

# 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%

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# 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.

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# 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

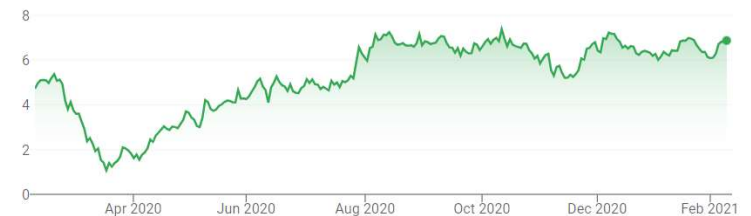
+0.050 (0.73%) ↑

Feb 9, 12:56 PM EST - Disclaimer

NASDAQ: TAST

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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

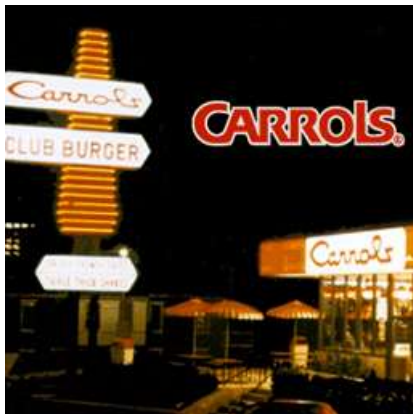
*1975*

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



*Tim Hortons*



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



East Carolina Tire  
Company

36,000+ VPD



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 capital, 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.

