



7-Eleven with Dual Restaurant

\$7,550,133 | 5.25% CAP

5226 Hwy 153, Chattanooga, TN 37343

- ✓ **Projected Rent Commencement:** June 2023
- ✓ **Brand New 15-Year Absolute NNN Lease** with 7.5% Rent Bumps Every 5 Years.
- ✓ **Large Format 7-Eleven Featuring Dual Restaurant** - Raise the Roost Chicken, Laredo Taco, and 8 MPDs.
- ✓ **Highway Location Surrounded by National Retailers** – On Hwy 153 (56K+ VPD) near Starbucks, Chipotle, and Smoothie King.
- ✓ **Chattanooga, TN Location** – the Fastest Growing City in Tennessee with a Metro Population of Over 430,000.

7-Eleven, Inc. is the premier name and **largest chain in the convenience-retailing industry**. Based in Irving, Texas, 7-Eleven operates, franchises and/or licenses **more than 83,000 stores in 18 countries**.



INVESTMENT OVERVIEW

7-ELEVEN CHATTANOOGA, TN



FILE PHOTO

CONTACT FOR DETAILS

Teddy Leonard

Vice President
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tleonard@securenetlease.com

TN Broker of Record: Jeff Browning
License #: 271829

\$7,550,133

5.25% CAP

NOI

\$396,382

Building Area

±5,464 SF

Land Area

±1.56 AC

Year Built

2023

Lease Type

Abs. NNN

Occupancy

100%

- ✓ **Projected Rent Commencement:** June 2023
- ✓ **Brand New 15-Year Absolute NNN Corporate Lease** with 7.5% Rental Increases and (4) 5-Year Option Periods.
- ✓ **Large Format 7-Eleven with Dual Restaurants.** New store will feature 7-Eleven's two restaurant concepts, Laredo Taco and Raise the Roost Chicken & Biscuits, 8 MPDs on site, and 57 parking spaces.
- ✓ **Strategic Highway Location with R100 Access and Strong Traffic Counts.** Subject property is located on State Hwy 153 (56,387 VPD) near the signalized intersection of Highway 153 and Hamill Rd (70,702 combined VPD).
- ✓ **Anchored by Starbucks, Chipotle and Smoothie King** - and shadow anchored by CVS. Other nearby retailers include, Orange Theory, Crunch Fitness, Take 5 Oil Change, IHOP, and First Watch.
- ✓ **Subject Property is also Anchored by CHI Memorial Hospital Hixson** - The 73-bed hospital is part of the CHI Memorial integrated health system with over 3,500 employees serving southeast Tennessee and northwest Georgia.
- ✓ **Approximately 1 Mile from Kordsa** - a global leader in the production of auto and aircraft tire reinforcement. Kordsa is responsible for reinforcing 1 out of every 3 automobile tires as well as 2 out of every 3 aircraft tires globally and has 13 facilities across 4 continents with over 5,100 employees.
- ✓ **Chattanooga was the Fastest Growing City in Tennessee** with a growth rate of 0.94% in 2022 and a metro population of 430,000 residents.

