



ACTUAL LOCATION



**Extremely Rare Single Tenant Fee Simple NNN Wawa  
Depreciable Asset | Long Term Lease**

**11021 Iron Bridge Road  
Chester, VA (Richmond MSA)**



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# INVESTMENT Summary

Wawa | Chester, VA





# The Offering



JLL is pleased to exclusively offer the opportunity to acquire the fee simple interest in a single tenant property, net leased to Wawa, Inc. (the “Property”) in Chester, VA – a suburb of Richmond. The Tenant has been operating at this location since 2002 and recently executed a long-term lease extension, extending the lease to 20 years. The rare, Fee Simple NNN Lease structure enables the Landlord of this property to claim depreciation and cost recovery deductions with respect to the Leased Premises. Further, the lease features 7% rental increases that will commence in Year 11 and continue every 5 years thereafter, inclusive of the five (5), five (5) year renewal options. Lastly, the building was recently renovated, displaying Wawa’s commitment to the location.

Wawa is operating on a 1.87-acre parcel conveniently situated at the fully signalized corner of Route 10 (Iron Bridge Road) and Currins Road. Route 10 is a main artery in the area that features more than 25,000 VPD and is home to multiple shopping centers. River Forest Shopping center is 1.7 miles to the southeast and is anchored by Walmart, creating a significant customer draw. One mile to the north is Chesterfield Meadows Shopping Center, which features a host of nationally recognized tenants such as Wells Fargo, Wendy’s and Taco Bell. Further, Kroger is directly across the street from the Premises.

There is rapid growth occurring in Chester, VA. The population, within a 3-mile radius of the Property, has grown more than 25% since 2000. This trend is in part due to the rapid economic development that is occurring in the greater Chesterfield County. There are currently dozens of apartment, hotel and mixed-use developments that are underway (See article: [Chesterfield County Commercial Real Estate Development](#)). Additionally, the county has become a hub for the region’s manufacturing and distribution industry because of its centralized location. It is within a one-day haul of approximately 65% of the nation’s manufacturing operations and more than 40% of the nation’s population.

Wawa, Inc., is a privately held company with a chain of more than 850 convenience retail stores (over 600 offering gasoline). The company employs more than 35,000 people and operates their stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida, and the District of Columbia. Each store offers a large fresh food service selection, such as build-to-order hoagies, freshly brewed coffee, hot breakfast sandwiches, built-to-order specialty beverages, and an assortment of soups, sides and snacks.

## PROPERTY SUMMARY

|                  |   |
|------------------|---|
| Address          | 11021 Iron Bridge Road, Chester, VA 23831 |
| Price            | \$6,165,000                               |
| Cap Rate         | 4.75%                                     |
| NOI              | \$292,800                                 |
| Lease Type       | Fee Simple: NNN                           |
| Building Size    | 5,048 SF                                  |
| Parcel Size      | 1.87 Acres                                |
| Year Built       | 2000                                      |
| Tenant           | Wawa, Inc.                                |
| Remaining Term   | 19+ Years (Expiration 6/30/2039)          |
| Renewal Options  | Five (5), Five (5) Year Options           |
| Rental Increases | 7.00% Every 5 Years, Starting in Year 11  |



# Investment Highlights



The Property is situated at the fully signalized corner of Route 10 (25,000 VPD) and Currins Road; Wawa has been operating at this location since 2002 and recently signed a lease extension to 20 years with 7% rental increases every 5 years beginning in Year 11.



The rare, Fee Simple NNN lease structure enables the future owner of this Property to exercise depreciation methods or cost recovery deductions with respect to the Leased Premises; This is very uncommon for Wawa opportunities.



The Property is surrounded by two popular shopping destinations in River Forest Shopping Center and Chesterfield Meadows Shopping Center, which feature national tenants such as Walmart, Wells Fargo, SunTrust Bank, Wendy's, Taco Bell and Applebee's.



