

\$709,675

**TIM HORTONS (NYSE: THI)**  
15728 15 Mile Road, Fraser, MI 48026



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### Offering Highlights

- Absolute Net Ground Lease
- 100% Fee Simple Interest in Underlying Land
- Zero Landlord Responsibilities
- Part of Meijer Anchored Center

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# 1. Financial Analysis

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## Executive Summary

## TIM HORTONS (NYSE: THI)



15728 15 Mile Road

Fraser, MI 48026

List Price \$709,675

Price Per GLA \$13.69

Price per S.F. \$295.33

CAP 7.75 %

GLA 51,836

Building S.F. 2,403

Percent Occupied 100.00 %

Land Acres 1.19

## ■ Tim Hortons Fee Simple Ground Lease

|                  |               |                       |               |
|------------------|---------------|-----------------------|---------------|
| Cross Street     | Utica Road    |                       |               |
| Market           | Detroit Metro | Sub Market            | Macomb County |
| Building Class   | A             | Location Class        | A             |
| No. of Buildings | 1             | Shadow Anchored       | Meijer        |
| Street Frontage  | 225 Feet      | No. of Parking Spaces | 36            |
| Parking Ratio    | 15/1000       | No. Tenants           | 1             |
| No. Stories      | 1             |                       |               |

## ■ Property Descriptions

|                |   |
|----------------|---|
| Construction   | New class A quality improvements.   |
| Parking        | There are approximately 36 on-site parking spaces.  |
| Ingress/Egress | There is excellent ingress and egress to and from the site at both 15 Mile Road and Utica Road.   |
| Major Tenants  | Tim Hortons Inc. (TSX: THI, NYSE: THI) is a coffee-and-doughnut fast food restaurant chain. Founded in Hamilton, Ontario, in 1964, the store rapidly expanded across Canada to become the country's largest quick-service food chain.   |
| Area           | The subject site is well located at the high traffic intersection of 15 Mile Road and Utica Road. The property sits within a Meijer Hypermarket Anchored Center. There is also an adjacent Arby's and TCF Bank branch within the center, as well as many other national and regional retailers in the immediate area.<br>Fraser is a city in Macomb County, Michigan. The city is part of the Metro Detroit region. The 2000 census recorded its population to be 788,149. In 2007, the U.S. Census Bureau estimated that its population had reached 831,077. |

## Property

This is the opportunity to acquire the 100% fee simple interest in a 1.19 acre parcel leased to Tim Horton on an absolute net ground lease with no landlord obligations. The 10 year initial lease term provides for an increase in rent in year 6. The tenant has four 5 year options to renew with increases at each option. The site sits at the intersection of two busy streets and is an out-parcel to a Meijer store. Meijer is a regional hypermarket chain based in Michigan and a pioneer of the modern supercenter concept. The company has 182 locations and was ranked #10 on Forbes' 2006 list of "America's Largest Private Companies". It was also ranked #19 in Fortune's 2008 "The 35 largest U.S. private companies". Supermarket News ranked Meijer #12 in the 2007 "Top 75 North American Food Retailers" based on 2006 estimated sales of \$13.2b. Based on 2005 revenue, Meijer is the 25th largest retailer in the US. This retail powerhouse draws commerce to the center. The subject parcel benefits greatly from its location.

# Investment Information

TIM HORTONS (NYSE: THI)

15728 15 Mile Road Fraser, MI 48026

|                |           |                  |          |
|----------------|-----------|------------------|----------|
| Listing Price  | \$709,675 | GLA              | 51,836   |
| Year One CAP   | 7.75 %    | Building S.F.    | 2,403    |
| Year Six CAP   | 8.14 %    | Percent Occupied | 100.00 % |
| Price Per S.F. | \$295.33  | Land Acres       | 1.19     |
| Price Per GLA  | \$13.69   |                  |          |

| Estimated Annualized Operating Data | Year One | Year Six | Year Eleven | Year Sixteen |
|-------------------------------------|----------|----------|-------------|--------------|
| Net Operating Income                | \$55,000 | \$57,750 | \$63,525    | \$69,877     |

