



Business or Project Name:	Newton Pizza Ranch	Prepared By:	Pinnacle Commercial
Contact:		Contact:	Trev Adair
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Income Approach | 15-Year Absolute Net Lease

Lot & Building Information		Building Breakdown				Bank Loan Information:				
		Monthly	Annual	Value		% Term	Item	%	\$	
Acres:	1.20	Lease Start Date:	5/5/2023			Purchase Price:			\$ 2,145,000.00	
Sqft.	52,272	Lease \$ Value:	15-Year Absolute Net		\$3,324,933.61	Interest Rate:	6.000%	Down Pmt:	20%	\$ 429,000.00
Building:	4,968	Market Cap: Today:	6.25%	\$10,873.71	\$139,970.64	Debt Balance:		80%	\$ 1,716,000.00	
Year Built:	2007	Market Cap: Year 15:	6.25%	\$14,066.30	\$181,066.95	Amort Period (Yrs):	25	Debt Payment - Monthly:		\$ 11,056.21
Parcel ID:	1304101005					Payments Per Year:	12	Debt Payment - Annual:		\$ 132,674.54
Zoned:	Commercial									
County:	Jasper									

- Note 1: Every Pizza Ranch franchise agreement is tied that particular building, so they can't go build another one and leave your location.
- Note 2: A Pizza Ranch franchisee is required to have \$250,000 liquid funds sitting in an account that's tied to this building.
- Note 3: A renewal of a Pizza Ranch franchise is every 10 years. This absolute net lease is for 15 years. The franchisee will be required to renew their franchise license to this location for another 10 years so that takes it 5 years past this lease, which means income through 2043.
- Note 4: Building paid off in year 14 (or sooner) resulting in \$181,000 + in annual income.

Building Lease		Absolute Net												
Mortgage Payment Schedule	Date	Year	Year	Sqft.	Escalator	Rental Income Month	Rental Income Year	Annual Mortgage	Principal Mortgage Balance	Annual Net Income	COC Return	Market Cap	Value	
Start Date:	5/5/2023	2023 - 2024	1	4,968	0.00%	\$10,660.50	\$127,926.00	\$132,674.54	\$1,716,000.00	-\$4,748.54	6.25%	\$2,046,816.00		
		2024 - 2025	2	4,968	2.00%	\$10,873.71	\$139,970.64	\$132,674.54	\$1,583,325.46	\$7,296.10	32.63%	6.25%	\$2,239,530.24	
Escalator (CPI)	5/5/2026	2025 - 2026	3	4,968	2.00%	\$11,091.18	\$142,770.05	\$132,674.54	\$1,450,650.91	\$10,095.51	33.28%	6.25%	\$2,284,320.84	
		2026 - 2027	4	4,968	2.00%	\$11,313.01	\$145,625.45	\$132,674.54	\$1,317,976.37	\$12,950.91	33.95%	6.25%	\$2,330,007.26	
Escalator (CPI)	5/5/2028	2027 - 2028	5	4,968	2.00%	\$11,539.27	\$148,537.96	\$132,674.54	\$1,185,301.82	\$15,863.42	34.62%	6.25%	\$2,376,607.41	
		2028 - 2029	6	4,968	2.00%	\$11,770.05	\$151,508.72	\$132,674.54	\$1,052,627.28	\$18,834.18	35.32%	6.25%	\$2,424,139.56	
	5/5/2030	2029 - 2030	7	4,968	2.00%	\$12,005.45	\$154,538.90	\$132,674.54	\$919,952.73	\$21,864.35	36.02%	6.25%	\$2,472,622.35	
		2030 - 2031	8	4,968	2.00%	\$12,245.56	\$157,629.67	\$132,674.54	\$787,278.19	\$24,955.13	36.74%	6.25%	\$2,522,074.79	
		2031 - 2032	9	4,968	2.00%	\$12,490.47	\$160,782.27	\$132,674.54	\$654,603.64	\$28,107.72	37.48%	6.25%	\$2,572,516.29	
New 10-Year Franchise Agreement Signing	5/5/2033	2032 - 2033	10	4,968	2.00%	\$12,740.28	\$163,997.91	\$132,674.54	\$521,929.10	\$31,323.37	38.23%	6.25%	\$2,623,966.61	
		2033 - 2034	11	4,968	2.00%	\$12,995.09	\$167,277.87	\$132,674.54	\$389,254.55	\$34,603.33	38.99%	6.25%	\$2,676,445.95	
		2034 - 2035	12	4,968	2.00%	\$13,254.99	\$170,623.43	\$132,674.54	\$256,580.01	\$37,948.88	39.77%	6.25%	\$2,729,974.87	
		2035 - 2036	13	4,968	2.00%	\$13,520.09	\$174,035.90	\$132,674.54	\$123,905.46	\$41,361.35	40.57%	6.25%	\$2,784,574.36	
		2036 - 2037	14	4,968	2.00%	\$13,790.49	\$177,516.62	\$123,905.46	\$0.00	\$53,611.15	41.38%	6.25%	\$2,840,265.85	
Lease Exp. Re-Signed	5/5/2038	2037 - 2038	15	4,968	2.00%	\$14,066.30	\$181,066.95	\$0.00	\$0.00	\$181,066.95	42.21%	6.25%	\$2,897,071.17	
		2040-2041	16	4,968	2.00%	\$14,347.63	\$184,888.29	\$0.00	\$0.00	\$184,888.29	43.05%	6.25%	\$2,955,012.59	
		2042-2043	17	4,968	2.00%	\$14,634.58	\$188,382.05	\$0.00	\$0.00	\$188,382.05	43.91%	6.25%	\$3,014,112.84	
New 10-Year Franchise Agreement Signing	5/5/2043	2043-2044	18	4,968	2.00%	\$14,927.27	\$192,149.69	\$0.00	\$0.00	\$192,149.69	44.79%	6.25%	\$3,074,395.10	
Summary				Years		Accumulated Income			Average Annual Income			Market Cap	Value	
Accumulated Income & Average Value for Time Period:				5		\$704,830.11			\$140,966.02			6.25%	\$2,255,456.35	
Accumulated Income & Average Value for Time Period:				10		\$1,493,287.58			\$149,328.76			6.25%	\$2,389,260.14	
Accumulated Income & Average Value for Time Period:				15		\$2,363,808.35			\$157,587.22			6.25%	\$2,521,395.67	
Accumulated Income & Average Value for Time Period:				20		\$3,324,933.61			\$166,246.68			6.25%	\$2,659,946.89	