



REPRESENTATIVE PHOTO

**KFC**  
810 SOUTH CRAIG AVENUE  
COVINGTON, VIRGINIA 24426

## OFFERING MEMORANDUM

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**CIA**  
commercial  
investment  
advisors



# INVESTMENT OVERVIEW

KFC  
COVINGTON, VIRGINIA

## KFC

LOCATION	810 South Craig Avenue Covington, Virginia 24426
MAJOR CROSS STREETS	Corner of S Craig Ave & W Chestnut St
TENANT	FQSR, LLC dba. KBP FOODS
PURCHASE PRICE	\$2,366,000
CAP RATE	4.65%
ANNUAL RENT	\$110,000
GROSS LEASEABLE AREA	±2,217 SF
RENTAL ESCALATIONS	7% Every 5 Years
LEASE TYPE	Absolute NNN
OWNERSHIP	(Building & Land) Fee Simple
YEAR BUILT   REMODELED	1993   2018
LOT SIZE	±1.022 Acres
LEASE EXPIRATION	November 30, 2041
OPTIONS	Two 5-Year Renewal Options

## POINTS OF INTEREST

**SHOPPING | ENTERTAINMENT:** Retailers in Covington include Walmart Supercenter, Tractor Supply Co., Dollar Tree, Family Dollar, Food Lion, Schewels Home Furniture, SJ Neathawk Lumber, Cato Fashions, Shoe Show, Goodwill, CVS, Advance Auto Parts, NAPA Auto Parts, Sherwin Williams, T-Mobile, Victra (Verizon), Boost Mobile, etc.; Dining options include McDonald's, Wendy's, Taco Bell, Burger King, Hardee's, Applebee's Grill + Bar, Subway, etc.

**HIGHER EDUCATION:** Less than 11 miles from Dabney S. Lancaster Community College (a public community college offering various degree programs with 981 students) - Across the street from Covington High School (365 students)

**HEALTH CARE:** Less than 8 miles from LewisGale Hospital Alleghany (a general medical & surgical hospital with 205 licensed beds)

## INVESTMENT HIGHLIGHTS

**LEASE:** Brand New 20-Year Absolute NNN Lease with Attractive 7.00% Rental Escalations Every 5 Years!

**TENANT:** KBP Foods (the Largest KFC Franchisee in the U.S.) **Operates ±800 Locations in 30 States** (19% of Locations in the U.S. System) and will Generate Sales in Excess of \$950 Million in 2021 (FQSR, LLC is the Tenant on the Lease, Encompasses All Restaurant Locations)

**SEASONED SALES LOCATION | RECENT REMODEL:** Successfully Open & Operating for Decades with an Attractive 7.67% Rent to Sales Ratio! Recently Remodeled to KFC's Newest "American Showman" Prototype in 2018 - Showing Tenant's Commitment to the Location!

**LARGE PARCEL | TRAFFIC COUNTS:** Situated on a Large ±1.022-Acre Lot with Great Drive-By Visibility from S Craig Ave (Across the Street from Food Lion & CVS) - where Traffic Counts Exceed 6,270 CPD!

**2021 DEMOGRAPHICS (5-MI):** Total Population: 9,345 | Average Household Income: \$68,795



# FINANCIAL ANALYSIS

## SUMMARY

TENANT	FQSR, LLC dba. KBP Foods	LOT SIZE	±1.022 Acres
PURCHASE PRICE	\$2,366,000	EXPENSE REIMBURSEMENT	This is an <b>Absolute NNN lease</b> . Tenant is responsible for all expenses.
CAP RATE	4.65%	FINANCING	All Cash or Buyer to obtain new financing at Close of Escrow.
GROSS LEASABLE AREA	±2,217 SF		
YEAR BUILT   REMODELED	1993   2018		

## RENT ROLL

TENANT INFO		LEASE TERMS		RENT SUMMARY	
TENANT NAME	SQ. FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
FQSR, LLC dba. KBP Foods	2,217	Years 1-5: <b>11/02/21</b> to 11/30/26	Current	\$110,000	4.65%
		Years 6-10: 12/01/26 to 11/30/31	7.00%	\$117,700	4.97%
		Years 11-15: 12/01/31 to 11/30/36	7.00%	\$125,939	5.32%
		Years 16-20: 12/01/36 to <b>11/30/41</b>	7.00%	\$134,755	5.70%
					<b>5.16% AVG ANNUAL RETURN</b>
RENEWAL OPTIONS		1st Option: 12/01/41 to 11/30/46	7.00%	\$144,188	
		2nd Option: 12/01/46 to 11/30/51	7.00%	\$154,281	

