



Actual Location

Investment Offering - Single Tenant Net Leased

75-5597 Palani Road | Kailua-Kona, Hawaii 96740

For more information contact:
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(858) 367-5904

Exclusively Listed in Association with:
Mike Perkins (S) - HI Lic. #RS-82817
Mark Bratton (R) - HI Lic. #RB-14000

CIRE | Partners
COMMERCIAL INVESTMENT REAL ESTATE

Investment Offering - Single Tenant Net Leased

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75-5597 Palani Road | Kailua-Kona, HI

Built in 1984

± 2,952 SF located on ± 0.69 Acres

Single Tenant Net Leased - Retail

Fee Simple Ownership (Land & Building)



pricing summary

Purchase Price	\$4,615,385
NOI	\$150,000
CAP Rate	3.25%
Lease Term	± 20 Years Remaining

CIRE Partners is pleased to present for sale a single-tenant net leased investment property in Kailua-Kona, Hawaii. The subject property consists of an approximately 2,952 square foot building on a 0.69 acre parcel located at 75-5597 Palani Road. Burger King occupies this freestanding, fast food/quick service restaurant building with drive-thru.

Strategically located at the intersection of Palani Road and Kopiko Street, the subject property benefits from prominent visibility, excellent ingress and egress, strong traffic volumes, substantial on-site parking, a local trade area that includes demand and synergy, and a high barrier to entry market.

Kailua-Kona, often referred to as Kona by locals, is a sunny seaside town located in the heart of the Kona district on the western coast of the Big Island of Hawaii. Kona is the center of commerce and of the tourist industry, and is served by Kona International Airport.

investment overview

Address	75-5597 Palani Road Kailua-Kona, HI
APN	3-7-5-004-039
Building / Lot Size	±2,952 SF / ± 0.69 AC
Year Built	1984
Purchase Price	\$4,615,385
CAP Rate	3.25%
NOI	\$150,000
Parking	36 Spaces (12.19 / 1,000 SF)
Amenities	Drive-Thru
Lease Type	Absolute NNN
Extended Lease Term	Twenty (20) Years
Traffic Counts	Palani Road: ±17,773 ADT Queen Ka'ahumanu Highway: ±25,253 ADT

Year(s)	Dates	Monthly Rent	Monthly Rent / SF	NOI	CAP Rate
Years 1-5	08/01/21 - 07/31/26	\$12,500.00	\$4.23 / SF	\$150,000	3.25%
Years 6-10	08/01/26 - 07/31/31	\$13,125.00	\$4.45 / SF	\$157,500	3.41%
Years 11-15	08/01/31 - 07/31/36	\$13,781.25	\$4.67 / SF	\$165,375	3.58%
Years 16-20	08/01/36 - 07/31/41	\$14,470.31	\$4.90 / SF	\$173,644	3.76%
Option 1	08/01/41 - 07/31/46	\$15,193.83	\$5.15 / SF	\$182,326	3.95%
Option 1	08/01/46 - 07/31/51	\$15,953.52	\$5.40 / SF	\$191,442	4.15%
Option 2	08/01/51 - 07/31/56	\$16,751.20	\$5.67 / SF	\$201,014	4.36%
Option 2	08/01/56 - 07/31/61	\$17,588.76	\$5.96 / SF	\$211,065	4.57%

investment highlights

- Rare QSR/NNN investment opportunity in Hawaii.
- Strong performing restaurant with a low rent-sales ratio (ask broker for details).
- Approximately 20 years remaining on the extended lease term.
- Absolute NNN lease with fixed 5% rent increases every 5 years.
- No Landlord responsibilities: Tenant responsible for property taxes, insurance, repairs and maintenance, utilities, HVAC, roof and structure, parking lot, and common area maintenance.
- Burger King has consistently been recognized as a Top 50 brand by QSR magazine.

