

**FORTIS NET LEASE**  
INVESTMENT REAL ESTATE SERVICES

**BURGER KING | SINGLE TENANT RETAIL INVESTMENT**

**Absolute NNN Investment Opportunity**

32435 Gratiot Ave. Roseville, MI 48066



**Outparcel to 933,000 SF Mall**  
**424 Unit Operator**



FOR MORE INFORMATION CONTACT EXCLUSIVE LISTING AGENTS:

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#### INVESTMENT SUMMARY

<b>List Price:</b>	<b>\$2,830,000</b>	
Actual 2016 NOI:	\$159,493	<i>Includes Percentage</i>
Actual 2016 Cap Rate:	5.64%	<i>Rent of \$6,300 in 2016</i>
Base Rent NOI:	\$153,165	<i>Does not include</i>
Base Rent Cap Rate:	5.41%	<i>Percentage Rent</i>
Avg Base Rent NOI:	\$185,425	<i>Assuming 18.5 Yrs</i>
Avg Base Rent Cap Rate:	6.55%	<i>Remaining on Initial Term</i>
Pro Forma Avg Rent NOI:	\$191,725	<i>Assumes \$6,300 Annual</i>
Pro Forma Avg Cap Rate:	6.77%	<i>Percentage Rent Throughout Remaining 18.5 Yrs Base Term</i>

#### LEASE SUMMARY

Lease Type:	Absolute NNN
Taxes/CAM/Insurance:	Tenant Responsibility
Roof/Parking/HVAC	Tenant Responsibility
Structural Replacement:	Tenant Responsibility
Original Lease Term	Twenty(20) Years
Rent Commencement	July 15, 2015
Current Term Expiration:	June 30, 2035
Rent Increases:	12% Rent Increases Every 5 Years
Renewal Options:	Two, Ten Year Options with Increases
Tenant: on Lease:	GPS Hospitality Partners III, LLC (60 Units)
Parent Company:	GPS Hospitality (424 Units)

#### PROPERTY SUMMARY

• Square Footage:	2,943 SF
• Land Acreage:	0.62 Acre
• Year Built/Renovated:	2006

#### INVESTMENT HIGHLIGHTS

- 12% Rent Increases Every 5 Years + Percentage Rent
- Two Ten Year Options with Built In 12% Increases
- Absolute NNN Lease - Zero Landlord Responsibilities
- Strong 424 Unit Multi-State Operator

#### LOCATION HIGHLIGHTS

- Premium Location on M-3 interstate
- Highly Visible to over 78,000 VPD
- Average Household Income within 5 Miles is over \$60,000
- Dense population with nearly 275,000 people within 5 miles
- Outparcel to Macomb Mall a 933,000 SF Shopping Destination

#### BASE RENT ROLL (Excluding Percentage Rent)

Year	Lease Term	Base Rent	Increase	Yield
2017-2020	One - Five	\$153,165	None	5.41%
2020-2025	Six - Ten	\$171,545	12%	6.06%
2025-2030	Eleven - Fifteen	\$192,130	12%	6.78%
2030-2035	Sixteen - Twenty	\$215,186	12%	7.60%
Average NOI Initial Term		\$185,425		6.55%



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### INVESTMENT OVERVIEW

The subject property is a 2,943 square foot Burger King restaurant located in Roseville, Michigan. This restaurant has been in operation since 2006 and is well located on M-3, which runs north and south through the Metro Detroit area. The building sits on a 0.62 acre pie shaped lot as an outparcel to the 93,300 square foot Macomb Mall which serves the dense local community.

The lease is a (20) twenty year absolute NNN lease with a twelve (12.0%) percent increase every five (5) years, and Two, ten-year options to renew thereafter with twelve (12.0%) percent increases every five years in each option period. The lease also features a percentage rent clause. The Tenant must pay 8.5% of sales over pre determined " Breakpoint" which creates further upside to an Investor. The absolute NNN nature of the lease requires that tenant is responsible for all of the property taxes, common area maintenance and insurance, in addition to all of the capital repair items including roof, structure, parking lot and HVAC. This allows for an absolutely management-free asset.

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### TENANT OVERVIEW

The tenant on the lease is GPS Hospitality Partners III which is comprised of approximately 60 locations under the parent company GPS Hospitality Group. GPS Hospitality Group was formed in 2012 by Tom Garrett. GPS Hospitality group recently purchased over 190 new Burger King locations making them one of the top Burger King franchises. **GPS currently operates 424 Burger King restaurants across 14 States** including; Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Michigan, Mississippi, New Jersey, Ohio, Pennsylvania, and West Virginia. GPS Hospitality also operates multiple Popeye's Louisiana Kitchen across the metro Atlanta area.

