



KRYSTAL – 20-YEAR NNN

2244 North Charles G Seivers Boulevard • Clinton, TN 37716

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KRYSTAL
Clinton, TN
ACT ID ZAA0230462

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EXECUTIVE SUMMARY

OFFERING SUMMARY

Property	Krystal
Property Address	2244 North Charles G Seivers Boulevard Clinton, TN 37716
Price	\$1,415,000
Net Operating Income	\$96,896
Capitalization Rate – Current	6.85%
Price / SF	\$548.45
Rent / SF	\$37.56
Gross Leasable Area	2,580 SF
Year Built / Renovated	1995 / 2017
Lot Size	0.83 acre(s)

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Type of Ownership	Fee Simple
Rent Increases	1.33% Annually Beginning LY6; 1% Annually in Options
Tenant	WAC Enterprises, Inc.
Guarantor	Franchisee Guarantee
Lease Type	NNN
Lease Commencement	August 26, 2019
Lease Expiration	August 31, 2039
Lease Term	20 Years
Renewal Options	Four, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Roof, Structure, Taxes & Insurance
Right of First Refusal	No

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$96,896
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RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$96,896	\$8,075	\$37.56	6.85%



INVESTMENT OVERVIEW

The subject property is a 2,580 +/- sf freestanding NNN Krystal restaurant located on North Charles G Seivers Boulevard (ADT over 26,000) in Clinton, TN, approximately 23 miles northwest of Knoxville. The Krystal is well positioned about mile off Interstate 75 (ADT over 52,000) with good ingress/egress in a dense retail corridor of Clinton. Nearby traffic generators include a Walmart Supercenter (almost directly across the street), 6 hotels including Hampton Inn, Holiday Inn Express, Baymont Inn, Super 8, Red Roof Inn, and Quality Inn, several other QSR's including McDonald's, Zaxby's, Wendy's, Hardee's, Dunkin', Bojangles, and Arby's, and also a Walgreens, and Anderson County High School (1,000+ students).

