

BURGER KING | 17+ YEARS | CARROLL'S CORP GUARANTY

440 Galleria Drive | Johnstown, PA



Exclusively Listed By:

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INVESTMENT OVERVIEW

Investment Summary

Graystone Capital Advisors are pleased to exclusively list for sale this Burger King located in Johnstown, Pennsylvania. Strategically located amongst national retailers this property features a long-term absolute-net lease with 17 years remaining on the base term and four, five-year options to extend. Additionally this asset benefits from 1.50% annual rent increases and a corporate guaranty from the publically traded Carrols Corporation (NASDAQ: TAST), the largest Burger King Franchisee in the system and third-largest franchisee of any concept in the United States. The property was remodeled in 2019 giving evidence to the operator's continued commitment to the location. Both Carrols Corp (\$1.547B - 2020 Sales) and the Burger King (Parent RBI - \$4.97B - 2020 Sales) reporting strong sales through 2020, giving further evidence to the security of a Covid-resistant tenant in an excellent position for long-term investment stability for a potential investor.



INVESTMENT OVERVIEW

Property Highlights

- 17+ Years Remain on Absolute Net Lease | Zero Landlord Responsibilities
- Guaranteed by Carrols, LLC - Largest Burger King Franchisee | Ranked Third Largest Franchisee in US by Franchise Times
- 1.5% Annual Increase Hedge Against Inflation
- Renovated in 2019 Upgrading to New Burger King Concept, Illustrating Tenant's Commitment to Site
- Traffic Counts Exceed 18,000 Vehicles per Day on Galleria Drive and over 27,000 Vehicles per Day on Route 219
- Outparcel to Johnstown Galleria and Located in Strong Retail Corridor
- Nearby Economic Drivers Include: University of Pittsburgh at Johnstown; Johnstown-Cambria Airport; Pepsi Bottling Company; Pennsylvania Highlands Community College; Commonwealth Technical Institute



INVESTMENT OVERVIEW
Property Photos



INVESTMENT OVERVIEW

Johnstown Market

Johnstown is a city in Cambria County, PA and sits west-southwest of Altoona and approximately 60 miles east of Pittsburgh. The city population was estimated to be 19,195 in 2019 with approximately 90,000 in the surrounding 10-mile area. It is the principal city of the Johnstown, Pennsylvania, MSA, and part of Johnstown-Somerset, PA CSA, which includes both Cambria and Somerset Counties.

The Johnstown economy has transitioned from its roots in coal and steel, now largely focused around health care and high-tech defense. In 2018, Johnstown was ranked among “The Best Small Places For Business And Careers” in the U.S., by Forbes. Further economic growth is driven by the Nearby University of Pittsburgh at Johnstown, located just outside the city limits in Richland Township and major employers include the Red Cross, AmeriServ Financial, Berkshire Hathaway, Concurrent Technologies Corporation, Conemaugh Health System, Concentrix, Crown American, Leonardo DRS, Galliker’s Dairy Company, Höganäs AB, Kongsberg Gruppen, Lockheed Martin, Martin-Baker, Northrop Grumman, Pepsi Bottling Group, and Zamias Services, Inc.

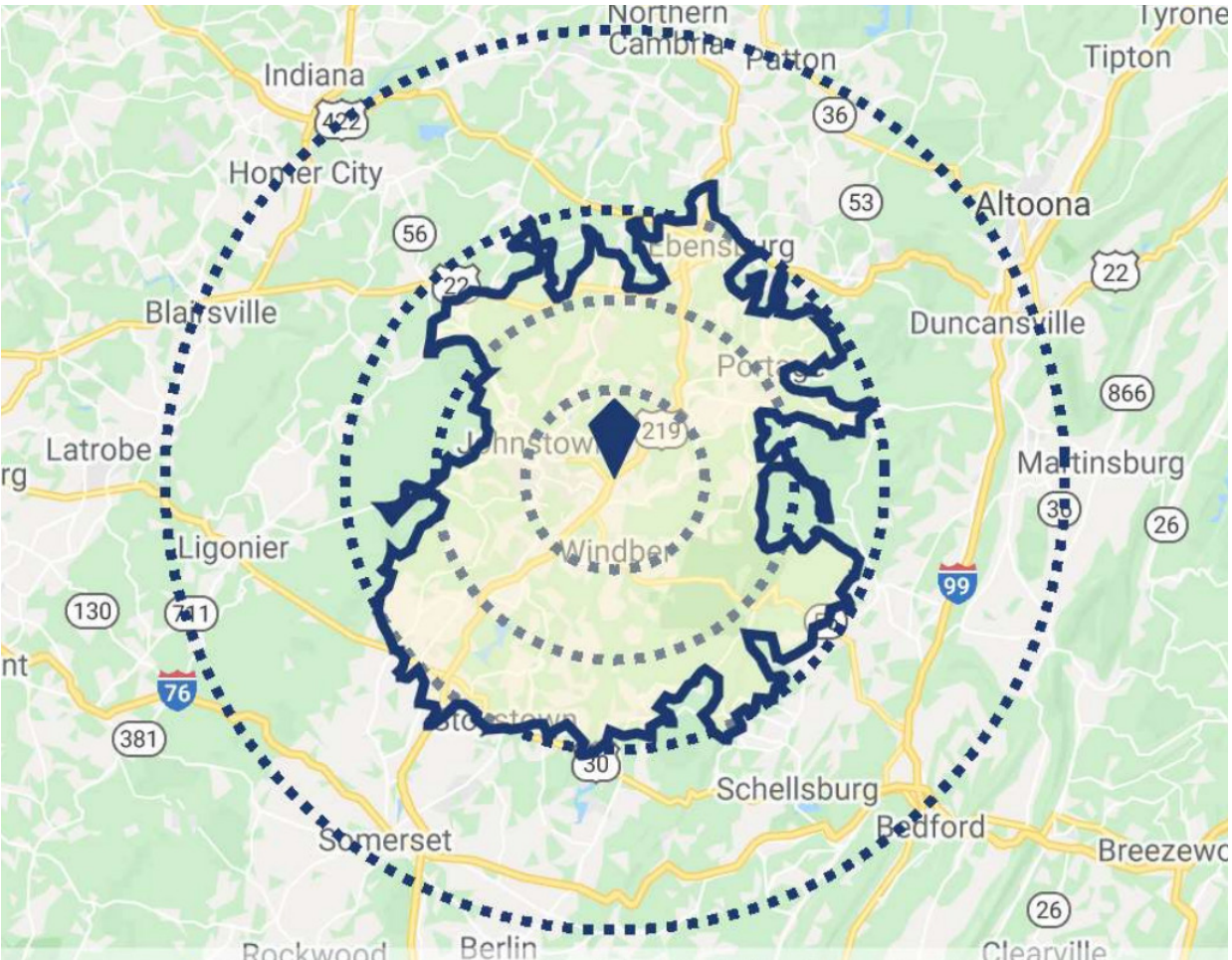
Retail rents in the Johnstown Market were rising at a 1.2% annual rate during the fourth quarter of 2021, and have posted an average annual gain of 0.9% over the past three years. In addition to 51,000 SF that has delivered over the past three years, an expansion of 0.7%, there is 9,100 SF currently under development. Vacancies in the metro were modestly above the 10-year average as of the fourth quarter of 2021, and Nonfarm payrolls in the metro were recently increasing at solid clip of 2.5%, or a gain of about 1,200 jobs.



