

SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



1402 Church Street | Conway, South Carolina

MYRTLE BEACH MSA

ACTUAL SITE



EXCLUSIVELY MARKETING BY



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PROPERTY PHOTO





SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN, freestanding, drive-thru equipped, Popeyes investment property located in Conway, SC (Myrtle Beach MSA). The tenant, Popeyes Conway, LLC, has over 10 years remaining in their initial term with 3 (5-year) option periods left to extend. The lease features 10% rental increases every 5 years, growing NOI and hedging against inflation. The lease is personally guaranteed, and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. The offering also includes an on-site Billboard, providing an additional source of income for the property (see rent roll). Founded in 1972, Popeyes quickly became one of the most popular quick service restaurants with over 3,100 locations across the United States.

Popeyes is strategically located along Church Street with clear visibility and access to 29,900 vehicles passing by daily. The freestanding building is equipped with a large pylon sign, creating superior store visibility. The property is also complete with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. The property is in a dense retail corridor, and is within walking distance to Coastal Centre, a 305,547 SF retail power center currently anchored by Hibbett Sports and Belk. Other nearby national/credit tenants include Big Lots, Harbor Freight Tools, Planet Fitness, Walmart Supercenter, Aldi, Office Depot, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. Furthermore, the property is surrounded by several multi-family apartment complexes including Tudor Place (25 units), Leyland Grove (44 units), The Oaks Apartments (44 units), and more, providing a direct residential consumer base from which the site can draw. The 5-mile trade area is supported by over 42,800 residents and 13,600 daytime employees, with an average annual household income of \$61,739.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$2,830,000
May 2022 NOI	\$148,563*
Cap Rate	5.25%
Guaranty	Personal
Tenant	Popeyes Conway, LLC
Lease Type	Absolute NNN
Landlord Responsibilities	None
Sales Reporting	No

*NOI includes annual income of \$2,400 from Billboards (see rent roll)

PROPERTY SPECIFICATIONS

Rentable Area	3,296 SF
Land Area	1.34 Acres
Property Address	1402 Church Street Conway, South Carolina 29526
Year Built	2017
Parcel Number	338-14-01-0022
Ownership	Fee Simple (Land & Building)



Over 10 Years Remaining | Options To Extend | Scheduled Rental Increases | On-Site Billboard

- The tenant has over 10 years remaining in their initial term with 3 (5-year) option periods left to extend
- The lease features 10% rental increases every 5 years, growing NOI and hedging against inflation
- Experienced Operator with 18 Popeyes units under management or development with a personal guaranty in place as well
- The offering also includes an on-site Billboard, providing an additional source of income for the property (see rent roll, page 20)
- Founded in 1972, Popeyes quickly became one of the most popular quick service restaurants with over 3,100 locations across the United States

Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance, and maintains all aspects of the premises
- Zero landlord responsibilities
- Ideal, management-free investment for a passive investor

Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area

- The property is surrounded by several multi-family apartment complexes including Tudor Place (25 units), Leyland Grove (44 units), The Oaks Apartments (44 units), and more
- Nearby communities provide a direct residential consumer base from which the site can draw
- More than 42,800 residents and 13,600 employees support the trade area
- \$61,739 average household income

Coastal Centre (305,547 SF) | Strong Tenant Presence

- The property is ideally located within a dense retail corridor
- Popeyes is within walking distance to Coastal Centre, a 305,547 SF retail power center currently anchored by Hibbett Sports and Belk
- Other nearby national/credit tenants include Big Lots, Harbor Freight Tools, Planet Fitness, Walmart Supercenter, Aldi, Office Depot, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site

Located Along Church Street | Drive-Thru Equipped | Excellent Visibility & Multiple Points of Access

- Popeyes is strategically located along Church Street with clear visibility and access to 29,900 vehicles passing by daily
- The property is complete with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus experience higher sales than those without
- The freestanding building is equipped with a large pylon sign, creating superior store visibility
- The asset benefits from multiple points of ingress/egress

PROPERTY OVERVIEW



Location



Conway, South Carolina
Horry County
Myrtle Beach MSA

Parking



There are approximately 38 parking spaces on the owned parcel.
The parking ratio is approximately 11.52 stalls per 1,000 SF of leasable area.