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SECURE
NET LEASE

TENANT OVERVIEW

7-ELEVEN CHATTANOOGA, TN

7-Eleven

REVENUE

\$36.1+ B

CREDIT RATING

A

LOCATIONS

83,000+

STOCK TICKER

SVNDY

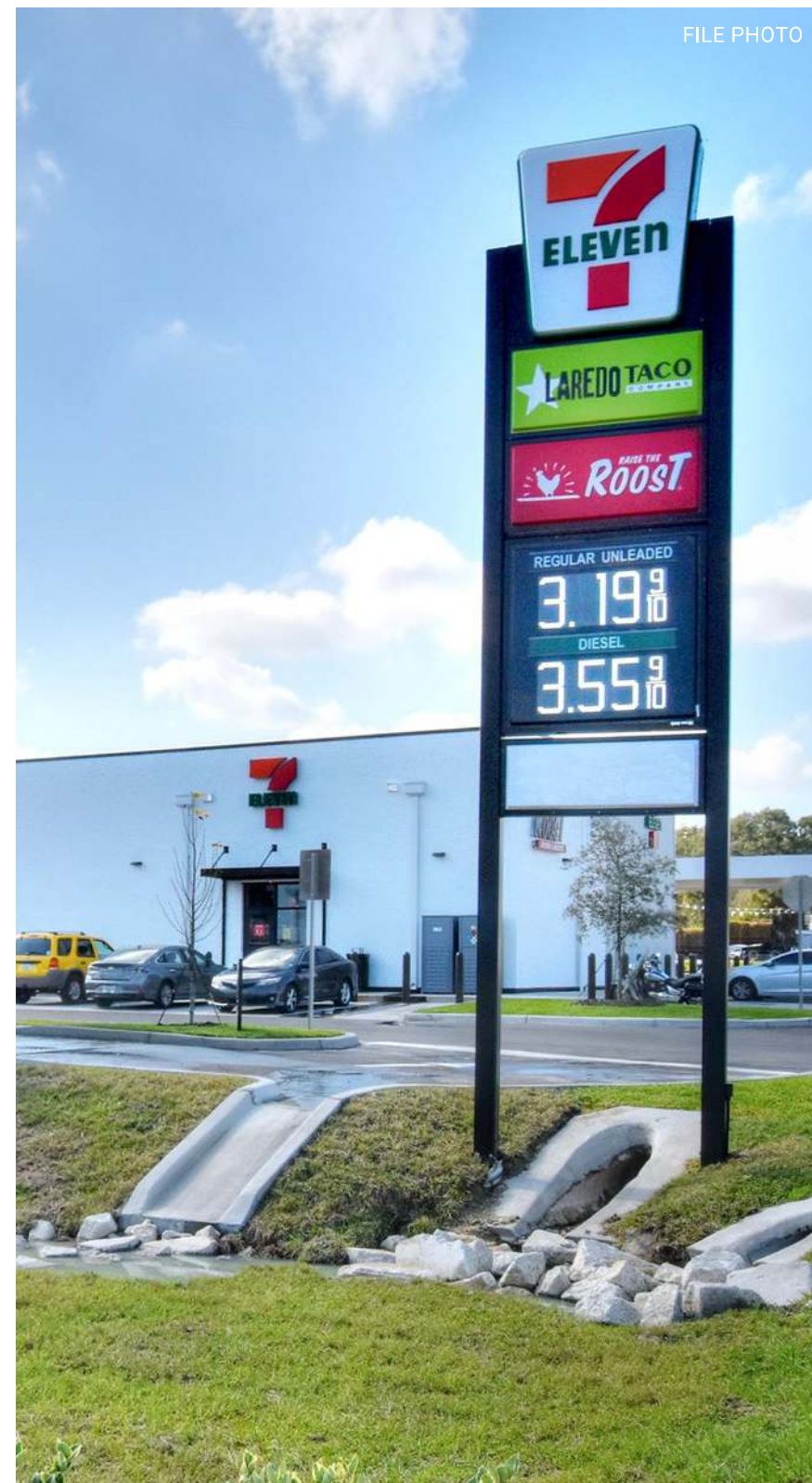


[7-eleven.com](https://www.7-eleven.com)

7-Eleven, Inc. is the premier name in the convenience-retailing industry. Based in Irving, Texas, 7-Eleven operates, franchises and/or licenses more than 13,000 stores in the U.S. and Canada, while also serving over 83,000 stores in 18 countries & regions.

7-Eleven won several **awards in 2022**, including being named the **#1 C-Store Chain by Convenience Store** News. Their annual list compiles the industry's top performing chains throughout the year and acts as a tool that highlights trends in the industry. As **the largest chain** in the C-Store industry, 7-Eleven continued to lead in 2022. 7-Eleven also earned the number one spot in 2019 and 2020.

As proud founders of the world's first convenience store, 7-Eleven's **top priority** has always been to **give customers** the most convenient experience possible to consistently meet their needs. 7-Eleven aims to be a one-stop shop for consumers – a place people can always rely on to **deliver what they want, when, where and how they want it**. This goal continues to **shape 7-Eleven's ethos**, driving 7-Eleven's **expansion** into operating Speedway®, Stripes®, Laredo Taco Company® and Raise the Roost® Chicken and Biscuits, with locations, as well as **proprietary products and services** including 7NOW®, 7Rewards®, Speedy Rewards® and 7-Eleven Fleet™, **throughout the U.S.**



IN THE NEWS

7-ELEVEN CHATTANOOGA, TN

7-Eleven Unveils Latest Evolution Store in Dallas

JUNE 06, 2022 (SUPERMARKET NEWS)

7-Eleven's next-generation Evolution Stores have always included a restaurant component, and the newest location in Dallas is no different.

