



5335 Washington Avenue | Mount Pleasant, WI 53406

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**ALL PARCEL LINES ON AERIALS AND SITE PLAN ARE APPROXIMATELY.**

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# EXECUTIVE SUMMARY





# THE OFFERING

CBRE's Net Lease Property Group is pleased to exclusively present the opportunity to acquire 100% fee interest in an absolute NNN Burger King ground lease. The asset is located in the Mount Pleasant, approximately four miles west of downtown Racine, Wisconsin. The long-term lease has over 17 years of term remaining, zero landlord responsibilities, and strong 10% rental increases throughout the base term and option periods. The franchisee, Cave Enterprises, was founded in 1999 and has over 115 successfully operating restaurants in the Midwest.

Burger King is shadow anchored by Piggly Wiggly and Big Lots, which draw a tremendous amount of traffic to the area. Additional retailers within the surrounding shopping center include Mattress Firm, Rent-A-Center, Dollar Tree, Chick-fil-A, Panda Express, Hardee's and Papa John's Pizza. The site is well located at one of the busiest intersections in Racine county, on the south side of Washington Avenue (30,700 VPD), just east of South Green Bay Road (31,600 VPD). The Property is easily accessible from Washington Avenue as well as various access points from the surrounding shopping center. Burger King benefits from a strategic neighborhood location in proximity to the housing stock in the area and is surrounded by a growing, affluent population base.

Burger King operates the world's #2 hamburger chain (behind McDonald's) with more than 17,800 restaurants in 100 countries and U.S. territories. Almost 100% of Burger King restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. Burger King is a subsidiary of Restaurant Brands International (NYSE: QSR), which has FY 2019 total revenues of \$5.6 billion. With \$31 billion in annual system-wide sales and over 27,000 restaurants in 100 countries and U.S. territories, Restaurant Brands International Inc. is one of the world's largest quick service restaurant companies.



# INVESTMENT HIGHLIGHTS



## **LONG TERM OPPORTUNITY WITH STRONG FRANCHISEE:**

The opportunity to acquire 100% fee interest in a long term absolute NNN Burger King ground lease. The 20-year lease has over 17 years of term remaining, and strong, 10% rental increases every five years during the base term and in each option period. The franchisee, Cave Enterprises, was founded in 1999 and has over 115 successfully operating restaurants in the Midwest.



## **ABSOLUTE NNN GROUND LEASE:**

This is an absolute NNN ground lease with zero landlord responsibilities, perfect for the passive investor that wants to sit back and collect positive cash flows.



## **STRONG TENANCY:**

Burger King operates the world's #2 hamburger chain (behind McDonald's) with more than 17,800 restaurants in 100 countries and U.S. territories. Burger King was founded in 1954 and now serves more than 11 million guests around the world daily.



## **TRADE AREA RETAIL CORRIDOR:**

The Property is shadow anchored by Piggly Wiggly and Big Lots and surrounded by several regional and national retailers. Other retailers in the corridor include Kohl's, Walmart Neighborhood Market, Ulta Beauty, Festival Foods, Five Below, Dollar Tree and Gordon Food Service.



## **HIGH TRAFFIC LOCATION:**

Burger King is located next to one of the busiest intersections in Racine County. The site is located on Washington Avenue and benefits from 30,700 vehicles passing the site daily. Green Bay Road is located immediately west which has over 31,600 vehicles per day.



## **OUTSTANDING ACCESS AND VISIBILITY:**

Burger King is highly visible with no impeding outlots and benefits from a direct ingress/egress access point next to the site from Washington Avenue. There are additional access points via the surrounding shopping center.



## **TRADE AREA DEMOGRAPHICS:**

The surrounding area has a strong demographic profile, with a stable customer base. Within three miles of the asset is a population of 85,134 residents with an average household income of \$66,156; within five miles is a population of 125,297 residents with an average household income of \$68,799 - nearly 34% and 26% higher than the national average, respectively.

