

# WENDY'S

15-Year Sale-Leaseback

Subject Property



# OFFERING MEMORANDUM



3521 Edgemont Avenue, Brookhaven, PA 19015

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Subject Property



Marcus & Millichap is pleased to present the exclusive listing for a Wendy's located at 3521 Edgemont Avenue, Brookhaven, Pennsylvania. The property consists of approximately 3,000 square feet of building space and is situated on roughly 0.90 acres of land. The Wendy's is subject to a 15-year absolute triple net (NNN) lease, which will commence upon the close of escrow. The lease will be subject to 1.50% rental increases annually. The increases will continue through the eight, five-year tenant renewal option periods.

This Wendy's property is located at 3521 Edgemont Avenue in Brookhaven, Pennsylvania. The property is well-positioned in a dense retail corridor consisting of shopping centers, shopping outlets, and numerous national tenants. Major national and local tenants in the area include: CVS, Walgreens, Lowe's, Shop Rite, Wawa, Aldi, Dollar Tree, McDonald's, Burger King, and various others. Crozer Chester Medical Center, a 424-bed, general and surgical medical facility is located two miles southeast of the subject property. Located within a 3 mile radius of subject property are several universities. Neumann University, Widener University, Widener University College, and University of Technology Park. These Universities have a total enrollment of nearly 8,000 students. Philadelphia International Airport is less than a 8-miles from the subject property and serves an average of 30 million passengers annually. There are 106,027 individuals residing within a three mile radius of the subject property and over 217,067 individuals within a five mile radius.

The Wendy's Company is the World's Third Largest Quick-Service Hamburger Company. The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items 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 July 2, 2017, the Wendy's restaurant system was comprised of 6,564 restaurants, of which 331 were owned and operated by the Company. Wendy's operates in 30 countries and U.S. territories. The Briad Group®, headquartered in Livingston, NJ, is one of the fastest growing hospitality companies in the United States. Currently, Briad owns and operates 114 Wendy's Old Fashioned Hamburger restaurants, 55 TGI Friday's restaurants, 16 Zinburger Wine & Burger Bars, and is in the process of developing hotels in New York, New Jersey and Connecticut that will deliver over 1,200 rooms under the Marriott and Hilton Brands.







# Investment Highlights

## Optimal Lease Structure

- ✓ 15-Year Absolute Triple Net (NNN) Lease; Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ Attractive Rental Increases of 1.50% Annually
- ✓ Tenant Renewal Options: Eight (8) Periods of Five (5) Years, Each Bringing the Potential Lease Term to 55 Years

## Compelling Location Fundamentals

- ✓ Picturesque, Freestanding Property Featuring High Visibility and Ease of Access
- ✓ Philadelphia International Airport | Located Eight Miles from the Subject Property
- ✓ Several Universities within a Three Mile Radius of the Subject Property | Nearly 8,000 Students within the Immediate Surrounding Area
- ✓ Compelling Location Fundamentals | Multiple Shopping Centers and Shopping Outlets in Direct Proximity to Subject Site
- ✓ Strong Demographics | Located Less Than 15 Minutes from Philadelphia | Demographics Exceed 217,000 in a Five Mile Radius
- ✓ Positioned In Dense Retail Corridor

## Strong Brand, Exceptional Operator

- ✓ The Wendy's Company is the World's Third Largest Quick-Service Hamburger Company
- ✓ The Wendy's System Includes More Than 6,500 Franchise and Company Restaurants in the U.S. and 29 Other Countries and U.S. Territories World Wide.
- ✓ The Briad Group® is One of the Fastest Growing Hospitality Companies in the United States
- ✓ Briad Currently Owns and Operates 111 Wendy's Old Fashioned Hamburger Restaurants, 57 TGI Friday's Restaurant, an East Coast Concentration of Marriott and Hilton Hotels, an Outdoor Lifestyle Shopping Center and Their Latest Restaurant Concept - Zinburger Wine and Burger Bar.





