

SINGLE TENANT

ABSOLUTE NNN
INVESTMENT
OPPORTUNITY



W/ DRIVE-THRU

HARRIMAN
TENNESSEE
(KNOXVILLE MSA)





EXCLUSIVELY MARKETING BY

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NATIONAL NET LEASE GROUP



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INVESTMENT SUMMARY

SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, personal guaranteed, drive-thru equipped, Kentucky Fried Chicken, investment property located in Harriman TN (Knoxville MSA). The tenant, East Tennessee Foods, LLC (10-Unit Entity), will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) option periods to extend. The lease will feature 8% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is franchisee guaranteed for the entire lease term, and is personally guaranteed by the operator for 5 years. The lease is absolute NNN with zero landlord responsibilities.

The KFC is strategically positioned along S. Roane St. / US Route 27 (16,600 VPD) and just off Interstate 40 (38,200 VPD), a major east/west thoroughfare leading directly into the heart of Knoxville. The asset has easy access and excellent visibility due to its large pylon sign. The building is also equipped with a drive-thru, providing ease and convenience for consumers. The asset is in close proximity to national/credit tenants including Food City, Save-A-Lot, CVS Pharmacy, Goodwill, Anytime Fitness, Advance Auto Parts, and more, increasing consumer draw to the subject trade area. Additionally, the property is near multiple hotels/motels including Days Inn, Baymont by Wyndham, Rodeway Inn & Suites, Holiday Inn, Comfort Inn, and more, providing a direct consumer base to draw from. The 5-mile trade area is supported by a population of over 17,100 residents with an average household income of \$56,525.



OFFERING SUMMARY

OFFERING

PRICING:	\$1,212,000
NET OPERATING INCOME:	\$68,505
CAP RATE:	5.65%
GUARANTY:	Franchisee & Personal (5-Year)
TENANT:	East Tennessee Foods, LLC (10-Unit Entity)
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

PROPERTY SPECIFICATIONS

RENTABLE AREA:	4,120 SF
LAND AREA:	0.59 Acres
PROPERTY ADDRESS:	1527 S. Roane Street, Harriman, TN 37748
YEAR BUILT:	1991
PARCEL NUMBER:	036H-B-001.00
OWNERSHIP:	Fee Simple (Land and Building)



INVESTMENT HIGHLIGHTS

BRAND NEW 20-YEAR SALE LEASEBACK | PERSONAL & FRANCHISEE GUARANTY | RENTAL INCREASES

- The tenant will execute a brand new 20-year sale leaseback at the close of escrow with 4 (5-year) options to extend
- 8% rental increases every 5 years throughout the initial term and at the beginning of each option period
- The lease is personally guaranteed by the operator for 5 years and franchisee guaranteed by East Tennessee Foods, LLC

ABSOLUTE NNN | FEE SIMPLE OWNERSHIP | ZERO LANDLORD RESPONSIBILITIES

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

MAJOR THOROUGHFARE | DRIVE-THRU EQUIPPED | EXCELLENT VISIBILITY & ACCESS

- Strategically positioned along S. Roane St. / US Route 27 (16,600 VPD) and just off Interstate 40 (38,200 VPD), a major east/west thoroughfare leading directly into the heart of Knoxville
- The building is equipped with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus have higher sales than those without
- Excellent visibility due to large pylon sign

NEARBY NATIONAL/CREDIT TENANTS | NEAR MULTIPLE HOTELS/MOTELS

- In close proximity to national/credit tenants including Food City, Save-A-Lot, CVS Pharmacy, Goodwill, Anytime Fitness, Advance Auto Parts, and more
- Near multiple hotels/motels including Days Inn, Baymont by Wyndham, Rodeway Inn & Suites, Holiday Inn, Comfort Inn, and more
- Increases consumer draw to the trade area and provides a direct consumer base to draw from

LOCAL DEMOGRAPHICS IN 5-MILE TRADE AREA

- More than 17,100 residents and over 8,500 employees support the trade area
- \$56,525 average household income



PROPERTY OVERVIEW



PARCEL MAP



ACCESS

S. Roane Street/ State Highway 61/ U.S. Highway 27:..... 1 Access Points
Dodge Avenue: 2 Access Points



TRAFFIC COUNTS

S. Roane Street/ State Highway 61/ U.S. Highway 27:..... 16,600 Cars Per Day
Interstate 40: 38,200 Cars Per Day



IMPROVEMENTS

There is approximately 4,120 SF of existing building area.



