

# BURGER KING

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM

**BURGER KING**

21920 Pacific Hwy  
Des Moines, WA 98198

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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

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# BURGER KING

21920 Pacific Hwy  
Des Moines, WA 98198



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**BURGER KING**



# Investment Highlights

PRICE: \$4,144,343 | CAP: 4.50% | RENT: \$186,495

**BURGER KING**

## About the Investment

- ✓ Brand New 20 Year Lease That Commences at Close of Escrow
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases of 1.75% Percent Annually Beginning in Year 6
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

## About the Location

- ✓ Strong Industrial and Retail Corridor | Safeway, O'Reilly Auto Parts, 7-Eleven, AutoZone, Subway and Many More
- ✓ Large Academic Presence | Highline College is Located Two-Miles from the Popeyes | Total Enrollment of Approximately 4,000 Students
- ✓ Robust Population | There are Approximately 86,785 Individuals Residing within Three-Mile Radius of the Subject Property and 219,003 Individuals within a Five-Mile Radius
- ✓ Affluent Community | Average Income Within a Five-Mile Radius Exceeds \$86,000
- ✓ Strong Traffic Counts | Pacific Highway and I-5 | Average Daily Traffic Counts of 32,074 and 221,212, Respectively
- ✓ Compelling Location Fundamentals | Located Three Miles from Seattle-Tacoma International Airport | 29<sup>th</sup> Busiest Airport in the World and One of the Fastest Growing Airports in the United States

## About the Tenant / Brand

- ✓ Burger King is the #2 Fast Food Hamburger Chain, Globally
- ✓ Nearly 14,000 restaurants in 100+ countries
- ✓ Burger King Serves More than 11,000,000 Guests Per Day
- ✓ 100% of Burger Kings are Owned and Operated by Independent Franchises
- ✓ Ambrosia QSR Oregon, LLC is a Well-Funded Developer and Operator of Burger King Locations | They are One of the Top Performing Operators within the Burger King System





# Financial Analysis

PRICE: \$4,144,343 | CAP: 4.50% | RENT: \$186,495

**BURGER KING**

## PROPERTY DESCRIPTION

Property	Burger King
Property Address	21920 Pacific Hwy
City, State ZIP	Des Moines, WA 98198
Year Built	Estimated Opening June 2022
Building Size (SF)	2,731
Lot Size (Acres)	+/- 0.50 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$4,144,343
CAP Rate	4.50%
Annual Rent	\$186,495

## LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	Ambrosia QSR Burger, LLC / Ambrosia QSR, LLC
Original Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually Starting Year 6
Options to Renew	Four (4), Five (5)-Year Options

\*Certain principals of the selling entity, including but not limited to Glen Kunofsky and Nicoletti DePaul, are Exclusive Listing Agents and part fee-simple owners of the property. See back page for full disclosure.

## RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$186,495	\$15,541	-
Year 2	\$186,495	\$15,541	-
Year 3	\$186,495	\$15,541	-
Year 4	\$186,495	\$15,541	-
Year 5	\$186,495	\$15,541	-
Year 6	\$189,759	\$15,813	1.75%
Year 7	\$193,080	\$16,090	1.75%
Year 8	\$196,459	\$16,372	1.75%
Year 9	\$199,897	\$16,658	1.75%
Year 10	\$203,395	\$16,950	1.75%
Year 11	\$206,954	\$17,246	1.75%
Year 12	\$210,576	\$17,548	1.75%
Year 13	\$214,261	\$17,855	1.75%
Year 14	\$218,011	\$18,168	1.75%
Year 15	\$221,826	\$18,485	1.75%
Year 16	\$225,708	\$18,809	1.75%
Year 17	\$229,658	\$19,138	1.75%
Year 18	\$233,677	\$19,473	1.75%
Year 19	\$237,766	\$19,814	1.75%
Year 20	\$241,927	\$20,161	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Burger King located at 21920 Pacific Hwy in Des Moines, WA. The property consists of 2,731 square feet of building space and is situated on an estimated 1.12 acres of land. The tenant is subject to a 20-year absolute triple net (NNN) lease, that will commence upon close of escrow. The base rent is \$186,495 and will increase by 1.75% percent annually starting in year six and continuing throughout the base term and into each of the four (4), five (5)-year tenant renewal option periods.



