










## LISTING OPPORTUNITY

# 5 Unit Franchised Sandwich Shop with Real Estate

With \$197,500 down own \$1,650,000 in RE and five business, SBA Approved



### SPECIFICATIONS

 <b>Price with RE</b> \$1,975,000	 <b>Revenue:</b> \$1,392,379 (4-Year Avg)	 <b>Cash Flow:</b> \$35,417 (4-Year Avg)
 <b>Real Estate:</b> Call for Underwriting Report	 <b>Service Area:</b> Spokane WA	 <b>Profit Margin:</b> 2.53%
 <b>Employees:</b> FT 1 PT 23	 <b>Reason for Sale:</b> Seller is Retiring	 <b>Goodwill:</b> First store opened 1988

### BUSINESS SUMMARY

- Year Established: • Store #1: 1988 • Store #2: 1991 • Store #3: 1991 • Store #4: 2010 • Store #5: 2012
- Services: Fresh and custom-made sandwiches, wraps, bowls, and melts.
- Equipment: All required & necessary equipment per franchisor to operate each store w/ full functionality.
- Product breakdown: 61% Food, 32% drink, 7% other company wide average.
- Clients: Health conscious on the go people who trust a brand name.
- Real Estate: 2 locations, 1) 3820 SF, corner location full basement and one rented space 2) 1652 SF
- Lease: 3 Stores leased located in strip malls.
- Personnel: Each store has a manager. Owner acts as district manager.

This multi-unit franchise opportunity is for experienced operators who currently own one or more of the same franchise or own a different concept that is not a conflict of interest.

According to key indicators noted by the Franchisor's reports, this 5-unit chain has the capacity to increase gross sales through customer count, noting that the average ticket is on par with district averages. 2022 is showing recovery.

Vehicle traffic counts per day:

- Store #1: 28,500
- Store #2: 19,800
- Store #3: 40,100
- Store #4: 21,000
- Store #5: Mall foot traffic

Join the growing trend of multi-unit franchise owners with this recognized, household name brand that comes with well-established training and support. One of the great franchises that draws clientele over competitors, known as a staple brand for the place to go to get a great deal on a quick, fresh-tasting, made-to-order meal. Customers are familiar with this brand's menu items and flavors, and the affordable pricing that allows them to frequent these stores regularly.

### ASKING PRICE

The asking price is determined using a cash flow and asset methodology. Cash flow is the sum of net income from the business plus any non-cash expenses, non-recurring items and any seller's personal expenses. The asset methodology considers what it could cost to open a similar business in equipment and square feet. A multi-factor multiplier is applied to the cash flow based on the condition of the business and the asset value is added to that result.

SBA's 504 program would require 10% down or \$211,500 for 5 stores and 2 properties amortized over 25 years.

**NUMBER OF STORES X ASSETS PER STORE + RE = FAIR MARKET VALUE**

With this information, the computation is as follows:

$$5 \times \$95,000 + \$1,650,000 = \$2,125,000$$

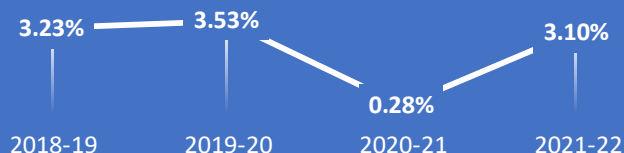
The fair market value found above positions the listing price as:

**\$1,975,000 Firm**

## VALUE PROPOSITION

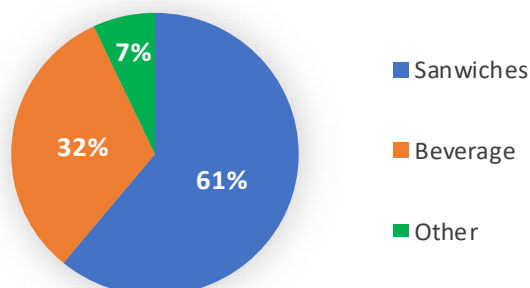
- Key locations in sub-market
- Two stand alone stores with ample parking
- 2 in-line formats and 1 mall footprint
- Asset sale
- 3 stores 1500sf, 1 store 1100sf and last unit 800sf
- Average daily ticket count 100
- All stores are easily visited in one day
- Suited for seasoned operator or expansion of single unit
- Easily accessible locations
- Catering offers the biggest opportunity for growth
- Property sold only with business

