



BURGER KING

CHATTANOOGA, TN



CAPITAL PACIFIC



**APPROX. 18-YEAR ABSOLUTE NNN
SALE LEASEBACK**



BURGER KING

4850 BRAINERD ROAD, CHATTANOOGA, TN 37411 

\$2,434,783
PRICE

5.75%
CAP

LEASABLE SF
3,075 SF

LAND AREA
0.75 +/- AC

LEASE TYPE
Absolute NNN

LEASE EXPIRATION
12/1/2035

YEAR BUILT
2015

PARKING
28 Spaces

Approximately 18-year absolute NNN sale leaseback

Signalized hard corner location with 49,000+ VPD

Located in Brainerd, one of the oldest and most established neighborhoods in Chattanooga



Investment Highlights

THE OFFERING provides an opportunity to acquire an absolute NNN Burger King located at the hard, signalized intersection of Moore Road and Brainerd Road in Brainerd, one of the oldest and most established neighborhoods in the heart of Chattanooga, TN. This offering is a sale-leaseback from an award-winning, 21-unit operator whose Average Unit Volumes (AUV) exceed Burger King's national AUV by approximately 22%, according to the operator. More information on the franchisee is on pg. 13.

Burger King has optimal ingress/egress from both Brainerd and Moore. The 3,075 square foot restaurant on approximately .75 acres was a ground up development that was built by the operator and opened for business in November 2015. It features Burger King's newest prototype interior/exterior and signage package. The massive curb appeal of this restaurant is also enhanced by a pylon sign that is 12' diameter and is approximately 30' tall.

The lease will be absolute NNN with no landlord triple net expense obligations whatsoever. The primary term will expire on 12/1/2035 which coincides with the end of the franchise agreement. The tenant will have four (4), five-year renewal options (20 years). The lease will feature 8% increases every 5 years through the primary term and option periods, with an accelerated rental escalation at the start of the first option period. Financials will be made available to prospective purchasers upon execution of a letter of intent.

THE BRAINERD/MOORE INTERSECTION is surrounded by a plethora of other fast food, retail and services, including Food City, Family Dollar, CVS Pharmacy, Walmart Supercenter, Hibbett Sports, Conn's Home Plus and Rent-A-Center. There is also an elementary school adjacent to Burger King. The site has been described by one developer as "CVS-Walgreens worthy," with traffic counts exceeding 49,000 VPD at the intersection.

Contact the team

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CA BRE# 01191110

**IN CONJUNCTION WITH
TN LICENSED BROKER:**

The Stanfield York Company

Doug Stanfield

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**BURGER KING IS THE SECOND LARGEST
HAMBURGER CHAIN IN THE WORLD**



Aerial



NASHVILLE



TENNESSEE
GEORGIA

TENNESSEE
GEORGIA



Submarket Overview

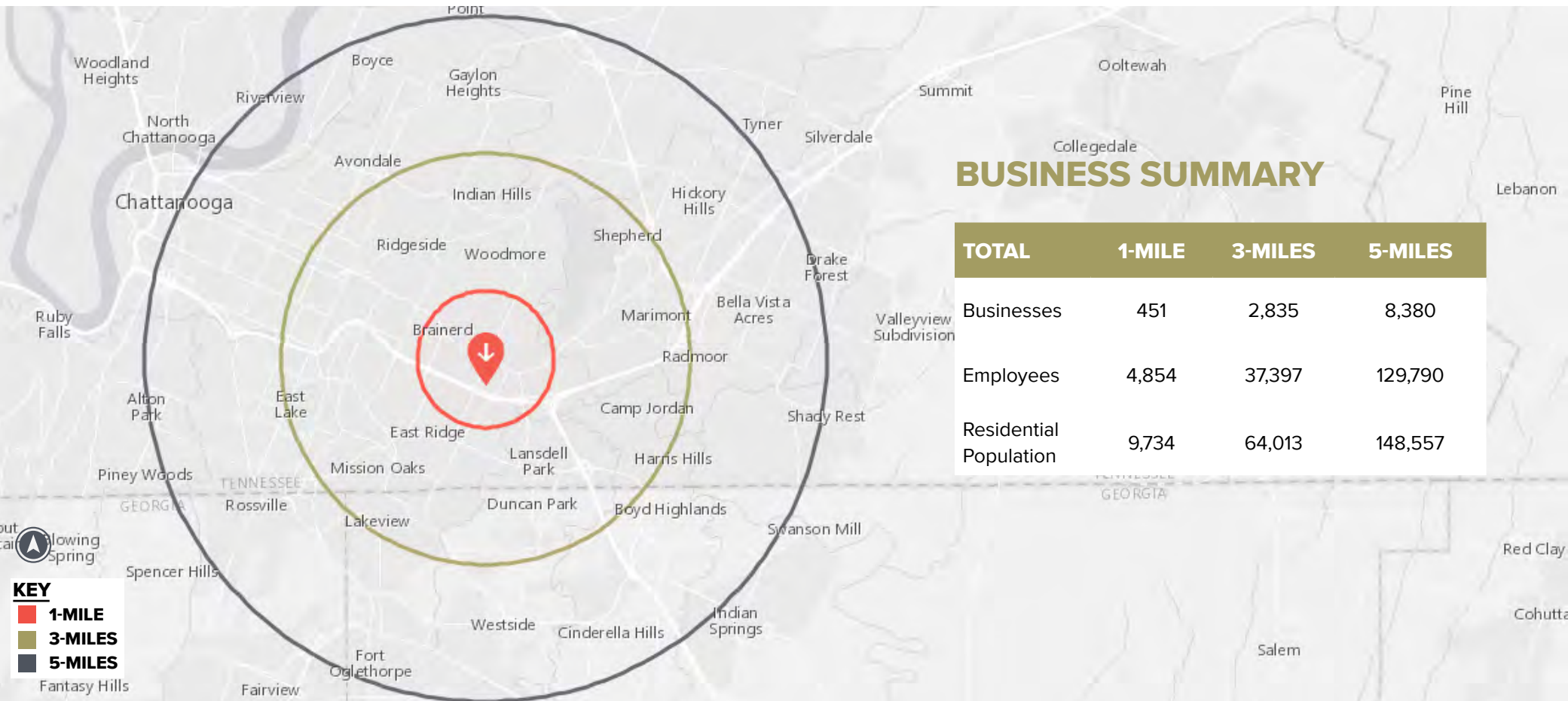
RETAILERS IN CLOSE PROXIMITY INCLUDE:

