

# CONFIDENTIAL OFFERING MEMORANDUM



## HARLAN, KENTUCKY



*SUBJECT PROPERTY*

**NET LEASE GROUP**



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# Investment Offering & Highlights

## THE OFFERING

- ±22 Year lease, Single-tenant **MCDONALD'S** restaurant located at **2501 US-421, Harlan, KY 40831**. Freestanding McDonald's with drive thru situated on a prominent parcel along US-421, a primary commercial corridor serving the Harlan market. This is a zero landlord responsibility, ground lease investment.
- **Price: \$2,286,000- 3.5% Cap Rate**

## LEASE / TENANT

- ±22 years remaining on the ground lease, representing the longest remaining lease term currently available on a McDonald's property in the market.
- Recent 20 Year Lease extension executed in December 2025.
- 10% Rent Increases every 5 years.
- Over 40 years of operating history at this location, demonstrating long-term site commitment and strong unit performance.
- Exceptional sales volumes; please contact the broker for additional information.
- McDonald's maintains investment-grade credit, providing durable income and downside protection.

## REAL ESTATE / AREA STRENGTHS

- Freestanding, single-tenant restaurant with strong visibility and direct access from US-421.
- Located in Harlan, Kentucky, serving as a primary fast-food destination for the surrounding community.
- Limited fast-food competition in the immediate trade area, supporting consistent traffic.
- US-421 serves as a key connector route through southeastern Kentucky, driving steady daily traffic counts.
- Essential retail location in a supply-constrained rural market.



# Investment Offering

## LOCATION

2501 US-421, Harlan, KY 40831

## LOT SIZE

Approximately 1.6 Acres - ±69,696 Square Feet

## IMPROVEMENTS

An approximately 4,810 square foot single story retail building with drive thru leased to **MCDONALD'S**.

## LEASE

Ground leased to **MCDONALD'S** until October 19, 2047. The existing lease's rent is derived from multiplying two percent to the sales each month. The lease has been amended to be fixed with the base rent beginning in 2027 as \$80,000. Rent increases 10% every five years. The lease is absolute net with the tenant responsible for taxes, insurance, and maintenance for all structural and non-structural components. There are four 5-year options to renew with 10% rental increases every 5 years.

## ANNUAL RENT

Lease Years	Annual Rent	Rent/SF	Increase
Oct 2023 - Sept 2024 (Actual)	\$79,835	\$13.41	-
Oct 2024 - Sept 2025 (Actual)	\$79,991	\$13.44	-
Oct 2025 - Sept 2026	% Rent	-	-
Oct 2026 - Sept 2027	% Rent	-	-
1 - 5	\$80,000	\$13.44	-
6 - 10	\$88,000	\$14.78	10%
11 - 15	\$96,800	\$16.26	10%
16 - 20	\$106,480	\$17.89	10%
21 - 25 (Option 1)	\$117,128	\$19.68	10%
26 - 30 (Option 2)	\$128,841	\$21.65	10%
31 - 35 (Option 3)	\$141,725	\$23.81	10%
36 - 40 (Option 4)	\$155,897	\$26.19	10%