Access



Church St/U.S. Hwy 501: 1 Access Point
Pine St: 1 Access Point

Parcel



Parcel Number: 338-14-01-0022
Acres: 1.34
Square Feet: 58,370

Traffic Counts



Church St/U.S. Hwy 501: 29,900 Vehicles Per Day
Main St/U.S. Hwy 701: 23,500 Vehicles Per Day

Construction



Year Built: 2017

Improvements



There is approximately 3,296 SF of existing building area

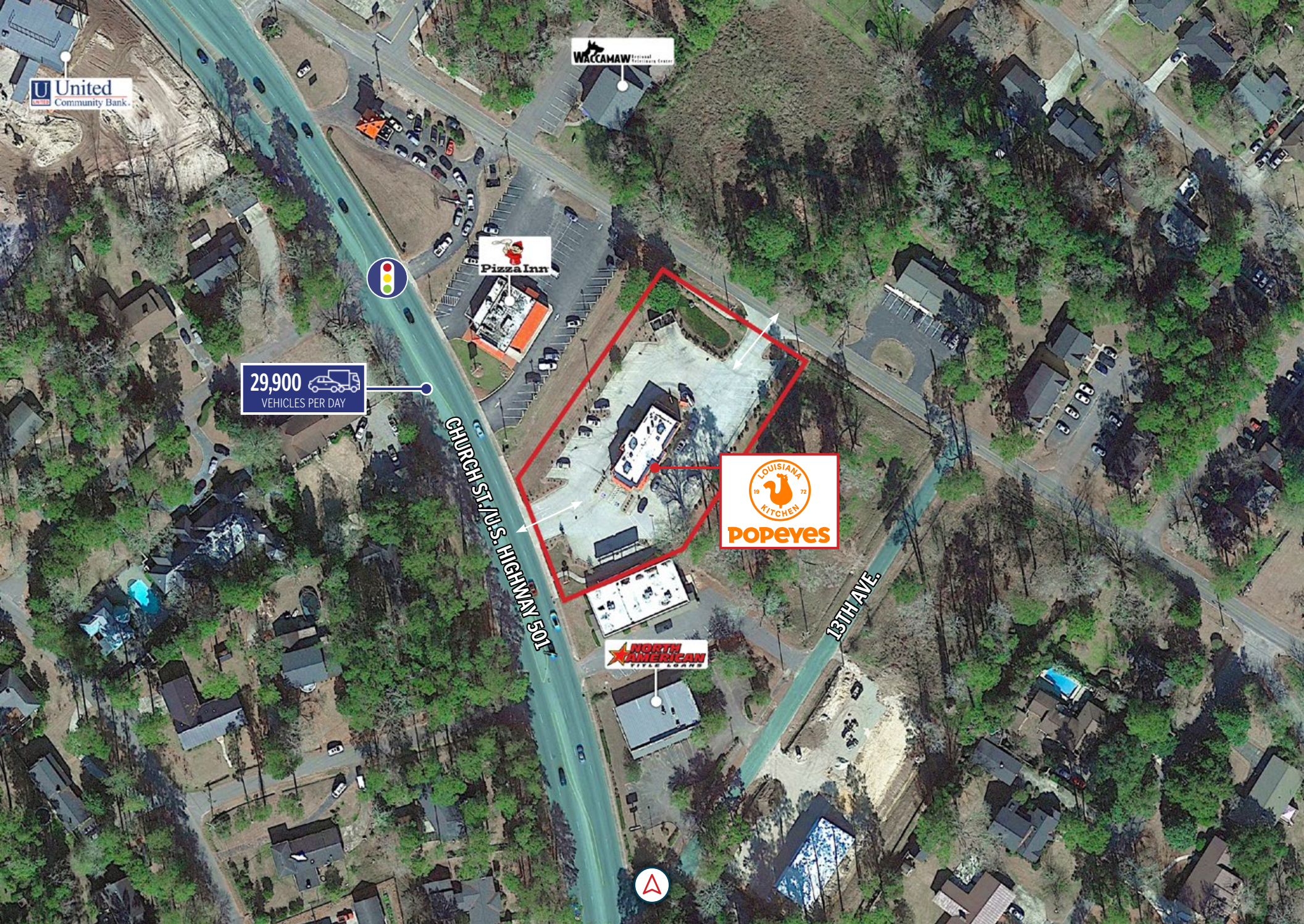
Zoning

