

MANAGEMENT FREE - ABSOLUTE NET LEASE WITH INCREASES - TENANT ACQUIRED BY RBI, INT'L



Subject Photo

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Purchase Price: \$1,863,700

Initial Cap Rate: 6.0%

Lease Terms:

- **Thirteen+ Years of Remaining Term**
- **Absolute Net Lease**
- **10% Rent Increase Every 5 Years**
- **Two x 5 Year Renewal Options**

Annual Rent Schedule:

\$101,656 **Years 1 - 5**

\$111,822 **Years 6 - 10**

\$123,004 **Years 11 - 15**

\$135,305 **Years 16 - 20**

Option Rent Defined:

Option rent shall reflect the percentage change in Consumer Price Index from the Commencement Date of the lease and the date of the executed renewal, except in no event shall the rent exceed \$150,725 annually

Rent Start Date: September 2017

The subject property is a single tenant **Burger King** restaurant in Memphis, Tennessee. *Our original tenant, Mirable Investment Corp. and guarantor Tennessee Quality, LLC were acquired by Carrols Corp., the nation's largest Burger King operator, in February 2019. In May of 2024 Carrols was acquired by Restaurant Brands International, Inc. now the country's largest Burger King operator.* The property consists of a ± 2,267 sf, freestanding quick service restaurant with drive through window, on ± 0.65 acres at the corner of Park Avenue and Loeb Street / Getwell Street. Burger King is strategically located across the street from the **University of Memphis Park Avenue Campus** and a few blocks south of the **University of Memphis** main campus (21,700 students). Both Park Ave. and Getwell St. are busy commercial arteries. Traffic generators sharing this intersection include **Save A Lot Supermarket, Checker's QSR, dd's Discounts, Dollar Tree, CSL Plasma, Bank of America, Cricket Wireless, T-Mobile** and **The Bottle Shoppe**. A few blocks away is **Audubon Park** which includes Memphis Botanic Garden, Radians Amphitheater and The Links at Audubon Park. The surrounding area consists of residential neighborhoods and commercial uses serving the university and community. The Oak Court Mall (Dillard's, Macy's, H&M), Target, Sprouts Grocery are less than a mile away. Burger King's absolute net lease commenced in September 2017 with a twenty year primary term running through September 2037, followed by two, 5 year renewal options. Rent increases by ten percent every five years, with the next rent adjustment occurring in September 2027. Tennessee has no state income tax. **Burger King - Memphis is the ideal property for a passive investor seeking a national brand and the largest operator in the country.**