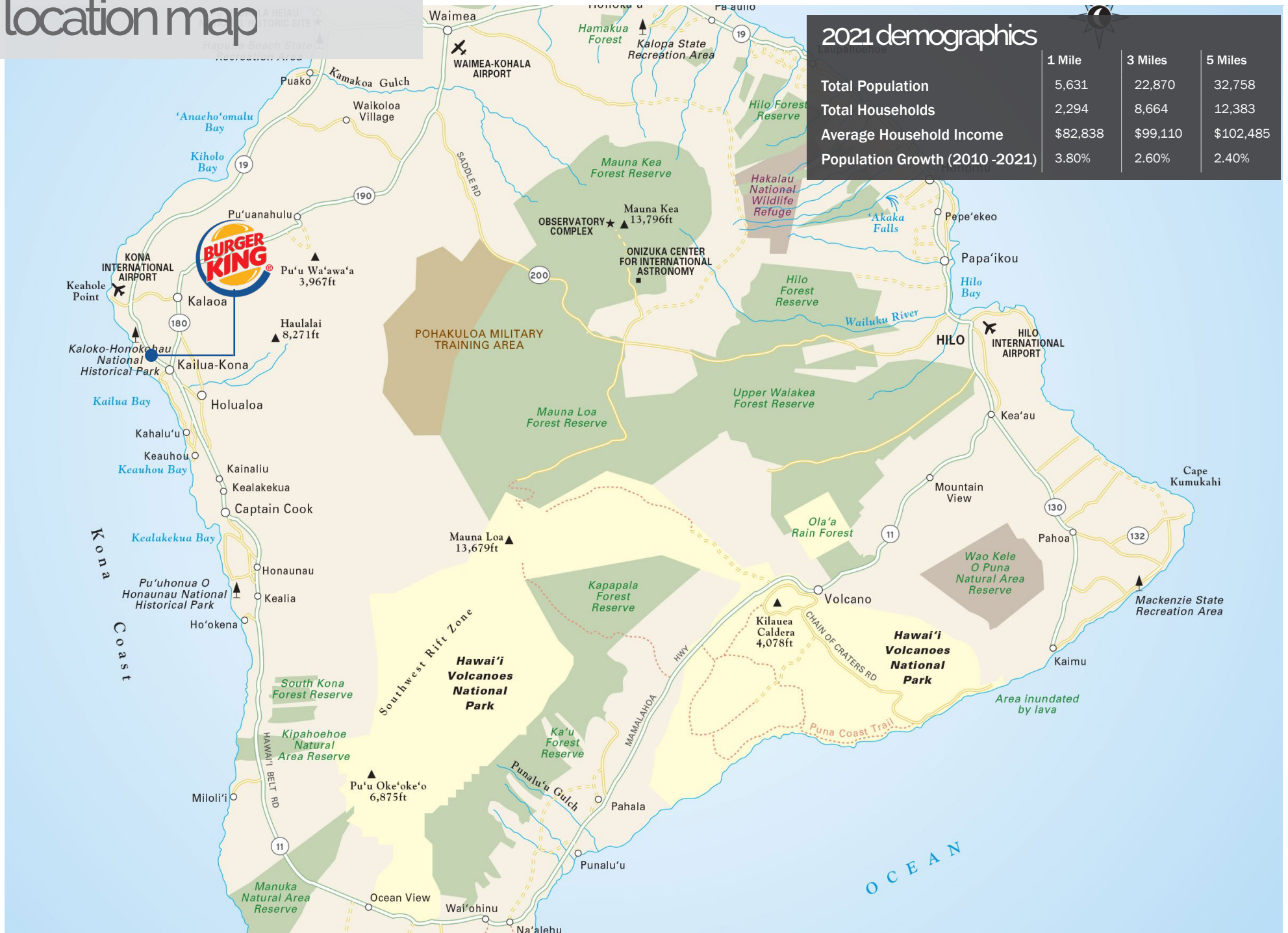


lease abstract

Tenant	Burger King
Lease Commencement	08/01/2021
Lease Expiration	07/31/2041
Lease Type	Absolute NNN
Current Annual Rent	\$150,000
Renewal Options	Two (2) - 10 Year Options
Guarantor	Franchise

