

PIZZA HUT

20-Year NNN Lease

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



4118 State Rt 43 - Brimfield Twp., OH 44240

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Investment Highlights

PRICE: \$1,029,913 | CAP: 5.00% | RENT: \$51,496



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 | Walmart, Menard's, Lowe's, Marshalls, Kohl's, Dollar General, Meijer, Petco, Dollar Tree, Five Below, McDonald's, Circle K, Wendy's And More
- ✓ Less Than 15-Minutes From Downtown Akron
- ✓ Strong Demographics | Population Exceeds 71,370 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 19,000 And 56,530 Vehicles Per Day Along Ohio State Route 43 And Interstate 76, Respectively

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: \$1,029,913 | CAP: 5.00% | RENT: \$51,496



PROPERTY DESCRIPTION

| | |
|--------------------|--------------------------|
| Property | Pizza Hut |
| Property Address | 4118 State Rt 43 |
| City, State ZIP | Brimfield Twp., OH 44240 |
| Building Size (SF) | 4,035 |
| Lot Size (AC) | 1.99 |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$1,029,913 |
| CAP Rate | 5.00% |
| Annual Rent | \$51,496 |

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 | \$51,496 | \$4,291 | - |
| Year 2 | 3/1/2023 | 2/29/2024 | \$51,496 | \$4,291 | - |
| Year 3 | 3/1/2024 | 2/28/2025 | \$51,496 | \$4,291 | - |
| Year 4 | 3/1/2025 | 2/28/2026 | \$51,496 | \$4,291 | - |
| Year 5 | 3/1/2026 | 2/28/2027 | \$51,496 | \$4,291 | - |
| Year 6 | 3/1/2027 | 2/29/2028 | \$51,496 | \$4,291 | - |
| Year 7 | 3/1/2028 | 2/28/2029 | \$52,397 | \$4,366 | 1.75% |
| Year 8 | 3/1/2029 | 2/28/2030 | \$53,314 | \$4,443 | 1.75% |
| Year 9 | 3/1/2030 | 2/28/2031 | \$54,247 | \$4,521 | 1.75% |
| Year 10 | 3/1/2031 | 2/29/2032 | \$55,196 | \$4,600 | 1.75% |
| Year 11 | 3/1/2032 | 2/28/2033 | \$56,162 | \$4,680 | 1.75% |
| Year 12 | 3/1/2033 | 2/28/2034 | \$57,145 | \$4,762 | 1.75% |
| Year 13 | 3/1/2034 | 2/28/2035 | \$58,145 | \$4,845 | 1.75% |
| Year 14 | 3/1/2035 | 2/29/2036 | \$59,162 | \$4,930 | 1.75% |
| Year 15 | 3/1/2036 | 2/28/2037 | \$60,198 | \$5,016 | 1.75% |
| Year 16 | 3/1/2037 | 2/28/2038 | \$61,251 | \$5,104 | 1.75% |
| Year 17 | 3/1/2038 | 2/28/2039 | \$62,323 | \$5,194 | 1.75% |
| Year 18 | 3/1/2039 | 2/29/2040 | \$63,414 | \$5,284 | 1.75% |
| Year 19 | 3/1/2040 | 2/28/2041 | \$64,523 | \$5,377 | 1.75% |
| Year 20 | 3/1/2041 | 2/28/2042 | \$65,653 | \$5,471 | 1.75% |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the Pizza Hut located at 4118 State Rt 43, Brimfield Twp., OH 44240. The site will consist of roughly 4,035 rentable square feet of building space on estimated 1.99-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 \$51,496 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+ |

