

SINGLE TENANT DRIVE-THRU QSR

Absolute NNN Investment Opportunity



3258 Austin Peay Highway

MEMPHIS TENNESSEE

ACTUAL SITE



NATIONAL
NET LEASE
GROUP

EXCLUSIVELY MARKETING BY



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INVESTMENT SUMMARY



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, franchisee guaranteed, drive-thru equipped, Kentucky Fried Chicken investment property located in Memphis, Tennessee. The tenant, Tasty Chick'n Midwest, LLC (40+ unit entity), recently signed a brand new 20-year lease with 4 (5-year) option periods to extend, demonstrating their long-term commitment to the site. The lease features 7.5% 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 and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor.

The subject property is strategically located near the signalized intersection of Austin Peay Highway and Coleman Road, averaging more than 69,900 vehicles passing by daily. The building is equipped with a drive-thru, providing ease and convenience for customers. On average, stores with drive-thrus experience higher sales than those without. The site benefits from nearby direct on/off ramp access to Interstate 40 (93,100 VPD), one of the primary east-west commuter highways traveling into the heart of Downtown Memphis. Located within a dense retail corridor, the asset is nearby to a variety of national/credit tenants including Walmart Supercenter, Kroger, Dollar Tree, Save-A-Lot, dd's Discounts, Conn's HomePlus, and more. Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site. In addition, the subject property is positioned less than 1 mile south of the newly developed Raleigh Springs Civic Center, a 23-acre multiplex comprised of a 17,500 square foot public library, Austin Peay Police Station and Traffic Precinct (38,000 SF), and a 15-acre lake with a one-mile walking trail and skate park. The 5-mile trade area is supported by a population of more than 169,000 residents an 48,500 employees with an average household income of \$58,500.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$3,473,000
Net Operating Income	\$173,653
Cap Rate	5.00%
Guaranty	Franchisee (40+ Unit Entity)
Tenant	Tasty Chick'n Midwest, LLC
Lease Type	Absolute NNN
Landlord Responsibilities	None
Sales Reporting	No

PROPERTY SPECIFICATIONS

Rentable Area	2,312 SF
Land Area	1.19 Acres
Property Address	3258 Austin Peay Highway Memphis, Tennessee 38128
Year Built / Remodeled	1994 / 2017
Parcel Numbers	08-5016-0-0008 & 08-5016-0-0045
Ownership	Fee Simple (Land & Building)



Brand New 20-Year Lease | Franchisee Guaranteed | Scheduled Rental Increases

- The tenant recently signed a brand new 20-year lease with 4 (5-year) option periods to extend, demonstrating their commitment to the site
- Franchisee guaranteed by Tasty Chick'n Midwest, LLC (40+ unit entity)
- 7.5% rental increases every 5 years throughout the initial term and at the beginning of each option, growing NOI and hedging against inflation

Signalized, Hard Corner Intersection | Interstate 40 | Drive-Thru Equipped | Excellent Visibility & Access

- Located near the signalized intersection of Austin Peay Highway and Coleman Road, averaging more than 69,900 vehicles passing by daily
- Nearby direct on/off ramp access to I-40 (93,100 VPD), one of the primary commuter highways traveling into the heart of Downtown Memphis
- Equipped with a drive-thru, providing ease and convenience for customers
- On average, stores with drive-thrus produce higher sales than those without
- Excellent visibility via a large pylon sign and significant street frontage

Dense Retail Corridor | Nearby National/Credit Tenants | Raleigh Springs Civic Center (23-Acre Multi-Plex)

- Nearby national/credit tenants include Walmart Supercenter, Kroger, Dollar Tree, Save-A-Lot, dd's Discounts, Conn's HomePlus, and more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure for the site
- 1 mile south of the newly developed Raleigh Springs Civic Center
- The center is comprised of a 17,500 SF public library, Austin Peay Police Station, and a 15-acre lake with a one-mile walking trail and skate park

Strong Demographics in 5-Mile Trade Area

- More than 169,000 residents and 48,500 employees support the trade area
- \$58,500 average household income

PROPERTY OVERVIEW



Location



Memphis, Tennessee
Shelby County

Parking



There are approximately 29 parking spaces on the owned parcel.
The parking ratio is approximately 12.54 stalls per 1,000 SF of leasable area.

