

KFC

1726 Vermillion St, Hastings, MN 55033



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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success.

Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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OFFERING SUMMARY

		
Listing Price	Cap Rate	Price/SF
\$2,400,000	6.00%	\$960.00

FINANCIAL

Listing Price	\$2,400,000
Down Payment	100% / \$2,400,000
NOI	\$144,000
Cap Rate	6.00%

OPERATIONAL

Lease Type	Absolute Net
Guarantor	Franchisee Guarantee
Lease Term	15.0
Rentable SF	2,500 SF
Lot Size	0.67 Acres (29,185 SF)
Year Built	2023



KFC

1726 Vermillion St, Hastings, MN 55033

INVESTMENT OVERVIEW

The subject property is located at 1726 Vermillion Street in Hastings MN which is 25 miles southeast of the Twin Cities (Minneapolis/St. Paul). This investment is an Absolute NNN 15 Year Lease with one of the largest KFC Franchisees in the Nation and the largest KFC franchisee in Minnesota. The Subject Property Lease is guaranteed by 125+ Stores. The Lease provides for long term stability with 8% increases every 5 years and there are (4) 5 Year Renewal Options after the primary 15-year lease term.

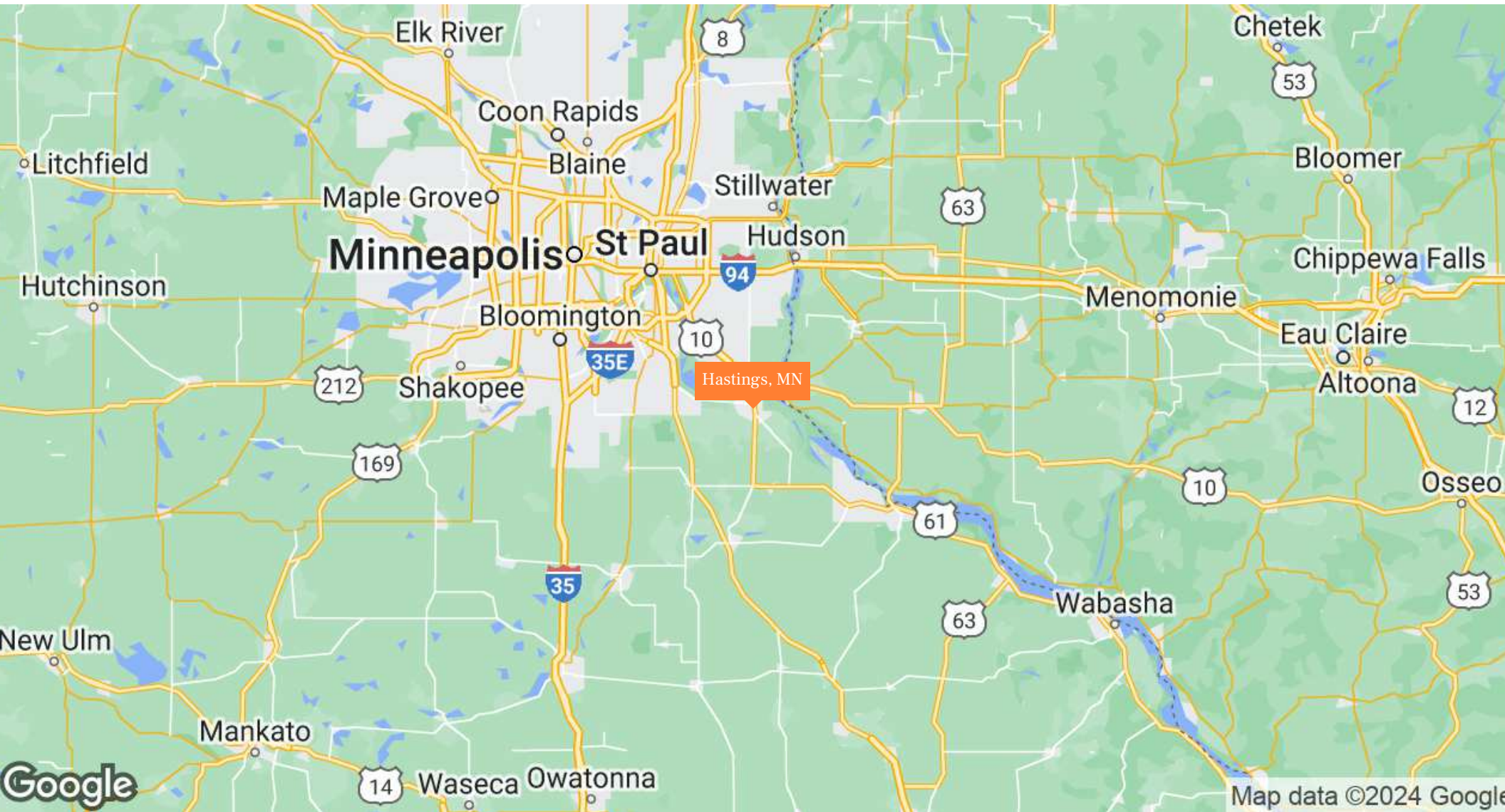
INVESTMENT HIGHLIGHTS

New 15 Year Lease from the Close of Escrow

125+ Store Franchisee Guarantee - 2023 Franchisee of the Year

2023 Construction - Newest KFC Design/Image

REGIONAL MAP // KFC





FINANCIAL DETAILS // KFC

THE OFFERING	
Price	\$2,400,000
Capitalization Rate	6.00%
Price/SF	\$960.00

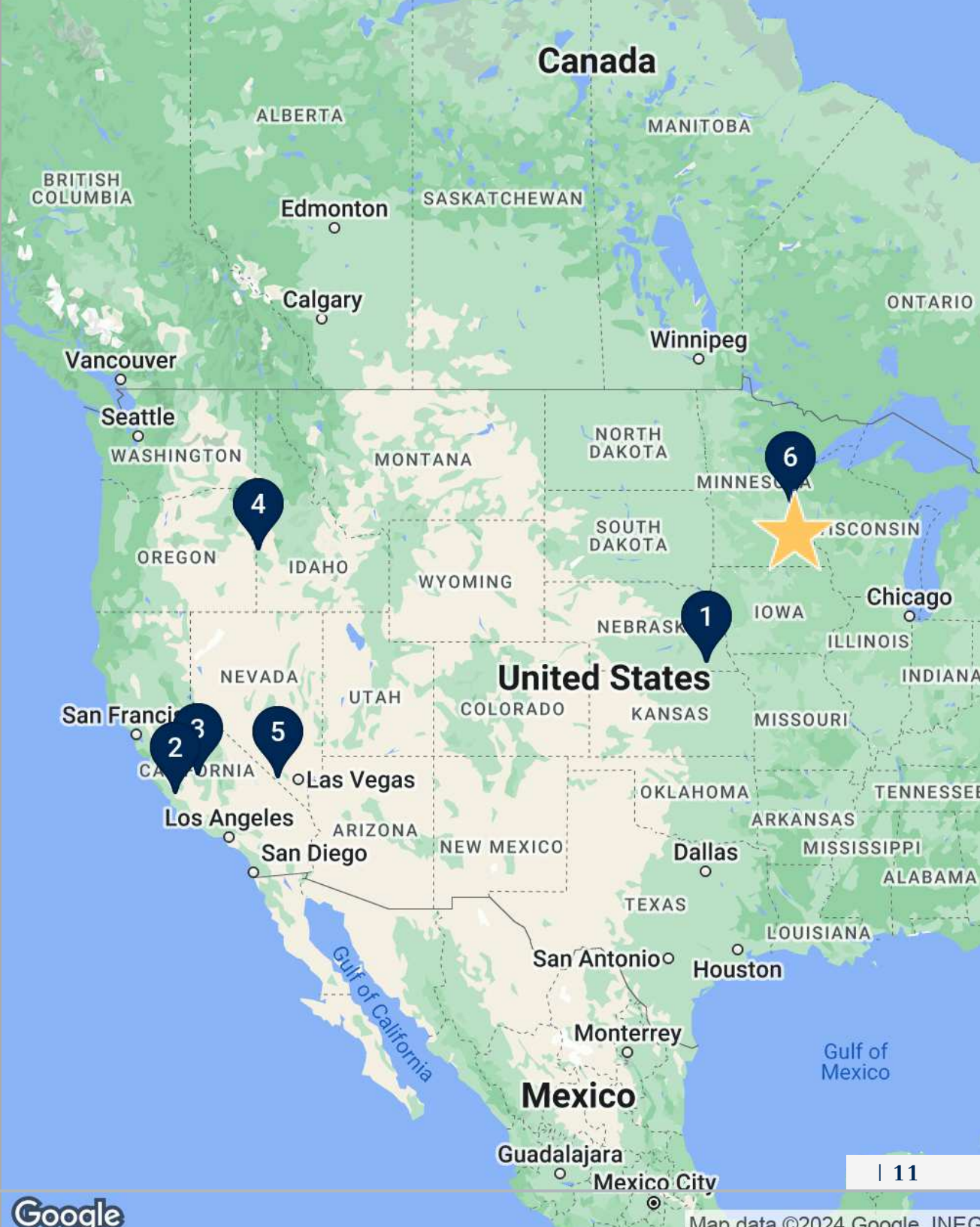
PROPERTY DESCRIPTION	
Year Built / Renovated	2023
Gross Leasable Area	2,500 SF
Type of Ownership	Fee Simple
Lot Size	0.63 Acres

