

Marcus & Millichap

THE IACONO TEAM

Popeyes (New Construction) Offering Memorandum

1228-1242 NJ-36, Hazlet, NJ 07730



Rep Photo

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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 Marcus & Millichap Real Estate Investment Services 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.

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INVESTMENT OVERVIEW

SECTION

01

FINANCIAL OVERVIEW

02

LOCATION OVERVIEW

03

EXCLUSIVELY LISTED BY

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New Jersey Broker of Record

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License: 1434917



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INVESTMENT OVERVIEW

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THE IACONO TEAM

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| | | |
|--------------------|--------------|-----------------|
| OFFERING PRICE | CAP RATE | TERM REMAINING |
| \$2,400,000 | 5.00% | 20 Years |

Vital Data

| | |
|----------------------|---------------|
| Price | \$2,400,000 |
| Cap Rate | 5.00% |
| Price / SF | \$960.00 |
| Rent / SF | \$48.00 |
| Net Operating Income | \$120,000 |
| Gross Leasable Area | 2,500 Sq. Ft. |
| Year Built | 2020 |
| Lot Size | 1.50 Acres |
| Lease Type | NNN |



LOCATION HIGHLIGHTS



1228-1242 NJ-36
Hazlet, NJ 07730



130,372
5-Mile Population



\$127,076
5-Mile Average Household Income



35,099
Vehicles Per Day



Close Proximity to Jersey
Shore Beaches and Attractions

The Iacono Team at Marcus and Millichap is pleased to present a Popeyes in Hazlet, NJ. The property is currently under construction and is expected to open on October 15, 2020. The investment will be subject to a brand new 20-year NNN lease which will commence upon the close of escrow. The lease will feature 8.5% rental increases every five years throughout the base term and option periods.

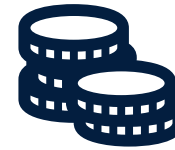
Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. This unique and flavorful food has allowed Popeyes to become one of the world's largest chicken quick service restaurants, with over 3,100 restaurants in the U.S. and around the world. In March 2017, Popeyes was acquired by Restaurant Brands International. Restaurant Brands International is also the parent company to Burger King and Tim Hortons. Popeyes has had continued success throughout the COVID-19 pandemic with same store sales rising 24.8% during Q2 2020.

The property is situated on a major thoroughfare with excellent visibility. The area is heavily trafficked with more than 35,000 vehicles per day. National retailers nearby include Walgreens, Wawa, PNC Bank, Taco Bell, AutoZone, Wawa, Stop & Shop, Home Depot, Dunkin Donuts and many more. The property is strategically positioned near many Jersey Shore beaches and attractions including Keyport Yacht Club, Keansburg Amusement Park, Union Beach Pier, Sandy Hook beach and more. There are numerous schools in the immediate vicinity of the property with more than 1,600 students. Other traffic drivers include Best Western, Holiday Inn, numerous religious worship facilities, City Hall, Senior Citizen Centers and more. Hazlet is extremely affluent with the average household income exceeding \$127,000. The area is also densely populated with more than 130,000 residents in five miles.

Investment Highlights

- Brand New Construction | Est. Opening Date is October 15, 2020
- 20 Year NNN Sale Leaseback
- 8.5% Rent Increases Every 5 Years in Base Term and Options
- High Traffic Counts | 35,099 VPD
- Excellent Demographics | Over 138,000 People in Five Miles
- Affluent Area | Average Household Income Exceeds \$127,000
- Strong Brand Recognition | Same Store Sales Rose 24.8% in Q2 2020
- Strategic Location Near Jersey Shore Beaches and Attractions
- Many National Retailers Nearby Including Walgreens, Wawa, PNC Bank, Taco Bell, 7-Eleven, Stop & Shop, Home Depot and more





2019 REVENUE: \$3.7B

*Forbes



FOUNDED IN:
1972



3,100+
LOCATIONS



PARENT COMPANY:
RESTAURANT BRANDS
INTERNATIONAL



Founded in 1972, Popeyes has more than 40 years of history and culinary tradition. Popeyes distinguishes itself with a unique New Orleans style menu featuring spicy chicken, chicken tenders, fried shrimp and other regional items. This unique and flavorful food has allowed Popeyes to become one of the world's largest chicken quick service restaurants, with over 3,100 restaurants in the U.S. and around the world. In March 2017, Popeyes was acquired by Restaurant Brands International. Restaurant Brands International is also the parent company to Burger King and Tim Hortons. The Popeyes brand has remained strong throughout the pandemic with same store sales rising 24.8% during Q2 2020.