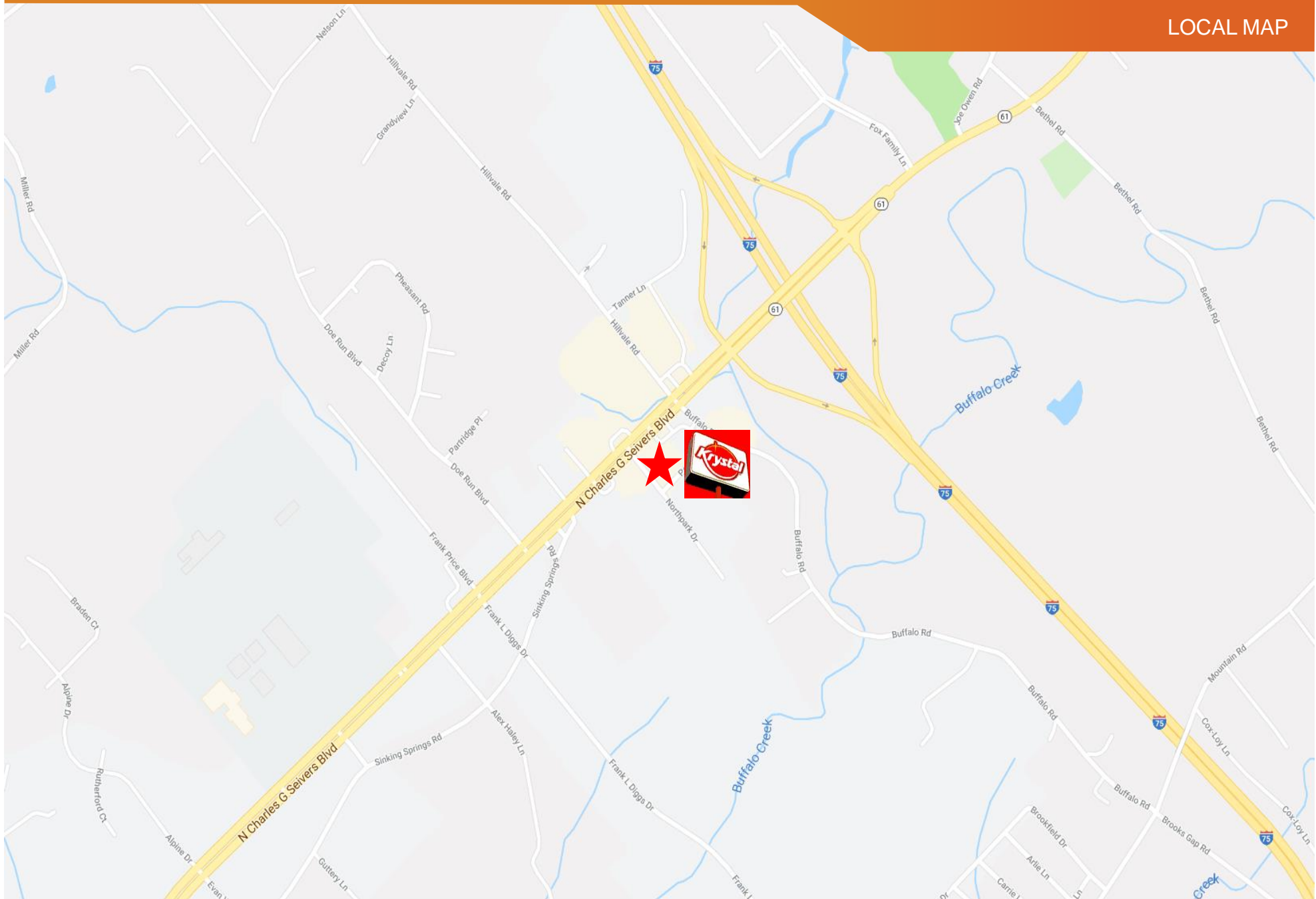
Clinton, located in Anderson County and part of the Knoxville MSA, has become a prime location for Tier 1 automotive parts manufacturers because of the access to Interstate 75 and the proximity to the automotive assembly plants. In addition, the city is within a day's drive of 75% of the United States population. The Knoxville MSA is the third largest market in Tennessee after Nashville and Memphis and currently has a population of approximately 880,000 residents. The local economy centers primarily around economic hubs created by the University of Tennessee and Great Smokey Mountain tourism. The University of Tennessee has nearly 29,000 students and 6,500 employees and it is estimated the school has a \$1.7 billion dollar impact on the state's economy. The Great Smokey Mountain tourism includes nearby Pigeon Forge and Dollywood park, which hosts approximately 3 million tourists in a season.

