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FREESTANDING KFC WITH EXCEPTIONAL DEVELOPMENT POTENTIAL FOR SALE

A freestanding KFC on the corner of two major arterials in Thornbury is being brought to market via an Expressions of Interest campaign, representing the first city-fringe KFC to be offered in Victoria this year, highlighting the scarcity and tightly held nature of this asset class.

Located on the high exposure corner of St Georges Road and Normanby Avenue which carries a combined 25,200 vehicles daily, the property at 379-381 St Georges Road in Thornbury, comprises a highly attractive single-tenanted net lease to one of Australia's most recognised national brands, KFC.

The lease at KFC Thornbury has been renewed for what is the tenant's last option period, committing to a further five-year term expiring 11 November 2028 at an estimated net rent of $156,763 per annum. The offering is expected to appeal to both passive investors and presents as a unique opportunity to developers who will see endless potential in the site's capabilities to deliver a future mixed-use development with scope for residential, office and / or retail.

Rick Silberman, Director, Retail Investments at Savills said, "KFC Thornbury represents enormous potential for a purchaser, regardless of their specific requirements. This will suit a wide range of buyers – those looking for an income producing, reliable investment, future owner-occupiers or those seeking a longer-term development proposition following expiry of the current lease.

"Given the low site coverage of the existing improvements, the large size of the site, its corner position, favourable planning controls and increasing levels of high-density development within the surrounding area, the appeal to developers will no doubt be significant."

Thornbury has evolved into one of the most popular suburbs in Melbourne. The thriving inner-city suburb wedged between Northcote and Preston in metropolitan Melbourne, offers an abundance of green space and majority low-density housing, making it the perfect mix of urban buzz and a laidback suburban feel. The area is well serviced by public transport with several bus routes, arterial tram lines and suburban train network, making a commute into the CBD and St Kilda a seamless one.

Stephen Bolton, Director, Retail Investments at Savills said, "KFC Thornbury represents the first city fringe fast-food investment offered to the market in Victoria this year, highlighting how tightly held and scarce this asset class has become, particularly post-COVID.

"Being a stone's throw from the Melbourne CBD, a corner location providing the flexibility of Commercial 1 zoning and surrounded by all major amenities including public transport, schools, shopping centres and medical facilities, provides long to medium term scope and versatility for an investor or developer looking for an inner-city investment and, or, landholding.

Press Release

“We would also anticipate prospective buyers will be most attracted to the rental growth prospects of annual CPI escalations in addition to exploring the potential rental reversion.”

KFC Australia boasts a rich history of success in Australia, dating back to 1968. Since opening its first restaurant in Guildford 52 years ago, the quick service restaurant (QSR) has grown from 25 employees to more than 40,000 employees across 59+ Franchise Partners and almost 700+ restaurants. KFC Australia serves more than 2 million guests every week.

KFC Thornbury is being offered for sale by Expressions of Interest (EOI) closing 3pm AEDT on Wednesday 25 October 2023.

Ends -

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About Savills
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