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OPTION!

# RED LOBSTER

EXCLUSIVE NET-LEASE OFFERING

**NNN**  
**PRO GROUP**  
*Representative Photo*



# OFFERING MEMORANDUM



7800 Bedford-Eules Road  
North Richland Hills, Texas 76180

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# Investment Highlights

PRICE: \$7,467,183 | CAP: 6.00% | RENT: \$448,031



## About the Investment

- ✓ Long-Term, Absolute Triple Net (NNN) Lease
- ✓ Approximately 16.5 Years Remaining
- ✓ Two Percent (2%) Rental Increases Annually
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term Remaining to 36.5 Years

## About the Location

- ✓ Dense Retail Corridor | Kroger, Best Buy, TJ Maxx, JC Penney, Dick's Sporting Goods, Macy's, Dillard's, CVS, Walgreens, Chick-Fil-A, McDonald's, Olive Garden, Waffle House, Sonic, Arby's, Little Caesar's, Subway and Many More
- ✓ Medical City North Hills | 164-Bed General Hospital | Locates Half-Mile Away
- ✓ Strong Real Estate Fundamentals | Centrally Located in Dallas-Fort Worth Metroplex | Downtown Fort Worth Under 9 Miles Away
- ✓ Dallas Fort-Worth International Airport | Approximately 10 Miles Away | 73.3MM Passengers Annually
- ✓ Strong Academic Presence | Tarrant County College - Northeast Campus | Located Less Than Two Miles Away | Over 12,000 Students Enrolled
- ✓ North Richland Hills Entertainment Attractions | iFly Skydiving, H2O Water Park, Peppa Pig Theme Park | All Within a Two-Mile Radius

## 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 over \$2B 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



Representative Photo

Red Lobster – North Richland Hills, TX	Debt
<b>Assumable Financing</b>	
Purchase Price:	\$7,467,183
Loan Amount (Estimated COE 12/1/2023):	\$3,847,014
Equity Required at List Price:	\$3,620,169
LTV at List Price:	51.5%
Down Payment at List Price:	48.5%
Interest Rate:	5.20%
Amortization (Years):	25
Debt Maturity	6/30/2028
List Cap Rate:	6.00%
Rent:	\$448,031
Debt Service (Annual):	\$275,278
DSCR:	1.63x
<b>Income After Debt Service:</b>	<b>\$172,753</b>
<b>Cash on Cash Return at List Price:</b>	<b>4.77%</b>



# Financial Analysis

PRICE: \$7,467,183 | CAP: 6.00% | RENT: \$448,031



## PROPERTY DESCRIPTION

Concept	Red Lobster
Street Address	7800 Bedford-Eules Road
City, State ZIP	North Richland Hills, Texas 76180
Year Built / Renovated	1978/2012
Estimated Building Size (SF)	9,157
Estimated Lot Size (Acres)	+/- 1.79
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$7,467,183
CAP Rate	6.00%
Net Operating Income	\$448,031

## LEASE SUMMARY

Property Type	Retail
Property Subtype	Restaurant – Casual Dining
Credit Type	Corporate
Tenant	Red Lobster
Guarantor	Red Lobster Intermediate Holdings, LLC
Original Lease Term	25 Years
Rent Commencement	July 28, 2014
Lease Expiration	December 31, 2039
Lease Term Remaining	16.5
Lease Type	Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	2% Annually
Renewal Options Remaining	Four (4), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Current - 12/31/2023	\$448,031	\$37,336	-
1/1/2024 - 12/31/2024	\$456,991	\$38,083	2.00%
1/1/2025 - 12/31/2025	\$466,131	\$38,844	2.00%
1/1/2026 - 12/31/2026	\$475,454	\$39,621	2.00%
1/1/2027 - 12/31/2027	\$484,963	\$40,414	2.00%
1/1/2028 - 12/31/2028	\$494,662	\$41,222	2.00%
1/1/2029 - 12/31/2029	\$504,555	\$42,046	2.00%
1/1/2030 - 12/31/2030	\$514,646	\$42,887	2.00%
1/1/2031 - 12/31/2031	\$524,939	\$43,745	2.00%
1/1/2032 - 12/31/2032	\$535,438	\$44,620	2.00%
1/1/2033 - 12/31/2033	\$546,147	\$45,512	2.00%
1/1/2034 - 12/31/2034	\$557,070	\$46,422	2.00%
1/1/2035 - 12/31/2035	\$568,211	\$47,351	2.00%
1/1/2036 - 12/31/2036	\$579,575	\$48,298	2.00%
1/1/2037 - 12/31/2037	\$591,167	\$49,264	2.00%
1/1/2038 - 12/31/2038	\$602,990	\$50,249	2.00%
1/1/2039 - 12/31/2039	\$615,050	\$51,254	2.00%

## INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a Red Lobster located at 7800 Bedford-Eules Road in North Richland Hills, Texas. The site consists of roughly 9,157 rentable square feet of building space on estimated 1.79-acre parcel of land. This Red Lobster is subject to an in place, 25-year, absolute triple-net (NNN) lease, with 16.5 years remaining base term. The current rent as of August is \$448,031 and is scheduled to increase 2% annually throughout the base term and in each of the 4, 5-year 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.
- 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 over \$2B 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.





# Concept Overview



## 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.

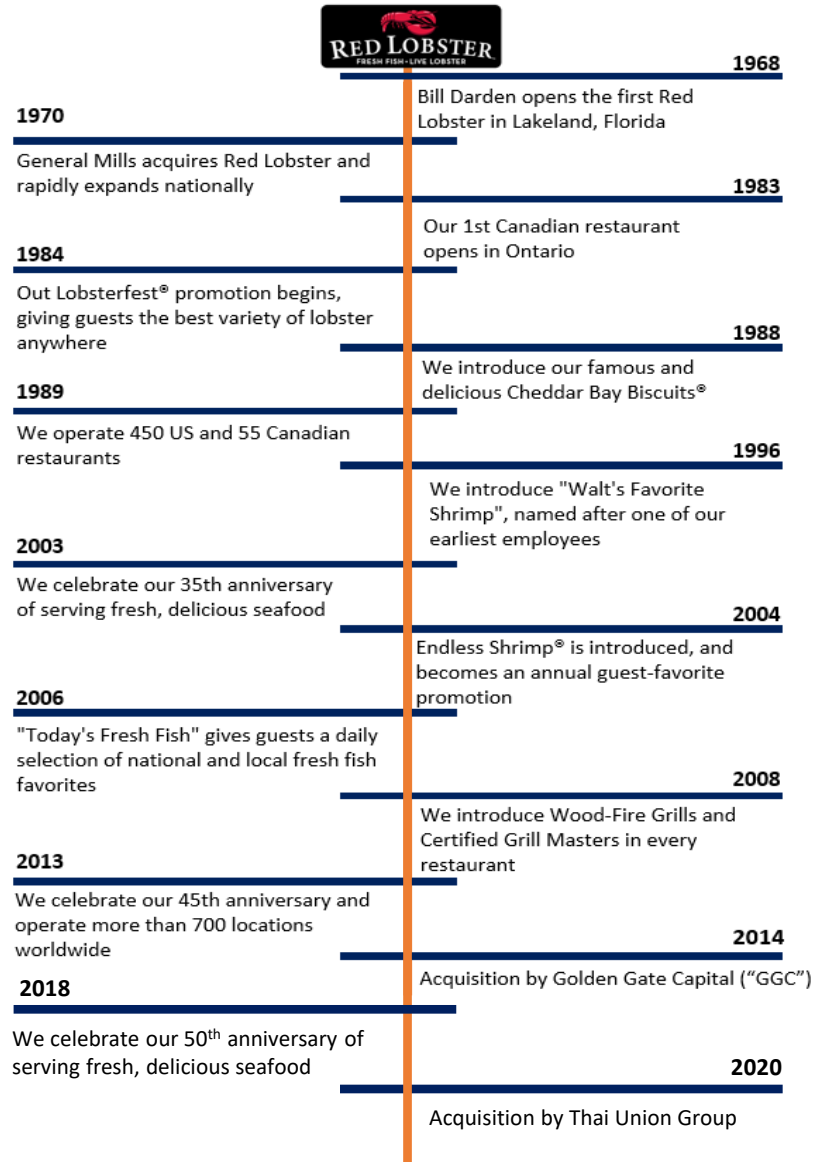
### FRESH IS IN OUR COMMITMENT

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







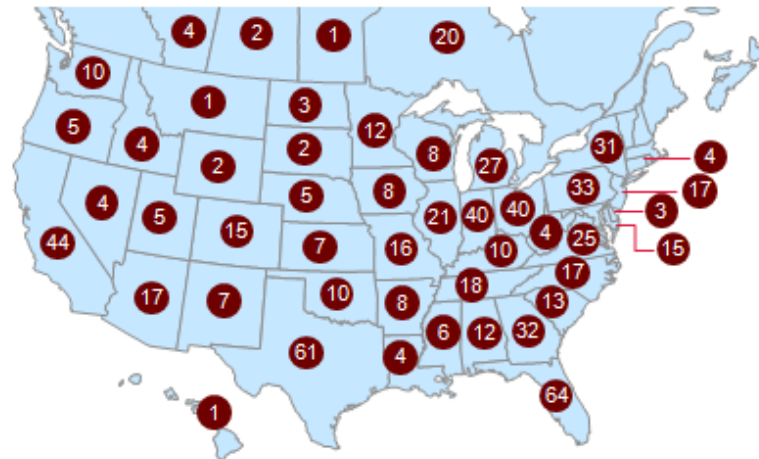
# Concept Overview



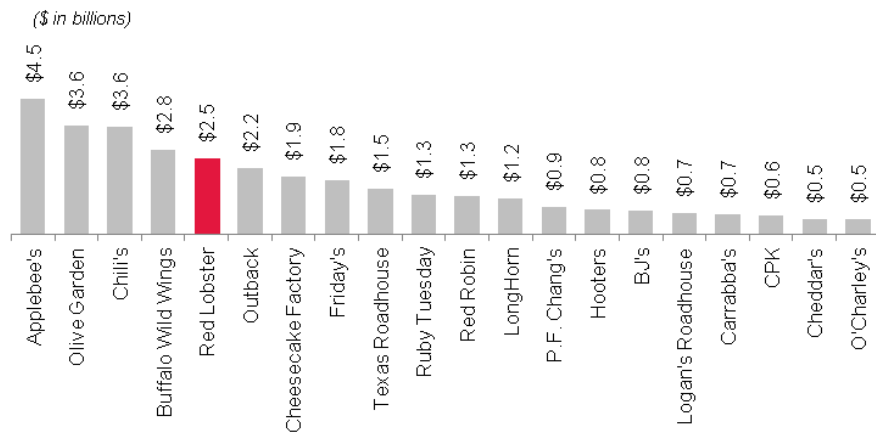
## Strong Market Position

- 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 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.

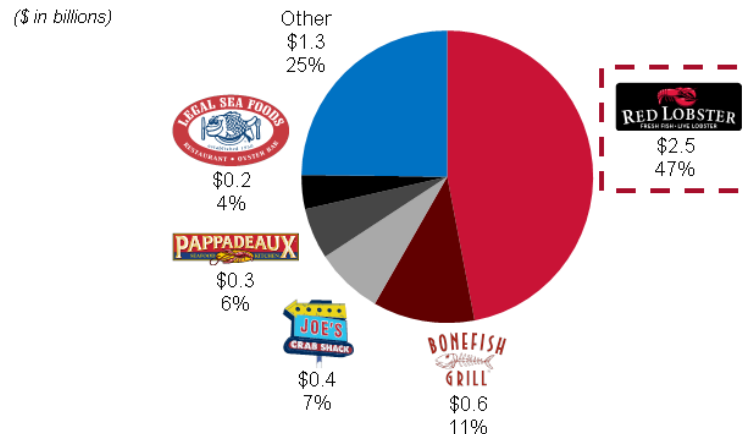
## Significant Scale With Broad Geographic Reach



