

Colliers

YOUR SIGN HERE

OFFERING MEMORANDUM

Turnkey Restaurant & Lounge For Lease

401 S Lafayette Avenue | Royal Oak, Michigan

Sale Considered | Purchase Option Available



Raymond Jonna
619 654 6143
raymond.jonna@colliers.com



Arthur Itkis
248 798 9055
arthur.itkis@colliers.com



Turnkey Restaurant & Lounge | For Lease

Executive Summary

401 South Lafayette is a 9,393 square foot, two story restaurant building positioned on one of Royal Oak's principal hospitality corners. Restaurant grade infrastructure, a Class C Michigan liquor license, and interior build out are available with the deal, providing an incoming operator with a substantially accelerated path to opening relative to ground up alternatives.

The property is offered for lease at \$27 per square foot NNN. The building is also available for sale, with lease with purchase option structures available to qualified prospects.

Key Investment Highlights

Walk Score 97, Walker's Paradise. The property sits at the highest walkability tier in metro Detroit, supporting consistent walk in traffic and corridor density that define downtown Royal Oak's hospitality economy.

Corner positioning. Lafayette Avenue and 4th Street corner, three blocks west of Main Street's primary retail spine, within the Royal Oak DDA and Central Business District.

Restaurant grade infrastructure in place. Commercial kitchen ventilation, grease management, gas service, and three phase electrical eliminate the most capital-intensive elements of a ground up restaurant build.

Class C liquor license available. Full permit stack available on negotiated terms, a meaningful diligence and capital advantage versus securing a new license.

Interior build out included. Dining room seating, bar build out, and integrated audio system convey with the deal.



Across the street from Ronin Sushi. One of Royal Oak's most established and well regarded upscale restaurants anchors the corridor directly opposite the property.

Public parking deck across the street. Eliminates the on site parking constraint that defines most downtown restaurant deals. The prior operating tenant successfully ran valet service from this configuration.

Flexible transaction structures. Lease, sale, and lease with purchase option structures are each available to qualified prospects.

Turnkey Restaurant & Lounge | For Lease

Deal Summary

Address	401 South Lafayette Avenue, Royal Oak, Michigan
Building Size	9,393 SF Total Rentable Area, Two Story Restaurant and Lounge
1st Floor	5,737 SF, Restaurant
2nd Floor	3,656 SF, Bar, Lounge, Event Space, Including Balcony
Outdoor Space	Activatable Patio For Private Events And Warm Weather Operation
Lot Size	0.15 Acres
Year Built/Renovated	1965/2013
Parking	Public Parking Deck Directly Across Lafayette Avenue
Zoning	Royal Oak DDA, Central Business District
Frontage	Corner Exposure, Lafayette Avenue At 4th Street
Walk Score	97, Walker's Paradise



Turnkey Restaurant & Lounge | For Lease

Transaction Summary

Blended Base Rent \$27.00 per SF NNN, \$21,134 per month, \$253,611 annually

Lease Term 5 to 10 years, with options to extend

Sale Sale considered, inquire for terms

Purchase Option Available for qualified tenant prospects

Conveying Restaurant infrastructure, interior build out, audio system

Available Class C liquor license with full permit stack, terms negotiable

Financing Attractive existing financing, assumption potentially available



Turnkey Restaurant & Lounge | For Lease

Stacking Plan



Turnkey Restaurant & Lounge | For Lease

The Opportunity

An accelerated path to market in Metro Detroit's primary hospitality corridor

401 South Lafayette differentiates from comparable hospitality opportunities through the combination of physical, regulatory, and operational components already in place. For an incoming operator, the property eliminates the most time intensive and capital-intensive components of a new build restaurant: the kitchen infrastructure, the liquor license, the dining room build out, and the corner location.

The result is a meaningful compression of both time to revenue and total capital required to open. For an operator with capital and a refined concept, the property supports an opening timeline in the range of 90 days at an all in capital commitment substantially below the cost of a comparable ground up alternative.