CVS Pharmacy
 Family Dollar
 Rent-A-Center
 Walmart Supercenter
 Sam's Club
 Starbucks

Office Depot
 Food City
 Tuesday Morning
 Dollar General
 At Home
 Walgreens

Waffle House
 BP Gas Station
 Circle K
 Hibbett Sports
 Hamilton Place Shopping Mall
 Bass Pro Shops

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BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	451	2,835	8,380
Employees	4,854	37,397	129,790
Residential Population	9,734	64,013	148,557

Subject Property



Surrounding Retail



Income & Expense

PRICE	\$2,434,783	
Price Per Square Foot:	\$791.80	
Capitalization Rate:	5.75%	
Total Rentable Area (SF):	3,075	
Lot Size (AC):	0.75	
STABILIZED INCOME	PER SQUARE FOOT	
Scheduled Rent	\$45.53	\$140,000
Effective Gross Income	\$45.53	\$140,000
LESS	PER SQUARE FOOT	
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
EQUALS NET OPERATING INCOME	\$140,000	



Rent Roll

TENANT INFO		LEASE TERMS	RENT SUMMARY					
TENANT NAME	SQ. FT.	TERMS	CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEAR RENT/FT	
Burger King	3,075	Years 1-5	\$140,000	\$11,667	\$140,000	\$3.79	\$45.53	
		Years 6-10		\$12,600	\$151,200	\$4.10	\$49.17	
		Years 11-15		\$13,608	\$163,296	\$4.43	\$53.10	
		Years 16 - 12/1/2035*		\$14,697	\$176,360	\$4.78	\$57.35	
		Option 1	Years 1-5		\$15,872	\$190,468	\$5.16	\$61.94
		Option 2	Years 6-10		\$17,142	\$205,706	\$5.57	\$66.90
		Option 3	Years 11-15		\$18,514	\$222,162	\$6.02	\$72.25
		Option 4	Years 16-20		\$19,995	\$239,936	\$6.50	\$78.03
TOTALS:	3,075		\$140,000	\$11,667	\$140,000	\$3.79	\$45.53	

***PRIMARY LEASE TERM TO COINCIDE WITH FRANCHISE AGREEMENT TERM, WHICH EXPIRES ON 12/1/2035.**

Lease Abstract

PREMISE & TERM

TENANT	Burger King
BUILDING SF	3,075
LEASE TYPE	Absolute Net
LANDORD RESPONSIBILITIES	None
TERM	18 Years
RENT COMMENCEMENT	Upon close of escrow
EXPIRATION	Dec 1, 2035
OPTIONS	Four (4), five (5) year options

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
Years 1-5	\$11,667	\$140,000
Years 6-10	\$12,600	\$151,200
Years 11-15	\$13,860	\$163,296
Years 16-12/1/2035	\$15,246	\$176,360

OPTION RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
#1 Years 1-5	\$16,771	\$190,468
#2 Years 6-10	\$18,448	\$205,706
#3 Years 11-15	\$20,292	\$222,162
#4 Years 16-20	\$22,322	\$239,936

