

# WENDY'S

15-Year Sale-Leaseback

Subject Property



# OFFERING MEMORANDUM



2741 Route 42, Washington Twp, NJ 08081

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Subject Property

# INVESTMENT SUMMARY



Marcus & Millichap is pleased to present the exclusive listing for a Wendy's located at 2741 Route 42, Washington Township, New Jersey. The property consists of 3,000 square feet of building space and is situated on roughly 1.49 acres of land. The Wendy's will be subject to a 15-year absolute triple net (NNN) sale-leaseback, which will commence upon the close of escrow. The lease will be subject to 1.50% rental increases annually, which will continue through the eight, five-year tenant renewal option periods.

The property is well-positioned in a highly dense retail corridor with many national and local tenants. Major national retailers in the area include: Walmart, Lowe's, Sam's Club, Target, The Home Depot, Bed Bath & Beyond, McDonald's, Applebee's, Rita's Water Ice, as well as many others. Jefferson Washington Township Hospital, a 120-bed, general medical and surgical facility is located three-miles from the subject property. Rowan University, a four-year, public research university with a total enrollment exceeding 14,344 students, is located within a five-mile radius. The subject property is situated on Route 42, which experiences average daily traffic counts exceeding 33,181 vehicles. Just off Route 42 is Cross Keys Bypass Road and Atlantic City Expressway, which bring an additional 30,319 and 65,961 vehicles to the immediate area daily. There are 60,822 individuals residing within a three mile radius of the subject property and over 141,722 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) Sale-Leaseback; 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

- ✓ Quality Demographics | 141,722 Individuals Within a 5-Mile Radius
- ✓ Freestanding Property Featuring High Visibility and Ease of Access | Route 42, Cross Keys Bypass Road and Atlantic City Expressway | 33,181, 30,319 and 65,961 Vehicles Per Day Respectively
- ✓ Positioned In a Dense Retail Corridor | National Tenants in the Area Include: Walmart, Lowe's, Sam's Club, The Home Depot, Target, Staples, McDonald's and Applebee's
- ✓ Jefferson Washington Township Hospital | 120-Bed, General Medical and Surgical Facility | Located Within a 3-Mile Radius
- ✓ Rowan University | Four-Year, Public Research University With a Total Enrollment Exceeding 14,000 Students | Located 5-Miles From the Subject Property
- ✓ Compelling Location Fundamentals | 18 Miles from Philadelphia, Pennsylvania

## 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 Briard Group® is One of the Fastest Growing Hospitality Companies in the United States
- ✓ Briard Currently Owns and Operates 114 Wendy's Old Fashioned Hamburger Restaurants, 55 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: \$2,857,143 | CAP: 5.25% | RENT: \$150,000

PROPERTY DESCRIPTION	
Property	Wendy's
Property Address	2741 Route 42
City, State, ZIP	Washington Township, NJ 08081
Building Size	3,000
Lot Size	+/- 1.49 Acres
Type of Ownership	Fee Simple
Year Opened	2000

THE OFFERING	
Purchase Price	\$2,857,143
CAP Rate	5.25%
Annual Rent	\$150,000

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	\$150,000	\$12,500	-
Year 2	\$152,250	\$12,688	1.50%
Year 3	\$154,534	\$12,878	1.50%
Year 4	\$156,852	\$13,071	1.50%
Year 5	\$159,205	\$13,267	1.50%
Year 6	\$161,593	\$13,466	1.50%
Year 7	\$164,016	\$13,668	1.50%
Year 8	\$166,477	\$13,873	1.50%
Year 9	\$168,974	\$14,081	1.50%
Year 10	\$171,508	\$14,292	1.50%
Year 11	\$174,081	\$14,507	1.50%
Year 12	\$176,692	\$14,724	1.50%
Year 13	\$179,343	\$14,945	1.50%
Year 14	\$182,033	\$15,169	1.50%
Year 15	\$184,763	\$15,397	1.50%
Option 1			
Year 16	\$187,535	\$15,628	1.50%
Year 17	\$190,348	\$15,862	1.50%
Year 18	\$193,203	\$16,100	1.50%
Year 19	\$196,101	\$16,342	1.50%
Year 20	\$199,043	\$16,587	1.50%
Option 2			
Year 21	\$202,028	\$16,836	1.50%
Year 22	\$205,059	\$17,088	1.50%
Year 23	\$208,135	\$17,345	1.50%
Year 24	\$211,257	\$17,605	1.50%
Year 25	\$214,425	\$17,869	1.50%





