



Subject Property

**Wendy's**

# OFFERING MEMORANDUM



816 N High St – Hamilton, OH 45011

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Representative Photo



# Investment Highlights



## About the Investment

- ✓ Long-Term, 20-Year Triple-Net (NNN) Lease | ~7 Years Remaining on the Initial Lease Term
- ✓ Wendy's Has Been Dedicated to This Location Since 1974
- ✓ 6% Rental Increases Every 5 Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Option Periods

## About the Location

- ✓ Main Retail Area in Hamilton | Major National Tenants Include: McDonald's, Certified Gas, Taco Bell, Waffle House, White Castle, Family Dollar, CVS, BP, and Walgreens
- ✓ Strong Traffic Counts | North High Street & Martin Luther King Junior Boulevard | Average Daily Traffic Counts of 35,000 and 16,500 Vehicles Respectively
- ✓ Large Academic Presence | Institutions Include: Fairwood Elementary School, Garfield Middle School, and St. Joseph Consolidated School | Total Enrollment of 1,750 Students
- ✓ Located Down the Street from the Butler County Courthouse and Other Municipal Buildings

## About the Brand

- ✓ The Wendy's Company is the World's Third Largest Quick-Service Hamburger Company
- ✓ The Wendy's System Includes More Than 6,600 Franchise and Company Restaurants in the U.S. and 29 Other Countries and U.S. Territories Worldwide
- ✓ Wendy's Continues its Successful Global Expansion | 69 Year-To-Date Global Restaurant Openings







# Concept Overview

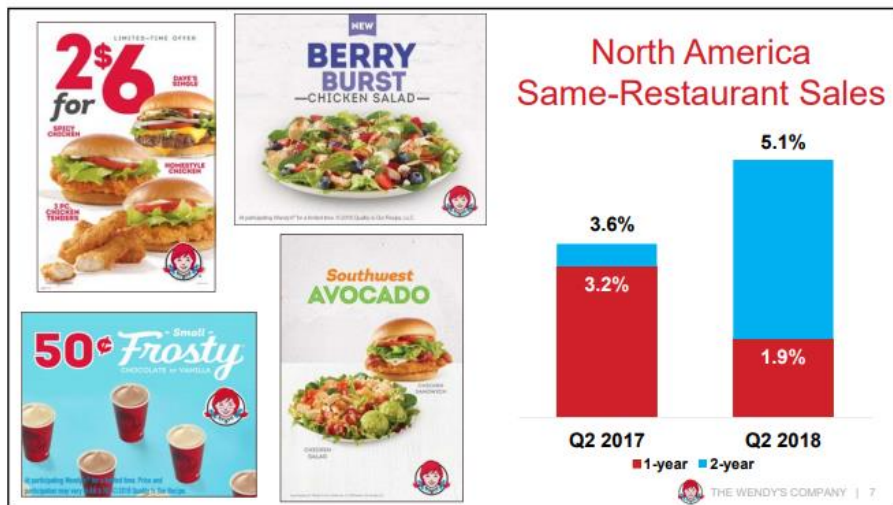


## About Wendy's

**Wendy's** is an American international fast food chain restaurant founded by Dave Thomas on November 15, 1969, in Columbus, Ohio. The company moved its headquarters to Dublin, Ohio on January 29, 2006. The Wendy's chain offers made-to-order burgers and fries as well as alternative menu items such as baked potatoes, chili, and salads. The chain is known for its square hamburgers, sea salt fries, and the Frosty, a form of soft serve ice cream mixed with frozen starches. As of 2018, Wendy's is the world's number three hamburger chain in terms of locations (only behind McDonald's and Burger King), with approximately 6,600 franchise and Company-operated restaurants in the United States and 30 countries and U.S. territories worldwide.

## Wendy's 2018 Q2 Highlights

- 22<sup>nd</sup> Quarter of positive same-restaurant sales
- Global expansion continues - 69 YTD Global Restaurant Openings
- Global systemwide sales increase 3.1% in constant currencies
- Delivery coverage ahead of expectations: ~40% NA system
- Strong year over year free cash flow growth of 33.6%
- Company on track to achieve 2018 year end financial outlook





# Financial Analysis

PRICE: \$2,345,986 | CAP: 7.00% | Rent: \$164,219

## Property Description

Property	Wendy's
Property Address	816 North High Street
City, State, ZIP	Hamilton, OH 45011
Building Size (Square Feet)	2,751
Lot Size (Acres)	+/- 0.55
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$2,345,986
CAP Rate	7.00%
Annual Rent	\$164,219