Chester, VA, a suburb of Richmond, is experiencing tremendous growth - the population, within a 3-mile radius of the Property, has grown more than 25% since 2000 and there are dozens of commercial real estate developments underway in the greater Chesterfield County.

## #2

Wawa was recently ranked as the #2 convenience store in the United States (Food & Wine; see article: [Wawa #2 Convenience Store](#))





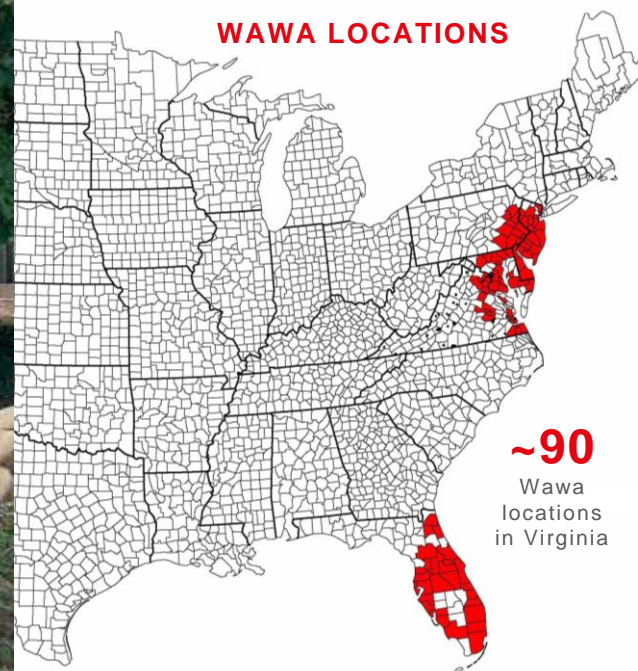
# Wawa's Presence in Virginia



Wawa has had a presence in the state of Virginia dating back to 1998. Today, the private company operates roughly 90 stores and employs nearly 3,000 people in Virginia. In 2018, Wawa announced the celebration of its 20-year anniversary. To honor their foothold and appreciation in the Commonwealth, the Wawa Foundation presented the Virginia Hero Awards, which aided the state's nonprofit organizations in each of the markets that Wawa served. Wawa CEO, Chris Gheysens, commented on the positive relationship saying, "We look forward to expanding further into Virginia over the next few years and can't wait to see where we are another 20 years from now."

In September of 2019, Wawa announced plans to open 40 stores in Northern Virginia over the next 15 years (See article: [Wawa Virginia Expansion](#)). The \$240 million dollar project would boost the private company's presence and market share in the state and ultimately lead to more than 2,000 new jobs. The development plan is calling for 2 to 3 store openings each year. The senior director of Wawa's real estate department, John Poplawski, mentioned that the store openings are not tied to Amazon's new headquarters Arlington, VA, indicating the company's belief in Northern Virginia – one of the nation's most affluent areas. Further, the chief real estate and fuel officer for Wawa, Brian Schaller, added, "We do think there's enough brand-building opportunity and enough folks here that we're going to accomplish that." Coined "HQ2," Amazon plans to expand their 2<sup>nd</sup> headquarters in Virginia to 25,000 employees over the next decade. Still, that figure is just half of the 50,000 employees that Amazon originally promised to plant at its new headquarters, leaving tremendous potential for growth and perhaps, an entirely new consumer base for Wawa.

Wawa has been the leader of the convenience store market share for quite some time in the Delaware Valley (Philadelphia, PA MSA). In 2012, the company began its rapid expansion when it opened its first store in Florida. Due to the high performance of each store, Wawa has continued to build in the sunshine state and is showing no plans of slowing down. According to experts, they expect Florida's store count to surpass both New Jersey (250) and Pennsylvania (238) by 2022. Chain wide, Wawa opens nearly 60 new stores each year in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida and Washington, D.C., the company said.







