

# Burger King

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

*Representative Photo*

**BURGER KING**

Address: 6598 US Hwy 1, Port St. Lucie, FL 34952

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The Burger King logo, featuring the words "BURGER KING" in white, bold, sans-serif capital letters on an orange rectangular background.

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## Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Surrounding Area Photos	8
Location Overview	9
Local Map	10
Regional Map	11
Demographics / Market Overview	12-13

**BURGER KING**





# Investment Highlights

PRICE: \$2,800,000 | CAP: 5.00% | RENT: \$140,000

**BURGER KING**

## About the Investment

- ✓ Brand New Construction
- ✓ Brand New Triple Net (NNN) 20-Year Sale Leaseback
- ✓ A 52-Unit Franchisee
- ✓ A 1.25% Annual Rental Increases Starting in Year 3

## About the Location

- ✓ Positive Real Estate Fundamentals | Port St. Lucie is the 8<sup>th</sup> Largest City in Florida, the 3<sup>rd</sup> Largest in South Florida, and the 130<sup>th</sup> Largest City in the United States
- ✓ Dense Retail Corridor | Neighboring National Tenants Include: Dunkin' Donuts, Subway, Hurricane Grill & Wings, Walgreens, Publix, Applebee's, Pizza Hut, Holiday Inn and More
- ✓ Robust Demographics | Population Exceeds 111,000 Individuals Within a 5-Mile Radius
- ✓ Strong Traffic Counts | Over 35,600 Vehicles Per Day on U.S. Route 1

## About the Tenant / Brand

- ✓ Seven Restaurants ("7Restaurants") is a 52-Unit Burger King Operator
- ✓ 7Restaurants has Significant Growth Plans for this Entity | 10-15 New Sites in 2019 | Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Continue to Grow
- ✓ 7Restaurants has an Excellent Track Record With Proven Operational Expertise
- ✓ The 7Restaurants Management Team has a Combined 70+ Years of Experience in The Burger King System
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



*Representative Photo*



*Representative Photo*



# Financial Analysis

PRICE: \$2,800,000 | CAP: 5.00% | RENT: \$140,000

**BURGER KING**

## PROPERTY DESCRIPTION

Property	Burger King
Property Address	6598 US HWY 1
City, State, ZIP	Port St. Lucie, FL 34952
Year Built / Renovated	2018
Building Size	3,000
Lot Size	+/- 1.00 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$2,800,000
CAP Rate	5.00%
Annual Rent	\$140,000

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee(52-Unit Operator)
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5) Year Options
Rental Increases	1.25% Annual Increases Starting Year 3

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$140,000	\$11,667	-
Year 2	\$140,000	\$11,667	-
Year 3	\$141,750	\$11,813	1.25%
Year 4	\$143,522	\$11,960	1.25%
Year 5	\$145,316	\$12,110	1.25%
Year 6	\$147,132	\$12,261	1.25%
Year 7	\$148,972	\$12,414	1.25%
Year 8	\$150,834	\$12,569	1.25%
Year 9	\$152,719	\$12,727	1.25%
Year 10	\$154,628	\$12,886	1.25%
Year 11	\$156,561	\$13,047	1.25%
Year 12	\$158,518	\$13,210	1.25%
Year 13	\$160,499	\$13,375	1.25%
Year 14	\$162,506	\$13,542	1.25%
Year 15	\$164,537	\$13,711	1.25%
Year 16	\$166,594	\$13,883	1.25%
Year 17	\$168,676	\$14,056	1.25%
Year 18	\$170,785	\$14,232	1.25%
Year 19	\$172,919	\$14,410	1.25%
Year 20	\$175,081	\$14,590	1.25%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Burger King located in Port St Lucie, FL. The property consists of approximately 3,000 rentable square feet and is situated on approximately 1.00 acres of land. The property is subject to a 20-year triple-net (NNN) sale-leaseback. The lease will commence upon the close of escrow. The base annual rent will be \$140,000 and the lease calls for 1.25% rental increases every year starting year 3 through the base term and continuing through the four, five-year tenant renewal options.





# Concept Overview

**BURGER KING**

## About Burger King

**Burger King** – founded in 1954 – is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Almost 100 percent of Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately-held company. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent.

