

**Krystal**



**\$1,680,000 @ 5.35% Cap**

- ❖ Absolute NNN Lease with +/- 9.5-Years Remaining
- ❖ Lease Guaranteed By the Krystal Company (Corporate)
- ❖ Brick Façade - Nicer than Average Building Exterior
- ❖ Across From Newly Constructed Apartments: 284 Units
- ❖ Annual Rental Increases - Hedge Against Inflation
- ❖ COVID Resistant Business w/ Drive-Thru
- ❖ Located Next to Brand New Aldi Grocery Development
- ❖ MASSIVE Population Growth Throughout Tennessee

SUBJECT PROPERTY PHOTO



216 N. Coast Hwy 101, Encinitas, CA 92024

**9986 U.S. HIGHWAY 64 | LAKELAND, TENNESSEE**

PAUL BONANNO  
(760) 452-2402  
PAUL@NNNSEARCH.COM

ERIK SJOLUND  
(760) 452-2401  
ERIK@NNNSEARCH.COM



In Association  
with TN Broker :

BRIAN BROCKMAN  
(513) 898-1551  
BOR@BANGREALTY.COM

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**[www.NNNsearch.com](http://www.NNNsearch.com)**

# OFFERING OVERVIEW



## **Krystal - Lakeland, Tennessee**

Net Lease Realty Partners is pleased to offer for sale this NNN leased Krystal property in Lakeland, Tennessee. The subject property is under a 15-Year, **Absolute Triple Net (NNN)** Lease, with approximately **9.5 Years of term remaining (Expires June 2031)** and six (6) x 5-Year options to extend. Tenant pays all expenses including RE Taxes, Insurance and CAM. The Lease has annual rental increases - the greater of (i) 1% of annual base rent, or (ii) seven and one-half percent (7.5%) of actual sales (sales to be based on the TTP Trailing Thirteen Periods). The Lease is guaranteed by The Krystal Company which was recently acquired by Fortress Investment Group - a global investment management group with approximately **\$54.2 Billion** in assets under management.

The subject site features frontage on the heavily trafficked **Highway 64 (49,000+ Average Daily Traffic)** and is contiguous to a recently developed Aldi Grocery Store. Directly across from the Krystal site is the recently built Charleston Apartments, a 284 Unit complex with a pool and grounds. The immediate trade area is surrounded by other residential development and approximately 1.5-Mi from Interstate 40 - which connects Memphis to Nashville. There has been a massive population surge throughout the whole state of Tennessee, the state sees approximately 1,000 new residents every day. The Passive (NNN) lease, and lack of State Income Tax in TN make this property a great candidate for out of state and or 1031 Buyer's/investors.

- ❖ **Absolute NNN Lease to Corporate Krystal Burger with ± 9.5-Years Remaining** - The property is currently under an Absolute Triple Net Lease with Zero Landlord responsibilities, Guaranteed by the Krystal Company.
- ❖ **Surrounded by New Retail and Multi-Family Development** - The subject property is very well located amid several new development projects including the Charleston Apartments (284 units) directly across the street, and right next door to a brand-new Aldi Grocery Store
- ❖ **MASSIVE Population Migration to Tennessee** - The state of Tennessee has one of the highest growth rates in the country. With an abundance of jobs, affordable housing and attractions, and **NO STATE INCOME TAX** to top it off, there are over 1,000 new residents moving to Tennessee every day!

PRICE: **\$1,680,000**

NOI: **\$89,886/Year**

Cap Rate: **5.35%**

Remaining Term: **± 9.5 Years**

SUBJECT PROPERTY PHOTO



# PRICING OVERVIEW

SITE ADDRESS:



**9986 US HIGHWAY 64,  
LAKELAND, TN 380160**

ASKING PRICE:

**\$1,680,000**

NET INCOME (NOI):

**\$ 89,886/YEAR**

CAP RATE:

**5.35%**

Gross Leasable Area (GLA):

**1,702 SF**

Current Rent per SF:

**\$41.13/YR**

Lot Size:

**0.86 ACRES**

Year Built:

**2016**

Ownership Type:

**Fee Simple**

Tenant Trade Name:

**Krystal**

Guarantee:

**THE KRYSTAL COMPANY,  
a Tennessee corporation**

Lease Type:

**Absolute Triple Net (NNN)**

Rent Commencement:

**July 1, 2016**

Original Lease Term:

**15-Years**

Lease Expiration:

**June 30, 2031**

Remaining Term:

**+/- 9.5 Years**

Tenant Options:

**(6) X 5 Year Options**

Right of First Refusal:

**Yes**

Rental Increases:

**Annual Base Rent shall increase to the greater of (i) the current Annual Base Rent increased by one percent (1.0%) or (ii) seven and one-half percent (7.5%) of actual sales (sales to be based on the TTP Trailing Thirteen Periods).**







# LOCAL MAP



Logos for Little Caesars, Orangetheory Fitness, and REGIONS.

