,993
2024 Population	18,616	103,528	284,174
Pop Growth 2019–24	10.68%	9.30%	9.30%
Average Age	38.7	37	36.5
HOUSEHOLDS			
2019 Total Households	8,272	45,179	116,300
HH Growth 2019-2024	9.90%	8.88%	9.11%
Average Household Inc:	\$108,316	\$106,456	\$100,257
Median Household Inc:	\$85,706	\$76,373	\$70,003
Median Year Built	1992	1991	1989
TRANSPORTATION			
Research Blvd - Duval Rd	164,259	Vehicles Per Day	
Jollyville Rd - Duval Rd	17,131	Vehicles Per Day	





NET LEASE CAPITAL MARKETS

MATT BERRES

SAMER KHALIL

Executive Managing Director 949.608.2066 matt.berres@ngkf.com Director 949.608.2042 samer.khalil@ngkf.com

KARICK BROWN

Associate 949.608.2033 karick.brown@ngkf.com

JENI TRAN

Marketing Coordinator 949.608.2106 jtran@ngkf.com

LISPAH HOGAN, CCIM, MCR

Executive Managing Director 1700 Post Oak Blvd. 2 BLVD Place, Ste. 250 Houston, TX 77056 T 713.490.9994 Ihogan@ngkf.com License #342405

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