



PIZZA HUT

122 Merchants Square Drive • Cartersville, GA 30121

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PIZZA HUT
Cartersville, GA
ACT ID ZAA0020057

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Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,530,000
Net Operating Income	\$91,912
Capitalization Rate – Current	6.01%
Price / SF	\$445.41
Rent / SF	\$26.76
Lease Type	NNN
Gross Leasable Area	3,435 SF
Year Built / Renovated	2005
Lot Size	0.84 acre(s)

FINANCING

Loan Amount	\$918,000
Loan Type	Financed - New Loan
Loan to Value	60.00%
Down Payment	40% / \$612,000
Interest Rate / Amortization	5.00% / 30 Years
Annual Loan Payment	\$59,136
Net Cash Flow After Debt Service	5.36% / \$32,776
Cash on Cash Return	5.36%
Total Return	7.57% / \$46,320



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Bartow County Board Education	1,891
Networx Plant 15	1,200
Sport & Physical Rehabil	700
Shaw Industries Plant 15	600
Meritan Inc	522
Steak N Shake	514
Anheuser-Busch	500
District Engineer	492
Cartersville School Board	415
E M S	300
Walmart	300
Bartow County Sheriffs Dept	257

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	4,419	27,559	48,222
2010 Census Pop	4,173	26,478	46,347
2017 Estimate HH	1,514	10,233	17,384
2010 Census HH	1,453	9,965	16,929
Median HH Income	\$43,647	\$44,700	\$50,649
Per Capita Income	\$18,149	\$20,898	\$23,115
Average HH Income	\$50,922	\$55,047	\$63,381

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

The subject investment opportunity is a single-tenant, freestanding retail property leased to an operator/franchisee dba Pizza Hut. Approximately 9.5 yrs. remain of the base term with four, 5 yr. options to further extend the lease.

The tenant, GPS Hospitality, is based in Atlanta, Georgia. GPS is an authorized franchisee of Burger King, and Popeye's. The company is currently the third largest Burger King franchisee in the country, operating approximately 385 Burger King restaurants in the Southeast and Mid-Atlantic regions. The company also owns and operates 19 Popeye's in Georgia. GPS recently acquired the subject site, along with a majority of the Pizza Hut portfolio operated and managed by the prior tenant/franchisee, Legacy Pizza, LLC/Kurani Pizza, Inc. The Pizza Hut restaurants acquired by GPS Hospitality are expected to be an excellent compliment to its current portfolio of Burger King, and Popeye's restaurants.

The subject property was constructed in 2005, and is approximately 3,435 gross square feet in size, situated on a parcel of approximately .84 acres / 35,590 sq. ft. of land. The building features a drive-through window, and 29 on-premise parking spaces. The HVAC is roof mounted with gas-fired, heat-pump/chiller type units. The roof is a flat, built-up type. Exterior walls are stucco, apron walkways are of concrete with the parking surface comprised of asphalt. A back-lit pole sign with the Pizza Hut logo provides tremendous high-impact identity for the restaurant, in addition to its on-building, back-lit signage.

The property is located in Cartersville, Georgia. Cartersville is a city in Bartow County, Georgia located within the northwest edge of the Atlanta metropolitan area. As of the 2010 census, the city had a population of 19,731, and is the county seat of Bartow County.

This Pizza Hut is located on an attractive retail corridor. Adjacent retailers include Lowe's Home Improvement, Walmart Supercenter, CVS, Planet Fitness and other household name retailers. Two major employers, Cartersville Medical Center, and the Shaw Industries manufacturing plant are also in close proximity to the subject property.

In summary, the subject property offers an investor a well known national brand in Pizza Hut, an experienced tenant/operator, a sound location, and pricing in keeping with recent market comparable sales.

INVESTMENT HIGHLIGHTS

- 9+ yrs. remaining of the base lease term.
- 8% fixed base rent increase in less than 5 yrs.
- Four, 5 yr. options to extend the term.
- Tenant/operator is the third largest Burger King franchisee in the country.
- Located adjacent to Lowe's Home Improvement and Walmart Supercenter.
- Drive through.



122 Merchants Square Dr, Cartersville, GA 30121



History - Cartersville is a city in Bartow County, Georgia located within the northwest edge of the Atlanta metropolitan area. As of the 2010 census, the city had a population of 19,731, and is the county seat of Bartow County. Cartersville was first known as Birmingham to its original English settlers. The town was incorporated as Cartersville in 1854. The city was named for Col. Farish Carter of Milledgeville, the owner of a large plantation. Cartersville was designated the seat of Bartow County in 1867 following the destruction of Cassville by Sherman in the American Civil War. Cartersville was incorporated as a city in 1872.

