

PIZZA HUT

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap

Representative Photo



OFFERING
MEMORANDUM



2439 U.S. 80, Jackson, Mississippi 39204

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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.

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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 | McDonald's, Wendy's, Popeyes, a Saks Fifth Ave Operations Center, Burger King, Shell, Firestone, Dollar Tree, Taco Bell, KFC, Captain D's, and Many More
- ✓ Strong Academic Presence | Jackson State University | Under Two Miles From Subject Property | Home to Just Under 10,000 Undergraduate Students
- ✓ Robust Demographics | Over 107,000 Residents Within a Five-Mile Radius & Over 263,300 Residents Within a Ten-Mile Radius
- ✓ Merit Health Central | Located Less than Three Miles from Subject Property | 319-Bed Short-Term Acute Care Facility Servicing Central Mississippi for Over 40 Years
- ✓ Hospitality Accommodations in Immediate Area | La Quinta Inn & Suites, OYO Hotel, Hilton Garden Inn, The Westin, Quality Inn & Suites, Holiday Inn Express & Suites, Hampton Inn & Suites, Among Various Others
- ✓ Proximity to Experiential Real Estate | Within Two Miles of Subject Property | Jackson Zoo & Mississippi Museum of Art

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 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: \$1,400,000 | CAP: 5.75% | Rent: \$80,500



Property Description

Property	Pizza Hut
Property Address	2439 U.S. 80
City, State, ZIP	Jackson, MS 39204
Estimated Building Size (Sq. Feet)	+/- 1,400
Lot Size	+/- 1.70 Acres
Type of Ownership	Triple-Net

The Offering

Purchase Price	\$1,400,000
CAP Rate	5.75%
Annual Rent	\$80,500

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	\$80,500	\$6,708	-
Year 2	\$80,500	\$6,708	-
Year 3	\$80,500	\$6,708	-
Year 4	\$80,500	\$6,708	-
Year 5	\$80,500	\$6,708	-
Year 6	\$88,550	\$7,379	10.00%
Year 7	\$88,550	\$7,379	-
Year 8	\$88,550	\$7,379	-
Year 9	\$88,550	\$7,379	-
Year 10	\$88,550	\$7,379	-
Year 11	\$97,405	\$8,117	10.00%
Year 12	\$97,405	\$8,117	-
Year 13	\$97,405	\$8,117	-
Year 14	\$97,405	\$8,117	-
Year 15	\$97,405	\$8,117	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Pizza Hut located in Jackson, MS. This property is subject to a new 15-year triple-net (NNN) lease. The offering consists of approximately 1,400 rentable square feet of building space and sits on approximately 1.70 acres of land. The current annual rent is \$80,500 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





