

\$3,185,822
5.65% CAP RATE

» **RECESSION/LOCKDOWN RESISTANT**

- » Double Drive Thru Concept
- » 5-Minutes From 24/7 Walmart Supercenter, Menards, and Meijer
- » Closest Restaurant to the "World's Largest Free Fair"

» **SECURE NET-LEASED INVESTMENT**

- » Healthy Rent-to-Sales Ratio
- » 1% Rent Increases Annually
- » Zero Landlord Responsibilities

» **REPUTABLE TENANT**

- » Significant Plans for Expansion
- » Fast Growing Franchisee Group
- » Combined 50+ Years of QSR Experience

251 S. Dexter,
Ionia, MI 48846

ACTUAL SITE
PHOTO

OFFERING MEMORANDUM



| 20 Year Lease Term
| Absolute NNN Lease
| Double Drive Thru

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WHY INVEST?



LOCATION

- ✓ One of the Only and the Closest Restaurant to the "World's Largest Free Fair"
- ✓ 30 +/- Miles South of Downtown Grand Rapids, Michigan
- ✓ Current Concept Includes Lockdown Resistant Double Drive Thru
- ✓ 5-Minutes North of Major National Tenants, including: Walmart Supercenter, Meijer, Menards, Dollar Tree, Aldi, Walgreens, and More
- ✓ Strategically Positioned at the Official Ionia City Entrance



LEASE

- ✓ Brand New 20-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 1% Annually Including Option Periods
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each Bring the Potential Lease Term to Forty Years
- ✓ Successful Store with Strong Operating History and Healthy Rent-to-Sales Ratio
- ✓ Ideal for Out-of-State Investors - Tenant is Responsible for All Maintenance, Taxes, Insurance, Roof, and Structure




TENANT

- ✓ One of Burger King's Fastest Growing Franchisee Groups Operating in Michigan
- ✓ Factorial Restaurant Holdings, LLC ("Factorial") Currently Operates 26 Burger King Restaurants
- ✓ Significant Plans for Expansion Through a Robust M&A and Development Pipeline
- ✓ Trophy Brand | World's 2nd Largest Fast Food Hamburger Restaurant
- ✓ Factorial is led by industry veterans and advisors who have 50 plus years of combined restaurant and operations experience




**64,147+
POPULATION
IONIA METRO AREA**


**30 MINS TO
INTERNATIONAL
AIRPORT**


**30 MILES TO
DOWNTOWN
GRAND RAPIDS, MI**



W MAIN ST. (DAILY TRAFFIC: ±15,152)



S DEXTER ST. (DAILY TRAFFIC: ±17,655)

**UPCOMING RETAIL
DEVELOPMENT
SITE**

EXECUTIVE SUMMARY



LIST PRICE

\$3,185,822



CAP RATE

5.65%



LEASE TERM

20 YEARS



The Offering

PROPERTY ADDRESS	251 S. Dexter, Ionia, MI 48846
ASSET CLASS	Absolute Net-Leased Fast Food Restaurant
CONCEPT	Burger King
GUARANTOR	Factorial Restaurant Holdings, LLC ("Factorial")

Site Description

PARCEL	202-080-000-010-10
BUILDING SIZE	3,433 SF
LOT SIZE	1.076 Acres

Investment Overview

PURCHASE PRICE	\$3,185,822
NET OPERATING INCOME	\$179,999
CAP RATE	5.65%
AVERAGE CAP RATE OVER 20YRS	6.22%
COMMENCEMENT	10/23/2020
LEASE TERM	20 Years
LEASE TYPE	Absolute Net
RENT INCREASES	1% Annually
RENEWAL OPTIONS	Four (4), Five (5) Year Options

HIGHLIGHTS

PRICE	\$3,185,822
NOI	\$179,999
CAP RATE	5.65%
REMODELED	October 2011
LEASE TERM	20 Years
ESCALATIONS	1% Annually
RENEWALS	(4) (5) Year Options
LEASE TYPE	Absolute Net

FEATURES

- Brand New 20 Year Absolute NNN Lease w/ 1% Annual Increases including option periods
- Current Concept Includes Double Drive-Thru
- Healthy Rent-to-Sales Ratio
- Nearby Grand Rapids MSA: 1,038,583 Inhabitants
- Traffic Influx from Nearby Retail Corridor
- 5-Minutes North of: Walmart Supercenter, Meijer, Menards, Dollar Tree, Aldi, Walgreens, and More

