

# SINGLE TENANT

ABSOLUTE NNN  
INVESTMENT  
OPPORTUNITY



MOUNTAIN HOME  
ARKANSAS







## 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, Kentucky Fried Chicken, investment property located in Mountain Home, AR. The tenant, Fowler Food Inc., 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 located along Highway 62 E (20,000 VPD), a major retail and commuter thoroughfare traveling through the city of Mountain Home. The asset has easy access and excellent visibility due to its large pylon sign. The site is ideally positioned as an outparcel to College Plaza shopping center anchored by Dollar General, promoting crossover traffic to the site. Other nearby national/credit tenants include a 24 Hour Walmart Supercenter, The Home Depot, Lowe's Home Improvement, TJ Maxx, Petco, Hobby Lobby, Walgreens, Harbor Freight Tools, AutoZone, O'Reilly Auto Parts, and more, further increasing consumer draw to the trade area. The 5-mile trade area is supported by a population of over 22,400 residents with an average household income \$53,973.





# OFFERING SUMMARY

## OFFERING

PRICING:	\$1,679,000
NET OPERATING INCOME:	\$99,065
CAP RATE:	5.90%
GUARANTY:	Personal (5-Year) & Franchisee (5-Unit Entity)
TENANT:	Fowler Food, Inc.
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

## PROPERTY SPECIFICATIONS

RENTABLE AREA:	3,666 SF
LAND AREA:	0.28 Acres
PROPERTY ADDRESS:	315 East Hwy 62 E, Mountain Home, AR 72653
PARCEL NUMBER:	007-14167-000
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 Fowler Foods, Inc.

## 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 | EXCELLENT VISIBILITY & ACCESS

- KFC is strategically located along Highway 62 E (20,000 VPD), a major retail thoroughfare traveling through the city of Mountain Home
- Excellent visibility due to its large pylon trfsign

## OUTPARCEL TO COLLEGE PLAZA SHOPPING CENTER | RETAIL CORRIDOR WITH NEARBY NATIONAL/CREDIT TENANTS

- Ideally positioned as an outparcel to College Plaza shopping center anchored by Dollar General
- Other nearby national/credit tenants include a 24 Hour Walmart Supercenter, The Home Depot, Lowe's Home Improvement, TJ Maxx, Petco, Hobby Lobby, Walgreens, Harbor Freight Tools, AutoZone, O'Reilly Auto Parts, and more
- Increases consumer draw to the trade area and promotes crossover traffic

## DENSE POPULATION IN 5-MILE TRADE AREA

- More than 22,400 residents and over 14,800 employees support the trade area
- \$53,973 average household income





# PROPERTY OVERVIEW



PARCEL MAP



## ACCESS

U.S. Highway 62 Business:..... 2 Access Points



## TRAFFIC COUNTS

U.S. Highway 62 Business:..... 20,000 Cars Per Day  
State Highway 201 & 5: ..... 17,000 Cars Per Day



## IMPROVEMENTS

There is approximately 3,666 SF of existing building area.



## PARKING

There are approximately 27 parking spaces on the owned parcel.  
The parking ratio is approximately 7.36 stalls per 1,000 SF of leasable area.



