

# Red Lobster

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



198 West Route 59  
Nanuet, NY 10954



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# Investment Highlights

PRICE: \$6,197,123 | CAP: 5.25% | RENT: \$325,349



## About the Investment

- ✓ Long-Term, Absolute Triple Net (NNN) Lease, Zero Landlord Obligations
- ✓ 17+ Years Of Lease Term Remaining
- ✓ Attractive 2.00% Annual Rental Bumps | Strong Inflation Hedge
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guarantee

## About the Location

- ✓ Dense Retail Corridor | Target, The Home Depot, Costco, Bed Bath & Beyond, Hilton Inn, Hampton Suites, Staples, Panera Bread, Blinds to Go, Dunkin', And Many More
- ✓ Strategic Positioning | Outparcel to a Home Depot | Multiple Points of Ingress & Egress | 19-Miles Outside NYC
- ✓ Strong Demographics | Population Exceeds 10,000 Individuals Within a One-Mile Radius, 128,000 Within a Three-Mile Radius & 234,000 Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 41,000 and 112,000 Along Route 59 and US Interstate 287
- ✓ Busy Accommodation Corridor | 9 Hotels Within a Two-Mile Radius | Over 1,000 Rooms
- ✓ Excellent Visibility & Frontage on West Route 59 | Multiple Points of Ingress & Egress

## About the Tenant / Brand

- ✓ Red Lobster is the largest seafood restaurant concept in the world and is an iconic full-service brand with broad demographic appeal and a significant advertising budget (2nd-largest in casual dining)
- ✓ The Company was founded in 1968 and currently operates over 700 restaurants throughout the United States and Canada, and has more than 40 franchised restaurants in international markets
- ✓ Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team)
- ✓ The company generates \$2.5B in revenue and is the 6th-largest casual dining concept in North America
- ✓ Recently acquired by an investment group led by Thai Union Group, one of the worlds largest seafood distributors





# Financial Analysis

PRICE: \$6,197,123 | CAP: 5.25% | RENT: \$325,349



## PROPERTY DESCRIPTION

Property	Red Lobster
Property Address	198 West Route 59
City, State ZIP	Nanuet, NY 10954
Estimated Building Size (SF)	+/- 8,477 SF
Estimated Lot Size (Acres)	+/- 2.18 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$6,197,123
CAP Rate	5.25%
Annual Rent	\$325,349

## LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant	Red Lobster Hospitality, LLC
Tenant / Guarantor	Red Lobster Intermediate Holdings, LLC
Lease Commencement	December 17 <sup>th</sup> , 2015
Lease Expiration	December 31 <sup>st</sup> , 2039
Lease Term Remaining	17+ Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually
Options to Renew	Four (4), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
8/1/2021 - 7/31/2022	\$318,970	\$26,581	2%
<b>8/1/2022 - 7/31/2023</b>	<b>\$325,349</b>	<b>\$27,112</b>	<b>2%</b>
8/1/2023 - 7/31/2024	\$331,856	\$27,655	2%
8/1/2024 - 7/31/2025	\$338,494	\$28,208	2%
8/1/2025 - 7/31/2026	\$345,263	\$28,772	2%
8/1/2026 - 7/31/2027	\$352,169	\$29,347	2%
8/1/2027 - 7/31/2028	\$359,212	\$29,934	2%
8/1/2028 - 7/31/2029	\$366,396	\$30,533	2%
8/1/2029 - 7/31/2030	\$373,724	\$31,144	2%
8/1/2030 - 7/31/2031	\$381,199	\$31,767	2%
8/1/2031 - 7/31/2032	\$388,823	\$32,402	2%
8/1/2032 - 7/31/2033	\$396,599	\$33,050	2%
8/1/2033 - 7/31/2034	\$404,531	\$33,711	2%
8/1/2034 - 7/31/2035	\$412,622	\$34,385	2%
8/1/2035 - 7/31/2036	\$420,874	\$35,073	2%
8/1/2036 - 7/31/2037	\$429,292	\$35,774	2%
8/1/2037 - 7/31/2038	\$437,878	\$36,490	2%
8/1/2038 - 7/31/2039	\$446,635	\$37,220	2%
8/1/2039 – 12/31/2039	\$455,568	\$37,964	2%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Red Lobster located at 198 West Route 59 in Nanuet, New York. The site consists of roughly 8,477 rentable square feet of building space on an estimated 2.18-acre parcel of land.

This Red Lobster is subject to a long-term absolute triple-net (NNN) lease, which commenced December 17th, 2015. The current annual rent is \$325,349 and is scheduled to increase by 2.00% annually throughout the remainder of the base term and in each of the four (4), five (5)-year tenant renewal options.



# Concept Overview

## About Red Lobster



- Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and a significant advertising budget (2<sup>nd</sup> largest in casual dining).
- The Company was founded in 1968 and currently operates 700+ restaurants throughout the United States and Canada and has 40+ franchised restaurants in international markets.
- The company generates \$2.5B in revenue and is the 6<sup>th</sup> largest casual dining concept in North America.

