



PIZZA HUT SINGLE TENANT NNN

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01

OFFERING SUMMARY

THE OFFERING

PROPERTY SUMMARY

INVESTMENT HIGHLIGHTS

TENANT PROFILE



COLUMBUS ST

AUBURN ST

SUBJECT
PROPERTY



OFFERING SUMMARY

Kidder Mathews is pleased to offer for sale this Single Tenant NNN Long-Term Absolute leased to Pizza Hut located at 3701 Auburn Street, in the City of Bakersfield, the county seat of Kern County, California, 93306.

THE OFFERING

The property consists of a 3,741 square foot pad building situated on approximately 0.13 acres of land along Auburn Street. The property is located within a service center anchored by Jiffy Lube, Midas, Auburn Animal Hospital and County Club Smog.

The Pizza Hut Single tenant NNN lease offers an investor a stable income stream along with a rare annual 1.5% rental increase with no landlord responsibility, providing

ease of management and is an ideal investment for a 1031 exchange or passive investors. The property is on a long-term 15 years absolute NNN lease with over 11 years remaining on the current lease with two (2), five (5) year options to renew. The lease is guaranteed by CalPac Pizza, LLC. The company has operated since 2011 when it acquired 28 Pizza Hut units and related real estate from California Pizza, LLC. The restaurants are located along the San Joaquin Valley from Madera, south along Highway 99 to Bakersfield, CA.

The property is strategically positioned with significant frontage and visibility along Auburn Street, by the intersection of Auburn Street and Oswell Street, with over 38,000 car per day traffic counts. Additionally, Pizza Hut is located by the on/off ramp of Highway 178, one of the most heavily traffic East/West corridor in Bakersfield, with daily traffic counts in-excess of 60,000 cars per day.

The property is positioned within the heart of the Bakersfield metro area. The property is centrally located within Kern County with an exceptionally dense residential and commercial infill population of over 193,000 people having an average household income in-excess of \$54,488 (5-mile). Situated just 110 miles to Los Angeles and 110 miles to Fresno, the property's location also benefits from convenient access to nearly all the area's primary freeways inclusive of State Route 178, Highway 58, and Highway 99. Additionally, the site is surrounded by synergistic mix of businesses, residences. Major national tenants in the surrounding area include Walmart, Target, Lowes, Home Depot, and Albertsons.

\$1,480,000

PRICE

\$78,426

ACTUAL NOI

5.3%

CAP RATE

3,741 SF

BUILDING SIZE

1985

YEAR BUILT

0.13 AC

LAND AREA

15 YRS

LEASE TERMS



PROPERTY OVERVIEW

Price	\$1,480,000
Cap Rate	5.3%
Address	3701 Auburn St, Bakersfield, CA 93306
Property Type	Single Tenant NNN
Year Built	1985
Building Size	3,741 SF
Land Area	0.13 Acres
Lease Type	Absolute Triple Net (NNN)
Access	2 curb cuts with ingress/egress
Zoning	GC (General Commercial)
Parcel Number	130-210-34-00-8



INVESTMENT HIGHLIGHTS

HIGH-IMAGE ASSET

Long-term lease with stable income stream with rare 1.5% annual rental increase

Experienced operator with long-term operating history

Absolute NNN lease to Calpac Pizza, LLC, a Pizza Hut franchisee with approximately 28 locations along the San Joaquin Valley

Pandemic, recession, and internet resistant tenant

SECURE & STABLE CASH FLOW

15 years lease with 11 years remaining with two (2) five (5) year options to renew

Long-term tenant

Zero landlord responsibilities

PASSIVE INVESTMENT

Absolute triple net (NNN) with zero landlord responsibilities

15 years primary term with 11 years remaining with 2x5 years options with 1.5% annual increase

Ideally suited for the 1031 Exchange investor

Delivered free & clear of debt allowing an all cash purchase or the ability to place new debt at historically low interest rates

PHENOMENAL, DENSELY INFILLED CALIFORNIA LOCATION

Major national tenants in the surrounding are Walmart, Target, Lowes, Home Depot, Albertsons, CVS, Starbucks, and McDonald's.

Superior visibility by the signalized hard-corner of Auburn Street and Oswell Street with daily traffic counts in-excess of 38,000 vehicles per day

Located on the on/off ramp of the State Route 178 with over 60,000 vehicles per day traffic.

