

# PIZZA HUT

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



3490 Colorado Ave - Lorain, OH 44052

# Confidentiality and Disclaimer

NNN Properties, Inc. and Bang Realty, Inc. hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, NNN Properties, Inc. and Bang Realty, Inc. have not and will not verify any of this information, nor has NNN Properties, Inc. and Bang Realty, Inc. conducted any investigation regarding these matters. NNN Properties, Inc. and Bang Realty, Inc. make no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. NNN Properties, Inc. and Bang Realty, Inc. expressly deny any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current

tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release NNN Properties, Inc. and Bang Realty, Inc. and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from NNN Properties, Inc. and Bang Realty, Inc. and should not be made available to any other person or entity without the written consent of NNN Properties, Inc. and Bang Realty, Inc.. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. NNN Properties, Inc. and Bang Realty, Inc. have not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, NNN Properties, Inc. and Bang Realty, Inc. have not verified, and will not verify, any of the information contained herein, nor has NNN Properties, Inc. and Bang Realty, Inc. conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

NNN Properties, Inc. and Bang Realty, Inc. are not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of

NNN Properties, Inc. and Bang Realty, Inc., its affiliates or subsidiaries, or any agent, product, service, or commercial listing of NNN Properties, Inc. and Bang Realty, Inc., and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR NNN Properties, Inc. and Bang Realty, Inc. AGENT FOR MORE DETAILS.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. NNN Properties, Inc. and Bang Realty, Inc. have not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. NNN Properties, Inc. and Bang Realty, Inc.'s principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. NNN Properties, Inc. and Bang Realty, Inc. and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

\*In addition to all other advisements, notices, and disclaimers set forth in this Marketing Brochure, NNN Properties, Inc. and Bang Realty, Inc. further advises all prospective purchasers that certain NNN Properties, Inc. and Bang Realty, Inc. related or affiliated parties, and/or its independent contractor salespeople, brokers of record, partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees, or agents, along with their respective heirs, successors, personal representatives and/or assigns (collectively, the "NNN Properties, Inc. and Bang Realty, Inc. Related Parties") may be acting as principals for the Seller or own a direct or indirect beneficial interest in the Property or in its ownership. By accepting this Marketing Brochure, any prospective purchaser shall thereby waive any claim they may have based on a conflict of interest given the NNN Properties, Inc. and Bang Realty, Inc. Related Parties' role as both agent for the Seller and as the Seller (or as a principal of the Seller).

# Table of Contents

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





# Investment Highlights

PRICE: \$1,551,481 | CAP: 6.00% | RENT: \$93,089



## 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

- ✓ Retail Corridor | McDonalds, Wendy's, Subway, And Dollar General Are Main Retailers Within One-Mile Radius
- ✓ 30 Minute Drive from Downtown Cleveland
- ✓ Strong Demographics | Population Over 90,000 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | Over 15,000 Vehicles Per Day Along Colorado Avenue and Henderson Drive

## 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 11<sup>th</sup> largest Pizza Hut franchisee, operating 120+ locations across Ohio, West Virginia, Pennsylvania, and Indiana.



Representative Photo



# Financial Analysis

PRICE: \$1,551,481 | CAP: 6.00% | RENT: \$93,089



## PROPERTY DESCRIPTION

Property	Pizza Hut
Property Address	3490 Colorado Ave
City, State ZIP	Lorain, OH 44052
Building Size (SF)	1,155
Lot Size (AC)	1.21
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$1,551,481
CAP Rate	6.00%
Annual Rent	\$93,089

