

40 YEAR PROVEN KFC - \$1.229M

1116 Parade St | Erie, PA

Marcus & Millichap
CAFIERO TEAM



OFFERING MEMORANDUM

DEAL LEAD



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TENANT

- Full-Service Kentucky Fried Chicken (KFC) Restaurant with drive/thru
- Franchisee - Morgan's Foods, Inc.
- Morgan's Foods Operates 100+ Restaurants (approximately 75 KFC's, 10 Taco Bell's, and Several Combo Units with KFC/Taco Bell/Pizza Hut/A&W)
- Ranked in the Top 45% of all KFC Locations Nationally per Placer.ai



LEASE(S)

- Approximately 13 Years Remaining on Absolute NNN Lease
- 1.25% Annual Increases Starting in 2029
- Zero Landlord Responsibilities
- Low Price Point for a National Franchise like KFC
- Attractive Rent Rate for a QSR w/ Drive-Thru - This Low Rent Structure Historically Supports Strong Tenant Retention



LOCATION/ MARKET

- Densely Populated area with over 143K People within 5 Miles
- Historic City which a Regional Hub and County Seat
- Parade Street is Considered a Crucial Historic Thoroughfare on the East Side of Erie and is Currently the Focus of Revitalization - the Original "Main Street" of the Community

DEMOGRAPHICS

| POPULATION | 1 Mile | 3 Miles | 5 Miles |
|-------------------------|----------|----------|----------|
| 2024 Population | 19,712 | 89,091 | 143,365 |
| 2029 Population (Proj.) | 19,650 | 88,899 | 143,087 |
| EMPLOYMENT | | | |
| Total Employees | 18,768 | 51,070 | 77,023 |
| Total Establishments | 1,054 | 3,637 | 54,762 |
| HOUSEHOLDS | | | |
| Number of Households | 7,938 | 37,988 | 61,591 |
| Average HH Income | \$38,090 | \$57,345 | \$67,343 |

ERIE, PENNSYLVANIA

Erie, Pennsylvania is a mid-sized city and regional hub located in the northwestern corner of the state along the southern shore of Lake Erie. As the county seat of Erie County, the city serves as an important center for healthcare, education, manufacturing, and logistics for the broader tri-state region of Pennsylvania, Ohio, and New York. Erie benefits from its strategic Great Lakes location, with direct access to major transportation corridors including Interstates 79 and 90, CSX and Norfolk Southern rail lines, a commercial port on Lake Erie, and proximity to Erie International Airport. The city's port plays a key role in bulk cargo handling, supporting industries such as steel, energy, construction materials, and agriculture.

Economically, Erie has a diversified base anchored by legacy manufacturing, led historically by General Electric's transportation division (now Wabtec), along with plastics, metal fabrication, food processing, and advanced manufacturing. Healthcare and education are major and growing employment drivers, with institutions such as UPMC Hamot, Saint Vincent Hospital, and Erie Insurance Group providing stability and white-collar job growth. Higher education institutions including Gannon University, Penn State Behrend, and Mercyhurst University contribute to workforce development, research activity, and downtown revitalization.

From a real estate and development perspective, Erie offers relatively low costs of living and doing business compared to larger Northeastern metros, creating opportunities in industrial, logistics, and value-oriented multifamily housing. The waterfront has become a focal point for redevelopment, highlighted by Presque Isle Bay, tourism assets, and recreational infrastructure that enhance quality of life and attract visitors. Seasonal tourism, driven by Presque Isle State Park, lakefront activities, and regional events, supports the hospitality and retail sectors. Overall, Erie is positioned as a resilient regional market with strategic logistics advantages, improving downtown momentum, and long-term redevelopment potential tied to its waterfront, institutional anchors, and cross-border connectivity.