LEASE SUMMARY	
Tenant	KFC
Rent Increases	8% Every 5 Years
Guarantor	Franchisee Guarantee
Lease Type	Absolute Net
Lease Commencement	Close of Escrow
Initial Lease Term	Years from Close of Escrow Years
Renewal Options	(4) 5 Year Options
Term Remaining on Lease (Yrs)	New 15 Year Lease from COE
Landlord Responsibility	None
Tenant Responsibility	Absolute NNN








RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$144,000	\$12,000	\$57.60	6.00%
Year 1-5	\$144,000	\$12,000	\$57.60	6.00%
Year 6-10	\$155,520	\$12,960	\$62.21	6.48%
Year 11-15	\$167,962	\$13,997	\$67.18	7.00%
Renewal Option 1	\$181,398	\$15,117	\$72.56	7.56%
Renewal Option 2	\$195,910	\$16,326	\$78.36	8.16%
Renewal Option 3	\$211,583	\$17,632	\$84.63	8.82%
Renewal Option 4	\$228,509	\$19,042	\$91.40	9.52%

SALE COMPS MAP

- ★ KFC
- 1 KFC - Same Franchisee As Subject Property
- 2 KFC - Same Franchisee As Subject Property
- 3 KFC - Same Franchisee As Subject Property
- 4 KFC / A&W - Same Franchisee As Subject Property
- 5 KFC - Same Franchisee As Subject Property
- 6 KFC - Same Franchisee As Subject Property



