



BURGER KING

CLEVELAND (CHATTANOOGA CSA), TN



CAPITAL PACIFIC



**NEWER CONSTRUCTION,
APPROXIMATELY 18-YEAR
ABSOLUTE NNN SALE LEASEBACK**



BURGER KING

1186 PERIMETER DRIVE SE, CLEVELAND, TN 37323

\$2,660,870
PRICE

5.75%
CAP

LEASABLE SF
3,075 SF

LAND AREA
0.82 AC

LEASE TYPE
Absolute NNN

LEASE EXPIRATION
8/31/2036

YEAR BUILT
2016

PARKING
26 Spaces

Approx. 18-year absolute NNN sale leaseback

7% rent bumps every five years through term and option periods

Located off APD-40 with traffic counts of 20,000 VPD

Cleveland is the principal city of Cleveland MSA and is a part of the Chattanooga-Cleveland-Dalton CSA

Award-winning Burger King franchisee who operates 21 locations

Investment Highlights

THE OFFERING provides the opportunity to acquire an absolute NNN Burger King located on Perimeter Road, which is a frontage road to State Route 74/64 a.k.a. APD-40, the major commercial arterial in the area. APD-40 connects to I-75 and to nearby Dalton Pike, which is an alternative route south to Dalton, GA (approx. 45 minutes) and Atlanta (approx. 2 hours away). Cleveland is also just 30 miles from downtown Chattanooga. The offering is a sale-leaseback from an award-winning, 21-unit operator whose Average Unit Volumes (AUV) exceed Burger King's national AUV by 22%, according to the operator. This store performs above their franchise-wide average. More information on the franchisee is on page 13.

Burger King has optimal ingress/egress from Perimeter Road. The 3,075 SF restaurant, on approx. 0.82 acres, was a ground up development on the site of a former Blockbuster Video. This location was built by the operator, features Burger King's newest prototype interior/exterior and signage package and opened for business in September 2016. The massive curb appeal of this restaurant is also enhanced by a pylon sign that is 12' diameter and approx. 30' tall.

The lease will be absolute NNN with zero landlord maintenance or management responsibilities. The primary term will expire on 8/31/2036 (approx. 18 years) which coincides with the franchise agreement. The tenant will have four (4), five (5) year renewal options. The lease will feature 7% increases every 5 years through the primary term and option periods. Financials will be made available to prospective purchasers upon execution of a letter of intent.

THE RETAIL MARKET Notable retail/restaurant within close proximity include Walmart Supercenter, Taco Bell, McDonald's, KFC, Wendy's, Food City, Advance Auto, Walgreen's, Bojangles', Planet Fitness, O'Reilly Auto, and Dollar Tree. This Burger King is also approximately 17 miles from Volkswagen's Chattanooga Auto Assembly Plant, that began production in 2011 and now employs more than 2,000 people, many of whom live in Cleveland.

Contact the team

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**IN CONJUNCTION WITH
TN LICENSED BROKER:**

