



REPRESENTATIVE PHOTO

# **POPEYES** 15-Year Ground Lease

Arden, NC | Asheville MSA

CONFIDENTIAL OFFERING MEMORANDUM

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# INVESTMENT OVERVIEW

## Executive Summary

### PROPERTY SUMMARY

Address	432 Airport Rd Arden, NC 28704
Ownership	Fee Simple
Class	A
Year Built	2019
Parcel Size	0.894 Acres
Road Frontage	236 Feet
Traffic Counts	32,000 VPD
Parking	31 Spaces

### FINANCIAL SUMMARY

NOI (Base Rent)	\$74,000
Cap Rate	5.00%
List Price	\$1,480,000
Lease Type	Absolute Net Ground Lease
Remaining Lease Term	14 Years
Remaining Options	(3) 5-Year
Rent Increases	10% Every 5 Years

### INVESTMENT HIGHLIGHTS

- **Favorable Price Point & Lease Structure:** Extremely attractive price point due to the low rent and “no responsibility” absolute net ground lease structure.
- **Tenant Capital Investment & Commitment:** The Tenants significant investment to construct the building and improvements shows their dedication to the market and site.
- **Desirable Investment Market:** Asheville has seen explosive growth in recent years and continues to be considered one of the most attractive markets for investment in the Southeast.
- **Superior Submarket & High Barriers to Entry:** Arden is considered a vibrant community and highly sought after submarkets with minimal vacancy and high barriers to entry due to the scarcity of developable land.
- **Seasoned and Successful Operator:** Over 15 locations in North & South Carolina including 10 Five Guys locations.

### NOI & CAP RATE GROWTH

	Yrs 1-5	Yrs 6-10	Yrs 11-15
NOI	\$74,000	\$81,400	\$106,382
Cap Rate Growth	5.00%	5.50%	6.05%





# INVESTMENT OVERVIEW

## Lease Summary

### LEASE SUMMARY

Tenant	PSP-PLC 6, LLC
Tenant Trade Name	Popeyes Louisiana Kitchen
Lease Guarantor	PSP-PLC1, PSP-PLC 2, LLC
Tenant Classification	Franchisee
Lease Type	Absolute Net
Original Lease Term	15 Years
Commencement Date	11/11/2018
Expiration Date	11/30/2033
Term Remaining on Lease	14 Years
Options	Four, 5-Year Options
Increases	10% Every 5 Years
Property Taxes	Tenant is Solely Responsible
Tenant's Insurance	Tenant is Solely Responsible
Common Area Maintenance	Tenant is Solely Responsible
Roof	Tenant is Solely Responsible
Structure	Tenant is Solely Responsible
Parking Lot	Tenant is Solely Responsible

### RENT SCHEDULE

Initial Term	Monthly	Annually	Rent/SF
Year 1-5	\$6,166.67	\$74,000	\$24.67
Year 6-10	\$6,783.33	\$81,400	\$27.13
Year 11-15	\$7,461.67	\$89,540	\$29.85
<b>Option 1</b>			
Year 16-20	\$8,207.83	\$98,494	\$32.83
<b>Option 2</b>			
Year 21-25	\$9,028.58	\$108,343	\$36.11
<b>Option 3</b>			
Year 26-30	\$9,931.42	\$119,177	\$39.73