PROPERTY DETAILS

PROPERTY DESCRIPTION

| | |
|----------------------|-----------------------|
| Rentable Square Feet | 2,750 SF |
| Parcel Size | 0.73 AC |
| Parcel Number | 15-020-017.0-101.00 |
| Year Built | 1986 |
| Number of Stories | 1 Story |
| Parking | 42 Spaces |
| Traffic Count | 22,300± Vehicles/ Day |



1986
Year Built



42
Spaces



22,300± ADT
E 12th Street



KFC (Kentucky Fried Chicken) is one of the world's most established and recognizable quick-service restaurant brands, founded in 1930 by Colonel Harland Sanders in Corbin, Kentucky, and now headquartered in Louisville, Kentucky. Operating as a core subsidiary of Yum! Brands, Inc., KFC benefits from the scale, capital strength, and global operating expertise of its parent company, which also owns Taco Bell and Pizza Hut. The brand is built around its iconic Original Recipe fried chicken, prepared using a closely guarded blend of 11 herbs and spices, and has expanded its menu over time to include crispy and extra-crispy chicken, chicken sandwiches, tenders, bowls, sides, and region-specific offerings tailored to local consumer preferences.

KFC operates a highly franchised business model, with the vast majority of its more than 27,000 restaurants across 145+ countries owned and operated by franchisees. This asset-light structure enables strong unit economics, predictable royalty revenue, and efficient global expansion while limiting corporate capital expenditures. International markets represent a significant share of systemwide sales and growth, particularly in China, where KFC is one of the most dominant Western restaurant brands and operates with a localized menu and advanced digital ecosystem. In the United States, KFC maintains a broad footprint in urban, suburban, and rural markets, often positioned as a value-oriented and convenience-driven dining option.

Strategically, KFC continues to invest heavily in digital transformation, including mobile apps, loyalty programs, delivery integration, and drive-thru optimization, to capture changing consumer behavior and increase average check sizes. The brand also focuses on store re-imagining initiatives, such as modernized "KFC Next Gen" restaurant designs, aimed at improving operational efficiency and customer experience. From a financial and competitive standpoint, KFC benefits from strong brand equity, global scale, and pricing power, allowing it to remain resilient across economic cycles while competing effectively within the crowded global fast-food and chicken QSR segment.