# TENANT Summary

Wawa | Chester, VA



Wawa | Chester, VA



# Wawa Corporate Overview



**Wawa, Inc.**, whose namesake is a Native American word for the Canada Goose in flight, is a privately held company with a chain of more than 850 convenience retail stores (over 600 offering gasoline). The company employs more than 35,000 people and operates their stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida, and the District of Columbia.

Today, Wawa Food Markets carry more than 6,000 items including Wawa brands and popular national and local products. In addition, the stores offer a large fresh food service selection, such as build-to-order hoagies, freshly brewed coffee, hot breakfast sandwiches, built-to-order specialty beverages, and an assortment of soups, sides and snacks. Unlike many convenience store chains, Wawa operates its own dairy, supplying Wawa stores and about 1,000 hospitals, schools, and other institutions. Surcharge-free ATMs are also provided. In recent years, many Wawa Markets have been expanded to “Super Wawa’s,” with 12-20 gasoline pumps. All new Wawa’s are constructed in the “Super Wawa” format (though not all feature gas stations). The company produces annual revenue in excess of \$12 billion (2018), as reported by Forbes Magazine, and was ranked #25 on Forbes’ list of America’s Largest Private Companies in 2019.

## COMPANY OVERVIEW

|                        |  |
|------------------------|--|
| <b>Ownership</b>       | Private                                |
| <b># of Locations</b>  | 850+                                   |
| <b># of Employees</b>  | 35,000+                                |
| <b>US Headquarters</b> | Wawa, PA                               |
| <b>Website</b>         | <a href="http://wawa.com">wawa.com</a> |





# FINANCIAL Analysis

Wawa | Chester, VA



Wawa | Chester, VA



# Lease Abstract



**\$6,165,000**  
Asking Price

**4.75%**  
Cap Rate

## LEASE DETAIL

|                        |   |
|------------------------|---|
| Address                | 11021 Iron Bridge Road, Chester, VA 23831 |
| Tenant                 | Wawa, Inc.                                |
| Building Size          | 5,048 SF                                  |
| Parcel Size            | 1.87 Acres                                |
| Year Built             | 2000                                      |
| Annual Rent            | \$292,800                                 |
| Lease Type             | Fee Simple: NNN                           |
| Roof & Structure       | Tenant Responsibility                     |
| Rent Commencement      | 6/25/2002                                 |
| Lease Expiration       | 6/30/2039                                 |
| Remaining Lease Term   | 19+ Years                                 |
| Remaining Options      | Five (5), Five (5) Year Options           |
| Right of First Refusal | 25 Days                                   |

## RENT SCHEDULE

| Description                 | Dates                 | Annual Rent | % Increase |
|-----------------------------|-----------------------|-------------|------------|
| Current Term (Years 1-10)   | 5/29/2019 - 6/30/2029 | \$292,800   | -          |
| Current Term (Years 11-15)  | 7/1/2029 - 6/30/2034  | \$313,296   | 7.00%      |
| Current Term (Years 16-20)  | 7/1/2034 - 6/30/2039  | \$335,227   | 7.00%      |
| Option Term 1 (Years 21-25) | 7/1/2039 - 6/30/2044  | \$358,693   | 7.00%      |
| Option Term 2 (Years 26-30) | 7/1/2044 - 6/30/2049  | \$383,801   | 7.00%      |
| Option Term 3 (Years 31-35) | 7/1/2049 - 6/30/2054  | \$410,667   | 7.00%      |
| Option Term 4 (Years 36-40) | 7/1/2054 - 6/30/2059  | \$439,414   | 7.00%      |
| Option Term 5 (Years 41-45) | 7/1/2059 - 6/30/2064  | \$470,173   | 7.00%      |

## TENANT RESPONSIBILITY DETAIL

|                       |   |
|-----------------------|---|
| Maintenance & Repairs | Tenant shall at all times, including any Requisition period, put, keep and maintain the Leased Premises and the Equipment in the same condition and order of repair as exists as of the date of this Lease. |
| Insurance             | Tenant shall maintain, at its sole cost, all insurance requirements per the Lease, outlined in section 14.  |
| Taxes                 | Tenant shall pay all taxes of every kind and nature on or with respect to the Leased Premises, or the use, lease, ownership or operation thereof.   |
| Utilities             | Tenant shall pay all water and sewer rents and other utility charges on or with respect to the Lease Premises.  |

