

OFFERING MEMORANDUM

Net Leased Restaurant

Marcus & Millichap

1817 Garnett Street
Henderson, NC 27536



Long-Term
Absolute
NNN Lease



Established
Historical Presence



Strong Sales
Healthy
Rent-to-Sales

ACTUAL SUBJECT PROPERTY



FINANCIAL OVERVIEW

PRICE: \$2,600,000 | RENT: \$123,750

Property Address	1817 N Garnett Street
City, State, Zip	Henderson, NC 27536
Estimated Building Size (SF)	2,321
Lot Size SF/Acres	66,211 SF 1.52 Acre(s)
Year Built Remodel	1996 2019

LEASE SUMMARY

Property Type	Net Leased Restaurant
Ownership	Public
Tenant	Burger King
Guarantor	Carrols, LLC
Rent Commencement Date	3/7/2014
Lease Expiration	3/7/2034
Lease Term Remaining	13 Years
Lease Type	NNN
Roof & Structure	Tenant Responsibility
Options to Renew	Four 5-Year Options
Base Term Rental Escalations	10% Every Five Years
Percentage Rent	No
Right of First Refusal	No

RENT SCHEDULE	ANNUAL BASE RENT	MONTHLY BASE RENT	CAP RATE
Years 1-5	\$ 112,750	\$ 9,396	-
Years 6-10	123,750	\$10,313	4.76%
Years 11-15	\$ 136,125	\$ 11,344	5.23%
Years 16-20	\$ 149,727	\$ 12,477	5.76%
Option I Years 21-25	\$ 164,700	\$ 13,725	6.33%
Option II Years 26-30	\$ 181,170	\$ 15,098	6.97%
Option III Years 31-35	\$ 199,287	\$ 16,607	7.66%
Option IV Years 36-40	\$ 219,216	\$ 18,268	8.43%
Cap Over Initial Term			5.25%
Cap Over Potential Term			6.45%

This information has been secured from sources we believe to be believable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used here in are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. ©2021 Marcus & Millichap ACT ID # ZAC000000

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this single-tenant, absolute triple-net Burger King restaurant opportunity located in Henderson, North Carolina. The property consists of 1.52 acre of land improved with a 2,321-square foot building. The recently remodeled restaurant has nearly 13 years remaining of the original 20-year lease with Carrols Corporation, the largest franchisee in the Burger King system. Annual base rent is set at \$123,750 with 10 percent rental increases every five years, as well as in four 5-year option periods.

The restaurant is located on a direct exit to I-85, the foremost Interstate in the region connecting Atlanta, Charlotte, Raleigh, and Richmond, VA. The site also benefits from outstanding visibility and excellent access with two points of ingress/egress on a signalized intersection along Parham Road and Garnett Street. Traffic counts are over 16,000 vehicles per day at the intersection. Burger King has been a long-time tenant at this location with an established historical presence of more than 30 years. The restaurant enjoys above average sales due in part to its strategic location directly off exit 215. Nearby retailers include Subway, Dollar General, Food Lion, Econo Lodge, Speedway, Shell, and Citgo among numerous others.



TENANT OVERVIEW



today

In the latter part of 1975, Carrols made a major decision concerning its future growth and direction. Today Carrols owns and operates over 1000 restaurants under the Burger King and Popeyes brands.



Market Summary > Carrols Restaurant Group Inc

6.90 USD

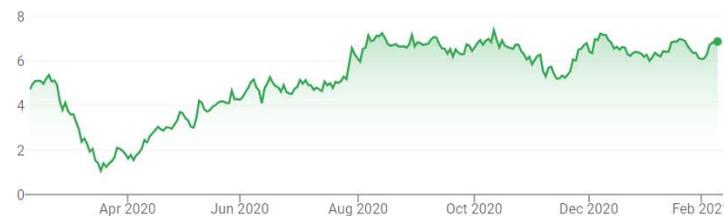
+0.050 (0.73%) ↑

Feb 9, 12:56 PM EST - Disclaimer

NASDAQ: TAST

+ Follow

1 day | 5 days | 1 month | 6 months | ytd | 1 year | 5 years | max



Open	6.96	Mkt cap	358.39M	Prev close	6.85
High	7.00	P/E ratio	-	52-wk high	7.57
Low	6.82	Div yield	-	52-wk low	0.98

