

# SINGLE TENANT

ABSOLUTE NNN  
INVESTMENT  
OPPORTUNITY



W/ DRIVE-THRU

# HOUSTON MISSISSIPPI







## 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 Houston, MS. The tenant, North Mississippi 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. The lease is absolute NNN with zero landlord responsibilities making it an ideal, management-free investment opportunity for an out of state investor.

The KFC is strategically located along N Jackson St. (9,900 VPD), a major retail thoroughfare traveling through the city of Houston. 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 center is within close proximity to other national/credit tenants including Walmart, Dollar General, McDonald's, AT&T, AutoZone Auto Parts, O'Reilly Auto Parts, Pizza Hut, Subway, and more. In addition, the asset is less than 2 miles from both Houston High School and Houston Municipal Airport, further increasing consumer draw to the trade area. The 5-mile trade area is supported by a population of more than 5,900 residents with an average household income of \$52,000.





# OFFERING SUMMARY

## OFFERING

PRICING:	\$1,456,000
NET OPERATING INCOME:	\$82,256
CAP RATE:	5.65%
GUARANTY:	Franchisee & Personal (5-Year)
TENANT:	North Mississippi Foods, LLC (6-Unit Entity)
LEASE TYPE:	Absolute NNN
LANDLORD RESPONSIBILITIES:	None

## PROPERTY SPECIFICATIONS

RENTABLE AREA:	7,320 SF
LAND AREA:	0.66 Acres
PROPERTY ADDRESS:	450 N. Jackson Street, Houston, MS 38851
YEAR BUILT:	1998
PARCEL NUMBER:	1-069R-32-030.00
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 North Mississippi 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 | LARGE PYLON SIGN

- The KFC is strategically located along N Jackson St. (9,900 VPD), a major retail thoroughfare traveling through the city of Houston
- The asset has easy access and excellent visibility due to its large pylon sign
- The site is equipped with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus have higher sales than those without

## NEARBY NATIONAL/CREDIT TENANTS | INCREASES CONSUMER TRAFFIC

- Nearby national/credit tenants include a Walmart, Dollar General, McDonald's, AT&T, AutoZone Auto Parts, O'Reilly Auto Parts, Pizza Hut, Subway, and more
- Increases consumer draw to the trade area and promotes crossover shopping

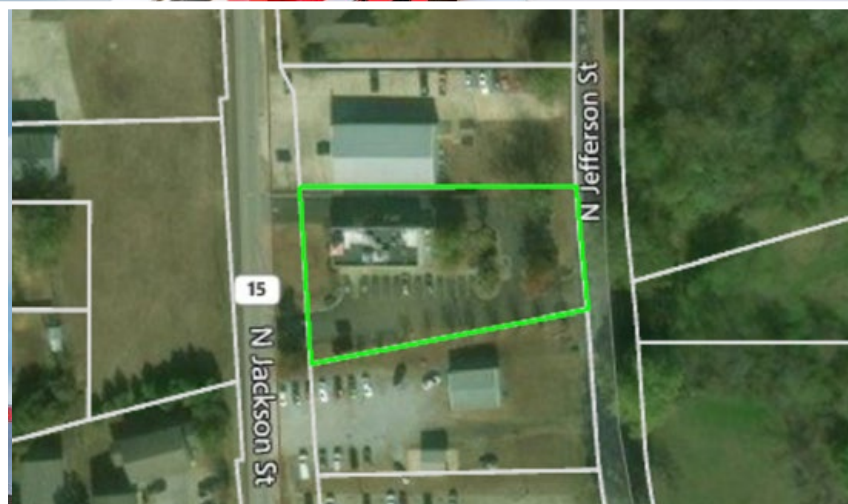
## LOCAL POPULATION IN 5-MILE TRADE AREA

- More than 5,900 residents and over 3,800 employees support the trade area
- \$52,000 average household income





# PROPERTY OVERVIEW



PARCEL MAP



## ACCESS

N. Jackson Street: ..... 2 Access Points  
N. Jefferson Street: ..... 1 Access Points



## TRAFFIC COUNTS

N. Jackson Street: ..... 9,900 Cars Per Day  
E. Madison Street/ State Highway 8: ..... 11,000 Cars Per Day



## IMPROVEMENTS

There is approximately 7,320 SF of existing building area.



## PARKING

There are approximately 20 parking spaces on the owned parcel.  
The parking ratio is approximately 2.73 stalls per 1,000 SF of leasable area.