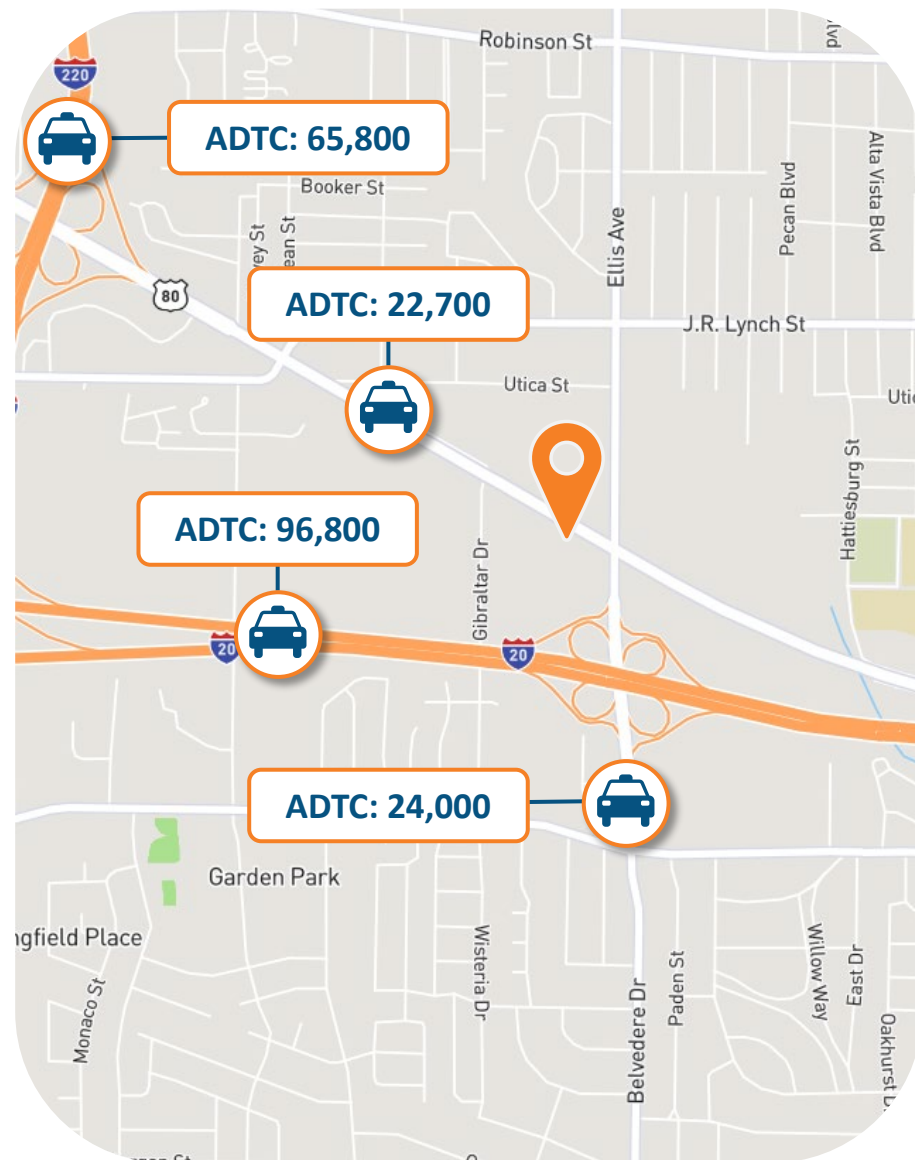
Location Overview



The subject investment property is situated along Highway 80 W, which experiences an average traffic count of approximately 22,700 vehicles per day. Highway 80 W serves as an access road to both Interstate 20 and Interstate 220, which bring an additional 96,800 and 65,800 vehicles, respectively, into the immediate surrounding area per day. There are more than 57,000 individuals residing within a three-mile radius of the subject property and more than 107,000 individuals within a five-mile radius.

The subject investment property is positioned just under a mile from the entrance ramp to an interstate highway. Multiple national and local tenants surround the subject property, including McDonald's, Wendy's, Popeyes, a Saks Fifth Ave Operations Center, Burger King, Shell, Firestone, Dollar Tree, Taco Bell, KFC, Captain D's, among many more. Just under two miles from the subject property to the north, is Jackson State University, home to just shy of 10,000 undergraduate students. Located less than three miles from the subject property is the premier hospital in Jackson, the Merit Health Central Hospital. This 319-bed short-term acute care medical facility provides an array of medical services to patients throughout central Mississippi for over 40 years. There are various hospitality accommodations in the immediate area as well; among them: La Quinta Inn & Suites, OYO Hotel, Hilton Garden Inn, The Westin, Quality Inn & Suites, Holiday Inn Express & Suites, Hampton Inn & Suites, among many more. The subject property is located just under three miles from various experiential businesses & services; among them are the renowned Jackson Zoo, just under three miles to the north, and the Mississippi Museum of Art, just under three miles to the east.

The subject property benefits positioning in 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.