## Lease Summary

Property Type	Net-Leased Restaurant
Tenant	Wendmiddle, LLC
Original Lease Term	20.0 Years
Lease Commencement	March 3, 2006
Lease Expiration	March 31, 2026
Lease Term Remaining	7 Years
Lease Type	Triple-Net (NNN)
Rental Increases	6% Every Five (5) Years
Options to Renew	Four (4), Five (5)-Year

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current Rent	\$164,219	\$13,685	-
Year 15	\$164,219	\$13,685	-
Year 16	\$174,072	\$14,506	6.00%
Year 17	\$174,072	\$14,506	-
Year 18	\$174,072	\$14,506	-
Year 19	\$174,072	\$14,506	-
Year 20	\$174,072	\$14,506	-

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Wendy's located at 816 North High Street in Hamilton, Ohio. This property is subject to a 20-year triple-net (NNN) lease with approximately 7 years remaining on the initial lease term. The offering consists of 2,751 rentable square feet of building space and sits on approximately 0.55 acres of land. The current annual rent is \$164,219 and is subject to 6% rental increases every five years with four, five-year tenant renewal option periods.





# Surrounding Area







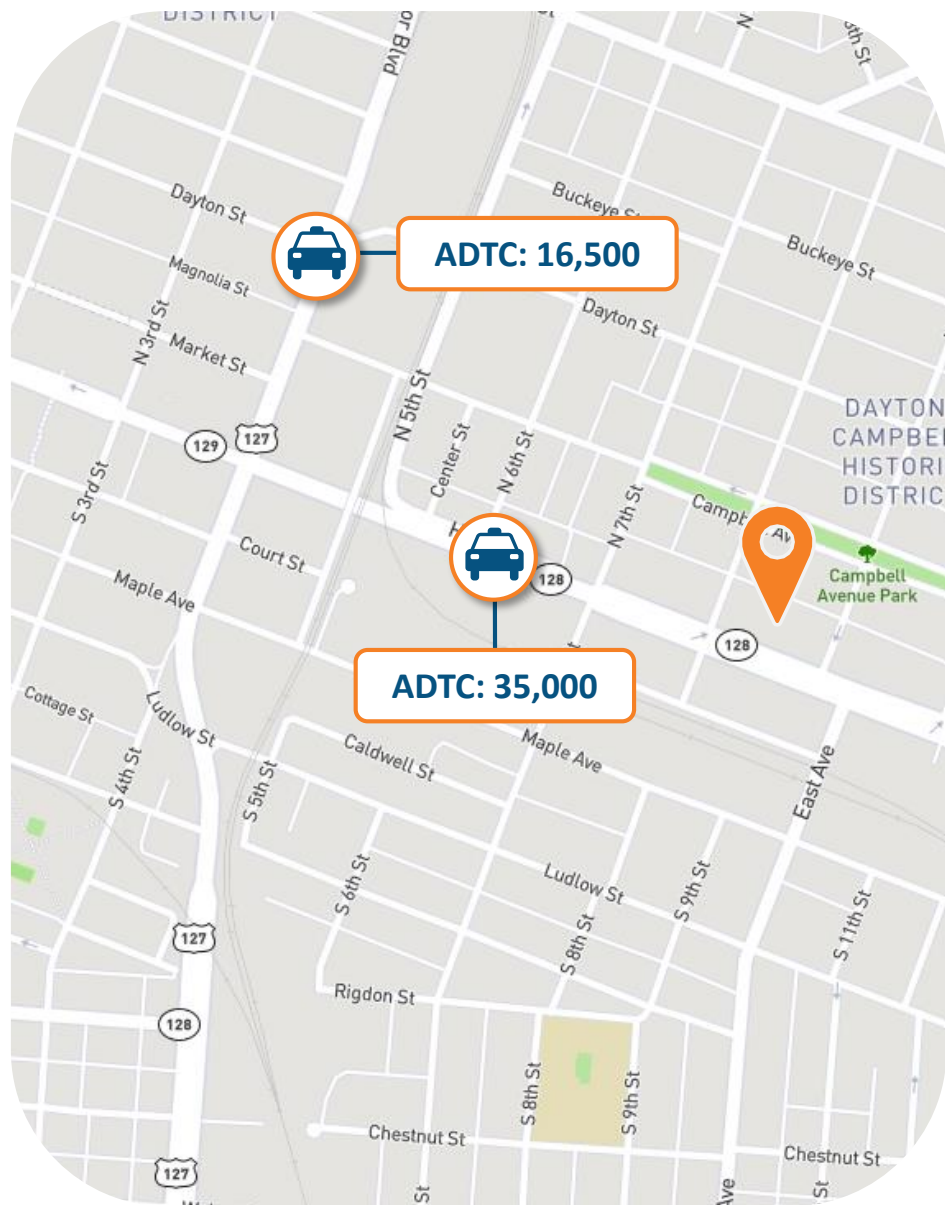
# Location Overview



This subject investment property is located at 816 North High Street in Hamilton, Ohio. North High Street is one of the major thoroughfares in the city of Hamilton, and features an average daily traffic count of 35,000 vehicles. The subject property also benefits from its close proximity to Martin Luther King Jr. Boulevard, which brings a total of 16,500 vehicles into the area, on average, each day into the immediate area.