Burger King Corporation is one of the largest fast food hamburger chains in the world. Burger King currently operates more than 12,000 locations in all 50 States and 76 Countries and US territories worldwide. Approximately ninety percent of Burger King restaurants are owned and operated by independent Franchisees, many of them family owned businesses that have been in operation for decades . In October 2010, Burger King Corporation was purchased by 3G Capital, a multi-billion dollar global investment firm focused on long term value creation with an emphasis on maximizing the potential of brands and businesses.



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## LOCATION OVERVIEW

Roseville is a city in Macomb County in the U.S. state of Michigan, and is a part of the Metro Detroit area. The population was 47,299 at the 2010 census. Until 1958, Roseville was a part of Erin Township.

The Village of Roseville was incorporated in 1926 and the Municipal Building was constructed in 1929 at Gratiot Avenue and Meier Road. This replaced the Erin Township Building that was built near the corner of 11 Mile Road and Gratiot in 1886. The 1929 building housed administrative offices as well as the police and fire departments until the 1960s when separate police and fire stations were constructed. City offices remained in the building until 1974.

Michigan's first commercial airport, Packard Field, opened at Gratiot Avenue and Fra-zho Road in 1919. It was renamed Gratiot Airport in 1929 and later Hartung Field. The Eastgate Shopping Center was constructed on the site in the 1950s.[6]

The Erin-Roseville Library was established in 1936 in one room of the Municipal Building. The library moved to its own building in the 1960s and into the newly constructed civic center in 1974. It currently circulates approximately 250,000 items annually.[7]

In 1958, the village and remaining parts of Erin Township were incorporated as the City of Roseville.

An early regional mall, the Macomb Mall, opened in 1964 and is still open today, located west of Gratiot and Masonic.



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The Burger King property is located on an outparcel to the Macomb Mall, Macomb Mall is managed by Lormax Stern, and is conveniently located off of I-94 in the Detroit suburb of Roseville, the iconic mall has over 933,000 SF and has served shoppers for well over 50 years. This regional mall is located at the intersection of Gratiot Ave & Masonic Blvd and is anchored by Kohl's, Sears, Dick's Sporting Goods, Old Navy, and Babies "R" Us. It has seen more than \$30 million in improvements since 2013 while year-over-year sales shot up 50% in 2015. With an expected population growth of over 3% coming to the immediate area the mall should continue to see sales hikes in the coming years. Renovated and redeveloped in 2014, Macomb Mall now boasts an enhanced retail mix including H&M, Ulta Beauty, Victoria's Secret, Bath & Body Works, White Barn Candle, Massage Green Spa, 1000 Degrees Pizzeria, Zales, and Kay Jewelers. New Stores opened in 2016 that include DXL and Yankee Candle. The mall is expecting a Phase 2 redevelopment coming in 2017.



Lormax Stern is a development company that has a reputation for working with communities to provide long-term benefits for surrounding areas. They operate shopping centers in five states and focus on creating properties in strong suburban markets.

[Lormax Stern- Macomb Mall: Click here to view](#)



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## DEMOGRAPHICS

<u>Radius</u>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
<b>Population:</b>			
2021 Projection	12,354	117,711	274,999
2016 Estimate	11,979	114,332	267,512
Pop Growth 2016-2021	3.13%	2.96%	2.80%
2016 Population Hispanic Origin	297	2,549	5,927
<b>2016 Population by Race:</b>			
White	9,418	95,056	219,152
Black	1,935	14,208	35,780
Am. Indian & Alaskan	47	437	940
Asian	192	1,929	5,666
Hawaiian & Pacific Island	1	26	68
Other	386	2,675	5,905
<b>U.S. Armed Forces:</b>	<b>7</b>	<b>39</b>	<b>154</b>
<b>Households:</b>			
2021 Projection	5,354	49,455	116,462
2016 Estimate	5,192	48,031	113,234
2010 Census	5,005	46,681	110,685
Owner Occupied	3,698	35,081	83,249
Renter Occupied	1,494	12,950	29,986
<b>2016 Avg Household Income</b>	<b>\$54,661</b>	<b>\$58,910</b>	<b>\$60,849</b>
<b>2016 Median Home Value:</b>	<b>\$74,426</b>	<b>\$89,241</b>	<b>\$100,858</b>



