

# PIZZA HUT

## EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

*Representative Photo*



OFFERING  
MEMORANDUM



1533 US Hwy 49, Magee, MS 39111

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# Investment Highlights



## About the Investment

- ✓ Long-Term, 15-Year Triple Net (NNN) Lease
- ✓ 10% Annual Rental Increases Every 5 Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods
- ✓ Strong Guarantor Real Estate Profile | 90+ Unit Operator, 10 Additional Units Anticipated for Construction-Completion in 2021

## About the Location

- ✓ Dense Retail Corridor | Walmart, McDonald's, Taco Bell, KFC, Walgreens, Wendy's, Dollar Tree, Subway, Dollar General, Popeye's Circle K, AutoZone, and Many More
- ✓ Magee General Hospital | Located Less than a Mile from the Subject Property | Emergency Department and Level IV Trauma Center Servicing Simpson County
- ✓ Copiah-Lincoln Community College Simpson | Less than Six Miles from Subject Property | 1,000+ Students Enrolled
- ✓ Strong Academic Corridor | Multiple Schools within a Two-Mile Radius Boasting a Total Combined Enrollment Exceeding 1,600 Students

## About the Brand

- ✓ JJB Pizza | Third Highest Ranked Operator in the Entire Pizza Hut System
- ✓ Experienced Management Team | Executives Average 25 Years of Experience in the Restaurant & Service Industry
- ✓ Pizza Hut employs 150,000 thousand people across 6,300 locations in the United States
- ✓ 16,409 total units across the world in 103 countries and territories | 97% operated by franchisees
- ✓ Part of Yum! Brands | 45,000 units total in 103 countries and territories
- ✓ Conglomerate devoted to growing and evolving KFC, Taco Bell, and Pizza Hut into iconic, distinctive and relevant global brands





# Financial Analysis

PRICE: \$1,026,087 | CAP: 5.75% | Rent: \$59,000



## Property Description

Property	Pizza Hut
Property Address	1533 US Highway 49
City, State, ZIP	Magee, MS 39111
Building Size (Sq. Feet)	1,850
Lot Size	+/- 1.22 Acres
Type of Ownership	Triple-Net

## The Offering

Purchase Price	\$1,026,087
CAP Rate	5.75%
Annual Rent	\$59,000

## Lease Summary

Property Type	Net-Leased Restaurant
Tenant	JJB Pizza
Original Lease Term	15 Years
Lease Commencement	Close of Escrow
Lease Expiration	15 Years From Close of Escrow
Lease Term Remaining	15 Years
Lease Type	Triple-Net
Rental Increases	10% Every 5 Years
Options to Renew	Four, Five-Year Options

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$59,000	\$4,917	-
Year 2	\$59,000	\$4,917	-
Year 3	\$59,000	\$4,917	-
Year 4	\$59,000	\$4,917	-
Year 5	\$59,000	\$4,917	-
Year 6	\$64,900	\$5,408	10.00%
Year 7	\$64,900	\$5,408	-
Year 8	\$64,900	\$5,408	-
Year 9	\$64,900	\$5,408	-
Year 10	\$64,900	\$5,408	-
Year 11	\$71,390	\$5,949	10.00%
Year 12	\$71,390	\$5,949	-
Year 13	\$71,390	\$5,949	-
Year 14	\$71,390	\$5,949	-
Year 15	\$71,390	\$5,949	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Pizza Hut located in Magee, MS. This property is subject to a new 15-year triple-net (NNN) lease. The offering consists of approximately 1,850 rentable square feet of building space and sits on approximately 1.22 acres of land. The current annual rent is \$59,000 and is subject to 10% rental increases every 5 years with four, five-year tenant renewal option periods.





# Concept Overview



## TENANT SUMMARY

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 2016, Pizza Hut had 16,409 units globally. 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.

JJB Brands is a large franchisee of Pizza Hut and currently operates 90+ locations and has plans for future growth. JJB strives to be the employer of choice and is passionate about people to include all of their employees and customers.



