



# Pittsburgh, PA



Subject Property

## OFFERING MEMORANDUM

7 Poplar St, Pittsburgh, PA 15205

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# Investment Highlights

PRICE: \$919,233 | CAP: 6.00% | RENT: \$55,154



## About the Investment

- ✓ 16+ Years Remaining on an Original 20-Year Triple-Net (NNN) Lease
- ✓ 2.00% Annual Rental Increases Beginning Year 6
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Large Franchisee Guarantee

## About the Location

- ✓ Dense Retail Corridor | McDonald's, Taco Bell, Wendy's, Burger King, Subway, Rite Aid, AMF Bowling and Many More
- ✓ Nearby Major Employers | Tetra Tech, Heartland Home Health Care & Hospice, Aetna, Aecom, Ricoh, and Many More
- ✓ Nearby National Hotels | Hampton Inn & Suites, DoubleTree by Hilton, and Holiday Inn Express, and More
- ✓ Compelling Location Fundamentals | Less than 4 Miles from Downtown Pittsburgh
- ✓ Strong Demographics | Population Exceeds 299,195 Individuals Within a Five-Mile Radius
- ✓ Located Less than 15 Minutes from Pittsburgh International Airport | Served Approximately 10,000,000 Passengers in 2018
- ✓ Strong Traffic Counts | Over 77,000 Vehicles Per Day on Nearby I-376

## About the Tenant / Brand

- ✓ Globally Recognized Brand – Pizza Hut Continues to Be the Top Pizza Brand in the Country in Terms of Unit Count and Revenue
- ✓ Proven Track Record with Strong Operational History Across its 16,976 Locations Throughout the United States and in 103 Other Countries
- ✓ Quality Restaurant Group owns and operates over 200 Pizza Hut restaurants in the Chicago, Indianapolis, South Bend, Baltimore, and Pittsburgh areas. The company also owns and operates 27 Arby's located in western states including Colorado, Montana, Nebraska, Wyoming, and South Dakota.



Representative Photo



# Financial Analysis

PRICE: \$919,233 | CAP: 6.00% | RENT: \$55,154



## PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	7 Poplar Street
City, State, ZIP	Pittsburgh, PA 15205
Year Built	1977
Estimated Building Size	3,600
Estimated Lot Size	+/- 0.49 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$919,233
CAP Rate	6.00%
Annual Rent	\$55,154
Rent / SF	\$15.32

## LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	Franchisee
Original Lease Term	20 Years
Lease Commencement	12/29/2015
Lease Expiration	12/31/2035
Lease Term Remaining	16+
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually Starting Year 6
Options to Renew	Four (4) Periods of Five (5) Years Each

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$55,154.00	\$4,596.00	-
Year 2	\$55,154.00	\$4,596.00	-
Year 3	\$55,154.00	\$4,596.00	-
Year 4	\$55,154.00	\$4,596.00	-
Year 5	\$55,154.00	\$4,596.00	-
Year 6	\$56,257.08	\$4,688.09	2.00%
Year 7	\$57,382.22	\$4,781.85	2.00%
Year 8	\$58,529.87	\$4,877.49	2.00%
Year 9	\$59,700.46	\$4,975.04	2.00%
Year 10	\$60,894.47	\$5,074.54	2.00%
Year 11	\$62,112.36	\$5,176.03	2.00%
Year 12	\$63,354.61	\$5,279.55	2.00%
Year 13	\$64,621.70	\$5,385.14	2.00%
Year 14	\$65,914.14	\$5,492.84	2.00%
Year 15	\$67,232.42	\$5,602.70	2.00%
Year 16	\$68,577.07	\$5,714.76	2.00%
Year 17	\$69,948.61	\$5,829.05	2.00%
Year 18	\$71,347.58	\$5,945.63	2.00%
Year 19	\$72,774.53	\$6,064.54	2.00%
Year 20	\$74,230.02	\$6,185.84	2.00%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Pizza Hut located at 7 Poplar Street, Pittsburgh, PA 15205. The site consists of roughly 3,600 rentable square feet of building space on estimated 0.49-acre parcel of land. This Pizza Hut has 16+ years remaining on an original 20-year absolute triple-net (NNN) lease. The current annual rent is \$55,154.00 and is subject to 2.00% annual rental increases starting in Year 6. There are four, five-year tenant renewal options.



