

# BURGER KING SALE-LEASEBACK

CARROLS GUARANTEE (1,000+ UNITS)



# OFFERING MEMORANDUM

**BURGER KING**

813 East Cumberland Street  
Dunn, NC 28334

EXCLUSIVE NET-LEASE OFFERING

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**BURGER KING**





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**BURGER KING**



# Investment Highlights

PRICE: \$2,349,890 | CAP: 5.50% | RENT: \$129,244

**BURGER KING**

## About the Investment

- ✓ Brand New Construction - Store Opened 10/15/2021!
- ✓ Brand New 20-Year Sale-Leaseback
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of One Percent (1.0%) Annually Beginning in Year 11
- ✓ Six (6) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Dense Urban Corridor | AutoZone, O'Reilly Auto Parts, Advance Auto Parts, Subway, Starbucks, Little Caesars, Dominos, Taco Bell, Hampton Inn, Fairfield Inn, and Many More
- ✓ Three Miles From One of Dunn's Largest Employers, Food Lion Distribution Center (1,000+ Employees)
- ✓ Positive Location Fundamentals | Part of the Raleigh-Durham-Cary Combined Statistical Area Also Known as the "Research Triangle" | Estimated Combined Population in Excess of 2 Million Individuals
- ✓ High Visibility and Ease of Access Along Interstate – 95 and East Cumberland Street | Over 60,400 and 23,100 Vehicles Per Day, Respectively
- ✓ Strong Academic Presence | Central Carolina Community College | Less Than Two-Miles Away | Over 5,100 Students Enrolled Across the Colleges Three Campuses

## About the Tenant / Brand

- ✓ Carrols Restaurant Group is One of the Largest Restaurant Companies and Franchisee's in the United States | 1,000+-Unit Operator
- ✓ Strong Track Record With Proven Operational Expertise
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



# Financial Analysis

**BURGER KING****PRICE: \$2,349,890 | CAP: 5.50% | RENT: \$129,244**

## PROPERTY DESCRIPTION

Concept	Burger King
Street Address	813 East Cumberland Street
City, State ZIP	Dunn, NC 28334
Store Opened	October 15 <sup>th</sup> , 2021
Building Size Estimated (SF)	3,058
Lot Size Estimated (Acres)	+/- 1.02
Type of Ownership	Fee Simple

## THE OFFERING

Price	\$2,349,890
CAP Rate	5.50%
Annual Rent	\$129,244

## LEASE SUMMARY

Property Type	Net-Lease Quick-Service Restaurant
Tenant / Guarantor	Carrols, LLC
Ownership Type	Public (NYSE: TAST)
Original Lease Term	20 Years from COE
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.0% Annually Starting Year 11
Renewal Options	Six (6), Five (5)-Year Options

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1-10	\$129,244	\$10,770	-
Year 11	\$130,536	\$10,878	1.00%
Year 12	\$131,842	\$10,987	1.00%
Year 13	\$133,160	\$11,097	1.00%
Year 14	\$134,492	\$11,208	1.00%
Year 15	\$135,837	\$11,320	1.00%
Year 16	\$137,195	\$11,433	1.00%
Year 17	\$138,567	\$11,547	1.00%
Year 18	\$139,953	\$11,663	1.00%
Year 19	\$141,352	\$11,779	1.00%
Year 20	\$142,766	\$11,897	1.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present this exclusive listing for a Burger King located at 813 East Cumberland Street in Dunn, NC. The subject property opened in mid October and consists of roughly 3,058 square feet of building space on approximately a 1.02-acre parcel. This investment opportunity is subject to a brand new 20-year triple-net (NNN) sale-leaseback with zero landlord responsibilities. The lease will commence upon the close of escrow and will be subject to six (6), five (5) year tenant renewal options. The initial annual rent will be \$129,244 and is scheduled to increase by one percent (1.00%) annually starting in year 11 and continuing throughout the base term and option periods. In each option period the rent will increase by one percent (1.00%) annually in years 1 through 3 and the rent will remain flat in years 4 and 5.





