

BRAND NEW CONSTRUCTION DRIVE-THRU QSR

Absolute NNN Investment Opportunity
Grand Opening Q1 2022

POPEYES



2310 W. Main Street

ARTESIA NEW MEXICO

REPRESENTATIVE PHOTO

 **SRS** | NATIONAL
NET LEASE
GROUP

EXCLUSIVELY MARKETING BY



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OFFERING SUMMARY



OFFERING

Asking Price	\$3,080,000
Cap Rate	5.00%
Net Operating Income	\$153,976

PROPERTY SPECIFICATIONS

Property Address	2310 W. Main Street Artesia, New Mexico 88210
Rentable Area	3,347 SF
Land Area	0.96 AC
Year Built	Under Construction (Opening Q1 2022)
Tenant	Legacy Chicken, LLC
Sales Reporting	Yes - Contact Agent for Details
Guaranty	Franchisee - 21-Unit Operator*
Lease Type	Absolute NNN
Landlord Responsibilities	None
Lease Term	20 Years
Increases	7% Every 5 Years
Options	4 (5-Year)
Rent Commencement	TBD
Lease Expiration	20 Years

*Guaranty is projected to adjust to a 30-unit operator

RENT ROLL & INVESTMENT HIGHLIGHTS



TENANT NAME	SF	Lease Term		Rental Rates				
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	ANNUALLY	OPTIONS
Legacy Chicken, LLC	3,347	TBD	20 Years	Year 1	-	\$12,831	\$153,976	4 (5-Year)
(Franchisee Guaranty)				Year 6	7%	\$13,729	\$164,754	7% Increase at Beg. of Each Option
				Year 11	7%	\$14,691	\$176,287	
				Year 16	7%	\$15,719	\$188,627	

Note: Tenant has 10-Day Right of First Refusal to Purchase (ROFR)

Brand New 20-Year Lease | Franchisee Guaranteed | Scheduled Rental Increases | Growing Operator

- Tenant has recently signed a brand new 20-year lease with 4 (5-year) options to extend
- The lease features 7% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- The lease is currently guaranteed by a 21 unit entity. Guarantee is projected to grow to a 30-unit operator
- Tenant currently owns and operates 6 Popeyes in this market
- Tenant has signed an agreement with Popeyes corporate to develop 30 new stores in NM over the next four years. All 30 stores will be under the "Legacy Chicken, LLC" entity
- Popeyes same store sales growth increased by +11.6% from 2018-2019

Absolute NNN Lease | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, and insurance
- Zero landlord responsibilities
- Ideal, management-free investment for a passive investor

Dense Retail Corridor | Direct Residential Consumer Base | Nearby Primary & Secondary Education Institutions

- The asset is ideally situated within a dense retail corridor with many nearby national/credit tenants including Walmart Supercenter, AutoZone, Starbucks, Ashley Furniture, Dollar Tree, NAPA Auto Parts, and more
- Popeyes is within walking distance to multiple apartment complexes including Penasco Apartments (40 units), Abo Apartments (72 units), Canyonstone (284 units), and more, providing a direct consumer base from which to draw
- The site is near several primary and secondary education institutions including Zia Intermediate School, Park Junior High School, and Artesia High School

Direct Access to Major Highway | Drive-Thru Equipped | Brand New Construction

- The property benefits from nearby direct on/off ramp access to U.S. Highway 285 (12,700 VPD), a major north-south route connecting Sanderson, TX and Denver, CO
- Building is equipped with a drive-thru, providing ease and convenience for customers
- Set to complete in Q1 2022, the building will feature state of the art, brand new, high-quality construction with modern amenities and design

PROPERTY OVERVIEW



Location



Artesia, New Mexico
Eddy County
Carlsbad-Artesia MSA

Parking



There are approximately 28 parking spaces on the owned parcel.
The parking ratio is approximately 8.37 stalls per 1,000 SF of leasable area.