# FINANCIAL OVERVIEW

OFFERING PRICE	<b>\$1,400,000</b>			
CAP RATE	5.00%			
Current Annual Rent	Lease Year	Lease Dates	Annual Rent	Monthly Rent
	Year 1 - 5	May 25, 2018 to May 31 2023	\$70,000.00	\$5,833.33
	Year 6 - 10	June 1, 2023 to May 31, 2028	\$77,000.00	\$6,416.67
	Year 11 - 15	June 1, 2028 to May 31, 2033	\$84,700.00	\$7,058.33
	Year 16 - 20	June 1, 2033 to May 31, 2038	\$93,170.00	\$7,764.17
Option Rent	Option 1: Year 21 - 25	June 1, 2038 to May 31, 2043	\$102,487.00	\$8,540.58
	Option 2: Year 26 - 30	June 1, 2043 to May 31, 2048	\$112,735.70	\$9,394.64
	Option 3: Year 31 - 35	June 1, 2048 to May 31, 2053	\$124,009.27	\$10,334.11
	Option 4: Year 36 - 40	June 1, 2053 to May 31, 2058	\$136,410.19	\$11,367.52
Parcel Size	±0.67 Acres / 29,058 Square Feet			
Building Size	±2,903 Square Feet			
Tenant	Cave Enterprises Operations, LLC			
Term Remaining	17 Years, 5 Months			
Original Lease Commencement	May 25, 2018			
Lease Expiration	May 31, 2038			
Renewal Options Remaining	Four, 5-Year Options			
Rental Increases	10% every 5 years in base term and 10% at the beginning of each renewal option.			
Landlord Responsibilities	None			



# AERIAL VIEW LOOKING NORTHEAST





# PROPERTY DESCRIPTION





# PROPERTY DESCRIPTION

## SITE DESCRIPTION

Property Name: Burger King

Location: 5335 Washington Avenue  
Mount Pleasant, WI 53406  
(Racine County)

Site Size:  $\pm$  0.67 Acres/29,058 Square Feet

Building Size:  $\pm$  2,903 Square Feet

Year Built: 2018

PIN: 151-03-22-13-170-100

Shape: Rectangular

Frontage: The site has  $\pm$ 197 feet of frontage along Washington Avenue.

Parking: 27 Total Spaces  
(9.3 per 1,000 SF of GLA)

Access: The Property has direct ingress/egress from Washington Avenue. The Property is also accessible via the surrounding shopping center.

Flood Hazard: According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 55101C0229D dated May 2, 2012. Zone X, an area that is determined to be outside the 100-and 500-year floodplains.

Zoning: The property is zoned B-2.





# SITE PLAN



# TENANT PROFILES



Burger King operates the world's #2 hamburger chain (behind McDonald's) with more than 17,800 restaurants in 100 countries and U.S. territories. Burger King was founded in 1954 and now serves more than 11 million guests around the world daily. In addition to its popular Whopper sandwich, the chain offers a variety of burgers, chicken sandwiches, salads, and breakfast items. Most of Burger King's free-standing units offer drive-through service as well as dine-in seating. Almost 100% of Burger King restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

Burger King is a subsidiary of Restaurant Brands International (NYSE: QSR), which has FY 2019 total revenues of \$5.6 billion. With \$31 billion in annual system-wide sales and over 27,000 restaurants in 100 countries and U.S. territories, Restaurant Brands International Inc. is one of the world's largest quick service restaurant companies. In addition to Burger King, Restaurant Brands International Inc. also owns Tim Hortons and Popeyes.

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**17,800**  
Locations



**Total Revenue**  
**\$5.6 Billion**



**Stock Symbol**  
**NYSE: QSR**



**Founded in**  
**1954**



**Headquarters**  
**Miami, FL**



**Employees**  
**30,500+**





# MARKET OVERVIEW





# TRADE AREA OVERVIEW

## RACINE MARKET OVERVIEW

Racine is situated approximately 25 miles south of Milwaukee and 65 miles north of Chicago along the shores of Lake Michigan. With a current population of 78,842 residents it is the fifth largest city in Wisconsin and the county seat of Racine County. Racine's location and its proximity to Interstate 94 provides easy access to metropolitan Milwaukee and Chicago, as well as Mitchell International Airport.

Historically, Racine's economy has been based on manufacturing; however, in recent years the area's economy has begun to transition more to service based and professional industries. Major employers in the area include SC Johnson & Son Inc., CHN America, Emerson Electric, and Wheaton Franciscan Healthcare. Racine County is home to nearly 6,000 business and more than 350 manufacturing companies in operation and has seen 11.2% job growth since 2010, not including the thousands of employment opportunities offered by the incoming Foxconn facilities. These companies, and their thousands of employees, are deeply woven into the fabric of the Racine community.

Racine County is bordered by Kenosha County to the south, Milwaukee County to the north, Walworth County to the west, and Lake Michigan to the east. The current population of Racine County is over 199,000, and includes two cities, six towns and nine villages.