# Concept Overview



## GREAT FOOD COMES FIRST

Every day, more than 11 million guests visit BURGER KING® restaurants around the world. And they do so because our restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world. The original HOME OF THE WHOPPER®, our commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined our brand for more than 50 successful years.

### #2 Fast Food Hamburger Chain, Globally

- More than \$16 billion in annual system-wide sales, and nearly 350,000 team members, worldwide. The concept has a market capitalization of roughly \$10 billion.

### Global Brand Presence | Fully – Franchised Business Model

- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins

### Rich Heritage | Stable, Reliable Long-Term Ownership

- Founded in 1954 with deep ties to the Miami Community. Burger King has been actively managed by 3G since 2010.

### 3G Capital

3G Capital is a global investment firm focused on long-term value, with a particular emphasis on maximizing the potential of brands and businesses. The firm and its partners have a strong history of operational excellence, board involvement, deep sector expertise, and an extensive global network. 3G Capital works in close partnership with management teams at its portfolio companies and places a strong emphasis on recruiting, developing and retaining top-tier talent. In October 2010, 3G Capital completed the acquisition of Burger King®, one of the most widely-recognized consumer brands in the world.

## General Information

Address	Oakville, ON
Website	<a href="http://www.rbi.com">http://www.rbi.com</a>
Stock Ticker	QSR (NYSE)
Current Price*	\$66.35

\*As of April 26, 2021

### Carrols, LLC

Carrols, LLC is Burger King's largest franchisee and has operated BURGER KING® restaurants since 1976. As of April 30, 2019, the Company completed the acquisition of 221 additional BURGER KING® and Popeyes restaurants in 10 Southern and Southeastern states. Carrols, which operates 1,010 Burger King and 55 Popeyes restaurants in 23 states following the acquisition, is the largest franchisee of Restaurant Brands International, Inc. Carrols LLC's direct parent company, Carrols Restaurant Group, INC. (Nasdaq: TAST), is one of the only publicly traded companies solely controlling Burger King Franchises and one of the largest restaurant companies and franchisee's in the United States.

### Burger King Worldwide, Inc.

Founded in 1954, Burger King® is the second largest fast food hamburger chain in the world. The original Home of the Whopper, the Burger King® system operates in approximately 14,000 locations serving more than 11 million guests daily in 100 countries and territories worldwide. Approximately 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.

