

Burger King

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Representative Photo

BURGER KING

Address: 13555 US Highway 1, Sebastian, FL 32958

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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

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The Burger King logo is displayed in white, bold, uppercase letters within an orange rounded rectangular border.

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BURGER KING



Representative Photo



Investment Highlights

PRICE: \$2,718,447 | CAP: 5.15% | RENT: \$140,000

BURGER KING

About the Investment

- ✓ Brand New Construction
- ✓ Brand New Triple Net (NNN) 20-Year Sale Leaseback
- ✓ 55-Unit Franchisee
- ✓ 1.25% Annual Rental Increases Starting in Year Three

About the Location

- ✓ Compelling Location Fundamentals | Within Half-A-Mile From The Sebastian River Medical Center | 150-Bed Count | Less Than Two Miles from Sebastian Municipal Airport
- ✓ Dense Retail Corridor | Surrounding National Tenants Include: Walmart, Ruby Tuesday, The Home Depot, McDonald's, USPS, Good Will, Publix, TD Bank, Walgreens, And More
- ✓ Quality Demographics | Population Exceeds 66,600 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 23,300 Vehicles Per Day on U.S. Highway

About the Tenant / Brand

- ✓ Seven Restaurants ("7Restaurants") is a 55-Unit Burger King Operator
- ✓ 7Restaurants has Significant Growth Plans for this Entity | 10-15 New Sites in 2019 | Providing the Future Landlord with the Benefit of Credit Enhancement as Operations Continue to Grow
- ✓ 7Restaurants has an Excellent Track Record With Proven Operational Expertise
- ✓ The 7Restaurants Management Team has a Combined 70+ Years of Experience in The Burger King System
- ✓ Burger King Brand is One of the World's Most Recognized Consumer Brands



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$2,718,447 | CAP: 5.15% | RENT: \$140,000



PROPERTY DESCRIPTION

Property	Burger King
Property Address	13555 US Highway 1
City, State, ZIP	Sebastian, FL 32958
Year Built / Renovated	2019
Building Size	3,276
Lot Size	+/- 1.01 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,718,447
CAP Rate	5.15%
Annual Rent	\$140,000

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant/Guarantor	Franchisee (55-Unit Operator)
Original Lease Term	20 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	20 Years from COE
Lease Term Remaining	20 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5) Year Options
Rental Increases	1.25% Annual Increases Starting Year 3

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$140,000	\$11,667	-
Year 2	\$140,000	\$11,667	-
Year 3	\$141,750	\$11,813	1.25%
Year 4	\$143,522	\$11,960	1.25%
Year 5	\$145,316	\$12,110	1.25%
Year 6	\$147,132	\$12,261	1.25%
Year 7	\$148,972	\$12,414	1.25%
Year 8	\$150,834	\$12,569	1.25%
Year 9	\$152,719	\$12,727	1.25%
Year 10	\$154,628	\$12,886	1.25%
Year 11	\$156,561	\$13,047	1.25%
Year 12	\$158,518	\$13,210	1.25%
Year 13	\$160,499	\$13,375	1.25%
Year 14	\$162,506	\$13,542	1.25%
Year 15	\$164,537	\$13,711	1.25%
Year 16	\$166,594	\$13,883	1.25%
Year 17	\$168,676	\$14,056	1.25%
Year 18	\$170,785	\$14,232	1.25%
Year 19	\$172,919	\$14,410	1.25%
Year 20	\$175,081	\$14,590	1.25%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Burger King located in Sebastian, FL. The property consists of approximately 3,276 rentable square feet and is situated on approximately 1.01 acres of land. The property is subject to a 20-year triple-net (NNN) sale-leaseback. The lease will commence upon the close of escrow. The base annual rent will be \$140,000 and the lease calls for 1.25 percent rental increases every year starting year three through the base term and continuing through the four, five-year tenant renewal options.



Concept Overview



About Burger King

Burger King – founded in 1954 – 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. Almost 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. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately-held company. 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.

About 7Restaurants

Seven Restaurants, LLC ("7Restaurants") is among the most sophisticated multi-unit franchisee operators in the Burger King system. 7Restaurants owns and operates Burger King restaurants in the Broward County and Treasure Coast areas of south Florida. They currently have 55+ units and with significant reinvestment in the business, 7Restaurants is well positioned for exponential growth with the support of a highly seasoned senior management team. The group has a combined 70 years of experience in the Burger King system and expertise in fields such as M&A, franchising, and development.