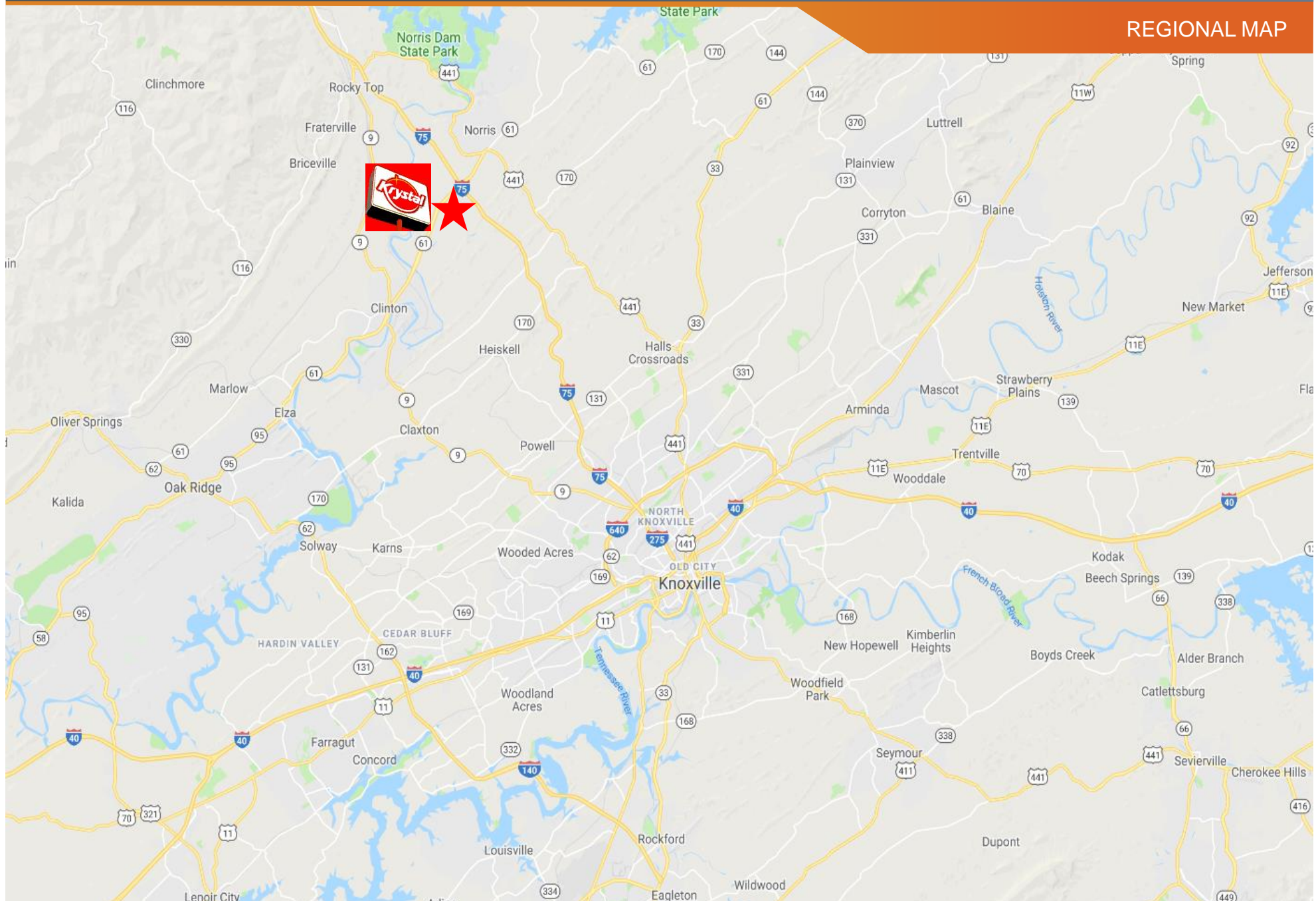
The tenant, WAC Enterprises, Inc., signed a new 20-year NNN Lease on August 26, 2019 which includes 1.33% annual escalations during the initial term starting LY6 and 1.0% annual escalations during the four (4), five (5) periods. WAC Enterprises currently operates 49 locations throughout six (6) southeastern states after recently adding 16 locations. They are the largest Krystal franchisee in the system and are headquartered in Chattanooga, TN.

INVESTMENT HIGHLIGHTS

- New 20-year NNN Lease with the largest Krystal franchisee, WAC Enterprises, Inc. (49 units)
- 1.33% annual increases commencing Lease year 6 - 1.00% annual increases in option periods
- Conservative rent/sales ratio
- The Krystal Company is the 2nd oldest QSR chain in the U.S. - oldest in the southeast
- Strong retail corridor - across from Walmart Supercenter - near 6 hotels and several other QSR's/Restaurants
- Located off Interstate 75 - ADT 52,000+ - 26,000+ ADT on N. Charles Seivers Boulevard
- Clinton, TN is located 23 miles northwest of Knoxville - 880,000 residents - 3rd largest MSA in TN
- Property was remodeled in 2017



















The City of Clinton is located in the eastern section of Anderson County which is located in the eastern part of the State of Tennessee. Clinton is included in the Knoxville metropolitan area.

The City has three industrial parks that are currently near capacity. Home to several automotive parts manufacturers, the City has worked with local manufacturers to bring expansion to their plants. The City, along with Anderson County, has become a prime location for Tier 1 automotive parts manufacturers because of Interstate 75 and our proximity to the automobile assembly plants. The City is within a day's drive of 75 percent of the United States population. The City has also worked to increase the availability of trained personnel to our local industry by working with a local community college to provide specialized training relative to the needs of the organizations located in Anderson County. The Clinton Higher Education and Workforce Training Facility has helped to provide the trained workforce that our manufacturers need in order to meet their growing needs.

The SL Tennessee plant opened in 2001, in Clinton, with 34,000 sq ft and 20 employees. At that time they only manufactured Chassis products. They have expanded multiple times and in 2011 opened our Lighting Division. They now have 3 buildings, 750,000sq ft. and employ around 1,000 team members. SL Tennessee is the largest non-government employer in Anderson County.