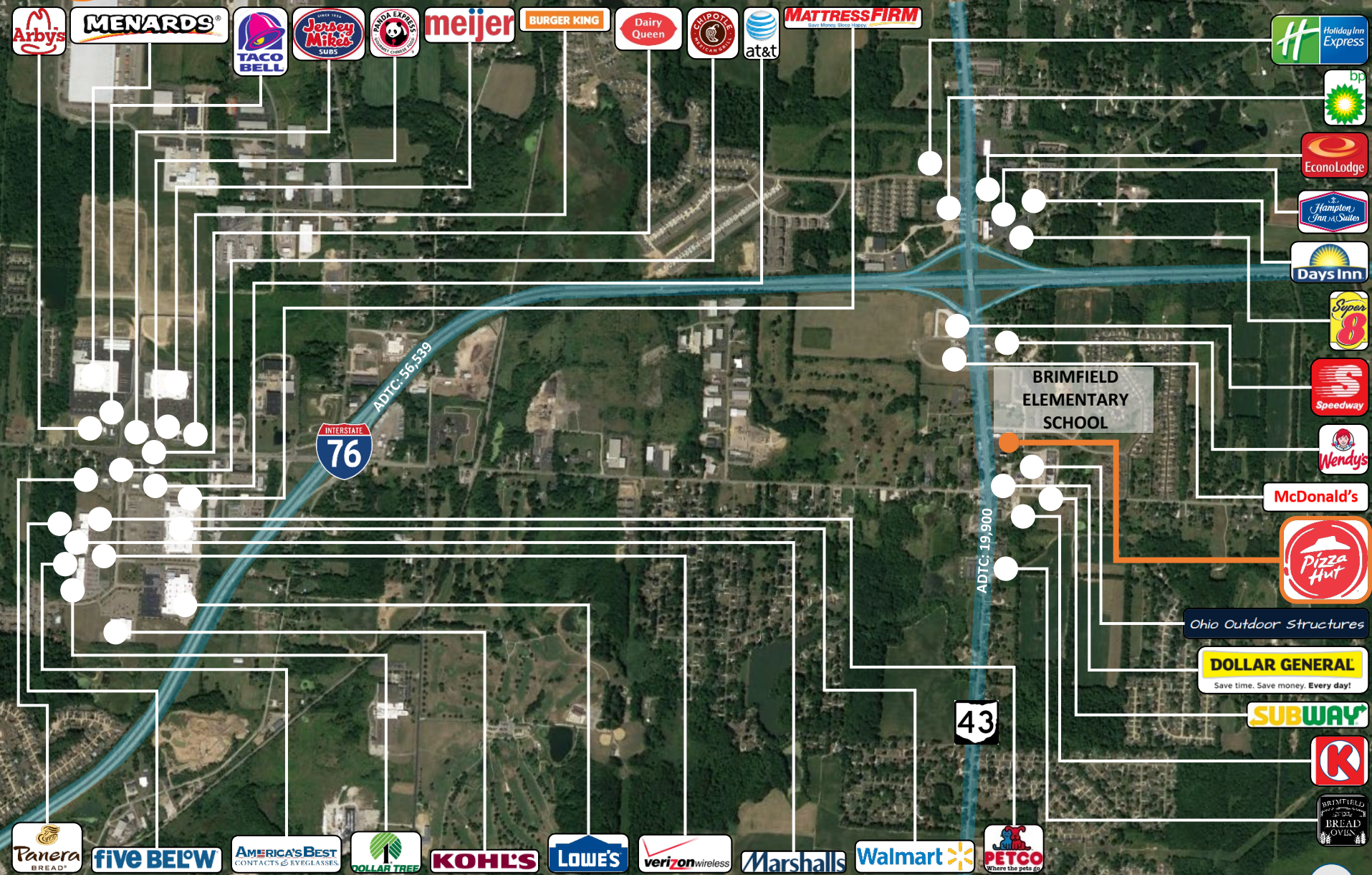


Representative Photo



Surrounding Area

Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240





Location Overview

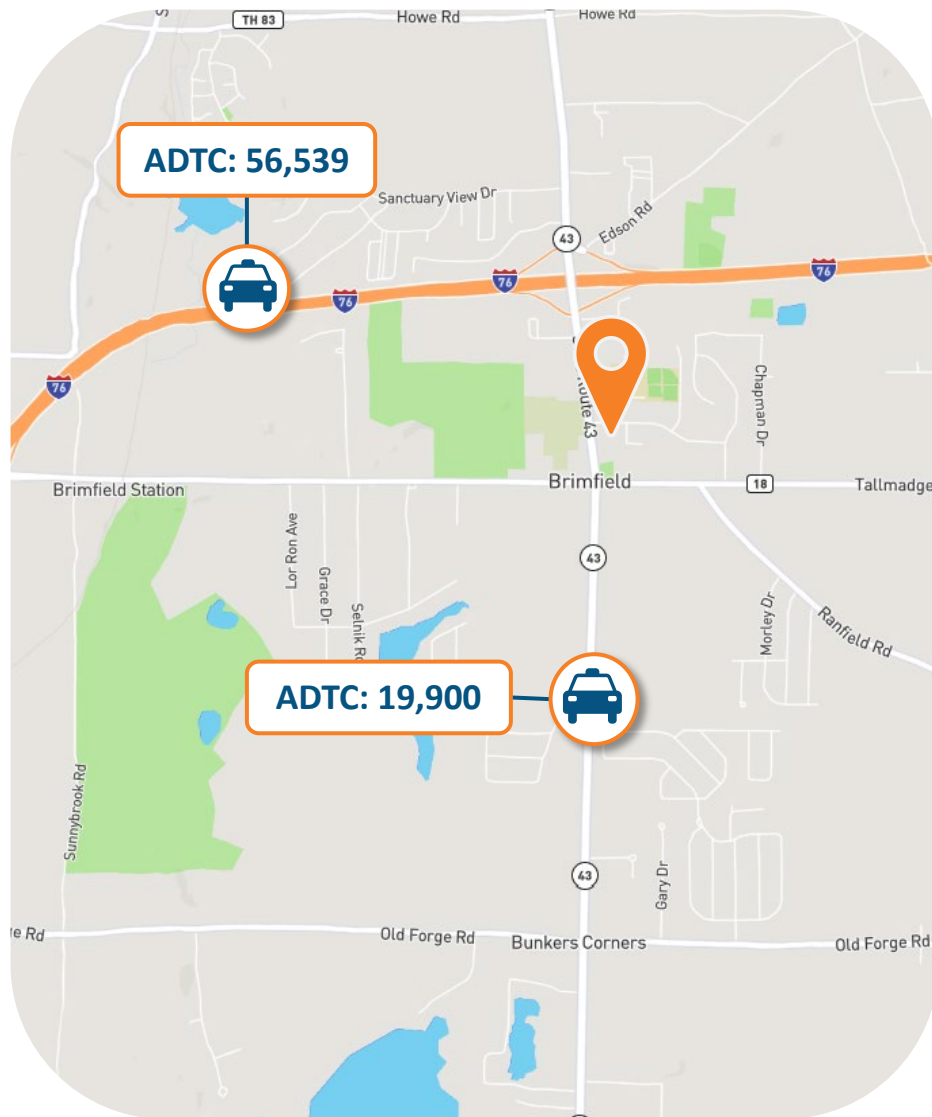
Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240



The Pizza Hut property is situated on Ohio State Route 43, which boasts average daily traffic counts of 19,900 vehicles. Ohio State Route 43 intersects with Interstate 76 less than a half mile from the subject property, which brings an additional 56,539 vehicles into the immediate area on average daily. There are more than 19,050 individuals residing within a three-mile radius of the property and more than 71,370 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, large shopping centers, and malls, all within close proximity of this property. Major national tenants in the area include: Walmart, Menard's, Lowe's, Marshalls, Kohl's, Dollar General, Meijer, Petco, Dollar Tree, Five Below, McDonald's, Circle K, and Wendy's. This Pizza Hut also benefits from its location neighboring Brimfield Elementary School. Brimfield Elementary School enrolls a total of 540 students.

Brimfield is a census-designated place (CDP) in Portage County, Ohio, United States. Brimfield is part of the Akron Metropolitan Statistical Area. It is located in the central part of Brimfield Township (of which it is a part), a rural area between the Ohio cities of Akron and Kent with light industry, strip-malls, subdivisions, and farms. The township is named after the town of Brimfield, Massachusetts, and is the only Brimfield Township in Ohio. It was formed from survey township Town 2, Range 9 of the Connecticut Western Reserve. It is a rapidly expanding community dedicated to maintaining its rural identity, preserving its heritage and balancing its growth.





