

# POPEYES

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

**POPEYES**

396 East Main Street  
Senatobia, MS 38668

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**POPEYES**



# Investment Highlights

PRICE: \$2,516,117 | CAP: 5.15% | RENT: \$129,580

**POPEYES**

## About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease
- ✓ Approximately 17.5 Years Remaining
- ✓ One Percent (1%) Annual Rental Increases
- ✓ Six (6), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 50 Years

## About the Location

- ✓ Dense Retail Corridor | Walmart, Dollar General, Dollar Tree, O'Reilly Auto Parts, AutoZone, Tractor Supply Co., McDonald's, Burger King, Little Caesars, Captain D's, Taco Bell, Applebee's, Pizza Hut, Huddle House, KFC, Wendy's and Many More
- ✓ Strong Academic Presence | Within a Two-Mile Radius From Northwest Mississippi Community College and Senatobia High School | Enrollment Exceeding 7,000 Students
- ✓ Located Just off Interstate-55 | Major North-South Interstate Highway that Serves the Middle of the U.S. and Leads Directly into Memphis from Senatobia | 28,100 Average Vehicles Per Day
- ✓ Strong Real Estate Fundamentals | Situated on a Hard Corner of a Signalized Intersection | Offers Excellent Signage and Visibility from East Main Street
- ✓ Strong Traffic Counts | East Main Street | 13,800 Average Vehicles Per Day

## About the Tenant / Brand

- ✓ Founded in New Orleans, Louisiana in 1972, Popeyes® Louisiana Kitchen is the world's second largest quick-service chicken restaurant, based on the number of units with approximately 3,100 locations around the world.
- ✓ Popeyes was acquired on March 27, 2017 for a total consideration of \$1.7 billion by Restaurant Brands International (NYSE: QSR).
- ✓ Tenant on the Lease is Frayser Quality, LLC | Operates 60+ Popeyes and Rapidly Growing
- ✓ Lease Guaranteed by New CFH, LLC | 230-Unit Entity | New CFH, LLC is a wholly owned subsidiary of Carrols Restaurant Group, Inc.
- ✓ Strong Track Record With Proven Operational Expertise





# Financial Analysis

PRICE: \$2,516,117 | CAP: 5.15% | RENT: \$129,580

**POPEYES**

## PROPERTY DESCRIPTION

Concept	Popeyes
Street Address	396 E. Main Street
City, State ZIP	Senatobia, MS 38668
Year Built / Renovated	2013
Building Size Estimated (SF)	2,712
Lot Size Estimated (Acres)	0.9
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$2,516,117
CAP Rate	5.15%
Net Operating Income	\$129,580

## LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant - Quick Service
Credit Type	Franchisee
Tenant	Frayser Quality, LLC
Guarantor	New CFH, LLC
Original Lease Term	20 Years
Lease Commencement	January 30, 2020
Lease Expiration	January 31, 2040
Lease Term Remaining	17.5 + Years
Lease Type	Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	1% Annually
Renewal Options Remaining	6, 5-Year Option

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Current - 1/31/2022	\$129,580	\$10,798	-
2/1/2022 - 1/31/2023	\$130,876	\$10,906	1.00%
2/1/2023 - 1/31/2024	\$132,185	\$11,015	1.00%
2/1/2024 - 1/31/2025	\$133,506	\$11,126	1.00%
2/1/2025 - 1/31/2026	\$134,841	\$11,237	1.00%
2/1/2026 - 1/31/2027	\$136,190	\$11,349	1.00%
2/1/2027 - 1/31/2028	\$137,552	\$11,463	1.00%
2/1/2028 - 1/31/2029	\$138,927	\$11,577	1.00%
2/1/2029 - 1/31/2030	\$140,317	\$11,693	1.00%
2/1/2030 - 1/31/2031	\$141,720	\$11,810	1.00%
2/1/2031 - 1/31/2032	\$143,137	\$11,928	1.00%
2/1/2032 - 1/31/2033	\$144,568	\$12,047	1.00%
2/1/2033 - 1/31/2034	\$146,014	\$12,168	1.00%
2/1/2034 - 1/31/2035	\$147,474	\$12,290	1.00%
2/1/2035 - 1/31/2036	\$148,949	\$12,412	1.00%
2/1/2036 - 1/31/2037	\$150,438	\$12,537	1.00%
2/1/2037 - 1/31/2038	\$151,943	\$12,662	1.00%
2/1/2038 - 1/31/2039	\$153,462	\$12,789	1.00%
2/1/2039 - 1/31/2040	\$154,997	\$12,916	1.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Popeyes located at 396 E. Main Street in Senatobia, MS. The site consists of roughly 2,712 rentable square feet of building space on estimated 0.58-acre parcel of land. This Popeyes is subject to a 20-year absolute triple-net (NNN) lease, which commenced January 30<sup>th</sup>, 2020. The current annual rent is \$129,580 and is scheduled to increase by 1.00% annually throughout the base term and in each of the 6, 5-year renewal options.





