# SINGLE TENANT ABSOLUTE NNN

LL UP HOME ORIGN/ ABSOLUTE NNN INVESTMENT OPPORTUNITY



TUPELO MISSISSIPPI





#### **EXCLUSIVELY MARKETED BY**

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### **INVESTMENT SUMMARY**

#### TUPELO, MISSISSIPPI

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 and franchisee guaranteed, drive-thru equipped, Kentucky Fried Chicken, investment property located in Tupelo, Mississippi. 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 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 subject property is strategically located at the signalized, hard corner of E. Jackson Street and N. Gloster Street, averaging a combined 22,900 vehicles per day. KFC also features a large pylon sign, increasing visibility to passing consumers. Additionally, the site is equipped with a drive-thru lane, providing ease and convenience for customers. KFC is ideally positioned in the heart of the retail corridor servicing the city of Tupelo with nearby national/credit tenants including Walmart Neighborhood Market, Kroger, Walgreens, CVS, and more, increasing consumer draw to the trade area. The 5-mile trade area is supported by a population of over 42,900 residents with an average household income of \$63,043.

OFFERING	
Pricing:	\$733,000
Net Operating Income:	\$41,409
Cap Rate:	5.65%
Guaranty:	Personal (5-Year) & Franchisee (6-Unit Entity)
Tenant:	North Mississippi Foods, LLC
Lease Type:	Absolute NNN
Landlord Responsibilities:	None

PROPERTY SPECI	FICATIONS
Rentable Area:	FIG 1,791 SF
Land Area:	0.53 Acres
Property Address:	508 N. Gloster Street, Tupelo, MS 38804
Year Built:	1965
Ownership:	Fee Simple (Land and Building Ownership)



#### INVESTMENT HIGHLIGHTS

#### Brand New 20-Year Lease | Personal & Franchisee Guaranty | Rental Increases

- New 20-year personal & franchisee guaranteed lease with 4 (5-year) options to extend
- Lease features 8% rental increases every 5 years throughout initial term and at beginning of each option period
- The lease is personally guaranteed by the operator for 5 years and franchisee guaranteed by North Mississippi Foods, LLC (6-unit entity)

#### Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for all CAM, insurance, taxes, and maintains all aspects of the premises
- Zero landlord responsibilities
- Ideal, management-free investment for an out-of-state, passive investor

#### Major Thoroughfare | Excellent Visibility | Drive-Thru Equipped

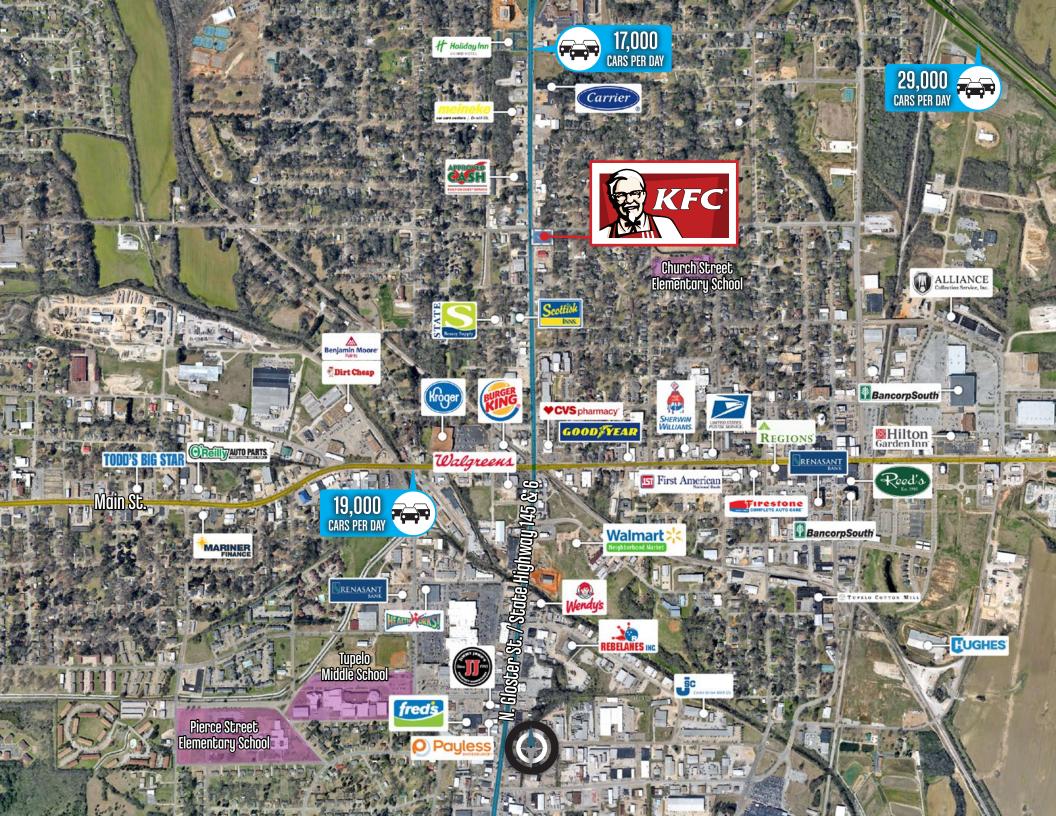
- Strategically located at the signalized, hard corner of E. Jackson Street and N. Gloster Street, averaging a combined 22,900 vehicles per day
- The site is equipped with a drive-thru lane, providing ease and convenience for customers and has a large pylon sign, providing excellent visibility along N. Gloster Street

