



PIZZA HUT

1843 S 4TH AVE

YUMA, AZ 85364

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

REPRESENTATIVE PHOTO



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LIC # 01985082 (CA)

BROKER OF RECORD

ALEXIS SUAREZ

LICENSE NO: LC665320000 (AZ)



Investment Highlights

- » **Premier West Coast Real Estate** – Less than 5 miles from the California/Arizona Border
- » **Absolute NNN Lease** – Zero landlord responsibilities providing for passive income
- » **Quickly Growing Cash Flow** – The lease encompasses 1.50% annual increases
- » **Better Than Market Return** – Priced at a 10% higher yield than the average QSR in Arizona
- » **Strong Fundamentals** – Over 26,000 cars per day in front of the subject property. Yuma is home to over 100,000 residents
- » **Premium Construction** – Built in 2006, the restaurant has attractive curb appeal and is a standard restaurant prototype



REPRESENTATIVE PHOTO



Annualized Operating Data

	Monthly	Annual	Cap Rate
Current - 6/19/2019	\$9,380.07	\$112,560.84	6.31%
6/20/2019 - 6/19/2020	\$9,520.77	\$114,249.25	6.40%
6/20/2020 - 6/19/2021	\$9,663.58	\$115,962.99	6.50%
6/20/2021 - 6/19/2022	\$9,808.54	\$117,702.44	6.60%
6/20/2022 - 6/19/2023	\$9,955.66	\$119,467.97	6.70%
Option 1 (6/20/2023 - 6/19/2028)			
Option 2 (6/20/2028 - 6/19/2033)			
Option 3 (6/20/2033 - 6/19/2038)		1.50% annual increases from prior year, if option exercised	
Option 4 (6/20/2038 - 6/19/2043)			
Option 5 (6/20/2043 - 6/19/2048)			

Tenant Summary

Tenant Trade Name	Pizza Hut
Type of Ownership	Fee Simple
Lease Guarantor	Pizza Hut of Arizona, Inc.
Lease Type	NNN
Original Lease Term	15 Years
Term Remaining on Lease	± 4 Years
Lease Commencement Date	6/20/08
Rent Commencement Date	6/20/08
Lease Expiration Date	6/19/23
Increases	1.50% annually
Options	Five (5), 5-year

Investment Summary

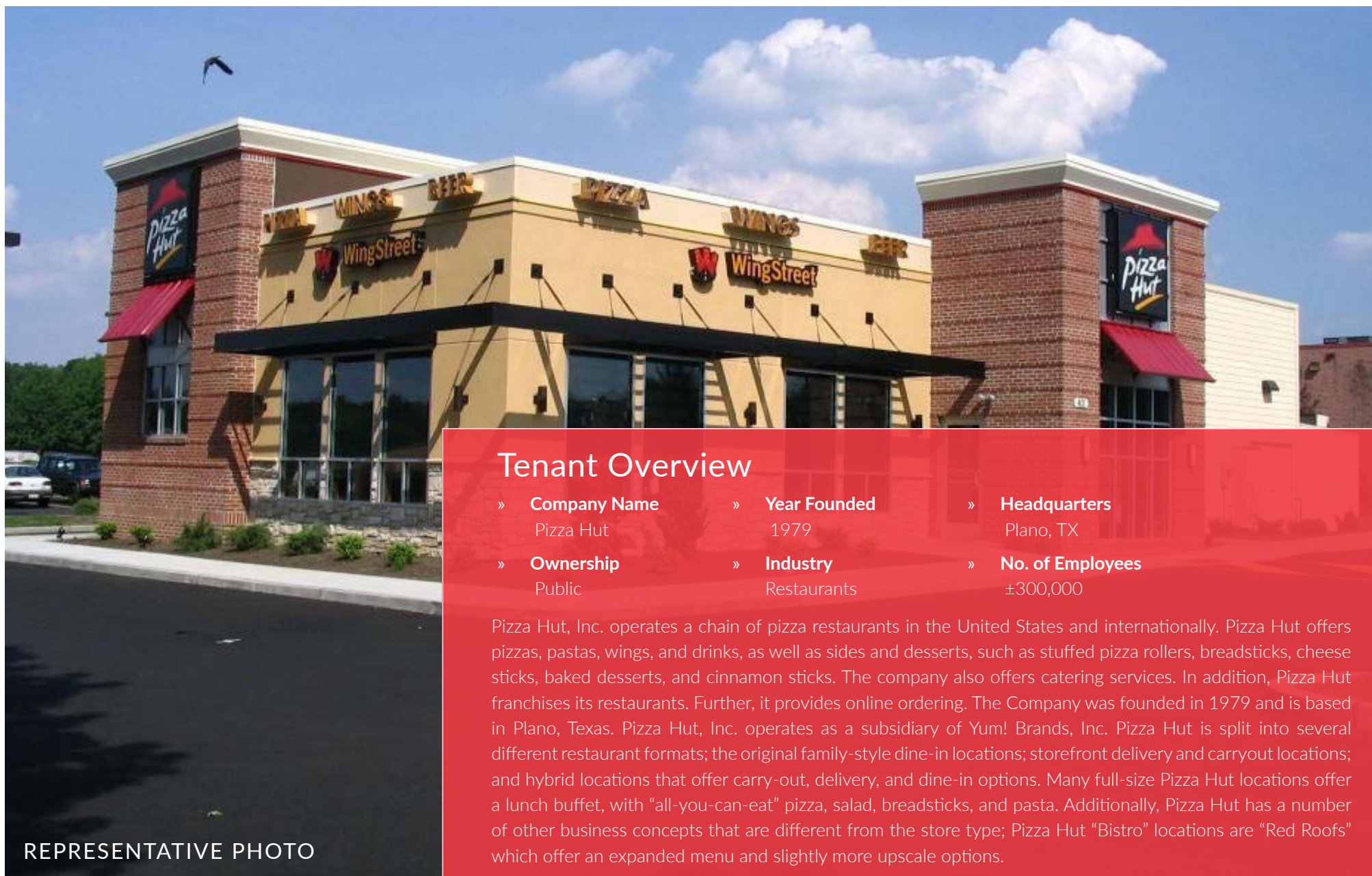
» PROPERTY ADDRESS	1843 S 4th Ave Yuma, AZ 85364
» OFFERING PRICE	\$1,783,843
» NOI	\$114,249
» CAP RATE	6.40%
» GLA	± 3,233 SF
» LOT SIZE	± 0.78 AC