AR Group of Restaurants will be operating the Popeyes Hazlet location. The company is headquartered in New Jersey and operates more than 80 locations.



FINANCIAL OVERVIEW

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| Offering Summary | |
|----------------------|--------------------------------------|
| Property Address | 1228-1242 NJ-36, Hazlet, NJ 07730 |
| Price | \$2,400,000 |
| Net Operating Income | \$120,000 |
| Cap Rate | 5.00% |
| Price / SF | \$960.00 |
| Rent / SF | \$48.00 |

| Property Description | |
|----------------------|---------------|
| Year Built | 2020 |
| Gross Leasable Area | 2,500 Sq. Ft. |
| Lot Size | 1.50 acres |
| Type of Ownership | Fee Simple |

| Annualized Operating Data | | | |
|---------------------------|-------------|--------------|---------|
| Year | Annual Rent | Monthly Rent | Rent/SF |
| Years 1-5 | \$120,000 | \$10,000 | \$48.00 |
| Years 6-10 | \$130,200 | \$10,850 | \$52.08 |
| Years 11-15 | \$141,267 | \$11,772 | \$56.51 |
| Years 16-20 | \$153,275 | \$12,773 | \$61.31 |
| Option 1 | \$166,303 | \$13,859 | \$66.52 |
| Option 2 | \$180,439 | \$15,037 | \$72.18 |
| Option 3 | \$195,776 | \$16,315 | \$78.31 |
| Option 4 | \$212,417 | \$17,701 | \$84.97 |

| Lease Summary | |
|-------------------------|-------------------------------|
| Property Subtype | Net Leased Restaurant |
| Tenant | Popeyes |
| Lease Type | NNN |
| Guarantor | Personal Guarantee |
| Rent Commencement | Upon Close of Escrow |
| Lease Term | 20 Years |
| Renewal Options | Four 5-Year |
| Rent Increases | 8.5% Every 5 Years |
| Landlord Responsibility | None |
| Tenant Responsibility | Taxes, Maintenance, Insurance |
| Right of First Refusal | Yes |