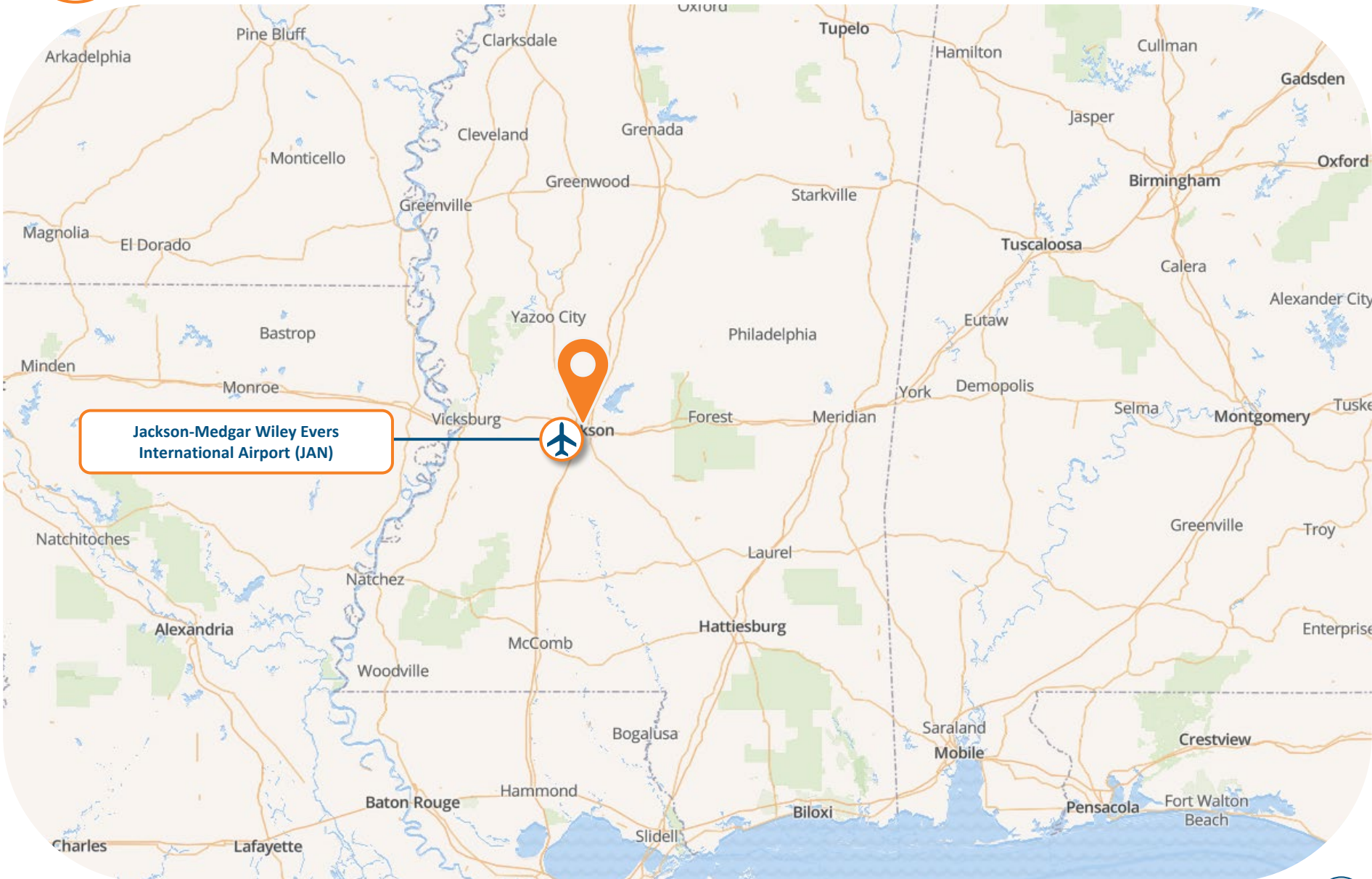




Local Map



Pizza Hut

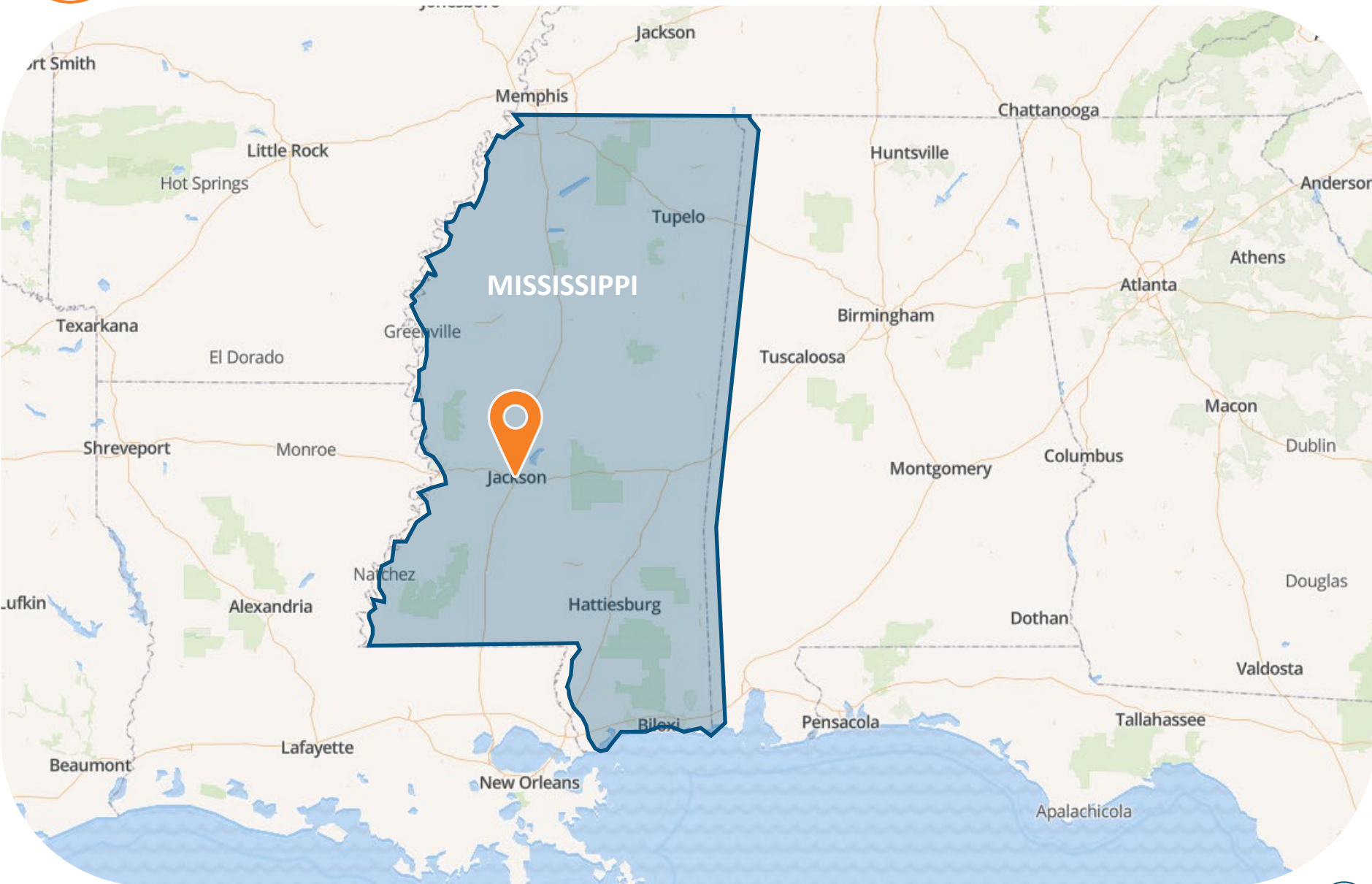




Regional Map

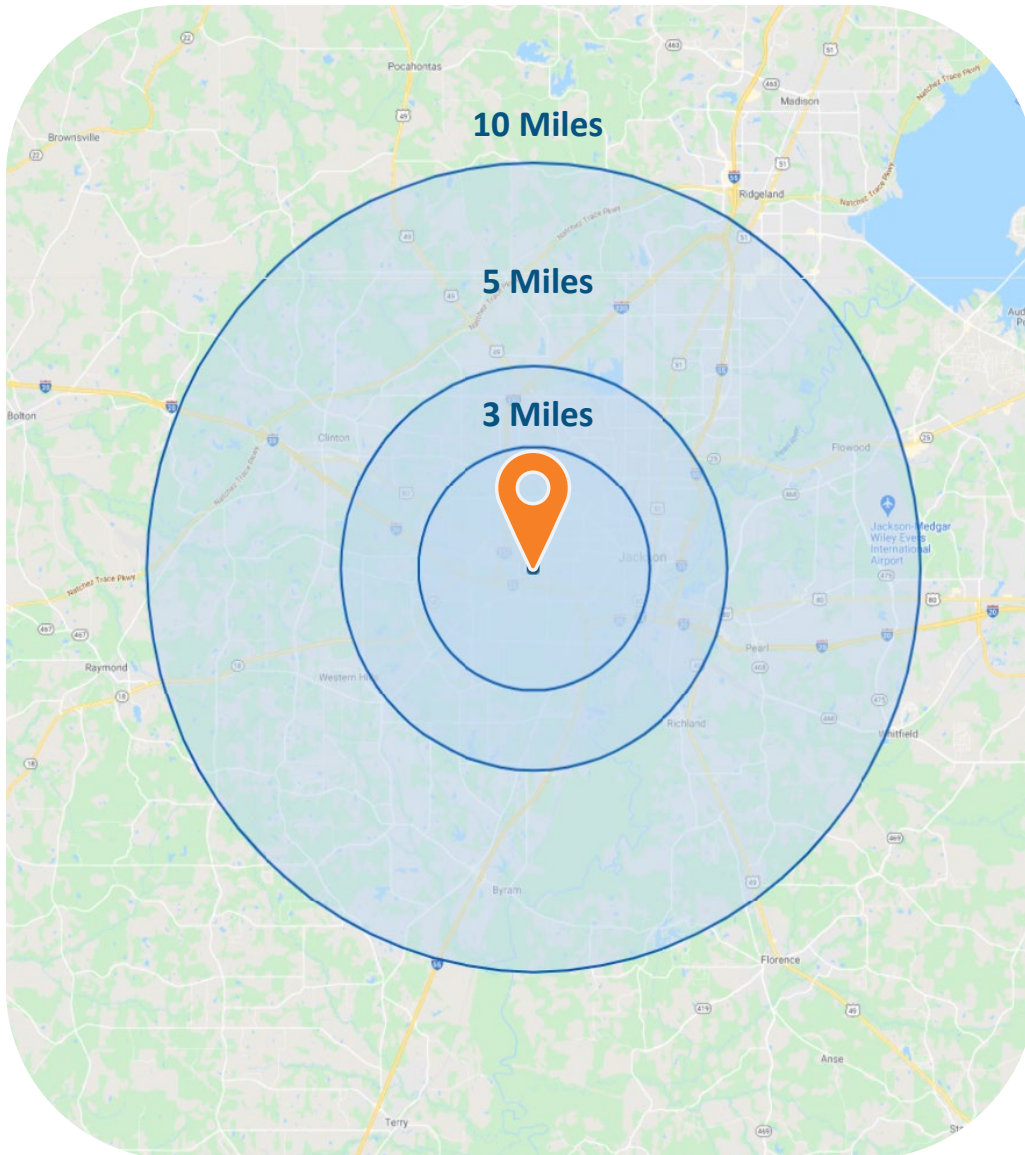


Pizza Hut





Demographics



POPULATION

	3 Miles	5 Miles	10 Miles
2025 Projection	56,395	106,236	263,558
2020 Estimate	56,986	107,023	263,331
2010 Census	58,862	110,014	267,172
2000 Census	66,143	121,557	270,635

INCOME

	3 Miles	5 Miles	10 Miles
Average	\$42,621	\$47,938	\$64,452
Median	\$30,704	\$33,810	\$47,182
Per Capita	\$15,270	\$17,748	\$24,314

HOUSEHOLDS

	3 Miles	5 Miles	10 Miles
2025 Projection	19,246	38,416	98,382
2020 Estimate	19,431	38,540	97,596
2010 Census	20,403	40,011	99,187
2000 Census	23,490	44,149	98,830

