

GRAND OPENING MAY 1!



POPEYES

5445 ARLINGTON AVE
RIVERSIDE, CA 92504



INVESTMENT OFFERING

 LEE &
ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

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FINANCIAL OVERVIEW

OFFERING SUMMARY

ADDRESS	5445 Arlington Avenue Riverside, CA 92504
PRICE	\$2,833,000
DOWN PAYMENT	100%
RENTABLE SQUARE FEET	±2,163 SF
CAP RATE	4.50%
YEAR BUILT	2020
LOT SIZE	±0.58 Acres
TYPE OF OWNERSHIP	Fee Simple



TENANT SUMMARY

TENANT TRADE NAME	Popeyes
OWNERSHIP	Public
LEASE GUARANTOR	Franchisee
LEASE TYPE	Absolute NNN
ROOF & STRUCTURE	Tenant Responsible
ORIGINAL LEASE TERM	Fifteen (15) Years
RENT COMMENCEMENT DATE	April 28th 2020
LEASE EXPIRATION DATE	April 27th 2035
TERM REMAINING ON LEASE	Fifteen (15) Years
INCREASES	10% Every 5-Years
OPTIONS TO RENEW	(2) 5-Year Options
RIGHT OF FIRST REFUSAL	No

ANNUALIZED OPERATING DATA

RENT INCREASES	ANNUAL RENT	MONTHLY RENT
YEARS 1-5	\$127,500	\$10,625.000
YEARS 6-10	\$140,250	\$11,687.50
YEARS 11-15	\$154,275	\$12,856.25
YEARS 16-20 (OPTION 1)	\$169,702.56	\$14,141.88
YEARS 21-25 (OPTION 2)	\$186,672.84	\$15,556.07

4.50%
CAP RATE

\$127,500
BASE RENT

TENANT OVERVIEW



POPEYES LOUISIANA KITCHEN, INC.

Founded in New Orleans in 1972, Popeyes Louisiana Kitchen, Inc., (Nasdaq: PLKI), is one of the largest quick service restaurant chains in the world; with more than 2,600 restaurants in the U.S. and around the world. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp, and other regional items. The chain's parent company, Restaurant Brands International Inc. ("RBI") (NYSE: QSR), operates over 24,000 restaurants in more than 100 countries with more than \$30 billion in system-wide sales. RBI owns three of the world's most prominent and iconic quick service restaurants brands - Tim Hortons, Burger King, and Popeyes.

ABOUT THE TENANT

The tenant, Karas Food Inc, is a rapidly expanding Popeye's Franchisee in Southern California. Karas Food, Inc. has a proven record of success and currently operates 11 Popeye's locations.

In addition, the company operates multiple brands, Broken Yolk (Breakfast Concept), Rallys, and will be opening his first donut concept, Cronuts, in the spring of 2020. All of Karas Food's restaurants are located in Southern California.

PROPERTY NAME	Popeyes
PROPERTY ADDRESS	5445 Arlington Avenue Riverside, CA 92504
PROPERTY TYPE	Net Lease Quick Service Restaurant
PARENT COMPANY	Restaurant Brands International, Inc. ("RBI")
OWNERSHIP	Public
LEASE GUARANTOR	Franchisee
STOCK SYMBOL	PLKI
BOARD	NASDAQ
NO. OF LOCATIONS	2,700+
HEADQUARTERED	Dunwoody (Atlanta), GA
WEBSITE	www.popeyes.com
YEARS IN THE BUSINESS	Since 1972

EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

- Brand New 2020 Construction
- 15-Year Absolute NNN Lease (Zero Landlord Responsibilities)
- 10% Rental Increases Every 5 Years
- Located on Arlington Avenue with Traffic Counts exceeding 20,000 Cars Per Day
- High Growth Area with Dense Demographics- 7% Expected Population Growth Over the Next 5-Years
- Strong Operator with one of the fastest growing Franchisee's in the Inland Empire
- Expected Store Sales to exceed national average
- Hedge against Inflation with scheduled Base Rent Increases through 2035.
- Excellent Frontage and Visibility with next to newly remodeled McDonalds, new Taco Bell, and other ground up developed food concepts