# MARKET OVERVIEW

Milwaukee is the largest city in the state of Wisconsin, the 31st most populous city in the United States, and the 39th most populous metro area in the United States. The city of Milwaukee boasts a population of 588,573, while the Milwaukee metropolitan area recorded a population of 1.6 million. Milwaukee is the economic, cultural, and regional center for this Milwaukee-Racine-Waukesha metropolitan area and draws commuters from Madison, Chicago, and the Fox Cities. The city is home to numerous historic neighborhoods and world-famous parks. Furthermore, downtown Milwaukee is known for its combination of old-world charm and modern architecture, accompanied by a beautiful lakefront location.

Best known as home to the Milwaukee Brewers, Milwaukee Bucks and host of Summerfest, one of the world's largest music festivals, Milwaukee is Wisconsin's largest and most vibrant city. Milwaukee sits directly along Lake Michigan in southeast Wisconsin,

just 90 minutes north of Chicago, IL. It's a city that's large enough to support a diverse economy, prosperous business environment, a multitude of higher education options and a variety of sporting and entertainment options throughout the year for Milwaukee MSA residents and visitors.

The city boasts a thriving business environment with several Fortune 500 headquarters. Companies such as Briggs & Stratton, Harley-Davidson, Jockey International, Kohl's Department Stores, Master Lock, ManpowerGroup, Northwestern Mutual, Rockwell Automation and S.C. Johnson are all proud to call Milwaukee their home. Additionally, Milwaukee is home to numerous secondary educational options such as Marquette University (private), University of Wisconsin - Milwaukee (public), Milwaukee School of Engineering (private), Milwaukee Institute of Art and Design (private), the Medical College of Wisconsin (private), and numerous other private and technical colleges.

## MILWAUKEE'S TOP EMPLOYERS



## ECONOMY

Milwaukee has historically been a bedrock of Midwestern blue-collar industry. However, the times of brewing and heavy manufacturing have slowly been overtaken by new occupants, eager to propel the city to its maximum potential. Milwaukee is currently the home to 7 of Wisconsin's 8 Fortune 500 companies with Wisconsin boasting an unemployment rate of 5.4% compared to the national average of 7.9%.

## WISCONSIN'S FORTUNE 500 COMPANIES

COMPANY	2019 ANNUAL REVENUES	# OF EMPLOYEES
Northwestern Mutual	\$32.3B	5,964
Manpower Group	\$20.7B	28,000
Kohl's	\$20.0	79,000
American Family Insurance Group	\$12.6B	13,531
Fiserv	\$10.2B	44,000
Oshkosh	\$8.4B	15,400
WEC Energy Group	\$7.5B	7,509
Rockwell Automation	\$6.7B	23,000

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## Cost of Living Index

New York: 100

Chicago: 81

Minneapolis: 80

U.S. Average: 70

Indianapolis: 65

St. Louis: 68

**Milwaukee: 80**

source: Numbeo

# MARKET OVERVIEW

## HIGHER EDUCATION

Milwaukee has seven established universities, including the University of Wisconsin - Milwaukee, which is the second largest in the state of Wisconsin with approximately 30,000 students enrolled. Other universities in the area include Marquette University, Cardinal Stritch University, Concordia University, Carroll University, Alverno College, and the Milwaukee School of Engineering, which is located across the river from Schlitz Park. In addition, there are numerous other private and public colleges, including the prestigious Medical College of Wisconsin.



# 67,000+

STUDENTS IN DOWNTOWN  
MILWAUKEE

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## THRILLIST

LISTS MILWAUKEE  
AS:

“One of America’s most under appreciated cities you should totally move to with a diverse cultural capital, boasting a world-class art museum, the world’s largest music festival in Summerfest, and more craft breweries than you can shake a usinger’s meat stick at.”

## CITY OF FESTIVALS



Milwaukee is host to Summerfest, one of the world’s largest music festivals, running 11 days with 10 stages. Additional ethnic and cultural celebrations and festivals are held year round including German Fest, Polish Fest, PrideFest, Bastille Days and many, many more.

## CREAM CITY



In the 1800s, Milwaukee began producing cream-colored bricks. Many of Milwaukee’s most architecturally appealing historic buildings were constructed with these superior strength, weather-resistance, color-retaining bricks.

## BREW CITY



At one point, Milwaukee was home to four of the largest breweries in the nation - Miller, Pabst, Blatz & Schlitz. It was also known as the Beer Capital of the World.



