



OFFERING MEMORANDUM

WHATABURGER

BOILING SPRINGS (SPARTANBURG), SC

Marcus & Millichap

OFFERING SUMMARY



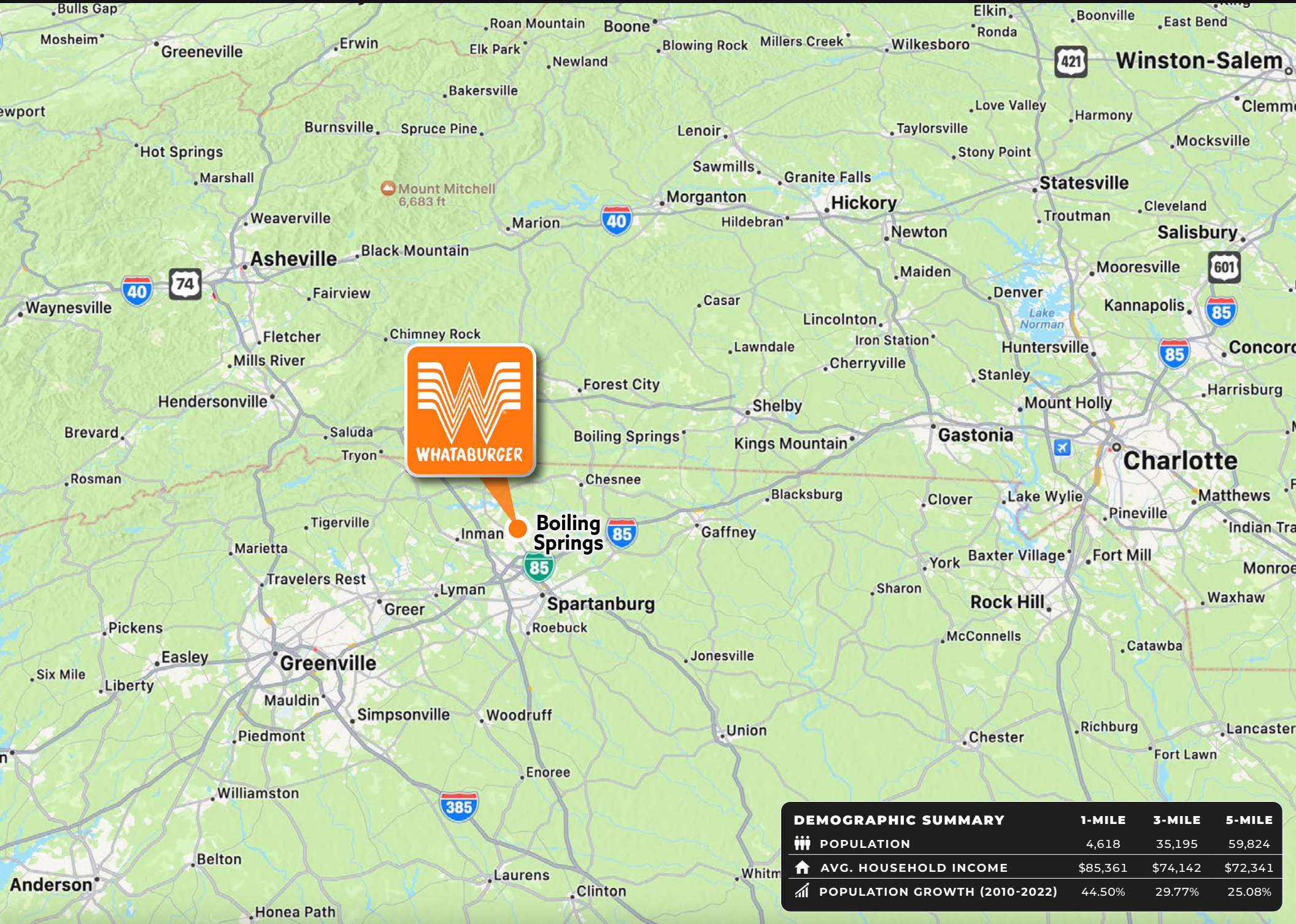
3651 BOILING SPRINGS RD. BOILING SPRINGS, SC 29316




PRICE	\$2,889,000
CAP RATE	4.50%
NOI	\$130,000
RENTABLE SQ FT.	3,751 SF
YEAR BUILT	2024
LOT SIZE	1.28
TENANT TRADE NAME	Whataburger
LEASE GUARANTOR	Corporate
LEASE TYPE	Ground Lease
ROOF & STRUCTURE	Tenant

