

# RUTH'S CHRIS STEAK HOUSE

Video



17840 DALLAS PARKWAY | DALLAS, TX



PEGASUS



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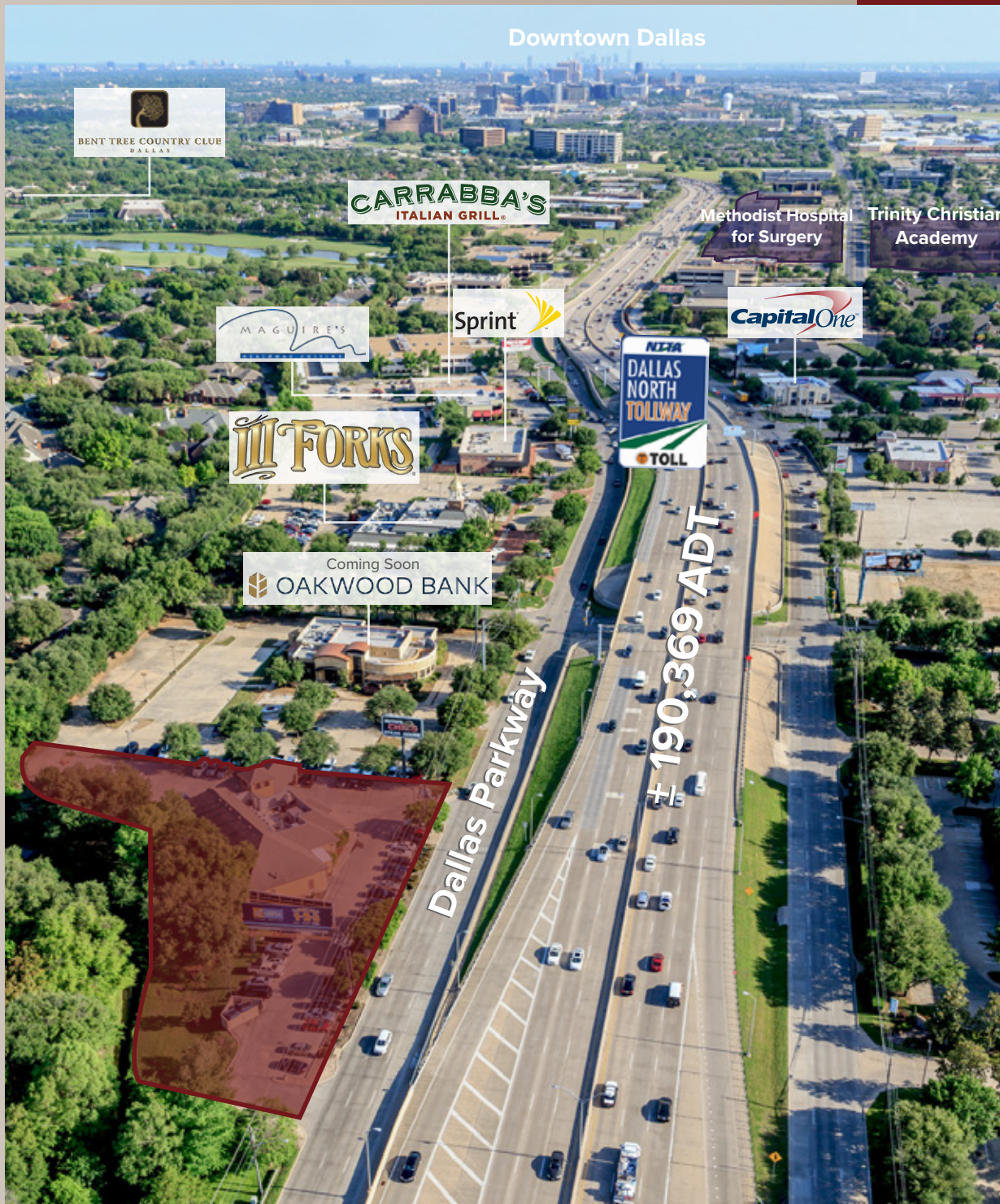
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The image shows the interior of a restaurant, identified as Ruth's Chris Steak House. The scene is dimly lit, with warm ambient lighting from several large, cylindrical pendant lights hanging from the ceiling. In the foreground and middle ground, there are several round tables covered with white tablecloths, each set with glassware and plates. Some tables are occupied by diners, while others are empty. In the background, a staff member in a white shirt and dark vest is visible, likely a waiter or server, moving through the dining area. The walls are dark, and there are framed pictures or artwork on the wall. An "EXIT" sign is visible in the distance. The overall atmosphere is elegant and sophisticated.

