

# Moe's Southwest Grill

NNN Leased Investment For Sale With Rare 2.5% Annual Rent Increases

*Gainesville, Florida*



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MOE'S SOUTHWEST GRILL

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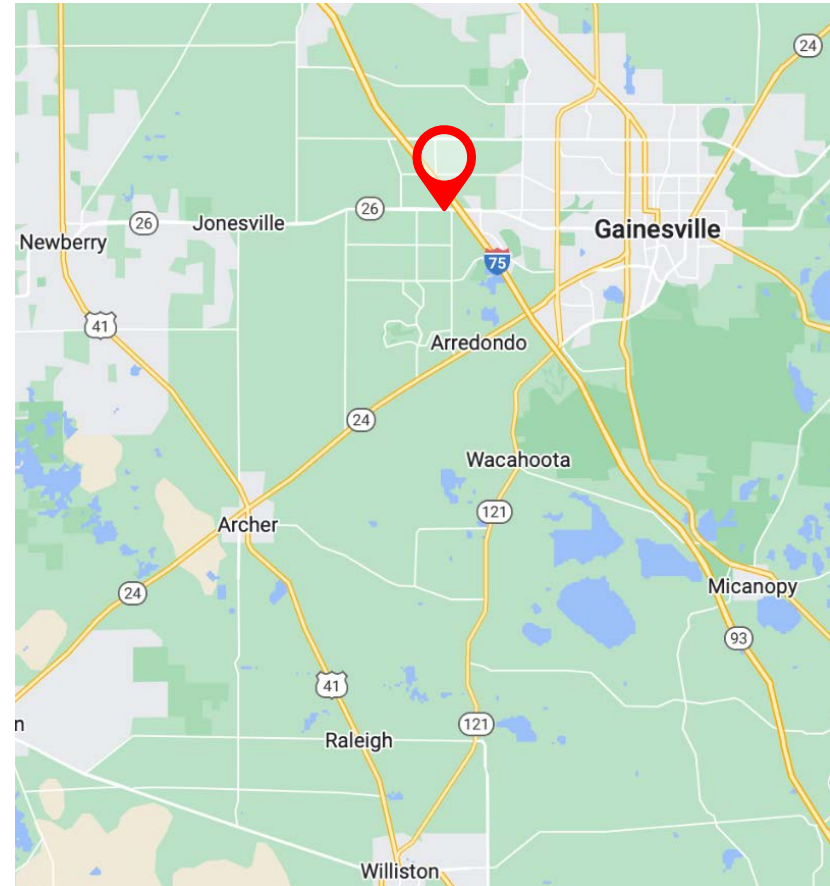


# INVESTMENT HIGHLIGHTS



MOE'S SOUTHWEST GRILL / NNN LEASE  
7770 W. Newberry Road | Gainesville, FL 32606

PRICE	\$2,185,000
CAP RATE	6%
NOI	\$131,106
RENT INCREASES	Rare 2.5% annual rent increases
LEASE TYPE	NNN
GROSS LEASABLE AREA	3,713 SF
LOT SIZE	0.39 acres
YEAR BUILT	1992 and remodeled in 2002
TENANT	Quality Fresca I, LLC
INITIAL TERM	October 2015 – October 2035



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# EXECUTIVE SUMMARY

## INVESTMENT OVERVIEW

This is an excellent opportunity to purchase a NNN leased Moe's Southwest Grill operated by Quality Fresca, the largest franchisee in the Moe's Southwest Grill system. The property is located on Newberry Road and is an outparcel to the Newberry Square shopping center. Newberry Square is a Publix and Floor & Décor anchored shopping center.

The property is located less than ½ mile west of Interstate 75. Other development in the area includes Home Depot, multiple hotels and restaurants, and the Oaks Mall just east of I-75.

The tenant has thirteen years of initial term remaining with 2.5% annual increases throughout the remainder of the initial term and in the five-year option period. This is a true NNN lease with the tenant fully responsible for their property, all expenses, and the shopping center association dues.

