### WENDY'S

105 JACKSON ROAD SW | WISE, VIRGINIA 24293



### OFFERING MEMORANDUM

Represented by: **JUSTIN ZAHN** iustin@ciadvisor.com

### COMMERCIAL INVESTMENT ADVISORS, INC. CIA BROKERAGE COMPANY

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In Association with Virginia Local Broker:



## INVESTMENT OVERVIEW

NAME

105 Jackson Road SW

**MAJOR CROSS STREETS** 

**PURCHASE PRICE** 

**CAP RATE** 

**TENANT** 

LOCATION

**ANNUAL RENT** 

**GROSS LEASEABLE AREA** 

**RENTAL ESCALATIONS** 

**LEASE TYPE** 

**OWNERSHIP** 

YEAR BUILT | REMODELED

**LOT SIZE** 

LEASE EXPIRATION

**OPTIONS** 

#### **WENDY'S**

Wise, Virginia 24293

NWC of Jackson Rd & Norton Rd

WENDWISE CORP.

\$2,304,000

6.00%

\$138,266

2.780 SF

7% every 5 Years

Absolute NNN

(Building & Land) Fee Simple

1983 | (Est.) 2016

+0.64 Acre

December 31, 2032

Four 5-Year Renewal Options

### POINTS OF INTEREST

#### RETAIL | SHOPPING | ENTERTAINMENT

Pad site to Ridge View Shopping Center – anchored by Peebles, Save-A-Lot & Tractor Supply Co.; nearby retailers include Lowe's Home Improvement, Walmart Supercenter, Food City, Ollie's Bargain Outlet, Dollar Tree, Goodwill, Burke's Outlet, Belk, Maurices, Hibbett Sports, Sally Beauty, AutoZone, Advance Auto Parts, etc.

#### HIGHER EDUCATION

2 miles from The University of Virginia's College at Wise (a public, 4year residential liberal arts college offering 31 majors, 36 minors & 17 teaching licensures with total enrollment of 2,021)

### INVESTMENT HIGHLIGHTS

#### **LEASE**

14+ Years Remaining on 20-Year Absolute NNN Lease with 7% Rental Escalations every 5 Years (Next Increase: January 1, 2023)

#### **TENANT**

Wendwise Corp. is an Experienced Three-Unit Wendy's Franchisee

#### SEASONED LOCATION | RECENTLY REMODELED

Successfully Open & Operating for Decades with a 9.60% Rent-to-Sales Ratio – Fully Remodeled Showing the Tenant's Commitment to the Site.

#### TRAFFIC COUNTS

Just off Hwy 23 in Main Retail Corridor with Great Drive-By Visibility on Norton Rd where Traffic Counts Exceed 36,000 CPD!

#### **DEMOGRAPHICS**

Total Population (5-MI): 15,333 | Average Household Income (1-MI): \$72,194



## FINANCIAL ANALYSIS

### SUMMARY

**TENANT** Wendwise Corp.

PURCHASE PRICE \$2,304,000

**CAP RATE** 6.00%

**GROSS LEASABLE AREA** 2,780 SF

**YEAR BUILT | REMODELED** 1981 | (Est.) 2016

**LOT SIZE** 

EXPENSE REIMBURSEMENT

**FINANCING** 

±0.64 Acre

This is an **Absolute NNN lease**. Tenant is responsible for all expenses.

All Cash or Buyer to obtain new financing at Close of Escrow.