RUTH'S  
CHRIS  
STEAK HOUSE





# INVESTMENT OVERVIEW



# OFFERING SUMMARY

Pegasus Investments, as exclusive advisor to Seller, is pleased to offer for sale a trophy-quality, single tenant investment property secured by a 100% absolute triple net lease to Ruth's Chris Steak House. Located along Dallas Parkway within the affluent Bent Tree-Preston Trail neighborhood of North Dallas, Texas, this Ruth's Chris Steak House investment opportunity has the unique combination of a successful 20-year operating history, a recently exercised 5-year lease term renewal, and a consistent year-over-year sales growth (inquire with advisor for sales history). The property further benefits from an irreplaceable location fronting the Dallas North Tollway (190,000 ADT) and its surroundings, which include the affluent residential community of Bent Tree North to the east, Addison to the South, and Plano to the north. Demographically speaking, the property's 5-mile trade area boasts an astounding population of 464,000 with average household incomes in excess of \$94,000 per year.

List Price **\$5,250,000**

BLEND

Cap Rate **6.67%**  
NOI **\$350,000**

CURRENT

Cap Rate **8.03%**  
NOI **\$421,348**



Without incentive from the landlord, the tenant recently exercised the first of two, 5-year options, thereby extending the current maturity date to May 31, 2021; The tenant has one (1) remaining 5-year renewal option, for which the rental amount is calculated based on the change in CPI (call advisor for more details). It is highly likely the tenant will renew the lease again considering that (a) the tenant recently exercised a 5-year option after its initial 20-year lease term expired, (b) sales have remained consistent over the last several years, (c) the tenant has stated that it would like to remodel the premises within the foreseeable future, and (d) there is a low supply of similar space, which means extremely high and undesirable moving costs. Over the past two decades the tenant has done an exceptional job maintaining the property to the highest standards consistent with top tier, fine dining steak houses in other major metropolitan areas.



# INVESTMENT HIGHLIGHTS

## **STRONG 20-YEAR HISTORICAL OCCUPANCY**

The property has continuously operated as a Ruth's Chris Steak House since 1995.

## **RECENT LEASE EXTENSION**

After 20 years of consistent success, the tenant exercised the first of its two, 5-year options. The tenant elected to renew its lease term without any inducement or concession from the Landlord.

## **CONSISTENTLY STRONG PERFORMING LOCATION**

The subject location has exhibited strong sales, favorable year-over-year growth, and a low rent/sales ratio (inquire with advisor).

## **100% ABSOLUTE TRIPLE NET, CORPORATE BACKED LEASE**

The property is secured by an extremely landlord favorable lease regarding all financial obligations related to roof, structure, parking lot, etc., which are the tenant's responsibility. Furthermore, the lease is backed by the corporate Ruth's Chris entity.

## **AFFLUENT AND DENSE DEMOGRAPHICS**

Within a 5-mile radius the population exceeds 464,000 people and average household incomes exceed \$94,000. The area immediately surrounding the property experienced a population increase of over 26% between 2010-2015.

## **WELL-TRAFFICKED AREA WITH TREMENDOUS VISIBILITY**

The property fronts the Dallas North Tollway as well as Dallas Parkway, providing excellent signage visibility and instant landmark recognition. Located along the North Dallas Tollway, which is the city's main north/south arterial, the property sees traffic counts of over 190,000 ADT

## **IN THE HEART OF THE NORTH DALLAS BUSINESS DISTRICT**

Located in the heart of the North Dallas Business district, the property is surrounded by millions of square feet of office space and approximately 270,000 employees.







## TENANT SUMMARY

Lessee Name	Ruth's Hospitality Group, Inc.
Type of Ownership	Fee Simple
Lease Entity	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years
Current Option Expiration Date	5/31/2021
Term Remaining	± 4 Years
Options	One, 5-Year Option

## OPERATING DATA

	<b>NOI</b>
Option 1 (Years 1 - 4)	\$421,348
Option 2 (Years 5 - 9)	\$300,000
Blended NOI*	± \$350,000

\*Inquire with broker regarding existing rent structure.



