

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



2880 East Harbor Rd - Port Clinton, OH 43452

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Investment Highlights

PRICE: \$846,824 | CAP: 4.75% | RENT: \$40,224



About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease that Commenced on February 22, 2022
- ✓ 1.75% Rental Increases Annually Starting Year Seven (7)
- ✓ Six (6), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 50 Years
- ✓ Franchisee Guarantee from SFR XI Holdings, LLC – Approximately 120+ Units
- ✓ Certain principals of the selling entity, including but not limited to Glen Kunofsky and Nicoletti DePaul, are Exclusive Listing Agents and part fee-simple owners of the property. See back page for full disclosure.

About the Location

- ✓ Positioned in Strong Retail Artery | Walmart, Dollar General, Dollar Tree, Kroger, Advance Auto Parts, Napa Auto Care, AutoZone, McDonald's, Taco Bell, Arby's, And More
- ✓ Directly Next To Erie-Ottawa International Airport
- ✓ Affluent Community | Average Household Income Exceeds 92,770 Individuals Within a One-Mile Radius
- ✓ Strong Traffic Counts | Over 20,000 Vehicles Per Day Along Ohio State Route 2

About the Brand / Tenant

- ✓ Pizza Hut, a subsidiary of Yum! Brands, Inc., is the largest restaurant chain in the world specializing in the sale of ready-to-eat pizza products.
- ✓ The brand has a longstanding history with the first Pizza Hut opening in Wichita, KS. Within a year, the first franchise unit was opened.
- ✓ As of December 31, 2021, there were 18,381 Pizza Hut locations around the world.
- ✓ SFR XI Holdings, LLC is the 11th largest Pizza Hut franchisee, operating 120+ locations across Ohio, West Virginia, Pennsylvania, and Indiana.



Representative Photo



Financial Analysis

PRICE: \$846,824 | CAP: 4.75% | RENT: \$40,224



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	2880 East Harbor Rd
City, State ZIP	Port Clinton, OH 43452
Building Size (SF)	3,607
Lot Size (AC)	0.86
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$846,824
CAP Rate	4.75%
Annual Rent	\$40,224

LEASE SUMMARY

Property Type	Net Leased Quick Service Restaurant
Tenant / Guarantor	SFR X Holdings, LLC / SFR XI Holdings, LLC (120+ Units)
Original Lease Term	20 Years
Lease Commencement	February 22, 2022
Lease Expiration	February 28, 2042
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.75% Annually, Starting Year Seven (7)
Options to Renew	Six (6), Five (5)-Year Options

RENT SCHEDULE

Lease Year(s)	Start Date	End Date	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	2/22/2022	2/28/2023	\$40,224	\$3,352	-
Year 2	3/1/2023	2/29/2024	\$40,224	\$3,352	-
Year 3	3/1/2024	2/28/2025	\$40,224	\$3,352	-
Year 4	3/1/2025	2/28/2026	\$40,224	\$3,352	-
Year 5	3/1/2026	2/28/2027	\$40,224	\$3,352	-
Year 6	3/1/2027	2/29/2028	\$40,224	\$3,352	-
Year 7	3/1/2028	2/28/2029	\$40,928	\$3,411	1.75%
Year 8	3/1/2029	2/28/2030	\$41,644	\$3,470	1.75%
Year 9	3/1/2030	2/28/2031	\$42,373	\$3,531	1.75%
Year 10	3/1/2031	2/29/2032	\$43,115	\$3,593	1.75%
Year 11	3/1/2032	2/28/2033	\$43,869	\$3,656	1.75%
Year 12	3/1/2033	2/28/2034	\$44,637	\$3,720	1.75%
Year 13	3/1/2034	2/28/2035	\$45,418	\$3,785	1.75%
Year 14	3/1/2035	2/29/2036	\$46,213	\$3,851	1.75%
Year 15	3/1/2036	2/28/2037	\$47,021	\$3,918	1.75%
Year 16	3/1/2037	2/28/2038	\$47,844	\$3,987	1.75%
Year 17	3/1/2038	2/28/2039	\$48,682	\$4,057	1.75%
Year 18	3/1/2039	2/29/2040	\$49,534	\$4,128	1.75%
Year 19	3/1/2040	2/28/2041	\$50,400	\$4,200	1.75%
Year 20	3/1/2041	2/28/2042	\$51,282	\$4,274	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 2880 East Harbor Rd, Port Clinton, OH 43452. The site will consist of roughly 3,607 rentable square feet of building space on estimated 0.86-acre parcel of land. The Pizza Hut is subject to a 20-year absolute triple-net (NNN) lease that commenced on 2/22/2022. The initial annual rent will be \$40,224 and is scheduled to increase by one-and-three-quarters percent (1.75%) annually starting year seven (7) of the base term and continuing through six (6), five (5)-year renewal periods.