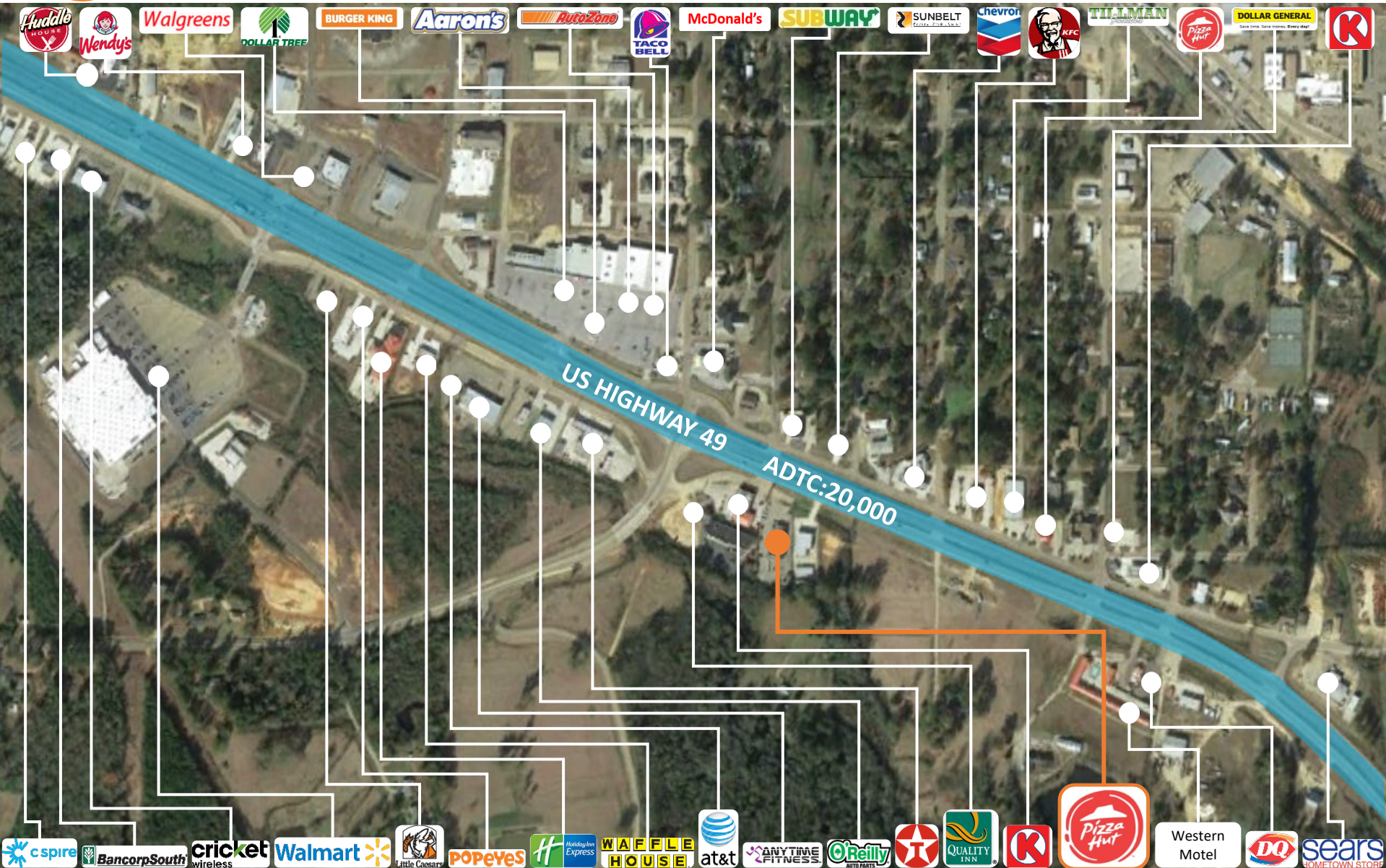




# Surrounding Area



Pizza Hut





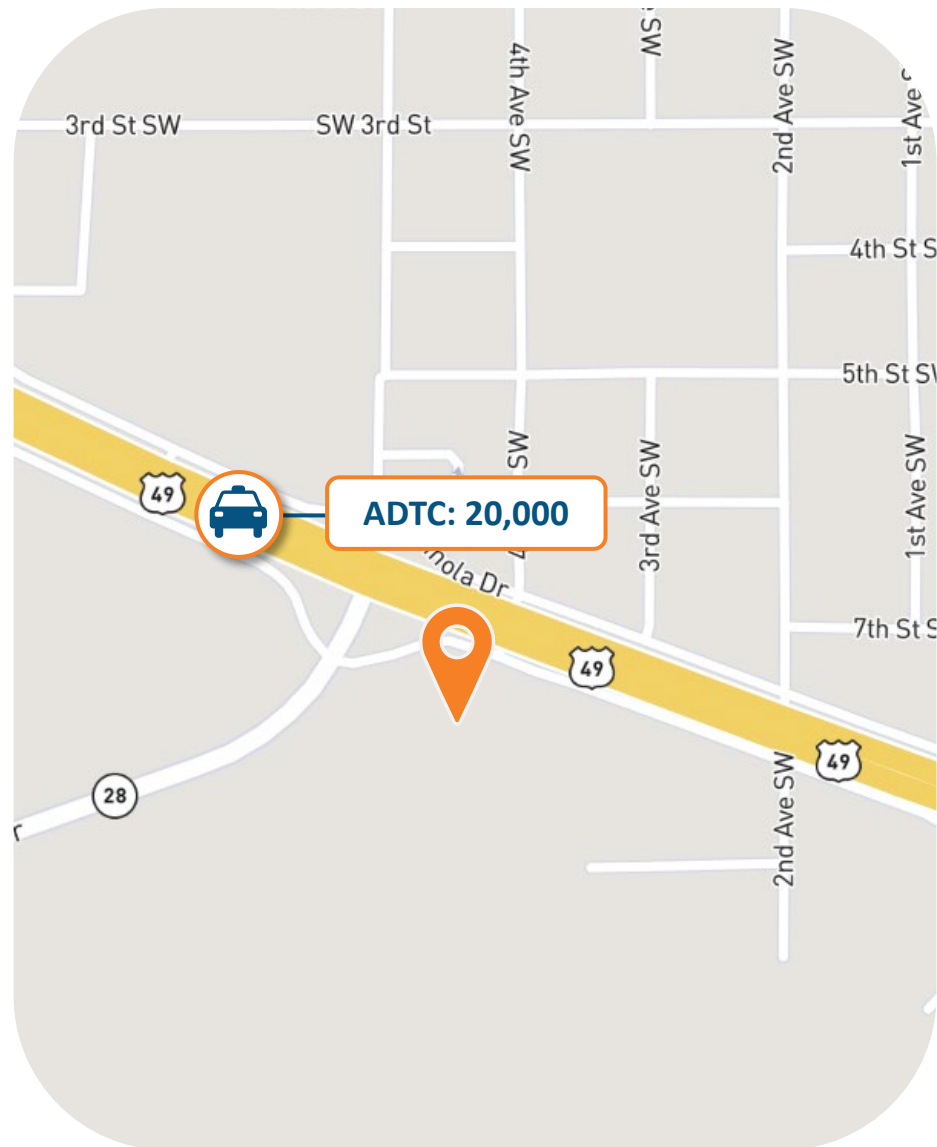
# Location Overview



The subject investment property is situated along US Highway 49, which experiences an average traffic count of approximately 20,000 vehicles per day. There are more than 9,000 individuals residing within a five-mile radius of the subject property and more than 19,000 individuals within a 10-mile radius.