## CONSISTENTLY STRONG PERFORMING LOCATION WITH LOW RENT/SALES RATIO





The image shows the interior of a restaurant, identified as Ruth's Chris Steak House. The scene is dimly lit, with a warm, brownish tint. In the foreground, several people are seated at tables, engaged in conversation or eating. The tables are set with white linens, glassware, and plates. In the background, a server in a white shirt is visible, and the walls are decorated with framed artwork. The overall atmosphere is sophisticated and elegant.

RUTH'S  
CHRIS  
STEAK HOUSE





**MARKET AREA  
& LOCATION  
OVERVIEW**





## DALLAS-FORT WORTH: THE MARKET AREA

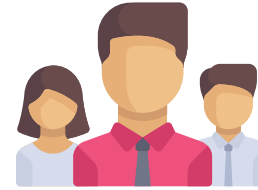
Continuously expanding, Dallas-Fort Worth is the largest metropolitan area in the South and the fourth largest in the United States. The metroplex exudes a unique mix of Texas pride and cosmopolitan extravagance, offering both big-city excitement and quiet, suburban living. Dallas and Fort Worth residents tend to be young professionals, drawn by the region's attractive quality of life, strong regional and state economy, and low cost of living. Surrounding suburbs are largely filled with young families looking for easy access to the cities and a supportive community.

Dallas and Fort Worth encompass the metroplex's two largest urban epicenters. On the eastern side of the metro area, Dallas is the larger of the two cities, with a strong economy, dozens of gleaming downtown skyscrapers and a wealthy population. Meanwhile, Fort Worth to the west, also known as Cowtown, is a truly Texan place offering weekly rodeos and weekend two-stepping.

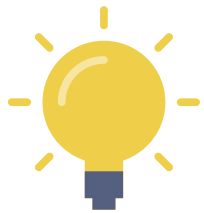


# DALLAS, TX

A melting pot of cultures, religions and lifestyle, Dallas is a richly diverse American city that is globally connected and centrally located. It is a city where big ideas meet opportunity as reflected throughout its authentic arts, music, food, historic landmarks and urban lifestyle. Above all else, Dallas is a center for corporate America because of its key geographic location relative to the rest of the country. Its business-oriented environment, availability of an educated workforce, low taxes and low cost of doing business continues to entice companies looking to expand or relocate to the area. Consequently, Dallas and its suburbs have one of the highest concentrations of corporate headquarters in the United States.



## 7.1 MILLION RESIDENTS IN LOCAL MARKET



## MOST INNOVATIVE ECONOMY IN THE UNITED STATES

# AN IDEAL BUSINESS CLIMATE

With an economy that continues to be a key driver of business activity in the state, the metroplex is considered the economic and cultural hub of the North Central Texas region. Dallas itself has developed a strong industrial and financial sector and has become a major inland port, which is largely attributed to the presence of one of the largest and busiest airports in the world: Dallas/Fort Worth International Airport.

The diverse business complex in the city is comprised of concentrations in corporate headquarters, logistics and technology. Growing research universities and innovative companies continue to invest in the Dallas area, recognizing it as a hub of creativity, ingenuity and high-tech innovation. Understandably, this region has become an essential part of growth strategies for companies seeking to take advantage of its wealth of resources. To that end, the local economy continues to be heavily influenced by historically successful industry niches such as petroleum, food manufacturing, media, transportation, instruments and real estate development.

### TOP EMPLOYERS

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AMR Corporation (American Airlines)

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Bank of America Corp.

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Texas Health Resources Inc.

