

PIZZA HUT 15-YEAR ABSOLUTE NET (NNN)

786 S Church St, Forest City, NC 28043

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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. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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OFFERING MEMORANDUM

OFFERING INCLUDES

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- Economic Overview
- Demographic Analysis





Largest Pizza Company in the World Over 16,500 Locations in 106 Countries Established 1958

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Pizza Hu

PRICING & FINANCIAL ANALYSIS

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Investment Highlights

- BRAND NEW 15-YEAR LEASE
- ABSOLUTE TRIPLE-NET
- ZERO LANDLORD RESPONSIBILITIES
- FIVE PERCENT BUMPS EVERY FIVE YEARS
- ONE OF PIZZA HUT'S LARGEST OPERATORS
- Award Winning Franchisee
- OUTPARCEL TO INGLES SUPERMARKET
- MINUTES FROM ISOTHERMAL COMMUNITY COLLEGE – 1,929 STUDENTS
- Conveniently Located off the Interstate
- VISIBLE FROM ROUTE 74
- LARGE 1.05 ACRE LOT WITH PLENTY OF PARKING AND ACCESS
- CATERS TO MULTIPLE SCHOOLS IN THE AREA
- SINGLE TENANT NET LEASED ASSET
- GLOBALLY RECOGNIZED BRAND LOCATED IN 106 COUNTRIES

Marcus & Millichap is pleased to offer this Pizza Hut property paired with an absolute net long term lease with zero landlord responsibilities. Today, Pizza Hut, is the largest pizza company in the world and has more than 16,000 restaurants and 350,000 team members in more than 100 countries.

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LIST PRICE CAP RATE	\$1,113,600 6.25%
INCREASES	5% Every 5 Years
LEASE TERM	15 Years
OPTIONS	Four 5-Year Options
BUILDING SIZE	2,622 SF
LOT SIZE	1.05 Acres
Price Per Foot	\$424
TYPE OF OWNERSHIP	Fee Simple
FRANCHISEE	95 Unit Operator
GUARANTY	11 Unit Entity

Executive Summary

RENT SCHEDULE	MONTHLY RENT	ANNUAL RENT
YEAR 1	\$5,800	\$69,600
YEAR 2	\$5,800	\$69,600
YEAR 3	\$5,800	\$69,600
YEAR 4	\$5,800	\$69,600
YEAR 5	\$5,800	\$69,600
YEAR 6	\$6,090	\$73,080
YEAR 7	\$6,090	\$73,080
YEAR 8	\$6,090	\$73,080
YEAR 9	\$6,090	\$73,080
YEAR 10	\$6,090	\$73,080
YEAR 11	\$6 <i>,</i> 395	\$76,734
YEAR 12	\$6,395	\$76,734
YEAR 13	\$6,395	\$76,734
YEAR 14	\$6,395	\$76,734
YEAR 15	\$6,395	\$76,734
OPTION 1	\$6,714	\$80,571
OPTION 2	\$7,050	\$84,599
Option 3	\$7,402	\$88,829
Option 4	\$7,773	\$93,271
NET OPERATING INCOME		\$69,600



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Award Winning Operator EVERY YEAR SINCE 1991: Gold Standard in Operations excellence PIZZA HUT HALL OF FAME 1990's PIZZA HUT HALL OF FAME 2018



WINNER

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COMPANY OVERVIEW

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Pizza Hut is an American restaurant chain and international franchise that offers different styles of pizza along with side dishes including salad, pasta, buffalo wings, breadsticks, garlic bread and desserts. Corporately known as Pizza Hut, Inc., it is a subsidiary of Yum! Brands, Inc., the world's largest restaurant company. As of 2012, there were more than 6,000 Pizza Hut restaurants in the United States, and more than 5,139 store locations in 94 other countries and territories around the world. Pizza Hut was Founded in Wichita, Kansas in 1958.

Yum! Brands, Inc, is an American fast food company. A Fortune 500 corporation, Yum operates the licensed brands Taco Bell, KFC, Pizza Hut, and WingStreet worldwide. Based in Louisville, Kentucky, it is one of the world's largest fast food restaurant companies in terms of system units—with 42,692 restaurants (including 8,927 that are company-owned, 796 that are unconsolidated affiliates, 30,930 that are franchised, and 2,039 that are licensed) around the world in over 130 countries. In 2015, Yum!'s global sales totaled US\$13.105 billion.

OWNERSHIP
Symbol
S & P RATING
Founded
NUMBER OF LOCATIONS
Headquartered
WEBSITE
CEO OF YUM!

SUBSIDIARY OF YUM! BRANDS, INC. NASDAQ: YUM BB (YUM! BRANDS) JUNE 15, 1958 (PIZZA HUT) 13,000+ PLANO, TEXAS <u>WWW.PIZZAHUT.COM</u> DAVID W GIBBS

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PROPERTY OVERVIEW

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MARKET OVERVIEW

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Forest City, formerly known as "Burnt Chimney," is a town in Rutherford County, North Carolina, United States. The population was 7,476 as of the 2010 census, making it the largest municipality in Rutherford County. Forest City has many museums, ranging from the Rutherford County Farm Museum to the Bennett Classical Auto Museum.

During the Christmas season the downtown Forest City area sparkles with over 500,000 lights, and horse-drawn carriage rides. Many people from other counties come to see this every year; it is also on many Christmas Light tours as well.

Forest City is also home to the Forest City Owls baseball club which is a member of the Coastal Plain League, a collegiate summer league. The Owls who play at McNair Field in Forest City, won the CPL championship in 2009 with a record of 51-9, again in 2010 and were ranked as the #1 collegiate summer team in America.