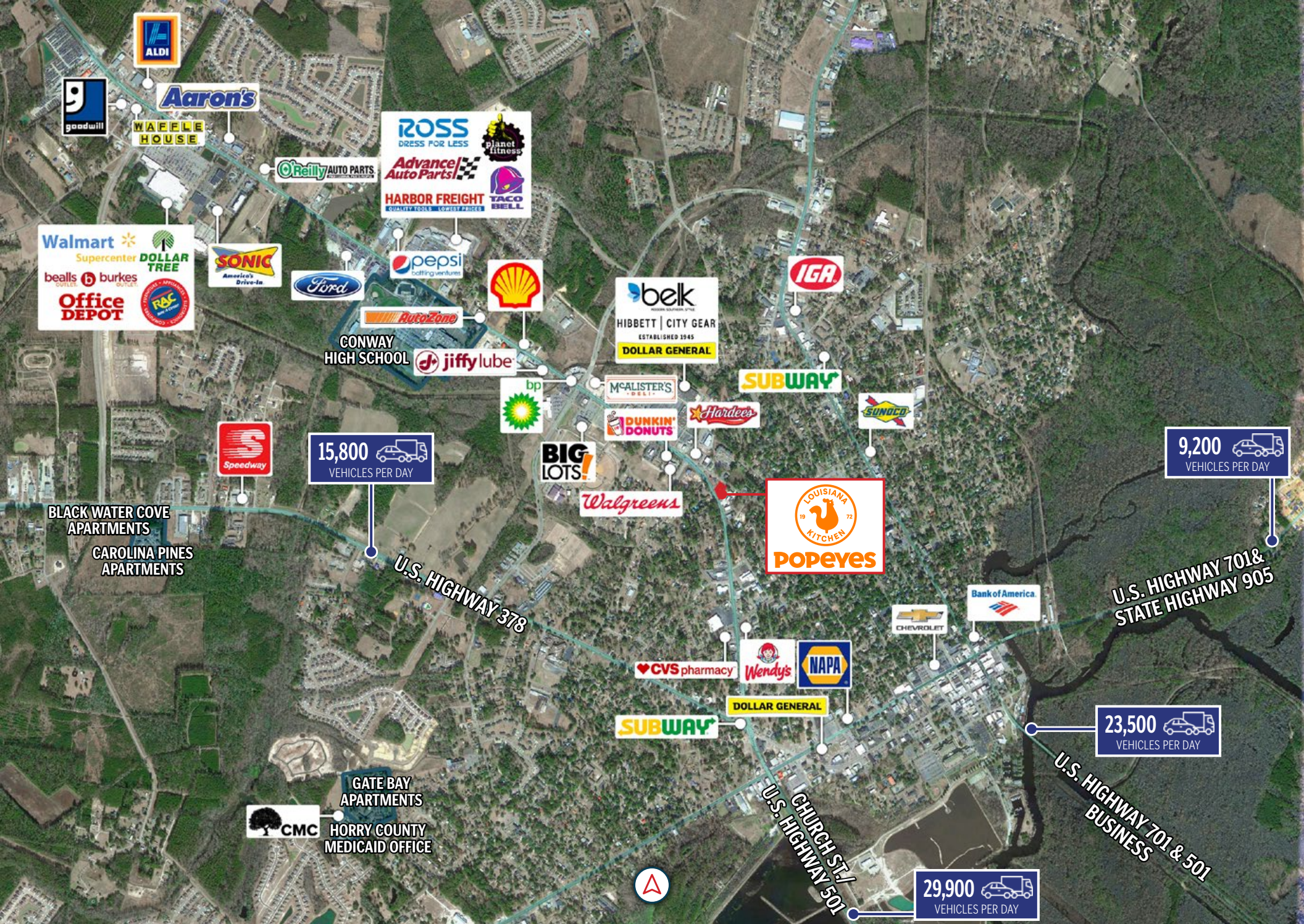


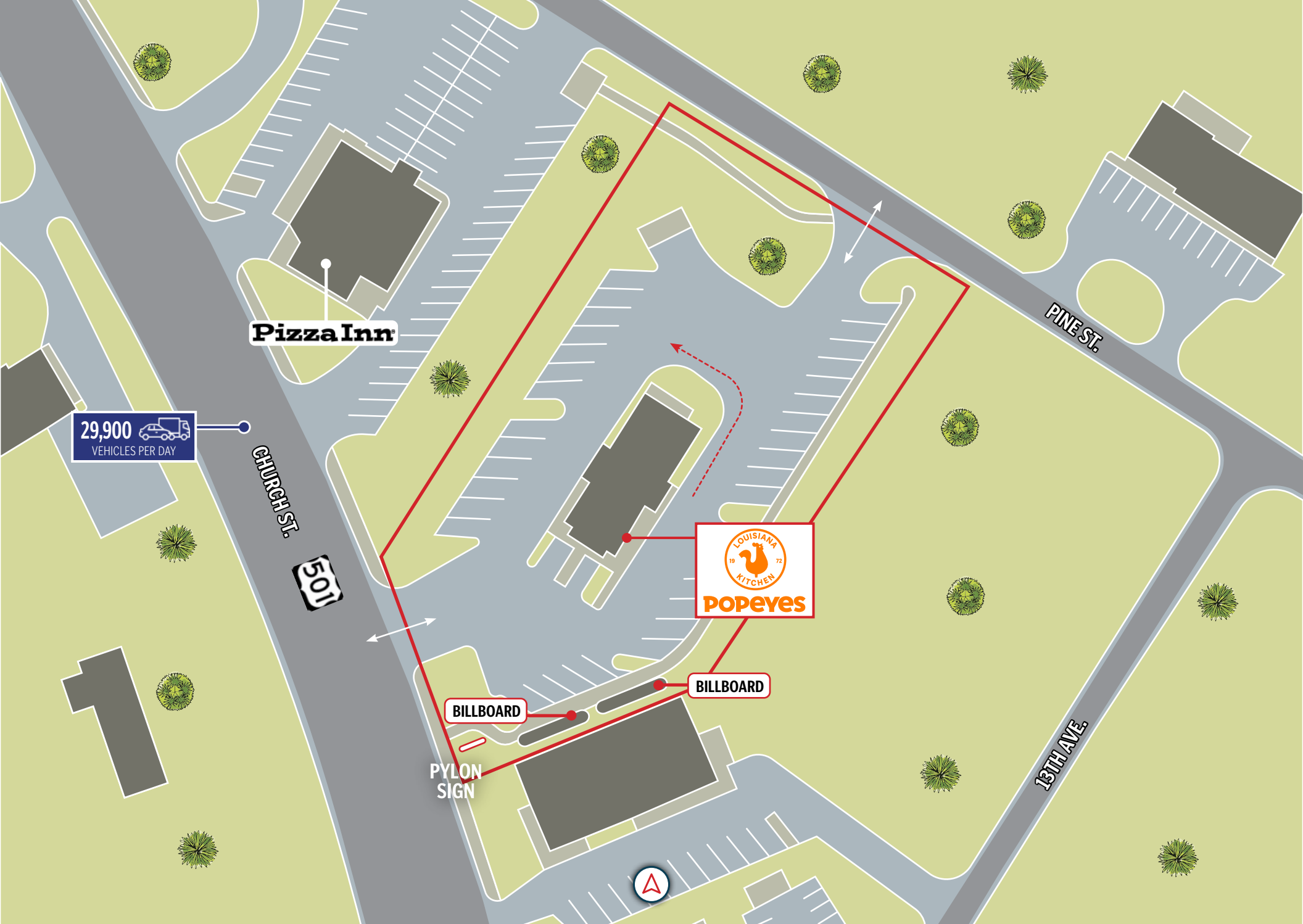
HC: Highway Commercial







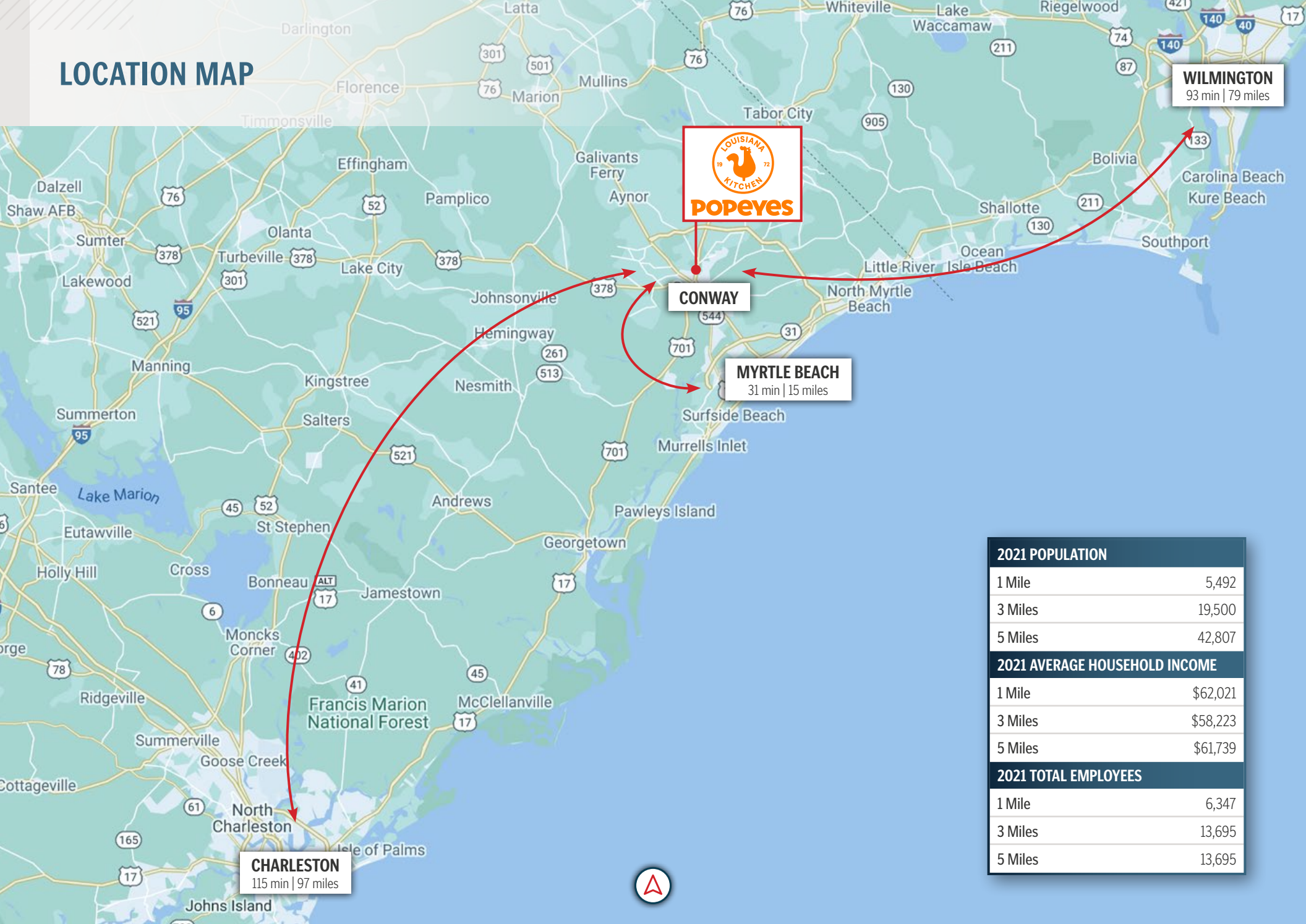




PROPERTY PHOTO



LOCATION MAP



2021 POPULATION	
1 Mile	5,492
3 Miles	19,500
5 Miles	42,807
2021 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$62,021
3 Miles	\$58,223
5 Miles	\$61,739
2021 TOTAL EMPLOYEES	
1 Mile	6,347
3 Miles	13,695
5 Miles	13,695



CONWAY, SOUTH CAROLINA

Conway, South Carolina, in Horry county, is 68 miles SW of Wilmington, North Carolina (center to center) and 135 miles S of Raleigh, North Carolina. The city is included in the Myrtle Beach metropolitan area. The City of Conway had a population of 25,488 as of July 1, 2021.

The area's early industries were centered around turpentine and lumber. Conway is increasing economic development through the expansion of our tourism programs and industry with far-reaching benefits for everyone. Major Employers located in the Conway area are New South Companies, Inc. (a subsidiary of Canfor), Vulcan Materials Company, AVX Corporation.

Conway and nearby Attractions are Myrtle Beach National Wax Museum, Horry County Museum, Horry County Jail, Conway Marina, Coastal Mall Shopping Center, Wadus Lake.