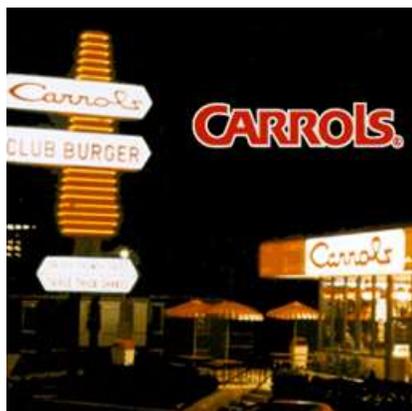
1975

In the latter part of 1975, Carrols made a major decision concerning its future growth and direction. Carrols entered into a franchise agreement with BURGER KING ® Corporation, which involved the conversion of a select number of Carrols restaurants to BURGER KING ® restaurants over a five-year period. Concurrently, the remaining Carrols restaurants (non-convertible locations) were phased out and became non operational.

1960

It all began in 1960, when Carrols Systems was founded as a division of a larger Midwestern firm. At that time, Herbert N. Slotnick was granted the exclusive Carrols license rights for the state of New York. Under his direction, Carrols Drive-In Restaurants of New York became the largest and most flourishing franchise group in the System - and Carrols became the northeast's leader in the growing fast food field.

Progressing through the mid-seventies, Carrols had grown to one of the largest regionalized fast food chains in the northeastern United States, with over 150 restaurants.



CORPORATE OVERVIEW



RBI is an American Canadian multinational fast-food holding company. Formed in 2014 by the \$12.5 billion merger between American fast-food restaurant chain Burger King and Canadian coffee shop and restaurant chain Tim Hortons and expanded by the 2017 purchase of American fast-food chain Popeyes Louisiana Kitchen, the company is the fifth-largest operator of fast food restaurants in the world. The company is based alongside Tim Hortons in Toronto. Burger King and Popeyes retain their existing operations and headquarters, both in Miami. The 2014 merger focused primarily on expanding the international reach of the Tim Hortons brand, and providing financial efficiencies for both companies. The company is majority-owned by the Brazilian investment company 3G Capital—the previous majority owner of Burger King—holding a 51% stake. The company is publicly traded on the New York and Toronto Stock Exchanges. In January 2019, Jose Cil was named the CEO of Restaurant Brands International.

Every day, more than 11 million guests visit BURGER KING® restaurants around the world and they do so because their restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, the BURGER KING® brand is the second largest fast-food hamburger chain in the world. The original HOME OF THE WHOPPER®, the BURGER KING® system operates more than 17,800 locations in more than 100 countries and U.S. territories. 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.



AERIAL



DOLLAR GENERAL



Durham, NC



Henderson City Hall



36,000+ VPD



East Carolina Tire Company

N Garnett Street
16,000+ VPD



Northern Vance Middle School
6,300 Students



AERIAL

66,211 SF Lot | 1.52 Acres

2019 Remodel



ACTUAL SUBJECT PROPERTY



HENDERSON, NC



POPULATION

2025 Projection

Daytime Population

	3-MILE	5-MILES	10-MILES	3-MILE	5-MILES	10-MILES
	17,883	27,356	50,855	20,586	28,163	41,092



INCOME

Average

Median

	3-MILE	5-MILES	10-MILES	3-MILE	5-MILES	10-MILES
	\$46,499	\$54,171	\$57,759	\$30,199	\$36,348	\$41,879



HOUSEHOLDS

2025 Projections

2020 Households

	3-MILE	5-MILES	10-MILES	3-MILE	5-MILES	10-MILES
	6,855	10,551	19,077	6,885	10,552	18,925



RALEIGH, NC MSA

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina where the North American Piedmont and Atlantic Coastal Plain regions join. The area is approximately two hours west of the Atlantic Ocean and four hours east of the Appalachian Mountains. The metro is composed of 11 counties: Wake, Durham, Johnston, Chatham, Orange, Franklin, Harnett, Vance, Granville, Lee and Person.

The market has a population of nearly 2.2 million people, almost half of whom live in Wake County. Raleigh, home to the state capitol, is the most populous city in the metro with approximately 464,000 citizens. Durham is the second largest with 269,000 residents.

METRO HIGHLIGHTS



HIGHLY SKILLED WORKFORCE

Numerous world-renowned colleges and universities are located in the metro and contribute to an educated labor pool.



