

# WENDY'S

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



505 Utica Avenue, East Flatbush, NY 11203

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Representative Photo



Marcus & Millichap is pleased to present the exclusive listing for a Wendy's located at 515 Utica Avenue in East Flatbush, New York, less than 10 miles from the center of Manhattan. The property consists of approximately 2,456 square feet of building space and is situated on roughly 0.44 acres of land. The Wendy's is subject to a 15-year absolute triple net (NNN) lease, which will commence upon the close of escrow. The annual rent is \$250,000 and is scheduled to increase by 1.50% annually. The increases are scheduled to continue throughout the base term and into each of the eight, five-year tenant renewal options.

This Wendy's property is strategically positioned along Utica Avenue's quick-service restaurant row and is surrounded by numerous national restaurant and retail concepts. Major national tenants in the immediate area include: Walgreens, Rite Aid, Family Dollar, McDonald's, KFC, Popeyes, Dunkin' Donuts, White Castle, Wingstop, Baskin Robbins, Bank of America, Chase, Citibank, and many more. The subject property additionally benefits from its immediate access to healthcare, being located within one mile of Kingsbrook Jewish Medical Center, Kings County Hospital and SUNY Downtown Medical Center. Together, these medical facilities boast a total combined bed count of more than 1,770. Utica Avenue Subway Station, which provides access to the 2, 3, 4 and 5 trains, is just a short walk from this Wendy's. This Wendy's is also adjacent to a stop for the B46 public bus line, which runs primarily along Utica Avenue north from the Kings Plaza shopping center through eastern Brooklyn, with continued service west along Broadway to the Williamsburg Bridge Plaza Bus Terminal.

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) Lease; Passive Investment Offering Long-Term, Secure 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

- ✓ Extremely Robust Demographics | More Than 1,300,000 Individuals Residing within a Three-Mile Radius
- ✓ Affluent Residential Community | Average Household Income Exceeds \$81,000 within Five Miles of the Subject Property
- ✓ Dense Retail Corridor | Walgreens, Rite Aid, Family Dollar, McDonald's, KFC, Popeyes, Dunkin' Donuts, White Castle, Wingstop, Baskin Robbins, Bank of America, Chase, Citibank, and Many More
- ✓ Strong Traffic Counts | Utica Avenue Boasts an Average Traffic Count of Approximately 23,000 Vehicles Per Day
- ✓ Immediate Access to Healthcare | Kingsbrook Jewish Medical Center, Kings County Hospital and SUNY Downstate Medical Center All within One Mile of the Subject Property | Combined Total of More than 1,770 Beds
- ✓ Walking Distance to Utica Avenue Subway Station | Provides Access to 2, 3, 4 and 5 Trains
- ✓ Irreplaceable New York Real Estate | Less Than 10 Miles from the Center of Manhattan

## 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 Briad Group® is One of the Premier Hospitality Companies in the United States
- ✓ Briad 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 16 Zinburger Wine and Burger Bars





# Financial Analysis

PRICE: \$5,000,000 | CAP: 5.00% | RENT: \$250,000

PROPERTY DESCRIPTION	
Property	Wendy's
Property Address	505 Utica Avenue
City, State, ZIP	East Flatbush, NY 11203
Building Size (Square Feet)	2,456 SF
Lot Size	+/- 0.44 Acres
Type of Ownership	Fee Simple
Year Built	1982

