

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



14920 State Rt 58 South - Oberlin, OH 44074

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Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept / Tenant Overview	6
Surrounding Area	7
Location Overview	8
Property Photos	9
Surrounding Area Photos	10
Local Map	11
Regional Map	12
Demographics	13
Market Overview	14





Investment Highlights

PRICE: \$1,406,437 | CAP: 5.00% | RENT: \$70,322



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

- ✓ Strategic Asset Positioning | Property is Located at the Hard Corner of a Four-Way, Signalized Intersection
- ✓ Positioned in Strong Retail Artery | Walmart, Goodwill, Dollar Tree, Advance Auto Parts, Marathon, Wendy's And More
- ✓ Two Miles From Oberlin College | Over 2,900 Students
- ✓ Affluent Suburban Community | Average Annual Household Income Exceeds \$79,000 within a Five-Mile Radius of the Subject Property
- ✓ Strong Traffic Counts | Over 14,000 Vehicles Per Day Along State Route 58

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: \$1,406,437 | CAP: 5.00% | RENT: \$70,322



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	14920 State Rt 58 S
City, State ZIP	Oberlin, OH 44074
Building Size (SF)	2,797
Lot Size (AC)	2.15
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,406,437
CAP Rate	5.00%
Annual Rent	\$70,322

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	\$70,322	\$5,860	-
Year 2	3/1/2023	2/29/2024	\$70,322	\$5,860	-
Year 3	3/1/2024	2/28/2025	\$70,322	\$5,860	-
Year 4	3/1/2025	2/28/2026	\$70,322	\$5,860	-
Year 5	3/1/2026	2/28/2027	\$70,322	\$5,860	-
Year 6	3/1/2027	2/29/2028	\$70,322	\$5,860	-
Year 7	3/1/2028	2/28/2029	\$71,552	\$5,963	1.75%
Year 8	3/1/2029	2/28/2030	\$72,805	\$6,067	1.75%
Year 9	3/1/2030	2/28/2031	\$74,079	\$6,173	1.75%
Year 10	3/1/2031	2/29/2032	\$75,375	\$6,281	1.75%
Year 11	3/1/2032	2/28/2033	\$76,694	\$6,391	1.75%
Year 12	3/1/2033	2/28/2034	\$78,036	\$6,503	1.75%
Year 13	3/1/2034	2/28/2035	\$79,402	\$6,617	1.75%
Year 14	3/1/2035	2/29/2036	\$80,792	\$6,733	1.75%
Year 15	3/1/2036	2/28/2037	\$82,205	\$6,850	1.75%
Year 16	3/1/2037	2/28/2038	\$83,644	\$6,970	1.75%
Year 17	3/1/2038	2/28/2039	\$85,108	\$7,092	1.75%
Year 18	3/1/2039	2/29/2040	\$86,597	\$7,216	1.75%
Year 19	3/1/2040	2/28/2041	\$88,113	\$7,343	1.75%
Year 20	3/1/2041	2/28/2042	\$89,655	\$7,471	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 14920 State Rt 58 S, Oberlin, OH 44074. The site will consist of roughly 2,797 rentable square feet of building space on estimated 2.15-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 \$70,322 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: 14920 State Rt 58 South – Oberlin, OH 44074



