

# BURGER KING

EXCLUSIVE NET-LEASE OFFERING



*Representative Photo*

# OFFERING MEMORANDUM

**BURGER KING**

5265 U.S. Highway 1, Vero Beach, FL 32967



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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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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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**BURGER KING**



Representative Photo



# Investment Highlights

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

**BURGER KING**

## About the Investment

- ✓ Brand New Construction! | Expected to Open for Business in August of 2020
- ✓ Brand New Triple-Net (NNN) 20-Year Sale-Leaseback
- ✓ Franchisee Guarantee | 55+ Units and Growing
- ✓ 1.25% Annual Rental Increases Starting in Year 3

## About the Location

- ✓ Highly Affluent Suburban Community | Average Household Income Exceeds \$107,000 for Homes within Three Miles of the Subject Property
- ✓ Dense Retail Corridor | Outparcel to Publix | Other National Tenants Include: Walgreens, CVS Pharmacy, McDonald's, Dunkin' Donuts, AT&T, Orangetheory Fitness, Springhill Suites by Marriott, USPS and More
- ✓ Heavily Trafficked Area | Approximately 27,500 Vehicles Per Day along U.S. Highway 1
- ✓ Expansive Population Growth | Population within a One-Mile Radius is Projected to Increase by More than 10% by 2023
- ✓ Notable Attractions within One Mile of Subject Property | Bent Pine Golf Club, Hawk's Nest Golf Course, Grand Harbor Golf and Beach Club, and Freedom Boat Club
- ✓ Immediate Access to Healthcare | Less than Three Miles from Cleveland Clinic Indian River Hospital | Award-Winning, 355-Bed Medical Facility
- ✓ Less than Three Miles from Vero Beach Regional Airport | More than 240,000 Enplanements Each Year
- ✓ Compelling Business Incentives | Non-Income-Taxable State of Florida

## About the Tenant / Brand

- ✓ Seven Restaurants ("7Restaurants") is a 55+ Unit Burger King Operator
- ✓ 7Restaurants has Significant Growth Plans for this Entity | 10-15 New Sites in 2020 | 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 Photos*





# Financial Analysis

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

**BURGER KING**

## PROPERTY DESCRIPTION

Property	Burger King
Property Address	5265 U.S. Highway 1
City, State, ZIP	Vero Beach, FL 32967
Year Built / Renovated	2020
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 (55+ 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 Vero Beach, 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 that 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 in year 3 of the base term and continuing through the four (4), five (5)-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 55+ 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