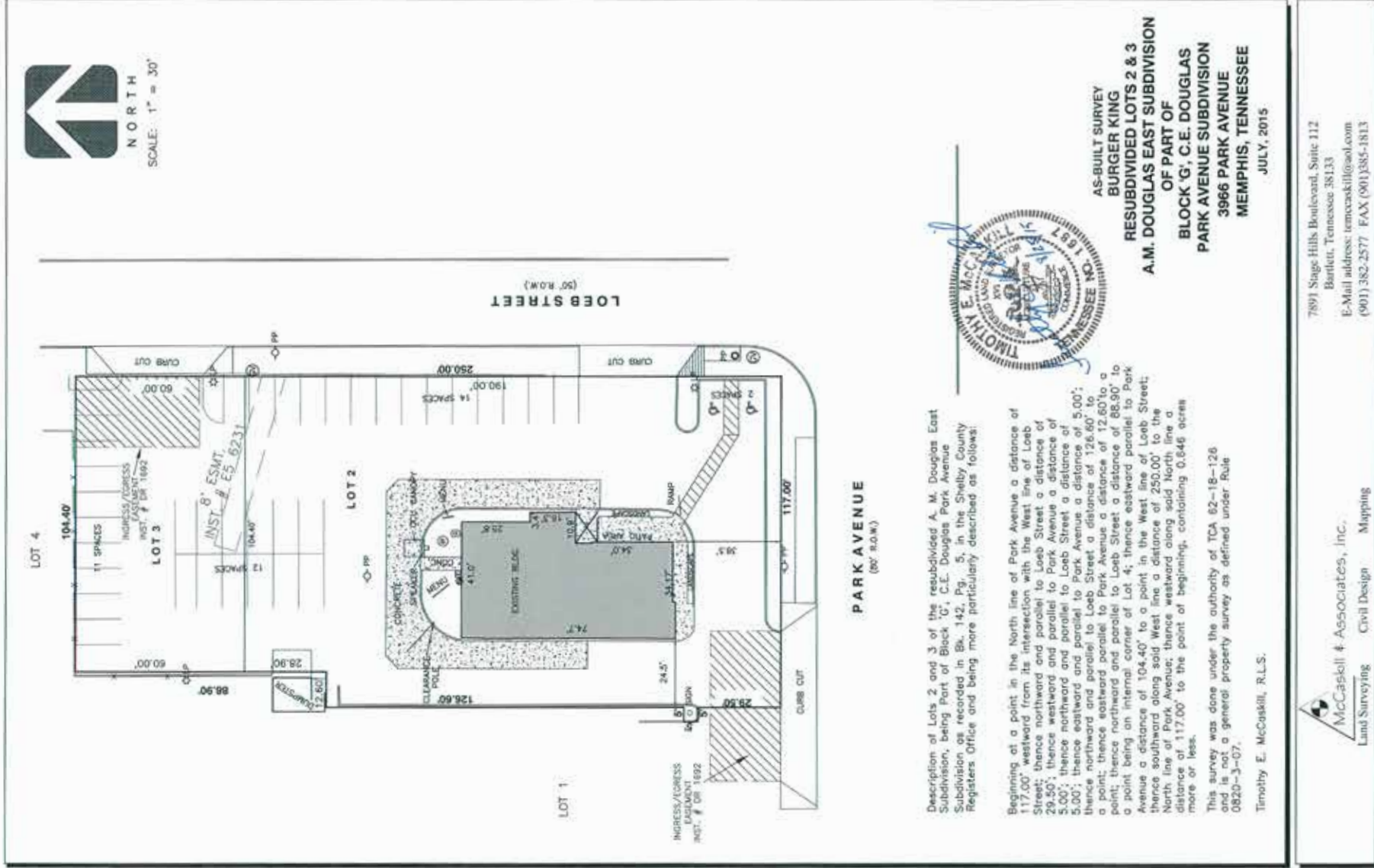


Land Area: ± 0.65 Acres (± 28,314 SF)

Building Area: ± 2,267 SF w/ drive thru

	<u>3 mile</u>	<u>5 mile</u>
Population:	93,826	228,448
Average HH Income:	\$75,985	\$71,037

The information contained herein has been received from sources we believe to be reliable, but we have made no independent investigation of the accuracy or completeness and make no representation thereto. The above is subject to errors, omissions, or withdrawal from the market. The Silver Group advises all interested parties to conduct their own independent due diligence and not to solely depend on this memorandum.



Description of Lots 2 and 3 of the resubdivided A. M. Douglas East Subdivision, being Part of Block 'G', C.E. Douglas Park Avenue Subdivision as recorded in Bk. 142, Pg. 5, in the Shelby County Register's Office and being more particularly described as follows:

Beginning at a point in the North line of Park Avenue a distance of 117.00' westward from its intersection with the West End of Loeb Street; thence northward and parallel to Loeb Street a distance of 29.50'; thence westward and parallel to Park Avenue a distance of 5.00'; thence northward and parallel to Loeb Street a distance of 5.00'; thence eastward and parallel to Park Avenue a distance of 5.00'; thence northward and parallel to Park Avenue a distance of 126.60' to a point; thence eastward parallel to Loeb Street a distance of 126.60' to a point being an internal corner of Lot 4; thence eastward parallel to Park Avenue a distance of 104.40' to a point in the West line of Loeb Street; thence southward along said West line a distance of 250.00' to the North line of Park Avenue; thence westward along said North line a distance of 117.00' to the point of beginning, containing 0.646 acres more or less.

This survey was done under the authority of TCA 62-18-126 and is not a general property survey as defined under Rule 0820-3-07.

Timothy E. McCaskill, R.L.S.



