

Pizza Hut

SHELBYVILLE, IL



OFFERING MEMORANDUM



Marcus & Millichap

Pizza Hut

SHELBYVILLE, IL

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Pizza Hut

SHELBYVILLE, IL

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PRICING AND FINANCIAL ANALYSIS

Pizza Hut

SHELBYVILLE, IL

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FINANCIAL OVERVIEW

Location

1215 W Main Street
Shelbyville, IL 62565

Price	\$360,093
Down Payment	100% / \$360,093
Rentable Square Feet	2,613
Price/SF	\$137.81
CAP Rate	7.50%
Year Built	1990
Lot Size	.48 Acres
Type of Ownership	Fee Simple

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Option Period 1	\$27,007.80	\$2,250.65
Option Period 2	\$28,358.19	\$2,363.18
Option Period 3	\$29,776.10	\$2,481.34
Base Rent (\$10.34/SF)		\$27,008
Net Operating Income		\$27,008
Total Return		7.50% / \$27,008

Tenant Summary

Tenant Trade Name	Pizza Hut
Ownership	Private
Tenant	NPC International Inc
Lease Guarantor	General Partnership
Lease Type	Triple Net (NNN)
Roof and Structure	Tenant Responsible
Lease Term	12 Years
Lease Commencement Date	5/14/1997
Rent Commencement Date	5/14/1997
Lease Expiration Date	3/21/2010
Term Remaining on Lease	0.5 Years
Increases	5% Every 5 Years
Options	Two, Five Year Options



INVESTMENT SUMMARY



[Investment Summary](#)

Sale Price	\$360,093
CAP Rate	7.50%
Current Rent	\$27,008
Lease Terms	0.5 Years Remain
Rental Increases	5% Every Five Years
Renewal Options	Two, Five Year Options

[Investment Highlights](#)

- **12-Year Triple Net (NNN) Lease**
- **5% Rental Increases Every Five Years**
- **Half a Year Remaining on the First, Five Year Option**
- **Two, Five Year Options Available**
- **Franchisee Guarantee**
- **Largest Pizza Hut Franchisee with 1,275 Locations**

[About The Investment](#)

The subject investment 1215 W Main Street, Shelbyville, IL. The property sits on approximately 0.48 acres of land and is comprised of roughly 2,613 square feet of building space.

The property is subject to a 12-year triple net (NNN) lease with no landlord responsibilities. There is roughly half a year remaining on the first, five year option period. The tenant has shown their dedication to the site by extending the original lease term and exercising this option. Following the first option, the tenant has the ability of exercising an additional two, five year options. The annual base rent is \$27,008 and is set to increase 5% every five years.

NPC Restaurant Holdings, LLC, through its subsidiary, NPC International, Inc., operates as a franchisee of Pizza Hut restaurants in the United States. NPC International, Inc. operates 1,263 Pizza Hut units in 28 states with presence in the Midwest, South, and Southeast; and 91 Wendy's units in 3 states. NPC Restaurant Holdings, LLC was founded in 1962 and is based in Overland Park, Kansas.

PROPERTY DESCRIPTION

Pizza Hut
SHELBYVILLE, IL

LOCATION OVERVIEW

Property Details

1215 W Main Street,
Shelbyville, IL, 62565

Year Built	1990
Building Square Footage	2,613
Lot Size	.48



Location Highlights

- **At the Hard Corner of W. Main St. and N Cedar St. Where Traffic Counts Are High**
- **Numerous National, Regional, and Local Retailers Surround This Property**
- **Located Across the Street From the County's Only Hospital**
- **Strong Retail Growth and Active Business Activity**

About The Location

The subject property is a Pizza Hut located at 1215 W. Main Street, Shelbyville, Illinois. Shelbyville is a city and county seat for Shelby County located in central Illinois roughly two hours from St Louis and three hours from both Indianapolis and Chicago. Shelbyville has a wonderful small-town charm with their vibrant downtown neighborhood at the heart of their community. The entire downtown neighborhood is listed on the National Register of Historic Places. Within a 5 mile radius, this property has access to a population of nearly 7,000 people with an average household income of almost \$55,000.

