



ACTUAL PHOTO

9109 PARKWAY EAST, BIRMINGHAM, AL 35206

Marcus & Millichap

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Papa John's Master Leased Multi Tenant Property in Birmingham, Alabama. Situated on busy Parkway East with traffic counts exceeding 21,000 Vehicles per day, Papa John's boasts strong sales at this location. An investor can purchase this net leased asset for below replacement cost and realize a strong return with minimal down side as the tenant is paying less than \$8 per square foot in rent. Retailers in the immediate area include Walmart, CVS Pharmacy, Dollar General, Harbor Freight Tools, Planet Fitness and BBVA Bank.

Papa John's Pizza is an American restaurant company. It runs the third largest take-out and pizza delivery restaurant chain in the world, with headquarters in Jeffersontown, Kentucky, a suburb of Louisville.

Its slogan is "Better Ingredients. Better Pizza. Papa John's." Internationally, there are over 5,199 Papa John's establishments, including 4,456 franchised restaurants operating domestically in the U.S. and the remainder spread among 44 other countries and territories. In September 2012, Papa John's Pizza opened its 4,000th restaurant, in New Hyde Park, New York.

INVESTMENT HIGHLIGHTS

- Papa John's Absolute NNN Master Leased (No Landlord Responsibility) Multi Tenant Shopping Center
- Strong Sales at this Location | Very Low Rent of less than \$8 Per Square Foot
- Large 5,650 Square Foot Net Leased Shopping Center | Priced Below Replacement Cost at \$121 Per Square Foot
- Less than 5 Miles from (Ten Minute Drive) from Birmingham-Shuttlesworth International Airport with 3 Million Travelers in 2019
- Strong Guarantee | Multi Unit Papa John's Franchisee
- Located on Busy Parkway East with Traffic Counts Exceeding 21,000 Vehicles Per Day
- Papa John's is an Essential Tenant and is Experiencing Very Strong Sales Throughout the Covid Pandemic



THE OFFERING



PROPERTY DETAILS

Lot Size	19,602 SF (0.45 Acres)
Rentable Square Feet	5,650 SF
Price/SF	\$121.44
Year Built	1970

FINANCIAL OVERVIEW

List Price	\$686,153
Down Payment	100% / \$686,153
Cap Rate	6.50%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
4/1/2019 - 3/31/2024 (CURRENT)	\$3,716.66	\$44,599.92
4/1/2024 - 3/31/2029 (OPTION 1)	\$4,099.99	\$49,199.91
4/1/2029 - 3/31/2034 (OPTION 2)	\$4,509.99	\$54,119.90
Base Rent (\$7.89 / SF)		\$44,600
Net Operating Income		\$44,599.92
TOTAL ANNUAL RETURN	CAP 6.50%	\$44,600

LEASE ABSTRACT

Tenant Trade Name	Papa Johns
Tenant	Franchisee
Ownership	Private
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Term	30 Years
Lease Commencement Date	01/20/1994
Rent Commencement Date	01/20/1994
Expiration Date of Base Term	03/31/2024
Increases	15% Every Five Years
Options	Two Five-Year Options
Term Remaining on Lease	4+ Years
Property Type	Net Leased Restaurant
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal	Yes







Sales Volume	\$1.78+ Billion (2017)
Rating Agency	Standard & Poor's
Board	NASDAQ
HQ	Jefferson, Kentucky
Number of Locations	5,199+ (2017)

Driven to be the best. Better Ingredients. Better Pizza.

The secret to success is much like the secret to making a better pizza - the more you put into it, the more you get out of it. We're as hungry for perfection today as we were when we first opened our doors more than 30 years ago. And we're driven to be the best at making innovative new products and recipes.

