

OFFERING MEMORANDUM

Marcus & Millichap



Wendy's
BLYTHEWOOD, SC

EXECUTIVE SUMMARY



200 Blythewood Rd
Blythewood, SC 29016

ADDRESS



Blythewood, SC
Columbia, SC MSA

MARKET



1.52 Acres

LOT SIZE



15.6 YEARS

TERM REMAINING



NUMBER OF UNITS



LEASE TYPE

THE OFFERING

Price	\$2,730,910
Cap Rate	5.60%
Year Built	1996
Total GLA	3,454 SF
Lot Size	1.52 Acres
Lease Commencement	March 23, 2015
Lease Expiration	March 31, 2035
Increases	1.25% Annually
Options	Four; Five-Year Terms
Debt	Free & Clear

ANNUALIZED OPERATING DATA

Base Rent	\$152,931*
RENTAL INCREASES	
4/1/19- 3/31/20	\$151,043
4/1/20- 3/31/21	\$152,931
4/1/21- 3/31/22	\$154,843
4/1/22- 3/31/23	\$156,778
4/1/23- 3/31/24	\$158,738
4/1/24- 3/31/25	\$160,722
4/1/25- 3/31/26	\$162,731
4/1/26- 3/31/27	\$164,765
4/1/27- 3/31/28	\$166,825
4/1/28- 3/31/29	\$168,910
4/1/29- 3/31/30	\$171,021
4/1/30- 3/31/31	\$173,159
4/1/31- 3/31/32	\$175,324
4/1/32- 3/31/33	\$177,515
4/1/33- 3/31/34	\$179,734
4/1/34- 3/31/35	\$181,981
OPTION TERMS	
Options 1-4	1.25% Annually

*Rent Credit- Seller will credit Buyer the per diem difference between the current rental rate of \$151,043 and the rental rate of \$152,931 at the time of closing.

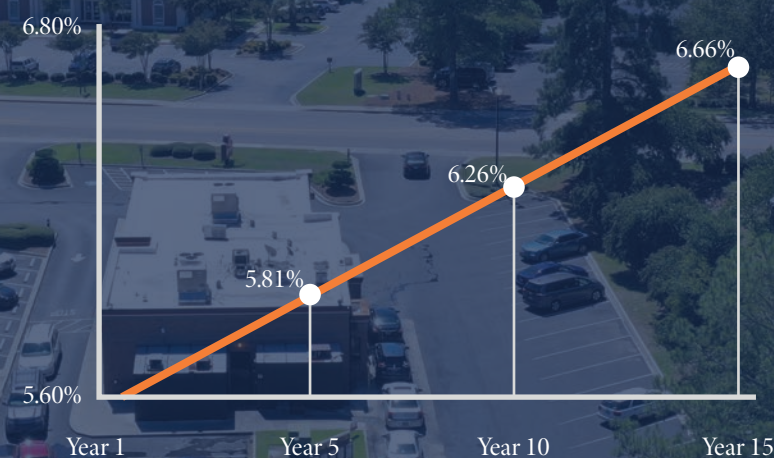
INVESTMENT OVERVIEW

Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer the fee simple interest in this Wendy's in Blythewood, South Carolina, a suburb of Columbia. The Tenant, Carolina Restaurant Group, Inc., ("CRG"), a larger operator of Wendy's locations with 108 units, ranks #70 on Franchise Time's Restaurant 200 list. There are 15 years remaining on an absolute NNN lease that features one-and-one-quarter percent (1.25%) increases annually through the base term and four, five-year option periods. This is an established Wendy's location that has operated here successfully since 1996. CRG executed a sale leaseback of this location in 2015. This location reports stable sales of \$1.8M, or \$542 PSF, which is above the chain-wide average of \$1.6M. The lease is guaranteed by Carolina Restaurant Group, Inc with locations across the Carolinas and Georgia.