# Financial Analysis

PRICE: \$2,318,229 | CAP: 5.25% | RENT: \$121,707

PROPERTY DESCRIPTION	
Property	Wendy's
Property Address	3521 Edgemont Avenue
City, State, ZIP	Brookhaven, PA 19015
Building Size	3,000
Lot Size	+/- 0.90 Acres
Type of Ownership	Fee Simple
Year Opened	2001

THE OFFERING	
Purchase Price	\$2,318,229
CAP Rate	5.25%
Annual Rent	\$121,707

LEASE SUMMARY	
Property Type	Net-Leased Quick Service Restaurant
Tenant / Guarantor	Briad Wenco, LLC (100+ Units)
Original Lease Term	15 Years
Lease Commencement	Close of Escrow
Lease Expiration	15 Years From Close of Escrow
Lease Term Remaining	15 Years
Lease Type	Absolute Triple Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	1.50% Annually
Options to Renew	Eight, Five-Year Options

RENT SCHEDULE			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$121,707	\$10,142	-
Year 2	\$123,533	\$10,294	1.50%
Year 3	\$125,386	\$10,449	1.50%
Year 4	\$127,266	\$10,606	1.50%
Year 5	\$129,175	\$10,765	1.50%
Year 6	\$131,113	\$10,926	1.50%
Year 7	\$133,080	\$11,090	1.50%
Year 8	\$135,076	\$11,256	1.50%
Year 9	\$137,102	\$11,425	1.50%
Year 10	\$139,159	\$11,597	1.50%
Year 11	\$141,246	\$11,770	1.50%
Year 12	\$143,365	\$11,947	1.50%
Year 13	\$145,515	\$12,126	1.50%
Year 14	\$147,698	\$12,308	1.50%
Year 15	\$149,913	\$12,493	1.50%
Option 1			
Year 16	\$152,162	\$12,680	1.50%
Year 17	\$154,444	\$12,870	1.50%
Year 18	\$156,761	\$13,063	1.50%
Year 19	\$159,113	\$13,259	1.50%
Year 20	\$161,499	\$13,458	1.50%
Option 2			
Year 21	\$163,922	\$13,660	1.50%
Year 22	\$166,381	\$13,865	1.50%
Year 23	\$168,876	\$14,073	1.50%
Year 24	\$171,409	\$14,284	1.50%
Year 25	\$173,980	\$14,498	1.50%



# Tenant Overview

Wendy's

## 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. As of 2016, Wendy's is the world's number three hamburger chain in terms of locations (behind McDonald's and Burger King), with more than 6,500 of its Wendy's Old Fashioned Hamburger eateries in the US and about 29 other countries.

The Wendy's chain offers made-to-order burgers and fries as well as such alternative menu items 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 July 2, 2017, the Wendy's restaurant system was comprised of 6,564 restaurants, of which 331 were owned and operated by the Company. Wendy's operates in 30 countries and U.S. territories. In fiscal year 2016, the firm had \$1.4 billion (USD) in company revenue.

## About the Tenant: Briad Wenco, LLC

Briad Wenco, LLC is a wholly owned subsidiary of The Briad Group®. The Briad Group® is a multi-unit, multi-state, owner, developer and operator of fast-food restaurants, casual dining restaurants, limited service hotels and a lifestyle shopping center. When The Briad Group's quick-service division decided to become a franchisee of Wendy's® International Inc. in 1994, it immediately netted extremely successful results. They now own and operate 114 Wendy's® restaurants, 55 TGI Friday's, and 16 Zinburger Wine & Burger Bars. All of Briad's Wendy's® are equipped with state-of-the-art technology to better serve customers, and Briad is actively committed to staff development and employee growth.







# Tenant Overview



## THE BRIAD GROUP

From Hamburger to hotels, the Briad Group is rapidly expanding to serve many hospitality needs. The Briad Group started in 1994, as a single ice cream parlor in New Jersey, but they now own and operate 114 Wendy's, 55 TGI Friday's, 16 Zinburger Wine & Burger Bars, and are currently developing hotels in New York, New Jersey, and Connecticut that will deliver 1,200 rooms under the Marriott and Hilton Brands.

### TGI Fridays

Celebrated as one of the first American casual-dining chains, TGI Fridays launched in New York City in 1965. Today, TGI Fridays has been delivering great experiences, food and beverages for almost 50 years, with over 900 locations in more than 60 countries. Friday's restaurants tout a long history of innovation, and are credited with coining 'happy hour,' inventing the Long Island Iced Tea and Loaded Potato Skins, and popularizing frozen and ice cream drinks.