The subject investment property benefits from being positioned adjacent to the intersection of Pinola Drive and US Highway 49. Multiple national and local tenants surround the subject property, including: Walmart, McDonald's, Taco Bell, KFC, Walgreens, Wendy's, Dollar Tree, Subway, Dollar General, Popeye's Circle K, AutoZone, and many more. Three schools sit within a two-mile radius of the site, including: Magee Elementary School, Magee Middle School, and Magee High School. Together these academic institutions boast a total combined enrollment exceeding 1,600 students. Located less than a mile from the subject property is the campus of Magee General Hospital. This acute care, Level IV trauma medical facility provides an array of medical services to patients in Simpson County. Additionally, Copiah-Lincoln Community College Simpson lies less than six miles northwest of the subject property, and brings an additional 1,000 individuals to the area based on its enrollment.

The subject property benefits from its close proximity to Jackson, which serves as a major hub of the south. The city is within 600 miles of 30 percent of the American population and features national interstate systems, including Interstate 20 and Interstate 55, both of which pass through the city. Jackson has a strong service industry that supports the primary economic drivers: government, education, healthcare, technology and entertainment. The majority of small business in Jackson and the metro area are wholesale trade, retail trade, professional services, and accommodation and food services. Major education institutions include Jackson State University, Belhaven University, Millsaps College, Mississippi College School of Law, Tougaloo College, and the University of Mississippi Medical Center. As a result, Jackson has a student population exceeding 40,000 students. Major hospitals and academic health science centers include Baptist Health Systems, St. Dominic Health Services, University of Mississippi Medical Center, VA Hospital and the Jackson Medical Mall. In recent years, Jackson has been recognized as a Top 10 U.S. City to Start your Business, One of the 10 Best Places to Retire in America for Under \$40,000, Ninth Top City for Income Growth, One of the Nation's 100 Best Communities for Young People, One of the 20 Strongest Performing Metros in America, and more.