The Property is located along Blythewood Road two-tenths-of-a-mile from the interchange with Interstate-77, a north-south state route that averages 38,000 vehicles per day. The site is in the midst of a commercial cluster that accommodates interstate/transient traffic as well as local residents and commuters to Columbia (which is a 15-mile drive south). It is positioned adjacent to a KFC and across Blythewood Road from a 46,467-square-foot IGA-anchored center. To the rear, there is a shopping center anchored by Dollar General. The site benefits from synergy with neighboring commercial uses and hotels, and is proximate to its competitors McDonald's, Hardee's and Popeye's. By virtue of its location immediately off the Interstate, it is adjacent to a Wyndham brand hotel and a Holiday Inn Express & Suites. Further, the Property is located seventh-tenths-of-a-mile from an 87,528-square-foot Food Lion-anchored center and within one-half-mile of area High School and Elementary Schools with a combined 2,840 students. The diverse set of traffic drivers to this node create a continual flow of customers ideal for a fast food location. It is also noteworthy that the neighboring IGA and Food Lion are the only two grocery stores within a five-mile radius which expands this site's trade radius.

Located 15 miles north of Columbia, Blythewood is a dense and rapidly growing suburb that has seen 30 and 35 percent increases in the three and five-mile populations since 2010. Continued rapid growth (18 percent) is anticipated over the next five years. Columbia is the capital, the largest city, and the commercial, industrial and educational hub for the state. Major employers include the State of South Carolina (25,570), Palmetto Health (15,000), Blue Cross BlueShield of SC (6,585), University of South Carolina (5,678) and U.S. Department of the Army (5,286) among others. Blythewood offers small town charm and affordable living with easy accessibility to the various employment centers in Columbia.

CAP RATE GROWTH OVER BASE TERM



INVESTMENT HIGHLIGHTS

- 15+ Years Remain on NNN Lease
- Guaranteed by Expanding 108-Unit Franchisee
- Annual 1.25% Rent Increases
- Stable Sales of \$542 PSF that Exceed AUV
- Adjacent to the Only Two Grocery Stores Within 5-Mile Radius
- Interstate Interchange Location Proximate to Schools, Hotels, Grocery Stores and Residential
- Growing Submarket with 17% Population Growth in Next Five Years





TENANT INFORMATION

Carolina Restaurant Group, a leading franchisee of Wendy's International, owns and operates more than 108 Wendy's Old-Fashioned Hamburger locations in three states, mostly in the Charlotte, North Carolina, area. Carolina Restaurant Group, Inc. was founded on April 1, 1993 by former Wendy's president Joe Drury. What began as a 26-store franchise has become a corporation currently totaling 108 restaurants and growing. Another Wendy's veteran, Quint Graham, now leads the company's ownership group. Quint started with Wendy's 34 years ago as a crew member and worked his way up to General Manager and then District Manager with Wendy's International. Mr. Graham had the honor of working closely with Dave Thomas and brought with him to Carolina Restaurant Group the concepts and leadership Mr. Thomas instilled in him.



Wendy's



HEADQUARTERS
Charlotte, NC



NO. OF EMPLOYEES
2,500



NO. OF LOCATIONS
108



YEAR FOUNDED
1993



RANK: #70
on Franchise Times Top 200
Operators List in 2019

CIT SERVES AS LEAD ARRANGER ON \$60MM FINANCING FOR CAROLINA RESTAURANT GROUP

AUGUST 07, 2019

CIT Group Inc. announced that it served as sole lead arranger of a \$60 million financing for Carolina Restaurant Group (CRG), operators of 108 Wendy's restaurant franchises across North Carolina and South Carolina.

Based in Charlotte, North Carolina, CRG has been in business since 1993 and has grown to become one of the nation's largest operators of Wendy's franchises. It intends to use the financing to recapitalize the company, **remodel existing franchise units and develop new restaurants.**

"CRG is **one of the premier Wendy's franchise operators in the U.S. and we are pleased to assist them in continuing their evolution and growth trajectory**," said Hillary Savoie, managing director and group head for CIT's Corporate Banking unit.

"CIT's expertise was extremely helpful in arranging the financing we were seeking to recapitalize our company and take CRG to the next level," said CRG Chief Executive Officer Quint Graham.



