

*Pioneer Franchisee | New 25-Year Absolute NNN
Sale-Leaseback
2540 Decherd Blvd,
Decherd, TN 37324*

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

Krystal®

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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

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OFFERING SUMMARY



Listing Price
\$1,604,000



Cap Rate
5.20%

FINANCIAL

Listing Price	\$1,604,000
NOI	\$83,408
Cap Rate	5.30%
Price/SF	\$325.75

OPERATIONAL

Rentable SF	4,924 SF
Lot Size	1.78 Acres
Year Built/Renovated	1996



KRYSTAL SALE-LEASEBACK

2540 Decherd Blvd, Decherd, TN 37324

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 2540 Decherd Blvd in Decherd, TN. The site constructed in 1996 consists of 4,924 rentable square feet of building space and sits on an approximately 1.78 acre parcel of land. Krystal is subject to a brand new, 25-year Absolute NNN lease, the starting base rent shall be \$83,408 with 1.0% annual escalations starting in year six. There will be three five-year tenant renewal options with 1.0% annual rental increases 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 Decherd, as a result WAC Enterprises will execute a new 25-Year Absolute NNN Lease at Close of Escrow.

INVESTMENT HIGHLIGHTS

- New 25-Year Absolute NNN Lease To Be Executed at Close of Escrow
- 25-Year Absolute (NNN) Lease - Zero Landlord Responsibilities
- 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.

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 FRANCHISEE-OPERATOR BACKGROUND

The Hale Group story is truly one of family, growth, wisdom, support, and evolution. Wayne and Carolyn Hale established their company as WAC Enterprises in 1989 when they became the first franchisees of The Krystal Company and opened the first franchise restaurant in Crossville, Tennessee, in 1990. Growing to three units by 1998, the Hales soon acquired another franchisee and thereby connected with operator John Jones, who would become a vital part of the company's success and growth as COO.

Over subsequent years, WAC Enterprises built or acquired several more stores in their demographic footprint of rural East Tennessee, Northeast Alabama, and Northwest Georgia. The company was nine units strong by 2011 when joined by Jimmy Swansbrough, who assisted Mr. Jones in what became an unparalleled growth strategy. Nine units became thirteen, then seventeen, twenty-four, thirty-four, thirty-eight—until by 2020, the Hales found themselves atop a forty-four unit enterprise spanning six states, along with a maintenance company founded in 2015 to service and supply commercial restaurants across the Southeast.

Now known as The Hale Group, this company is the most decorated and respected franchisee of The Krystal Company, having become the cultural backbone of quality and dedication to the Krystal brand for over thirty years. Epitomizing a genuine understanding of growth, success, and consistency, The Hale Group has become the benchmark for establishing a company brand within a historic franchise.

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, Wayne, John, and Jimmy—along with their team—are looking to build for the first time in several years, providing a testament to the loyalty present throughout the Southeast to the traditional Krystal brand.

Krystal Signs First Franchisee

The first franchised Krystal unit will open in Crossville, Tennessee, early in September. Carolyn and Wayne Hale will be the owners of a brand-new Krystal Kwik, which will be built on the pad of Genesis Square shopping center in Crossville.

"I'm glad the Hales are going to be long-term partners for us," said Phil McNeely, vice president of franchising. "We feel the people we award our franchise to are very special. We want to make sure we have a quality program and good people in it. It takes a while to get there, but we're on the move now."

The Hales went through a lengthy selection process, including an application, interview, and a 1½ day "test drive" working in the restaurant, to see if it was really something they wanted to do. After a final interview with the franchise committee, they were awarded the franchise.



Wayne and Carolyn Hale, Krystal's first franchisees, with Phil McNeely, vice president of franchising, and Susan Helton, Rody Sherrill, and Amanda Wills of Real Estate.

"It's a big step for Krystal, and for the Hales," Phil said. "We're going to be holding each other's hands to be sure we're both successful in this." When they're open for business, the Hales will receive ongoing operations support from Krystal, and their restaurant will be shopped by a mystery shopper.

"The Crossville site was chosen because it meets the profile of the kind of city Krystal can be successful in," Phil said. Crossville is a county seat, with a population of more than 30,000, and a number of shops, restaurants and other retail activity.