## DEPRECIATION OPPORTUNITY

|                       |  |
|-----------------------|--|
| Special Tax Indemnity | Tenant hereby represents, warrants and covenants to Landlord as follows: neither Tenant nor any Affiliate will claim any depreciation or cost recovery deductions with respect to the Leased Premises or any portion thereof, or will take any other action in connection with filing its or their federal income tax returns that would be a primary factor resulting in a Loss or Inclusion. |
|-----------------------|--|

## LANDLORD RESPONSIBILITY DETAIL

|      |
|------|
| None |
|------|





# LOCATION Overview

Wawa | Chester, VA



Wawa | Chester, VA



# Chester, Virginia

Chester, VA is a growing suburb 15 miles south of Richmond. It is located in Chesterfield County and boasts a population over 21,000 people within its 13.3 square miles, which has grown 10.2% since 2000. This historic suburb, nestled along the James and Appomattox Rivers, is home to the 176-acre R. Garland Dodd Park at Point of Rocks – a popular destination for residents that features several athletic facilities and a diverse natural area. The median home value in the city is 10% higher than the US average at \$203,500 with a median household income above \$65,000, 18% higher than the US average.

## Chesterfield County Overview

Located southwest of downtown Richmond, Chesterfield County is part of the Richmond metro area and is bounded by the cities of Richmond, Petersburg, Hopewell, and Colonial Heights. Covering 446 square miles of land, Chesterfield County is home to a number of pleasant suburban communities that are within a two-hour drive from Virginia Beach, the Blue Ridge Mountains, and Washington, D.C. The county is also within a one-day haul of approximately 65% of the nation's manufacturing operations and more than 40% of the nation's population.

As a result of the county's central location and excellent transportation infrastructure, the county has become a hub for the region's manufacturing and distribution industry. Major manufacturers headquartered in Chesterfield County include E.I. du Pont de Nemours & Company, Honeywell, Inc. and Alstom Power, Inc. Recent growth in the county's manufacturing base includes expansions at Mazda Motor Corporation, MGC Advanced Polymers, Hill PHOENIX, Blueprint Automation, Inc., Maruchan Virginia, Inc. and Eternal Technology Corporation.

### DEMOGRAPHIC SNAPSHOT

- 39 median age
- \$284,845 Average Home Value
- 8% Population growth since 2010
- 342,909 Population as of 2017
- \$93,929 Average Household Income
- 32% Homes Valued over \$300,000
- 38% with Bachelor's Degree

### RICHMOND MSA LOCATION OVERVIEW

**#2 Top 25 Cities where Millennials are Moving** – Time Magazine 2017

**681,900+ People Employed within the Richmond MSA** – June 2018

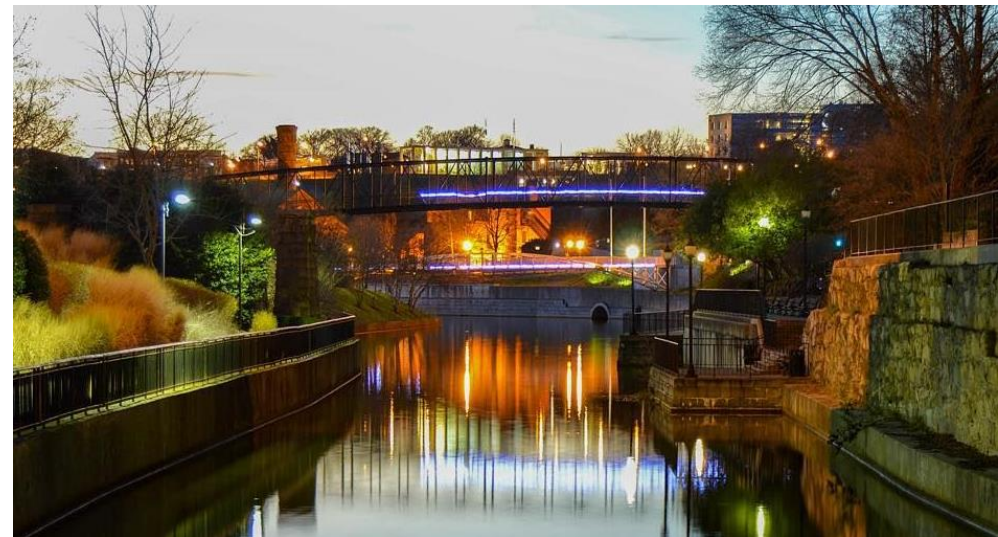
**23.7% Population Growth in Richmond MSA from 2000 to 2018**