## The Transaction

- On August 31st, 2020, a group led by Thai Union Group (“TUG”) acquired Red Lobster from Golden Gate Capital.
- Thai Union Group was previously a minority owner of Red Lobster – first acquiring a 25% stake in the company in 2016.
- The new ownership group now includes Thai Union Group, current Red Lobster management, and a newly formed investment group, Seafood Alliance, which is led by two prominent global restaurant operators.







## OUR HISTORY

### FRESH IS IN OUR FOOD

Each day, you'll find an updated selection of fresh fish on our Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits™, crisp salads and a host of fresh seafood recipes waiting to be explored.

### FRESH IS IN OUR KNOWLEDGE

No one knows seafood better than we do. As global seafood buyers, we have employees stationed throughout the world who inspect our seafood the moment it comes out of the water. They ensure it meets standards that are second to none. Then, the renowned chefs at our culinary center deliver the fresh expertise that turns it all into something truly special.

### FRESH IS IN OUR DEDICATION

We hold ourselves to the highest standards for service, quality and a welcoming atmosphere. And we're focused on doing what's right – for our employees, in our communities and in the world.

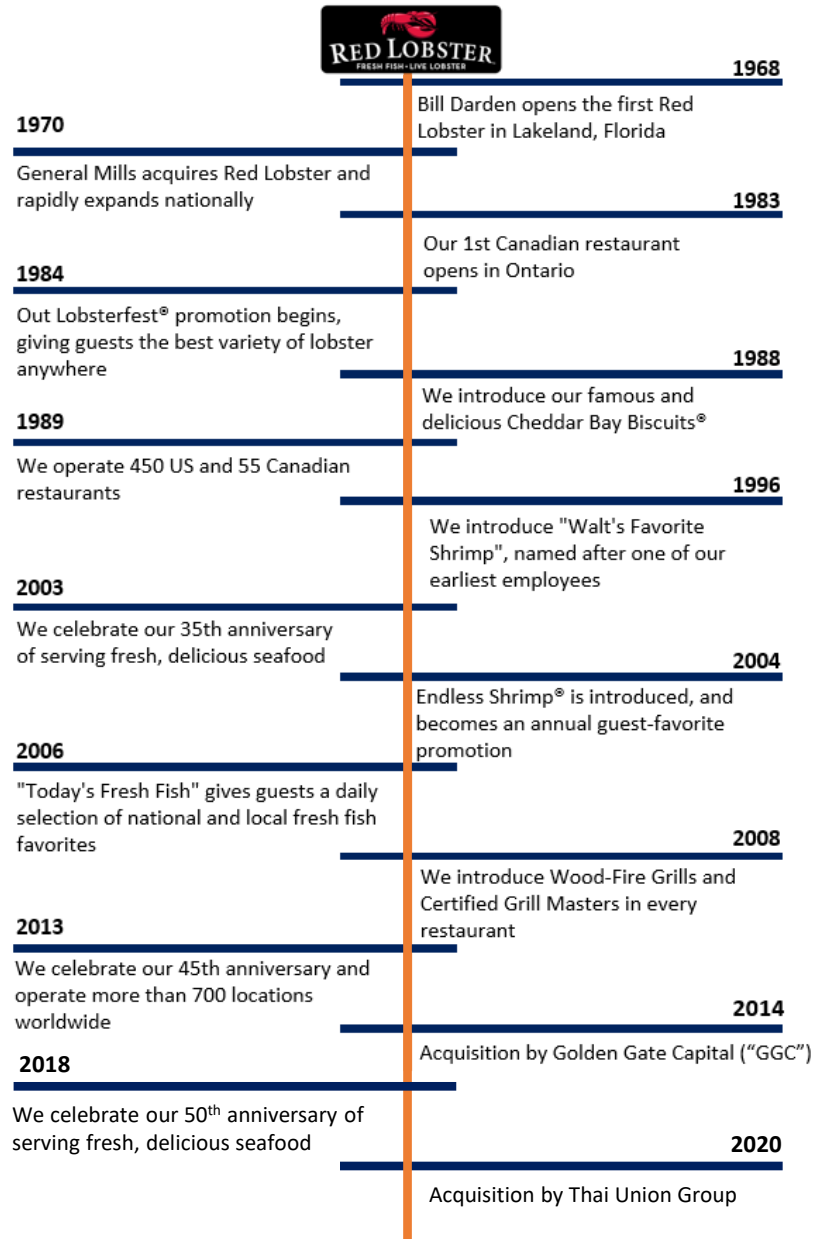
### FRESH IS IN OUR COMMITMENT

You deserve the freshest food and thinking. So every time you visit one of our seafood restaurants or our online seafood store, you'll find an uncommon commitment to deliver the best of the sea with fresh energy and fresh ideas that we hope will make you want to come back again and again.