KRYSTAL SALE-LEASEBACK

2540 Decherd Blvd, Decherd, TN 37324

ABOUT THE KRYSTAL COMPANY | A NEW CHAPTER

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SECTION 2

Property Information

AERIAL MAP

PROPERTY PHOTOS

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DOLLAR TREE
SUBWAY
AutoZone
DAIRY QUEEN
PAPA JOHN'S

CVS
Wendy's

McDonald's
TRACTOR SUPPLY CO
KFC
O'Reilly AUTO PARTS

WINCHESTER

Kroger
TACO BELL
Walgreens

DOLLAR GENERAL

SONIC

Save a lot

Walmart
AMERICAN FREIGHT
HIBBETT SPORTS
Great Clips

ZAXBY'S

THE HOME DEPOT

Decherd Blvd

AADT 22,730+



KRYSTAL SALE-LEASEBACK

PROPERTY PHOTOS //



SECTION 3

Financial Analysis

PRICING DETAILS

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KRYSTAL SALE-LEASEBACK

PRICING DETAILS //

THE OFFERING	
Property	Krystal Sale-Leaseback
Property Address	2540 Decherd Blvd, Decherd, TN 37324
Price	\$1,604,000
Capitalization Rate	5.20%
Price/SF	\$325.75

PROPERTY DESCRIPTION	
Year Built / Renovated	1996
Gross Leasable Area	4,924 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.78 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	WAC Enterprises
Rent Increases	1.00% Annual Escalations
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	At Close of Escrow
Initial Lease Term	25 Years After Close of Escrow
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		\$83,408
Year 1	\$83,408	
Year 2	\$83,408	
Year 3	\$83,408	
Year 4	\$83,408	
Year 5	\$83,408	
Year 6	\$84,242	
Year 7	\$85,085	
Year 8	\$85,935	
Year 9	\$86,795	
Year 10	\$87,663	
Year 11	\$88,539	
Year 12	\$89,425	
Year 13	\$90,319	
Year 14	\$91,222	
Year 15	\$92,134	
Year 16	\$93,056	
Year 17	\$93,986	
Year 18	\$94,926	
Year 19	\$95,875	
Year 20	\$96,834	
Year 21	\$97,802	
Year 22	\$98,780	
Year 23	\$99,768	
Year 24	\$100,766	
Year 25	\$101,774	