REGIONAL MAP



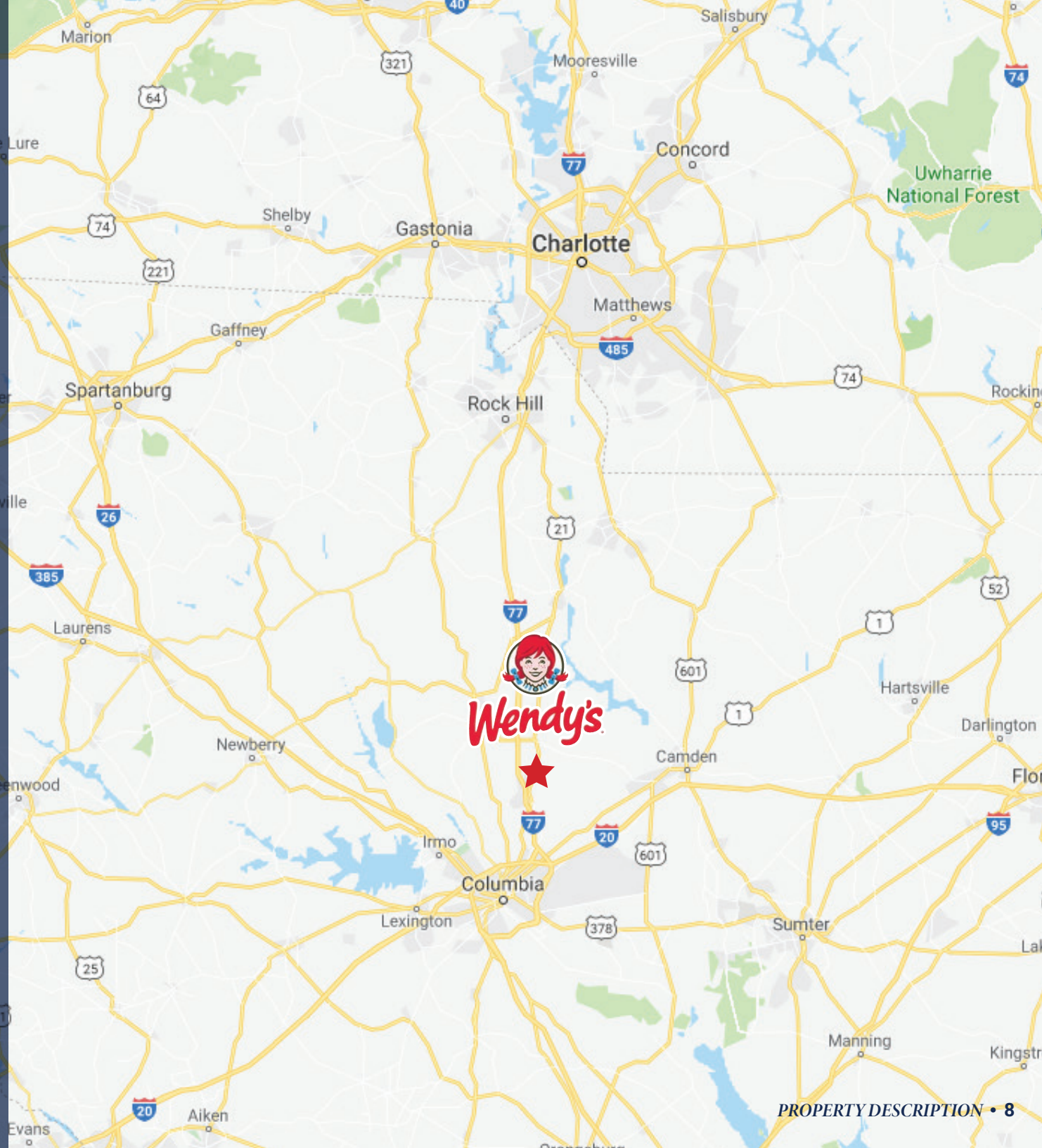
Population Growth:
Within a 5-mile radius, the
population is expected to grow
by 18.82% over the next 5 years to
32,528