### Restaurant Brands International

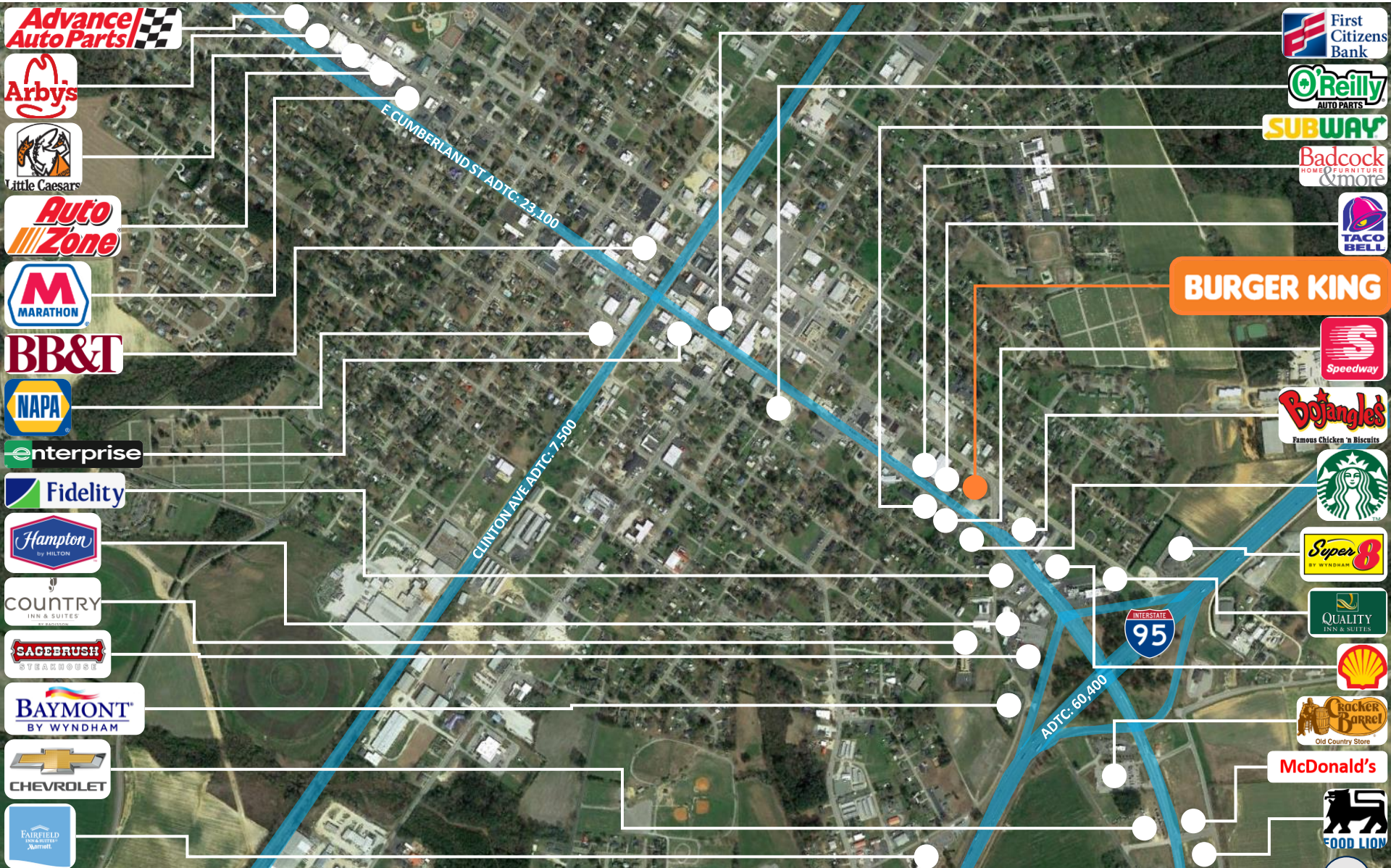
Restaurant Brands International is one of the world's largest quick service restaurant companies with approximately \$23 billion in system sales and over 18,000 restaurants in 100 countries. Restaurant Brands International owns two of the world's most prominent and iconic quick service restaurant brands – Tim Hortons® and Burger King®. These independently operated brands have been serving their respective guests, franchisees, and communities for over 50 years.