Geography - Cartersville is located in south-central Bartow County, 42 miles northwest of downtown Atlanta and 76 miles southeast of Chattanooga, Tennessee. The Etowah River flows through a broad valley south of the downtown, leading west to Rome, where it forms the Coosa River, a tributary of the Alabama River. The city limits extend eastward, upriver, as far as Allatoona Dam, which forms Lake Allatoona, a large U.S. Army Corps of Engineers reservoir. Red Top Mountain State Park sits on a peninsula in the lake, just outside the city limits. According to the U.S. Census Bureau, Cartersville has a total area of 29.3 square miles, of which 29.2 square miles is land and 0.15 square miles, or 0.59%, is water. Cartersville's neighboring cities are Adairsville to the north-northwest, Cassville, to the north, Emerson to the south, Euaharlee to the west, Kingston to the northwest, Stilesboro to the southwest, and White to the north.

Demographics & Major Employers – According to U.S. Decennial Census estimates, the population of Cartersville in 2016 was approximately 20,753. Citywide, the median household income is estimated at \$41,162. According to U.S. Census estimates, between 1990 and 2010, Cartersville enjoyed an increase of population averaging nearly 29 percent every ten years. The major employers in Cartersville are Anheuser-Busch, Georgia Power, Komatsu, and Shaw Industries. The city is also home to Cartersville Medical Center, and The Hope Center, making it a healthcare hub for the surrounding area. Cartersville's college campus is Georgia Highlands College.

Pizza Hut



GPS Hospitality is the country's third largest Burger King franchisee. It's recent acquisition of the majority of Legacy Pizza, Incorporated's Pizza Hut portfolio adds 31 Pizza Hut locations in the state of Georgia, including the subject restaurant, into the GPS family of national restaurant brands. Currently, GPS operates 424 Burger King restaurants, 7 Popeye's restaurants, and 31 Pizza Hut restaurants.

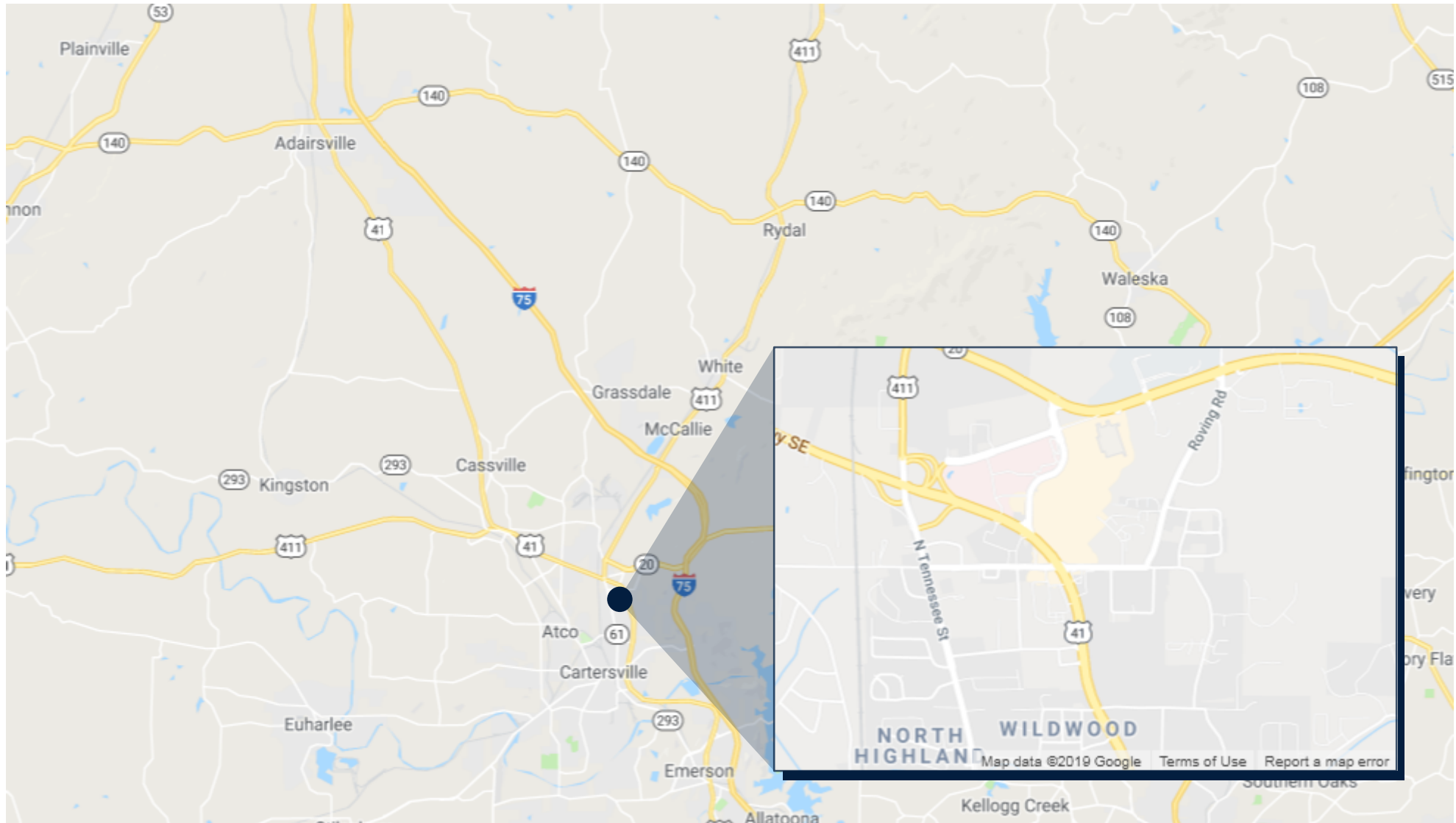
General Information	
Tenant Name	Pizza Hut
Website	www.gpshospitality.com
Parent Company	GPS Hospitality
Headquartered	Atlanta, GA
Rentable Square Feet	3,435 SF
Percentage of RBA	100.00%
Lease Commencement	6/11/2008
Lease Expiration	6/11/2028
No. of Locations	424 Burger King/31 Pizza Hut/7 Popeye's

