

KFC

EXCLUSIVE NET LEASED OFFERING

Representative Photo



OFFERING MEMORANDUM



2339 S Wayne Rd
Westland, MI 48186

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Table of Contents

Investment Highlights	4
Financial Analysis & Investment Summary	5
Concept Overview	6
Guarantor Overview	7
Surrounding Area	8
Property Photos	9
Location Overview	10
Regional Map	11
Demographics	12





Investment Highlights

LOCATION

REAL ESTATE FUNDAMENTALS

- ✓ Major National Tenants in the Surrounding Area Include: CVS, TrueValue, Family Dollar, McDonald's, Dunkin' Donuts, Taco Bell, Dairy Queen, and Many More
- ✓ Strong Traffic Counts | South Wayne Road | 27,830 Vehicles per Day
- ✓ Strong Population | 226,605 Individuals within a Five-Mile Radius
- ✓ Ford Assembly Plant | Employs 3,550 Workers | Three Miles Away
- ✓ Beaumont Hospital | 215-Bed Facility Just Three Miles Away
- ✓ Westland Center | 1,000,000 + Square Feet | 100+ Stores

LEASE

LEASE STRUCTURE

- ✓ 20-Year Triple Net (NNN) Lease with ~14.8 Years Remaining
- ✓ Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Attractive Rental Increases | 8.00% Every Five (5) Years
- ✓ Tenant Renewal Options: Four (4) Periods of Five (5) Years, Bringing the Potential Lease Term to 40 Years

TENANT

TENANT / GUARANTOR

- ✓ Tenant on the Lease is FQSR, LLC (dba KBP Foods "KBP")
- ✓ KBP Operates More Than 600 Restaurants in 23 States
- ✓ KBP has Grown to Become One of the Largest YUM! Brands Franchisees in the United States



Financial Analysis & Investment Summary

PURCHASE PRICE: \$1,713,217 | CAP RATE: 5.75% | RENT: \$98,510

PROPERTY DESCRIPTION

Property	KFC
Property Address	2339 S Wayne Rd
City, State ZIP	Westland, MI 48186
Building Size (SF)	2,529
Lot Size (Acres)	0.98
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,713,217
CAP Rate	5.75%
Annual Rent	\$98,510

LEASE SUMMARY

Property Type	Net-Leased Restaurant
Tenant / Guarantor	FQSR, LLC dba KBP Foods
Lease Term	20 Years
Lease Commencement	October 31, 2013
Lease Expiration	October 31, 2033
Lease Term Remaining	14.8 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5) Year Option Periods
Rental Increases	8.00% Every Five (5) Years

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
10/31/13 - 10/31/14	\$91,213	\$7,601	-
11/1/14 - 10/31/15	\$91,213	\$7,601	-
11/1/15 - 10/31/16	\$91,213	\$7,601	-
11/1/16 - 10/31/17	\$91,213	\$7,601	-
11/1/17 - 10/31/18	\$91,213	\$7,601	-
11/1/18 - 10/31/19	\$98,510	\$8,209	8.00%
11/1/19 - 10/31/20	\$98,510	\$8,209	-
11/1/20 - 10/31/21	\$98,510	\$8,209	-
11/1/21 - 10/31/22	\$98,510	\$8,209	-
11/1/22 - 10/31/23	\$98,510	\$8,209	-
11/1/23 - 10/31/24	\$106,391	\$8,866	8.00%
11/1/24 - 10/31/25	\$106,391	\$8,866	-
11/1/25 - 10/31/26	\$106,391	\$8,866	-
11/1/26 - 10/31/27	\$106,391	\$8,866	-
11/1/27 - 10/31/28	\$106,391	\$8,866	-
11/1/28 - 10/31/29	\$114,902	\$9,575	8.00%
11/1/29 - 10/31/30	\$114,902	\$9,575	-
11/1/30 - 10/31/31	\$114,902	\$9,575	-
11/1/31 - 10/31/32	\$114,902	\$9,575	-
11/1/32 - 10/31/33	\$114,902	\$9,575	-

Investment Summary

Marcus & Millichap is pleased to present the exclusive listing for a KFC located at 2339 S Wayne Rd, Westland, MI. The property consists of 2,529 square feet of building space and is situated on approximately 0.98 acres of land. The property is subject to a 20-year triple-net (NNN) lease with ~14.8 years remaining. The annual rent is currently \$98,510 and will be subject to 8.00% rental increases every five years. The rental increases will continue through the four, five-year tenant renewal options. The tenant on the lease is FQSR, LLC which does business as KBP Foods, a 600+ unit operator with operations in 23 states.