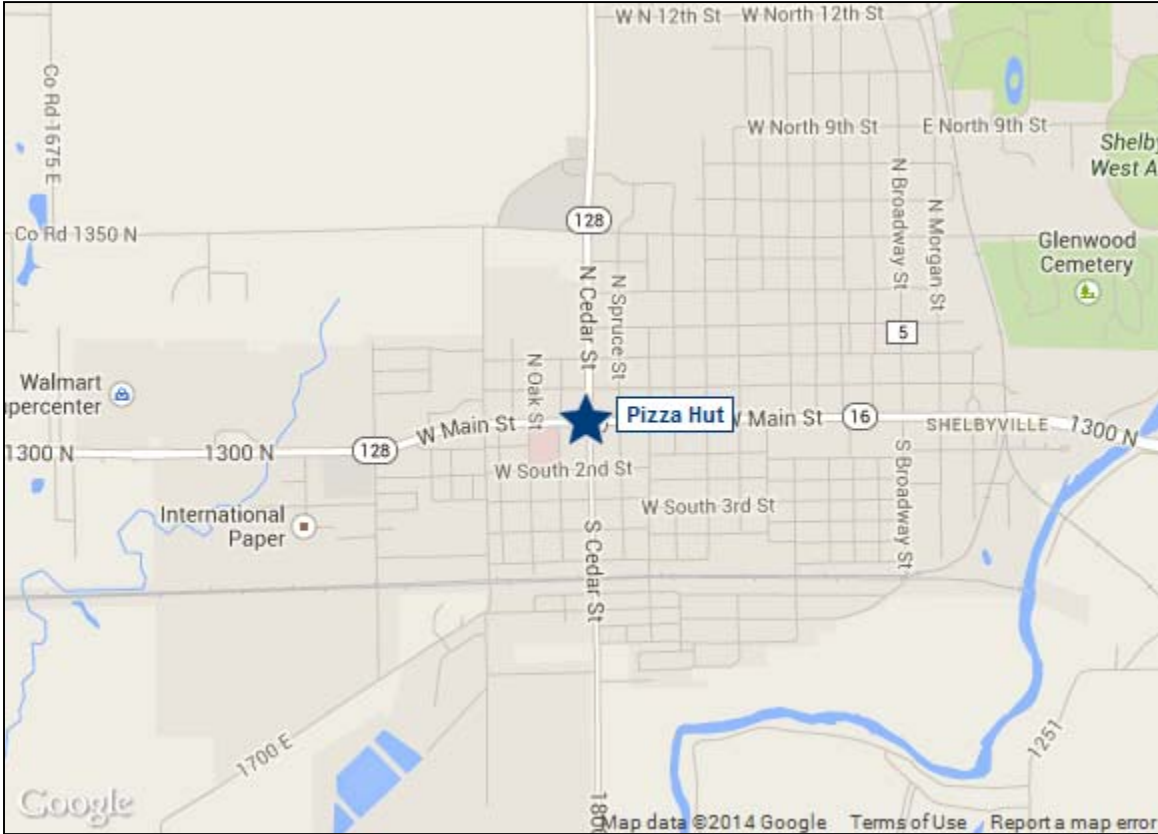
This property is located at the corner of W. Main Street and N. Cedar Street where traffic counts are high. W. Main Street experiences an average traffic count of 12,400 vehicles per day while N. Cedar Street has a traffic count between roughly 5,000 and 7,300 vehicles per day. The strong traffic counts in this area will help generate even greater business for this property by providing a steady flow of consumers regularly. This area of Shelbyville has a dense concentration of national, regional, and local retailers. The major retailers in the area include Walmart, O'Reilly Auto Parts, Dollar General, ACE Hardware, County Market, Dairy Queen, Casey's Dollar Store, Subway, Marathon Gas, CVS Pharmacy, Verizon, Family Dollar, and McDonald's.

Based on the 2012 retail trade summary, total retail sales in Shelbyville increased 29.4% between 2000 and 2010, with actual sales over 90 million in 2010. Area businesses range in size from large national manufactureres to century old family-owned businesses. Other institutions in the area include the Shelbyville Memorial Hospital, which is the county's only hospital and features over 25 inpatient beds and a wide variety of outpatient servies.

