

Representative Photo

POPEYES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



3560 Wheaton Way, Bremerton, WA 98310

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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

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Investment Highlights

PRICE: \$3,605,555 | CAP: 4.50% | RENT: \$162,250



About the Investment

- ✓ Original 20-Year Lease With Over 19 Years Remaining
- ✓ Absolute Triple-Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Annually Beginning in Year 3
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each
- ✓ Remodel to Newest Prototype Scheduled in Next 24 Months

About the Location

- ✓ Dense Urban Infill | Lowes, Fred Meyer, Dollar Tree, O'Reilly Auto, Discount Tires, Firestone, Aarons, Goodwill, AT&T, Grocery Outlet, McDonalds, Little Caesars, Pizza Hut, Papa Murphy's, Arby's, Dutch Bros Coffee and Many More
- ✓ Quality Demographics | Population Exceeds 65,000 Individuals Within a Three-Mile Radius and 112,700 Individuals Within a Five-Mile Radius
- ✓ Affluent Community | Average Income Within a Five-Mile Radius Exceeds \$88,000
- ✓ Strong Traffic Counts | Wheaton Way and Sylvan Way | Average Daily Traffic Counts of Approximately 39,660 and 10,263 Vehicles, Respectively

About the Tenant / Brand

- ✓ Popeyes is the World's Second Largest Quick Service Chicken Concept
- ✓ Popeyes is a Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972
- ✓ Ambrosia QSR is a Well-Funded Developer and Operator of Burger King and Popeyes Locations Throughout Washington and Oregon
- ✓ Lease Guaranteed by Ambrosia QSR II, LLC | A 13-Unit Popeyes Entity with Plans for Expansion





Financial Analysis

PRICE: \$3,605,555 | CAP: 4.50% | RENT: \$162,250

PROPERTY DESCRIPTION

Property	Popeyes
Property Address	3560 Wheaton Way
City, State ZIP	Bremerton, WA 98310
Year Built / Renovated	1980 / Remodel Within 24 Months
Building Size (SF)	+/- 3,236
Estimated Lot Size (Acres)	+/- 0.85 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$3,605,555
CAP Rate	4.50%
Annual Rent	\$162,250

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	Ambrosia QSR II, LLC
Original Lease Term	20 Years
Lease Commencement	May 6 th , 2021
Lease Expiration	May 5 th , 2041
Lease Term Remaining	19+ Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually Starting Year 3
Options to Renew	Four (4), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
5/6/2021 - 5/5/2022	\$162,250	\$13,521	-
5/6/2022 - 5/5/2023	\$162,250	\$13,521	
5/6/2023 - 5/5/2024	\$165,089	\$13,757	1.75%
5/6/2024 - 5/5/2025	\$167,978	\$13,998	1.75%
5/6/2025 - 5/5/2026	\$170,918	\$14,243	1.75%
5/6/2026 - 5/5/2027	\$173,909	\$14,492	1.75%
5/6/2027 - 5/5/2028	\$176,953	\$14,746	1.75%
5/6/2028 - 5/5/2029	\$180,049	\$15,004	1.75%
5/6/2029 - 5/5/2030	\$183,200	\$15,267	1.75%
5/6/2030 - 5/5/2031	\$186,406	\$15,534	1.75%
5/6/2031 - 5/5/2032	\$189,668	\$15,806	1.75%
5/6/2032 - 5/5/2033	\$192,987	\$16,082	1.75%
5/6/2033 - 5/5/2034	\$196,365	\$16,364	1.75%
5/6/2034 - 5/5/2035	\$199,801	\$16,650	1.75%
5/6/2035 - 5/5/2036	\$203,298	\$16,941	1.75%
5/6/2036 - 5/5/2037	\$206,855	\$17,238	1.75%
5/6/2037 - 5/5/2038	\$210,475	\$17,540	1.75%
5/6/2038 - 5/5/2039	\$214,159	\$17,847	1.75%
5/6/2039 - 5/5/2040	\$217,906	\$18,159	1.75%
5/6/2040 - 5/5/2041	\$221,720	\$18,477	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 3560 Wheaton Way in Bremerton, WA. The property consists of 3,236 square feet of building space and is situated on an estimated 0.85 acres of land. The tenant is subject to a 20-year absolute triple net (NNN) lease, that runs through May 5th, 2041. The base rent is \$162,250 and will increase by 1.75% percent annually starting in year three and continuing throughout the base term and into each of the four (4), five (5)-year tenant renewal option periods.



