

# PIZZA HUT

## 20-Year NNN Lease

**EXCLUSIVE NET-LEASE OFFERING**



# OFFERING MEMORANDUM



556 Main Street - Wellsville, OH, 43968

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# Investment Highlights

PRICE: \$1,097,204 | CAP: 5.00% | RENT: \$54,860



## 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 | McDonald's, Huntington Bank, Dollar General, Marathon, Rite Aid, BP And More
- ✓ Less Than 20-Minutes From Downtown Indianapolis
- ✓ Freestanding Property | Benefits from Excellent Frontage along Main Street
- ✓ Positive Real Estate Fundamentals | Within Sixty Miles of Akron

## 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 11<sup>th</sup> largest Pizza Hut franchisee, operating 120+ locations across Ohio, West Virginia, Pennsylvania, and Indiana.



Representative Photo



# Financial Analysis

PRICE: \$1,097,204 | CAP: 5.00% | RENT: \$54,860



## PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	556 Main St
City, State ZIP	Wellsville, OH 43968
Building Size (SF)	2,266
Lot Size (AC)	0.28
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,097,204
CAP Rate	5.00%
Annual Rent	\$54,860

## 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	\$54,860	\$4,572	-
Year 2	3/1/2023	2/29/2024	\$54,860	\$4,572	-
Year 3	3/1/2024	2/28/2025	\$54,860	\$4,572	-
Year 4	3/1/2025	2/28/2026	\$54,860	\$4,572	-
Year 5	3/1/2026	2/28/2027	\$54,860	\$4,572	-
Year 6	3/1/2027	2/29/2028	\$54,860	\$4,572	-
Year 7	3/1/2028	2/28/2029	\$55,820	\$4,652	1.75%
Year 8	3/1/2029	2/28/2030	\$56,797	\$4,733	1.75%
Year 9	3/1/2030	2/28/2031	\$57,791	\$4,816	1.75%
Year 10	3/1/2031	2/29/2032	\$58,802	\$4,900	1.75%
Year 11	3/1/2032	2/28/2033	\$59,831	\$4,986	1.75%
Year 12	3/1/2033	2/28/2034	\$60,878	\$5,073	1.75%
Year 13	3/1/2034	2/28/2035	\$61,944	\$5,162	1.75%
Year 14	3/1/2035	2/29/2036	\$63,028	\$5,252	1.75%
Year 15	3/1/2036	2/28/2037	\$64,131	\$5,344	1.75%
Year 16	3/1/2037	2/28/2038	\$65,253	\$5,438	1.75%
Year 17	3/1/2038	2/28/2039	\$66,395	\$5,533	1.75%
Year 18	3/1/2039	2/29/2040	\$67,557	\$5,630	1.75%
Year 19	3/1/2040	2/28/2041	\$68,739	\$5,728	1.75%
Year 20	3/1/2041	2/28/2042	\$69,942	\$5,829	1.75%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 556 Main St, Wellsville, OH 43968. The site will consist of roughly 2,266 rentable square feet of building space on estimated 0.28-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 \$54,860 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 11<sup>th</sup> 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	<a href="http://www.pizzahut.com">www.pizzahut.com</a>
Number of Locations	18,000+



Representative Photo





# Surrounding Area

Property Address: 556 Main Street- Wellsville, OH, 43968



McDonald's

Huntington

DOLLAR GENERAL

Save time. Save money. Every day.



Dairy Queen



WESTVILLE JUNIOR/  
SENIOR HIGH  
SCHOOL



Graham Packaging

ERGON

UNITED BY SERVICE. DRIVEN BY SOLUTIONS.

Ergon Trucking, Inc.



DAW

Emergency  
Intelligent

Wellsville Carnegie  
Public Library



UNITED STATES  
POSTAL SERVICE

FAMILY DOLLAR

my family, my family clothes.