The Stanfield York Company

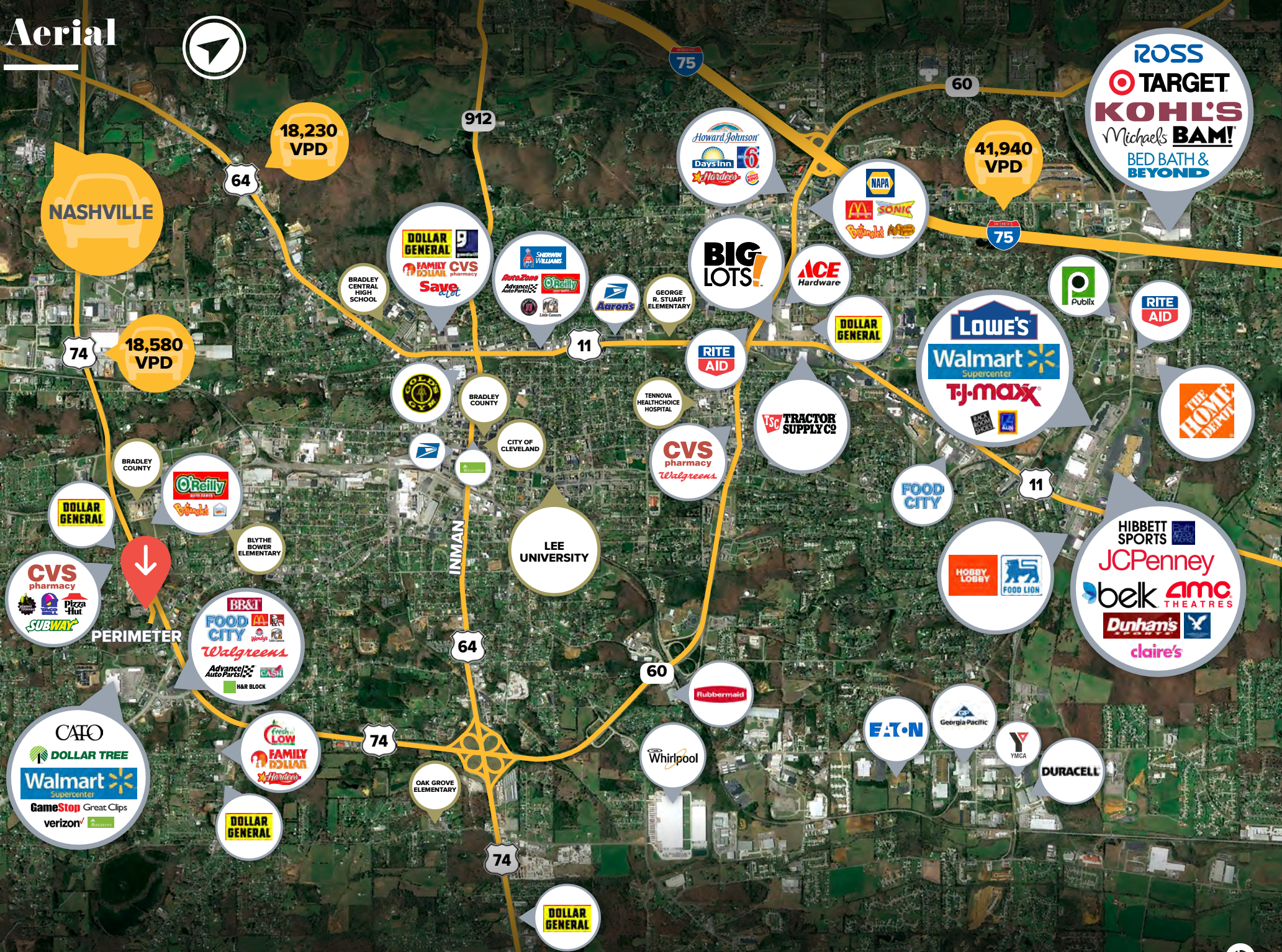
Doug Stanfield

404.255.8066

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Aerial



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Submarket Overview

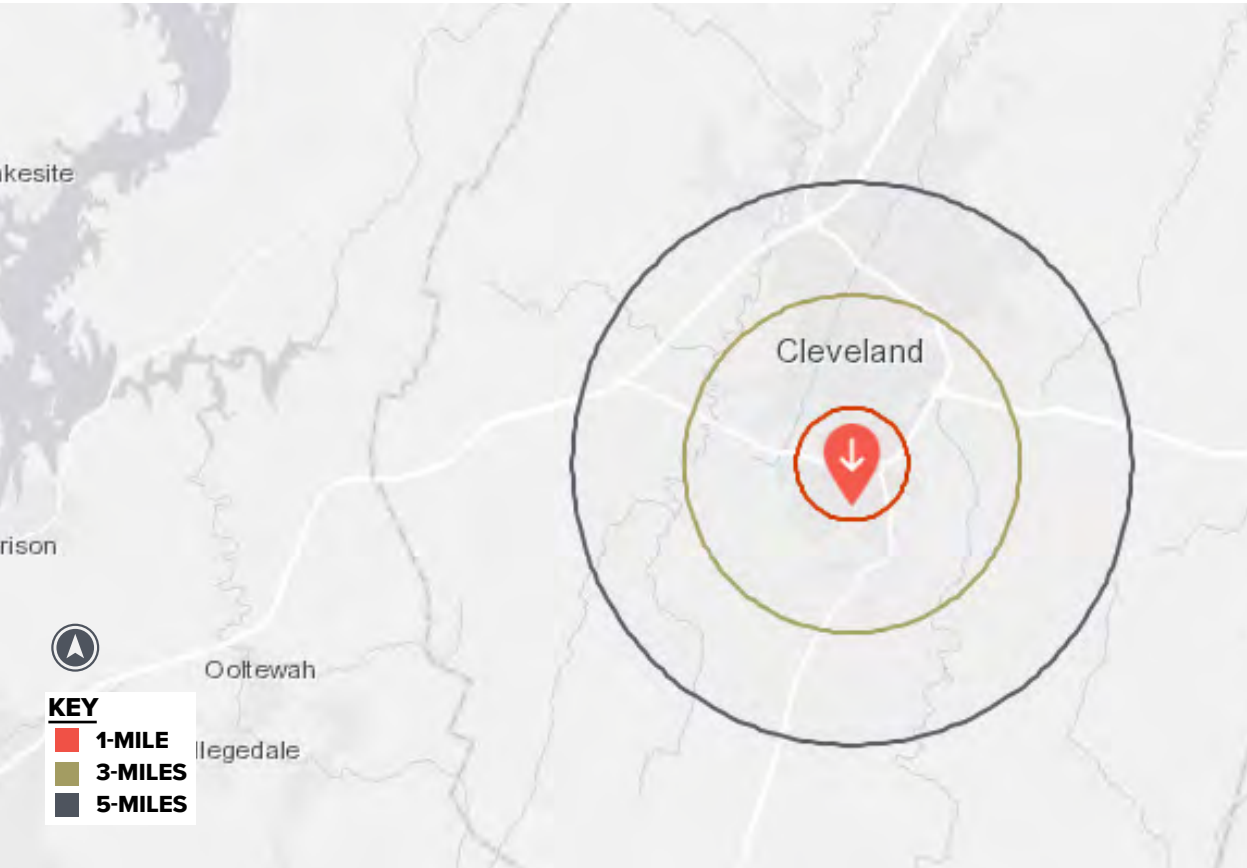
RETAILERS IN CLOSE PROXIMITY INCLUDE:

Walmart Supercenter
Food City
Dollar Tree
Walgreens
Wendy's
Zaxby's

Taco Bell
McDonald's
GameStop
Little Caesars Pizza
Advance Auto Parts
Planet Fitness

O'Reilly Auto Parts
Captain D's
Bojangles'
Dollar General
Pizza Hut
Murphy USA

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BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	188	1,238	2,334
Employees	3,502	19,509	38,043
Residential Population	6,061	30,867	57,756

Subject Property



Surrounding Retail



Income & Expense

PRICE		\$2,660,870
Price Per Square Foot:		\$865.32
Capitalization Rate:		5.75%
Total Rentable Area (SF):		3,075
Lot Size (AC):		0.82
STABILIZED INCOME	PER SQUARE FOOT	
Scheduled Rent	\$49.76	\$153,000
Effective Gross Income	\$49.76	\$153,000
LESS	PER SQUARE FOOT	
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
EQUALS NET OPERATING INCOME		\$153,000



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT NAME	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEAR RENT/FT
Burger King	3,075	Commencement date*	08/31/23	\$153,000	\$12,750	\$153,000	\$4.15	\$49.76
			09/01/23	08/31/28	\$13,643	\$163,710	\$4.44	\$53.24
			09/01/28	08/31/33	\$14,597	\$175,170	\$4.75	\$56.97
			09/01/33	08/31/36	\$15,619	\$187,432	\$5.08	\$60.95
		Option 1	09/01/36	08/31/41	\$16,713	\$200,552	\$5.44	\$65.22
		Option 2	09/01/41	08/31/46	\$17,883	\$214,590	\$5.82	\$69.79
		Option 3	09/01/46	09/01/51	\$19,134	\$229,612	\$6.22	\$74.67
		Option 4	09/01/51	08/31/56	\$20,474	\$245,685	\$6.66	\$79.90
TOTALS:	3,075			\$153,000	\$12,750	\$153,000	\$4.15	\$49.76