# MARKET OVERVIEW

**ONE OF THE BEST**  
CITIES FOR YOUNG ADULTS  
— *Business Insider*

**TOP 100 BEST  
PLACES**  
FOR BUSINESS & CAREERS  
— *forbes.com*

**TOP 50**  
BEST PLACES TO LIVE  
— *U.S. News*



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**10 MOST EXCITING**  
CITIES IN AMERICA  
— *Movoto*

**10 COOLEST CITIES**  
IN THE MIDWEST  
— *msn.com*



# MARKET OVERVIEW

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# AVERAGE INCOME



## 2020 AVERAGE HOUSEHOLD INCOME

1 MILE | \$65,373  
3 MILES | \$66,156  
5 MILES | \$68,799

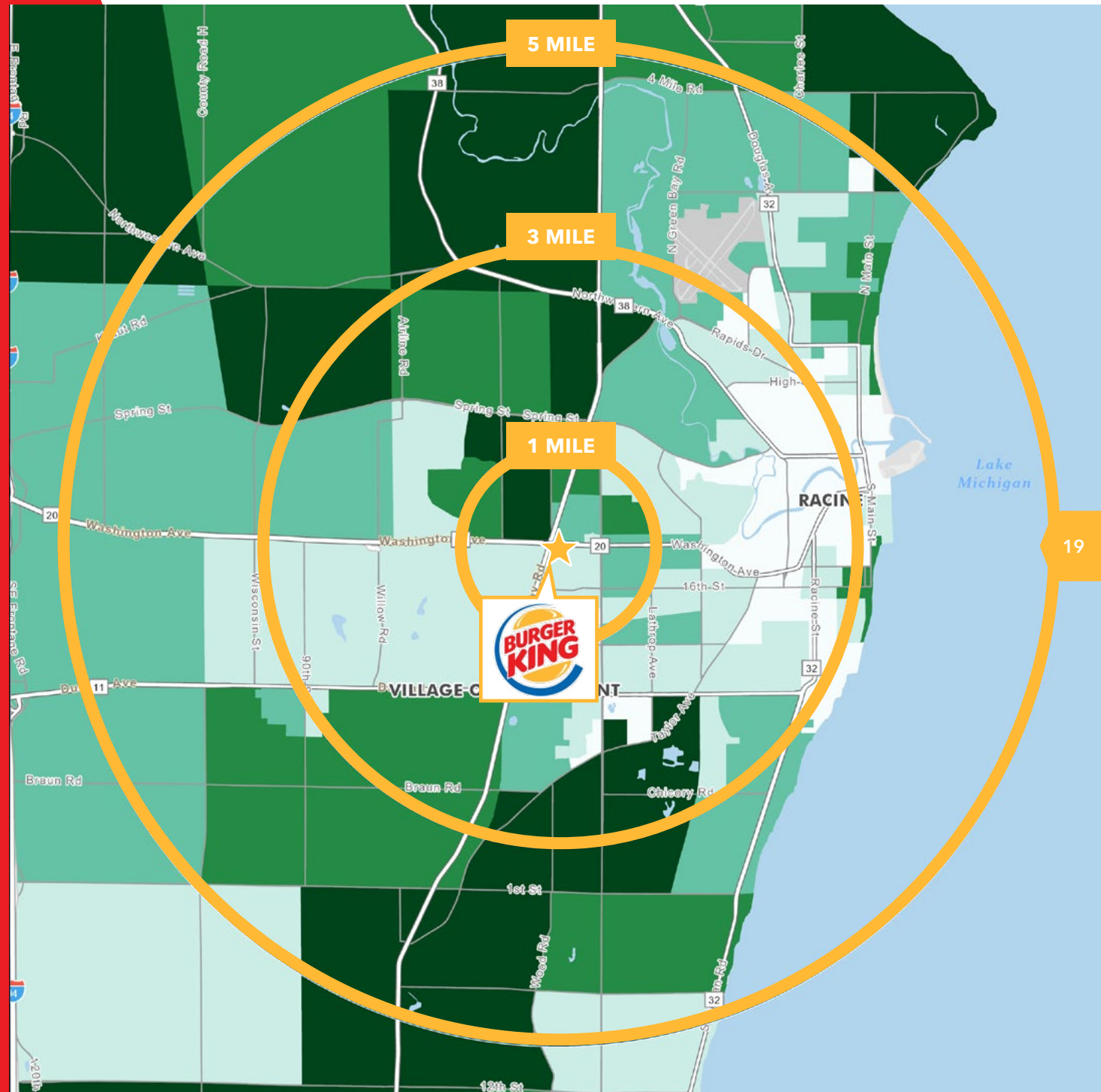


## 2025 AVERAGE HOUSEHOLD INCOME

1 MILE | \$70,470  
3 MILES | \$71,685  
5 MILES | \$74,874

### AVERAGE HOUSEHOLD INCOME - 2020

- Over \$110,000
- \$90,000 to \$110,000
- \$70,000 to \$90,000
- \$50,000 to \$70,000
- Less than \$50,000