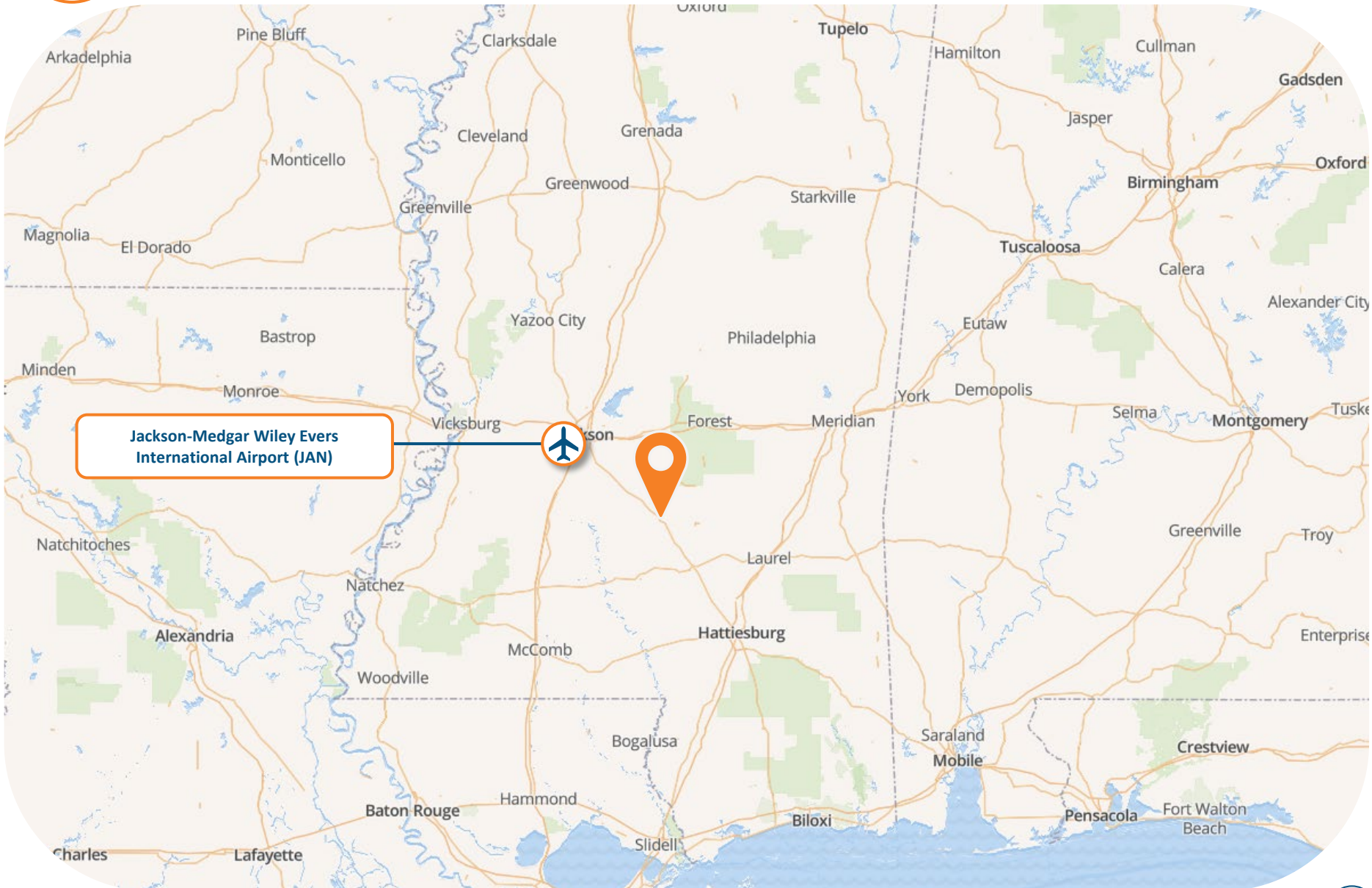




# Local Map



Pizza Hut



Jackson-Medgar Wiley Evers  
International Airport (JAN)