Concept / Tenant Overview

About Pizza Hut

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. Pizza Hut currently operates 18,000+ units in over 100 countries. 97 percent of 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.

Pizza Hut recently revamped their menu, adding five new toppings, six sauces, 10 crust flavors (like "honey Sriracha" and "ginger boom boom"), and even health-conscious "Skinny Slice" pizzas.

About SFR XI Holdings, LLC

SFR XI Holdings, LLC is the 11th largest Pizza Hut franchisee, operating 124 Pizza Hut restaurants and the underlying real estate for 58 locations in four contiguous, business-friendly states: Ohio, West Virginia, Pennsylvania, and Indiana.



General Information

Founded	1958
Website	www.pizzahut.com
Number of Locations	18,000+

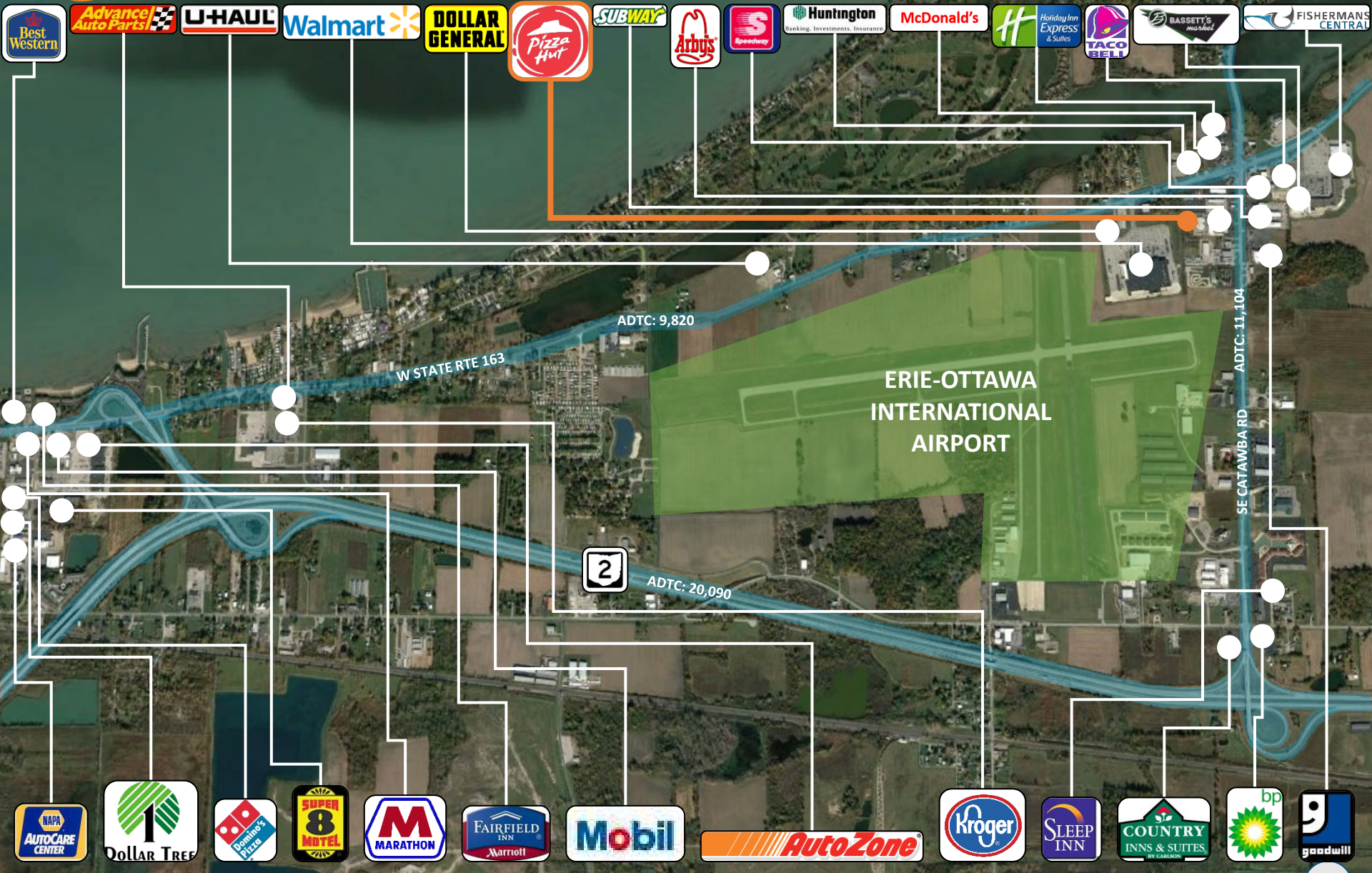


Representative Photo



Surrounding Area

Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452





Location Overview

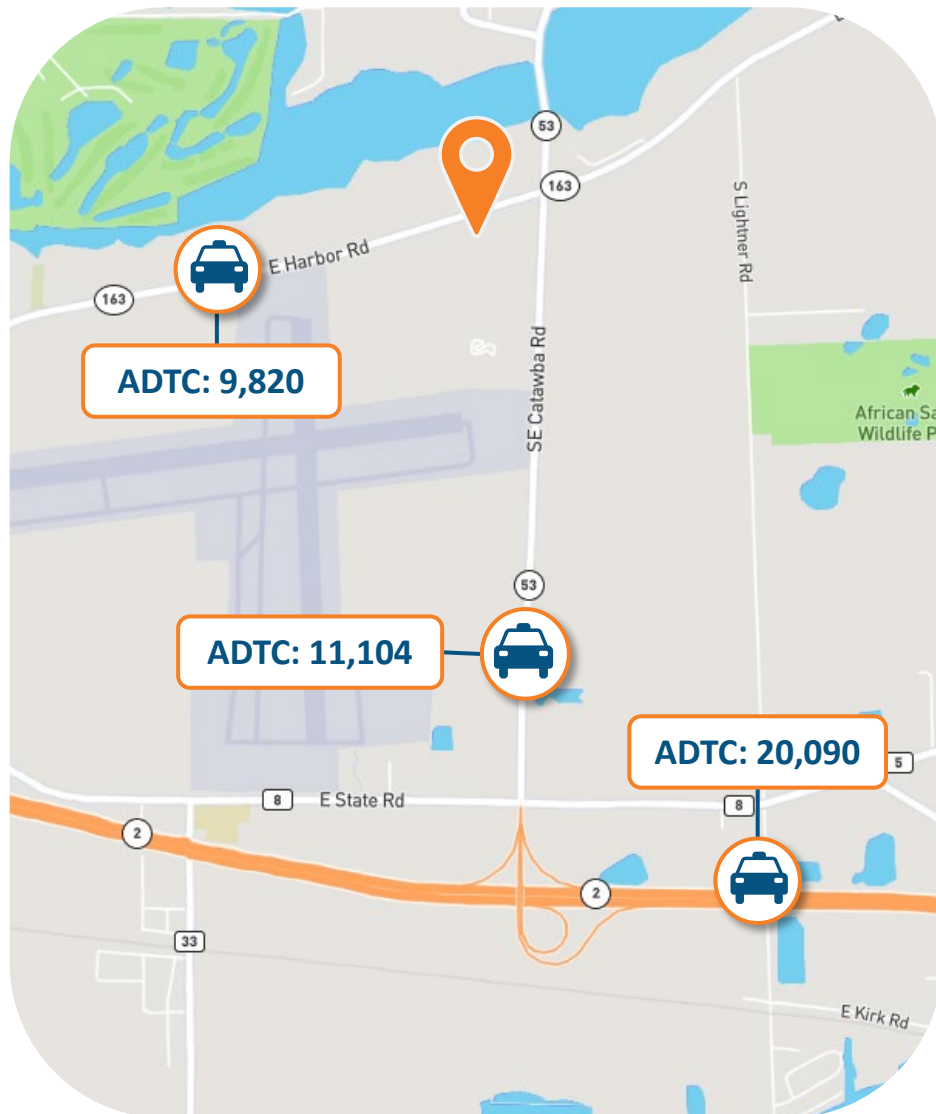
Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452