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



## ~50% Share in Seafood Casual Dining





# Concept Overview



- 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 in 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*











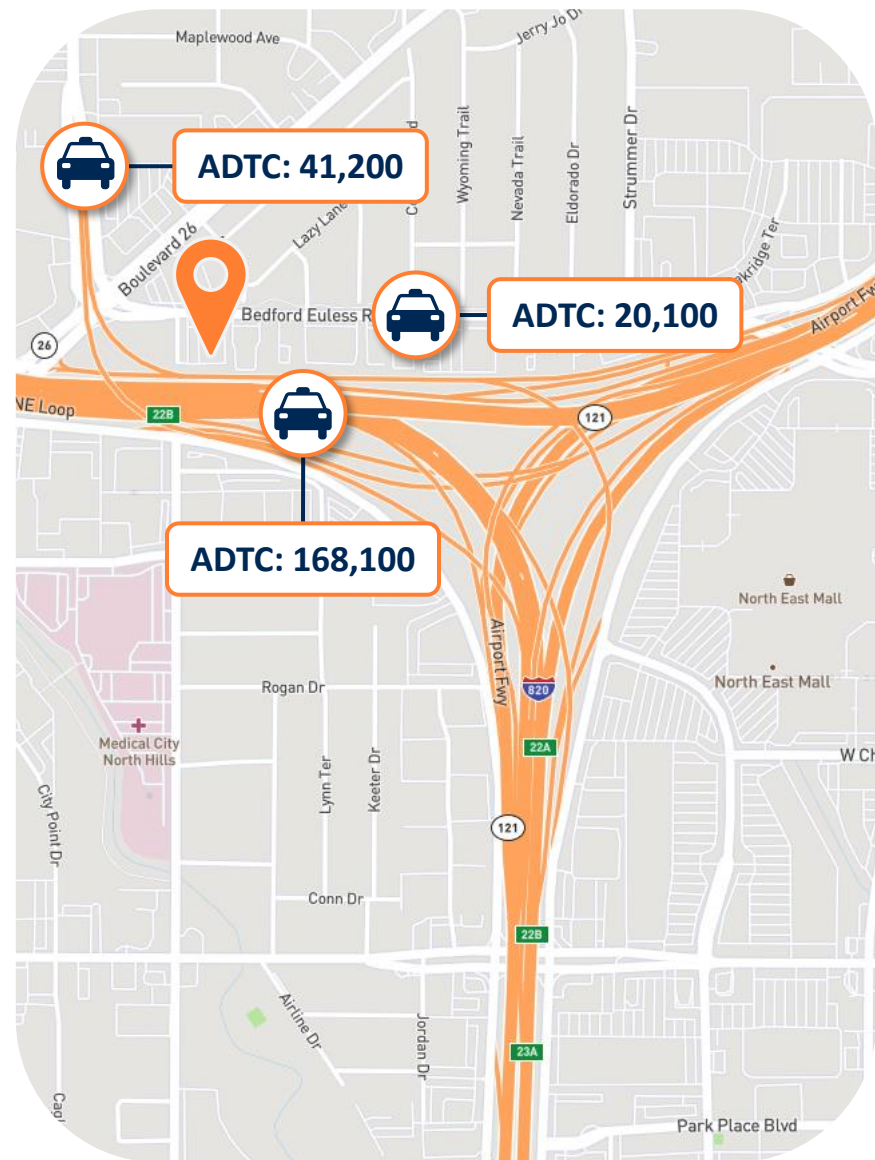
# Location Overview



The subject investment property is a Red Lobster situated on Bedford Euless Road, which experiences an average daily traffic count of over 20,100 vehicles. Bedford Euless Road runs parallel to Interstate-820, which brings an additional 168,100 vehicles on average into the immediate area daily. Davis Boulevard intersects Bedford Euless Road bringing an additional 41,200 vehicles into the immediate area on average daily. There are more than 100,000 people within a 3-mile radius of the subject property. With an average household income of \$88,000.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers, all of which help drive traffic to the site. National local tenants in the immediate area include Kroger, Best Buy, TJ Maxx, JC Penney, Dick's Sporting Goods, Macy's, Dillard's, CVS, Walgreens, Chick-Fil-A, McDonald's, Olive Garden, Waffle House, Sonic, Arby's, as well as many others. The subject property benefits from being one-mile from Northeast Mall, a Simon property with over 130 tenants. Additionally, this property is under one half-mile from Medical City North Hills Hospital, a 164-bed medical facility. Tarrant Country College's Northeast Campus is located less than 2 miles away from this Red Lobster and enrolls over 12,000 students at this campus. The subject property also benefits from large attractions nearby such as NRH20 Family Water Park, and iFly Indoor Skydiving, both are located under 2 miles away.

North Richland Hills, is a dynamic, growing city centrally located within the Dallas Fort Worth metroplex. With more 1,200 businesses and 30 major employers, it is the fourth largest city in Tarrant County. In addition to the attractions previously mentioned, North Richland Hills is home to a new public library and recreation center, more than 800 acres of parkland, 30 miles of hike and bike trails, and the award-winning Iron Horse Golf Course. The exciting City Point Development will bring 70,000 sqft. of brand-new retail and restaurant space, a new hotel, 350+ homes, and around 400 multi-family residences.