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PROPERTY PHOTOS

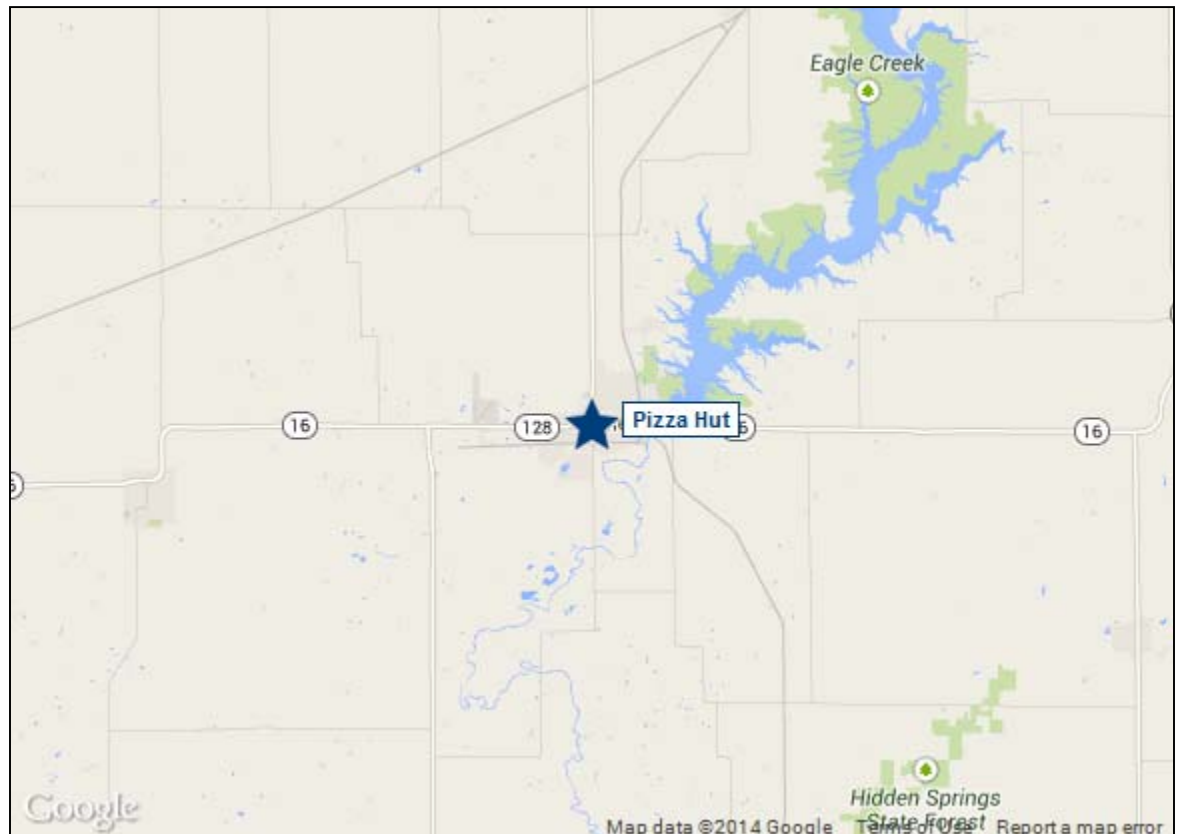




Local Map



Regional Map



AERIAL PHOTO



RECENT SALES

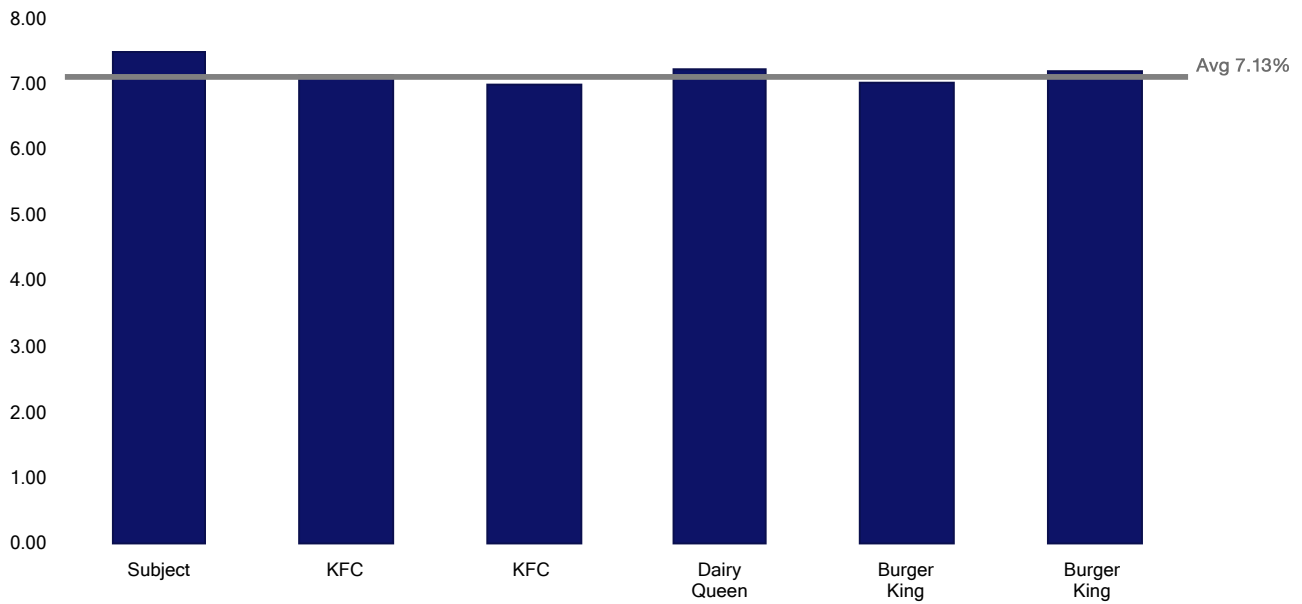
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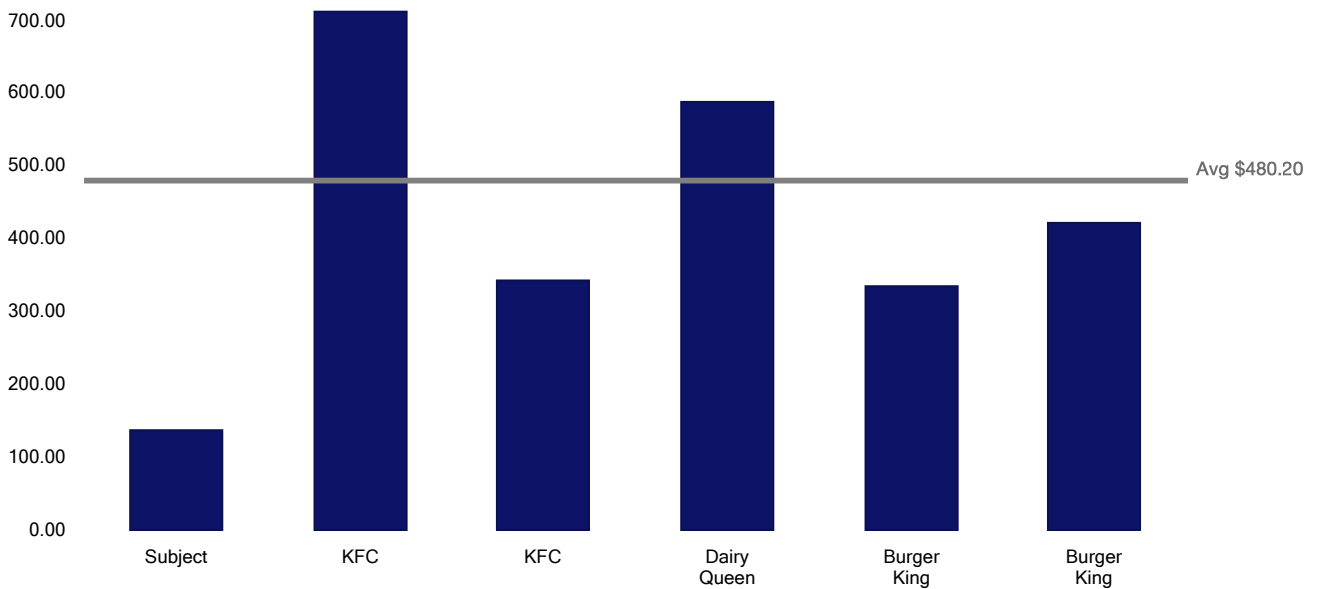
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CAP RATE AND PRICE PER SQUARE FOOT

Average Cap Rate



Average Price per Square Foot



RECENT SALES



Subject Property

Pizza Hut

1215 W Main Street
Shelbyville, IL 62565

Rentable Square Feet:	2,613	Sales Price:	\$360,093
Year Built:	1990	Down Payment:	\$360,093
		CAP Rate:	7.50%
		Price/SF:	\$137.81



KFC

41670 Ford Road
Canton, MI 48187

Close of Escrow:	1/22/2014	Sales Price:	\$1,213,371
Rentable SF:	1,704	Down Payment:	100%
Year Built:	1989	CAP Rate:	7.15%
		Price/SF:	\$712.00



KFC

730 South White Sands Boulevard
Alamogordo, NM 88310

Close of Escrow:	1/10/2014	Sales Price:	\$1,000,000
Rentable SF:	2,907	Down Payment:	30%
Year Built:	1986	CAP Rate:	7.00%
		Price/SF:	\$344.00

RECENT SALES

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Dairy Queen

200 Legacy Drive
Hewitt, TX 76643

Close of Escrow:	4/21/2014	Sales Price:	\$1,572,000
Rentable SF:	2,672	Down Payment:	100%
Year Built:	2006	CAP Rate:	7.25%
		Price/SF:	\$588.00

