

**Representative Photo*



ABSOLUTE NNN TACO BELL OPPORTUNITY | Liberty Hill, TX

Brand New Construction | 25 Year Term | Zero Landlord Responsibilities | Annual Escalations

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THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer for sale the opportunity to acquire a single-tenant Taco Bell (the “Property” and “Offering”) featuring a brand-new construction, Absolute NNN Lease with 25 years of term. The investment opportunity offers a truly passive income structure with zero landlord responsibilities and annual escalations throughout the contractual lease term. The Offering is a part of a larger redevelopment at the intersection of State Hwy 29 and Stonewall Pkwy. Plans at the intersection include an access road off the main drag and a total of 4 pad sites. One of the pads will be a brand-new McDonald’s. The Tacala Companies (the “Tenant”) is a strong franchise operator that started with their first Taco Bell in 1989 and has since grown to over 300 locations in the Southeast and Texas. The investment offers a rare opportunity to acquire a national QSR brand on a long-term lease, featuring great visibility and access in a growing market.



INVESTMENT HIGHLIGHTS

FAVORABLE LEASE ECONOMICS

Brand-new construction building leased to leading QSR brand on a 25-year lease with zero landlord responsibilities

INDUSTRY LEADING TENANCY

Yum! Brands has proven to be a pandemic-resistance tenant, with strong revenue growth through FY2020-2021

STRONG FRANCHISEE OPERATOR

Leased to 300+ location Taco Bell franchisee that has been in business for over 30 years

BENEFITS FROM NEARBY DEVELOPMENTS

Located within a commercial development site with plans to include 4 total pad sites, one of which will be a McDonald's

SURROUNDED BY EXCEPTIONAL DEMOGRAPHICS

The Property is located in Liberty Hill, TX a growing trade area with an estimated population increase of 6% in the next 5 years and average household incomes of \$125,900 in a 3-mile radius

State Hwy 29 & Stonewall Pkwy

Liberty Hill, Texas 78642

PROPERTY OVERVIEW

±2,000 SF

GLA

0.79

Acres

25 Years

Lease Term

2022

Year Built

\$114,000

NOI

6 x 5

Renewal Options

\$2,850,000

Price

4.00%

Cap Rate



| Property Details | |
|------------------------|---|
| Address | State Hwy 29 & Stonewall Pkwy Liberty Hill, TX 78642 |
| Rentable Building Area | ±2,000 SF |
| Land Area | 0.79 acres |
| Year Built | 2022 |
| Lease Abstract | |
| Tenant | Tacala Austin Corporation |
| Rent Commencement | 4/1/2022 |
| Lease Expiration | 3/31/2047 |
| Lease Term | 25 years |
| Rent Increases | 1.0% Annually |
| Renewal Options | Six, 5-Year Options |
| Lease Structure | Absolute NNN |
| CAM | Tenant Responsibility |
| Insurance | Tenant Responsibility |
| Taxes | Tenant Responsibility |
| Landlord Expenses | None |

| Taco Bell Rent Schedule | | | |
|-------------------------|-------------|--------------|-----------|
| Lease Year | Annual Rent | Monthly Rent | Increases |
| Year 1 | \$114,000 | \$9,500 | - |
| Year 2 | \$115,140 | \$9,595 | 1.0% |
| Year 3 | \$116,291 | \$9,691 | 1.0% |
| Year 4 | \$117,454 | \$9,788 | 1.0% |
| Year 5 | \$118,629 | \$9,886 | 1.0% |
| Year 6 | \$119,815 | \$9,985 | 1.0% |
| Year 7 | \$121,013 | \$10,084 | 1.0% |
| Year 8 | \$122,223 | \$10,185 | 1.0% |
| Year 9 | \$123,446 | \$10,287 | 1.0% |
| Year 10 | \$124,680 | \$10,390 | 1.0% |
| Year 11 | \$125,927 | \$10,494 | 1.0% |
| Year 12 | \$127,186 | \$10,599 | 1.0% |
| Year 13 | \$128,458 | \$10,705 | 1.0% |
| Year 14 | \$129,743 | \$10,812 | 1.0% |
| Year 15 | \$131,040 | \$10,920 | 1.0% |
| Year 16 | \$132,350 | \$11,029 | 1.0% |
| Year 17 | \$133,674 | \$11,139 | 1.0% |
| Year 18 | \$135,011 | \$11,251 | 1.0% |
| Year 19 | \$136,361 | \$11,363 | 1.0% |
| Year 20 | \$137,724 | \$11,477 | 1.0% |
| Year 21 | \$139,102 | \$11,592 | 1.0% |
| Year 22 | \$140,493 | \$11,708 | 1.0% |
| Year 23 | \$141,898 | \$11,825 | 1.0% |
| Year 24 | \$143,317 | \$11,943 | 1.0% |
| Year 25 | \$144,750 | \$12,062 | 1.0% |