The tenant, Quality Fresca is the largest franchisee in the Moe's Southwest Grill System and currently owns and operates 67 Moe's Southwest Grill locations in Florida, South Carolina, Virginia, Maryland, and the District of Columbia. Quality Fresca is a wholly owned subsidiary of Quality Restaurant Group which also operates nearly 200 Pizza Huts, 62 Sonic Drive-In restaurants and 27 Arby's.



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## EXECUTIVE SUMMARY - CONT.

### QUALITY RESTAURANT GROUP BECOMES LARGEST MOE'S SOUTHWEST GRILL® FRANCHISEE

*Quality Fresca, a wholly owned subsidiary of Quality Restaurant Group, to acquire and evolve 67 Moe's Southwest Grill locations across four separate acquisitions*

ATLANTA, GA – (March 10, 2020) – Moe's Southwest Grill®, an innovative fast-casual restaurant franchise that serves high quality burritos, quesadillas, famous queso and more, announced today the transfer of 67 franchised locations in Florida, South Carolina, Virginia, Maryland and District of Columbia to Quality Fresca, a new division of Quality Restaurant Group formed to own and operate a best in class Moe's Southwest Grill franchisee group.

In partnership with Matt Ailey, Founder of GenRock Capital Management, Matt Slaine, CEO of Quality Restaurant Group and Chris Grooms, Vice President of Quality Fresca, the restaurant group plans to roll out the updated brand design for the restaurants in the next 12-18 months. The series of transactions will make Quality Fresca the largest franchisee in the Moe's Southwest Grill portfolio.

“We believe there is extraordinary growth ahead for the Moe's Southwest Grill brand and know that our company will be a significant partner as the brand continues to innovate and secure share in a competitive segment,” said Matt Slaine, CEO of Quality Restaurant Group and GenRock Operating Partner. “Matt and I have been fans of Moe's for a long time and were attracted to the unique brand personality, culture, leadership, vision for the future and unit-level economics.”

#### DEMOGRAPHICS (BASED ON A 5 MILE RADIUS)



149,658

2022 Population



148,132

2022 Total  
Daytime Population



61,277

2022 Total  
Households



\$94,576

2022 Average  
Household Income



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## EXECUTIVE SUMMARY - CONT.

Backed by GenRock Capital Management, Quality Restaurant Group is based in North Carolina, employs more than 7,500 people and is the parent company for Quality Huts and Quality Meats. Quality Huts is one of the largest Pizza Hut operators with nearly 200 units across Illinois, Indiana, Maryland and Pennsylvania. Quality Meats is an Arby's operator which recently acquired 27 Arby's locations in Nebraska, Wyoming, Colorado, Montana and South Dakota. Quality Fresca is the newest division for Quality Restaurant Group that will operate the Moe's Southwest Grill locations added to their portfolio of restaurant brands.

"The Moe's Southwest Grill brand has been a beloved restaurant brand in the fast casual segment for 20 years and the brand is accelerating our journey to modernize both the in-restaurant and off-premise customer experiences," said Erik Hess, President, Moe's Southwest Grill®. "Working together with the passionate and dedicated group of Moe's franchisees has enhanced the brand strength and adding new franchisees like Quality Restaurant Group will serve as another advantage for the brand in several of our largest markets."

Moe's Southwest Grill currently has more than 700 restaurants in 40 states and is part of the FOCUS Brands family of brands, which includes Auntie Anne's®, Carvel®, Cinnabon®, Jamba®, McAlister's Deli® and Schlotzsky's®. Quality Restaurant Group and all franchisees within the Moe's Southwest Grill system have the ability to use shared services at FOCUS Brands, including marketing, real estate, technology and more, to help them successfully launch and operate their restaurants.



