

STNL Tenant Overview

Investment Profile
Church's Chicken



PREPARED BY

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Company Overview

INDUSTRY	QSR		
OWNERSHIP	Privately owned by Friedman Fleischer & Lowe		
HEADQUARTERS	Atlanta, GA		
ANNUAL REVENUE	\$698,500,000		
AVERAGE UNIT VOLUME 2020	\$766,800		
# OF LOCATIONS	1700+ in 26 countries; 911 in the U.S.		
PREFERRED LOCATION	Major retail corridors, outparcels to major retailers		
CURRENT STATES	Alabama Arizona Arkansas California Colorado Florida Georgia	Illinois Indiana Kansas Louisiana Michigan Mississippi Missouri	Nevada New Jersey New Mexico North Carolina Ohio Oklahoma Pennsylvania
			South Carolina Tennessee Texas Virginia Washington Washington DC Wyoming

Company Overview

TIMELINE OF CRITICAL EVENTS

1952 - Founded by George W. Church in San Antonio, TX across the street from the Alamo
1965 - Franchising began, signature marinade developed
1968 - Church family sold the company
1969 - Company was incorporated and went public
1979 - Began international expansion into Japan, Puerto Rico, Mexico, Canada under the trade name "Texas Chicken"
2017 - Announced a multi-year development deal with Goalz Restaurant Group, LLC to develop 20 Church's Chicken restaurants each year in Florida, Kentucky, Ohio, Colorado, North Carolina and South Carolina.

AVERAGE STORE SIZE 1,700 SF - 3,000 SF

AVERAGE PARCEL SIZE 0.3 - 1 Acres

AVERAGE RENT PER STORE \$70,000 per year

TYPICAL LEASE TYPE NNN with 10% increases every Five Years

TYPICAL NEW LEASE TERM 20 Years

GROWTH PLANS? Developing 20 new restaurants each year in Florida, Kentucky, Ohio, Colorado, North Carolina and South Carolina.

RECENT CLOSURES? 15 locations closed in 2015 for not paying taxes
In 2018, Greenville, South Carolina saw several of its locations close
At least one closure in 2020 in Mansfield, Ohio

T-12 SALES COMPS [SEE LINK](#)

OVERALL REAL ESTATE REVIEW

Church's Chicken, like any QSR competes for the best real estate like hard corners and major retailer outparcels. Lower on-average rents have proven a barrier to obtain competitive locations recently, though many locations have been well established for years. 2020 Average Unit Sale Volume of \$766,000 effectively prevents healthy on-average rents in excess of \$70,000. In Texas, investors have had to deal with substandard construction on Church's Chickens if, and when the tenant leaves and when prepping the space for a new user. Many sites were built with a sub-floor design (as opposed to slab foundation) with improper ventilation causing structural wood rot.



Let's talk.

Interested in Church's Chicken as your next investment or looking to sell your location? I put no small effort into researching and becoming the expert on any particular tenant. For your next purchase or sale, please consider our firm for your advisory and transactional services.

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