## YEAR BUILT

1998



## PARCEL

Parcel Number: 1-069R-32-030.00 Acres: 0.66 Square Feet: 28,963 SF



## ZONING

Commercial





9,900  
CARS PER DAY



N. Jackson St.



E. Depot St.





9,900  
CARS PER DAY

8,000  
CARS PER DAY

11,000  
CARS PER DAY

State Highway 8

N Jackson St.

State Highway 389

Houston Upper Elementary School

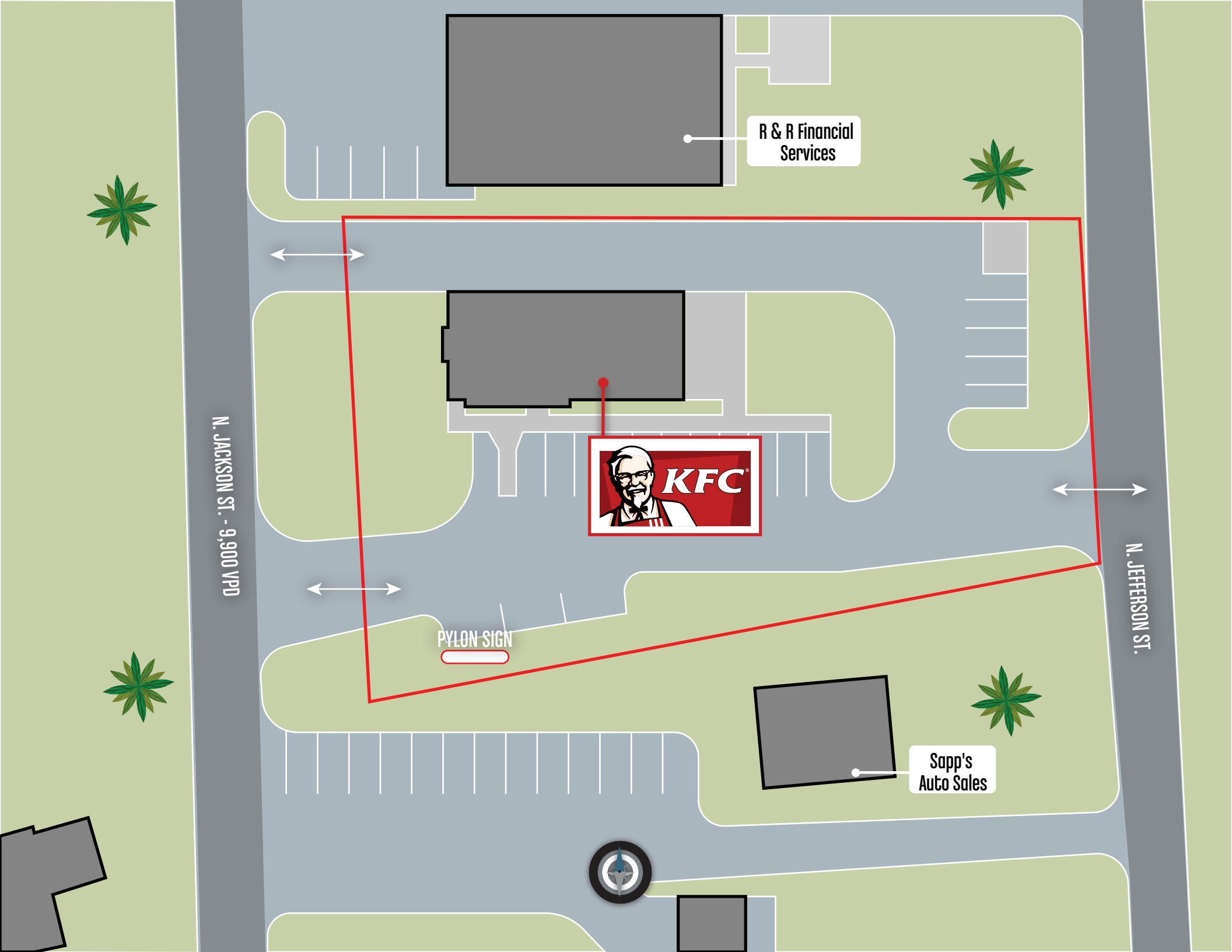
Houston Lower Elementary

Houston High School

Houston Municipal Airport







R & R Financial  
Services



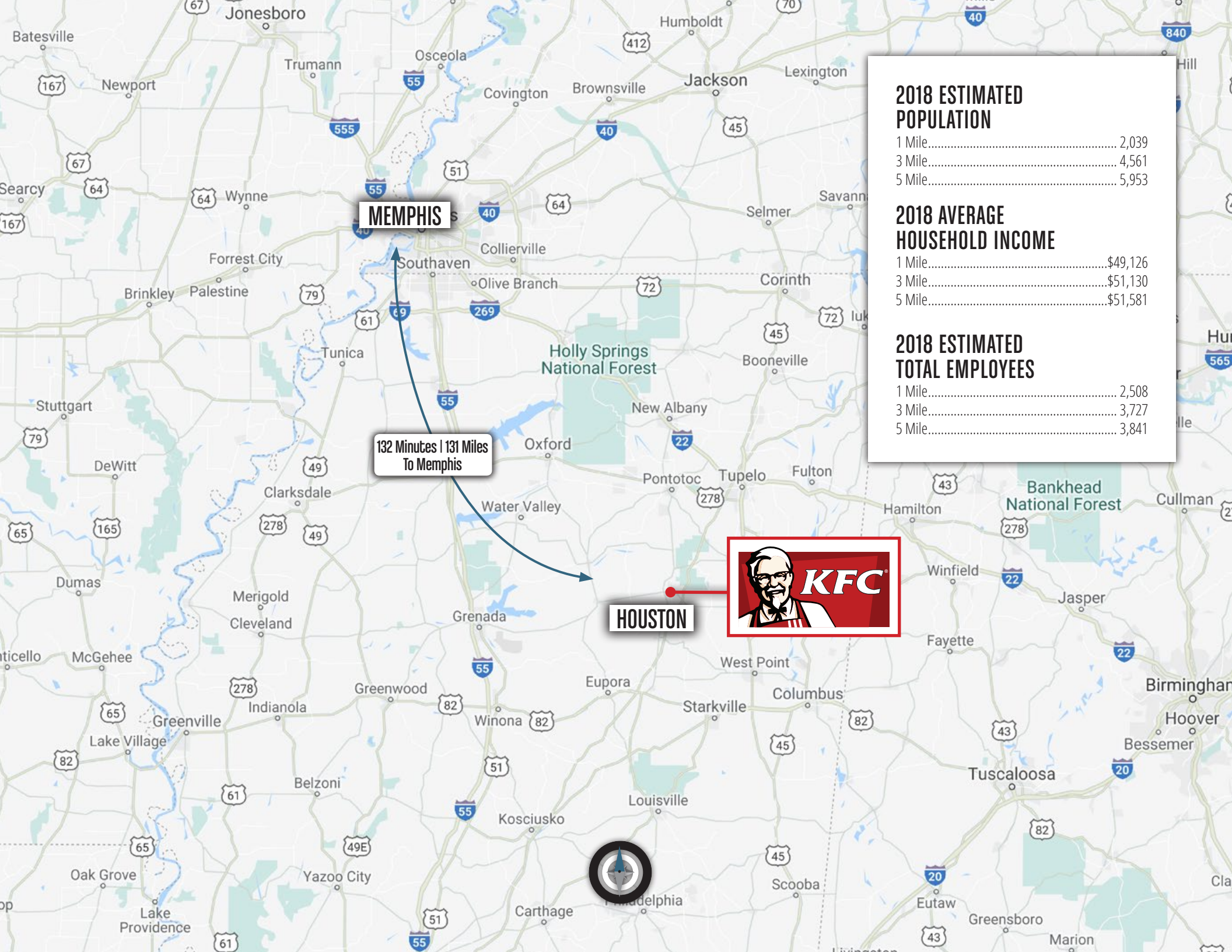
PYLON-SIGN

Sapp's  
Auto Sales

N. JACKSON ST. - 9,900 VPD

N. JEFFERSON ST.





MEMPHIS

132 Minutes | 131 Miles  
To Memphis

HOUSTON



### 2018 ESTIMATED POPULATION

1 Mile.....	2,039
3 Mile.....	4,561
5 Mile.....	5,953

### 2018 AVERAGE HOUSEHOLD INCOME

1 Mile.....	\$49,126
3 Mile.....	\$51,130
5 Mile.....	\$51,581

### 2018 ESTIMATED TOTAL EMPLOYEES

1 Mile.....	2,508
3 Mile.....	3,727
5 Mile.....	3,841



# AREA DEMOGRAPHICS



## Houston, Mississippi

Houston is located in Chickasaw County, Mississippi, United States. Houston is a Main Street Community. Houston is one of two county seats in Chickasaw County. Joel Pinson donated land for Houston and requested it be named for his good friend, Sam Houston. The City of Houston had a population of 3,724 as of July 1, 2018.

