

POPEYES

Absolute NNN Ground Lease
A Single-Tenant Retail Investment Opportunity

SWC SMOKY HILL RD & GUN CLUB RD. AURORA, CO 80016



*Representative Photo

Capital Markets | National Retail Partners

ATLANTA | CHARLOTTE | CHICAGO | DALLAS | DENVER | MIAMI | NEWPORT BEACH | NEW YORK | SEATTLE | WASHINGTON D.C.

CBRE

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PMSudio_June2021

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**CBRE**

POPeYes.

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EXECUTIVE SUMMARY

02

THE PROPERTY

03

LOCATION OVERVIEW

INVESTMENT ADVISORS

PARKER BROWN

Senior Associate
720-528-6393
parker.brown@cbre.com

MATTHEW HENRICHs

SVP
720-528-6308
matthew.henrichs@cbre.com

BRAD LYONS

EVP
720-528-6351
brad.lyons@cbre.com

THE OFFERING

As the exclusive agent for the owner, CBRE, Inc., is pleased to exclusively offer a 2,296 square-foot single tenant, new construction Popeyes located in Aurora, CO (Denver Metro). The offering is inclusive of a brand new Absolute NNN ground lease with fifteen years on the lease term plus three five-year options to renew. In addition, the lease is backed by one of the nation's top performing franchisees - Dhanani Group.

The subject property is on a corner location along E Smoky Hill Road, one of the main travel corridors in southeast Denver, providing direct access to the Southlands Mall Trade Area. Popeyes benefits from its proximity to adjacent national retailers including Home Depot, Safeway, and the 1.7M SF Southlands Mall Lifestyle Center. The drive-through building features prominent signage, incredible premier access, proximity to E-470 Toll Road, adjacent to nearby development, and drive-by exposure to over 31,000 vehicles per day.

Popeyes is being offered free and clear of existing debt on an "As-Is/Where-Is" basis.



Absolute NNN Lease



**National Name Brand
Tenant – popeyes**



**Top Franchisee - Operates
220+ popeyes**



INVESTMENT SUMMARY



Price: \$2,300,000



Cap Rate: 4.25%



NOI: \$97,500



**Lease Expiration: October 2036
(estimated) + Three 5-Year Options**



Lease Type: Absolute NNN Ground

THE PROPERTY



Address: SWC Smoky Hill Rd & Gun Club Rd.
Aurora, CO 80016



Tenant: popeyes



Building Size: 2,297 SF



Parcel Size: 0.67 Acres



Year Built: 2021 (estimated completion – Sept 2021)



Drive Thru: Yes



Ownership: Fee Simple Ground Lease



POPeYes.

DENVER
TECHNOLOGICAL
CENTER

DENVER CBD

CHERRY CREEK RESERVOIR



18 MINUTES TO I-25

E. ARAPAHOE RD.

SADDLE ROCK
GOLF COURSE



S. GUN CLUB RD.



30 MINUTES TO DIA

31,000

AADT: 33,763

MAIN ST.



Office



BED BATH & BEYOND



ROSS
DRESS FOR LESS



dressbarn

WORLD MARKET
WORLDMARKET.COM

E. SMOKY HILL RD.

AADT: 13,350

SOUTHLANDS PKWY.



JCPenney

SAM'S CLUB

E. COMMONS AVE.

WALMART

E. ORCHARD RD.

S. AURORA PKWY.



RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	YIELD AT \$2.3M
Lease Year 1-5	\$97,500	4.24%
Lease Year 6-10	\$107,250	4.66%
Lease Year 11-15	\$117,975	5.13%
Option 1 (5 Years)	\$129,773	5.64%
Option 2 (5 Years)	\$142,750	6.21%
Option 3 (5 Years)	\$157,025	6.83%

INVESTMENT HIGHLIGHTS

**NEW 2021 CONSTRUCTION**

- Brand new construction is scheduled to be delivered in September 2021

**DOMINANT RETAIL LOCATION**

- Popeyes is located along E Smoky Hill Road, one of the main travel corridors in southeast Denver
- This dominant retail trade area attracts customers from across the MSA

**EXCELLENT ACCESS & VISIBILITY**

- The subject property is located amongst new development including Murphy Oil, AutoZone, Panda Express, Ent Credit Union and Living Water Car Wash.
- Popeyes drive-thru creates a meaningful amenity for customers throughout the day
- Daily traffic counts are in excess of 31,000 vehicles per day