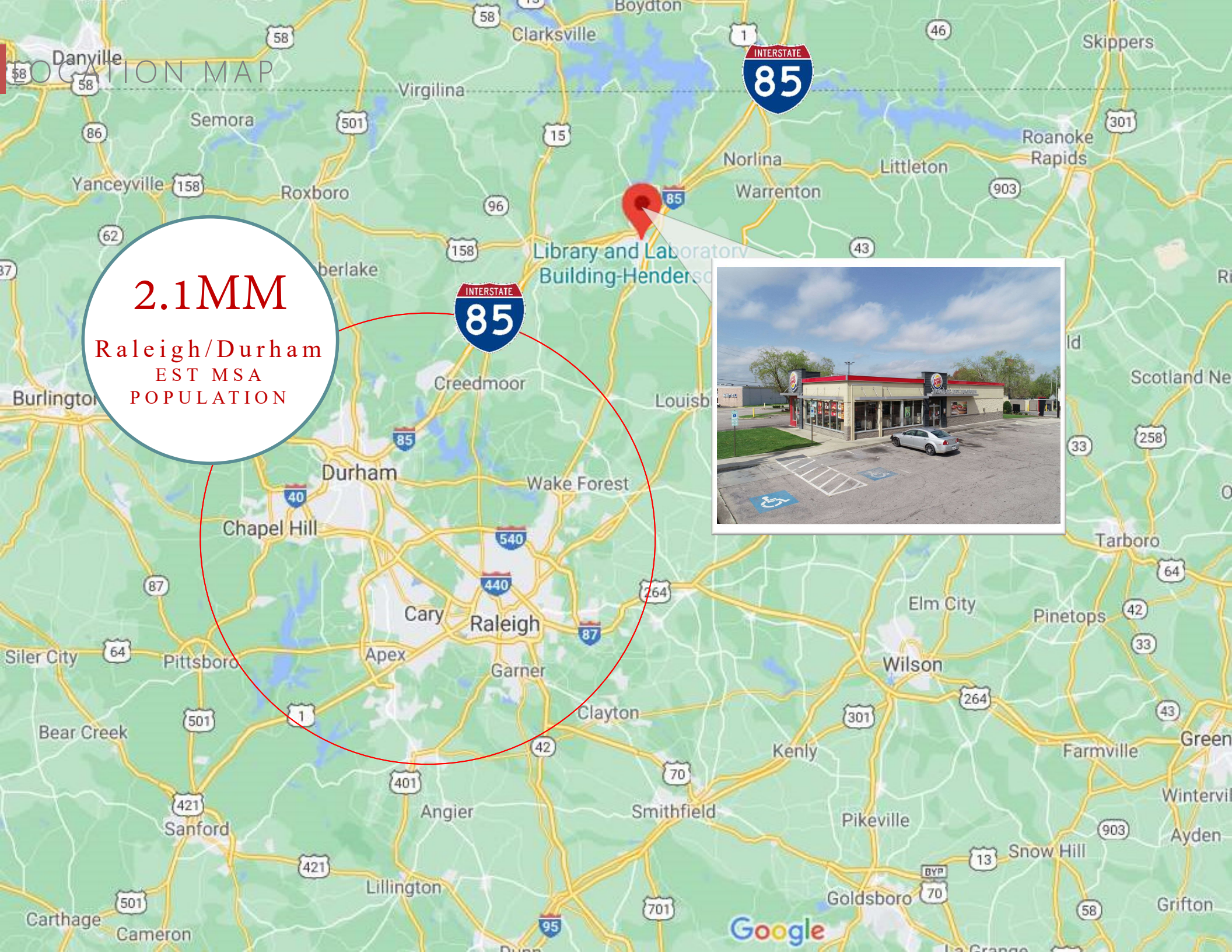


### HIGH-TECH EMPLOYMENT

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







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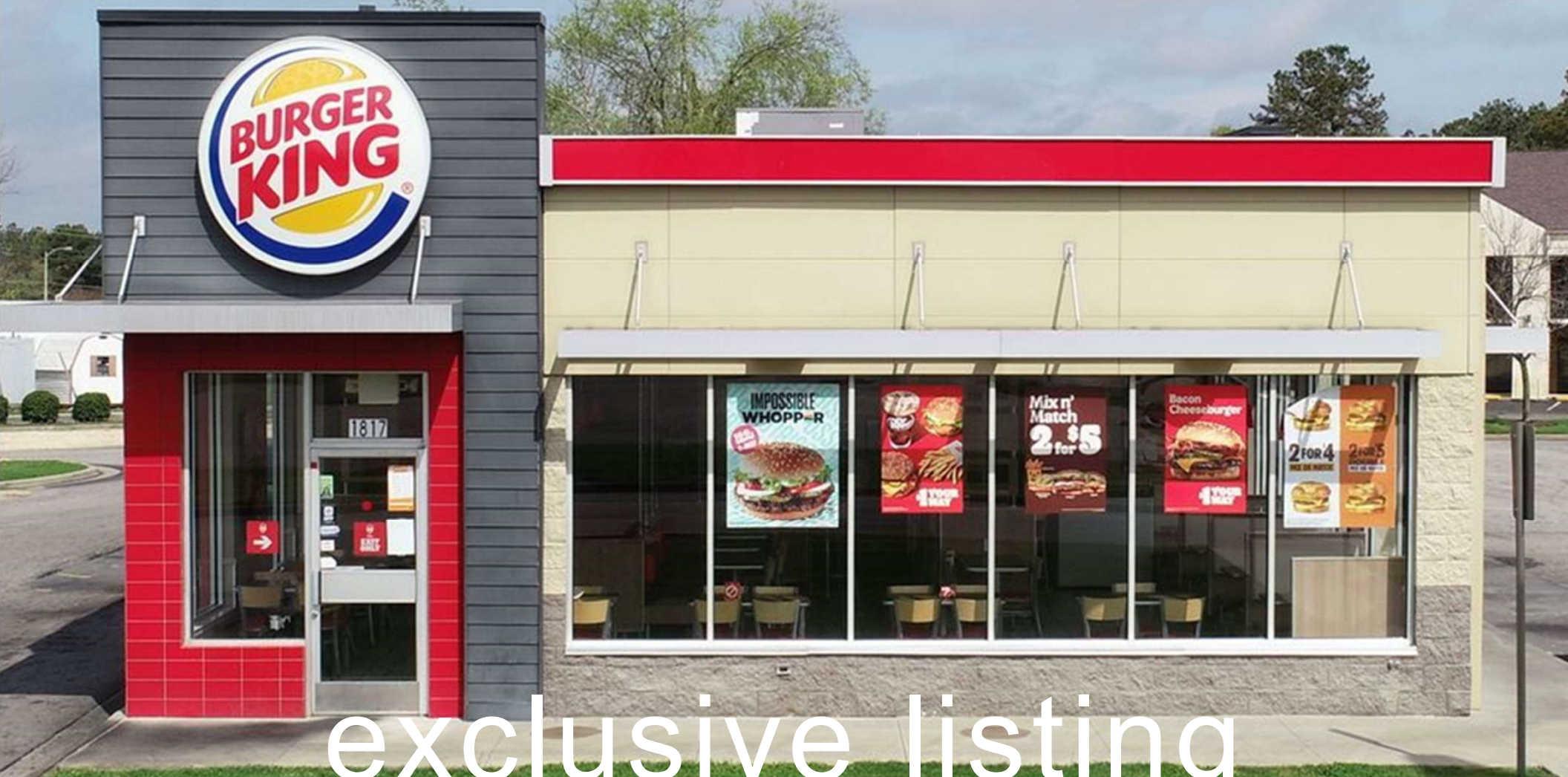
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ACT ID # ZAC0390000



# exclusive listing

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