The Horry County Museum, Myrtle Beach National Wax Museum, Franklin G. Burroughs-Simeon B. Chapin Art Museum, and Children's Museum of South Carolina offer interesting insight into the area's local history and culture. One can also visit local attractions such as the Horry County Jail, Horry County Courthouse, and Conway City Hall. Wadus Lake and Bear Swamp are popular tourist attractions where one can enjoy a variety of water sports. The Coastal Mall Shopping Center, Conway Plaza Shopping Center, and Waccamaw Square Mall Shopping Center offer a wide variety of entertainment facilities. In addition, the city hosts annual festivals such as the Rivertown Jazz & Arts Festival and the Round the Fourth Festival.

For higher education, residents can enroll in the local institutes including Coastal Carolina University, Horry-Georgetown Technical College, North American Institute of Aviation, and Conway School of Practical Nursing. International flight services are offered at the Myrtle Beach International Airport.



MYRTLE BEACH, SOUTH CAROLINA

The Myrtle Beach area, also known as the Grand Strand, is located on the southeast coast of the United States in sunny South Carolina. As one of the premier family and beach vacation destinations in the United States, Myrtle Beach offers an endless array of lodging options including resorts, hotels, beach homes and vacation rentals, and campgrounds. With endless attractions, events and dining options, Myrtle Beach, South Carolina is a perfect destination for family vacations, getaways for couples of all ages, group and business travel. The City of Myrtle Beach has a population of 36,459 as of 2021.

Myrtle Beach's economy is dominated by the tourist industry. Hotels, motels, resorts, restaurants, attractions, and retail developments exist in abundance to service visitors. There are roughly 95 golf courses in and around Myrtle Beach as the golfing industry represents a significant presence in the area. A manufacturing base produces plastic, rubber, cardboard, foam, and ceramic products usually in small scale.

The largest university in the Myrtle Beach area is Coastal Carolina University, a state-supported, Liberal Arts University located eight miles northwest of Myrtle Beach in neighboring Conway, with a satellite campus in Myrtle Beach. The university is a national sea-grant institution and owns part of Waties Island, a 1,105-acre barrier island which serves as a natural laboratory. The Coastal Carolina Chanticleers compete in NCAA Division I as a member of the Sun Belt Conference. The football team competes in the NCAA Football Bowl Subdivision or FBS. The football team plays at Brooks Stadium, which is notable for its teal artificial turf. The Myrtle Beach metro area has the following college and post-secondary schools: Golf Academy of America, Palmetto School of Career Development – Myrtle Beach Campus, Horry-Georgetown Technical College, ITT Technical Institute, Miller-Motte Technical College and Webster University – Myrtle Beach Campus.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	5,492	19,500	42,807
2026 Projected Population	6,082	21,856	47,578
2010 Census Population	4,442	15,071	32,079
Projected Annual Growth 2021 to 2026	2.06%	2.31%	2.14%
Historical Annual Growth 2010 to 2021	1.04%	2.00%	2.69%
HOUSEHOLDS & GROWTH			
2021 Estimated Households	2,306	7,822	15,417
2026 Projected Households	2,561	8,795	17,323
2010 Census Households	1,851	6,020	11,952
Projected Annual Growth 2021 to 2026	2.12%	2.37%	2.36%
Historical Annual Growth 2010 to 2021	1.11%	2.09%	2.44%
RACE & ETHNICITY			
2021 Estimated White	52.10%	48.85%	60.10%
2021 Estimated Black or African American	43.24%	46.71%	34.50%
2021 Estimated Asian or Pacific Islander	0.91%	0.69%	0.87%
2021 Estimated American Indian or Native Alaskan	0.35%	0.31%	0.39%
2021 Estimated Other Races	1.93%	1.96%	3.24%
2021 Estimated Hispanic	4.64%	4.39%	6.72%
INCOME			
2021 Estimated Average Household Income	\$62,021	\$58,223	\$61,739
2021 Estimated Median Household Income	\$42,594	\$44,202	\$48,064
2021 Estimated Per Capita Income	\$26,399	\$23,292	\$22,452
BUSINESSES & EMPLOYEES			
2021 Estimated Total Businesses	589	1,243	1,839
2021 Estimated Total Employees	6,347	13,695	21,730