122 Merchants Square Drive, Cartersville, GA 30121



CLOSE PROXIMITY TO:

122 Merchants Square Drive, Cartersville, GA 30121



122 Merchants Square Dr, Cartersville, GA 30121



PROPERTY SUMMARY

THE OFFERING	
Property	Pizza Hut
Property Address	122 Merchants Drive Cartersville, Georgia 30120
Price	\$1,530,000
Capitalization Rate	6.01%
Price/SF	\$445.41

PROPERTY DESCRIPTION	
Year Built / Renovated	2005
Gross Leasable Area	3,435 SF
Zoning	Restaurant
Type of Ownership	Fee Simple
Lot Size	0.84 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Restaurant
Tenant	Pizza Hut
Rent Increases	Fixed Rent Increases
Guarantor	Franchisee Guarantee
Lease Type	NNN
Lease Commencement	June 11, 2008
Lease Expiration	June 11, 2028
Lease Term	20
Term Remaining on Lease (Years)	9.4
Renewal Options	Four, 5 Yr. Options
Landlord Responsibility	None
Tenant Responsibility	Roof and structure
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$91,912

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$91,912	\$7,659	\$26.76	6.01%
Years 16-20	\$99,265	\$8,272	\$28.90	6.49%
Opt. One / Years 21-25	\$107,207	\$8,934	\$31.21	7.01%
Opt. Two / Years 26-30	\$115,783	\$9,649	\$33.71	7.57%
Opt. Three / Years 31-35	\$125,046	\$10,420	\$36.40	8.17%
Opt. Four / Years 36-40	\$135,049	\$11,254	\$39.32	8.83%