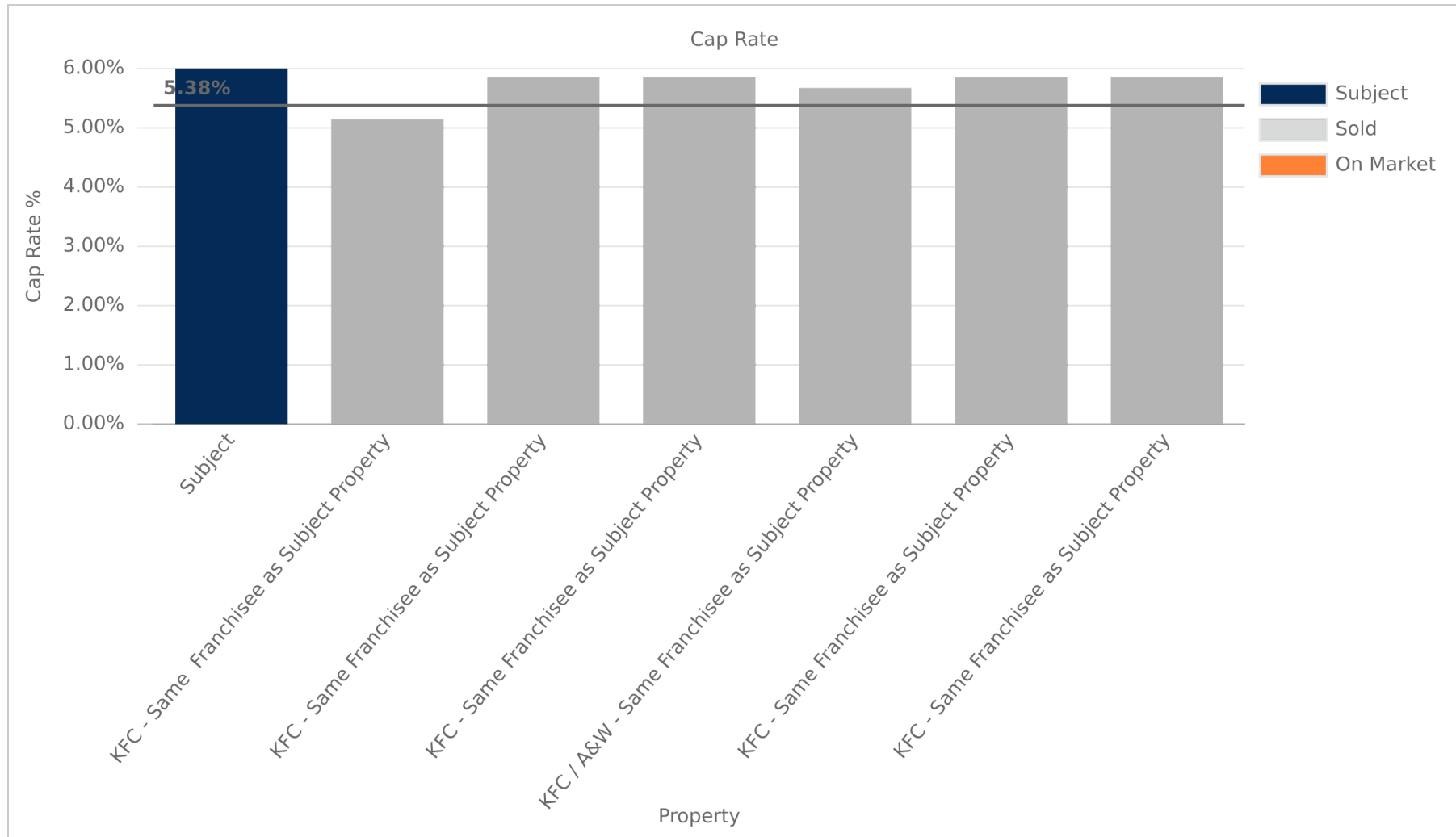
SALE COMPS SUMMARY // KFC

	SUBJECT PROPERTY	PRICE	BLDG SF	CAP RATE	# OF UNITS	CLOSE
	KFC 1726 Vermillion St Hastings, MN 55033	\$2,400,000	2,500 SF	6.00%	1	On Market
	SALE COMPARABLES	PRICE	BLDG SF	CAP RATE	# OF UNITS	CLOSE
	KFC - Same Franchisee as Subject Property 1316 North 6th Street Beatrice, NE 68310	\$1,026,000	2,404 SF	5.85%	-	09/29/2023
	KFC - Same Franchisee as Subject Property 2405 Riverside Ave Paso Robles, CA 93446	\$2,204,082	2,550 SF	4.90%	-	06/01/2023
	KFC - Same Franchisee as Subject Property 412 N Redington St Hanford, CA 93230	\$3,500,000	2,655 SF	5.14%	-	09/28/2023
	KFC - Same Franchisee as Subject Property 412 N Redington St Hanford, CA 93230	\$3,500,000	2,655 SF	5.14%	-	09/28/2023
	KFC / A&W - Same Franchisee as Subject Property 1639 E Idaho Ave Ontario, OR 97914	\$3,085,000	3,713 SF	5.67%	-	07/28/2023
	KFC - Same Franchisee as Subject Property 1540 NV-372 Pahrump, NV 89048	\$2,162,000	2,546 SF	5.55%	-	07/11/2023

KFC // SALE COMPS SUMMARY

SUBJECT PROPERTY	PRICE	BLDG SF	CAP RATE	# OF UNITS	CLOSE