# Concept Overview



## About Pizza Hut

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 2018, Pizza Hut had 16,796 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.

## About Quality Restaurant Group

The company owns and operates over 200 Pizza Hut restaurants in the Chicago, Indianapolis, South Bend, Baltimore, and Pittsburgh areas and recently acquired 27 Arby's locations in western states including Colorado, Montana, Nebraska, Wyoming, and South Dakota.



## General Information

Founded	1958
Website	<a href="http://www.pizzahut.com">www.pizzahut.com</a>
Number of Locations	16,796





# Surrounding Area







# Location Overview

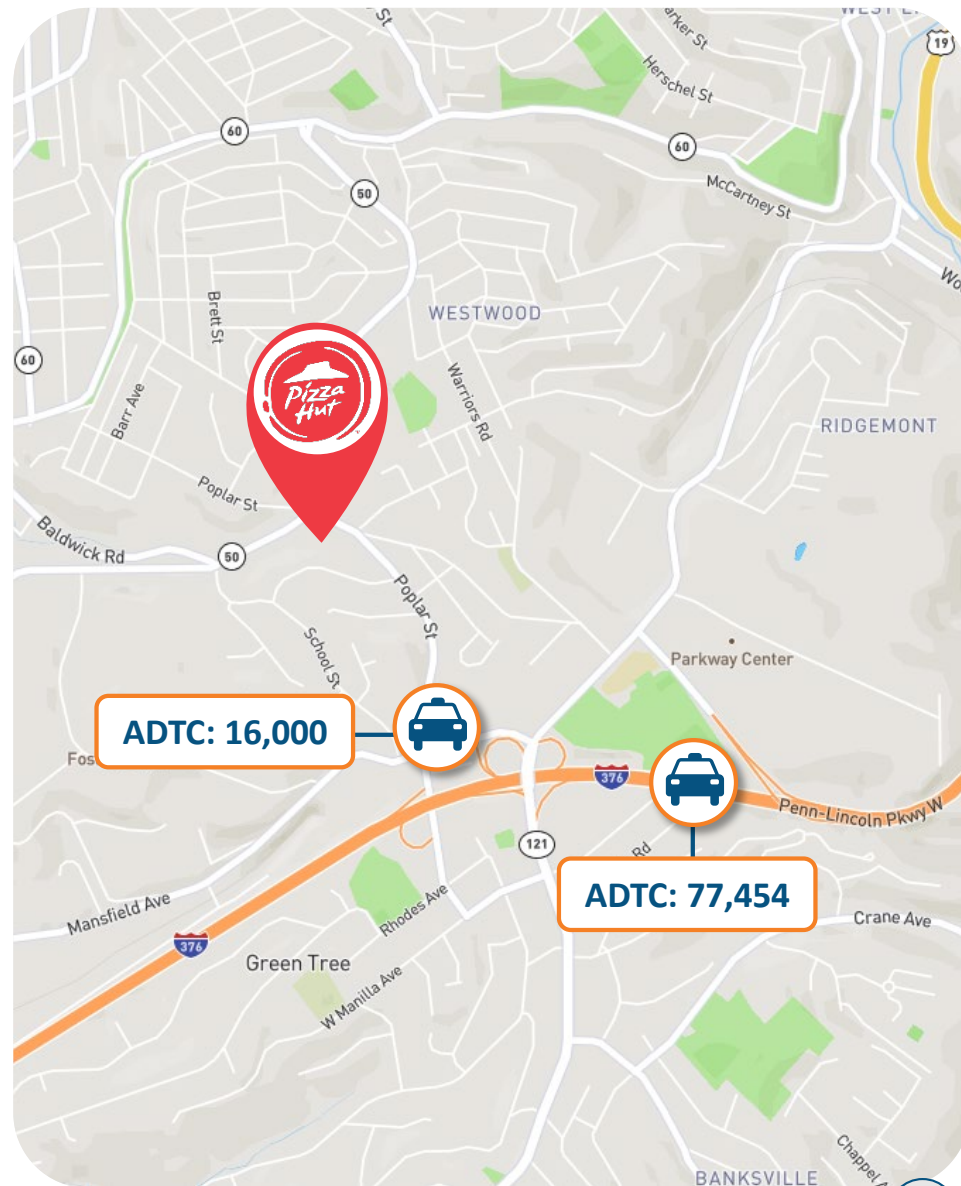
Property Address: 7 Poplar St, Pittsburgh, PA 15205