Concept Overview



About KFC

Kentucky Fried Chicken (KFC) is a fast food restaurant chain that specializes in fried chicken and is headquartered in Louisville, Kentucky, United States. It is one of the world's largest restaurant chains with over 22,000 locations globally of September 2018. The company is a subsidiary of Yum! Brands, a restaurant company that also owns the Pizza Hut and Taco Bell chains.

KFC was founded by Harland Sanders, an entrepreneur who began selling fried chicken from his roadside restaurant in Corbin, Kentucky, during the Great Depression. Sanders identified the potential of the restaurant franchising concept, and the first "Kentucky Fried Chicken" franchise opened in Utah in 1952. KFC popularized chicken in the fast food industry, diversifying the market by challenging the established dominance of the hamburger. By branding himself as "Colonel Sanders", Harland became a prominent figure of American cultural history, and his image remains widely used in KFC advertising.

KFC was one of the first fast food chains to expand internationally, opening outlets in Canada, the United Kingdom, Mexico, and Jamaica by the mid-1960s. The chain continued to expand overseas and in 1987 KFC became the first Western restaurant chain to open in China. The chain has since expanded rapidly in China, which is now the company's single largest market.

KFC's original product is pressure fried chicken pieces, seasoned with Sanders' recipe of 11 herbs and spices. The constituents of the recipe represent a notable trade secret. Larger portions of fried chicken are served in a cardboard "bucket", which has become a well known feature of the chain since it was first introduced by franchisee Pete Harman in 1957. Since the early 1990s, KFC has expanded its menu to offer other chicken products such as chicken fillet burgers and wraps, as well as salads and side dishes, such as French fries and coleslaw, desserts, and soft drinks.

- Kentucky Fried Chicken is headquartered in Louisville, Kentucky. KFC has over 22,000 locations globally.
- KFC is one of the world's largest restaurant chains, and the world's most popular chicken brand.
- KFC is a subsidiary of Yum! Brands, which also owns Pizza Hut and Taco Bell. Yum! Brands has approximately 47,000 restaurants in more than 140 countries and territories, making it one of the world's largest restaurant companies.





Guarantor Overview

About KBP Foods

Consistently ranked among the 10 fastest-growing restaurant companies in the United States, KBP Foods now operates more than 600 KFC, Taco Bell and Long John Silver's restaurants in 23 states. In 2017, it added 223 locations, making it the biggest acquisition year yet. KBP has grown to become one of the largest Yum! Brands franchisees in the United States.