**LONG TERM ABSOLUTE
NNN LEASE**
15YRS
REMAINING IN
PRIMARY TERM



**RENTAL
INCREASES**
10%
EVERY (5)
YEARS



**NEW
CONSTRUCTION**
2020
PROJECT
COMPLETED



AERIAL PHOTO



**HIGH INCOME
NEIGHBORHOOD**
\$67,803
AHHI 1 MILE
RADIUS



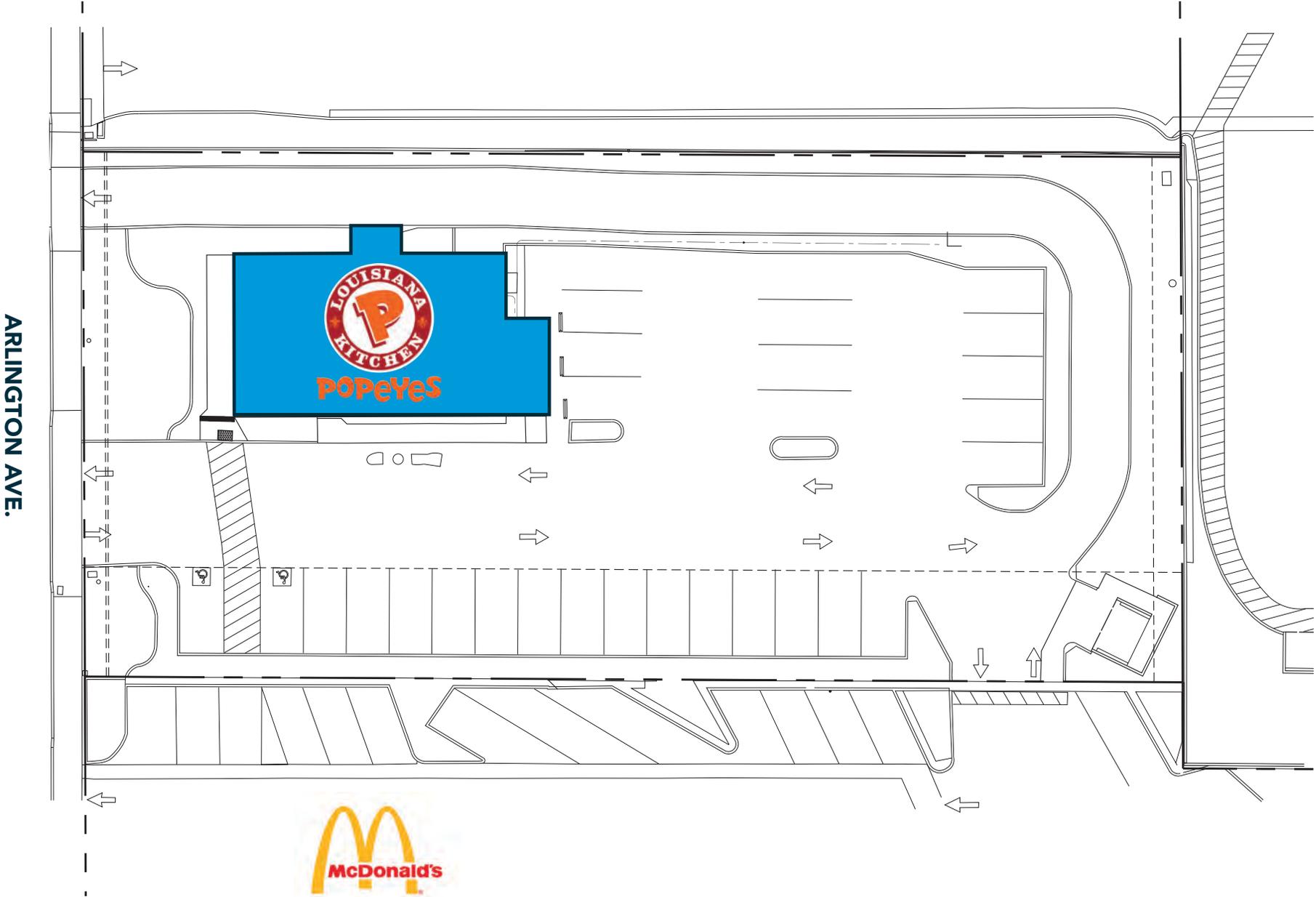
**TOTAL POPULATION
EXCEEDS**
136,420
WITHIN A
3 MILE RADIUS



