



MID-AMERICA®



2 HAWES WAY | STOUGHTON, MA

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*For more information, contact:*

## **WES KOONTZ**

Mid-America Real Estate Corp.  
SVP, Net Lease Director  
Direct: 630.954.7395  
WKoontz@MidAmericaGrp.com

## **SCOTT BLACK**

The Dartmouth Company  
Licensed MA Broker  
Direct: 617-369-5902  
sblack@dartco.com



# INVESTMENT OVERVIEW





# INVESTMENT OVERVIEW

## SUBJECT OFFERING

Mid-America Real Estate Corporation, in cooperation with The Dartmouth Company, a licensed Massachusetts broker, is pleased to present TGI Fridays located at 2 Hawes Way in Stoughton, Massachusetts. The site is located approximately 18 miles south of downtown Boston. The property is positioned at a signalized hard corner outlot within the Shoppes at Page Pointe, a retail development anchored by Target and LA Fitness. Stoughton is a dense and affluent suburban community of Boston, where there are 152,000 residents in a five-mile radius that have an average household income of \$106,000. The subject offering is comprised of a 5,900 square foot retail building situated on a large 3.03-acre parcel. TGI Fridays has occupied this site for over 12 years and recently extended their ground lease in 2020 for an additional 10 years of term, demonstrating a strong commitment to the site. The asset's location in a dense and affluent suburban community at a signalized hard corner with excellent traffic exposure, combined with TGI Fridays long-term history at the site and recent 10-year lease extension, make it an excellent net lease investment opportunity.

## PROPERTY DETAILS

**Price:** \$4,088,000

**Lease Type:** Ground Lease

**Square Footage:** 5,900 SF

**Cap Rate:** 6.85%

**Term Remaining:** 13 Years

**Lot Size:** 3.03 Acres

**Annual Rent:** \$280,000

**Rent Increases:** 10% at Year 8

**Year Built:** 2008



# INVESTMENT FEATURES

## **CORPORATE GROUND LEASE WITH DESIRABLE INCREASES AND RARE LEASE EXTENSION DURING COVID PANDEMIC**

TGI Fridays is subject to a corporate ground lease, providing investors with a stronger restaurant operator and financial backing than traditional TGI Fridays franchisees. There are strong 10% rental increases in Year 8 during the primary term and in each 5-year option period. This lease structure serves to increase the average yield of the investment during the primary term and options terms, while hedging against inflation. In the beginning of 2021, the lease was extended for an additional 10 years of term, increasing the firm term remaining on the lease to approximately 13 years. Overall, this demonstrates the company's commitment to this location, despite the ongoing COVID pandemic.

## **AFFLUENT AND DENSELY POPULATED TRADE AREA**

The subject offering is prominently located in the dense and affluent suburban community of Stoughton, in the Boston MSA. Within 5 miles of the site, there are 152,000 residents with an average household income of \$105,000. Closer in within 3 miles, there are more than 60,000 residents with an average household income exceeding \$100,000. These attractive demographics make the property well poised to hold long term value for TGI Friday and the new owner.

## **ADAPTABLE REAL ESTATE PROVIDES LONG-TERM VALUE**

The subject offering is comprised of a 5,900 square foot, free-standing retail building situated on a large 3.03-acre outparcel. The property is situated at a heavily trafficked signalized hard corner and has over 440 feet of frontage along Turnpike Street. The building size can accommodate a variety of different tenants, which provides numerous backfill options. The large parcel allows for development of the site with multiple free-standing buildings. The property provides investors with tremendous upside potential and the ability to redevelopment the property.

## **DESIRABLE RETAIL LOCATION IN A STRONG REGIONAL TRADE AREA**

The site is an outlet to the Shoppes at Page Pointe, a well positioned Target and LA Fitness anchored retail development. The trade area is home to countless national retailers such as IKEA, Costco, BJ's Wholesale, Home Depot, Kohl's, Floor & Décor, and Bob's Discount Furniture. The mix of premier national retailers, including IKEA and Costco creates a strong attraction to the trade area from well beyond Stoughton.

## **SIGNALIZED HARD CORNER WITH EXCELLENT TRAFFIC, VISIBILITY AND CLOSE PROXIMITY TO MAJOR ARTERIAL ROUTE**

The site is situated at the signalized, hard corner of Hawes Way and Turnpike Street, which is the only entrance to the Shoppes at Page Pointe, a retail development anchored by Target and LA Fitness. This intersection is heavily trafficked with approximately 32,000 vehicles passing through daily. Furthermore, the property is located less than 1/8 of a mile from a major arterial interchange on State Route MA-24. This arterial route has a traffic count over 112,000 vehicles per day and provides convenient access to the trade area, including the TGI Friday property. The site has excellent visibility to customers traveling east and west on Turnpike Street, which is the main thoroughfare through this busy retail trade corridor. Overall, the property is well positioned to capture customers traveling to downtown Boston or Providence from the surrounding residential communities as well as visiting the trade area.