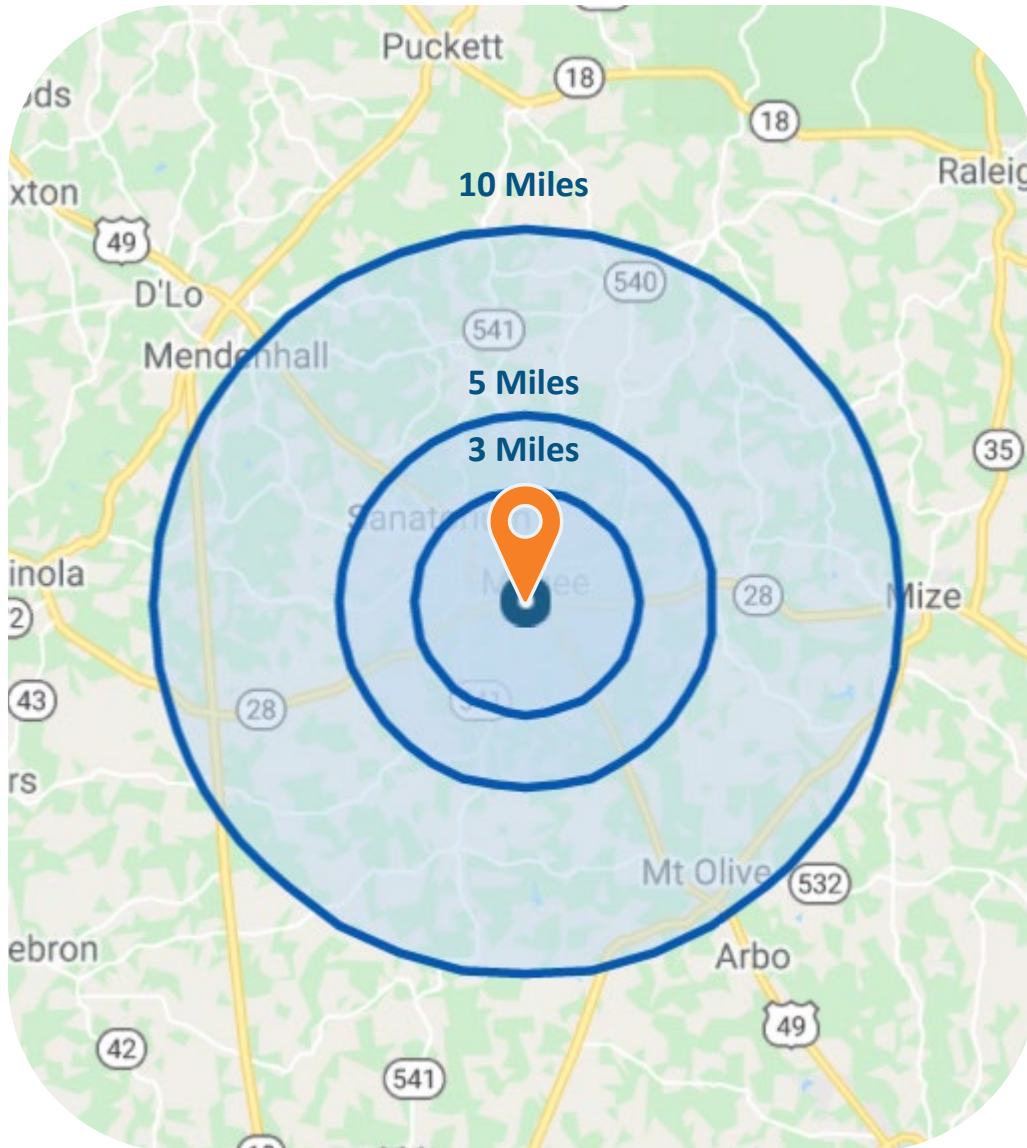
# Regional Map







# Demographics



## POPULATION

	3 Miles	5 Miles	10 Miles
2025 Projection	6,310	8,960	19,666
2020 Estimate	6,302	8,914	19,341
2010 Census	6,535	9,132	19,411
2000 Census	6,290	8,977	19,544

## INCOME

	3 Miles	5 Miles	10 Miles
Average	\$50,826	\$51,171	\$52,716
Median	\$35,920	\$36,882	\$39,748
Per Capita	\$19,564	\$19,501	\$20,189

## HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2025 Projection	2,362	3,354	7,494
2020 Estimate	2,353	3,320	7,319
2010 Census	2,413	3,364	7,267
2000 Census	2,376	3,301	7,149