INVESTMENT OVERVIEW

Demographics

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
Population:			
2010 Census	8,689	53,379	99,439
2021 Estimate	8,236	48,957	91,435
2026 Projection	8,107	47,837	89,934
2021 Population by Race:			
2021 White Alone	7,956	45,045	85,336
2021 Black Alone	89	2,325	3,516
2021 American Indian/Alaska Native Alone	5	90	157
2021 Asian Alone	116	352	575
2021 Pacific Islander Alone	2	20	44
2021 Hispanic	112	966	1,616
Households:			
2010 Census	3,324	23,431	43,152
2021 Estimate	3,220	21,595	39,840
2026 Projection	3,171	21,046	38,852
Growth 2010 - 2021	0.1%	0.0%	0.1%
Growth 2021 - 2026	-0.3%	-0.5%	-0.5%
2021 Avg Household Income	\$81,694	\$57,508	\$61,673



INVESTMENT OVERVIEW

Tenant Overview



Carrols is one of the largest restaurant franchisees in the United States. It is the largest Burger King franchisee in the U.S., currently operating 1,029 Burger King restaurants in 23 states as well as 65 Popeyes restaurants in seven states. Carrols has operated Burger King restaurants since 1976 and Popeyes restaurants since 2019.

Carrols is headquartered in Syracuse, NY and its stock is publicly traded (NASDAQ: TAST). Employing over 10,000 people in 2020 the company reported revenues in excess of \$1.547 Billion, Gross Restaurant level profits of approximately \$182 Million, and has a stock market capitalization of approximately \$193 Million.



Burger King is an American multinational chain of hamburger fast food restaurants. Headquartered in Miami-Dade County, Florida, the company merged with the Canadian-based doughnut chain Tim Hortons, under the parent company named Restaurant Brands International. RBI is publicly traded (NYSE: QSR) and reported 2020 revenues of \$4.97 Billion, net incomes of \$486 Million, and a stock market capitalization of approximately \$28.25 Billion.

PROPERTY PRICING

Financial Analysis

PROPERTY SUMMARY

Address	440 Galleria Drive, Johnstown, PA
APN	050-118598
Year Built/Renov.	1999
Gross Leaseable Area	3,634
Lot Area (SF)	50,965
Zoning	C-2
Type of Ownership	Fee Simple

PRICING

Price	\$1,703,350
Cap Rate	4.25%
Price/SF	\$468.73

LEASE OVERVIEW

Property Sub-Type	Net-Leased Fast Food
Tenant	Burger King
Guarantor	Carroll's Corporation
Lease Type	Absolute-Net
Lease Commencement	05/01/15
Lease Expiration	04/30/39
Base Term Remaining (Years)	17.6
Options	Four, 5-Year
Rental Increases	1.5% Annual
Tenant Purchase Rights	None
Tenant Sales Reporting	None

ANNUALIZED OPERATING DATA

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current - Apr 30, 2022	\$71,676	\$5,972.97	\$19.72	4.21%
May 01, 2022 - Apr 30, 2023	\$72,392	\$6,032.70	\$19.92	4.25%
May 01, 2023 - Apr 30, 2024	\$73,116	\$6,093.03	\$20.12	4.29%
May 01, 2024 - Apr 30, 2025	\$73,848	\$6,153.96	\$20.32	4.34%
May 01, 2025 - Apr 30, 2026	\$74,586	\$6,215.50	\$20.52	4.38%
May 01, 2026 - Apr 30, 2027	\$75,332	\$6,277.65	\$20.73	4.42%
May 01, 2027 - Apr 30, 2028	\$76,085	\$6,340.43	\$20.94	4.47%
May 01, 2028 - Apr 30, 2029	\$76,846	\$6,403.83	\$21.15	4.51%





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