

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



239 North Market St - East Palestine, OH 44413

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Investment Highlights

PRICE: \$986,201 | CAP: 5.00% | RENT: \$49,310



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 Corridor | Rite Aid, Dollar General, Family Dollar, True Value, PNC Bank, Huntington Bank, Marathon, Circle K, McDonald's, Subway, and More
- ✓ Located 20 Miles From Downtown Youngstown
- ✓ Strong Demographics | Average Annual Household Income Exceeds \$76,000 Within 10 Miles of the Subject Property

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: \$986,201 | CAP: 5.00% | RENT: \$49,310



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	239 North Market St
City, State ZIP	E. Palestine, OH 44413
Building Size (SF)	675
Lot Size (AC)	0.38
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$986,201
CAP Rate	5.00%
Annual Rent	\$49,310

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	\$49,310	\$4,109	-
Year 2	3/1/2023	2/29/2024	\$49,310	\$4,109	-
Year 3	3/1/2024	2/28/2025	\$49,310	\$4,109	-
Year 4	3/1/2025	2/28/2026	\$49,310	\$4,109	-
Year 5	3/1/2026	2/28/2027	\$49,310	\$4,109	-
Year 6	3/1/2027	2/29/2028	\$49,310	\$4,109	-
Year 7	3/1/2028	2/28/2029	\$50,173	\$4,181	1.75%
Year 8	3/1/2029	2/28/2030	\$51,051	\$4,254	1.75%
Year 9	3/1/2030	2/28/2031	\$51,944	\$4,329	1.75%
Year 10	3/1/2031	2/29/2032	\$52,853	\$4,404	1.75%
Year 11	3/1/2032	2/28/2033	\$53,778	\$4,482	1.75%
Year 12	3/1/2033	2/28/2034	\$54,719	\$4,560	1.75%
Year 13	3/1/2034	2/28/2035	\$55,677	\$4,640	1.75%
Year 14	3/1/2035	2/29/2036	\$56,651	\$4,721	1.75%
Year 15	3/1/2036	2/28/2037	\$57,643	\$4,804	1.75%
Year 16	3/1/2037	2/28/2038	\$58,652	\$4,888	1.75%
Year 17	3/1/2038	2/28/2039	\$59,678	\$4,973	1.75%
Year 18	3/1/2039	2/29/2040	\$60,722	\$5,060	1.75%
Year 19	3/1/2040	2/28/2041	\$61,785	\$5,149	1.75%
Year 20	3/1/2041	2/28/2042	\$62,866	\$5,239	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 239 North Market St, E. Palestine, OH 44413. The site will consist of roughly 675 rentable square feet of building space on estimated 0.38-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 \$49,310 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+