LEASE TERM			15 Years
RENT COMMENCEMENT DATE			May 2024
LEASE EXPIRATION DATE			May 2039
TERM REMAINING ON LEASE			15 Years
INCREASES		10% Increases Every 5 years	
OPTIONS		Three, 5 Year Option Periods	
BASE RENT	Years 1-5		\$130,000
	Years 6-10		\$143,000
	Years 11-15		\$157,300
OPTION RENT	Years 16-20	(Option 1)	\$173,030
	Years 21-25	(Option 2)	\$190,333
	Years 26-30	(Option 3)	\$209,366
TENANT RESPONSIBILITIES		Taxes, CAM, Insurance, Roof & Structure	
LANDLORD RESPONSIBILITIES		100% No Landlord Responsibilities	



RENT SCHEDULE	NOI	RETURN
YEARS 1-5	\$130,000	4.50%
YEARS 6-10	\$143,000	4.95%
YEARS 11-15	\$157,300	5.44%
YEARS 16-20 (OPTION 1)	\$173,030	5.99%
YEARS 21-25 (OPTION 2)	\$190,333	6.59%
YEARS 26-30 (OPTION 3)	\$209,366	7.24%



DEMOGRAPHIC SUMMARY		1-MILE	3-MILE	5-MILE
	POPULATION	4,618	35,195	59,824
	AVG. HOUSEHOLD INCOME	\$85,361	\$74,142	\$72,341
	POPULATION GROWTH (2010-2022)	44.50%	29.77%	25.08%

INVESTMENT HIGHLIGHTS

NEW 15 YEAR CORPORATE WHATABURGER GROUND LEASE

- 3,751 SF Whataburger on 1.28 Acres located in Boiling Springs (Spartanburg), SC. The property is currently under construction and rent is scheduled to commence in May 2024.
- 15-Year corporate guaranteed ground lease with 10% rental increases every 5 years in the initial term and each of the three, 5 year option periods.
- Absolute NNN Ground Lease, and the tenant is responsible for all taxes, insurance, CAM, roof, and structure.

OUTPARCEL TO A 147,000 SF NEW CONSTRUCTION TARGET

- Positioned at the entrance to a 147,000 SF new construction Target that is scheduled for delivery in August 2024.
- Other outparcels to the Target include a new construction QuikTrip, Walgreens, First Citizens Bank, Firestone Subs and more.
- Located at the signalized intersection of Hwy 9 & State Rd 42 (combined 45,700 VPD) and is 2.5 miles off Interstate 85 (56,600 VPD).
- Surrounding national retailers include Lowe's Home Improvement, Walmart, ALDI, Goodwill, and more.

BOILING SPRINGS (SPARTANBURG) | 5 MILE POP GROWTH: 25% (2010-2022)

- Boiling Springs is an affluent and growing suburb of Spartanburg, SC and is about 30 miles northwest of Greenville.
- The 5 mile population from the subject property is 59,824 with 25% growth (2010-2022).
- Spartanburg is the county seat of Spartanburg County and is the second-largest city in the greater Greenville-Spartanburg-Anderson combined statistical area, which had a population of 1,385,045.
- The University of South Carolina Upstate (6,356 Students & 478 academic staff members) is 4 miles from the subject property.
- Other colleges & universities in Spartanburg include Wofford College, Converse University, Spartanburg College and more.

WHATABURGER | HIGHEST AVERAGE SALES PER STORE OF ALL BURGER QSR'S

- #1 highest average sales per stores of all burger fast food restaurants at \$3.46M per store.
- Whataburger was founded in 1950 and is headquartered in San Antonio, TX.
- 945 locations across 16 states, has over 50,000 employees and does over \$3 Billion in System wide sales annually.
- In 2019, private equity firm BDT Capital Partners, best known for taking ownership of Krispy Kreme and Panera Bread, acquired a majority interest in Whataburger. Since then, Whataburger has worked to grow its franchised locations into new markets more aggressively as well as re-design its outlets.
- In 2021, Newsweek ranked Whataburger #2 for "Fast-Food Restaurant Chains" in its annual "America's Best Customer Service" List.





