

SINGLE TENANT

ABSOLUTE NNN
INVESTMENT
OPPORTUNITY



OAK RIDGE
TENNESSEE
(KNOXVILLE MSA)





EXCLUSIVELY MARKETING BY

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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 Oak Ridge, TN (Knoxville MSA). The tenant East Tennessee Foods, LLC, 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 personally guaranteed by the operator for 5 years and is absolute NNN with zero landlord responsibilities.

KFC is strategically located near the signalized, hard corner intersection of Highway 95 and Lafayette Dr., averaging 47,900 combined vehicles passing by each day. The site is equipped with a pylon sign, providing excellent visibility along Highway 95. Moreover, this KFC is complete with a drive-thru, providing ease and convenience for consumers. On average, stores with drive-thrus experience higher sales than those without. The asset is positioned within an extremely dense retail corridor in the city of Oak Ridge, with nearby national/credit tenants including a 24-Hour Walmart Supercenter, The Home Depot, Kroger Marketplace, Food City, and more, increasing consumer draw to the trade area and promoting crossover shopping to the site. The 5-mile trade area serves more than 35,000 full-time residents with an average annual household income of \$74,000.



OFFERING SUMMARY

OFFERING

PRICING:	\$1,709,000
NET OPERATING INCOME:	\$96,557
CAP RATE:	5.65%
GUARANTY:	Personal (5-Year) & Franchisee (10-Unit)
TENANT:	East Tennessee Foods, LLC
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

PROPERTY SPECIFICATIONS

RENTABLE AREA:	2,658 SF
LAND AREA:	0.38 Acres
PROPERTY ADDRESS:	1020 Oak Ridge Turnpike, Oak Ridge, TN 37830
YEAR BUILT:	1985
PARCEL NUMBER:	100A-B-023.00
OWNERSHIP:	Fee Simple (Land and Building)



INVESTMENT HIGHLIGHTS

BRAND NEW 20-YEAR SALE LEASEBACK | PERSONAL 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

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

SIGNALIZED HARD CORNER INTERSECTION | DRIVE-THRU EQUIPPED | LARGE PYLON SIGN

- Located near the signalized, hard corner intersection of Highway 95 and Lafayette Dr., averaging 47,900 combined vehicles passing by each day
- 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 its large pylon sign

DENSE RETAIL CORRIDOR | NEARBY NATIONAL/CREDIT TENANTS

- Located within a dense retail corridor serving the town of Oak Ridge
- Nearby national/credit tenants include a Walmart Supercenter, The Home Depot, Kroger Marketplace, Food City, and more
- Increases consumer draw to the trade area and promotes crossover shopping

DENSE POPULATION IN 5-MILE TRADE AREA

- More than 35,000 residents and over 36,000 employees support the trade area
- More than \$74,000 average household income



PROPERTY OVERVIEW



PARCEL MAP



ACCESS

Oak Ridge Turnpike/ State Highway 95: 1 Access Point
Vermont Ave: 1 Access Point



TRAFFIC COUNTS

Oak Ridge Turnpike/ State Highway 95: 29,100 Cars Per Day
N. Illinois Avenue/ State Highway 62: 28,200 Cars Per Day



IMPROVEMENTS

There is approximately 2,658 SF of existing building area.



PARKING

There are approximately 34 parking spaces on the owned parcel.
The parking ratio is approximately 1.28 stalls per 1,000 SF of leasable area.



YEAR BUILT

1985



PARCEL

Parcel Number: 100A-B-023.00 Acres: 0.38 Square Feet: 2,658



ZONING

Commercial





Methodist Medical Center



genOa healthcare



SUBWAY

NATIONAL FITNESS CENTER



Jefferson Middle School

Roane State Community College

29,100
CARS PER DAY



State Highway 95

Oak Ridge High School



Advance Auto Parts



STAPLES

CVS pharmacy

Walgreens

O'Reilly AUTO PARTS



SALLY BEAUTY SUPPLY

FOOD CITY

18,800
CARS PER DAY



Lafayette Dr.