NOTES

PIZZA HUT

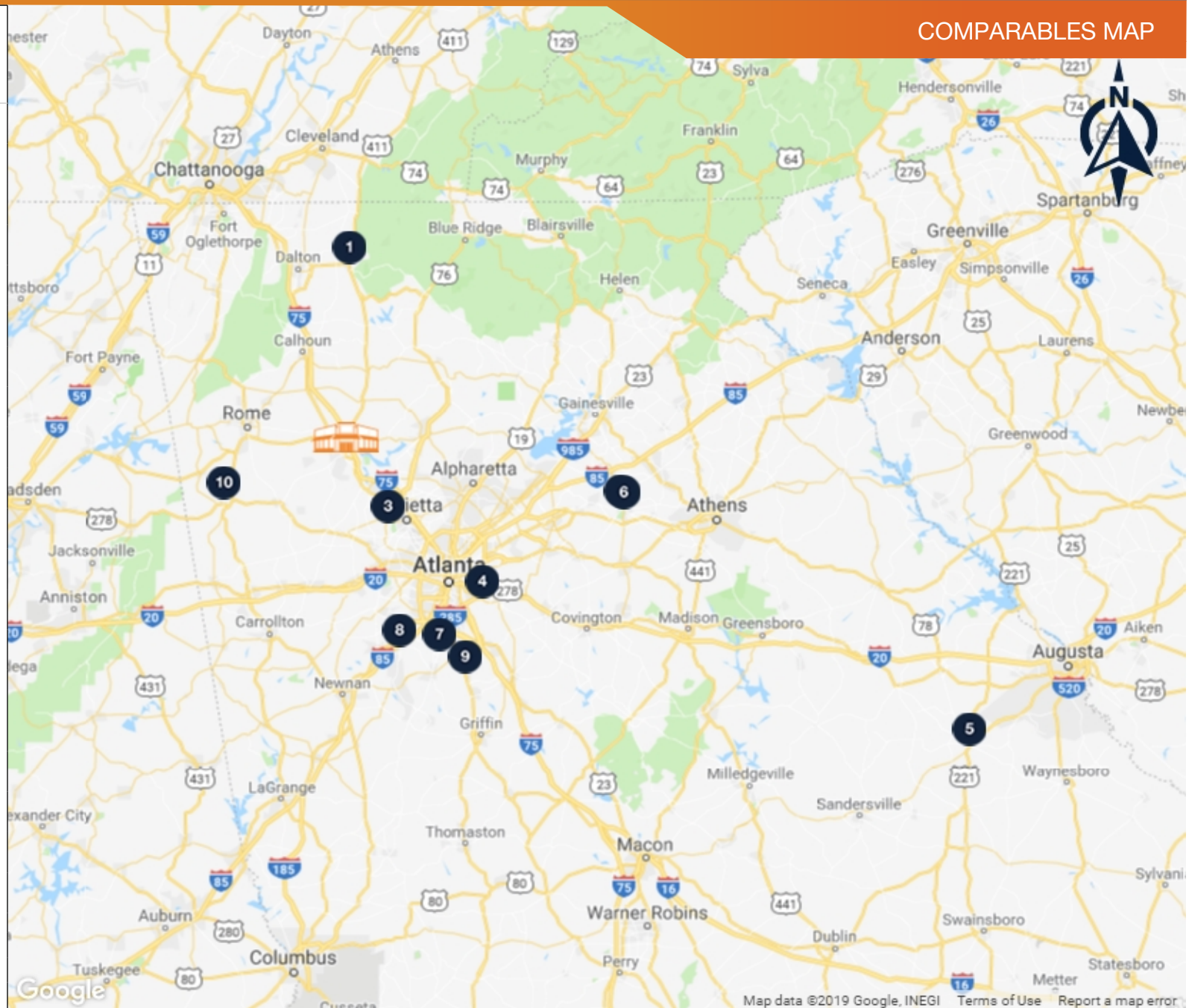


**PIZZA HUT
(SUBJECT)**

- 1 Burger King
- 2 Sonic
- 3 Burger King
- 4 Sonic
- 5 KFC/Taco Bell
- 6 Popeye's
- 7 Sonic
- 8 Krystal
- 9 Burger King
- 10 Pizza Hut

