

**Krystal**<sup>®</sup>



ACTUAL SITE PHOTO

OFFERING MEMORANDUM Presented By:

**The Kase Group**

**KRYSTAL BURGER | ABSOLUTE NNN LEASE**

1006 280 BYPASS PHENIX CITY, AL

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# INVESTMENT OVERVIEW

The Kase Group is pleased to present an absolute nnn leased Krystal Burger in Phenix City, Alabama. There are 19 years remaining on the initial term. Krystals has 1.25% annual increases and eight 5 year options to renew. The asset is well positioned on a major commercial thoroughfare. There are several national retailers in the area including Advance Auto Parts, Big Lots, Family Dollar, and many others.

The lease is guaranteed by the Krystal Company, an 86-year-old hamburger chain with 356 units across 11 Southeastern states. Krystal is the Southeast's longest-standing quick service restaurant chain and the second oldest in the United States. This is a rare opportunity to own an excellent net lease deal with zero landlord obligations.

## OFFERING SPECIFICATIONS

<b>PRICE</b>	\$3,240,908
<b>CAP RATE</b>	6.50%
<b>NET OPERATING INCOME</b>	\$210,659
<b>SQUARE-FOOTAGE</b>	2,139
<b>LOT SIZE</b>	0.59 AC
<b>YEAR RENOVATED</b>	2017
<b>MARKET</b>	COLUMBUS GA

## DEAL POINTS

LONG TERM ABSOLUTE NNN LEASE

19 YEARS REMAINING ON INITIAL TERM

ZERO LANDLORD OBLIGATIONS

100% FEE SIMPLE INTEREST

ANNUAL INCREASES IN RENT

CORPORATE GUARANTEE FROM U.S.'S 2ND OLDEST QSR

LOCATED ON A MAJOR COMMERCIAL THOROUGHFARE

NEARBY SEVERAL NATIONAL RETAILERS



# FINANCIAL SUMMARY

## KRYSTAL | ABSOLUTE NNN LEASE

1006 280 BYPASS PHENIX CITY, AL

\$3,240,908

6.50% CAP

FEE SIMPLE OWNERSHIP

## SUMMARY

TENANT NAME	KRYSTAL
BUILDING SIZE	2,139
LEASE START	9/21/2012
LEASE ENDS	6/30/2037
ANNUAL RENT	\$210,659
INCREASES	1.25% ANNUALLY
OPTIONS	EIGHT, 5 YEAR



# TENANT OVERVIEW



360 +  
LOCATIONS



\$280 M IN SALES  
VOLUME



6,500+  
EMPLOYEES

## KRYSTAL

The lease is guaranteed by The Krystal Company, an 86-year-old hamburger chain with 356 units across 11 Southeastern states. Krystal is the Southeast's longest-standing quick service restaurant chain and the second oldest in the United States.

The Krystal Company is well known for the famous Krystal Burger, with its steamed-in onion flavor, which is always served hot and fresh. It is the oldest quick service restaurant chain in the South and the second oldest in the United States. The company was founded in 1932 in Chattanooga, TN amid the harsh financial times of the Great Depression by two men, Rody Davenport Jr. and J. Glenn Sherrill, with the mission of bringing those in the South the best burger possible. Krystal became an overnight southern icon, known not only for its signature product, but also for its hospitality and value.

Since its inception 86 years ago, Krystal's menu offerings have expanded to include a wide variety of menu items. Most notably, the company now offers breakfast scramblers, chicken sandwiches, milkshakes, and frozen slush drinks. In 2003, the company began offering free Wi-Fi to its patrons and by 2005 became the largest provider of free Wi-Fi for fast-food chains nationwide. The hamburger chain has grown to include a total of 356 company-operated and franchised locations across 11 Southeastern states.