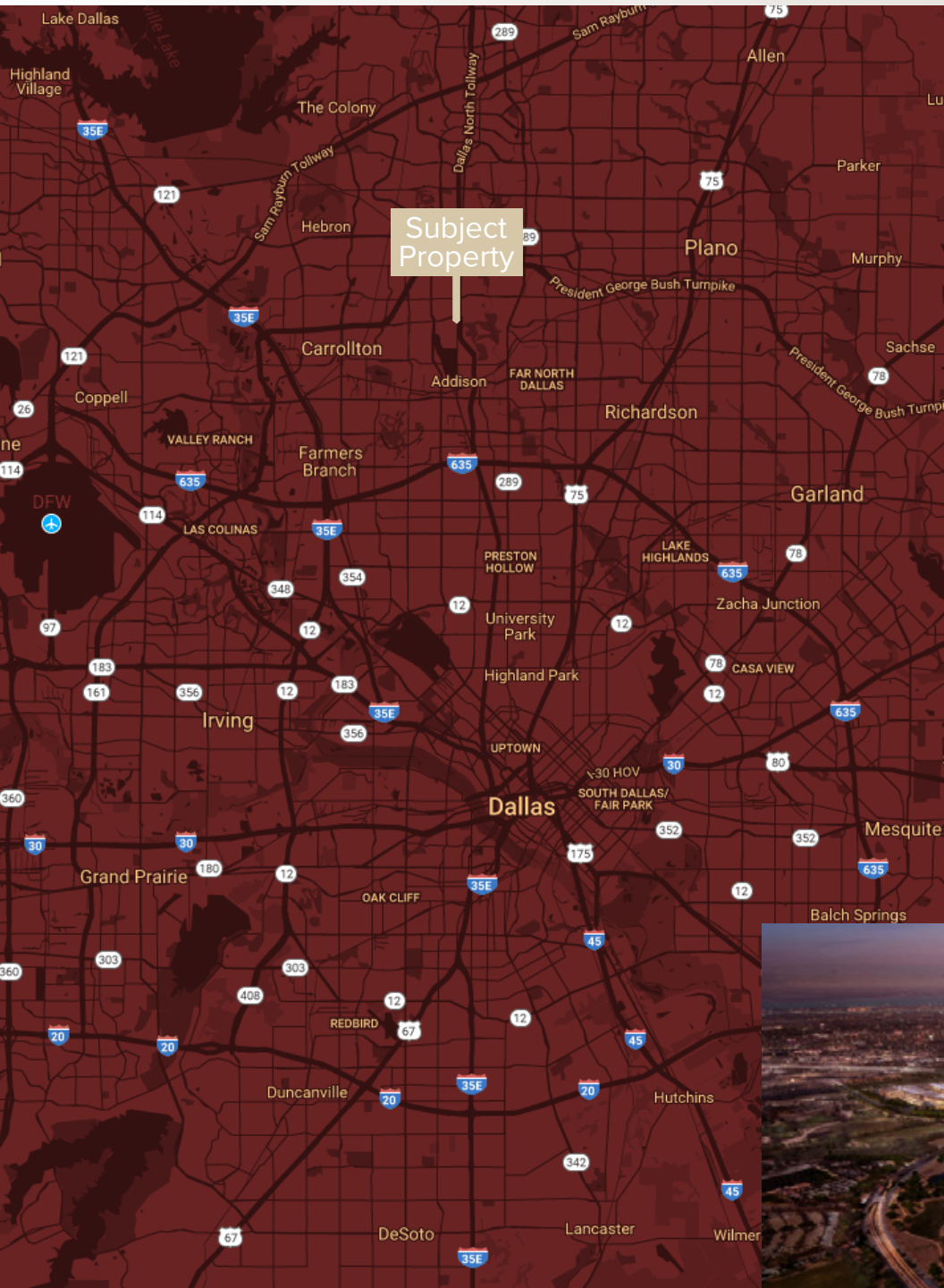
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Dallas ISD

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Baylor Health Care System

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# FAR NORTH DALLAS: THE LOCATION

North of the IH-635/LBJ Freeway, Far North Dallas is part of North Dallas that is generally viewed as its own distinct area. Here, residents enjoy the advantages of a Dallas address alongside a suburban lifestyle with bigger homes and yards. Growing tremendously in popularity, the Far North Dallas area is easily accessible via any of the city's major highways and thanks to its central geographic location, everywhere in Dallas is less than 30 minutes.

## NORTHPARK CENTER

Since its opening in 1965, NorthPark Center has defined retail in the Southwest. It is consistently ranked among the top five shopping destinations in the country and is the #1 tourist destination in the Dallas-Fort Worth region, drawing crowds from all over the world. Covering 2.4 million square feet and housing more than 200 stores, this super-regional mall is the largest mall in Dallas. NorthPark Center's present anchors include Neiman Marcus, Nordstrom, Macy's and Dillard's, all of which consistently perform at the top of their respect brands in sales volume.