THE OFFERING	
Purchase Price	\$5,000,000
CAP Rate	5.00%
Annual Rent	\$250,000

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	\$250,000	\$20,833	-
Year 2	\$253,750	\$21,146	1.50%
Year 3	\$257,556	\$21,463	1.50%
Year 4	\$261,420	\$21,785	1.50%
Year 5	\$265,341	\$22,112	1.50%
Year 6	\$269,321	\$22,443	1.50%
Year 7	\$273,361	\$22,780	1.50%
Year 8	\$277,461	\$23,122	1.50%
Year 9	\$281,623	\$23,469	1.50%
Year 10	\$285,847	\$23,821	1.50%
Year 11	\$290,135	\$24,178	1.50%
Year 12	\$294,487	\$24,541	1.50%
Year 13	\$298,905	\$24,909	1.50%
Year 14	\$303,388	\$25,282	1.50%
Year 15	\$307,939	\$25,662	1.50%
Option 1			
Year 16	\$312,558	\$26,047	1.50%
Year 17	\$317,246	\$26,437	1.50%
Year 18	\$322,005	\$26,834	1.50%
Year 19	\$326,835	\$27,236	1.50%
Year 20	\$331,738	\$27,645	1.50%
Option 2			
Year 21	\$336,714	\$28,059	1.50%
Year 22	\$341,764	\$28,480	1.50%
Year 23	\$346,891	\$28,908	1.50%
Year 24	\$352,094	\$29,341	1.50%
Year 25	\$357,376	\$29,781	1.50%