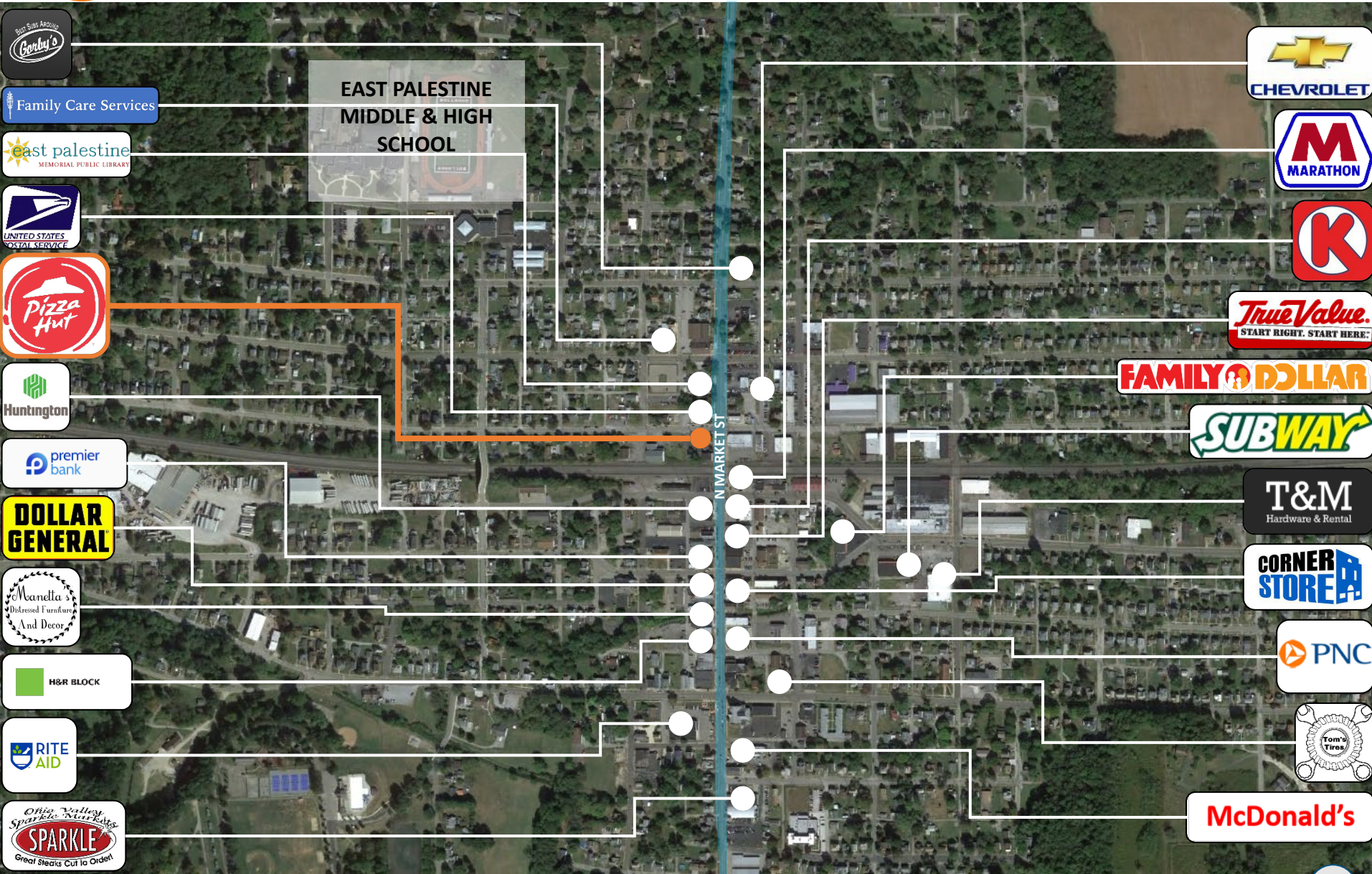


Representative Photo



Surrounding Area

Property Address: 239 North Market St – East Palestine, OH 44413





Location Overview

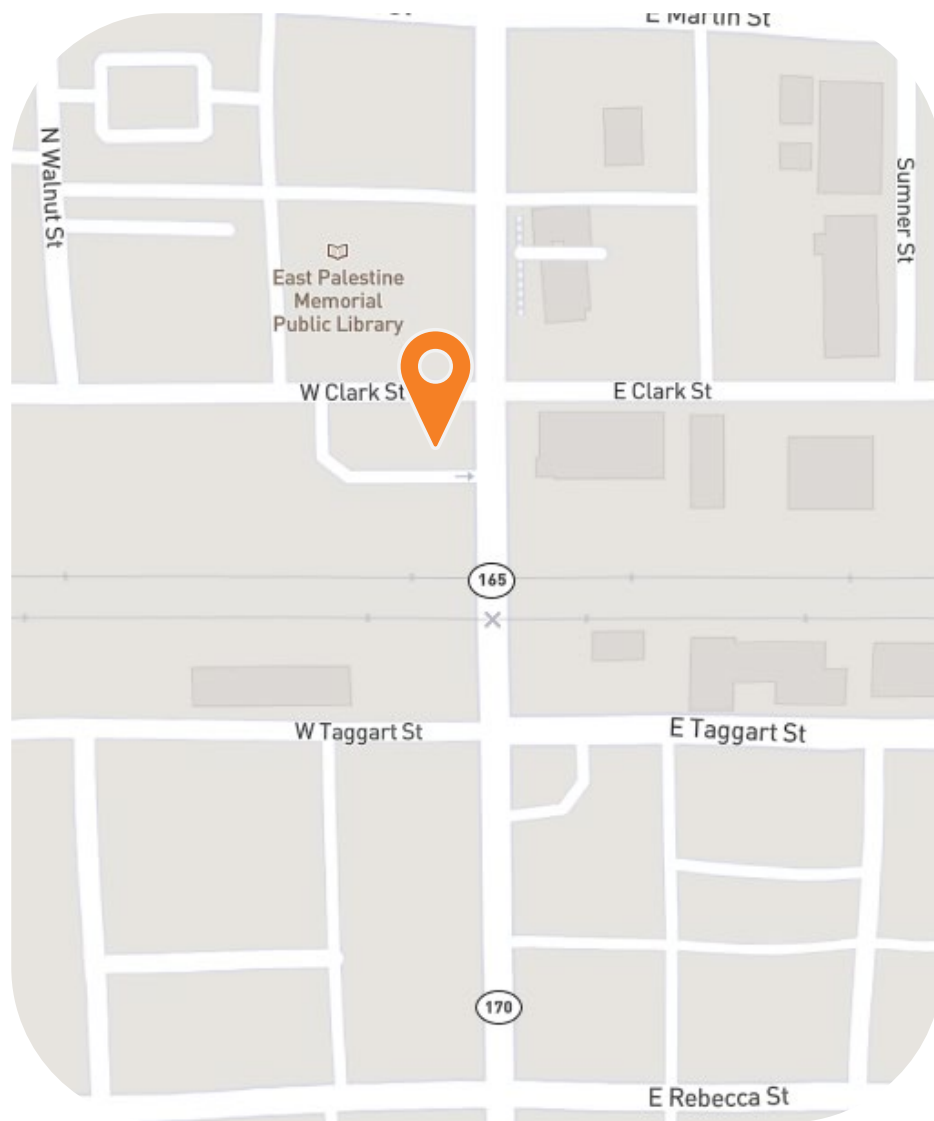
Property Address: 239 North Market St – East Palestine, OH 44413