This Pizza Hut property is located at 7 Poplar St, Pittsburgh, PA. The intersection of Poplar St and Mansfield Ave brings an average of 16,000 vehicles per day, and nearby I-376 brings an additional 77,454 vehicles per day to the immediate area. There are 117,660 individuals within a 3-mile radius, and 299,195 individuals within a 5-mile radius.

The subject property is well-positioned in a dense retail corridor, benefiting from its proximity to other major national and local retailers. Major national retailers in the area include: McDonald's, Taco Bell, Wendy's, Burger King, Subway, Rite Aid, AMF Bowling, as well as many others. The property also benefits from its close proximity to several national hotel chains including Hampton Inn & Suites, DoubleTree by Hilton, and Holiday Inn Express. This Pizza Hut property is located nearby several major employers including Tetra Tech, Heartland Home Health Care & Hospice, Aetna, Aecom, Ricoh, and many more. Additionally, Pittsburgh International Airport, which served approximately 10,000,000 passengers in 2018, is located less than 15 minutes from the subject property.

The Pittsburgh metro area rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. Consisting of Armstrong, Butler, Fayette, Westmoreland, Washington, Allegheny and Beaver counties, the metro contains nearly 2.4 million residents, with nearly half concentrated in Allegheny county. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. A multitude of international firms have headquarters or regional offices in the metro. Additionally, seven Fortune 500 companies are headquartered in Pittsburgh: U.S. Steel Corp., Kraft Heinz Co, PNC Financial, Wesco International, Alcoa, PPG Industries and Dick's Sporting Goods. High-tech is expanding, particularly in automation and manufacturing equipment, software, biotechnology, environmental services, and pharmaceuticals.

