

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



7999 State Street - Garrettsville, OH 44231

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Investment Highlights

PRICE: \$1,140,131 | CAP: 5.00% | RENT: \$57,007



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 | Rite Aid, Save a Lot, Ace Hardware, Huntington Bank, Advance Auto Parts, McDonald's, Subway, Dairy Queen And More
- ✓ Centrally Located in Downtown Garrettsville
- ✓ Strong Demographics | Average Annual Household Income Exceeds \$70,000 Within a Three-Mile Radius 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: \$1,140,131 | CAP: 5.00% | RENT: \$57,007



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	7999 State St
City, State ZIP	Garrettsville, OH 44231
Building Size (SF)	3,679
Lot Size (AC)	0.71
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,140,131
CAP Rate	5.00%
Annual Rent	\$57,007

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	\$57,007	\$4,751	-
Year 2	3/1/2023	2/29/2024	\$57,007	\$4,751	-
Year 3	3/1/2024	2/28/2025	\$57,007	\$4,751	-
Year 4	3/1/2025	2/28/2026	\$57,007	\$4,751	-
Year 5	3/1/2026	2/28/2027	\$57,007	\$4,751	-
Year 6	3/1/2027	2/29/2028	\$57,007	\$4,751	-
Year 7	3/1/2028	2/28/2029	\$58,004	\$4,834	1.75%
Year 8	3/1/2029	2/28/2030	\$59,019	\$4,918	1.75%
Year 9	3/1/2030	2/28/2031	\$60,052	\$5,004	1.75%
Year 10	3/1/2031	2/29/2032	\$61,103	\$5,092	1.75%
Year 11	3/1/2032	2/28/2033	\$62,172	\$5,181	1.75%
Year 12	3/1/2033	2/28/2034	\$63,260	\$5,272	1.75%
Year 13	3/1/2034	2/28/2035	\$64,367	\$5,364	1.75%
Year 14	3/1/2035	2/29/2036	\$65,494	\$5,458	1.75%
Year 15	3/1/2036	2/28/2037	\$66,640	\$5,553	1.75%
Year 16	3/1/2037	2/28/2038	\$67,806	\$5,651	1.75%
Year 17	3/1/2038	2/28/2039	\$68,993	\$5,749	1.75%
Year 18	3/1/2039	2/29/2040	\$70,200	\$5,850	1.75%
Year 19	3/1/2040	2/28/2041	\$71,429	\$5,952	1.75%
Year 20	3/1/2041	2/28/2042	\$72,679	\$6,057	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 7999 State St, Garrettsville, OH 44231. The site will consist of roughly 3,679 rentable square feet of building space on estimated 0.71-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 \$57,007 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: 7999 State Street – Garrettsville, OH 44231





