

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



17 Years Remaining | Annual Rental Increases | 200+ Unit Guarantor



42485 E. Morgan Avenue

**PENNINGTON GAP VIRGINIA**

ACTUAL SITE

 **SRS** | CAPITAL MARKETS

## EXCLUSIVELY MARKETED BY



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NATIONAL NET LEASE

Principal Broker: David Wirth, SRS Real Estate Partners-Northeast, LLC | VA License No. #0225198340







## SITE OVERVIEW



## PROPERTY PHOTOS



## PROPERTY PHOTOS



## OFFERING SUMMARY



## OFFERING

<b>Pricing</b>	\$960,000
<b>Net Operating Income</b>	\$72,000
<b>Cap Rate</b>	7.50%

## PROPERTY SPECIFICATIONS

<b>Property Address</b>	42485 E. Morgan Avenue Pennington Gap, Virginia 24277
<b>Rentable Area</b>	2,304 SF
<b>Land Area</b>	0.63 AC
<b>Year Built / Remodeled</b>	1980 / 2017
<b>Tenant</b>	Tasty Hut of VA, LLC dba Pizza Hut
<b>Guaranty</b>	Tasty Hut, LLC (200+ Unit Operator)
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Lease Term</b>	17 Years
<b>Increases</b>	1.50% Annual Increases
<b>Options</b>	4 (5-Year)
<b>Rent Commencement</b>	12/1/2024
<b>Lease Expiration</b>	11/30/2041

# RENT ROLL & INVESTMENT HIGHLIGHTS



LEASE TERM						RENTAL RATES		
Tenant Name	Square Feet	Lease Start	Lease End	Begin	Increase	Monthly	Annually	Options
Pizza Hut (Franchisee)	2,304	12/1/2024	11/30/2041	Year 1	-	\$6,000	\$72,000	4 (5-Year)
				Year 2	1.50%	\$6,090	\$73,080	
				Year 3	1.50%	\$6,181	\$74,176	
1.50% Increases Throughout Initial Term & Options Thereafter								

## New 17-Year Lease | Tasty Hut, LLC - Strong Operator | Annual Rental Increases | Options to Extend

- The tenant, Tasty Hut, LLC, has entered into a brand new 17 year lease with 4 (5-year) options to extend, demonstrating their commitment to the site
- Tasty Restaurant Group, LLC is an experienced QSR franchisee with over 450 restaurants strong across 23 states operating under six iconic brands: Pizza Hut, Burger King, Dunkin', Baskin-Robbins, Kentucky Fried Chicken and Taco Bell brands
- The lease features annual rental increases of 1.50% throughout initial term and option periods, generating NOI and hedging against inflation

## Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor

## Signalized, Hard Corner | Strong National/Credit Tenant Presence | Excellent Visibility & Access | Nearby School & Hospital

- The subject property is located at the signalized, hard corner intersection of E Morgan Ave and U.S. Hwy 421 which combined average 16,300 VPD
- Nearby national/credit tenants include Food City, O'Reilly Auto Parts, Dollar Tree, Family Dollar, Taco Bell, and many more
- Strong tenant synergy increases consumer draw to the immediate trade area and promotes crossover store exposure to the site
- The site has excellent visibility via significant street frontage and a large pylon sign with multiple points of ingress/egress
- Furthermore, the asset is in close proximity to Pennington Middle School (287 students) and Lee County Community Hospital (12 beds), further increasing consumer traffic to the immediate trade area

## Strong Demographics in 5-mile Trade Area

- More than 8,000 residents and 2,000 employees support the trade area
- \$52,120 average household income



## PIZZA HUT

[pizzahut.com](http://pizzahut.com)

**Company Type:** Subsidiary

**Locations:** 19,000+

**Parent:** Yum! Brands

**2024 Employees:** 40,000

**2024 Revenue:** \$7.55 Billion

**2024 Net Income:** \$1.49 Billion

**2024 Assets:** \$6.72 Billion

**Credit Rating:** S&P: BB+

Pizza Hut, a subsidiary of Yum! Brands, Inc. (NYSE: YUM), was founded in 1958 in Wichita, Kansas and since then has earned a reputation as a trailblazer in innovation with the creation of icons like Original Pan and Original Stuffed Crust pizzas. In 1994, Pizza Hut pizza was the very first online food order. Today, Pizza Hut continues leading the way in the digital and technology space with over half of transactions worldwide coming from digital orders. Pizza Hut is committed to providing an easy pizza experience – from order to delivery – and has Hut Rewards, the Pizza Hut loyalty program that offers points for every dollar spent on food any way you order. Hut Rewards is open to U.S. residents 18+. A global leader in the pizza category, Pizza Hut operates more than 19,000 restaurants in more than 100 countries. Through its enormous presence, Pizza Hut works to unlock opportunity for its team members and communities around the world.