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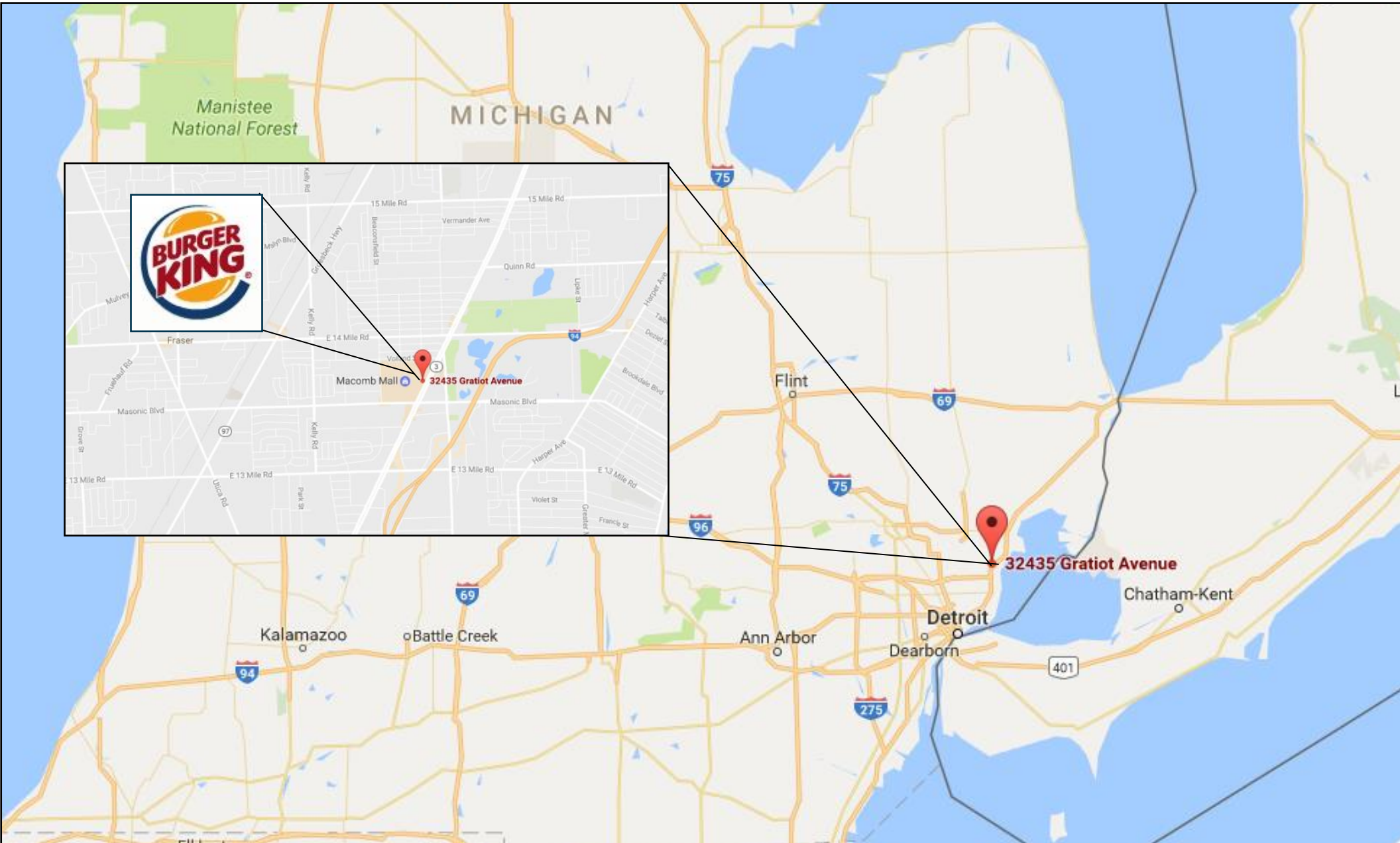
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# FORTIS NET LEASE

INVESTMENT REAL ESTATE SERVICES

## MORE THAN \$4.7 BILLION IN SALES

Fortis Net Lease is a national investment real estate brokerage firm specializing in the acquisition and disposition of investment real estate. We help developers, franchisees, private investors and institutional funds accomplish their short and long term investment goals. The principals of Fortis Net Lease have successfully sold hundreds of properties in over three dozen states with a total transaction volume topping \$4 billion.

### Fortis Net Lease specializes in the acquisition and disposition of the following:

- Net leased single tenant properties (Pharmacies, Auto Parts, Dollar Stores, Banks, QSR, Office/Industrial, Medical, Junior/Big Box, etc.)
- Portfolios & Corporate Sale-Leaseback Transactions (Burger King, Arby's, Tutor Time, Taco Bell, Wendy's, etc.)
- Multi-Tenant Retail Centers & Medical Office (Anchored or Unanchored - 5,000 - 1,000,000 SF)

The advisors at Fortis Net Lease create long term relationships with our investors by delivering superior services and unparalleled results. When you hire Fortis Net Lease as your exclusive representative you will experience the individual attention and professionalism that you will not receive at other large brokerage firms.

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