Laredo Taco Company serves **tacos on fresh-made flour tortillas**, and its signature salsa bar with a wide selection of salsas and toppings, such as salsa roja, salsa verde, creamy cilantro and habanero. **Specialty dishes** include fajitas, chorizo, carne asada, carnitas and breakfast tacos made with fresh-cracked eggs. And there's another reason the **new location inside 7-Eleven** should appeal to customers who can't get enough Tex-Mex cuisine: Unlike other Laredo Taco Company restaurants, this one **offers an extended covered patio** for customers who like **outdoor seating, frozen margaritas and beer on tap**.

The Irving, Texas-based convenience store giant on Friday unveiled its fifth Evolution Store in the Dallas-Fort Worth area, located at the corner of Preston Road and Alpha Road in Dallas. The new store boasts a Laredo Taco Company restaurant, the popular south Texas concept known for its authentic flavors of the Texas and Mexico border, and features customizable beverage options, a premium cigar humidor and the latest digital innovations, according to the company.

"We're excited to **unveil the next iteration of the 7-Eleven Evolution Store in Dallas**, offering an assortment of **curated products, services** and features that are customized to the neighborhood and customers we serve," Molly Long, vice president of store evolution and design at 7-Eleven, said in a statement. "The customer is getting the convenience they expect from 7-Eleven coupled with a **delicious, restaurant-quality dining option and unique and innovative beverages**."

EXPLORE ARTICLE



7-Eleven Tops Best Grocery Store List

MATTHEW STERN, DECEMBER 12, 2022 (RETAIL WIRE)

These days, the favorite grocery store in the U.S. is not even a supermarket, a new survey says.

Based on research from YouGov, Convenience store chain 7-Eleven is the most **popular place for people in the U.S.** to get their **groceries**, according to Eat This, Not That. With a 62 percent popularity rating, the **retailer beat out discounter Aldi and supermarket giant Kroger** (which both had a 61 percent rating).

Trader Joe's and Whole Foods came in **fourth and fifth on the list** (at 58 percent and 53 percent, respectively). Albertsons and Piggly Wiggly also made an appearance, as well as other convenience stores including Circle K and **7-Eleven-owned Speedway**. Millennials, in particular, **favor 7-Eleven more** than Baby Boomers and Generation Xers, who preferred to shop at Kroger. And **men chose 7-Eleven more than women**, who were bigger fans of Aldi.

Convenience stores have become a more popular meal destination at a time when inflation is driving people to be more cost conscious, as a PYMNTS article explores. Low-income consumers have been turning to food pickup from c-stores rather than pricier delivery.

Foodservice is a point of emphasis at **7-Eleven**, but has not been its sole focus. The chain recently opened its **ninth "Evolution" store in the country and fifth in the Dallas-Fort Worth area**. This particular location features **an in-store Laredo Taco Company restaurant, custom beverages and even a premium cigar humidor**. 7-Eleven Evolution stores are meant as testing grounds for **new technologies** and offerings, and gives the **retailer an opportunity to tweak product and design** in response to customer feedback.

EXPLORE ARTICLE



LEASE OVERVIEW

7-ELEVEN CHATTANOOGA, TN

Initial Lease Term	15 Years
Rent Commencement	Est. June 2023
Lease Expiration	Est. June 2038
Lease Type	NNN
Rent Increases	7.5% Increase Every 5 Years, In Primary and Options
Annual Rent YRS 1-5	\$396,382.08
Annual Rent YRS 6-10	\$426,110.04
Annual Rent YRS 11-15	\$458,068.08
Option 1	\$492,424.08
Option 2	\$529,355.04
Option 3	\$569,057.04
Option 4	\$611,736.24

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POTENTIAL BONUS DEPRECIATION

7-ELEVEN CHATTANOOGA, TN

| Tax Saving Benefits Through Cost Segregation

A Cost Segregation Study will in many cases provide you with significant benefits by accelerating depreciation deductions in the early years of ownership. The Tax Cut and Jobs Act of 2017 provided for Bonus Depreciation to be applied to any acquired property for assets that had a tax recovery period of 20 years or less. The rate of Bonus Depreciation was at 100% until the end of 2022 and has been reduced to 80% for 2023 and will

continue to reduce by 20% each year. A convenience store that recognizes more than 50% of its gross receipts from petroleum sales is assigned a tax recovery period of 15-years, making it eligible for bonus depreciation treatment. Due to certain state depreciation rules, a Cost Segregation Study should still be considered to identify 5-year property as well. If the convenience store does not meet the revenue test for petroleum sales, the