SEVEN 7 RESTAURANTS
a franchisee of Burger King Corporation



#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

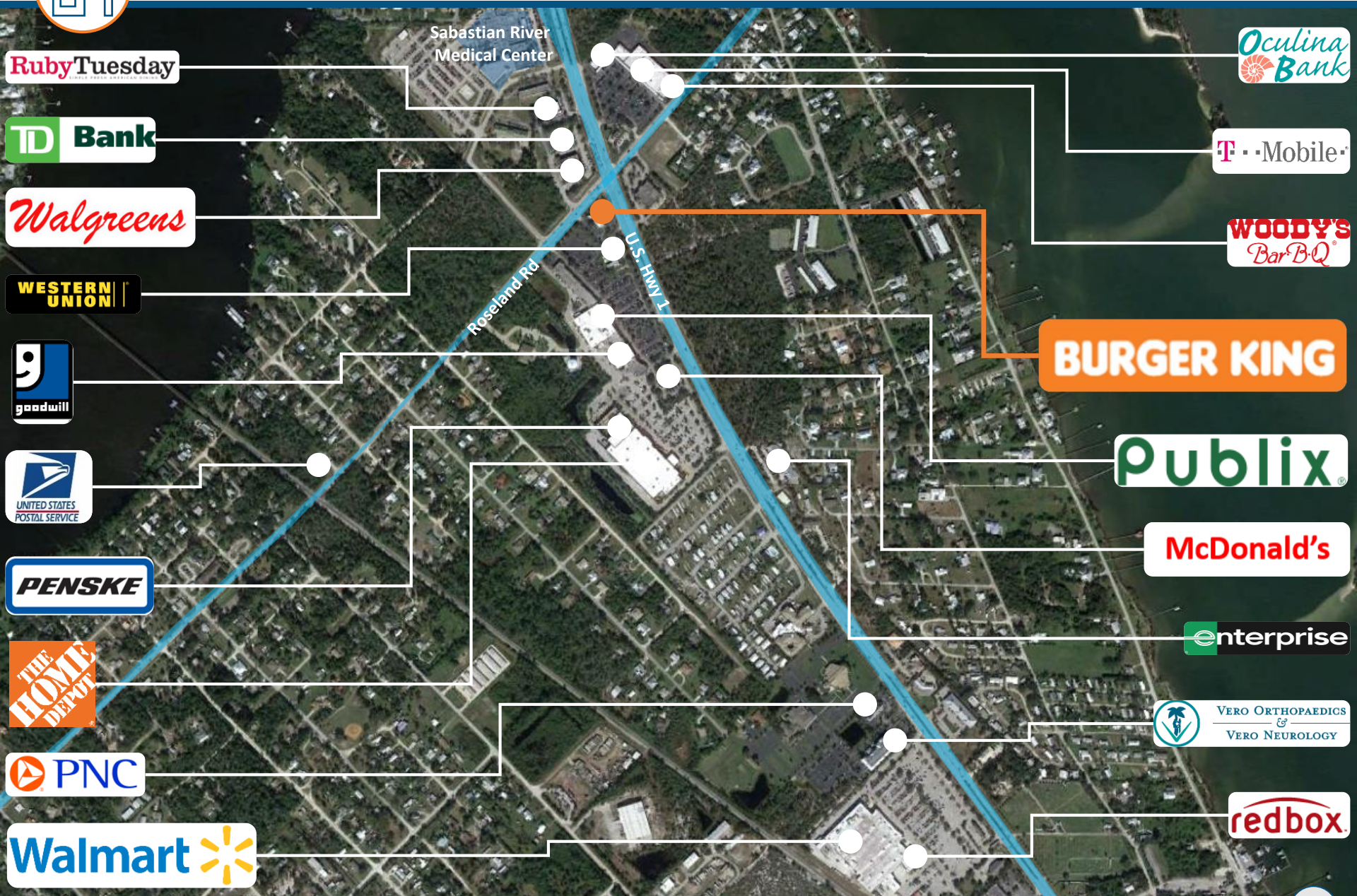
- Nearly 14,000 restaurants in 100+ countries. QSR industry-leading EBITDA margins