KFC - Same Franchisee as Subject Property 5496 St Croix Trail North Branch, MN 55056	\$2,100,000	2,500 SF	5.14%	-	10/25/2022
AVERAGES	\$2,346,180	2,728 SF	5.38%	-	-

CAP RATE CHART // KFC





★ **KFC**
1726 Vermillion St, Hastings, MN 55033

Listing Price:	\$2,400,000
Cap Rate:	6.00%
Lease Term:	15.0
COE Date:	On Market
Property Type:	Net Lease
Gross Leasable Area:	2,500 SF
Price/SF:	\$960.00
Lot Size:	0.67 Acres
Year Built:	2023



1 **KFC - Same Franchisee As Subject Property**
1316 North 6th Street Beatrice, NE 68310

Sale Price:	\$1,026,000
Cap Rate:	5.85%
Years Remaining On Lease:	15.0
COE Date:	09/29/2023
Property Type:	Net Lease
Gross Leasable Area:	2,404 SF
Price/SF:	\$426.79
Lot Size:	-
Year Built:	1984

SALE COMPS // KFC



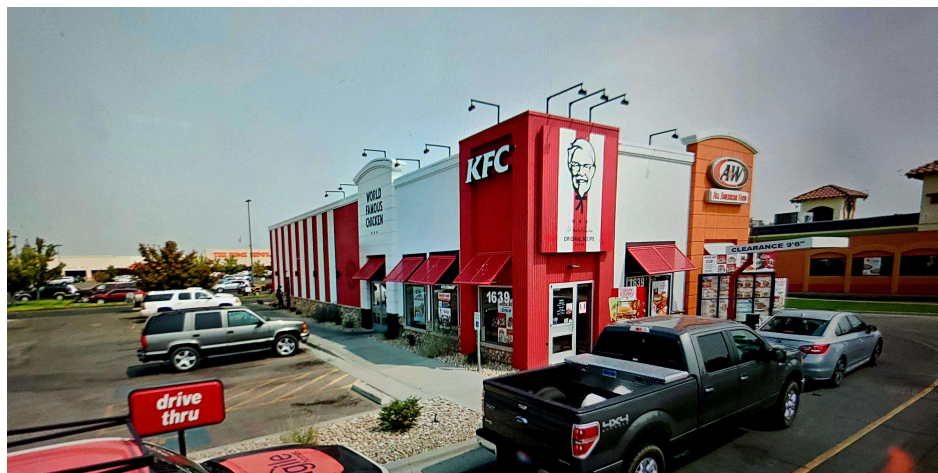
2 KFC - Same Franchisee As Subject Property
2405 Riverside Ave Paso Robles, CA 93446

Sale Price:	\$2,204,082
Cap Rate:	4.90%
Years Remaining On Lease:	15.0
COE Date:	06/01/2023
Property Type:	Net Lease
Gross Leasable Area:	2,550 SF
Price/SF:	\$864.35
Lot Size:	-
Year Built:	1979



