222 Lansing Road

Charlotte, MI 48813

Retail
Investment Opportunity
Offering Memorandum

MATTHEWS™

Exclusively Listed By

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Property Overview

KFC
222 Lansing Road, Charlotte, MI 48813

Investment Highlights

The Opportunity

Matthews is pleased to present the opportunity to acquire a KFC Absolute NNN property located at 222 Lansing Street, Charlotte, MI. The asset is operated by KBP Brands (KBP Foods), one of the nation's largest quick-service restaurant franchisees with more than 1,100 units across leading QSR brands.

The lease provides ±13 years of remaining base term, delivering durable, long-term income backed by a highly experienced and well-capitalized operator. With its Absolute NNN structure, the property offers investors a truly passive ownership experience, free from any landlord obligations.

Strategically positioned along Lansing Street, one of Charlotte's primary commercial corridors, the property benefits from excellent visibility and easy access. As the county seat of Eaton County, Charlotte is supported by a stable local economy anchored by government, education, and healthcare. This strong market foundation, combined with a nationally recognized tenant and secure long-term lease, creates a compelling, low-management investment opportunity.

Property Highlights

- **Institutional-Grade Operator**: Operated by **KBP Brands**, a premier QSR franchise with **+1,100** units nationwide, ensuring strong financial backing and operational expertise.
- **True Passive Ownership: Absolute NNN** lease with the tenant responsible for all expenses, eliminating landlord responsibilities.
- **Secure Long-Term Income:** Approximately ±13 years of base term remaining, providing predictable, consistent cash flow.
- **Rental Increase: 7.50%** rental increase in **3 years**.
- **High-Visibility Location:** The property offers prime placement along Lansing Street, Charlotte's main retail corridor, with steady traffic and excellent accessibility. It sits just off I-69 **(30,000+ VPD)** and is positioned directly across from the 100,000 SF Eaton Hospital, alongside other established national retailers.
- **Established Market Demand:** Charlotte serves as Eaton County's county seat, supported by government, healthcare, and educational institutions that drive reliable regional demand.
- **Strong Market Fundamentals:** Stable population, healthy household incomes, and robust community infrastructure reinforce long-term retail viability.

N
Alro Steel
America's Premier Metals Service Center
LINN PRODUCTS INC.
LAFCU
YOUR CREDIT UNION FOR LIFE
Family Farm & Home
CHEVROLET
Applebee's GRILL + BAR
Walmart Supercenter
AutoZone
E Lansing Rd ± 12,200 VPD
TSC TRACTOR SUPPLY Co
Fitch H Beach Airport
±1.2 Miles Away
ACE Hardware
O'Reilly AUTO PARTS
Little Caesars
FAMILY DOLLAR
Rally's
Mobil
TACO BELL
Culver's
big boy
Ford
Pizza Hut
Goodwill
McDonald's
Wendy's
Jimmy John's
University of Michigan Health-Sparrow Eaton
±845 Beds
KFC
Subject Property
INTERSTATE 69
± 30,600 VPD
Advance Auto Parts

222 Lansing Road
Charlotte, MI 48813

±2,106 SF
GLA

1999/2018
Year Built/Renovated

Absolute NNN
Lease Type

$752.80
Price Per SF

±0.68 AC
Lot Size

Financial Overview

KFC
222 Lansing Road, Charlotte, MI 48813

Financial Summary

$1,585,391	5.75%	Absolute NNN	13 Years
List Price	Cap Rate	Lease Type	Lease Term

Property Details

Tenant Trade Name	KFC
Type of Ownership	Fee Simple
Lease Guarantor	KBP & Foods (+1,100 Units)
Lease Type	Absolute NNN
Original Lease Term	20 Years
Rent Commencement Date	9/24/2018
Lease Expiration Date	09/30/2038
Term Remaining on Lease	±13 Years
Increases	7.50% Every 5 Years
Options	Two, 5-Year Options

Annualized Operating Data

	Annual Rent	Monthly Rent	Rent PSF	Cap Rate
Current - 9/30/2028	**$91,160.00**	**$7,596.67**	**$43.29**	**5.75%**
10/1/28 - 9/30/33	$97,997.00	$8,166.42	$46.53	6.18%
10/1/33 - 9/30/38	$105,346.78	$8,778.90	$50.02	6.64%
Option 1	$113,247.78	$9,437.32	$53.77	7.14%
Option 2	$121,741.37	$10,145.11	$57.81	7.68%

Portfolio Summary

This property is part of a 2-unit portfolio that is available individually or as a package. Both properties feature 13 years of base term remaining, ABS NNN lease structures, and are operated by KBP Foods, one of the largest QSR franchise operators in the U.S. with over 1,100 locations. These are some of the lowest price point QSR's on the market with a long term lease and a strong guarantee.