Cost Segregation

starting point for the recovery period is 39-years. The Cost Segregation study will identify 5 and 15-year property that will support taking accelerated depreciation deductions, including Bonus Depreciation. It should be noted that any unused Bonus Depreciation deductions can be carried forward to future tax years. The benefits related to either scenario are illustrated below:



| Benefits

Greater than 50% Petro

Purchase Price	\$6M	\$7M	\$8M	\$9M	\$10M
Year One Additional Deduction	\$3.9M	\$4.6M	\$5.2M	\$5.9M	\$6.5M
Year One Tax Savings	\$1.5M	\$1.8M	\$2.0M	\$2.3M	\$2.5M
5 Year PV	\$1.5M	\$1.8M	\$2.0M	\$2.3M	\$2.5M

Less than 50% Petro

Year One Additional Deduction	\$2.0M	\$2.2M	\$2.6M	\$2.9M	\$3.2M
Year One Tax Savings	\$771K	\$900K	\$1.0M	\$1.2M	\$1.3M
5 Year PV	\$790K	\$922K	\$1.1M	\$1.2M	\$1.3M

Illustration assumes 20% or purchase allocated to land, 40% blended tax rate. Estimates of benefit provided by Source Advisors www.sourceadvisors.com and are for illustrative purposes. Contact your CPA or tax advisor for usability of deductions.

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HIGHWAY 153
+56,387 WPD

five BELOW
Party City
petco
Marshall's
Walmart
Supercenter
SHOE CARNIVAL
burkes OUTLET
BUFFALO WILD WINGS
2ND & CHARLES
Chick-fil-*e*

HIXSON HIGH SCHOOL
(880 STUDENTS)
HIXSON MIDDLE SCHOOL
(608 STUDENTS)

319
HIXSON PIKE
+30,682 WPD

CITGO
cricket wireless
AT&T
TARGET
CATO
PET SMART
BEST BUY
BED BATH & BEYOND
Olive Garden
Applebee's
LONGHORN STEAKHOUSE

Public Storage
DISCOUNT TIRE
Batteries + Bulbs
FARMERS INSURANCE

Advance Auto Parts
the Vitamin Shoppe

Little Caesars
Jersey Mike's
MOE's
ALDI
GOLDEN PONY

Valvoline
FOOD CITY
Wendy's

Public Storage

MATTRESS FIRM

Walgreens

Public Storage

HOBBY LOBBY
DOLLAR TREE
STAPLES
AMERICAN FREIGHT
ASHLEY
WAFFLE HOUSE
McDonald's

TACO BELL
DQ
cicis pizza
Advance America
planet fitness

DQ

Lowe's

THE HOME DEPOT

AutoZone

FIVE GUYS
BURGERS and FRIES
SHERWIN WILLIAMS

GOODYEAR

Ford

9
goodwill

ZAXBY'S

CHUCK E. CHEESE

NTE
HARBOR FREIGHT TOOLS
DOLLAR GENERAL

DUNKIN'
KFC

OLLIE'S OUTLET
GOOD STUFF CHEAP
Gabe's
home OUTLET
Kitchens, Baths, Floors & More

NORTHGATE MALL

Bargain Hunt
CRACK
CUPCAKE

AMERICAN EAGLE
Burlington
TJ-maxx
SHOE DEPT.
Michaels
HIBBETT SPORTS
Chick-fil-*e*
OUTBACK STEAKHOUSE
OLD NAVY
ROSS DRESS FOR LESS
belk
ULTA BEAUTY
Arby's
Panera BREAD
chili's

Quality INN

BURGER KING

SUBWAY

Logan's ROADHOUSE

SMOOTHIE KING

HAYHILL ROAD
+38,673 WPD

7-ELEVEN
SUBJECT PROPERTY
5226 HWY. 153

Walmart Neighborhood Market
Tuesday Morning
PET SUPPLIES PLUS
FARMERS home FURNITURE
DOLLAR TREE
BIG LOTS!

