

# Burger King | Carrols LLC | Recent 5-Year Extension

2250 OH-53, Fremont, OH 43420



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## OFFERING SUMMARY



Listing Price  
**\$1,750,000**



Cap Rate  
**5.57%**



Price/SF  
**\$565.25**

### FINANCIAL

Listing Price	\$1,750,000
Annual Rent	\$97,412
Cap Rate	5.57%
Price/SF	\$565.25

### OPERATIONAL

Lease Type	Absolute Net
Guarantor	Carrols LLC
Lease Commencement	05/06/2002
Lease Expiration	05/05/2027
Renewal Options	Three Five-Year Options
Rent Increases	See Rent Schedule
Right of First Refusal	Yes
Gross SF	3,096 SF
Lot Size	1.86 Acres (81,020 SF)
Year Built	2000





# BURGER KING | CARROLS LLC | RECENT 5-YEAR EXTENSION

## 2250 OH-53, Fremont, OH 43420

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### INVESTMENT OVERVIEW

Marcus & Millichap has been selected to exclusively market for sale Burger King located at 2250 OH-53 in Fremont, Ohio. The subject property is a single-tenant fast food restaurant building located at the signalized intersection of OH-53 and Sean Drive. The property was constructed for Burger King in 2000 and they have occupied the building since that time. Burger King recently exercised a five-year renewal option to extend their lease through May 2027; there are three remaining five-year renewal options. The lease has an absolute net expense basis with no landlord responsibilities whatsoever. There are rent increases during the remaining term and during the option periods.

The franchisee is Carrols LLC, a wholly-owned subsidiary of Carrols Restaurant Group, Inc. Carrols is one of the largest restaurant franchisees in North America. It is the largest Burger King franchisee in the United States, currently operating 1,026 Burger King restaurants in 23 states. Additionally, they have a development agreement with Burger King Corporation to open 50 new restaurants by 2024 and acquire up to 500 existing franchised locations. Carrols has operated Burger King restaurants since 1976.

Burger King is located in a regional retail node along OH-53 north of Fremont, Ohio. This highway connects the city center with The Ohio Turnpike (I-80/I-90) to the north and is a major highway with traffic counts of nearly 12,000 vehicles per day. The property is just north of Walmart Supercenter and Lowe's; national retail tenants in the area include ALDI, Gordman's, Harbor Freight, Dollar Tree, AutoZone, AT&T, Verizon, Aspen Dental, T-Mobile, GNC, Great Clips, GameStop, Supercuts, Chipotle, Applebee's, Taco Bell, McDonald's, Bob Evans, and Buffalo Wild Wings.

### INVESTMENT HIGHLIGHTS

- Fast Food Building Leased to the Largest Burger King Franchisee in the United States
- Carrols Restaurant Group, Inc. Operates 1,026 Burger King Restaurants in 23 States
- Burger King Just Exercised Their First Renewal Option, Extending the Lease for Five Years
- Burger King Has Operated in This Location for 20+ Years
- Absolute Net Lease with No Landlord Responsibilities
- Rent Increases Throughout the Lease Term and Option Periods
- Located in a Regional Retail Node Near Walmart, Lowe's, ALDI, Gordman's, Harbor Freight, Dollar Tree, AutoZone, McDonald's, Taco Bell, Chipotle, Aspen Dental, Applebee's, Verizon, T-Mobile, and AT&T
- Corner Location at a Signalized Intersection on OH-53 with Traffic Counts of 11,876 Cars Per Day

## Burger King | Carrols LLC | Recent 5-Year Extension // FINANCIAL DETAILS

THE OFFERING	
Price	\$1,750,000
Capitalization Rate	5.57%
Price/SF	\$565.25

PROPERTY DESCRIPTION	
Year Built / Renovated	2000
Gross Leasable Area	3,096 SF
Type of Ownership	Fee Simple
Lot Size	1.86 Acres

LEASE SUMMARY	
Tenant	Burger King
Rent Increases	See Rent Schedule
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	05/06/2002
Lease Expiration	05/05/2027
Renewal Options	Three 5-Year Options
Term Remaining on Lease (Yrs)	5 Years
Landlord Responsibility	None; Absolute Net
Tenant Responsibility	All Operating Expenses

