



## **OFFERING MEMORANDUM**

ZAXBY'S NET LEASE INVESTMENT OPPORTUNITY | 6% CAP RATE



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# PROPERTY INFORMATION



### **EXECUTIVE SUMMARY**

### **471 OLD HICKORY BLVD, BRENTWOOD, TN 37027**

#### INVESTMENT OFFERING

This NNN Zaxby's is located in the Brentwood area of the Nashville MSA, known for its food, country music and an outstanding medical center. As an outparcel to a Kroger center, the ± 3,159 SF Zaxby's has the new "farmhouse" proto-type design, and currently services in-store, take-out and drive-thru guests in the COVID-19 environment. The store is perched high on an extremely visible ±1.06-acre parcel near the signalized corner of Old Hickory Blvd and Edmonson Pike. Nearby traffic counts on this busy retail corridor are 38,515 VPD. In addition to Kroger, other neighboring national retailers include Publix, McDonald's, Wendy's, Walgreens, Starbucks, Walmart Neighborhood Market, Taco Bell, Bojangles', Verizon and more. Within three miles of this vibrant location, the population is over 62,555 with an average household income in excess of \$84,774. Additionally, there are almost 40,000 employed workers within the three-mile radius.

Zaxby's opened this location in 2016 with a 20 year absolute NNN lease that has 15 years remaining, running through January 14, 2036. There are generous rent increases of 10% every 5 years in the initial term with 4 option periods that have rent increases tied to fair market rents. There are over 900 Zaxby's in 17 states of which 85% of the locations, including this one, are licensed to experienced operators. This operator has 4 locations in the Nashville area and is a strong guarantor. In April, Zaxby's corporate sold approximately 60% of its' interest to Goldman Sachs. Plans are to continue to expand nationally while bringing the service levels, unique "prepared to order" food, convenience, and value to more guests.

#### INVESTMENT HIGHLIGHTS

- 15 years remain on absolute NNN lease with no Landlord responsibilities
- Well positioned with drive-thru to serve guests in COVID-19 environment
- 10% rent increase every 5 years in the initial term with four 5-year options
- Strong retail trade area with retailers including Publix, McDonalds Walgreens, Starbucks and more
- Highly visible Kroger outparcel near signalized corner with nearby traffic counts of 38,515 VPD
- Strong brand recognition with recent 60% corporate acquisition by Goldman Sachs
- Experienced 4 unit operator
- Three-mile population over 62,000 with over \$84,000 in household income

#### **OVERVIEW**

County:	Davidson		
Price:	\$3,485,000		
Cap Rate:	6%		
NOI:	\$209,000		
Price/SF:	\$1,103		
Rent/SF:	\$66.16		
Building Size:	± 3,159 SF		
Site Size:	1.06 Acres		
Year Built:	2001		
Year Renovated:	2016		
Type of Ownership:	Fee Simple		
Tenant Name:	Zaxby's		
Lease Commencement:	01/15/2016		
Lease Expiration:	01/14/2036		
Renewal Options:	Four 5-year		
Rent Increases:	10% every 5 yeras of the initial term and FMR for the options		
Guarantor:	Personal guaranty from the 4-unit franchisee		
Landlord Responsibilities:	None		
Tenant Responsibilities:	Tenant pays for all taxes, insurance and maintenance & repairs		





## RENT SCHEDULE

TERM	DATES	MONTHLY RENT	ANNUAL RENT	INCREASE
Initial Term	1/15/2016 - 1/14/2021	\$15,833.33	\$189,999	-
Initial Term	1/15/2021 - 1/14/2026	\$17,416.67	\$209,000	10%
Initial Term	1/15/2026 - 1/14/2031	\$19,158.33	\$229,899	10%
Initial Term	1/15/2031 - 1/14/2036	\$21,074.17	\$252,890	10%
Option 1	-	Fair Market Rate	Call 2	-
Option 2	-	Fair Market Rate	-	-
Option 3	/////	Fair Mar <mark>ket R</mark> ate	-	-
Option 4		Fair Market Rate	-	-