**DAYTIME DAILY
TRAFFIC VOLUME**
20,577
VEHICLES PER
DAY



SITE PLAN



No warranty or representation has been made to the accuracy of the foregoing information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

MARKET OVERVIEW

Riverside, California

Riverside is a city in, and the county seat of, Riverside County, California, United States, located in the Inland Empire metropolitan area. It is named for its location beside the Santa Ana River. It is the most populous city in the Inland Empire and in Riverside County, and is located about 55 miles (89 km) east of downtown Los Angeles. It is also part of the Greater Los Angeles area. Riverside is the 59th most populous city in the United States and 12th most populous city in California. As of the 2010 Census, Riverside had a population of 303,871.

Riverside was founded in the early 1870s. It is the birthplace of the California citrus industry and home of the Mission Inn, the largest Mission Revival Style building in the United States. It is also home to the Riverside National Cemetery.

The University of California, Riverside, is located in the northeastern part of the city. The university also hosts the Riverside Sports Complex. Other attractions in Riverside include the Fox Performing Arts Center, Riverside Metropolitan Museum, which houses exhibits and artifacts of local history, the California Museum of Photography, the California Citrus State Historic Park, and the Parent Washington Navel Orange Tree, the last of the two original navel orange trees in California.

**CENSUS POPULATION
ESTIMATE (2018)**

330,063

**2018 CITY RANK BY
POPULATION IN CA**

12TH

**2018 CITY RANK BY
POPULATION IN THE US**

58TH

TOP EMPLOYERS NEARBY

COUNTY OF RIVERSIDE
UNIVERSITY OF CALIFORNIA, RIVERSIDE
RIVERSIDE UNIFIED SCHOOL DISTRICT
KAISER PERMANENTE
CITY OF RIVERSIDE
RIVERSIDE COMMUNITY HOSPITAL
FLEETWOOD ENTERPRISES INC.
RIVERSIDE COMMUNITY COLLEGE DISTRICT
RIVERSIDE COUNTY OFFICE OF EDUCATION

IN THE NEWS



Popeyes' chicken sandwich boosts growth despite coronavirus

Popeyes reported 26% growth in the first quarter — driven by its hugely popular fried chicken sandwich — despite coronavirus lockdowns across the country, Bloomberg reports.

The big picture: The trend wasn't universal across the fast-food world. <https://www.axios.com/popeyes-chicken-sandwich-sales-coronavirus-2d90fd99-384b-4511-8c9c-80f3adfb51a.html>

Popeyes' same-store sales up more than 40% in third week of May

“Sequential improvement in comparable sales in our home markets has primarily been driven by the continued strength of our safe and convenient drive-thrus; the acceleration of our digital platforms, particularly in home delivery; growth in group orders and family bundles as an attractive and affordable dining option; and an overall improvement in guest perception of how our restaurant brands have positively responded to this crisis,” the company said.

<https://www.nrn.com/quick-service/popeyes-same-store-sales-more-40-third-week-may>

IN THE NEWS, CONT.



Popeyes an early hit in China

The launch of Popeyes Louisiana Kitchen in China was the most successful for a new market entry in the brand's 48-year history, according to parent company Restaurant Brands International (NYSE:QSR). The QSR update confirms widely-distributed social media posts of long lines at a Popeyes location in Shanghai. It was estimated that patrons waited up to 5 hours in line to enter the store. The long-term plan is for the company to have 1,500 Popeyes locations in China.