## **LONG-TERM HISTORY AT SITE WITH LIMITED COMPETITION FROM NATIONAL RESTAURANT CHAINS**

TGI Fridays has resided at this location since 2008, establishing a strong customer base over the last 12 years. This location is the only national casual restaurant chain located west of State Route MA-24 in the trade area, providing TGI Fridays with a strong competitive advantage and minimal competition. TGI Fridays is one of the most recognizable casual bar and grill restaurant chains, with 860 locations in more than 55 countries, including 336 locations across the United States.



# RETAIL TRADE AREA





# TRADE AREA





# SITE AERIAL





# LEASE / FINANCIAL SUMMARY





# LEASE ABSTRACT

**Lessee:** TGI Friday's Inc

**Address:** [2 Hawes Way, Stoughton, Massachusetts](#)

**Lease Type:** Ground Lease

**Annual Rent:** \$280,000

**Rent Increases:** 10% at Year 8

**Term Remaining:** 13 Years

**Lease Expiration Date:** 10/31/2033

**Options:** Two (2) – Five (5) Year Options

**Option Rent Increases:** ~10% Every 5 Years

**Year Built:** 2008

**Building Size:** 5,900 SF

**Land Area:** 3.03 Acres

**Taxes:** Tenant shall pay directly

**Utilities:** Tenant shall pay directly

**Percentage Rent:** 3% of Gross Sales in excess of the breakeven point for each calendar year

**Tenant Insurance:** Tenant maintains insurance

**Landlord Insurance\*:** Landlord maintains insurance and is reimbursed by Tenant

**Estoppel:** Within twenty (20) days after written request

**CAM:** Tenant agrees to pay Landlord an amount equal to the sum of all expenses, and an administrative fee equal to fifteen percent (15%) of the total combined amount of all Expenses (excluding Real Estate taxes, insurance premiums, and utility charges)

**Tenant Responsibilities:** Tenant shall keep the improvements and signage on leased premises in good condition including the roof, interior and exterior walls, floors, ceiling, gutter, downspouts, masonry walls, foundation, windows, glass, electrical, plumbing, heating, ventilating, and air conditioning equipment. Tenant agrees to replace damaged items and shall make all necessary repairs

**Landlord Responsibilities\*:** Landlord is responsible for the maintenance and repair of the Landlord's maintenance areas defined all of the Leased Premises other than those areas occupied by Tenant's Improvements, such as, by way of illustration, but not limitation, parking areas, driveways, walkways, planted areas, and landscaped areas but specifically excluding the curbing, sidewalks, landscaping and other facilities inside the curb line surrounding Tenant's permanently enclosed building structure

**Sales Reporting:** Within 30 days after the end of the first three (3) calendar quarters during each calendar year. Tenant shall furnish Landlord a Quarterly report of Gross Sales. Within 60 days after each calendar year, Tenant shall submit to Landlord a statement certified by Tenant, of the total Gross Sales

\*Landlord may cause such services to be provided in conjunction with the performance of comparable services to the Shopping Center or by the "Operator" under the OEA





## FINANCIAL SUMMARY

PRICE **\$4,088,000** CAP RATE **6.85%**

YEARS	ANNUAL BASE RENT	MONTHLY RENT	YIELD	RENTAL INCREASE
1-7	\$280,000	\$23,333	6.85%	-
8-13	\$308,000	\$25,667	7.53%	10.00%
Average Weighted Yield Throughout Primary Term			7.11%	
OPTION 1				
14-18	\$338,000	\$28,167	8.27%	9.74%
OPTION 2				
19-23	\$372,000	\$31,000	9.10%	10.06%
Average Weighted Yield Throughout Option Periods			8.69%	

# TENANT OVERVIEW





## TENANT OVERVIEW

**Tenant:** TGI Fridays

**Headquarters:** New York, NY

**Year Founded:** 1965

**Number of Restaurants:** 870

**Number of Employees:** 74,000



TGI Fridays is one of the most recognizable casual bar and grill restaurant chains throughout the United States and across the world. The restaurant chain is best known for their authentic American food and legendary drinks, served with genuine personal service. The company is headquartered in New York City, with primarily franchisee owned and operated locations. In 1965, the company was founded by Alan Stillman, who opened the first TGI Fridays in New York City. He created TGI Fridays as a place to bring people together to socialize and celebrate the freeing and liberating spirit of "Friday", from which the brand promise "In Here, It's Always Friday" was born. The concept quickly found success and over the past 55 years, TGI Fridays has grown into a global restaurant enterprise that currently has 860 locations in more than 55 countries, including 336 locations across the United States. In October 2014, Carlson Restaurants sold TGI Fridays to TriArtisan Capital Partners and Sentinel Capital Partners.