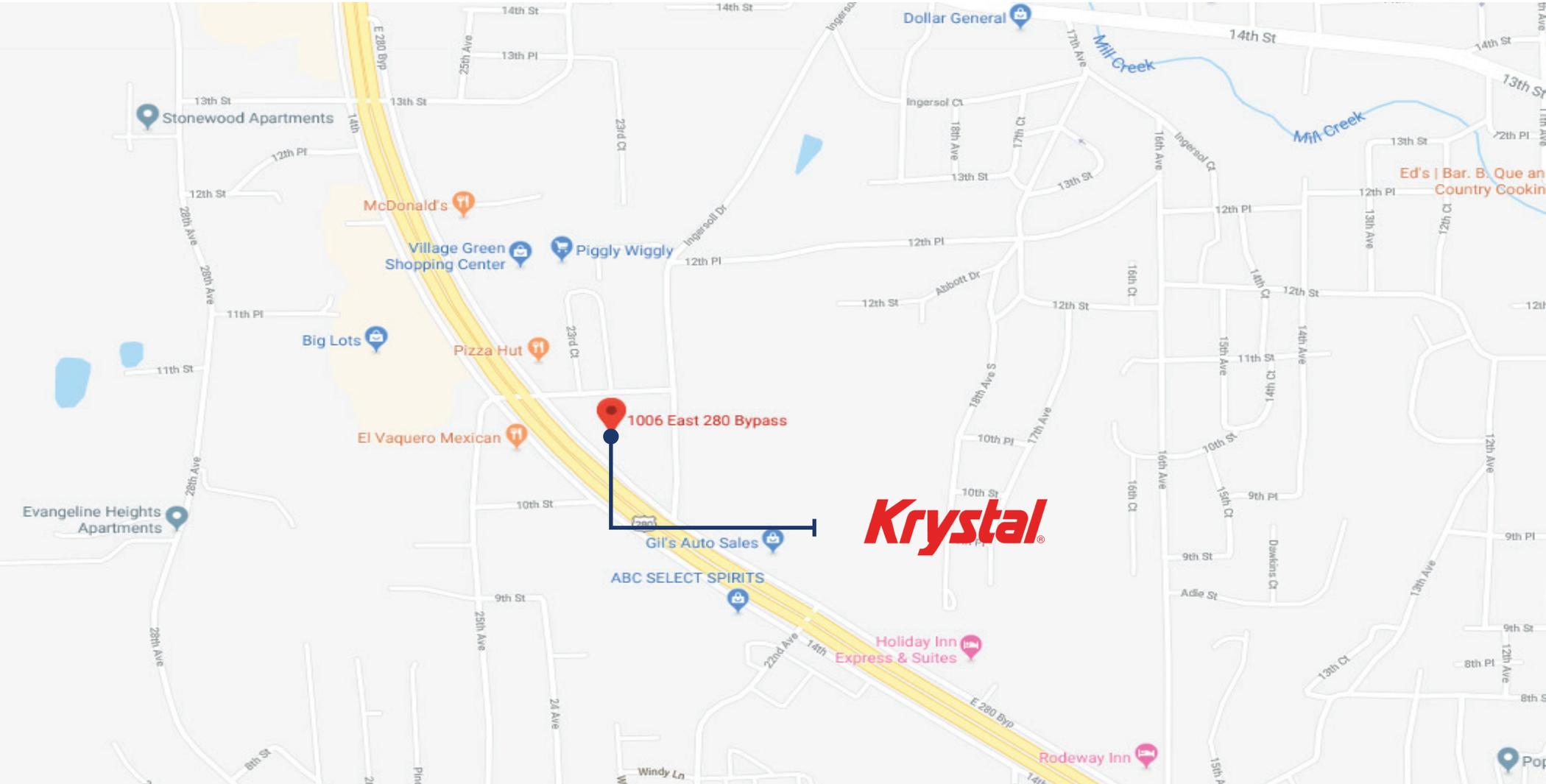
Krystal's system-wide sales finished 2017 in excess of \$280,000,000 and they continue to perform well within the quick service restaurant category. On March 22, 2012, Argonne Capital Group purchased The Krystal Company from a group of Tennessee-based investors and has since revitalized brand awareness, developed a new forward thinking prototype and appointed a new high powered management team to lead the company in its next phase of growth. Krystal has undertaken a portfolio wide asset redevelopment plan targeting +50 store replacements at approximately \$1.2M per unit. Completed units are setting new sales records.

# LOCATION AERIAL



# DEMOGRAPHICS

	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	58,718	124,733	272,631
NUMBER OF HOUSEHOLDS	24,545	50,981	105,047
AVERAGE HOUSEHOLD INCOME	\$43,509	\$48,535	\$58,408
MEDIAN AGE	35.90	36.50	36.10



# AREA OVERVIEW

## PHENIX CITY, AL

Phenix City is a city in Lee and Russell counties in the State of Alabama, and the county seat of Russell County. As of the 2010 census, the population of the city was 32,822. Phenix City lies immediately west across the Chattahoochee River from much larger Columbus, Georgia



DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL HOUSEHOLDS	24,545	50,981	105,047
TOTAL POPULATION	58,718	124,733	272,631
PERSONS PER HOUSEHOLD	2.30	2.40	2.50
AVERAGE HOUSEHOLD INCOME	\$43,509	\$48,535	\$58,408
AVERAGE HOUSE VALUE	\$111,233	\$121,831	\$143,579
AVERAGE AGE	35.90	36.50	36.10
WHITE	25,151	56,754	139,501
BLACK	31,289	62,276	117,432
AM. INDIAN & ALASKAN	287	619	1,501
ASIAN	450	1,639	5,951
HAWAIIAN & PACIFIC ISLAND	74	238	656
OTHER	1,467	3,207	7,590

# Kryystal®

PHENIX CITY | ALABAMA



[WWW.THEKASEGROUP.COM](http://WWW.THEKASEGROUP.COM)

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