# Concept Overview

**POPEYES**

## 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*



## Guarantor - New CFH, LLC

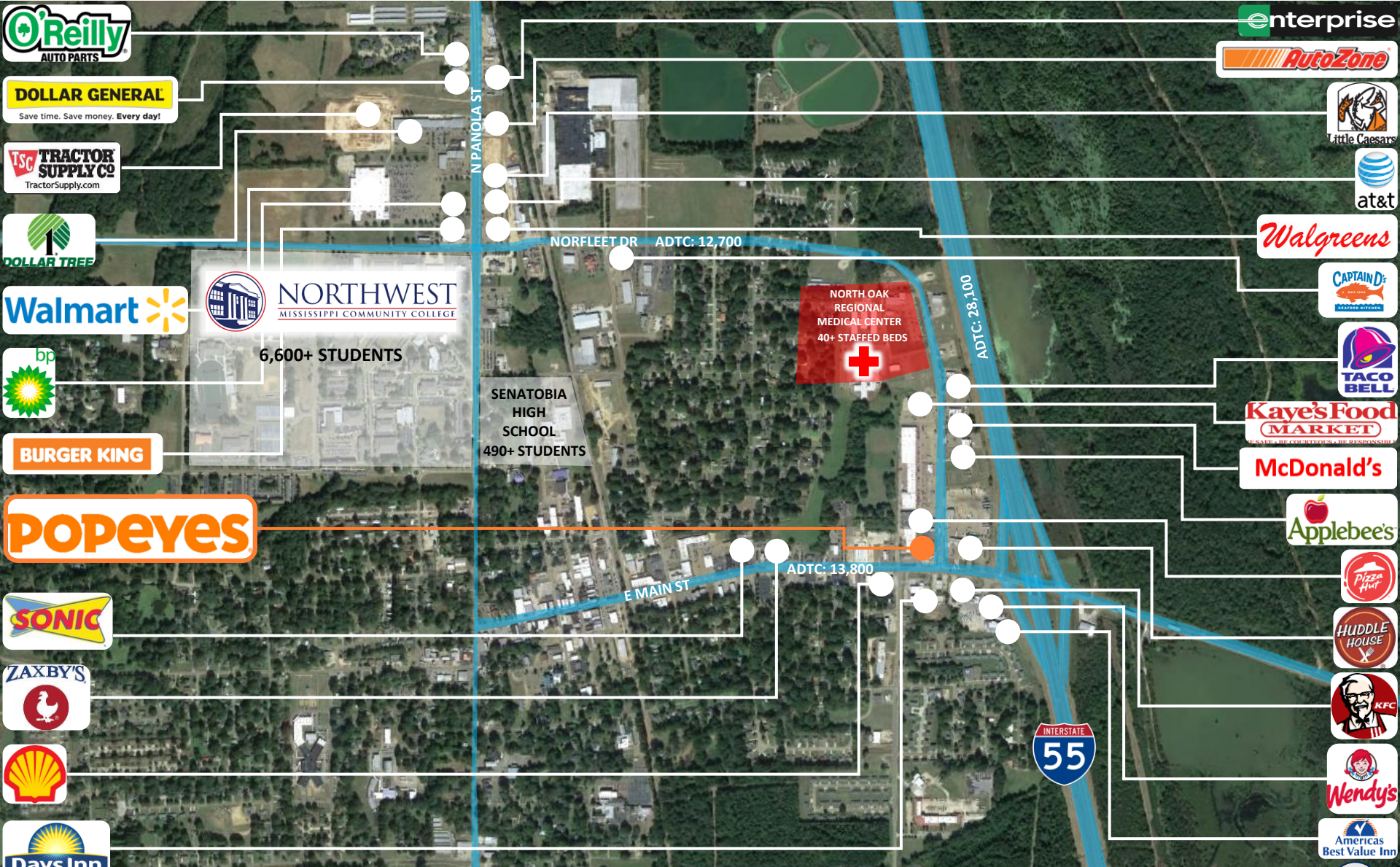
New CFH, LLC ("NCFH") is a 230-Unit entity, and wholly owned subsidiary of Carrols Restaurant Group, Inc. NCFH currently operates 165 Burger King restaurants under Nashville Quality, LLC as well as 58 Popeyes locations under Frayser Quality, LLC. NCFH acquired Carolina Quality, LLC ("CQL") in 2014 as a platform to execute a growth strategy in the Burger King system. At the time of the acquisition, CQL was a Burger King franchisee operating 22 restaurants across five states. Since the acquisition NCFH has grown the business significantly and currently operates in states such as Alabama, Arkansas, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia.