Lease Abstract

Tenant	Pizza Hut
Lease Guarantor	Pizza Hut of Arizona, Inc
Lease Commencement	6/20/08
Lease Expiration	6/19/23
Original Lease Term	15 Years
Lease Term Remaining	± 4 Years
Option Periods	Five (5), 5-Year
Rental Increases	1.50% annually
Maintenance	Tenant shall maintain the premises in good condition and repair and shall make all needed repairs
Roof/Structure Responsibility	Tenant responsibility
Insurance	Tenant shall, at Tenant's expense, maintain insurance
Real Estate Taxes	Tenant responsibility
Utilities	Tenant shall be responsible for payment of its own utilities
Right of First Refusal	None
Estoppel	20 days for tenant to deliver certificate in recordable form
Assignment/Subletting	Tenant shall not sublet or transfer their lease in any such form for the duration of their lease without the consent of the Landlord, unless to a Pizza Hut franchisee with requirements of net worth

* Buyer is to conduct their own due diligence



Tenant Overview

» Company Name	» Year Founded	» Headquarters
Pizza Hut	1979	Plano, TX
» Ownership	» Industry	» No. of Employees
Public	Restaurants	±300,000

Pizza Hut, Inc. operates a chain of pizza restaurants in the United States and internationally. Pizza Hut offers pizzas, pastas, wings, and drinks, as well as sides and desserts, such as stuffed pizza rollers, breadsticks, cheese sticks, baked desserts, and cinnamon sticks. The company also offers catering services. In addition, Pizza Hut franchises its restaurants. Further, it provides online ordering. The Company was founded in 1979 and is based in Plano, Texas. Pizza Hut, Inc. operates as a subsidiary of Yum! Brands, Inc. Pizza Hut is split into several different restaurant formats; the original family-style dine-in locations; storefront delivery and carryout locations; and hybrid locations that offer carry-out, delivery, and dine-in options. Many full-size Pizza Hut locations offer a lunch buffet, with "all-you-can-eat" pizza, salad, breadsticks, and pasta. Additionally, Pizza Hut has a number of other business concepts that are different from the store type; Pizza Hut "Bistro" locations are "Red Roofs" which offer an expanded menu and slightly more upscale options.

REPRESENTATIVE PHOTO





Yuma, AZ

Yuma is a city that can be found in the southwest corner of Arizona, bordering California and Mexico. Yuma is a great place for outdoor recreation including kayaking, swimming, golfing, or attend the annual Balloon glow festival that features the viewing of hot air balloons. Historic Downtown Yuma is a great place to be after dark with an exciting nightlife that attracts residents and visitors.

Yuma, or “the Gateway of the Great Southwest, is a beautiful city with an attractive climate that is the reason for the population nearly doubling in the winter months. Yuma is easy to access as it is home to the Yuma International Airport and the Yuma County Area Transit system. Being strategically located in the center of several states and 2 countries creates a unique situation that allows Yuma to be an international and southwest hub for markets that need to be served in as quick as a day. Many growing companies have found skilled workforce and convenient location in the Greater Yuma Area.

