

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET LEASE OFFERING



OFFERING MEMORANDUM



925 West Maple St - Hartville, OH 44632

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Investment Highlights

PRICE: \$936,622 | CAP: 5.00% | RENT: \$46,831



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 | CVS Pharmacy, Giant Eagle, Pet Supplies Plus, Aldi, Dollar General, Marc's, O'Reilly Auto Parts, AutoZone, Comfort Inn, Ford, Chevrolet, Wendy's And More
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$92,000 for Homes within Five Miles of the Subject Property
- ✓ 13 Miles From Downtown Canton
- ✓ Strong Demographics | Population Exceeds 46,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 9,000 Vehicles Per Day Along West Maple Street

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: \$936,622 | CAP: 5.00% | RENT: \$46,831



PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	925 West Maple St
City, State ZIP	Hartville, OH 44632
Building Size (SF)	2,788
Lot Size (AC)	1.21
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$936,622
CAP Rate	5.00%
Annual Rent	\$46,831

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	\$46,831	\$3,903	-
Year 2	3/1/2023	2/29/2024	\$46,831	\$3,903	-
Year 3	3/1/2024	2/28/2025	\$46,831	\$3,903	-
Year 4	3/1/2025	2/28/2026	\$46,831	\$3,903	-
Year 5	3/1/2026	2/28/2027	\$46,831	\$3,903	-
Year 6	3/1/2027	2/29/2028	\$46,831	\$3,903	-
Year 7	3/1/2028	2/28/2029	\$47,651	\$3,971	1.75%
Year 8	3/1/2029	2/28/2030	\$48,485	\$4,040	1.75%
Year 9	3/1/2030	2/28/2031	\$49,333	\$4,111	1.75%
Year 10	3/1/2031	2/29/2032	\$50,196	\$4,183	1.75%
Year 11	3/1/2032	2/28/2033	\$51,075	\$4,256	1.75%
Year 12	3/1/2033	2/28/2034	\$51,969	\$4,331	1.75%
Year 13	3/1/2034	2/28/2035	\$52,878	\$4,407	1.75%
Year 14	3/1/2035	2/29/2036	\$53,803	\$4,484	1.75%
Year 15	3/1/2036	2/28/2037	\$54,745	\$4,562	1.75%
Year 16	3/1/2037	2/28/2038	\$55,703	\$4,642	1.75%
Year 17	3/1/2038	2/28/2039	\$56,678	\$4,723	1.75%
Year 18	3/1/2039	2/29/2040	\$57,670	\$4,806	1.75%
Year 19	3/1/2040	2/28/2041	\$58,679	\$4,890	1.75%
Year 20	3/1/2041	2/28/2042	\$59,706	\$4,975	1.75%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 925 West Maple St, Hartville, OH 44632. The site will consist of roughly 2,788 rentable square feet of building space on estimated 1.21-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 \$46,831 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 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+