Property	Address	List Price	Cap Rate	NOI	Lease Expiration	Lease Term Remaining	Lease Type	Operator
KFC	222 Lansing St, Charlotte, MI 48813	$1,585,391	5.75%	$91,160	9/30/2038	±13	Absolute NNN	KBP Foods (*1,100 Unit Operator*)
KFC	1317 N Eaton St, Albion, MI 49224	$1,170,348	5.75%	$67,295	10/1/2038	±13	Absolute NNN	KBP Foods (*1,100 Unit Operator*)

Operator Overview

KBPFOODS

Year Founded
1999

Headquarters
Overland Park, Kansas

Ownership Status
Privately held

Employees
21,000

Locations
1,100+

Tenant Overview

KBP Foods, operating as KBP Brands, is the largest KFC franchisee in the U.S., with over 1,100 restaurants across 30 states generating more than $1 billion in annual revenue. Founded in 1999 with just five units, the company has grown rapidly through programmatic acquisitions, supported by private equity partners such as Victory Park Capital and Boyne Capital. Headquartered in Overland Park, Kansas, KBP has also operated Taco Bell and Long John Silver's locations, though KFC remains its core focus. The company is recognized for its disciplined integration playbook, equity-driven compensation system that aligns employee incentives, and strong operational culture, which together make KBP a market leader with scale, financial strength, and proven growth capabilities.

Why Invest in KBP Foods?

- Strong Franchise Footprint & Brand Relationships: Operates under established brands including KFC, Taco Bell, Arby's, and Sonic, reducing dependence on any single concept.
- Growth via Acquisitions & Expansion: Significant growth achieved through acquiring franchise units and continued investment in new builds and remodels.
- Private Equity Backing: Support from DNS Capital and The Pritzker Organization provides financial strength and strategic resources.
- Scale & Operational Efficiencies: Operating more than 1,100 locations enables supply chain leverage, standardized processes, and cost efficiencies.
- Diversification Across Brands and Regions: Presence across multiple states and multiple franchisor brands reduces exposure to market volatility.
- Stability and Long-Term Potential: Positioned as one of the largest franchise operators in the country with strong cash flow and growth prospects.

Tenant Overview

Year Founded
1930

Headquarters
Louisville, Kentucky

Ownership Status
Yum! Brands, Inc.

Employees
820,000+

Locations
30,000+

Credit Rating
BB+ (S&P)