## PARCEL

Parcel Number: 007-14167-000 Acres: 0.28 Square Feet: 12,197 SF



## ZONING

Commercial





**DOLLAR GENERAL**

**Edward Jones**  
MAKING SENSE OF INVESTING

 **5,300**  
CARS PER DAY

N. College St.

June's  
**Hallmark**  
GOLD CROWN



U.S. Highway 62 Business

**Walgreens**

 **20,000**  
CARS PER DAY

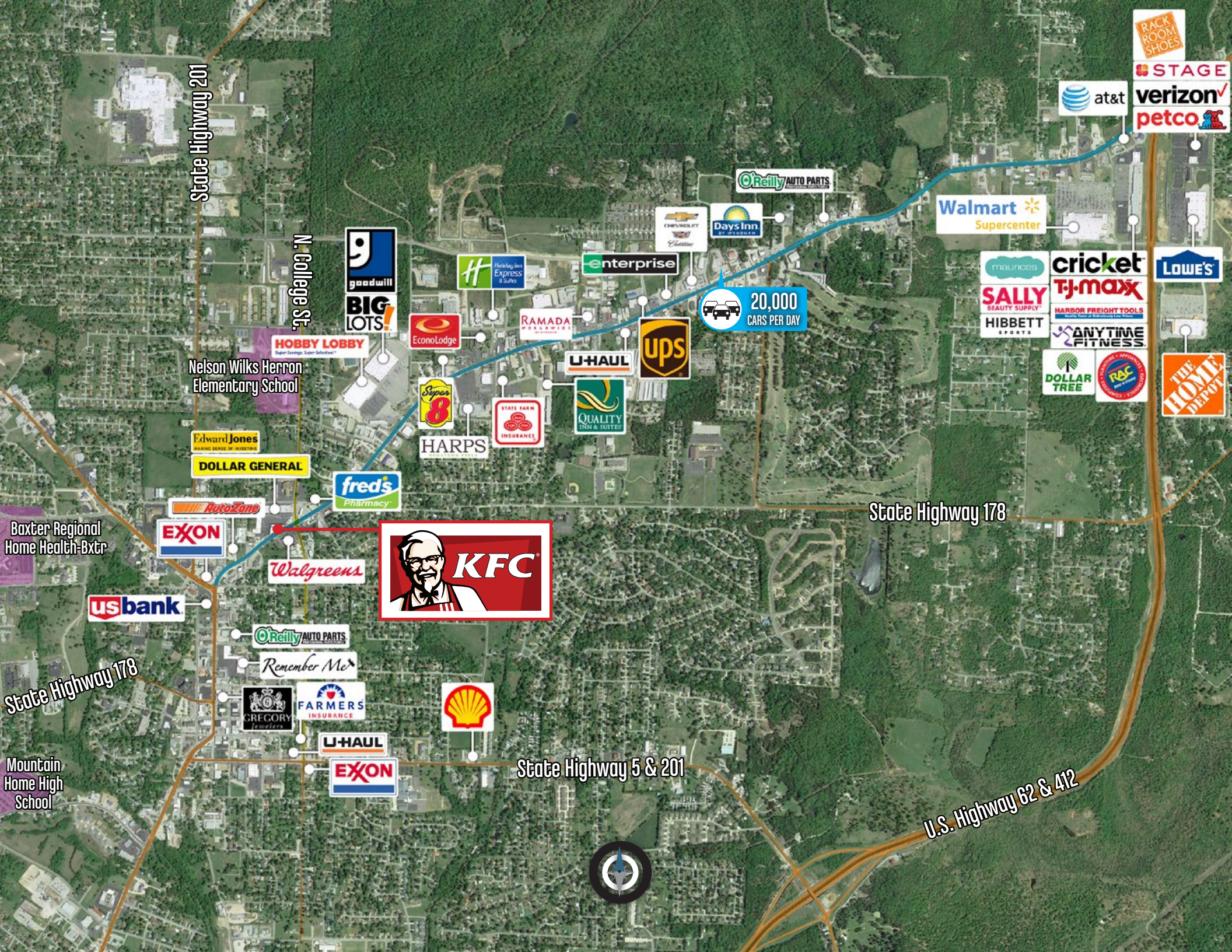
**VET CLINIC**  
By Royal Canin, 2010

 **TAYLOR**  
HEARING CENTERS

*Remember Me*







State Highway 201

N. College St.

Nelson Wilks Herron  
Elementary School

Edward Jones

DOLLAR GENERAL

EXXON

AutoZone

Walgreens

fred's  
Pharmacy



usbank

O'Reilly AUTO PARTS

Remember Me

GREGORY  
Jewelers

FARMERS  
INSURANCE

U-HAUL

EXXON



State Highway 5 & 201



O'Reilly AUTO PARTS

Days Inn  
St. Louis

20,000  
CARS PER DAY

U-HAUL



QUALITY  
INN & SUITES

STATE BARN  
INSURANCE

Super 8

HARPS

EconoLodge

RAMADA  
POOLSIDE

enterprise

CHEVROLET  
Cadillac

Hampton Inn  
Express & Suites

goodwill  
BIG LOTS!