Representative Photo

location map



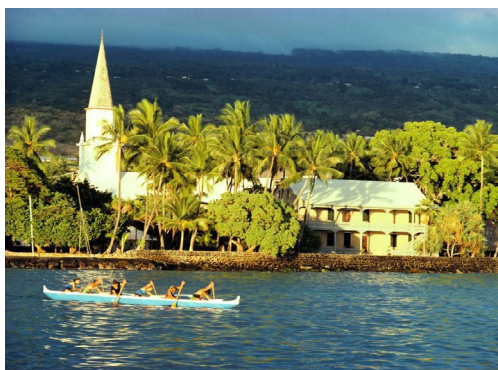
market overview

Kailua-Kona, often referred to as Kona by locals, is a sunny seaside town located in the heart of the Kona district on the western coast of the Big Island of Hawaii. The weather on this side of the island is almost always dry and sunny and there are many white sand beaches that are perfect for sunbathing, snorkeling, and swimming – all easy to reach from Kailua-Kona.

Kailua-Kona is located where the western slopes of the Hualālai volcano meet the ocean. North of the city where the weather gets dryer you can find gorgeous beaches, the resort coast, and world-famous golf courses. South of the city you can find many of the favorite snorkeling spots. The climate in the South Kona is more humid and perfect for the lush forests that support growing the world-famous Kona coffee.

The western coast of the Big Island is known as the “Kona Side”, and Kailua-Kona is the lively center of it all. This historic seaside town sits in the middle of the Kona coast, a few miles south of the Kona International Airport. Not too long ago Kailua was a sleepy fishing village. Now, because of its central location and great weather it has transformed into a lively town that is the activity capital of the Big Island. It is the city on the Big Island that is best equipped for tourists.

You can find many shops and farmers markets selling locally produced items, and there is a good offering of restaurants. This makes Kailua-Kona a good and central home base to explore the west coast of the island. Relax and look at the waves crashing over the black lava rocks while sipping from a cup of the world-famous Kona coffee, or have some freshly caught ahi while recovering from your busy day.