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Burger King

5345 Transit Road
Williamsville, NY 14221

Close of Escrow:	4/28/2014	Sales Price:	\$1,130,000
Rentable SF:	3,368	Down Payment:	100%
Year Built:	1978	CAP Rate:	7.02%
		Price/SF:	\$336.00

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Burger King

901 North Lake Street
Aurora, IL 60506

Close of Escrow:	1/10/2014	Sales Price:	\$1,200,000
Rentable SF:	2,853	Down Payment:	100%
Year Built:	2001	CAP Rate:	7.22%
		Price/SF:	\$421.00

DEMOGRAPHIC ANALYSIS

Pizza Hut
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DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	4,688	5,982	7,064
2010 Population	4,433	5,761	6,903
2013 Population	4,526	5,820	6,922
2018 Population	4,464	5,772	6,899
2000 Households	2,019	2,529	2,963
2010 Households	1,982	2,515	2,988
2013 Households	2,025	2,542	2,999
2018 Households	2,011	2,536	3,006
2013 Average Household Size	2.20	2.23	2.26
2013 Daytime Population	3,260	3,783	3,818
2000 Median Housing Value	\$64,154	\$67,935	\$70,846
2000 Owner Occupied Housing Units	67.62%	69.17%	70.77%
2000 Renter Occupied Housing Units	25.97%	23.93%	21.85%
2000 Vacant	6.71%	7.08%	7.55%
2013 Owner Occupied Housing Units	70.71%	73.04%	75.52%
2013 Renter Occupied Housing Units	29.29%	26.96%	24.48%
2013 Vacant	11.43%	11.67%	12.03%
2018 Owner Occupied Housing Units	70.63%	73.05%	75.61%
2018 Renter Occupied Housing Units	29.37%	26.95%	24.39%
2018 Vacant	12.14%	12.35%	12.70%
\$ 0 - \$14,999	14.6%	13.5%	12.9%
\$ 15,000 - \$24,999	16.0%	14.9%	13.6%
\$ 25,000 - \$34,999	12.7%	12.8%	12.9%
\$ 35,000 - \$49,999	12.3%	12.0%	12.2%
\$ 50,000 - \$74,999	29.3%	29.3%	29.4%
\$ 75,000 - \$99,999	8.3%	9.2%	10.0%
\$100,000 - \$124,999	3.1%	4.2%	5.1%
\$125,000 - \$149,999	0.8%	1.1%	1.2%
\$150,000 - \$199,999	0.7%	1.0%	1.1%
\$200,000 - \$249,999	1.3%	1.2%	1.0%
\$250,000 +	0.9%	0.9%	0.8%
2013 Median Household Income	\$44,006	\$46,521	\$48,432
2013 Per Capita Income	\$23,571	\$23,770	\$24,020
2013 Average Household Income	\$51,816	\$53,633	\$54,788

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 miles

Population

In 2013, the population in your selected geography was 6,922. The population has changed by -2.00% since 2000. It is estimated that the population in your area will be 6,899 five years from now, which represents a change of 0.33% from the current year. The current population is 48.2% male and 51.7% female. The median age of the population in your area is 44.6, compare this to the U.S. average which is 37. The population density in your area is 67.23 people per square mile.

Households

There are currently 2,999 households in your selected geography. The number of households has changed by 1.20% since 2000. It is estimated that the number of households in your area will be 3,006 five years from now, which represents a change of 0.23% from the current year. The average household size in your area is 2.25 persons.

Income

In 2013, the median household income for your selected geography is \$48,432, compare this to the U.S. average which is currently \$53,535. The median household income for your area has changed by 34.20% since 2000. It is estimated that the median household income in your area will be \$59,324 five years from now, which represents a change of 22.48% from the current year.

The current year per capita income in your area is \$24,020, compare this to the U.S. average, which is \$28,888. The current year average household income in your area is \$54,788, compare this to the U.S. average which is \$75,373.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 97.34% White, 1.21% African American, 0.23% Native American and 0.42% Asian/Pacific Islander. Compare these to U.S. averages which are: 72.20% White, 12.65% African American, 0.96% Native American and 5.01% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 1.89% of the current year population in your selected area. Compare this to the U.S. average of 16.55%.