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Site Plan



**3,075
RENTABLE SF**



**0.75 +/-
ACRES**



**28
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 US 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

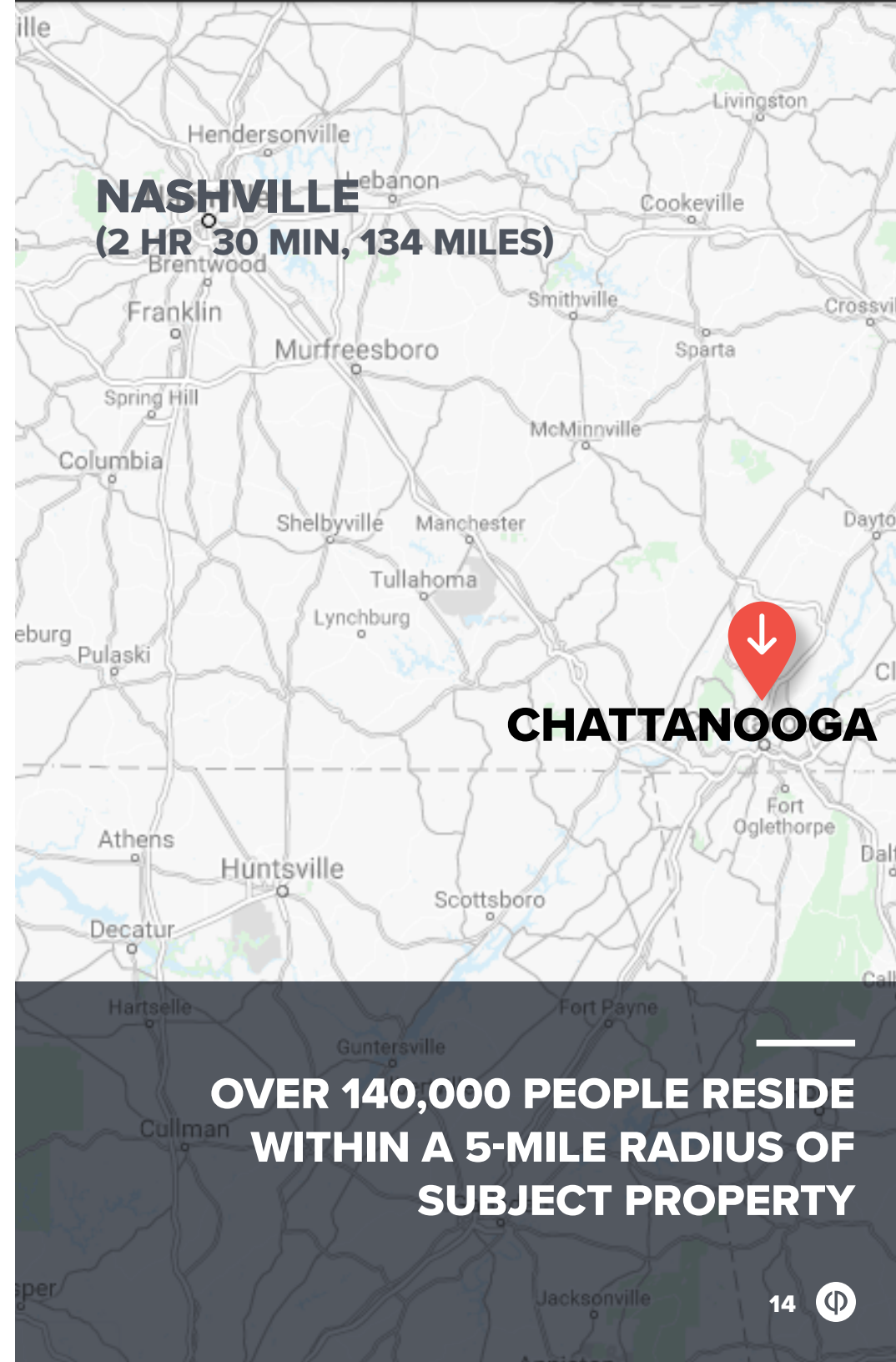
	1-MILE	3-MILES	5-MILES
2010	9,227	60,931	140,050
2017	9,734	64,013	148,557
2022	10,126	66,504	154,706

2017 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$55,716	\$51,359	\$50,875
Median	\$43,554	\$37,839	\$36,567

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Erlang Health System	7,149
Hamilton County Department of Education	6,075
BlueCross BlueShield of TN	4,376
Tennessee Valley Authority	4,222
Memorial Health Care System	3,776



**OVER 140,000 PEOPLE RESIDE
WITHIN A 5-MILE RADIUS OF
SUBJECT PROPERTY**

CHATTANOOGA, TENNESSEE



CHATTANOOGA is the fourth largest city in Tennessee with a population of 171,571 (as of July 2016). Situated directly on the Tennessee River and located at the junction of four interstate highways, Chattanooga is known for its thriving economy, central location, beautiful downtown, and scenic location.

Chattanooga is the hub of a flourishing economic area, and is continuing to thrive largely due to its central location at the crossroads of Alabama, Georgia, and Tennessee. The city is a major transportation and distribution center, offering extensive highway, air, water, and rail transportation systems, capitalizing on its prime central location. Chattanooga has an abundance of natural resources, (such as iron and steel) a strong tourism industry, a trained labor force, and is one of the nation's oldest manufacturing cities.

EMPLOYMENT GROWTH

Chattanooga was ranked #97 of Forbes' Best Places for Business and Careers in 2017.

171,571



**CHATTANOOGA
POPULATION
(ESTIMATED)**

EMPLOYMENT IN CHATTANOOGA

had a 2% growth in 2016 and 1.9% projected annual job growth. The unemployment rate is 4.6%, just

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We'd love to hear from you.

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