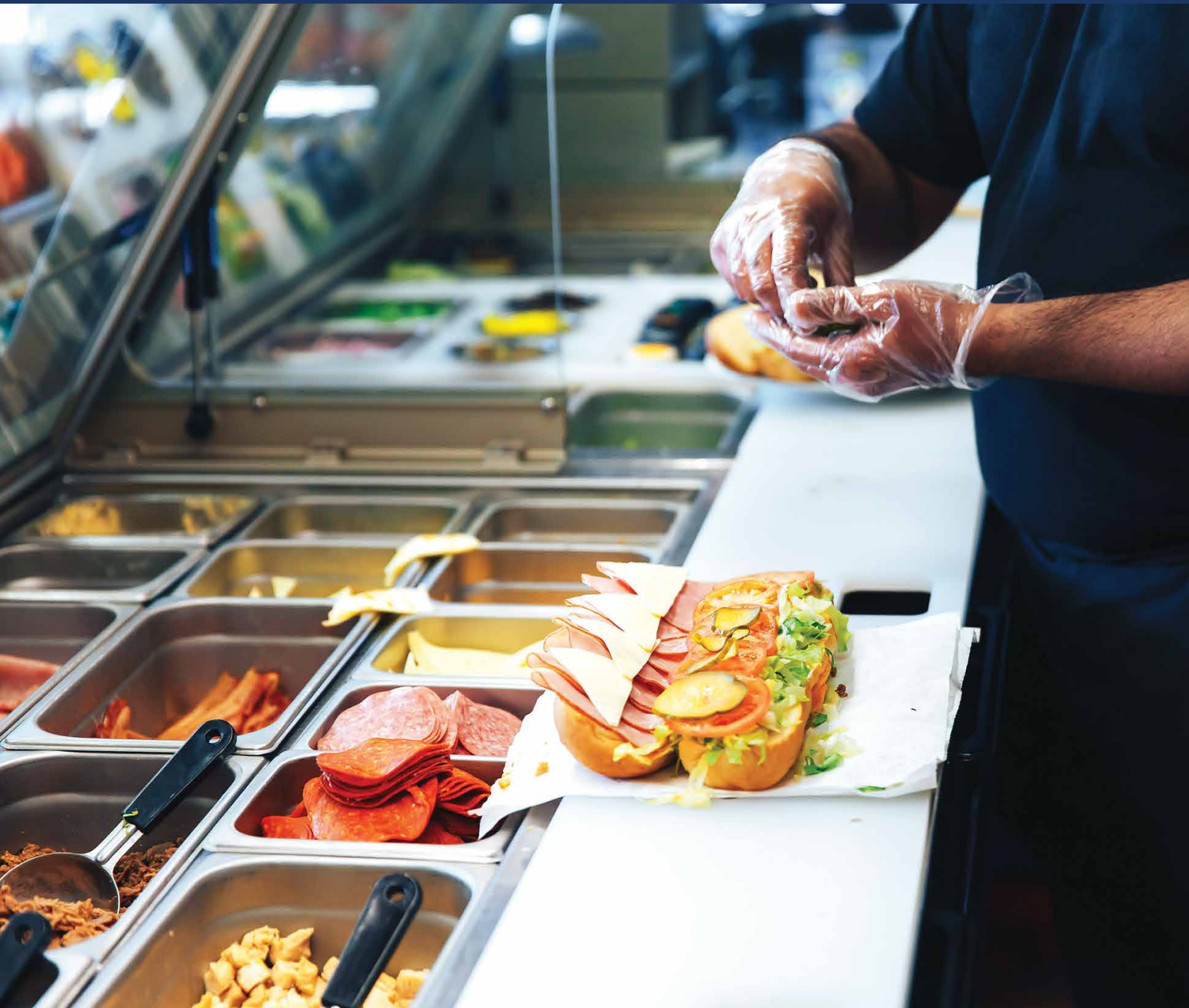




Valbridge
PROPERTY ADVISORS

YEAR END 2022 MARKET ANALYSIS **QUICK SERVE RESTAURANTS**



The following quick-service restaurant (QSR) market analysis provides a summary of the national net lease QSR market. The data used to produce this analysis was gathered from Costar, The Boulder Group, QSR Magazine, *Franchise Times*, IBISWorld, and Valbridge Property Advisors' proprietary database.