AS-BUILT SURVEY
BURGER KING
RESUBDIVIDED LOTS 2 & 3
OF PART OF
A.M. DOUGLAS EAST SUBDIVISION
BLOCK 'G', C.E. DOUGLAS
PARK AVENUE SUBDIVISION
3966 PARK AVENUE
MEMPHIS, TENNESSEE
JULY, 2015

McCaskill & Associates, Inc.
Land Surveying Civil Design Mapping

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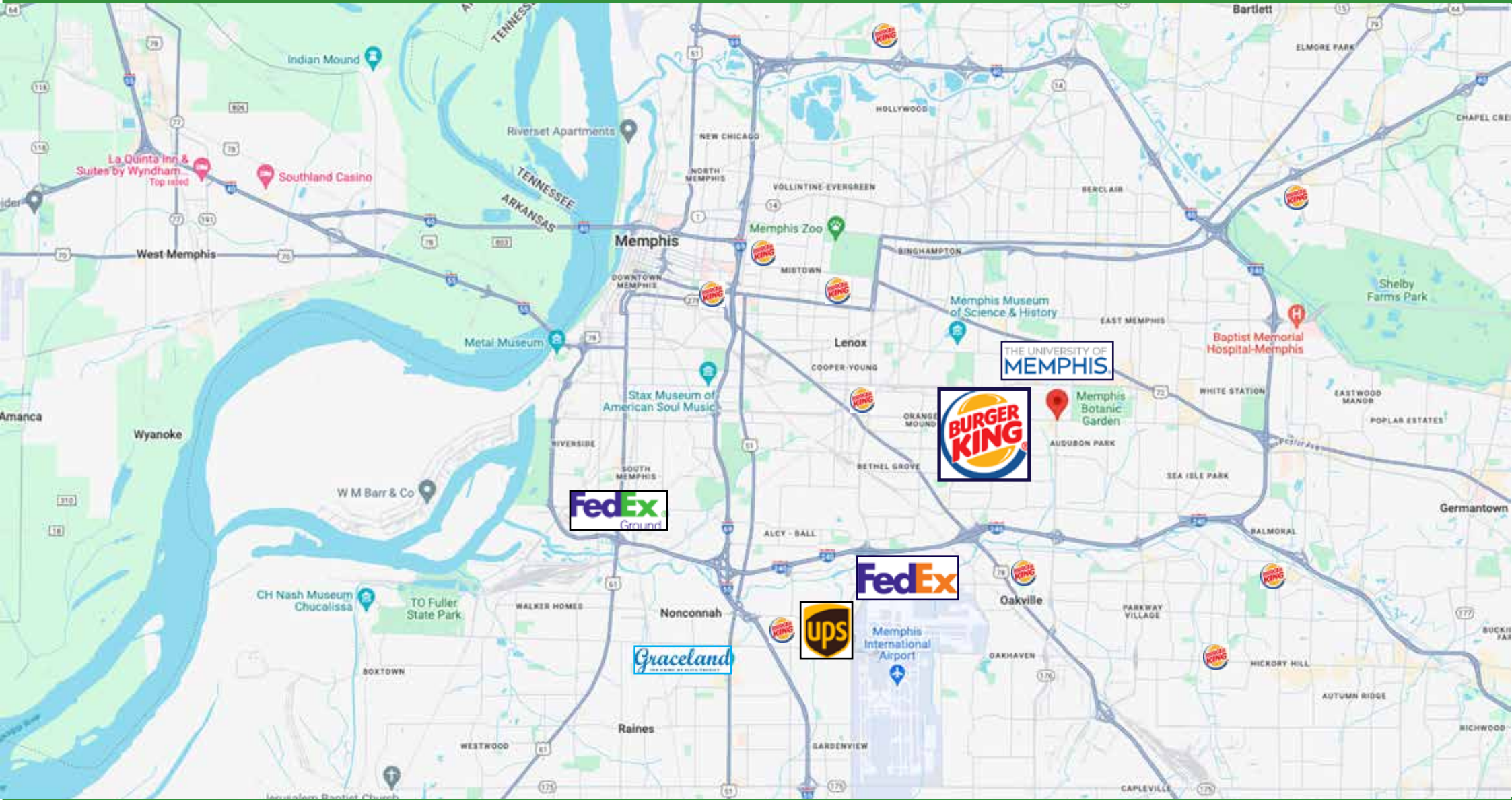


