

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



800 South Market St - Loudonville, OH 44842

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Investment Highlights

PRICE: \$1,064,398 | CAP: 5.00% | RENT: \$53,220



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 | Dollar General, Family Dollar, Goodwill, Advance Auto Parts, Napa Auto Care, Marathon, McDonald's in Addition to Numerous Others
- ✓ Close Proximity to Budd Elementary School And McMullen Elementary School | Over 240 And 290 Students Enrolled, Respectively
- ✓ Strong Underlying Real Estate | Located Less Than One Mile from Downtown Loudonville
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$71,000 for Homes within 10 Miles of the Site

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: \$1,064,398 | CAP: 5.00% | RENT: \$53,220



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	800 South Market St
City, State ZIP	Loudonville, OH 44842
Building Size (SF)	2,815
Lot Size (AC)	1.67
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,064,398
CAP Rate	5.00%
Annual Rent	\$53,220

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	\$53,220	\$4,435	-
Year 2	3/1/2023	2/29/2024	\$53,220	\$4,435	-
Year 3	3/1/2024	2/28/2025	\$53,220	\$4,435	-
Year 4	3/1/2025	2/28/2026	\$53,220	\$4,435	-
Year 5	3/1/2026	2/28/2027	\$53,220	\$4,435	-
Year 6	3/1/2027	2/29/2028	\$53,220	\$4,435	-
Year 7	3/1/2028	2/28/2029	\$54,151	\$4,513	1.75%
Year 8	3/1/2029	2/28/2030	\$55,099	\$4,592	1.75%
Year 9	3/1/2030	2/28/2031	\$56,063	\$4,672	1.75%
Year 10	3/1/2031	2/29/2032	\$57,044	\$4,754	1.75%
Year 11	3/1/2032	2/28/2033	\$58,043	\$4,837	1.75%
Year 12	3/1/2033	2/28/2034	\$59,058	\$4,922	1.75%
Year 13	3/1/2034	2/28/2035	\$60,092	\$5,008	1.75%
Year 14	3/1/2035	2/29/2036	\$61,143	\$5,095	1.75%
Year 15	3/1/2036	2/28/2037	\$62,213	\$5,184	1.75%
Year 16	3/1/2037	2/28/2038	\$63,302	\$5,275	1.75%
Year 17	3/1/2038	2/28/2039	\$64,410	\$5,367	1.75%
Year 18	3/1/2039	2/29/2040	\$65,537	\$5,461	1.75%
Year 19	3/1/2040	2/28/2041	\$66,684	\$5,557	1.75%
Year 20	3/1/2041	2/28/2042	\$67,851	\$5,654	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 800 South Market St, Loudonville, OH 44842. The site will consist of roughly 2,815 rentable square feet of building space on estimated 1.67-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 \$53,220 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: 800 South Market St - Loudonville, OH 44842



BLACK FORK BISTRO



Lingenfelter Jewelers



DOLLAR GENERAL

Save time. Save money. Every day!



Mohican Little Brown Inn



The StoreHouse Discount Grocery



Sprang's Truck & R.V. Center Inc.