AFFORDABLE COST OF LIVING

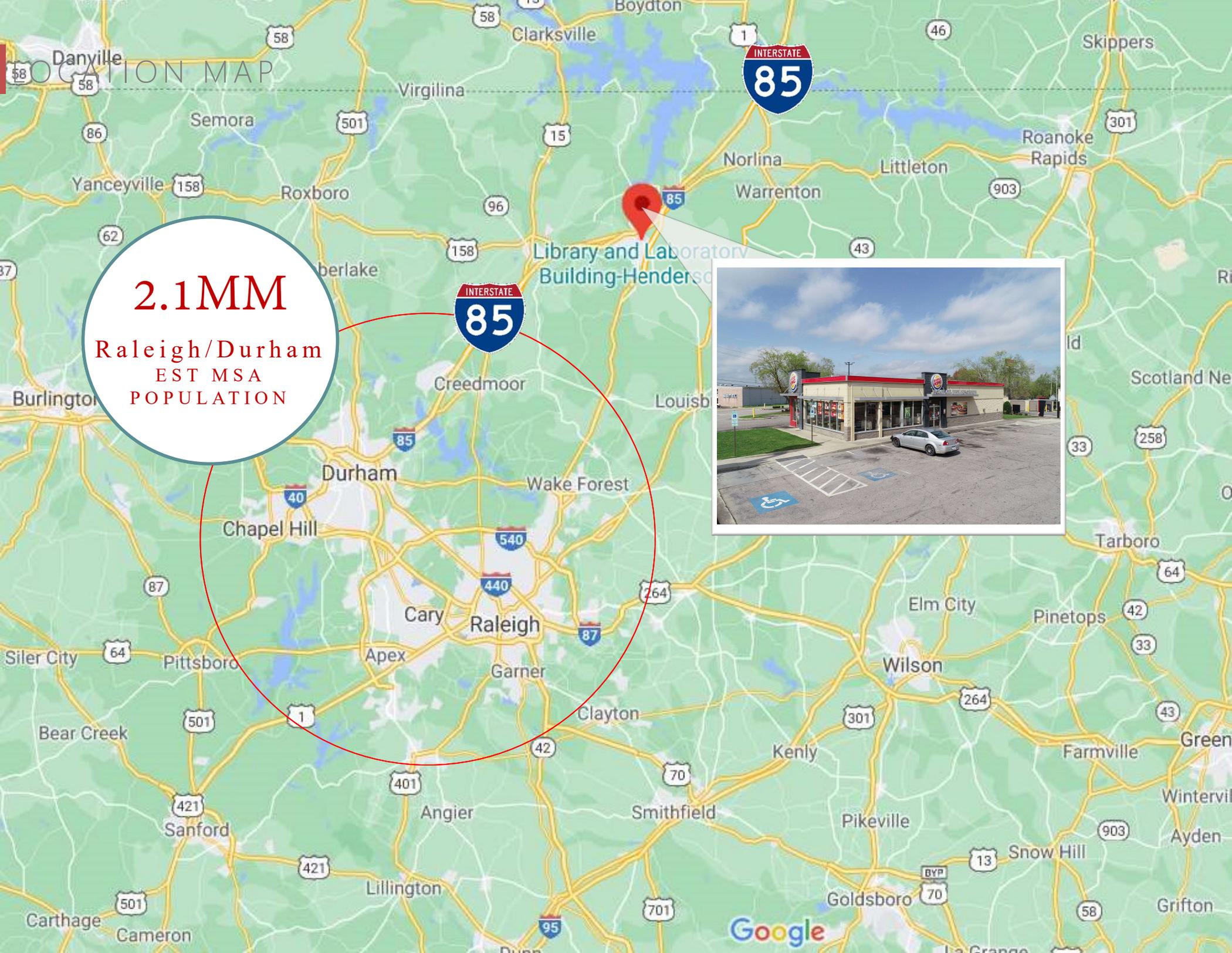
A metro median home price of roughly \$290,000 is lower than many other East Coast communities and the annual median household income of \$65,100 is well above that of the U.S.



HIGH-TECH EMPLOYMENT

The Research Triangle Park attracts and fosters high-tech and biotechnology firms.