STATE RT 58



ADTC: 12,900

ADTC: 14,200

Lorain County
High School
1,926 Students



Location Overview

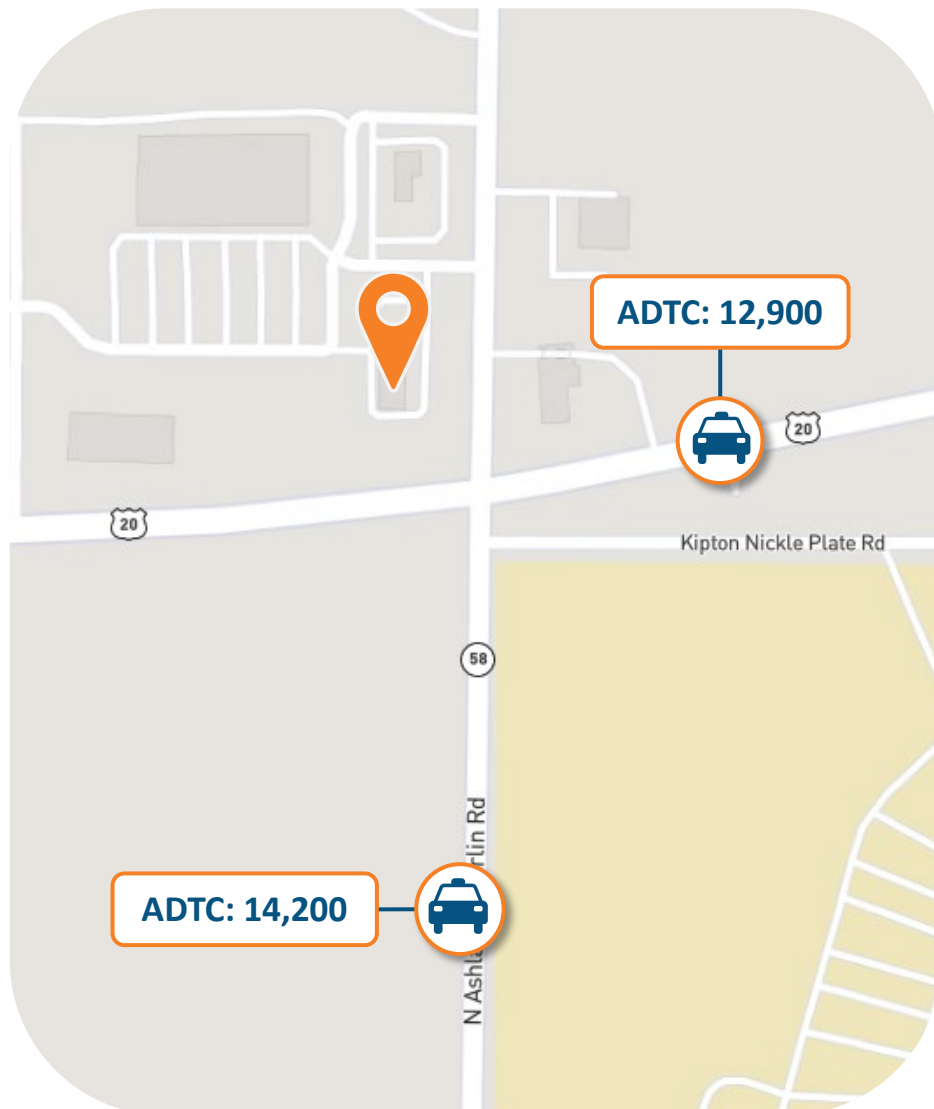
Property Address: 14920 State Rt 58 South – Oberlin, OH 44074



The Pizza Hut property is situated on the hard corner of the four-way, signalized intersection between State Route 58 and U.S. Highway 20, which boast average daily traffic counts of 14,200 and 12,900 vehicles, respectively. State Route 58 is a main thoroughfare through downtown Oberlin. Average annual household income exceeds \$79,000 for homes within a five-mile radius of the subject property.

The subject property benefits from being well-positioned in a busy shopping center with several retail tenants and schools nearby. Major national tenants in the area include: Walmart, Goodwill, Dollar Tree, Advance Auto Parts, Marathon, and Wendy's. This Pizza Hut also benefits from its close proximity to several academic institutions. Lorain County Highschool is across the intersection from the subject property and has a total enrollment of 1,926 students. Oberlin College is approximately two miles from the subject property and has an undergraduate enrollment of 2,978 students.

Oberlin is a city in Lorain County, Ohio, 31 miles southwest of Cleveland. Oberlin is perhaps best known for being the home of Oberlin College, a liberal arts college and music conservatory with approximately 3,000 students. The town is also the birthplace of the Anti-Saloon League. The second largest employer in Oberlin (after Oberlin College) is the Federal Aviation Administration, which houses an Air Route Traffic Control Center in the town. Cleveland Air Route Traffic Control Center is one of the most transitioned air traffic control centers in the country and oversees the airspace over six states and a small part of Canada.