### Zinburger

Energetic, modern, upbeat, fun and most importantly delicious, Zinburger offers a mouthwatering selection of gourmet burgers, salads and sides, decadent shakes and deserts, and a carefully crafted selection of wine. Zinburger made its New Jersey debut in December 2010.

### The Promenade Shops

The Briad Group opened The Promenade Shops at Clifton in 2008. It consists of multiple buildings located on 12 acres of land on Route 3 in Clifton, New Jersey. It is now 100% leased and has become an icon in the community, with 160,000 square feet of commercial space for specialty retail and restaurants.

### Hotel Division

The Briad Group is proud to be a licensed franchisee for Marriott and Hilton branded hotels. Since obtaining franchise rights, Briad has developed more than one billion in real estate, focusing on limited-service hotels, including the Courtyard, Residence Inn, Springhill Suites, Hilton Garden Inn and Homewood Suites brands. During the past decade, Briad has developed, operated and managed more than a dozen properties, and is currently undergoing explosive growth with more than 4,000 rooms expected in New York, New Jersey and Connecticut.

### Marriott

Marriott is a leading worldwide hospitality company that operates and franchises the broadest portfolio of lodging brands in the world, operating in 78 countries with more than 3,800 lodging properties. Marriott is deeply committed to service consistency, and strives to maintain the unqualified integrity of their many brands.

### Hilton Worldwide

Hilton Worldwide has over 4,000 hotels internationally. Each franchise is back by the power of Hilton's award-winning Hilton HHonors guest reward program, its worldwide reservations network, and an unwavering commitment to technology, innovation and quality.







# Surrounding Area

Property Address: 3521 Edgemont Avenue – Brookhaven, PA

# Wendy's







Brookhaven is a borough in Delaware County, Pennsylvania. According to the United States Census Bureau, the borough has a total area of 1.7 square miles. Brookhaven has many streets named after presidents. The Dutton Mill Estates section of the borough comprises: Adams Drive, Lincoln Drive, Monroe Drive, Jackson Drive, Jefferson Drive, Madison Drive, and Grant Drive. Brookhaven is located less than 15 minutes from South Philadelphia. South Philadelphia is considered to be a diverse community that is known for its large Italian American population. South Philadelphia also contains large Irish American, Swedish American, and African Americans populations as well. South Philadelphia is lined by specialty shops, such as butchers, bakeries and grocery stores. It is also home to the infamous Geno's Steaks Pat's King of Steaks Cheesesteak Shops.



