

OFFERING MEMORANDUM

# BURGER KING

200 PORTER AVENUE | BUFFALO, NY 14201





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EXCLUSIVELY LISTED BY



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# CONTENTS

4 EXECUTIVE SUMMARY

6 FINANCIAL OVERVIEW

10 AREA OVERVIEW





EXECUTIVE SUMMARY

## Investment Highlights

### LONG-TERM, WORRY-FREE INVESTMENT

- **Remodeled Site** – This store was remodeled in 2015 to match the latest Burger King prototype
- **Recently Extended** – Site has been operating as a Burger King since 1997 and tenant just committed to extending the lease out to 2031 – Strong commitment to the location
- **Year-Over-Year Growth** - Sales have consistently increased for the 3 years - TTM from August 2019 shows a 17.6% increase in revenue for this site
- **Absolute NNN Lease** – Tenant takes care of all landlord responsibilities including tax, insurance, maintenance, roof and structure
- **Growing Cash Flow** – There are 7.5% increases every 5 years – an Excellent hedge against inflation!

### EXCELLENT TENANT WITH STRONG GROWTH AND HEALTHY BALANCE SHEET

- **Carrol's Corporation** – The largest Burger King franchisee in the country with over 1,010+ Burger King and 55+ Popeyes stores – It is also a publicly-traded company with over \$580mm in assets and over \$1.08 Billion in Revenue (2017)
- **A tenant with Long-Term Outlook** – Carrol's has recently posted strong year-over-year growth with restaurant sales increasing 21.6% in Q2 2019

### STRONG FUNDAMENTALS

- Minutes from Downtown Buffalo
- Walking distance to D'Youville College
- Closest QSR to I-190 off Porter Ave – I-190 sees over 75,000 vehicles per day
- Over 11,000 people in a 1-mile radius, 23,000 people in a 3-mile radius and 234,735 people in a 5-mile radius



## FINANCIAL OVERVIEW

## Burger King

200 Porter Avenue,  
Buffalo, NY 14201

List Price .....	\$1,655,000
Cap Rate .....	5.65%
Gross Leasable Area .....	±3,014 SF
Year Built / Renovated.....	1981 / 2015

## Tenant Summary

Tenant Trade Name	Burger King
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee (Carrol's LLC)
Lease Type	NNN
Roof and Structure	Tenant Responsible
Rent Commencement Date	08/01/2003
Lease Expiration Date	07/31/2031
Original Lease Term	20 Years
Term Remaining on Lease	±12 Years
Increases	7.50% Every 5 Years
Options	1, 2-Year Option & 4, 5-Year Options

## Annualized Operating Data

Year	Monthly Rent	Annual Rent	RPSF	Cap	Increases
Current - 7/31/2023	\$7,792	\$93,500	\$31.02	5.65%	
8/1/2023 - 7/31/2028	\$8,376	\$100,513	\$33.35	6.07%	7.50%
8/1/2028 - 7/31/2031	\$9,004	\$108,051	\$35.85	6.53%	7.50%
Option 1 (8/1/2031 - 7/31/2033)	\$9,004	\$108,051	\$35.85	6.53%	7.50%
Option 2 (8/1/2033 - 7/31/2038)	\$9,680	\$116,155	\$38.54	7.02%	7.50%
Option 3 (8/1/2038 - 7/31/2043)	\$10,406	\$124,866	\$41.43	7.54%	7.50%
Option 4 (8/1/2043 - 7/31/2048)	\$11,186	\$134,231	\$44.54	8.11%	7.50%
Option 5 (8/1/2048 - 7/31/2053)	\$12,025	\$144,299	\$47.88	8.72%	7.50%



TENANT OVERVIEW



Property Name	Burger King
Parent Company Trade Name	Restaurant Brands International, Inc. (NYSE: QSR)
Ownership	Public
Credit Rating (Standard & Poor's)	B+
Revenue	\$1.15 B
Net Income	\$233.70 M
No. of Locations	± 15,000
No. of Employees	± 34,248
Headquartered	Miami, FL
Website	www.bk.com
Year Founded	1953

## TENANT OVERVIEW

Burger King Worldwide operates the world's #3 hamburger chain by sales with almost 15,000 restaurants in the US and more than 100 other countries. 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. Burger King Worldwide is owned and operated by Restaurant Brands International.