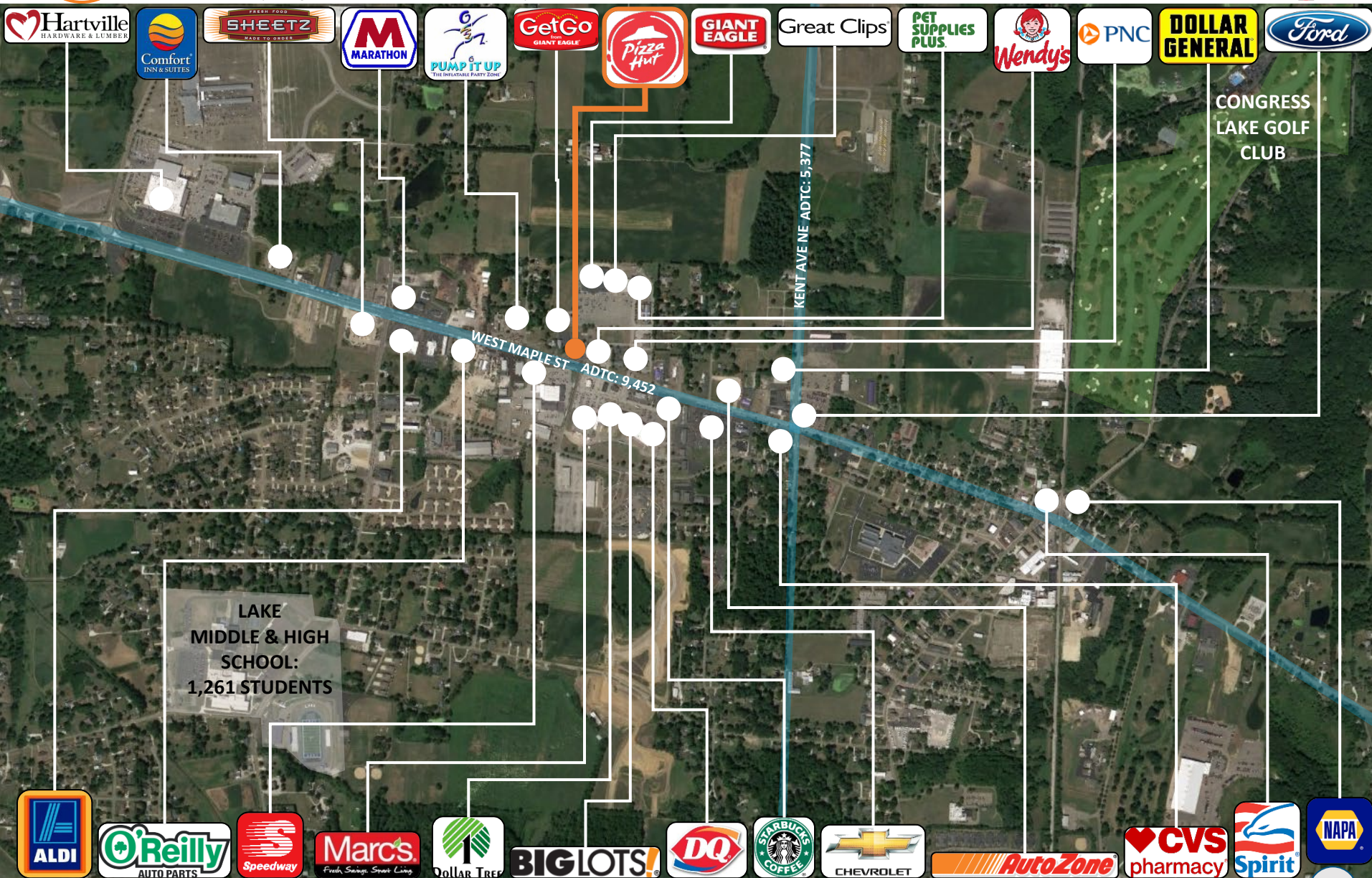


Representative Photo



Surrounding Area

Property Address: 925 West Maple St - Hartville, OH 44632





Location Overview

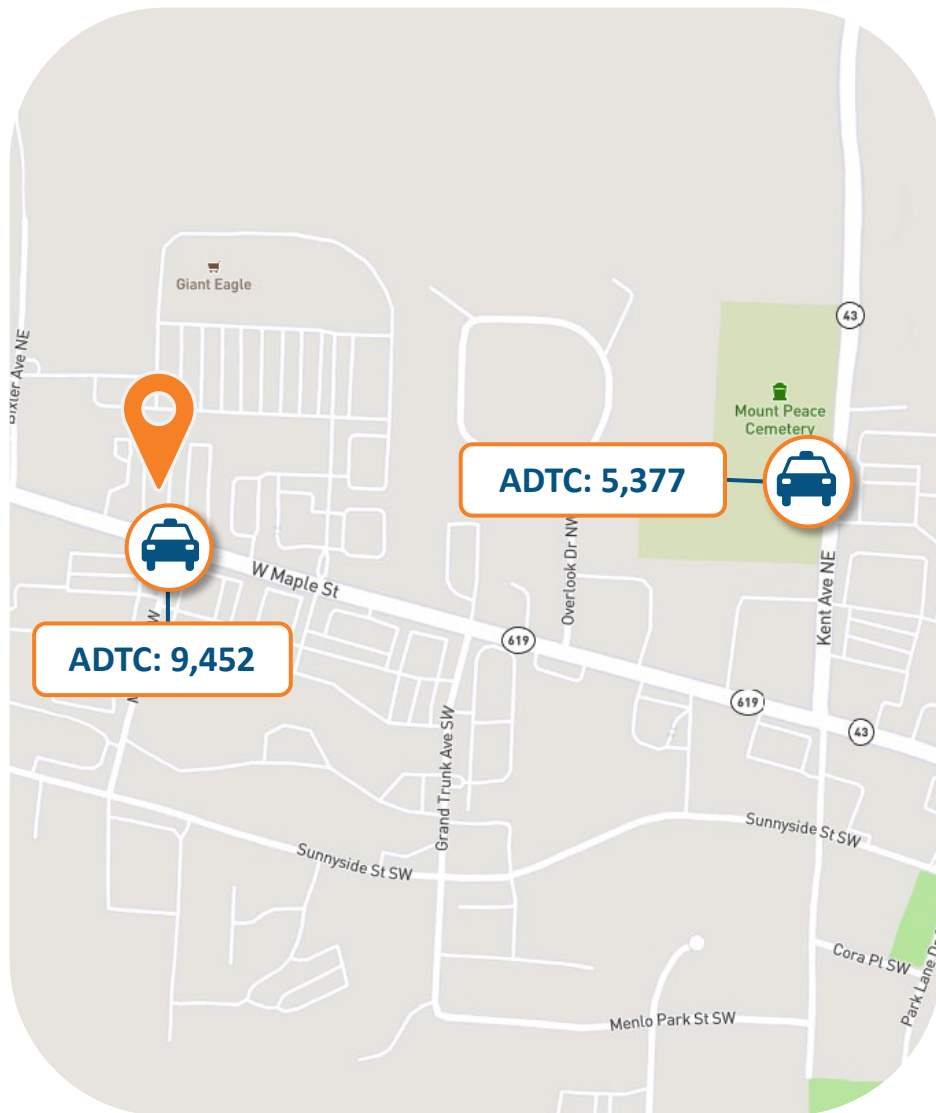
Property Address: 925 West Maple St - Hartville, OH 44632



The Pizza Hut property is situated on West Maple Street, which boasts average daily traffic counts of 9,452 vehicles. West Maple Street intersects with Kent Avenue Northeast less than a mile from the subject property, which brings an additional 5,377 vehicles into the immediate area on average daily. There are more than 16,453 individuals residing within a three-mile radius of the property and more than 46,072 individuals within a five-mile radius.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants and large shopping centers all within close proximity of this property. Major tenants in the area include: CVS Pharmacy, Giant Eagle, Pet Supplies Plus, Aldi, Dollar General, Marc's, O'Reilly Auto Parts, AutoZone, Comfort Inn, Ford, Chevrolet, Wendy's and Starbucks. This Pizza Hut also benefits from its close proximity to Lake High School and Middle School, which have a total combined enrollment of 1,261 students.

Hartville is a village in Stark County, Ohio, United States. Hartville lies halfway between Akron and Canton, at the intersection of two main roads, State Routes 43 and 619. Hartville offers beautiful scenery, history, and a unique variety of shopping, dining, and outdoor adventure. It is part of the Canton-Massillon, OH Metropolitan Statistical Area, about 13 miles north of Downtown Canton. Canton is chiefly notable for being the home of the Pro Football Hall of Fame and the birthplace of the National Football League. Beginning in 2015, Canton began experiencing an urban renaissance, anchored by its growing and thriving arts district centrally located in the downtown area.