SALES COMPARABLES

COMPARABLES MAP



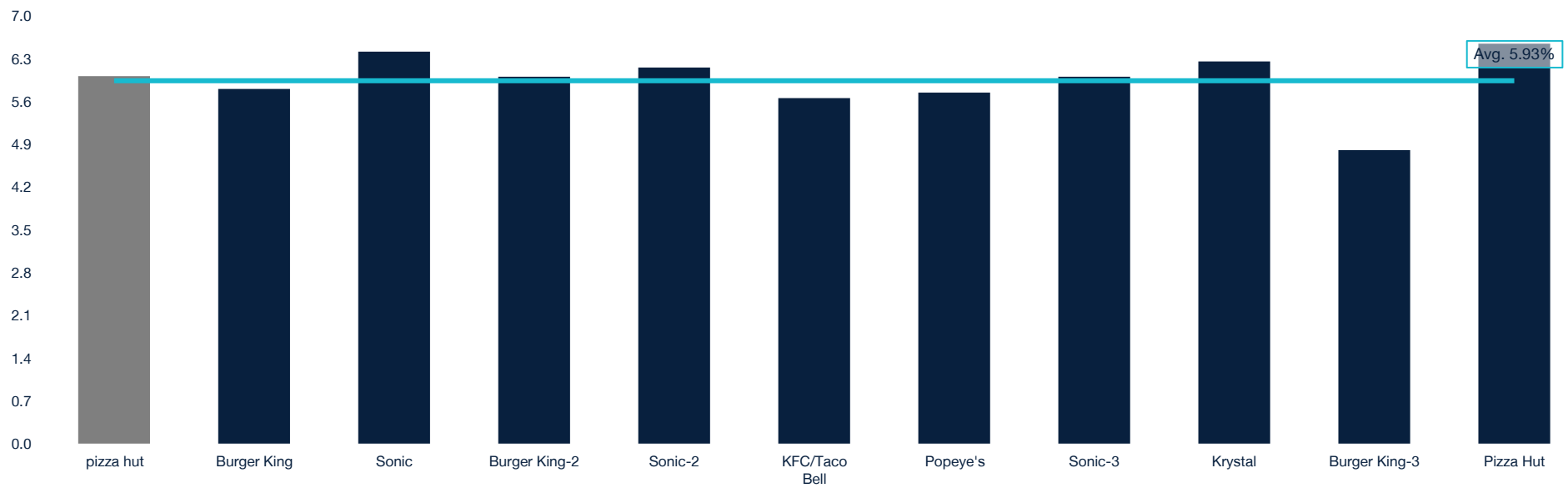


SALES COMPARABLES



SALES COMPS AVG

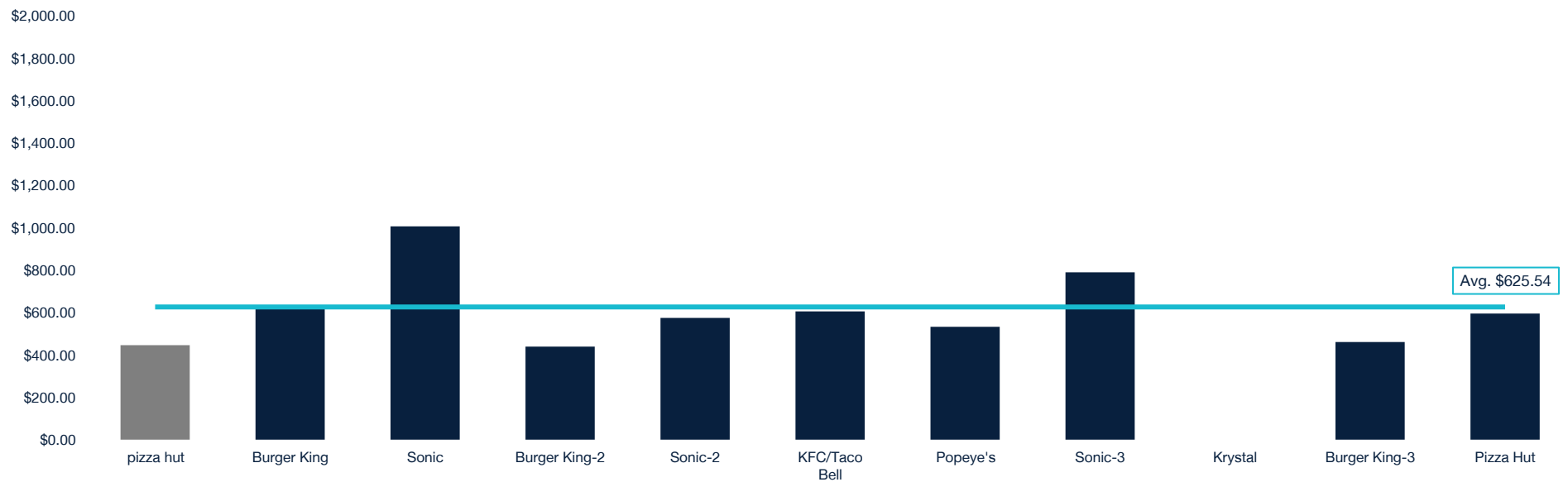
Average Cap Rate



SALES COMPARABLES

SALES COMPS AVG

Average Price Per Square Foot



SALES COMPARABLES

PIZZA HUT

122 Merchants Square Drive, Cartersville, GA, 30121



SUBJECT PROPERTY

Asking Price	\$1,530,000
Price/SF	\$445.41
CAP Rate	6.01%
GLA	3,435 SF
Lot Size	0.84 acre(s)
Year Built	2005

BURGER KING

1105 N 3rd Ave, Chatsworth, GA, 30705



Close Of Escrow	2/27/2018
Days On Market	179
Sales Price	\$1,810,345
Price/SF	\$631.66
CAP Rate	5.80%
GLA	2,866 SF
Lot Size	1.02 acre(s)
Year Built	2016
Lease Term Remaining	18 Years

NOTES

According to available data, the comparable property was constructed in 2016. For purposes of this survey, it is assumed a new 20 yr, lease commenced at completion of construction and occupancy by the tenant.