# Tenant Overview

Wendy's

## 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.

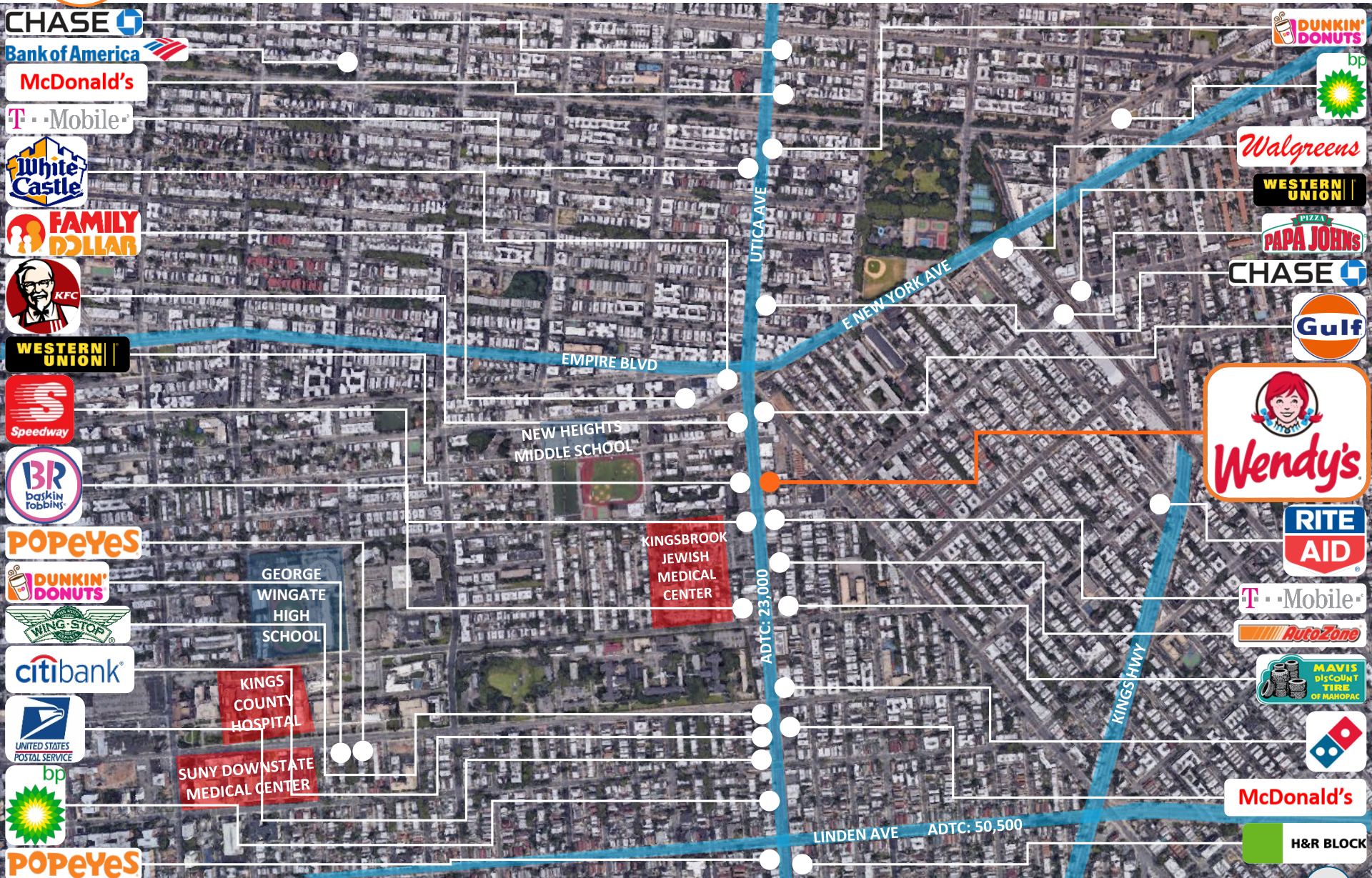