# PROPERTY OVERVIEW

## Regional Map





# PROPERTY OVERVIEW

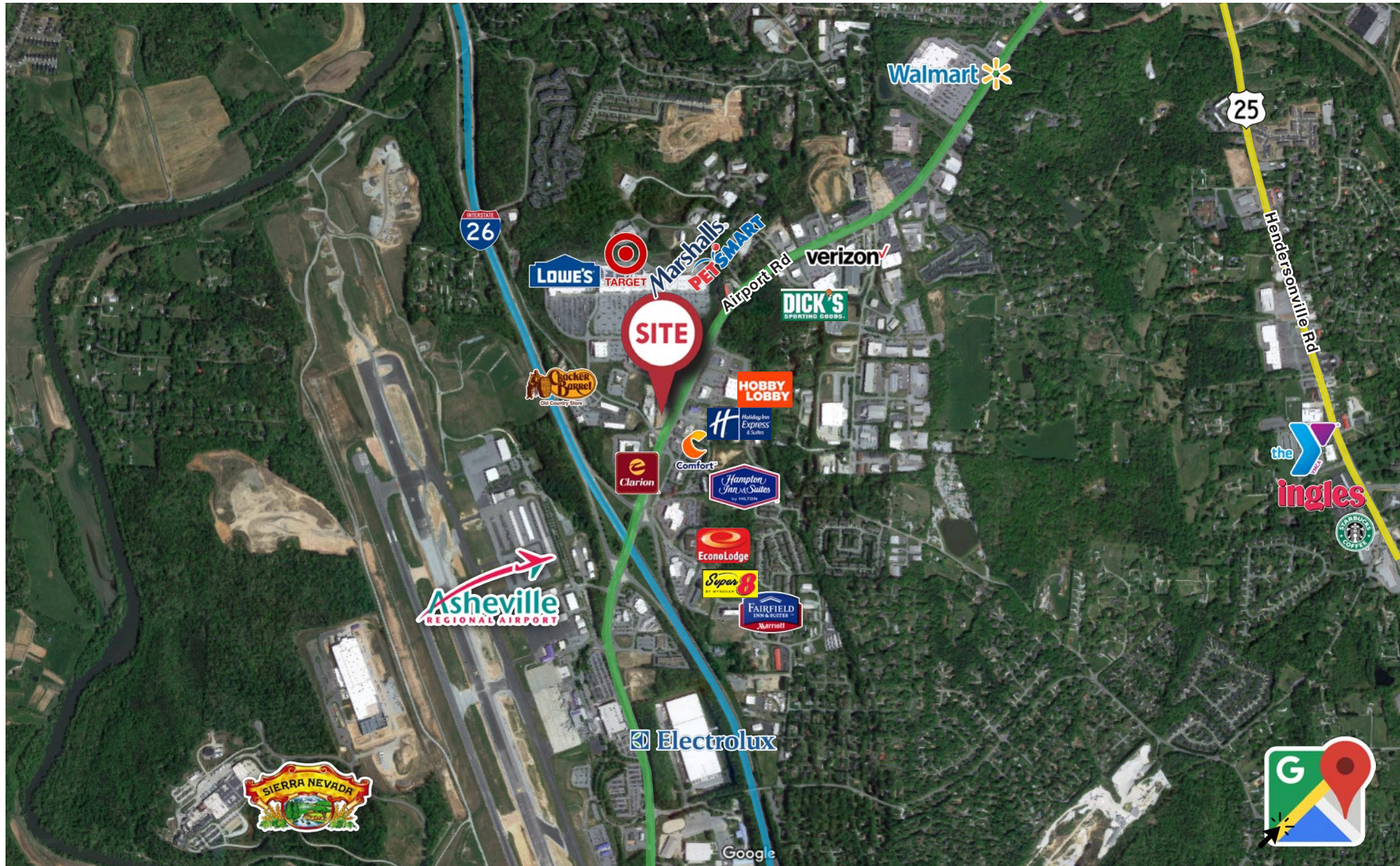
Regional Map





# PROPERTY OVERVIEW

Local Map





# PROPERTY OVERVIEW

## Retailer Map





# PROPERTY OVERVIEW

## Retail Map





# TENANT OVERVIEW

Popeyes Louisiana Kitchen, Inc.



Founded	1972 (Arabi, LA)
Headquartered	Miami, FL
Parent Company	Restaurant Brands International
Number of Locations	±2,368 worldwide
Number of Employees	±2,130
Revenue	\$3,325M (NASDAQ: PLKI)

Founded in 1972, Popeyes® owes its beginnings to entrepreneur and culinary innovator, Al Copeland. With one small restaurant and a big idea, Copeland introduced the New Orleans-style fried chicken that has now made the brand famous throughout the world.

Popeyes culinary heritage is built upon the rich Cajun and creole flavor profiles that are unmistakably Louisiana. They continuously draw upon and celebrate this heritage to inspire new, authentic menu creations. This unique and flavorful food has allowed Popeyes to become one of the world's largest chicken quick service restaurants, with over 3,100 restaurants in the U.S. and around the world.

# POPEYES

LOUISIANA KITCHEN, INC.