LOUISVILLE, KY
HEADQUARTERS

S&P: BBB
(YUM BRANDS)
CREDIT RATING

27,000+
LOCATIONS

\$8.0B
ASSETS

NYSE: YUM
TRADED AS



PROPERTY OUTLINE

Marcus & Millichap
CAFIERO TEAM



E 12TH STREET

22,300± VEHICLES / DAY



PARADE STREET

15,300± VEHICLES / DAY

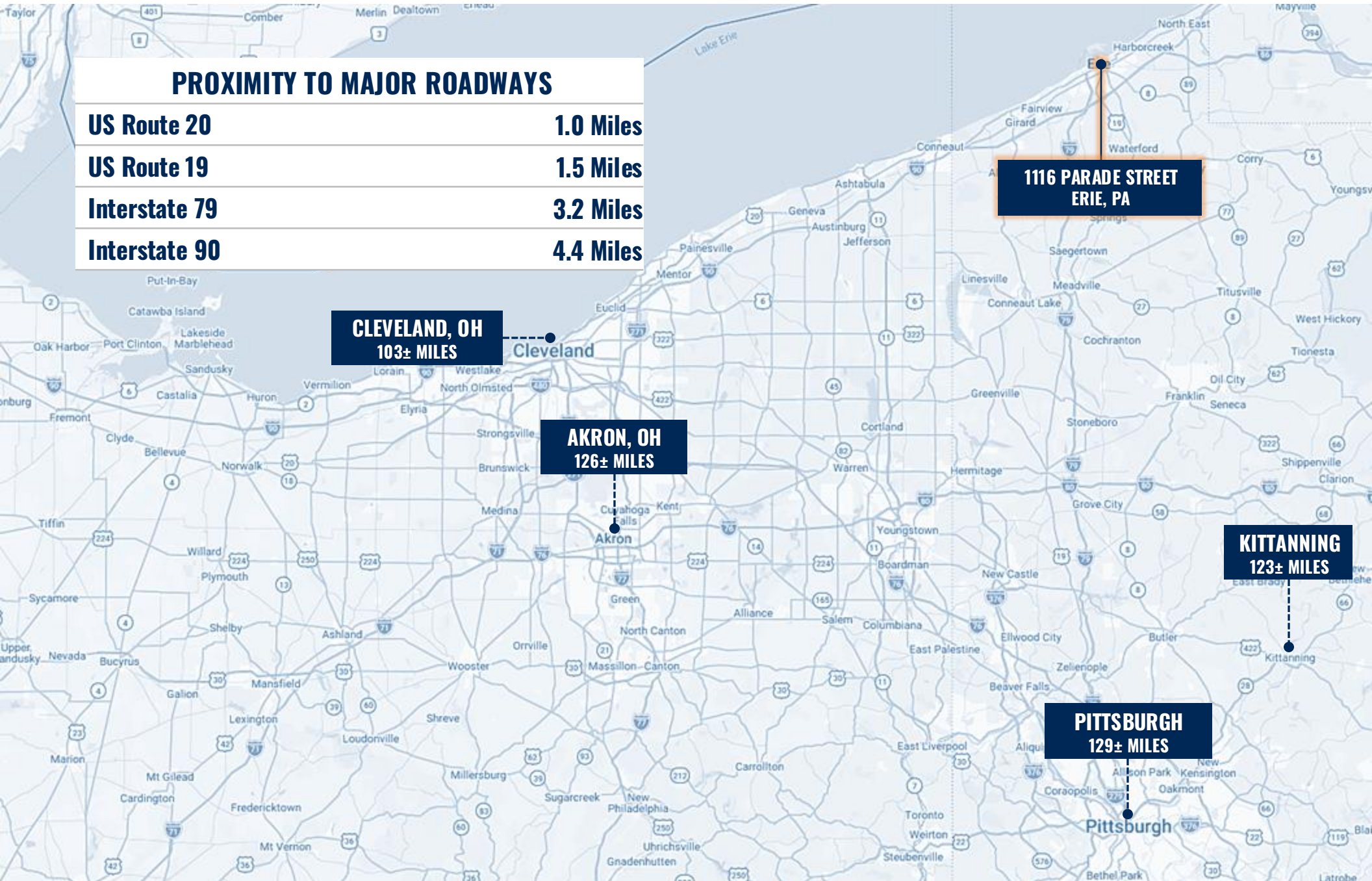
E 11TH STREET

8,800± VEHICLES / DAY

REGIONAL MAP

PROXIMITY TO MAJOR ROADWAYS

| | |
|----------------------|------------------|
| US Route 20 | 1.0 Miles |
| US Route 19 | 1.5 Miles |
| Interstate 79 | 3.2 Miles |
| Interstate 90 | 4.4 Miles |



**1116 PARADE STREET
ERIE, PA**

**CLEVELAND, OH
103± MILES**

**AKRON, OH
126± MILES**

**KITTANNING
123± MILES**

**PITTSBURGH
129± MILES**

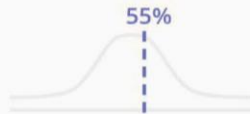


Ranking Overview

KFC
Parade St, Erie, PA

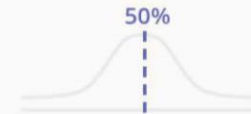
Nationwide

1,296 / 2,904



Pennsylvania

43 / 85



15mi

1 / 4



Chain: KFC | Visits | Feb 1st, 2025 - Jan 31st, 2026
Data provided by Placer Labs Inc. (www.placer.ai)



UNION STATION
AMTRAK



Tim Hortons

Country Fair
FRESH & LOCAL



CVS

CVS



Country Fair
FRESH & LOCAL





UPMC Hamot



Country Fair FRESH & LOCAL

CVS



\$1,229,000
List Price



\$76,809
NOI



6.25%
Cap Rate



13 Years
Term Remaining

OFFERING SUMMARY

| | |
|----------------------|--------------------------|
| Property Address | 1116 Parade St, Erie, PA |
| Rentable SF | +/- 2,750 SF |
| Type of Ownership | Fee Simple |
| List Price | \$1,229,000 |
| Net Operating Income | \$76,809 |
| Cap Rate | 6.25% |