**ATTRACTIVE NET LEASE STRUCTURE**

- Popeyes features an Absolute NNN ground lease providing zero landlord responsibility for a new owner
- Perfect for out-of-town investors seeking passive cash flow



INVESTMENT HIGHLIGHTS

**TOP PERFORMING FRANCHISEE**

- Dhanani Group is one of the nation's preeminent franchisees and operates over 220 Popeyes stores in 15+ states
- Dhanani Group is a privately owned, Houston, TX headquartered franchise, founded in 1976

**DENSE RESIDENTIAL DEMOGRAPHICS**

- Within a 5-mile radius of Popeyes the average household income is more than \$137,000
- The residential density within a 5-mile radius of Popeyes is over 157,000 people

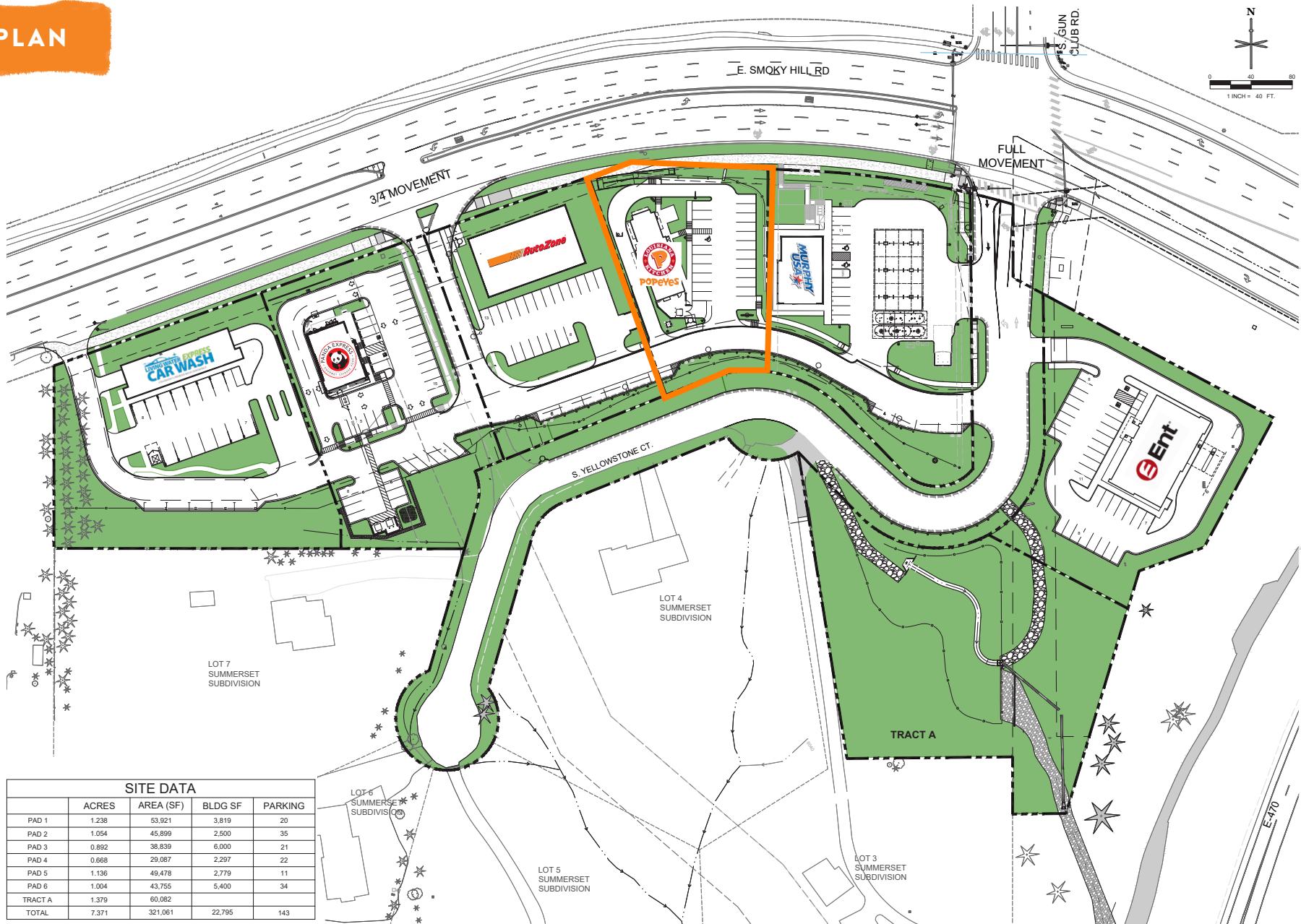
**DEBT FREE OFFERING**

- Popeyes is being offered free and clear of any existing debt allowing an incoming investor to take advantage of the historically favorable terms in the capital markets