The Pizza Hut property is situated on SE Catawba Rd, which boasts average daily traffic counts of 11,104 vehicles. SE Catawba Rd intersects with Ohio State Route 2 less than one and a half miles from the subject property, which brings an additional 20,090 vehicles into the immediate area on average daily. The average household income within a one-mile radius is \$97,220 and over \$87,220 in a five-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, large shopping centers, and malls, all within close proximity of this property. Major national tenants in the area include: Walmart, Dollar General, Dollar Tree, Kroger, Advance Auto Parts, Napa Auto Care, AutoZone, McDonald's, Taco Bell, and Arby's. This Pizza Hut also benefits from its close proximity to Erie-Ottawa International Airport. This airport has two runways and onsite customs.

Port Clinton is a city in and the county seat of Ottawa County, located at the mouth of the Portage River on Lake Erie, about 44 miles east of Toledo. The city has been nicknamed the "Walleye Capital of the World", due to the productive fishing waters for the species lying offshore in Lake Erie's Western Basin. The annual Walleye Drop on New Year's Eve in downtown Port Clinton reflects this nickname. Port Clinton's economy benefits from its lakefront situation, with its fishing, boating, and recreational tourism industries providing employment opportunities to many locals. Port Clinton and surrounding attractions in Ottawa and Erie County are collectively known to visitors as "Vacationland", or more recently, Lake Erie's "Shores and Islands".