RENT SCHEDULE

| | Rent Dates | Annual Rent | Increase | Cap Rate |
|-----------|----------------------|-------------|----------|----------|
| Base Term | 4/1/2019 - 3/31/2029 | \$76,809 | - | 6.25% |
| | 4/1/2029 - 3/31/2030 | \$77,769 | 1.25% | 6.33% |
| | 4/1/2030 - 3/31/2031 | \$78,741 | 1.25% | 6.41% |
| | 4/1/2031 - 3/31/2032 | \$79,725 | 1.25% | 6.49% |
| | 4/1/2032 - 3/31/2033 | \$80,722 | 1.25% | 6.57% |
| | 4/1/2033 - 3/31/2034 | \$81,731 | 1.25% | 6.65% |
| | 4/1/2034 - 3/31/2035 | \$82,753 | 1.25% | 6.73% |
| | 4/1/2035 - 3/31/2036 | \$83,787 | 1.25% | 6.82% |
| | 4/1/2036 - 3/31/2037 | \$84,834 | 1.25% | 6.90% |
| | 4/1/2037 - 3/31/2038 | \$85,895 | 1.25% | 6.99% |
| | 4/1/2038 - 3/31/2039 | \$86,969 | 1.25% | 7.08% |

LEASE SUMMARY

| | |
|-------------------------|--|
| Tenant | KFC |
| Lease Type | NNN |
| Guarantor | Morgan's Foods, Inc. |
| Lease Commencement | 4/1/2019 |
| Lease Expiration | 3/31/2039 |
| Lease Term Remaining | +/- 13 Years |
| Rent Increases | 1.25% Annual starting 4/1/2029 |
| Renewal Options | Four (4) 5 Year Options |
| Renewal Notice Timing | 90 Days |
| Tenant Responsibility | Taxes, Insurance, Utilities, Repairs & Maintenance, Roof & Structure |
| Landlord Responsibility | None |
| Termination Option | N/A |
| Right of First Refusal | N/A |

[1] 1.25% annual increases continue throughout the option periods.
See next page for full rent schedule.

RENT SCHEDULE

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| | 4/1/2037 | - 3/31/2038 | \$85,895 | 1.25% | 6.99% | |
| Option 1 | 4/1/2038 | - 3/31/2039 | \$86,969 | 1.25% | 7.08% | |
| | 4/1/2039 | - 3/31/2040 | \$88,056 | 1.25% | 7.16% | |
| | 4/1/2040 | - 3/31/2041 | \$89,156 | 1.25% | 7.25% | |
| | 4/1/2041 | - 3/31/2042 | \$90,271 | 1.25% | 7.35% | |
| | 4/1/2042 | - 3/31/2043 | \$91,399 | 1.25% | 7.44% | |
| Option 2 | 4/1/2043 | - 3/31/2044 | \$92,542 | 1.25% | 7.53% | |
| | 4/1/2044 | - 3/31/2045 | \$93,698 | 1.25% | 7.62% | |
| | 4/1/2045 | - 3/31/2046 | \$94,870 | 1.25% | 7.72% | |
| | 4/1/2046 | - 3/31/2047 | \$96,056 | 1.25% | 7.82% | |
| | 4/1/2047 | - 3/31/2048 | \$97,256 | 1.25% | 7.91% | |
| Option 3 | 4/1/2048 | - 3/31/2049 | \$98,472 | 1.25% | 8.01% | |
| | 4/1/2049 | - 3/31/2050 | \$99,703 | 1.25% | 8.11% | |
| | 4/1/2050 | - 3/31/2051 | \$100,949 | 1.25% | 8.21% | |
| | 4/1/2051 | - 3/31/2052 | \$102,211 | 1.25% | 8.32% | |
| | 4/1/2052 | - 3/31/2053 | \$103,489 | 1.25% | 8.42% | |
| Option 4 | 4/1/2053 | - 3/31/2054 | \$104,782 | 1.25% | 8.53% | |
| | 4/1/2054 | - 3/31/2055 | \$106,092 | 1.25% | 8.63% | |
| | 4/1/2055 | - 3/31/2056 | \$107,418 | 1.25% | 8.74% | |
| | 4/1/2056 | - 3/31/2057 | \$108,761 | 1.25% | 8.85% | |
| | 4/1/2057 | - 3/31/2058 | \$110,120 | 1.25% | 8.96% | |
| | 4/1/2058 | - 3/31/2059 | \$111,497 | 1.25% | 9.07% | |

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CAFIERO TEAM

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drive thru
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WRAP
IS BACK



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