



26640 GRATIOT AVE,
ROSEVILLE, MI 48066

OFFERING MEMORANDUM



Representative Photo

LISTED BY

GARY CHOU

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LIC # 01911222 (CA)

KYLE MATTHEWS

Broker of Record

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LONG-TERM, WORRY-FREE INVESTMENT

- » Brand New Development – The store will be completed in early 2019 to match the latest Burger King prototype
- » Long-Term Lease – Tenant to sign brand new lease with Four (4), 5-Year options to extend at close of escrow
- » Absolute NNN Lease – Tenant takes care of all landlord responsibilities including tax, insurance, maintenance, roof and structure
- » Growing Cash Flow – There are 8% increases every 5 years – Excellent hedge against inflation!

EXCELLENT TENANT WITH STRONG GROWTH MODEL AND BALANCE SHEET

- » GPS Hospitality – One of the three largest Burger King operators in the country
- » High Growth Operator – GPS Hospitality has 475+ Burger King, Popeyes, & Pizza Hut restaurants across, Alabama, Arkansas, Florida, Georgia, Louisiana, Maryland, Mississippi, New Jersey, Michigan, Pennsylvania, and West Virginia
- » Tenant with Long-Term Outlook – GPS has seen consistent year-over-year revenue growth and has a strong remodel and growth strategy
- » Healthy Cash Flow – Franchise Times reports that GPS Hospitality has revenues over \$650 million and is half way to its 10-year goal of \$1 billion in annual revenue

FANTASTIC REAL ESTATE

- » Heavy Traffic Counts – Property is located just off Interstate 696 and Gratiot Ave which supports over ± 60,000 VPD
- » Main Retail Corridor – Nearby national tenants include Costco, McDonald's, Payless ShoeSource, T.J. Maxx, Taco Bell, Shell, and many more
- » Ideal Household Incomes – Average household incomes are \$60,457, \$66,857 and \$69,527 in a 1, 3 and 5-mile radius

Financial Overview



Investment Summary



» PROPERTY ADDRESS

26640 Gratiot Ave
Roseville, MI 48066



» LIST PRICE

\$2,571,500



» CAP RATE

5.25%



» LOT SIZE

± 1.32 AC



» YEAR BUILT

2019

Financing Overview

Loan-To-Value	60% - 70%
Interest Rate	4.90% - 5.15%
Term	10 Years Fixed
Amortization	25-30 Years

Please Contact Brian Krebs for More Information

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Annualized Operating Data

	Monthly Rent	Annual Rent	Cap Rate
Year 1-5	\$11,250	\$135,000	5.25%
Year 6-10	\$12,150	\$145,800	5.67%
Year 11-15	\$13,122	\$157,464	6.12%
Year 16-20	\$14,172	\$170,061	6.61%
Option 1	\$15,306	\$183,666	7.14%
Option 2	\$16,530	\$198,359	7.71%
Option 3	\$17,852	\$214,228	8.33%
Option 4	\$19,281	\$231,366	9.00%

Tenant Summary

Tenant Trade	Burger King
Type of Ownership	Fee Simple
Lease Guarantor	Contact Agent for Details
Lease Type	NNN
Original Lease Term	20 years
Lease Commencement Date	COE
Lease Expiration	20 Years from COE
Increases	8% Every 5 Years
Options	Four (4), 5-Year Options



Tenant Overview



Representative Photo

THE OFFERING

PROPERTY NAME	
Burger King	
Property Address	26640 Gratiot Ave Roseville, MI
SITE DESCRIPTION	
Number of Stories	One
Year Built	2019
Lot Size	± 1.32 AC
Type of Ownership	Fee Simple

TENANT OVERVIEW

» Company Name Burger King	» Year Founded 1953	» No. of Locations ±15,000
» Ownership Private	» Headquartered Miami, FL	» Website www.bk.com

Burger King Worldwide operates the world's #2 hamburger chain by sales with almost 15,000 restaurants in the US and more than 100 other countries. Every day, more than 11 million guests visit Burger King Restaurants around the world and they do so because Burger King is known for serving high-quality, great-tasting and affordable food. 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. Burger King's menu has expanded from a basic offering of burgers, French fries, sodas, and milkshakes to a larger and more diverse set of products. 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.

