

*Legacy Franchisee | New 25-Year Absolute NNN
Sale-Leaseback*

*3470 Mundy Mill Rd,
Gainesville, GA.*

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

Krystal®

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*Krystal Sale-Leaseback | Legacy
Franchisee
Gainesville, GA
ACT ID ZAC 0310136*

*GA BROKER OF RECORD:
Michael Fasano
License: #352663*

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INVESTMENT HIGHLIGHTS

PRICE: \$1,366,907 | CAP: 5.95% | RENT: \$81,331

- *New 25-Year Absolute NNN Lease To Be Executed at Close of Escrow*
- *25-Year Absolute (NNN) Lease - Zero Landlord Responsibilities*
- *Five Years Flat with One-Percent (1.0%) Annual Rent Escalations Starting in Year 6*
- *Tenant Renewal Options: Three (3), Five-Year Options*
- *Located on a Major Thoroughfare*

ABOUT THE BRAND

- *Krystal is the Southeast's longest-standing QSR chain*
- *A Simple, One-of-a-Kind Menu Anchored by the Original, Craveable "Krystal Burger"*
- *Krystal is the Southeast's longest-standing QSR chain that has been in business for over 89 years.*
- *Krystal has over 305 stores in 10 states with over 6,500+ employees and does over \$306 Million in sales volume.*
- *Krystal was recently acquired by Fortress Investment Group & Golden Child Holdings in May of 2020*
- *Fortress manages assets on behalf of approximately 1,800 institutional clients and private investors worldwide totaling approximately \$52.7 billion.*
- *Golden Child is an active investor and manager in the restaurant sector that has extensive turnaround experience.*

Investment Summary

Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 3470 Mundy Mill Rd in Gainesville, Georgia. The site constructed in 2001 consists of 2,218 rentable square feet of building space and sits on an approximately 0.81 acre parcel of land. Krystal is subject to a brand new, 25-year Absolute NNN lease, the starting base rent shall be \$81,331 with 1.0% annual escalations starting in year six. There will be three five-year tenant renewal options with 1.0% annual rental escalations in each of the five-year option periods, extending the total possible lease term to 40 years. The subject property has displayed strong performance throughout its history in Gainesville, as a result The Franville Corporation will execute a new 25-Year Absolute NNN Lease at Close of Escrow.

A History Of Great Taste

Things have changed a lot in the last 87 years or so, but at Krystal, not so much. Even during the Great Depression, founders Rody Davenport Jr. and Glenn Sherrill believed that a good meal at a great price—served with a smile at a clean restaurant—would attract customers and keep them coming back. Krystal has proven them right ever since. Sure, we stick to the classics, but over the years, we’ve never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to our enduring selection of delicious, iconic, little square burgers. Today, as we expand into new markets with new restaurant designs and our unique and tasty menu items, we still deliver a one-of-a-kind taste and experience—one we like to think would make Rody and Glenn proud.

General Information

Founded: 1932

Website: <https://krystal.com/>

Headquarters: Dunwoody, GA

Number of Locations: 305+



About the Tenant-The Franville Corporation

Viewed as one of Krystal's most accomplished and consistent operators, Travis Rogers of the Franville Corporation remains a strong voice within the franchisee community of The Krystal Company.

Historically the Franville Corporation has earned multiple top-honors at Krystal's Annual Franchise Business Convention in Chattanooga, Tennessee. The Franville Corporation is also ranked as a top operator upon Krystal Brand Excellence scores with one of the lowest customer complaint teams in the Company. These scores also show the franchisee group is the highest compliment team.

The much acclaimed success throughout the Franville Corporation has been attributed to Mr. Travis Rogers directly, who was one of the original Krystal franchisees and continues to be directly involved in all of his restaurants.

As a result of the recent growth of the Krystal Company, influence of Golden Child Holdings and evolution of leadership within the organization, Mr. Rogers and his team at Franville are looking at expanding for the first time in several years providing a testament to the loyalty present throughout the Southeast to the traditional Krystal Brand.