# MARKET OVERVIEW & ANALYSIS

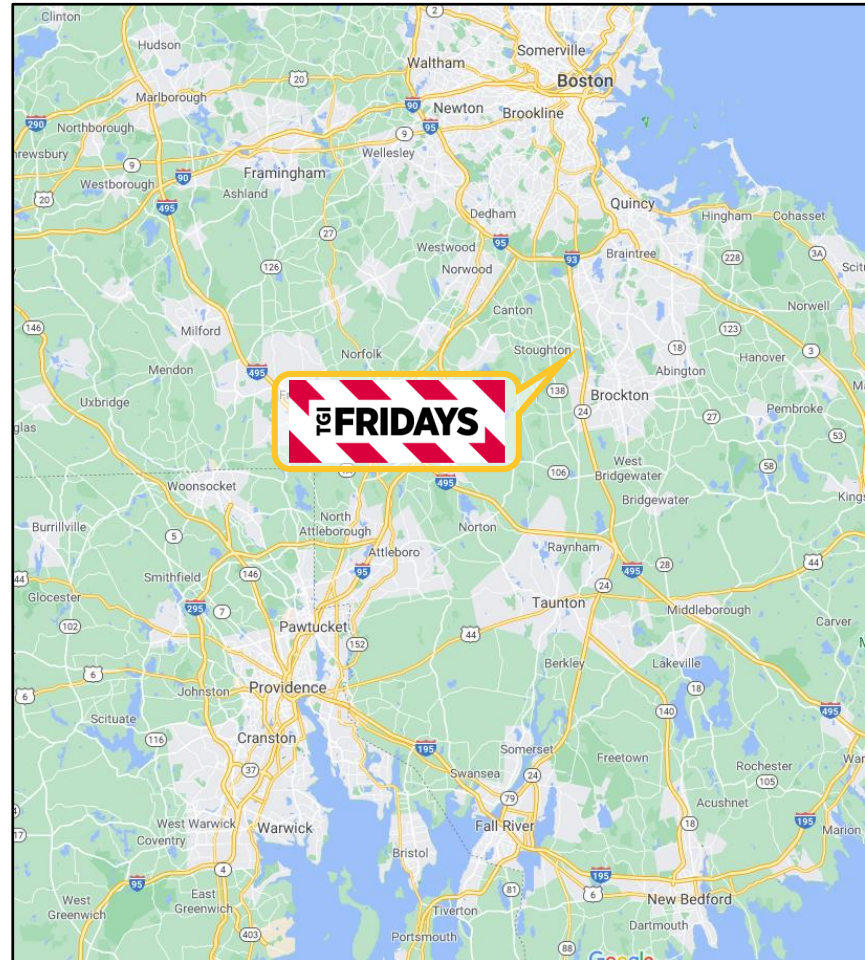




# STOUGHTON OVERVIEW

Stoughton is a dense and affluent suburb located 18 miles south of Boston and 25 miles from Providence, RI. In 1726, Stoughton was incorporated and named after William Stoughton, who was the first chief justice of the colonial courts. Today, Stoughton is a lively and dense suburb of Boston, home to over 28,000 residents that are comprised of families, young professionals and retirees. The city is known for its highly ranked schools, attractive homes in safe neighborhoods, and a plethora of local services and recreational amenities. Stoughton has excellent proximity to the major arterial route MA-24, which runs along the western border of Stoughton, providing convenient access to Boston, Providence and the greater Boston metropolitan area. Furthermore, Stoughton has a train station on the MBTA commuter rail line that runs to South Station in Boston via the Providence/Stoughton Line, providing Stoughton residents with multiple forms of commuter transit. Overall, many families choose to live in Stoughton given its highly ranked school system, beautiful neighborhoods, plentiful recreational amenities as well as easy commuter access to Boston.

The subject offering is situated off Hawes Way, which is one of the primary thoroughfares through Stoughton. The property is an outlot within the Shoppes at Page Pointe, a retail development anchored by Target and LA Fitness. The site sits at a signalized hard corner and has a combined traffic count over 31,650 VPD. Furthermore, it is less than a 1/8 of a mile from state route MA-24, which has a traffic count over 112,000 VPD.