THE PROPERTY

SITE PLAN



FRANCHISEE OVERVIEW

DG
DHANANI
GROUP

OWNERSHIP: **Private**

CREDIT RATING: **Franchisee**

LOCATIONS: **220+ Popeye's**

HEADQUARTERED: **Houston, TX**

YEAR FOUNDED: **1976**

www.dhananigroupinc.com

The Dhanani Group became a QSR franchisee for Popeye's starting in 2009. Led by Amin Dhanani, our franchise ownership has steadily grown in the state of Texas. Today, we own and operate 144 QSR franchise locations across Texas.

The Dhanani Group has been a Popeyes franchise owner since 2011. Our QSR franchise holdings soon expanded to locations in Arizona, Colorado, Nevada, Utah, North Carolina, Georgia, Ohio, Kentucky, Illinois, Indiana, Iowa, Missouri, and Arkansas. Today, we are the world's largest QSR franchisee for Popeyes and own more than 150 restaurants in the United States.

POPeYes.

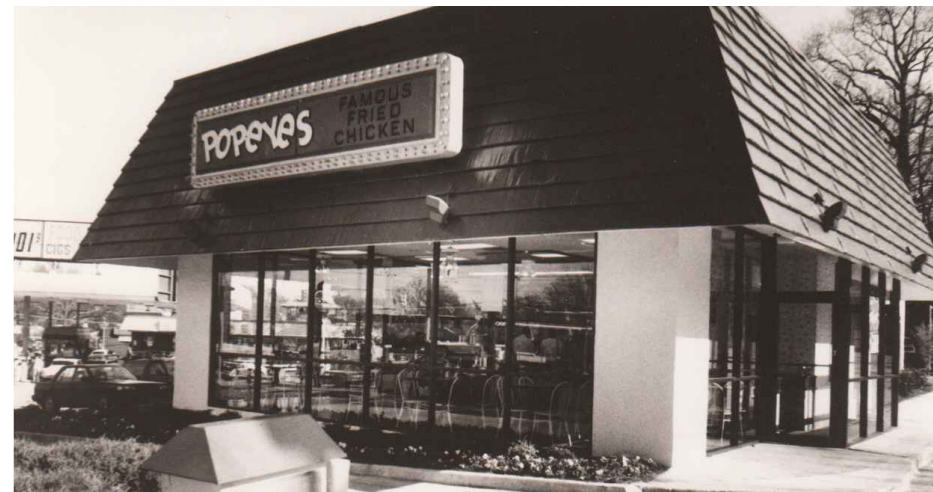
LOCATIONS: **2,700+**

HEADQUARTERED: **Miami, FL**

YEAR FOUNDED: **1972**

www.popeyes.com

Popeyes is one of the world's largest chicken quick service restaurants, with over 2,700 restaurants in the U.S. and around the world.



LEASE ABSTRACT

INITIAL TERM	15 Years
PROPERTY SIZE (SF)	2,297-square feet building, 29,087- square feet of land
LEASE COMMENCEMENT	TBD
NAME OF LESSEE	HZ Ops Holdings, Inc. dba Popeye's
RENT SCHEDULE	Years 1 - 5 \$97,500.00 Years 6 - 10 \$107,250.00 Years 11 - 15 \$117,975.00
OPTIONS	Tenant shall have the right to renew the lease for 3 periods of 5 years each at \$129,773, \$142,750, and \$157,025 in options 1-3, respectively.
REIMBURSEMENT NOTES	Tenant shall timely pay (i) all utility charges directly to the utility company providing such service; (ii) all internet, telephone, cable, and other services of this nature; (iii) all insurance premiums and other charges for all such insurance; (iv) all taxes concerning or relating to the land, the building, and/or improvements comprising the premises and/or the use thereof; and (v) all costs and expenses associated with the repairs, maintenance and replacement of and to the land, premises, building, roof, parking lots, and other improvements thereon.

