



NEW 25-YEAR SALE-LEASEBACK | DRIVE-THRU

PHILADELPHIA, MISSISSIPPI

O F F E R I N G M E M O R A N D U M



CBRE

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INTRODUCTION

CBRE is pleased to present the exclusive offering of the Krystal located at 10 Canal Place in Philadelphia, MS, consisting of a 2,227 SF freestanding building on 0.42± acres. The property will be subject to a new 25-year lease commencing at Close of Escrow, with \$71,250 in year-one base rent and 1% annual escalations beginning in Year 6 throughout the four five-year renewal options (45-year potential total term).

The site is positioned along a primary retail arterial surrounded by national and local retailers including Walmart, Lowe's, Walgreens, McDonald's, Wendy's, and Dollar General. Additionally, the property benefits from proximity to Pearl River Resort, a major regional gaming and hospitality complex approximately 3± miles east along Hwy 16, which serves as the largest employer (approx. 2,400 - 3,000±full time workers) in Neshoba County and provides durable daily demand from employees, visitors, and the surrounding tribal community — supporting long-term QSR performance.

INVESTMENT HIGHLIGHTS

- **Brand-New 25-Year Absolute NNN Lease (Zero Landlord Obligations) – Lease commences at close of escrow; tenant is responsible for taxes, insurance, maintenance, and replacements (true passive ownership).**
- **Embedded Rent Growth – 1% annual escalations beginning Year 6 and continuing through the option periods, providing inflation hedge and long-term income growth**
- **Best-in-Class Franchisee / Guarantor – WAC Enterprises (guarantor) is a 96+ unit operator with a long operating history and demonstrated discipline through Krystal's cycle volatility**
- **Drive-Thru Format = Highest-Liquidity QSR Real Estate – Highly functional drive-thru configuration aligns with the most in-demand institutional QSR format; strong backfill optionality to other small-format drive-thru users if the box is ever re-traded.**
- **Front-Row Outparcel Positioning at Canal Place – Canal Place Shopping Center out-parcel with strong frontage on the primary retail strip and dominant local arterial exposure.**
- **Destination Demand Driver Nearby (Casino/Resort Proximity) – Located within 3± miles of the Philadelphia, MS casino and resort, supporting consistent daily traffic and employee/visitor demand.**
- **Tenant-Funded Capex Profile (2000 Build, No Landlord Exposure) – Absolute NNN structure places ongoing replacement & capital responsibility on the tenant — minimizing Cap Ex risk to ownership.**

INVESTMENT SUMMARY

PROPERTY ADDRESS:	10 Canal Place, Philadelphia, MS 39350
PRICE:	\$1,122,047
ANNUAL RENT:	\$71,250
CAP RATE:	6.35%
TENANT:	WAC Enterprises, 96+ Unit Operator
GUARANTOR:	WAC Enterprises (d/b/a The Hale Group)
LEASE TYPE:	New Absolute 'NNN' Sale-Leaseback
RENTAL INCREASES:	1.0% Annually beginning at Year 6 thru Year 25 & Throughout Option Periods
INITIAL LEASE TERM:	25-Year - Commencing at Close of Escrow
RENEWAL OPTIONS:	Four (4), Five-Year Options (45-year potential Total Term)
RENT COMMENCEMENT DATE:	Commencing Upon Close of Escrow
LEASE EXPIRATION DATE:	25 Years After Close of Escrow
TENANT RESPONSABILITIES:	Taxes, Insurance, Maintenance and Replacement (Absolute NNN Lease)
LANDLORD OBLIGATIONS:	None - Zero Landlord Responsibility
BUILDING SIZE:	2,227 SF
LAND SIZE:	0.42 Acres
YEAR BUILT:	2000

LEASE SUMMARY

ANNUALIZED OPERATING INFORMATION	
INCOME	
NET OPERATING INCOME	\$71,250.00

RENT SCHEDULE	ANNUAL
YEARS 1-5	\$71,250.00
YEAR 6	\$71,962.50
YEAR 7	\$72,682.13
YEAR 8	\$73,408.95
YEAR 9	\$74,143.04
YEAR 10	\$74,884.47
YEAR 11	\$75,633.31
YEAR 12	\$76,389.64
YEAR 13	\$77,153.54
YEAR 14	\$77,925.08

RENT SCHEDULE	ANNUAL
YEAR 15	\$78,704.33
YEAR 16	\$79,491.37
YEAR 17	\$80,286.28
YEAR 18	\$81,089.15
YEAR 19	\$81,900.04
YEAR 20	\$82,719.04
YEAR 21	\$83,546.23
YEAR 22	\$84,381.69
YEAR 23	\$85,225.51
YEAR 24	\$86,077.77
YEAR 25	\$86,938.55

ABOUT THE BRAND

Krystal®

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.