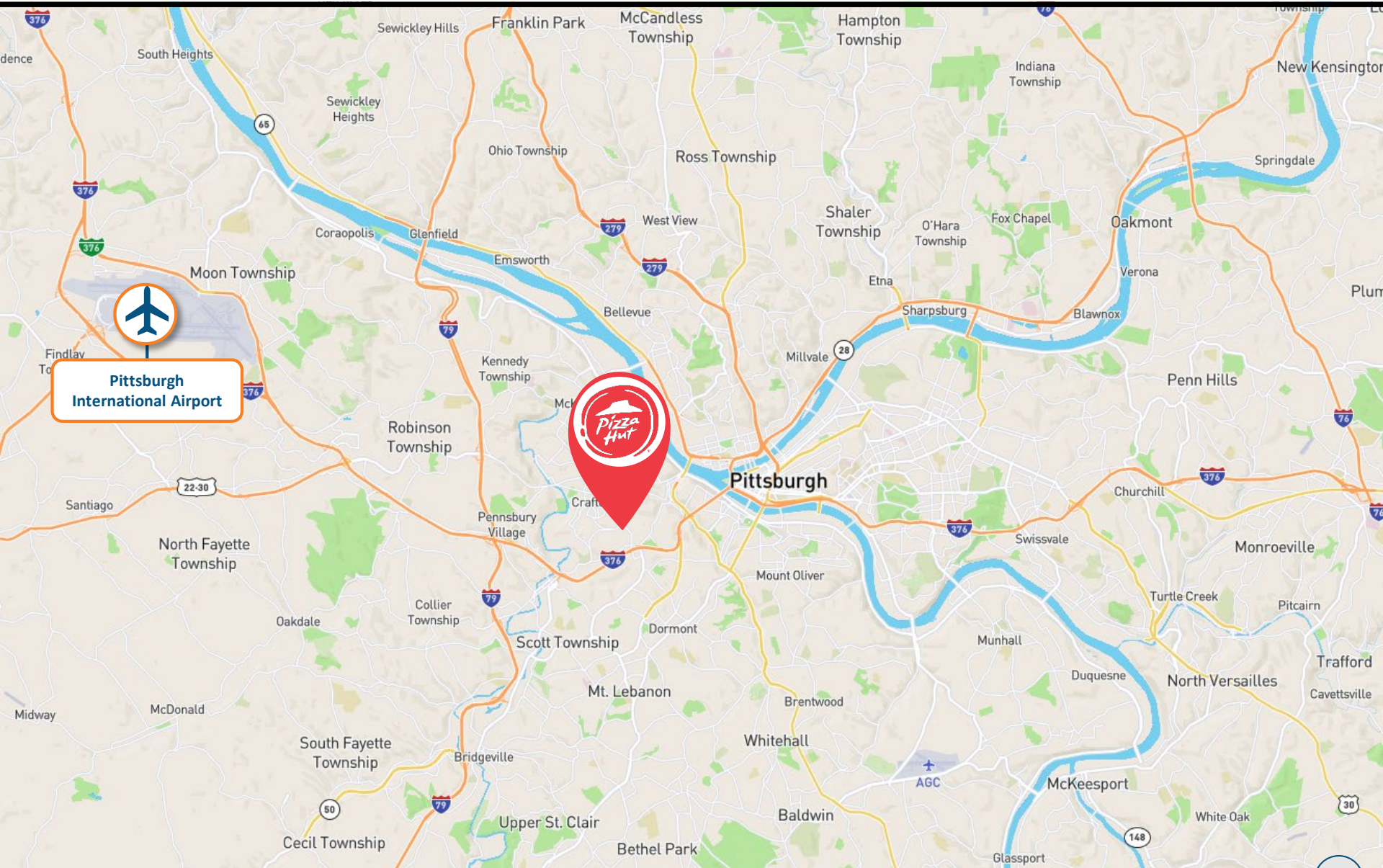






# Regional Map

Property Address: 7 Poplar St, Pittsburgh, PA 15205

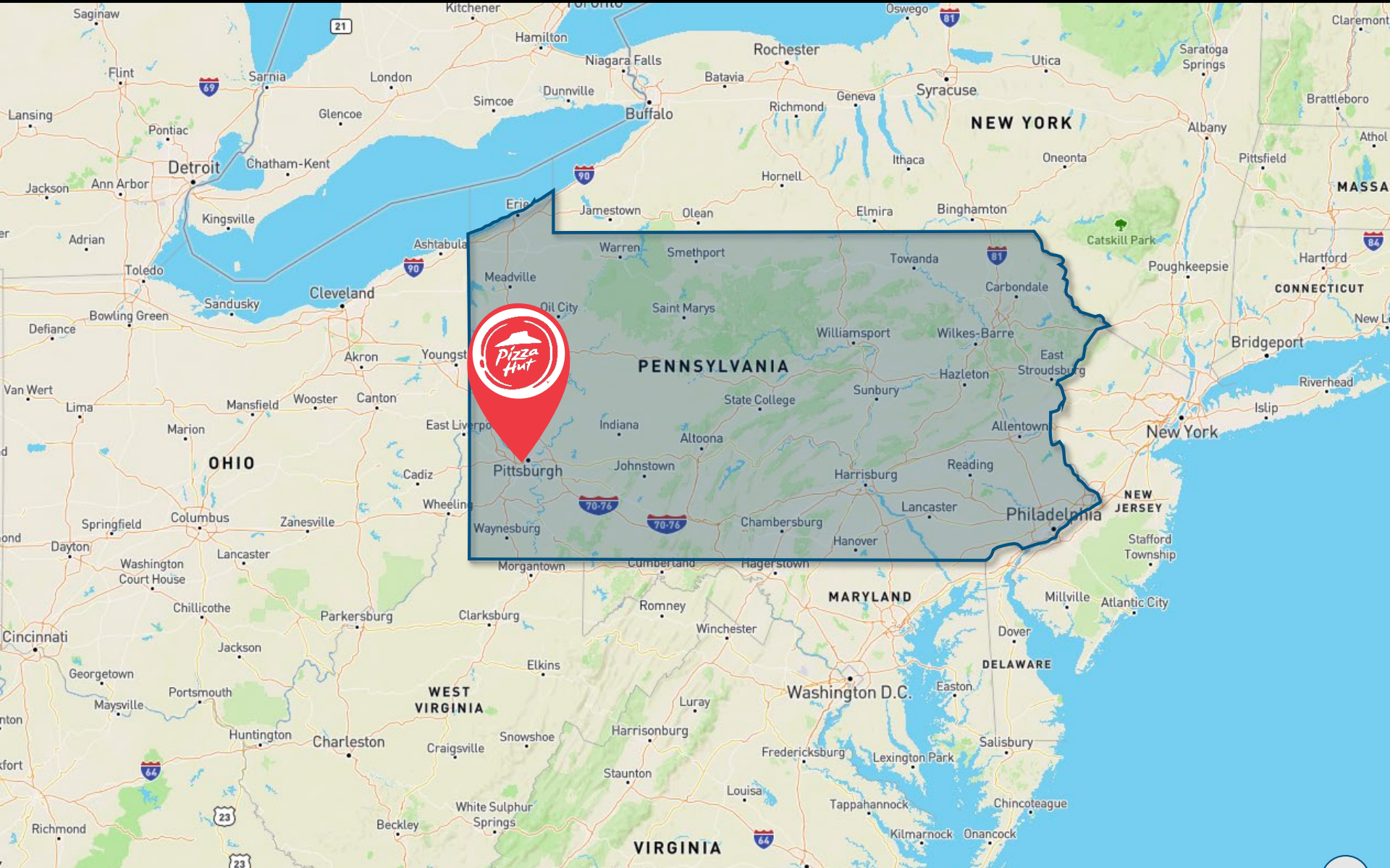