EXCEPTIONAL TRADE-AREA LOCATION

Located in one of the most densely populated infill submarkets within Bakersfield

Over 100,000 people within a 3 miles radius with an average household income of \$77,339 within a 1 mile radius

Established retail trade-area surrounded by synergistic mix of businesses and residentials

Direct access to State Route 178, Hwy 58 and Hwy 99

Incredible population density of 193,850 people with average household income of over \$54,488 within a 5-mile radius



TENANT OVERVIEW

PIZZA HUT

Pizza Hut is an American restaurant chain and international franchise founded in 1958 in Wichita, Kansas by Dan and Frank Carney. It provides pizza and other Italian-American dishes, including pasta, side dishes and desserts. The chain has a total of 18,703 restaurants in over 100 countries worldwide as of December 31, 2019, making it the world's largest pizza chain in terms of number of locations. It is a subsidiary of Yum! Brands, Inc., one of the world's largest restaurant companies.

Pizza Hut is a wholly own subsidiary of Yum! Brand, Inc, which is an American fast food corporation listed on the Fortune 1000. Yum! Operates the brands KFC, Pizza Hut, Taco Bell, The Habit Burger Grill, and Wingstreet worldwide. Yum! Is one of the world's largest fast food restaurant companies with over 43,617 restaurants, including 2,959 company owned and 40,758 franchisee in 135 nations and territories worldwide.

Source: Wikipedia



OWNERSHIP

Yum! Brands, Inc.

BUSINESS TYPE

Subsidiary

YEAR FOUNDED

1958

HEADQUARTERS

Plano, TX

LOCATIONS WORLDWIDE

18,703 (2020)

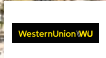
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THE FRANCHISEE

CalPac Pizza, LLC ("CalPac") owns and operates restaurants under the Pizza Hut concept, ("Pizza Hut"). The company has operated since February 2011 when it acquired 28 Pizza Hut units and related real estate from California Pizza, LLC. The restaurants are located in the san Joaquin Valley from Madera, south along Highway 99 to Bakersfield, CA.

A related entity PacPizza, LLC, ("PacPizza"), a Delaware Corporation founded in 1997, is one of the largest franchises in the Pizza Hut System. Based out of the Bay Area, PacPizza's 78 units stretch from Southern Oregon, across to Western Nevada and back throughout Northern California. In addition, another related, Southern PacPizza, LLC has 33 Pizza Hut restaurants in Southern California-Palm Springs and surrounding areas. In total, "The Pac" group operates approximately 164 Pizza Hut restaurants in California, Nevada and Oregon.





SUBJECT
PROPERTY





02

LOCATION OVERVIEW

LOCAL AMENITIES





ALFRED HARELL HWY

FAIRFAX RD
TUDOR WAY

PANORAMA DR

CENTURY DR

UNIVERSITY AVE

HIGHLAND HIGH SCHOOL

BAKERSFIELD COLLEGE

BREWER AVE

COL HOWARD
NICHOLS ELEMENTARY

CHARGER AVE

CHIPMAN JUNIOR
HIGH SCHOOL

HENRY EISSLER
ELEMENTARY SCHOOL

CLAYMORE ST

SUBJECT
PROPERTY

CVS
pharmacy

Albertsons
dds
DISCOUNTS

WELLS
FARGO

BANK OF AMERICA

NOBLE AVE

RENEGADE AVE

WENATCHEE AVE

COLUMBUS ST

AUBURN ST

178

LOWE'S

KFC

Foods Co.

Smart & Final

Walgreens

OfficeMax

Walmart
Save money. Live better.

TARGET

KAISER
PERMANENTE

Carl's Jr.