Property Photos





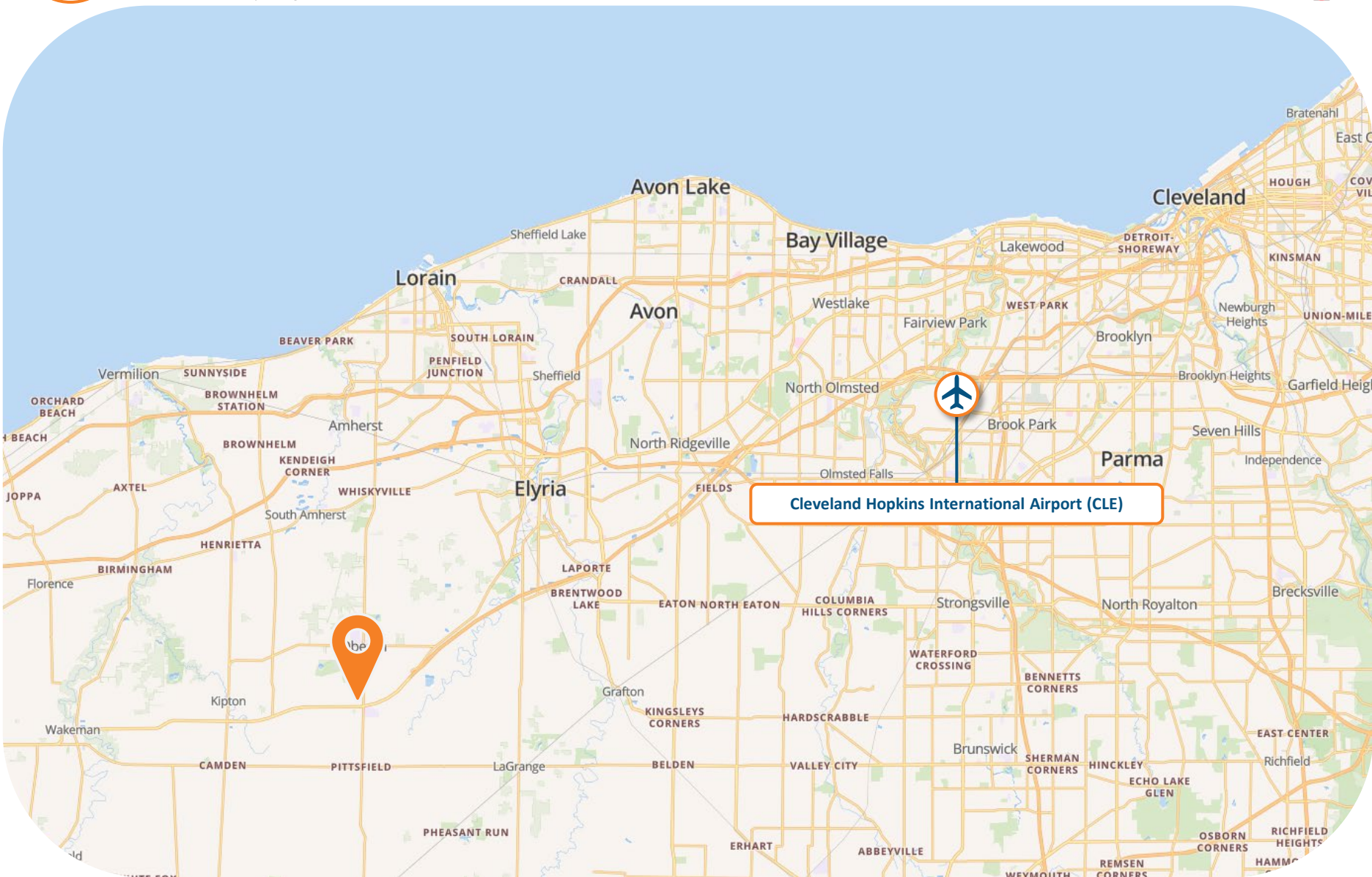
Surrounding Area Photos





Local Map

Property Address: 14920 State Rt 58 South – Oberlin, OH 44074





Regional Map

Property Address: 14920 State Rt 58 South – Oberlin, OH 44074





Demographics

Property Address: 14920 State Rt 58 South – Oberlin, OH 44074



3 Miles 5 Miles 10 Miles

POPULATION TRENDS

2010 Population	10,526	14,084	108,684
2021 Population	10,282	13,683	106,833
2026 Population Projection	10,350	13,760	107,628
Annual Growth 2021-2026	0.10%	0.10%	0.10%

POPULATION BY RACE (2021)

White	7,708	10,954	91,103
Black	1,419	1,482	10,588
American Indian/Alaskan Native	32	40	359
Asian	448	472	1,130
Hawaiian & Pacific Islander	9	10	79
Two or More Races	665	726	3,575
Hispanic Origin	649	778	5,463

HOUSEHOLD TRENDS

2010 Households	3,560	4,911	41,149
2021 Households	3,560	4,855	40,660
2026 Household Projection	3,598	4,896	40,997
Growth 2010 - 2021	0.30%	0.30%	0.10%
Growth 2021 - 2026	0.20%	0.20%	0.20%

AVERAGE HOUSEHOLD INCOME (2021)

MEDIAN HOUSEHOLD INCOME (2021)

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

<\$25,000	831	998	9,103
\$25,000 - \$50,000	601	836	8,963
\$50,000 - \$75,000	665	967	7,934
\$75,000 - \$100,000	521	772	5,778
\$100,000 - \$125,000	263	390	3,476
\$125,000 - \$150,000	280	390	2,287
\$150,000 - \$200,000	231	273	1,775
\$200,000+	169	227	1,345





Market Overview

Property Address: 14920 State Rt 58 South – Oberlin, OH 44074



Cleveland is a major city in the U.S. state of Ohio, and the county seat of Cuyahoga County. It is located along the southern shore of Lake Erie, across the U.S. maritime border with Canada and approximately 60 miles west of the Ohio-Pennsylvania state border.

The largest city on Lake Erie, Cleveland anchors the Greater Cleveland Metropolitan Statistical Area (MSA) and the Cleveland–Akron–Canton Combined Statistical Area (CSA). The CSA is the most populous combined statistical area in Ohio and the 18th largest in the United States.