SECTION 5

Market Overview

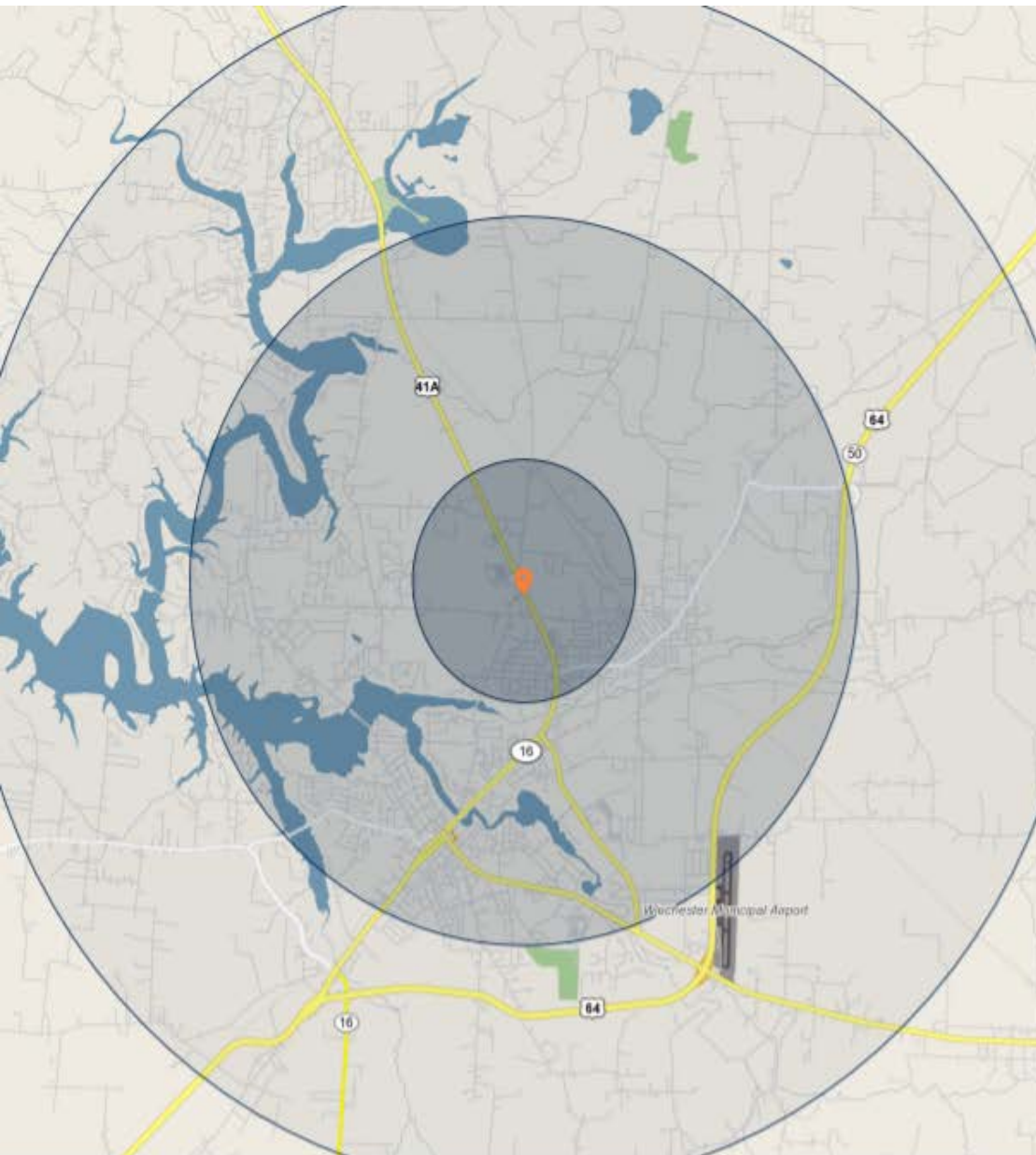
DEMOGRAPHICS

MARKET OVERVIEW

Marcus & Millichap

KRYSTAL SALE-LEASEBACK

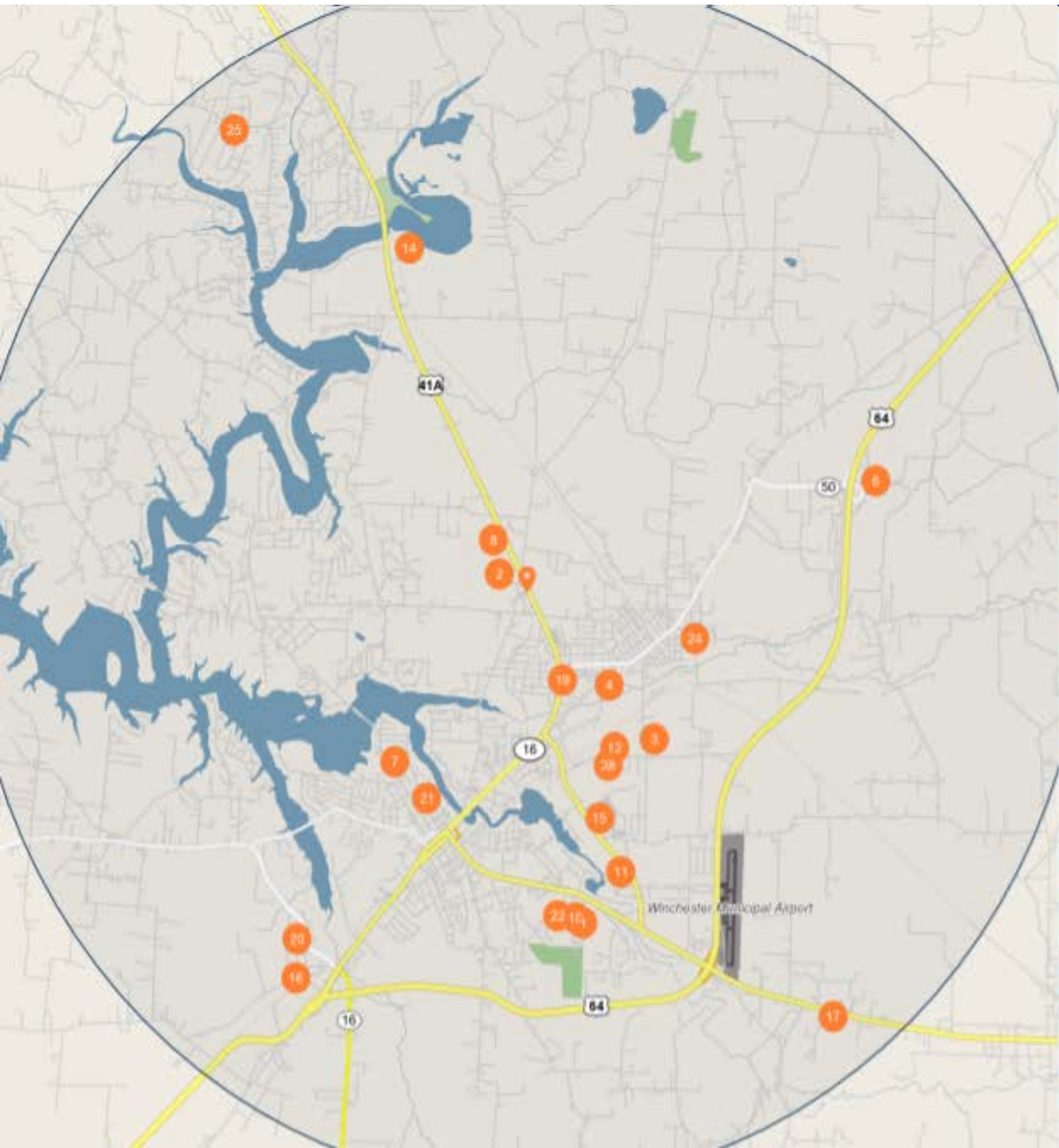
// Demographics



	1 Mile	3 Miles	5 Miles
POPULATION			
2026 Projection	1,321	11,083	19,795
2021 Estimate	1,297	10,867	19,329
2010 Census	1,276	10,666	18,789
2000 Census	1,199	9,998	17,779
HOUSEHOLD INCOME			
Average	\$55,392	\$68,385	\$69,987
Median	\$42,495	\$50,625	\$53,589
Per Capita	\$23,274	\$28,648	\$28,431
HOUSEHOLDS			
2026 Projection	558	4,613	8,033
2021 Estimate	544	4,499	7,784
2010 Census	542	4,463	7,624
2000 Census	524	4,153	7,088
HOUSING			
Median Home Value	\$116,774	\$153,797	\$152,236
EMPLOYMENT			
2021 Daytime Population	1,248	14,352	21,169
2021 Unemployment	5.15%	5.88%	5.06%
Average Time Traveled (Minutes)	21	24	25
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	39.33%	36.45%	37.19%
Some College (13-15)	21.01%	21.51%	21.51%
Associate Degree Only	7.95%	7.18%	7.59%
Bachelor's Degree Only	5.72%	9.97%	10.43%
Graduate Degree	9.18%	8.07%	7.96%

KRYSTAL SALE-LEASEBACK

// Demographics



Major Employers		Employees