# Concept Overview

## About Burger King

**BURGER KING**



### About Burger King

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.

### Tenant Overview

Ambrosia QSR Burger, LLC is a well-funded developer and operator of Burger King locations. The guarantor is Ambrosia QSR, LLC, a 72-unit Burger King entity which has been one of the top performing operators within the Burger King system. With new capital investors, the tenant is looking to expand, and has signed a corporate agreement to develop new Burger Kings each through 2022. The operator is following a tactical and sophisticated development thesis by selecting high quality locations with tremendous upside potential.

### 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



# Surrounding Area

21920 Pacific Hwy, Des Moines, WA 98198

**BURGER KING**



MATRIX AUTO  
REPAIR



**Bags**



Falcon Ridge  
Assisted Living



**BURGER KING**





# Location Overview

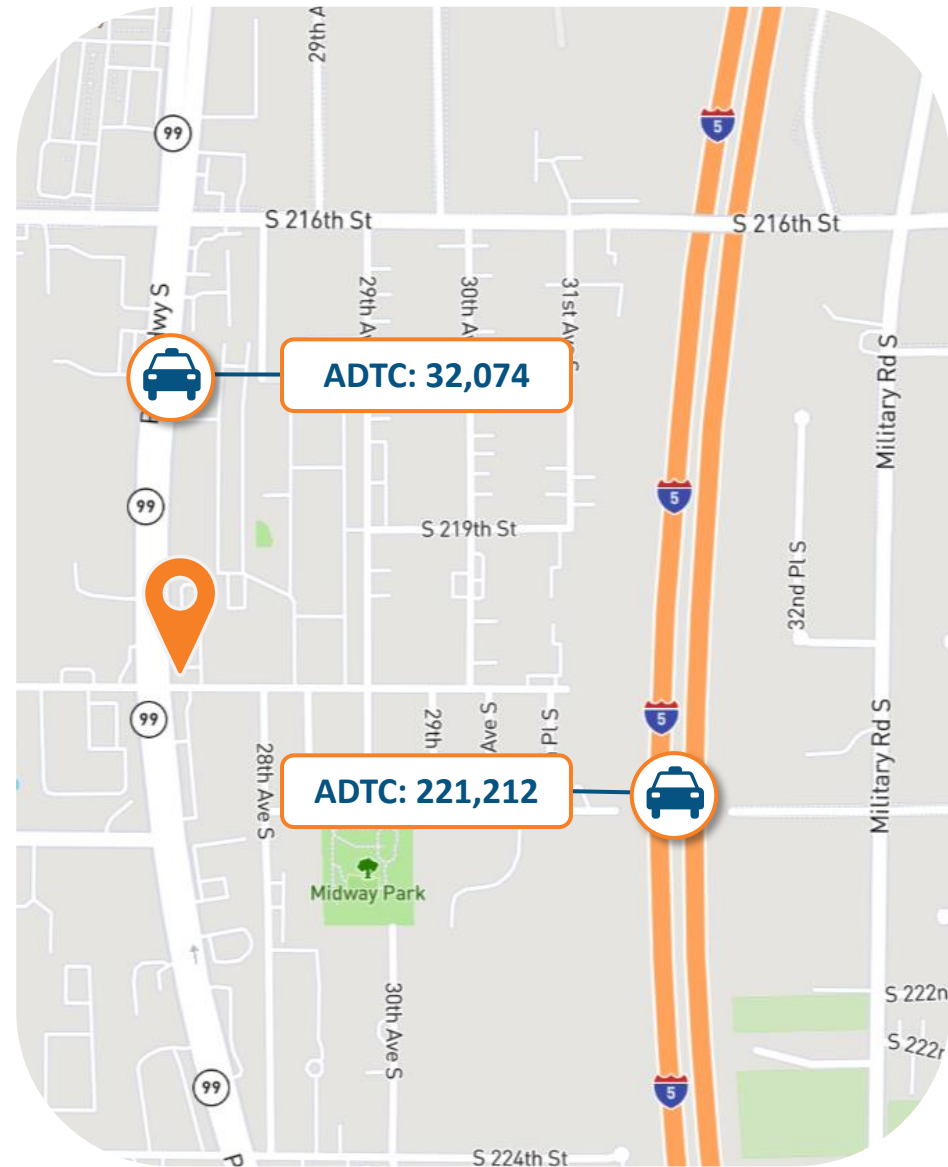
21920 Pacific Hwy, Des Moines, WA 98198

**BURGER KING**

The subject investment property is situated on the hard corner of Pacific Highway and 222th Street. Pacific Highway boasts average daily traffic counts of 32,074 vehicles and run parallel to I-5 which brings an additional 221,212 vehicles into the immediate area daily. There are approximately 86,785 individuals residing within a three-mile radius of the subject property and 219,003 individuals within a five-mile radius. The subject property benefits from being located in an affluent suburb of Seattle. The average household income within a five-mile radius is \$86,000.