Access



Austin Peay Hwy/St Hwy 14: 2 Access Points
Powers Road: 2 Access Points

Parcel



Parcel Numbers: 08-5016-0-0008 & 08-5016-0-0045
Acres: 1.19
Square Feet: 54,663

Traffic Counts



Austin Peay Hwy/St Hwy 14: 69,900 Vehicles Per Day
State Highway 15: 23,600 Vehicles Per Day
Interstate 40: 93,100 Vehicles Per Day

Construction



Year Built: 1994
Year Remodeled: 2017

Improvements



There is approximately 2,312 SF of existing building area

Zoning



CMU-2: Commercial Mixed-Use

2021 POPULATION	
1 Mile	9,201
3 Miles	65,624
5 Miles	169,342
2021 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$60,783
3 Miles	\$53,751
5 Miles	\$58,501
2021 TOTAL EMPLOYEES	
1 Mile	2,533
3 Miles	14,850
5 Miles	48,741

INTERSTATE 40

93,100
VEHICLES PER DAY

21,300
VEHICLES PER DAY

23,600
VEHICLES PER DAY

30,200
VEHICLES PER DAY

STATE HIGHWAY 15

RALEIGH LAGRANGE RD.

AUSTIN PEAY HWY / STATE HIGHWAY 14

STATE HIGHWAY

CRAIGMONT MIDDLE SCHOOL

CRAIGMONT HIGH SCHOOL

METHODIST NORTH HOSPITAL

Walgreens

Davita
Kidney Care

Walmart
Supercenter
Kroger
DOLLAR TREE

POPEYES

Save a lot
HIBBETT
food stores SPORTS

REGIONS

FAMILY DOLLAR

AutoZone

SONIC
America's Drive-In

Walgreens

DOLLAR GENERAL

bp

McDonald's

THE SALVATION ARMY

BURGER KING

SUNTRUST

FAMILY DOLLAR

SONIC
America's Drive-In

O'Reilly AUTO PARTS

KFC

U-HAUL

ALDI

Lit

Conn's
dd's DISCOUNTS
CITITRENDS

Aaron's
Marshalls

TACO BELL

CAPTAIN D'S
SEAFOOD KITCHEN

THE HOME DEPOT
SHERWIN WILLIAMS

SONIC
America's Drive-In

FAMILY DOLLAR

Durlington
CVS pharmacy

Walgreens

DOLLAR GENERAL
goodwill

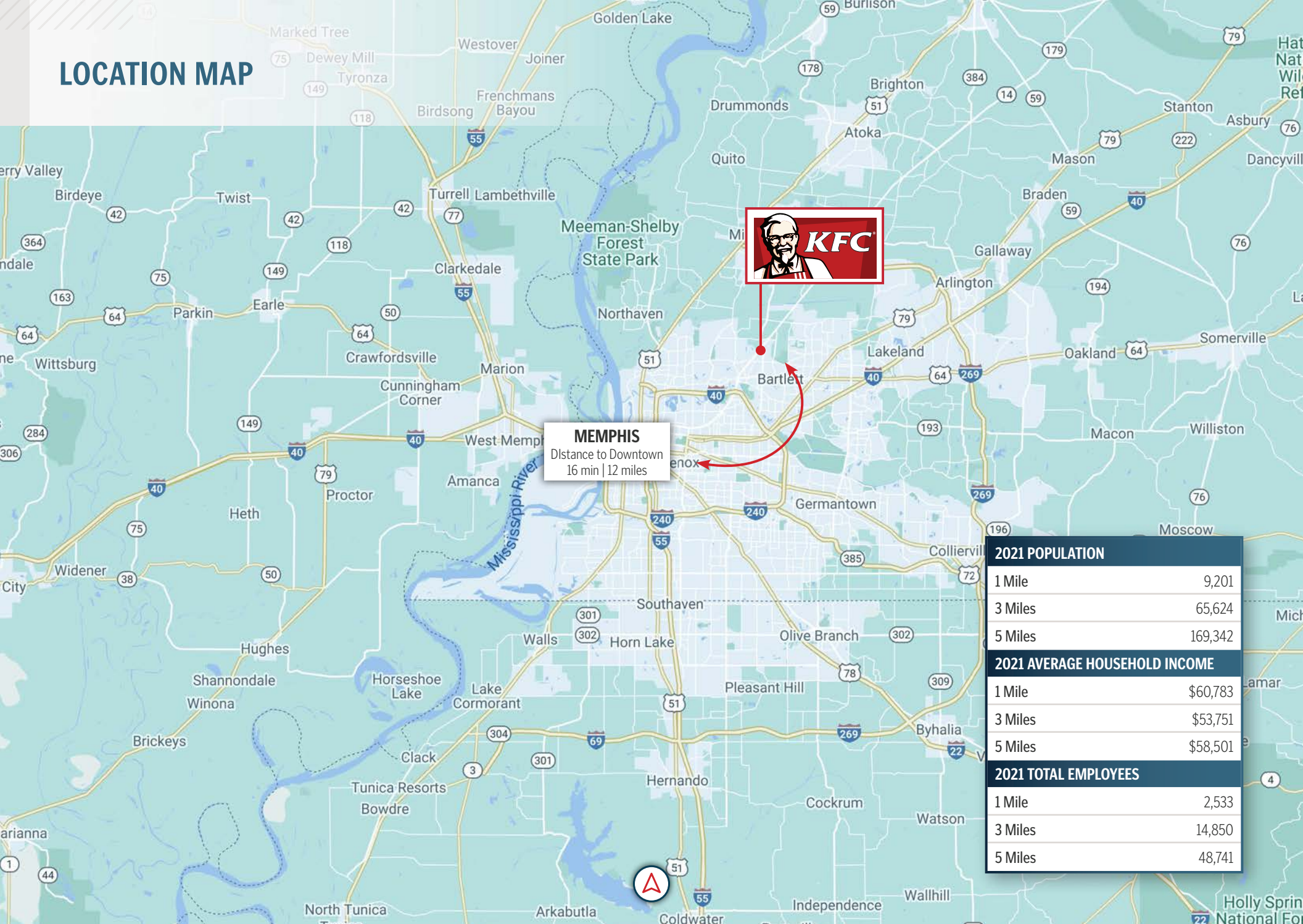
AutoZone

planet fitness





LOCATION MAP



2021 POPULATION	
1 Mile	9,201