Property Photos





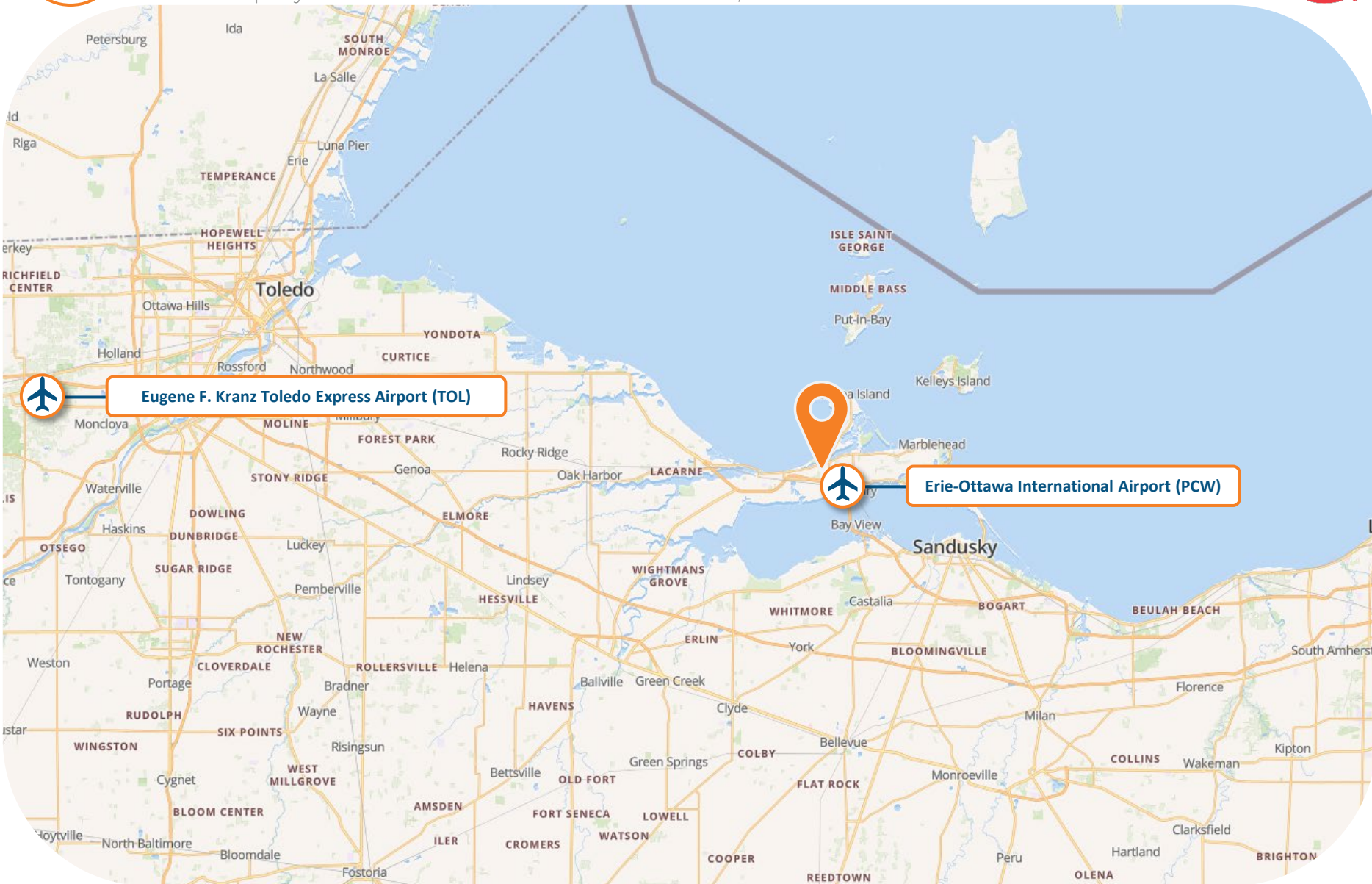
Surrounding Area Photos





Local Map