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
5/6/2022	\$97,412	\$8,118	\$31.46	5.57%
5/6/2023	\$98,386	\$8,199	\$31.78	5.62%
5/6/2024	\$99,370	\$8,281	\$32.10	5.68%
5/6/2027 (Option 1)	\$100,364	\$8,364	\$32.42	5.74%
5/6/2028 (Option 1)	\$101,368	\$8,447	\$32.74	5.79%
5/6/2029 (Option 1)	\$102,382	\$8,532	\$33.07	5.85%
5/6/2032 (Option 2)	\$103,406	\$8,617	\$33.40	5.91%
5/6/2033 (Option 2)	\$104,440	\$8,703	\$33.73	5.97%
5/6/2034 (Option 2)	\$105,484	\$8,790	\$34.07	6.03%
5/6/2037 (Option 3)	\$106,539	\$8,878	\$34.41	6.09%
5/6/2038 (Option 3)	\$107,604	\$8,967	\$34.76	6.15%
5/6/2039 (Option 3)	\$108,680	\$9,057	\$35.10	6.21%



## Burger King | Carrols LLC | Recent 5-Year Extension // TENANT PROFILE



### TENANT HIGHLIGHTS

- Carrols Restaurant Group, Inc. is the largest Burger King franchisee in the U.S
- Carrols LLC is a wholly-owned subsidiary of Carrols Restaurant Group, Inc.
- The company operates 1,026 Burger King restaurants in 23 states
- Ohio is their third-largest market area with 116 locations
- They are publicly traded on the NYSE under the ticker TAST
- Carrols LLC has an agreement with Burger King to develop 50 new stores by 2024
- The agreement allows Carrols to acquire up to 500 locations from other franchisees
- Carrols LLC plans to keep adding stores in Ohio, Pennsylvania, Tennessee, Indiana, Kentucky, Arkansas, Louisiana, Maryland, Maine, North Carolina, Mississippi, Rhode Island, Michigan, Virginia, and Vermont

### TENANT OVERVIEW

Company:	Carrols Restaurant Group, Inc.
Founded:	1960
Locations:	1,026 Burger King and 65 Popeyes
Employees:	6,625
Net Income:	\$1.65 Billion
Net Worth:	\$271 Million
Ticker:	TAST (NYSE)
Headquarters:	Syracuse, NY
Website:	www.carrols.com

### RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	BUMP	YIELD
5/6/2022	\$97,412	1.0%	5.57%
5/6/2023	\$98,386	1.0%	5.62%
5/6/2024	\$99,370	1.0%	5.68%
5/6/2025	\$99,370	-	5.68%
5/6/2026	\$99,370	-	5.68%

### ABOUT CARROLS RESTAURANT GROUP, INC.

Carrols Restaurant Group, Inc. is one of the largest restaurant franchisees in the United States. It is the largest Burger King franchisee in the U.S., currently operating 1,029 Burger King restaurants in 23 states as well as 65 Popeyes restaurants in seven states. Carrols has operated Burger King restaurants since 1976 and Popeyes restaurants since 2019.



## **Carrols Restaurant Group, Inc. Reports Preliminary Sales Results for the Fourth Quarter and Full Year 2021**

SYRACUSE, N.Y., Feb. 24, 2022 (GLOBE NEWSWIRE) -- Carrols Restaurant Group, Inc. ("Carrols" or the "Company") (Nasdaq: TAST) today reported its financial results for the fourth quarter and full year ended January 2, 2022.

### **Highlights for the 13-Week Fourth Quarter of 2021 versus the 14-Week Fourth Quarter of 2020**

- Total restaurant sales were \$416.1 million in the fourth quarter of 2021. Total restaurant sales were \$420.5 million in the fourth quarter of 2020, which included a \$28.4 million contribution from the 14th week in 2020; and
- **Comparable restaurant sales for the Company's Burger King® restaurants increased 7.4%** (October +5.0%, November +9.7%, December +8.3%).