goodwill

PETSMART

cricket

BAKERSFIELD
COUNTRY CLUB

SUBWAY

McDonald's

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03

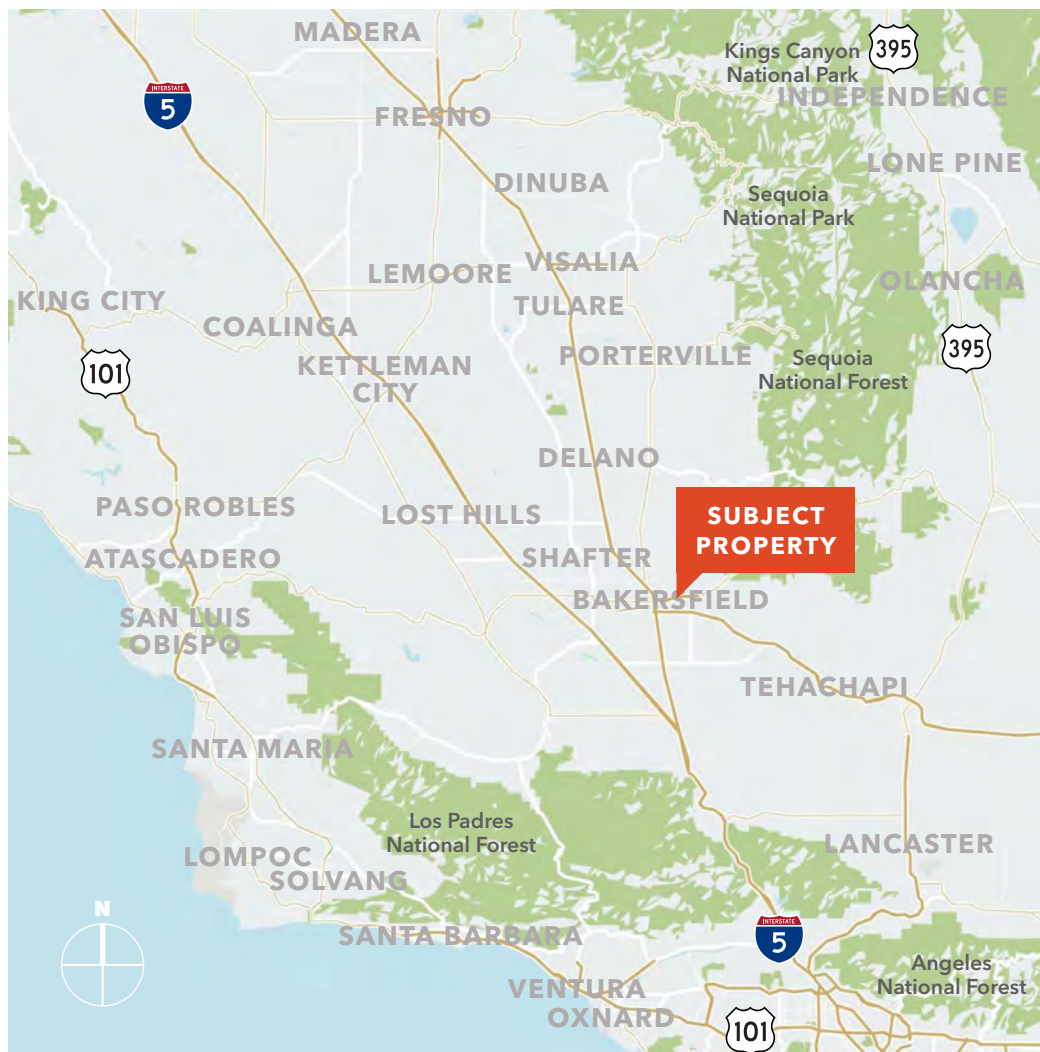
FINANCIALS

INVESTMENT SUMMARY

RENT SCHEDULE

FINANCIALS

INVESTMENT SUMMARY



FINANCIAL OVERVIEW

Monthly Rent	\$6,535
Annual Rent	\$78,426

ESTIMATED OPERATING INFORMATION

Scheduled Rent	\$78,426
Plus Recapture	NNN
Effective Gross Income	\$78,426
Less Expenses	NNN
Net Operating Income	\$78,426

FINANCIAL ANALYSIS

Tenant	CALPAC PIZZA, LLC
Commencement	September 1, 2017
Expiration	August 31, 2032
Lease Type	Absolute Triple Net (NNN)
Lease Terms	15 years with 2x5 years options
Base Rent	\$78,425.88
Rent Increases	1.5% annual increases including options

ESTIMATED OPERATING INFORMATION

Property Taxes	Tenant's Responsibility
Insurance	Tenant's Responsibility
CAM	Tenant's Responsibility
Repairs and Maintenance	Tenant's Responsibility
Roof and Structure	Tenant's Responsibility
HVAC	Tenant's Responsibility
Utilities	Tenant's Responsibility