The Pizza Hut property is situated on North Market Street, which serves as the main thoroughfare through the center of East Palestine. North Market Street connects the town of East Palestine to State Route 14, one of the main highways in Columbiana County. There are more than 12,100 individuals residing within a five-mile radius of the property and more than 48,800 individuals within a ten-mile radius. Average annual household income exceeds \$76,000 within a ten-mile radius of the subject property.

This Pizza Hut benefits from being well-positioned in the heart of downtown East Palestine with several local and national retail tenants within close proximity to the subject property. Major national tenants in the area include: Rite Aid, Dollar General, Family Dollar, True Value, PNC Bank, Huntington Bank, Marathon, Circle K, McDonald's and Subway. This Pizza Hut also benefits from its close proximity to East Palestine High School and Middle School. These institutions have a combined enrollment of over 630 students.

East Palestine is a village in eastern Columbiana County, Ohio, United States. Located on the state's border with Pennsylvania, East Palestine is 20 miles south of Youngstown. Traditionally known as a center of steel production, Youngstown has seen tremendous change within the last several years, becoming a center of culture, entertainment and innovation. Several businesses, such as Turning Technologies, an education technology company, are headquartered in Downtown Youngstown.





Property Photos





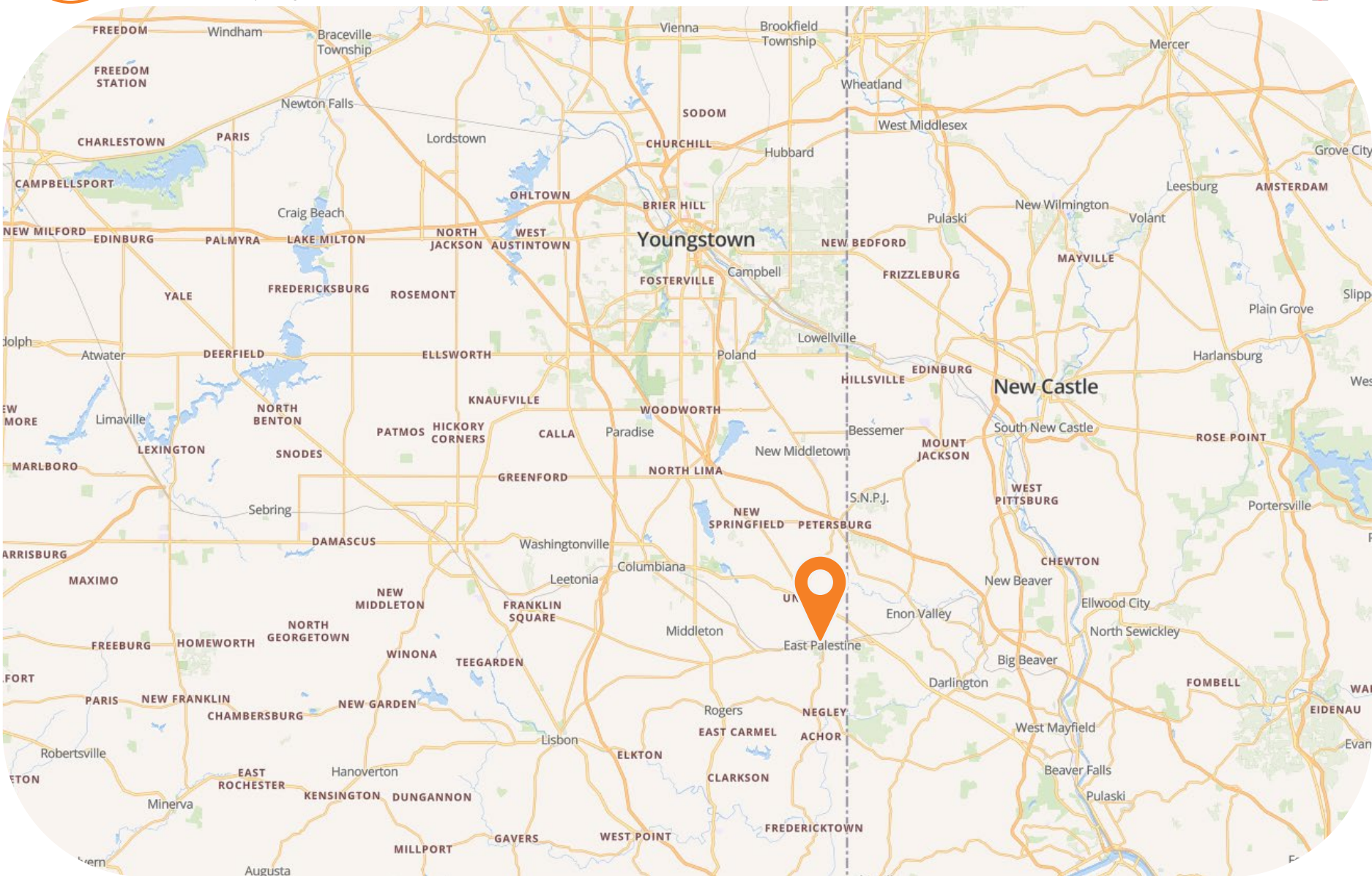
Surrounding Area Photos





Local Map

Property Address: 239 North Market St – East Palestine, OH 44413







Demographics

Property Address: 239 North Market St – East Palestine, OH 44413



3 Mile 5 Miles 10 Miles

POPULATION TRENDS

2010 Population	7,492	13,306	52,897
2021 Population	7,016	12,165	48,819
2026 Population Projection	6,890	11,881	47,765

POPULATION BY RACE (2021)

White	6,868	11,887	46,442
Black	22	42	1,400
American Indian/Alaskan Native	24	36	148
Asian	24	44	220
Hawaiian & Pacific Islander	4	6	27
Two or More Races	74	150	582
Hispanic Origin	90	154	1,126

HOUSEHOLD TRENDS

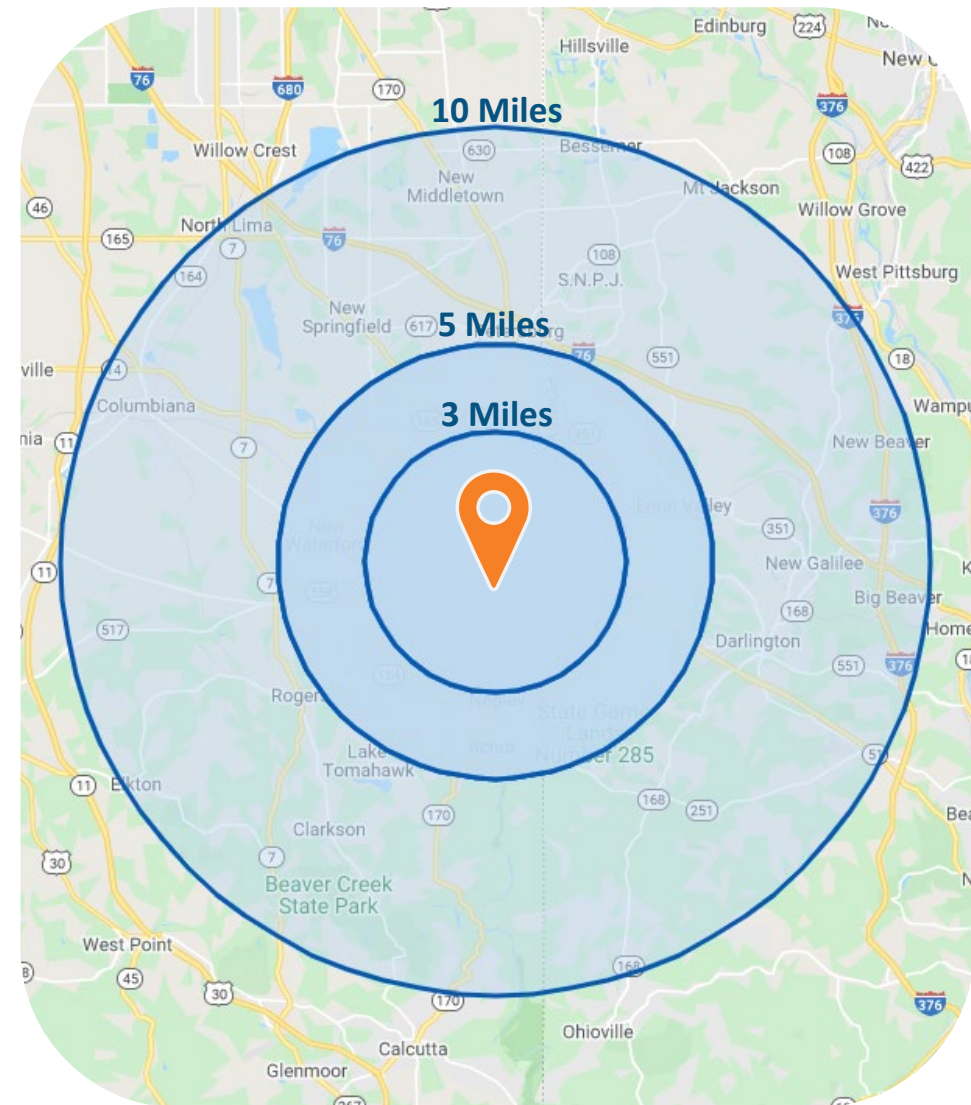
2010 Households	2,982	5,234	20,193
2021 Households	2,779	4,768	18,511
2026 Household Projection	2,726	4,651	18,081