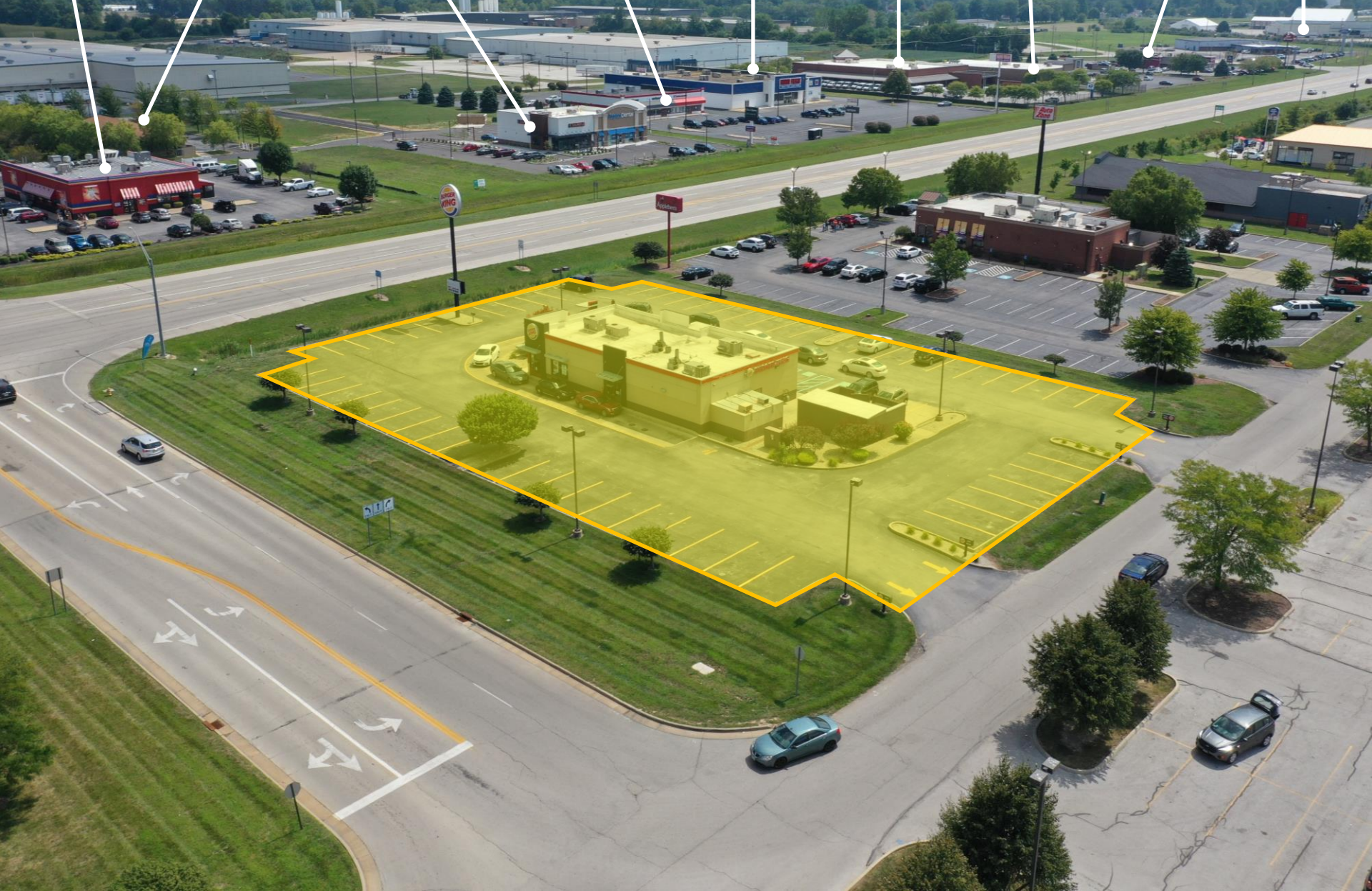
### **Highlights for the 52-Week Full Year of 2021 versus the 53-Week Full Year of 2020**

