



20-YEAR NNN LEASE

KRISPY KREME

DOUGHNUTS

HILLSIDE, ILLINOIS

Marcus & Millichap

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SECTION 1

EXECUTIVE SUMMARY

INVESTMENT OVERVIEW

EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

Marcus & Millichap

INVESTMENT SUMMARY

KRISPY KREME DOUGHNUTS

**110 S. MANHEIM ROAD
HILLSIDE, ILLINOIS 60162**

Marcus & Millichap, as exclusive listing agent, is pleased to present for sale a 2018 developed NNN Corporate Krispy Kreme with new prototype design and drive-thru that has just over 18 years remaining on its initial 20 year lease term.

The Krispy Kreme property is located as the outparcel to a busy Target-anchored shopping destination, Hillside Town Center. The Property's location sits directly off Dwight D. Eisenhower Expressway (I-290-W) and S. Manheim Road (Route 45) providing incredible visibility and access throughout the greater Chicago MSA, including direct connection into Downtown Chicago.

The Subject Property boasts scheduled ten percent rent increases every five years throughout the primary term and option periods. The next scheduled increase is October 2023, approximately only three years away.









EXECUTIVE SUMMARY

KRISPY KREME DOUGHNUTS

KRISPY KREME 20-YEAR NNN LEASE

Address	110 S. Mannheim Road, Hillside, Illinois 60162
Tenant Name	Krispy Kreme Doughnuts Corporation
Guarantor	Corporate
Lease Commencement	10/09/2018
Lease Expiration	10/09/2038
Gross Square Footage	2,777 SF*
Original Term	20 Years
Term Remaining On Lease (Years)	18.2
Option Terms Remaining	4-5 Year Options
Lease Type	NNN
Interest	Fee Simple
Rent Increases	10% Every Five Years, and in each Option Period
Year Built	2018
Website	https://www.krispykreme.com/about

*Right of first refusal by tenant

*Landlord responsible for roof and structure only during last five years of original lease term

*Year built and gross square footage are approximate. Buyer will need to verify the accuracy of these during their diligence period.

INVESTMENT HIGHLIGHTS

KRISPY KREME DOUGHNUTS

- 20-Year Absolute NNN Lease
- Brand New Prototype Construction
- Easy Access to Chicago MSA and Downtown Chicago via I-290 / Route 45
- Premiere Chicago MSA Location
- Exceptionally Located in Prime Shopping Center and Infill Urban Development Zone
- Scheduled 10 Percent Rent Increases