# Surrounding Area

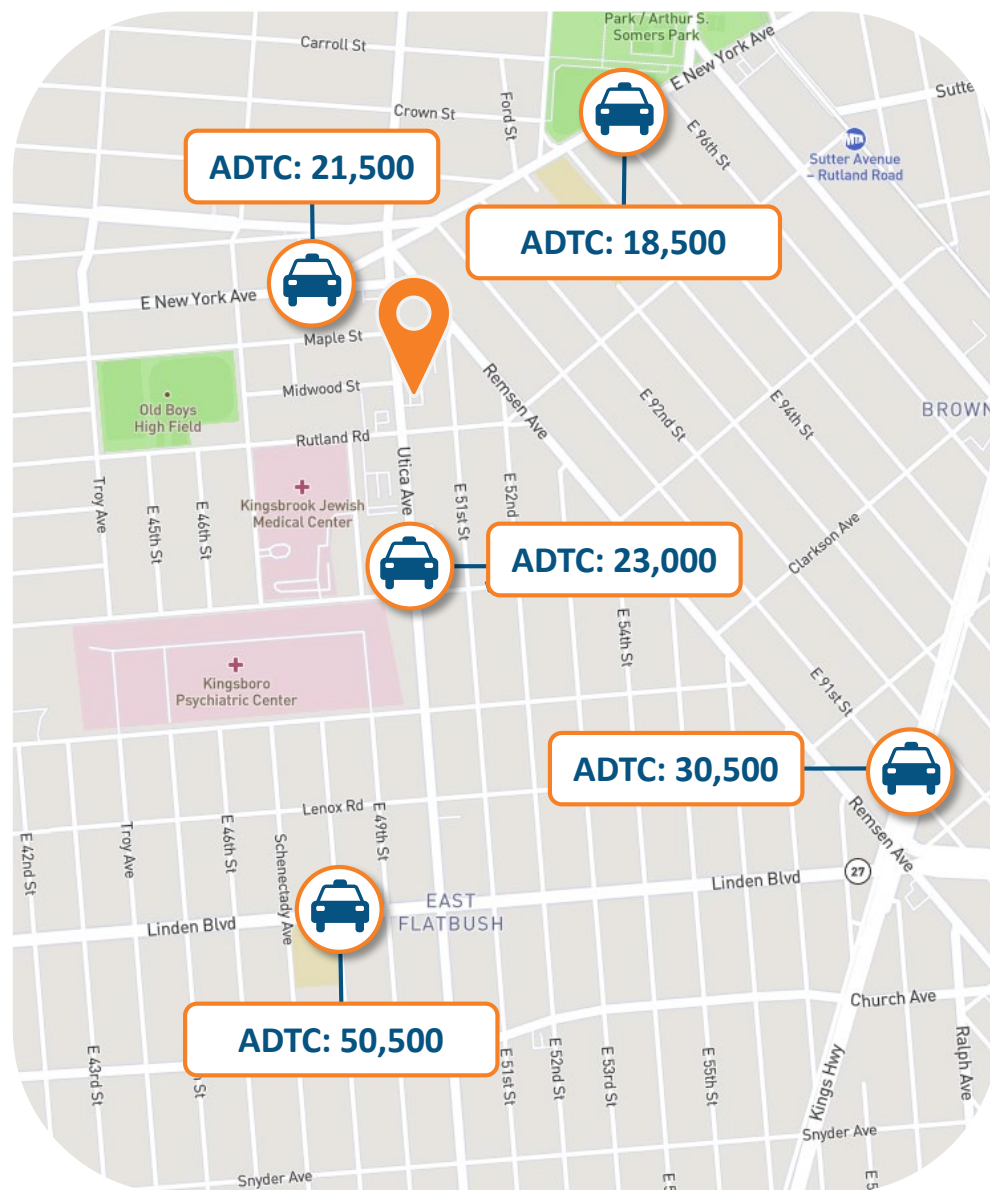
Property Address: 505 Utica Avenue, East Flatbush, NY 11203