\$3,485,000 Price %

6% Cap rate



15 Years
Term Remaining



NNN Lease Type

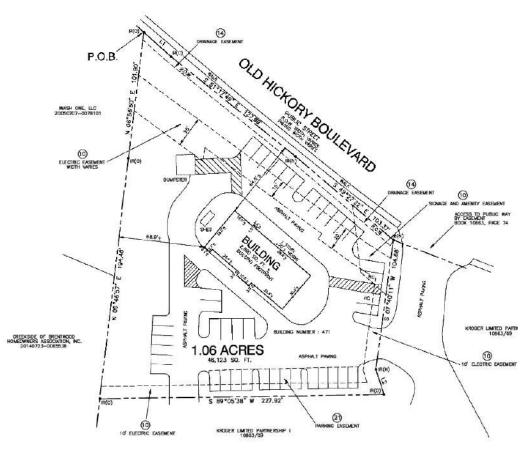








### **AERIAL & SITE PLAN**









## RETAIL MAP







### TENANT PROFILE













#### **OVERVIEW**

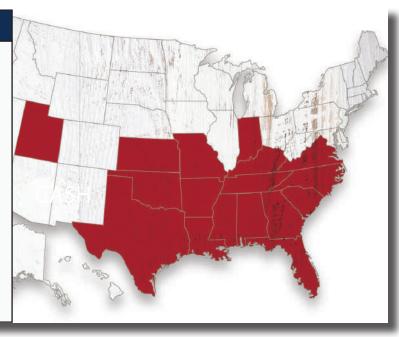
Zaxby's, founded in Statesboro, GA in 1990, is an American chain of fast casual dining restaurants offering chicken wings, chicken fingers, sandwiches, and salads, also known for preparing food fresh to order. The chain operates primarily in the South and has more than 900 locations in 17 states. In 2019, Zaxby's ranked fourth among quick-service chicken chains in terms of total domestic systemwide sales. Dining rooms at Zaxby's restaurants are decorated with assorted whimsical objects and signs, which often vary in theme by location and region.

In April of 2020, Goldman Sachs purchased a 60% interest in Zaxby's. It is anticipated that this will be the catalyst for expansion beyond their current "footprint." As part of this expansion, they plan to continue to attract licensees (franchisees). For more information about future plans as a result of the investment of Goldman Sachs, follow the link-

<u>https://www.qsrmagazine.com/finance/zaxbys-sells-significant-stake-goldman-sachs</u> to hear an interview with Zaxby's founder, Zack McElroy.

#### **U.S. LOCATIONS**

- Alabama
- Arkansas
- Florida
- Georgia
- Indiana
- Kansas
- Kentucky
- Louisiana
- Mississippi
- Missouri
- North Carolina
- Oklahoma
- South Carolina
- Tennessee
- Texas
- Utah
- Virginia