Concept & Guarantor Overview

POPEYES
LOUISIANA KITCHEN

About Popeyes

Founded in 1972, Popeyes is the world's second largest quick service chicken concept as measured by total number of restaurants (only behind KFC). As of December 31, 2018, Popeyes owned or franchised a total of 3,102 restaurants. Popeyes restaurants are quick service restaurants that distinguish themselves with a unique "Louisiana" style menu featuring spicy chicken, chicken tenders, fried shrimp and other seafood, red beans and rice and other regional items. Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).

Fun Facts:

- *Global Leadership in Chicken Segment - One of the largest players with rapidly-growing market share*
- *Unique, Highly-Differentiated Brand - Internationally-recognized Louisiana heritage since 1972*
- *Highly-Attractive Unit Economics - >\$1.4mm ARS and strong franchisee EBITDA margins*
- *Nearly Fully-Franchised Business Model - 98% franchised, leading to healthy margins and cash flow*
- *Significant Expansion Opportunity in the U.S. - Consistent track record of successful growth across the country*
- *International Growth Acceleration - Numerous development agreements signed in last few years*



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Ambrosia QSR

Ambrosia QSR is a well-funded developer and operator of Popeyes and Burger King locations. They are based out of Vancouver, WA with over 100 locations throughout the Pacific Northwest. With new capital investors, the tenant is looking to expand, and the strength of the operator will only continue to grow over the next few years. The operator is following a tactical and sophisticated development thesis by selecting high quality locations with tremendous upside potential. The guarantor is Ambrosia QSR II, LLC, a 13-unit Popeyes entity.