# Surrounding Area

**POPEYES**





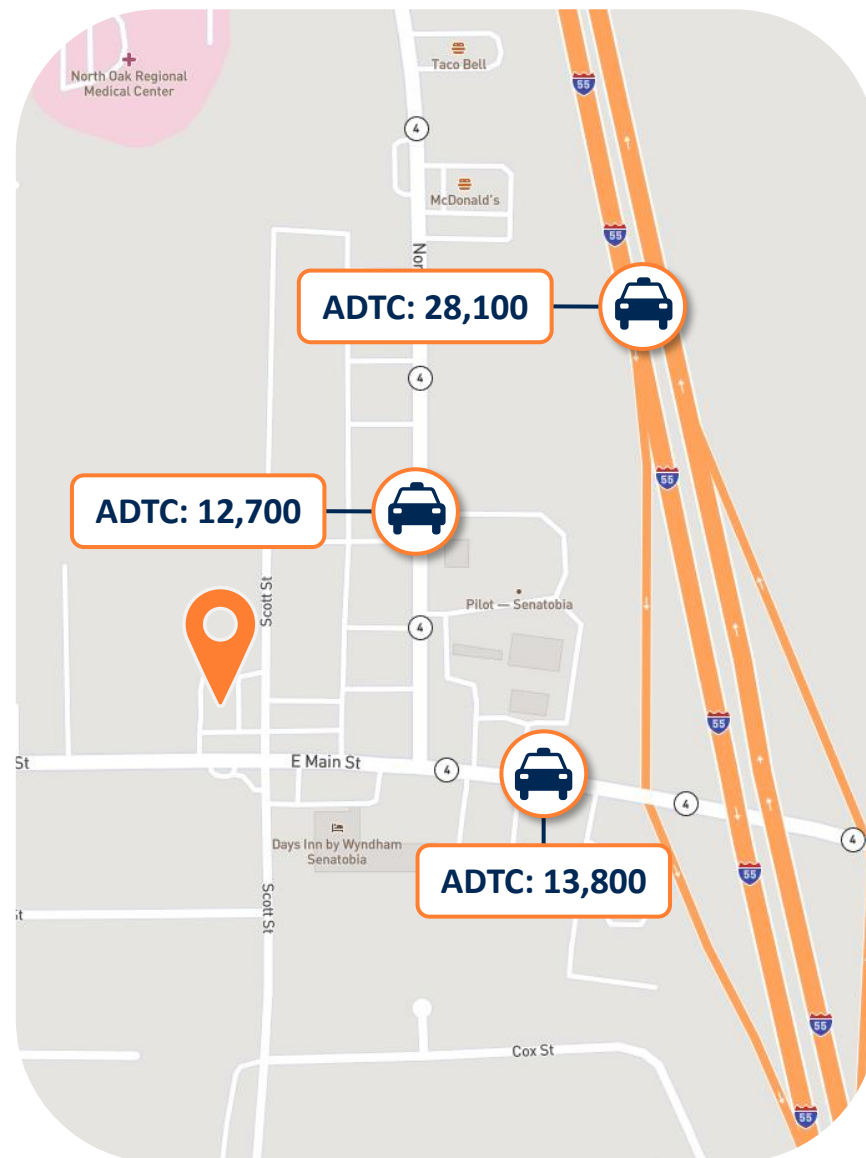
# Location Overview

**POPEYES**

The subject investment property is situated on East Main Street, which experiences average daily traffic counts of 13,800 vehicles. East Main Street intersects with Interstate-55 and Norfleet Dr which bring an additional 28,100 and 12,700 vehicles to the immediate area on average per day, respectively. There are more than 12,400 individuals residing within a five-mile radius of the property and more than 24,000 individuals within a ten-mile radius.

This Popeyes is located on the hard corner of a signalized intersection, just off Interstate-55, a major north-south interstate highway that serves the middle of the U.S. and leads directly into Memphis from Senatobia. The property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions, and healthcare accommodations, all of which help drive traffic to the site. Major national tenants in the immediate area include Walmart, Dollar General, Dollar Tree, O'Reilly Auto Parts, AutoZone, Tractor Supply Co., McDonald's, Burger King, Little Caesars, Captain D's, Taco Bell, Applebee's, Pizza Hut, Huddle House, KFC, Wendy's, as well as many others. There are several academic institutions within a two-mile radius of the property including Northwest Mississippi Community College and Senatobia High School, which boast a total combined enrollment of over 7,000 students. Additionally, the subject property is located less than one mile from the North Oak Regional Medical Center which has 41 staffed beds.

The city of Senatobia is a thriving, bustling, growing community located only 30 minutes south of Memphis, TN. Senatobia is the county seat of Tate County and is located along Interstate 55. Major transportation routes within the city, besides Interstate 55, include U.S. Highway 51, Mississippi Highway 4 and the CN Rail Line. In Senatobia, you will find a superb quality of life with excellent public and private schools from kindergarten through the community college level; easy access to universities and continuing education; inviting, well-kept neighborhoods and affordable homes; retail shopping; recreation for the whole family; and good, solid hometown values. The quality of life in Senatobia is one of the best, complemented by a cost of living that is among the best in the nation. Senatobia is home to the main campus of Northwest Mississippi Community College and to two excellent K-12 school systems: Senatobia Public Schools and Magnolia Heights School. With many residential areas under construction, Senatobia continues to grow at a sustainable pace. It is a great place to own a home, raise a family and be part of a caring community.