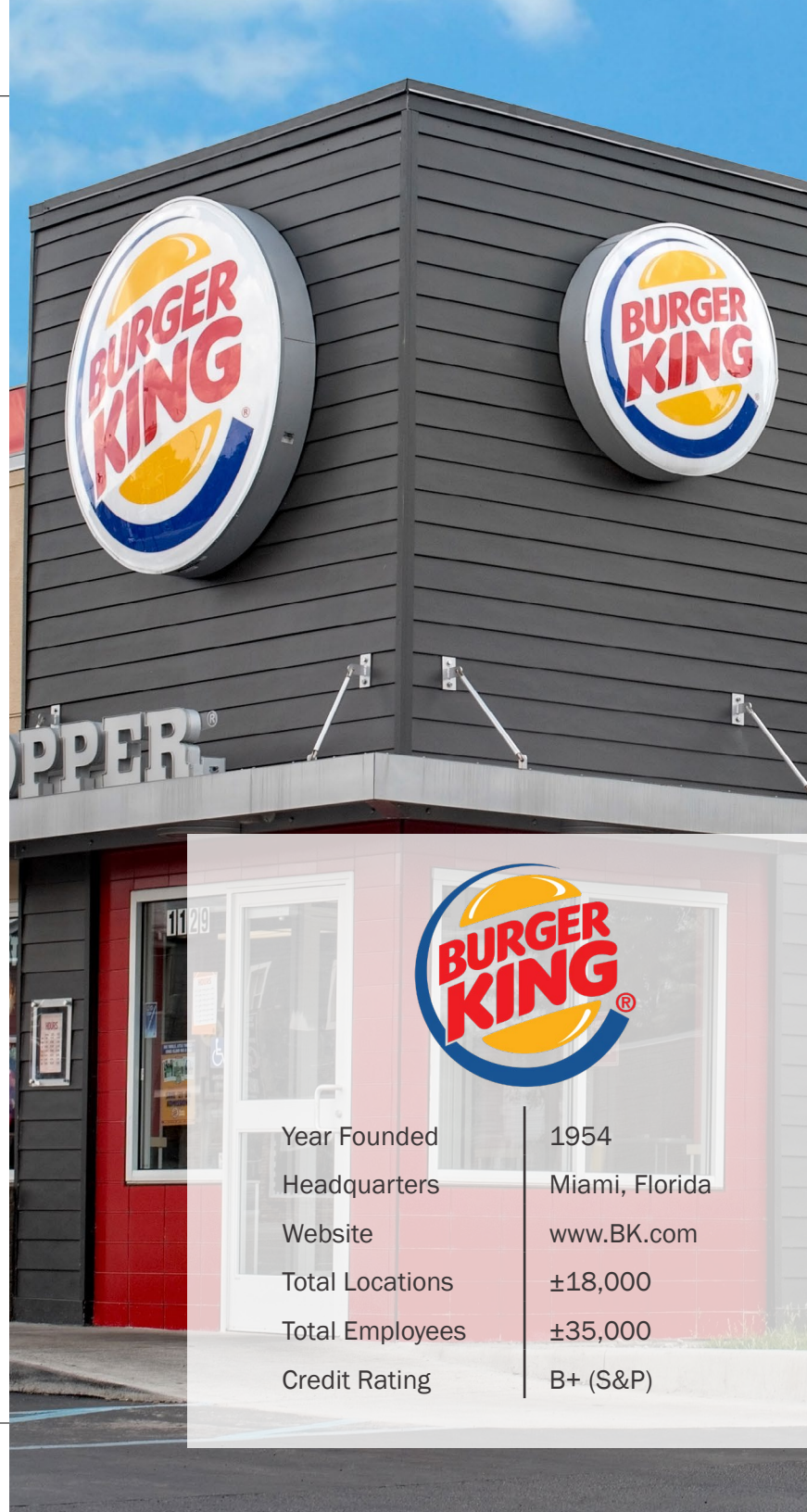


tenant profile

Founded in 1954, BURGER KING® is the second largest fast food hamburger chain in the world, headquartered in Miami, Florida. At the end of fiscal year 2012, Burger King reported that they owned or franchised a total of 15,003 restaurants worldwide. The company has more than 34,248 employees serving approximately 15.7 million customers daily, and over 2.4 billion hamburgers each year. The Burger King brand is owned and operated by Restaurant Brands International, Inc. (TSX, NYSE: QSR). The recently formed company is now the parent company of Burger King and Tim Hortons , two iconic quick service restaurant brands that have been serving customers for more than 50 years. This king rules one whopper of a fast-food empire.

In addition to its popular Whopper sandwich, the chain offers a selection of burgers, chicken sandwiches, salads, and breakfast items, along with beverages, desserts, and sides. Many of the eateries are stand-alone locations offering dine-in seating and drive-through services; the chain also includes units in high-traffic locations such as airports and shopping malls. The first Burger King restaurant was opened in 1953 in Jacksonville, Florida under the name Insta-Burger King. The next year, this chain of franchises was purchased by two of its franchisees, David Edgerton and James McLamore, who renamed the company Burger King.

Over the next fifty years, ownership of the company including a partnership between TPG Capital, Bain Capital, and Goldman Sachs Capital Partners, which took Burger King public in 2002. In 2010, Brazilian equity company 3G Capital acquired a majority stake in Burger King in a deal valued at \$3.26 billion. In 2014, Burger King Worldwide announced it had made a deal to acquire the Canadian fast-casual coffee chain Tim Hortons. The \$11 billion merger would create the world's third largest fast food company.



Year Founded	1954
Headquarters	Miami, Florida
Website	www.BK.com
Total Locations	±18,000
Total Employees	±35,000
Credit Rating	B+ (S&P)