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

LOCATION OVERVIEW

DRIVE-TIME MAP



DOWNTOWN DENVER:

30 min



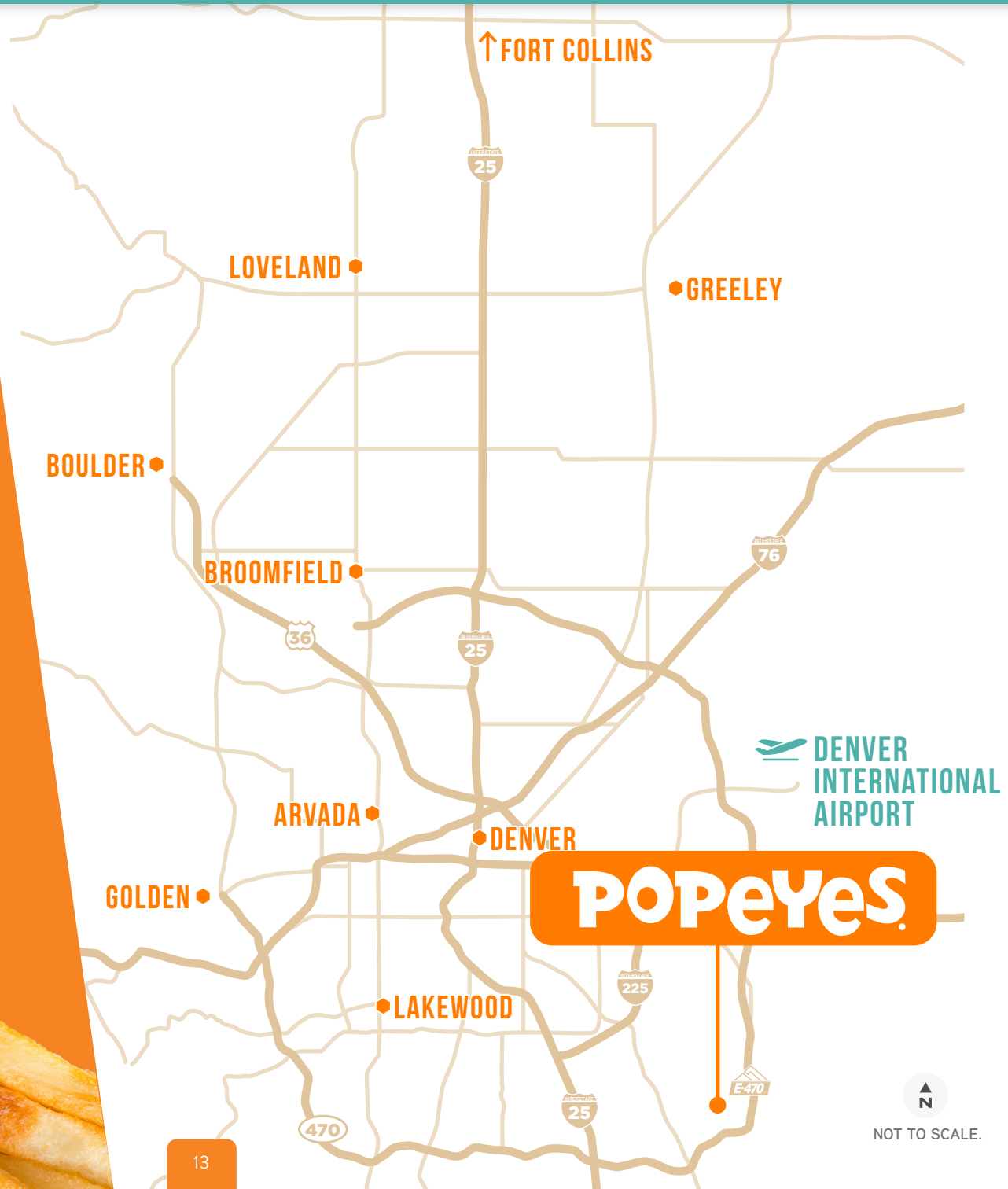
DENVER TECH CENTER

15 min



DENVER INTERNATIONAL AIRPORT:

20 min



POPeYes.

WHY DENVER



Located 15 miles east of the front range of the Rocky Mountains, Denver's central geographic location has played a large role in its economic success. Because Denver is within a two-hour flight of two-thirds of the United States and within four hours of every major city with a population of one million or more on the continent, it has evolved into a major national transportation and commercial hub. Denver also enjoys strategic advantages for intercontinental commerce; located on the 105th meridian, halfway between Tokyo and Munich, Denver is the largest city in the U.S. with access to both Pacific and European markets in a single business day.