***RENT COMMENCES UPON CLOSE OF ESCROW**

Lease Abstract

PREMISE & TERM

TENANT	Burger King
BUILDING SF	3,075 SF
LEASE TYPE	Absolute Net
LANDLORD RESPONSIBILITIES	None
TERM	18 Years
RENT COMMENCEMENT	Upon Close of Escrow
EXPIRATION	August 31, 2036
OPTIONS	Four (4), Five (5) Year Options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
Commencement date-8/31/23	\$12,750	\$153,000
9/1/2023-8/31/2028	\$13,643	\$163,710
9/1/2028-8/31/2033	\$14,597	\$175,170
9/1/2033-8/31/2036	\$15,619	\$187,432

OPTION RENTS

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1. 9/1/2036-8/31/2041	\$16,713	\$200,552
#2. 9/1/2041-8/31/2046	\$17,883	\$214,590
#3. 9/1/2046-8/31/2051	\$19,134	\$229,612
#4. 9/1/2051-8/31/2056	\$20,474	\$245,685



Site Plan

sf

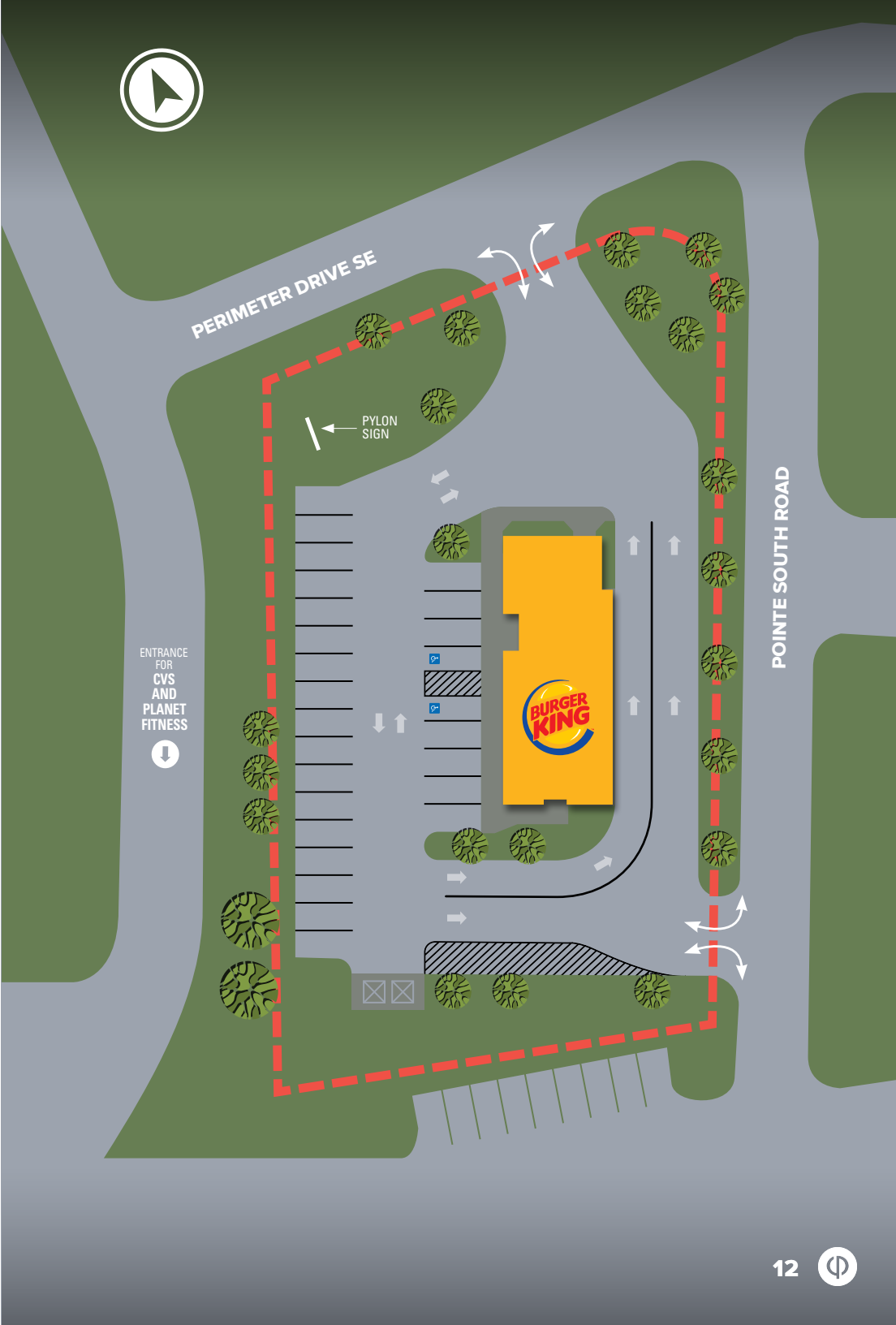
3,075
RENTABLE SF

ac

0.82
ACRES

Car icon

26
SPACES



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Tenant Overview

ABOUT BURGER KING

Burger King Holdings operates the world's #2 hamburger chain (behind McDonald's) with more than 15,000 restaurants in the U.S. and more than 70 other countries. In addition to its popular Whopper sandwich, the chain offers a variety of burgers, chicken sandwiches, salads, and breakfast items.

More than 1,300 BK locations are company-owned, while the rest are owned and operated by franchisees. Burger King was founded by James McLamore and David Edgerton in 1954. In 2010, 3G Capital, a global multi-million dollar investment firm focused on long-term creation, purchased Burger King Corporation. Burger King Corporation became a privately-owned corporation until returning to the public market in 2012. In 2014, Burger King Corporation purchased Canadian restaurant brand, Tim Hortons. After the deal, Burger King Corporation was renamed Restaurant Brands International (RBI).

ABOUT THE FRANCHISEE


Hometown Folks, LLC was established in 2003 in Chattanooga, TN. The company operates 21 Burger King franchises in Chattanooga and the surrounding area and has sales of approximately \$33 million. The franchise owners come from a rich restaurant background and organizations that started concepts including Krystal and Central Park. Their vast experience and history has created their long term, high operational standards and refined systems. According to the franchisee, their average unit volume exceeds the system's average by approximately 22%.