## About 7Restaurants

**Seven Restaurants, LLC** ("7Restaurants") is among the most sophisticated multi-unit franchisee operators in the Burger King system. 7Restaurants owns and operates Burger King restaurants in the Broward County and Treasure Coast areas of south Florida. They currently have 52+ units and with significant reinvestment in the business, 7Restaurants is well positioned for exponential growth with the support of a highly seasoned senior management team. The group has a combined 70 years of experience in the Burger King system and expertise in fields such as M&A, franchising, and development.



**SEVEN 7 RESTAURANTS**  
a franchisee of Burger King Corporation

## #2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

## Global Brand Presence | Fully – Franchised Business Model

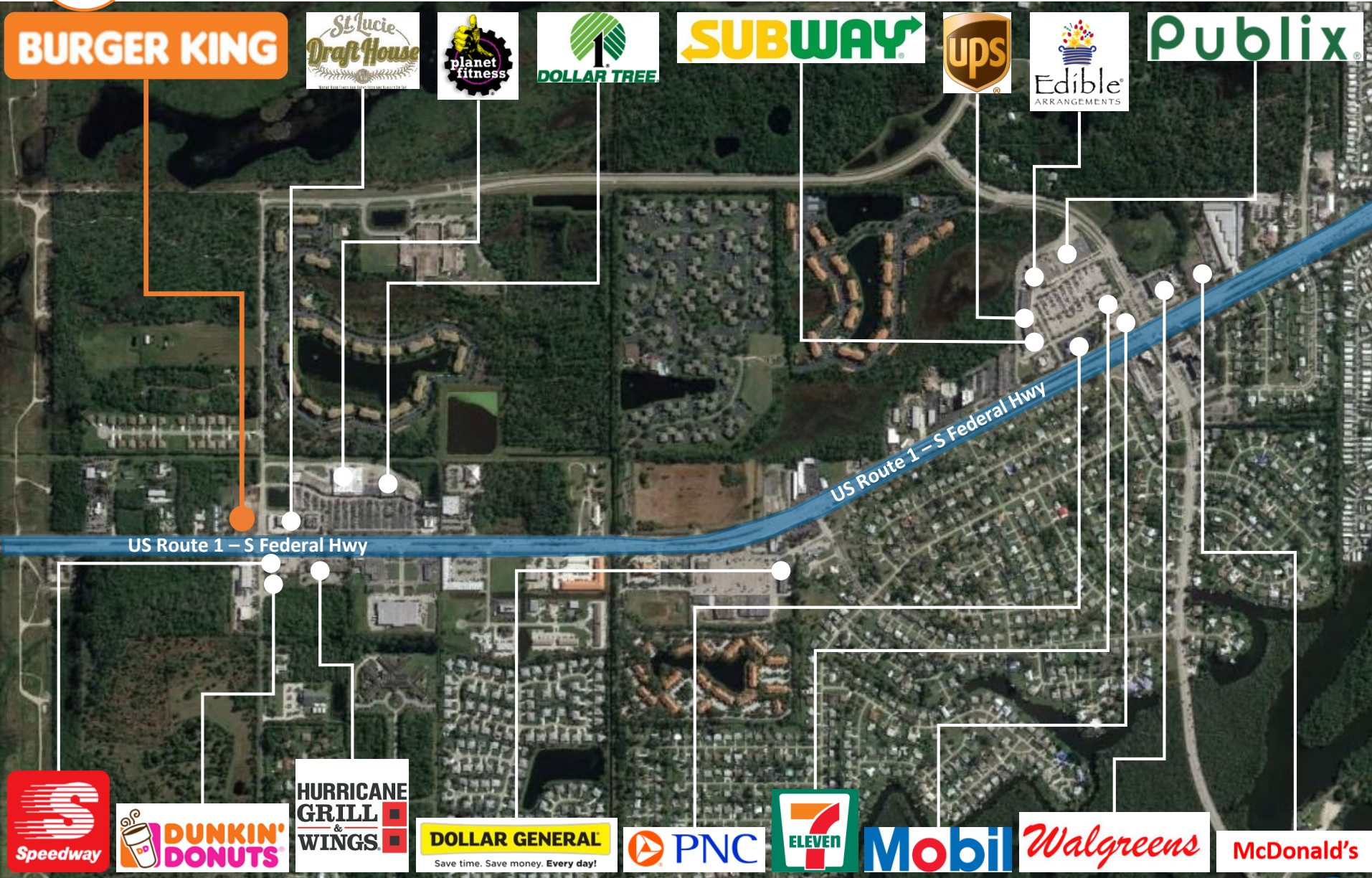
- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins





# Surrounding Area

**BURGER KING**







# Surrounding Area Photos

**BURGER KING**







# Location Overview

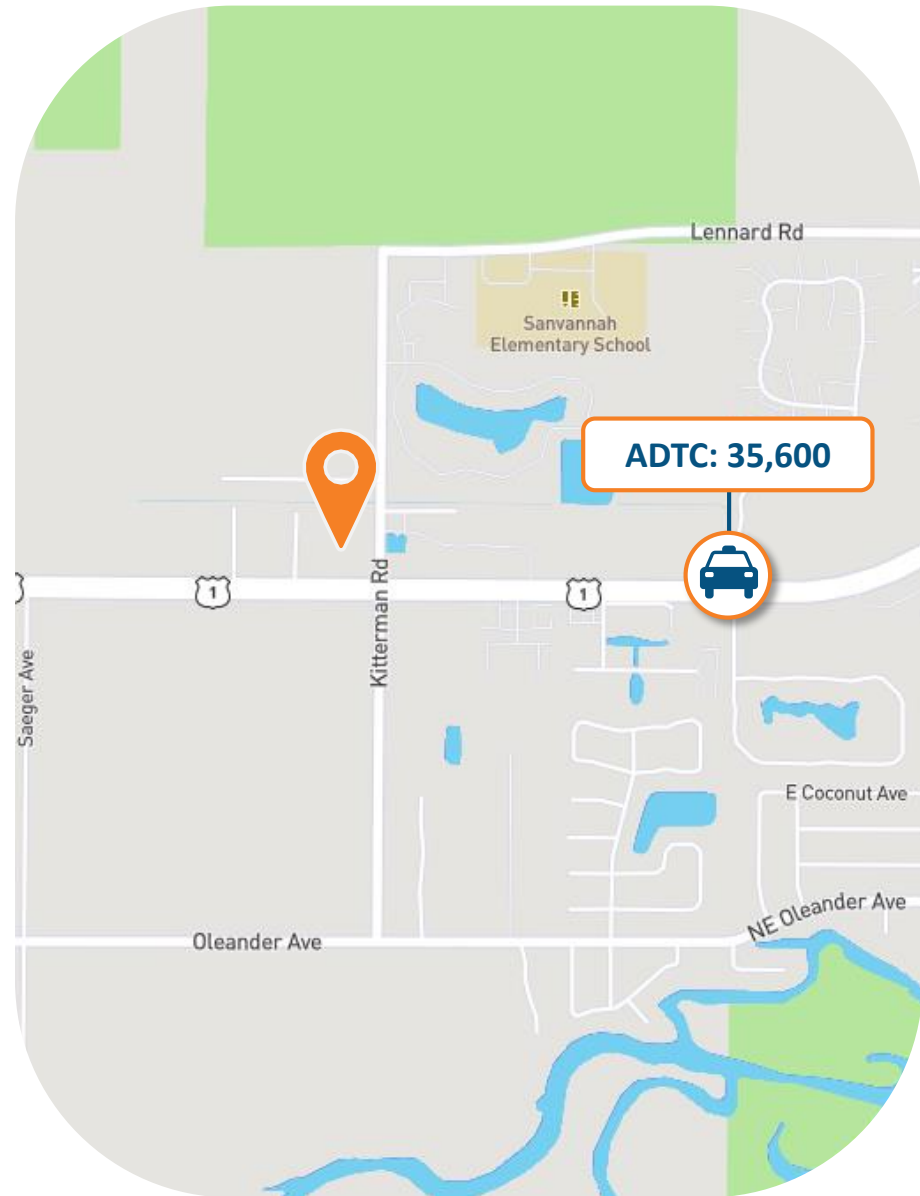
Property Address: 6598 US-1, Port St. Lucie, FL 34952

**BURGER KING**

The subject investment property is situated on the intersection of U.S. Route 1 and Kitterman Rd. The Burger King is positioned on a hard corner with US Route 1 driving 35,600 vehicles by the location daily. There are more than 41,600 individuals residing within a three-mile radius of the property and more than 111,900 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hotels all within close proximity of this property. Major national tenants include: Dunkin' Donuts, Subway, Dollar Tree, Speedway, Walgreens, Publix, Hurricane Grill & Wings, 7-Eleven as well as many others. Accommodations in the immediate area include Best Western Port St. Lucie. Local bowling alley, Saint Lucie Lanes, is within a quarter mile of the subject property.