**1972** - Alvin C Copeland Sr., opens “Chicken on the Run” in New Orleans. After several months of lackluster performance, he reopens the restaurant as “Popeyes”. This time he sells spicy, New Orleans-style chicken.

**1976** - Popeyes opens first franchise restaurant in Louisiana.

**1984** - Popeyes goes global and expands to Toronto, Canada.

**1985** - Popeyes opens its 500<sup>th</sup> restaurant in Landover, Maryland, becoming the number three quick-service chicken chain based on number of units.

**1992** - America's Favorite Chicken Company (also known as AFC Enterprises, Inc.) is formed and purchases both Popeyes and Church's Chicken®.

**1999** - Popeyes surpasses one billion-dollar annual sales mark for the first time.

**2001** - Popeyes becomes the number-two quick-service chicken chain based on number of units.

**2011** - Popeyes opens 2,000<sup>th</sup> restaurant in Memphis, Tennessee.

**2014** - Popeyes becomes title sponsor of the Inaugural Bahamas Bowl.

**2017** - Restaurant Brands International purchases Popeyes



# TENANT OVERVIEW

PSP Holdings



Company	PSP Holdings
Year Founded	2004
Headquartered	Alexandria, VA
Number of Locations	15
Ownership	Private
Website	<a href="http://www.pspholdings.com">www.pspholdings.com</a>



PSP Holdings (PSP) was started in 2004 by Rick & Patti Fisher in the attic of their small townhouse in Old Town Alexandria, VA when they agreed to become one of the first franchisees of the then, relatively unknown, better burger chain, Five Guys Burgers & Fries. PSP's initial plan, was to build 4-5 locations. Since that time PSP has opened twelve (12) Five Guys locations, formed our Real Estate Development Division, Capital Investments Group, and became a franchisee and operator of Popeyes Louisiana Kitchen, currently with five (5) units in operation.

PSP is headquartered in Alexandria, VA with restaurant operations led out of locations in North and South Carolina. PSP has over 300 employees with a mission that includes growth and expansion into other markets, brands, and real estate throughout the eastern hemisphere of the United States.



# MARKET OVERVIEW

## Market Analysis

# Asheville, North Carolina



## LOCATION

- Asheville, located in the Blue Ridge Mountains Western North Carolina, is reached via I-26 from the South (Greenville/Spartanburg, SC) and I-40 from the East (Statesville, NC) and West (Knoxville, TN).
- Asheville is the largest city in Western North Carolina, and the 12th-most populous city in the U.S. state of North Carolina.



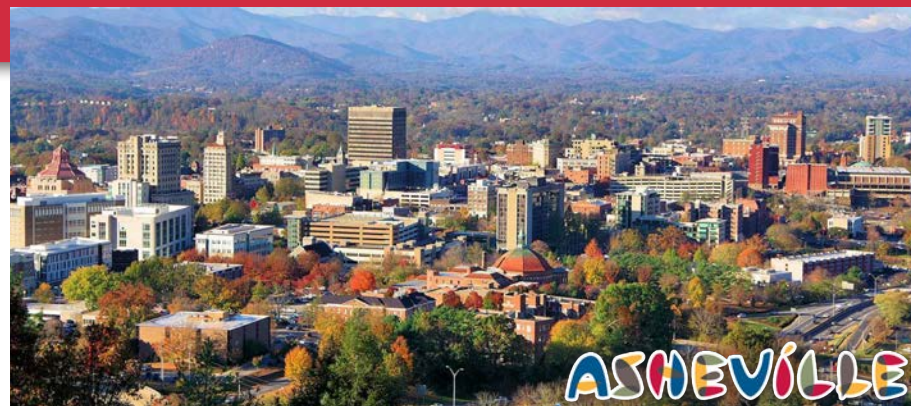
## INFRASTRUCTURE

- Asheville is centrally located in the epicenter of numerous major cities and easily accessible from I-26, I-40 and I-240; U.S. 19/23, 25, 25A, 70, and 74.
- Located 10 miles (approximately 15 minutes) from downtown, the Asheville Regional Airport (AVL) serves more than one million passengers per year with service from Allegiant, American, Delta, Elite, Spirit, and United Airlines.
- Considered the nation's most scenic highway, the 469-mile Blue Ridge Parkway winds along the Blue Ridge Mountains, through Asheville and into the entrance of the Great Smoky Mountains National Park.