# State Map

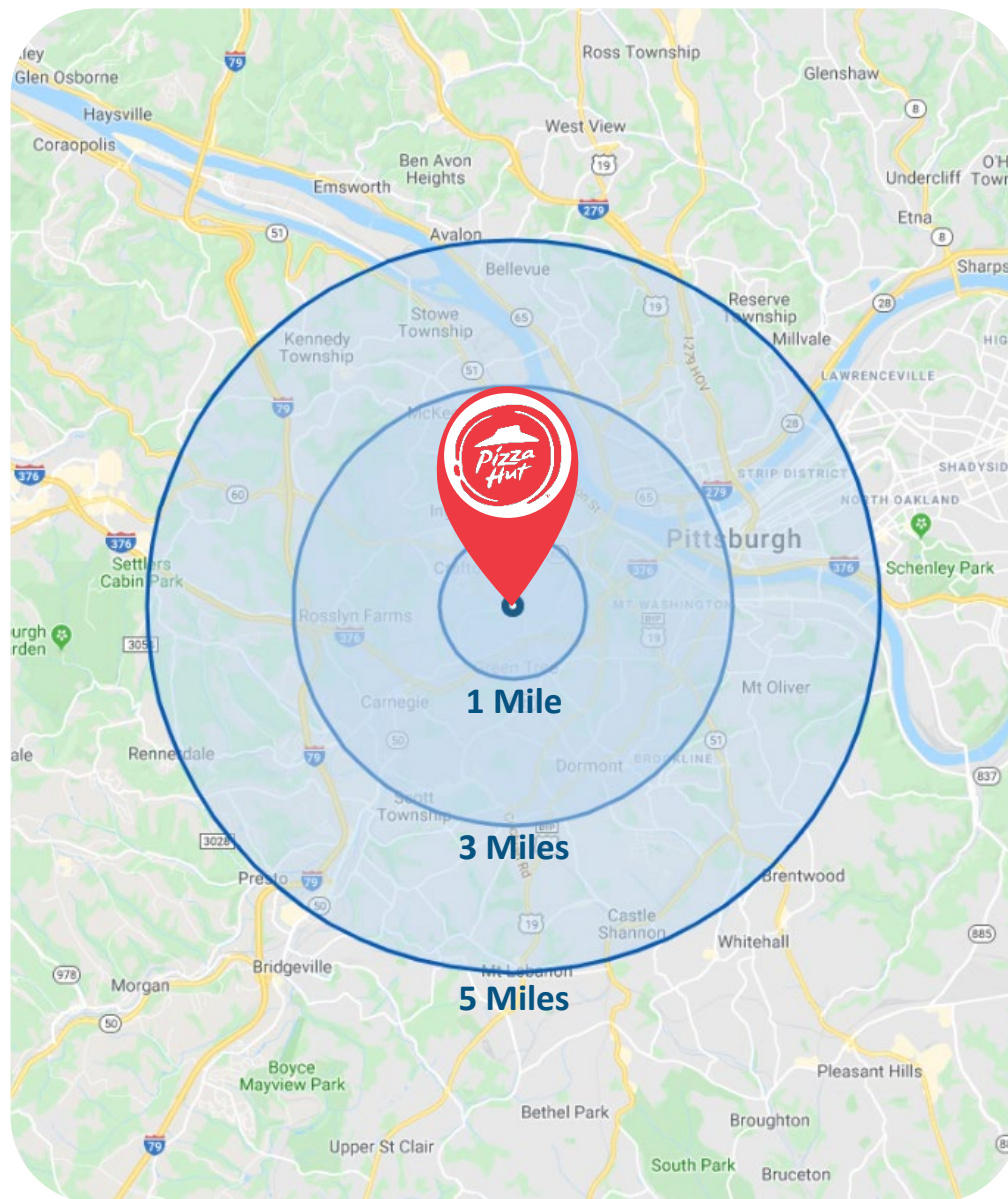
Property Address: 7 Poplar St, Pittsburgh, PA 15205