Burger King Restaurant

3966 Park Avenue, Memphis, Tennessee 38111



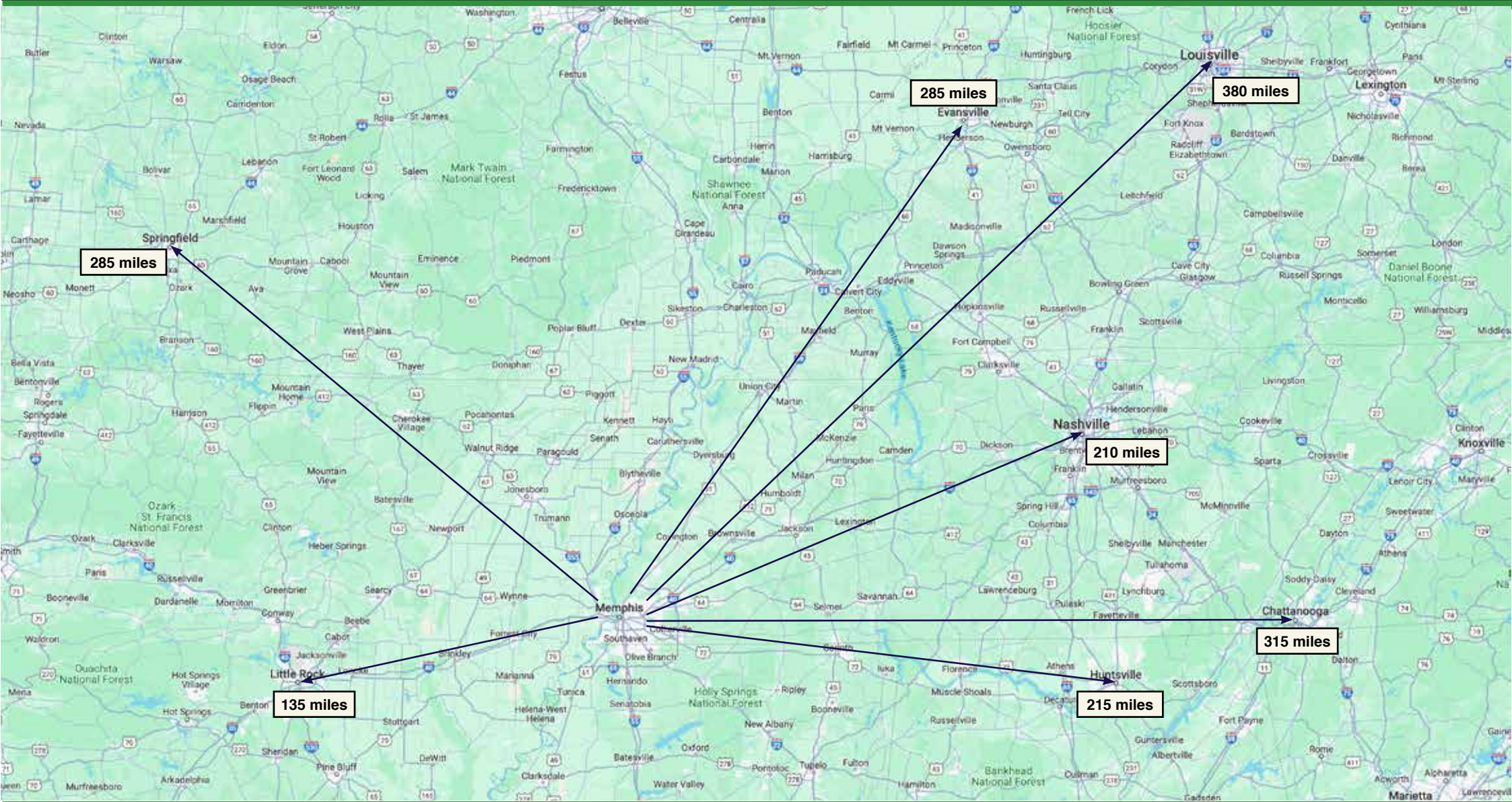




Distance Map -

Burger King Restaurant

3966 Park Avenue, Memphis, Tennessee 38111



ABOUT THE TENANT

Mirabile Investment Corp.