## ADVANTAGES OF OWNING COMMERCIAL REAL ESTATE IN NORTH DALLAS

- Big, healthy & rapidly expanding market
- Well-educated, above average wage-earning and relatively young population
- Affordable housing





# 1-MILE RADIUS AVERAGE HOUSEHOLD INCOME: \$99,838

+ 236,000 ADT



± 190,369 ADT

Dallas Parkway





# BENT TREE NORTH

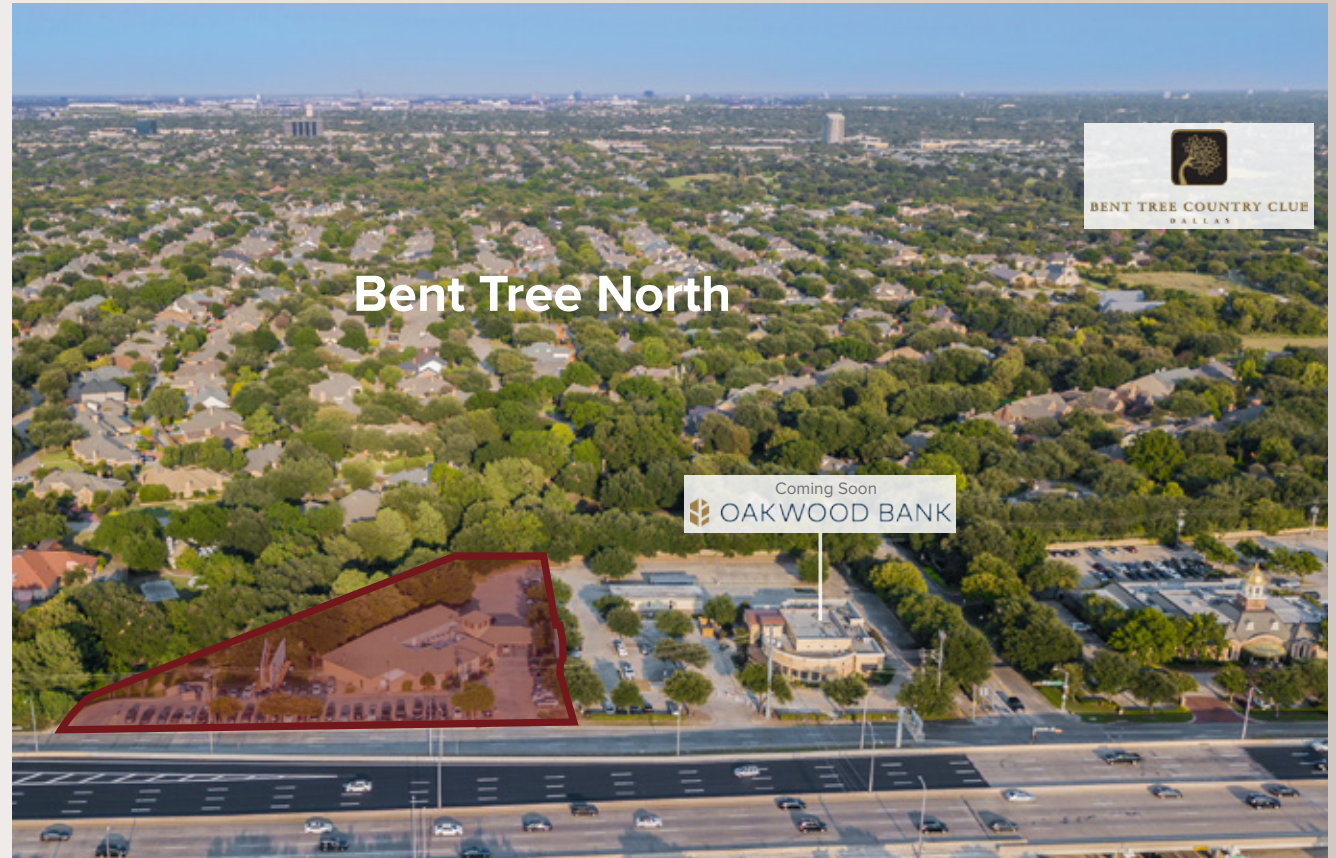
Adjacent to the subject property, Bent Tree North is a neighborhood centered around Bent Tree Country Club. This neighborhood straddles the Dallas County-Collin County border with the northern portion feeding into Plano ISD and the southern portion feeding into Dallas schools. Easy access to the Dallas North Tollway combines with luxury living to make Bent Tree North one of the most desirable communities in Far North Dallas. Amongst the lucky homeowners of this neighborhood is Tony Romo, the Dallas Cowboys' quarterback.