McDonald's

MOHICAN VACATION HOMES
Maray Hills | Firehouse Inn

BUDD & MCMULLEN
ELEMENTARY
SCHOOL



Location Overview

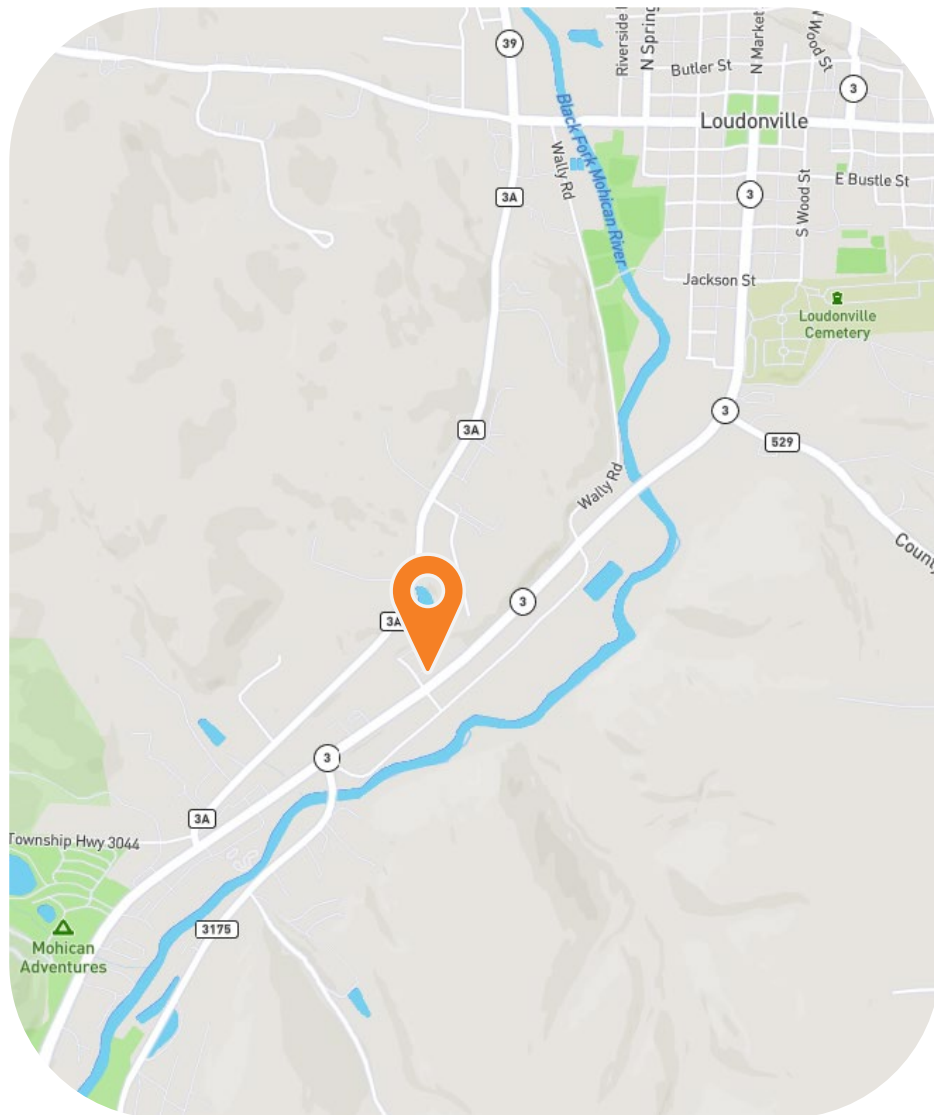
Property Address: 800 South Market St - Loudonville, OH 44842



The Pizza Hut property is situated on South Market Street directly outside of Loudonville. South Market Street intersects with East and West Main Street less than one mile from the subject property which brings in additional traffic to the immediate area. The average household income exceeds \$71,000 for homes within a 10-mile radius of the subject property.

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: Dollar General, Family Dollar, Goodwill, Advance Auto Parts, Marathon, Napa Auto Care, and McDonald's. This Pizza Hut also benefits from its close proximity to Budd and McMullen Elementary Schools, which have a total combined enrollment of over 530 students.

Loudonville is a village in Ashland and Holmes counties in the U.S. state of Ohio. Loudonville is nicknamed the "Canoe Capital of Ohio" for the many canoe liveries along the Mohican River. It is also home to Mohican State Park, Mohican-Memorial State Forest and Landoll's Mohican Castle. The town of Loudonville includes three sites on the National Register of Historic Places. These include the Ohio Theatre, which was erected in 1909 under the name of "City Hall and Opera House". The home of Phillip J. Black located at 303 N. Water Street is also listed on the National Register of Historic Places. Built in 1856, it is now home to the Blackfork Inn Bed & Breakfast.