HOBBY LOBBY

Walmart  
Supercenter

maui's  
SALLY  
BEAUTY SUPPLY  
HIBBETT  
SPORTS

cricket  
TJ-maxx  
HARBOR FREIGHT TOOLS  
ANYTIME  
FITNESS

DOLLAR  
TREE  
RBC

LOWE'S

THE  
HOME  
DEPOT

STAGE  
verizon  
petco

at&t

RACK  
ROOM  
SHOES

Baxter Regional  
Home Health-Bxtr

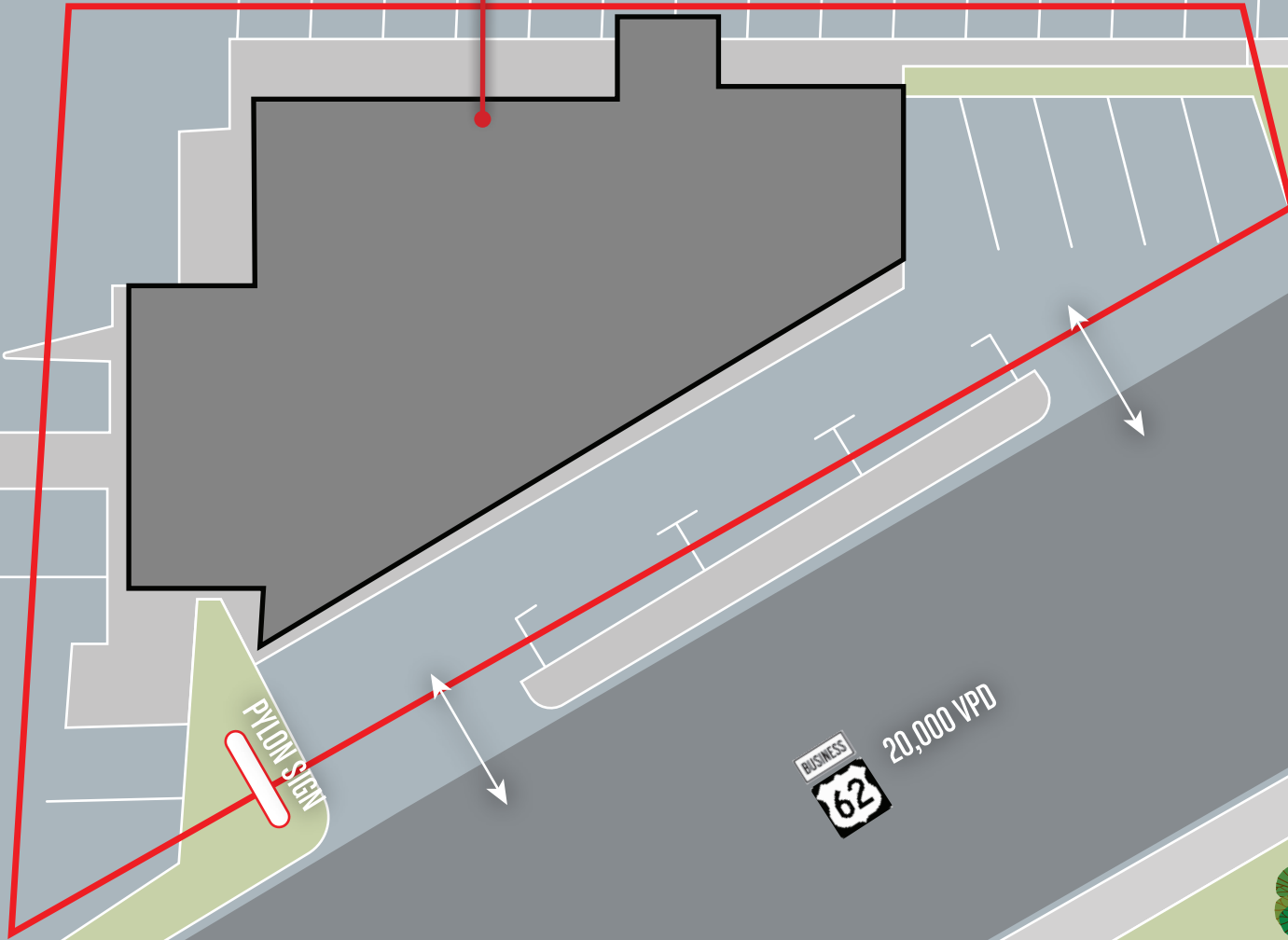
State Highway 178

Mountain  
Home High  
School

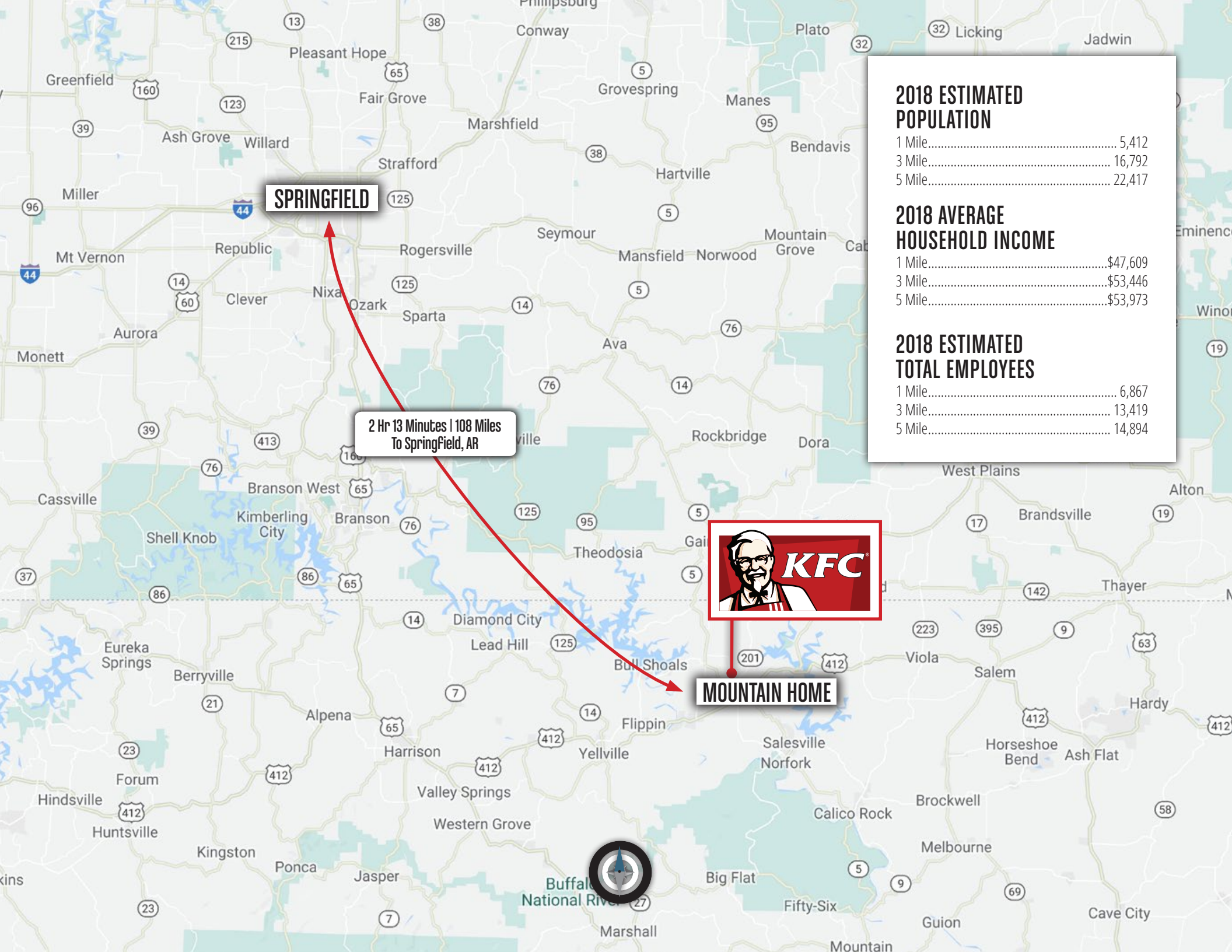
U.S. Highway 62 & 412

State Highway 178









**SPRINGFIELD**

2 Hr 13 Minutes | 108 Miles  
To Springfield, AR



**MOUNTAIN HOME**

### 2018 ESTIMATED POPULATION

1 Mile.....	5,412
3 Mile.....	16,792
5 Mile.....	22,417

### 2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$47,609
3 Mile.....	\$53,446
5 Mile.....	\$53,973

### 2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	6,867
3 Mile.....	13,419
5 Mile.....	14,894



# AREA DEMOGRAPHICS



## Mountain Home, Arkansas

Mountain Home is a city in, and the county seat of, Baxter County, Arkansas, United States, in the southern Ozark Mountains near the northern state border with Missouri. As of July 1, 2018, the city had a population of 12,512. A total of 41,307 persons lived within the city and micropolitan area combined, which encompasses the majority of Baxter County.

