

CORPORATE LEASE

SINGLE TENANT  
NET LEASE  
OPPORTUNITY



ROCHESTER | NY

HORVATH & TREMBLAY





LEAD AGENTS



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## DISCLAIMER

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Horvath & Tremblay is pleased to present the exclusive opportunity to purchase the Wendy's investment property located at 1951 Buffalo Road (NY 33) in Rochester, New York (the "Property"). Wendy's has a long operating history at the location and signed a new, 20-year, lease at the Property in 2016. The absolute triple-net lease currently has 16+ years of term remaining plus two, 5-year renewal options. Both the initial term and renewal terms include an attractive 10% rent increase every five years. The Wendy's lease is corporate guaranteed.

- **LONG LEASE TERM:** The Wendy's lease has 16+ years remaining plus two, 5-year renewal options.
- **CORPORATE GUARANTY:** The lease is guaranteed by Wendy's corporate parent. The Wendy's Company is a publicly traded company (NASDAQ: WEN) with a market cap of \$4.4 billion and 2018 revenues of \$1.6 billion. Wendy's is the world's 3rd largest hamburger franchise with more than 6,600 restaurants worldwide.
- **STRATEGIC RETAIL LOCATION:** The Property is located along a state highway (NY-33) that connects major interstates I-390 and I-490 and serves as a primary retail corridor. The highly visible Property is located at a signalized intersection with multiple points of access less than 0.5 miles from I-490.
- **ZERO MANAGEMENT RESPONSIBILITIES:** The Wendy's lease is absolute triple net and requires zero management responsibilities making it an attractive investment for the passive real estate investor.
- **ATTRACTIVE RENT INCREASE:** The lease calls for attractive 10% rent increases every 5-years during both the original lease term and at the start of each option period providing a steady increase in income and an attractive hedge against inflation.
- **STRONG DEMOGRAPHICS:** Over 185,000 people live within a 5-mile radius of the Property with an average household income of \$56,140.
- **RETAIL TRADE AREA:** Additional retailers and attractions driving traffic to the trade are at Exit 7 on I-490 include Home Depot, Tops Friendly Market, Garden Factory, Big Lots, Dollar Tree, UR Medicine Primary Care, Unity Internal Medicine, Burger King, Wimpy's Burger Basket, Bank of America, M&T Bank, The UPS Store, Gates Chili High School, Gates Chili Middle School, and a 10-screen Cinemax Theater with Imax.





1951 BUFFALO ROAD | ROCHESTER, NY 14624

OWNERSHIP:	Fee Simple
BUILDING AREA:	3,076 SF
LOT SIZE:	1.68 Acres
YEAR BUILT:	1979
TENANT:	Wendy's Properties, LLC
GUARANTOR:	Corporate
LEASE TYPE:	Absolute Triple Net
ROOF & STRUCTURE:	Tenant Responsibility
RENT COMMENCEMENT DATE:	03/21/2016
LEASE EXPIRATION DATE:	03/31/2036
LEASE TERM REMAINING:	16 Years, 8 Months
RENEWAL OPTIONS:	2, 5-Year Options

	<b>LIST PRICE:</b>	<b>\$2,609,040</b>
	<b>CAP RATE:</b>	<b>5.00%</b>
	<b>NOI:</b>	<b>\$130,452</b>

ANNUALIZED OPERATING DATA				
START	END	TERM	RENT	% INC
03/21/2016	03/31/2021		\$130,452	
04/01/2021	03/31/2026		\$143,497	10.0%
04/01/2026	03/31/2031		\$157,847	10.0%
04/01/2031	03/31/2036		\$173,632	10.0%
04/01/2036	03/31/2041	OPTION 1	\$190,995	10.0%
04/01/2041	03/31/2046	OPTION 2	\$210,094	10.0%





	<b>Industry:</b>	Quick Service Restaurant (QSR)
	<b>Locations:</b>	6,656
	<b>2018 Company Revenue:</b>	\$1.6 Billion
	<b>2018 Average Annual Sales Per North America Restaurant</b>	\$1.6 Million
	<b>2018 North America Company-Operated Restaurant Margin</b>	15.8%
	<b>Current Dividend Yield</b>	1.94%
	<b>Current Market Cap (08/01/2019)</b>	\$4.4 Billion

ABOUT THE TENANT

The Wendy's Company (NASDAQ: WEN) is one of the world's largest hamburger franchise and has a market cap of \$4.4 Billion. The Wendy's system includes more than 6,600 franchise and Company-owned restaurants in the U.S. and 29 countries worldwide. Wendy's was founded in 1969 by Dave Thomas and is currently headquartered in Dublin, Ohio.

