

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



BRAND NEW CONSTRUCTION | 2-MI FROM DOWNTOWN CHATTANOOGA | MARCH 2024 STORE OPENING



3301 Broad Street

**CHATTANOOGA** TENNESSEE

REPRESENTATIVE PHOTO



**EXCLUSIVELY MARKETED BY**



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**NATIONAL NET LEASE**

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CONSTRUCTION JANUARY 2024





OFFERING SUMMARY



OFFERING

Pricing	\$7,745,000
Net Operating Income	\$398,868
Cap Rate	5.15%

PROPERTY SPECIFICATIONS

Property Address	3301 Broad Street Chattanooga, Tennessee 37408
Rentable Area	5,464 SF
Land Area	1.58 AC
Year Built	2024
Tenant	7-Eleven
Guaranty	Corporate
Lease Type	Absolute NNN
Landlord Responsibilities	None
Lease Term	15 Years
Increases	7.5% Every 5 Years
Options	4 (5-Year)
Rent Commencement	March 2024 (Est.)
Lease Expiration	March 2039 (Est.)

# RENT ROLL & INVESTMENT HIGHLIGHTS



LEASE TERM				RENTAL RATES				
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	Annually	Options
7-Eleven	5,464	Mar. 2024	Mar. 2039	Current	-	\$33,239	\$398,868	4 (5-Year)
(Corporate Signature)		(Est.)	(Est.)	Year 6	7.50%	\$35,732	\$428,783	
				Year 11	7.50%	\$38,412	\$460,942	
7.50% Rental Increases Beg. of Each Option Period								

## 15 Years of Term | 2024 Construction | Built in Rental Increases | Options to Extend | Investment Grade Tenant (S&P: AA-)

- New 15-year, absolute NNN lease that will commence in March of 2024
- The lease feature 4, 5-year options to extend with 7.50% rental increases every 5 years, including the beginning of each option period
- 7-Eleven is an investment grade credit with an S&P credit rating of AA-
- The subject property is being constructed with high quality material and features 12 fueling stations

## Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor

## Strong Demographics in 5-mile Trade Area | Direct Consumer Base

- More than 106,000 residents and 109,000 employees support the trade area, providing a direct consumer base from which to draw
- \$81,178 average household income

## Dense Retail Corridor | Strong National/Credit Tenant Presence | Chattanooga Christian School (1,400 students)

- The subject property is located in a dense retail corridor, with numerous national/credit tenants including Publix, Walgreens, CVS, Taco Bell, Dunkin', Family Dollar, and many more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure to the site
- The asset is located in close proximity to Chattanooga Christian Church (1,400 students), further increasing consumer traffic to the site

## Signalized, Hard Corner Intersection | Interstate 24 (119,000 VPD) Excellent Visibility & Access

- The asset is located at the signalized, hard corner intersection of Broad St. and W. 33rd St. with a combined 26,200 vehicles passing by daily
- The subject property benefits from direct on/off ramp access to Interstate 24, a major thoroughfare that averages over 119,000 vehicles passing by daily
- The property has excellent visibility and multiple points of ingress/egress



ACCELERATED DEPRECIATION FOR  
CONVENIENCE STORE PROPERTIES

The Tax Cuts and Jobs Act signed into law in 2017 provided real estate investors with new tax benefits associated with owning gas station properties. The primary benefit is the allowance of accelerated depreciation. The construction and equipment associated with these properties can now be reclassified and depreciated over shorter time periods than the traditional 39 year life for commercial property. Due to the fee simple ownership of this property, an investor can receive greater deductions in the earlier years of the asset, thus minimizing taxable income. This enables anyone investing in these properties to lower their taxes and reduce their exposure in the earlier years of ownership while enjoying the benefits of a passive income stream that comes with owning a single tenant property. Currently, the bonus depreciation of fueling/convenience store equipment allows investors to qualify for a 60% depreciation deduction under the 2024 code. The bonus depreciation deduction will decrease by 20% every year until fully phased out by 2027.

SRS>NNL recommends that the prospective purchaser(s) consult with their tax professional for advice related to your specific situation and how you can take advantage of accelerated bonus depreciation.



