

Downtown Raleigh

OFFERING MEMORANDUM

FEE SIMPLE

# Panera Bread Absolute Net Ground Lease

Infill Raleigh, NC Location



UNC REX  
HOSPITAL

**CBRE** | Raleigh

## EXCLUSIVE ADVISOR

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

## DISCLAIMER

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FOR SALE

# Panera Bread

*Raleigh, North Carolina*

## Fee Simple Ground Lease

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*\*representative image*

01 :: EXECUTIVE SUMMARY



*\*representative image*

## INVESTMENT OVERVIEW

CBRE|Raleigh has been retained as the exclusive marketing advisor for the disposition of the Panera Bread ground lease at Lake Boone Trail and Landmark Drive in Raleigh, North Carolina. The offering consists of one parcel totaling 0.92 acre and one building (under construction) containing 4,567 square feet, located on a trophy in-fill site in West Raleigh. The offering is 100% leased on a net lease basis as follows:

**Panera Bread:** 15-year Absolute Net Ground Lease | 4,567 square feet

The property is ideally situated in West Raleigh, at the intersection of Lake Boone Trail and Landmark Drive. Positioned across from Marketplace at Lake Boone, Panera Bread is in close proximity to several retailers including Buffalo Brothers, Guasaca, The Oak Restaurant and The Tumble Gym. Lake Boone Shopping Center, anchored by Food Lion, and Olde Raleigh Village, anchored by Harris Teeter, are also within the West Raleigh retail node. UNC Rex Hospital is located less than a half-mile from the site. Additionally, the subject site is a quarter mile from I-440, Raleigh's Inner Beltline, which has average daily traffic counts of 108,210 vehicles.

## INVESTMENT SUMMARY

Tenant	Pricing	Cap Rate	Building/ Suite Size (SF)	Lease Type	Expected Turnover Date	Expected Opening for Business	Term Remaining	Current Rent	Rent Increases	Options	Parcel Size (Acres)
<b>Panera Bread</b> Lake Boone Trail & Landmark Drive Raleigh, NC 27607	<del>\$2,840,909</del> \$2,750,000	<del>4.4%</del> 4.55%	4,567	Absolute Net Ground Lease	1/23/17	6/1/17	15	Years 1 - 5: \$125,000 Years 6 - 10: \$137,500 Years 11 - 15: \$151,250	10% Every 5 Years Including Options	Three 5-Year Options	0.92