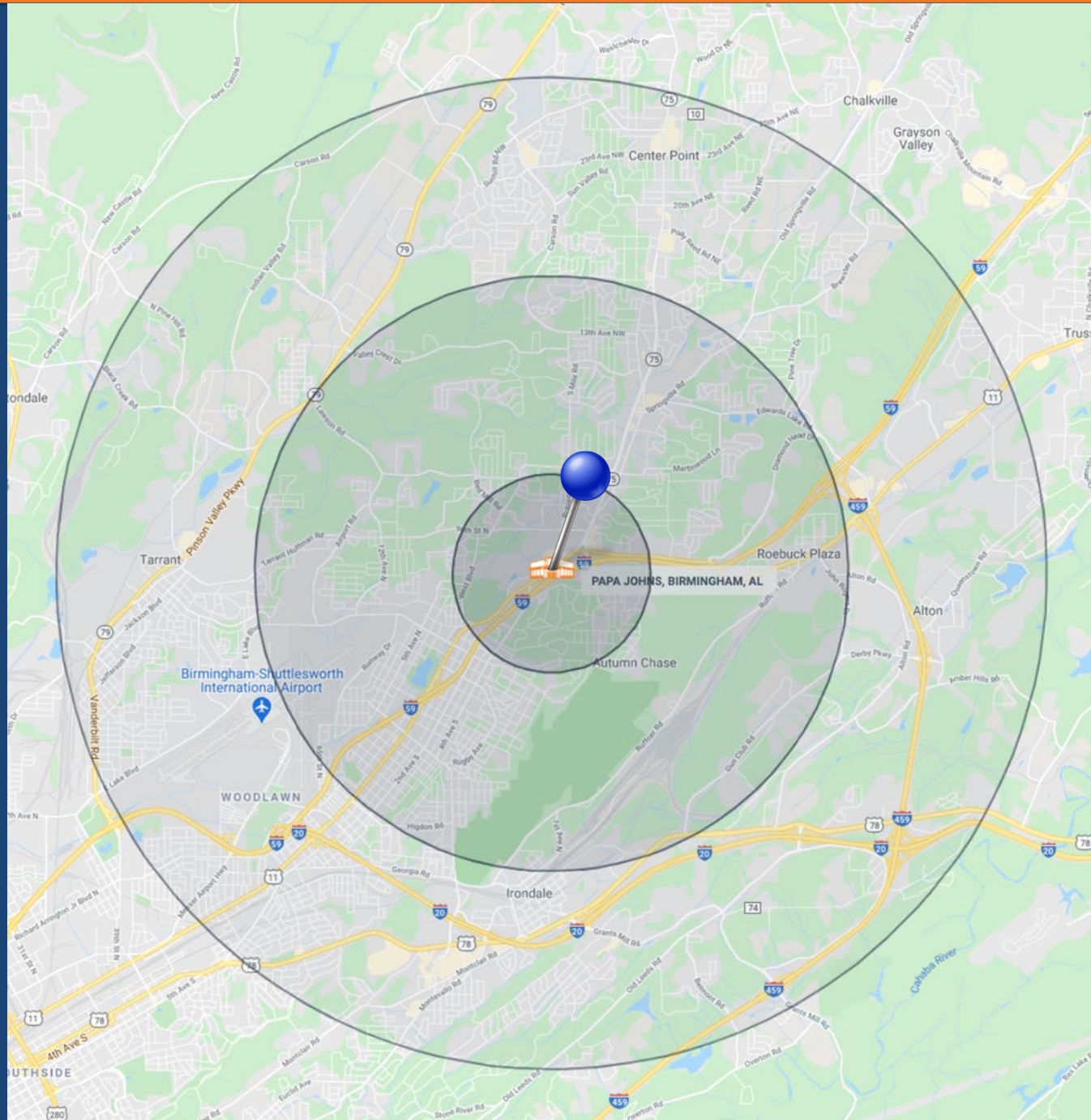
Quality is at our core. It's the foundation we started with, from the first Papa John's pizza that was made in a broom closet in Jeffersonville, IN, to now more than 4,700 locations in 37 countries around the world.

Whether it's our signature sauce, toppings, our original fresh dough, or even the box itself, we invest in our ingredients to ensure that we always give you the finest quality pizza.

For you, it's not just a better pizza. It's a family gathering, memorable birthday, work celebration or simply a great meal. It's our goal to make sure you always have the best ingredients for every occasion.



	1 Miles	3 Miles	5 Miles
POPULATION			
2025 Projection	4,417	38,310	104,013
2020 Estimate	4,538	39,265	105,651
2010 Census	4,721	40,656	108,221
2000 Census	5,228	45,646	117,754
INCOME			
Average	\$65,024	\$54,933	\$62,517
Median	\$49,587	\$43,163	\$45,861
Per Capita	\$26,241	\$21,224	\$24,690
HOUSEHOLDS			
2025 Projection	1,795	14,737	41,072
2020 Estimate	1,831	15,040	41,479
2010 Census	1,911	15,666	42,647
2000 Census	2,103	18,004	46,661
HOUSING			
2020	\$114,866	\$98,132	\$121,949
EMPLOYMENT			
2020 Daytime Population	3,777	29,074	100,777
2020 Unemployment	3.18%	3.41%	3.36%
2020 Median Time Traveled	28	26	26
RACE & ETHNICITY			
White	32.50%	20.33%	30.29%
Native American	0.01%	0.04%	0.07%
African American	63.07%	76.02%	64.39%
Asian/Pacific Islander	0.89%	0.46%	0.75%



GEOGRAPHY: 5 MILE



POPULATION

In 2019, the population in your selected geography is 105,651. The population has changed by -10.28% since 2000. It is estimated that the population in your area will be 104,013.00 five years from now, which represents a change of -1.55% from the current year. The current population is 46.12% male and 53.88% female. The median age of the population in your area is 36.94, compare this to the US average which is 38.21. The population density in your area is 1,345.13 people per square mile.



HOUSEHOLDS

There are currently 41,479 households in your selected geography. The number of households has changed by -11.11% since 2000. It is estimated that the number of households in your area will be 41,072 five years from now, which represents a change of -0.98% from the current year. The average household size in your area is 2.51 persons.



INCOME

In 2019, the median household income for your selected geography is \$45,861, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 29.75% since 2000. It is estimated that the median household income in your area will be \$53,878 five years from now, which represents a change of 17.48% from the current year.

The current year per capita income in your area is \$24,690, compare this to the US average, which is \$34,935. The current year average household income in your area is \$62,517, compare this to the US average which is \$90,941.



RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 30.29% White, 64.39% Black, 0.07% Native American and 0.75% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 4.60% of the current year population in your selected area. Compare this to the US average of 18.38%.



HOUSING

The median housing value in your area was \$121,949 in 2019, compare this to the US average of \$221,068. In 2000, there were 31,680 owner occupied housing units in your area and there were 14,981 renter occupied housing units in your area. The median rent at the time was \$405.



EMPLOYMENT

In 2019, there are 48,130 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.59% of employees are employed in white-collar occupations in this geography, and 38.35% are employed in blue-collar occupations. In 2019, unemployment in this area is 3.36%. In 2000, the average time traveled to work was 26.00 minutes.

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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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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

Marcus & Millichap

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