Local Demographic Snapshot

| | 3-Mile | 5-Mile | 7-Mile |
|-------------------|-----------|-----------|-----------|
| Total Population | 17,123 | 29,191 | 68,097 |
| Total Households | 6,166 | 10,715 | 23,268 |
| Average HH Income | \$125,810 | \$131,362 | \$131,258 |



TENANT OVERVIEW

Taco Bell Corp.—a subsidiary of the world’s largest restaurant company, Yum! Brands, Inc. (NYSE: “YUM”)—is the nation’s leading Mexican-inspired quick service restaurant (QSR) brand. From breakfast to late night, Taco Bell serves made-to-order and customizable tacos, burritos, and other crave-able choices. Taco Bell proudly serves over two billion customers each year in over 7,400 restaurants across the nation, as well as through its mobile, desktop, and delivery ordering services. B&G Food Enterprises, the operator, was founded in 1982 and currently operates over 150 Taco Bell locations with 3,000 employees. B&G is the largest operator of Taco Bell’s in Louisiana and operates 50 locations within the Houston CBD.

■ PANDEMIC RESISTANT

Taco Bell drove Yum! Brands’ revenue growth in 2020, a turbulent year for restaurants as the pandemic surged again during Q4. During Q4 2020, Taco Bell was the only Yum! Chain to post same store sales growth.

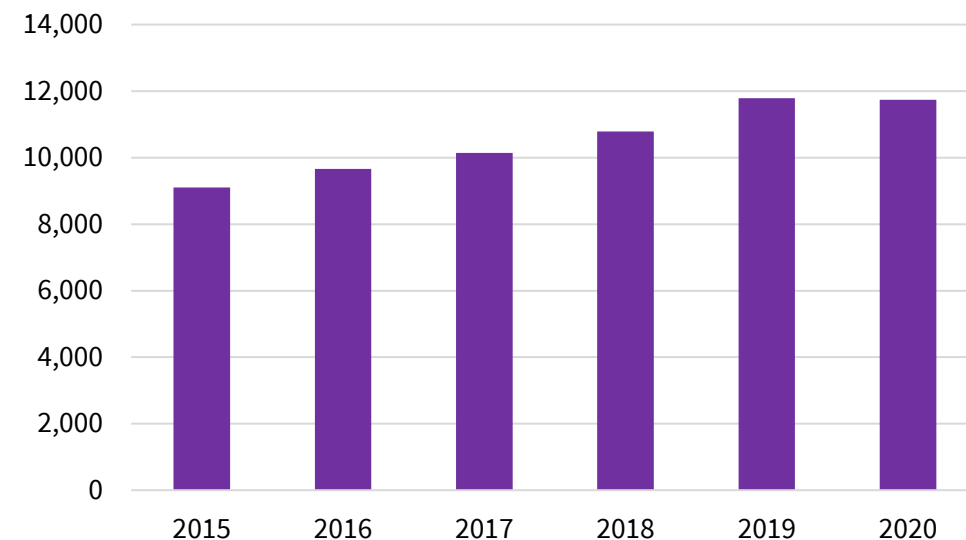




Taco Bell Overview

| | |
|-----------------------------------|------------------|
| Industry: | QSR |
| # of Active Locations: | 7,619 |
| Revenue (As of October 2021 YTD): | \$9,212,000,000 |
| Operating Margin: | 36.1% |
| New Locations: | 74 |
| 2-year Same Store Sales Growth: | 8% |
| # of Foreign Countries: | 26 |
| # of Employees | 100,000 |
| Franchisee: | Tacala Companies |
| Franchisee Locations: | 300+ |

Taco Bell Revenue (\$Millions)



- Taco Bell reported positive year-over-year same-store sales growth in 2020, indicating resilience in the face of COVID-19
- Taco Bell's drive-thrus saw 30 Million more vehicles year-over year
- Taco Bell restaurants have seen 8 consecutive years of same-store sales growth dating back to 2011
- Yum! Brands sales grew 8% year-over-year in 2020
- The global fast-food market is expected to reach \$931.7 billion in sales by 2027, rising at a CAGR of 4.6% from 2020 to 2027

Austin, TX Overview

Austin is the capital city of Texas. It's the 11th largest city in the United States and includes one of the fastest growing populations nationwide. The Austin MSA has 2.1 million residents, its multifamily rent growth was 25% in the 2021 calendar year. Austin is a magnet for corporate relocations given that Texas is the most business-friendly state in the country. Amazon, Facebook, Google, IBM, Tesla, and Whole Foods all have major regional offices in Austin. Apple is opening its \$1B campus in the city this year, accommodating up to 15,000 employees, making Apple the largest private employer in Austin. Also known for being home to the University of Texas, South by Southwest, and a number of beautiful lakes, there is no shortage of entertainment in what is quickly becoming the entertainment capital of the US.



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