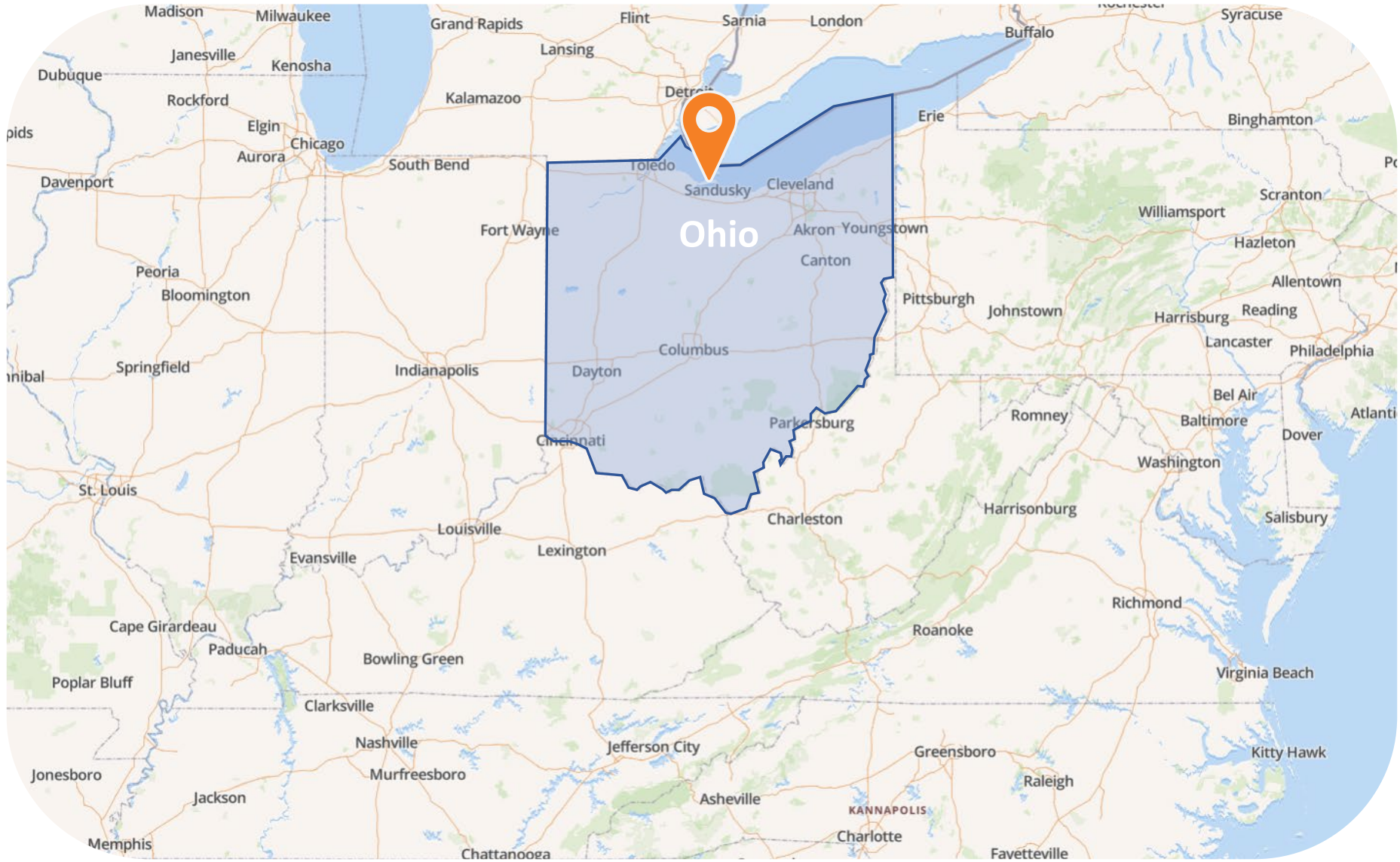
Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452