## HIGHER EDUCATION

- University of North Carolina Asheville (3,800 students)
- Western Carolina University | Cullowhee, NC (11,639 students)
- Mars Hill College | Mars Hill, NC (2,263 students)
- Brevard College | Brevard, NC (703 students)
- Montreat College | Montreat, NC (911 students)
- Asheville-Buncombe Technical Community College (9,828 students)



## CULTURE

- Rated the **#1 US travel destination** by Lonely Planet, Asheville has grown from a small pioneering town into a flourishing metropolis known for its love of the arts and passion for the great outdoors.
- The thriving mountain city features a funky and eclectic downtown with 30+ art galleries, a burgeoning culinary scene, a thriving live music scene and, of course, the awe-inspiring scenery of the Appalachian Mountains.
- Known as “Beer City USA” with 26 different craft breweries located in Asheville and another 60 nearby, the **Sierra Nevada Brewery** is one of the largest and most visited with 23 different taps and a 400-seat restaurant.
- America's largest home, the historic **Biltmore Estate** is one of the most visited attractions in Asheville. The 178,926 square foot mansion sits on 8,000 acres, with over 250 rooms.



## OUTDOOR ADVENTURES

- Nestled between the **Great Smoky Mountains** and the Blue Ridge Mountains, Asheville offers year-round access to numerous hiking trails and exhilarating views along the famous **Blue Ridge Parkway**.
- With more than a million acres of protected wilderness, there are plenty of places to enjoy the outdoors and hike, bike, fish and paddle.
- Asheville has hiking trails that lead to mountaintops or beautiful waterfalls, biking along secluded backcountry roads, fishing in cool mountain streams or kayaking along the **French Broad River** are a few popular activities.

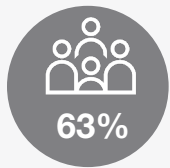
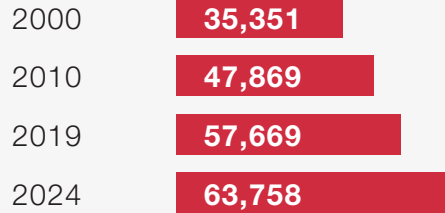


# MARKET OVERVIEW

## Demographics

### POPULATION GROWTH

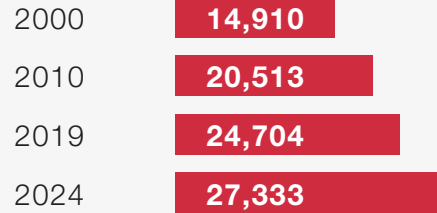
5-Mile



Growth since 2000

### HOUSEHOLD GROWTH

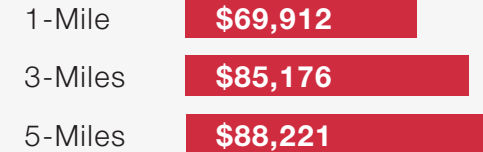
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Growth since 2000

### AVERAGE HOUSEHOLD INCOME

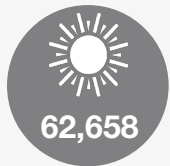
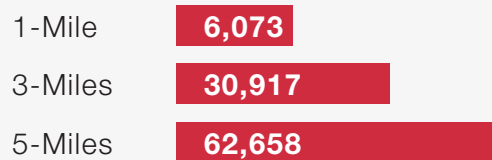
2019



2019 Average Household Income

### DAYTIME POPULATION

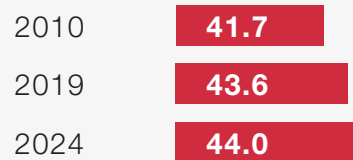
2019



2019 (5-Mile)

### MEDIAN AGE

5-Mile



2019 (5-Mile)



2019 Esri



# DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 432 Airport Road, Arden, NC 28704 ("Property"). It has been prepared by Furman Capital Advisors ("Agent"). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in the Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner or Agent. The material is based in part upon information supplied by the Owner and in part upon financial information obtained from sources it deems reliable. The Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner.

Owner and Agent expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed by all parties and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to the Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Agent or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or cause of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the creation of this Offering Memorandum.



# FURMAN

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