



Offering Memorandum

PIZZA HUT NET LEASE INVESTMENT
6.6% CAP RATE



BULL REALTY

ASSET & OCCUPANCY SOLUTIONS

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BULL REALTY
ASSET & OCCUPANCY SOLUTIONS

Exclusively listed by Bull Realty, Inc.

EXECUTIVE SUMMARY

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OFFER HIGHLIGHTS

Bull Realty is pleased to offer this absolute single tenant NNN leased Pizza Hut located in Newport, TN. This is a rare opportunity to purchase a proven NNN property at a price point less than \$1M! Newport is located just off Interstate 40 between Knoxville and Asheville. The 2,040 SF building is located on busy Cosby Hwy with over 23K vehicles per day. The NNN lease runs through January 2026 with an upcoming 8% rent increase in February 2021. There are two 5 year options, each with 8% rent bumps. The lease is guaranteed by NPC International, Inc., one of the largest Pizza Hut franchisees currently operating more than 1,144 Pizza Huts in 27 states (and 386 Wendy's in 8 states).

- Established Pizza Hut with outstanding operator, priced less than \$1M
- Absolute NNN lease with 8% rent bumps every 5 years
- Lease has over 8 ½ years remaining on the 15 year term with two 5 year renewal options
- Upcoming 8% rent bump in 2021
- Guaranteed by NPC International, Inc., the 7th largest Pizza Hut franchisee with over 1100 locations in 27 states
- Outstanding location in a dense retail trade area just off I-40 between Knoxville and Asheville, due west of the Great Smoky Mountains
- Traffic counts over 23,160 vehicles per day
- Offered for sale at \$799,000 or a 6.6% cap rate

DEMOGRAPHICS

	1 Mile	5 Miles	10 Miles
Total Households:	1,466	7,929	14,699
Total Population:	3,307	19,066	35,542
Average HH Income:	\$39,164	\$44,450	\$48,229

AREA OVERVIEW

The town of Newport is situated along the Pigeon River in an area where the Foothills of the Great Smoky Mountains descend into the French Broad and Nolichucky drainage basins. The Great Smoky Mountains National Park boundary passes some 10 miles (16 km) to the south. Newport, due to its proximity to the Smokys, is a tourist destination in all seasons.

Newport, the county seat of Cocke County in Eastern Tennessee, was founded in 1903, in great part due to the logging industry. The main section of town, centered around the courthouse, is situated along the south bank of the Pigeon among a series of relatively low but steep cliffs. A more modern section of town has developed along US-321 between the courthouse area and I-40.

Some of the major employers in Cocke County include the Cocke County Schools, ConaAgra Foods, Walmart, Newport Medical Center, Cock County Government, Food City, Sonoco Products, American Appliance Produces, Lowes, and the Commercial Furniture Group. It is part of the Knoxville MSA.

FINANCIAL OVERVIEW

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PROPERTY & LEASE INFORMATION

Subject Property:	Single Tenant
Property Location:	802 Cosby Highway Newport, TN 37821
County:	Cocke
Price:	\$799,000.00
Rentable SF:	2,040 SF
Price/SF:	\$391.67
Current Income:	\$52,920
Cap Rate:	6.6%
Year Built:	1974
Site Size:	0.66 Acres
Building Size:	2,040 SF
Type Of Ownership:	Fee simple

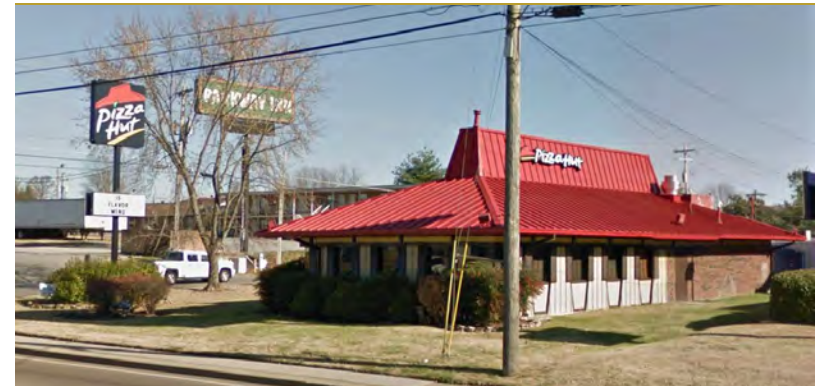
LEASE SUMMARY

Tenant Trade Name:	Pizza Hut
Lease Type:	Triple Net Lease
Lease Commencement:	2/1/2011
Lease Expiration:	1/31/2026
Renewal Options:	Two 5 year options
Rent Increases:	8% every five years