This Popeyes property benefits from being well-positioned in large industrial and retail corridor surrounded by national and local tenants, shopping centers, and academic institutions. Major national tenants in the surrounding area include Safeway, O'Reilly Auto Parts, 7-Eleven, AutoZone, Subway, and many more. The subject Popeyes benefits from being located within a five-mile radius of several academic institutions. Most notable of these being Highline College, located two-miles from the subject property, with a total enrollment of almost 4,000 students. This Popeyes is located exactly three miles from the Seattle-Tacoma International Airport. In 2019, the airport was the 29th-busiest airport in the world and the eighth-busiest in the United States by passenger traffic, and is considered one of the fastest growing in the United States; it surpassed 50 million passengers for the 2019 calendar year.

Des Moines is a city in King County, Washington, United States. Des Moines is located on the east shore of Puget Sound, near the center of the Seattle metropolitan area. The city is bordered by the suburbs of Federal Way to the south, Kent to the east, SeaTac to the northeast, Burien to the north, and Normandy Park to the northwest. Des Moines is located just under fifteen miles from Seattle. Seattle is located across Elliot Bay from Bremerton, which is a seaport city on the West Coast of the United States and serves as the county seat of King County. Seattle is the largest city, in terms of population, in both the state of Washington, as well as the entire Pacific Northwest region of North America, and is the 15th largest city in the United States. The city is situated on an isthmus between the Puget Sound and Lake Washington, approximately 100 miles south of the United States-Canada border. Serving as a major gateway for trade with Asia, the city is home to the fourth-largest port in the United States of America. The Seattle economy is driven by a mix of older industrial companies, and "new economy" internet and technology companies, as well as service, design, and clean technology companies.