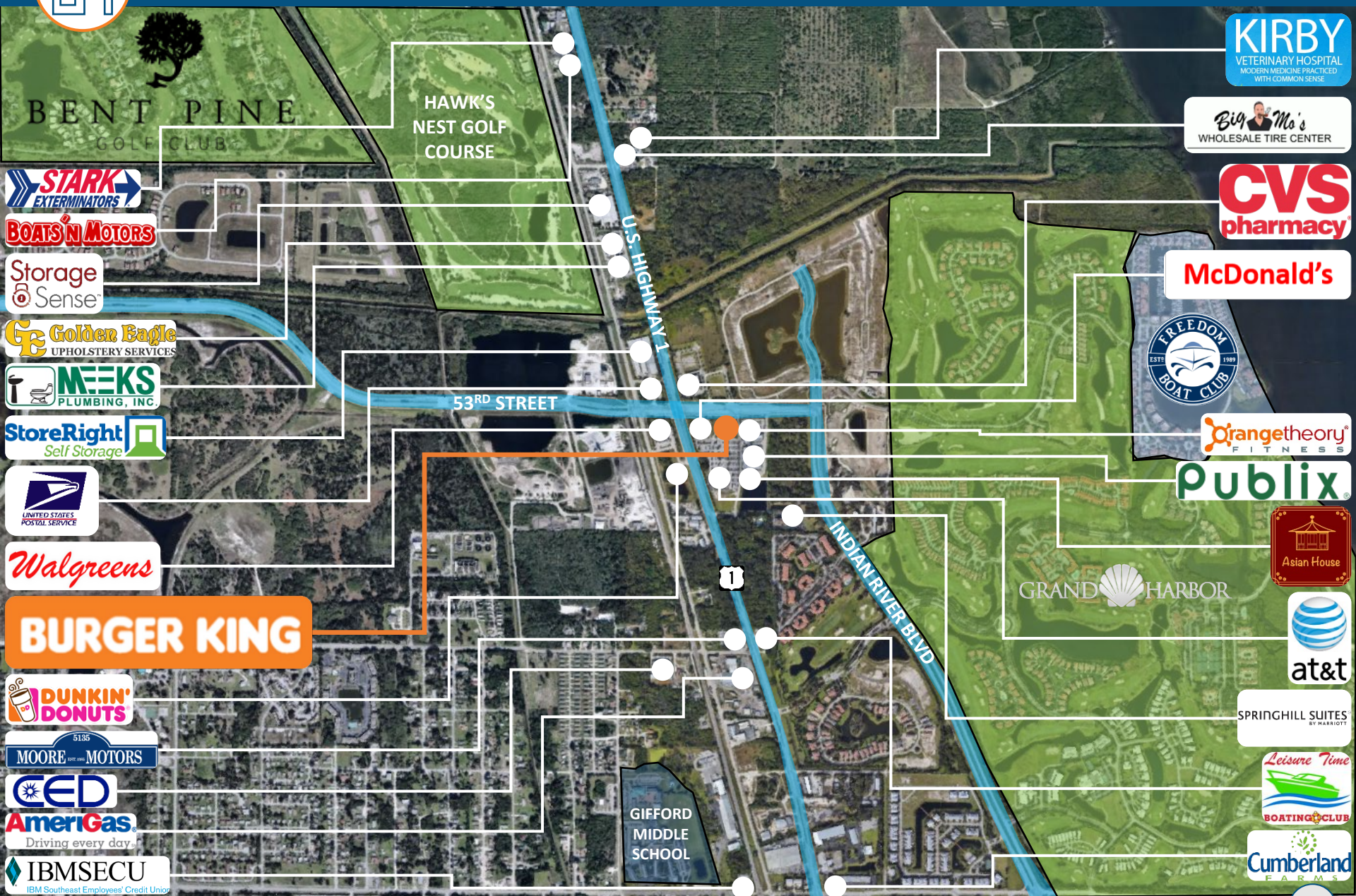






# Surrounding Area

**BURGER KING**







# Surrounding Area Photos

**BURGER KING**







# Location Overview

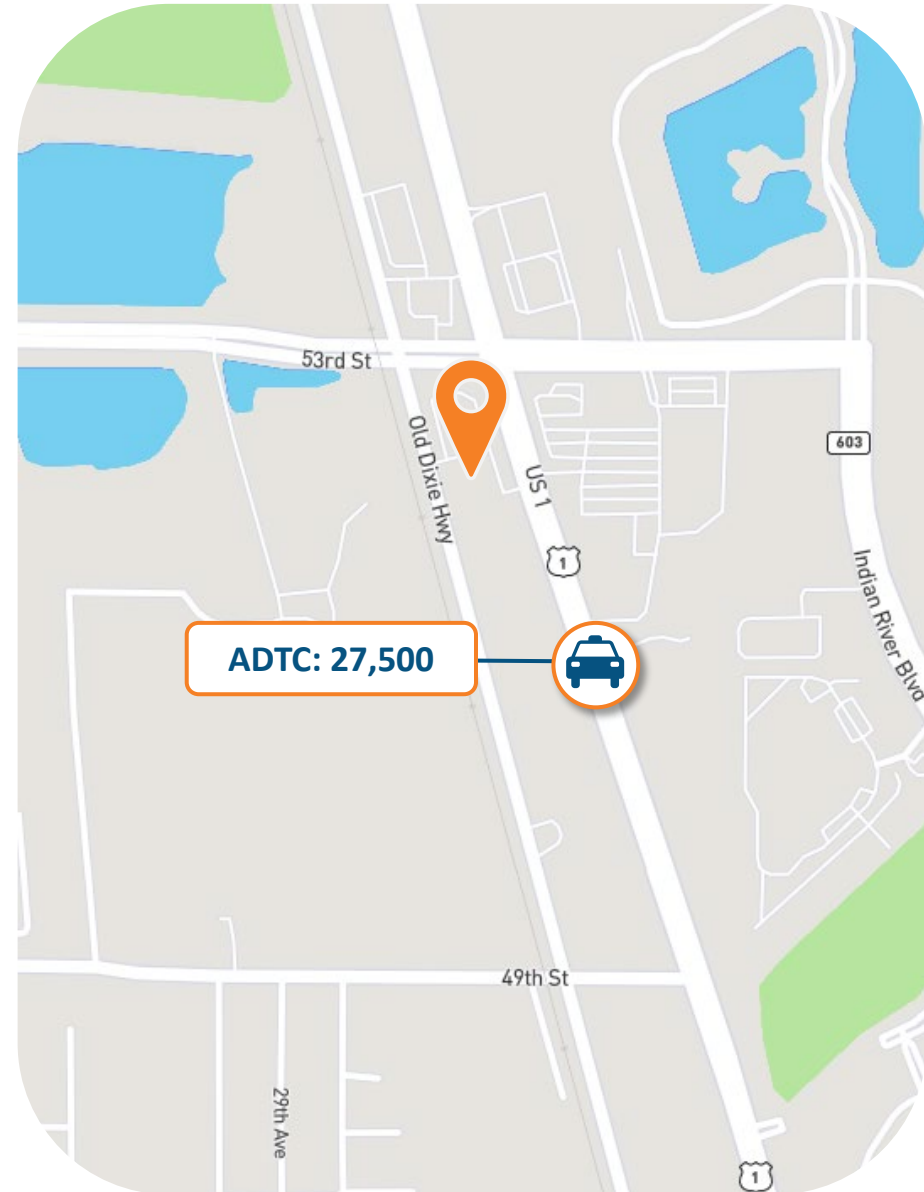
Property Address: 5265 U.S. Highway 1, Vero Beach, FL 32967

The subject investment property is well-situated on U.S. Highway 1, which experiences an average traffic count of approximately 27,500 vehicles per day. U.S. Highway 1 intersects with 20<sup>th</sup> Place, which brings an additional 22,500 vehicles into the immediate surrounding area each day. Average household income exceeds \$107,000 for homes within three miles of the subject property. There are more than 19,000 individuals that reside within a three-mile radius of the subject property and more than 53,000 individuals within a five-mile radius. Population within a one-mile radius is projected to increase by more than 10% by 2023.

This Burger King is strategically positioned in a dense retail corridor that features local and national tenants, shopping centers and entertainment attractions, all within close proximity of the site. Major national tenants in the immediate area include: Publix, Walgreens, CVS Pharmacy, McDonald's, Dunkin' Donuts, AT&T, Orangetheory Fitness, Springhill Suites by Marriott, USPS and more. The subject property is located within one mile of Bent Pine Golf Club, Hawk's Nest Golf Course, Grand Harbor Golf and Beach Club, and Freedom Boat Club. The subject property benefits from its immediate access to healthcare, being located less than three miles from Cleveland Clinic Indian River Hospital, an award-winning, 355-bed medical facility. Vero Beach Regional Airport, which experiences more than 240,000 enplanements each year, is also less than three miles from this Burger King. This investment property is ideally located within the non-income-taxable state of Florida.