Access



W. Main Street: 1 Access Point
S. 26th Street: 1 Access Point

Parcel



Parcel Numbers: Subject to reparcelization
4-151-099-010-012 & 4-151-099-021-012
Acres: 0.92
Square Feet: 41,818

Traffic Counts



W. Main Street: 5,700 Vehicles Per Day
U.S. Highway 285: 12,700 Vehicles Per Day

Construction



Under Construction: Opening Q1 2022

Improvements



There is approximately 3,347 SF of existing building area

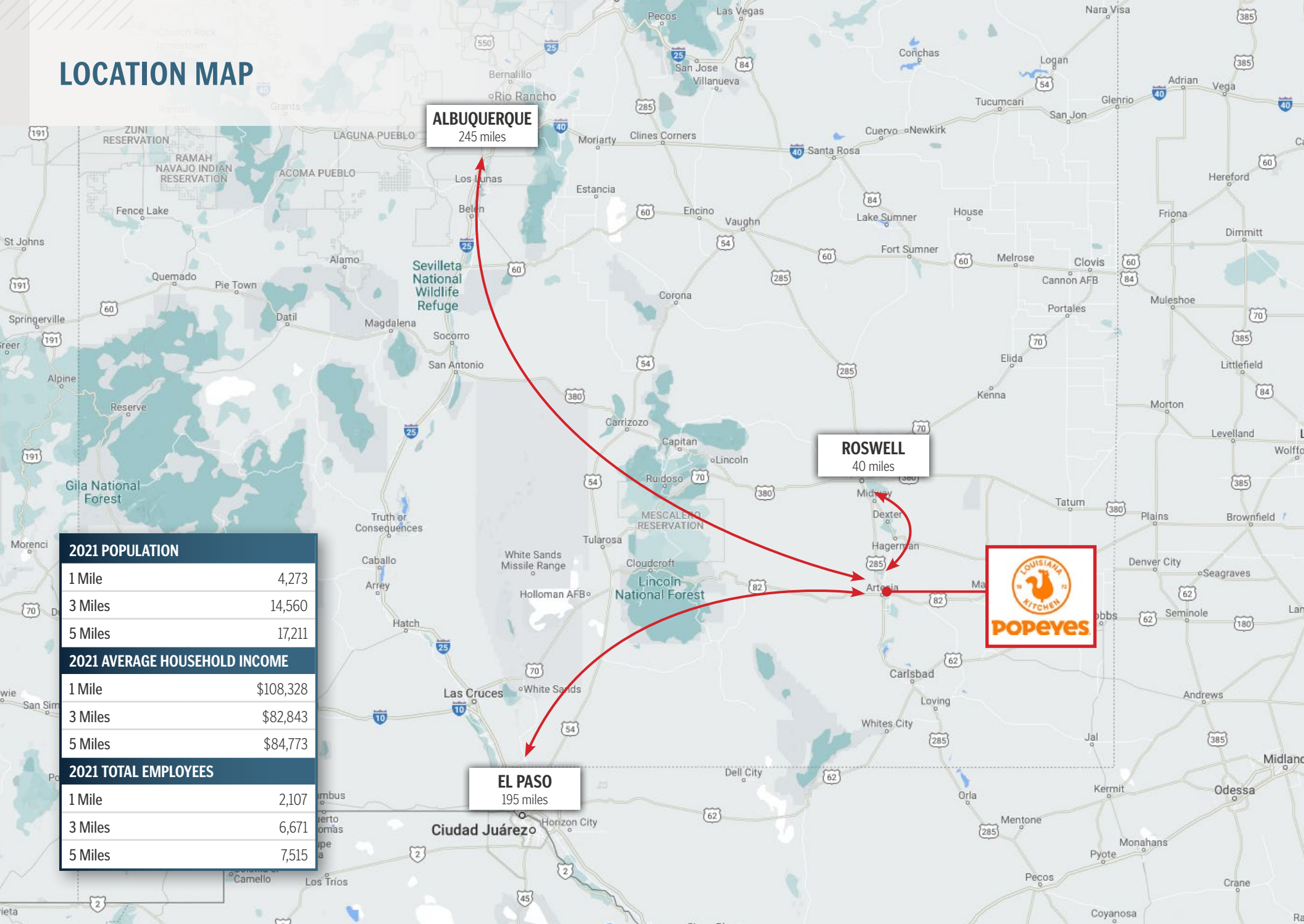
Zoning

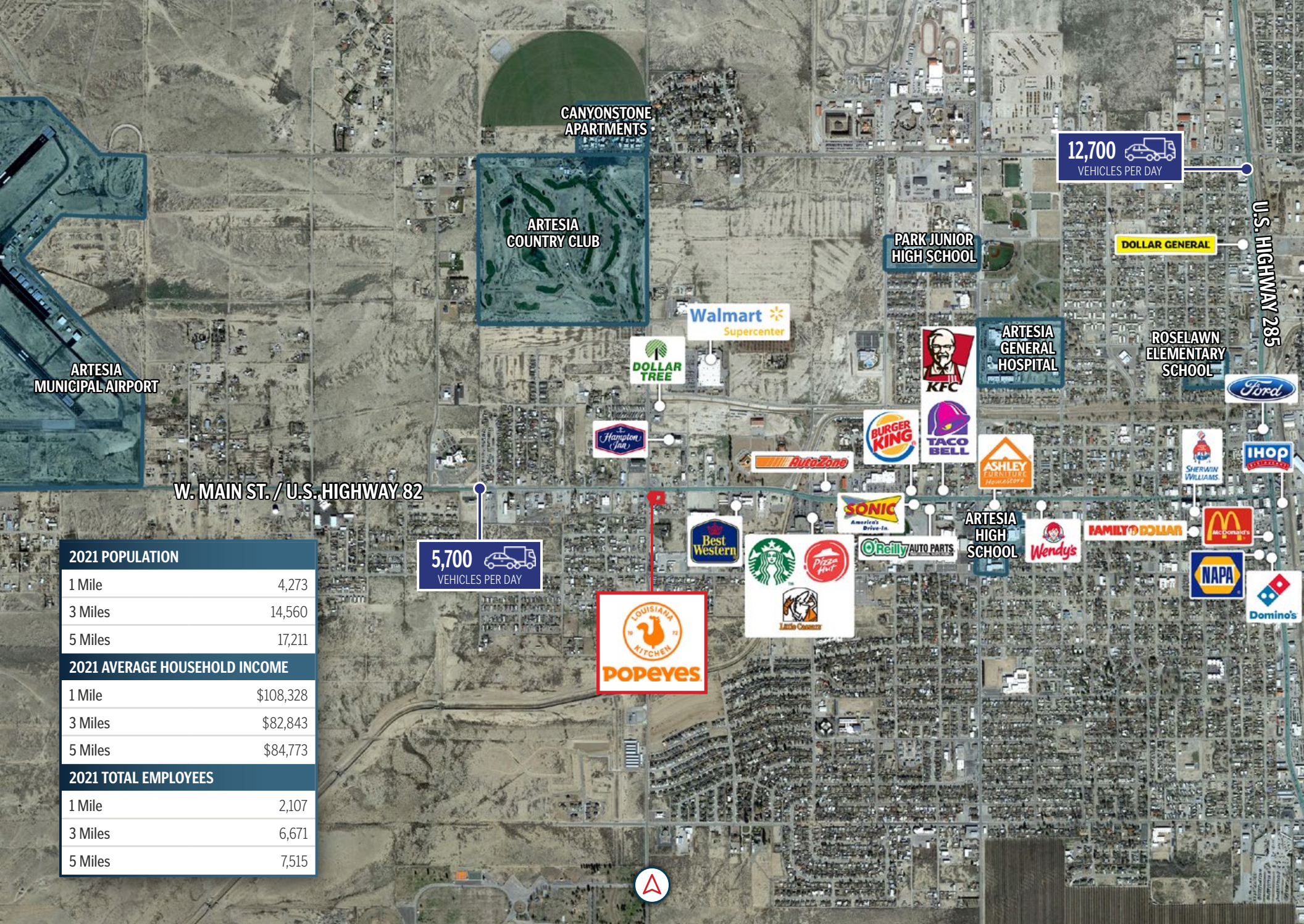


Commercial

LOCATION MAP

2021 POPULATION	
1 Mile	4,273
3 Miles	14,560
5 Miles	17,211
2021 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$108,328
3 Miles	\$82,843
5 Miles	\$84,773
2021 TOTAL EMPLOYEES	
1 Mile	2,107
3 Miles	6,671
5 Miles	7,515