Port St. Lucie is a city in St. Lucie County, Florida the most populous municipality in the county with a population exceeding 189,000 individuals. Port St. Lucie is nestled along Florida's Treasure Coast, along the state's southeast side, about halfway between Miami and Orlando. Port St. Lucie is also contained within the Miami - Fort Lauderdale - Port St. Lucie Combined Statistical Area with an estimated population of 6,832,588. The City of Port St. Lucie is the 8th largest City in Florida, the 3rd largest City in South Florida and the 130th largest City in the United States.. Port St. Lucie is home to Indian River State College, which shares its campus with Florida Atlantic University, Barry University and Keiser University. There are an abundance of recreational activities available to residents and visitors within the area, due to the city's climate, park facilities and proximity to the beaches nearby. Port St. Lucie is home to the Professional Golf Association (PGA) Learning Center and the Probst Library, one of the world's prominent collections of golf archives and collectibles.

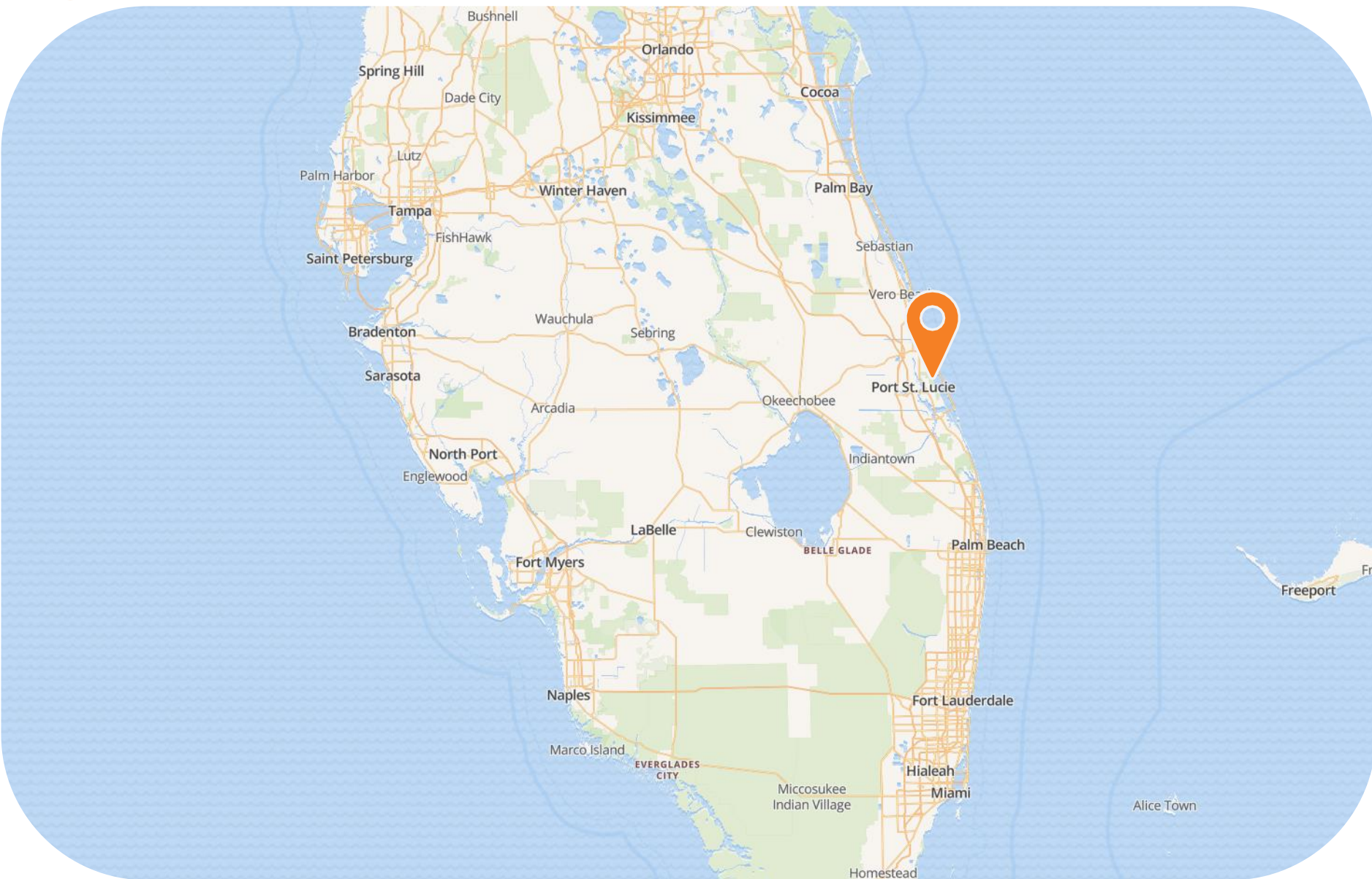




# Local Map

**BURGER KING**

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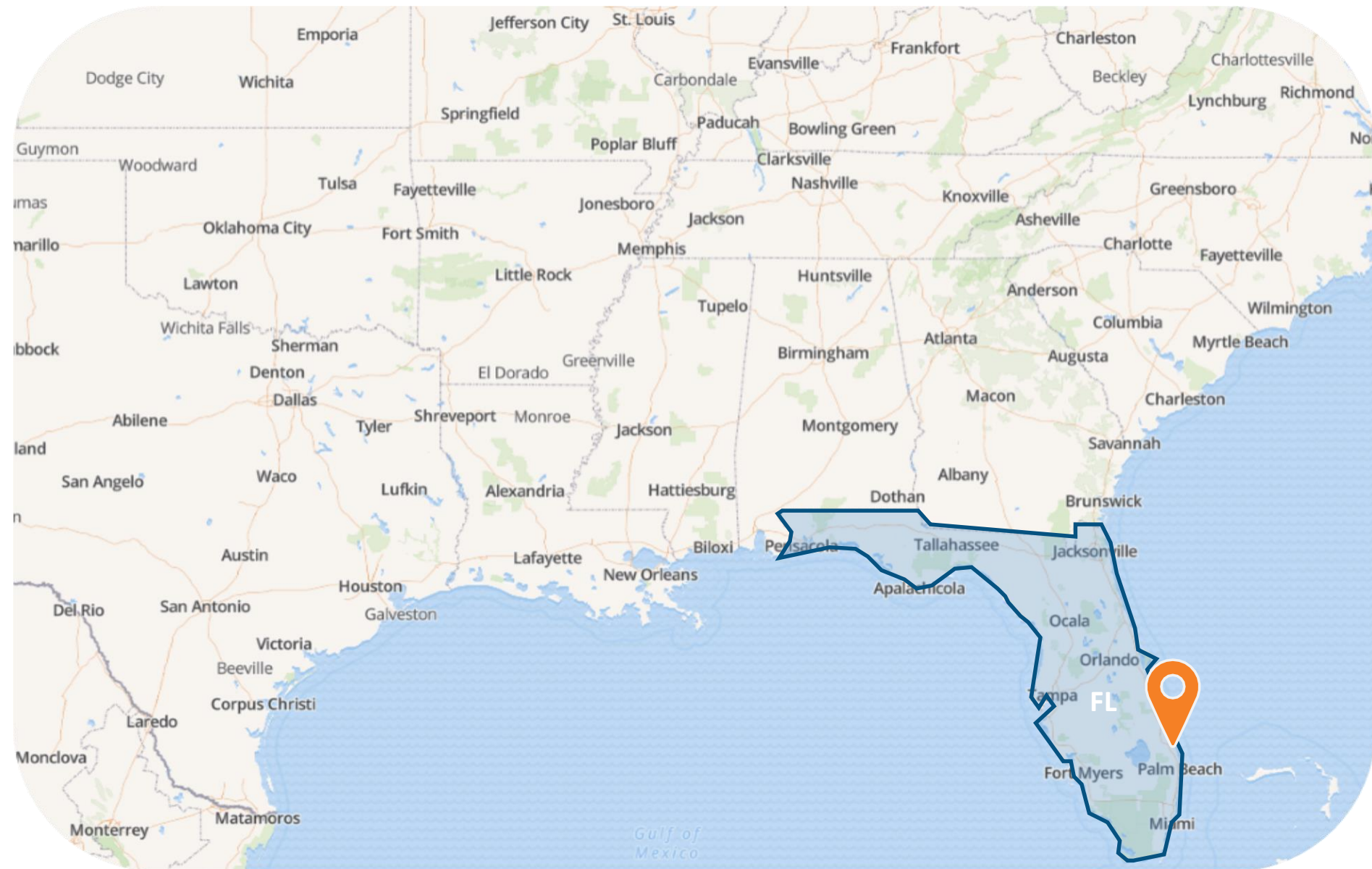