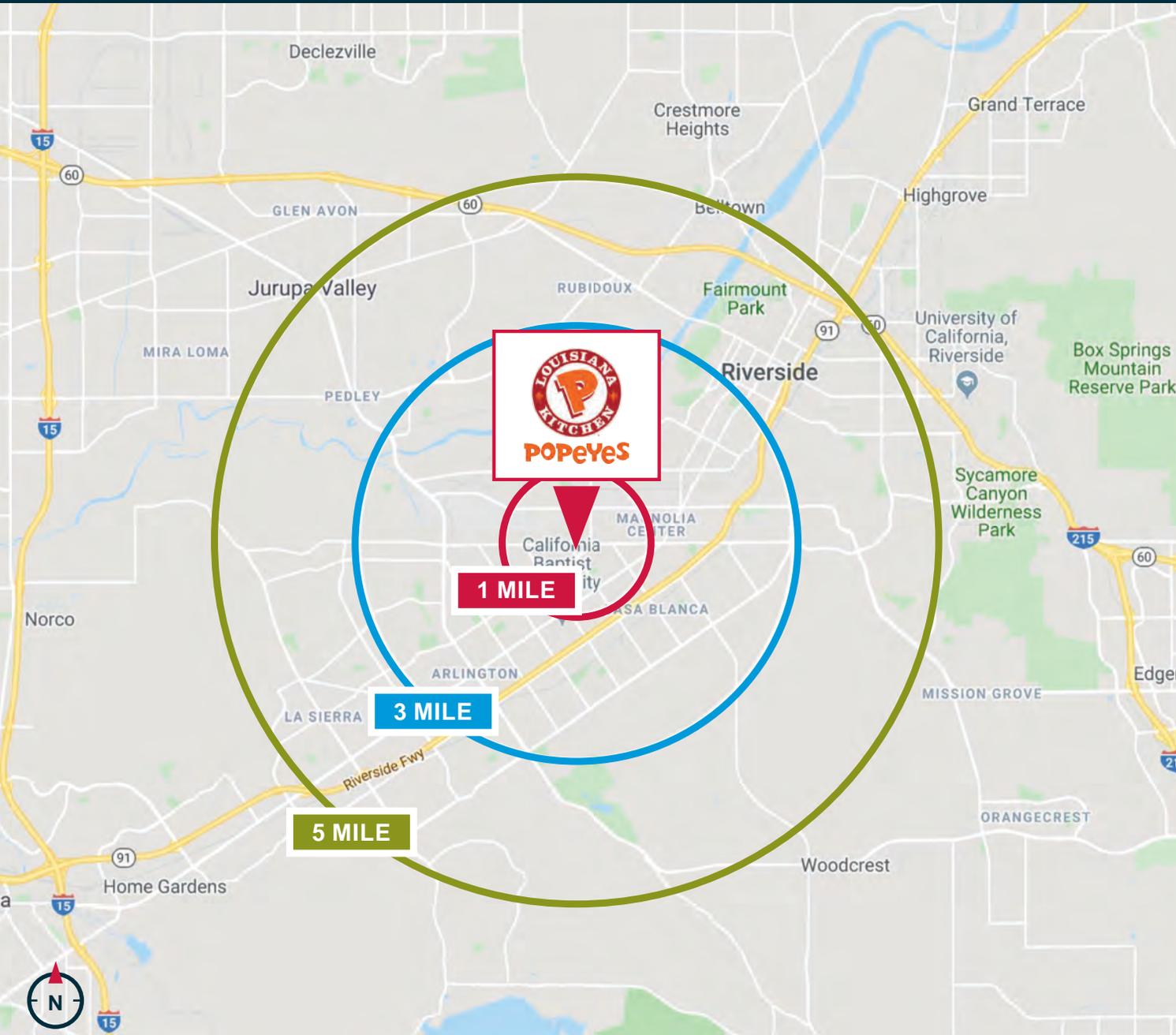
<https://seekingalpha.com/news/3576908-popeyes-early-hit-in-china>

Popeyes' chicken sandwich sends sales through the roof

Restaurant Brands International, which owns Popeyes, Burger King and Tim Hortons, reported Monday that sales at all Popeyes restaurants jumped about 42% to \$1.3 billion in the last three months of 2019 compared to the same period a year before. At Popeyes restaurants open at least 17 months, sales jumped 34%.

<https://www.cnn.com/2020/02/10/business/popeyes-chicken-sandwich/index.html>

DEMOGRAPHIC REPORT



**MEDIAN HH
INCOME**

\$67K+

3 MILE RADIUS



**DAYTIME
POPULATION**

88K+

3 MILE RADIUS

DAYTIME POPULATION

1 MILE	3 MILE	5 MILE
11,109	88,672	195,624



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