0.4 MILES

0.4 Miles to the I-77 Interchange

:30

Drive Time:
Less than 30 minutes to downtown
Columbia, NC



Blythewood High School
2,800 STUDENTS



38,507 VPD



McDonald's



Wendy's



First
Community Bank



MAIN ST - 9,359 VPD



BLYTHEWOOD RD - 9,933 VPD

First Citizens
Bank



KFC

WAFFLE
HOUSE



Blythewood
High School
2,800 STUDENTS

ANYTIME
FITNESS

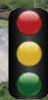


DOLLAR
GENERAL



Bethel-Hanberry
Elem School

INTERSTATE
77 38,507 VPD



McDonald's

SUBWAY



WAFFLE
HOUSE



KFC

BLYTHEWOOD RD - 9,933 VPD



LEASE ABSTRACT

Guarantor	Carolina Restaurant Group, Inc.
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Rent Commencement Date	March 23, 2015
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Notification Period for Tenant to Exercise Options	180 Days
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Landlords Obligations	None
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Assignment & Subletting	Lessee shall have the right to assign any interest in Lessee or the leasehold interest in the Premises, without any transfer or assumption fee to any other Lessee Lender under any Credit Agreement provided that such other Lessee Lender has a minimum capital or surplus of at least \$100,000,000.00 if such Lessee Lender is a federal or state depository institution or otherwise has a minimum net worth determined in accordance with GAAP of at least \$25,000,000 (the "Financial Requirement"). Lessee Lender shall not have the right to assign its rights under the documents evidencing a pledge of any interest in any Lessee Party except to an entity satisfying the Financial Requirement; provided, however, Lessee Lender shall have the right to assign such interest to any other entity which (x) has a minimum net worth determined in accordance with GAAP of at least \$10,000,000, and (y) operates at least 10 restaurants, other than the Premises, as Permitted Concepts.
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First Rights of Refusal	15 calendar days
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Financial Statements	Within 120 days after the end of each fiscal year, Lessee shall deliver to Lessor and Lender (a) complete financial statements of Lessee including a balance sheet, profit and loss statement, statement of cash flow, retained earnings and all other related schedules for the fiscal period then ended; (b) income statements for the business at the Premises; and (c) individual unit level profit and loss statements. Within 45 days after the end of each fiscal quarter, Lessee shall deliver to Lessor internally prepared sales numbers.
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DEMOGRAPHIC HIGHLIGHTS



5-MILE POPULATION

27,375



5-MILE AVERAGE HOUSEHOLD INCOME

\$93,132



5-MILE ESTIMATED HOUSEHOLDS

9,606



DEMOGRAPHIC SUMMARY

POPULATION	3 MILE	5 MILES	7 MILES
2023 Projection	9,156	32,528	80,908
2018 Estimate	7,810	27,375	68,701
2010 Census	5,743	20,977	56,651
2000 Census	3,785	11,456	25,705
Current Daytime Population	10,355	29,604	54,638

POPULATION PROFILE	3 MILE	5 MILES	7 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	7,810	27,375	68,701
Under 20	28.71%	30.71%	30.75%
20 to 34 Years	15.97%	17.16%	18.66%
35 to 39 Years	6.42%	7.32%	7.83%
40 to 49 Years	15.48%	15.30%	15.12%
50 to 64 Years	21.63%	19.24%	17.89%
Age 65+	11.79%	10.29%	9.76%
Median Age	39.2	36.52	35.4
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	5,073	17,258	43,105
Elementary (0-8)	1.58%	1.45%	1.39%
Some High School (9-11)	4.41%	4.20%	4.31%
High School Graduate (12)	23.88%	22.31%	21.92%
Some College (13-15)	22.81%	23.82%	23.82%
Associate Degree Only	8.98%	9.42%	10.05%
Bachelors Degree Only	23.99%	24.39%	23.90%
Graduate Degree	13.94%	13.87%	14.10%

HOUSEHOLDS	3 MILE	5 MILES	7 MILES
2023 Projection	3,373	11,488	29,258
2018 Estimate	2,866	9,606	24,622
2010 Census	2,087	7,327	20,251
2000 Census	1,328	3,925	8,876

INCOME	3 MILE	5 MILES	7 MILES
<u>2018 Housing Income</u>			
\$150,000 or More	13.72%	13.45%	10.56%
\$100,000 - \$149,000	15.69%	16.34%	16.59%
\$75,000 - \$99,999	17.69%	17.40%	17.25%
\$50,000 - \$74,999	19.91%	20.00%	21.42%
\$35,000 - \$49,999	11.87%	11.79%	12.86%
Under \$35,000	21.12%	20.99%	21.33%
Average Household Income	\$93,021	\$93,132	\$84,822
Median Household Income	\$70,993	\$71,036	\$67,351
Per Capita Income	\$34,191	\$32,731	\$30,434

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



POPULATION

In 2018, the population is 27,375. The population has changed by 138.96% since 2000. It is estimated that the population will be 32,528 five years from now, which represents a change of 18.82% from the current year. The current population is 48.05% male and 51.95% female. The median age of the population is 36.52, compared to the US average which is 37.95. The population density is 348.49 people per square mile.