SECTION 2

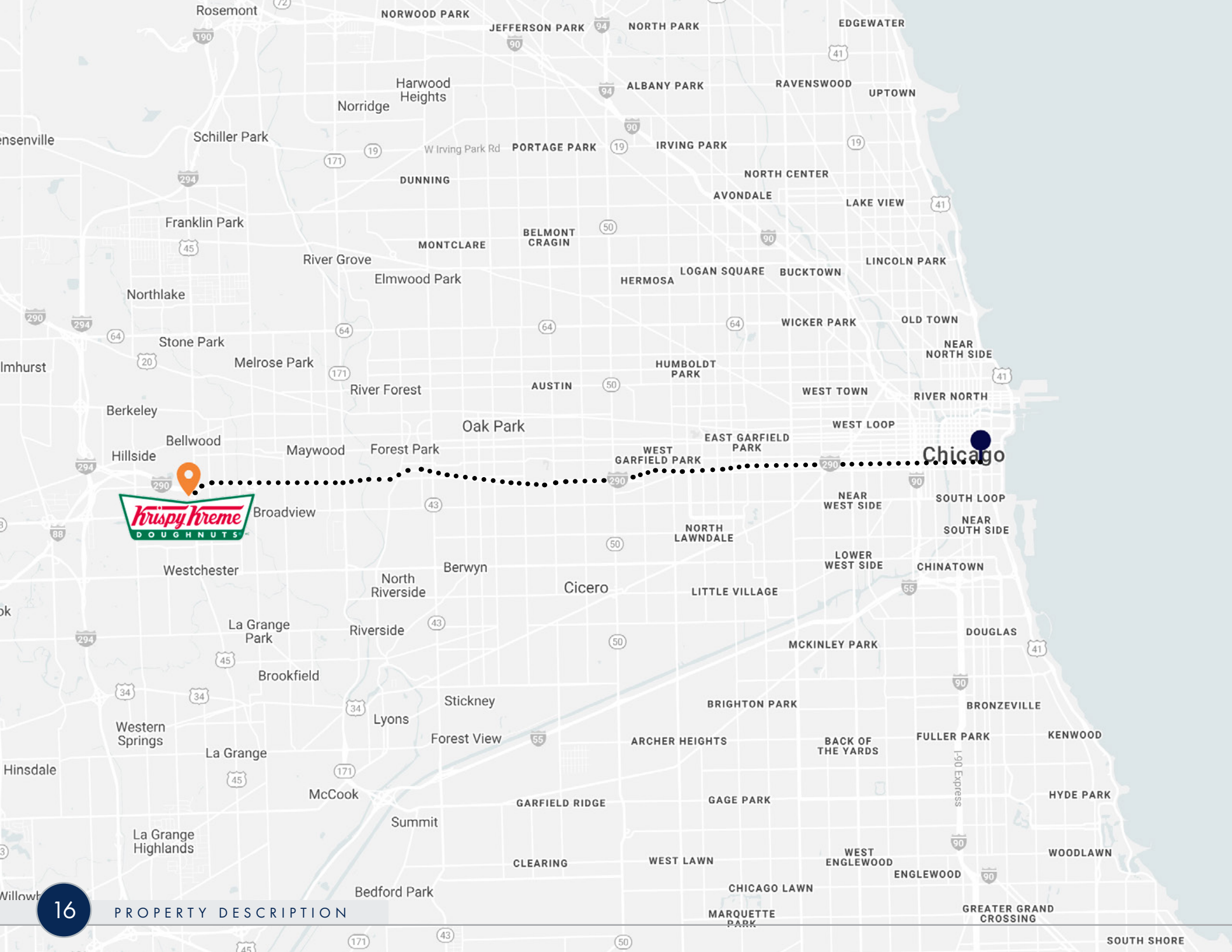
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