3 Miles	65,624
5 Miles	169,342
2021 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$60,783
3 Miles	\$53,751
5 Miles	\$58,501
2021 TOTAL EMPLOYEES	
1 Mile	2,533
3 Miles	14,850
5 Miles	48,741

AREA OVERVIEW



MEMPHIS, TENNESSEE

Memphis is a city in the southwestern corner of the U.S. state of Tennessee and the county seat of Shelby County. The city is located on the fourth Chickasaw Bluff, south of the confluence of the Wolf and Mississippi rivers. It is the largest city on the Mississippi River, the third largest in the greater Southeastern United States, and the 23rd largest in the United States. The City of Memphis is the 2nd largest city in Tennessee with a population of 654,055 as of July 1, 2021.

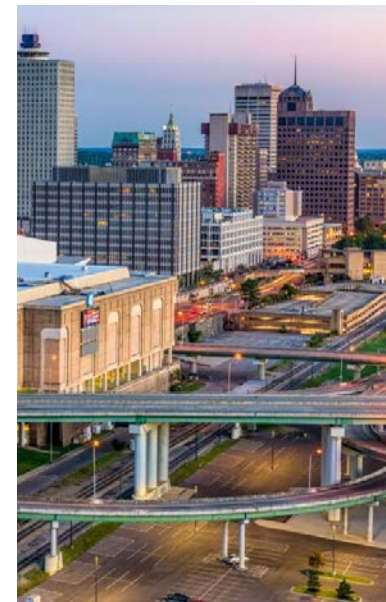
The city's central geographic location has been strategic to its business development. Located on the Mississippi River and intersected by five major freight railroads and two Interstate Highways, I-40 and I-55, Memphis is ideally located for commerce in the transportation and shipping industry. Its access by water was key to its initial development, with steamboats plying the Mississippi river. Railroad construction strengthened its connection to other markets to the east and west. Memphis is a growing city with several major company headquarters, including FedEx, AutoZone and International Paper. The many FedEx packages passing through makes Memphis International Airport the world's busiest cargo airport. High-tech industries, health care and biomedical research are also important segments of the city's economy. Known as the birthplace of the Blues and home of Elvis Presley, Memphis is one of America's top cities for tourism.