Surrounding Area

BURGER KING



Ruby Tuesday

TD Bank

Walgreens

WESTERN UNION

goodwill

UNITED STATES POSTAL SERVICE

PENSKE

THE HOME DEPOT

PNC

Walmart

Sebastian River Medical Center

Roseland Rd

U.S. Hwy 1

Oculina Bank

T-Mobile

WOODY'S Bar-B-Q

BURGER KING

Publix

McDonald's

Enterprise

VERO ORTHOPAEDIGS & VERO NEUROLOGY

redbox



Surrounding Area Photos

BURGER KING





Location Overview

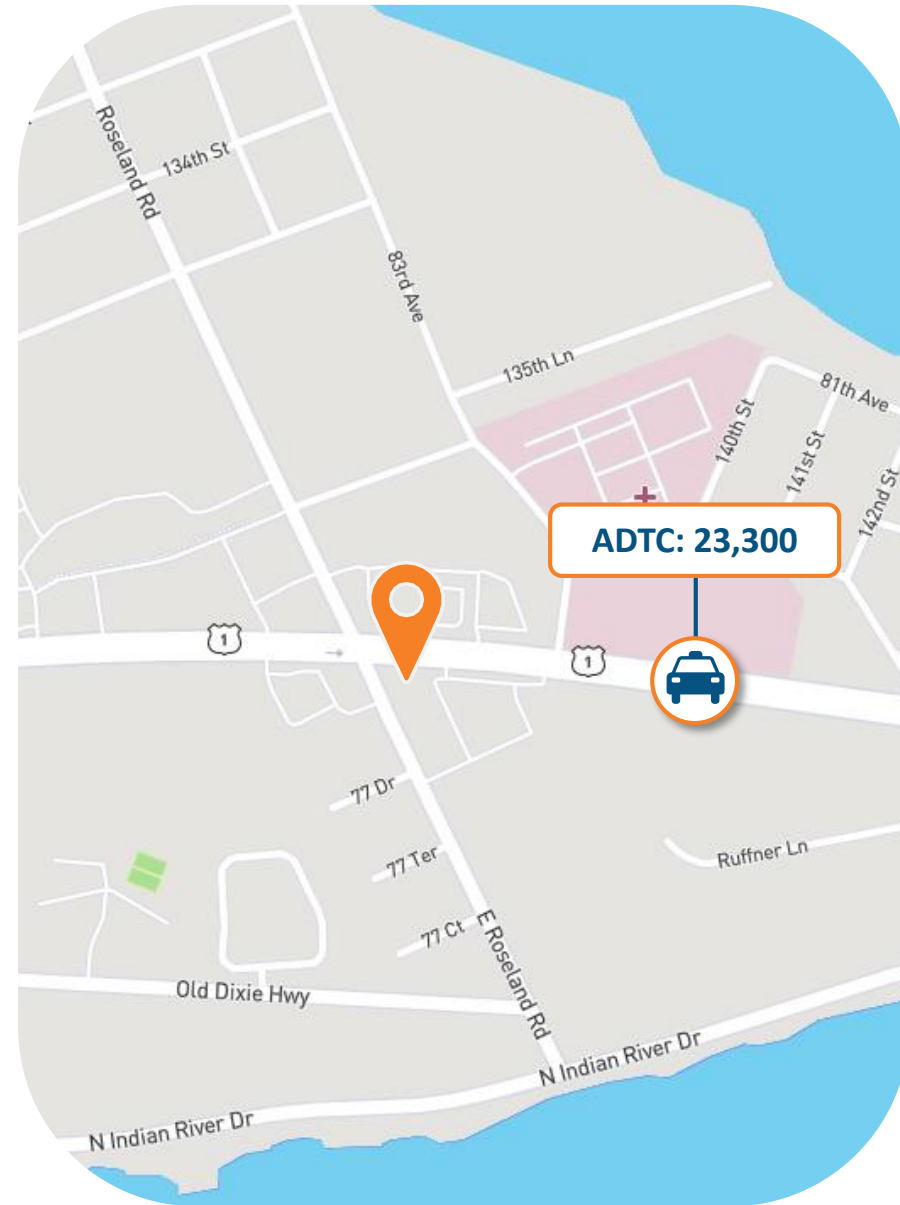
Property Address: 13555 US Highway 1, Sebastian, FL 32958