Property Photos





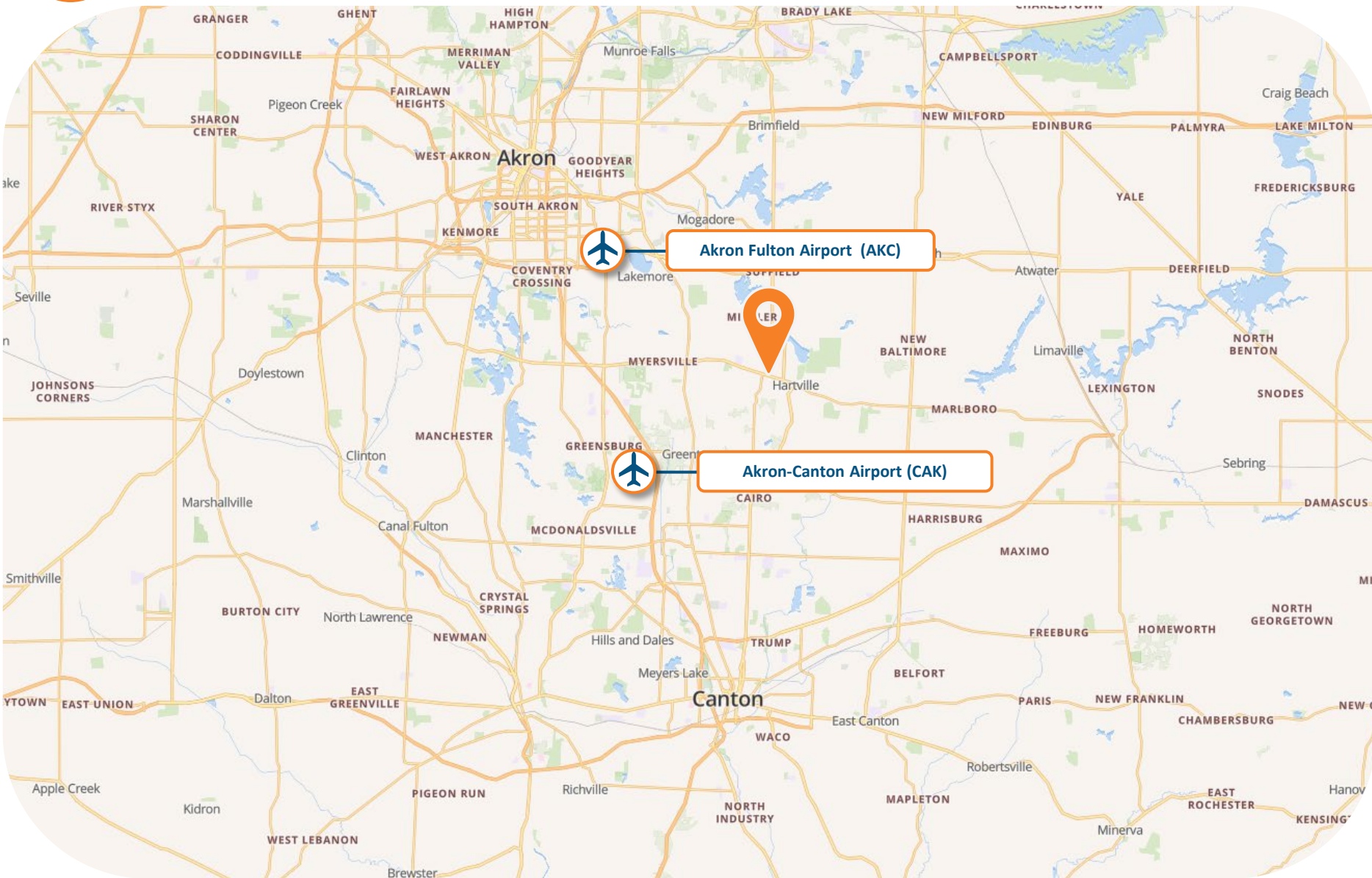
Surrounding Area Photos





Local Map