# Tenant 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. 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: 2741 Route 42, Washington Twp, New Jersey

# Wendy's







# Location Overview

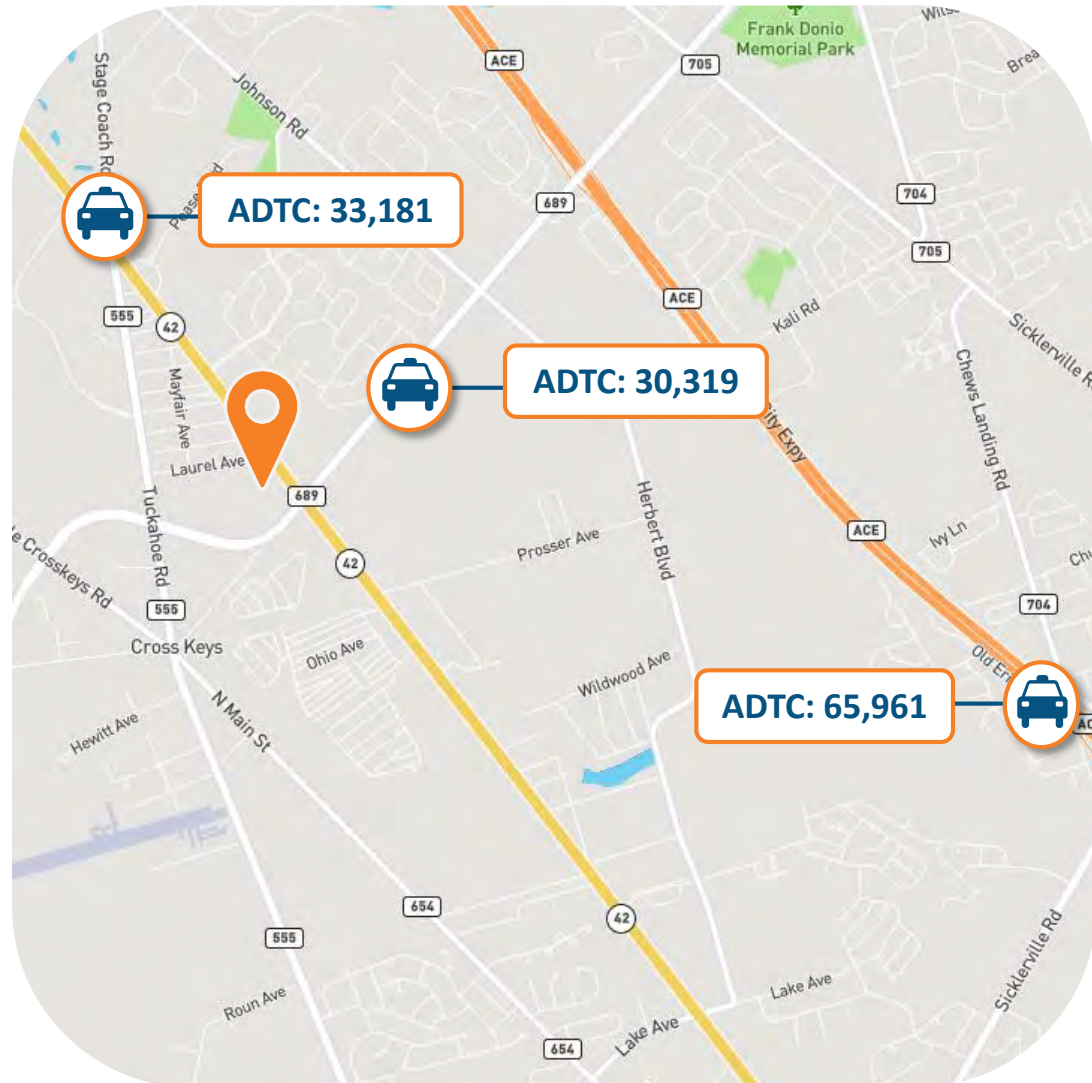
Property Address: 2741 Route 42, Washington Twp, New Jersey



