

KFC ABSOLUTE NNN GROUND LEASE

6908 DIXIE HIGHWAY
LOUISVILLE, KY 40258

OFFERING MEMORANDUM

Marcus & Millichap
THE YODER-HARMAN GROUP

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Drive Thru
NEW \$20
FILL UP
BOX



EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

KFC ABSOLUTE NNN GROUND LEASE

6908 DIXIE HIGHWAY, LOUISVILLE, KY 40258

 TOTAL PRICE
\$1,103,613

 CAP RATE
6.20%

SUBJECT PROPERTY OVERVIEW

Net Operating Income	\$68,424
Gross Leasable Area	1,706
Price/Square Foot	\$646.90
Rent/Square Foot	\$39.13
Lot Size	0.56 Acres
Year Built	1981/2020



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KFC



Drive Thru
THE CHICKEN SANDWICH
TRY ONE TODAY

KFC



PROPERTY INFORMATION

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INVESTMENT HIGHLIGHTS

KFC Ground Lease - No Landlord Responsibilities

Two Years Remaining on Absolute Net Ground Lease with Two Five-Year Options to Renew

This Site Ranks in the Top 25% in Kentucky (Placer.ai: Visits/SF)

Multi-Unit, Multi-State Franchisee Operator

Excellent Inflation Hedge: 2.5% Annual Rental Increases throughout Primary Lease Term and 3% Annual Increases Throughout Options

Priced Well Below Replacement Cost: Low Price Point Restaurant with High Intrinsic Real Estate Value Due to Underlying Land and Landowner's Reversion Rights for Updated Building

Incredible Traffic Exposure: Located on Dixie Highway in a Dense Retail Corridor with Nearly 57,000 Vehicles per Day

Site Offers Multiple Points of Ingress/Egress Allowing for Efficient Traffic Flow

Surrounded by National Tenants Including Panera Bread, Starbucks, Chick fil-A, Walmart, Home Depot, Lowe's, McDonald's, Qdoba, Hobby Lobby, Toyota, Chevrolet, Hyundai, Among Many Others

KFC is the 2nd Largest Fast Food Restaurant Chain (Measured by Sales) with 24K+ Locations Globally

KFC is Owned by Publicly Traded, Yum! Brands (NYSE: YUM) Who Operates 55,000 Restaurants in 155 Countries. Yum! Brands has a TTM Revenue of \$6.991 Billion and a Market Cap of \$33.712 Billion.

Demographics (2023 Estimate)	1 Mile	3 Miles	5 Miles
Population	7,27	75,373	163,903
Average Household Income	\$65,134	\$72,509	\$64,309
Daytime Population	6,566	59,174	133,861