* Forecast Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



2.1MM
Raleigh/Durham
EST MSA
POPULATION



NON-ENDORSEMENT AND DISCLAIMER NOTICE

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

DISCLAIMER

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. Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors. 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. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

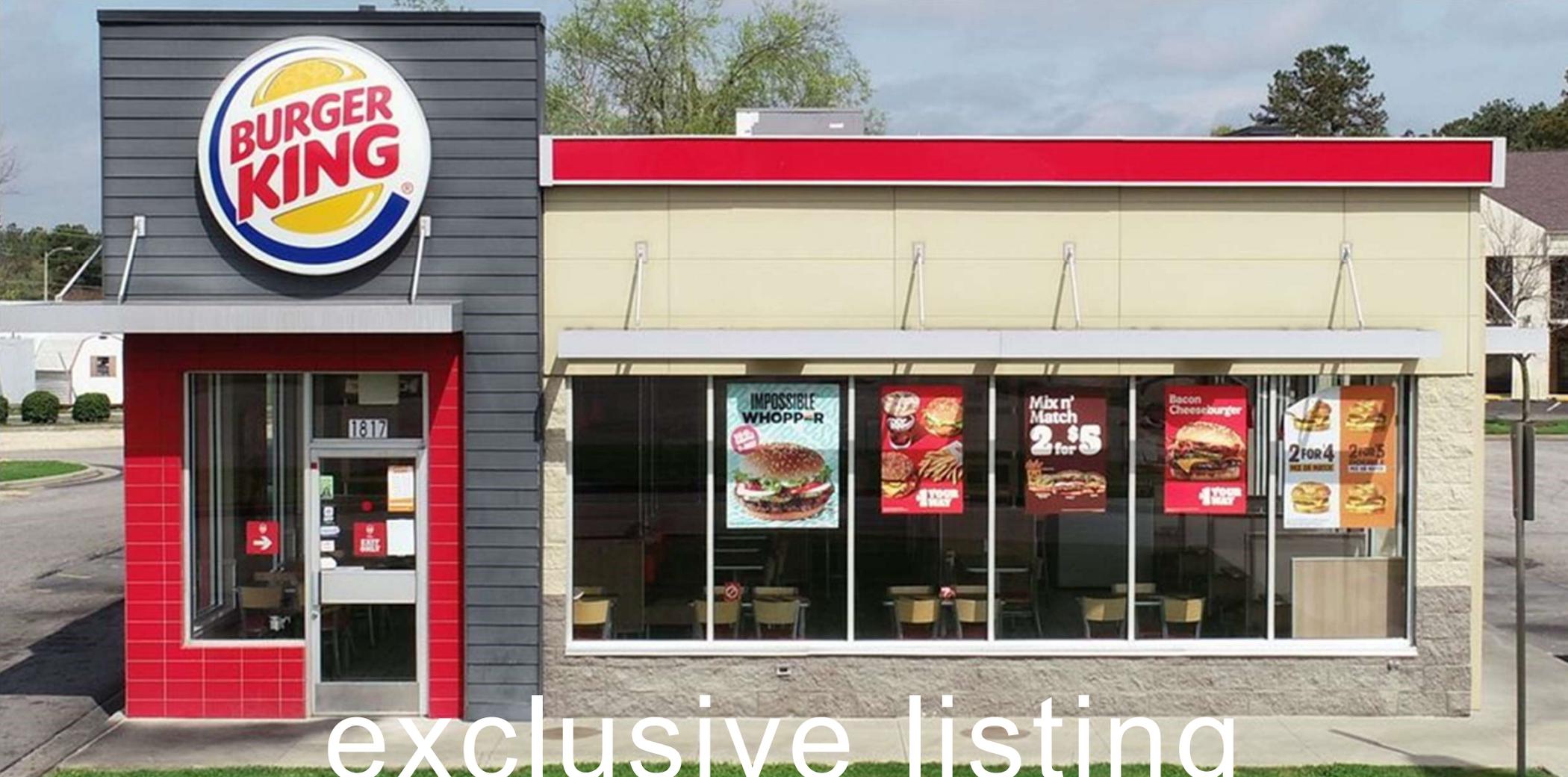
The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due Diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the 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.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

NON-ENDORSEMENTS

Marcus & Millichap Real Estate Investment Services, Inc ("Marcus & Millichap") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ACT ID # ZAC0390000



exclusive listing

Burger King | Henderson, NC

Derek R. Byers

Investment Associate
Member
Net Leased Properties Group
Charleston Office
843.952.2261
Derek.Byers@MarcusMillichap.com
License: SC105525

Debra L. Franklin

First Vice President Investment
Associate Director
Net Leased Properties Group
Miami Office
305.308.2635
Debra.Franklin@MarcusMillichap.com
License: FL3282650

Broker of Record
Ben Yelm
License #303785
843.952.2222

Marcus & Millichap

OFFICES NATIONWIDE
WWW.MARCUSMILLICHAP.COM