

POPEYES

15-Year Absolute NNN Ground Lease | 20-Year Operating History | Top 30% Performing Popeyes in California (Placer.ai)

POPEYES
DRIVE-THRU



POPEYES

OFFERING MEMORANDUM
RIALTO, CALIFORNIA



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COMMERCIAL
REAL ESTATE



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POPEYES

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OAKS
COMMERCIAL
REAL ESTATE

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OFFERING SUMMARY

LOCATION

Popeyes
1320 W. Baseline Road
Rialto, CA 92376



OFFERING SUMMARY

Price:	\$3,830,000
Current Net Operating Income (NOI):	\$180,000
Current Capitalization Rate:	4.70%
Net Rentable Area:	2,224
Year Built:	2005
Lot Size (Acres):	0.81

LEASE TERMS (1)

Rent Commencement:	7/17/2023
Lease Expiration:	7/31/2038
Lease Type:	Absolute NNN Ground Lease
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$15,000
Annual Rent:	\$180,000
Rental Increases:	7.5% Every 5 Years
Renewal Options:	Two 5-Year @ 7.5% Increases

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



POPEYES

QUICK FACTS

#2

LARGEST CHICKEN
CHAIN IN THE WORLD

RESTAURANT BUSINESS (2023)

#3

TOP FAST-FOOD
CHICKEN CHAIN

MASHED (2023)

#16

TOP 500 CHAIN
RESTAURANTS

RESTAURANT BUSINESS (2023)

INVESTMENT HIGHLIGHTS

- **Single-Tenant Popeyes with Drive-Thru:**

- New 15-year absolute NNN ground lease
- 7.5% increases every 5 years
- Long-term operating history; Popeyes has been operating at the property since it was built in 2005 (20 years)
- The tenant, SG Food Express LLC, is an experienced franchise owner and operator of 30 Jack in the Box locations in Los Angeles, San Bernardino, Orange, and Riverside counties, as well as several Denny's and Popeyes Brands
- The subject property is ranked among the top 30% of all Popeyes locations in California, based on consumer traffic, according to Placer.ai
- Popeyes is one of the world's largest chicken quick service restaurants with over 4,300 restaurants in the U.S. and around the world
- Popeyes is a subsidiary of Restaurant Brands International Inc. (RBI), one of the world's largest quick-service restaurant companies with over \$40 billion in annual system-wide sales and over 30,000 restaurants in more than 120 countries and territories.
- RBI owns 4 of the world's most prominent and iconic quick service restaurant brands – Burger King, Tim Hortons, Popeyes, and Firehouse Subs
- #2 "Largest Chicken Chain in the World" by Restaurant Business (2023)
- #16 "Top 500 Chain Restaurants" by Restaurant Business (2023)



POPEYES
DRIVE-THRU



TOP 30%
IN CALIFORNIA |  Placer.ai

INVESTMENT HIGHLIGHTS

- **High-Traffic, Signalized Intersection Location Along Baseline Road and Ayala Drive (34,000 Cars Per Day)**
- **Freeway Proximity:** The property is 1 mile south of the 210 Freeway (154,000 Per Day)
- **Dense, High-Growth Inland Empire Demographics:**
 - 368,429 people within a 5-mile radius
 - 42% population growth within a 5-mile radius from 2010 to 2020
- **Rialto is Part of the Inland Empire, One of the Fastest Growing Regions in the Nation:** Over the last thirty years, the Inland Empire has grown by 78%, more than twice as fast as the rest of California during that same time period