## 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	\$93,089	\$7,757	-
Year 2	3/1/2023	2/29/2024	\$93,089	\$7,757	-
Year 3	3/1/2024	2/28/2025	\$93,089	\$7,757	-
Year 4	3/1/2025	2/28/2026	\$93,089	\$7,757	-
Year 5	3/1/2026	2/28/2027	\$93,089	\$7,757	-
Year 6	3/1/2027	2/29/2028	\$93,089	\$7,757	-
Year 7	3/1/2028	2/28/2029	\$94,718	\$7,893	1.75%
Year 8	3/1/2029	2/28/2030	\$96,375	\$8,031	1.75%
Year 9	3/1/2030	2/28/2031	\$98,062	\$8,172	1.75%
Year 10	3/1/2031	2/29/2032	\$99,778	\$8,315	1.75%
Year 11	3/1/2032	2/28/2033	\$101,524	\$8,460	1.75%
Year 12	3/1/2033	2/28/2034	\$103,301	\$8,608	1.75%
Year 13	3/1/2034	2/28/2035	\$105,109	\$8,759	1.75%
Year 14	3/1/2035	2/29/2036	\$106,948	\$8,912	1.75%
Year 15	3/1/2036	2/28/2037	\$108,820	\$9,068	1.75%
Year 16	3/1/2037	2/28/2038	\$110,724	\$9,227	1.75%
Year 17	3/1/2038	2/28/2039	\$112,662	\$9,388	1.75%
Year 18	3/1/2039	2/29/2040	\$114,633	\$9,553	1.75%
Year 19	3/1/2040	2/28/2041	\$116,639	\$9,720	1.75%
Year 20	3/1/2041	2/28/2042	\$118,681	\$9,890	1.75%

## INVESTMENT SUMMARY

The NNN Pro Group is pleased to present the exclusive listing for the Pizza Hut located at 3490 Colorado Ave, Lorain, OH 44052. The site will consist of roughly 1,155 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 \$93,089 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 11<sup>th</sup> 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	<a href="http://www.pizzahut.com">www.pizzahut.com</a>
Number of Locations	18,000+



Representative Photo



# Surrounding Area

Property Address: 3490 Colorado Ave – Lorain, OH 44052





# Location Overview

Property Address: 3490 Colorado Ave – Lorain, OH 44052



The Pizza Hut property is situated on the corner of Colorado Avenue and Root Road. Colorado Avenue averages a daily traffic count of 15,852 vehicles. Additionally, Colorado Avenue intersects with US-Route 6, which boasts average daily traffic counts of 8,503 vehicles. Colorado Avenue also intersects with Henderson Drive, which brings in another 15,206 vehicles daily. There are more than 46,954 individuals residing within a three-mile radius of the property and more than 91,526 individuals within a five-mile radius.

The subject property benefits from being located less than 30 miles from Downtown Cleveland, OH. The property further benefits from its proximity to national and local tenants, shopping centers, schools, residential communities, and several other points of interest. National tenants in the immediate area include McDonald's, Wendy's, Dollar Tree, Subway, and several others. This Pizza Hut also benefits from its proximity to Longfellow Middle School and Larkmoor Elementary School. The two schools have a combined enrollment greater than 1,780 students

Lorain is a city in Lorain County, Ohio. As Ohio's tenth largest city, Lorain is a major population center. The top four Industries in Lorain County are Manufacturing, Healthcare and Social Assistance, Retail Trade, and Educational Services. Lorain has seen the job market increase by 0.8% over the last year, and future job growth over the next ten years is predicted to be 21.8%. Lorain's unemployment rate is below the national average of 6.0% at 5.6%.