When Wendy's International and Arby's parent company, Triarc Companies, merged in 2008, they created the 3rd largest US fast-food chain (behind only McDonald's and Yum! Brands). This merger formed the Wendy's/Arby's Group, the parent company of Wendy's International, Inc. and Arby's Restaurant Group, Inc. which are the franchisors of the Wendy's and Arby's restaurant systems. Wendy's/Arby's Group creation has altered the perception of both Wendy's and Arby's net lease properties with the introduction of new management and new menu concepts.

Wendy's is an attractive Single Tenant Net Lease investment due to the underlying asset location. Restaurants are typically in a 3,000-4,000 square foot building with a drive-thru window, and situated on 0.5 - 1.5 acre of land.

It is important to note that while Wendy's franchises the majority of its locations, the subject Property at 1951 Buffalo Road in Rochester, NY is a corporate owned and operated restaurant. As a result, the lease is fully backed and guaranteed by the corporate parent, The Wendy's Company.





# ROCHESTER | NY



185,500+

PEOPLE WITHIN 5 MILES



\$56,000+

AVERAGE HOUSEHOLD INCOME



11,410 VPD

BUFFALO ROAD

OVERVIEW

Rochester is a city on the southern shore of Lake Ontario in western New York. With a population of 208,046 residents, Rochester is the seat of Monroe County and the 3rd most populous city in New York state, after New York City and Buffalo. The metropolitan area has a population of just over 1 million people. It is about 73 miles east of Buffalo and 87 miles west of Syracuse.

The Rochester metropolitan area is the 3rd largest regional economy in New York State after the New York City and Buffalo metropolitan areas. Rochester's GMP is ranked just below Buffalo's while exceeding Buffalo in per-capita income. Several of the region's universities (notably the University of Rochester and Rochester Institute of Technology) have renowned research programs. Rochester is also the site of many important inventions and innovations in consumer products and is the birthplace to Kodak, Western Union, French's, Bausch & Lomb, Gleason and Xerox.

The 25th edition of the "Places Rated Almanac" rated Rochester as the "most livable city" in 2007, among 379 U.S. metropolitan areas. In 2010, Forbes rated Rochester as the 3rd best place to raise a family in the United States. In 2012, Kiplinger rated Rochester as the 5th best city in the United States for families, citing low cost of living, top public schools, and a low jobless rate.

The Subject Property is located on NY State Route 33 (NY 33), an east-west state highway in western New York. The route extends for just under 70 miles from NY 5 in Buffalo in the west, to NY 31 in Rochester in the east. It is, in fact, the only state highway that directly connects both cities. On the Rochester end, NY 33 primarily serves as a paralleling local route to I-490.

	3 MILES	5 MILES	10 MILES
POPULATION			
2019 Estimate	54,133	185,678	532,237
2024 Projection	53,811	187,922	534,175
2010 Census	54,286	186,516	536,112
BUSINESS			
2019 Est. Total Business	2,764	9,251	24,323
2019 Est. Total Employees	44,275	189,958	382,113
HOUSEHOLDS			
2019 Estimate	23,576	76,419	230,427
2024 Projection	24,018	79,207	236,814
2010 Census	22,269	72,288	218,963
INCOME			
Average Household Income	\$63,132	\$56,140	\$69,571
Median Household Income	\$57,314	\$48,166	\$57,759





