



Jackson, OH

15 Year Sale-Leaseback



LUNCH BUFFET
11:00 TO 1:30
SUN THRU FRI



Marcus & Millichap

OFFERING MEMORANDUM

800 East Main Street
Jackson, Ohio 45640

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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Investment Highlights

PRICE: \$975,610 | CAP: 6.15% | RENT: \$60,000

About the Investment

- ✓ Brand New 15-Year Triple-Net (NNN) Sale-Leaseback
- ✓ 1.25% Annual Increases Beginning in Lease Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ 36-Unit Franchisee Guarantee

About the Location

- ✓ Major National Tenants In Surrounding Area Include: Walmart, Kroger, Walgreens, Bob Evans, Tractor Supply Co, Dollar General, Papa John's, Taco Bell, Goodwill, and KFC
- ✓ Strategically Positioned on East Main Street – 14,340 ADTC
- ✓ Jackson, OH – County Seat of Jackson County
- ✓ Holzer Medical Center – Jackson – Located One Mile from the Subject Property – 12 Service Lines & 242/7 Emergency Inpatient Center

About the Tenant/Brand

- ✓ Pizza Hut is the Largest Pizza Chain in the United States
- ✓ As of year end 2016, Pizza Hut had 16,409 units. 97 percent of the Pizza Hut units are franchised.
- ✓ Pizza Hut operates in the delivery, carryout and casual dining segments around the world. Outside of the U.S., Pizza Hut often uses unique branding to differentiate these segments. Additionally, a growing percentage of Pizza Hut's customer orders are being generated digitally.



INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for a Pizza Hut Sale-Leaseback located at 800 East Main Street in Jackson, Ohio. Built in 1979, the property consists of 3,456 square feet of building space and sits on 0.12 acres of land.

This Pizza Hut property is subject to a brand new 15-year triple-net (NNN) sale-leaseback that will commence at the close of escrow. The current rent is \$60,000 and is subject to 1.25% annual rental increases beginning in year 6. Additionally, the tenant has four, five-year renewal options. The lease is guaranteed by a 36-unit Pizza Hut entity.

Pizza Hut is an American restaurant chain and international franchise, known for pizza and side dishes. It is now corporately known as Pizza Hut, Inc. and is a subsidiary of Yum! Brands, Inc., the world's largest restaurant company. As of year end 2016, Pizza Hut had 16,409 units. 97 percent of the Pizza Hut units are franchised.





Financial Analysis

PRICE: \$975,610 | CAP: 6.15% | RENT: \$60,000

Property Description

| | |
|------------------------|----------------------|
| Property | Pizza Hut |
| Property Address | 800 East Main Street |
| City, State, ZIP | Jackson, Ohio 45640 |
| Year Built / Renovated | 1979 |
| Building Size | +/- 3,456 SF |
| Lot Size | +/- 0.12 Acres |
| Type of Ownership | Fee Simple |

The Offering

| | |
|----------------|-----------|
| Annual Rent | \$60,000 |
| CAP Rate | 6.15% |
| Purchase Price | \$975,610 |
| Price / SF | \$282 |
| Rent / SF | \$17.36 |

Lease Summary

| | |
|----------------------|---------------------------------|
| Property Type | Net Leased Restaurant |
| Tenant / Guarantor | Franchisee – 36 Units |
| Ownership Type | Private |
| Original Lease Term | 15 Years |
| Lease Commencement | Close of Escrow |
| Lease Expiration | Close of Escrow |
| Lease Term Remaining | 15 Years |
| Lease Type | Triple-Net (NNN) |
| Roof & Structure | Tenant Responsible |
| Options to Renew | Four (4), Five (5)-Year Options |
| Rental Increases | 1.25% Starting in Year 6 |

Rent Schedule

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|---------------|-------------|--------------|---------------------|
| Years 1-5 | \$60,000 | \$5,000 | - |
| Year 6 | \$60,750 | \$5,063 | 1.25% |
| Year 7 | \$61,509 | \$5,126 | 1.25% |
| Year 8 | \$62,278 | \$5,190 | 1.25% |
| Year 9 | \$63,057 | \$5,255 | 1.25% |
| Year 10 | \$63,845 | \$5,320 | 1.25% |
| Year 11 | \$64,643 | \$5,387 | 1.25% |
| Year 12 | \$65,451 | \$5,454 | 1.25% |
| Year 13 | \$66,269 | \$5,522 | 1.25% |
| Year 14 | \$67,098 | \$5,591 | 1.25% |
| Year 15 | \$67,936 | \$5,661 | 1.25% |