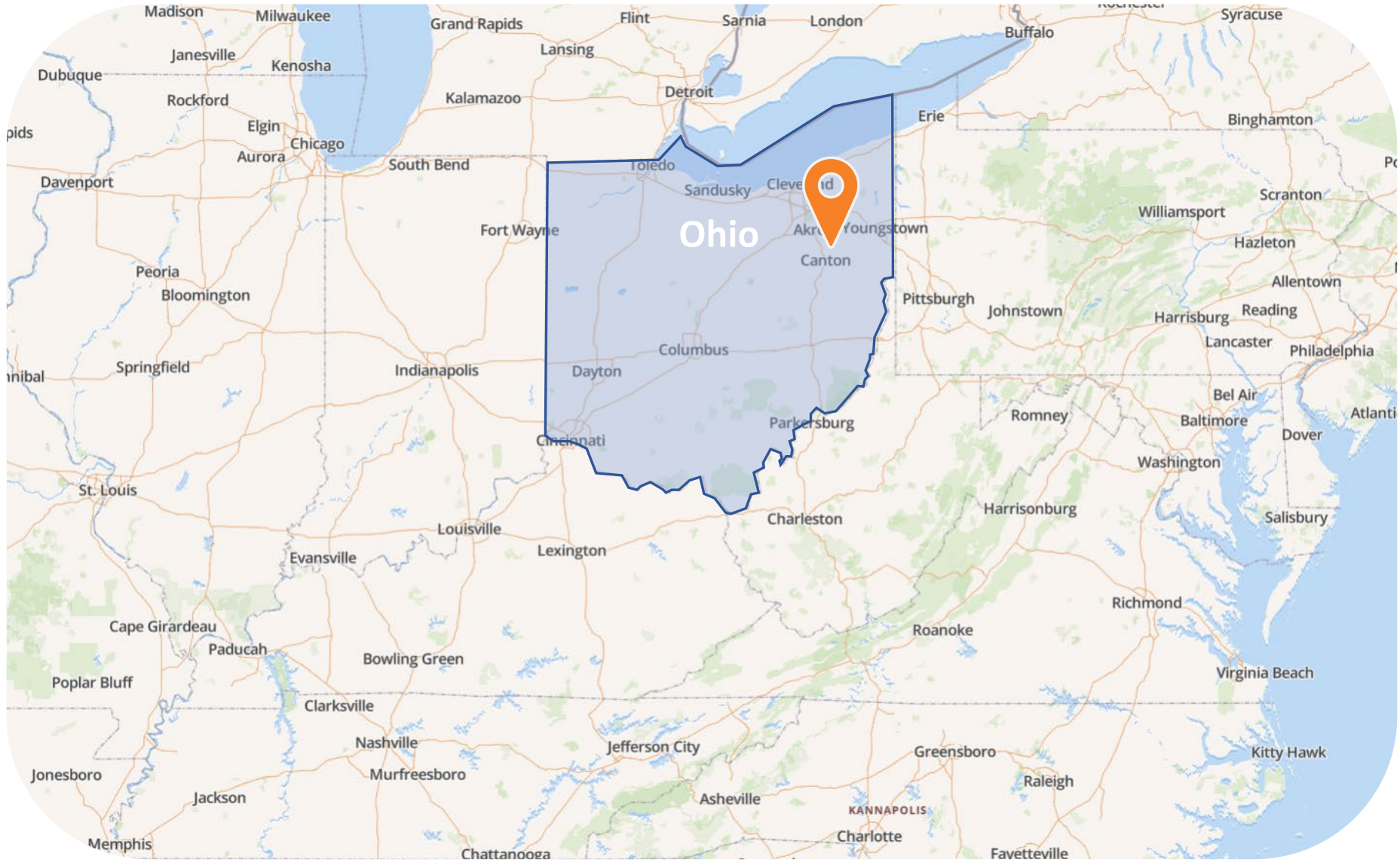
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Regional Map