3 KFC - Same Franchisee As Subject Property
412 N Redington St Hanford, CA 93230

Sale Price:	\$3,500,000
Cap Rate:	5.14%
Years Remaining On Lease:	15.0
COE Date:	09/28/2023
Property Type:	Net Lease
Gross Leasable Area:	2,655 SF
Price/SF:	\$1,318.27
Lot Size:	-
Year Built:	1997



4 KFC / A&W - Same Franchisee As Subject Property
1639 E Idaho Ave Ontario, OR 97914

Sale Price:	\$3,085,000
Cap Rate:	5.67%
Years Remaining On Lease:	15.0
COE Date:	07/28/2023
Property Type:	Net Lease
Gross Leasable Area:	3,713 SF
Price/SF:	\$830.86
Lot Size:	-
Year Built:	2004



5 KFC - Same Franchisee As Subject Property
1540 NV-372 Pahrump, NV 89048

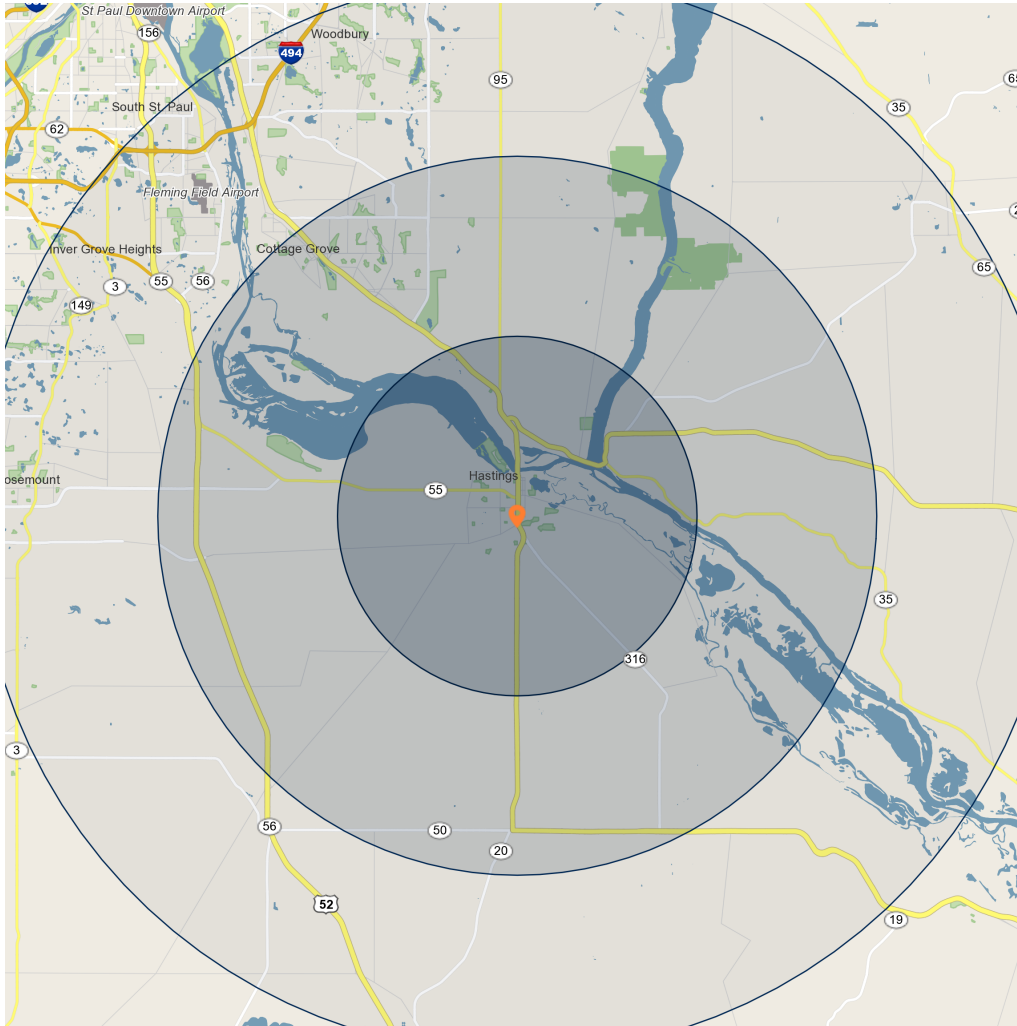
Sale Price:	\$2,162,000
Cap Rate:	5.55%
Years Remaining On Lease:	15.0
COE Date:	07/11/2023
Property Type:	Net Lease
Gross Leasable Area:	2,546 SF
Price/SF:	\$849.18
Lot Size:	-
Year Built:	1999