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SITE PLAN



Burger King

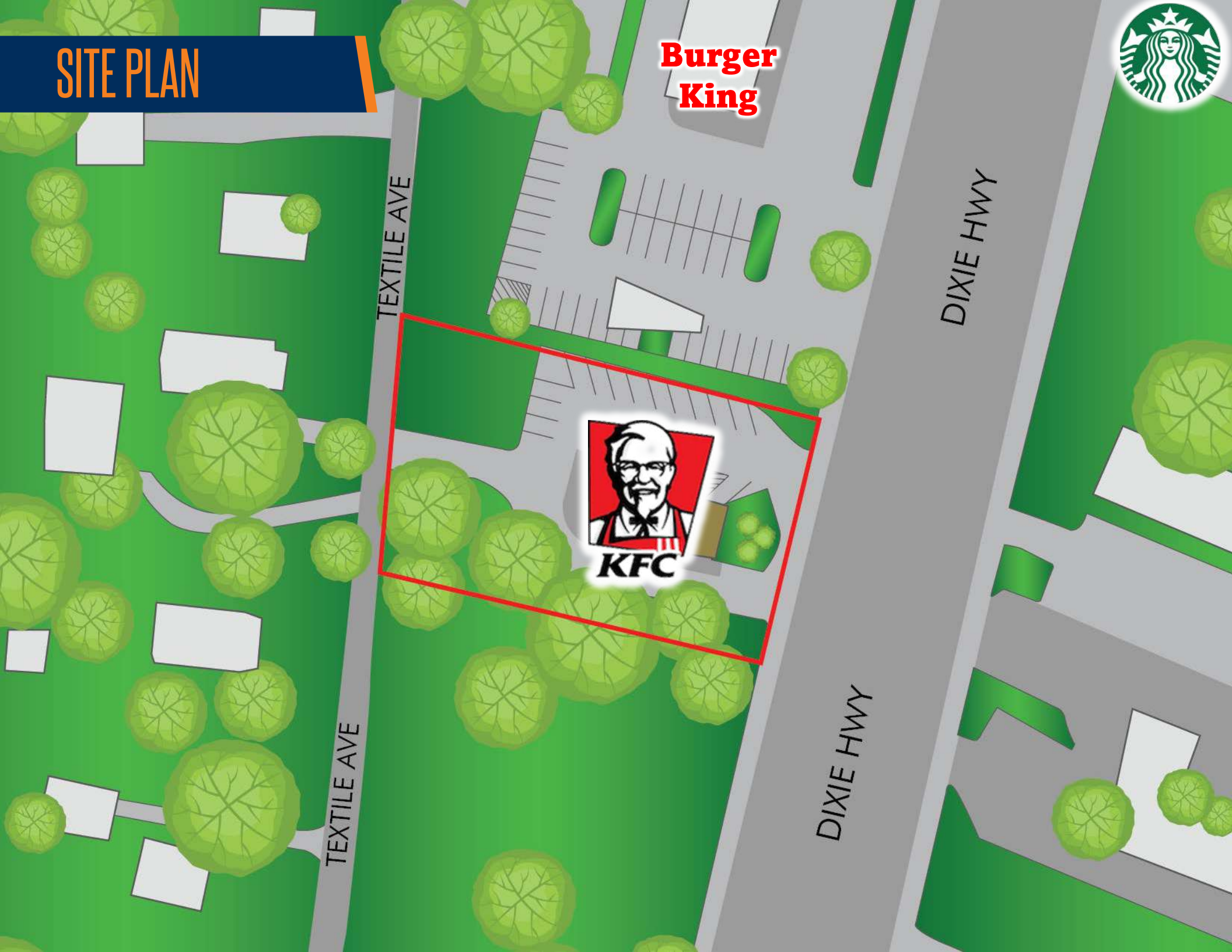
TEXTILE AVE

DIXIE HWY

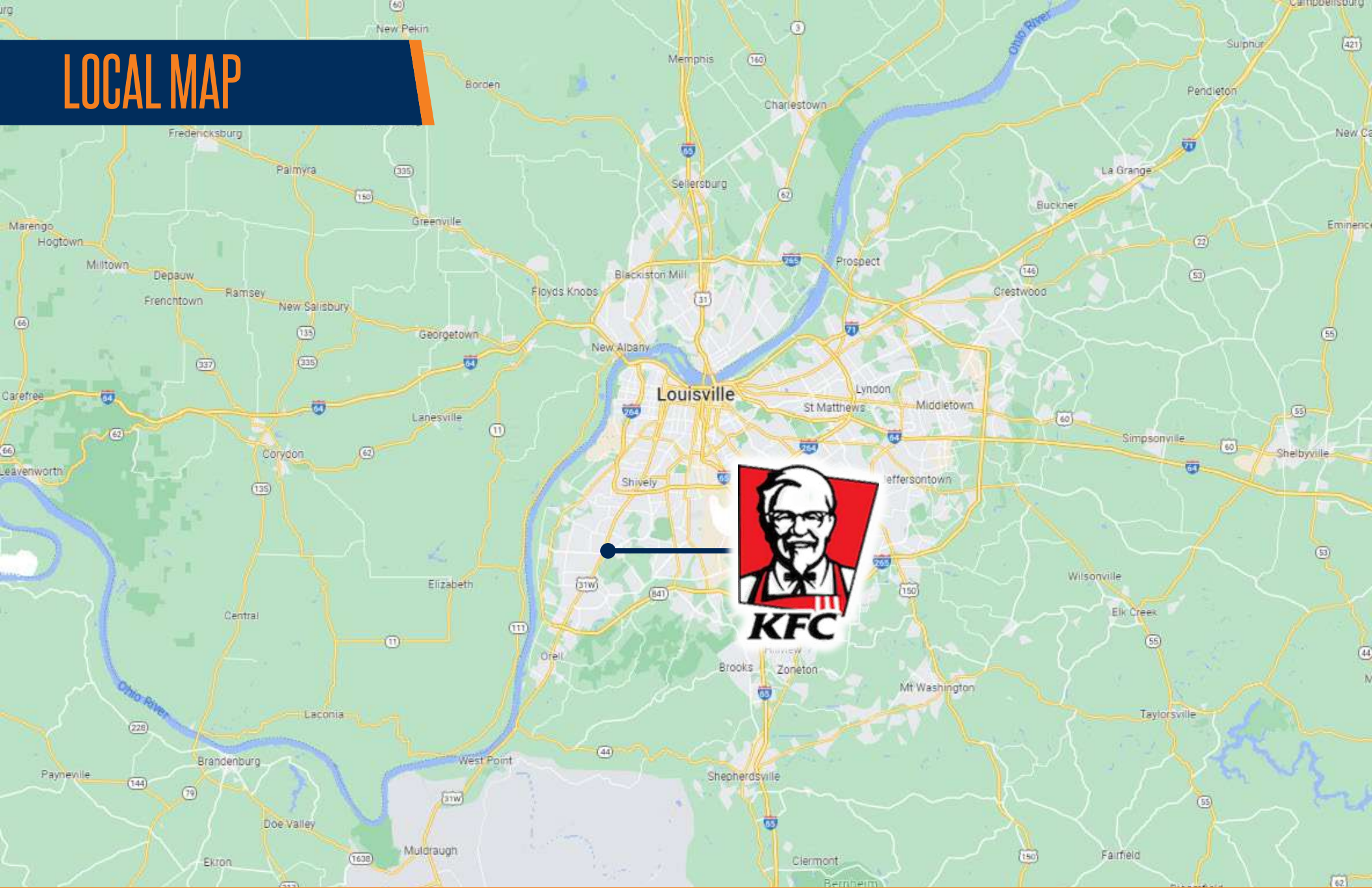


TEXTILE AVE

DIXIE HWY



LOCAL MAP



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REGIONAL MAP



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Downtown Louisville

Walmart

Pizza Hut

Arbys

TOYOTA

HYUNDAI

LOWE'S

BIG LOTS

CHEVROLET

PAPA JOHN'S

ups

HOBBY LOBBY

STAPLES

Chick-fil-A

McDonald's

THE HOME DEPOT

DISCOUNT TIRE

HIBBETT SPORTS

T-Mobile

Starbucks

QDOBA

AMERICAN FREIGHT FURNITURE - MATTRESS

PNC

Burger King

Panera BREAD

Dixie Hwy (56,997 VPD)

KFC



Sims
SINCE 1977
FURNITURE

jiffylube



Walgreens **Gordon** CHASE
FOOD SERVICE STORE



L&N
FEDERAL CREDIT UNION

DOLLAR GENERAL

Jackson Hewitt
TAX SERVICES

Savanna Terrace Apartments
Savanna Square Apartments
Louisville Metro Police Department



Burger King

Dixie Hwy (56,997 VPD)





Drive Thru
NEW FILL BOX \$20 UP

KFC



Let's Have Another ORIGINAL RECIPE





Drive Thru
THE CHICKEN SANDWICH
TRY ONE TODAY



NEW MENU





KFC



KFC

ORIGINAL RECIPE

Drive-Thru
The Original Recipe
TRY ONE TODAY





KFC



Drive Thru
THE CHICKEN SANDWICH
TRY ONE TODAY



KFC