Annual Revenue
$34.45 Billion

Tenant Overview

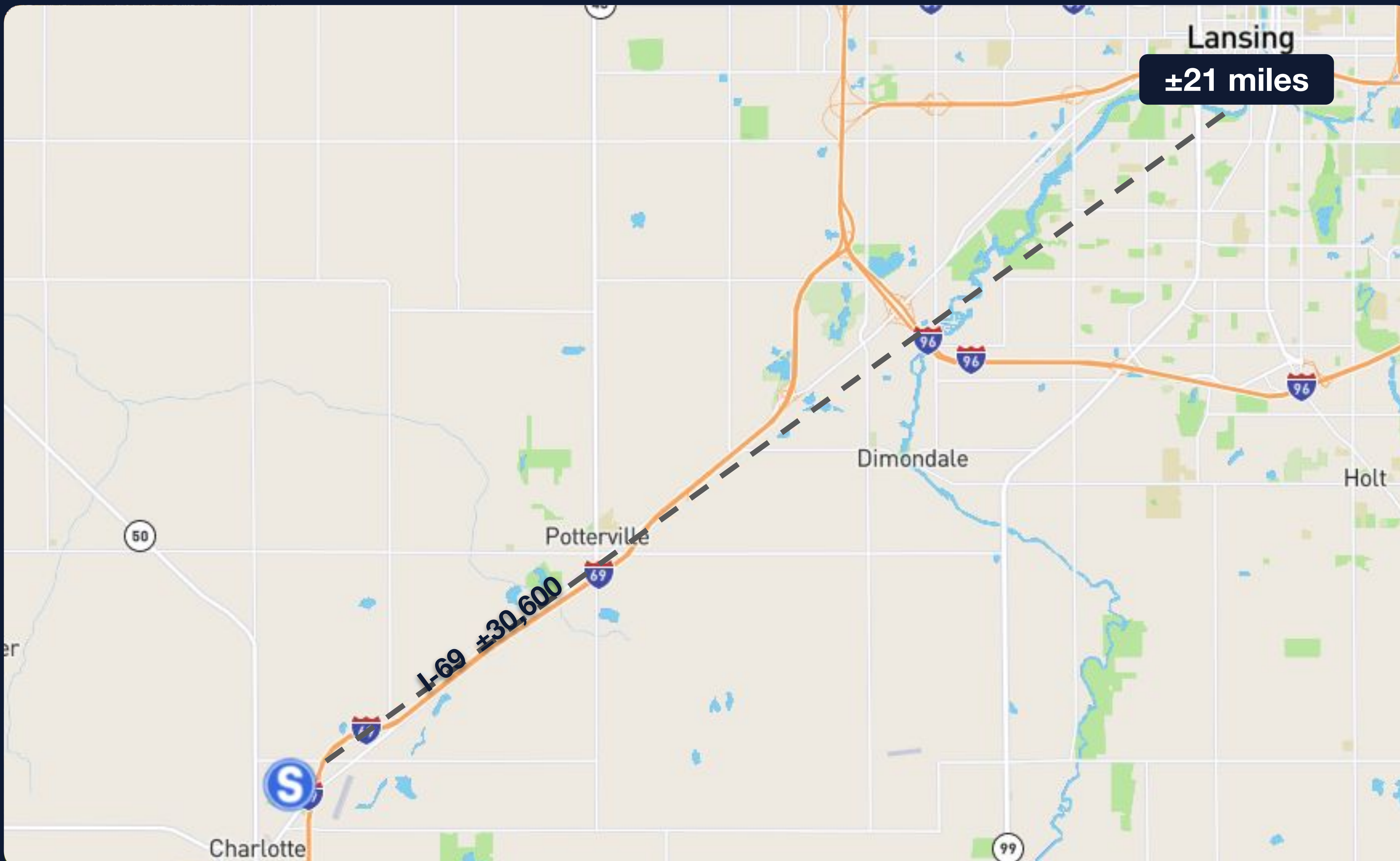
KFC (Kentucky Fried Chicken) is one of the world's premier quick-service restaurant brands, known for its signature fried chicken and strong franchise model. As a subsidiary of Yum! Brands, KFC combines deep consumer recognition, consistent global expansion, and growing same-store sales to deliver reliable cash flow. Its brand strength, menu innovation, and operating leverage in digital and international markets make it a compelling tenant for retail or net-lease property investors.

Why Invest in KFC?

- Strong Global Scale & Brand Recognition: With 30,000+ locations across more than 145+ countries, KFC is among the top-performing fast-food chains in terms of international penetration and recognition.
- Proven Franchise Model / Stable Cash Flow: Over 98-99% of KFC restaurants are franchised, providing steady royalty and lease-type income, limiting the capital required from the parent company for unit operations.
- Growth via International and Emerging Markets: Significant expansion in China, Middle East, Africa, and Asia contributes to system sales growth. Strong same-store sales growth in many international markets.
- Digital / Same-Store Sales Momentum: Recent earnings show solid same-store sales growth and expansion of digital & delivery channels, increasing recurring revenue streams.
- Operational Efficiencies & Real Estate Appeal: Net lease / NNN leasing often used for many KFC franchise locations. Long-term leases, strong brand, and frequent store openings contribute to landlord appeal.
- Credit Position & Up-Side in Rating: Although ratings are speculative grade (BB+ / Ba2), Yum! Brands' size, cash flow from franchises, and consistent performance keep risk relatively managed and point toward possible credit improvements.