Property Photos





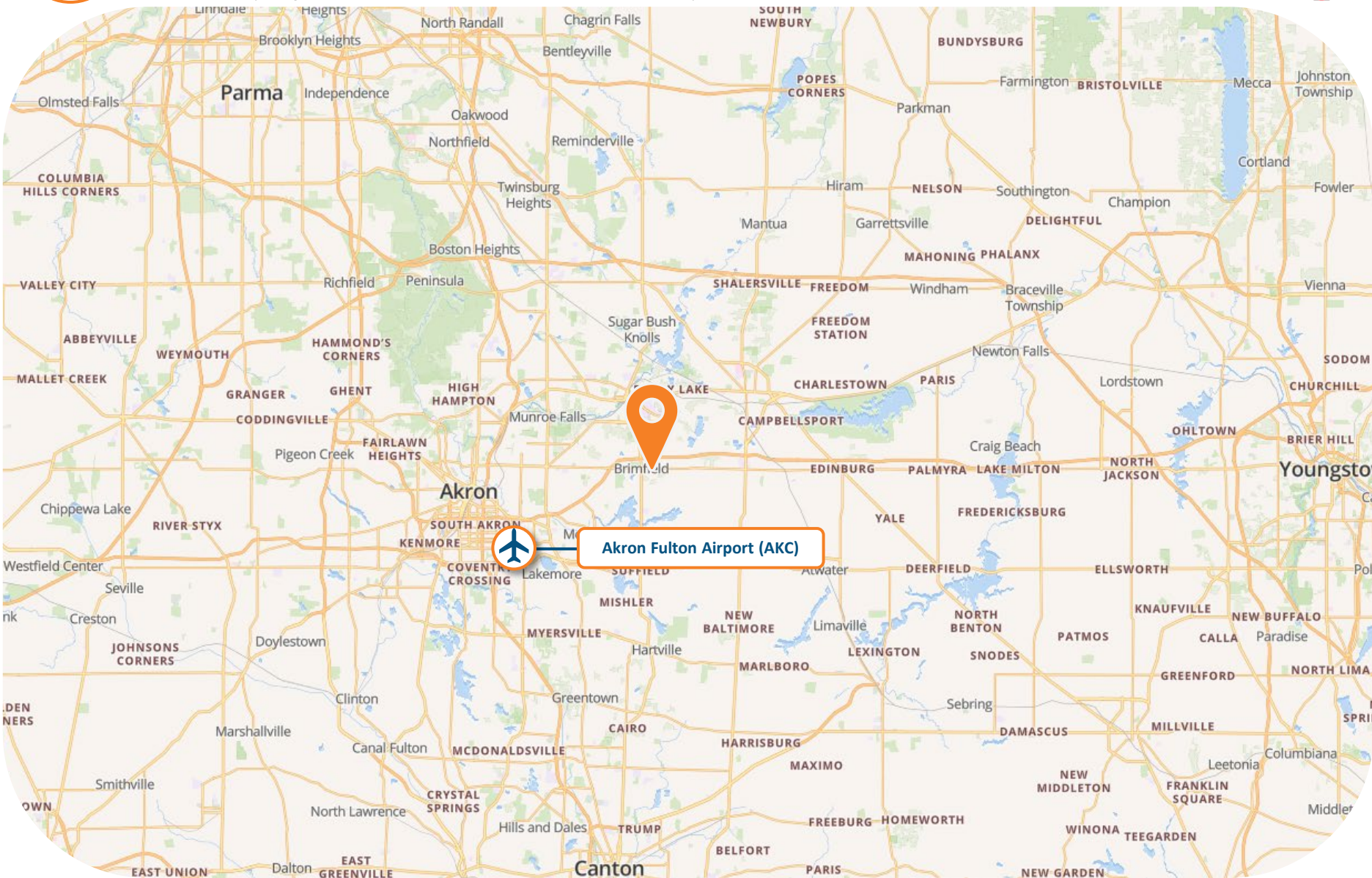
Surrounding Area Photos





Local Map

Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240





Regional Map

Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240





Demographics

Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240



1 Mile 3 Miles 5 Miles

POPULATION TRENDS

| | | | |
|----------------------------|-------|--------|--------|
| 2010 Population | 3,576 | 17,641 | 68,925 |
| 2021 Population | 3,788 | 19,054 | 71,374 |
| 2026 Population Projection | 3,834 | 19,349 | 71,982 |
| Annual Growth 2010-2021 | 0.50% | 0.70% | 0.30% |
| Annual Growth 2021-2026 | 0.20% | 0.30% | 0.20% |

POPULATION BY RACE (2021)

| | | | |
|--------------------------------|-------|--------|--------|
| White | 3,513 | 16,749 | 62,977 |
| Black | 132 | 1,077 | 4,116 |
| American Indian/Alaskan Native | 11 | 47 | 163 |
| Asian | 59 | 695 | 2,280 |
| Hawaiian & Pacific Islander | 0 | 5 | 54 |
| Two or More Races | 73 | 481 | 1,783 |
| Hispanic Origin | 61 | 398 | 1,633 |

HOUSEHOLD TRENDS

| | | | |
|---------------------------|-------|-------|--------|
| 2010 Households | 1,374 | 7,159 | 26,196 |
| 2021 Households | 1,458 | 7,753 | 27,325 |
| 2026 Household Projection | 1,475 | 7,874 | 27,566 |
| Annual Growth 2010-2021 | 0.50% | 0.80% | 0.50% |
| Annual Growth 2021-2026 | 0.20% | 0.30% | 0.20% |