Let's make something ORIGINAL. RECIPE

NEW MENU

FINANCIAL ANALYSIS

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FINANCIAL ANALYSIS

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Sale Price	\$1,103,613
Cap Rate	6.20%
NOI	\$68,424
Square Feet	1,706
Year Built	1981/2020
Lot Size	0.56 Acres
Tenant	KFC
Lease Guarantor	Houston Enterprises, USA, Inc.
Lease Commencement	10/1/2016
Lease Expiration	09/30/2026
Lease Term Remaining	2 Years
Renewal Options	(2) 5-Year Options
Landlord Responsibility	None – Absolute NNN Ground Lease



INITIAL TERM			
Year	Annual Rent	Monthly Rent	Rent/SF
10/01/2023 - 09/30/2024	\$66,756	\$5,563	\$39.13
10/01/2024 - 09/30/2025	\$68,424	\$5,702	\$40.11
10/01/2025 - 09/30/2026	\$70,140	\$5,845	\$41.11
OPTION TERM #1			
10/01/2026 - 09/30/2027	\$72,240	\$6,020	\$42.34
10/01/2027 - 09/30/2028	\$74,412	\$6,201	\$43.62
10/01/2028 - 09/30/2029	\$76,644	\$6,387	\$44.93
10/01/2029 - 09/30/2030	\$78,936	\$6,578	\$46.27
10/01/2030 - 09/30/2031	\$81,312	\$6,776	\$47.66
OPTION TERM #2			
10/01/2031 - 09/30/2032	\$83,748	\$6,979	\$49.09
10/01/2032 - 09/30/2033	\$86,256	\$7,188	\$50.56
10/01/2033 - 09/30/2034	\$88,848	\$7,404	\$52.08
10/01/2034 - 09/30/2035	\$91,512	\$7,626	\$53.64
10/01/2035 - 09/30/2036	\$94,260	\$7,855	\$55.25