RENT SCHEDULE

Term	Dates	Monthly Rent	Annual Rent	Increase %
Initial	2/1/2011 - 1/31/2016	\$4,083.33	\$49,000.00	N/A
Initial	2/1/2016 - 1/31/2021	\$4,410.00	\$52,920.00	8%
Initial	2/1/2021 - 1/31/2026	\$4,762.83	\$57,154.00	8%
Option 1	2/1/2026 - 1/31/2031	\$5,143.83	\$61,726.00	8%
Option 2	2/1/2031 - 1/31/2036	\$5,555.33	\$66,664.00	8%

PHOTOS



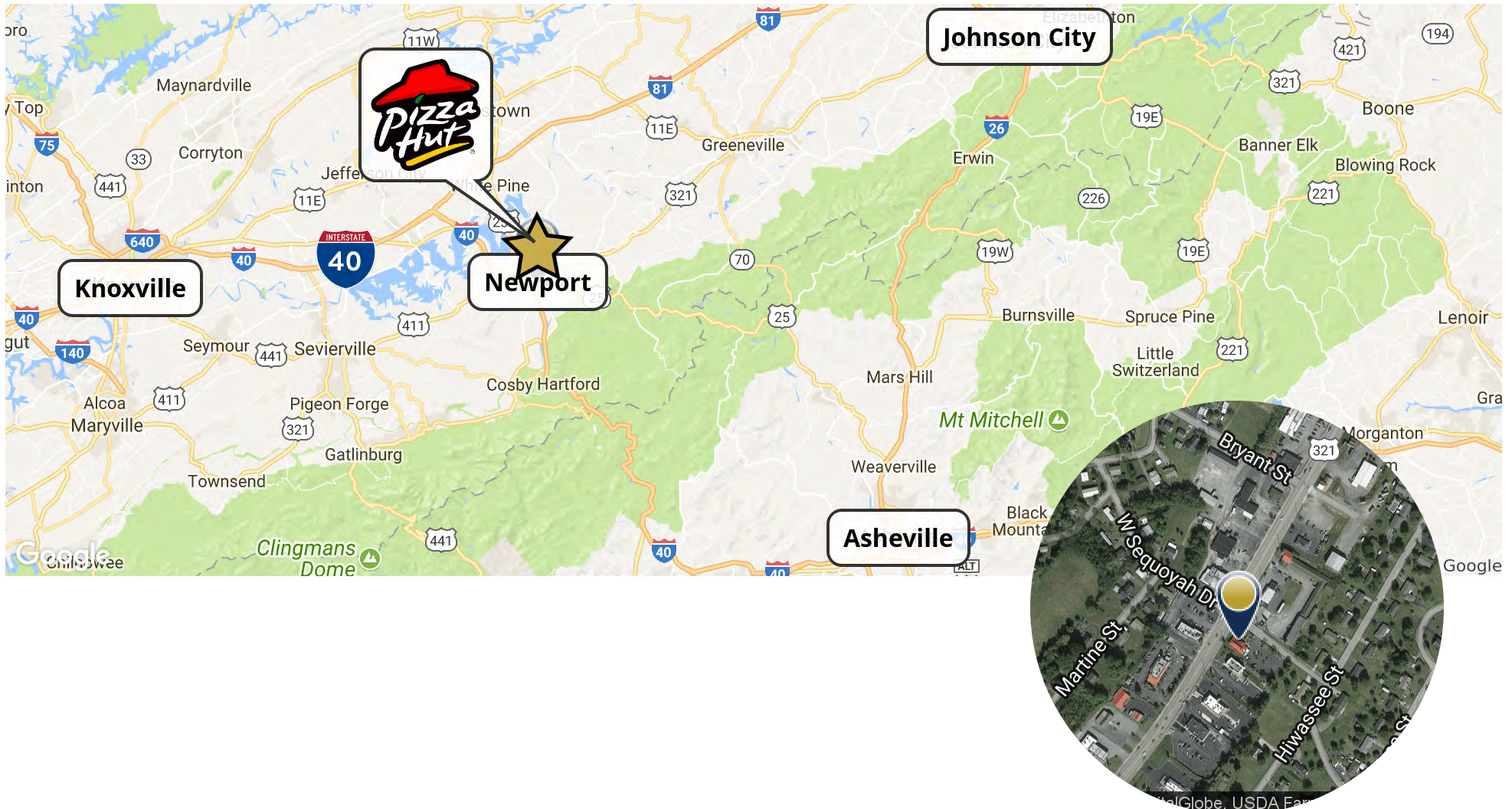
ADDITIONAL PHOTOS

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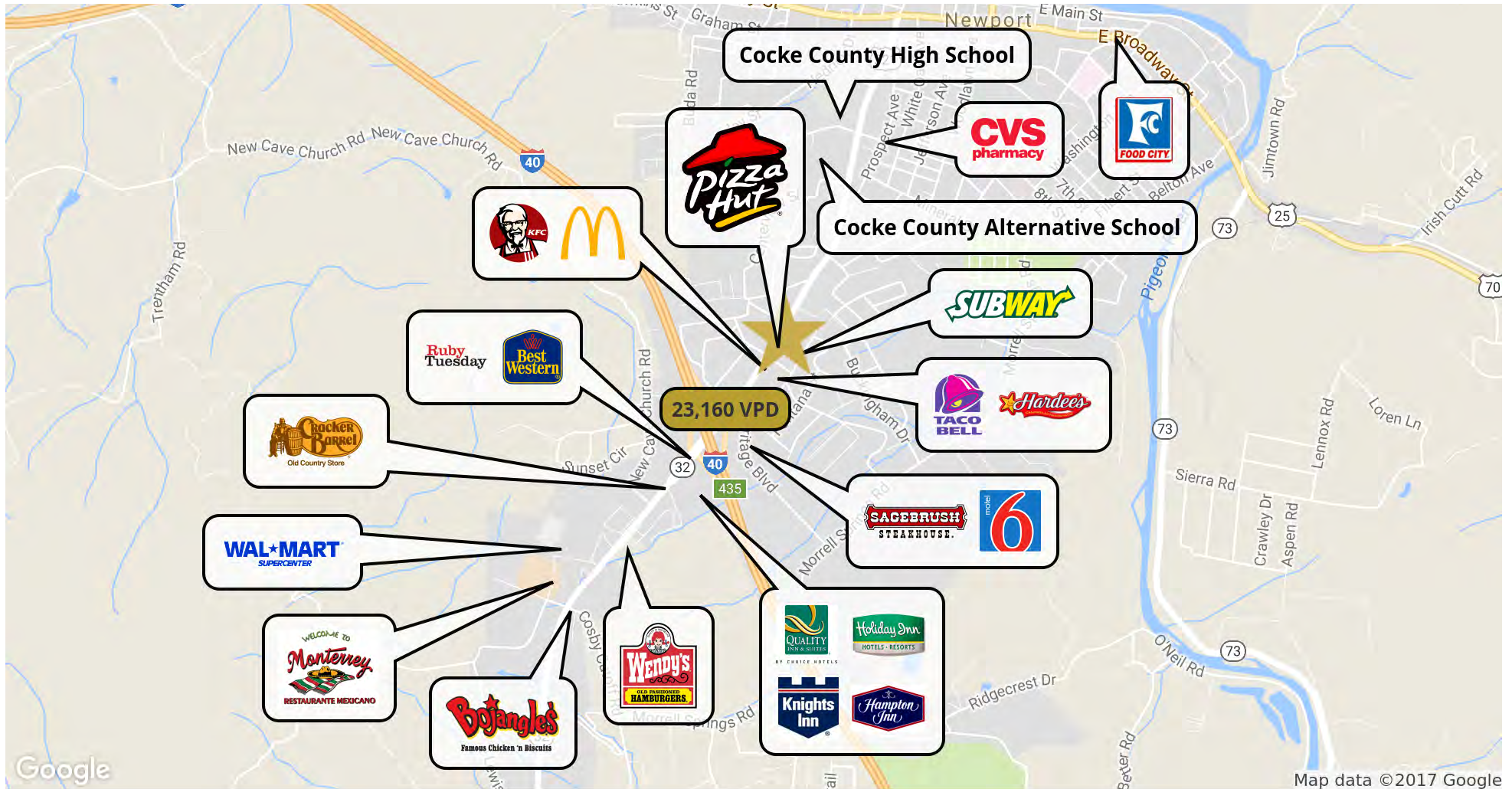
AREA MAP

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RETAIL MAP

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Google

Map data ©2017 Google

TENANT OVERVIEW

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PIZZA HUT

From its modest beginnings in 1958, Pizza Hut has grown to become the largest pizza company in the world. They have more than 16,000 restaurants in more than 100 countries. No matter where you find them, they are committed to making sure each meal is delicious, bold, and one-of-a-kind.