Source - Costar

SONIC

7 S Center St, Winder, GA, 30680



Close Of Escrow	5/1/2018
Days On Market	50
Sales Price	\$1,738,600
Price/SF	\$1,005.55
CAP Rate	6.41%
GLA	1,729 SF
Lot Size	.88 acre(s)
Year Built	2003
Lease Term Remaining	5 Years

NOTES

According to available data, the comparable property was constructed in 2003. For purposes of this survey, it is assumed a new 20 yr, lease commenced at completion of construction and occupancy by the tenant.

Source - Costar

SALES COMPARABLES

BURGER KING

2495 Dallas Hwy SW, Marietta, GA, 30064

3



Close Of Escrow	11/15/2018
Sales Price	\$1,800,000
Price/SF	\$438.60
CAP Rate	6.00%
GLA	4,104 SF
Lot Size	1.0 acre(s)
Year Built	1996

NOTES

Remaining term of the lease is unknown.

SONIC

3900 Flat Shoals Pkwy, Decatur, GA, 30034

4



Close Of Escrow	2/28/2018
Days On Market	30
Sales Price	\$1,274,000
Price/SF	\$573.87
CAP Rate	6.15%
GLA	2,220 SF
Lot Size	.80 acre(s)
Year Built	2006
Lease Term Remaining	8 Years

NOTES

According to available data, the comparable property was constructed in 2006. For purposes of this survey, it is assumed a new 20 yr, lease commenced at completion of construction and occupancy by the tenant.

Source - Costar

KFC/TACO BELL

302 N Main St, Wrens, GA, 30833

5



Close Of Escrow	11/28/2018
Days On Market	209
Sales Price	\$1,624,000
Price/SF	\$604.62
CAP Rate	5.65%
GLA	2,686 SF
Lot Size	1.32 acre(s)
Year Built	2006
Lease Term Remaining	8 Years

NOTES

According to available data, the comparable property was constructed in 2006. For purposes of this survey, it is assumed a new 20 yr, lease commenced at completion of construction and occupancy by the tenant.

Source - Costar

SALES COMPARABLES

POPEYE'S

126 E May St, Winder, GA, 30680

6



Days On Market	134
Sales Price	\$1,255,000
Price/SF	\$532.01
CAP Rate	5.74%
GLA	2,359 SF
Lot Size	.56 acre(s)
Year Built	2015
Lease Term Remaining	16 Years

NOTES

According to available data, the comparable property was constructed in 2015. For purposes of this survey, it is assumed a new 20 yr. lease commenced at completion of construction and occupancy by the tenant.

Source - Costar

SONIC

1010 Pointe South Pkwy, Jonesboro, GA, 30238

7



Close Of Escrow	8/8/2018
Days On Market	181
Sales Price	\$1,386,000
Price/SF	\$788.84
CAP Rate	6.00%
GLA	1,757 SF
Lot Size	.77 acre(s)
Year Built	2002
Lease Term Remaining	15 Years

NOTES

According to available data, the comparable property had 15 yrs. remaining of the base term as of the date of closing.

Source - Costar

KRYSTAL

8000 Senoia Rd, Fairburn, GA, 30213

8



Close Of Escrow	2/28/2018
Days On Market	71
CAP Rate	6.25%
GLA	2,200 SF
Lot Size	.86 acre(s)
Year Built	2017
Lease Term Remaining	15 Years

NOTES

The comparable property was a sale leaseback from the parent corporation. a new 15 yr. lease began at the close of escrow.

Source - Costar

SALES COMPARABLES

BURGER KING

11120 Tara Blvd, Hampton, GA, 30228

9



Close Of Escrow	1/3/2018
Sales Price	\$1,250,000
Price/SF	\$460.24
CAP Rate	4.80%
GLA	2,716 SF
Lot Size	1.00 acre(s)
Year Built	2018
Lease Term Remaining	20 Years

NOTES

The comparable property was newly constructed in 2018. The tenant began a new 20 yr. lease upon completion of construction in March, 2018.

