

## Offering Memorandum

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



Representative Photo

# BURGER KING

9435 WEST LAKE CITY ROAD | HOUGHTON LAKE, MI 48629



Representative Photo

# CONTENTS

**03 EXECUTIVE SUMMARY**

**04 FINANCIAL OVERVIEW**

**08 TENANT OVERVIEW**

**10 AREA OVERVIEW**

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# EXECUTIVE OVERVIEW



## INVESTMENT HIGHLIGHTS

### HEALTHY & ESTABLISHED STORE

- Value-Add Opportunity – 2 years remaining on 10-year lease signed in 2010
- Low Rent-to-Sales Ratio – Low market rent combined with a strong retail position adds extra security to this investment
- Absolute NNN Lease – Landlord has zero landlord responsibilities because the tenant takes care of insurance, real estate taxes, and maintenance year after year

### STRATEGICALLY LOCATED

- Main Thoroughfare – Lake City Rd is the main road leading into Houghton Lake – Burger King is the first national retailer from the highway leading into town
- Target Demographic – Average household incomes are \$43,200 (1-Mile), \$42,500 (3-Mile), and \$46,700 (5-Mile) which is the ideal demographic for quick service restaurant concepts

### SEASONED OPERATOR OF A TIME-TESTED BRAND

- Experienced Operator – Established in 1978, Northwind Investments, Inc. is the dominant Burger King franchisee in Northern Michigan
- Multi-Concept Franchisee – Northwind operates over 24 Burger King locations and 7 Qdoba locations (2012)
- Iconic Brand – Burger King has over 15,000 units worldwide and has been one of the most successful burger chains in the world since 1954



# FINANCIAL OVERVIEW



## FINANCIAL HIGHLIGHTS



### LIST PRICE

\$980,000



### CAP RATE

6.78%



### TERM REMAINING

± 2.5 Years

## TENANT SUMMARY

Tenant Trade Name	Burger King
Type of Ownership	Fee Simple
Lease Entity	Franchisee (Northwind)
Lease Type	NNN
Roof & Structure	Tenant Responsible
Original Lease Term	10 years
Rent Commencement Date	12/30/10
Lease Expiration Date	12/29/20
Term Remaining	± 2 Years
Increases	10% in Options
Options	Four (4), 5-Year Options

## EXECUTIVE SUMMARY

Property Name	Burger King
Address	9435 W Lake City Rd
Location	Houghton Lake, MI
Square Footage (GLA)	± 3,135 SF
Land Area	± 1.39 Acres
APN	011-204-002-0067
Year Built / Renovated	2004
Number of Stories	1
Parking Spaces	±61
Parking Ratio	19.46