Ground Up Build

- Land acquisition
- Architectural and engineering design
- Build out from shell
- All FF&E procurement
- Liquor license (12 to 18 months)
- Permits, inspections, soft costs

TIMELINE

12 to 24 months

ALL IN COST

\$5M to \$6M

401 S Lafayette

- Building delivered
- Restaurant infrastructure in place
- Dining room build out included
- Class C license available
- Audio system installed
- Tenant fit out only

TIMELINE

90 days

ALL IN COST

\$500K to \$600K



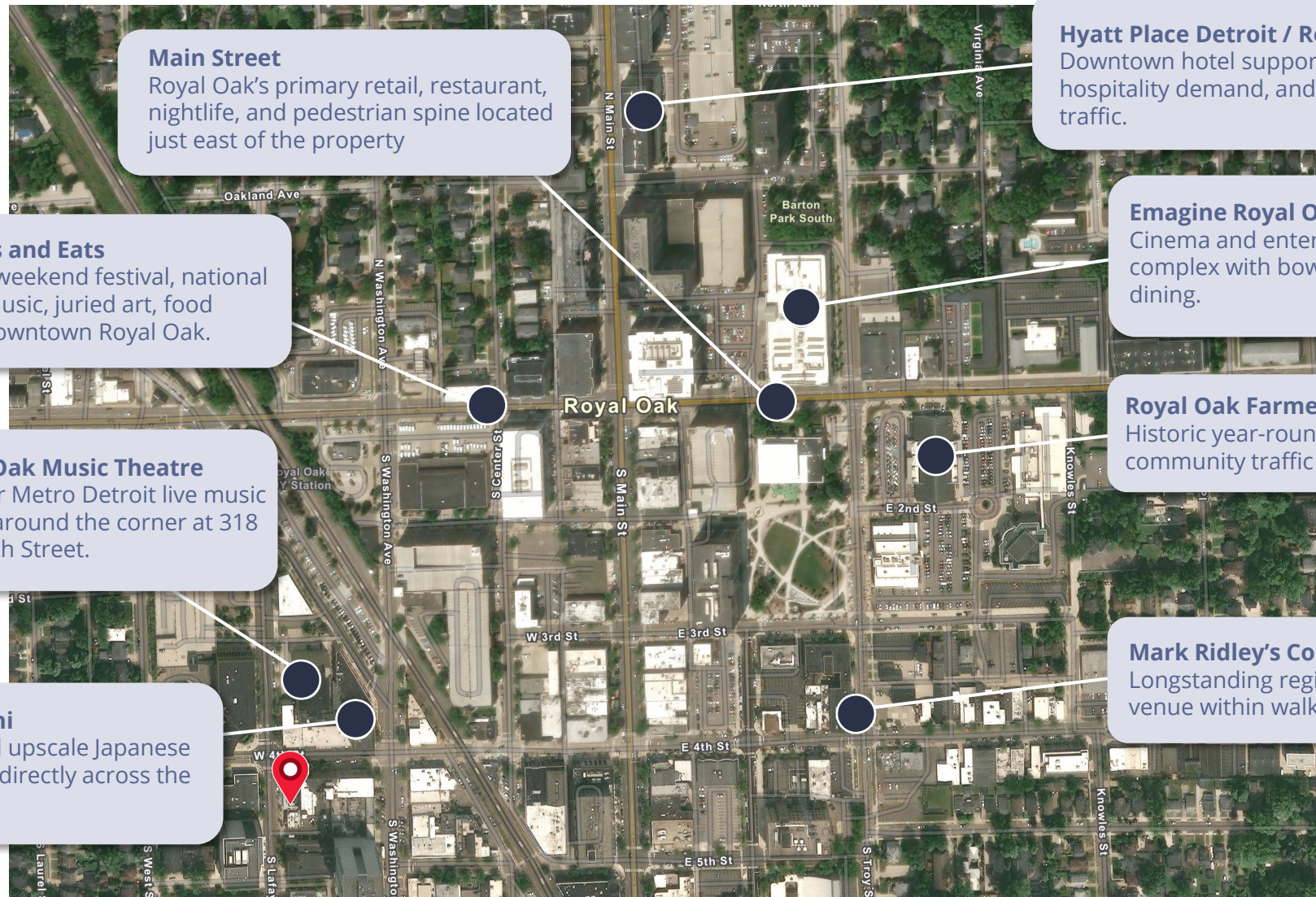
ROYAL OAK, MICHIGAN

A Premier Metro Detroit Destination

Royal Oak anchors the Birmingham, Royal Oak, and Ferndale corridor, one of Metro Detroit's premier dining, entertainment, hospitality, and nightlife districts. Downtown Royal Oak is a highly walkable regional destination with a dense mix of restaurants, cafés, bars, entertainment venues, national retailers, local businesses, hotels, and civic amenities. The City supports more than 2,400 businesses, while Downtown Royal Oak has earned national recognition from Main Street America through its **Main Street Forward Award**, which recognized the DDA's small-business support, resilience, and downtown recovery efforts. Main Street America noted that Royal Oak's DDA funded the Rebound Royal Oak Program with proceeds from a land sale and approved funding for 92 small businesses, totaling nearly \$1.1 million.

The Royal Oak Downtown Development Authority has played a major role in shaping the district into one of Southeast Michigan's most active downtown environments, with ongoing priorities around façade improvements, parking, streetscapes, infrastructure, signage, lighting, landscaping, marketing, and public safety. The result is a year-round destination that draws visitors from across Metro Detroit for dining, live music, comedy, festivals, nightlife, and hospitality in a compact, pedestrian-oriented setting.

The Corner and the Corridor



Royal Oak Demand Drivers



DOWNTOWN NIGHTLIFE

Restaurants, bars, cafés, craft beverage operators, and evening activity in a compact walkable district.



REGIONAL ENTERTAINMENT

Royal Oak Music Theatre, Comedy Castle, Emagine Royal Oak, and event programming generate recurring trips.



HOSPITALITY & VISITORS

Downtown hotel inventory supports visitors, events, corporate travel, and late-night restaurant demand.



MAJOR ANNUAL EVENTS

Arts, Beats & Eats and Woodward Dream Cruise provide regional visibility and high-volume visitation.



