



Long-Term Absolute NNN Lease | Hard Corner, Signalized Intersection | Louisville MSA; 1.4M People



In Association with Scott Reid & ParaSell, Inc. | A Licensed Indiana Broker #RC51900187

OFFERING MEMORANDUM
SCOTTSBURG, INDIANA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



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OFFERING SUMMARY

LOCATION

Pizza Hut
525 S. Lake Road
Scottsburg, IN 47170



OFFERING SUMMARY

Price:	\$2,095,000
Current Net Operating Income (NOI):	\$110,000
Current Capitalization Rate:	5.25%
Net Rentable Area:	2,640
Year Built:	1997; R-2009
Lot Size (Acres):	0.63

LEASE TERMS (1)

Guarantor:	IPH Operational Enterprises, Arkansas, LLC (29 Units)
Lease Commencement:	8/4/2020
Lease Expiration:	8/3/2035
Lease Term:	15 Years
Lease Type:	Absolute NNN
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$9,167
Annual Rent:	\$110,000
Rental Increases:	8% Every 5 Years
Renewal Options:	Four 5-Year @ 8% Increases

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



Quick Facts

#4

MOBILE ORDER-
AHEAD RANKING

18,000+

RESTAURANTS
WORLDWIDE (2021)

±350,000

NUMBER OF
EMPLOYEES

INVESTMENT HIGHLIGHTS

- **Single-Tenant Pizza Hut with Drive-Thru:**

- Long-term absolute NNN lease; 13+ years remaining on the initial 15-year lease term
- Four 5-year options
- 8% increases every 5 years
- The tenant, IPH Operation Enterprises, Arkansas, LLC, is an experienced 29-unit operator with locations throughout Illinois, Indiana, Iowa, and Kentucky
- Pizza Hut has over 18,000 locations across 100 countries and opened a record 742 stores in 2021
- Pizza Hut was named QSR Magazine's "Transformational Brand of the Year" (2021)
- Pizza Hut's parent company, Yum! Brands, reported record breaking unit development in 2021; the company opened 4,180 locations

- **Hard Corner, Signalized Intersection Location (22,000 Cars Per Day)**

- **Located Along McClain Avenue (Highway 56), a Primary East/West Thoroughfare:** Tenants Located Along McClain Avenue include Walmart Supercenter, Ace Hardware, Arby's, Big O Tires, Burger King, Chase Bank, Circle K, CVS/pharmacy, DaVita, Denny's, Goodwill, Great Clips, KFC, McDonald's, O'Reilly Auto Parts, Taco Bell, Verizon, and Wendy's





INVESTMENT HIGHLIGHTS

- **Ideally Positioned Off Interstate 65 (37,000 Cars Per Day):** Interstate 65 is a primary north/south freeway and connects the subject property to Indianapolis to the north and Louisville to the south
- **Scottsburg is Part of the Louisville MSA:**
 - The subject property is only a 30-minute drive from Louisville, Kentucky
 - The Louisville MSA has over 1.4 million residents
 - Home to 3 of Kentucky's 6 fortune 500 companies
 - "50 Best Places to Travel in 2022" by Travel + Leisure
 - Home to the Kentucky Derby which draws an estimated 150,000 annual visitors

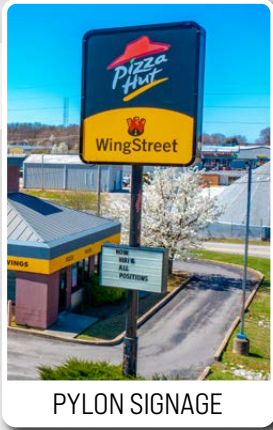


SITE PLAN / PARCEL MAP

Pizza Hut
525 S. Lake Road
Scottsburg, IN 47170

-  SUBJECT PROPERTY
-  PROPERTY PARCEL

APN: 72-05-19-300-015.002-008



AERIAL OVERVIEW



AERIAL OVERVIEW

DEMOGRAPHICS

Population:

1-Mile Radius	2,979
3-Mile Radius	9,221
5-Mile Radius	16,329

Household Income:

1-Mile Radius	\$60,361
3-Mile Radius	\$58,982
5-Mile Radius	\$59,053



REGIONAL MAP

LOUISVILLE INTERNATIONAL AIRPORT

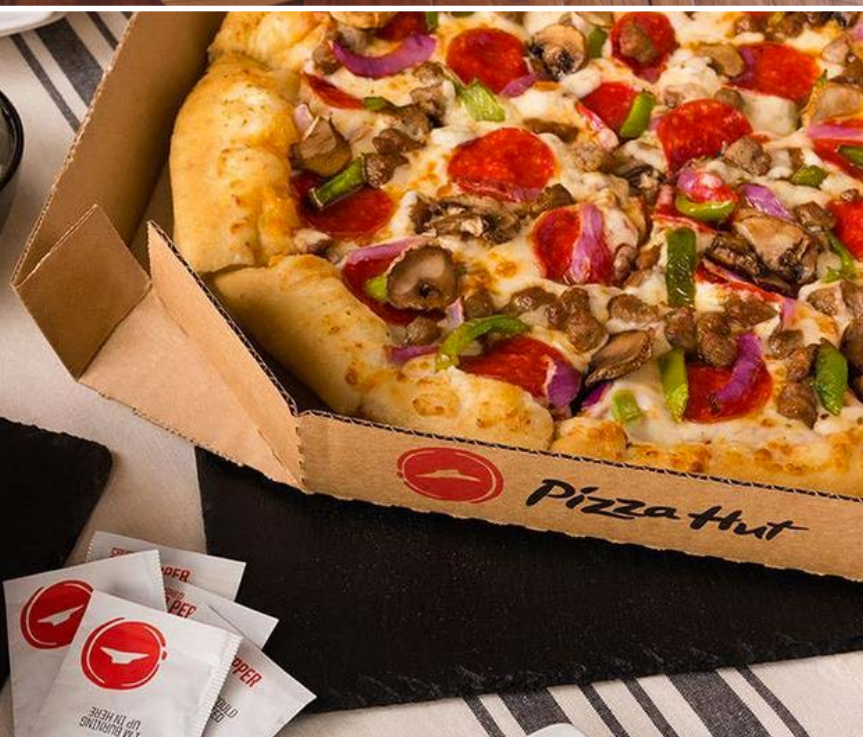
- 3.2 million passengers annually
- Over 36 non-stop destinations
- Ranked no. 5 in the world and no. 3 in North America as the busiest cargo airports

INDIANAPOLIS INTERNATIONAL AIRPORT

- 9.5 million passengers annually
- Over 50 non-stop destinations
- Ranked 8th largest cargo airport in the U.S. and 25th busiest cargo airport in the world



TENANT PROFILE



Pizza Hut is an American multi-national restaurant chain and international franchise founded in 1958 in Wichita, Kansas by Dan and Frank Carney. The menu consists of their signature pan pizza and other dishes including pasta, breadsticks, and desserts. Pizza Hut operates in the delivery, carryout, and casual dining segments and has more restaurant locations in the world than any other pizza company. After becoming the first national pizza brand to offer contactless curbside pickup, Pizza Hut launched The Hut Lane™, a dedicated digital order pick-up window available at more than 1,500 locations across the country. Pizza Hut system-wide sales for Fiscal Year 2021 were \$12.9 billion. The chain currently has over 18,000 restaurants in 100 countries.

Pizza Hut is a subsidiary of Yum! Brands, a company with more than 54,000 restaurants in 150 countries and territories. Yum! is ranked #478 on the Fortune 500 with revenues of over \$6.5 billion in 2021 systemwide sales, an increase when compared to the previous year's total of \$5.6 billion. Yum! Brands is recognized as one of the Aon Hewitt Top Companies for Leaders in North America. The Company's restaurant brands – KFC, Pizza Hut, and Taco Bell – are the global leaders in the chicken, pizza, and Mexican-style food categories. Worldwide, the Yum! Brands system opens over 12 new restaurants per day on average, making it a leader in global retail development. Yum! added a record 4,180 gross units in 2021, the strongest growth year in the company's history and setting an industry record for unit development.

Company Type: Public [NYSE: YUM]
Locations: 18,381
Website: www.pizzahut.com

#10

**Top 400
Franchise**

Franchise Times (2021)

#2

**The 50 QSR
Pizza Segment**

QSR Magazine (2021)

#13

**The 50
QSR**

QSR Magazine (2021)



QSR

Yum! Brands Soars to Best Development Year in Restaurant History

By Ben Coley | February 10, 2022

Yum! Brands CEO David Gibbs knew in November a record-breaking 2021 was all but certain.

At the end of the third quarter, the KFC, Taco Bell, Pizza Hut, and Habit Burger Grill parent only needed 243 more net openings to set a new company mark for a fiscal year. Yum! not only eclipsed 243, but it did so more than five times over.

The restaurant conglomerate debuted a net of 1,259 restaurants in Q4, pushing the year-end total to an unprecedented 3,057 net new openings. The previous record was 2,040 net stores in 2019.

Overall, Yum! added 4,180 gross units, putting an exclamation mark on what Gibbs called “the strongest growth year in our history and setting an industry record for unit development.”

[CLICK FOR ARTICLE](#)



RESTAURANT BUSINESS

Digital Sales Become a Bigger Fixture at Yum! Brands

By Jonathan Maze | October 28, 2021

The return of customers into restaurants around the world isn't keeping them from ordering on their phones.

Yum Brands, the Louisville, Ky.-based owner of KFC, Taco Bell, Pizza Hut and Habit Burger, said on Thursday that its digital sales topped \$5 billion in the third quarter ended Sept. 30. That's nearly 40% of the brands' total sales in the period.

That happened even as customers returned into the restaurants, giving the fast-food brand operator confidence that the channel will remain a popular one for the foreseeable future.

“From Q2 to Q3, we did see a return to dine-in, yet we saw digital sales go up,” Yum CEO David Gibbs told investors on Thursday. “And we saw digital mix go up, which is proving that not only is it sticky, that it's still something that's going to continue to grow for us.”

