

PIZZA HUT

3310 S Broad St, Scottsboro, AL 35769



Marcus & Millichap



S Broad St
+/- 13,000+ VPD



FINANCIAL OVERVIEW

LEASE SUMMARY

Lease Type	Absolute NNN
Tenant/Guarantor	ADT Tennessee LLC
Ownership	Fee Simple
Lease Expiration Date	November 26, 2027
Term Remaining	±6 Years
Increases	10% every 5 years, next increase is 11/27/2022
Options	Two, 5-year
Building SF	4,053*
Lot Size	1.21 acres*

RENT SCHEDULE

Current - 11/26/2022	\$158,933
11/27/2022 - 11/26/2027	\$174,826
Option 1	\$192,309
Option 2	\$221,540
NOI	\$158,933
TOTAL RETURN	6.75% \$158,933

*Buyer will need to verify the accuracy of this during the due diligence period.

ADDRESS

3310 S BROAD ST,
SCOTTSBORO, AL

PRICE

\$2,355,000

CAP RATE

6.75%

NOI

\$158,933



INVESTMENT HIGHLIGHTS

- » Absolute NNN Lease: no Landlord responsibilities
- » 10% rent increase scheduled to occur 11/27/22 (pro forma 7.42% Cap Rate)
- » 20-year initial lease term with scheduled 10% rent increases every 5 years
- » ADT Tennessee is a wholly-owned subsidiary of ADT Pizza LLC, a 199-unit Pizza Hut operator in nine states
- » Drive-thru equipped: Carry-out sales accounted for $\pm 52\%$ of the location's sales (Jan. 2020- Sept. 2020)
- » Subject property has demonstrated a consistent history of profitability
- » ADT Pizza, a well capitalized operator, is a rapidly growing Pizza Hut franchisee: founded in 2018 with the acquisition of 125 locations followed by a 57-unit acquisition of American Huts in 2020 and most recently, adding 25 Texas locations

PROPERTY HIGHLIGHTS

- » Situated on South Broad Street, with visibility to 13,000+ VPD and connects southwest to Birmingham
- » Neighboring National Tenants include Dollar General, Burger King, Popeyes, Jack's & Captain D's
- » Scottsboro is located 30 miles from both Georgia and Tennessee, as well as 45 miles from Huntsville, AL (population ~215,000)
- » Scottsboro is the county seat of Jackson county and draws many visitors to Lake Guntersville, the largest lake in Alabama, in addition to being home to the Unclaimed Baggage Center.

Maples Industries

**Heat Transfer
Products Group**

Sanoh America Inc

Johns Manville

INDUSTRIAL PARK

SCOTTSBORO PLAZA



**DOLLAR
GENERAL**



**S Broad St
+/- 13,000+ VPD**



TENANT OVERVIEW



Pizza Hut is an American restaurant chain and international franchise, known for pizza and side dishes. Pizza Hut, the world's largest pizza restaurant chain, is a subsidiary of Yum! Brands, Inc., one of 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 operates in more than 100 countries and territories throughout the world. As of December 2019, Pizza Hut had 18,700+ units globally and 350,000 team members. 97% of the Pizza Hut units are franchised.

Yum! Brands, Inc. currently trades on the New York Stock Exchange under the ticker symbol (YUM). Yum! Brands generated over \$5.652 billion in revenue in 2020. Their market CAP is currently \$36.07 billion.