Property Photos





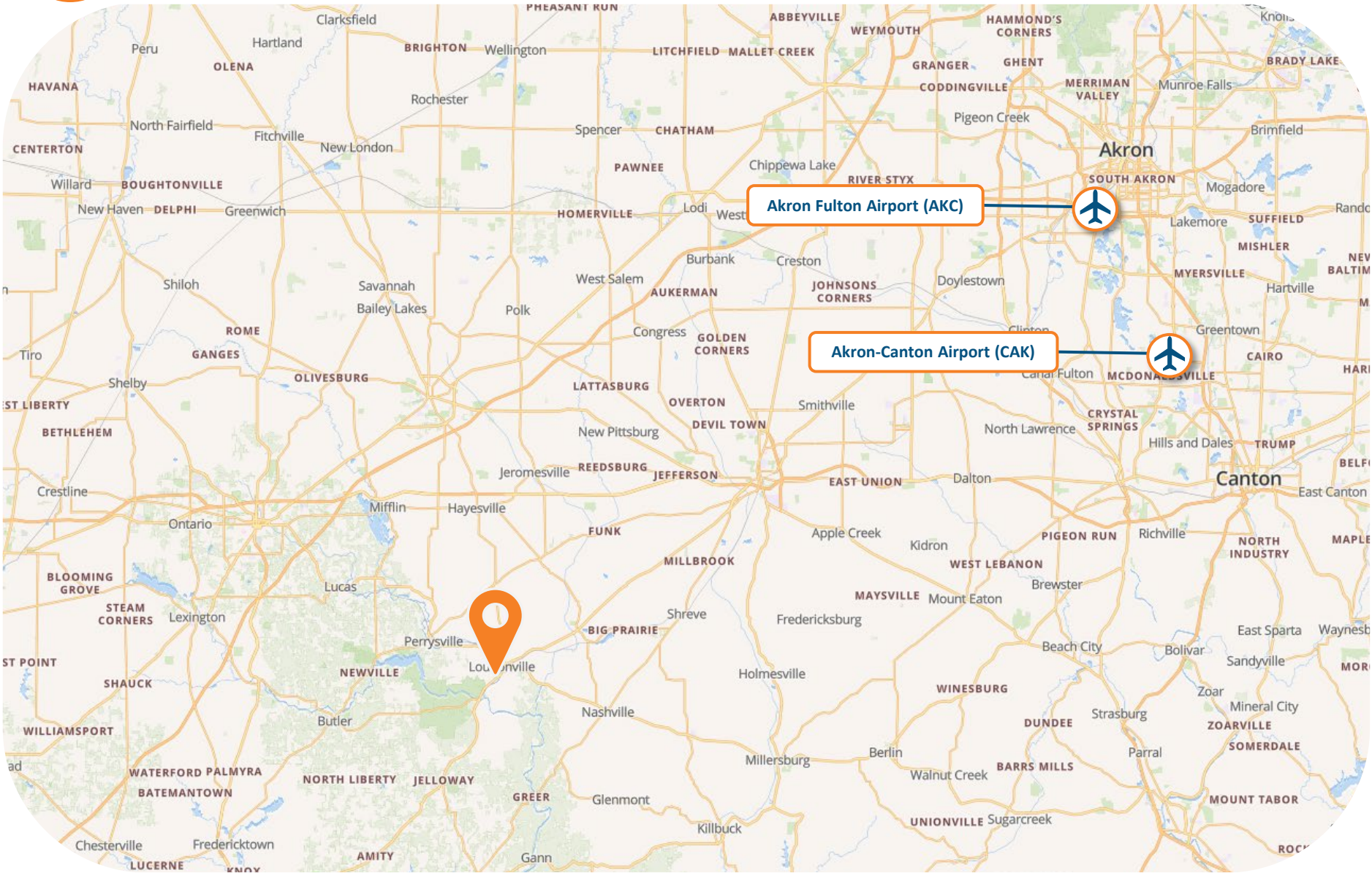
Surrounding Area Photos





Local Map

Property Address: 800 South Market St - Loudonville, OH 44842





Regional Map

Property Address: 800 South Market St - Loudonville, OH 44842



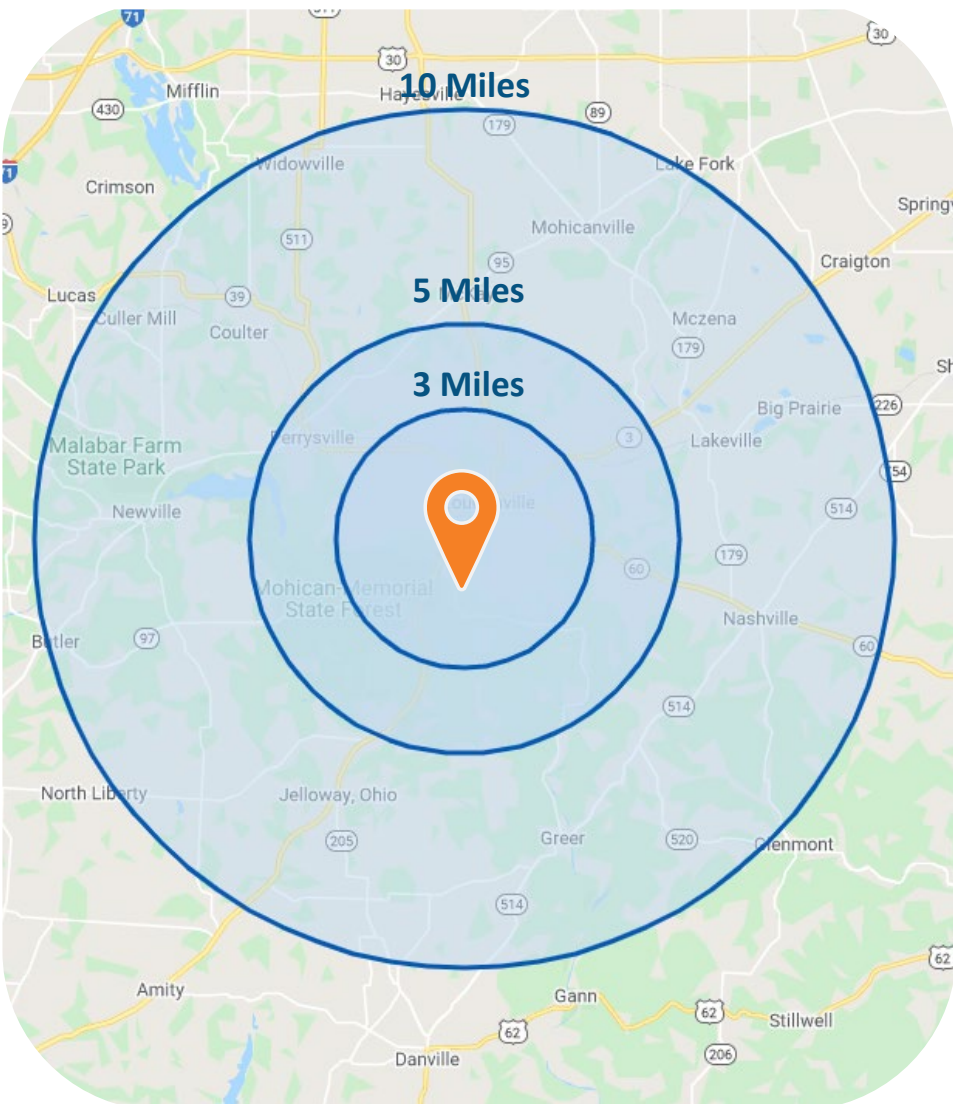


Demographics

Property Address: 800 South Market St - Loudonville, OH 44842



3 Miles 5 Miles 10 Miles



POPULATION TRENDS

2010 Population	3,792	5,788	17,484
2021 Population	3,884	5,849	16,810
2026 Population Projection	3,892	5,847	16,696

POPULATION BY RACE (2021)

White	3,806	5,723	16,486
Black	18	26	68
American Indian/Alaskan Native	9	16	30
Asian	16	24	63
Hawaiian & Pacific Islander	0	0	7
Two or More Races	35	60	158
Hispanic Origin	51	85	220

HOUSEHOLD TRENDS

2010 Households	1,526	2,340	6,602
2021 Households	1,563	2,365	6,359
2026 Household Projection	1,567	2,366	6,320

AVERAGE HOUSEHOLD INCOME (2021)

MEDIAN HOUSEHOLD INCOME (2021)

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	318	475	992
\$25,000 - 50,000	460	713	1,621
\$50,000 - 75,000	368	504	1,460
\$75,000 - 100,000	130	230	1,007
\$100,000 - 125,000	113	186	501
\$125,000 - 150,000	82	118	394
\$150,000 - 200,000	76	103	224
\$200,000+	16	35	160



Market Overview

Property Address: 800 South Market St - Loudonville, OH 44842



Canton is a city in and the county seat of Stark County, Ohio, United States. It is located approximately 60 miles south of Cleveland and 20 miles south of Akron in Northeast Ohio. The city lies on the edge of Ohio's extensive Amish country, particularly in Holmes and Wayne counties to the city's west and southwest. Canton is the largest municipality in the Canton-Massillon, OH Metropolitan Statistical Area, which includes all of Stark and Carroll counties.

Canton is chiefly notable for being the home of the Pro Football Hall of Fame and the birthplace of the National Football League. 25th U.S. President William McKinley conducted the famed front porch campaign, which won him the presidency of the United States in the 1896 election, from his home in Canton. The McKinley National Memorial and the William McKinley Presidential Library and Museum commemorate his life and presidency.