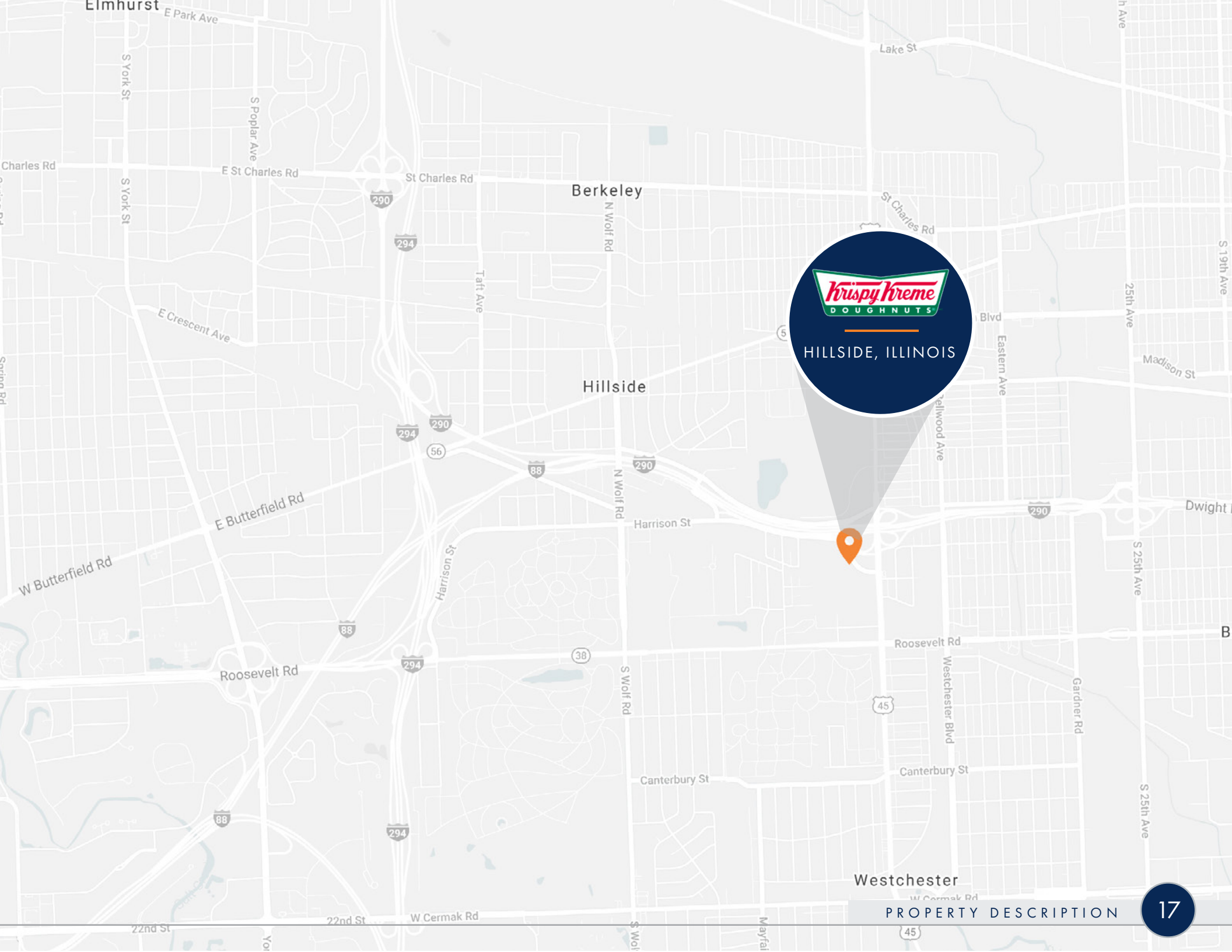
LOCAL AND REGIONAL MAPS

