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Drone Overview of Arby's**



## Offering Memorandum

**ARBY'S NET LEASE INVESTMENT  
5.4% CAP RATE**



**BULL REALTY**  
ASSET & OCCUPANCY SOLUTIONS

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
FINANCIAL OVERVIEW	4
LOCATION PHOTOS	5
LOCATION MAPS	6
RETAIL MAP	7
SITE PLAN	8
TENANT OVERVIEW	9
BROKER PROFILE	10
TEXAS AGENCY DISCLOSURE	11

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# EXECUTIVE SUMMARY

ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE

## OFFER HIGHLIGHTS

Bull Realty is pleased to offer this corporate guaranteed, absolute NNN, fee simple Arby's in Cypress, Texas, part of the sprawling Houston MSA. This single tenant property is located on the frontage road of U.S. Hwy 290 with over 69,000 vehicles per day. It is an outparcel to a Lowe's retail center that includes other national tenant outparcel tenants - Panera Bread, Firestone and Wells Fargo. The store is operated by Atlanta based Arby's Restaurant Group and has just under 7 years remaining on the primary lease term with four 5-year renewal options. There are generous 5% rent increases every five years including in the option periods. The immediate trade area features additional major retailers and restaurants including Home Depot, Walmart and more. The three mile population is over 65K with an average household income of \$131K+.

- Just under 7 years remain on a 20 year initial lease term NNN lease
- Four 5-year options with 5% rent increases every 5 years and in option periods
- Corporate guarantee by Arby's Restaurant Group, Inc.
- Cypress is located NW of Houston's CBD and is one of the fastest growing areas in the Houston MSA
- Outstanding exposure and traffic from other compatible nearby retailers and significant traffic counts of over 69,000 vehicles per day
- Situated as an outparcel to a Lowe's with Panera, Firestone and Wells Fargo nearby with all the big national retailers in the immediate trade area
- **Offered for sale at \$3,445,000 or a 5.4% cap rate\***

## DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
Total Popula. on:	6,531	65,488	178,974
Total Households:	2,345	20,952	56,707
Average HH Income:	\$129,796	\$131,399	\$139,285

\* Source: ESRI and US Census Bureau

## AREA OVERVIEW

Cypress is in the Houston, Texas metropolitan statistical area which has over 6.9 million in population and is the 5th largest MSA in the U.S. The average household income within a three mile radius in Cypress is \$131,399 with the number of white-collar jobs, well above the national average. Cypress is located NW of downtown Houston with U.S. 290 as the main corridor to the city center.

Houston truly has a global economy, and only New York City has more Fortune 500 headquarters. Houston's diversity is driven largely by its academic institutions and industry with over 90 languages spoken. The main economic drivers in the Houston metroplex are the oil related, medical, and retail sectors. The oil sector's largest companies include Exxon Mobil, Shell Oil, Chevron, BP America, Schlumberger, Haliburton and Phillips 66. The highly recognized medical sector brings patients and professionals from all over the world to institutions such as Memorial Hermann Health System, MD Anderson Cancer Center, Texas Children's Hospital, Baylor School of Medicine and many more health systems. The retail sector, which supports the various industries and population, include large employers such as Walmart, H-E-B Grocers, Kroger, McDonalds, United Airlines, Fluor and Sysco Systems (based in Cypress).



Information contained herein may have been provided by the seller, landlord or other outside sources. While deemed reliable, it may be estimated, projected, limited in scope and is subject to change or inaccuracies. Pertinent information should be independently confirmed prior to lease or purchase offer or within an applicable due diligence period.



