



# **OFFERING** **MEMORANDUM**

*Krystal | New 15-Year Corporate Lease*  
1415 Sam Nunn Blvd,  
Perry, GA.



# NON-ENDORSEMENT AND DISCLAIMER NOTICE

## Non-Endorsements

Marcus & Millichap Real Estate Investment Services of Florida, Inc. ("Marcus & Millichap") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## Disclaimer

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

KRYSTAL | NEW 15-YEAR CORPORATE  
LEASE  
PERRY, GA  
ACT ID ZAB0310172

GA BROKER OF RECORD:  
Michael Fasano  
License: #352663



# Table of Contents

|                                  |       |
|----------------------------------|-------|
| 1. Investment Highlights.....    | P. 4  |
| 2. Investment Summary.....       | P. 5  |
| 3. About the Brand.....          | P. 6  |
| 4. Property Summary.....         | P. 7  |
| 5. Property Photos.....          | P. 8  |
| 6. Regional Map.....             | P. 9  |
| 7. Aerial Map.....               | P. 10 |
| 8. Demographics.....             | P. 11 |
| 9. Demographics (Continued)..... | P. 12 |
| 10. About Perry, GA.....         | P. 13 |



# INVESTMENT HIGHLIGHTS

**PRICE: \$1,133,333 | CAP: 6.0% | RENT: \$68,000**

- *Newly Executed 15-Year Absolute NNN Corporate Lease*
- *15-Year Absolute (NNN) Lease - Zero Landlord Responsibilities*
- *1.25% Annual Rent Escalations Starting in Year Four Throughout 15-Year Term and Option Years*
- *Tenant Renewal Options: Four (4), Five-Year Options*
- *Located on a Major Thoroughfare*

## ABOUT THE BRAND

- *Krystal is the Southeast's longest-standing QSR chain*
- *A Simple, One-of-a-Kind Menu Anchored by the Original, Craveable "Krystal Burger"*
- *Over \$280M In Sales Volume*
- *Over 290+ Locations*
- *Over 6,500 Employees*



# Investment Summary

*Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 1415 Sam Nunn Blvd in Perry, Georgia. The site constructed in 1979 consists of 2,509 rentable square feet of building space and sits on an approximately 0.83 acre parcel of land. Krystal is subject to a brand new, 15-year Absolute NNN lease, the starting base rent shall be \$68,000 with 1.25% annual increases starting in year four. There will be four five-year tenant renewal options with 1.25% annual rental increases in each of the five-year option periods, extending the total possible lease term to 35 years. The subject property has displayed strong performance throughout its history in Perry, as a result The Krystal Company has recently executed a new-15 Year Lease.*

## A History Of Great Taste

*Things have changed a lot in the last 87 years or so, but at Krystal, not so much. Even during the Great Depression, founders Rody Davenport Jr. and Glenn Sherrill believed that a good meal at a great price—served with a smile at a clean restaurant—would attract customers and keep them coming back. Krystal has proven them right ever since. Sure, we stick to the classics, but over the years, we've never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to our enduring selection of delicious, iconic, little square burgers.*

*Today, as we expand into new markets with new restaurant designs and our unique and tasty menu items, we still deliver a one-of-a-kind taste and experience—one we like to think would make Rody and Glenn proud.*

### General Information

Founded: 1932

Website: <https://krystal.com/>

Headquarters: Dunwoody, GA

Number of Locations: 298 +





# About the Brand

The Krystal story starts with two men, one store and a mission—to bring folks in the South the best little burger they'd ever tasted. A lot of things have changed since we opened over 85 years ago (making us America's second-oldest fast food restaurant), but deep down that's still what we're doing today.

It was on October 11, 1932, when the nation's first Krystal restaurant opened its doors on the corner of Seventh and Cherry Streets in downtown Chattanooga, Tennessee amid the harsh financial times of the Great Depression. Its founders, Rody Davenport Jr. and J. Glenn Sherrill, believed that despite the severe economic upheaval of the times, people would patronize a restaurant that was kept spotlessly clean, provided courteous service and offered a good meal at the lowest possible price. Proving this theory true, the restaurant's first customer, French Jenkins, ordered six Krystals and a cup of coffee, all for the bargain price of 35 cents.