RENT SCHEDULE

	Lease Start	Lease End	Annual Rent	Monthly Rent	Cap Rate
1	9/1/2017	8/31/2018	\$75,000.00	\$6,250.00	
2	9/1/2018	8/31/2019	\$76,125.00	\$6,343.75	
3	9/1/2019	8/31/2020	\$77,266.88	\$6,438.91	
4	9/1/2020	8/31/2021	\$78,425.88	\$6,535.49	5.30%
5	9/1/2021	8/31/2022	\$79,602.27	\$6,633.52	5.38%
6	9/1/2022	8/31/2023	\$80,796.30	\$6,733.03	5.46%
7	9/1/2023	8/31/2024	\$82,008.24	\$6,834.02	5.54%
8	9/1/2024	8/31/2025	\$83,238.37	\$6,936.53	5.63%
9	9/1/2025	8/31/2026	\$84,486.94	\$7,040.58	5.71%
10	9/1/2026	8/31/2027	\$85,754.25	\$7,146.19	5.80%
11	9/1/2027	8/31/2028	\$87,040.56	\$7,253.38	5.88%
12	9/1/2028	8/31/2029	\$88,346.17	\$7,362.18	5.97%
13	9/1/2029	8/31/2030	\$89,671.36	\$7,472.61	6.06%
14	9/1/2030	8/31/2031	\$91,016.43	\$7,584.70	6.15%
15	9/1/2031	8/31/2032	\$92,381.68	\$7,698.47	6.24%

2(5 YEAR) OPTIONS WITH 1.5% ANNUAL INCREASE





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04

MARKET OVERVIEW

DEMOGRAPHICS

CITY OF BAKERSFIELD OVERVIEW

KERN COUNTY OVERVIEW



MARKET OVERVIEW

193,850

ESTIMATED POPULATION

\$54,488

AVERAGE HOUSEHOLD INCOME

81.4%

EMPLOYED

DEMOGRAPHICS

INCOME	1 Mile	3 Miles	5 Miles
2020 Est. Median Household Income	\$57,460	\$39,594	\$37,657
2020 Est. Average Household Income	\$77,339	\$56,975	\$54,488
2020 Est. Per Capita Income	\$27,207	\$16,739	\$16,728

POPULATION	1 Mile	3 Miles	5 Miles
2020 Estimated Total Population	16,787	109,026	193,850
2025 Forecast Total Population	16,996	111,881	199,618
2010 Census Total Population	16,825	105,452	185,454
Forecast Population Growth 2020-2025	0.25%	0.52%	0.59%



DEMOGRAPHICS

HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2020 Estimated Total Households	5,885	31,811	59,349
2025 Forecasted Total Households	5,930	32,490	60,836
2010 Census Total Households	5,912	30,945	57,039
Forecast Household Growth 2020-2025	0.15%	0.42%	0.50%

CITY OF BAKERSFIELD OVERVIEW

Bakersfield is a charter city in Kern County, California which is located near the southern end of the San Joaquin Valley and the Central Valley region.

Bakersfield is the county seat and largest city of Kern County. The more built-up portion of the metro area that includes Bakersfield and areas immediately around the city, such as East Bakersfield, Oildale, and Rosedale.

The economy of Bakersfield is a signification hub for agriculture and energy production. Industries in and around Bakersfield include natural gas and other energy extraction, mining, petroleum refining, distribution, food processing, and

corporate regional offices. The city of Bakersfield is also the birthplace of the country music genre known as the Bakersfield sound.

Products manufactured in the city of Bakersfield include: ice cream (world's largest ice cream plant), central vacuums, highway paint, and stock racing cars.

Bakersfield is connected by multiple forms of transportation. Transportation options for Bakersfield include highways, buses, rail for freight and passenger sevicees, and the Meadows Field Airport. The Meadows Field Airport is a public airport located in Oildale and is about three miles northwest from Downtown Bakersfield. The Meadows Field Airport is the main airport for Bakersfield and is one of the two international airports in the San Joaquin Valley.

Source: Wikipedia

DISTANCES FROM SUBJECT PROPERTY

5 MIN TO BAKERSFIELD COLLEGE

18 MIN TO MEADOWS FIELD AIRPORT

2H 20M TO SEQUOIA NATIONAL PARK

2H 50M TO LOS ANGELES INTERNATIONAL AIRPORT

2H 50M TO SAN LUIS OBISPO

2H 15M TO FRESNO



KERN COUNTY OVERVIEW

Kern County is located in the state of California in the United States. The county seat is Bakersfield.