LifeStorage
TACO BELL

McDonald's

SONIC

enterprise

Hampton Inn

LA QUINTA BY HYATT

Orangetheory FITNESS

IHOP

CVS pharmacy






Valvoline

DUPONT ELEMENTARY SCHOOL
(296 STUDENTS)

153
+56,387 WPD

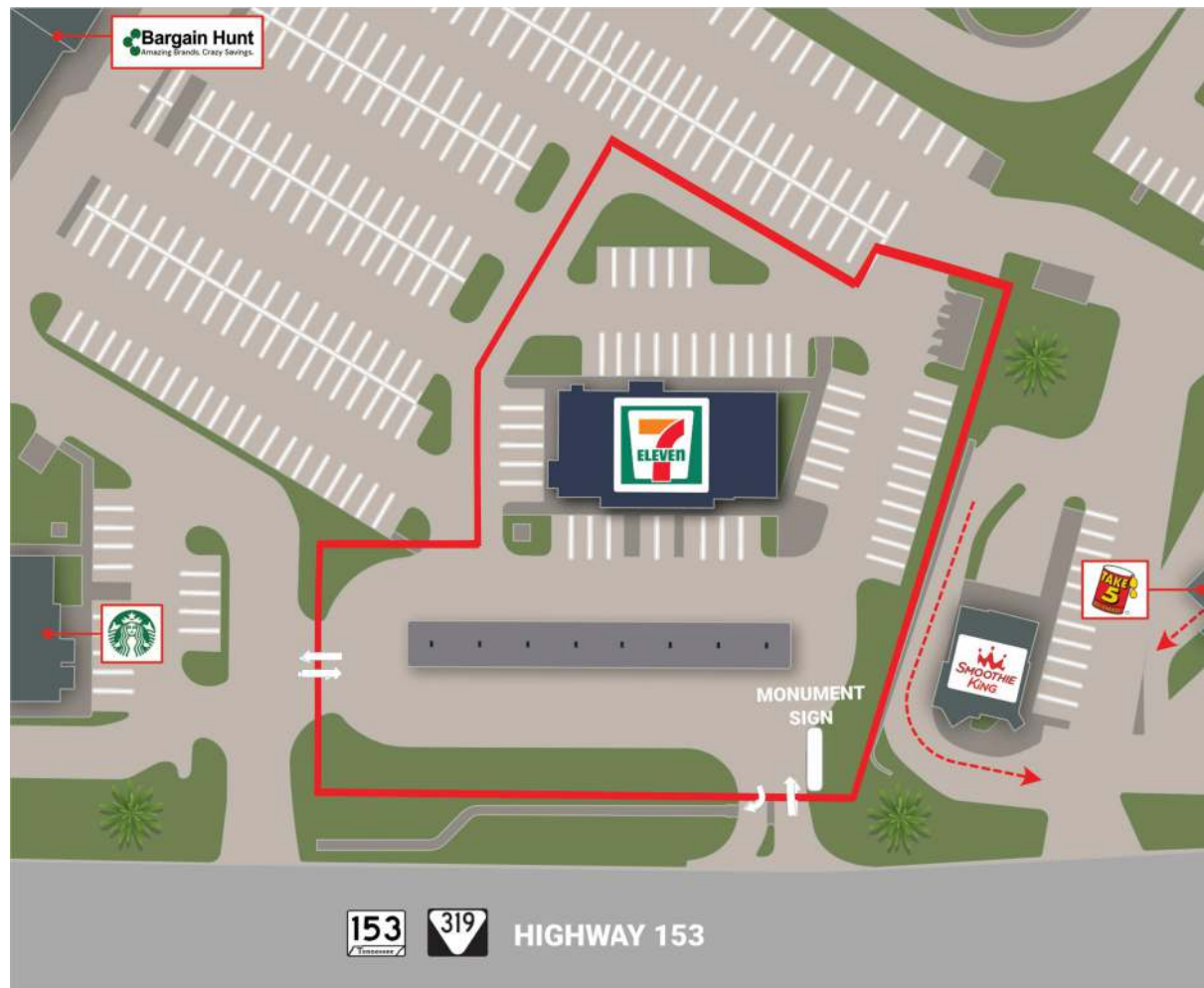
SITE OVERVIEW

7-ELEVEN CHATTANOOGA, TN

	Year Built	2023
	Building Area	±5,464 SF
	Land Area	±1.56 AC
	Pumps	8
	Fueling Positions	16