With a 2021 population of over three million, the Denver metro is the 21st most populous MSA in the country. Metro Denver promotes a lifestyle where family, health and career complement one another. Denver has nearly 300 days of sunshine with breathtaking vistas of Colorado's Rocky Mountains. The city's goal is to become "America's Healthiest Community" by creating interlinked, walkable communities and programs that support wellness at school and work. Relatively low occupancy costs, a multimodal transportation system and a central location from both coasts, has attracted some of the country's most successful and diverse companies to the Denver area. Denver has reported over 5,492 new jobs in 2019 and a 6% increase in retail sales. Both public and private sectors collaborate on economic development initiatives for the benefit of the entire region.

FUNDAMENTALS ARE STILL STRONG
10 YEARS INTO THE BUSINESS CYCLE:

2021 ESTIMATED POPULATION
3.3 M

UNEMPLOYMENT RATE
2.7%

MEDIAN HH INCOME
\$76,640

**MEDIAN SALE PRICE
SINGLE-FAMILY HOME**
\$452,200

**NET MIGRATION SINCE
RECESSION FORECAST
(2010-2019)**
289,500

**PROJECTED ADDITIONAL
JOBS IN 2019**
31,000 (1.8% GROWTH)

2018 GDP
\$193.4 BILLION

FUN FACTS ABOUT DENVER

- 300+ Days of Annual Sunshine
- Winter storms are normally short-lived and snow melts rapidly in the region
- Colorado is the nation's most physically active state
- 100+ public and private golf courses are in Metro Denver.
- 60% of downtown employees commute to work using a mode other than a single occupancy vehicle



11 WORLD-CLASS SKI RESORTS ARE WITHIN 100 MILES

9 INDUSTRY CLUSTERS

- Aerospace
- Aviation
- Beverage Production
- Bioscience
- Broadcasting & Telecommunications
- Energy
- Financial Services
- Healthcare & Wellness

DENVER IS HOME TO FORTUNE 500 COMPANIES



DENVER'S RTD TRANSIT SYSTEM

The Denver transit system is a collection of local, regional, and SkyRide bus routes, rail lines and Park-n-Ride services that create connectivity throughout eight counties within the Denver-Aurora-Boulder MSA 365 days a year. The RTD bus system offers more than 9,000 stops and over 125 bus routes providing commuters a fast and hassle-free way to get where they need to go. The RTD Railroad has nine rail lines that service 53 stations along Denver's Southeast, Southwest, West, and East rail corridors allowing travelers to get to major hot spots like Denver International Airport, the Theatre District, Convention Center, Sports Authority Field at Mile High, Pepsi Center, the 16th Street Mall, and Park Meadows Mall. The constant expansion of the RTD transit system is a direct reflection of the Denver's bustling industry and urban trajectory.

DEMOGRAPHICS

1 MILE RADIUS 3 MILES RADIUS 5 MILES RADIUS

POPULATION

2021 Population - Current Year Estimate	15,442	82,671	166,860
2026 Population - Five Year Projection	16,972	90,116	178,370
2010-2021 Annual Population Growth Rate	2.41%	3.24%	2.09%
2021-2026 Annual Population Growth Rate	1.91%	1.74%	1.34%
2021 Daytime Population	14,212	68,924	139,878

HOUSEHOLDS

2021 Households - Current Year Estimate	5,607	27,641	57,256
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HOUSEHOLD INCOME

2021 Average Household Income	\$125,331	\$149,143	\$137,149
2026 Average Household Income	\$142,923	\$168,015	\$154,793
2021 Median Household Income	\$103,723	\$122,724	\$112,818
2026 Median Household Income	\$113,331	\$136,172	\$123,729
2021 Per Capita Income	\$44,203	\$49,930	\$47,117

HOUSING VALUE

2021 Average Value of Owner Occ. Housing Units	\$549,545	\$555,614	\$524,527
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POPeYes.

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INVESTMENT ADVISORS

PARKER BROWN

Senior Associate
720-528-6393
parker.brown@cbre.com

MATTHEW HENRICHS

SVP
720-528-6308
matthew.henrichs@cbre.com

BRAD LYONS

EVP
720-528-6351
brad.lyons@cbre.com

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