Logos for Walgreens and McDonald's.



HIGHWAY 64 - 49,000+ ADT

CANADA ROAD - 28,000+ ADT

Logos for Wendy's and Burger King.

Logo for ZIPS Express Car Wash.

Logo for TACO BELL.

Logo for CVS pharmacy.



*The Charleston*  
APARTMENTS  
Newly Constructed - 284 Apartment Units



Logos for DOLLAR GENERAL, O'Reilly AUTO PARTS, and Christian Brothers.



## KRYSTAL - A NEW CHAPTER

Things have changed a lot in the last 90 years or so, but at Krystal, not so much. Founders Rody Davenport Jr. and Glenn Sherrill believe 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. Krystal sticks to the classics, but over the years, the Company has never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to the enduring selection of delicious, iconic, little square burgers.

As Krystal continues to evolve with new restaurant designs and unique and tasty menu items, the Company still delivers matchless taste and experience-one that Krystal likes to think would make Rody and Glenn proud. Though Krystal' nearly 90-year history, the Company has shown brand staying power and remains relevant to consumers as the 2nd oldest QSR brand in the country.

Starting a new chapter, Krystal was acquired by Fortress Investment Group and it's operating partner, Golden Child Holdings in May of 2020. Exploring a new territory while carrying a proven track record from operating over 74 Pizza Huts across New York, Massachusetts, Connecticut, Vermont, New Hampshire, and Maine; Golden Child Holdings has successfully driven sales forward and upward. Both Fortress and Golden Child have strong ties to Atlanta, the South and the Krystal Brand.

As a result of the recent growth of the Krystal Company, the influence of Golden Child Holdings, and the evolution of leadership within the organization; several franchisees and corporate are looking to expand for the first time in several years, providing a testament to the loyalty present throughout the Southeast to the traditional Krystal Brand.

*Nation's  
Restaurant News*

## 2021 MOST INFLUENTIAL RESTAURANT EXECUTIVES IN THE COUNTRY



**Thomas Stager**  
President of Krystal Restaurants LLC



VALU E THE TRUTH  
N OTICE THE WORK  
MAKE INFORMED DECISIONS  
BE ACCOUNT ABLE TO OUR GUESTS  
CROWD AND SOLVE  
FIND A WAY

# AREA OVERVIEW



## ***Lakeland, Tennessee (Memphis MSA)***

Lakeland is a city in Shelby County, Tennessee, and a suburb of Memphis. Shelby County is a county in the U.S. state of Tennessee. As of the 2017 census, the population was 936,961. It is the state's largest county both in terms of population and geographic area. Its county seat is Memphis, a port on the Mississippi River and the second most populous city in Tennessee. The county was named for Governor Isaac Shelby (1750-1826) of Kentucky. Shelby County is part of the Memphis, TN-MS-AR Metropolitan Statistical Area. It is bordered on the west by the Mississippi River. Located within the Mississippi Delta, the county was developed as a center of cotton plantations in the antebellum era, and cotton continued as an important commodity crop well into the 20th century. The economy has become more diversified.

Memphis is the county seat of Shelby County, the most populous county in the state of Tennessee. Memphis is a primary port along the Mississippi River, which has helped the city evolve and develop into a regional center for commerce. The city has become home to various major corporations and three Fortune 500 companies: FedEx, AutoZone and International Paper. With a population of 651,000, Memphis is the second largest city in Tennessee, behind Nashville.

Memphis's central location has helped the city become one of the largest distribution destinations in the US. Memphis International Airport (MEM) is the busiest cargo airport in the world. Intersected by five major freight railroads and two Interstate Highways, Memphis is conveniently located for commerce in the transportation and shipping industry. It has been coined America's Distribution Center as it is one of the largest wholesale and distributing centers in the south. Fortune 500 companies that are headquartered in the city include FedEx, International Paper Company and AutoZone.

Today, the city is renowned for its transportation convenience via highways, railroads, airports and river ports. Memphis benefits from five major expressways: Interstate 40, Interstate 55, Interstate 22, Interstate 240 and Interstate 269. Surpassed only by Hong Kong International Airport, Memphis International Airport is the largest cargo operations in the world and the global super hub of FedEx Express.



# 9986 U.S. HIGHWAY 64 LAKELAND, TENNESSEE



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