**17 Colleges and Universities in the Greater Richmond Area**

### Demographics

|                                   | 1-mile<br>radius | 3-mile<br>Radius | 5-mile<br>radius |
|-----------------------------------|------------------|------------------|------------------|
| <b>POPULATION</b>                 |                  |                  |                  |
| 2010 Census                       | 3,784            | 34,213           | 68,166           |
| 2020 Estimate                     | 4,023            | 38,208           | 74,632           |
| 2025 Projection                   | 4,176            | 40,396           | 78,341           |
| <b>POPULATION GROWTH</b>          |                  |                  |                  |
| Percent Change: 2000 to 2010      | 1.01%            | 25.16%           | 18.73%           |
| Percent Change: 2010 to 2020      | 6.32%            | 11.68%           | 9.49%            |
| Percent Change: 2020 to 2025      | 3.80%            | 5.73%            | 4.97%            |
| <b>ESTIMATED HOUSEHOLD INCOME</b> |                  |                  |                  |
| Average Household Income          | \$105,543        | \$97,699         | \$96,403         |
| Median Household Income           | \$92,171         | \$84,282         | \$81,284         |
| <b>HOUSEHOLDS</b>                 |                  |                  |                  |
| 2010 Census                       | 11,111           | 13,248           | 22,332           |
| 2020 Estimate                     | 10,817           | 12,846           | 21,621           |
| 2025 Projection                   | 10,795           | 12,806           | 21,538           |
| <b>HOUSEHOLD GROWTH</b>           |                  |                  |                  |
| Percent Change: 2000 to 2010      | 3.74%            | 28.61%           | 20.73%           |
| Percent Change: 2010 to 2020      | 7.62%            | 12.07%           | 10.71%           |
| Percent Change: 2020 to 2025      | 4.04%            | 5.86%            | 5.36%            |

(Envionics Analytics)





# Surrounding Retail & Amenities





# Site Plan





FOR MORE INFORMATION:

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**ADDITIONAL WAWA INVENTORY COMING SOON**



**11021 Iron Bridge Road**  
Chester, VA (Richmond MSA)

| WAWA           |              |
|----------------|--------------|
|                |              |
| Location       | Richmond, VA |
| Price          | \$8,531,358  |
| CAP            | 4.75%        |
| NOI            | \$405,240    |
| Term Remaining | 19+ Years    |

| WAWA           |             |
|----------------|-------------|
|                |             |
| Location       | Chester, VA |
| Price          | \$7,225,263 |
| CAP            | 4.75%       |
| NOI            | \$343,200   |
| Term Remaining | 19+ Years   |

| WAWA           |                |
|----------------|----------------|
|                |                |
| Location       | Glen Allen, VA |
| Price          | \$8,010,947    |
| CAP            | 4.75%          |
| NOI            | \$380,520      |
| Term Remaining | 19+ Years      |

| WAWA           |                |
|----------------|----------------|
|                |                |
| Location       | Midlothian, VA |
| Price          | \$6,952,421    |
| CAP            | 4.75%          |
| NOI            | \$330,240      |
| Term Remaining | 19+ Years      |