## PROFIT MARGIN

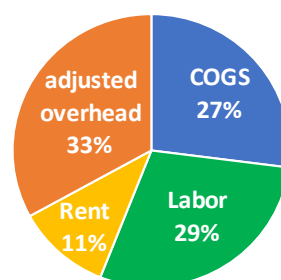


## REVENUE BREAKDOWN

### Revenue by Category



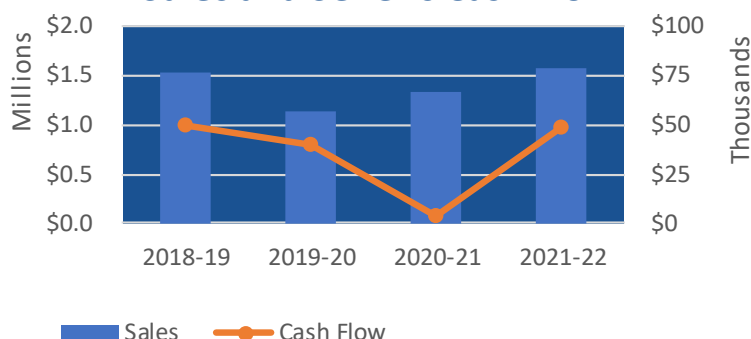
### Cost Breakdown



## FINANCIAL HIGHLIGHTS

- Listing Price: Includes Inventory of each store
- Gross profit average \$226,509
- Average store sales \$315,696
- Royalty 8% Advertising 4.5%
- \$7500 transfer fee per store
- Recommended Working Capital: \$45,000
- Inventory Estimated Average: \$4K per store
- Average sales per SF a year \$227.15
- Average store expense \$221,032
- Average store COGS \$82,688
- Average time remaining on lease, 1.5 years

### Sales and Seller's Cash Flow



## CASHFLOW ANALYSIS

Financial Statement Source	Tax Return	Tax Return	Tax Return	P/L
Accounting Year is July 31- June 30	2018-19	2019-20	2020-21	2021-22
<b>Sales</b>	\$1,523,642	\$1,129,080	\$1,337,315	\$1,579,481
Returns and alloances	\$0	\$0	\$0	\$0
Less Cost of Sales	\$469,135	\$301,294	\$402,477	\$446,934
Less Operating Expenses	\$1,218,529	\$948,604	\$1,100,018	\$1,212,467
<i>Equals</i> Net Income Before Taxes	(\$164,022)	(\$120,818)	(\$165,180)	(\$79,920)
<i>Plus</i> Depreciation	\$18,002	\$17,458	\$13,543	\$11,500
<i>Plus</i> Amortization	\$7,828	\$7,828	\$7,828	\$7,828
<i>Plus</i> Interest on Loans to Business	\$36,775	\$29,818	\$25,937	\$0
<i>Plus</i> Officer/Owner's Salary	\$66,330	\$18,248	\$34,396	\$24,000
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary	\$0	\$0	\$0	\$0
<i>Equals</i> Preliminary Seller's Discretionary Earnings	(\$35,087)	(\$47,466)	(\$83,476)	(\$36,592)
<b>Addbacks:</b>				
Salary to Working Family Member	\$59,876	\$59,810	\$59,795	\$61,095
Auto Expenses for Owner's Benefit	\$0	\$0	\$0	\$0
Insurance Premium - Working Family Member	\$24,454	\$24,474	\$24,400	\$24,400
Owners' Pension Plan	\$0	\$0	\$0	\$0
Non-Business Phone, Internet & Cell Phone Expenses	\$0	\$2,994	\$2,994	\$0
<b>Sum of Addbacks:</b>	<b>\$84,330</b>	<b>\$87,278</b>	<b>\$87,189</b>	<b>\$85,495</b>
<b>Total Seller's Discretionary Earnings (SDE)</b>	<b>\$49,243</b>	<b>\$39,812</b>	<b>\$3,713</b>	<b>\$48,903</b>
Profit Margin	3.23%	3.53%	0.28%	3.10%