# Wendy's





East Flatbush is a residential neighborhood in the New York City borough of Brooklyn. Home to nearly 2.6 million residents, Brooklyn is the most populous borough in New York City and host to a thriving arts and cultural scene, as well as a growing innovation economy. Downtown Brooklyn is New York City's largest business district outside of Manhattan, experiencing steady job growth since the recession ended in 2009. For example, the Brooklyn Tech Triangle is now home to more than 1,350 innovation companies and has become one of the fastest-growing employment sectors in the borough, increasing by 57 percent since 2009. The borough is also home to world-class cultural and academic institutions, which are integral to the local economy and residents' quality of life. With its many restaurants, active nightlife and diverse neighborhoods, Brooklyn is a highly attractive destination for young professionals. An estimated 15 million visitors come to Brooklyn each year, stimulating the local economy by spending at local bars, hotels, restaurants, shops and other attractions. Brooklyn additionally has an extensive transportation network, making it highly accessible to Manhattan and other New York City boroughs.

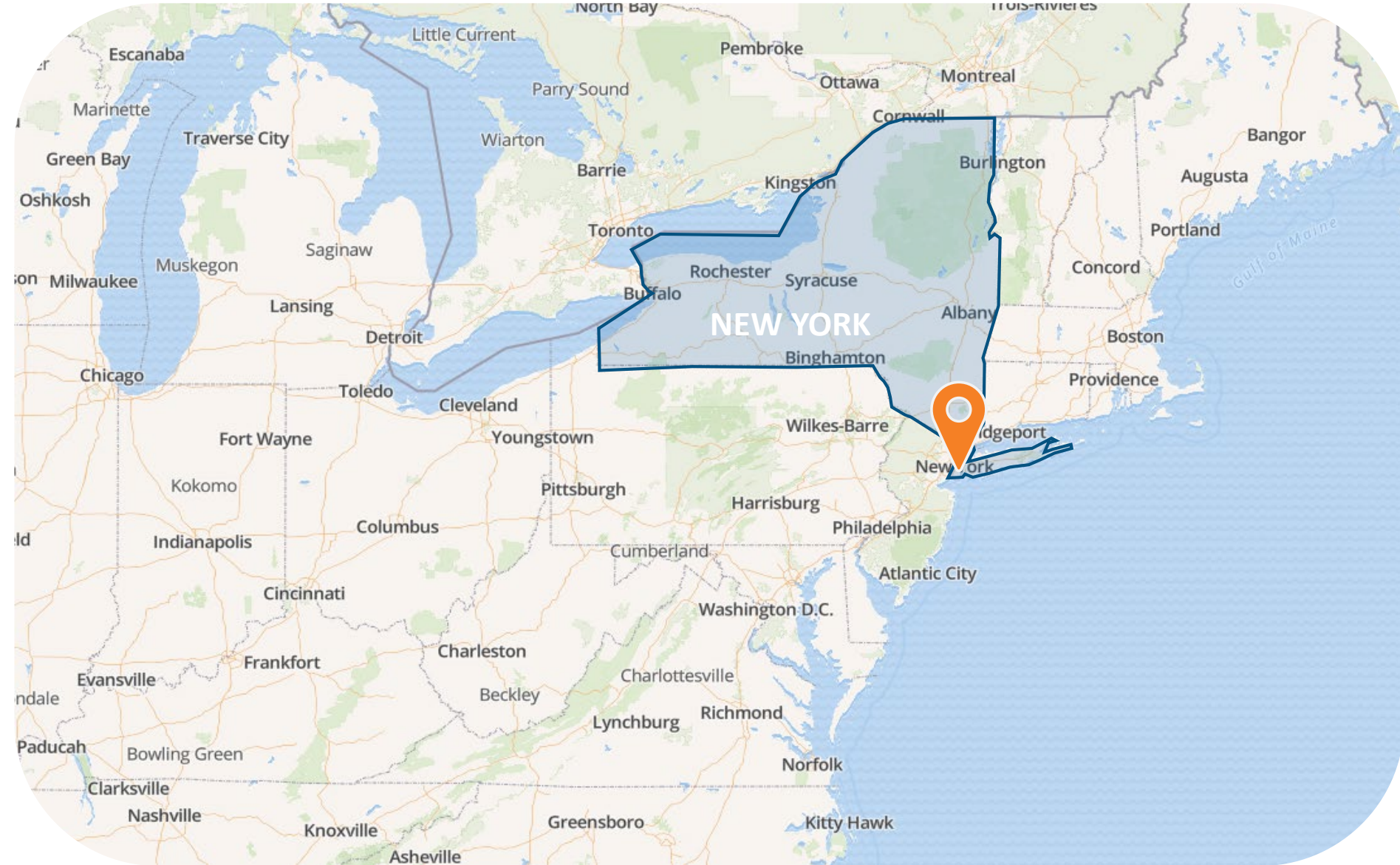




# Regional Map

Property Address: 505 Utica Avenue, East Flatbush, NY 11203

**Wendy's**

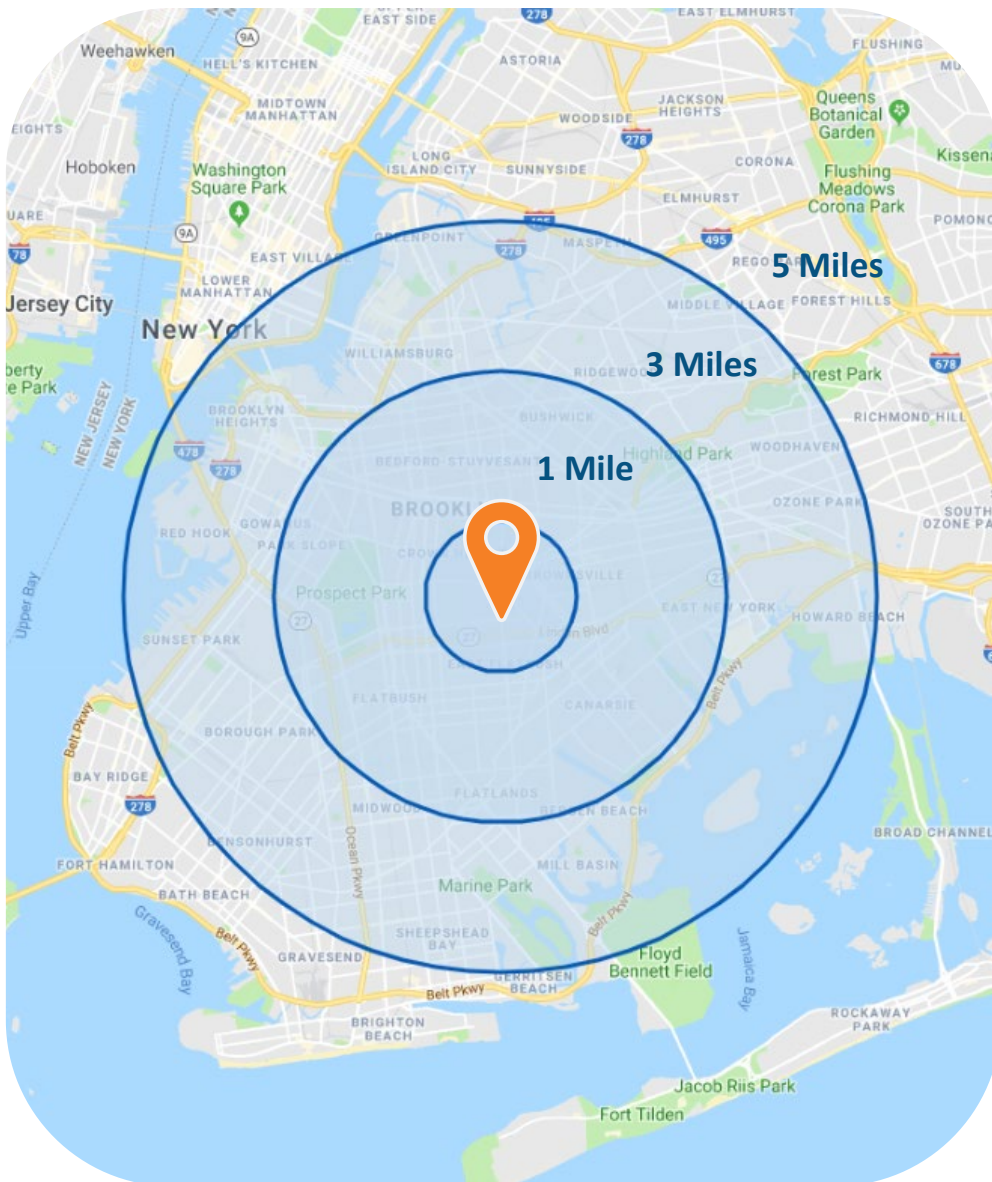




# Demographics

Property Address: 505 Utica Avenue, East Flatbush, NY 11203

# Wendy's



**1 Mile    3 Miles    5 Miles**

## POPULATION

2023 Projection	176,290	1,326,237	2,658,019
2018 Estimate	176,411	1,315,528	2,637,730
2010 Census	169,549	1,242,633	2,500,141
2000 Census	173,029	1,236,051	2,461,631

## INCOME

Average	\$58,374	\$76,188	\$81,563
Median	\$42,181	\$51,962	\$54,485