ABOUT KENTUCKY FRIED CHICKEN (KFC)





KFC Corporation, doing business as Kentucky Fried Chicken (KFC), is an American fast-food restaurant chain headquartered in Louisville, KY, that specializes in fried chicken. It is the world's second-largest restaurant chain (as measured by sales) after McDonald's, with over 30,000 locations globally in 150 countries as of April 2024.

KFC was founded by Colonel Harlan Sanders (1890 – 1980), an entrepreneur who began selling fried chicken in 1930 from his roadside restaurant in Corbin, Kentucky during the Great Depression. Sanders identified the potential of the restaurant franchising concept, and the first "Kentucky Fried Chicken" opened in Salt Lake City, UT in 1952. KFC popularized chicken in the fast-food industry, diversifying the market by challenging the established dominance of the hamburger. By branding himself as "Colonel Sanders" Sanders became a prominent figure of American cultural history, and his image remains widely used in KFC advertising to this day. The company experienced exponential growth after franchising, which overwhelmed the aging Sanders, and he sold KFC to a group of investors in 1964. KFC continued to grow and expanded across the United States. KFC was one of the first American fast-food chains to expand internationally, opening locations in Canada, the United Kingdom, Mexico, and Jamaica by the mid-1960's.

The chain is a subsidiary of Yum! Brands (NYSE: YUM), a restaurant company that also owns the Pizza Hut and Taco Bell chains. 2022 Revenue for KFC was US \$31.116 billion.

 30,000+ Global Locations

 In Business Since 1930

 Headquartered in Louisville, KY



[KFC WEBSITE](https://www.kfc.com)

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NEW \$20
FILL UP
BOX

MARKET OVERVIEW

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LOUISVILLE, KENTUCKY METRO

2022 POPULATION:
1,300,000



LOUISVILLE, KENTUCKY

Home to the famous Kentucky Derby, the Louisville, Kentucky metro is composed of Indiana's Harrison, Washington, Clark, Floyd, and Scott counties, as well as Kentucky's Jefferson, Spencer, Oldham, Trimble, Shelby, Bullitt, and Henry counties. Louisville is the region's most populous city, with more than 630,000 citizens, followed by Jeffersonville, Indiana, which has 52,000 residents. The Ohio river cuts through the region and was an important player in the area's development.

METRO HIGHLIGHTS



CENTRALIZED LOCATION

Approximately 60 percent of United States cities are within a one-day drive of the metro, providing access to large economic centers



MAJOR DISTRIBUTION CENTER

Louisville's strategic geographic placement has made it a hub for the logistics and distributions industries.



THE DERBY

Every May, attention is focused on Louisville when it hosts the Kentucky Derby – the most acclaimed horse racing event in the world.

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LOUISVILLE, KENTUCKY

ECONOMY

Although the region's economy has been historically dominated by the shipping and rail industries, contemporary Louisville boasts a well-diversified economy that is focused on advanced manufacturing, logistics, life sciences, and health care, as well as other industry sectors.

The UPS Worldport global air freight hub at Louisville International Airport makes the region an important player in global shipping and logistics.

The metro is headquarters to two Fortune 500 companies: Humana and Yum! Brands. Additional major employers include UPS, Ford Motor Co., Norton Healthcare, Kroger Co., and the University of Louisville.

DEMOGRAPHICS



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	1 Mile	3 Miles	5 Miles
POPULATION			
2028 Projection	7,227	75,712	163,903
2023 Estimate	7,247	75,373	163,203
2020 Census	7,319	76,509	166,731
2010 Census	7,275	74,411	162,752
INCOME			
Average	\$65,134	\$72,509	\$64,309
Median	\$51,560	\$56,960	\$50,155
Per Capita	\$26,780	\$29,834	\$26,476
HOUSEHOLDS			
2028 Projection	2,981	31,188	67,613
2023 Estimate	2,980	30,944	67,078
2020 Census	2,977	30,818	66,785
2010 Census	2,952	29,856	65,061
MEDIAN HOME VALUE			
2023	\$152,720	\$154,897	\$145,898
EMPLOYMENT			
2023 Daytime Population	6,566	59,174	133,861



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