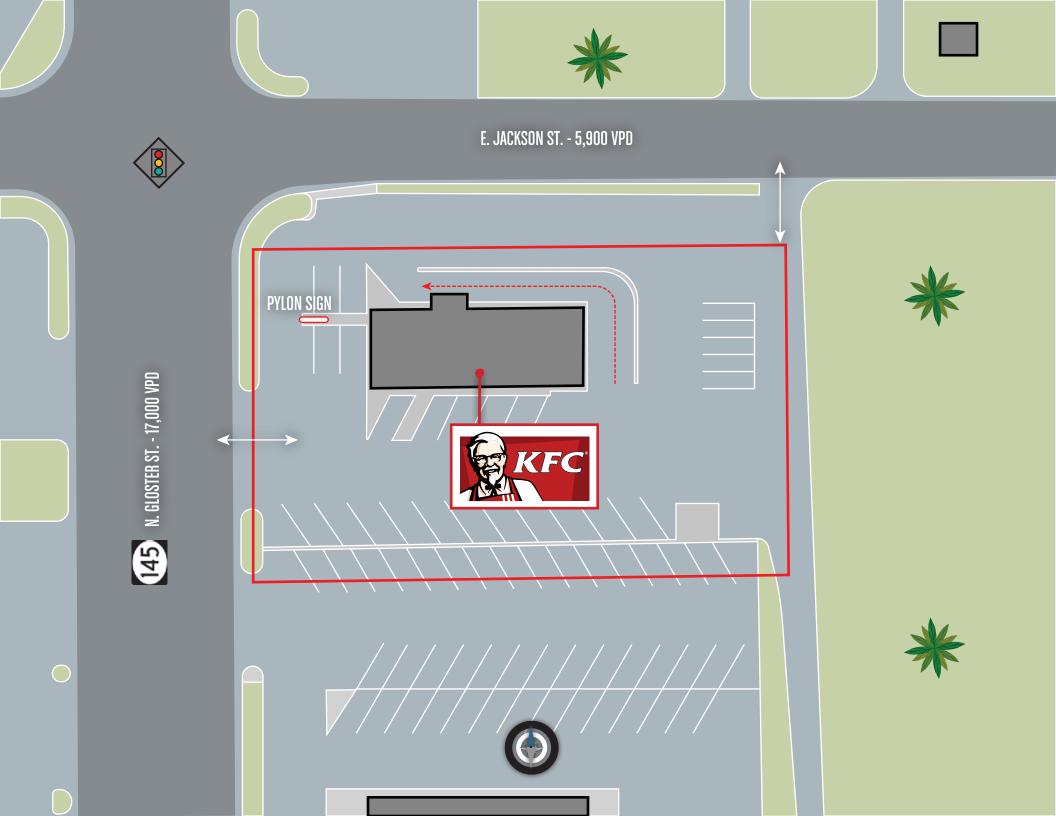
#### In The Heart Of The Primary Retail Corridor With Nearby National/Credit Tenants