This Wendy's property is located at 2741 Route 42 in Washington Twp, New Jersey. The property is well-positioned in a dense retail corridor benefitting from its close proximity to major national and local retailers. Major national and local tenants in the area include: Walmart, Lowe's, Sam's Club, Target, The Home Depot, Bed Bath & Beyond, McDonald's, Applebee's, Rita's Water Ice, as well as many others. Jefferson Washington Township Hospital, a 120-bed, general medical and surgical facility is located three-miles from the subject property. Additionally, this Wendy's property benefits from its close proximity to several academic institutions. Rowan University, a four-year, public research university with a total enrollment exceeding 14,344 students, is located within a five-mile radius.

The subject property is situated on Route 42, which experiences average daily traffic counts exceeding 33,181 vehicles. Just off Route 42 is Cross Keys Bypass Road and Atlantic City Expressway, which bring an additional 30,319 and 65,961 vehicles to the immediate area daily. There are 60,822 individuals residing within a three mile radius of the subject property and over 141,722 individuals within a five mile radius.

Washington Township is a township in Gloucester County, the 14<sup>th</sup>-most populous county in New Jersey. The town is located 18 miles south of Philadelphia, Pennsylvania, 35 miles east of Wilmington, Delaware and 40 miles north of Atlantic City, New Jersey. The Washington Twp Public School District, comprised of 11 schools, serves over 7,600 students in kindergarten through twelfth grade. The township was named for George Washington, one of more than ten communities statewide named for the first president. It is one of five municipalities in the state of New Jersey with the name "Washington Township". In 2008, CNN/Money and Money Magazine ranked Washington Township 58th on its list of the 100 Best Cities to Live in the United States. Philadelphia International Airport is approximately twenty four miles from Glassboro and experienced a total passenger count exceeding 29,000,000 passengers in 2017.