Regional Map

Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452





Demographics

Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452



1 Mile 3 Miles 5 Miles

POPULATION TRENDS

2010 Population	632	5,009	14,384
2021 Population	641	6,209	17,107
2026 Population Projection	646	6,479	17,731
Annual Growth 2010-2021	0.10%	2.20%	1.70%
Annual Growth 2021-2026	0.20%	0.90%	0.70%

POPULATION BY RACE (2021)

White	622	6,010	16,479
Black	3	64	247
American Indian/Alaskan Native	1	13	43
Asian	3	44	80
Hawaiian & Pacific Islander	2	3	5
Two or More Races	9	75	252
Hispanic Origin	26	259	861

HOUSEHOLD TRENDS

2010 Households	322	2,366	6,575
2021 Households	312	2,816	7,656
2026 Household Projection	312	2,921	7,910
Growth 2010-2021	0.20%	0.30%	0.40%
Growth 2021-2026	0.00%	0.70%	0.70%

AVERAGE HOUSEHOLD INCOME (2021)

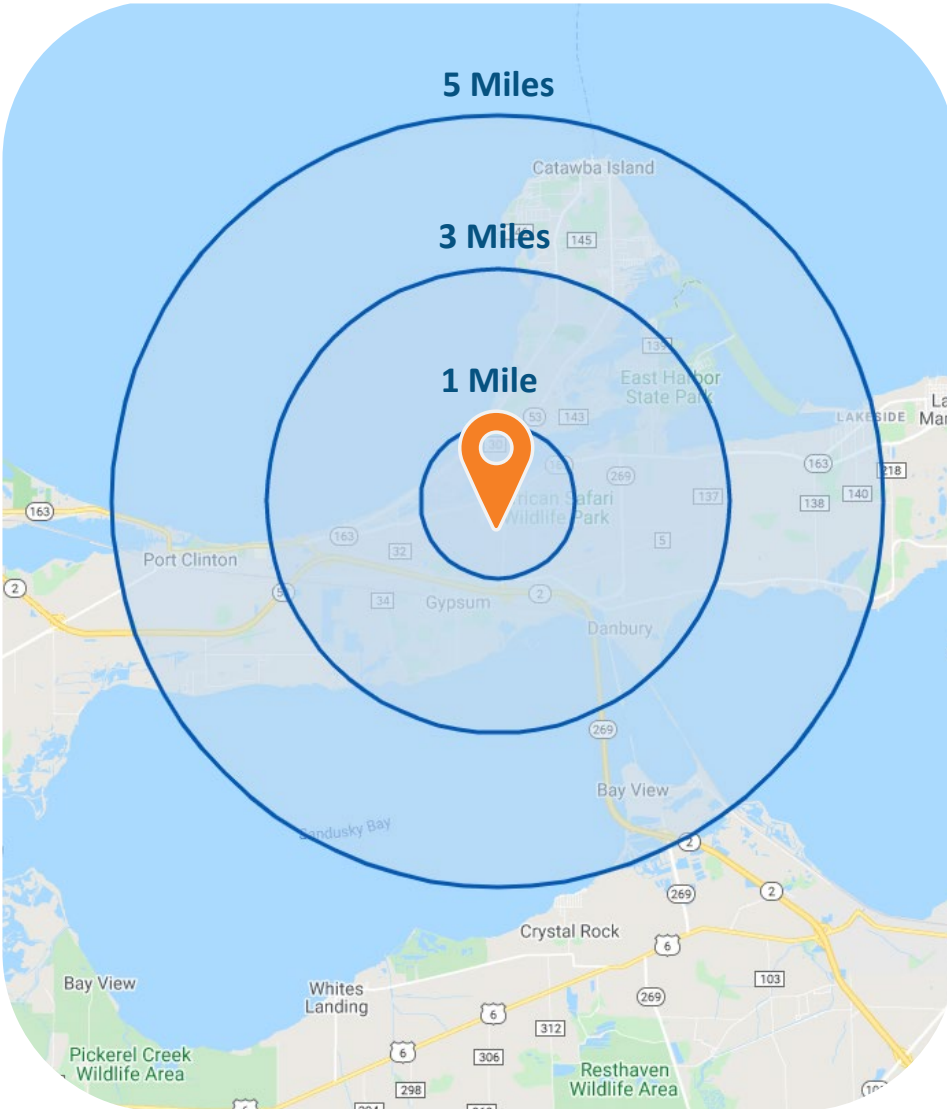
\$92,777 \$87,212 \$82,474

MEDIAN HOUSEHOLD INCOME (2021)

\$71,612 \$65,182 \$61,683

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	36	461	1,191
\$25,000 - 50,000	68	646	1,965
\$50,000 - 75,000	59	498	1,298
\$75,000 - 100,000	54	369	1,027
\$100,000 - 125,000	37	270	852
\$125,000 - 150,000	18	197	476
\$150,000 - 200,000	12	169	403
\$200,000+	28	206	446





Market Overview

Property Address: 2880 East Harbor Rd – Port Clinton, OH 43452



Toledo is a city in and the county seat of Lucas County, Ohio, United States. A major Midwestern United States port city, Toledo is the fourth-most-populous city in the U.S. state of Ohio, after Columbus, Cleveland, and Cincinnati. It also serves as a major trade center for the Midwest; its port is the fifth busiest in the Great Lakes and 54th biggest in the United States. The first of many glass manufacturers arrived in the 1880s, eventually earning Toledo its nickname: "The Glass City." It has since become a city with a distinctive and growing art community, auto assembly businesses, education, thriving healthcare, and well-supported local sports teams. Downtown Toledo has been subject to major revitalization efforts, allowing a bustling entertainment district.

The University of Toledo is influential in the city, contributing to the prominence of healthcare as the city's biggest employer. The metro area contains four Fortune 500 companies: Dana Holding Corporation, Owens Corning, The Andersons, and Owens Illinois. ProMedica is a Fortune 1000 company headquartered in Toledo. One SeaGate is the location of Fifth Third Bank's Northwest Ohio headquarters. Belying its Rust Belt history, the city saw growth in "green jobs" related to solar energy in the 2000s. The University of Toledo and Bowling Green State University received Ohio grants for solar energy research. Sunlight and First Solar opened plants in Toledo and the surrounding area. In May 2019 Balance Farms began operation of a 8,168 square foot indoor aquaponics farm in downtown Toledo. In 2018, Cleveland-Cliffs, Inc. invested \$700 million into an East Toledo location as the site of a new hot-briquetted iron plant, designed to modernize the steel industry. The plant is slated to create over 1200 jobs and be completed in 2020.

Several initiatives have been taken by Toledo's citizens to improve the cityscape by urban gardening and revitalizing their communities. Local artists, supported by organizations like the Arts Commission of Greater Toledo and the Ohio Arts Council, have contributed an array of murals and beautification. Many downtown historical buildings such as the Oliver House and Standart Lofts have been renovated into restaurants, condominiums, offices and art galleries.[]

Toledo is home to a range of classical performing arts institutions, including The Toledo Opera, The Toledo Symphony Orchestra, the Toledo Jazz Orchestra and the Toledo Ballet. The city is also home to several theaters and performing arts institutions, including the Stranahan Theater, the historic Valentine Theatre, the Toledo Repertoire Theatre, the Collingwood Arts Center and the Ohio Theatre.

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EXCLUSIVE NET LEASE OFFERING



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