# POPULATION DENSITY



## 2020 POPULATION

**1 MILE** | 11,815  
**3 MILES** | 85,134  
**5 MILES** | 125,297

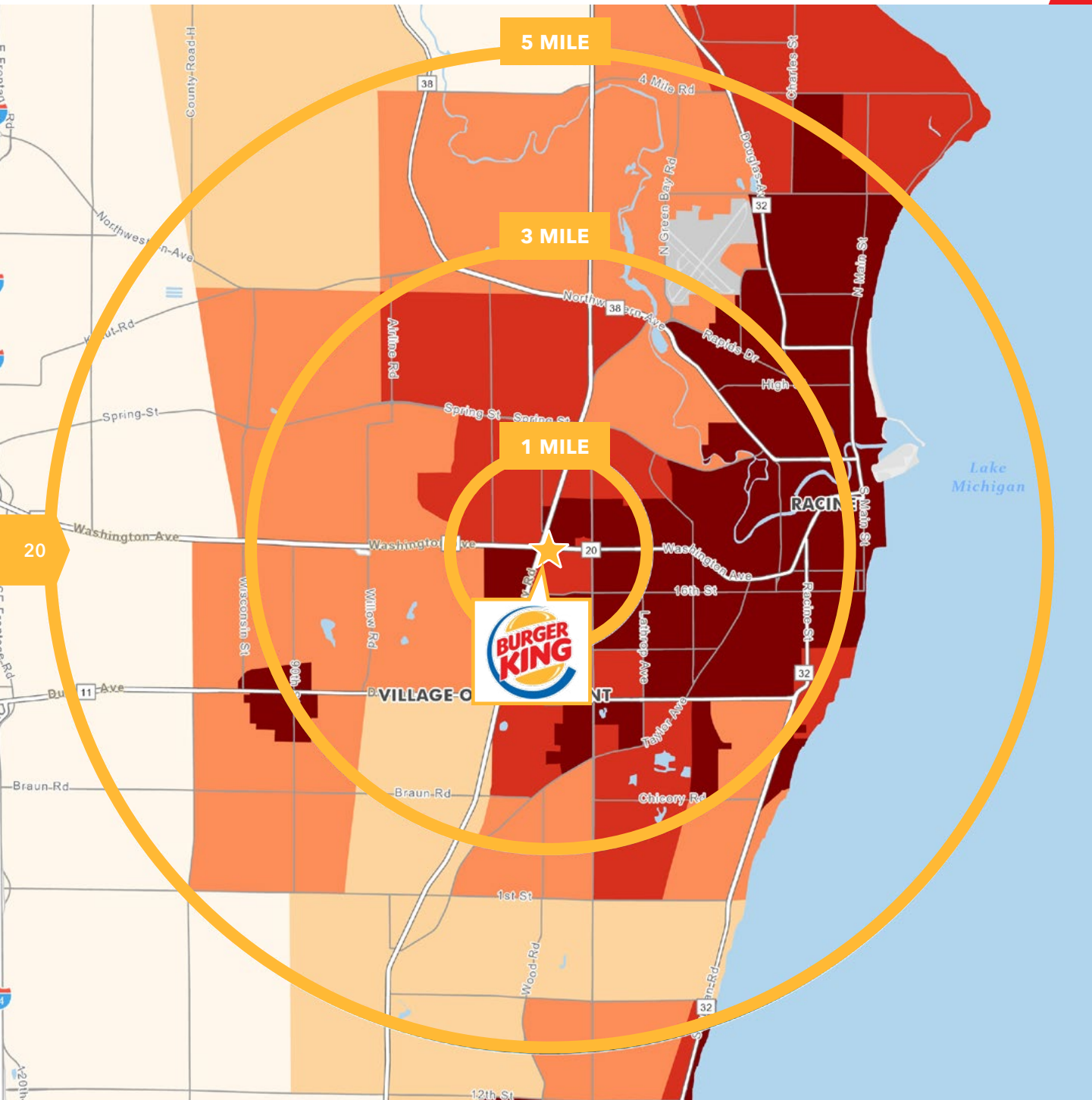


## 2025 POPULATION

**1 MILE** | 11,887  
**3 MILES** | 85,620  
**5 MILES** | 126,881

## POPULATION PER SQUARE MILE - 2020

- Over 3,000
- 2,500 to 3,000
- 500 to 1,500