# Property Photo

Wendy's



Subject Property





# Property Photo

**Wendy's**



Subject Property





# Surrounding Area Photos

Wendy's







# Regional Map

Wendy's

Property Address: 2741 Route 42– Washington Twp, New Jersey



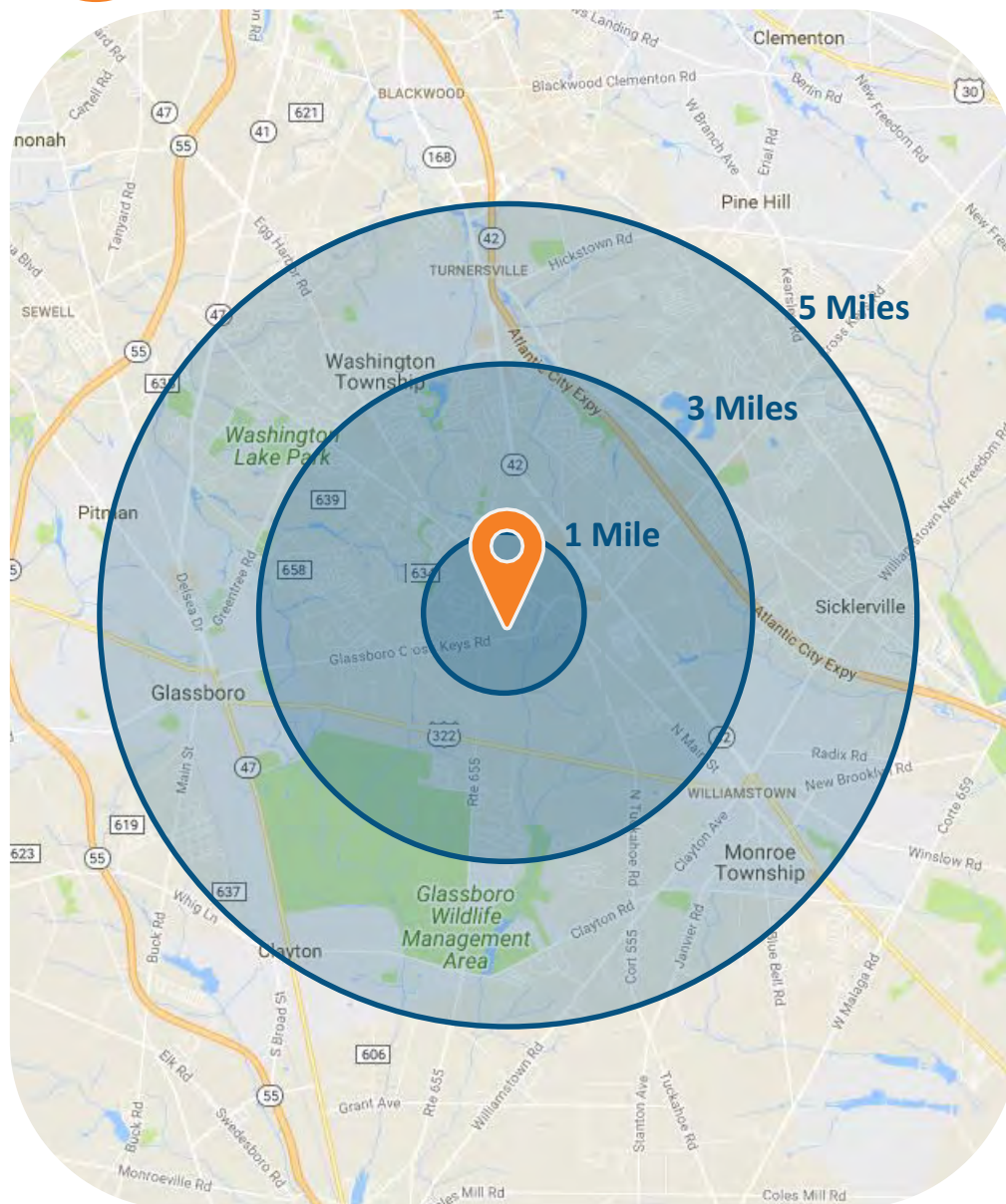




# Demographics

Property Address: 2741 Route 42, Washington Twp, New Jersey

# Wendy's



## POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	5,410	62,628	147,173
2017 Estimate	5,229	60,822	141,722
2010 Census	5,040	60,275	140,370
2000 Census	4,605	56,005	128,292

## INCOME

	1 Mile	3 Miles	5 Miles
Average	\$101,998	\$96,319	\$98,588
Median	\$86,340	\$80,182	\$81,699
Per Capita	\$38,556	\$34,337	\$34,254

## HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 Projection	2,057	22,508	51,277
2017 Estimate	1,976	21,659	48,971
2010 Census	1,885	21,441	48,434
2000 Census	1,709	19,442	43,435

## HOUSING

	1 Mile	3 Miles	5 Miles
2017	\$196,990	\$216,210	\$220,015

## EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2017 Daytime Population	4,251	44,120	108,500
2017 Unemployment	6.07%	5.09%	5.41%
2017 Median Time Traveled	34 Mins	35 Mins	35 Mins

## RACE & ETHNICITY

	1 Mile	3 Miles	5 Miles
White	78.83%	69.80%	69.10%
Native American	0.02%	0.05%	0.03%
African American	11.95%	20.36%	21.05%
Asian/Pacific Islander	4.39%	4.24%	4.08%



# Market Overview

City: Washington Twp | County: Gloucester | State: New Jersey

*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
KENNEDY HEALTH SYSTEM	4,000
Rowan University/Rutgers-Camde	2,000
Rowan University	1,913
Washington Township Bd Educatn	1,600
MTS Systems Corporation	1,000
Camden County College	961
Walmart	700
Long Term Care Nursing Home	650
Health Svcs Cntr-Dmissions Ltc	600
Health & Human Services	550
Washington Township Division	495
Decoration Operations	365



# Marcus & Millichap

## EXCLUSIVE NET LEASE OFFERING



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