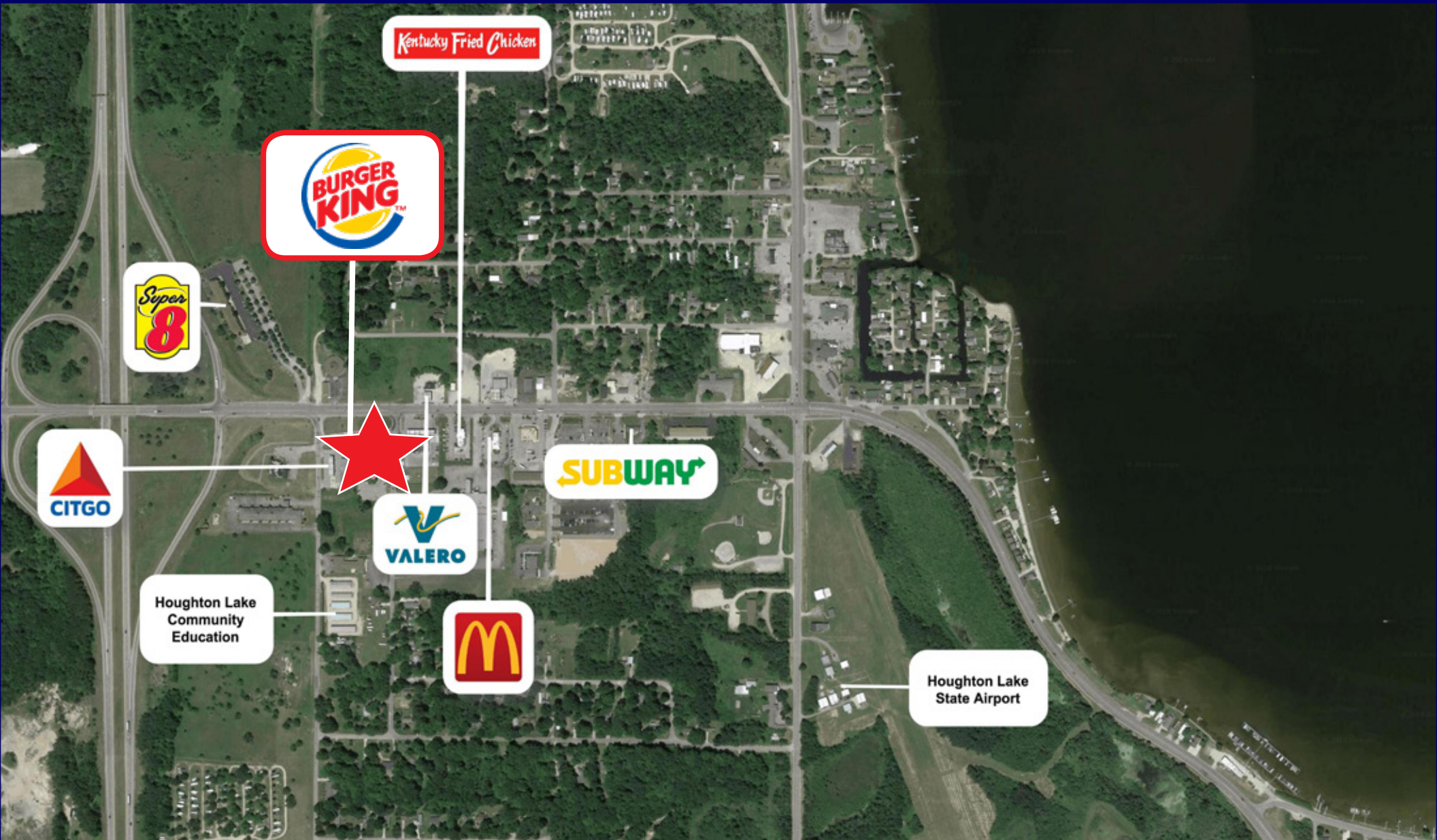
## PARCEL MAP



## ANNUAL OPERATING DATA

	Monthly	Annually	Rent/SF	Cap Rate
Current - 12/29/2020	\$5,533.00	\$66,396	\$21.18	6.78%
Option 1	\$6,086.30	\$73,036	\$23.30	7.45%
Option 2	\$6,694.93	\$80,339	\$25.63	8.20%
Option 3	\$7,364.42	\$88,373	\$28.19	9.02%
Option 4	\$8,100.87	\$97,210	\$31.01	9.92%

# SURROUNDING AREA







Representative Photo

# TENANT OVERVIEW





# BURGER KING

Burger King Worldwide operates the world's #3 hamburger chain by sales with almost 15,000 restaurants in the US and more than 100 other countries. In addition to its popular Whopper sandwich, the chain offers a selection of burgers, chicken sandwiches, salads, and breakfast items, along with beverages, desserts, and sides. Many of the eateries are stand-alone locations offering dine-in seating and drive-through services; the chain also includes units in high-traffic locations such as airports and shopping malls. Burger King Worldwide is owned and operated by Restaurant Brands International.

## GEOGRAPHIC OUTREACH

Burger King has restaurant locations throughout the US and more than 100 other countries. The US and Canada are responsible for about 65% of revenues. Like most other giants of the fast-food industry, Burger King has expanded its nationwide and international presence primarily through franchising.

## NORTHWIND FRANCHISEE

Northwind Investments, Inc. was formed in 1978 by Richard Andresen as the majority shareholder, who grew the business to 29 Burger King locations. In 1999, Richard sold the operations to his 3 main operational managers, Kevin Egnatuk, Norm Spalding, and Bob Spalding and his controller, Greg Johnroe. Today, Northwind Investments owns 24 Burger King locations throughout Northern Michigan and 7 Qdoba restaurants throughout Mid-Michigan.



**COMPANY TRADE NAME**  
**RESTAURANT BRANDS**  
**INTERNATIONAL, INC**



**REVENUE**  
**\$1.15 B**



**NET INCOME**  
**± \$233.70 M**



**HEADQUARTERED**  
**MIAMI, FL**



**NO. OF EMPLOYEES**  
**± 34,248**



**WEBSITE**  
**WWW.BK.COM**



**# OF LOCATIONS**  
**± 15,000**



**YEAR FOUNDED**  
**1953**

# AREA OVERVIEW



## Houghton Lake, MI

Houghton Lake is an unincorporated community in Roscommon Township, situated on the southwest shore of the Houghton Lake, which is Michigan's largest inland lake. Houghton Lake is a popular vacation spot in Northern Michigan, and is host to many resorts, events, and other tourist attractions. Houghton Lake is also a popular retirement location for many.

## 5-Mile Demographics



**5,408**  
POPULATION



**2,503**  
HOUSEHOLDS



**\$48,704**  
INCOME





Houghton Lake is one of the most beautiful lakes in the world, offering some of the best outdoor activities in Michigan. From canoeing to golfing, Houghton Lake has a wide variety of entertainment for both residents and tourists.

An ideal location for a Michigan vacation, tourism makes up a large part of the local economy. With four seasons of fun, fishing, fireworks, and festivals, there's an activity for everyone.

Houghton Lake is home to Michigan's largest winter festival - Tip Up Town USA, which was founded in 1951 by a group of ice fishermen. The popular event includes a carnival, car show, polar bear dip, a giant ice slide and pie eating contest.

In addition to outdoor activities, Houghton Lake hosts an arts & crafts show each summer featuring artists and vendors with a wide array of items for sale.



## **CONFIDENTIALITY & DISCLAIMER STATEMENT**

This Offering Memorandum contains select information pertaining to the business and affairs of **Burger King** located at **9435 West Lake City Road Houghton Lake, MI 48629 (“Property”)**. It has been prepared by Matthews Real Estate Investment Services. 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 Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained 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 for the Property, 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 Matthews Real Estate Investment Services 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 the Property 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 Matthews Real Estate Investment Services 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 this Offering Memorandum.

**EXCLUSIVELY LISTED BY**

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