PROPERTY AERIALS

SITE PLAN

Marcus & Millichap





HILLSIDE, ILLINOIS



SUPER TARGET

ROSS
DRESS FOR LESS

petco
five BELOW

HomeGoods
SKECHERS

SUBJECT PROPERTY
Krispy Kreme
DOUGHNUTS

Michaels
Where Creativity Happens

dd's
DISCOUNTS



HILLSIDE
TOWN CENTER

Krispy Kreme
DOUGHNUTS MC

PROPERTY AERIAL





183,000 VPD

DWIGHT D. EISENHOWER EXPRESSWAY

HARRISON STREET

GameStop SALLY BEAUTY
Visionworks Rainbow

JIMMY JOHN'S

CHASE

WING-STOP
T-Mobile



183,000 VPD

49,700 VPD

S. MANNHEIM ROAD



PROPERTY AERIAL



HA



R EXPRESSWAY

DOWNTOWN
CHICAGO

WING
STOP
Mobile

CHASE

ihop

PANDA EXPRESS
COMET CHURRY

Holiday Inn
Express
& Suites

dd's
DISCOUNTS

JIMMY JOHN'S

SUBJECT PROPERTY

Krispy Kreme
DOUGHNUTS

Michael's
Where Creativity Happens

petco
five BELOW

HARRISON STREET

HILLSIDE
TOWN CENTER

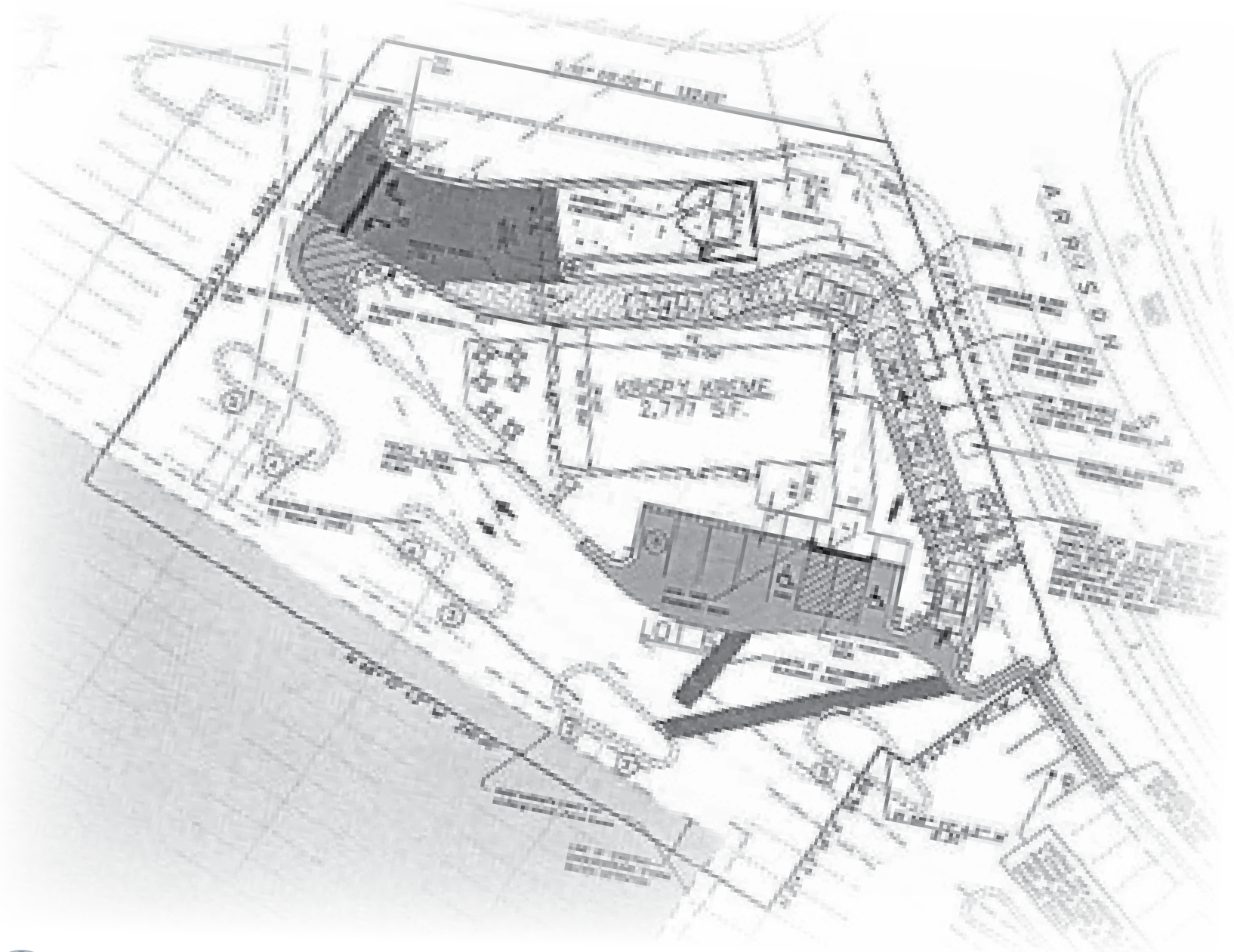
HomeGoods
SKECHERS





SITE PLAN

KRISPY KREME DOUGHNUTS









SECTION 3
FINANCIAL ANALYSIS

PROPERTY DETAILS
FINANCIAL SUMMARY

Marcus & Millichap



PROPERTY DETAILS

KRISPY KREME DOUGHNUTS

KRISPY KREME 20-YEAR NNN LEASE

Purchase Price	\$3,500,000
Address	110 S. Mannheim Road, Hillside, Illinois 60162
Tenant Name	Krispy Kreme Doughnuts Corporation
Guarantor	Corporate
Lease Commencement	10/09/2018
Lease Expiration	10/09/2038
Gross Square Footage	2,777 SF*
Original Term	20 Years
Term Remaining On Lease (Years)	18.2
Option Terms Remaining	4-5 Year Options
Lease Type	NNN
Interest	Fee Simple
Rent Increases	10% Every Five Years, and in each Option Period
Year Built	2018
Website	https://www.krispykreme.com/about