- Total restaurant sales were \$1,652.4 million in the full year of 2021. Total restaurant sales were \$1,547.5 million in the prior year, which included a \$28.4 million contribution from the 53rd week in 2020; and
- **Comparable restaurant sales for the Company's Burger King® restaurants increased 9.1%.**

### **Management Commentary**

Daniel T. Accordino, Chairman, Chief Executive Officer and President of Carrols, commented, "Our 7.4% quarterly increase in Burger King comparable restaurant sales was driven by an average check growth of 12.1%, inclusive of menu price increases and lower promotional activity which was partially offset by a traffic decline of 4.2%. Delivery rose to 5.0% of total restaurant sales during the fourth quarter of 2021, up from 3.5% in the year-ago period, and contributed to our average check growth. On a calendar comparison basis, we exceeded the Burger King U.S. system for comparable restaurant sales growth by approximately 600 basis points during the fourth quarter of 2021, extending our track record of outperforming the system to 22 of the last 24 quarters. This was accomplished through both menu price actions and by maintaining normal operating hours despite severe labor constraints. We remain focused on disciplined capital allocation while maintaining substantial liquidity, which we believe has served us well in this challenging business environment. At present, we intend to use free cash flow generated by our business primarily to reduce debt levels and strengthen our balance sheet"





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**Burger King**



**TACO BELL**



**Comfort INN & SUITES**



**Fricker's**



**Aspen Dental**



OH-53 (11,876 VPD)

Burger King | Carrols LLC | Recent 5-Year Extension // REGIONAL MAP





## Burger King | Carrols LLC | Recent 5-Year Extension // DEMOGRAPHICS

<b>POPULATION</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
<b>2026 Projection</b>			
Total Population	1,232	19,932	26,925
<b>2021 Estimate</b>			
Total Population	1,254	20,060	27,143
<b>2010 Census</b>			
Total Population	1,295	20,404	27,708
<b>2000 Census</b>			
Total Population	1,369	21,749	29,211
<b>Daytime Population</b>			
2021 Estimate	2,430	23,453	28,786
<b>HOUSEHOLDS</b>			
<b>2026 Projection</b>			
Total Households	578	7,941	10,917
<b>2021 Estimate</b>			
Total Households	583	7,948	10,936
Average (Mean) Household Size	2.3	2.5	2.5
<b>2010 Census</b>			
Total Households	611	8,223	11,338
<b>2000 Census</b>			
Total Households	604	8,528	11,561
<b>Occupied Units</b>			
2026 Projection	672	9,320	12,692
2021 Estimate	672	9,259	12,624
<b>HOUSEHOLDS BY INCOME</b>			
<b>2021 Estimate</b>			
\$150,000 or More	4.6%	4.2%	5.6%
\$100,000-\$149,999	11.5%	8.7%	10.2%
\$75,000-\$99,999	17.0%	13.0%	13.8%
\$50,000-\$74,999	22.9%	23.0%	22.9%
\$35,000-\$49,999	15.3%	16.6%	15.6%
Under \$35,000	28.7%	34.5%	31.9%
Average Household Income	\$65,975	\$59,775	\$66,069
Median Household Income	\$56,829	\$48,872	\$52,361
Per Capita Income	\$31,766	\$23,920	\$26,816