TENANT OVERVIEW



Pizza Hut is an American restaurant chain and international franchise, known for pizza and side dishes. It is now corporately known as Pizza Hut, Inc. and is a subsidiary of Yum! Brands, Inc., the world's largest restaurant company.

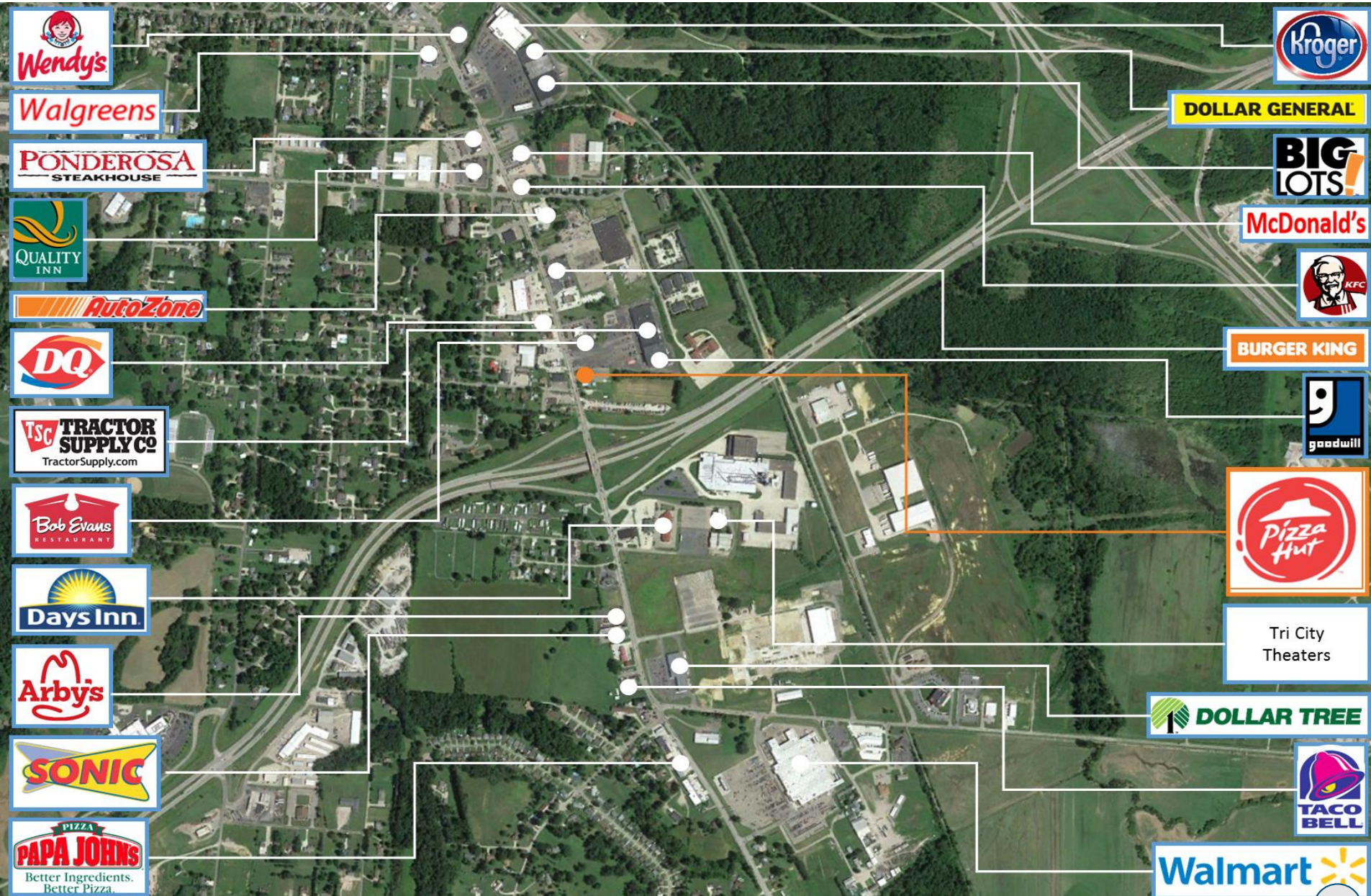
The first Pizza Hut restaurant was opened in 1958 in Wichita, Kansas, and within a year, the first franchise unit was opened. Today, Pizza Hut is the largest restaurant chain in the world specializing in the sale of ready-to-eat pizza products. Pizza Hut operates in 103 countries and territories throughout the world. As of year end 2016, Pizza Hut had 16,409 units. 97 percent of the Pizza Hut units are franchised.