TWO METHODS FOR C-STORE DEPRECIATION

COST SEGREGATION ANALYSIS	15-YEAR STRAIGHT LINE SCHEDULE
Cost segregation studies take into account each individual component of a property and place each piece on its own appropriate depreciation schedule (ex. gas pumps, HVACs, roof, etc). This process generally front-loads the depreciation of the property into the first few years of ownership, which can result in notable tax savings and may be ideal depending on the tax payer’s yearly tax liability outside of this investment.	For some investors, it may make more sense to have the entire asset’s depreciation spread out evenly using the 15-year straight line method. Qualified c-store equipment and property placed in service after Dec. 31, 2017 generally is depreciable using the straight line method over 15 years (shorter recovery period than the traditional 39 year life for commercial buildings).



## BRAND PROFILE



## 7-ELEVEN

**7-eleven.com**

**Company Type:** Subsidiary

**Locations:** 13,000+

**Parent:** Seven & I Holdings Co., Ltd.

**2023 Employees:** 84,154

**2023 Revenue:** \$84.98 Billion

**2023 Net Income:** \$2.02 Billion

**2023 Assets:** \$75.91 Billion

**2023 Equity:** \$25.00 Billion

**Credit Rating:** S&P: AA-

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. In addition to 7-Eleven stores, 7-Eleven, Inc. operates and franchises Speedway, Stripes, Laredo Taco Company and Raise the Roost Chicken and Biscuits locations. Known for its iconic brands such as Slurpee, Big Bite and Big Gulp, 7-Eleven has expanded into high-quality sandwiches, salads, side dishes, cut fruit and protein boxes, as well as pizza, chicken wings and mini beef tacos. 7-Eleven offers customers industry-leading private brand products under the 7-Select brand including healthy options, decadent treats and everyday favorites at an outstanding value. Customers can earn and redeem points on various items in stores nationwide through its 7Rewards loyalty program with more than 80 million members, place an order in the 7NOW delivery app in over 2,000 cities, or rely on 7-Eleven for bill payment service, self-service lockers and other convenient services.

Source: franchise.7-Eleven.com, finance.yahoo.com

## PROPERTY OVERVIEW



### LOCATION



Chattanooga, Tennessee  
Hamilton County  
Chattanooga MSA

### ACCESS



TBD (Under Construction)

### TRAFFIC COUNTS



Broad Street/State Highway 2 & 17: 23,000 VPD  
Interstate 24/U.S. Highway 27: 119,100 VPD

### IMPROVEMENTS



There is approximately 5,464 SF of existing building area

### PARKING



TBD (Under Construction)