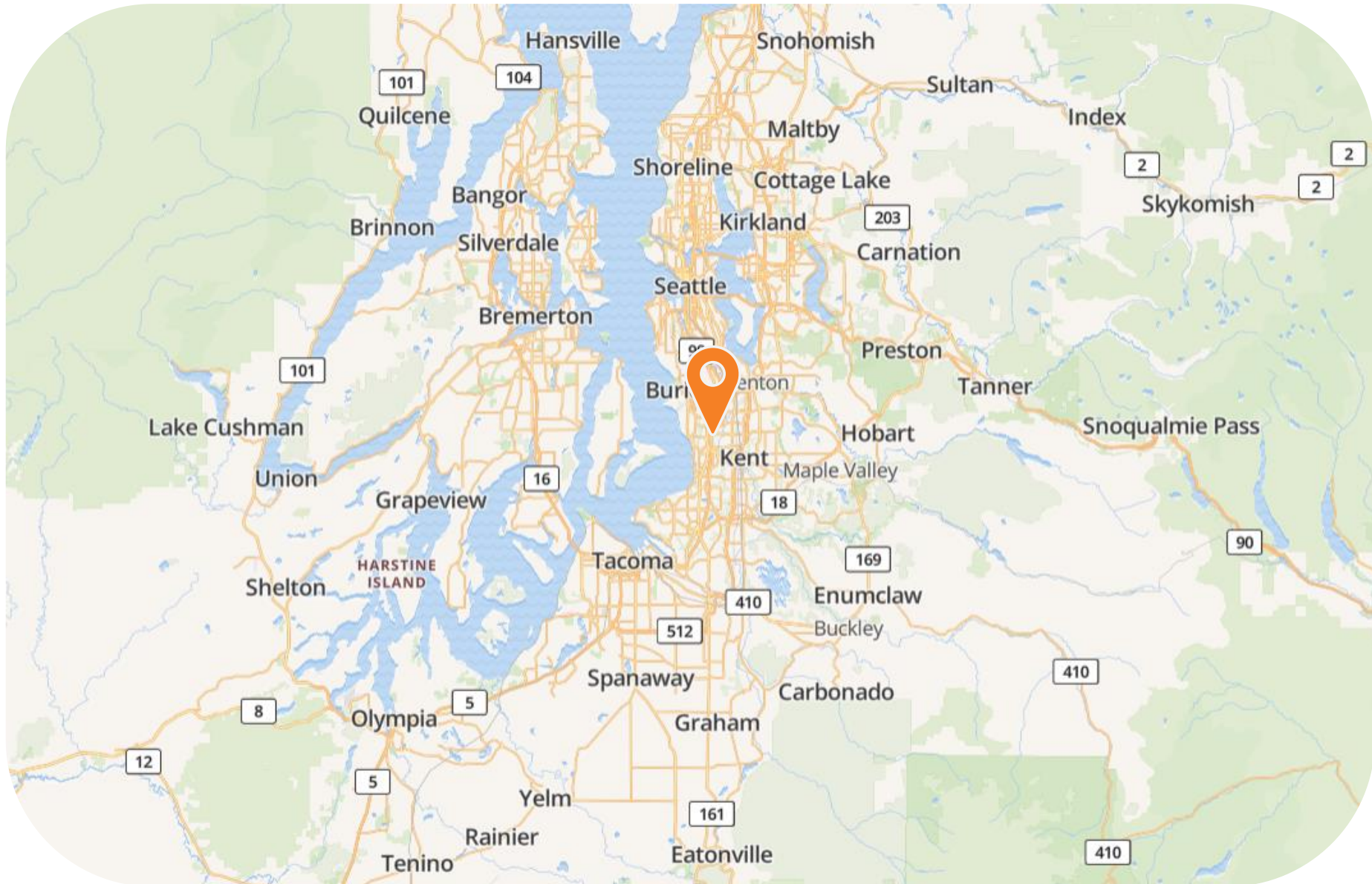




# Local Map

21920 Pacific Hwy, Des Moines, WA 98198

**BURGER KING**

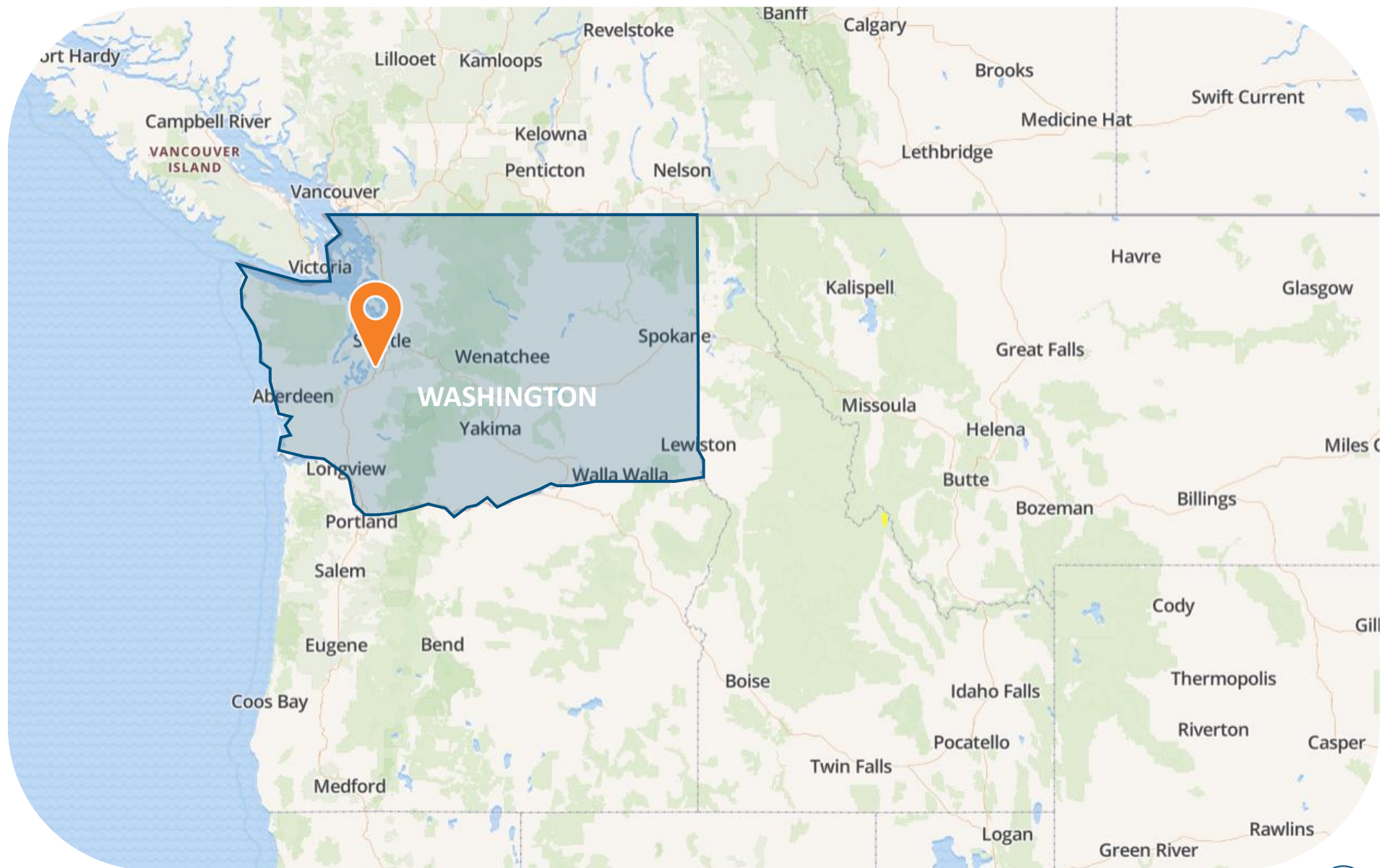




# Regional Map

21920 Pacific Hwy, Des Moines, WA 98198

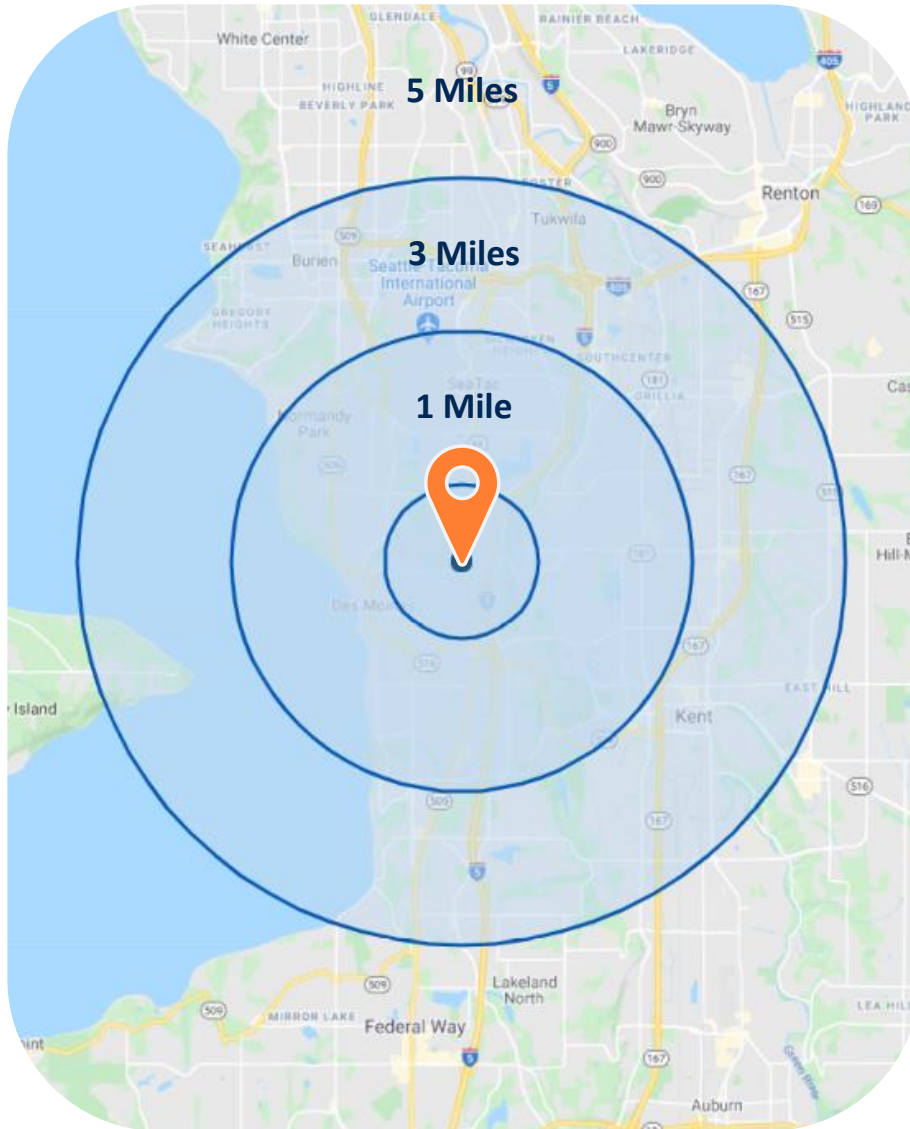
**BURGER KING**





# Demographics

21920 Pacific Hwy, Des Moines, WA 98198



## BURGER KING

### 1 Mile 3 Miles 5 Miles

#### Population Trends:

2010 Population	14,178	73,521	180,141
2020 Population	16,404	86,785	219,003
2025 Population Projection	17,485	92,790	235,069
Growth 2010 - 2020	1.60%	1.80%	2.20%
Growth 2020 - 2025	1.30%	1.40%	1.50%

#### Population by Race (2020):

White	8,693	53,500	131,383
Black	2,727	11,018	27,572
American Indian/Alaskan Native	283	1,422	3,720
Asian	2,898	12,916	37,412
Hawaiian & Pacific Islander	807	2,828	6,148
Two or More Races	994	5,101	12,769
Hispanic Origin	4,452	18,288	42,000

#### Household Trends:

2010 Households	4,945	28,918	69,175
2020 Households	5,815	34,686	86,090
2025 Household Projection	6,214	37,172	92,691
Growth 2010 - 2020	1.20%	1.60%	2.00%
Growth 2020 - 2025	1.40%	1.40%	1.50%
Owner Occupied	2,599	19,169	45,916
Renter Occupied	3,615	18,003	46,776

#### Average Household Income (2020):

<b>\$77,910</b>	<b>\$82,863</b>	<b>\$86,660</b>
