

OFFERING MEMORANDUM

KFC Corporate Lease | Absolute NNN | Strong Traffic Counts



ACTUAL PHOTO

1805 US HWY 1 S, ST. AUGUSTINE, FL 32084

Marcus & Millichap



INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Kentucky Fried Chicken Restaurant with drive thru located at 1805 US Highway 1 South in St. Augustine, Florida. Saint Augustine is a beautiful city on the Atlantic Coast of northeastern Florida with a population of over 13,000 people. Thousands of tourists travel to St. Augustine each year for its rich history as it is the oldest continually inhabited European established settlement in the United States. This rare corporate backed KFC has more than 17 years on the base term of the lease with two (five year) options to extend.

KFC occupies a large 2,966 square foot restaurant and is situated at the signalized entrance to a Marshalls, Tuesday Morning, and ALDI Grocery Anchored Power Center. This restaurant has very high visibility as it is located less than 600 feet from the signalized intersection of Dixie Highway and Highway 312 which experiences traffic counts exceeding 63,500 vehicles per day. Saint Augustine College is only a six minute drive and has more than 2,501 enrolled students, Flagler college with more than 2,000 students and Saint John's River College with more than 5,000 students are both a short 10 minute drive from this property.

Flagler Hospital which is less than five minutes from this KFC has 335 beds and is a Center for Excellence in Bariatrics, Cancer, Heart and Maternity. Several shopping malls are located only minutes from this KFC including Cobblestone Village, Riverside Court and Lewis Point Plaza. Many brand new home communities surround this KFC restaurant. Only nine minutes from the property is KB Homes Orchard Park Townhomes with 150 sold out townhomes. Treaty Oaks new home development by Richmond Homes is also 10 minutes away with 130 already sold new homes.

KFC, also known as Kentucky Fried Chicken, is an American fast food restaurant chain headquartered in Louisville, Kentucky, that specializes in fried chicken. It is the world's second-largest restaurant chain (as measured by sales) after McDonald's, with 24,000 locations globally in 145 countries and territories. The chain is a subsidiary of Yum! Brands, a restaurant company that also owns the Pizza Hut, Taco Bell, and WingStreet chains.

INVESTMENT HIGHLIGHTS

- Very Rare Corporate Backed KFC Restaurant with Drive Thru with more than 17 Years Remaining on the Base Term of the Lease
- Located at the Signalized Entrance to a Marshalls, Tuesday Morning and Aldi Anchored Power Center
- Strong Traffic Counts: Less than 600 Feet from the Signalized Intersection of Dixie Hwy and Hwy 312 with Exposure to more than 63,500 Vehicles per Day
- Less than 5 Minutes Away from Flagler Hospital with 335 Beds
- Multiple Colleges a Short 10 Minute Drive from this Property
- Florida is a No Income Tax State

THE OFFERING

**KFC**

1805 US Highway 1 South
Saint Augustine, Florida 32084



PROPERTY DETAILS

Lot Size	20,038 SF (0.46 Acres)
Rentable Square Feet	2,900 SF
Price/SF	\$1,203.45
Year Built / Renovated	1977 / 2017

FINANCIAL OVERVIEW

List Price	\$3,490,000
Down Payment	100% / \$3,490,000
Cap Rate	4.12%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
08/13/2018 - 08/16/2023	\$11,987	\$143,849
09/01/2023 - 08/31/2028	\$12,587	\$151,041
09/01/2028 - 08/31/2033	\$13,216	\$158,594
09/01/2033 - 08/31/2038	\$13,877	\$166,523
09/01/2038 - 08/31/2043 (Option 1)	\$14,571	\$174,849
09/01/2043 - 08/31/2048 (Option 2)	\$15,299	\$183,592
Base Rent (\$49.60 / SF)		\$143,849
Net Operating Income		\$143,849.00
TOTAL ANNUAL RETURN	CAP 4.12%	\$143,849

LEASE ABSTRACT

Tenant Trade Name	KFC
Tenant	Corporate
Ownership	Private
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Term	20 Years
Lease Commencement Date	08/13/2018
Rent Commencement Date	08/13/2018
Expiration Date of Base Term	08/31/2038
Options	Two Five-Year Options
Increases	5% every Five Years during Base Term and Option Periods
Term Remaining on Lease	17+ Years
Property Type	Net Leased Restaurant
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal	Yes