## Highlights

- Absolute Net Ground Lease
- 100% Fee Simple Interest in Underlying Land
- Zero Landlord Responsibilities
- Part of Meijer Anchored Center

# Rent Roll Summary

| Tenant Name | Start Date | End Date  | Occupied S.F. | Annual Rent S.F. | Occupied Rent | % of Total | Escalations / Options / Comments   |
|-------------|------------|-----------|---------------|------------------|---------------|------------|--|
| Tim Hortons | 5/28/2008  | 5/27/2018 | 51,836        | \$1.06           | \$55,000      | 100.0 %    | Years 6-10 rent increases to \$57,750. There are four 5 year options. Rent during option periods is as follows: Years 11-15 \$63,525, Years 16-20 \$69,877, Years 21-25 \$76,864, Years 26-30 \$84,551 |
| Total       |            |           | 51,836        |                  | \$55,000      | 100.0 %    |  |

## 2. Additional Information

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## Tenant Overview



Tim Hortons Inc. is a coffee-and-doughnut fast food restaurant chain. Founded in Hamilton, Ontario, in 1964, the store rapidly expanded across Canada to become the country's largest quick-service food chain.

Tim Hortons franchise stores are plentiful in Canadian cities and towns. As of July 1, 2007, there were 2,733 outlets in Canada, 345 outlets in the United States and one outlet just outside Kandahar, Afghanistan. Recent experiments with international expansion have seen Tim Hortons chains open elsewhere in the world, including a small outlet at the Dublin Zoo. Tim Hortons also has an agreement with the SPAR convenience store chain in the UK, which has resulted in Tim Hortons coffee and doughnuts being sold at small self service counters in 16 SPAR stores. Tim Hortons has supplanted McDonald's as Canada's largest food service operator; it has nearly twice as many Canadian outlets as McDonald's, and its system-wide sales surpassed those of McDonald's Canadian operations in 2002. The chain accounted for 22.6% of all fast food industry revenues in Canada in 2005. Tim Hortons commands 76% of the Canadian market for baked goods (based on the number of customers served) and holds 62% of the Canadian coffee market (compared to Starbucks, in the number two position, at 7%).

For more information on Tim Hortons please visit [www.timhortons.com](http://www.timhortons.com).