GPS Hospitality operates more than 400 locations in Alabama, Arkansas, Florida, Georgia, Louisiana, Maryland, Michigan, Mississippi, New Jersey, Pennsylvania and West Virginia. The hospitality group employs over 10,000 employees nationwide and in less than six years has grown to be one of the top three largest Burger King Franchisees. GPS Hospitality prides itself on the company's core values: Goals, People and Service.

Area Overview



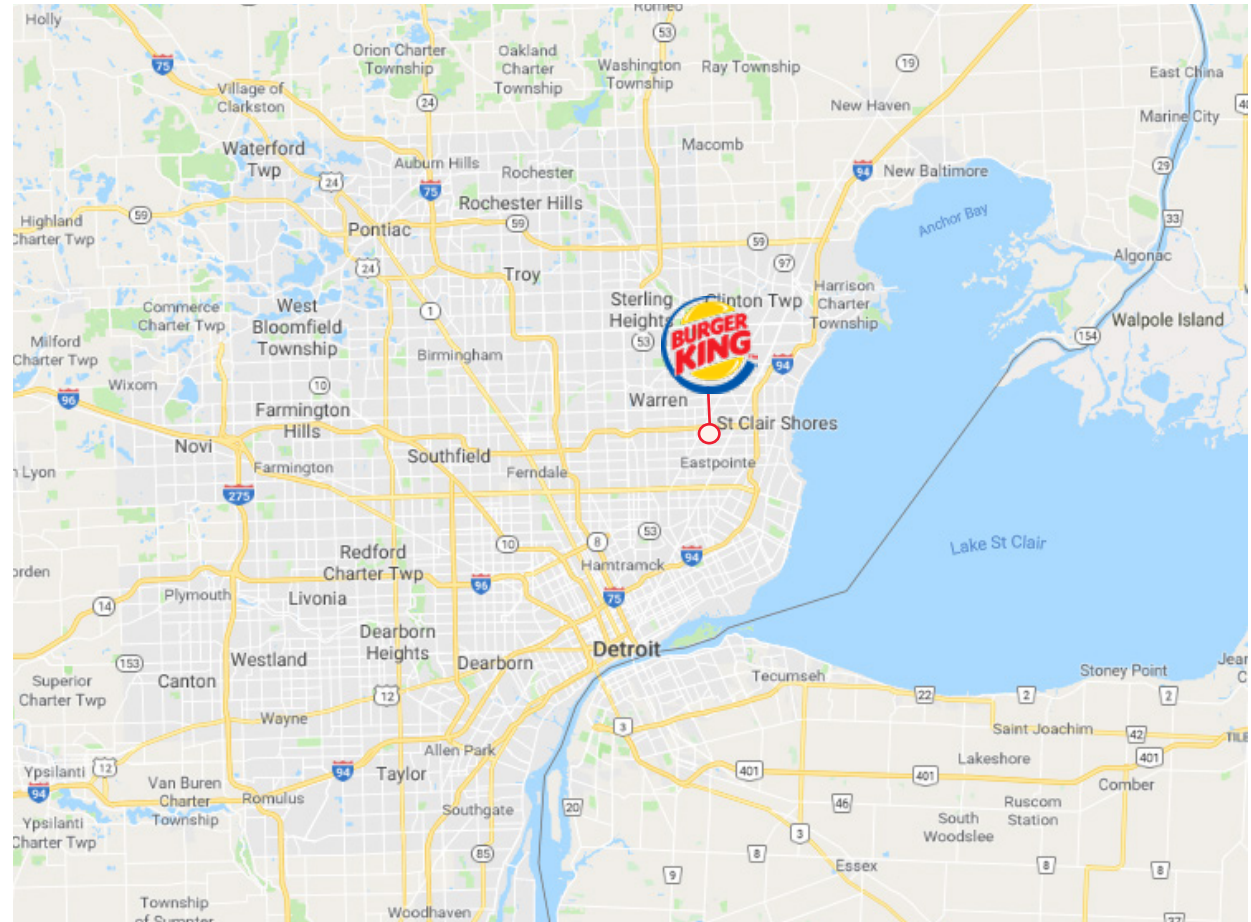
Roseville, MI

Roseville is a city located along Lake St. Clair less than 30 minutes north of downtown Detroit in Macomb County. This charming city is comprised of a culturally diverse population that is very engaged in the community.

As Michigan's first certified Redevelopment Ready Community, Roseville features a wide variety of residential, commercial and industrial opportunities. The city enjoys convenient access to both Interstates 94 and 696, making it a gateway to nearly 4 million residents in the 4-county area. Over the years, Roseville has engaged in a proactive approach to attracting and retaining businesses has led to reinvestment and expansion of existing the city and its existing properties. Furthermore, the area's affordable housing stock has created opportunities for families looking to relocate. A drive down Gratiot Avenue reveals a large selection of restaurants and retail outlets, including the Macomb Mall, which has been around since 1964.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	18,517	141,692	336,071
2018 Estimate	18,425	141,500	337,136
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	7,483	59,289	137,455
2018 Estimate	7,418	58,957	137,225
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$60,457	\$66,857	\$69,527



Local Business Climate

Roseville is home to companies in the automotive, military, printing, paper recycling, and food service industries. Approximately 681 acres of Roseville are devoted to industrial property. The city is just minutes away from key air and sea ports and has direct connections to major rail routes serving local, interstate and international trade routes and destinations, making its desirable to many industries. Proximity to Interstates 94 and 696 specifically provides residents and businesses convenient access to any location in the greater Detroit area and the amenities that come with it. Additionally, the Groesbeck corridor and CN Railway make Roseville desirable to many industries.

Detroit, MI