## HOUSING

	3 Miles	5 Miles	10 Miles
2020	\$88,313	\$86,754	\$83,746

## EMPLOYMENT

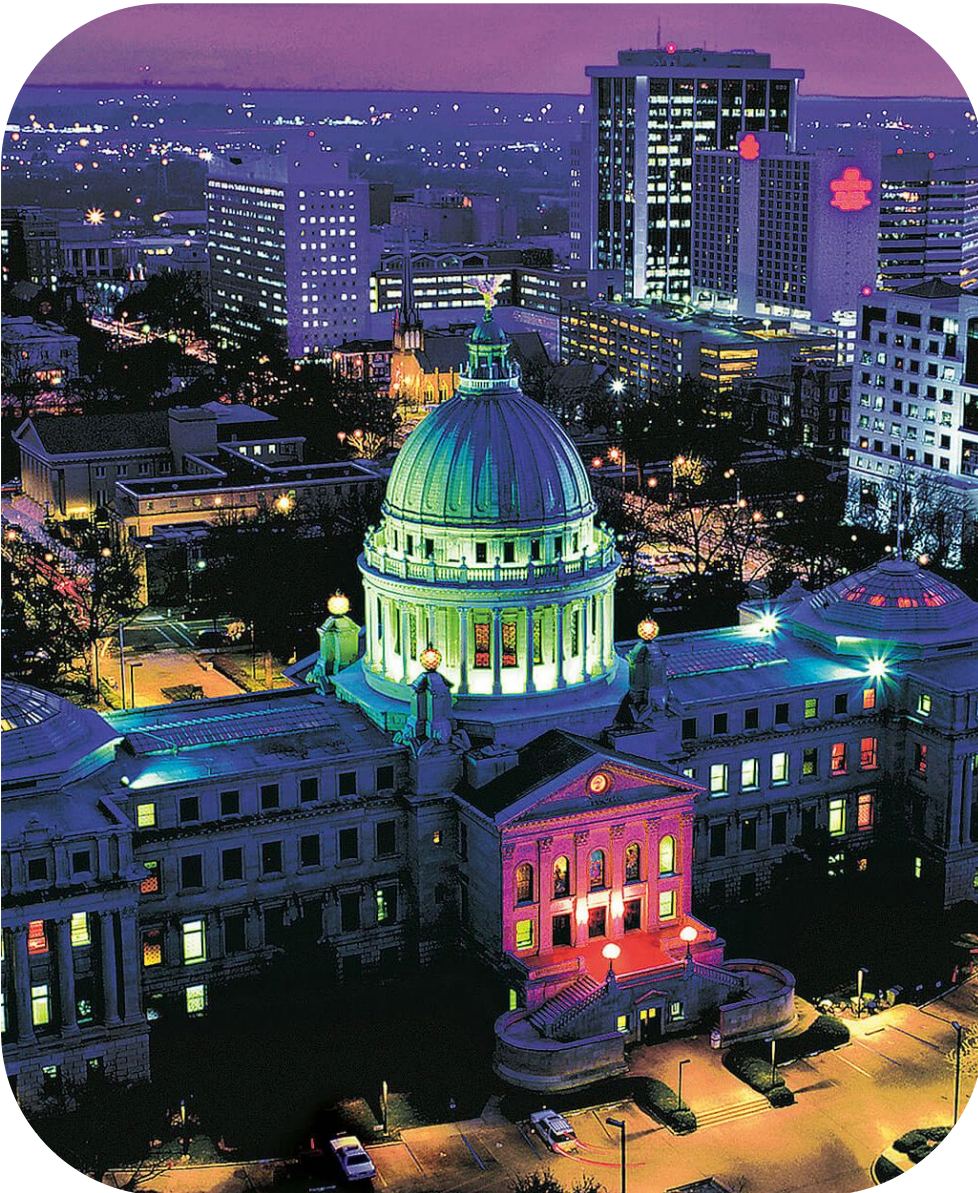
	3 Miles	5 Miles	10 Miles
2020 Daytime Population	5,303	6,623	11,904
2020 Unemployment	5.11%	5.14%	5.29%
2020 Median Time Traveled	29 Mins	30 Mins	33 Mins

## RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	53.36%	55.32%	59.11%
Native American	0.49%	0.35%	0.17%
African American	40.71%	39.92%	37.61%
Asian/Pacific Islander	1.32%	0.07%	0.01%



# Market Overview



**Jackson** is the capital city and largest urban center in the state of Mississippi and is the county seat of Hinds County. Jackson is located on the banks of the Pearl River, which drains into the Gulf of Mexico, and is a part of the Jackson Prairie region of the state. Known as “The City With Soul”, the state features a lively cultural atmosphere and has been home to numerous prominent musicians in genres such as jazz, blues, gospel, and folk. Jackson is home to several major industries, including electrical equipment and machinery, processed food, and primary and fabricated metal products. The surrounding area supports agricultural development of livestock, soybeans, cotton, and poultry. Several publicly traded companies headquartered in Jackson are: Cal-Maine Foods (NASDAQ: CALM), Eastgroup Properties Inc. (NYSE: EGP), and Trustmark Corporation (NASDAQ: TRMK). Jackson is home to Jackson-Evers International Airport, which is served by carriers including Delta, United, and American Airlines. The airport is currently in the final stages of approval for a \$19 million renovation.







# Marcus & Millichap

## Offering Memorandum

MS BOR: Mickey Davis  
5100 Poplar Ave, Ste. 2505  
Memphis, TN 38137  
Tel: (901)-620-3600  
Fax: (901)-620-3610  
License: B-15586



1533 US Hwy 49, Magee, MS 39111