## BENT TREE COUNTRY CLUB

Bent Tree Country Club is an exclusive, private, member-owned country club where membership is by invitation only. At the center of Bent Tree North, the country club is located just east of the Dallas North Tollway between Keller Springs and Frankford Road. Bent Tree Country Club has a rich tradition of excellent facilities and remarkable dining and service, as well as special social, golf and tennis events. The beautiful championship golf course is a par 71 masterpiece that provides an exceptional golf experience for golfers of every level.



**THIS SOUGHT AFTER NEIGHBORHOOD HAS  
THE MOST PRESTIGIOUS, LUXURY PROPERTIES  
IN FAR NORTH DALLAS**



**13.1 YEARS  
AVERAGE LENGTH OF RESIDENCY  
BY OWNER**



# DALLAS MIDTOWN

About 10 minutes south of the subject property, the Dallas Midtown development is a \$4 billion entertainment-base, mixed-use neighborhood development project of 450-acres. Land for the project includes the Valley View Center and Galleria Mall areas. This new urban living and retail center will create an urban atmosphere within the heart of the population of North Dallas. Plan highlights include hiking and biking trails connecting to White Rock Lake, parks and open space, two luxury hotels, iconic office towers, luxury condo units for sale, a 10 screen AMC movie theater, boutique shopping, restaurants and entertainment venues. The innovative development encompasses unique design concepts never-before seen in the region, including a seven-story glass enclosed European style market.

## REDEFINING FAR NORTH DALLAS

Dallas Midtown has garnered Far North Dallas national and international attention and is anticipated to become an economic driver for all of Dallas. Midtown has the opportunity to bring back major office users and development to the North Dallas area as well as attracting and retaining corporate headquarters and strengthening Dallas' tax base. Referred to as the Dallas Midtown District, the Midtown area is expected to grow significantly over the next 5-10 years.



**“DALLAS MIDTOWN IS LOCATED ON PRIME REAL ESTATE WITH GREAT POTENTIAL. WE KNOW THIS DEVELOPMENT WILL BECOME THE MOST SOUGHT-AFTER ADDRESS FOR BUSINESSES AND RESIDENTS,”**

**-JARROD BECK, MANAGING PARTNER OF BECK VENTURES**

The image shows the interior of a restaurant, identified as Ruth's Chris Steak House. The scene is dimly lit, with a warm, intimate atmosphere. In the foreground, a man in a light-colored shirt is seen from the back, seated at a table. Other patrons are visible at tables in the background, some near a large window. The wall features a mounted animal head and a painting of a horse. The text "RUTH'S CHRIS STEAK HOUSE" is overlaid in the center, with "CHRIS" in red and the other words in white.

RUTH'S  
CHRIS  
STEAK HOUSE



A dimly lit bar with patrons and a red decorative frame. The bar is filled with people, some sitting at the bar and others standing. The lighting is warm and low, creating a sophisticated atmosphere. A large window in the background shows a view of trees. The text "TENANT PROFILE" is centered in the image, enclosed in a red, ornate, double-line frame.

# TENANT PROFILE



# RUTH'S CHRIS STEAK HOUSE

PUBLIC | NYSE: RUTH  
WWW.RUTHSCHRIS.COM

Market Cap	\$620M
# of Locations	± 160
# of Employees (all)	± 4,728
Headquartered	Winter Park, FL
Year Founded	1965

## OVERVIEW

Ruth's Chris Steak House, one of the largest luxury steakhouse companies in the world, is owned and operated by Ruth's Chris Steak House Franchise, LLC, which operates as a subsidiary of Ruth's Hospitality Group Inc, an S&P 600 company. With humble origins as the "Chris Steak House", a single, 60-seat restaurant in New Orleans, Louisiana, the chain has grown to its success today from decades of delivering the highest quality food, beverages and service in a warm and inviting atmosphere. In addition to the Ruth's Chris Steak House brand, Ruth's Hospitality Group, Inc. also owns the Mitchell's Fish Market, Mitchell's Steakhouse, Columbus Fish Market and Cameron's Steakhouse brands.