*We invite you to come in and experience our commitment to quality for yourself. Whether it's choosing your favorite fresh fish from our "Today's Fresh Fish" menu, or selecting your favorite seafood to be prepared over our wood-fired grill, Red Lobster is the place you can enjoy fresh, delicious seafood now and for generations.*



# Concept Overview







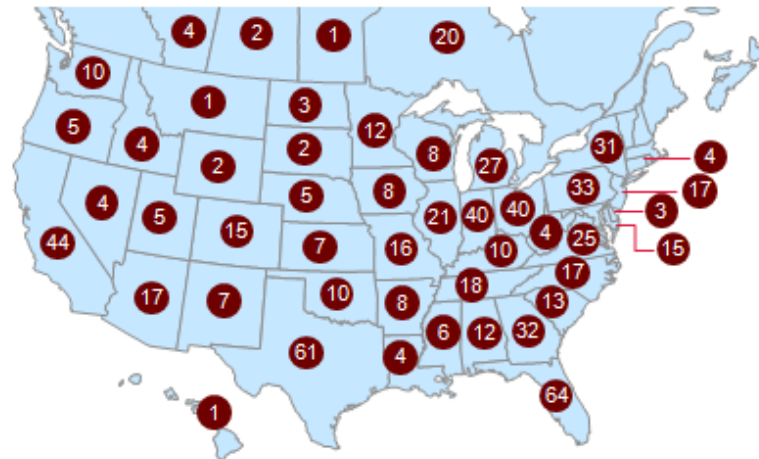
# Concept Overview



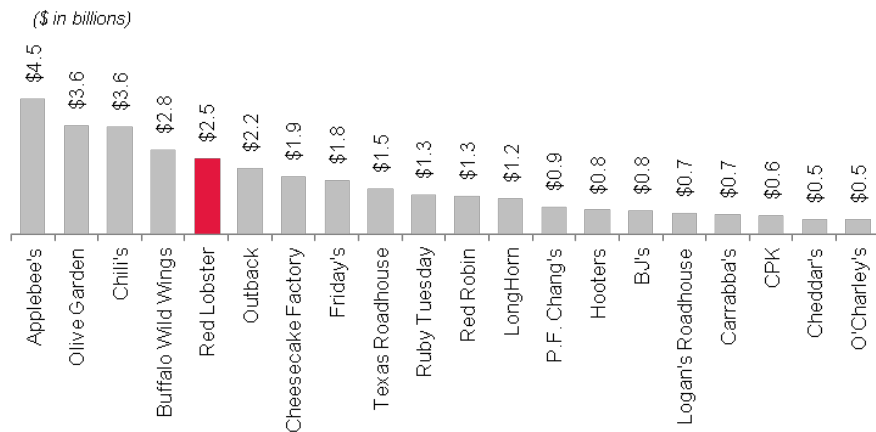
## Strong Market Position

- Red Lobster is the largest seafood restaurant concept in the world and the 6<sup>th</sup> largest casual dining concept in the United States with over \$2.5 billion in annual sales and 700+ restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
  - Largest share of any restaurant concept in any segment.
- 6<sup>th</sup> largest overall casual dining concept in the US.

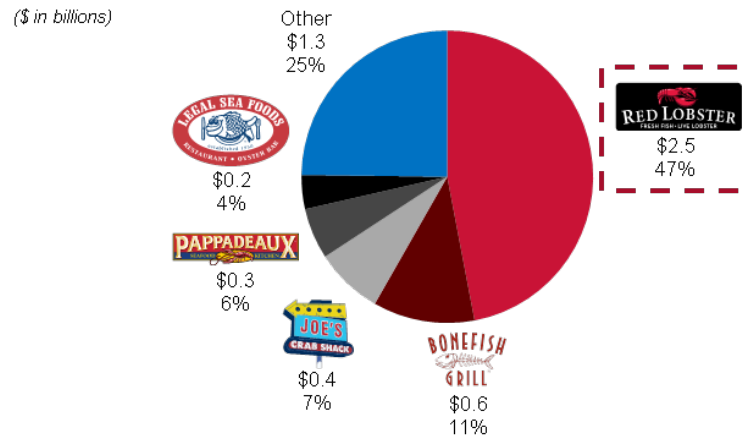
## Significant Scale With Broad Geographic Reach



## 6<sup>th</sup> Largest Casual Dining Concept in the US



## ~50% Share in Seafood Casual Dining





# Concept Overview



## Iconic Brand With Unparalleled Customer Loyalty

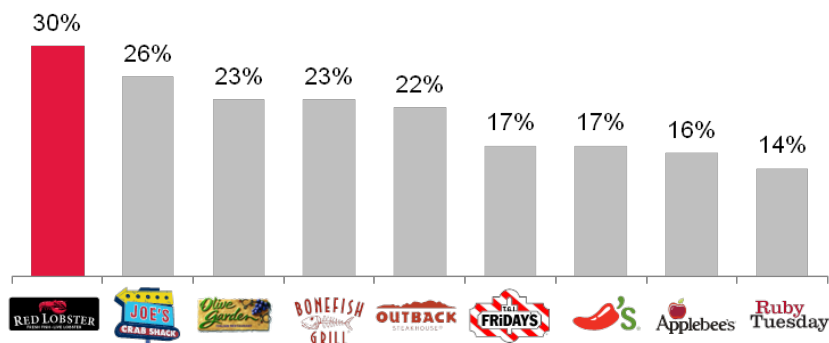
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster is the clear leader in casual dining seafood, and the most indispensable brand among major casual dining concepts, further indicating strong consumer loyalty.