Property Summary

THE OFFERING

Property	Krystal Sale-Leaseback Legacy Franchisee
Property Address	3470 Mundy Mill Rd Gainesville, Georgia 30566
Price	\$1,366,907
Capitalization Rate	5.95%
Price/SF	\$616.28

PROPERTY DESCRIPTION

Year Built / Renovated	2001
Gross Leasable Area	2,218 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.81 Acres

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	The Franville Corporation
Rent Increases	1.0% Annual Escalations Starting in Year 6
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	25 Years
Renewable Options	Three Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Taxes, Insurance and Maintenance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$81,331
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Year 1	\$81,331
Year 2	\$81,331
Year 3	\$81,331
Year 4	\$81,331
Year 5	\$81,331
Year 6	\$82,144
Year 7	\$82,965
Year 8	\$83,794
Year 9	\$84,631
Year 10	\$85,477
Year 11	\$86,331
Year 12	\$87,194
Year 13	\$88,065
Year 14	\$88,945
Year 15	\$89,834
Year 16	\$90,732
Year 17	\$91,639
Year 18	\$92,555
Year 19	\$93,480
Year 20	\$94,418
Year 21	\$95,462
Year 22	\$96,416
Year 23	\$97,380
Year 24	\$98,353
Year 25	\$99,336

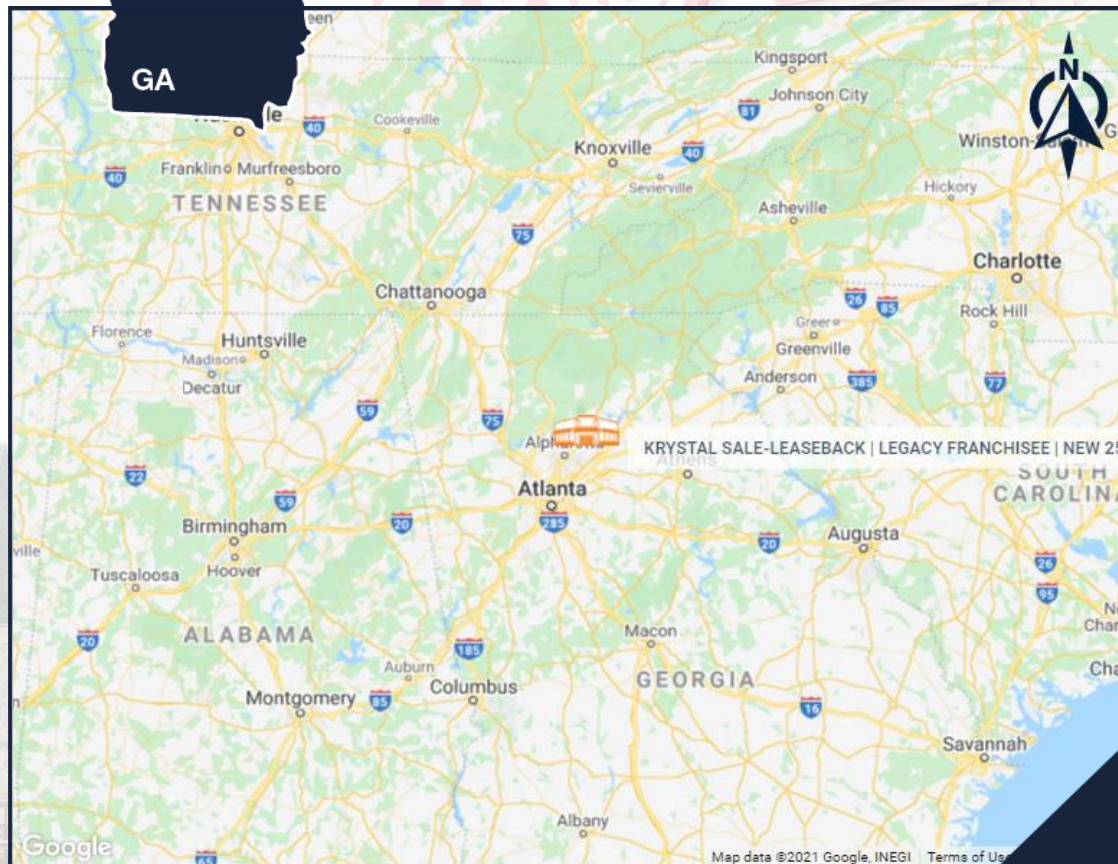


Property Photos



Regional Map

3470 Mundy Mill Rd, Gainesville, GA.



- Strong Demographics
- Proximity to Major Retailers
- Excellent Access and Visibility
- Strategic Location on Major Arterial Hwy
- Within Walking Distance of Area Hotels
- Strong Residential, Industrial and Trade