Acquired by Carrol's Corp. in February 2019

Carrols: 2023 Burger King Sales of \$1.78 Billion

Operating 1,082 Burger King and 60 Popeyes

Acquired by Restaurant Brands Int'l in May 2024

The original Tenant - Mirabile Investment Corp. and Lease Guarantor - Tennessee Quality LLC were acquired by Carrols Corp. in February 2019. Carrols Corp., the largest Burger King franchise, has operated Burger King restaurants since 1976 and Popeye's restaurants since 2019. On May 16, 2024, Carrols was acquired by Restaurant Brands International, Inc. (RBI) for approx. \$1 billion in cash and announced plans to invest an additional \$500 million to reimage 600 Carrols restaurant locations. RBI is the parent of Burger King and they also own Tim Horton's and Firehouse Subs.

As of December 2023, Carrols operated a total of 1,082 Burger King and Popeyes locations in 23 states. (including 110 BK in Tennessee). Total revenue generated was \$1.87 billion with approximately 460,000 guests were served per day. During fiscal 2023, comparable restaurant sales at their Burger King restaurants increased by 9.3% and 10.1% at Popeyes. As of December 2023, their 1,023 Burger King units average weekly sales was \$33,812. Carrols 2023 financial highlights are EBITDA of \$141 Million and Net Worth of \$185 Million. Burger King restaurants are quick service sandwich restaurants that feature the popular flame-grilled Whopper, as well as a variety of hamburgers, chicken and other specialty sandwiches, wraps, french fries, breakfast items, snacks and soft drinks. Carrols believes that the competitive attributes of Burger King restaurants include significant brand recognition, convenience of location, quality, speed of service and value. Locations are typically open seven days per week.

ABOUT THE AREA



Memphis is the seat of Shelby County and the second most populous city in the state of Tennessee with a population of 611,000 residents and the surrounding MSA is comprised of approximately 1.1 million residents. Memphis was founded in 1819 and is situated on the edge of the widest part of the Mississippi River. The MSA includes West Tennessee and portions of Arkansas, Mississippi and the Missouri Bootheel. One of the more historic and culturally significant cities of the Southern United States, Memphis has a wide variety of landscapes and distinct neighborhoods. It is home to three Fortune 500 companies: FedEx (#63), International Paper (#107) and AutoZone (#306).

Since the civil rights era, Memphis has become one of the nation's leading commercial centers in transportation and logistics. The largest employer is FedEx, which maintains a global hub at the Memphis International Airport making it the world's 2nd busiest cargo airport. The International Port of Memphis is the 5th busiest inland water port in the U.S.

The city is home to the Memphis Grizzlies of the NBA and Memphis Showboats of the UFL. Higher level educational institutions include University of Memphis, Christian Brothers University and Rhodes College.

Known worldwide as the "Home of the Blues & Birthplace of Rock 'n' Roll" - not to mention gospel, jazz, R&B, rap and soul. Almost 20% of the earliest inductees in the Rock 'n' Roll Hall of Fame came from within a 100 mile radius of Memphis.

Historic Beale Street, whose musical offerings have helped it to be voted as the most popular entertainment district in America following Bourbon Street in New Orleans. Graceland, home to Elvis Presley, is the second-most visited private home in the country next to the White House.

Burger King® Company Completes Acquisition of Carrols Restaurant Group Company Release - 5/16/2024 9:20 AM ET

TORONTO, May 16, 2024 /CNW/ - Restaurant Brands International Inc. (“RBI”) (TSX: QSR) (NYSE: QSR) (TSX: QSP) announced today that it has completed its previously announced acquisition of all issued and outstanding shares of Carrols Restaurant Group, Inc. (“Carrols”) (formerly NASDAQ: TAST) that are not already held by RBI or its affiliates for \$9.55 per share in an all cash transaction, or an aggregate total enterprise value of approximately \$1.0 billion. With the close of the acquisition, RBI adds the largest Burger King® (“BK”) franchisee in the United States to its portfolio as part of the Company’s Reclaim the Flame plan. As previously announced, the Company will invest a further \$500M to accelerate the reimagining of more than 600 Carrols restaurants before refranchising the majority of the acquired portfolio to new or existing smaller franchise operators over the next seven years. In addition, on May 16, 2024, subsidiaries of RBI entered into an amendment to their existing Credit Agreement (the “2024 Amendment”) increasing the existing term loan B facility with \$5.2 billion outstanding to a \$5.9 billion term loan B facility (the “Term Loan B Facility”) under the same terms as the existing Term Loan B Facility. The proceeds from the increase in the Term Loan B Facility were used along with cash on hand to complete the acquisition of Carrols, including the payoff of its credit agreement and the redemption and discharge of its outstanding 5.875% senior notes due 2029.