BURGER KING

The subject investment property is situated on Roseland Road, which boasts average daily traffic counts exceeding 9,300 vehicles, respectively. Intersecting with Roseland Road is U.S. Highway 1, which brings an additional 23,300 vehicles to the immediate area daily. There are more than 28,850 individuals residing within a three-mile radius of the property and more than 66,600 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hotels all within close proximity of this property. Major national tenants include: Walmart, Ruby Tuesday, The Home Depot, McDonald's, USPS, Good Will, Walgreens, Publix, as well as many others. Accommodations in the immediate area include Best Western Plus Sebastian Hotel & Suites. This Burger King property also benefits from less than a mile from The Sebastian River Medical Center, which has a bed count exceeding 150, offers surgical services including orthopedic, sports medicine, thoracic oncology and endovascular procedures to patients on the Treasure Coast. Sebastian River Medical serves as the top resource in the surrounding area for cancer treatment, diagnostic imaging, and orthopedic treatment.

Sebastian is a city in Indian River County, Florida, United States. In 2010, the population recorded by the U.S. Census Bureau was 21,929. Sebastian is a principal city of the Sebastian-Vero Beach Metropolitan Statistical Area, which includes all of Indian River County. Sebastian's mission is to create good paying jobs by recruiting new businesses to the area and by supporting their local existing businesses in their efforts to grow and expand their markets. The goal is to work towards a health economy with shared prosperity for the entire community. The Sebastian River Area offers opportunities for businesses to succeed, with business resources, incentives for job creation, convenient location, a diverse workforce and a very desirable lifestyle. Sebastian has seen the job market increase by 0.3% over the last year. Future job growth over the next ten years is predicted to be 34.2%, which is lower than the US average of 38.0%.