Beginning in 2015, Canton began experiencing an urban renaissance, anchored by its growing and thriving arts district centrally located in the downtown area. Several historic buildings have been rehabilitated and converted into upscale lofts, attracting hundreds of new downtown residents into the city. Furthering this downtown development, in June 2016, Canton became one of the first cities in Ohio to allow the open consumption of alcoholic beverages in a "designated outdoor refreshment area".

The Canton area's economy is primarily industrial, with significant health care and agricultural segments. The city is home to the TimkenSteel Corporation, a major manufacturer of specialty steel. Several other large companies operate in the greater-Canton area, including Timken Company a maker of tapered roller bearings; Belden Brick Company, a brick and masonry producer; Diebold, a maker of ATMs, electronic voting devices, and bank vaults, and Medline Industries, a manufacturer and distributor of health care supplies. The area is also home to several regional food producers, including Nickles Bakery (baked goods), Case Farms (poultry), and Shearer's Foods (snack foods). Poultry production and dairy farming are also important segments of the Canton area's economy.

Malone University, a private, four-year liberal arts college affiliated with the Evangelical Friends Church, is located on 25th Street NW. Catholic-run Walsh University is located nearby in North Canton. Stark State College and a branch of Kent State University are also nearby, in Jackson Township. Also, in downtown Canton, there is a small annex for Stark State College to be used by the early college high school students who are located on the Timken Campus.

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EXCLUSIVE NET LEASE OFFERING



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