SALE COMPS // KFC



6 KFC - Same Franchisee As Subject Property 5496 St Croix Trail North Branch, MN 55056

Sale Price:	\$2,100,000
Cap Rate:	5.14%
Years Remaining On Lease:	15.0
COE Date:	10/25/2022
Property Type:	Net Lease
Gross Leasable Area:	2,500 SF
Price/SF:	\$840.00
Lot Size:	-
Year Built:	2022

**POPULATION**

	5 Miles	10 Miles	15 Miles
2027 Projection	33,546	84,951	299,904
2022 Estimate	32,697	81,785	284,872
2010 Census	29,992	73,792	253,005
2000 Census	25,519	65,853	212,632

HOUSEHOLD INCOME

	5 Miles	10 Miles	15 Miles
Average	\$104,859	\$112,452	\$125,750
Median	\$82,013	\$91,566	\$96,726
Per Capita	\$41,623	\$41,375	\$46,150

HOUSEHOLDS

	5 Miles	10 Miles	15 Miles
2027 Projection	13,306	31,379	110,046
2022 Estimate	12,834	29,943	104,071
2010 Census	11,725	26,852	91,648
2000 Census	9,230	22,428	74,055

HOUSING

	5 Miles	10 Miles	15 Miles
Median Home Value	\$289,178	\$290,017	\$326,343

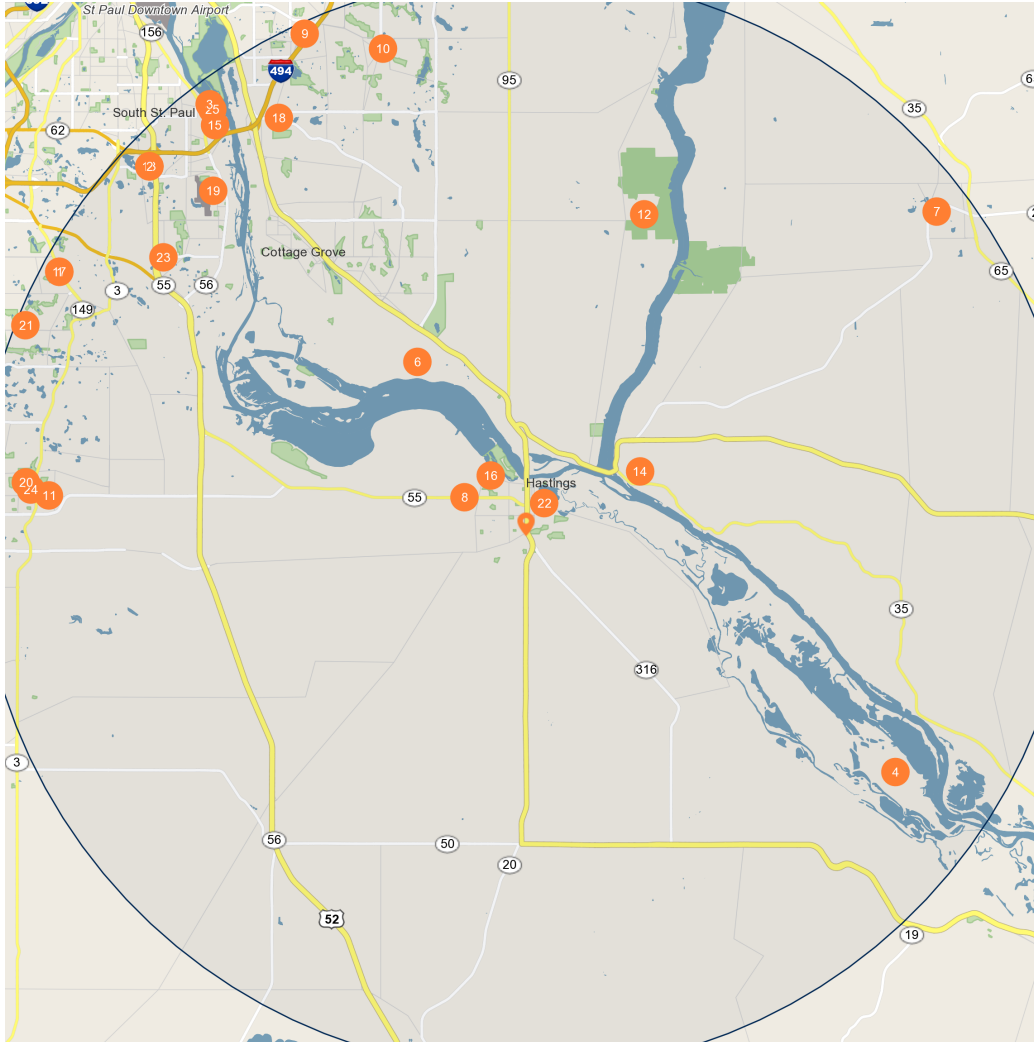
EMPLOYMENT

	5 Miles	10 Miles	15 Miles
2022 Daytime Population	30,192	64,732	228,167
2022 Unemployment	4.03%	3.24%	2.86%
Average Time Traveled (Minutes)	27	28	27

EDUCATIONAL ATTAINMENT

	5 Miles	10 Miles	15 Miles
High School Graduate (12)	29.21%	27.28%	21.73%
Some College (13-15)	23.08%	24.17%	20.96%