# Property Photos

**POPEYES**

Subject Property





# Surrounding Area Photos

**POPEYES**

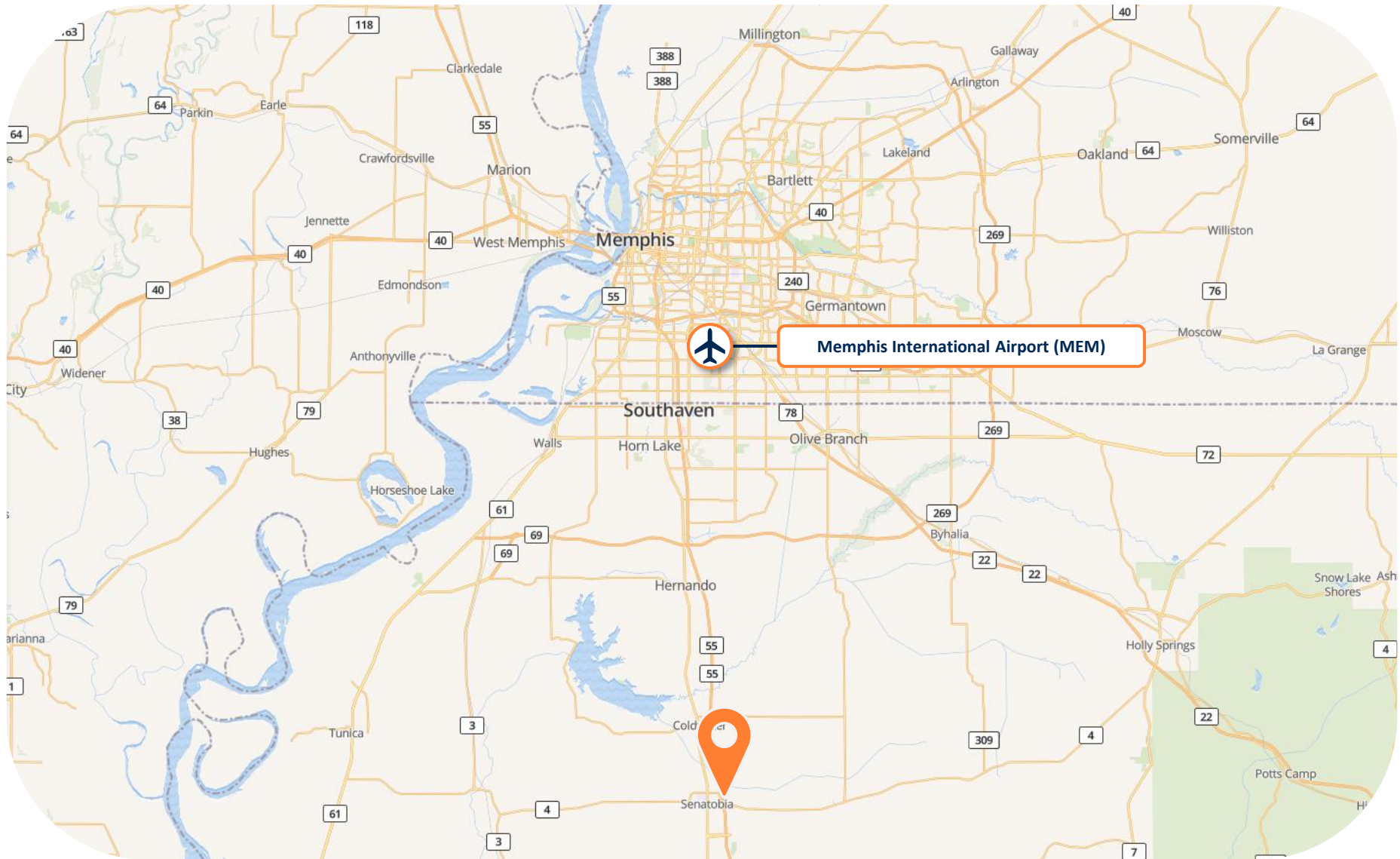






# Local Map

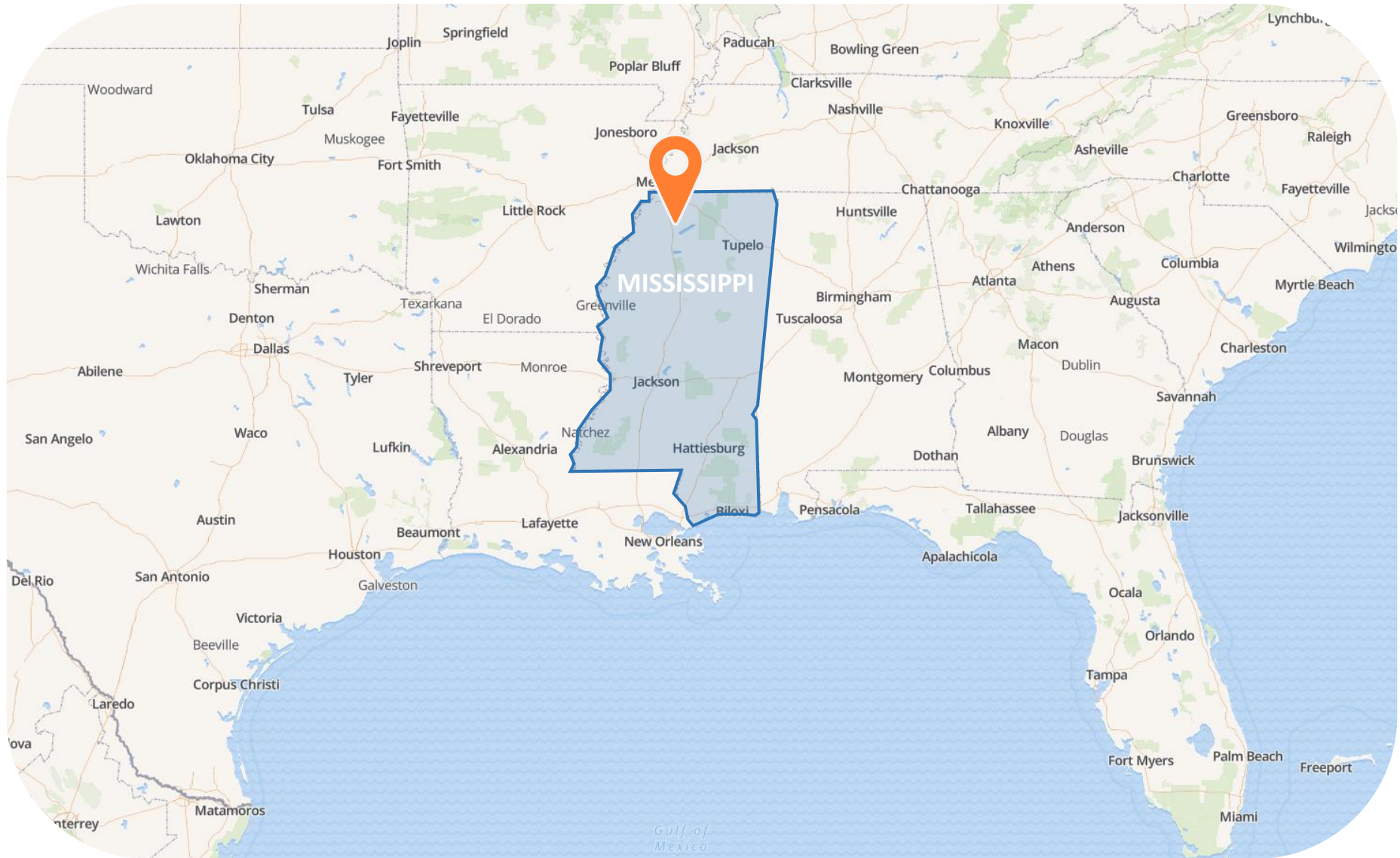
**POPEYES**





# Regional Map

**POPEYES**

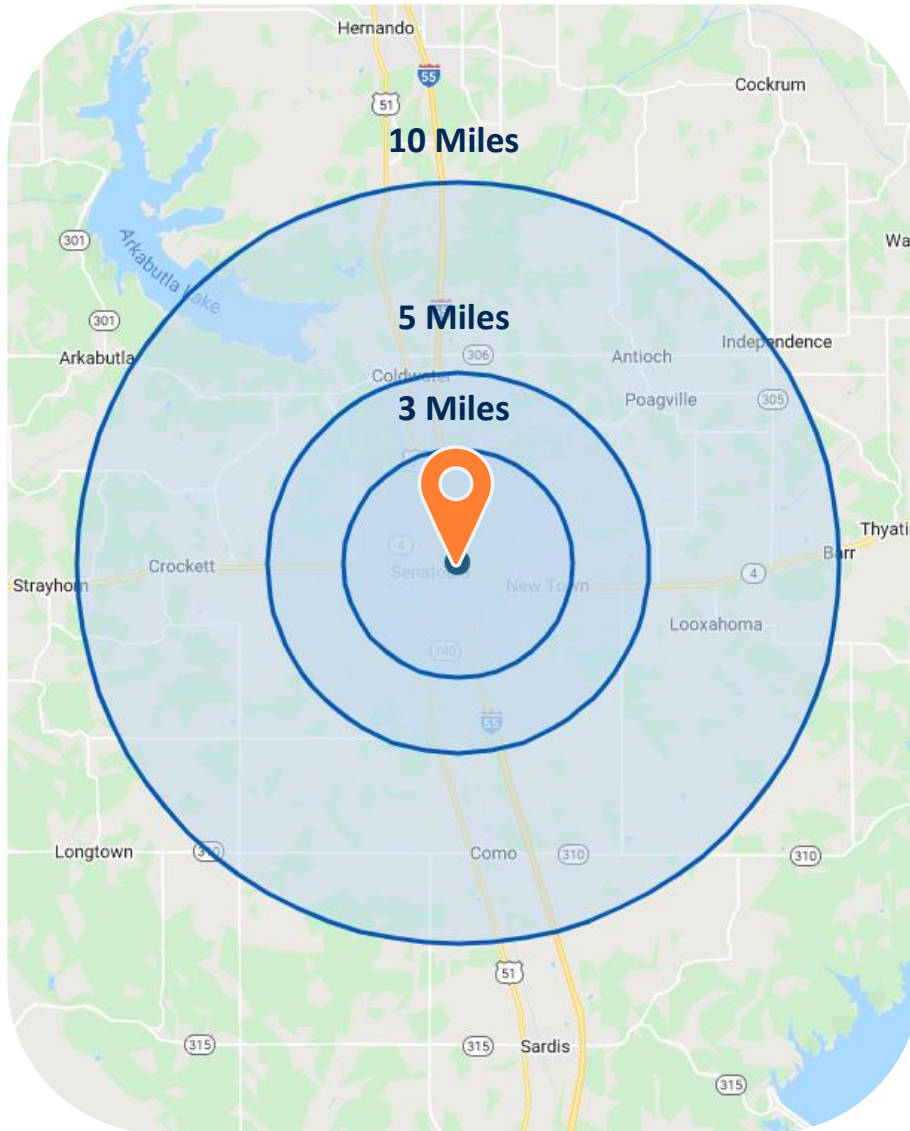






# Demographics

**POPEYES**



## POPULATION TRENDS

	3 Miles	5 Miles	10 Miles
2010 Population	8,940	12,857	24,277
2022 Population	8,557	12,470	24,088
2027 Population Projection	8,712	12,728	24,707
Annual Growth 2022-2027	0.40%	0.40%	0.50%

## HOUSEHOLD TRENDS

	3 Miles	5 Miles	10 Miles
2010 Households	2,906	4,308	8,522
2022 Households	2,835	4,239	8,536
2026 Household Projection	2,901	4,343	8,779
Growth 2010 - 2022	0.60%	0.60%	0.70%
Growth 2022 - 2027	0.50%	0.50%	0.60%