BURGER KING

Absolute NNN Investment Opportunity

WELL-MAINTAINED NET LEASED INVESTMENT

Marcus & Millichap is pleased to exclusively offer a freestanding Burger King situated directly at the city entrance of Ionia, MI on S. Dexter St. which experiences a traffic volume of nearly 18,000 vehicles per day. Nestled in the heart of Michigan, the City of Ionia is a dynamic community of more than 10,000 residents and 60,000 county wide. This Burger King is offered with a secure, **Brand-New 20 Year Absolute NNN Lease** featuring 1% annual rent increases, hedging against inflation.

DENSE RETAIL CORRIDOR

Burger King is strategically positioned in the largest city and the county seat of Ionia County, Michigan, less than 30-miles from Downtown Grand Rapids, MI (Grand Rapids MSA: 1,038,583 Inhabitants). Burger King experiences an inflow of traffic from the nearby national credit tenants including: 24/7 Walmart Supercenter, Meijer, Menards, Dollar Tree, Aldi, Walgreens, as well as many local retailers. The estimated 5-mile population of 18,892 +/- surrounding the subject property is **projected to continue growing** for the coming years.



PRIME RETAIL CORRIDOR (5-MINUTES SOUTH)



S DEXTER ST. (DAILY TRAFFIC: ±17,655)

UPCOMING RETAIL
DEVELOPMENT SITE



FACTORIAL RESTAURANTS

Securing the success of your investment...

This Absolute Triple Net (NNN) investment is guaranteed by Factorial Restaurant Groups, LLC ("Factorial"). Factorial is one of Burger King's fastest growing franchisee groups operating in Michigan. Factorial is led by industry veterans and advisors who have 50 plus years of combined restaurant and operations experience, having most recently led the buy-out, growth and exit of Irish Beef, LLC, an Arby's franchisee located in the Southwest. Factorial represents "the next generation" of Burger King franchisees currently operating twenty-six (26) Burger King restaurants with significant plans for expansion through a robust M&A and development pipeline. They are laser focused on becoming the top Burger King franchisee in Michigan and anticipate operating a total of thirty-six (36) restaurants in the next five (5) years. The Factorial team is bolstered with the involvement of Fred Beilstein III of The Beilstein Group, LLC, a long-time restaurant industry CEO and ex-CFO of AFC Enterprises (predecessor to Popeyes) with experience as a franchisor and franchisee as well as within the Burger King system.

BURGER KING CORPORATE ENDORSEMENT

Factorial being approved by Burger King Corporation ("BKC") is a sign of credit strength in its own right. BKC is known as one of the most demanding franchisors when it comes to its stringent financial requirements. Just this year, BKC has further bolstered their standards for new franchisees.



**26+
UNIT OPERATOR**



**AMBITIOUS 5YR
EXPANSION PLAN**



**50+ YEARS OF
QSR EXPERIENCE**



**HEADQUARTERS:
CHICAGO, IL**





TICKER

NYSE: QSR



LOCATIONS

18,838



2019 REVENUE

\$1.78B

ANNUALIZED RENT

RENT YEAR	MONTHLY RENT	ANNUAL RENT	CAP RATE
Year 1	\$14,999.91	\$179,999	5.65%
Year 2	\$15,149.91	\$181,799	5.71%
Year 3	\$15,301.41	\$183,617	5.76%
Year 4	\$15,454.42	\$185,453	5.82%
Year 5	\$15,608.97	\$187,308	5.88%
Year 6	\$15,765.06	\$189,181	5.94%
Year 7	\$15,922.71	\$191,072	6.00%
Year 8	\$16,081.93	\$192,983	6.06%
Year 9	\$16,242.75	\$194,913	6.12%
Year 10	\$16,405.18	\$196,862	6.18%
Year 11	\$16,569.23	\$198,831	6.24%
Year 12	\$16,734.93	\$200,819	6.30%
Year 13	\$16,902.27	\$202,827	6.37%
Year 14	\$17,071.30	\$204,856	6.43%
Year 15	\$17,242.01	\$206,904	6.49%
Year 16	\$17,414.43	\$208,973	6.56%
Year 17	\$17,588.58	\$211,063	6.63%
Year 18	\$17,764.46	\$213,174	6.69%
Year 19	\$17,942.11	\$215,305	6.76%
Year 20	\$18,121.53	\$217,458	6.83%