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 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-eight, forty-four—until by 2023, the Hales found themselves atop a sixty-eight unit enterprise spanning six states, along with a maintenance company founded in 2015 to service and supply commercial restaurants across the Southeast. Fast Forward to 2025 and WAC’s Team now operates 96-units in Tennessee, Alabama, Georgia, Kentucky, South Carolina, Mississippi, and Florida

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 recent growth, and the evolution of leadership within their 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.



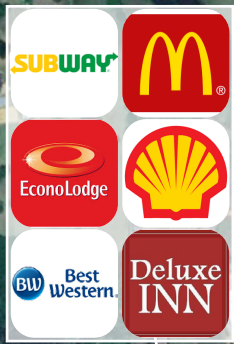
REPRESENTATIVE PHOTO

COMPANY OVERVIEW

ANNUAL REVENUE:	\$317 Million (2024)
LOCATIONS:	Approx. 300
EMPLOYEES:	Approx. 6,500
OWNERSHIP:	Private - Franchisee
HEADQUARTERS:	Dunwoody, GA



PEARL RIVER RESORT
 Pearl River Resort | 3±Miles
 East of Subject
 County's Largest Employer |
 Multi-facility Gaming, Hospitality & Recreation Complex on Choctaw Tribal Lands



Williamsville Flea Market



HIGHWAY 15 N | AADT: 6,193

W BEACON ST | AADT: 12,499

HIGHWAY 16 W | AADT: 13,233



Williamsville Flea Market



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PROPERTY IMAGES



AREA DEMOGRAPHICS

POPULATION	3 MILE	5 MILES	10 MILES
2025 Population	8,177	10,841	21,550
2030 Population (Projection)	8,067	10,693	21,263

RACE AND ETHNICITY	3 MILE	5 MILES	10 MILES
White	3,694	5,349	11,056
Black or African American	3,710	4,027	5,313
Asian	78	89	127
American Indian & Alaskan Native	339	918	4,161
Pacific Islander	0	0	0
Two or More Races	278	362	734

DAYTIME POPULATION	3 MILE	5 MILES	10 MILES
2025 Daytime Population	12,200	16,880	24,218
Daytime Workers	7,510	10,684	11,872
Daytime Residents	4,690	6,196	12,346

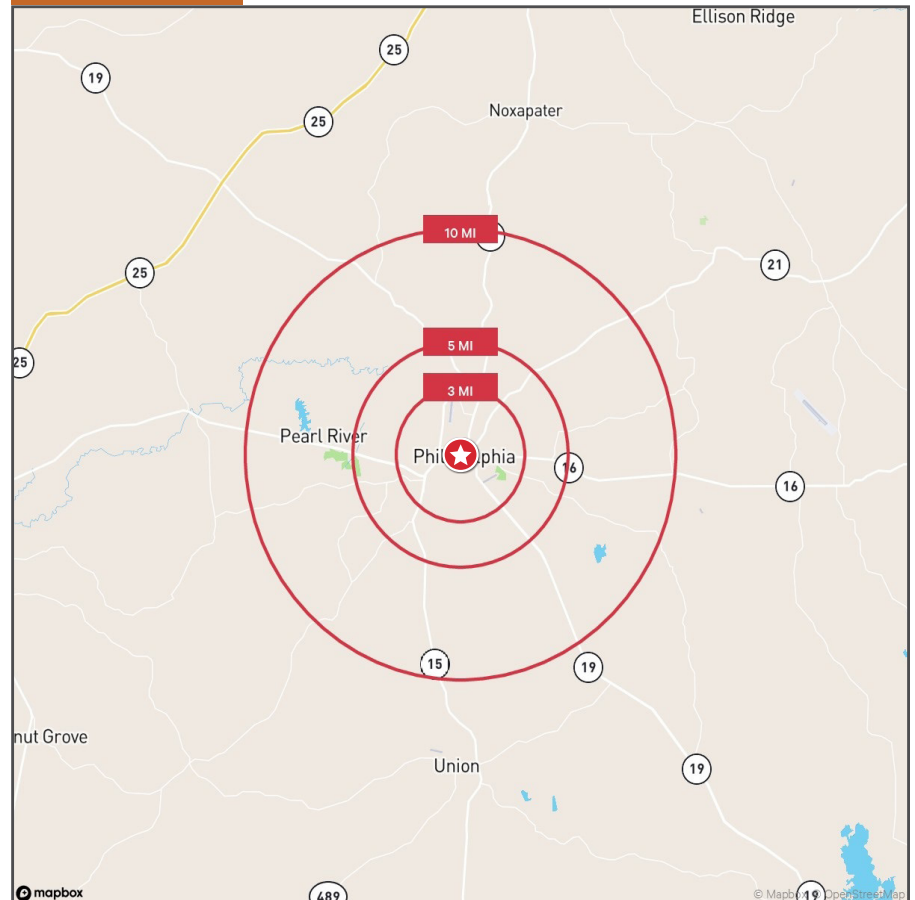
PLACE OF WORK	3 MILE	5 MILES	10 MILES
2025 Businesses	656	711	815
2025 Employees	6,973	8,215	11,055