<b>HOUSEHOLDS BY EXPENDITURE</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
Total Average Household Retail Expenditure	\$116,129	\$103,242	\$108,819
<b>Consumer Expenditure Top 10 Categories</b>			
Housing	\$18,269	\$16,630	\$17,412
Transportation	\$9,514	\$8,252	\$8,687
Food	\$7,648	\$7,005	\$7,295
Personal Insurance and Pensions	\$6,788	\$5,998	\$6,360
Healthcare	\$6,009	\$5,224	\$5,538
Entertainment	\$2,871	\$2,485	\$2,646
Cash Contributions	\$1,832	\$1,420	\$1,574
Apparel	\$1,605	\$1,431	\$1,526
Gifts	\$1,466	\$1,244	\$1,347
Education	\$987	\$932	\$997
<b>POPULATION PROFILE</b>			
<b>Population By Age</b>			
2021 Estimate Total Population	1,254	20,060	27,143
Under 20	19.7%	25.8%	24.7%
20 to 34 Years	15.8%	18.9%	17.6%
35 to 39 Years	4.9%	6.5%	6.2%
40 to 49 Years	10.4%	11.2%	11.1%
50 to 64 Years	23.8%	19.9%	20.9%
Age 65+	25.4%	17.8%	19.6%
Median Age	49.3	39.1	41.4
<b>Population 25+ by Education Level</b>			
2021 Estimate Population Age 25+	941	13,736	18,942
Elementary (0-8)	3.1%	3.6%	3.2%
Some High School (9-11)	8.2%	8.4%	7.5%
High School Graduate (12)	39.0%	41.3%	41.2%
Some College (13-15)	20.7%	21.2%	20.7%
Associate Degree Only	11.0%	11.5%	11.4%
Bachelor's Degree Only	12.0%	9.1%	10.2%
Graduate Degree	5.9%	5.0%	5.8%





## POPULATION

In 2021, the population in your selected geography is 27,143. The population has changed by -7.1 percent since 2000. It is estimated that the population in your area will be 26,925 five years from now, which represents a change of -0.8 percent from the current year. The current population is 49.1 percent male and 50.9 percent female. The median age of the population in your area is 41.4, compared with the U.S. average, which is 38.4. The population density in your area is 345 people per square mile.



## EMPLOYMENT

In 2021, 12,825 people in your selected area were employed. The 2000 Census revealed that 45.2 percent of employees are in white-collar occupations in this geography, and 54.8 percent are in blue-collar occupations. In 2021, unemployment in this area was 7.0 percent. In 2000, the average time traveled to work was 14.2 minutes.



## HOUSEHOLDS

There are currently 10,936 households in your selected geography. The number of households has changed by -5.4 percent since 2000. It is estimated that the number of households in your area will be 10,917 five years from now, which represents a change of -0.2 percent from the current year. The average household size in your area is 2.4 people.



## HOUSING

The median housing value in your area was \$120,080 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 8,050 owner-occupied housing units and 3,511 renter-occupied housing units in your area. The median rent at the time was \$369.



## INCOME

In 2021, the median household income for your selected geography is \$52,361, compared with the U.S. average, which is currently \$65,694. The median household income for your area has changed by 38.5 percent since 2000. It is estimated that the median household income in your area will be \$53,434 five years from now, which represents a change of 2.0 percent from the current year.

The current year per capita income in your area is \$26,816, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$66,069, compared with the U.S. average, which is \$94,822.