Pizza Hut operates in the delivery, carryout and casual dining segments around the world. Outside of the U.S., Pizza Hut often uses unique branding to differentiate these segments. Additionally, a growing percentage of Pizza Hut's customer orders are being generated digitally.

As of November, 2014 Pizza Hut revamped their menu, adding five new toppings, six sauces, 10 crust flavors (like "honey Sriracha" and "ginger boom boom"), and even health-conscious "Skinny Slice" pizzas.



Surrounding Area





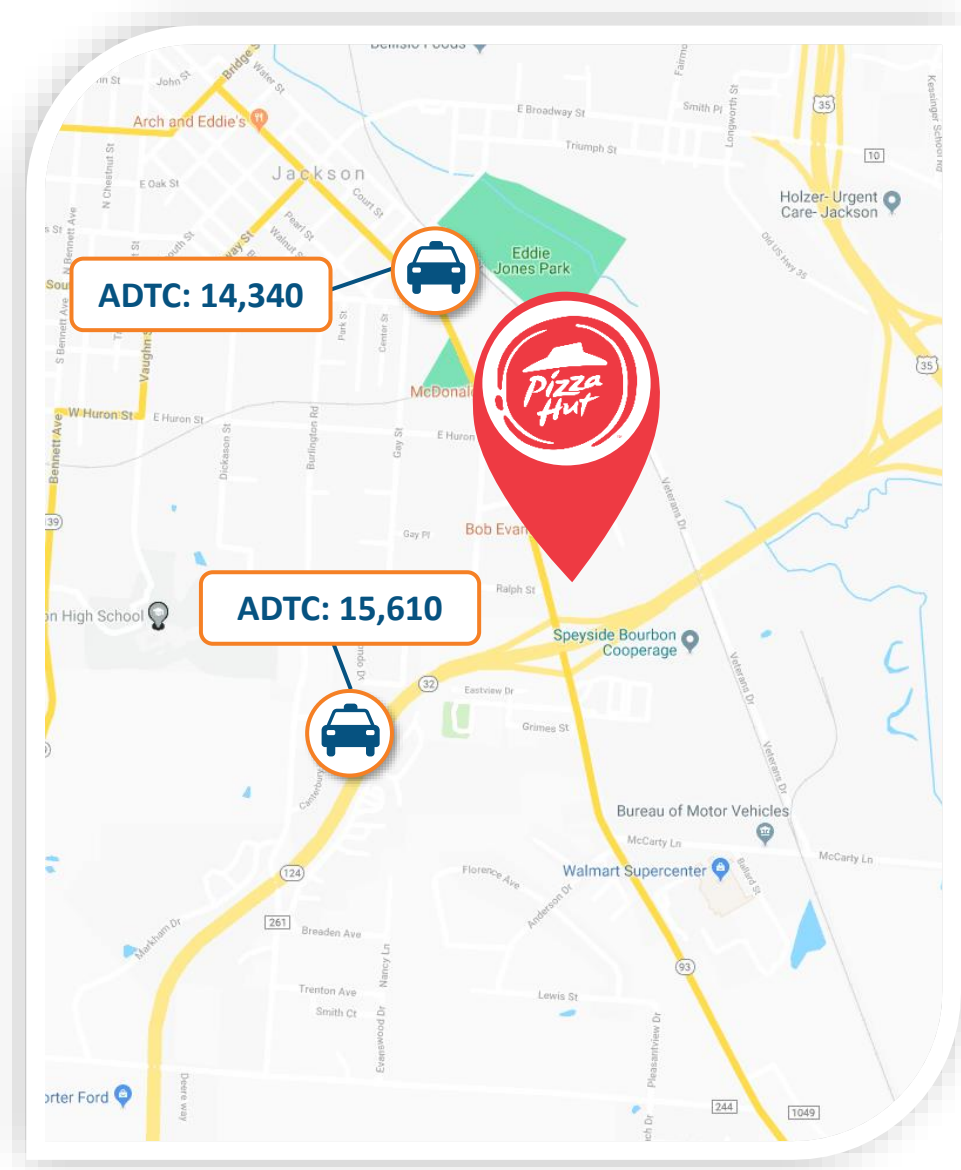
Location Overview

This Pizza Hut is located at 800 East Main Street in Jackson, Ohio. Jackson is a city in and the county seat of Jackson County. It is a rural community located in the central portion of southern Ohio, 75 miles south of the state capital of Columbus, 100 miles east of Cincinnati, and just over 30 miles northwest of the Ohio River at Gallipolis.

The subject property is well-positioned in a dense retail corridor, benefitting from its proximity to major national and local tenants. Nearby national tenants include: Walmart, Kroger, Walgreens, Bob Evans, Tractor Supply Co, Dollar General, Papa John's, Taco Bell, Goodwill, KFC, Dollar Tree, Burger King, McDonald's, Sonic, Dairy Queen, Ponderosa Steakhouse, and Wendy's among many others. There are also multiple hospitality facilities located nearby including Quality Inn and Days Inn. The Holzer Medical Center - Jackson is one mile from the subject property. The hospital operates 12 different service lines and has a 24/7 emergency inpatient center. The Pike County Airport, a country-owned public-use airport, is located 22 miles from the subject property.

There are approximately 12,373 people within a five-mile radius of this property and more than 27,250 within a ten-mile radius. The property is located on East Main Street, which has average daily traffic counts of 14,340. East Main Street intersects with Ohio Route 32 which has additional traffic counts of 15,610 vehicles per day.

Within two hours of major cities, such as Columbus, Cincinnati, Dayton, Huntington, and Charleston, lies Jackson County, Ohio. The county is comprised of hard-working residents, and is noted for the restructuring of its economy in the last four decades. With all new and remodeled schools and a \$56 million investment into healthcare, Jackson County is considered one of the most progressive among Ohio's 88 counties. As for recreation, the county is also one of the state's premier hunting and fishing areas, along with many festivals and fairs, and encompasses all four seasons of the year.