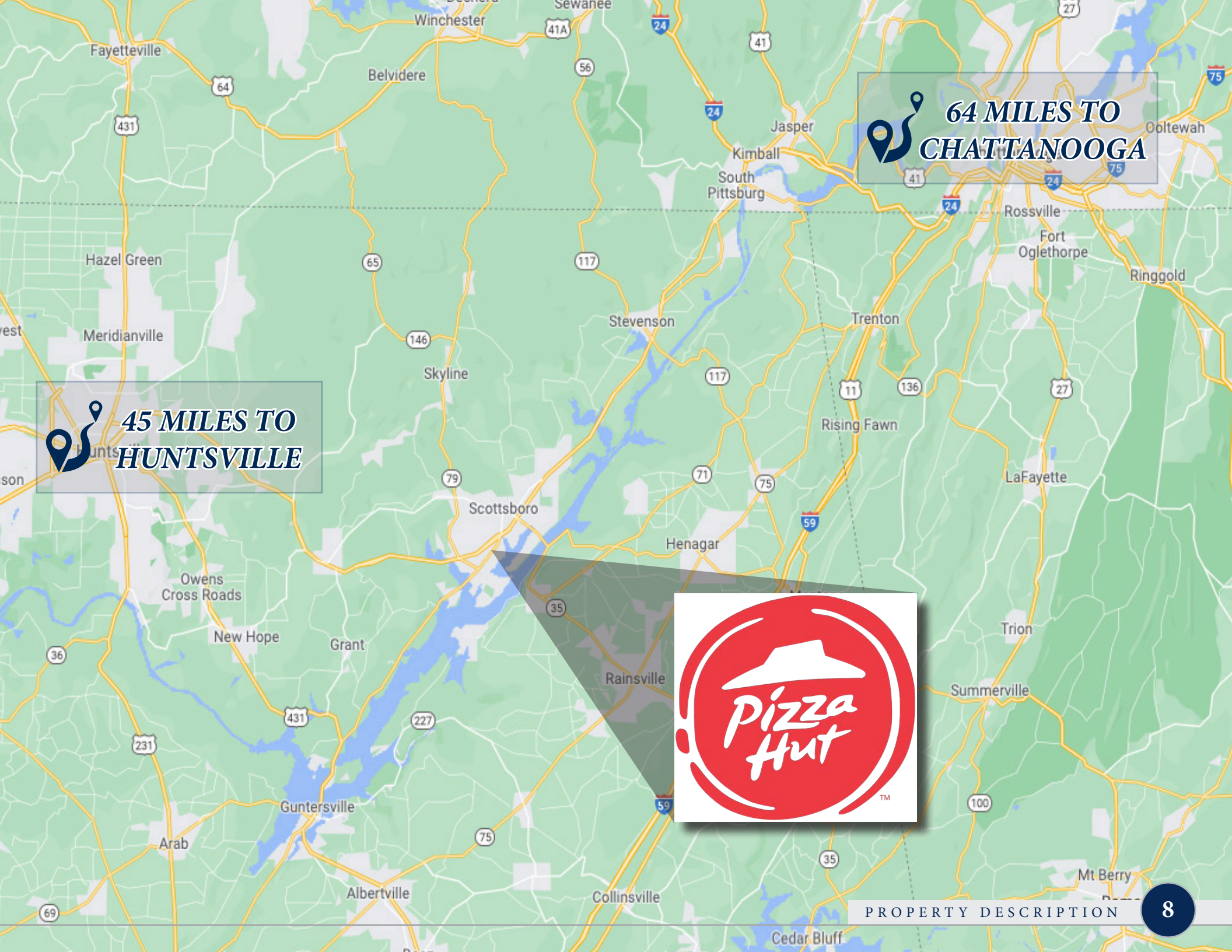


ADT Pizza, founded in 2018, operates 199 Pizza Hut locations across nine states as of September 2021. ADT Pizza, a well-capitalized operator, is managed by two principals, Adam Diamond (CEO) and David Tetens (COO), both having decades of experience managing hospitality businesses as well as 10+ years working together.

Adam and David have successfully led the turnaround of all aspects of the initial multi-state platform acquisition and have successfully integrated a large add-on acquisition of American Huts (57-units) in December 2020, followed by an additional 25-unit acquisition in Q3 2021.

Adam began his career in Strategic Planning at The Walt Disney Company followed by 15 years in a variety of escalating roles at Starwood Hotels. Among a variety of M&A, Real Estate and Finance roles, Adam was the CFO of Starwood's franchise business. In addition to being ADT Pizza's CEO, Adam is also its CFO and Head of Real Estate, responsible for management and improvement of the asset base as well as all landlord relationships.

David has been a food and beverage operator for over 30 years. Most recent for 10 years at Starwood Hotels and Resorts where he was ultimately responsible for all aspects of Food and Beverage operations across 400+ owned, managed, and franchise properties totaling \$4 billion+ in annual revenue. David is responsible for all operational aspects of ADT's restaurants including oversight of ADT's 3,500+ team members.



**64 MILES TO
CHATTANOOGA**



**45 MILES TO
HUNTSVILLE**



DEMOGRAPHICS - 3310 S BROAD ST, SCOTTSBORO, AL

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	2,086	8,801	14,647
2021 Population	2,165	8,722	14,416
2026 Population Projection	2,181	8,707	14,372
Annual Growth 2010-2021	0.3%	-0.1%	-0.1%
Annual Growth 2021-2026	0.1%	0%	-0.1%
Median Age	43	44.4	44.1
Bachelor's Degree or Higher	20%	21%	19%
U.S. Armed Forces	0	0	0

INCOME	1 MILE	3 MILES	5 MILES
Avg Household Income	\$59,126	\$61,631	\$59,427
Median Household Income	\$42,535	\$45,158	\$44,874
< \$25,000	262	977	1,588
\$25,000 - 50,000	308	1,076	1,817
\$50,000 - 75,000	145	575	977
\$75,000 - 100,000	90	443	776
\$100,000 - 125,000	104	366	540
\$125,000 - 150,000	10	69	125
\$150,000 - 200,000	25	80	103
\$200,000+	27	121	159

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	935	3,737	6,180
2021 Households	971	3,705	6,084
2026 Household Projection	978	3,700	6,068
Annual Growth 2010-2021	0.3%	0.3%	0.3%
Annual Growth 2021-2026	0.1%	0%	-0.1%
Owner Occupied Households	572	2,419	4,023
Renter Occupied Households	406	1,280	2,044
Avg Household Size	2.2	2.3	2.3
Avg Household Vehicles	2	2	2
Total Specified Consumer Spending (\$)	\$25.6M	\$100.4M	\$164.1M
HOUSING	1 MILE	3 MILES	5 MILES
Median Home Value	\$158,888	\$149,501	\$138,818
Median Year Built	1977	1975	1974

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