# FINANCIAL OVERVIEW

ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE

## PROPERTY & LEASE INFORMATION

Property Location:	25957 Northwest Hwy 290, Cypress (Houston), TX 77429
County:	Harris
Price:	\$3,445,000
Price/SF:	\$1,135.46
Rentable SF:	3,034 SF
Site Size:	0.88 Acres
Cap Rate:	*5.4%
Year Built:	2008
Building Size:	3,034 SF
Type of Ownership:	Fee Simple

## LEASE SCHEDULE

Tenant Trade Name:	Arby's
Lease Type:	NNN
Lease Commencement:	7/16/2008
Lease Expiration:	7/31/2028
Renewal Options:	Four 5- year
Rent Increases:	5% every 5 years
Landlord Responsibilities:	None

\*\*AVERAGE RENT OVER THE REMAINING TERM - assumes 82 months

Total Rent for 82 Months = \$1,280,685  
Average Monthly Rent = \$1,280,685/82 = \$15,618  
Annualized Rent = \$15,618 X 12 = \$187,417  
Cap Rate: \$187,417/\$3,445,000 = 5.44%

## RENT SCHEDULE

Term	Dates	Monthly Rent	Annual Rent	Increase %
Initial Term (Yrs 11-15)	8/1/18 - 7/31/23	\$15,066.89	\$180,803	-
Initial Term (Yrs 16-20)	8/1/23 - 7/31/28	\$15,820.23	\$189,843	5%
Option 1	8/1/28 - 7/31/33	\$16,611.24	\$199,335	5%
Option 2	8/1/33 - 7/31/38	\$17,441.80	\$209,302	5%
Option 3	8/1/38 - 7/31/43	\$18,313.89	\$219,767	5%
Option 4	8/1/43 - 7/31/48	\$19,229.58	\$230,755	5%

## ACTUAL LOCATION



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# LOCATION PHOTOS

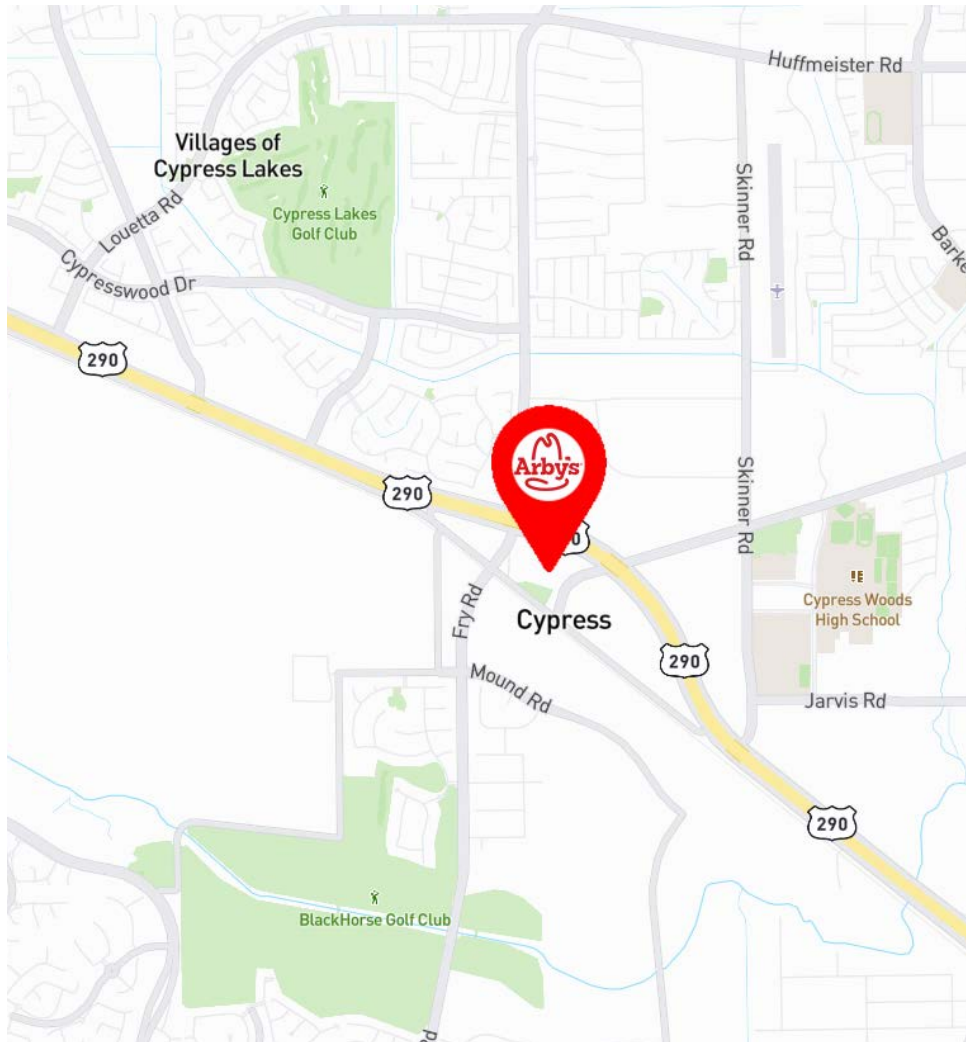
ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE





# LOCATION MAPS

ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE



# RETAIL MAP

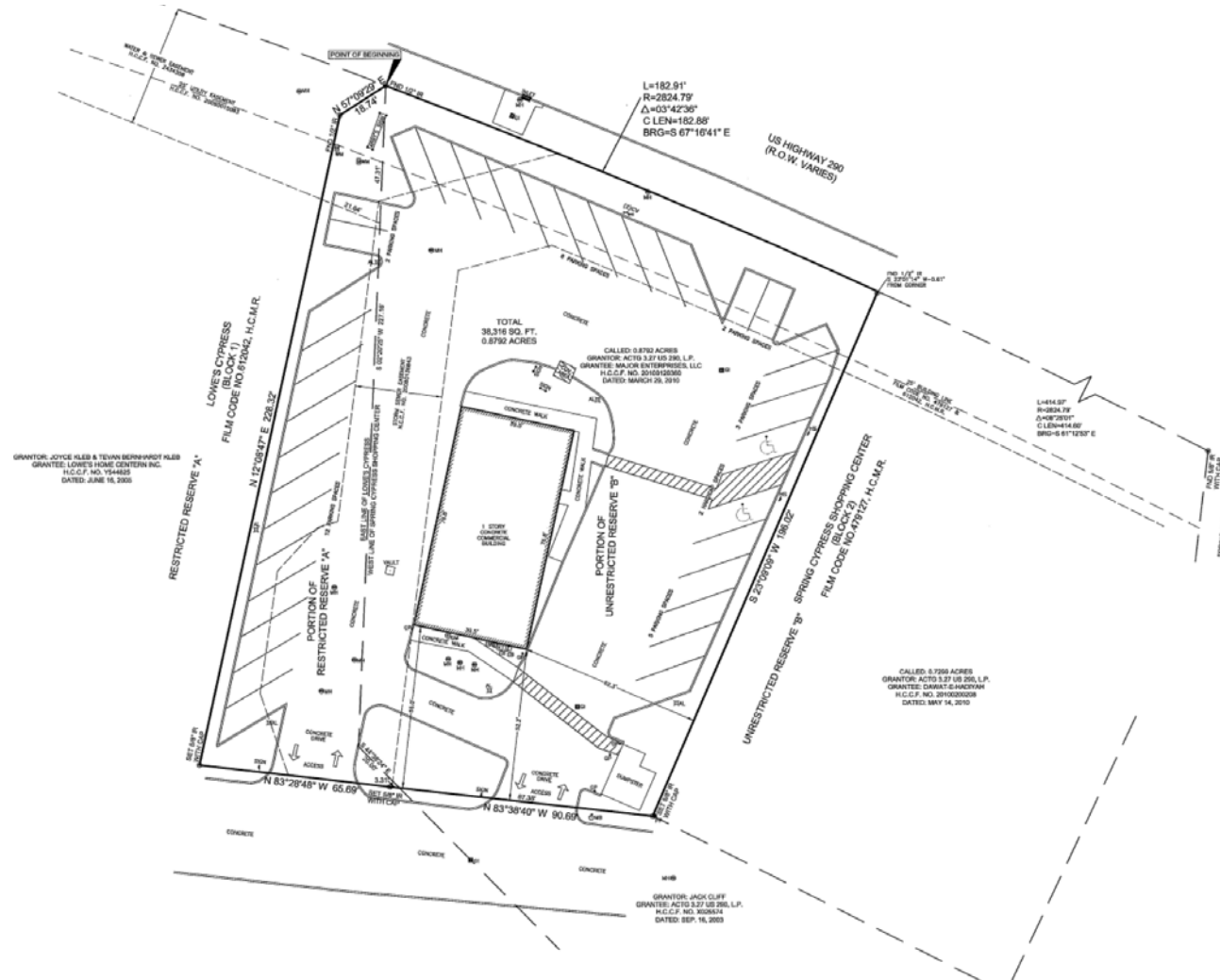
ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE





# SITE PLAN

ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE





# TENANT OVERVIEW

ARBY'S NET LEASE INVESTMENT | 5.4% CAP RATE

## ARBY'S RESTAURANT GROUP, INC.

Arby's Restaurant Group, Inc. is one of the largest quick-service sandwich chains in the U.S. with 3,415 restaurants in 48 states and 7 countries. Approximately 68% of all locations are franchise operated. Arby's Restaurant Group, Inc. is the franchisor of the Arby's brand and is headquartered in Atlanta, GA. It is part of the Inspire Brands multi-brand restaurant company whose majority owner is Roark Capital Group. The Cypress, TX location is a corporate operated store.

<https://arbys.com/>



## INSPIRE BRANDS

Inspire Brands is a multi-brand restaurant company whose portfolio of quick service restaurants includes more than 4,600 Arby's, Buffalo Wild Wings and R Taco locations worldwide. It was founded in 2018 by Paul Brown, CEO of Arby's and Neal Aronson of Roark Capital Group, the majority owner of the company. Inspire is one of the largest owner-operators of restaurants with over 1,700 company owned locations. The locations that formed Inspire Brands had combined global sales exceeding \$7.6 billion in 2017.

<https://inspirebrands.com/>



## ROARK CAPITAL GROUP

In 2011, Atlanta based Roark Capital Group acquired an 81.5% share of Arby's Restaurant Group, with The Wendy's Company owning the other 18.5%. Roark Capital Group is a U.S. private equity firm with over \$11 billion in equity capital and commitments raised since inception that is focused on leveraged buyout investments in middle-market companies primarily in retail, consumer and business service sectors.

Roark has historically focused on the franchise, food and restaurant, specialty retail, environmental services, waste management, and marketing services sectors. Their largest sector, food and restaurants, encompasses 23 investments in brands such as: Inspire Brands (the owner of Arby's, Buffalo Wild Wings and R Taco), CKE Restaurants (the owner of Carl's Jr and Hardee's), Corner Bakery, Culver's, FOCUS Brands (the owner of Auntie Anne's Pretzels, Carvel Ice Cream, Cinnabon, McAlister's Deli, Moe's Southwest Grill and Schlotzsky's), Il Fornaio, Jim 'N Nick's BBQ, Jimmy John's, Miller's Ale House, Naf Naf Middle Eastern Grill and Wingstop. Roark's consumer products and services investments have included Anytime Fitness, Atkins Nutritionals, Batteries Plus Bulbs, Driven Brands (the owner of MAACO®, CARSTAR, Meineke Car Care Centers®, 1-800 Radiator and Take 5 Oil Change®), Drybar, FASTSIGNS, Great Expressions Dental Centers, International Car Wash Group, Massage Envy, Orangetheory Fitness, Pet Retail Brands (the owner of Pet Supermarket and Pet Valu), Primrose Schools and U.S. Franchise Systems. Their business services investments have included CyberCore, Money Mailer, Peachtree Business Products, PSC, The Home Service Store, Solterra Recycling Solutions, Quala, Waste Pro and GFL Environmental.

<http://www.roarkcapital.com/>



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# BROKER PROFILE

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



Nancy Miller joined Bull Realty in 2001. Her brokerage practice focuses on single tenant net lease and multi-tenant 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 appears on America's Commercial Real Estate Show, the nation's leading show on commercial real estate which has been on air every week since 2010.

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.

## **Bull Realty Inc.**

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Bull Realty is a commercial real estate sales, leasing, management and advisory firm headquartered in Atlanta licensed in nine Southeast states. 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, automotive, 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 iTunes, YouTube and www.CREshow.com. The firm also produces Atlanta's Commercial Real Estate Show.



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# Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



## TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

## A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

## A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

## TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date