**ADTC: 22,125**



# Property Photo

Wendy's



Subject Property





# Surrounding Area Photos

Wendy's



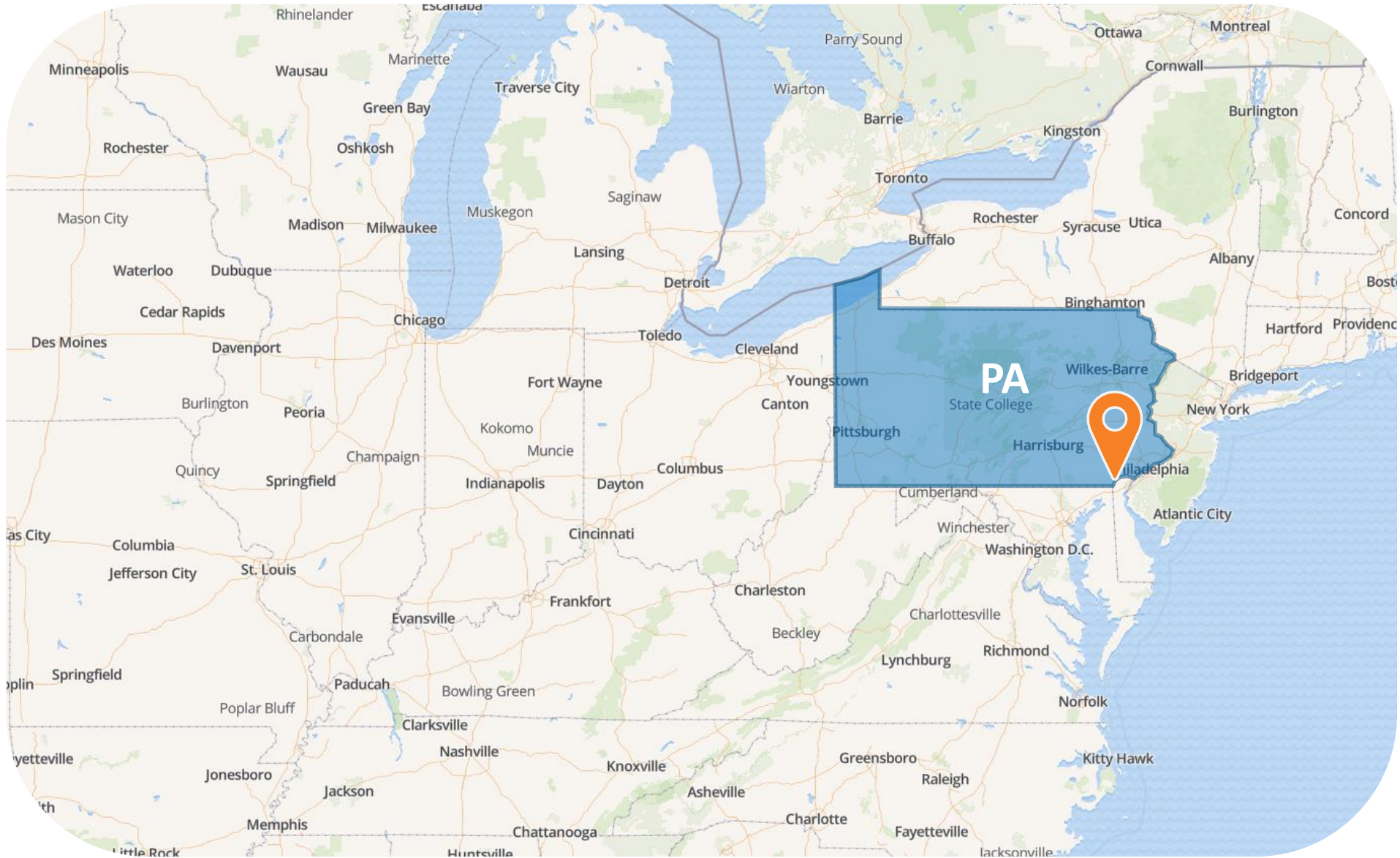




# Regional Map

Wendy's

Property Address: 3521 Edgemont Avenue – Brookhaven, PA

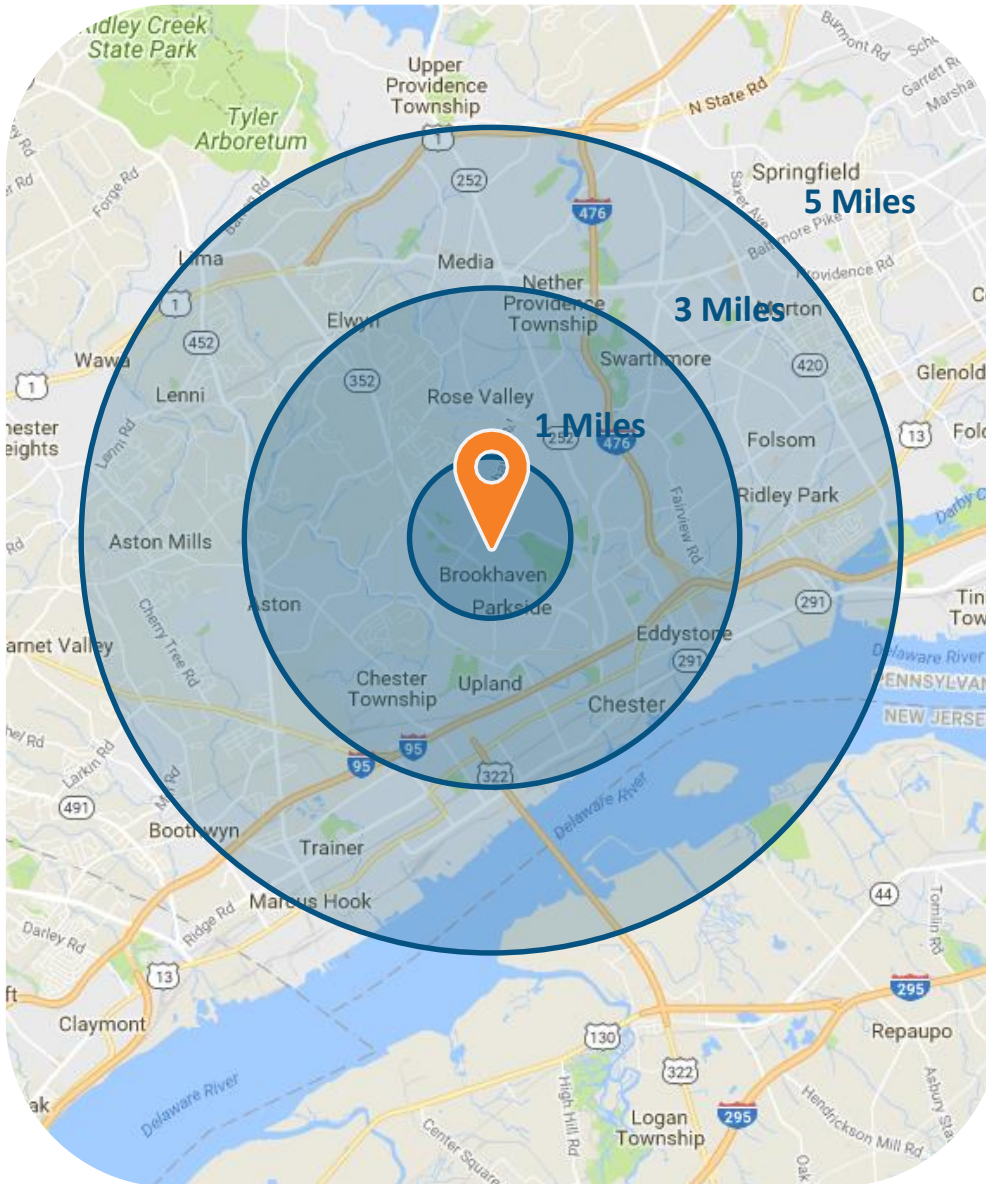




# Demographics

Property Address: 3521 Edgemont Avenue – Brookhaven, PA

**Wendy's**



## POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	18,280	103,378	214,691
2017 Estimate	18,436	106,027	217,067
2010 Census	18,211	104,802	214,888
2000 Census	17,950	109,636	218,705

## INCOME

	1 Mile	3 Miles	5 Miles
Average	\$75,299	\$78,255	\$85,634
Median	\$59,469	\$54,646	\$62,590
Per Capita	\$30,724	\$29,589	\$33,062

## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	7,583	39,098	82,958
2017 Estimate	7,515	39,345	82,616
2010 Census	7,421	38,946	81,767
2000 Census	7,275	40,505	82,780

## HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$183,945	\$199,887	\$224,533

## EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	10,541	92,377	207,920
2017 Unemployment	5.54%	7.47%	5.54%
2017 Median Time Traveled	28	27	28

## RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	73.24%	58.72%	73.63%
Native American	0.03%	0.04%	0.03%
African American	20.08%	33.96%	19.94%
Asian/Pacific Islander	3.02%	2.31%	2.76%





# Market Overview

City: Brookhaven | County: Delaware | State: Pennsylvania

*Philadelphia, PA*