945

**LOCATIONS
IN 16 STATES**

\$3 BILLION

**2022 TOTAL
REVENUE**

#1

**AVERAGE QSR SALES
PER STORE OF
ALL BURGER CHAINS**

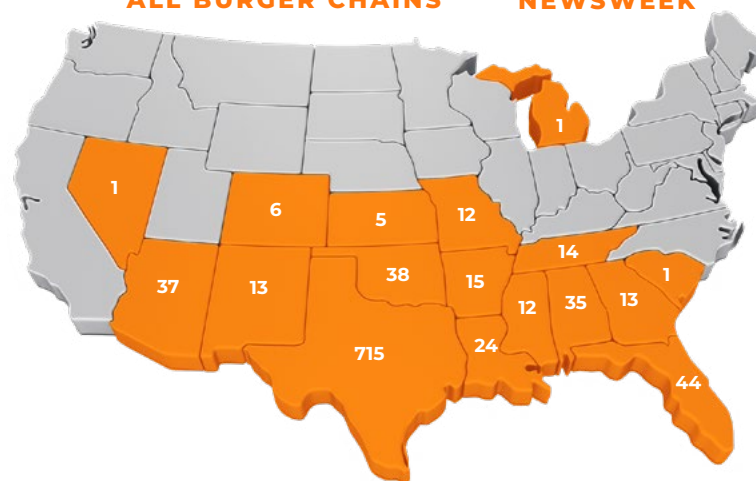
#2

**FAST FOOD
CHAINS
NEWSWEEK**

50,000

**EMPLOYEES
SYSTEMWIDE**

Whataburger is a renowned fast-food restaurant chain headquartered in San Antonio, Texas, United States. Established in 1950 by Harmon Dobson and Paul Burton, Whataburger quickly gained popularity for its high-quality burgers made with fresh ingredients and cooked to order. Over the years, Whataburger expanded its menu to include a variety of offerings such as chicken sandwiches, breakfast items, salads, and desserts. With a focus on quality and customization, Whataburger has developed a loyal customer base in Texas and beyond. Whataburger has grown its presence to over 945 locations across multiple states, including Texas, Florida, Oklahoma, South Carolina, and others. These locations comprise both company-owned restaurants and franchises, making Whataburger a prominent player in the fast-food industry.



945

**LOCATIONS
IN 16 STATES**

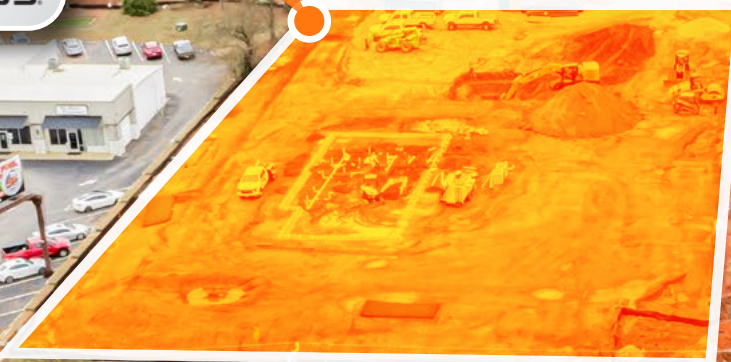
CONSTRUCTION PROGRESS



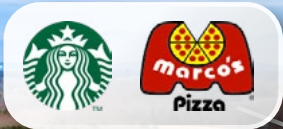
IN PROGRESS
147,000 SF New
Construction Target
August 2024 Delivery



Walgreens



Hwy 9
33,400 VPD



IN PROGRESS

147,000 SF New Construction Target August 2024 Delivery



McDonald's



Hwy 9
33,400 VPD





Boiling Springs HS
2,481 students

Boiling Springs ES
767 students

BOILING SPRINGS
FIRST BAPTIST CHURCH

Walgreens

Hwy 9
33,400 VPD





Boiling Springs
SC

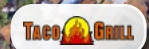


Hwy 9
33,400 VPD

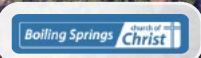
Boiling Springs HS
2,481 students



IN PROGRESS
147,000 SF New
Construction Target
August 2024 Delivery



STAR NAILS & SPA





SITE PLAN



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TAYLOR MCMINN
RETAIL GROUP

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TAYLOR MCMINN

RETAIL GROUP

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Fax: (815) 550-1286
don.mcminn@marcusmillichap.com

Re: 3651 Boiling Springs Rd – Boiling Springs, SC 29316 (Whataburger)

Dear:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser _____

**Purchaser's
Address** _____

**Purchaser's
Phone/Fax** _____

**Purchaser's
Email Address** _____

Offer Price _____

Earnest Money \$50,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract with an additional \$50,000 deposited at the expiration of the Inspection Period (\$100,000 Total). The Earnest Money shall become non-refundable barring any other listed contingencies at the expiration of the Inspection Period.

Inspection Period 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials _____ Seller's Initials _____

Financing Period
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$_____ on terms which are acceptable to Purchaser.

Closing Date

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

Closing Costs

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

Property Condition

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

**Contract within
10 days:**

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

Broker Commission

Purchaser acknowledges that Purchaser has employed _____, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

1031 Exchange

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$_____ in an exchange account from a transaction which closed escrow on _____. Purchaser will provide Seller, upon request, proof of such funds.

Confidentiality

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation

Purchaser's Initials _____ Seller's Initials _____

(written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted | Purchaser

By: _____

Printed: _____

Dated: _____

Agreed and Accepted | Seller

By: _____

Printed: _____

Dated: _____