Twice-per-year Flywheel Association events, Spring Flywheel Festival the last full weekend in April, Fall Flywheel Festival the last full weekend in September, held at Joe Brigance Park, 635 Starkville Road. Visitors have been recorded from as far away as Wisconsin for this unique festival which celebrates the industrial and agricultural heritage of flywheel engines powered by steam, diesel, and water. This group has invested volunteer hours and physical improvements to the park over the years and apparently has every intention of making it their “home” for many years to come, continuing to attract members and participants from far and wide.

Rails to Trails – Tanglefoot Trail, a 10 foot wide nature trail stretching along the 44-miles of the old GM&O Railroad, from Houston to New Albany. This is an opportunity for people of all ages to bike, jog, walk, and simply enjoy the beauty of the outdoors in rural Mississippi. Many out-of-towners, as well as locals, are enjoying the trail. Houston Garden Park next door to City Hall - planned and planted by Master Gardeners.

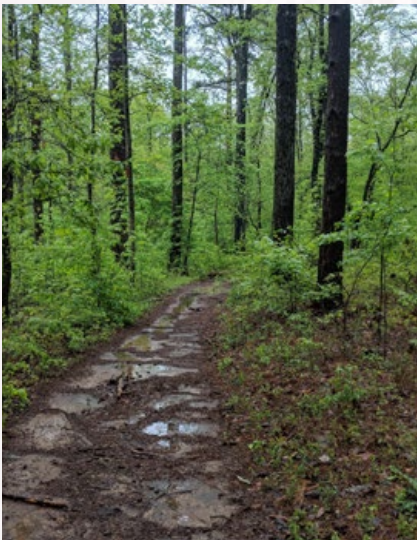
Chickasaw County is a county located in the U.S. state of Mississippi. As of July 1, 2017, the population was 17,146. Its county seats are Houston and Okolona. The county is named for the Chickasaw people, who lived in this area for hundreds of years. Most were removed to Indian Territory in the 1830s, but some remained and became citizens of the state and United States.

In addition to agriculture and industry, education has also been of utmost importance to the residents of Chickasaw County over the years. Houston is home to the first Carnegie Library in the State of Mississippi (constructed in 1909) and its value of education remains evident today as the community is home to the “Sundancer” solar car, which is a world-class, state-of-the-art vehicle developed by students at Houston High School. The “Sundancer” has won several national competitions and is a point of pride for many Chickasaw County residents. Okolona built a Carnegie Library of its own in 1915 and the two libraries as well as the Houlika Public Library are now a part of the Dixie Regional Library System.





# AREA DEMOGRAPHICS



## DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2018 Estimated Population	2,039	4,561	5,953
2023 Projected Population	2,029	4,542	5,920
2010 Census Population	2,041	4,370	5,785
2018 Estimated Households	803	1,634	2,155
2023 Projected Households	796	1,623	2,138
2010 Census Households	813	1,646	2,178
2018 Estimated White	49.63%	53.54%	57.61%
2018 Estimated Black or African American	43.60%	39.99%	36.55%
2018 Estimated Asian or Pacific Islander	0.93%	0.99%	0.87%
2018 Estimated American Indian or Native Alaskan	0.39%	0.29%	0.29%
2018 Estimated Other Races	5.79%	6.01%	6.03%
2018 Estimated Hispanic	8.24%	8.27%	8.13%
2018 Estimated Average Household Income	\$49,126	\$51,130	\$51,581
2018 Estimated Median Household Income	\$32,390	\$35,331	\$36,270
2018 Estimated Per Capita Income	\$19,048	\$19,585	\$19,709
2018 Estimated Total Businesses	202	280	298
2018 Estimated Total Employees	2,508	3,727	3,841





# RENT ROLL

TENANT NAME	SQUARE FEET	LEASE TERM				RENTAL RATES					
		LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
North Mississippi Foods, LLC (dba KFC) (Personal Guaranty) (Franchisee Guaranty)	7,320	COE	20 Years	Year 1	-	\$6,855	\$0.94	\$82,256	\$11.24	Absolute NNN	4 (5-Year)
				Year 6	8%	\$7,403	\$1.01	\$88,836	\$12.14		8% Incr. at beg.
				Year 11	8%	\$7,995	\$1.09	\$95,943	\$13.11		of each option
				Year 16	8%	\$8,635	\$1.18	\$103,619	\$14.16		

## FINANCIAL INFORMATION

Price: .....\$1,456,000  
 Net Operating Income: .....\$82,256  
 Cap Rate: .....5.65%  
 Lease Type: .....Absolute NNN

## PROPERTY SPECIFICATIONS

Year Built: .....1998  
 Rentable Area: .....7,350 SF  
 Land Area: .....0.66 Acres  
 Address: .....450 N. Jackson Street, Houston, MS 38851

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







# 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.