

Pizza Hut

3601 Martin Luther King Jr Boulevard
Lynwood, CA 90262



SANDS INVESTMENT GROUP
NET INVESTMENTS... NET RESULTS

EXCLUSIVELY MARKETED BY:



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INVESTMENT SUMMARY

Sands Investment Group is Pleased to Exclusively Offer For Sale the Pizza Hut Located at 3601 Martin Luther King Jr Boulevard in Lynwood, CA. The Franchisee is Southern California Pizza Co., LLC, Which is the Largest Pizza Hut Franchisee in California & the 3rd Largest in the Pizza Hut System. They Operate 224 Pizza Hut Restaurants in the Greater Los Angeles Market. This Property Has a Recently Extended New 15 Year Lease Demonstrating the Tenant's Confidence in the Location. With Rare Annual 1.5% Increases and an Absolute Triple Net (NNN) Lease, This Deal Offers a Long-Term Secure Income Stream, Compounding Hedge Against Inflation With a Pandemic, Recession and an Internet Resistant Tenant.

OFFERING SUMMARY

PRICE	\$1,526,369
CAP	4.25%
NOI	\$64,871
PRICE PER SF	\$1,231.94

PROPERTY SUMMARY

ADDRESS	3601 Martin Luther King Jr Boulevard Lynwood, CA 90262
COUNTY	Los Angeles
BUILDING AREA	1,239 SF
LAND AREA	0.25 AC
YEAR BUILT	1978

ACTUAL PROPERTY IMAGE



HIGHLIGHTS

BEST OF CLASS INVESTMENT

- Long Term Lease - New 15 Year Lease Extension
- Absolute Triple Net (NNN) Lease With Zero Landlord Responsibilities
- Ideal 1031 Exchange Opportunity
- Rare Annual 1.5% Increases Which Provides Strong Compounding Hedge Against Inflation
- Southern California Pizza Co., LLC is the Largest Pizza Hut Franchisee in California and the 3rd Largest in the Pizza Hut System; They Operate 224 Pizza Hut Restaurants in the Greater Los Angeles Market
- The Tenant Recently Extended the Initial Term of the Lease Demonstrating Its Strong Confidence in This Location For the Long-Term Investment Outlook
- Tenant Has Resided at This Location Since 2010 Proving Its Long-Term Operating History

PANDEMIC, RECESSION & INTERNET RESISTANT TENANT

- Tenant Has Remained Open and is Paying Rent Throughout the COVID-19 Pandemic
- Takeout Only Concept Unaffected By Government Shutdown of Indoor Dining
- Early Lease Extension During Pandemic Demonstrates Strength of Concept and Operator

CORE INFILL URBAN LOS ANGELES LOCATION

- Affluent Trade Area With an Average Household Income of Over \$61,573 Within a 3-Mile Radius
- Densely Populated Area With Over 943,276 People Within 5-Miles
- Located Directly Next to the St. Francis Medical Center - a 384-Bed Acute Care Hospital, and One of the Largest and Busiest Emergency and Level II Trauma Centers in Los Angeles County; It Treats More Than 80,000 Emergencies and 2,000 Trauma Injuries a Year
- Central Los Angeles Location With Convenient Access to the 710, 105 and 110 Freeway Systems



LEASE SUMMARY

TENANT	Pizza Hut
PREMISES	A Building of Approximately 1,239 SF
LEASE COMMENCEMENT	April 16, 2010
LEASE EXPIRATION	February 29, 2036
LEASE TERM	~15 Years Remaining
RENEWAL OPTIONS	3 x 5 Years
RENT INCREASES	1.5% Annually
LEASE TYPE	Absolute Triple Net (NNN)
PERMITTED USE	Restaurant
PROPERTY TAXES	Tenant's Responsibility
INSURANCE	Tenant's Responsibility
COMMON AREA	Tenant's Responsibility
ROOF & STRUCTURE	Tenant's Responsibility
REPAIRS & MAINTENANCE	Tenant's Responsibility
HVAC	Tenant's Responsibility
UTILITIES	Tenant's Responsibility
RIGHT OF FIRST REFUSAL	Yes

SQUARE FOOTAGE	ANNUAL BASE RENT	RENT PER SF
1,239 SF	\$64,871	\$52.36



LOS ANGELES



LAX

Los Angeles World Airports

Washington Elementary School



Lynwood City Hall & Lynwood Library



Mark Twain Elementary School



Lynwood Unified School District

Hosler Middle School

Alfonso Morales Law Offices



Lynwood Medical Center



Martin Luther King Jr Boulevard



Norton Ave



Imperial Hwy



DOWNTOWN LOS ANGELES

Southeast Middle School

South East High School

CVS pharmacy

DOLLAR TREE

dd's DISCOUNTS

Mother's

San Miguel Avenue School



St Emydius Catholic Church

St. Emydius Catholic School

Cesar Chavez Middle School



Thurgood Marshall Elementary School



Lynwood Medical Center



Imperial Hwy

Martin Luther King Jr Boulevard



LYNWOOD | LOS ANGELES COUNTY | CA

Incorporated in 1921, the City of Lynwood is situated approximately 13 miles south of downtown Los Angeles at the intersection of the 710 and 105 freeways in Los Angeles County. Lynwood is located near South Gate and Compton in the southern portion of the Los Angeles Basin. The City has grown from an agricultural area in the early 1900's to its present residential and growing industrial and commercial importance. The City covers 4.9 square miles and serves a residential population of 71,213 residents as of July 1, 2020.