# Property Photos





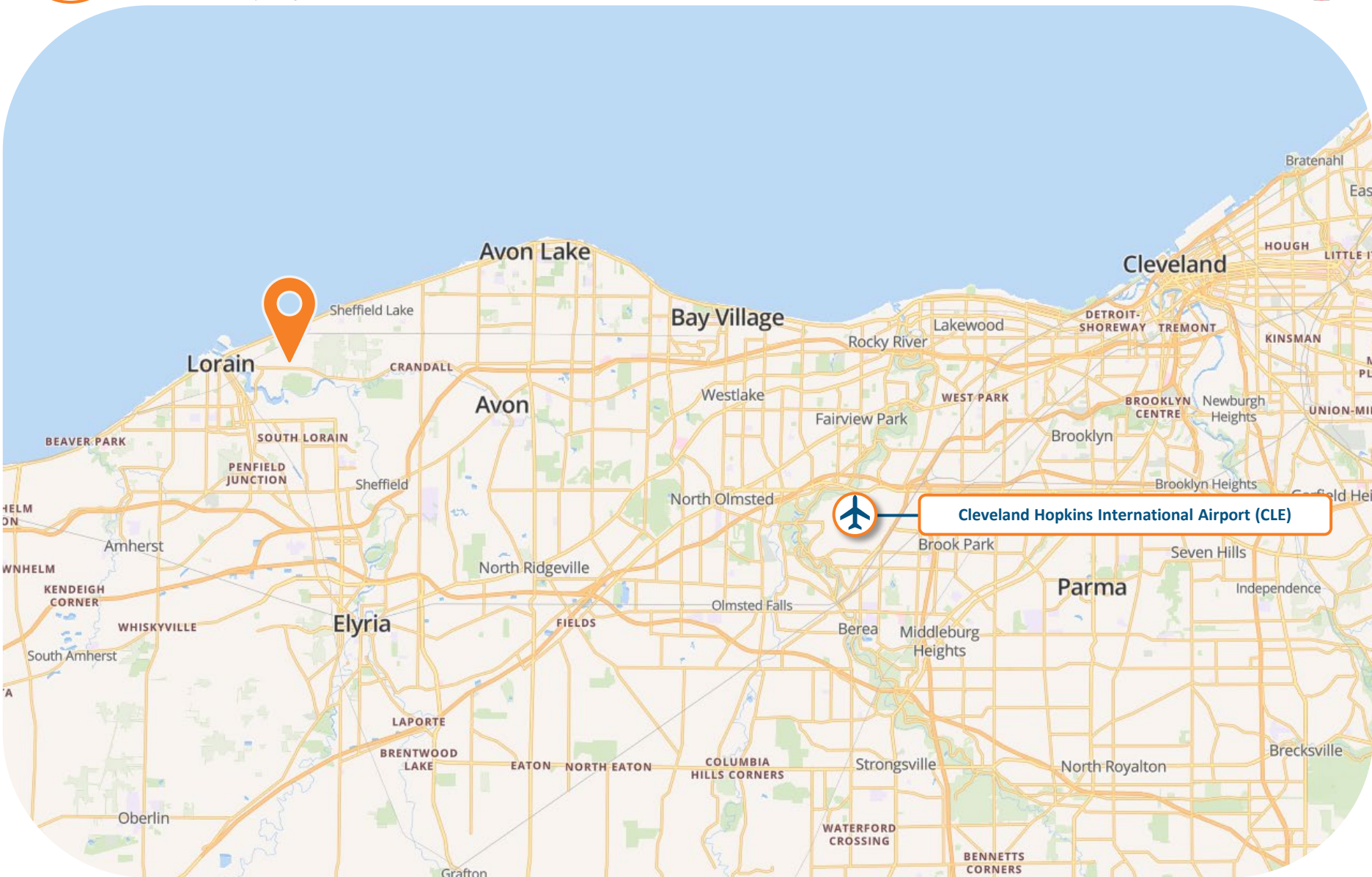
# Surrounding Area Photos





# Local Map

Property Address: 3490 Colorado Ave – Lorain, OH 44052





# Regional Map

Property Address: 3490 Colorado Ave – Lorain, OH 44052





# Demographics

Property Address: 3490 Colorado Ave – Lorain, OH 44052



**1 Mile 3 Miles 5 Miles**

## POPULATION TRENDS

2010 Population	4,676	48,200	89,617
2021 Population	4,628	46,954	91,526
2026 Population Projection	4,670	47,239	92,897
Annual Growth 2021-2026	0.20%	0.10%	0.30%

## POPULATION BY RACE (2021)

White	3,613	36,059	72,680
Black	682	7,846	13,253
American Indian/Alaskan Native	24	396	589
Asian	37	324	1,087
Hawaiian & Pacific Islander	3	56	109
Two or More Races	269	2,274	3,808
Hispanic Origin	974	14,125	21,384

## HOUSEHOLD TRENDS

2010 Households	1,849	18,693	36,185
2021 Households	1,831	18,222	37,063
2026 Household Projection	1,848	18,334	37,631
Growth 2021-2026	0.20%	0.10%	0.30%