KBP FOODS HAS BEEN NAMED ONE OF THE TOP 100 PRIVATE COMPANIES & CORPORATE REPORT 100 FASTEST-GROWING COMPANIES

— Ingram's

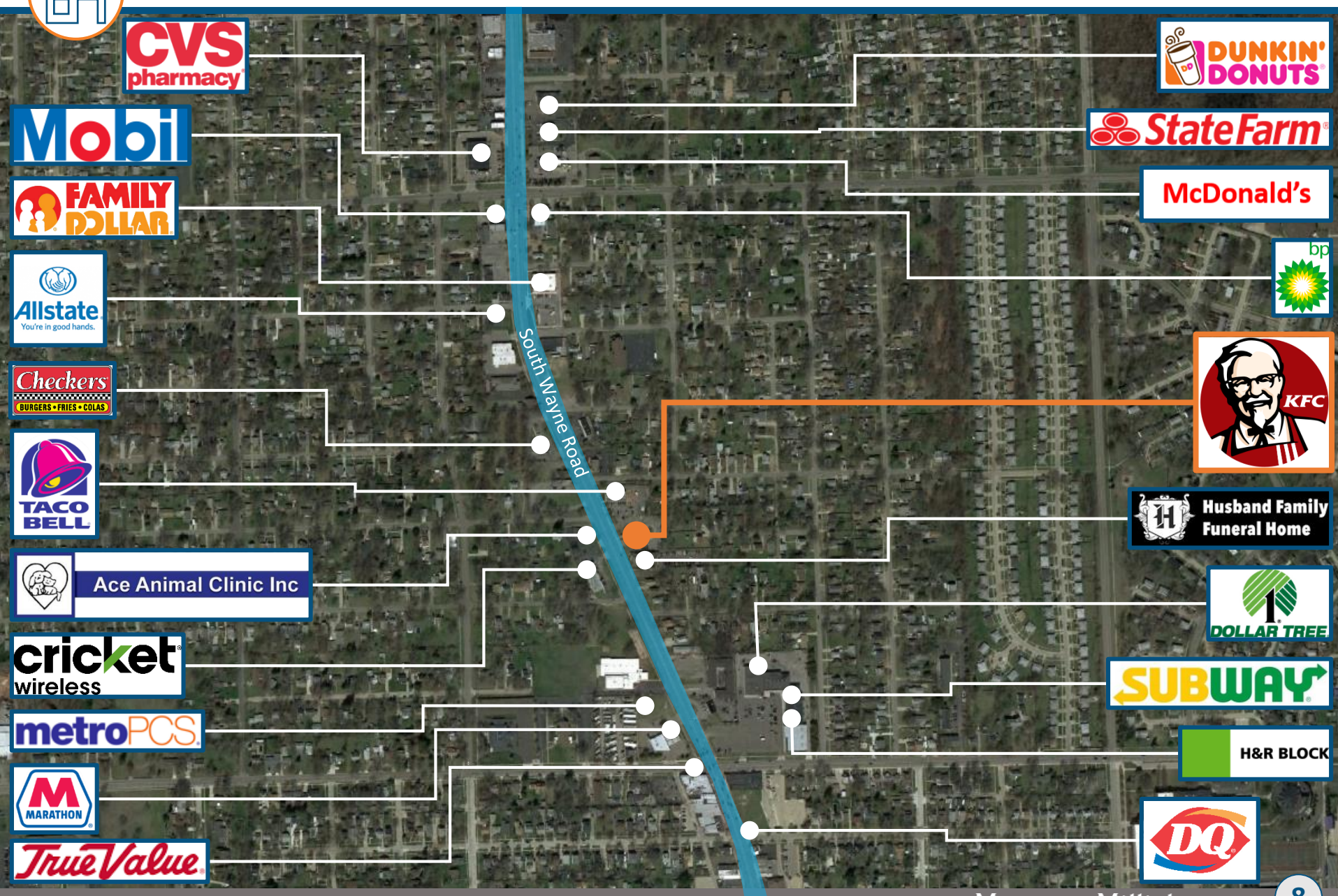


- KBP Foods operates over 600 restaurants in 23 states and has Regional Vice Presidents in every major geographical region.
- Their Corporate Office and Restaurant Support Center are located in Overland Park, KS.
- KBP Foods has been named one of the top 100 Private Companies & Corporate Report 100 Fastest Growing Companies
- The success KBP Foods has had with growth through acquisition is directly correlated to diligent selection criteria, prudent and responsible capital structure and industry leading operational talent. Ultimately this gives their people significant opportunity to grow themselves personally, professionally and financially.





Surrounding Area





Property Photos





Location Overview

This KFC is located at 2339 South Wayne Road in Westland, Michigan. Westland is a city in Wayne County about 16 miles west of downtown Detroit.