Vero Beach is the county seat of Indian River County, a highly desirable location for business and pleasure with a balance that helps individuals build their business in the sun. Those who live, work or visit here find that the communities are safe, modern and loaded with ecological, cultural, educational and technological amenities. Indian River County additionally has a friendly, unpretentious atmosphere. Centrally located 70 miles south of the Kennedy Space Center and an hour's drive north of West Palm Beach, the county's 543 square miles contain 26 miles of unspoiled beaches, groves of renowned Indian River grapefruit, immaculate oceanfront estates and riverfront communities – free from urban sprawl and congestion. Indian River County is also located within a three-hour drive of 17.9 million potential customers – 90% of Florida's population. The county also offers access to other Florida markets as well as national and international markets via interstate highways and multimodal transportation; advanced industries from aviation/aerospace to aquaculture; world-renowned agricultural products and recreational opportunities; and research, emerging tech, life sciences and specialty healthcare industries. All of the above contribute to one of the most desirable climates in the country for recreation and for business. Indian River County's unique setting includes an emphasis on low scale buildings, plenty of access to public beaches and a host of community amenities. Relatively low labor costs and inexpensive building sites – averaging \$3-\$6 per square foot for build-to-suit sites – plus the absence of state income tax and one of the lowest property tax rates in Florida, continue to attract industry to this area.