# Demographics



## POPULATION

	1 Mile	3 Miles	5 Miles
2023 Projection	11,303	115,958	295,462
2018 Estimate	11,379	117,660	299,195
2010 Census	11,162	116,566	296,134
2000 Census	11,651	126,907	317,597

## INCOME

	1 Mile	3 Miles	5 Miles
Average	\$80,257	\$73,969	\$72,659
Median	\$59,402	\$54,034	\$52,076
Per Capita	\$36,439	\$34,151	\$32,865

## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2023 Projection	5,173	53,713	132,744
2018 Estimate	5,165	53,763	132,654
2010 Census	5,079	53,444	131,771
2000 Census	5,156	55,154	135,053

## HOUSING

	1 Mile	3 Miles	5 Miles
2018	\$137,077	\$114,362	\$119,349

## EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2018 Daytime Population	15,687	186,709	438,957
2018 Unemployment	4.08%	6.24%	5.80%
2018 Median Time Traveled	26min	27min	27min

## RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	86.98%	76.83%	76.57%
Native American	0.02%	0.03%	0.03%
African American	6.55%	15.20%	16.88%
Asian/Pacific Islander	3.37%	3.73%	2.92%





# Market Overview

City: Pittsburgh | County: Allegheny | State: Pennsylvania

*Pittsburgh, PA*

**Pittsburgh** is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.



## METRO HIGHLIGHTS



### POSITIVE EMPLOYMENT TRENDS

More than 30,000 jobs have been added since 2015 and. During this time, growth was led by education, healthcare and the hospitality sectors.



### QUALITY HIGHER EDUCATION

The local economy benefits from university-related startup companies. Carnegie Mellon, Duquesne and the University of Pittsburgh are among the local higher-educational institutions.



### POPULATION GROWTH

After years of decline, job seekers moving to the metro contribute to a rising population.

## Major Employers

Employer	Estimated # of Employees (5 Mile Radius)
Alcoa Primary Products	16,200
Arconic Mexico Holdings LLC	9,001
Allegheny General Hospital	6,645
Bny Mellon	5,674
Hcl Global Systems Inc	5,480
Continuing Care Center	4,500
Boke Investment Company	3,000
Compagnie Des Bxites De Guinee	3,000
Highmark Blue Crss-Blue Shield	3,000
Heinz	2,855
Halco (mining) Inc	2,400
U S S I	2,200





Exclusive Net Lease Offering