Location Overview

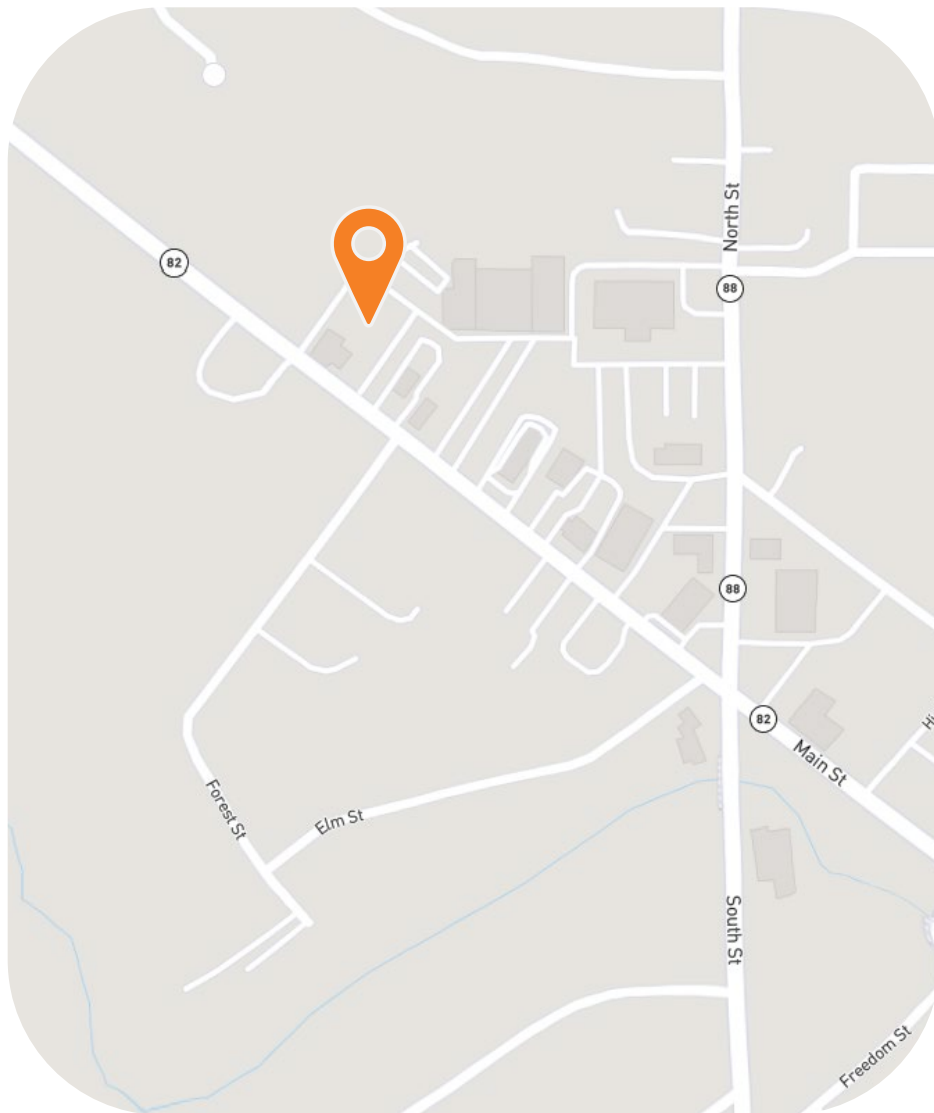
Property Address: 7999 State Street – Garretttsville, OH 44231



The Pizza Hut property is situated on State Street, which serves as the main thoroughfare through the town of Garretttsville. The property benefits from its central location in downtown Garretttsville. Average annual household income exceeds \$70,000 within a three-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 in large shopping centers all within close proximity of this property. Major national tenants in the area include: Rite Aid, Save a Lot, Ace Hardware, Huntington Bank, Advance Auto Parts, McDonald's, Subway and Dairy Queen. This Pizza Hut also benefits from its close proximity to James A Garfield High School and Middle School. Both institutions have a combined enrollment of over 670 students.

Garretttsville is a village in Portage County, Ohio. It is part of the Akron Metropolitan Statistical Area. Akron's economy includes manufacturing, education, healthcare, and biomedical research; leading corporations include Gojo Industries, FirstEnergy, Huntington Bank, and Charter Spectrum. 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. 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.





Property Photos





Surrounding Area Photos





Akron Fulton Airport (AKC)