# Property Photos



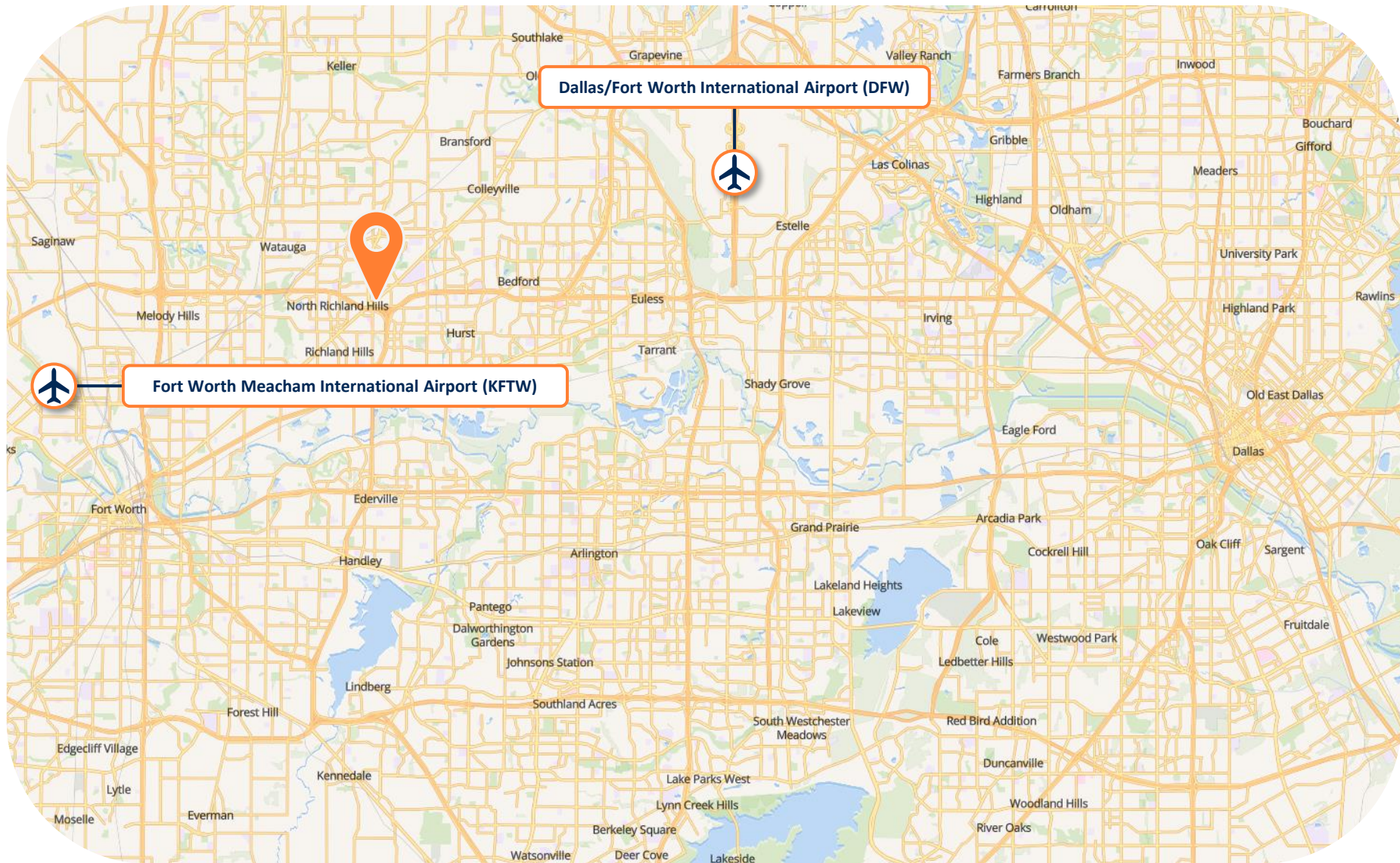
*Subject Property*







# Local Map





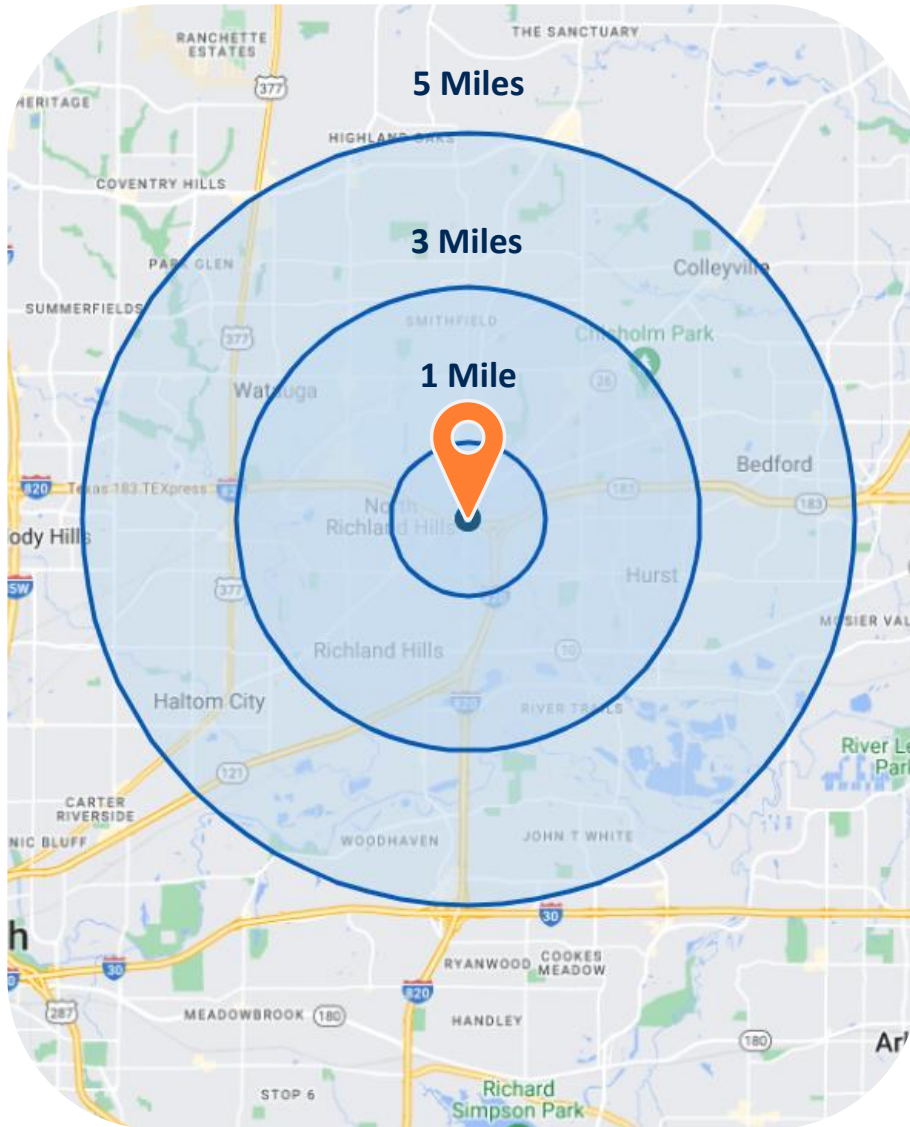


# Regional Map





# Demographics



**1 Mile      3 Miles      5 Miles**

## POPULATION TRENDS

2010 Population	10,851	95,214	255,819
2023 Population	11,650	103,946	280,966
2028 Population Projection	11,717	104,822	283,591
Annual Growth 2010-2023	0.60%	0.70%	0.80%
Annual Growth 2023-2028	0.10%	0.20%	0.20%

## HOUSEHOLD TRENDS

2010 Households	4,391	37,932	98,469
2023 Households	4,686	41,366	108,105
2028 Household Projection	4,709	41,715	109,125
Annual Growth 2010-2023	0.30%	0.70%	0.70%
Annual Growth 2023-2028	0.10%	0.20%	0.20%

## AVERAGE HOUSEHOLD INCOME (2023)

\$69,302	\$87,943	\$92,952
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## MEDIAN HOUSEHOLD INCOME (2023)

\$52,361	\$69,160	\$71,473
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## HOUSEHOLDS BY HOUSEHOLD INCOME (2023)

< \$25,000	568	4,862	13,710
\$25,000 - 50,000	1,660	9,355	22,757