ABOUT

KFC Corporation, based in Louisville, Kentucky, is one of the few brands in America that can boast a rich, decades-long history of success and innovation. It all started with one cook who created a soon-to-be world-famous recipe more than 70 years ago, a list of secret herbs and spices scratched out on the back of the door to his kitchen. That cook was Colonel Harland Sanders, of course, and now KFC is the world's most popular chicken restaurant chain, specializing in that same Original Recipe® along with Extra Crispy™ chicken, home-style sides and buttermilk biscuits. There are over 24,000 KFC outlets in more than 145 countries and territories around the world. And you know what? There's still a cook in a kitchen in every last one of them, freshly preparing delicious, complete family meals at affordable prices owned stores.

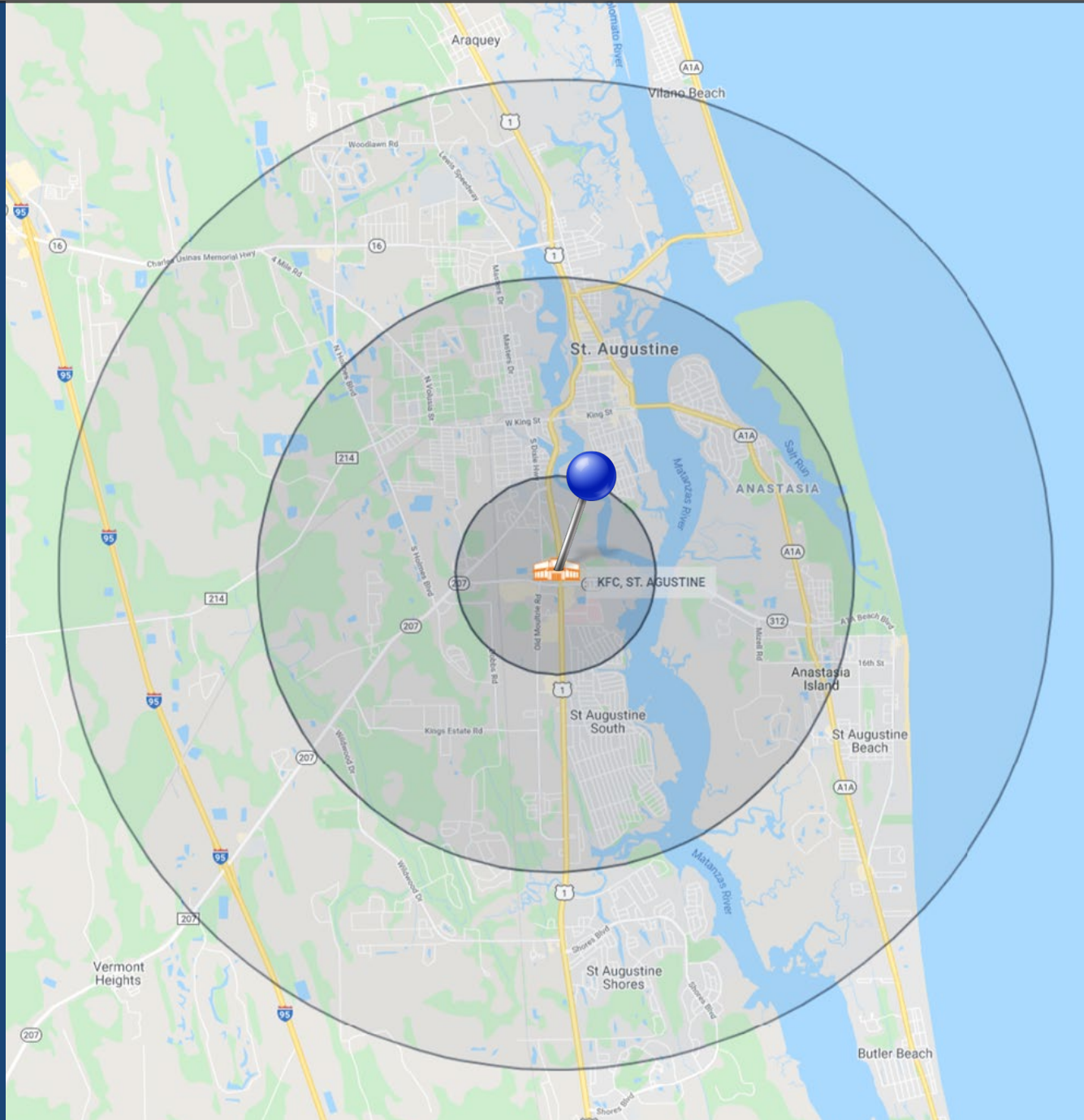


NAME	Kenstucky Fried Chicken
HQ	Louisville, Kentucky
NUMBER OF LOCATIONS	24,000+
WEBSITE	www.kfc.com





	1 Miles	3 Miles	5 Miles
POPULATION			
2025 Projection	3,794	44,632	83,014
2020 Estimate	3,521	40,940	75,164
2010 Census	2,878	33,404	60,042
2000 Census	2,513	28,514	49,003
INCOME			
Average	\$72,199	\$81,580	\$82,255
Median	\$48,387	\$52,206	\$54,340
Per Capita	\$32,310	\$35,814	\$37,214
HOUSEHOLDS			
2025 Projection	1,707	19,488	37,509
2020 Estimate	1,547	17,684	33,676
2010 Census	1,228	14,090	26,235
2000 Census	984	11,473	20,490
HOUSING			
2020	\$241,096	\$280,098	\$281,911
EMPLOYMENT			
2020 Daytime Population	7,984	57,412	94,525
2020 Unemployment	4.88%	5.12%	4.29%
2020 Median Time Traveled	23	22	24
RACE & ETHNICITY			
White	80.69%	81.46%	85.87%
Native American	0.47%	0.13%	0.10%
African American	11.26%	13.19%	9.33%
Asian/Pacific Islander	2.41%	1.60%	1.47%



GEOGRAPHY: 5 MILE



POPULATION

In 2020, the population in your selected geography is 75,164. The population has changed by 53.39% since 2000. It is estimated that the population in your area will be 83,014.00 five years from now, which represents a change of 10.44% from the current year. The current population is 47.66% male and 52.34% female. The median age of the population in your area is 46.75, compare this to the US average which is 38.21. The population density in your area is 957.72 people per square mile.



HOUSEHOLDS