### RENT ROLL

TENANT INFO		LEASE TERMS	RENT SUMMARY		
TENANT NAME	SQ FT	TERM	INCREASE	RENT	ANNUAL INVESTOR RETURN
Wendwise Corp.	2,780	<b>01/01/18</b> to 12/31/22	Current	\$138,266	6.00%
		01/01/23 to 12/31/27	7%	\$147,945	6.42%
		01/01/28 to <b>12/31/32</b>	7%	\$158,301	6.87%
					6.46% AVG ANNUAL RETURN
RENEWAL OPTIONS		1st Option: 01/01/33 to 12/31/37	7%	\$169,382	
		2 <sup>nd</sup> Option: 01/01/38 to 12/31/42	7%	\$181,239	
		3rd Option: 01/01/43 to 12/31/47	7%	\$193,925	
		4 <sup>th</sup> Option: 01/01/48 to 12/31/52	7%	\$207,500	

### TENANTOVERVIEW



TYPE
TRADED AS
INDUSTRY
S&P CREDIT RATING
MOODY'S RATING
MARKET CAP
# OF LOCATIONS

**PUBLIC** 

NASDAQ: WEN - THE WENDY'S COMPANY

**RESTAURANTS – FAST FOOD** 

B (STABLE) May 7 2015

B2 (STABLE) Aug 25 2015

**\$4.09 BILLION** 

6,600+ RESTAURANTS WORLDWIDE

https://www.wendys.com/home

**Wendy's**® was founded in 1969 by Dave Thomas in Columbus, Ohio. Dave built his business on the premise, "Quality is our Recipe®," which remains the quidepost of the Wendy's system.

Wendy's is best known for its made-to-order square hamburgers, using fresh, never frozen beef, freshly-prepared salads with hand-chopped lettuce, and other signature items like chili, baked potatoes and the Frosty® dessert.

The Wendy's Company (NASDAQ: <u>WEN</u>) is committed to doing the right thing and making a positive difference in the lives of others. This is most visible through the Company's support of the Dave Thomas Foundation for Adoption® and its signature Wendy's Wonderful Kids® program, which seeks to find every child in the North American foster care system a loving, forever home.

Today, Wendy's and its franchisees employ hundreds of thousands of people across more than 6,600 restaurants worldwide with a vision of becoming the world's most thriving and beloved restaurant brand.

### ABOUT THE TENANT WENDWISE CORP.

**Wendwise Corp.** is an experienced three-unit Wendy's franchisee. The company is owned by Lewis Topper & Jeff Coghlans.



## ACTUAL INTERIOR PHOTOS













## LOCATION OVERVIEW



**Wise** is a town in the Appalachian Mountains that is fast becoming a leader in lifestyle, technology and education in the Commonwealth of Virginia while maintaining a quiet, small town environment. Wise, at an elevation of 2,684 feet, has the highest altitude of any town in Wise County. Primarily a residential and college town, it has a total area of 3.1 square miles and the population is 3,286.

The Wise community has social and cultural roots that trace back through generations of US history. The historic downtown and Main Street are is home to an array of historically significant building, locally owned shops, and dining. Stunning mountain vistas and abundant scenic spaces also make Wise a haven for outdoor activities such as hiking, canoeing, camping and fishing.

Formerly known as Clinch Valley College, the University of Virginia's College at Wise grew out of the commitment of individuals who sought to bring the benefits of higher education to the coalfields of southwestern Virginia. Founded in 1954, the college is home to more than 2000 students and is listed as one of the top 10 liberal arts colleges in the United states. The 396-acre campus is located 60 minutes from the Tri-Cities of Tennessee and Virginia.

Central High School was formed in 2011. The school consists of students from the communities of Pound, Wise, and the surrounding areas of Wise Co. Central is a consolidated high school in the Wise Co. Public School System. They offer interscholastic sports programs through the Virginia High School League in Group 2A.

#### **WISE COUNTY TOP EMPLOYERS:**

- 1) A&G Company (Coal)
- 2) Mullican Flooring (Manufacturing)
- 3) Coastal Corporation (Coal)
- 4) Commonwealth of Virginia (Education)
- 5) Crutchfield Corporation (Call Center)

2018 DEMOGRAPHICS								
MILLION CONTRACTOR	1-MI	3-MI	5-MI					
TOTAL POPULATION	968	9,267	15,333					
DAYTIME POPULATION	792	7,595	12,301					
AVERAGE HOUSEHOLD INCOME	\$72,194	\$57,993	\$56,816					

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