Associate Degree Only	13.36%	12.59%	10.93%
Bachelor's Degree Only	20.73%	21.95%	28.18%
Graduate Degree	8.83%	9.52%	14.09%

DEMOGRAPHICS // KFC



Major Employers

Employees

1	West Publishing Corporation-West A Thomson Reuters Bus	4,252
2	Cenex Inc-Cenex	2,500
3	Waterous Company	2,000
4	Treasure Island Resort Casino-Min	1,500
5	CHS Inc	1,074
6	3M Company-3M	980
7	University Wisconsin System-University Wisconsin-River FLS	800
8	County of Dakota-DAKOTA COUNTY COURTHOUSE	700
9	Woodwinds Health Campus-HEALTH EAST WOODWINDS	700
10	Young Mens Christian Assn of N-Southeast Area YMCA	653
11	Lunda Construction Co	650
12	Afton Alps Inc-Afton Alps Ski Area	600
13	CHS Cooperatives-Temco	600
14	Aurora Rsidential Alternatives	571
15	Sportsmans Guide LLC-Sportsmans Guide	568
16	Allina Health System-Regina Hospital	520
17	Thomson Rters Applications Inc	518
18	Bailey Nurseries Inc	500
19	Spectrum Health Companies	500
20	Rosemnt-Pple Villy-Gan Schl Dst-Rosemount Senior High School	445
21	Rosemnt-Pple Villy-Gan Schl Dst-Isd 196 Rosemount Foodservice	445
22	Smead Manufacturing Company	424
23	Inver Hills Community College-Ihcc	400
24	Rosemnt-Pple Villy-Gan Schl Dst-Rosemount Middle School	394
25	Twin City Bagel Inc-National Choice Bakery	360



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