Pizza Hut delivers more pizza, pasta and wings than any other restaurant in the world. A true innovator in the pizza category, they were not only the first to provide America with Pan Pizza, but also the first ever to deliver pizza in space!

They also have a global commitment through the Life Unboxed Community initiative is to help 150 million people around the world unlock their potential through literacy and reading. Already through the U.S. BOOK IT! Program, Pizza Hut encourages 14 million students in more than 35,000 elementary schools in the U.S. each year to read by rewarding their reading accomplishments with praise, recognition and pizza.

YUM! BRANDS, INC.

Yum! Brands, Inc., based in Louisville, Kentucky, has nearly 44,000 restaurants in more than 135 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2017, Yum! Brands was named among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine. The company's restaurant brands – KFC, Pizza Hut and Taco Bell – are the global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over six new restaurants per day on average, making it a leader in global retail development.

Since its spin-off from PepsiCo in 1997, Yum! Brands has become a truly global company going from approximately 20 percent of profits coming from outside the U.S. to approximately 50 percent in 2016. They are proud to be the worldwide leader in emerging markets with over 17,000 restaurants, nearly twice as many as the nearest competition. With less than 3 restaurants per million people in the top 10 emerging markets, compared to approximately 57 restaurants per million in the U.S., Yum! Brands is on the ground floor of global growth.

Importantly, Yum! Brands is extremely proud of their 1.5 million employees around the globe and the unique culture they have built, one that's filled with energy, opportunity, and fun.

NPC INTERNATIONAL

NPC International is the largest Pizza Hut and Wendy's franchisee in the world! NPC opened its first Pizza Hut restaurant in 1962. Today, NPC International is the 7th largest restaurant unit operator in the United States as well as the largest Pizza Hut franchisee in the world operating approximately 20% of the domestic Pizza Hut system.

In 2013, they diversified their holdings and NPC's wholly owned subsidiary, NPC Quality Burgers, Inc. became a franchisee of the Wendy's brand. NPC currently operates more than 1,144 Pizza Hut units in 27 states and more than 386 Wendy's units in 8 states. It has over 36,500 employees.

NPC International went public in 1984. Shares of NPC International, Inc., Pizza Hut were traded on the NASDAQ Stock Market under the symbol NPCI until August 31, 2001 when the stockholders approved a merger through which the company went private. On May 3, 2006, the Company was sold to Merrill-Lynch Global Private Equity Group. NPC is now owned by an entity controlled by Olympus Growth Fund V, L.P.



Information contained herein may have been provided by the seller, landlord or other outside sources. While deemed reliable, it may be estimated, projected, limited in scope and is subject to change or inaccuracies. Pertinent information should be independently confirmed prior to lease or purchase offer or within an applicable due diligence period.





NANCY MILLER, CCIM, MBA
President, Net Lease Investment Group



Professional Background

Nancy Miller joined Bull Realty in 2001 after being a client of the firm. Her brokerage practice focuses on income producing single tenant net lease properties. Nancy leads Bull Realty's National Net Lease Investment Group and works with investors, developers and sellers throughout the US. She is recognized as a savvy and knowledgeable retail net lease expert. In the last 3 years, she has brokered over \$109M in single tenant net lease transactions. Nancy publishes a quarterly investor newsletter, a monthly electronic newsletter, participates in quarterly national retail industry surveys done by Morgan Stanley, and contributes to Bull Realty's retail blogs. In addition, Nancy appears periodically on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by broker, Michael Bull.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation. She also holds a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.

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Bull Realty is a commercial real estate sales, leasing and advisory firm headquartered in Atlanta and licensed in nine Southeast states. The firm was founded in 1998 with two primary missions: to provide a company of advisors known for their integrity and to provide the best disposition marketing in the nation. Client services include disposition, acquisition, project leasing, tenant representation, asset management and consulting services. Advisors focus on specific property types including office, retail, industrial, multifamily, land, healthcare, senior housing, self-storage, automotive, hospitality and single tenant net lease properties.

The firm produces America's Commercial Real Estate Show, a national video show and podcast enjoyed by millions of people around the country. Industry analysts, leading market participants and the firm's founder Michael Bull share market intelligence, forecasts and success strategies. The show has aired every week since 2010 on iTunes, YouTube and www.CREshow.com. The firm also produces Atlanta's Commercial Real Estate Show available on AtlantaCREshow.com



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