Krystal®



Airport



Hospital



Downtown



Major Highway



Shopping Center

Aerial Map



Demographics

Created on May 2021

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	3,006	29,964	77,604
■ 2020 Estimate			
Total Population	2,855	28,331	73,405
■ 2010 Census			
Total Population	2,480	24,655	64,309
■ 2000 Census			
Total Population	1,625	18,549	49,371
■ Current Daytime Population			
2020 Estimate	5,461	42,968	96,528
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	1,396	9,785	25,126
■ 2020 Estimate			
Total Households	1,311	9,145	23,536
Average (Mean) Household Size	2.68	2.96	3.03
■ 2010 Census			
Total Households	1,118	7,762	20,148
■ 2000 Census			
Total Households	755	6,168	15,666
■ Occupied Units			
2025 Projection	1,396	9,785	25,126
2020 Estimate	1,471	9,941	25,378
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$150,000 or More	6.16%	8.37%	8.92%
\$100,000 - \$149,000	9.02%	13.45%	14.87%
\$75,000 - \$99,999	11.99%	16.42%	16.11%
\$50,000 - \$74,999	24.38%	22.12%	19.92%
\$35,000 - \$49,999	16.95%	14.42%	14.05%
Under \$35,000	31.48%	25.20%	26.17%
Average Household Income	\$63,674	\$78,335	\$81,798
Median Household Income	\$51,746	\$62,053	\$62,582
Per Capita Income	\$29,239	\$25,290	\$26,441

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$65,017	\$73,156	\$73,407
■ Consumer Expenditure Top 10 Categories			
Housing	\$18,042	\$20,141	\$20,144
Transportation	\$11,123	\$12,445	\$12,370
Shelter	\$9,921	\$11,240	\$11,240
Food	\$7,809	\$8,608	\$8,616
Personal Insurance and Pensions	\$6,489	\$7,596	\$7,620
Health Care	\$4,490	\$5,041	\$4,968
Utilities	\$3,923	\$4,223	\$4,197
Entertainment	\$2,513	\$2,967	\$2,973
Apparel	\$1,978	\$2,251	\$2,304
Household Furnishings and Equipment	\$1,943	\$2,106	\$2,115
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	2,855	28,331	73,405
Under 20	25.32%	28.31%	29.37%
20 to 34 Years	24.95%	22.29%	22.59%
35 to 39 Years	6.78%	6.77%	6.96%
40 to 49 Years	12.93%	13.20%	13.28%
50 to 64 Years	16.81%	17.36%	16.81%
Age 65+	13.22%	12.09%	10.99%
Median Age	34.82	34.57	33.61
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	1,902	18,202	46,428
Elementary (0-8)	10.19%	10.30%	12.20%
Some High School (9-11)	10.89%	10.93%	11.52%
High School Graduate (12)	33.81%	30.43%	28.74%
Some College (13-15)	19.41%	19.15%	18.42%
Associate Degree Only	5.11%	5.55%	5.55%
Bachelors Degree Only	10.59%	12.33%	12.85%
Graduate Degree	5.62%	7.85%	7.54%

About Gainesville, GA

Known as the Queen City of the Mountains and the Poultry Capital, Gainesville's most recent designation as "Hospitality Capital of the World" came when Gainesville hosted the 1996 Olympic rowing/kayaking events.

38,000-acre Lake Sidney Lanier offers many recreational opportunities, including canoe and kayak rentals at the Olympic Venue. Road Atlanta, a world-renowned road racing course is recognized for hosting the Petit Le Mans each year.



Downtown Gainesville is filled with a myriad of shops and restaurants, and marks the beginning of a to-scale model of the solar system. The woodland refuge and museum at Elachee Nature Science Center are located adjacent to the Chicopee Woods Nature Preserve and Chicopee Woods Agricultural Center.

The arts abound at The Arts Council, located in the transformed CSX railroad depot and at the Quinlan Visual Arts Center, located on Historic Green Street. Civil War buffs will want to visit the Piedmont Hotel and the gravesite of Confederate General James Longstreet. Other must-sees are Interactive Neighborhood for Kids and the Northeast Georgia History Center.



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

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