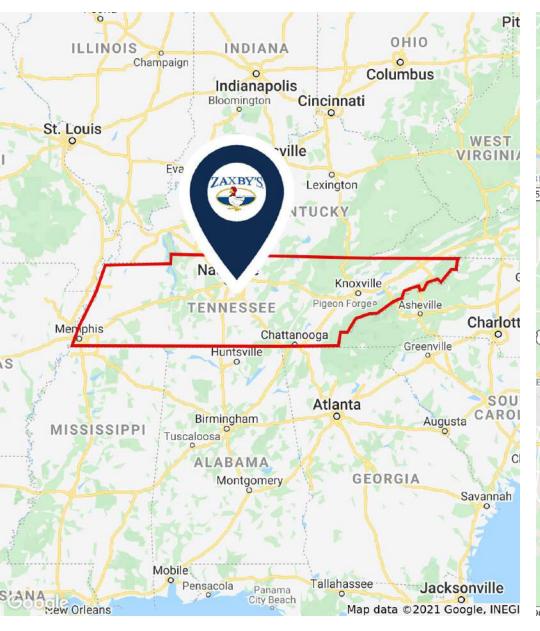








### **AREA MAPS**

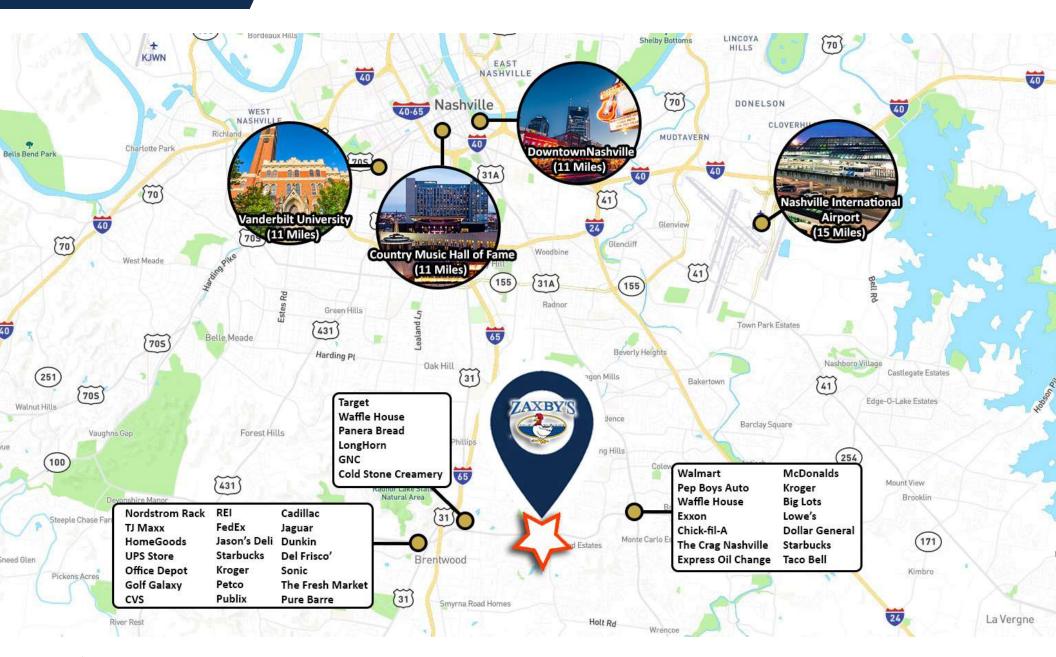








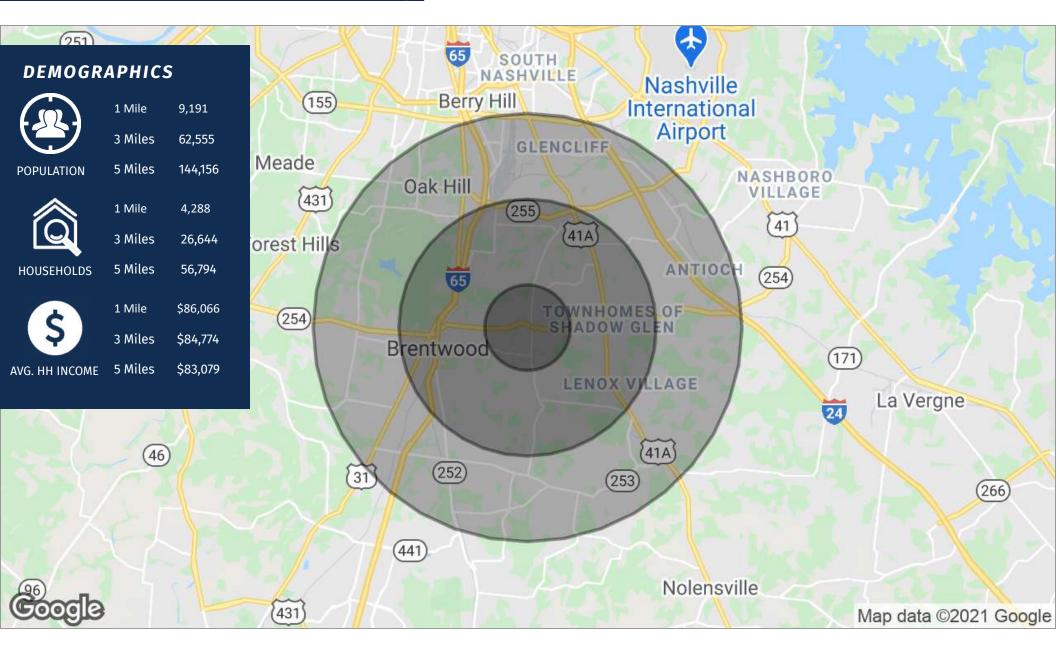
### IN THE AREA







### **DEMOGRAPHIC OVERVIEW**







### **ABOUT THE AREA**

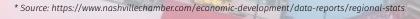
#### NASHVILLE, TN

The Nashville region is home to more than 1.9 million people and more than 40,000 businesses. Many corporate headquarter giants call Middle Tennessee home, including Nissan North America, Bridgestone Americas, Dollar General, Hospital Corporation of America, Cracker Barrel and Gibson Guitar. A national hub for the creative class, Nashville has the strongest concentration of the music industry in America.

Middle Tennessee's economy is characterized by a diverse mix of industries. The Chamber's long-term economic development strategy has identified five target industries that drive Middle Tennessee's economy and provide a concentrated focus for strategically growing the region: health care, corporate operations, advanced manufacturing, supply chain management and music and entertainment. The Nashville region's educated workforce not only provides an abundant talent pool for companies, but also bolsters the region's vibrancy, artistic and musical essence, and competitive edge in technology and innovation. The Nashville region is defined by a diverse economy, low costs of living and doing business, a creative culture and a well-educated population. Cultural diversity, unique neighborhoods, a variety of industries and a thriving creative community make Middle Tennessee among the nation's best locations for relocating, expanding and startup companies.

#### THE MARKET

- Brentwood is a suburb of Nashville, TN, located only 11 miles south of Nashville.
- The median income within a 5-mile radius is \$83,079 with a median age of 34.8.
- The employment rate of Brentwood is 96.7%.
- The top employers of Nashville MSA are Vanderbilt University and Medical Center, Nissan, Saint Thomas Health, HCA, and Amazon.







### **BROKER PROFILE**

### NANCY MILLER, CCIM, MBA President, Net Lease Investment Group



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#### PROFESSIONAL BACKGROUND