## Healthy and Recently Remodeled Restaurant Base

- Over \$320 million invested in remodels covering >90% of restaurants over the past 14 years.
- \$1.4 billion in overall capital expenditure investment over the past 17 years.
- New Bar Harbor format has strong appeal across customer base.

## Indispensability vs. Peers

Indispensability (How difficult it would be for me to ‘give up’ ever going there again ) - % very difficult (10 out of 10) shown



## New Bar Harbor Format

Before



After







# Concept Overview



- Founded in 1977, Thai Union has a rich history of commitment to seafood expertise and innovation around the world.
- Thai Union Group, based out of Thailand with offices North America, Europe, the Middle-East and Asia, currently serves as a main supplier of seafood for Red Lobster's across the world.
- Thai Union Group has been listed on the Stock Exchange of Thailand (SET) since November 1994
  - Prior to the Red Lobster acquisition, Thai Union Group reported annual sales of over \$4.1 Billion
- Through acquisitions and organic growth, TUG's ambitious expansion strategy has established a diverse global brand portfolio. Covering three continents, their brands are consumer favorites and market leaders with a wide range of products including shelf-stable seafood products, frozen and chilled seafood, PetCare products and more.
- TUG has a long, successful track record and significant experience servicing consumers, supermarkets, restaurants, hospitality and others.