The subject property is well-positioned in a main retail corridor in Hamilton, with many other national and local retail and restaurant tenants. These tenants include: McDonald's, Certified Gas, Taco Bell, Waffle House, White Castle, Family Dollar, CVS, BP, and Walgreens. The subject property benefits from its close proximity to many of the city's municipal buildings, including the Butler County courthouse. The subject property is also located roughly two miles southeast of the Fort Hamilton Hospital. This state-of-the-art hospital features a 310-bed facility, and is a part of the larger Kettering Health Network family. The subject property is also located less than one mile from numerous academic institutions. These institutions include Fairwood Elementary School, Garfield Middle School, and St. Joseph Consolidated School. Together, these institutions have a total enrollment of nearly 1,750 students.

Hamilton is a city in, and the county seat of, Butler County, Ohio. The city is located in the southwestern corner of the state, and is located roughly 20 miles north of Cincinnati. Cincinnati is the county seat of Hamilton County, and a major city located in the southwest corner of the U.S. state of Ohio. The city is the third largest in the state, and is the fastest growing economic power in the Midwestern United States based on percentages. The city rose to prominence in the 19<sup>th</sup> century, as it was an American boomtown, in the heart of the country. Today, Cincinnati is home to the corporate headquarters of seven Fortune 500 companies, including: Procter & Gamble, The Kroger Company, and General Electric's Global Operations Center. The city has the seventh largest economy in the Midwest, and has a cost of living that is nearly 8% less than the national average. These two factors have helped to contribute to the rapid growth of the city in recent years. Beyond its growing economy, the city is home to many cultural and academic attractions.