SURROUNDING RETAIL & POINTS OF INTEREST

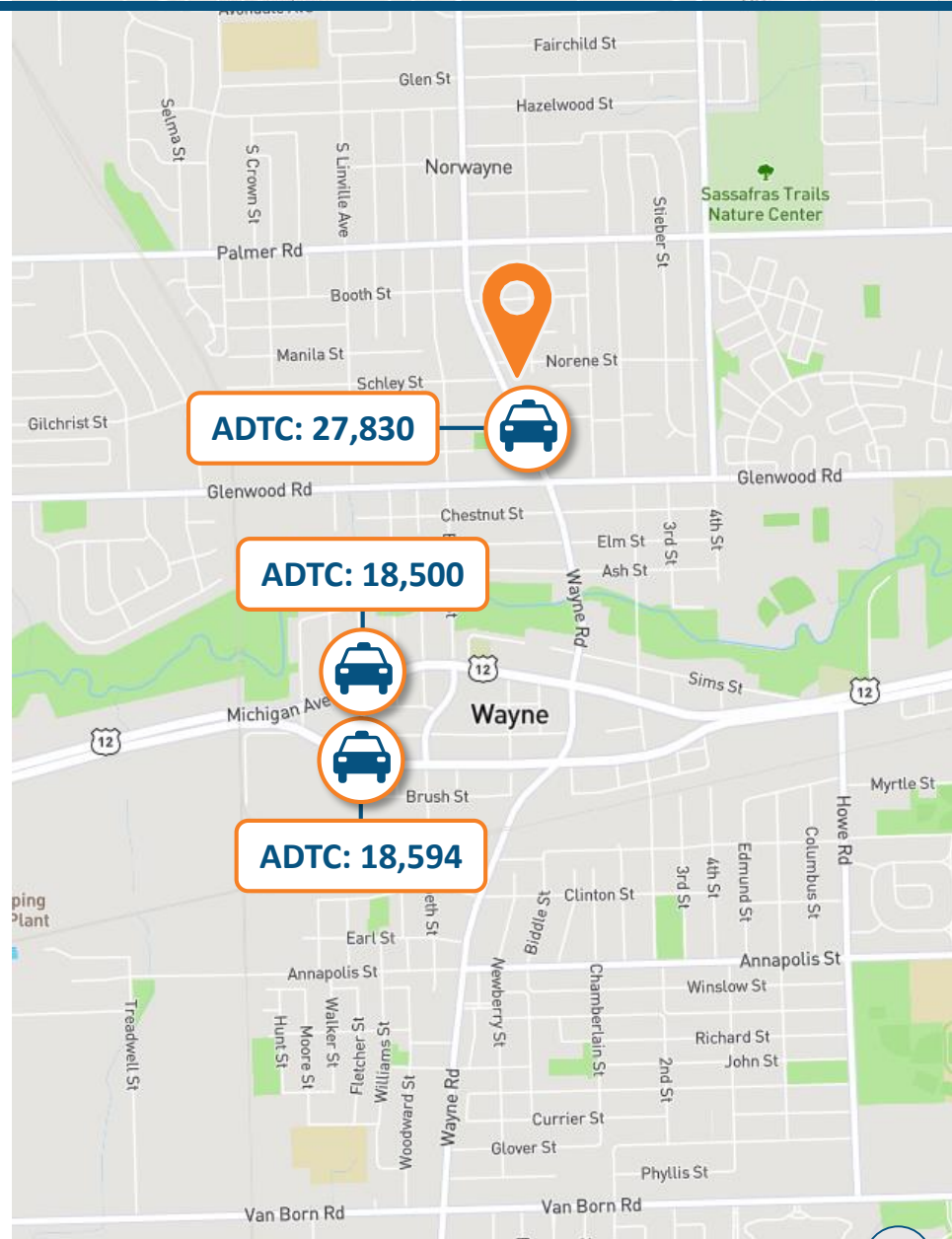
The subject property is well positioned in a dense retail corridor. Immediately adjacent properties include a Taco Bell location and a funeral home. Across the street there is a veterinary hospital and a strip mall. Major national tenants in the surrounding area include: CVS, TrueValue, Family Dollar, McDonald's, Dunkin' Donuts, Dairy Queen, and many more. Wayne Memorial High School, which has 1,756 students enrolled, is less than a mile from this KFC. Additionally, the property is less than three miles from the Ford Michigan Assembly Plant, which is a 5,000,000 square feet operation on 369 acres that employs 3,550 people. This KFC property is also less than three miles away from the 215-bed Beaumont Hospital, Wayne. Approximately four miles away is Westland Center, a regional mall with over a million square feet of retail space and 100 inline stores. Detroit Metropolitan Airport is just seven miles away, offering national and international passenger service to over 34,000,000 passengers annually. For freight, Willow Run Airport is ten miles away on Interstate 94.

TRAFFIC COUNTS & DEMOGRAPHICS

The subject property has approximately 88,672 individuals residing within a three-mile radius and 226,605 individuals residing within a five-mile radius. The KFC property is located on South Wayne Road, which experiences an average daily traffic count of 27,830 vehicles. Nearby West and East Michigan Avenue, which circumnavigate downtown Wayne in the north and south respectively, bring an additional combined 37,094 vehicles to the area each day.