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# FINANCIAL ANALYSIS

## OFFERING DETAILS

Property: Moe's Southwest Grill  
Address: 7770 W. Newberry Road, Gainesville, FL 32606  
Price: \$2,185,000  
Cap Rate: 6%

## LEASE SUMMARY

Tenant: Quality Fresca I, LLC  
Rent Increases: Rare 2.5% annual rent increases  
Guarantor: Quality Restaurant Group, LLC  
Lease Type: NNN  
Initial Term: October 2015 – October 2035  
Renewals: One (1) Five (5) year term  
LL Responsibility: None  
Tenant Responsibility: All expenses

## PROPERTY DESCRIPTION

Year Built: 1992 and remodeled in 2002  
Gross Leasable Area: 3,713 sqft  
Lot Size: 0.39 acres  
Parking: 12 on-site parking spaces



MOE'S SOUTHWEST GRILL

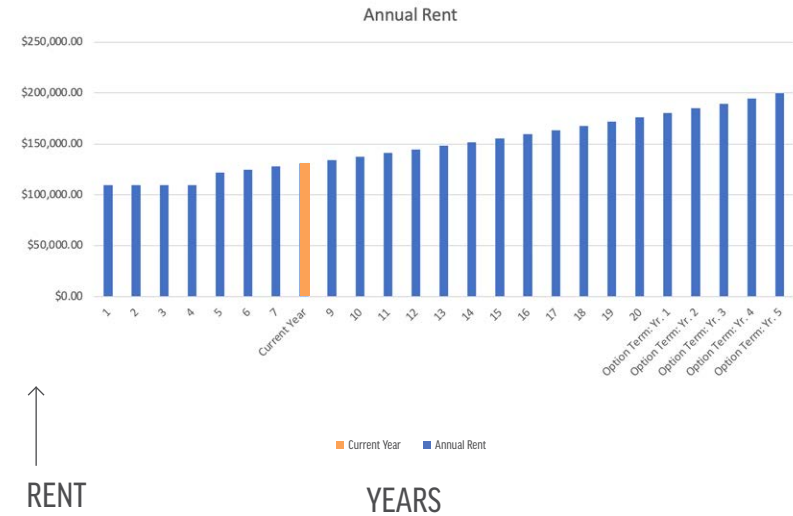
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# RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT PER SF
1	\$109,793.41	\$9,149.45	\$29.57
2	\$109,793.41	\$9,149.45	\$29.57
3	\$109,793.41	\$9,149.45	\$29.57
4	\$109,793.41	\$9,149.45	\$29.57
5	\$121,749.27	\$10,145.77	\$32.79
6	\$124,793.93	\$10,399.49	\$33.61
7	\$127,912.85	\$10,659.40	\$34.45
Current Year	\$131,106.03	\$10,925.50	\$35.31
9	\$134,373.47	\$11,197.79	\$36.19
10	\$137,715.17	\$11,476.26	\$37.09
11	\$141,168.26	\$11,764.02	\$38.02
12	\$144,695.61	\$12,057.97	\$38.97
13	\$148,297.22	\$12,358.10	\$39.94
14	\$152,010.22	\$12,667.52	\$40.94
15	\$155,797.48	\$12,983.12	\$41.96
16	\$159,696.13	\$13,308.01	\$43.01
17	\$163,706.17	\$13,642.18	\$44.09
18	\$167,790.47	\$13,982.54	\$45.19
19	\$171,986.16	\$14,332.18	\$46.32
20	\$176,293.24	\$14,691.10	\$47.48
Option Term: Yr. 1	\$180,711.71	\$15,059.31	\$48.67
Option Term: Yr. 2	\$185,241.57	\$15,436.80	\$49.89
Option Term: Yr. 3	\$189,882.82	\$15,823.57	\$51.14
Option Term: Yr. 4	\$194,635.46	\$16,219.62	\$52.42
Option Term: Yr. 5	\$199,499.49	\$16,624.96	\$53.73

## RENT GROWTH CHART



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## DEVELOPMENT SUMMARY

## OFFERING DETAILS

Development Name:	Newberry Square Outparcel
City:	Gainesville, FL
County:	Alachua
Tenants:	Publix, Floor & Décor, Dollar Tree
Traffic Counts:	
- Newberry:	26,000 AADT



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## AREA RETAIL



**CANTRELL  
& MORGAN**

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## PHOTOS



**CANTRELL  
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