# Location Overview

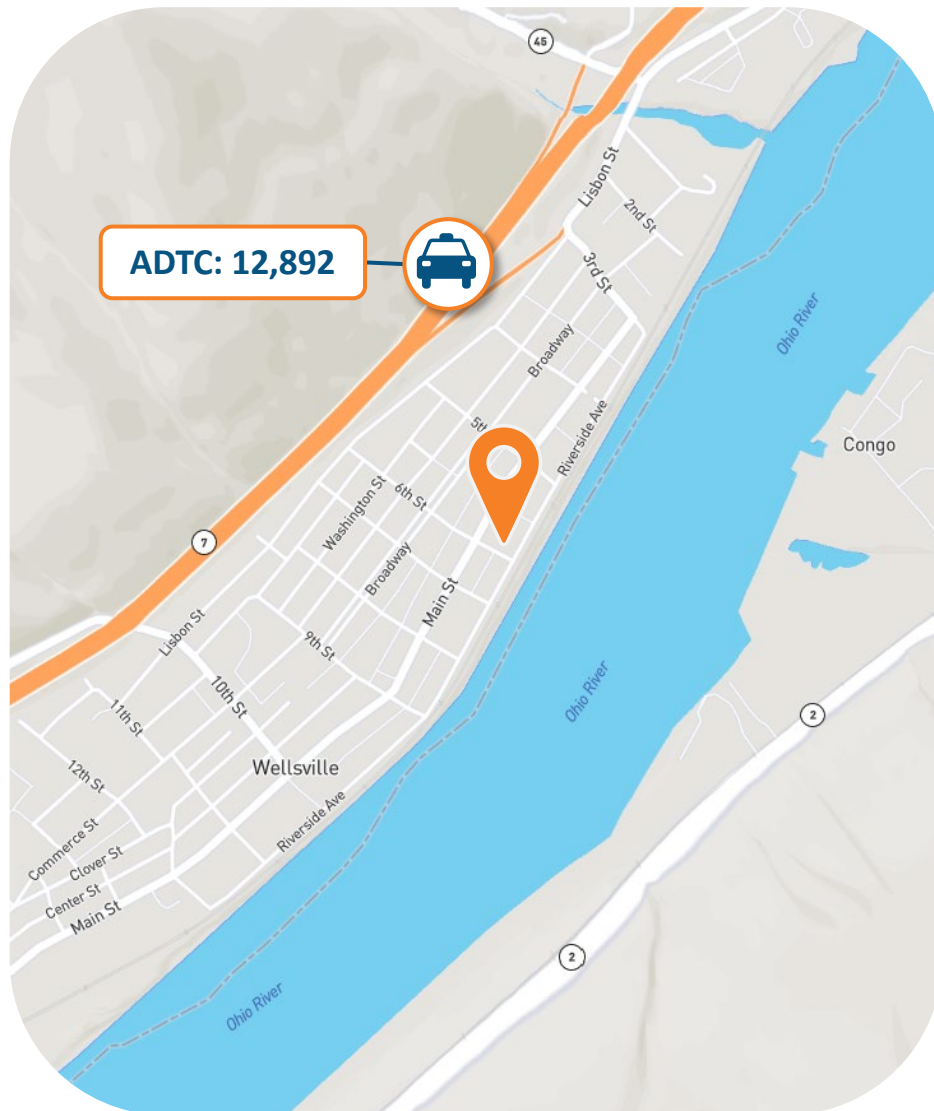
Property Address: 556 Main Street- Wellsville, OH, 43968



The Pizza Hut property is situated on 556 Main Street. State Route 7, which runs parallel to Main Street, brings 12,892 vehicles into the immediate area on average daily. There are more than 26,000 individuals residing within a five-mile radius of the property and more than 54,000 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, all within close proximity of this property. Major national tenants in the area include: McDonald's, Huntington Bank, Dollar General, Marathon, Rite Aid, BP and others. This Pizza Hut also benefits from its close proximity to Westville Junior and Senior High School, Garfield Elementary and Daw Elementary School. These institutions serve a combined total of nearly 1,000 students.

Wellsville is a village in Columbiana County, Ohio, United States, along the Ohio River. Wellsville is the southernmost point of the Salem, OH Micropolitan Statistical Area, as well as the greater Mahoning Valley, although it is more connected to the Upper Ohio Valley. In its heyday, Wellsville was home to industries in transportation, both through rail terminals on the Pennsylvania Railroad and docks on the Ohio River, as well as pottery and ceramics manufacturing.







# Property Photos







# Surrounding Area Photos







# Local Map

Property Address: 556 Main Street- Wellsville, OH, 43968



Akron Canton Airport (CAK)



Wellsville









# Demographics

Property Address: 556 Main Street- Wellsville, OH, 43968



**3 Miles 5 Miles 10 Miles**

## POPULATION TRENDS

2010 Population	8,370	27,777	57,818
2021 Population	8,090	26,912	54,780
2026 Population Projection	7,984	26,579	53,814

## POPULATION BY RACE (2021)

White	7,550	25,425	52,101
Black	304	707	1,231
American Indian/Alaskan Native	11	45	121
Asian	32	87	206
Hawaiian & Pacific Islander	1	3	23
Two or More Races	192	644	1,098
Hispanic Origin	122	397	722