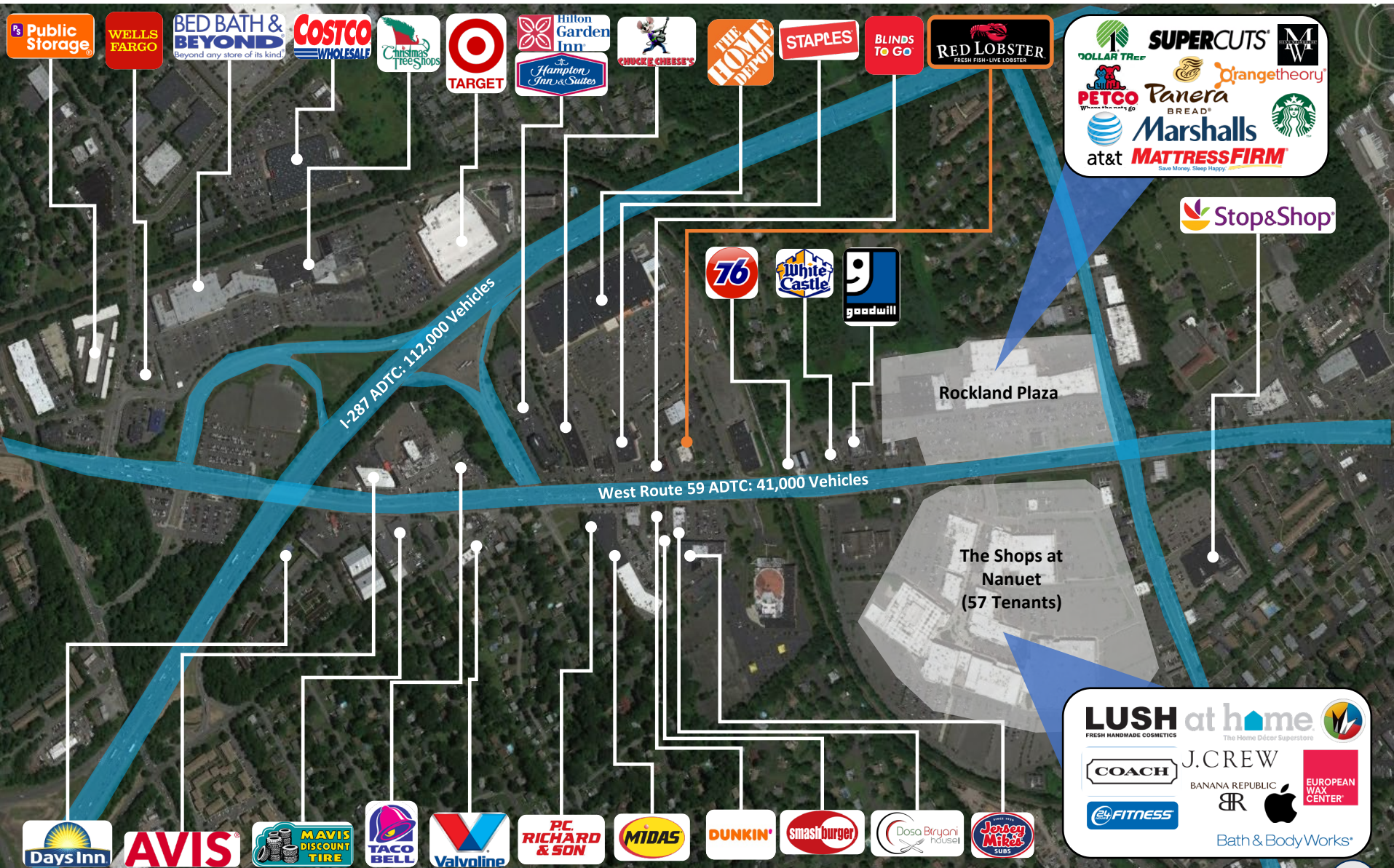
## *Global Brands and Partnerships*





# Surrounding Area

198 West Route 59 – Nanuet, NY 10954







# Location Overview

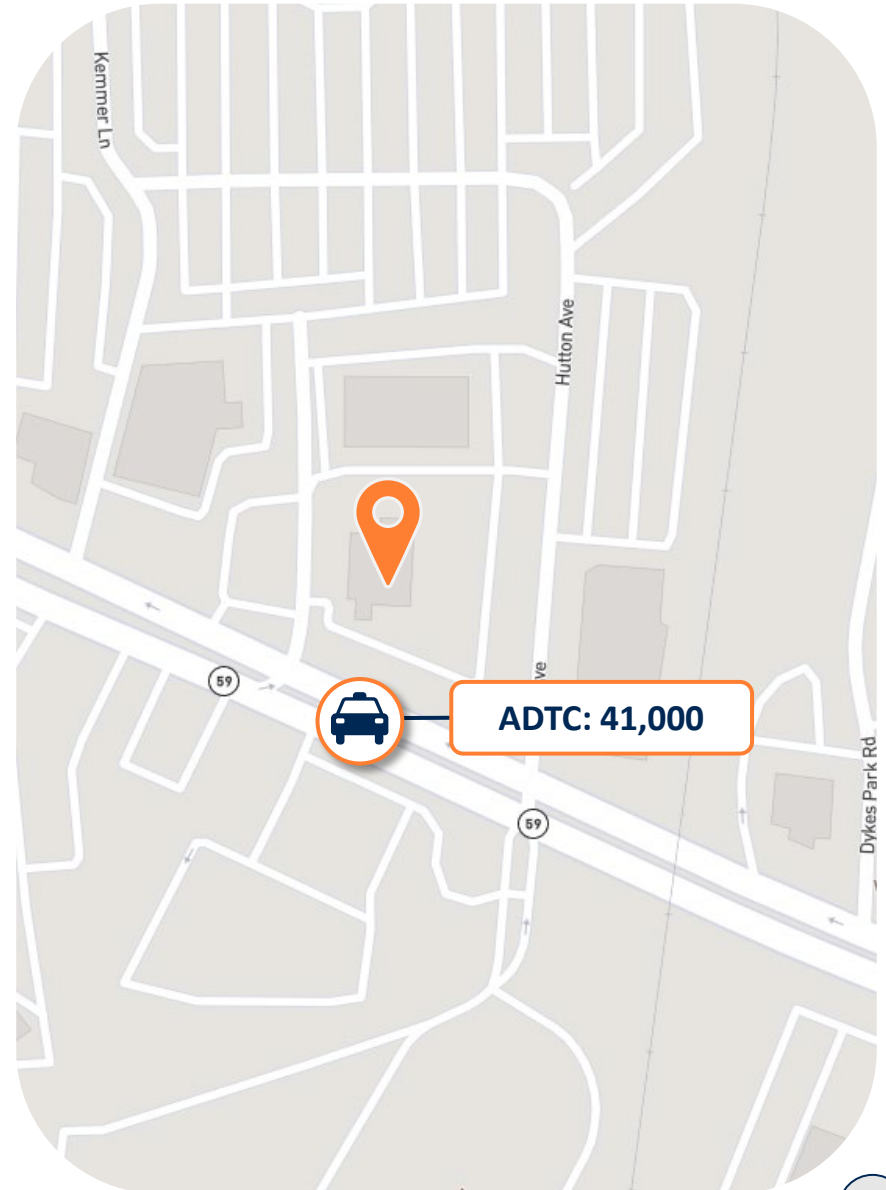
198 West Route 59 – Nanuet, NY 10954



This Red Lobster investment property is situated on West Route 59 which boasts an average daily traffic count exceeding 40,000 and is directly off NY State Thruway (I-87) which brings an additional 112,000 vehicles to the immediate area daily. There are over 10,000 individuals residing within a one-mile radius of the subject property, over 128,000 individuals within three-miles, and over 234,000 individuals residing withing a five-mile radius of the subject property.

The subject property is well-positioned near several area attractions, benefitting from its proximity to major national and local retailers. Nearby national retailers include Apple, Raymour & Flanigan, Modell's, Dollar Tree, TD Bank, Qdoba, Panera Bread, AT&T, The Home Depot, Target, Costco, Bed Bath & Beyond, Stop & Shop, Regal Cinemas, Banana Republic, PC Richard & Son, as well as many others. Down Route 59 is The Shops at Nanuet, a Simon Malls- operated outdoor shopping mall. The mall has 57 stores and more than 404,000 square feet of gross leasable area. Additionally, this property is surrounded by local accommodations. There are over 9 hotels within a two-mile radius with over 1,000 rooms combined. There are 7 local elementary & high schools within a three-mile radius of the subject property, servicing over 2,000 students.