The restaurant became an overnight success with customers flocking to the small building to savor hot-off-the-grill Krystals and sip freshly brewed coffee from thick china mugs. Those not lucky enough to snag a seat would order sacks full of Krystals to take with them, making Krystal a pioneer in the business of good food "to go."

Although its identity has always centered on the Famous Krystal, the company has remained at the forefront by being innovative, both in its menu and its operations. Beginning with the introduction of little square hamburgers and made-to-order breakfast, Krystal's menu has evolved to offer customers a variety of unique items perfect any time of the day. Everything on Krystal's menu fits with this brand positioning – product offerings that are served fresh, hot-off-the-grill and are distinctive in size and shape. Cheese Krystals, Krystal Sunrisers (small breakfast sandwiches), Krystal Chiks (small chicken sandwiches) and Pups (small hot dogs offered with chili and cheese) are just a few of the popular menu items that deliver on this promise.

Krystal also continues to expand its menu variety with breakthrough offerings, including Krystal's Breakfast Scramblers line that takes traditional plate breakfasts and stacks them smartly in bowls to be conveniently enjoyed scrambled up or layer by layer. Two more popular menu expansions are Krystal MilkQuakes, real ice cream milkshakes made with premium, all-natural ingredients, and Krystal Freezes, the company's frozen slush drink made from pure cane sugar and fruit flavorings.

On the technological front, the company has served up convenience to its customers by offering free Wi-Fi Internet access, launching its first "Krystal HotSpot" in early 2003 and becoming the largest provider of free Wi-Fi of any fast-food chain nationwide in 2005.

A passion that has been passed down from generation to generation, Krystal has become an experience that nearly every man, woman and child in the South has shared. As a result, many customers have "Krystal Stories" that directly relate to the company and its products. For years now, customers have been sharing their favorite memories by writing letters and sending emails to the company's corporate office. Recognizing this passion, in 2004 Krystal began recognizing its most devoted customers by inducting them into the Krystal Lovers Hall of Fame. To commemorate the inductions, each inductee's illustrated likeness is placed on more than one million of the restaurant's famous Krystal Hamburger and Cheese Krystal Hamburger boxes and used in restaurants across the Southeast.

Krystal is also keeping an eye to the future as the company invests in new restaurant designs, develops new, unique menu items and expands into new markets across the South – upholding its legacy as a Southern icon by offering that one-of-a-kind taste and the personal connection you can't find anywhere else.

# Property Summary

## THE OFFERING

|                     |                                       |
|---------------------|---------------------------------------|
| Property            | Krystal   New 15-Year Corporate Lease |
| Property Address    | 1415 Sam Nunn Blvd<br>Perry, GA 31069 |
| Price               | \$1,133,333                           |
| Capitalization Rate | 6.00%                                 |
| Price/SF            | \$451.71                              |

## PROPERTY DESCRIPTION

|                        |            |
|------------------------|------------|
| Year Built / Renovated | 1979       |
| Gross Leasable Area    | 2,509 SF   |
| Zoning                 | Commercial |
| Type of Ownership      | Fee Simple |
| Lot Size               | 0.83 Acres |

## LEASE SUMMARY

|                                 |   |
|---------------------------------|---|
| Property Subtype                | Net Leased Restaurant                     |
| Tenant                          | The Krystal Company                       |
| Rent Increases                  | 1.25% Annual Increases Starting In Year 4 |
| Lease Type                      | Absolute Net                              |
| Lease Commencement              | June 1, 2020                              |
| Lease Expiration                | May 31, 2035                              |
| Lease Term                      | 15  |
| Term Remaining on Lease (Years) | 15.0                                      |
| Renewal Options                 | Four Five-Year Options                    |
| Landlord Responsibility         | None                                      |
| Tenant Responsibility           | All                                       |
| Right of First Refusal/Offer    | No  |



## ANNUALIZED OPERATING INFORMATION

### INCOME

|                      |          |
|----------------------|----------|
| Net Operating Income | \$68,000 |
|----------------------|----------|