## AVERAGE HOUSEHOLD INCOME (2021)

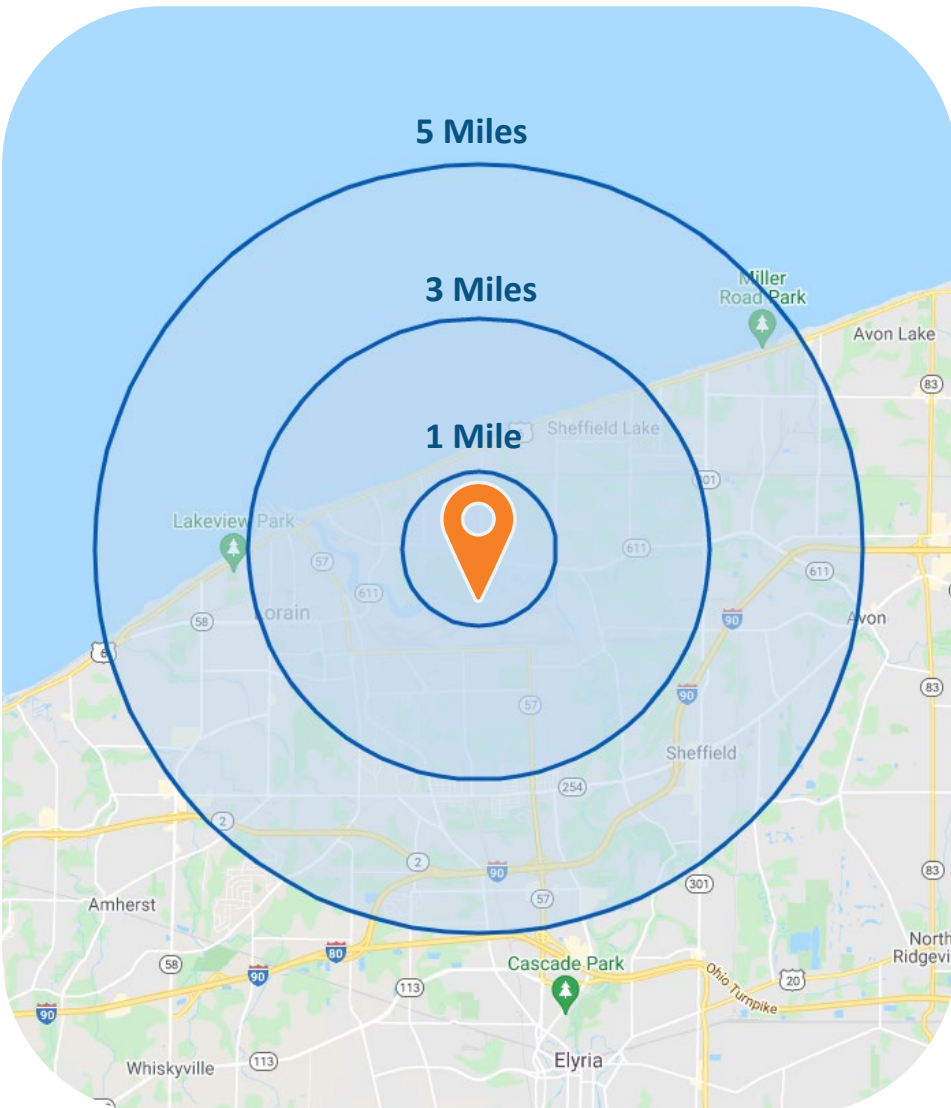
\$41,077	\$50,964	\$60,526
----------	----------	----------

## MEDIAN HOUSEHOLD INCOME (2021)

\$35,055	\$37,665	\$44,396
----------	----------	----------

## HOUSEHOLDS BY HOUSEHOLD INCOME (2021)

< \$25,000	721	6,202	11,018
\$25,000 - 50,000	573	5,098	9,451
\$50,000 - 75,000	279	2,902	5,960
\$75,000 - 100,000	161	1,908	4,537
\$100,000 - 125,000	37	1,038	2,453
\$125,000 - 150,000	47	433	1,338
\$150,000 - 200,000	12	453	1,422
\$200,000+	2	189	884





# Market Overview

Property Address: 3490 Colorado Ave – Lorain, OH 44052



**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.

**Glen Kunofsky**  
GKunofsky@nnnpro.com  
License: 49KU1129178

**Jack Winslow**  
Jwinslow@nnnpro.com  
C: (203) 921-7155  
License: 10401334977

**Howard Curd**  
Hcurd@nnnpro.com  
C: (516) 754-0488  
License: 10401339720

# NNN PRO GROUP

## EXCLUSIVE NET-LEASE OFFERING

