

MCDONALD'S Ground Lease Fee Simple NNN Brandywine, MD









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Financial Summary

15806 Crain Highway | Brandywine, MD 20613

\$ Asking Price \$2,360,000

Cap Rate 4.00%

Asset Summary

Net Operating Income (NOI)	\$94,406
Rent/Month	\$7,867
Rentable Square Feet	4,587+/- SF
Land Area	1.03+/- Acre
Tenant	McDonald's USA, LLC
Ownership Type	Fee Simple
Guarantor	Corporate
Lease Type	Ground Lease
Landlord Responsibilities	None
Lease Term Remaining	14 Years
Rent Commencement	October 23, 2013
Lease Expiration	October 22, 2033
Increases	46% in 1st Option 10% Every Option Thereafter
Options	Six (6), Five (5) Year



Rent Schedule

Term	Increases	Annual Rent	Monthly Rent
Years 1 - 20	-	\$94,406	\$7,867
Years 21 - 25 (Option 1)	46%	\$138,220	\$11,518
Years 26 - 30 (Option 2)	10%	\$152,042	\$12,670
Years 31 - 35 (Option 3)	10%	\$167,246	\$13,937
Years 36 - 40 (Option 4)	10%	\$183,971	\$15,331
Years 41 - 45 (Option 5)	10%	\$202,368	\$16,864
Years 46 - 50 (Option 6)	10%	\$222,604	\$18,550

Investment Highlights

- World's largest chain of fast food hamburger restaurants, operating more than 35,000 stores. McDonald's carries investment grade credit, rated BBB+ by Standard & Poors
- 14 years remaining on absolute NNN ground lease
- Below market rent with a 46% increase scheduled in the first option term
- Strategically located outparcel to the Brandywine Crossing power center, which is anchored by Costco, Target, Safeway, and a 14-screen Xscape Theatre
- Excellent visibility and frontage along US Route 301 (Crain Highway) with traffic counts of 96,615 VPD
- Across from Chadds Ford Landing, featuring single-family homes and 187 town homes
- Part of the Washington DC MSA, Brandywine, MD is less than 30 miles from downtown Washington, DC and serves as a major suburb and commuter community
- Median household incomes in excess of \$100,000

Tenant Summary

About McDonald's

In 1917, 15-year-old Ray Kroc lied about his age to join the Red Cross as an ambulance driver, but the war ended before he completed his training. He then worked as a

McDonald's

piano player, a paper cup salesman and a Multimixer salesman. In 1954, he visited a restaurant in San Bernardino, California that had purchased several Multimixers. There he found a small but successful restaurant run by brothers Dick and Mac McDonald, and was stunned by the effectiveness of their operation. The McDonald's brothers produced a limited menu, concentrating on just a few items – burgers, fries and beverages – which allowed them to focus on quality and quick service.

They were looking for a new franchising agent and Kroc saw an opportunity. In 1955, he founded McDonald's System, Inc., a predecessor of the McDonald's Corporation, and six years later bought the exclusive rights to the McDonald's name and operating system. By 1958, McDonald's had sold its 100 millionth hamburger. Now they have over 37,000 restaurants worldwide.

In March of 2017, they introduced their Velocity Growth Plan, named as such because they're moving fast – and in a clearly defined direction.

They know the most meaningful way to grow the business and create value for all of their stakeholders is by serving more customers more often. That's why they're focused on giving customers what they really want: hot, delicious food served quickly – with an overall experience and value for their money that meets their rising expectations.

Velocity makes the most of their competitive advantages, from their unmatched global scale to their iconic brand to their tremendous presence in local markets around the world.



Site Photos



McDonald's Brandywine, MD Site Facts

Newer construction Double drive-thru High traffic shopping center Outdoor seating area







Surrounding Retail











McDonald's Brandywine, MD Noteworthy Neighbors

Costco

CarMax

Safeway

Target

Marshalls

Jo-Ann Fabrics

Starbucks

AT&T

Pet Valu

Hair Cuttery

GameStop

Wells Fargo

Chesapeake Urology

Maryland Oncology Hematology

Location Overview

15806 Crain Highway

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Area Retail Map

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Local Retail Map

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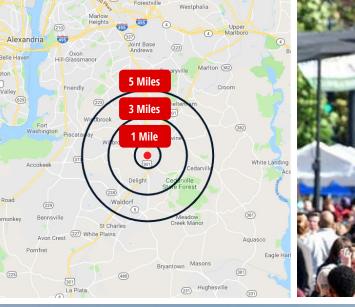
Brandywine Center Outparcel

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Site Plan



Demographics & Location Summary







	1 Mile	3 Miles	5 Miles	10 Miles		
Population						
2019 Population	2,901	20,094	60,508	260,425		
2024 Population	2,856	20,780	62,848	267,580		
2019 Median Age	35.9	37.7	37.4	39.8		
Households						
2019 Total Households	1,033	7,376	21,870	92,786		
2024 Total Households	1,041	7,699	22,936	96,650		
Median Household Income						
2019 Median HH Income	\$137,649	\$112,034	\$105,450	\$107,135		
2024 Median HH Income	\$161,092	\$130,376	\$121,942	\$123,763		
Average Household Income						
2019 Average HH Income	\$132,987	\$122,630	\$117,661	\$123,100		
2024 Average HH Income	\$152,159	\$140,159	\$134,489	\$143,452		

Brandywine, MD

Brandywine, MD is about 18 miles southeast of Capitol Hill – between the suburban neighborhoods and the rural countryside between Clinton and Waldorf in Prince George's County. It has the quaint atmosphere of a small town with both more modern suburban on one side and rural farm land on the other, but it is still in convenient commuter distance from Washington, DC and Annapolis.

There are new and exciting things happening in Brandywine. There's a Brandywine Revitalization Study that could help make the community walkable and bikeable and the Southern Area Aquatic and Recreation Complex is also being developed in Brandywine which will have pools and community center activities for all ages. These projects are for the center of the town, whereas the county is protecting the scenic and natural area of the rural tier to the east.

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\$12 Billion in Closed Transactions

\$400 Million in Active Listings

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