## RENT SCHEDULE

| YEAR    | ANNUAL RENT | MONTHLY RENT | RENT/SF | CAP RATE |
|---------|-------------|--------------|---------|----------|
| Current | \$68,000    | \$5,667      | \$27.10 | 6.00%    |
| Year 2  | \$68,000    | \$5,667      | \$27.10 | 6.00%    |
| Year 3  | \$68,000    | \$5,667      | \$27.10 | 6.00%    |
| Year 4  | \$68,850    | \$5,738      | \$27.44 | 6.08%    |
| Year 5  | \$69,710    | \$5,809      | \$27.78 | 6.15%    |
| Year 6  | \$70,581    | \$5,882      | \$28.13 | 6.23%    |
| Year 7  | \$71,463    | \$5,955      | \$28.48 | 6.31%    |
| Year 8  | \$72,356    | \$6,030      | \$28.84 | 6.38%    |
| Year 9  | \$73,260    | \$6,105      | \$29.20 | 6.46%    |
| Year 10 | \$74,175    | \$6,181      | \$29.56 | 6.54%    |
| Year 11 | \$75,102    | \$6,259      | \$29.93 | 6.63%    |
| Year 12 | \$76,040    | \$6,337      | \$30.31 | 6.71%    |
| Year 13 | \$76,990    | \$6,416      | \$30.69 | 6.79%    |
| Year 14 | \$77,952    | \$6,496      | \$31.07 | 6.88%    |
| Year 15 | \$78,926    | \$6,577      | \$31.46 | 6.96%    |





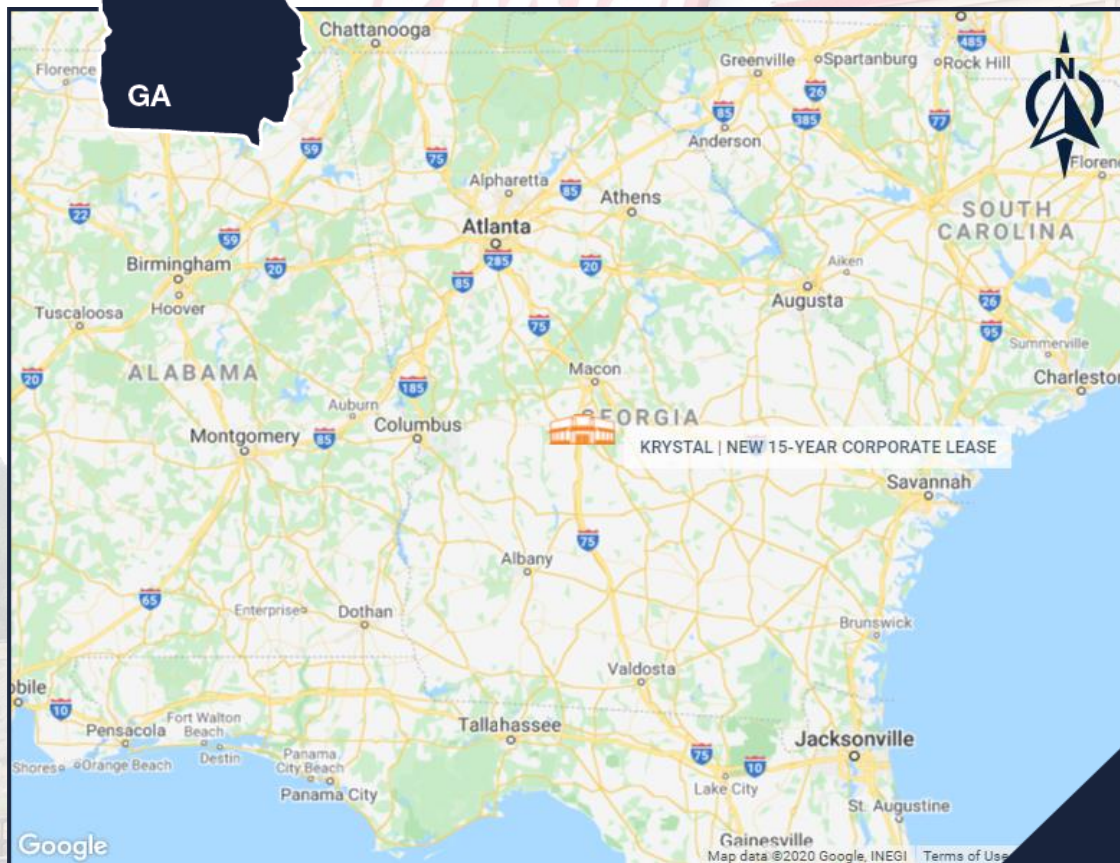
# Property Photos





# Regional Map

1415 Sam Nunn Blvd, Perry, GA. 31069



- Strong Demographics
- Proximity to Major Retailers
- Excellent Access and Visibility
- Strategic Location on Major Arterial Hwy
- Within Walking Distance of Area Hotels
- Strong Residential, Industrial and Trade