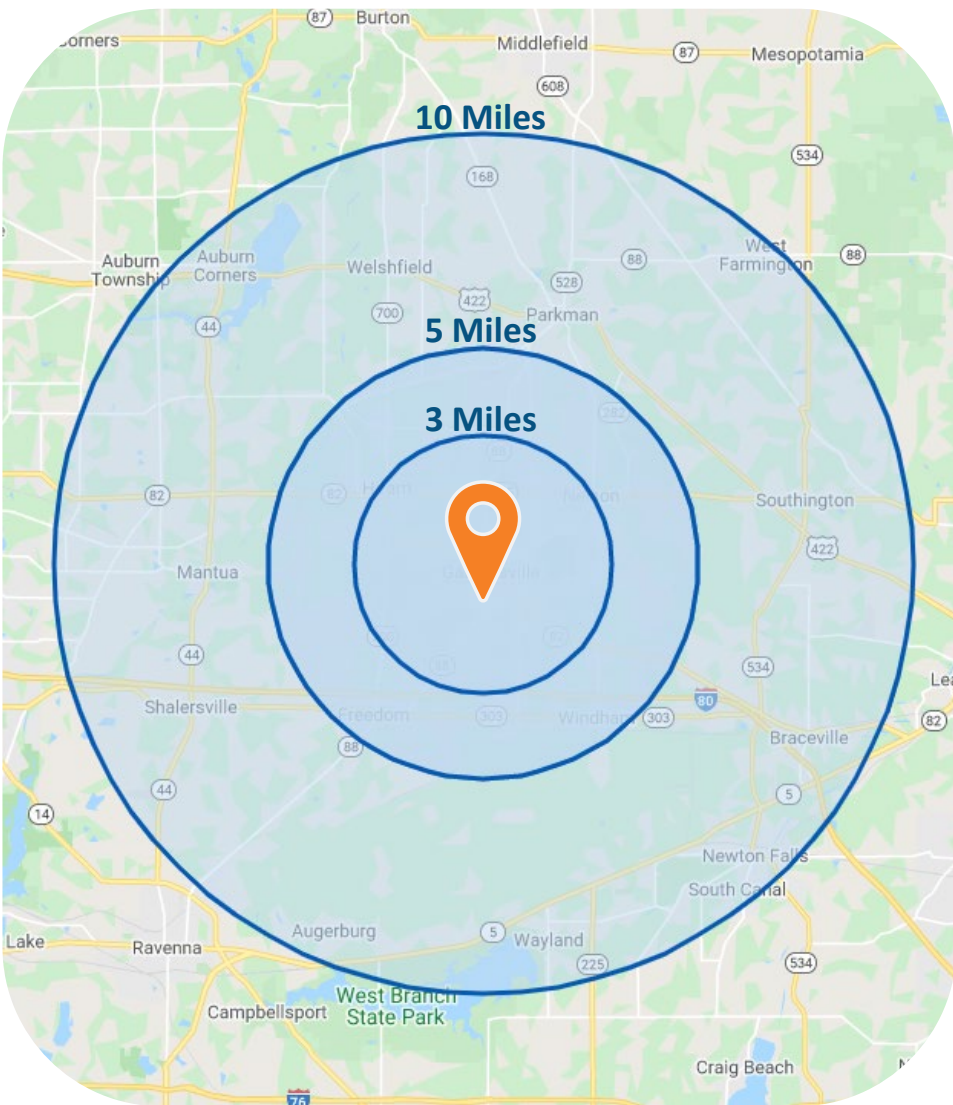


Demographics

Property Address: 7999 State Street – Garretttsville, OH 44231



3 Miles 5 Miles 10 Miles



POPULATION TRENDS

2010 Population	6,737	14,897	50,106
2021 Population	6,451	14,122	46,909
2026 Population Projection	6,404	13,992	46,274

POPULATION BY RACE (2021)

White	6,282	13,498	45,411
Black	58	283	597
American Indian/Alaskan Native	12	25	83
Asian	31	85	203
Hawaiian & Pacific Islander	2	2	7
Two or More Races	65	229	609
Hispanic Origin	79	191	610

HOUSEHOLD TRENDS

2010 Households	2,558	5,369	18,159
2021 Households	2,452	5,088	16,998
2026 Household Projection	2,435	5,041	16,764

AVERAGE HOUSEHOLD INCOME (2021)

MEDIAN HOUSEHOLD INCOME (2021)

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

<\$25,000	383	855	2,527
\$25,000 - \$50,000	680	1,521	4,594
\$50,000 - \$75,000	470	1,035	3,681
\$75,000 - \$100,000	485	845	2,505
\$100,000 - \$125,000	190	365	1,594
\$125,000 - \$150,000	88	178	763
\$150,000 - \$200,000	100	185	813
\$200,000+	56	104	518



Market Overview

Property Address: 7999 State Street – Garretttsville, OH 44231



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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EXCLUSIVE NET LEASE OFFERING



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