LOCATION OVERVIEW

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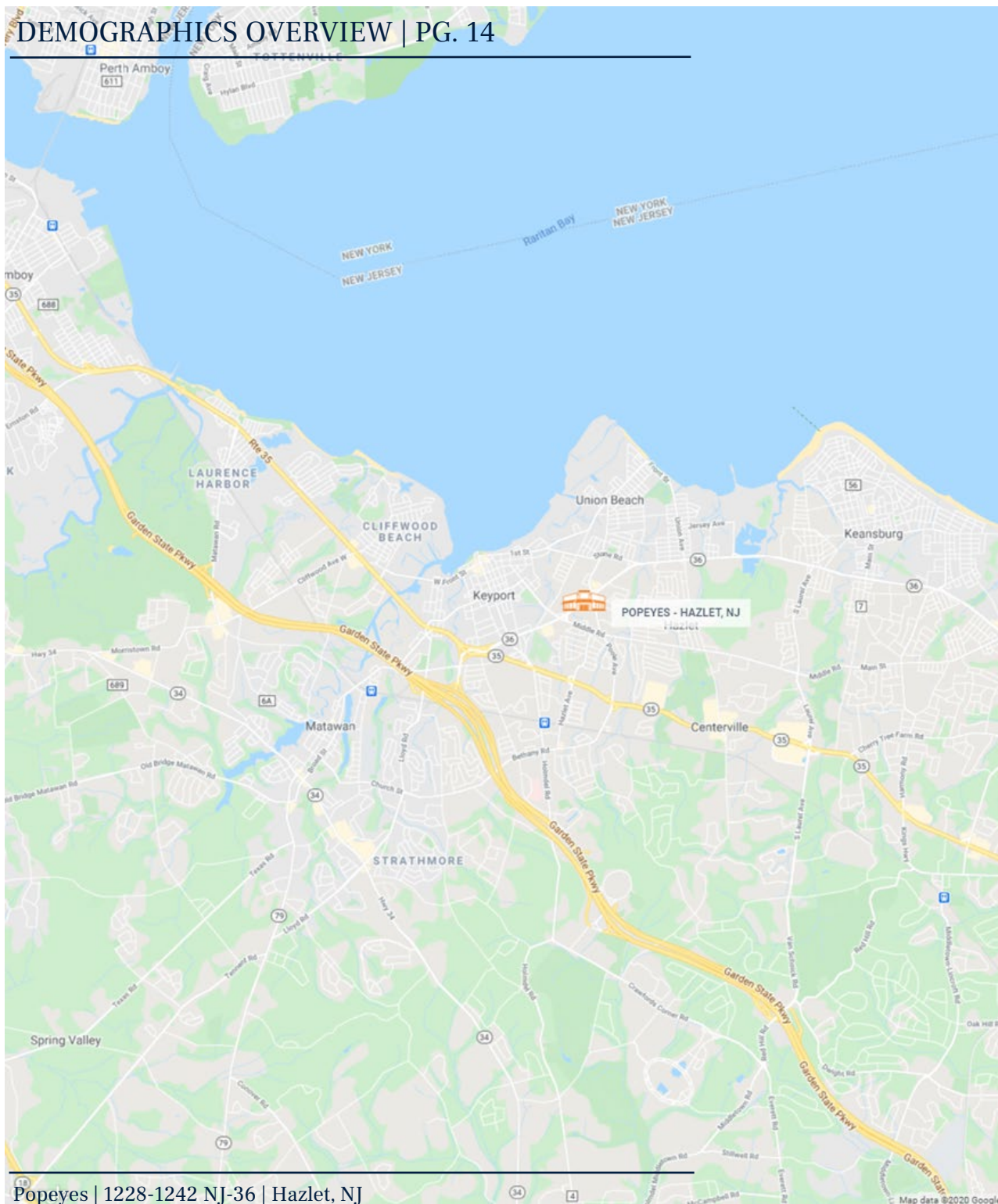
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1228-1242 NJ-36, Hazlet, NJ 07730









Demographics Summary

| | 1 Miles | 3 Miles | 5 Miles |
|-----------------------------|-----------|-----------|-----------|
| POPULATION | | | |
| 2024 Projection | 14,829 | 67,014 | 130,495 |
| 2019 Estimate | 14,902 | 67,505 | 130,372 |
| 2010 Census | 15,080 | 68,554 | 130,953 |
| 2000 Census | 15,767 | 69,839 | 129,992 |
| INCOME | | | |
| Average | \$99,828 | \$118,089 | \$127,076 |
| Median | \$79,130 | \$86,968 | \$93,848 |
| Per Capita | \$36,444 | \$43,431 | \$46,210 |
| HOUSEHOLDS | | | |
| 2024 Projection | 5,409 | 24,707 | 47,526 |
| 2019 Estimate | 5,413 | 24,740 | 47,274 |
| 2010 Census | 5,456 | 24,993 | 47,235 |
| 2000 Census | 5,598 | 24,684 | 45,606 |
| HOUSING | | | |
| 2019 | \$303,812 | \$325,133 | \$347,794 |
| EMPLOYMENT | | | |
| 2019 Daytime Population | 10,338 | 49,387 | 100,765 |
| 2019 Unemployment | 4.29% | 3.83% | 3.92% |
| 2019 Median Time Traveled | 36 | 38 | 40 |
| RACE & ETHNICITY | | | |
| White | 86.76% | 81.86% | 81.96% |
| Native American | 0.02% | 0.02% | 0.03% |
| African American | 3.50% | 4.82% | 4.47% |
| Asian/Pacific Islander | 2.90% | 7.18% | 8.46% |

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