



1015 EAST MAIN STREET | HAVELOCK, NC
OFFERING MEMORANDUM



1015 EAST MAIN STREET
HAVELOCK, NC

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



EXECUTIVE SUMMARY	FINANCIAL OVERVIEW	TENANT OVERVIEW	AREA OVERVIEW
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EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

LOCATION HIGHLIGHTS

- Havelock is home to Marine Corps Air Station Cherry Point which is a 29,000-acre jet station. MCAS Cherry Point has been a staple to Havelock since 1941. More than 53,000 people make up the total Cherry Point population, including active duty and retired Marines.
- The Pizza Hut is ideally situated along the main retail corridor of Havelock, next to Food Lion, AMC Movie Theater, McDonald's, and Bojangles to name a few.
- **Drive-Thru equipped** - Drive-thrus have proven to significantly increase store sales volume, adding to the tenant's long-term success at the location. The building has a pick-up window for customer convenience
- **Highly trafficked location** - There are upwards of 30,000 cars per day passing E Main Street. Havelock is a feeder to the North Carolina beach cities.

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.





E MAIN ST ±28,000 VPD

SECTION 2

FINANCIAL OVERVIEW

PRICE:
\$1,558,558

CAP RATE:
6.50%

RENT:
\$101,306*

PROPERTY DESCRIPTION

Address	1015 East Main Street Havelock, NC 28532
List Price	\$1,558,558
Cap Rate	6.50%
Annual Rent	\$101,306.28
Gross Leasable Area	±3,692 SF
Lot Size	±0.73 Acres
Year Built	2005

LEASE SUMMARY

Tenant	Pizza Hut
Lease Guarantor	SDS Restaurant Group, LLC - ±60 units
Rent Commencement Date	8/1/2012
Lease Expiration Date	7/31/2027
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 - 6/30/2022	\$7,754.96	\$93,059.52	8.86%
7/1/2022 - 6/30/2027	\$8,442.19	\$101,306.28	7.60%
Option 1 (7/1/2027 - 6/31/2032)	\$9,083.33	\$108,999.96	10.00%
Option 2 (7/1/2032 - 6/31/2037)	\$9,991.66	\$119,899.92	10.00%
Option 3 (7/1/2037 - 6/31/2042)	\$10,990.83	\$131,889.96	-

*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



DISCOUNT CITY HOME CENTER



E. MAIN ST.
± 28,000 VPD



BLADZ HAIR STUDIO
CHERISHABLE ANTIQUES
SIMPLY WICKED INK



E. MAIN ST.
± 28,000 VPD



SECTION 3

TENANT OVERVIEW



THE OFFERING

PROPERTY NAME	
Pizza Hut	
SITE DESCRIPTION	
GLA	±3,692 SF
Lot Size	±0.73 AC

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

HAVELOCK, NC

Havelock is a secluded community near the North Carolina coastline, surrounded by Croatan National Forest and the Neuse River. The city is best known as the home of Marine Corps Air Station Cherry Point, the largest Marine Corps air station in the world. The presence of the base has a huge impact on the local economy and culture, with thousands of military personnel, civilian-military employees, and support services based in the community. Havelock boasts terrific public schools and a low crime rate, making it a great place to raise a family. The local rental market includes a wide range of apartments, houses, and condos, with budget-friendly options available to suit any taste.

DEMOGRAPHICS

Population	1 Mile	3 Mile	5 Mile
2026 Projection	4,214	14,382	23,982
2021 Estimate	4,396	14,699	24,283
Households	1 Mile	3 Mile	5 Mile
2026 Projection	1,733	4,578	8,203
2021 Estimate	1,812	4,726	8,418
Income	1 Mile	3 Mile	5 Mile
Avg HH Income	\$71,345	\$65,154	\$65,584



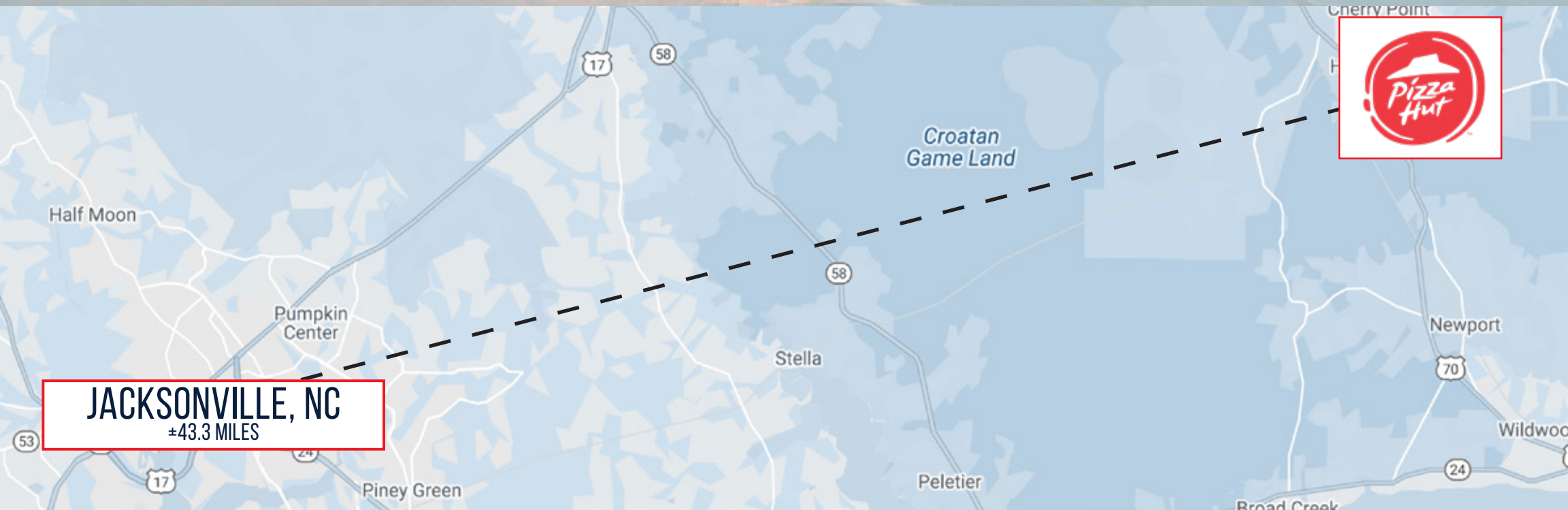
JACKSONVILLE, NC

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.

JACKSONVILLE 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.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Pizza Hut** located at **1015 East Main Street, Havelock, NC 28532** ("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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