Eagle Bend Manufacturing, Inc. manufactures and markets automotive parts and components to the automobile industry. The company's products include metal stampings. Eagle Bend was founded in 1987 and is headquartered in Clinton, Tennessee. Eagle Bend Manufacturing, Inc. operates as a subsidiary of Magna International Inc.

Nelson Global Products designs, manufactures, and distributes a diverse portfolio of thermal management, acoustic, air and fluid mechanics, and structural solutions for the global On Highway, agricultural, construction, industrial, and power sports markets.

Shawmut Corporation serves as the largest independent laminator in the U.S for technical fabrics.

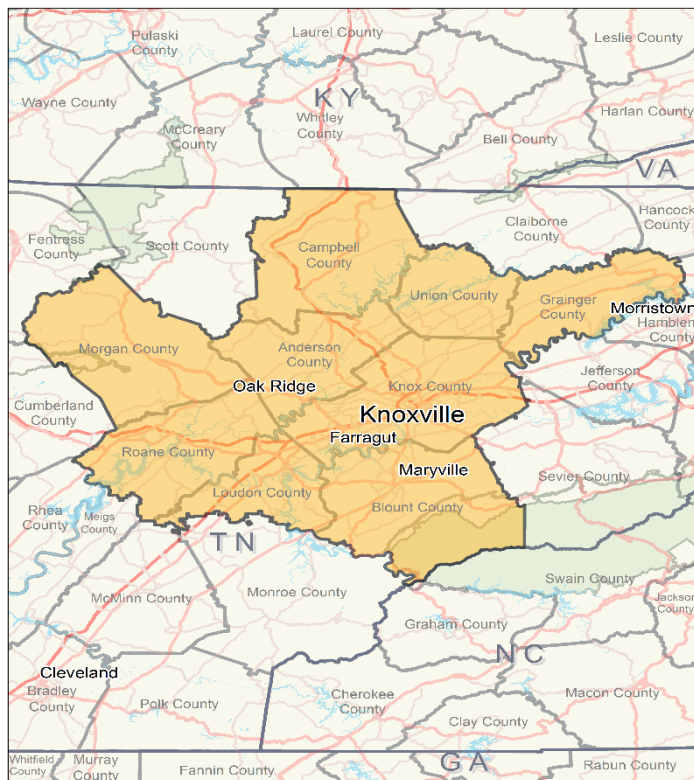


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KNOXVILLE OVERVIEW

The Knoxville metro area is centered in the eastern portion of Tennessee and is the third largest market after Nashville and Memphis. The metro consists of nine counties: Anderson, Blount, Campbell, Grainger, Knox, Loudon, Morgan, Roane and Union. The local economy centers primarily around economic hubs created by the University of Tennessee and Great Smokey Mountain tourism. The city of Knoxville is the county seat of Knox County and is home to 189,000 residents.



METRO HIGHLIGHTS



HIGHER EDUCATION

The University of Tennessee has nearly 29,000 students and 6,500 employees. It is estimated the school has a \$1.7 billion impact on the state's economy.



INLAND PORT

The Port of Knoxville is connected to the nation's waterways and the Gulf of Mexico via channels on the Mississippi and Tennessee Rivers.



GREAT SMOKEY MOUNTAIN CULTURE

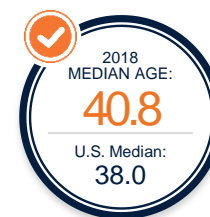
The Knoxville region has a strong arts community, contributing to bluegrass and country music with bands such as Flatt & Scruggs and the Everly Brothers. In nearby Pigeon Forge, the Dollywood park hosts 3 million tourists in a season.



ECONOMY

- Technology and research activities are also growing in the metro, with multiple National Science Foundation-funded centers associated with the University of Tennessee. In addition, a number of research and development firms are located in the Tennessee Technology Corridor.
- Diversification has brought major employers a variety of industries such as media and healthcare with companies like Regal Entertainment Group, Scripps Networks Interaction and TeamHealth.
- While diversifying from its manufacturing roots into media and professional service jobs, the metro still houses big manufacturing operations, including a Coca-Cola bottling plant.