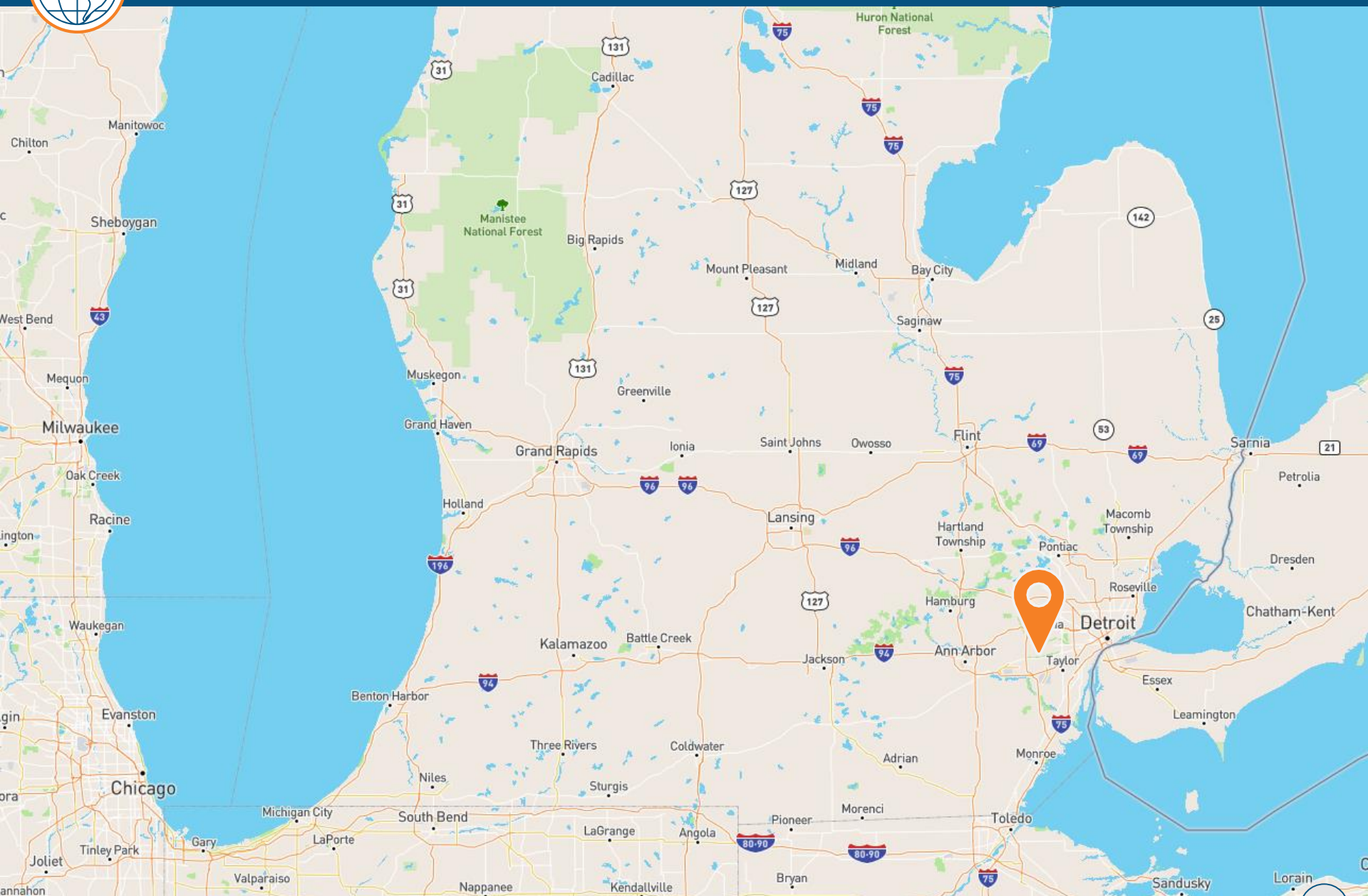
WESTLAND, MI

Westland has a solid industrial base that includes automotive suppliers, tool and die companies, construction materials, food service, warehousing, packaging, and other manufacturing firms. Various enterprises take advantage of six modern platted industrial parks on 320 acres, all served by class A internal roads. The city is known for having an abundance of parks, the most notable of which is Hines Park. Westland takes care to protect its environmental assets, evidenced by its annual Rouge River clean-up efforts and its single stream curb side recycling program. Nearby Detroit is a global city rich in culture and history. Detroit and the surrounding region constitute a major center of commerce, with finance, technology, and health care services supplementing its automotive industry.