## Actual Site Photo



# Bird's Eye Aerial





# Wide Aerial







# Elevation (Front and Drive-Thru)



FRONT ELEVATION



DRIVE-THRU ELEVATION

**FRASER, MI**  
EXTERIOR ELEVATIONS



# Elevation (Rear and Side)



REAR ELEVATION



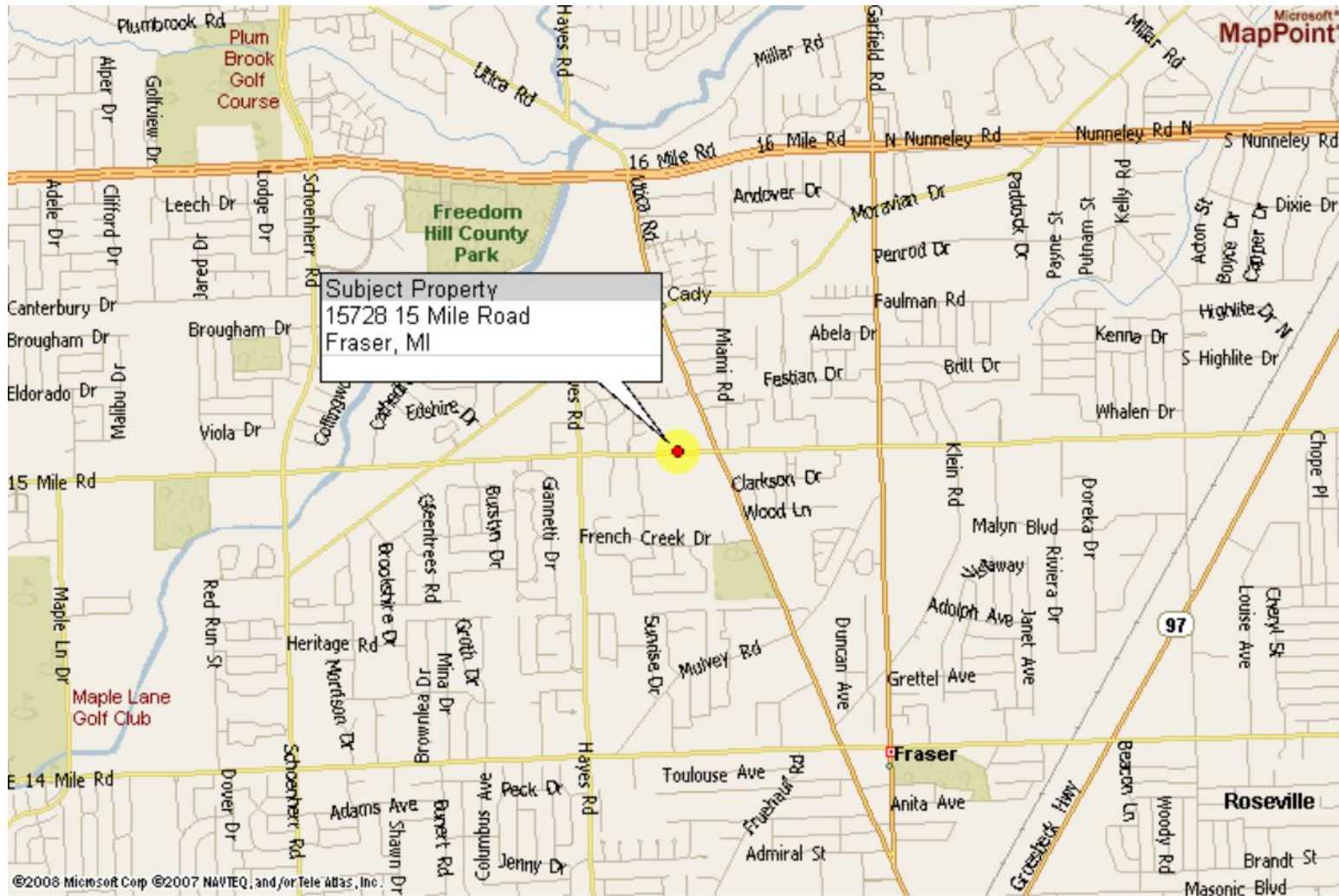
SIDE ELEVATION

**FRASER, MI**  
EXTERIOR ELEVATIONS





# Location Map





# Demographics Report

15728 15 Mile Road  
Fraser, MI 48026

|   | 5.00 Mile<br>Ring | 10.00 Mile<br>Ring | 25.00 Mile<br>Ring |
|---|-------------------|--------------------|--------------------|
| <b>POPULATION</b>                         |                   |                    |                    |
| 1990 Population                           | 302,047           | 971,956            | 3,181,460          |
| 2000 Population                           | 298,377           | 1,009,549          | 3,229,832          |
| % Population Change 1990-2000             | -1.22 %           | 3.87 %             | 1.52 %             |
| 2007 Total Population                     | 306,331           | 1,025,413          | 3,171,266          |
| 2012 Total Population                     | 305,713           | 1,020,638          | 3,107,023          |
| % Population Change 2000-2007             | 2.67 %            | 1.57 %             | -1.81 %            |
| % Population Change 2007-2012             | -0.20 %           | -0.47 %            | -2.03 %            |
| 2007 Total Households                     | 129,490           | 412,570            | 1,267,236          |
| 2012 Total Households                     | 134,191           | 427,636            | 1,301,698          |
| % Households Change 2000-2007             | 6.05 %            | 5.31 %             | 2.56 %             |
| % Households Change 2007-2012             | 3.63 %            | 3.65 %             | 2.72 %             |
| 2007 White Population                     | 272,172           | 786,325            | 1,969,203          |
| 2007 Black Population                     | 15,904            | 165,809            | 949,198            |
| 2007 American Indian/Alaska Native        | 549               | 1,747              | 5,399              |
| 2007 Asian/Hawaiian/Pacific Islander      | 9,380             | 40,647             | 108,172            |
| 2007 Other Population (Incl 2+ Races)     | 8,327             | 30,885             | 139,294            |
| 2007 Hispanic Population                  | 5,093             | 17,758             | 118,683            |
| 2007 Non-Hispanic Population              | 301,238           | 1,007,655          | 3,052,583          |
| 2007 Per Capita Income                    | \$27,350          | \$26,779           | \$28,859           |
| 2007 Median Household Income              | \$47,391          | \$48,191           | \$47,364           |
