



Pappy's Story: *An Alternative*

Community Growth & Spirit

"I actually did not know Bobby was a commercial real estate agent....Bobby called me and said I have a place for Pappy's and I will let you know next week. He told me about the Texas Land and Cattle property...we were almost ready to sign off on another deal that was going to cost us dearly. My wife and I met Bobby at Texas Land and Cattle and did a walk through of the property. I was amazed at what we saw and to top it all off Bobby made us an offer too good to be true-on the spot. We thought about the deal and ran with it. In short order, about 6 months later we opened Pappy's Cafe. We saved thousands of dollars, loads of time and several potential headaches." Paul Braden, Owner

Challenges Faced

Pappy's Café has been an iconic comfort food destination in Houston since 1983 and known for their great food, huge freeway sign, and Texas hospitality. As much success as they have had over 30 years of business, a lot had changed in the market around them. They were notified by their landlord that they were going to demolish their building and redevelop the site with new tenants. As a one store operator and owner of Pappy's Café, Paul Braden faced a dire financial situation: The cost it would take to build their lease location was extremely high, and the lapse in time between the loss of their current

location and the opening of their new one put a stressor on his business as they would be facing a long period of downtime with no cash flow coming in.

Challenge

Paul was in a bind and needed a solution as quick as possible to relocate and save his thriving business. He was approached about leasing out a space in a newly constructed building where he would have to spend a huge amount of capital to build the space out from scratch. The development he was looking at had none of the qualities that their brand had been built on for over three decades, and they would lose the ability to use their iconic freeway sign. Although the property was not a great fit, Paul was tempted to seriously consider this option to get out of their tenuous situation given that business was at stake and there was a time crunch to make a decision.

Orr's Solution

After hearing rumors of Pappy's relocation and knowing the costs they were looking at to construct their new location from scratch, Orr Commercial stepped in to offer an alternative. An existing restaurant building became available for purchase right along I-10, and Orr reached out to Paul about partnering up and acquiring the building together for Pappy's to occupy. Orr and Pappy's struck a deal as partners that resulted in Pappy's spending a quarter of the price they would have to pay to lease out the other site with no ownership in the real estate.

How Our Services Helped

Paul, knowing the identity he built his restaurant business on for 35 years, was able to make sense of this proposal and he jumped on the opportunity. The building profile fit their brand and the market area matched their demographic target. They went from making an investment to lease out a building in an inferior location to a partnership in a single tenant building while gaining ownership of the real estate, saving an enormous amount of money in the process. They were able to obtain their new location, stay on the Katy Freeway, and use their iconic signage to maintain the image of Pappy's that the community had known and loved since they opened in 1983. Orr Commercial's real estate network, keen sense for business, and honest advice helped save the business from a very difficult situation and allowed both parties to come out with a victorious outcome. Pappy's ended up in a stronger financial position for many years to come.