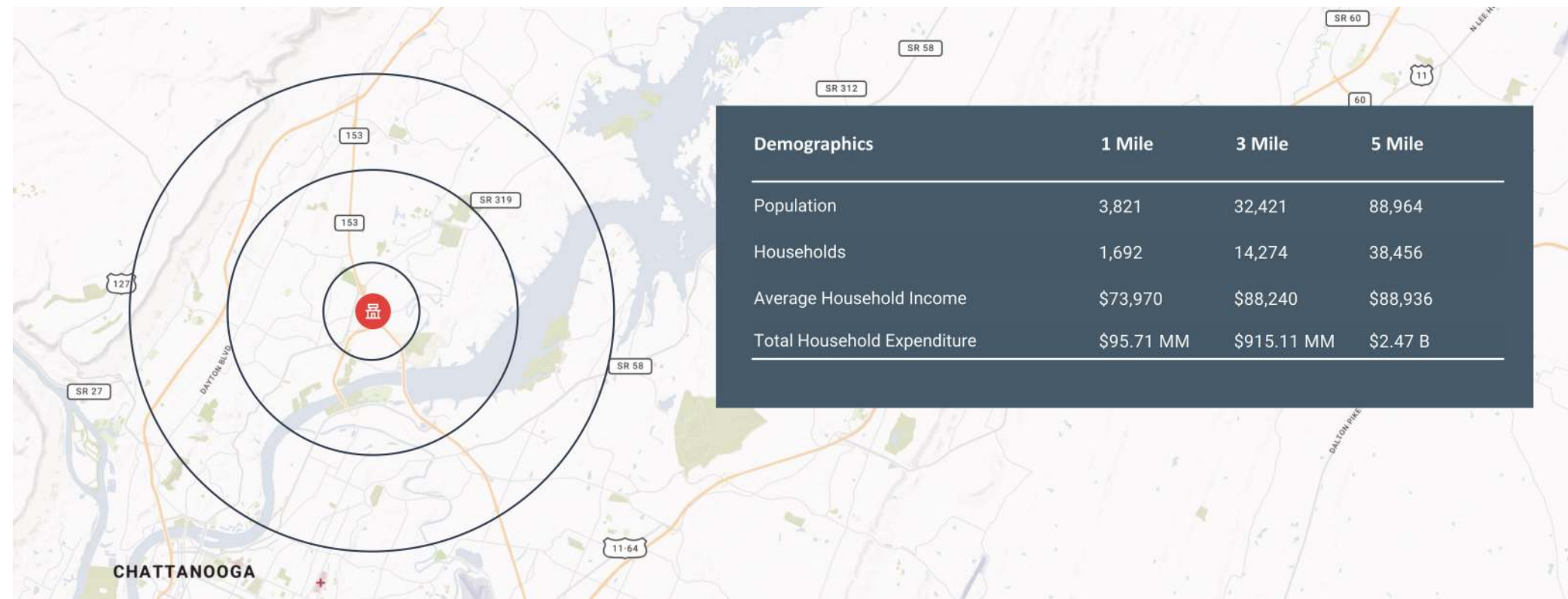
NEIGHBORING RETAILERS

- Bargain Hunt
- Crunch Fitness
- Food City
- CVS
- IHOP
- T.J. Maxx
- Michaels
- Ross Dress for Less
- Burlington
- Belk
- Walmart Neighborhood Market



LOCATION OVERVIEW

7-ELEVEN CHATTANOOGA, TN



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

1. Hamilton County Schools (4,980)
2. BlueCross BlueShield of Tennessee (4,855)
3. Erlanger Health System (4,852)
4. CHI Memorial (3,549)
5. Tennessee Valley Authority (3,431)
6. Volkswagen Chattanooga (2,982)
7. McKee Foods Corporation (2,928)
8. Unum (2,800)
9. Amazon.com Services (2,518)
10. City of Chattanooga (2,217)

LOCATION OVERVIEW

7-ELEVEN CHATTANOOGA, TN

Chattanooga

Tennessee



182,113

Population



\$50,437

Median Household Income



Chattanooga's
Unemployment Rate is
2.9%, which is Less Than
the National Average

2.9%

Birthplace of the Tasty
Snack Cake

MoonPies

Nestled in a bend of the Tennessee River and surrounded by mountains and lakes, Chattanooga is so beautiful that it inspired a community quest to make it the best mid-sized city in America.

Living in Chattanooga means that outdoor views and adventures are around every corner, but the city is much more than a pretty playground.