PARKING

There are approximately 35 parking spaces on the owned parcel.
The parking ratio is approximately 8.5 stalls per 1,000 SF of leasable area.



YEAR BUILT

1991



PARCEL

Parcel Number: 036H-B-001.00 Acres: 0.59 Square Feet: 25,700 SF



ZONING

Commerical





S. Roone St. / State Highway 61

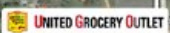
Fairchild St.

Dodge Ave.

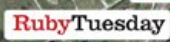
16,600
CARS PER DAY



16,600
CARS PER DAY



S. Rome St. / State Highway 61 / U.S. Highway 27



38,200
CARS PER DAY



Interstate 40

10,000
CARS PER DAY



State Highway 29





S. ROANE ST. - 16,600 VPD

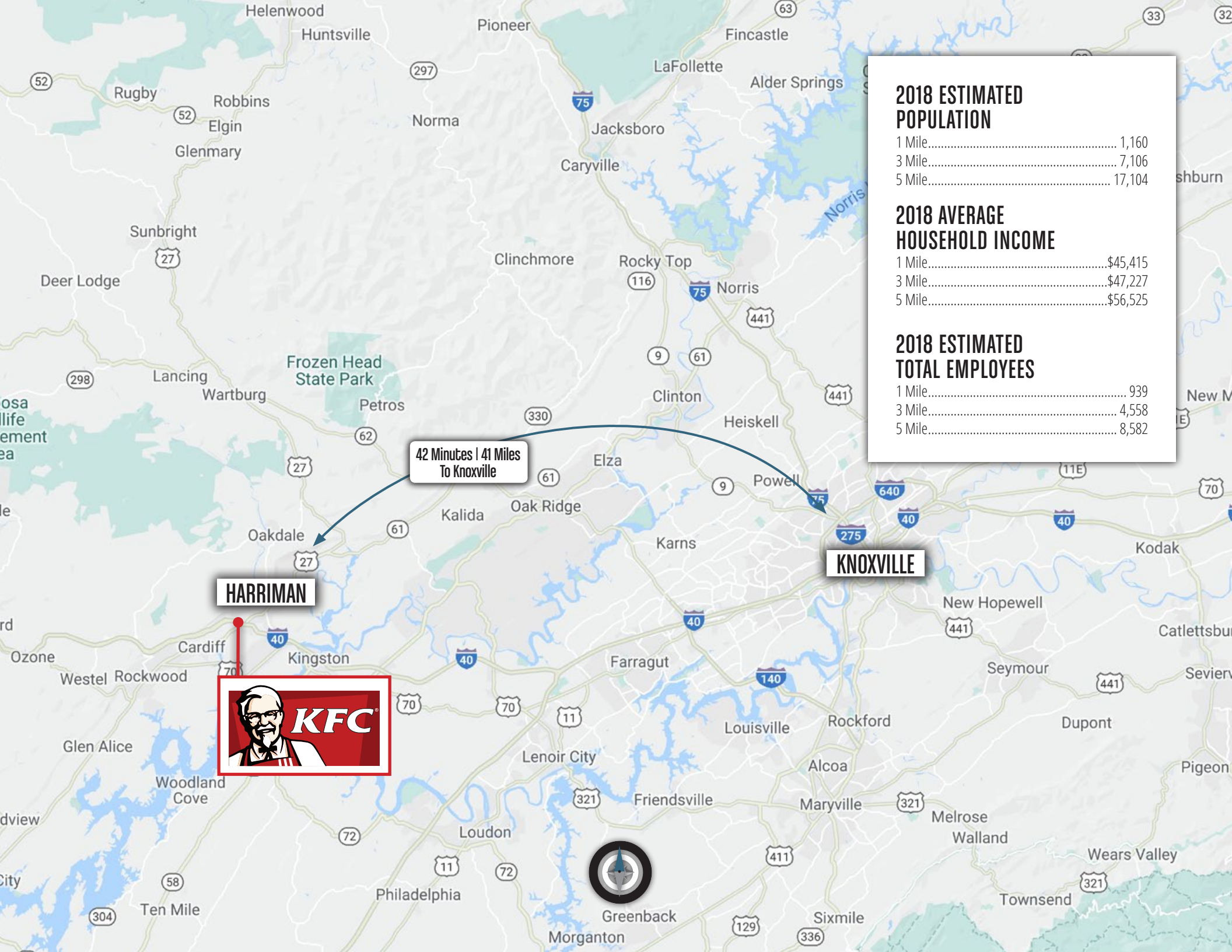
PYLON SIGN



DODGE AVE.

FAIRCHILD ST.





**2018 ESTIMATED
POPULATION**

1 Mile.....	1,160
3 Mile.....	7,106
5 Mile.....	17,104

**2018 AVERAGE
HOUSEHOLD INCOME**

1 Mile.....	\$45,415
3 Mile.....	\$47,227
5 Mile.....	\$56,525

**2018 ESTIMATED
TOTAL EMPLOYEES**

1 Mile.....	939
3 Mile.....	4,558
5 Mile.....	8,582

HARRIMAN

KNOXVILLE



42 Minutes | 41 Miles
To Knoxville

AREA OVERVIEW



Harriman, Tennessee

Harriman is a city located primarily in Roane County, Tennessee, with a small extension into Morgan County. The population of Harriman was 6,136 as of July 1, 2018.

Harriman is included in the Knoxville, Tennessee Metropolitan Statistical Area.