Nanuet is a hamlet and census-designated place in the town of Clarkstown, Rockland County, New York. Nanuet is located 19 miles outside of Manhattan and just two miles north of the New Jersey state border. The New York State Thruway, the Tappan Zee Bridge, and the Palisades Interstate Parkway helped usher in decades of population growth as well as real estate development throughout the area.





# Property Photos



Subject Property



Subject Property



Subject Property



Subject Property





# Surrounding Area Photos

198 West Route 59 – Nanuet, NY 10954

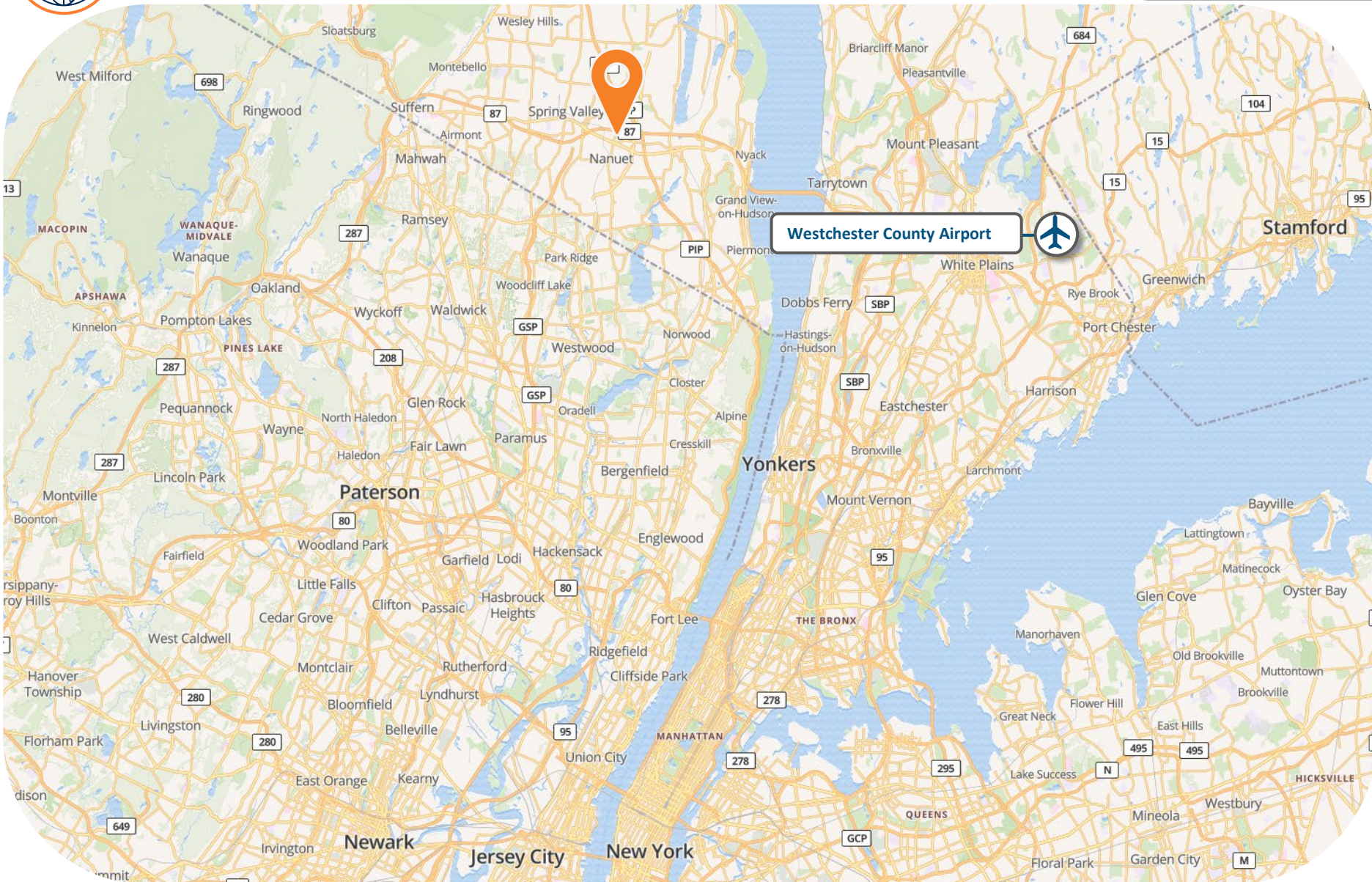






# Local Map

198 West Route 59 – Nanuet, NY 10954

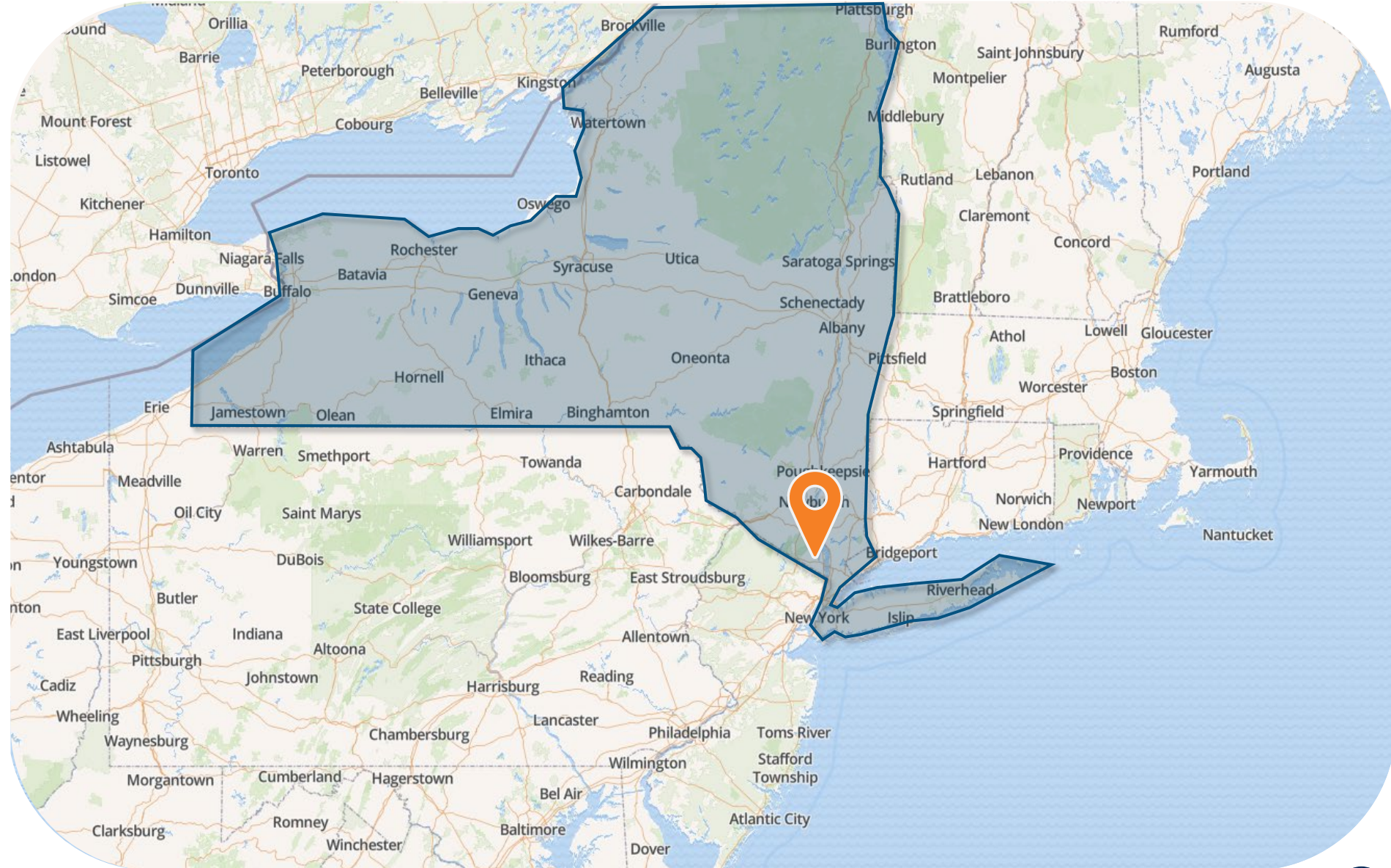






# Regional Map

198 West Route 59 – Nanuet, NY 10954

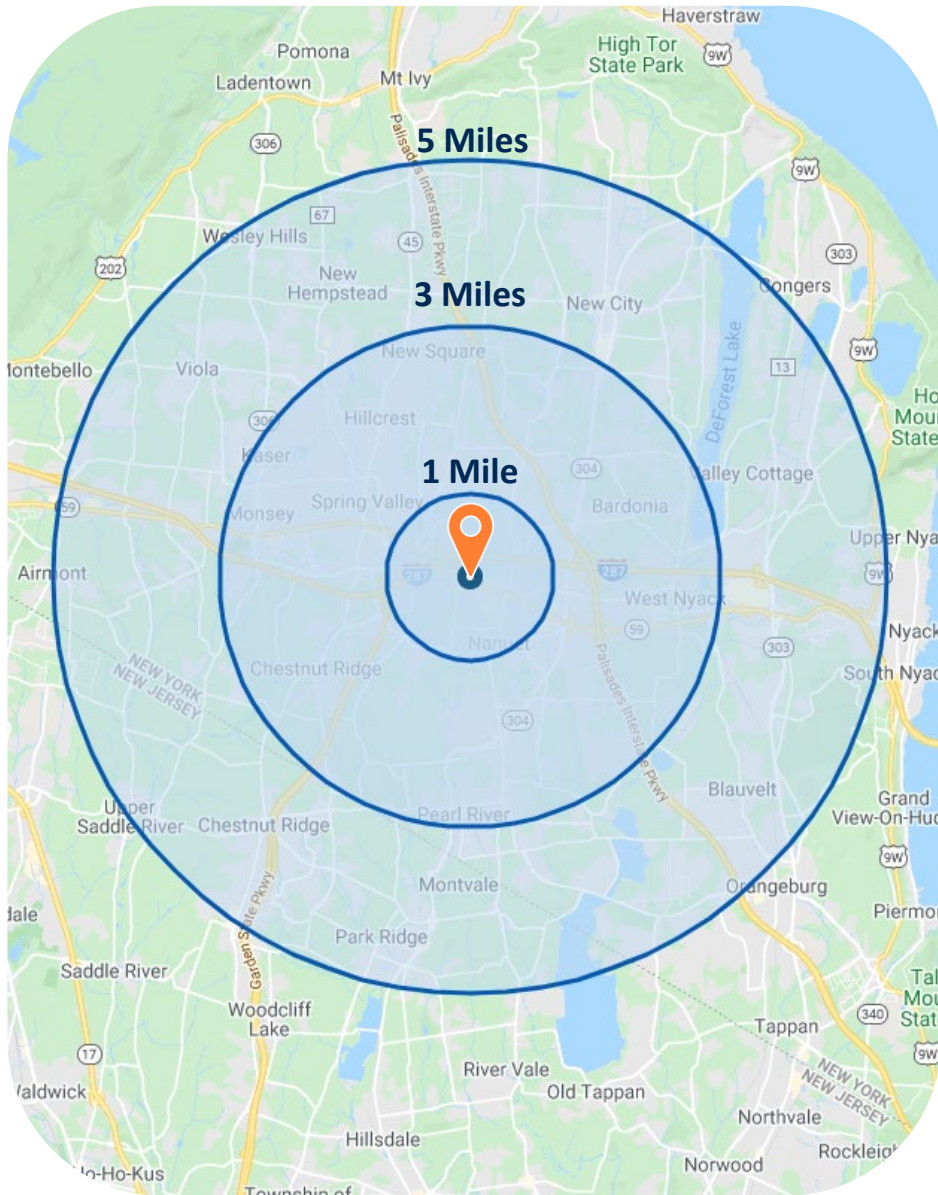






# Demographics

198 West Route 59 – Nanuet, NY 10954



## Population Trends:

	1 Mile	3 Miles	5 Miles
2010 Population	10,983	120,449	221,607
2022 Population	11,546	128,023	234,600
2027 Population Projection	11,683	129,806	237,470