UNITS OPERATED
BY HOMETOWN
FOLKS LLC


21

Demographics

POPULATION

	1-MILE	3-MILES	5-MILES
2010	5,873	29,426	54,036
2018	6,061	30,867	57,766
2022	6,237	31,908	60,493

2017 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$37,561	\$43,375	\$52,485
Median	\$27,240	\$30,233	\$37,490

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Whirlpool Corporation, Cleveland Division	1,417
Bradley County Schools	1,200
Tennova-- Cleveland	1,157
Amazon	1,143
Peyton's Southeastern	950

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THE VOLKSWAGEN ASSEMBLY PLANT IS APPROX. 17 MILES AWAY FROM PROPERTY AND EMPLOYS OVER 2,000 PEOPLE

CLEVELAND, TENNESSEE



CHATTANOOGA

CLEVELAND, nicknamed “The City with Spirit”, is the county seat of Bradley County. Just 40 minutes from Chattanooga, Cleveland is the fourteenth largest city in Tennessee and the fifth largest industrially with thirteen Fortune 500 manufacturers. Cleveland, with an estimated population of 44,271, is the principal city of the Cleveland MSA which includes Bradley and Polk counties.

Lee University, the second largest private four-year university in Tennessee, is located in Cleveland. The liberal arts college was founded in 1918 and has since grown to over 5,000 students.

Cleveland is home to several industries including household cooking equipment, textiles, furniture, pharmaceuticals, chemicals and automotive parts. Forbes ranks Cleveland #9 in Job Growth on the Best Small Places For Business And Careers list.

EMPLOYMENT GROWTH

EMPLOYMENT IN CLEVELAND is projected to grow by 35% over the next ten years. In 2016, Cleveland MSA led the state in job growth adding 6,720 jobs, growing employment by nearly 12.7 percent. The Cleveland area continued to have a jobless rate below the comparable, non-seasonally adjusted rate of 4.9 percent across all of Tennessee.

121,262



**CLEVELAND MSA
POPULATION
(ESTIMATED)**

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We'd love to hear from you.

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