*Featuring historic presence in the town of Perry, Krystal continues to cater to local patrons and tourists alike as they travel throughout the I-75 corridor.*

**CLOSE PROXIMITY TO:**



**Airport**



**Hospital**



**Downtown**



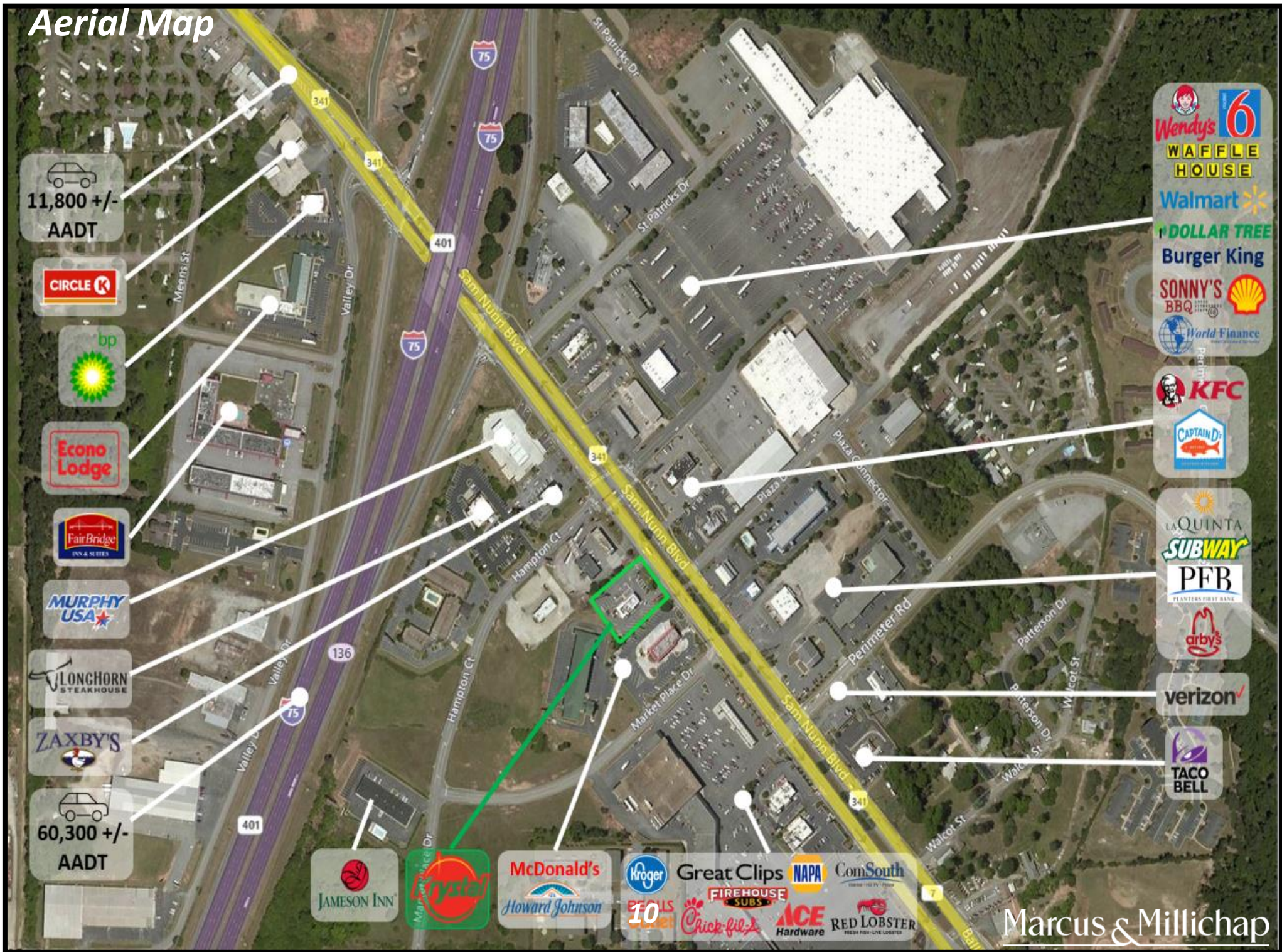
**Major Highway**



**Shopping Center**



# Aerial Map





# Demographics

Created on August 2020

| POPULATION                    | 1 Miles  | 3 Miles  | 5 Miles  |
|-------------------------------|----------|----------|----------|
| ■ 2024 Projection             |          |          |          |
| Total Population              | 2,989    | 15,684   | 24,567   |
| ■ 2019 Estimate               |          |          |          |
| Total Population              | 2,696    | 14,470   | 22,367   |
| ■ 2010 Census                 |          |          |          |
| Total Population              | 2,244    | 12,602   | 19,222   |
| ■ 2000 Census                 |          |          |          |
| Total Population              | 1,736    | 10,766   | 15,105   |
| ■ Current Daytime Population  |          |          |          |
| 2019 Estimate                 | 5,005    | 18,816   | 25,972   |
| HOUSEHOLDS                    | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ 2024 Projection             |          |          |          |
| Total Households              | 1,296    | 6,274    | 9,673    |
| ■ 2019 Estimate               |          |          |          |
| Total Households              | 1,150    | 5,727    | 8,717    |
| Average (Mean) Household Size | 2.30     | 2.39     | 2.49     |
| ■ 2010 Census                 |          |          |          |
| Total Households              | 947      | 4,935    | 7,388    |
| ■ 2000 Census                 |          |          |          |
| Total Households              | 700      | 4,086    | 5,678    |
| ■ Occupied Units              |          |          |          |
| 2024 Projection               | 1,296    | 6,274    | 9,673    |
| 2019 Estimate                 | 1,270    | 6,271    | 9,532    |
| HOUSEHOLDS BY INCOME          | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ 2019 Estimate               |          |          |          |
| \$150,000 or More             | 2.78%    | 5.35%    | 7.38%    |
| \$100,000 - \$149,000         | 7.19%    | 14.80%   | 17.17%   |
| \$75,000 - \$99,999           | 12.20%   | 13.36%   | 15.32%   |
| \$50,000 - \$74,999           | 20.32%   | 19.11%   | 18.84%   |
| \$35,000 - \$49,999           | 10.89%   | 12.33%   | 11.16%   |
| Under \$35,000                | 46.61%   | 35.05%   | 30.13%   |
| Average Household Income      | \$50,191 | \$66,701 | \$74,862 |