Per Capita	\$21,313	\$28,259	\$29,812

## HOUSEHOLDS

2023 Projection	65,028	498,121	986,021
2018 Estimate	63,652	484,842	958,762
2010 Census	60,640	454,025	900,037
2000 Census	58,411	431,848	865,503

## HOUSING

2018	\$435,053	\$477,447	\$498,426
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## EMPLOYMENT

2018 Daytime Population	119,561	891,104	2,095,734
2018 Unemployment	7.18%	6.01%	5.38%
2018 Median Time Traveled	49 Mins	48 Mins	46 Mins

## RACE & ETHNICITY

White	13.46%	24.84%	40.98%
Native American	0.04%	0.04%	0.05%
African American	79.70%	57.54%	32.67%
Asian/Pacific Islander	0.95%	4.72%	12.09%



# Market Overview

City: East Flatbush | Borough: Brooklyn | State: New York

*New York, New York*

**East Flatbush** is a residential neighborhood in the New York City borough of Brooklyn, less than 10 miles from the center of Manhattan. Manhattan had an estimated 2017 population of 8,622,698 distributed over a land area of about 302.6 square miles. New York City is also the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the State of New York. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2017. Several sources have ranked New York as the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University, and Rockefeller University, which have been ranked among the top universities in the world.

## Major Employers

Employer	Estimated # of Employees
City of New York Board of Education	13,255
City of New York	10,646
US Post Office	7,946
NYC Police Department	7,777
Brookdale University Hospital & Medical Center	6,700
SUNY Downstate Medical Center	5,556
School of The Future Brooklyn	5,006
Maimonides Medical Center	4,651
East NY Diagnostic & Treatment Center	3,714
NYC Department of Education	3,531
Brookdale Hospital Center Housing Company	3,508

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