Source: [blog.pizzahut.com](http://blog.pizzahut.com), [finance.yahoo.com](http://finance.yahoo.com)

## TENANT OVERVIEW



### TASTY RESTAURANT GROUP

[tastyrg.com](http://tastyrg.com)

**Locations:** 450+

Tasty Restaurant Group LLC (TRG) is founded on the vision that great brands need great teams to lead and deliver exceptional service and quality to guests. TRG is focused on all the details that make a brand great and ensure its long-term growth. Tasty Restaurant Group's attention is on the single-minded approach to deliver exemplary service, care and value-add to everyone we encounter while improving the restaurants, developing new ones, and expanding through acquisitions. With a focus on talent development, friendly guest experiences, and community engagement TRG provides the support to be best in class while meeting the operating and financial objectives of the restaurants.

Tasty Restaurant Group, LLC, an affiliate of Triton Pacific Capital Partners is headquartered in Dallas, TX, and operates over 450 restaurants strong across 23 states operating under six iconic brands: Pizza Hut, Burger King, Dunkin', Baskin-Robbins, Kentucky Fried Chicken and Taco Bell brands.

# PROPERTY OVERVIEW



## LOCATION



Pennington Gap, Virginia  
Lee County

## ACCESS



E. Morgan Avenue: 1 Access Point  
Bobcat Circle: 1 Access Point

## TRAFFIC COUNTS



E. Morgan Avenue: 11,000 VPD  
Woodway Road/U.S. Highway 421: 5,300 VPD

## IMPROVEMENTS



There is approximately 2,304 SF of existing building area

## PARKING



There are approximately 40 parking spaces on the owned parcel.  
The parking ratio is approximately 17.36 stalls per 1,000 SF of leasable area.