Surrounding Area

3560 Wheaton Way, Bremerton, WA 98310

POPEYES

LOUISIANA KITCHEN





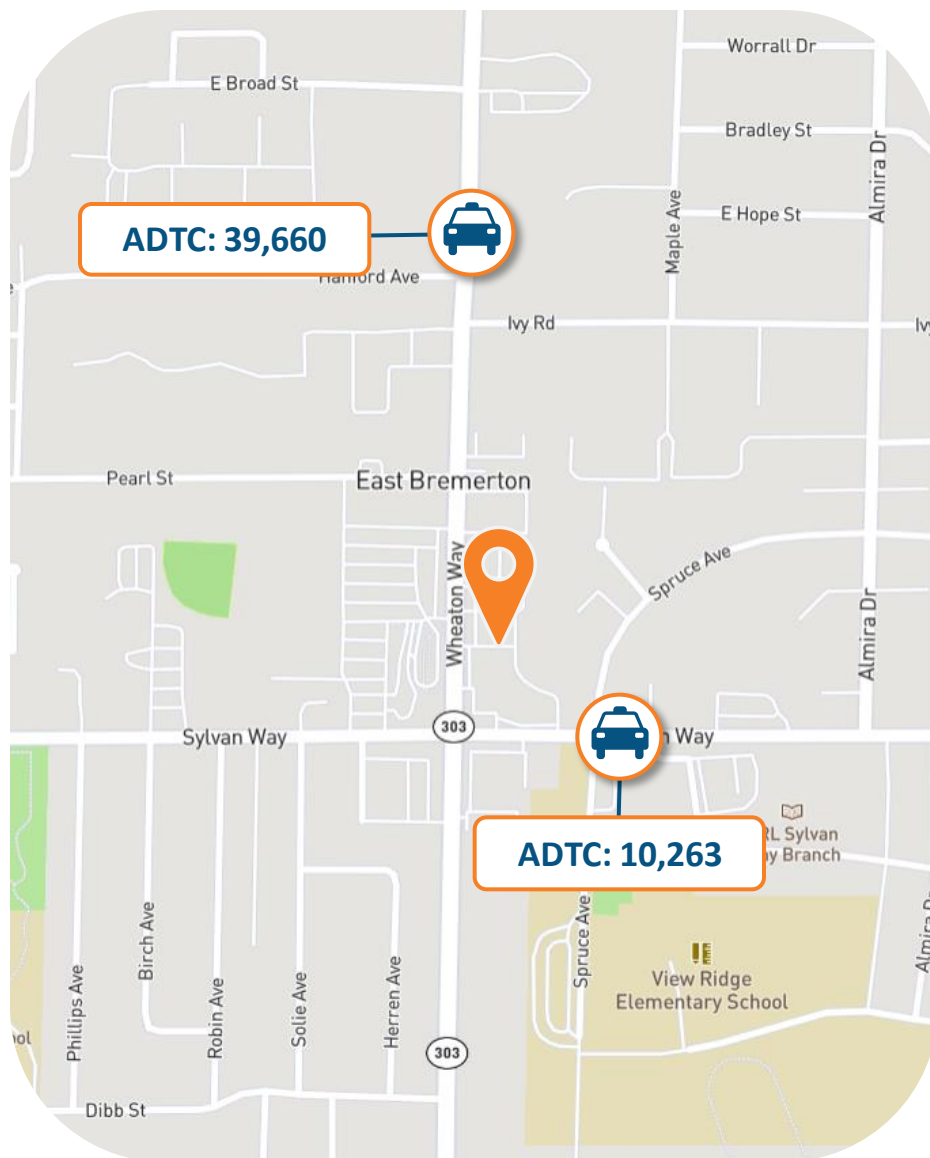
Location Overview

3560 Wheaton Way, Bremerton, WA 98310

The subject investment property is situated on Wheaton Way, which experiences average daily traffic counts of 39,660 vehicles per day. Wheaton Way intersects with Sylvan Way which brings an additional 10,263 vehicles into the immediate area daily. There are approximately 65,446 individuals residing within a three-mile radius of the subject property and 112,771 individuals within a five-mile radius. This Popeyes benefits from being located within an affluent suburban community. The average household income within a five-mile radius exceeds \$88,000.

This Popeyes property benefits from being well-positioned in a dense residential and urban infill consisting of national and local tenants, shopping centers, and academic institutions. Major national tenants within the area include Lowes, Frey Meyer, Dollar Tree, O'Reilly Auto Parts, Discount Tires, Firestone, Aarons, Goodwill, AT&T, Grocery Outlet, McDonalds, Little Caesars, Pizza Hut, Papa Murphy's, Arby's, Dutch Bros Coffee, as well as many more. The subject Popeyes benefits from being within a three-mile radius of several academic institutions. Most notable of these being Olympic College, a public community college located just under two-miles from the subject property with a total enrollment exceeding 4,600 students.

Bremerton is a city in Kitsap County, Washington, United States. The population was 37,729 at the 2010 census and an estimated 41,405 in 2019, making it the largest city on the Kitsap Peninsula. Bremerton is home to Puget Sound Naval Shipyard and the Bremerton Annex of Naval Base Kitsap. Bremerton is connected to downtown Seattle by two ferries: a 60-minute ferry that carries both vehicles and walk-on passengers, and a 28-minute Fast Ferry that carries passengers and a limited number of bicycles. Seattle is the largest city, in terms of population, in both the state of Washington, as well as the entire Pacific Northwest region of North America, and is the 15th largest city in the United States. The city is situated on an isthmus between the Puget Sound and Lake Washington, approximately 100 miles south of the United States-Canada border. Serving as a major gateway for trade with Asia, the city is home to the fourth-largest port in the United States of America.