- 250 to 500
- Less than 250





# POPULATION GROWTH



## 2020 HOUSEHOLDS

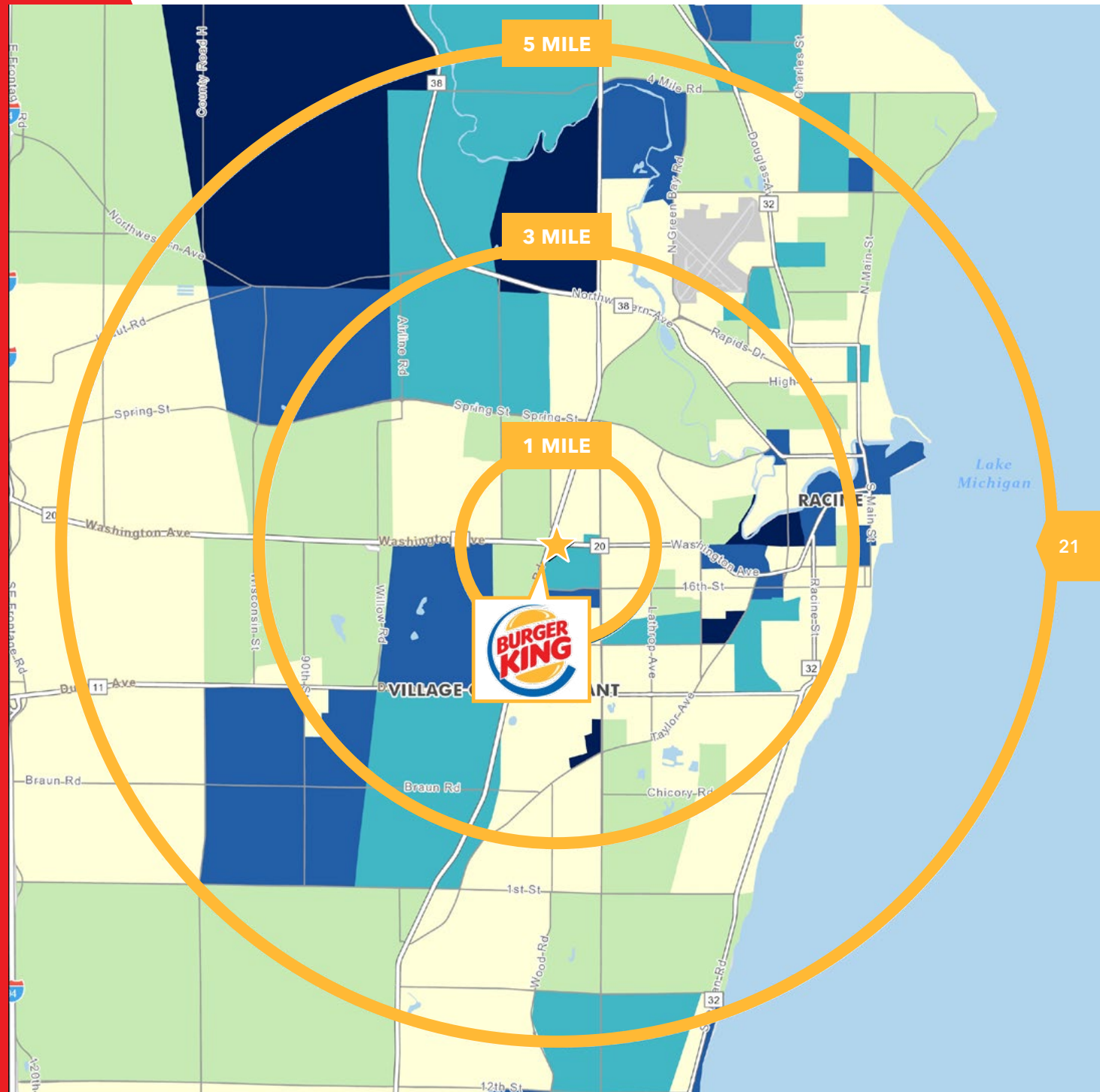
1 MILE | 5,271  
3 MILES | 32,984  
5 MILES | 49,296



## 2025 HOUSEHOLDS

1 MILE | 5,308  
3 MILES | 33,218  
5 MILES | 50,060

## POPULATION GROWTH 2010 - 2020





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