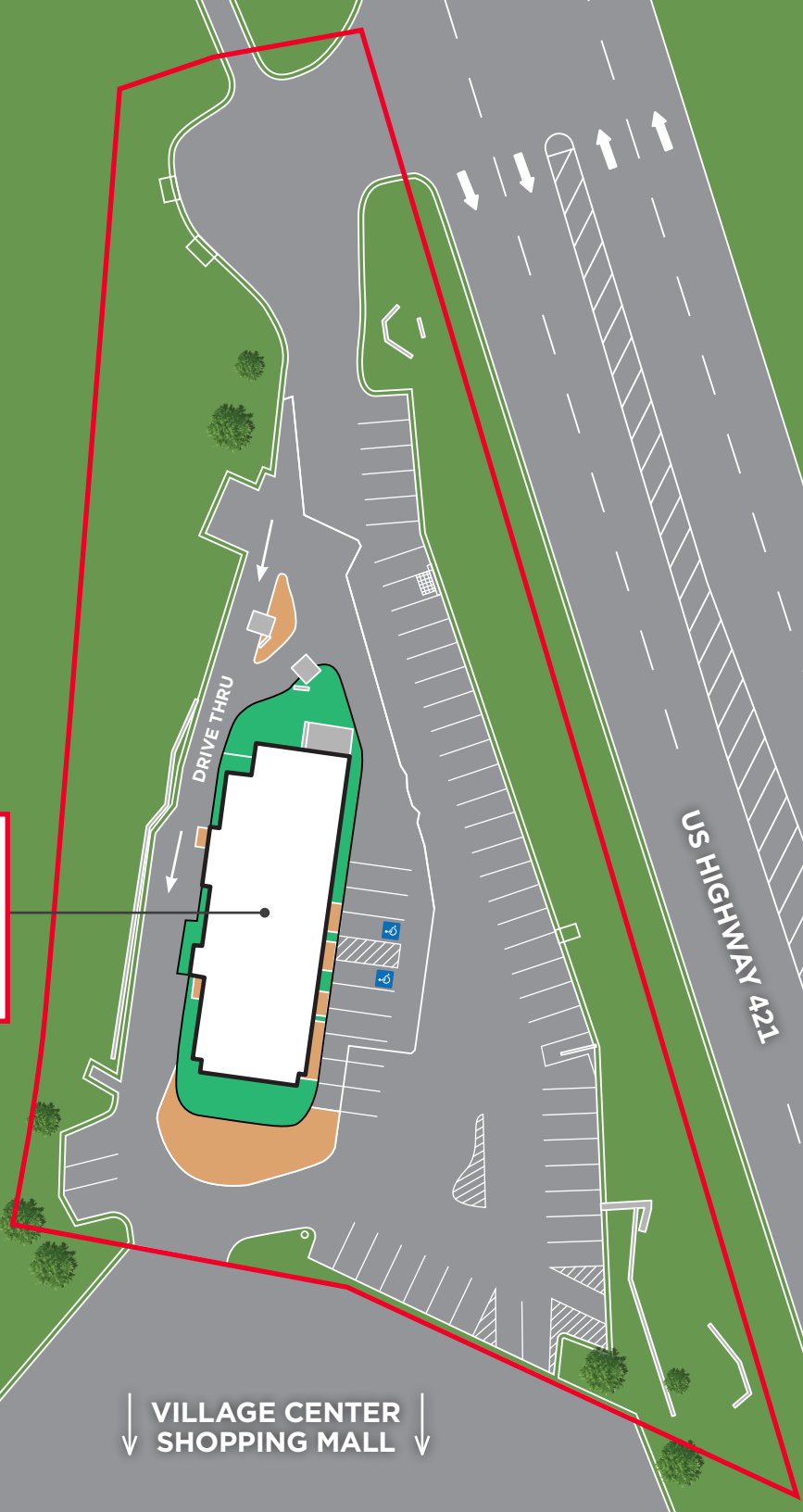
**PRICE: \$2,286,000 – 3.50% CAP RATE**

SUBJECT PROPERTY

# Site Plan



**McDonald's**  
±4,810 SF BLDG  
±1.6 ACRES





Founded in 1940 and based in Chicago, IL. McDonald's has grown into one of the largest and most iconic brands in the world. Today the restaurant continues to provide customers with their original hamburgers along with breakfast, dessert, and cafe-oriented menu offerings.

McDonald's serves customers globally with 41,822 restaurants in 118 countries and reported \$130.7B in system wide sales in 2024.

Approximately one-third, or 13,658 of their restaurants exist within the United States and had average sales \$3.9MM per location in 2024. They are the number one ranked restaurant by total sales in the Quick Service Restaurant industry.