Property Photos





Surrounding Area Photos





Local Map





Regional Map



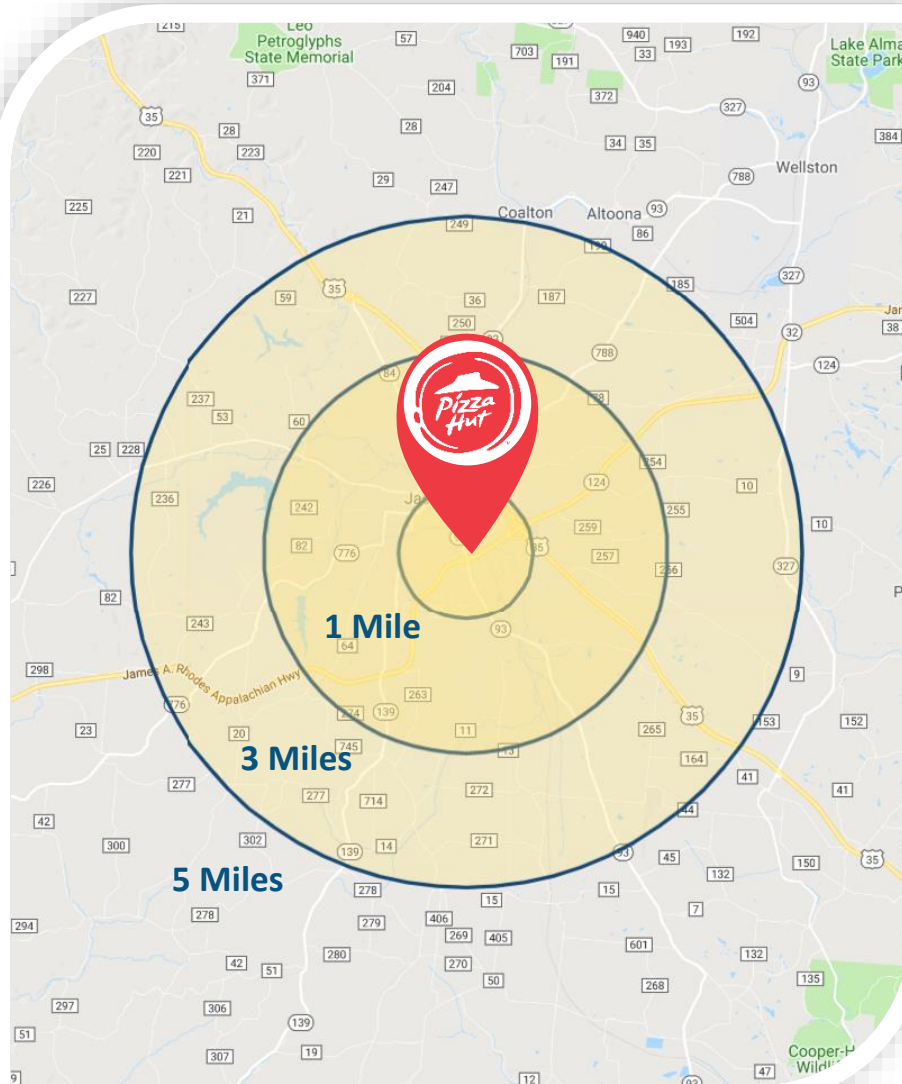


State Map





Demographics



Population:

| | 3 Mile | 5 Miles | 10 Miles |
|---------------------------------|---------|---------|----------|
| 2023 Projection | 9,032 | 12,224 | 26,974 |
| 2018 Estimate | 9,112 | 12,373 | 27,250 |
| 2010 Census | 9,326 | 12,865 | 28,040 |
| Growth 2018-2023 | (0.88%) | (1.20%) | (1.01%) |
| Growth 2010-2018 | (2.29%) | (3.82%) | (2.82%) |
| 2018 Population Hispanic Origin | 155 | 186 | 319 |

2018 Population by Race:

| | | | |
|---------------------------|-------|--------|--------|
| White | 8,800 | 11,953 | 26,394 |
| Black | 69 | 87 | 203 |
| Am. Indian & Alaskan | 42 | 65 | 132 |
| Asian | 44 | 58 | 95 |
| Hawaiian & Pacific Island | 2 | 4 | 12 |
| Other | 157 | 206 | 415 |

U.S. Armed Forces:

Households:

| | | | |
|--------------------|---------|---------|---------|
| 2023 Projection | 3,744 | 4,944 | 10,588 |
| 2018 Estimate | 3,775 | 5,002 | 10,696 |
| 2010 Census | 3,853 | 5,190 | 11,007 |
| Growth 2018 - 2023 | (0.82%) | (1.16%) | (1.01%) |
| Growth 2010 - 2018 | (2.02%) | (3.62%) | (2.83%) |
| Owner Occupied | 2,321 | 3,243 | 7,443 |
| Renter Occupied | 1,454 | 1,759 | 3,253 |

2018 Avg Household Income

2018 Med Household Income

2018 Households by Household Inc:

| | | | |
|-----------------------|-------|-------|-------|
| <\$25,000 | 1,239 | 1,609 | 3,374 |
| \$25,000 - \$50,000 | 924 | 1,237 | 2,707 |
| \$50,000 - \$75,000 | 580 | 817 | 1,905 |
| \$75,000 - \$100,000 | 520 | 673 | 1,355 |
| \$100,000 - \$125,000 | 157 | 206 | 515 |
| \$125,000 - \$150,000 | 192 | 253 | 463 |
| \$150,000 - \$200,000 | 77 | 108 | 212 |
| \$200,000+ | 85 | 99 | 165 |



exclusive net lease offering