### PARCEL



Parcel Number: 155G B 007.01  
Acres: 1.03  
Square Feet: 44,871

### CONSTRUCTION



Year Built: 2024

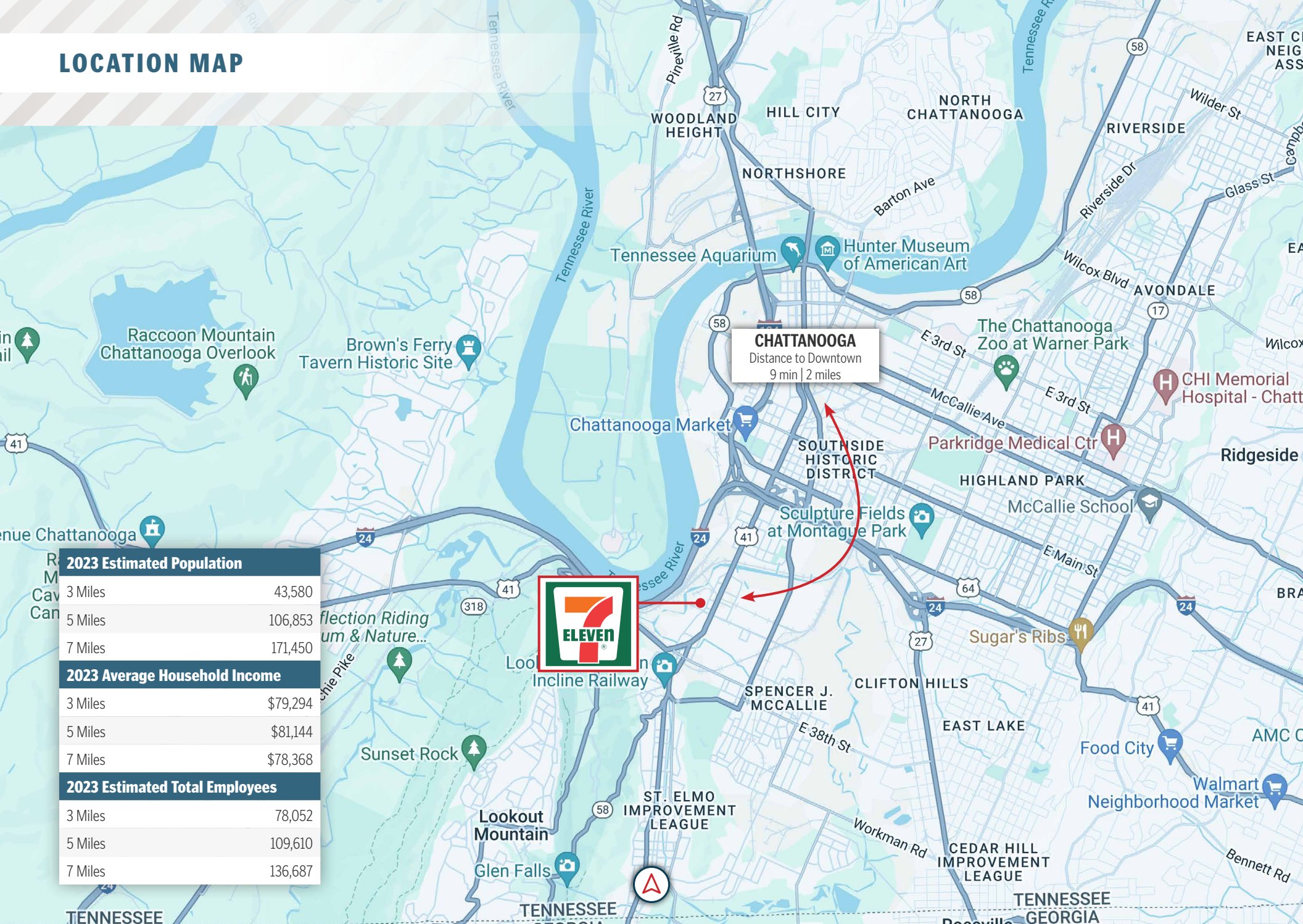
### MPDS/PUMPS

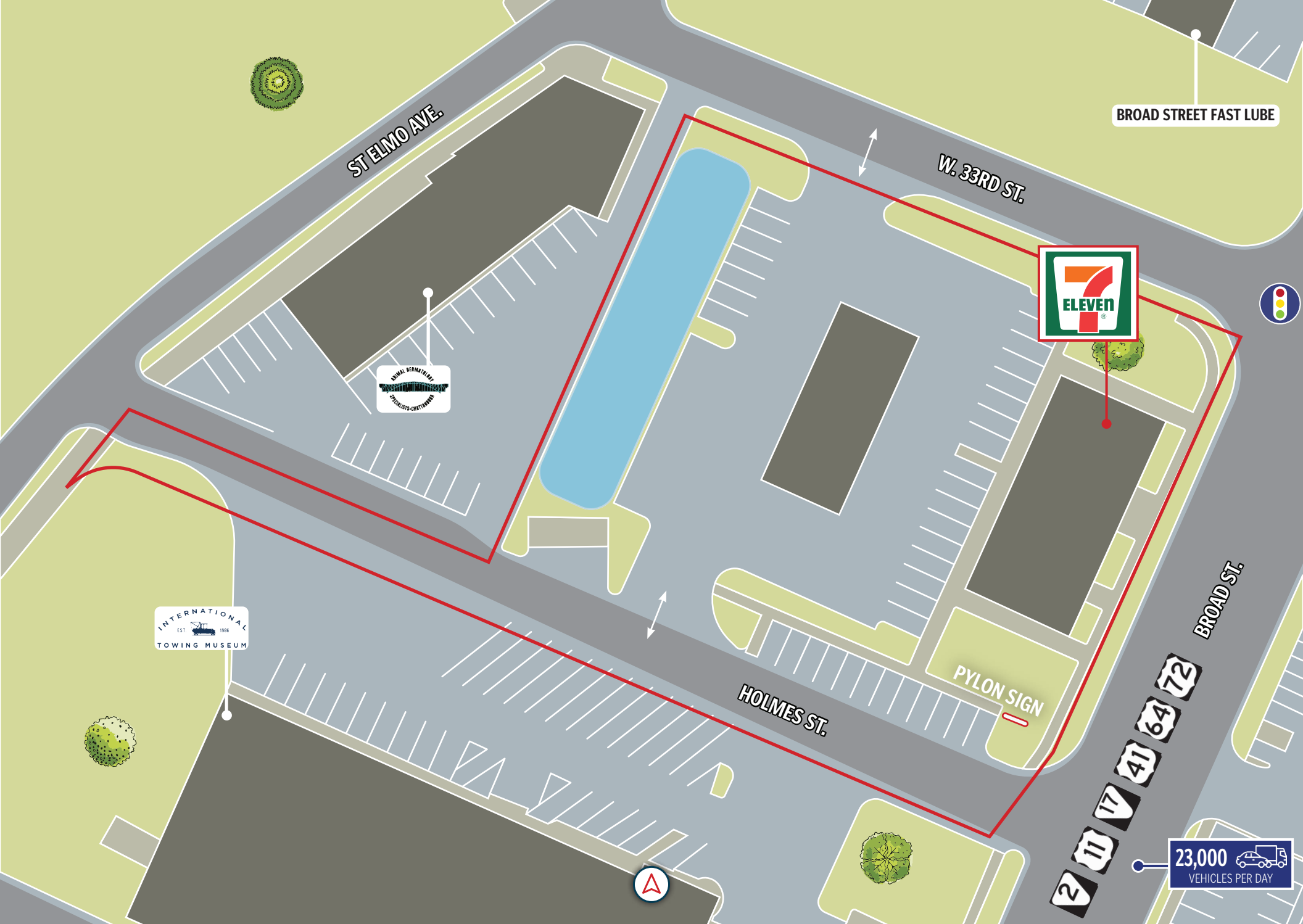


6 MPDS  
12 PUMPS



## LOCATION MAP









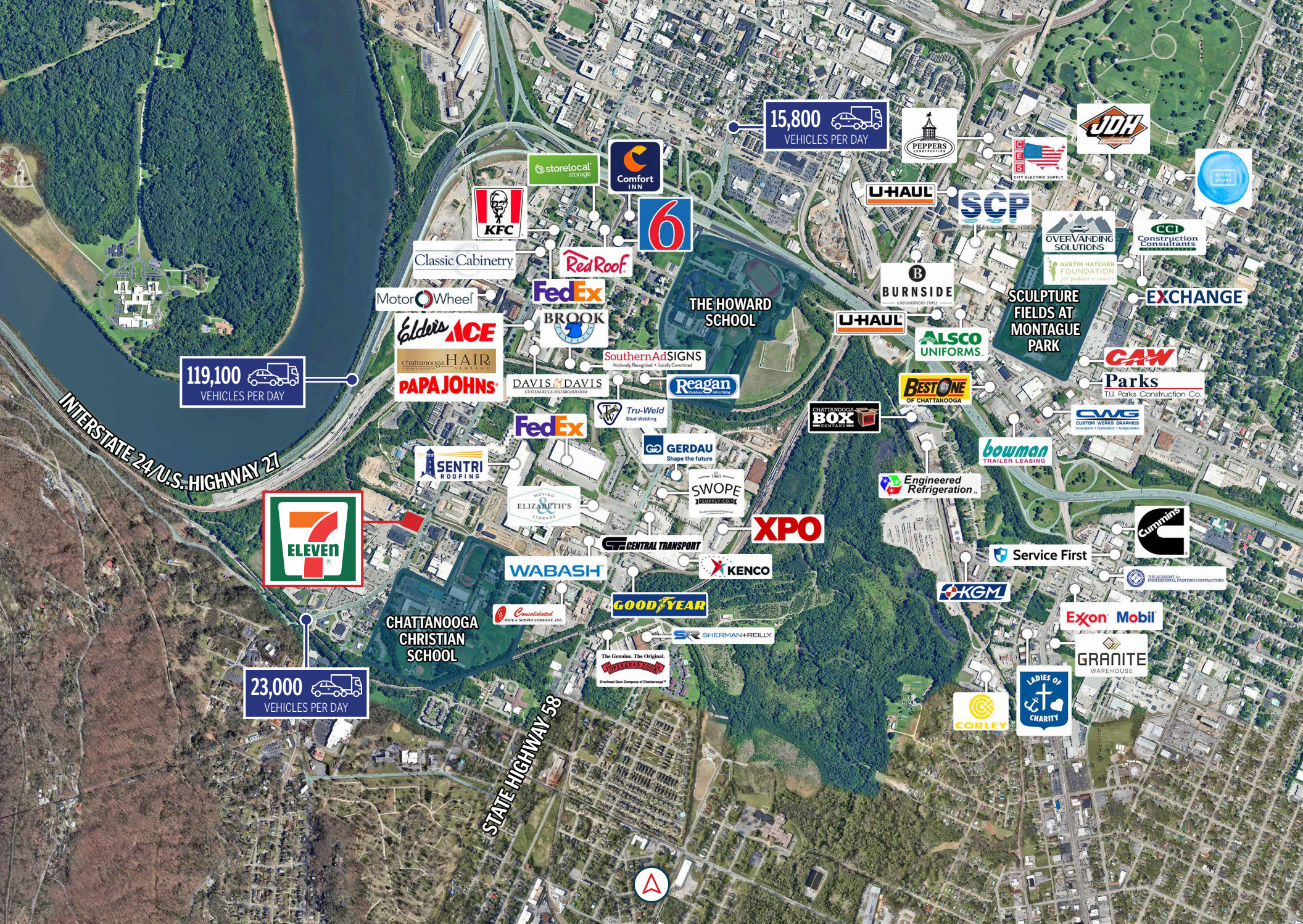
















	3 Mile	5 Miles	7 Miles
<b>Population</b>			
2023 Estimated Population	43,580	106,853	171,450
2023 Median Age	31.5	34.7	36.4
<b>Households &amp; Growth</b>			
2023 Estimated Households	17,712	44,827	72,756
<b>Income</b>			
2023 Estimated Average Household Income	\$79,294	\$81,144	\$78,368
2023 Estimated Median Household Income	\$43,177	\$50,392	\$50,232
<b>Businesses &amp; Employees</b>			
2023 Estimated Total Businesses	3,310	5,455	7,630
2023 Estimated Total Employees	78,052	109,610	136,687

## CHATTANOOGA, TENNESSEE

Chattanooga is a city in the U.S. state of Tennessee. The City of Chattanooga is the 4th largest city in Tennessee with a population of 184,103 as of 2023. It is the seat of Hamilton County. Located in southeastern Tennessee in East Tennessee, on the Tennessee