Market Overview

KFC
222 Lansing Road, Charlotte, MI 48813



Charlotte, MI

9,300
Total Population

$63,000
Median HH Income

3,800
# of Households

67%
Homeownership Rate

4,200
Employed Population

19%
% Bachelor's Degree

36
Median Age

$140,500
Median Property Value

Local Market Overview

Charlotte, Michigan, is the county seat of Eaton County and home to approximately 9,300 residents. The community has a median age of 36, reflecting a relatively young and active population base. Household income levels are moderate, with a median household income of $63,000 and per capita income of $27,000.

Housing affordability is one of Charlotte's strongest attributes. The median property value is about $140,500. Homeownership is solid at 67%, while the rental market remains inexpensive, with a median gross rent of $745 per month. The cost of living index stands at 82–83, significantly below the national benchmark of 100, highlighting the area's relative affordability. At the same time, real estate values are on the rise: the average home value has reached $223,000, reflecting more than 5% appreciation in the past year—a sign of steady and healthy market growth.

Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	5,638	12,616	119,123
Households	**3-Mile**	**5-Mile**	**10-Mile**
Current Year Estimate	2,269	5,145	50,265
Income	**3-Mile**	**5-Mile**	**10-Mile**
Average Household Income	$93,082	$99,753	$93,039

Lansing, MI MSA

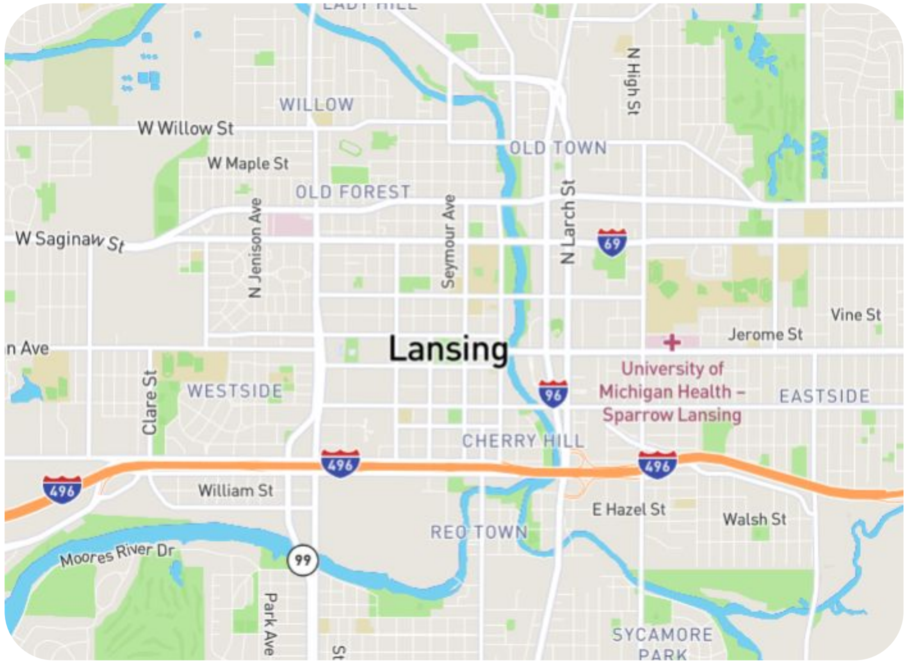
Local Market Overview

Lansing, Michigan, the state capital, is a mid-sized city with a population of approximately 112,500. As the center of government, education, health care, and manufacturing activity, Lansing serves as a key regional hub, though the city has experienced modest population decline in recent years.

The economic profile reflects both strengths and challenges. Median household income is about $52,170 per year. Lansing has approximately 51,000 households, with a homeownership rate of 54%—indicating that nearly half of residents are renters. This balance underscores the importance of both affordable rental housing and entry-level ownership opportunities in the local market.

Employment in the city totals around 56,200 positions, concentrated in the public sector, education, health care, services, and institutional employers. While reliance on government and institutional jobs provides stability.

Demographically, Lansing is relatively young, with a median age of about 33 years. A large share of the population falls within the 25–44 age range, signaling demand for starter homes, rental housing, educational resources, and family-oriented services. Combined with the presence of universities and medical facilities, this creates consistent demand across both the housing and service sectors.



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