PIZZA HUT

530 N Main St, Cedartown, GA, 30125

10



Close Of Escrow	3/31/2017
Days On Market	165
Sales Price	\$1,070,000
Price/SF	\$594.44
CAP Rate	6.54%
GLA	1,800 SF
Lot Size	1.56 acre(s)
Year Built	1987
Lease Term Remaining	15 Years

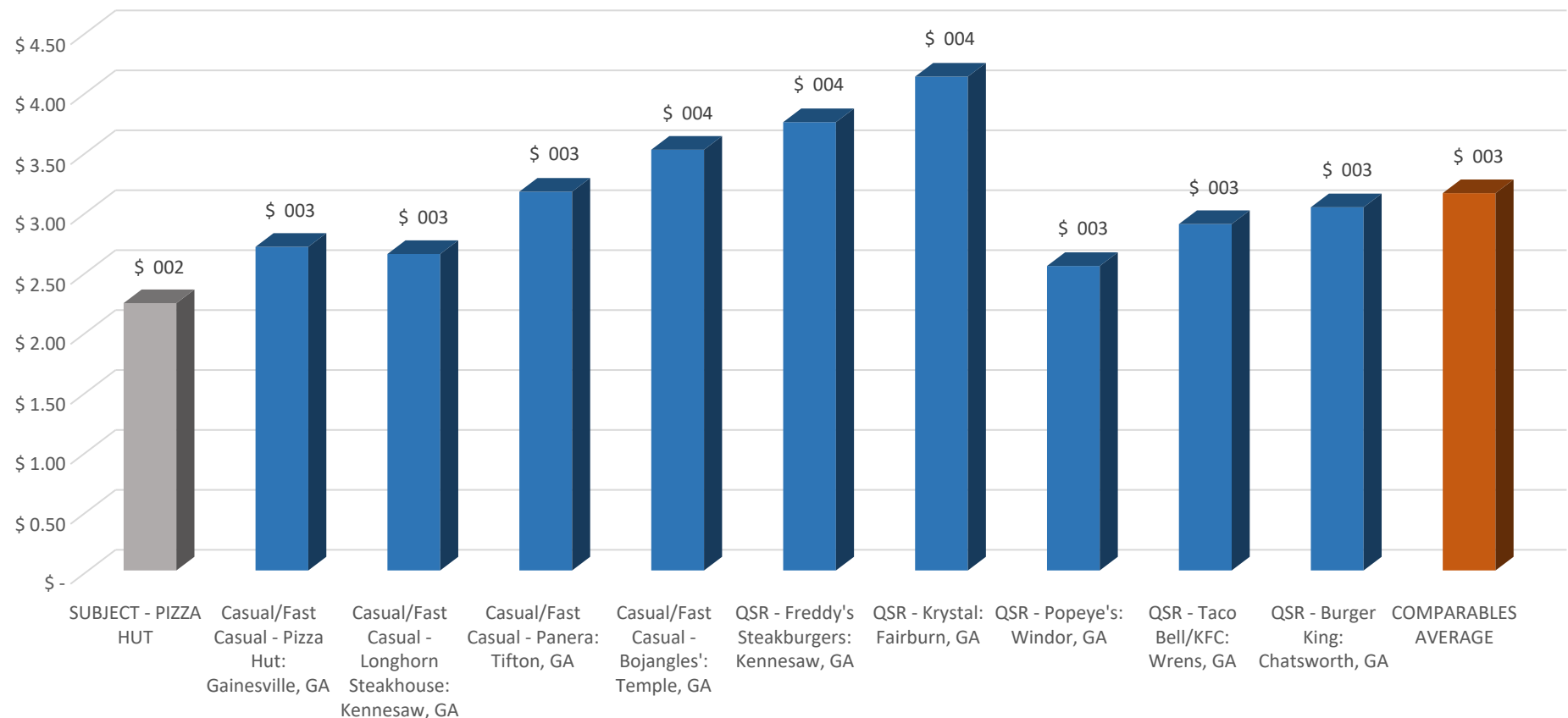
NOTES

The comparable property was sold by the franchisee. A new 15 yr. lease commenced at the close of escrow.

Source - Costar

At \$2.23 per square foot per month triple-net, the subject Pizza Hut restaurant current lease rate is below that of other casual, fast-casual, the quick service restaurant (“QSR”) lease rates in the region. Based upon the lease comparable sampling in the survey, the subject lease rate looks to be duplicable, enhancing the sound fundamentals of this investment opportunity.

