



401 MARINE BLVD | JACKSONVILLE, NC
OFFERING MEMORANDUM



401 MARINE BLVD
JACKSONVILLE, NC

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



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EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

LOCATION HIGHLIGHTS

- Marine Corps Base Camp Lejeune is a 246-square mile military training facility situated nearby the Pizza Hut. Camp Lejeune has been a staple to Jacksonville since 1941, and is one of the largest marine bases in the US.
- **Recent remodel** - The building was remodeled in 2017, showing excellent commitment from the tenant to the location.
- **Drive-Thru equipped** - drive-thrus have proven to significantly increase store sales volume, adding to the tenant's long-term success at the location.
- **Highly trafficked location** - There are upwards of 40,000 cars per day passing Marine Blvd, and there are more than 79,000 people in a 5-mile radius

LEASE AND TENANT HIGHLIGHTS

- **Large Operator** - SDS Management has more than 60 Pizza Hut locations and is a seasoned franchisee for the brand.
- **Strong Rent Increases** - The lease features fixed rental increases every 5-years, providing for a hedge against inflation and future value generation.
- Pizza Hut is one of the largest fast-food concepts in the country with more than 18,000 locations worldwide.





SECTION 2

FINANCIAL OVERVIEW

PRICE:
\$1,234,038

CAP RATE:
6.50%

RENT:
\$80,212.44*

PROPERTY DESCRIPTION

Address	401 Marine Blvd Jacksonville, NC 28540
List Price	\$1,234,038
Cap Rate	6.50%
Annual Rent	\$80,212.44
Gross Leasable Area	±2,570 SF
Lot Size	±0.93 Acres

LEASE SUMMARY

Tenant	Pizza Hut
Lease Guarantor	SDS Restaurant Group, LLC - ±60 units
Rent Commencement Date	8/1/12
Lease Expiration Date	7/31/27
Original Lease Term	15 Years
Lease Term Remaining	±5.75 Years
Rent Increases	See Rent Schedule
Option Periods	Three (3), Five (5) Year Options
Lease Type	NN*
Parking Lot / CAM	Tenant Responsibility
Property Tax	Tenant Responsibility
Insurance	Tenant Responsibility
Roof/Structure	Landlord Responsibility
ROFR	30 days

ANNUALIZED OPERATING DATA

Years	Monthly Rent	Annual Rent	Rent Increases
Current - 7/31/2022	\$6,139.52	\$73,674.24	8.87%
8/1/2022 - 7/31/2027	\$6,684.37	\$80,212.44	7.60%
Option 1 (8/1/2027 - 7/31/2032)	\$7,192.00	\$86,304.00	10.00%
Option 2 (8/1/2032 - 7/31/2037)	\$7,911.20	\$94,934.40	10.00%
Option 3 (8/1/2037 - 7/31/2042)	\$8,702.32	\$104,427.84	

*Price is assessed off of the rent increase on 8/1/2022

DEBT QUOTE

Loan quote provided by Matthews™ based on market conditions at this time.
Actual rates and terms will vary based on market conditions at closing.

PATRICK FLANAGAN

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LTV: 65.00%

INTEREST RATE RANGE: 3.65% - 4.05%

AMORTIZATION: 25

TERM: 6 YEARS

Bank of America

KANGAROO EXPRESS

CARQUEST

Dominos

FAMILY DOLLAR

BURGER KING

DQ

gerber

COLLISION & GLASS

Pizza Hut

enterprise

O'Reilly

Checkers

Bojangles

DUNKIN'

Waffle House

SHELL

SUBWAY

Advance Auto Parts

Days Inn

6

1st NATIONAL BANK

McDonald's

CIRCLE K

AutoZone

TACO BELL

McDonald's

U-HAUL

Arby's

COOK OUT

Valvoline

DQ

PAPA JOHN'S

Advance Auto Parts

Speedway

FIRST BANK

CITITRENDS

DOLLAR GENERAL

Suburban

Builders FirstSource

SONIC

N MARINE BLVD ± 40,000 VPD

17

± 32,000 VPD

GOVERNMENT SECTOR

17

LEJEUNE BLVD ± 13,000 VPD



SECTION 3

TENANT OVERVIEW



THE OFFERING

PROPERTY NAME	
	Pizza Hut
SITE DESCRIPTION	
GLA	±2,570 SF
Lot Size	±0.93 AC

TENANT OVERVIEW

» COMPANY NAME	» LOCATIONS	» HEADQUARTERS
PIZZA HUT	±18,703	PLANO, TX
» EMPLOYEES	» INDUSTRY	» REVENUE
±300,000	RESTAURANT	±\$6.7 B

Pizza Hut, Inc. operates a chain of pizza restaurants in the United States and internationally. Pizza Hut offers pizzas, pastas, wings, and drinks, as well as sides and desserts, such as stuffed pizza rollers, breadsticks, cheese sticks, baked desserts, and cinnamon sticks. The company also offers catering services. In addition, Pizza Hut franchises its restaurants. Further, it provides online ordering. The Company was founded in 1979 and is based in Plano, Texas. Pizza Hut, Inc. operates as a subsidiary of Yum! Brands, Inc. Pizza Hut is split into several different restaurant formats; the original family-style dine-in locations; storefront delivery and carryout locations; and hybrid locations that offer carry-out, delivery, and dine-in options. Many full-size Pizza Hut locations offer a lunch buffet, with “all-you-can-eat” pizza, salad, breadsticks, and pasta. Additionally, Pizza Hut has a number of other business concepts that are different from the store type; Pizza Hut “Bistro” locations are “Red Roofs” which offer an expanded menu and slightly more upscale options.