Housing

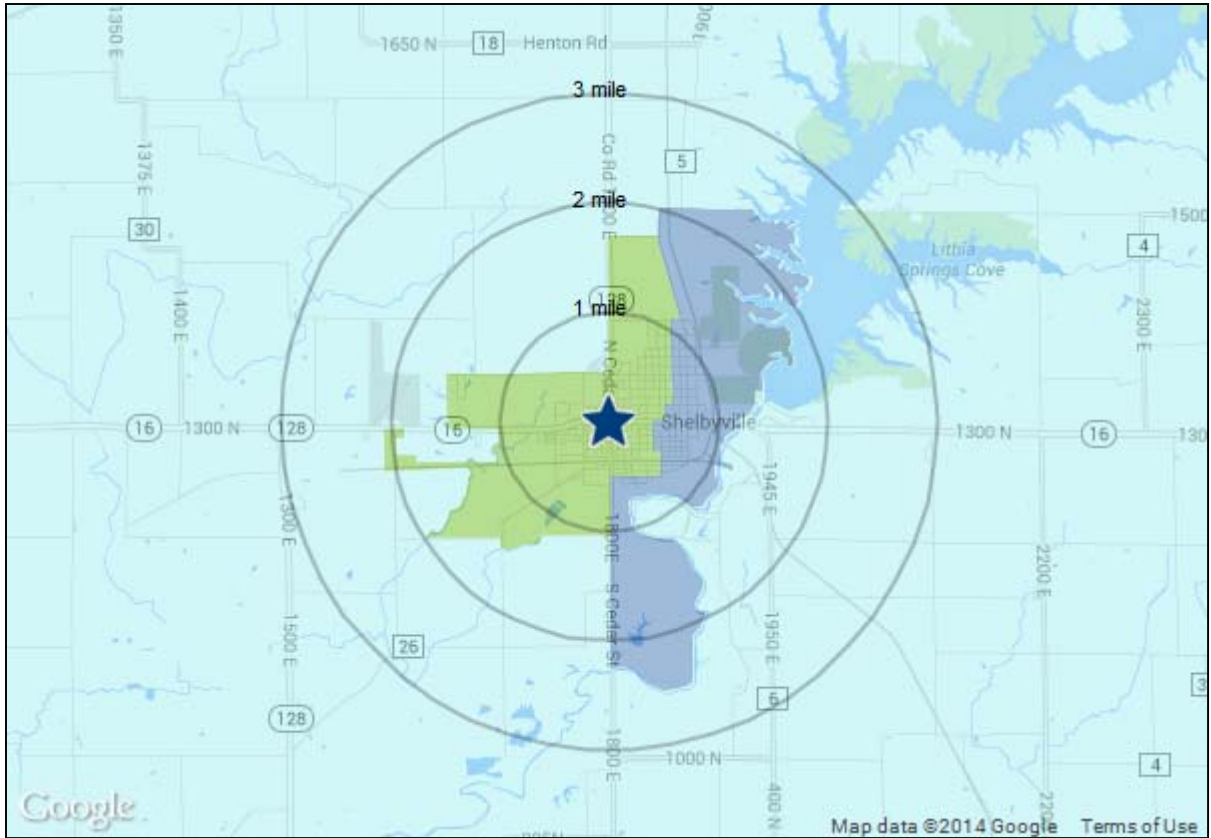
The median housing value in your area was \$70,846 in 2000, compare this to the U.S. average of \$110,781 for the same year. In 2000, there were 2,268 owner occupied housing units in your area and there were 700 renter occupied housing units in your area. The median rent at the time was \$312.

Employment

In 2013, there are 3,818 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 45.4% of employees are employed in white-collar occupations in this geography, and 54.5% are employed in blue-collar occupations. In 2013, unemployment in this area is 6.66%. In 2000, the median time traveled to work was 12.8 minutes.

Demographic data © 2012 by Experian.