## PARCEL



Parcel Number: 23E-(31)-45  
Acres: 0.63  
Square Feet: 27,443

## CONSTRUCTION



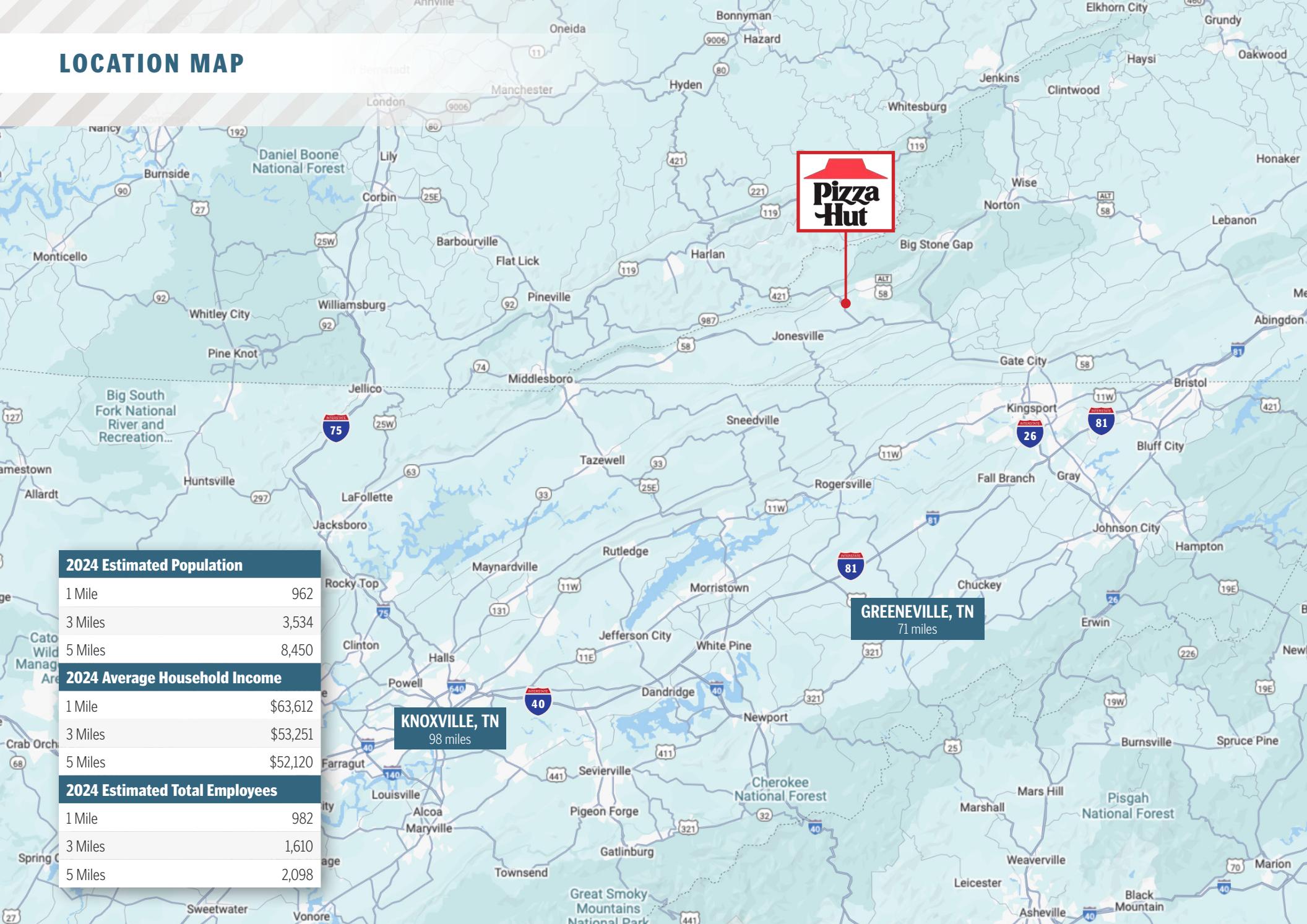
Year Built: 1980  
Year Renovated: 2017

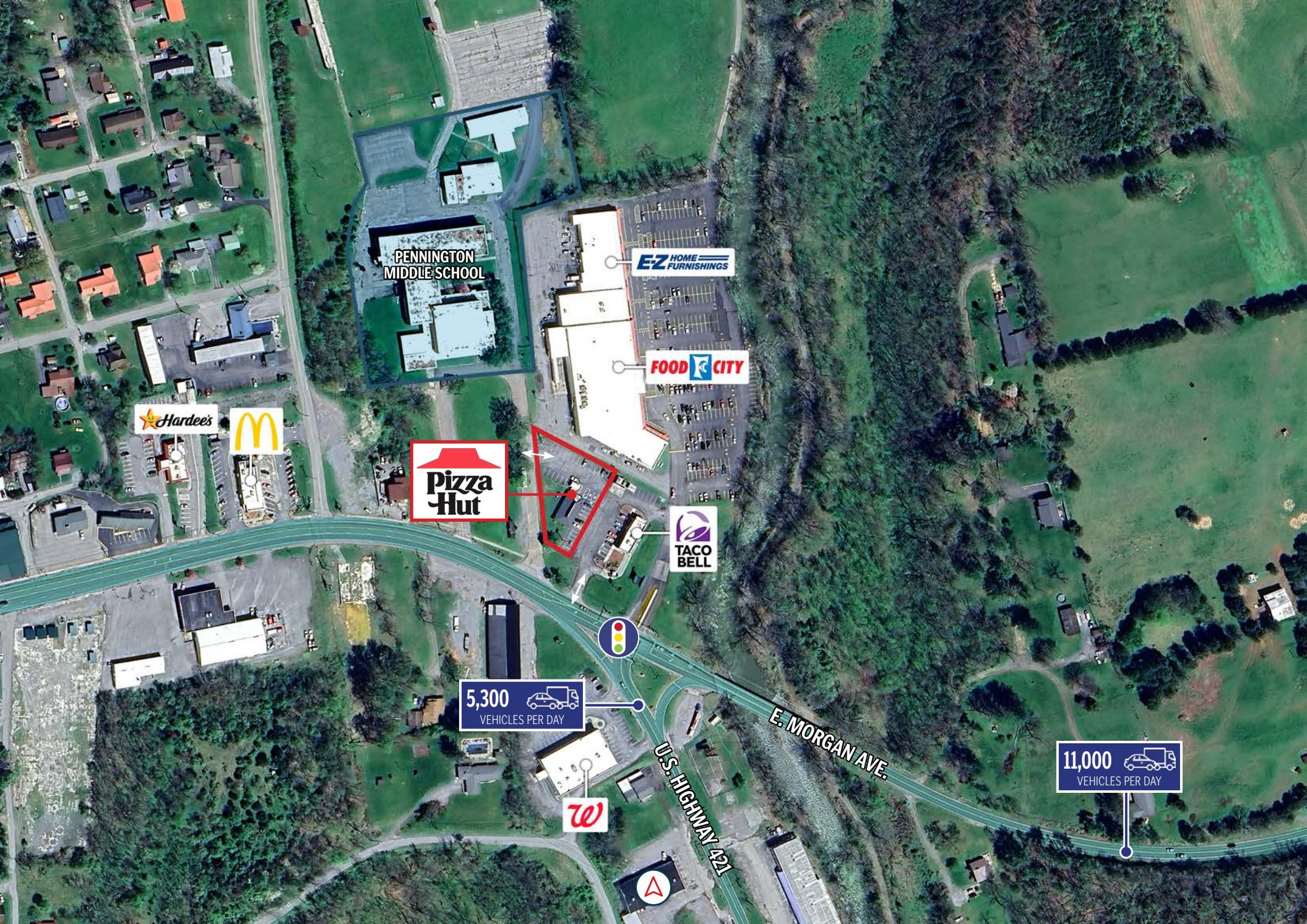
## ZONING



Commercial

## LOCATION MAP









	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2024 Estimated Population	962	3,534	8,450
2029 Projected Population	922	3,497	8,324
2024 Median Age	43.6	44.5	41.2
<b>Households &amp; Growth</b>			
2024 Estimated Households	461	1,539	3,006
2029 Projected Households	450	1,535	2,971
<b>Income</b>			
2024 Estimated Average Household Income	\$63,612	\$53,251	\$52,120
2024 Estimated Median Household Income	\$31,857	\$32,217	\$34,261
<b>Businesses &amp; Employees</b>			
2024 Estimated Total Businesses	85	150	197
2024 Estimated Total Employees	982	1,610	2,098



## PENNINGTON GAP, VIRGINIA

Pennington Gap, Virginia is a small town located in the southwestern corner of the state, within Lee County. It's known as "where Virginia begins" by locals, being close to the Tennessee and Kentucky borders.

The town has many amenities such as Pennington Lumber Company for building materials, store-brand pharmacy services from McPeak's Pharmacy, and a range of medical care options at Lee County Hospital.