Chattanooga was the Fastest Growing City in Tennessee with a growth rate of 0.94% in 2022 and a metro population of 430,000 residents.

Over the last four decades, it has been winning acclaim for its unique way of working together to produce national best practices for cleaning up air pollution,

downtown revitalization, affordable housing, and much more.

Founded as a ferry landing and warehouse site in 1815, the City of Chattanooga was incorporated under State of Tennessee Private Acts of 1839. The City is the county seat of Hamilton County and is located near the southeastern corner of the state on the Tennessee-Georgia border. Chattanooga is centrally located in relation to other major population centers of the southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama; and Atlanta, Georgia. Over 11 million people live within a 2 to 2½ hour drive of Chattanooga.

Chattanooga enjoys strategic advantages related to its location, strong transportation system, natural resources and competitive cost of doing business. The Chattanooga area is served by three interstate highways, seven U.S. highways, two railways, airlines, bus service, and the Tennessee River system. The Thrive Regional Partnership, comprised of 16 area counties, has partnered with the Federal Highway Administration to develop a long-range transportation plan for the Chattanooga region, ensuring continued transportation needs are met.

IN THE NEWS

7-ELEVEN CHATTANOOGA, TN

Report: Chattanooga is the fastest-growing city in Tennessee

AUGUST 16, 2022 (WDEF NEWS)

For every 100 residents moving out of Chattanooga, the report by moveBuddha says 306 are moving in

A new report says Chattanooga is the **fastest growing city** in the state of Tennessee. In the movie "Field of Dreams," lead character Ray Kinsella is haunted by a voice that says "If you build it, they will come." That seems to be **true locally**. A study by moveBuddha says for every hundred people moving out of Chattanooga, 306 are **moving in...and with good reason**.

Derek English, the president of the Greater Chattanooga Realtors Association, explains, "We're finding the migratory trends to Chattanooga seem to be leading the state. And there's a few reasons for that. Obviously, the state of Tennessee does not have an income tax. The cost of living in Chattanooga is about as low as any other part of the state. So, if you're moving from other parts of the country, where the values of the homes may be higher, when people sell in another state to move to Tennessee, they're finding more value for their money."

According to the latest numbers, the **median home price** in Chattanooga is **\$310,000**. That's the most it's been since 2008.

The average home price sits at **roughly \$380,000**.

Don't blame the pandemic housing bubble for **rising prices...**

English: "I don't consider it to be a bubble, that we're going to see anything drastically happen to it. I think we'll see another leveling over the next, probably, 12 months to 18 months, but the **values are not going down**."

While the demand for property is very high, the good news in **pricing is the supply will increase** over the next few years, **thanks to many new developments** the city already has planned, like the South Broad Street Development which includes the **new stadium for the Lookouts**.

EXPLORE ARTICLE

Record Breaking Hospitality Jobs

AUGUST 25, 2022 (VISIT CHATTANOOGA)

A new all-time record high of 31,300 people are employed in the leisure and hospitality industry in Hamilton County in July 2022, according to the U.S. Bureau of Labor and Statics.

"We are very encouraged to see our employment levels in **leisure and hospitality return** and even exceed pre-pandemic levels," says Barry White, President and CEO of Chattanooga Tourism Co. "With several **attractions, restaurants, and hotels** in various stages of development, plus the Chattanooga Airport's planned expansion, the future is **bright for job growth in hospitality in Chattanooga**."

Annually, Chattanooga hosts more than 15 million visitors who spend \$1.5 billion in one year in our community. On an average day, that's roughly 40,000 visitors in town. 15,000 of those visitors stay the night in our hotels and spend \$4.1 million per day on entertainment, shopping, dining, and more. In addition to directly supporting our local businesses, visitors are temporary taxpayers who save every Hamilton County household \$868 per year in taxes.