River, served by multiple railroads and Interstate highways, Chattanooga is a transit hub. Chattanooga lies 120 miles northwest of Atlanta, Georgia, 120 miles southwest of Knoxville, Tennessee, 135 miles southeast of Nashville, Tennessee, 120 miles northeast of Huntsville, Alabama, and 148 miles northeast of Birmingham, Alabama. The city, with downtown elevation of approximately 680 feet, lies at the transition between the ridge-and-valley portion of the Appalachian Mountains and the Cumberland Plateau. Surrounded by mountains and ridges, the official nickname for Chattanooga is the Scenic City, reinforced by the city's reputation for outdoor activities. Unofficial nicknames include River City, Chatt, Nooga, Chattown, and Gig City, referencing Chattanooga's claims that it has the fastest internet service in the Western Hemisphere.

Chattanooga's economy includes a diversified and growing mix of manufacturing and service industries. Notable Chattanooga businesses include Access America Transport, BlueCross BlueShield of Tennessee, CBL & Associates, The Chattanooga Bakery, Chattem, the world's first Coca-Cola bottling plant, Coker Tire, U.S. Xpress Inc., Covenant Transport, Double Cola, CraftWorks Restaurants & Breweries, Luken Communications, Miller & Martin, the National Model Railroad Association, Reliance Partners, Republic Parking System, Rock/Creek, Tricycle Inc., and Unum. The city also hosts large branch offices of Cigna, AT&T, T-Mobile USA, and UBS. McKee Foods Corporation, the maker of nationally known Little Debbie brand snack cakes, is a privately held, family-run company headquartered in nearby Collegedale, Tennessee. Notable companies that have manufacturing or distribution facilities in the city include Alstom, Amazon.com, Alco Chemical, Colonial Pipeline, and Buzzi Unicem.





## THE EXCLUSIVE NATIONAL NET LEASE TEAM

of SRS Real Estate Partners

**300+**

TEAM  
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**25+**

OFFICES

**2.3K+**

RETAIL  
TRANSACTIONS

company-wide  
in 2022

**740+**

CAPITAL MARKETS  
PROPERTIES  
SOLD

in 2022

**\$3.3B+**

CAPITAL MARKETS  
TRANSACTION  
VALUE

in 2022

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