**BAA1/BBB+**

Credit Rating

**MCD**

NYSE Ticker Symbol

**\$25.9B**

Total Revenue

**\$213B**

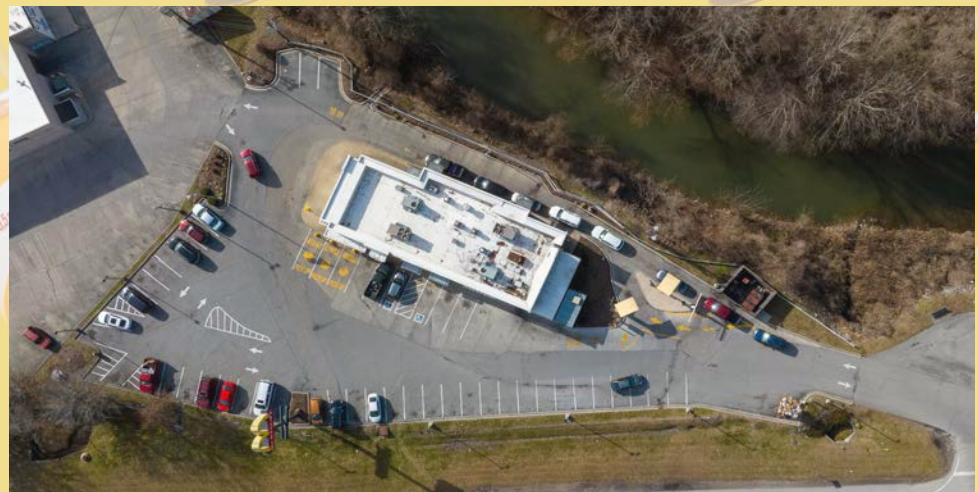
Market Cap

**41,822**

Total Locations

**150K**

Total Employees





## SITE LOCATION

The property is a freestanding McDonald's restaurant located along US-421, the primary commercial corridor serving Harlan and the surrounding trade area. US-421 functions as a critical regional thoroughfare, connecting Harlan to neighboring communities throughout southeastern Kentucky and supporting consistent local and commuter traffic. The site benefits from excellent visibility, direct ingress/egress, and a central in-town location that positions it as a primary quick-service destination for the market.

The immediate area is characterized by a mix of essential retail, civic uses, and residential neighborhoods, reinforcing steady daily demand. As one of the dominant national brands in the market, the subject property serves a broad customer base and benefits from limited national QSR competition in the immediate vicinity. The location's long operating history underscores its role as an established, irreplaceable retail site within the Harlan community.