**Philadelphia** is the largest city in the Commonwealth of Pennsylvania and the sixth-most populous city in the United States. Philadelphia is the economic and cultural anchor of the Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. Philadelphia is the birthplace of the United States Marine Corps, and is also the home of many firsts, including the first library (1731), hospital (1751), medical school (1765), national capital (1774), stock exchange (1790), zoo (1874), and business school (1881). Philadelphia is the center of economic activity in Pennsylvania with the headquarters of five Fortune 1000 companies located within city limits. Philadelphia's economic sectors include financial services, health care, biotechnology, information technology, manufacturing, oil refining, food processing, and tourism. Financial activities account for the largest economic sector of the metropolitan area, which is also one of the largest health education and research centers in the United States. Philadelphia's history attracts many tourists, with the Independence National Historical Park (which includes the Liberty Bell, Independence Hall, and other historic sites) receiving over 5 million visitors annually.

## Major Employers

Employer	Estimated # of Employees
Delaware County Pennsylvania	2,932
Taylor Hospital	2,100
Sunoco	1,622
Elwyn	1,500
Boeing	1,458
Gca Services Group	1,176
Fair Acres Geriatric Center	1,101
County of Delaware PA	1,000
Widener University	833
Parking Company of America	700
Swarthmore College	700
Crozer Chester Cmnty Sacrd HRT	675

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