2021 POPULATION

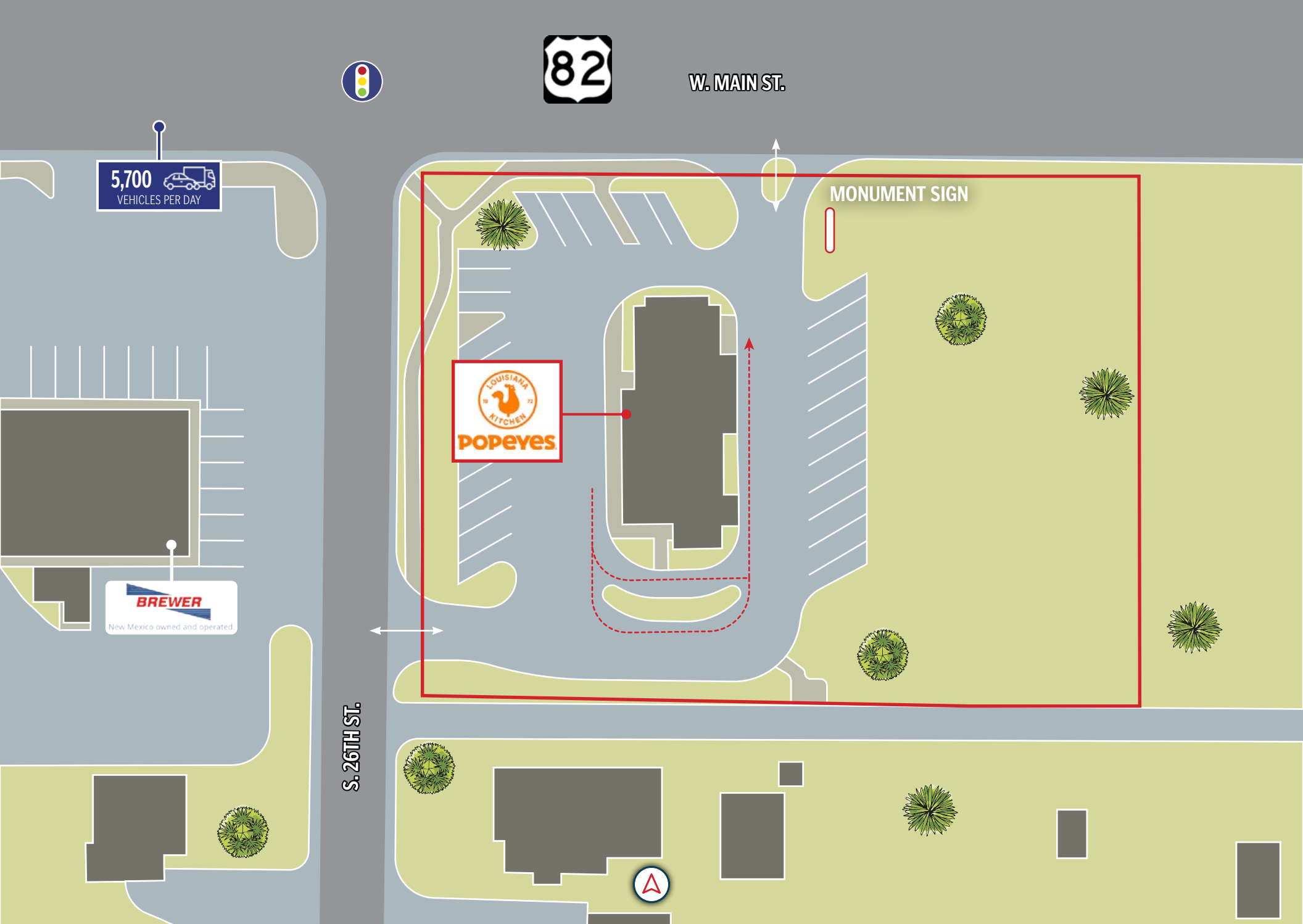
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AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	4,273	14,560	17,211
2026 Projected Population	4,418	14,831	17,657
2021-2026 Annual Rate	0.67%	0.37%	0.51%
2021 Median Age	37.6	36.3	36.8
HOUSEHOLDS & GROWTH			
2021 Estimated Households	1,640	5,356	6,318
2026 Projected Households	1,698	5,464	6,492
Projected Annual Growth 2021 to 2026	0.70%	0.40%	0.54%
INCOME			
2021 Estimated Average Household Income	\$108,328	\$82,843	\$84,773
2021 Estimated Median Household Income	\$79,238	\$56,635	\$58,807
DAYTIME POPULATION			
2021 Estimated Total Businesses	144	579	634
2021 Estimated Total Employees	2,107	6,671	7,515