TOP 50 BRANDS (QSR Magazine, August 2022)

BASED ON MARKET SHARE, REVENUE AND RECENT AND PROJECTED GROWTH

1. McDonald's	11. Sonic	21. Papa John's	31. Carl's Jr.	41. McAlister's
2. Starbucks	12. Panera Bread	22. Whataburger	32. Bojangles	42. QDOBA
3. Chick-fil-A	13. Pizza Hut	23. Culver's	33. In-N-Out Burger	43. Papa Murphy's
4. Taco Bell	14. KFC	24. Raising Cane's	34. Firehouse Subs	44. Shake Shack
5. Wendy's	15. Popeyes	25. Jimmy John's	35. Krispy Kreme	45. Church's Chicken
6. Dunkin'	16. Dairy Queen	26. Wingstop	36. El Pollo Loco	46. Freddy's
7. Burger King	17. Arby's	27. Zaxby's	37. Tropical Smoothie Cafe	47. Tim Horton's
8. Subway	18. Panda Express	28. Jersey Mike's	38. Del Taco	48. Baskin-Robbins
9. Domino's	19. Little Caesars	29. Hardee's	39. Checkers/Rally's	49. Moe's Southwest Grill
10. Chipotle	20. Jack In The Box	30. Five Guys	40. Marco's Pizza	50. White Castle

TOP 10 FRANCHISE OPERATORS (Franchise Times Magazine, August 2022)

1. FLYNN RESTAURANT GROUP

San Francisco, CA
 \$3,700,000,000
 937 Pizza Hut, 441 Applebee's, 368 Arby's,
 285 Taco Bell, 192 Wendy's, 130 Panera

2. DHANANI GROUP

Sugar Land, TX
 \$1,725,000,000
 506 Burger King, 385 Pizza Hut, 370 Popeyes,
 41 La Madeleine

3. CARROLS RESTAURANT GROUP

Syracuse, NY
 \$1,652,370,000
 1,026 Burger King, 65 Popeyes

4. KBP BRANDS

Overland Park, KS
 \$1,390,000,000
 705 KFC, 120 Arby's, 104 Yum! Multi, 76 Taco Bell

5. SUN HOLDINGS

Dallas, TX
 \$1,100,000,000
 200 Arby's, 170 Popeyes, 165 Burger King,
 131 Applebee's, 70 Papa John's, 65 McAlister's
 Deli, 39 IHOP

6. HAZA FOODS

Sugar Land, TX
 \$850,000,000
 385 Wendy's, 136 Taco Bell

7. SUMMIT RESTAURANT GROUP

Richardson, TX
 \$747,609,000
 271 IHOP, 112 Applebee's

8. PACIFIC BELLS

Vancouver, WA
 \$680,000,000
 256 Taco Bell, 66 Buffalo Wild Wings

9. WKS RESTAURANT GROUP

Cypress, CA
 \$670,222,000
 140 Wendy's, 122 Denny's, 68 El Pollo Loco,
 40 Krispy Kreme

10. YADAV ENTERPRISES

Freemont, CA
 \$666,400,000
 228 Jack In The Box, 105 Denny's, 49 TGI Fridays

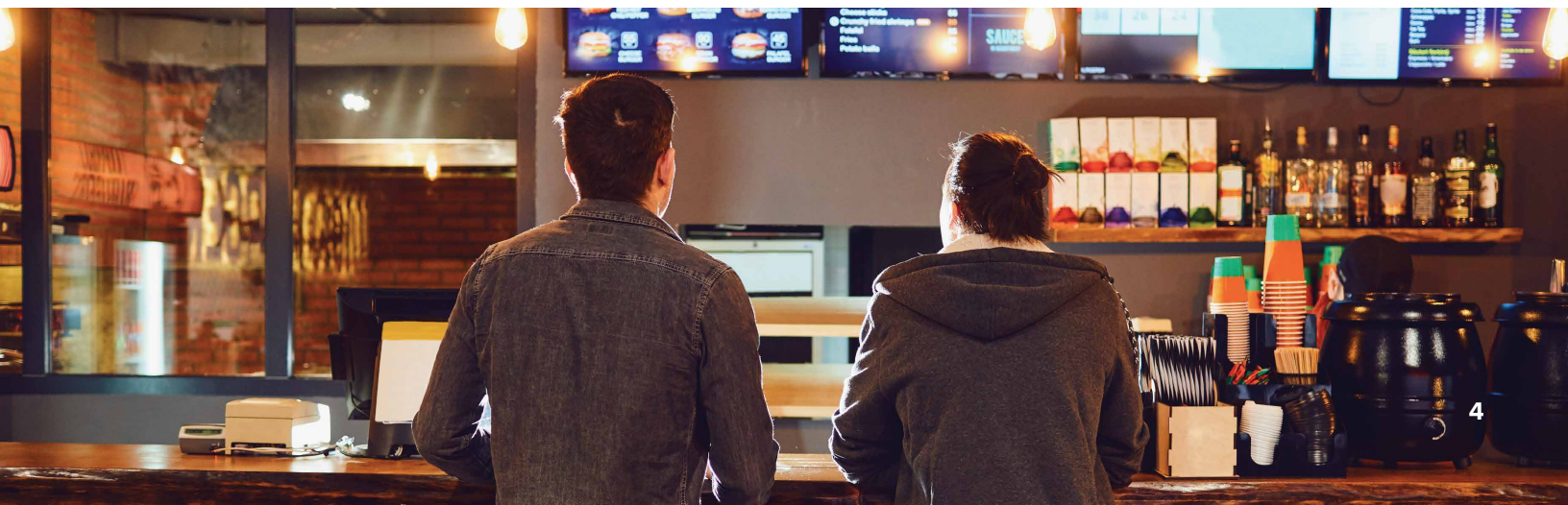
2022 AVERAGE REAL ESTATE SALE INDICATIONS – BY BRAND