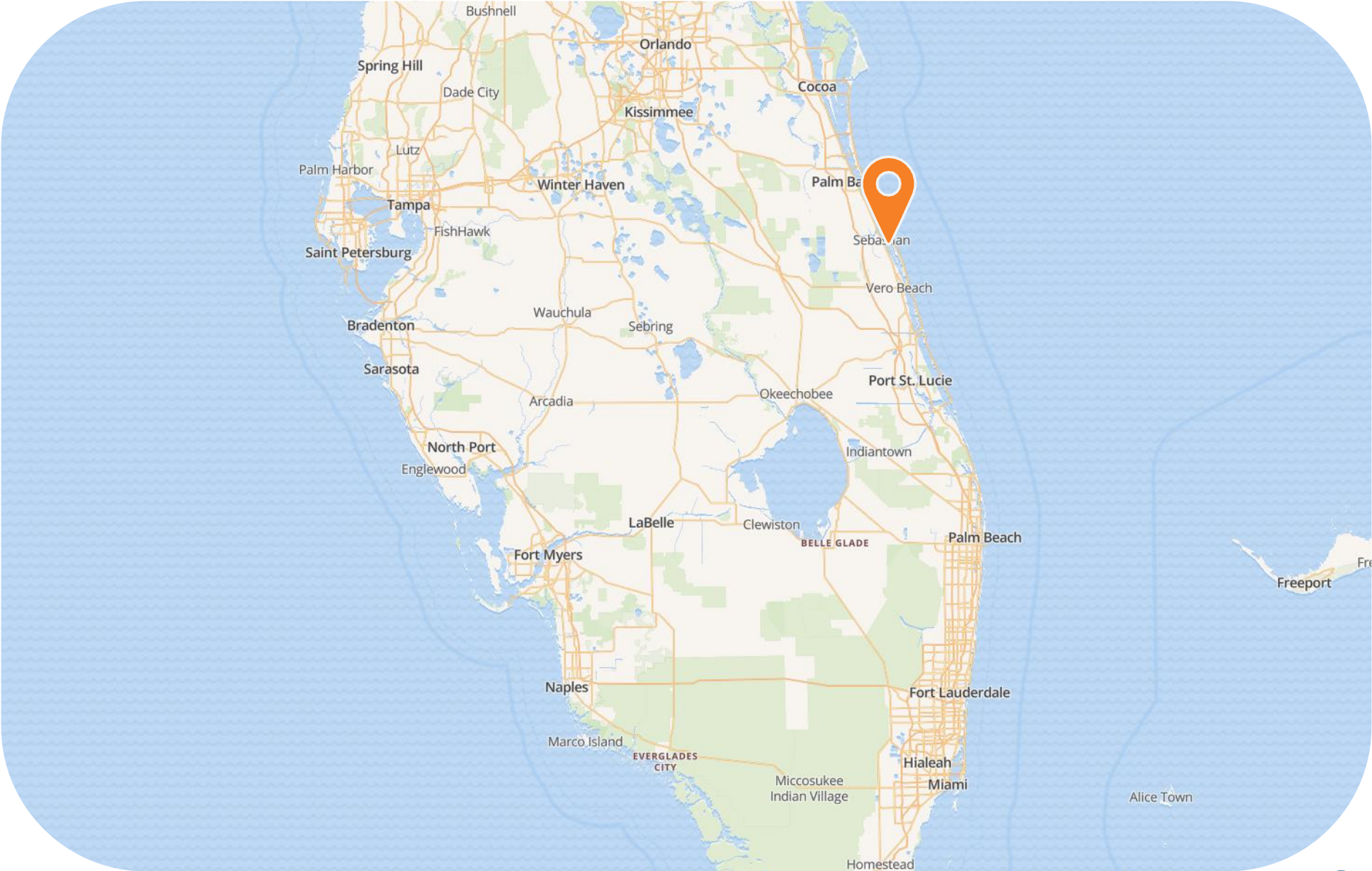




Local Map



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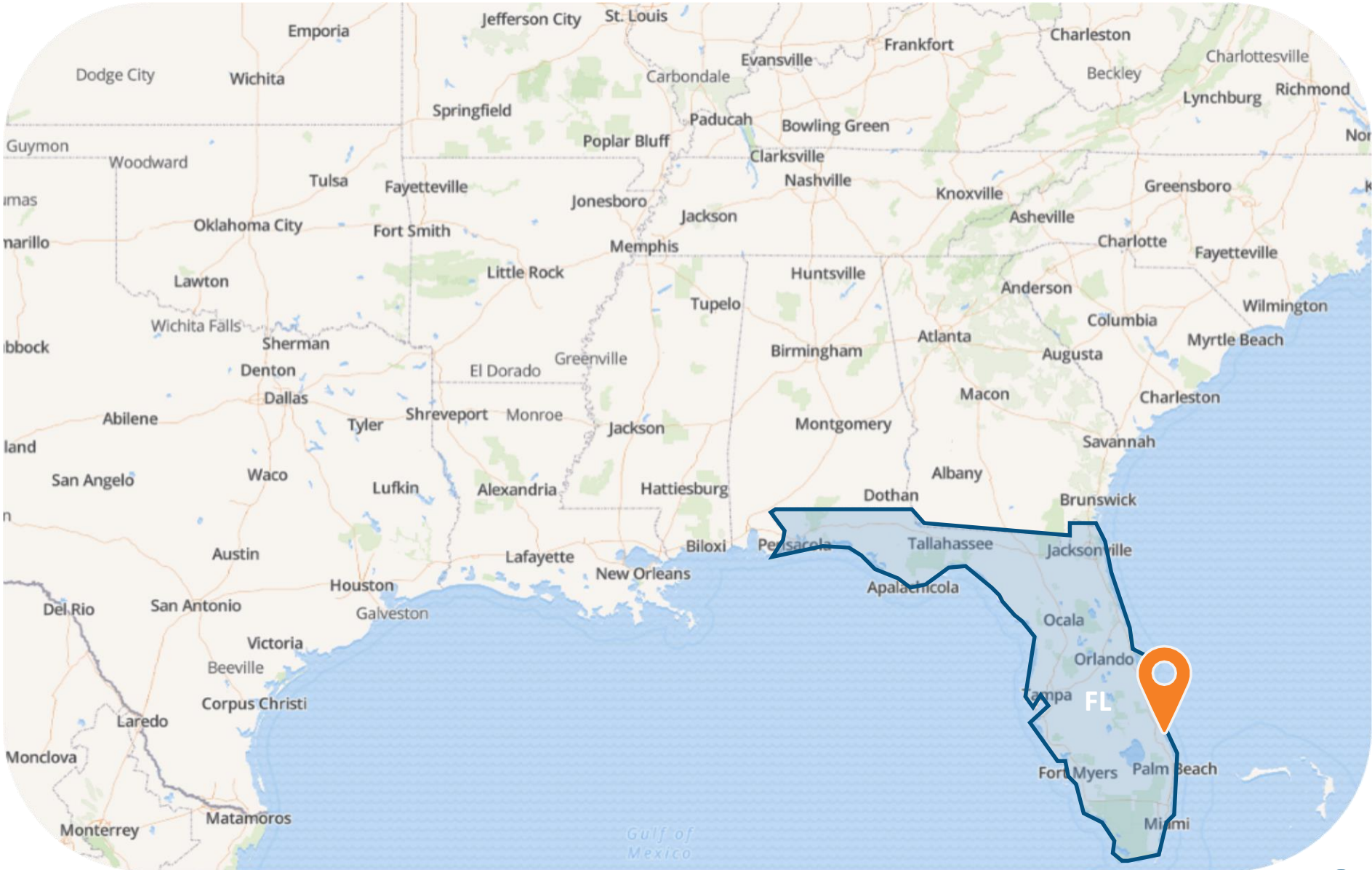