POPULATION DENSITY



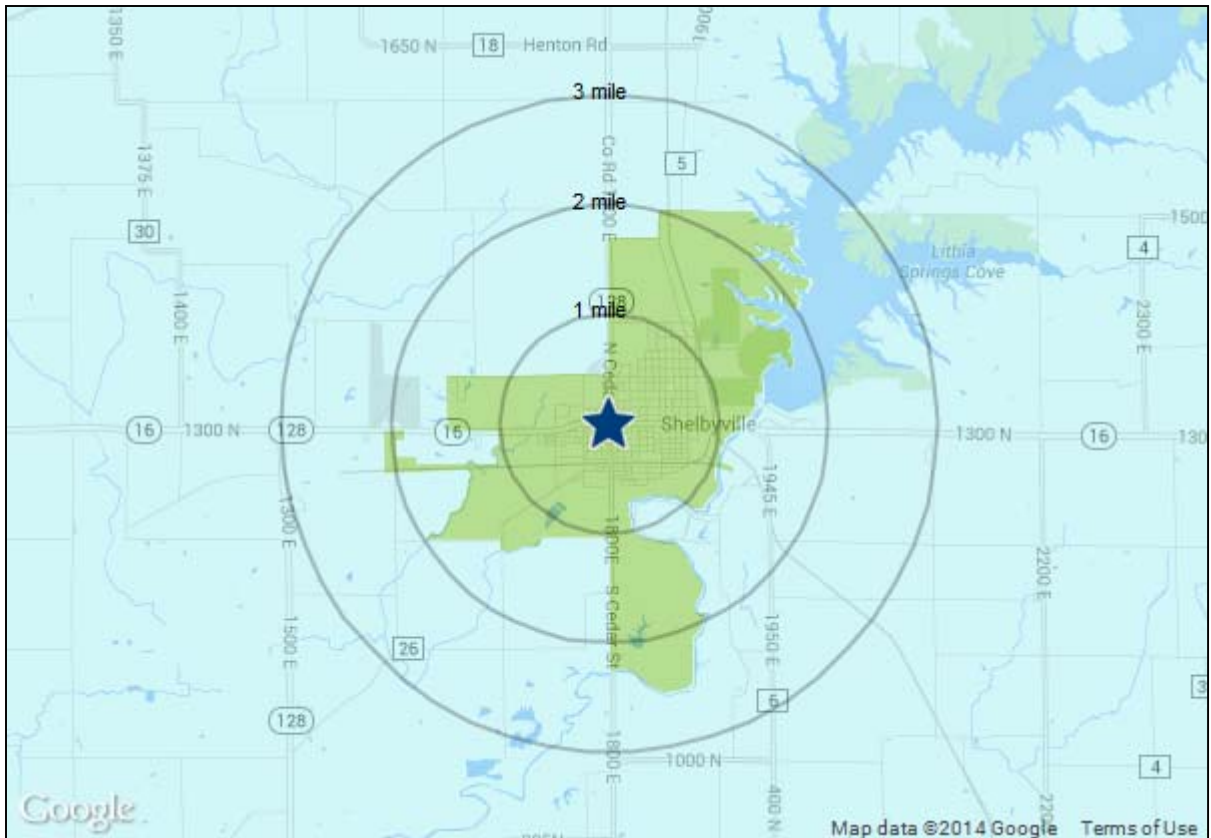
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Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



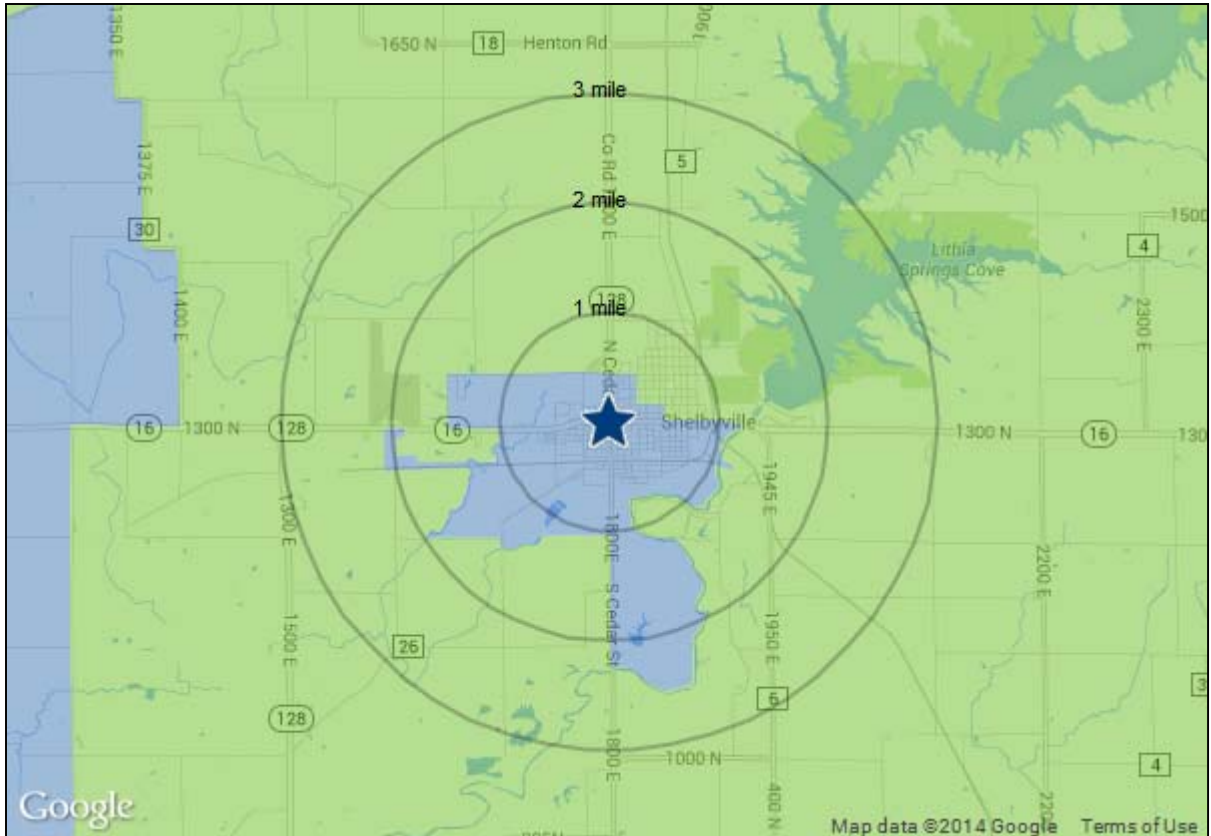
Demographic data © 2012 by Experian.