Lynwood today is a vibrant city and home to a host of booming retail centers. The area immediately around the Metro station is largely auto oriented. To the north, Long Beach Boulevard is the main commercial artery in the city, and is a heavily-used automobile corridor connecting Lynwood to cities to the north. A similar auto-oriented environment exists along Imperial Highway and Martin Luther King Jr. Boulevard. Immediately northwest of the Metro station is Plaza Mexico, a regional specialty shopping center with a mix of national box stores and smaller-scale local businesses arranged around an interior plaza. Additional strip and stand-alone retail are located directly south of the Metro station. Some of the principal employers of the City are Lynwood Unified School District, St. Francis Medical Center, LA County Sheriff Department, CA PostAcute Care (Formally: Marlinda Convalescent Hospital DBA Bloomfield East), PL Development, Royal Oaks Care Center, City of Lynwood, Superior Warehouse Grocers Inc. and Earle M. Jorgensen Company. Nearest airports are the Long Beach airport (9 miles away) and Los Angeles International Airport (about 14 miles away).

Nearby attractions include the Carson Center (7 miles away), the Los Angeles Convention Center (8 miles away) and the Staples Center (9 miles away) which is a multipurpose sports arena serving as the home of five Los Angeles area professional basketball, hockey and arena football teams. Lynwood's proximity to Los Angeles also provides quick access to many of the city's other attractions. The City of Lynwood operates three parks: Lynwood City Park, Lynwood Skate Park, and Yvonne Burke-John D. Ham Park. Many festivals and events take place throughout the year in Lynwood, including the Lynwood Summer Festival, The Lynwood Fall Festival, and The Azalea Festival. The city is mostly known for its proximity to the major city of Los Angeles and it's world-class attractions. Other recreation and community services includes Bateman Hall which is located at 11331 Ernestine Avenue just across from the Lynwood Senior Center in the Lynwood Civic Center Complex, The Henning Youth Center, a multipurpose room with a game area, an outdoor basketball court, and a computer room for students, Avalos Community Center which offers recreational programs and activities designed to serve the Lynwood community.



ST. FRANCIS MEDICAL CENTER



LYNWOOD SUMMER FESTIVAL





(251,558 VPD)

Imperial Hwy (34,989 VPD)

Martin Luther King Jr Blvd (6,261 VPD)

(252,977 VPD)

	1 MILE	3 MILES	5 MILES
POPULATION	53,106	396,178	943,276
AVERAGE HH INCOME	\$67,866	\$61,573	\$62,653

S O U T H E R N C A L I F O R N I A P I Z Z A C O , L L C

FRANCHISEE PROFILE

Southern California Pizza, a Corona, California company organized by Sentinel and management, owns and operates 224 Pizza Hut restaurants in the greater Los Angeles market, and has rights to develop the Pizza Hut brand in this region.

In 2008, Sentinel acquired an initial block of 123 of restaurants in a corporate divestiture transaction from franchisor Pizza Hut, a subsidiary of Yum! Brands, Inc. This was Sentinel's third investment in the quick-service restaurant sector and its second in the Yum! Brands system. Sentinel's two prior quick-service restaurant investments—Border Foods, a Taco Bell franchisee (part of Yum! Brands), and Falcon Holdings, a Church's Chicken franchisee—were both successful. Sentinel made the acquisition through an investment in newly-formed Southern California Pizza Company.

In August 2009, Southern California Pizza acquired an additional 98 Pizza Huts in northern Los Angeles, making it the largest franchisee in California and the third largest in the Pizza Hut system, which operates more than 7,500 QSRs worldwide. Sentinel originated and sponsored the transaction, arranged the acquisition debt and provided equity financing from Sentinel Capital Partners III, L.P.

Sentinel Capital Partners also originated, sponsored and provided the private equity financing for the original formation of Southern California Pizza and structured and arranged debt financing for the acquisition.

In December 2012, after owning the business for more than four years and achieving substantially all of our investment objectives, Southern California Pizza was sold to another private equity firm. Under Sentinel's ownership, Southern California Pizza was transformed into a standalone business with its own management and corporate infrastructure from a regional group of stores tightly integrated into Pizza Hut's existing infrastructure. During this period, Southern California Pizza grew substantially and almost tripled its profitability. Southern California Pizza remains well positioned to continue growing under the leadership of its superb management team.

 [CLICK HERE TO LEARN MORE](#)

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The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Sands Investment Group and should not be made available to any other person or entity without the written consent of Sands Investment Group.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Sands Investment Group has not verified, and will not verify, any of the information contained herein, nor has Sands Investment Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release Sands Investment Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.





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