RENT ROLL



Tenant Name	Size SF	Pro Rata (SF)	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr	Pro Rata (\$)	Rental Increases						Lease Start Date	Lease End Date	Options Remaining
								Increase Date	Inc.	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr			
Popeyes	3,296	100%	\$11,073	\$3.36	\$132,875	\$40.31	98%	May-22	10.0%	\$12,180	\$3.70	\$146,163	\$44.35	Jan-17	May-32	3 (5-Year)
								May-27	10.0%	\$13,398	\$4.07	\$160,779	\$48.78			Opt 1: \$51.22 PSF/Yr
																Opt 2: \$53.78 PSF/Yr Opt 3: \$56.47 PSF/Yr
Billboard	0	0%	\$200	-	\$2,400	-	2%	-	-	-	-	-	-	Mar-18	Apr-28	See Notes
Total Occupied	3,296	100%	\$11,273	\$3.42	\$135,275	\$41.04	100%									
Total Vacant	0	0%	\$0		\$0		0%									
Total / Wtd. Avg:	3,296	100%	\$11,273	\$3.42	\$135,275	\$41.04	100%							Weighted Term Remaining (Years)		10.6

Notes

- 1) Billboard tenant to pay the greater of \$2,400, or 20% of gross revenue as rent
- 2) Billboard lease term shall be for 10 years. After the original lease term, lease shall continue on a year-by-year basis until either party provides a 90-day written notice of non-renewal

FINANCIAL INFORMATION

Price	\$2,830,000
May 2022 NOI	\$148,563
Cap Rate	5.25%
Lease Type	Absolute NNN

PROPERTY SPECIFICATIONS

Year Built	2017
Rentable Area	3,296 SF
Land Area	1.34 Acres
Address	1402 Church Street Conway, South Carolina 29526

BRAND PROFILE



POPEYES LOUISIANA KITCHEN

popeyes.com

Company Type: Subsidiary

Locations: 3,400+

Parent: Restaurant Brands International

2020 Employees: 5,200

2020 Revenue: \$4.97 Billion

2020 Net Income: \$486.00 Million

2020 Assets: \$22.78 Billion

2020 Equity: \$2.17 Billion

Credit Rating: S&P: BB

Popeyes Louisiana Kitchen, Inc. develops, operates, and franchises quick-service restaurants under the Popeyes Louisiana Kitchen and Popeyes Chicken & Biscuits trade names. The company operates in two segments, Franchise Operations and Company-Operated Restaurants. Its restaurants offer spicy chicken, chicken tenders, fried shrimp and other seafood, red beans and rice, and other regional items. There are over 3,400 Popeyes restaurants in the U.S. and around the world. The company was formerly known as AFC Enterprises, Inc. and changed its name to Popeyes Louisiana Kitchen, Inc. in January 2014. Popeyes Louisiana Kitchen, Inc. was founded in 1972 and is headquartered in Dunwoody, Georgia. Parent: Restaurant Brands International.



POPEYES V. CHICK-FIL-A

If 2019 could be summed up in a sandwich, it would be one made of fried chicken. After releasing its highly anticipated chicken sandwich in August 2019, Popeyes got involved in a social media war with a rival competitor. It all started through a tweet targeted at rival Chick-fil-A. Chick-fil-A tweeted: «Bun + Chicken + Pickles = all the [heart] for the original,» to which Popeyes responded in its own tweet, «... y'all good?» Little did the company know this would push their brand-new chicken sandwich into the limelight and reel in a record-breaking amount of foot traffic.

The tweet, which garnered over 300,000 likes, enabled Popeyes to earn 8 billion impressions on social media, which is worth about \$87 million. It also led to days' worth of long lines at Popeyes locations everywhere. The chain completely ran out of the sandwich just two weeks after its debut, selling as many sandwiches as it originally anticipated to sell through the end of September 2019.

Popeyes did not just impulsively add a chicken sandwich to its menu just to have one. It took the brand two years to develop the perfect \$4 sandwich, and while its launch was quiet, the famous tweet is attributed to making the menu item legendary.

The success of Popeyes' Chicken Sandwich effectively prompted the chicken sandwich wars among other rival brands. In May 2019, KFC announced that it would be testing its own version of the chicken sandwich. McDonald's rolled out their own takes on the boneless chicken sandwich within the past year, as well, in an attempt to match Popeyes' momentum.



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