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Scottsburg

- Located about 30 miles north of Louisville, Kentucky
- Within 100 miles of Cincinnati, Indianapolis, and Lexington-Fayette
- County seat of Scott County

ECONOMY

- The largest industries are manufacturing, health care, and retail trade
- Major employers are Samtec Inc., Walmart Supercenter, Scott Memorial Health, Ilpea Industries Inc., Multi-color Corp., Genpak LLC
- **Scott Memorial Health** - Scott Memorial Health, part of the Regional Health Network, a Norton Healthcare and LifePoint Health partnership, is a 25-bed, critical access hospital that has served the area for over 60 years
- **Mid America Science Park** - One of the most comprehensive science parks in the country; the flagship of the facility is the Training & Workforce Development Center which serves hundreds of adults and students each year who are seeking to advance their skills
- Colleges nearby include Bellarmine University, Hanover College, and Indiana University Southeast
- **Scott County School District 2** - Contains 6 schools and 2,691 students
 - **Scottsburg New Tech High School** - STEM-based school offers engineering design courses and aeronautical engineering, five foreign language programs, and an entrepreneurship class in which students in their junior and senior years operate a coffee shop within the school
- Scott County Home, Scottsburg Courthouse Square Historic District, and Scottsburg Depot are listed on the National Register of Historic Places

DEVELOPMENTS

- **Engineered Plastic Components-Columbia, Inc. (EPC)** - Leader in the manufacturing of plastic injection molded products announced in October 2021 plans for a \$7.3 million expansion in the city; the company employs over 200 people and the expansion would create 60 full-time jobs
- **Multi-Color Corporation** - A label printing company announced in February 2022 the company is planning a \$7.7 million expansion to increase its workforce



30 Miles North of Louisville, Kentucky

AREA OVERVIEW

Louisville MSA

- 43rd largest MSA in the United States with 1.4 million residents
- Home to the Kentucky Derby, the University of Louisville and Louisville Cardinals athletic teams, and 3 of Kentucky's 6 Fortune 500 companies
- Ranked in top 10 most tech-ready cities and top 10 affordable cities for living and working in digital by Suddenlink.com (2021)
- "The 50 Best Places to Travel in 2022" - Travel + Leisure (2021)

ECONOMY

- Vibrant entrepreneurial climate, the region has a diversified economy with an emphasis in the sectors surrounding health, logistics, manufacturing, food, beverage, and business services
- Major employers are United Parcel Service (25,090), Jefferson County Public Schools (14,484), Norton Healthcare (13,828), Ford Motor Co. (13,020), Humana Inc. (12,360), and UofL Health (12,000)
- A regional hub for innovative healthcare; \$80 billion in revenue; \$64.3 million in research funding at The University of Louisville; 4,100+ health-related organizations in the region
- Business services industry employs 30,000 people regionally; the industry continues to grow year over year in and is expected to grow another 20% in the next decade

TOURISM

- **Kentucky Derby** - Annual horse race held in Louisville, Kentucky at Churchill Downs; the event draws over 150,000 visitors each year

EDUCATION

- **The University of Louisville** - Public research university; School of Medicine is touted for the first fully self-contained artificial heart and hand transplant surgery in the U.S.; 22,000 students



\$74 Billion in Gross Domestic Product

DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
2025 Projection	3,088	9,445	16,573
2020 Census	2,979	9,221	16,329
2010 Census	2,864	9,002	16,150
2000 Census	2,625	8,480	15,621
Growth 2000-2010	9.10%	6.16%	3.39%
Growth 2010-2020	4.02%	2.43%	1.11%
Growth 2020-2025	3.66%	2.43%	1.49%

HOUSEHOLDS

2025 Projection	1,343	3,869	6,617
2020 Census	1,291	3,753	6,475
2010 Census	1,249	3,683	6,427
2000 Census	1,171	3,476	6,147
Growth 2000-2010	6.66%	5.96%	4.56%
Growth 2010-2020	3.36%	1.90%	0.75%
Growth 2020-2025	4.03%	3.09%	2.19%

2020 POPULATION BY SINGLE-CLASSIFICATION RACE

White Alone	2,825	8,801	15,643
Black or African American Alone	15	46	88
American Indian and Alaska Native Alone	11	29	51
Asian Alone	80	149	183
Native Hawaiian and Other Pacific Islander Alone	2	6	10
Some Other Race Alone	24	110	163
Two or More Races	20	79	189

2020 POPULATION BY ETHNICITY (HISPANIC OR LATINO)

Hispanic or Latino	63	261	456
Not Hispanic or Latino	2,916	8,960	15,873

2020 AVERAGE HOUSEHOLD INCOME

\$60,361	\$58,982	\$59,053
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SCOTTSBURG SNAPSHOT



16,329
POPULATION (5-Mile)



6,096
DAYTIME POPULATION (5-Mile)



9.10%
POPULATION GROWTH (1-Mile, 2000-2010)



\$59,053
AVERAGE HOUSEHOLD INCOME (5-Mile)



\$134,987
AVERAGE HOME VALUE (1-Mile)



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\$9 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database

GlobeSt.com™

GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$2.6 BILLION IN RETAIL SOLD
over 500 transactions in last 36 mos.