**BURGER KING**

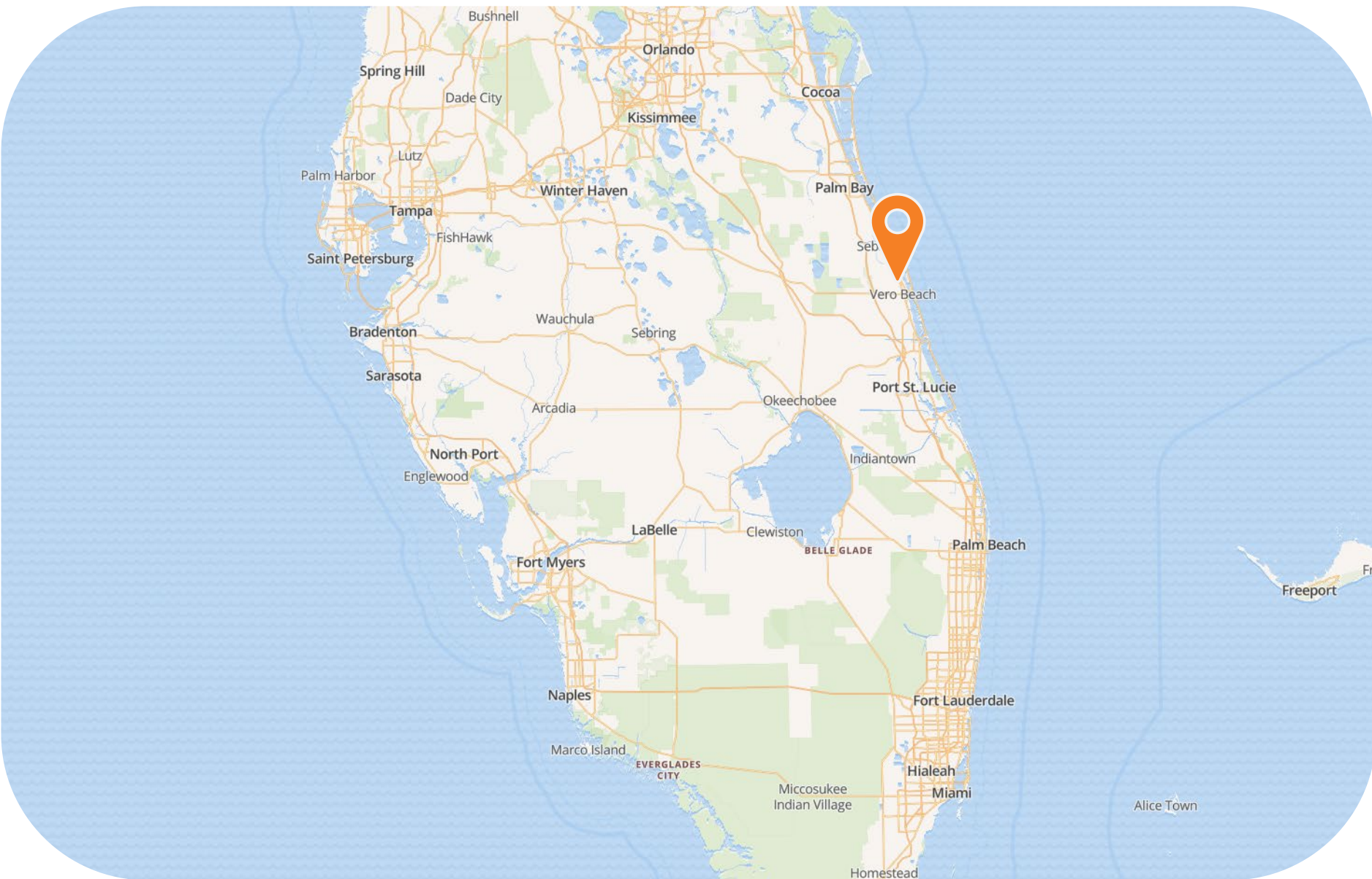




# Local Map

**BURGER KING**

Property Address: 5265 U.S. Highway 1, Vero Beach, FL 32967



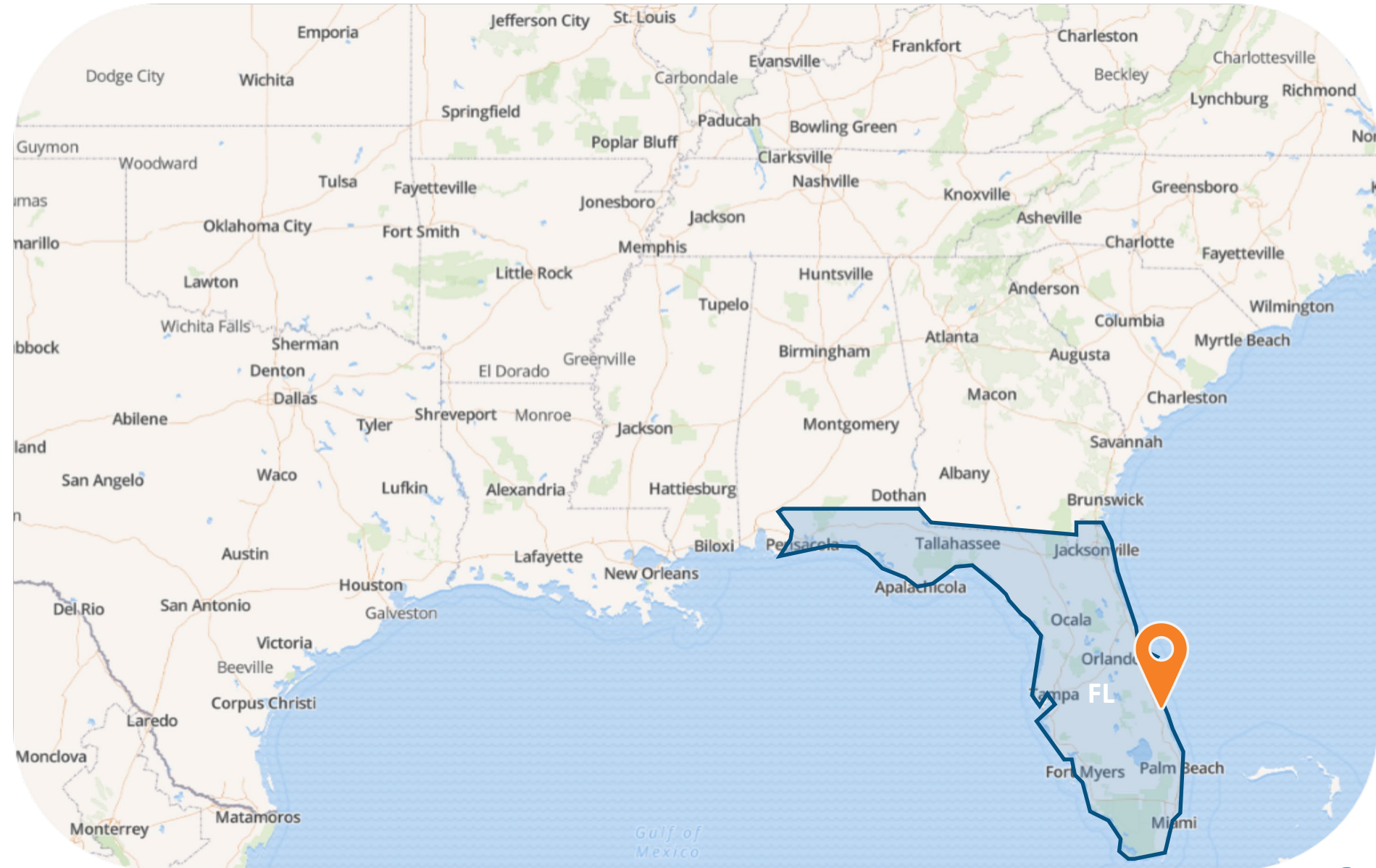




# Regional Map

**BURGER KING**

Property Address: 5265 U.S. Highway 1, Vero Beach, FL 32967

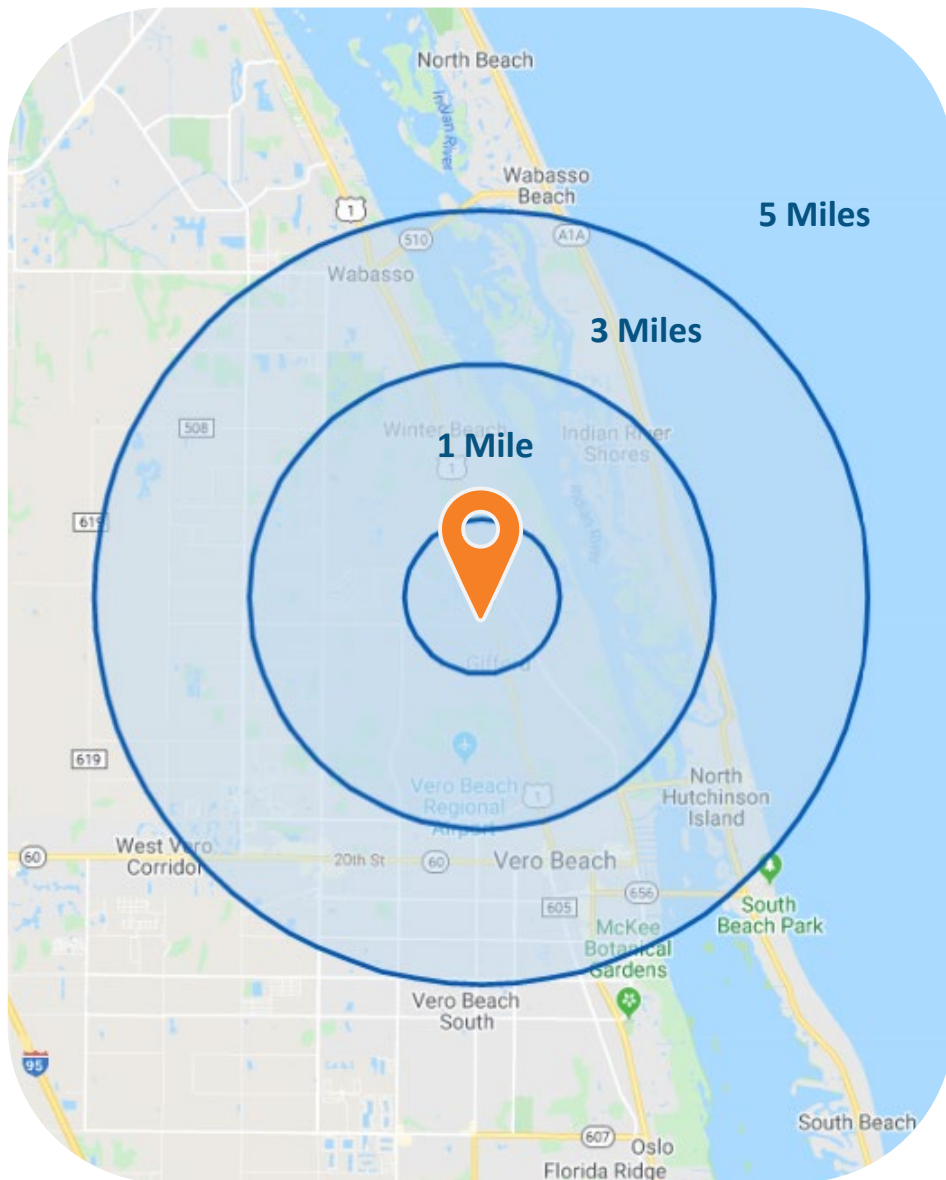




# Demographics

Property Address: 5265 U.S. Highway 1, Vero Beach, FL 32967

**BURGER KING**



## POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	3,339	21,120	58,088
2018 Estimate	3,023	19,485	53,550
2010 Census	2,721	17,183	48,928
2000 Census	2,404	13,242	42,474

## INCOME

Average	\$80,397	\$107,987	\$89,262
Median	\$38,999	\$56,850	\$49,902
Per Capita	\$38,235	\$48,274	\$41,909

## HOUSEHOLDS

2023 Projection	1,661	9,589	27,470
2018 Estimate	1,437	8,660	25,030
2010 Census	1,290	7,569	22,708
2000 Census	967	5,296	19,344

## HOUSING

2018	\$261,018	\$305,830	\$260,222
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## EMPLOYMENT

2018 Daytime Population	3,637	25,142	79,633
2018 Unemployment	11.66%	8.12%	5.80%
2018 Median Time Traveled	17 Mins	19 Mins	19 Mins

## RACE & ETHNICITY

White	42.47%	65.46%	79.23%
Native American	0.01%	0.02%	0.04%
African American	51.84%	26.72%	13.32%
Asian/Pacific Islander	0.96%	1.75%	1.95%





# Market Overview

City: Vero Beach | County: Indian River | State: Florida

*Vero Beach, Florida*