*Right of first refusal by tenant

*Landlord responsible for roof and structure only during last five years of original lease term, if the cost would constitute a capital expenditure for tax purposes.

*Year built and gross square footage are approximate. Buyer will need to verify the accuracy of these during their diligence period.

FINANCIAL SUMMARY

KRISPY KREME DOUGHNUTS

KRISPY KREME 20-YEAR NNN LEASE

ORIGINAL TERM	ANNUAL RENT	MONTHLY RENT	CAP RATE
Years 1-5	\$ 175,000.00	\$ 14,583.33	5.00%
Years 6-10	\$ 192,500.00	\$ 16,041.67	5.50%
Years 11-15	\$ 211,750.00	\$ 17,645.83	6.05%
Years 16-20	\$ 232,925.00	\$ 19,410.42	6.66%

OPTION TERMS	ANNUAL RENT	MONTHLY RENT	CAP RATE
Years 21-25	\$ 256,218.00	\$ 21,351.50	7.32%
Years 26-30	\$ 281,840.00	\$ 23,486.67	8.05%
Years 31-35	\$ 310,024.00	\$ 25,835.33	8.86%
Years 36-40	\$ 341,026.00	\$ 28,418.87	9.74%

CAP RATES

Capitalization Rate Today	5.00%
Capitalization Rate 10/11/2022	5.50%





SECTION 4
TENANT OVERVIEW

KRISPY KREME DOUGHNUTS, INC.

COMPANY HIGHLIGHTS

Marcus & Millichap



TENANT OVERVIEW

KRISPY KREME DOUGHNUTS C O R P O R A T I O N

KRISPY KREME DOUGHNUTS CORPORATION is an American doughnut company and coffeehouse chain founded in Winston-Salem, North Carolina. Krispy Kreme was founded by Vernon Rudolph in 1937, who rented a building in what is now historic Old Salem in Winston-Salem, North Carolina, and thereafter began selling to local grocery stores. Steady growth preceded an ambitious expansion as a public company in the period 2000-2016.

On April 5, 2000, the corporation went public on the NASDAQ at \$21 a share, using the ticker symbol KREM. On May 17, 2001, Krispy Kreme switched to the New York Stock Exchange, with a ticker symbol of KKD. In 2016, the company returned to private ownership under JAB Holding Company, a private Luxembourg-based firm. JAB Holding is a privately held German conglomerate, who owns a number of other consumer good companies, including; Panera Bread, Caribou Coffee, Einstein Bros. Bagels, Keurig Brands, and Peet's Coffee.

Today Krispy Kreme's US based offices are located in Winston Salem, and the company operates approximately 1,300 locations throughout 31 different countries. Additionally, Krispy Kreme markets its donuts through grocery stores and supermarkets throughout the United States.

JAB HOLDING COMPANY

MADE *fresh* DAILY
SINCE 1937

Krispy Kreme
DOUGHNUTS®

KRISPY KREME DOUGHNUTS CORPORATION

QUICK FACTS



YEAR FOUNDED

1937



HEADQUARTERS

Winston-Salem, North Carolina



LOCATIONS

1,300+



2018 BRAND OF THE YEAR



REVENUE

\$887 Million (as of 2019)



NET INCOME

\$32.4 Million (as of 2019)



WEBSITE

www.krispykreme.com/





SECTION 6

MARKET OVERVIEW

LOCATION OVERVIEW

MARKET RESEARCH

DEMOGRAPHICS

Marcus & Millichap



CHICAGO METRO

ILLINOIS

POPULATION
9,600,000

CITY OF CHICAGO

Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the Greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential and office towers in the downtown Chicago.