The economy of Harriman, TN is specialized in Utilities; Admin., Support, Waste Management Services; and Manufacturing, which employ respectively 3.49; 2.02; and 1.78 times more people than what would be expected in a location of this size. The largest industries in Harriman, TN are Manufacturing (346), Healthcare & Social Assistance(258), and Retail trade (212), and the highest paying industries are Educational Services (\$25,705), Healthcare & Social Assistance (\$25,060), and Professional, Scientific, Tech Services (\$23,036).

While staying in Harriman, one can visit the Obed Wild and Scenic River, the Roane County Park or the Frozen Head State Park. The Harriman Heritage Museum provides insight into the area's history. The Children's Museum of Oak Ridge, the American Museum of Science and Energy, the Fort Loudoun State Historic Area and Kingstone Lisle are nearby as well. The Emory Golf and Country Club provides facilities for golfers. The Hooray for Harriman Harvest Fest is held in Harriman every October, while the city hosts the Polk Salad Festival every May.

Roane State Community College and Tennessee Technology Center at Harriman are the local institutions of higher education. One can also pursue higher education at The University of Tennessee. Air transport facilities are available at McGhee Tyson Airport.

Roane County is a county of the U.S. state of Tennessee. As of July 1, 2017, the population was 53,036. Its county seat is Kingston. Roane County is included in the Knoxville, TN Metropolitan Statistical Area.