Marine Corps Air Station Yuma

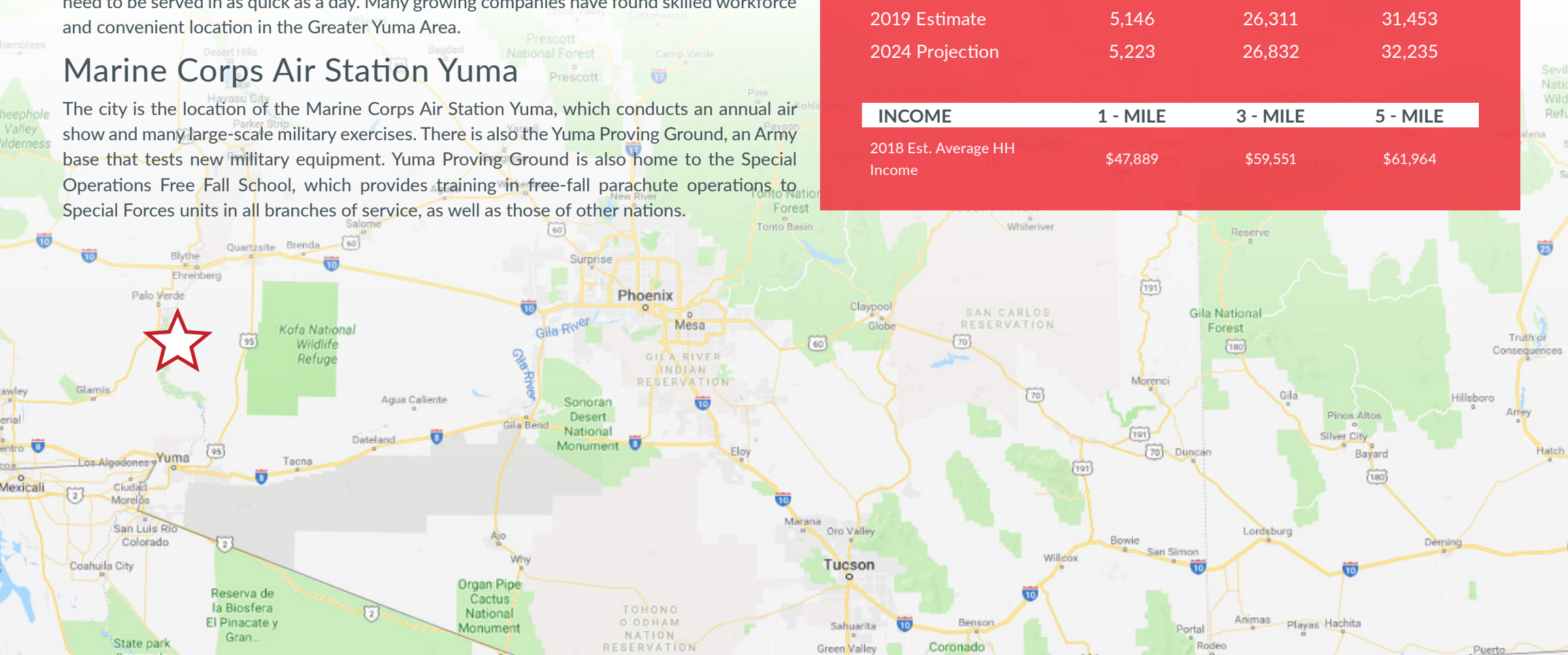
The city is the location of the Marine Corps Air Station Yuma, which conducts an annual air show and many large-scale military exercises. There is also the Yuma Proving Ground, an Army base that tests new military equipment. Yuma Proving Ground is also home to the Special Operations Free Fall School, which provides training in free-fall parachute operations to Special Forces units in all branches of service, as well as those of other nations.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2010 Census	14,669	77,519	94,491
2019 Estimate	14,195	76,720	95,196
2024 Projection	14,286	78,145	97,391

HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2010 Census	5,268	26,859	31,679
2019 Estimate	5,146	26,311	31,453
2024 Projection	5,223	26,832	32,235

INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average HH Income	\$47,889	\$59,551	\$61,964





ECONOMY

Agriculture is the leading industry in Yuma, producing \$2.5 billion a year into the county economy. The area's success in agriculture is largely due to the rich soil and skilled workforce.

Another dominating industry in Yuma is the United States. Fort Yuma has been standing on Indian Hill for over 150 years. Yuma County is home to the Yuma Proving Ground and the Marine Corps Air Station – Yuma. The U.S. Army John F. Kennedy Special Warfare Center and School is also in Yuma. The Facility trains troops for air operations requiring free falls from airplanes, the facility opened in 2014 and is the largest in the world.

Tourism is the third largest contributor to the Yuma economy. In 2014 The Yuma Visitor's Bureau saw \$664.7 million in Direct travel spending. That income led to the creation of 5,920 jobs and generated \$15.6 million in earnings. Mexican visitors spend an estimated \$2.2 billion on food, clothing, entertainments, and other activities in Yuma County every year.



YUMA COUNTY TOP EMPLOYERS



Tanner Industries, Inc.





Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Pizza Hut** located at **1843 S 4th Ave, Yuma AZ 85364** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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