Nancy Miller joined Bull Realty in 2001. Her brokerage practice focuses on single tenant net lease and multitenant retail investment properties. Nancy is a partner with the firm and heads the National Net Lease Investment Group. Her focus includes working with investors, 1031 exchange transactions and developers throughout the US. She is an industry recognized savvy and knowledgeable investment expert. In the last 5+ years, she has brokered over 125 single tenant transactions. Nancy also publishes an electronic investor newsletter, and participates in a quarterly national retail industry survey done by Morgan Stanley. Periodically, Nancy contributes to Bull Realty's retail blogs appears on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by Michael Bull, Bull Realty's founder and President.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation and has a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.

#### **ABOUT BULL REALTY**

Bull Realty is a commercial real estate sales, leasing, and advisory firm licensed in nine Southeast states headquartered in Atlanta. The firm was founded in 1998 on two primary missions: to provide a company of advisors known for integrity and to provide the best disposition marketing in the nation. Still guided by these philosophies, the firm's services have expanded to include disposition, acquisition, project leasing, tenant representation and consulting services. To add additional value and efficiency for clients, advisors focus on specific sectors and services in the office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, hospitality and single tenant net lease sectors.

The firm produces America's Commercial Real Estate Show, a national video show and podcast enjoyed by millions of people around the country. Industry analysts, leading market participants and the firm's founder Michael Bull share market intelligence, forecasts and success strategies. The show has aired every week since 2010 on Apple Podcast, all major podcast sites, YouTube and www.CREshow.com.





### DISCLAIMER

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