AREA OVERVIEW



ARTESIA, NEW MEXICO

Artesia, New Mexico, in Eddy county, is 137 miles NW of Odessa, Texas and 143 miles NE of El Paso, Texas. The City of Artesia has a population of 12,300 as of July 1, 2021.

Artesia has four primary economic drivers – oil & gas production, oil refining, the Federal Law Enforcement Training Center, and Agriculture, including dairies, farming, and ranching. Prominent local oil and gas businesses include Wilbanks Trucking Services, EOG Resources, Mack Energy Corporation, and Marbob Energy Corp. Artesia is a trade center and shipping point for the surrounding irrigated farmlands (wool, cotton, alfalfa, feeds). Oil and gas fields (discovered in 1923) support refineries, extraction plants, and petrochemical industries. Potash mining is also of economic importance in the area. As a direct result of their base economic industries, their economy is very strong.

Artesia and nearby Attractions are Artesia Historical Museum, Abo Shopping Center, Carlsbad Museum & Art Center, Living Desert State Park, Anderson Museum of Contemporary Art, Brantley Lake State Park, and more.

While in Artesia, one can enjoy water skiing, fishing, boating and sailing at the Brantley Lake State Park. The Artesia Historical Museum and Art Center is also a popular local spot. Local churches include the Hermosa Drive Baptist Church, Victory Mission Church and the United Pentecostal Church. The Artesia Country Club provides excellent facilities for golfers. The city hosts the Eddy County Fair every July.

Higher education can be pursued at Eastern New Mexico University, Odessa College and South Plains College. Facilities for air transportation are available from Lea County Airport.

BRAND PROFILE



POPEYES

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



Founded in 1972, Popeyes Louisiana Kitchen, Inc. develops, operates, and franchises quick-service restaurants under the Popeyes Louisiana Kitchen and Popeyes Chicken & Biscuits trade names. The brand's new Chicken Sandwich introduced in 2019 has been a massive star and is more than just buzz. The fanfare around Popeyes' Chicken Sandwich produced an historical sales boost for the brand. Popeyes' comparable sales in the U.S. increased 13 percent for the year and 37.9 percent for the fourth quarter 2019. Popeyes rode momentum from the initial August launch into an event bigger relaunch, complete with a wildly successful social media campaign. The restaurant was at one point the top-trending news on Twitter and the top search on Google. This led to billions of media impressions and generated earned media worth considerably more than the size of their entire annual advertising budget. Additionally, Popeyes' foot traffic increased greatly from 2018 to 2019. Based on foot traffic analytics platform Placer.ai, when comparing all of 2018's visits to 2019, the brand saw a traffic increase of 26.8 percent for the year. There are over 3,400 Popeyes restaurants in the U.S. and around the world.



POPEYES VS. 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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in 2020

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