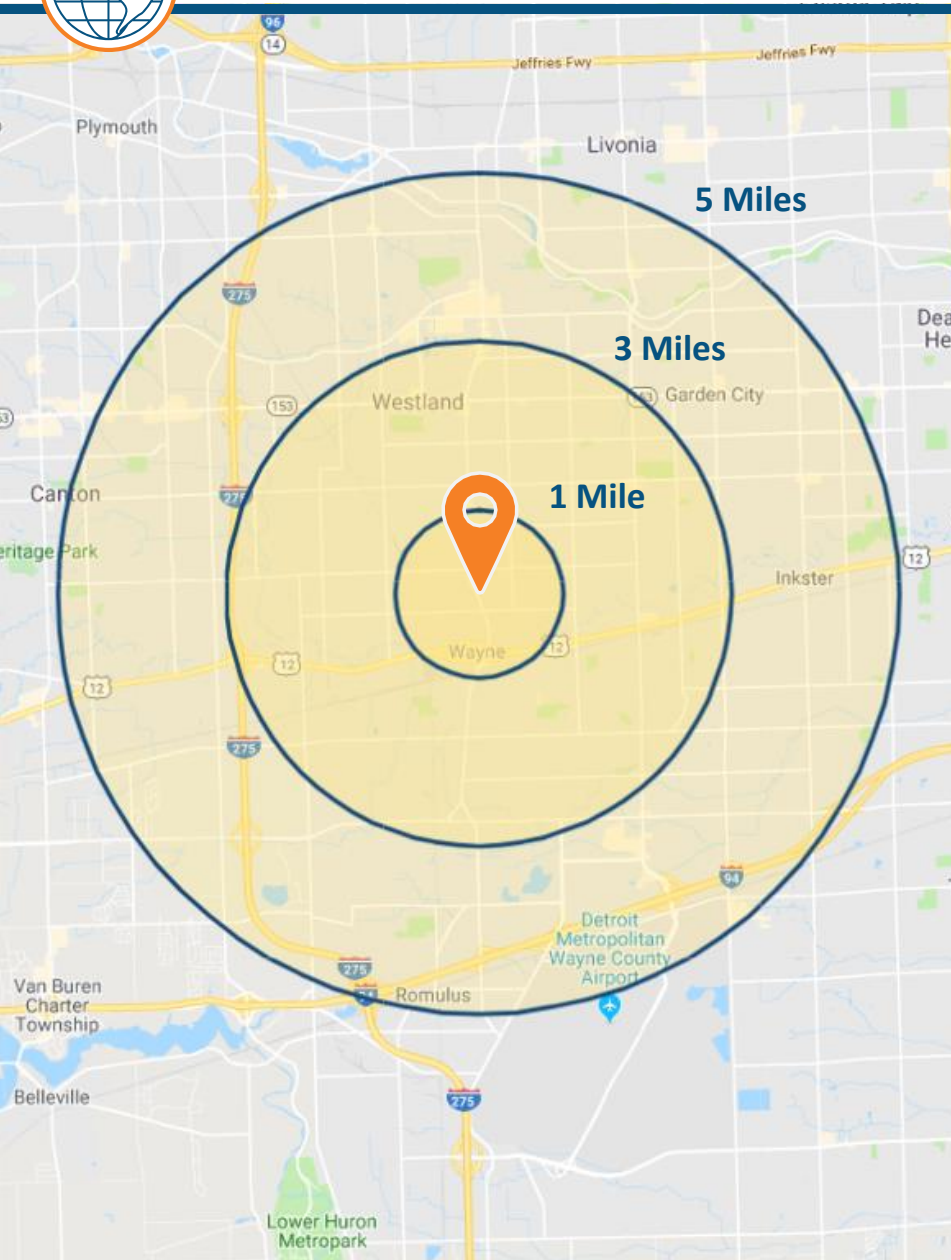


Regional Map





Demographics



MAJOR EMPLOYERS

Employer	# of Employees
Ford	5,349
Garden City Hospital Foundation	1,500
Ayc	1,400
Cemm Thome Corporation	800
Kroger	721
LSG SKY Shaft	700
Sysco	700
City of Westland	651
EBY-Brown Company LLC	604
Lighting Division	600
Quality Industrial Services	600
Material Sciences	567

of Employees based on 5 mile radius

DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
Population			
2017 Estimate	14,324	88,672	226,605
Income			
Average	\$55,817	\$59,183	\$62,985
Median	\$44,010	\$48,630	\$51,197
Per Capita	\$23,080	\$23,623	\$25,380
Households			
2017 Estimate	5,907	35,147	90,861
Employment			
2017 Daytime Population	10,989	74,628	193,425
2017 Unemployment	8.39%	6.64%	5.95%
2017 Median Time Traveled	27 Mins	27 Mins	27 Mins

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING



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