# BOSTON MSA OVERVIEW

The City of Boston is the 24<sup>th</sup> largest city in the nation and is the economic and cultural capital of the New England region. The Boston Metropolitan Statistical Area (“MSA”) encompasses seven counties in Massachusetts, New Hampshire, and Rhode Island. It covers 3,486 square miles of land and water and is the eleventh largest MSA in the nation with over 4.5 million people. Over 80% of Massachusetts' population lives in the Boston MSA. The region has played a powerful scientific, commercial, and cultural role in the history of the United States. The Boston MSA is a leader in healthcare, higher education, research, technology, media, financial services, insurance and cultural institutions. Furthermore, the area is home to the headquarters of thirteen Fortune 500 corporations, including General Electric, Liberty Mutual Insurance Group, TJX, Raytheon, Thermo Fisher Scientific, and Biogen. The city of Boston is an approved investment market for the vast majority of public, institutional, and private real estate investments firms.

**11<sup>th</sup>**  
*Largest MSA in  
the Nation*

**4.5**  
*Million Residents in  
Boston MSA*

**22.7**  
*Million Annual  
Tourists*

**13**  
*Fortune 500  
Companies*

**45**  
*Colleges &  
Universities*

**71**  
*Million SF  
Of Retail Space*





# BOSTON MSA ECONOMIC OVERVIEW

Boston has one of the nation's most dynamic and innovative economies, home to many global leading companies across biotechnology, healthcare, engineering, higher education, financial services, insurance, information technology, consulting and maritime trade. Over the last 20 years, Boston has transformed into a predominantly service-based economy, with numerous professional service and finance jobs. Education and healthcare jobs, traditionally associated with Boston, have continued to flourish in the city while blue collar jobs in manufacturing, transportation, and public utilities also remain available. Tourism continues to grow helping to strengthen the city's hotel, retail and restaurant industries. In addition, many of the world's premier academic institutions are in the Boston region, including Harvard University, Massachusetts Institute of Technology (MIT), Tufts University, Northeastern University, Boston College and Boston University. Overall, the greater Boston region contains seven R1 Research Institutions as per the Carnegie Classification of Institutions of Higher Education, which is by far the highest number of such institutions in any MSA in the United States. This concentration of premier academic research institutions has caused Boston to become a major hub for entrepreneurial start-ups and high-quality research and technological innovation across various industries.

## BOSTON'S EMPLOYMENT BY INDUSTRY

Rank	Industry	# of Employees	% of Total
1	Healthcare	145,150	17.5%
2	Scientific and Technical Services	105,985	12.8%
3	Finance and Insurance	93,042	11.2%
4	Government	75,116	9.1%
5	Accommodation and Food Services	65,927	8.0%
6	Educational Services	59,486	7.2%
7	Transportation and Warehousing	41,515	5.0%
8	Administrative and Waste Services	40,475	4.9%
9	Retail Trade	38,487	4.6%
10	Real Estate	38,178	4.6%

Source: U.S BEA, Massachusetts EOLWD, BPDA Research Division



# DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2020 Population	3,385	60,245	151,813
2025 Projected Population	3,630	61,248	154,502
Workplace Establishments	386	2,715	6,011
Households	1 Mile	3 Miles	5 Miles
2020 Households	1,181	19,341	56,894
2025 Projected Households	1,271	19,526	57,740
Persons per Household	2.80	2.68	2.64
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$118,337	\$100,737	\$105,648
Median Household Income	\$85,159	\$74,907	\$78,252
Per Capita Income	\$43,730	\$37,224	\$39,292

## DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



POPULATION  
151,813



HOUSEHOLDS  
56,894



AVERAGE HH INCOME  
\$105,648



# LEGAL DISCLAIMER





# LEGAL DISCLAIMER

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 2 Hawes Way, Stoughton, Massachusetts 02072 (“The Property”). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with The Dartmouth Company. (Hereinafter collectively referred to as “MAREC”), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.





# LEGAL DISCLAIMER

**Representation** The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

**Americans with Disabilities Act** The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

**Hazardous Materials Disclosure** Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

**Remedies** If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

*For further information contact the owner's exclusive representatives:*

**WES KOONTZ**

Mid-America Real Estate Corp.  
Senior Vice President,  
Net Lease Director  
Direct: 630.954.7395  
WKoontz@MidAmericaGrp.com



The Wrigley Building  
410 North Michigan Avenue,  
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