HOUSEHOLDS

There are currently 9,606 households in your selected geography. The number of households has changed by 144.74% since 2000. It is estimated that the number of households will be 11,488 five years from now, which represents a change of 19.59% from the current year. The average household size is 2.80 persons.



INCOME

In 2018, the median household income is \$71,036, compared to the US average which is currently \$58,754. The median household income has changed by 30.41% since 2000. It is estimated that the median household income will be \$80,589 five years from now, which represents a change of 13.45% from the current year.

The current year per capita income is \$32,731, compared to the US average, which is \$32,356. The current year average household income is \$93,132, compared to the US average which is \$84,609.



RACE AND ETHNICITY

The current year racial makeup is as follows: 50.54% White, 42.94% Black, 0.09% Native American and 2.36% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 4.32% of the current year population. Compare this to the US average of 18.01%.



HOUSING

The median housing value was \$178,934 in 2018, compared to the US average of \$201,842. In 2000, there were 3,479 owner occupied housing units and there were 446 renter occupied housing units. The median rent at the time was \$476.



EMPLOYMENT

In 2018, there are 7,660 employees, this is also known as the daytime population. The 2000 Census revealed that 63.50% of employees are employed in white-collar occupations, and 36.51% are employed in blue-collar occupations. In 2018, unemployment is 3.39%. In 2000, the average time traveled to work was 28 minutes.

COLUMBIA, NC OVERVIEW

Columbia is the capital of and largest city in the U.S. state of South Carolina, with a population of 129,272 as of the 2010 United States Census. The City, incorporated in 1786, is located thirteen miles northwest of South Carolina's geographic center. The City currently occupies a land area of 134.94 square miles. The City of Columbia is the 2nd largest city in South Carolina with a population of 136,866 as of July 1, 2017. Columbia is considered the primary city of the Midlands region of South Carolina.

The Columbia economy is the 69th largest metropolitan economy in the United States. Substantial concentrations of employers in government, manufacturing, education, finance, and health care provide high paying jobs and a relatively reliable tax revenue base. The vitality of these industries, combined with the increased interest in living in urban centers, will continue to support the City's revenue base. Columbia is also home to the main campus of the University of South Carolina as well as ten other colleges and universities.

The flagship campus of the University of South Carolina's eight campuses is in downtown Columbia and offers 324 undergraduate, graduate and doctoral degree programs through its 14 degree-granting colleges and schools. Its well-rounded offerings include the highly regarded colleges of Law; the Moore School of Business; Hospitality; Sport Management; Education; Medicine; Mass Communication and Information; Music; Nursing; and Pharmacy among others.

The Columbia community offers visitors and residents 16 major parks featuring everything from arboretums to zoos with a lot in between. The jewel of inland water recreational areas is the man-made Lake Murray, a former hydro-electric generating facility. Only a few minutes outside Columbia, Lake Murray offers 650 miles of shoreline and covers an area of 78 square miles. Parks, dozens of docks and other offerings attract tens of thousands of people every year to enjoy the water. Another gem is Riverbanks Zoo located along the Saluda River. It was named one of America's best zoos and a sanctuary for its more than 2,000 animals housed in natural habitat exhibits. Its 70-acre Botanical Garden is just across the river, and devoted to gardens, woodlands, plant collections, and features some historic ruins on-site. The zoo and gardens host a variety of entertainment and educational programs for children and adults every week throughout the year. Finlay Park, in the re-energized Congaree Vista district, was an important step in the downtown revitalization efforts. It is the city's most popular park and hosts many free concerts and events. The city and its surroundings are served by Columbia Metropolitan Airport.



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Marcus & Millichap



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