# Surrounding Area

**BURGER KING**



Marcus & Millichap





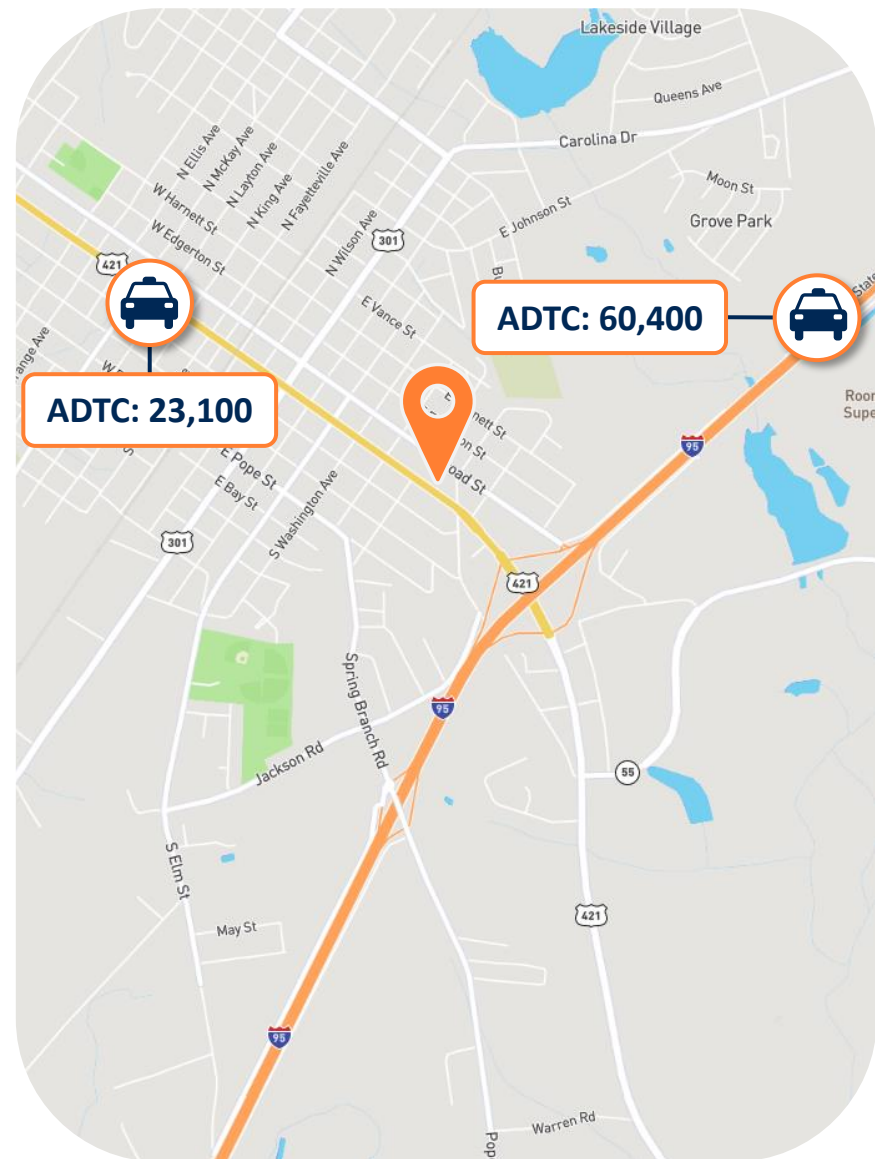
# Location Overview

This Burger King property is situated along East Cumberland Street, which experiences an average daily traffic count of 23,100 vehicles, respectively. East Cumberland Street intersects Interstate – 95, which bring an additional 60,400 vehicles into the immediate area on average daily. There are more than 23,600 individuals living within a five-mile radius of the subject property and over 53,300 living within a ten-mile radius.

The subject property benefits from being well-positioned in a dense urban infill consisting of national and local tenants, academic institutions and shopping centers all within close proximity of this property. Major national tenants in the area include: AutoZone, O'Reilly Auto Parts, Advance Auto Parts, Subway, Starbucks, Little Caesars, Dominos, Taco Bell, as well as many others. Accommodations in the immediate area include Hampton Inn, Country Inn, Baymont by Wyndham, Quality Inn, Fairfield Inn, and more. This Burger King also benefits from its close proximity to several academic institutions. Most notable is Central Carolina Community College, located less than two-miles from the subject property, which has a total student enrollment in excess of 5,100 students across its three campuses.

Dunn is the largest city of Harnett County, North Carolina, United States. The population was 9,718 at the 2010 census. It is the anchor city of the Dunn Micropolitan Area, which consists of Harnett County and is a part of the greater Raleigh–Durham–Cary Combined Statistical Area (CSA) as defined by the United States Census Bureau. Originally called "Lucknow", what would become present-day Dunn was a sleepy hamlet compared to Averagesborough, a much larger city on the Cape Fear River. After the Battle of Averagesborough in 1865, most residents from Averagesborough left for Lucknow, renamed "Dunn" in 1873. The city of Dunn was incorporated on February 12, 1887, at which time it was a logging town and a turpentine distilling center. The name honors Bennett Dunn,[8] who supervised the construction of the railway line between Wilson and Fayetteville. The Dunn Commercial Historic District, Harnett County Training School, Kenneth L. Howard House, Lebanon, Gen. William C. Lee House, John A. McKay House and Manufacturing Company, and John E. Wilson House are listed on the National Register of Historic Places.