MEDICAL & EMPLOYMENT BASE

Corewell Health William Beaumont University Hospital adds major employment, patient, and visitor traffic.



UPSCALE CORRIDOR POSITION

Anchors the Birmingham, Royal Oak, and Ferndale corridor with strong lifestyle and demographic appeal.

Turnkey Restaurant & Lounge | For Lease

Parking Configuration

Downtown Royal Oak's parking model is structured around shared public parking infrastructure rather than individual on site parking. 401 South Lafayette benefits directly from this configuration, with a public parking deck positioned directly across Lafayette Avenue. The deck provides reliable customer parking for restaurant and bar operations without consuming on site land that would otherwise reduce building footprint.

The prior operating tenant successfully operated a valet service from this configuration, demonstrating the workability of the parking arrangement for full service restaurant and nightlife operations. The corner positioning supports easy valet pickup and drop off without obstructing pedestrian flow on Lafayette or 4th Street.

Parking Highlights

- Public parking deck directly across Lafayette Avenue
- Additional municipal parking decks within walking distance
- Free parking in all municipal decks for the first two hours
- Prior tenant operated valet service from this configuration
- Corner positioning supports efficient valet operation
- Walk Score of 97 reflects strong walk in capture from the surrounding corridor



Turnkey Restaurant & Lounge | For Lease

Building Specs & Infrastructure

Building Layout



Two operating levels. Ground floor dining and bar; upper level configured for bar, lounge, or private event use.



Outdoor patio. Activatable for additional seating, private events, or programmed activations.



Balcony space. Second floor balcony included in the 3,656 SF upper level total.



Restaurant Infrastructure



Commercial kitchen ventilation. Hood system, exhaust, make up air.



Grease management. Trap, drainage, and kitchen plumbing.



Gas service. Commercial grade with sufficient capacity for full kitchen operation.



Electrical. Three phase service to building.



Plumbing. Kitchen, bar, and restroom infrastructure.

Interior Build Out



Dining room. Tables, chairs, and booth seating.



Bar. Fully built out bar with seating.



Audio system. Integrated sound infrastructure suitable for restaurant or nightclub use.