BRAND	SALES	SALE PRICE	YR BUILT	SQ FT	LAND SIZE	LTB RATIO	SALE PSF	ANN RENT	RENT PSF	CAP RATE
Arby's	35	\$2,085,031	1997	2,865	39,897	14.27	\$729.01	\$102,717	\$36.01	4.98%
Baskin Robbins	5	\$1,673,000	2004	2,725	22,419	8.46	\$638.45	\$82,435	\$31.54	4.93%
Bojangles'	17	\$2,737,740	2012	3,318	51,678	15.65	\$851.56	\$151,506	\$46.82	5.65%
Burger King	56	\$2,388,668	1997	3,351	43,818	13.33	\$737.71	\$116,846	\$36.12	4.98%
Captain D's	1	\$1,200,000	1981	2,256	32,234	14.29	\$531.91	\$72,960	\$32.34	6.08%
Checkers/Rally's	7	\$1,273,286	2000	1,307	25,949	23.00	\$1,174.84	\$67,639	\$61.91	5.37%
Chick-fil-A	21	\$4,397,044	2017	4,659	60,671	12.96	\$935.29	\$159,812	\$33.96	3.65%
Chipotle	38	\$2,904,437	2011	2,626	36,754	14.61	\$1,124.44	\$124,197	\$48.09	4.47%
Church's Chicken	4	\$1,537,500	1987	1,852	22,810	12.90	\$887.03	\$79,783	\$44.36	5.51%
Culver's	4	\$3,802,179	2018	4,347	52,602	12.12	\$873.28	\$175,825	\$40.36	4.63%
Dairy Queen	12	\$2,329,584	2001	2,980	40,420	13.30	\$765.29	\$119,470	\$39.35	5.31%
Del Taco	9	\$3,235,009	2004	2,206	29,724	13.56	\$1,502.20	\$144,216	\$67.04	4.59%
Dunkin' Donuts	18	\$1,771,037	1998	2,463	27,523	11.96	\$793.14	\$88,490	\$39.80	5.05%
Hardee's	22	\$1,937,701	1995	3,430	54,505	16.19	\$606.90	\$104,302	\$32.83	5.43%
Jack In The Box	11	\$2,859,886	1992	2,689	30,998	11.88	\$1,079.95	\$128,411	\$48.20	4.49%
KFC	47	\$2,138,462	1997	2,616	32,347	12.42	\$843.84	\$99,321	\$38.88	4.71%
Krispy Kreme	3	\$2,412,167	2021	3,576	30,783	8.61	\$675.29	\$106,712	\$29.87	4.49%
Krystal	7	\$1,675,724	1998	1,777	33,852	23.65	\$1,227.89	\$94,815	\$68.93	5.68%
Long John Silver's	5	\$1,273,100	1987	2,772	31,712	12.02	\$487.65	\$65,969	\$25.29	5.23%
McDonald's	20	\$2,813,670	2010	4,383	44,026	10.47	\$655.07	\$106,746	\$24.68	3.72%
Panera Bread	16	\$3,390,491	2012	4,721	50,244	10.92	\$734.66	\$169,537	\$36.53	5.06%
PDQ	1	\$2,750,000	2013	4,307	94,525	21.95	\$638.50	\$137,500	\$31.92	5.00%
Pollo Tropical	0	--	--	--	--	--	--	--	--	--
Popeyes	27	\$2,815,138	2007	2,392	39,743	17.17	\$1,219.18	\$134,410	\$58.06	4.80%
Sonic Drive-In	31	\$2,350,242	2003	1,545	39,379	25.67	\$1,541.79	\$125,304	\$82.44	5.31%
Starbucks	79	\$2,639,955	2011	2,195	48,681	21.27	\$1,228.43	\$121,802	\$56.80	4.74%
Steak 'n Shake	1	\$1,650,000	1995	3,646	41,818	11.47	\$452.55	\$99,495	\$27.29	6.03%
Taco Bell	66	\$2,642,931	2008	2,557	39,341	15.67	\$1,079.03	\$121,006	\$49.32	4.67%
Wendy's	45	\$2,728,235	1995	2,992	41,012	14.16	\$940.93	\$129,993	\$44.69	4.79%
Zaxby's	4	\$2,641,653	2014	4,173	53,407	13.22	\$677.26	\$150,109	\$38.64	5.65%
TOTAL	612									