About Carrols Restaurant Group

Carrols is one of the largest restaurant franchisees in North America. It is the largest Burger King® franchisee in the United States, currently operating 1,023 Burger King® restaurants in 23 states as well as 59 Popeyes® restaurants in six states. Carrols has operated Burger King® restaurants since 1976 and Popeyes® restaurants since 2019. For more information, please visit the Company’s website at www.carrols.com.

About Burger King®

Founded in 1954, the Burger King® brand is the second largest fast food hamburger chain in the world. The original Home of the Whopper®, the Burger King® system operates more than 19,000 restaurants in more than 120 countries and territories. Nearly all Burger King® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades. To learn more about the Burger King® brand, please visit the Burger King® brand website at www.bk.com or follow us on Facebook, X and Instagram.

About Restaurant Brands International Inc.

Restaurant Brands International Inc. is one of the world’s largest quick service restaurant companies with over \$40 billion in annual system-wide sales and over 30,000 restaurants in more than 120 countries and territories. RBI owns four of the world’s most prominent and iconic quick service restaurant brands – TIM HORTONS®, BURGER KING®, POPEYES®, and FIREHOUSE SUBS®. These independently operated brands have been serving their respective guests, franchisees and communities for decades. Through its Restaurant Brands for Good framework, RBI is improving sustainable outcomes related to its food, the planet, and people and communities. To learn more about RBI, please visit the company’s website at www.rbi.com.

Demographics

Building Type: **General Retail**

Total Available: **0 SF**

Secondary: **Fast Food**

% Leased: **100%**

GLA: **2,267 SF**

Rent/SF/Yr: **-**

Year Built: **1992**



Radius	1 Mile	3 Mile	5 Mile
Population			
2028 Projection	9,807	92,956	224,877
2023 Estimate	10,065	93,826	228,448
2010 Census	10,864	96,050	234,629
Growth 2023 - 2028	-2.56%	-1.89%	-1.56%
Growth 2010 - 2023	-7.35%	-4.31%	-2.72%
2023 Population by Hispanic Origin			
2023 Population	10,065	93,826	228,448
White	5,072	43,063	96,975
Black	4,338	47,095	121,895
Am. Indian & Alaskan	75	434	1,003
Asian	314	1,424	4,307
Hawaiian & Pacific Island	4	228	401
Other	260	1,582	3,866
U.S. Armed Forces	9	141	300
Households			
2028 Projection	4,122	37,121	89,119
2023 Estimate	4,237	37,922	90,696
2010 Census	4,590	39,896	93,675
Growth 2023 - 2028	-2.71%	-2.11%	-1.74%
Growth 2010 - 2023	-7.69%	-4.95%	-3.18%
Owner Occupied	1,947	21,407	48,261
Renter Occupied	2,289	16,515	42,435
2023 Households by HH Income	4,236	37,921	90,695
Income: <\$25,000	1,285	11,008	26,894
Income: \$25,000 - \$50,000	1,154	8,957	23,109
Income: \$50,000 - \$75,000	601	5,756	13,930
Income: \$75,000 - \$100,000	369	3,483	8,113
Income: \$100,000 - \$125,000	415	2,692	6,003
Income: \$125,000 - \$150,000	156	1,285	2,872
Income: \$150,000 - \$200,000	61	1,454	3,157
Income: \$200,000+	195	3,286	6,617
2023 Avg Household Income	\$62,517	\$75,985	\$71,037
2023 Med Household Income	\$40,940	\$43,923	\$43,714



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6/13/2024

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