**BURGER KING**

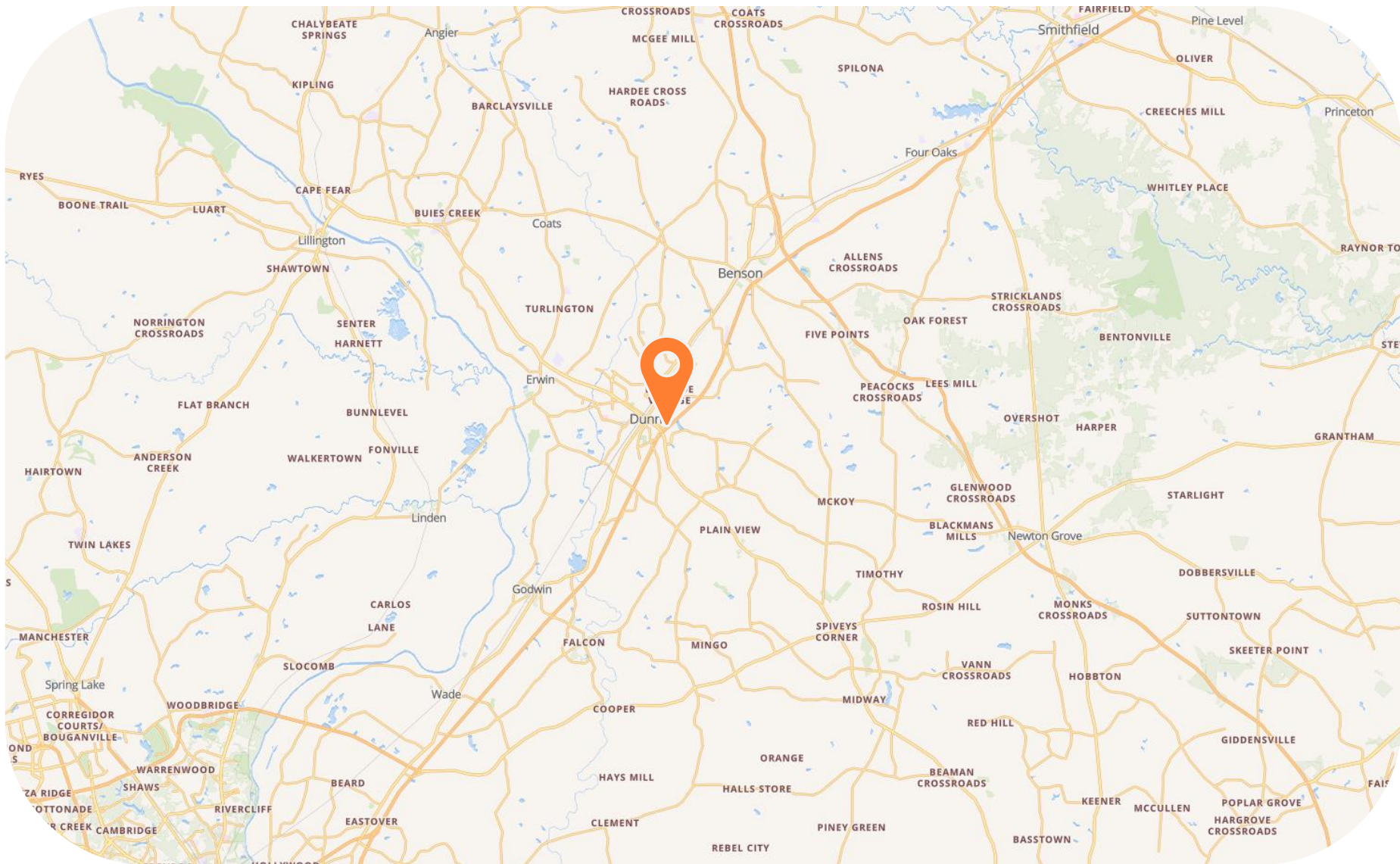






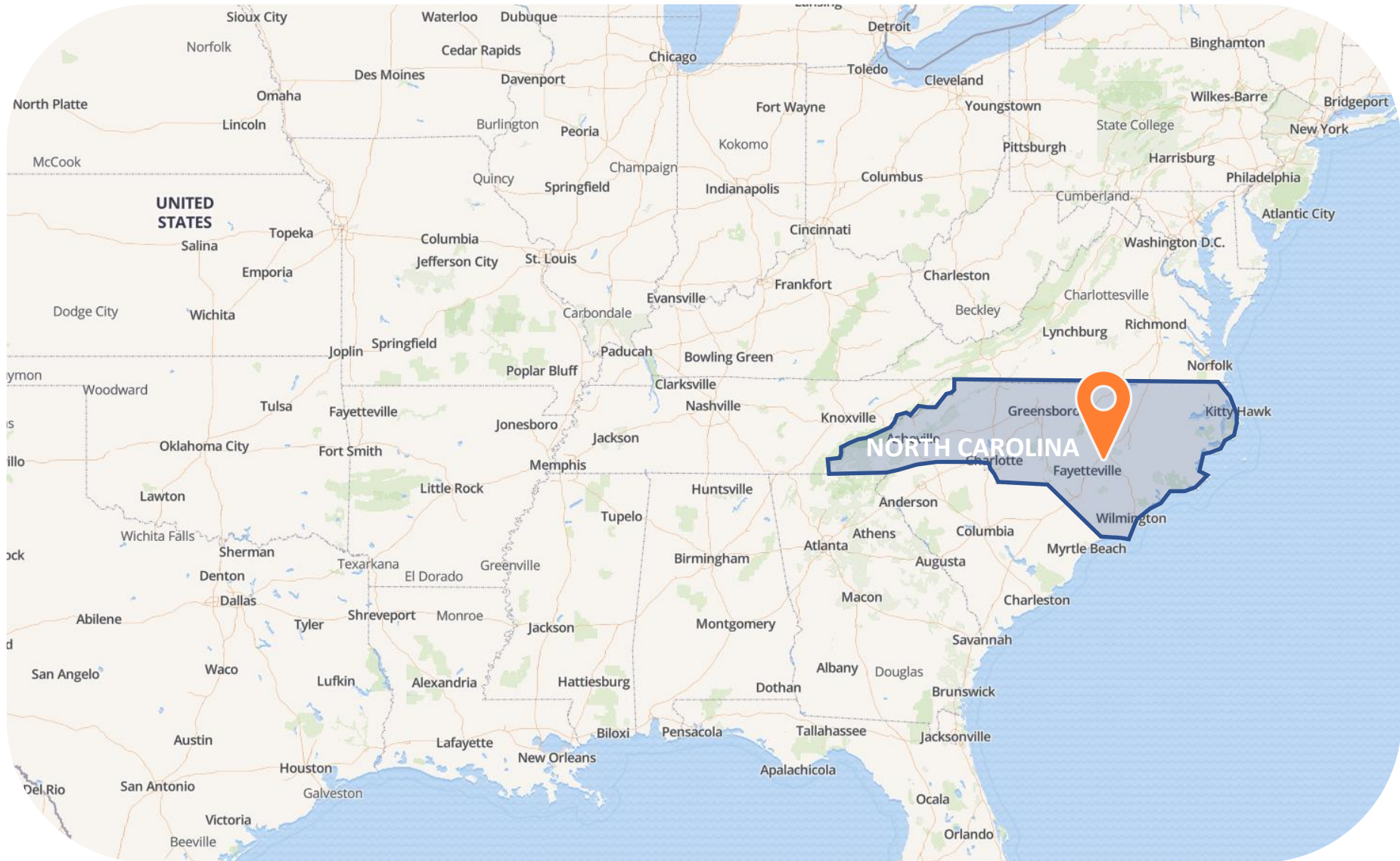
# Local Map

**BURGER KING**





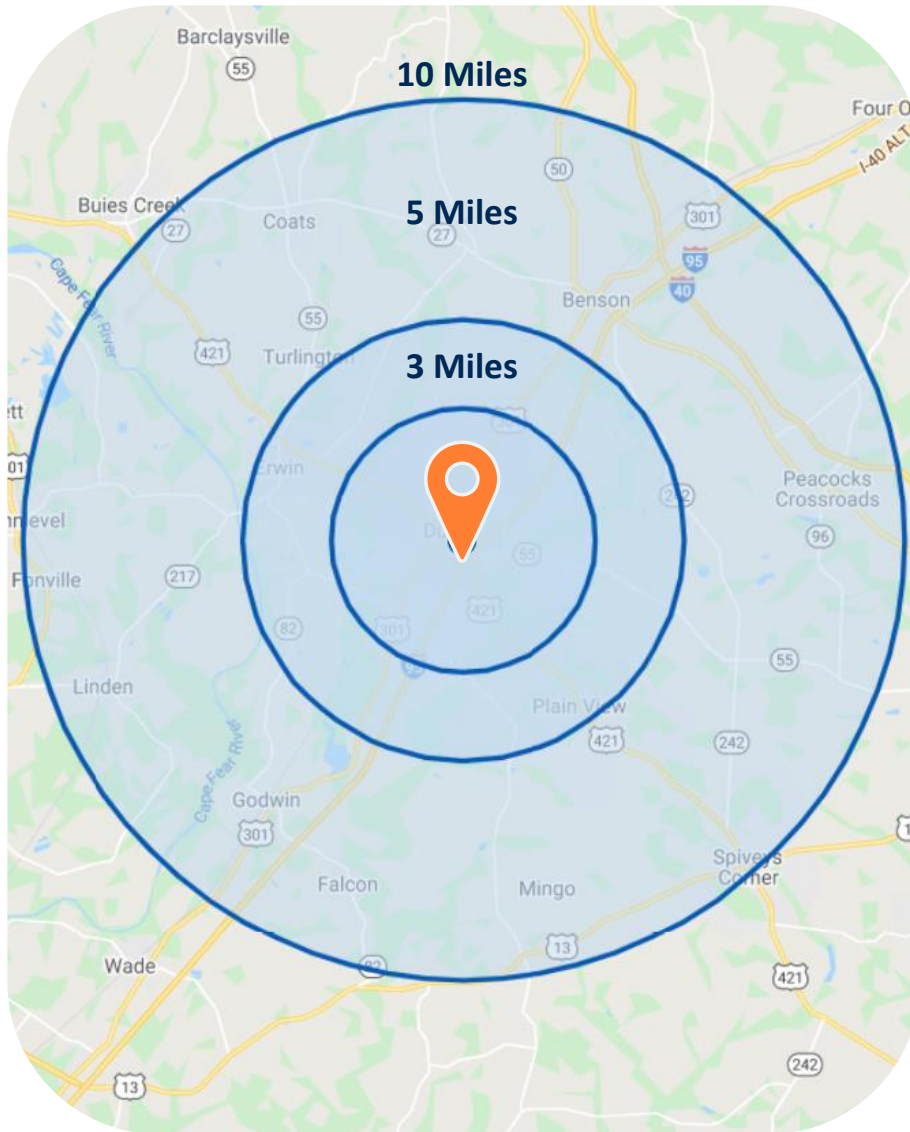
# Regional Map







# Demographics



	3 Mile	5 Miles	10 Miles
<b>POPULATION TRENDS</b>			
2010 Population	11,814	21,896	49,700
2021 Population	12,595	23,605	53,370
2026 Population Projection	13,085	24,539	56,070
Growth 2010 – 2021	0.60%	0.70%	0.70%
Growth 2021 – 2026	0.80%	0.80%	1.00%
<b>POPULATION BY RACE (2021)</b>			
White	7,416	15,968	39,510
Black	4,584	6,479	11,237
American Indian/Alaskan Native	171	402	1,007
Asian	108	167	334
Hawaiian & Pacific Islander	19	30	93
Two or More Races	298	559	1,188
Hispanic Origin	921	1,998	6,475
<b>HOUSEHOLD TRENDS</b>			
2010 Households	4,935	8,925	19,229
2021 Households	5,237	9,569	20,618
2026 Household Projection	5,435	9,937	21,642
Growth 2010 – 2021	0.10%	0.30%	0.30%
Growth 2021 – 2026	0.80%	0.80%	1.00%
<b>AVERAGE HOUSEHOLD INCOME (2021)</b>	\$48,428	\$51,761	\$57,247