# 02 :: PROPERTY OVERVIEW

Villages of Lake Boone Trail  
245 Residential Units

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LANDMARK DRIVE

LAKE BOONE TRAIL



19,960 VPD

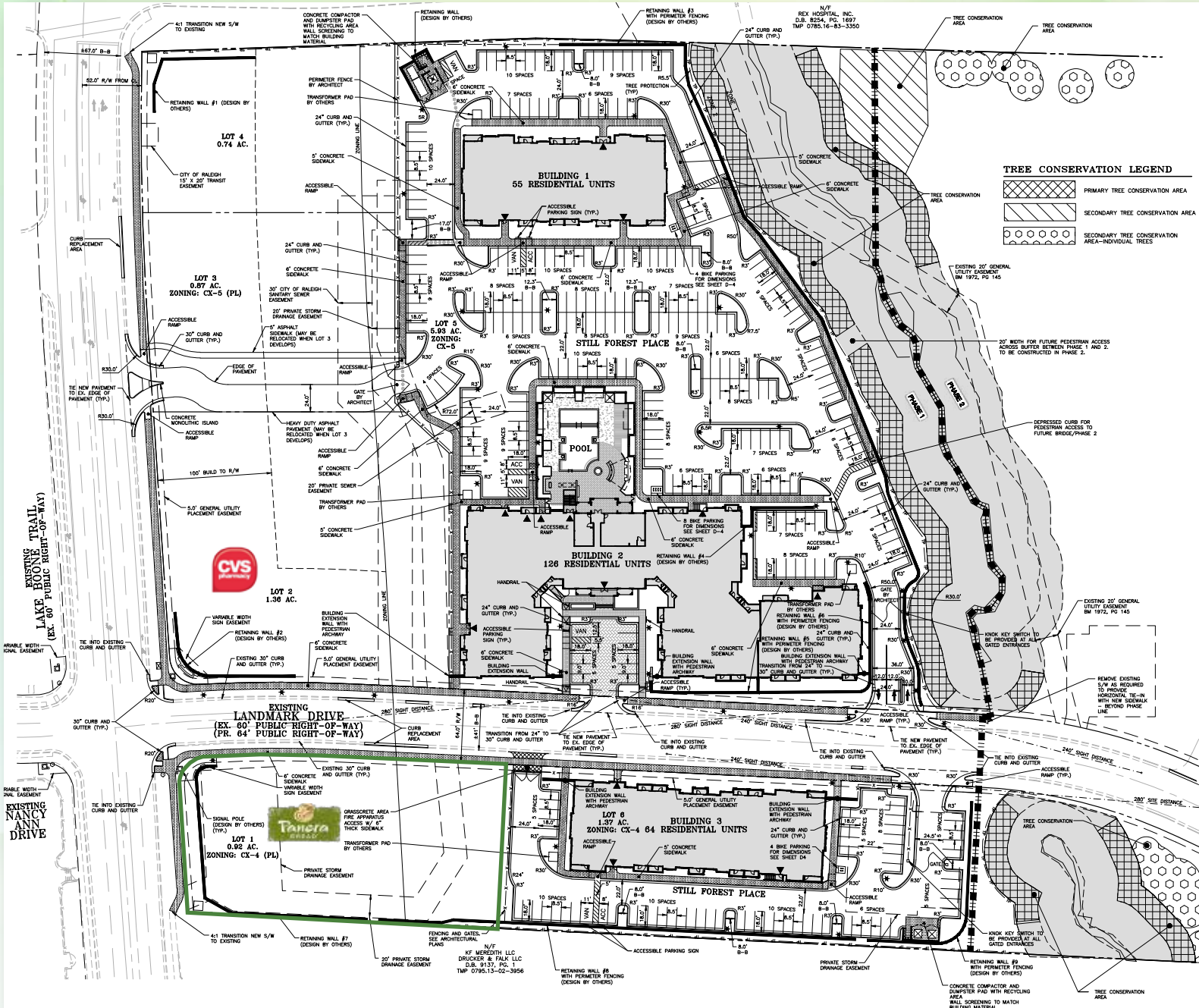


MARKETPLACE AT LAKE BOONE





# SITE PLAN





# AERIAL VIEW



03 :: TENANT OVERVIEW



*\*representative image*

## TENANT OVERVIEW



The Panera Bread® legacy began in 1981 as Au Bon Pain Co., Inc. In 1993, Au Bon Pain Co., Inc. purchased Saint Louis Bread Company®, a chain of 20 bakery-cafes located in the St. Louis area. The company then managed a comprehensive re-staging of Saint Louis Bread Co. Between 1993 and 1997 average unit volumes increased by 75%. Ultimately the concept's name was changed to Panera Bread.

In May 1999, all of Au Bon Pain Co., Inc.'s business units were sold, with the exception of Panera Bread, and the company was renamed Panera Bread. Since those transactions were completed, the company's stock has grown exponentially, and today it has a market capitalization of \$4.5 billion. Panera Bread was recognized as one of Business Week's "100 Hot Growth Companies."

In 2007, Panera Bread purchased a majority stake in Paradise Bakery & Café®, a Phoenix-based concept with over 70 locations in 10 states (predominantly in the west and southwest). The Company purchased the balance of Paradise in June 2009.

As of September 27, 2016, there are 2,024 bakery-cafes in 46 states, the District of Columbia, and in Ontario Canada operating under the Panera Bread®, Saint Louis Bread Co.® and Paradise Bakery & Café® names, delivering fresh, authentic artisan bread served in a warm environment by engaging associates. (Source: panerabread.com)

PANERA BREAD FINANCIAL HIGHLIGHTS	2013	2014	2015
Total Revenue	\$2,385,002	\$2,529,195	\$2,681,580
Operating Income	\$309,756	\$275,943	\$241,594
Net Income	\$196,169	\$179,293	\$149,342
Assets	\$302,716	\$406,166	\$502,789
Liabilities	\$480,970	\$654,502	\$978,018
Equity	\$699,892	\$736,184	\$497,300

Source: Nasdaq.com (PNRA Company Financials)  
Values in 000's

# 04 :: AREA OVERVIEW

BLUE RIDGE ROAD 26,722 VPD

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LAKE BOONE TRAIL 19,960 VPD



MARKETPLACE AT LAKE BOONE

LAKE BOONE SHOPPING CENTER



108,210 VPD



Downtown Raleigh, NC

## RALEIGH, NORTH CAROLINA

Downtown Raleigh lies at the heart of the Triangle, the fastest growing metropolitan region in the Carolinas. For businesses, residents and visitors alike, downtown is the urban center of the region, an incredible place to live, work and play. With a population of over 405,000, Raleigh is the second largest city in the Carolinas. It is also the fastest growing major city in the state, adding more than 10,000 residents annually. The rapidly expanding Raleigh metro area, with 1,235,000 residents, has more than doubled its population since 1970.\* According to American city business journals, the Raleigh metro's population growth will be the third fastest in the country in the next 25 years, housing 2.2 million people by 2040.

## RESEARCH TRIANGLE PARK

Positioned at the center of Raleigh, Durham, and Chapel Hill, Research Triangle Park (RTP) is a unique metropolitan area home to a convergence of ideas and industries. Anchored by three founding universities (Duke University, North Carolina State University, and UNC-Chapel Hill), the RTP is one of the most educated communities in the country, with nearly 1 in 5 people holding a graduate degree.

RTP is also home to more than 200 companies and over 50,000 people with expertise in fields such as micro-electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences.\*\*



Raleigh-Durham International Airport

## RALEIGH-DURHAM INTERNATIONAL AIRPORT

Raleigh-Durham International Airport (RDU) is home to nine commercial air carriers and their regional partners. Combined, they fly RDU customers to more than 400 destinations on 400 flights daily.\*\*\*



Research Triangle Park Headquarters

\*godowntownraleigh.com

\*\*rtp.org

\*\*\*rdu.com

## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2016 Population	6,316	72,394	214,868
2021 Population Projection	6,792	78,204	233,482
Daytime Employees	16,898	68,577	204,760

HOUSEHOLD DATA	1 Mile	3 Miles	5 Miles
Total Households	2,812	29,047	92,338
Average Household Income	\$84,791	\$90,529	\$79,282
Average Household Size	2.21	2.14	2.16

## EDUCATION DATA (WITHIN 5 MILES)

Population 25 Years and Over	93,892	Associates Degree	9,098
K-12 - No Diploma	9,333	Bachelors Degree	48,221
High School Grad	16,040	Graduate or Other Professional Degree	28,567
Some College	22,763		

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