**20+ YEARS
LONG-TERM
OPERATING HISTORY**



SITE PLAN / PARCEL MAP

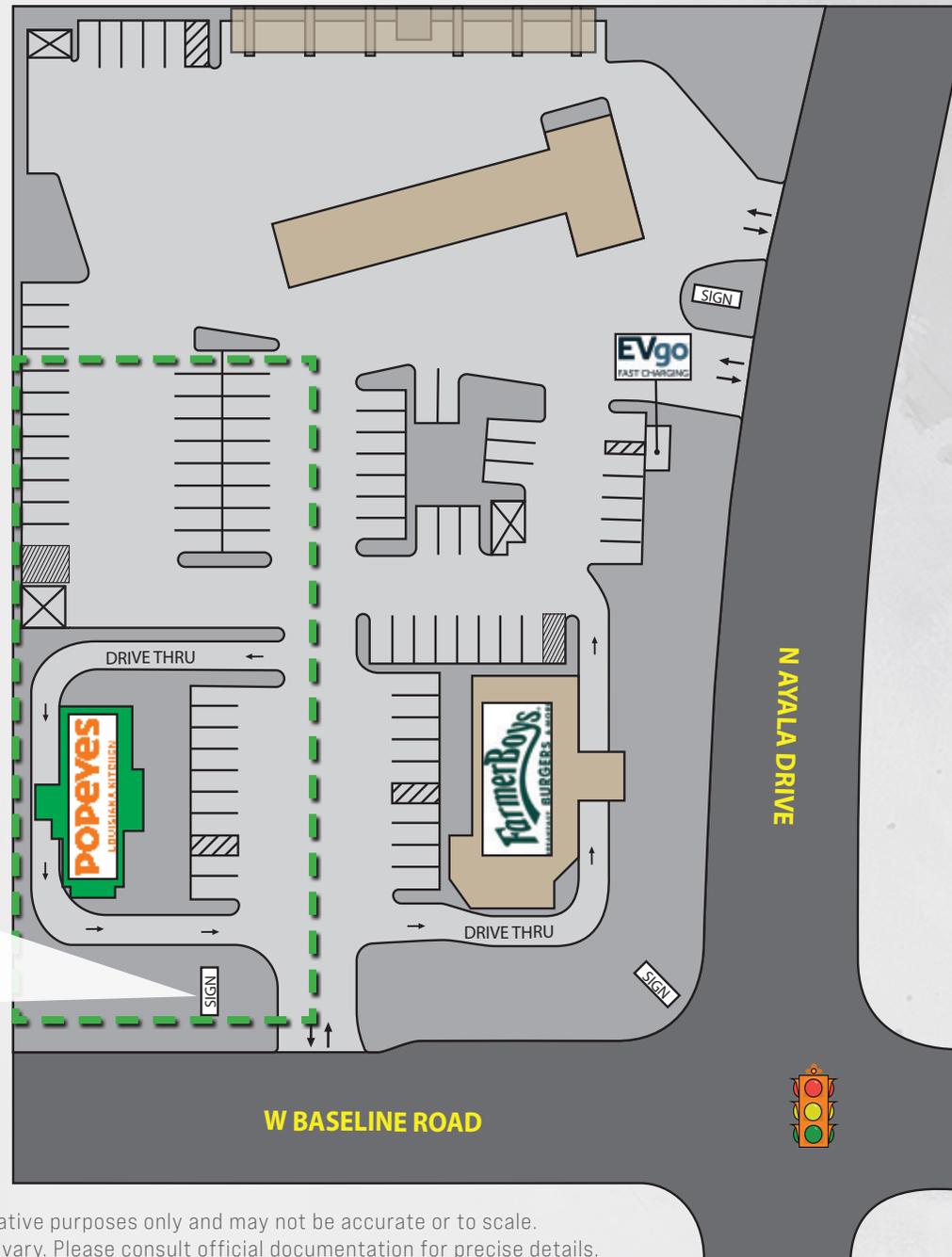
Popeyes
1320 W. Baseline Road
Rialto, CA 92376

-  SUBJECT PROPERTY
-  NOT A PART
-  PROPERTY PARCEL

APN: 0264-212-49-0000



STREET VISIBLE
MONUMENT SIGNAGE



The site plan provided is for illustrative purposes only and may not be accurate or to scale. Actual layout and dimensions may vary. Please consult official documentation for precise details.



AERIAL OVERVIEW



TOP 30%
IN CALIFORNIA | Placer.ai

SUBJECT PROPERTY
POPEYES

ABLE STORAGE

TOP 8%
IN CHAIN | Placer.ai

TOP 10%
IN CALIFORNIA | Placer.ai

1-MILE TO 210 FREEWAY
- 154,000 CPD -

34,000 CPD
- INTERSECTION -

AERIAL OVERVIEW



AERIAL OVERVIEW



SUBJECT PROPERTY
POPEYES

ABLE STORAGE

SPRAY TECH JUNAIR MANUFACTURER



AERIAL OVERVIEW



SUBJECT PROPERTY
POPEYES

34,000 CPD
- INTERSECTION -

REGIONAL MAP



SUBJECT PROPERTY
POPEYES

- #1** | INLAND EMPIRE HAS THE HIGHEST JOB GROWTH RATE IN CALIFORNIA
- #1** | INLAND EMPIRE HAS THE HIGHEST HOME PRICE GROWTH IN SOCAL
- 4.4%** | EMPLOYMENT GROWTH IN SAN BERNARDINO COUNTY (3RD HIGHEST IN THE COUNTRY)

TENANT PROFILE



Popeyes is America's favorite fried chicken brand. Founded 50 years ago in the New Orleans suburb of Arabi, the brand's culinary heritage is built upon the rich Cajun and creole flavor profiles that are unmistakably Louisiana. Menu items include spicy chicken, chicken tenders, fried shrimp, and other regional items. This unique and flavorful food has allowed Popeyes to become the world's second largest chicken quick service restaurant, with over 3,700 restaurants worldwide.