HOUSEHOLD INCOME	3 MILE	5 MILES	10 MILES
2025 Average Household Income	\$66,984	\$68,994	\$69,313

AGE	3 MILE	5 MILES	10 MILES
2025 Median Age	39.80	39.40	38.40

HOUSEHOLDS	3 MILE	5 MILE	10 MILE
2025 Households	3,363	4,382	8,176
2030 Households (Projection)	3,351	4,366	8,151

3-5-10 MILE RADIUS



The Jackson, Mississippi Metropolitan Statistical Area (MSA)—recently expanded to include Holmes and Scott counties—stands as the largest and most economically diverse region in the state. With a population exceeding 595,000 residents, the MSA is anchored by Jackson, the state capital, which serves as a central hub for government, commerce, and culture. This region benefits from a well-developed infrastructure network that includes Interstates I-20 and I-55, a regional rail system, and the Jackson-Medgar Wiley Evers International Airport, which provides direct connections to six of the nation's top ten airports, enhancing both passenger and cargo mobility.

The Jackson MSA's economy is supported by a mix of resilient and growth-oriented sectors, including healthcare, advanced manufacturing, logistics, and education. Major employers such as Nissan, Continental Tire, and the University of Mississippi Medical Center contribute significantly to the region's employment base and economic output. As of mid-2025, the area reported a civilian labor force of approximately 289,000, with an unemployment rate of 3.8%, indicating a stable and healthy labor market.

In terms of commercial real estate, industrial properties continue to outperform other asset classes, driven by the region's strategic location and accessibility for distribution and warehousing. Average industrial rents hover around \$4.86 per square foot, reflecting strong demand and competitive pricing. The MSA's affordability, combined with access to a skilled workforce and proximity to major transportation corridors, makes it an attractive destination for commercial investment and business expansion.

With its expanding boundaries, diversified economy, and strategic infrastructure, the Jackson MSA is well-positioned for continued growth and development, offering a compelling blend of opportunity, connectivity, and community for investors, employers, and residents alike.



Top Industries



Retail Trade

Retail remains a foundational sector in Jackson’s economy, supporting a wide range of local businesses and national chains. It plays a vital role in employment and consumer activity across the metro area.



Healthcare

Anchored by major institutions like the University of Mississippi Medical Center and Baptist Medical Center, healthcare is one of the largest and fastest-growing industries in the region. It provides extensive employment and drives demand for medical office space.



Manufacturing

Jackson’s manufacturing sector is robust, with a strong presence in automotive, aerospace, plastics, and food processing. Companies like Nissan and Continental Tire contribute significantly to the region’s industrial output.



Hospitality

Hospitality and food services are key contributors to the local economy, supported by Jackson’s role as a regional hub for travel, events, and tourism. This sector supports a wide range of commercial properties including hotels and restaurants.



Education

The area is home to several higher education institutions including Jackson State University, Millsaps College, and Hinds Community College. These institutions not only educate the workforce but also contribute to local employment and real estate demand.



Construction

Driven by ongoing infrastructure and development projects, construction remains a vital industry. It supports both public and private sector growth, including new commercial developments and residential expansion.

Economy Drivers

Healthcare and Social Assistance Growth

Healthcare remains a cornerstone of the Jackson MSA’s economy, employing 52,100 people in the Education and Health Services sector as of mid-2025. This sector has experienced a 12-month growth rate of 5.7%, one of the highest across all industries in the region. Key institutions such as the University of Mississippi Medical Center, Baptist Medical Center, and St. Dominic Hospital serve as major anchors of the area’s healthcare infrastructure, driving both employment and regional development.

Source: <https://bls.gov>

5.7%

Manufacturing Output

Manufacturing continues to be a foundational pillar of Jackson’s economy, with strong performance in key industries such as automotive, aerospace, and food processing. The sector supports approximately 26,000 jobs and contributes over \$5.1 billion to GDP, representing 23.8% of Mississippi’s total manufacturing output. Major employers include Nissan, Continental Tire, and Ergon, which play a vital role in regional employment and industrial activity. Notably, Jackson County’s manufacturing sector grew by 6.1% year-over-year, significantly outpacing the statewide average of 2.6%, underscoring the area’s competitive edge and growth momentum.

Source: <https://jcedf.org>

23.8%

Trade, Transportation, and Utilities

Employment

This sector plays a vital role in supporting regional logistics, retail, and distribution. With approximately 58,000 jobs, it remains one of the largest employment categories in the area. While growth has been modest at +0.2% over the past 12 months, the region’s strategic infrastructure—including Interstates I-20 and I-55, and the Jackson-Medgar Wiley Evers International Airport—positions it as a key hub for the movement of goods and services.

Source: <https://bls.gov>

58K

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CANAL PLACE



Krystal

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