There are currently 33,676 households in your selected geography. The number of households has changed by 64.35% since 2000. It is estimated that the number of households in your area will be 37,509 five years from now, which represents a change of 11.38% from the current year. The average household size in your area is 2.20 persons.



INCOME

In 2020, the median household income for your selected geography is \$54,340, compare this to the US average which is currently \$62,990. The median household income for your area has changed by 45.57% since 2000. It is estimated that the median household income in your area will be \$61,883 five years from now, which represents a change of 13.88% from the current year.

The current year per capita income in your area is \$37,214, compare this to the US average, which is \$34,935. The current year average household income in your area is \$82,255, compare this to the US average which is \$90,941.



RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 85.87% White, 9.33% Black, 0.10% Native American and 1.47% Asian/Pacific Islander. Compare these to US averages which are: 69.84% White, 12.88% Black, 0.20% Native American and 5.75% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 6.48% of the current year population in your selected area. Compare this to the US average of 18.38%.



HOUSING

The median housing value in your area was \$281,911 in 2020, compare this to the US average of \$221,068. In 2000, there were 14,407 owner occupied housing units in your area and there were 6,083 renter occupied housing units in your area. The median rent at the time was \$535.



EMPLOYMENT

In 2020, there are 34,601 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 58.03% of employees are employed in white-collar occupations in this geography, and 41.84% are employed in blue-collar occupations. In 2020, unemployment in this area is 4.29%. In 2000, the average time traveled to work was 24.00 minutes.

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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

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BROKER OF RECORD:
RYAN NEE
LICENSE: BK3154667

RONNIE ISSENBERG
Senior Managing Director
Senior Director, National Retail Division
MIAMI OFFICE
Office: (786) 522-7013
Rissenberg@marcusmillichap.com

GABRIEL BRITTI
Senior Managing Director
Senior Director, National Retail Division
MIAMI OFFICE
Office: (786) 522-7017
Gbritti@marcusmillichap.com

Marcus & Millichap
OFFICES NATIONWIDE
www.marcusmillichap.com