Many of the city's cultural attractions revolve around music, including the Memphis Music Hall of Fame (blues), Sun Studio (rockabilly), the Rock 'n' Soul Museum in the Gibson Guitar Plant and Graceland, the residence of Elvis Presley. Memphis also has the National Civil Rights Museum, housed in the former motel where Martin Luther King, Jr. was assassinated in 1968. Popular events include the commemoration of Elvis Presley's death in August, the International Blues Talent Competition in October and WC Handy's birthday in November. And nothing tops Memphis in May, where one of the nation's top barbecue competitions coincides with the Beale Street Music Festival.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2021 Estimated Population	9,201	65,624	169,342
2026 Projected Population	9,155	65,333	168,778
2010 Census Population	9,331	65,888	169,227
HOUSEHOLDS & GROWTH			
2021 Estimated Households	3,200	23,695	61,000
2026 Projected Households	3,170	23,532	60,649
2010 Census Households	3,284	23,915	61,275
RACE & ETHNICITY			
2021 Estimated White	14.25%	23.45%	33.84%
2021 Estimated Black or African American	80.19%	65.58%	55.22%
2021 Estimated Asian or Pacific Islander	0.66%	1.04%	1.61%
2021 Estimated American Indian or Native Alaskan	0.10%	0.22%	0.25%
2021 Estimated Other Races	2.48%	7.04%	7.06%
2021 Estimated Hispanic	4.37%	11.05%	11.62%
INCOME			
2021 Estimated Average Household Income	\$60,783	\$53,751	\$58,501
2021 Estimated Median Household Income	\$50,950	\$40,539	\$42,768
2021 Estimated Per Capita Income	\$21,403	\$19,416	\$21,105
BUSINESSES & EMPLOYEES			
2021 Estimated Total Businesses	292	1,504	4,597
2021 Estimated Total Employees	2,533	14,850	48,741



RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Tasty Chick'n Midwest, LLC	2,312	12/21/2021	12/31/2041	Current	-	\$14,471	\$6.26	\$173,653	\$75.11	Absolute NNN	4 (5-Year)
(Franchisee Guaranty)				12/1/2026	7.5%	\$15,556	\$6.73	\$186,677	\$80.74	7.5% Increase at Beg. of Each Option	
				12/1/2031	7.5%	\$16,723	\$7.23	\$200,678	\$86.80		
				12/1/2036	7.5%	\$17,977	\$7.78	\$215,729	\$93.31		

FINANCIAL INFORMATION

Price	\$3,473,000
Net Operating Income	\$173,653
Cap Rate	5.00%
Lease Type	Absolute NNN

PROPERTY SPECIFICATIONS

Year Built / Remodeled	1994 / 2017
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For financing options and loan quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com

BRAND PROFILE



KFC

kfc.com

Company Type: Subsidiary

Locations: 25,000+

Parent: Yum! Brands

2020 Employees: 38,000

2020 Revenue: \$5.65 Billion

2020 Net Income: \$904 Million

2020 Assets: \$5.85 Billion

Credit Rating: S&P: BB

KFC, a subsidiary of Yum! Brands, Inc. (NYSE: YUM.), is a global chicken 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, a list of secret herbs and spices scratched out on the back of the door to his kitchen. Today KFC still follows Colonel Sanders' formula for success, with real cooks breading and freshly preparing delicious chicken by hand in more than 24,000 restaurants in over 145 countries and territories around the world including more than 600 locations right here in Canada. The company also franchises its restaurants. KFC Corporation was founded in 1952 and is based in Louisville, Kentucky.



SRS

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NET LEASE
GROUP

THE EXCLUSIVE NET LEASE CAPITAL MARKETS TEAM
OF SRS REAL ESTATE PARTNERS

275+

RETAIL
PROFESSIONALS

25+

OFFICES

#1

LARGEST REAL ESTATE
SERVICES FIRM
in North America
exclusively dedicated
to retail

1.7K+

RETAIL
TRANSACTIONS
company-wide
in 2020

500+

NET LEASE
PROPERTIES SOLD
in 2020

\$1.9B

NET LEASE
TRANSACTION VALUE
in 2020

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