There are plenty of outdoor activities to enjoy, such as hiking and fishing, that provide an escape from the hustle and bustle of city life. With its beautiful scenery, vibrant culture and friendly people, Pennington Gap is the perfect place for people looking for a slower paced lifestyle in a peaceful mountain setting.

Pennington Gap, Virginia, is served by the Lee County Public Schools system. The town hosts two public schools: Elk Knob Elementary School and Pennington Middle School. The closest major airport to Pennington Gap, Virginia is Tri-Cities Regional Airport (TRI / KTRI). This airport is in Blountville, Tennessee and is 58 miles from the center of Pennington Gap, VA.

Lee County is the westernmost county in the U.S. Commonwealth of Virginia. Lee County's estimated 2025 population is 21,541. Its county seat is Jonesville. Lee County shares Cumberland Gap National Historical Park with Kentucky and Tennessee. Attractions listed in the park include Hensley's Settlement, the Pinnacle Overlook, the Sand Cave, and the White Rocks overlooking the towns of Ewing and Rose Hill in Virginia. The Lee County School System operates eleven schools, including two high schools and one technical school.



## THE EXCLUSIVE NATIONAL NET LEASE TEAM

### of SRS Real Estate Partners

**300+**

TEAM  
MEMBERS

**25+**

OFFICES

**\$5B+**

TRANSACTION  
VALUE  
company-wide  
in 2024

**600+**

CAPITAL MARKETS  
PROPERTIES  
SOLD  
in 2024

**\$2.5B+**

CAPITAL MARKETS  
TRANSACTION  
VALUE  
in 2024

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