

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

Brandywine, MD 20613



Area Retail Map

15806 Crain Highway Brandywine, MD 20613



Local Retail Map

15806 Crain Highway Brandywine, MD 20613

















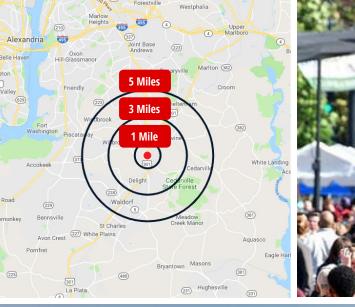
Brandywine Center Outparcel

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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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