

SINGLE TENANT NNN WENDY'S LOCATED ON THE MAIN LINE IN SUBURBAN PHILADELPHIA

ACTUAL LOCATION



220 W Lancaster Ave | Paoli, PA
Offering Memorandum



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Summary

Investment Summary

Wendy's | Paoli, PA



The Offering

JLL is pleased to exclusively offer the opportunity to acquire the fee simple interest in a single tenant, NNN, Wendy's (the "Property"), investment property positioned on the "Main Line" in Paoli, PA – one of the most prominent suburbs of Philadelphia, PA. The tenant, Yellow Cab Holdings Pennsylvania LLC, has 13 years remaining on their lease with rare, 2% annual rental increases. The increases are inclusive of their two (2), ten (10) year options, and there is no landlord responsibility connected to the offering. The Property is located on an attractive corner parcel on W Lancaster Avenue (US - Route 30), the main retail corridor of the entire Suburban Philadelphia region, and one of the most sought after for both consumers and retailers alike.

Wendy's, which is publicly traded (Nasdaq: WEN) and has a 'B Stable' credit rating (S&P), is best known for its made-to-order square hamburgers, using fresh never frozen beef, freshly-prepared salads, and other signature items like chili, baked potatoes and the Frosty dessert. Today, Wendy's and its franchisees employ hundreds of thousands of people across more than 6,700 restaurants worldwide. According to the Q1 2019 report, global, systemwide sales were north of \$2.59 billion, a 2.3% increase from the prior year.

The Paoli and Main Line communities are home to the most affluent populations in Greater Philadelphia. Chester County, which includes Paoli, is consistently ranked as one of the top counties for the highest median income in the state of Pennsylvania. The large amount of discretionary income enables retailers to generate strong sales, and in turn, pay higher rents. The average household income within a 3-mile radius of the subject Property is nearly \$177,000 and is calculated from a population of approximately 80,000 people.



PROPERTY SUMMARY

Address	220 W Lancaster Ave, Paoli, PA 19301
Price	\$2,508,800
Cap Rate	6.25%
NOI	\$156,804
Lease Type	Fee Simple: NNN
Building Size	2,539 SF
Parcel Size	0.74 Acres
Year Built	1982
Tenant	Yellow Cab Holdings Pennsylvania LLC
Remaining Term	13 Years (Expiration 12/31/2032)
Renewal Options	Two (2), Ten (10) Year Options
Rental Increases	2.00% Annual Increases

The Tenant has 13 years remaining on their NNN lease with rare, 2% annual rental increases, inclusive of their two (2), ten (10) year options; The lease is guaranteed by YC Fresh Beef Philly LLC and Yellow Cab Holdings New Jersey, LLC

Wendy's is the world's third largest quick-serve restaurant company in the hamburger sandwich segment with more than 6,700 locations in operation as of March 31, 2019; the company also has earned a 'B Stable' credit rating (S&P)

The Property is situated on the corner of a three-way, fully signalized intersection on W Lancaster Avenue and will be exposed to more than 22,000 VPD; The Paoli train station which runs to Center City Philadelphia, is also just 0.6 miles away



Lancaster Avenue, also known as the "Main Line," is one of the most sought after retail corridors in the northeast; Wendy's is less than a mile away from both the Paoli Village Shoppes and the Paoli Shopping Center; Surrounding tenants include: ACME, Wawa, Starbucks, PNC Bank, WSFS Bank, BB&T Bank, and Walgreens

Ideally positioned 30 minutes from Center City Philadelphia, with access to the major roadways of I-276, I-76, and Route 30, Chester County has become the fastest growing county in the Philadelphia MSA due to its central location, employment, and quality of life



Wendy's



TRY OUR
NEW
MADE
TO
CRAVE
CHICKEN

NEW
BASSICQUE
NEW
BACON

**NOW
HIRING**

**NOW
DELIVERING**
with
WENDY'S

Tenant

Wendy's | Paoli, PA

Tenant / Operator Overview

YELLOW CAB HOLDINGS

Yellow Cab Holdings is a newly formed franchisee of Wendy's Restaurants. The company operates fourteen Wendy's restaurants throughout southeastern Pennsylvania and southern New Jersey. All their locations are strategically located in suburban towns to benefit from dense populations. Additionally, the principals, who have extensive experience in commercial real estate finance, have partnered with veteran Wendy's Operating Partners to ensure that day-to-day operations are running efficiently.

Wendy's Corporate Overview

THE WENDY'S COMPANY

Wendy's was founded in 1969 by Dave Thomas in Columbus, OH. Thomas orchestrated the company on the premise, "Quality is our Recipe," which remains as the staple of the Wendy's system. Now, headquartered in Dublin, OH, The Wendy's Company, through its subsidiaries, operates as a quick-service restaurant company in the hamburger sandwich segment worldwide. It is involved in operating, developing, and franchising a system of quick-service restaurants. The company is best known for its made-to-order square hamburgers, using fresh, never frozen beef. But, its restaurants offer a range of other items such as chicken breast sandwiches, chicken nuggets, chili, French fries, baked potatoes, salads, soft drinks, Frosty desserts, and kids' meals. Today, Wendy's and its franchisees employ hundreds of thousands of people across more than 6,700 restaurants worldwide. The Company was formerly known as Wendy's/Arby's Group, Inc., but changed its name to The Wendy's Company in July 2011.

THE WENDY'S RESTAURANT SYSTEM

Wendy's is the world's third largest quick-service restaurant company in the hamburger sandwich segment. Wendy's is primarily engaged in the business of operating, developing and franchising a system of distinctive quick-service restaurants serving high quality food. As of March 31, 2019, there were 6,710 Wendy's restaurants in operation. Of these restaurants, 358 were operated by the Company. All of Wendy's company-operated restaurants are located in the United States.