1	Capella Disco LLC-Southern Tennessee Medical Ctr	425
2	Walmart Inc-Walmart	300
3	Zanini Tennessee Inc-Zanini	220
4	United Steelworkers-Uswa	216
5	Del-Met Winchester Inc	210
6	Nissan North America Inc-Nissan Power Train Assembly	200
7	Shaw Industries Group Inc-Armstrong E & B Carpet Mills	193
8	Home Depot USA Inc-Home Depot The	165
9	Baxter Enterprises LLC	141
10	American Esoteric Laboratories	135
11	Beaver Dam Health Care Center	120
12	Tank Wind-Down Corp-Columbian Tech Tank	120
13	Mountnview Rhblttion Nrsing CT-Golden Living Center	112
14	Universal Technologies Inc-U T I	110
15	Franklin County School Dst-Franklin County High School	110
16	Elk Valley Bee Keepers Assn	99
17	Diversatech Plastics Group LLC-Diversatech Plastics	90
18	Waters of Winchester LLC	83
19	Kroger Co-Kroger	80
20	Tennessee Military Department-Army National Guard	80
21	Franklin County School Dst-Clark Memorial Elementary Schl	80
22	Sunbridge Retirement-Winchester Center	75
23	Hi-Tech Mold & Engineering Inc-Hi-Tech Mold & Engineering SE	75
24	Franklin County School Dst-Decherd Elementary School	66
25	Franklin County School Dst-Rock Creek Elementary School	66