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#### Households by Household Income (2020):

<\$25,000	905	5,622	13,478
\$25,000 - \$50,000	1,478	8,416	19,635
\$50,000 - \$75,000	1,222	6,489	16,473
\$75,000 - \$100,000	719	4,171	10,998
\$100,000 - \$125,000	572	3,416	7,755
\$125,000 - \$150,000	299	2,193	5,599
\$150,000 - \$200,000	396	2,469	6,429
\$200,000+	223	1,912	5,721

#### Median Household Income (2020):

<b>\$58,880</b>	<b>\$61,796</b>	<b>\$64,998</b>
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# Market Overview

21920 Pacific Hwy, Des Moines, WA 98198

*Seattle, WA*



**Seattle** Is located across Elliot Bay from Bremerton, which is a seaport city on the West Coast of the United States and serves as the county seat of King County. Seattle is the largest city, in terms of population, in both the state of Washington, as well as the entire Pacific Northwest region of North America, and is the 15th largest city in the United States. The city is situated on an isthmus between the Puget Sound and Lake Washington, approximately 100 miles south of the United States-Canada border. Serving as a major gateway for trade with Asia, the city is home to the fourth-largest port in the United States of America. The Seattle economy is driven by a mix of older industrial companies, and “new economy” internet and technology companies, as well as service, design, and clean technology companies. The city remains as a hot-bed for start-up businesses, especially in green building and clean technologies. It was ranked as America’s #1 “smarter city” based on its government and green economy. Large companies continue to dominate the business landscape. Five companies on Fortune 500’s 2017 list of the United States’ largest companies are headquartered in Seattle: Internet retailer Amazon, coffee chain Starbucks, department store Nordstrom, freight forwarder Expeditors International of Washington, and forest products company Weyerhaeuser. The airport averages 200,000 takeoffs and landings each year and supports \$3.5 billion in local business. This in turn supports more than 16,000 jobs, creating \$2 billion in labor income in King County. Seattle–Tacoma International Airport, the eighth busiest in the U.S. is approximately 15-miles east of the subject property and serviced more than 49,849,520 people in 2018.

**BURGER KING**

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Marcus & Millichap

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