Lease Rate Comparables




CREATED ON FEBRUARY 5, 2019

1 Miles 3 Miles 5 Miles

POPULATION

2022 Projection	4,923	29,949	53,656
2017 Estimate	4,419	27,559	48,222
2010 Census	4,173	26,478	46,347
2000 Census	2,664	19,275	33,527

INCOME

Average	\$50,922	\$55,047	\$63,381
Median	\$43,647	\$44,700	\$50,649
Per Capita	\$18,149	\$20,898	\$23,115

HOUSEHOLDS

2022 Projection	1,739	11,455	19,818
2017 Estimate	1,514	10,233	17,384
2010 Census	1,453	9,965	16,929
2000 Census	936	7,193	12,215

HOUSING

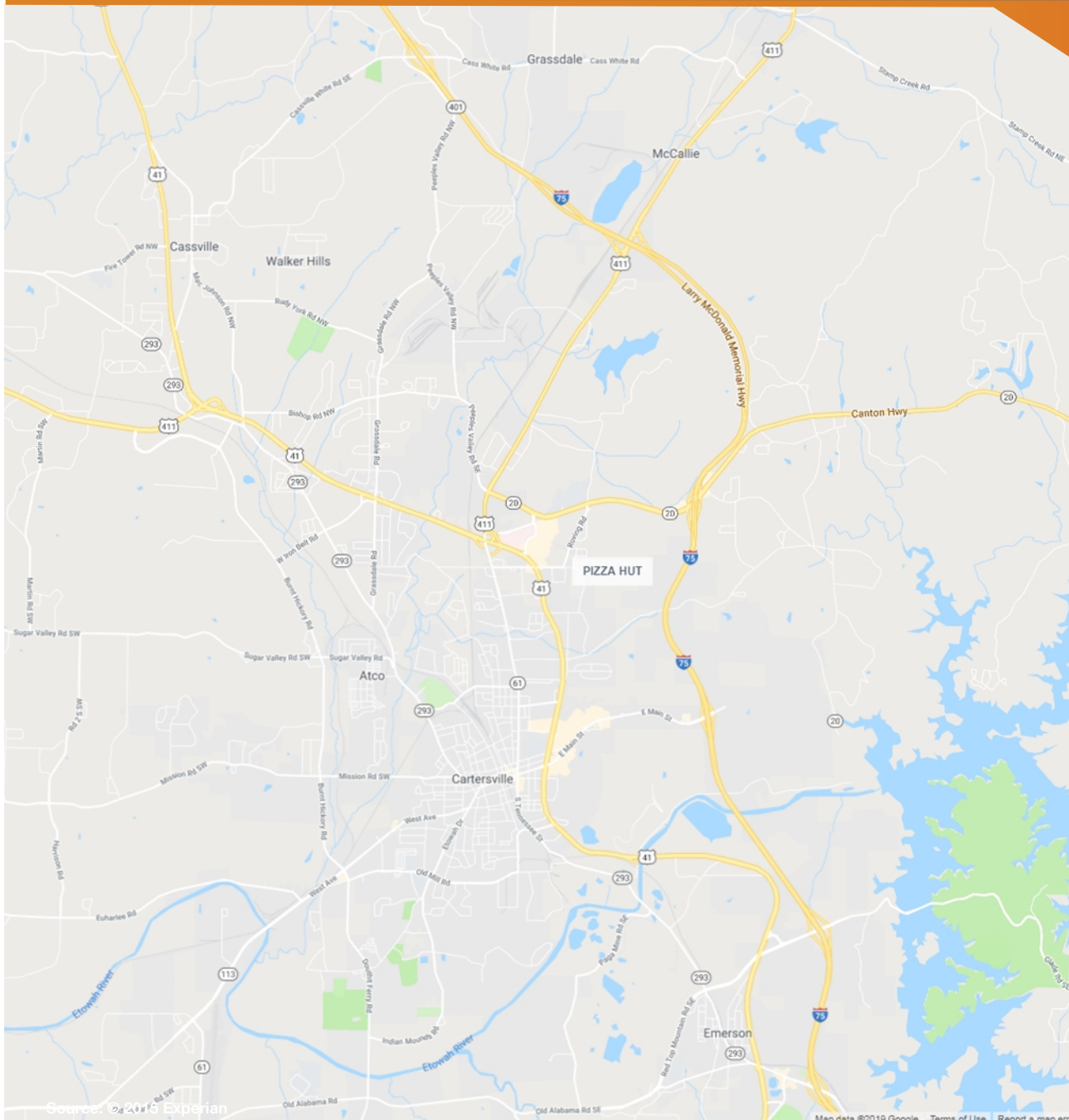
2017	\$139,694	\$137,031	\$150,733
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EMPLOYMENT

2017 Daytime Population	6,184	34,217	54,071
2017 Unemployment	2.69%	6.30%	5.43%
2017 Median Time Traveled	24	26	27

RACE & ETHNICITY

White	69.13%	67.58%	73.13%
Native American	0.13%	0.14%	0.09%
African American	19.07%	19.57%	16.09%
Asian/Pacific Islander	1.98%	1.57%	1.27%



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