## AVERAGE HOUSEHOLD INCOME (2022)

\$68,685	\$72,261	\$68,915
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## MEDIAN HOUSEHOLD INCOME (2022)

\$52,256	\$54,958	\$54,233
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## HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	3 Miles	5 Miles	10 Miles
<\$25,000	813	1,079	2,088
\$25,000 - \$50,000	542	863	1,932
\$50,000 - \$75,000	493	725	1,442
\$75,000 - \$100,000	374	577	1,234
\$100,000 - \$125,000	281	413	794
\$125,000 - \$150,000	110	204	411
\$150,000 - \$200,000	118	2019	390
\$200,000+	104	169	246



# Market Overview

POPEYES



**Memphis** is a city on the Mississippi River in southwest Tennessee, famous for the influential strains of blues, soul and rock 'n' roll that originated there. Elvis, Presley, B.B. King and Johnny Cash recorded albums at the legendary Sun Studio, and Presley's Graceland mansion is a popular attraction. Other music landmarks include the Rock 'n' Soul Museum, Blues Hall of Fame and Stax Museum of American Soul Music.

Memphis is the second-most populous city in Tennessee, after Nashville. It is the fifth-most populous city in the Southeast, the nation's 28th-largest overall, and the largest city bordering the Mississippi River. The Memphis metropolitan area includes West Tennessee and the greater Mid-South region, which includes portions of neighboring Arkansas, Mississippi, and the Missouri Bootheel.

The city's central geographic location has aided its business development. On the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is well positioned for commerce in the transportation and shipping industry. Its access by water was key to its initial development, with steamboats plying the Mississippi river. Memphis is home of three Fortune 500 companies: FedEx, International Paper, and AutoZone. Other major corporations based in Memphis include Allenberg Cotton, American Residential Services, Baker, Donelson, Bearman, Caldwell & Berkowitz, Cargill Cotton, City Gear, First Horizon National Corporation, Fred's, GTx, Lenny's Sub Shop, Med-America Apartments, Perkins Restaurant and Bakery, ServiceMaster, Varsity Brands, and Verso Paper. Corporations with major operations based in Memphis include Gibson guitars, and Smith & Nephew.



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