Regional Map



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Demographics

Property Address: 13555 US Highway 1, Sebastian, FL 32958



	1 Mile	3 Miles	5 Miles
POPULATION			
2022 Projection	9,474	31,025	74,631
2017 Estimate	8,966	28,884	66,638
2010 Census	8,214	26,934	61,500
2000 Census	7,485	23,268	47,630
INCOME			
Average	\$52,525	\$54,217	\$69,031
Median	\$37,553	\$40,193	\$46,583
Per Capita	\$26,147	\$26,333	\$29,726
HOUSEHOLDS			
2022 Projection	4,762	15,137	32,090
2017 Estimate	4,455	14,015	28,673
2010 Census	4,059	13,043	26,540
2000 Census	3,610	11,151	20,702
HOUSING			
2017	\$132,652	\$127,527	\$174,919
EMPLOYMENT			
2017 Daytime Population	10,576	25,436	56,200
2017 Unemployment	6.72%	6.39%	6.84%
2017 Median Time Traveled	28	27	28
RACE & ETHNICITY			
White	94.86%	93.09%	87.87%
Native American	0.01%	0.02%	0.05%
African American	1.70%	2.90%	4.31%
Asian/Pacific Islander	0.52%	0.96%	1.03%



Market Overview

City: Port St. Lucie | County: Lucie | State: Florida



Port St. Lucie, FL

Port St. Lucie is less than 40 miles from downtown Sebastian. The city consists of 120 square miles with a population of more than 185,000, the City is the 8th largest City in Florida and the 3rd largest City in South Florida. Port St. Lucie is home to Indian River State College, which shares its campus with Florida Atlantic University, Barry University and Keiser University. There are an abundance of recreational activities available to residents and visitors within the area, due to the city's climate, park facilities and proximity to the beaches nearby. Port St. Lucie is home to the Professional Golf Association (PGA) Learning Center, PGA Historical Center, the PGA Golf Professional Hall of Fame and the Probst Library, one of the world's prominent collections of golf archives and collectibles. Cultural of points of interest within the city include the nearby Underwater Demolition Team – SEAL Museum at Fort Pierce, the A.E. Backus Gallery and Museum, Hallstrom Planetarium and St. Lucie County Historical Museum.

Port St. Lucie also attracts a vibrant mix of people because of its low crime rate, diverse housing stock and abundant open space. According to BizJournals.com, the city has the highest homeownership rate in the nation in 2012 and is the only major market with a homeownership rate above 75 percent. As a growing community, the city offers diverse economic opportunities, clear guidelines for prosperous and sustainable growth, and state-of-the-art infrastructure ready to support development and investment. Additionally, the city government is committed to delivering outstanding public services that enhance the community and the quality of life for people of all ages. In 2008, Tradition and Core Communities welcomed the Florida Center of Innovation, a research laboratory and campus, which has a building in Tradition for two biotech and life science companies, the Torrey Pines Institute for Molecular Studies and the Vaccine & Gene Therapy Institute. This campus alone is projected to bring more than 30,000 jobs to the city of Port St. Lucie.

Major Employers

Employer	Estimated # of Employees
Indian River State College	514
Sebastian Hospital LLC	500
Visiting Nurse Treasure Coast	475
Walmart	400
Sun AG LLC	250
HMA	172
Sebastian Inlet Marina Trading Co.	172
The Home Depot	150
Publix Super Markets, Inc.	150
Sebastian River High School	150

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EXCLUSIVE NET LEASE OFFERING

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