JCPenney

CINEMARK
24-Hour
Walmart Supercenter

ULTA



GameStop

MATTRESS FIRM



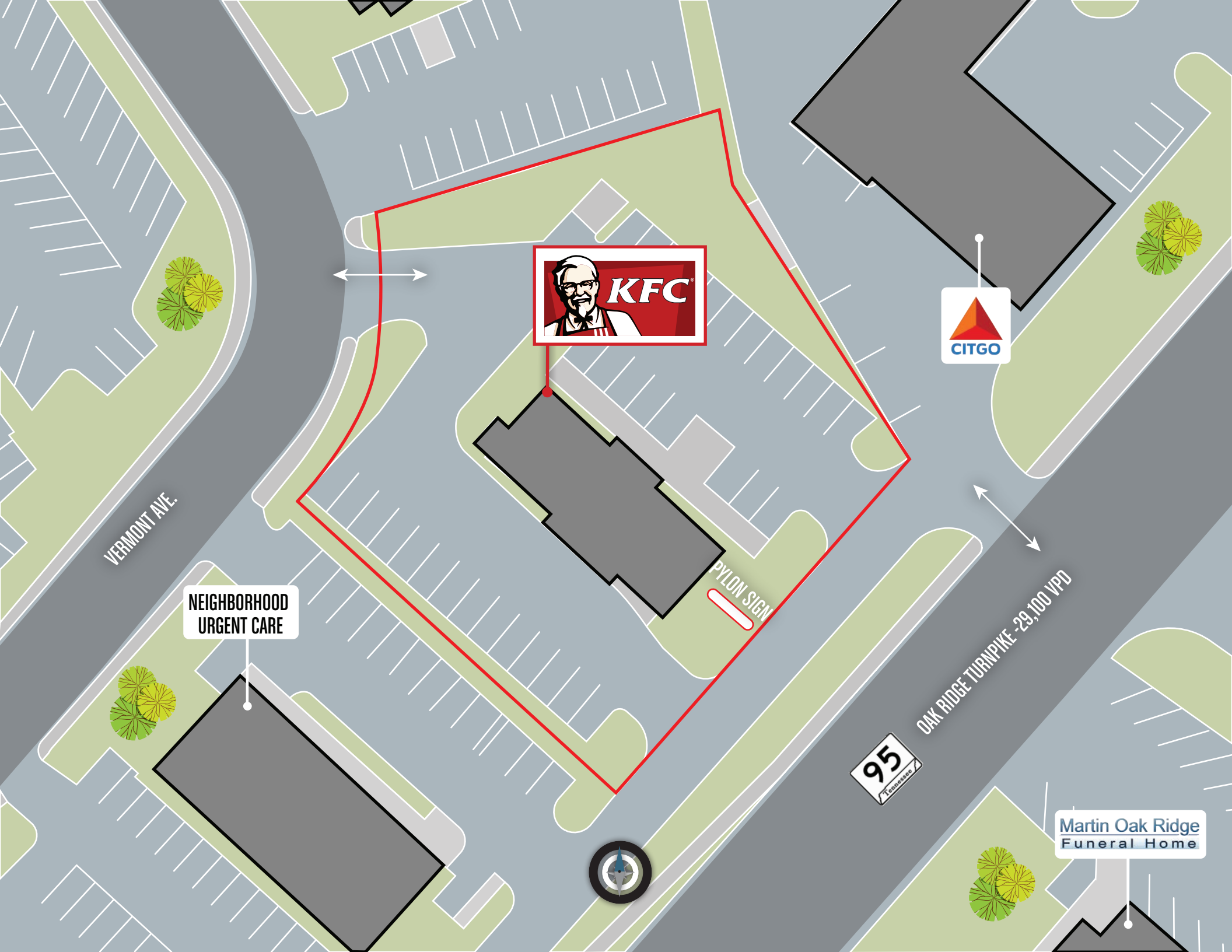
28,200
CARS PER DAY



State Highway 62



HOBBY LOBBY



VERMONT AVE.

NEIGHBORHOOD
URGENT CARE

PYLON SIGN



OAK RIDGE TURNPIKE - 29,100 VPD

Martin Oak Ridge
Funeral Home





OAK RIDGE

27 Minutes | 25 Miles
To Knoxville

KNOXVILLE

2018 ESTIMATED POPULATION

1 Mile.....	6,187
3 Mile.....	25,393
5 Mile.....	35,033

2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$61,358
3 Mile.....	\$71,737
5 Mile.....	\$74,181

2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	9,935
3 Mile.....	29,769
5 Mile.....	36,403

AREA OVERVIEW



Oak Ridge, Tennessee

Oak Ridge is a city in Anderson and Roane counties in the eastern part of the U.S. state of Tennessee, about 25 miles west of Knoxville. The City of Oak Ridge had a population of 29,885 as of July 1, 2018. It is part of the Knoxville Metropolitan Area. Oak Ridge's nicknames include the Atomic City, the Secret City, the Ridge, and the City behind the Fence.