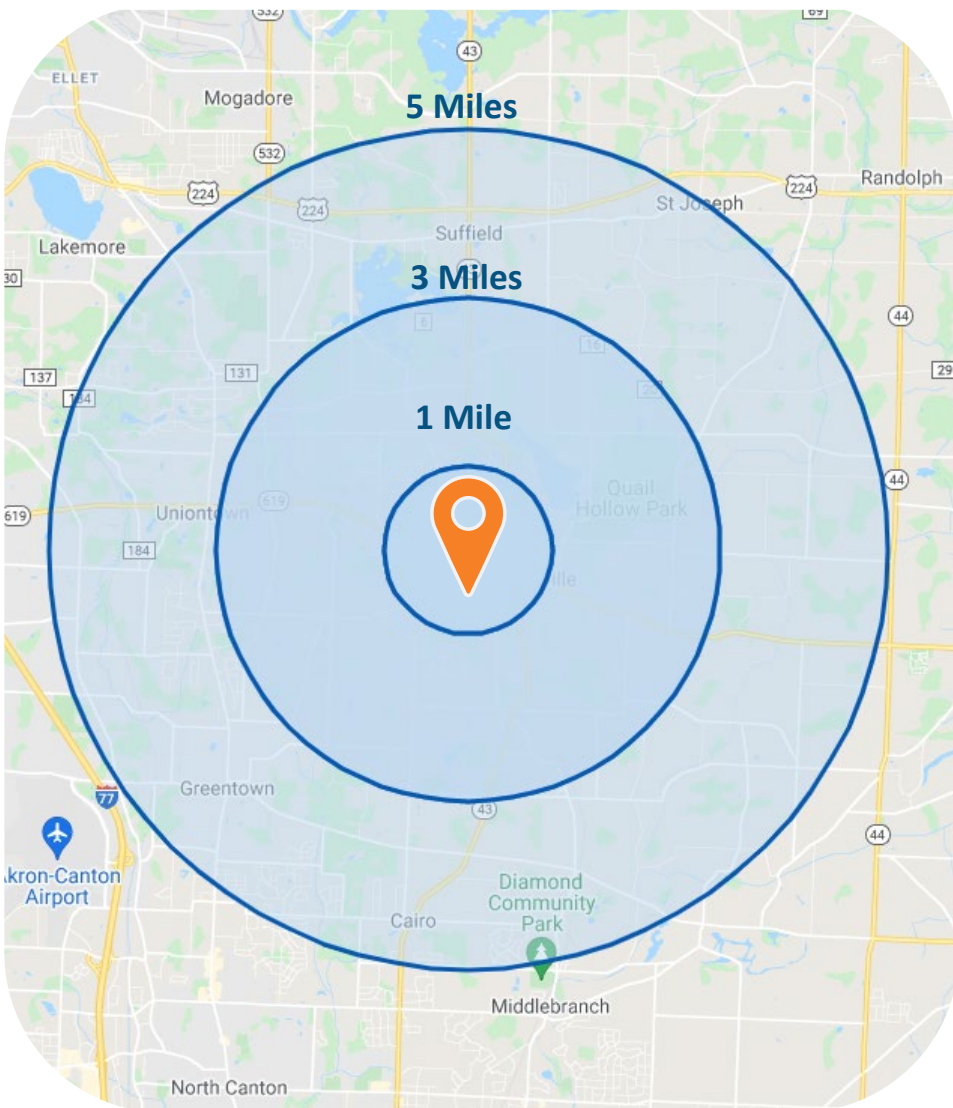
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Demographics

Property Address: 925 West Maple St - Hartville, OH 44632



POPULATION TRENDS

2010 Population	2,934	16,498	46,769
2021 Population	2,998	16,453	46,072
2026 Population Projection	3,000	16,394	45,834

POPULATION BY RACE (2021)

White	2,900	16,027	44,354
Black	22	105	534
American Indian/Alaskan Native	5	23	72
Asian	23	99	480
Hawaiian & Pacific Islander	1	4	17
Two or More Races	48	195	614
Hispanic Origin	30	191	706

HOUSEHOLD TRENDS

2010 Households	1,095	5,998	17,489
2021 Households	1,118	5,976	17,189
2026 Household Projection	1,117	5,951	17,091
Growth 2010 - 2021	0.40%	0.20%	0.10%

AVERAGE HOUSEHOLD INCOME (2021)

MEDIAN HOUSEHOLD INCOME (2021)

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	150	607	1,924
\$25,000 - 50,000	272	1,243	3,369
\$50,000 - 75,000	222	1,201	3,127
\$75,000 - 100,000	147	791	2,362
\$100,000 - 125,000	153	1,011	2,765
\$125,000 - 150,000	57	469	1,378
\$150,000 - 200,000	48	374	1,261
\$200,000+	70	279	1,004



Market Overview

Property Address: 925 West Maple St - Hartville, OH 44632



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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