While in Mountain Home one can visit the museums including the Baxter County Heritage Museum and Tiny Town Tours miniature Museum of Merritt. The Bull Shoal's-White River State Park, Bull Shoal's Lake Boat Dock, and Norfolk Lake also offer recreational facilities. The Ozark Center Shopping Center, Village Mall Shopping Center, and College Plaza Shopping Center are popular tourist haunts. The Baxter County Library and the city's many churches are also worth visiting. Mountain Home also hosts the annual Baxter County Fair.

Arkansas State University-Mountain Home and Marsha Kay Beauty College provide facilities for higher education. Other institutes that offer higher education facilities are Southwest Missouri State University, University of Central Arkansas, Harding University, and Drury University. The Springfield-Branson Regional Airport provides facilities for air transportation.

Baxter County is a county in the U.S. state of Arkansas. As of July 1, 2017, the county's population was 41,355. The county seat is Mountain Home. It is Arkansas's 66th county, formed on March 24, 1873, and named for Elisha Baxter, the tenth governor of Arkansas.

The Mountain Home, AR, Micropolitan Statistical Area includes all of Baxter County. It is in the northern part of the state, bordering Missouri. It is commonly referred to as the Twin Lakes Area because it is bordered by two of Arkansas' largest lakes, Bull Shoals Lake and Norfolk Lake. On its southern border is the Norfolk Tailwater and the Buffalo National River.

Mountain Home, a small town whose origins date back to the early nineteenth century, is located in north-central Arkansas on a plateau in the Ozark Mountains. The natural environment of nearby Norfolk and Bull Shoals lakes and the surrounding countryside has attracted tourists from around the country for many years. Educational institutions have also played a role in the life of the community.





# AREA DEMOGRAPHICS



## DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	5,412	16,792	22,417
2023 Projected Population	5,480	16,984	22,684
2010 Census Population	5,376	16,701	22,261
Projected Annual Growth 2018 to 2023	0.25%	0.23%	0.24%
Historical Annual Growth 2010 to 2018	0.08%	0.07%	0.08%
2018 Estimated Households	2,480	7,688	10,139
2023 Projected Households	2,500	7,750	10,228
2010 Census Households	2,491	7,713	10,153
Projected Annual Growth 2018 to 2023	0.16%	0.16%	0.17%
2018 Estimated White	96.37%	96.68%	96.79%
2018 Estimated Black or African American	0.50%	0.46%	0.41%
2018 Estimated Asian or Pacific Islander	0.79%	0.73%	0.65%
2018 Estimated American Indian or Native Alaskan	0.70%	0.71%	0.69%
2018 Estimated Other Races	1.07%	0.83%	0.74%
2018 Estimated Hispanic	3.20%	2.91%	2.73%
2018 Estimated Average Household Income	\$47,609	\$53,446	\$53,973
2018 Estimated Median Household Income	\$30,046	\$35,522	\$35,936
2018 Estimated Per Capita Income	\$22,294	\$24,651	\$24,816
2018 Estimated Total Businesses	631	1,194	1,384
2018 Estimated Total Employees	6,867	13,419	14,894





# RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM		BEGIN	INCREASE	RENTAL RATES				RECOVERY TYPE	OPTIONS
		LEASE START	LEASE END			MONTHLY	PSF	ANNUALLY	PSF		
Fowler Foods, Inc (dba KFC)  (Personal Guaranty) (Franchisee Guaranty)	3,666	COE	20 Years	Year 1	-	\$8,255	\$2.25	\$99,065	\$27.02	Absolute NNN	4 (5-Year)
				Year 6	8%	\$8,916	\$2.43	\$106,990	\$29.18		8% Incr. at beg.
				Year 11	8%	\$9,629	\$2.63	\$115,549	\$31.52		of each option
				Year 16	8%	\$10,399	\$2.84	\$124,793	\$34.04		

## FINANCIAL INFORMATION

Price: .....\$1,679,000  
 Net Operating Income: .....\$99,065  
 Cap Rate: .....5.90%  
 Lease Type: .....Absolute NNN

## PROPERTY SPECIFICATIONS

Rentable Area: .....3,666 SF  
 Land Area: .....0.28 Acres  
 Address: .....315 East Highway 62 E, Mountain Home, AR 72653

For financing options and loan quotes, please contact our SRS Debt & Equity team at [debtequity-npb@srsre.com](mailto:debtequity-npb@srsre.com).







# 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





# 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







# SRS

## 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.