The Department of Energy Office of Scientific and Technical Information, which disseminates government research and development information and operates the science.gov website, are located in the city. The Oak Ridge Institute for Science and Education, operated by Oak Ridge Associated Universities, conducts research and education programs for the DOE, Department of Homeland Security, and other federal agencies. The Atmospheric Turbulence and Diffusion Division (ATDD), one of several field divisions of the National Oceanic and Atmospheric Administration (NOAA) Air Resources Laboratory, is also located in the city. ATDD began under AEC sponsorship in 1948 as a Weather Bureau research office providing meteorological information and expertise for the AEC. Currently its main function is to perform air quality-related research directed toward issues of national and global importance.

Oak Ridge has numerous parks, including Haw Ridge Park and Concorde Park, which offer visitors various outdoor recreational opportunities. The Zuma Fun Center and the Mayor Bob Leonard Park are in the area as well.

Facilities for higher education are available from Roane State Community College, The University of Tennessee, Mississippi State Technical Community College, and Carson-Newman College. McGhee Tyson Airport is nearby.

Anderson County is a county located in the U.S. state of Tennessee. As of July 1, 2017 its population was 76,257. Its county seat is Clinton. Anderson County is included in the Knoxville, TN Metropolitan Statistical Area.

Anderson County has a thriving tourism industry, thanks to major attractions such as Norris Lake, the Museum of Appalachia, and American Museum of Science and Energy, and the county is considered a part of the Norris Highlands.



AREA DEMOGRAPHICS



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	6,187	25,393	35,033
2023 Projected Population	6,182	25,708	35,655
2010 Census Population	6,347	24,930	34,351
2018 Estimated Households	2,966	11,084	15,012
2023 Projected Households	2,956	11,185	15,233
2010 Census Households	3,065	11,004	14,841
2018 Estimated White	84.19%	83.05%	85.67%
2018 Estimated Black or African American	7.97%	8.92%	7.36%
2018 Estimated Asian or Pacific Islander	3.22%	3.37%	2.98%
2018 Estimated American Indian or Native Alaskan	0.40%	0.51%	0.43%
2018 Estimated Other Races	4.06%	2.71%	2.14%
2018 Estimated Hispanic	7.29%	5.69%	4.89%
2018 Estimated Average Household Income	\$61,358	\$71,737	\$74,181
2018 Estimated Median Household Income	\$42,275	\$48,851	\$52,083
2018 Estimated Per Capita Income	\$28,904	\$31,721	\$32,044
2018 Estimated Total Businesses	563	1,380	1,624
2018 Estimated Total Employees	9,935	29,769	36,403



RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM		BEGIN	INCREASE	RENTAL RATES				RECOVERY TYPE	OPTIONS
		LEASE START	LEASE END			MONTHLY	PSF	ANNUALLY	PSF		
East Tennessee Foods, LLC	2,658	COE	Year 20	Year 1	-	\$8,046	\$3.03	\$96,557	\$36.33	Absolute NNN	4 (5-Year)
(Personal Guaranty)				Year 6	8%	\$8,690	\$3.27	\$104,282	\$39.23		8% Incr. at beg.
(Franchisee Guaranty)				Year 11	8%	\$9,385	\$3.53	\$112,624	\$42.37		of each option
				Year 16	8%	\$10,136	\$3.81	\$121,634	\$45.76		

FINANCIAL INFORMATION

Price:\$1,709,000
 Net Operating Income:\$96,557
 Cap Rate:5.65%
 Lease Type:Absolute NNN

PROPERTY SPECIFICATIONS

Year Built:1985
 Rentable Area:2,658 SF
 Land Area:0.38 Acres
 Address:1020 Oak Ridge Turnpike, Oak Ridge, TN 37830

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 21,000 KFC outlets in more than 130 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.