AVERAGE HOUSEHOLD INCOME (2021)

MEDIAN HOUSEHOLD INCOME (2021)

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

<\$25,000	476	808	2,940
\$25,000 - \$50,000	754	1,208	4,311
\$50,000 - \$75,000	632	995	3,670
\$75,000 - \$100,000	469	800	2,966
\$100,000 - \$125,000	279	515	1,979
\$125,000 - \$150,000	55	189	1,021
\$150,000 - \$200,000	90	186	1,006
\$200,000+	24	67	620





Market Overview

Property Address: 239 North Market St – East Palestine, OH 44413



Youngstown is a city in the U.S. state of Ohio, and the largest city and county seat of Mahoning County. Youngstown is on the Mahoning River, approximately 65 miles southeast of Cleveland and 61 miles northwest of Pittsburgh, Pennsylvania. Despite having its own media market, Youngstown is often included in commercial and cultural depictions of both Northeast Ohio as well as the Greater Pittsburgh Region due to these proximities. Youngstown is also the midway between Chicago and New York City via Interstate 80.

Youngstown is a midwestern city, falling within the Appalachian Ohio region, among the foothills of the Appalachian Mountains. Traditionally known as a center of steel production, Youngstown has seen tremendous change within the last several years, becoming a center of culture, entertainment and innovation. It is now home to bars, restaurants, and the recently completed Youngstown Foundation Amphitheater. Youngstown's first new downtown hotel since 1974—the DoubleTree by Hilton—opened in 2018 in the historic Stambaugh Building with first floor commercial space including a restaurant. Several businesses, such as Turning Technologies, an education technology company, are headquartered in Downtown Youngstown.

Youngstown offers an array of cultural and recreational resources. Moreover, the community's range of attractions has increased in recent years. In addition to the Covelli Centre, a venue for Tier I Jr. A hockey games, concerts, "on ice" shows, and other forms of entertainment, Youngstown's newest venue is the Youngstown Foundation Amphitheater; an outdoor venue hosting a variety of local and well-known musical artists. One of the city's sports-related attractions is the Covelli Centre, which was funded primarily through a \$26 million federal grant. Located on the site of an abandoned steel mill, the large, high-tech facility opened in October 2005. It was formerly called the Chevrolet Center, and during planning it was known as the Youngstown Convocation Center. The center's main tenants are the Youngstown Phantoms, who play in the United States Hockey League. Previously, it was home to the Youngstown Steelhounds hockey team, who played in the CHL.

Youngstown's most popular resource is Mill Creek Park, a five-mile long stretch of landscaped woodland reminiscent of Rock Creek Park in Washington, D.C. Mill Creek Park is the oldest park district in Ohio, established as a township park in 1891. The park's highlights include the restored 19th century Lanterman's Mill, the rock formations of Bear's Den, scores of nature trails, the Fellows Riverside Gardens and Education Center, the "Cinderella" iron link bridge, and two 18 hole Donald Ross golf courses.

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EXCLUSIVE NET LEASE OFFERING



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