KFC | COVINGTON, VIRGINIA

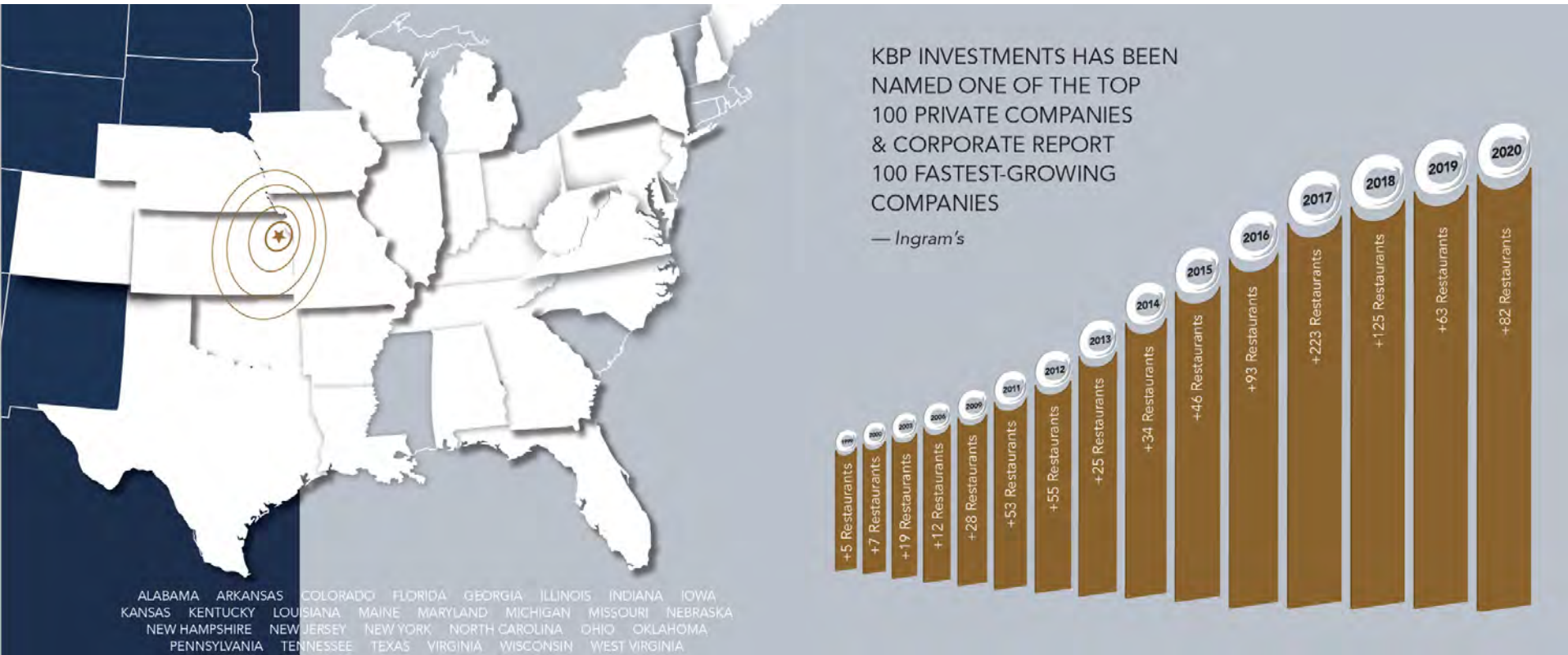


# TENANT OVERVIEW

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**KBP Foods\* operates ±800 restaurants in 30 states** and has Regional Vice Presidents in every major geographical region. The Corporate Office and Restaurant Support Center are located in Overland Park, Kansas.



The success KBP Foods has had with growth through acquisition is directly correlated to diligent selection criteria, prudent and responsible capital structure and industry leading operational talent. Ultimately giving their people significant opportunity to grow themselves personally, professionally and financially.

You can find out more about the Tenant by visiting their website: <https://kbp-foods.com/>

\* Tenant on lease is FQSR, LLC and encompasses all KFC restaurant locations.





# SITE PLAN

**W CHESTNUT ST**  
Variable  
N 55° 57' 00" E 260.32' Dd./Plat  
CPD 2-111

**S CRAIG AVE**  
S 34° 40' 00" E 246.98' Dd./Plat  
4-164 CPD

KFC

VESTED IN:  
Bacon Enterprises, Inc.  
Deed Volume 323 Page 495  
APN: 18-A-5

TOTAL LAND AREA:  
44,513 Square Feet  
1.022 Acres

Chain Link Fence

Now or Formerly:  
C & O Railway Co.  
Book 17, Page: 109  
APN: 18-A-16A

**LOT SIZE**  
±1.022 Acres

**GLA**  
±2,217 SF

## KFC | COVINGTON, VIRGINIA

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**S CRAIG AVE**  
4,164 CPD

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# COVINGTON



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# COVINGTON CITY VIEW



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# LOCATION OVERVIEW



**Covington** is an independent city in the Commonwealth of Virginia. Covington, a city of 6 square miles located in southwest Virginia off Exits 14/16 on Interstate 64 is proud to be the county seat of Alleghany County.

Covington's economy is dominated by **Westrock**, which has been operating in the city since 1899. The facility employs about 1300 workers, mostly from Covington and Alleghany County. Its production includes bleached paper and paperboard for packaging, and is the second largest on the East Coast.

**Covington City Public Schools** consists of Edgemont Primary School, Jeter-Watson Intermediate School, and Covington High School. The district serves a student population of 1,050. Covington also has one State Governors School (Jackson River Governor's School), one technical center for high-school students (Jackson River Technical Center).

Other companies in Covington include: **Ingevity Corporation** (basic chemical manufacturing with 194 employees); **Creative Fabrication** (fabricating metal products for the process industry, equipment manufacturers & construction contractors); **Ferebee-Johnson Company** (machinery, equipment & supplies merchant wholesaler); **Wolseley Industrial Group** (largest supplier of pipe, valves, fittings, integrated services & fasteners/OEM, specializing in delivering automation, instrumentation, engineered products & turn key solutions); **Bacova Guild** (largest producers of printed accent rugs, printed floor mats & bathroom ensembles), etc.

## 2021 DEMOGRAPHICS

	1-MI	3-MI	5-MI
Total Population	2,948	7,760	9,345
Daytime Demographics Age 16+	3,679	8,077	9,134
Population Median Age	41.8	43.5	44.2
Average Household Income	\$58,312	\$65,312	\$68,795



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