SECTION 4

AREA OVERVIEW

JACKSONVILLE, NC

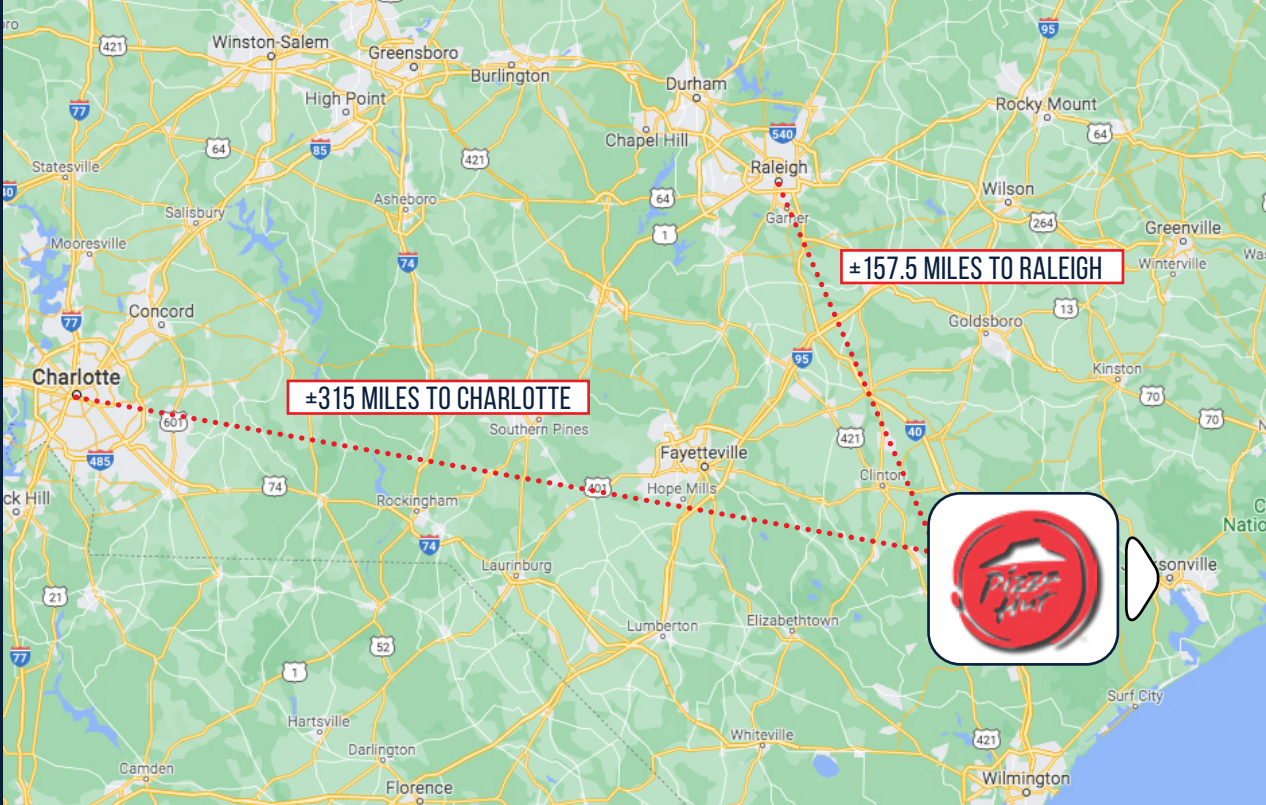
Home to more than 80,000 residents and located along New River, Jacksonville is a city in Onslow County, North Carolina. Demographically, Jacksonville is one of the youngest cities in the United States with an average age of approximately 23 years old, which can be attributed to its large military presence. It is the home of the Marine Corps Base Camp Lejeune and Marine Corps Air Station New River. Marine Corps Base Camp Lejeune is a 246-square-mile United States military training facility. The base's 14 miles of beaches make it a major area for amphibious assault training and its location between two deep-water ports, Wilmington and Morehead City, allows for fast deployments.



ECONOMY

Jacksonville's major industries include military, retail, hospitality, food services, education, and healthcare. The city is served by Coastal Carolina Community College, which offers 34 degree programs and 63 certificate programs. According to Forbes, Jacksonville has a gross metro product of \$6.2 billion and a cost of living 10% below the national average.

Camp Lejeune and Marine Corps Air Station New River are the largest employers in the city. The bases are home to the many units including II Marine Expeditionary Force, 2nd Marine Division, 2nd Marine Logistics Group, and Marine Corps Forces Special Operations Command. Nearly 55,000 Marines are assigned to the bases, 3,477 Naval personnel, and about 265 members of other services. The Coast Guard has a training unit aboard Camp Lejeune. About 6,200 civilians are employed aboard the base with an economic impact of \$3.7 billion annually to the area. The city's growth was fueled by both young Marine families and military retirees, who continue to be drawn to the area.



DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2026 Projection	5,627	36,469	77,857
2021 Estimate	6,286	37,944	79,374
Households	1 Mile	3 Mile	5 Mile
2026 Projection	2,326	13,333	28,390
2021 Estimate	2,588	13,759	28,619
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$52,223	\$68,906	\$69,795

TOURISM

Downtown Jacksonville attracts lots of attention. Newly built homes in a traditional southern style invite a social atmosphere. Three downtown parks are located along New River, which flows through the town. Riverwalk Park is home to several seasonal festivals including Oktoberfest, National Night Out, Winterfest, and New River Splash. For a great scenic view, Jacksonville Landing is where all the locals go to launch boats, kayaks, and canoes. Freedom Fountain is an amazing fountain in the downtown area that honors those who serve or have served the country.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Pizza Hut** located at **401 Marine Blvd, Jacksonville, NC 28540** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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