### VILLAGE CENTER MALL



HOLIDAY APARTMENTS





Walmart



VILLAGE CENTER MALL

Save a lot



DON'S SUPER SAVER



WOODLAND PLAZA

FOOD CITY HIBBETT SPORTS

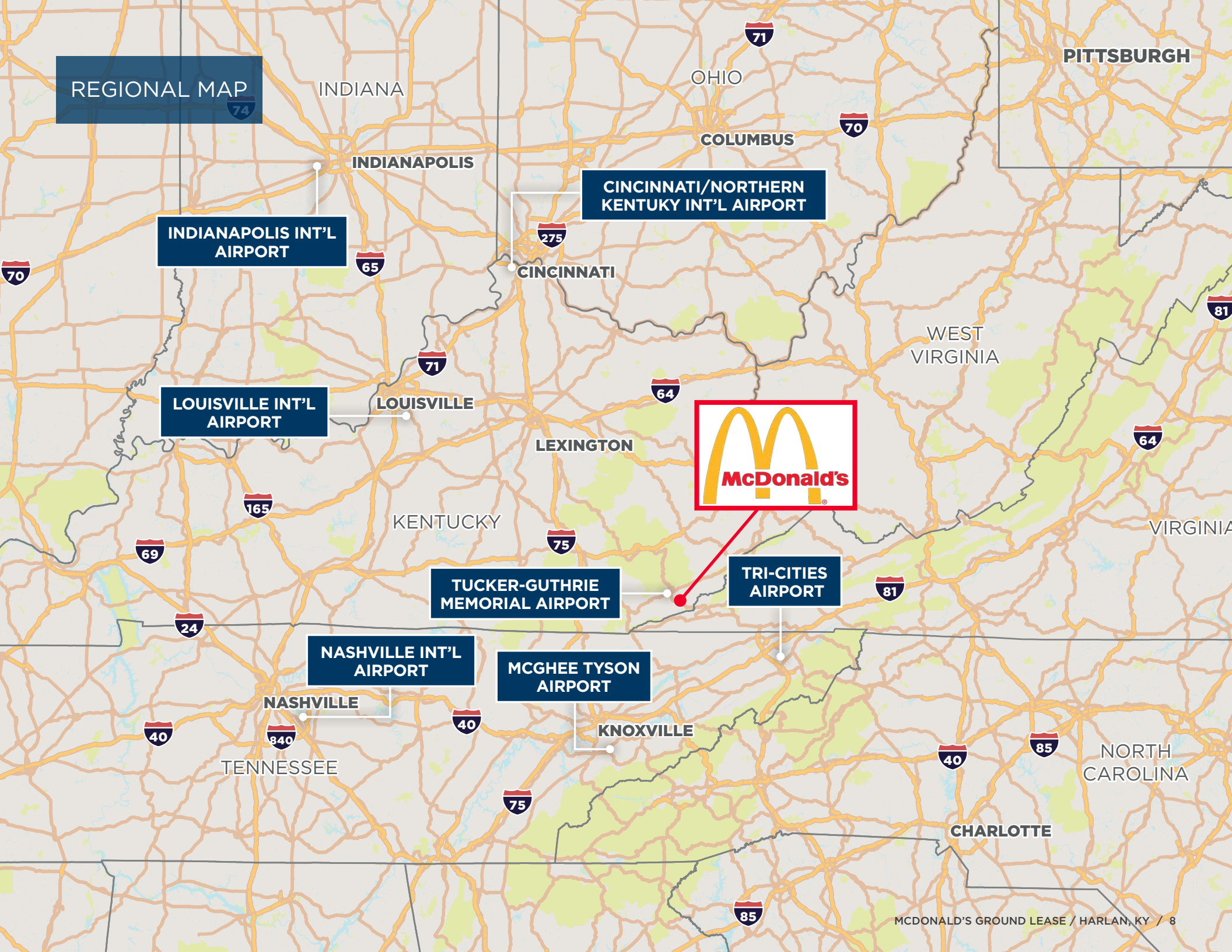
Advance Auto Parts GameStop

AT&T Starbucks

US HIGHWAY 421



REGIONAL MAP



INDIANAPOLIS INT'L AIRPORT

CINCINNATI/NORTHERN KENTUCKY INT'L AIRPORT

LOUISVILLE INT'L AIRPORT



TUCKER-GUTHRIE MEMORIAL AIRPORT

TRI-CITIES AIRPORT

NASHVILLE INT'L AIRPORT

MCGHEE TYSON AIRPORT

## ABOUT THE AREA: HARLAN, KENTUCKY

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Harlan, Kentucky is a historic Appalachian community that serves as the commercial, governmental, and healthcare hub for Harlan County and the surrounding rural region. The city functions as a central service node for southeastern Kentucky, drawing daily traffic from nearby towns for employment, retail, dining, education, and essential services. Anchored by local government offices, schools, and medical facilities, Harlan maintains steady year-round demand that supports long-standing retail and service-oriented businesses.

The area is characterized by limited new retail development, creating a supply-constrained environment where established locations hold significant strategic value. National tenants operating in Harlan benefit from strong brand recognition, repeat customer traffic, and a loyal local consumer base. With its role as the primary trade center for the county and a long history of supporting essential retail, Harlan offers stable fundamentals well suited for long-term net lease investments.





**CUSHMAN &  
WAKEFIELD**

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