**RUTH'S CHRIS IS CURRENTLY THE LARGEST LUXURY STEAKHOUSE COMPANY IN:**

- NUMBER OF LOCATIONS
- OPERATING INCOME
- OVERALL PROFIT



**# 1 CONSUMER PICK**  
IN THE NATION'S RESTAURANT NEWS  
ANNUAL SURVEY

### SETTING THE BAR HIGH

Regarded as an upscale fine dining establishment, Ruth's Chris has a menu that features a broad selection of high-quality USDA Prime and Choice grade steaks and other premium offerings served in the chain's signature fashion, "sizzling", complemented by other traditional menu items inspired by its New Orleans heritage. Every Ruth's Chris is distinctive, designed to appeal to local tastes and to develop a local and devoted following of upscale, tasteful and loyal people.

### THE GLOBAL STEAK HOUSE LEADER

Ruth's Chris' success continues to be driven by the company's adherence to Ruth's core values, which are to deliver the best steak experience anywhere through legendary service, an award-winning wine list, and classic homemade dishes crafted with the freshest, highest quality ingredients available. All of these factors adhere to the brand's current position as the global steakhouse leader. Understandably, the company has a greater number of locations, a higher recognition factor, and a larger customer base than any other restaurant chain else in its segment. Ruth's Chris Hospitality Group, Inc. currently operates over 150 Ruth's Chris Steakhouse restaurants, including 19 international franchisee-owned restaurants.





The image shows the interior of a restaurant, identified as Ruth's Chris Steak House. The scene is dimly lit, with warm ambient lighting. In the foreground, a man in a light-colored suit jacket is seated at a table, viewed from behind. To his right, another man in a dark shirt is seated at a table, and further right, a woman in a dark dress is seated at a table. The background features a bar area with various bottles and glasses, and a wall with a grid of small, dark, circular objects. The overall atmosphere is sophisticated and elegant.

RUTH'S  
CHRIS  
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# PROPERTY DETAILS



# PHYSICAL DESCRIPTION

## THE SITE

Property Name	Ruth's Chris Steakhouse
Address	17840 Dallas Parkway Dallas, TX 75287
Assessor's Parcel Number (APN)	R-3366-001-0160-1
Zoning	RR*
Gross Leasable Area	± 8,310 SF
Lot Size	1.37 Acres (59,677 SF)
Year Built	1995
Number of Stories	1
Number of Buildings	1
Parking Spaces	77
Parking Ratio	9.26 : 1,000 SF

\*Regional Retail: Uses include industrial, commercial and business service, lodging, office, recreation, transportation, utility and public service, and institutional and community service

## PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2022 Projection	33,905	199,322	464,314
2017 Estimate	29,158	175,265	415,299
Growth 2017 - 2022	16.28%	13.73%	11.80%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2022 Projection	15,291	90,215	197,697
2017 Estimate	13,319	80,115	177,599
Growth 2017 - 2022	14.81%	12.61%	11.32%

INCOME	1-MILE	3-MILE	5-MILE
2017 Est. Average Household Income	\$99,838	\$90,263	\$94,213



# RUTH'S CHRIS STEAK HOUSE

## PARCEL AERIAL



ORIGINALLY DEVELOPED FOR RUTH'S CHRIS STEAK HOUSE IN 1995 PURSUANT TO A 20-YEAR ABSOLUTE TRIPLE NET LEASE, THE SUBJECT PROPERTY HAS A SIGNIFICANT ROLE IN THE RUTH'S CHRIS STORY: IT WAS THE FIRST RESTAURANT IN DALLAS PROPER AND ONE OF ONLY THREE IN THE ENTIRE DALLAS-FORT WORTH METROPLEX.



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# ABOUT PEGASUS INVESTMENTS

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, California. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.



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