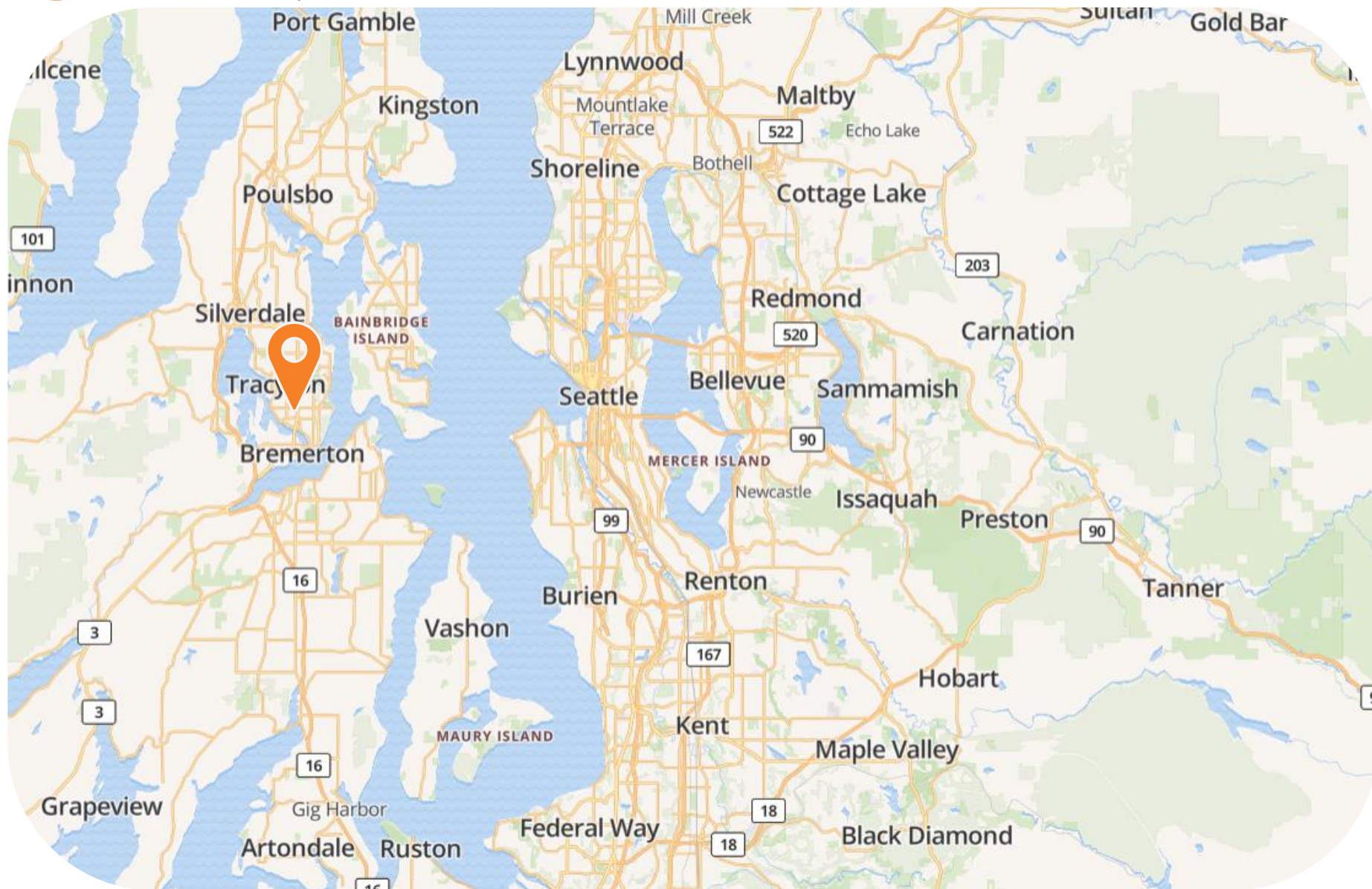


Local Map

3560 Wheaton Way, Bremerton, WA 98310

POPEYES

LOUISIANA KITCHEN



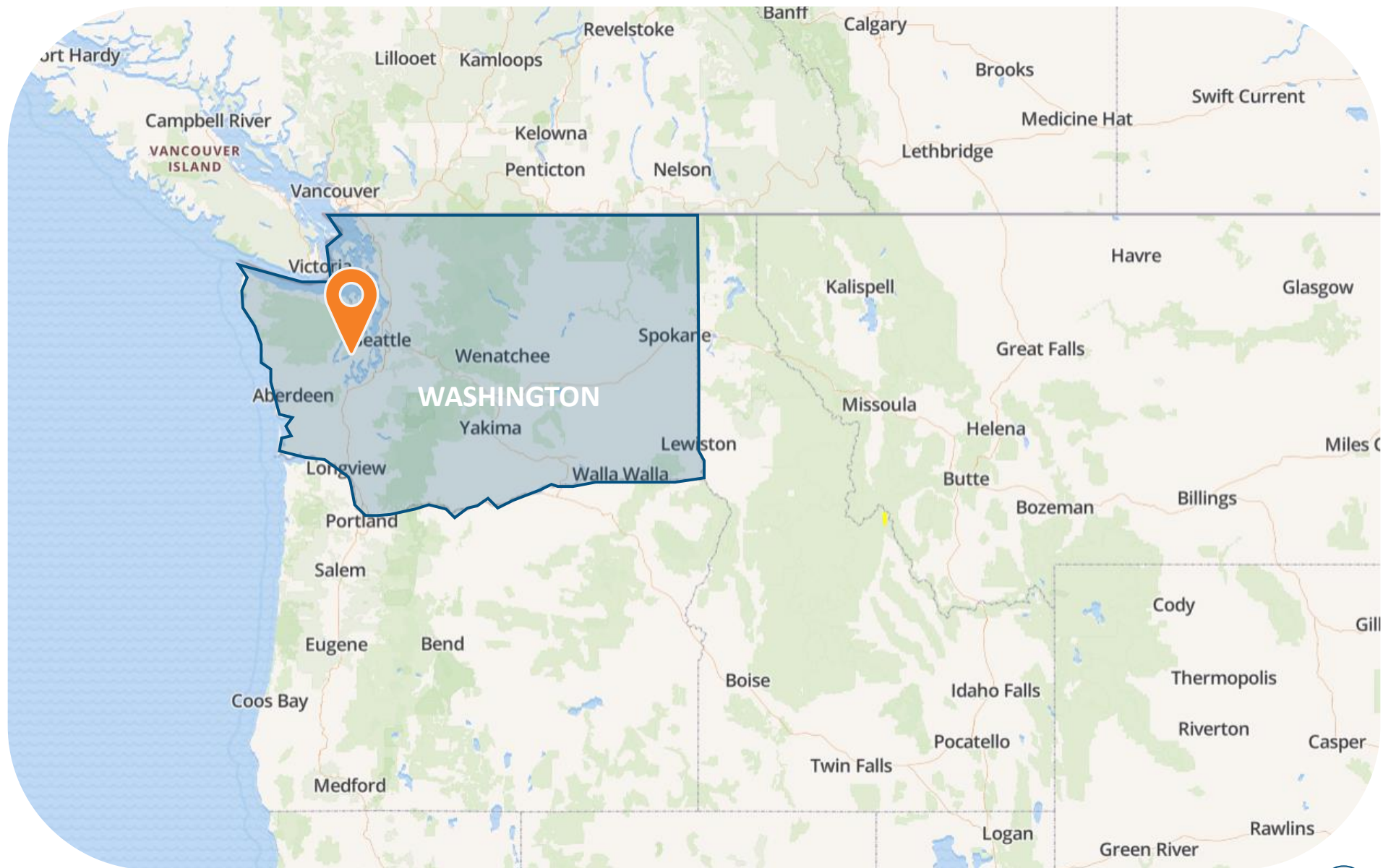


Regional Map

3560 Wheaton Way, Bremerton, WA 98310

POPEYES

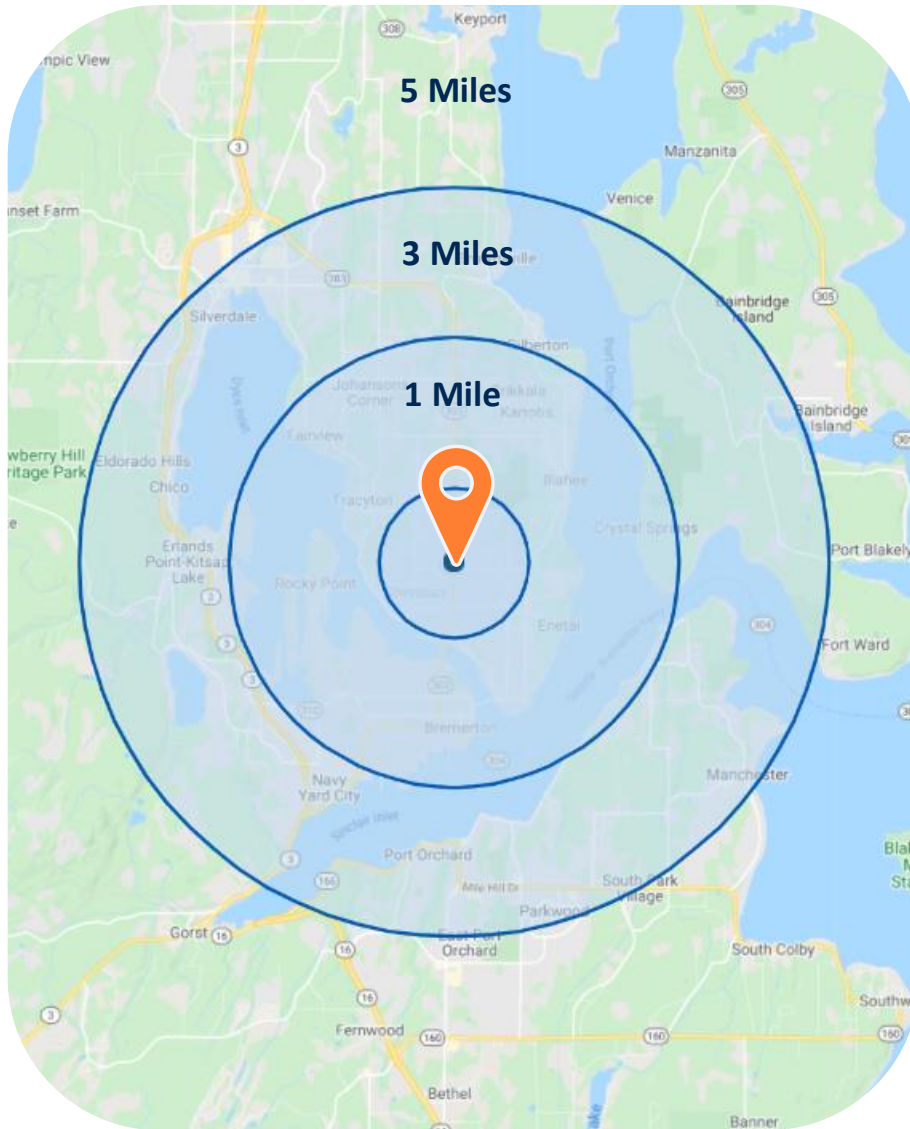
LOUISIANA KITCHEN





Demographics

3560 Wheaton Way, Bremerton, WA 98310



	1 Miles	3 Miles	5 Miles
POPULATION			
2025 Projection	14,380	67,395	116,495
2020 Estimate	13,756	65,466	112,771
2010 Census	12,471	61,241	104,821
2000 Census	11,746	57,569	101,220
INCOME			
Average	\$73,410	\$80,580	\$88,303
Median	\$56,136	\$62,668	\$67,691
Per Capita	\$31,893	\$32,940	\$36,127
HOUSEHOLDS			
2025 Projection	6,232	26,845	47,072
2020 Estimate	5,910	25,830	45,091
2010 Census	5,307	23,855	41,344
2000 Census	5,015	22,643	39,095
HOUSING			
2020	\$258,400	\$274,613	\$301,319
EMPLOYMENT			
2020 Daytime Population	12,563	70,405	122,709
2020 Unemployment	5.23%	4.98%	5.09%
2020 Median Time Traveled	27	28	29
RACE & ETHNICITY			
White	66.93%	71.18%	74.81%
Native American	1.90%	1.52%	1.31%
African American	6.92%	6.13%	4.93%
Asian/Pacific Islander	9.68%	7.95%	7.24%