In 2019, the company debuted its first-ever chicken sandwich which garnered worldwide attention through social media. The sandwich was an instant success, generating 34% year-over-year sales in the quarter following its launch. Average unit volumes have increased \$400,000 since the launch of the chicken sandwich.

The company has capitalized on this momentum by growing the brand through additional units. Plans were recently announced to open 200 new restaurants in the U.S. and Canada, 50% of which will include double drive-thrus to boost speed of service. Additionally, the chicken chain has signed international deals to enter South Korea, France, Romania, the U.K., and India.

Popeyes was purchased in 2017 by Restaurant Brands International (RBI), one of the world's largest quick service restaurant companies with \$35+ billion in annual sales and 28,000 restaurants. Popeyes' systemwide sales have increased 57% since its acquisition by RBI.

Popeyes is headquartered in Miami, Florida. The tenant, SG Food Express LLC, is an experienced franchise owner and operator of 30 Jack in the Box locations in Los Angeles, San Bernardino, Orange and Riverside counties, as well as several Denny's and Popeyes Brands.

Company Type: Public (NYSE: QSR)
Locations: 2,852 U.S. locations | 3,800 global locations
Website: popeyes.com

#2

Largest Chicken Chain in the World

Restaurant Business (2023)

#3

Top Fast-Food Chicken Chain

QSR (2023)

#16

Top 500 Chain Restaurants

Restaurant Business (2023)



QSR

Popeyes Sets Sights on 800 New Locations, and a Lot More Wings

By Danny Klein | February 16, 2024

Restaurant Brands International last Thursday became the latest group to outline a massive growth agenda. In this case, the Burger King, Popeyes, Firehouse Subs, and Tim Hortons owner shared it would reach 40,000 restaurants, \$60 billion in systemwide sales, and \$3.2 billion in adjusted operating income by 2028. That suggests average annual same-store sales growth of 3 percent-plus, over 5 percent net unit growth, and systemwide sales expansion north of 8 percent.

It promises a wider quick-service world that, simply, is going to have a lot more quick-service restaurants in it. McDonald's guided 50,000 by 2027. Starbucks 55,000 shops come 2030. Domino's also sees 50,000 long-term. Chipotle plans to essentially double to 7,000. And Yum! Brands, which just opened more restaurants in a calendar year than any restaurant company on record, expects to cross 60,000 outlets in 2024.

[CLICK FOR ARTICLE](#)



FAST COMPANY

Why Cava, Popeyes, and Insomnia Cookies are Among the Fastest-Growing Brands of 2024

By Sarah Bregel | April 10, 2024

Review site Yelp has released its first-ever list of the 50 fastest-growing brands of the year, and 2024 has some fierce competitors.

While the list was mostly made up of well-known fast-casual eateries, with five out of the top 10 being restaurant chains, there were still a few surprises.

"From newly public companies to those scaling regionally to industry mainstays broadening their footprint, the brands featured on the list are expanding at a fast rate nationally, by state, and geographical region," Yelp said in the report.

According to the site, it "ranked businesses based on Yelp data, including net-new location openings, consumer interest, and searches, which together highlight how quickly businesses are opening new locations and growing existing ones." ["Net new," by the way, means, "the number of new locations opened minus the number of locations that closed."]

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Rialto, CA

- Centrally located in Southern California's Inland Empire, one of the nation's fastest-growing regions in terms of both population and economic centers
 - Adjacent to San Bernardino (east) and Riverside (south); 56 miles east of Los Angeles
- 105,000 population; nearly 5 million in the Inland Empire making it the 12th most populous metro in the U.S.