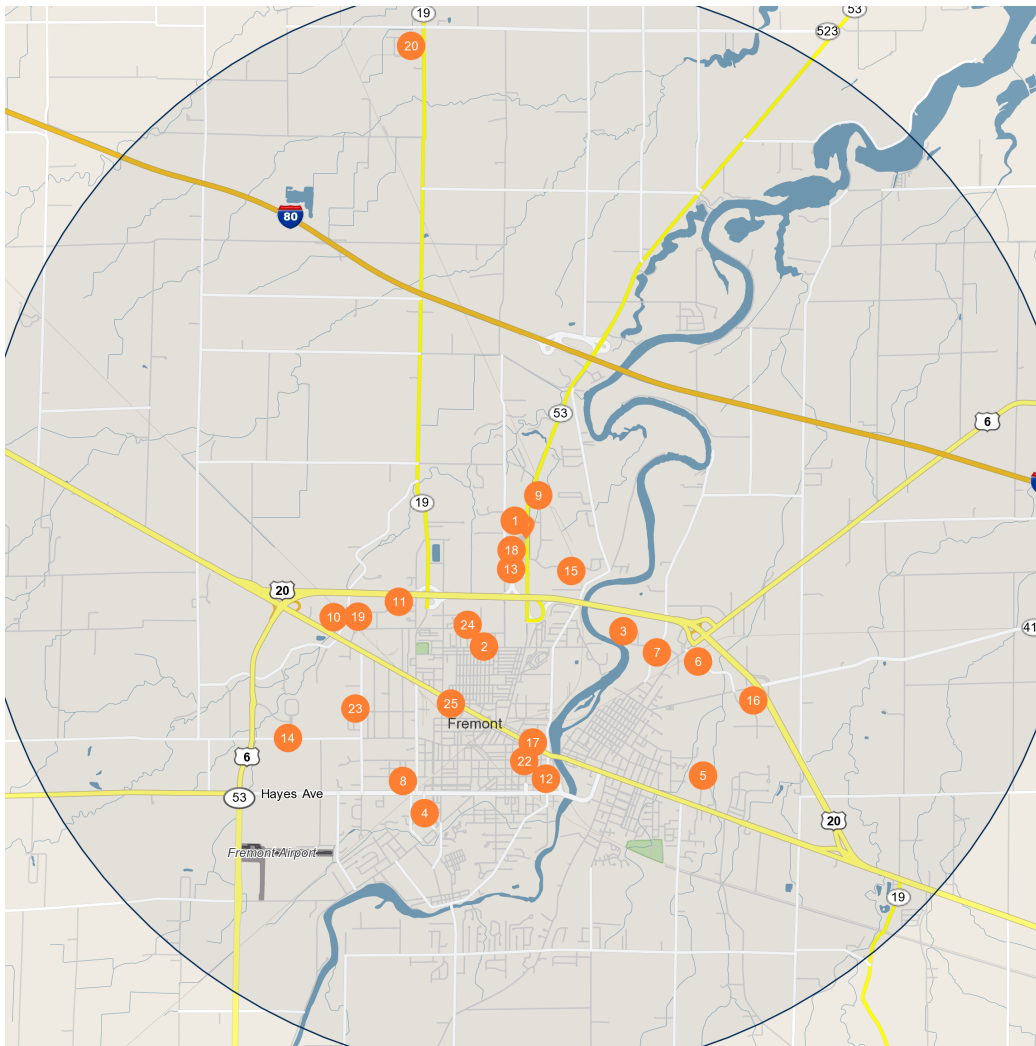
## EDUCATION

The selected area in 2021 had a higher level of educational attainment when compared with the U.S. averages. Only 5.8 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.0 percent, and 10.2 percent completed a bachelor's degree, compared with the national average of 19.5 percent.

The number of area residents with an associate degree was higher than the nation's at 11.4 percent vs. 8.3 percent, respectively.