"HAVE IT YOUR WAY"

Founded in 1954, Burger King ("BK") is the world's second largest fast food hamburger restaurant chain as measured by total number of restaurants. **As of December 31, 2019, BK owned or franchised a total of 18,838 BK restaurants in more than 100 countries and U.S. territories.** 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. **In December 2014, 3G Capital completed the combination of Burger King and Tim Hortons, forming Restaurant Brands International ("RBI") and going public on the New York and Toronto Stock Exchanges.** RBI expanded in 2017 with the purchase of US fast food chain Popeyes Louisiana Kitchen.



GEOGRAPHIC OVERVIEW



Ionia Free Fair
Ionia, MI



Downtown
Grand Rapids, MI

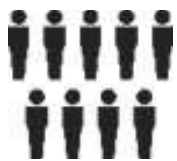
Ionia, Michigan

Ionia is a city located about halfway between Lansing and Grand Rapids on the banks of the Grand River. With its brick-paved Main Street and abundant historic architecture, the community exudes timeless small-town atmosphere that extends from Downtown into the surrounding neighborhoods. The city's biggest claim to fame is the Ionia Free Fair, an annual carnival at the riverside Fairground that attracts thousands of revelers from across the region every summer. The Fairground also hosts a multitude of public events year-round, including food truck showcases, craft beer festivals, and more. The surrounding area is packed with great opportunities for outdoor recreation, including the popular Jump Island and the Ionia State Recreation Area at Sessions Lake. The City is the largest city and the county seat of Ionia County, Michigan.

Nearby Metropolitan Area

Ionia is nestled in the heart of the Grand River Valley, "In the Middle of it All." The city features a beautifully renovated downtown business district and a modernized industrial center. Situated along the scenic Grand River, conveniently located just a few minutes north of I-96, Ionia offers a central location for day trips to Lake Michigan, as well as easy access to downtown areas of Lansing, Grand Rapids, and many other regional attractions. The Grand Rapids metropolitan area is part of the Great Lakes Megalopolis containing an estimated 54 million people. **The total population of the Grand Rapids MSA metro increased from 989,524 in 2010 to 1,028,962 in 2015, a change of 49,059 (5%).** Among all 917 metro areas in the United States, this metro was ranked number 52 in 2010 and 52 in 2015, based on total population. This metro is projected to have a total population in 2020 of 1,066,641. The projected population change from 2010 to 2020 is 77,436 (7.8%).

MARKET OVERVIEW



POPULATION

As of 2020, the population within a 5-mile radius of the subject property is estimated to be 18,892. The population has increased by 3.5% since 2000. It is estimated that the population will be 18,896 five years from now. The median age of the population is 36, compare this to the US average which is 38. The population density is 240 people per square mile.



HOUSEHOLDS

There are currently 5,476 households within a 5-mile radius of the subject property. The number of households has changed by 5.7% since 2000. It is estimated that the number of households in this area will be 5,534 five years from now, which represents an increase of 1% from the current year. The average household size is 2.6 people.



INCOME

As of 2020, the median household income within a 5-mile radius of the subject property is \$50,031, compared to the US average which is currently \$62,990. The median household income has increased by 22% since 2000. It is estimated that the median household income will be \$75,848 five years from now, which represents an increase of 16% from the current year.



EDUCATION

As of 2020, the population within a 5-mile radius of the subject property has more high-school graduates, 42.8 percent vs. 27.4 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 22.8 percent in the selected area compared with the 20.7 percent in the U.S.



HOUSING

The median housing value within a 5-mile radius of the subject property is \$221,068, compare this to the US median of \$221,068. In 2000, there were 3,899 owner occupied housing units and there were 1,283 renter occupied housing units in this area.



EMPLOYMENT

As of 2020, there were 6,704 employees within a 5-mile radius of the subject property, this is also known as the daytime population. The 2000 Census revealed that 46% of employees are employed in white-collar occupations in this geography, and 54% are employed in blue-collar occupations. In 2000, the average time traveled to work was 17 minutes.



OFFERING MEMORANDUM

251 S. DEXTER,
IONIA, MI 48846

ACTUAL SITE

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