| Median Household Income       | \$37,954 | \$53,163 | \$60,947 |
| Per Capita Income             | \$21,493 | \$26,576 | \$29,488 |

| HOUSEHOLDS BY EXPENDITURE                  | 1 Miles  | 3 Miles  | 5 Miles  |
|--|----------|----------|----------|
| Total Average Household Retail Expenditure | \$49,985 | \$60,513 | \$66,710 |
| ■ Consumer Expenditure Top 10 Categories   |          |          |          |
| Housing                                    | \$13,249 | \$15,813 | \$17,320 |
| Transportation                             | \$8,710  | \$10,383 | \$11,148 |
| Shelter                                    | \$7,394  | \$8,823  | \$9,670  |
| Food                                       | \$5,250  | \$6,449  | \$7,198  |
| Personal Insurance and Pensions            | \$3,559  | \$4,987  | \$5,895  |
| Utilities                                  | \$3,203  | \$3,680  | \$3,947  |
| Health Care                                | \$3,183  | \$4,037  | \$4,421  |
| Entertainment                              | \$1,884  | \$2,556  | \$2,915  |
| Cash Contributions                         | \$1,608  | \$1,988  | \$2,077  |
| Apparel                                    | \$1,156  | \$1,543  | \$1,772  |
| POPULATION PROFILE                         | 1 Miles  | 3 Miles  | 5 Miles  |
| ■ Population By Age                        |          |          |          |
| 2019 Estimate Total Population             | 2,696    | 14,470   | 22,367   |
| Under 20                                   | 27.32%   | 24.24%   | 25.14%   |
| 20 to 34 Years                             | 22.67%   | 20.13%   | 19.80%   |
| 35 to 39 Years                             | 7.12%    | 6.91%    | 6.98%    |
| 40 to 49 Years                             | 11.06%   | 11.56%   | 12.16%   |
| 50 to 64 Years                             | 17.51%   | 20.05%   | 20.43%   |
| Age 65+                                    | 14.34%   | 17.11%   | 15.50%   |
| Median Age                                 | 35.01    | 39.03    | 38.59    |
| ■ Population 25+ by Education Level        |          |          |          |
| 2019 Estimate Population Age 25+           | 1,811    | 10,165   | 15,428   |
| Elementary (0-8)                           | 2.35%    | 2.88%    | 2.54%    |
| Some High School (9-11)                    | 12.60%   | 8.32%    | 7.86%    |
| High School Graduate (12)                  | 36.14%   | 33.81%   | 32.24%   |
| Some College (13-15)                       | 27.39%   | 26.28%   | 26.30%   |
| Associate Degree Only                      | 5.25%    | 7.16%    | 7.26%    |
| Bachelors Degree Only                      | 11.81%   | 13.24%   | 14.25%   |
| Graduate Degree                            | 3.96%    | 7.57%    | 8.83%    |