Cleveland's location on the Cuyahoga River and Lake Erie has been key to its growth. The Ohio and Erie Canal coupled with rail links helped the city become an important business center. Steel and many other manufactured goods emerged as leading industries. The city has since diversified its economy in addition to its manufacturing sector. The city's economy relies on diversified sectors such as manufacturing, financial services, healthcare, biomedical, and higher education. The city is also home to the corporate headquarters of many large companies such as Aleris, American Greetings, Applied Industrial Technologies, Mettler Toledo, Cleveland-Cliffs, Inc., Parker Hannifin, Eaton, Forest City Enterprises, Heinen's Fine Foods, and many more.

Cleveland's current major professional sports teams include the Cleveland Guardians (Major League Baseball), Cleveland Browns (National Football League), and Cleveland Cavaliers (National Basketball Association), and the Cleveland Crunch (Major Arena Soccer League). Local sporting facilities include Progressive Field, FirstEnergy Stadium, Rocket Mortgage FieldHouse, and the Wolstein Center. Other professional teams in the city include the Cleveland Fusion of the Women's Football Alliance and Cleveland SC of the National Premier Soccer League.

Designated as a "Gamma -" global city by the Globalization and World Cities Research Network, the city's major cultural institutions include the Cleveland Museum of Art, the Cleveland Museum of Natural History, the Cleveland Orchestra, Playhouse Square, and the Rock and Roll Hall of Fame. Known as "The Forest City" among many other nicknames, Cleveland serves as the center of the Cleveland Metroparks nature reserve system. Cleveland is known for its beautiful parklands, vibrant art and culture scene, musical history, and Cleveland Clinic medical center.

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