# REAL ESTATE

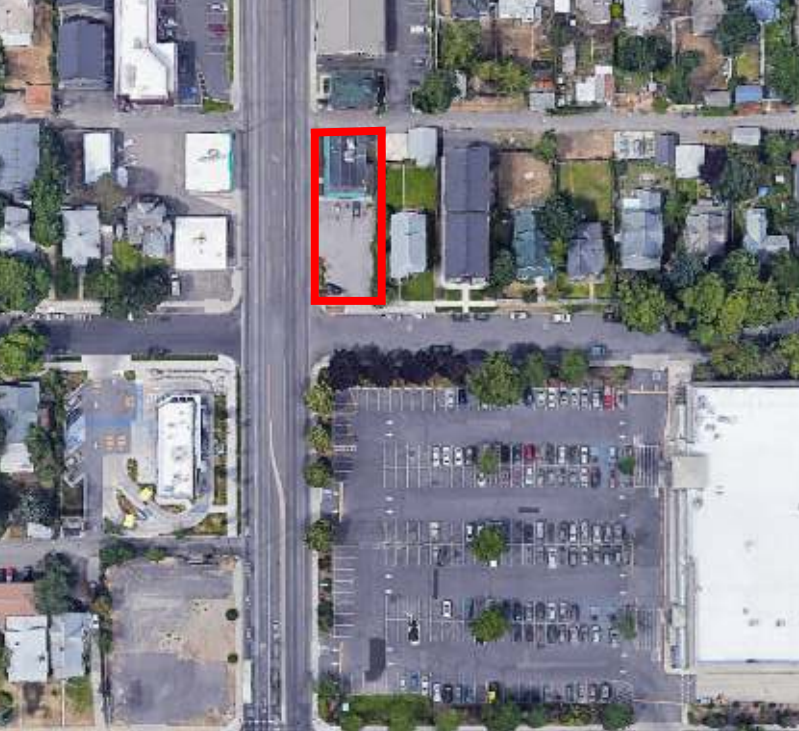
## PROPERTY #1



**Property Value:** \$1,245,000  
**NNN Rent:** Below Market. \$15.61/SF/Year  
**Property Type:** Fast Food  
**Building Size:** 3,820 SF  
**Land Acres:** 0.21  
**Building FAR:** 0.41  
**Frontage:** 132' on busy street  
**Building Height:** 1 Story plus full basement  
**Year Built:** 1939  
**Tenancy:** 2 units, seller runs business out of one, rents the other space  
**Parking:** 5 Surface Spaces available  
**Area:** SW North Metro Submarket, Spokane, WA.  
**Traffic Count:**

- Walkable
- On bus line
- Top traffic count on streets is 19.2k per day
- Call for NDA

## PROPERTY #2



**Property Value:** \$405,000  
**NNN Rent:** Below Market. \$16.04/SF/Year  
**Property Type:** Fast Food  
**Building Size:** 1,200 SF  
**Land Acres:** 0.16  
**Building FAR:** 0.23  
**Frontage:** 63' on busy street  
**Building Height:** 1 Story  
**Year Built:** 1991  
**Tenancy:** Single  
**Parking:** 15 Surface Spaces available  
**Area:** SE North Metro Submarket, Spokane, WA.  
**Traffic Count:**

- Very walkable
- Good location
- Top traffic count is 29.7k per day
- Call for NDA