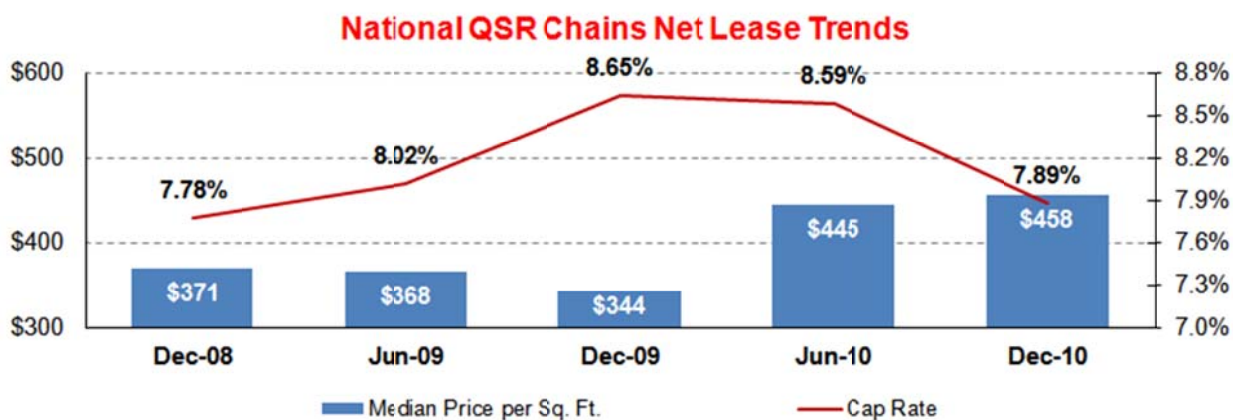


Restaurant Research Think Piece – March 2011

QSR Real Estate Cap Rate Trends?

According to the Nisbet Group of Marcus & Millichap's 2011 Retail Market Forecast, QSR real estate deal flow accelerated in 2010, driven by strong buyer demand for predictable cash flows and lenders' willingness to finance assets below \$2 million. With buyers preferring fast-food chains, average cap rates fell 70 basis points to 7.9 percent during 2H:10 while the median price per sq. ft. increased \$13 to \$458.



Source: Nisbet Group

About the Contributing Firm: The Nisbet Group is a member of the National Retail Group of Marcus & Millichap which specializes in representing institutional and private companies in the disposition of multi-tenant and single tenant retail properties. Please contact Peter Nisbet, Vice President of Investments, Senior Director, National Retail Group @ pnisbet@marcusmillichap.com or call (206) 826-5700 ext. 5718.

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Restaurant Research LLC leverages an extensive network of industry players as part of its annual Concept Benchmark Analysis due diligence process for 22 large US restaurant chains. Also, RR tracks store level data for all major chains with system-wide sales in excess of \$1B across all major restaurant segments in order to produce 11 key Industry Data Topic reports.

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