# Property Photo







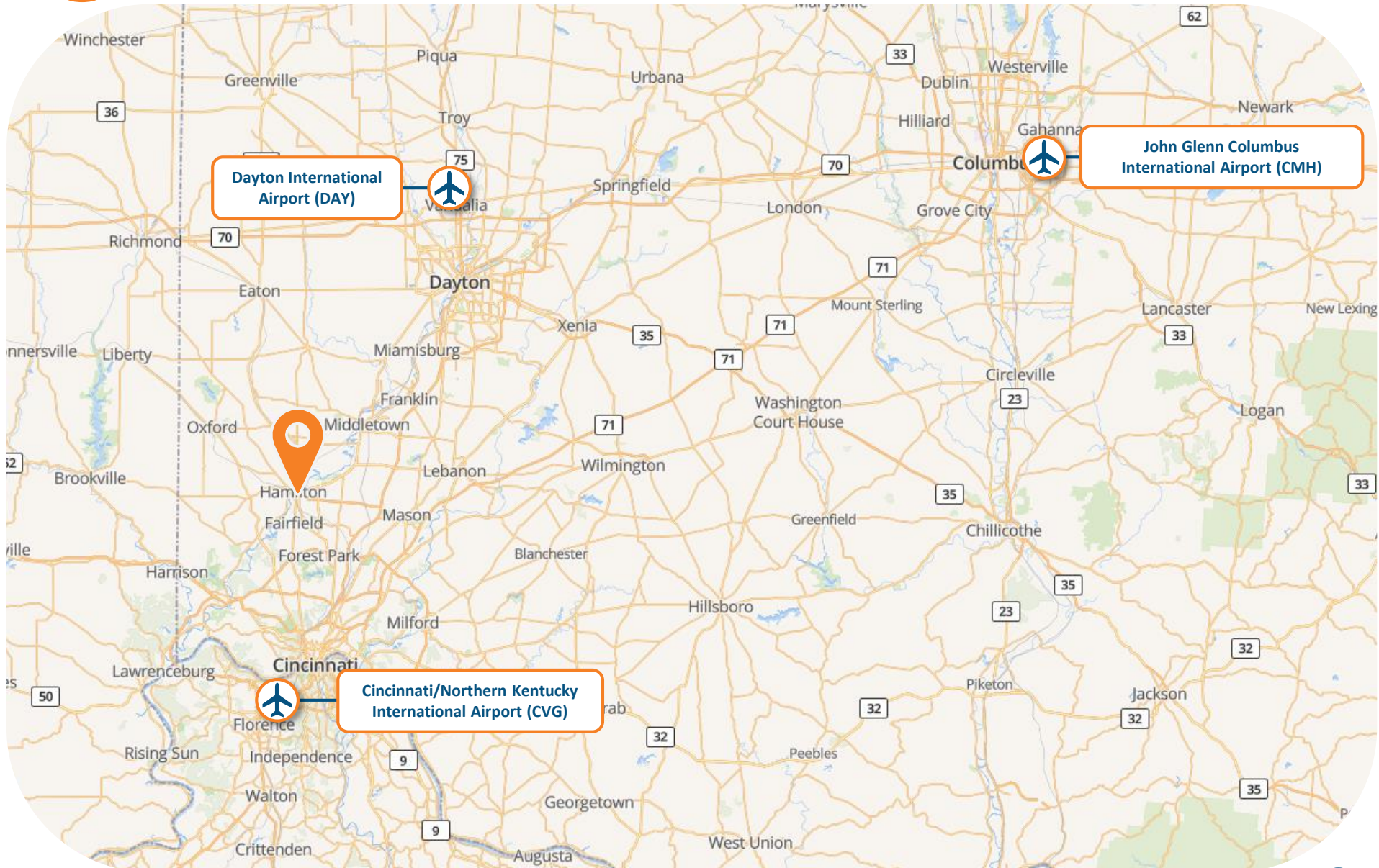
# Surrounding Area Photos







# Local Map







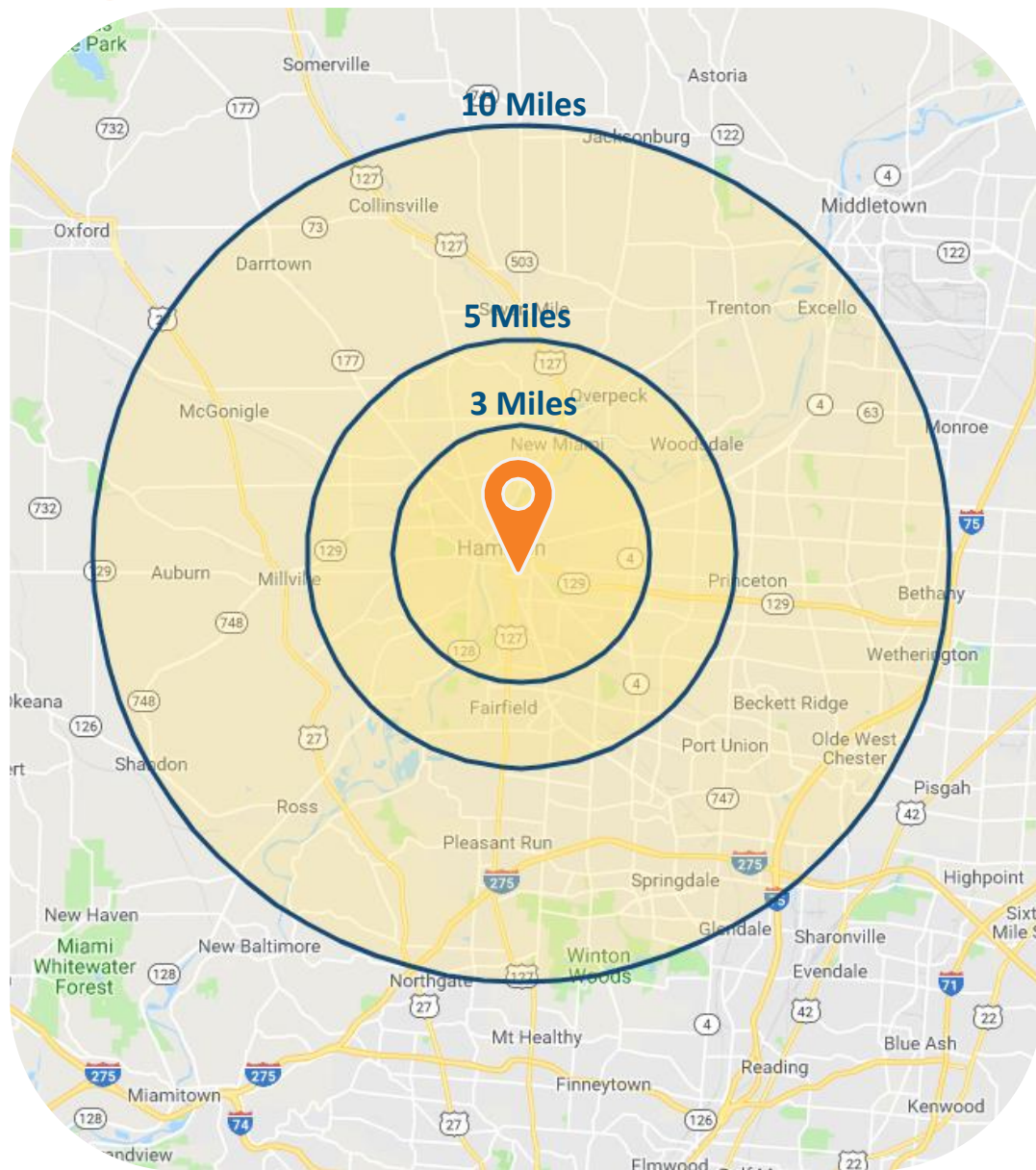
# Regional Map







# Demographics



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2022 Projection	74,493	132,191	337,271
2017 Estimate	73,207	127,046	322,440
2010 Census	71,693	123,672	313,679
2000 Census	71,003	112,345	283,945
<b>INCOME</b>			
Average	\$59,685	\$69,226	\$79,913
Median	\$45,241	\$54,080	\$62,681
Per Capita	\$23,227	\$26,485	\$29,867
<b>HOUSEHOLDS</b>			
2022 Projection	29,086	50,785	126,674
2017 Estimate	28,117	48,202	119,967
2010 Census	27,549	46,944	116,691
2000 Census	27,476	43,140	105,797
<b>HOUSING</b>			
2017	\$118,794	\$150,673	\$163,862
<b>EMPLOYMENT</b>			
2017 Daytime Population	61,122	108,248	308,070
2017 Unemployment	8.00%	6.20%	4.83%
2017 Median Time Traveled	25	26	26
<b>RACE &amp; ETHNICITY</b>			
White	82.63%	83.86%	76.48%
Native American	0.08%	0.09%	0.11%
African American	9.25%	8.65%	14.73%
Asian/Pacific Islander	0.94%	1.56%	3.02%



# Market Overview



*Cincinnati, OH*



**Cincinnati** is the county seat of Hamilton County, and a major city located in the southwest corner of the U.S. state of Ohio. The city is the third largest in the state, and is the fastest growing economic power in the Midwestern United States based on percentages. The city rose to prominence in the 19<sup>th</sup> century, as it was an American boomtown, in the heart of the country. Today, Cincinnati is home to the corporate headquarters of seven Fortune 500 companies, including: Procter & Gamble, The Kroger Company, and General Electric's Global Operations Center. The city has the seventh largest economy in the Midwest, and has a cost of living that is nearly 8% less than the national average. These two factors have helped to contribute to the rapid growth of the city in recent years. Beyond its growing economy, the city is home to many cultural and academic attractions. There are three professional sports teams that are based in Cincinnati, which are: the Cincinnati Reds of Major League Baseball, the Cincinnati Bengals of the National Football League, and FC Cincinnati, which will become a part of Major League Soccer in 2019. The city's largest academic institution of higher education is the University of Cincinnati, which was founded in 1819, and is now ranked as one of the 50 largest universities in America. Cincinnati is home to historic architecture with many structures in the urban core having remained intact for over 200 years.

## Major Employers

Employer	Estimated # of Employees
CVS Health Corporation	1,809
Butler County of Ohio	1,165
Fort Hmltn-Hghes Hlthcare Corp	1,100
Government Service Center	1,000
Walmart	760
Finance Dept	700
Medco Health Services Inc	700
Meijer 135	475
Hamilton City School District	414
Hamilton Valley Industries	400



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## EXCLUSIVE NET LEASE OFFERING



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