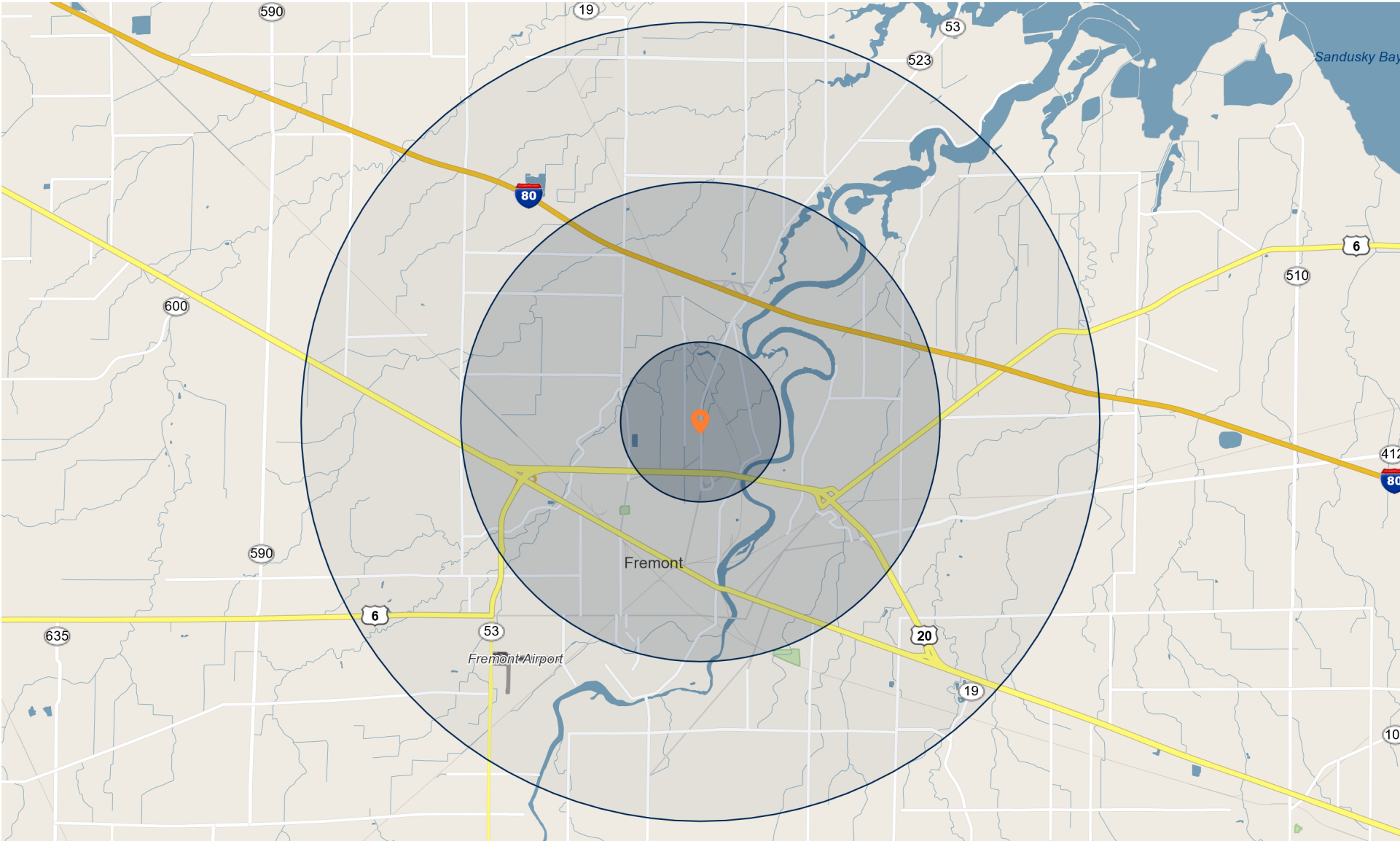
The area had more high-school graduates, 41.2 percent vs. 27.2 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 20.7 percent in the selected area compared with the 20.5 percent in the U.S.

# Burger King | Carrols LLC | Recent 5-Year Extension // DEMOGRAPHICS



Major Employers		Employees
1	Springleaf Fincl Holdings LLC	571
2	Fremont City Schools-Fremont Ross High School	500
3	Crown Battery Manufacturing Co-Crown Battery	450
4	Memorial Hospital-Memorial Hospital Healthlink	420
5	Rk Family Inc	278
6	Ohio Department of Health-Wic Program	269
7	Kraft Heinz Foods Company-Heinz	262
8	Auria Fremont LLC-Auria Solutions	261
9	Style Crest Inc	259
10	ABC Inoac Exterior Systems LLC-Eaton	250
11	Ludlow Composites Corporation-Crown Mats & Mating	180
12	United States Dept of Navy	175
13	Lowes Home Centers LLC-Lowes	150
14	Terra Community College-TERRA STATE COMMUNITY COLLEGE	150
15	Style Crest Inc	150
16	Woodbridge Group-Woodbridge	150
17	Flex Temp Employment Services-Pagan	143
18	Walmart Inc-Walmart	140
19	Green Bay Packaging Inc-Fremont Division	129
20	ZF Active Safety US Inc	126
21	United States Dept of Army	121
22	County of Sandusky-Board of County Commissioners	116
23	Volunters Amer Care Facilities-Bethesda Care Center	110
24	Vangurd-Sntnel Creer Tech Ctrs	105
25	First Choice Packaging Inc-First Choice Packg Solutions	105

Burger King | Carrols LLC | Recent 5-Year Extension // DEMOGRAPHICS



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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

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 guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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