Employment Density

Theme	Low	High
Low	less than	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



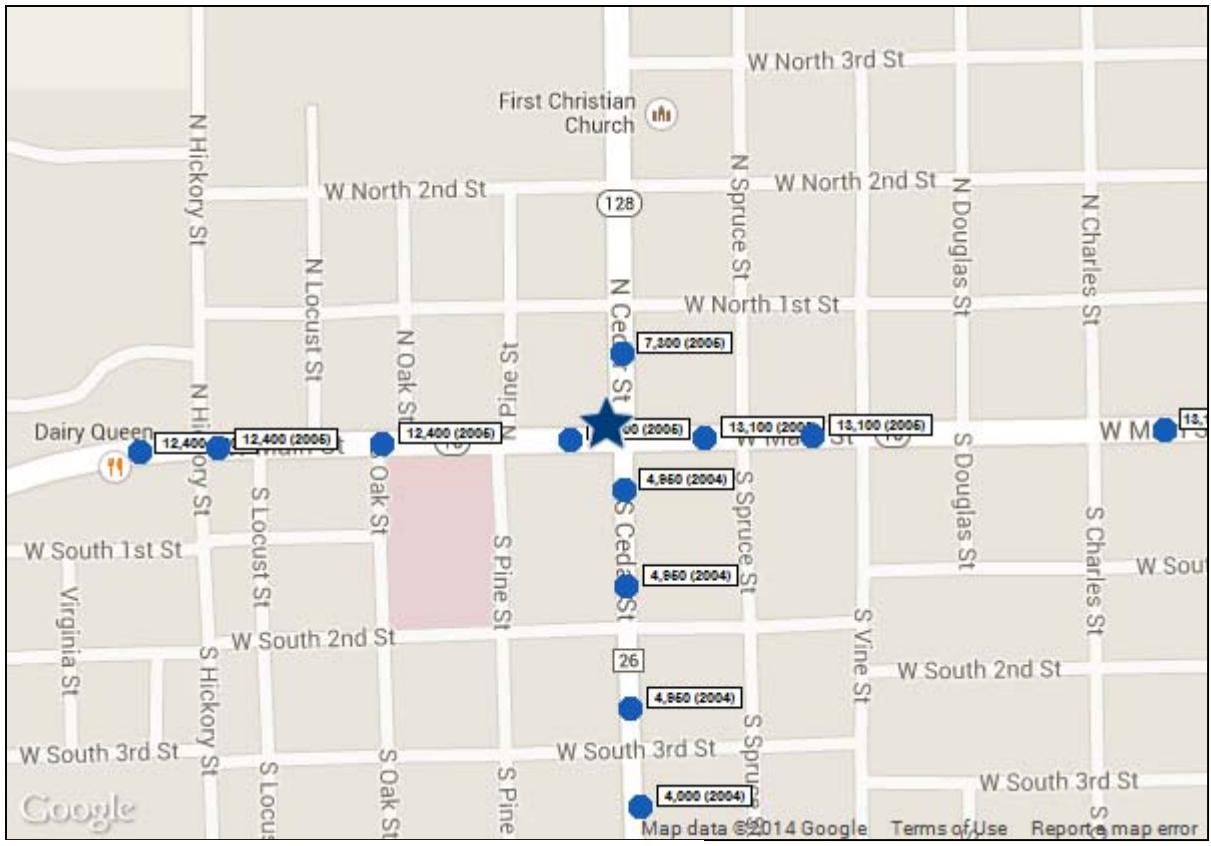
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Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

TRAFFIC COUNTS



Traffic Count data © 2012 by TrafficMetrix. All rights reserved. Two-way, average daily traffic volumes.
* Traffic Count Estimate



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