**Vero Beach** is the county seat of Indian River County, a highly desirable location for business and pleasure with a balance that helps build your business in the sun. Those who live, work or visit here find that the communities are safe, modern and loaded with ecological, cultural, educational and technological amenities. Indian River County additionally has a friendly, unpretentious atmosphere. Centrally located 70 miles south of the Kennedy Space Center and an hour's drive north of West Palm Beach, the county's 543 square miles contain 26 miles of unspoiled beaches, groves of renowned Indian River grapefruit, immaculate oceanfront estates and riverfront communities – free from urban sprawl and congestion. Indian River County is also located within a three-hour drive of 17.9 million potential customers – 90% of Florida's population. The county also offers access to other Florida markets as well as national and international markets via interstate highways and multimodal transportation; advanced industries from aviation/aerospace to aquaculture; world-renowned agricultural products and recreational opportunities; and research, emerging tech, life sciences and specialty healthcare industries. All of the above contribute to one of the most desirable climates in the country for recreation and for business. Indian River County's unique setting includes an emphasis on low scale buildings, plenty of access to public beaches and a host of community amenities. Relatively low labor costs and inexpensive building sites – averaging \$3-\$6 per square foot for build-to-suit sites – plus the absence of state income tax and one of the lowest property tax rates in Florida, continue to attract industry to this area.

An elegant city located along Florida's Atlantic Coast, Vero Beach is a haven for golf, water sports and fishing. Peaceful beaches, museums, nature tours and a range of hotels make Vero Beach a terrific vacation destination and an important part of the region known as the Treasure Coast. Vero Beach also offers a fine selection of shops – oceanside, historic downtown and in large shopping malls – and delectable cuisine for all budgets. Also in Vero Beach are museums, art galleries and many parks, some of which offer access to an enticing network of rivers and inlets where manatees roam.

## Major Employers

Employer	Estimated # of Employees
Shaver Millwork	2,025
Indian River Memorial Hospital, Inc.	1,326
Flightsafety International	961
Indian River County	893
Piper Aircraft, Inc.	825
HealthSouth	386
Nurse Visiting Association & Hospice	300
Palm Garden of Vero Beach	300
Indian River County School District	298
U.S. Post Office	284
Vero Beach VA Community	264

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