| 2007 Average Household Income             | \$64,701          | \$66,557           | \$72,219           |
| 2007 Household Income < \$10,000          | 6,117             | 22,736             | 94,287             |
| 2007 Household Income \$10,000-\$14,999   | 7,594             | 23,317             | 73,481             |
| 2007 Household Income \$15,000-\$19,999   | 8,267             | 24,914             | 76,106             |
| 2007 Household Income \$20,000-\$24,999   | 8,115             | 24,766             | 78,151             |
| 2007 Household Income \$25,000-\$29,999   | 8,111             | 23,948             | 70,754             |
| 2007 Household Income \$30,000-\$34,999   | 7,198             | 23,244             | 71,273             |
| 2007 Household Income \$35,000-\$39,999   | 7,883             | 23,276             | 67,470             |
| 2007 Household Income \$40,000-\$44,999   | 7,694             | 24,508             | 70,166             |
| 2007 Household Income \$45,000-\$49,999   | 7,871             | 24,398             | 67,516             |
| 2007 Household Income \$50,000-\$59,999   | 13,947            | 43,230             | 116,968            |
| 2007 Household Income \$60,000-\$74,999   | 19,439            | 58,587             | 156,289            |
| 2007 Household Income \$75,000-\$99,999   | 17,673            | 59,019             | 167,697            |
| 2007 Household Income \$100,000-\$124,999 | 5,389             | 19,942             | 68,678             |
| 2007 Household Income \$125,000-\$149,999 | 2,461             | 9,456              | 40,940             |

|   |         |           |           |
|---|---------|-----------|-----------|
| 2007 Household Income \$150,000-\$199,999 | 1,165   | 4,262     | 21,805    |
| 2007 Household Income \$200,000-\$249,999 | 128     | 709       | 7,862     |
| 2007 Household Income \$250,000-\$499,999 | 434     | 2,212     | 17,035    |
| 2007 Household Income \$500,000+          | 4       | 46        | 758       |
| 2007 Average Household Size               | 2.34    | 2.46      | 2.47      |
| 2007 Total Owner Occupied Housing Units   | 99,967  | 318,286   | 905,223   |
| 2007 Total Renter Occupied Housing Units  | 29,530  | 94,381    | 361,986   |
| 2007 Total Daytime Population             | 287,374 | 1,006,366 | 3,313,791 |
| 2007 Total Daytime Work Population        | 139,667 | 495,281   | 1,662,476 |
| 2007 Total Establishments                 | 15,809  | 56,255    | 187,981   |
| <b>HOUSEHOLDS</b>                         |         |           |           |
| 1990 Households                           | 112,335 | 360,416   | 1,189,771 |
| 2000 Households                           | 122,105 | 391,777   | 1,235,619 |
| % Households Change 1990-2000             | 8.70 %  | 8.70 %    | 3.85 %    |