# Regional Map

Property Address: 6598 US-1, Port St. Lucie, FL 34952

**BURGER KING**





# Demographics

Property Address: 6598 US-1, Port St. Lucie, FL 34952

**BURGER KING**



## POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	4,071	46,106	126,164
2017 Estimate	3,290	41,647	111,947
2010 Census	3,090	39,141	104,526
2000 Census	2,098	29,774	72,000

## INCOME

Average	\$53,414	\$56,305	\$55,994
Median	\$38,371	\$42,261	\$43,334
Per Capita	\$23,726	\$23,331	\$22,622

## HOUSEHOLDS

2022 Projection	1,819	19,319	51,645
2017 Estimate	1,443	17,198	45,046
2010 Census	1,363	16,314	42,540
2000 Census	902	12,565	29,337

## HOUSING

2017	\$152,337	\$129,711	\$144,546
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## EMPLOYMENT

2017 Daytime Population	3,328	31,816	103,894
2017 Unemployment	3.75%	5.35%	5.78%
2017 Median Time Traveled	30	28	28

## RACE & ETHNICITY

White	83.46%	80.41%	75.23%
Native American	0.04%	0.09%	0.08%
African American	9.29%	11.79%	14.83%
Asian/Pacific Islander	1.28%	1.76%	1.91%





# Market Overview

City: Port St. Lucie | County: Lucie | State: Florida

**Port St. Lucie** consists of 120 square miles with a population of more than 185,000, the City is the 8th largest City in Florida and the 3rd largest City in South Florida. Port St. Lucie is home to Indian River State College, which shares its campus with Florida Atlantic University, Barry University and Keiser University. There are an abundance of recreational activities available to residents and visitors within the area, due to the city's climate, park facilities and proximity to the beaches nearby. Port St. Lucie is home to the Professional Golf Association (PGA) Learning Center, PGA Historical Center, the PGA Golf Professional Hall of Fame and the Probst Library, one of the world's prominent collections of golf archives and collectibles. Cultural of points of interest within the city include the nearby Underwater Demolition Team – SEAL Museum at Fort Pierce, the A.E. Backus Gallery and Museum, Hallstrom Planetarium and St. Lucie County Historical Museum.

Port St. Lucie also attracts a vibrant mix of people because of its low crime rate, diverse housing stock and abundant open space. According to BizJournals.com, the city has the highest homeownership rate in the nation in 2012 and is the only major market with a homeownership rate above 75 percent. As a growing community, the city offers diverse economic opportunities, clear guidelines for prosperous and sustainable growth, and state-of-the-art infrastructure ready to support development and investment. Additionally, the city government is committed to delivering outstanding public services that enhance the community and the quality of life for people of all ages. In 2008, Tradition and Core Communities welcomed the Florida Center of Innovation, a research laboratory and campus, which has a building in Tradition for two biotech and life science companies, the Torrey Pines Institute for Molecular Studies and the Vaccine & Gene Therapy Institute. This campus alone is projected to bring more than 30,000 jobs to the city of Port St. Lucie.

## Major Employers

Employer	Estimated # of Employees
Liberty Medical Supply	2,065
Tiffany Hall Nursing Rehab Ctr	2,002
Envision Healthcare Corp	1,702
ATLS Medical Supply, Inc.	1,600
St Lucie Medical Center	825
City of Port Saint Lucie	800
County of St Lucie	693
Fortis Institute	601
SLC Sheriffs Office	600
Staff Builders	500
Clerk of Courts	404

*Port St. Lucie, FL*

**BURGER KING**

Marcus & Millichap

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