AREA DEMOGRAPHICS



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	1,160	7,106	17,104
2023 Projected Population	1,136	6,987	16,961
2010 Census Population	1,229	7,471	17,537
2018 Estimated Households	490	2,992	7,092
2023 Projected Households	479	2,934	7,015
2010 Census Households	522	3,167	7,314
2018 Estimated White	94.06%	93.04%	93.29%
2018 Estimated Black or African American	3.28%	4.43%	4.02%
2018 Estimated Asian or Pacific Islander	0.69%	0.59%	0.51%
2018 Estimated American Indian or Native Alaskan	0.26%	0.44%	0.44%
2018 Estimated Other Races	0.17%	0.59%	0.56%
2018 Estimated Hispanic	1.47%	1.77%	1.68%
2018 Estimated Average Household Income	\$45,415	\$47,227	\$56,525
2018 Estimated Median Household Income	\$31,590	\$33,345	\$41,849
2018 Estimated Per Capita Income	\$19,386	\$20,395	\$23,840
2018 Estimated Total Businesses	96	396	738
2018 Estimated Total Employees	939	4,558	8,582



RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM				RENTAL RATES					
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
East Tennessee Foods, LLC (dba KFC) (Personal Guaranty) (Franchisee Guaranty)	4,120	COE	20 Years	Year 1	-	\$5,709	\$1.39	\$68,505	\$16.63	Absolute NNN	4 (5-Year)
				Year 6	8%	\$6,165	\$1.50	\$73,985	\$17.96		8% Incr. at beg.
				Year 11	8%	\$6,659	\$1.62	\$79,904	\$19.39		of each option
				Year 16	8%	\$7,191	\$1.75	\$86,297	\$20.95		

FINANCIAL INFORMATION

Price:\$1,212,000
 Net Operating Income:\$68,505
 Cap Rate:5.65%
 Lease Type:Absolute NNN

PROPERTY SPECIFICATIONS

Year Built:1991
 Rentable Area:4,120 SF
 Land Area:0.59 Acres
 Address:1527 S. Roane Street, Harriman, TN 37748

For financing options and loan quotes, please contact our SRS Debt & Equity team at debtequity-npb@srsre.com.



BRAND PROFILE

KFC CORPORATION

KFC Corporation, also known as Kentucky Fried Chicken, operates a chain of chicken restaurants in the United States and internationally. The company provides sandwiches, sides, desserts, drinks, sauces, fill ups, buttermilk biscuits, and other products; big box meals, popcorn nuggets, and kid's meals; and chicken products, including chicken hot wings, chicken sandwiches, and fried chicken products. There are over 22,000 KFC outlets in more than 135 countries and territories around the world. The company also franchises its restaurants. KFC Corporation was founded in 1952 and is based in Louisville, Kentucky. KFC Corporation operates as a subsidiary of Yum! Brands.

Company Type:	.....	Subsidiary
Parent:	.....	Yum! Brands
2017 Employees:	.....	60,000
2017 Revenue:	.....	\$5.88 Billion
2017 Net income:	.....	\$1.34 Billion
2017 Assets:	.....	\$5.31 Billion
Credit Rating:	.....	S&P: BB





OPERATOR PROFILE



FOWLER FOODS, INC.

Fowler Foods, Inc. started out as a single KFC store in 1965. Today it operates 73 KFC's, 1 Taco Bell, and 15 dual concept KFC/Taco Bell locations across 7 seven states. The company plans to build another 9 locations to their portfolio by the end of 2021.

Of their current portfolio, 86 locations are in the newest American Showman design, which modernizes KFC stores with a cleaner and bolder look that emphasizes its signature red and white stripes. The majority of these locations were remodeled by the operator in 2017. Since KFC U.S. rolled out the remodeling program or 're-colonization' in 2015, the brand has experienced same-store sales growth.

7
STATES

89
LOCATIONS

1,800
EMPLOYEES

73
LOCATIONS



15
DUAL CONCEPT
LOCATIONS



1
LOCATION





NATIONAL NET LEASE GROUP

SRS GLOBAL STATS



1000+
PROPERTIES CURRENTLY
REPRESENTED



600+
CLIENTS REPRESENTED
IN 2016



\$2.6B*
TRANSACTION VALUE



20+
OFFICES



250+
BROKERS,
PROFESSIONALS,
AND STAFF



#1
LARGEST REAL ESTATE FIRM
EXCLUSIVELY DEDICATED TO
RETAIL SERVICES IN NORTH AMERICA

*STATISTICS ARE FOR 2017.

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.