INDICATIONS BY BRAND	SALE PRICE	YEAR BUILT	BLDG SQ FT	LAND SIZE	LTB RATIO	SALE PSF	ANNUAL RENT	RENT PSF	CAP RATE
Minimum	\$1,200,000	1981	1,307	22,419	8.46	\$452.55	\$65,969	\$24.68	3.65%
Average	\$2,415,651	2003	2,990	41,133	14.73	\$883.90	\$116,597	\$43.18	5.00%
Median	\$2,412,167	2003	2,772	39,743	13.33	\$843.84	\$119,470	\$39.35	4.98%
Maximum	\$4,397,044	2021	4,721	94,525	25.67	\$1,541.79	\$175,825	\$82.44	6.08%

NATIONAL QSR REAL ESTATE CAPITALIZATION RATES – 5-YR HISTORY (Costar, Valbridge)

BRAND	2018	2019	2020	2021	2022
Arby's	6.24%	5.99%	6.08%	5.56%	4.98%
Baskin Robbins	6.01%	6.11%	5.41%	6.46%	4.93%
Bojangles'	6.29%	6.14%	6.16%	5.87%	5.65%
Burger King	6.01%	5.78%	5.67%	5.51%	4.98%
Captain D's	6.73%	7.55%	7.93%	6.44%	6.08%
Checkers/Rally's	7.37%	6.37%	8.71%	6.01%	5.37%
Chick-fil-A	4.34%	4.30%	4.13%	4.31%	3.65%
Chipotle	5.71%	5.35%	5.99%	5.23%	4.47%
Church's Chicken	6.75%	6.16%	7.37%	6.51%	5.51%
Culver's	6.13%	7.03%	5.88%	7.65%	4.63%
Dairy Queen	6.37%	6.04%	6.54%	6.31%	5.31%
Del Taco	5.21%	4.95%	5.24%	4.46%	4.59%
Dunkin' Donuts	5.80%	5.53%	5.92%	6.11%	5.05%
Hardee's	6.06%	6.21%	6.66%	6.13%	5.43%
Jack In The Box	5.45%	5.26%	5.57%	4.79%	4.49%
KFC	5.68%	5.82%	5.68%	5.52%	4.71%
Krispy Kreme	5.80%	5.29%	5.34%	5.70%	4.49%
Krystal	6.36%	6.36%	7.27%	5.98%	5.68%
Long John Silver's	6.34%	6.31%	5.58%	5.90%	5.23%
McDonald's	5.07%	4.31%	4.33%	4.71%	3.72%
Panera Bread	5.15%	5.17%	5.29%	5.35%	5.06%
PDQ	5.43%	6.25%	6.10%	5.68%	5.00%
Pollo Tropical	5.06%	4.75%	4.89%	5.22%	--
Popeyes Louisiana Kitchen	5.69%	5.71%	5.97%	5.30%	4.80%
Sonic Drive-In	6.49%	6.53%	6.86%	5.86%	5.31%
Starbucks	5.01%	5.22%	5.10%	5.32%	4.74%
Steak 'n Shake	6.29%	7.09%	7.65%	7.00%	6.03%
Taco Bell	5.60%	5.61%	5.44%	5.17%	4.67%
Wendy's	5.66%	5.81%	5.54%	5.15%	4.79%
Zaxby's	6.94%	7.52%	7.32%	6.89%	5.65%
AVERAGE	5.90%	5.88%	6.05%	5.74%	5.00%





YEAR END 2022 MARKET ANALYSIS **QUICK SERVE RESTAURANTS**



Knowing the true value of something is more important than ever, but it can be difficult to discern—especially in today’s highly scrutinized regulatory environment. The experts at Valbridge Property Advisors are here to help.

Valbridge Property Advisors provides commercial real estate appraisals and consulting services. We evaluate commercial property based on objective criteria, in-depth knowledge of local property markets and time-tested judgment. We identify and analyze the variables that affect value, often seeing what others don’t see based on our expertise and independence.

With nationwide office locations, Valbridge Property Advisors has the expertise and scale to handle portfolio assignments that may involve multiple properties scattered throughout many states. Our internal quality control program helps to ensure consistency throughout the portfolio of properties. Contact us today to experience the Valbridge difference.