## HOUSEHOLD TRENDS

2010 Households	3,516	11,700	24,053
2021 Households	3,390	11,314	22,744
2026 Household Projection	3,341	11,167	22,329

## Avg Household Income

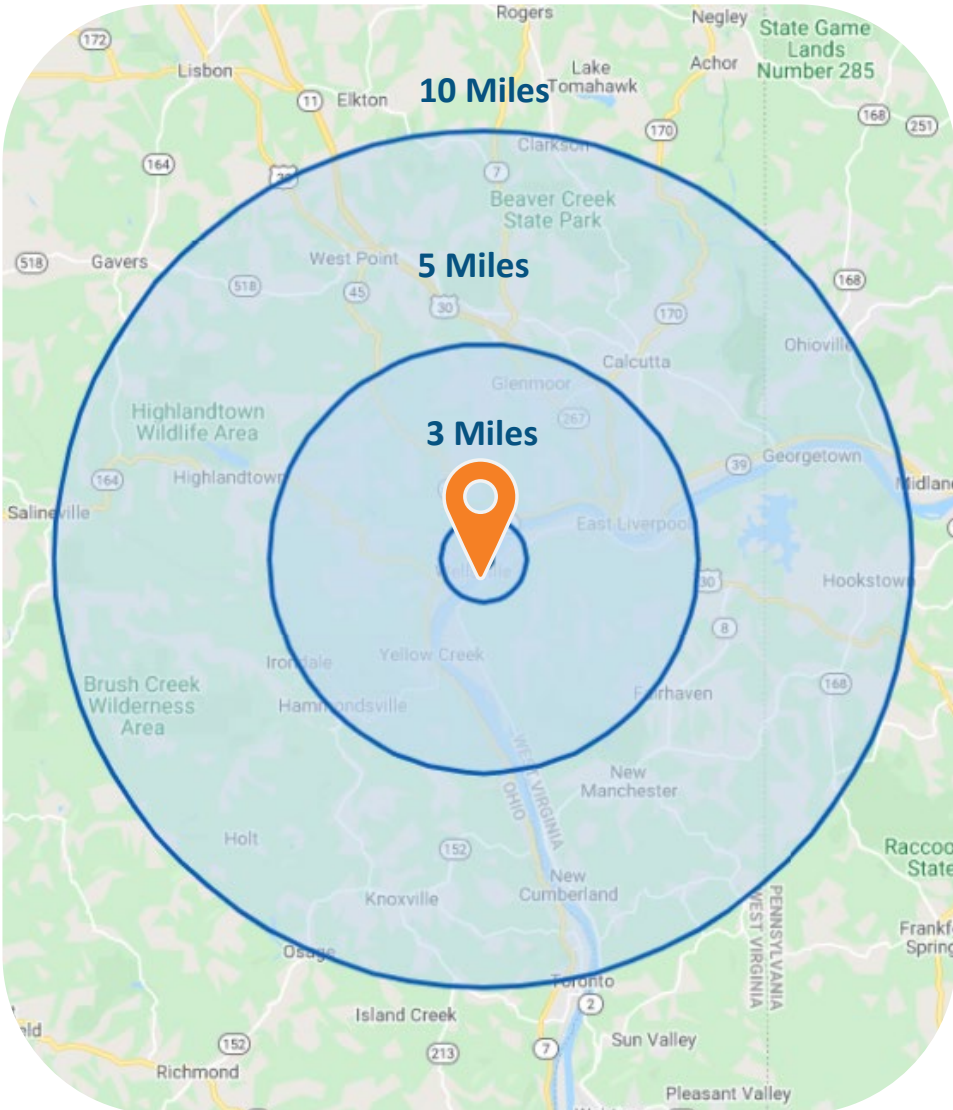
\$48,266	\$51,544	\$58,625
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## Median Household Income

\$39,930	\$43,242	\$48,197
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## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	1,123	3,569	6,057
\$25,000 - 50,000	901	2,900	5,763
\$50,000 - 75,000	709	2,304	4,497
\$75,000 - 100,000	276	1,225	2,792
\$100,000 - 125,000	289	784	2,028
\$125,000 - 150,000	56	319	801
\$150,000 - 200,000	27	160	565
\$200,000+	8	55	243





# Market Overview

Property Address: 556 Main Street- Wellsville, OH, 43968



**Akron** is the fifth-largest city in the U.S. state of Ohio and is the county seat of Summit County. It is located on the western edge of the Glaciated Allegheny Plateau, about 40 miles south of downtown Cleveland. The Greater Akron area, covering Summit and Portage counties, had an estimated population of 703,505.

A long history of rubber and tire manufacturing, carried on today by The Goodyear Tire & Rubber Company, gave Akron the nickname "Rubber Capital of the World." It was once known as a center of airship development. Today, its economy includes manufacturing, education, healthcare, and biomedical research; leading corporations include Gojo Industries, FirstEnergy, Huntington Bank, and Charter Spectrum. Akron is a world-renowned center of polymer research and development. The Polymer Science Institute of the University of Akron has made the US an international leader in education in the polymer field. More than 35,000 people in the Akron area are employed in approximately 400 polymer-related companies. Akron has won economic awards such as for City Livability and All-American City and deemed a high-tech haven greatly contributing to the Information Age.

Akron is the home of the National Inventor's Hall of Fame and Inventure Place – an interactive museum of invention, the All-American Soap Box Derby, Alcoholics Anonymous, oatmeal, artificial fishing bait, the World Championship - Bridgestone Invitational golf tournament, and Stan Hywet Hall - one of the finest examples of Tudor Revival architecture in America. Akron is also home to the Ohio Ballet, The Akron Symphony Orchestra, and E.J. Thomas Performing Arts Hall, which brings Broadway plays and many world-famous entertainers to the city. World-class performances events include Broadway musicals, ballets, comedies, lectures, entertainers, attracting 400,000 visitors annually. It is also home to the Akron Rubberducks, the Cleveland Indians AA baseball team. Canal Park is the new state-of-the-art baseball stadium on Main Street in downtown Akron. The historic Ohio & Erie Canalway runs just beyond center field. It has been developed to provide a scenic area that includes a bike and hike trail and picnic area for the enjoyment of residents and visitors.



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# Marcus & Millichap

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