METRO HIGHLIGHTS

THIRD-LARGEST METROPOLITAN AREA

The metro population trails only New York City and Los Angeles in size. Growth in the metro has slowed in recent years.

WEALTH OF INTELLECTUAL CAPITAL

The number of corporate headquarters in Chicago is second only to New York City. There are 33 Fortune 500 companies based locally.

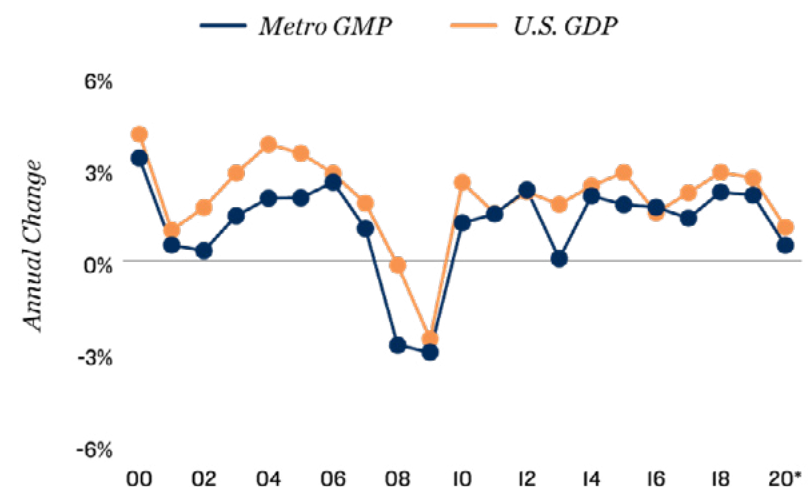
LARGE, DIVERSE EMPLOYMENT BASE

The Chicago metro employs 4.8 million workers in an array of industries, including the growing tech and logistics sectors.

ECONOMY

- The metro has one of the biggest economies in the nation and is buoyed by its distribution, finance, manufacturing operations and growing high-tech sectors.
- Fortune 500 companies headquartered in the metro include Boeing, Walgreens, Allstate and McDonald's.
- The area is a major global tourist and convention destination. Last year, a record 57.7 million people visited the metro, supporting 500,600 jobs in the leisure and hospitality sector.
- Large tech firms such as Amazon, Groupon and Google attract startup companies.
- The workforce is considered one of the most diverse and well trained among major U.S. metros.

Economic Growth

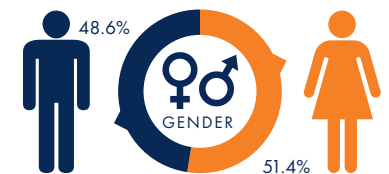





DEMOGRAPHICS

- Chicago is the third most populous metro in the U.S. with 9.6 million residents. During the next five years, gains will remain below the U.S. rate of growth.
- World-class education institutions including Northwestern University and the University of Chicago help provide a skilled labor pool.
- Nearly 36 percent of residents age 25 and older hold a bachelor's degree and of these, 14 percent have also earned a graduate or professional degree, which is well above the national level.
- Younger professionals moving to the market for employment provide a skilled workforce and contribute to a median age that is below that of the U.S. and a household income above the national level.
- More people are renting as thousands of new apartments are completed. As a result, the local homeownership at 60 percent has declined in recent years.