HOUSING

	3 Miles	5 Miles	10 Miles
2020	\$59,181	\$68,260	\$114,436

EMPLOYMENT

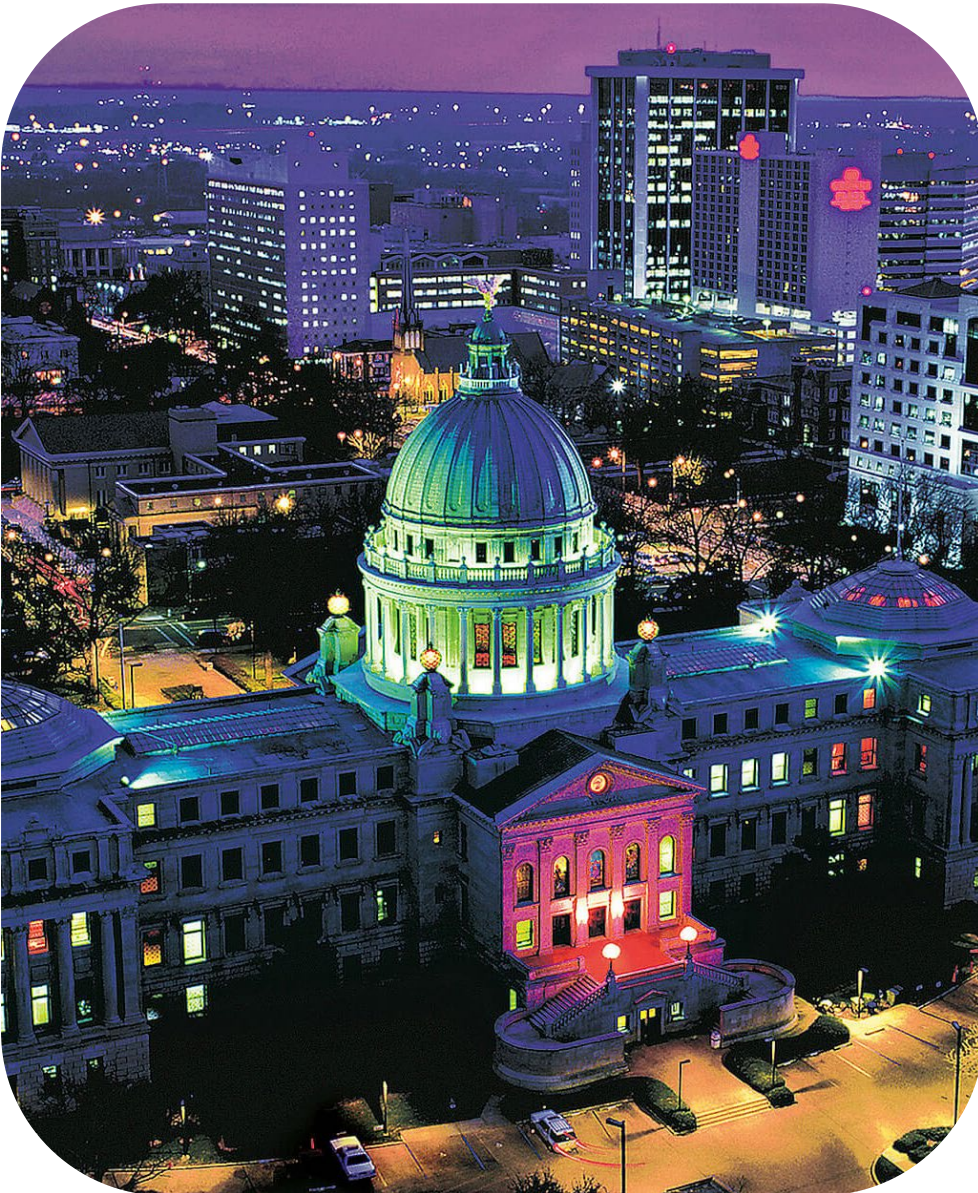
	3 Miles	5 Miles	10 Miles
2020 Daytime Population	87,470	161,117	334,897
2020 Unemployment	8.15%	7.16%	5.11%
2020 Median Time Traveled	22 Mins	22 Mins	23 Mins

RACE & ETHNICITY

	3 Miles	5 Miles	10 Miles
White	8.25%	13.93%	31.73%
Native American	0.01%	0.03%	0.04%
African American	89.58%	83.62%	64.61%
Asian/Pacific Islander	0.24%	0.34%	0.98%



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

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