KRYSTAL SALE-LEASEBACK

// Market Overview

ABOUT DECHERD, TN

Decherd owes its beginning to the Nashville and Chattanooga Railroad which was completed in 1851 through what was to become the town of Decherd. Decherd is proud of its three largest employers, Nissan Power Train Assembly, Kroger and Henley Supply & Millworks. They have two schools; North Middle School and the before mentioned Decherd Elementary. Decherd's Lions Club has been active since 1957 providing glasses and eye screenings to the citizens. There is two city parks that provide picnic areas, walking trails, softball and playgrounds for all to enjoy.

The Nissan Decherd Regional Training Center is a 21,000 square-foot facility located within the existing Nissan powertrain assembly complex in Decherd. It has 13 training areas with capacity to train nearly 200 employees simultaneously in the areas of powertrain production, engineering and maintenance. Nissan Decherd Powertrain Plant is one of the highest-volume powertrain plants in the U.S., with capacity to assemble 1 million engines annually. The plant employs 1,700 people and has assembled nearly 14 million engines since opening in 1997.



The 24,550-acre South Cumberland State Park is one of Tennessee's newer state parks. Portions of the park are found in four counties: Franklin, Marion, Grundy and Sequatchie. The Fiery Gizzard Trail is a 12-mile trail that is often ranked among the top two-dozen hiking trails in the country. This trail rewards hikers with memorable views of cascading brooks, unusual rock formations, waterfalls, lush forests and panoramic views. Sewanee Natural Bridge is a picturesque sandstone arch that is found above an 18,000-acre natural depression called Lost Cove. Grundy Lakes offers swimming, picnicking, hiking and fishing opportunities. There are also 110 backcountry campsites scattered throughout this expansive park.

SECTION 5

About The Team

ANDREW JAWORSKI

LOU TIBOLLA

TAREK CHBEIR

About The Team



Lou Tibolla

Associate

Lou Tibolla is a Florida state licensed investment associate with over 30 years of experience in real estate. Born and raised in New Jersey, Lou prides himself on creating long-lasting client relationships using his extensive market knowledge. Focused exclusively on retail & net leased in the firm's Orlando office, Lou dedicates his time to ensuring essential information is provided to produce the optimal outcome for his client and their portfolio.

As a seasoned real estate professional, Lou's success was built on years of unrelenting work on the behalf of his clients with a focus on providing quality services to not only build but maintain those relationships. His tenacity and passion for real estate is directly translated into his work and will continue to do so as his career progresses.



Andrew Jaworski

Senior Associate

Hailing from New York State, Andrew Jaworski remains one of the most aggressive brokers in the Orlando Office, focusing strictly on retail and net-leased properties. The majority of his time is dedicated towards assisting franchisees and corporations creatively structure sale-leaseback transactions as a means of helping them expand their footprint. Andrew began his career with Marcus & Millichap as an intern during his final year at Rollins College while pursuing his Master's in Healthcare Administration.

Throughout this time, Andrew began studying the net-leased marketplace and growth trends throughout the South-Eastern United States, specifically quick-service restaurants (QSR's), pharmacies, automotive retail, and banks. Upon graduation, he expanded his research to other major counties throughout Florida. He has since expanded his reach, spanning back to his roots in New York where he travels frequently, building relationships with NNN buyers, sellers, and developers.



Tarek Chbeir

Associate

Tarek Chbeir is a Single and Multi-tenant Retail Investment specialist in the firm's Orlando office. Focusing strictly on Single and Multi-tenant retail properties, Tarek exclusively represents property owners throughout the Florida region, providing clients with professional, responsive, and attentive advisory services through active research, investment sales, and updates through Marcus and Millichap Capital corporation.

Tarek has years of experience in the real estate industry, and prides himself in providing each and every client with a consistent quality service through Marcus and Millichap. Surpassing expectations and achieving the desired result is our primary motivation.

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Krystal®

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