Corporate Overview

Tenant Trade Name	Wendy's
US Headquarters	Dublin, OH
# of Locations	6,700+
Stock Ticker	WEN (NASDAQ)
Credit Rating	B (S&P)
Company Website	wendys.com

REPRESENTATIVE PHOTO





Financial Analysis

Wendy's | Paoli, PA

Lease Abstract



\$2,508,800

Asking Price

6.25%

Cap Rate

LEASE DETAIL

Address	220 W Lancaster Ave, Paoli, PA 19301
Tenant	Yellow Cab Holdings Pennsylvania LLC
Guarantor	YC Fresh Beef Philly LLC & Yellow Cab Holdings New Jersey, LLC
Parcel Size	0.74 Acres
Building Size	2,539 SF
Year Built	1982
Annual Rent	\$156,804
Lease Type	Fee Simple: NNN
Roof & Structure	Tenant Responsibility
Rent Commencement	12/19/2012
Lease Expiration	12/31/2032
Lease Term Remaining	13 Years
Remaining Options	Two (2), Ten (10) Year Options

RENT SCHEDULE

Period	Start Date	End Date	Annual Rent	% Increase
Current Term (Year 8)	1/1/2020	12/31/2020	\$156,804	2.00%
Current Term (Year 9)	1/1/2021	12/31/2021	\$159,932	2.00%
Current Term (Year 10)	1/1/2022	12/31/2022	\$163,130	2.00%
Current Term (Year 11)	1/1/2023	12/31/2023	\$166,393	2.00%
Current Term (Year 12)	1/1/2024	12/31/2024	\$169,721	2.00%
Current Term (Year 13)	1/1/2025	12/31/2025	\$173,115	2.00%
Current Term (Year 14)	1/1/2026	12/31/2026	\$176,577	2.00%
Current Term (Year 15)	1/1/2027	12/31/2027	\$180,109	2.00%
Current Term (Year 16)	1/1/2028	12/31/2028	\$183,711	2.00%
Current Term (Year 17)	1/1/2029	12/31/2029	\$187,385	2.00%
Current Term (Year 18)	1/1/2030	12/31/2030	\$191,133	2.00%
Current Term (Year 19)	1/1/2031	12/31/2031	\$194,956	2.00%
Current Term (Year 20)	1/1/2032	12/31/2032	\$198,855	2.00%
Option Term 1 (Years 21-30)	1/1/2033	12/31/2042	\$202,832	2.00% Annual
Option Term 2 (Years 31-40)	1/1/2043	12/31/2052	\$247,251	2.00% Annual

TENANT RESPONSIBILITY DETAIL

Maintenance & Repairs	Tenant, at its sole cost and expense, shall maintain, repair or replace, in good condition and in compliance with law, all: structural parts of the building and other improvements, including the roof, utility systems serving the Leased Premises, HVAC, the exterior grounds, landscaping, paved areas, and the interior and all other portions of the Leased Premises.
Insurance	Tenant shall maintain at its sole cost and expense all of the insurance required under the Lease, subject to their specific terms.
Taxes	Tenant shall pay all taxes directly to the collecting authority before interest or penalties are due thereon.
Utilities	Tenant shall pay, directly to the collecting authority, all charges for water, sewer, utility and communication services relating to any of the Leased Premises.

LANDLORD RESPONSIBILITY DETAIL

None	
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Location

Wendy's | Paoli, PA





Market

Paoli, PA Overview

Paoli, PA, a suburb of Philadelphia, PA is located on the “Main Line” in Chester County. Paoli straddles two respected townships, Tredyffrin and Willistown, and is served by two strong, school districts: Tredyffrin Easttown School District and Great Valley School District. The town benefits from the affluent, Chester County, as well as the proximity to the City of Brotherly Love, which is roughly 30 minutes by car or train.

Chester County, Pennsylvania’s land area spans 759 square miles and contains 73 municipalities consisting of 57 townships, 15 boroughs, one city, and more. Chester County has become the fastest growing county in the Philadelphia MSA due to its prime, central location, employment, and quality of life. Ideally positioned 30 minutes west of Center City Philadelphia with access to the major roadways of I-276, I-76 and Route 30, the County is an ideal location for both suburban and downtown working populations. From 2012 to 2017, the population grew by 2.5%, good for nearly 520,000 people. Further, the median family income increased by 17.5% to \$128,002 over the five-year span. Now with major financial, pharmaceutical, and technology companies aiding employment, Chester County is poised to further its growth into becoming the premier county for affluent suburban living.

Chester County has a thriving economy with an impressive list of major employers. The Property is just 3 minutes down the street from Paoli Hospital (the 7th ranked hospital in the entire Philadelphia region), as well as Children’s Hospital of Philadelphia (CHOP) Primary Care, Paoli (CHOP was ranked #2 on U.S. News & World Report’s 2019-20 Honor Roll of Beset Children’s Hospital). The top employer in the County is the Vanguard Group, located in Malvern, PA, which is responsible for over \$3 trillion dollars of assets under management. Other major employers include Wawa, Inc. and Walmart Associates, Inc. The County also serves several major colleges including Villanova University, West Chester University and Cabrini College.



<i>Demographic Information</i>				
	1-mile radius	3-mile radius	5-mile radius	
POPULATION				
2019 Estimate	6,942	32,805	79,364	
ESTIMATED HH INCOME				
2019 Average HH Income	\$131,436	\$174,292	\$176,682	
2019 Median HH Income	\$82,706	\$117,533	\$123,542	
HOUSEHOLDS				
2019 Estimate	2,971	12,983	31,226	

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