\$50,000 - 75,000	930	8,425	20,358
\$75,000 - 100,000	642	6,296	14,500
\$100,000 - 125,000	261	3,861	11,193
\$125,000 - 150,000	290	2,935	8,423
\$200,000+	87	2,308	7,687





# Market Overview



## *Dallas-Fort Worth, TX*



**Dallas-Fort Worth** is the ninth largest city and part of the fourth largest metropolitan area in the nation. Dallas covers approximately 343 square miles. The ultra modern sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas.

From 2021 through the first quarter of 2023, the market has reported gross absorption of 37 million SF. The metroplex has regained its place on the national leaderboard for net absorption. Tenants have backfilled spaces previously left vacant in the wake of 2020. Continuous interest from tenants is creating greater competition for well-located space, in both urban and suburban areas. Market leaders from leading brokerage firms cite sustained activity from retailers seeking to land or expand their presence in Dallas-Fort Worth, with home goods, national discounters, and food and beverage tenants serving as primary drivers of demand.

The Dallas Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. Dallas will remain a top destination for corporate relocations due to its business-friendly environment. Twenty-four Fortune 500 companies are headquartered in the metro, making it the fourth largest concentration in the nation, including companies such as American Airlines, AT&T, Charles Schwab, Texas Instruments, and Exxon Mobil. The area also has one of the highest concentrations of privately held companies, with a least 1 billion in annual revenues headquartered in the area. Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR, and marathons, the adrenaline is year-round. Dallas has been named one of the top 3 Sports Towns in the nation by Sports Illustrated. In addition to its large number of sport related activities, Dallas has more shopping centers per capita than any other city in the United States.



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