 **9,600,000**
TOTAL POPULATION | GROWTH 2019-2024 * 0.2%



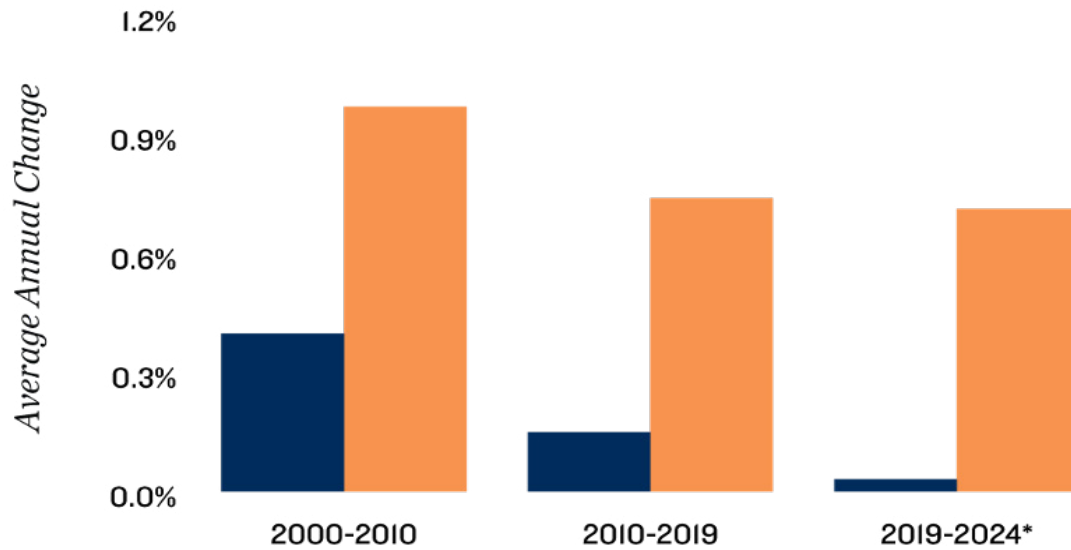
 **\$70,600**
AVERAGE HOUSEHOLD INCOME
U.S. MEDIAN \$60,800

 **\$264,600**
MEDIAN HOME PRICE
U.S. MEDIAN \$329,000

 **3,500,000**  **0.08%**
TOTAL HOUSEHOLDS IN CHICAGO METRO FROM 2019

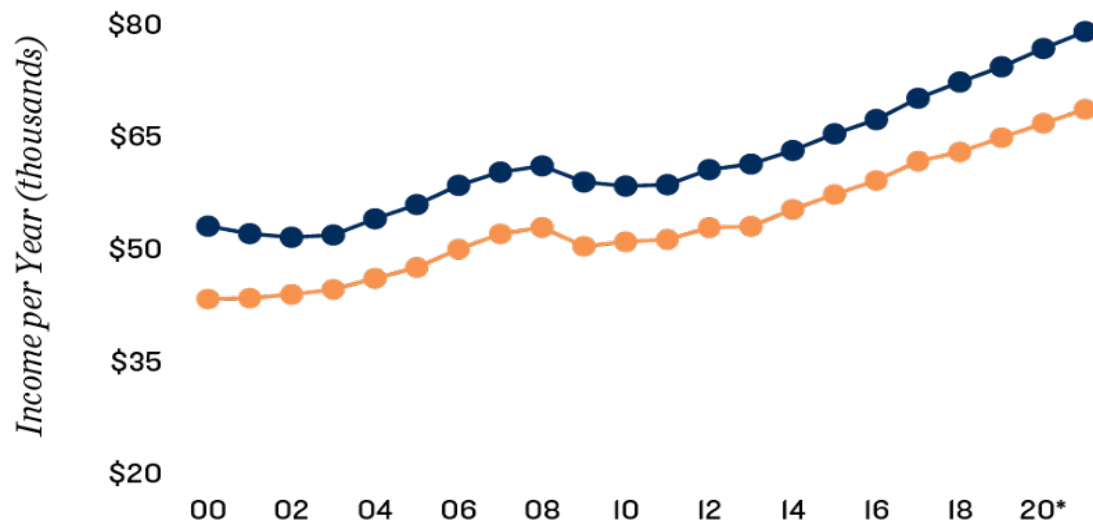
Population Growth

■ Metro ■ U.S.



Median Household Income

— Metro — U.S.



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