# Demographics



## Population

In 2019, the population in your selected geography is 2,696. The population has changed by 55.30% since 2000. It is estimated that the population in your area will be 2,989.00 five years from now, which represents a change of 10.87% from the current year. The current population is 43.71% male and 56.29% female. The median age of the population in your area is 35.01, compare this to the US average which is 38.08. The population density in your area is 858.35 people per square mile.



## Race and Ethnicity

The current year racial makeup of your selected area is as follows: 43.80% White, 51.44% Black, 0.00% Native American and 1.71% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 3.68% of the current year population in your selected area. Compare this to the US average of 18.17%.



## Households

There are currently 1,150 households in your selected geography. The number of households has changed by 64.29% since 2000. It is estimated that the number of households in your area will be 1,296 five years from now, which represents a change of 12.70% from the current year. The average household size in your area is 2.30 persons.



## Housing

The median housing value in your area was \$123,073 in 2019, compare this to the US average of \$212,058. In 2000, there were 343 owner occupied housing units in your area and there were 357 renter occupied housing units in your area. The median rent at the time was \$327.



## Income

In 2019, the median household income for your selected geography is \$37,954, compare this to the US average which is currently \$60,811. The median household income for your area has changed by 73.05% since 2000. It is estimated that the median household income in your area will be \$43,365 five years from now, which represents a change of 14.26% from the current year.

The current year per capita income in your area is \$21,493, compare this to the US average, which is \$33,623. The current year average household income in your area is \$50,191, compare this to the US average which is \$87,636.



## Employment

In 2019, there are 2,042 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 39.57% of employees are employed in white-collar occupations in this geography, and 64.26% are employed in blue-collar occupations. In 2019, unemployment in this area is 8.29%. In 2000, the average time traveled to work was 20.00 minutes.

Source: © 2019 Experian



# About Perry

Long recognized as the crossroads of Georgia, Perry has a tradition of delivering a warm and gracious welcome to visitors dating back more than a century, all the way back to when the city was a major-North-South stagecoach stop. Perry is home to the award-winning Georgia National Fairgrounds and Agricenter. This first-class facility is designed for meetings, trade shows, livestock events, horse shows, fairs, RV rallies, concerts, sporting events and more.



*There's more to Perry than the fairgrounds. Downtown Perry is a must see! The renovated downtown area is a charming village with specialty shops and a down-south, restful atmosphere.*

*A perfect place for a stroll; enjoy the year-round flowers with benches and shop windows designed to lure you inside where any shop owner would be glad to tell you the story of Perry's "Re-Birth." Shopping in historic Downtown Perry is a definite treat for locals and travelers alike. Tourism has been important to the local economy since about 1920, when U.S. Highway 41 to Florida was paved. The New Perry Hotel, built in 1870 and rebuilt in 1925, became a landmark for many Florida tourists. The downtown area has emphasized its historic heritage and has several quaint shops and restaurants.*

*Spanning 27.6 square miles along Interstate 75, approximately 90 miles south of Atlanta, Perry has been able to capitalize on proximity to Robins Air Force Base, excellent schools, unique downtown, high quality of life and location in transforming from a small town to a vibrant and growing community of over 16,000 people.*



Marcus & Millichap

***EXCLUSIVE NET LEASE OFFERING***

***Krystal***<sup>®</sup>