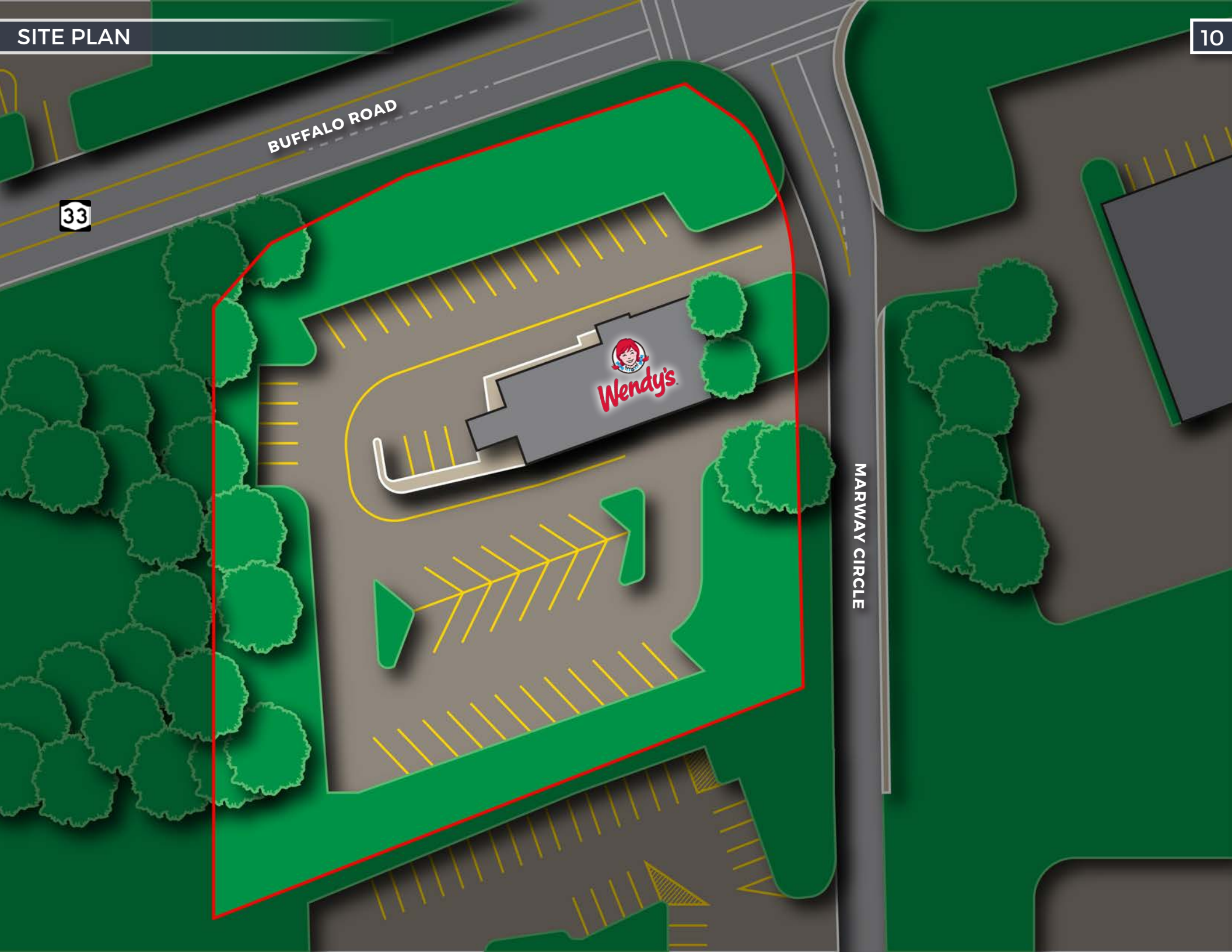
















INTERSTATE  
490

33

**CINEMARK**  
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**THE HOME DEPOT**

**DOLLAR TREE**

**Tops**  
Friendly Markets

**SUNOCO**

**BURGER KING**

**Bank of America**

**the Garden FACTORY**

**BIG LOTS!**

PIXLEY RD

**ups**

The UPS Store

**Bank of America**

BUFFALO RD

**M&T Bank**

MARWAY CIRCLE

33

INTERSTATE  
490

**GATES CHILI MIDDLE SCHOOL**