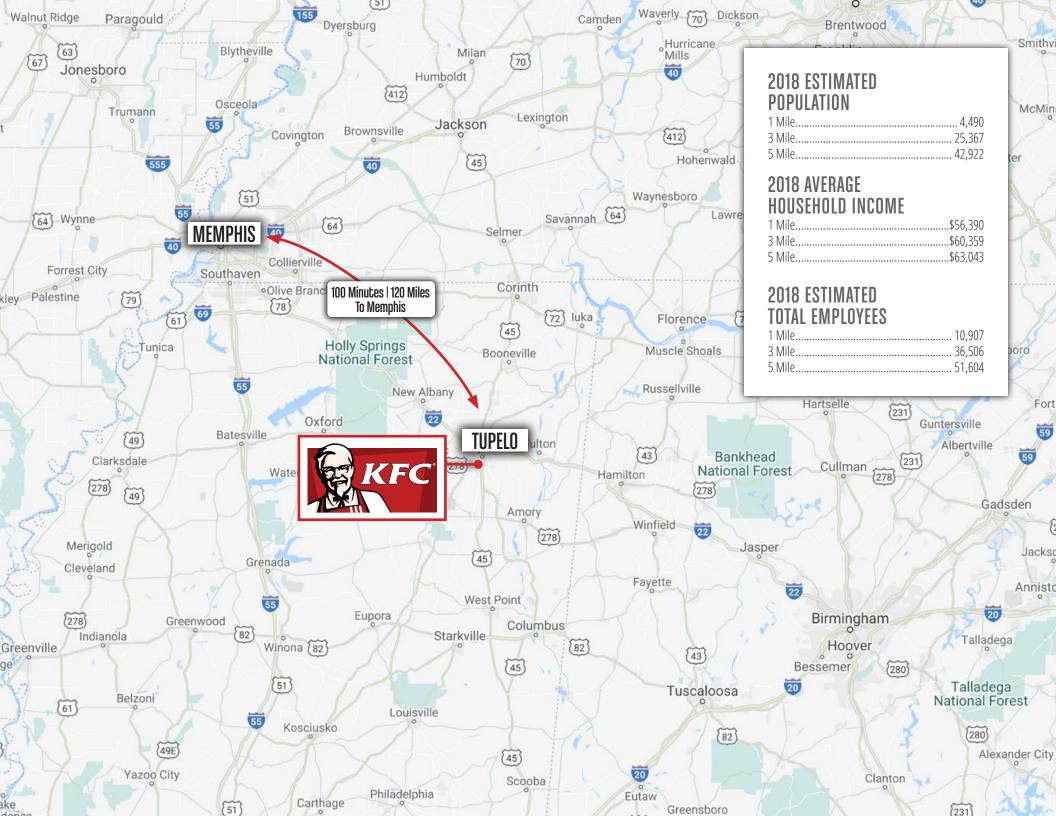
- KFC is ideally positioned in the heart of the retail corridor servicing the city of Tupelo with nearby national/credit tenants including Walmart Neighborhood Market, Kroger, Walgreens, CVS, and more
- Increases consumer draw to the subject trade area and promotes crossover shopping

#### **Strong Demographics In 5-Mile Trade Area**

- Over 42,900 residents and 51,600 employees support the trade area
- \$63,043 average household income







## AREA DEMOGRAPHICS







DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
	14. Th		2007
2018 Estimated Population	4,490	25,367	42,922
2023 Projected Population	4,411	25,496	43,432
2010 Census Population	4,730	25,282	41,620
		113	
2018 Estimated Households	1,889	10,123	16,761
2023 Projected Households	1,851	10,134	16,906
2010 Census Households	2,006	10,197	16,377
Miles Marian Income		<u> </u>	
2018 Estimated White	51.79%	56.71%	56.80%
2018 Estimated Black or African American	44.10%	39.00%	38.96%
2018 Estimated Asian or Pacific Islander	0.56%	1.32%	1.38%
2018 Estimated American Indian or Native Alaskan	0.16%	0.19%	0.17%
2018 Estimated Other Races	2.52%	1.85%	1.92%
2018 Estimated Hispanic	4.54%	3.55%	3.42%
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2018 Estimated Average Household Income	\$56,390	\$60,359	\$63,043
2018 Estimated Median Household Income	\$37,182	\$43,314	\$44,239
2018 Estimated Per Capita Income	\$24,719	\$24,654	\$24,883
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2018 Estimated Total Businesses	894	2,197	3,107
2018 Estimated Total Employees	10,907	36,506	51,604





## RENT ROLL

	LEASE TERM				RENTAL RATES						
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
North Mississippi Foods, LLC	1,791	COE	20 Years	Year 1	-	\$3,451	\$1.93	\$41,409	\$23.12	Absolute NNN	4 (5-Year)
(Personal & Franchisee Guaranty)				Year 6	8%	\$3,727	\$2.08	\$44,722	\$24.97		8% Incr. at beg.
				Year 11	8%	\$4,025	\$2.25	\$48,299	\$26.97		of each option
				Year 16	8%	\$4,347	\$2.43	\$52,163	\$29.13		

FINANCIAL INFORMATION	
Price:	\$733,000
Net Operating Income:	\$41,409
Cap Rate:	5.65%
Lease Type:	Absolute NNN

PROPERTY SPECIFICATIONS	
Year Built:	1965
Rentable Area:	1,791 SF
Land Area:	
Address:	508 N. Gloster Street, Tupelo, MS 38804







## **BRAND PROFILE**

### KFC

KFC, a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is a global quick service restaurant brand with a rich, decades-long history of success and innovation. It all started with one cook, Colonel Harland Sanders, who created a finger lickin' good recipe more than 75 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. Today we still follow his formula for success, with real cooks breading and freshly preparing our delicious chicken by hand in more than 20,000 restaurants in over 125 countries and territories around the world.

Company Type:	Private
Parent:	
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
Credit Rating:	Moody's: Ba3







## **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-colonelization' in 2015, the brand has experienced same-store sales growth.

**STATES** 

89 **LOCATIONS** 

1,800 **EMPLOYEES** 

73 **LOCATIONS** 



15 **DUAL CONCEPT** LOCATIONS





**LOCATION** 







### SRS GLOBAL STATS













\*STATISTICS ARE FOR 2017.

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