Market Overview

3560 Wheaton Way, Bremerton, WA 98310

Seattle, WA



Seattle Is located across Elliot Bay from Bremerton, which is a seaport city on the West Coast of the United States and serves as the county seat of King County. Seattle is the largest city, in terms of population, in both the state of Washington, as well as the entire Pacific Northwest region of North America, and is the 15th largest city in the United States. The city is situated on an isthmus between the Puget Sound and Lake Washington, approximately 100 miles south of the United States-Canada border. Serving as a major gateway for trade with Asia, the city is home to the fourth-largest port in the United States of America. The Seattle economy is driven by a mix of older industrial companies, and “new economy” internet and technology companies, as well as service, design, and clean technology companies. The city remains as a hot-bed for start-up businesses, especially in green building and clean technologies. It was ranked as America’s #1 “smarter city” based on its government and green economy. Large companies continue to dominate the business landscape. Five companies on Fortune 500’s 2017 list of the United States’ largest companies are headquartered in Seattle: Internet retailer Amazon, coffee chain Starbucks, department store Nordstrom, freight forwarder Expeditors International of Washington, and forest products company Weyerhaeuser. The airport averages 200,000 takeoffs and landings each year and supports \$3.5 billion in local business. This in turn supports more than 16,000 jobs, creating \$2 billion in labor income in King County. Seattle–Tacoma International Airport, the eighth busiest in the U.S. is approximately 15-miles east of the subject property and serviced more than 49,849,520 people in 2018.



Adam Friedlander
afriedlander@nnnpro.com
332.345.4224 | NY: 10301209884

R.J. Stein
rstein@nnnpro.com
332.345.4323 | NY: 10401341647

Glen Kunofsky
gkunofsky@nnnpro.com.com
NY: 10301203289



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Joel Deis
Marcus & Millichap
601 Union Street
Suite 2710 Seattle, WA 98101
Tel: (206) 826-5700
Fax: (206) 826-5710
License #: 90758



3560 Wheaton Way, Bremerton, WA 98310