Annual Growth 2010 - 2022	0.40%	0.50%	0.50%
Annual Growth 2022 - 2027	0.20%	0.30%	0.20%

## Population by Race (2020):

	1 Mile	3 Miles	5 Miles
White	7,787	92,289	181,668
Black	1,877	24,314	31,005
American Indian/Alaskan Native	72	801	1,143
Asian	1,553	7,937	16,244
Hawaiian & Pacific Islander	12	213	270
Two or More Races	244	2,468	4,271
Hispanic Origin	2,128	22,899	33,623

## Household Trends:

	1 Mile	3 Miles	5 Miles
2010 Households	4,030	35,119	67,165
2021 Households	4,247	37,511	71,303
2026 Household Projection	4,298	38,055	72,175
Growth 2010 - 2021	0.20%	0.40%	0.40%
Growth 2020 - 2026	0.20%	0.30%	0.20%
Owner Occupied	2,622	22,628	49,670
Renter Occupied	1,676	15,428	22,505

## Average Household Income (2020):

	1 Mile	3 Miles	5 Miles
Average Household Income (2020):	\$136,833	\$115,878	\$132,725

## Households by Household Income (2020):

	1 Mile	3 Miles	5 Miles
<\$25,000	338	5,947	8,882
\$25,000 - \$50,000	656	5,750	9,137
\$50,000 - \$75,000	462	4,716	8,304
\$75,000 - \$100,000	518	4,330	7,754
\$100,000 - \$125,000	451	3,955	8,112
\$125,000 - \$150,000	290	2,926	6,092
\$150,000 - \$200,000	656	4,003	8,103
\$200,000+	876	5,884	14,918

## Median Household Income (2020):

	1 Mile	3 Miles	5 Miles
Median Household Income (2020):	\$108,287	\$88,524	\$104,851



# Market Overview

City: Nanuet | County: Rockland | State: New York



**Manhattan** is located 25 miles outside of Nanuet, New York.

With an estimated 2019 population of 8,622,698 distributed over a land area of about 302.6 square miles, New York City is also the most densely populated city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the state of New York. The five boroughs—Brooklyn, Queens, Manhattan, The Bronx, and Staten Island—were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2019. Several sources have ranged New York as the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University, and Rockefeller University, which have been ranked among the top universities in the world.

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