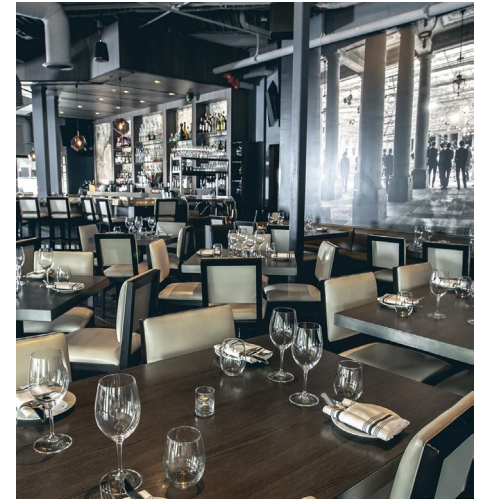
Interior fixtures. Lighting and finishes per existing condition.

Turnkey Restaurant & Lounge | For Lease

Prior Operating Configuration

Interior Photos

First Floor



Turnkey Restaurant & Lounge | For Lease

Interior Photos

Second Floor





Turnkey Restaurant & Lounge | For Lease

Lease Terms

	AREA	RATE	ANNUAL	MONTHLY
Blended Total	9,393 SF	\$27.00	\$253,611	\$21,134

Turnkey Restaurant & Lounge | For Lease

Concept Fit

The two floor format provides operators with flexibility unavailable in single level spaces. Concepts can be configured by floor, with the ground floor anchoring primary service and the upper level dedicated to bar, lounge, private events, or a differentiated secondary concept.



Concept Aligned with the Property

- **Full service restaurant.** 1st floor primary service with 2nd floor private events, overflow, or bar program.
- **Restaurant with nightclub component.** Ground floor dining transitioning to upstairs nightlife, the property's historical configuration.
- **Lounge or cocktail bar.** Premium beverage program leveraging the existing bar build out, with limited food program.
- **Cigar lounge with food program.** Smoke permitted concepts subject to applicable permitting.
- **Speakeasy or themed concept.** Two floor format supports concept differentiation by floor.
- **Banquet and private events.** Upper floor as a dedicated private event venue.
- **Multi concept by floor.** Differentiated concepts on each floor under shared ownership.

Royal Oak, Michigan

Market & Demographics

The 5-mile trade area surrounding 401 South Lafayette captures the broader regional population that drives Royal Oak's destination hospitality economy. Residents, daytime workers, and visitors from across this radius converge on the downtown corridor for dining, nightlife, and entertainment.

Within a 1-mile walk of the property, the affluent residential density and strong daytime workforce sustain consistent dining demand throughout the day and evening.

5 Miles



354,120
Total Population



162,897
Total Households



15,888
Total Businesses



\$75,158
Median Household Income



\$101,166
Average Household Income



364,277
Daytime Population

1 Mile



17,110
Total Population



\$112,835
Median Household Income



12,706
Daytime Workers

	1 MILE RADIUS	3 MILE RADIUS	5 MILE RADIUS
Total Population	17,110	142,507	354,120
Total Households	9,020	69,422	162,897
Median Household Income	\$112,835	\$88,935	\$75,158
Average Household Income	\$147,439	\$114,982	\$101,166
Per Capita Income	\$77,327	\$55,954	\$46,541
Median Age	38.1	38.5	39.6
Total Businesses	1,230	5,734	15,888
Daytime Population	18,970	132,137	364,277

OFFERING MEMORANDUM

Turnkey Restaurant & Lounge For Lease

401 S Lafayette Avenue | Royal Oak, Michigan

Sale Considered | Purchase Option Available

**Raymond Jonna**

619 654 6143

raymond.jonna@colliers.com

**Arthur Itkis**

248 798 9055

arthur.itkis@colliers.com

DISCLAIMER: This Offering Memorandum contains select information pertaining to the business and affairs of the Property at 401 S Lafayette Avenue in Royal Oak, Michigan. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Colliers International from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers International, you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence; and

- 3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of 401 S Lafayette Avenue in Royal Oak, Michigan or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum. A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

We have no reason to doubt the accuracy of information contained herein, but we cannot guarantee it. All information should be verified prior to purchase and/or lease.