<b>MEDIAN HOUSEHOLD INCOME (2021)</b>	\$30,421	\$34,490	\$39,254
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2021)</b>			
<\$25,000	2,249	3,535	6,453
\$25,000 - \$50,000	1,117	2,304	5,471
\$50,000 - \$75,000	818	1,612	3,459
\$75,000 - \$100,000	470	976	2,309
\$100,000 - \$125,000	268	531	1,191
\$125,000 - \$150,000	139	242	688
\$150,000 - \$200,000	97	210	558
\$200,000+	80	158	488



# Market Overview



**Raleigh** is the capital city of North Carolina and the county seat of Wake County. It is the second-most populous city in North Carolina, the 41st-most populous city in the U.S., and the largest city of the Research Triangle metro area. Raleigh is known as the "City of Oaks" for its many oak trees, which line the streets in the heart of the city. The city covers a land area of 147.6 square miles. The U.S. Census Bureau counted the city's population as 474,069 in 2020. It is one of the fastest-growing cities in the country. The city of Raleigh is named after Walter Raleigh, who established the lost Roanoke Colony in present-day Dare County.

Raleigh is home to North Carolina State University and is part of the Research Triangle together with Durham (home of Duke University and North Carolina Central University) and Chapel Hill (home of the University of North Carolina at Chapel Hill). The name of the Research Triangle originated after the 1959 creation of Research Triangle Park, located in Durham and Wake counties, among the three cities and their universities. The Raleigh metropolitan statistical area had an estimated population of 1,390,785 in 2019.

Raleigh's industrial base includes financial services, electrical, medical, electronic and telecommunications equipment, clothing and apparel, food processing, paper products, and pharmaceuticals. Raleigh is part of North Carolina's Research Triangle, one of the country's largest and most successful research parks, and a major center in the United States for high-tech and biotech research, as well as advanced textile development. The city is a major retail shipping point for eastern North Carolina and a wholesale distributing point for the grocery industry. The healthcare and pharmaceutical industry has experienced major growth in recent years with many companies based in Raleigh including PRA Health Sciences, Chiesi USA, formerly Mallinckrodt prior to tax evasion with Ireland, MAKO Surgical Corp., Metabolon, TearScience, and American Board of Anesthesiology. Raleigh was number one on the 2015 Forbes list of the best place for businesses and careers. Companies based in Raleigh include Advance Auto Parts, Bandwidth, BB&T Insurance Services, Building Materials Holding Corporation, Capitol Broadcasting Company, Carquest, First Citizens BancShares, Golden Corral, Martin Marietta Materials, PRA Health Sciences, Red Hat, Vontier, Waste Industries, and Lulu.



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