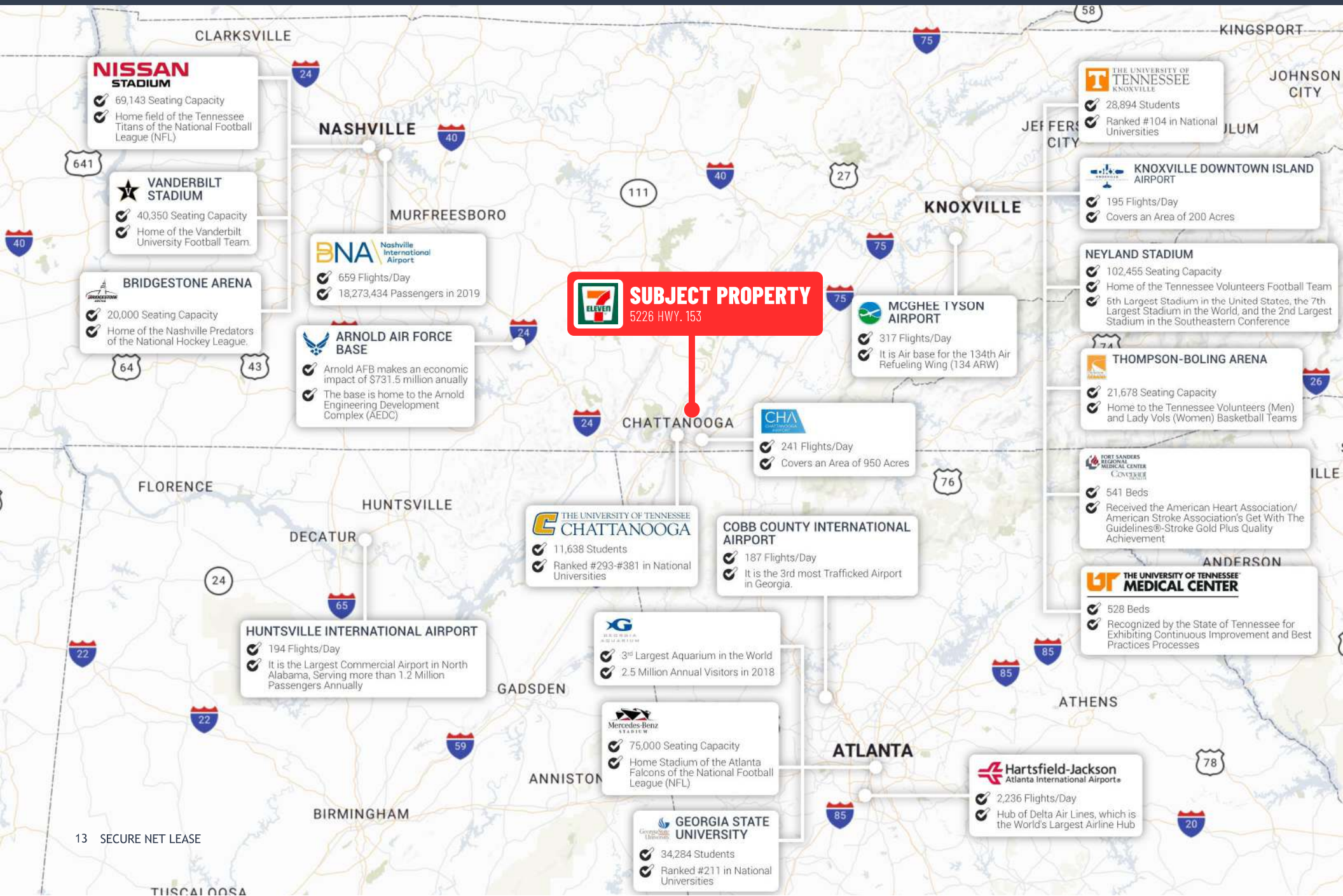
As reported by the U.S. Bureau of Labor Statistics, the previous record for **leisure and hospitality jobs** in Hamilton County was before **the pandemic in July 2019** at 31,200. In April 2020, the industry lost over 10,000 jobs, hitting a low of 17,500 employed during the pandemic shutdown. Hamilton County experienced a **30% drop in visitor spending** or \$450 million less in 2020 alone, according to a U.S. Travel study. In 2021, 7,900 **jobs were recovered in Hamilton County**, and for the first time in July 2022, the employment in leisure and hospitality in Hamilton County **now exceeds pre-pandemic levels**.

"Now more than ever, there is so much **opportunity in tourism** to gain professional skills, advance quickly, and build a life-long career," says Hugh Morrow, Chairman of the Chattanooga Tourism Co. and President and CEO of Ruby Falls. "Although we have reached **a new high of employment**, there are still many exciting career opportunities available within all sectors of the **tourism industry**."

EXPLORE ARTICLE

CHATTANOOGA, TN-GA METROPOLITAN STATISTICAL AREA

7-ELEVEN CHATTANOOGA, TN



SECURE

NET LEASE

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tleonard@securenetlease.com