DEMOGRAPHICS



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	1,439	6,897	18,949
■ 2018 Estimate			
Total Population	1,430	6,721	18,638
■ 2010 Census			
Total Population	1,416	6,643	18,337
■ 2000 Census			
Total Population	1,345	6,028	16,960
■ Current Daytime Population			
2018 Estimate	1,543	6,162	20,687
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	588	2,828	7,700
■ 2018 Estimate			
Total Households	578	2,732	7,500
Average (Mean) Household Size	2.53	2.44	2.40
■ 2010 Census			
Total Households	575	2,703	7,403
■ 2000 Census			
Total Households	533	2,424	6,791
■ Occupied Units			
2023 Projection	588	2,828	7,700
2018 Estimate	624	2,972	8,114
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	4.06%	5.04%	3.70%
\$100,000 - \$149,000	11.44%	12.52%	9.12%
\$75,000 - \$99,999	12.41%	12.15%	10.29%
\$50,000 - \$74,999	24.86%	22.31%	20.75%
\$35,000 - \$49,999	13.66%	13.28%	13.99%
Under \$35,000	33.56%	34.70%	42.13%
Average Household Income	\$61,236	\$65,205	\$55,998
Median Household Income	\$52,564	\$52,232	\$42,214
Per Capita Income	\$24,767	\$26,563	\$22,815

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$59,997	\$60,409	\$54,186
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,006	\$15,064	\$13,599
Transportation	\$10,974	\$10,981	\$9,990
Shelter	\$7,503	\$7,490	\$6,829
Food	\$6,711	\$6,776	\$6,104
Personal Insurance and Pensions	\$5,777	\$5,909	\$4,927
Health Care	\$4,709	\$4,789	\$4,227
Utilities	\$3,996	\$3,991	\$3,631
Entertainment	\$2,707	\$2,714	\$2,381
Cash Contributions	\$1,898	\$1,973	\$1,697
Household Furnishings and Equipment	\$1,710	\$1,749	\$1,520
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	1,430	6,721	18,638
Under 20	21.82%	22.32%	22.65%
20 to 34 Years	17.06%	15.54%	17.66%
35 to 39 Years	5.82%	5.46%	5.61%
40 to 49 Years	13.75%	13.17%	12.80%
50 to 64 Years	22.21%	23.41%	22.06%
Age 65+	19.33%	20.11%	19.22%
Median Age	44.02	45.26	43.45
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	1,035	4,863	13,310
Elementary (0-8)	2.13%	2.81%	5.81%
Some High School (9-11)	7.40%	6.82%	9.10%
High School Graduate (12)	46.50%	40.99%	40.81%
Some College (13-15)	22.94%	21.88%	21.41%
Associate Degree Only	7.54%	6.46%	5.96%
Bachelors Degree Only	7.79%	10.53%	9.19%
Graduate Degree	5.28%	9.78%	6.64%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 1,430. The population has changed by 6.32% since 2000. It is estimated that the population in your area will be 1,439.00 five years from now, which represents a change of 0.63% from the current year. The current population is 49.48% male and 50.52% female. The median age of the population in your area is 44.02, compare this to the US average which is 37.95. The population density in your area is 454.97 people per square mile.



Households

There are currently 578 households in your selected geography. The number of households has changed by 8.44% since 2000. It is estimated that the number of households in your area will be 588 five years from now, which represents a change of 1.73% from the current year. The average household size in your area is 2.53 persons.



Income

In 2018, the median household income for your selected geography is \$52,564, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 28.19% since 2000. It is estimated that the median household income in your area will be \$56,566 five years from now, which represents a change of 7.61% from the current year.

The current year per capita income in your area is \$24,767, compare this to the US average, which is \$32,356. The current year average household income in your area is \$61,236, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 98.39% White, 0.23% Black, 0.00% Native American and 0.53% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 0.69% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$122,803 in 2018, compare this to the US average of \$201,842. In 2000, there were 456 owner occupied housing units in your area and there were 77 renter occupied housing units in your area. The median rent at the time was \$443.



Employment

In 2018, there are 1,755 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 51.66% of employees are employed in white-collar occupations in this geography, and 49.64% are employed in blue-collar occupations. In 2018, unemployment in this area is 4.03%. In 2000, the average time traveled to work was 27.00 minutes.

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