AVERAGE HOUSEHOLD INCOME (2021)

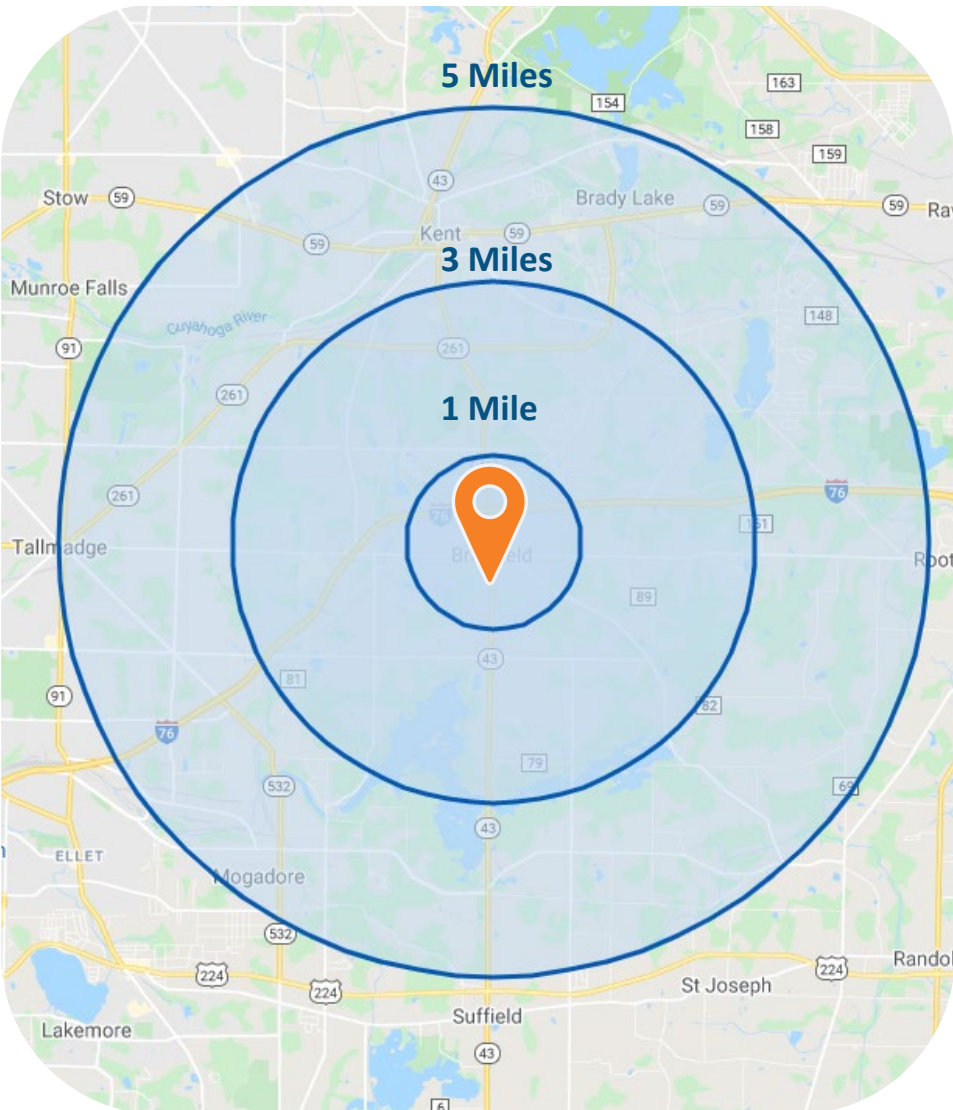
\$74,374 \$70,347 \$73,555

MEDIAN HOUSEHOLD INCOME (2021)

\$62,356 \$54,688 \$54,823

HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

| | | | |
|---------------------|-----|-------|-------|
| < \$25,000 | 271 | 2,086 | 6,983 |
| \$25,000 - 50,000 | 319 | 1,580 | 5,723 |
| \$50,000 - 75,000 | 270 | 1,206 | 4,540 |
| \$75,000 - 100,000 | 201 | 845 | 2,929 |
| \$100,000 - 125,000 | 201 | 1,027 | 3,132 |
| \$125,000 - 150,000 | 79 | 329 | 1,177 |
| \$150,000 - 200,000 | 91 | 498 | 1,765 |
| \$200,000+ | 25 | 183 | 1,078 |





Market Overview

Property Address: 4118 State Rt 43 – Brimfield Twp., OH 44240



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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