Anchoring the second-largest economic region in the Midwest, behind Chicago, Detroit is the most populous city in Michigan and the center of the Detroit metropolitan area, which is among the most important hubs in the United States. Detroit is a major port on the Detroit River, a strait that connects the Great Lakes system to the Saint Lawrence Seaway, and is home to the busiest international crossing in North America: The Ambassador Bridge.

The city of Detroit and other private-public partnerships have attempted to catalyze the region's growth by facilitating the building and historical rehabilitation of residential high-rises in the downtown, thereby creating a zone that offers many business tax incentives. As a result, many recreational spaces have been built such as the Detroit RiverWalk, Campus Martius Park, Dequindre Cut Greenway, and Green Alleys in Midtown, which is one of the most successful areas within Detroit.



Economic Development

In Detroit's economy, the most heavily represented sectors are automotive manufacturing, with General Motors being one of the most significant of these companies, finance, technology, and healthcare. Several major corporations are based in the city, including three Fortune 500 companies. Companies of note headquartered in the city include: General Motors, Quicken Loans, Ally Financial, Compuware, Shinola, American Axle, Little Caesars, DTE Energy, Lowe Campbell Ewald, Blue Cross Blue Shield of Michigan, and Rossetti Architects. About 80,500 people work in downtown Detroit, comprising one-fifth of the city's employment base.

Major Employers



Beaumont



GM Renaissance Center

Along the Detroit River are huge skyscraper complexes. Dominating them all is the Renaissance Center, with the 73-story Marriott Hotel and six other towers containing offices, shops, theaters, restaurants, conference space, and public institutions. This is a central feature on the skyline.

Comerica Park

Comerica Park is a combination ballpark, theme park, and baseball museum. A carousel, a ferris wheel, a huge water feature in center field and a museum of baseball history on the main concourse are some of the attractions. The park is most famous as the home of the Detroit Tigers baseball team.



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Burger King** located at **26640 Gratiot Ave, Roseville, MI** ("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.



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