ECONOMY

- Attractive for its welcoming business climate, proximity to customers and supply chains, growing labor pool, low cost of living, and high quality of life
- The largest industries by employment include retail trade (14.9%), health care and social assistance (11.7%), manufacturing (11.5%), and transportation and warehousing (9.9%)
- Centrally located with easy freeway access (I-15 and I-10), a convenient Metrolink station, a small airport, and proximity to Ontario International Airport, the fastest-growing airport in the U.S.
 - Like much of the Inland Empire, the city is a distribution hub home to national retail giants such as Staples, Amazon, Under Armour, Medline Industries, Niagara Bottling, Monster Energy, and Target
- **Arrowhead Regional Medical Center** – A 456-bed hospital employing 3,500 employees and 400 physicians; home to the 2nd busiest emergency department in the state of California
- Major employers include Rialto Unified School District, Chuze Fitness, City of Rialto, Walmart, Amazon Fulfillment Center, Stater Bros Market, Vista Cove Care Center, Columbia Steel Inc, and Forest River Inc.

DEVELOPMENTS

- **Foothill and Larch Residential Project** – A multi-family project to include 70 total units
- **Renaissance Commerce Center** – A 3-building, 87,189 square-foot ground-up industrial development
- **Rialto Village** – A 96,000 square foot shopping center to house 18 tenants; anchored by Sprouts Market
- **Olive Avenue Development** – A campus-oriented warehouse development with 2 buildings on 31 acres



76% Sales Tax Growth in 2021 vs. 19.4% Increase in the County



RIALTO NEIGHBORHOODS



ARROWHEAD REGIONAL MEDICAL CENTER



RIALTO VILLAGE

AREA OVERVIEW

Inland Empire, CA

- Comprised of Riverside and San Bernardino Counties, its borders span from the Orange and Los Angeles County lines on the west, and more than 100 miles east to the communities of Palm Desert
- Over the last thirty years, the Inland Empire has grown by 78%, more than twice as fast as the rest of California

ECONOMY

- The Inland Empire is one of the largest big-box industrial markets in the U.S.
- 16+ million people live within 50 miles of the Inland Empire core, the second highest industrial market population in the country, behind Northern/Central New Jersey
- More than 100,000 people are employed in the warehouse industry; expected to grow 25% by 2030
- **Loma Linda University** – A global leader in healthcare with 6 hospitals within their expansive campus
- Largest employers are Arrowhead Regional Medical Center, Stater Bros. Markets, County of San Bernardino, and Ontario International Airport

LOGISTICS

- One of the nation's most important players in the logistics industry
- Amazon has 16,000 employees and 10 e-commerce centers in the Inland Empire with another opening in Beaumont
- Has more industrial space leased than Dallas and Atlanta combined, the 2nd and 3rd largest, busiest cities in the U.S.



CALIFORNIA STATE UNIVERSITY, SAN BERNARDINO



THE CALIFORNIA AIR RESOURCES BOARD



LOMA LINDA UNIVERSITY



5 Million People Located in the Region

DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2028 Projection	15,721	154,782	377,381
2023 Census	14,960	151,001	368,429
2020 Census	14,891	153,373	376,395
2010 Census	14,991	129,865	264,513
Growth 2023-2028	5.09%	2.50%	2.43%
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2028 Projection	3,994	41,827	101,505
2023 Census	3,778	40,628	98,645
2020 Census	3,656	40,013	97,163
2010 Census	3,494	32,523	66,302
Growth 2010-2020	4.64%	23.03%	46.55%
Growth 2020-2023	3.34%	1.54%	1.53%
Growth 2023-2028	5.72%	2.95%	2.90%
2023 POPULATION BY SINGLE-CLASSIFICATION RACE	1-Mile	3-Mile	5-Mile
White Alone	2,907	31,650	79,212
Black or African American Alone	1,705	15,327	33,453
American Indian and Alaska Native Alone	420	3,956	9,063
Asian Alone	540	5,315	16,690
Native Hawaiian and Other Pacific Islander Alone	69	544	1,179
Some Other Race Alone	6,150	66,395	161,703
Two or More Races	3,151	28,251	68,579
2023 POPULATION BY ETHNICITY (HISPANIC OR LATINO)	1-Mile	3-Mile	5-Mile
Hispanic or Latino	11,230	114,381	277,012
Not Hispanic or Latino	3,730	36,620	91,417
2023 AVERAGE HOUSEHOLD INCOME	1-Mile	3-Mile	5-Mile
	\$97,905	\$85,451	\$87,393

AREA SNAPSHOT



368,429

POPULATION (5-Mile)



56,966

DAYTIME POPULATION (5-Mile)



42.30%

POPULATION GROWTH (5-Mile, 2010-2020)



\$97,905

AVERAGE HOUSEHOLD INCOME (1-Mile)



\$308,972

MEDIAN HOME VALUE (5-Mile)

Source: ESITE Analytics [2023]



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\$11 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$3 BILLION IN RETAIL SOLD
560+ transactions in last 36 mos.