Free public WiFi Internet has been provided by City Computer in the Downtown business district in parking areas and inside restaurants since August 2006. The Town of Forest City[is governed by a mayor and a board of commissioners. Steve Holland is currently serving as the Mayor of The Town of Forest City. The Town Board of Commissioners includes: Mayor Pro-Tem, Dr. Dee Dee Bright, Com. Chris Lee, Com. Shawn Moore, Com. Justin Conner, and Com. David Eaker.

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DEMOGRAPHIC ANALYSIS

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Demographic Analysis

POPULATION	3 Miles	4 Miles	5 Miles
2023 Projection			
Total Population	14,388	21,022	27,852
2018 Estimate			
Total Population	14,316	20,783	27,381
2010 Census			
Total Population	14,731	21,246	27,905
2000 Census			
Total Population	14,466	20,688	26,723
 Current Daytime Population 			
2018 Estimate	12,976	19,157	26,030
HOUSEHOLDS	3 Miles	4 Miles	5 Miles
2023 Projection			
Total Households	5,909	8,610	11,360
2018 Estimate			
Total Households	5,823	8,424	11,048
Average (Mean) Household Size	2.41	2.41	2.42
2010 Census			
Total Households	6,048	8,679	11,333
2000 Census			
Total Households	5,964	8,444	10,854
 Occupied Units 			
2023 Projection	5,909	8,610	11,360
2018 Estimate	6,765	9,816	12,861
HOUSEHOLDS BY INCOME	3 Miles	4 Miles	5 Miles
2018 Estimate			
\$150,000 or More	2.34%	2.46%	2.37%
\$100,000 - \$149,000	5.24%	5.24%	5.05%
\$75,000 - \$99,999	7.56%	8.15%	8.20%
\$50,000 - \$74,999	17.72%	17.75%	17.44%
\$35,000 - \$49,999	16.89%	17.35%	18.01%
Under \$35,000	50.24%	49.05%	48.93%
A			
Average Household Income	\$46,252	\$46,900	\$46,940
Median Household Income	\$46,252 \$34,792	\$46,900 \$35,863	\$46,940 \$35,897

HOUSEHOLDS BY EXPENDITURE	3 Miles	4 Miles	5 Miles
Total Average Household Retail	\$50,175	\$51,266	\$51,203
Expenditure Consumer Expenditure Top 10	. ,		. ,
Categories			
Housing	\$13,645	\$13,887	\$13,866
Transportation	\$8,590	\$8,784	\$8,798
Shelter	\$7,591	\$7,715	\$7,698
Food	\$5,341	\$5,467	\$5,479
Personal Insurance and Pensions	\$4,034	\$4,174	\$4,150
Health Care	\$3,608	\$3,696	\$3,697
Utilities	\$3,360	\$3,416	\$3,414
Entertainment	\$2,081	\$2,132	\$2,137
Cash Contributions	\$1,799	\$1,847	\$1,841
Gifts	\$1,322	\$1,350	\$1,355
POPULATION PROFILE	3 Miles	4 Miles	5 Miles
Population By Age			
2018 Estimate Total Population	14,316	20,783	27,381
Under 20	25.83%	24.85%	24.43%
20 to 34 Years	16.79%	16.86%	16.80%
35 to 39 Years	5.33%	5.62%	5.61%
40 to 49 Years	12.33%	12.65%	12.90%
50 to 64 Years	19.94%	20.46%	20.76%
Age 65+	19.79%	19.58%	19.50%
Median Age	41.86	42.34	42.71
Population 25+ by Education Level			
2018 Estimate Population Age 25+	9,781	14,424	19,119
Elementary (0-8)	5.66%	5.43%	5.32%
Some High School (9-11)	13.96%	13.58%	13.22%
High School Graduate (12)	30.91%	32.20%	33.18%
Some College (13-15)	22.08%	22.13%	22.52%
Associate Degree Only	10.85%	10.35%	10.03%
Bachelors Degree Only	9.12%	9.55%	9.52%
Graduate Degree	5.72%	5.19%	4.83%

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Demographic Analysis



Population

In 2018, the population in your selected geography is 14,316. It is estimated that the population in your area will be 14,388.00 five years from now, which represents a change of 0.50% from the current year. The current population is 46.10% male and 53.90% female. The median age of the population in your area is 41.86, compare this to the US average which is 37.95. The population density in your area is 506.09 people per square mile.

Race and Ethnicity The current year racial ma

The current year racial makeup of your selected area is as follows: 73.77% White, 17.74% Black, 0.03% Native American and 1.01% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 7.98% of the current year population in your selected area. Compare this to the US average of 18.01%.



Households

There are currently 5,823 households in your selected geography. It is estimated that the number of households in your area will be 5,909 five years from now, which represents a change of 1.48% from the current year. The average household size in your area is 2.41 persons.



Housing

The median housing value in your area was \$106,076 in 2018, compare this to the US average of \$201,842. In 2000, there were 3,668 owner occupied housing units in your area and there were 2,297 renter occupied housing units in your area. The median rent at the time was \$306.



Income

In 2018, the median household income for your selected geography is \$34,792, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 25.17% since 2000. It is estimated that the median household income in your area will be \$40,579 five years from now, which represents a change of 16.63% from the current year.

The current year per capita income in your area is \$19,059, compare this to the US average, which is \$32,356. The current year average household income in your area is \$46,252, compare this to the US average which is \$84,609.



Employment

In 2018, there are 7,837 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 41.41% of employees are employed in white-collar occupations in this geography, and 58.92% are employed in blue-collar occupations. In 2018, unemployment in this area is 7.22%. In 2000, the average time traveled to work was 21.00 minutes.

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Broker of Record Ben Yelm Regional Manager Charleston Lic #303785

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