Kern County comprises of the Bakersfield, California, Metropolitan statistical area. The county spans the southern end of the Central Valley. Covering 8,161.42 square miles (21,138.0 km²), it ranges west to the southern slope of the Coast Ranges, and east beyond the southern slope of the eastern Sierra Nevada into the Mojave Desert, at the city of Ridgecrest. Its northernmost city is Delano, and its southern reach extends just beyond Lebec to Grapevine, and the northern extremity of the parallel Antelope Valley.

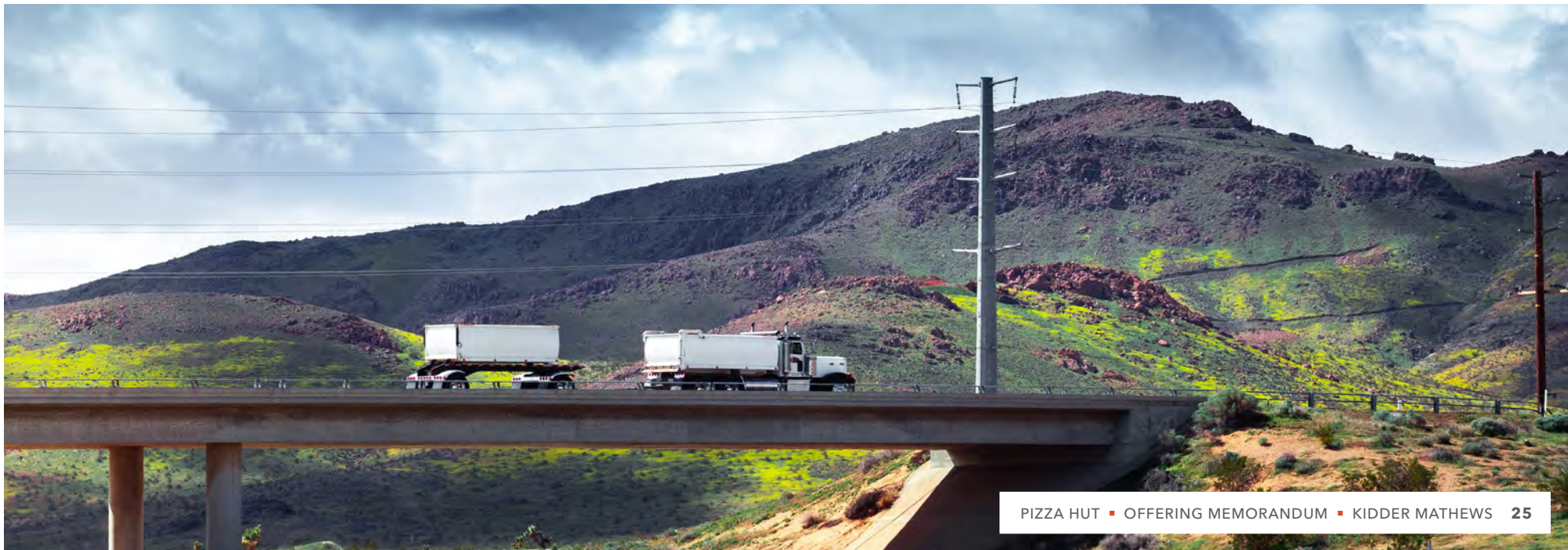
Kern County is the third-largest county by area in California. Its area is nearly the size of the state of New Hampshire. Around 2015 to 2017, Kern County was considered one of the fastest-growing areas in the United States in terms of population, but suffers from significant water supply issues and poor air quality.

The county's economy is heavily linked to agriculture and to petroleum extraction. There is also a strong aviation, space, and military presence, such as Edwards Air Force Base, the China Lake Naval Air Weapons Station, and the Mojave Air and Space Port.

Kern County in 2013 was believed to be one of the most productive oil-producers in California. Kern County is within the highly productive San Joaquin Valley which ranks in the top five most productive agricultural counties in the United States. Major crops in Kern County include: grapes, citrus, almonds, carrots, alfalfa, cotton, and roses.

Outdoor recreational activities include horseback riding, water skiing. Off-roading and other motorsports take place at Jawbone Canyon, California City, Randsburg, Willow Springs, Buttonwillow, Bakersfield Speedway, Famoso Raceway, and the half-mile Kern Raceway. Hunting, paintball, white-water rafting, kayaking (Kern River), snow skiing (Shirley Meadows and Mount Pinos), shooting ranges (5 Dogs Range), hiking, biking (trails, paths, and roads), camping and fishing are also part of the recreational culture.

Source: Wikipedia



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