## GEOGRAPHIC OUTREACH

Burger King has restaurant locations throughout the US and more than 100 other countries. The US and Canada are responsible for about 65% of revenues. Like most other giants of the fast-food industry, Burger King has expanded its nationwide and international presence primarily through franchising. But the company has reduced its domestic expansion efforts recently. Burger King has used joint ventures to expand in countries like China, Mexico, Russia, and Singapore.

## STRATEGY

Burger King has been remodeling outdated restaurant interiors and modernizing obsolete technology, thus positioning the company for future growth. Its goal is to have 40% of Burger King restaurants in the US and Canada on a modern image by the end of 2015. The company has also been steadily refranchising locations with the goal of getting to a 100% franchised business model eventually.

## The Offering

Property Name		Burger King		Site Description	
Property Address	200 Porter Avenue Buffalo, NY 14201	Number of Stories	One		
External ID/APN	140200 99.82-3-3	Year Built / Year Renovated	1981 / 2015		
		Gross Leasable Area (GLA)	± 3,014 SF		
		Lot Size	± 0.61 Acres (26,640 SF)		
		Type of Ownership	Fee Simple		
		Landscaping	Professional		
		Roof and Structure	Tenant Responsibility		

## Parcel Map



# TENANT MAP



## AREA OVERVIEW



### Buffalo, NY

Buffalo, the 2nd-most populous city in New York, sits on the western side of the state on the coastal plain of Lake Erie, where Niagara River connects north to Lake Ontario. The city was first selected as an All American City and Community in 1996. These designations last a lifetime.

Buffalo is rich in culture and has a lot to offer in terms of arts, nightlife, professional sports, famous art collections, and museums. The award-winning airport in conjunction with the University of Buffalo has boosted the economy. The main economic sectors include industrial, light manufacturing, high technology and services. The proximity to Canada gives the city's businesses extra support from those who come across the border on a regular basis, which many do to avoid higher prices in their home country.

## Recent Development in Buffalo



### Buffalo Niagara Medical Campus

This property consists of 27 finished and ongoing developments totaling in \$1.6 billion. These projects include the \$50.5 million Clinical Science Center for Roswell Park Cancer Institute which will include a cancer treatment center and breast mammography center.



### John R. Oishei Children's Hospital

\$243 million is going toward a 12-story hospital to replace the existing facility on Bryant Street.



### 250 Delaware

The construction of a \$95 million, 12-story building at Delaware Avenue and Chippewa Street is currently in development and to be anchored by Delaware North Cos.



### Central Business District

The Central Business District accounts for \$843.6 million in 49 developments. One of the 49 newly completed buildings is the \$51 million headquarters and training center for Catholic Health at 144 Genesee Street.



### 1001 Main Street

This 287,000-square-foot, six-story medical office building includes underground parking and connection to the John R. Oishei Children's Hospital and UB School of Medicine totaling in \$110 million.



### Curtiss Building

204-216 Franklin Street was recently renovated from a former hotel into apartments and offices totaling in \$18.1 million.

## Professional Sports



### NFL Buffalo Bills

The Buffalo Bills are a professional American football team based in the Buffalo–Niagara Falls metropolitan area. The team plays their home games at New Era Field in Orchard Park, New York. The Bills are the only NFL team that plays its home games in the state of New York which has impacted the local economy bringing in tourists on game day who fill hotel rooms and dine at local restaurants.



### NHL Buffalo Sabres

The Buffalo Sabres are a professional ice hockey team based in Buffalo, New York. They are members of the Atlantic Division of the Eastern Conference of the National Hockey League (NHL). The team has advanced to the Stanley Cup Finals twice since being established. The Sabres hosted the 2016 NHL draft which contributed upwards of \$10 million to the local economy due to the 15,000 fans and hundreds of print, television and radio media who were in attendance.





## Demographics

Population	1 Mile	3 Mile	5 Mile
2024 Projection	23,473	101,511	234,735
2019 Estimate	23,404	101,476	235,228
2010 Census	23,609	103,025	240,668

Households	1 Mile	3 Mile	5 Mile
2024 Projection	11,310	46,904	106,051
2019 Estimate	11,141	46,435	105,332
2010 Census	10,884	45,903	105,149

Income	1 Mile	3 Mile	5 Mile
2016 Est. Average Household Income	\$49,573	\$56,463	\$56,071

## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Burger King** located at **200 Porter Avenue, Buffalo, NY 14201 ("Property")**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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